

# Lambda Alpha

## *The Washington Region Economy and For-Sale Housing Markets in 2007*

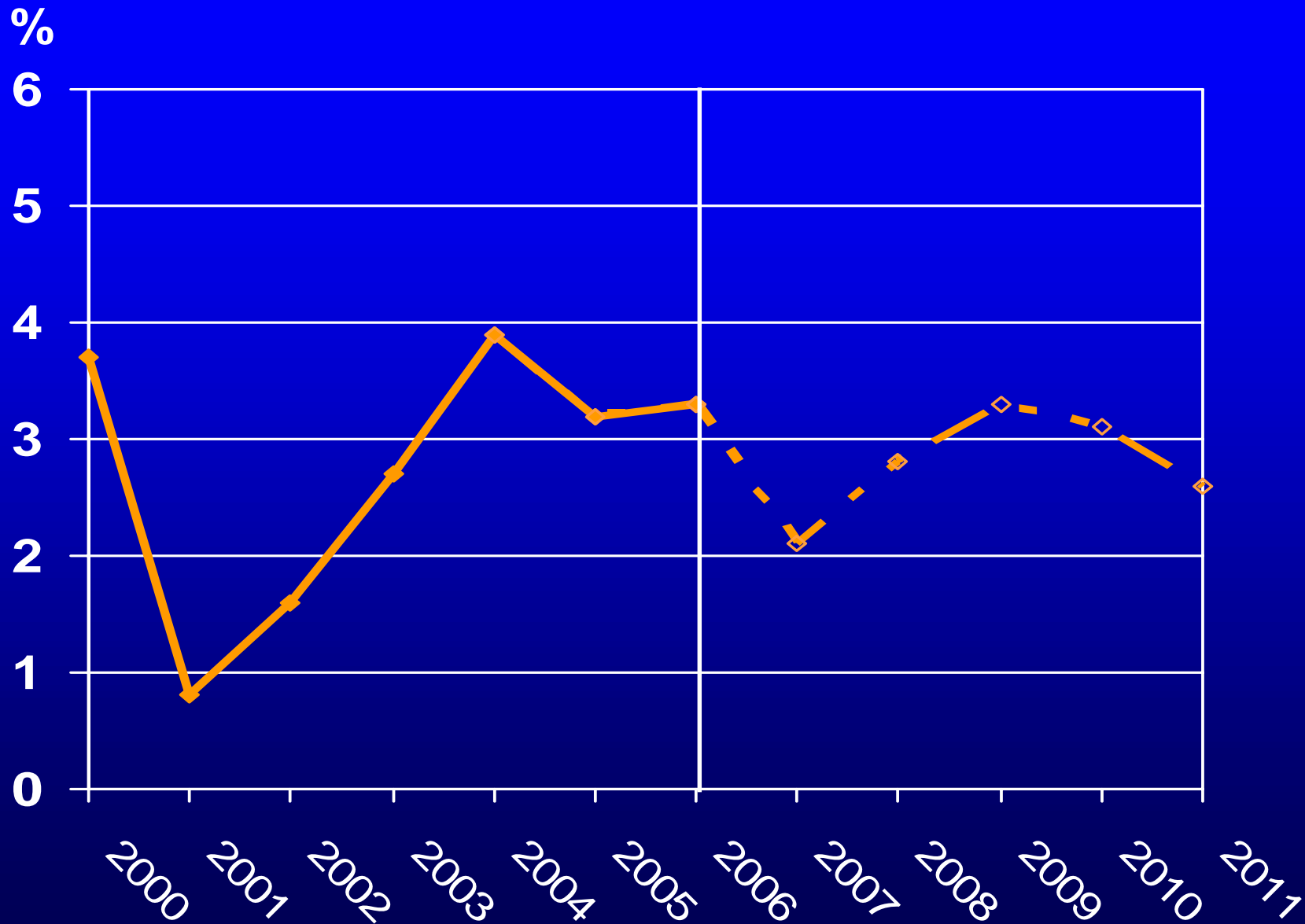
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Director, Center for Regional Analysis  
School of Public Policy, George Mason University

April 26, 2007

# **The U.S. Economy in 2007: Year of Changing Momentum**

# GDP 2000 - 2011



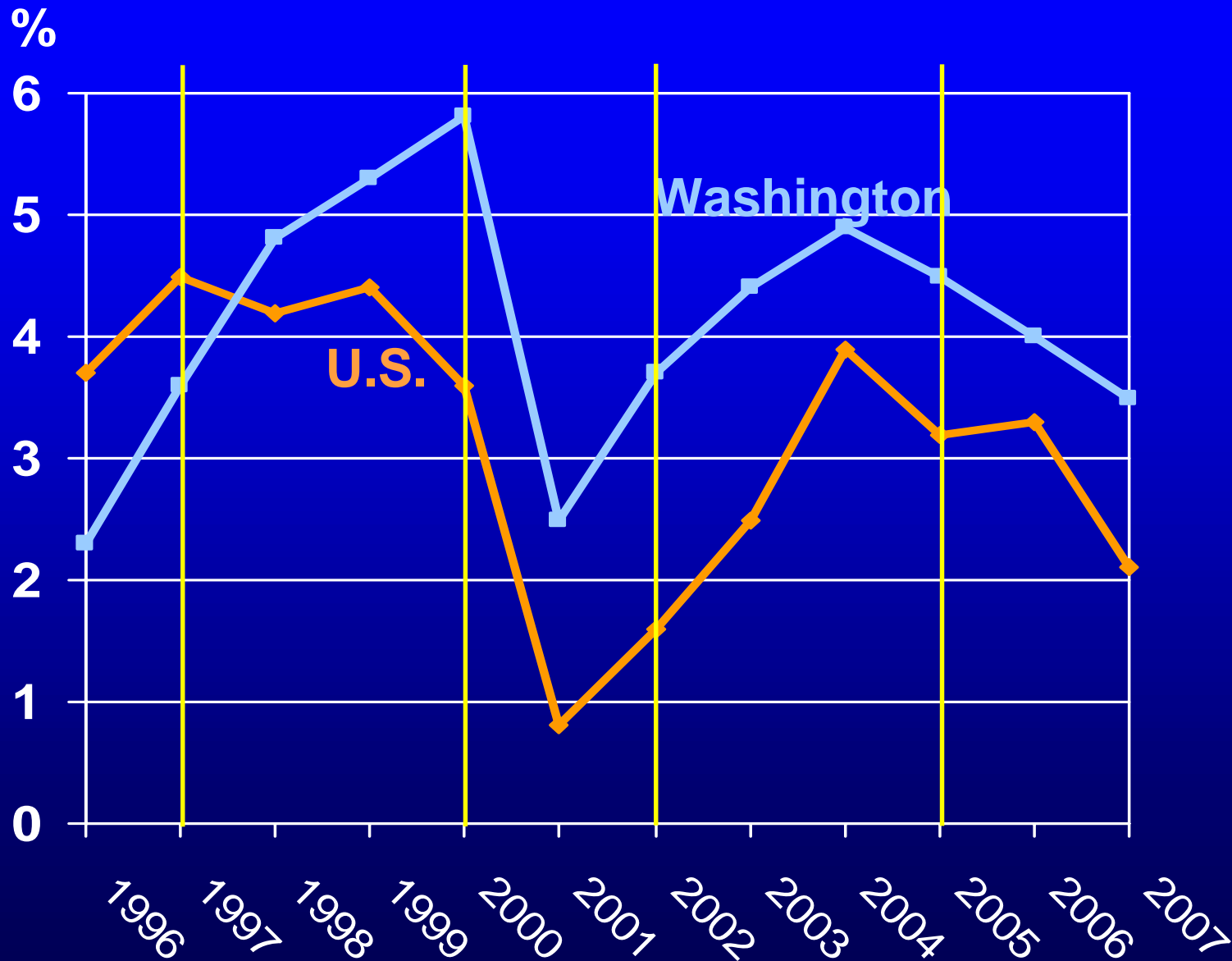
Source: Global Insight, GMU Center for Regional Analysis

# Major Factors Impacting GDP

- **Downturn in Housing Market**
- **Increase in Oil Prices**
- **Federal Funds Rate**
- **Slowing Business Investment**
- **Weaker Consumer Spending**
- **Below Average Productivity Growth**

