

NVAR Economic Summit

Mid-Year Economic Review and Forecast

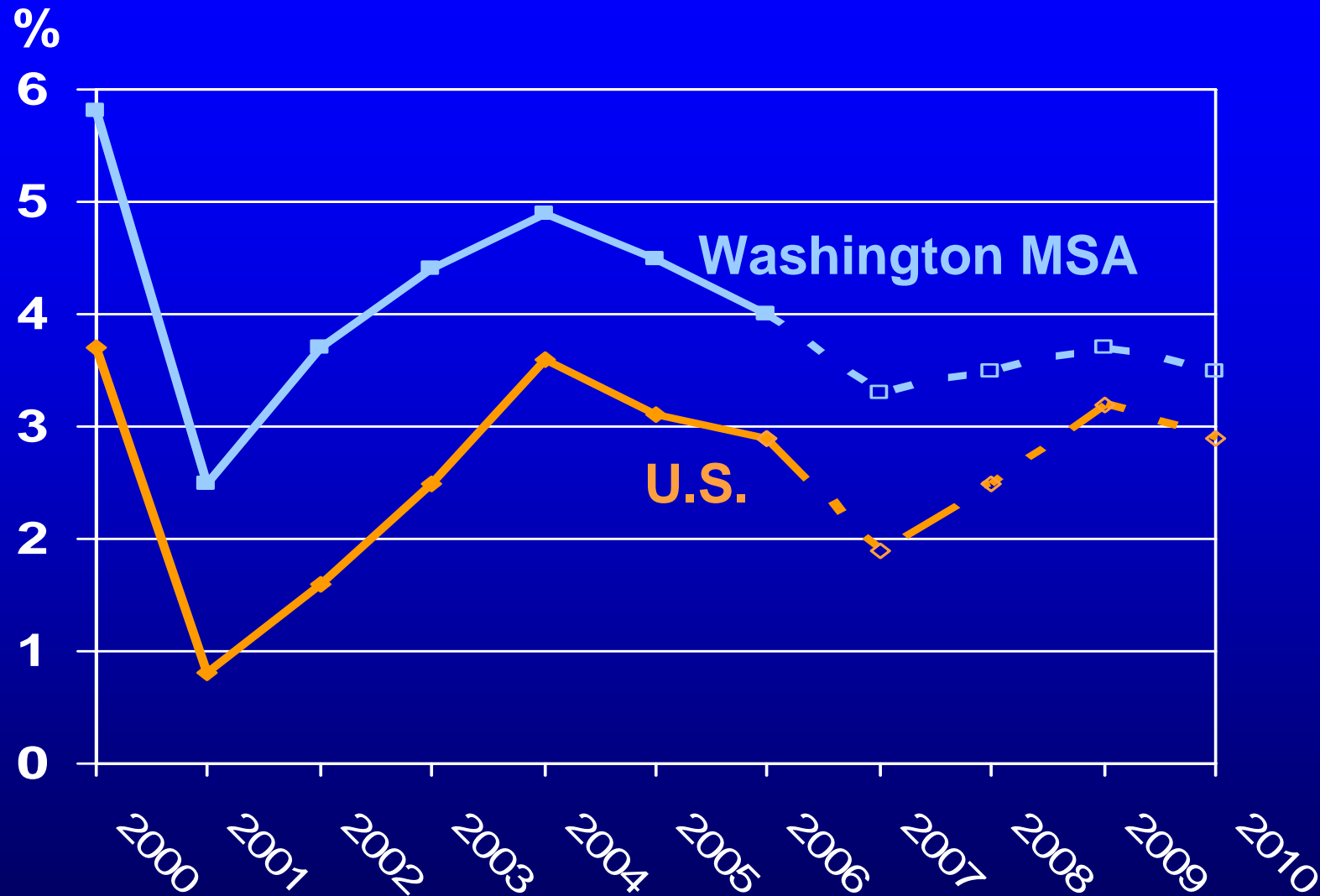
**Stephen S. Fuller, PhD
Dwight Schar Faculty Chair and University Professor
Director, Center for Regional Analysis
George Mason University**

September 20, 2007

The Washington Economy

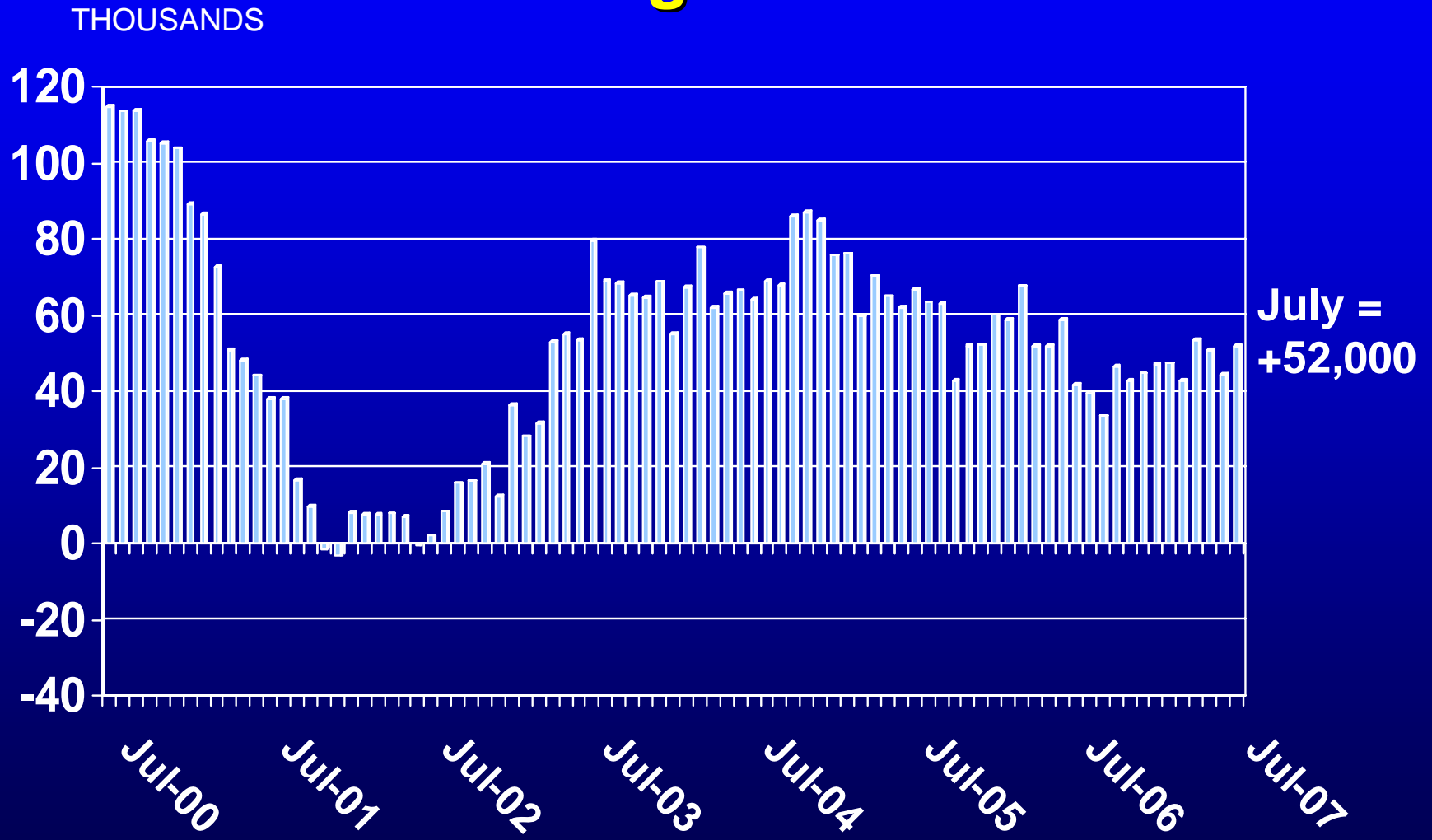
Current Performance

GDP 2000 - 2010



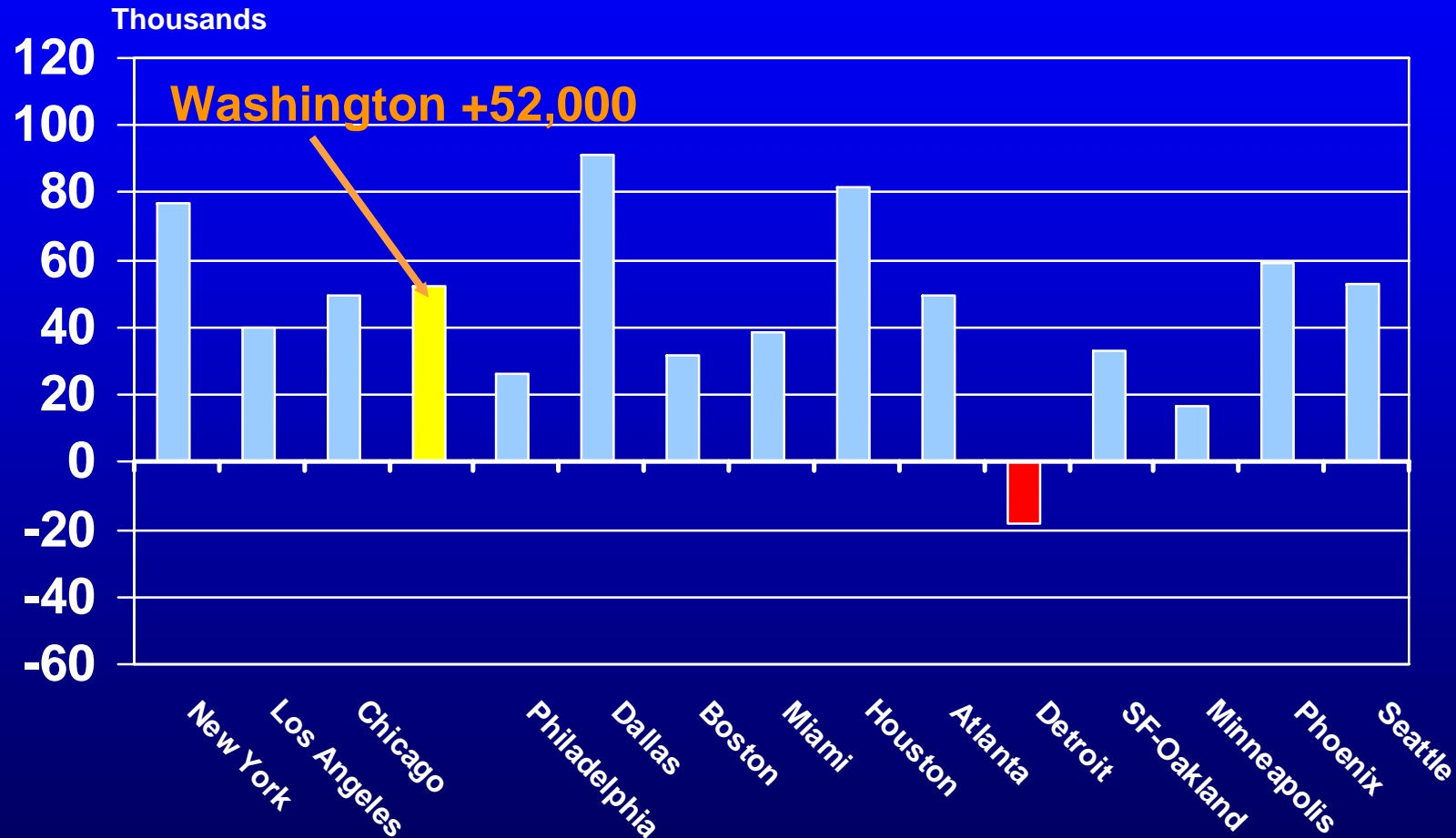
Source: Global Insight, GMU Center for Regional Analysis

