

Panel: Housing and Heavy Traffic, The Hidden Costs to Business

Linking Job Growth and Housing in Fairfax County

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Washington and Northern VA are Outperforming Most Other Metro Economies

- Highest job growth since 2000, and Northern VA would rank 4th by itself, behind only Washington, Phoenix and Miami
- Lowest UER: 3.1% MSA -- 2.3% in Northern VA – an economy in stress in terms of finding workers
- Highest incomes – 2nd among all MSAs – just eked out by San Jose-Sunnyvale-Santa Clara
- In 2005, 8 area counties ranked in top 17 of the 3000+ counties in U.S. in Median Income.

There are Threats to This Economic Well-Being

- Of course we are at risk of national recessions, and other factors we can't control
- A local factor important to our economic health has been Federal spending, but it is moderating – from +\$6 Billion/yr growth in procurement 2002-2004, is now growing just over \$1 Bil/yr
- This means we have to be more competitive in the mainstream economic sectors of growth

There are Threats to This Economic Well-Being

- Yet, we have lost an important competitive edge relative to attracting new companies and recruiting employees: the cost of housing
- Only Miami and LA have had higher % increases in housing prices since 2000
- While Washington used to be in the middle of the pack re: housing prices, we are now exceeded only by LA, NY and Boston of the 10 largest, and we've almost caught Boston

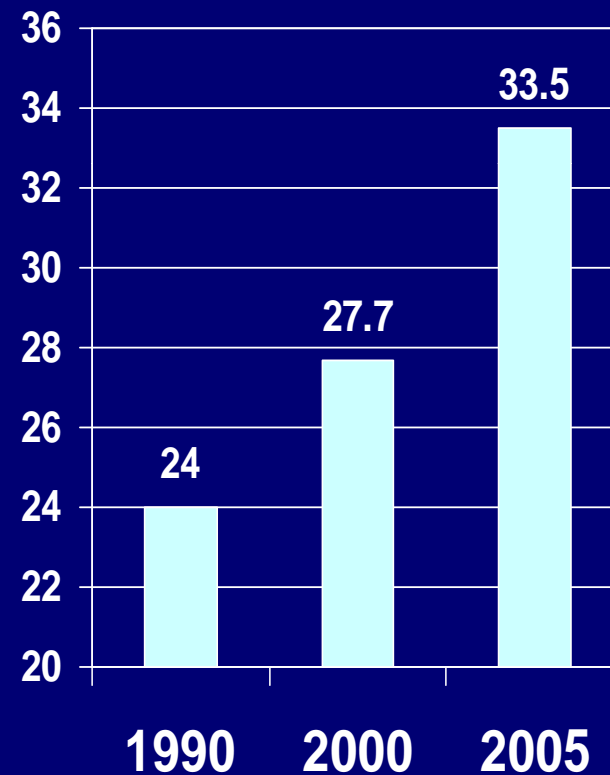
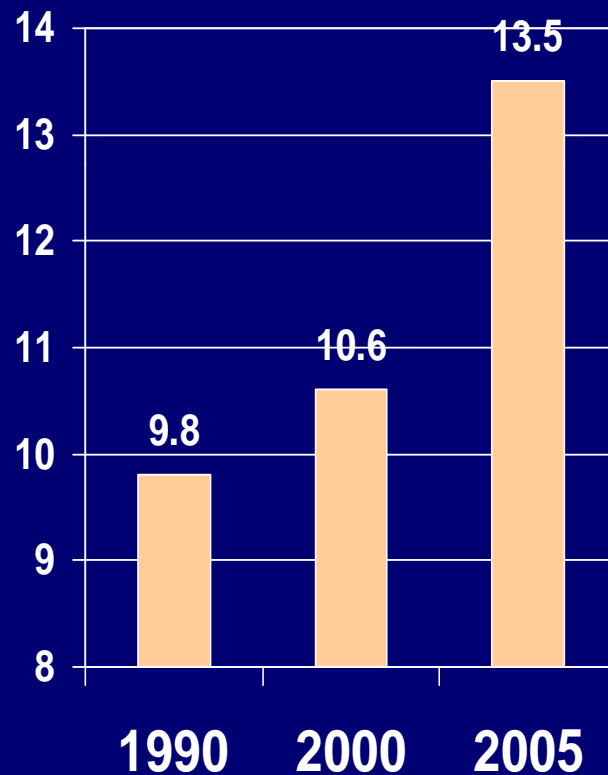
1982 to 2003 Change in Annual Hours of Delay Per Traveler

1. Atlanta
2. Washington
3. Dallas
4. Los Angeles

Congestion in the Washington Region is Getting Worse: 1990-2005

% Leave Home < 6:00 AM

% With Work Trip > 45 Min.

