

Why Aren't People Moving?

Brought to you by
Mark Siwiec



Some interesting statistics are starting to emerge to help us understand why it is that the real estate market has been so difficult for buyers these past few years. Ten years ago, the average homeowner remained in their residence for eight years. **Today? Thirteen years pass, on average, before somebody chooses to move to a new home.**

If you live in Salt Lake City or in Houston, you're probably having pizza delivered to the same residence for twenty-three consecutive years before you decide to move! Because people aren't moving as frequently, there are, obviously, fewer homes available to purchase. Several factors seem to be coalescing to create these rather unusual conditions:

1. Older Americans are deciding to age in place for a longer period of time because, in part, they're healthier. The need to transition to an assisted living center or a nursing home is one that now occurs later in life. Seniors are also leery of the possibility of paying capital gains as they transition from a larger, more expensive home to a smaller, less expensive home. Additionally, the bidding wars that define so many sales that occur in the smaller-home-market act as another deterrent to aging homeowners.
2. Investors are adding to the shortage because, increasingly, they're purchasing single family homes and holding onto them. Until recently, aspiring moguls focused on purchasing large, multi-unit apartment buildings. However, large buildings are more difficult to find as existing landlords abide by an acquire-and-hold strategy. Single family homes have become the default investment for those looking to invest in residential bricks and mortar.

3. Finally, it seems that Americans are behaving differently than they did pre-recession. There was a time when Tom, the new summer intern, would show up to work on Monday morning touting his newly purchased Movado watch which set him back \$800 over the weekend. Likewise, there was a time when the owner of the blue center entrance colonial would decide to up and move because the yellow one around the corner was just listed for sale. Greater caution and financial prudence seem to dictate a lot of the financial decisions that today's consumers are making.

Taken together, those looking to fulfill the American dream of purchasing their own home are finding that they're having to scrap and fight for the privilege of owning the roof over their head. I'm not going to make any forecast as to the continuing viability of these trends but there is a possibility that market conditions may be changing. In the past forty-five days, I've been busy meeting with prospective spring sellers; **busier than I have been in any of the thirty autumns since I started working as an agent.** Only the passing of time will tell if this trend is personal or more global.

If you'd like to continue the conversation or talk about the sale of your existing residence, email (mark@marksiwiec.com) or call me at (585) 730-4046. Thanks!

