

Lawrence Yun

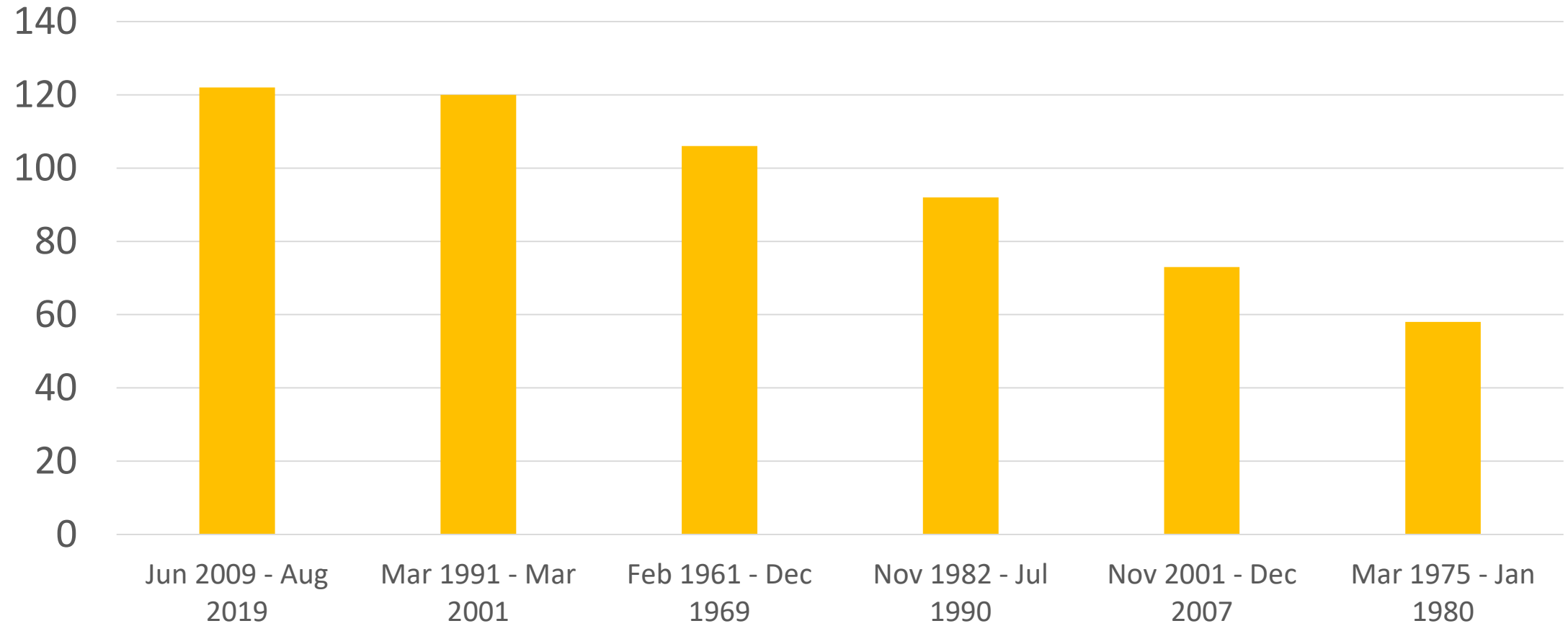
Chief Economist

NATIONAL ASSOCIATION OF REALTORS®

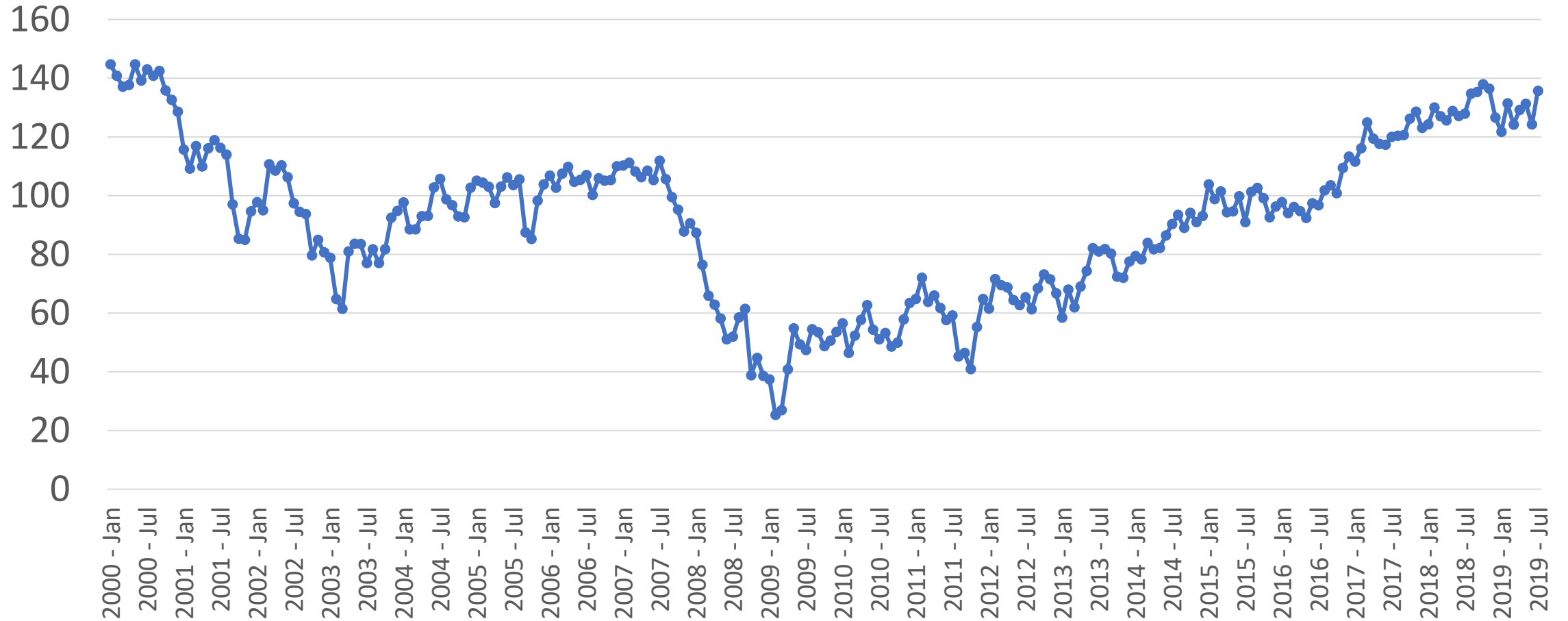
**LEADERSHIP
SUMMIT**



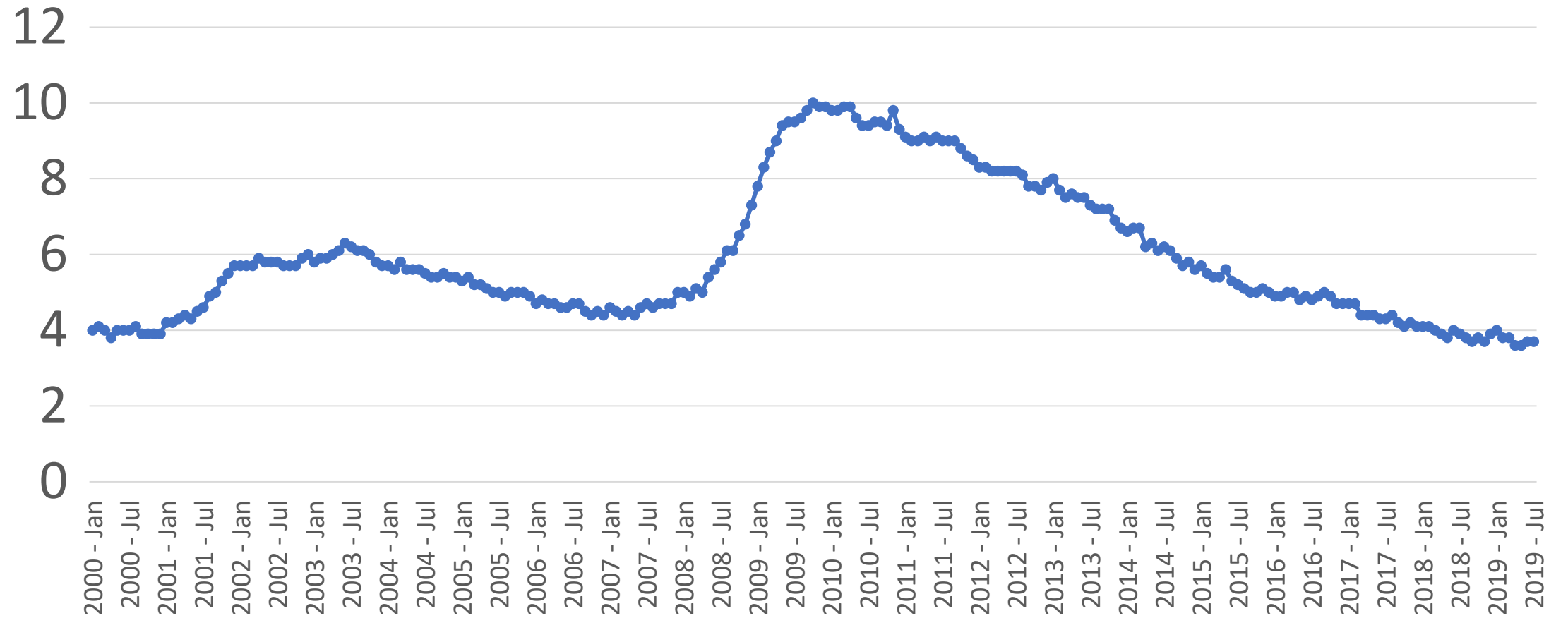
Longest Expansion Ever! # of months of GDP growth