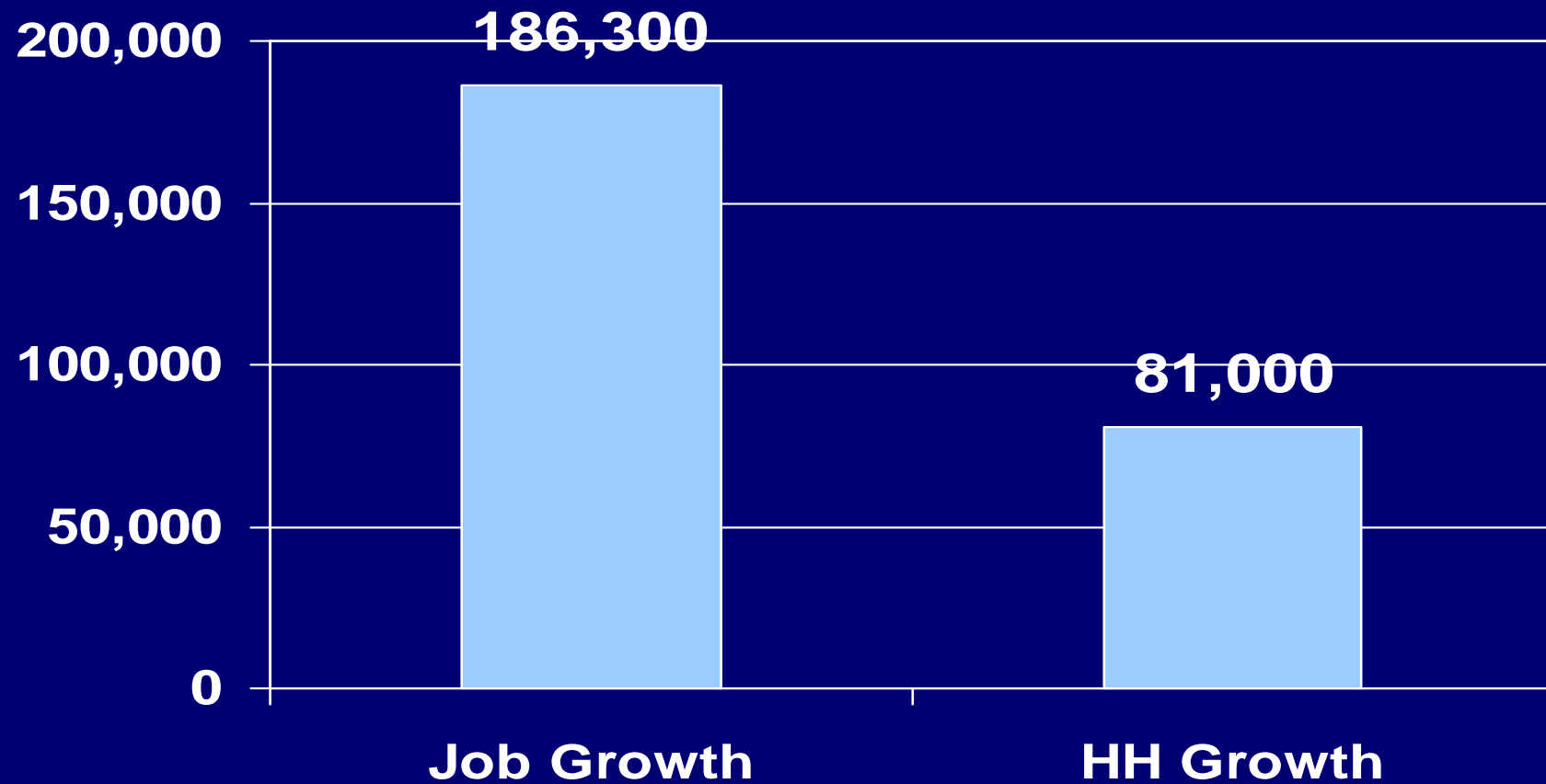


To Have (Continue) the County's Healthy Economy,

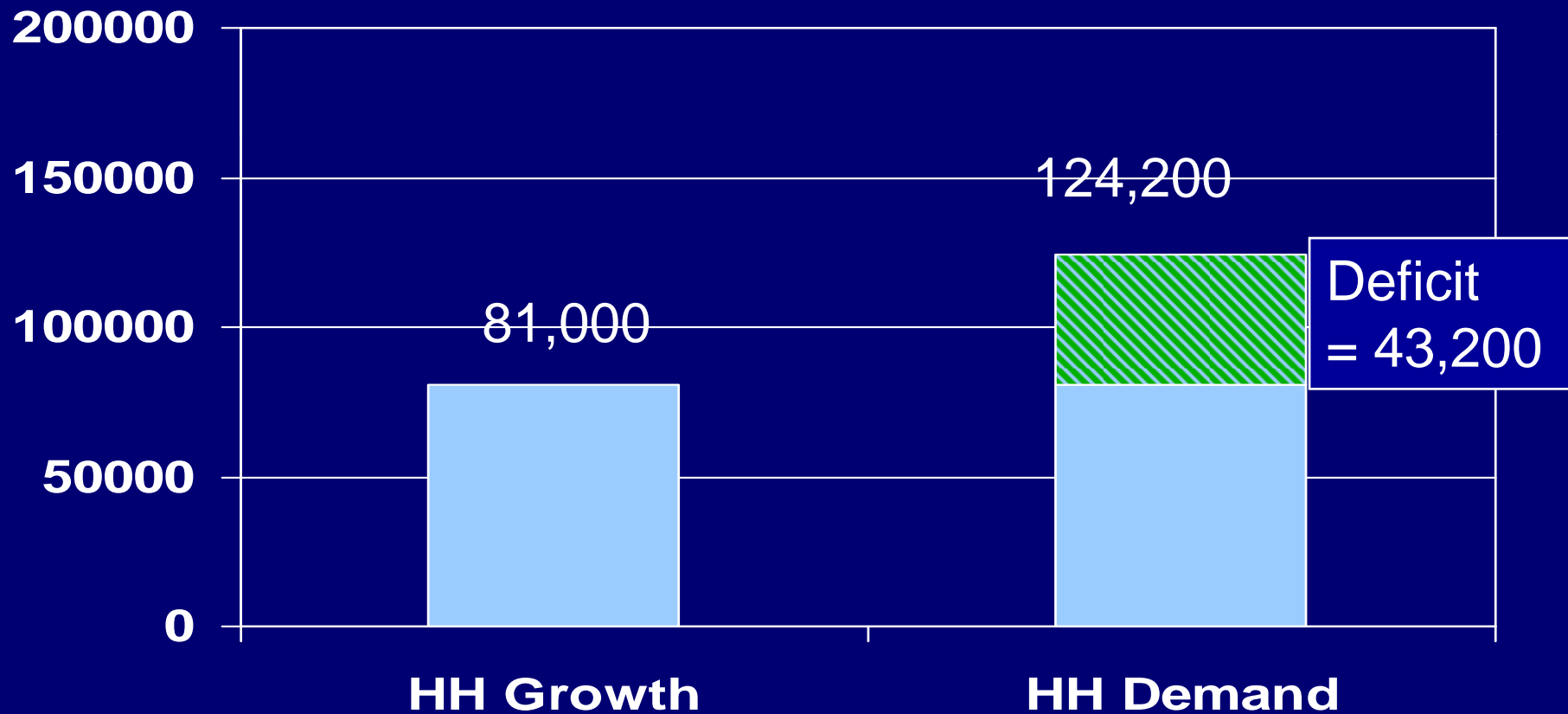
- Need To Retain and Recruit Workforce, and to do that,
 - Need to Increase the Supply of Housing Affordable to the Workforce, and
 - Need to Develop Solutions to Congestion

