

The Real Deal 2008 Seminar

Outlook for the Washington Area Economy

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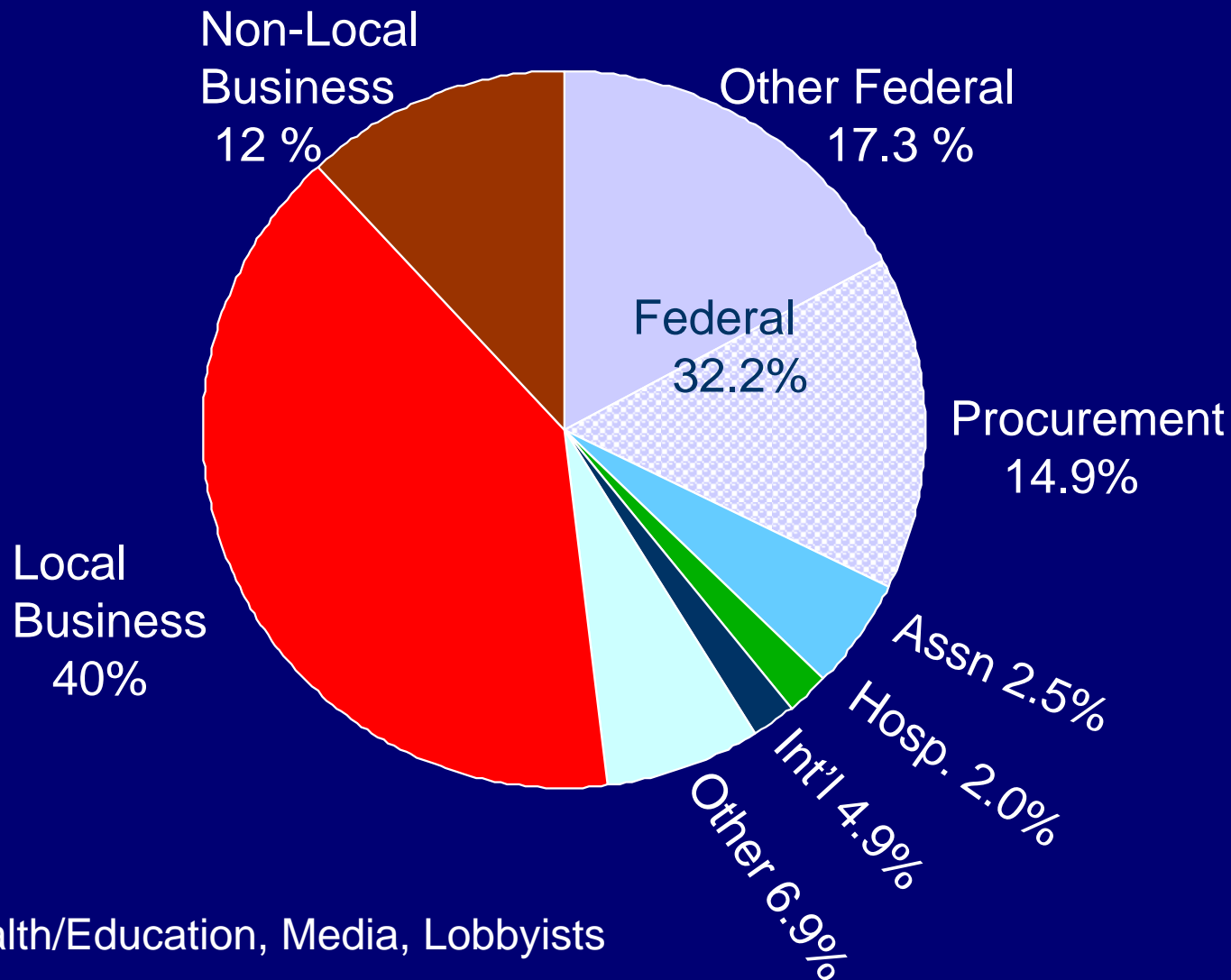
School of Public Policy, George Mason University

