HOW TO FIND DEALS WHEN HOUSING INVENTORY IS LOW

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The US housing market has been experiencing an unprecedented shortage of real estate inventory since the COVID-19 pandemic struck. A recent report by the [National Association of Realtors](https://www.nar.realtor/newsroom/existing-home-sales-jump-4-3-to-6-85-million-in-october) revealed that the total US [housing inventory](https://www.mashvisor.com/) reached historic lows in October 2020, dropping to 1.42 million. This is equivalent to a 2.5-month supply based on the current sales pace.

So, Why Is Housing Inventory So Low?

*It’s been well-established that housing inventory is low across the US. But why?*

The [housing inventory data](https://www.mashvisor.com/) is clear – there is a shortage across the nation. But why? Here are some of the reasons why [housing inventory](https://www.mashvisor.com/) has been shrinking over the past few months:

* Low interest rates – The historically low [interest rates](https://www.mashvisor.com/blog/investment-property-mortgage-rates-covid-19/) have made [real estate properties](https://www.mashvisor.com/) more affordable and boosted purchasing power. As a result, the demand for homes has exceeded the housing supply. According to the National Association of Realtors, 72% of the homes sold in October were on the market for less than a month. The report further reveals that existing home sales in the US have witnessed five consecutive months of growth.
* The slow pace of construction – Generally, real estate construction has slowed down due to factors like a moratorium on construction, lack of materials, and an inadequate workforce due to social distancing.
* Sellers holding back – Due to safety concerns, many people that were planning to sell their homes have withdrawn their listings. This has contributed to the shortage of housing inventory.

How to Find Real Estate Deals in a Low-Inventory Market: Top 3 Ways

Though the housing inventory is likely to remain low in 2021, it is still possible to [find good real estate deals](https://www.mashvisor.com/blog/how-to-find-real-estate-deals-2021/). Here are some of the strategies you could use to [find investment properties for sale](https://www.mashvisor.com/blog/how-to-find-investment-properties-for-sale-2021/) in a [seller’s market](https://www.mashvisor.com/blog/sellers-market-buyers-market-2021-housing-market/):

Work with a professional full-time realtor

In a market where properties are bought almost immediately after they are listed, you need to have a full-time professional and experienced realtor working for you. Despite all the information available on the internet, trying to find a good deal by yourself will leave you disadvantaged in a hot [seller’s market](https://www.mashvisor.com/blog/buying-investment-property-sellers-market/). A licensed [real estate agent](https://www.mashvisor.com/blog/how-find-real-estate-agent-investment-properties/) will help you access thousands of properties listed on the multiple listing service (MLS). Besides helping you [find an investment property](https://www.mashvisor.com/) that fits your needs, they will use their experience to guide you through the negotiation and closing process. [Find a great real estate agent now.](https://www.mashvisor.com/real-estate-agent)

Look for off market properties

Off market property is a term used to refer to property that is up for sale, but not listed on the MLS or advertised publicly. Since such properties are not in the public domain, there is less competition from other buyers. In addition, you are likely to get a [good real estate deal](https://www.mashvisor.com/), especially if the seller wants to make a quick sale.

There are different strategies you could use to find [off market properties](https://www.mashvisor.com/blog/off-market-properties/):

* Driving for dollars – Just like the term implies, [driving for dollars](https://www.mashvisor.com/blog/driving-for-dollars-real-estate-strategy/) is a strategy where you drive around a neighborhood looking for potential deals. When driving for dollars, look out for distressed properties which could indicate that the owner is either out-of-town or cannot afford the upkeep. Write down the addresses of such homes and reach out to the property owners.
* Real estate auctions – [Real estate auctions](https://www.mashvisor.com/blog/real-estate-auctions/) are a great place to find homes for sale that have been repossessed due to delinquent taxes owed or unpaid mortgages. Since lenders just want to recover their money, you are likely to get discounted home prices.
* Online resources – An online resource like Craigslist is another great place to find homes not listed on the MLS. You could also check the [Mashvisor Property Marketplace](https://business.mashvisor.com/v2/property-marketplace) to find traditional and [Airbnb income properties](https://www.mashvisor.com/) anywhere in the US. Using this tool, you can narrow down your search using filters like miles, location, property type, rental strategy, budget, number of bedrooms/bathrooms, and desired [cash on cash return](https://www.mashvisor.com/blog/what-good-cash-cash-return/).
* Direct mail marketing – This involves sending targeted mail to a property owner and indicating your interest in their home. Some owners that were not even thinking of selling might consider it when they receive the right offer from you.

Consider other real estate markets

Contrary to popular belief, the US housing market is not one entity. This means that one state or city could be experiencing low [housing inventory](https://www.mashvisor.com/) and high demand, while another area has high housing inventory and low demand. If the real estate market you are targeting is too competitive, you can always look for new markets that are relatively untapped.