

# Lawrence Yun

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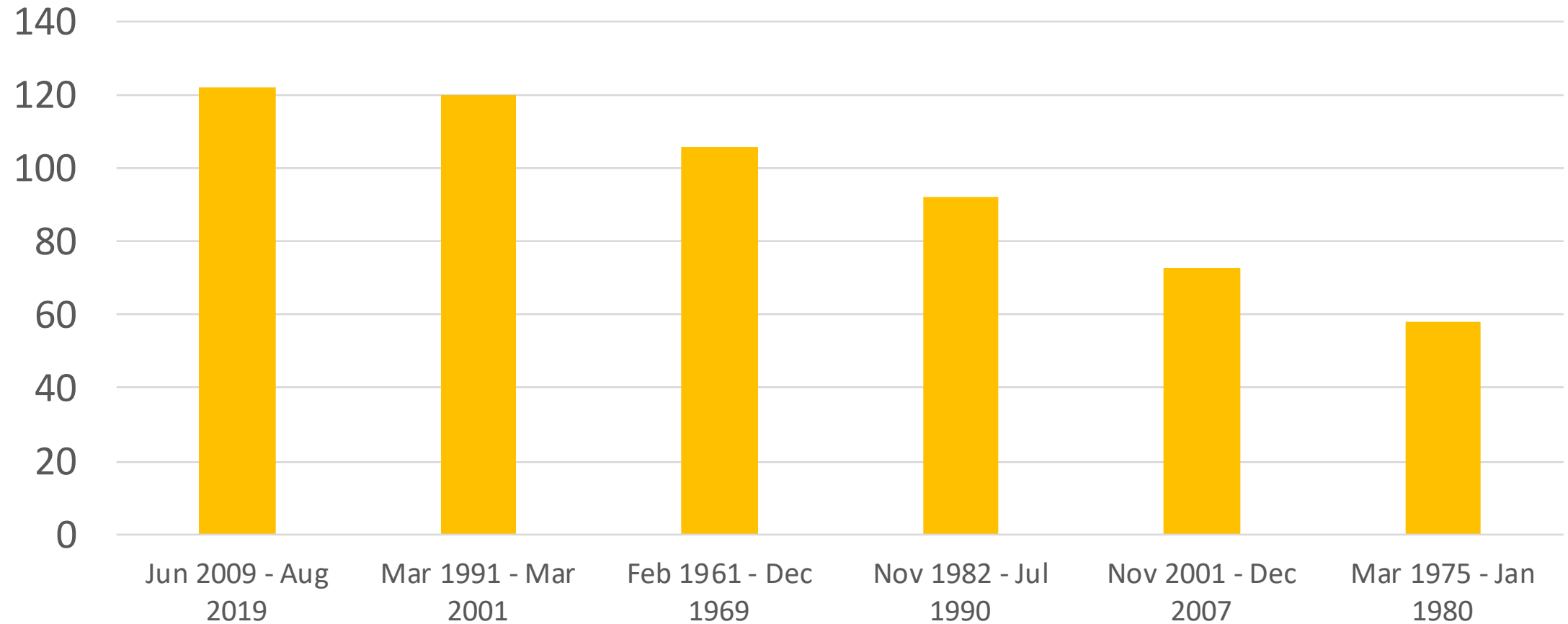
Chief Economist

NATIONAL ASSOCIATION OF REALTORS®

**LEADERSHIP  
SUMMIT**



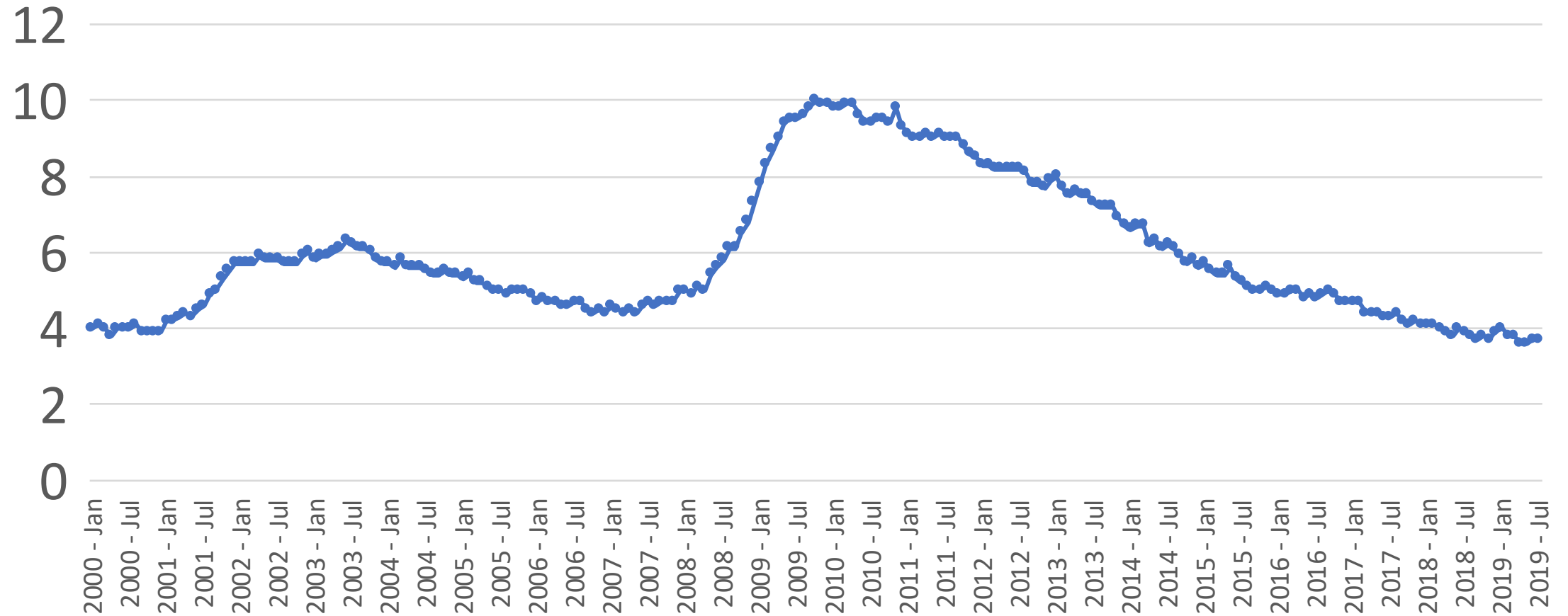
# Longest Expansion Ever! # of months of GDP growth



