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George Mason University



The Washington Region's Economy

A Period of Historic Uncertainty

Presented to AIA

Keith Waters, Ph.D.

Center for Regional Analysis / Stephen S. Fuller Institute

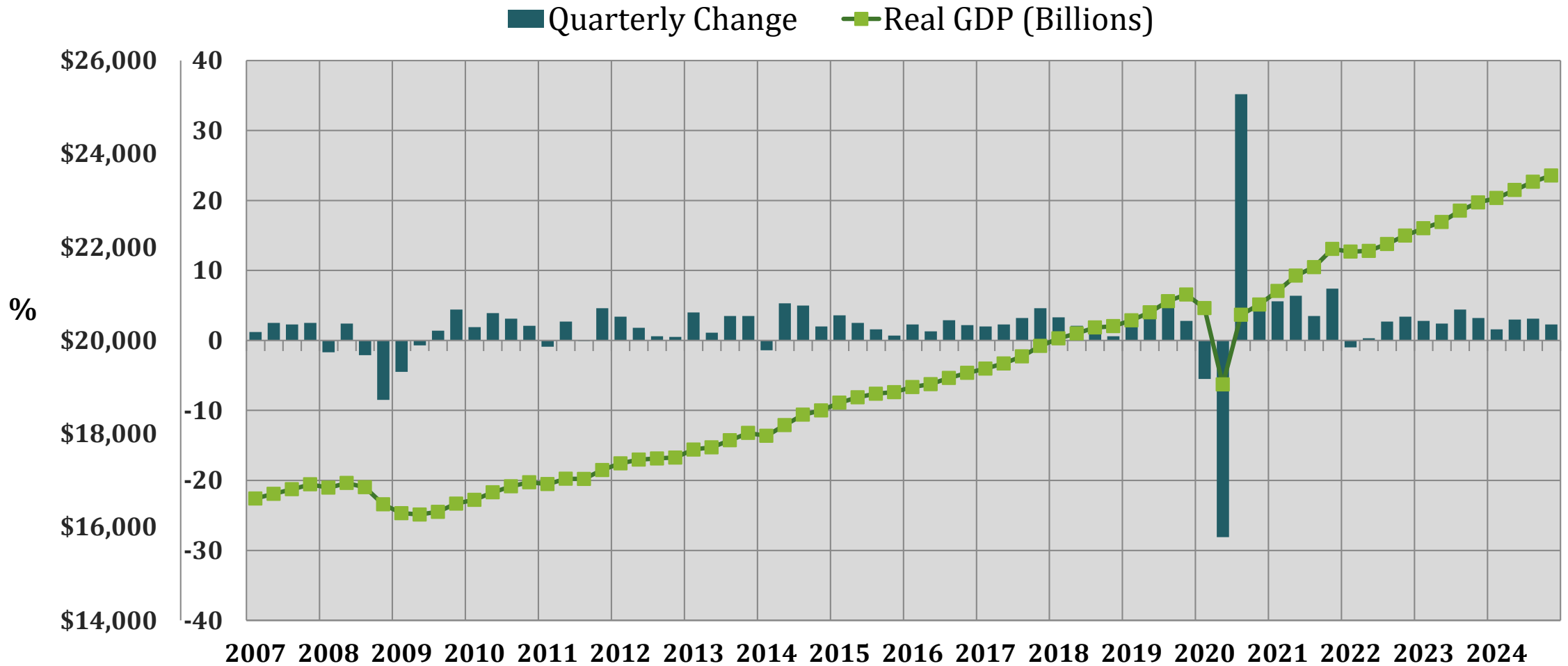
Schar School of Policy and Government

George Mason University

March 2025



U. S. Gross Domestic Product



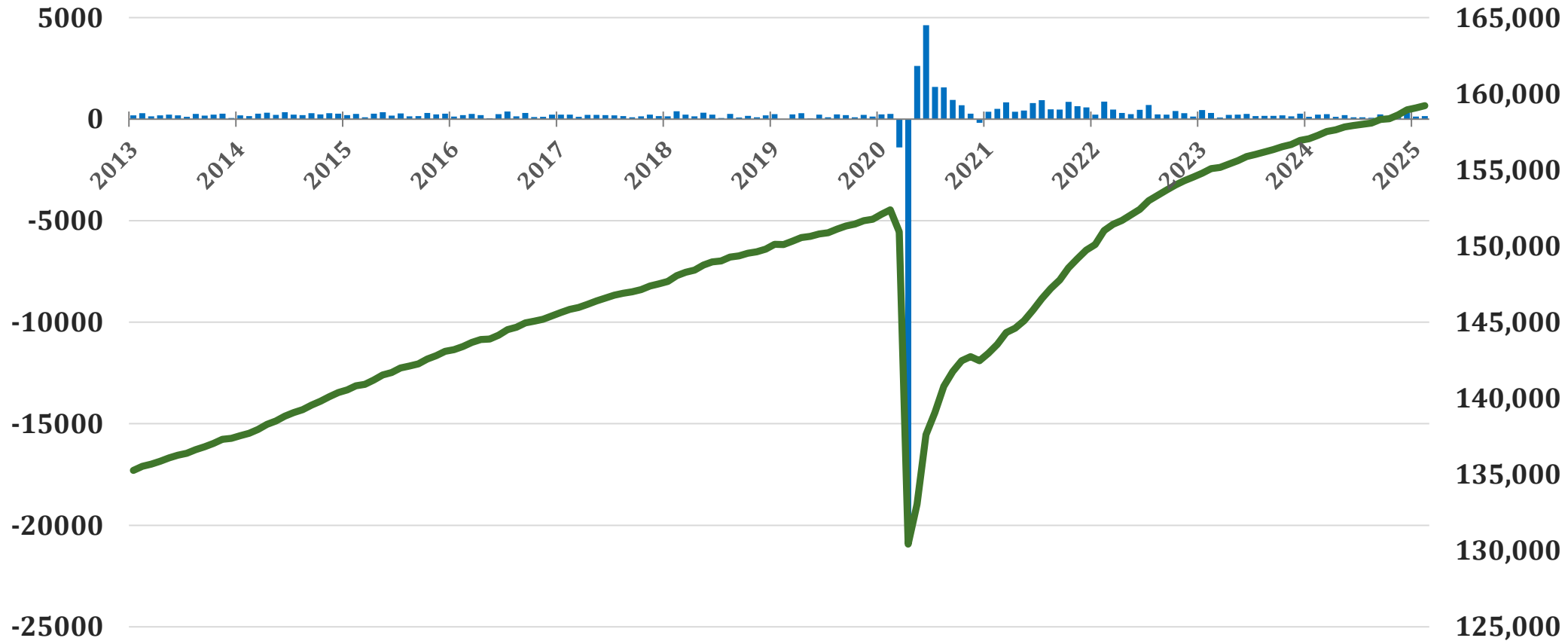
Q3 2023-Q4 2024 2.66%



U.S. Payroll Jobs

1-mo. change
(in thousands)

total payroll jobs
(in thousands)

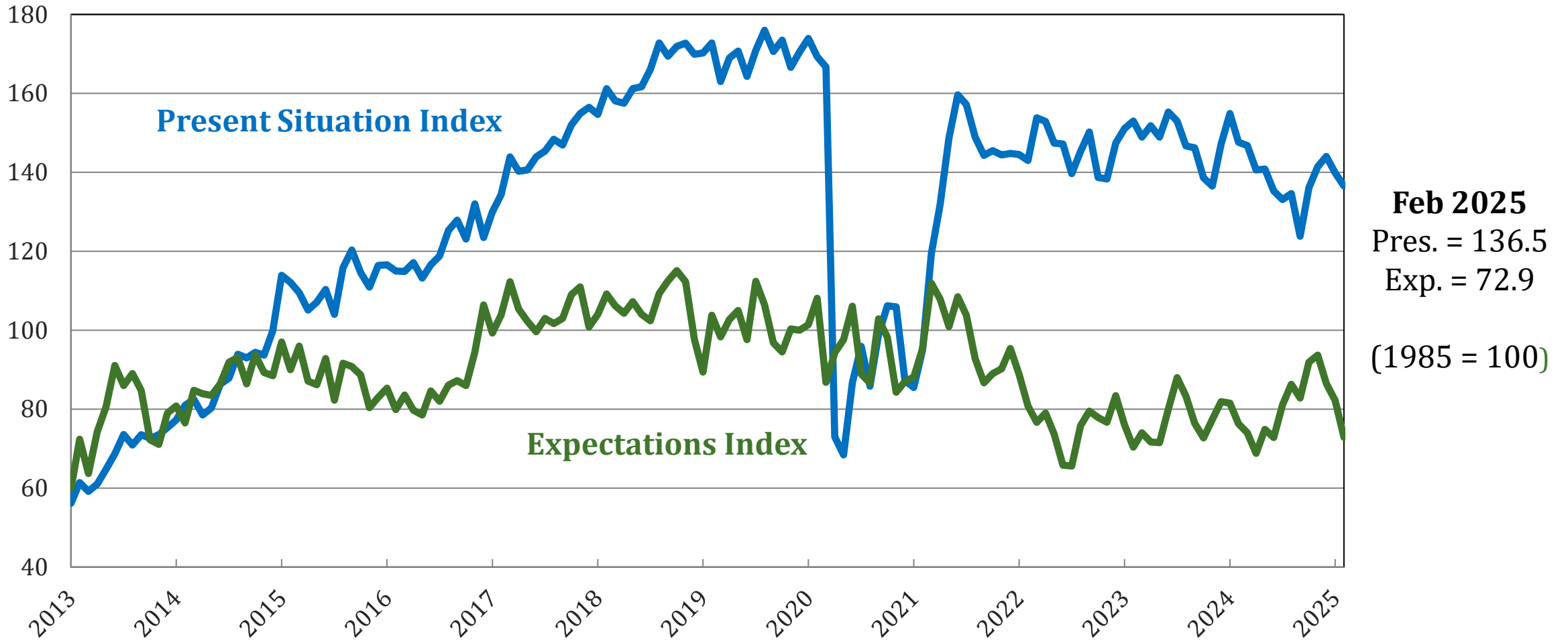


Since 2024
(12-mo. Δ)
+2M

Jan 25 -
Feb 25
(1 mo. Δ)
+151k



Consumer Confidence





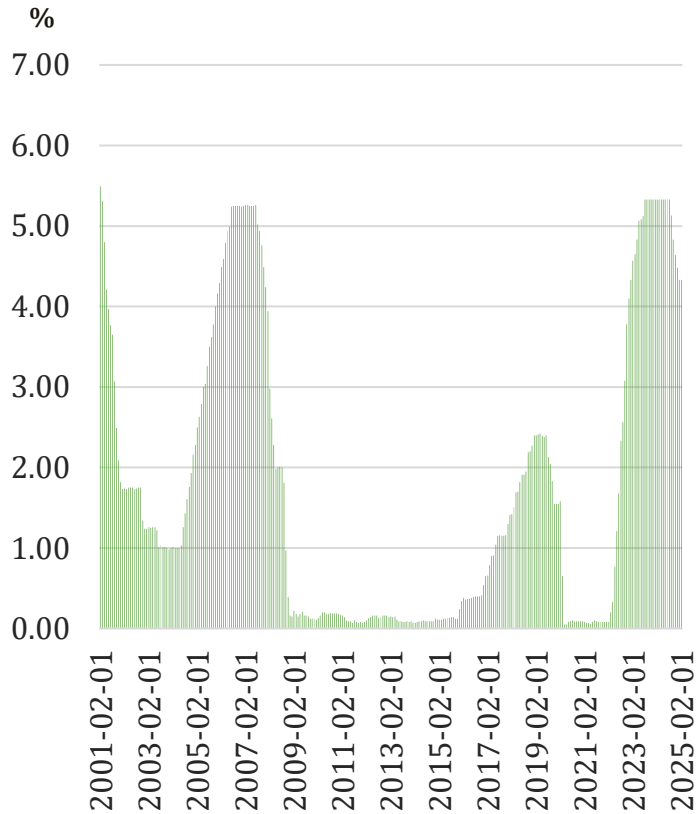
Monthly Consumer Prices 2001 - 2025





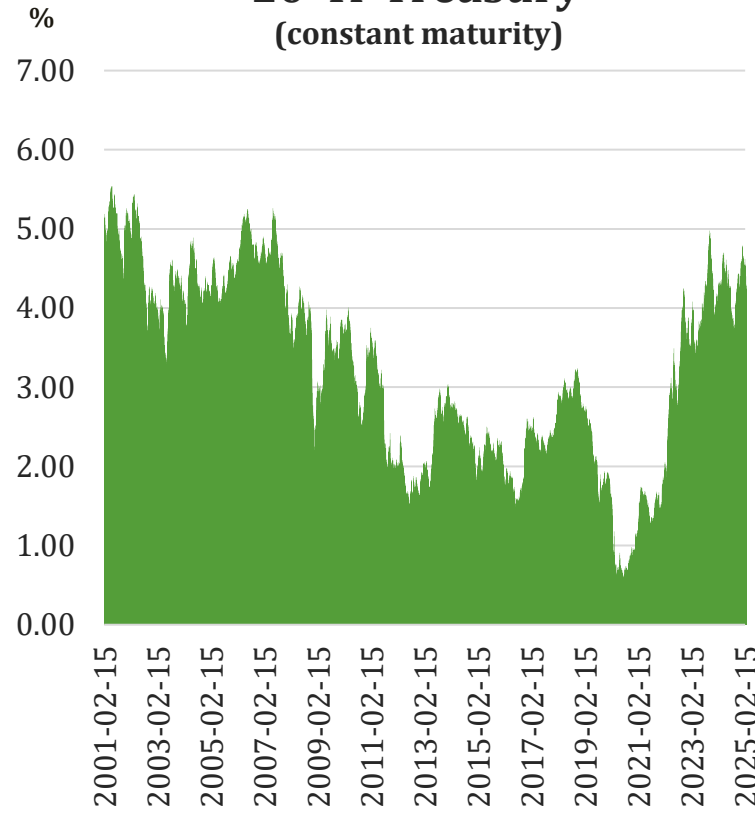
Interest Rates 2001 - 2025

Fed Funds



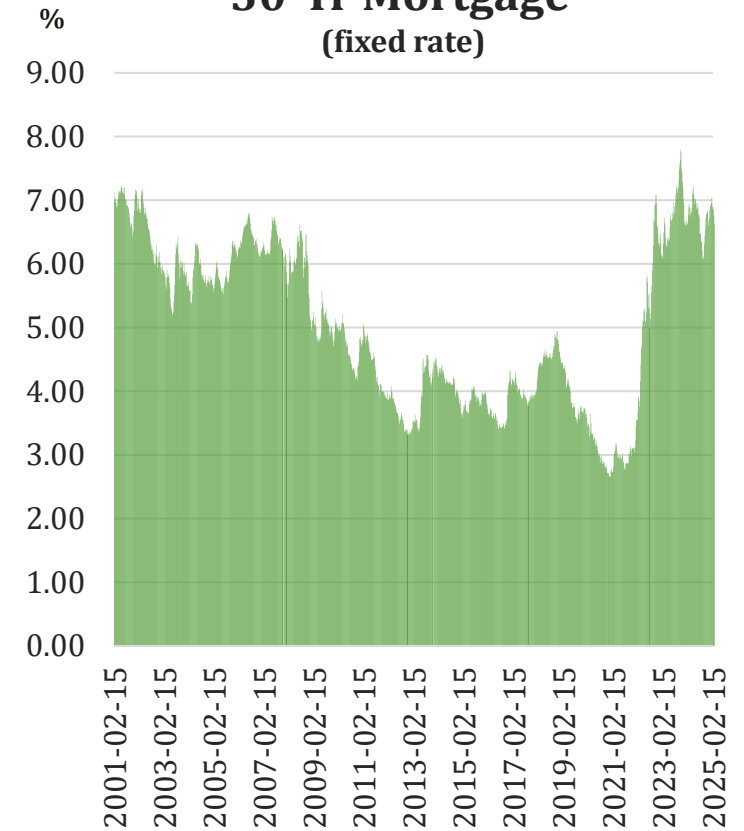
02/25: 4.33 02/24: 5.33

10-Yr Treasury (constant maturity)



02/25: 4.45 02/24: 4.21

30-Yr Mortgage (fixed rate)



02/25: 6.84 02/24: 6.78



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The Washington Economy



GDP: U.S. & DC Metro

2001 - 2023 (Billions, \$2017)