# **The Washington Area Economy: Current Performance**

# GRP 1996 - 2007



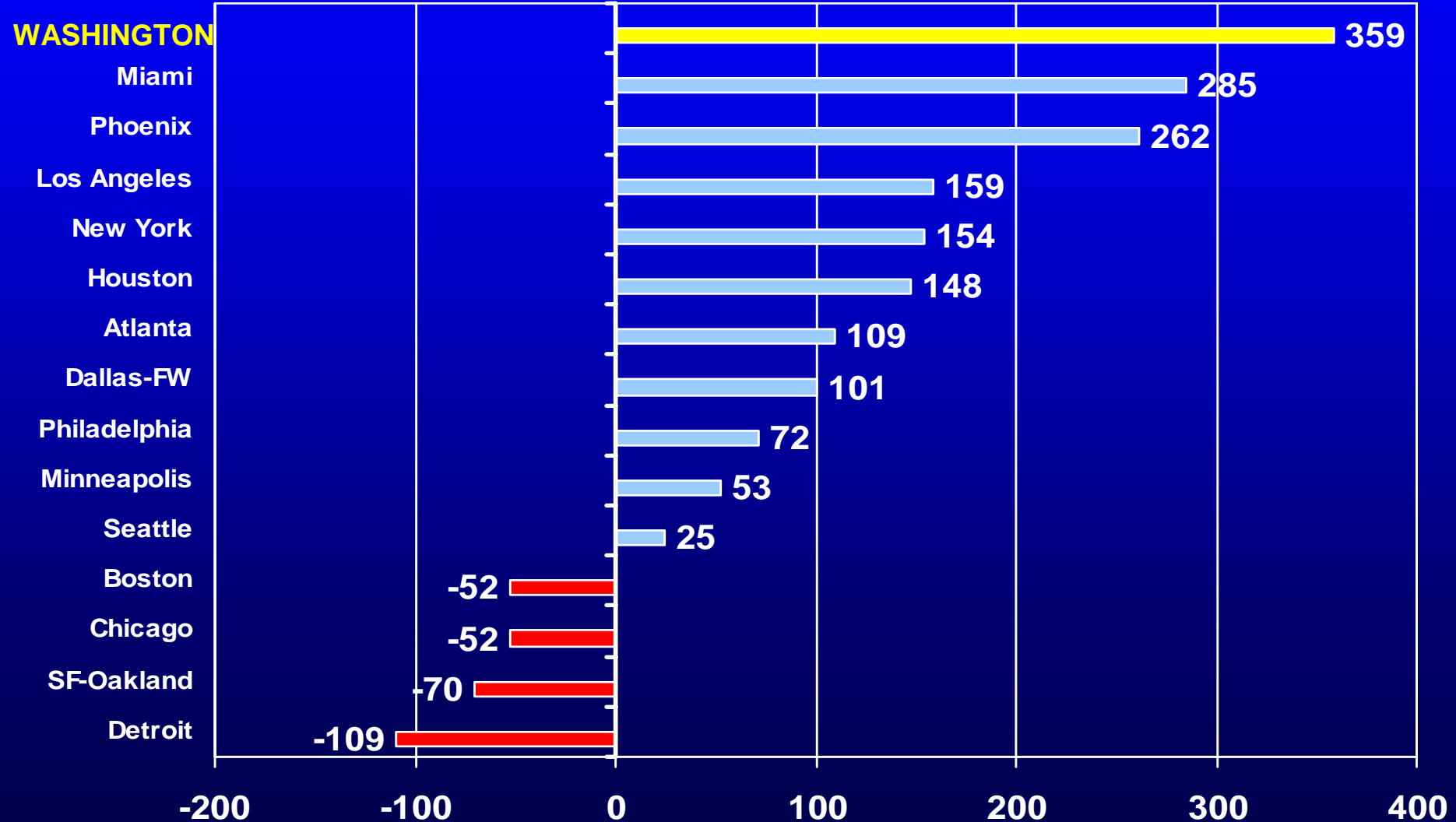
Source: GMU Center for Regional Analysis