# Consumer Confidence Remains High ... Before the Stock Market Correction



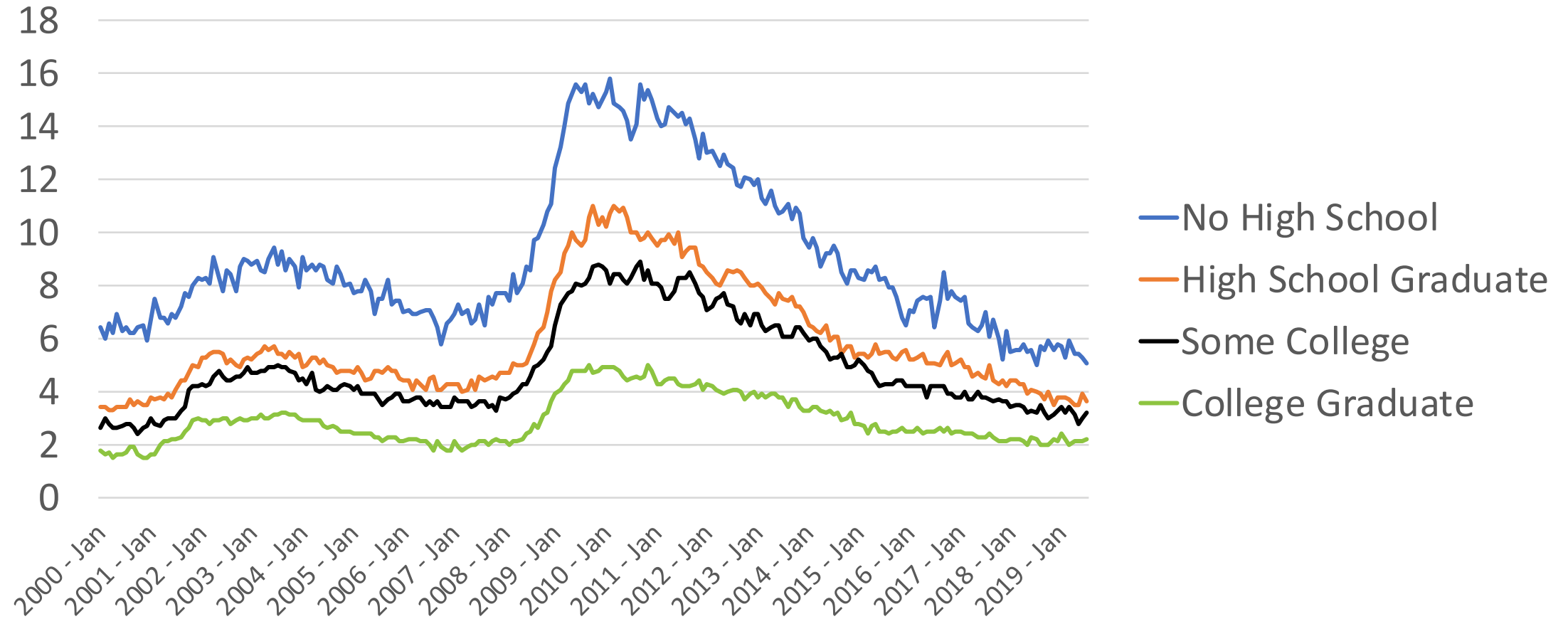
# Super-Low Unemployment Rate of 3.7%



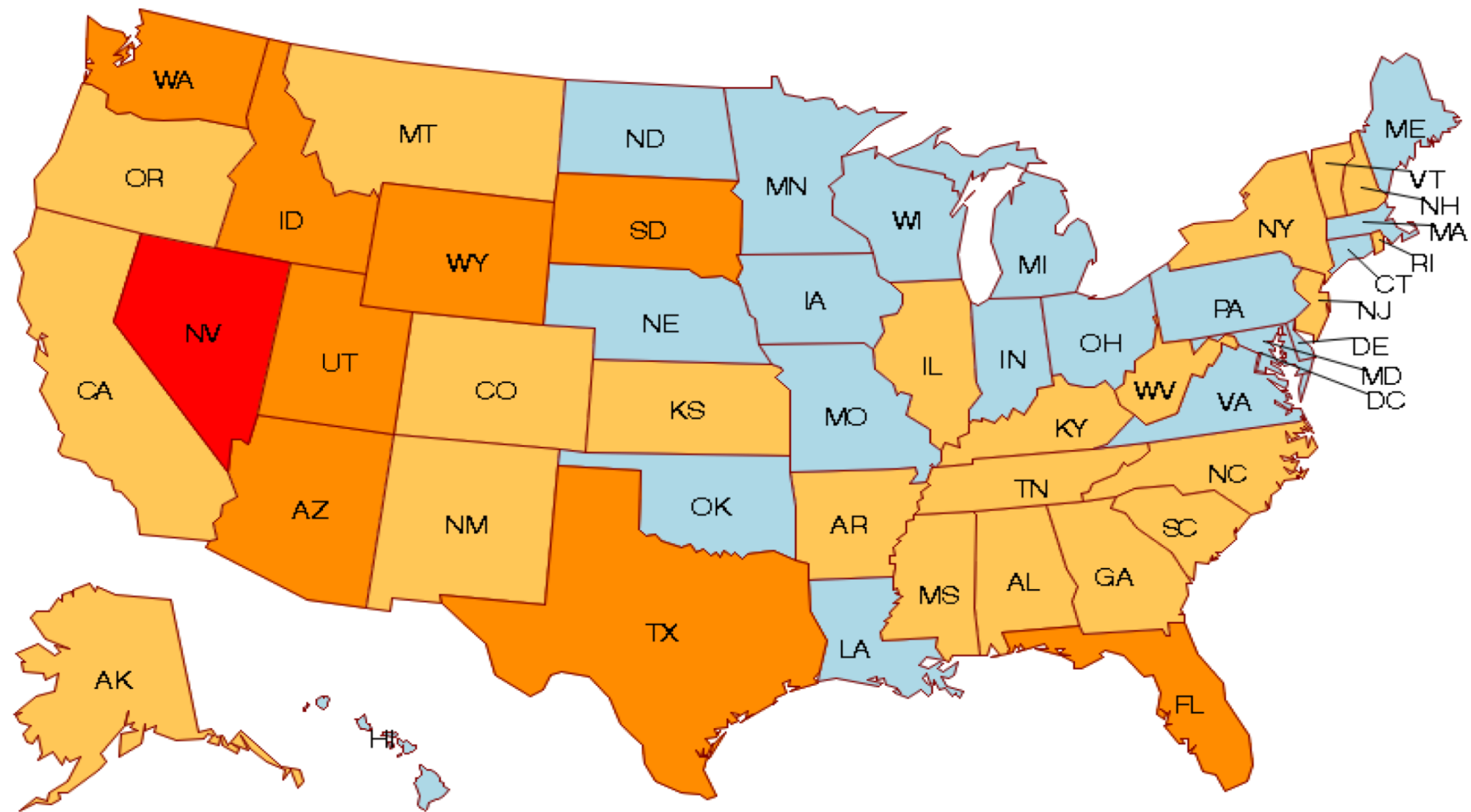
# Large Metro Unemployment Rate

MSA	Unemployment Rate
New Orleans	5.0% (Highest among 50 biggest cities)
St. Louis	3.5%
Orlando	3.2%
Austin	2.7%
San Francisco – Oakland – San Jose	2.7%

