



THE NEW ECONOMIC FUTURE

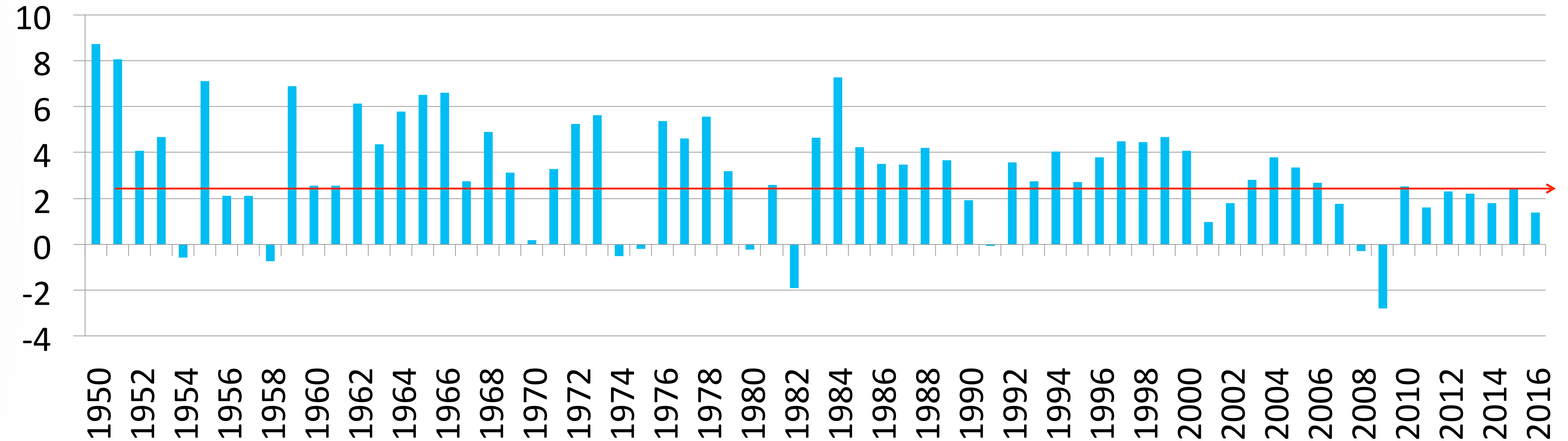
IMAGINE

Imagine there's no countries
It isn't hard to do

Imagine no possessions
I wonder if you can

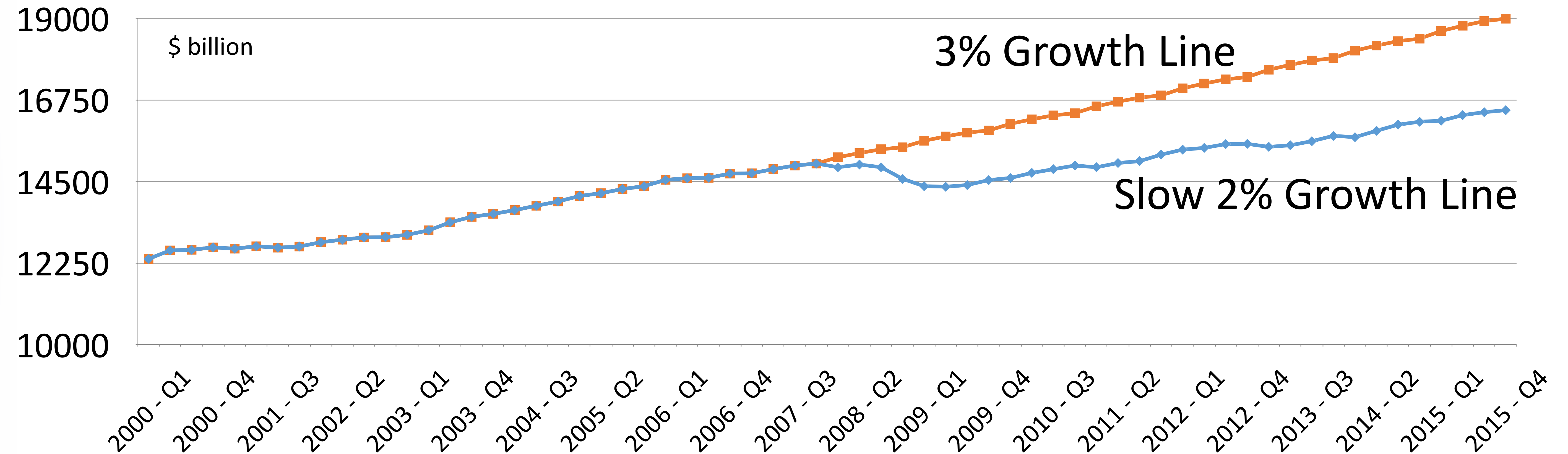
ANNUAL GDP... BELOW 3% FOR 11 STRAIGHT YEARS

GDP Annual Growth Rate

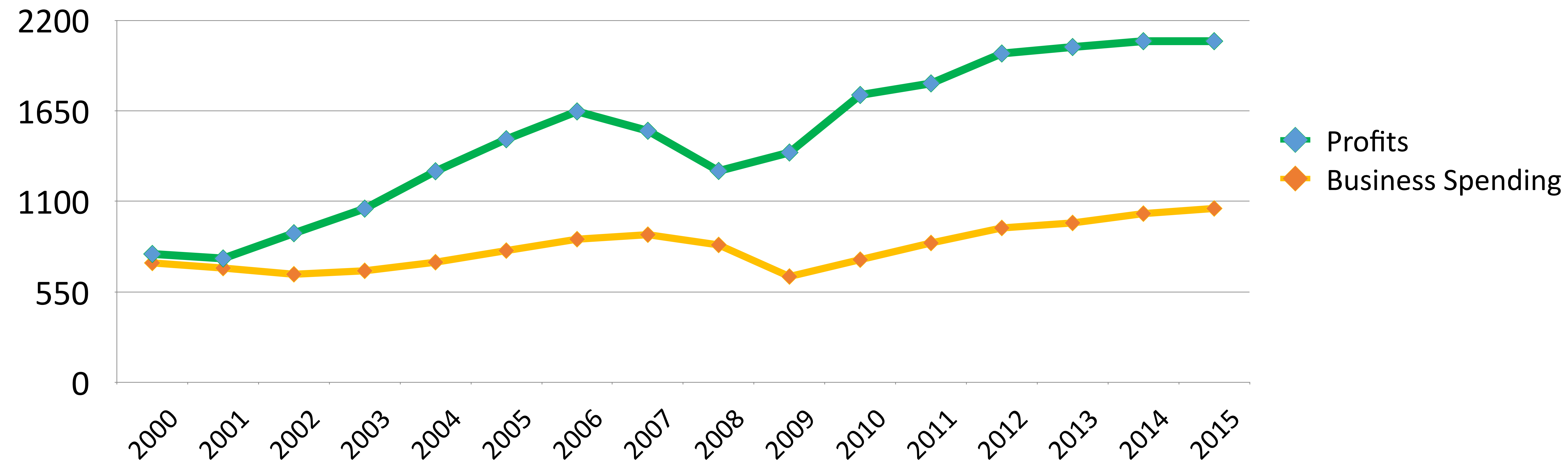


SLUGGISH GDP AND GAP AFTER RECESSION

(\$2.5 TRILLION GAP ... \$7,000 PER PERSON)

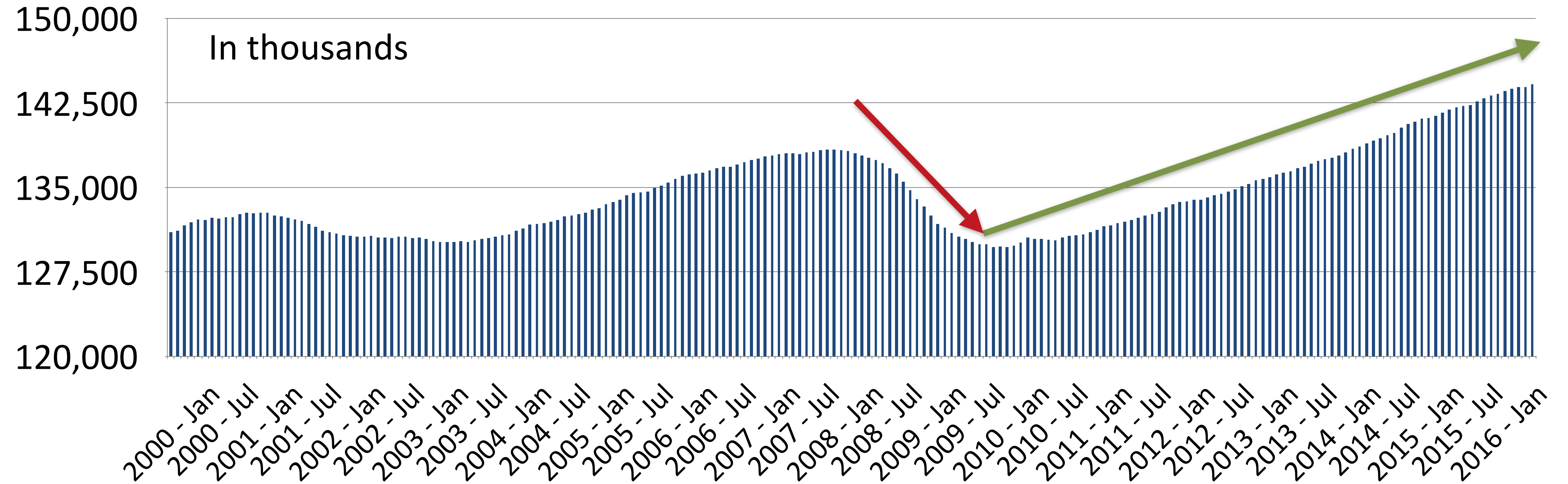


SLUGGISH BUSINESS SPENDING DESPITE HIGH PROFIT



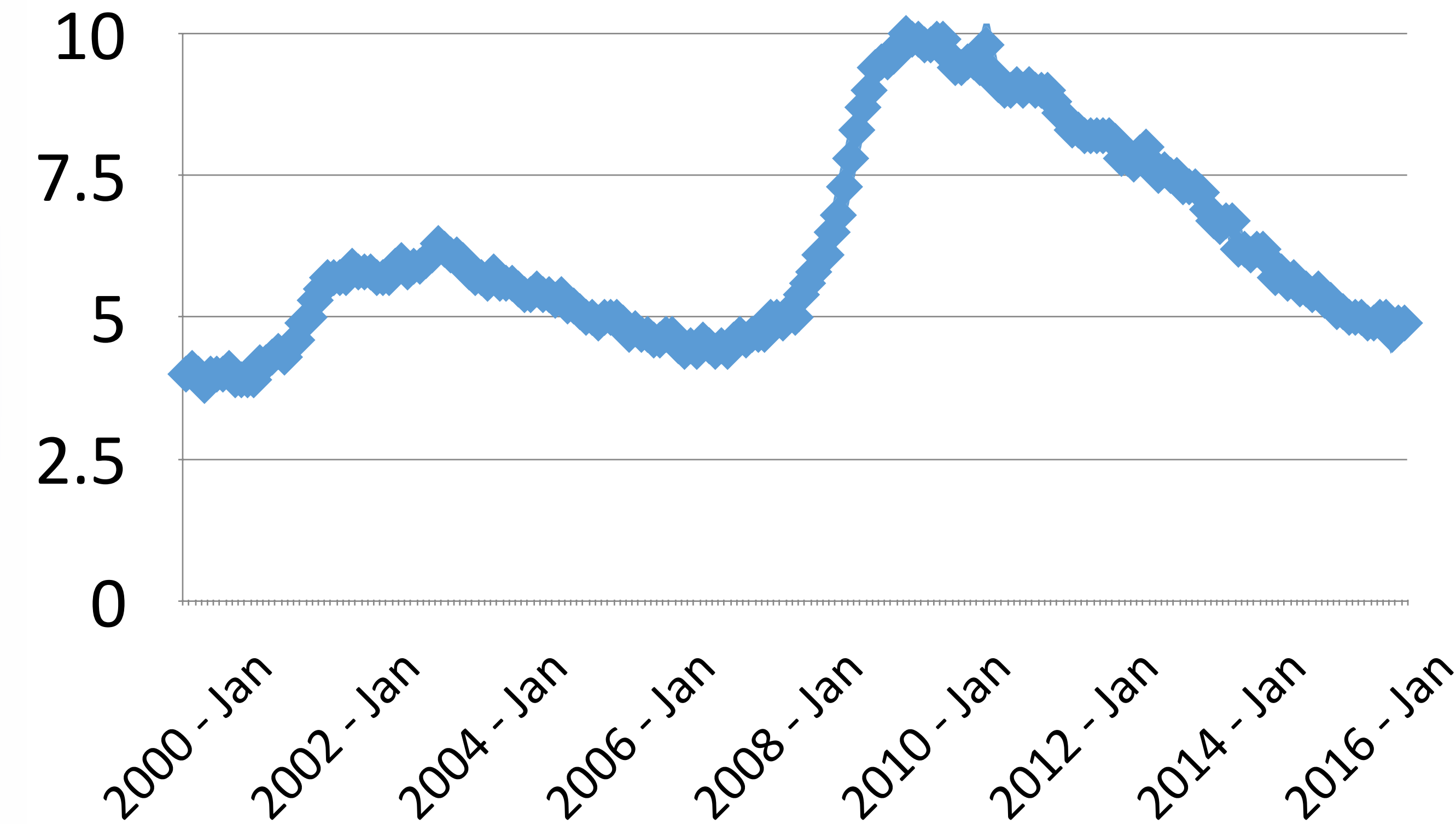
JOBS...

