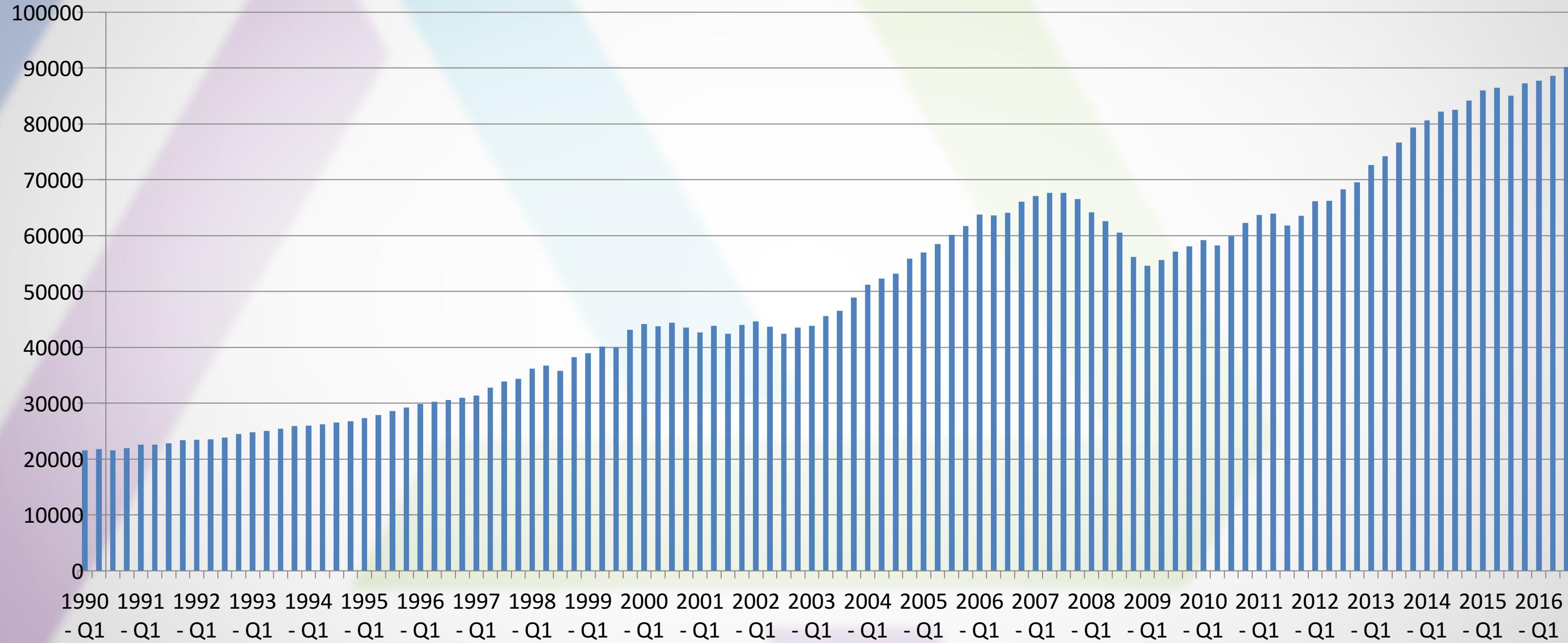




# 2017 REALTOR® BROKER SUMMIT

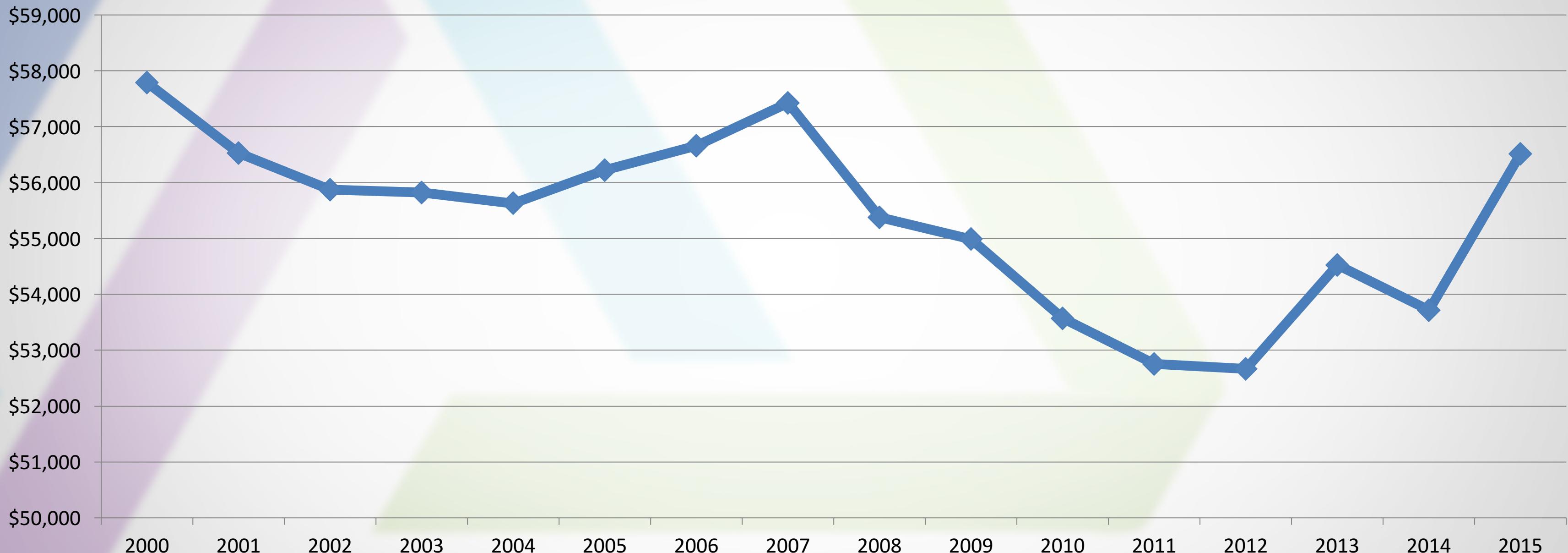
Forecasting the Future: Housing Market  
Outlook and Key Trends,  
*Dr. Lawrence Yun*

# Lifetime Wealth at All-Time High



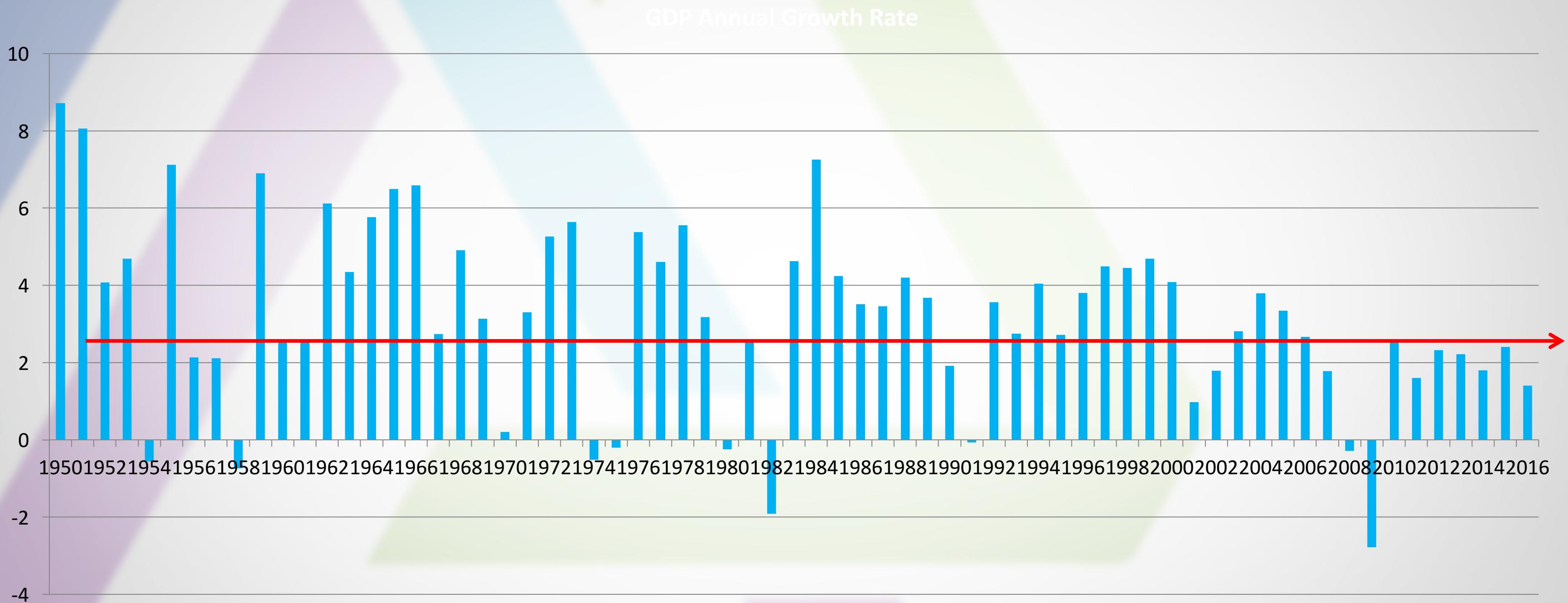
# Median Household Income

(Inflation Adjusted)



# Annual GDP ...

## Below 3% for 11 straight years



# Recession over the Horizon?



# Total Job Openings

In thousands



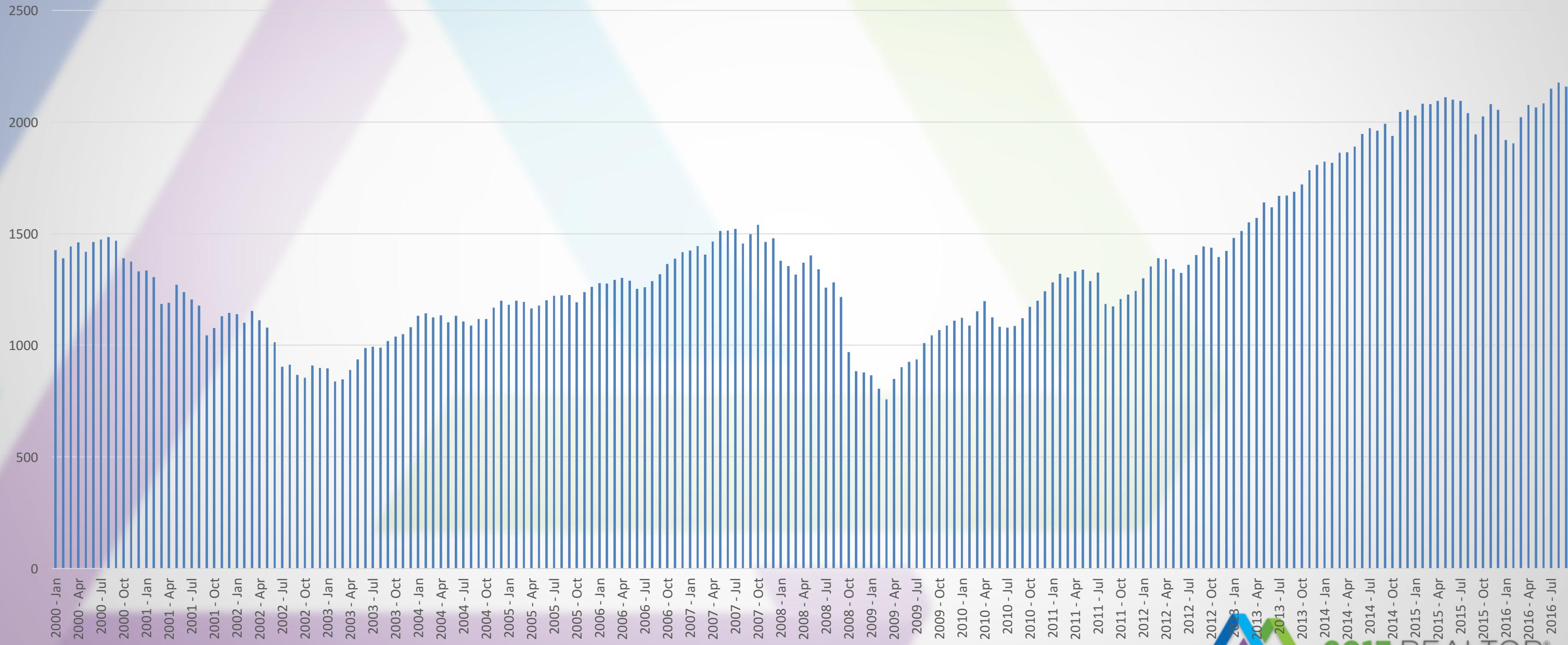
# Initial Unemployment Insurance Filings