# Falling and Converging Unemployment Rate



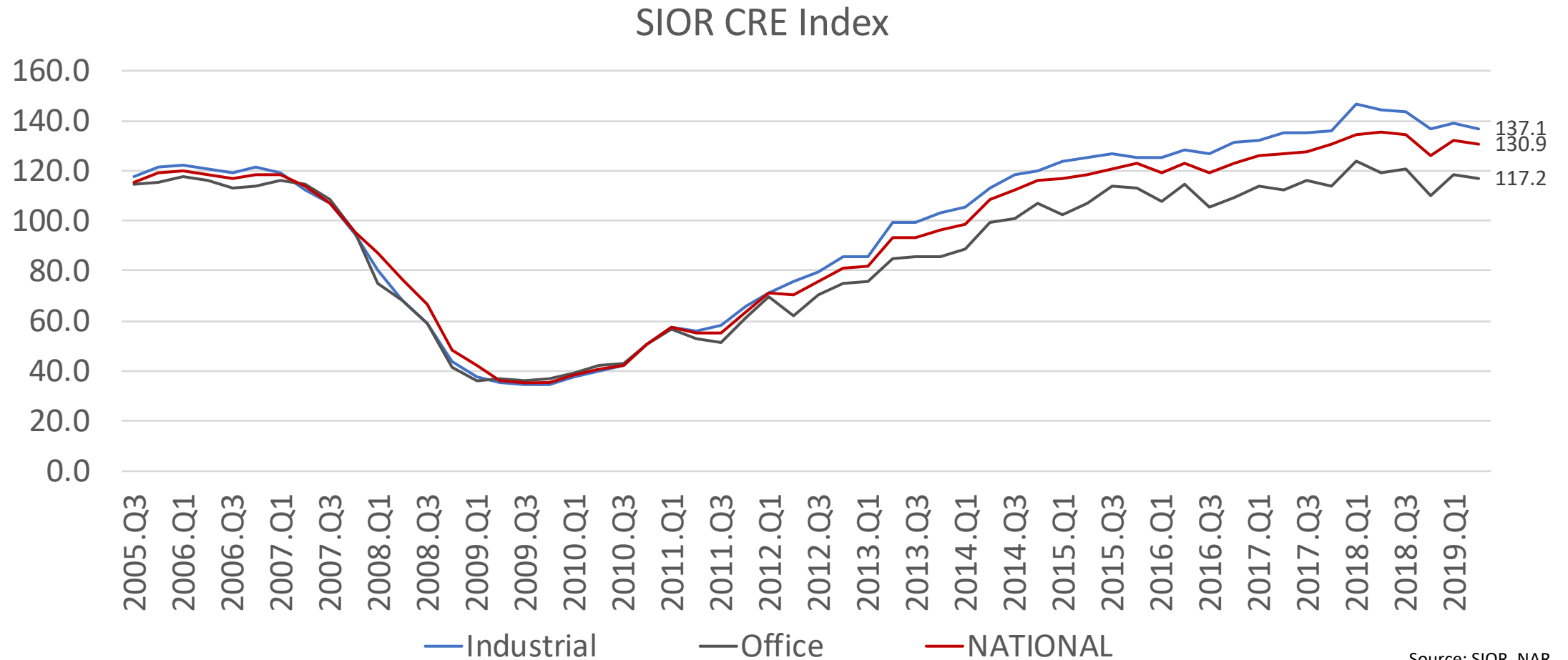
# Payroll Employment Growth in June 2019 from Year Ago



Annual Percent Change in Payroll Employment in June 2019

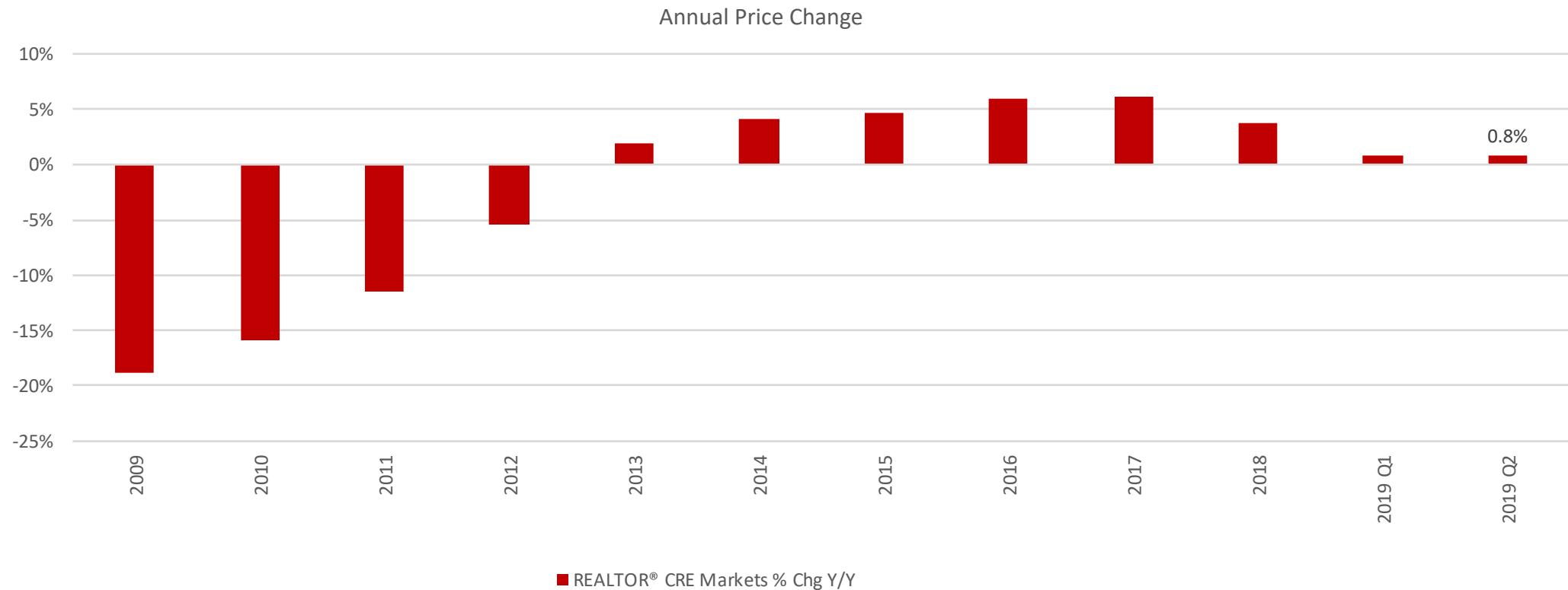
0% to 1%    1+% to 2%    2+% to 3%    3+% to 4%

# SIOR® members reported weaker industrial and office markets in 2019 Q2



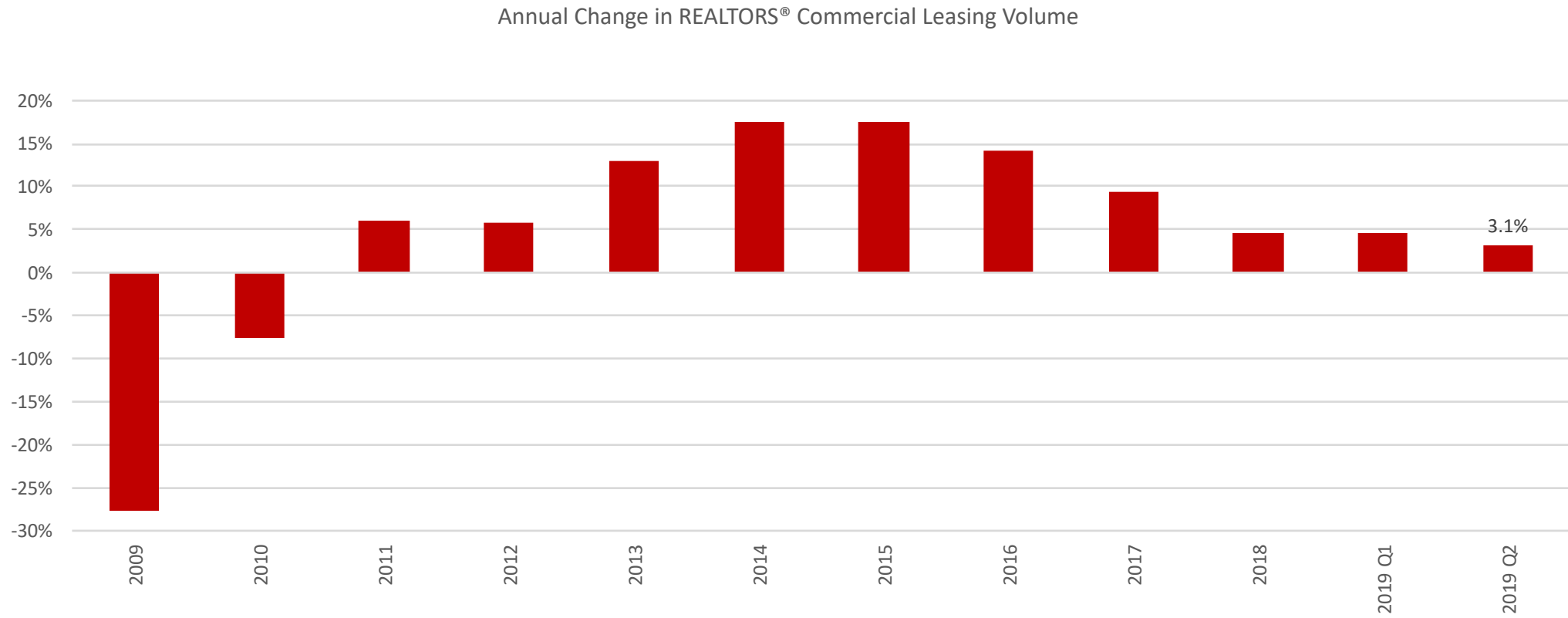


# Commercial REALTORS<sup>®</sup> reported modest price growth in 2019 Q2



Source: National Association of REALTORS<sup>®</sup>, Real Capital Analytics

# Commercial REALTORS<sup>®</sup> reported slower leasing activity in 2019 Q2



# Risk to Economy?

# 1988 on Oprah

Run for  
President?