Compound
Growth Rate

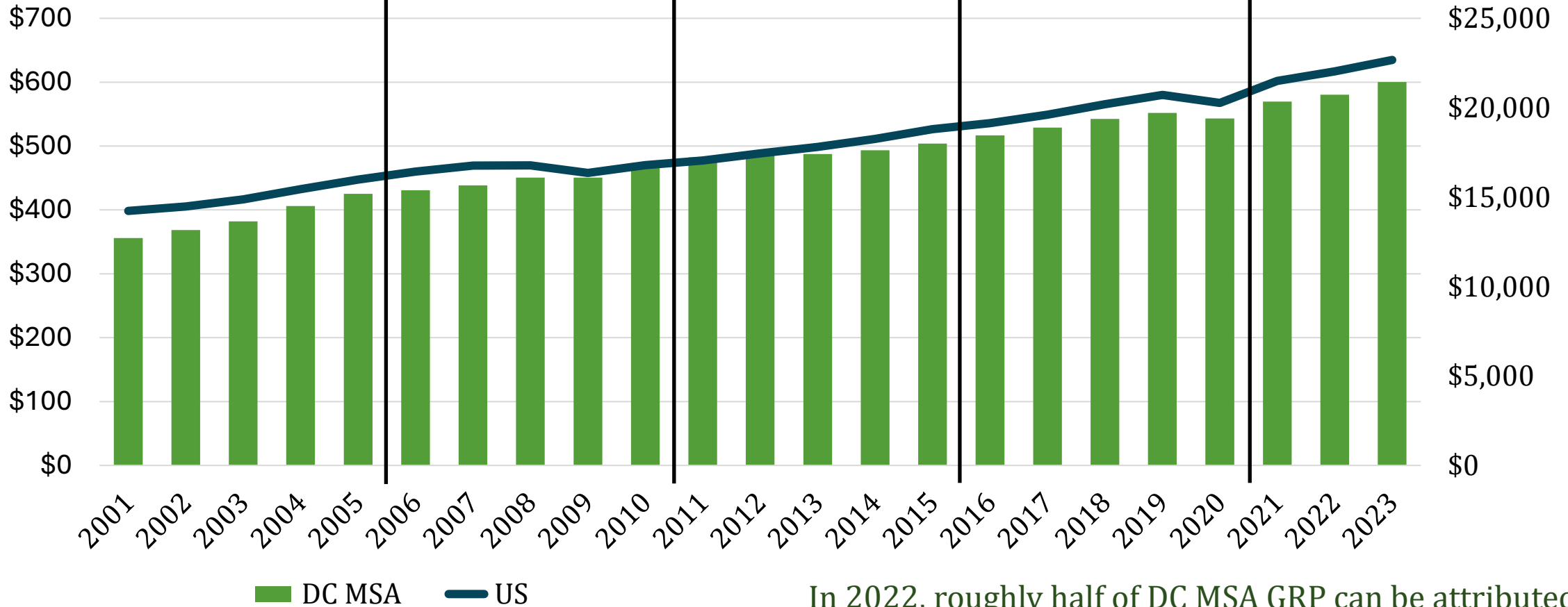
DC 4.5%
US 3.0%

2.4%
0.5%

1.1%
2.5%

1.3%
1.4%

2.7%
2.7%



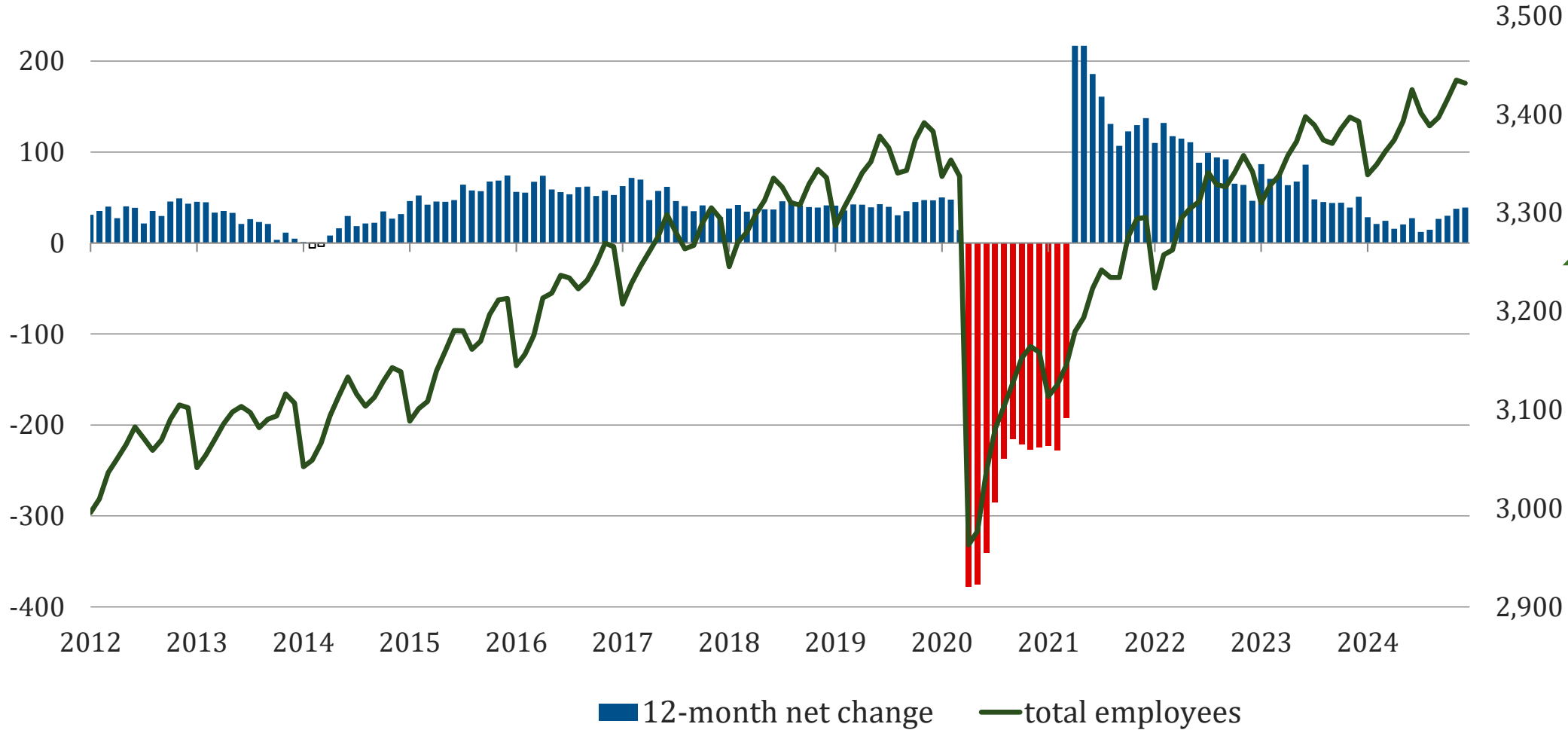
In 2022, roughly half of DC MSA GRP can be attributed to data centers built that year in Loudoun



Annual Job Change Washington MSA (2012-2024)

thousands

thousands

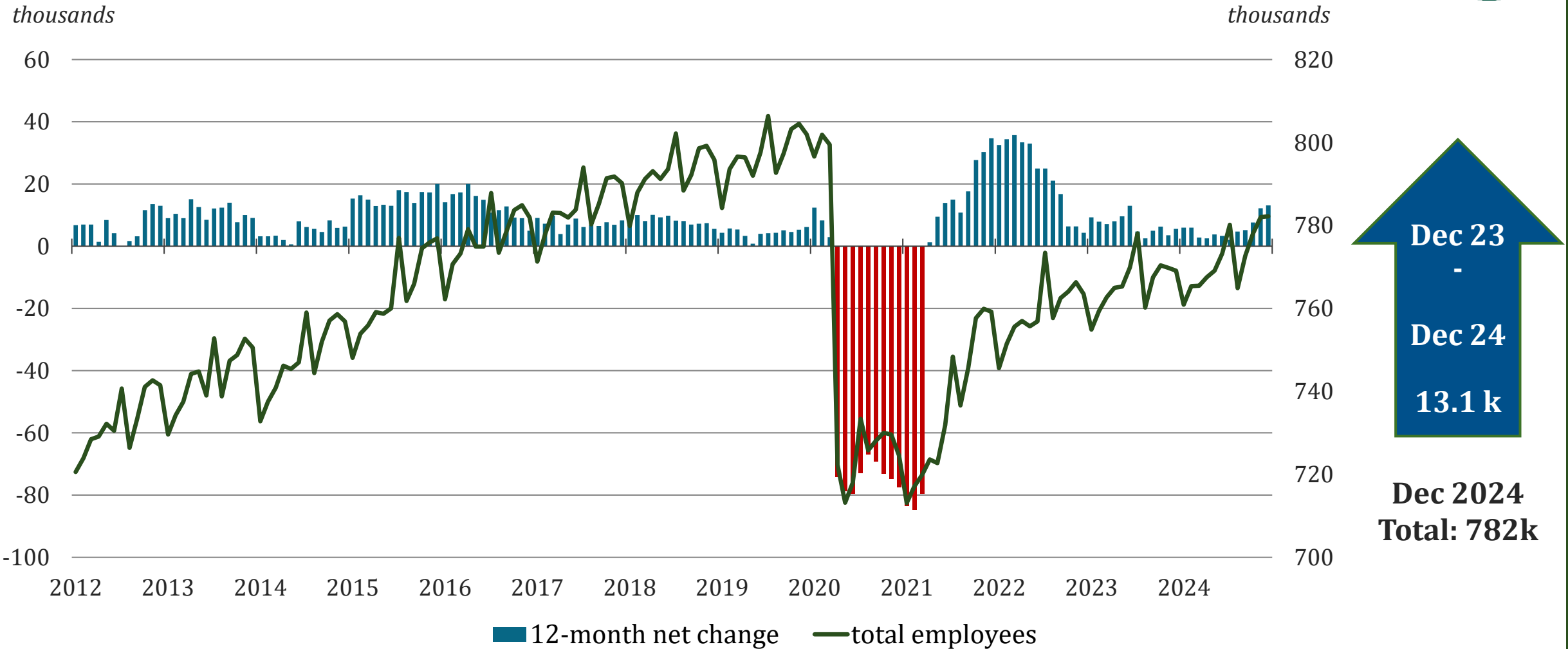


Dec 23
—
Dec 24
38.9k

Nov 2024
Total: 3.4M



Annual Job Change District of Columbia (2012-2024)



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

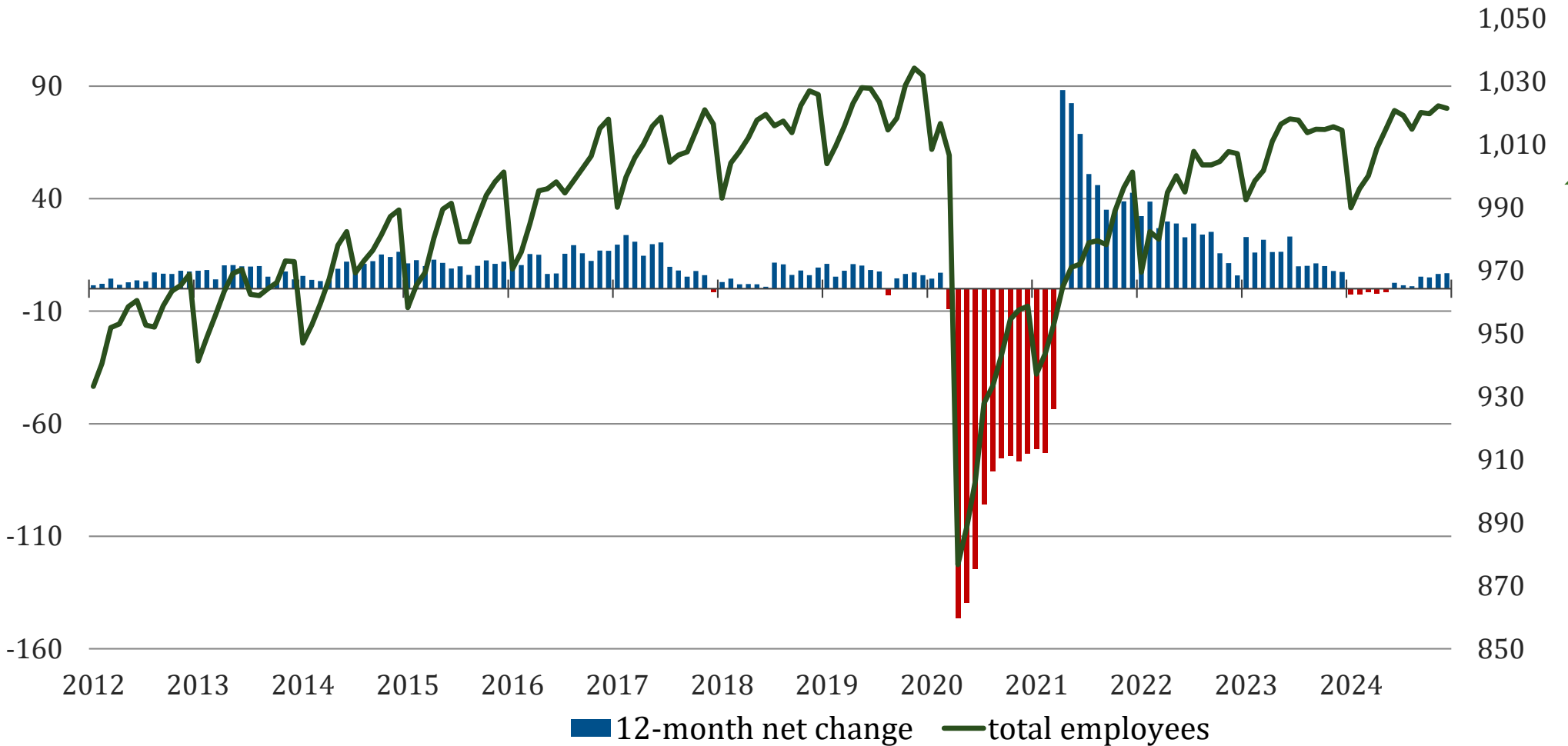


Annual Job Change Suburban Maryland (2012-2024)