Linking Job Growth and Housing in Fairfax County

Job and Household Growth, 1990 -2005

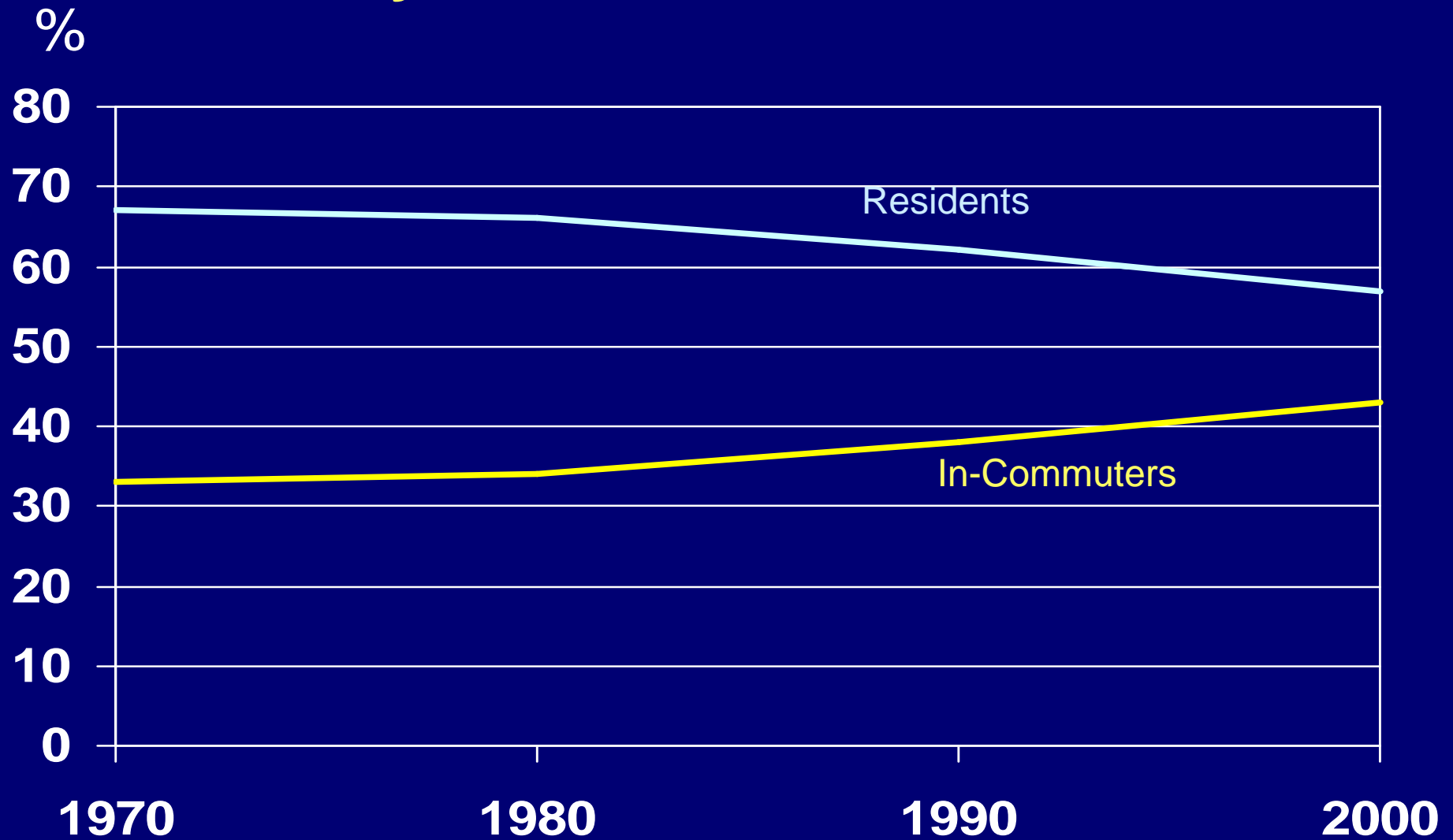


1990 - 2005 Households Needed to Supply Workers for Job Growth



Assumes 1.5 Workers per HH

Percent of Jobs in Fairfax Held by Resident vs In-Commuters



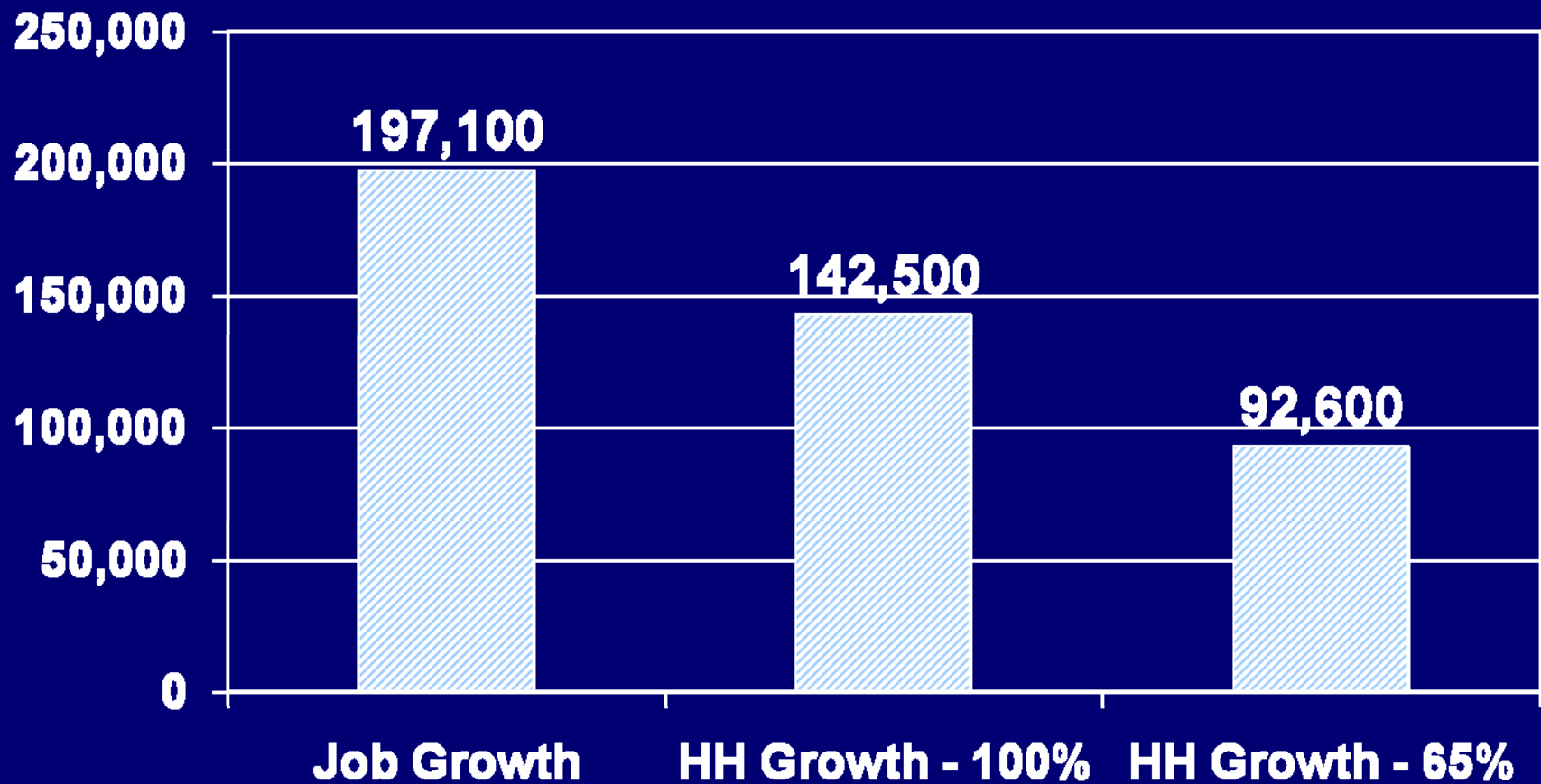
Fairfax Commuting

	1990	2000	Change	% Chg
Live and Work Here	268,100	308,300	40,200	15.0%
Live Here, Work Elsewhere	229,800	236,900	7,100	3.1%
Live Elsewhere, Work Here	175,200	238,200	63,000	36.0%

“Households” Relocating Outside Fairfax County

- IRS County-County Migration Files
- 2000 – 2005 from Fairfax County to:
 - Loudoun 28,100
 - Prince William 30,200
 - Fauquier, Spotsylvania, Stafford 6,300

