

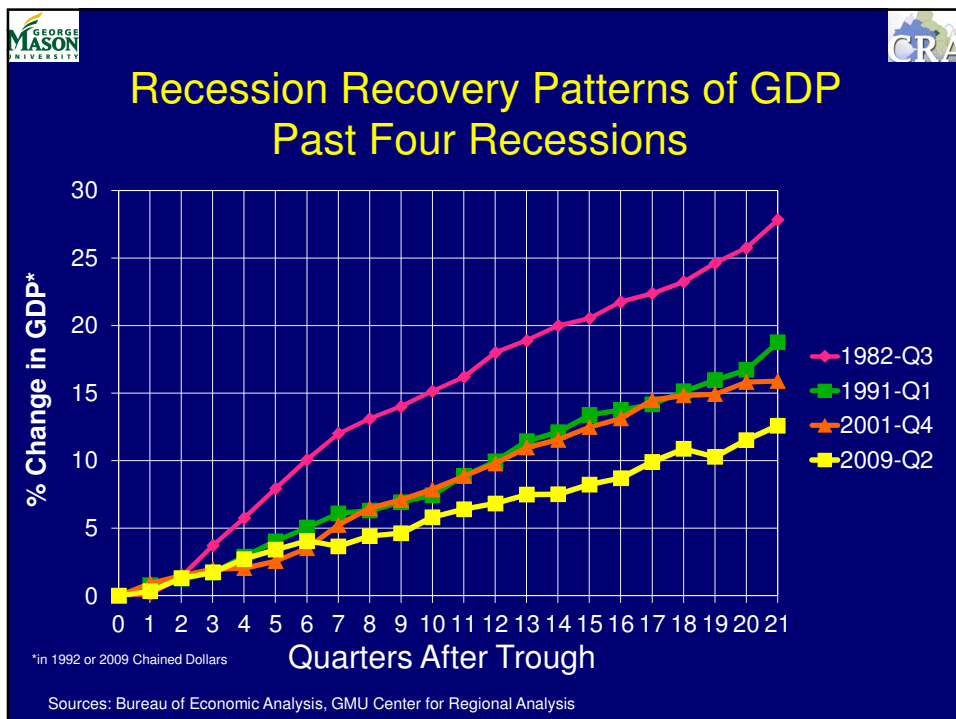


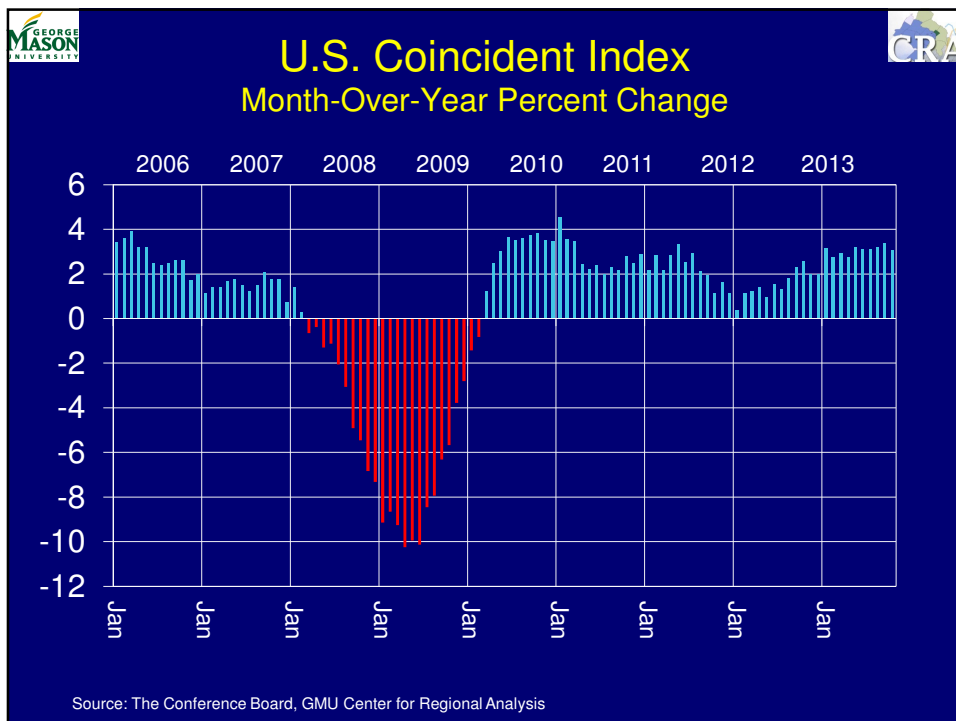

## NVAR Small Brokers Forum

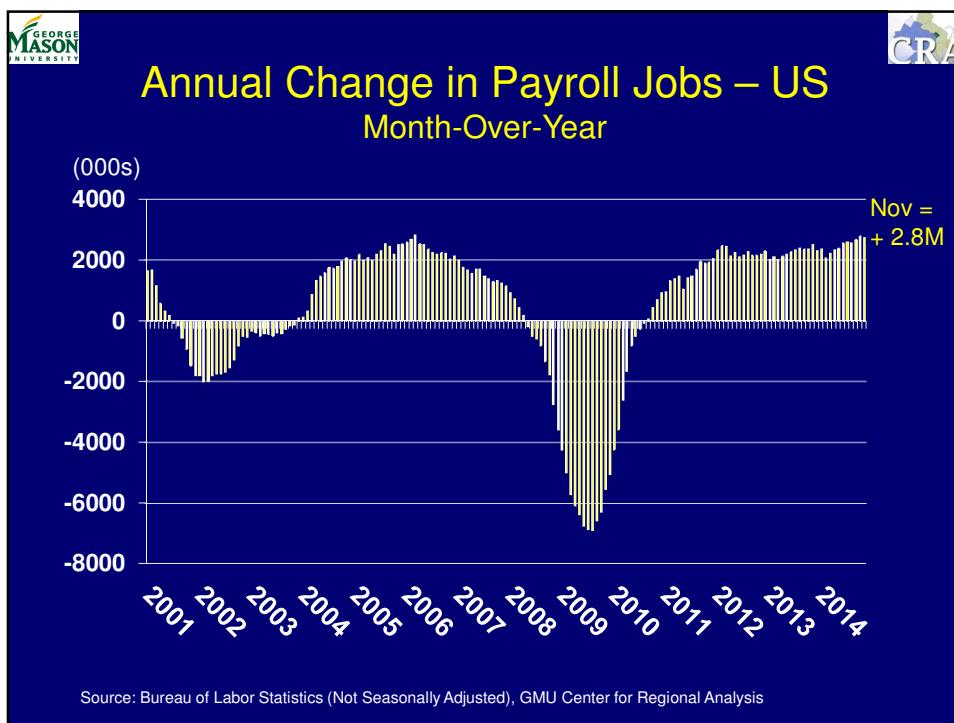
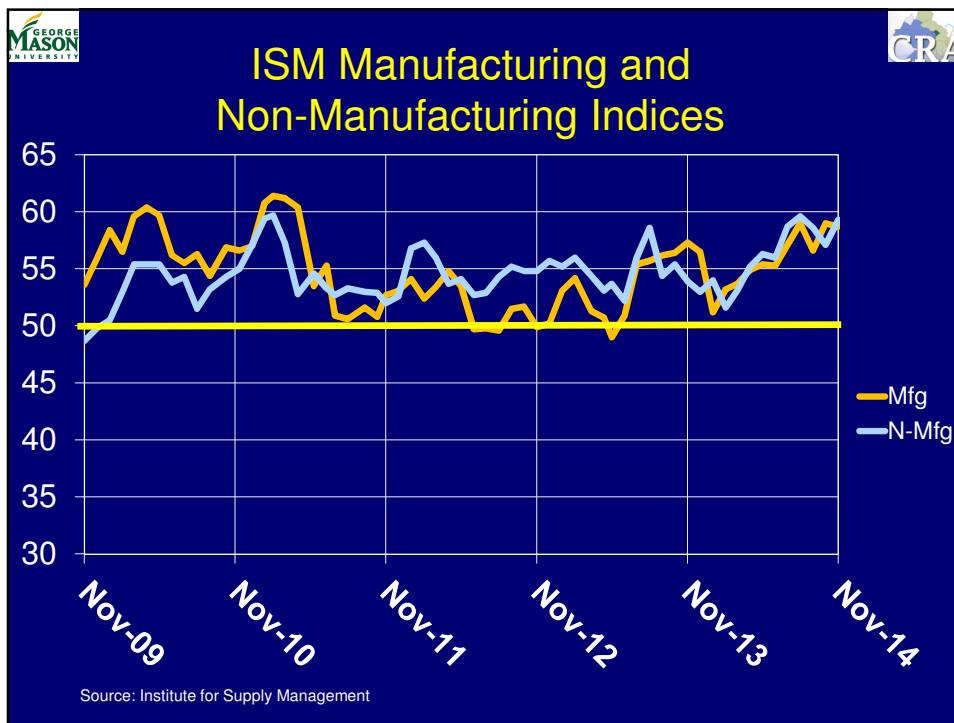
# The Current Economic Outlook & Area Housing Market Conditions

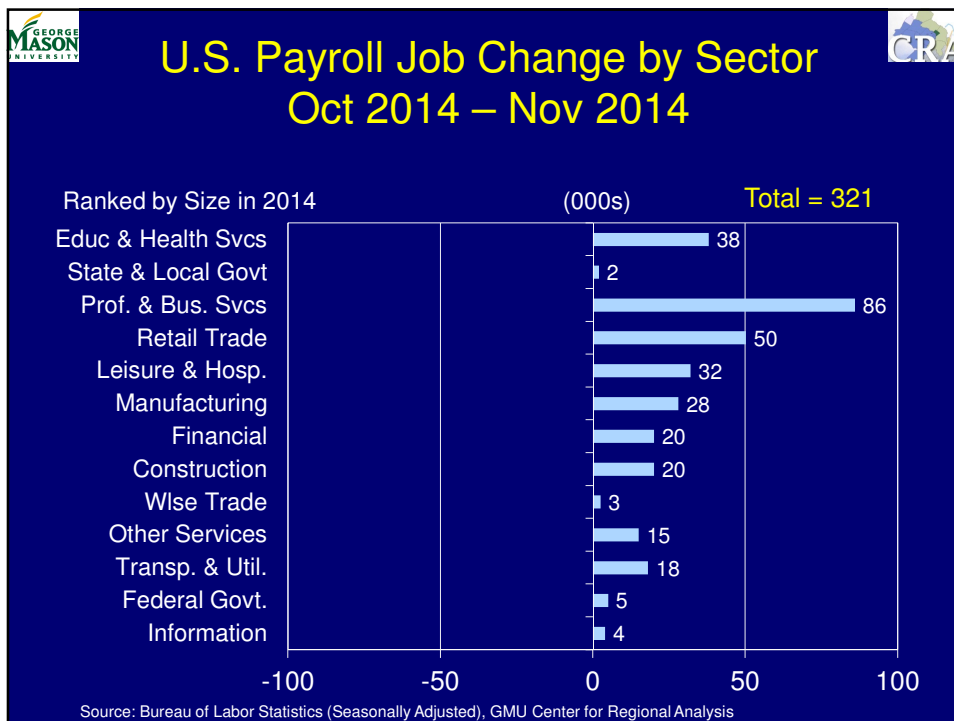
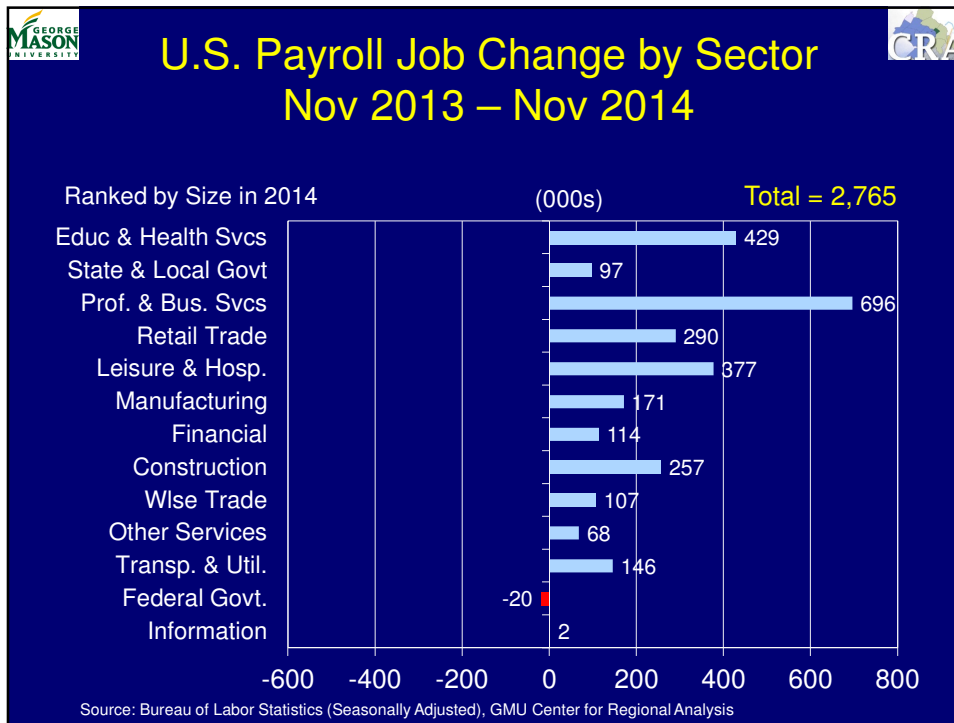
Stephen S. Fuller, Ph.D.  
Dwight Schar Faculty Chair and University Professor  
Director, Center for Regional Analysis  
George Mason University

