



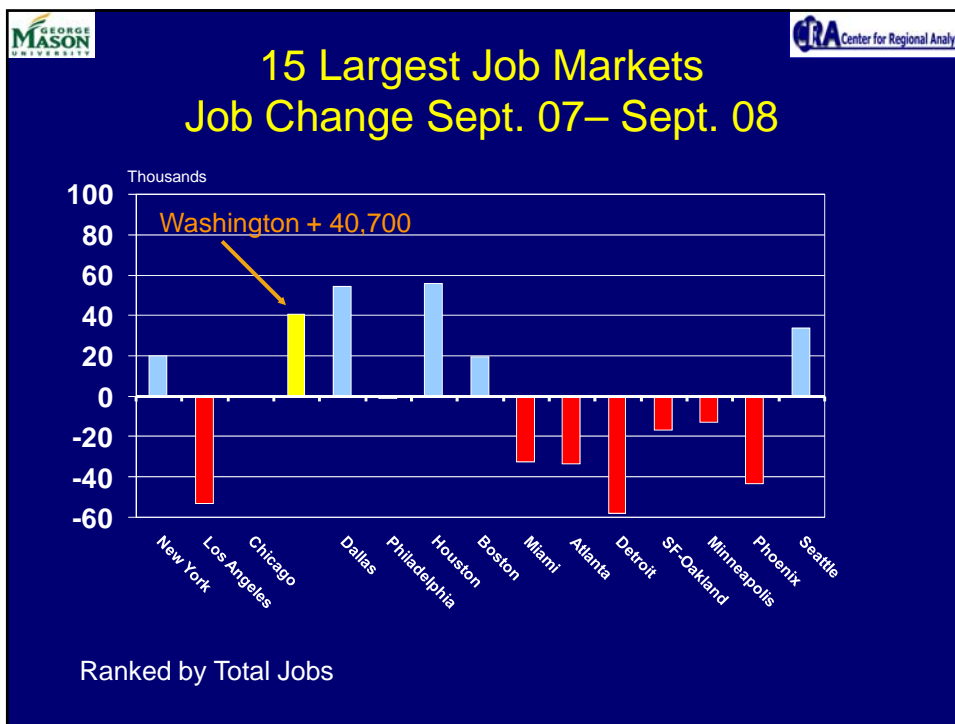
***The Northern Virginia Economy  
And Housing Market***

