

**EPISODE 13234**

[00:00:00]

**FT:** So Money is brought to you by CNET, the site that shows how to navigate change all around us. So Money episode 1324, why home prices are going to keep going up and what buyers can do about it with guest, CNET's Alix Langone.

***AL:** You can't buy a house if it doesn't exist, and the main buyers that that causes a problem for are people who are younger couples who are looking to buy their first home because starter homes are in the lowest bracket, and that's usually what is the most accessible for an average family."*

[INTRO]

[00:00:58]

**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. If you're a buyer right now trying to find a house, a starter house in particular, my condolences. It's a rough market out there, rougher than I think in 2021 and in 2020, a lack of supply, an influx of buyers. It's all creating a perfect storm for sellers. But what if you're a buyer?

My guest today is CNET's staff writer, Alix Langone, who concentrates on home prices, real estate, mortgages. Alix previously wrote for money.com. She's also written for Time Magazine, Fortune, InStyle. Before that, she worked at NBC Nightly News with Lester Holt and New York 1. No, I didn't know this. I didn't talk to her about New York 1, where I also worked. She is currently based out of LA. Like many who left New York in the pandemic, Alix now calls Los Angeles home. She says she doesn't miss the New York City subway one bit. I don't blame her.

In our conversation, we talked about some of the factors propping up the real estate market this spring, including supply shortages, sellers that feel stuck and can't put their homes on the market, a surprising reason why rising interest rates is not putting pressure on the market like one might think, and how to increase your chances of owning a home this year. I actually wrote

a big feature on this for CNET. The link to the story is in the summary of this podcast. If you want to get all of these reasons, all of the explanations, check out my article. Without further ado, here's Alix Langone.

[INTERVIEW]

[00:02:23]

**FT:** Alix Langone, welcome to So Money. I can't wait to dive into my favorite topic, real estate. But first, how are you? I mean, we're colleagues at CNET, but I feel like we haven't had a chance to really chat at length. So it's nice to make this connection.

[00:02:39]

**AL:** Absolutely. Thanks for having me, Farnoosh, and it's great to be here. I love talking about real estate. I was in New York for 12 years, and I moved to LA during the pandemic. So it's really been appropriate for my life, dealing with all of this in the past few years.

[00:02:55]

**FT:** Was it a pandemic move, like because of the pandemic?

[00:02:58]

**AL:** Basically. Yes, yes. I mean, I have lived in New York for a really long time, and it basically is impossible to own real estate there. But when I got to LA, I realized it's also basically impossible to own real estate here.

[00:03:11]

**FT:** But whether you're in Des Moines or Austin or Jacksonville, I mean, it is a difficult market out there, and it was difficult last year. It was difficult the year before. Going into 2022, some forecasters were a little bit more optimistic for buyers saying, "Hey, we think inventory's going to

increase. We think the frenzy may have subsided.” But, no, if anything, this seems to be like the craziest of all the years of recent years. What is going on, Alix. You've written a really great story for CNET, looking at what we have in store for us on the real estate front in 2022, headline buyers good luck. But what is it about 2022 that makes it increasingly difficult?

[00:03:59]

**AL:** Yeah. I think one of the main things that's making it increasingly difficult in 2022 to buy a house is that there simply aren't that many houses to be bought. A lot of people who could afford to buy a house and didn't have restraints on their budgets were able to sort of take up a lot of that inventory over the past two years. Last year, six million homes sold across the US, and so you can't buy a house if it doesn't exist. The main buyers that that causes a problem for our people who are younger couples who are looking to buy their first home because starter homes are in the lowest bracket, and that's usually what is the most accessible for an average family. It's really putting pressure on first time homebuyers.