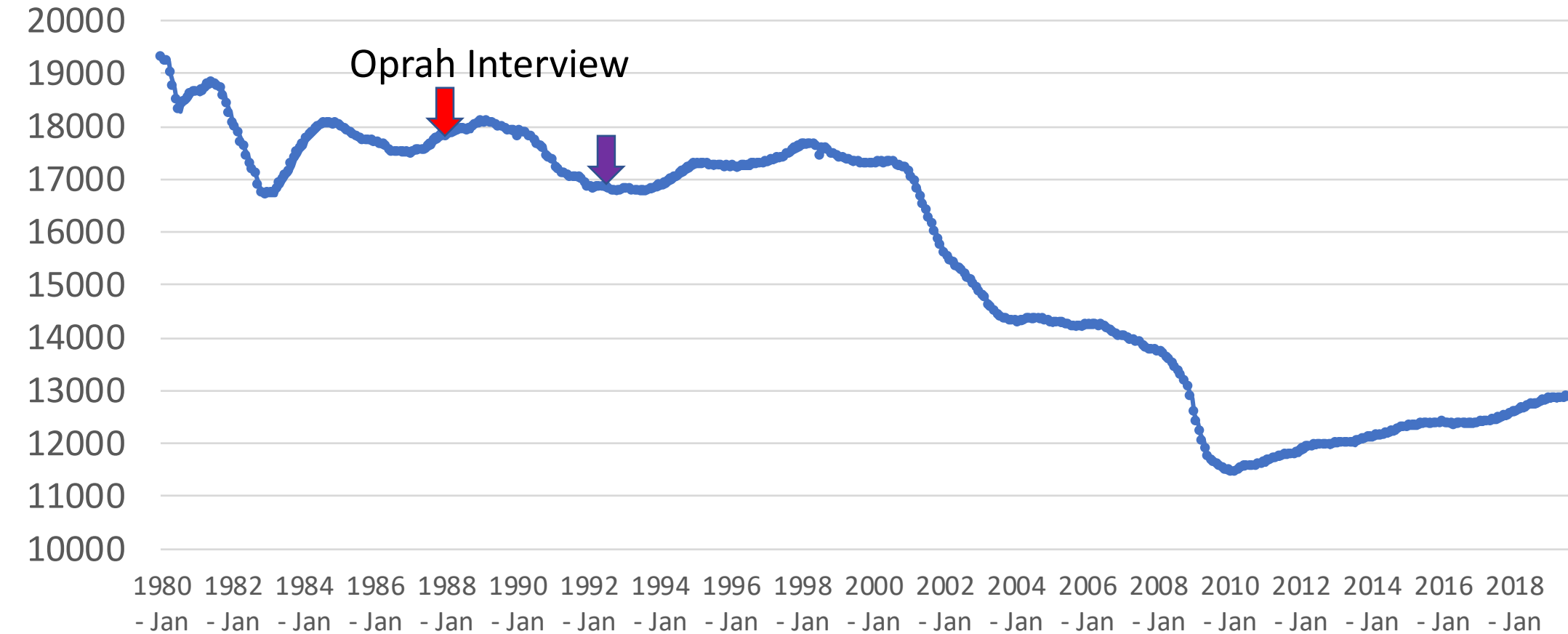
What U.S. should  
do  
economically?



