

Fairfax County Economic Development Authority

# ***Outlook for the Washington Area Economy***

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January 15, 2008

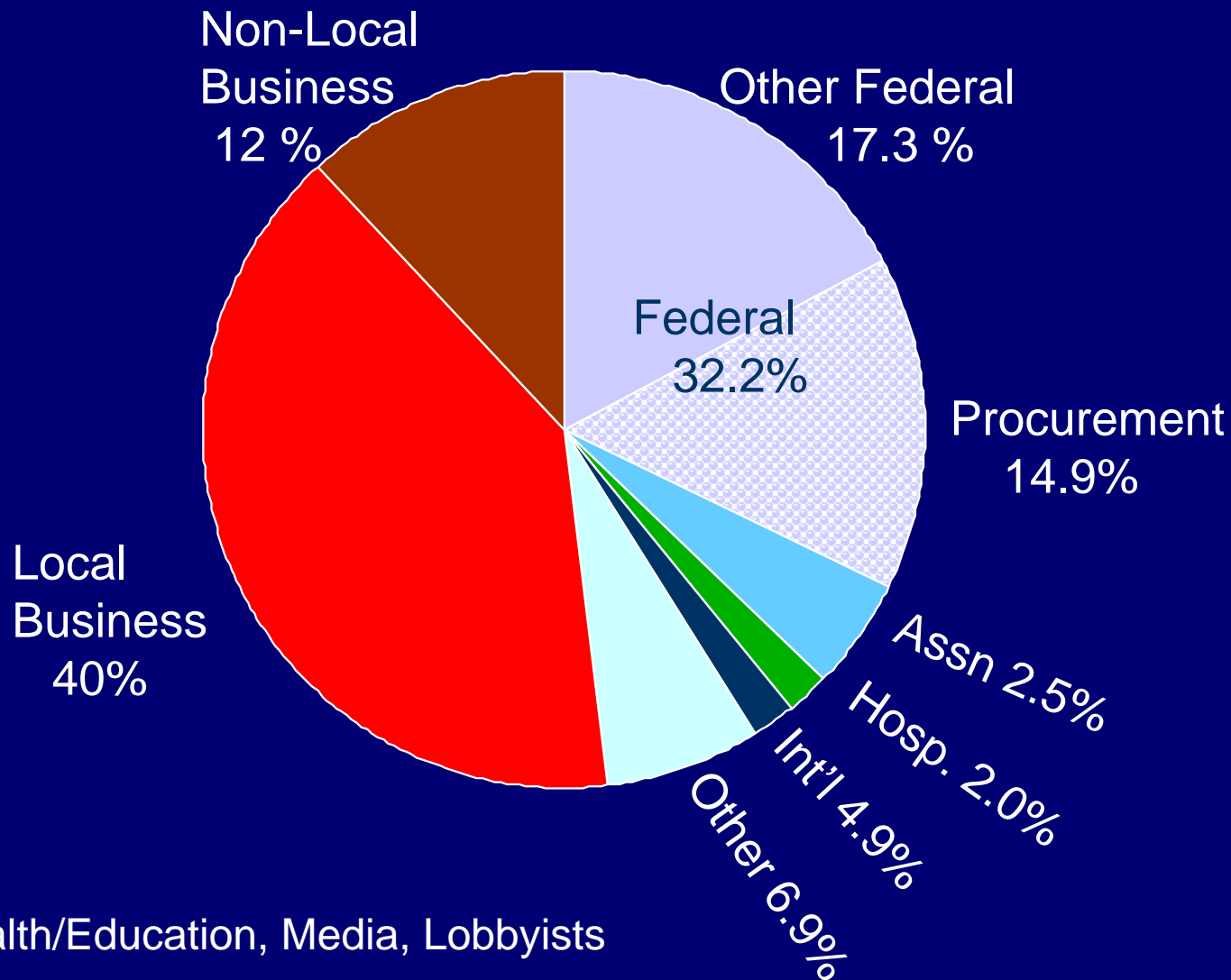
# The Washington Area Economy

*Looking Backwards/ Looking Forwards*

# Key Questions

- What's driving the Washington area economy?
- How vulnerable are these drivers to US/Global economic forces?
- What makes the Washington area economy different from other metropolitan economies?
- Will these differences protect the local economy or worsen the slowdown in 2008?

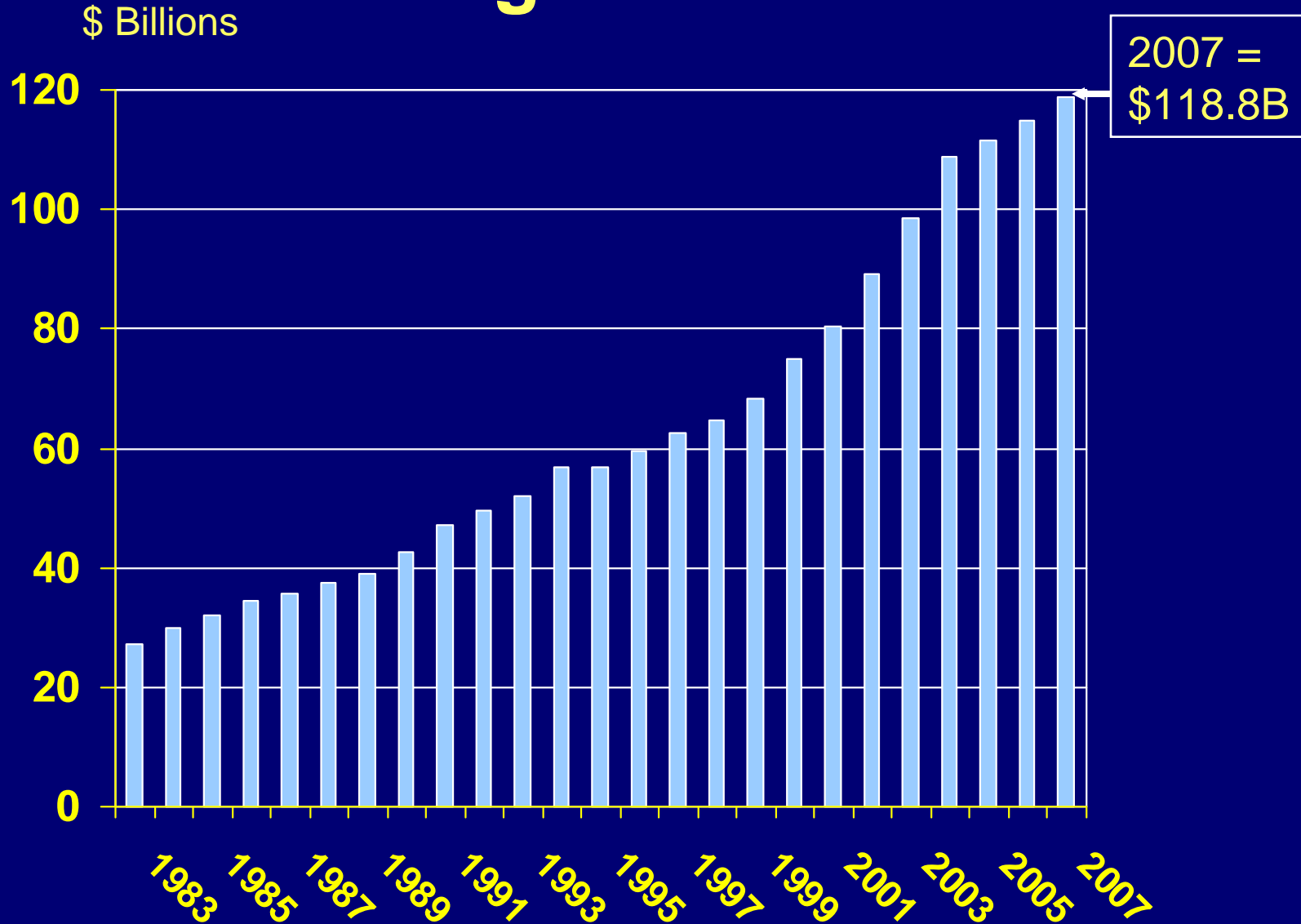
# Structure of the Greater Washington Economy



# Washington Area Core Industries Outlook

<b>Core Sector</b>	<b>\$ Value 2006</b>	<b>Ann % Chg 95- 2000</b>	<b>% Chg 2007</b>	<b>% Chg 2008</b>	<b>% Chg 2009</b>	<b>% Chg 2010</b>	<b>% Chg 2011</b>
<b>Fed Govt. Total</b>	<b>116.5</b>	<b>2.5</b>	<b>1.5</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>
<b>Fed Proc.</b>	<b>54.5</b>	<b>5.0</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Technology</b>	<b>54.3</b>	<b>10.0</b>	<b>4.5</b>	<b>4.3</b>	<b>4.7</b>	<b>4.8</b>	<b>4.8</b>
<b>Building Ind.</b>	<b>21.4</b>	<b>4.0</b>	<b>3.0</b>	<b>3.3</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>
<b>International</b>	<b>17.8</b>	<b>1.5</b>	<b>1.6</b>	<b>1.8</b>	<b>2.0</b>	<b>2.2</b>	<b>2.2</b>
<b>Hospitality</b>	<b>7.4</b>	<b>1.2</b>	<b>1.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.6</b>
<b>TOTAL GRP</b>	<b>356.3</b>	<b>3.2</b>	<b>3.3</b>	<b>2.8</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>

