How to capitalize when the inventory shortage peaks

The high demand and the tight inventory are the two primary factors holding the real estate market back. The good news is that the inventory shortage may have peaked, and due to rising interest rates, it will probably improve in 2018. I recently interviewed Leslie Appleton-Young, the vice president and chief economist for the California Association of Realtors, and Steve Cook, the founder and publisher of Real Estate Economy Watch. Both are optimistic that the worst of the inventory drought is behind us. Reasons the inventory will improve in 2018 In December 2017, median list price year-over-year was up 8 percent, days on market was down about 7 percent (to 83 days) and inventory was down 9 percent. Nevertheless, Javier Vivas, Director of Economic Research at realtor.com, sees signs of a cool down: “The housing landscape in 2017 ended in suspense, and our inventory data in December corroborates that with mixed signals. While active listings remain in very short supply, we ...

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