

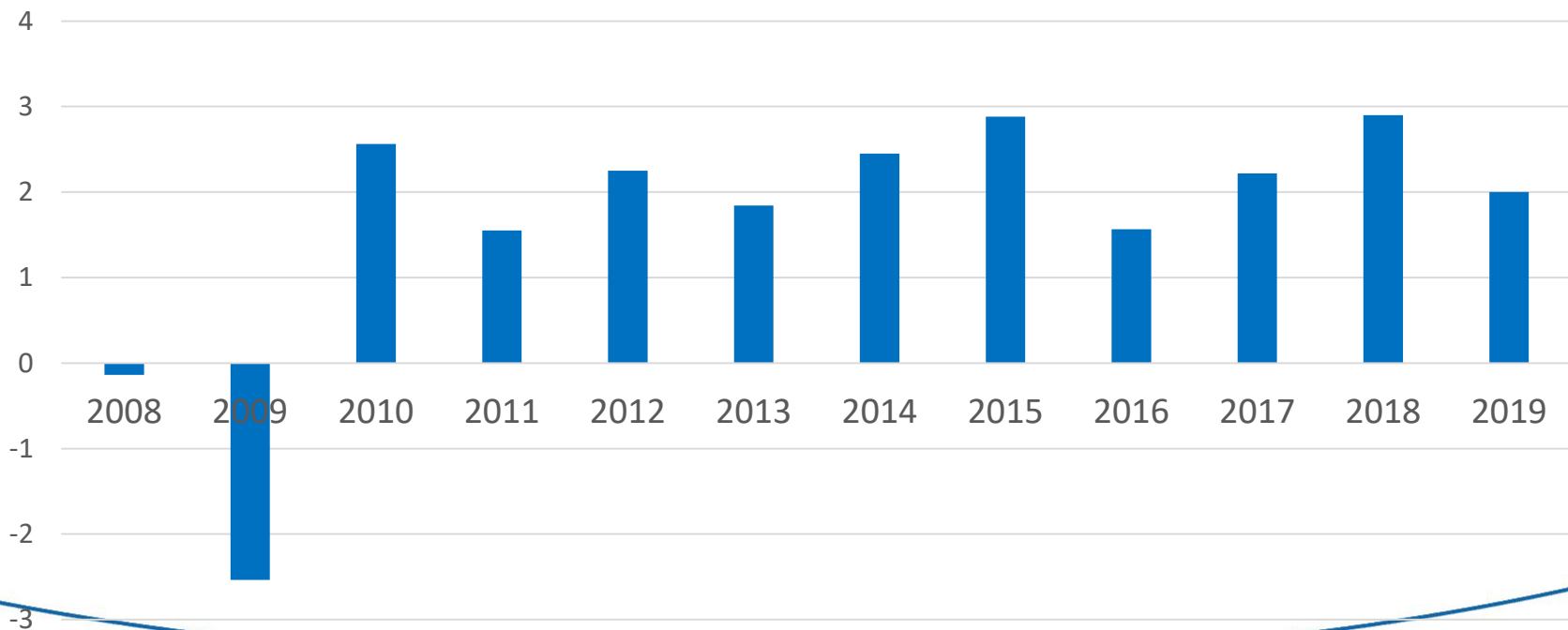
Economic & Real Estate Market Outlook

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

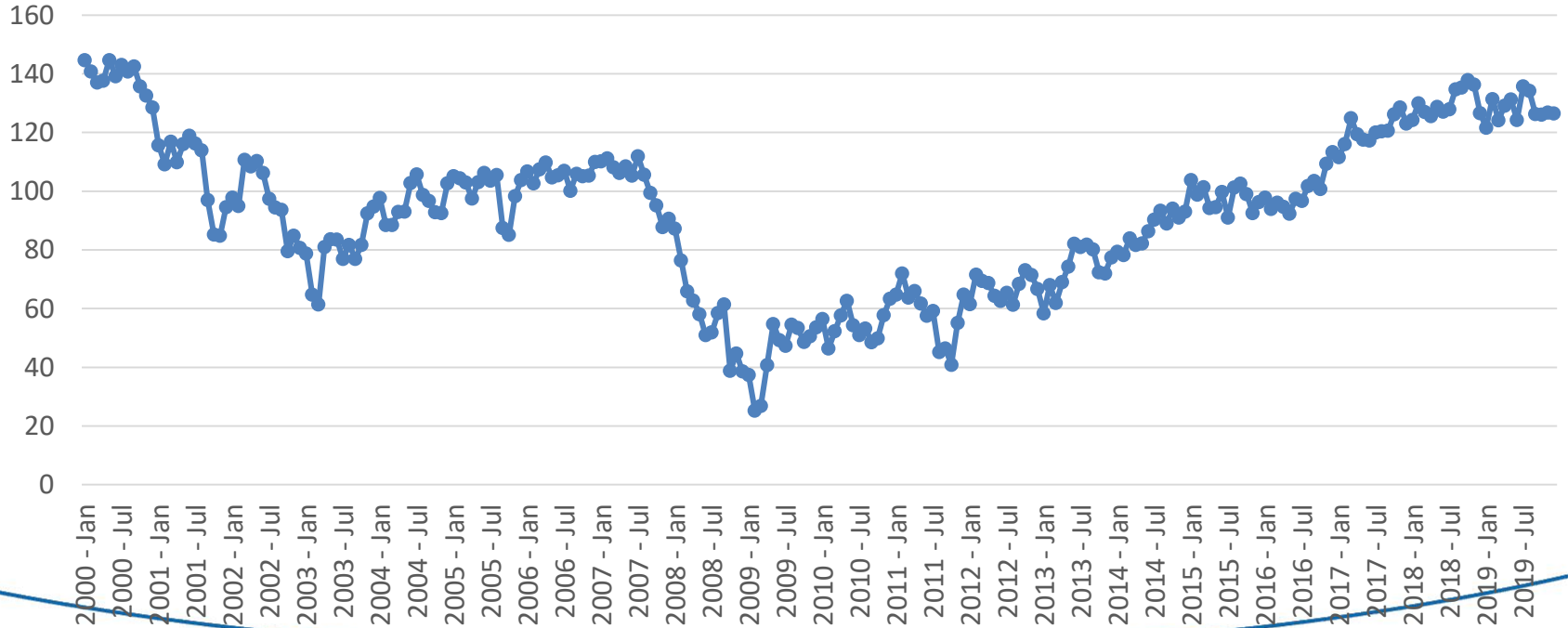
Presentation at Canopy Realtor® Association

January 10, 2020

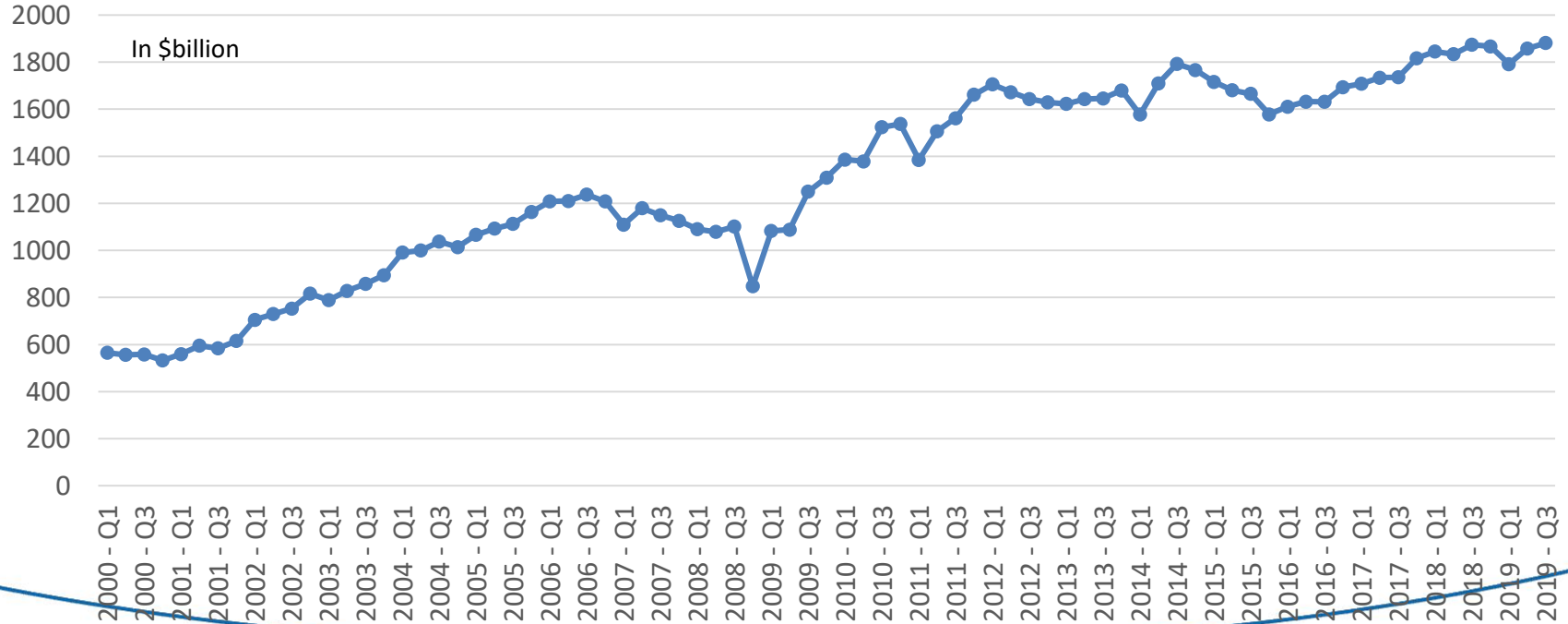
Annual GDP Growth Rate of 2.9% in 2018 but Slowing in 2019 and 2020



