

MICHIGAN REALTORS®  
**THE CONVENTION**  
Soaring Eagle Casino & Resort, Mt. Pleasant • Oct. 5-7, 2016  
*Engagement Counts*

**What's Next for the Housing Market:  
Continued Expansion or a Turning Point?**

Paul C. Bishop, PhD, CBE  
NATIONAL ASSOCIATION OF REALTORS®

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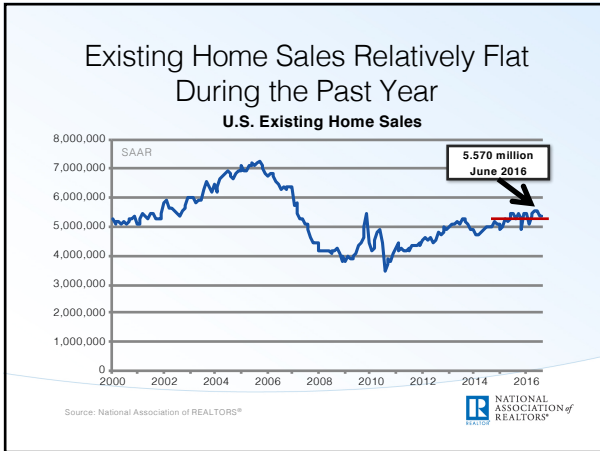
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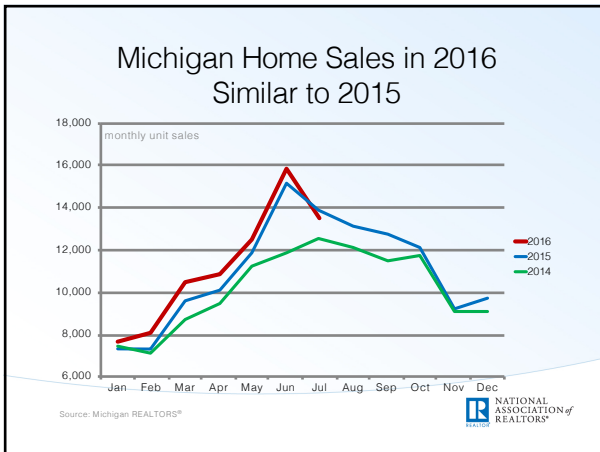
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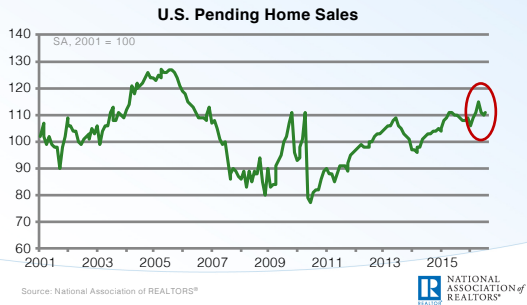
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### Little Upward Movement in Pending Sales in Recent Months



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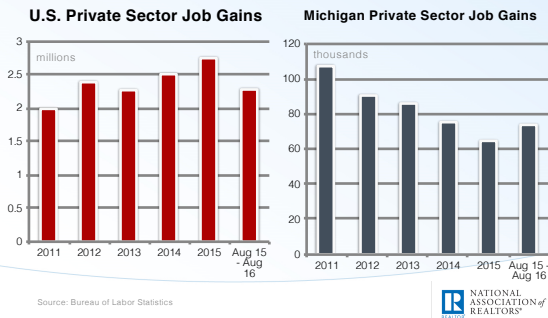
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### Economy Continues to Add Jobs



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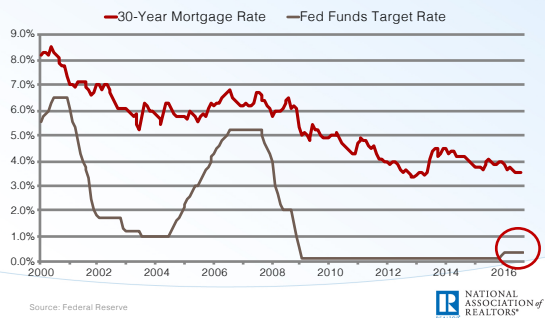
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### Mortgage Rates Remain Attractive



