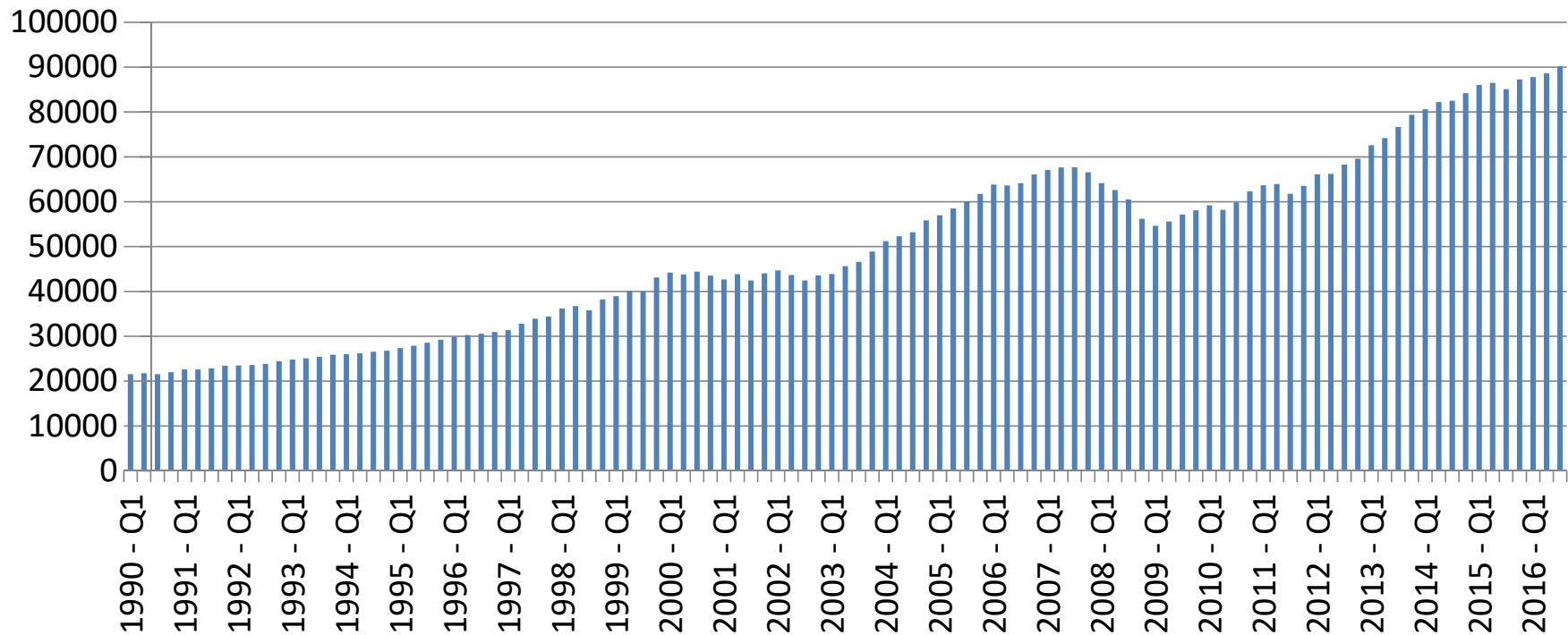


Economic and Real Estate Market Outlook

By Lawrence Yun, Ph.D.
Chief Economist, National Association of REALTORS®

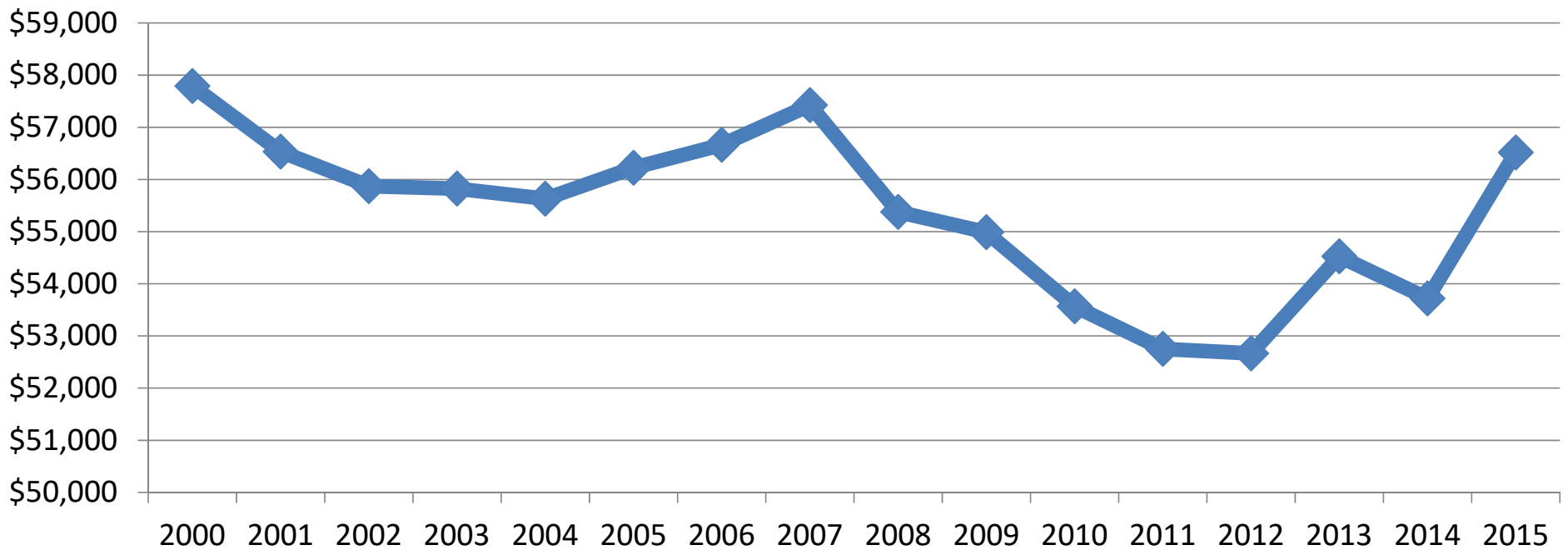
Presentation at Dulles Area Association REALTORS®
March 24, 2017

Lifetime Wealth at All-Time High



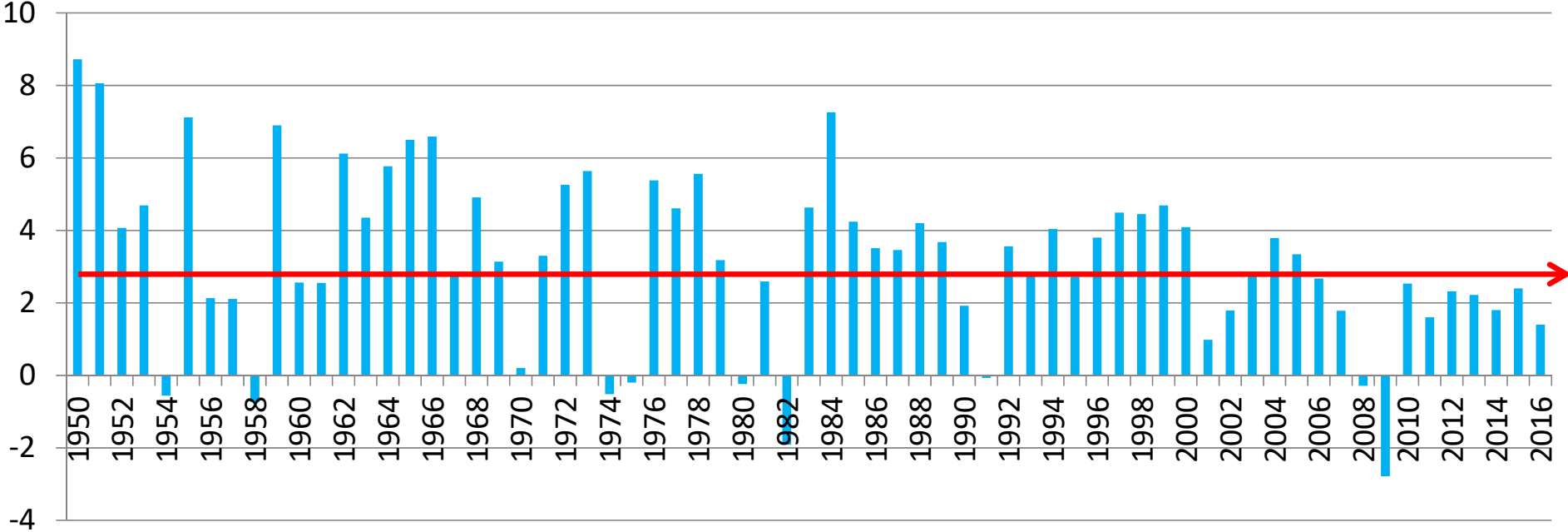
Median Household Income

(Inflation Adjusted)

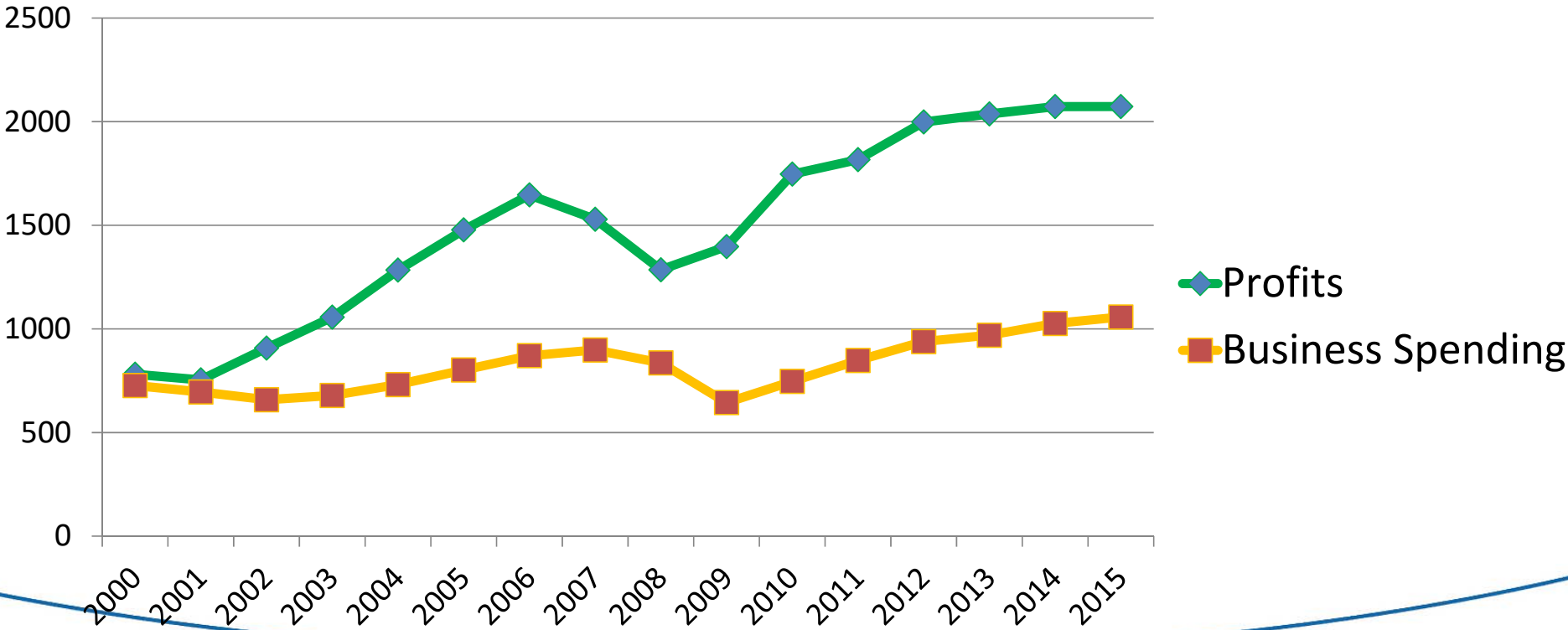


Annual GDP ...