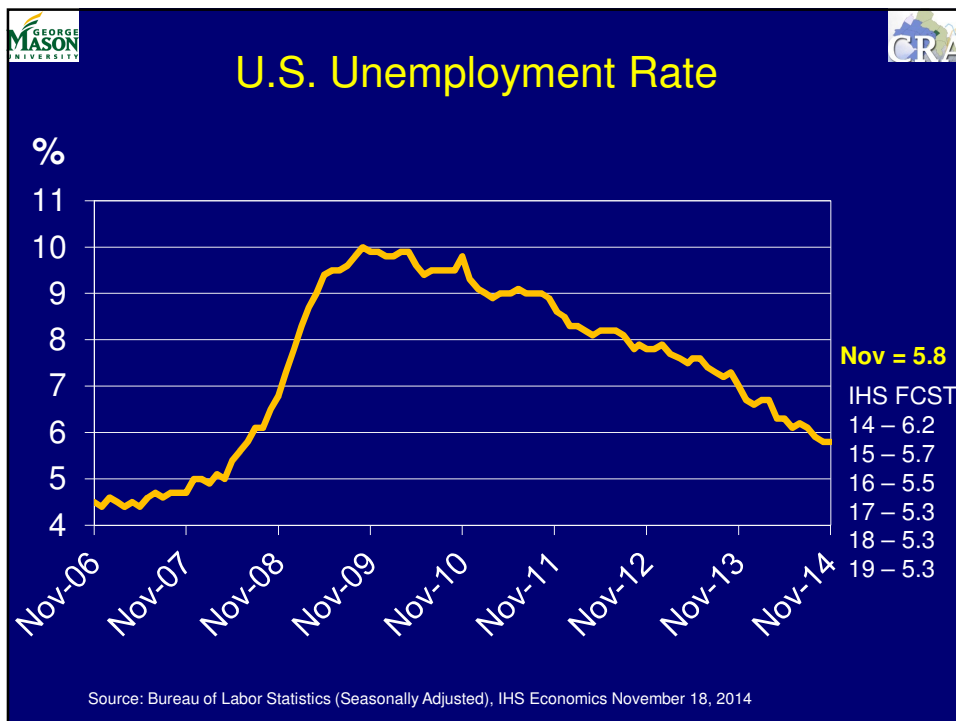
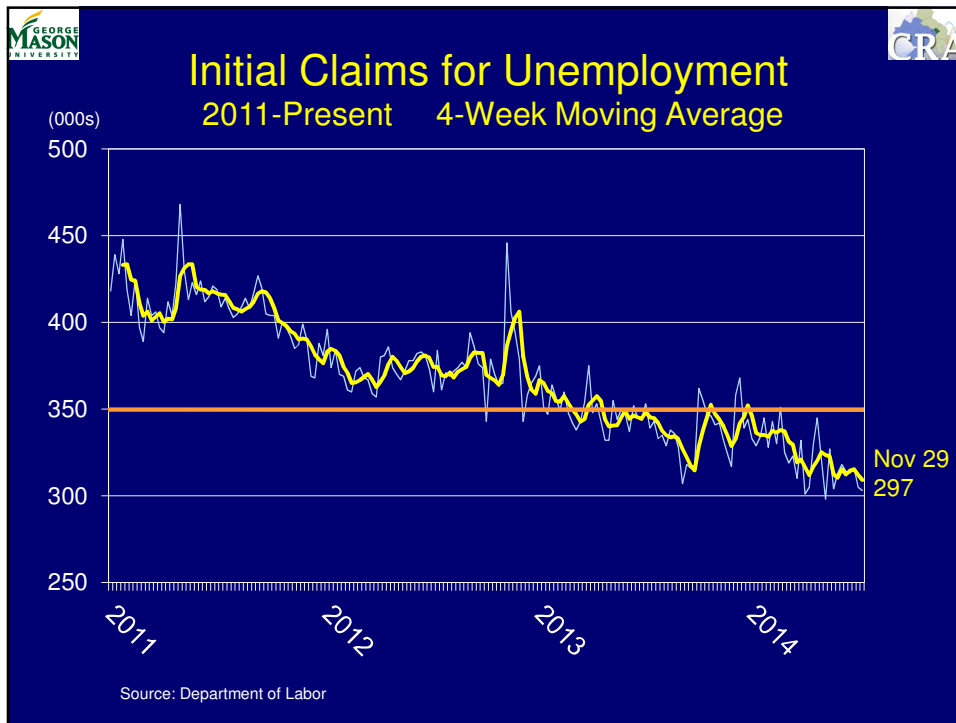
December 16, 2014

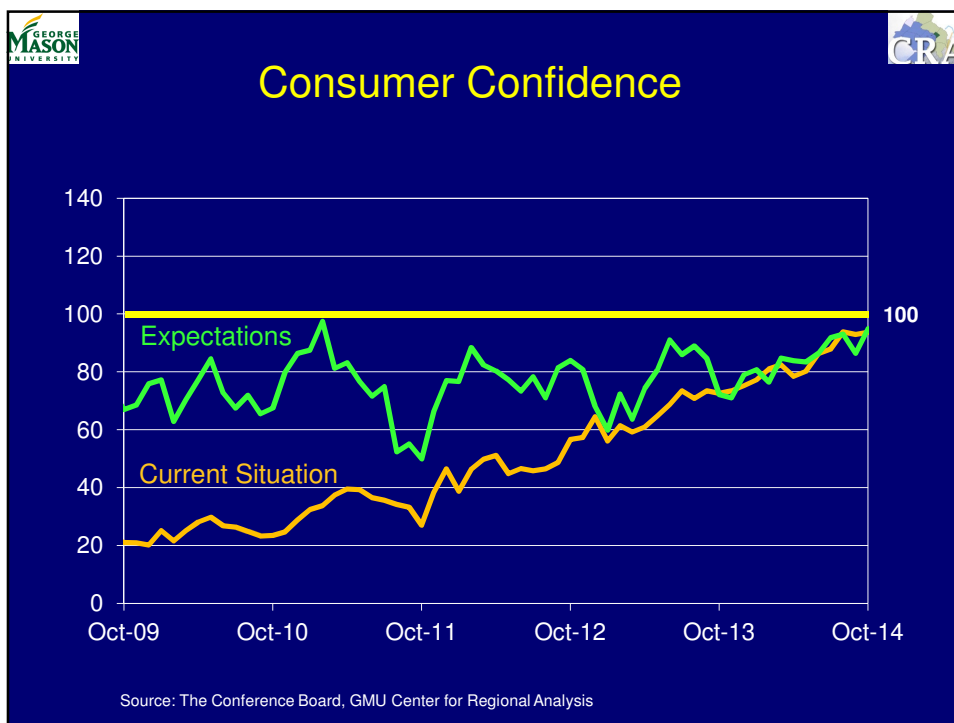
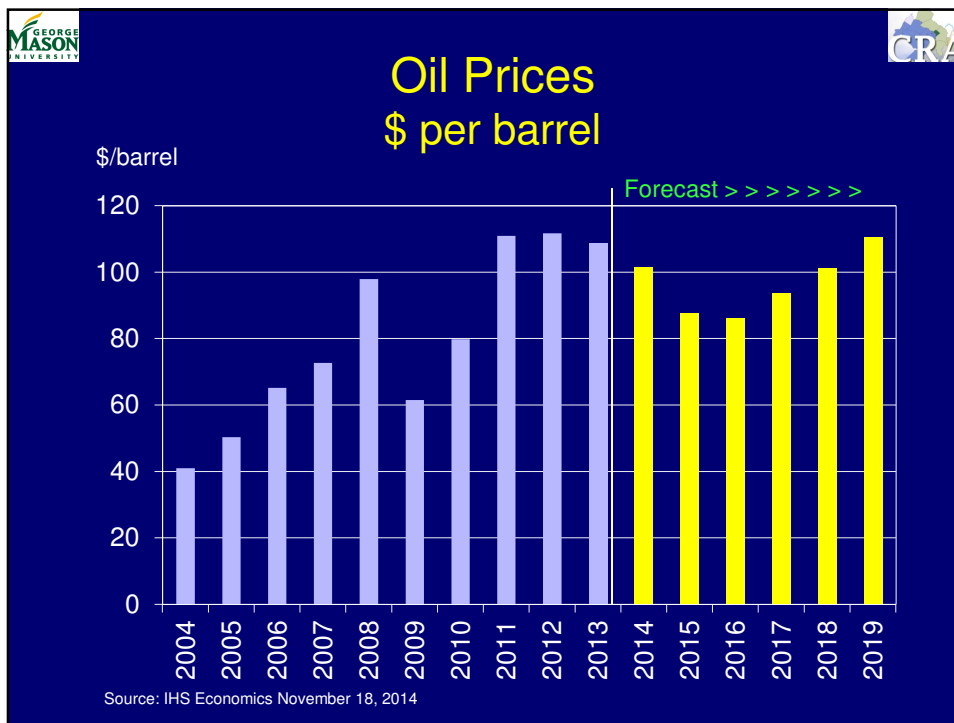


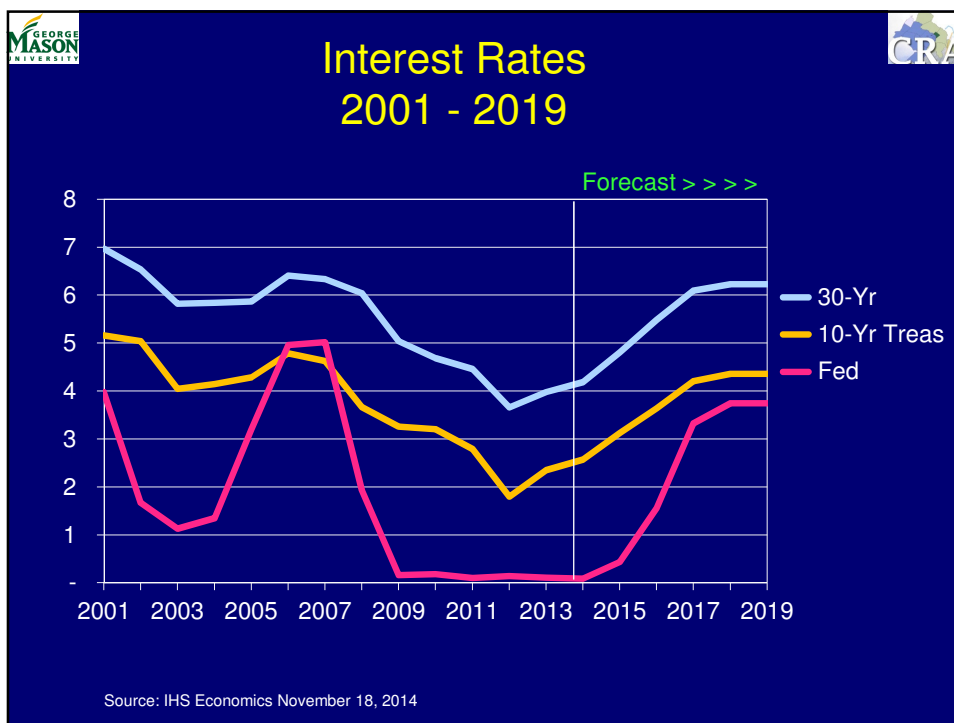
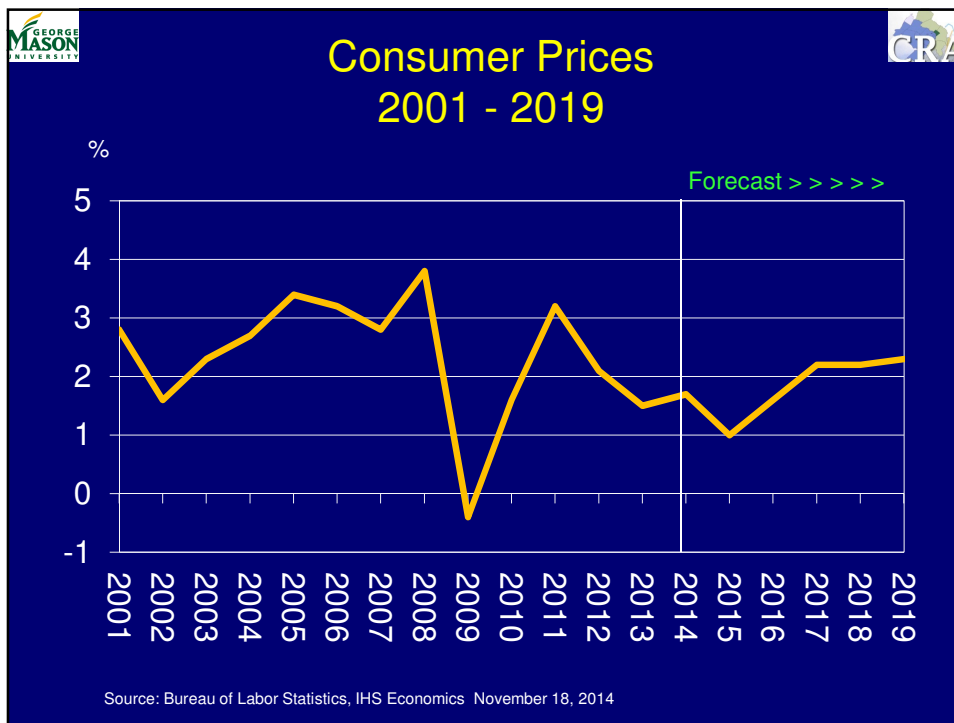