# Metro Comparisons

## Job Change 2000-2005

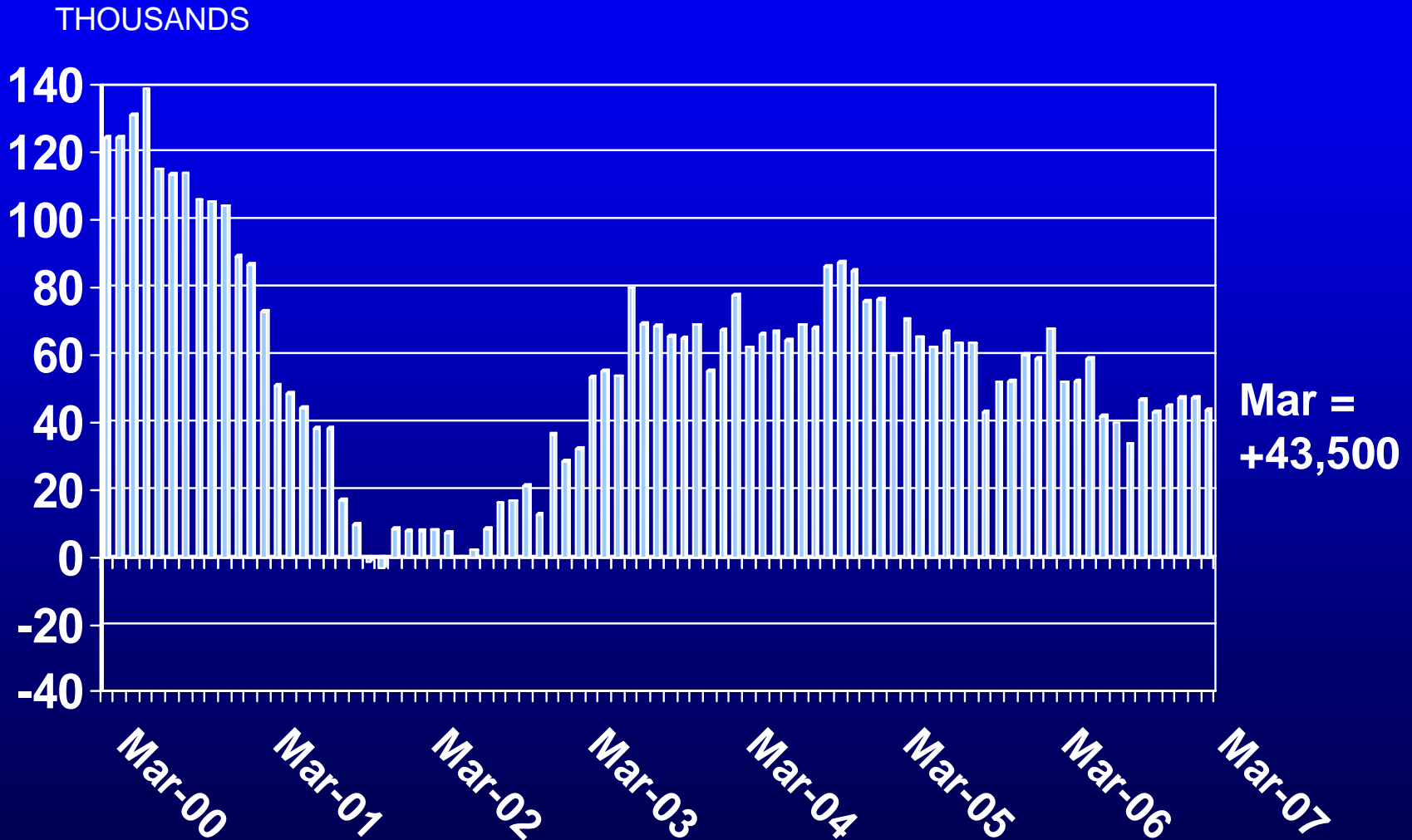
15 Largest Metro Areas

Thousands

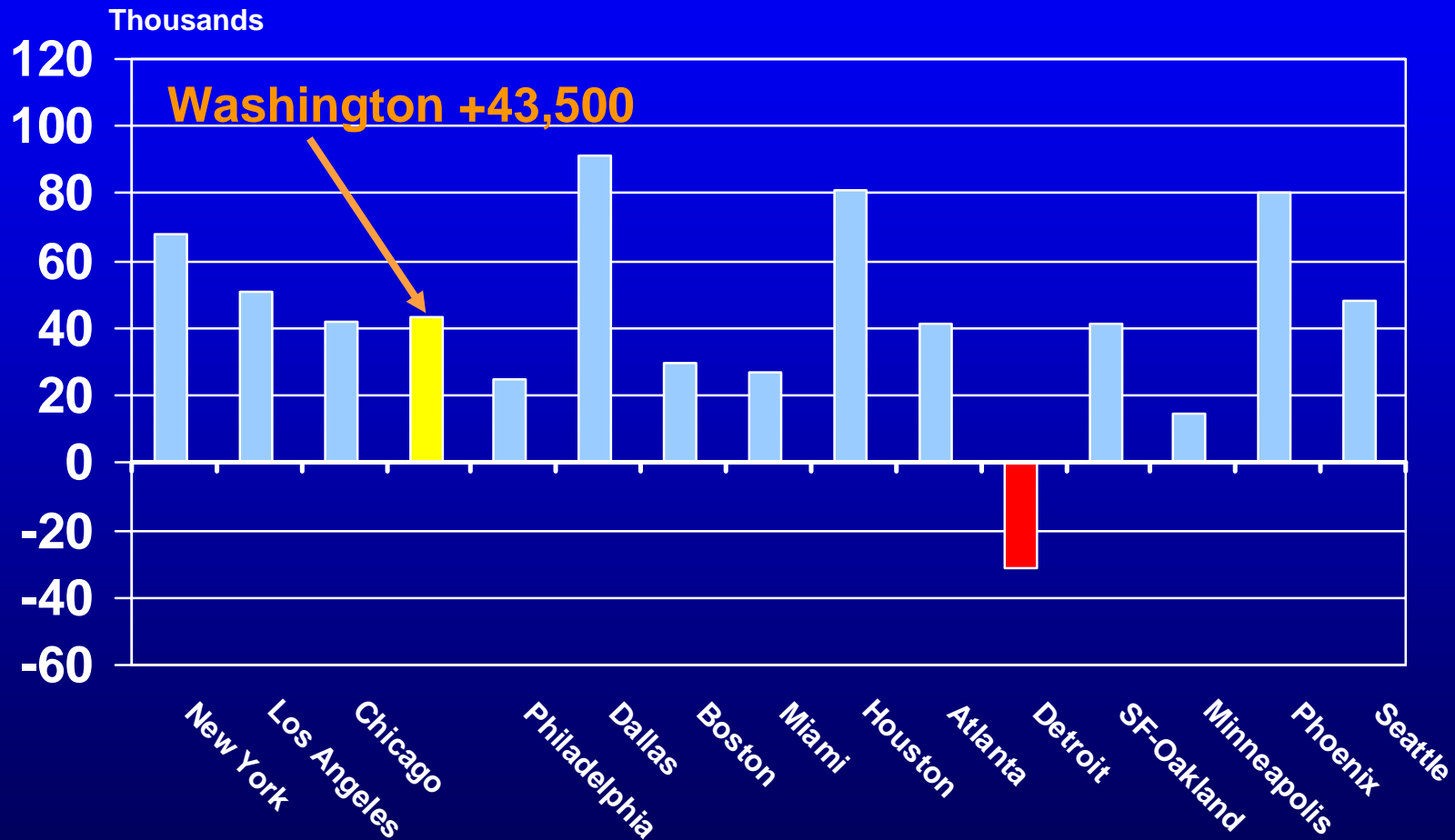


Source: BLS, GMU Center for Regional Analysis

# Annual Job Change Washington MSA



# 15 Largest Job Markets Job Change Mar 06 – Mar 07



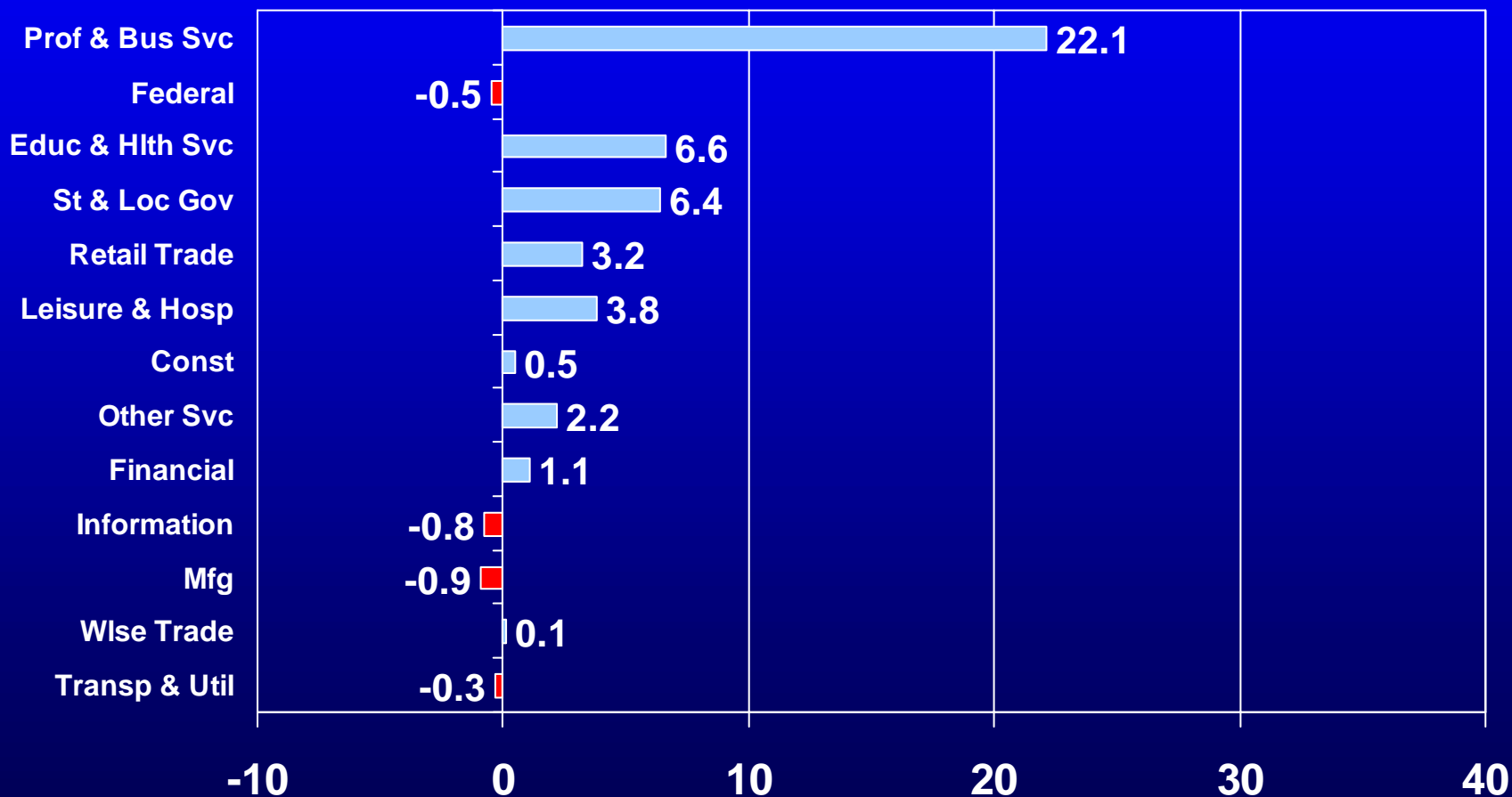
Ranked by Total Jobs

# Mar 06 – Mar 07 Job Change By Sector MSA

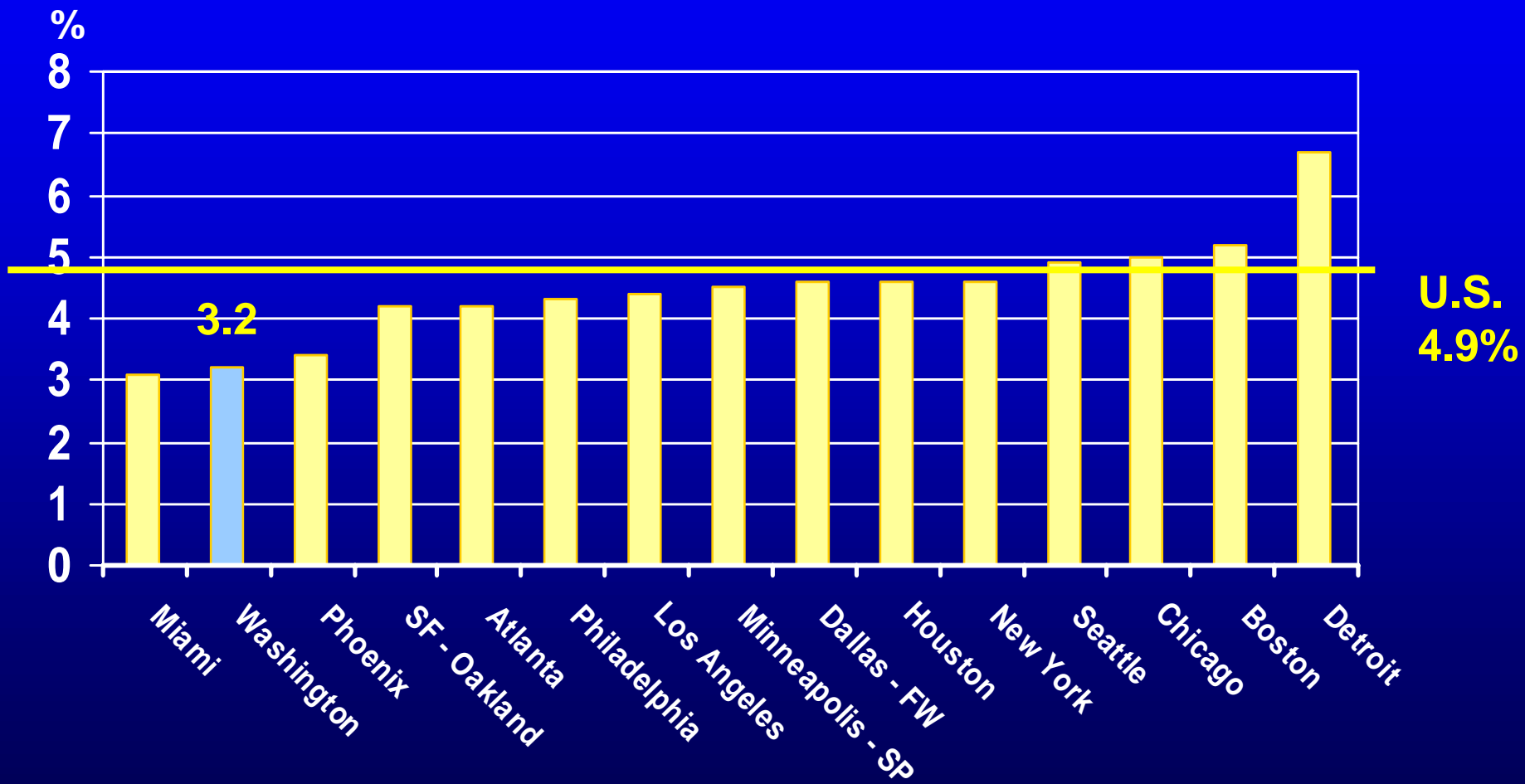
(000s)

