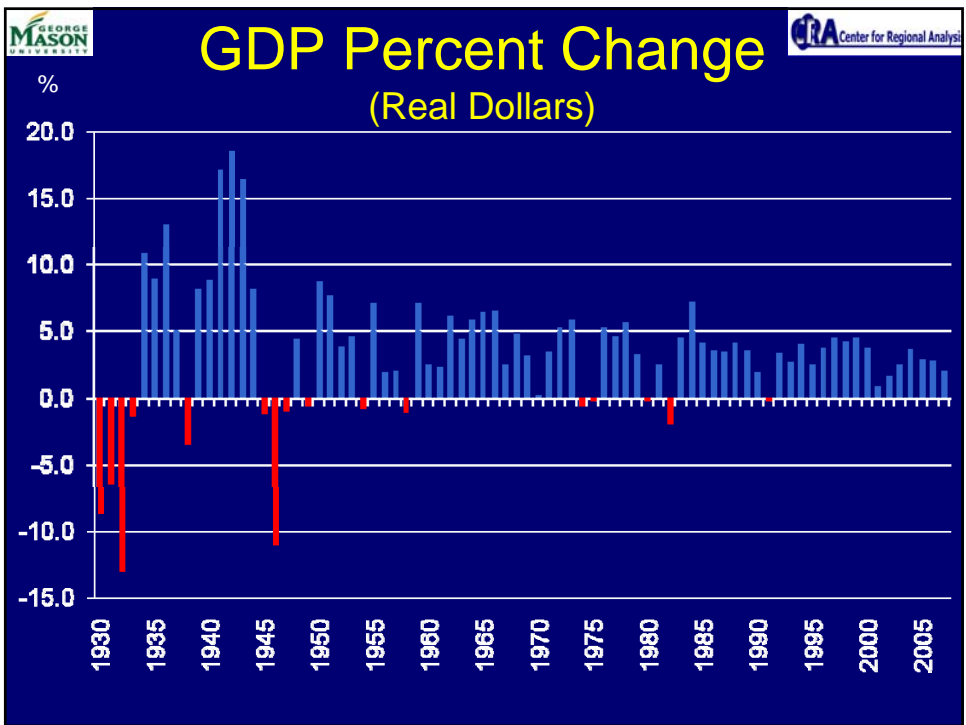


Dulles Area Association of Realtors

The Washington Economy and Housing Market December 2008

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