thousands

thousands

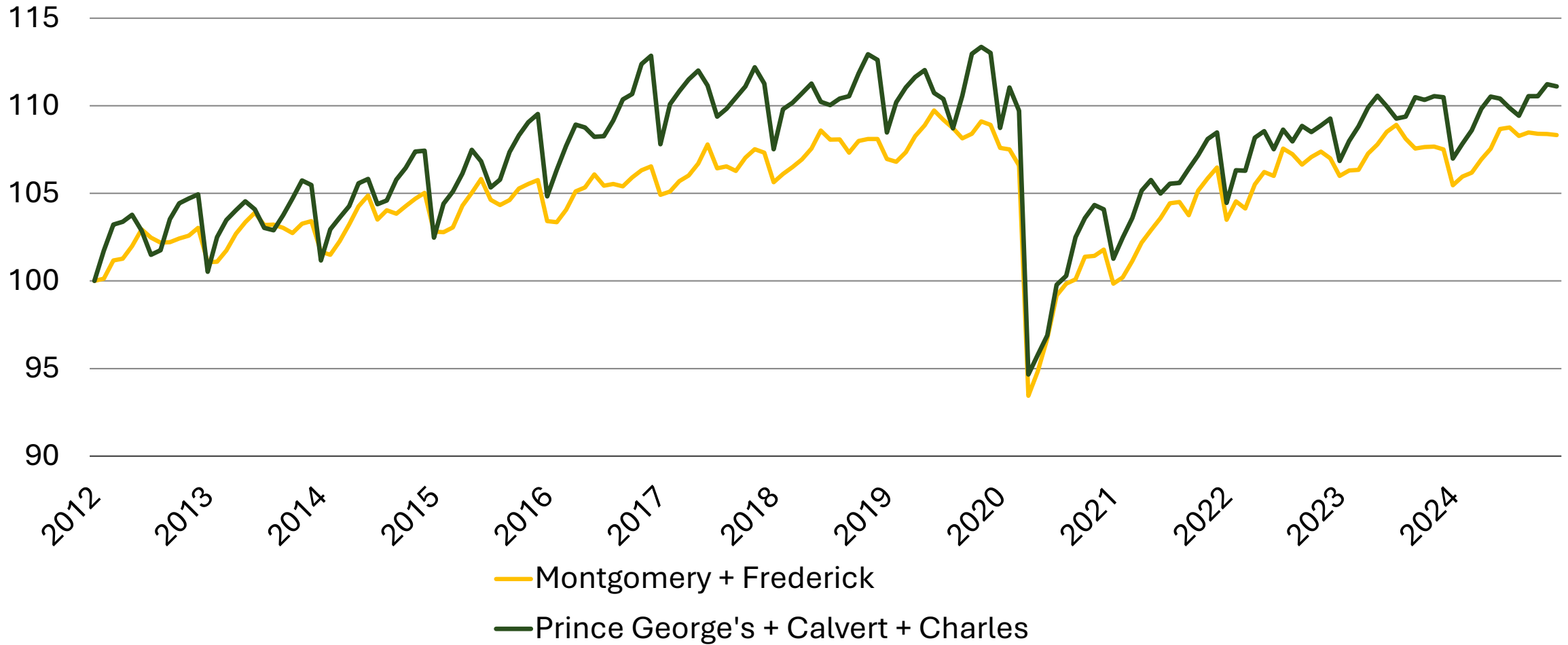


**Dec 23
-
Dec 24
6.9k**

**Dec 2024
Total:
1021.5k**

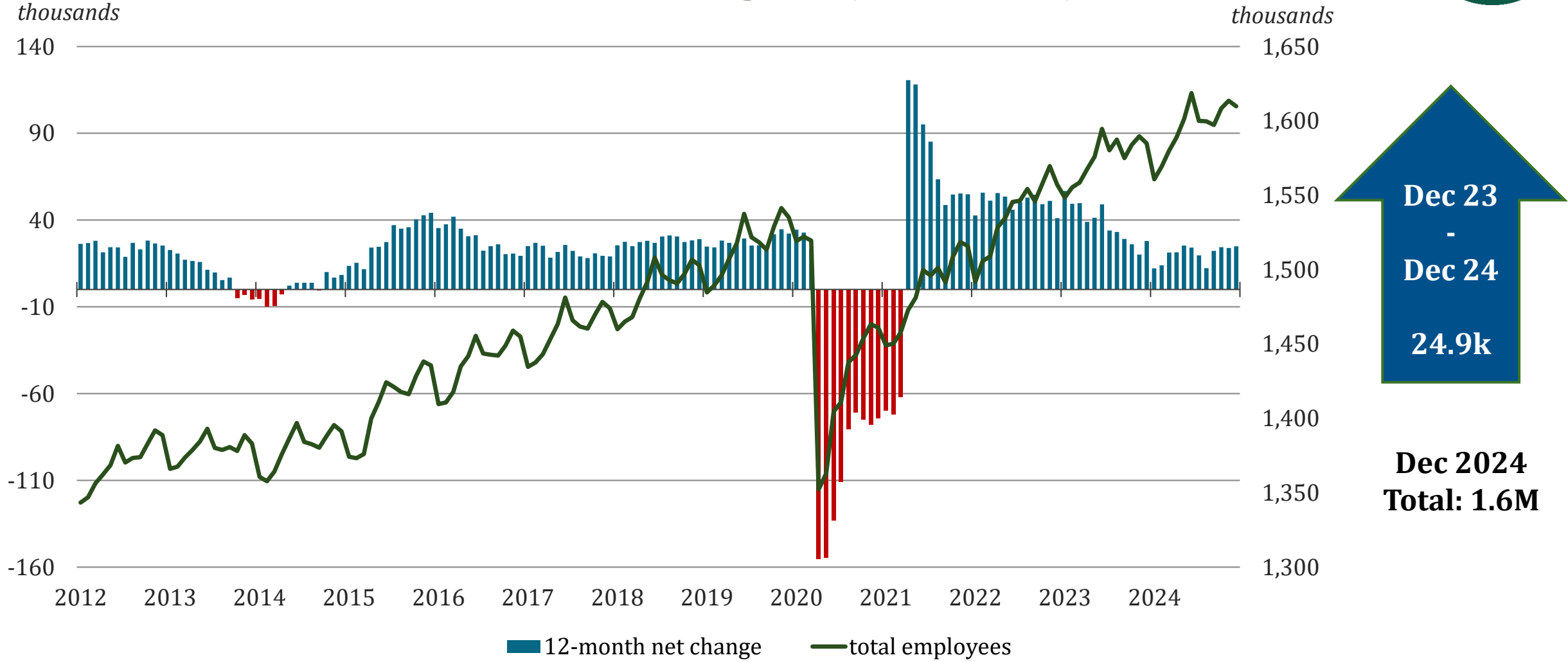


Annual Job Change Index Suburban Maryland (2012-2024)





Annual Job Change Northern Virginia (2012-2024)





Annual Job Change Virginia (2012-2024)



thousands





Payroll Jobs Virginia (2014-2024)



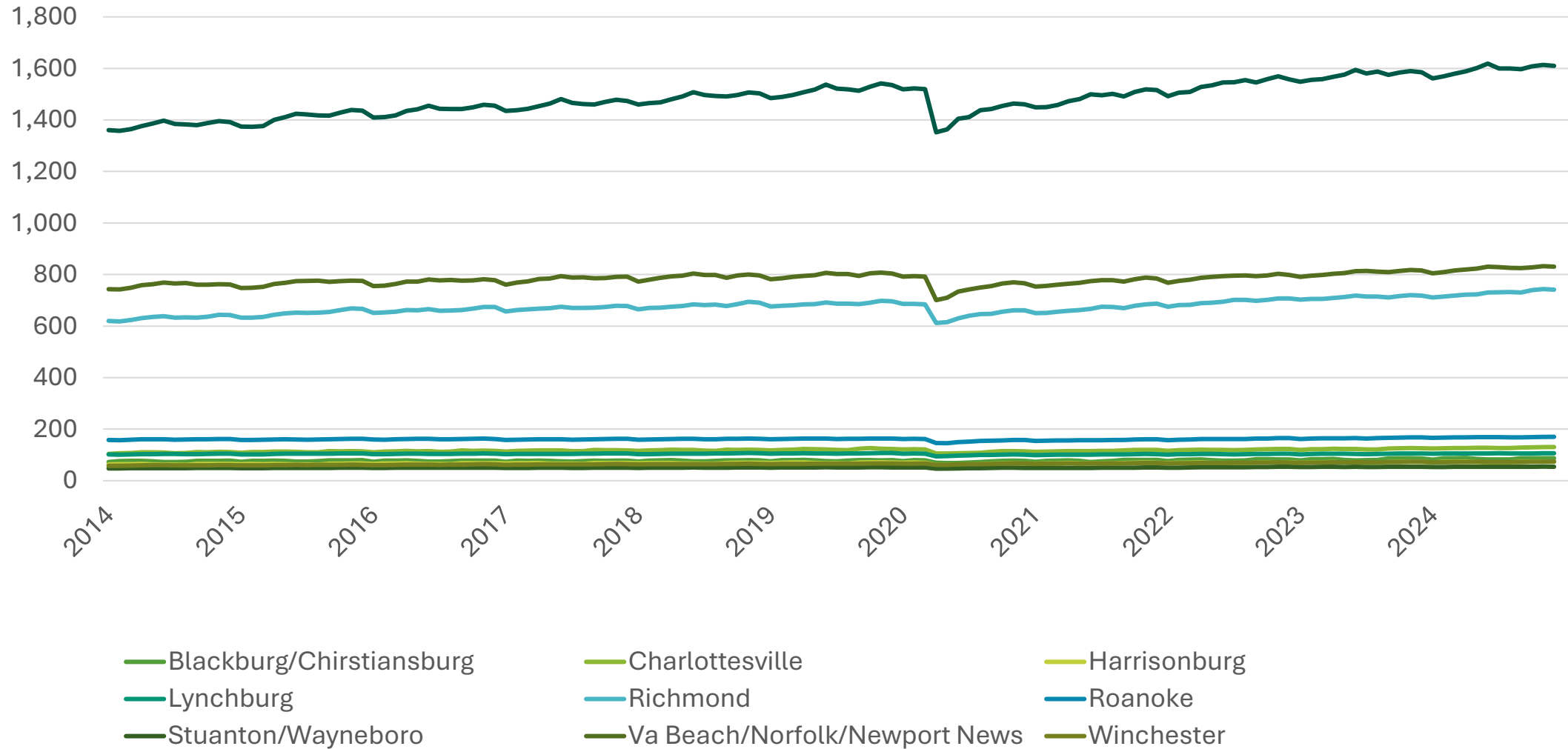
thousands





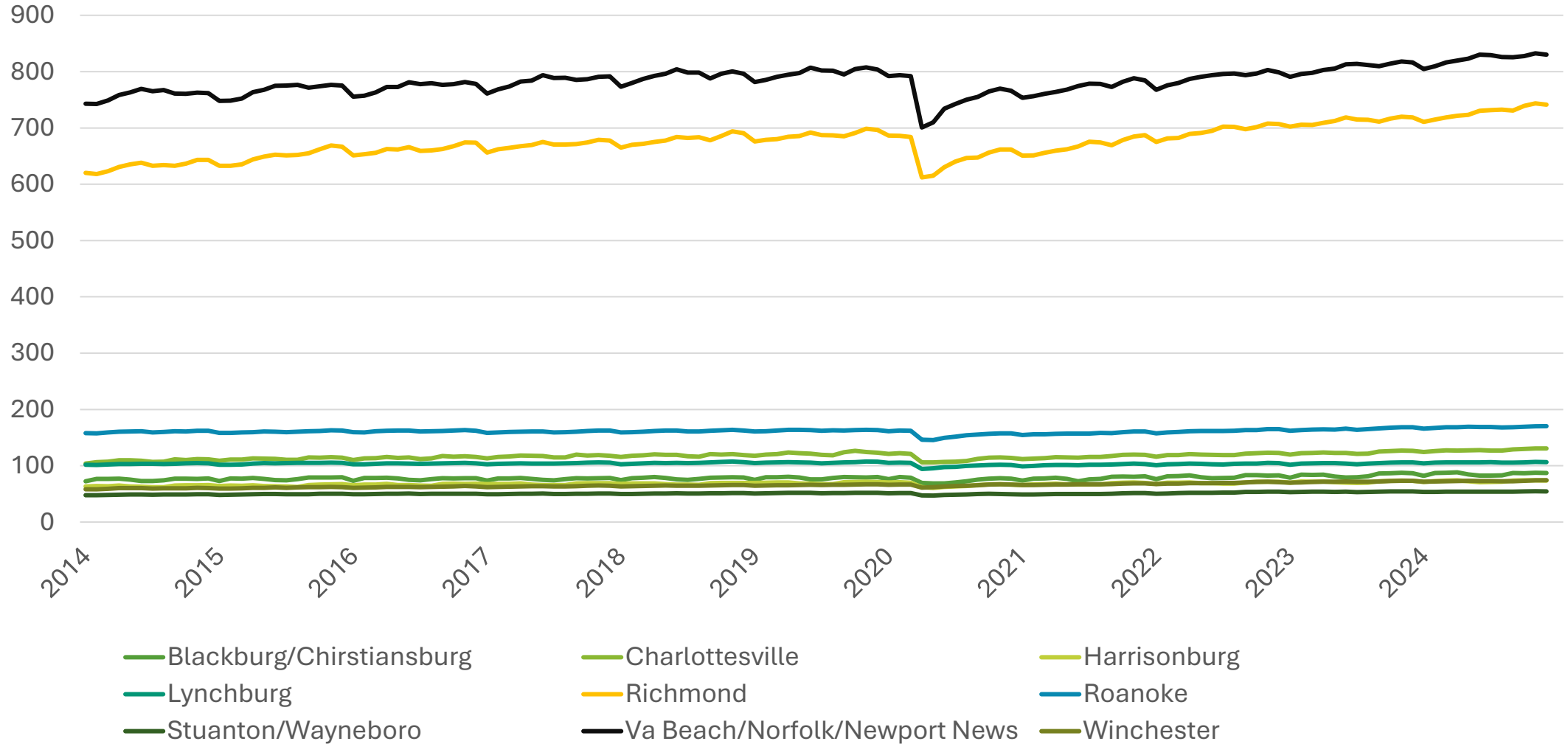
Payroll Jobs

Virginia Regions (2014-2024)



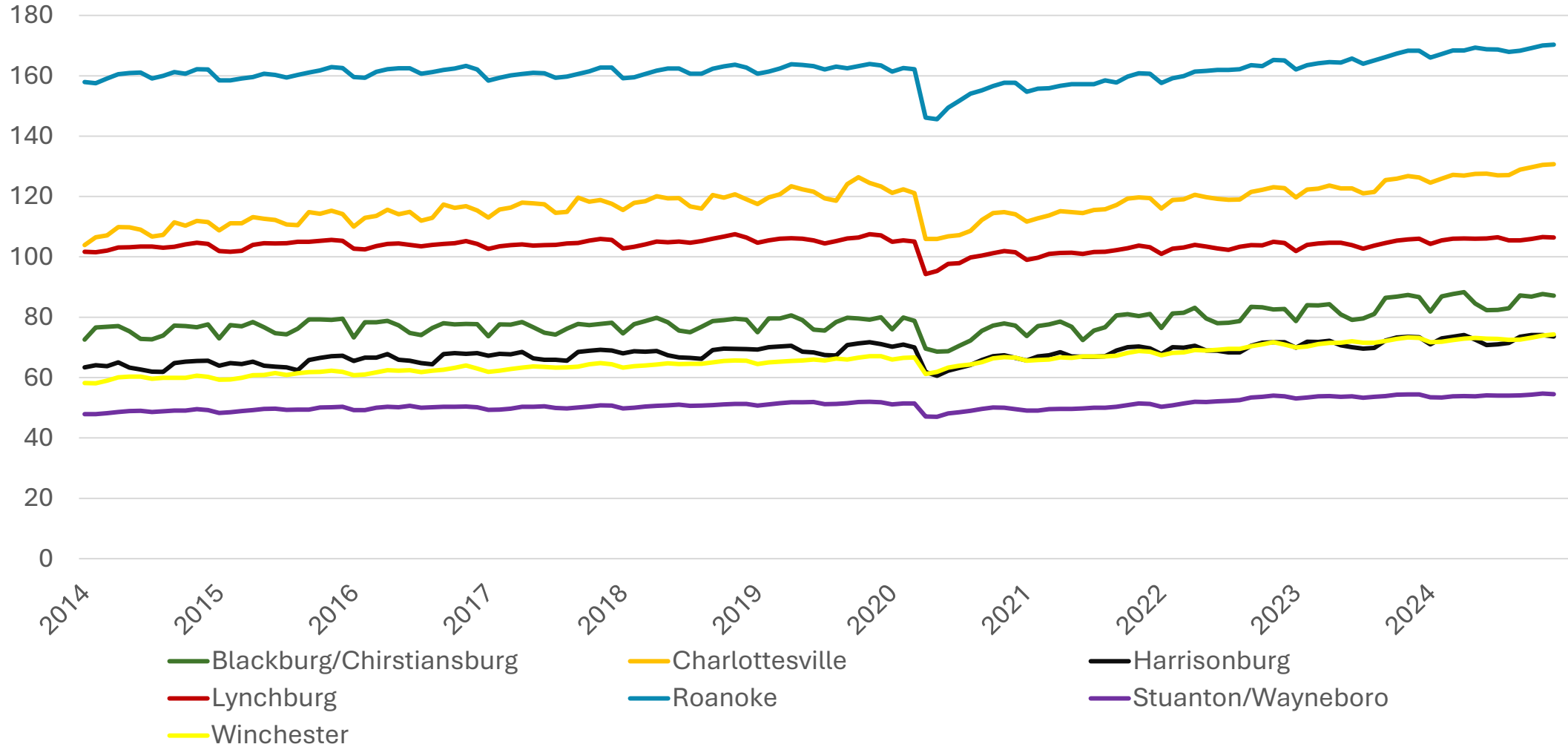


Payroll Jobs Virginia Regions (2014-2024)





