

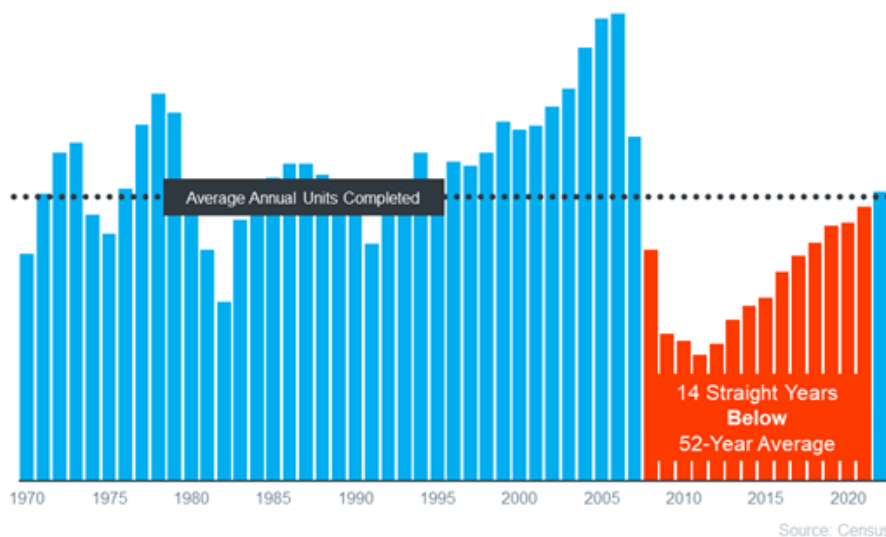
Happy Friday! Hope you are looking forward to the shorter and cooler days like I am. 😊

We all hear this question....'Why is it so hard to find a house to buy right now?'

**One of the biggest reasons inventory is low right now is because builders haven't been building enough homes in recent years.** The graph below shows new construction for single family homes over the past five decades, including the average units completed over this period.

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## Single-Family Housing Units Completed

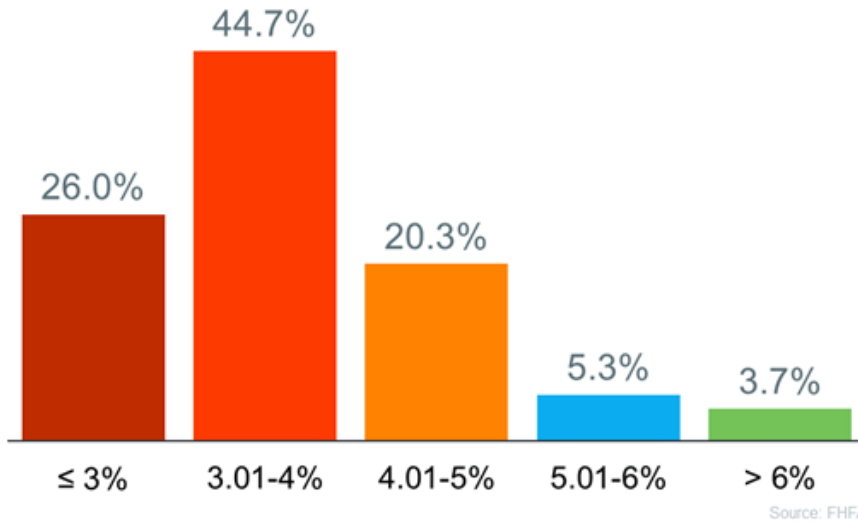


For the last 14-straight years, builders didn't construct enough homes to meet the historical average! That underbuilding created a significant inventory deficit. And while new construction is back on track with the historical average now....the long term inventory problem isn't going to be solved for some time.

**Another reason inventory is low right now is the mortgage rate 'lock-in effect.'** Basically, some homeowners are reluctant to sell because they're locked in at a very low rate...and paid much less for their home than the current market price. How many borrowers can really be locked in like this? Well, over 70% of mortgages right now have a rate under 4%.

## 70.7% of Mortgage Rates Less Than 4%

Current FHFA Loans with Mortgage Rate at Time of Origination



If you put these two factors together – you have a great answer for anyone who asks why inventory is so low right now – and you can also use this to point out that the problem isn't going to be solved in the next 6-months and that now may very well be the right time for them to buy.

Have a great weekend! If you wish to unsubscribe just shoot me an email back saying unsubscribe.



**Nathan Paff**  
**Branch Manager**  
**NMLS# 372222**  
1298 E Norvell Bryant Hwy Ste  
A Hernando, FL 34442

**Office: 740-392-3000**  
**Cell: 352-405-5885**

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