

## **Is a Housing Shortage Coming?**

Some experts are saying that the next big real estate problem could be a shortage of homes.

Only 672,000 new homes were started in April. That's less than half the number needed to meet the country's average population growth.

In the past, an average of more than 1.3 million households have been built each year, creating demand for 1.5 million new homes. In 2009, only 398,000 new households were formed, according to the Census Bureau.

"The decline in household formation is artificial," says James Gaines, a real estate economist with Texas A&M. "The young are moving in with their parents. There's even doubling up among working-class people. There's a pent-up demand coming if and when the economy recovers."

Some economists believe this analysis fails to take into account the changing economy or the large inventory of vacant properties. But Gaines and others say these factors are unlikely to significantly drive down demand.

*Source: CNNMoney.com, Les Christie (06/15/2010)*