Annual Job Change Washington MSA



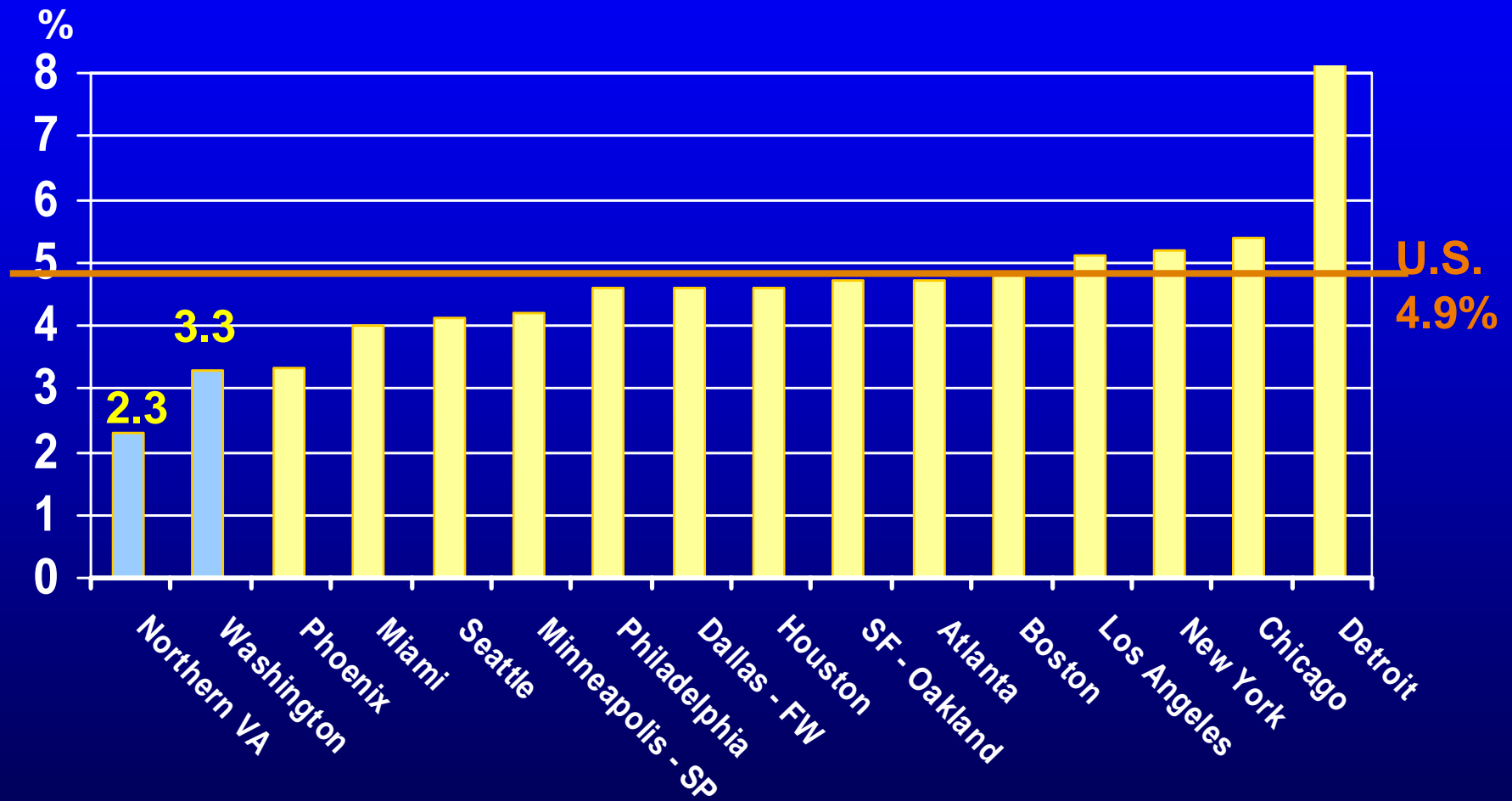
Source: BLS Establishment Survey

15 Largest Job Markets Job Change July 06 – July 07



Ranked by Total Jobs

15 Largest Job Markets Ranked by Unemployment Rate July 2007

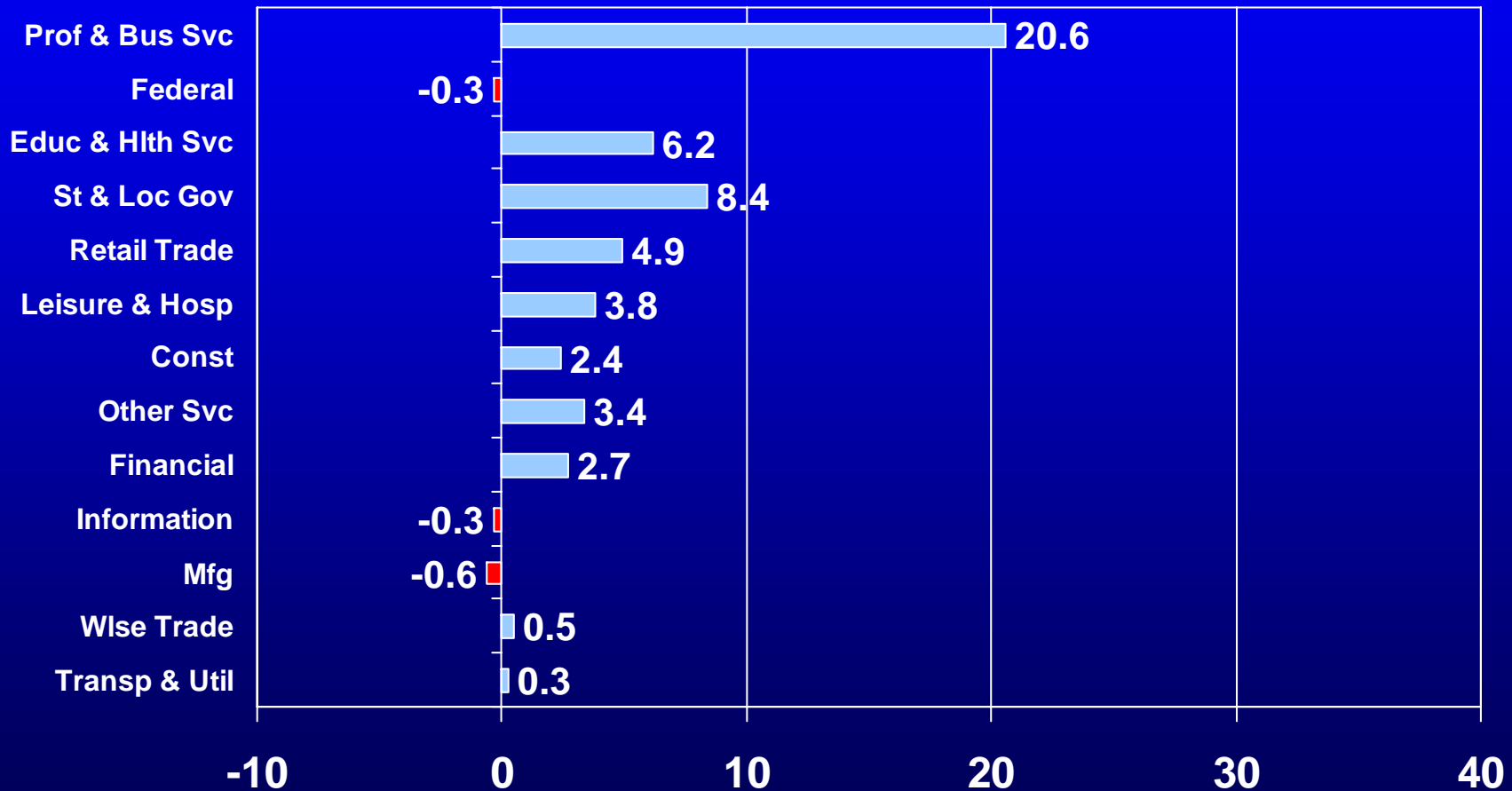


July 06 – July 07 Job Change By Sector MSA

(000s)

Total = 52,000

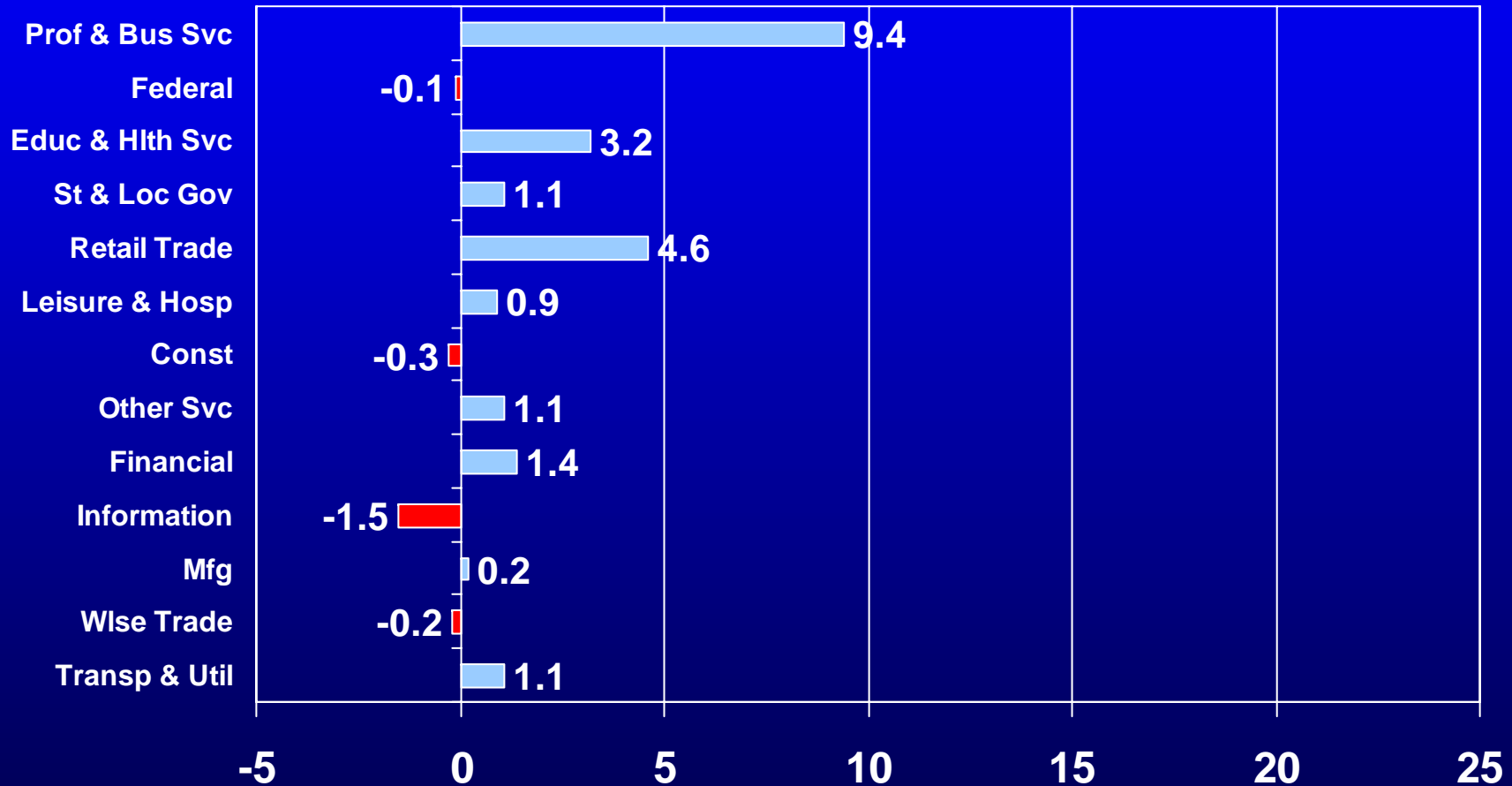
(Ranked by Size of Sector)