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



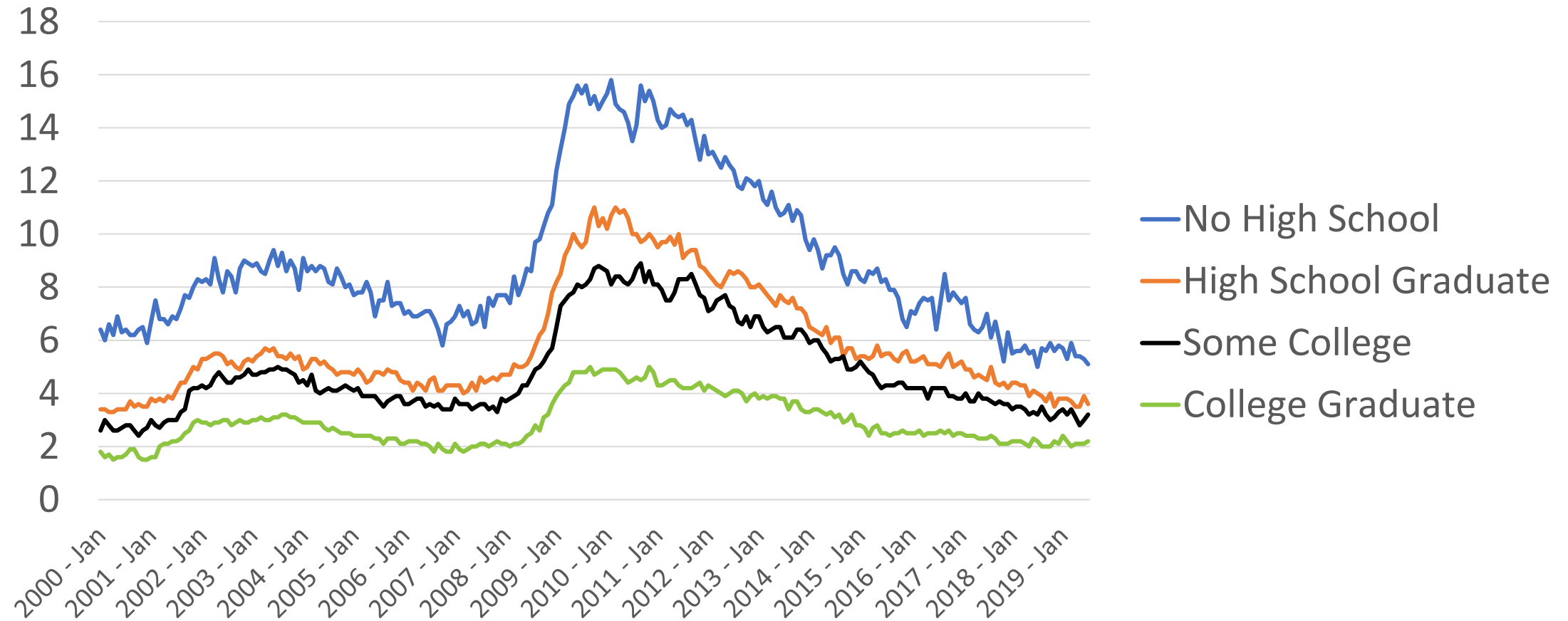
Super-Low Unemployment Rate of 3.7%



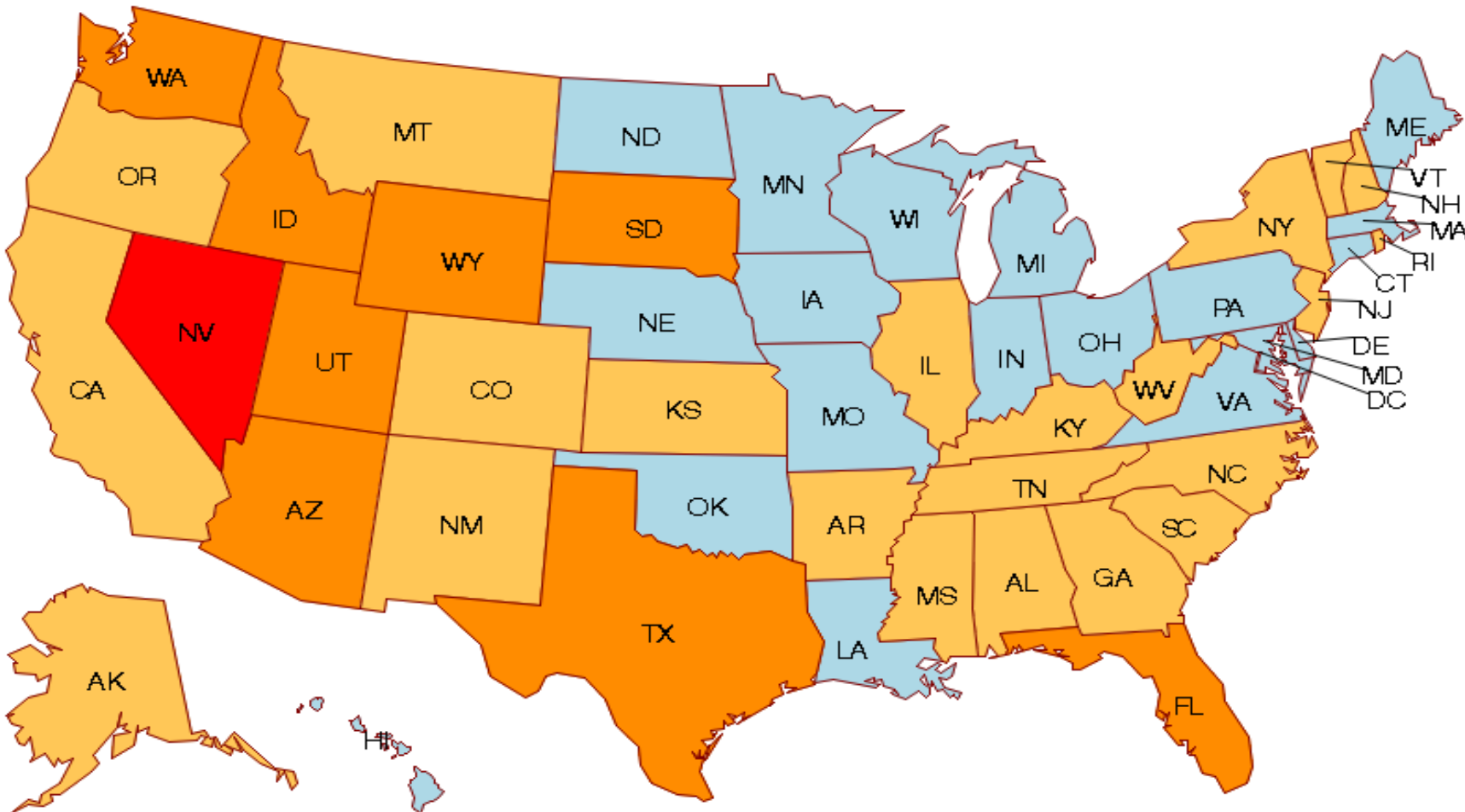
Large Metro Unemployment Rate