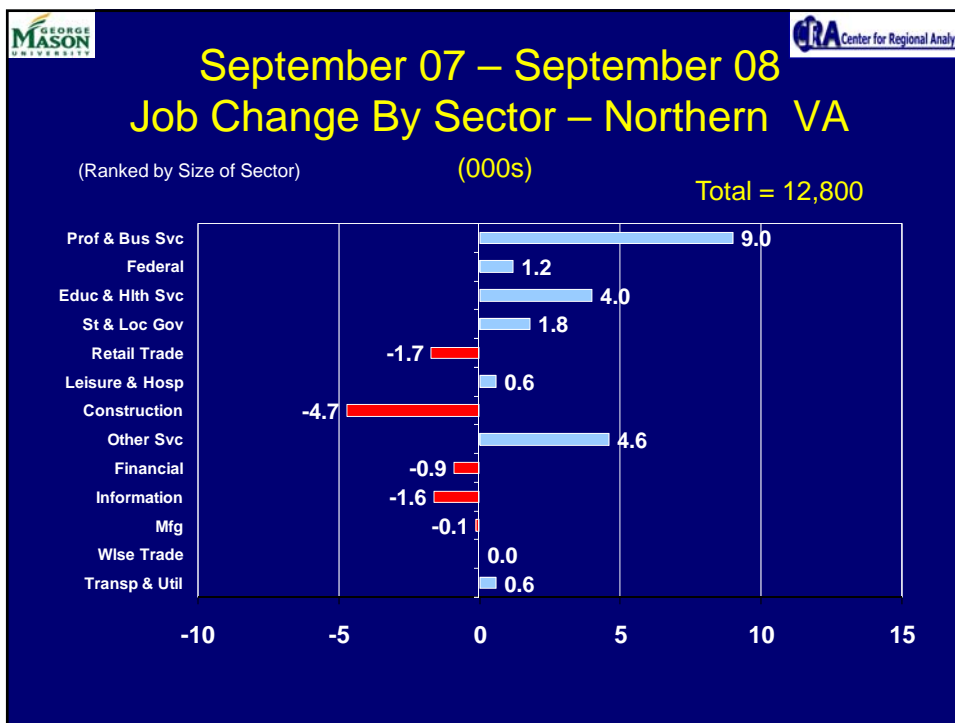
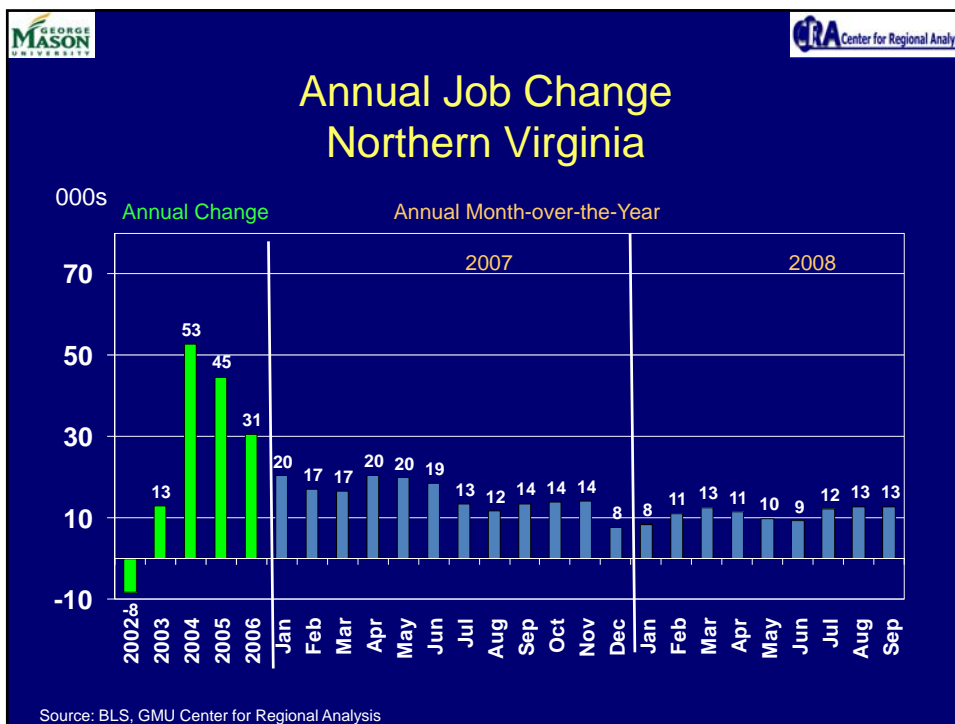
John C. McClain, AICP  
Senior Fellow and Deputy Director  
Center for Regional Analysis  
School of Public Policy, George Mason University