(8 MILLION LOST... 15 MILLION GAINED)

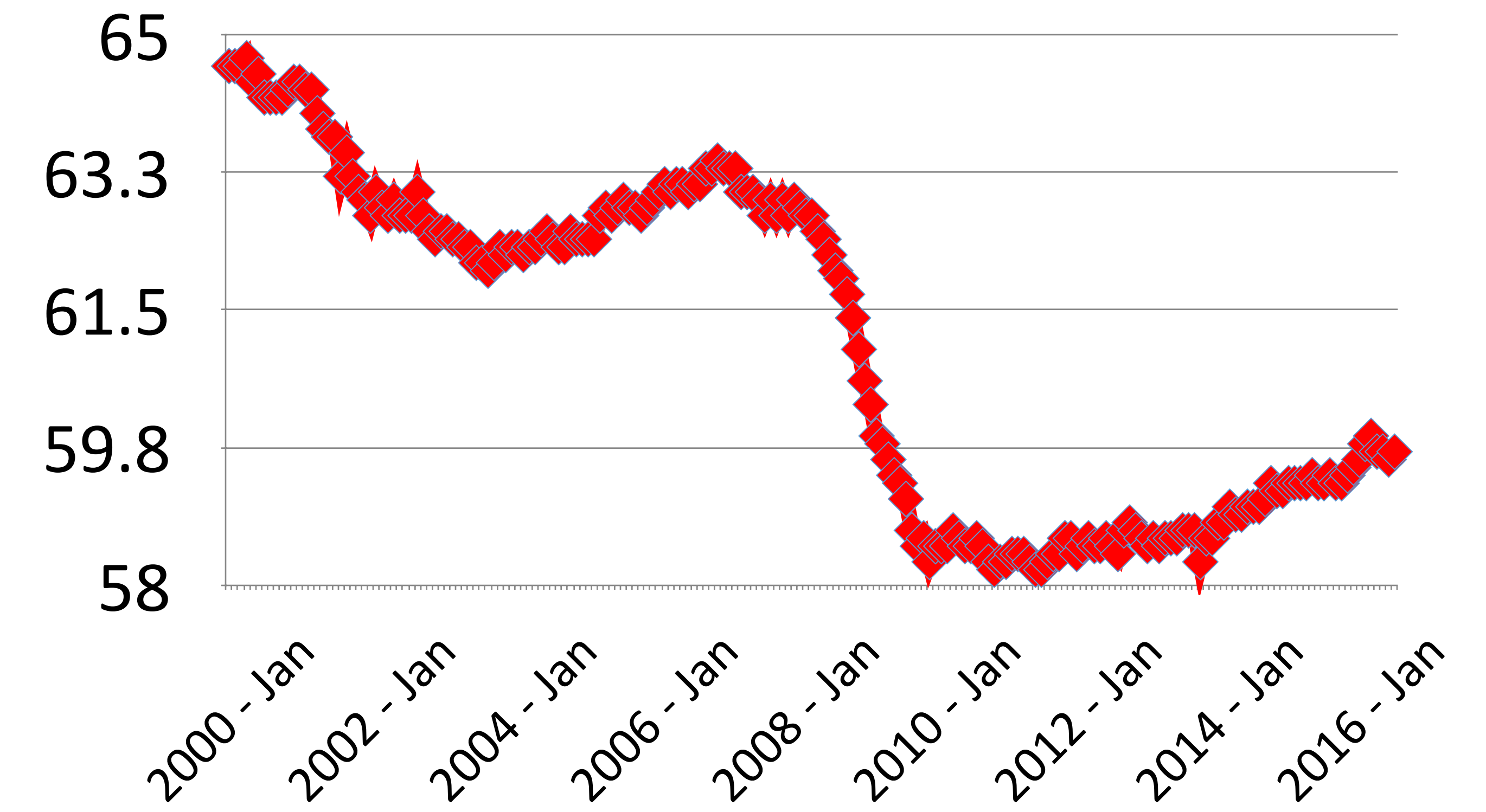


UNEMPLOYMENT RATE VS. EMPLOYMENT RATE

Unemployment Rate

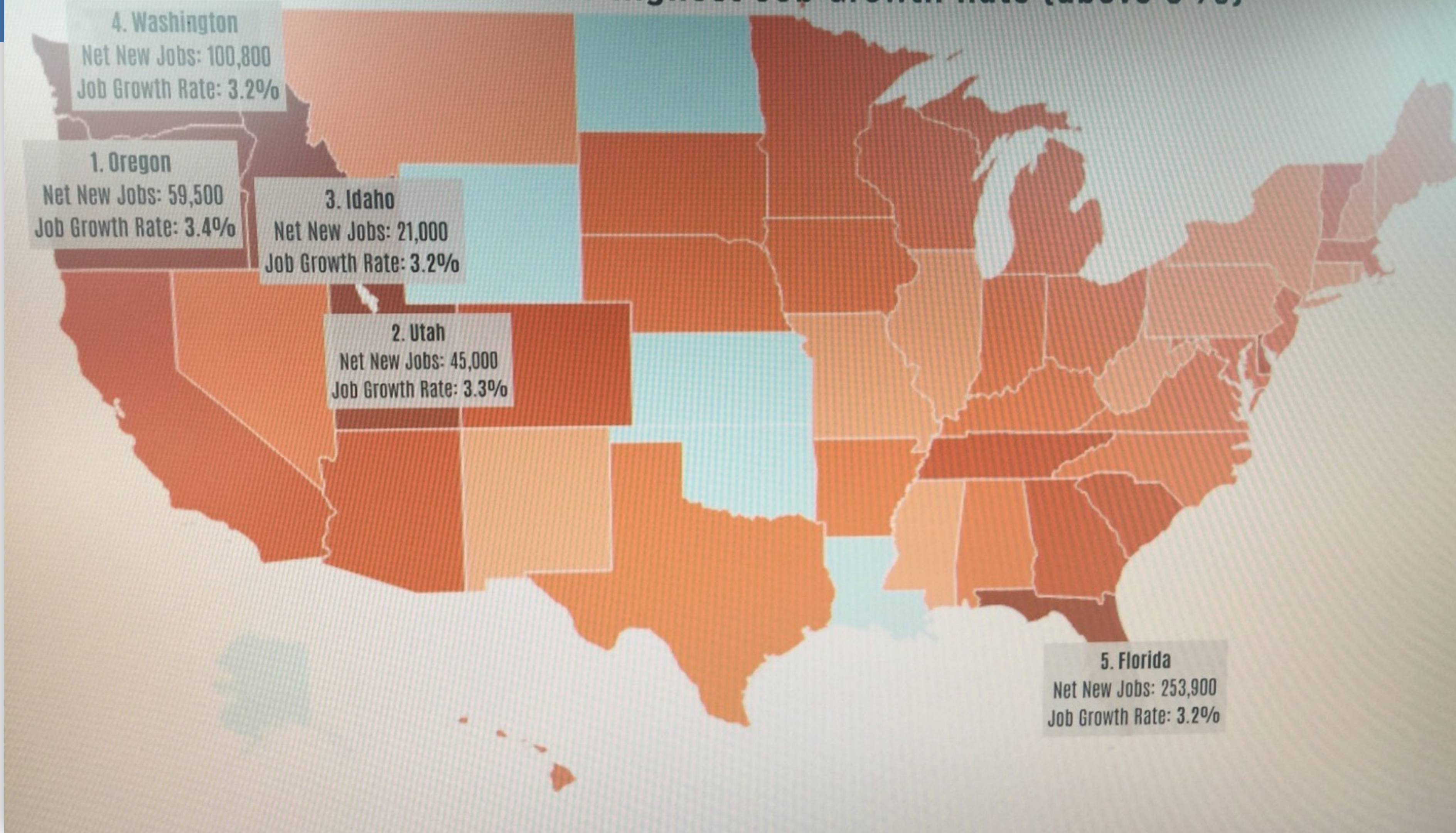


Employment Rate



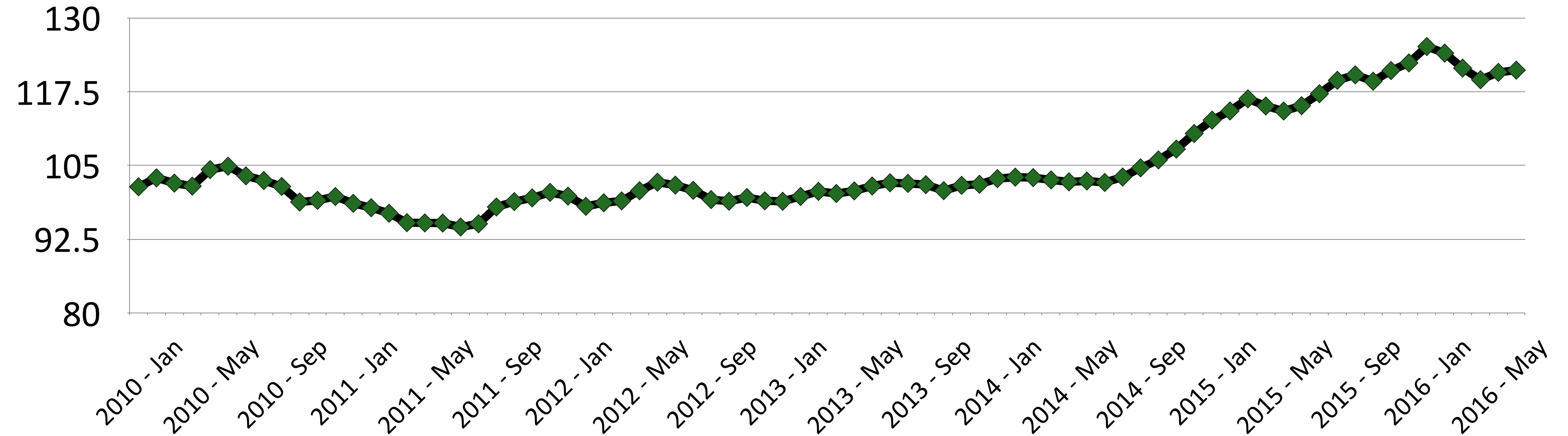


States with the highest Job Growth Rate (above 3%)

