

# “Big Picture” Economic Development Study of Falls Church

Center for Regional Analysis  
School of Public Policy  
George Mason University

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# Purpose and Objectives

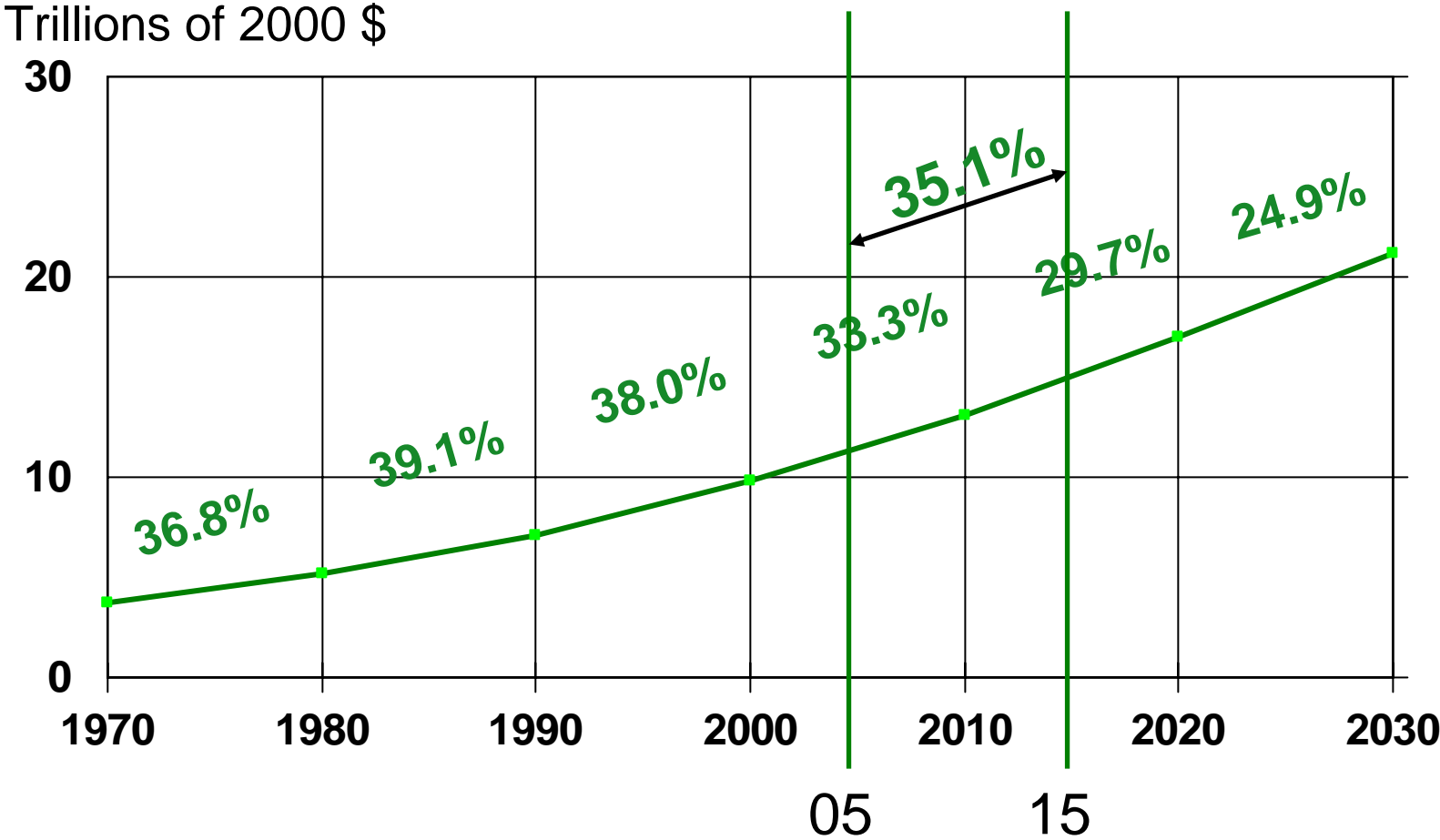
Examine major trends at the national, regional, and local levels in terms of the implications and relevance of the development trends for the future of the City of Falls Church

# Presentation Outline

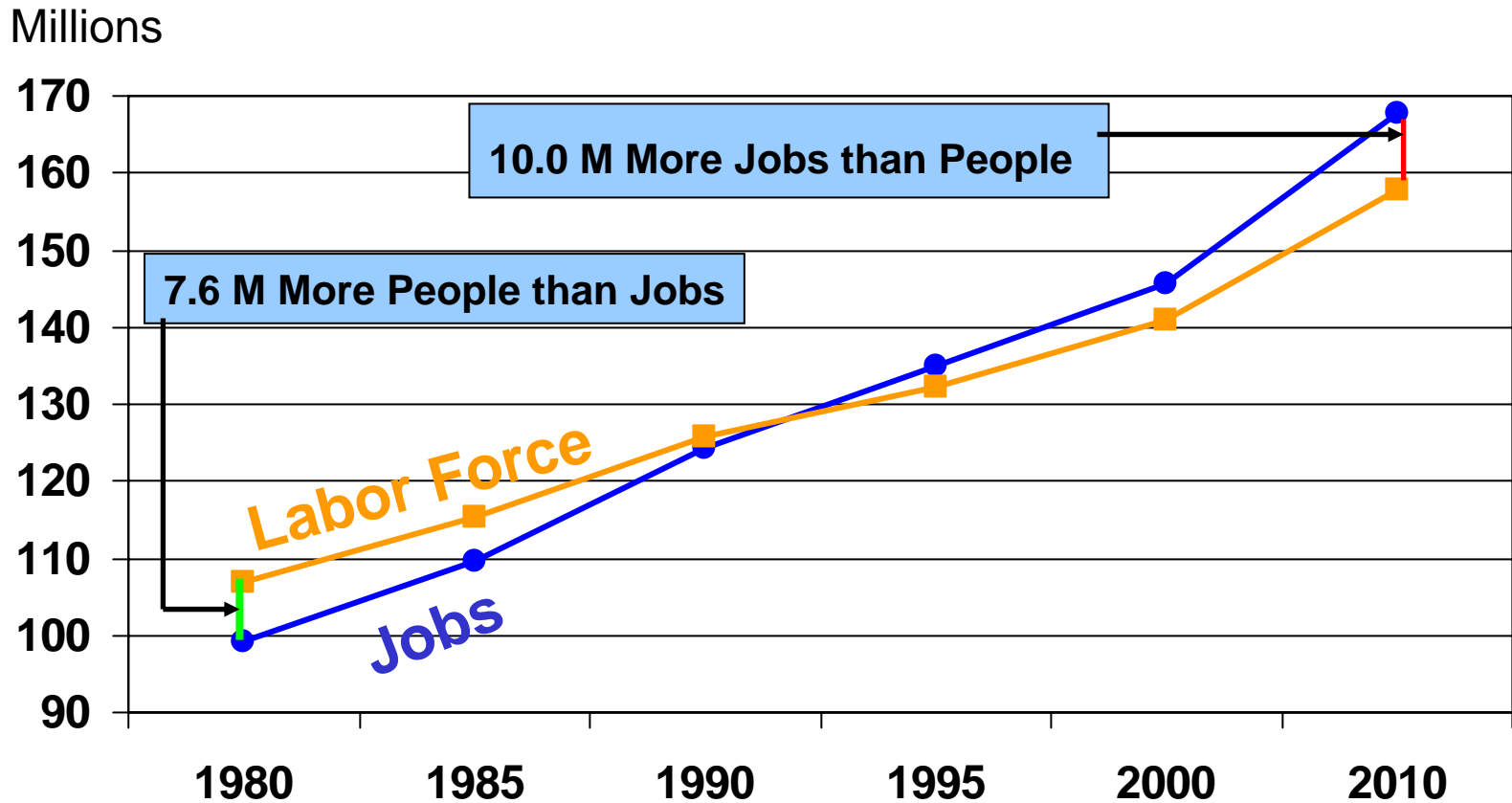
1. U.S. Trends
2. Washington Metro Trends
3. Counter Trends
4. Falls Church comparisons to U.S., Washington Region, Arlington and Fairfax Counties
5. Falls Church comparisons to its immediate environs – adjacent areas in Arlington and Fairfax
6. Development Trends and How they could impact Falls Church

# 1 - U.S. Trends

# The US Economy: GDP



# Impending Crisis: Skilled Labor Shortage Resulting from Workforce Age Wave



# U.S. Trends Summary

- GDP grows more slowly as population and labor force growth moderate
- Aging of work force generates labor shortages over the next decade
- Immigration and increased labor force participation helped to meet demand in the past; diminished sources for the future
- Changing structure of the economy – favors services jobs with professional services jobs dominating