The other thing is that the construction industry, that was another thing that people, experts were sort of anticipating hopefully the supply chain issues would clear up, and that building materials and things like that would be coming in faster. But contractors are pulling back a little saying actually like, “We can't accept as many projects anymore because like the lumber is not coming in, and we can't build for you if we don't have it.” The one benefit, I guess, is that mortgage rates have gone up, which generally isn't a good thing. But the 30-year mortgage rate has now surpassed 4% for the first time since the pandemic, basically. So that is going to help people because that's taking a little pressure off. Now, it's not as enticing like, “Oh, I can get this amazing mortgage rate,” because that's sort of has passed us at this point.

[00:05:32]

**FT:** That's interesting. But with inflation, Alix, you would think that that also reduces purchasing power for consumers. So that can be a counter effect, where rising costs of living makes it harder for that first-time buyer. It makes it harder for budgeting for a down payment for your future home. So the inflation story of 2022, I think, is also adding to the pressure.

[00:05:59]

**AL:** Absolutely. I think that everyone was expecting it and preparing for it, but there's also not that much you can do. If you have a budget, that's your budget. But I think one thing, yeah, that a lot of people – We talked about the great resignation, and there's a lot of people quitting their jobs or that –

[00:06:17]

**FT:** Which doesn't make you a great homebuyer applicant, okay. Mortgage companies don't want to see a gap in your career.

[00:06:23]

**AL:** Exactly. Yeah, that was what I was going to say. I'm 35, so I'm an elder millennial, and I have a lot of my friends buying their first homes. A lot of my friends also moved out of New York, but they move to places like Denver and Boulder, where they're also finding that they still can't afford anything. That's what I'm telling all of my friends, right? When you apply for a mortgage, and you're talking to mortgage lenders, they want to see that you have a really secure job history. The average that they usually will accept is like two years of employment at one company.

So if you're somebody that just jumped to get a higher salary, and in your head, you're like, “Oh, I make more money. Now, I can maybe afford this house,” you need to check with the bank or mortgage lenders first because they usually want you to have worked somewhere for two full years before they will give you a mortgage. A lot of people don't know that, I think.

[00:07:14]

**FT:** Yeah. It makes me regret all these great resignation pieces. I wrote a piece encouraging people to quit their jobs. I probably should have put in that caveat. But if you're looking to buy a house, just make sure that's going to be an okay move for you. The insanity of what we are seeing in terms of the frenzy, there's – I live in New Jersey, so I went to an open house the other

weekend because I'm a nosy neighbor. Within 24 hours, that home was in contract for, I mean, I'm sure more than what the list price was. By the way, the list price was \$500,000 more than what the owners paid for it in 2017. I have a hard time thinking that this is going to continue to be advantageous for these sellers, and let alone like these buyers buying it what I think is the top. But is it the top?

[00:08:12]

**AL:** Yeah.

[00:08:12]

**FT:** What's going on?

[00:08:13]

**AL:** I mean, it's a really good question, and I think that is sort of the problem is that nobody knows because I don't think anybody thought we would have –

[00:08:18]

**FT:** Nobody cares, Alix. Nobody cares when people are bidding 2x the list price, or they're buying a home above the appraisal. What this tells me is that the people who are able to buy are so cash flush that it doesn't matter if the financing doesn't come in exactly the way they need it to. It doesn't matter if the house doesn't continue to appreciate. It doesn't even matter if the house depreciates because they can make that monthly mortgage payment or they bought the entire home in cash. Where does this leave the future of first time home buying homebuyers? I mean –

[00:08:57]

**AL:** It's not in the greatest position.

[00:08:58]

**FT:** What's going on, right? There needs to be some legislation, I think, in order for this to buoy but also any more inventory.

[00:09:06]

**AL:** Yeah. No, absolutely. So I mean, one good thing is that Fannie Mae and Freddie Mac, that they do now back loans of a million dollars. That is something that went up as of January 2022. That was never – A million dollars for a starter home, that sounds crazy, and the government obviously didn't do that before. But they basically had no choice but to raise it that high because that's how much a starter home costs in these big metro areas, where everybody wants to live.