January 15, 2008

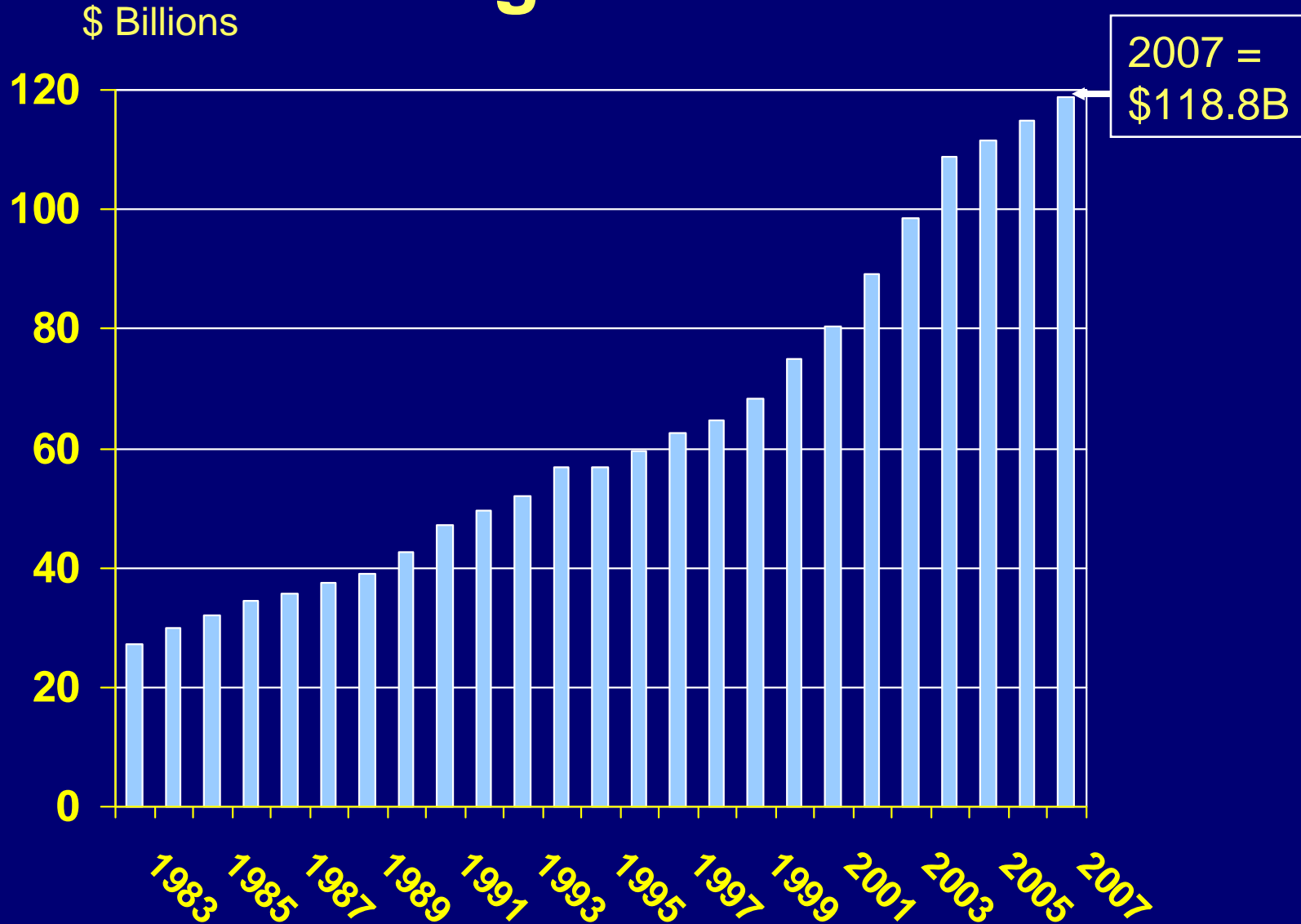
The Washington Area Economy

Looking Backwards/ Looking Forwards

Structure of the Greater Washington Economy



Total Federal Spending Washington Metro Area

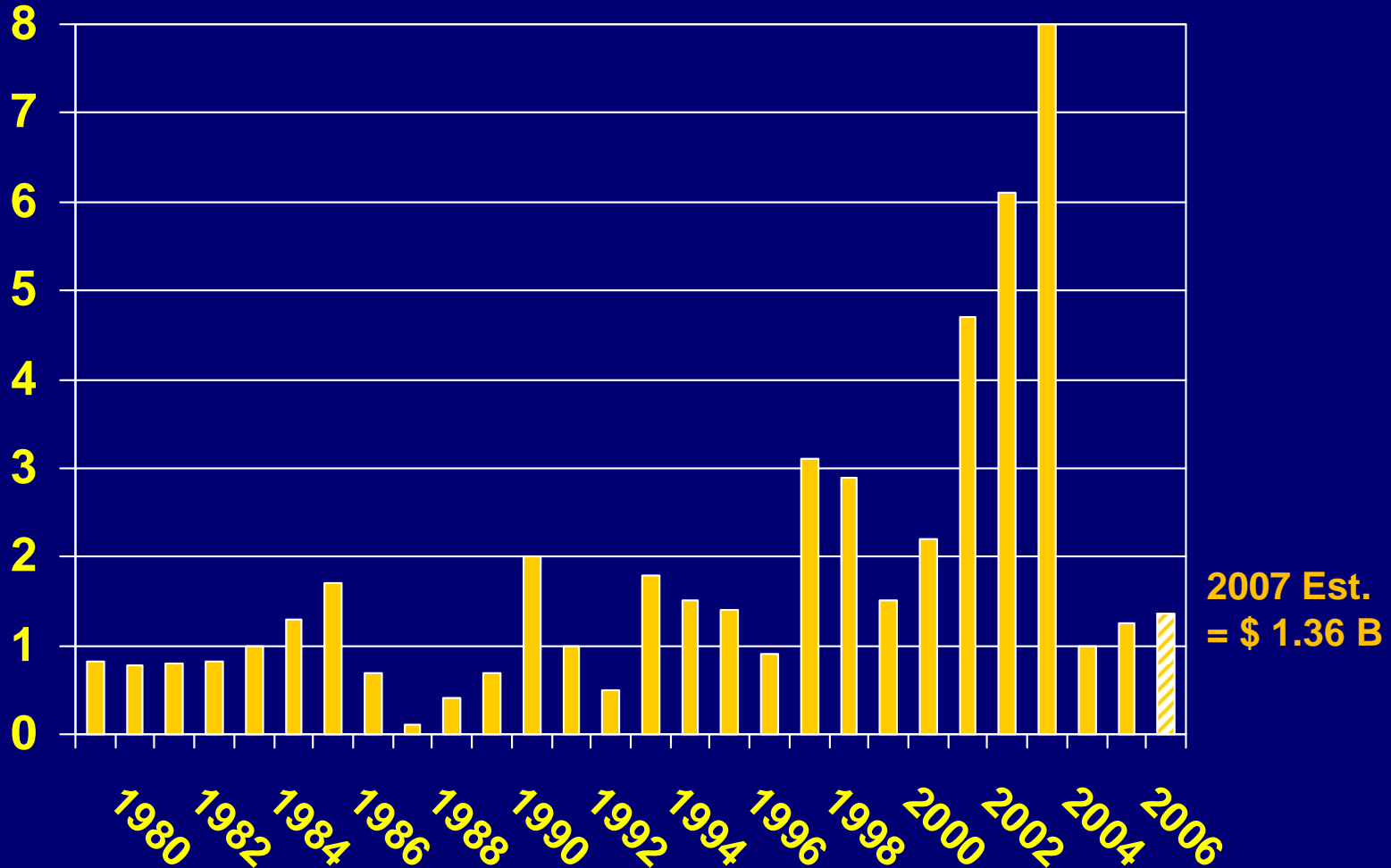


Federal Spending by Type 1983 - 2007



Annual Change in Federal Procurement Spending Washington Metro Area