# Total Federal Spending Washington Metro Area

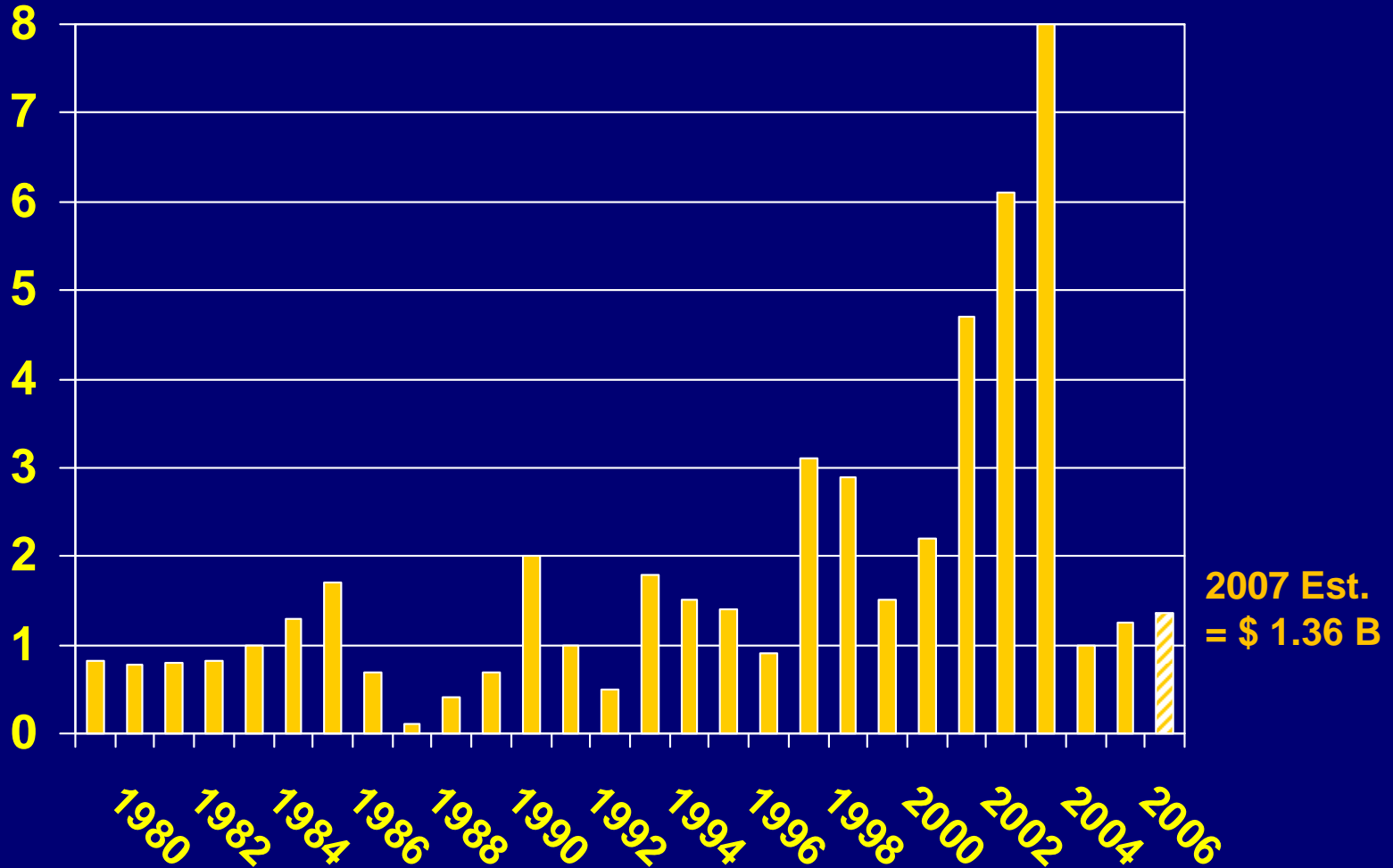


# Federal Spending by Type 1983 - 2007



# Annual Change in Federal Procurement Spending Washington Metro Area

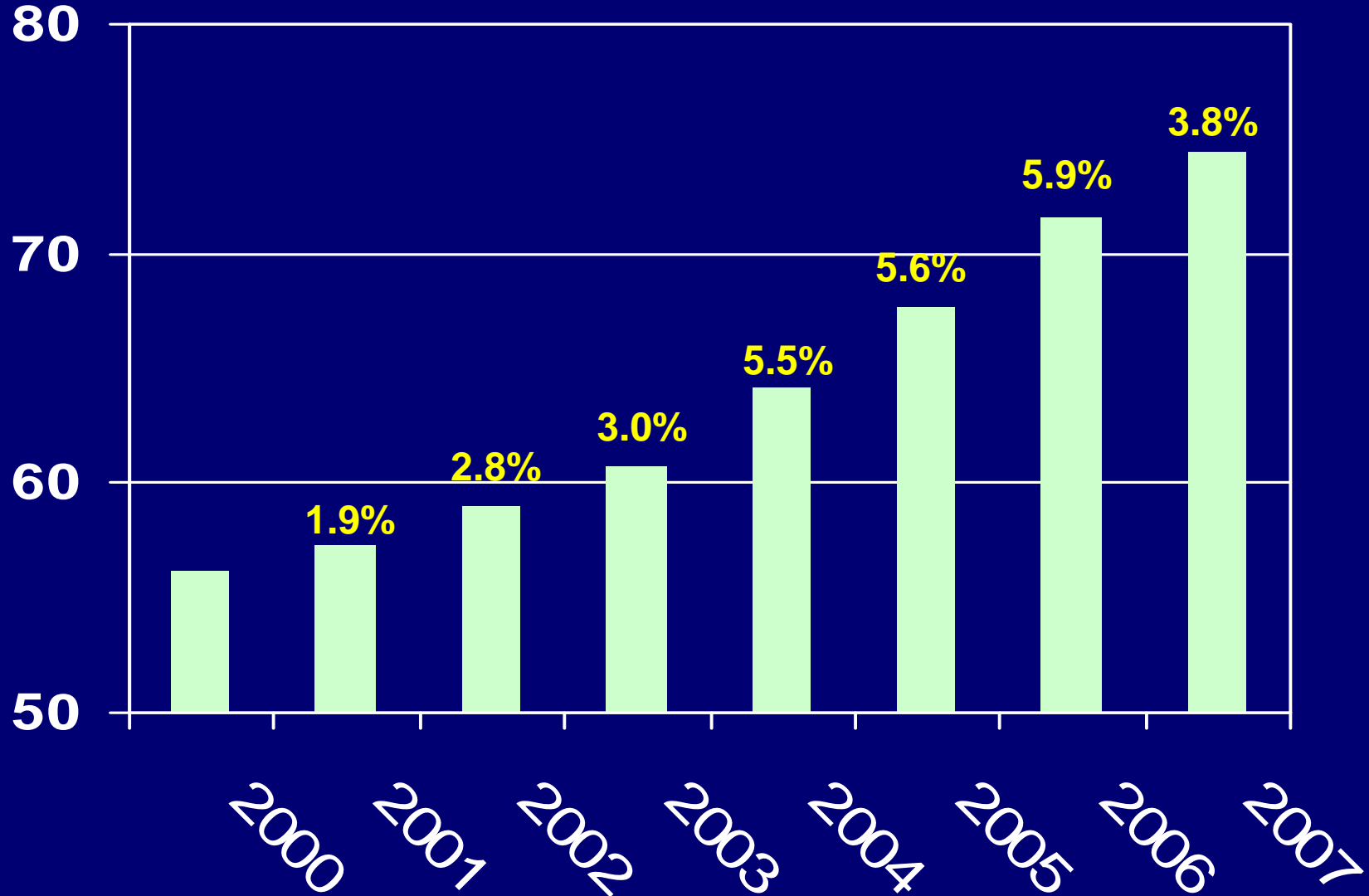
\$ Billions



2007 Est.  
= \$ 1.36 B