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



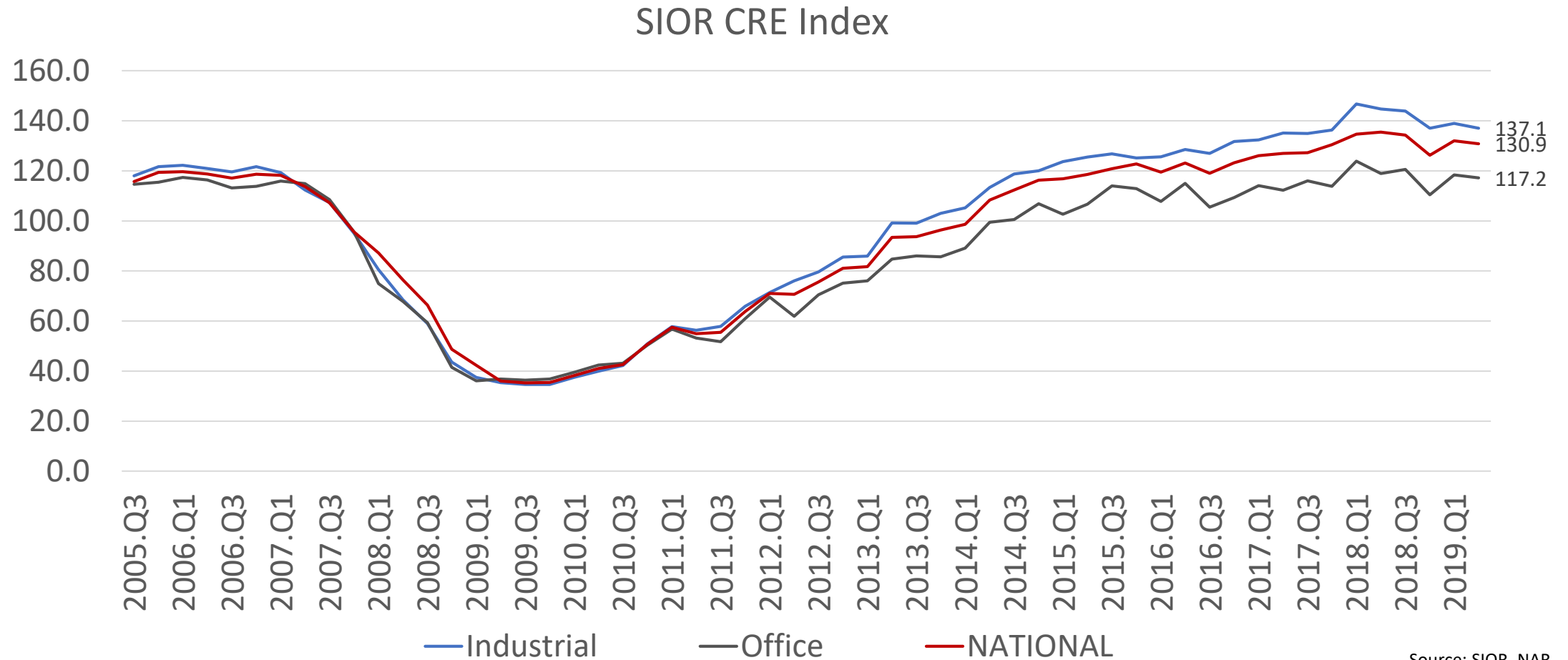
Payroll Employment Growth in June 2019 from Year Ago



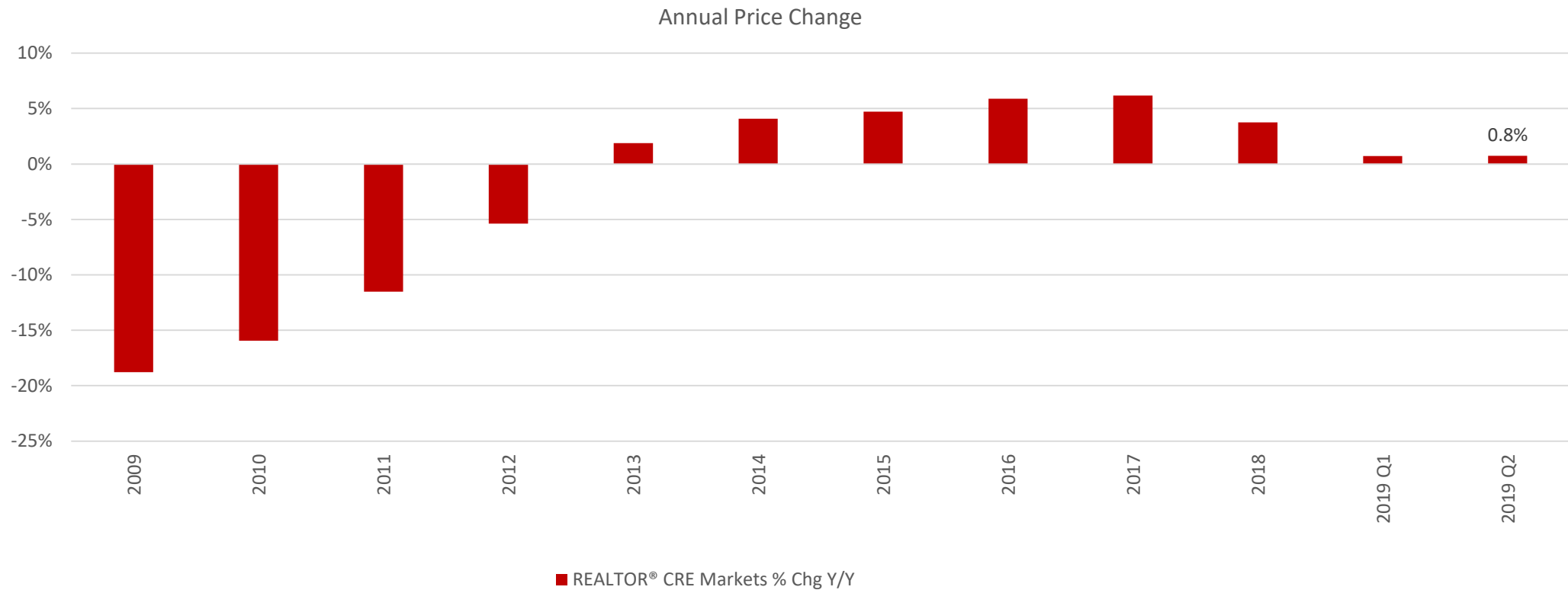
Annual Percent Change in Payroll Employment in June 2019