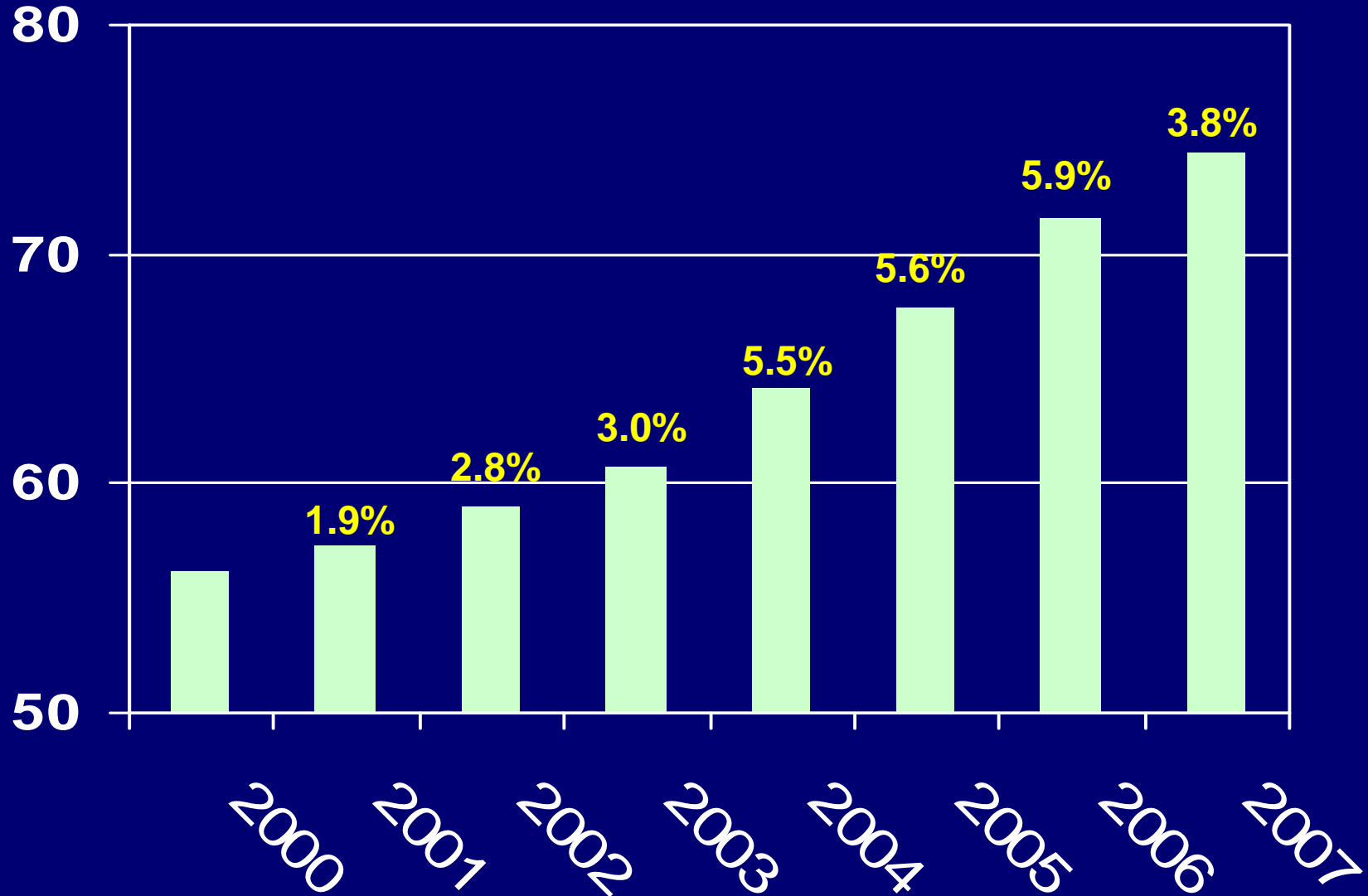
\$ Billions



2007 Est.
= \$ 1.36 B

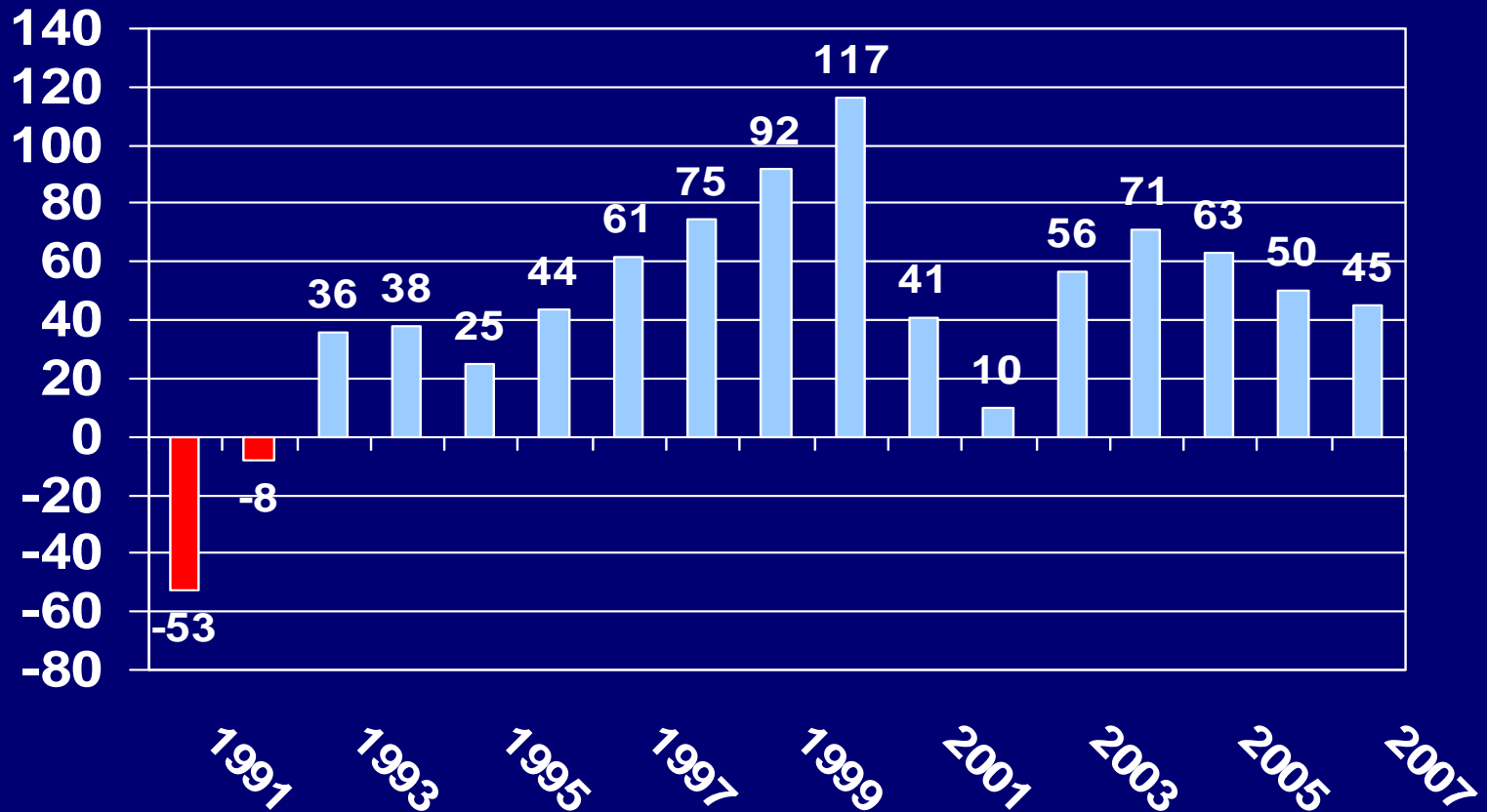
Washington Area Retail Sales

\$ Billions

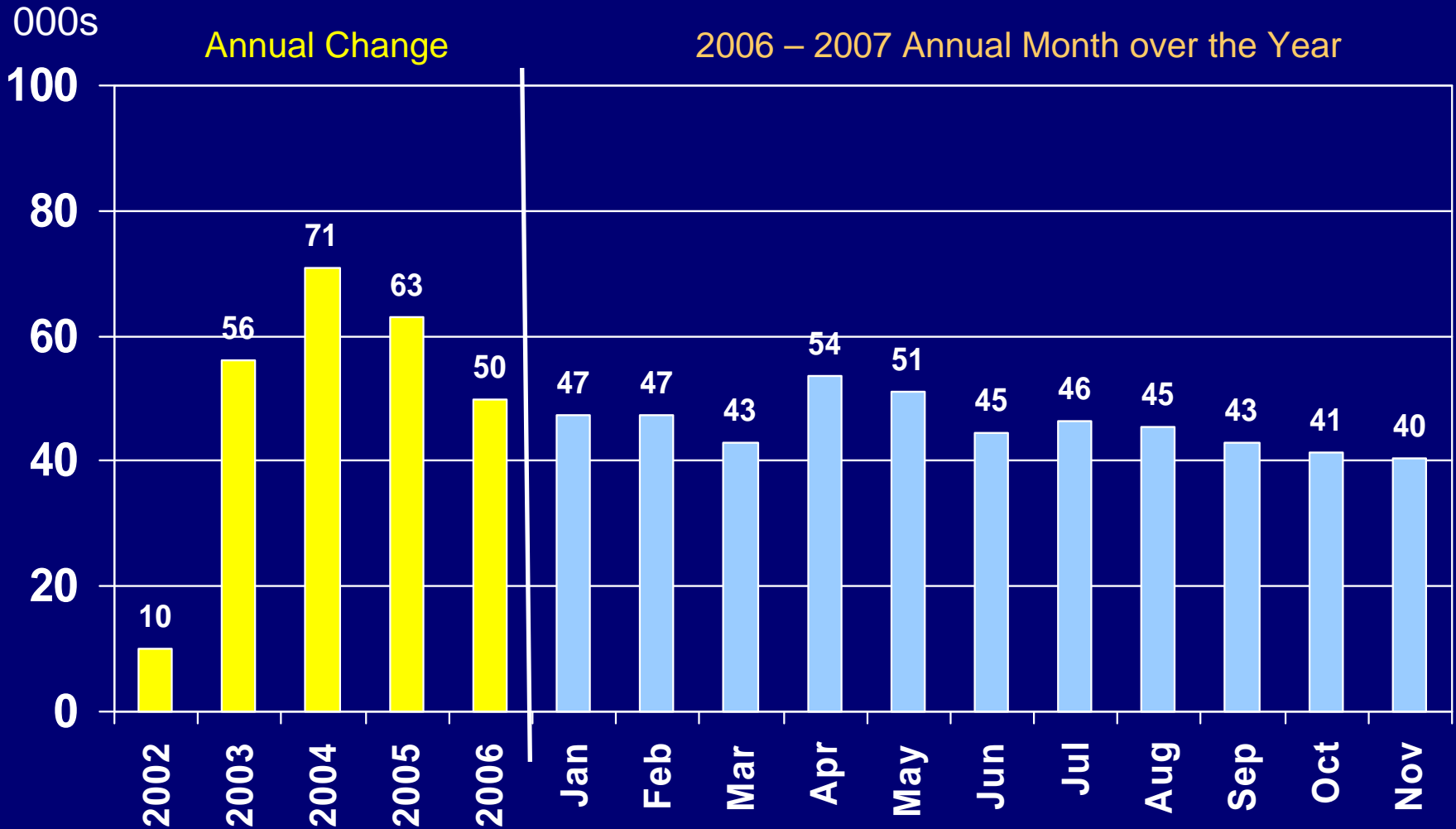


Annual Change in Jobs 1991 – 2007 Washington Metro

Thousands

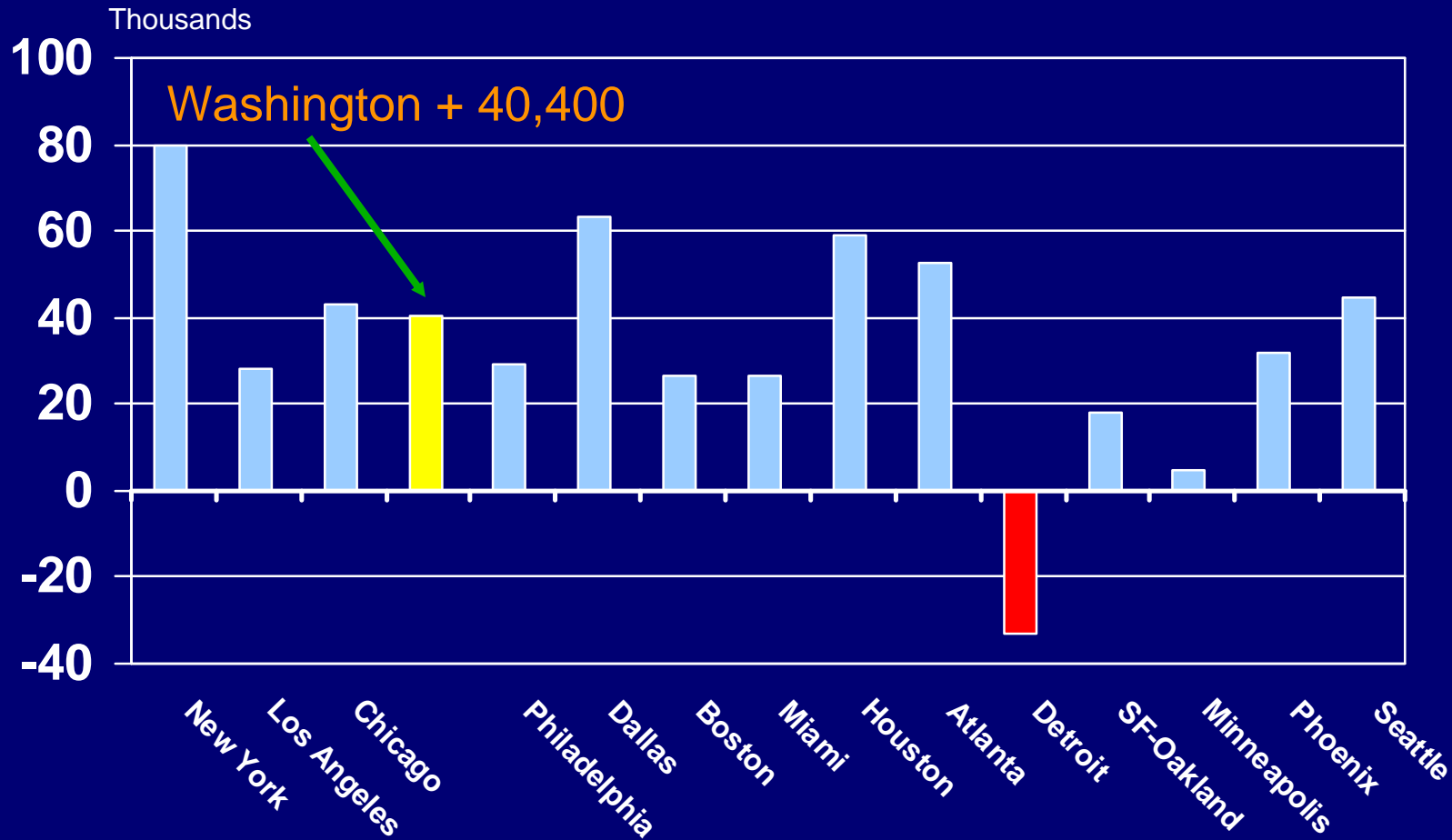