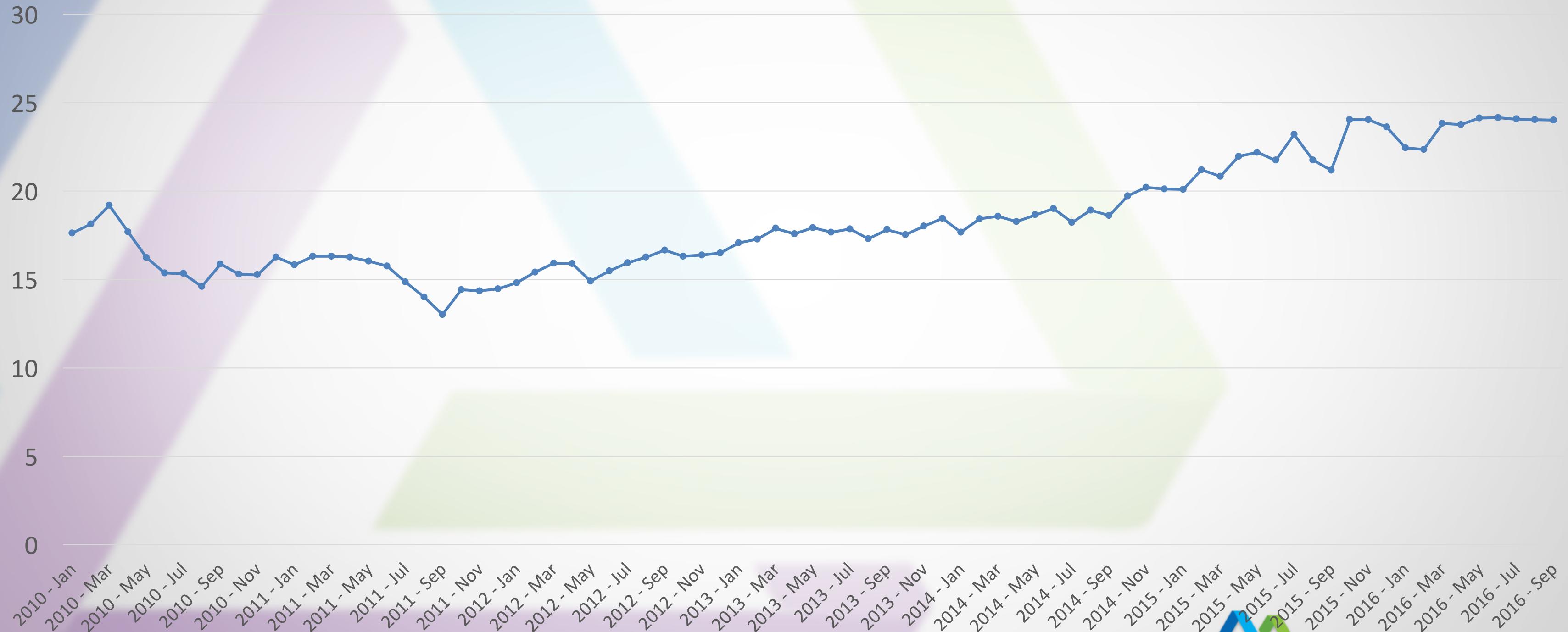
# Auto Sales (Annualized Rate)



# Stock Market: S&P 500 Index

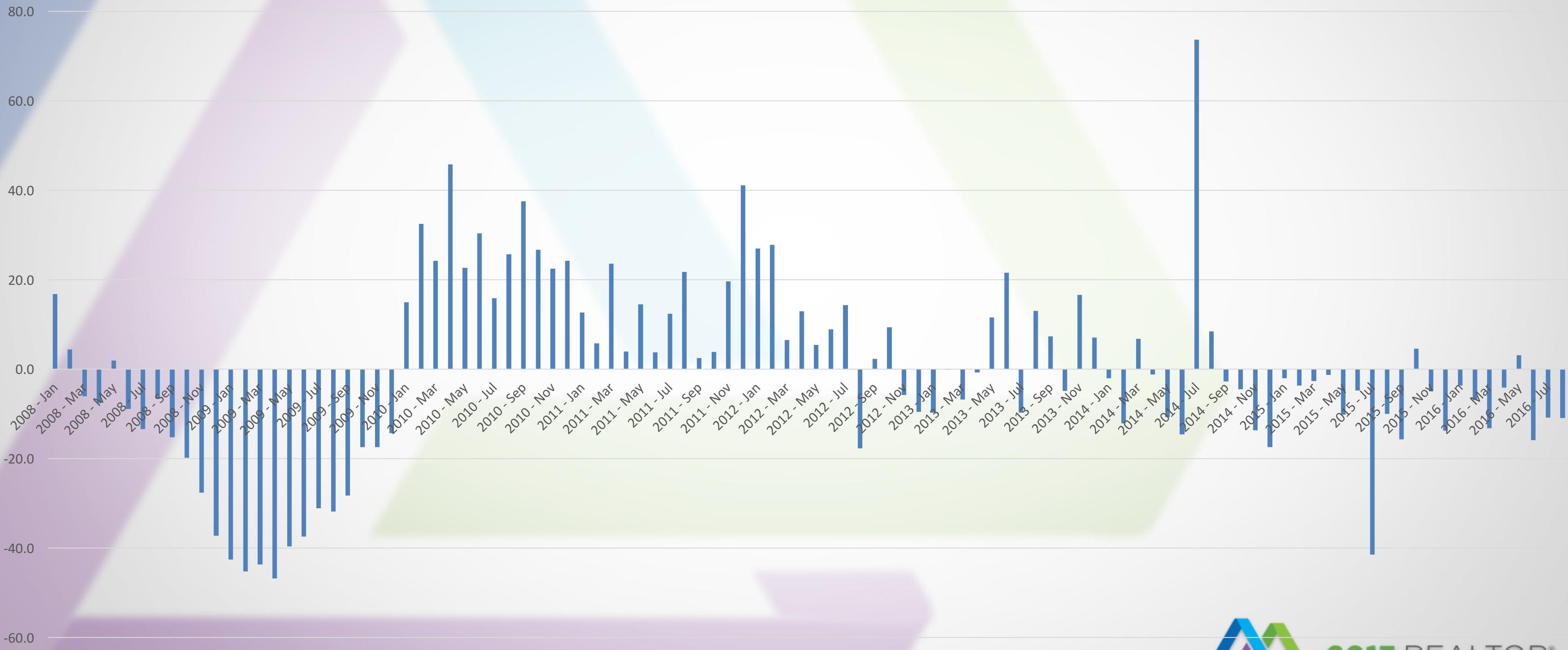


# P/E Ratio

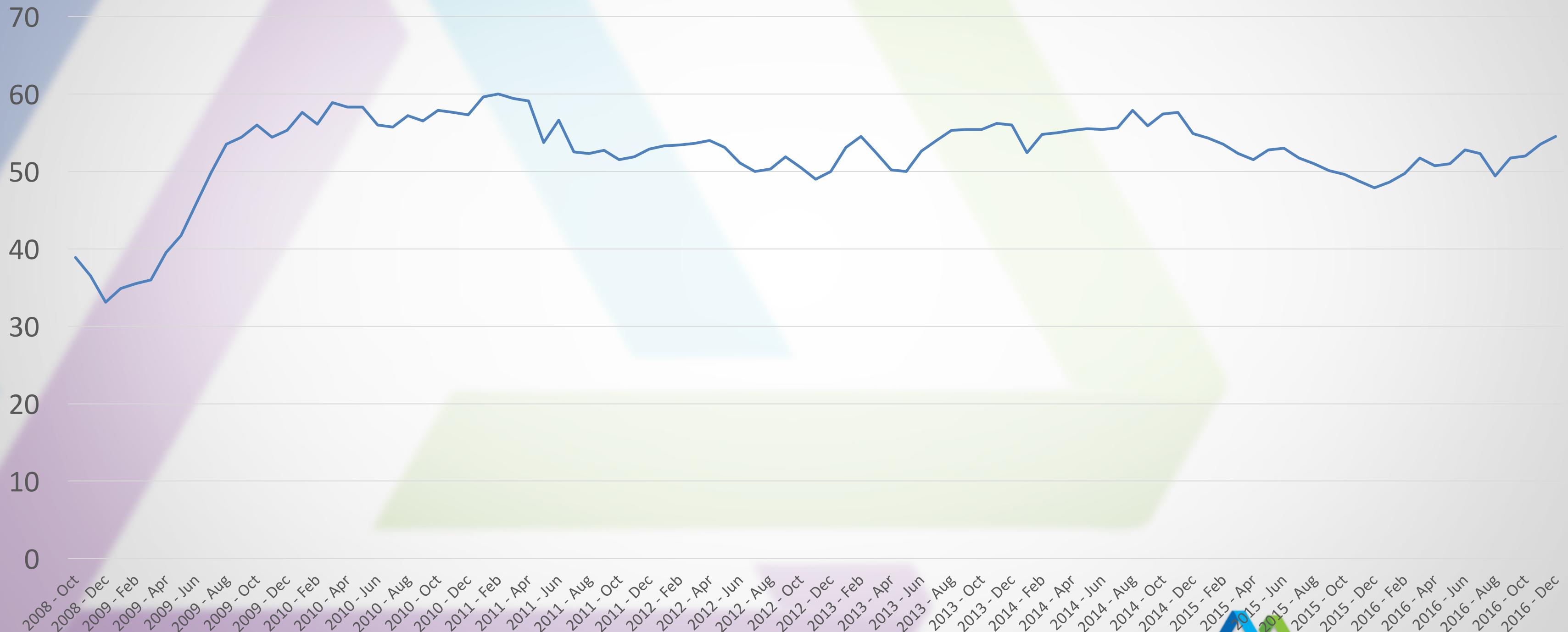


# New Capital Orders excluding Defense

(% change from a year ago)



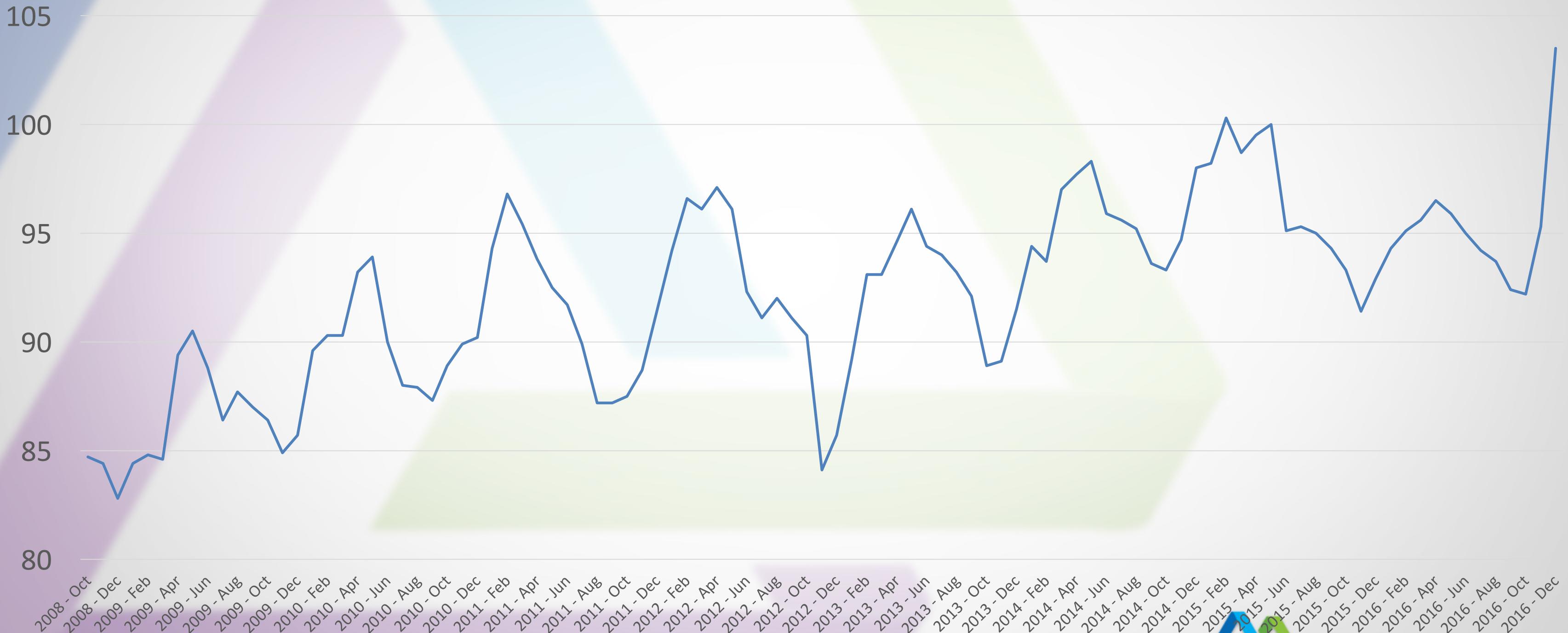
# Animal Spirit Revival? Manufacturing ISM Index