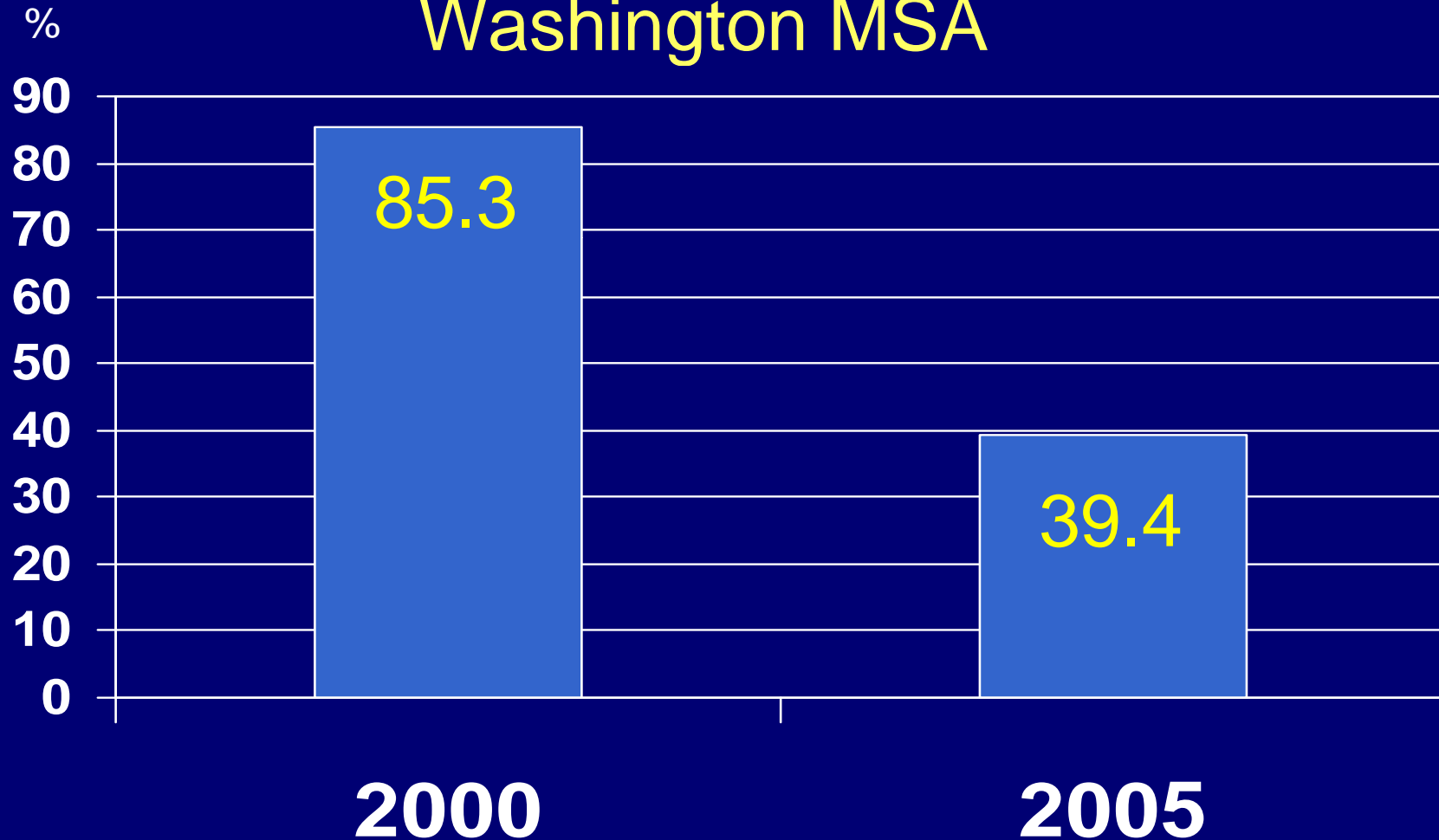
Forecasts of Jobs and Households 2007 -2025