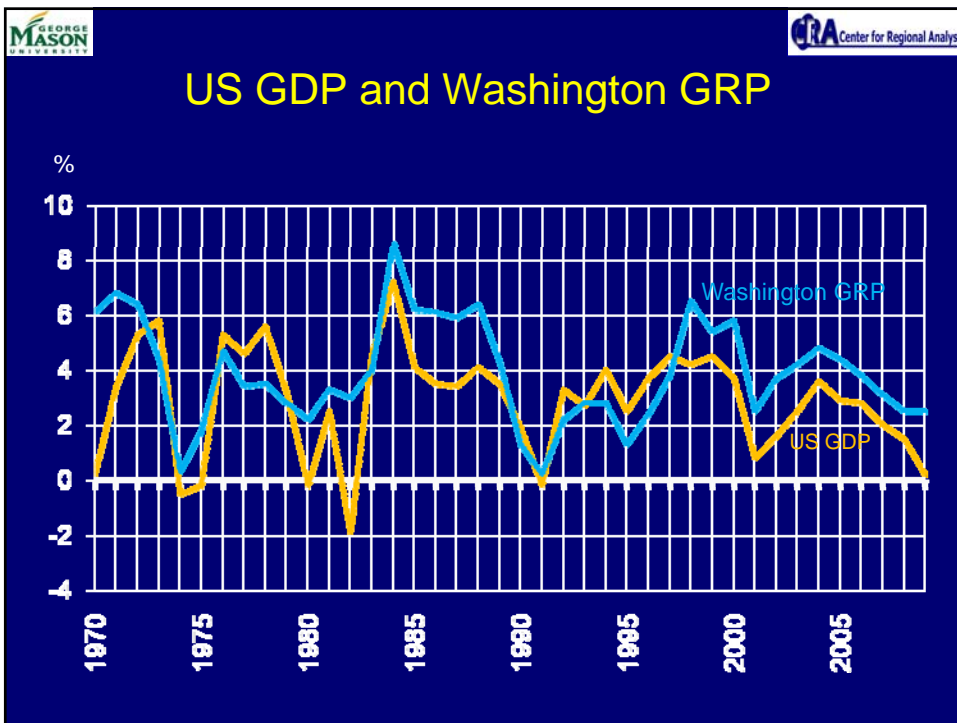
December 17, 2008



GEORGE MASON UNIVERSITY

CRA Center for Regional Analysis

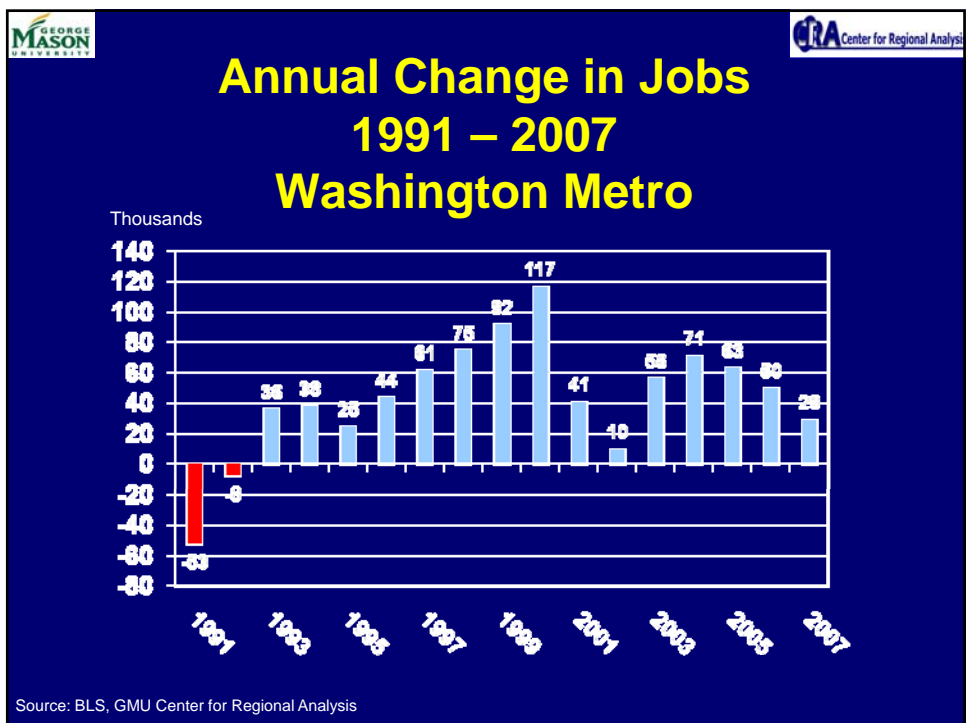
The Washington and Northern Virginia Economies

