National Association of Realtors Holds Annual Conference

Tue, Nov 9 2004, 8:00 AM

Over 25,000 members of the National Association of Realtors� (NAR) finished up their 2004 convention on Monday. The annual conference and exposition was held November 4-8 in Orlando Florida.
Attendees could choose among over a hundred meetings, seminars, and panels, and prowl over 500 vendor booths spread over 137,000 feet of exposition space to see the latest in marketing and technology products.

The NAR convention always breaks a little news. Here are some of this year�s highlights.

- Good economic news was everywhere. David Lereah, NAR�s chief economist, projected that existing home sales would rise 7.3 percent this year to 6.55 million (up from 6.03 million in 2003,) and that new home sales would break the 2003 record of 1.09 million, rising to 1.17 million. Both existing and new home sales are expected to drop a bit in 2005 but remain more than bullish at 6.30 million and 1.07 million sales respectively.

  Mr. Lereah said that the median existing home price (the point at which one half of all homes sell for less and one half sell for more) will grow by 6.9 percent to $181.700 and the median for new homes to $212,600. He expects that prices will appreciate at a slower rate in 2005, but, with inventories remaining tight and interest rates low, should �continue to rise a little faster than historic norms.�
- Apartment rentals are also picking up. NAR projects a net absorption of 260,000 rental units in the top 57 markets this year � up nearly 100,000 since 2003. The vacancy rate is expected to finish the year at 5.9 percent, down 0.5 percent from last year, and is projected to drift down to 5.5 percent over the next two years. Rents will, correspondingly, rise 1.2 percent this year, 2.2 percent in 2005 and 3.1 percent in 2006. Multi-family housing is about to become a hot commodity again.

- The Association gloated a bit about its political clout. 2005 NAR President Al Mansell went so far as to tout the success of the �REALTOR� Party� in this past week�s election. NAR spent some $13 million in political advocacy funds (is that the same thing as �PAC money�?) and succeeded in electing 24 of the 27 candidates who received help through the NAR Opportunity Race program.

  NAR was also scored a political success by achieving another one-year moratorium on the participation of banks in real estate brokerage and property management. This is a perennial crusade, but NAR hopes to call in a lot of IOUs (REALTOR� Party, remember?) to make the prohibition permanent as a part of the Senate�s 2005 appropriations bill.

There were also a few pieces of news on the commercial real estate news front.

- NAR and the Open Standards Consortium for Real Estate (OSCRE) announced their intent to create a set of data standards for the exchange of information about commercial real estate properties for sale or lease.

  The two organizations have established a working group called the Commercial Information Exchange (CIE) Working Group which will seek to streamline and automate the exchange of information, enabling real estate professionals to locate, sell, lease, or purchase commercial properties. The ultimate goal is a system which will have many of the attributes of a residential multiple listing services, allowing commercial players to communicate �in a common language for the first time.� Unlike MLS, however, compensation will continue to be negotiated outside of CIE.
- According to Economist Lereah, the commercial real estate outlook is as rosy as the residential. The economy, he said, is creating jobs and this has increased the demand for commercial real estate space.

  Mr. Lereah estimated that net absorption of office space, which includes new space coming on the market as well as space in existing properties, should rise to 58.0 million square feet in 2005 and to 71.5 million square feet in 2006. This is in comparison to the 45.3 million square feet that will be absorbed this year and a dismal 20 million square feet in 2003. Vacancy rates in the major markets are likely to decline to 13.4 percent in 2006 from an expected 16.3 this year.

  Absorption of retail space is, likewise, expected to come roaring back. Only 11.8 million square feet was leased in 2003 (look at all of those vacancy signs in the strip malls near you) but is expected to nearly double by the end of this year, Vacancy rates should remain stable at around 8.1 percent as more and more space is created.

View this Article: https://www.mortgagenewsdaily.com/news/1192004-National-Association-of-Realtors-Holds-Annual-Conference