The Washington Area Economy: A Mid-Year Review and Early Forecast for 2015

Recent Economic Trends and Comparative Performance: U.S., Commonwealth of Virginia, Washington Metropolitan Area and Northern Virginia
Economic Performance, 2005-2014
U.S., Virginia, Washington MSA, Northern Virginia
(Annual % Change)

*mid-year forecasts

Economic Performance, 2005-2014
U.S., Virginia, Washington MSA, Northern Virginia
(Annual % Change)

*mid-year forecasts
*mid-year forecasts
The Great Recession and Its Aftermath Altered the Structure of the Washington Area Economy

WMSA Payroll Job Change: Private Sector
The Great Recession and Recovery

Aug 2008-Feb 2010
Feb 2010-Jul 2014

Prof. & Bus. Svcs
Educ & Health Svcs
Retail Trade
Leisure & Hosp.
Construction
Other Services
Financial
Information
Manufacturing
Wise Trade
Transp. & Util.

Total -178 (000s) Total 243
-23 0 48
-23 29
-34 75
-48 24
-8 14
-10 10
-12 1
-10 1
-7 1
-4 3

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
### The GRP* Effects of Structural Change in the Washington Metropolitan Area

(in billions of 2013$)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Aug 08-Feb 10</th>
<th>Feb 10-June 14</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>- $27.160</td>
<td>$25.320</td>
<td>- $1.840</td>
</tr>
<tr>
<td>Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State/Local</td>
<td>$0.216</td>
<td>$0.896</td>
<td>$1.112</td>
</tr>
<tr>
<td>Federal</td>
<td>$2.625</td>
<td>- $0.752</td>
<td>$1.873</td>
</tr>
<tr>
<td>Totals</td>
<td>- $24.319</td>
<td>$25.464</td>
<td>$1.145</td>
</tr>
</tbody>
</table>

Source: GMU Center for Regional Analysis

*Gross Regional Product

---

### How is the Washington Area Economy Performing in Mid-2014?
15 Largest Job Markets

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Professional & Business Services
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Jul-14 Total: 712.6

Federal Government
Washington MSA

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Jul-14 Total: 366.7
Job Change by Sector
District of Columbia
(000s)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Job Change by Sector
Suburban Maryland
(000s)

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis
Job Change by Sector
Northern Virginia

Total 13,900

Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

Unemployment Rates in the WMSA
By Sub-State Area, 2007-2014

Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US - Seasonally Adjusted)
Recent Washington Area Housing Market Trends

Percent Change in Inventories of Existing Homes
Month-Over-Year 2000 – 2014, MSA

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis. Total monthly inventory includes listings active at the end of the month plus sales during the month.
Total Listings Per Sale
July Each Year

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Median House Sales Price
Washington MSA

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
Average Sales Price Percent Change
Washington MSA
All Housing Types

Annual Change
Annual Change by Month

2010 2011 2012 2013 2014

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis

Average Sales Price Percent Change
Northern Virginia
All Housing Types

Annual Change
Annual Change by Month

2010 2011 2012 2013 2014

Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis
New Building Permits for Privately Owned Residential Units, WMSA

Source: Census Bureau, GMU Center for Regional Analysis

Building Type:
- 5+ Units
- 2-4 Units
- SF

<table>
<thead>
<tr>
<th>Year</th>
<th>5+ Units</th>
<th>2-4 Units</th>
<th>SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>38K</td>
<td>24K</td>
<td>2K</td>
</tr>
<tr>
<td>2001</td>
<td>35K</td>
<td>20K</td>
<td>2K</td>
</tr>
<tr>
<td>2002</td>
<td>32K</td>
<td>18K</td>
<td>2K</td>
</tr>
<tr>
<td>2003</td>
<td>29K</td>
<td>15K</td>
<td>2K</td>
</tr>
<tr>
<td>2004</td>
<td>38K</td>
<td>24K</td>
<td>2K</td>
</tr>
<tr>
<td>2005</td>
<td>35K</td>
<td>20K</td>
<td>2K</td>
</tr>
<tr>
<td>2006</td>
<td>32K</td>
<td>18K</td>
<td>2K</td>
</tr>
<tr>
<td>2007</td>
<td>29K</td>
<td>15K</td>
<td>2K</td>
</tr>
<tr>
<td>2008</td>
<td>26K</td>
<td>12K</td>
<td>2K</td>
</tr>
<tr>
<td>2009</td>
<td>23K</td>
<td>10K</td>
<td>2K</td>
</tr>
<tr>
<td>2010</td>
<td>20K</td>
<td>8K</td>
<td>2K</td>
</tr>
<tr>
<td>2011</td>
<td>17K</td>
<td>6K</td>
<td>2K</td>
</tr>
<tr>
<td>2012</td>
<td>14K</td>
<td>4K</td>
<td>2K</td>
</tr>
<tr>
<td>2013</td>
<td>11K</td>
<td>2K</td>
<td>2K</td>
</tr>
</tbody>
</table>
Economic Outlook for the Washington Metropolitan Area: 2014-2018

Economic Outlook (GRP), 2005-2018
Washington Area and Sub-State Areas
(Annual % Change)

*mid-year forecasts
Employment Change in the WMSA by Sub-State Area (000s)

<table>
<thead>
<tr>
<th>Sub-State Area</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.C.</td>
<td>14.1</td>
<td>5.6</td>
<td>11.0</td>
<td>6.5</td>
<td>8.5</td>
<td>9.8</td>
<td>12.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Sub. MD</td>
<td>4.4</td>
<td>4.8</td>
<td>6.7</td>
<td>12.1</td>
<td>17.0</td>
<td>20.5</td>
<td>21.9</td>
<td>21.2</td>
</tr>
<tr>
<td>No. VA</td>
<td>26.4</td>
<td>23.5</td>
<td>12.6</td>
<td>7.8</td>
<td>17.7</td>
<td>23.2</td>
<td>26.9</td>
<td>24.7</td>
</tr>
<tr>
<td>REGION</td>
<td>42.6</td>
<td>32.2</td>
<td>30.3</td>
<td>26.4</td>
<td>43.2</td>
<td>53.5</td>
<td>60.8</td>
<td>59.5</td>
</tr>
</tbody>
</table>

Average Annual Change 1990-2010 = 35,800

Source: BLS, IHS Economics, GMU Center for Regional Analysis

NOTE: The regional totals include Jefferson, WV.


*Mid-year forecasts
Economic Indicators To Watch

• Monthly Forward Looking National Indicators
  U.S. Leading Index – Conference Board
  Institute for Supply Management Manufacturing
  and Non-Manufacturing Indices
  Consumer Expectations – Conference Board
• Monthly Forward Looking Washington Area Indicators
  Washington Area leading Index – CRA website
  Job Change: Professional & Business Services
  as compared to Leisure & Hospitality and Retail – CRA
  Residential Building Permits – CRA, U.S. Census
  Housing Sales Prices – CRA, MRIS

Thank You

Questions

cra.gmu.edu

Save The Date:
January 15, 2015