Consumer Confidence Remains High

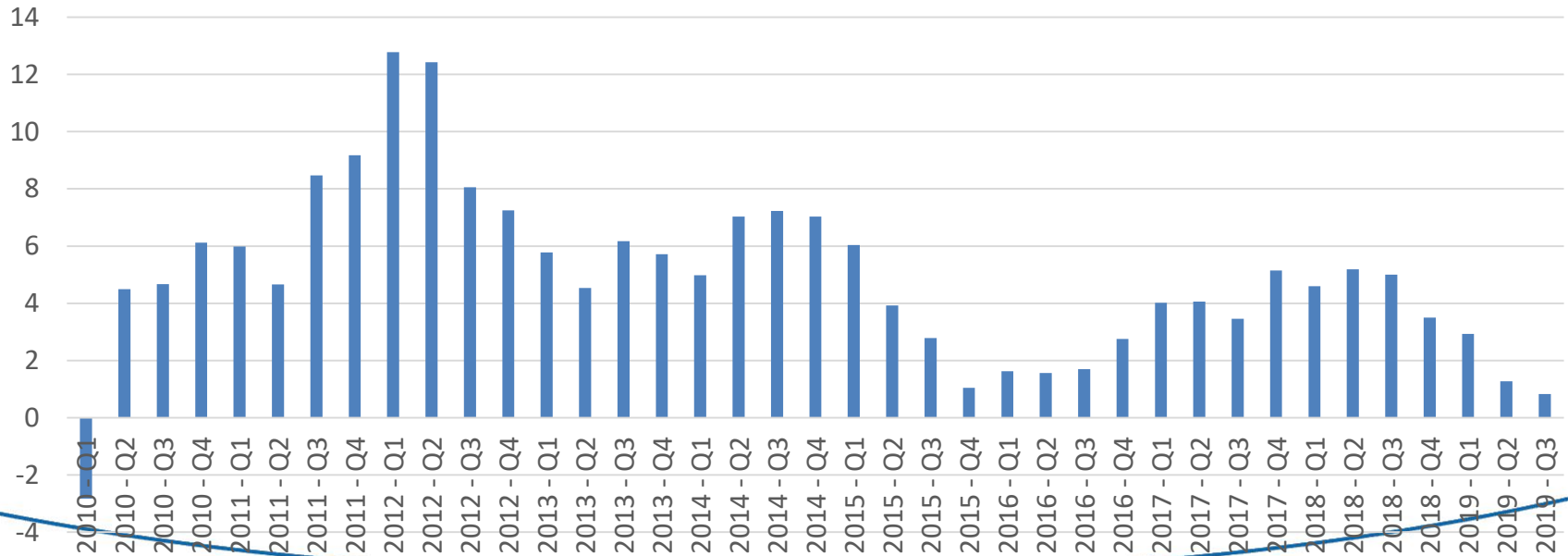


After-Tax Corporate Profits



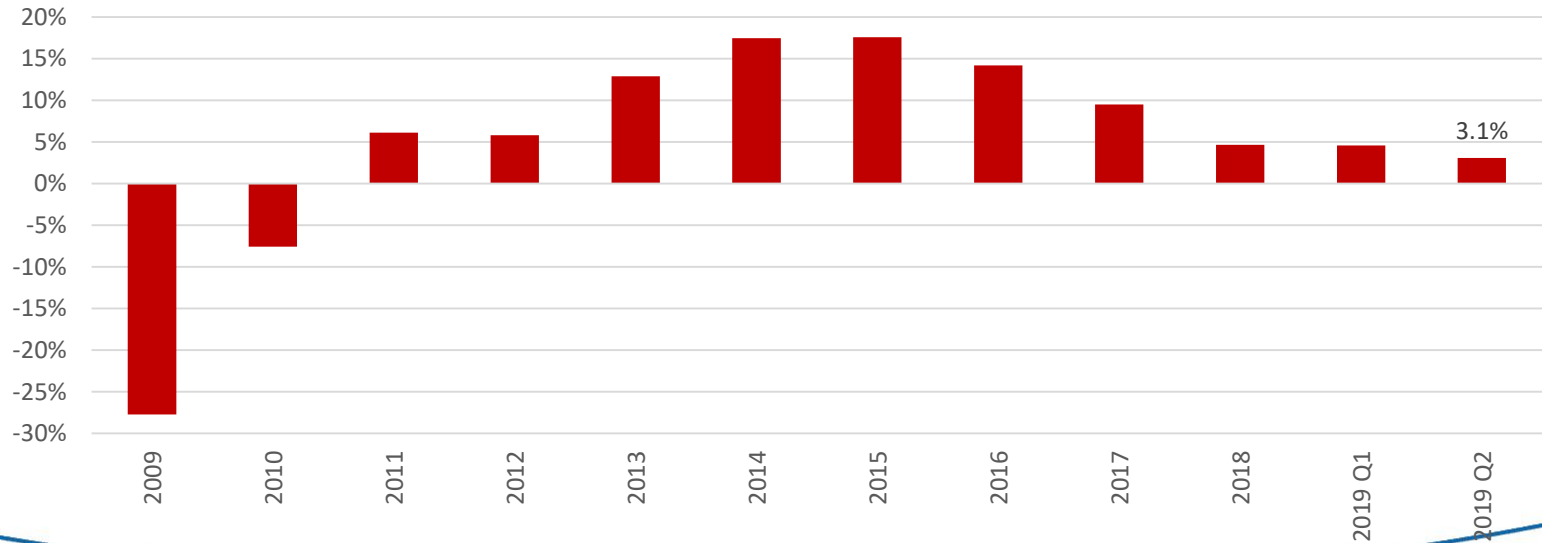
Business Investment in U.S.

% change from one year ago



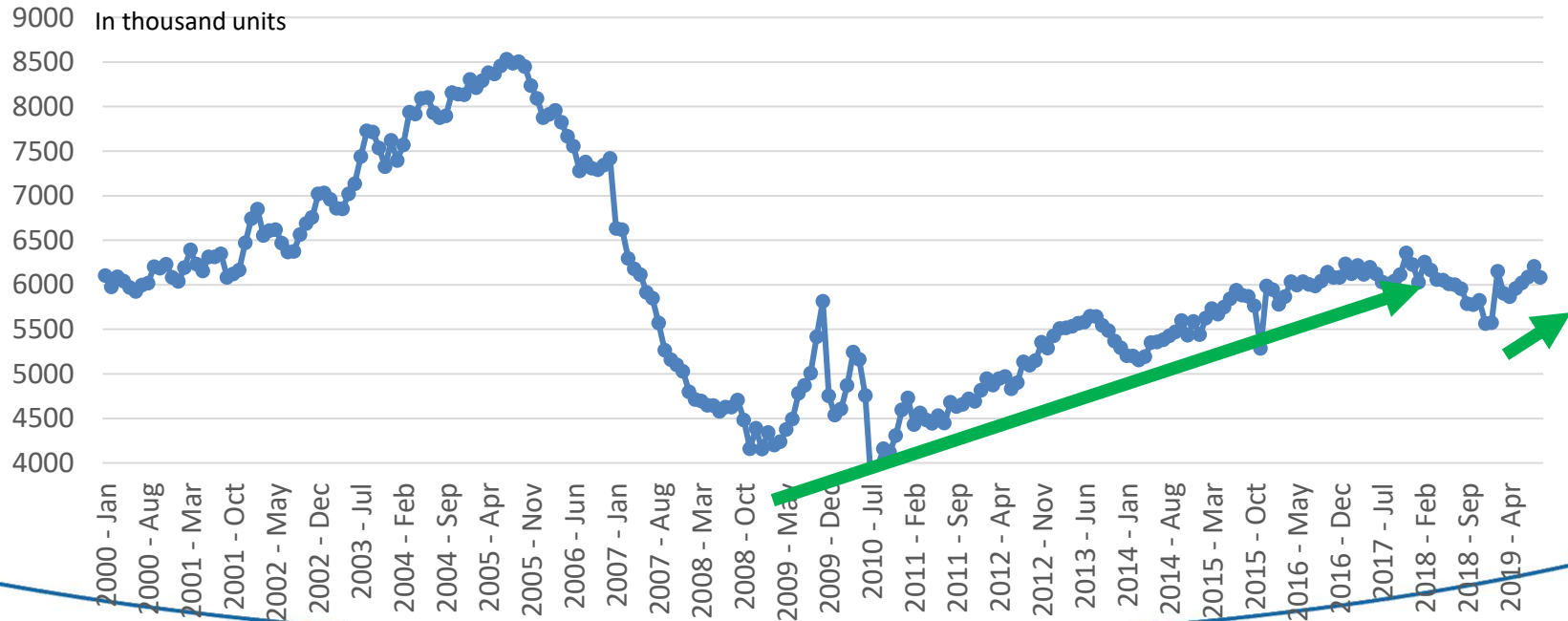
Commercial REALTORS® reported slower leasing activity in 2019 Q2