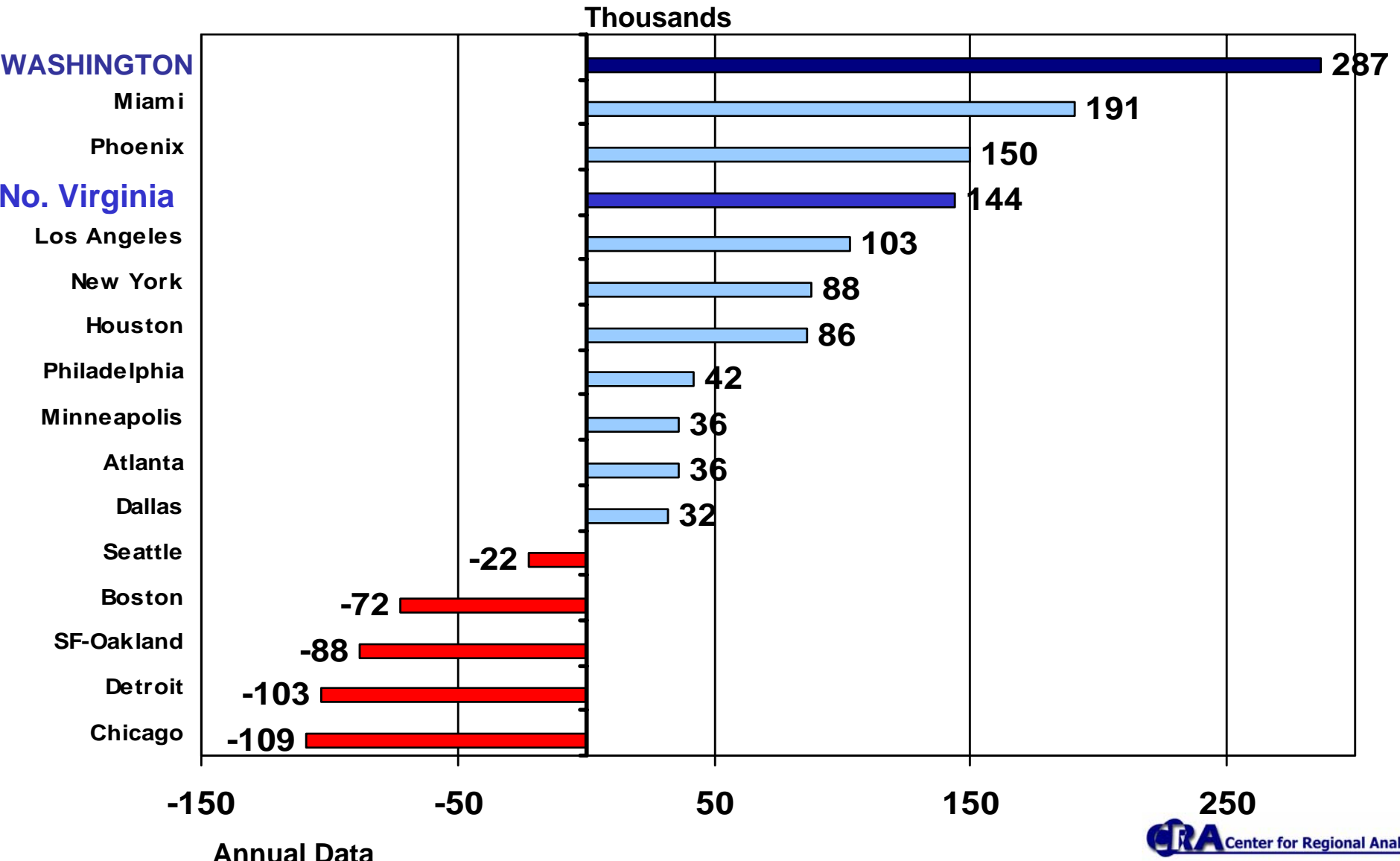
# 2 – Washington Metro Trends



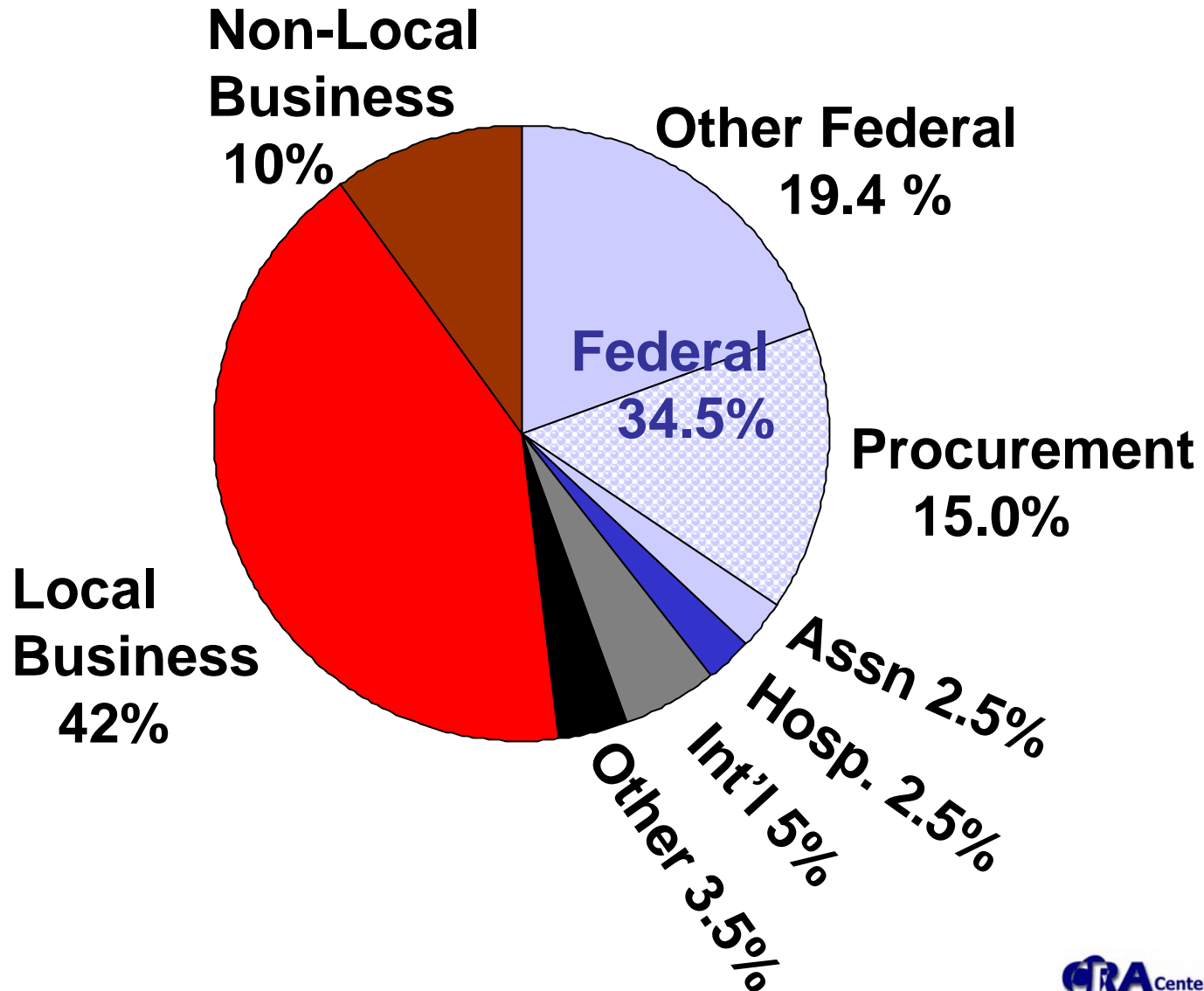
# Metro Comparisons

## Job Change Last Five Years

15 Largest Metro Areas

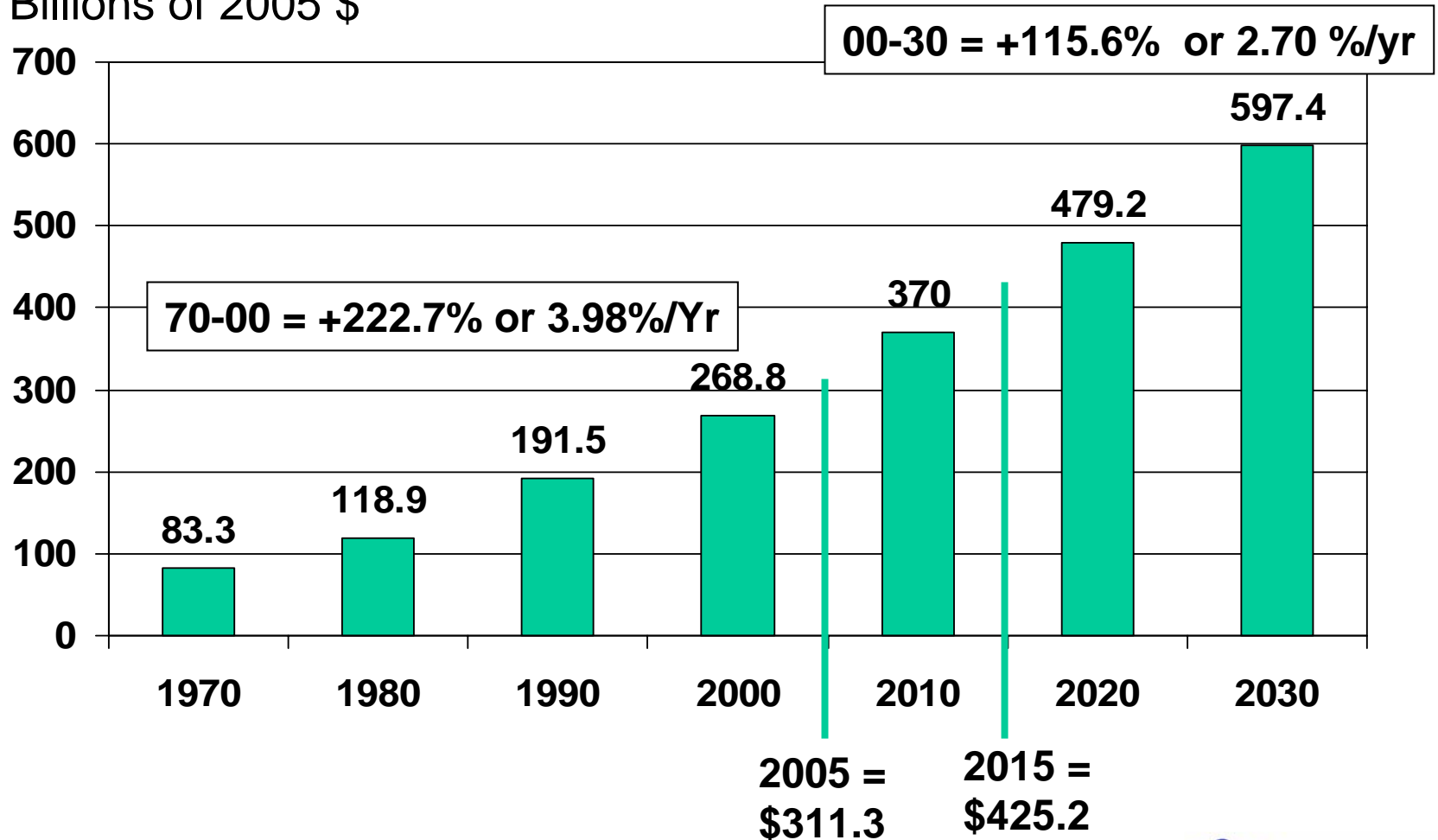


# Structure of the Greater Washington Economy

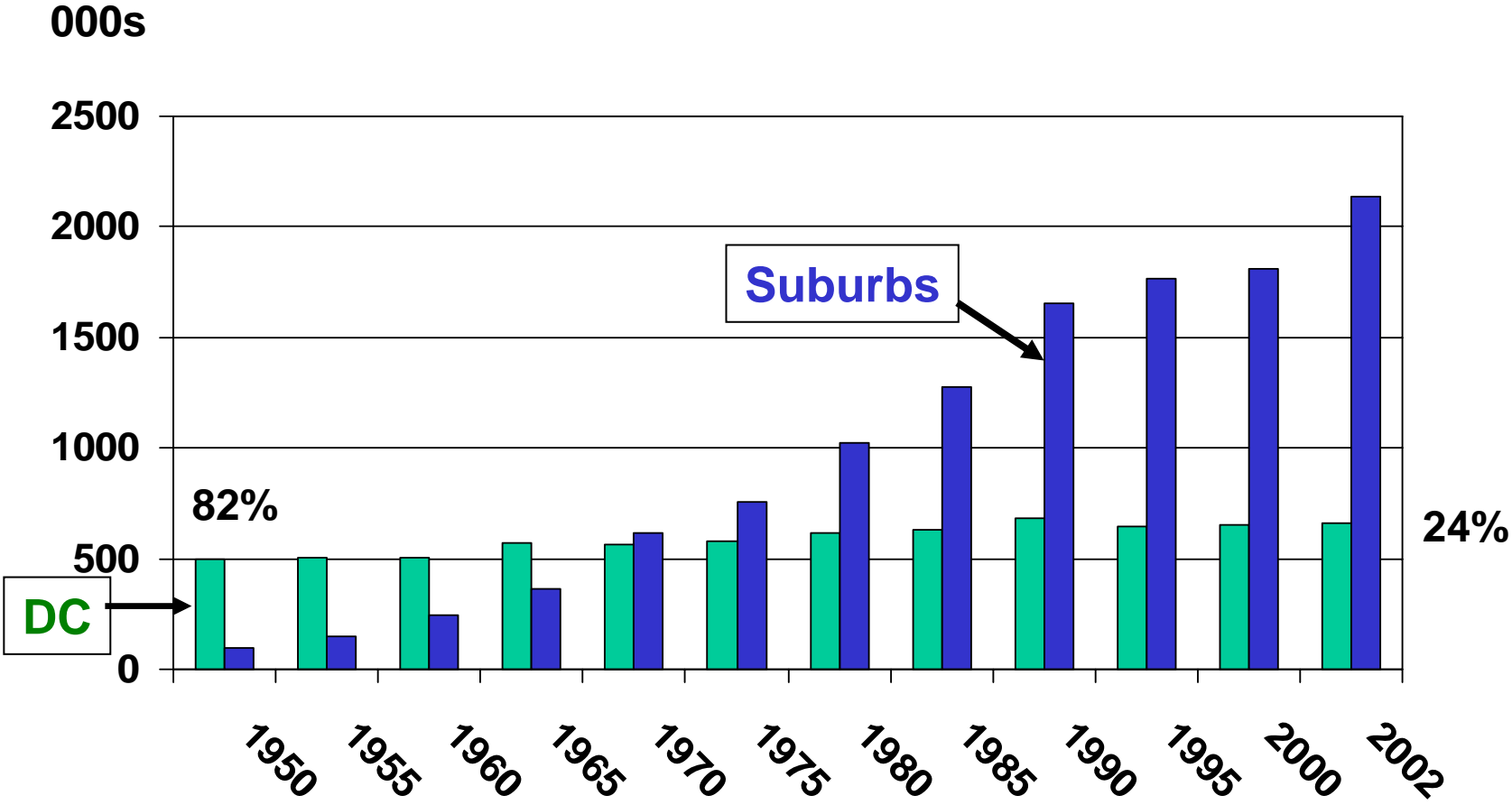


# Gross Regional Product Washington MSA 1970 - 2030

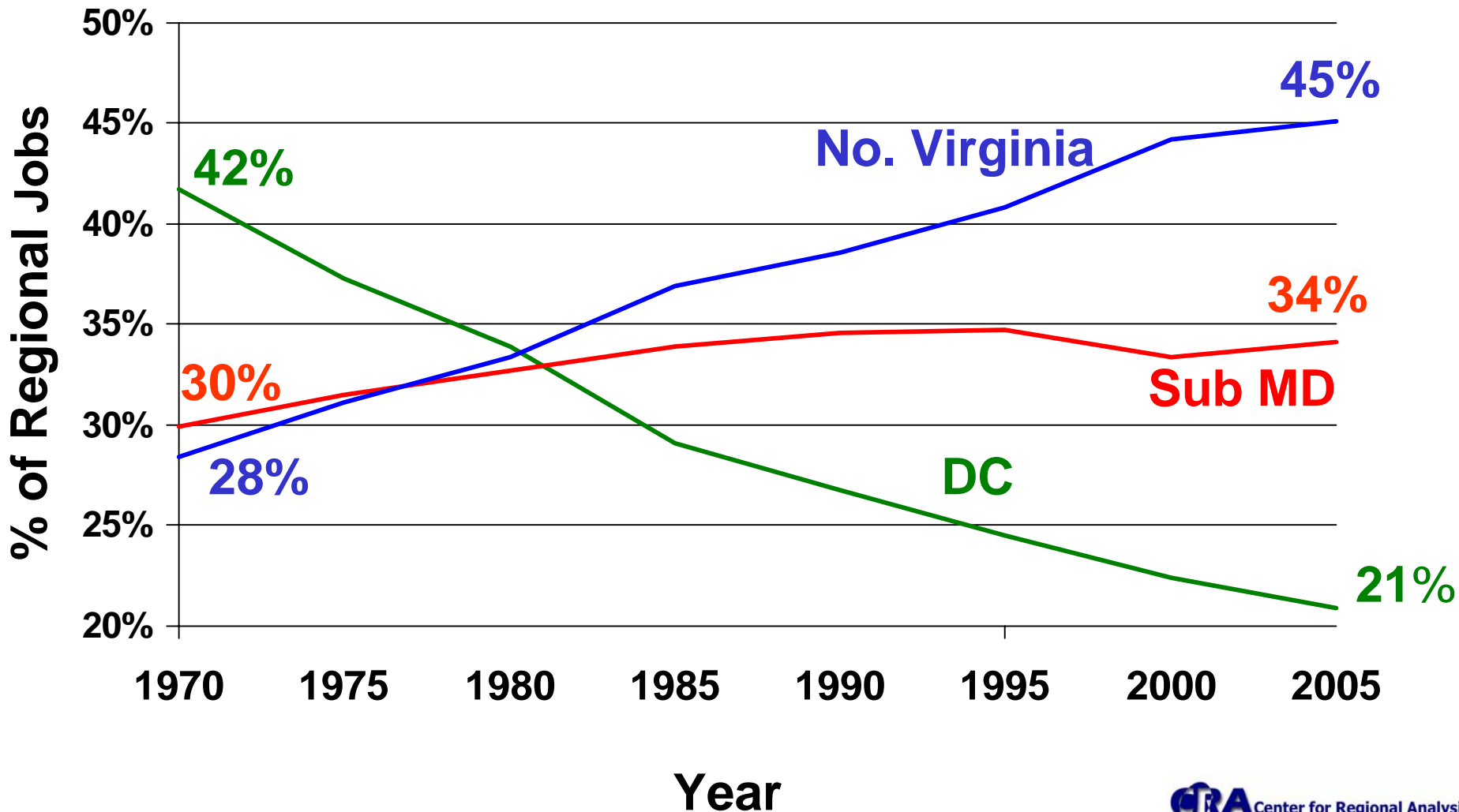
Billions of 2005 \$



# Jobs: DC and Suburbs 1950 - 2002



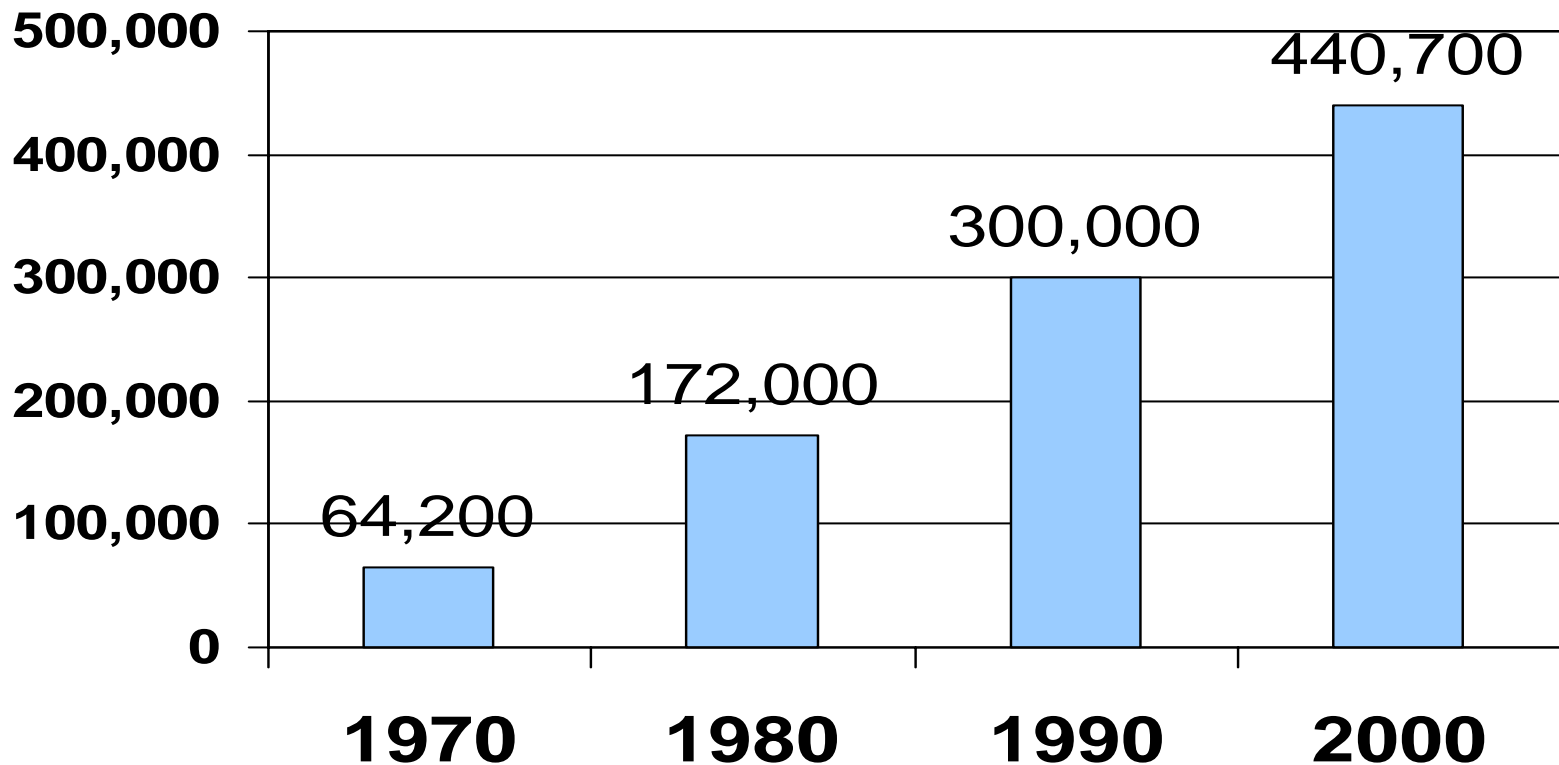
# Share of Washington Area Jobs 1970-2005



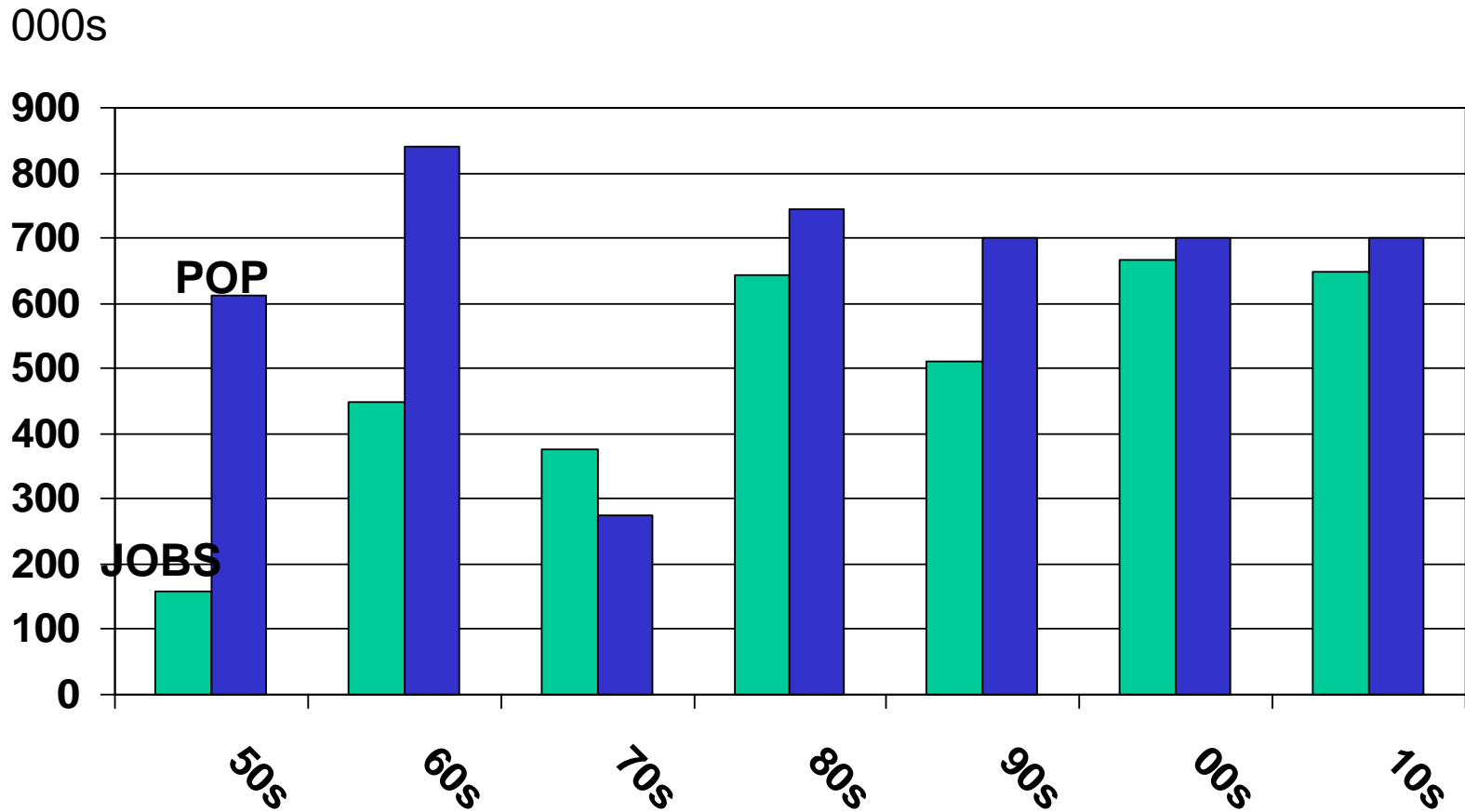
# Current and Projected Housing Demand – Nearby Jurisdictions

County - Year	Total Jobs	HH-Job Equivalent	Housing Deficit
<b>Arlington – Alexandria</b>			
2005	312,100	239,200	-45,600
2015	358,600	251,900	-66,700
<b>Fairfax Co</b>			
2005	847,900	642,000	-128,700
2015	1,118,500	761,200	-223,300

# Workers Commuting into Beltway and Central Jurisdictions from Outer Counties: 1970-2000



# PMSA Jobs and Population by Decade





# Metro Trends Summary

- Area job trends tops nation
- National capital functions and federal spending dominate area economy
- Area economic growth shift to Northern VA
- Area economic growth moderates in out years as population and job growth slow
- Close-in housing shortages drive housing price increases and commuting

