

RE/MAX  INTEGRA

BROKER/OWNER & MANAGER

**RETREAT** 2018

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**Steve Harney**

**Fearless Leadership:**

How to Captain Your Ship through  
Difficult Waters



A photograph of a sailboat on a choppy sea under a cloudy sky. The boat's mast and rigging are visible on the left side. The water is a mix of light blue and green, and the sky is filled with grey, overcast clouds.

# FEARLESS LEADERSHIP

How to Captain Your Ship  
through Difficult Waters

Shifts create confusion.  
Confusion creates fear.  
Fear can create panic.



**Oh No!!!!**

**The market is  
falling apart!!**



**"The best piece  
of advice I ever  
got in Navy  
SEAL training  
is simple:  
Calm is  
Contagious."**

**CMDR Rorke Denver**

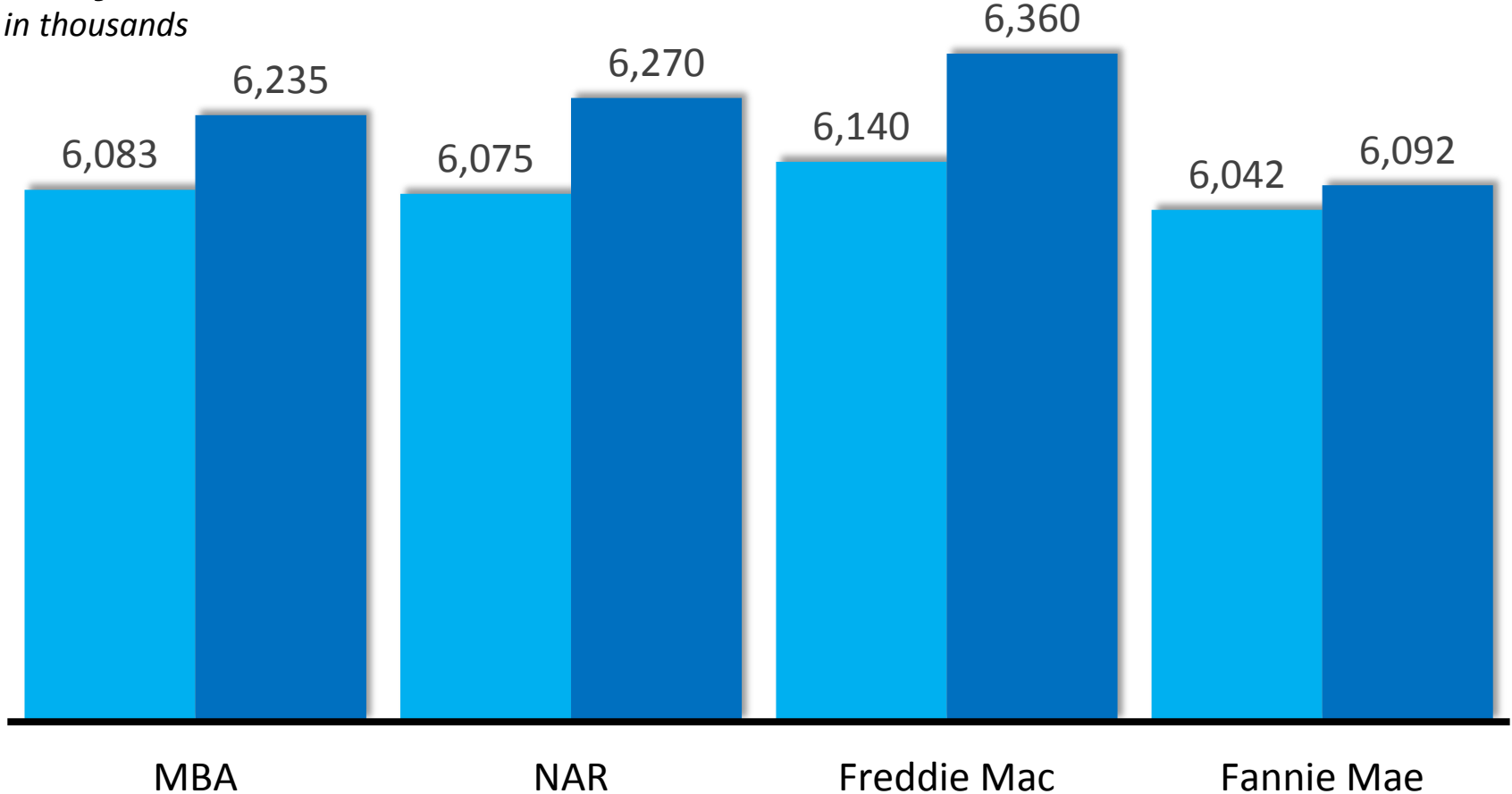


Out  
of  
Stock

# Projected Home Sales

*in thousands*

■ 2018 ■ 2019





# Projected Home Price % Appreciation Going Forward

Source	2018	2019	2020	2021	2022
Home Price Expectation Survey	+5.9	+4.2	+2.9	+2.6	+2.9
Zelman & Assoc.	+5.5	+4.5	+4.1	N/A	N/A
MBA	+5.9	+4.4	+3.1	N/A	N/A
Freddie Mac	+6.0	+4.9	N/A	N/A	N/A
NAR	+4.8	+3.5	N/A	N/A	N/A
Fannie Mae	+5.3	+4.1	N/A	N/A	N/A
<b>AVERAGE</b>	<b>+5.6</b>	<b>+4.3</b>	<b>+3.4</b>	<b>+2.6</b>	<b>+2.9</b>

**RE/MAX**

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“We would never suggest that a real estate company could be successful without fully understanding local market trends. But ignoring macro trends or assuming that they do not carry the same weight would be an equally erroneous suggestion.