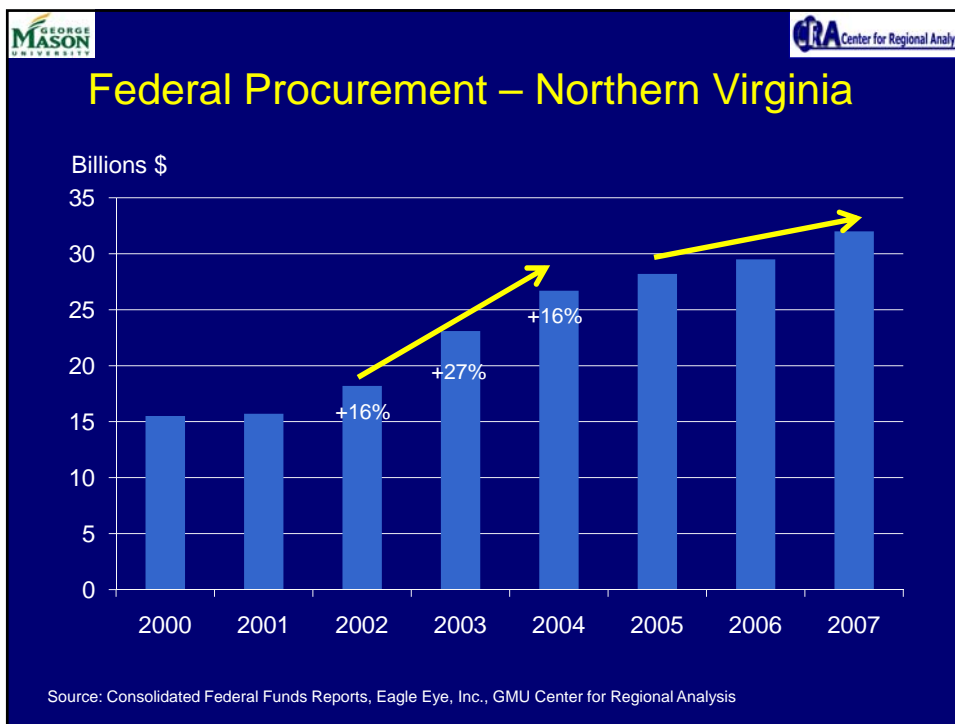
November 18 & 20, 2008



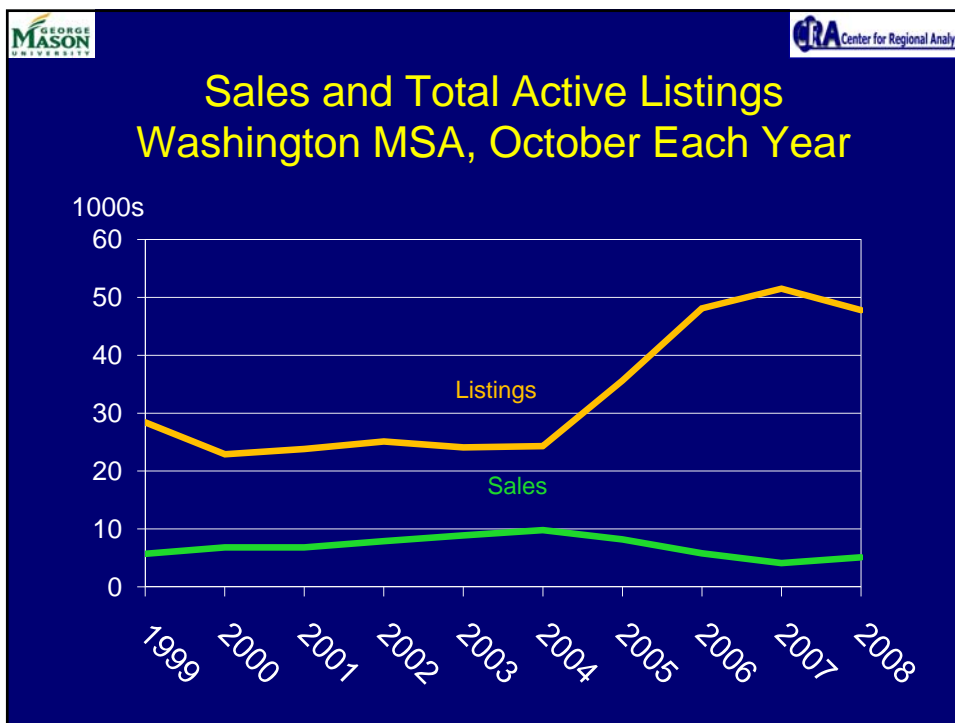
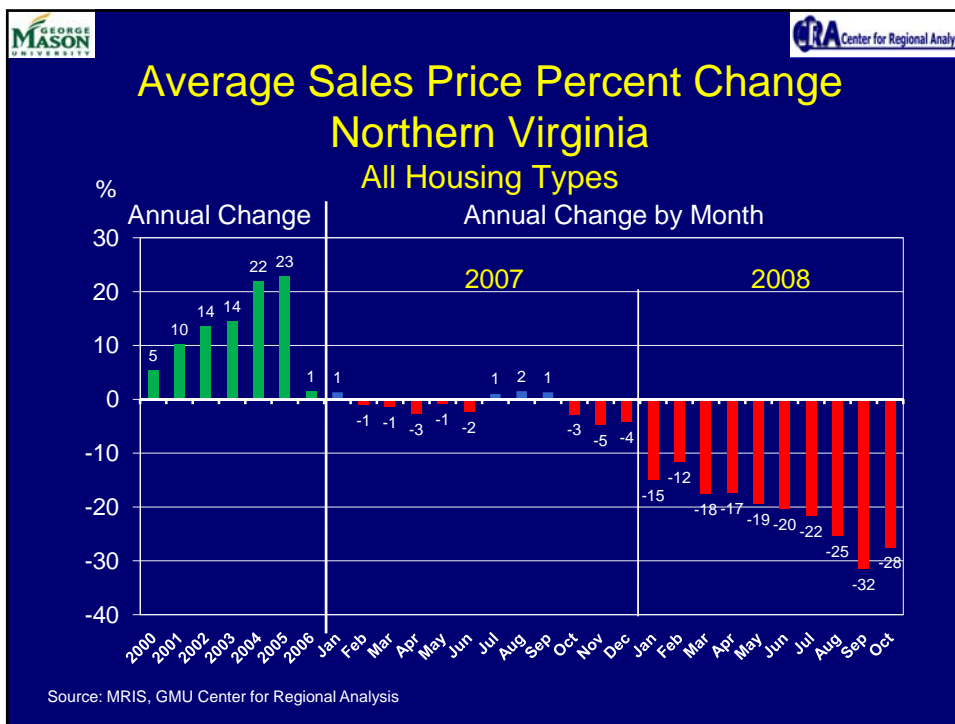
**THE NORTHERN VIRGINIA  
ECONOMY**