Annual Change in REALTORS® Commercial Leasing Volume

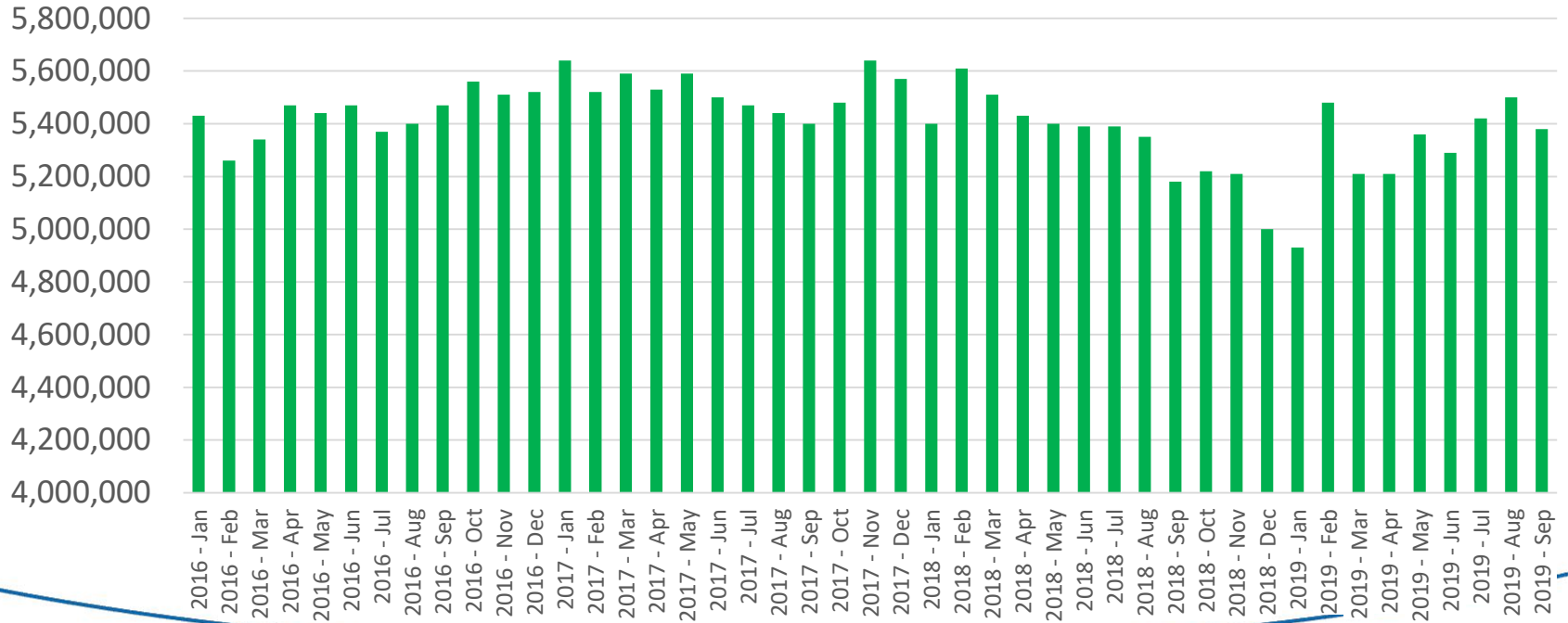


Sources: National Association of REALTORS®, Real Capital Analytics

Existing and New Home Sales Combined

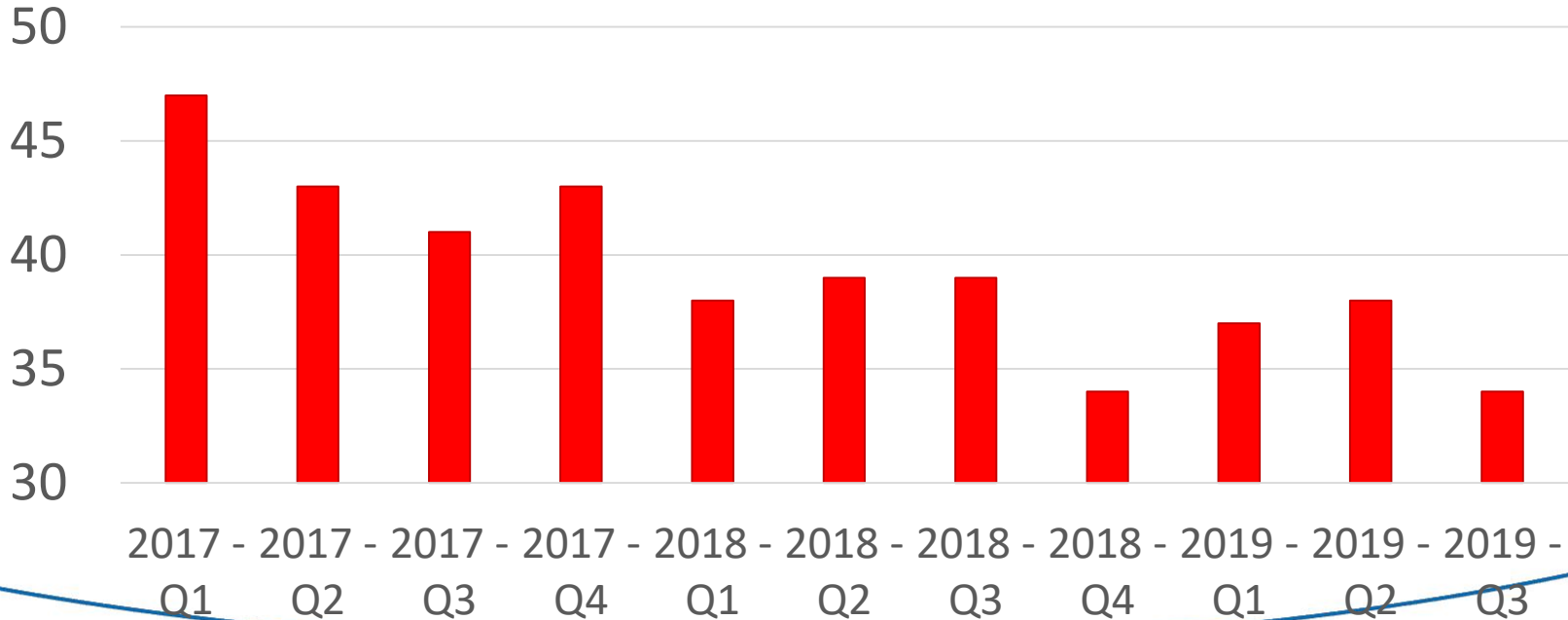


Recent National Existing Home Sales (Not Breaking Higher)



Good Time To Buy?

(% consumers who strongly agree)