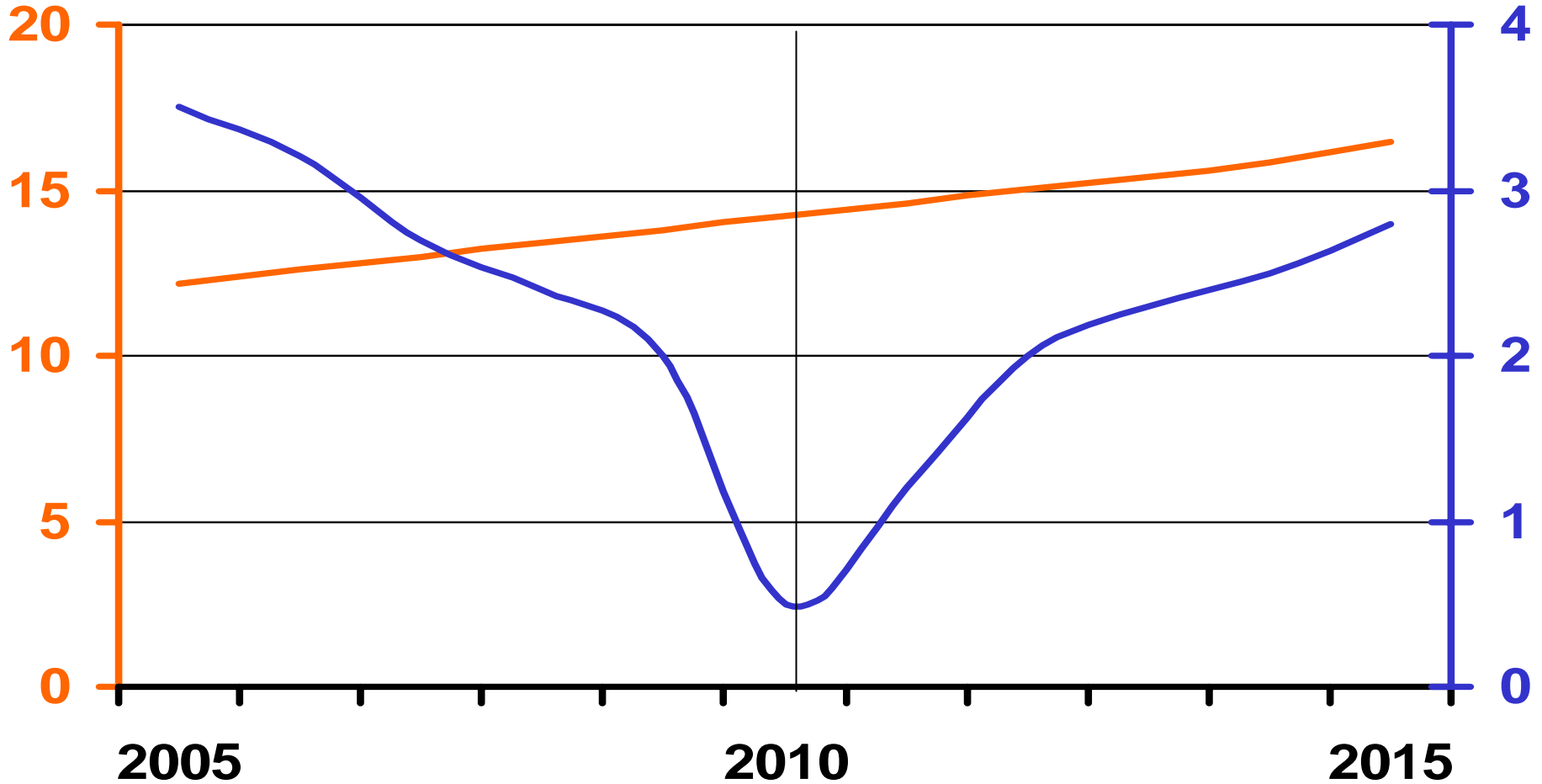
# 3 – Counter Trends

- Business Cycles
- 4 & 8-year Election Cycle + 1
- Generational Cycle

# US Economic Outlook: 2005 – 2015

Trillions  
Of 2005\$

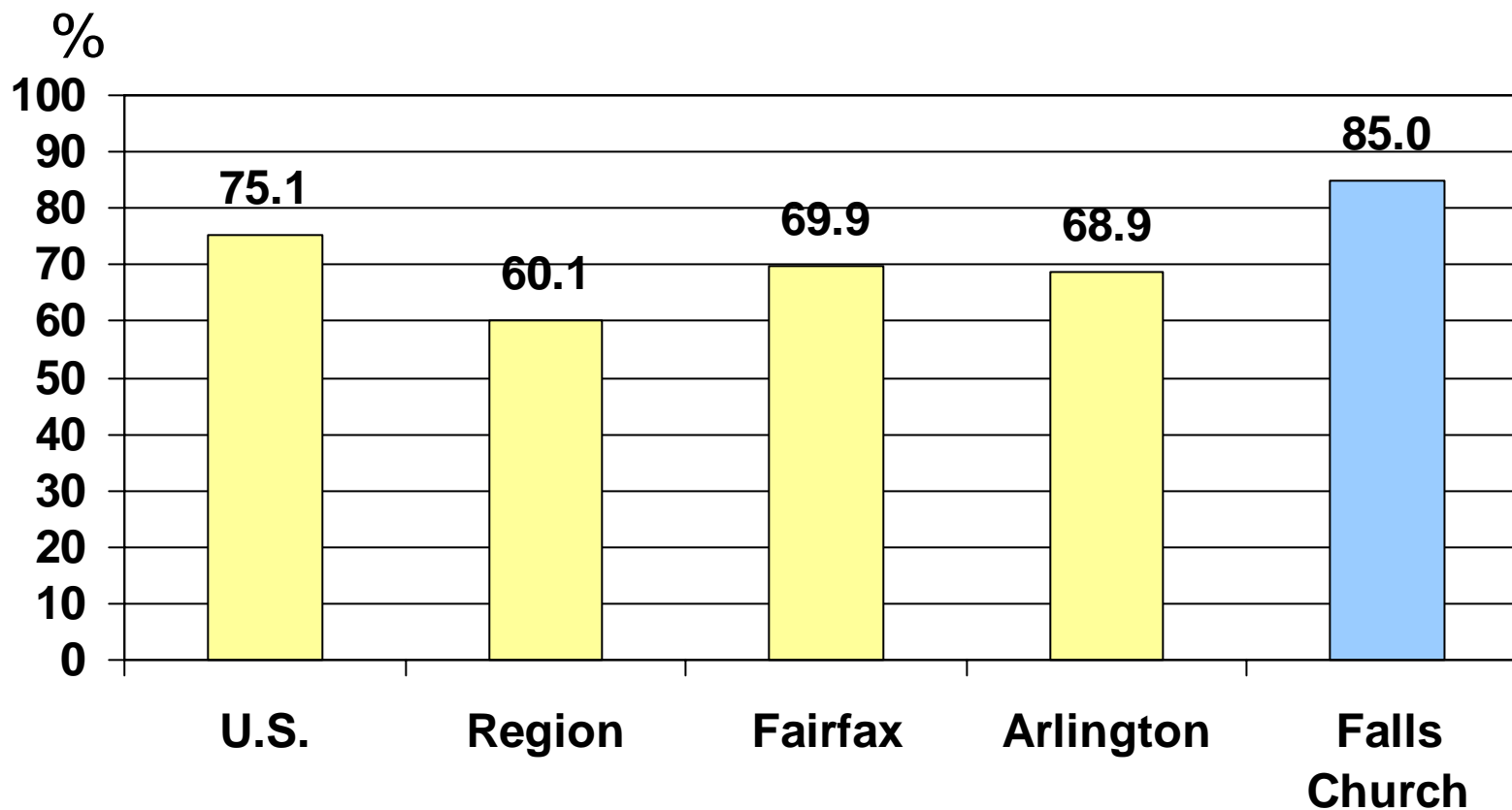
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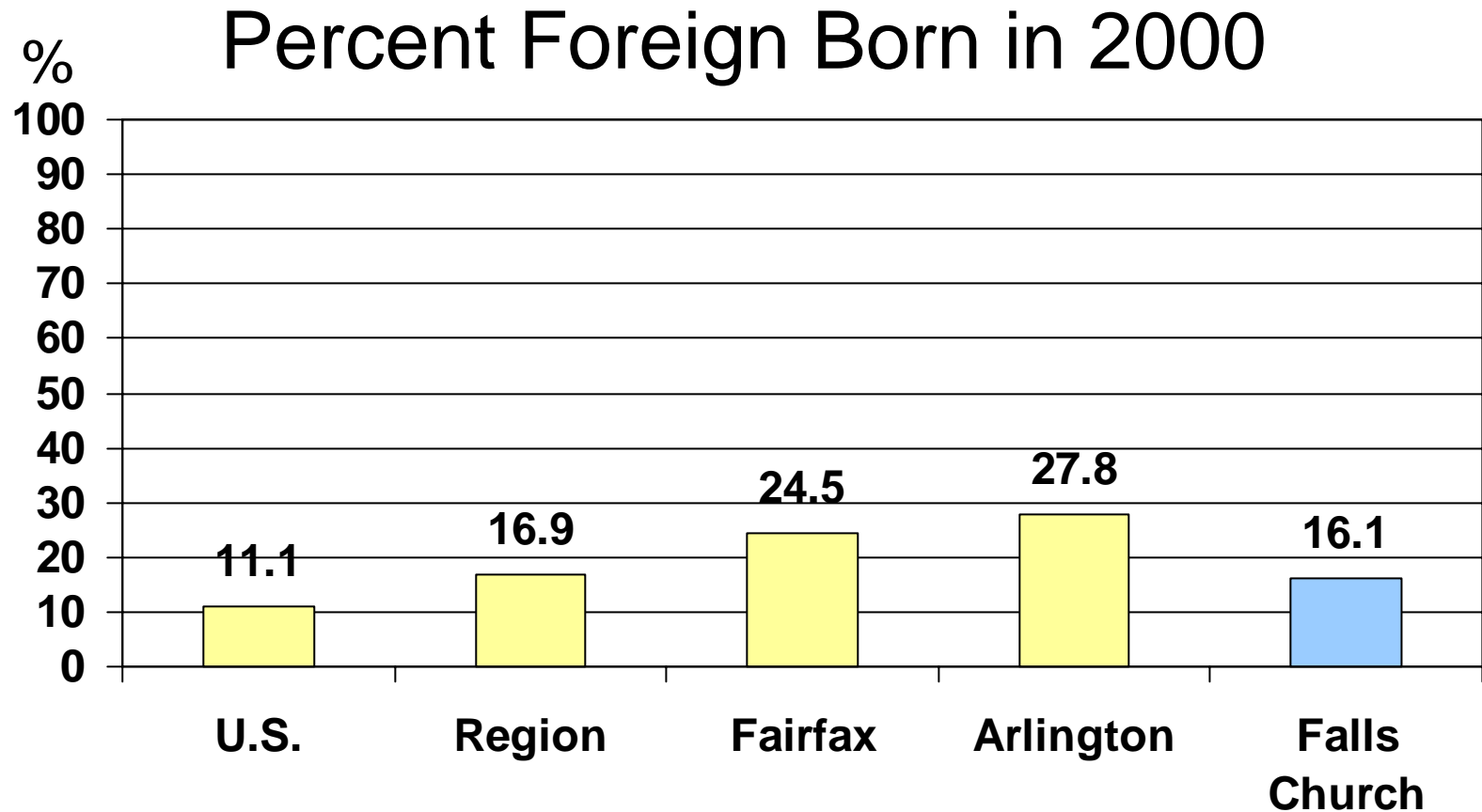
4 - How does Falls Church compare to trends and characteristics of the U.S., Washington metro, and its neighboring jurisdictions?