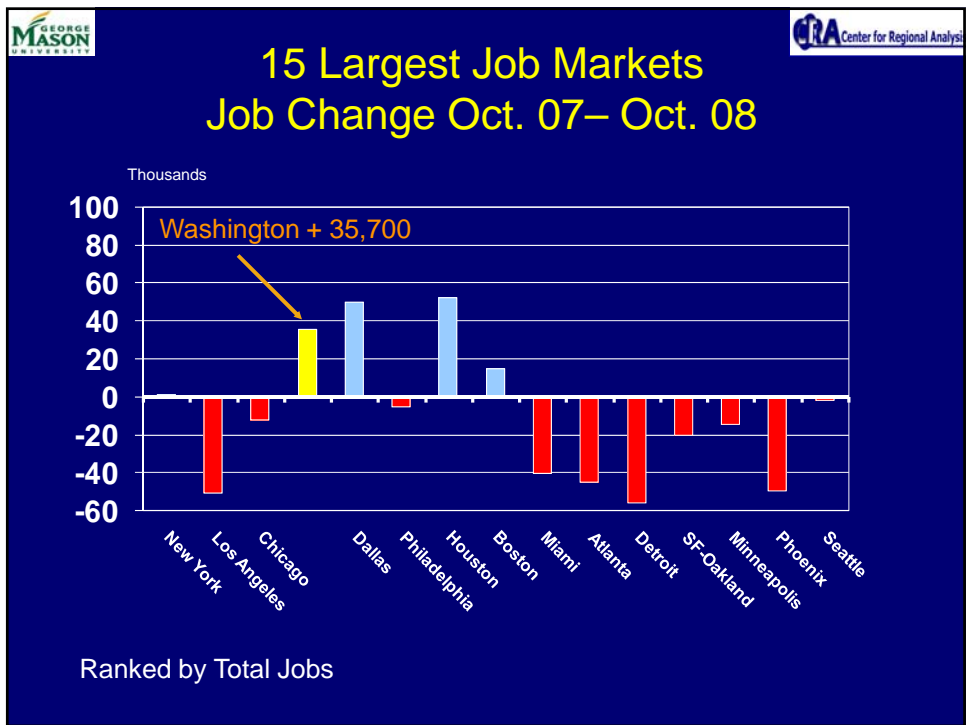
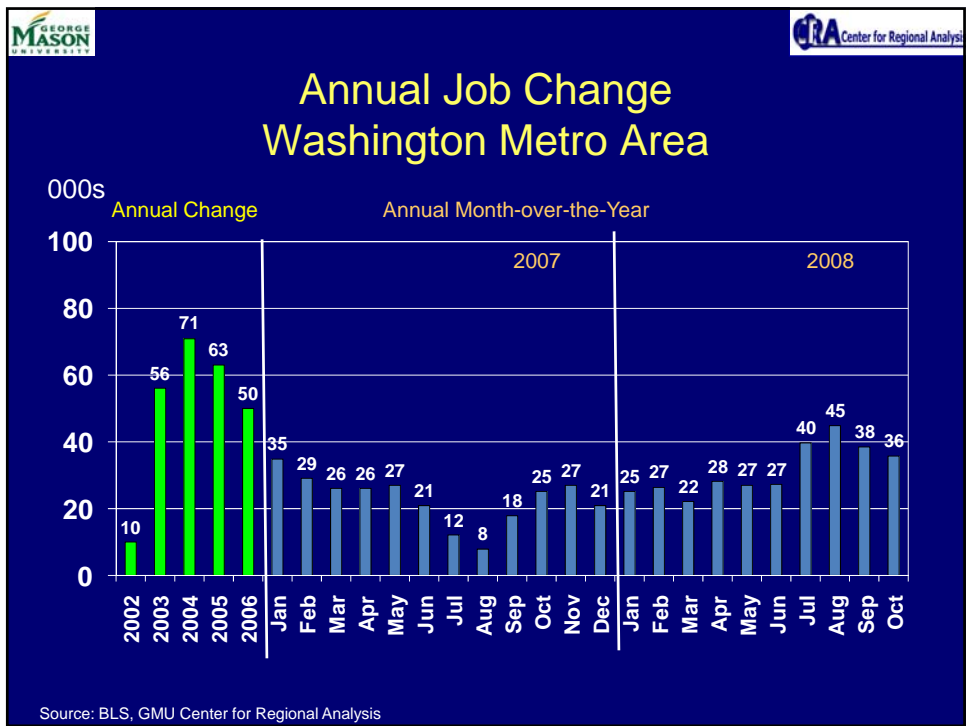


GEORGE MASON UNIVERSITY | CRA Center for Regional Analysis

U.S. and Washington Area Recent Recessions

U.S.	Washington Area GRP Change
3/01 - 11/01 (8)	2.5 %
7/90 - 3/91 (8)	0.2 %
7/81 - 11/82 (16)	3.1 %
1/80 - 7/80 (6)	2.3 %