Annual Job Change Washington Metro



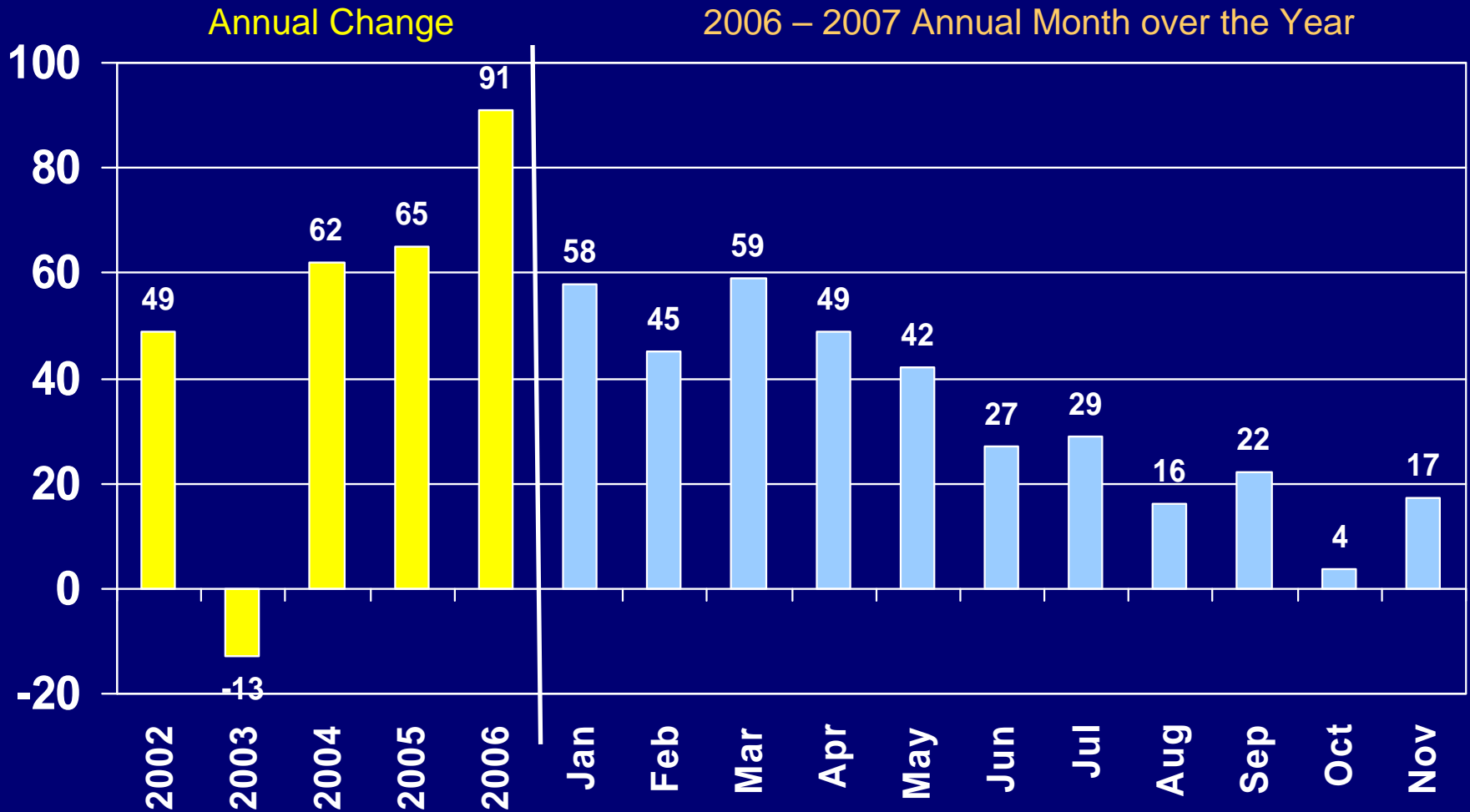
15 Largest Job Markets

Job Change Nov 06 – Nov 07

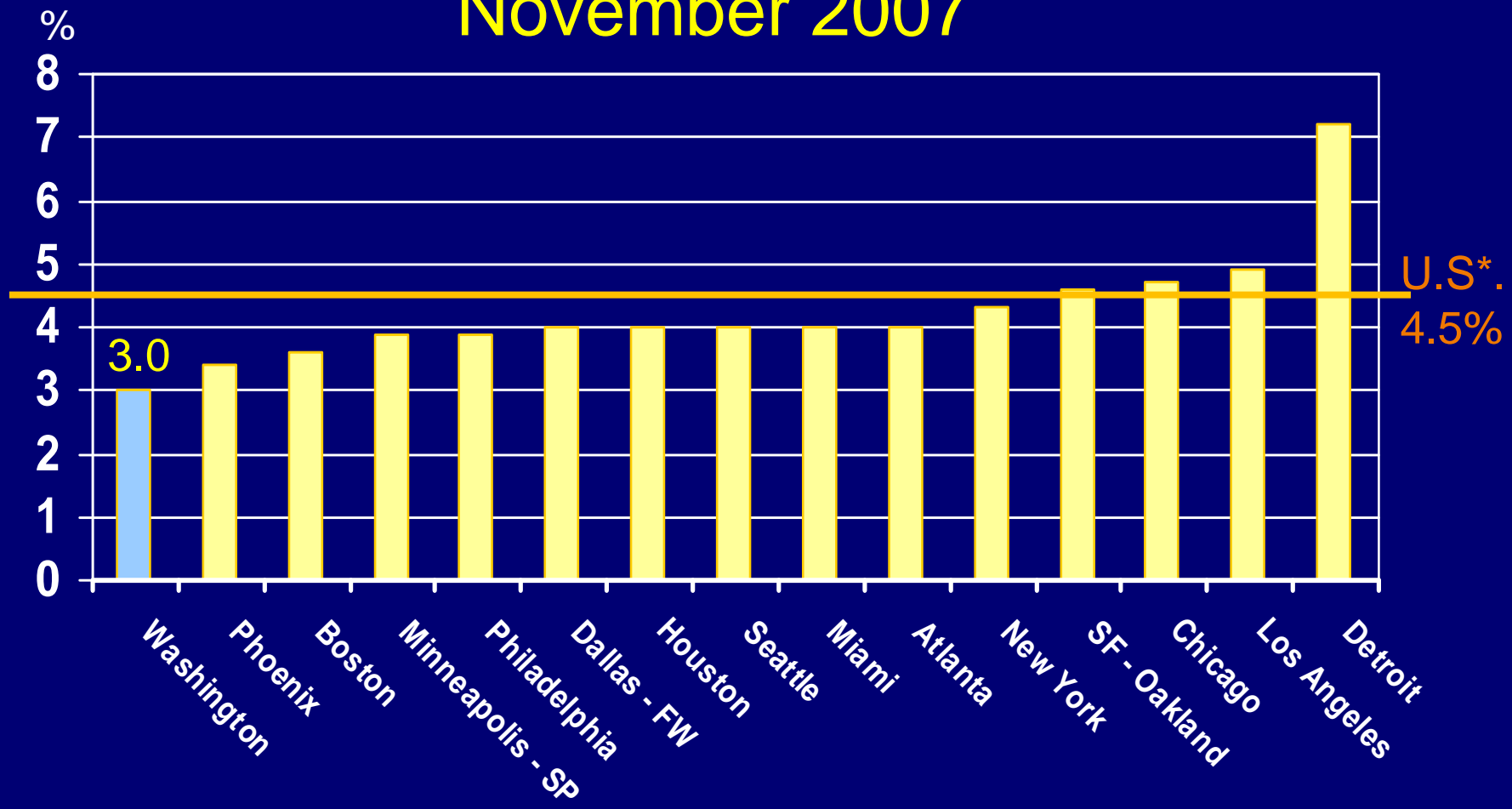


Ranked by Total Jobs

Annual Change in Employed Washington Metro



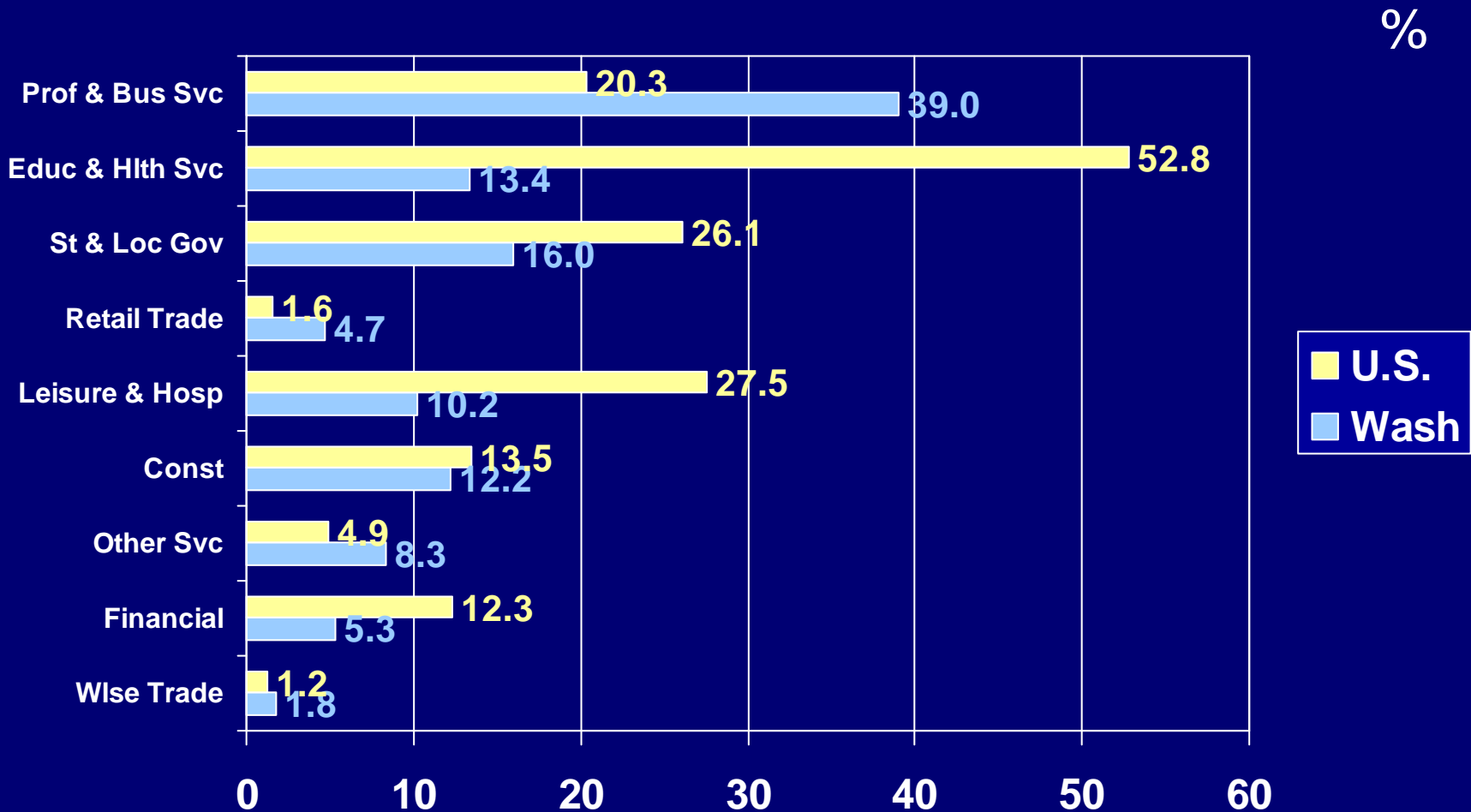
15 Largest Job Markets Ranked by Unemployment Rate November 2007