Total = 43,500

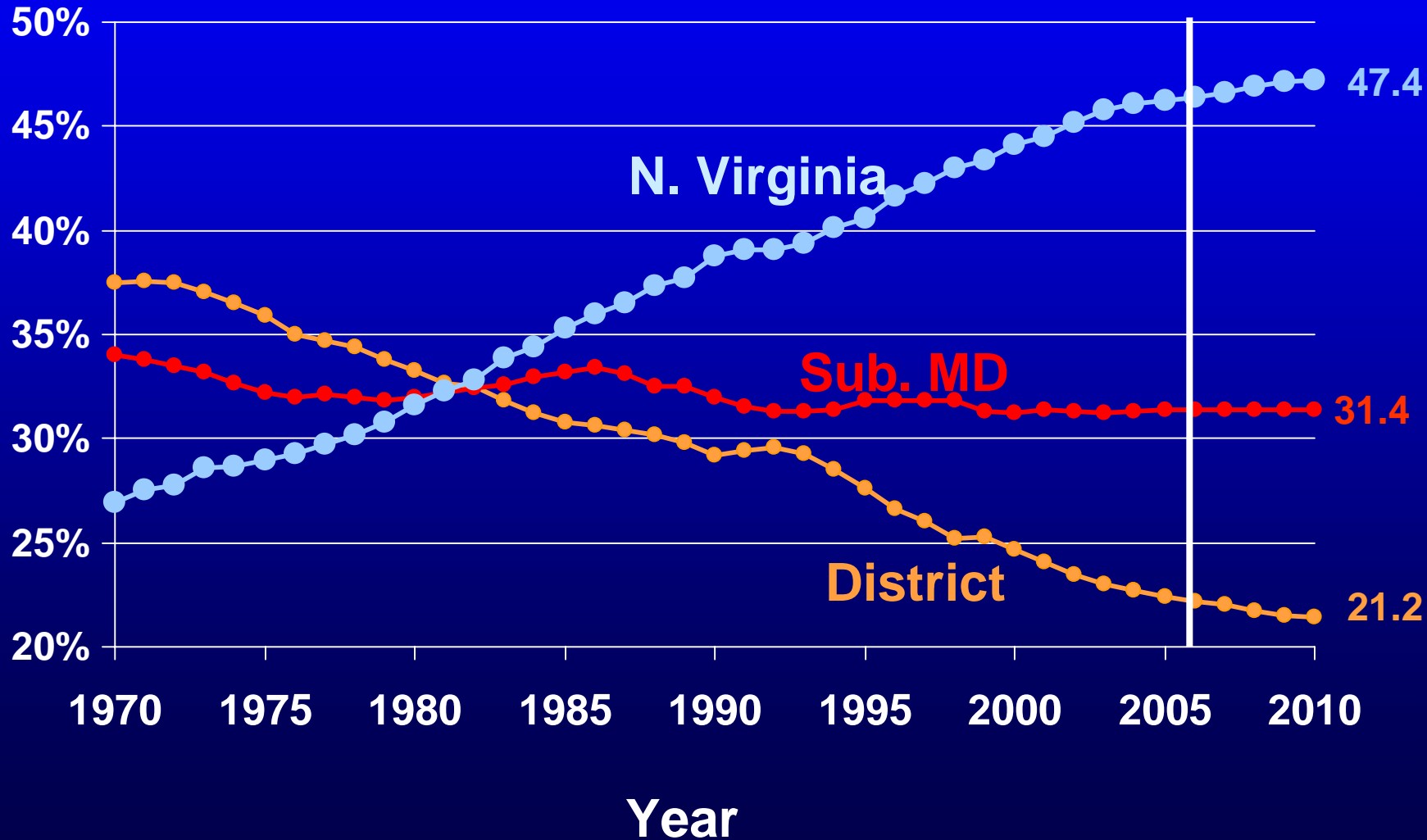
(Ranked by Size of Sector)



# 15 Largest Job Markets Ranked by Unemployment Rate February 2007



# Share of Washington Area Economy 1970-2005



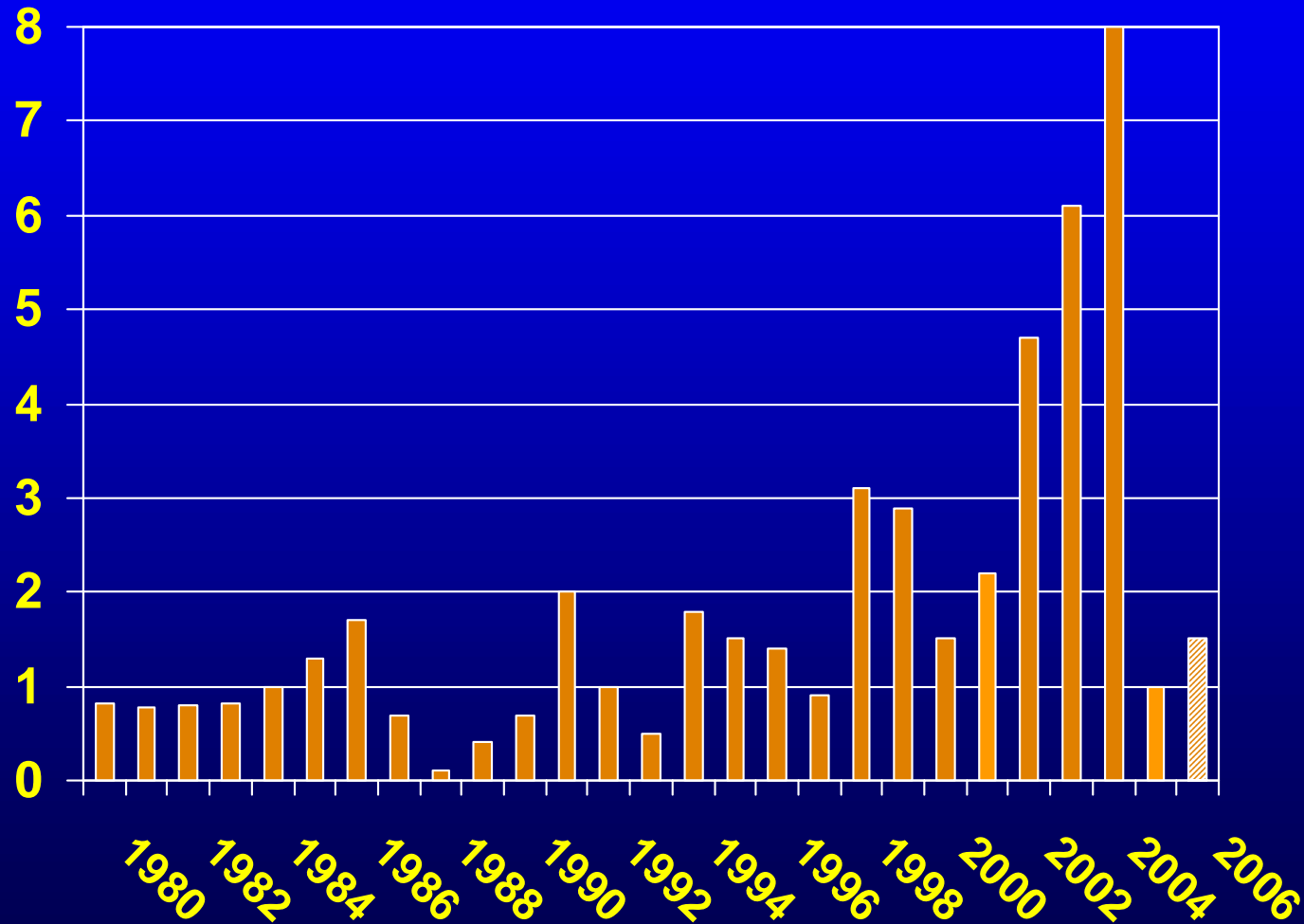
# **What is Different About The Washington Area Economy?**