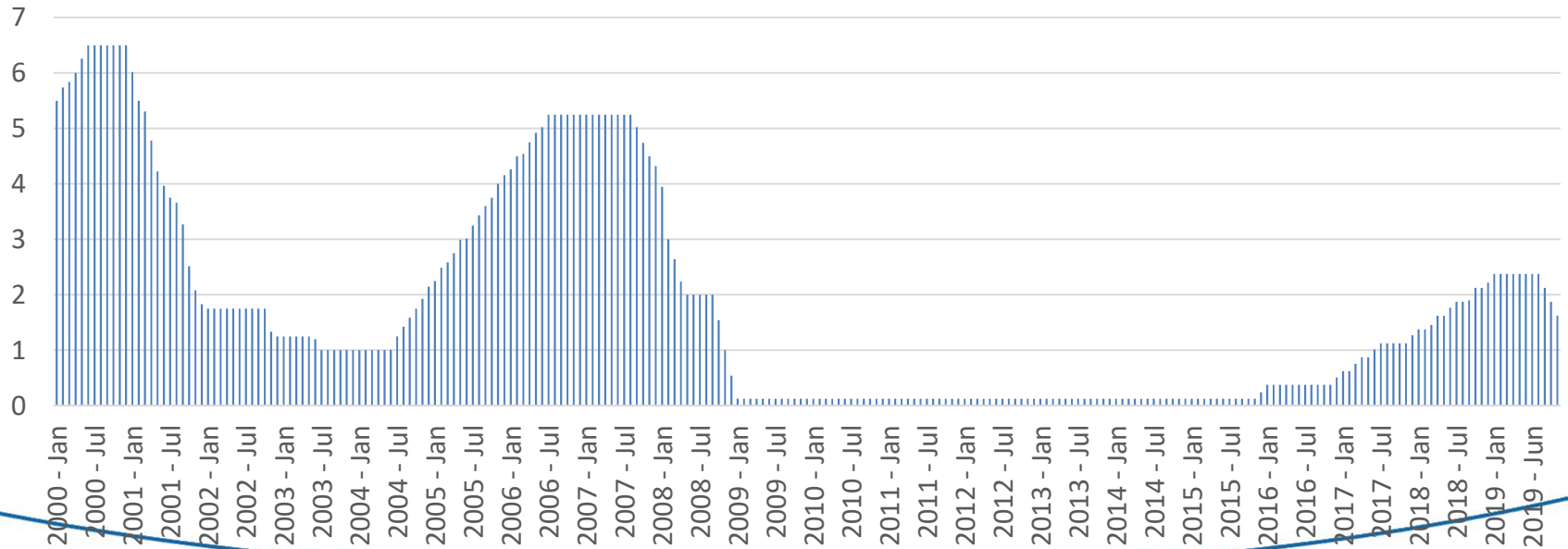


Inventory of Homes for Sale

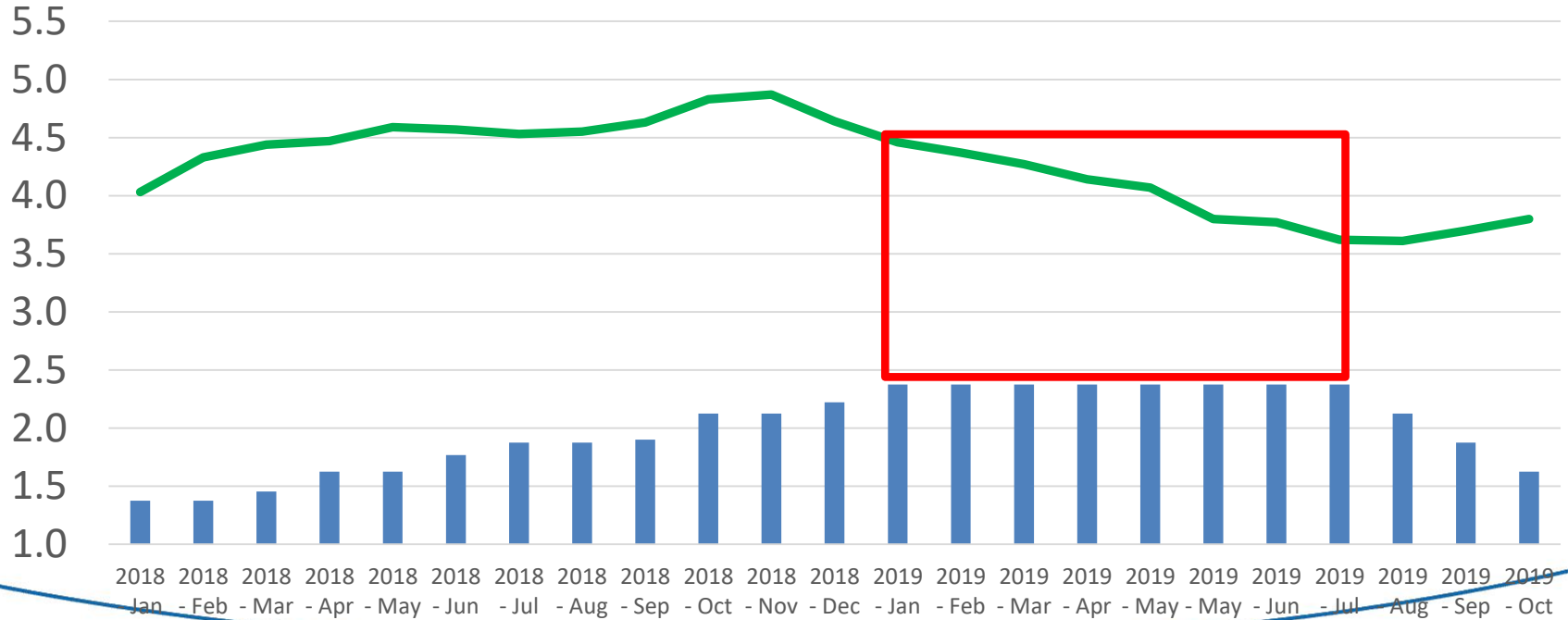


Federal Reserve Monetary Policy

Fed Funds Rate



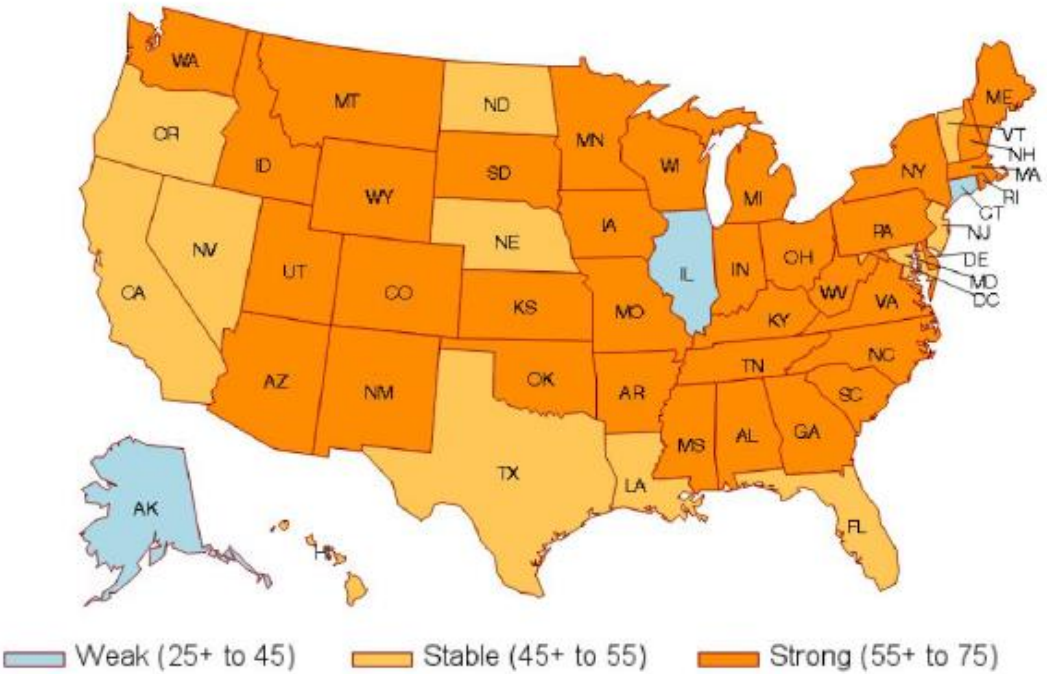
Fed Funds Rate and 30-year Mortgage Rate