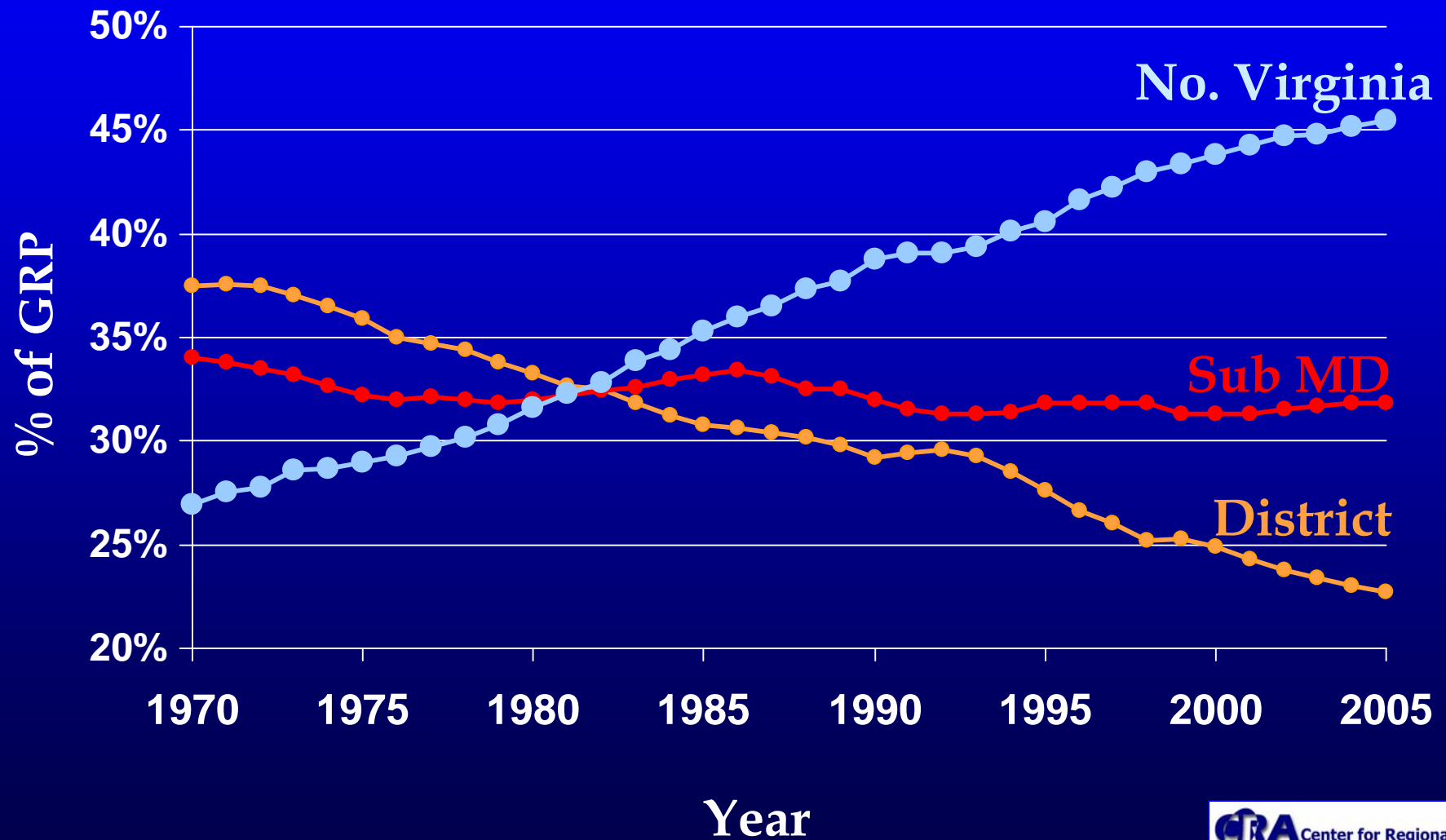
July 06 – July 07 Job Change By Sector – Northern VA (000s)

Total = 20,900

(Ranked by Size of Sector)



Share of Washington Area Economy 1970-2005



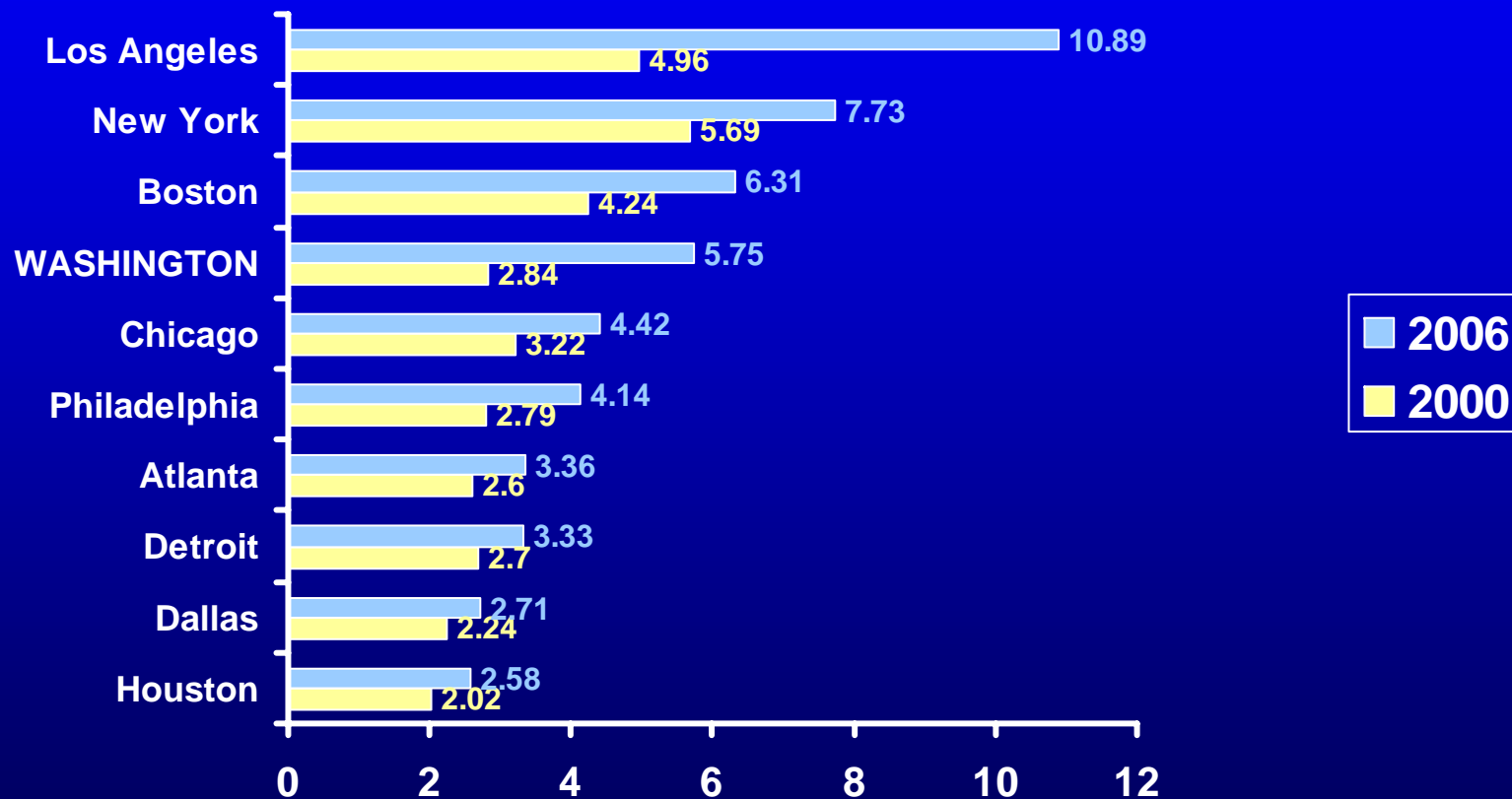
Threats to the Washington Region Economy's Future Performance

- **Slowing Federal Spending**
- **Area's Rising Cost of Living**
- **Increasing Oil Prices**
- **Turmoil in Financial Markets**
- **Continuing Weakness in RE Market**