That does help a little, but I also think the problem is that, yeah, people are reacting in the moment and just buying things. Even if you can afford it, that still doesn't mean that you've put yourself in a great life situation, right? Because if you can't afford to buy this house, and then you still have all these repairs to do, you're living in a stressful situation, which is the whole reason probably you bought a house to leave a stressful situation.

[00:09:57]

**FT:** Right. Well, what is the say about the rental market? Is it because also there are not many affordable options in terms of renting? Or are we still stuck on this mindset that renting is throwing money down the drain? Why not rent?

[00:10:14]

**AL:** Because renting has also gone up about 8%. We're all stuck between a rock and a hard place right here. If anything, I think what you're saying is correct that it is a little worse for renters now because you actually are kind of throwing even more money down the drain. It's like those memes on the Internet where people say, "The bank said I can't afford a \$1,400 mortgage, so I'm paying \$1,800 in rent," right?

[00:10:37]

**FT:** Right, right. Irony.

[00:10:38]

**AL:** Yeah. It has pushed up the rental market because there is no inventory. So I think everybody is just kind of in a difficult position right now. Yeah. Like Zillow just raised – They just raised their forecast to something like 16% price appreciation.

[00:10:54]

**FT:** They say that home prices are going to spike 22%. This is – You're right. So in January, Zillow revised to say that they would finish up 16%. This is home price growth. Then subsequent to that, they shifted it even further north, now expecting year over year rate of home price growth to peak at 21.6%. Imagine getting a 21.6% raise at work, which most people are not. So how are we to expect that over the course of a year, someone could naturally afford that much more towards the same house this time last year, now 20% more? It's a good time to sell. People, you know what? But then the question is where do you move? Where do you go?

[00:11:41]

**AL:** Yeah. No, I mean, it's 100% true. I think that everybody kind of feels a little stuck these days. I have friends in LA who actually they put an offer in on a house, and the conditions were that there was going to be no inspection. They were like, "We're really not comfortable with that," and got the inspection. It turned out there was all these foundational issues. I was so proud of them because it was like most people wouldn't have like held their ground and said, "No, we want to do this anyway," in a market like this.

Yeah, I think that's the hardest thing, right? You have to sort of like trust your gut and not get caught up in the frenzy because I think when you feel a lot of pressure, and you feel like you're coming from a scarcity mindset and not an abundance mindset, that's when you can sort of make bad financial decisions. But the house that you buy is one of the most important financial

decisions that you can ever make. Especially as an American, buying a house is still one of the most important ways that you can build long-term wealth and also build generational wealth.

A lot of people, we saw how valuable homeownership was for people in the pandemic because when all the rates went down, refinancing rates went down too, right? So there was a lot of people who were able to help themselves who did on their homes because they could take equity out of their house, right? All of these – There's a lot of people who were able to take out tens of thousands of dollars or hundreds of thousands of dollars from their home to pay off high interest debt or to pay off other loans. That's sort of a catch-22 is to keep growing your wealth in life. You kind of do need to be a homeowner in this country.

[00:13:10]

**FT:** So you can leverage the equity, right? It begs the question though. Will homeownership continue to be this wealth building tool? If so, few of us can even – If it's servicing the rich. It's only for the rich to be able to continue to build wealth perhaps, now also with other ways that we're hearing about to make money, cryptocurrency. You know how I feel about that. But this idea that people are dismayed by these more traditional pathways to wealth creation. They don't trust it. They don't think it's equitable. We've talked about some of them already on the show. We've talked about some of these barriers for people. We didn't get into the issues of race. How much harder it is for, let's say, a black prospective homeowner, right?

[00:13:55]

**AL:** Absolutely.

[00:13:56]

**FT:** Who's a first time buyer. Done stories on that. But where does this leave the future of homeownership in terms of being this wealth creating tool, and where do you see people maybe migrating elsewhere? Maybe there's more money in the stock market? Is there more money in crypto? What are we seeing be kind of the counter acts to this?