In our experience, the most effective industry leaders appreciate the appropriate balance between the two ends of the spectrum.”

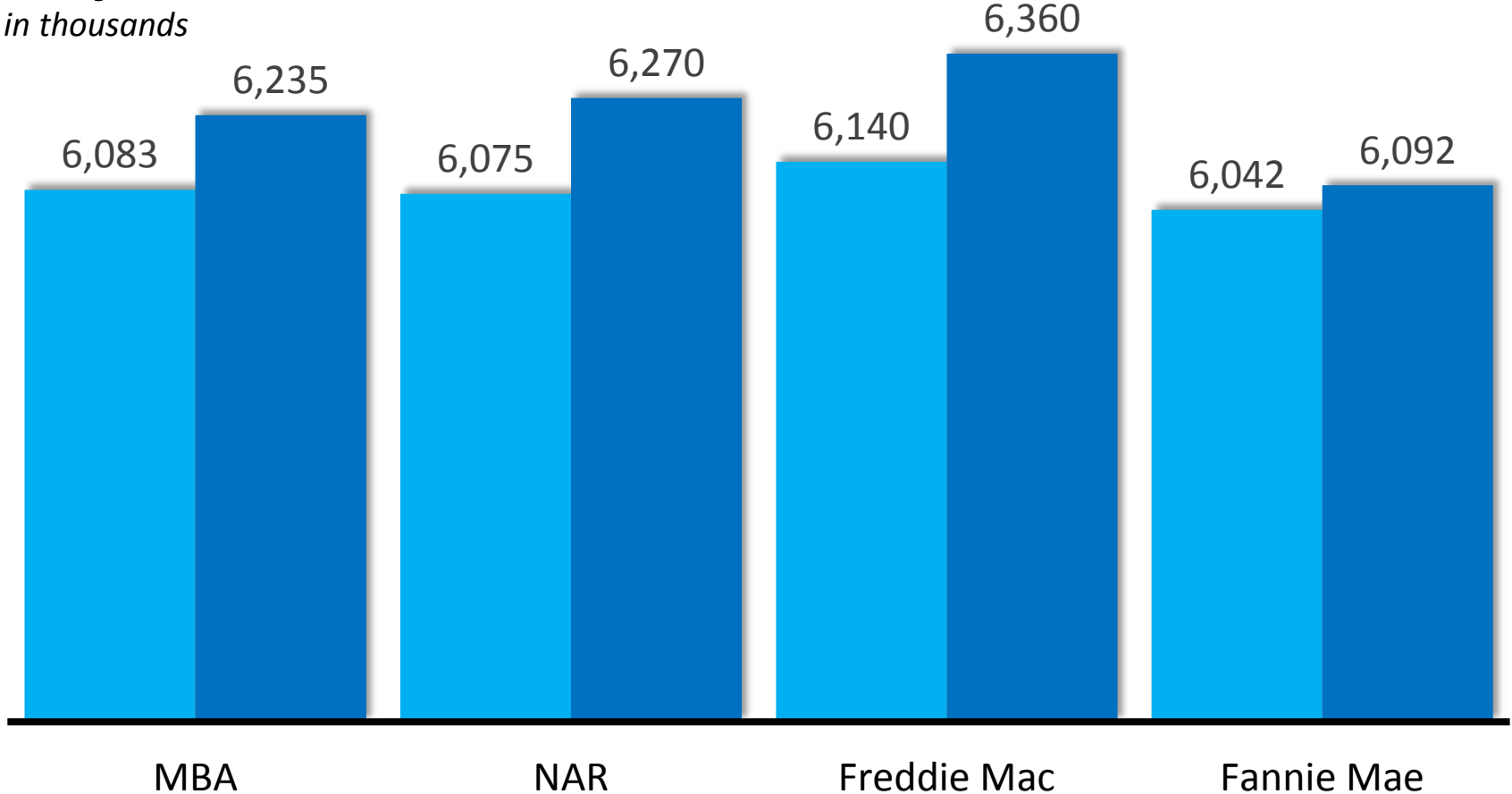


Ivy Zelman