# Falls Church Less Diverse Racially...

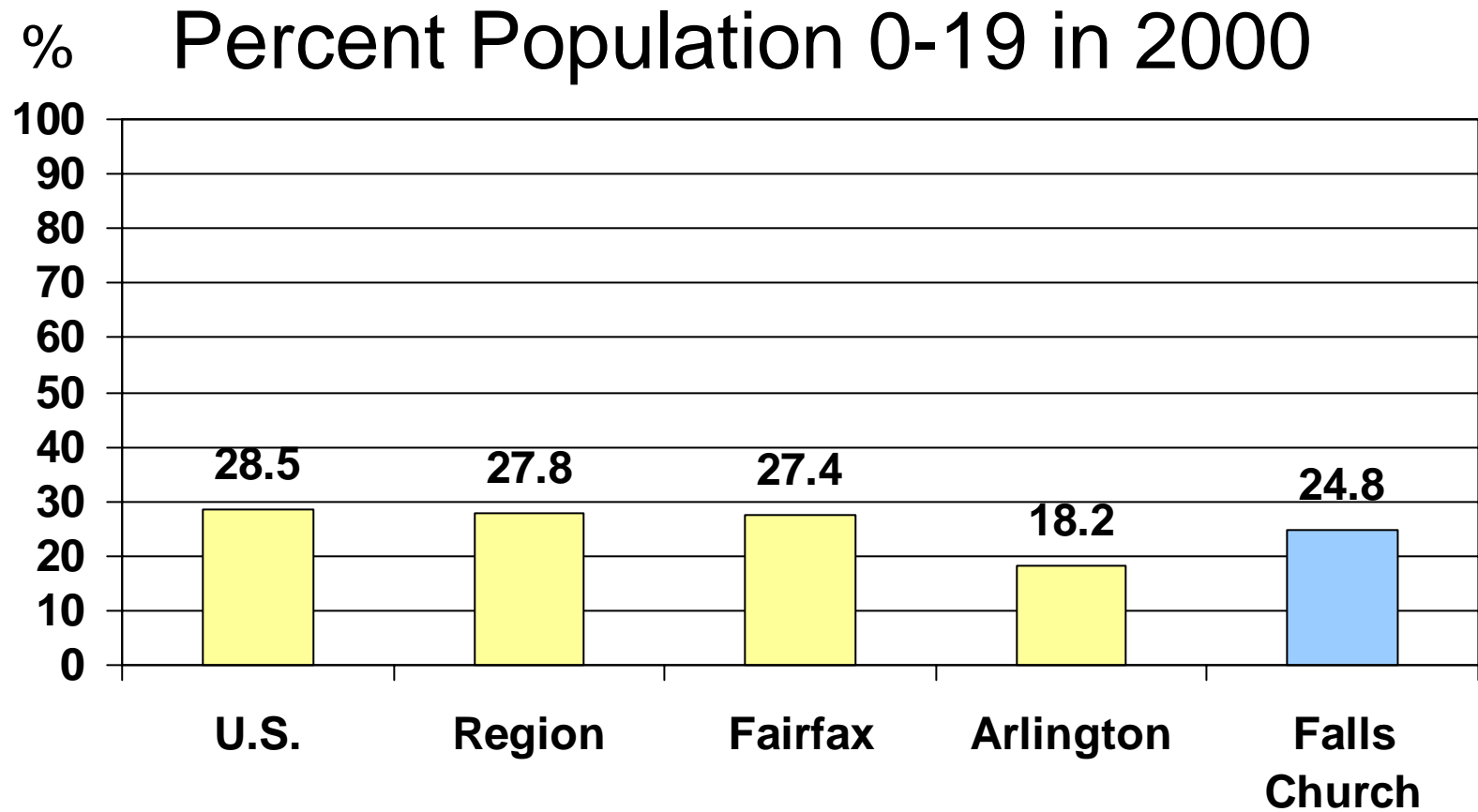
## Percent White in 2000



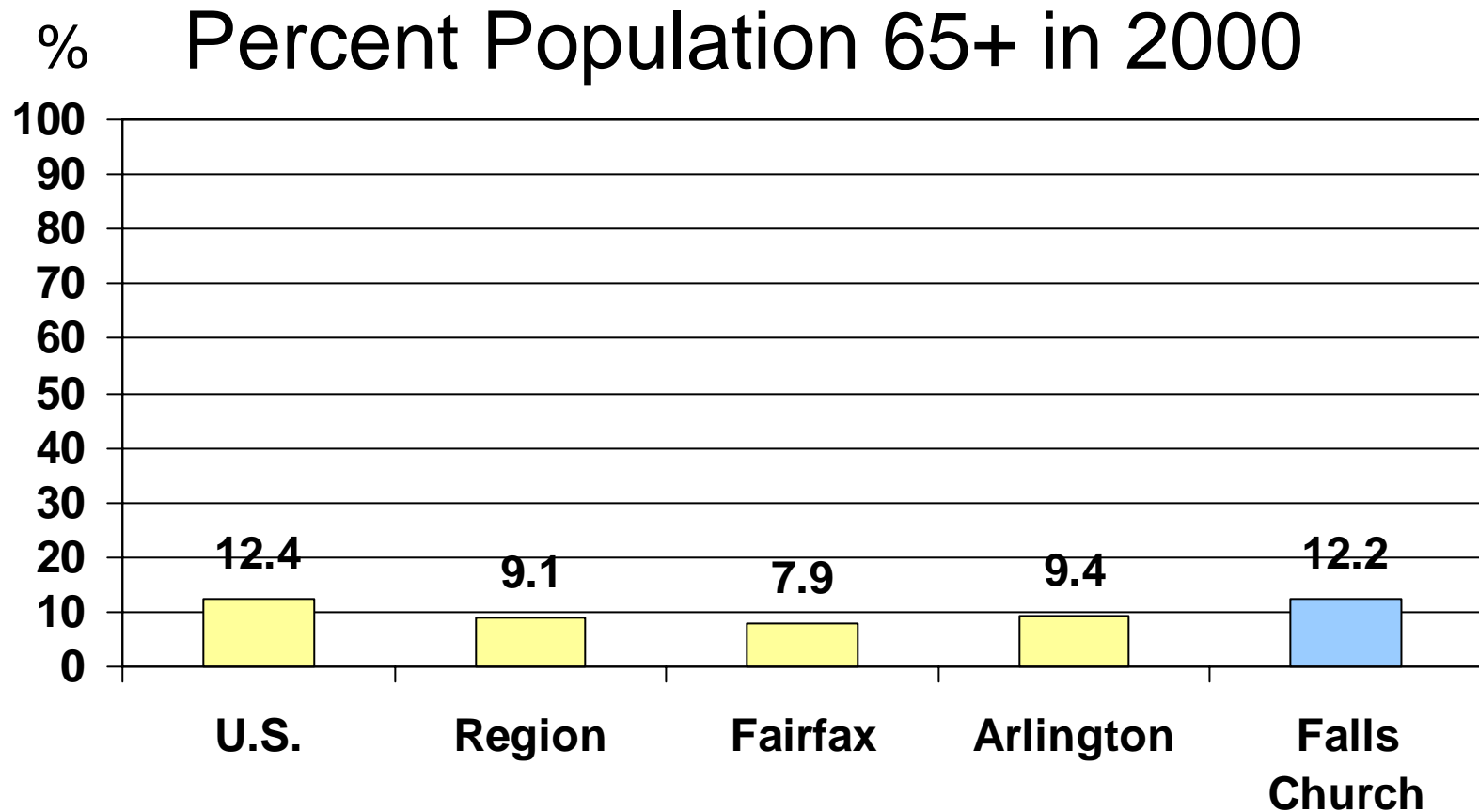
And Falls Church has not experienced as much of foreign born growth as Arl/Ffx...