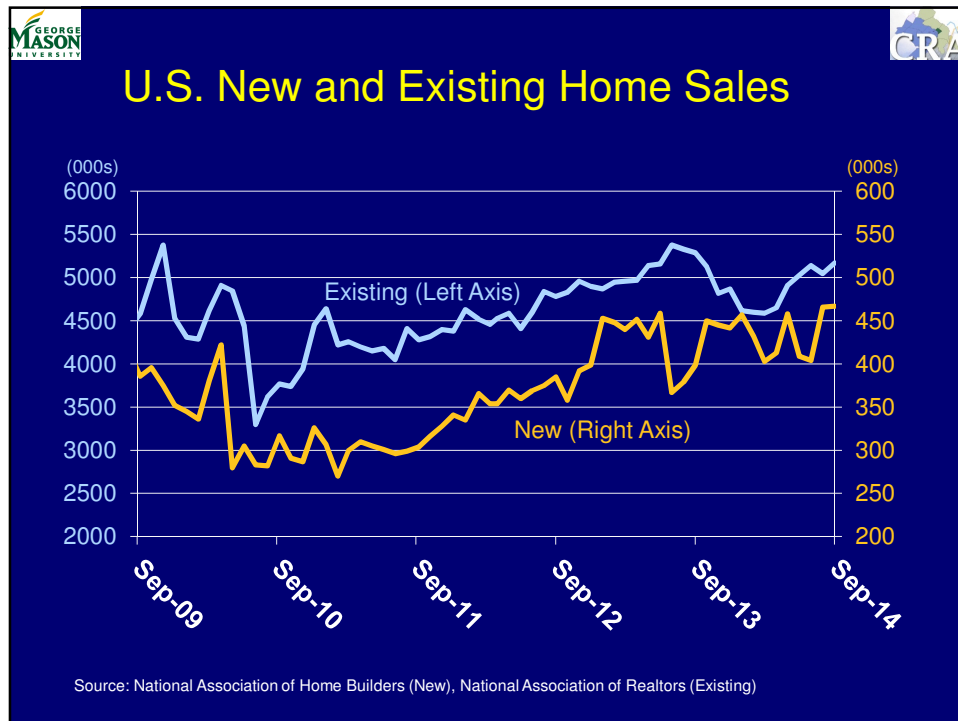








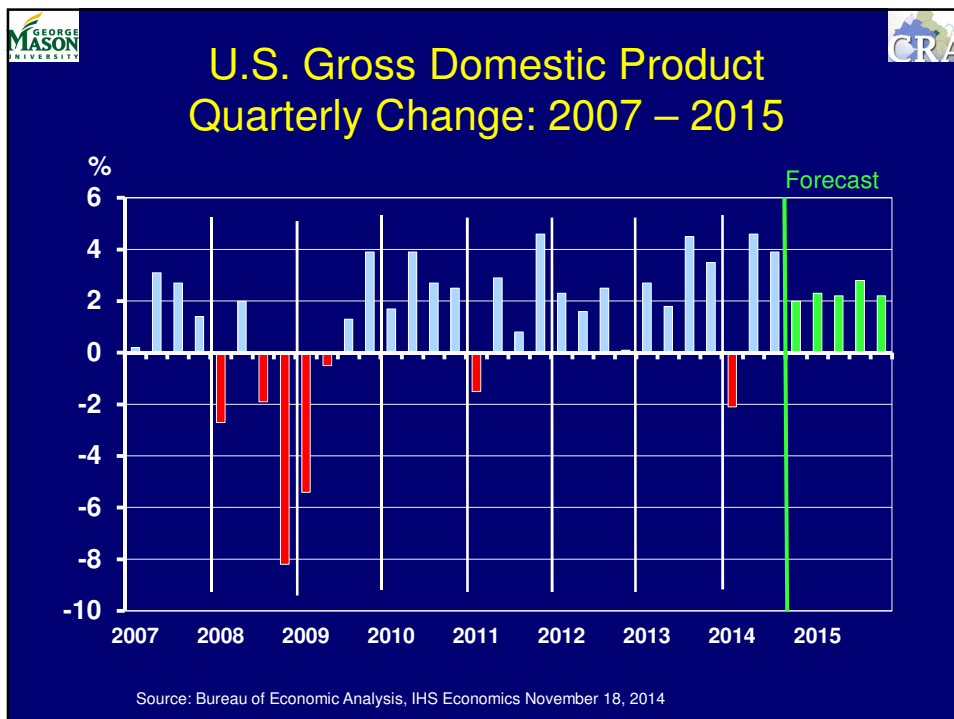
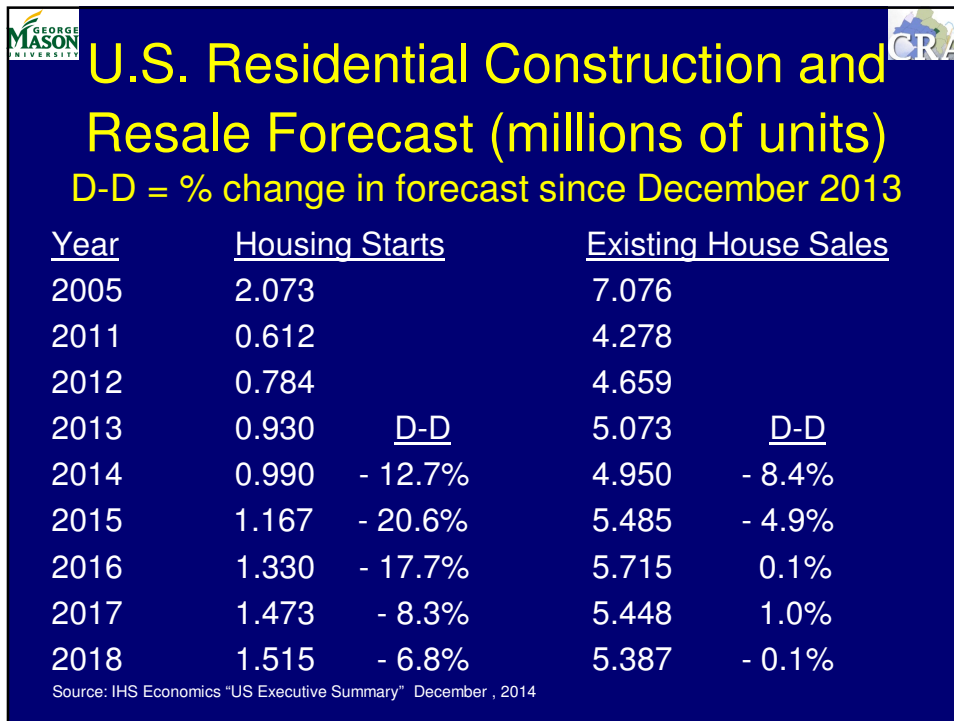






**Household Formation Slowed in 2014: Contributing Causes**

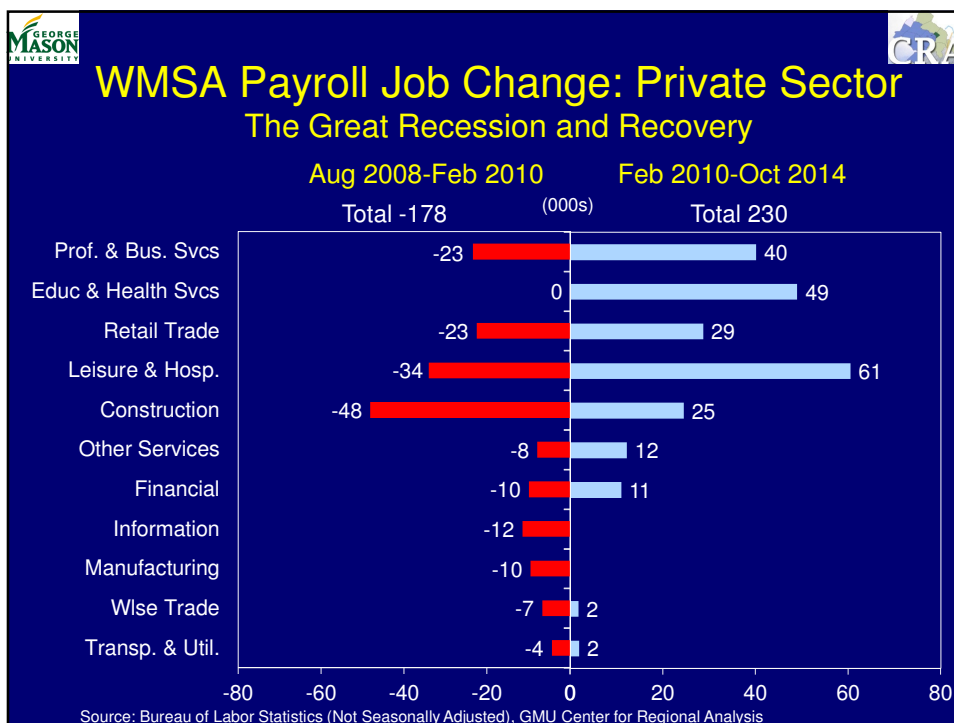
- Poor wage growth/weak growth in higher value added jobs
- Slower immigration
- Lower marriage rates
- Limited access to credit
- Degraded mobility
- Student loan burdens
- Uncertainty in global markets reduced international transfers of family money in support of housing purchases
- Changing generational values and preferences







# The Current Performance Of the Washington Economy





### The GRP\* Effects of Private Sector Job Change in the Washington Metropolitan Area Aug 08-Sept 14 (in billions of current year \$s)

