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It is not difficult to find a headline about home sales booming during the pandemic. More Space, Please: Home Sales Booming Despite Pandemic, Recession; New Yorkers Are Fleeing To the Suburbs: ‘The Demand Is Insane’ (paywall); Roanoke Home Sales Increase Amid Pandemic; Dayton Home Sales Prices See Nearly 10% Jump; Home Sales Up During Pandemic; etc. No, dear reader, you have not stumbled onto a real estate blog. Home sales, in particular suburban home sales, may very well lead to an increase in automotive sales. As Medium noted only 20 months ago (doesn't that seem like forever ago):

“Vehicle needs depend on where you live and adds another dimension: rural areas are more car-dependent while urban areas are less car-dependent.”

Statistically, Medium backed up this conclusion with data that showed “on average, there are 1.6 cars per household in urban areas, 1.9 cars per household in suburban areas, and 2.0 cars per household in rural areas.” Intuitively, this makes sense. It also means that as more people move from the city to the suburbs, or from the suburbs to more rural areas, they will need more cars.

Of course, those that move out of denser areas are not going to be commuting to work anytime soon, at least not in large numbers since so many businesses are operating under work-from-home protocols of one kind or another. However, they will eventually need to commute. Whether they commute locally to a job or venture back into denser areas for work, they are increasingly likely to rely on a vehicle to do so.
And even if they want to take public transportation, the odds are that service will be reduced or otherwise negatively impacted because of a loss of revenue. For example, a study from the Illinois Economic Policy Institute (ILEPI) estimates the pandemic could cost $560 million in lost transportation revenues in 2020. As was put bluntly, “COVID-19 Has Been 'Apocalyptic' for Public Transit.” With such a crushing loss of revenues, routes, times, service, everything is going to have to be scaled back. This means that even if some people want to use public transportation, they may not be able to – they will need a car.

And even if people are not going to work, they need groceries, they need supplies, they need to leave their house for their own sanity. In areas not as dense, this means cars. Sure, they may turn out to be more electric cars than in the past. Or they may turn out to be more SUVs and pickup trucks which were already taking over the market from the old reliable sedan. But regardless, it does not matter, more cars are likely to be bought, perhaps altering the trajectory of the automotive industry for years, or even a generation. With millennials entering their prime home-buying years, there could be a long-lasting shift in demographics that become cemented for years and passed down to children. Of course, if the pandemic has taught us anything, it is that everything can change, and reverse, and become unpredictable in a matter of months, weeks, or even days.

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