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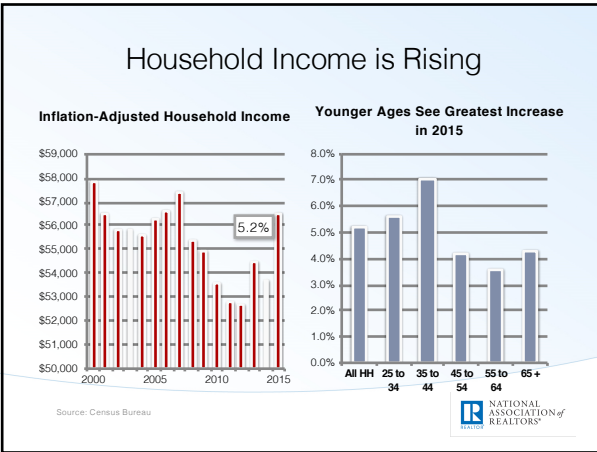
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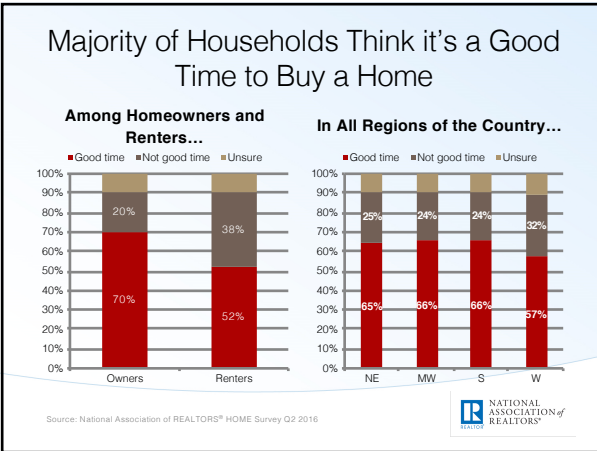
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### Economic Forecast

	2014	2015	2016 Forecast	2017 Forecast
GDP Growth	2.4%	2.6%	1.5%	2.1%
Job Growth	1.9%	2.1%	1.7%	1.2%
CPI Inflation	1.6%	0.1%	1.4%	2.7%
10-year Treasury	2.5%	2.1%	1.8%	2.3%

Source: National Association of REALTORS® (September 2016)

NATIONAL ASSOCIATION of REALTORS®

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Why don't we have even more home sales?



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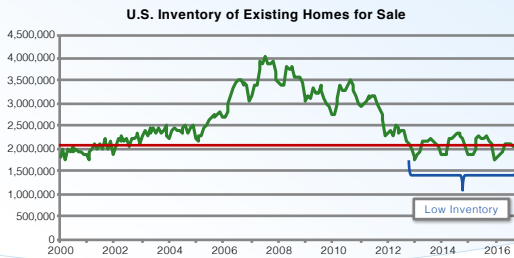
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### Low Number of Homes Available for Sale



Source: National Association of REALTORS®



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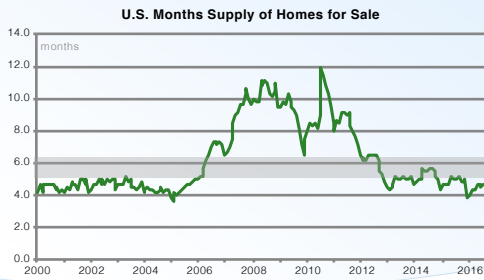
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### Supply vs Demand Balance Highlights Lack of Inventory



Source: National Association of REALTORS®



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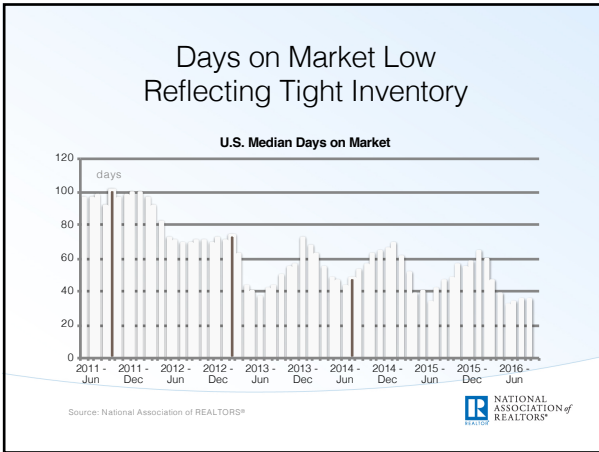
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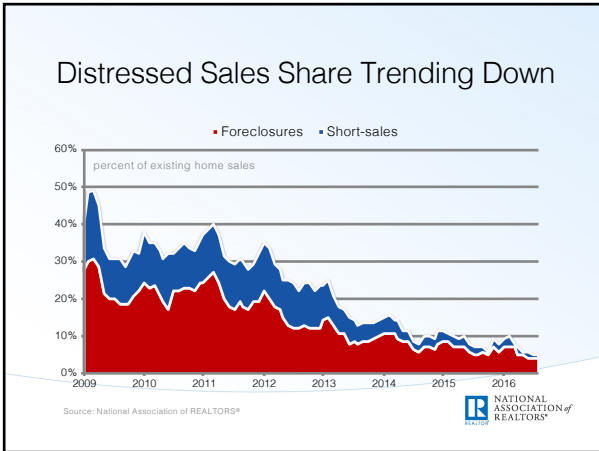
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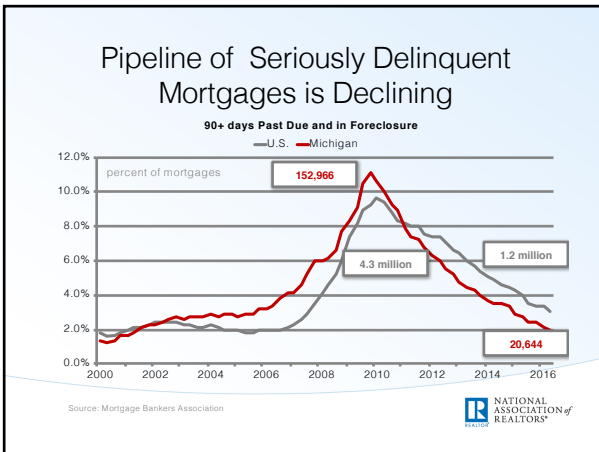
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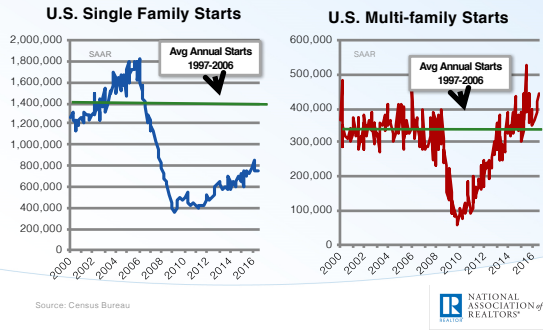
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### Nationally, Still not Building Enough Homes...



