

In the News

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Housing Inventory Still an Issue

Prices remain high, interest rates are low, inventory is not adequate, existing home sales are [sluggish](#) — those are the hallmarks of the residential real estate market as we enter the final quarter of this year. The news is ever-confusing and contradictory, even in the same week. Overall, it's not a pretty picture.

For a variety of reasons, prominent among them lost equity following the recession which began nine years ago, many households that we would have expected to move up from starter and mid-range homes have stayed put, reducing available inventory. Also, many mid-life families who want to move up have been caught in the middle between second home purchasers who are not selling their homes and millennials who are slow to get into the starter home market, many of whom are held back by crushing [student debt](#).

Taken together, these factors combine to prolong a shortage of residential real estate inventory, which drives up prices and keeps large numbers of potential home buyers from getting into the market or moving up. There is some light in the tunnel, however. Encouraging data recently shows that move up buyers are starting to get into the market in greater numbers. At the same time, mortgages with less than 10 percent down are available now, and that may bring more millennials to get into the market.

Also on a positive note, commercial real estate remains on “sound fundamentals” [NAR reports](#), while the National Retail Federation notes that retail store openings [increasing](#) this year. Even with new supply, solid absorption led to increases in rents,” the NAR report said. “Office demand was stable in the second quarter of 2017, fueled by higher tenant interest in technology, advertising and marketing, healthcare and life sciences sectors. Net absorption totaled 8.8 million square feet.”

An important final point: The recent Equifax data breach is yet another reminder of the critical importance of cybersecurity. In our business, building awareness about wire fraud schemes among consumers is a key component of preventing data theft – and in this case the direct theft of thousands of dollars from unsuspecting home purchasers. To help, ALTA has created both a [video](#) and an [infographic](#) that you can use with your customers to help them be vigilant.



ALTA has many other helpful tools for consumers on [homeclosing101.org](#). Be sure to point your clients to the site to answer all their questions about title insurance and closings.

What's your point of view? Call or email me, or write a comment on [my blog](#). Let's keep the conversation going.