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

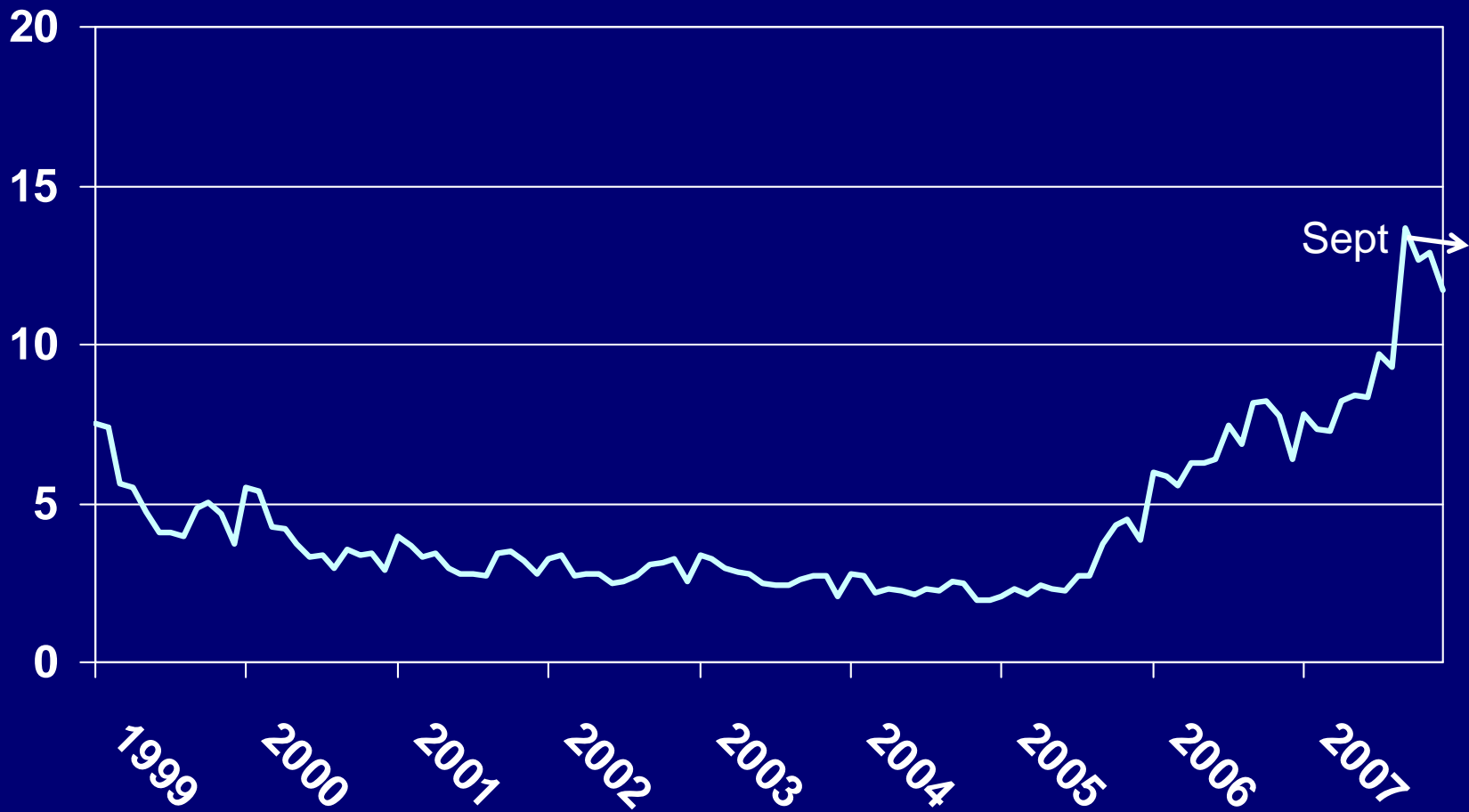
Month-Over-the-Year-Change

2000 – 2007, MSA



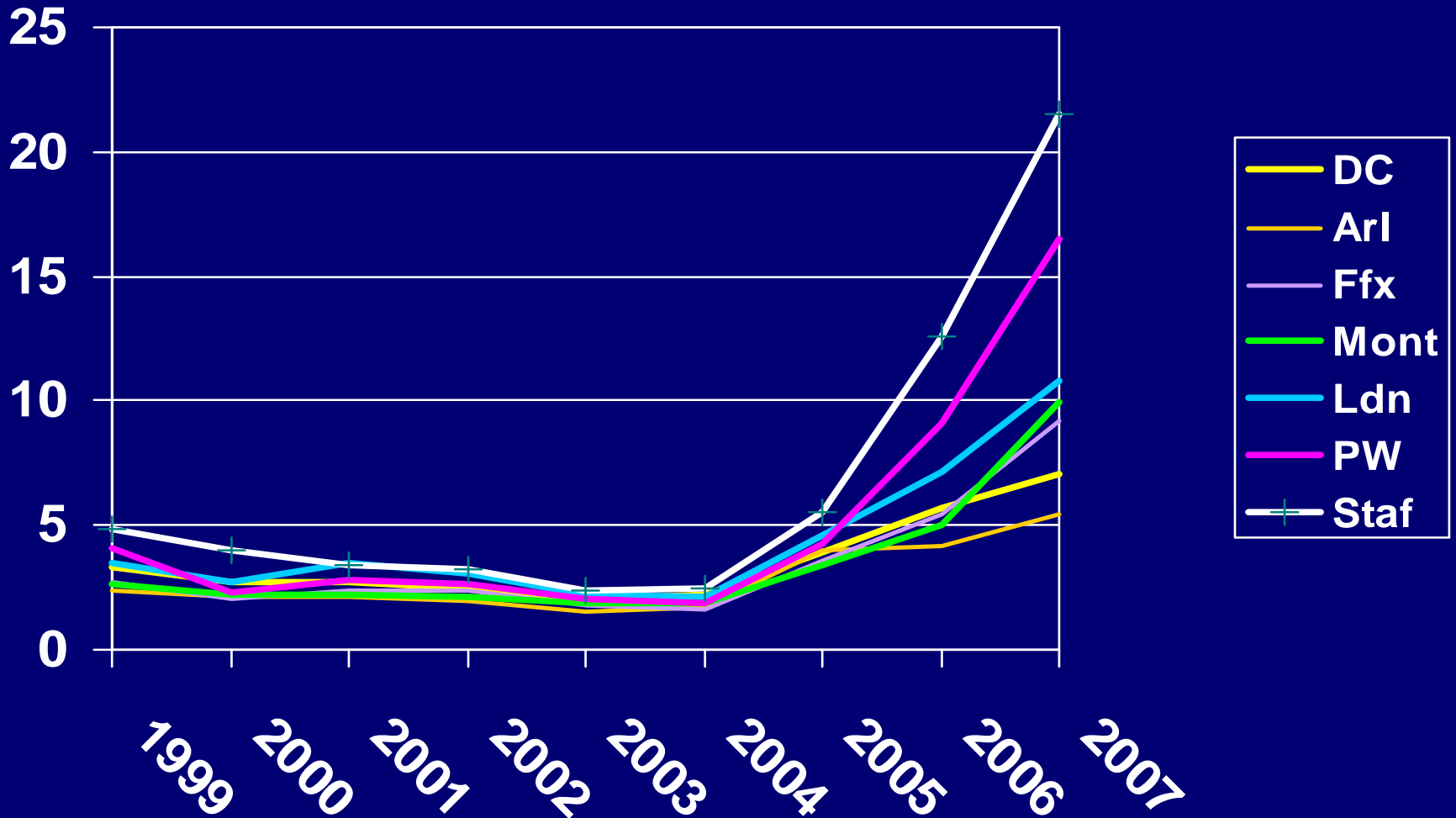
Total Active Listings per Sale

Monthly, 2000 – 2007, MSA



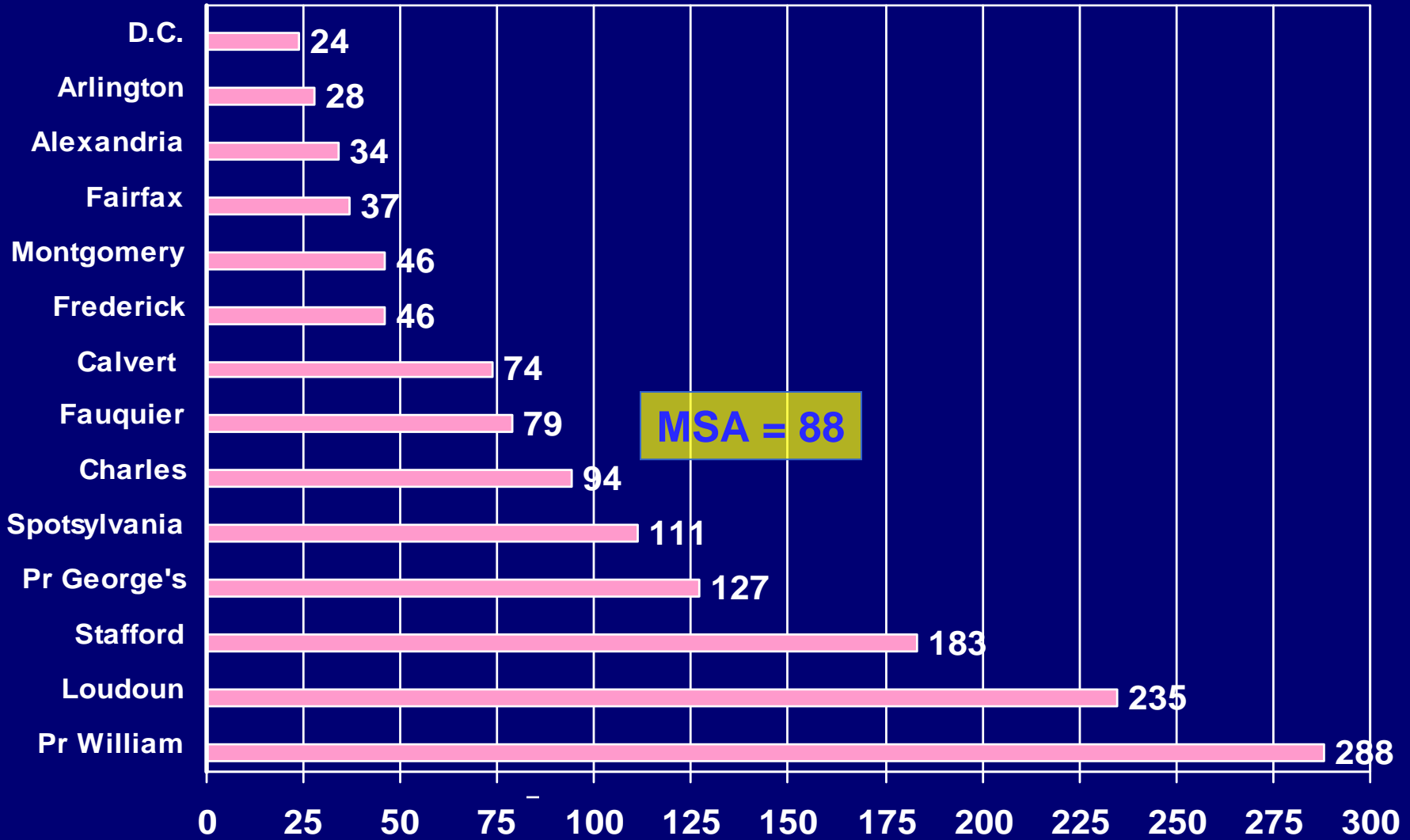
Total Active Listings per Sale

December Each Year



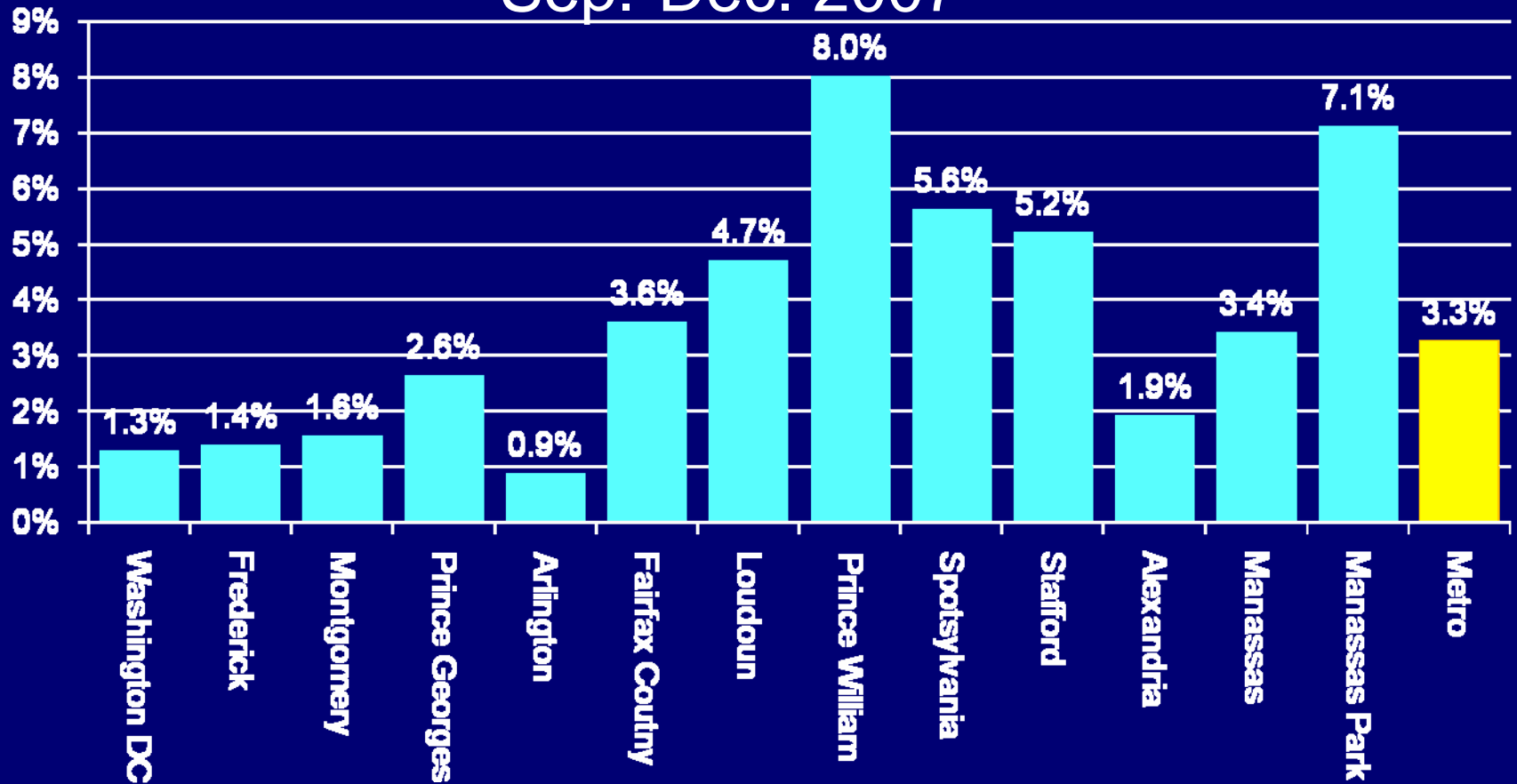
Mortgage Foreclosure Rates by County – Dec 28, 2007