# Federal Spending by Type 1983 - 2006



# Annual Change in Federal Procurement Spending Washington Metro Area

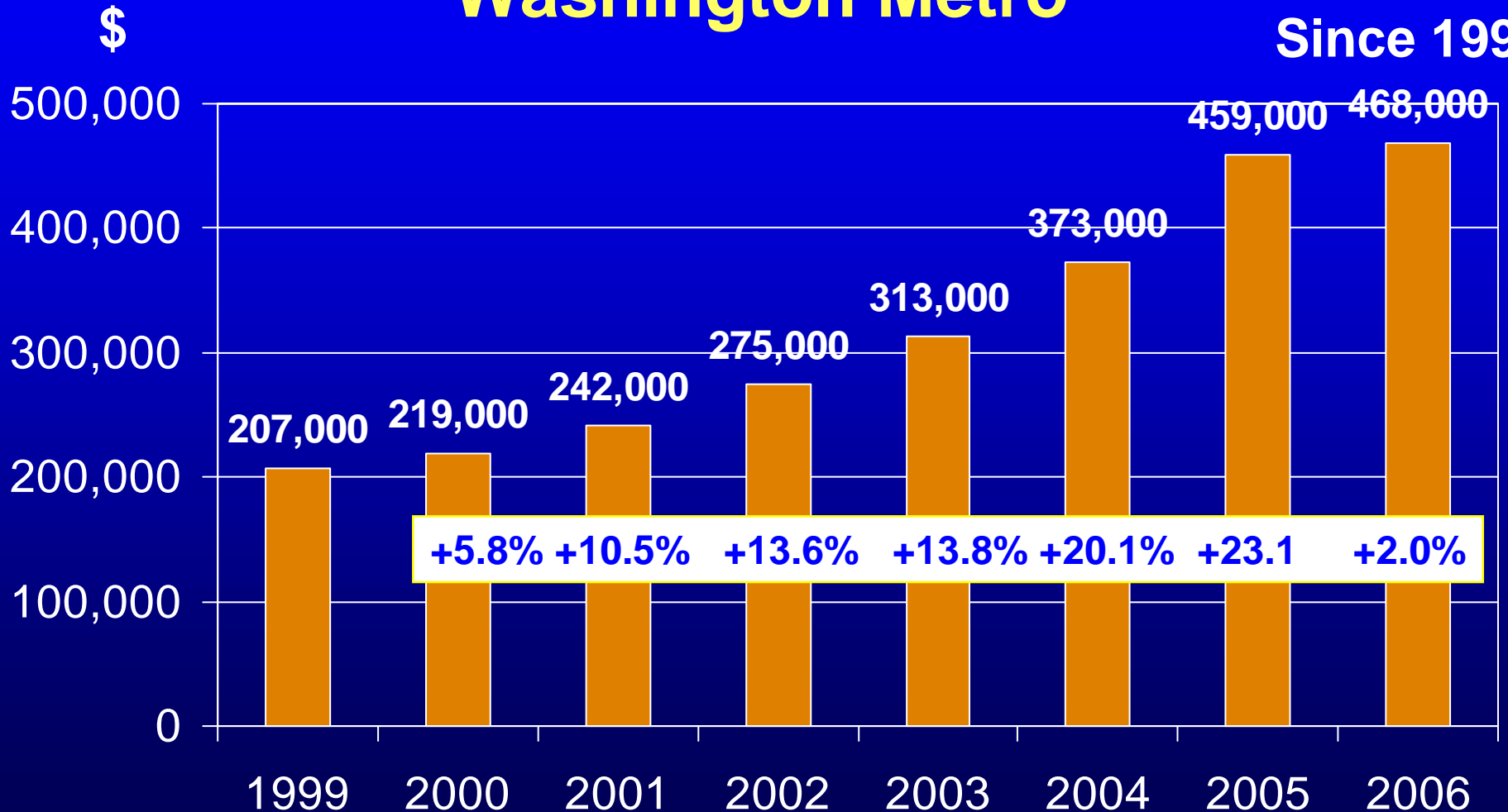
\$ Billions



# **The For-Sale Residential Real Estate Market**

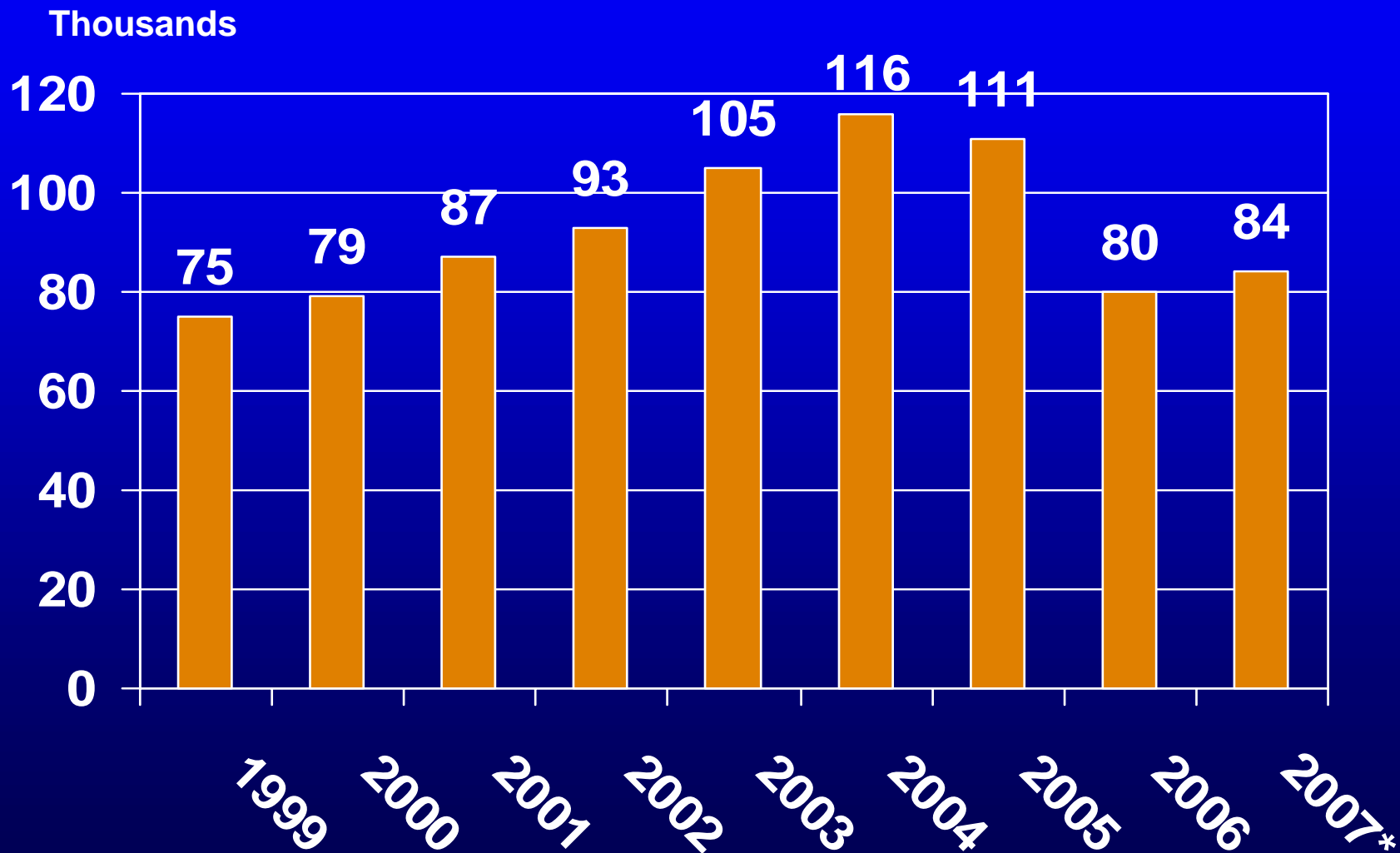
# Average Sales Price All Housing Types Washington Metro

+ 126%  
Since 1999



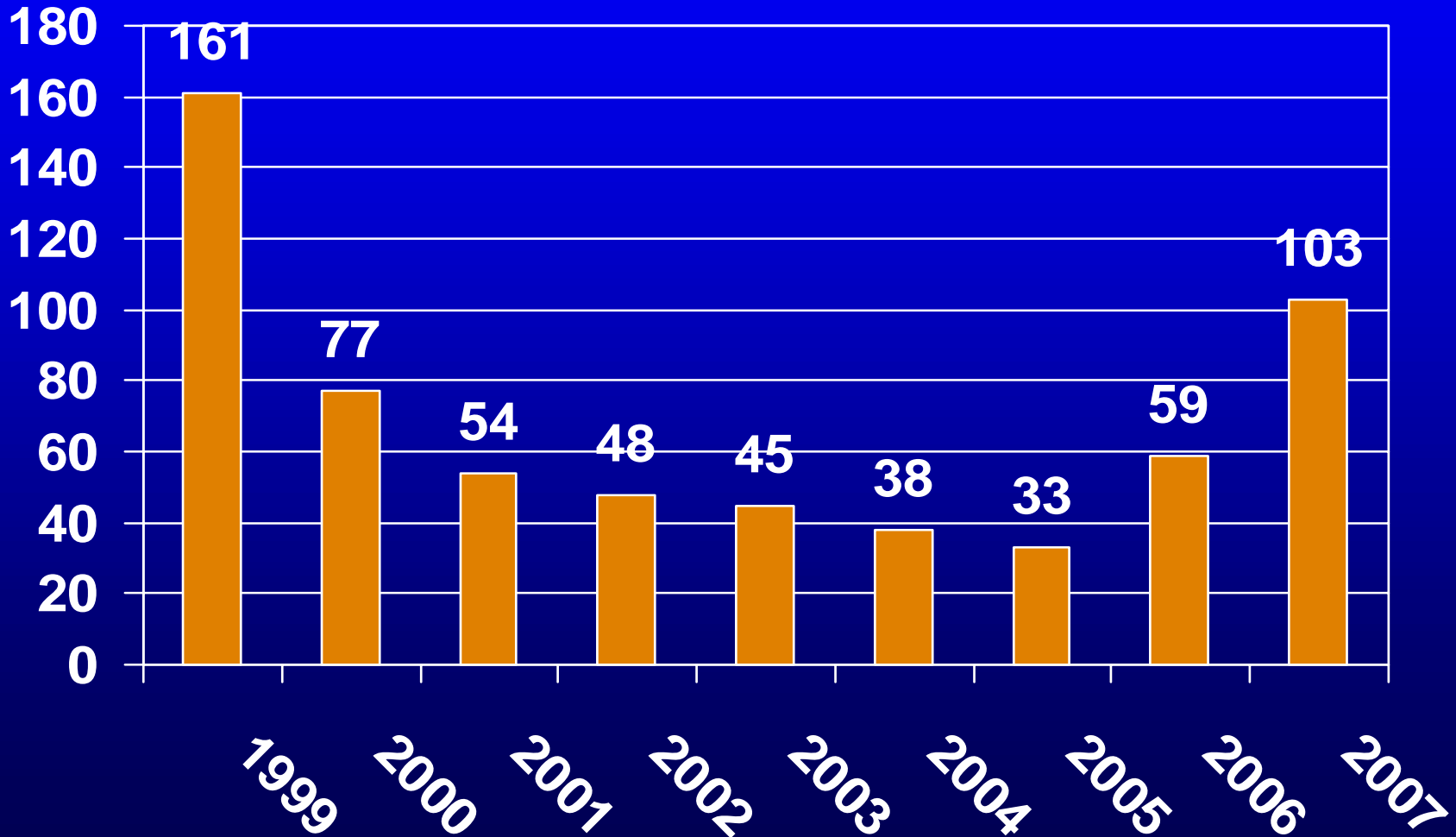
Source: MRIS, GMU Center for Regional Analysis