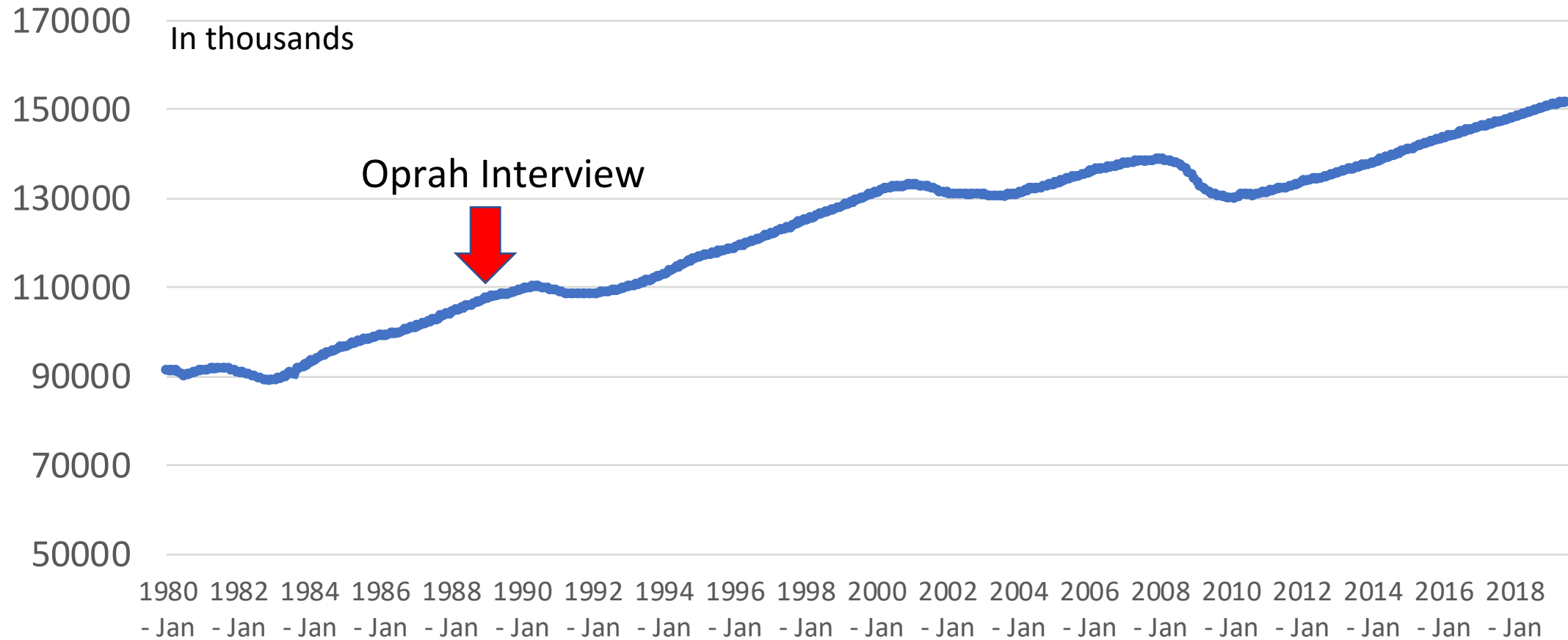
Source: Oprah.com

# Manufacturing Jobs

In thousands

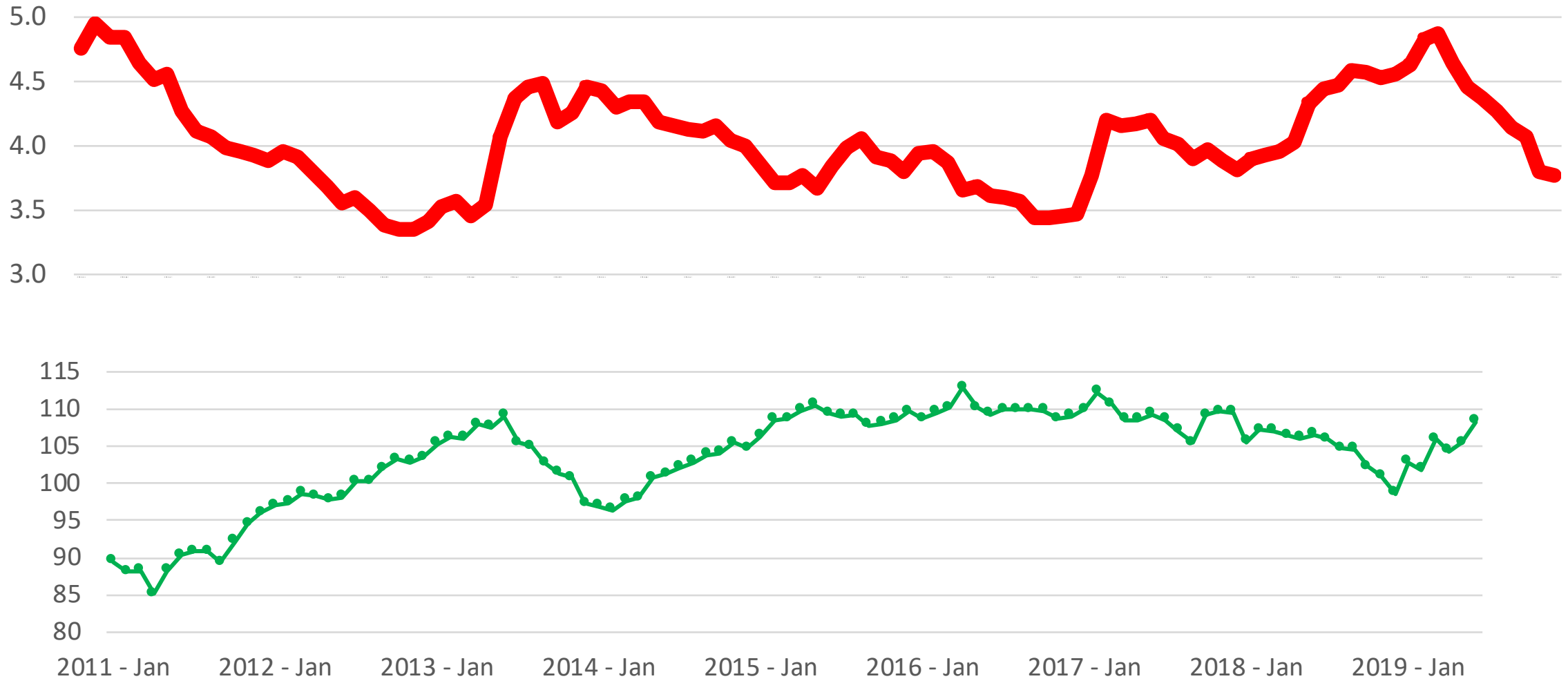


# All Jobs ... 45 million more jobs since 1988



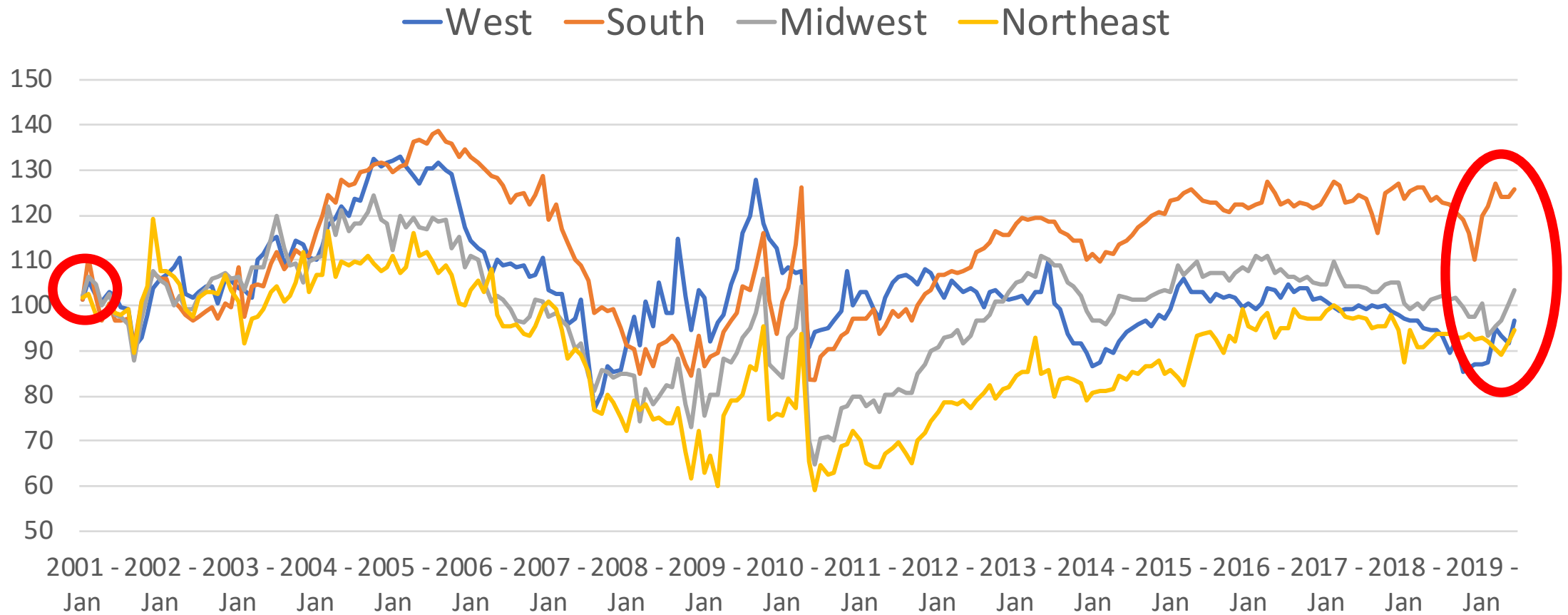
# Real Estate Performance in a Good Economy