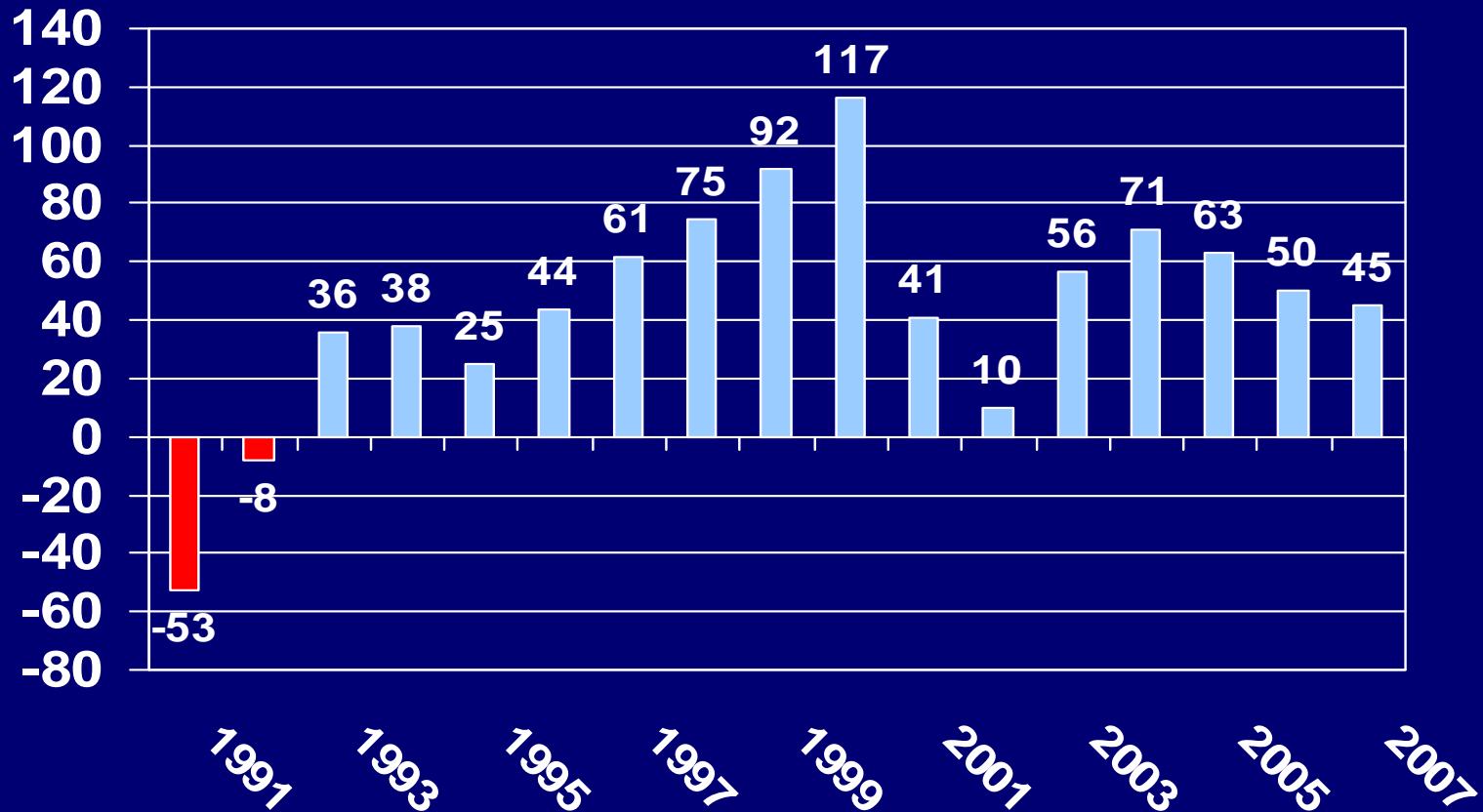
# Washington Area Retail Sales

\$ Billions

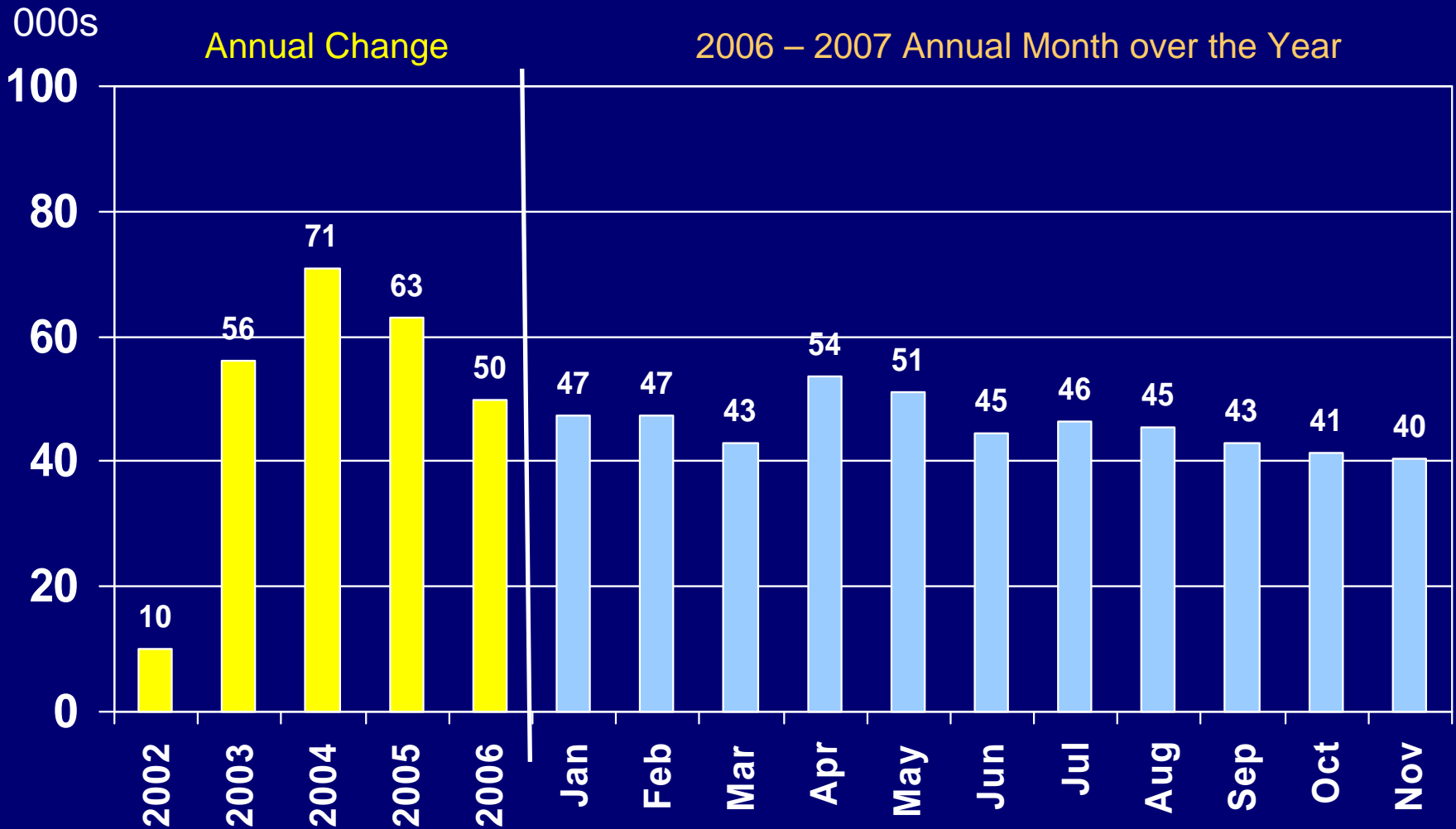


# Annual Change in Jobs 1991 – 2007 Washington Metro

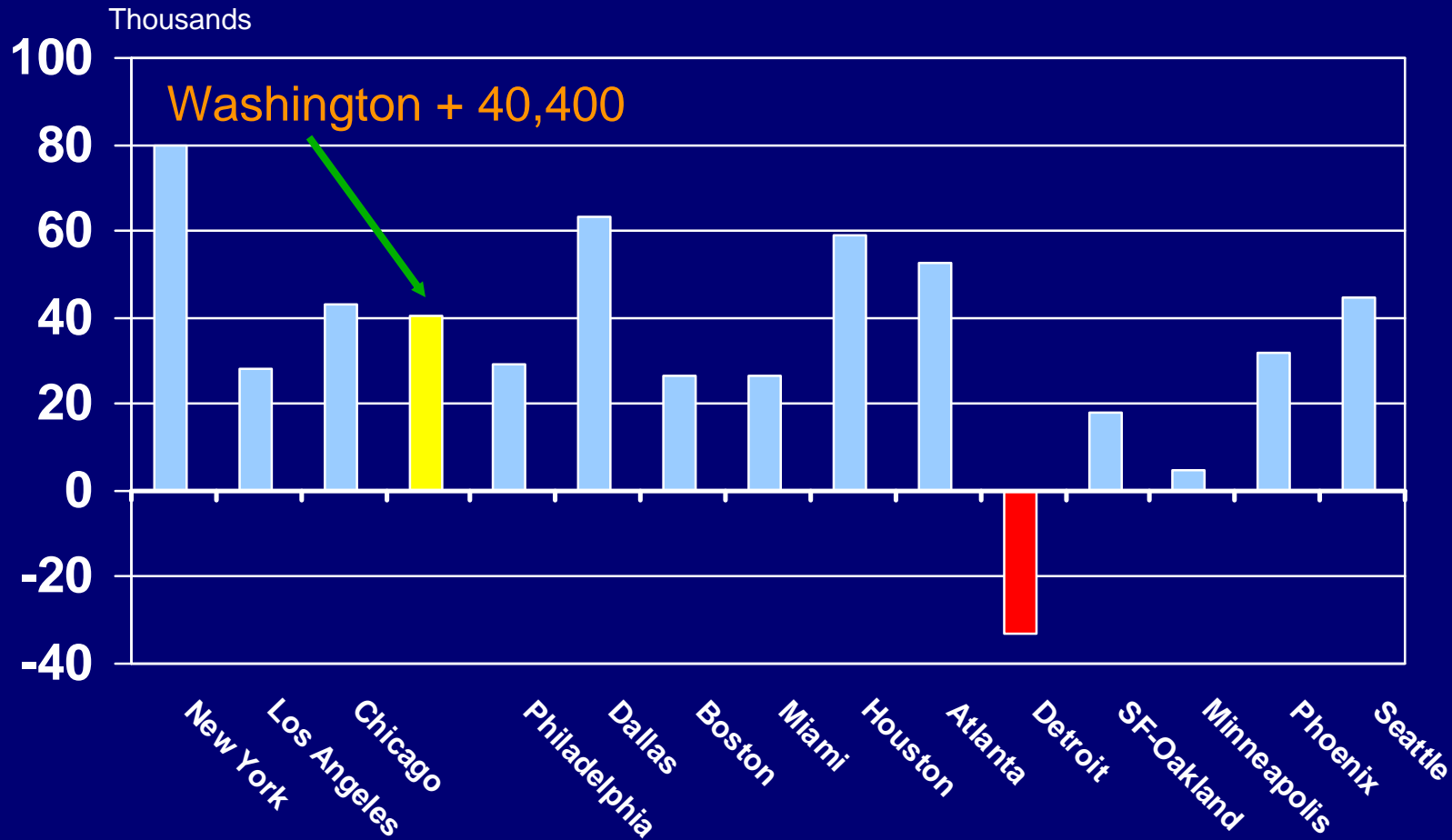
Thousands



# Annual Job Change Washington Metro

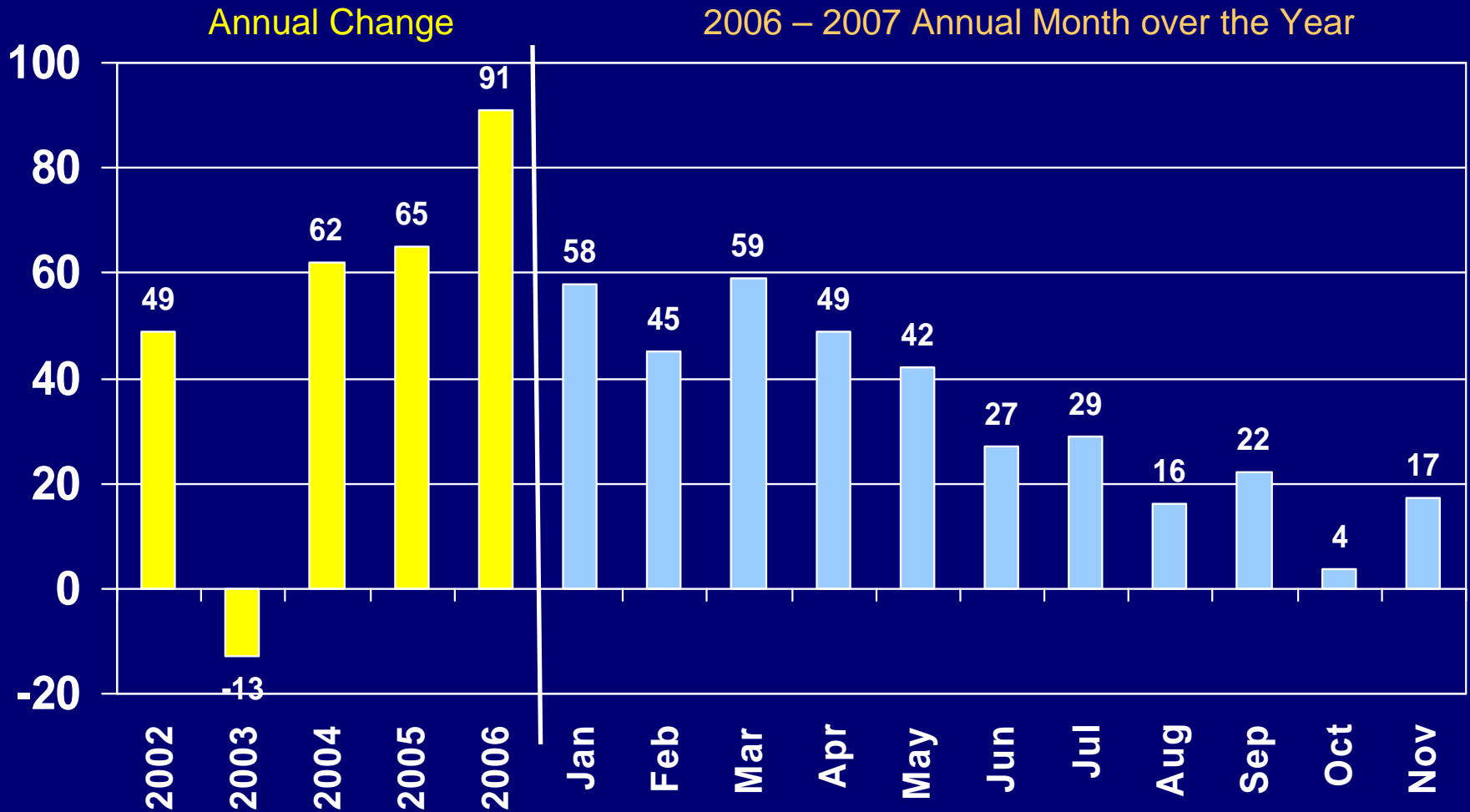


