



HOUSTON INDEPENDENT REAL ESTATE BROKERS ASSOCIATION

General Meeting
February 27, 2019
Trini Mendenhall Community Center

Houston Outlook 2019

Dr. James P. Gaines

Chief Economist



REAL ESTATE CENTER
TEXAS A & M UNIVERSITY

recenter.tamu.edu

Recessionary Fears



Stock Market Woes Raise a Nagging Fear:
Is a Recession Near?



Nearly half of US CFOs fear a 2019 recession

BARRON'S

People Are Really Worried About a
Recession.

2018 A Very Good Year - 2019 Definite Slowdown



- **Real GDP growth 2018 ~ 3.1%+ 2019 ~2.7% – 2.9%**
- **Jobs expanded ~1.5% Unemployment rate ~4.0%+**
- **Interest rates up during the year, but didn't rise with end-of-year Fed Funds rate hike!**
- **Inflation approached 2.5% and will probably stay there**
- **Tax Cuts added positive impacts**
- **Industrial Production high but less labor**
- **Income and spending growing**
 - **Real Disposable Personal Income +2.9% thru 3Q18**
 - **Real PCE +2.6% thru 3Q18**
- **Housing improving, not fully recovered; recent stalling**
- **U.S. became #1 oil producer and net exporter**

Consumer Confidence Index