# Lower Rates pushes Pending Contracts to Breakout?

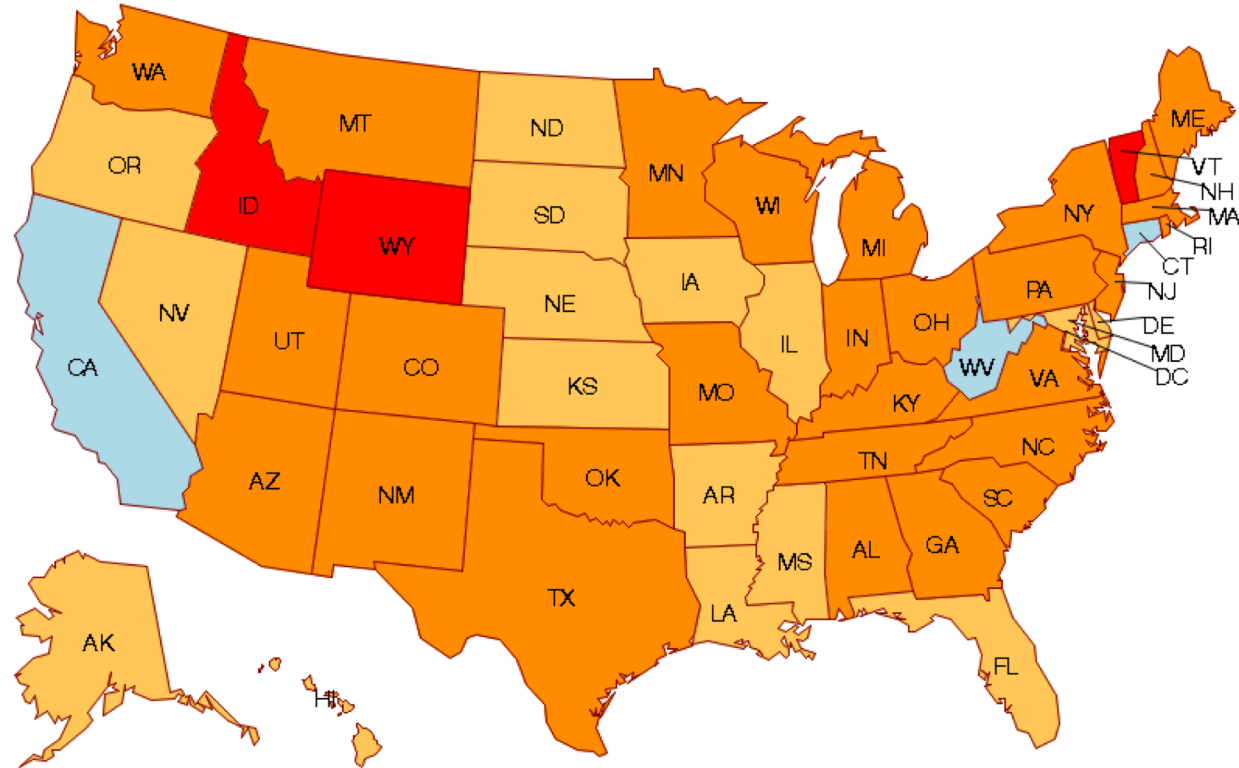




# Regional Differences: Trending to South



# REALTORS® Buyer Traffic Index



REALTORS® Buyer Traffic Index

Weak (25+ to 45)   Stable (45+ to 55)   Strong (55+ to 75)   Very Strong (75+)

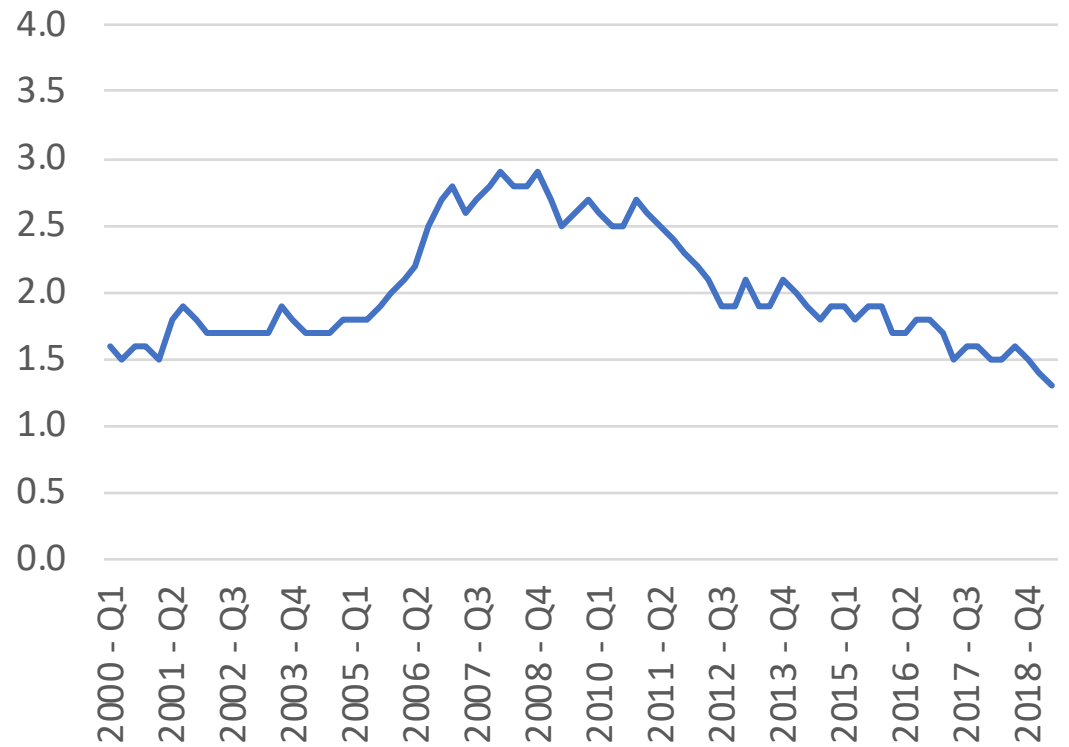
Housing Demand Rising ... But What About Supply?