# Falls Church Has Fewer Children except for Arlington...

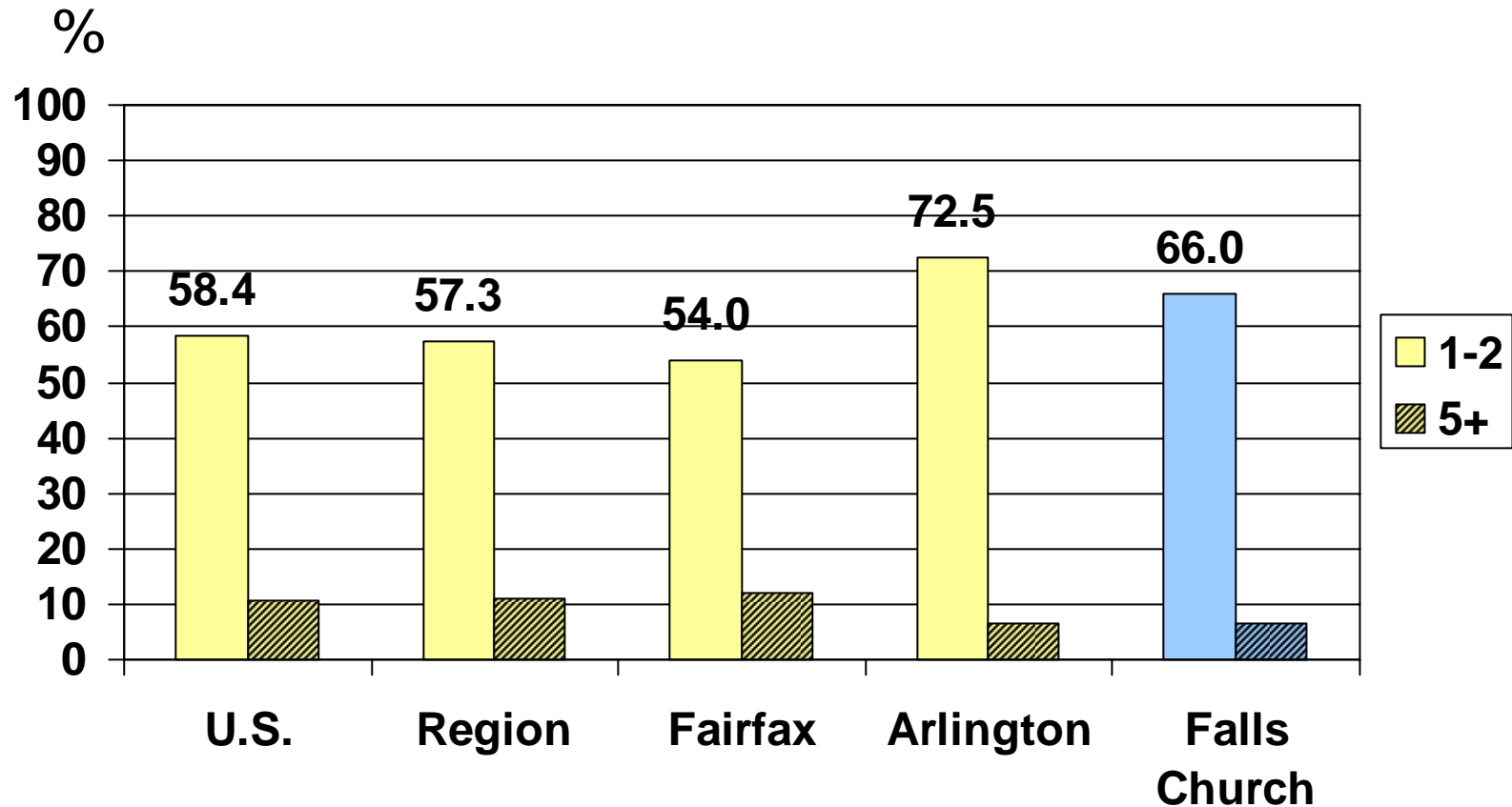


# Falls Church 65+ More like U.S. Than Region and Neighbors...



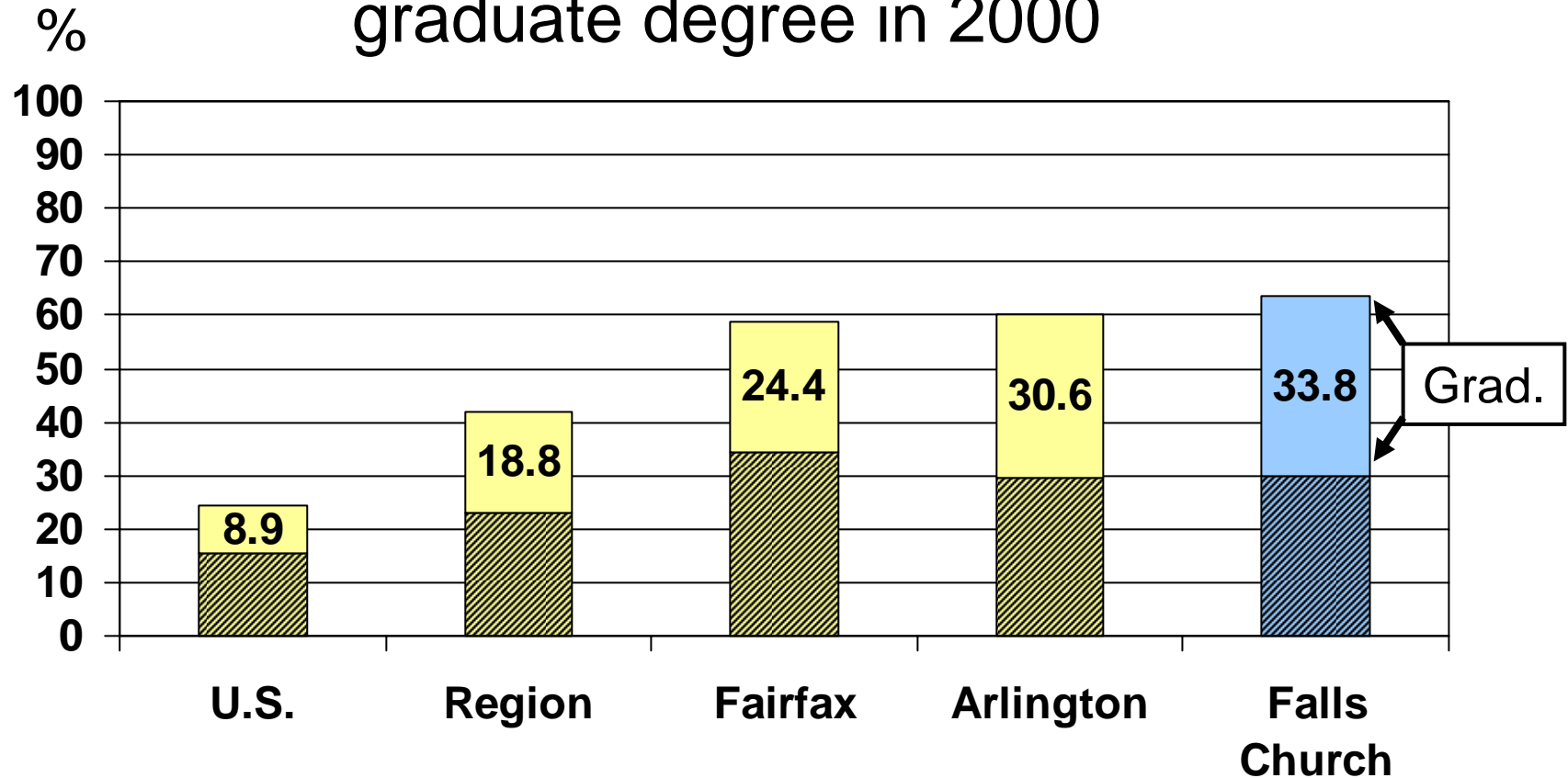


# Falls Church more like Arlington in having more smaller households and fewer large households

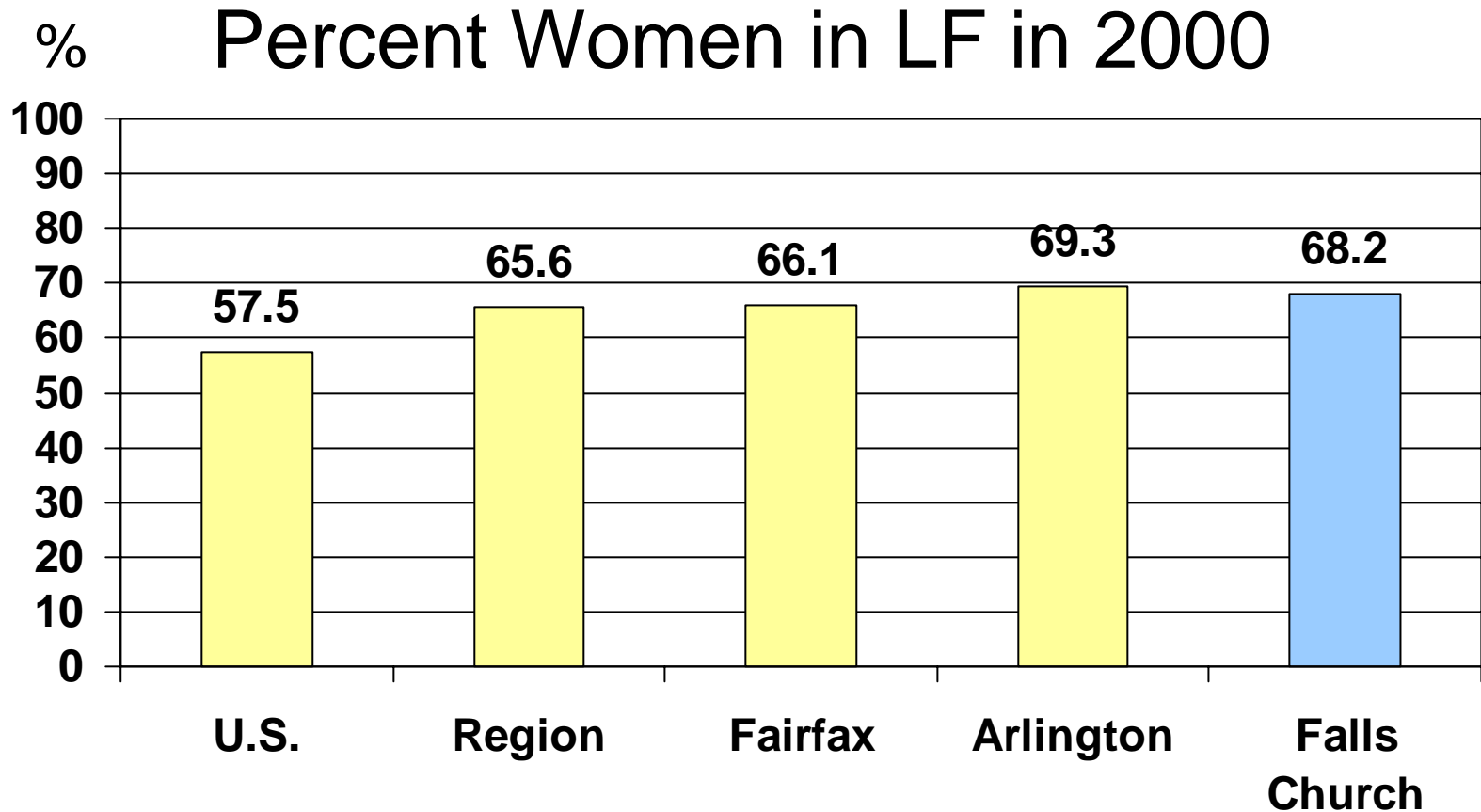


# Falls Church residents are better educated

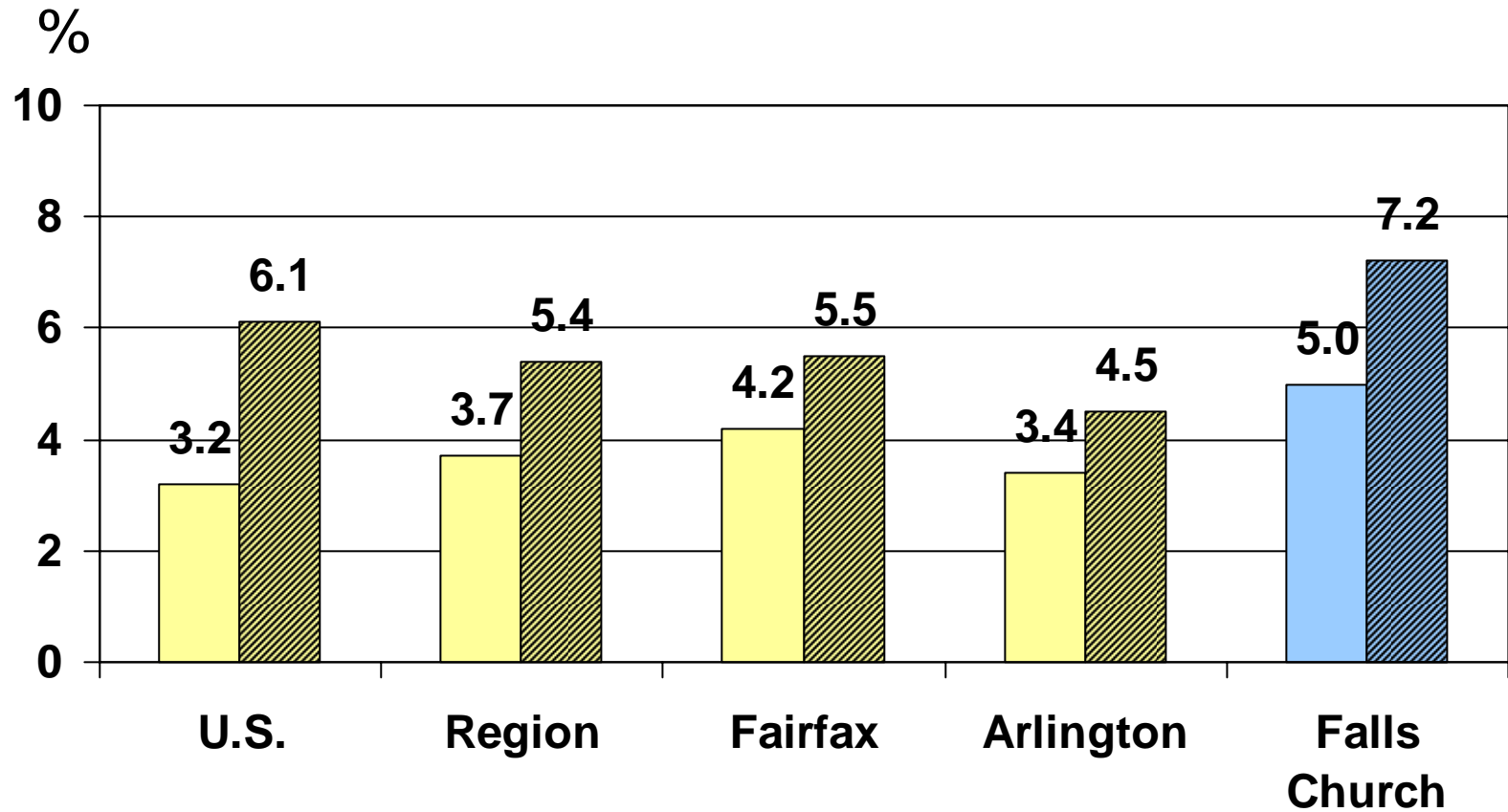
Percent of Pop 25+ with a Bachelor's and graduate degree in 2000