Federal Spending by Type 1983 - 2006

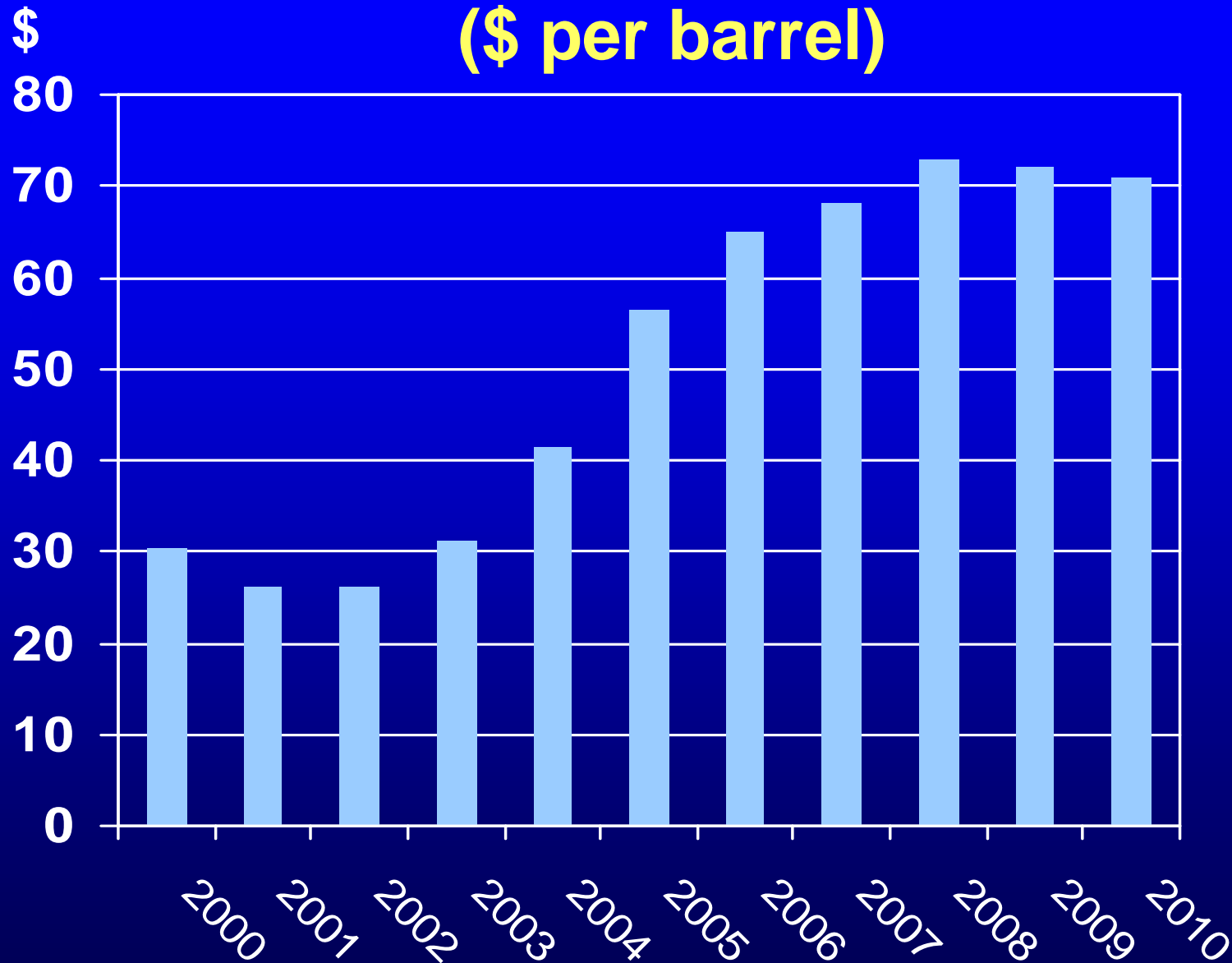


Ratio of Median Housing Value to Median Household Income 2000 - 2006



Source: 2000 Census, 2006 ACS, CRA

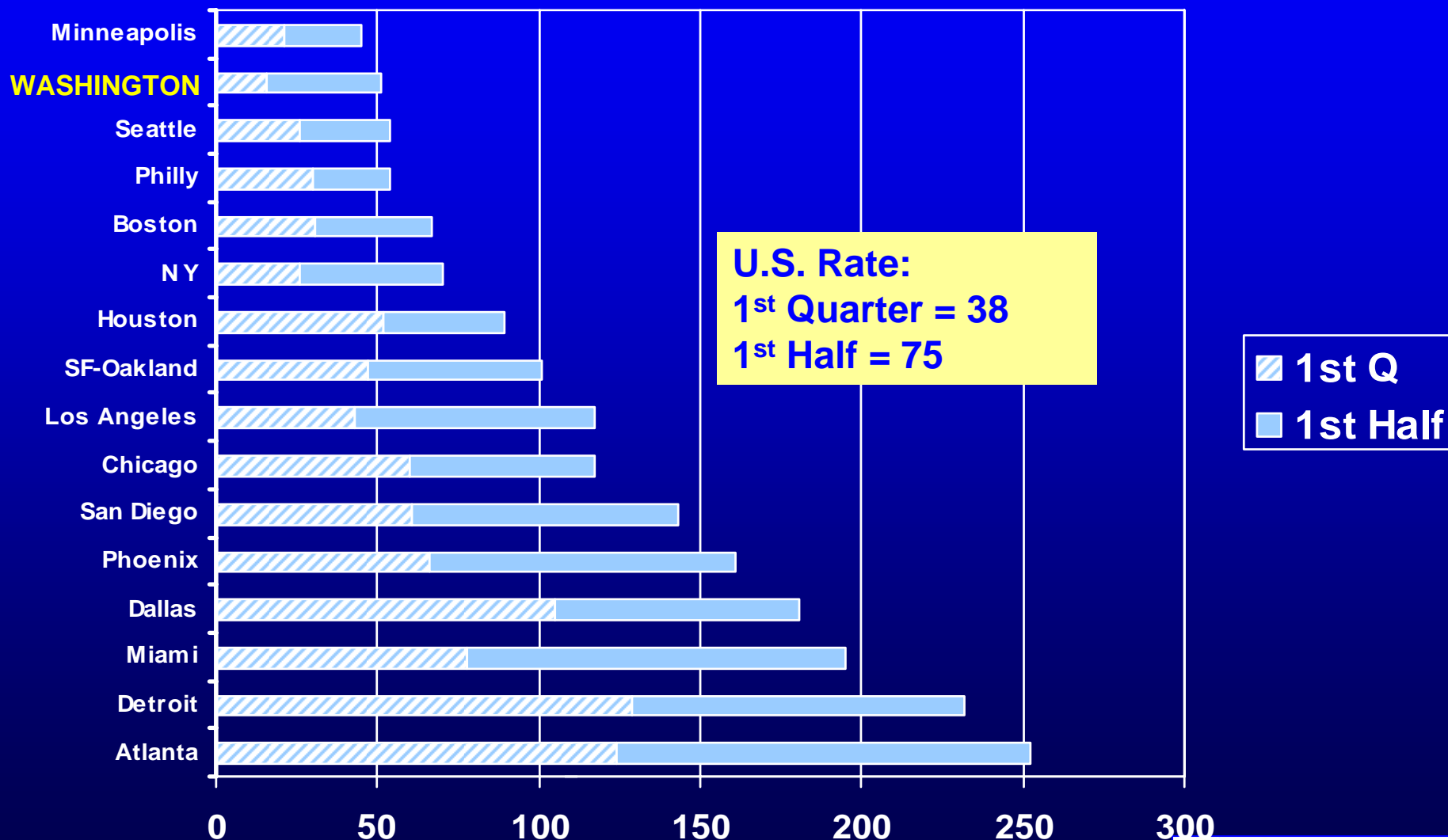
Average Annual Oil Prices (\$ per barrel)



Source: Global Insight, GMU Center for Regional Analysis

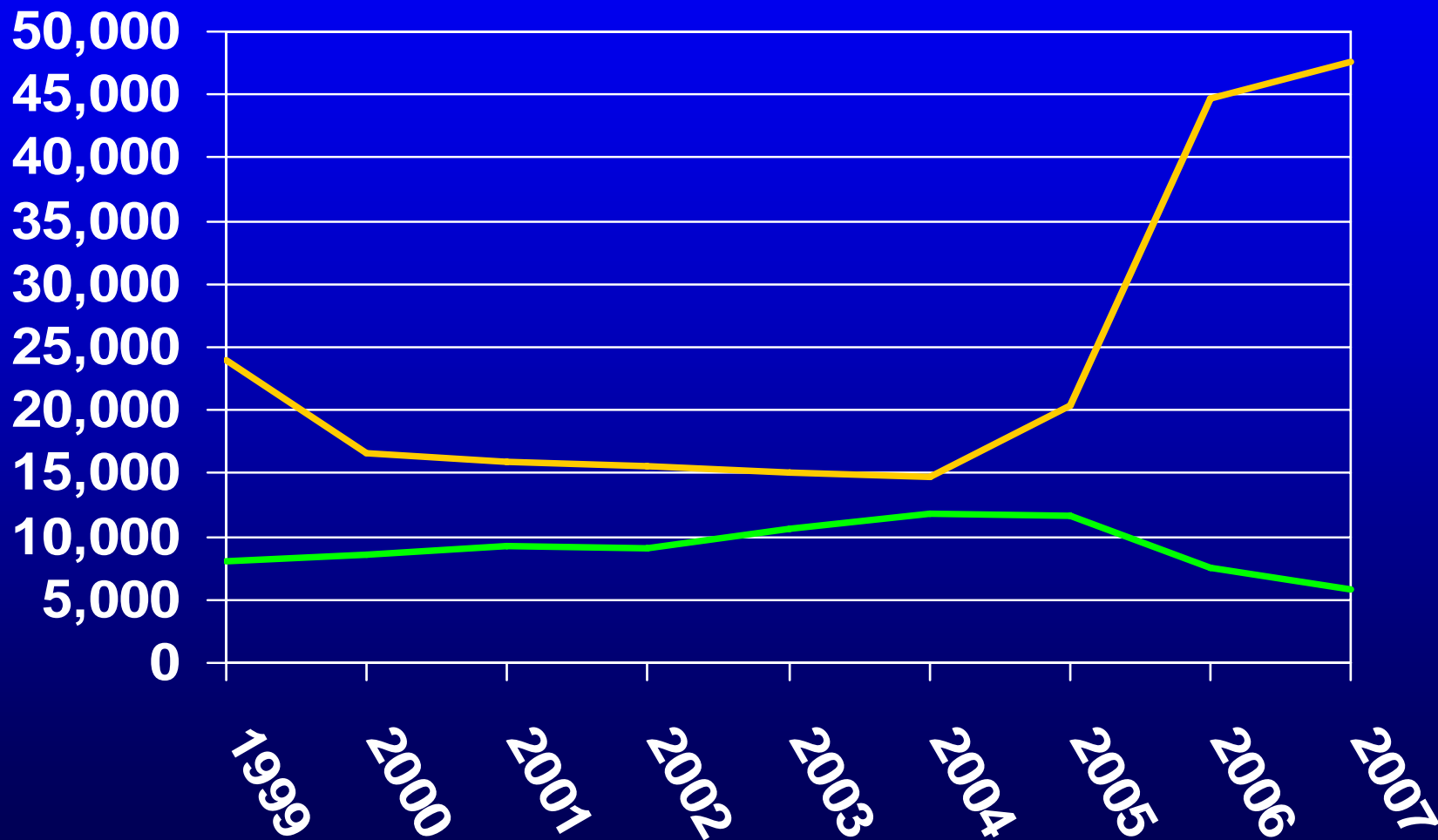
Metro Comparisons Mortgage Foreclosure Rates Jan - Jun 2007

Foreclosures /10,000HH



Outlook for the Region's Housing Market

Sales and Listings Washington Metro Area August Each Year



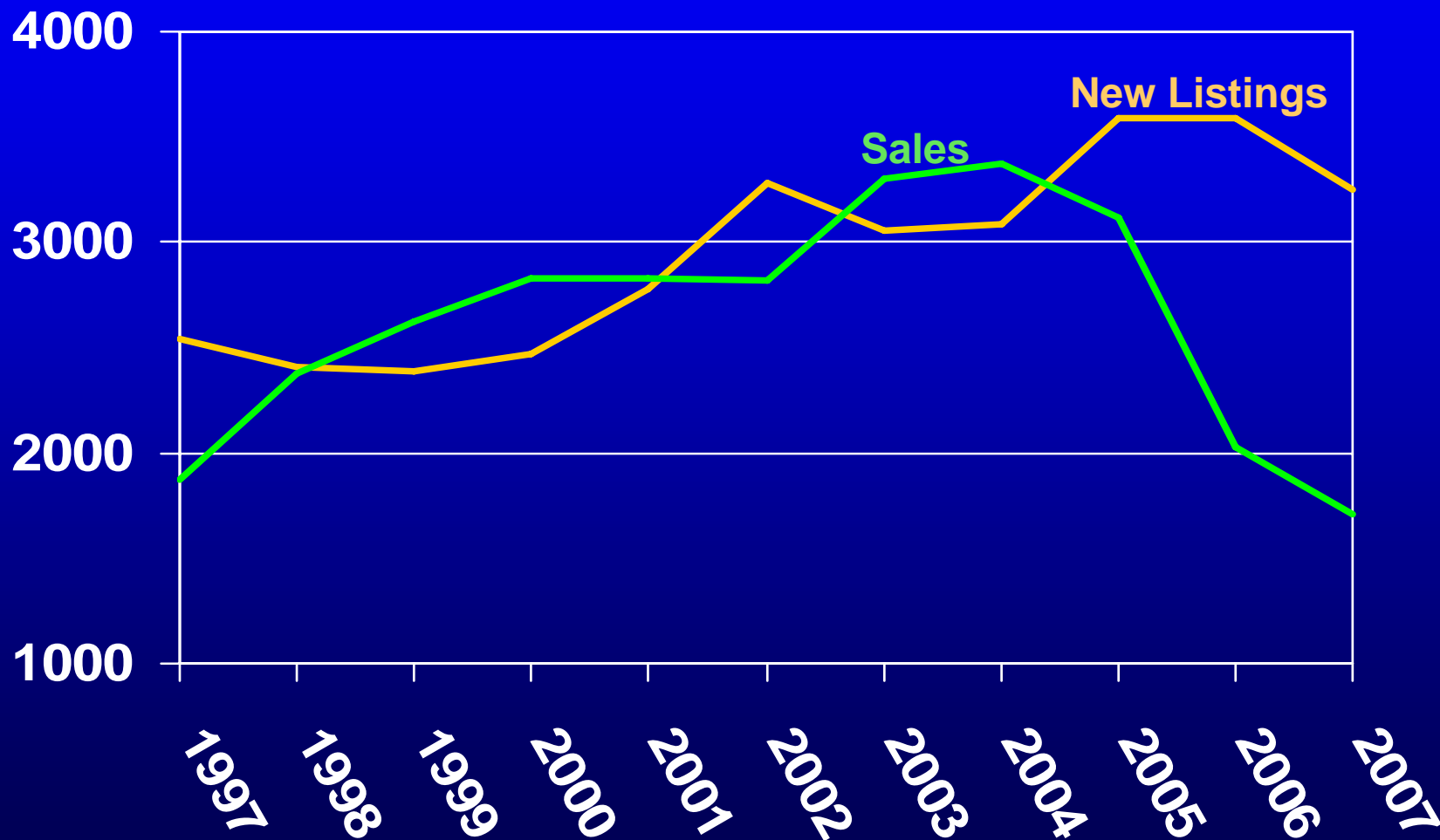
Source: MRIS, GMU Center for Regional Analysis

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



Source: NVAR, MRIS, GMU Center for Regional Analysis

Sales and New Listings NVAR Region August Each Year

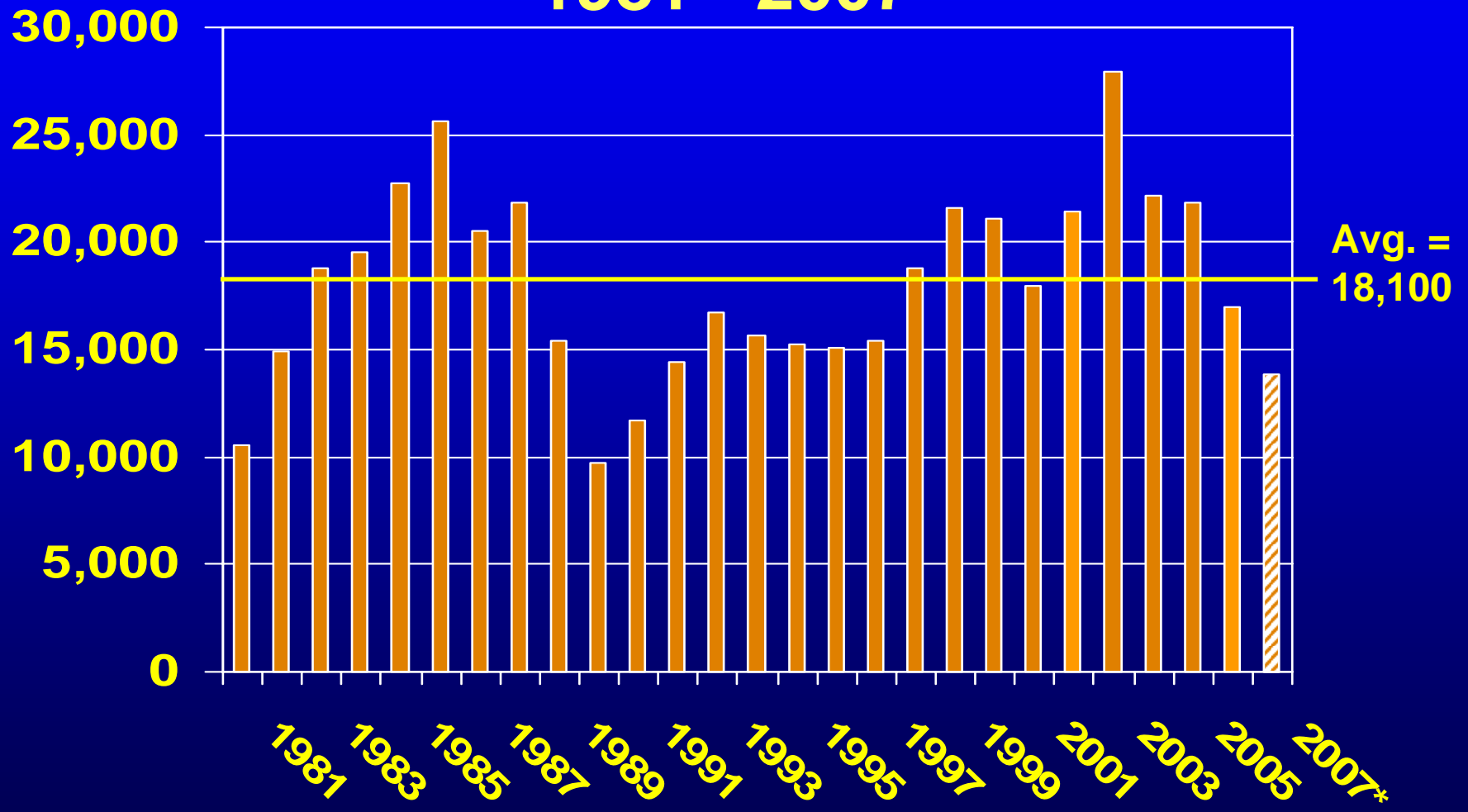


Percent Change in Inventories of Existing Homes Month-Over-the-Year-Change 1992 – 2007, NVAR