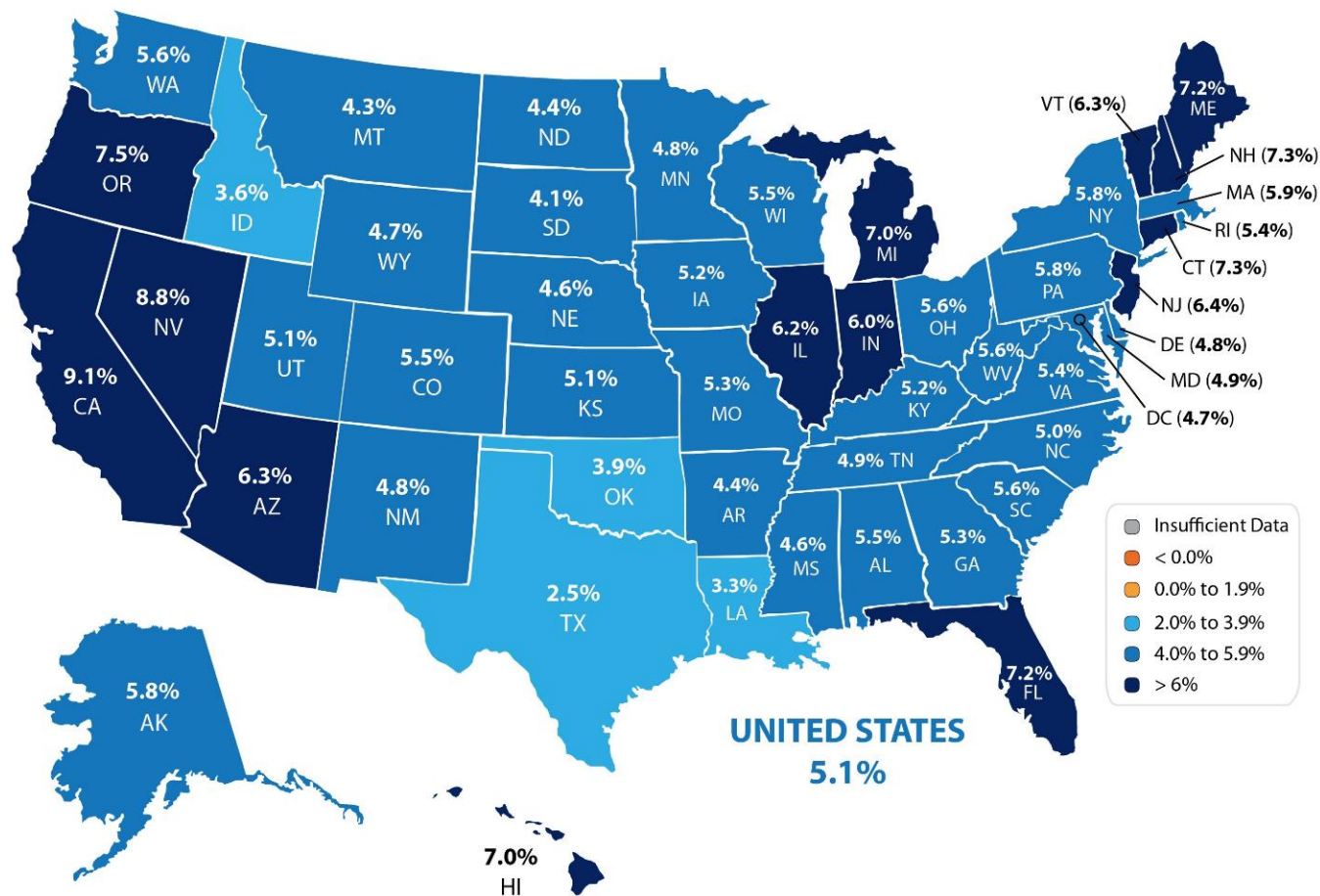
# Projected Home Sales

*in thousands*

■ 2018 ■ 2019



# Forecasted Y-O-Y % Change in Price



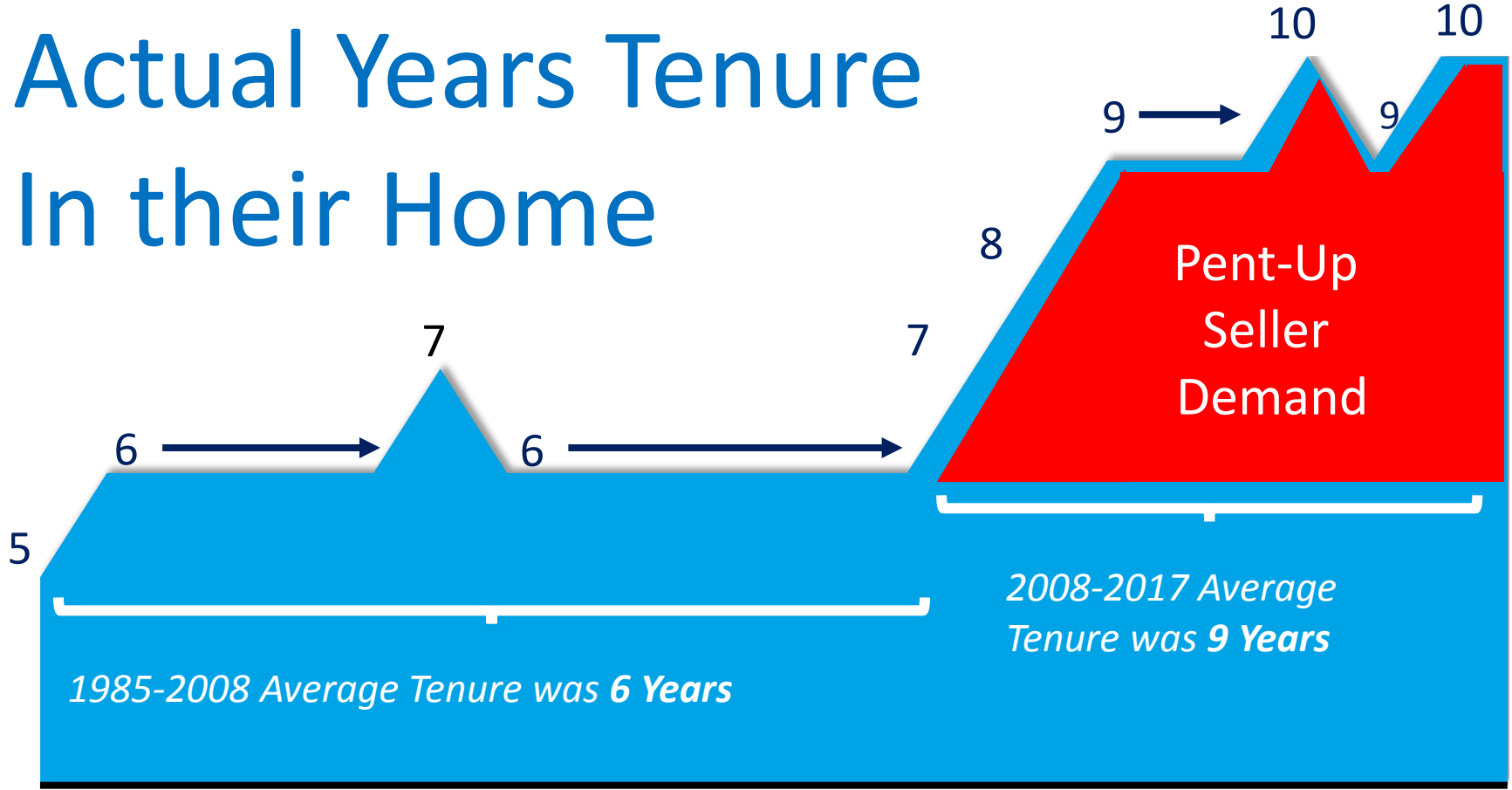
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