



OUR TRAIN HAS FINALLY COME IN

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If you have ever gone to a county fair there are a lot of sights and smells. Your head is on a swivel trying not miss all the action happening around you. Much like what's happening in the High Desert. Where to start. Our local municipalities have been working hard for the past 20 years to bring jobs to the High Desert, bring in companies to the area that have added 100 jobs here 20 jobs there, and even in some cases 500 jobs like the Walmart distribution center in Apple Valley. So you could say in baseball terms we have been getting some base hits and some occasional doubles in the last few years. With the addition of the Virgin Train from Apple Valley to Las Vegas you could say we have hit a grand slam. The project is estimated to inject \$2.13 billion into California's economy, including \$275 million in federal, state and local tax revenue. Construction of the rail line is expected to bring more than 10,000 jobs, in addition to more than 500 permanent jobs that will be created once the line is established. This will be removing 4.5 million cars from traveling 811 million miles on Interstate 15 annually. You will be able to get to Vegas in 90 minutes for around \$50. For many that will be extremely attractive considering the time it takes to drive there, and who doesn't absolutely dread the drive home. Construction is expected to be

completed at the end of 2023. Now we turn our head to Fannie Mae. Fannie Mae boosts 2020 housing forecast significantly in December. One of the reasons they point to is the millennials, who delayed buying homes because of the recession, are now flooding into new and existing homes. Overall housing demand is incredibly high, especially at the lower end of the market, where builders are least active. Prices are rising fastest on the low end. According to Chapman University economist Dr. Jim Doti, the Inland Empire median sales price is forecasted to increase 5%. Traditionally the High Desert outperforms the Inland Empire as a whole. Last year the High Desert median sales price rose 8.2%, outperforming last year's median price increase of 2%. The main component driving the demand are these interest rates. If you recall November 2018 the Fed raised the interest rates to over 5%, which all but stalled the market. Now we have almost the lowest interest rate ever according to the Wall Street Journal. The average rate on the 30 year fixed-rate mortgage fell to 3.29% from 3.45%. So you have historically low interest rates, the High Desert Express set to bring 10,000 jobs, you have a huge millennial population starting to hit the housing market, and we have some of the most affordable housing in Southern California. I would say the opportunity for both buyers and sellers is tremendous.



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