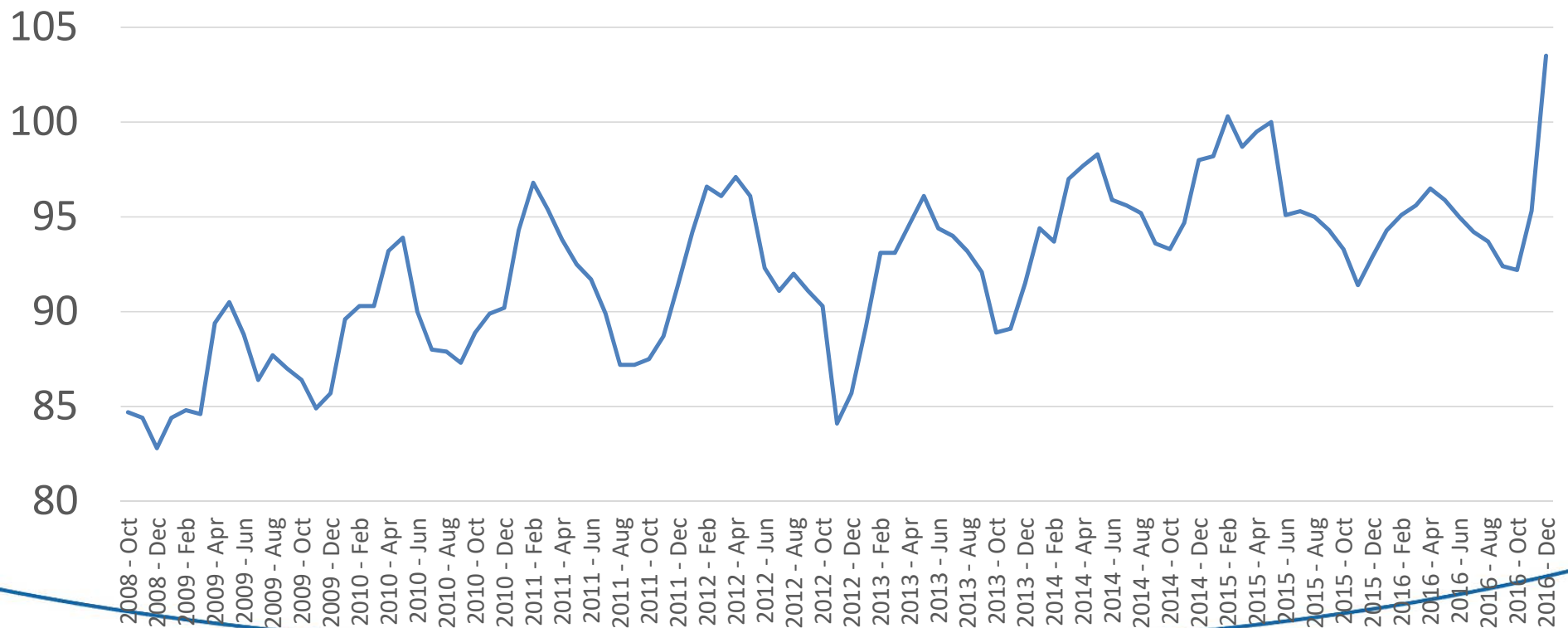
Below 3% for 11 straight years



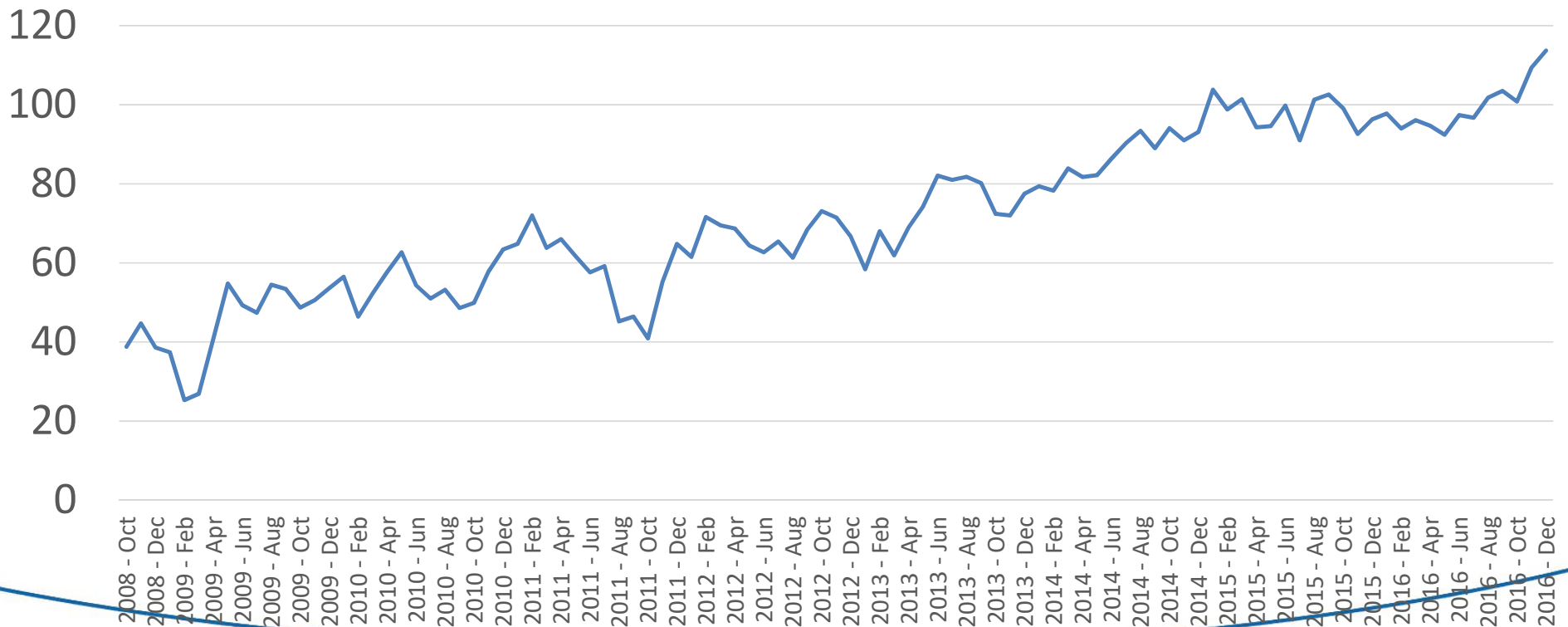
Sluggish Business Spending Despite High Profit



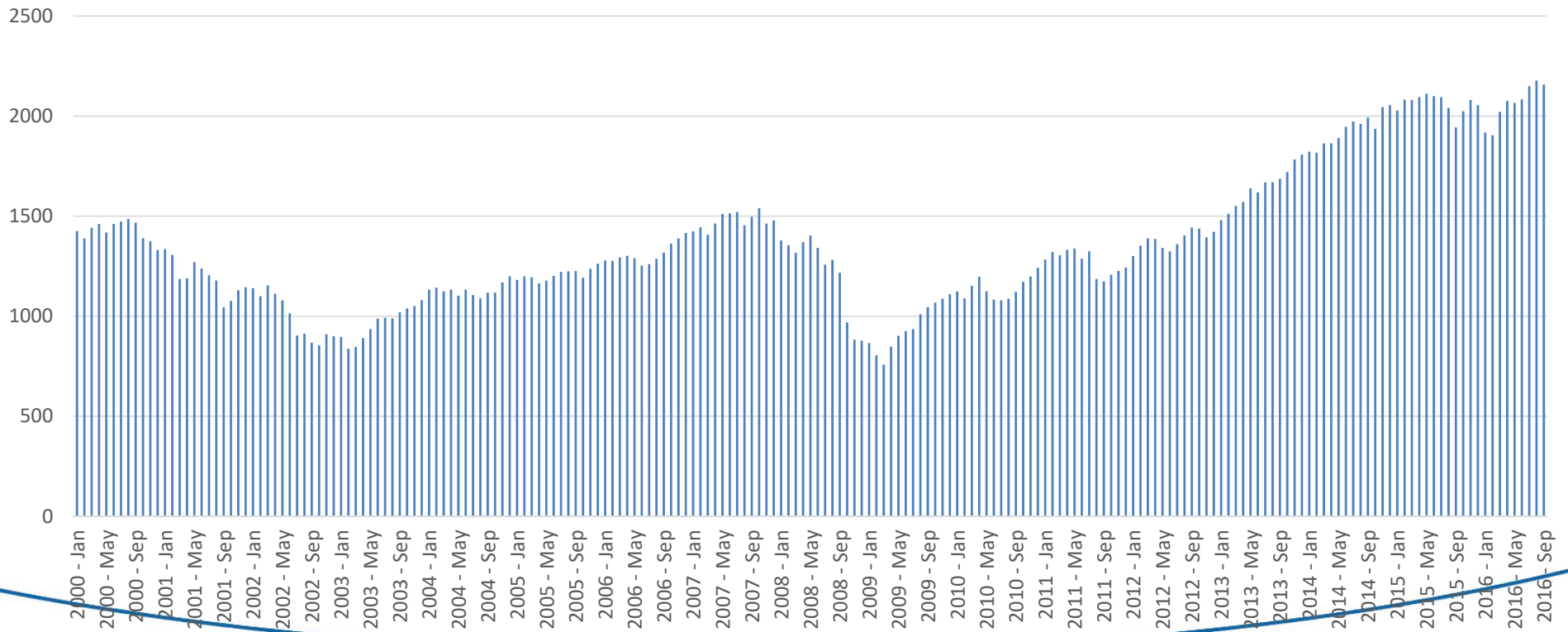
Animal Spirit Revival? Small Business Optimism



Animal Spirit Revival? Consumer Confidence

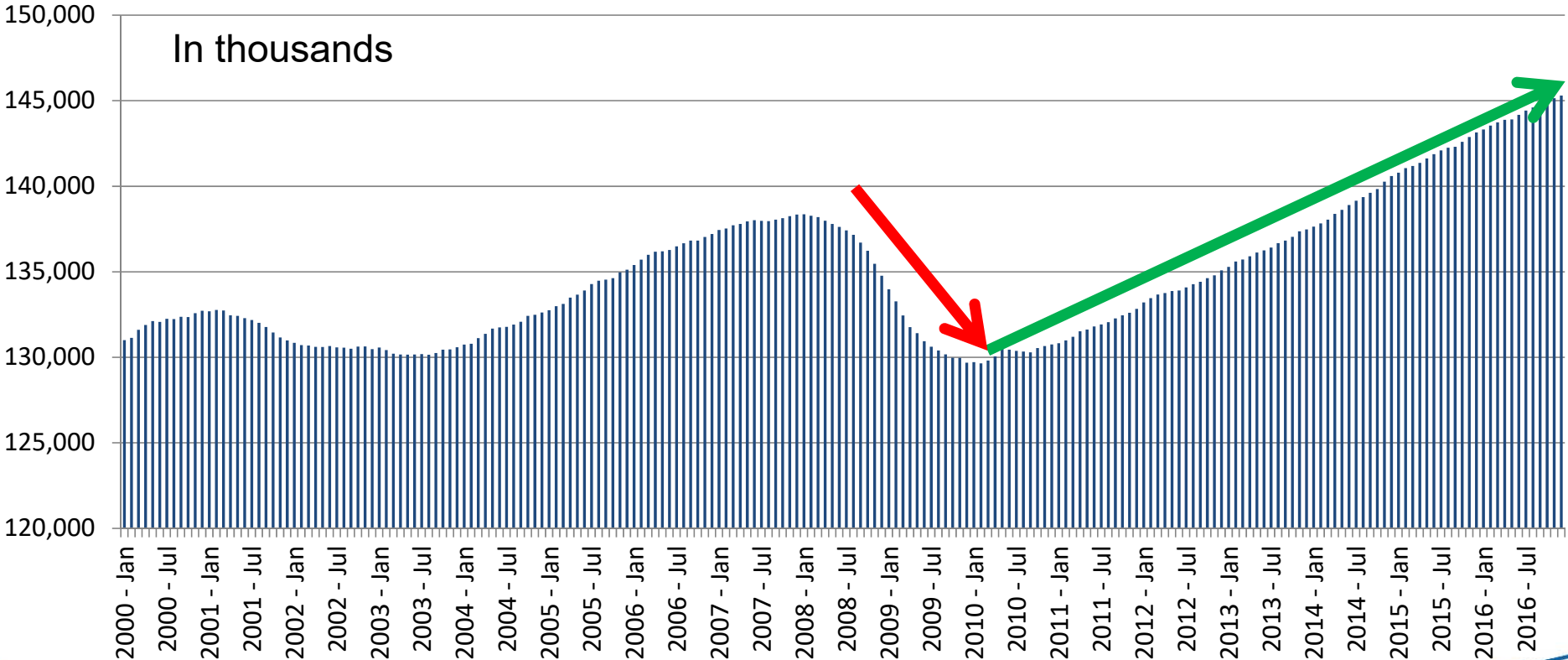


Stock Market: S&P 500 Index



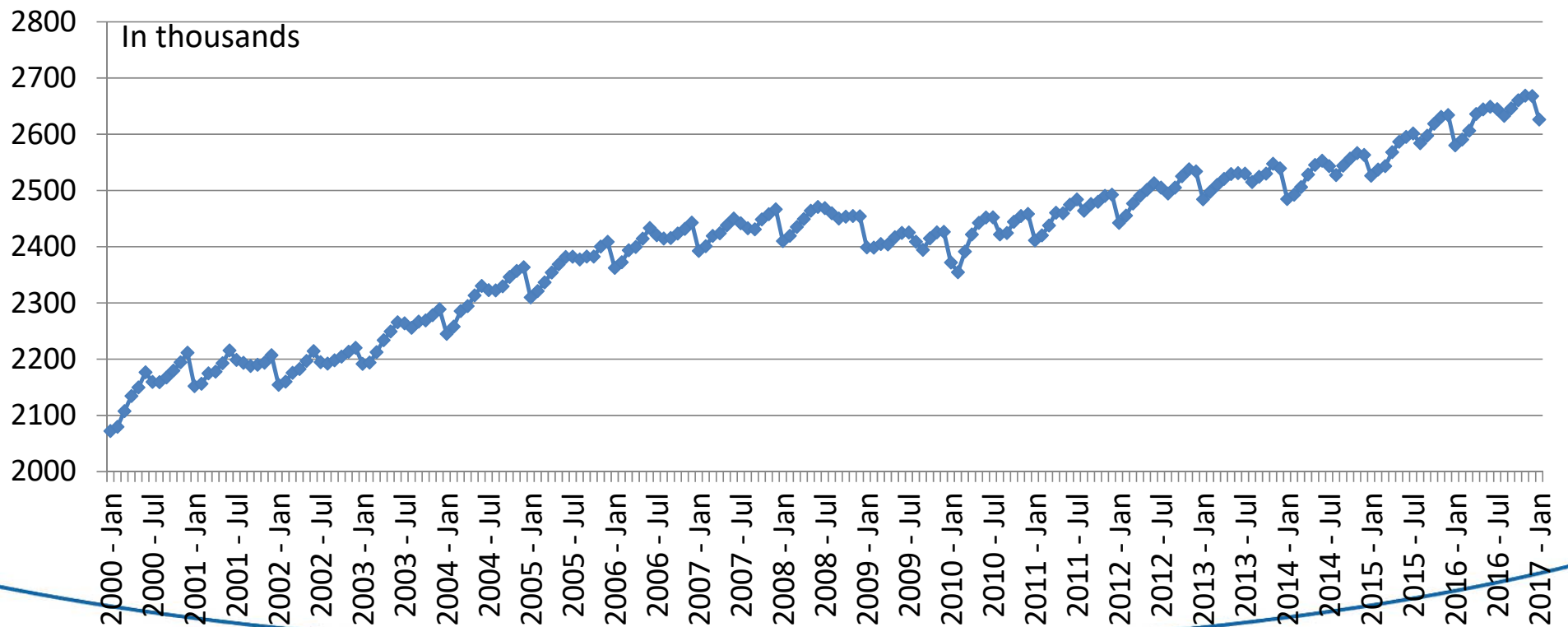
Jobs

(8 million lost ... 15 million gained)