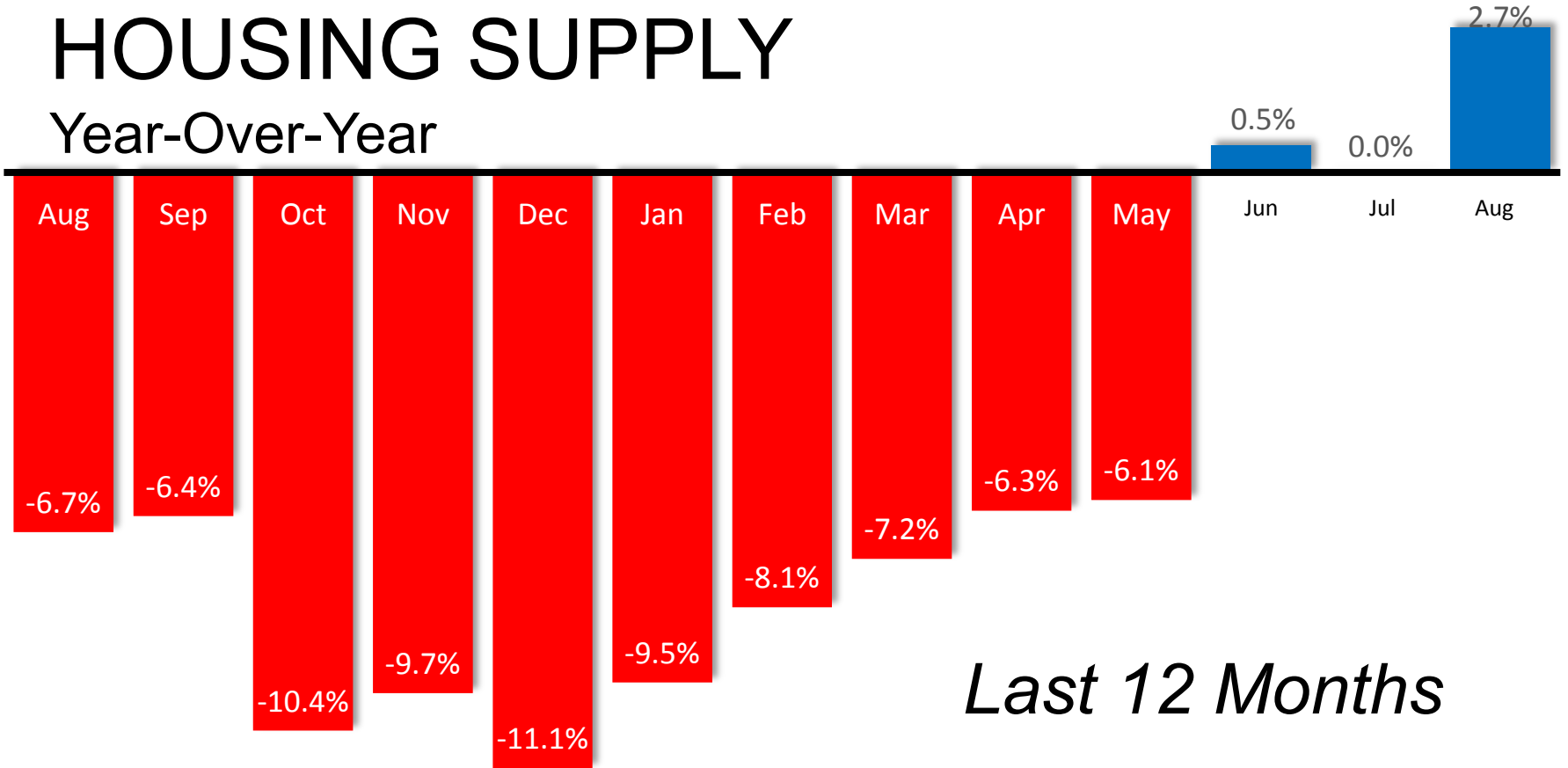
# Actual Years Tenure In their Home



1985 1987 1989 1991 1993 1995 1997 2000 2002 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