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

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

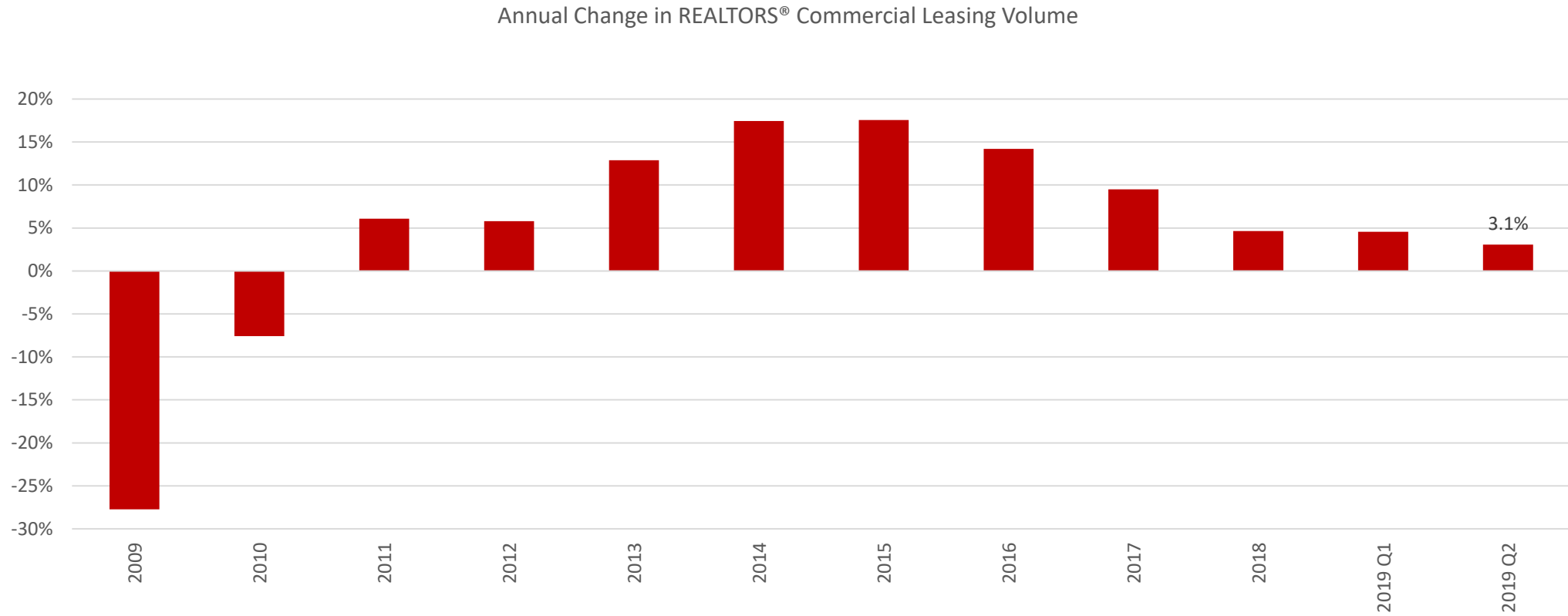


Commercial REALTORS[®] reported modest price growth in 2019 Q2



Source: National Association of REALTORS[®], Real Capital Analytics

Commercial REALTORS[®] reported slower leasing activity in 2019 Q2



Risk to Economy?

1988 on Oprah

Run for President?

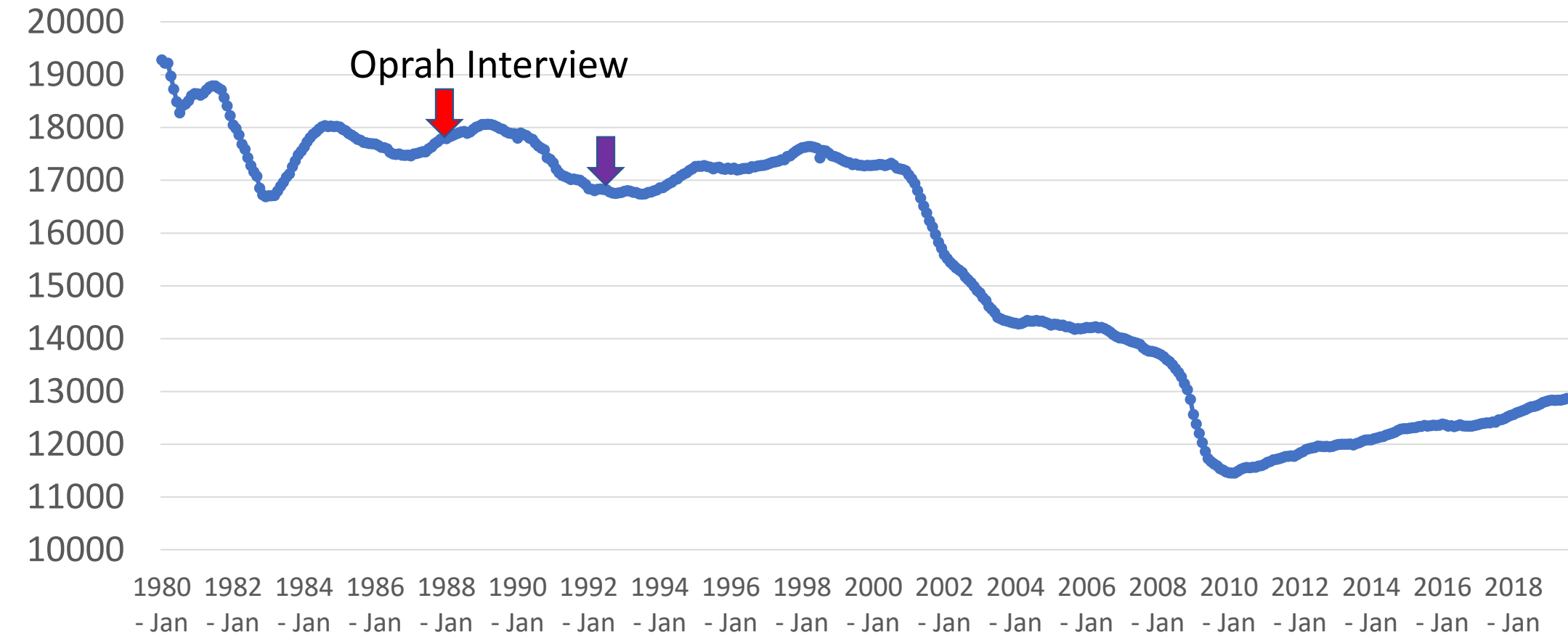
What U.S. should
do economically?



