



## **It's not just you — there really are fewer homes for sale with inventory at a 20-year low**

**[Roger Yu and Paul Davidson](#), USA TODAY Published 9:01 a.m. ET Aug. 10, 2017 | Updated 11:40 p.m. ET Aug. 10, 2017**

Can't find a house to buy? Blame Baby Boomers.

The number of residential houses available to buy is at a 20-year low as the appeal of McMansions wanes and Baby Boomers grow increasingly reluctant to trade up or down from their current homes, according to a survey by Realtor.com.

More than half of its survey respondents, or 59%, said they are not planning to sell their houses in the next year.

Nationally, there was a 4.3-month supply of homes on the market in June -- the time it would take to run out of homes for sale if no new units were added -- down from 4.6 months a year ago and a normal inventory of six months, according to the National Association of Realtors.

The crunch has driven up home prices. The S&P CoreLogic Case-Shiller national home price index was up 5.6% in May from a year earlier, hitting an all-time high. Some markets are frothier, with average home prices 13.3% in Seattle and 7.9% in Dallas.

“The housing shortage forced many first-time homebuyers to consider smaller homes and condos as a way to literally get their foot in the door,” said Danielle Hale, chief economist for Realtor.com. “Our survey data reveals that we may see more of these homes hitting the market in the next year, but whether these owners actually list will depend on whether they can find another home.”

Realtor.com, an online real estate listing site operated by News Corp., conducted the survey of 1,054 randomly selected homeowners across the U.S. between July 6 and July 13. Some findings:



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Baby Boomers aren't going anywhere

A vast majority of those who are at or near retirement age like where they are. Eight-five percent of Baby Boomers said they have no plans to sell their home in the next year, the study said. Homeownership among Baby Boomers is at 78%, or about 33 million properties. That's nearly twice as high as Millennials. Older age groups have historically moved less frequently than younger home buyers and the trend continues.

But the market dynamics have shifted because there are more people in the older age groups than in past years. People age 55-74 made up 21% of the population in 2015, compared to 16% in 1985.

John Clark, 72, a retired teacher, considered moving from his three-bedroom house in Greeley, Colo., to retirement mecca Phoenix. But he says, "I've developed friends here, I'm with the (Veterans Administration). Why would I want to move? I'd have to redevelop all that stuff."

"Boomers indeed hold the key to those homes the market desperately needs, both in the urban condo and the detached suburban home segment," Hale said. "But with a strong economy and rising home prices, there's really no reason for established homeowners to sell in the short-term. Although downsizing might be on the minds of Boomers, they face the same inventory shortages and price increases plaguing Millennials."

For example, there are fewer new homes for Boomers and others to buy. The number of housing starts remains about 35% below normal levels despite a gradual climb since the mid-2000s real estate crash. And nearly 10% of homeowners owe more on their mortgages than their houses are worth, down from 29% in 2012, according to ATTOM Data Solutions, but still higher than the historical average of about 5%. That prevents many of those "underwater" homeowners from selling.

Also, the gap between trade-up homes and premium homes has widened, pricing out many Boomers who would like to move up, says Ralph McLaughlin, chief economist of real estate research firm Trulia.

Happy with their homes

Combine those headwinds with the fact that many Boomers are content with their houses. When those who are reluctant to sell were asked why they plan to remain, 72% said their current home meets their family's needs. Thirteen percent cited financial security concerns and 12%, the need to make some home improvements.



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Boomers also appear less eager to move to a traditional retirement locale, such as Florida or Arizona, and more interested in maintaining close ties with family and friends, Hale of Realtor.com says.

Among the 35% of homeowners who said they're planning to sell in the next year, more than half of them were Millennials who are looking for larger homes or better features. The supply of starter homes in the market is down 17% from a year ago, while medium-sized houses are down 10%.

"Millennials with plans to sell could mean good news for buyers, as starter homes remain the most sought after price point in today's market," the report said.

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