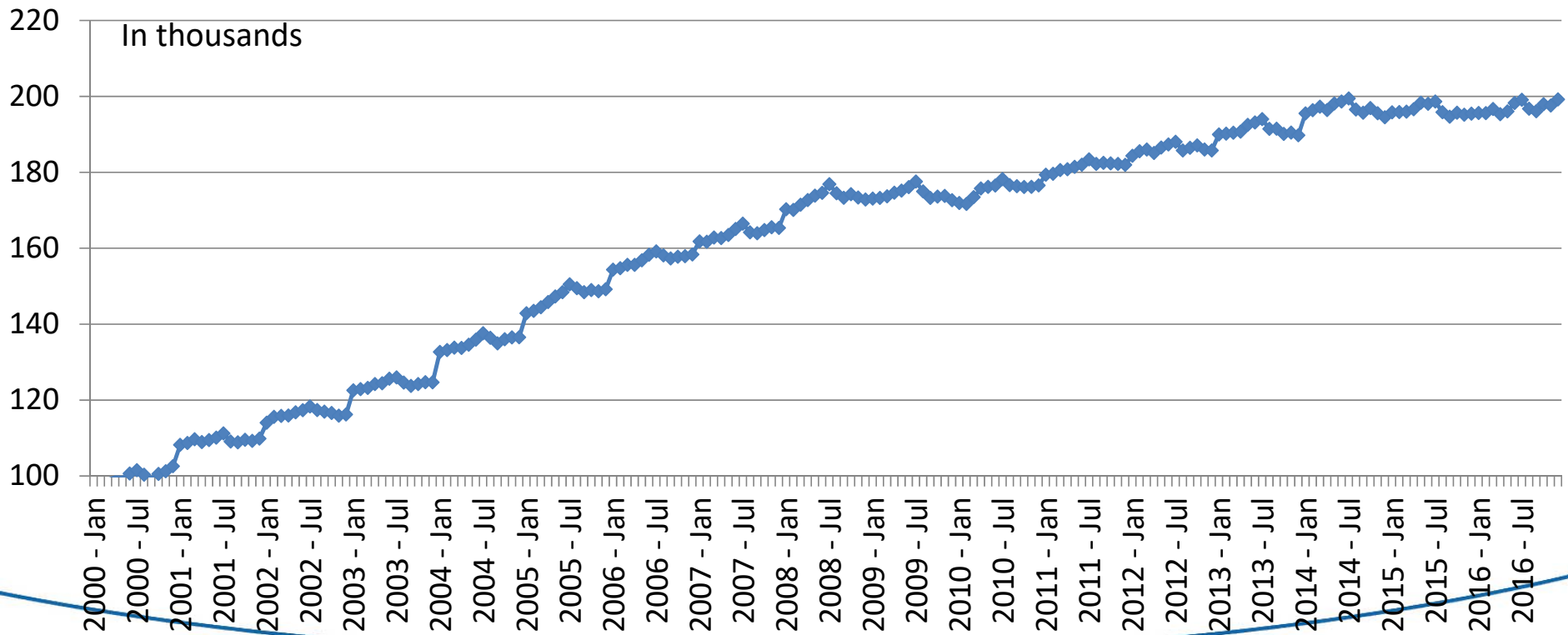
Total Jobs in Washington DC and Northern VA

(27% growth vs 11% nationwide from 2000)



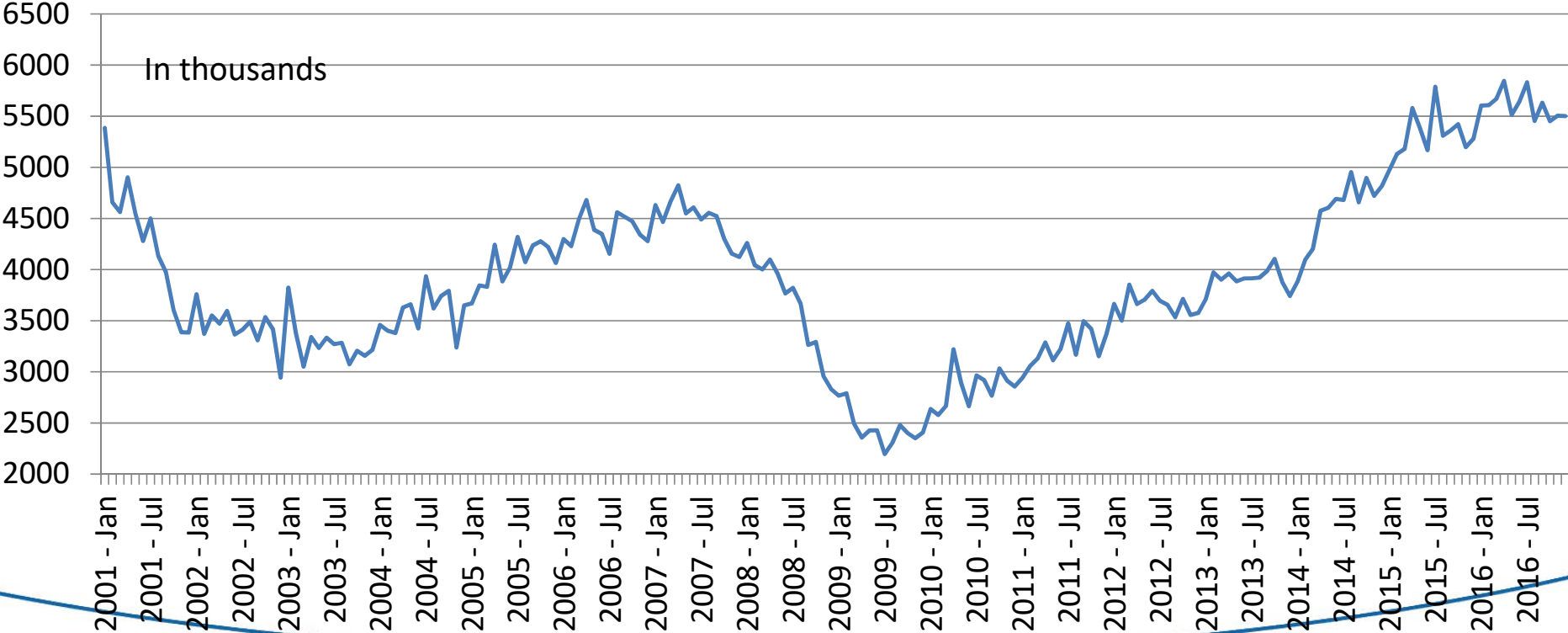
Total Jobs in Loudon County

(95% growth vs 12% in Fairfax County from 2000)

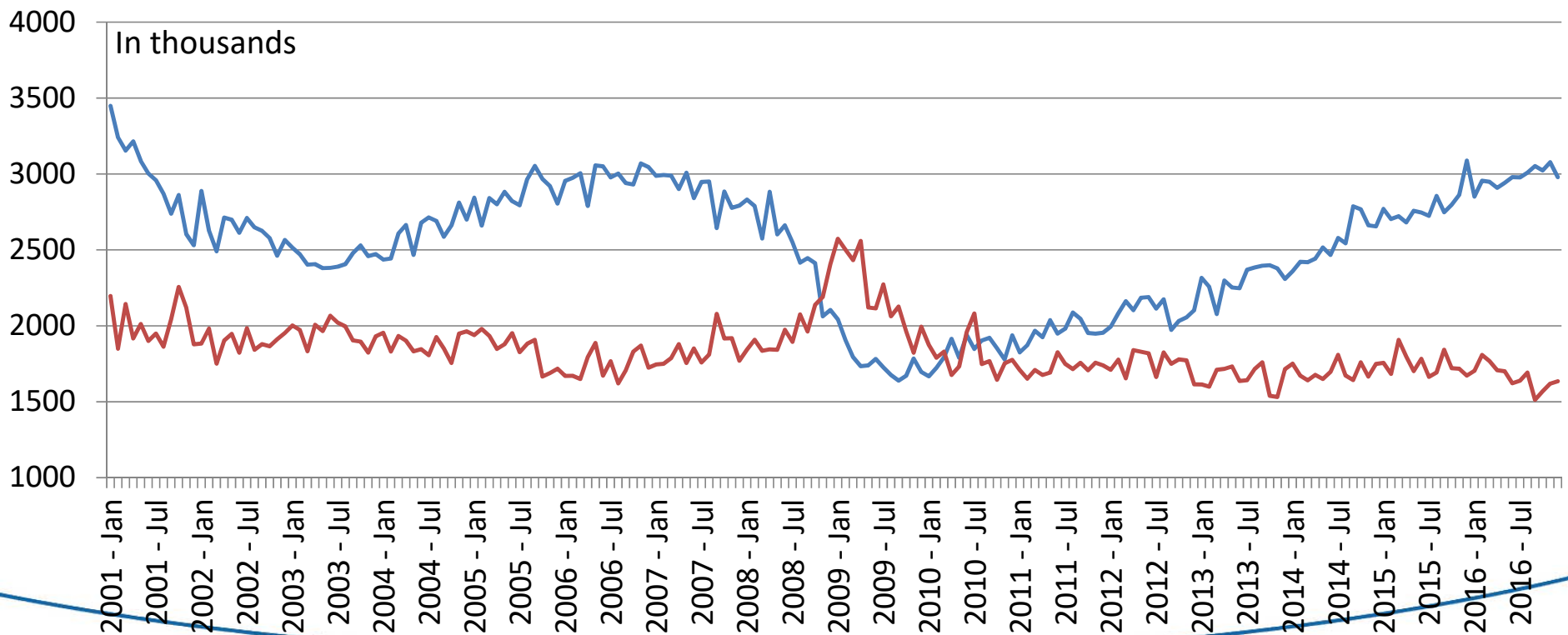


Recession over the Horizon?

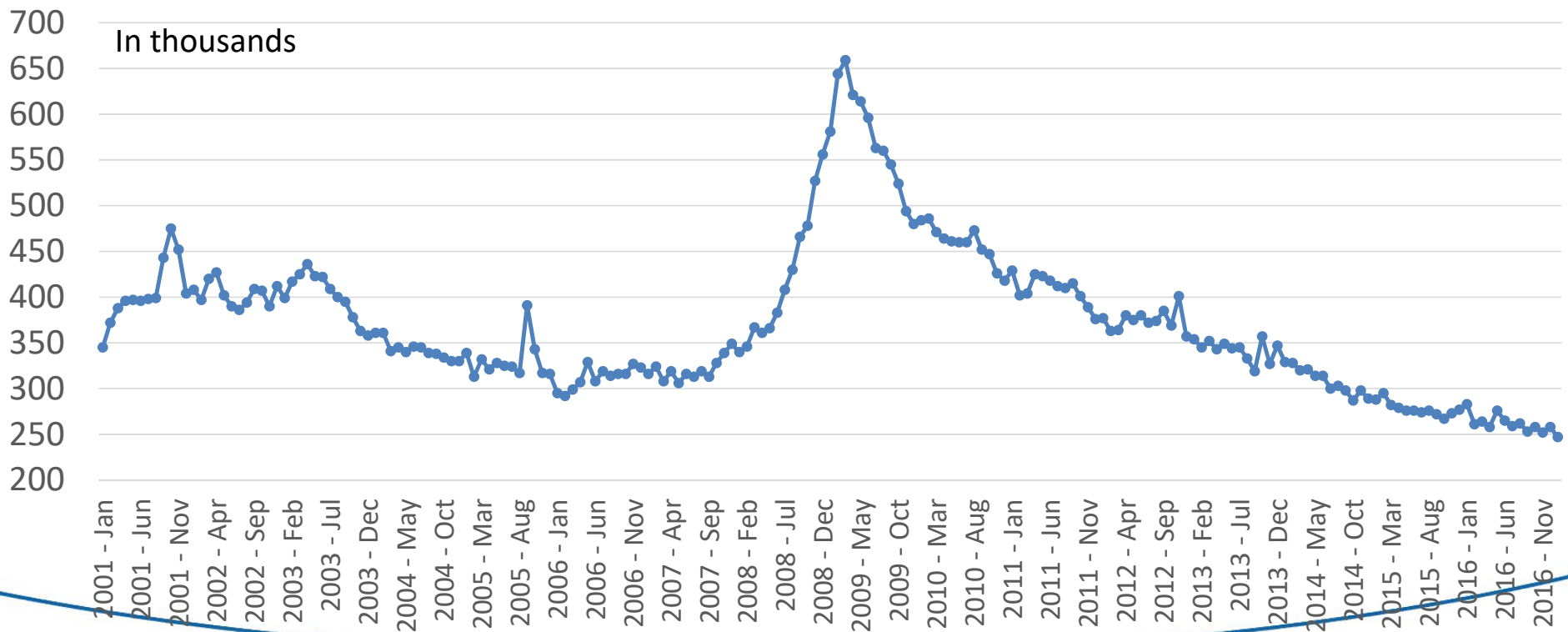
Total Job Openings



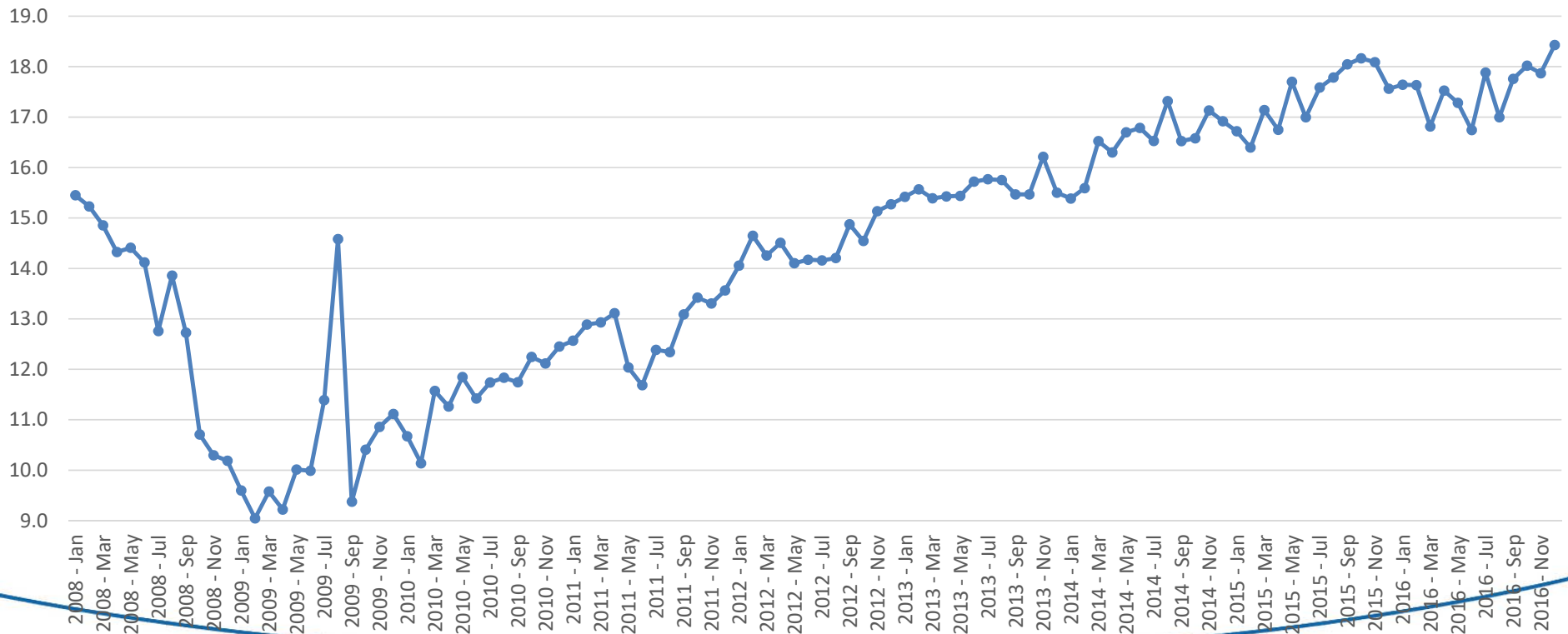
Total Job Separations (Layoffs and Quits)