# 15 Largest Job Markets Job Change Nov 06 – Nov 07

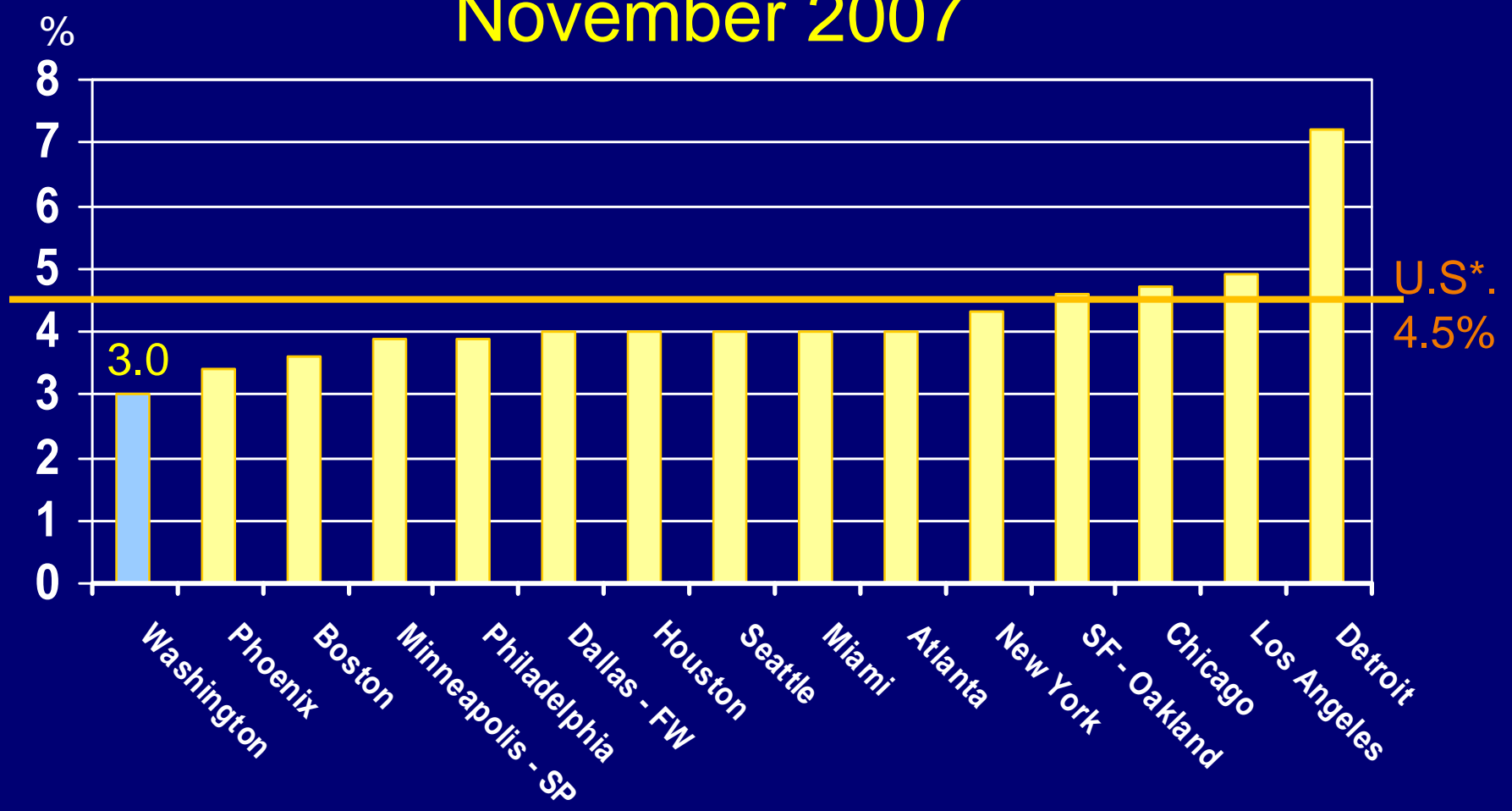


Ranked by Total Jobs

# Annual Change in Employed Washington Metro



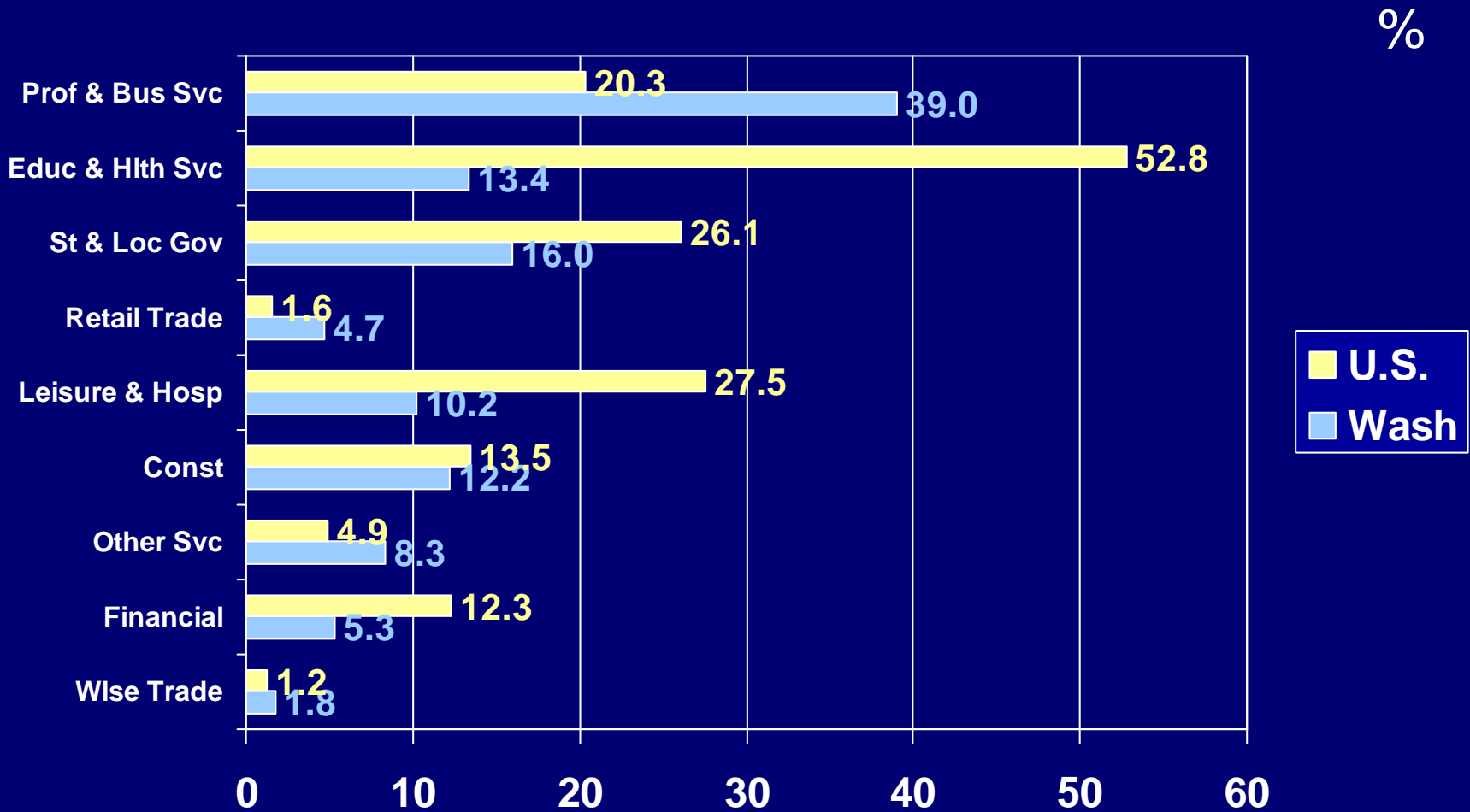
# 15 Largest Job Markets Ranked by Unemployment Rate November 2007