# HOUSING SUPPLY

Year-Over-Year



*Last 12 Months*

# National Housing Inventory Crisis Reaches Inflection Point

- *realtor.com*

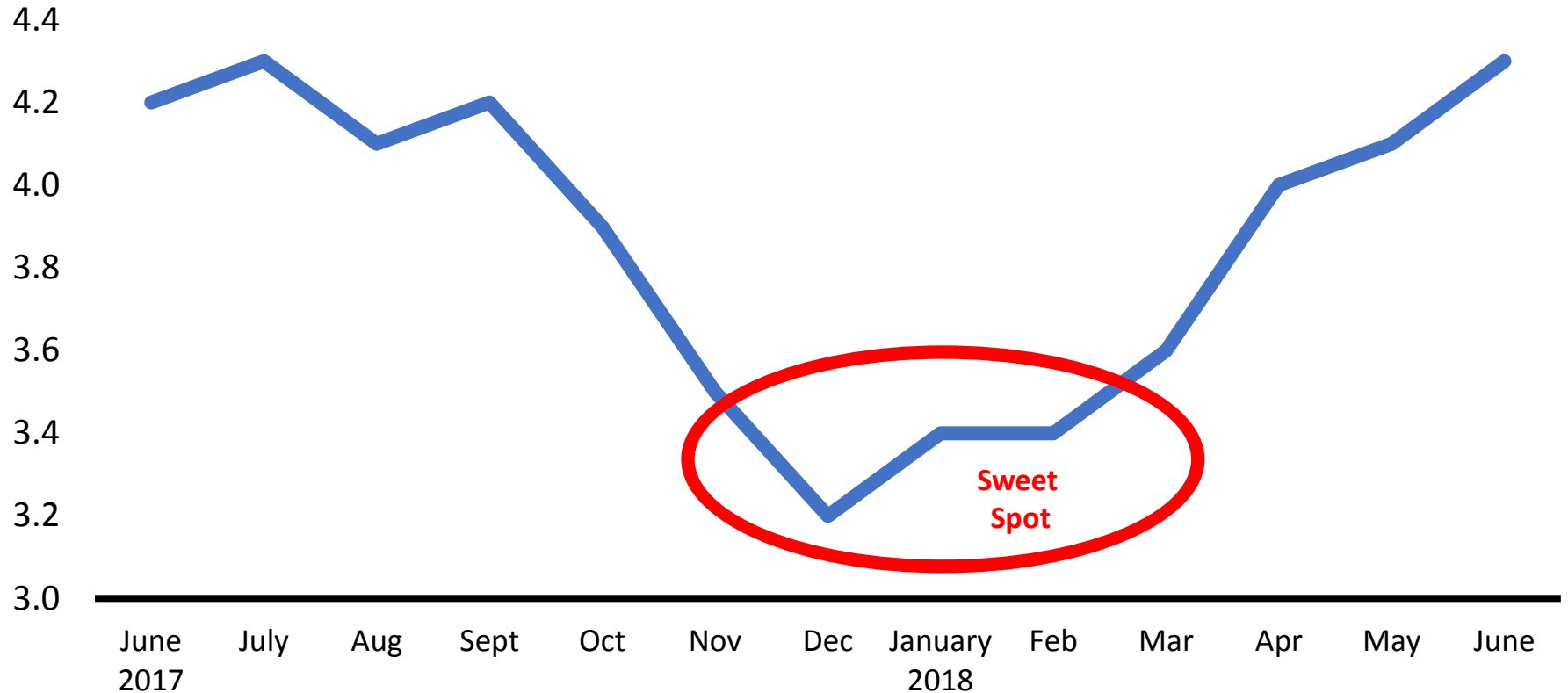
1. Nationally, new listings jumped 8% year-over-year, the largest increase since 2013
2. Total listings in the 45 largest markets now up 6% on average over last year

# Q: When do most listings come on the market?



A: The 2<sup>nd</sup> Quarter of each Year

# Inventory Levels - Months Supply



# New Home Starts

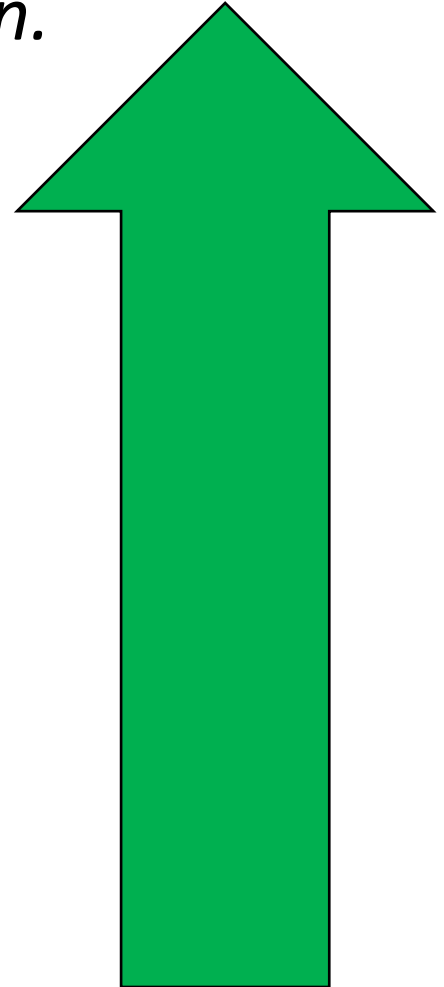
Up 9.4%  
over last year



*More inventory means more competition.*

Today, because of a lack of inventory, a seller can expect:

- 1.) A great price on their home as buyers outbid each other for it
- 2.) A quick sale as buyers have so little to choose from
- 3.) Fewer hassles as buyers don't want to "rock the boat" on the deal



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Shifts create confusion.