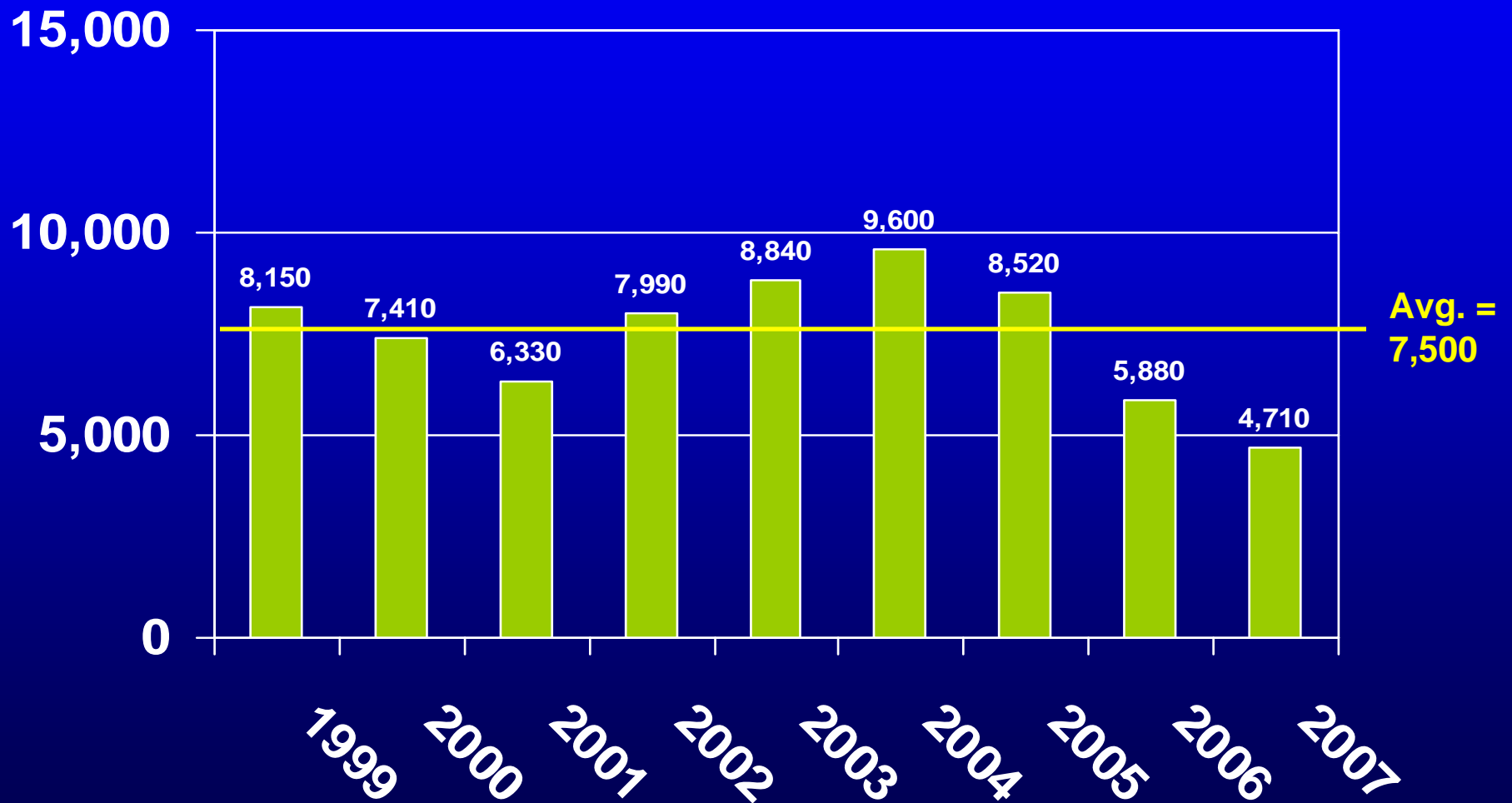
Source: NVAR, MRIS, GMU Center for Regional Analysis

New Home Sales Washington Metro Area 1981 - 2007



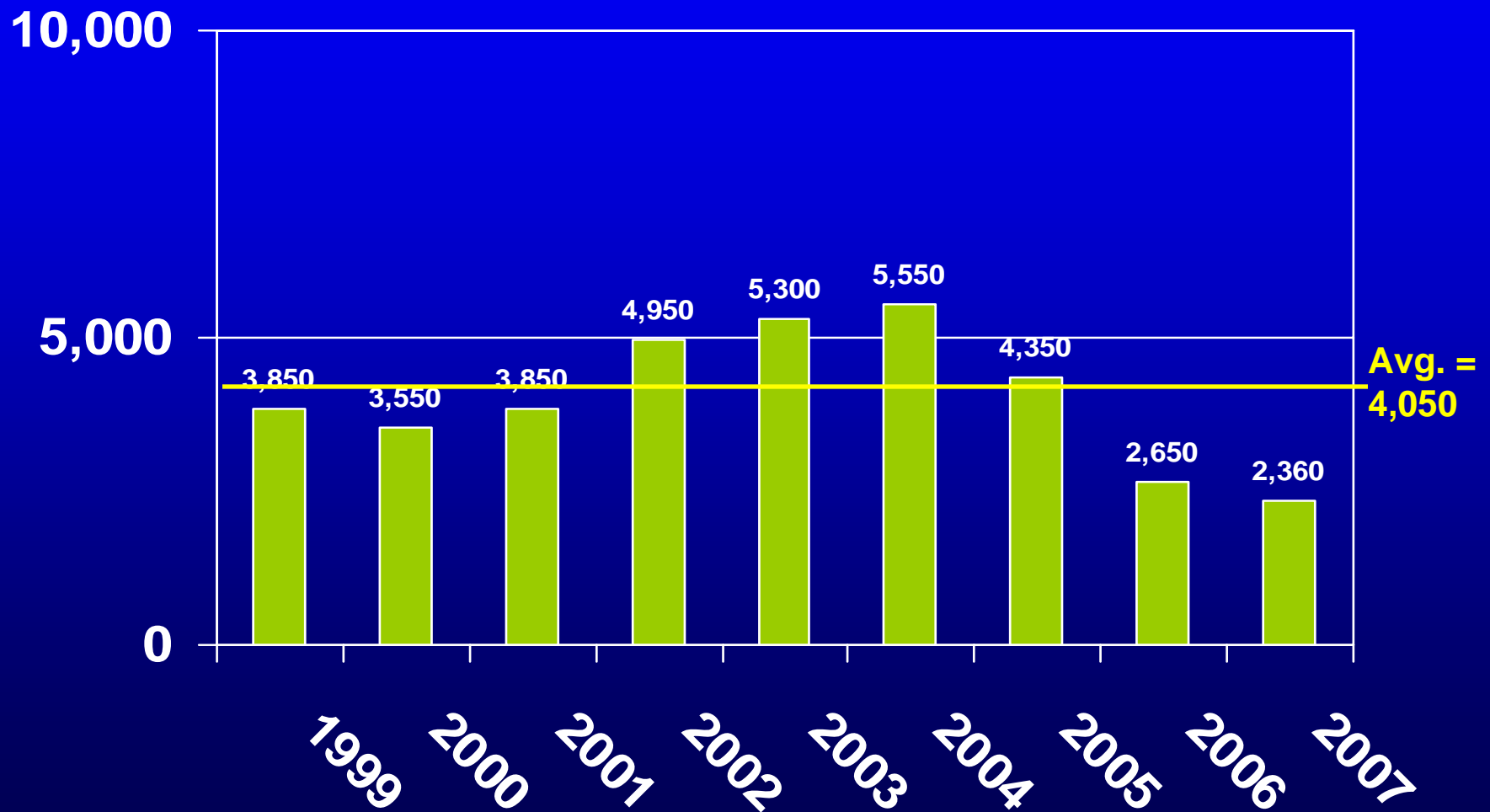
* 2007 Annualized

Total New Units Sold Northern Virginia Jan – Jun Each Year All Housing Types



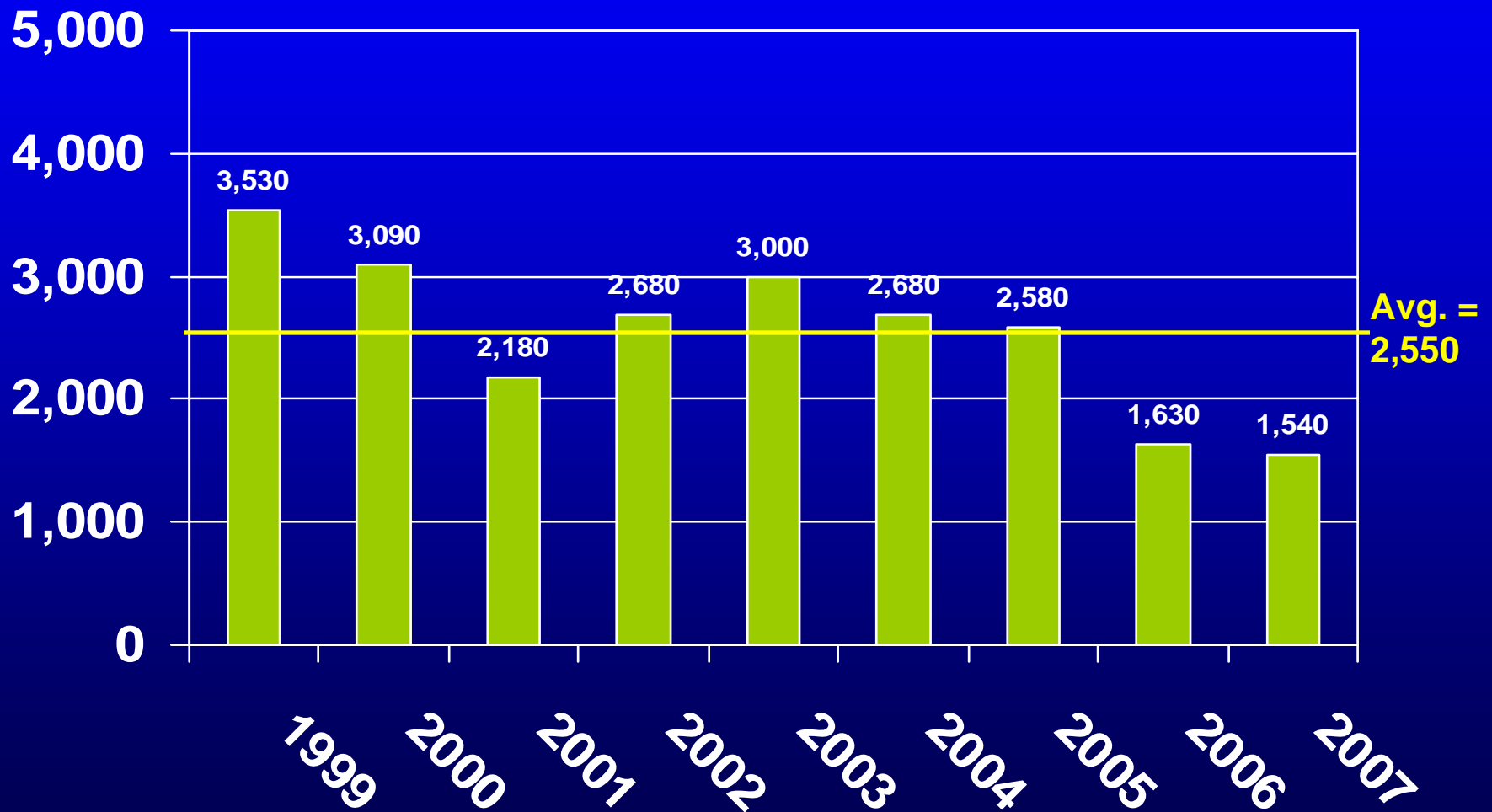
Source: MRIS, GMU Center for Regional Analysis