[00:14:14]

**AL:** Yeah. No, that's a great question. Please do not buy crypto instead of buying a house. Maybe buy your house and then start to buy crypto.

[00:14:22]

**FT:** Yeah. These are not alternatives per se. Yeah.

[00:14:26]

**AL:** Or don't buy your house in crypto maybe, not yet. Yeah, I mean, I think that, for instance, obviously, with the proliferation of online lending and the Internet, there are starting to become more pathways for average people to buy a home. There's kind of all these sort of new mortgage FinTech startups that, for instance, there's like iBuying has become a thing. There's like Opendoor and Offerpad. So those are companies that although they will offer you a little less money for your house, it's like a tech company that will offer to buy your house from you, but they will take care of the whole process. It's like a streamlined process from the buying and the selling. You don't have to worry about hiring a realtor and paying realtor fees or having to clean your house and deal with people walking through your house and things like that.

The problem for an ordinary homeowner is that you can't afford to buy your next house until you sell your first house. But now, there's these companies who come in and say, "We'll buy your first house from you and give you that immediate all cash offer so that you can right away buy your new house." I think that can be a helpful tool for more middle class people.

[00:15:39]

**FT:** And opening up a market, giving people who want to sell the ease to do so because right now everybody's stuck, Alix. Everybody sleep in their homes. So I think it's a great time for contractors and people who do home remodeling because in the absence of being able to move, and you want to make your home a better place, you want to feel more like it's your home and more to your taste and more accommodating, we're working from home now, so I think that

is what we're perhaps going to see more of, even though it's hard to get lumber. But maybe you can change the paint. You can get new furniture. You're going to put in an extension or bump out a room. We saw a lot of those projects happen during the last two years. I think they're going to continue.

[00:16:26]

**AL:** Yeah, absolutely. I think that's what a lot of people who did refinance their house and take equity out, they used it to reinvest back in their home. That is. That ultimately makes your home more valuable. So 10 years down the line, if you do want to sell it, you still are benefiting from that.

[00:16:42]

**FT:** Do you see the article in The New York Times, Alix, about people regretting their home purchases in the pandemic? I wonder what you're seeing on that front. You yourself having moved, not only did you buy a home in LA, you did make a giant 3,000-mile move. I wonder, looking back, best move ever or maybe New York is calling you back?

[00:17:04]

**AL:** Yeah. I was floored by how expensive housing is in California. I thought that I had seen it all living in New York. But I think it actually might be worse here in LA where I am.

[00:17:14]

**FT:** Why? Why is that?

[00:17:17]

**AL:** I think specifically also because people left kind of cities and more claustrophobic places because of the pandemic, and I think LA has just benefited from it. That's personally why I came out here. I'm paying more, but I do have more space, and I have outdoor space, and it's sunny

all the time. So this is like a better lifestyle, at least for me. Or a lot of people who can work remote were like, “Why would I live in a tiny expensive apartment, if now I could have my own backyard, and I can look at that while I'm on conference calls every day?” That's how I felt. I'm looking at the mountains right now, which is much better than looking at a brick wall.

[00:17:48]

**FT:** Just a little.

[00:17:49]

**AL:** Yeah. But my landlords like own a – We're like friendly. I talked to them about it. They know that this is my job. They live in a two-bedroom, one-bathroom house, and it's worth \$1.3 million.

[00:18:02]

**FT:** Wow.

[00:18:03]

**AL:** One bathroom and two bedrooms. That's crazy.

[00:18:06]

**FT:** Insane. It's different from the last housing bubble, right? When what was underlying it was essentially a fraudulent financial –

[00:18:16]

**AL:** Bad loans, predatory financial people.

[00:18:20]

**FT:** Right. These mortgage-backed securities, a lot of them were very, very low grade, and they all come crashing down, and it had so much of a domino effect. The underpinning of this housing bubble is not – We don't think at least that anymore. So when you talk to real estate experts and real estate agents, I think there's this consensus that like we don't know what shoe has to drop because it just seems to keep getting more inflated. I don't think there's going to be this aha, gotcha moment where there was in 2008, which kind of like we pulled the rug under everybody. But like if there is a pulling of the rug in this 2022 year and looking back since 2020, is there one? What is the lesson to be learned or what is the thing that's going to maybe crash this whole thing?

