



*Elliott D. Pollack & Company*

## **The Monday Morning Quarterback**

*A quick analysis of important economic data released over the last week*

### **FOR IMMEDIATE RELEASE**

**April 16<sup>th</sup>, 2018**

It was a slow news week from an economic standpoint. The consensus forecast for 2019 real GDP was marked up slightly. This suggests that the consensus believes that 2019 will also be a good year economically. Consumer prices were under control. And, consumer sentiment was down a little, but, was still high.

In Greater Phoenix, apartment vacancy rates rose a little compared to a year ago. But, rents continued to rise. And in Greater Tucson, listing on the multiple listing service continued their downward trend while existing housing prices increased well in excess of inflation.

After the noise of the last few weeks, the quiet week seems like a welcomed respite.

### **U.S. Snapshot:**

- The consensus forecast of annual (year over year) and 4th quarter (Q4/Q4) real GDP growth in 2018 remained at 2.8% this month despite a further decline in the forecast of growth during the 1st quarter of this year. According to the early April survey, the consensus forecast for the 1st quarter fell 0.4% of a percentage point over the past month to a seasonally adjusted annual rate (saar) of 2.1% and is down 0.7% if a point over the past two months. At the same time, the panelists ratcheted up their forecasts of real GDP over the remaining three quarters of 2018. In addition, for the second consecutive month the consensus forecast for 2019 inched up and now stands at 2.6%.
- The consumer price index for all urban consumers (CPI-U) decreased 0.1% in March after rising 0.2% in February. The index now stands 2.4% above a year ago. The all items less the volatile food and energy sectors, also known as the base rate of inflation, increased 0.2% and now stands 2.1% above year earlier levels.
- Consumer sentiment came in below expectations at 97.8 for the preliminary April index. This is down from 101.4 in March and up from the 97.0 reached a year ago. The overall index is still quite high (see chart below).

### **Arizona Snapshot:**

- Real Data's latest information on the Greater Phoenix apartment market suggests that while vacancies on a year over year basis are up (7.5% in the first quarter of 2018 vs. 7.0% a year ago), the apartment market as a whole still looks good. Vacancy rates are

still moderate by historic standards. Rents were up 5.0% compared to a year ago. And the number of apartment units in Greater Phoenix was up 3.8% compared to a year ago.

- According to MLS data in Greater Tucson, March total listings were a modest 3,186. This is down 5.6% from year earlier levels. Total sales were 1,462. This is flat from year earlier levels. But, the median sales price was up 6.6% over that time period to \$210,000.