You make your money...  
**ON THE TURNS**

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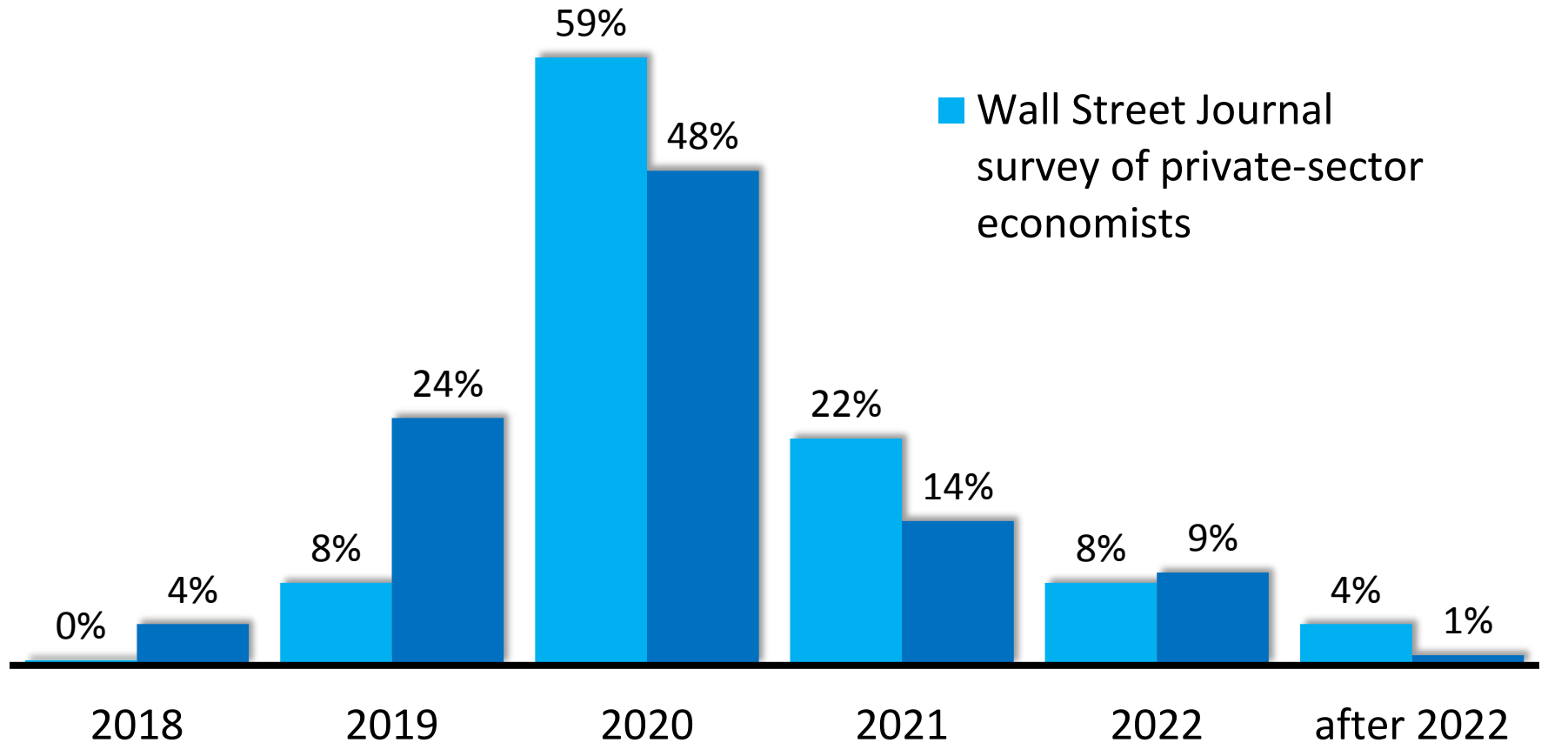
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Upcoming Recession?  
When will it happen?  
What will be the Impact?

# When Will Next U.S. Recession Begin?



“Recessions are notoriously difficult to predict... Forecasters saw the chances of a recession rise back in 2011 and in 2016; both turned out to be false alarms.”

Wall Street Journal



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**Recession  $\neq$  Housing Crisis**



# re·ces·sion

[rə'seʃ(ə)n]