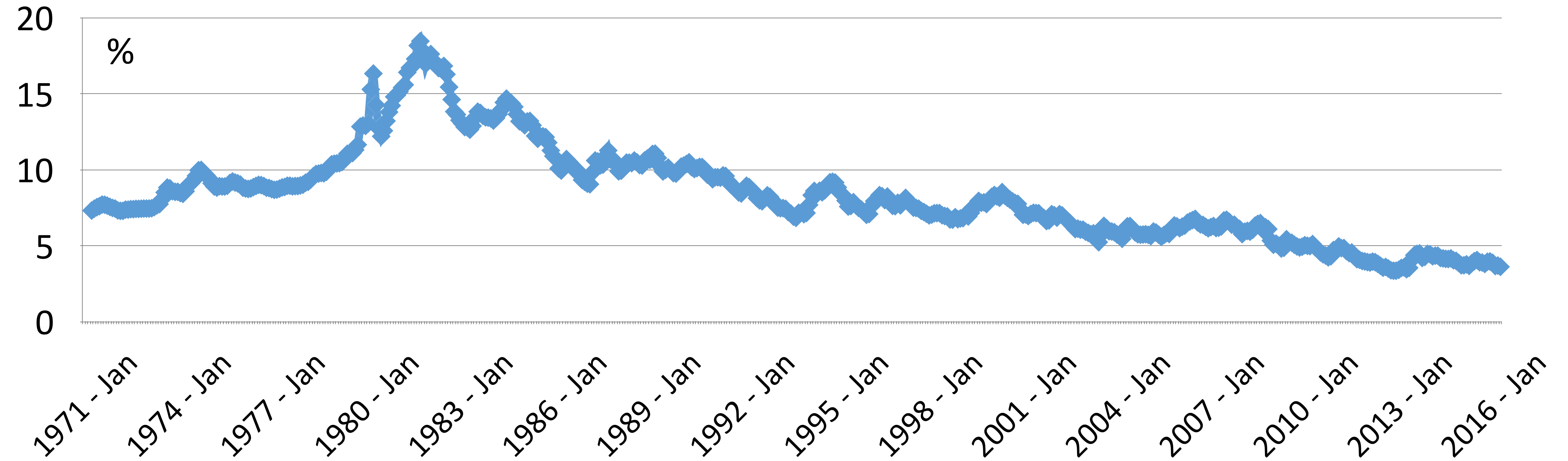


U.S. DOLLAR STRONGER AND STRONGER

Dollar Strength Index – Trade Weighted

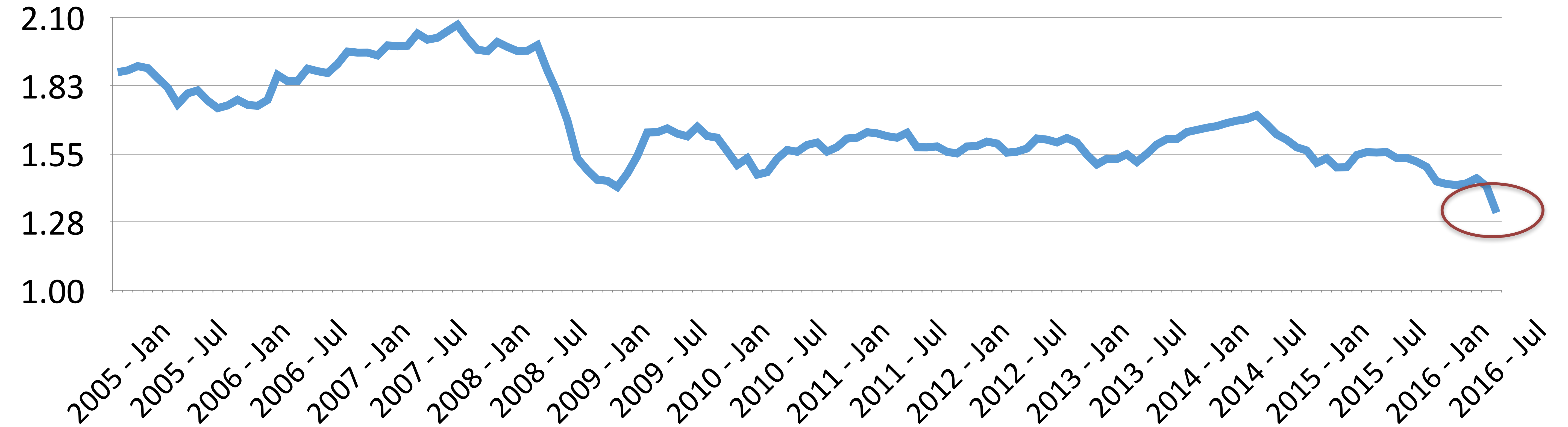


STRONG DOLLAR HELPS KEEP MORTGAGE RATES LOW

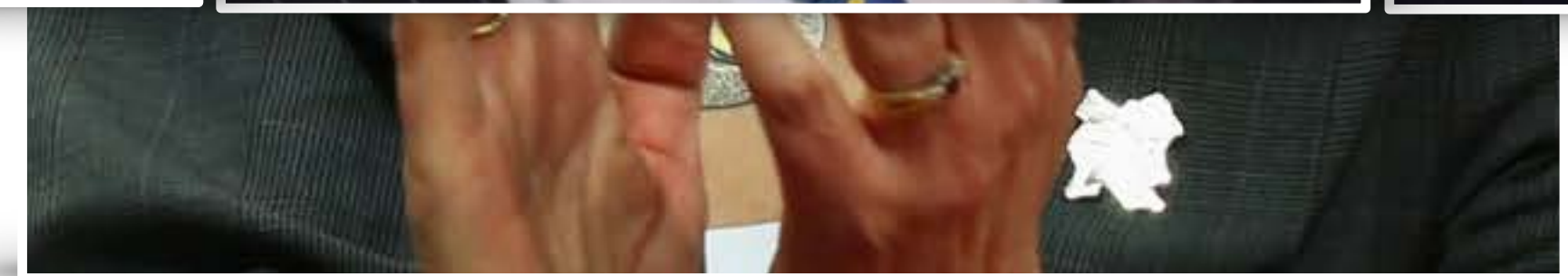


BREXIT AND THE POUND

(HOW MANY \$ TO GET A £)

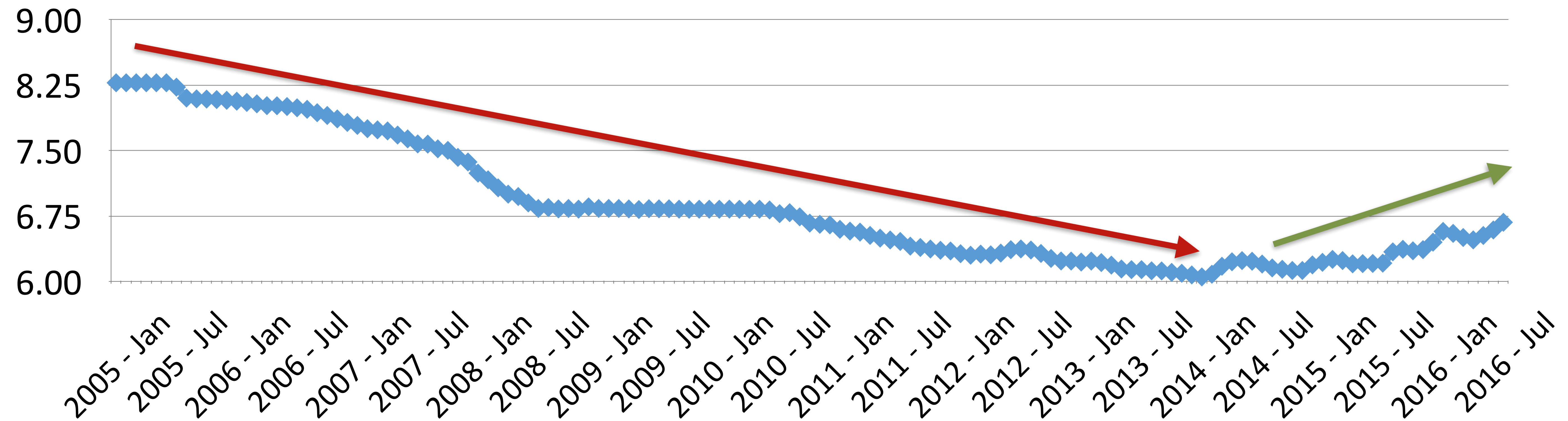


BREXIT

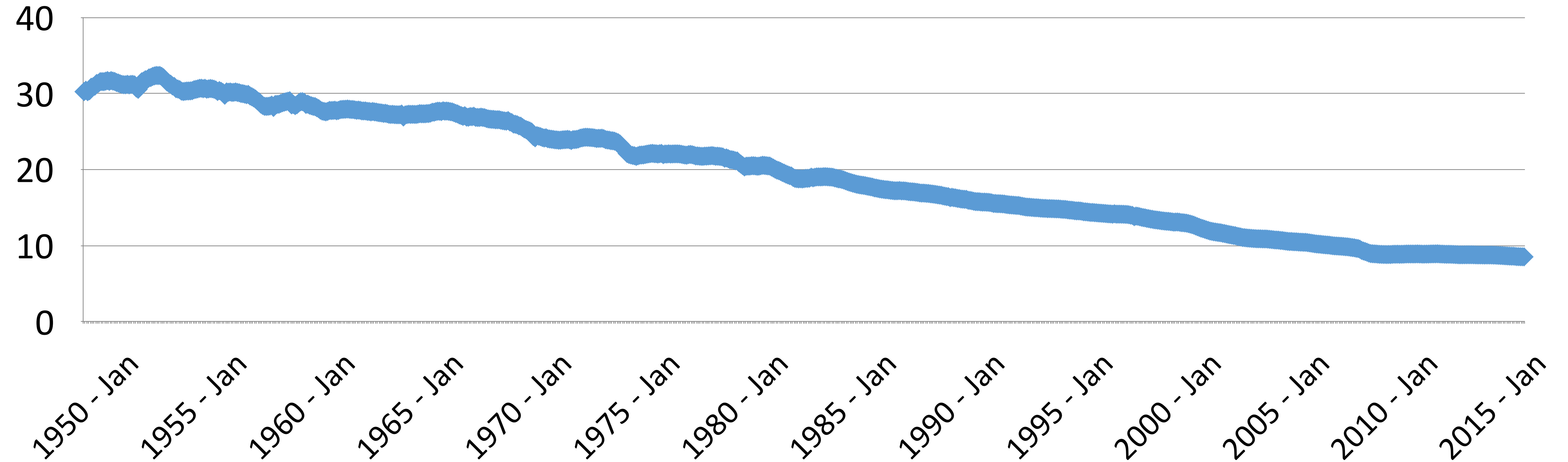


IS CHINA SEEKING GLOBAL DOMINANCE OR MANIPULATING CURRENCY

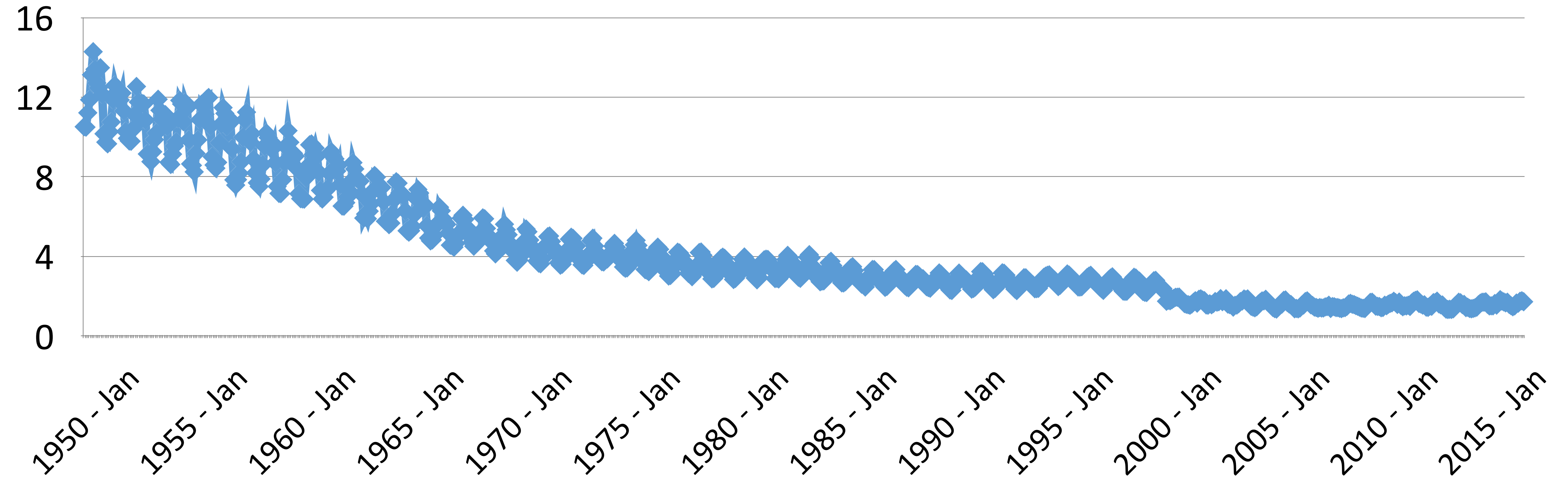
\$1 gets how many Yuan?



MANUFACTURING JOBS (% OF TOTAL PAYROLL JOBS)

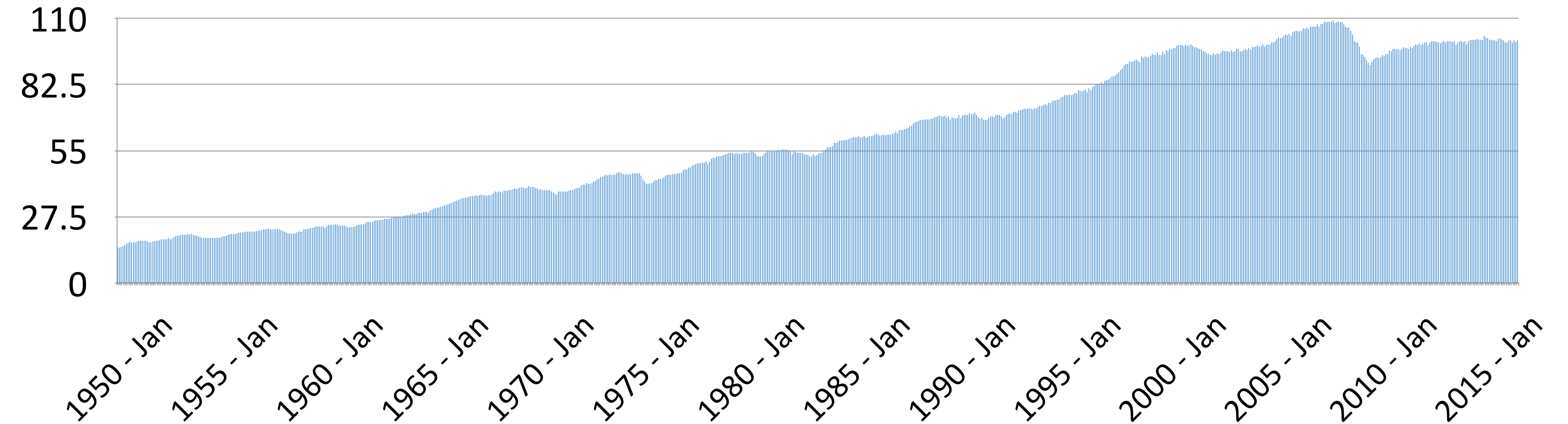


AGRICULTURAL-FARM JOBS (% OF TOTAL EMPLOYMENT)



MANUFACTURING INDUSTRIAL PRODUCTION

Index of Final Production



WHICH JOB WILL BE REPLACED BY ROBOTS? DO YOU KNOW MORE THAN YOU CAN WRITE DOWN?