Mortgage Rates tied to 10-year Treasury



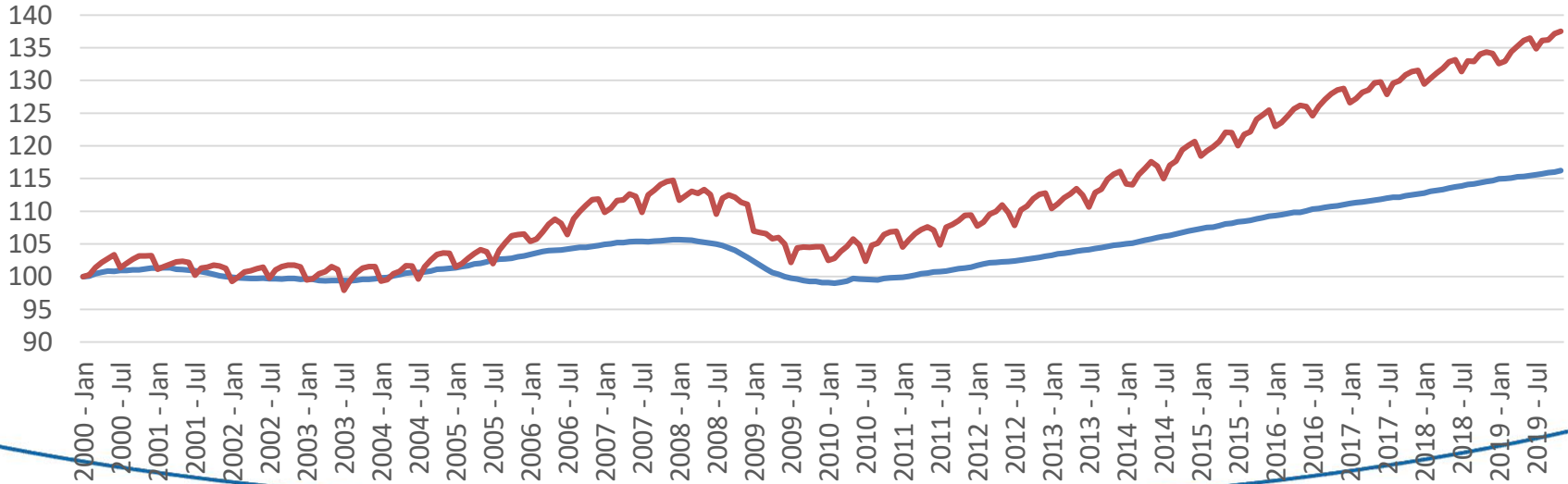
REALTORS® Buyer Traffic Index



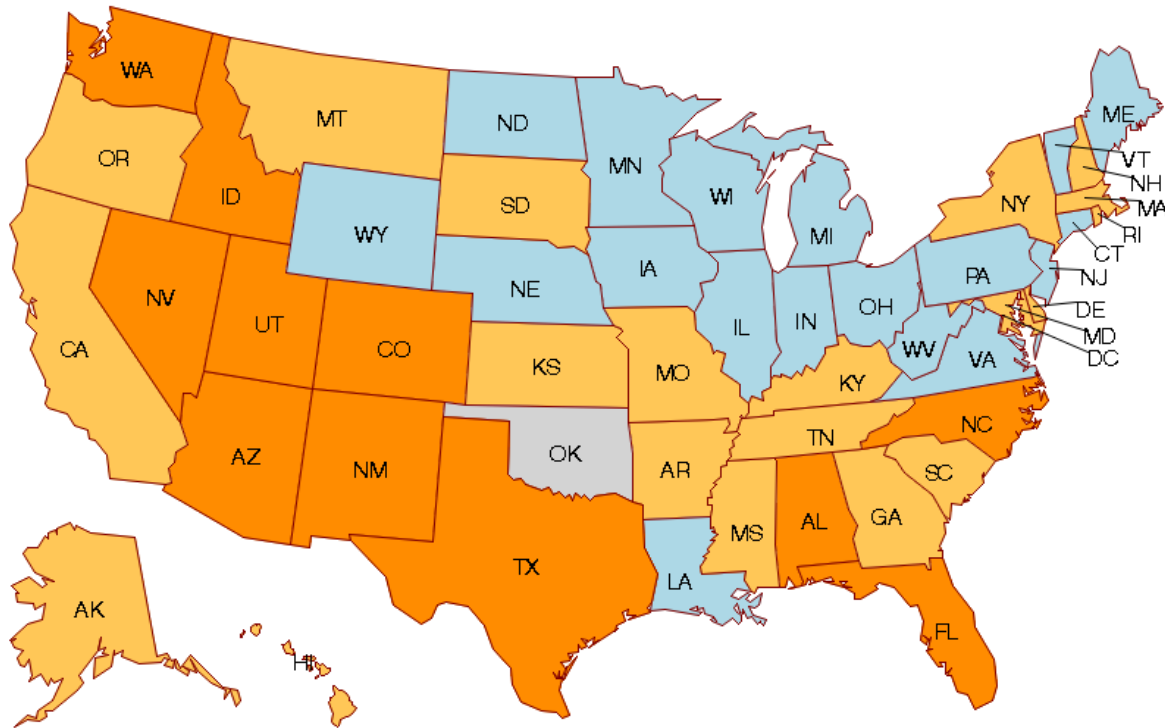
16% vs. 37%

Job Growth from 2000 to 2019

— U.S. — Charlotte



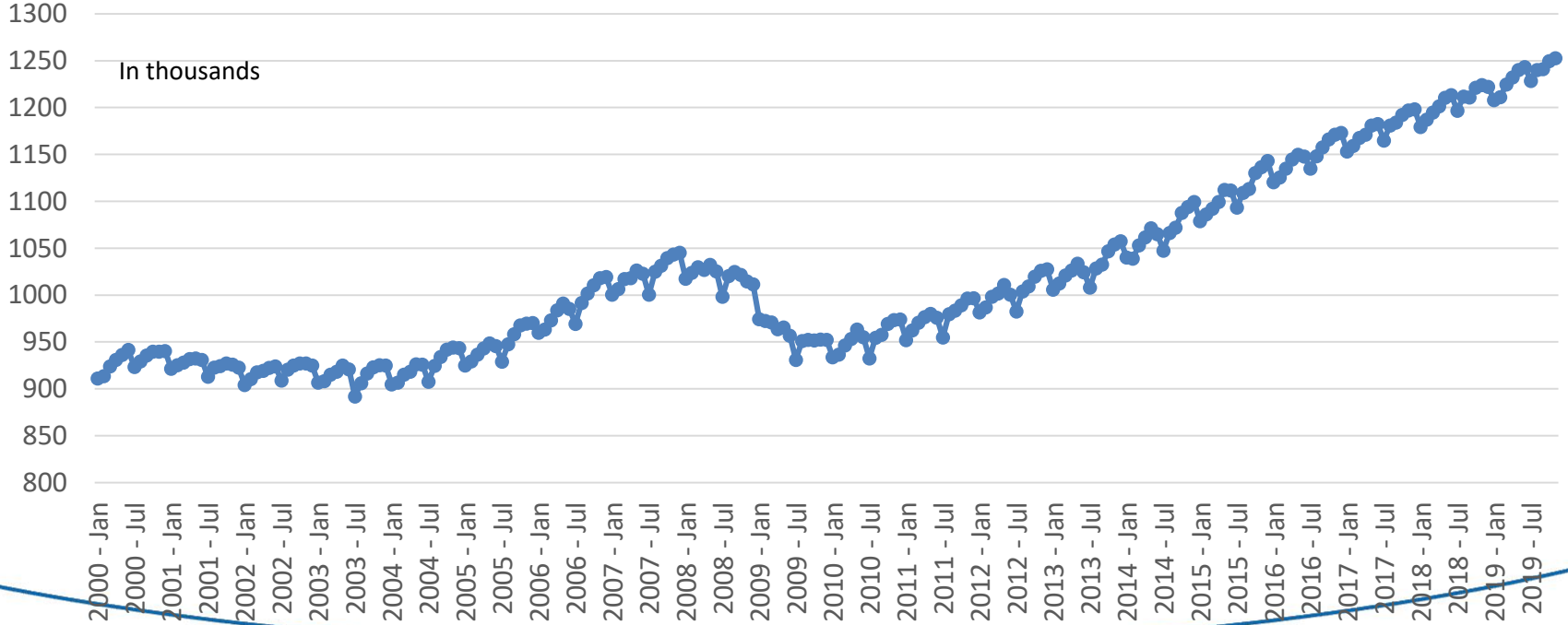
Total Payroll Employment Growth



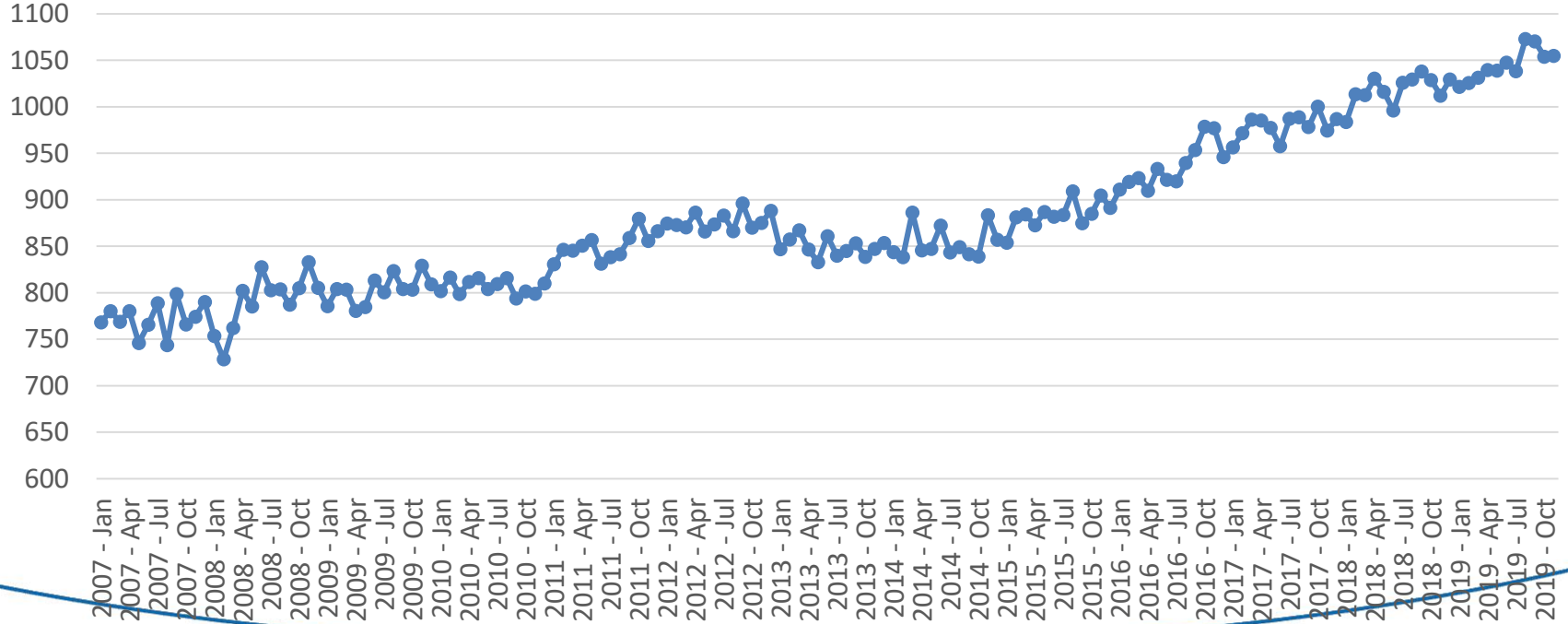
Annual Percent Change in Payroll Employment in September 2019

