

# “Did You Know?”

from Ken LeMay

35 Plus Years of Experience

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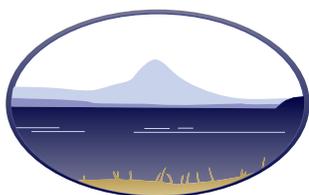
## Low Inventory Causes Home Prices to Accelerate

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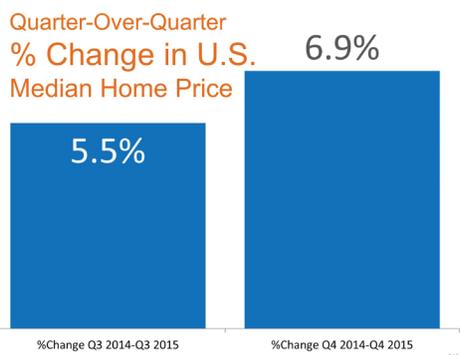
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The National Association of Realtors (NAR) released their latest Quarterly Metro Home Price report earlier this month. The report revealed that home prices are not only continuing to rise but that the increases are accelerating. Lawrence Yun, Chief Economist at NAR, discussed the impact of low inventory on buyers in the report:

*“Without a significant ramp-up in new home construction and more homeowners listing their homes for sale, buyers are likely to see little relief in the form of slowing price growth in the months ahead.”*

Here are the percentage increases of home prices for the last two quarters:



### What this means to sellers

Rising prices are a homeowner's best friend. As reported by CoreLogic in a recent blog post:

*“With demand strong and inventory thin, the share of homes selling for the list price or more has also returned to pre-bust levels. With inventory tight, homes are more likely to sell above the asking price.”*

What this means to buyers  
In a market where prices are rising, buyers should take into account the cost of waiting. Obviously, they will pay more for the same house later this year. However, as Construction Dive reported, the amounts of cash necessary to buy a home will also increase.

*“These factors have created a situation where the market keeps moving the goalposts in terms of the down payment necessary for first-time homebuyers to get into a home.”*

If you're thinking of selling and moving down, waiting might make sense. If you are a first time buyer or a seller thinking of moving up, waiting probably doesn't make sense.

—Need More Information,  
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