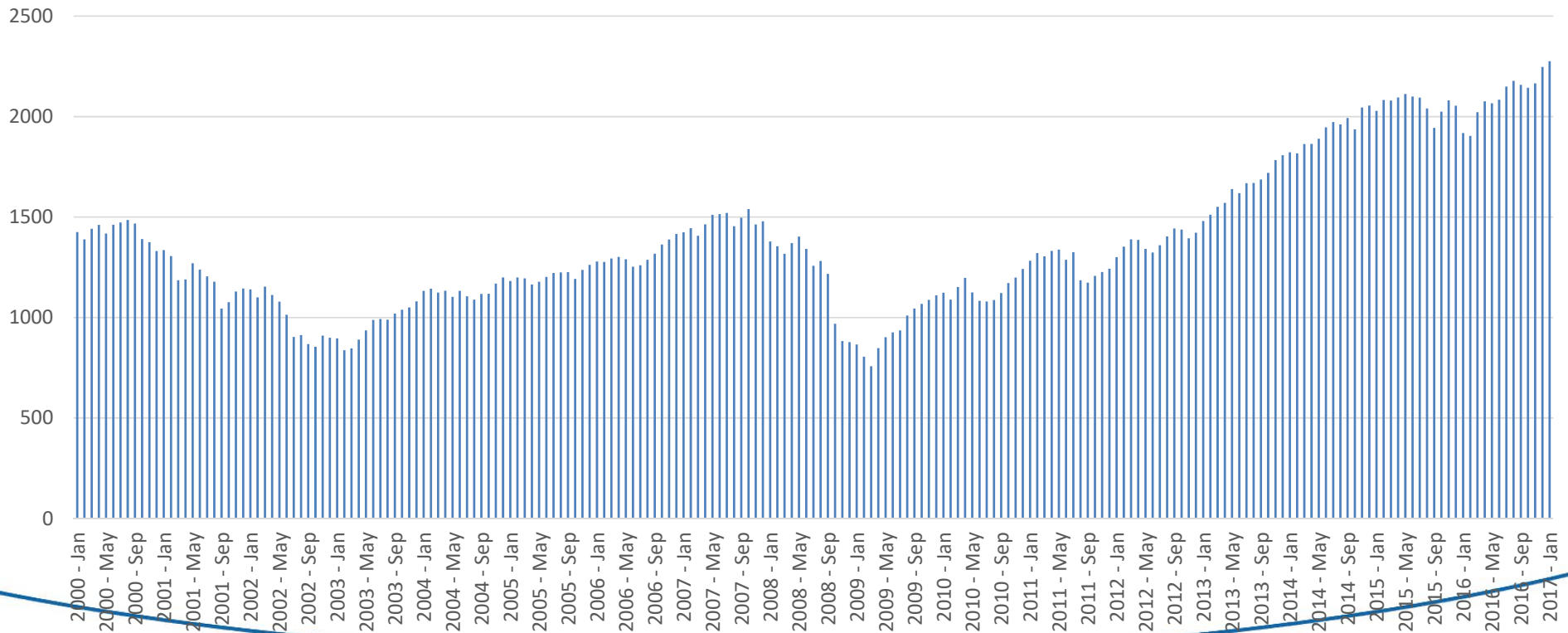
Weekly Initial Unemployment Insurance Filings



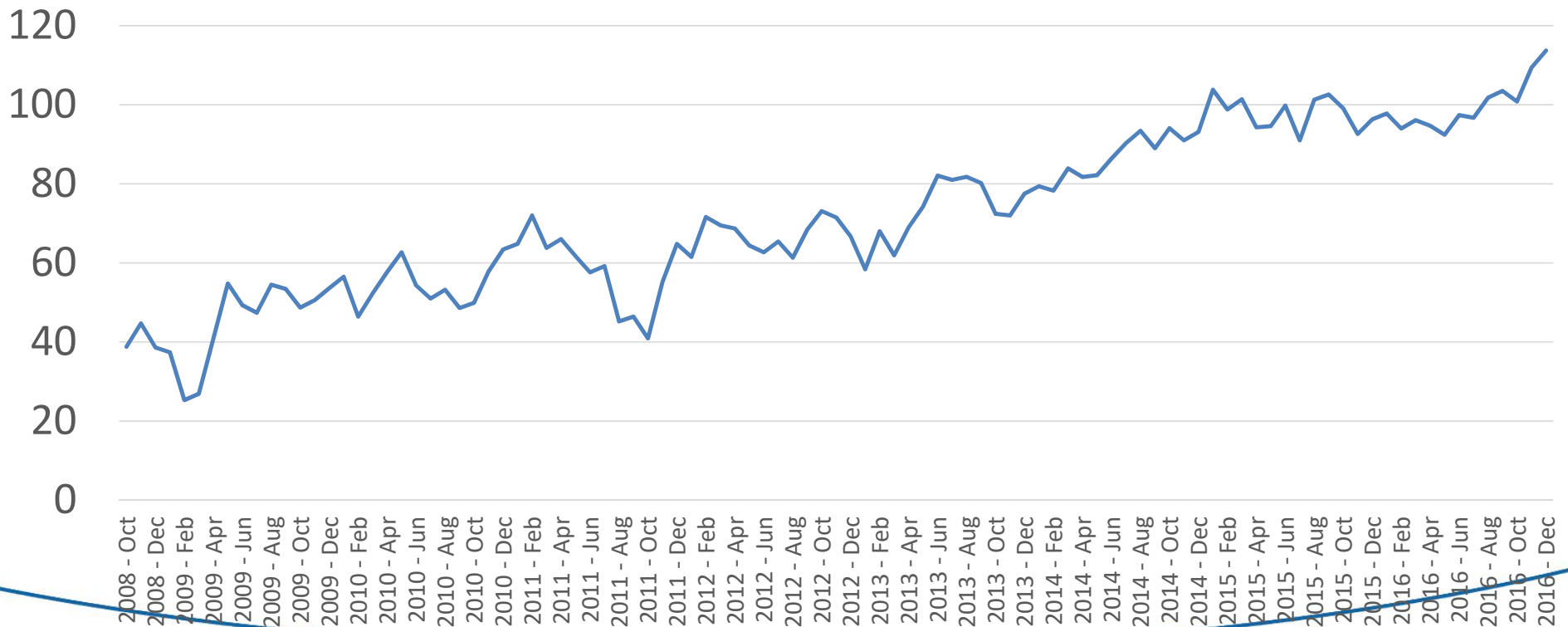
Auto Sales (Annualized Rate)



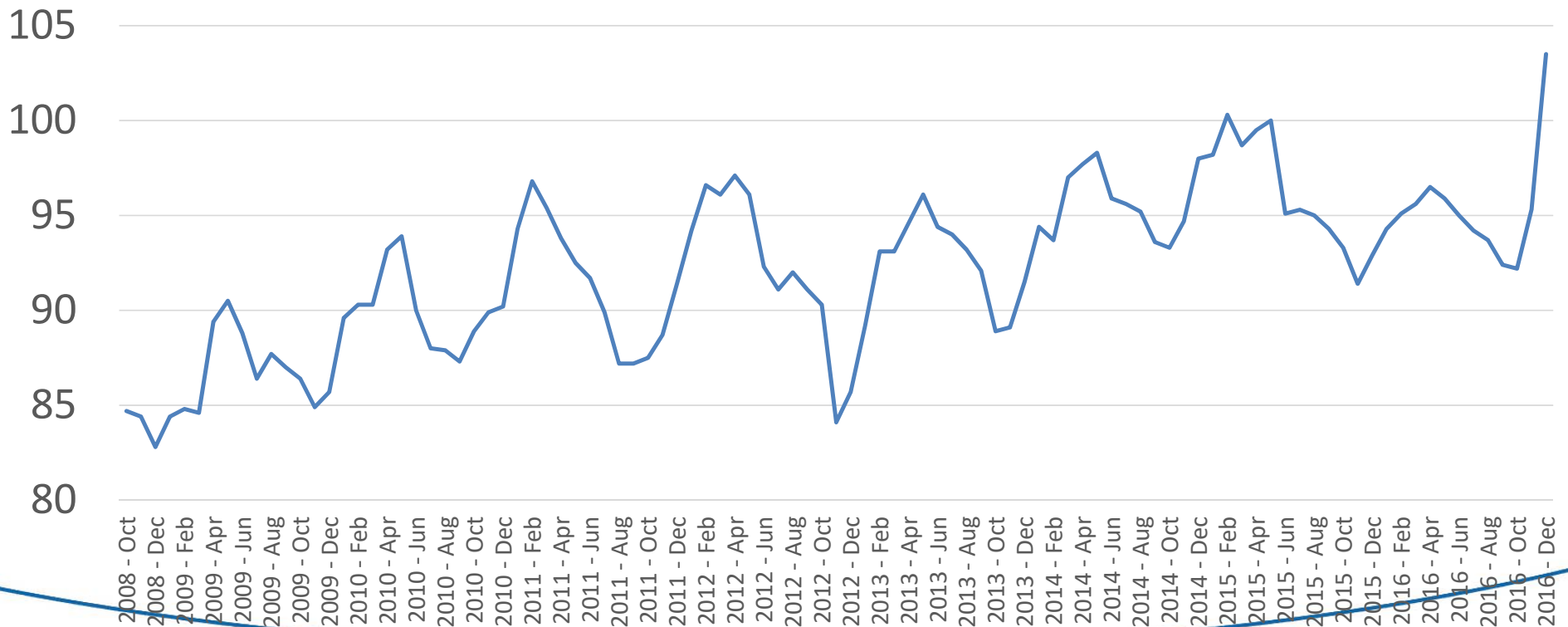
Stock Market: S&P 500 Index



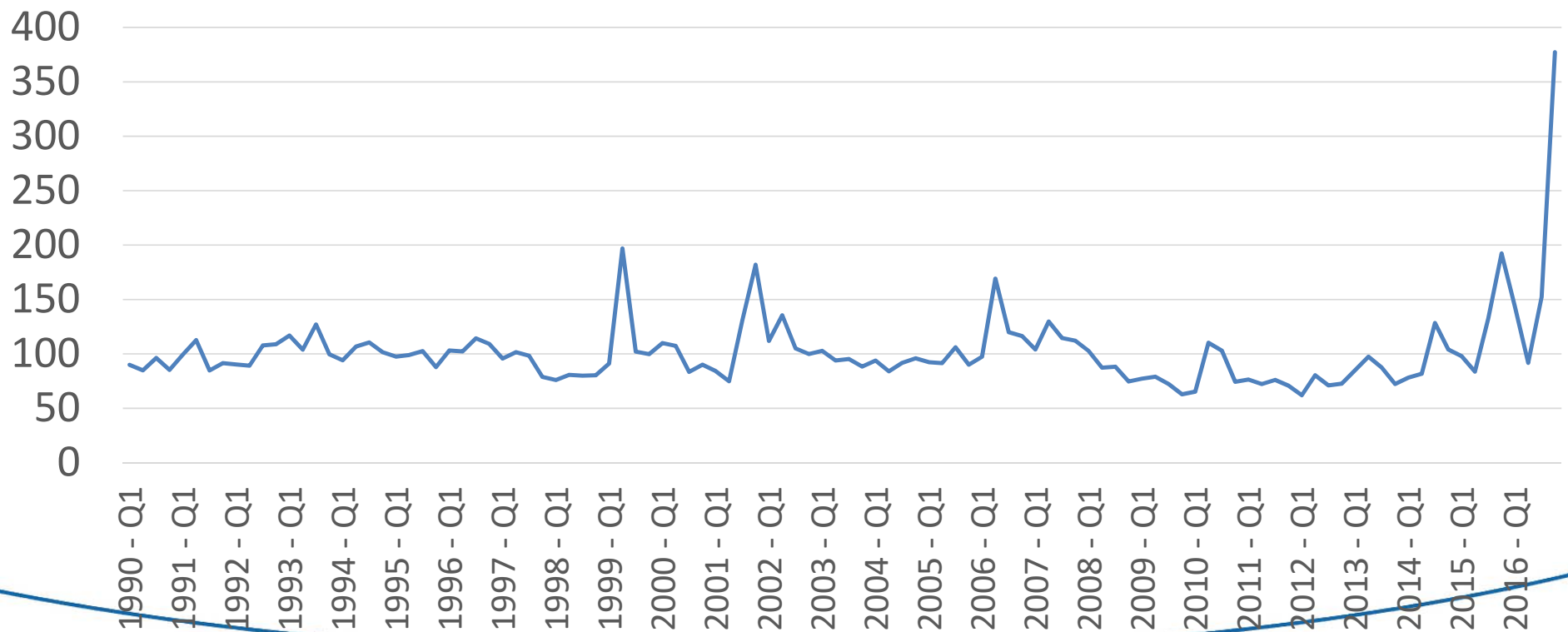
Animal Spirit Revival? Consumer Confidence