# Total Units Sold Washington Metro Area



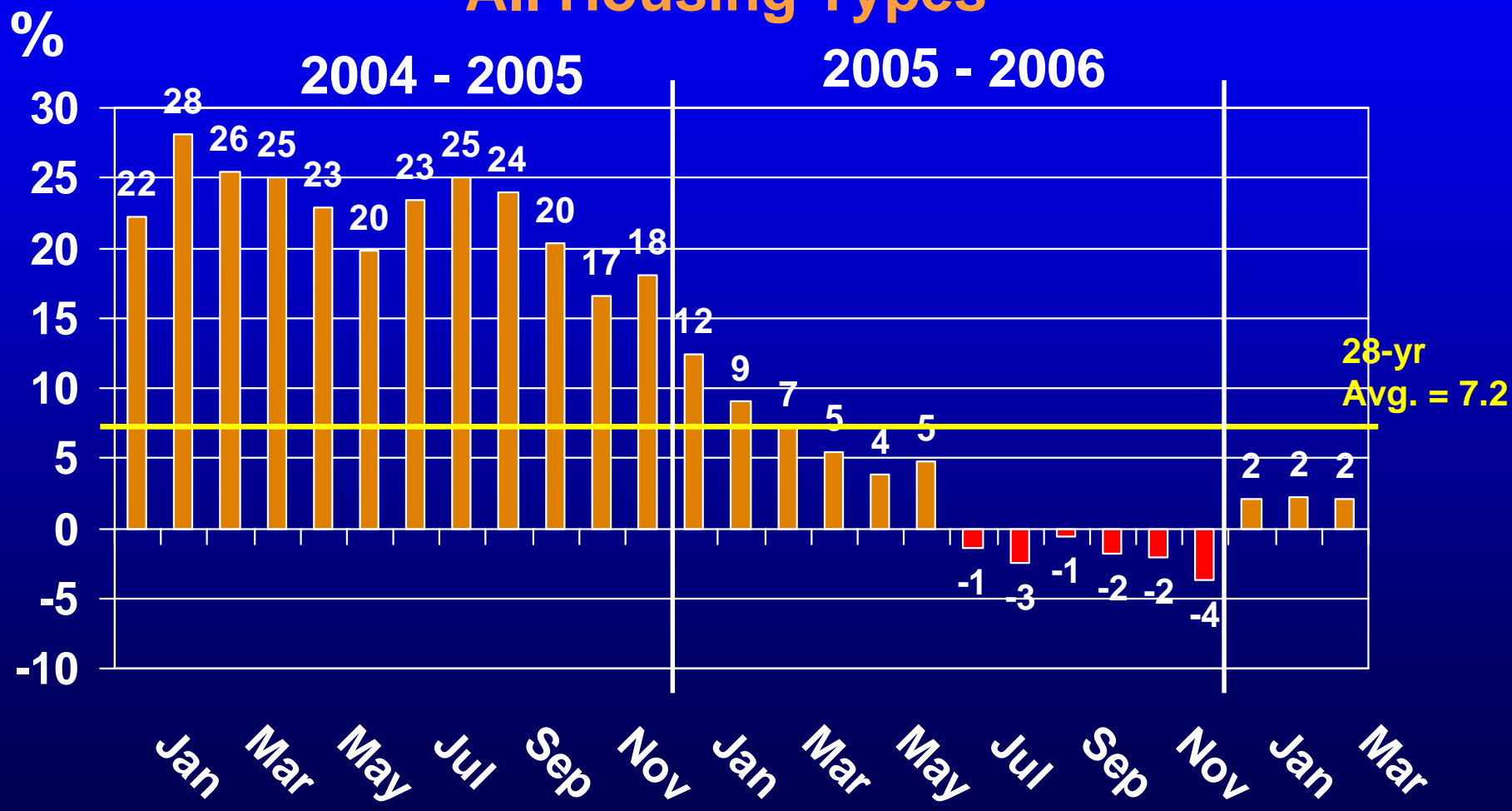
# Days on Market Washington Metro Area 1<sup>st</sup> Quarter Each Year

Days



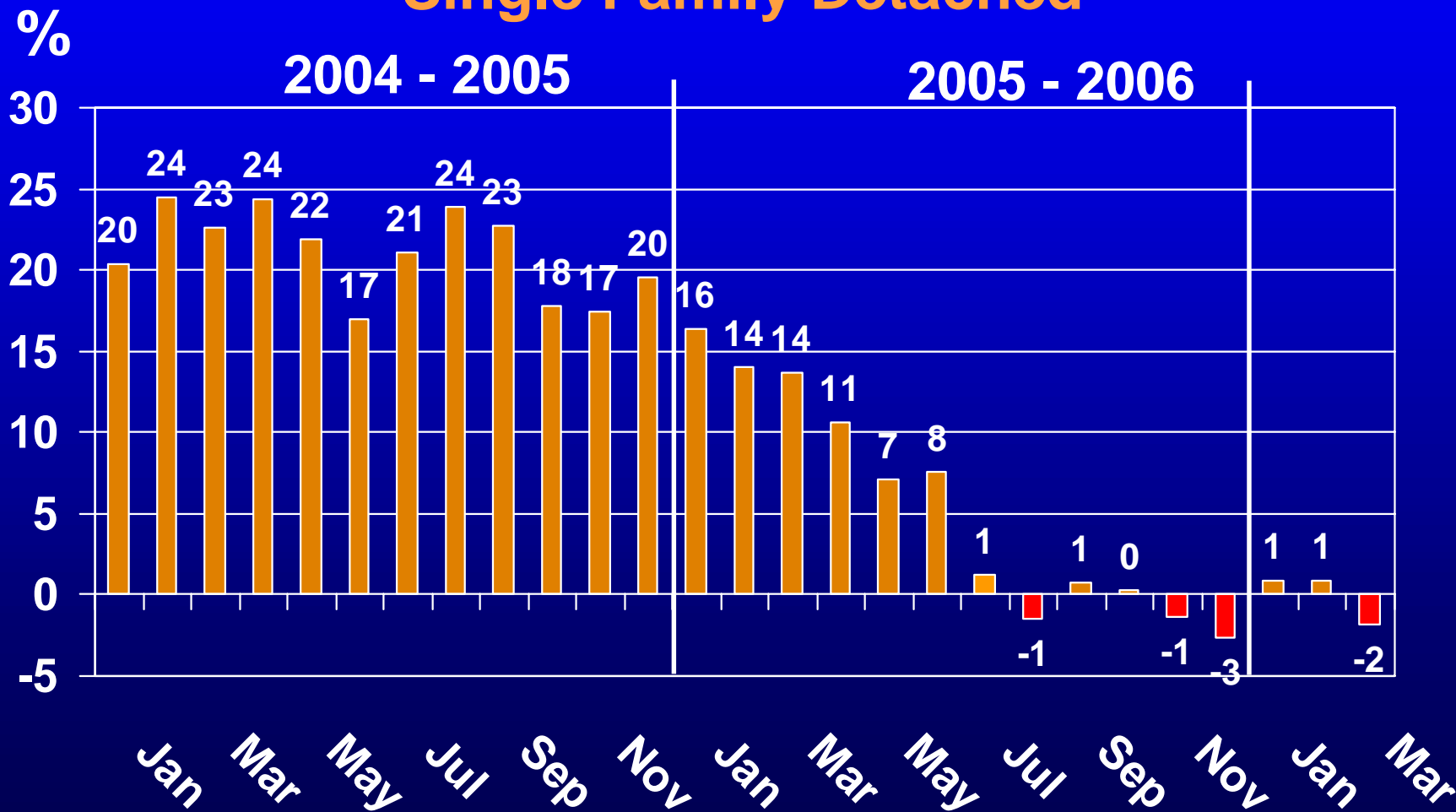
Source: MRIS, GMU Center for Regional Analysis

