Connect the Speakers: Nela Richardson on economic inequality in 2018

Nela will open the main session with Brad Inman on Wednesday, January 24, at 8:30 a.m. at the Marriott Marquis Hotel, Times Square, during the session "The Water's Just Fine and Other Predictions for 2018."

We're really excited to have you joining us as a speaker for Inman Connect New York, but tell us a little more about yourself. How did you arrive in your current role?

I started my career as a PhD economist in 2005 at Freddie Mac. The housing market was soaring then, propped up by exotic mortgages and toxic mortgage-derivative securities. Over the next three years I watched the housing market disintegrate. In 2009, I went to Harvard and wrote about the subprime crisis and then ended up back in D.C. helping to create new derivatives regulations for the finance industry.

Nela Richardson

I joined Bloomberg and wrote about housing and financial regulation for Wall Street investors and D.C. policymakers. That led me to Redfin, right at the time when the market was rebounding in a really positive direction, and housing data was becoming more available and transparent for the consumer. The biggest difference between Redfin and my other jobs is that my research and writing is consumer focused, which I enjoy immensely.

Tell us a little more about your session, what kinds of things will you be talking about in January?

I have the privilege and the pleasure of kicking off Inman Connect New York with Brad this year. We'll be sharing our housing market observations on a wide range of topics, such as consumer trends, financial markets, weathers, business opportunities and tech. It will definitely be fun and will hopefully be informative as well.

What does a typical day look like for you?

Everyday is a different. But each day generally includes some mix of research, meetings, preparing for or participating in speaking events and media interviews. At least that's what my workday looks like. My evenings are filled with science chats, baseball practices, violin lessons and homework with my two boys.

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What do you think the biggest challenges facing the real estate industry are at the moment?

Economic inequality. You thought I'd say inventory, right? Well, inventory is the biggest near-term challenge, but inequality will affect the housing market over the next decade or more. Inventory gets a lot of attention because it's affecting buyers in the market now. Also our inventory challenges are very visible, as the shortage of homes for sale has caused home prices to grow rapidly.

But inequality is the longer-term problem. Families making the median income are becoming priced out of today's housing market. The risk is that the housing market will no longer serve as an economic engine of wealth creation for the middle class. Instead, the housing market is beginning to function the same way that the stock market does today — as an exclusive and expensive asset class that only half of American households actually participate in.

2018's shaping up to be a really exciting year, and as we look ahead, what are your hopes for the next 12 months, and what will you be working on?

Next year, we will keep close track of potential tax policy changes and how they affect migration. Redfin data shows that people are looking to leave expensive coastal cities for more affordable mid-tier cities like Sacramento, Phoenix and Atlanta. We think that tax reform, if passed, will just intensify this trend.

I'm also really focused on millennials and how their preferences are changing the nature and composition of suburbs. Builders are already starting to build new homes with millennials in mind. Instead of the baby boomer preferences for McMansions on big lots, we are going to see more demand for urban suburbs — places with walkable downtowns, highly ranked schools and well-designed housing plans that encourage density.

Finally, I'm really interested in how tech and data can be used to help find solutions to the nation's growing affordability challenges. Tech is often seen as part of the problem — it automates jobs and amplifies inequality, thus affecting the labor market. But I also believe that tech can be part of the

solution, by helping cities find innovative solutions that increase access to affordable homes and economic opportunity. This is my hope for the future.

Want to connect with Nela? You can find her on Facebook*,* Twitter *and* LinkedIn*.*

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