Data not seasonally adjusted

\* U.S. Seasonally Adjusted = 4.7%

# Share of Job Growth By Sector U.S. and Washington MSA



Only sectors with job growth are shown

# Sales and Total Active Listings

## Washington MSA, December Each Year



# Percent Change in Inventories of Existing Homes

## Month-Over-the-Year-Change

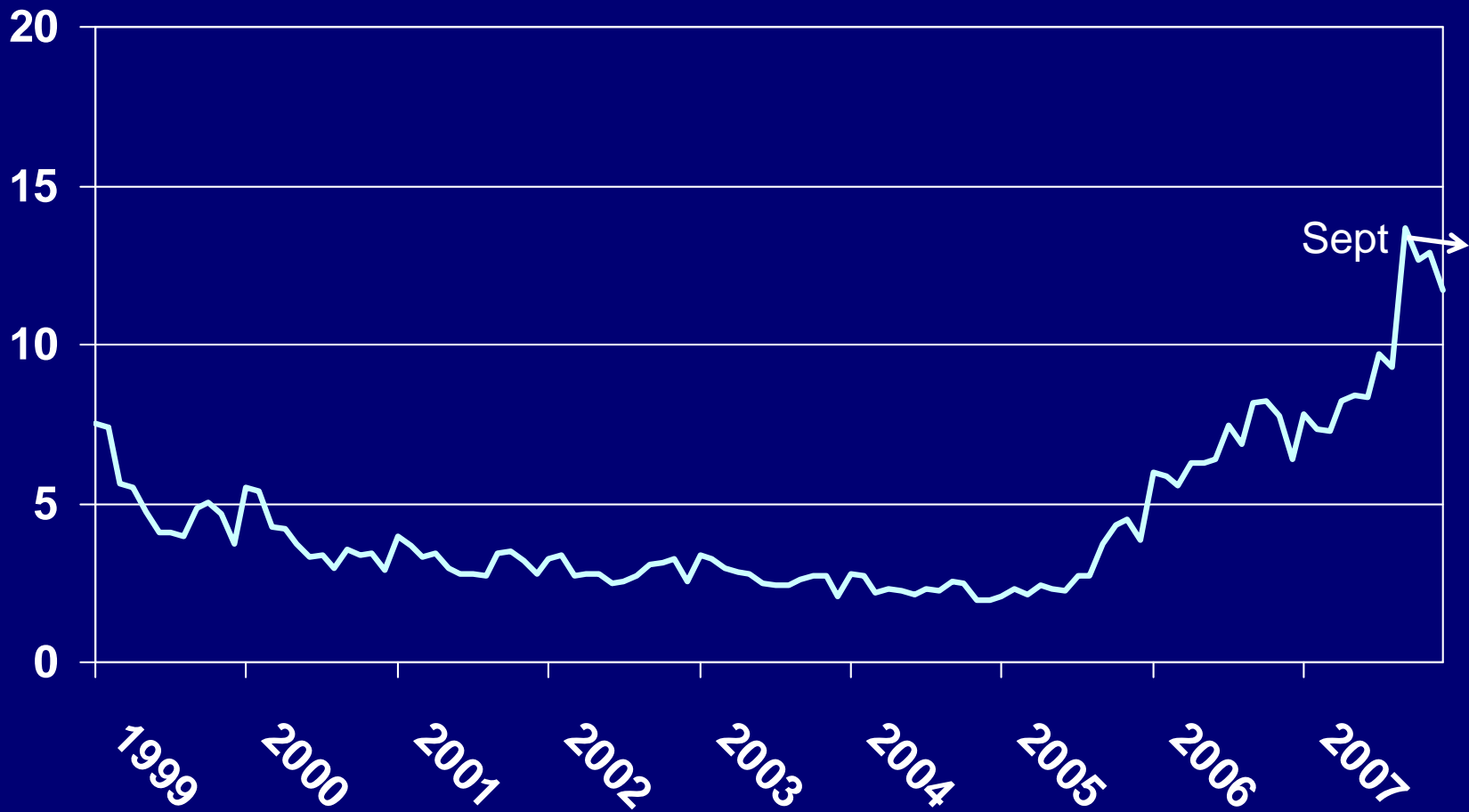
### 2000 – 2007, MSA



Source: NVAR, MRIS, GMU Center for Regional Analysis

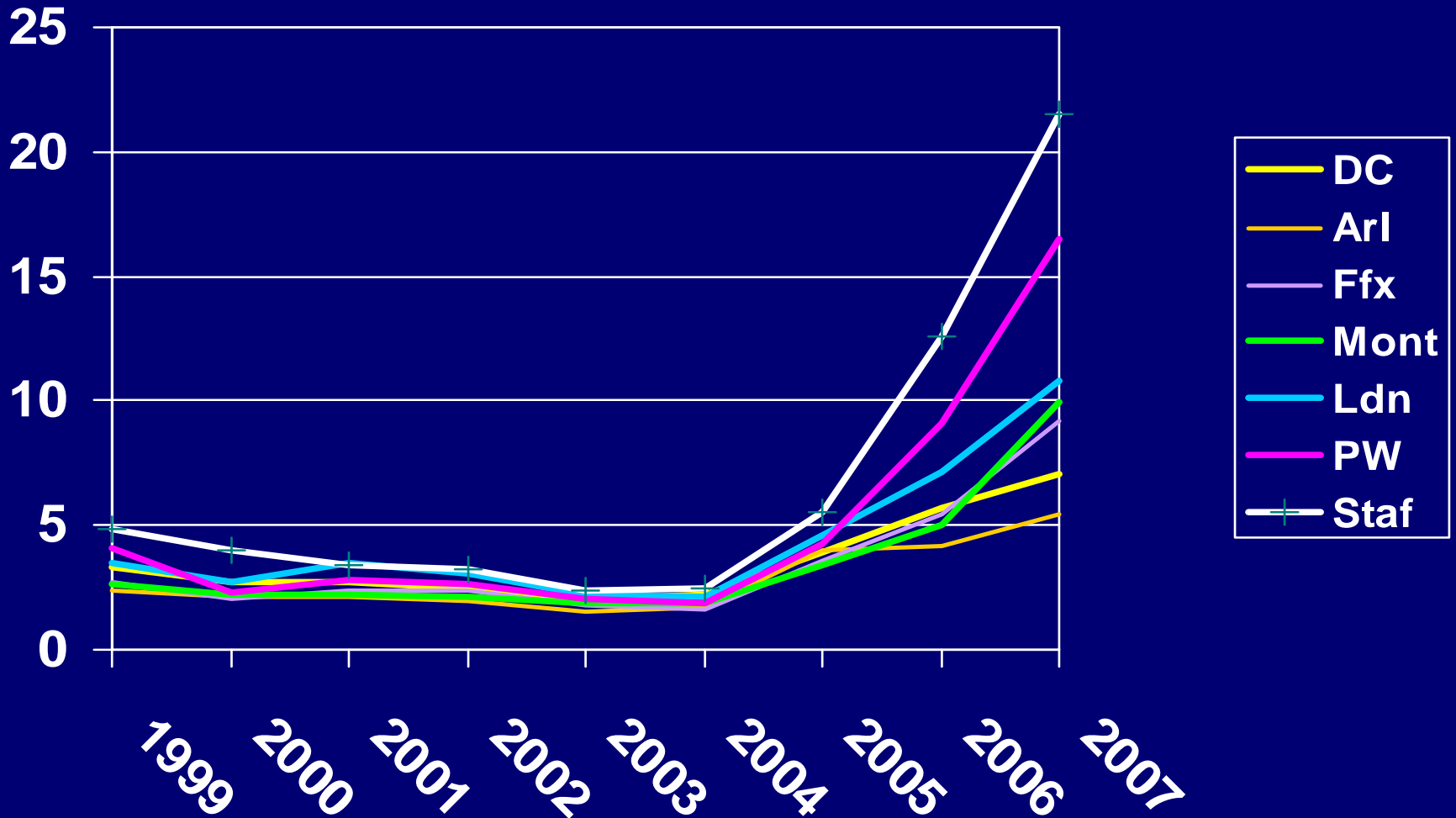
# Total Active Listings per Sale

## Monthly, 2000 – 2007, MSA



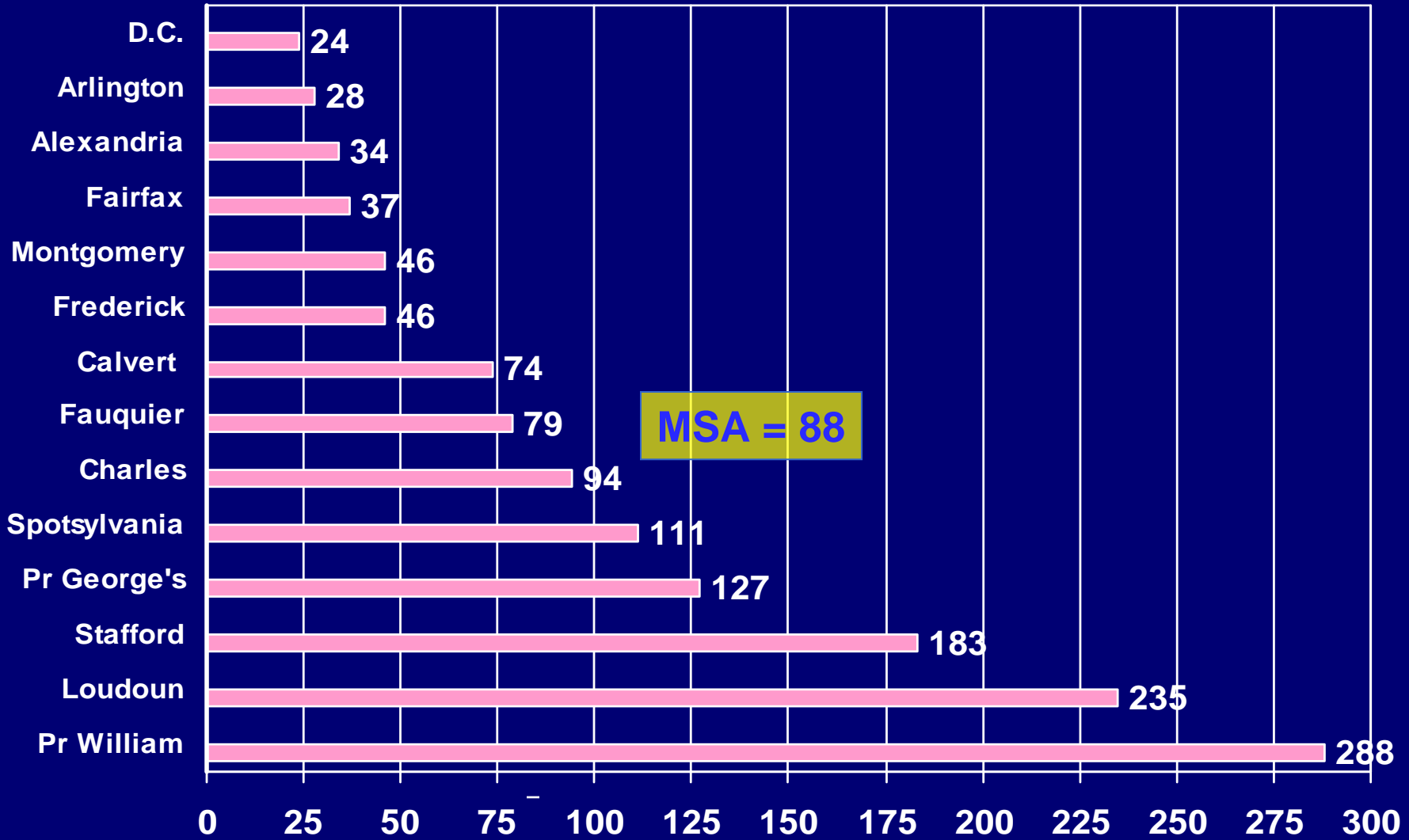
# Total Active Listings per Sale

## December Each Year



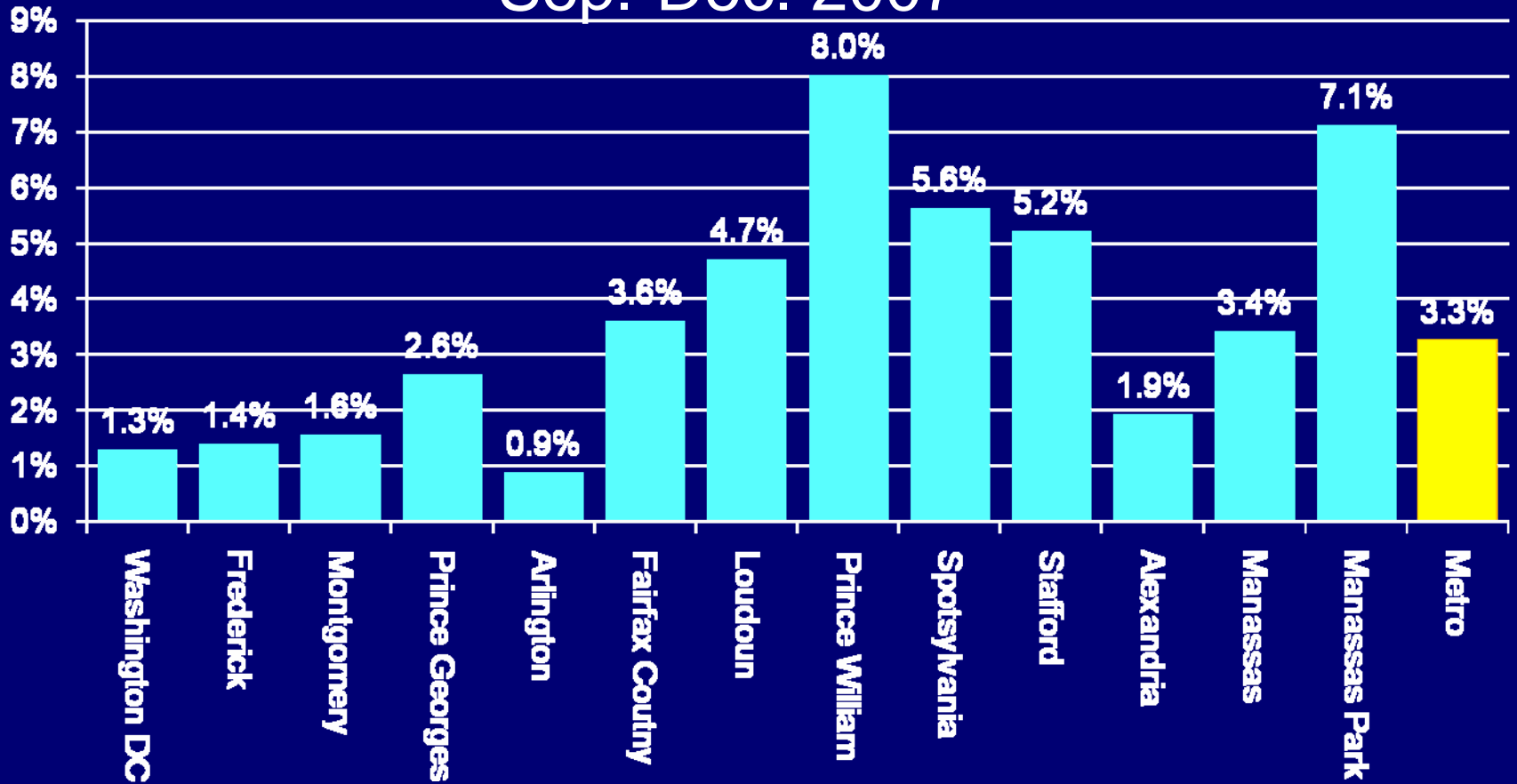
# Mortgage Foreclosure Rates by County – Dec 28, 2007