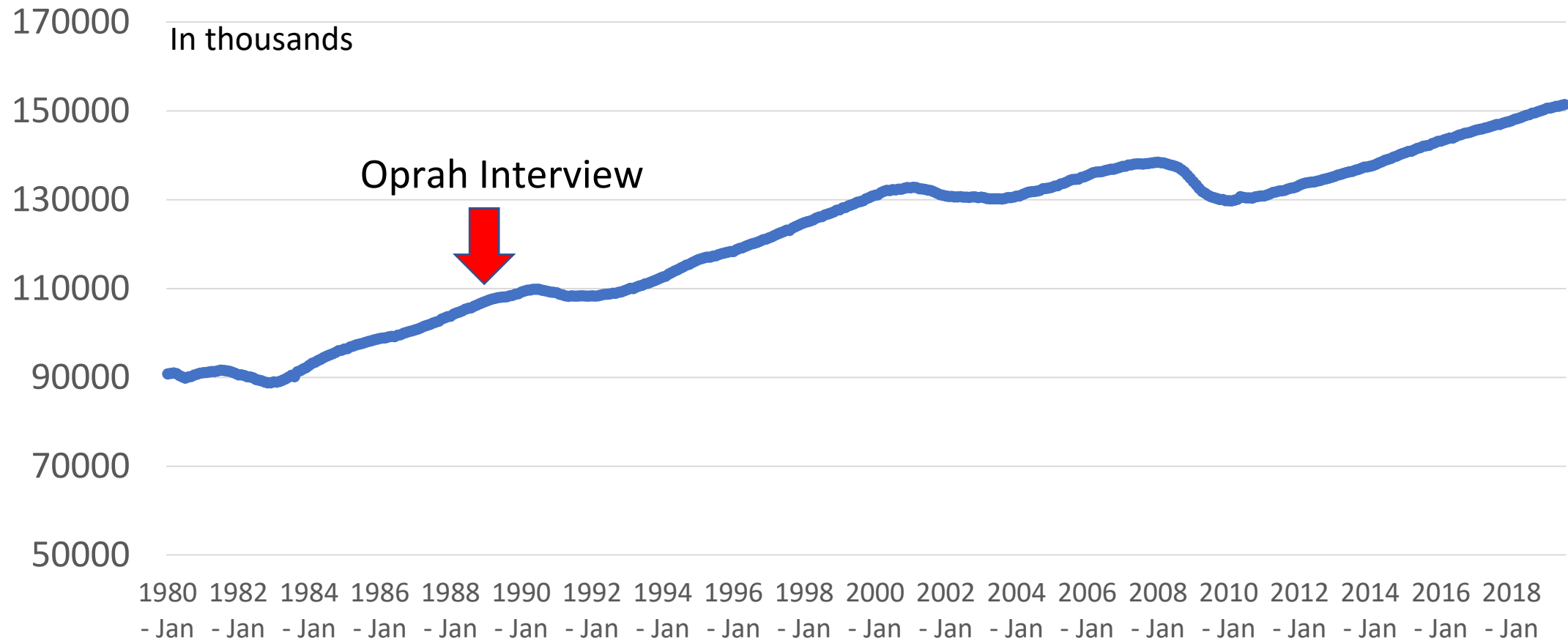
Source: Oprah.com

Manufacturing Jobs

In thousands

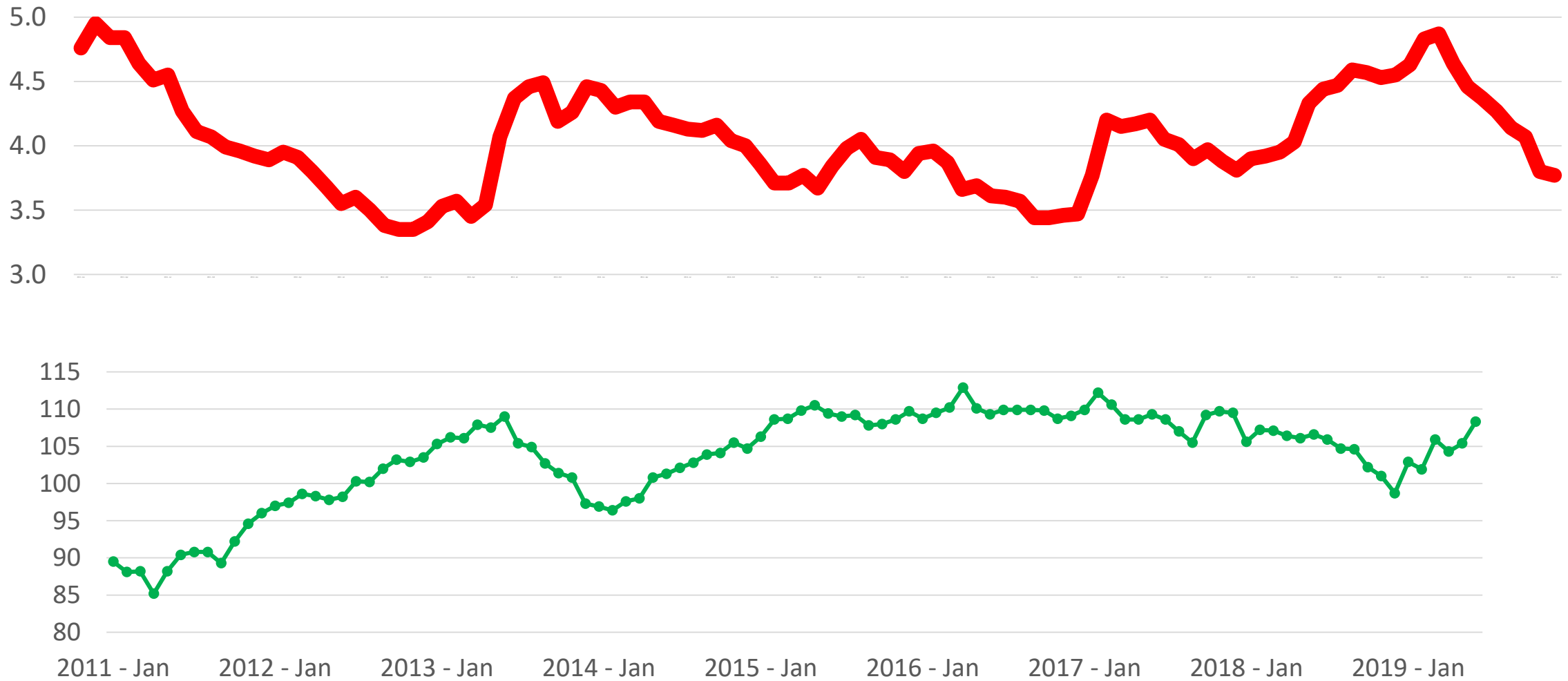


All Jobs ... 45 million more jobs since 1988

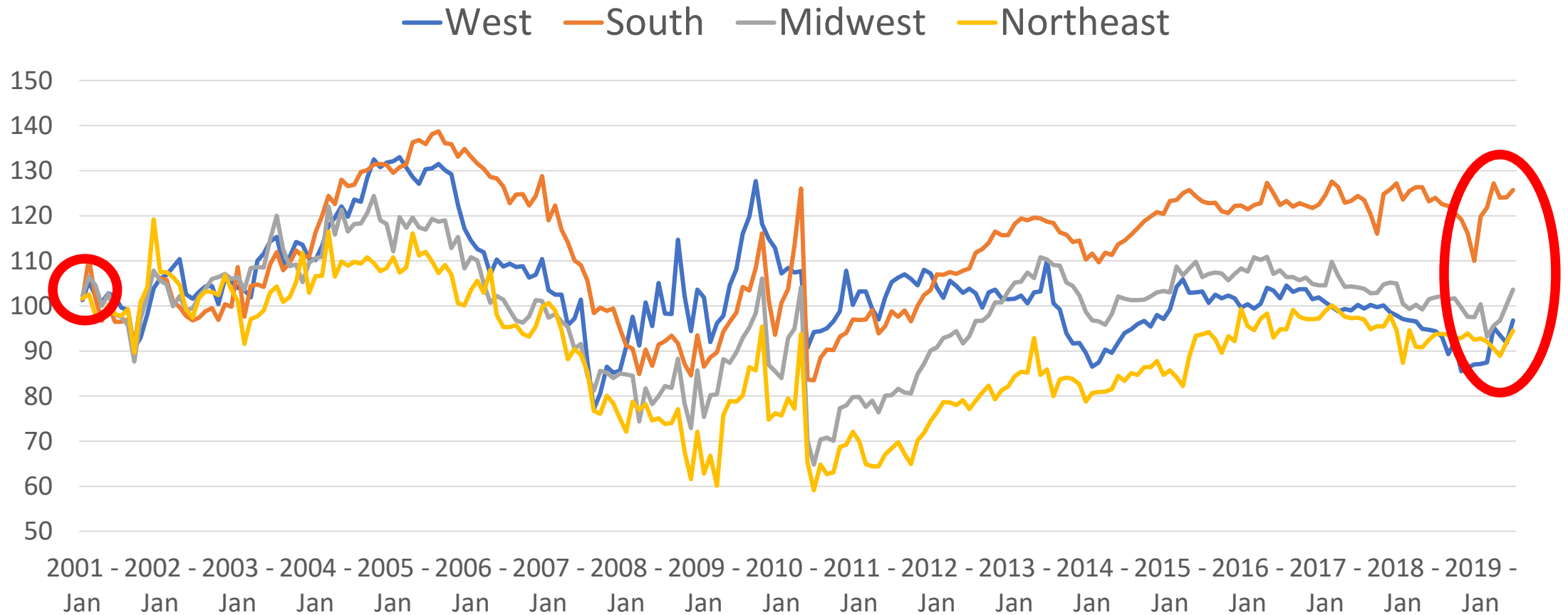


Real Estate Performance in a Good Economy

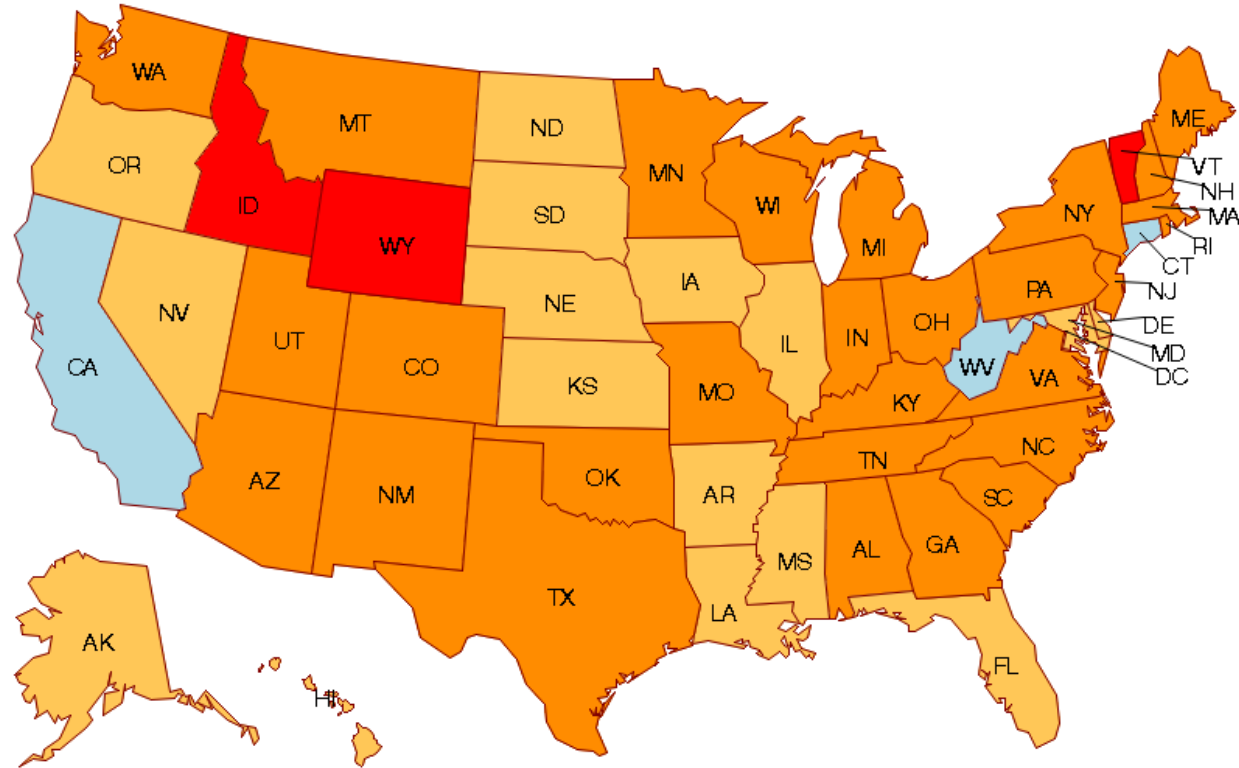