- No job growth
- Greater than 0% to 1%
- 1+% to 2%
- 2+% to 3%

Total Jobs in Charlotte



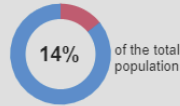
Average Weekly Earnings in Charlotte Metro



Recent Movers to Charlotte

Recent Movers

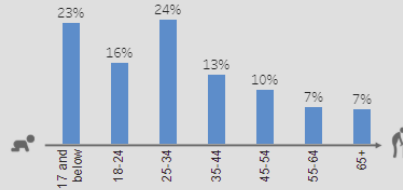
Number of recent movers: **366,084**



Gender:

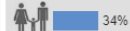


Median age: 29



Household Type:

married couple



34%

female, no spouse present



Median Income: \$58,000

under \$50K

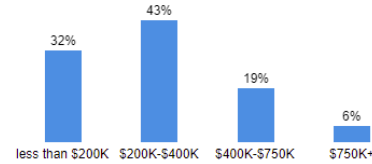


\$50K-\$100K

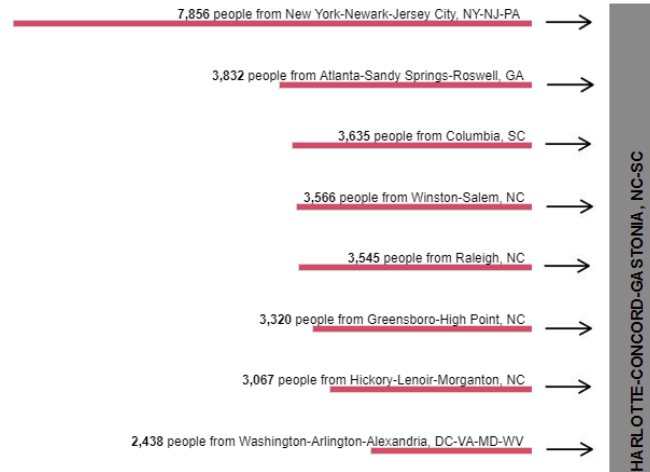


56% of the recent movers who are **renters** can afford to buy the typical home in CHARLOTTE-CONCORD-GASTONIA, NC-SC (assuming 20% down payment)