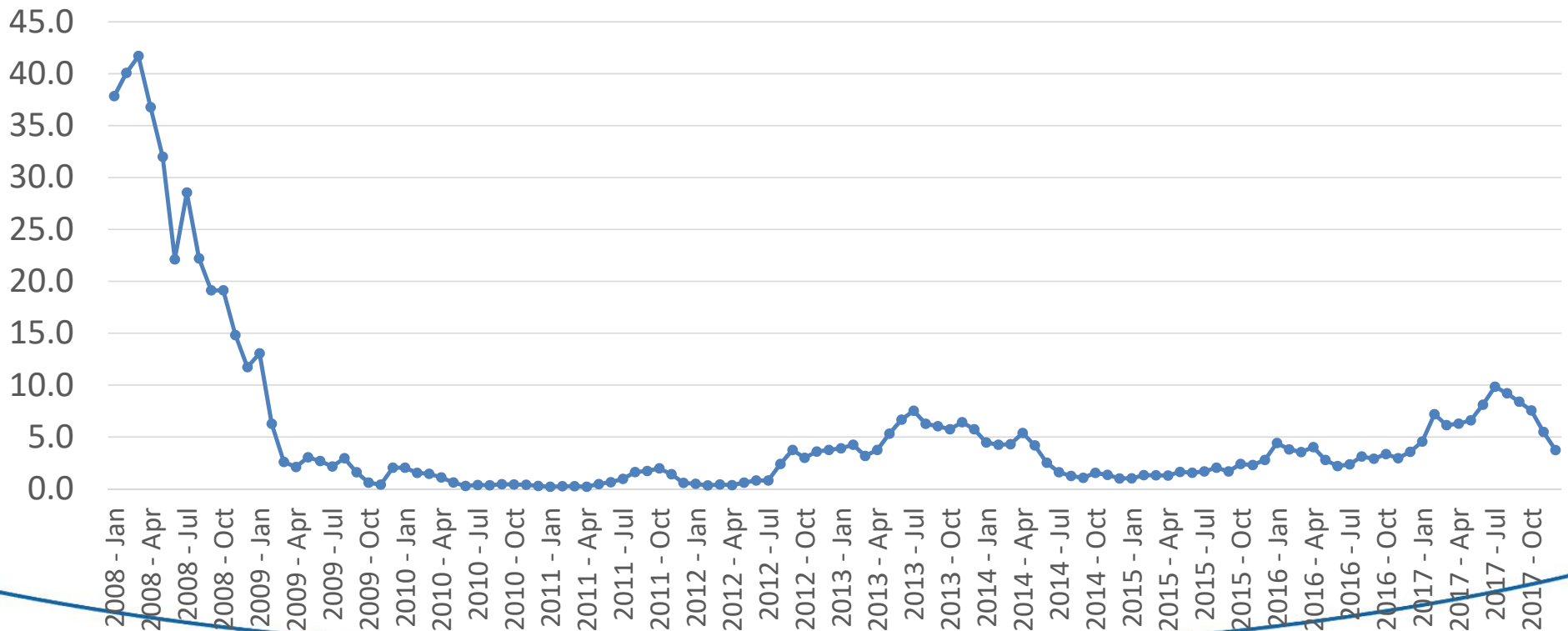
Animal Spirit Revival? Small Business Optimism



Migration Fear Index



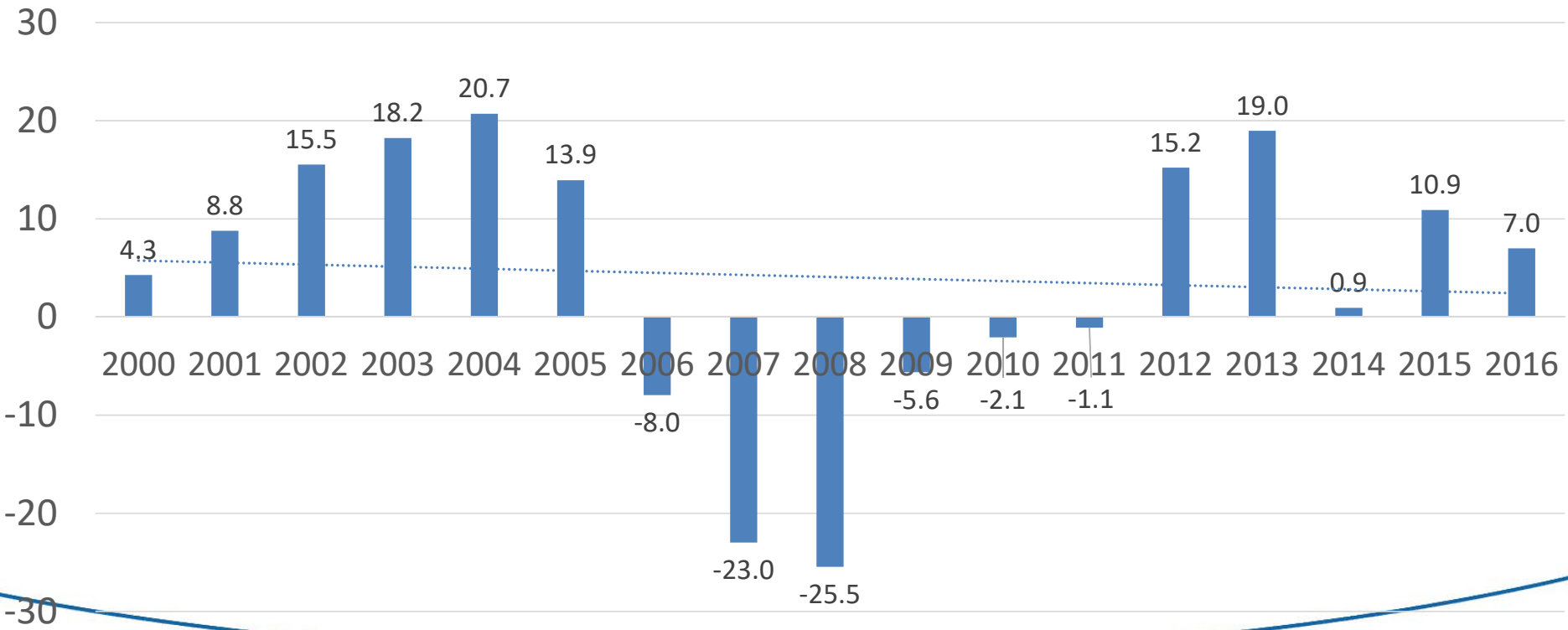
Probability of Recession – one year out (NY Fed: based on interest rate spread)



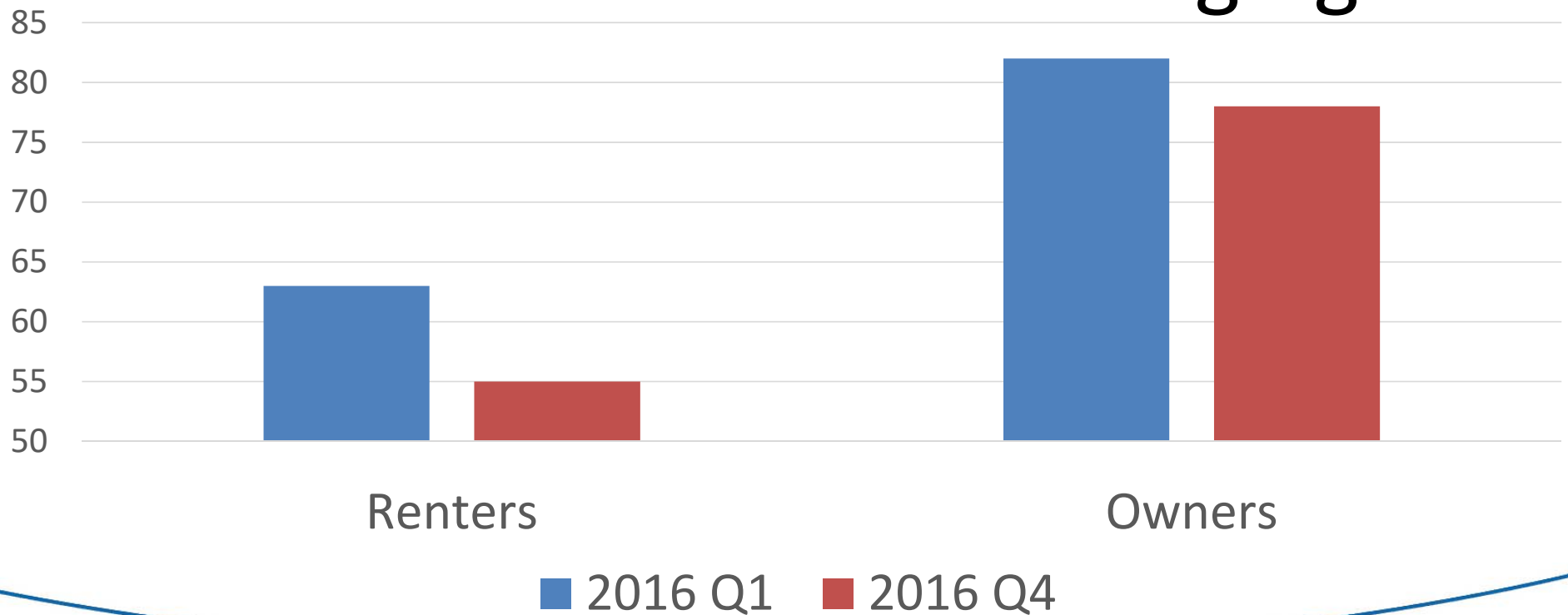
Housing Market Turning?

Dollar Volume Growth Rate

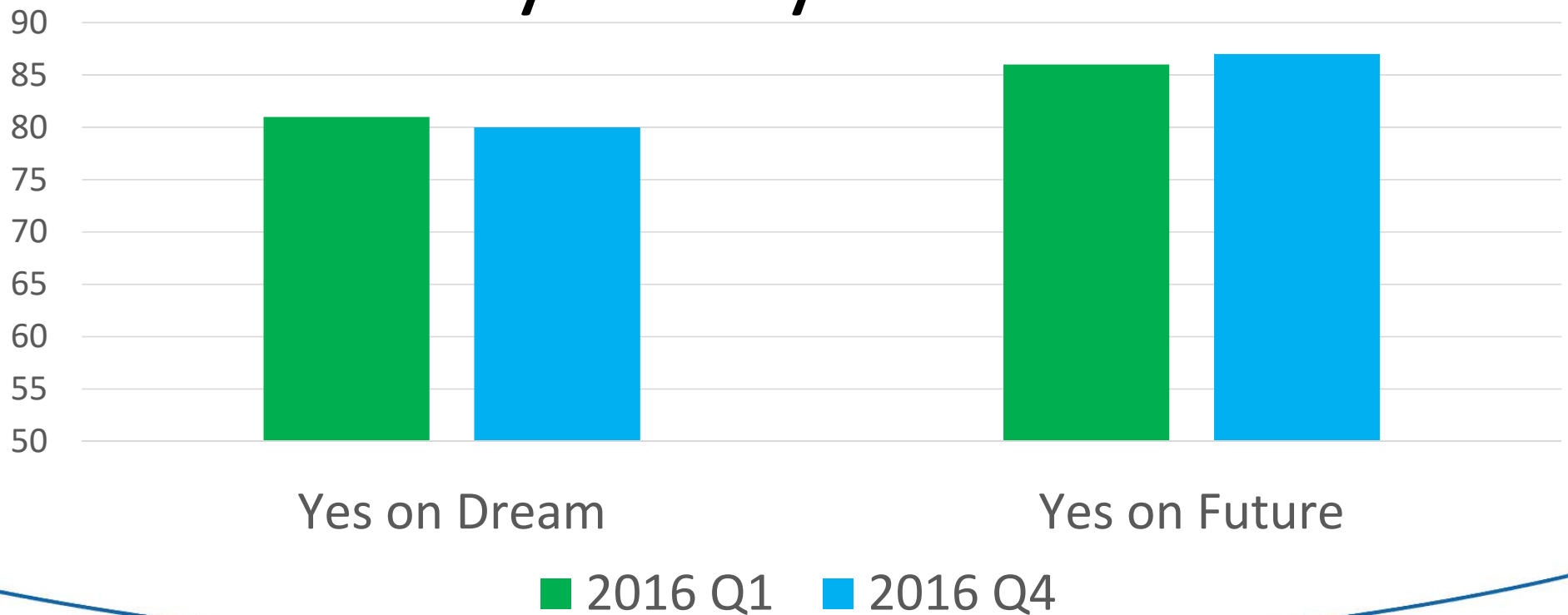
%



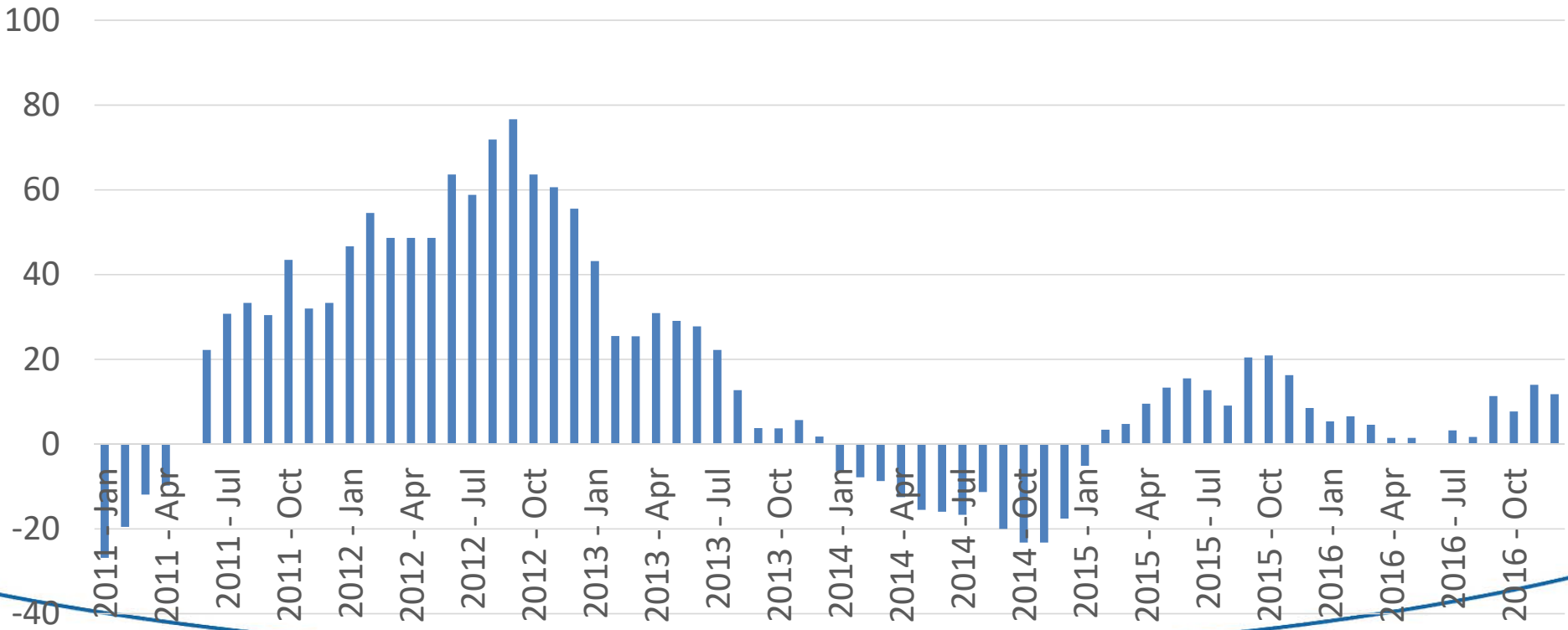
“Is it a good time to buy?” Renters’ Sentiment Changing



Is Owning still American Dream? Will you Buy in Future?

