

U.S. News Housing Market Predictions for the Next 5 Years Include a Gradual Thaw

Updated forecast for 2024-2028 predicts more transactions as mortgage rates fall

LONG BEACH, CA, UNITED STATES, January 24, 2024 /EINPresswire.com/ -- An updated 5-year housing market [forecast](#) for the United States published by U.S. News & World Report and

authored by U.S. News Senior Real Estate Economist [Patrick S. Duffy](#) finds that while some trends accelerated by the COVID-19 pandemic will continue to influence real estate and land use, other factors will also gain in importance.

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*Patrick S. Duffy, U.S. News
Senior Real Estate Economist*

“Among those (factors) are an aging population, the rising costs of climate change, a more unstable world and the expansion of artificial intelligence into new corners of the economy,” Duffy writes in the report, who also acts as Principal and Chief Economist for the land use consultancy [MetrolIntelligence](#). “As a consequence, even if the housing

market gradually unfreezes as mortgage rates slowly decline from 2023's highs, the hottest housing markets in 2028 may look a bit different from early 2024.”

The data is sourced from several authoritative sources, including the U.S. News Housing Market Index, an interactive platform providing a data-driven overview of the housing market nationwide.

Among the key findings:

- After falling to a 28-year low in 2023, existing home sales will gradually rebound as mortgage rates decline.
- With home prices holding onto their gains due to lack of supply, true price discovery will occur as lending rates fall and more homes are listed for sale.
- Sales of newly built homes will hold their elevated market share due to builders' ability to buy down mortgage rates plus pent-up housing demand.
- Rents will stabilize due to added supply and more closely track inflation rates.

Other major trends covered in the report include population changes returning to pre-pandemic

trends, foreign affairs impacting large purchases, hybrid work schedules becoming the new normal, higher costs for car ownership impacting suburbs, the costs of climate change rising in importance, and the rise of AI forcing people to adapt faster than they're predicting.

While the forecast does not include a recession, economic growth is expected to decline sharply from the last half of 2023. At the same time, it looks like inflation may not return to the Federal Reserve's preferred annual rate of 2.0% until 2026, which could mean mortgage rates above 5.0% for the next two years.

The entire report can be viewed at <https://realestate.usnews.com/real-estate/housing-market-index/articles/housing-market-predictions-for-the-next-5-years>.

About MetroIntelligence:

MetroIntelligence is an economics consulting firm focused on land use, and also provides public relations and corporate communications services to clients working in homebuilding, real estate development, finance and sales. Company founder and real estate economist Patrick S. Duffy began contributing to U.S. News & World Report in 2022, initially focusing on economics and other trends related to the housing market as well as analyzing their Housing Market Index. In late 2023, Duffy was promoted to U.S. News Senior Real Estate Economist to expand his portfolio to include multifamily housing as well as other commercial real estate sectors. For more information on MetroIntelligence, visit <https://www.linkedin.com/in/metroitelligence/>

About the U.S. News Housing Market Index:

The U.S. News Housing Market Index is an interactive tool that synthesizes housing market perspectives and predictions for the top 50+ U.S. markets. In addition, the U.S. News Housing Media Analysis tool interprets the sentiment from over 500 U.S. housing news articles per month. For more information on the U.S. News Housing Market Interface, visit <https://realestate.usnews.com/housing-market-index/interface>.

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