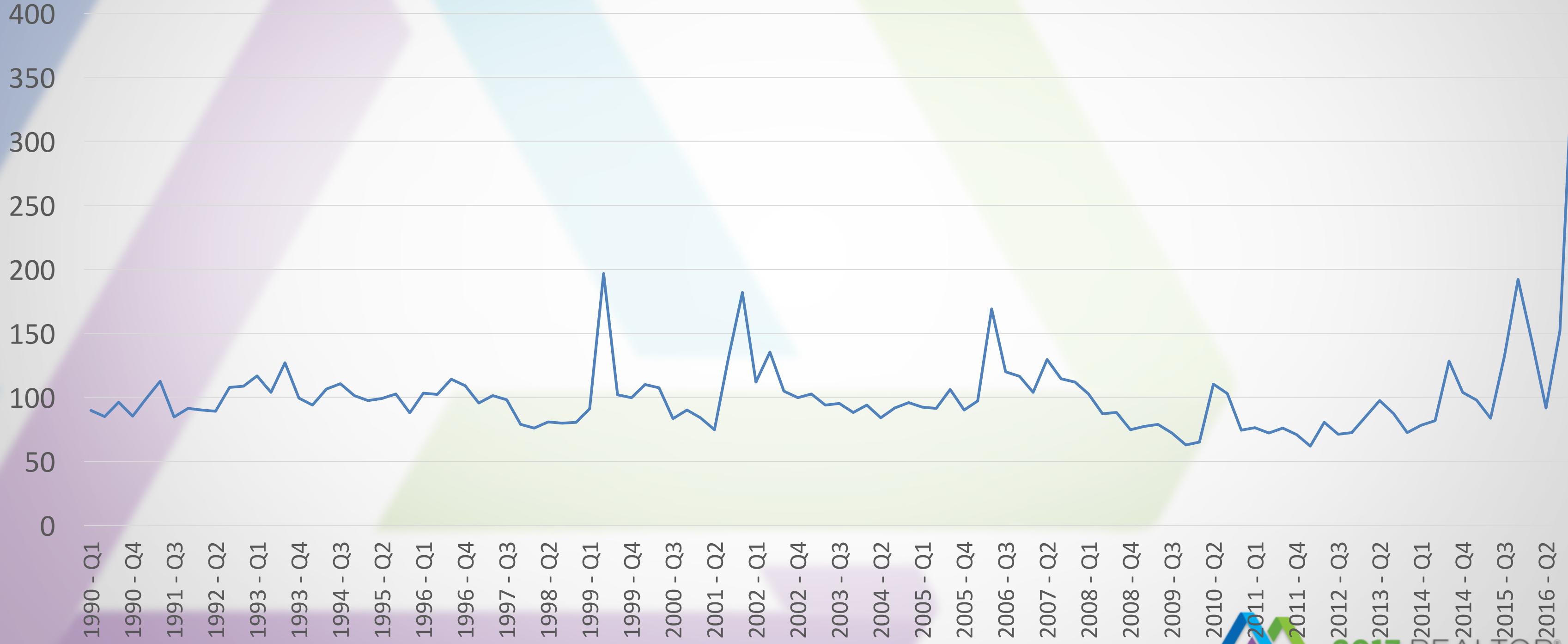
# Animal Spirit Revival? Consumer Confidence



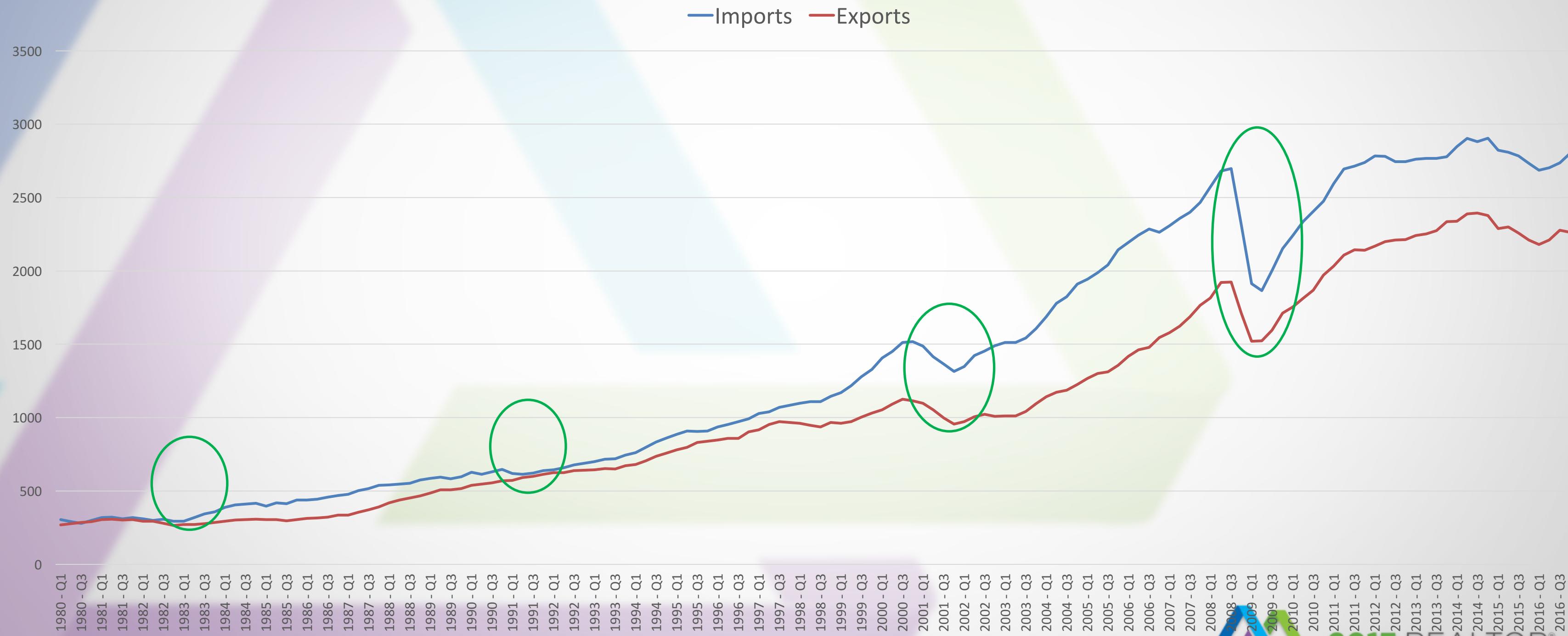
# Animal Spirit Revival? Small Business Optimism