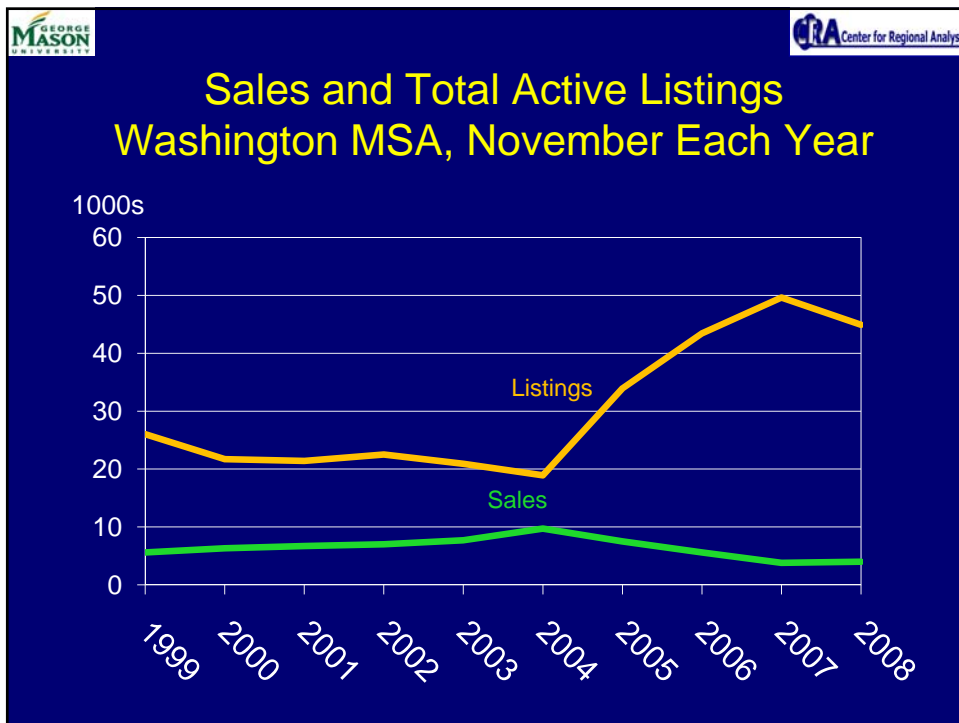


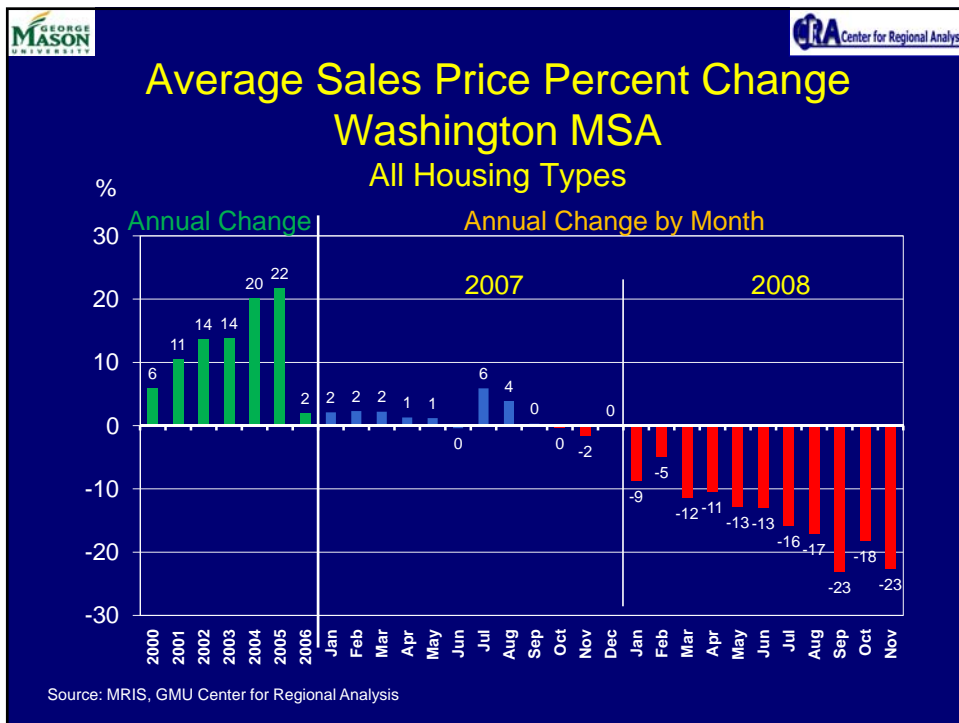
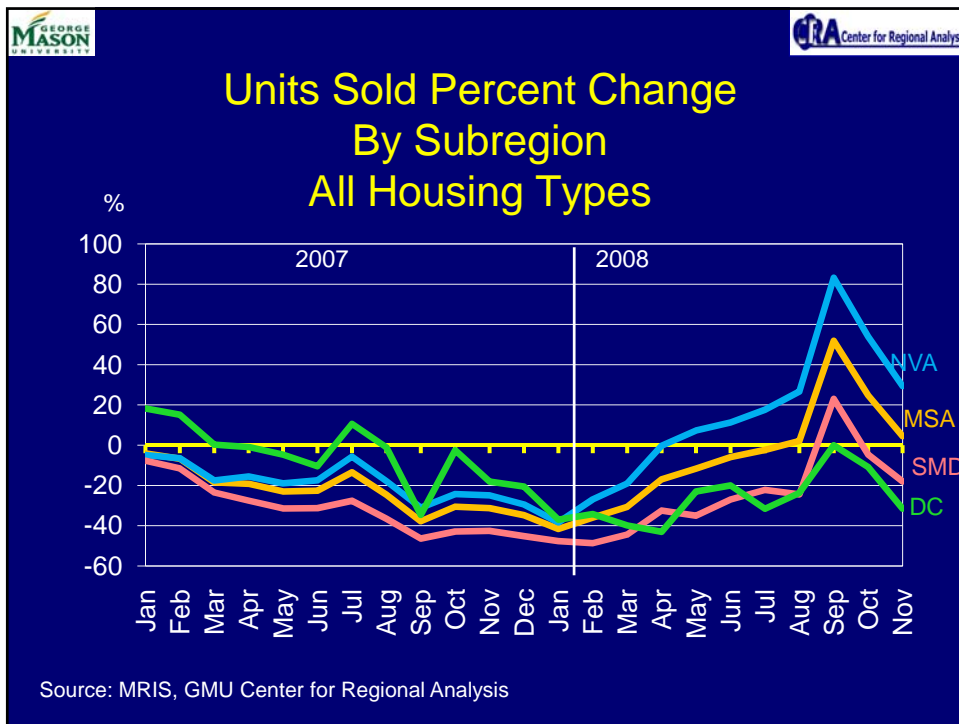