# Falls Church and Arlington lead in Labor Force participation by women...

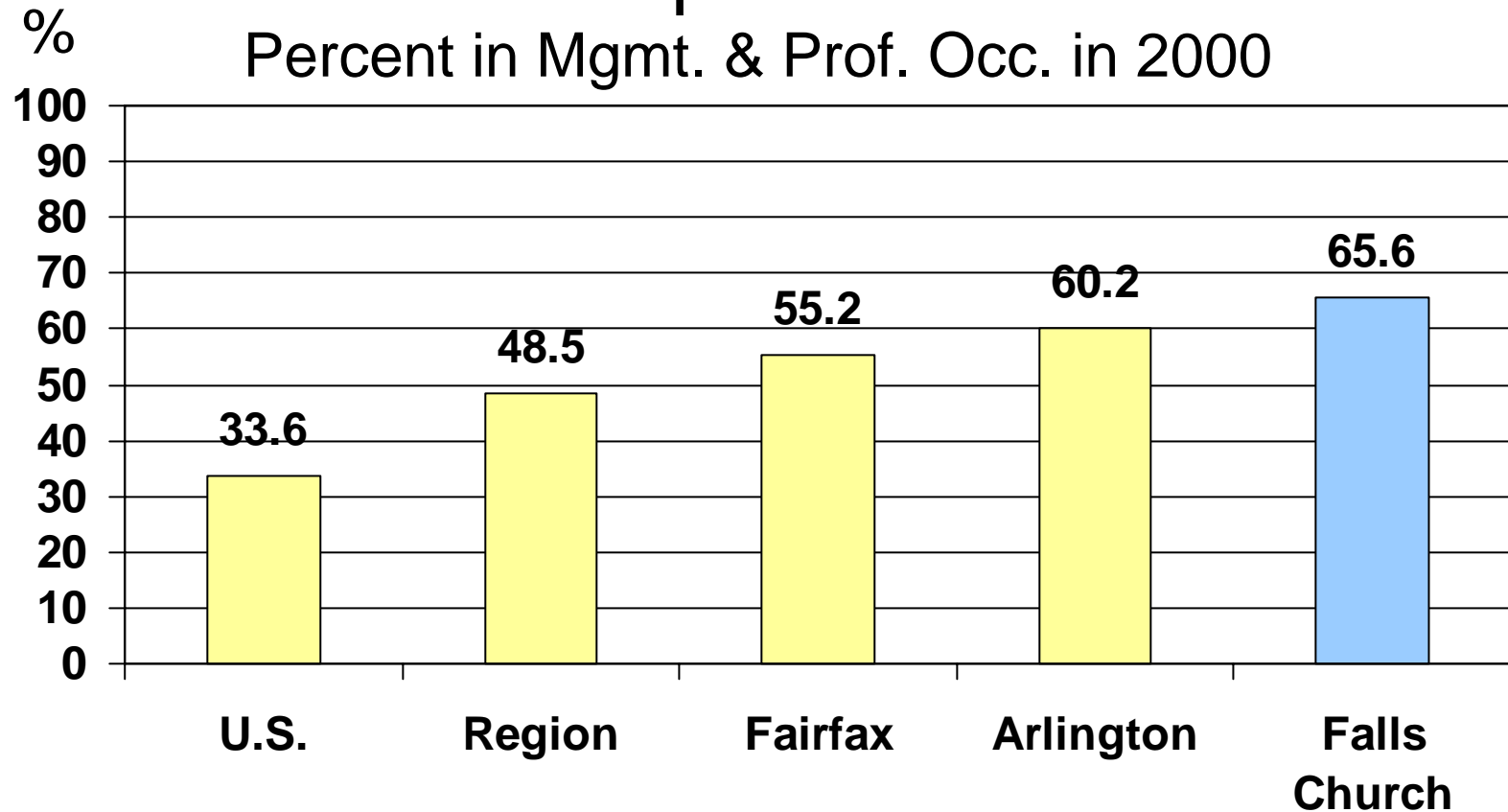


# Falls Church Leads all in percent who work at home and in self-employed...



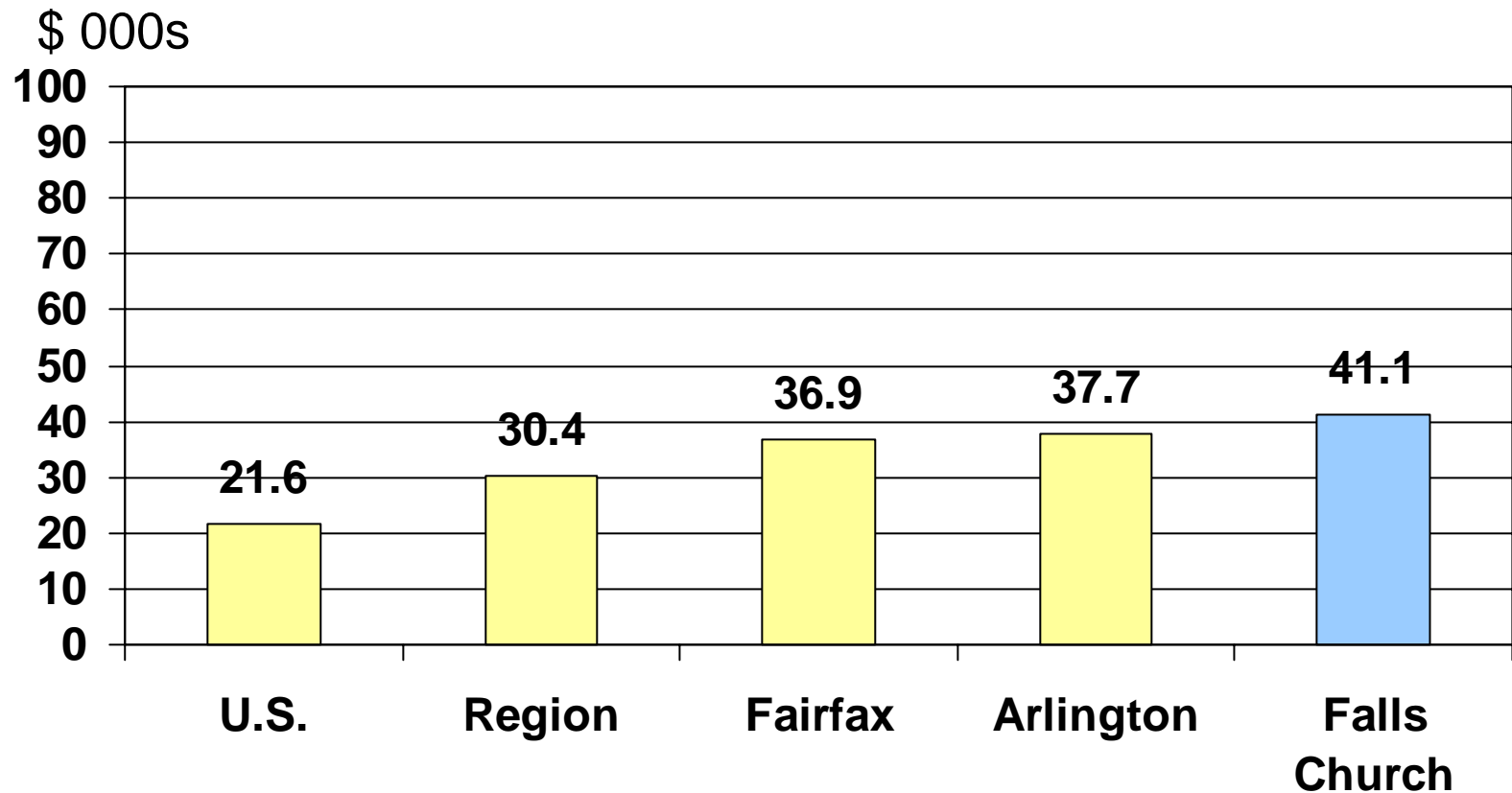
Solid bars = work at home; hatched = self-employed

# And Falls Church Leads all in percent employed in management, professional occupations...



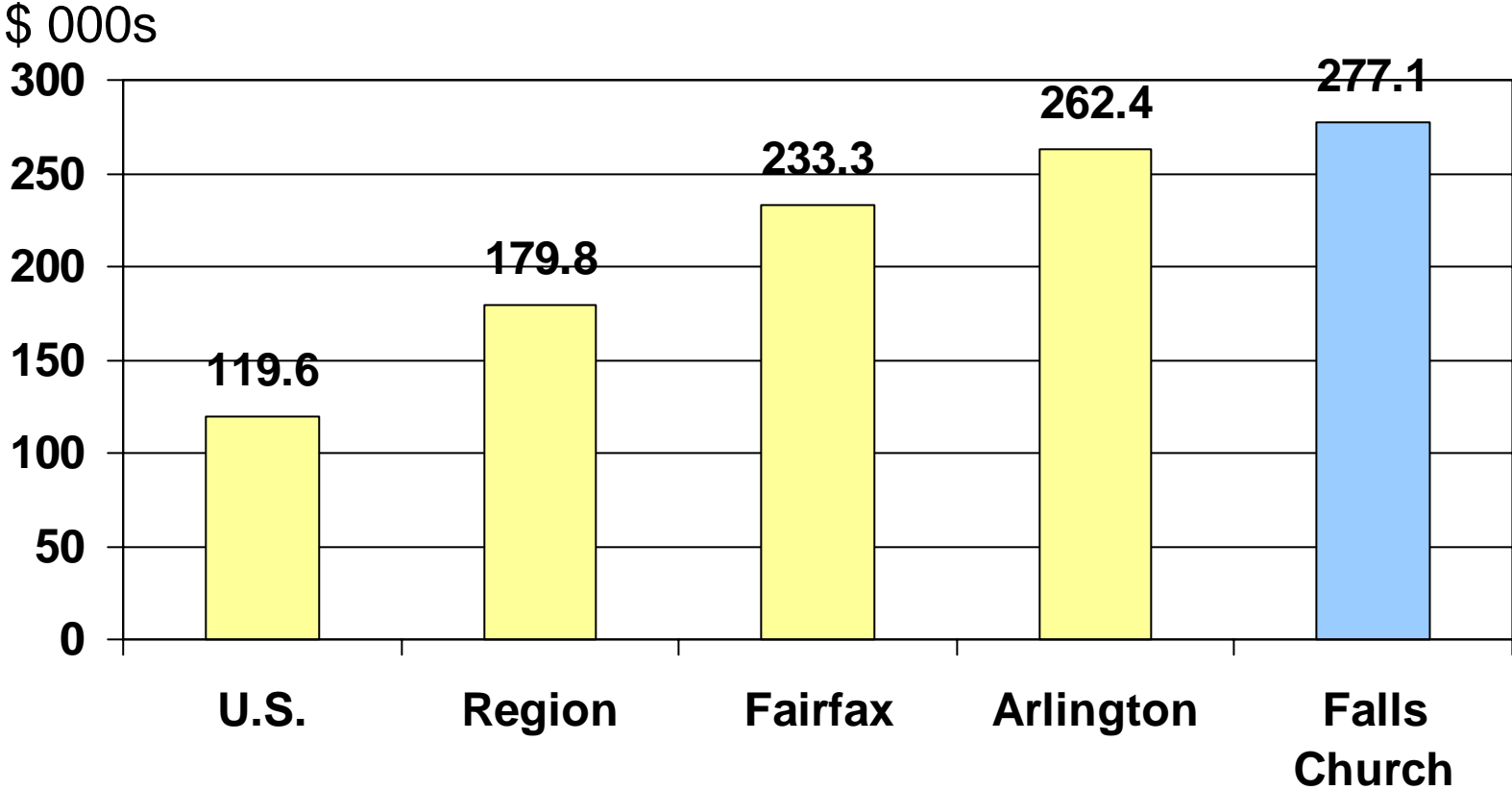
# Falls Church leads in per capita income...