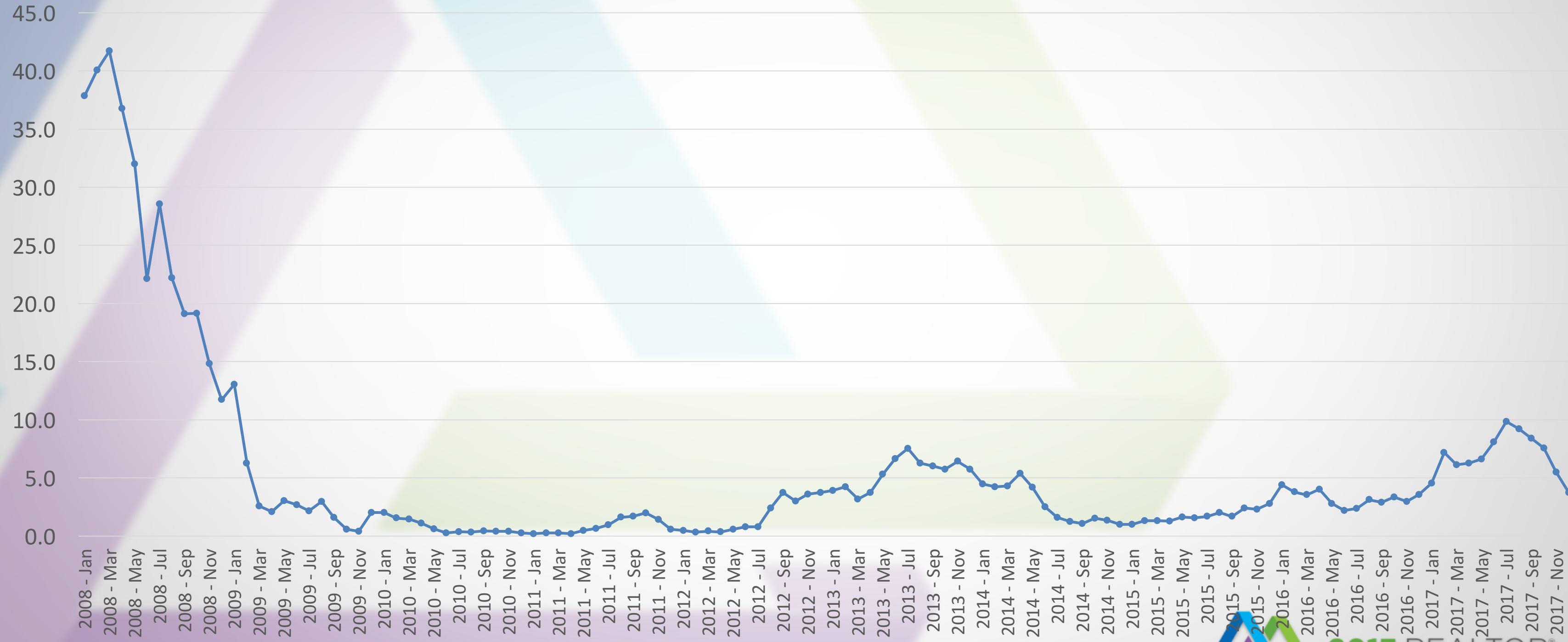
# Migration Fear Index



# Imports and Exports

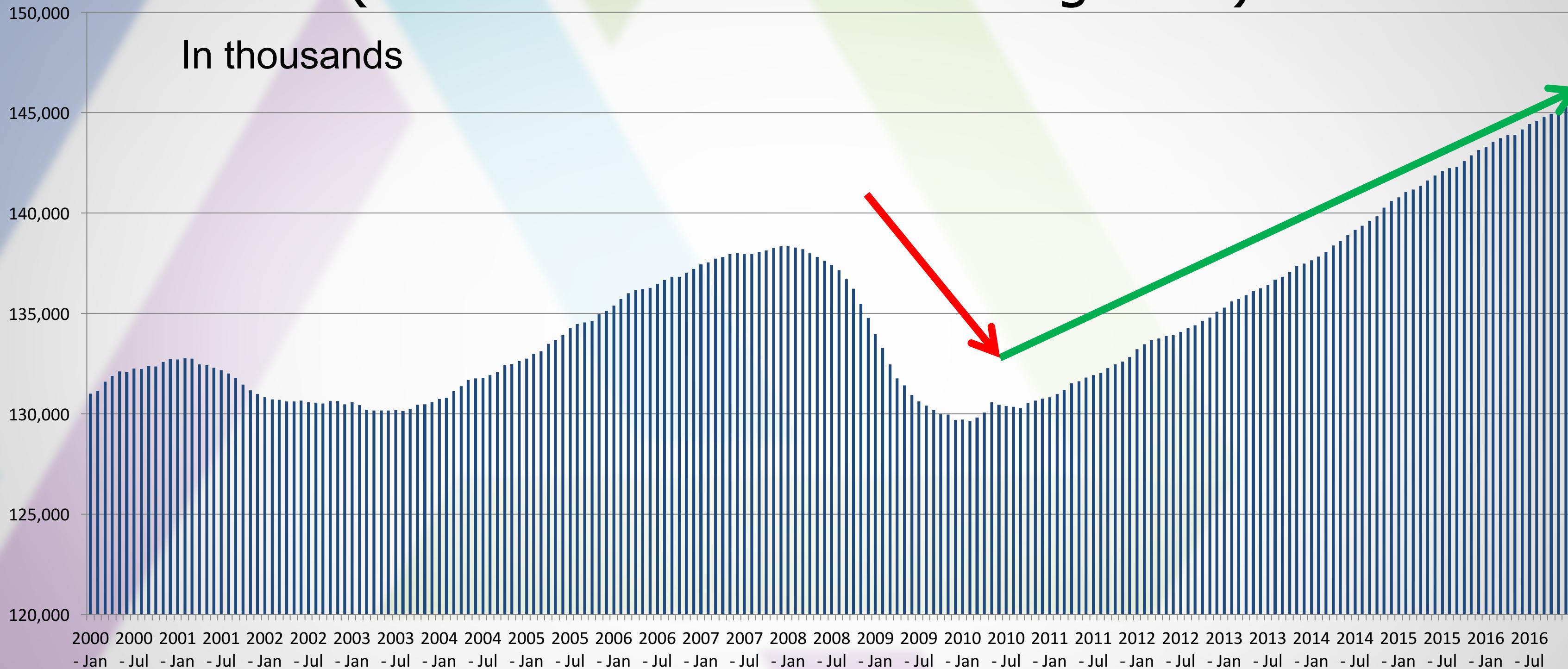


# Probability of Recession – one year out (NY Fed: based on interest rate spread)

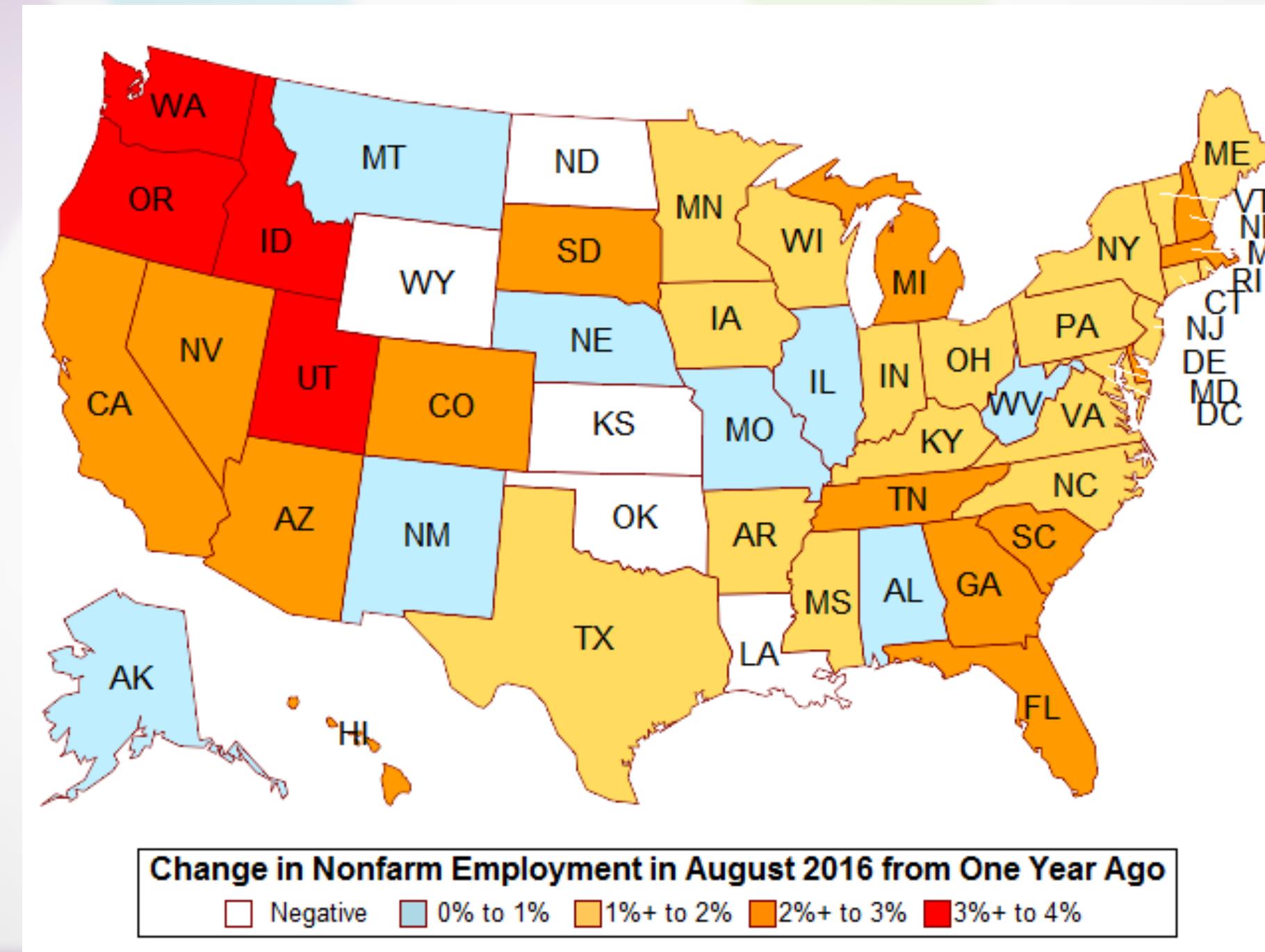


# Jobs

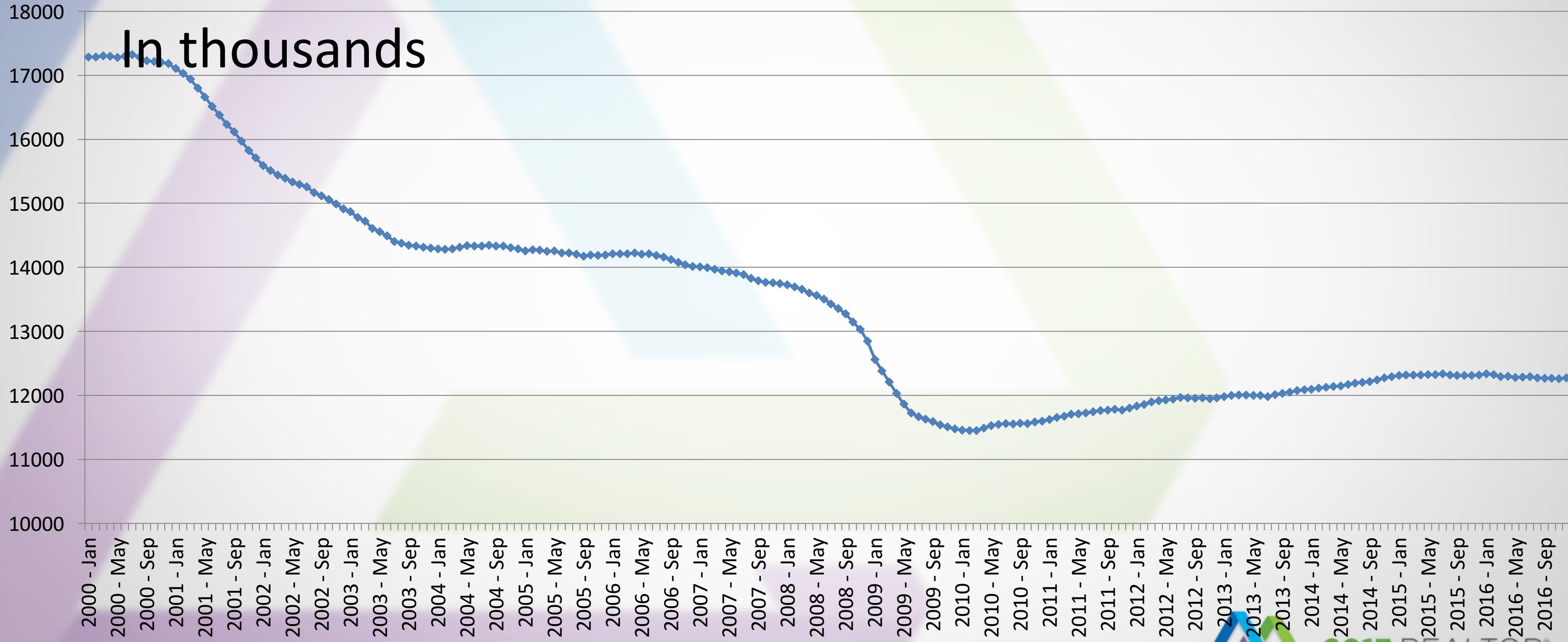
(8 million lost ... 15 million gained)