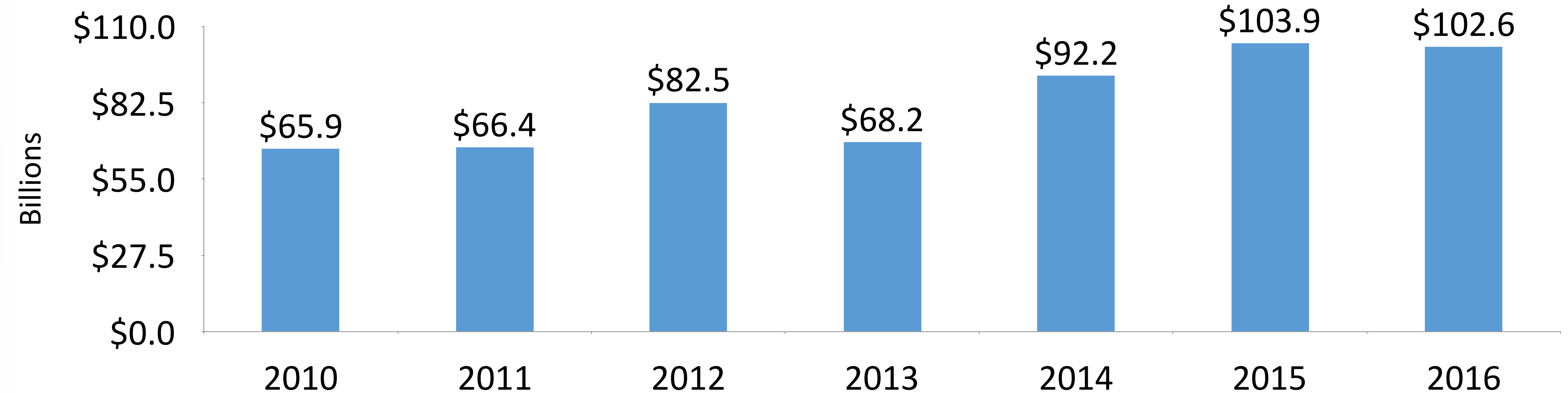


Chicago Tribune Photo



From google search: Image may be subject to copyright

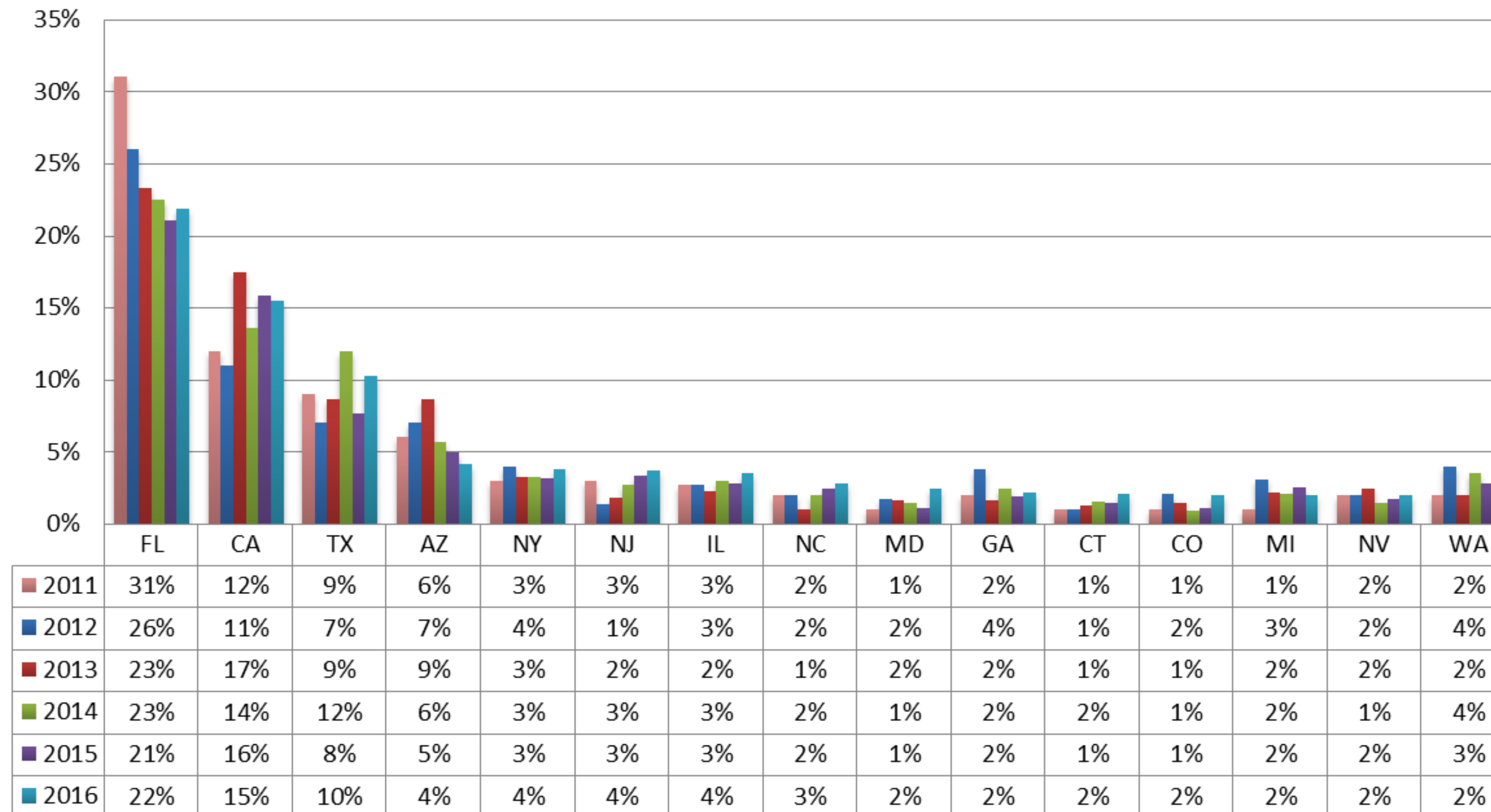
FOREIGN BUYER RESIDENTIAL PROPERTY PURCHASES: \$102.6 BILLION IN THE 12 MONTHS ENDING MARCH 2016



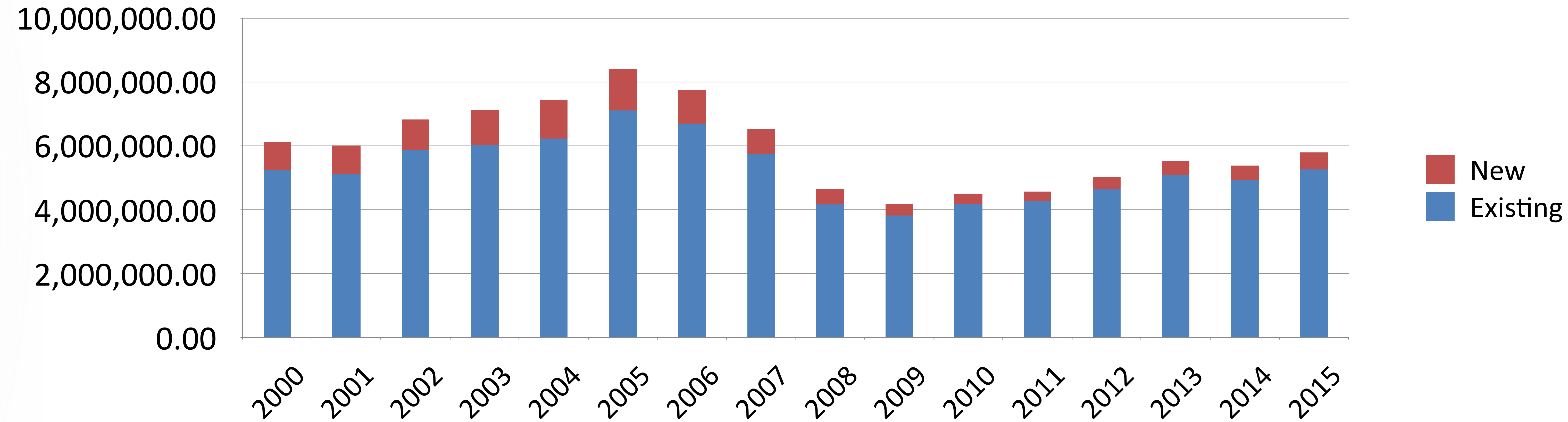
Note: Based on transactions in the 12 months ending March of each year.

MAJOR DESTINATIONS OF FOREIGN BUYERS

Major Destination of Foreign Buyers
(State's Share to Number of International Sales)

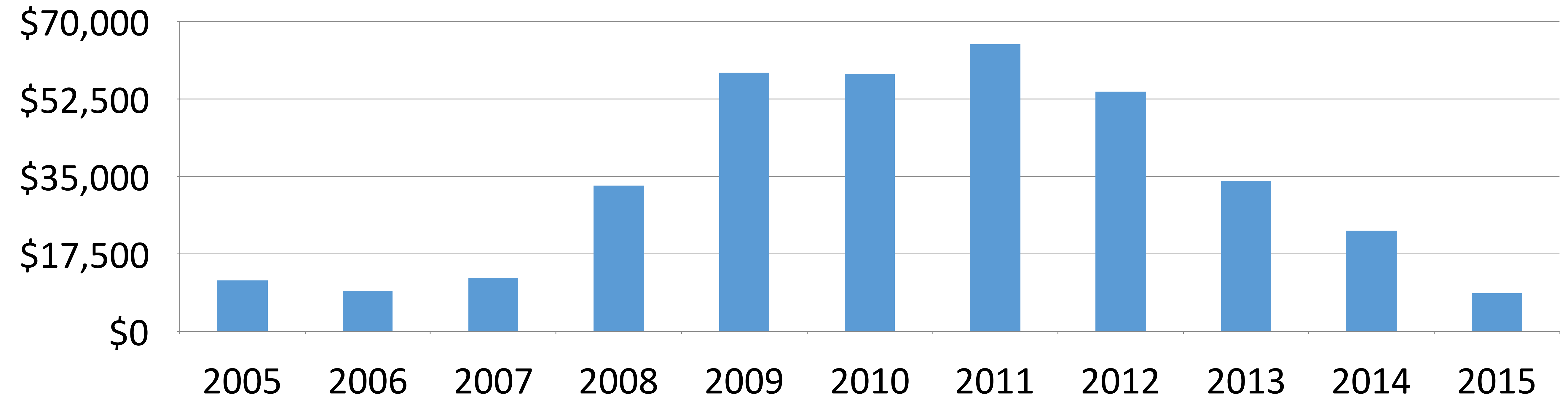


HOME SALES RISING



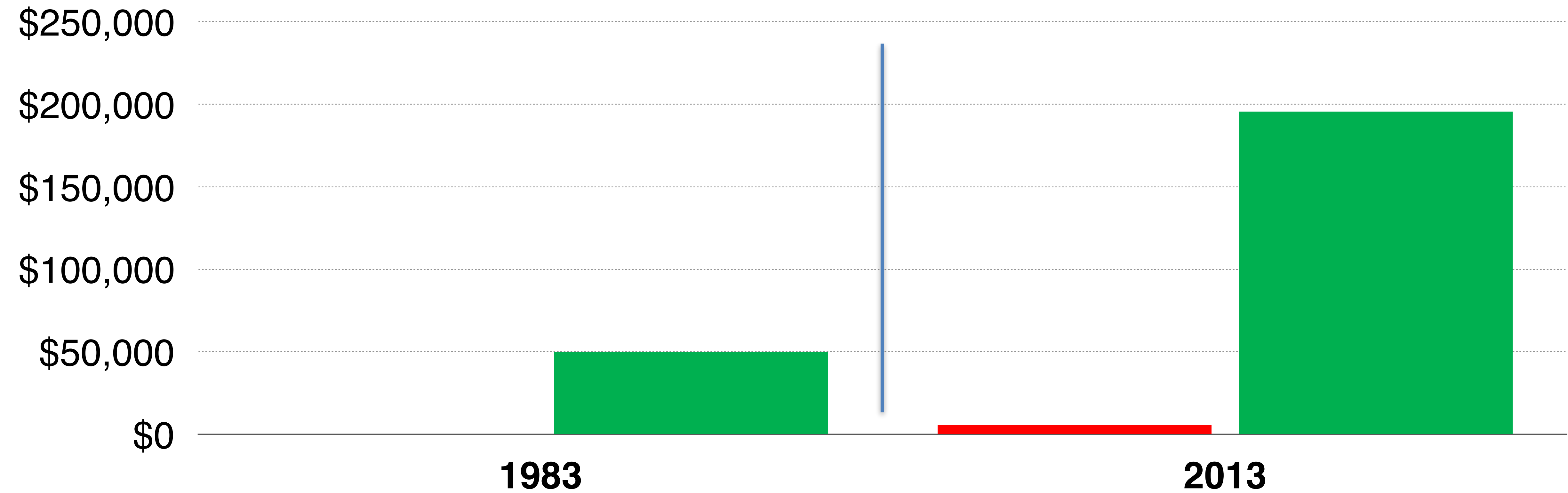
TYPICAL HOUSING WEALTH GAIN BY YEAR OF PURCHASE

By Year of Purchase

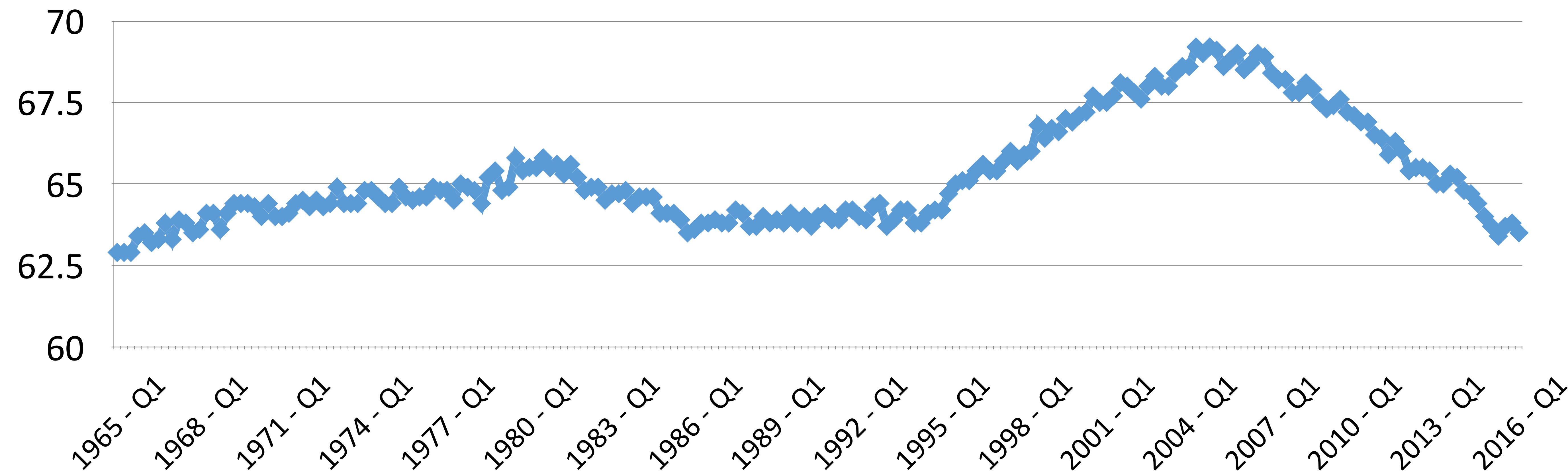


WEALTH GAP BETWEEN RENTERS AND OWNERS

Median net worth of households



HOMEOWNERSHIP RATE – 50-YEAR LOW



SOCIAL BENEFITS TO HOMEOWNERSHIP

- Higher student test score
- Lower juvenile delinquency rate
- Better health outcome and higher self-esteem from having a sense of control in life
- Increased charitable donations and volunteering
- Local civic engagement
- Terrible social results if foreclosure ... therefore need sustainable homeownership