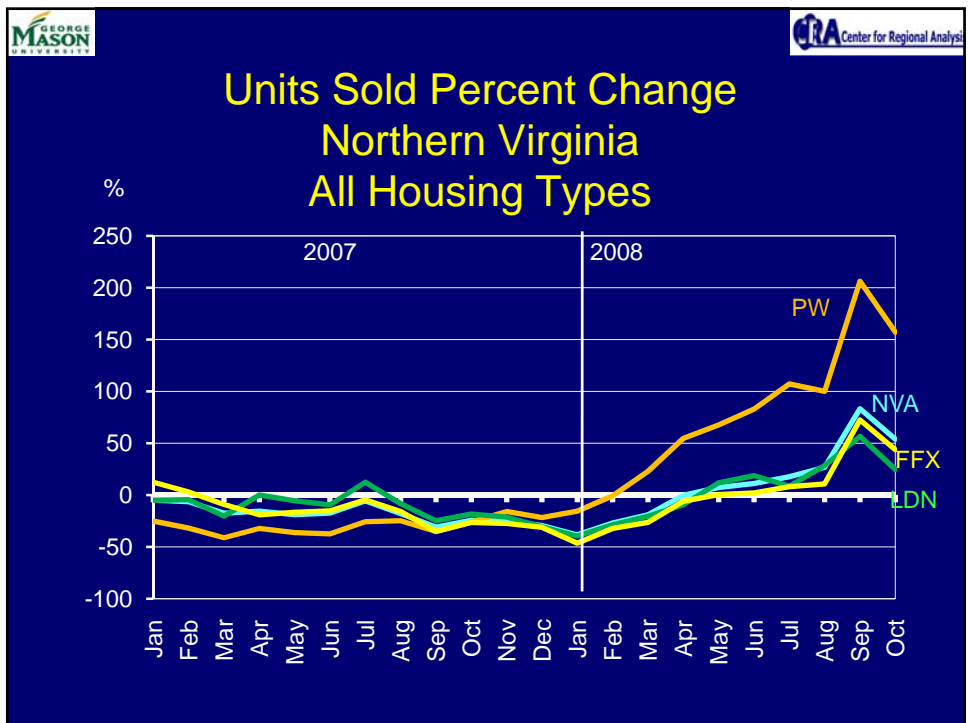
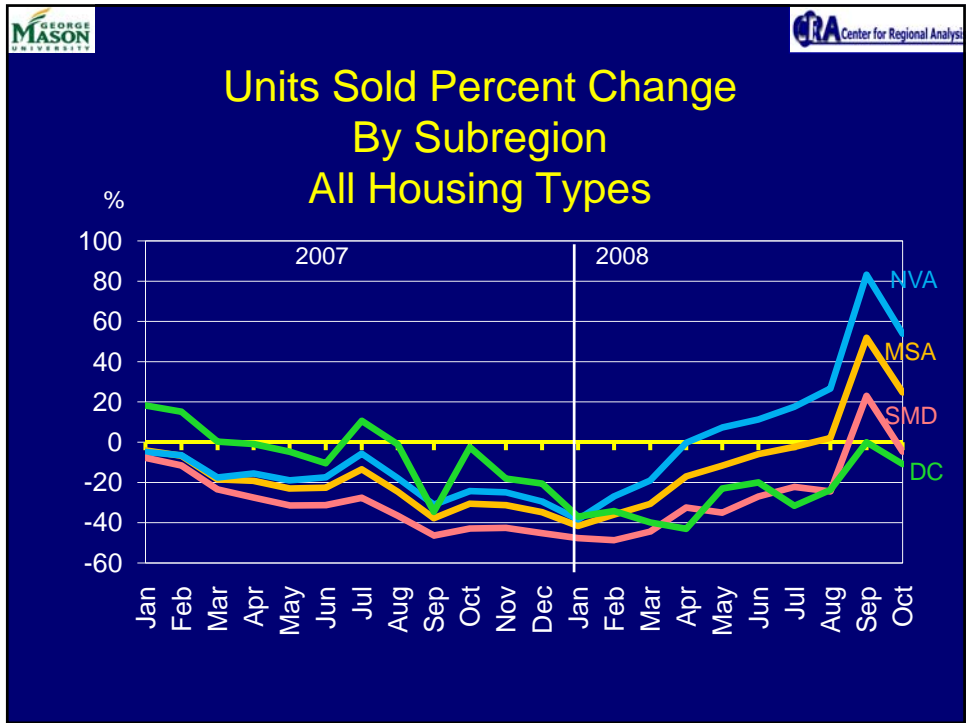