# Average Sales Price Percent Change Month-over-the-year, 2004 - 2005 - 2006 Washington MSA All Housing Types



Source: MRIS, GMU Center for Regional Analysis

# Average Sales Price Percent Change Month-over-the-year, 2004 - 2007 Washington MSA Single Family Detached

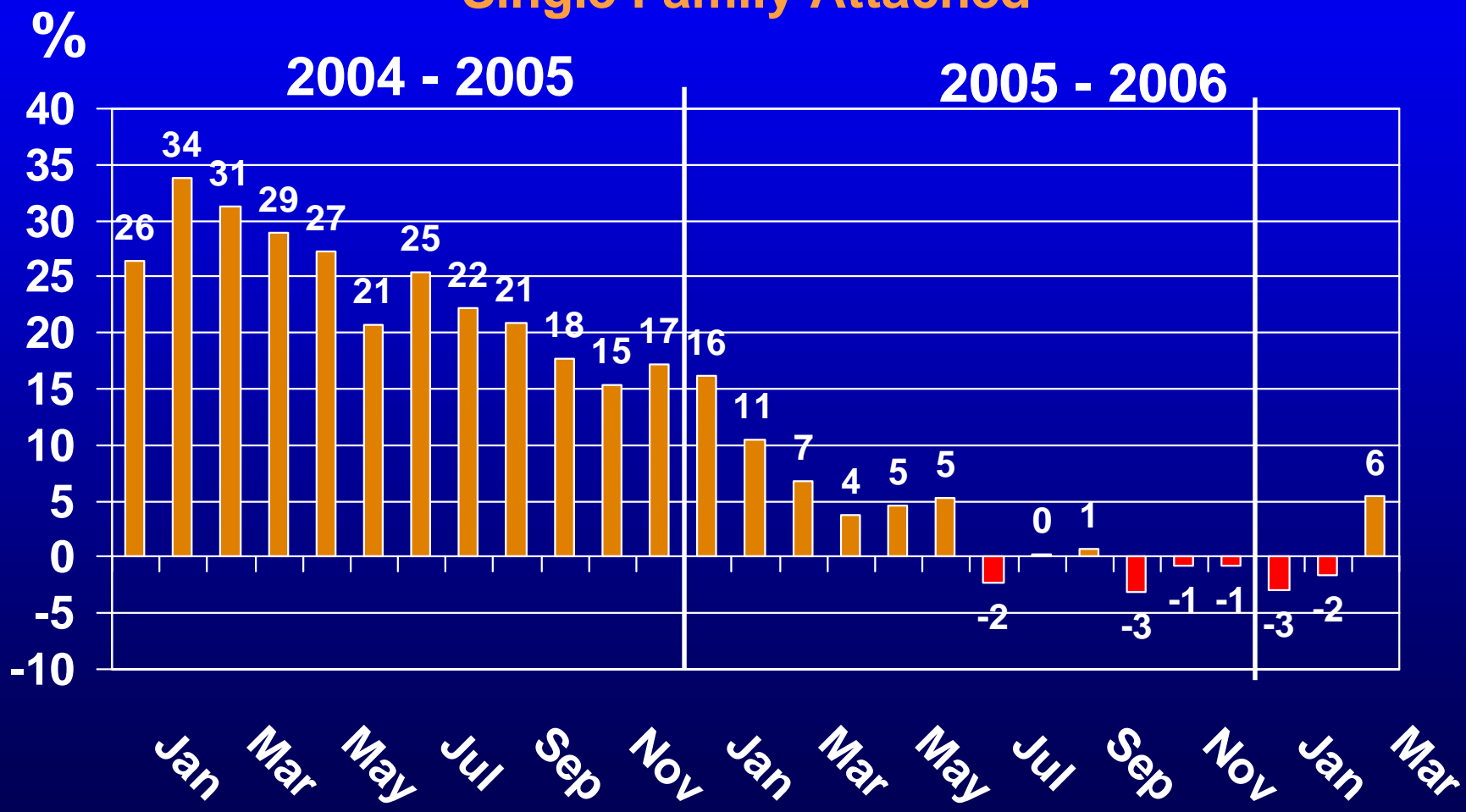


Source: MRIS, GMU Center for Regional Analysis

# Average Sales Price Percent Change Month-over-the-year, 2004 - 2007

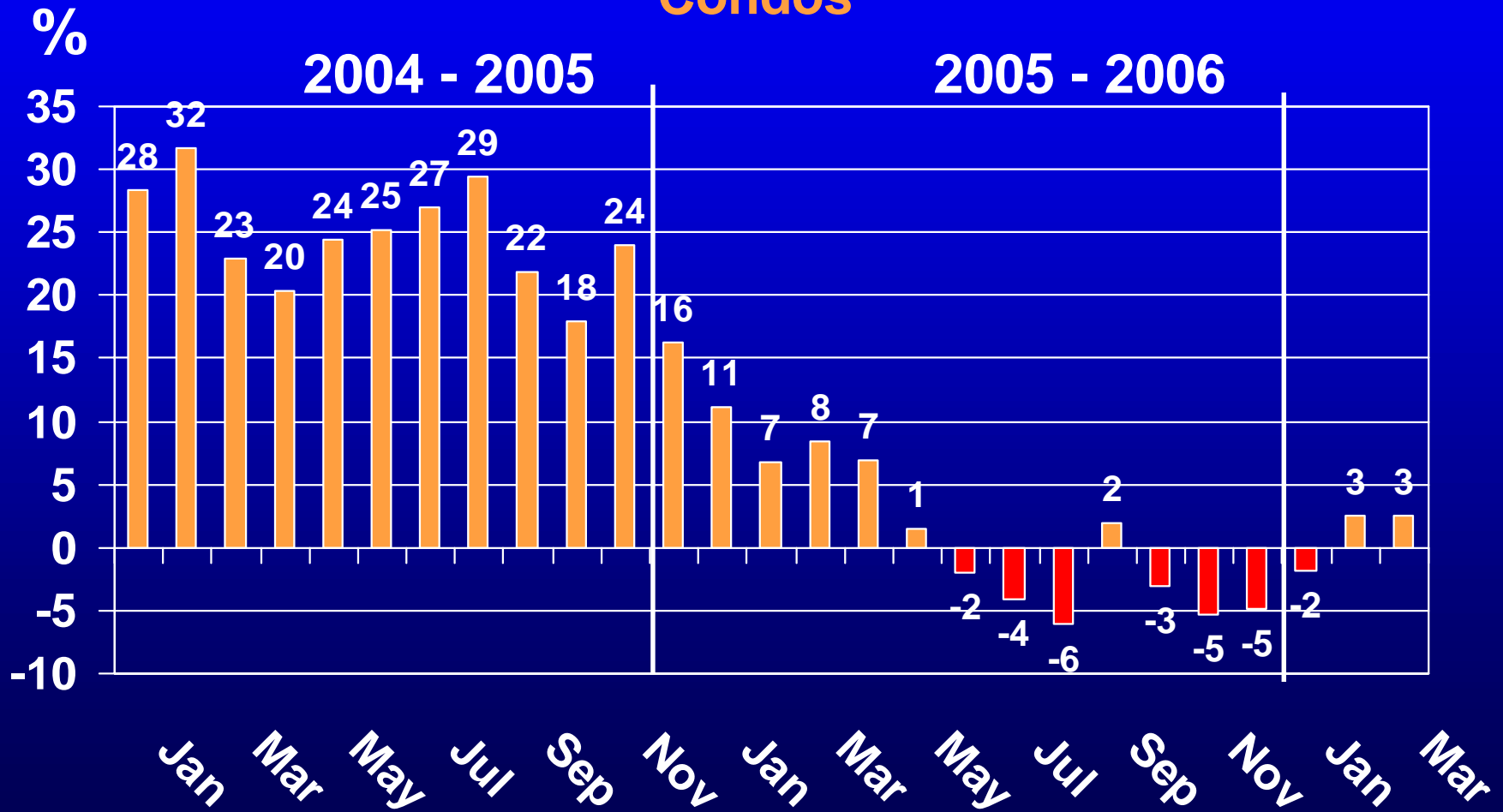
## Washington MSA

### Single Family Attached



Source: MRIS, GMU Center for Regional Analysis

# Average Sales Price Percent Change Month-over-the-year, 2004 - 2007 Washington MSA Condos

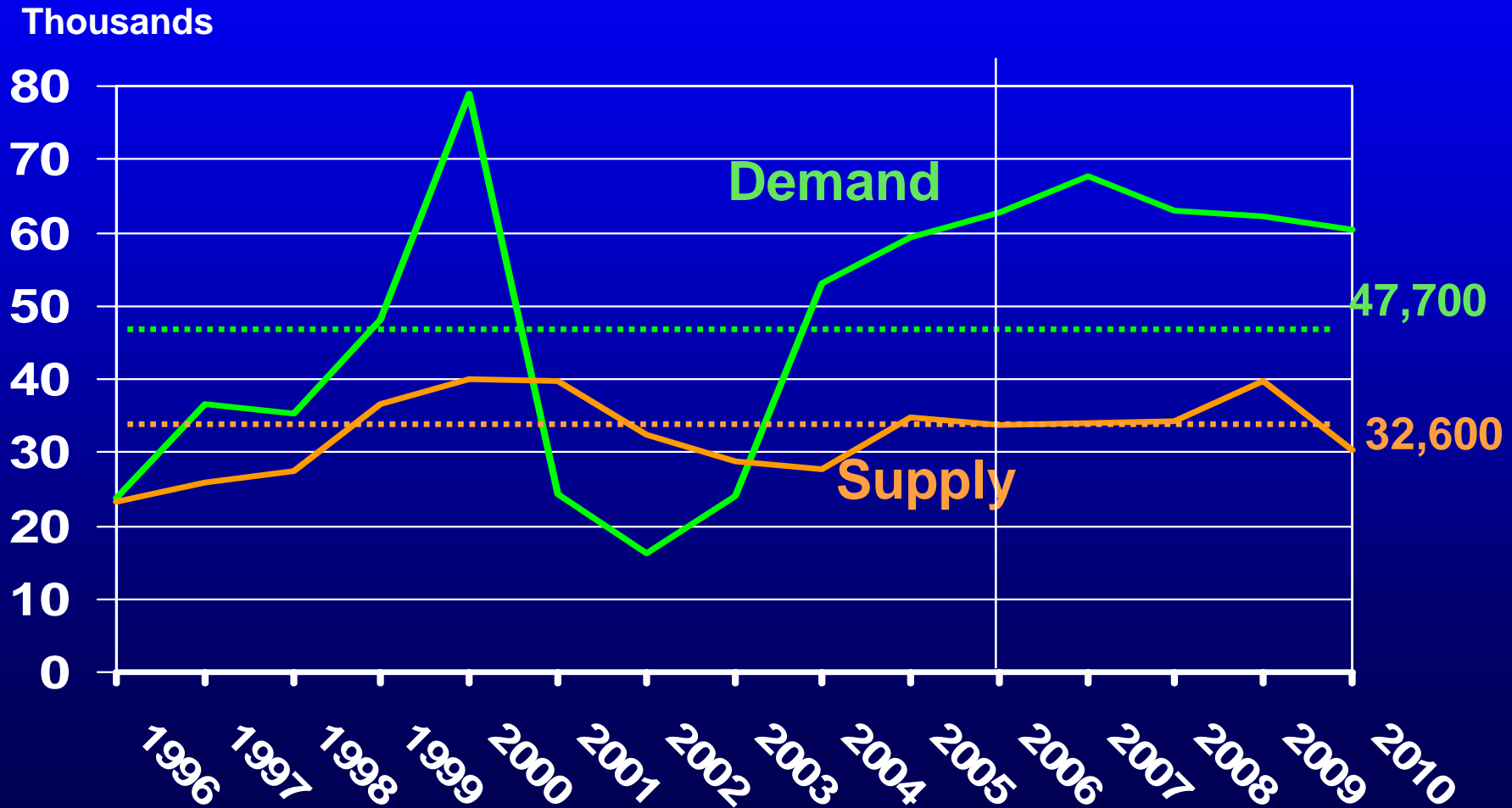


Source: MRIS, GMU Center for Regional Analysis

# Percent Change in Inventories of Existing Homes Month-Over-the-Year-Change 2000 – 2007, MSA

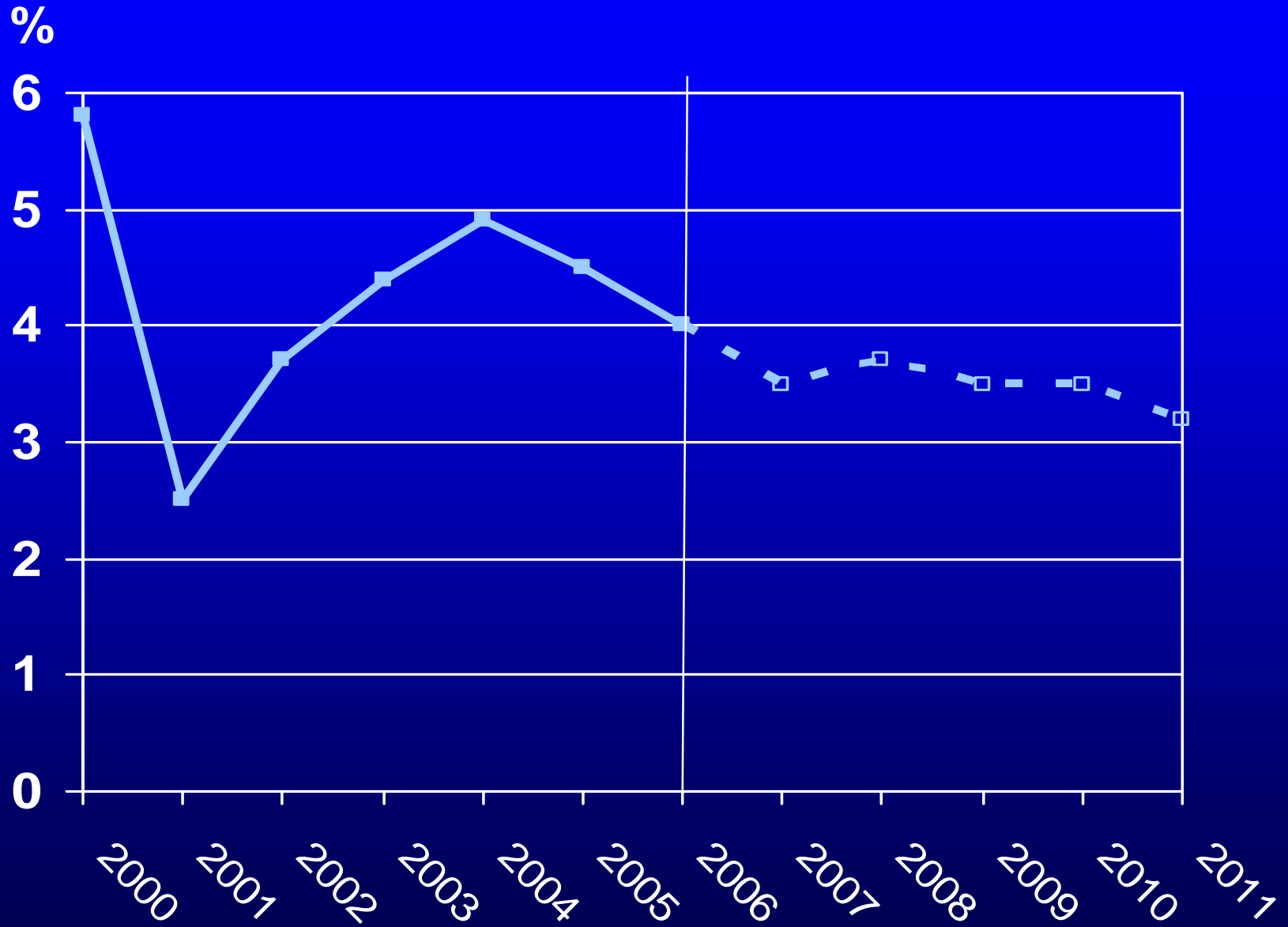