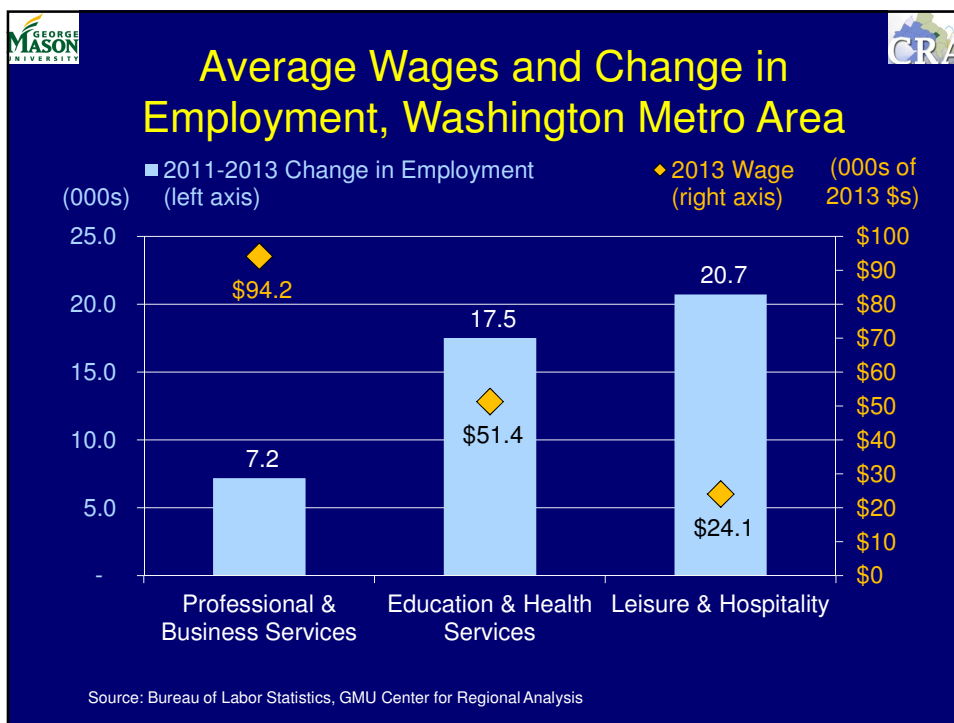
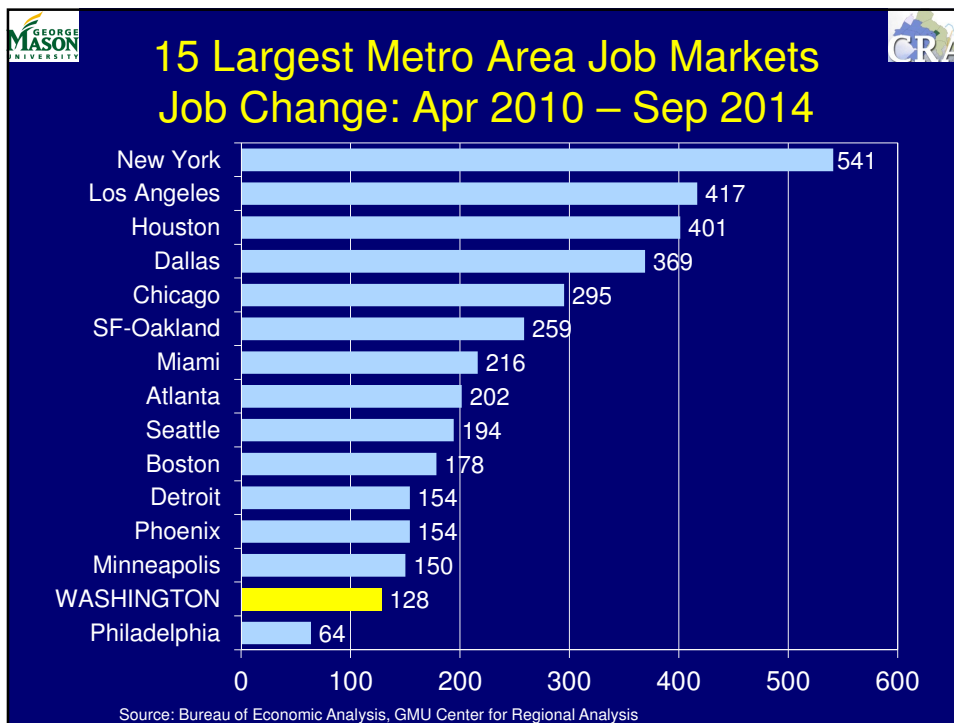
<u>Job Change</u>	<u>Total GRP Value</u>
- 177,700	- \$26,760,932,000 <sup>1</sup>
<u>+ 217,000</u>	<u>+ \$22,872,254,000<sup>2</sup></u>
+ 39,300	- \$3,888,678,000

Source: GMU Center for Regional Analysis  
 \*Gross Regional Product  
<sup>1</sup> \$150,596 per job contribution to GRP  
<sup>2</sup> \$105,402 per job contribution to GRP

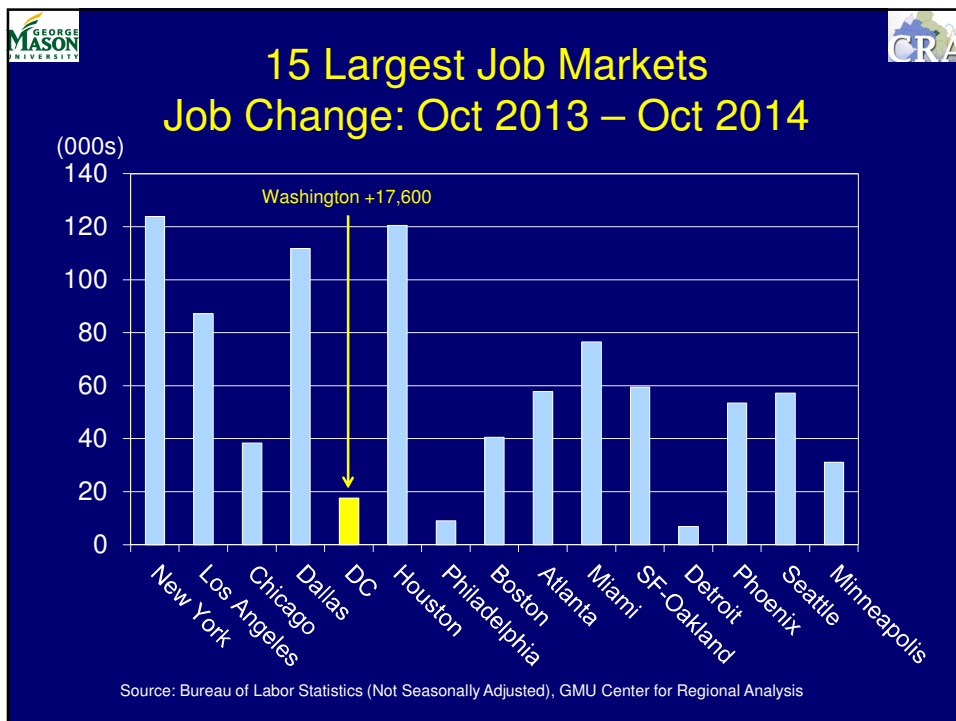
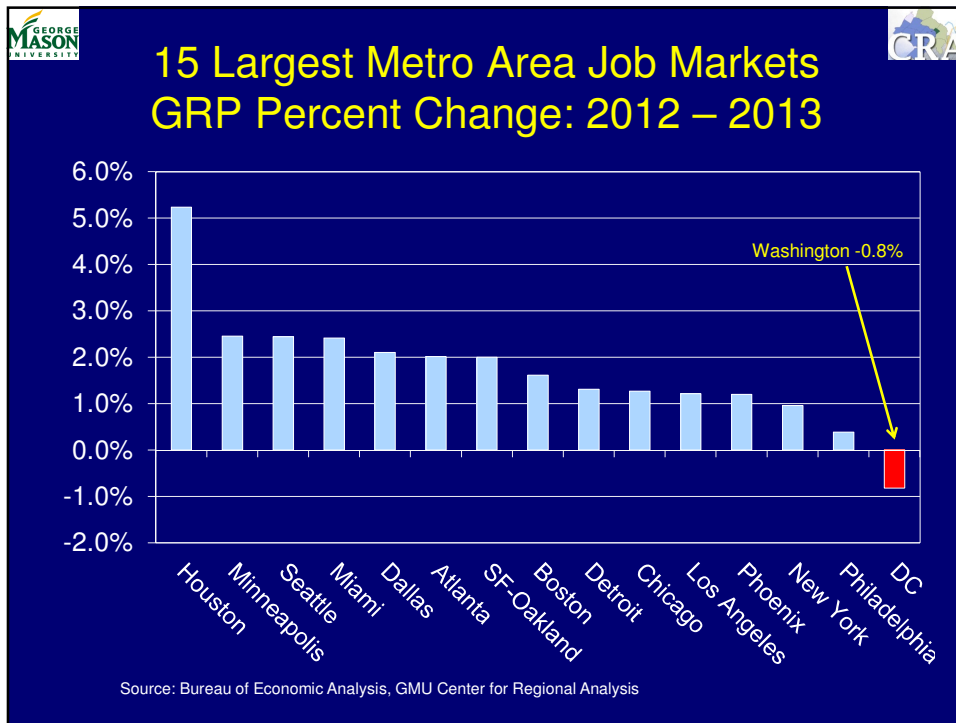
### Summary of Federal Spending Trends in the Washington Metropolitan Area, 2010-2012

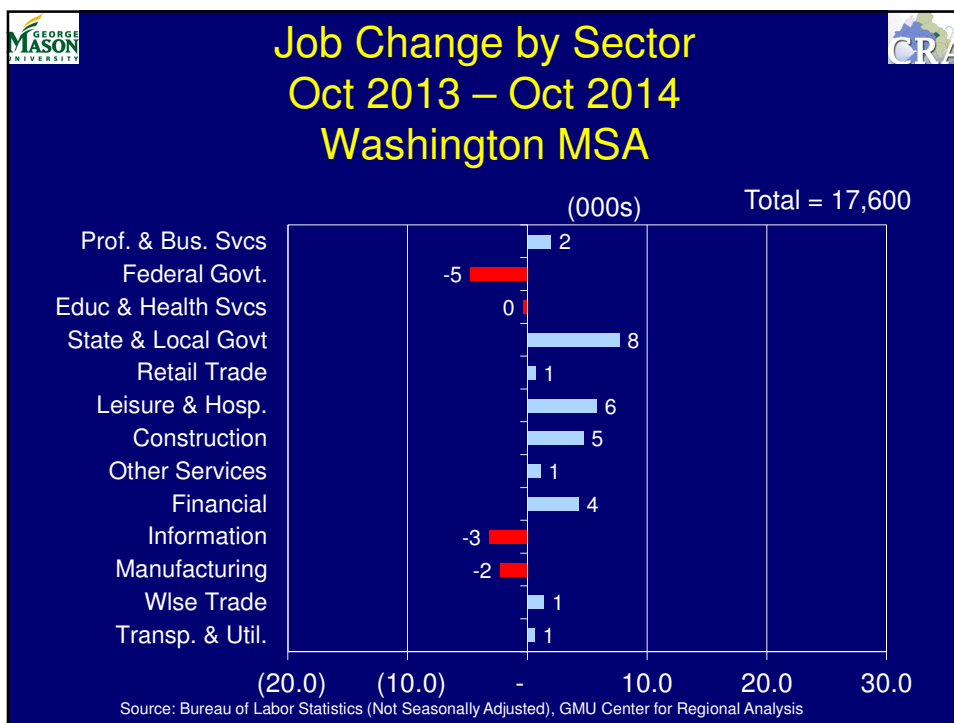
- Federal Procurement Outlays declined \$13.45 billion or 16.2% between FY 2010 and FY 2013.
- Federal employment has declined since peaking in July 2010, losing 24,000 jobs or 6.2%; 55% or 13,100 of these jobs were located in the District;
- Federal payroll declined by \$3.4 billion or 8% between FY 2010 and FY 2013 and will continue to decline as the workforce shrinks and older workers retire and are replaced by younger workers.