# Historically Low Vacancy Rates

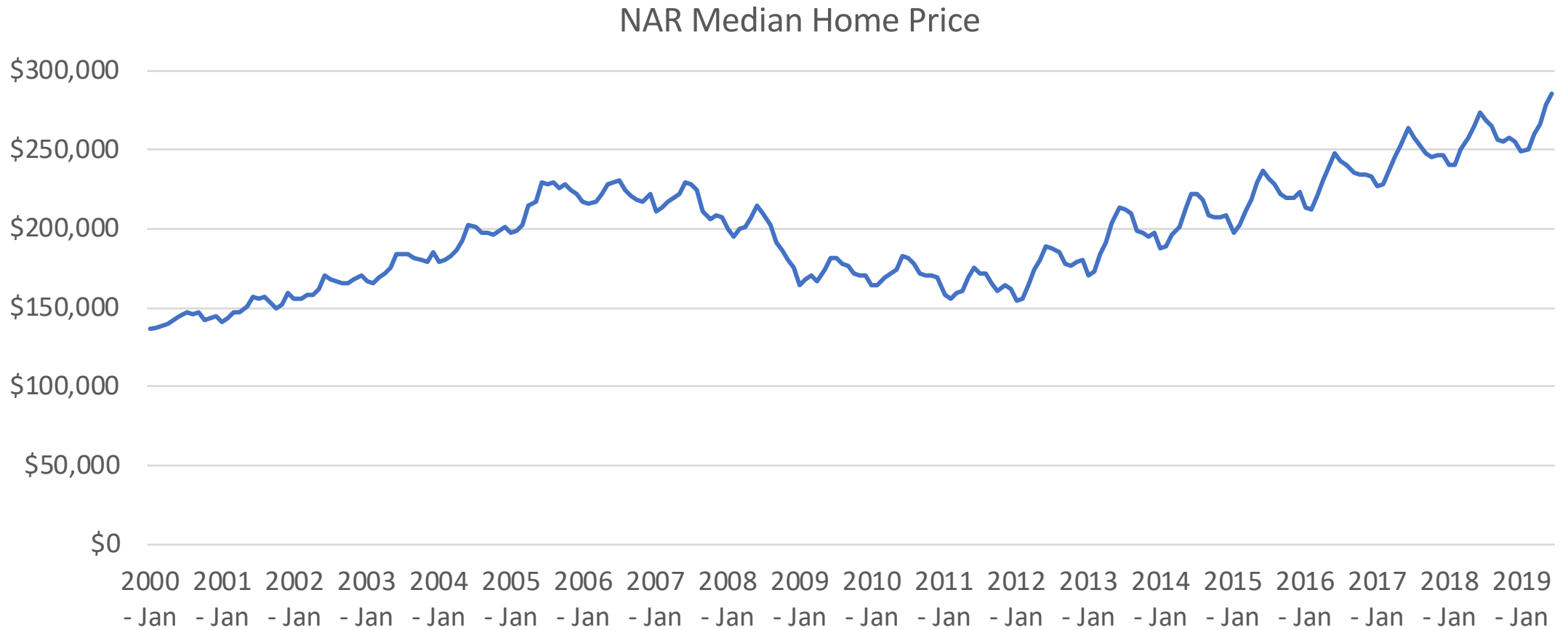
## Rental Vacancy – 35 year low



## Homeowner Vacancy – 40 year low



# Record High Home Prices

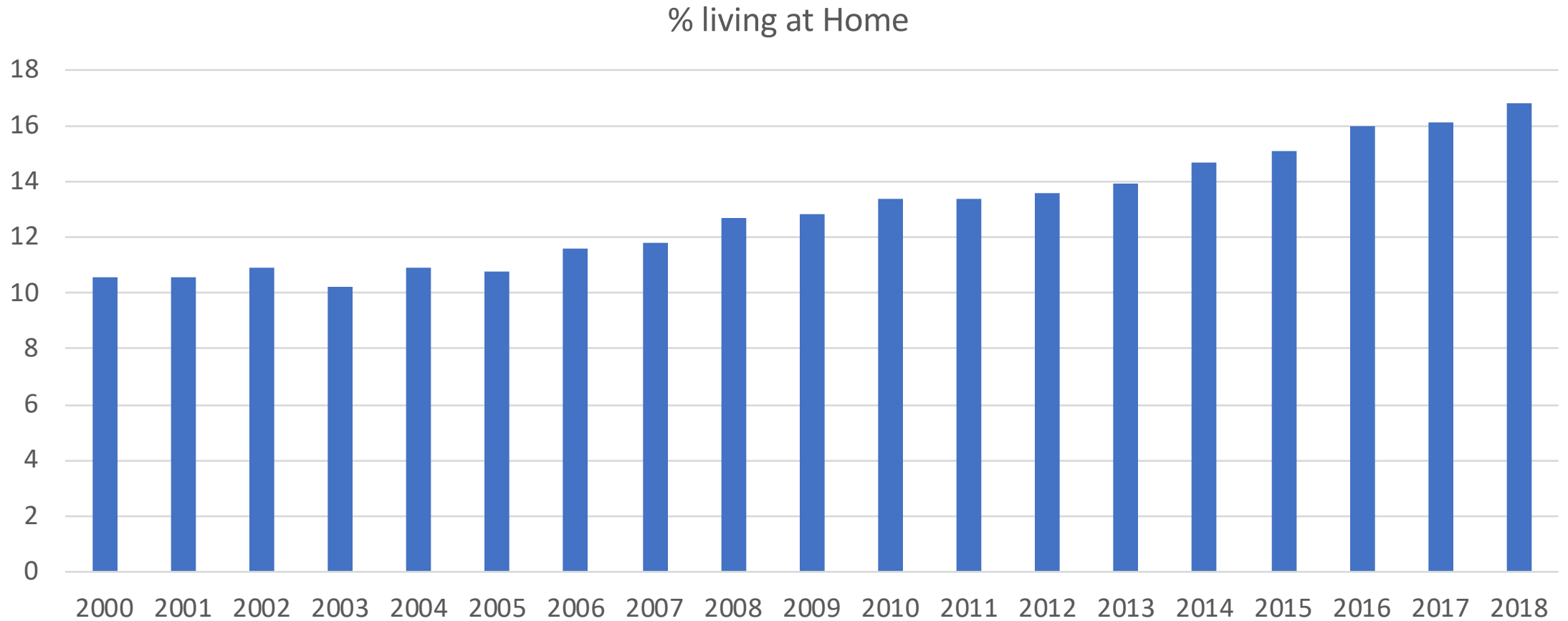


# Lower-end Homes with Stronger Price Growth

MSA	Price Growth of below median priced homes 2012 to 2019	Price Growth of above median priced homes 2012 to 2019
Atlanta	184%	51%
Chicago	59%	29%
Seattle	97%	75%

Source: NAR Analysis of property deeds data from Black Knight, Inc.

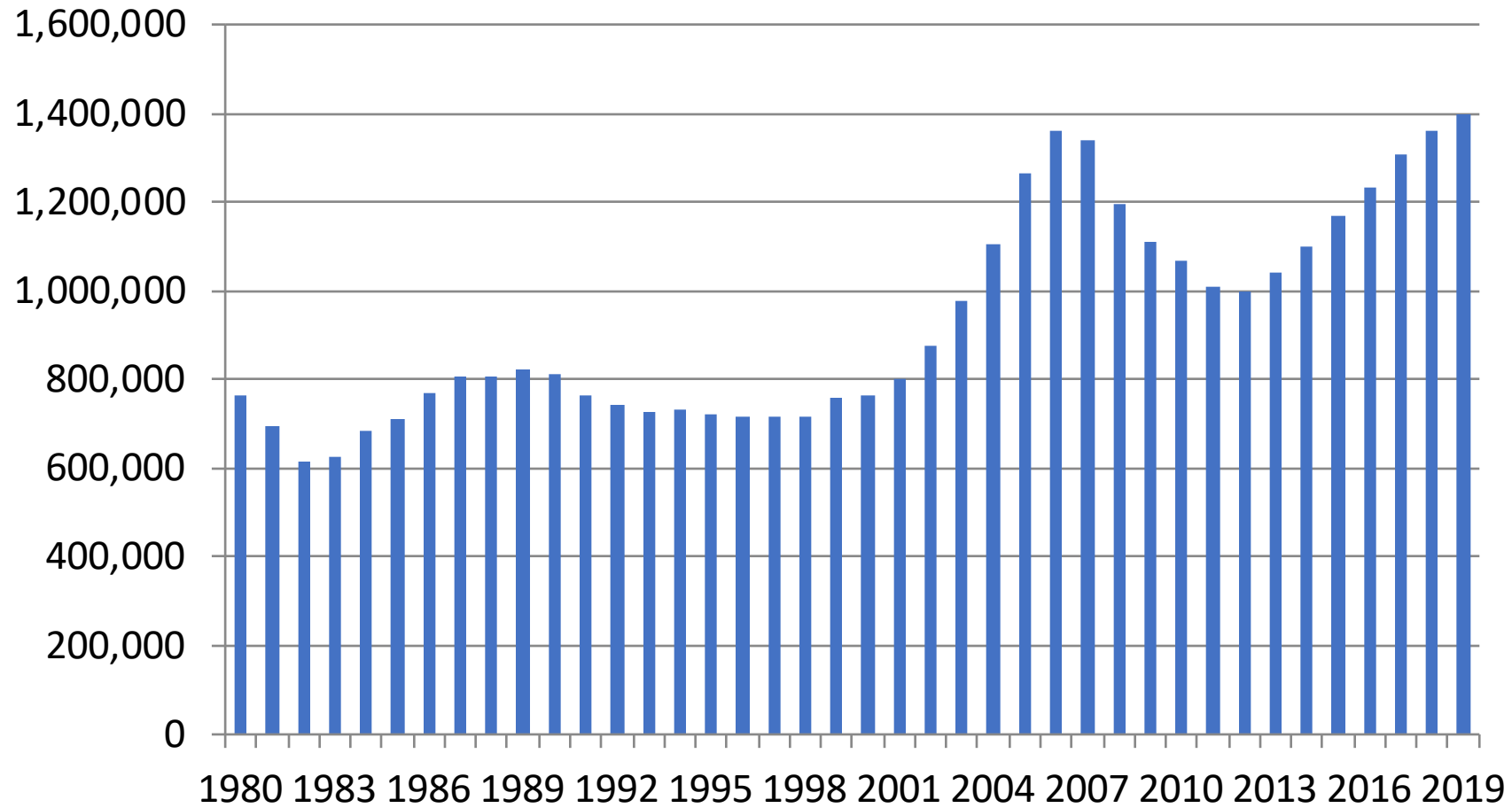
# Record High 25-to-34 years old living with Mom



# NAR Membership



# Annual Membership – New High



# Fast Growth in Membership

State	% growth from last year
Idaho	6.9%
Georgia	6.6%
Montana	6.0%
Utah	5.9%
South Carolina and Alabama	5.8%

# Membership unrelated to Population

State	Population	Membership
Texas	28 million	119,000
Florida	21 million	178,000
Illinois	13 million	46,000
Arizona	7 million	49,000
West Virginia	1.8 million	2,800
Idaho	1.7 million	9,200

# Membership Retention Key Insights

01

## Churn Risk Score

We assigned a risk score to all active members. We are able to predict with 70% accuracy the probability of a member to churn.

