



## **REIAC Southwest's 'When will the good times end' plays to a packed house**

Dr. Peter Linneman doesn't mince his words when it comes to the economy and the real estate market.

"The economy is the rising tide that affects all the ships in the ocean. No type of real estate is immune to that tide," Dr. Linneman said before a packed house on Nov. 15 as REIAC Southwest presented "When will the good times end," an afternoon with Dr. Linneman at the Arizona Country Club.



For more than three decades, Dr. Linneman has been a critical influence in driving the professionalization of real estate capital markets and the commercial real estate industry. During his talk before REIAC members and guests from the Valley's business community, Dr. Linneman spoke on a range of topics.

He focused on the single-family housing market and its effect on the nation's GDP. There is still a huge gap between actual and trending GDP, he said.

"You can deviate for a while," he explained. "This captures why people feel good and bad at the same time. The bad news is the gap. The disconnect. We're doing OK but we should be doing better."

On the matter of consumer confidence, he said people tend to think that another recession could happen tomorrow. "It will occur because we're humans," he said. On the positive side, he added, private sector employment is at all-time high.



Still, he said that small businesses are being killed by regulations. His charge to the audience was to lobby elected leaders and change the terms of the competition. His discussion also touched on debt, corporate profits, a robust senior housing market, Baby Boomers, and banks that are actually lending money.

During a post-presentation interview with one of his former students, Gary Linhart of ViaWest Group, Dr. Linneman focused on the Valley real estate market, autonomous vehicles, entitlements, and the Amazon effect.

Asked by Linhart what he sees as the greatest challenge, Dr. Linneman said: “Bad things tend to happen when there is more money than brains.”

The founding chairman of the Wharton Real Estate Department, Dr. Linneman has taught real estate and finance at the Wharton School of Business for more than three decades. The “Linneman Letter” is an extension of his lectures and teaching style.

If you were unable to attend, we videotaped the entire program. If you would like to view Dr. Linneman’s entire presentation, please contact Chapter Administrator, [Sheila Hamilton](#). We have included a link to the 3-minute highlight video. <https://youtu.be/3mjhkEB02Dc>