Median Value of homes that recent movers bought:
\$265,800



Origin of Recent Movers



Top 10 Likely Outperformers

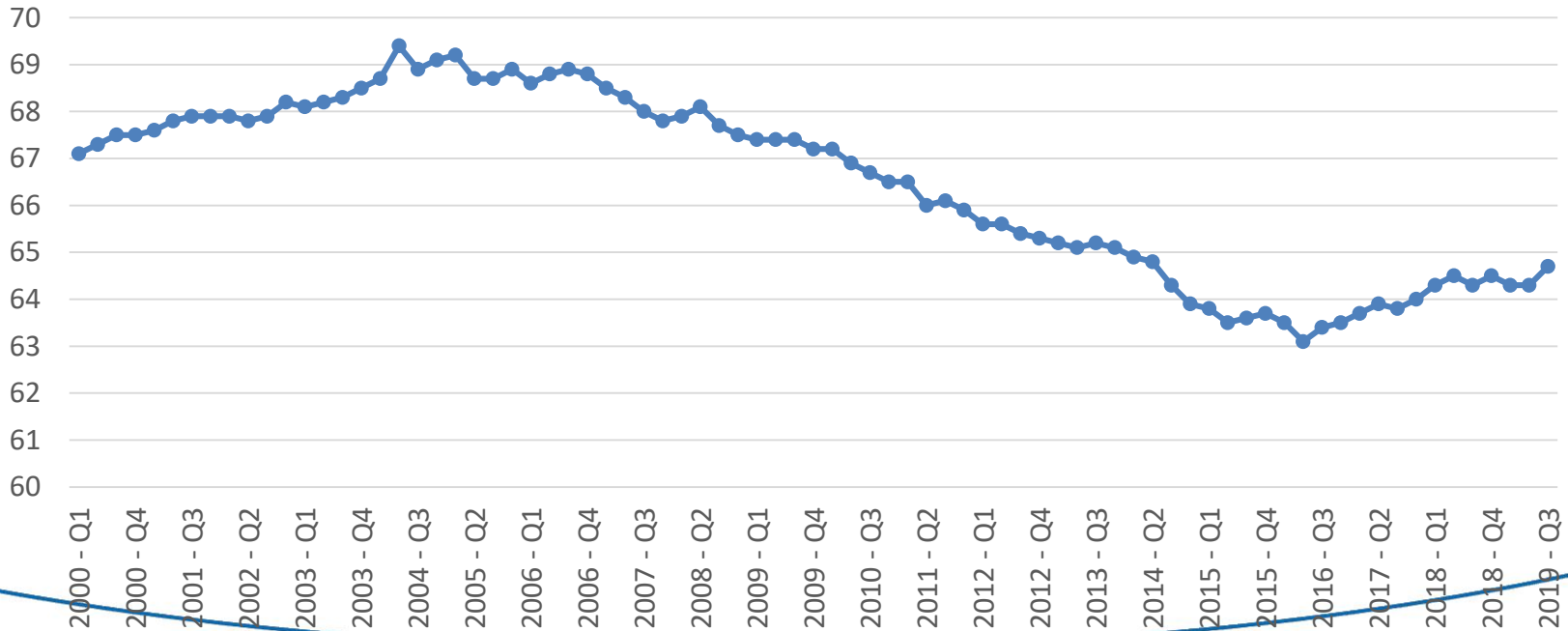
REAL ESTATE FORECAST SUMMIT

TOP 10 OUTPERFORMING MARKETS
METRO AREAS NAR EXPECTS HOME PRICE
APPRECIATION TO OUTPACE IN THE NEXT 3 TO 5 YEARS



Homeownership Rate Slow Recovery

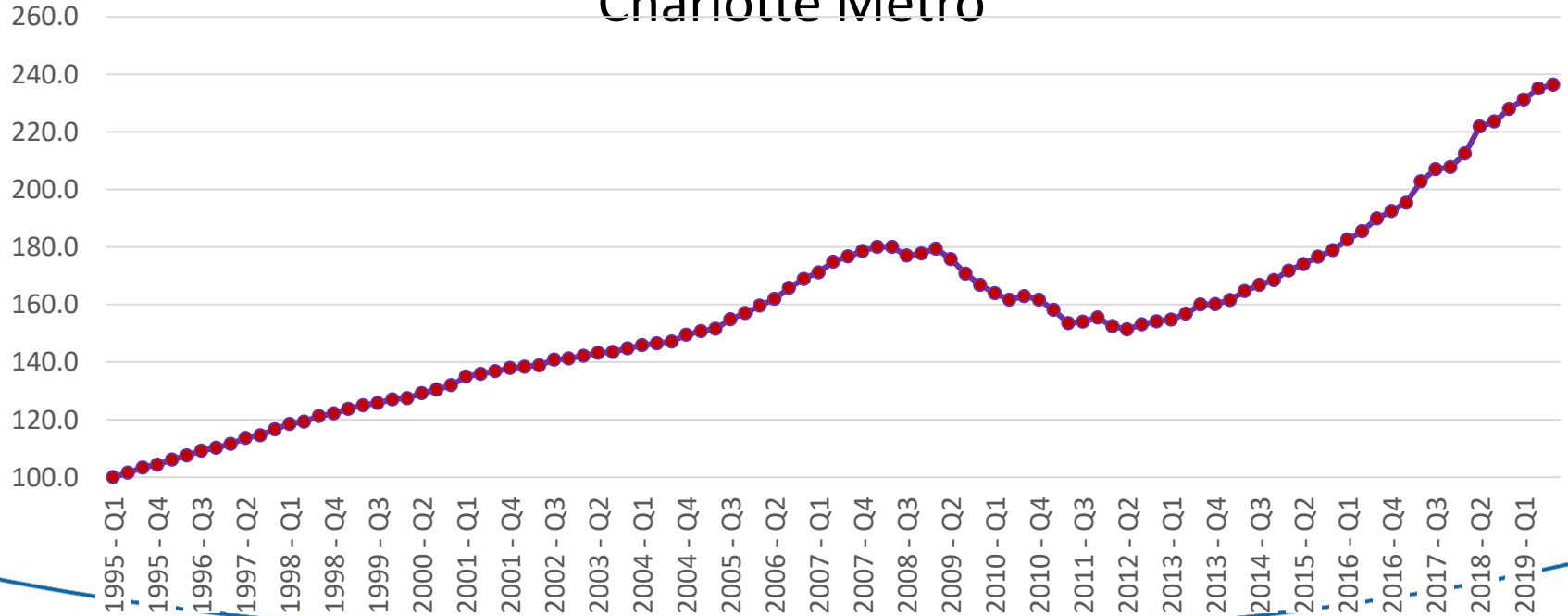
70% to 63% to 65%



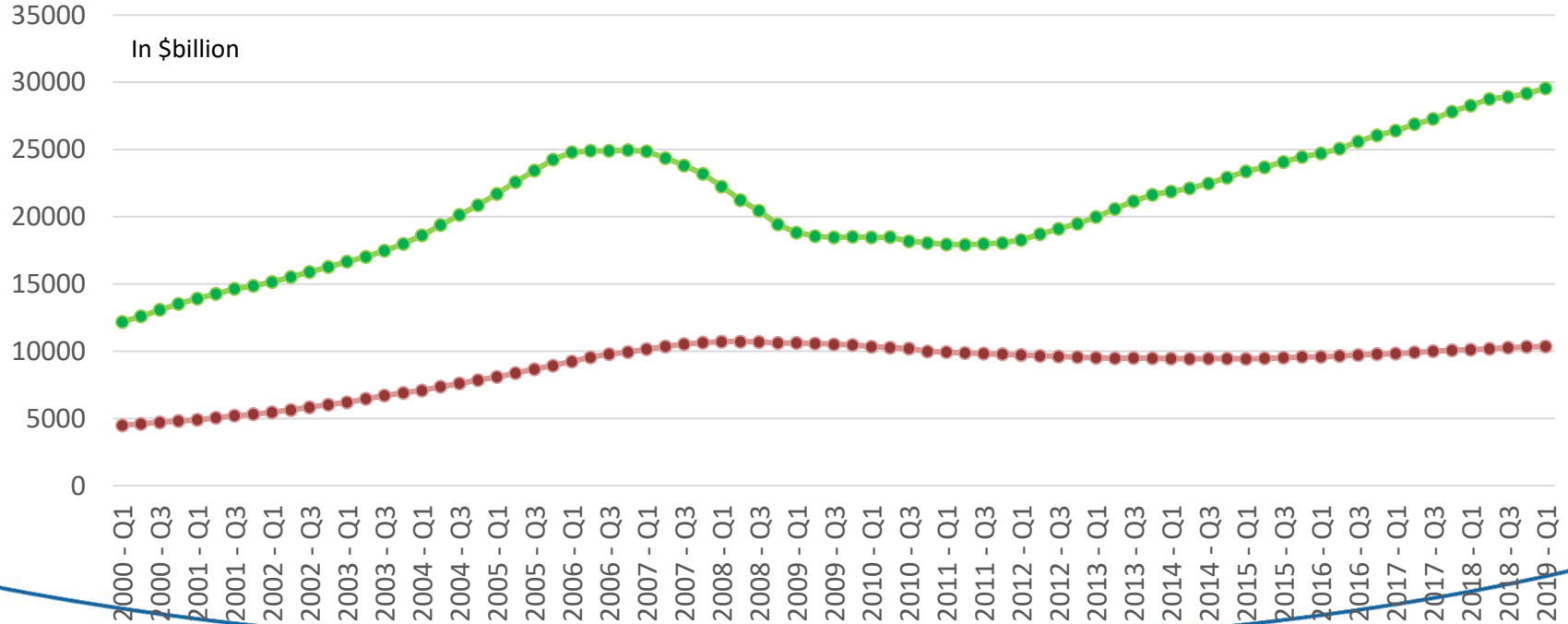
Home Price Index

based on conforming loans

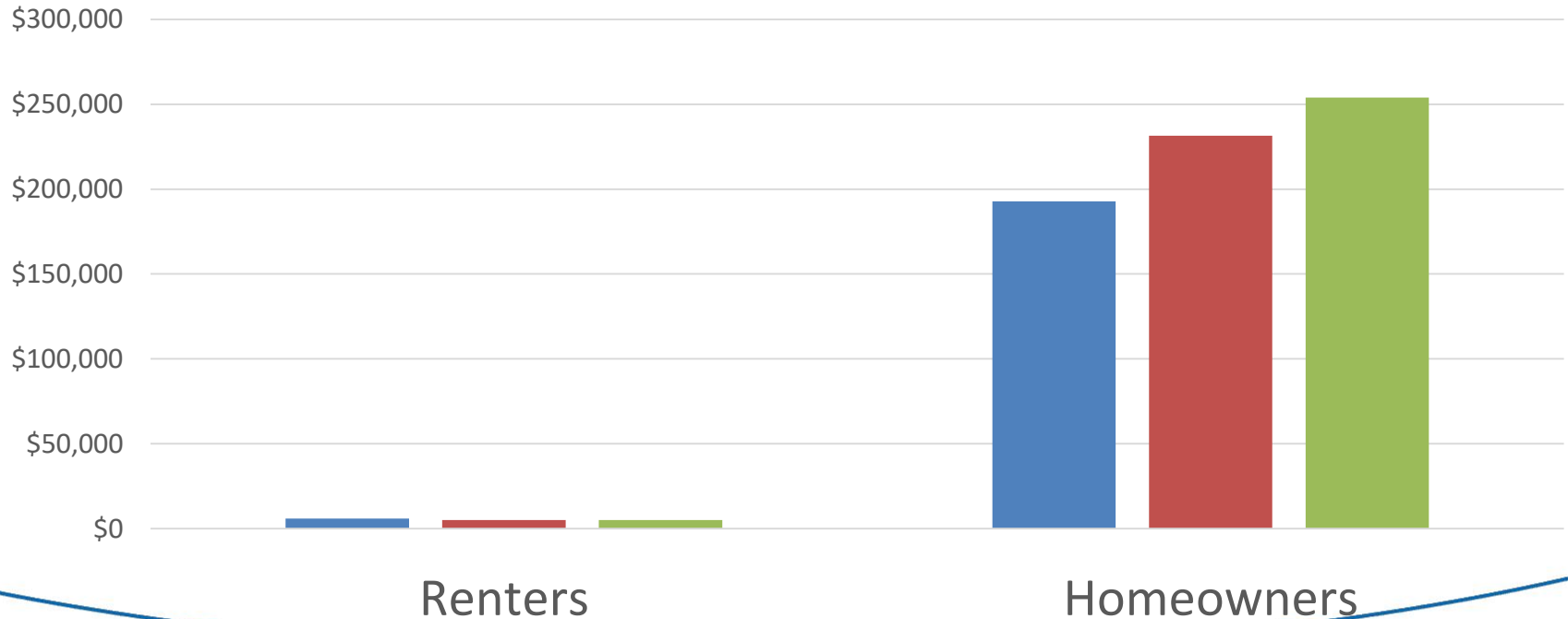
Charlotte Metro



Rising Home Price means Rising Real Estate Wealth (Total Asset – Outstanding Mortgage)