RIPE MARKETS TO CONVERT RENTERS

(AFFORDABILITY AND ABOVE AVERAGE JOB GROWTH IN THE PAST YEAR)

Metro	Share of Renters with sufficient income to buy
Toledo	46%
Little Rock	46%
Dayton	44%
Lakeland – Winter Haven	41%
St. Louis	41%
Columbia, SC	41%
Atlanta	40%
Columbus	38%
Tampa	38%
Ogden	38%
U.S. Average	17%

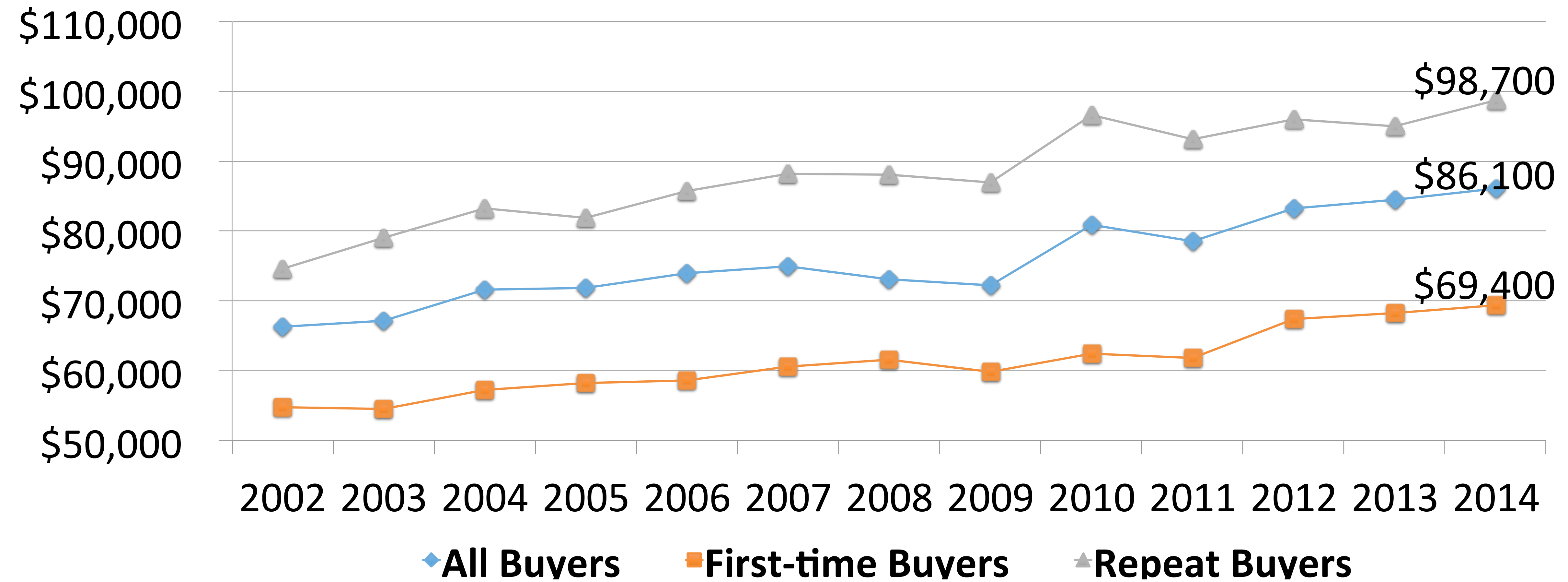
“JUST THE FACTS, MA’AM”

By 2045 majority-minority country

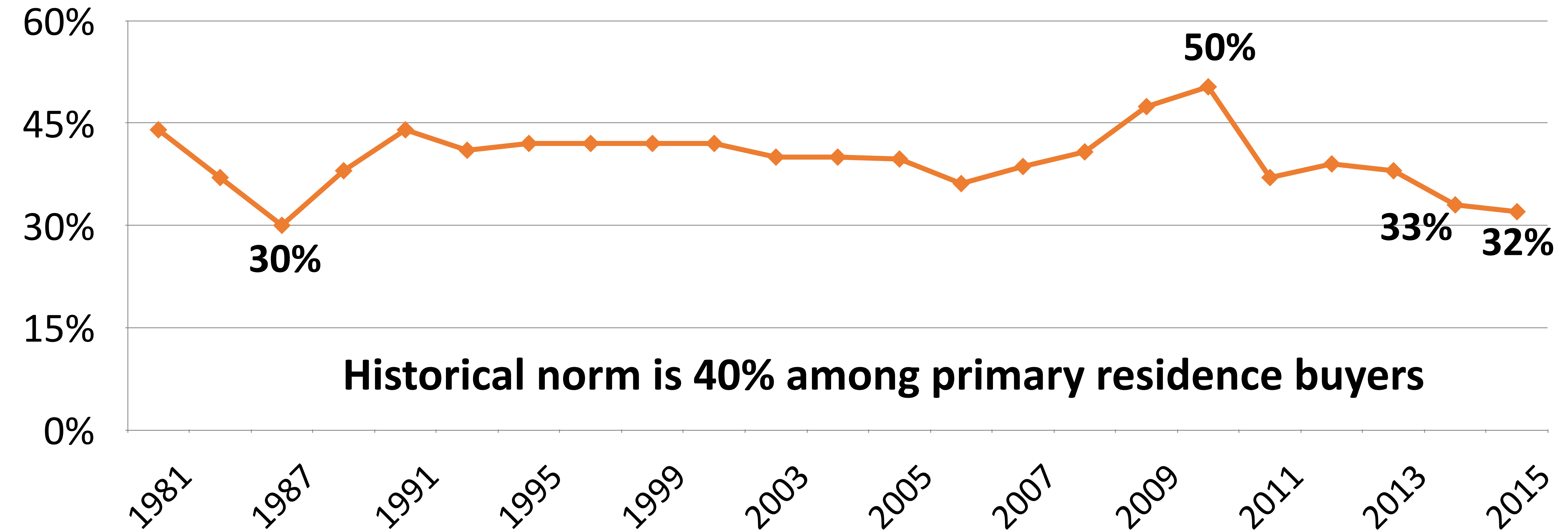
Millennials have overtaken Baby Boomers

Kindergarteners today more likely to be a minority

NEW GENERATION OF HOME BUYERS



FIRST-TIME BUYERS UNDER HISTORICAL NORM



MILLENNIALS PULLED IN ALL DIRECTIONS



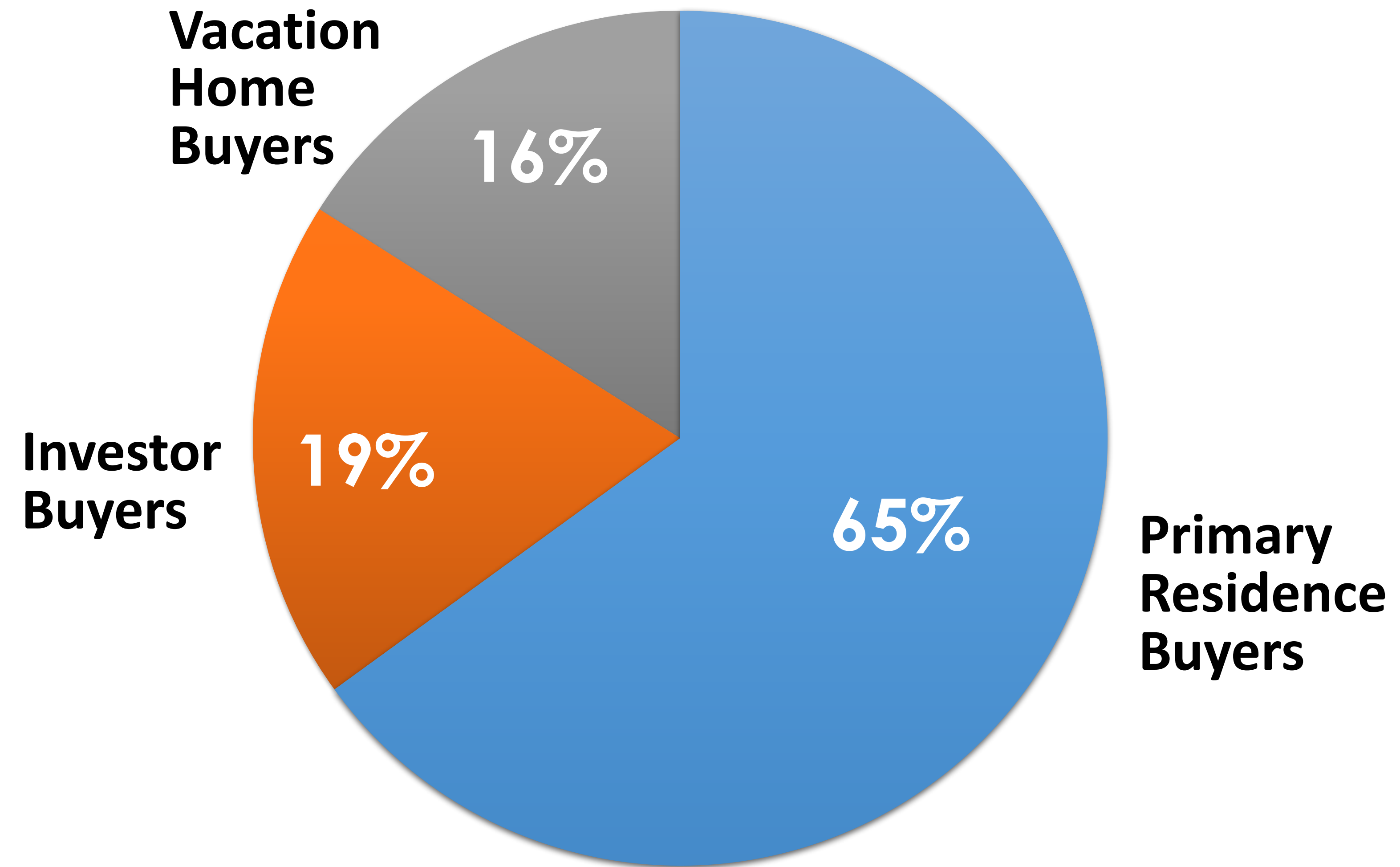
AFFORDABILITY PROBLEMS INCREASING

80% homeowners believe good time to buy
vs 62% of renters

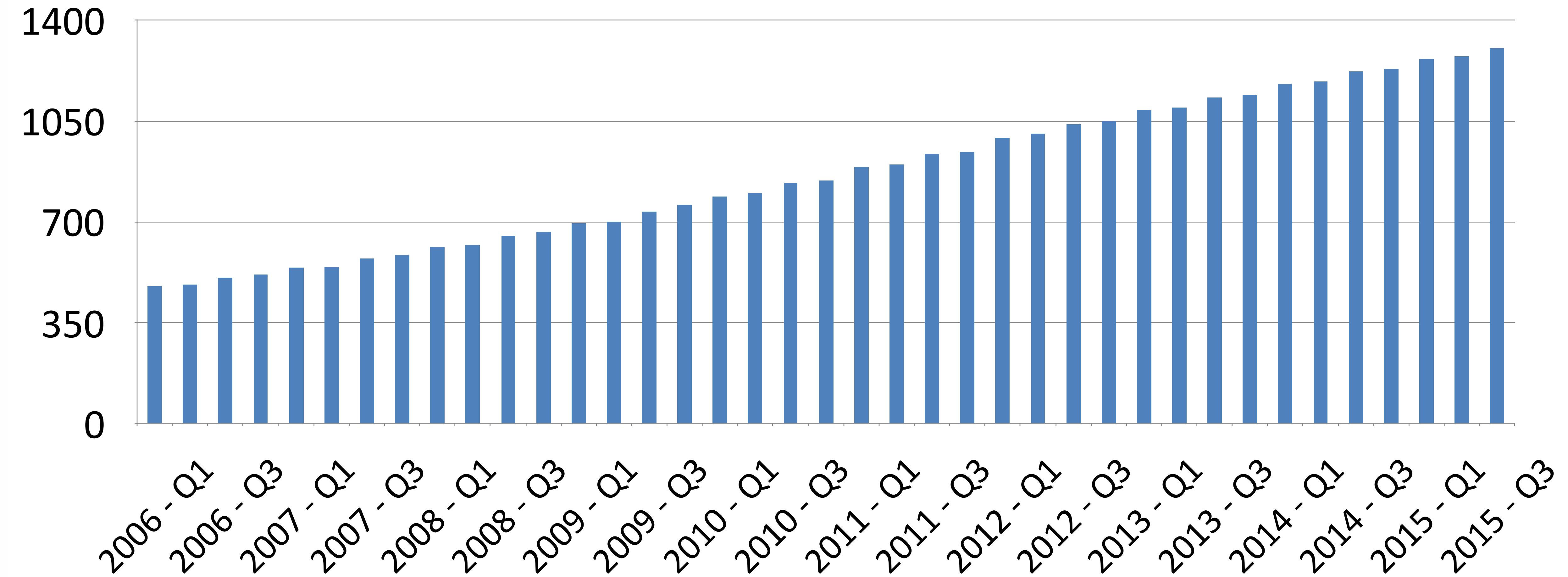
60% think it would be difficult to qualify for
a mortgage