02

## Advocacy, Education and Benefits

Results indicate that political activism and voting (particularly in local elections) is important as well as getting education and NAR Benefits to retention.

03

## Target Marketing

Developing target marketing for member engagement and for retention.

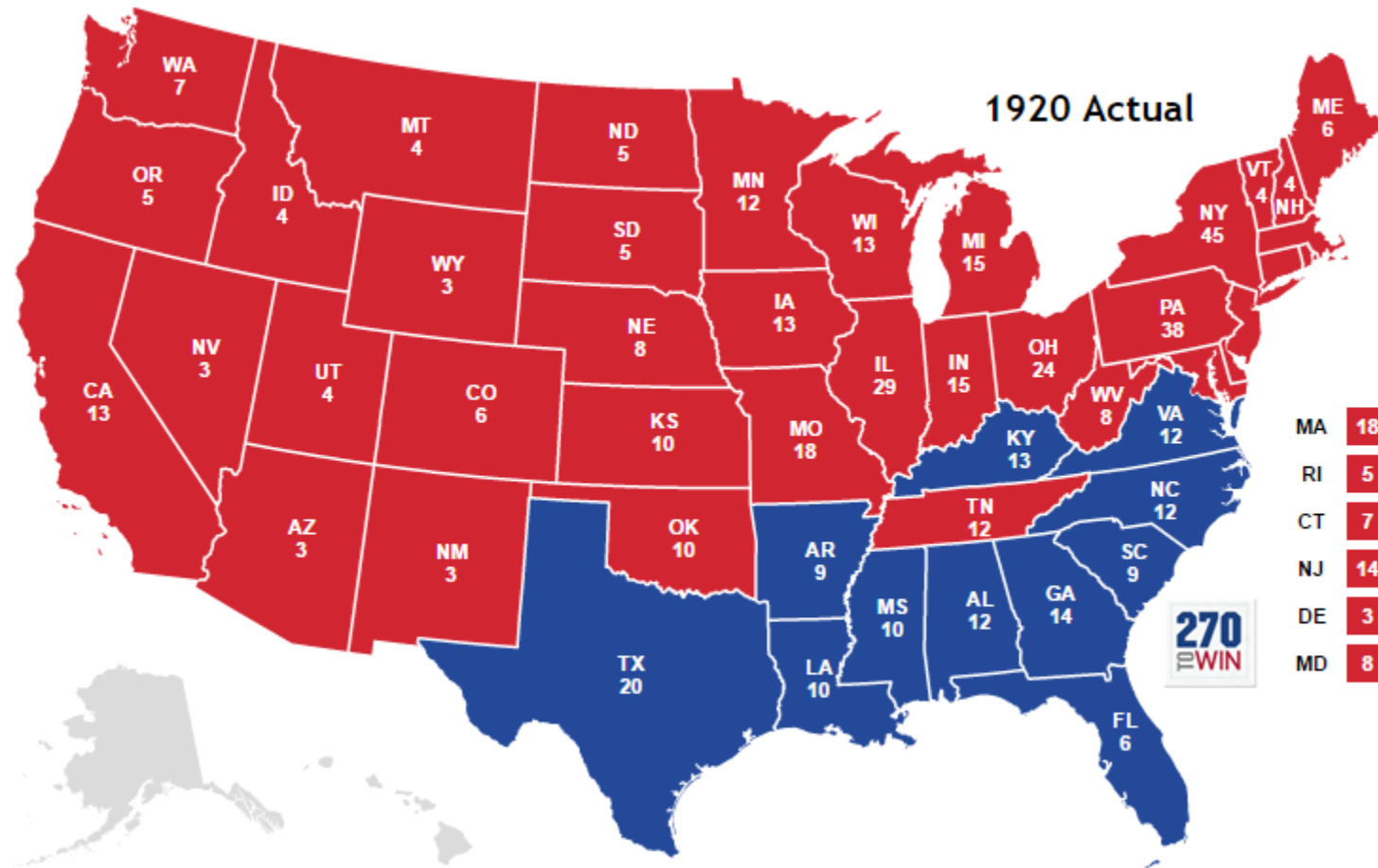
# 2020 Census

# 1920 Census versus 2020 Census

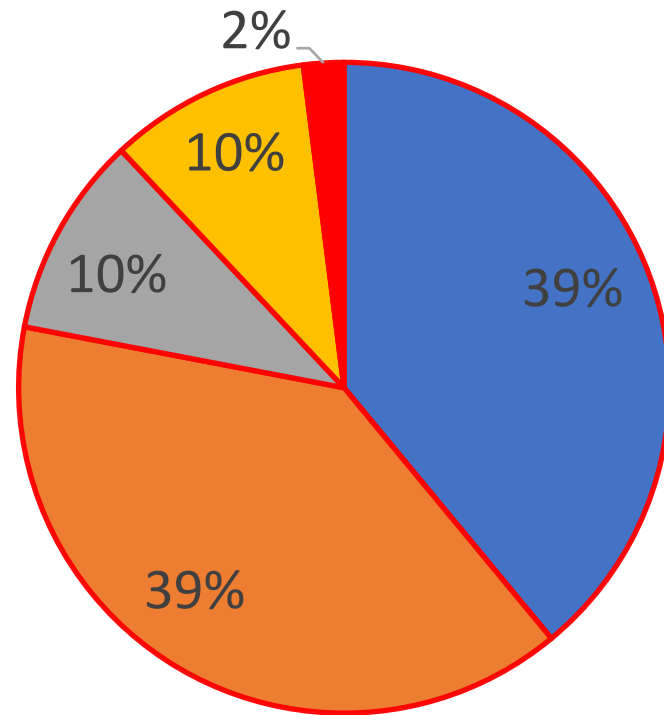
- 48 states
  - Women just got the vote
  - 106 million people
  - Life expectancy at 58
  - Brooklyn Dodgers ... avoid getting hit by trolleys
  - Homeownership Rate 45%
    - MN at 60%
    - NY at 30%
- 50 states
  - Women Presidential Candidates
  - 333 million
  - Life expectancy at 79
  - LA Dodgers with a fabulous pitcher
  - Homeownership rate at 64%
    - WV at 74%
    - NY at 51%

# 1920 Electoral Map ... Weights

NY (45 to 27) ... PA (38 to 19) ... TX(20 to 41) ...CA (13 to 55) ... FL (6 to 31)



# California Demographics Today



■ White (non-Hispanic) ■ Hispanic ■ Asian ■ Black ■ Other



# Economic Forecast: No Recession

	2016	2017	2018	2019 Forecast	2020 Forecast
GDP Growth	1.5%	2.2%	2.9%	2.3%	2.2%
Job Growth	+2.5 million	+2.2 million	+2.4 million	+2.0 million	+1.5 million
CPI Inflation	1.3%	2.1%	2.4%	1.7%	1.7%

# Housing Forecast: Moderate Growth

	2016	2017	2018	2019 Forecast	2020 Forecast
New Home Sales	560,000	613,000	617,000	670,000 (+9%)	750,000 (+12%)
Existing Home Sales	5.4 million	5.5 million	5.3 million	5.3 million (no change)	5.6 million (+4%)
Median Price Growth	+5.1%	+5.7%	+4.9%	+3.9%	+3.4%
30-year Rate	3.6%	4.0%	4.5%	4.0%	4.1%

# THANK YOU.

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