Foreclosures /10,000 units



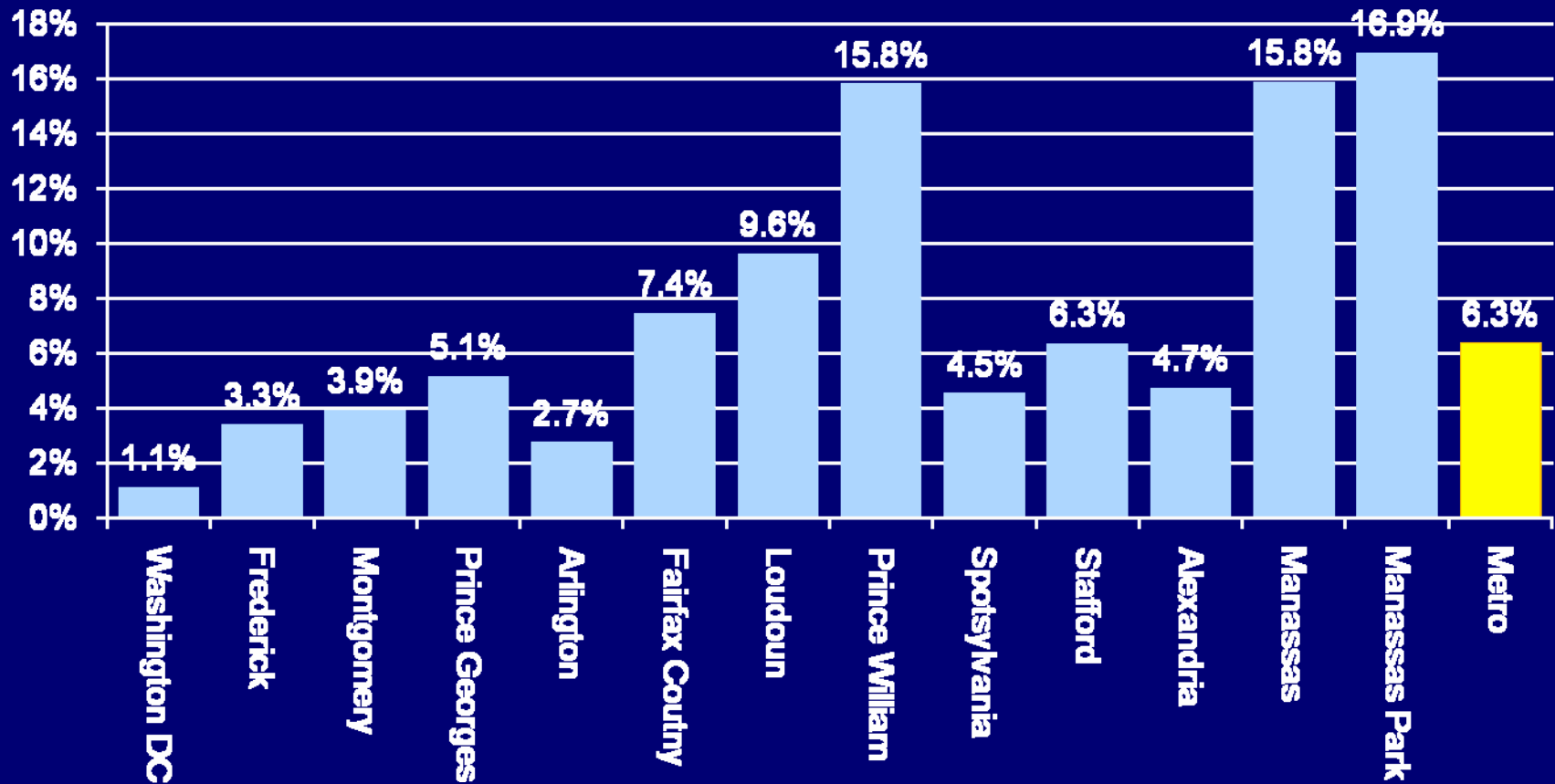
# Recent Foreclosure Data

Foreclosures as a Percent of Total Listings  
Sep.-Dec. 2007



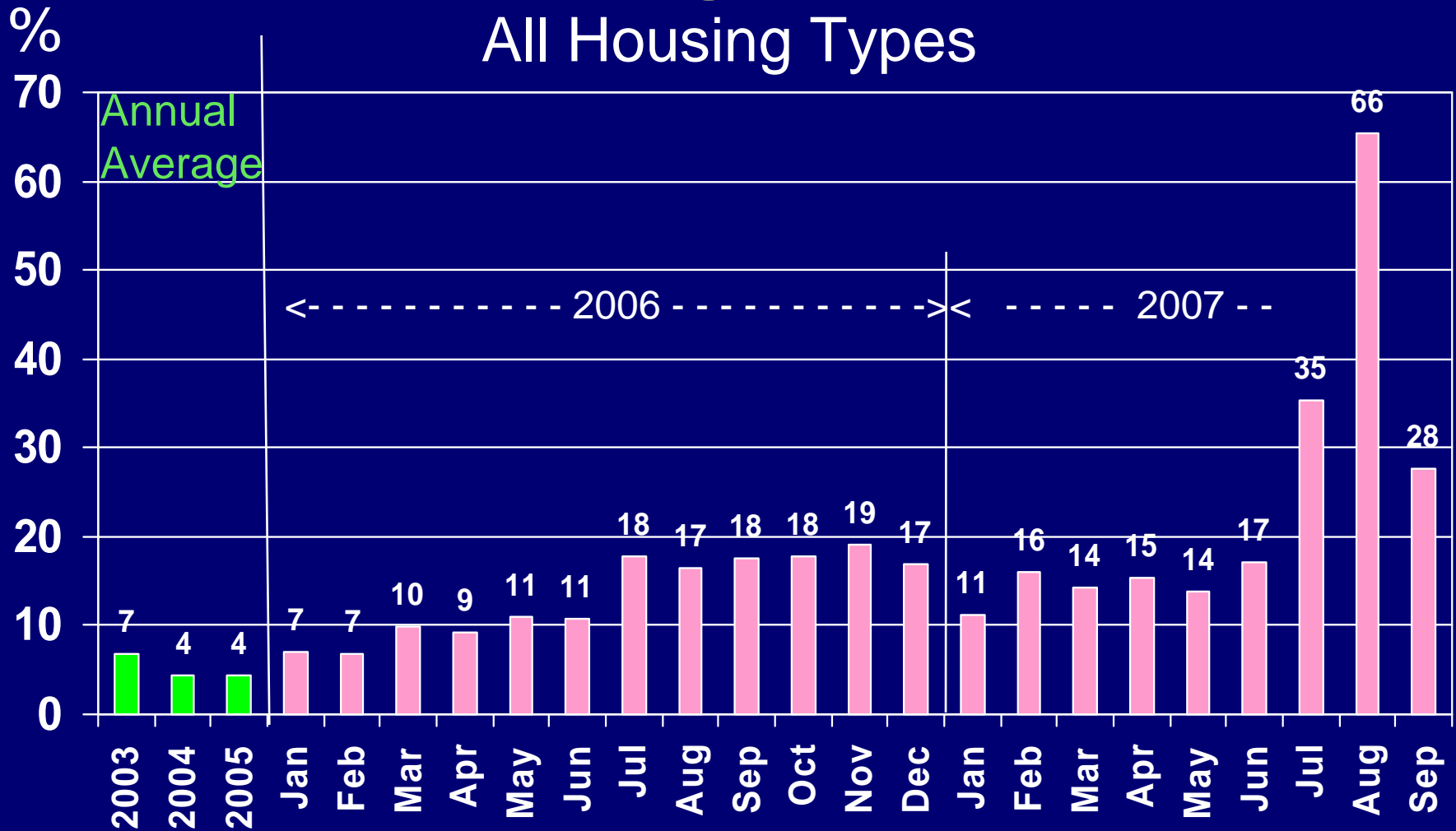
# Recent Short Sales Data

Short Sales as a Percent of Total Listings  
Sep.-Dec. 2007

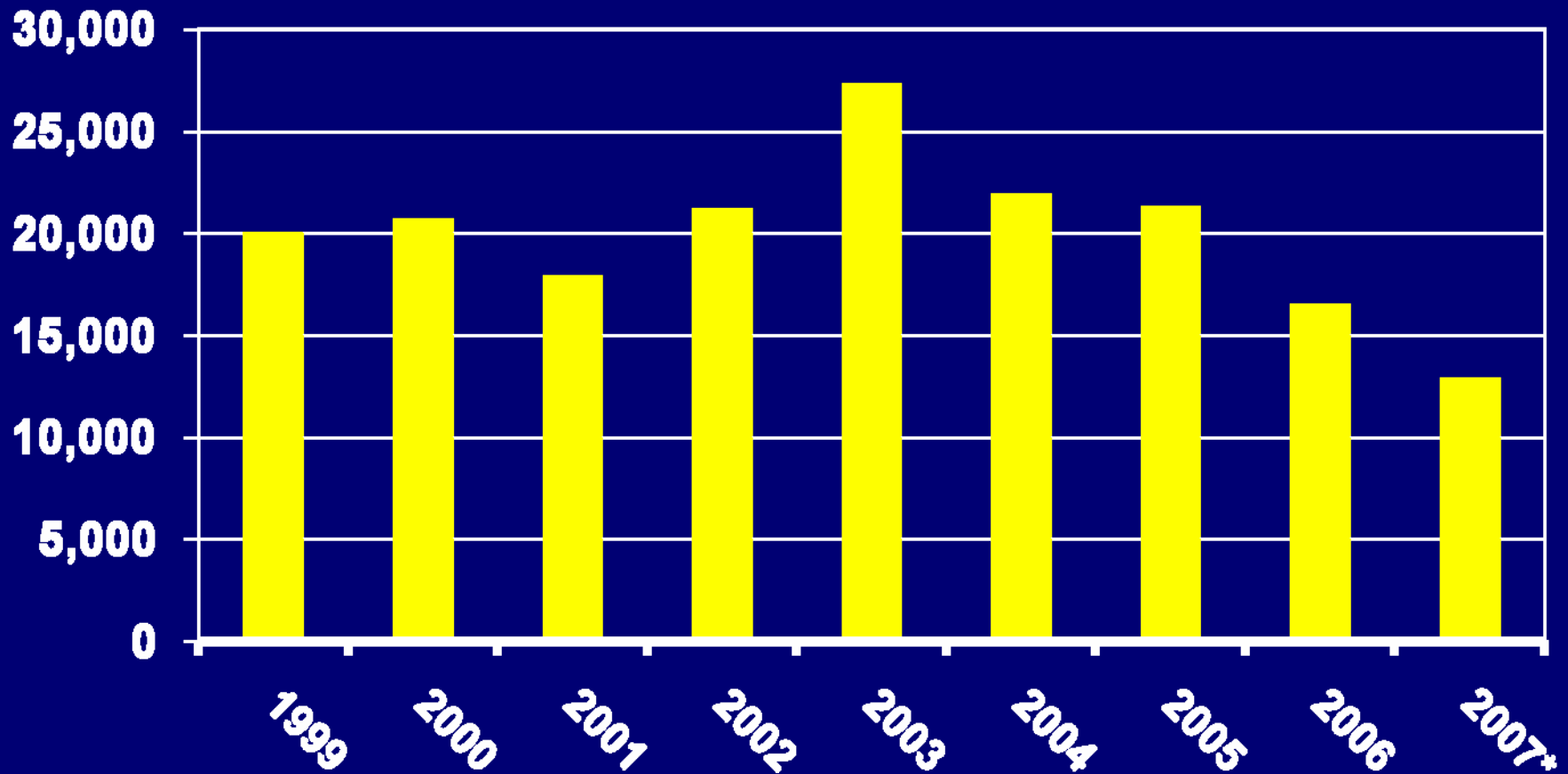


# New Housing Contract Kick-Out Rate Washington MSA

All Housing Types



# New Housing Units Sold Washington Metro Area



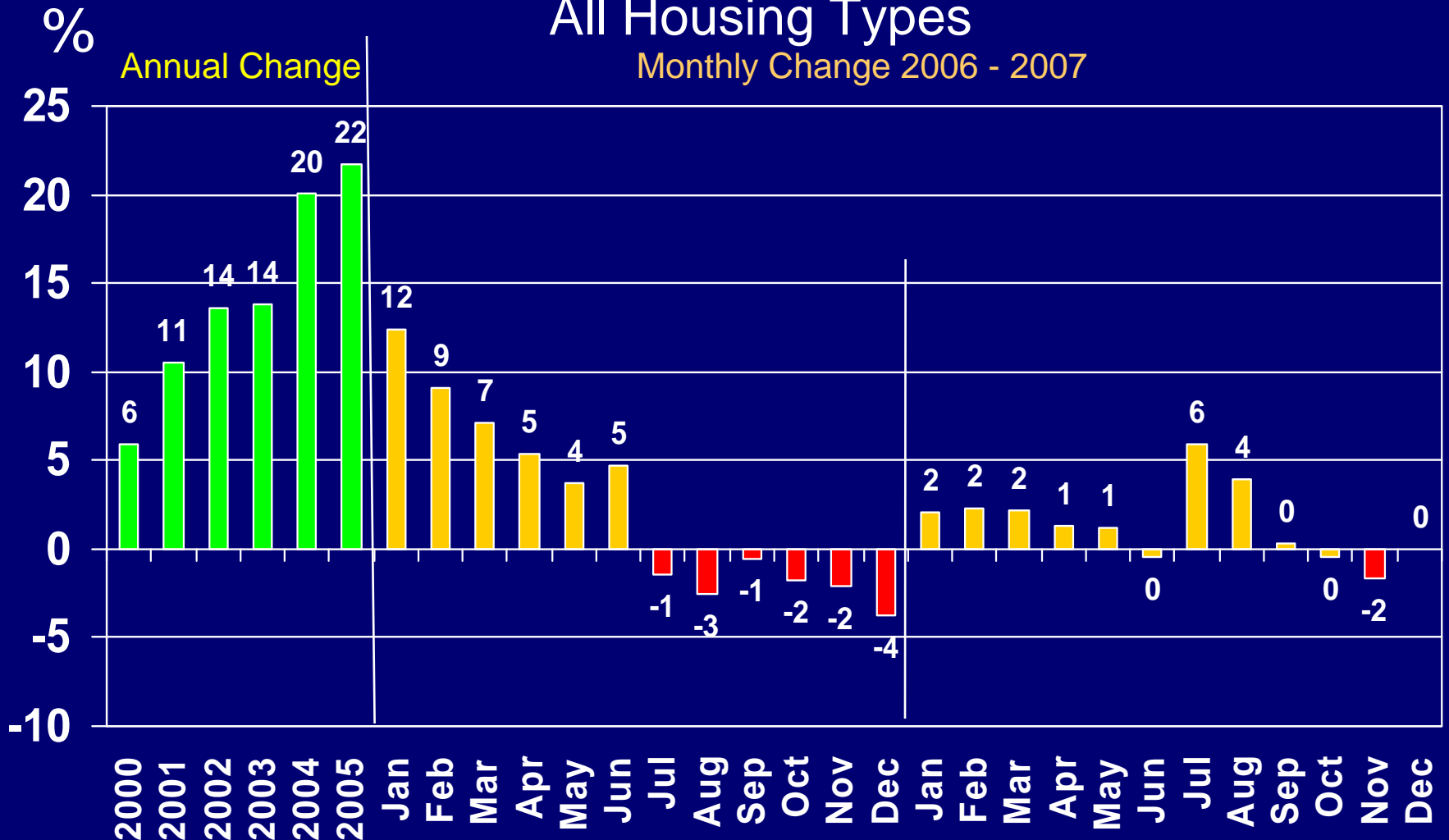
Source: Hanley-Wood, GMU Center for Regional Analysis