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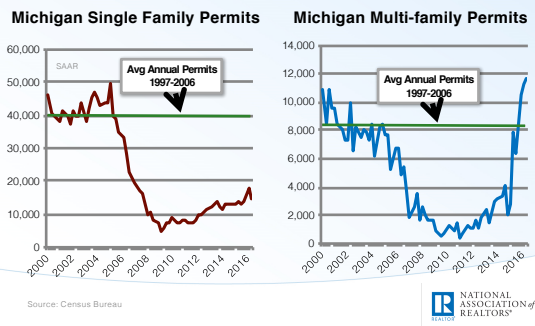
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### ...and Much the Same Story in Michigan



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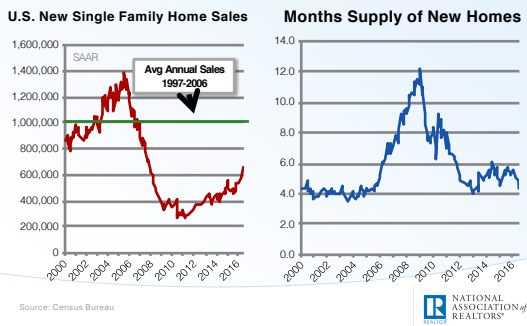
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### Low Level of Home Building Evident in New Home Sales



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## Most Under-Built Metros

**Top 10 Metros with Largest Permit Shortfalls**

Metro	SF Housing Permit Shortfall
New York	218,541
Dallas	132,482
San Francisco	127,412
Miami	118,937
Chicago	94,457
Atlanta	93,627
Seattle	73,135
San Jose	69,042
Denver	67,403
San Diego	55,825

**Shortfall in Selected Michigan Metros**

Metro	SF Housing Permit Shortfall
Detroit-Warren-Dearborn	49,587
Grand Rapids-Wyoming	20,318
Ann Arbor	5,246
Lansing-East Lansing	3,934
Kalamazoo-Portage	2,780
Saginaw	618

Source: National Association of REALTORS®




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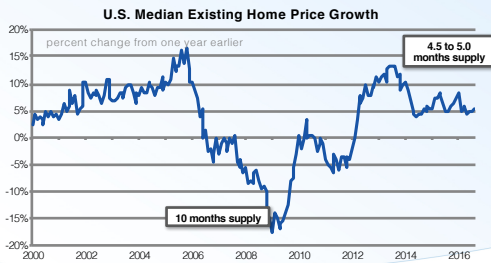
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## Median Home Price Gains Elevated Due to Inventory Constraints



Source: National Association of REALTORS®




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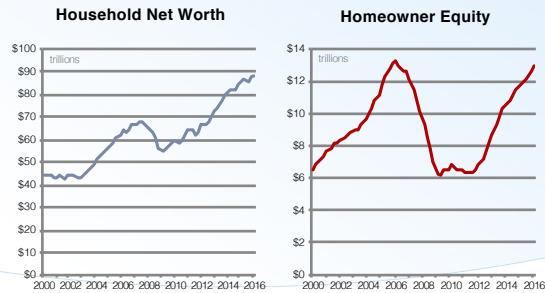
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## Many Consumers Have Seen Their Wealth Increase