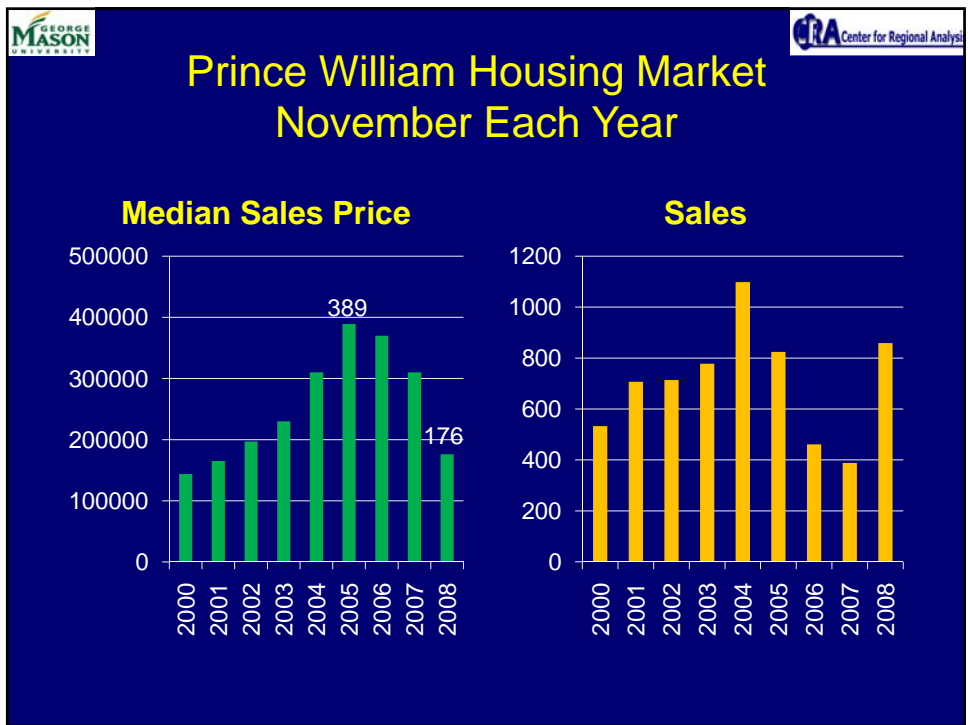
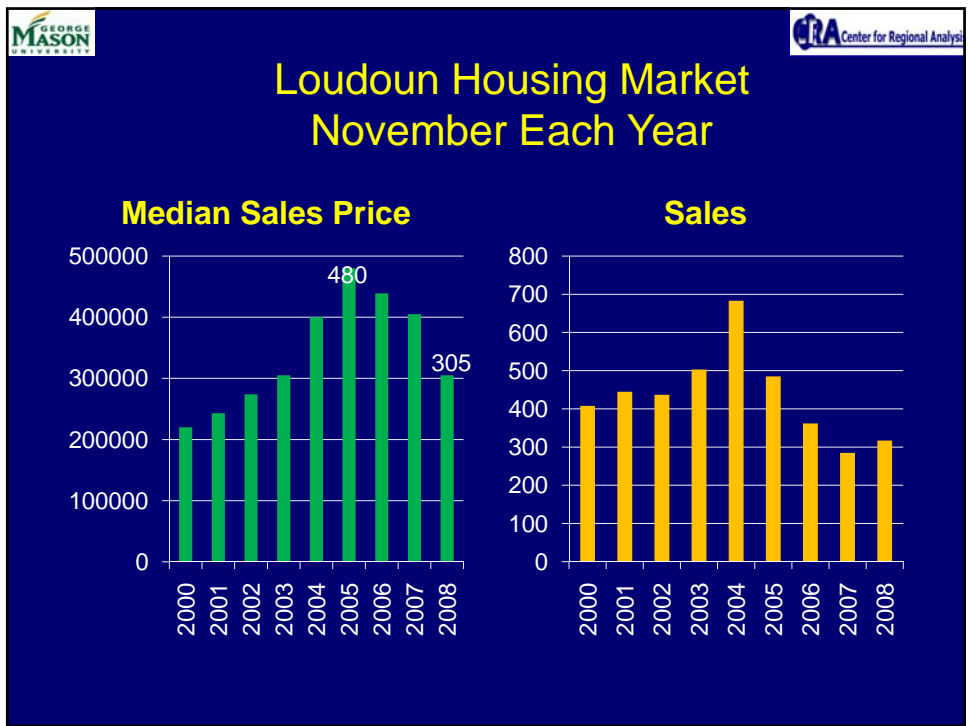