Total New Units Sold Northern Virginia Jan – Jun Each Year Single-Family Detached



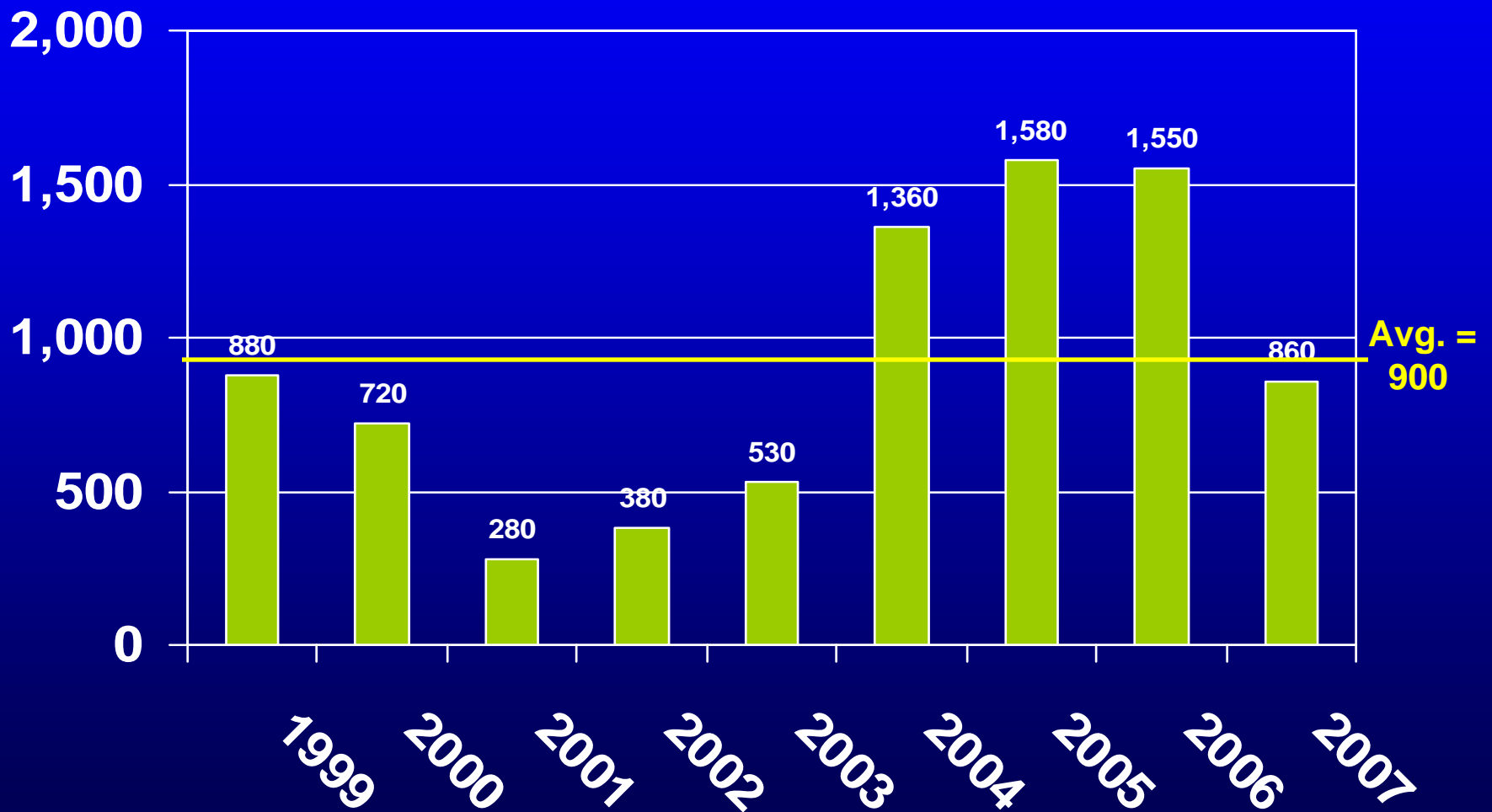
Source: MRIS, GMU Center for Regional Analysis

Total New Units Sold Northern Virginia Jan – Jun Each Year Single-Family Attached

