



THIS WEEK'S PROGRAM

November 1, 2022

2022-2023 Board Members

President William Bradley

Pres Elect Edwin Peacock

Past Pres Carol Hardison

Secretary Kim Brattain

Treasurer Patrick Baker

Exec Sec Christine Cipriano

Directors 2021-2023

Ann Clark

Ellison Clary

Jesse Hite

Warren Kean

Vanessa Stolen

Directors 2022-2024

Will Barnhardt

Glenn Bouley

Margaret Donovan

Laura Little

Mark Norman

Diego Ramon

Robert Shaw

Membership Terri DeBoo

Foundation Joe Morris

Programs Elly Clary



Pat Riley, CEO, Allen Tate Companies

by **Bill Bartee**

Pat Riley, president and CEO of the Allen Tate Companies, brought a wealth of knowledge and insight into the residential real estate market in the Carolinas and to Charlotte Rotary on November 1st.

Riley, who began his career in real estate in 1972, has seen a lot of turns in the economy over the years. However recent years have been “unprecedented.” The years 2020-2021 were the best years ever for residential real estate due to population growth and lack of inventory supply.

He explained, “This supply and demand issue is now normalizing but the shortage of good homes available continues.”

Also, is a recession coming? Riley says, “Most say yes.”

Control of the current market and housing supply is in the hands of the “boomers” (people born from 1946-64), because they hold the inventory. This inventory is aging and in need of upkeep because many people over 55 have not invested in modernizing and improving their property. For many, a review of their home or property may be in order: a Boomer Physical.

We are currently in a “pause” explained our speaker, who has been a visionary leader in the real estate industry. This is partially due to a(n) [interest] rate lock, where homeowners are locked-in and higher rates on a

new home are not desirable.

Also, experts say that 38% of households will be multi-generational by 2025 as parents begin moving back in with their children. This prediction along with the statistic that 66% of millennials who are currently renting want to buy a home. Giving insight on the residential market in upcoming years.

This pause will not last but we need to be aware that new construction alone will not bail us out and interest rates likely will never again reach the lows that they have during the past decade. The average rate since World War II is 7.2%.

Although the secondary housing market is still on fire, it is cooling, Riley explained. Adding that although Charlotte is not a destination luxury market, it is a market for corporate relocation and work. Therefore, companies are resizing and moving here.

One imperative for a healthy home market is good schools. Riley stated, "Get the schools right, then people will move to a community." This area continues to have a steady stream of family and corporate in-migration in the Carolinas. Therefore, we aren't in a real estate bubble situation.

*A recording of the program is available here: <https://vimeo.com/766878070>

The speaker's introduction begins at 21:40 minutes.