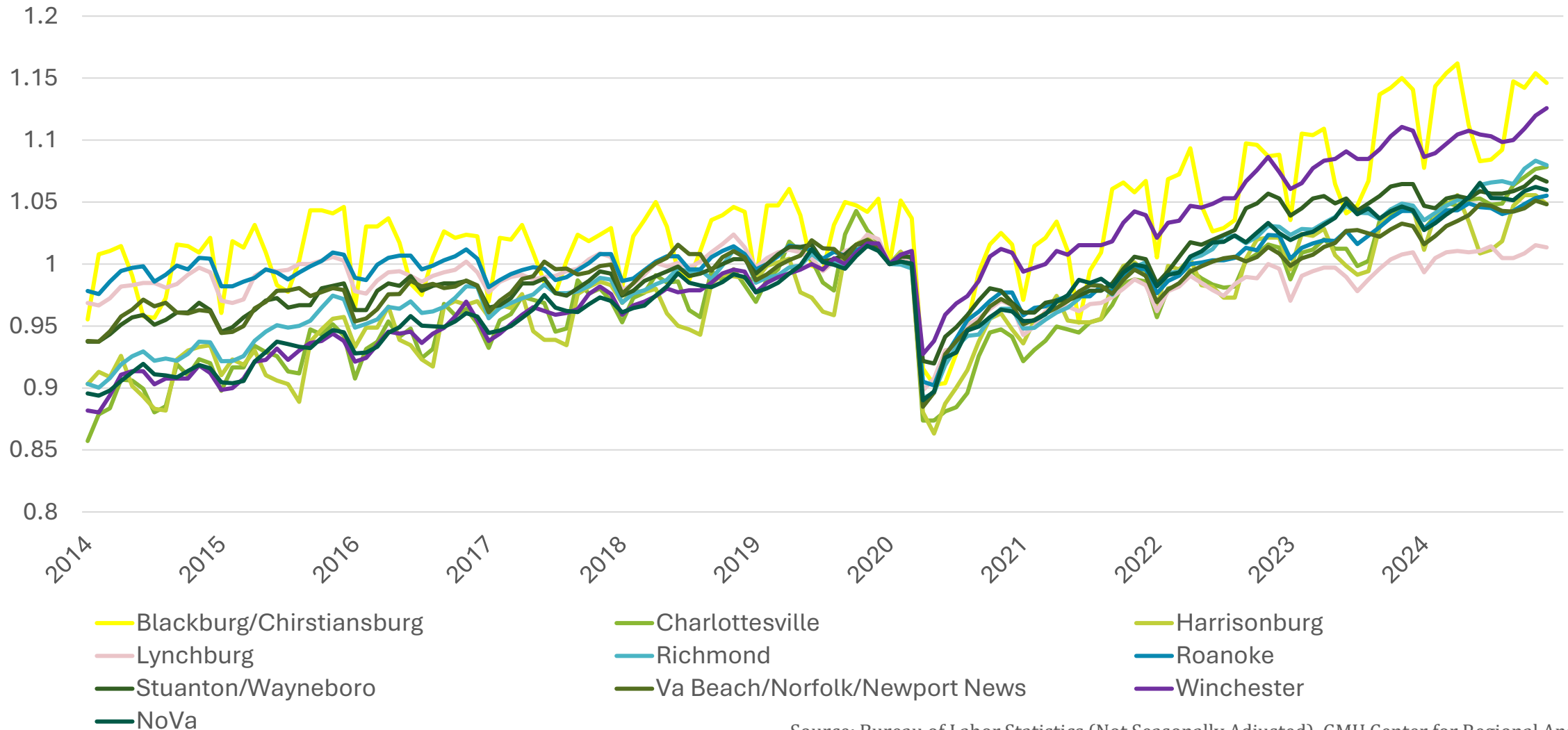
Payroll Jobs Virginia Regions (2014-2024)





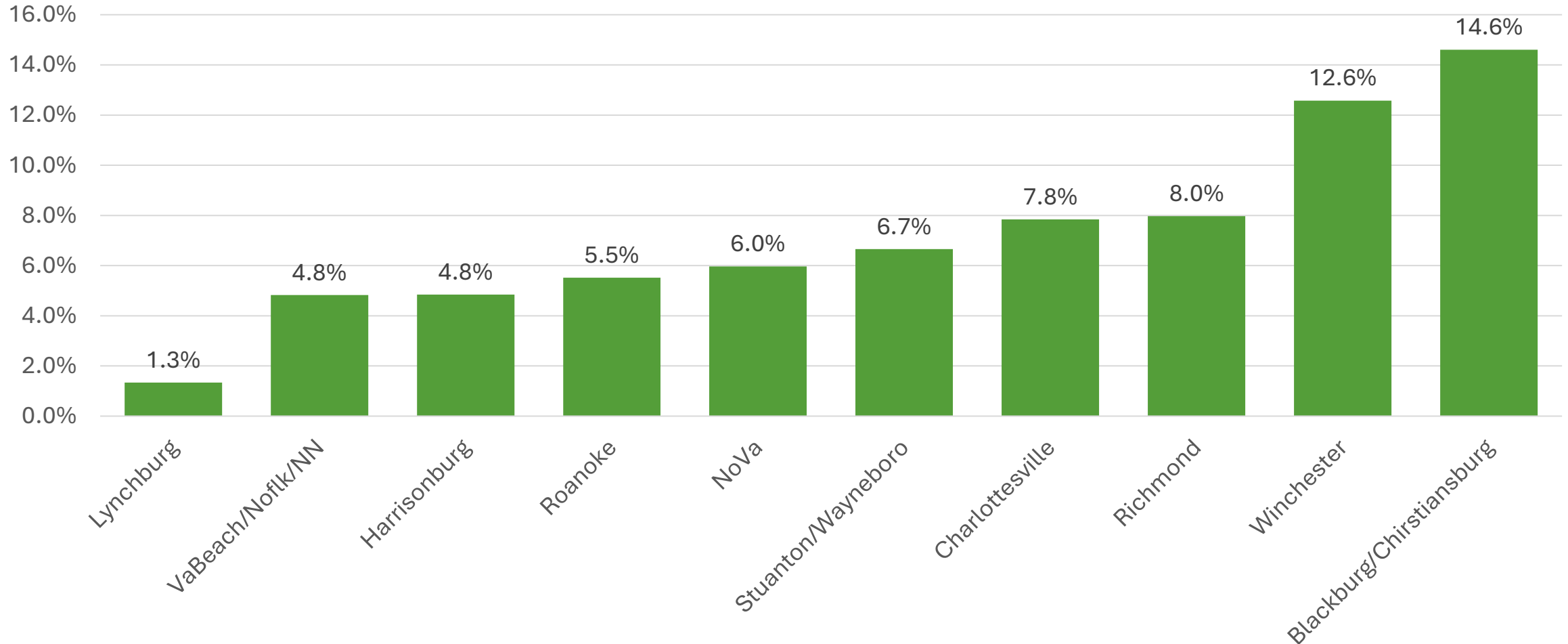
Payroll Jobs Index

Virginia Regions (2014-2024)



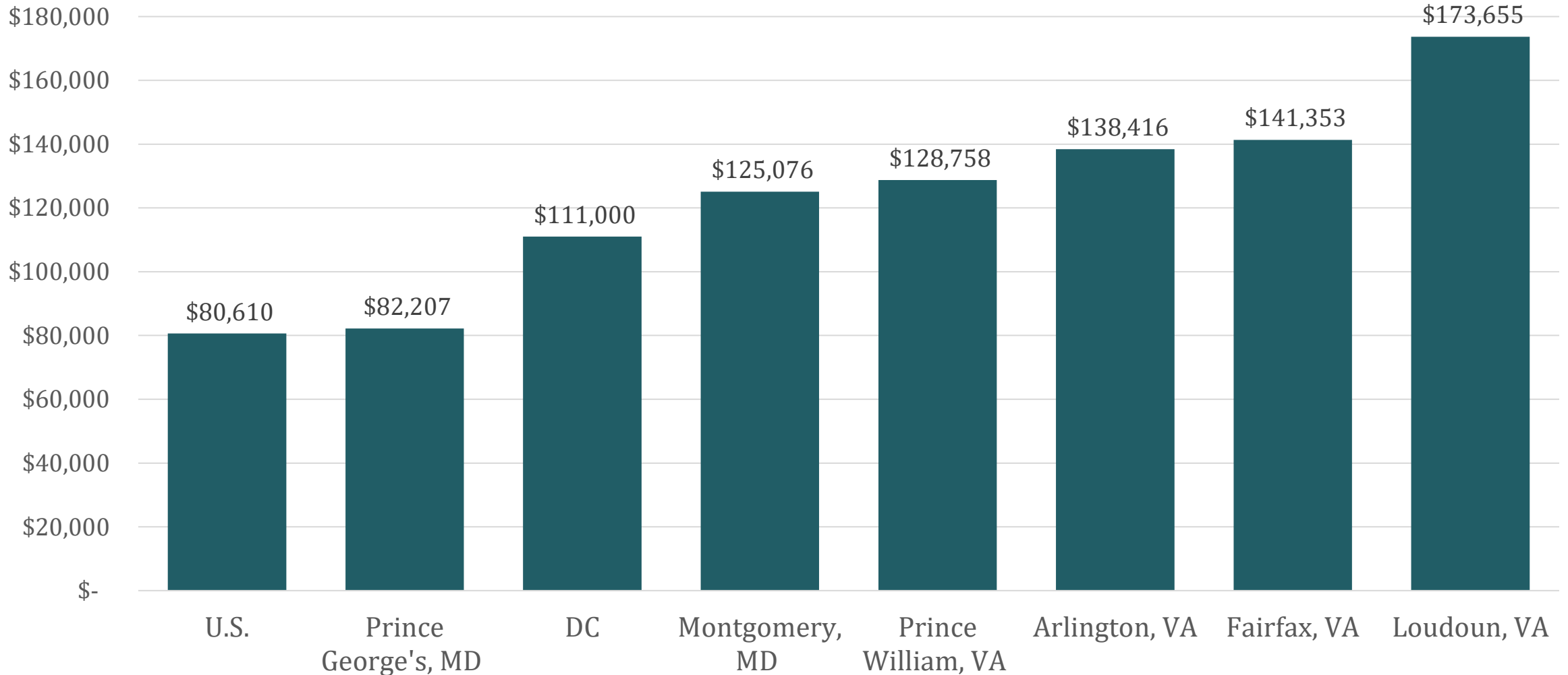
Payroll Jobs Change from Jan 2020

Virginia Regions (2014-2024)



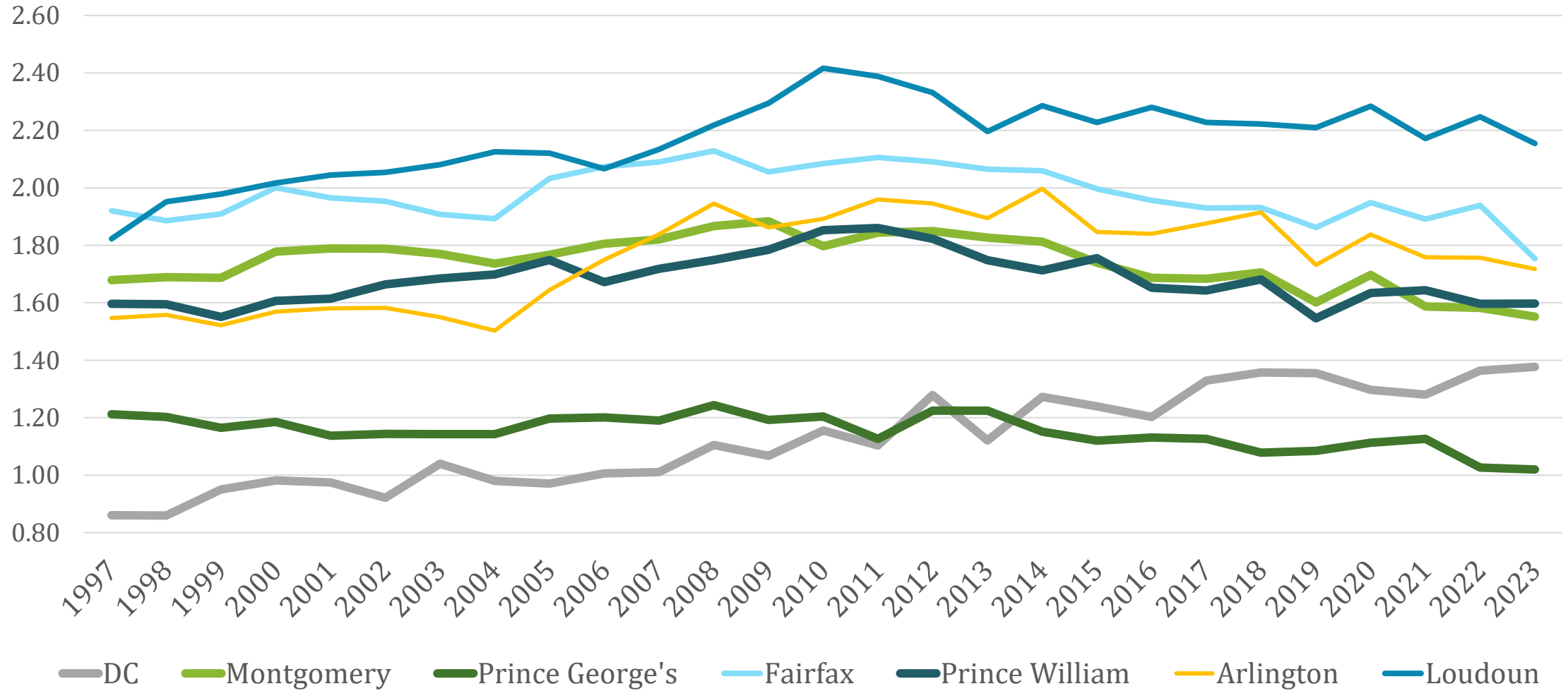
Median Household Income in Selected Jurisdictions

2023



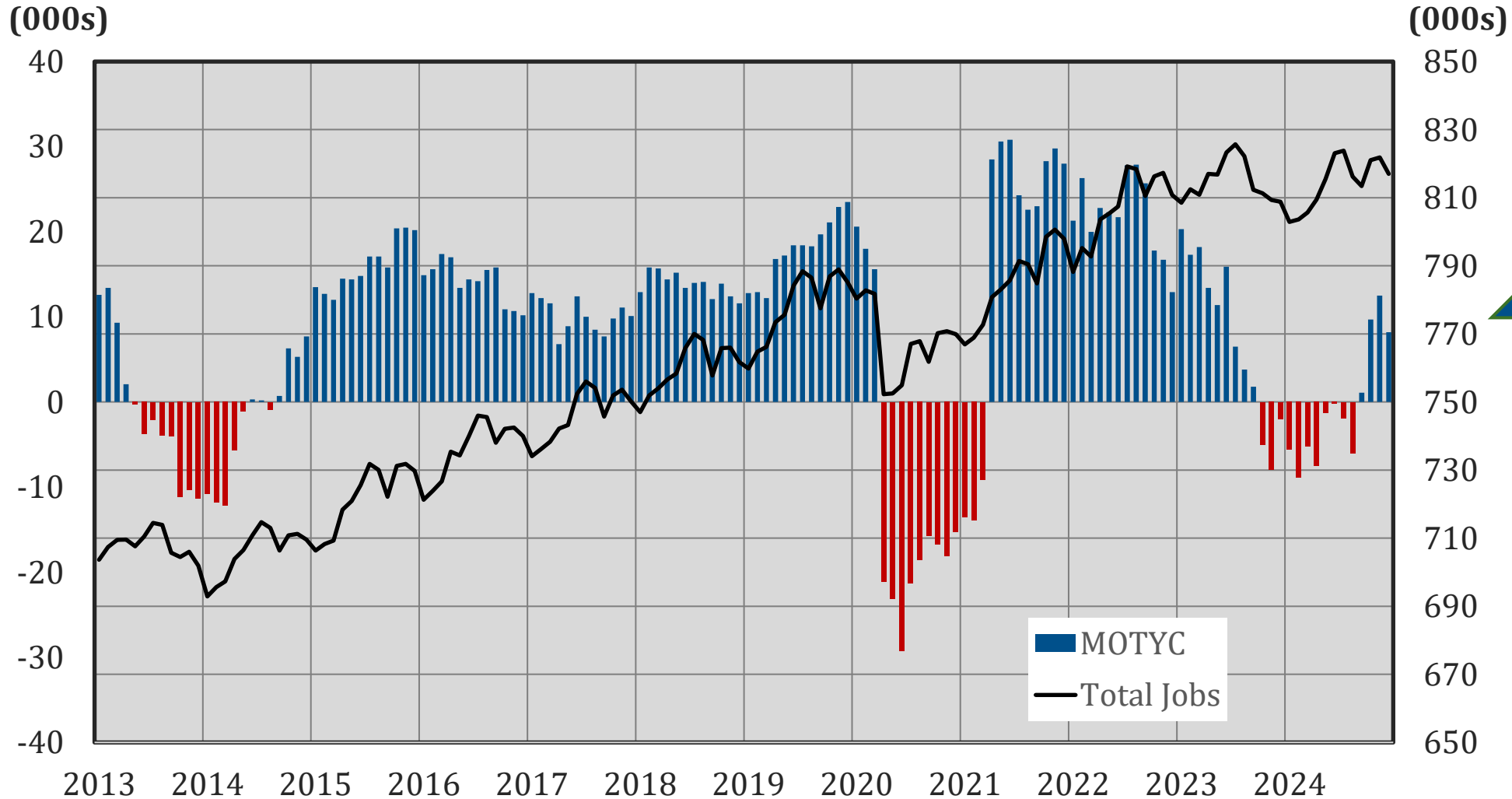
Median Household Income in Selected Jurisdictions