Lower Rates pushes Pending Contracts to Breakout?



Regional Differences: Trending to South



REALTORS® Buyer Traffic Index



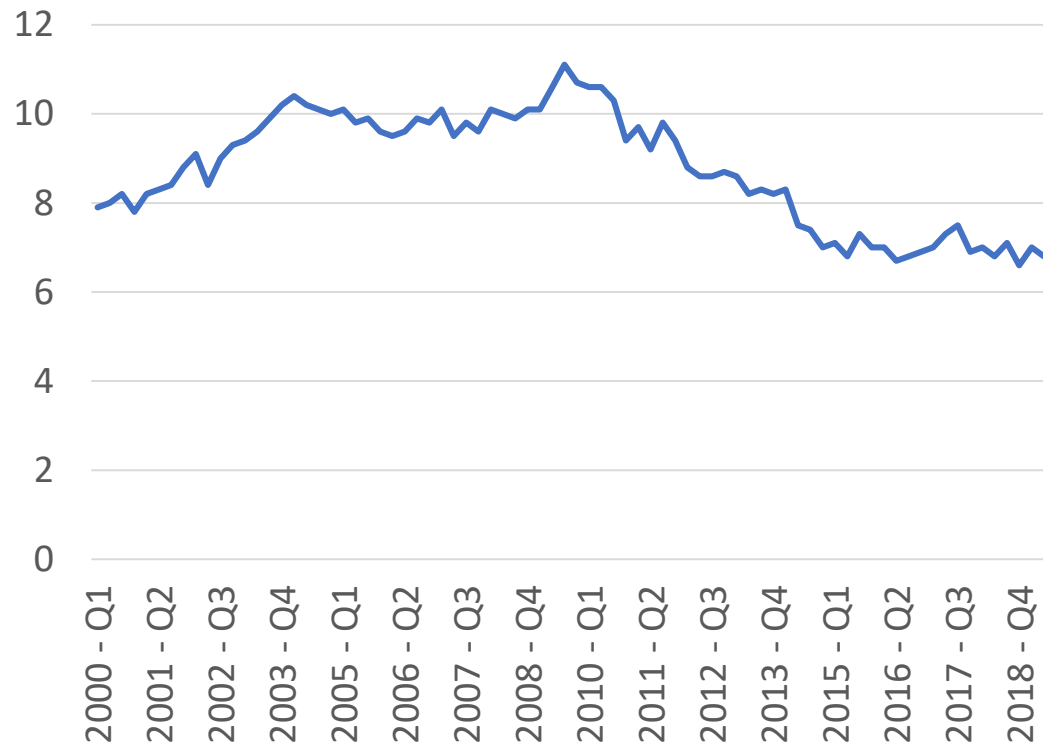
REALTORS® Buyer Traffic Index

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

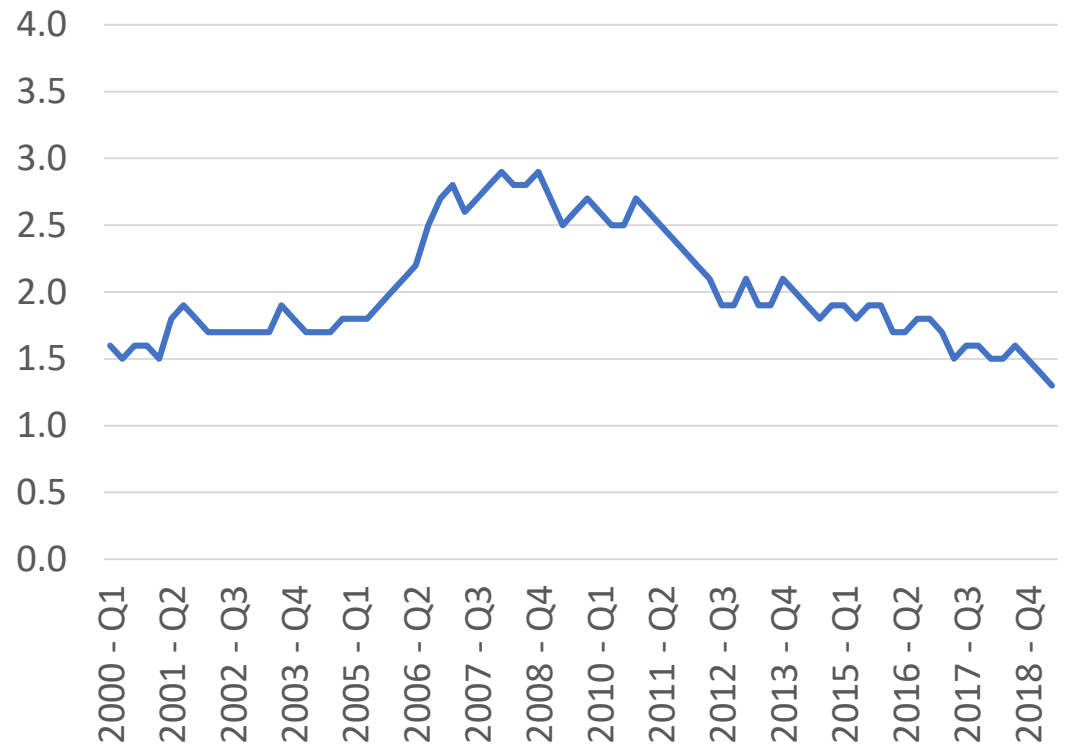
Housing Demand Rising ... But What About Supply?