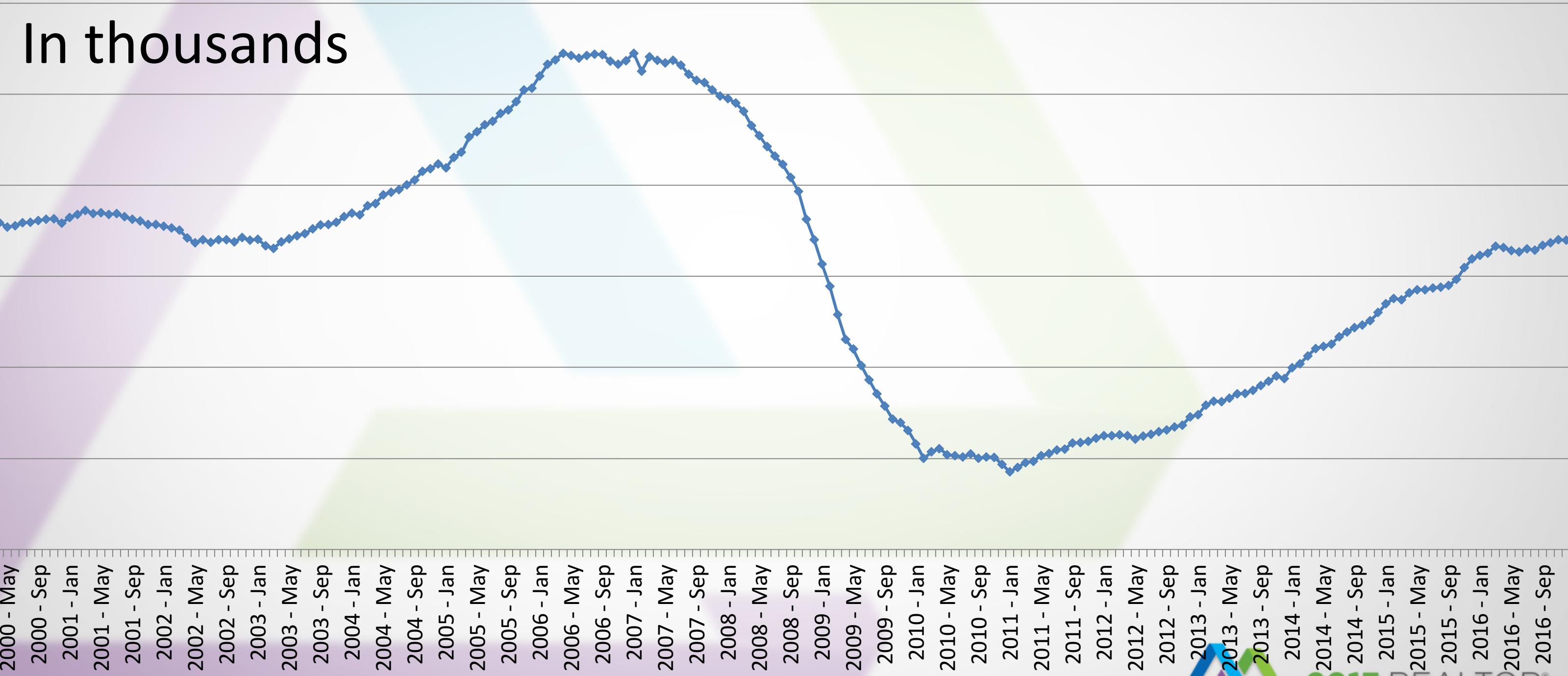
# Non-farm Employment Growth By State



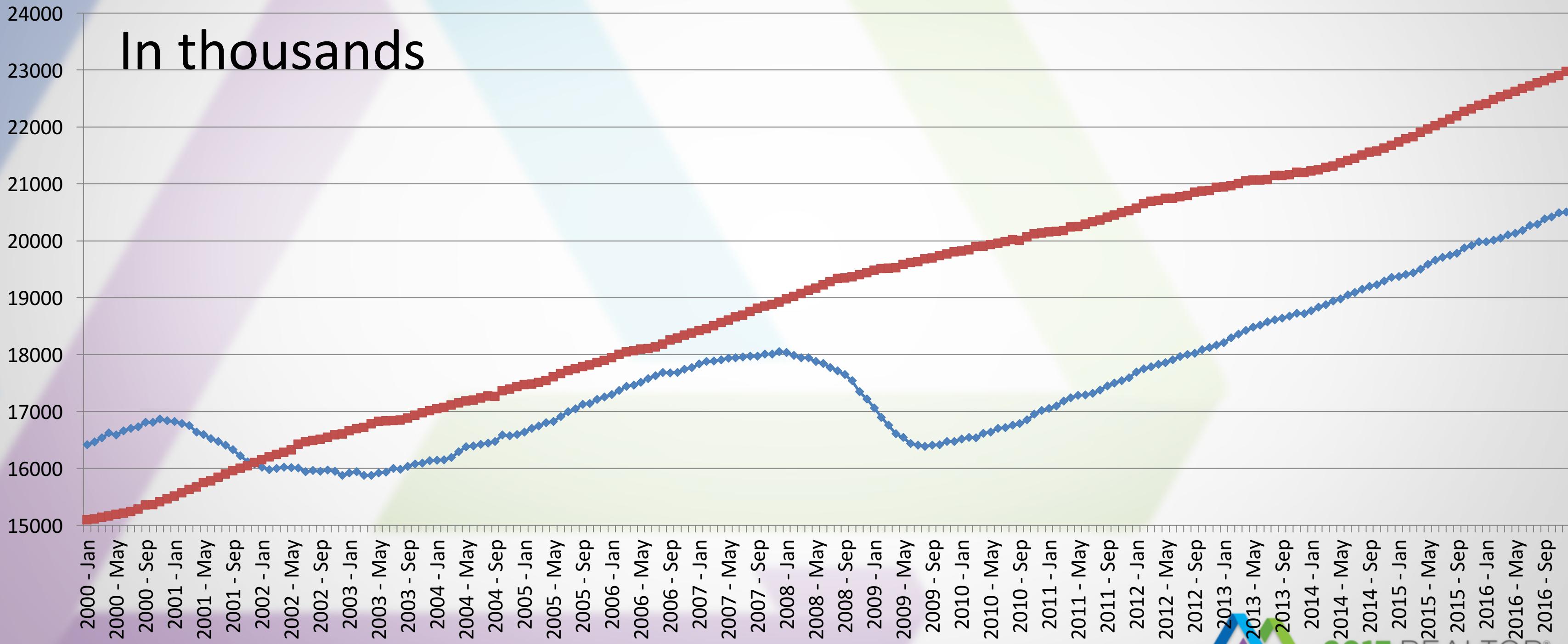
# Manufacturing Jobs



# Construction Jobs



# Professional Business Service and Health/Education Jobs

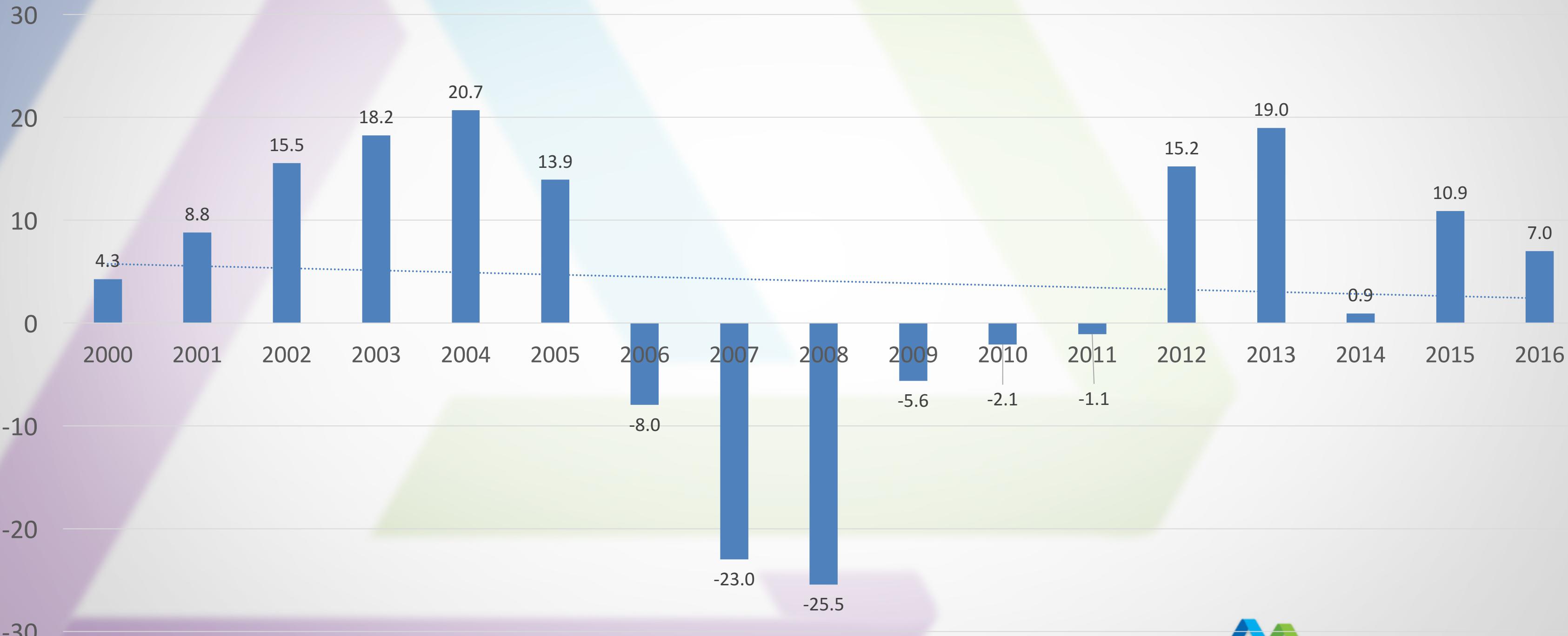


# Housing Market Turning?



# Dollar Volume Growth Rate

%



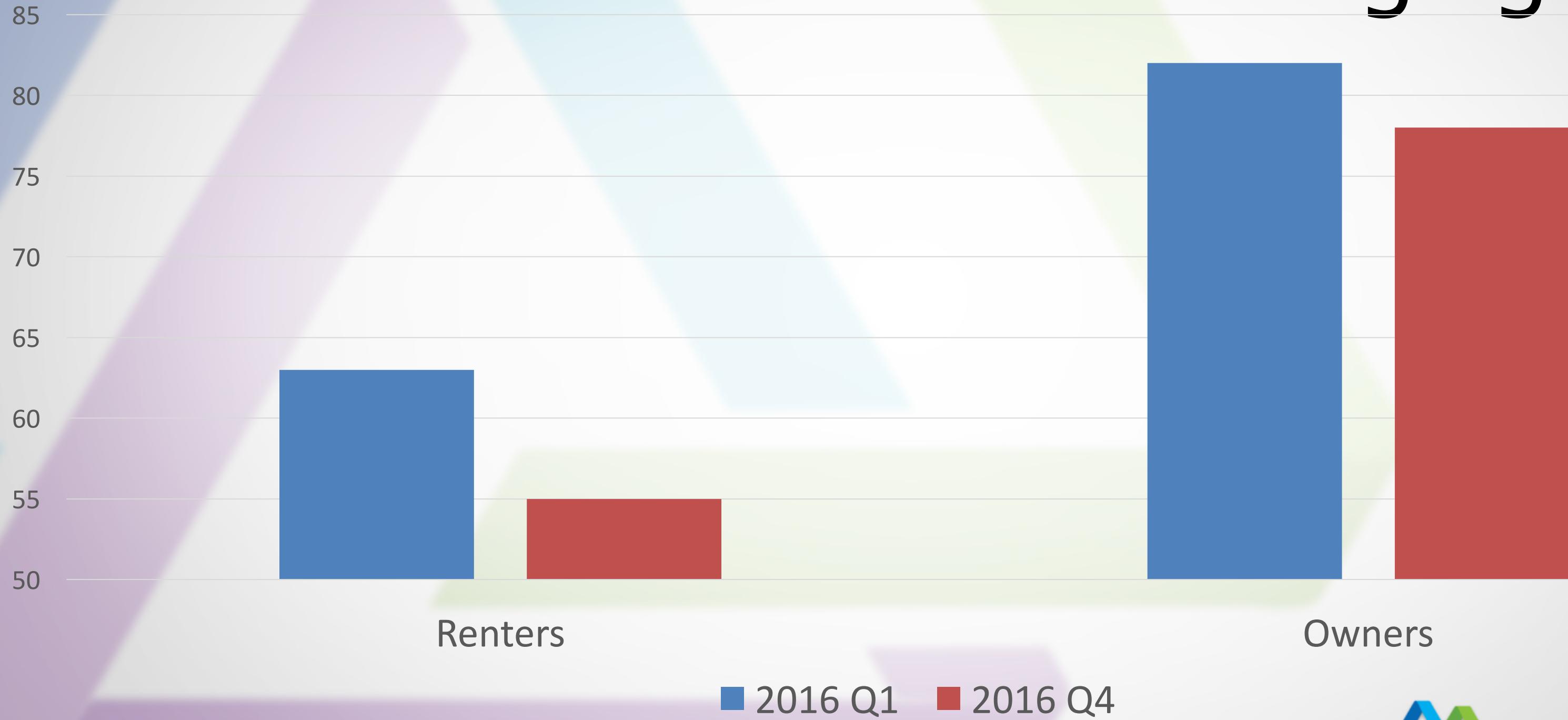
# NAR HOME Survey

(March 2015 to September 2016)

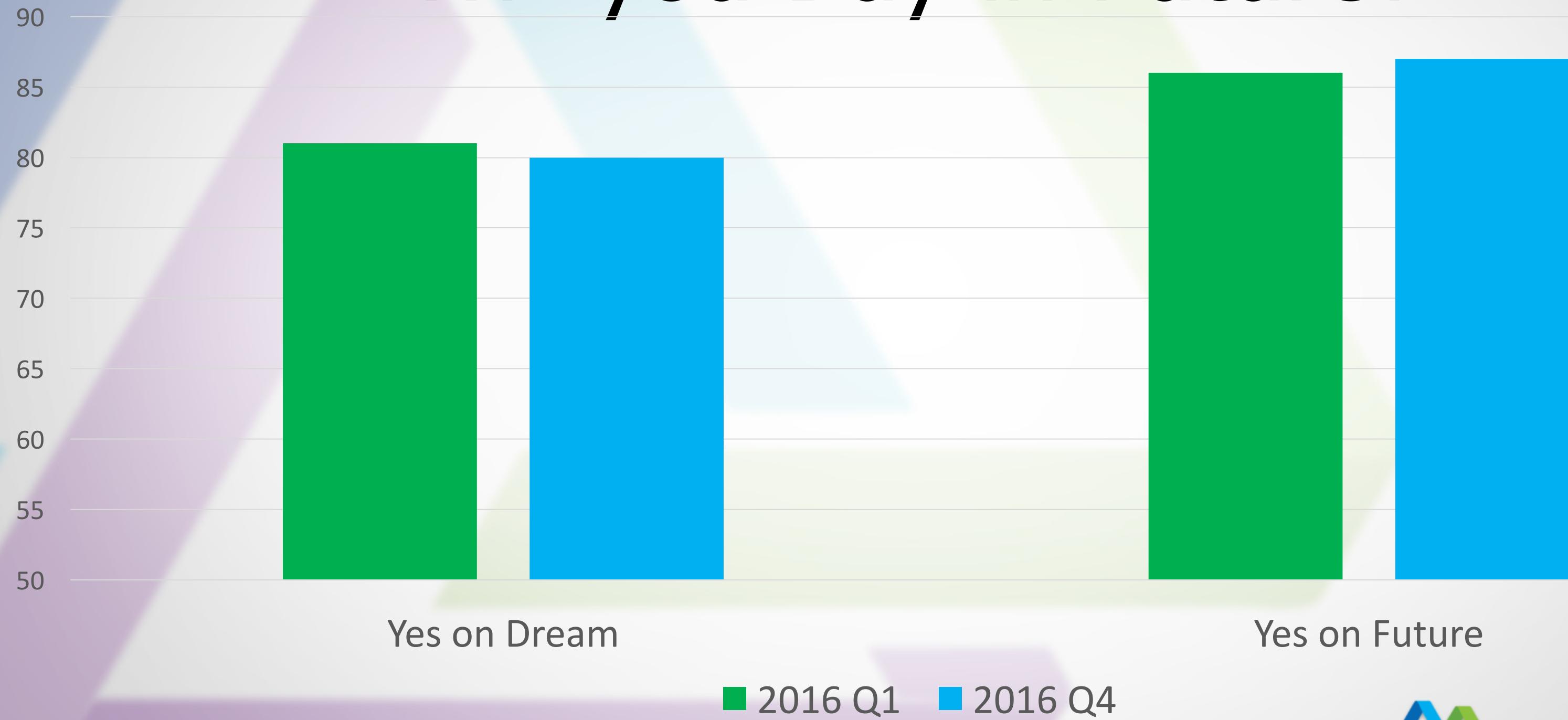
Do you believe that now is a good time to **BUY** a home or not? ... **YES**