Foreclosures /10,000 units



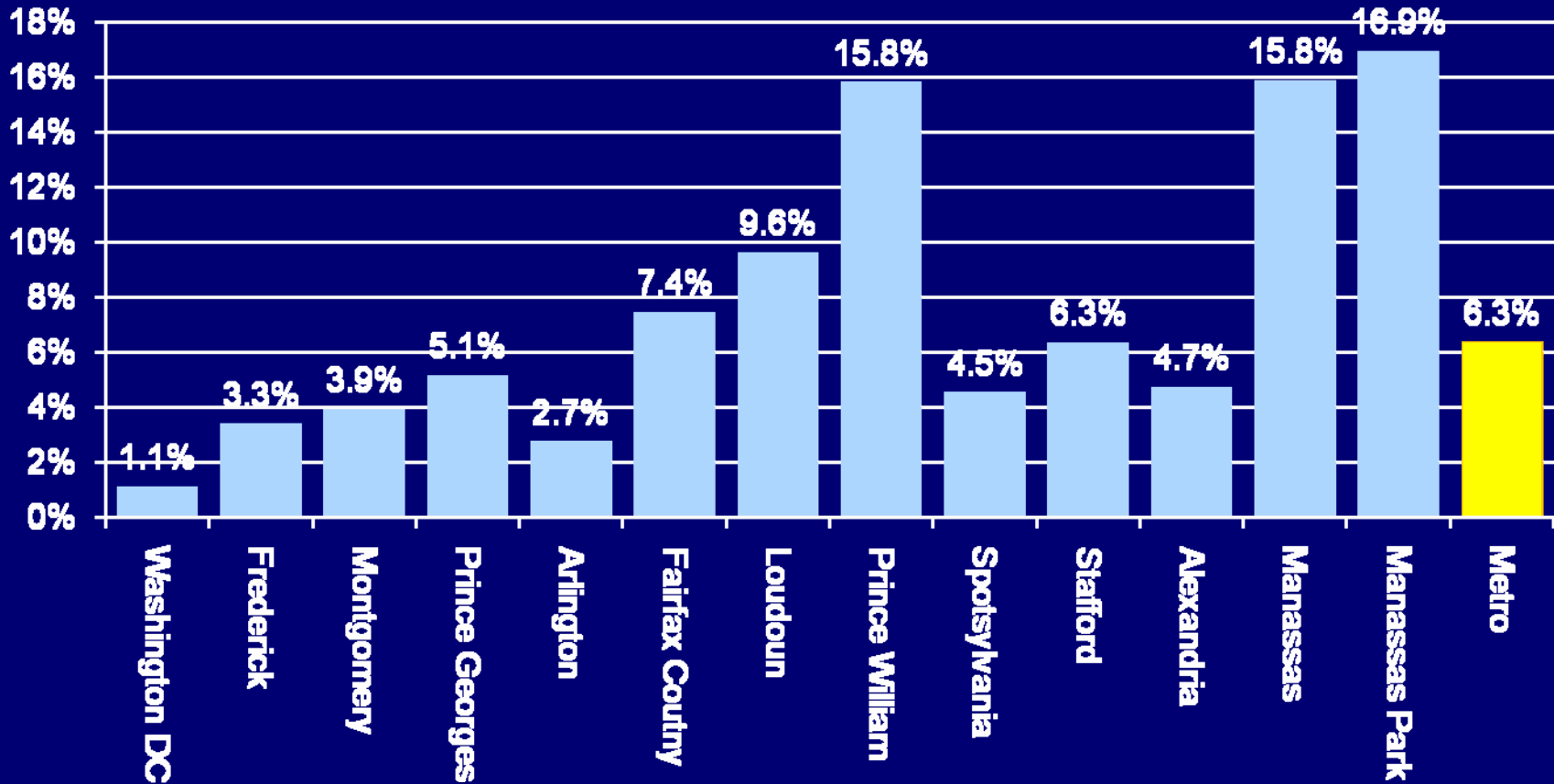
Recent Foreclosure Data

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



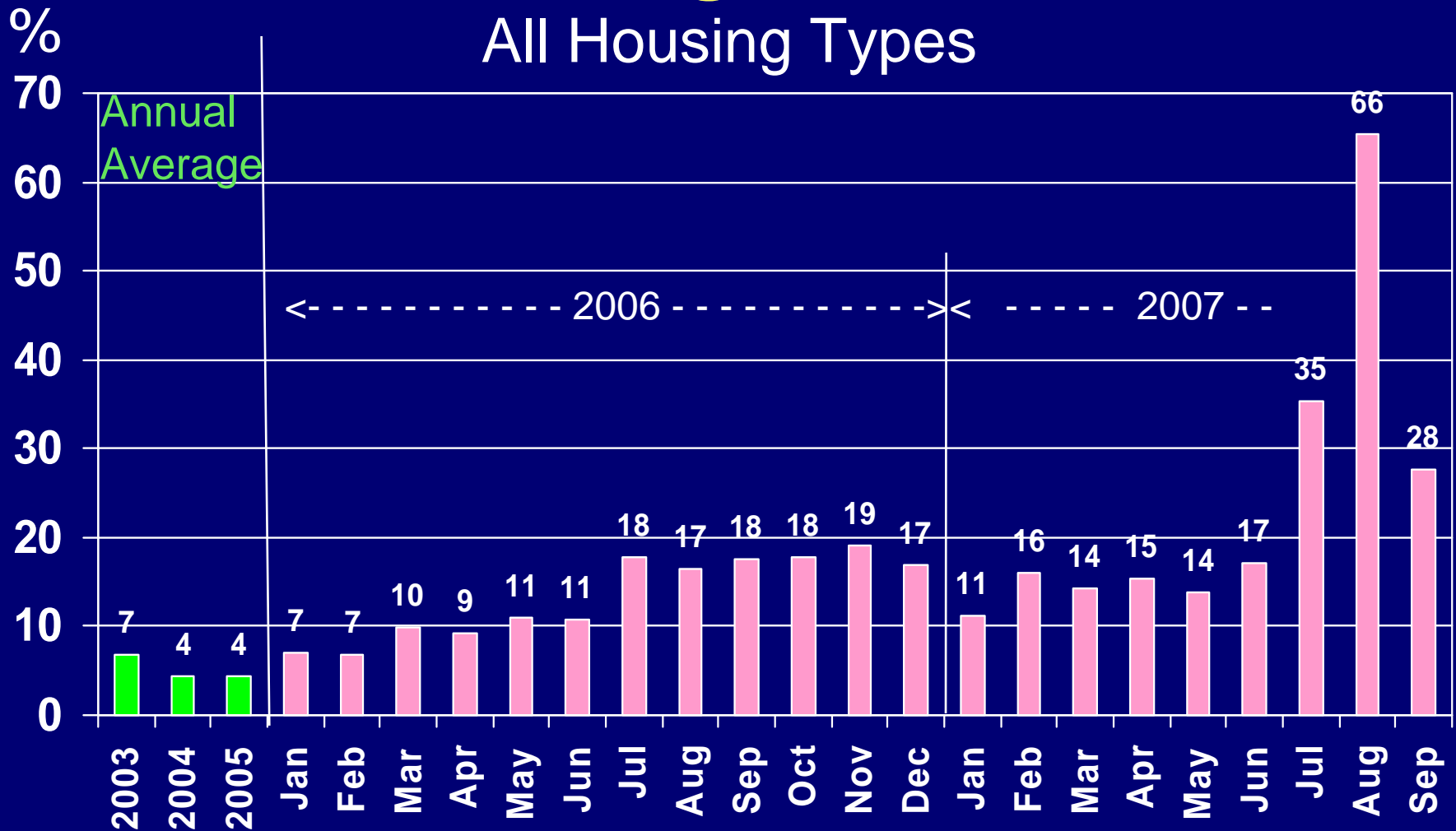
Recent Short Sales Data

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