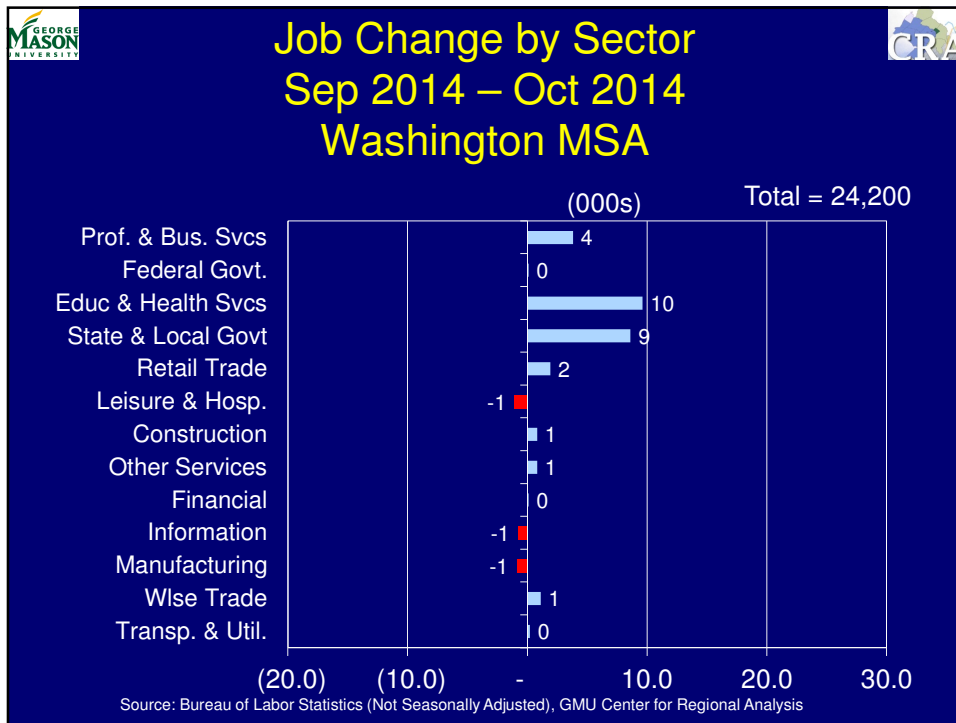




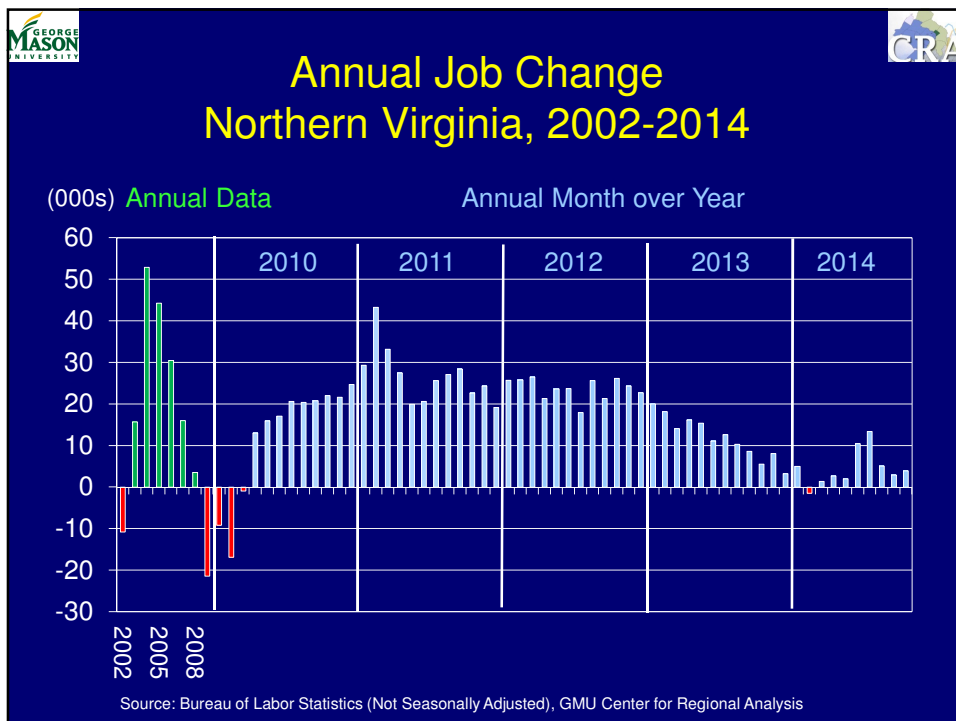
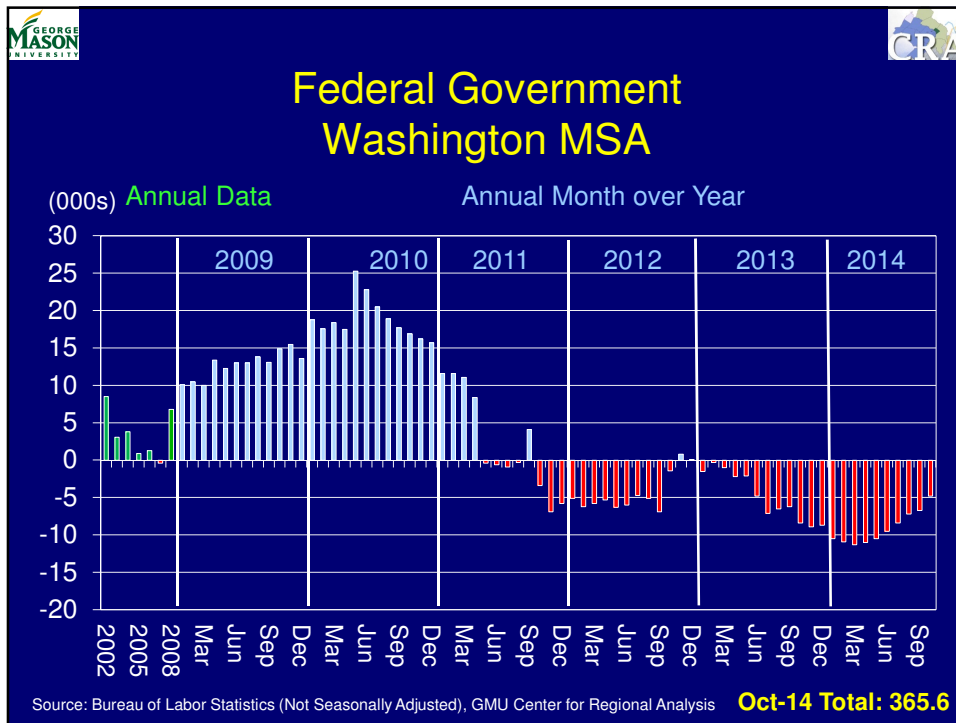
Jurisdiction	Median HH Income 2013*	Change from 2009*
Arlington County	\$102,501	- \$1,675
Fairfax County	111,079	- \$249
Fauquier County	82,823	- \$12,982
Loudoun County	116,768	- \$7,283
Prince Wm County	95,268	- \$2,234
Spotsylvania County	93,454	- \$10,869
Stafford County	71,901	- \$2,757
Alexandria City	86,775	\$2,985
Northern Virginia	\$103,381	- \$2,101
Total Metro Area	\$90,149	- \$2,287

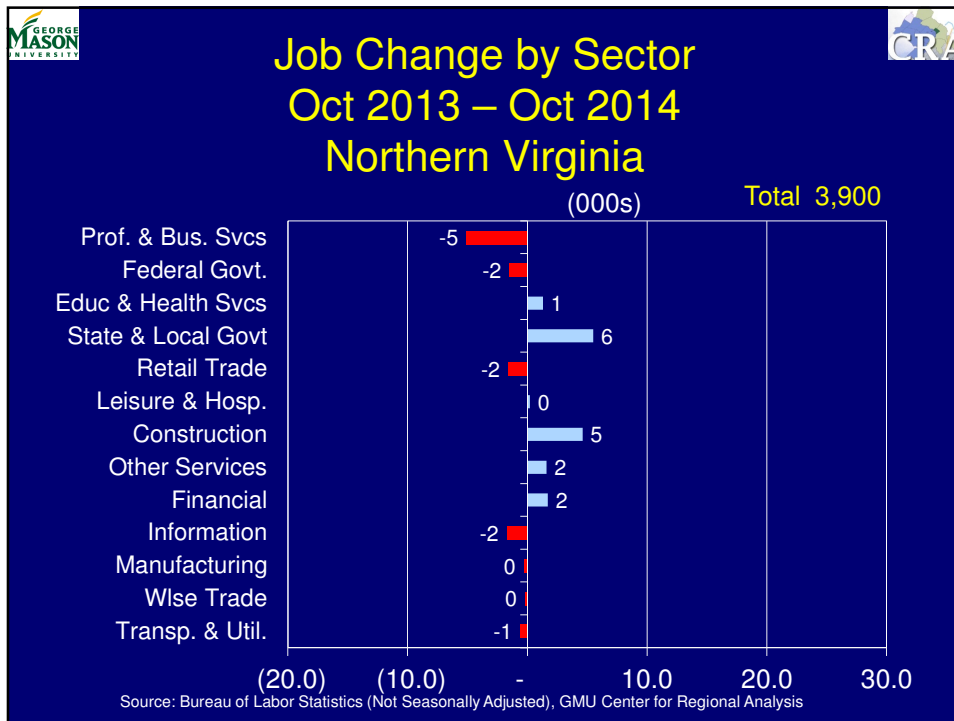








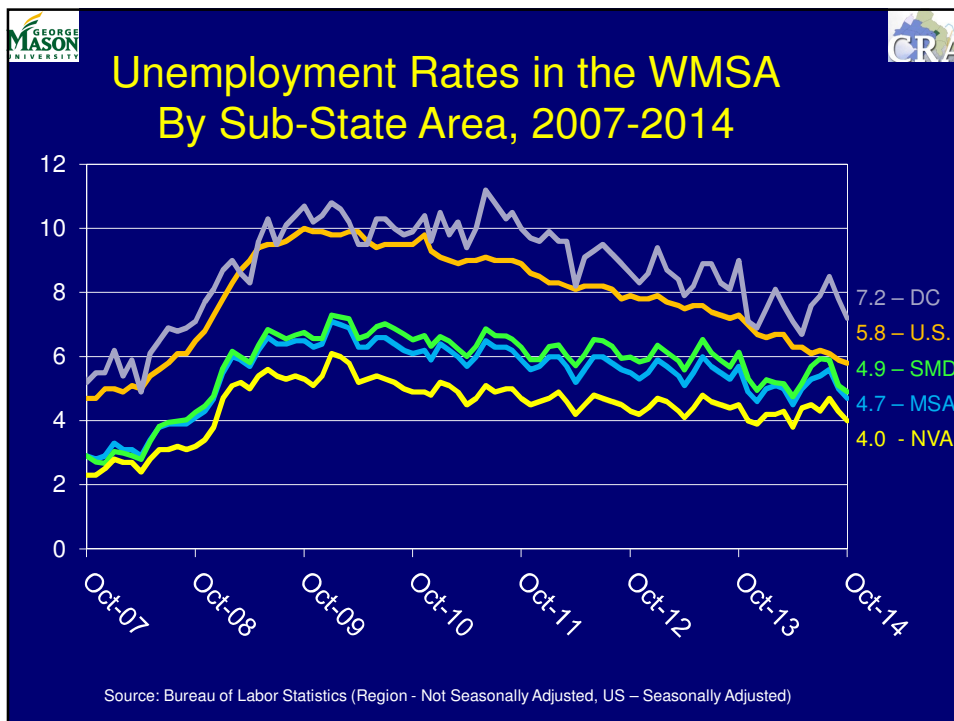
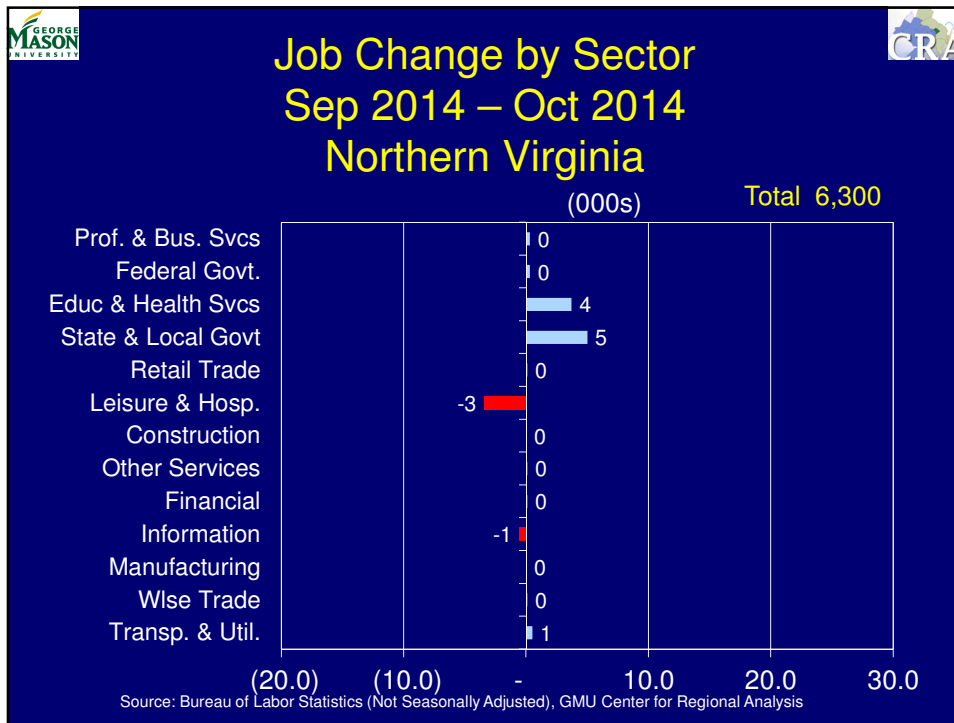




**The GRP\* Effects of Private Sector Job Change**  
**in Northern Virginia, September 2013-14**  
 (in billions of 2014\$s)