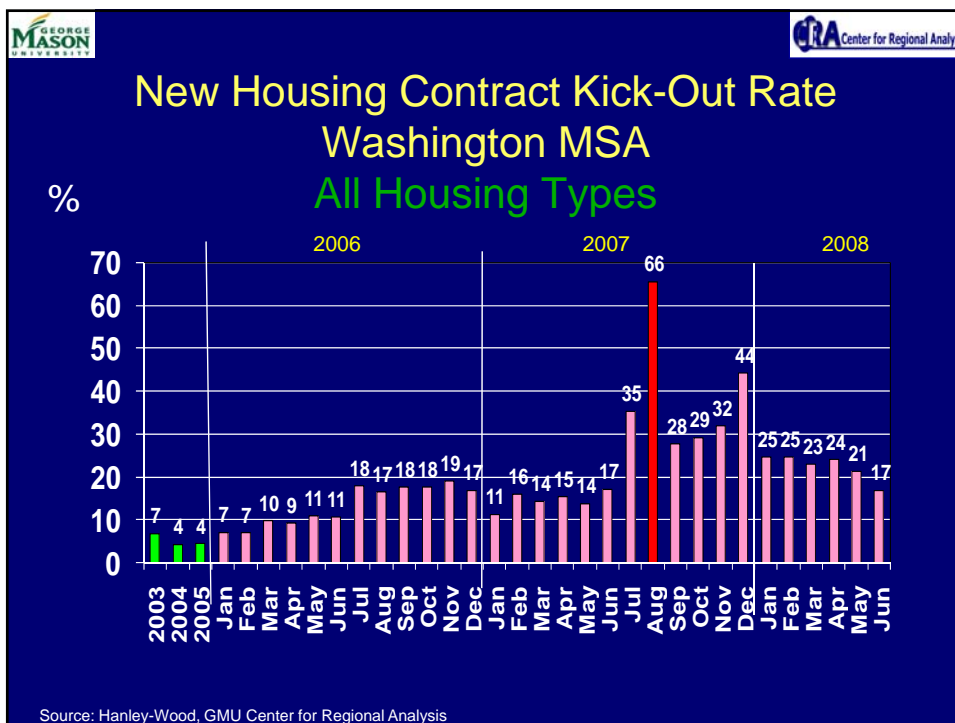
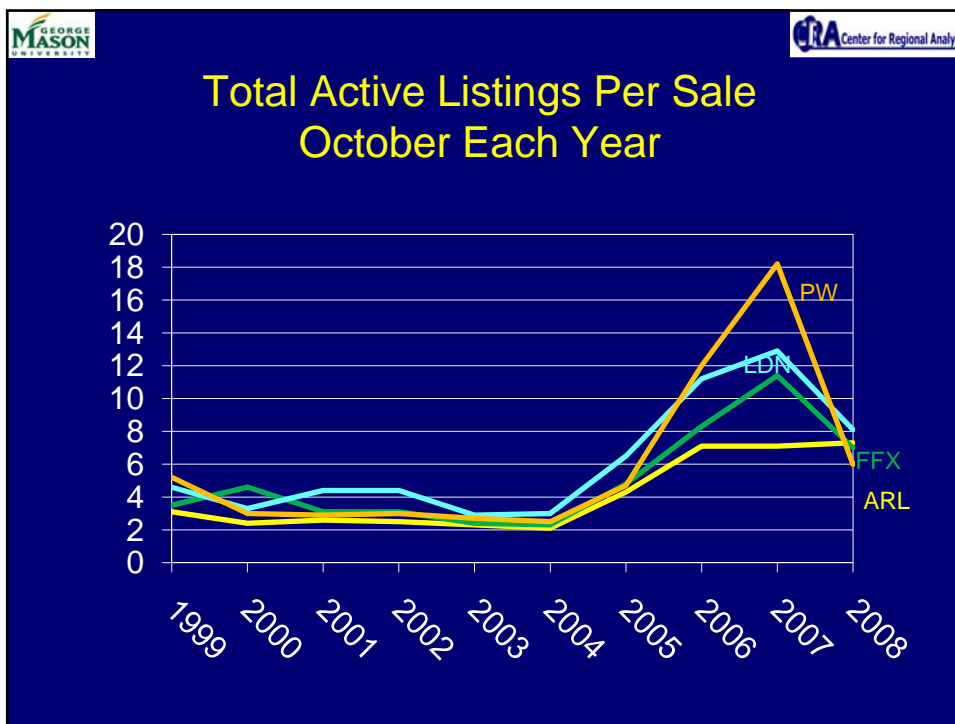