West region, renters, younger, and under
\$50,000 HH income

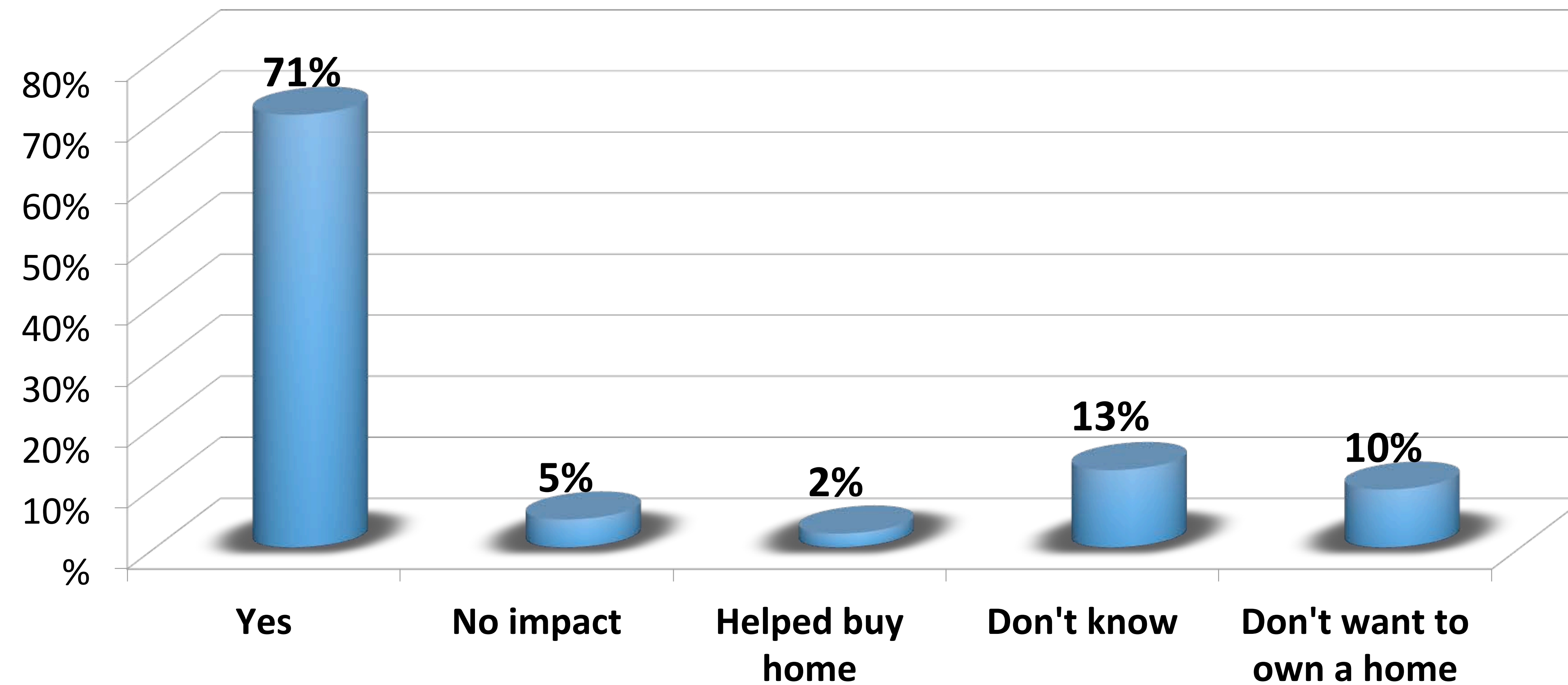
COMPETITION IS UNAVOIDABLE



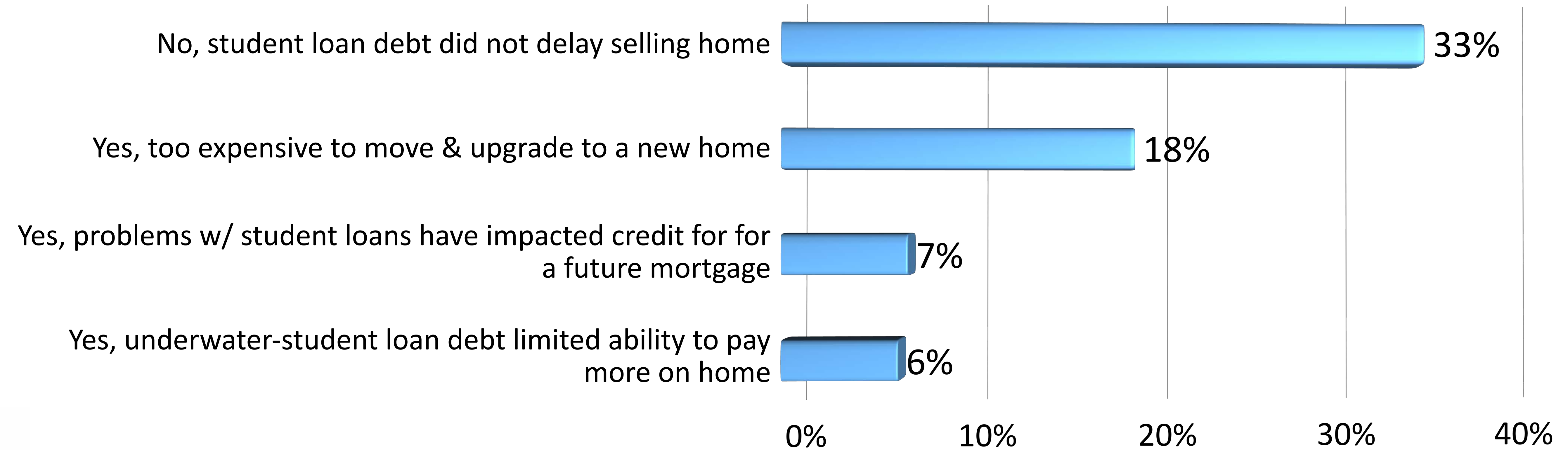
STUDENT LOAN DEBT (IN \$BILLION)



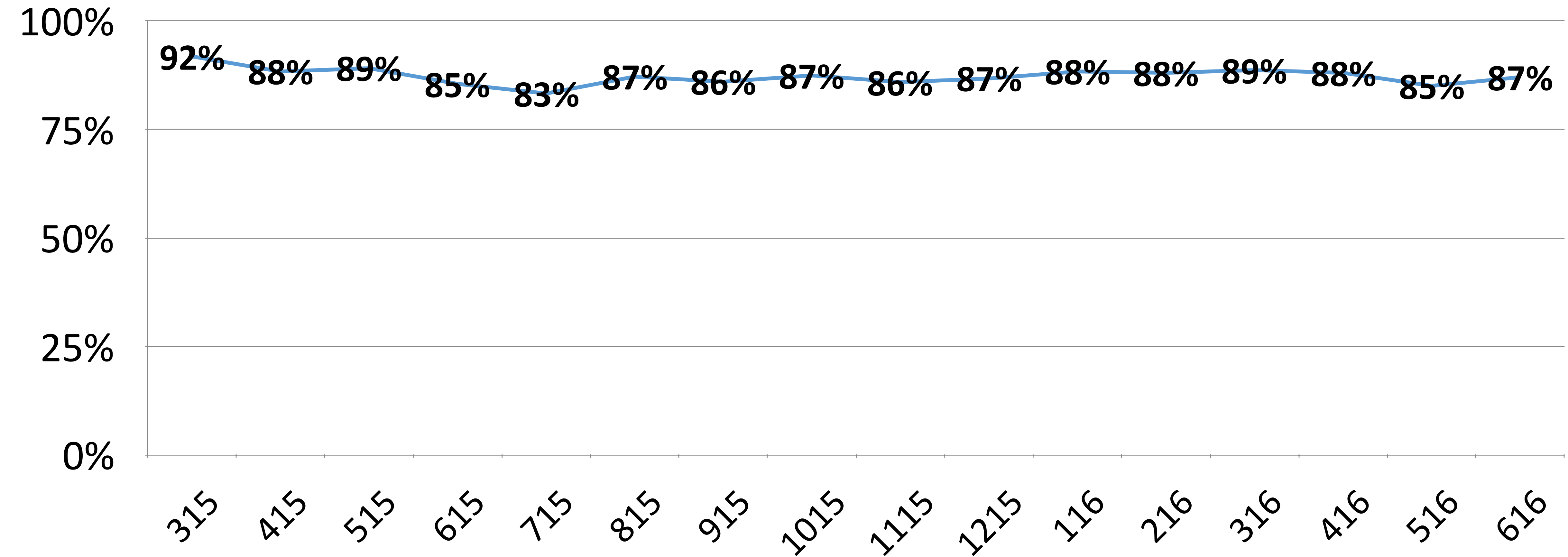
AMONG NON-HOMEOWNERS: STUDENT DEBT DELAY FROM HOME PURCHASE



AMONG HOMEOWNERS: DEBT DELAYING FROM SELLING AND BUYING ANOTHER HOME



HOMEOWNERSHIP UNCHANGING TO THE AMERICAN DREAM



WHO IS BUYING?

Despite the challenges:

Millennials are the *largest generation* of home buyers for the **third year**

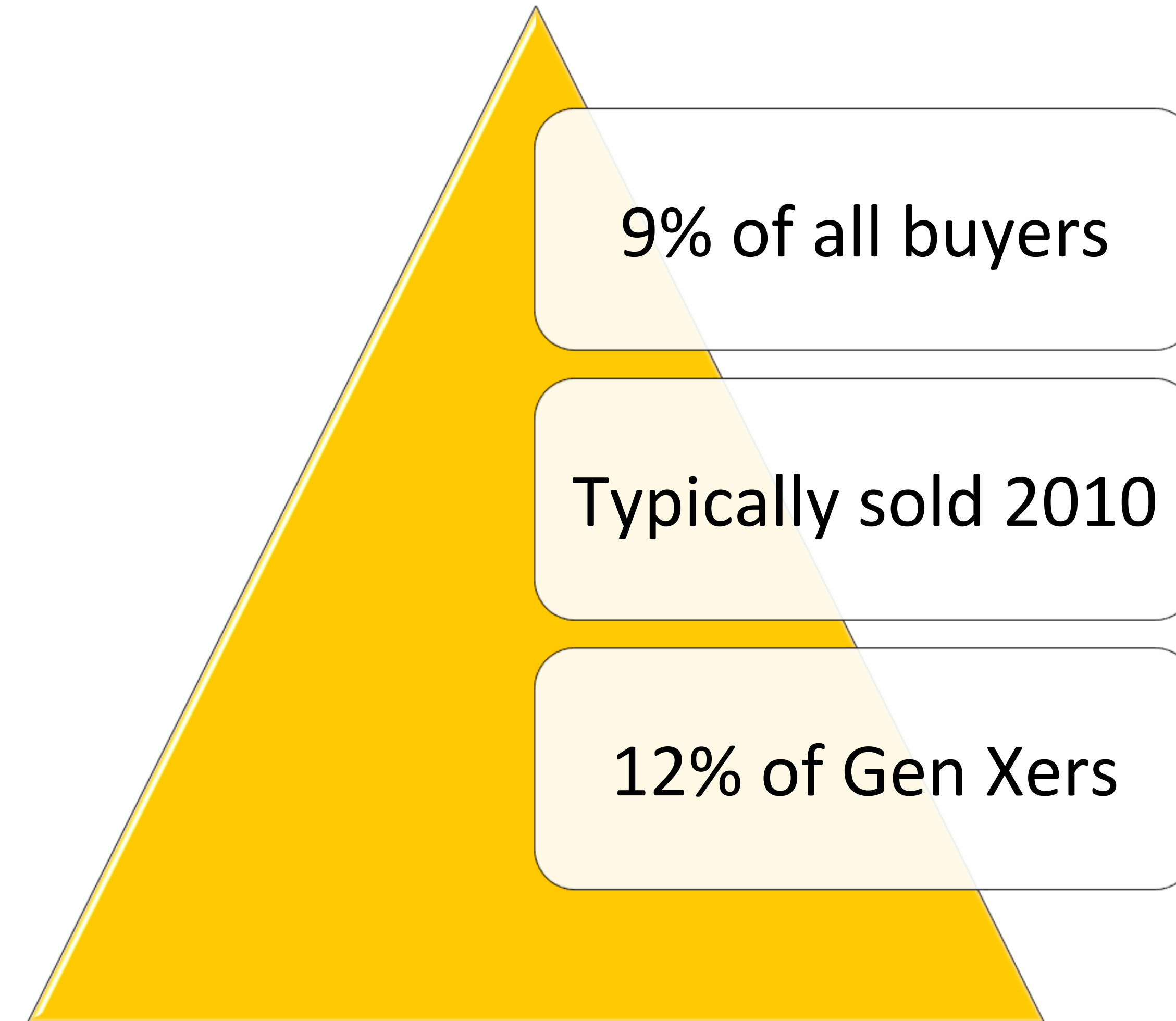
SINGLE FEMALES ARE BUYING

15%
of all buyers

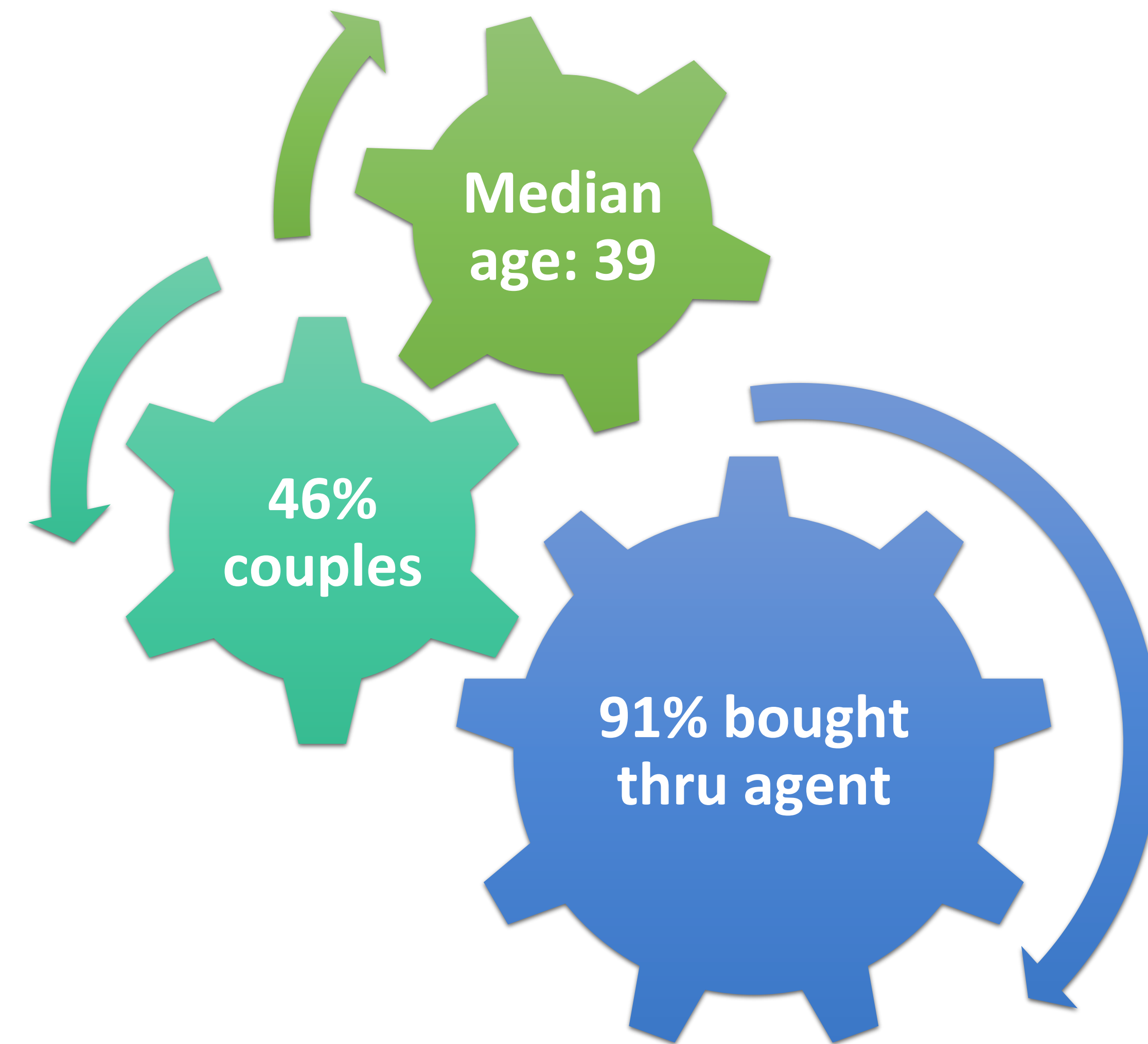
**Lower
incomes**

**50
years old**

BUYERS WHO HAD A DISTRESSED SALE



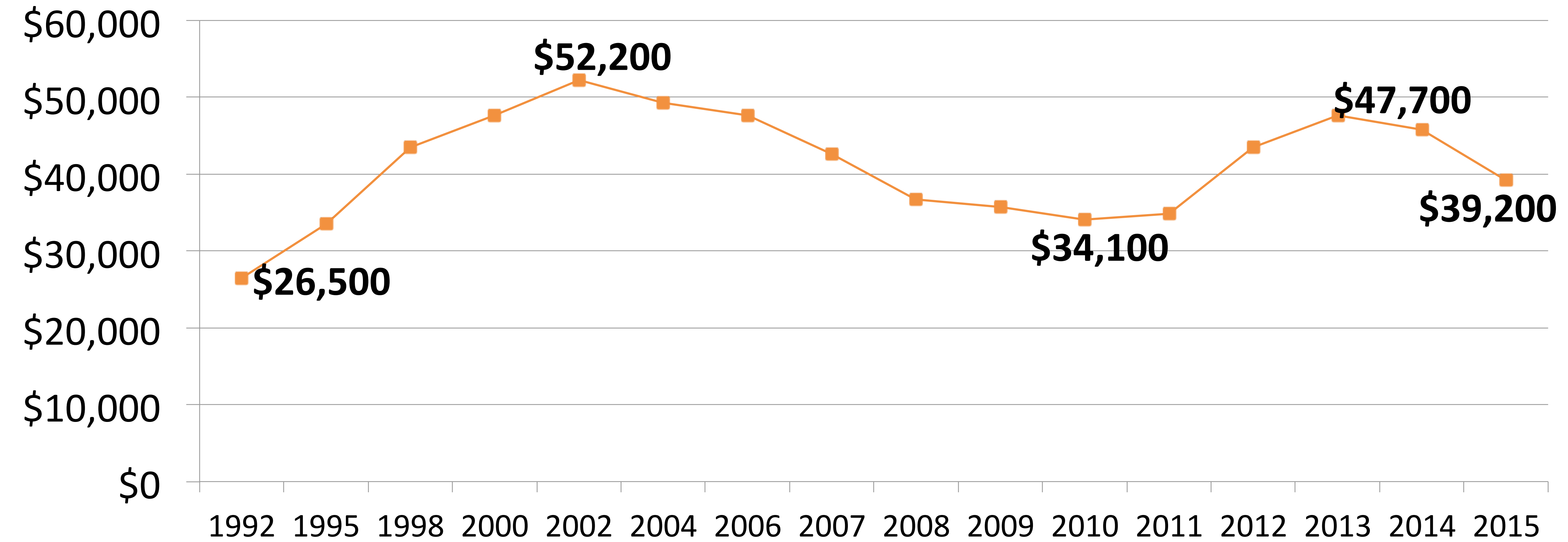
LGBT BUYERS



NEW GENERATION OF REALTORS



26% EARN UNDER \$10K AND 26% EARN MORE THAN \$100K



FIRMS FEELING THE IMPACT

- Biggest fear of generational changes:
 - Gen Y ability to buy a home (and view of ownership)
 - Baby Boomers retiring from real estate
 - Recruitment (and retention) of Gen Y and Gen X into real estate
- 9% of firms saw an increase in mergers in the last 5 years





TURNING POINT?

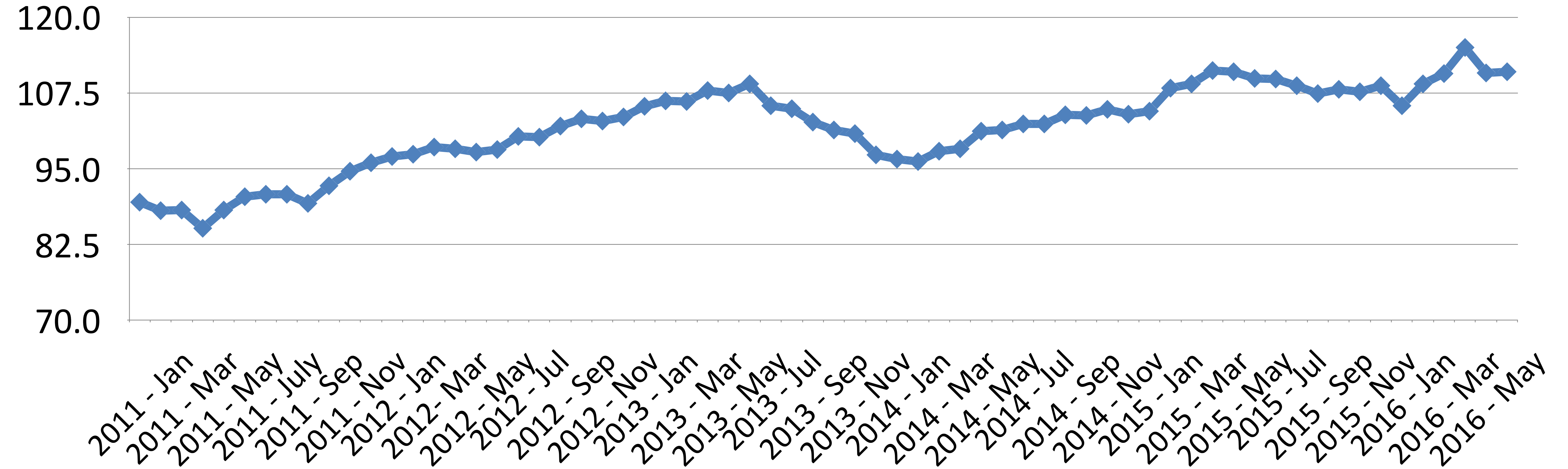


BARRACK

“REAL ESTATE MARKET IS GETTING BUBBLICIOUS”

NATIONAL PENDING SALES INDEX

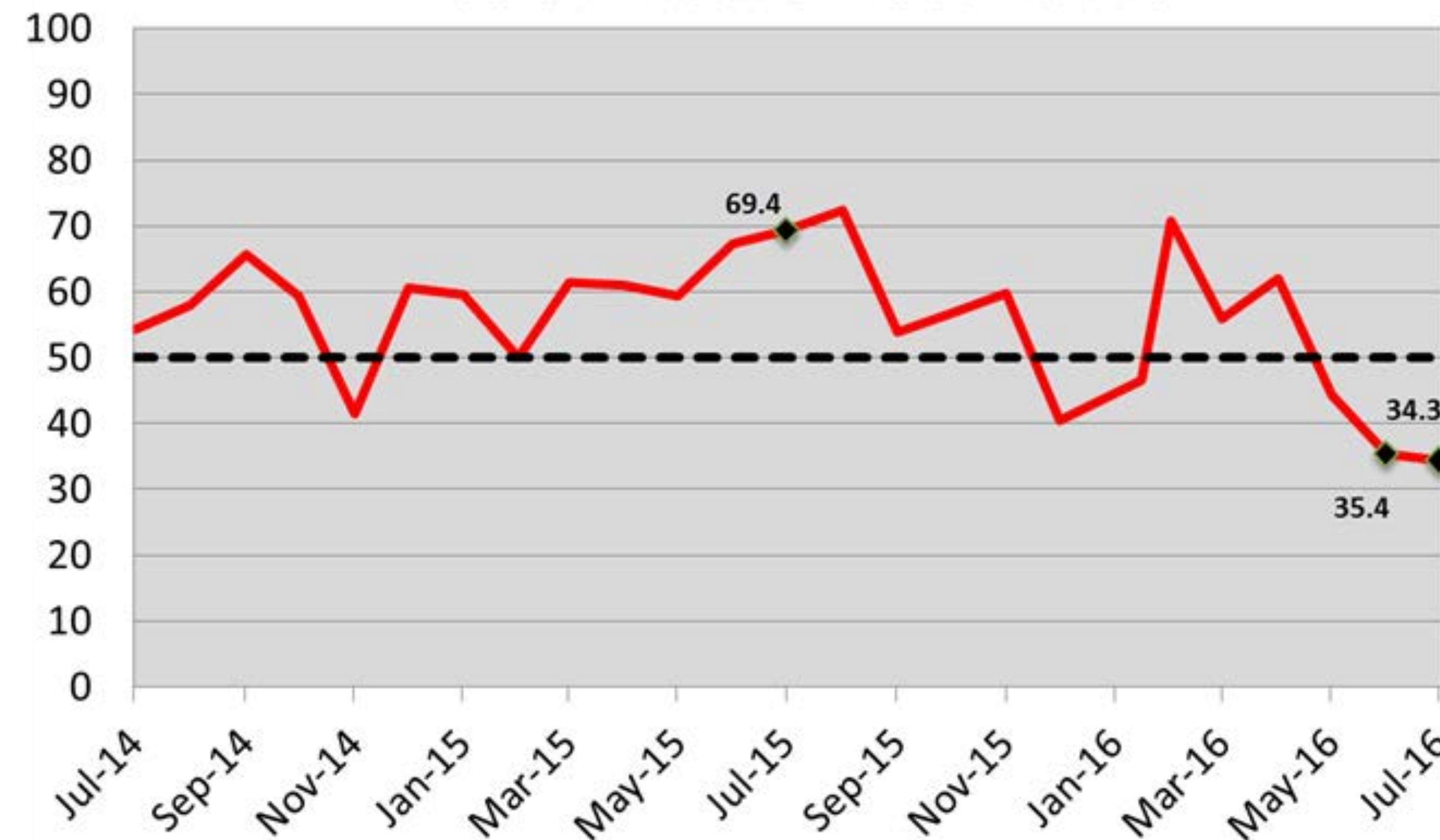
(SEASONALLY ADJUSTED)



Source: NAR

FOOT TRAFFIC – (LOCKBOX OPENINGS – BELOW 50 READING FOR 3 STRAIGHT MONTHS)

Diffusion Index of Foot Traffic



Source: SentiLock LLC, NAR

Business

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

Are We Entering A New Housing Bubble?