2023





Professional & Business Services Washington MSA

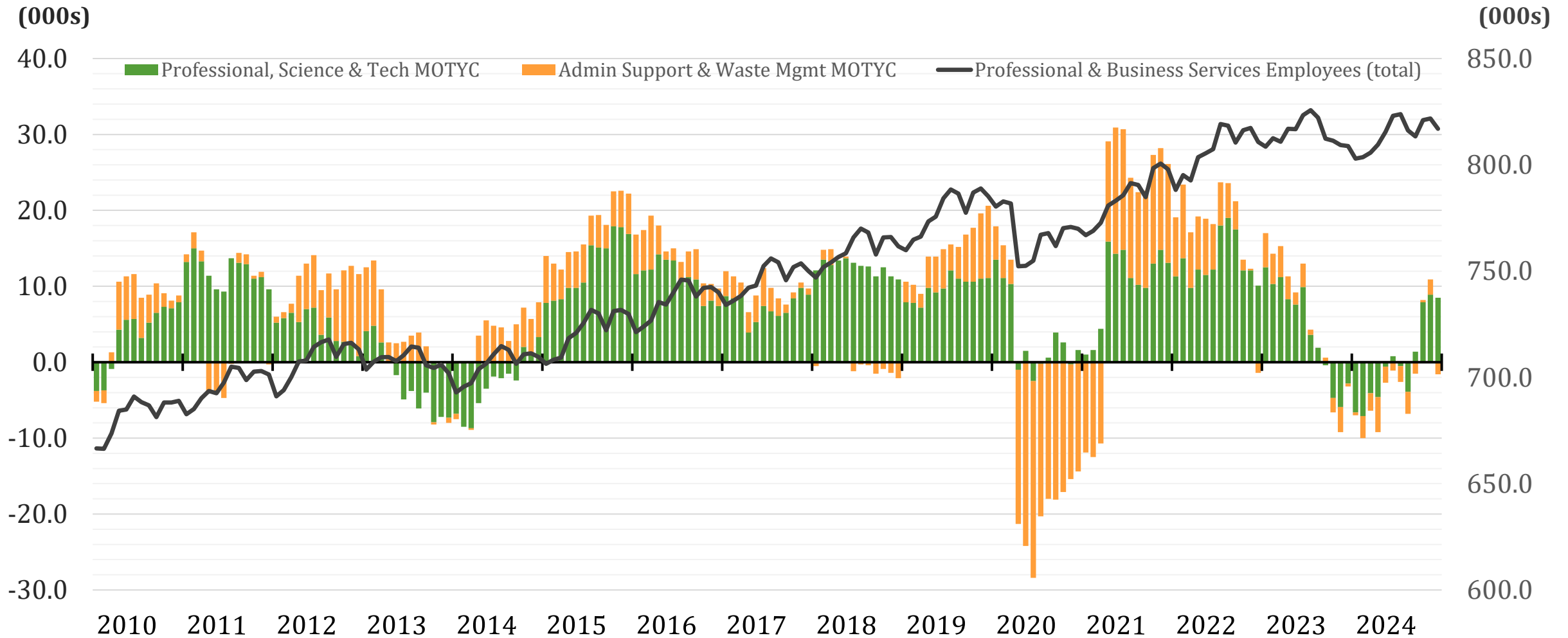


Dec 23
-
Dec 24

8.2k



Professional & Business Services Washington MSA



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

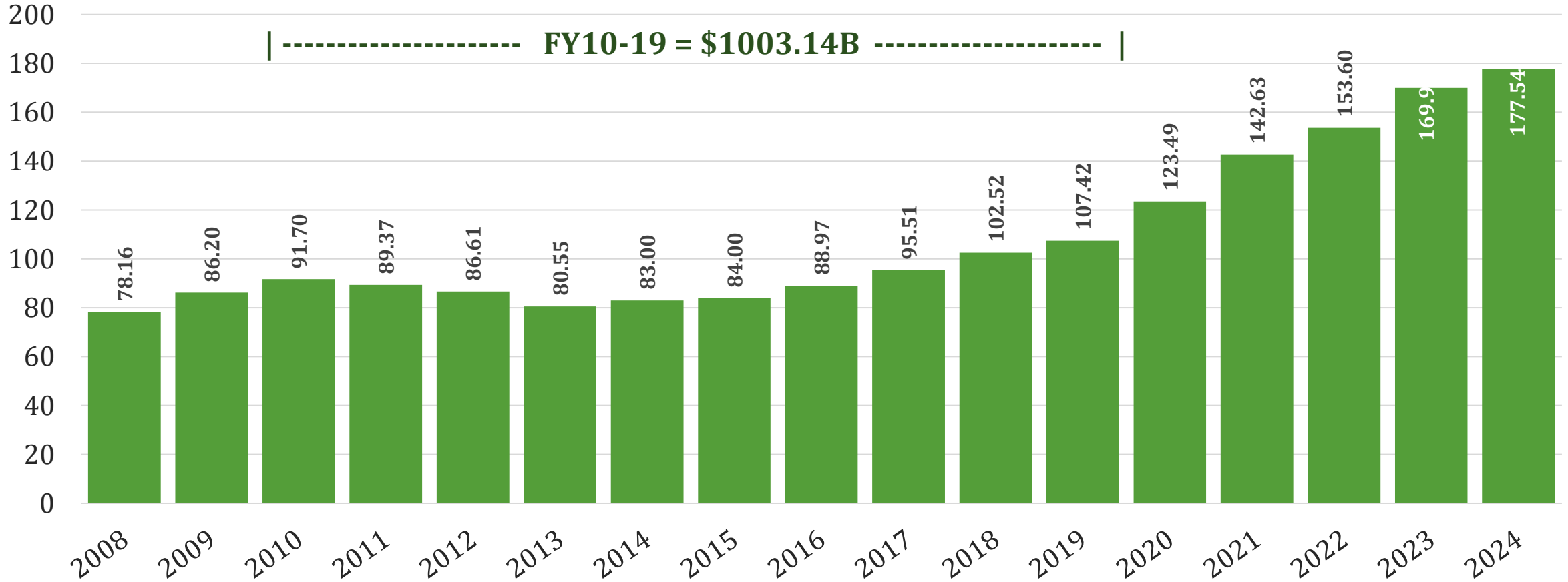


Federal Procurement Spending in the Washington MSA

Fiscal Years 2008-2024

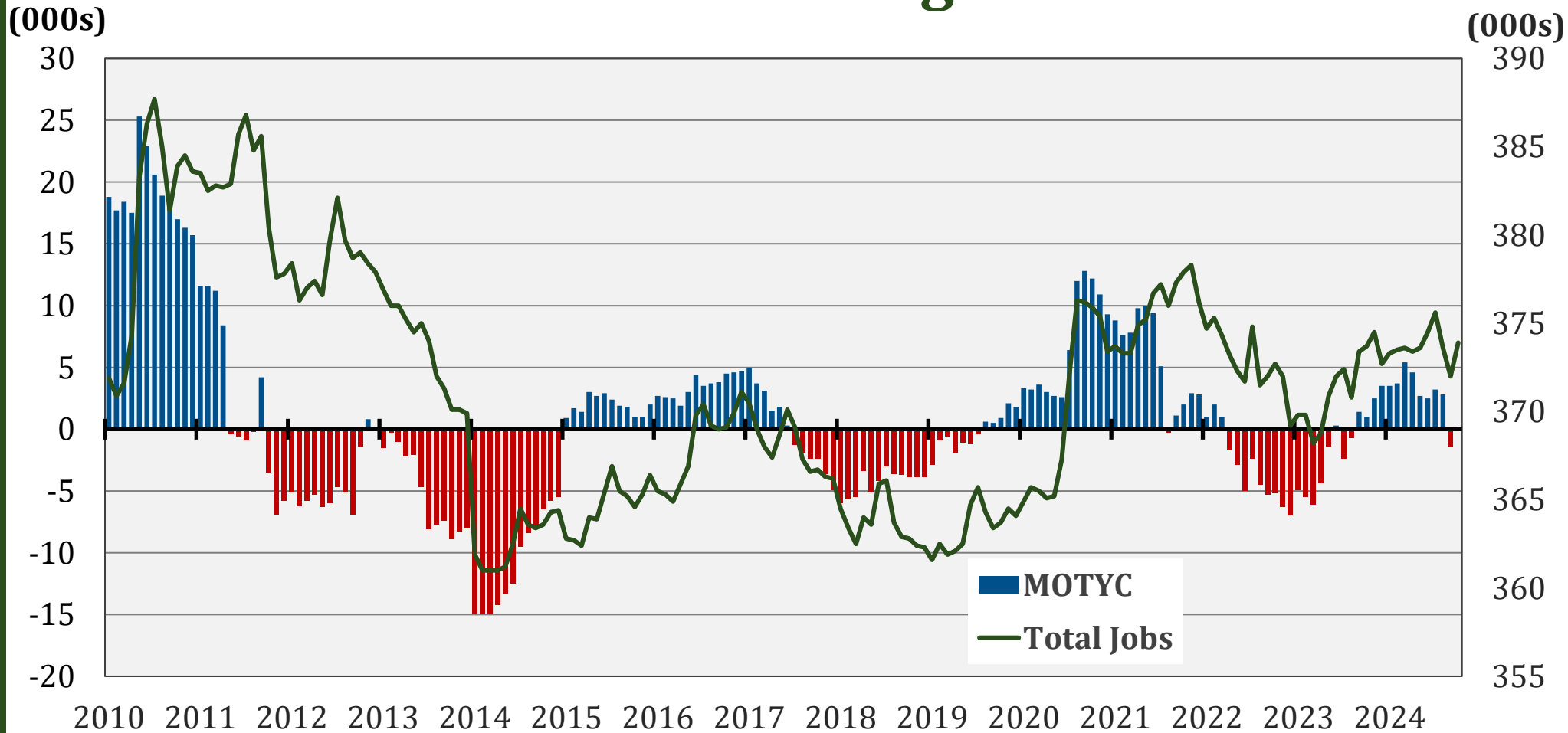
\$ Billions

Most Recent Year is Running Total





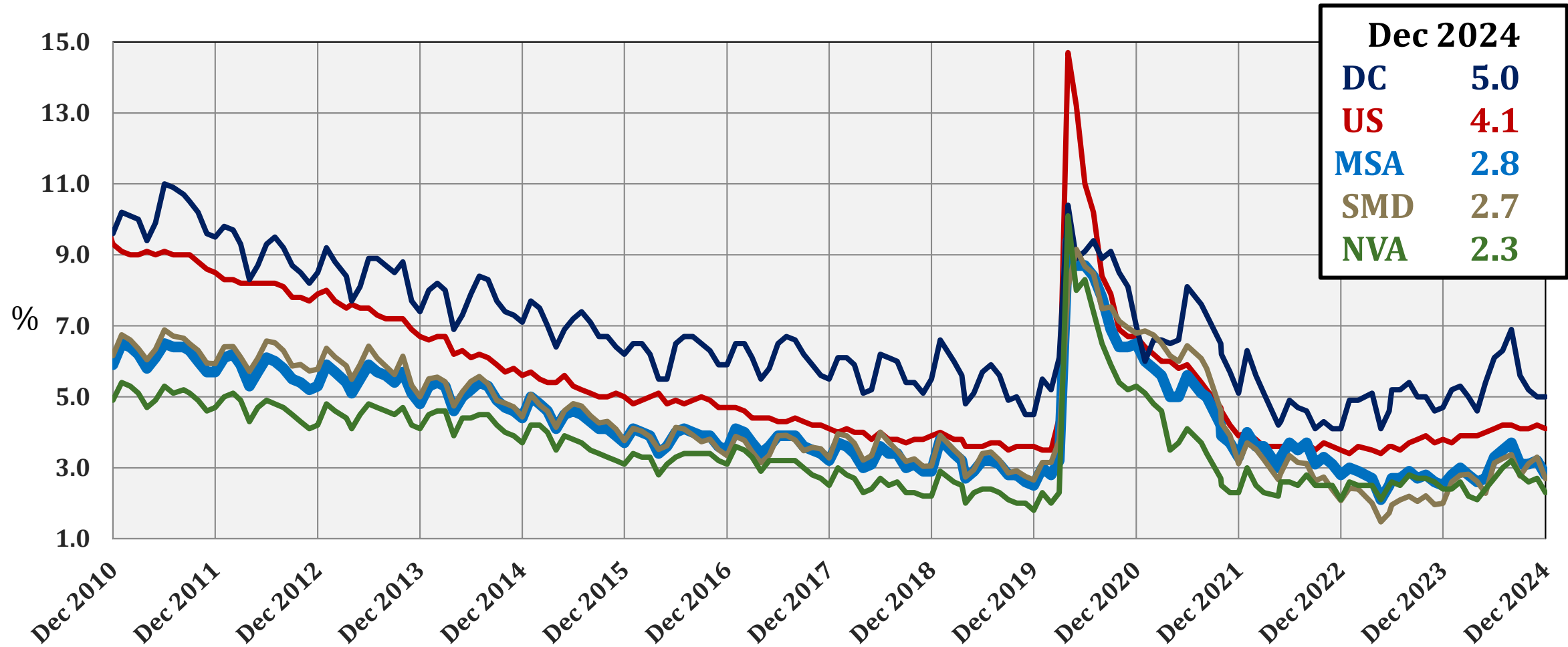
Federal Government Washington MSA



Dec 23
-
Dec 24
2.6k

Dec 2024
Total: 375k

Unemployment Rates in the WMSA By Sub-State Area

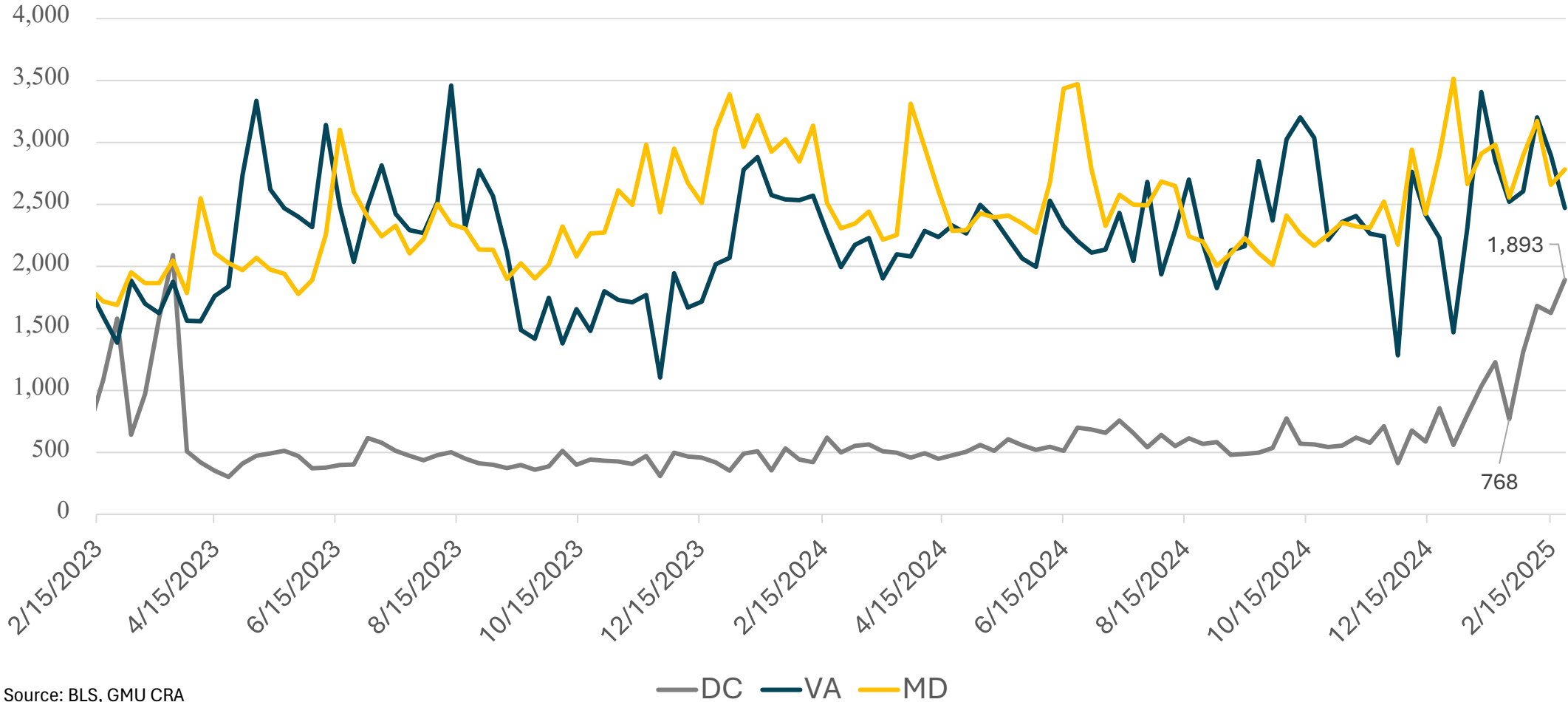


Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US - Seasonally Adjusted)