Historically Low Vacancy Rates

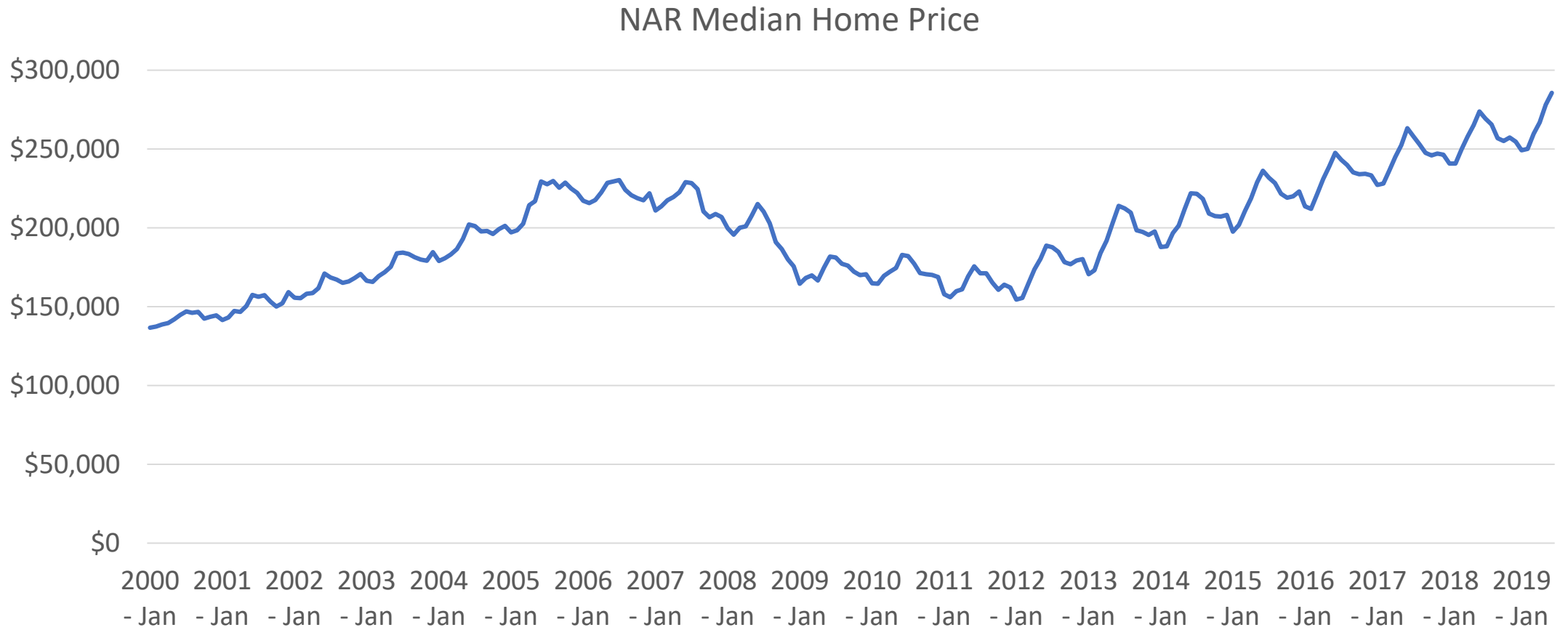
Rental Vacancy – 35 year low



Homeowner Vacancy – 40 year low



Record High Home Prices

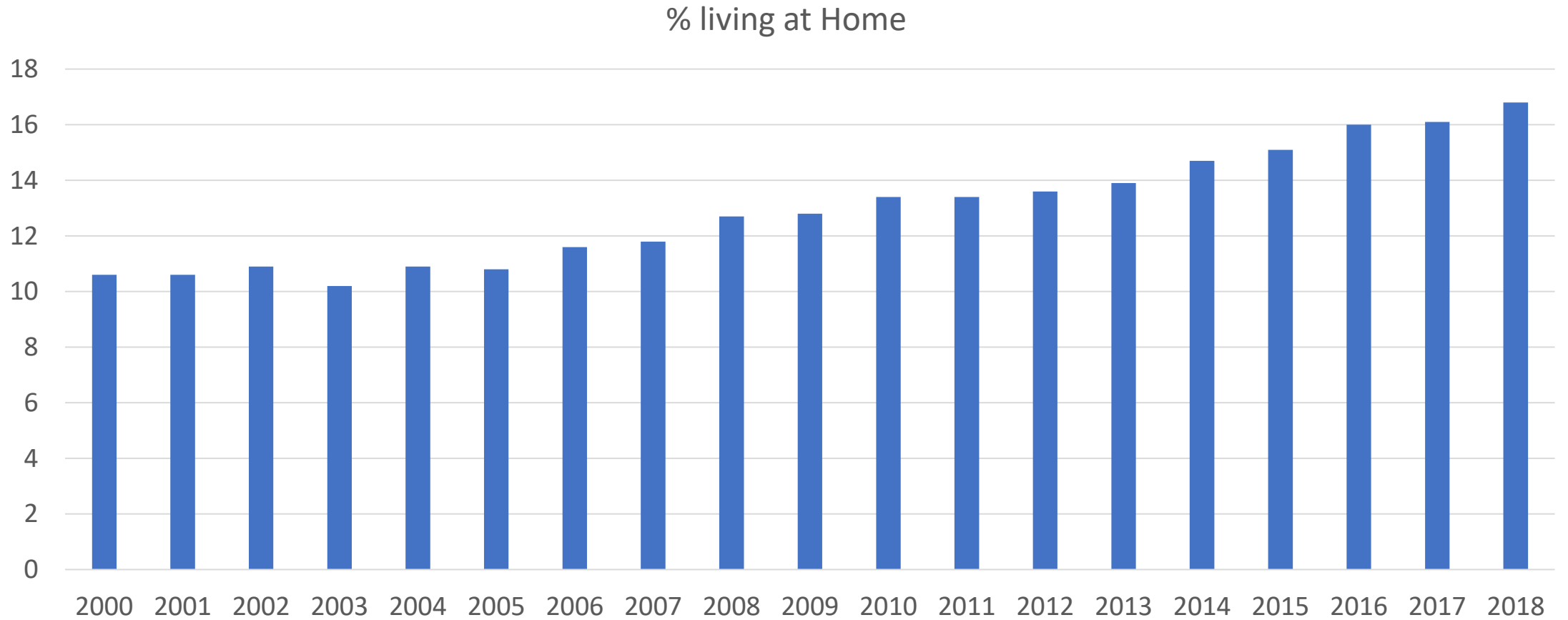


Lower-end Homes with Stronger Price Growth

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%

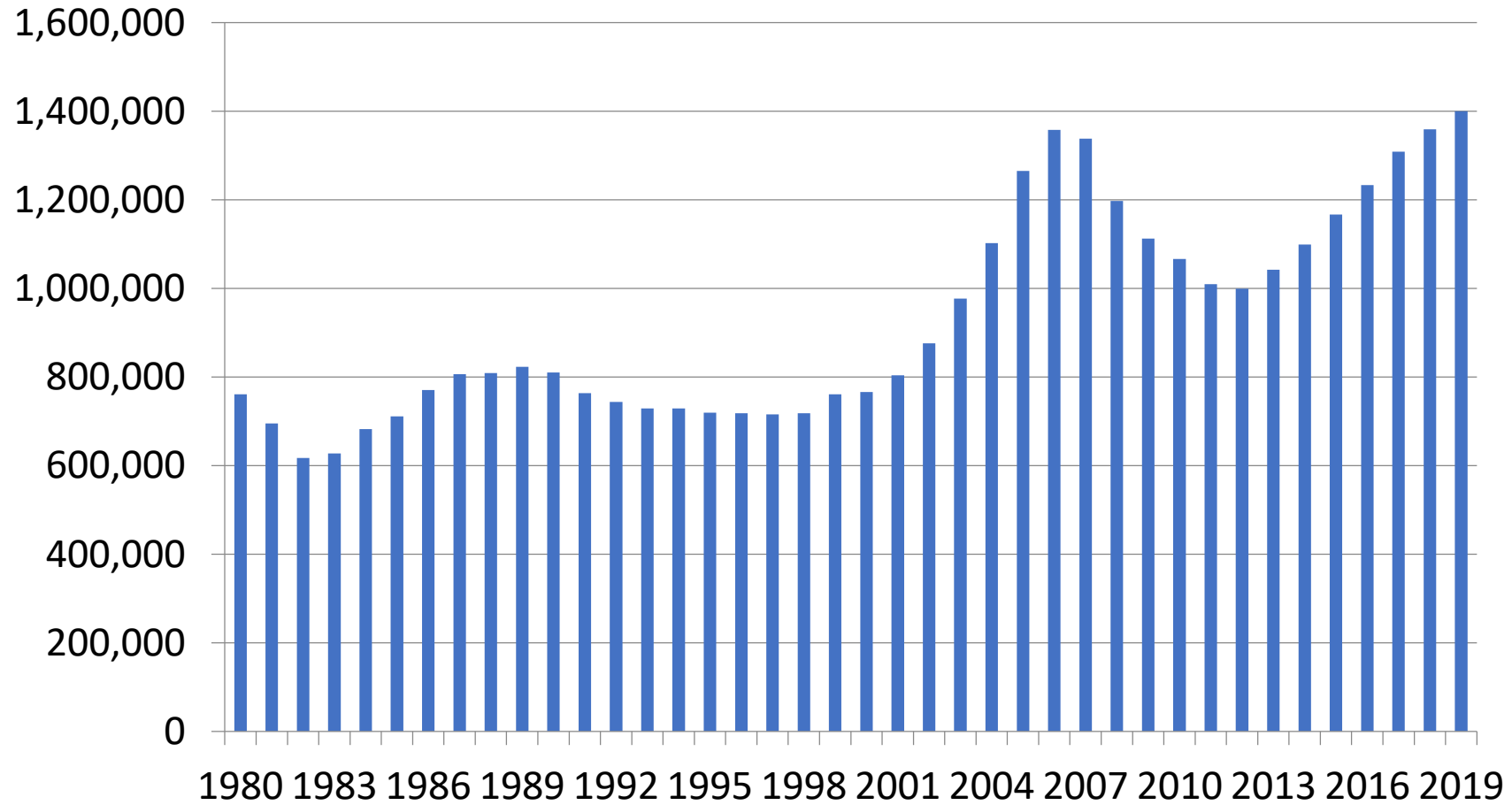
Source: NAR Analysis of property deeds data from Black Knight, Inc.

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.