2005 Jobs and Wages, Fairfax County

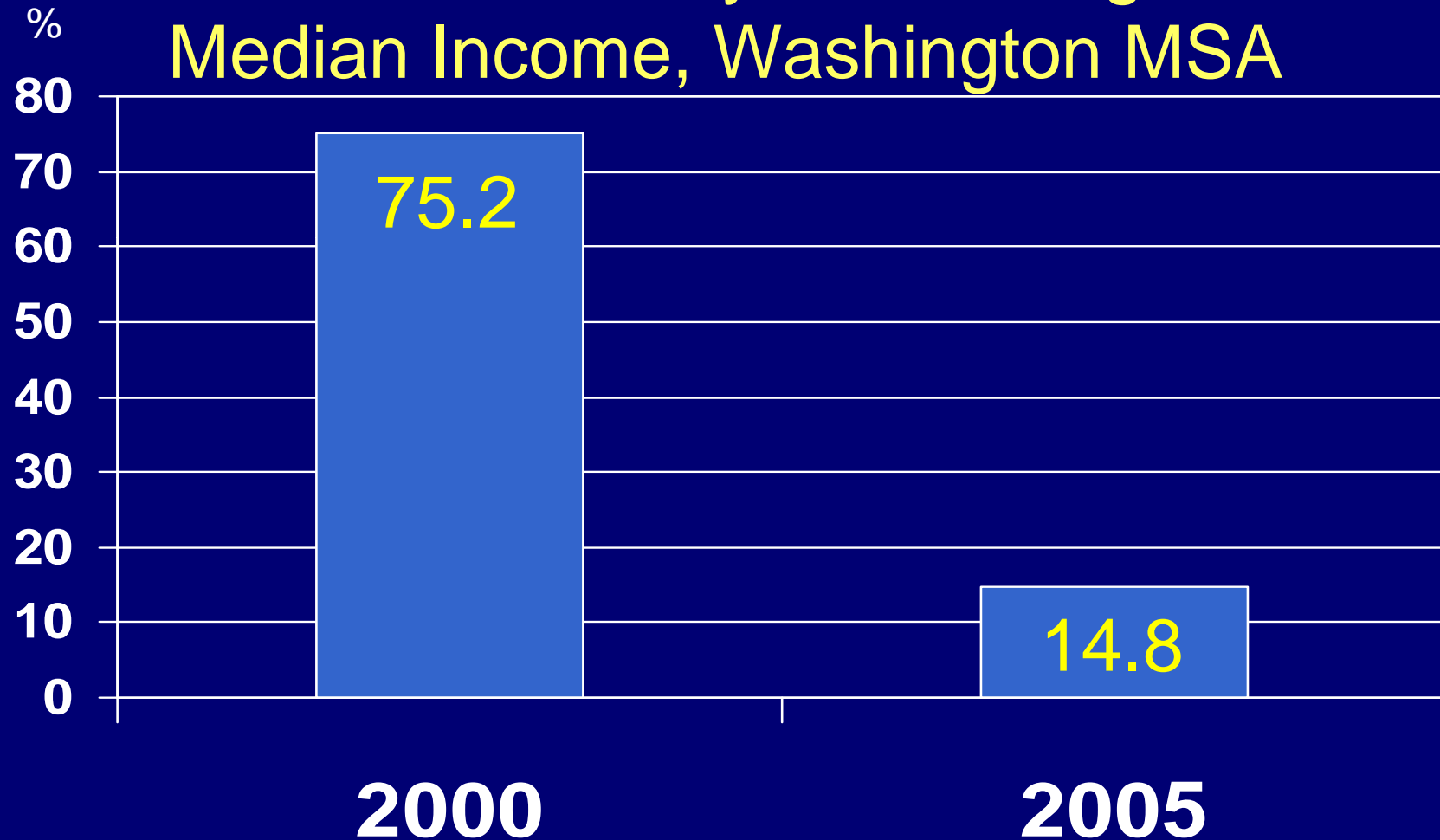
Industry Sector	Jobs	Avg. Annual Wage
Construction	34,500	\$54,000
Manufacturing	11,500	\$62,100
Trade, Transportation, Utilities	84,800	\$44,700
Information	31,400	\$97,700
Financial	34,500	\$86,500
Professional & Business Services	193,900	\$81,000
Education & Health Services	86,400	\$44,400
Leisure & Hospitality	46,900	\$19,500
Other Services	20,300	\$38,100
Government	20,800	\$75,000
TOTAL	565,200	\$62,300

