

# What Will the Future Bring?



Pent-up demand, settlement agreement will be factors.

Home sales in 2023 were the worst in nearly 30 years. The micro-level reasons—owners locked into low mortgage rates, low inventory, and rising interest rates—explain the fall in sales. But looking at the big picture, it makes less sense. Last year's 4 million existing-home sales were the same as in 1995, when there were 70 million fewer people living in the U.S. The massive stored-up housing demand could easily mean increased home sales in eight of the next 10 years.

A turn for the better is already showing up: In February, existing-home sales rose 9.5% from the prior month even after accounting for seasonal factors and a leap year. The increase was helped by a 10% inventory boost. One regional exception was in the Northeast, where sales fell by 10%. But this region also had the largest home price gain because of lack of supply and a wider prevalence of multiple offers.

One issue to monitor is consumer response to the rules of the new settlement agreement, which is still pending final approval by the court. Sellers and buyers clearly benefit from a cooperative arrangement between the listing broker and buyer broker, and the proposed settlement was able to maintain consumer choice with respect to offering compensation off-MLS. It's especially important to maintain representation options for first-time, historically underrepresented and underserved, and veteran homebuyers, who often struggle to come up with a down payment. In the near term, the dynamics are hard to predict. But I believe sellers will continue to see the value of cooperation when listing agents clearly explain the benefits, such as increasing housing opportunity and widening the potential buyer pool. NAR's goal is as much choice as possible for consumers undertaking one of the most important transactions of their life.

<https://www.nar.realtor/magazine/real-estate-news/economy/what-will-the-future-bring>



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