Initial Claims for Unemployment Insurance

Week Ending 2/22/2025



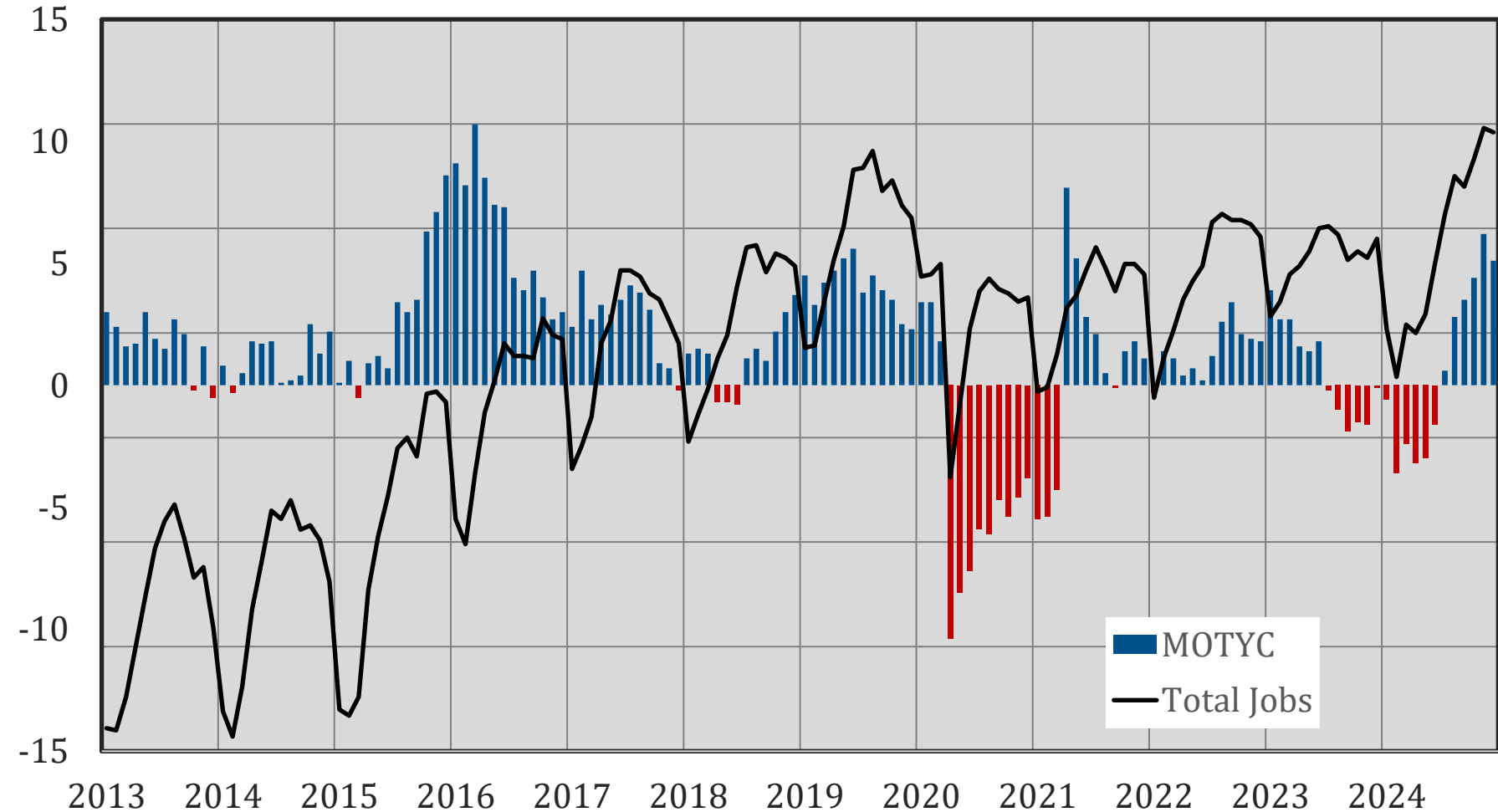
Source: BLS, GMU CRA



Construction Employment Washington MSA



(000s)

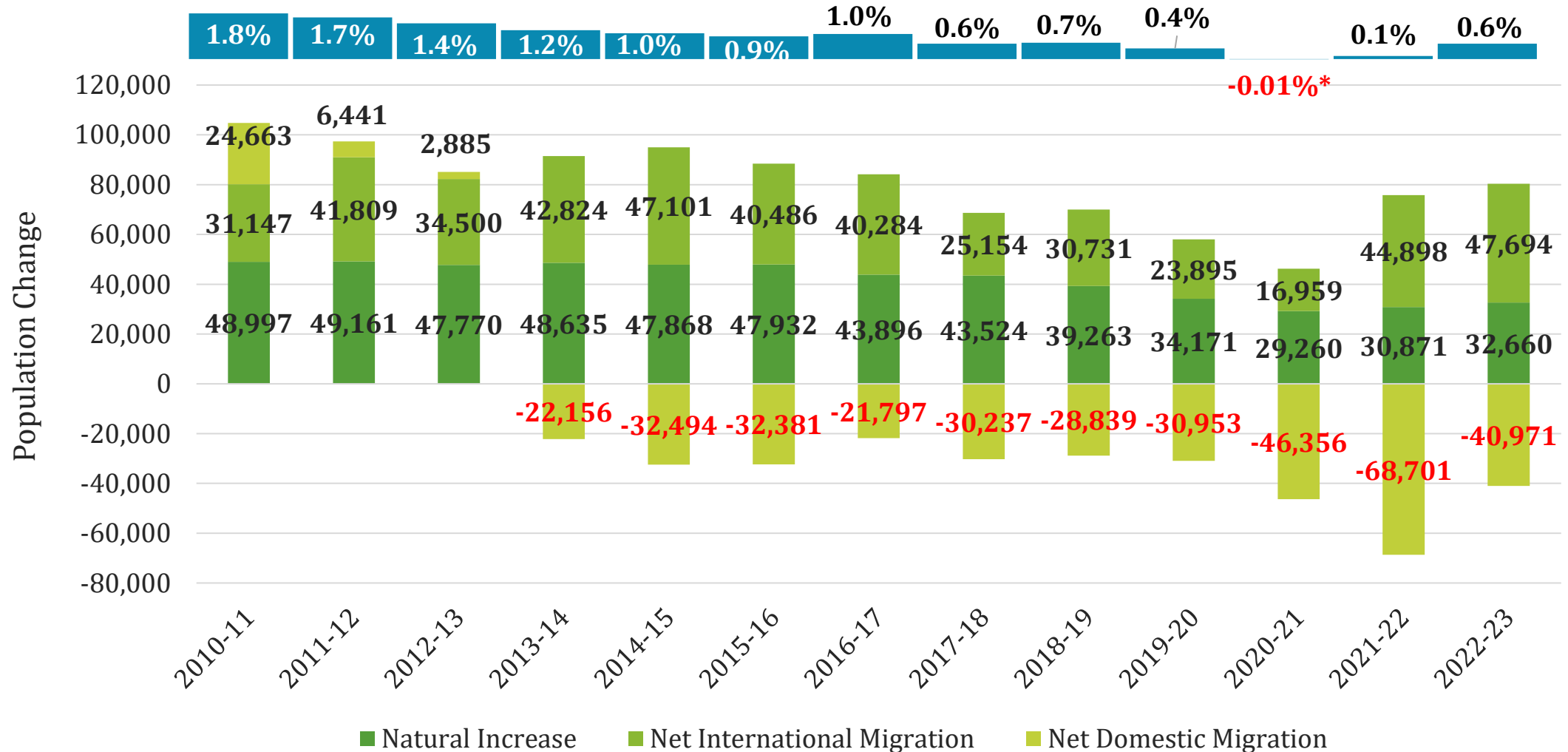


(000s)

Dec 23
-
Dec 24

5.1k

Elements of Population Change Washington MSA



Source: U. S. Census Bureau, Population Estimates Program . *PEP Vintage 2020 used for 2020 population estimate.



Area Development 2023 Metro Rankings



Metro Area	Overall	Economic Strength	Core Econ Indicators	Job Growth	Prime Workforce	Wage Growth	Workforce Readiness
Salt Lake City	1	3	47	1	3	14	7
Olympia, WA	2	2	22	3	14	20	16
Decatur, AL	3	5	4	29	13	15	17
Miami	4	4	2	20	41	25	62
Austin	5	15	156	6	1	31	1
Missoula, MT	6	9	7	46	12	7	25
Palm Bay, FL	7	12	100	10	4	53	3
Tampa, FL	8	7	8	31	22	49	26
Tallahassee, FL	9	1	18	2	82	145	84
Ogden, UT	10	19	124	12	10	35	8
Washington DC	314	251	259	225	338	334	319



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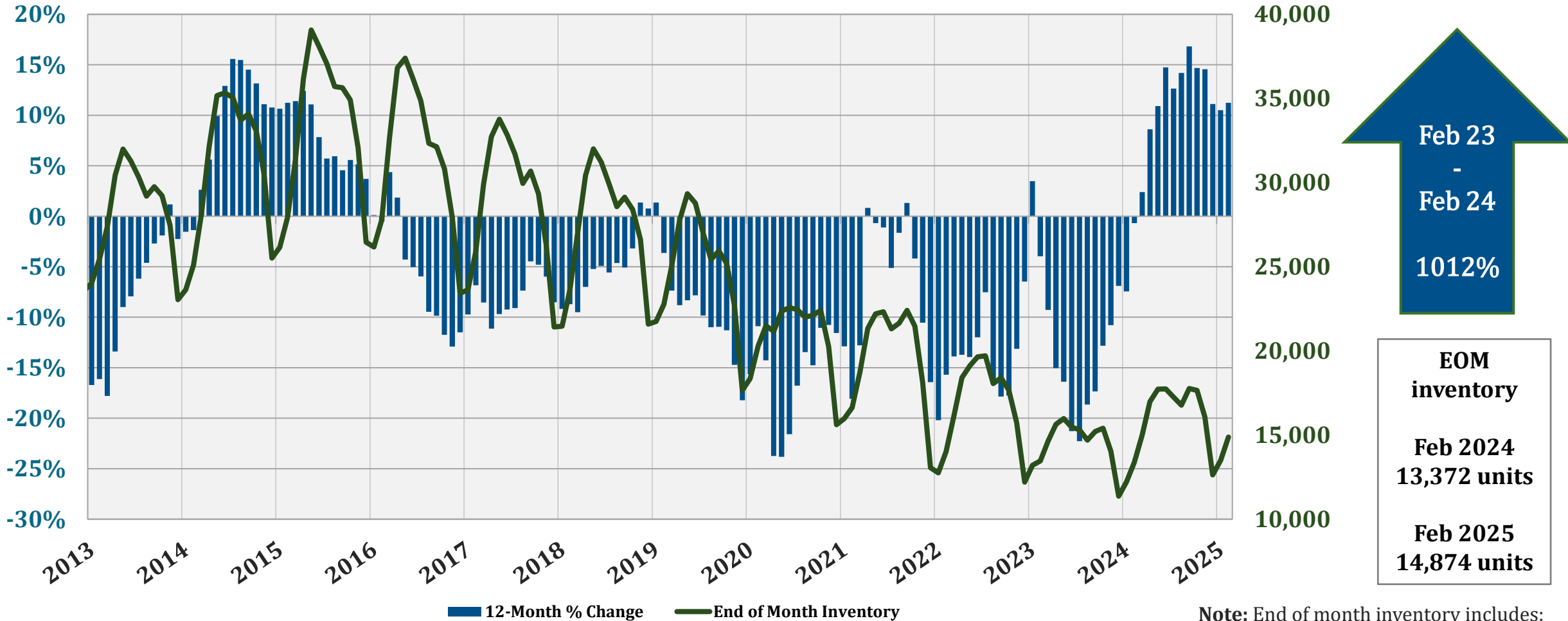
Housing Market Trends



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Inventories of Existing Homes

Washington MSA MOTYC (2013-2025)



Feb 23
-
Feb 24
1012%

EOM inventory

Feb 2024
13,372 units

Feb 2025
14,874 units

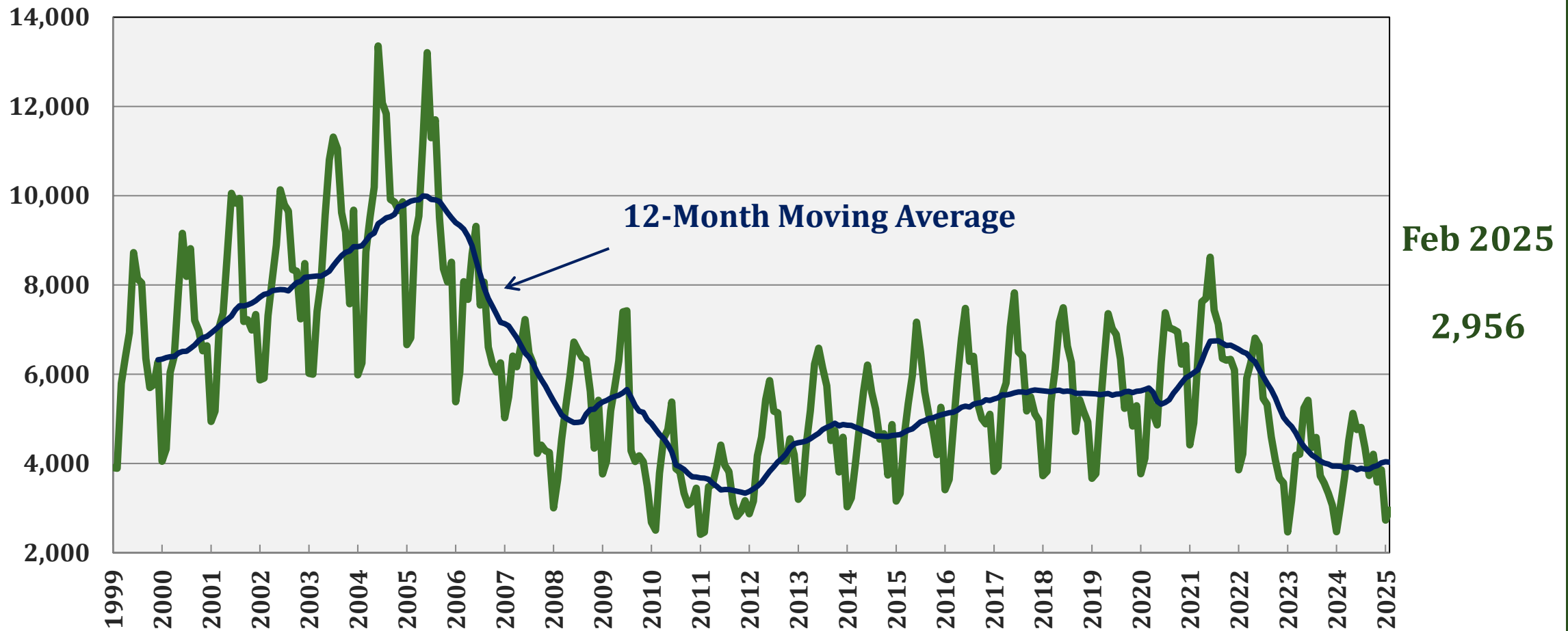
Note: End of month inventory includes:
(1) All Pending Listings and (2) Active Listings.