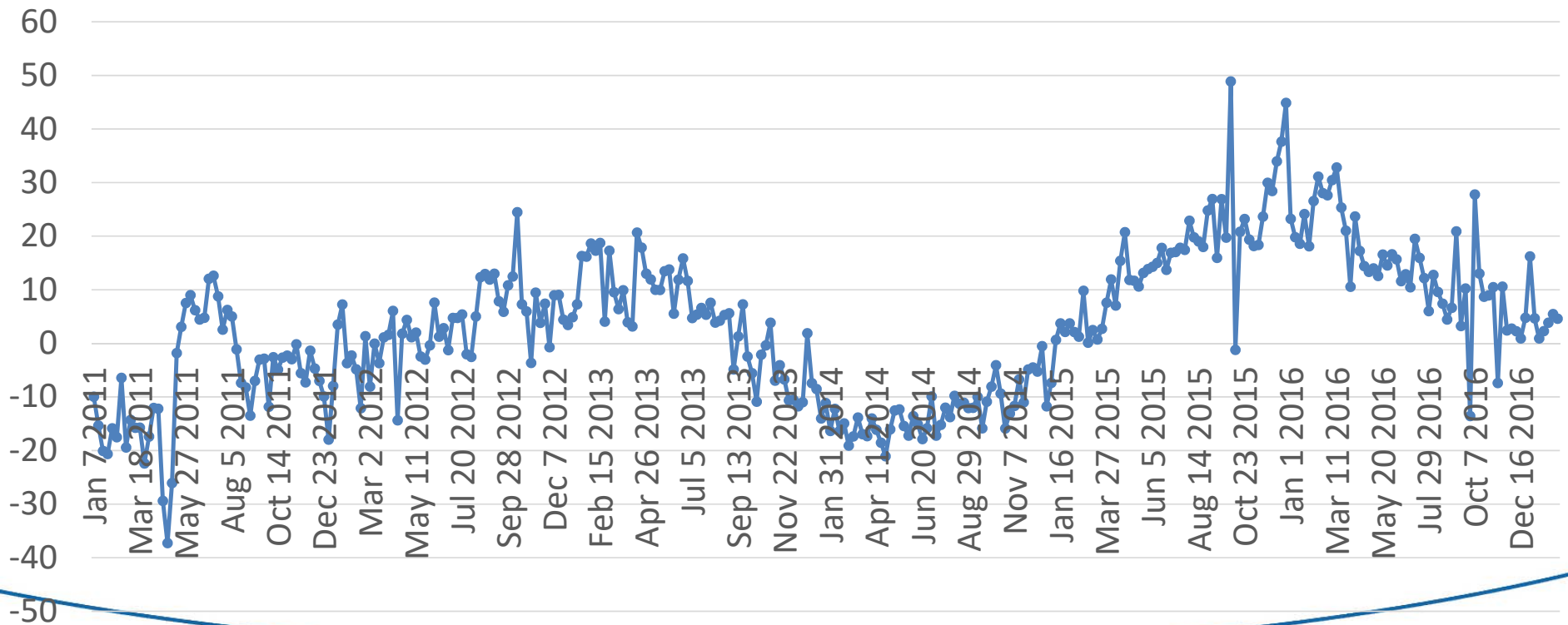


REALTOR Buyer Traffic Index (% change from a year ago)

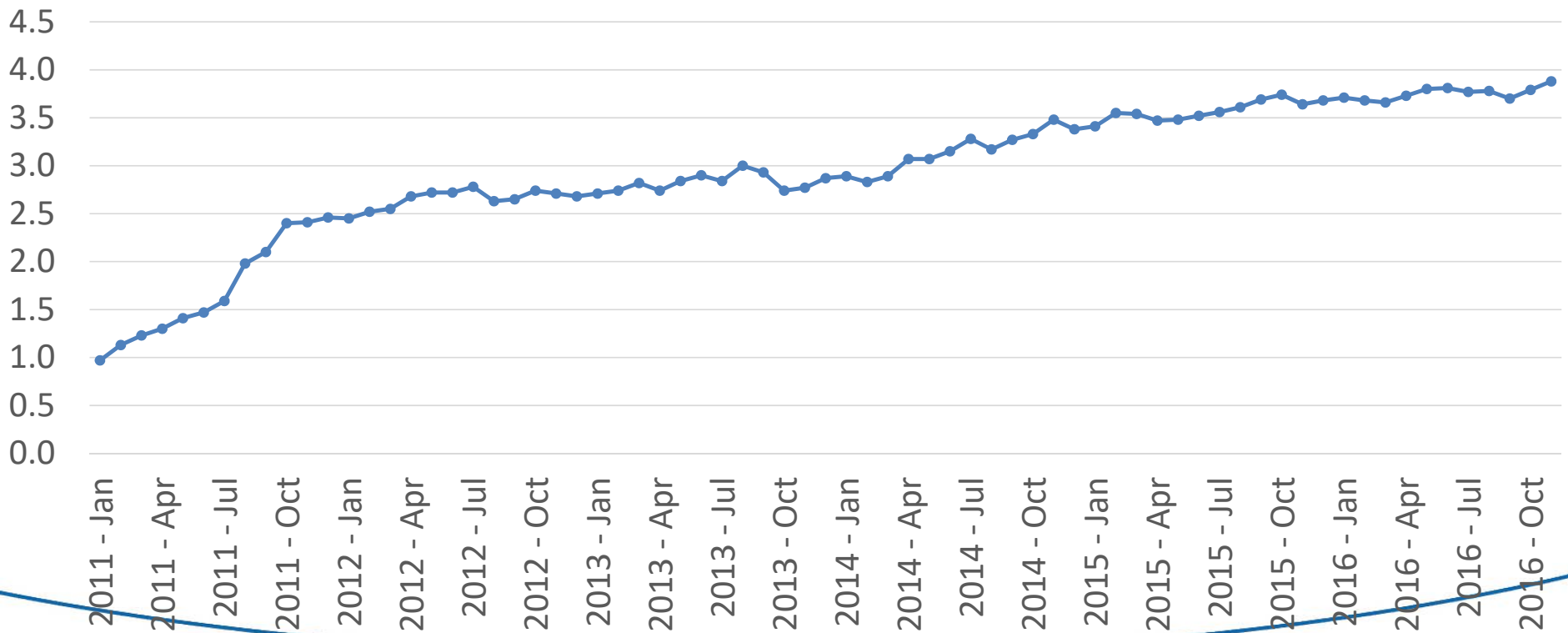


Mortgage Purchase Applications

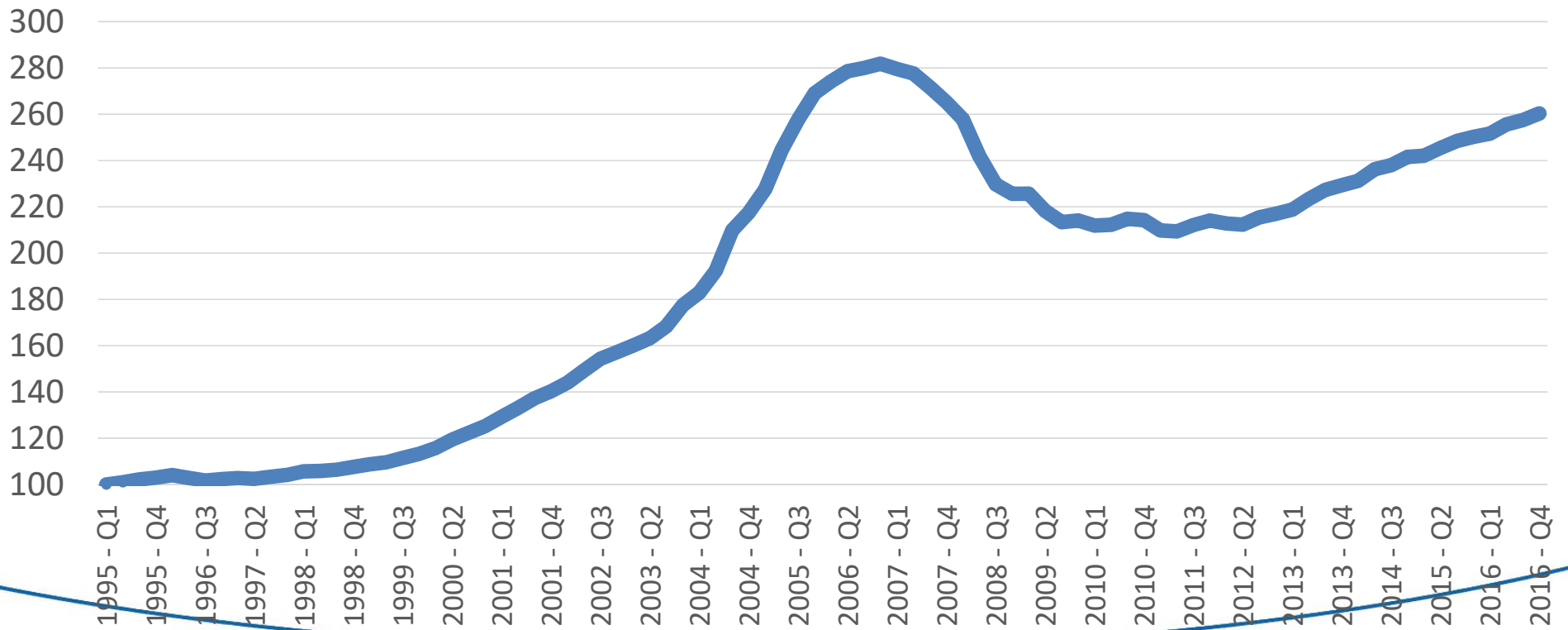
(% change from a year ago)



Rent Growth (% change from a year ago)

