

Looking Ahead to 2017

By ANNA CHANG-YEN | Green Shoot Media

With the busy spring and summer seasons behind us, fall is a time to consider what next year will bring in terms of real estate trends. The biggest issue to influence real estate markets in 2017 will be the changing global economy, according to a recent National Association of Realtors forum.

Other factors that will have a hand in the market include shifts in demographics, urbanization, politics, access to credit and the virtual economy, according to Counselors of Real Estate, who led the forum on emerging trends at the 2016 Realtors Conference and Expo.

UNCERTAIN ECONOMY

“Geopolitical and economic uncertainty, volatility in the energy markets and weaker trade volume could slow U.S. growth and lead to fewer job gains in the year ahead,” said NAR in a news release. “These set of dominoes – if prominent and prolonged – could have the potential to eventually trickle down and impact residential housing.”

As families weather the continued uncertainty in the global economy, it stands to reason that real estate could feel the same tumult “The good news is that even with U.S. economic expansion at around 2 percent, the U.S. is still outperforming



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other major countries around the world,” said CRE chairman Scott Muldavin.

YOUNG BUYERS

Demographic shifts that could influence markets include millennials replacing Baby Boomers as the largest generation, according to NAR.

The organization also pointed to data showing that the next generation will be keen on homeownership, saying, “According to Better Homes and Gardens Real Estate, 97

percent of Generation Z believe that they will own a home in the future, and 82 percent indicate that homeownership is the most important factor in achieving the American Dream.”

In fact, when the 2016 Realtors Conference and Expo hosted a panel discussing Generation Z’s real estate aspirations, all five of the panelists, ages 14-18, said they want to own a home. “I want a room for each of my kids, a master bedroom, a few guest rooms, a

movie room. I want a lot of space,” said panelist Cayman, 17, while panelist Brooke said she has a clear idea of her dream home. “I watch a lot of HGTV, so I know exactly what I want.”

URBANIZATION

Even suburban areas are becoming more densely populated, as buyers prefer walkable neighborhoods with easily accessible amenities, said the NAR release. “Suburban areas are adding urban amenities so

that there’s an environment where people can live, work and play right outside of the core part of the city,” said Peter Burley, chair of the CRE’s external affairs committee.

In addition, high prices of homes and apartments will continue to squeeze people’s incomes, according to the NAR release. “Home prices have outstripped incomes and it makes it very challenging for millennials looking to buy,” Burley said. “As a result, rental demand is expected to remain very strong.”

REAL ESTATE 101

Focus on the Future

Counselors of Real Estate’s list of top 10 factors that will influence real estate in 2017:

- The changing global economy
- Debt capital market retrenchment
- Demographic shifts
- Densification/urbanization
- The political environment
- Housing affordability and credit constraints
- The disappearing middle class
- Energy
- The sharing and virtual economy
- The rise of experiential retail



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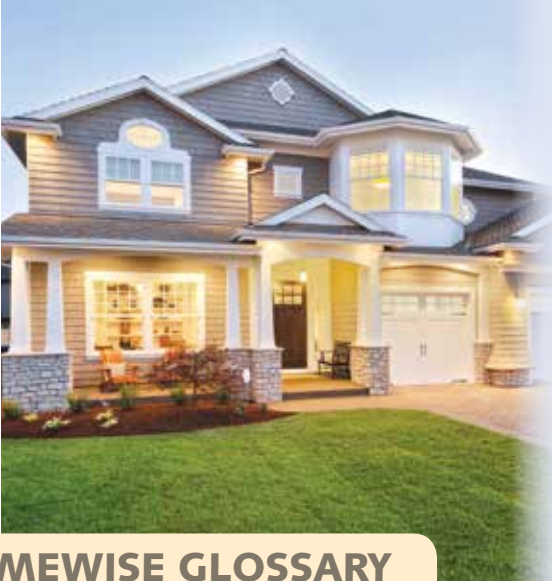
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HOMESWISE GLOSSARY

Tax certificate: official proof of payment of taxes due provided at the time of transfer of property title by the state or local government.

SOURCE: Consumer Financial Protection Bureau

AD SPACE