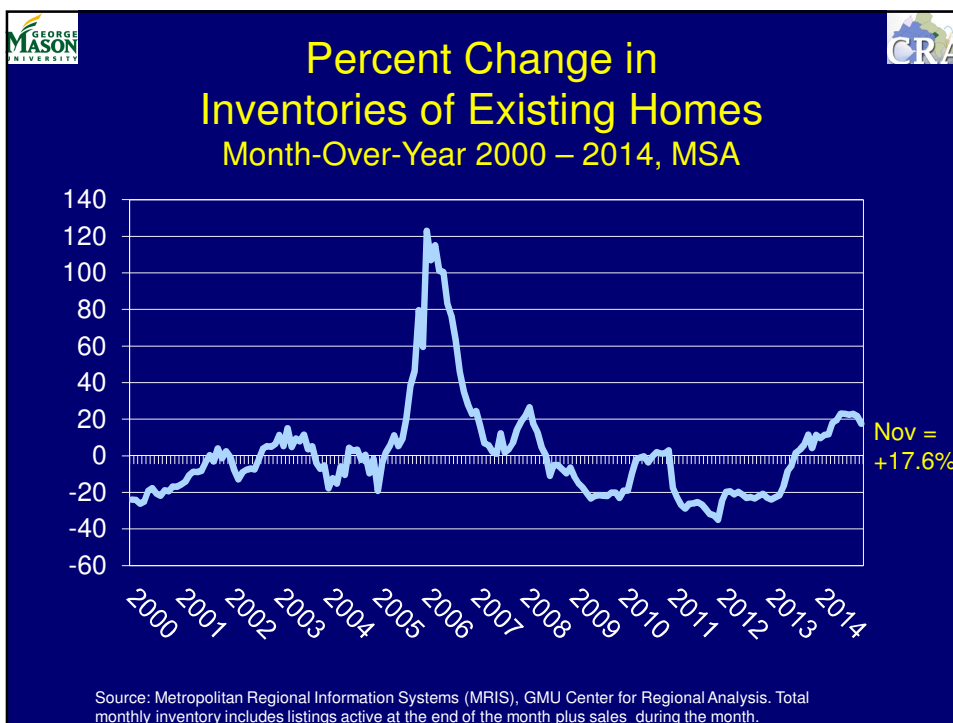
Job Change	Average GRP Value	Total GRP Value
- 11,100	\$179,432	\$1,991,695,200
+16,000	\$129,883	2,078,128,000
+ 4,900		+ \$86,433,800 <sup>1</sup>

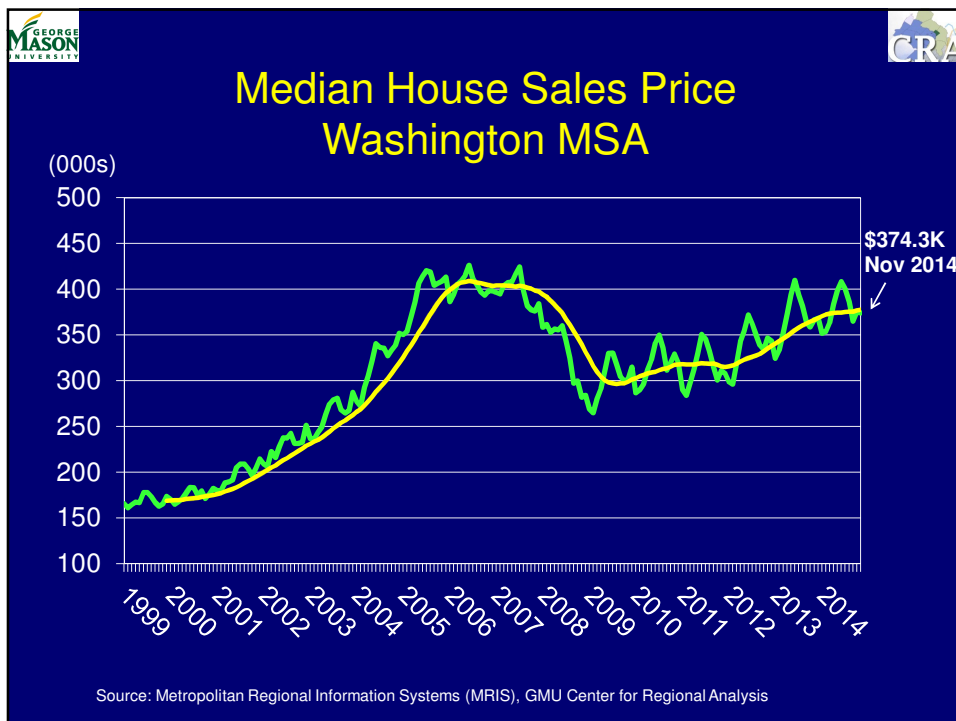
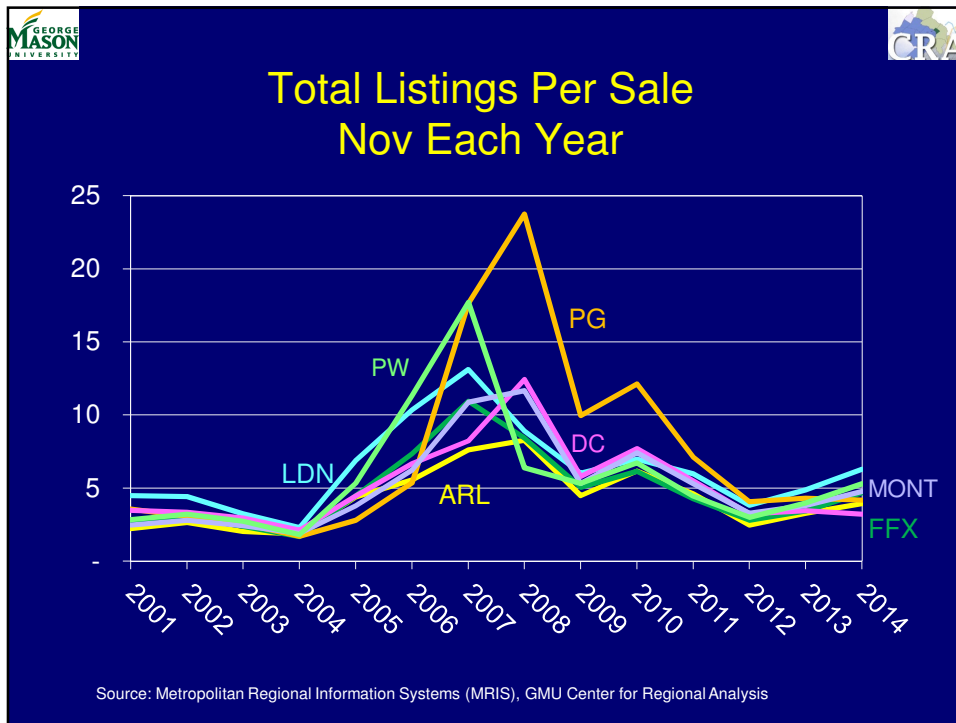
Source: GMU Center for Regional Analysis  
 \*Gross Regional Product  
<sup>1</sup> Northern Virginia's GRP equals \$229.7 billion; \$86.4 million = 0.04% growth

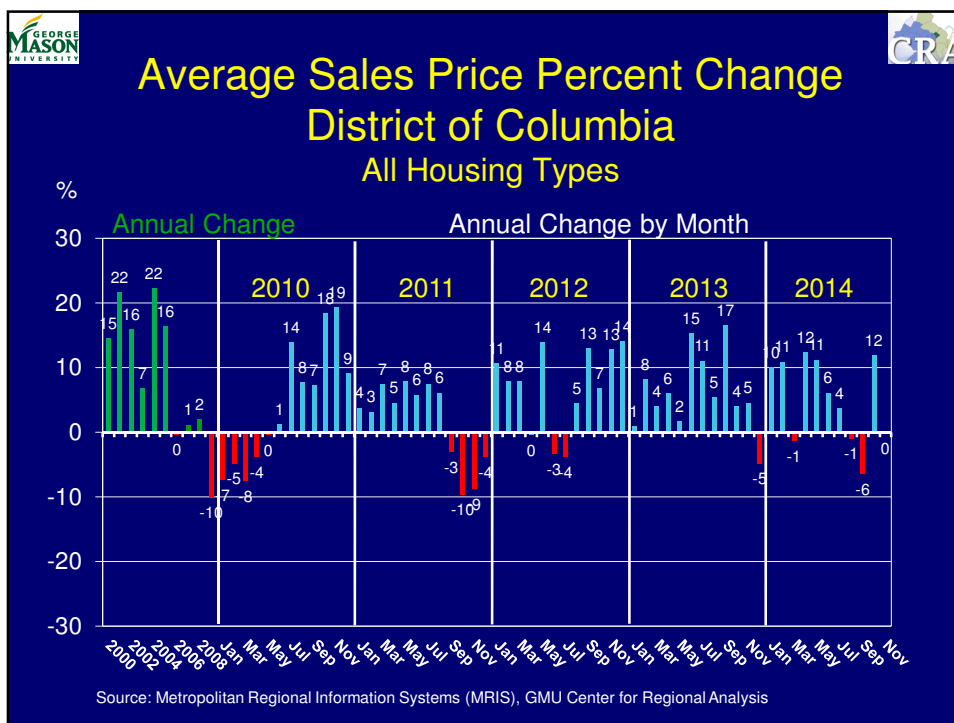
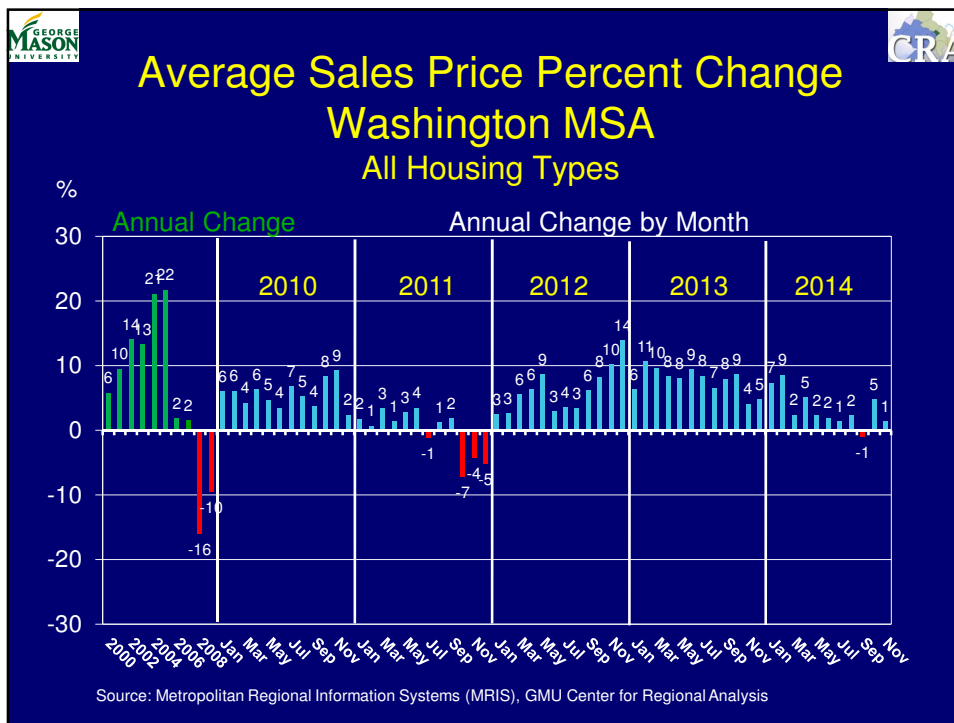