[00:19:12]

**AL:** I feel like it's still playing out a little bit, so we're not totally sure. I think that was another thing, the whole – Right? The COVID narrative and the Omicron narrative. People, I think also to some degree, we're still waiting a little like, “Will I be able to work remote? Or is the world still changing? Or is this the way that life is going to be now?” We're not totally sure yet. Obviously, if supply chain issues, if pressure decreases on that, and builders are getting more lumber and materials in, then that will also relieve some pressure because that will be able to increase inventory.

I think another thing, for instance, like we talk about this a lot at CNET, is climate change, right? Just the overall world that we live in where you're buying a house. I think that that's one thing is that these days, like when I've sort of been talking to housing experts and people, a lot of people have actually started to say, when you bring up the question of climate change, buy a new build, if you can. If you can buy a new house, it is a much safer house. It's a house that is prepared for the world that we live in.

That's my hope. I hope that new building can happen because that's really what we need, right? We're seeing a lot of like disaster inspections are up, fire inspections are up, things like that. I think there's some people who might end up in some bad situations, who waived all those inspections just to simply buy a house. But if you waived an inspection and you live on the beach, you might be in trouble in a few years.

[00:20:34]

**FT:** Right. Well, that should never be allowed. I think that goes back to our earlier point where if we want to see more equitable transactions and more opportunity and more access to being – There's just no access right now. Yes, you can go to an open house. Yes, you can put an offer. But realistically speaking, you're not going to get it, unless you're prepared to offer 20, 30, 50 percent more –

[00:20:57]

**AL:** And your firstborn child.

[00:20:59]

**FT:** Yes, your firstborn child. Waive the inspection. Certain things should not be allowed. Okay, if it was up to me, Alix, I would not allow these bidding wars to be happening behind closed doors. I want it all out, and I want to all transparent because what happens is you hear that there's 20 people bidding on a home. You think. That's just something the real estate agents have told you. Because why? They want to create a frenzy. So if they really told you there's only three people that are interested, you think you're going to offer 100% more? No, you might offer 15% more, enough where you're still going to make the appraisal.

[00:21:37]

**AL:** Yeah. No, that's a good point.

[00:21:39]

**FT:** It's like a silent auction for a four-day vacation to Tahiti, and you're at your son's like private school. But even then, everyone can see the price. So this is worse than that, and it's a high stakes purchase. It's a home. So I don't understand. We need to get with the program. We can't allow these things to happen. We can't allow waiving inspections. Frankly, I feel like if this is a starter home, it should go to starter home buyers.

[00:22:05]

**AL:** Yeah. No, absolutely.

[00:22:05]

**FT:** It should not be going to developers. I mean, we're going to flip it or Zillow or private equity. Please leave this up to people who are within a certain income range.

[00:22:16]

**AL:** Yeah, absolutely. No, I think you're right, and I think that's a really good point that being able to waive an inspection is privilege, right? Being able to call a realtor and say, "We'll just take the house right now," is privilege. That's certainly not something that all people can do. I think, yeah, to your point, there are some good things though that are happening. For instance, earlier this year, Fannie Mae, they are now accepting – Certain rental payment history can now count towards in your mortgage application, which previously up until last year, you couldn't do that, so even if you've never paid your rent.