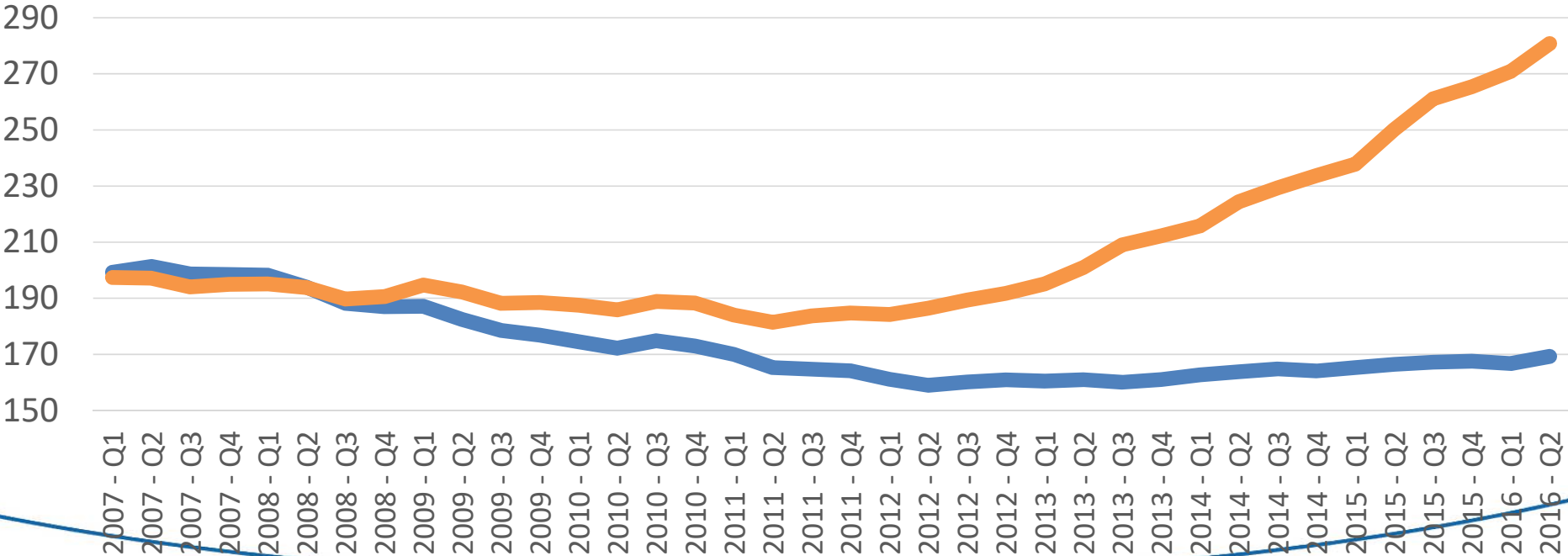


Home Price Index

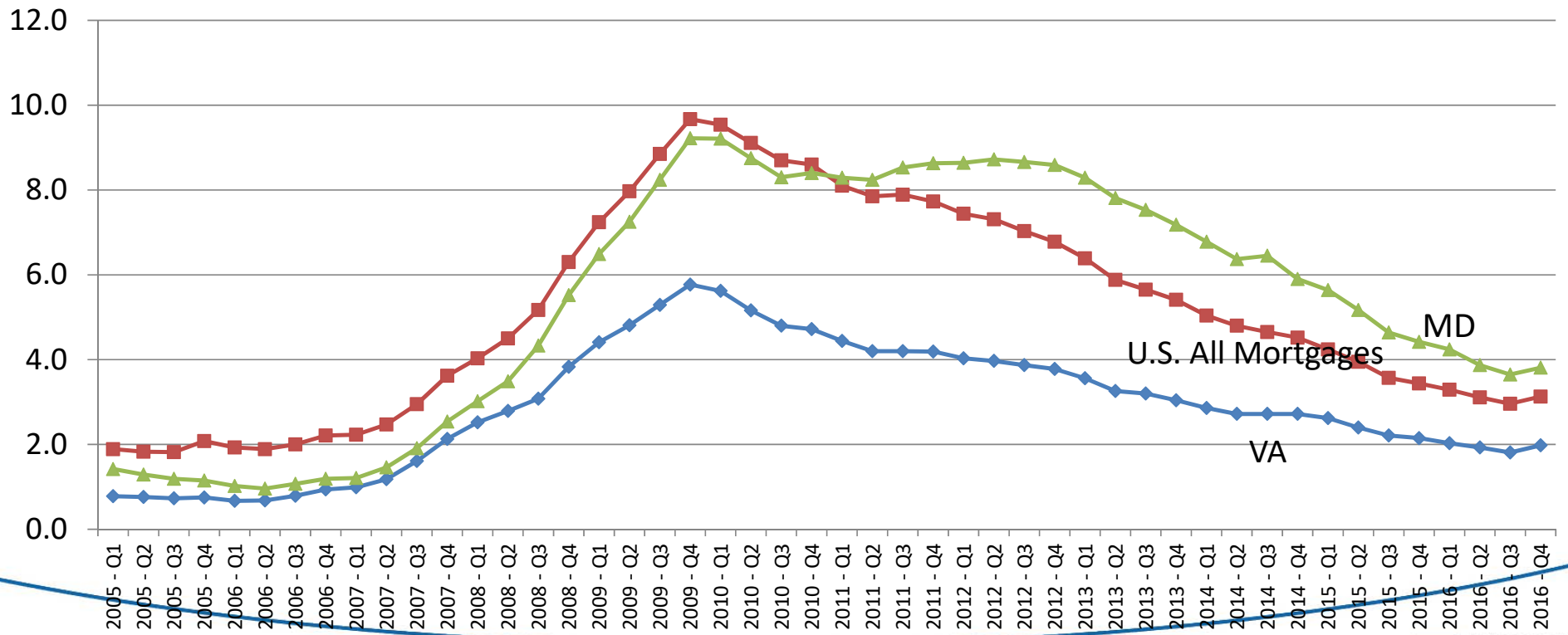


Home Price Index – CO and PA

— Allentown — Denver

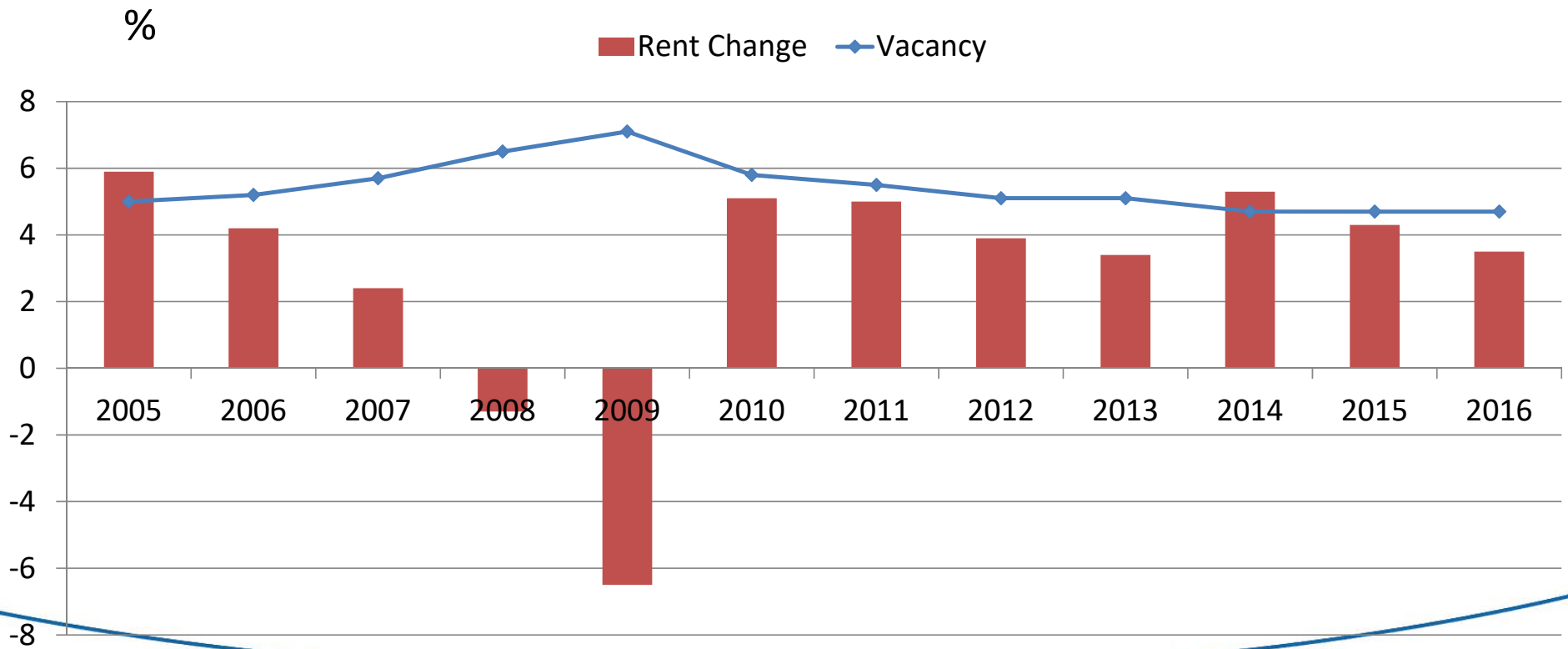


Serious Delinquency Rate



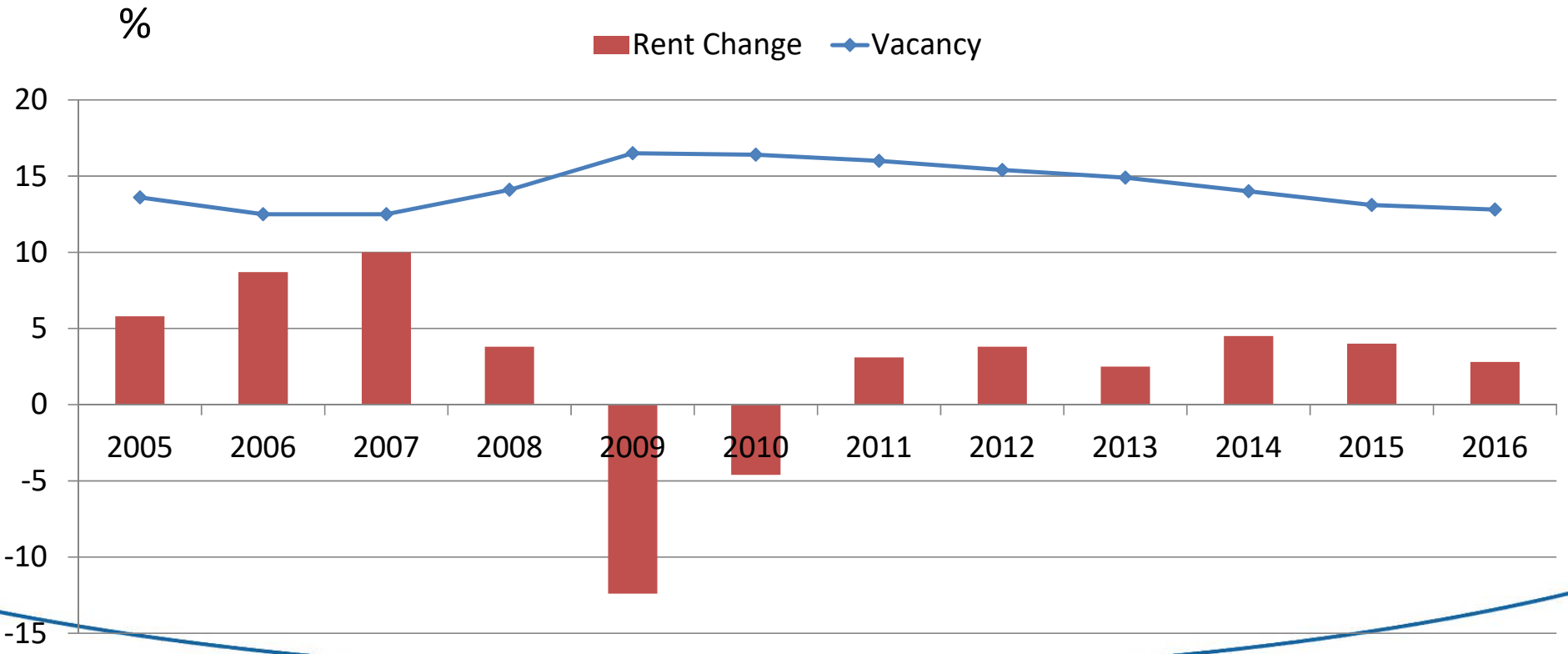
How's the Commercial Real Estate Market?