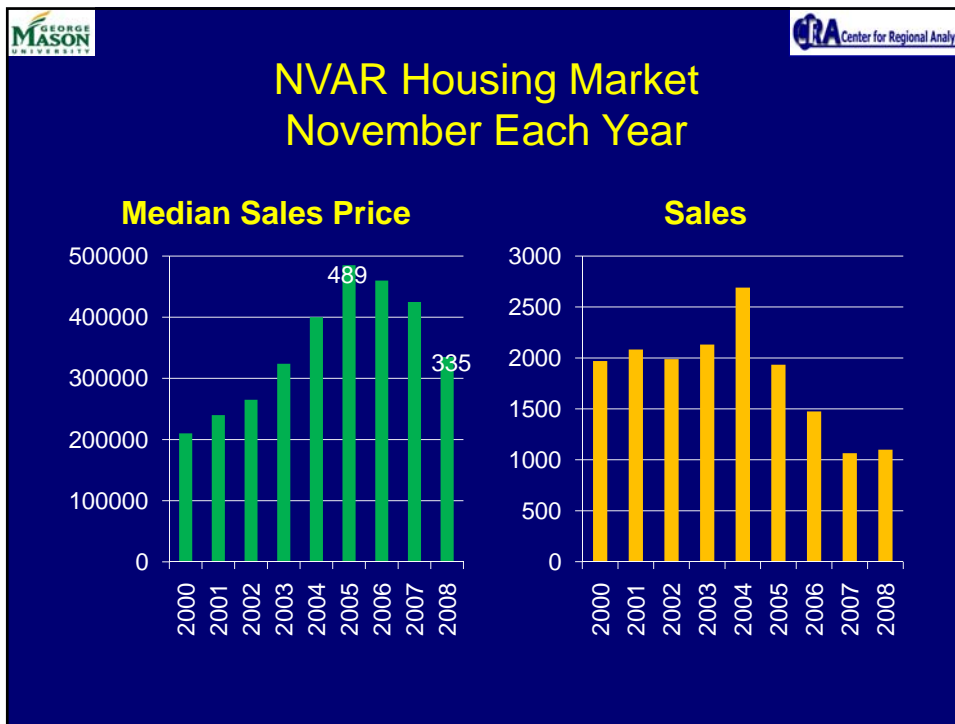
GEORGE MASON UNIVERSITY
CRA Center for Regional Analysis