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



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



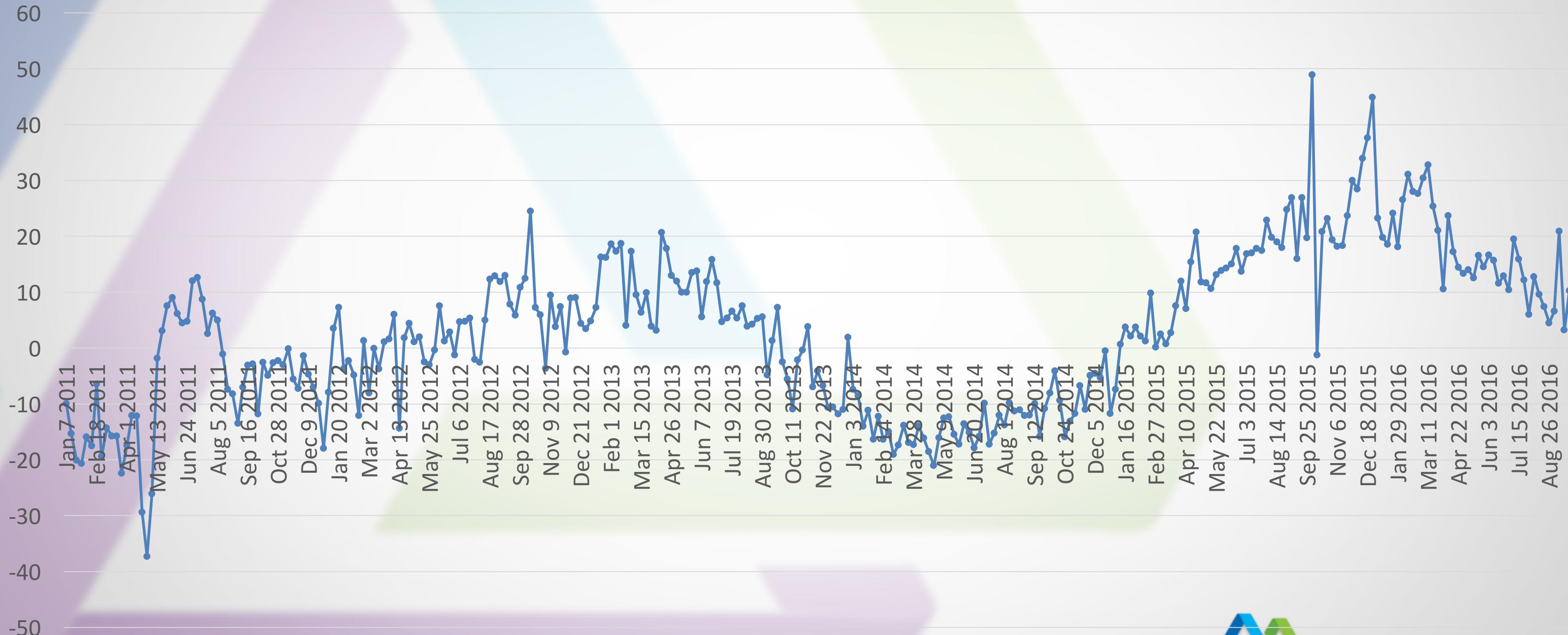
# REALTOR Buyer Traffic Index

## (% change from a year ago)



# Mortgage Purchase Applications

## (% change from a year ago)



# Pending Home Sales Index

(Seasonally Adjusted)

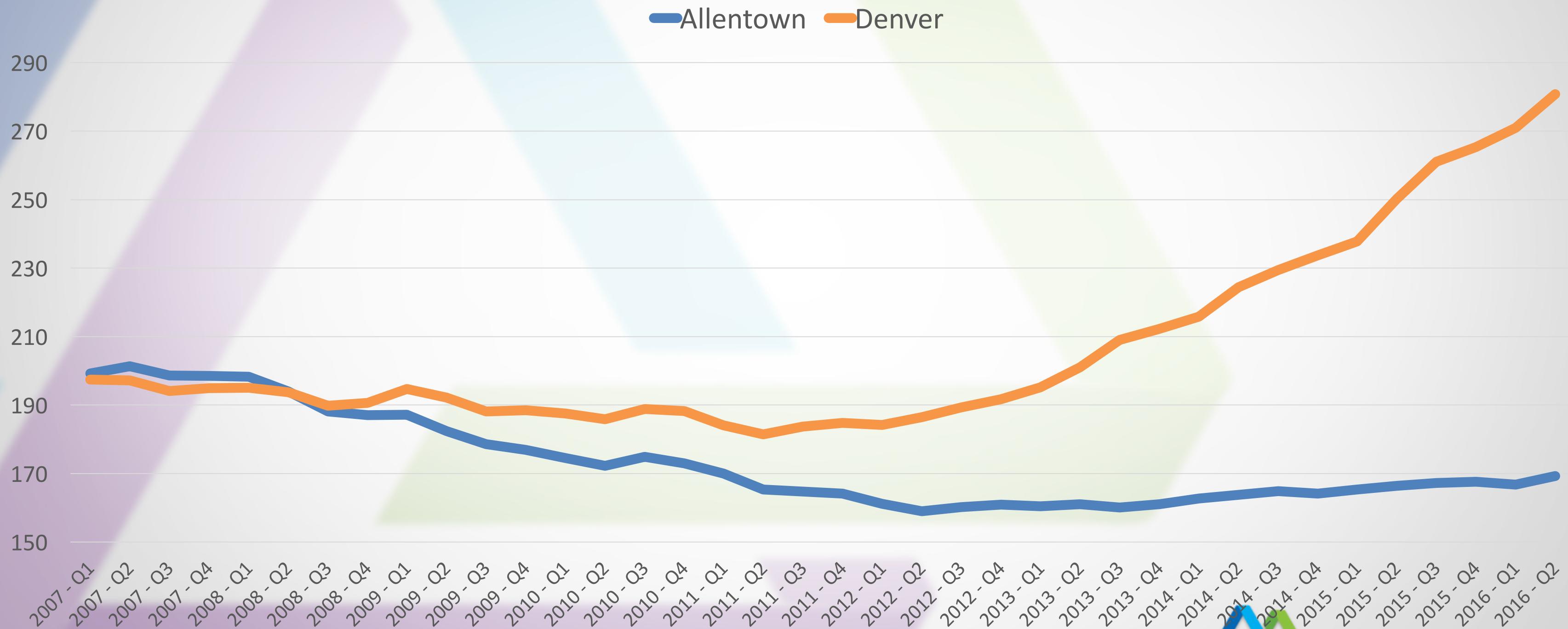


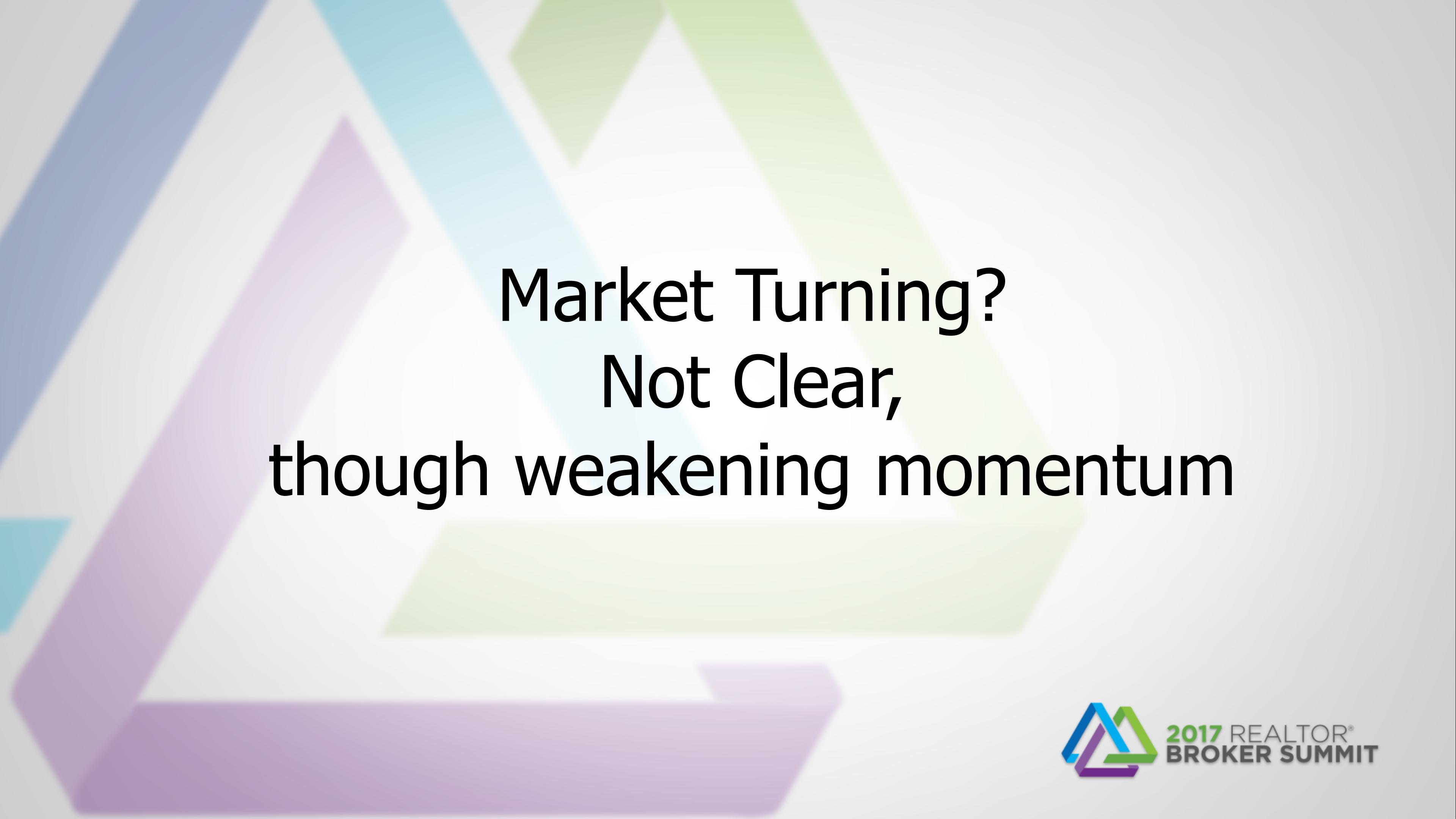
# Rent Growth

## (% change from a year ago)



# Home Price Index – CO and PA





Market Turning?  
Not Clear,  
though weakening momentum

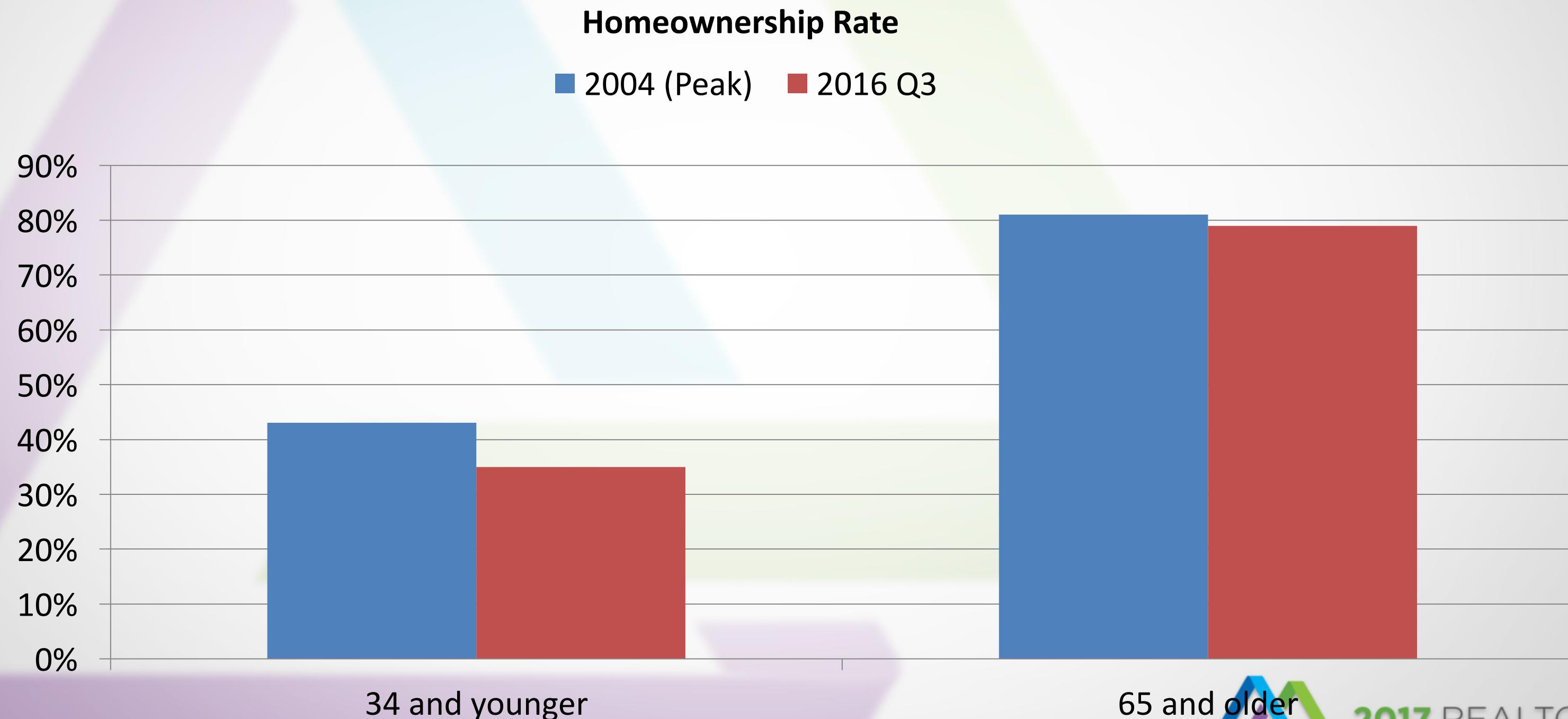


# Homeownership Rate

## At Near 50-year low



# Younger Households Less Likely to Own a Home



Source: Census Bureau

# Wealth Gap Between Young Adults (under-35) and Retiree (65+)

Median net worth of households headed by...