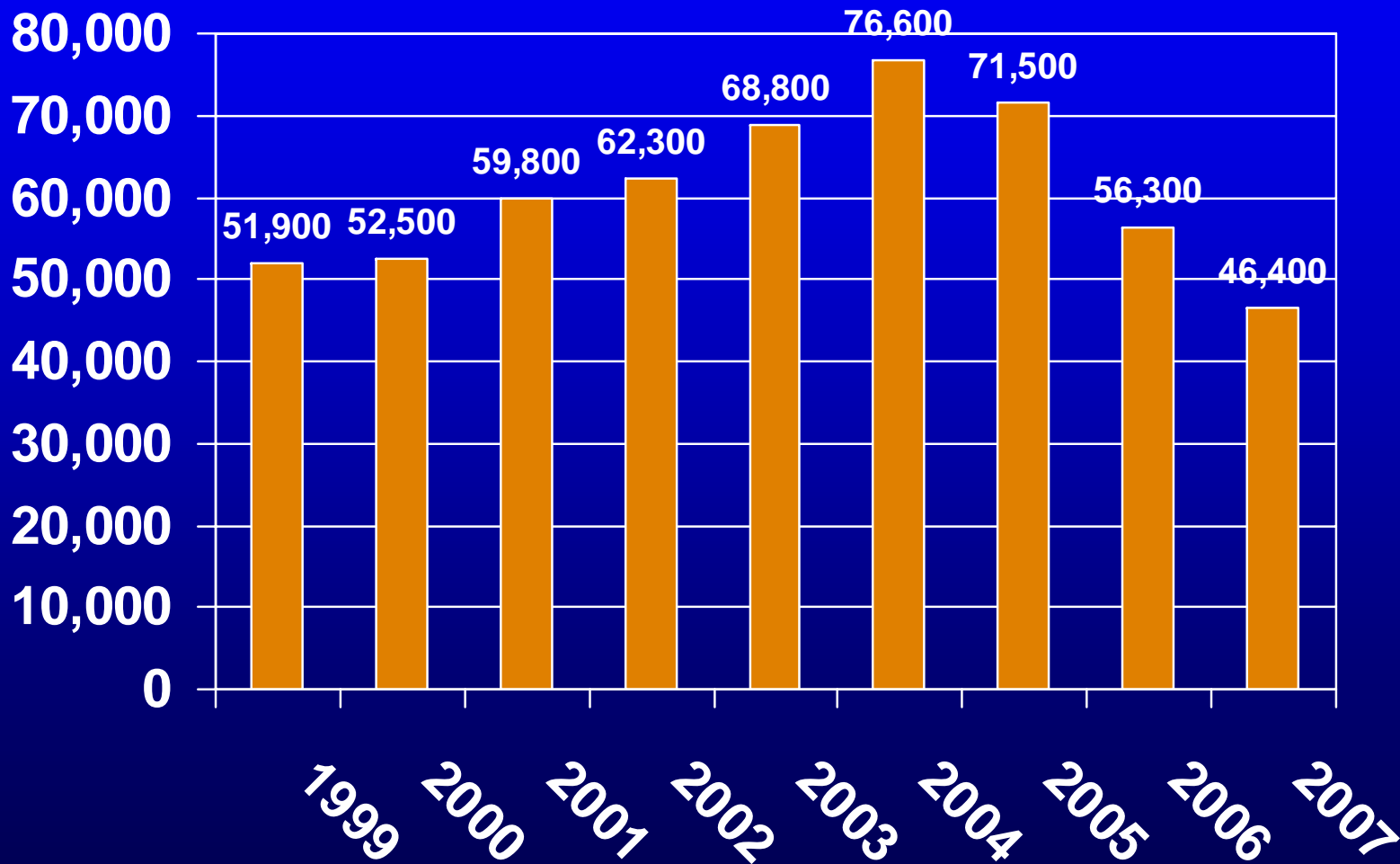


Source: MRIS, GMU Center for Regional Analysis

Total New Units Sold Northern Virginia Jan – Jun Each Year Condominium

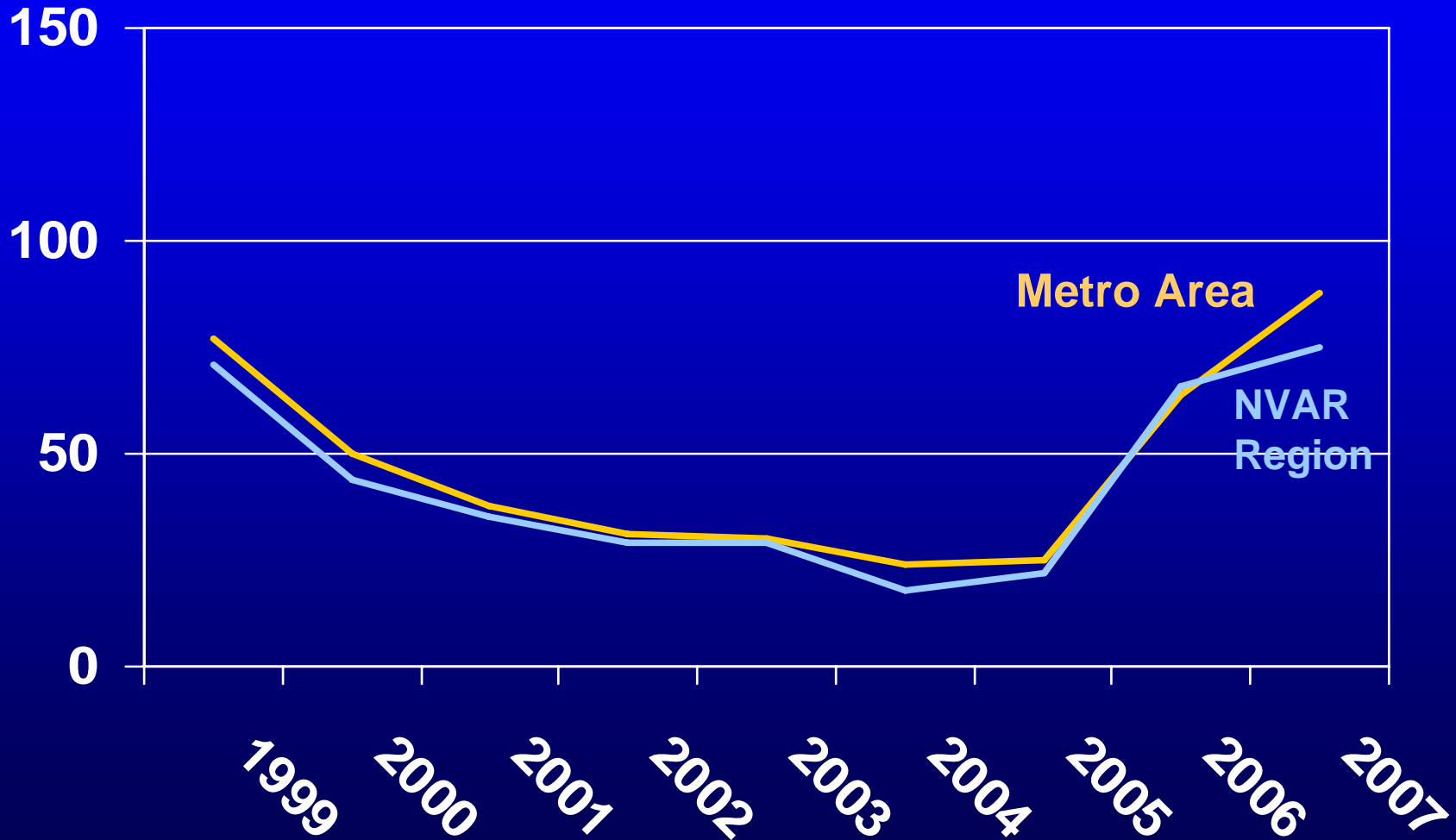


Total Units Sold Washington Metro Area Jan - Aug Each Year



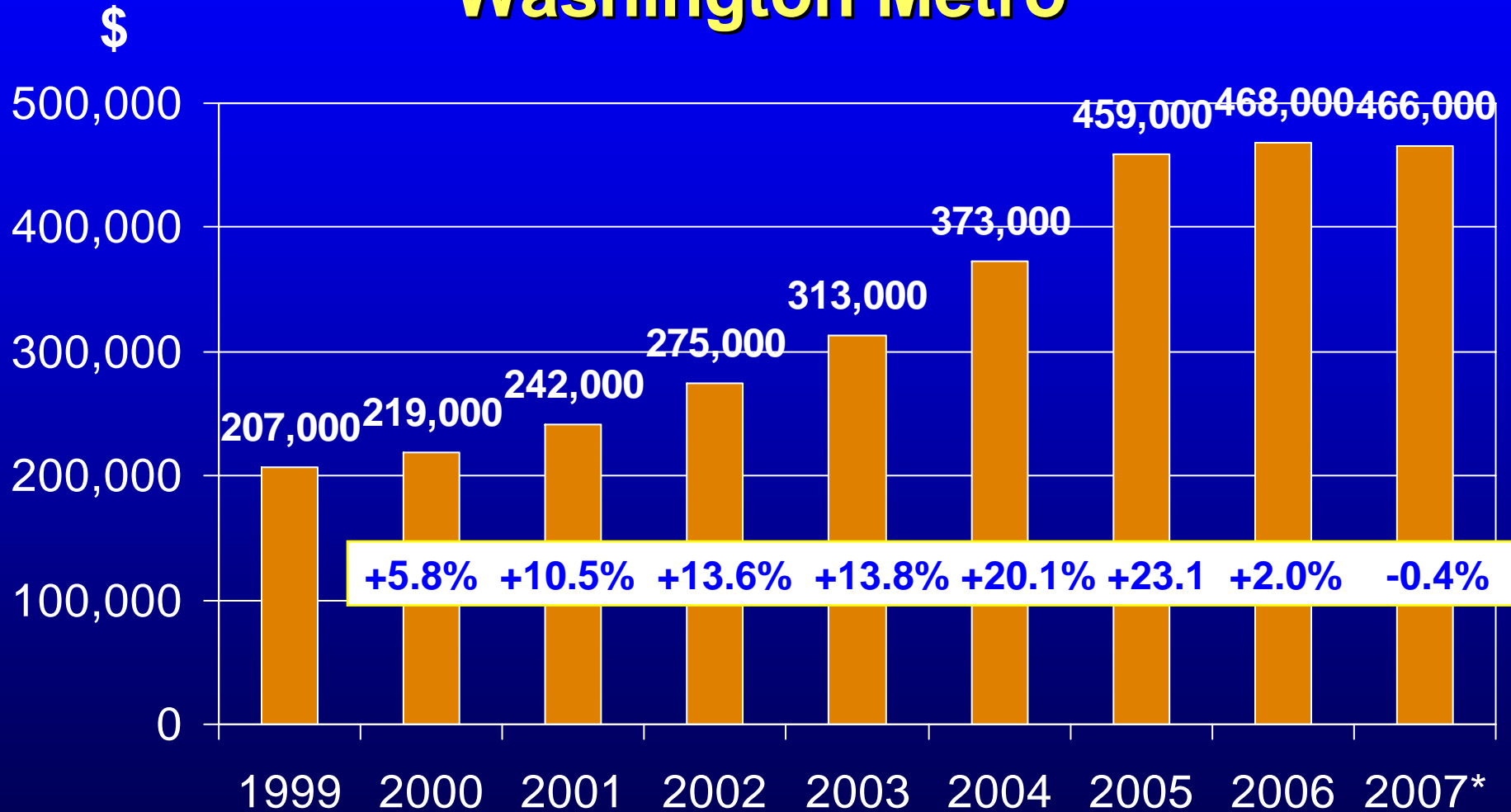
Days on Market August Each Year

Days



Source: MRIS, GMU Center for Regional Analysis

Average Sales Price All Housing Types Washington Metro



Source: MRIS, GMU Center for Regional Analysis

* Estimated

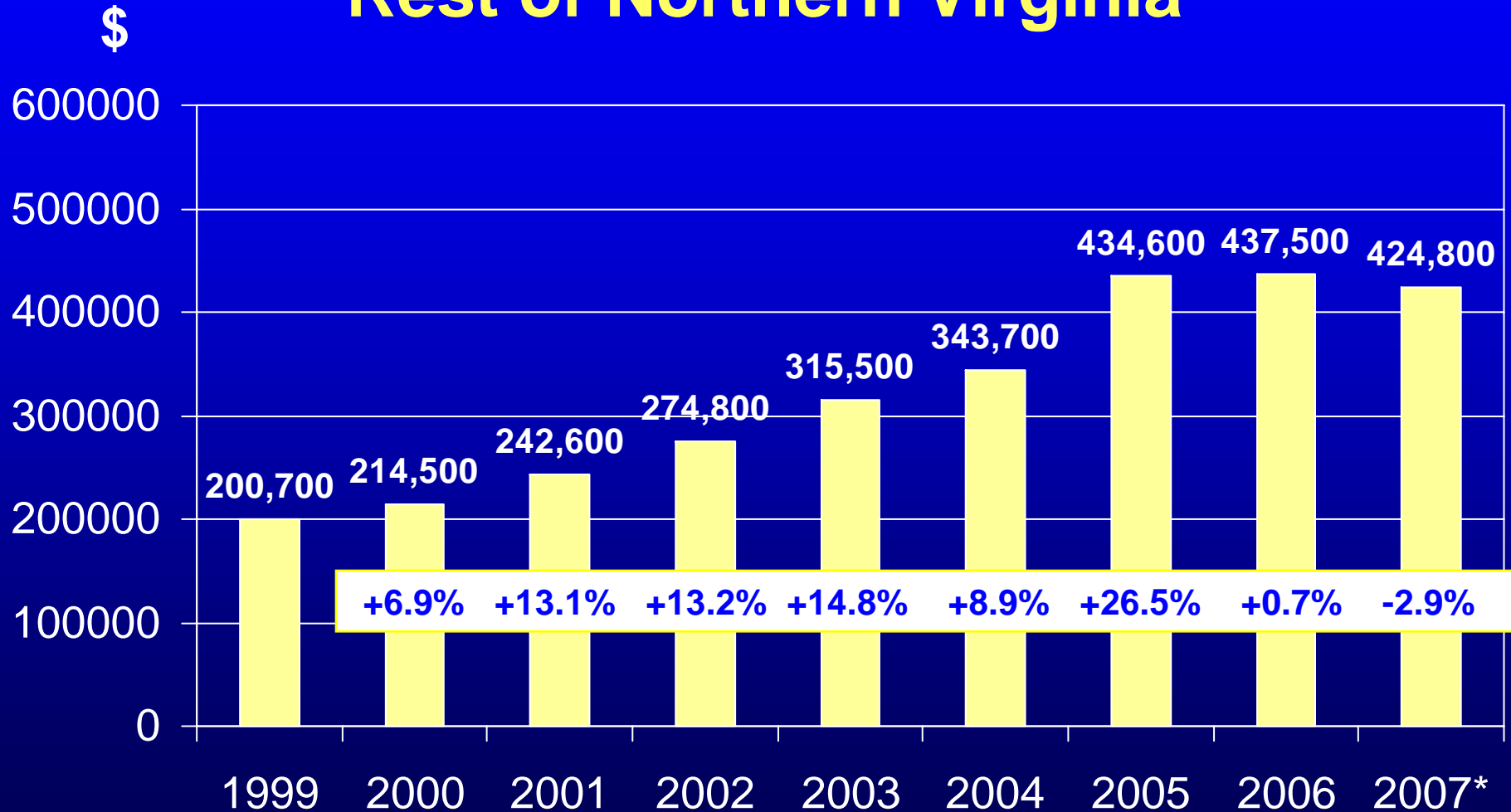
Average Sales Price All Housing Types NVAR



Source: MRIS, GMU Center for Regional Analysis

*Estimated

Average Sales Price All Housing Types Rest of Northern Virginia



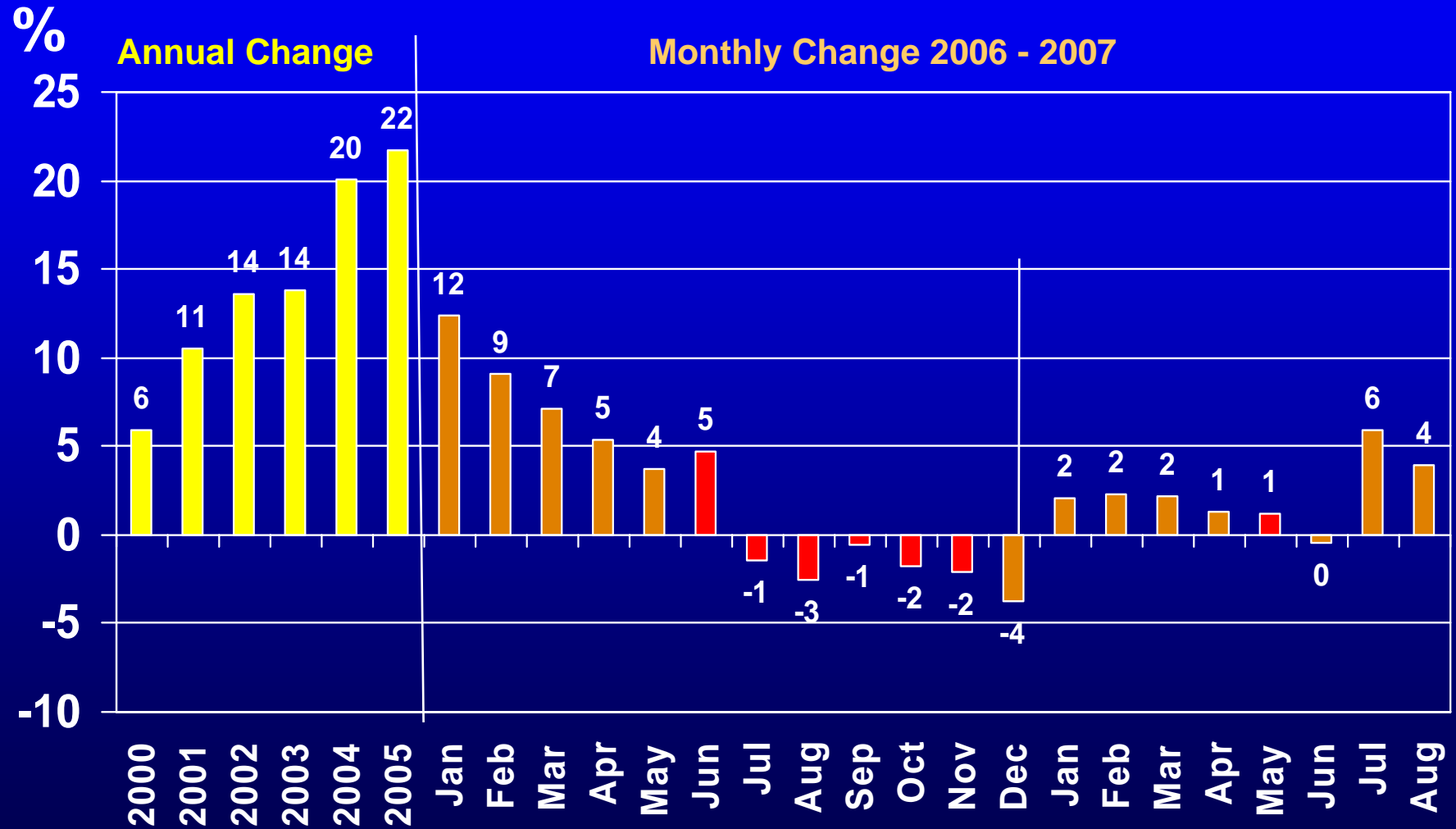
Source: MRIS, GMU Center for Regional Analysis