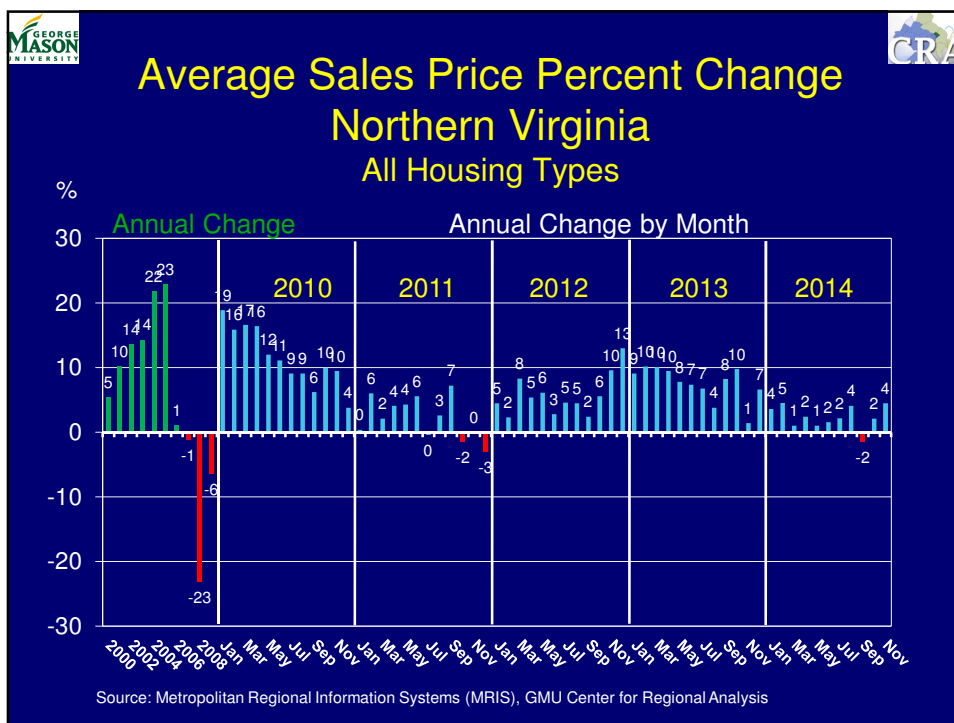
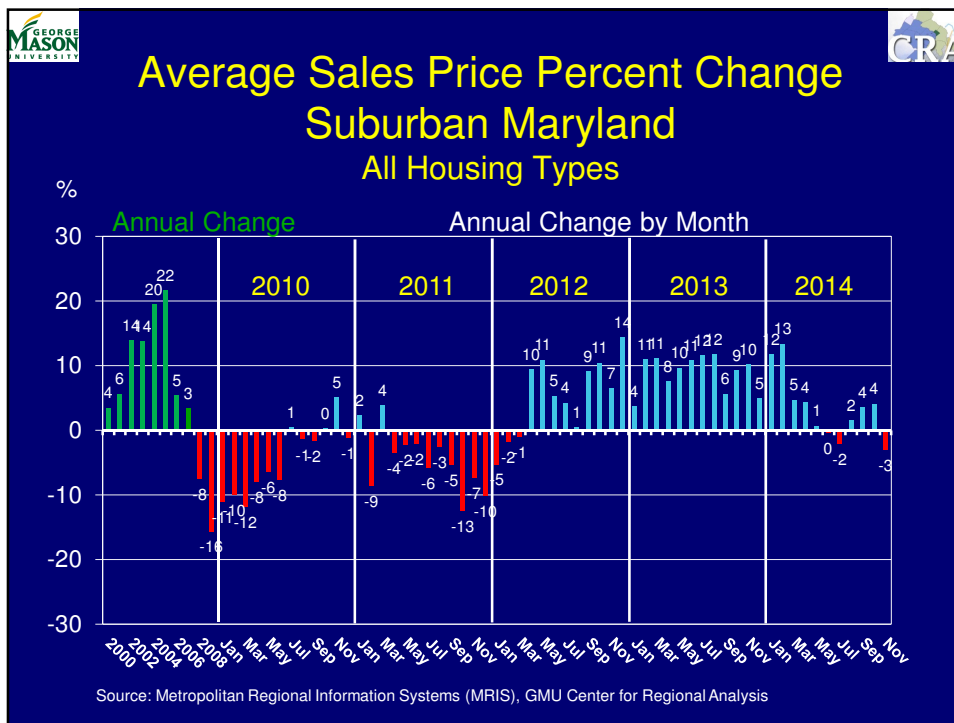
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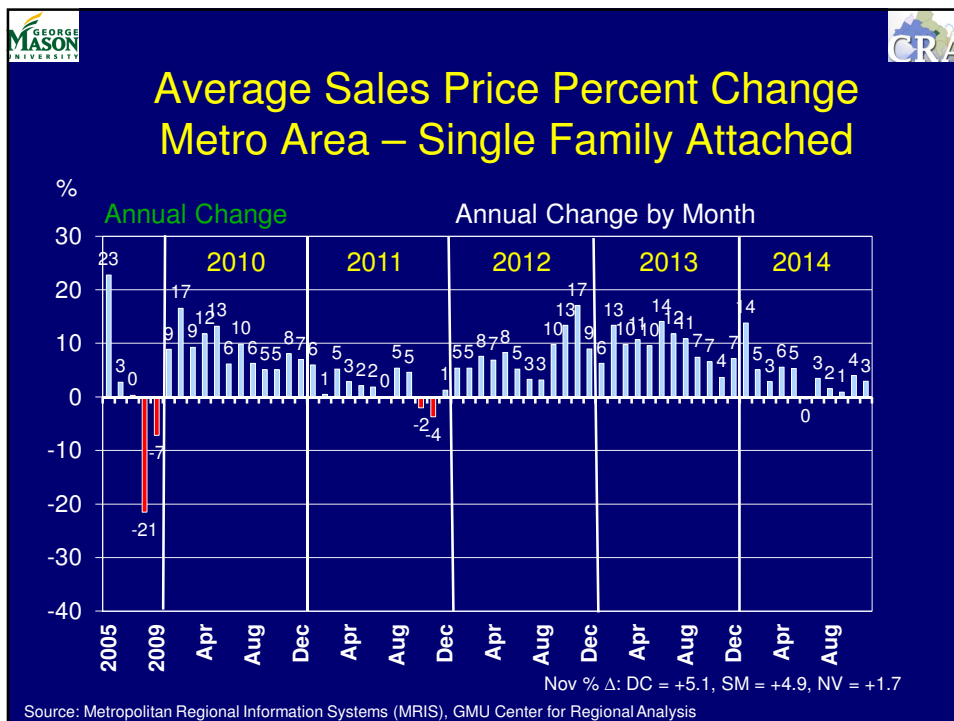
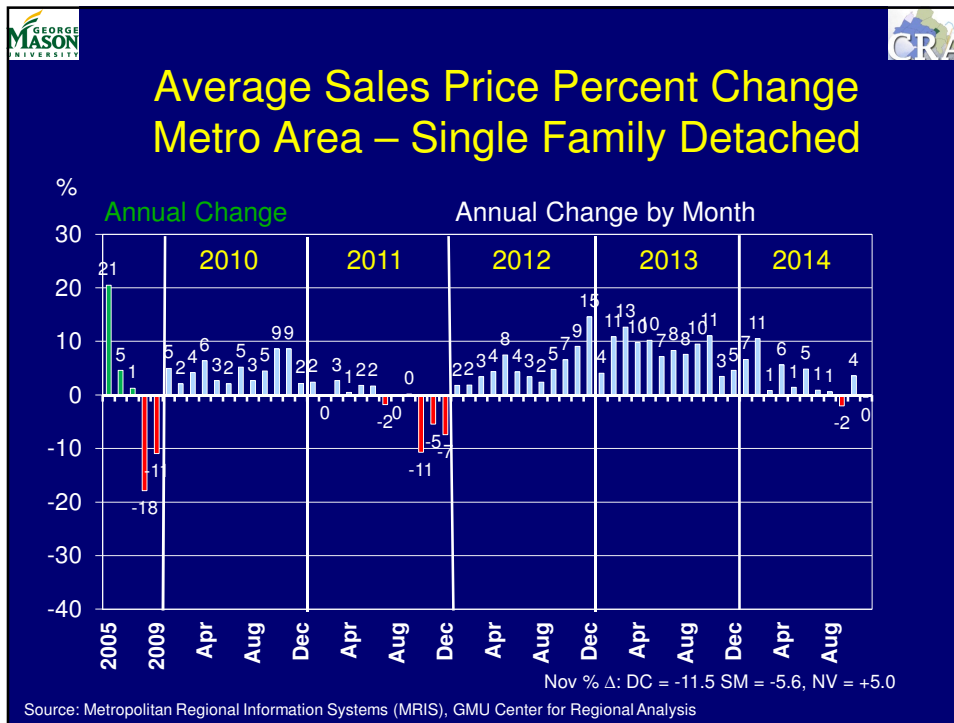
## Housing Market Trends in the Washington Metro Area



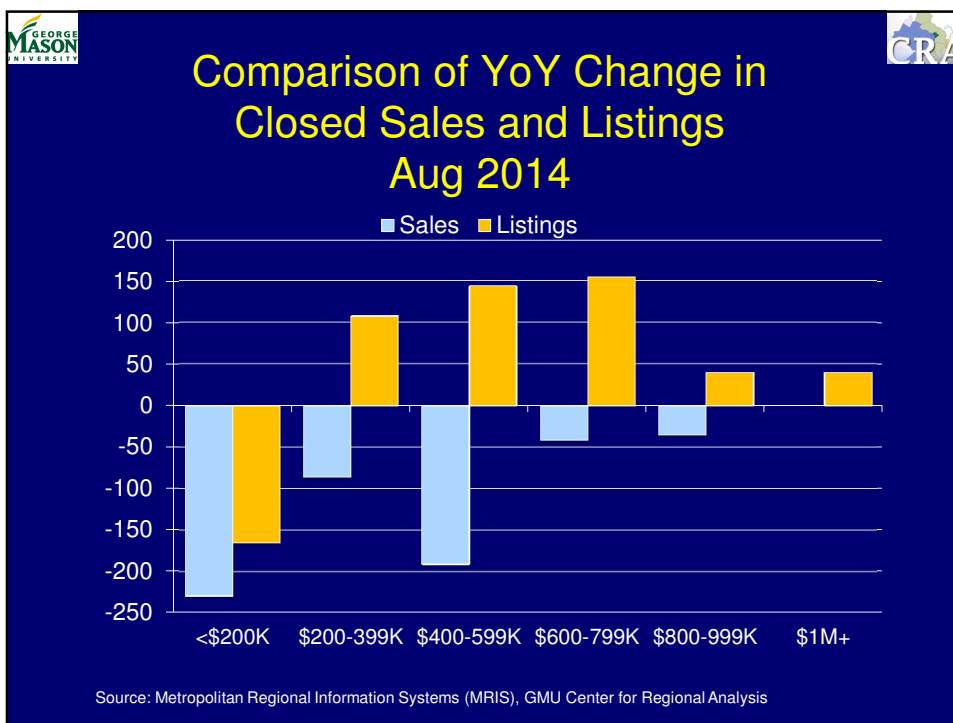
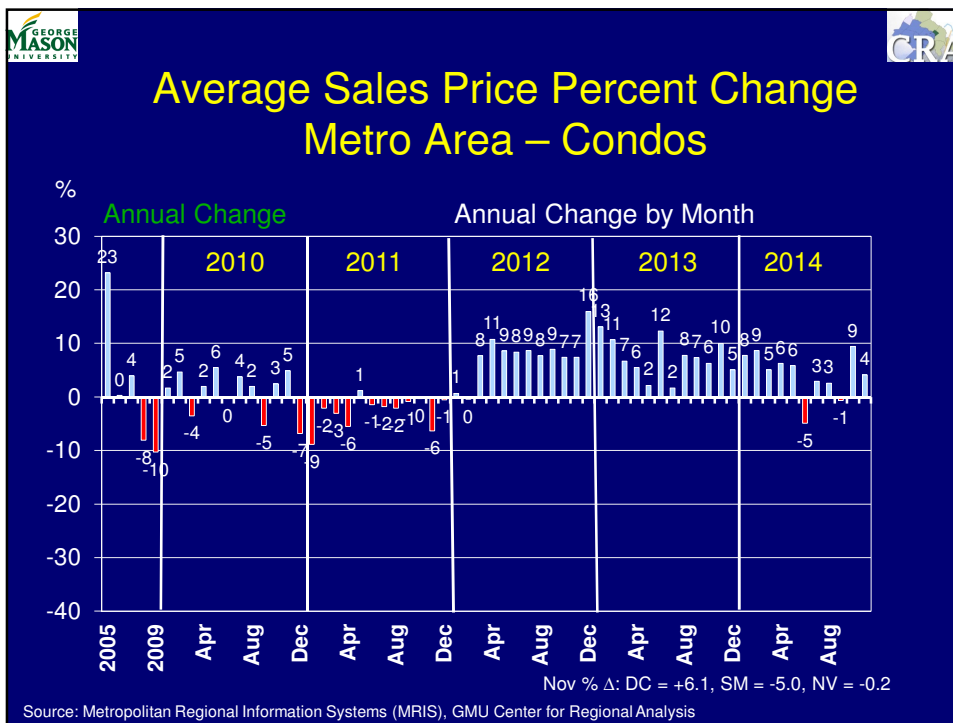