Apartment



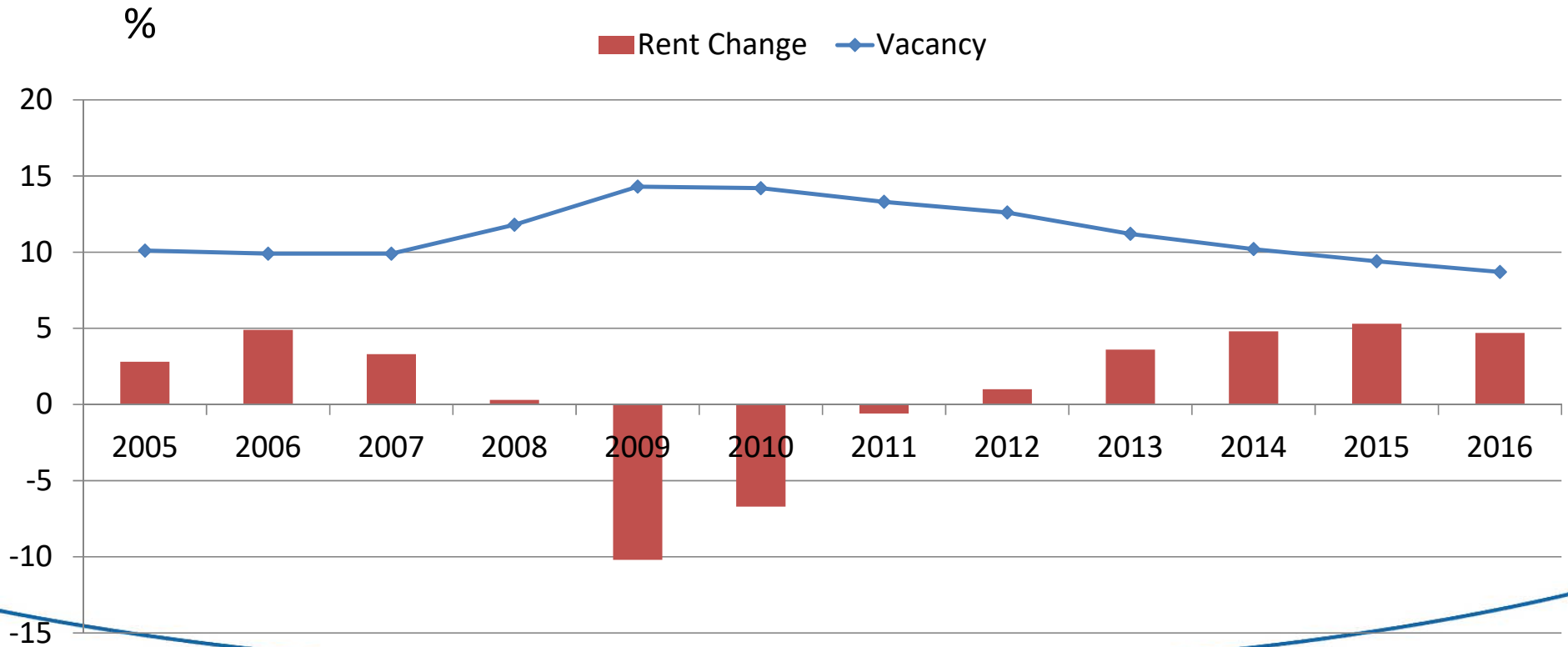
Source: CBRE via ULI

Office



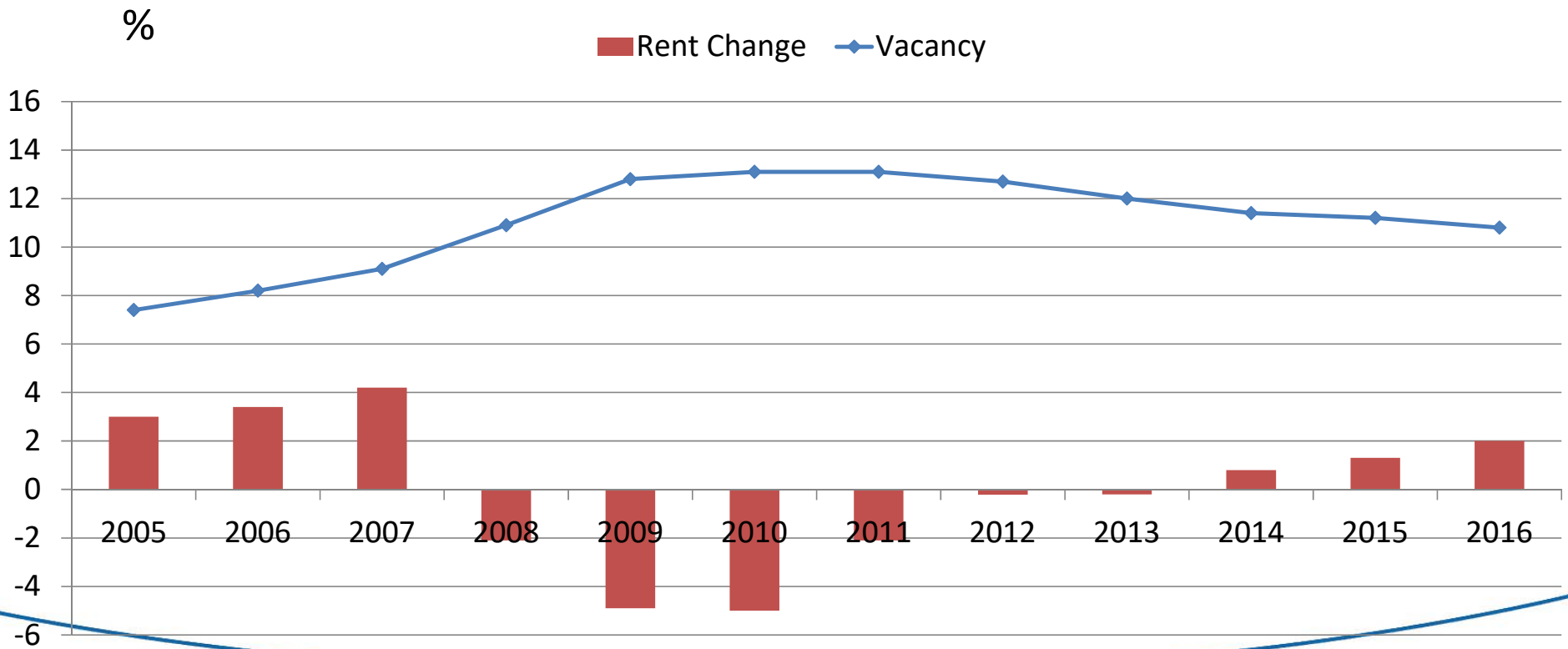
Source: CBRE via ULI

Industrial-Warehouse



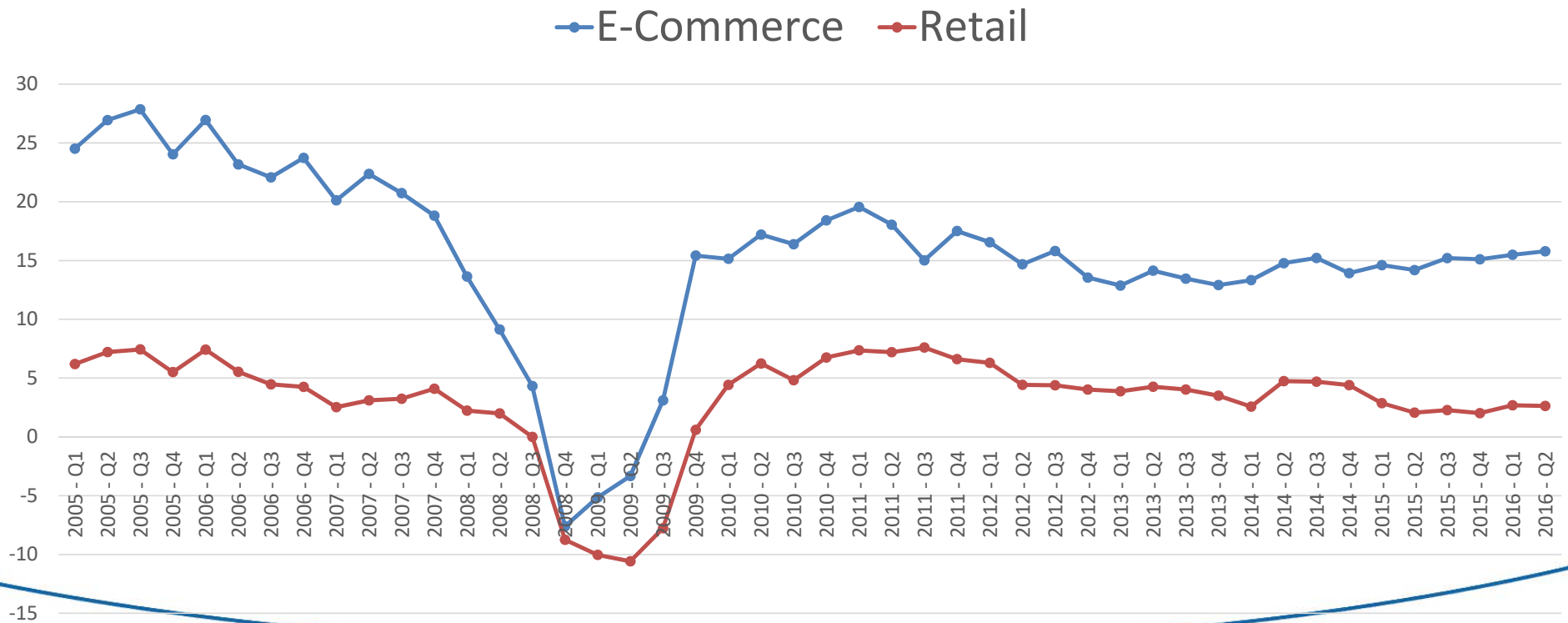
Source: CBRE via ULI

Retail

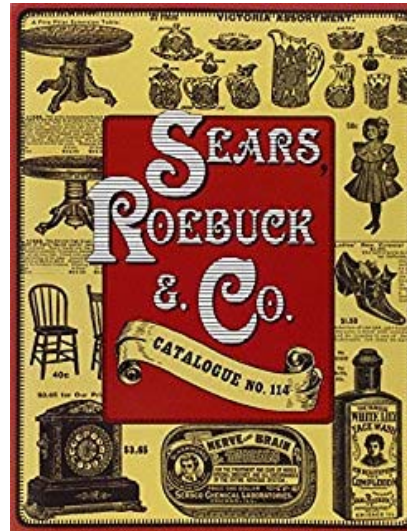
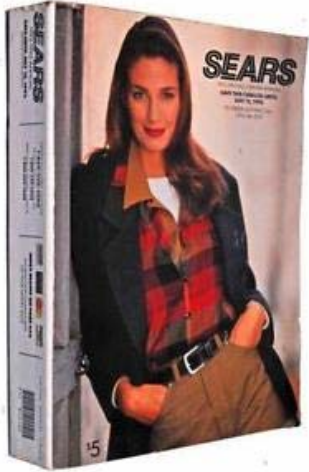


Source: CBRE via ULI

Why Industrial Outperforms?



Past Non-Store Retail Sales



Tom Barrack

“Real Estate Market is Getting
Bubblicious”

Business

MAR 14, 2016 @ 12:41 PM 50,762 VIEWS

Are We Entering A New Housing Bubble?

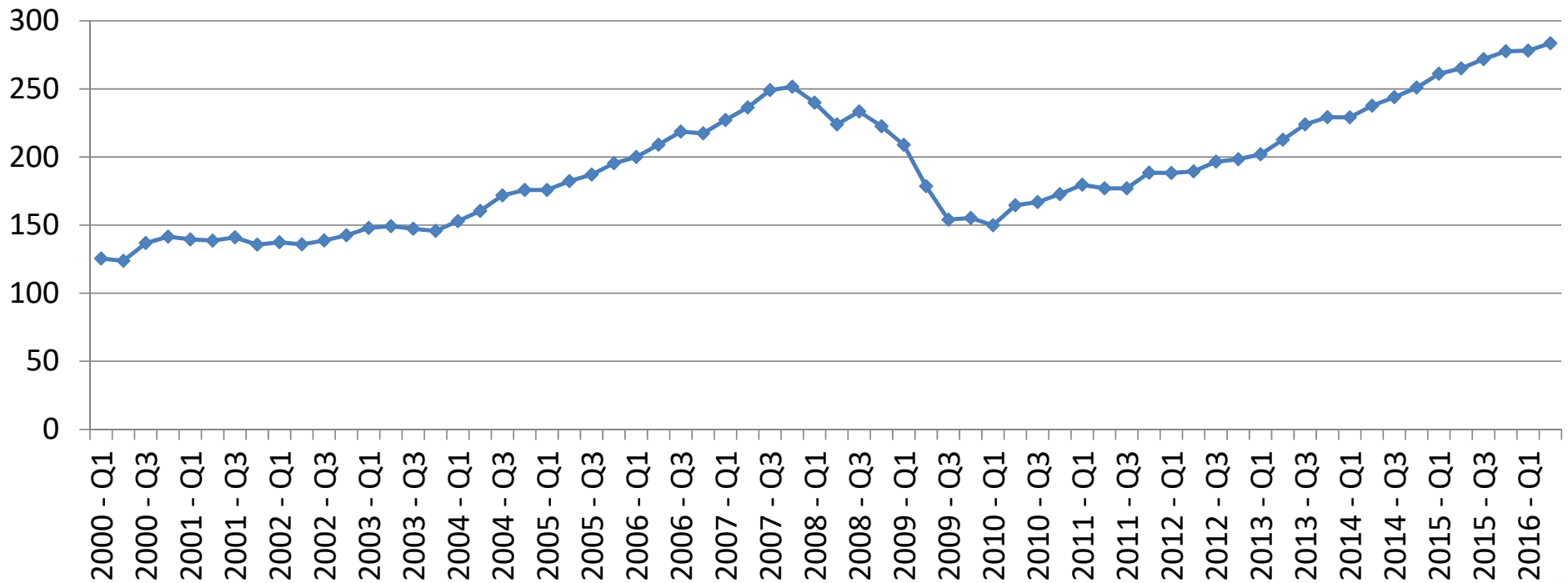


Lawrence Yun, CONTRIBUTOR

I monitor and look for unique developments in the real estate market. **FULL BIO** ✓

Home prices are rising too fast in much of the country. In Dallas and Denver, prices have surpassed their prior peak and have risen over the past two years by 18% and 20%, respectively. Similar gains

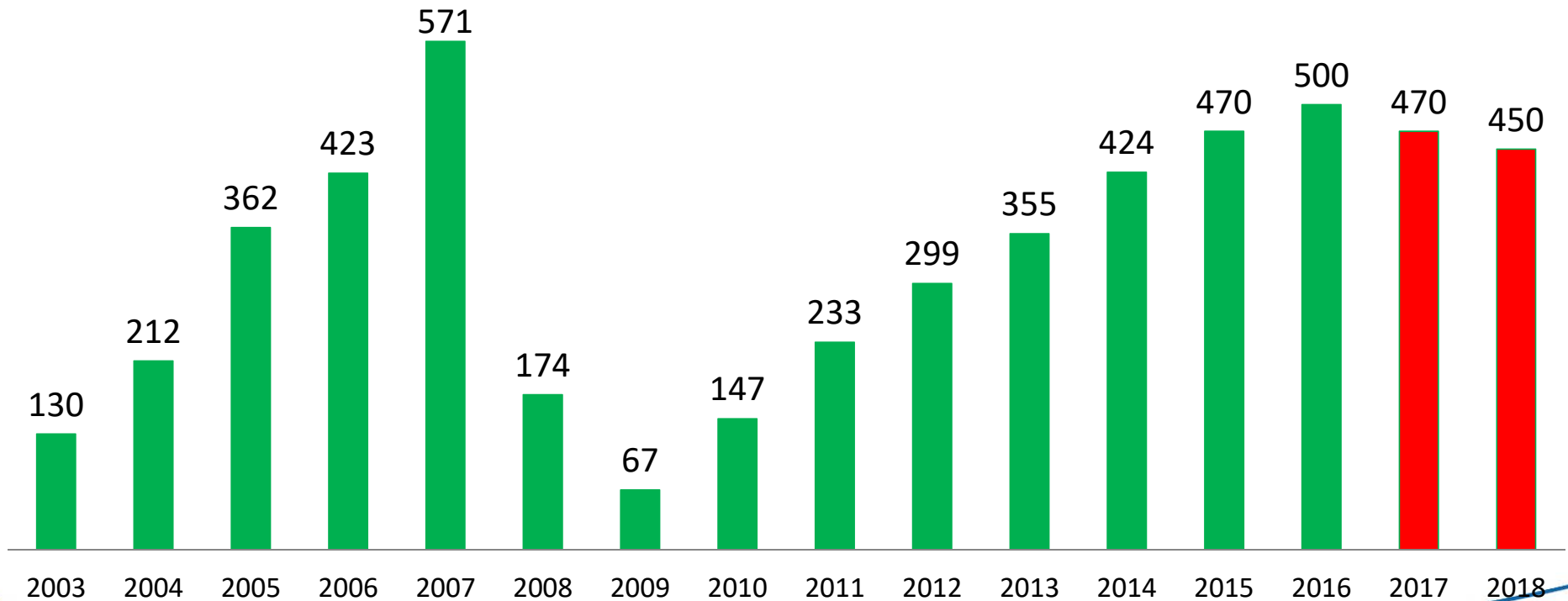
Commercial Property Price may be Bubblish (60% gain in 5 years)



Source: Federal Reserve

Commercial Investment Sales of Large Properties

(Properties valued at \$2.5 million and over)



Forecast

Fed Rate Hike in December '15
in December '16
then 3 times again in '17?

Also, unwinding of Fed Bond Purchases?

Economic Forecast

	2015	2016 Likely	2017 Forecast	2018 Forecast
GDP Growth	2.6%	1.5%	2.1%	2.5%
Job Growth	+2.6 million	+2.0 million	+2.1 million	+2.4 million
CPI Inflation	0.3%	1.2%	2.5%	2.5%

Housing Forecast

	2015	2016 Likely	2017 Forecast	2018 Forecast
New Home Sales	500,000	570,000	620,000	700,000
Existing Home Sales	5.3 million	5.4 million	5.5 million	5.7 million
Median Price Growth	+ 6.8%	+5.3%	4.0%	3.2%
30-year Rate	3.9%	3.6%	4.4%	4.8%

Trump Presidency

- Dodd-Frank?
- Need Construction Workers ... Community College Training
- Fannie/Freddie and Mortgage Availability?
- Tax Simplification? and Mortgage Interest Deduction and 1031 exchange
- Natural Disaster and Flood Insurance?
- EPA, land use, development fees?