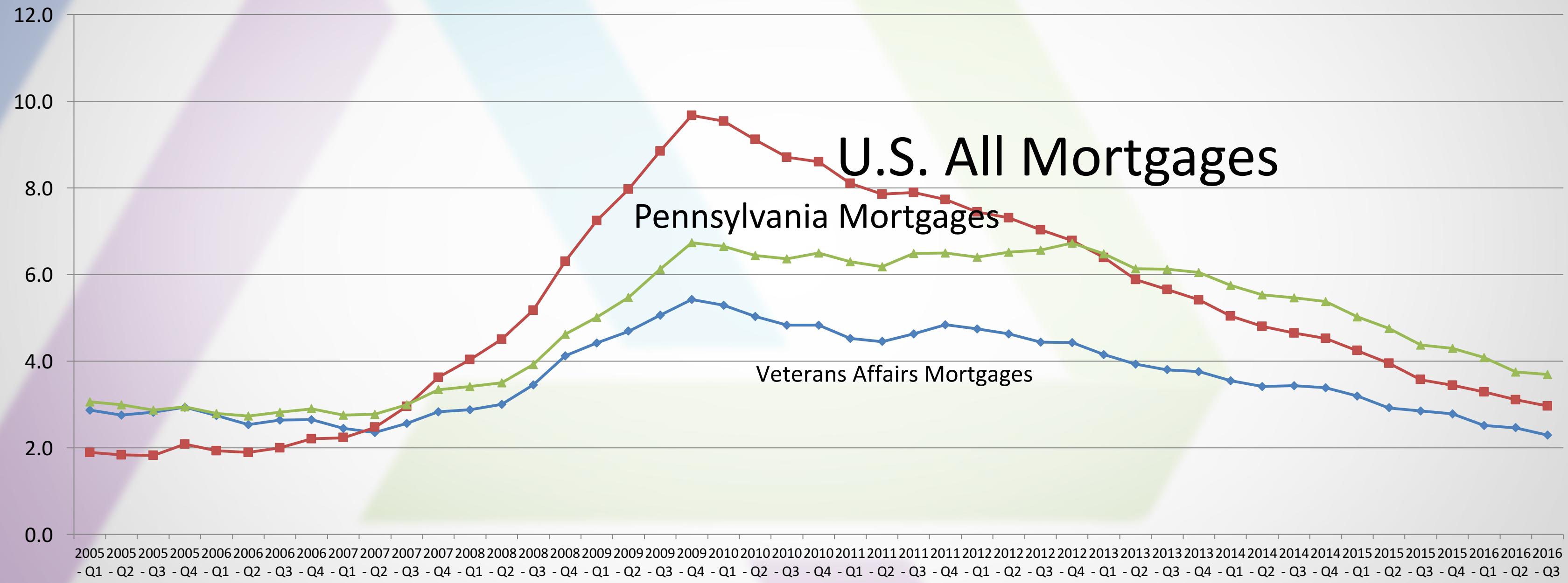


# Student Loan Debt

(in \$billion)

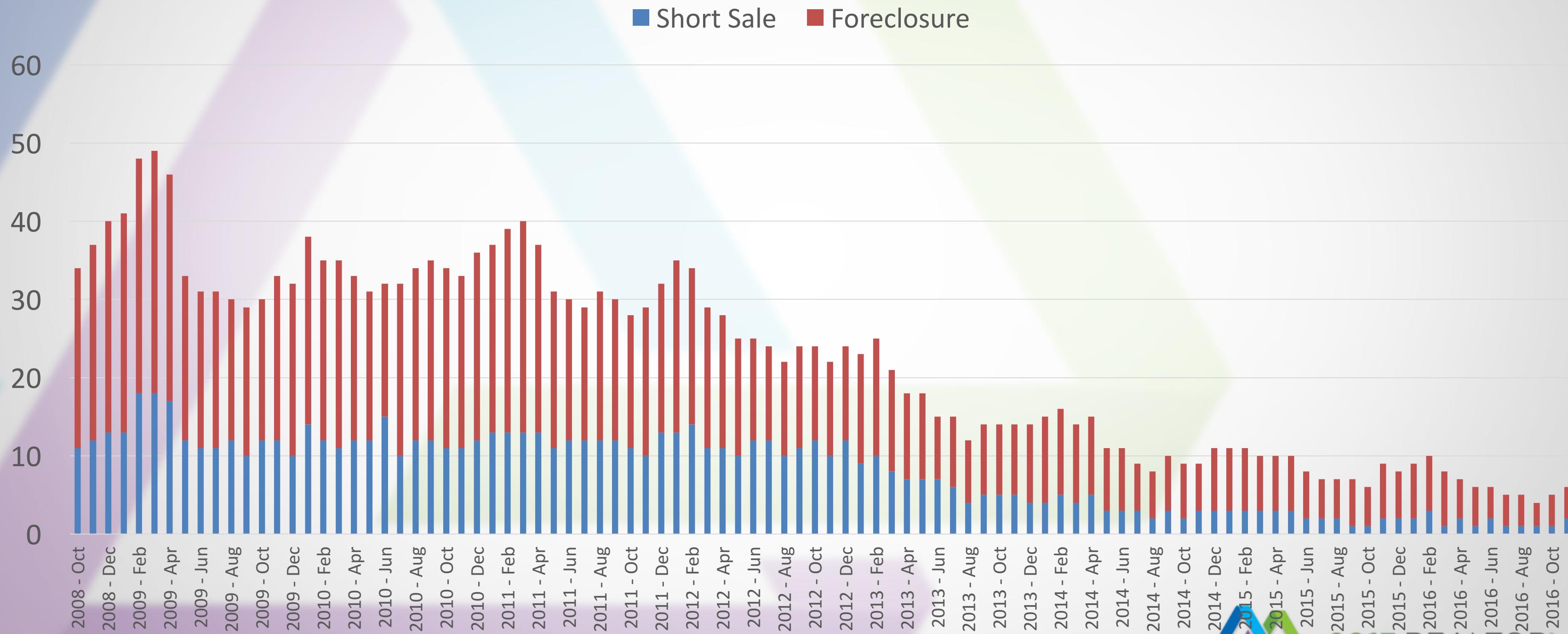


# Borrowers Not Defaulting (Serious Delinquency Rate)



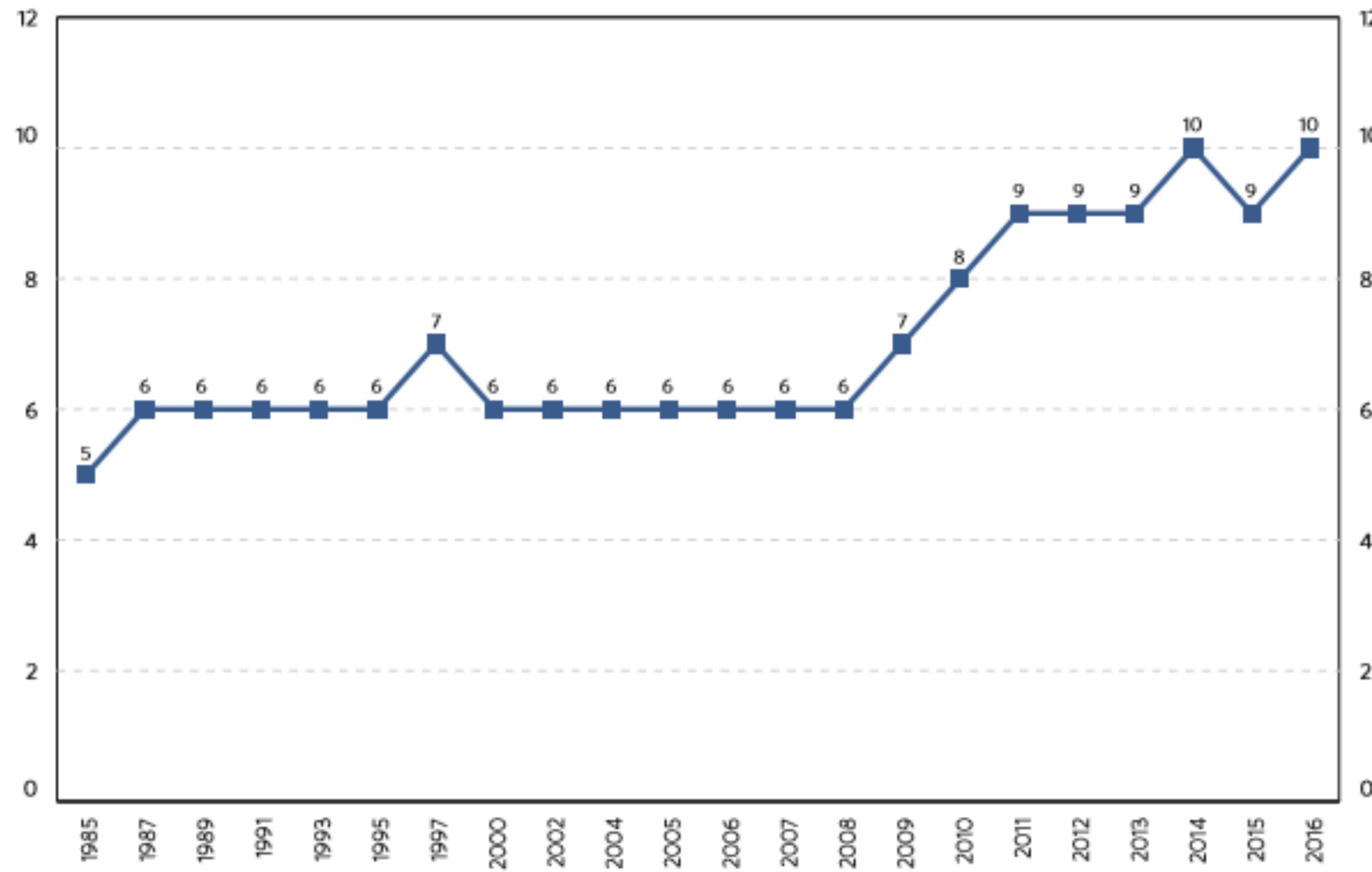
# Distressed Property Sales

(% of Total Sales)

