



Editor's Insights

Lucinda Smedley • published in the January 2018 issue

Happy 2018! Given the recent tax legislation and Wall Street's record setting response, 2018 is starting out to be an exhilarating ride. With the Dow Jones industrials crossing the 25,000 level for the first time, the question on everyone's mind is "this can't continue, can it?"

Alain Sherter at Moneywatch writes that the bull market, which started its climb in 2009 as the Great Recession ended, has been powered of late by renewed economic growth, robust corporate profits energized by the recently enacted tax overhaul and the strongest labor market in nearly two decades.

According to Anthony Mirhaydari at Moneywatch, analysts at SentimenTrader noted that the market's breathless rise means it has been nearly 400 days (or more than 450 if we exclude a single day last June) since the major indexes were more than 5 percent off a 52-week high. The three other times this happened, a decline of more than 7 percent in the S&P 500 happened over the next 30-40 days.

"I do believe we'll see 30,000 before this bull market ends, but we are going to have a lot more turbulence between now and that next large round number," notes Chris Zaccarelli, chief investment officer with the Independent Advisor Alliance.

Could Wall Street's euphoric milestones continue throughout the year? Barclays predicts that the S&P 500, the broadest U.S. stock index, will finish the year at 3,150 points, which would represent a nearly 18 percent gain. Major factors expected to fuel the run-up are stronger corporate earnings, stock buybacks and healthy consumer spending. Alain Sherter

CCIM's upcoming annual forecast event, featuring keynote speaker KC Conway, MAI, CRE, CCIM Institute Chief Economist and Director of Research and Corporate Engagement, will shed light on what we can expect to see in 2018. The event is on February 13, 2018 and being held at Tucson Convention Center. Register at ccimconnect.com/southernarizona/home.

This time a decade ago, both wage earners in our household had been laid off within six months of each other, a risk of both working for the same company in the cyclical homebuilding industry. It was a very unsettling time as the full thrust of the downturn hadn't hit the commercial real estate industry yet. As many of you know, Brent transitioned from residential construction management to become a highly respected and referred realtor with Long Realty. I launched Real Estate Consulting Group, focusing on real estate strategy, market positioning and consumer research and TREND report. As TREND report enters its 10th year, we will be looking at the state of the market today vs. ten years ago to see how far we've come in what many refer to as the lost decade. We also want to express our gratitude and thank our clients, colleagues and friends for their support and business over the past decade.

Finally, a big thanks to the contributors of the January finance issue—Joe Snell, Scott Stovall, Susan Armstrong, Matt Thasher, Jodi Bain, Jim Sellers, Tim Prouty, Theresa Witz, Kevin Prouty—who once again shared their insights on what to expect in 2018. Wishing everyone a healthy, happy and prosperous new year! Thank you for your continued support.

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at 520-603-2175 or lucinda@trendreportaz.com