

3/1/2019

## 2018 Home Sales

*Matthew Chappell*

In 2018, home sales were down (compared to 2017) in every month except February, with numbers becoming worse as the year progressed. As of December, sales were down 10.3% compared to December 2017. Ten percent may not seem like much (we were around 30% during the big recession), but it's concerning—particularly since the destiny of the Green Industry tends to mirror the housing industry.

Record corporate debt is also concerning, in the face of rising interest rates, and combined, I'm getting a little worried about the R-word heading into 2020. But I'm no expert on the subject and we'll have to see how the chips fall.

So why aren't people buying homes? The experts first point to raising interest rates, which have led many people to delay home purchases. That makes sense. But being a college (associate) professor, I think it has more to do with the level of student debt being racked up these days. The average student graduating with a B.S. in 2018 had \$28,500 of student loans. What's even more shocking is that 22.4% of parents with a child in college still owed on their college loans. This causes student loan debt to snowball, as parents are unable to financially support children, who as a result are having to increase borrowing to cover day-to-day expenses. **GP**