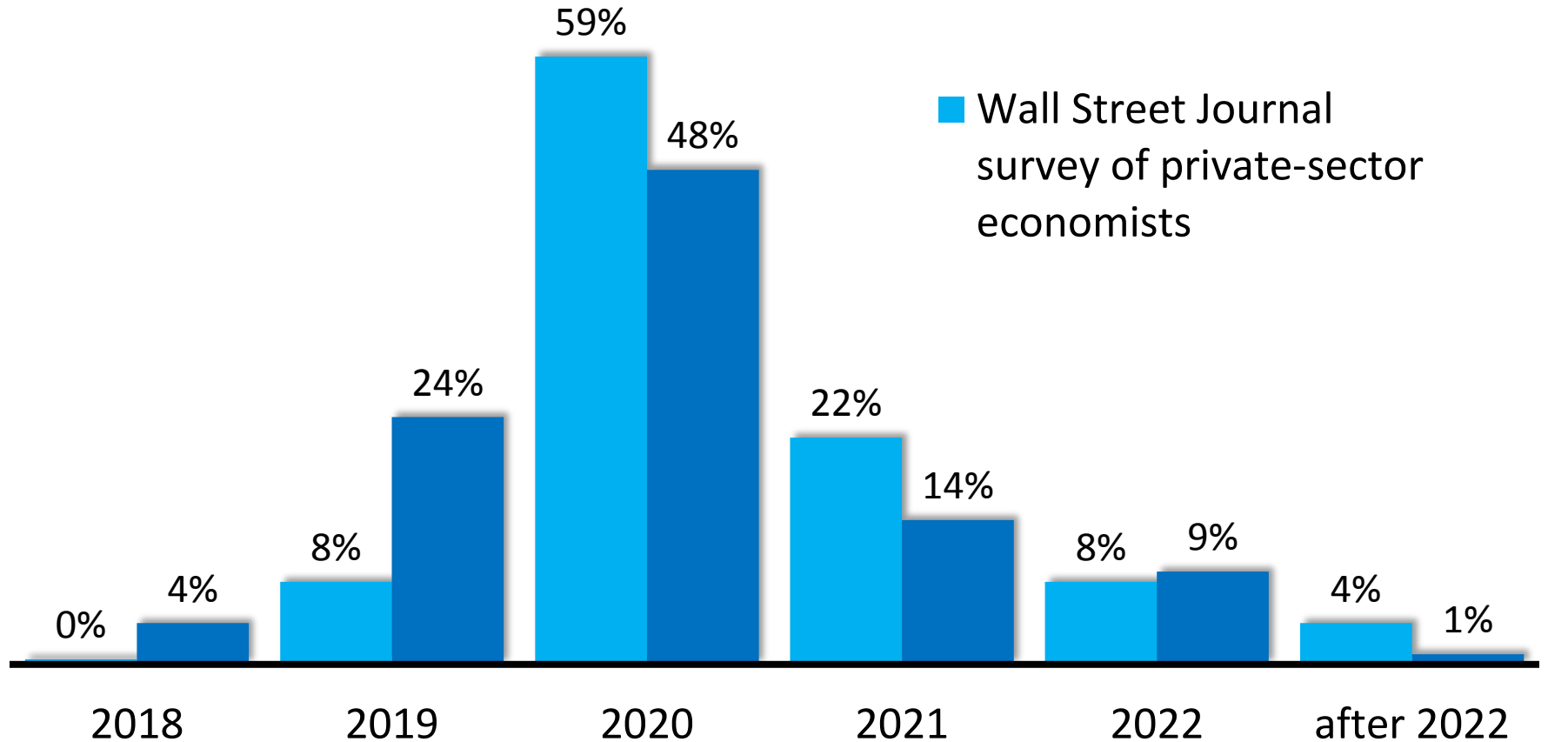
## NOUN

1. a period of temporary economic decline during which trade and industrial activity are reduced, generally identified by a fall in GDP in two successive quarters.

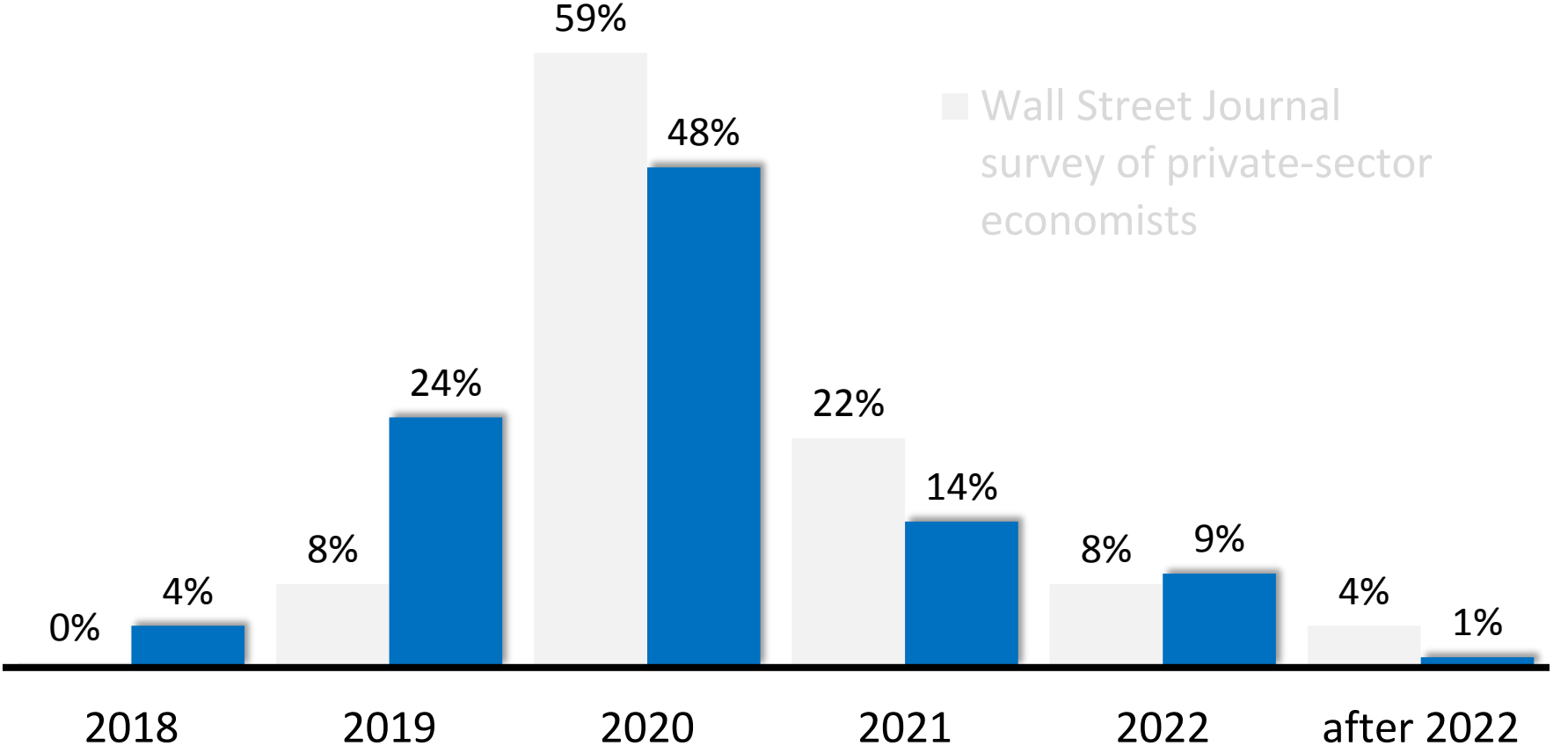


**SLOWDOWN  
AHEAD**

# When Will Next U.S. Recession Begin?



# When Will Next U.S. Recession Begin?



# Home Price Expectation Survey



A nationwide panel of over  
one hundred *economists*,  
*real estate experts* and  
*investment & market*  
*strategists*.