The Housing Market

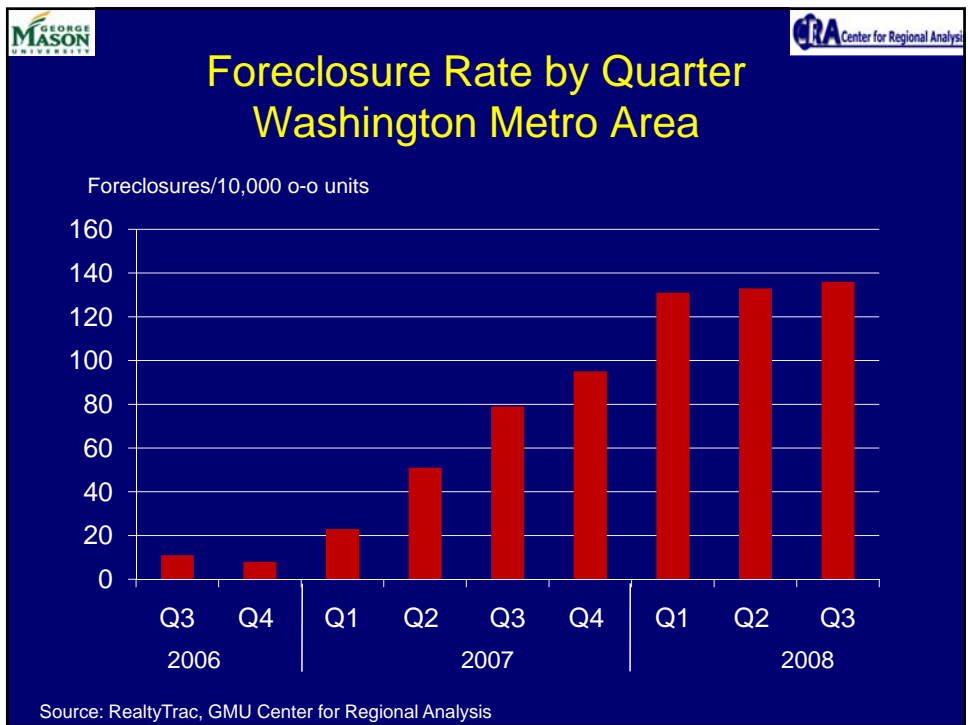
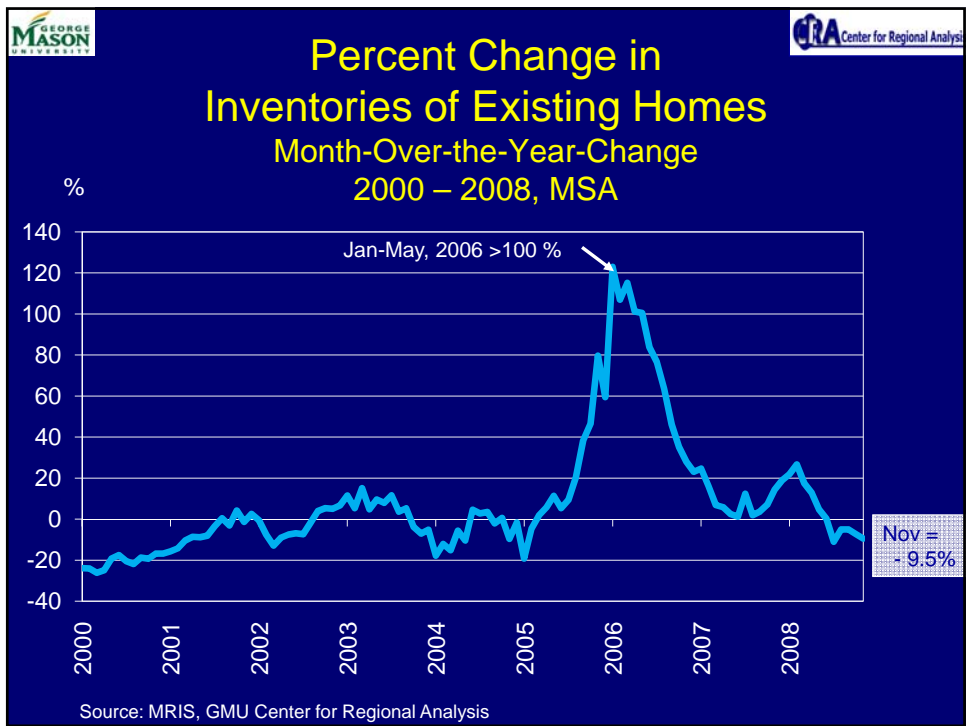