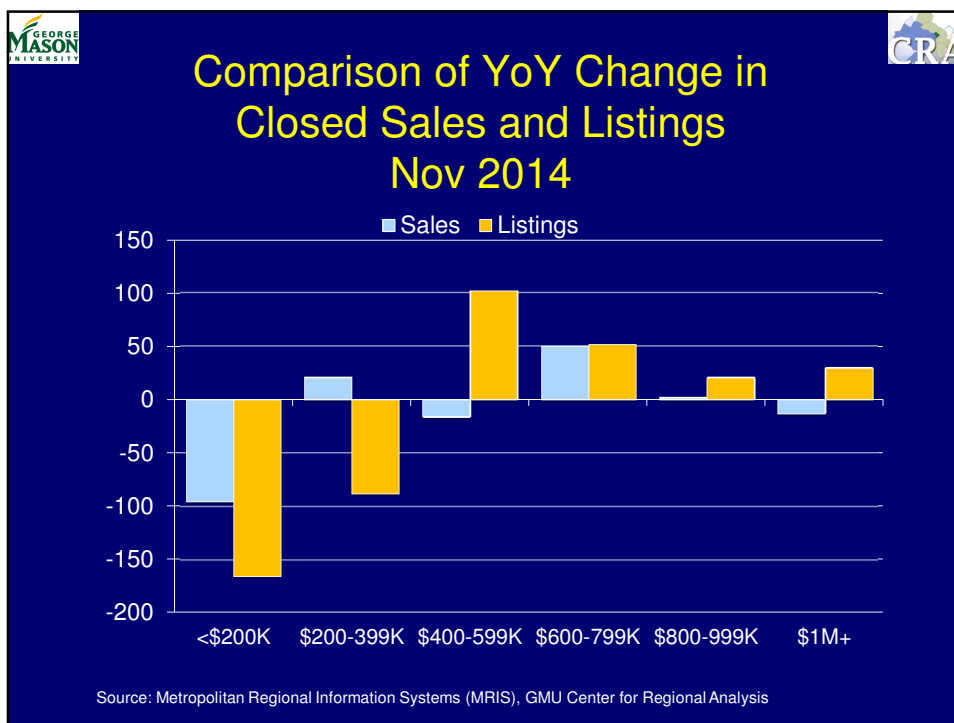
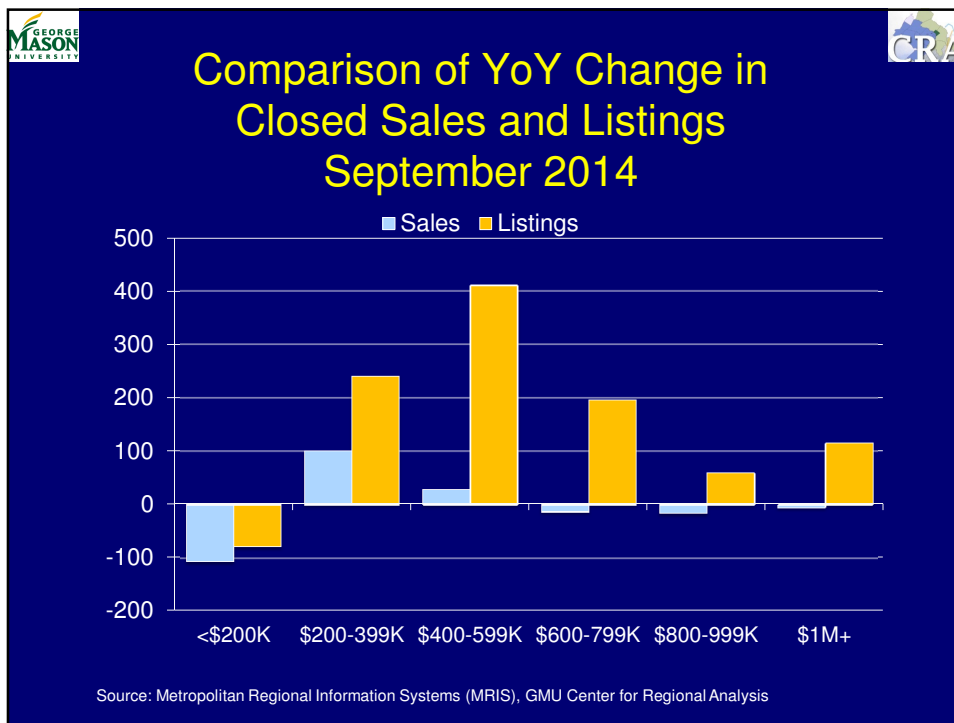


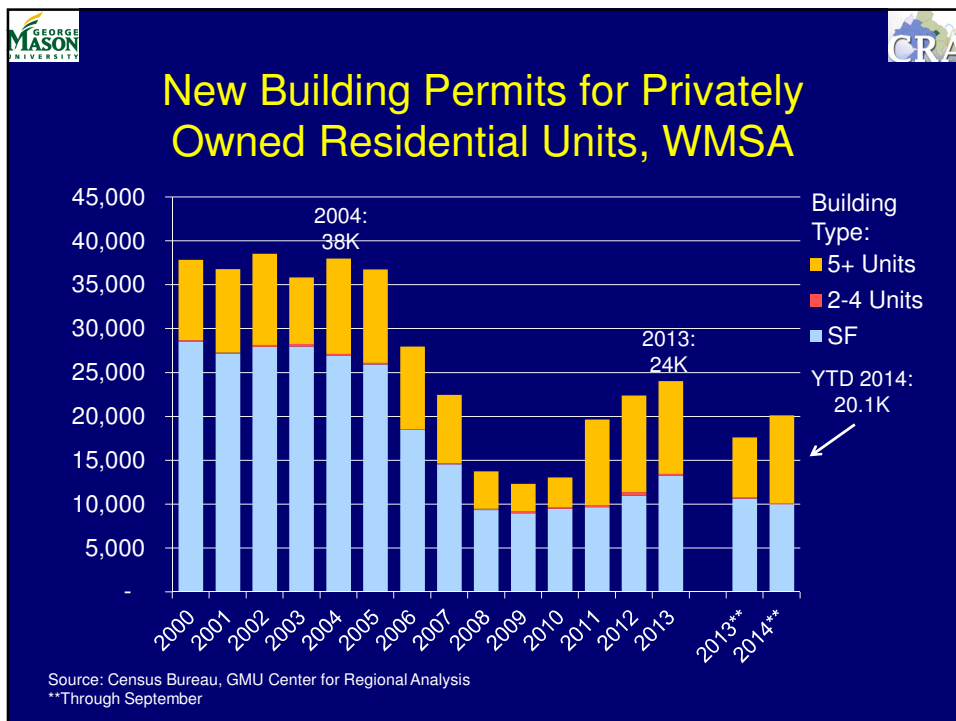
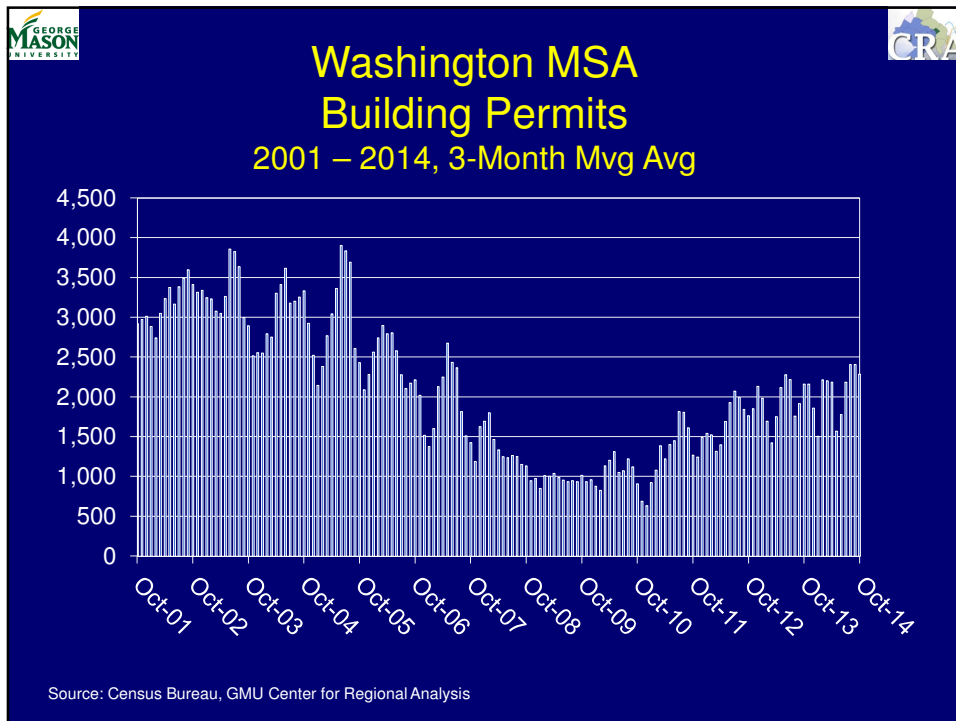






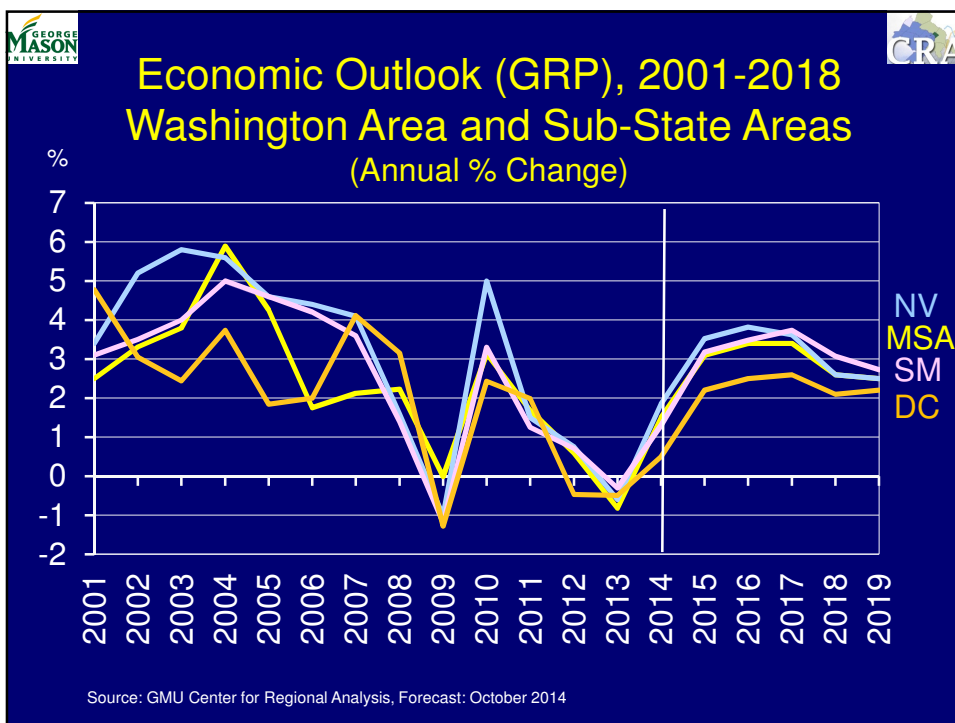






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## Near-Term Outlook in the Washington Metropolitan Area

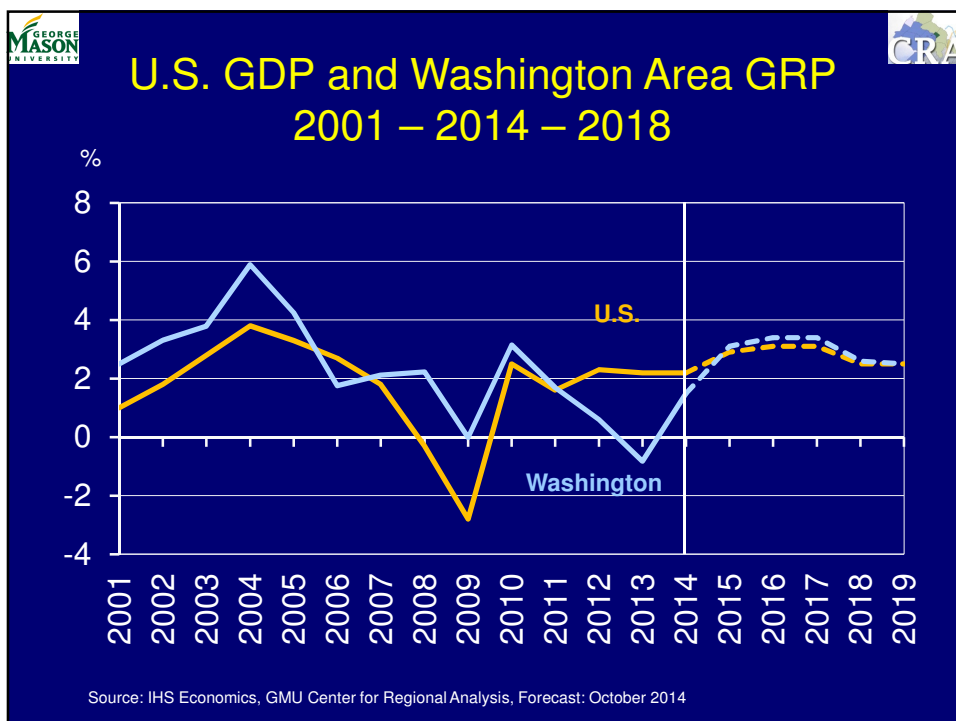


**Employment Change in the WMSA by Sub-State Area (000s)**

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

Average Annual Change 1990-2010 = 35,800

Source: BLS, IHS Economics, GMU Center for Regional Analysis  
 NOTE: The regional totals include Jefferson, WV.





Thank You & Questions  
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Save The Date:  
GMU/Cardinal Bank  
Economic Conference  
January 15, 2015