



The Rise of New Construction

Hear that? It's the sound of hammers striking nails and saws slicing through two-by-fours. It's the sound of new construction. And for the first time in years, it's on the rise.

When the housing bubble burst in 2008, the number of new-construction homes plummeted throughout the country. Lenders, who for years had been offering historically low interest rates and practicing lax lending standards, quickly tightened their belts, making it much more difficult to get a new-construction loan.

Combine this with the fact that the economy in general was in the tank, and would stay that way for many years, and you can see why new-construction homes took a sharp decline.

But that's all changing now.

Wherever you go, you see new houses being built, spawning new, vibrant communities and letting people realize their dream of owning a brand-new custom home.

The National Association of Home Builders (NAHB), is predicting a 25-percent increase in new-home construction in 2014. Lenders who have been wary about granting loans, are once again funding developers. That, combined with a low inventory of resale houses around the country, has sparked a resurgence in new homes just about everywhere you look.

Experts like David Crowe, chief economist for the National Association of Home Builders, say the recovery is here to stay. "We hit a soft spot this fall when interest rates jumped and the government closed down, but mortgage rates still remain very affordable and pent-up demand is helping to boost the housing market. We expect a continued steady, gradual growth in starts and home sales in 2014."

It's not just the strengthening economy that's encouraging people to build. New building codes that require more energy-efficient features are making people realize that a new home can be a smart long-term investment. Buyers might have to pay more up front, but the energy savings will more than make up for it down the road.

Now is certainly the time to consider that dream home you've always wanted. Just be sure you have an experienced, qualified real estate agent in your corner to represent you and guide you throughout the process, so that you can make the best, most educated decisions for you and your family.

Source: "New Home Construction Hits Highest Pace in 5 Years," The Associated Press (Dec. 18, 2013)

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