If you've paid your rent on time your entire life, it never mattered. But now, it can matter, and it will help people who are usually more historically disenfranchised by our financial system, which is people of color or single mothers or people who are immigrants. It totally depends. But now, if you have a lower credit score, or you have other sort of barriers or blemishes on your credit report, this is something that can help you speak to transparency, right? That is what's important. So I think there are some small steps forward that are helping people. But also, to your point, with inflation and all of this crazy stuff, it's like it doesn't matter that much if every house is still a million dollars, and you can't afford it and even if your rental history counts.

[00:23:35]

**FT:** Yeah. I mean, I get that the market will dictate – Well, it will dictate, and in some ways we love that. But this is not a nice to have thing. These are – We're talking about where people live,

a roof over your head, some of these more basic homes that should not be going for a million dollars anywhere. I don't care where it is. I don't care if it's on the moon. It should not be a million dollars because someone who really needs that home won't get in. It's like what I would see in New York City. You might remember like these condos that would go up, and they were called ghost condos because they would all get purchased by foreign dollars, a 200-unit apartment. Maybe like 25 of them were actually being inhabited, and the rest were just vacant. It's like do we not see the disgust in that? There's people that are homeless in this city, and they can't live anywhere. That should not happen.

[00:24:26]

**AL:** It contributes to inequality on many levels because what happens is when you have a bunch of foreign buyers come in to buy real estate just to hide their money somewhere, they don't pay any taxes. There's no tax base. They're not spending money in the local economy. They're not spending money at local stores. That has a negative effect on everybody that lives in that city. New York is not a place right – New York is supposed to be a place that people love to be, and it's an exciting city. So you don't want to have a bunch of empty luxury buildings where nobody's around.

[00:24:54]

**FT:** What was your first apartment in New York City?

[00:24:57]

**AL:** Oh, my goodness.

[00:24:57]

**FT:** How much did you pay?

[00:24:58]

**AL:** I lived in the East Village, and I lived in a two-bedroom with three people, where we put up a fake wall. They cut the living room in half so that you can all live there. I think we all paid something like \$900. Actually, I moved to New York in 2008 during the Great Recession, and the only way that I got, we got our apartment as three 24-year-old girls is because the two Wall Street bros who lived there lost their jobs, and they could not afford the apartment. They gave it to us. That was the only way that I got into New York City.

[00:25:32]

**FT:** Wow. I mean, my first apartment was a rent-controlled room. Well, it's an apartment. I got a room in the apartment. I live with a married couple and their cat. I was on 106<sup>th</sup> in Broadway, I was a graduate student at Columbia, and it was \$550 a month. In a doorman, nice building above a Duane Reade, steps from the subway, walking distance to school. It was very low on the list of apartments when I went to New York to look because I thought there must be – Like there have to be ghosts in this place or no running water. Everything else that I saw was triple that price or at least double that for not as nice walkups, fifth floor walkup.

I walked into this one apartment. There were flies everywhere, facing brick walls. There was one apartment. It was just like a box. I walked in, immediately walked out. I was like – I have seen everything. I have seen everything in two seconds. It's dark, the carpeting. There are stains. I don't even know where they're from, and they wanted like \$1,500.

[00:26:39]

**AL:** Yeah. It's crazy. Yeah. It's only gone up and it's –

[00:26:42]

**FT:** And I lived with a married couple. Not for everybody but –

[00:26:46]

**AL:** I admire your hustle and wanting to stay in New York and make that work.

[00:26:50]

**FT:** Yeah, yeah. By the way, I wrote an article for CNET. It's on co-buying because it's so crazy out there, Alix.

[00:26:56]

**AL:** Yeah. I was going to ask you about that. Are people really doing that?

[00:26:59]

**FT:** People are really doing that. It's not a huge increase necessarily from previous years. But what motivates people now is different, whereas before maybe more people were doing it before marriage, on their way to getting married. Now, it's two friends who were in a band, who are like, "Dude, I can't – We can't live in New York anymore. This is ridiculous. We have also – We need space because we have a band." So they – For example, these two friends I profiled, they bought a three-bedroom out on Long Island, pooling their finances together. This is now a place where they can work and live. So they're saving money on having to rent studio space. One of them is from Long Island, so it's worked out for now.