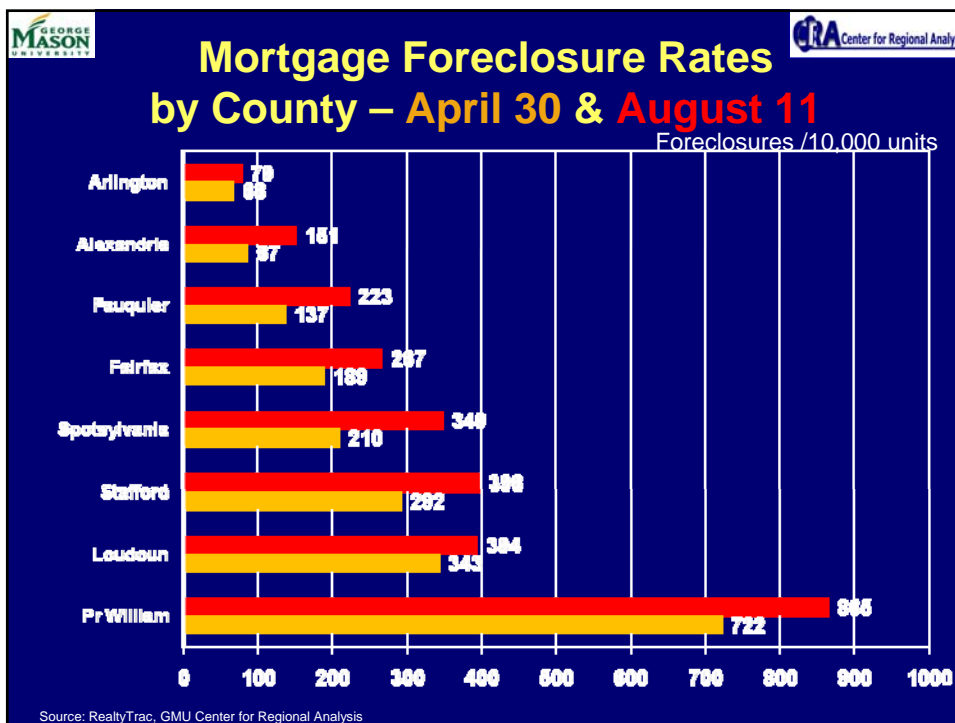
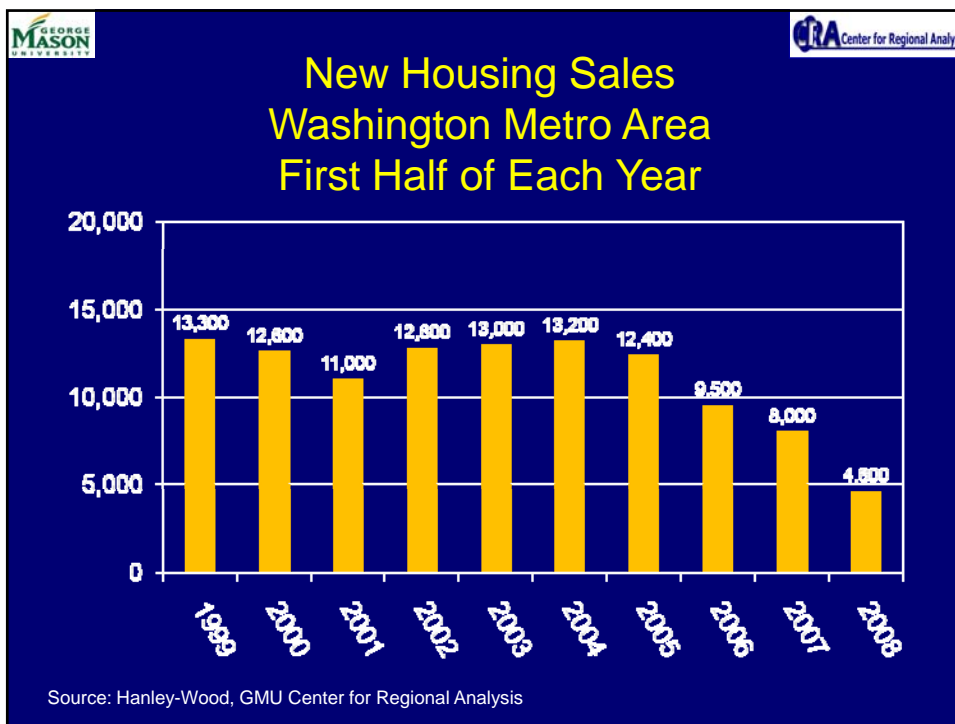
**THE NORTHERN VIRGINIA  
HOUSING MARKET**