% of Houses For Sale That Could Be Afforded by Median Income HH, Washington MSA



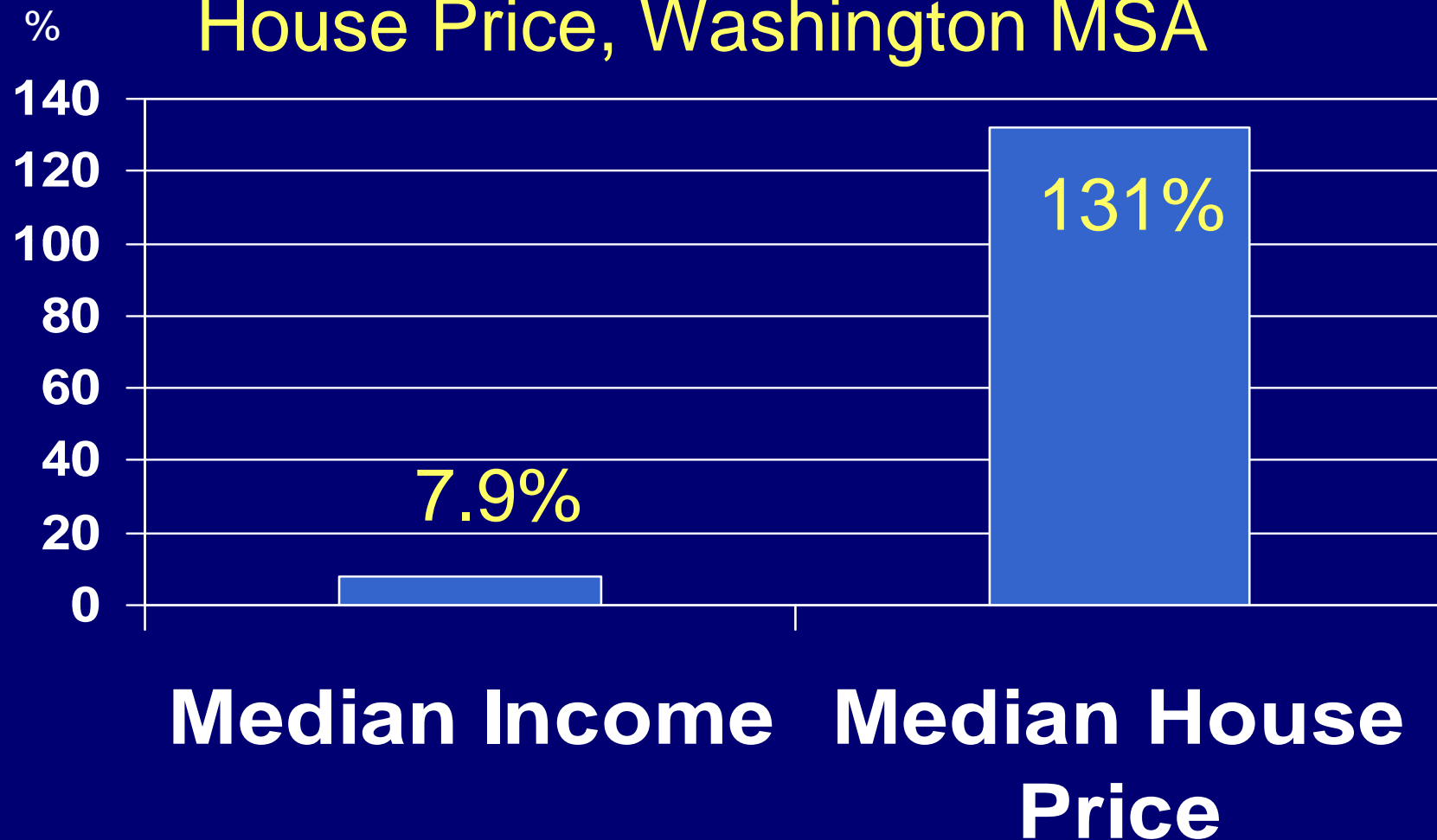
2000 – 2005

% of Houses For Sale That
Could Be Afforded by HH Making 80% of
Median Income, Washington MSA



2000 – 2005

Change in Median Income and Median House Price, Washington MSA



Housing Units Needed, 2005 – 2025, County to House 65% of New Workers

Income	Rental Units	Ownership Units
< 50% MI	20,400	0
50%-80% MI	7,700	12,200
80% - 120% MI	5,500	17,800
> 120% MI	3,000	26,000
Totals	36,600	56,000

Findings and Conclusions

- There is a current deficit of housing supply as well as a projected deficit to 2025 – not enough housing to provide workers for jobs in the County
- Many jobs in the County do not provide enough pay to afford housing in the County, even with 2-workers
- For-sale housing is out of reach for most of the County's households, especially new ones
- County job-holders increasingly forced to locate outside the County and commute
- **Housing affordability situation is key to the County's future economic growth**

PANEL

- Jeff Lubell, Executive Director, Center for Housing Policy
- Olivia Biggs, Sr. Manager of Workforce Initiatives, CVS
- Kathleen Chappell, Director of Nursing Clinical Development and Research, Inova Health System
- Craig Nickerson, Vice President, Expanding Markets, Freddie Mac

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