# Top 3 Triggers for next Recession

Monetary Policy

Trade Policy

Stock Market Correction

Coming in at #9 ...

Housing Market Crisis

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“Ralph McLaughlin, chief economist at Veritas Urbis, analyzed data from the recession in the early 1990s, early 2000s and 2007 through 2009 and forecast the likely effect of the next recession on current home-price growth. If the next recession resembles either the bursting of the dot-com bubble in the early 2000s or the mild early 1990s recession, home prices will likely stagnate for a year or more but not fall.”

Wall Street Journal



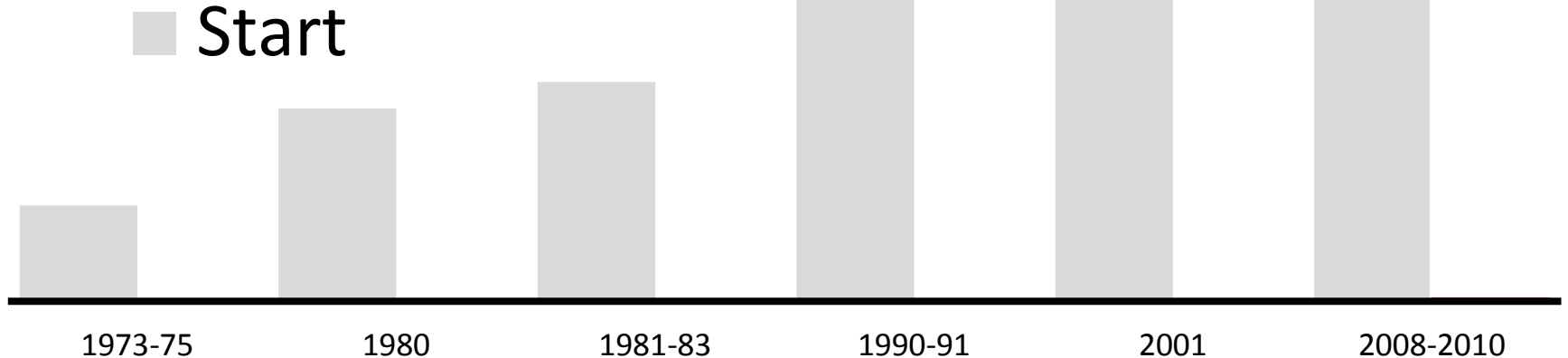


# Home Price Change

during the last

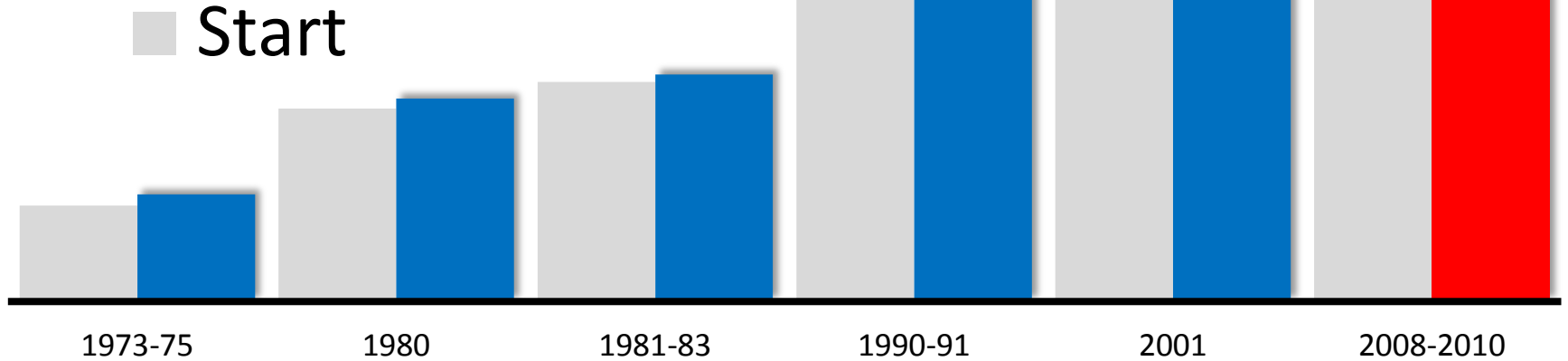
**6 RECESSIONS**

over the last 45 Years



# Home Price Change

during the last  
**6 RECESSIONS**  
over the last 45 Years



“All told, while solid long-term demographic underpinnings support our positive fundamental outlook for housing, in the event micro-economic headwinds surface, we would expect housing transaction volumes and home prices to weather the storm.”

The Z Report



“Fortunately, the history of recessions and current issues that could harm the economy don’t lead many to believe the housing market crash will repeat itself in an upcoming decline.”

U.S. News & World Report



**Recession  $\neq$  Housing Crisis**

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LOW | MEDIUM | HIGH

TRUST

“No matter how cold it is,  
you must never look cold.

No matter how hungry you are,  
you must never look hungry.

No matter how terrified you are,  
you must never look terrified.

Because if you are terrified, hungry and cold,  
they will be terrified, hungry and cold.”

Colin  
Powell





This is our time