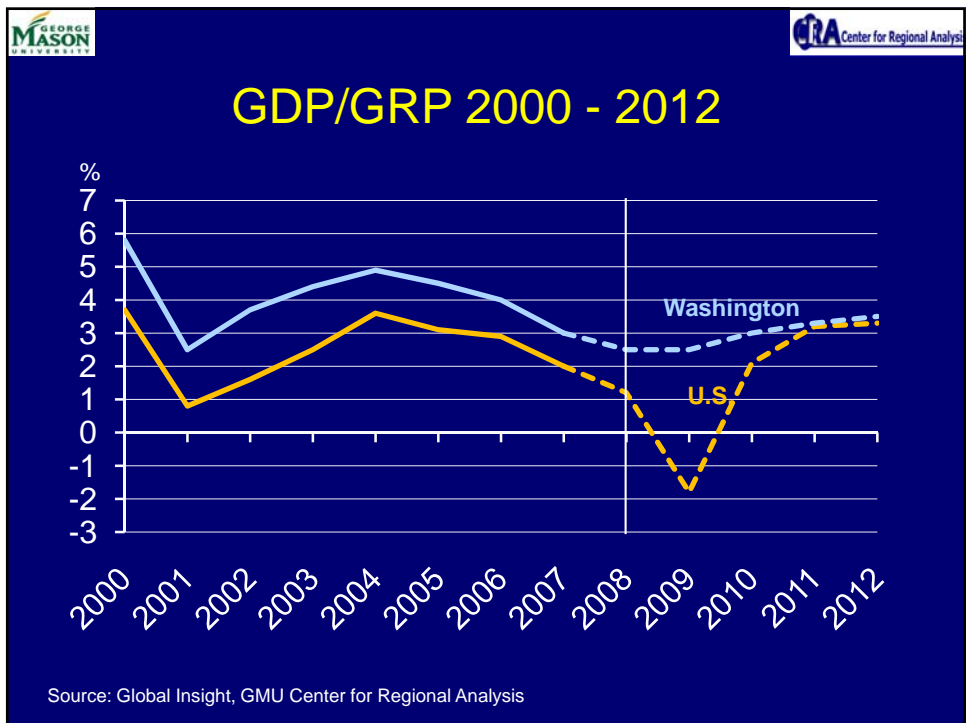
	November 2008 Average Sales Price	Last Month Price At That Level
Metro Area	\$343,000	March 2004 (4.5 Years)
D.C.	\$511,000	Feb 2008 (.75 Years)
Suburban Maryland	\$347,000	Feb 2005 (3.5 Years)
Northern Virginia	\$323,000	Oct 2003 (5.1 Years)
Loudoun County	\$355,000	Nov 2003 (5.0 Years)



GEORGE MASON UNIVERSITY

CRA Center for Regional Analysis

The Outlook



GEORGE MASON UNIVERSITY **CRA Center for Regional Analysis**

Employment Change by Sub-state Region (000s)

	2007	2008	2009	2010	2011	2012	2013
D.C.	7.2	6.6	5.5	6.0	6.4	7.0	6.5
Sub. MD	5.8	6.5	6.0	10.7	12.5	14.3	16.4
No. VA	15.5	12.5	12.2	19.8	23.5	26.8	31.1
REGION	28.5	25.6	23.7	36.5	42.4	48.1	54.0

Average Annual Change 1990-2007 = 44,900

Source: BLS, GMU Center for Regional Analysis

GEORGE MASON UNIVERSITY **CRA Center for Regional Analysis**

Job Change by Sector, 2008-2013 (000s)

SECTOR	Washington Metro Area	D.C.	Suburban MD	Northern Virginia
Professional, Business Services	109.0	18.9	30.4	59.7
Government	41.2	3.8	14.7	22.7
Health, Educ. Svcs.	29.7	5.5	10.4	13.8
Other Services	25.2	5.6	5.8	13.8
Hospitality	18.4	3.7	5.6	9.1
All Other	6.8	.5	-.5	6.8
TOTAL	230.3	38.0	66.4	125.9



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?
- 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

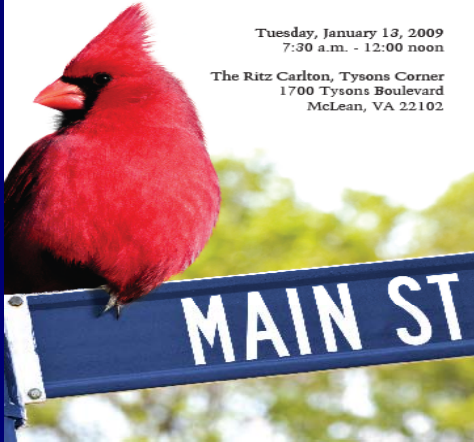
- Underlying Economic Fundamentals are Still OK
 - Federal Procurement Moderating Trend to Continue & Will Grow But Will Not be the Economic Driver as in the Past
 - Sectors Related to Housing Market Will Take Some Time to Recover – Will Depend on Housing Market Recovery
 - Long-term Prosperity/Recovery 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

Cardinal Bank & George Mason University 17th Annual Economic Conference

Tracking the Economy's Recovery

Tuesday, January 13, 2009
7:30 a.m. - 12:00 noon

The Ritz Carlton, Tysons Corner
1700 Tysons Boulevard
McLean, VA 22102



www.cra-gmu.org