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Pam McKissick

The word stabilize always conjures up institutions, white coats, and odds of survival, so when people talk about stabilizing the housing market, I agree with a recent mortgage news headline, it's a "cruel illusion."

We've spent trillions of dollars and stabilization hasn't happened. With twelve million borrowers at risk, it most likely won't. Each failed attempt swings us from depression to panic. Not only is the housing market "unstable," but many of us, having to listen to the gloomy reports, are as well.

Like the stock market, real estate has always had downturns. Granted, the ticking has become louder of late, fueled by our hysteria over lost savings, equity, or retirement; however, market depression, in part, reflects our personal depression over what we thought we had in investment dollars, by virtue of owning a home (the number in our head) and what we got when we sold it (current market value.)

The good news is that real estate is always liquid in good times or bad. Buyers are standing by wanting to purchase, once we let go of the "number in our head," the number that's only real if we can get someone to write a check for it.

The WWM thirty-day real estate Auction Index demonstrates that real estate home sales paralleled the S&P 500. In which case, why is no-one shouting, "We've got to stabilize pork bellies!" We celebrate or lament pork prices depending on our position in the marketplace.

The same should hold true for real estate. If we're on the sidelines with a lot of cash, this is the biggest uptick in the market we've seen in years. In fact, if we bought our homes twenty years ago and have nearly paid off the mortgage, we're positioned perfectly. If we purchased three years ago and paid more than it's currently worth, our position might be less than enviable.

Would it make sense for us to decide that every American has the right to own ten thousand shares of Google and sell it at a profit? And if by chance we bought too high, the government should underwrite the loss, or buy the stock from us, or simply give us more shares to make up for it? But we're not talking stocks, it's our home. True, but if our intent was to buy a home and sell it for more money **than we initially paid, then our home is...an investment.**

Unfortunately when "housing investments" go upside down, they can take whole neighborhoods and towns with them. And well-meaning government intervention only compounds the problem. Instead of a frightening, but brief, real estate market free fall, we're in a purgatorial roller-coaster ride. Amherst states that government will most likely "attempt successive modification plans until some thing works."

What works is unfettered liquidity brought on by a free market. Yes, I used the F word.

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