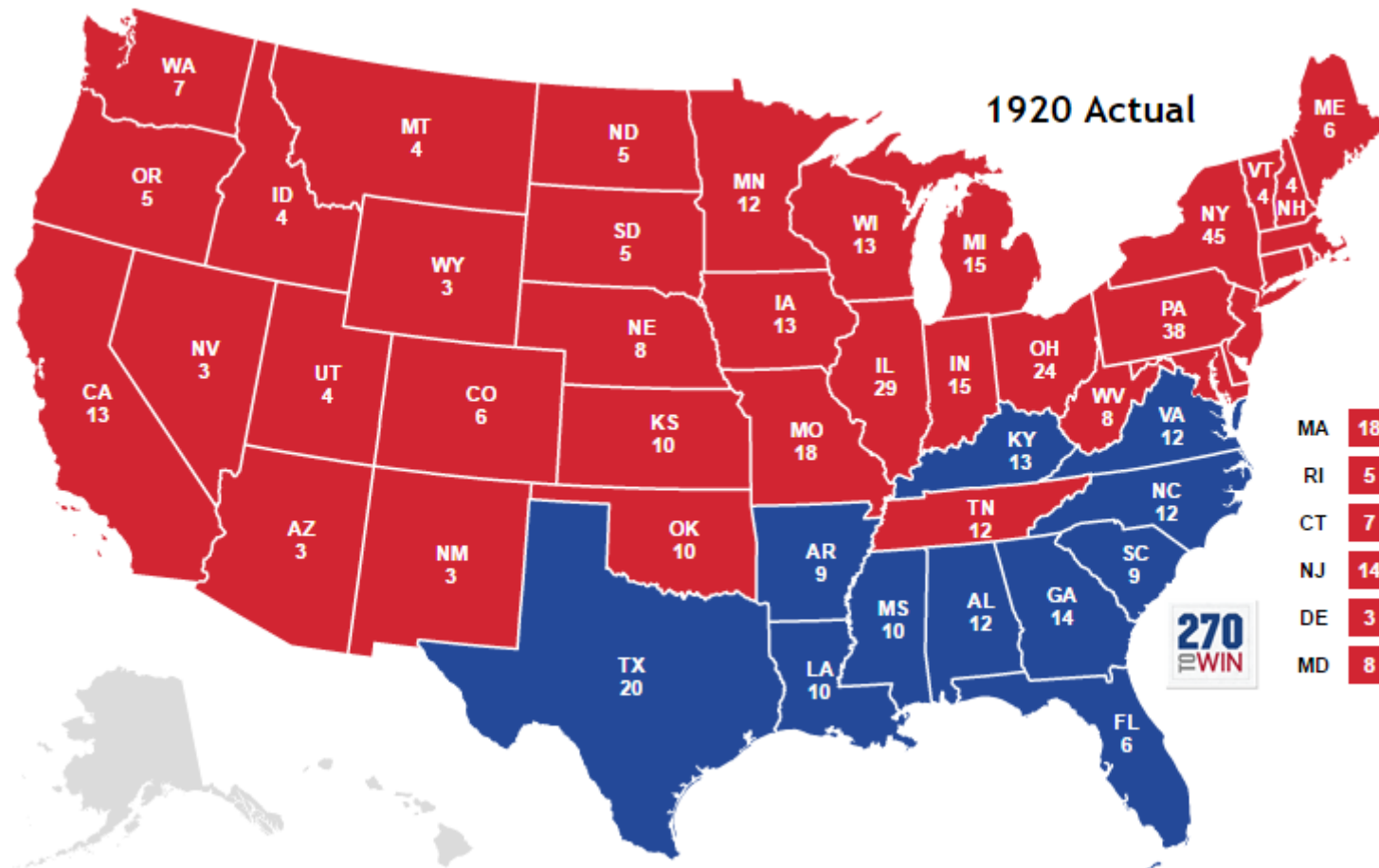
2020 Census

1920 Census versus 2020 Census

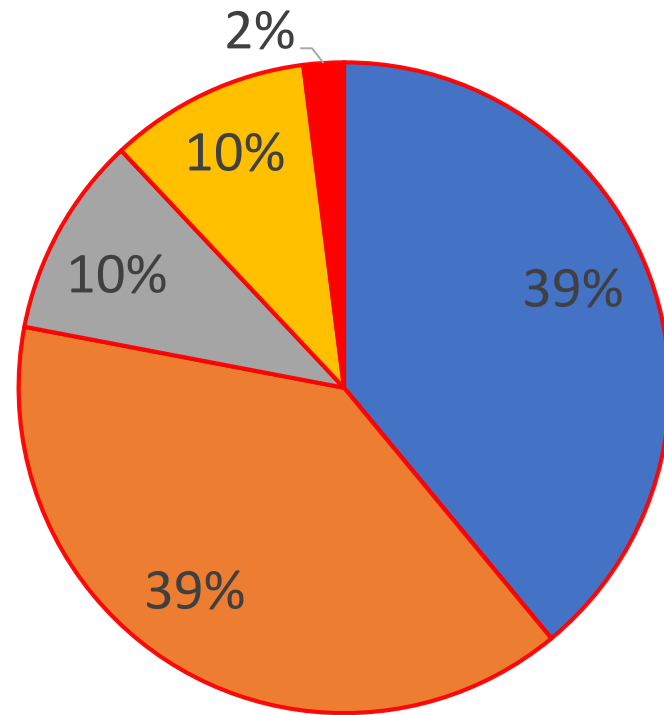
- 48 states
 - Women just got the vote
 - 106 million people
 - Life expectancy at 58
 - Brooklyn Dodgers ... avoid getting hit by trolleys
 - Homeownership Rate 45%
 - MN at 60%
 - NY at 30%
- 50 states
 - Women Presidential Candidates
 - 333 million
 - Life expectancy at 79
 - LA Dodgers with a fabulous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