

THE ADVANTAGE GROUP HELPS HOME BUILDERS ADDRESS HOUSING CRISIS IN SACRAMENTO WITH PROMOTION OF EXPERT RYAN COATES TO VP

Coates to Lead Business Development Efforts with Leading Home Builders in California and Nevada

ROSEVILLE, CA, UNITED STATES, May 4, 2022 /EINPresswire.com/ -- The Advantage Group, which provides sales, marketing and advisory services to leading home builders in California and Nevada, has promoted long-time new home expert Ryan Coates to VP of the Roseville-based firm. Coates, with over eight years' experience working directly with local builders, will lead business development at The Advantage Group while continuing to help companies such as Cresleigh Homes address the region's stubborn housing shortage.

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Ryan Coates

According to industry tracker Greg Pacquin at The Gregory Group in Folsom, there was less than one month's worth of inventory of new, single-family homes in the greater Sacramento region at the end of March, as buyers struggle against extremely high competition for limited supply. Data for March from the Sacramento Association of Realtors shows a similar tight inventory timeline for existing single-family homes in Sacramento County and West Sacramento. Generally, six months of inventory is considered a balanced market between buyers and sellers.

“In my over 30 years working in new home sales, I've rarely seen such a frenzied market,” said Kevin Coates, CEO and founder of The Advantage Group. “That's why I thought it was the right time to have Ryan at my side as VP, as he has steadily developed both a unique awareness of the local housing market as well as strong relationships with the builders we serve.”

With more work-from-home employees relocating from the Bay Area and other coastal markets to Sacramento, the housing shortage in the region is much more acute than at the national level. For example, whereas there was enough of a supply of new, single-family homes in March to last for 6.4 months throughout the country, in greater Sacramento it was just 0.8 months. Similarly, whereas there were enough existing single-family homes for sale across the country to last 1.9 months in March, in Sacramento they would sell out in under 0.8 months.

Lower levels of building new homes have also led to rising home values, with the median price of newly built single-family homes up 21.4 percent nationally to \$436,700, and rising 10.3 percent in the greater Sacramento region over the past year to \$622,990.

The combination of higher prices plus rising mortgage rates has also impacted home affordability. According to the NAHB/Wells Fargo Home Opportunity Index for the fourth quarter of 2021, just 27.4 percent of potential buyers in the Sacramento area could afford the median-priced home, down from the last peak of 47.1 percent in the first quarter of 2020.

“We just have to continue building our way out of this shortage,” said Ryan Coates. “For a decade or more coming out of the last recession, builders just weren’t building at levels seen in previous years. Now, with millennials increasingly forming new households plus the rise of flexible work locations, the only way to meet this pent-up demand is with new housing options.”

Besides having the ability to construct homes at higher densities to bring down sales prices, today’s builders of new homes also offer higher energy efficiencies, smart home technologies and less maintenance during the first few years of ownership. According to a recent survey of 1,000 homeowners by Clever Real Estate, over half of respondents were surprised by the true cost of homeownership, with 40 percent of those reporting regrets listing too much maintenance as a top concern.

“We have to build higher-density projects to get more units in order to offer more reasonably priced housing. New developments are also springing up further out from the urban core due to lower land costs,” explained Ryan Coates. “First-time buyers don’t often think about the total cost of homeownership in terms of deferred maintenance and energy efficiency. For example, in California we now have mandatory solar systems on all new homes. Ultimately, it’s not just the cost to purchase, it’s also the cost of maintenance, and in that regard new homes are a much better buy.”

The Advantage Group provides real estate sales and marketing solutions for leading homebuilders in California and Nevada. Since 1989, the family-owned firm has been instrumental in over 15,000 sales of new homes totaling in excess of \$5 billion. For more information on The Advantage Group, visit <https://www.taghomes.com>.



Ryan Coates, New VP of The Advantage Group

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