Existing Home Sales

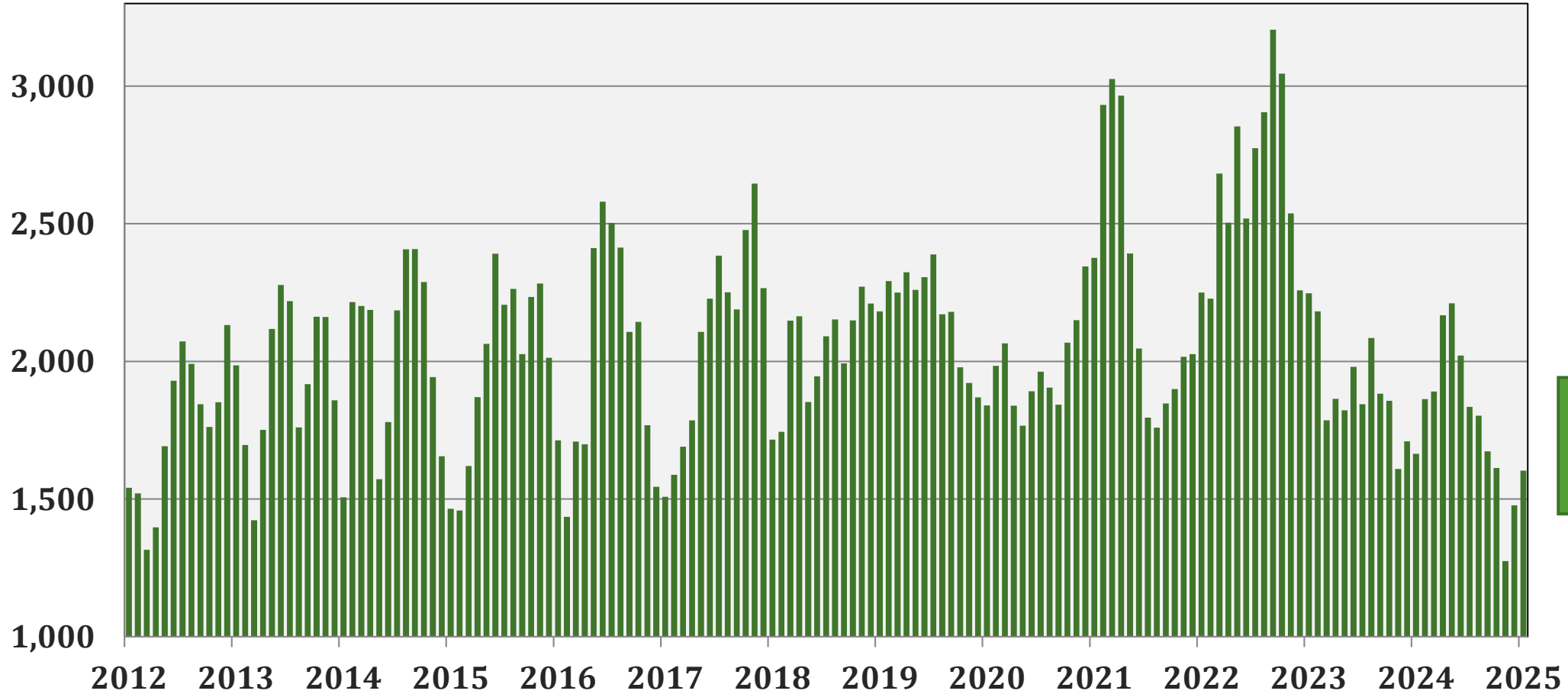
Washington MSA (DC Metro Region)

1999 - 2025



Washington MSA Building Permits

2012-2025, Three-Month Moving Average

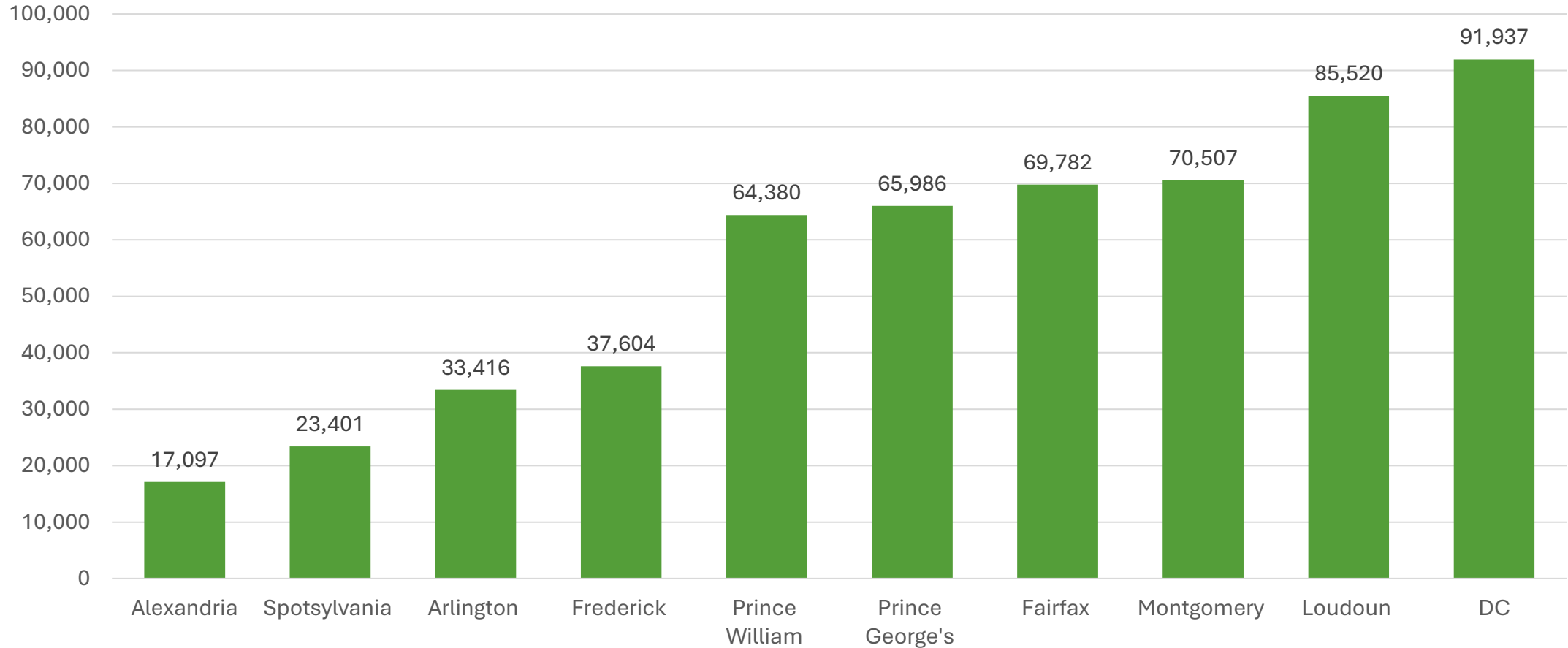


Jan 2025
2180
permits
issued

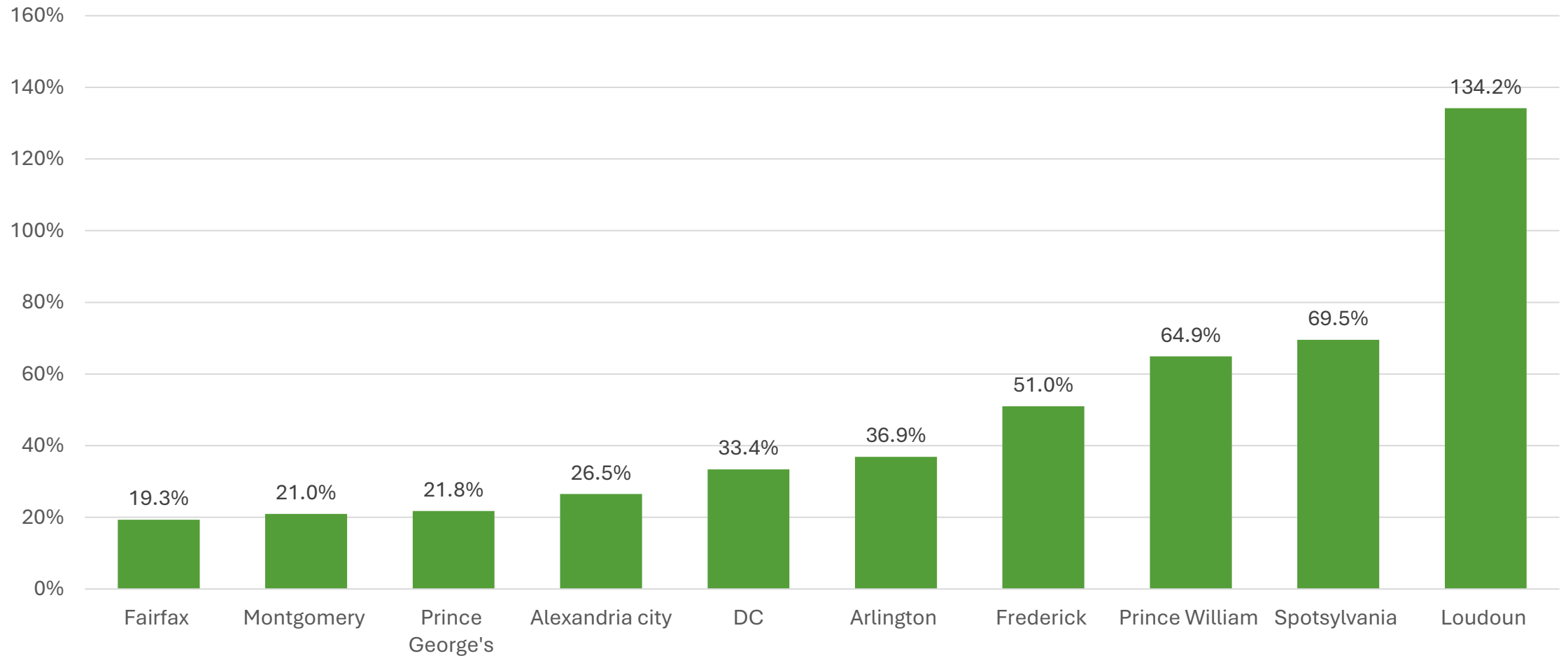
1,603
3 mo avg

Change in Housing Units

Select DC MSA Jurisdictions (2000-2023)



% Change in Housing Units Select DC MSA Jurisdictions (2000-2023)

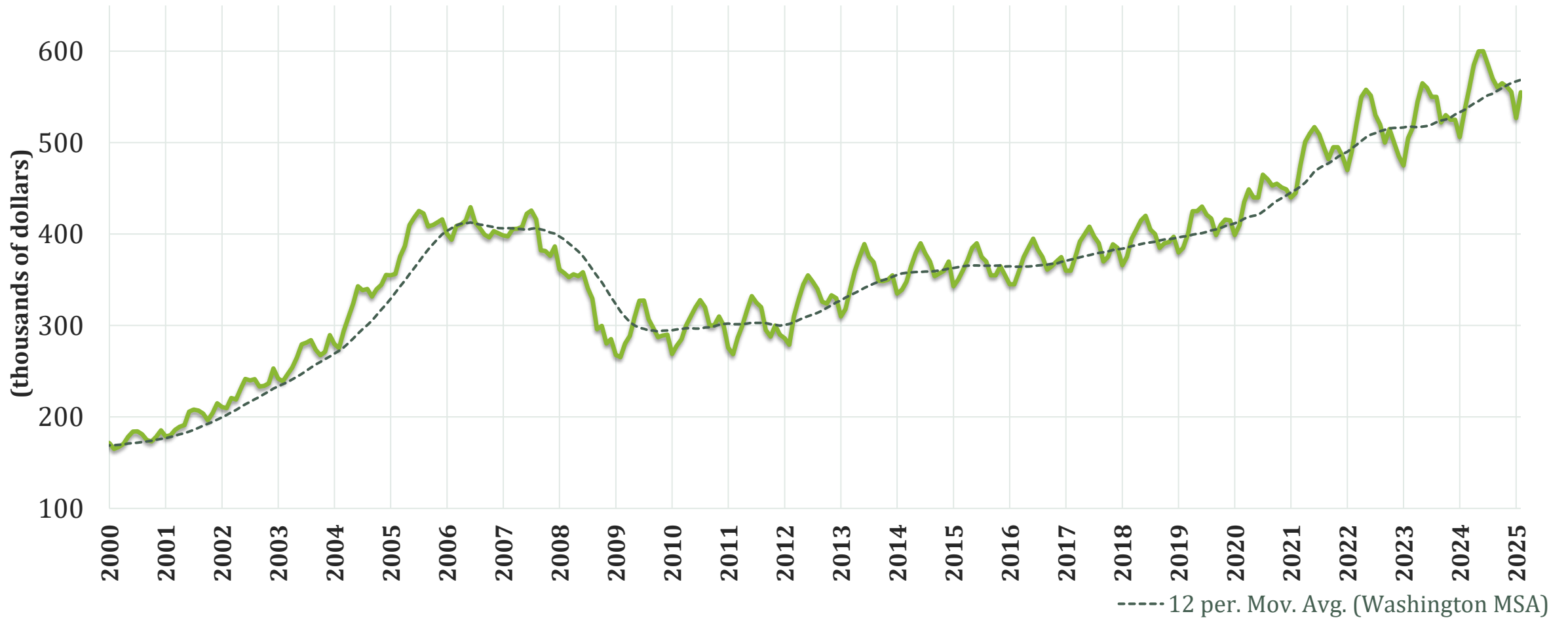


Source: GMU Center for Regional Analysis (CRA); Census Population Estimates Program