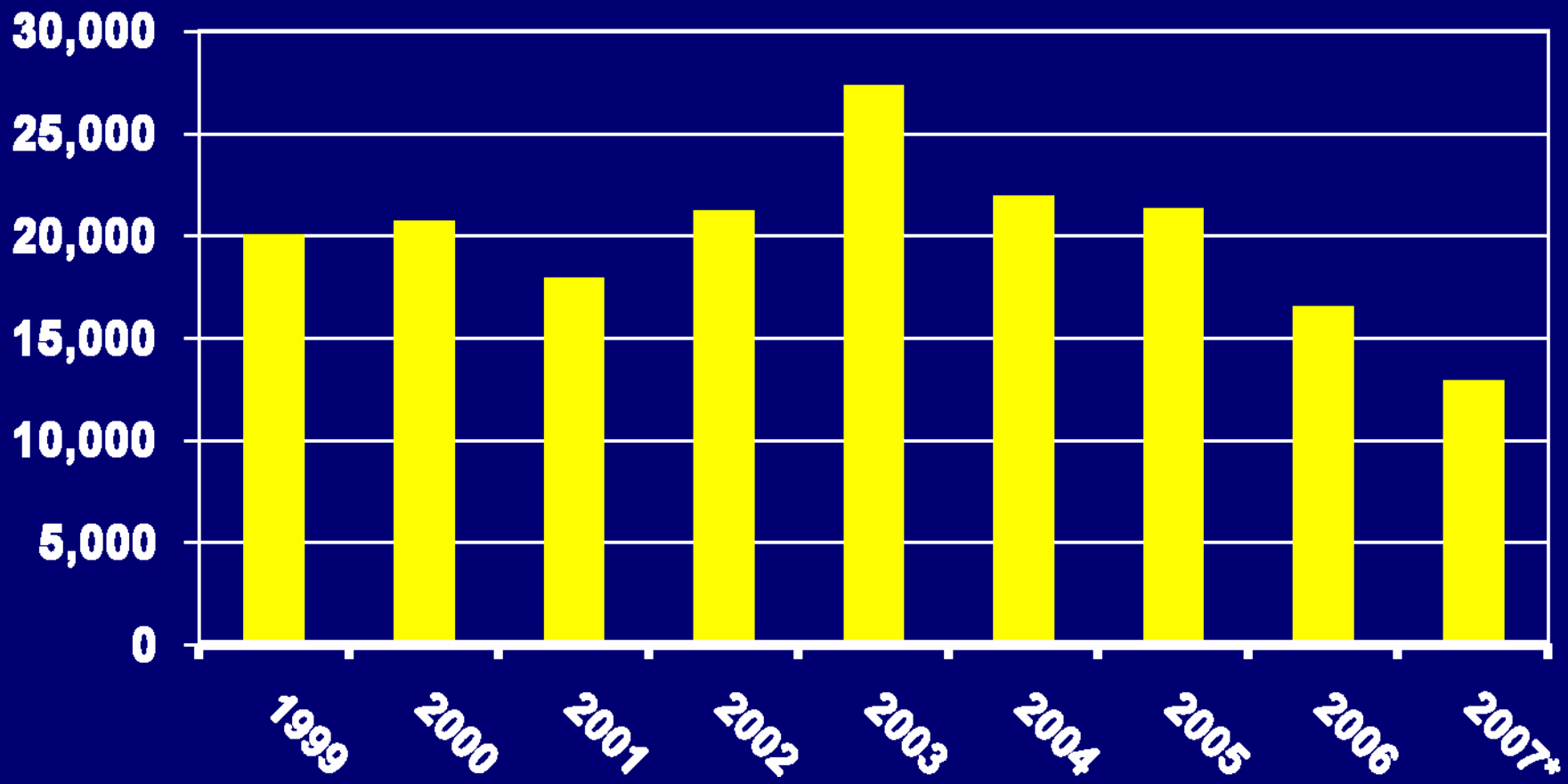


New Housing Contract Kick-Out Rate Washington MSA

All Housing Types



New Housing Units Sold Washington Metro Area



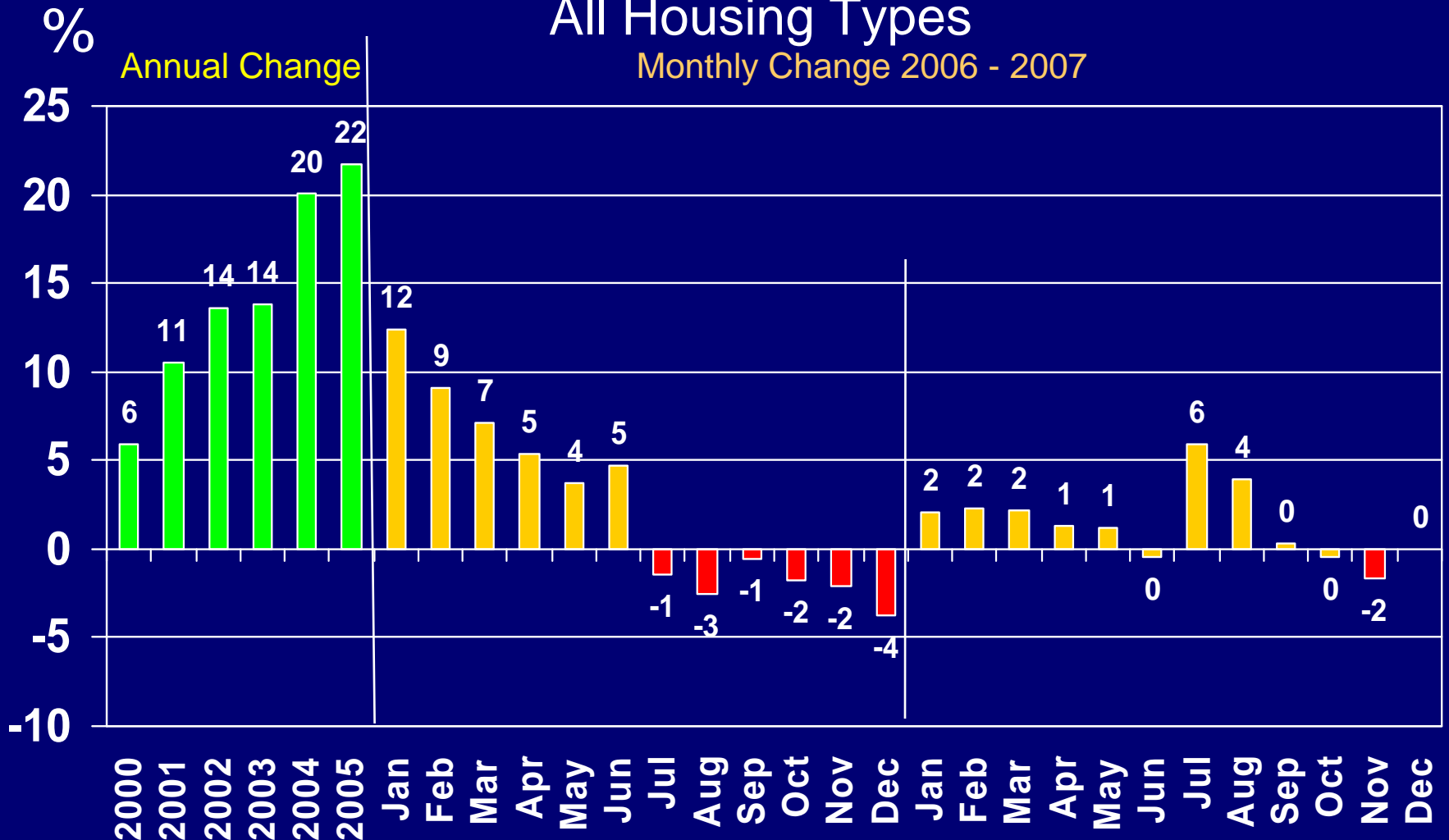
Source: Hanley-Wood, GMU Center for Regional Analysis