\* Annualized

# Average Sales Price Percent Change Washington MSA

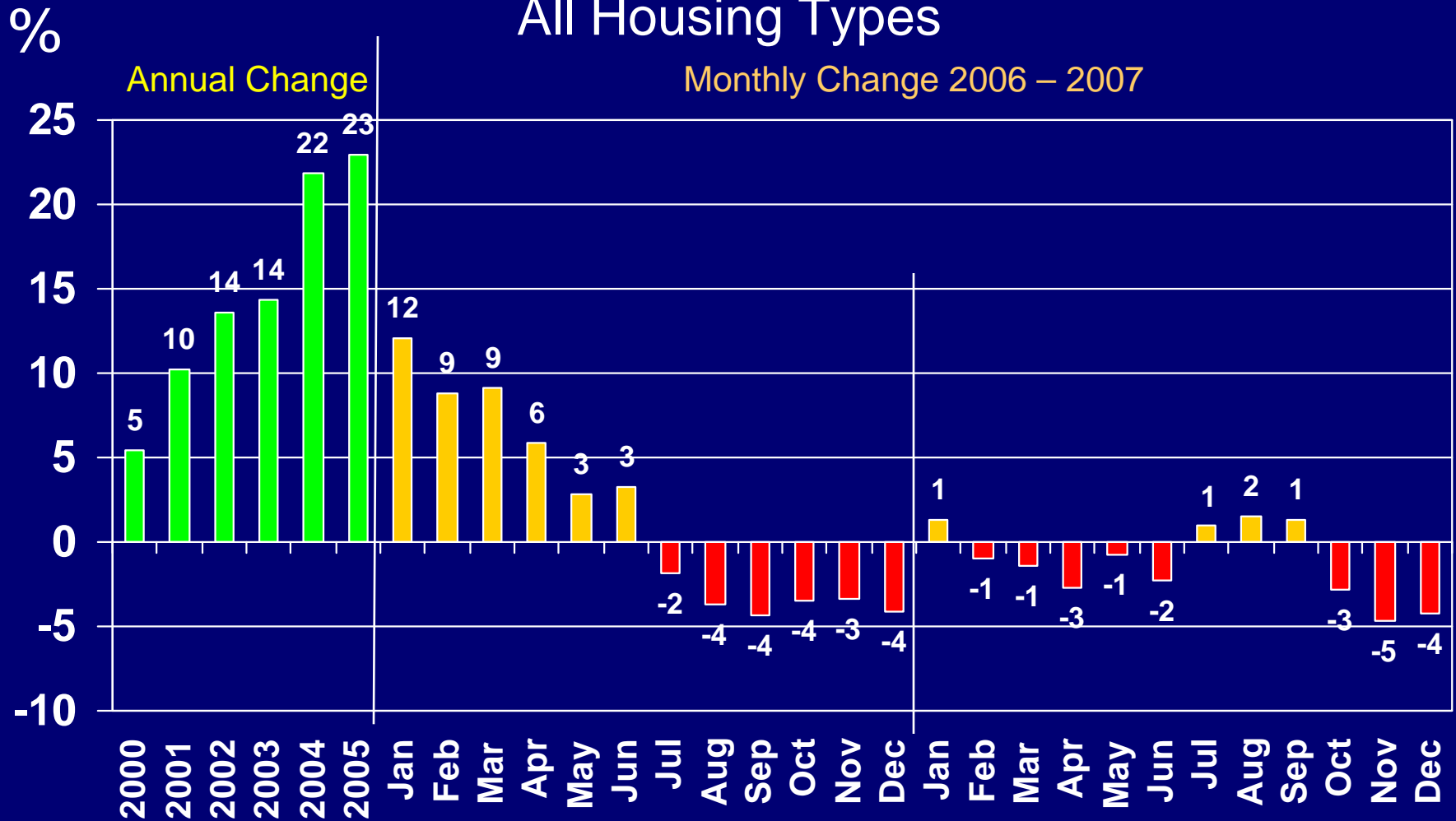
All Housing Types

Monthly Change 2006 - 2007



# Average Sales Price Percent Change Northern Virginia

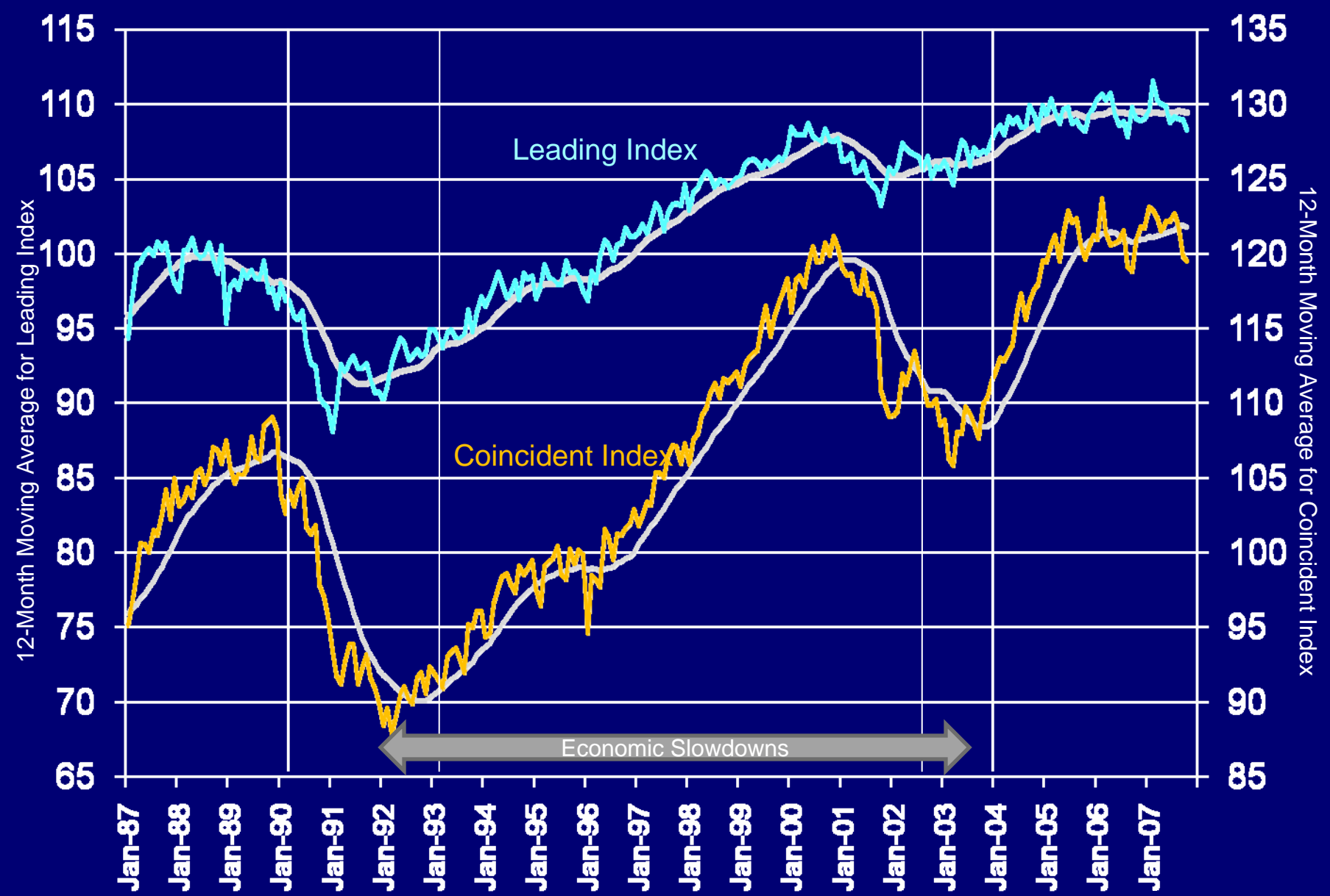
All Housing Types



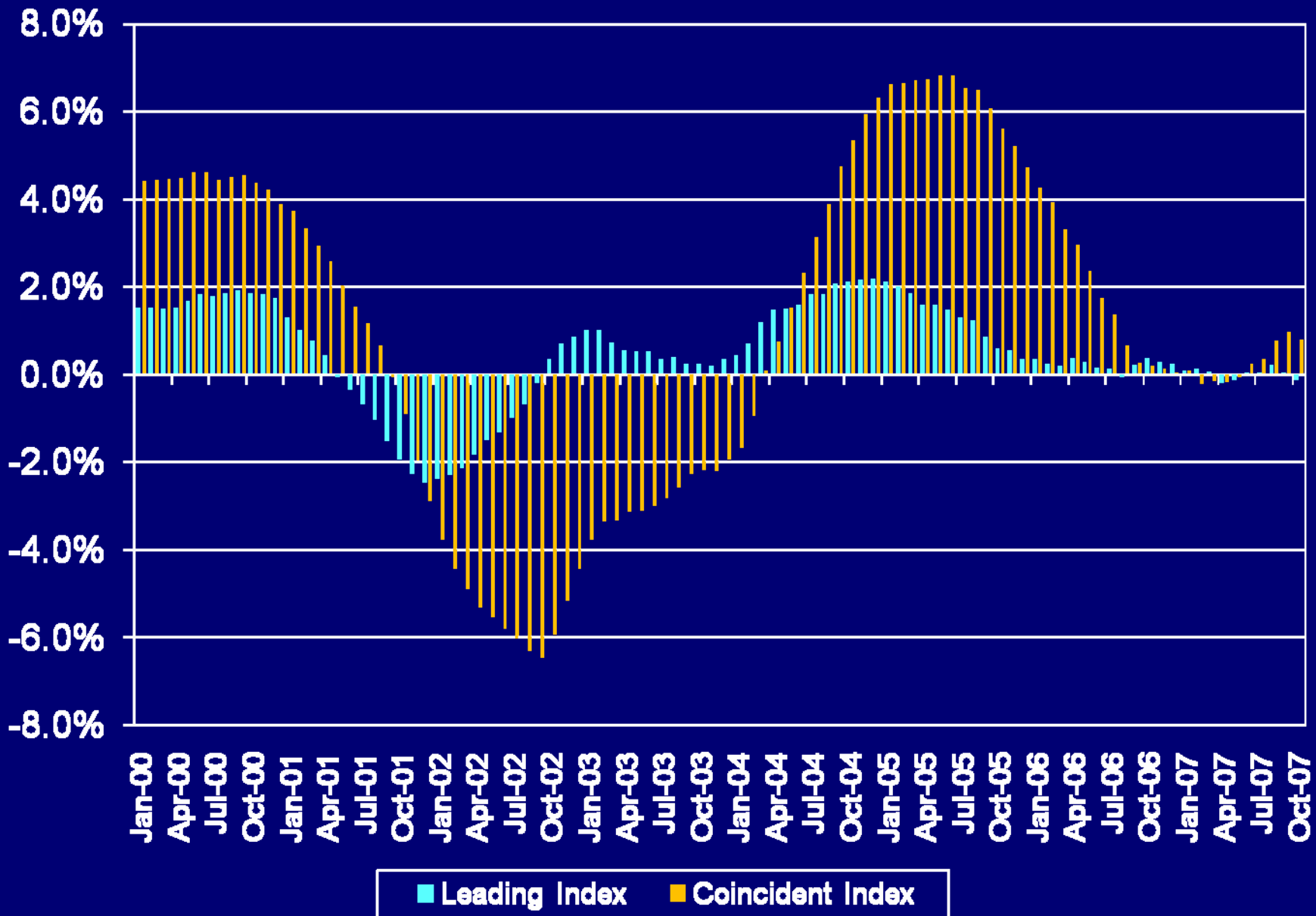
# Area Economic Forecast

2008 - 2011

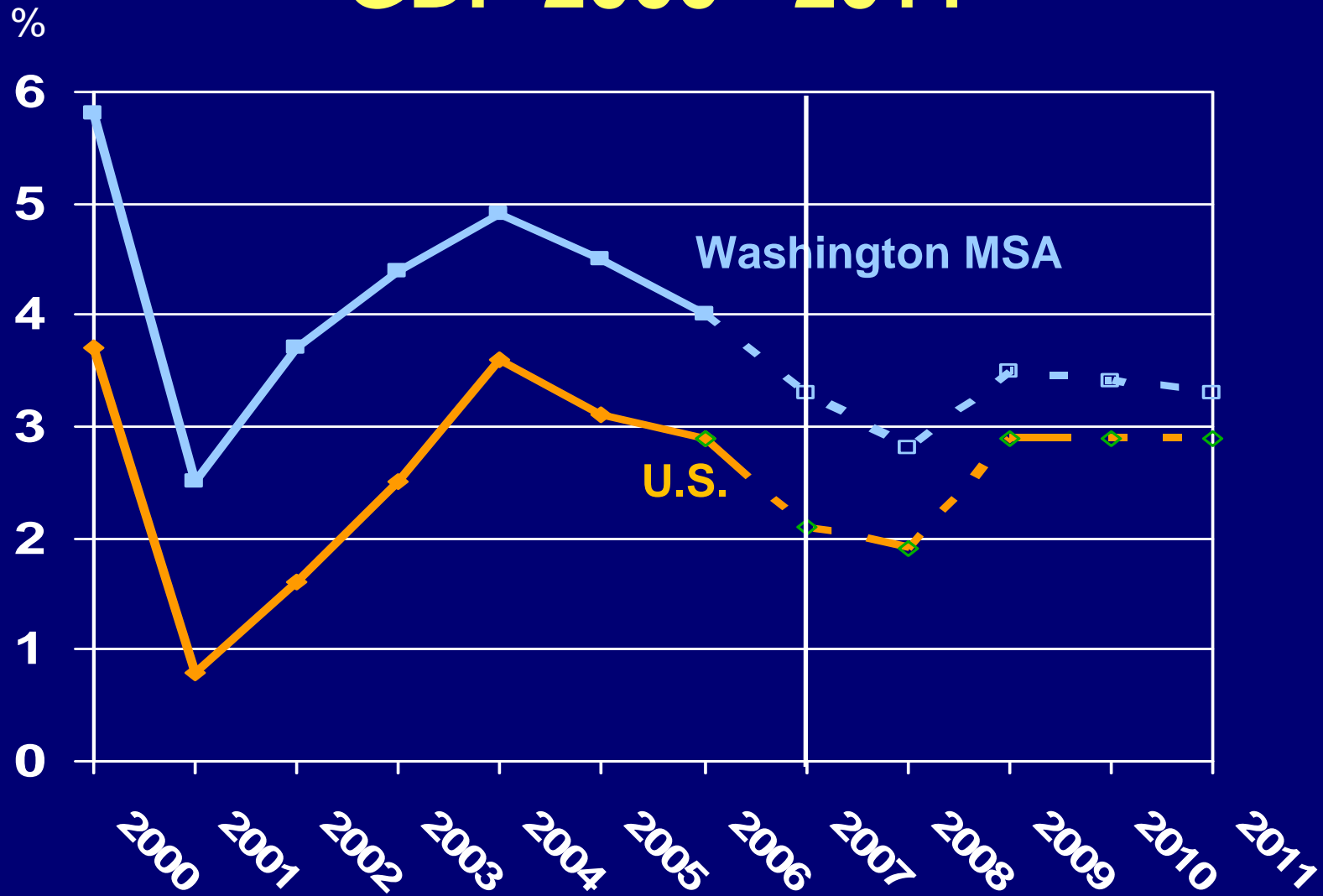
# Cardinal Bank, Moving Averages for Washington Economic Indices



# Cardinal Bank, Monthly Over-the-Year Percent Changes in Economic Indices



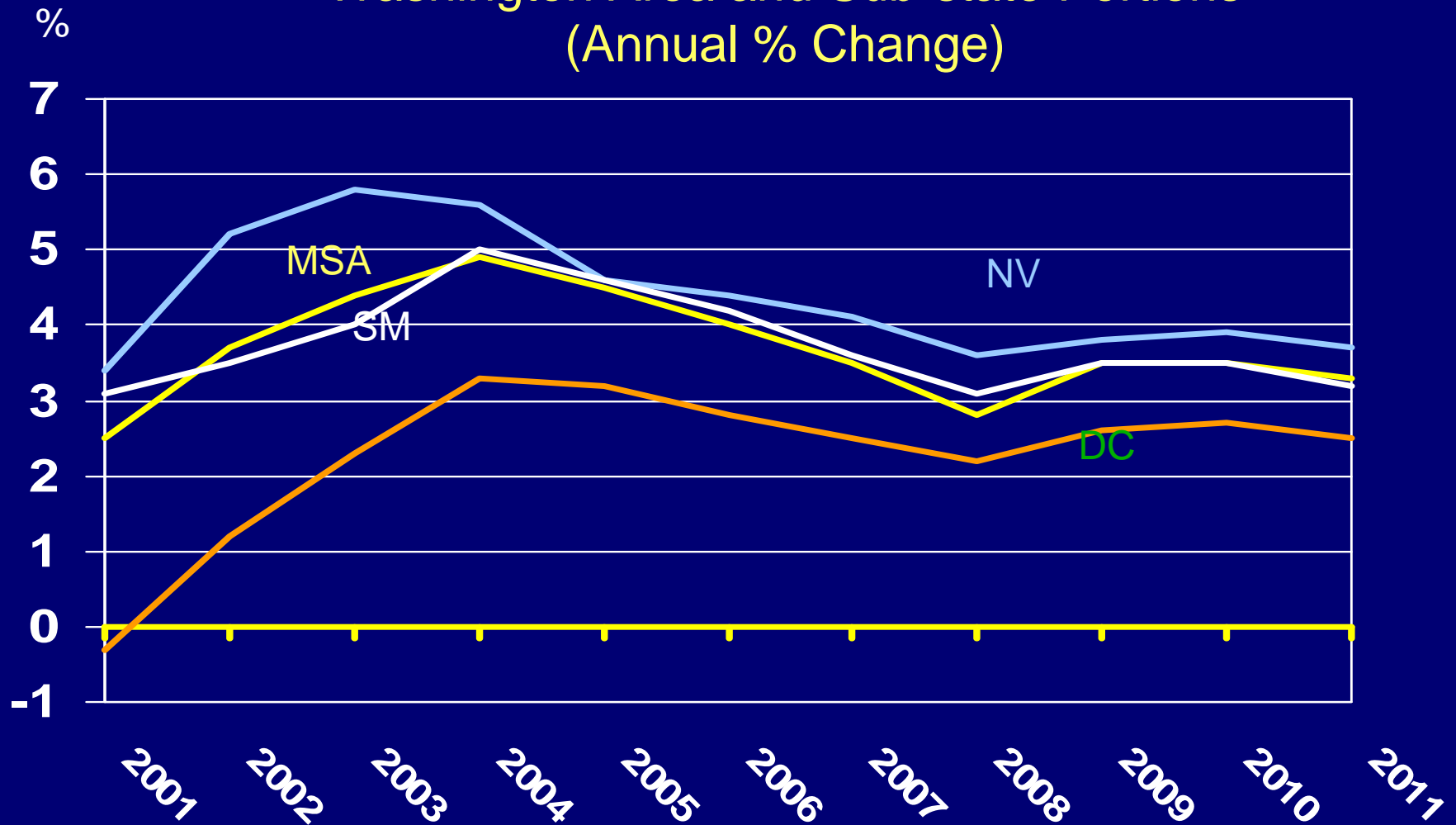
# GDP 2000 - 2011



Source: Global Insight, GMU Center for Regional Analysis

# 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>	6.1	10.4 (5.3)*	7.1	6.5	5.0	5.0
<b>S. MD</b>	10.6	10.3 (10.5)*	10.0	11.5	12.5	13.0
<b>No. VA</b>	30.5	22.7 (28.7)*	20.5	21.0	24.0	25.5
<b>REGION</b>	47.2	43.4 (44.5)*	37.6	39.0	41.5	43.5
	1.6%	1.5%	1.2%	1.3%	1.3%	1.4%

\* CRA Mid-2007 Forecast

Average Annual Change 1990-2007 = 44,900

Based on 2006 BLS Benchmarked Data.

# Threats to the Washington Area Economy's Future Performance

- Slowing Federal spending
- Continuing weakness in real estate market
- Increasing oil prices
- Shortage of qualified workers
- Slowdown in consumer spending

**The “R” Word  
stands for  
RESILIENT**

[www.cra-gmu.org](http://www.cra-gmu.org)