*Estimated

Average Sales Price Percent Change

Washington MSA

All Housing Types

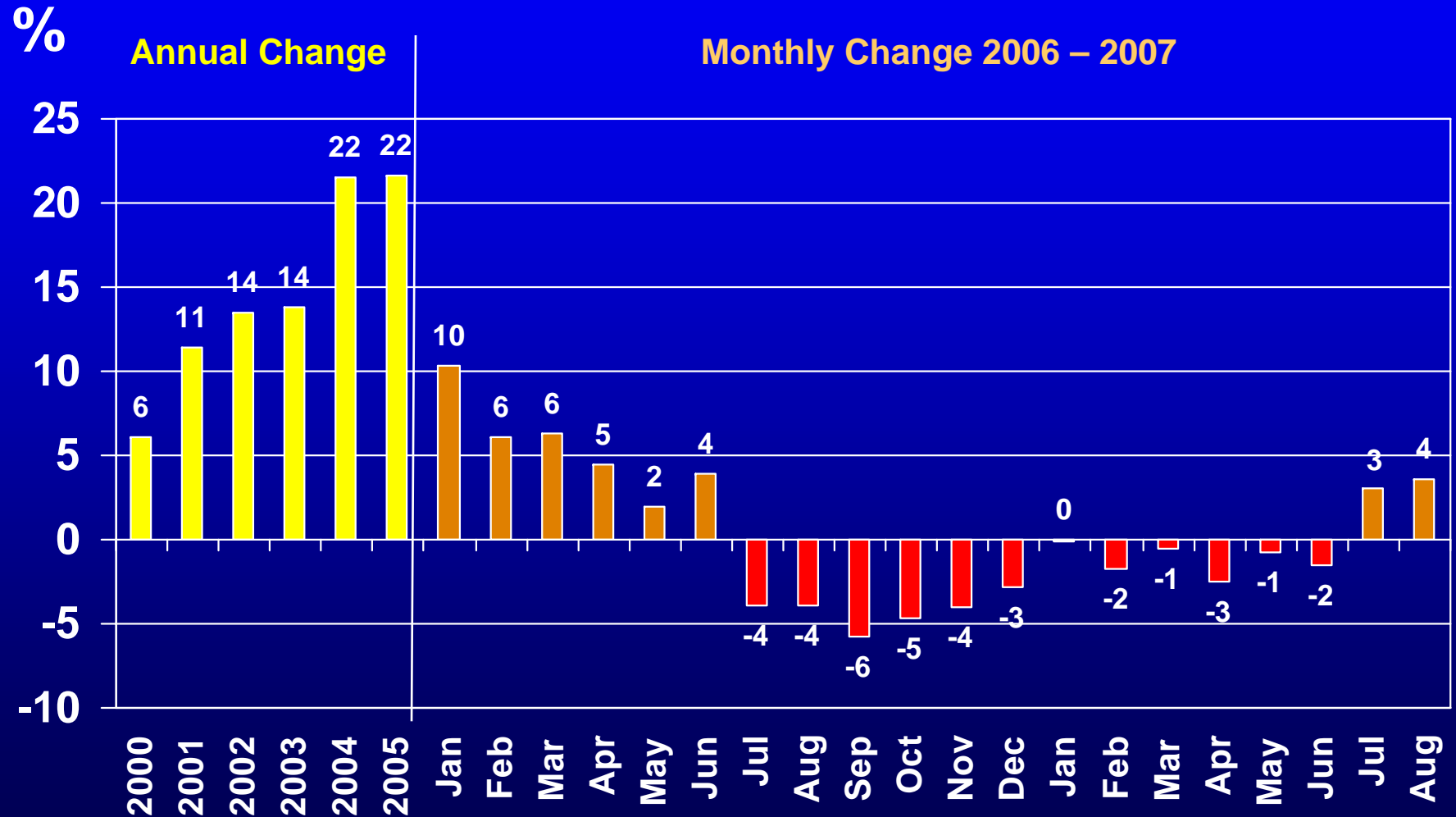


Source: MRIS, GMU Center for Regional Analysis

Average Sales Price Percent Change

NVAR

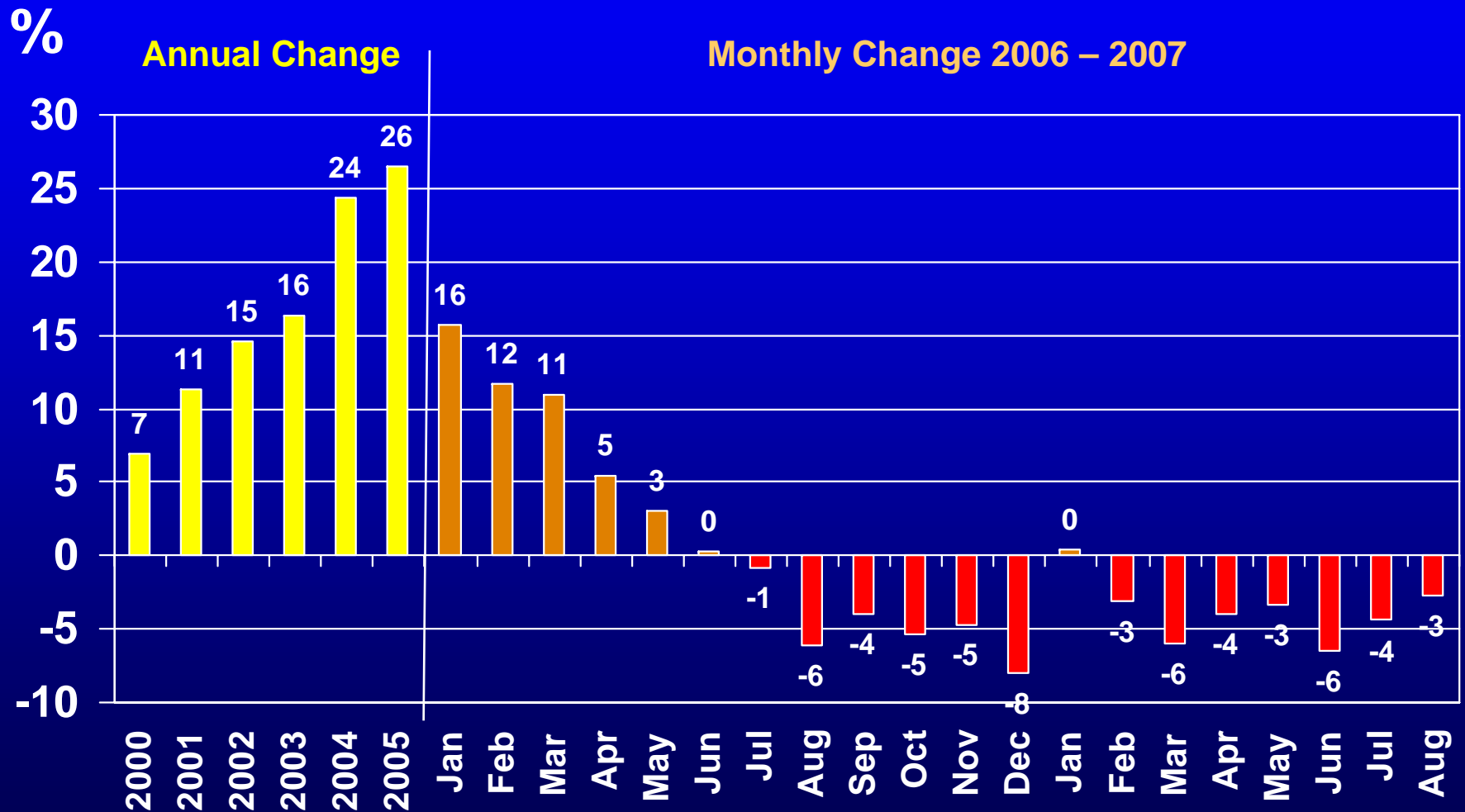
All Housing Types



Average Sales Price Percent Change

Rest of Northern Virginia

All Housing Types



Five-Year Forecast

Employment Change by Sub-state Region (000s)

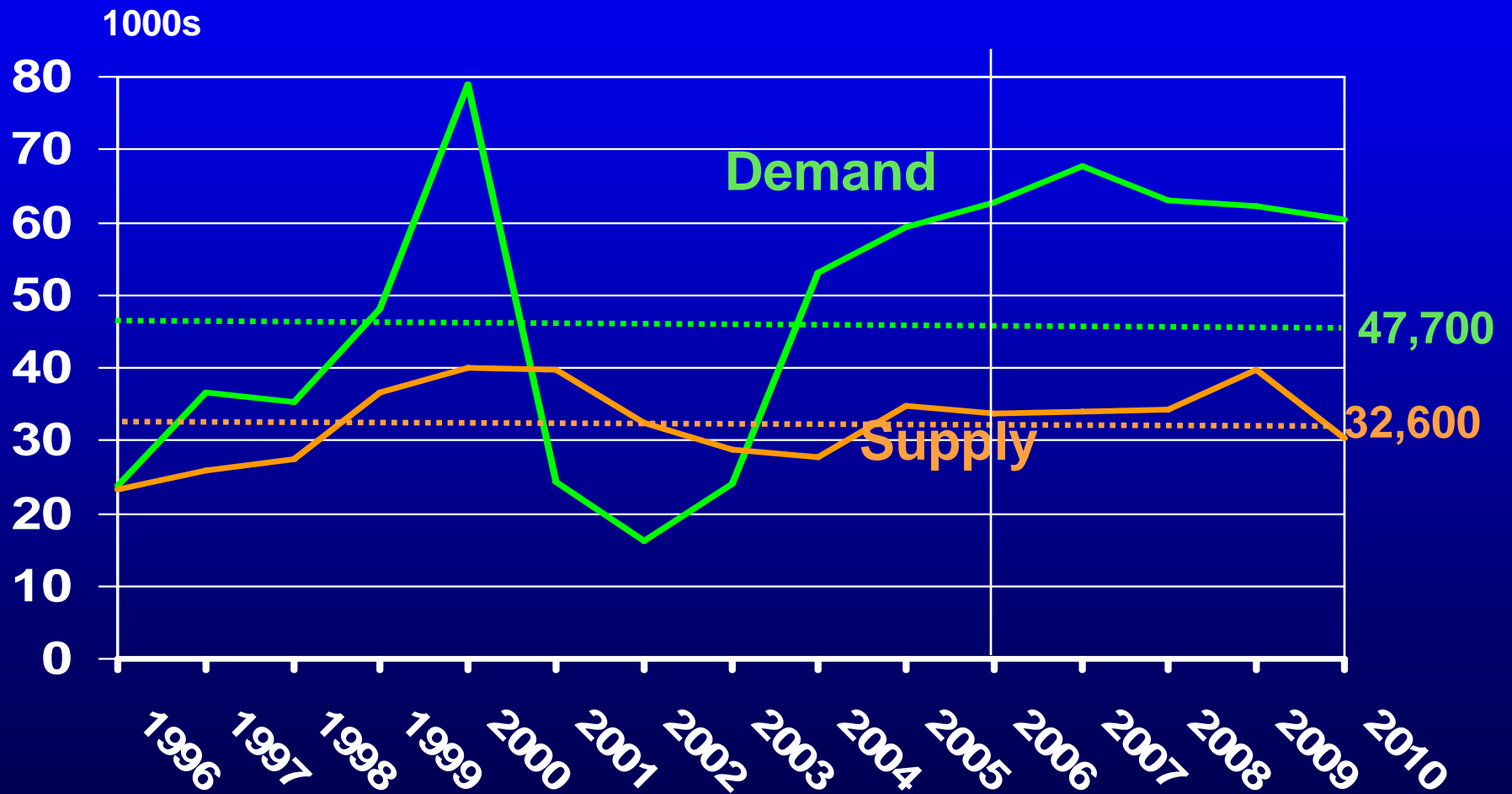
	2006	2007	2008	2009	2010	2011
D.C.	6.1	5.3	4.8	5.0	4.6	4.1
S. MD	10.6	10.5	11.2	12.6	12.5	11.6
No. VA	30.5	28.7	31.4	31.4	29.6	25.9
REGION	47.2	44.5	47.4	49.0	46.7	41.6

1.6% 1.5% 1.6% 1.6% 1.5% 1.3%

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

Based on 2006 BLS Benchmarked Data.

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





<http://cra.gmu.edu>