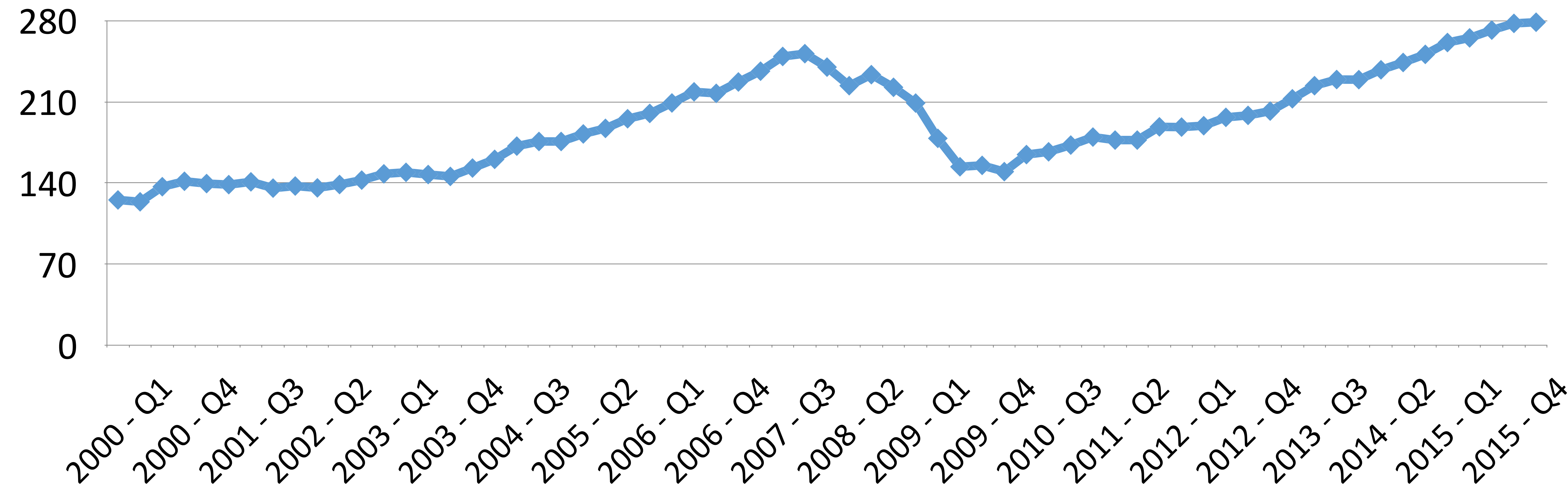


Lawrence Yun, CONTRIBUTOR

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



Source: Federal Reserve

RISING CAP RATES AND COMMERCIAL REAL ESTATE PRICES

- Steady prices in mid-tier markets
- Price drops in trophy properties
 - Green Street price index could fall 4% to 8% over the next two years

ECONOMIC FORECAST

	2014	2015	2016 Forecast	2017 Forecast
GDP Growth	2.6%	2.1%	1.6%	2.2%
Job Growth	+3.0 million	+2.6 million	+2.0 million	+2.2 million
CPI Inflation	1.6%	0.3%	1.4%	2.7%

HOUSING FORECAST

	2014	2015	2016 Forecast	2017 Forecast
New Home Sales	437,000	500,000	540,000	600,000
Existing Home Sales	4.9 million	5.3 million	5.4 million	5.5 million
Median Price Growth	+ 5.7%	+ 6.8%	+4.5%	3.2%
30-year Rate	4.2%	3.9%	3.7%	4.1%

COMMERCIAL REAL ESTATE FORECAST

2016-2017

	Vacancy	Rent
Apartment	From 4.7% to 5.0%	3.5% per year
Office	From 13% to 12%	4% per year
Industrial	Stable at near 9%	4% per year
Retail	Stable at near 11%	2% per year

WE NEED FROM YOU: STUDENT DEBT ANECDOTAL STORIES

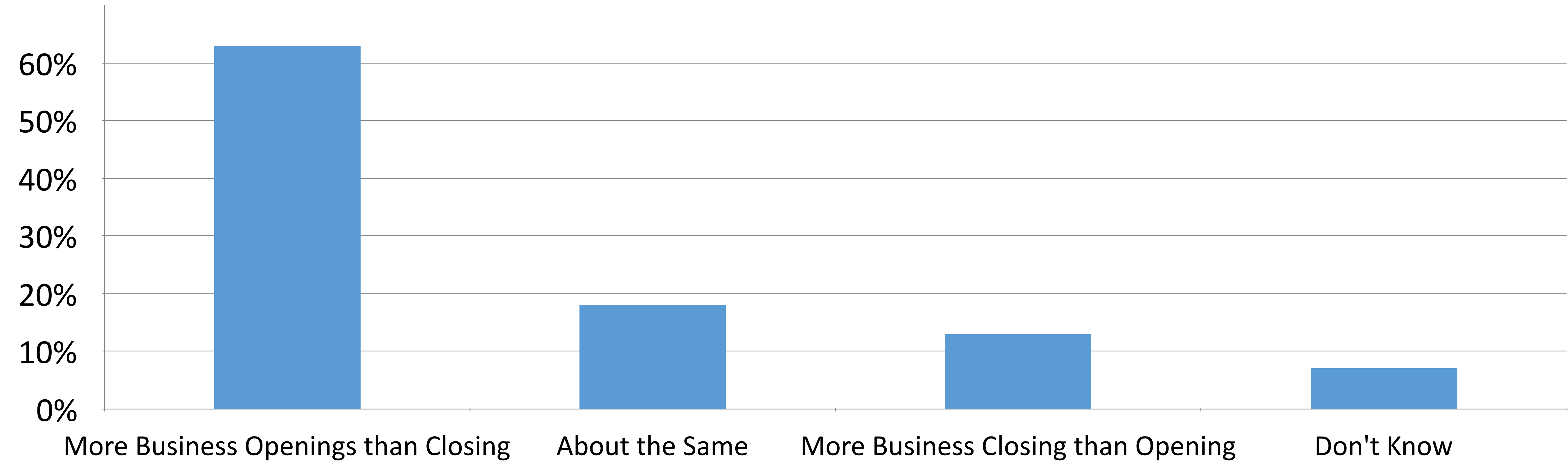
State: **GA**

Association: **COBB ASSOCIATION OF REALTORS®**

Story Name: **Cobb County GA Story 14**

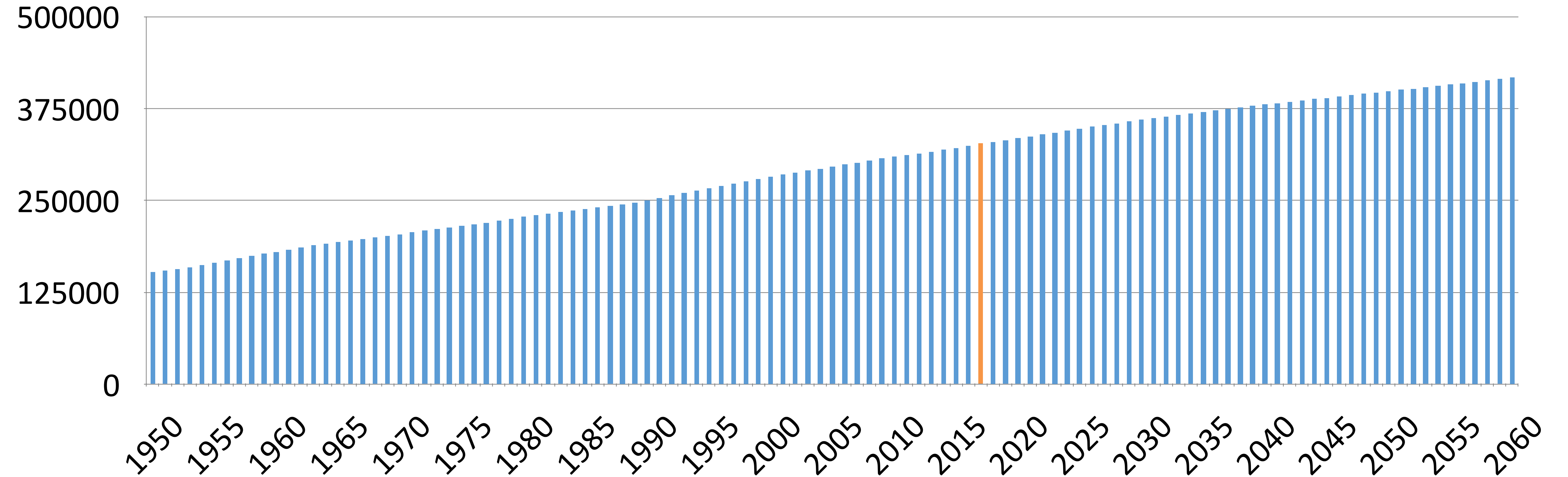
I have a client at his home under contract and was ready to purchase another that was denied a loan due to student loans escalating in the coming year ... He desperately wants to purchase a Home ... His student loans is hindering him from doing so ... Thank you for being pro-active in this arena.

WE NEED FROM YOU – SMALL BUSINESS DYNAMICS (NAR SURVEY OF COMMERCIAL MEMBERS)



U.S. POPULATION IN FUTURE

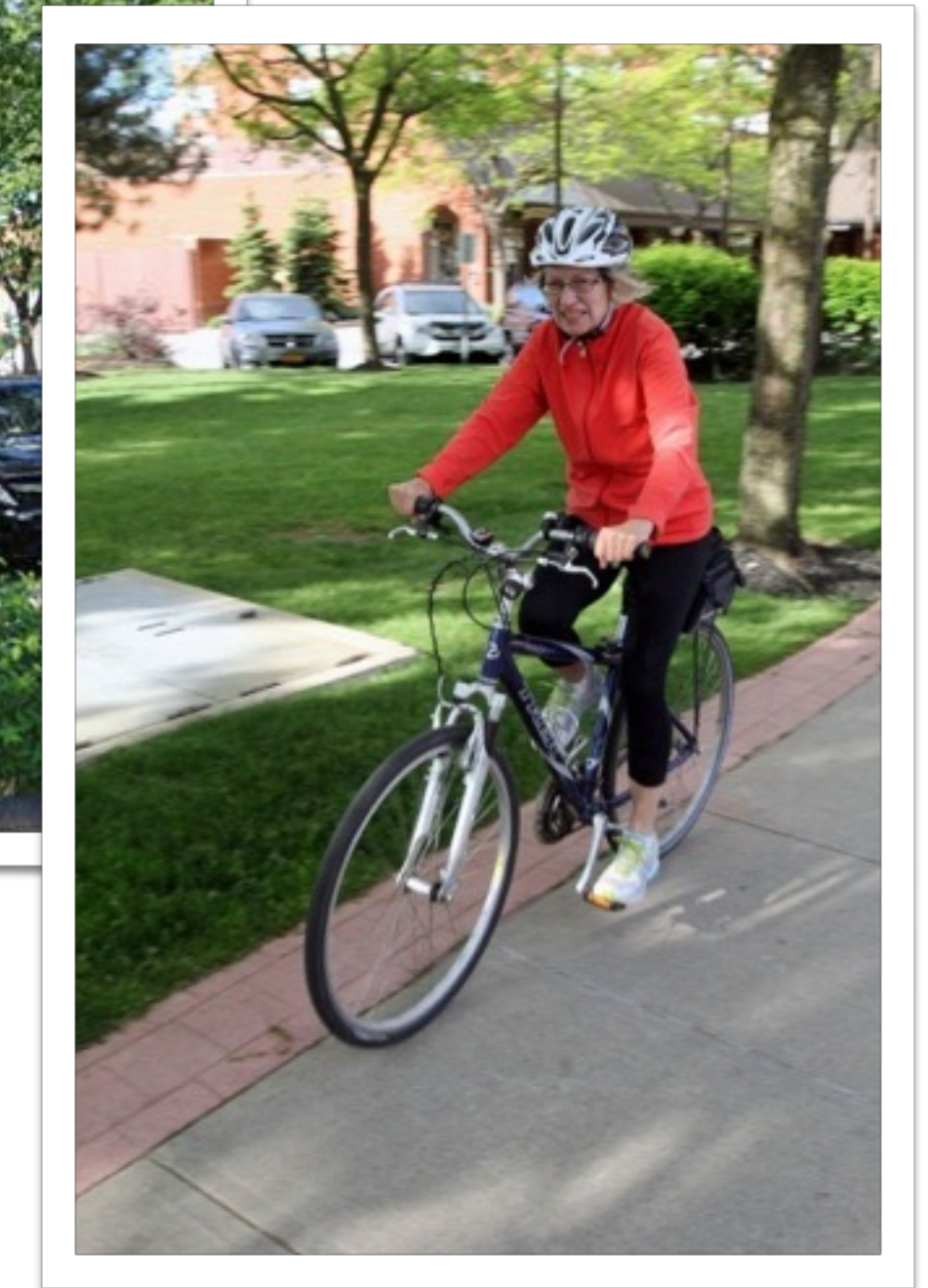
(NEED 1.5 TO 1.7 MILLION HOUSING STARTS A YEAR)



HOW DO PEOPLE CHOOSE NEIGHBORHOODS

- Preferences
- Limitations
 - Family Budget
 - Availability

Where People
Live



Presented by Dr. Harrell at REALTOR University Lecture Series October 2015

HOW TO FUND SOCIAL SECURITY AND MEDICARE IN THE FUTURE?





REVOOLUTION

2016 LEADERSHIP SUMMIT