## Per capita Income in 1999

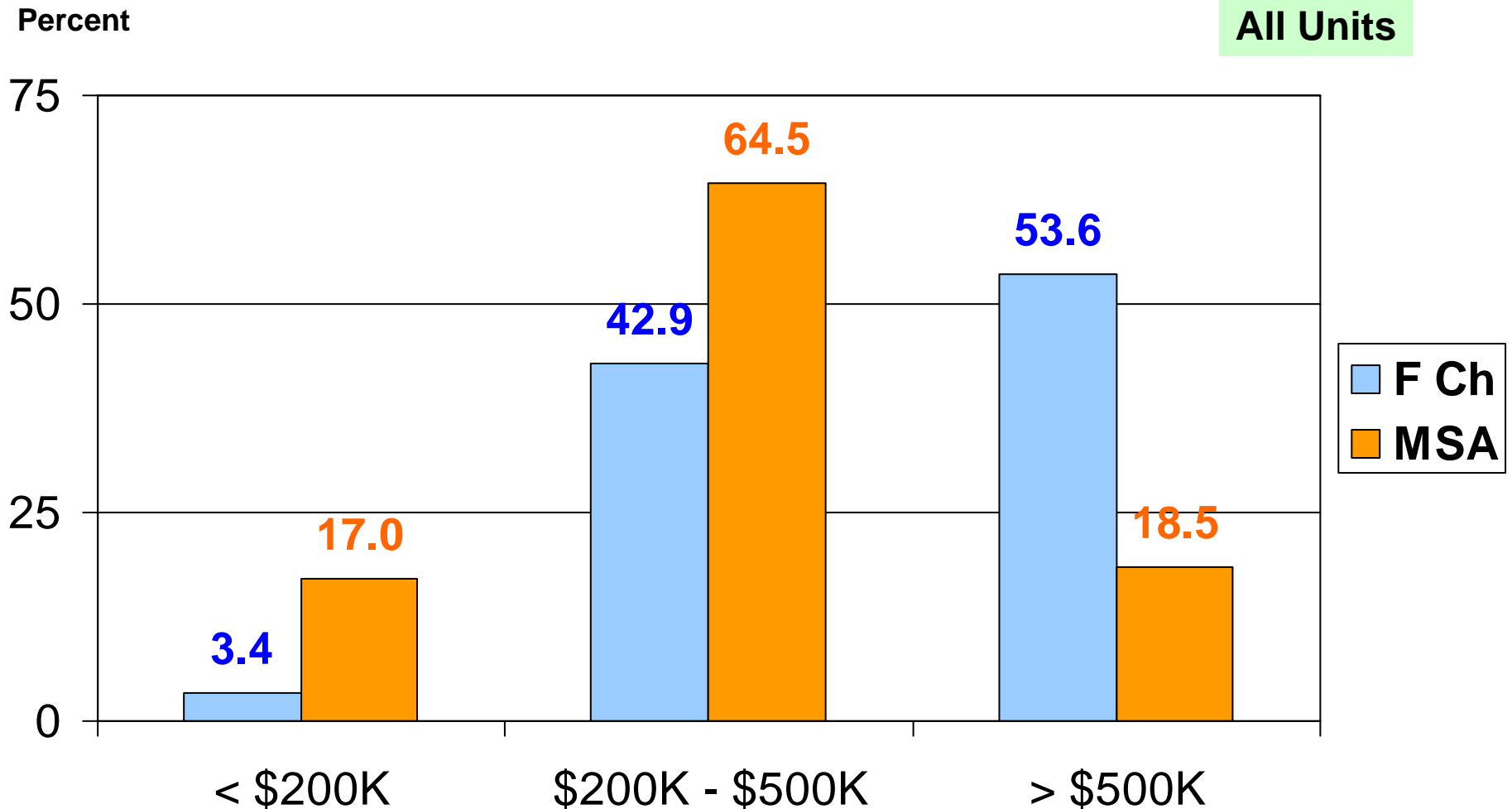


# Falls Church housing values are higher

## Median housing value in 1999



# % of Houses (Existing) Sold by Price Range in 2004 Washington MSA and Falls Church



Source: MRIS, GMU Center for Regional Analysis



## Relative to the U.S., MSA, Fairfax, and Arlington – Falls Church ...

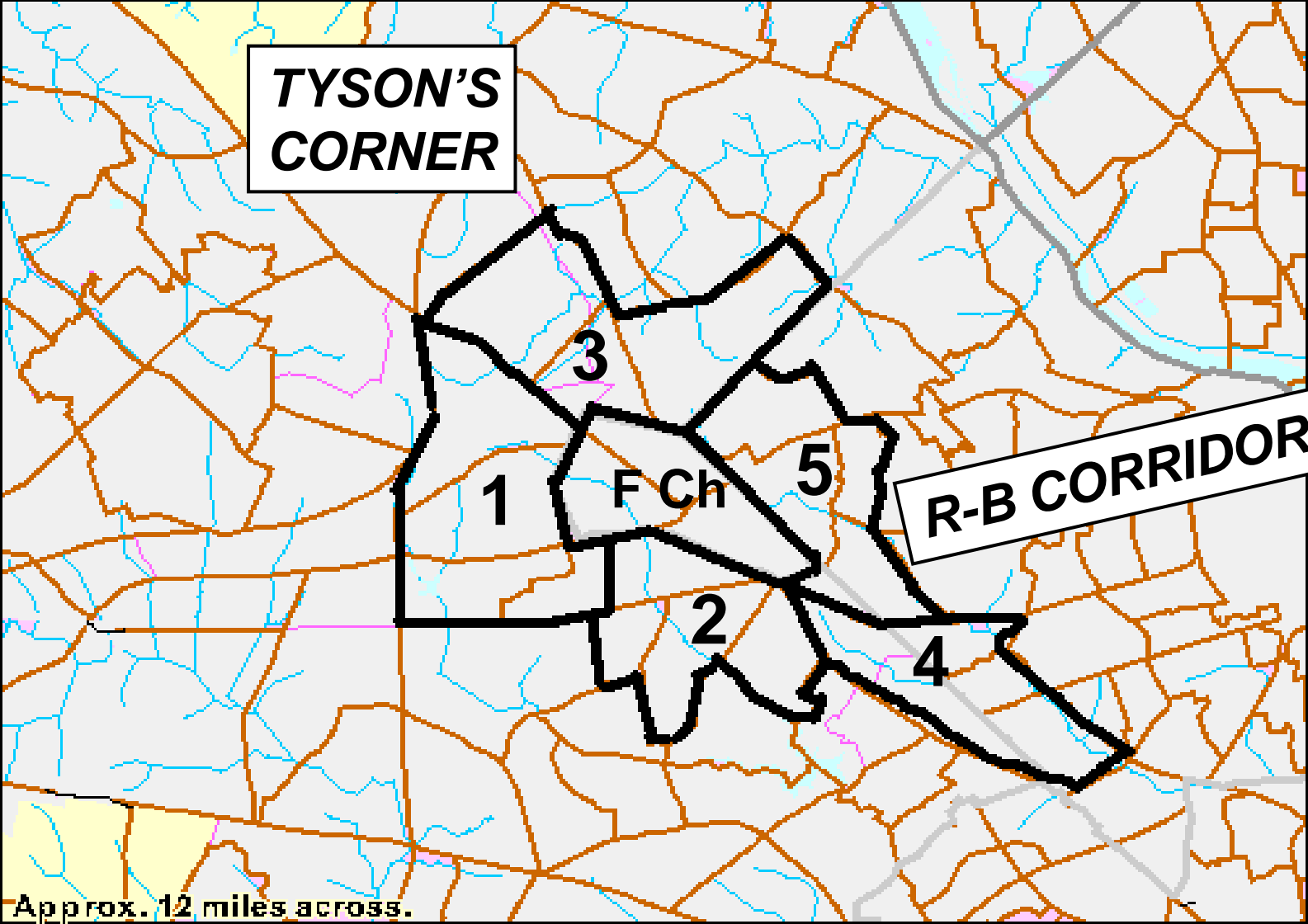
- Is less diverse
- Has fewer children (except for Arlington)
- Is more like the US than the region in retirement age population
- Has smaller HH except for Arlington
- Has higher education levels

## Relative to the U.S., MSA, Fairfax, and Arlington – Falls Church ...

- Has more 2-worker households
- Has more workers working at home
- Has more workers in management and professional occupations
- Has higher incomes
- And higher housing values

5 - How does Falls Church  
compare to trends and  
characteristics of its immediate  
environs – adjacent areas in  
Arlington and Fairfax

# Falls Church Immediate Environs – Tract Groups



# Falls Church and Its Environs

Measure	Falls Church	Environs	Diff
% White	85.0	65.1	+ 19.9
% Foreign Born	16.1	35.8	- 19.7
% Pop < 20 yrs	24.8	23.4	+ 1.4
% Pop 65+ yrs	12.2	10.1	- 2.1
% 1 or 2-pers HH	66.0	61.8	+ 4.2
% HH with 5+ pers	6.6	11.9	- 5.4

# Falls Church and Its Environs

Measure	Falls Church	Environs	Diff
% College Degree	63.7	48.3	+ 15.4
% LF Participation of Women	68.2	63.6	+ 4.6
% Work @ Home	5.0	3.5	+ 1.5
% Self-Employed	7.2	5.6	+ 1.6
% in Prof/Mgmt Jobs	65.6	50.7	+ 14.9
Per capita Income	\$45,800	\$35,400	+\$10,400

# 6 – Development Trends and How they could impact Falls Church

# Falls Church's 2 Economies

- Internal Demand
  - Residents
  - Businesses
  - Government and Non-profits
- External Demand from Surrounding Markets
  - Federal Government/Contractors
  - Tyson's Corner
  - Northern Virginia



# Internal Market Demand

(in millions of 2005\$)

Category	Current	New*	Total	Sq Ft (000s)
Groceries	\$39.1	\$12.9	\$52.0	115.6
Retail	24.6	8.1	32.7	72.7
Health Care	26.8	8.8	35.6	142.4
Personal Care	7.7	2.6	10.3	22.9
Ent. & Restaurant	45.0	14.9	59.9	133.1
<b>TOTALS</b>	<b>\$143.2</b>	<b>\$47.3</b>	<b>\$190.5</b>	<b>486.6</b>

\* + 1000 Households

# External Market Demand

- Surrounding Households

Disposable Income* .....	<b>\$1.602 billion</b>
– Retail & Food Services.....	<b>\$650 million</b>
– Personal Services & Health Care .....	<b>\$259 million</b>
– Entertainment .....	<b>\$163 million</b>

\* Excludes housing and other non-local spending

# Projected Job Growth in Northern Virginia = 432,600

Office Worker Growth	210,460
Office Space Demand	52.6 msf
Retail Worker Growth	38,500
Retail Space Demand	17.3 msf
Hotel/Restaurant Worker Growth	46,720
Restaurant Space Demand	14.7 msf
Hotel Space Demand	15,000 rm

msf = millions of square feet, rm = rooms

# Key Trends Driving Falls Church's Development

- Northern Virginia's rapid growth
- Growth of high quality jobs
- Aging of population and growth of "early" and "empty" nesters
- Shortage of housing and increasing housing prices

# Key Trends Driving Falls Church's Development

- Increased commuting and congestion costs making close-in areas even more in demand
- Changing patterns of density and mix of uses to meet the needs and preferences of an increasingly diverse and urban population

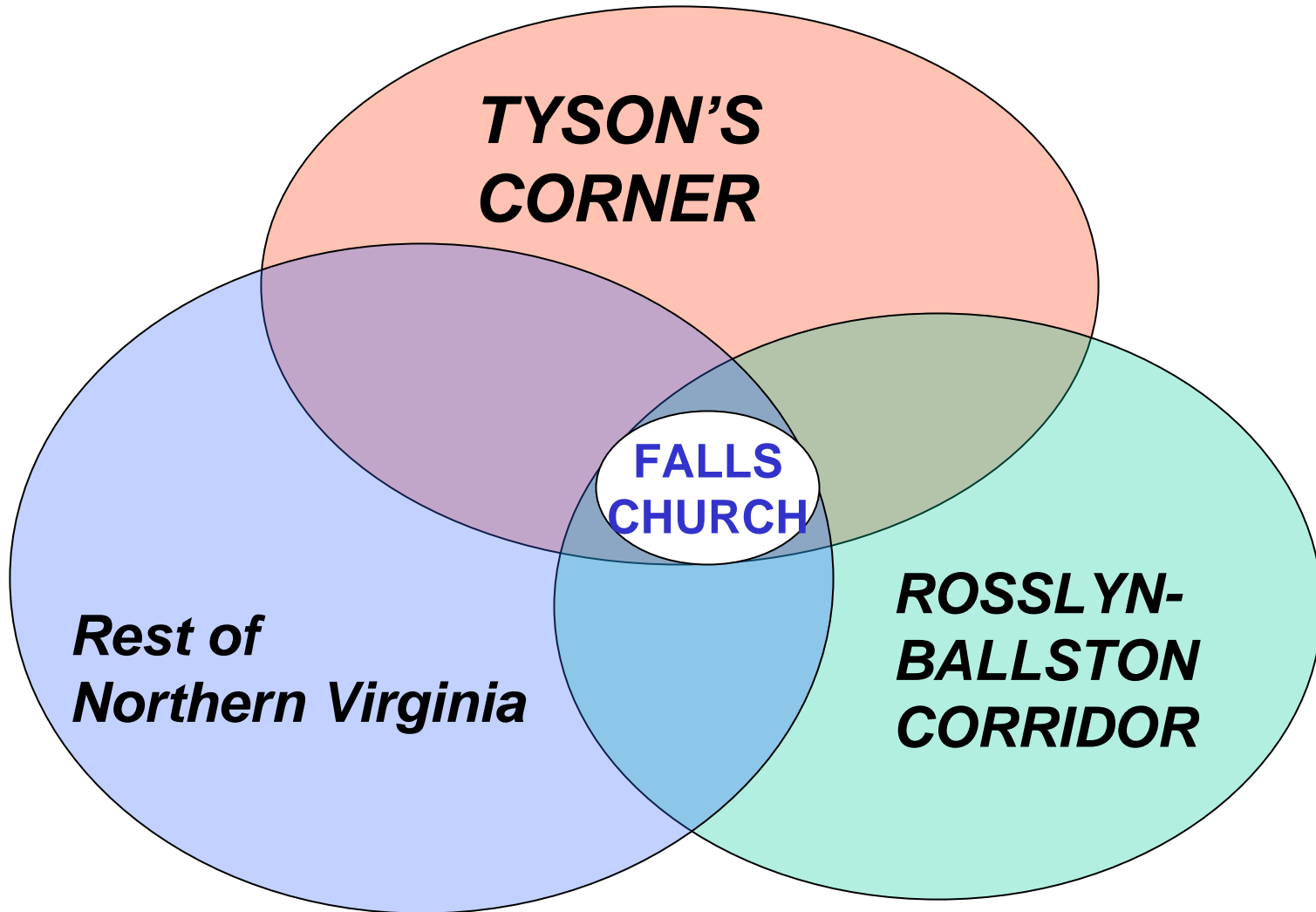
# Public Policy Actions That Could Effect Trends

- Homeland Security
- BRAC – DOD Agency Relocation from Leased Office Space
- Metro Extension to Dulles and Loudoun County

# Public Policy Actions That Could Effect Trends

- I-66 Widening
- Doubling of Tyson's Expansion
- Redevelopment/Intensification of East Falls Church Metro
- City of Falls Church Land Use and Economic Development Policies

# LOCATION, LOCATION, LOCATION



*Falls Church is at a critical juncture in its development as a city and community with significant opportunities to shape its future....*