# Annual Change In Housing Demand vs. Housing Supply 1995 - 2010 Washington MSA



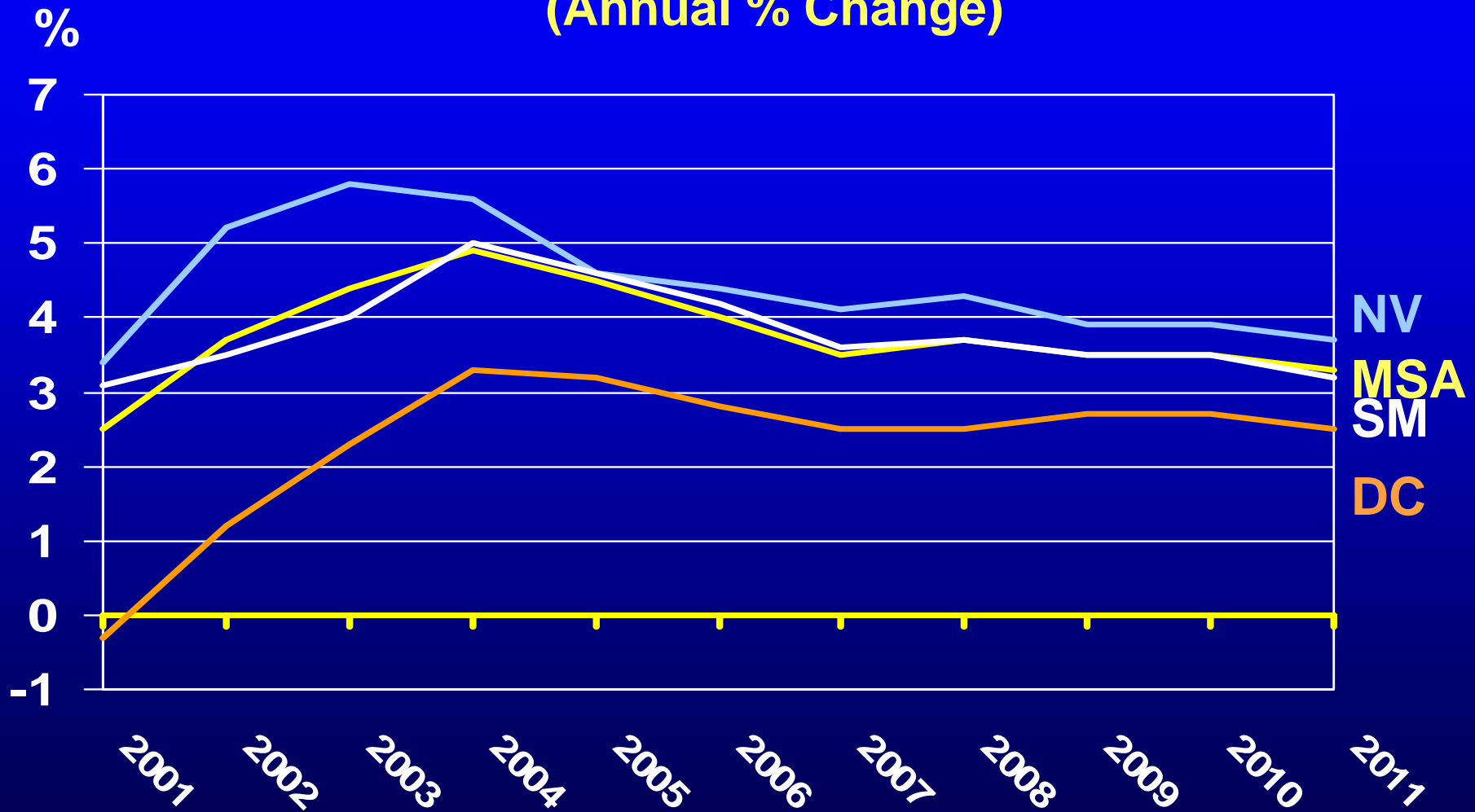
# Five-Year Forecast

# GRP Forecast 2006 - 2011



# Economic Outlook (GRP) – 2011

## Washington Area and Sub-state Portions (Annual % Change)



## Employment Change by Sub-state Region (000s)

	2006	2007	2008	2009	2010	2011
<b>D.C.</b>	<b>6.1</b>	<b>5.3</b>	<b>5.7</b>	<b>5.0</b>	<b>4.6</b>	<b>4.1</b>
<b>S. MD</b>	<b>10.6</b>	<b>10.5</b>	<b>12.6</b>	<b>12.6</b>	<b>12.5</b>	<b>11.6</b>
<b>No. VA</b>	<b>30.5</b>	<b>28.7</b>	<b>32.9</b>	<b>31.4</b>	<b>29.6</b>	<b>25.9</b>
<b>REGION</b>	<b>47.2</b>	<b>44.5</b>	<b>51.2</b>	<b>49.0</b>	<b>46.7</b>	<b>41.6</b>

**1.6%    1.5%    1.7%    1.6%    1.5%    1.3%**

**Average Annual Change 1990-2006 = 45,000/yr**

**Based on 2006 BLS Benchmarked Data.**



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