Wealth: From 2000 to 2016 to 2018

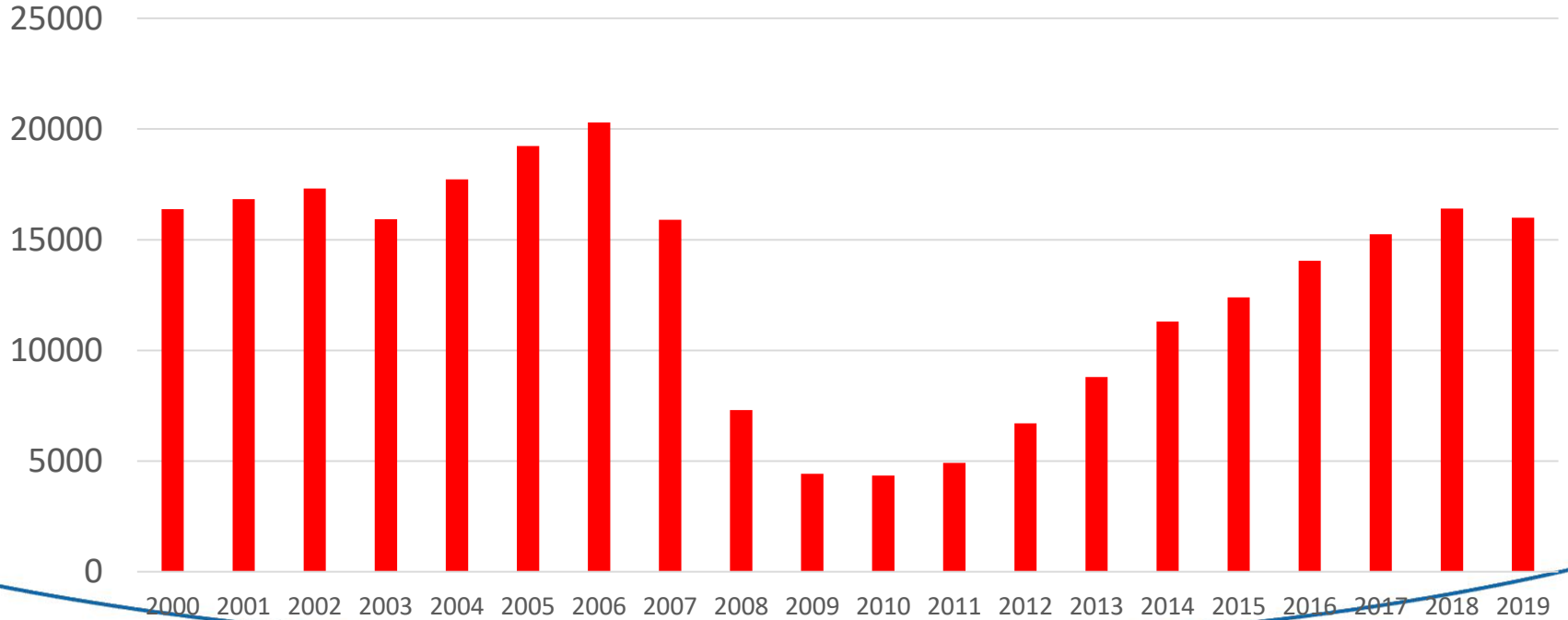


U.S. Housing Starts ... Not Enough Short by 5 to 6 million units

■ Multifamily ■ Single-Family



Single-Family Starts in Charlotte

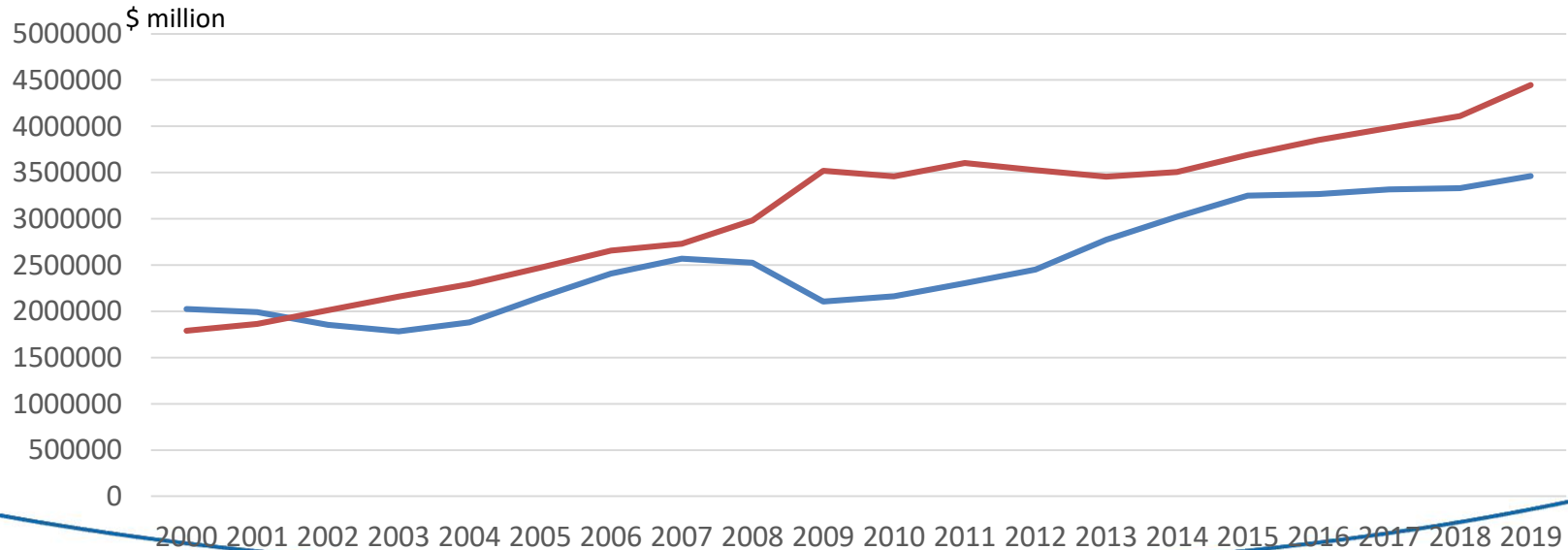


2000 versus 2019 comparison

	2000	2019	Comment
Housing Affordability	122	146	Better
30-year mortgage rate	8.1%	4.0%	Better
Population	282 million	329 million	Better
Population (16 yrs old and over)	218 million	263 million	Better
Households	103 million	122 million	Better
Jobs	132 million	152 million	Better
Total Home Sales (New + Existing)	6.1 million	5.9 million	Worse

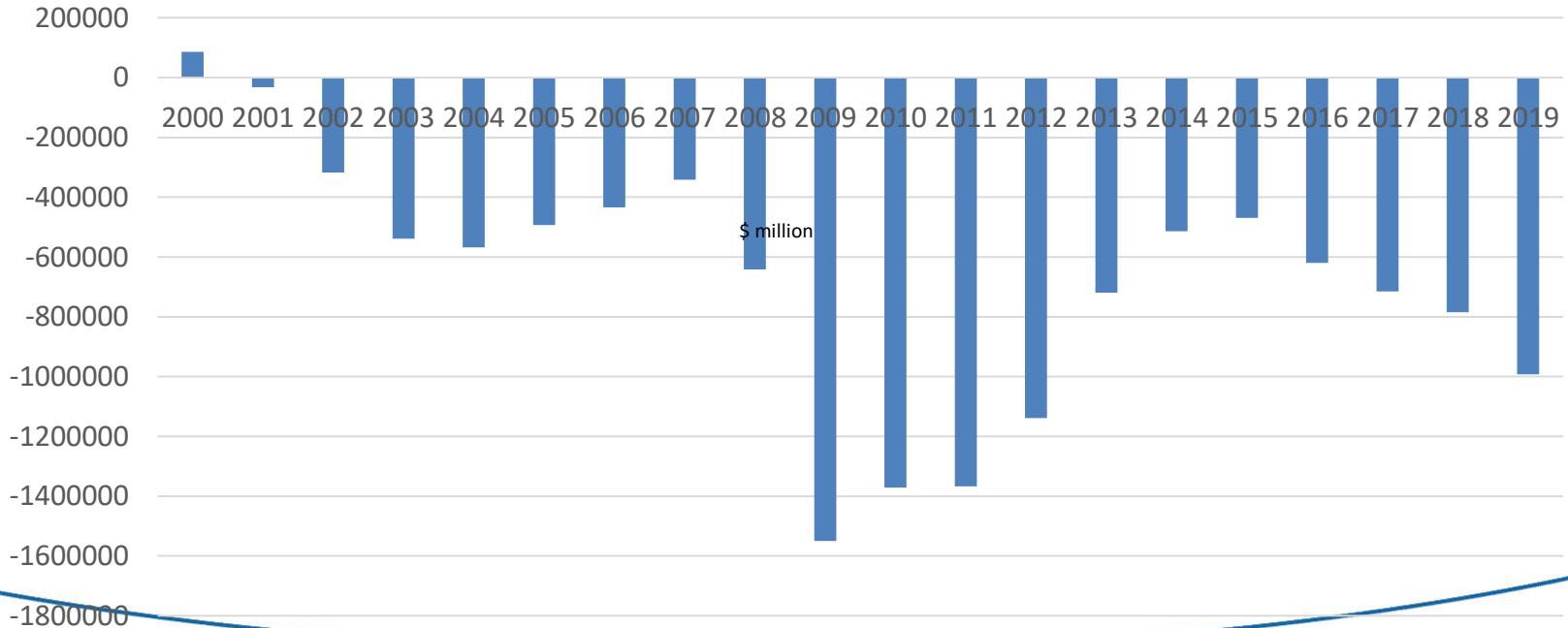
Tax Revenue and Government Spending

— Revenue — Spending



Federal Deficit

(one-year measure of overspending)



Economic Forecast: No Recession If No Major Trade War

	2016	2017	2018	2019 Forecast	2020 Forecast
GDP Growth	1.5%	2.2%	2.9%	2.0%	1.6%
Job Growth	+2.5 million	+2.2 million	+2.4 million	+2.2 million	+1.5 million
CPI Inflation	1.3%	2.1%	2.4%	2.0%	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 (+11%)
Existing Home Sales	5.4 million	5.5 million	5.3 million	5.4 million (1%)	5.6 million (+4%)
Median Price Growth	+5.1%	+5.7%	+4.9%	+4.3%	+3.6%
30-year Rate	3.6%	4.0%	4.5%	4.0%	3.8%

Thank You !