* Annualized

Average Sales Price Percent Change Washington MSA

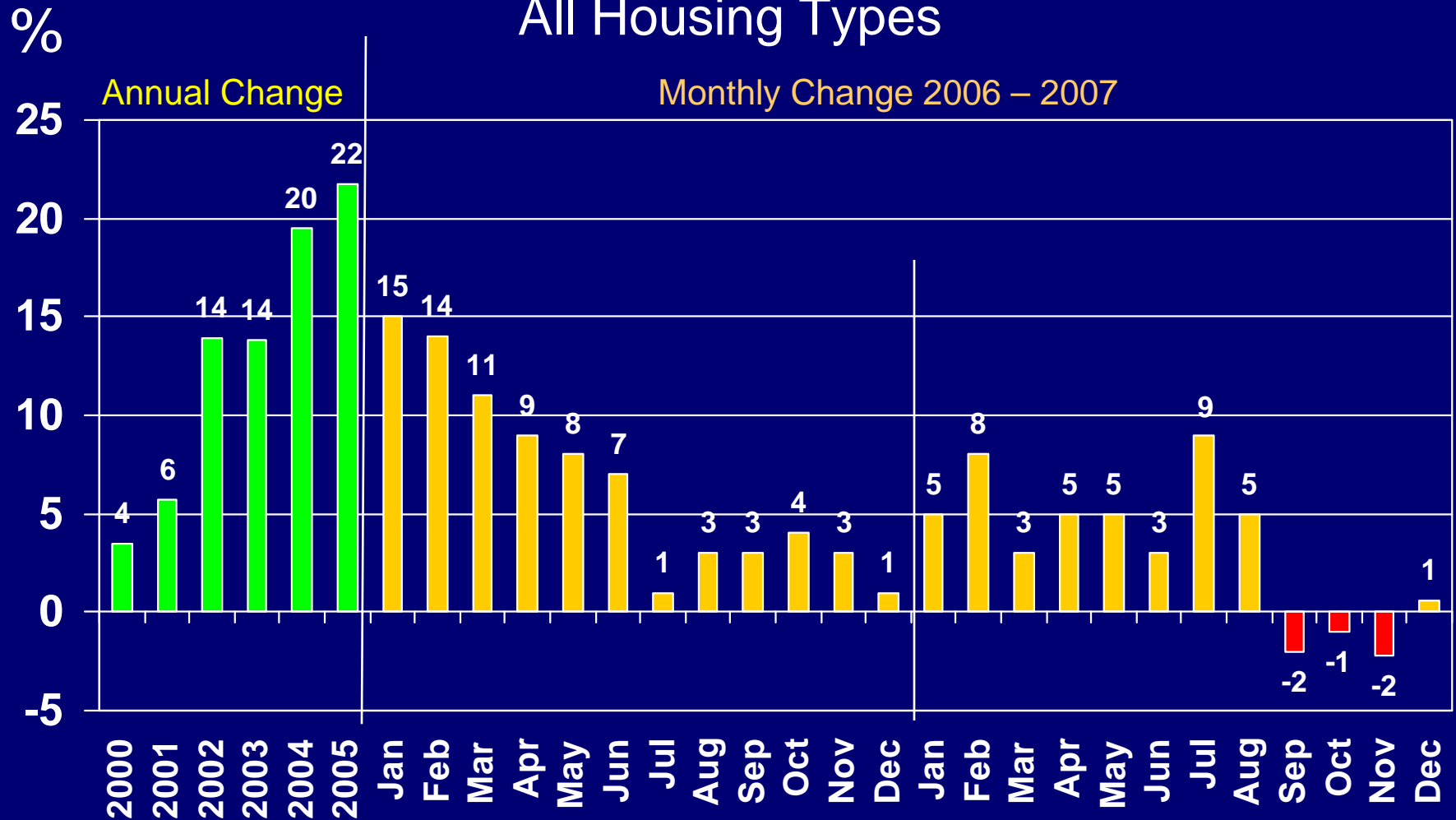
All Housing Types

Monthly Change 2006 - 2007



Average Sales Price Percent Change Suburban Maryland

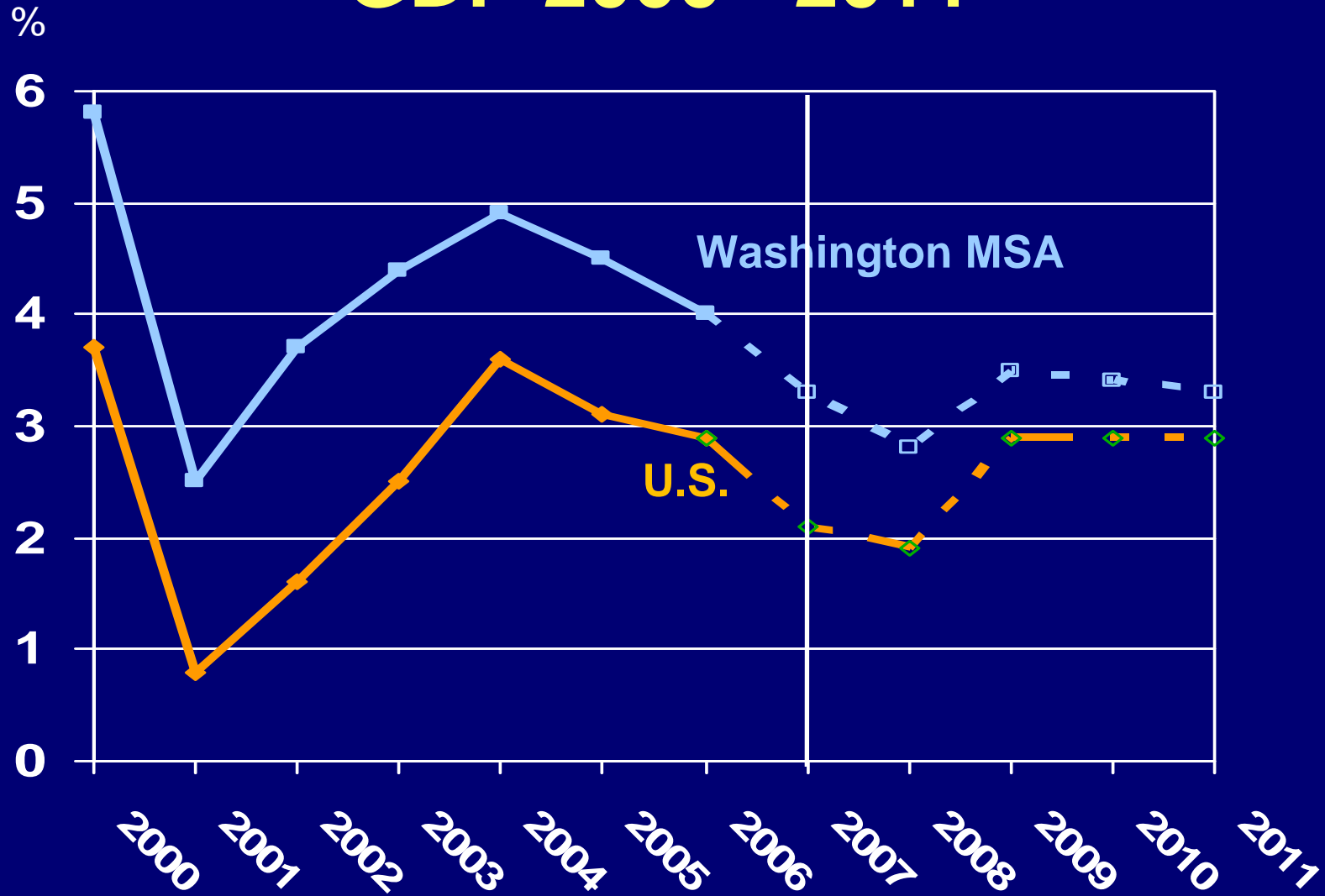
All Housing Types



Area Economic Forecast

2008 - 2011

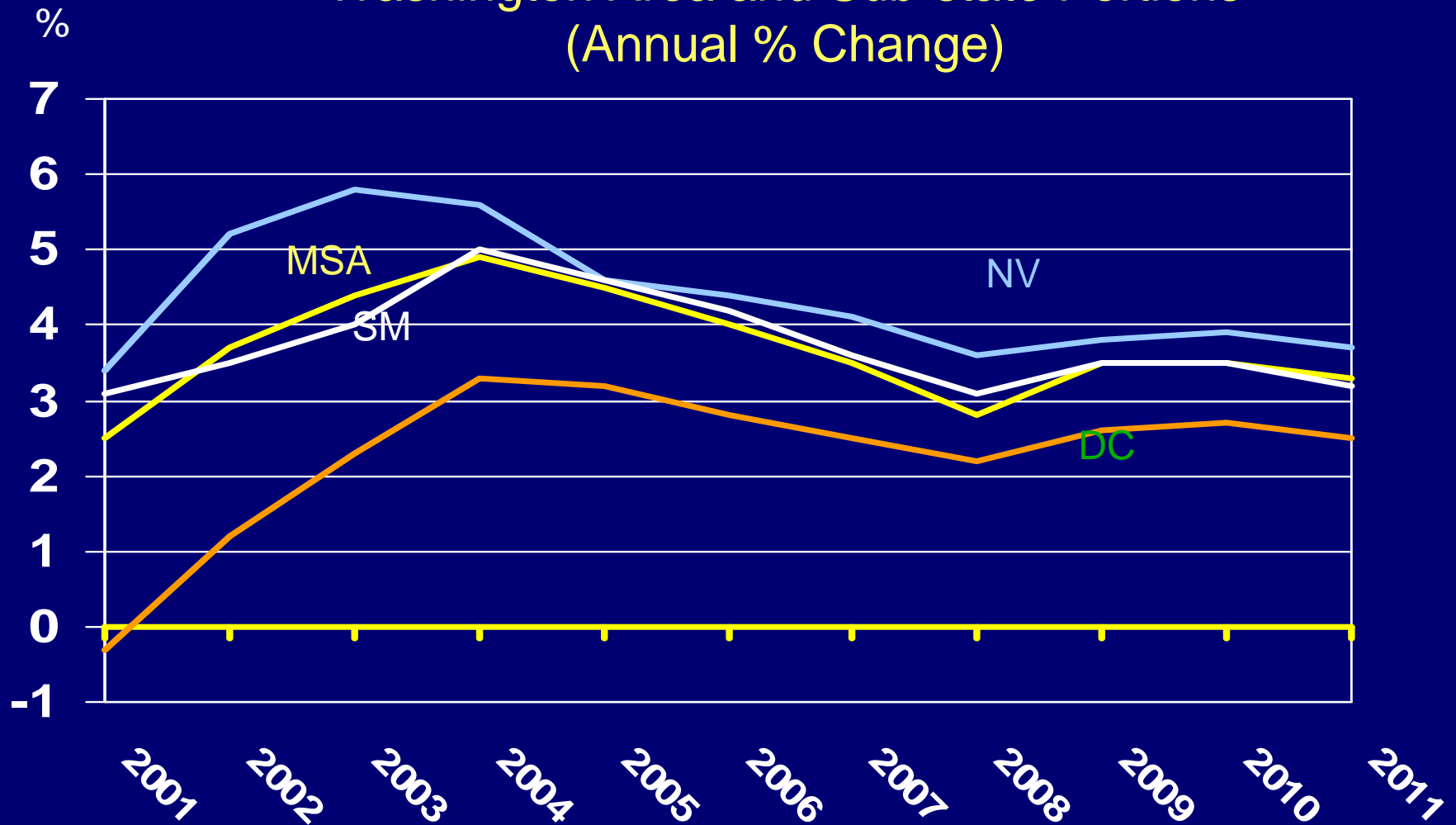
GDP 2000 - 2011



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
D.C.	6.1	10.4 (5.3)*	7.1	6.5	5.0	5.0
S. MD	10.6	10.3 (10.5)*	10.0	11.5	12.5	13.0
No. VA	30.5	22.7 (28.7)*	20.5	21.0	24.0	25.5
REGION	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