# Understanding the future of real estate: insights from Dr. Marci Rossell



In a rapidly evolving economic landscape, awareness of market trends in real estate, coupled with an understanding of broader global economic indicators, remains crucial for industry stakeholders. Dr. Marci Rossell, chief economist for Leading Real Estate Companies of the World, recently outlined key insights for December while assessing the implications for 2025 and beyond. Her insights reflect the underlying dynamics affecting the real estate market and point towards significant trends in automation and artificial intelligence (AI).

The November jobs report came as an unexpected boost, showcasing the addition of over 200,000 jobs, as well as a revision of previous, weaker figures for October. Despite this positive advancement, the unemployment rate saw a rise to 4.2 percent, suggesting that more individuals are entering the job market. "The Federal Reserve is likely to look beyond these monthly fluctuations to focus on long-term interest rates and inflation," Dr. Rossell noted. An important Fed meeting is anticipated in mid-December, where these factors will likely be central to discussions.

Looking back at the U.S. economy in 2024, it is projected to grow by an additional $1.4 trillion, buoyed by solid performances across various sectors. However, the uptick in the unemployment rate and a rise in the budget deficit from 6.2 percent to 6.4 percent of GDP highlight ongoing fiscal challenges. In the housing market, mortgage rates that had been declining began to rise post-election, causing home sales to dip slightly from 4 million to 3.96 million, further exacerbated by expectations of higher interest rates.

The forecast for 2025 appears mixed, with potential tax cuts and deregulations under the Trump administration possibly helping high-income earners and luxury real estate investors. However, tariff increases on trading partners may lead to higher long-term interest rates, a scenario likely to make it more difficult for first-time and low-income buyers to enter the housing market. Tightening construction labour, particularly following potential increases in deportations, could also limit housing inventory, adding pressure to an already constrained market.

The global implications of these economic dynamics cannot be ignored. The slowdown of China's economy, exacerbated by a significant real estate crisis, may lead to reduced purchasing power for U.S. consumers and hinder Chinese exports. As Dr. Rossell pointed out, this complex interplay of tariff policies could result in shifts of production from high-tariff zones to lower-tariff areas, affecting trade dynamics and potentially increasing costs for consumers.

A pivotal area of discussion within Dr. Rossell's analysis is the influence of artificial intelligence on the economy. AI's capabilities are predicted to alleviate labour shortages without necessarily leading to widespread job losses. Instead of displacing workers, AI has the potential to augment skills, transforming low-skilled jobs into higher-skilled positions, which could lead to increased wages and tax revenues. However, concerns linger regarding the social implications of these advancements. It is vital for democracies to ensure that the development and application of AI serves the interest of the public good.

Dr. Marci Rossell's insight into the interconnectedness of the global economy and the consequent ripple effects on the real estate market highlights the importance of staying informed about not just market trends, but also the undercurrents of economic policies and emerging technologies. As an expert with extensive experience in economic analysis, she underscores the complexities that shape everyday life, particularly in the real estate sector.

Source: [Noah Wire Services](https://www.noahwire.com)

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