But it's a thing to be cautious about because unlike getting a home with a spouse, there are no laws to protect you if you split up, whereas if you get divorced, in many states, you split the properties. You split the sales of the home. There's no rule for like buying a home with your colleague.

[00:28:04]

**AL:** That's a really good point, and it's a great – Young people are people who are always going to be innovative and try to find new ways to buy houses. People are always going to do that. But, yeah, like you said, there are certain things. I think if you do things like that, you need to do it the right way. You should have a lawyer involved because you don't want to ruin your friendship, and you all do want to look out for each other. But also, to your point, like you said,

this isn't a bubble the way 2008 or the housing crisis was, right? But we don't know what's going to happen. So what happens in two years, if housing prices do crash, and now you own this house with your friends, but what if one of your friends can no longer afford the mortgage? Or what if they're like, "Hey, I need to sell my part of the house because I have to pay for my mother's nursing home."?

[00:28:44]

**FT:** You need a prenu.

[00:28:45]

**AL:** Yeah. Basically.

[00:28:46]

**FT:** You have prenu for the house.

[00:28:47]

**AL:** Other than young people, sometimes older people do this. I have interviewed before older retiree like women who are like 75, and they all bought a house together. There's –

[00:28:57]

**FT:** The golden girls, yeah.

[00:28:58]

**AL:** Yeah. So you can do like a tenant in common thing. But, yeah, that's what they did. They hired a lawyer, and they wrote everything out, and they kind of made the creed of the house and the rules that we've all lived by. Yeah. They renovated the house together to do universal design so that all the doorways are wide enough for like wheelchairs. But they made a list of

agreements, like if anyone is too sick to live on their own, they will go to a nursing home, or we will split these costs. So, yeah, I mean, I think on the one hand, it's amazing and great that people want to do this like young or old. But you do. You have to do that right, you have to do it responsibly, and you have to protect yourself because also, ideally, maybe everybody will get married in a few years. Then you do have to figure out how to split the house.

[00:29:39]

**FT:** Because it'd be very weird if you're both still living in that house for like the rest of your lives. I mean, I don't think that's what anyone's hoping for.

[00:29:46]

**AL:** Right, right. Yeah. But that's the thing, right? Millennials, like we have to find ways to be irresponsible these days because if you're trying to be responsible and build wealth, the way to do it maybe is buy a house. But if you can't do it right, we kind of have to like work with each other, I guess.

[00:30:01]

**FT:** Right. These two gentlemen that I profiled, the friends that bought the house, they talked about all of this. They said, "If one of us wants out, no hard feelings." The other person has the first right to purchase that person's equity, basically like sell their – Purchase their stake. They could also rent out the room, or they could decide to put the house up for sale or rent it out entirely. Then at that point, it might become an investment property that they're sharing it, which would take on new legal documents, but they have talked about it. They've gone through all of those scenarios ahead of time, which I think is prudent.

[00:30:37]

**AL:** Yeah, absolutely.

[00:30:39]

**FT:** Alix, thank you so much for sharing some time with me. I know we're both very busy, writing all the important articles for CNET. But really appreciate your insights, and we love real estate here on So Money. So we'd love to have you back as much as you'd like to come on.

[00:30:52]

**AL:** Yes. Thank you for having me. Maybe I'll have some good news about buying a house, so I can share with you at some point.

[00:30:58]

**FT:** I'm sure you will. Thank you.

[END OF INTERVIEW]

[00:31:02]

**FT:** Thanks so much to Alix for joining us. Again, this article, this big feature that we were talking about on CNET right now, and you can click on the link in our podcast summary. Wherever you're listening to this podcast, just look at the summary. Click on the link, and you'll get the full details. Good luck to everybody out there this spring. I hope you land somewhere you love. Thanks for tuning in, and I hope your day is So Money.

[END]