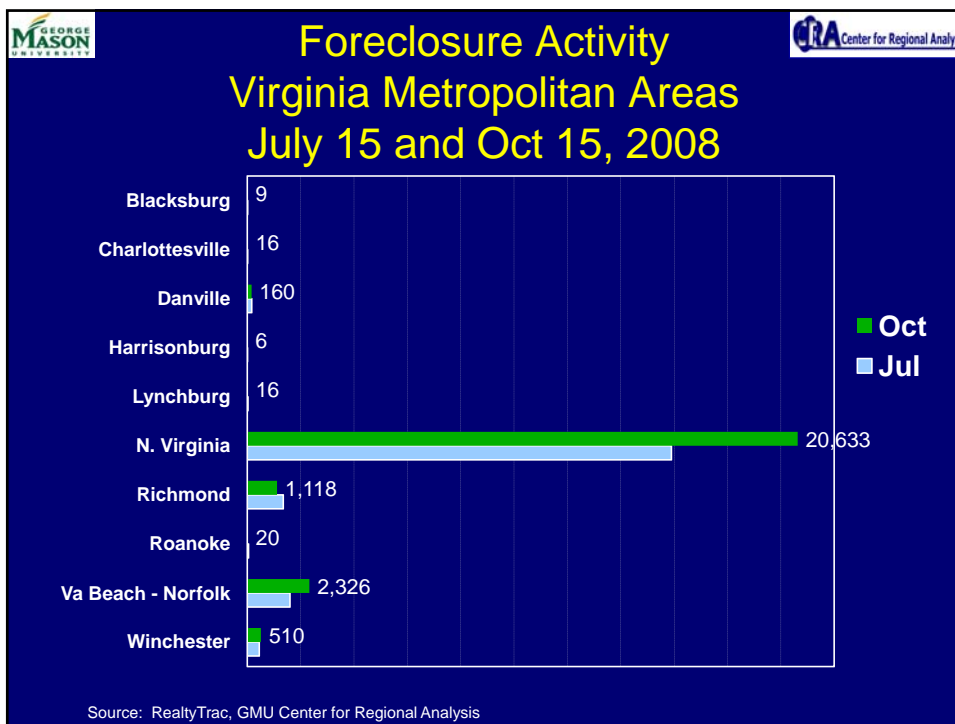






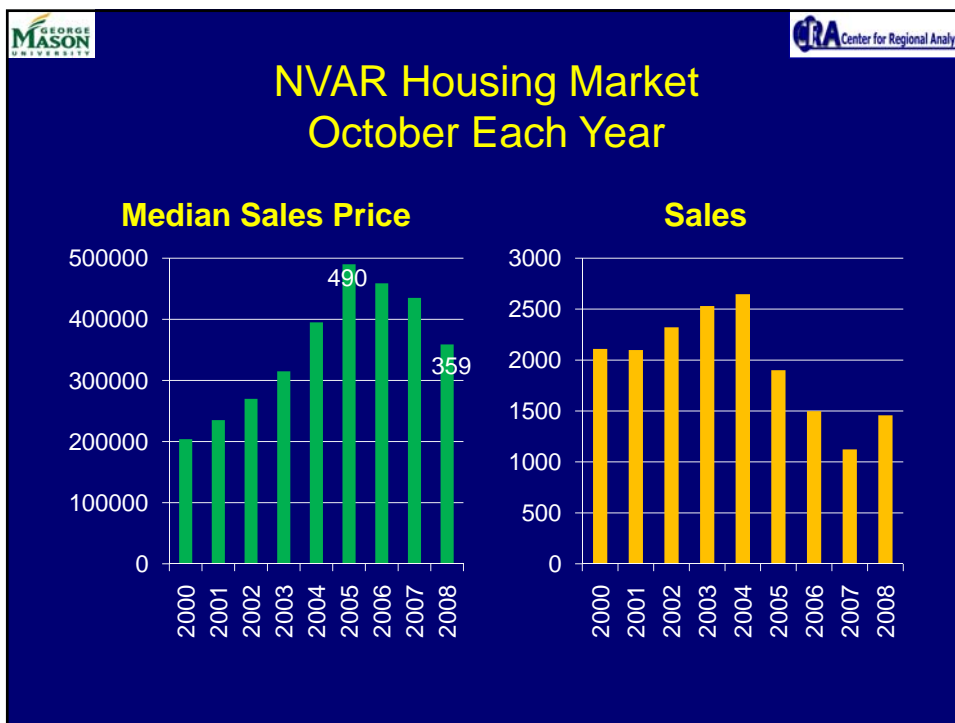
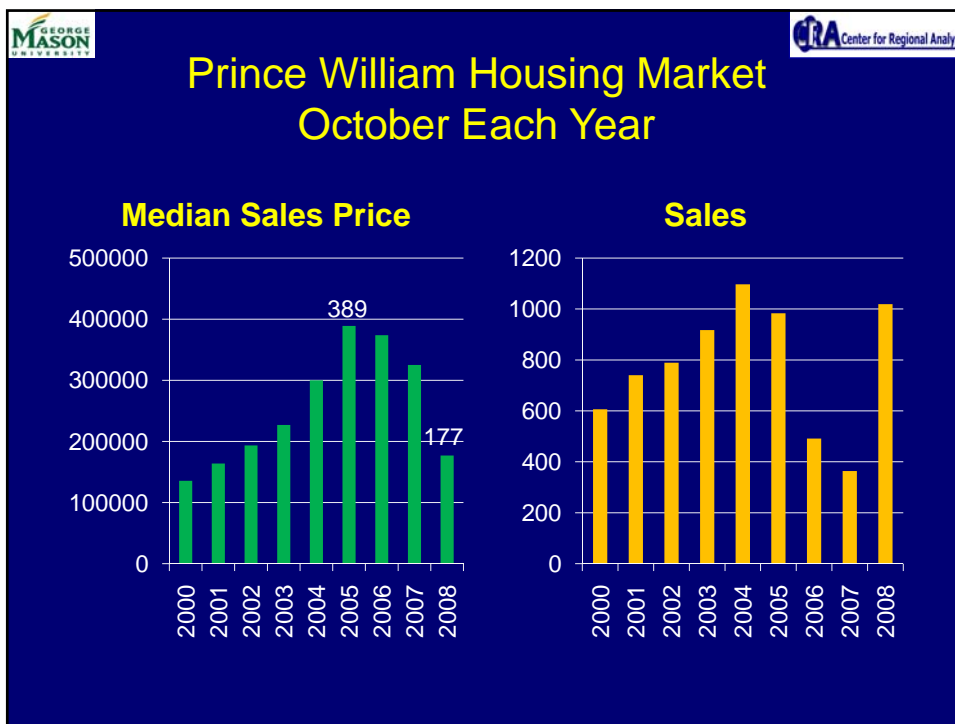
Source: Hanley-Wood, GMU Center for Regional Analysis





MLS Area	Prices	Sales	Pending Sales
Dulles	-23%	+ 27%	+ 58%
NVAR	-19%	+ 15%	+ 27%
Prince William	- 42%	+ 145%	+ 194%
Richmond	- 2%	- 2%	- 7%
Roanoke Valley	- 4%	- 26%	- 18%
Tidewater	- 3%	- 18%	- 3%
Virginia	+ 1%	- 5%	+ 10%

Source: VAR Multiple Listing Services, GMU Center for Regional Analysis





## THE OUTLOOK FOR NORTHERN VIRGINIA'S HOUSING MARKET

- Foreclosures Will Take Time to Work Through
  - Many Sub-primes Will Have Reset by Early 2009
  - Alt-As will take much longer
  - Some Areas Face Danger of Prime Mortgages Going into Foreclosure Because of Falling Prices
- Fiscal Impacts of Declines in Residential Property Values Will Invoke Large Toll on Government Tax Revenues
- Federal Policy Effects – How Long For Current Actions to Turn the Current Situation?
- Increases in Sales A Sign the Tide is Turning?
- Prices and Market Recovery Will be a Mix by Geography – Areas with Good Transportation and Access to Jobs Recovering Soon, Most Areas Will Take Longer



## THE OUTLOOK FOR NORTHERN VIRGINIA'S ECONOMY

- Underlying Economic Fundamentals are Still OK
  - Federal Procurement Moderating Trend to Continue & Will Grow But Will Not be the Economic Driver as in the Past
  - Sectors Related to Housing Market Will Take Some Time to Recover – Will Depend on Housing Market Recovery
  - Long-term Prosperity/Recovery Will Require Adequate Workforce, Workforce Housing, Improved Mobility / Traffic Congestion Relief
  - Need Long-Term Economic Strategy To Build on Region's Strengths & Adjust to Any Shifts in Procurement Policy
- Federal Policy Effects – How Long For Current Actions to Turn the Current Situation?
- Recovering Slowly Late 2009 At National Level ?? – Northern Virginia Jobs Will Continue Slow Growth



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