Source: Federal Reserve




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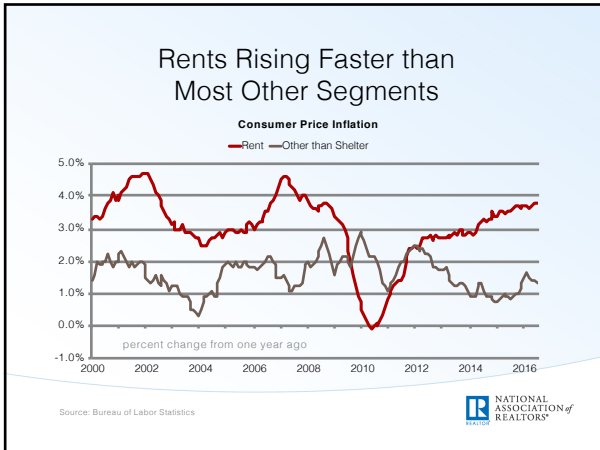
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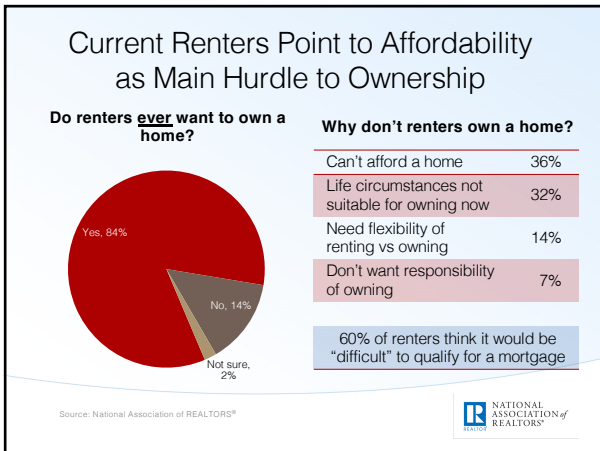
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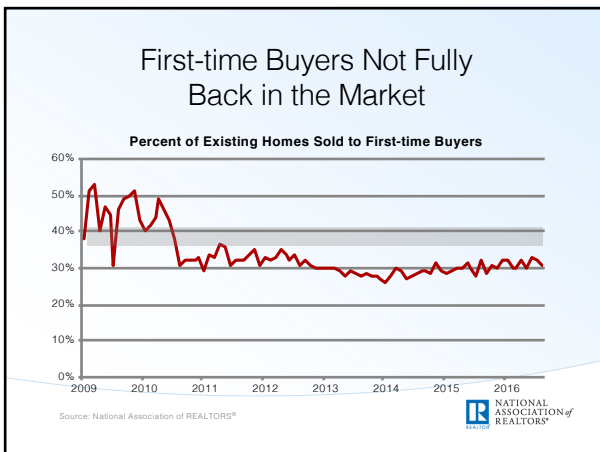
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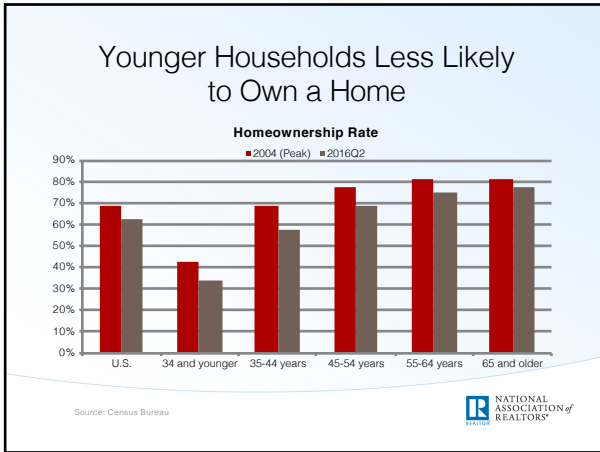
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### Housing Forecast

	2014	2015	2016 Forecast	2017 Forecast
Housing Starts	1,003,000	1,112,000	1,198,000	1,275,000
New Home Sales	437,000	501,000	561,000	622,000
Existing Home Sales	4,940,000	5,250,000	5,379,000	5,457,000
Median Existing Home Price Growth	5.7%	6.8%	3.9%	3.2%
30-year Mtg Rate	4.2%	3.9%	3.6%	4.1%

Source: National Association of REALTORS® (September 2016)

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- ### What is Being Done?
- FHA Condo Legislation Signed into Law
  - CFPB Makes Clear Lenders' Ability to Share Closing Docs
  - Support Student Loan Relief
  - Support Enhanced Credit Scoring Models & Reporting
- <http://www.realtor.org/political-advocacy>
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