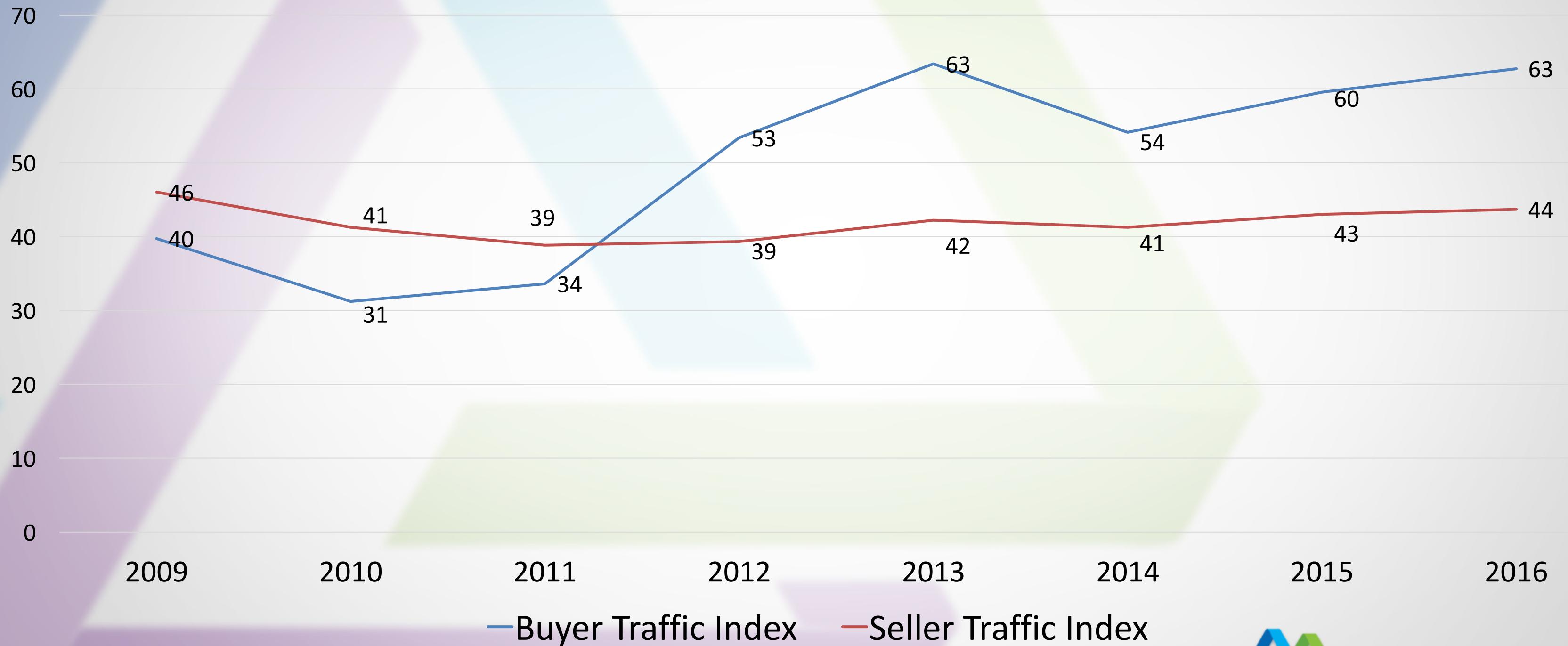


## EXHIBIT 6-25 MEDIAN SELLER TENURE IN HOME, 1985-2016

(Median Years)



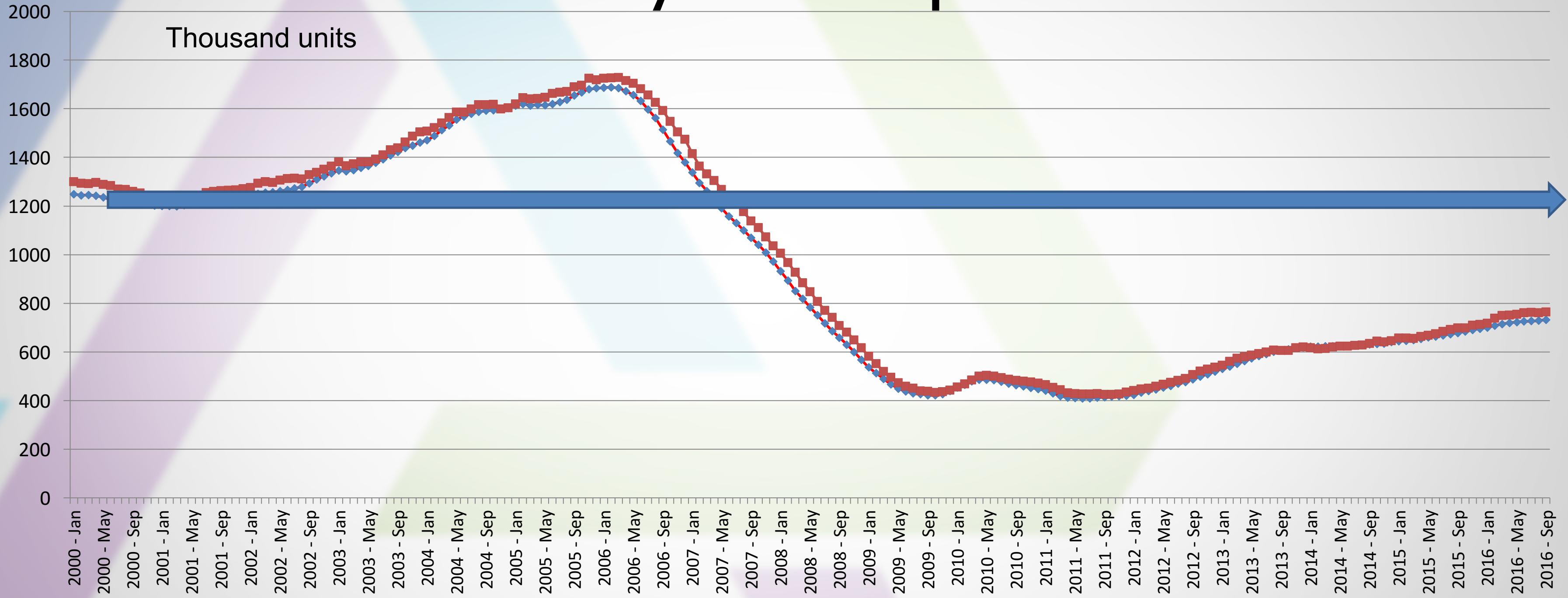
# REALTOR® Survey on Traffic



# Homebuilders Market Index



# Single-family Housing Permits and Starts – Grossly Inadequate



# 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?

# Additional Topics

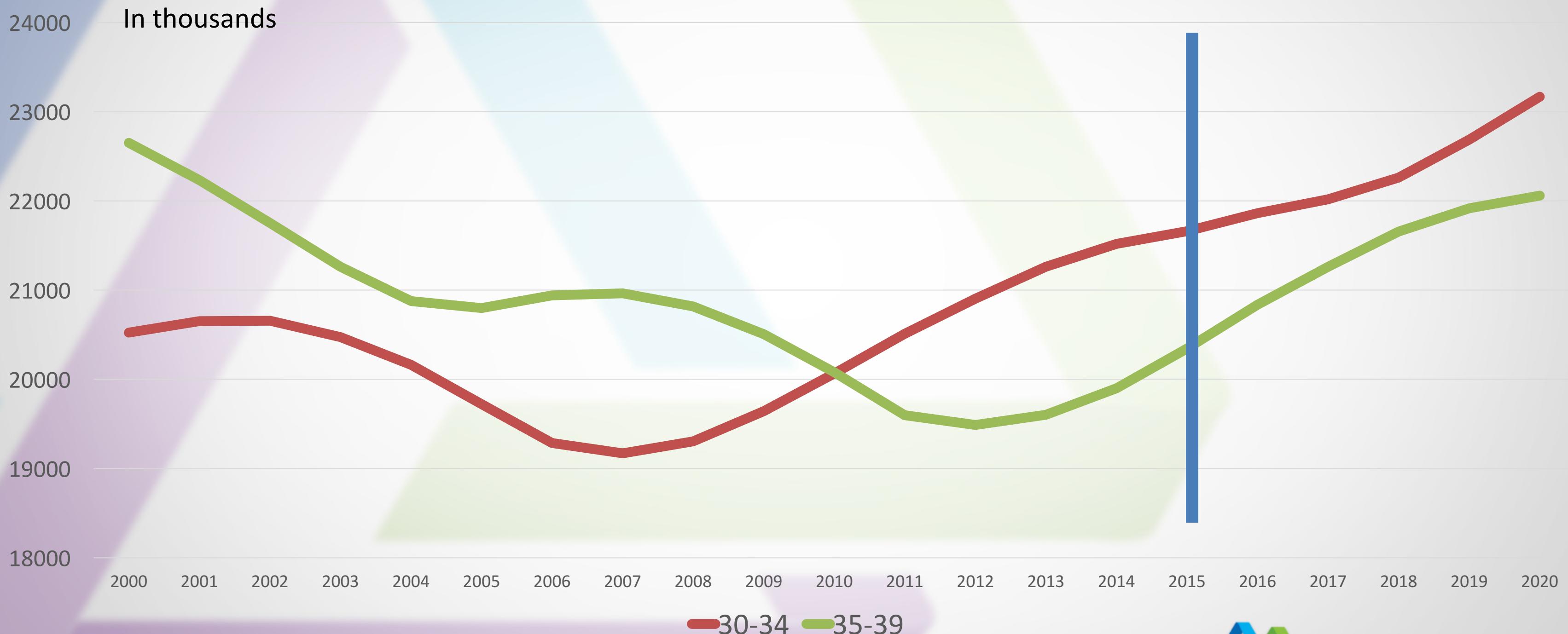
# REALTOR® University Sessions

- Social Media ... ask clients to post about the experience
- Higher Future Earnings ... from home price appreciations
- Student Debt hinders home buying
- Walkable Future
- Credit Tightness and FHA changes

# Post-College Likely Renters (Age 25 to 29)



# Likely First-time Buyers (Age 30 to 39)



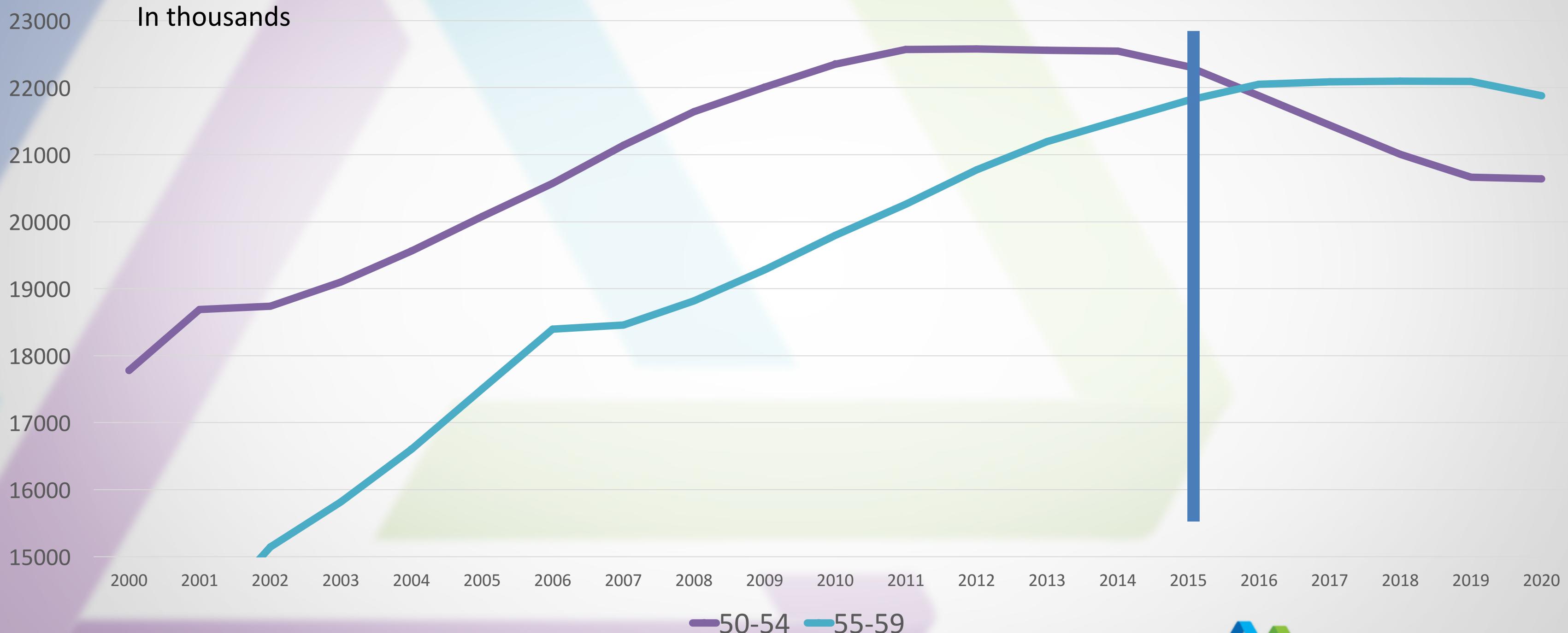
# Likely Trade-Up Buyers (Age 40 to 49)



— 40-44 — 45-49



# Vacation Home Buyers (Age 50 to 59)



# Retired - Relocation (Age 60+)



# Normal vs. Now

	2000 (Likely Normal)	2016
Existing Home Sales	5.2 million	5.3 million
New Home Sales	900,000	500,000
Population	282 million	324 million
Jobs	132 million	145 million
Total U.S. Household Wealth	\$44 trillion	\$85 trillion