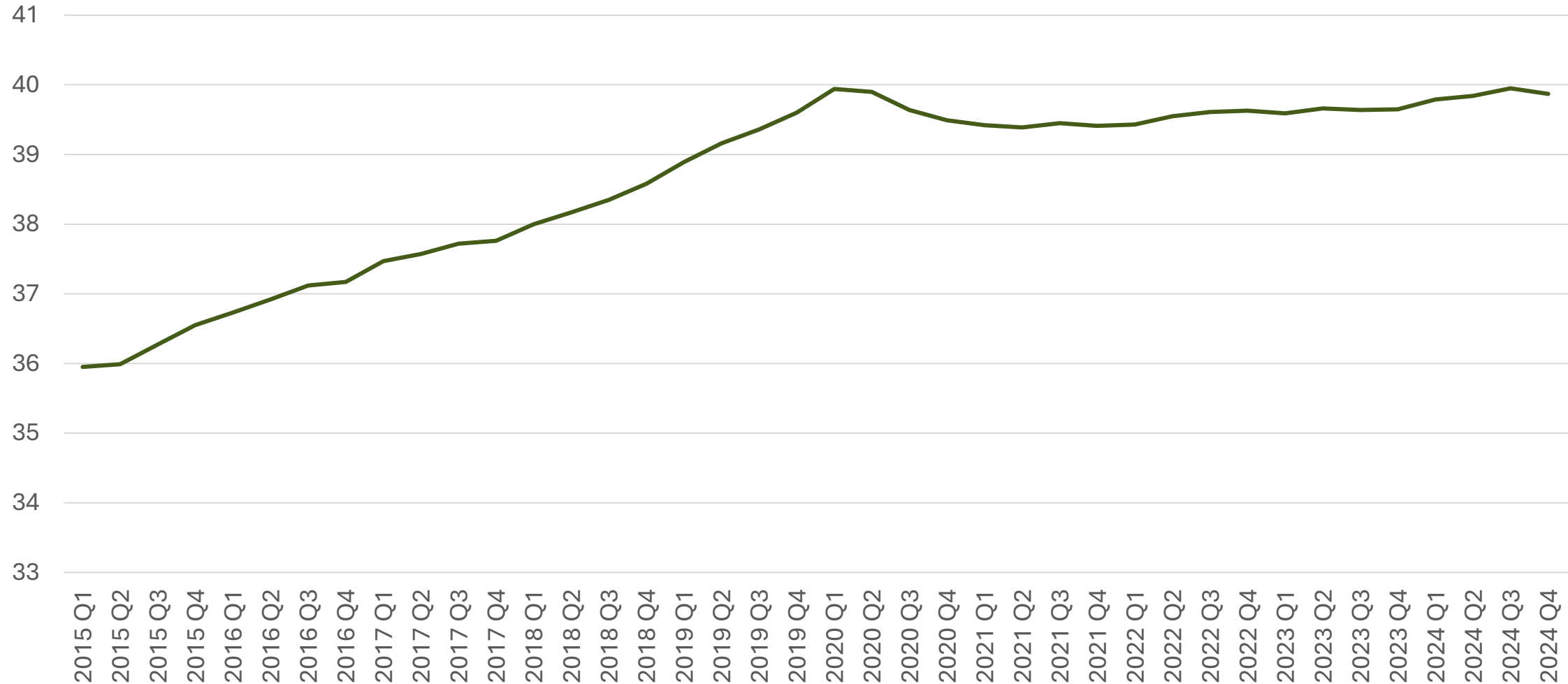
Median Home Sales Price

Washington MSA



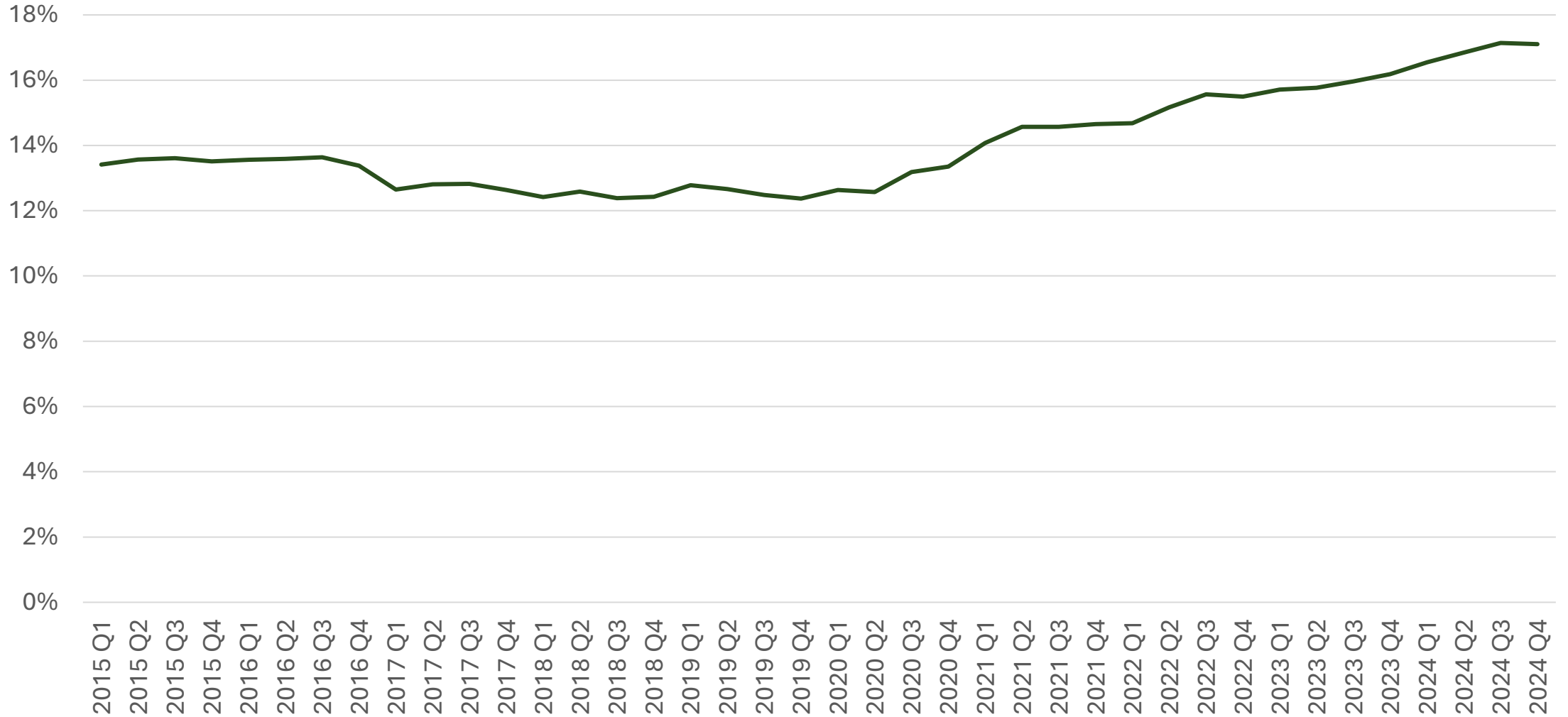
Market Asking Rent Per Square Foot

Office - DC MSA



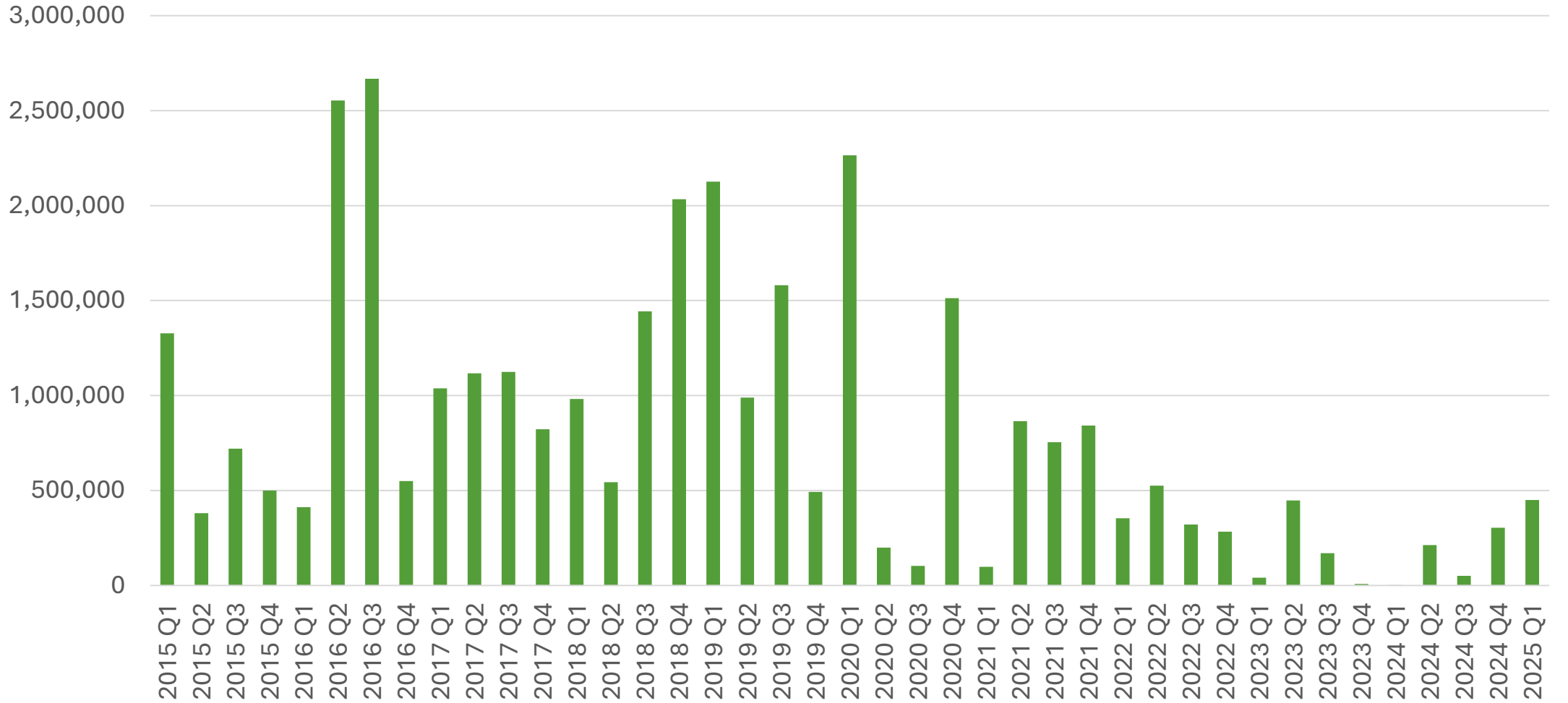


Vacancy Rate Office - DC MSA



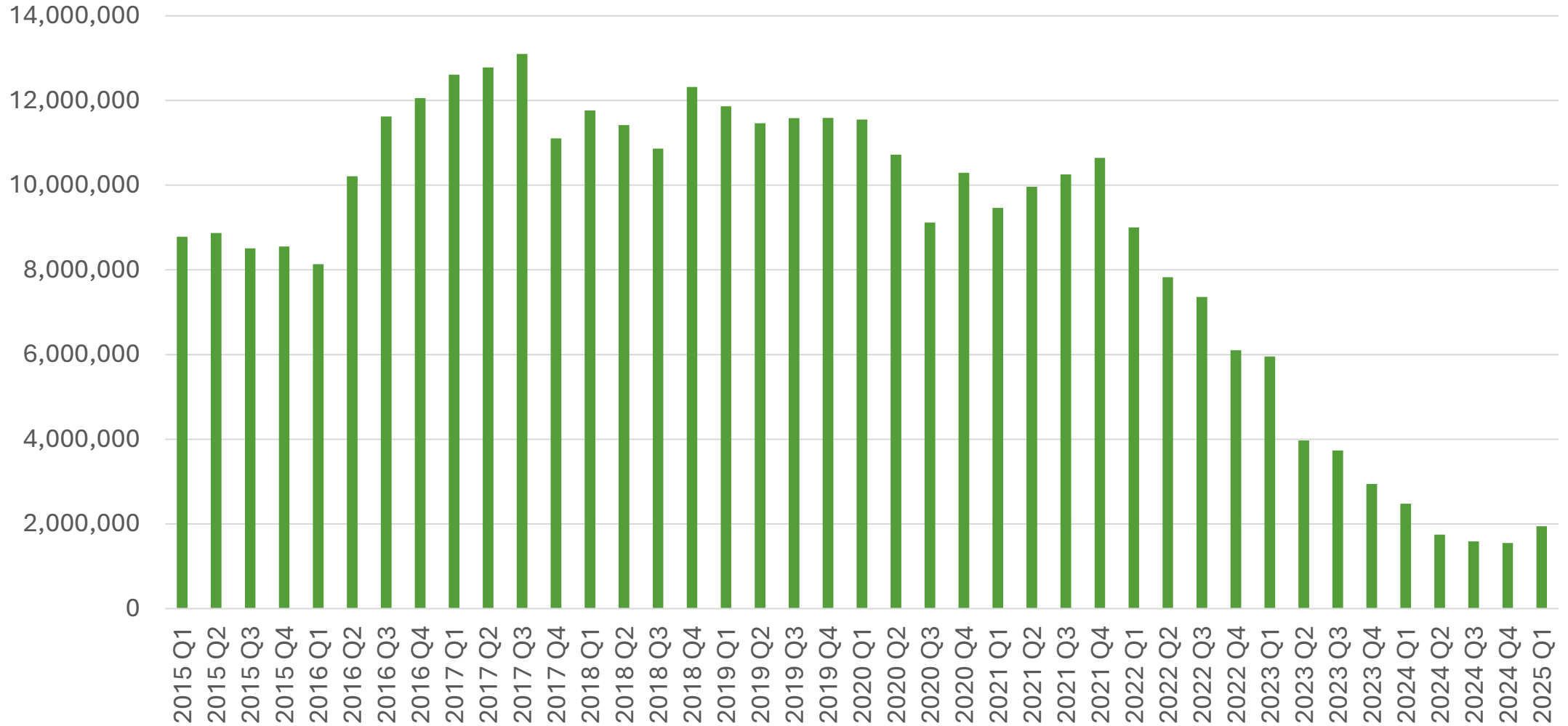
Construction Starts (sf)

Office - DC MSA



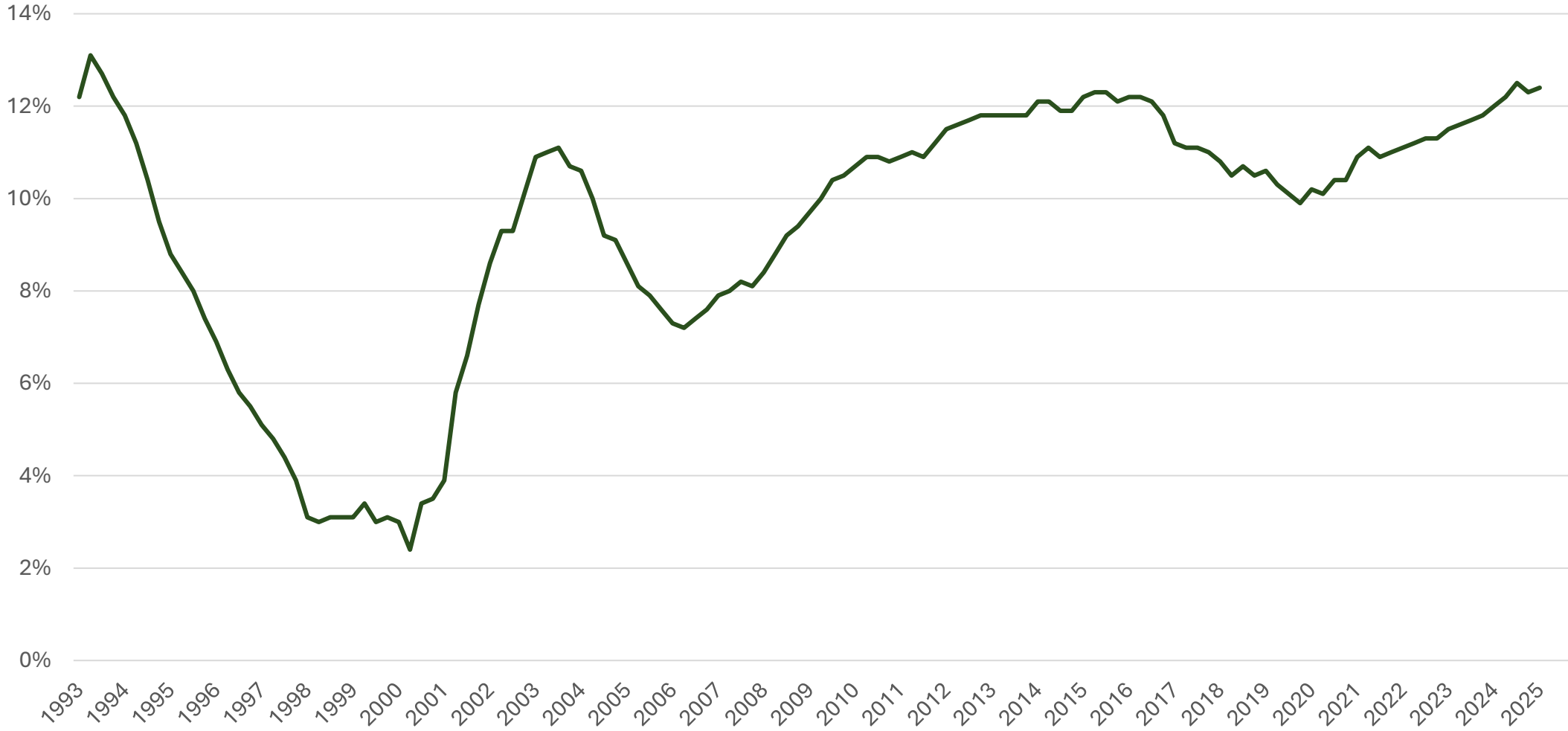


Construction Starts Office – DC MSA

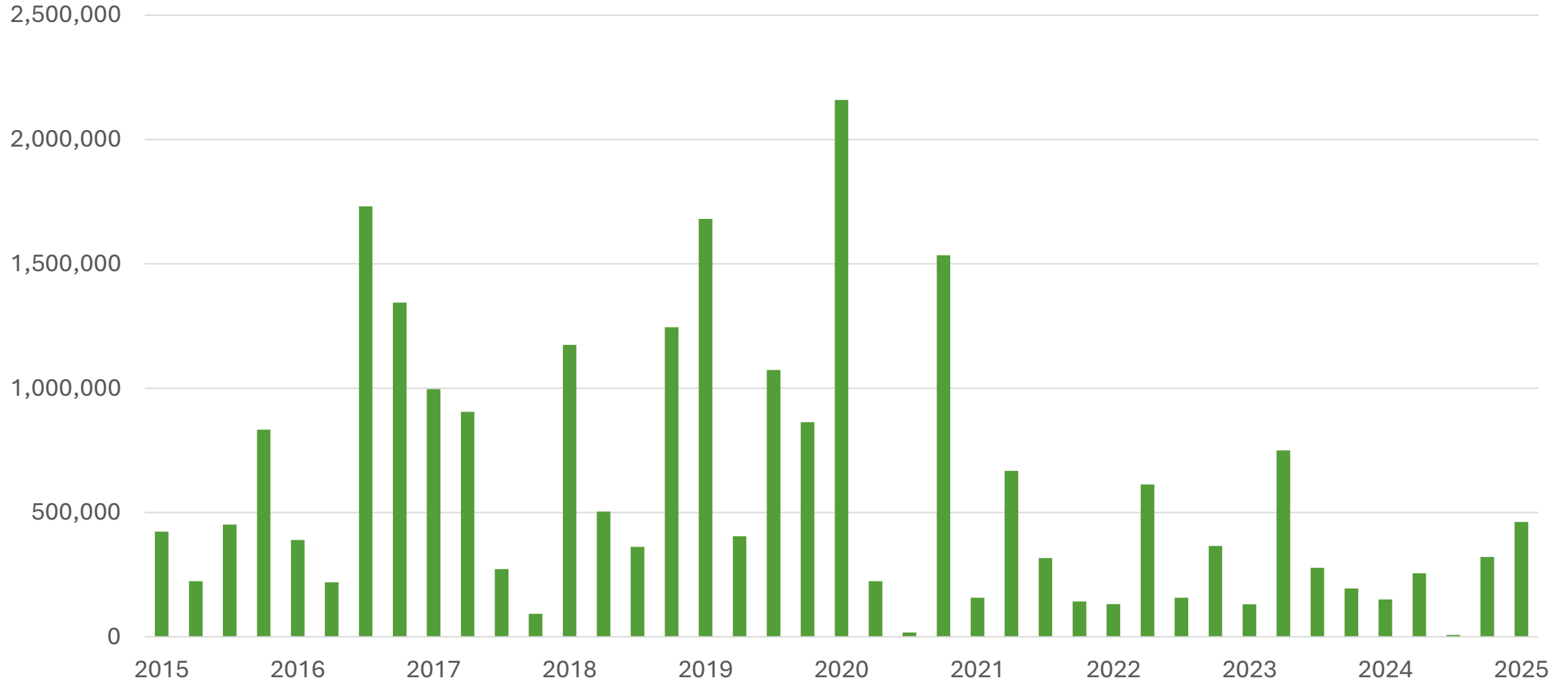




Vacancy Rate Office - Virginia

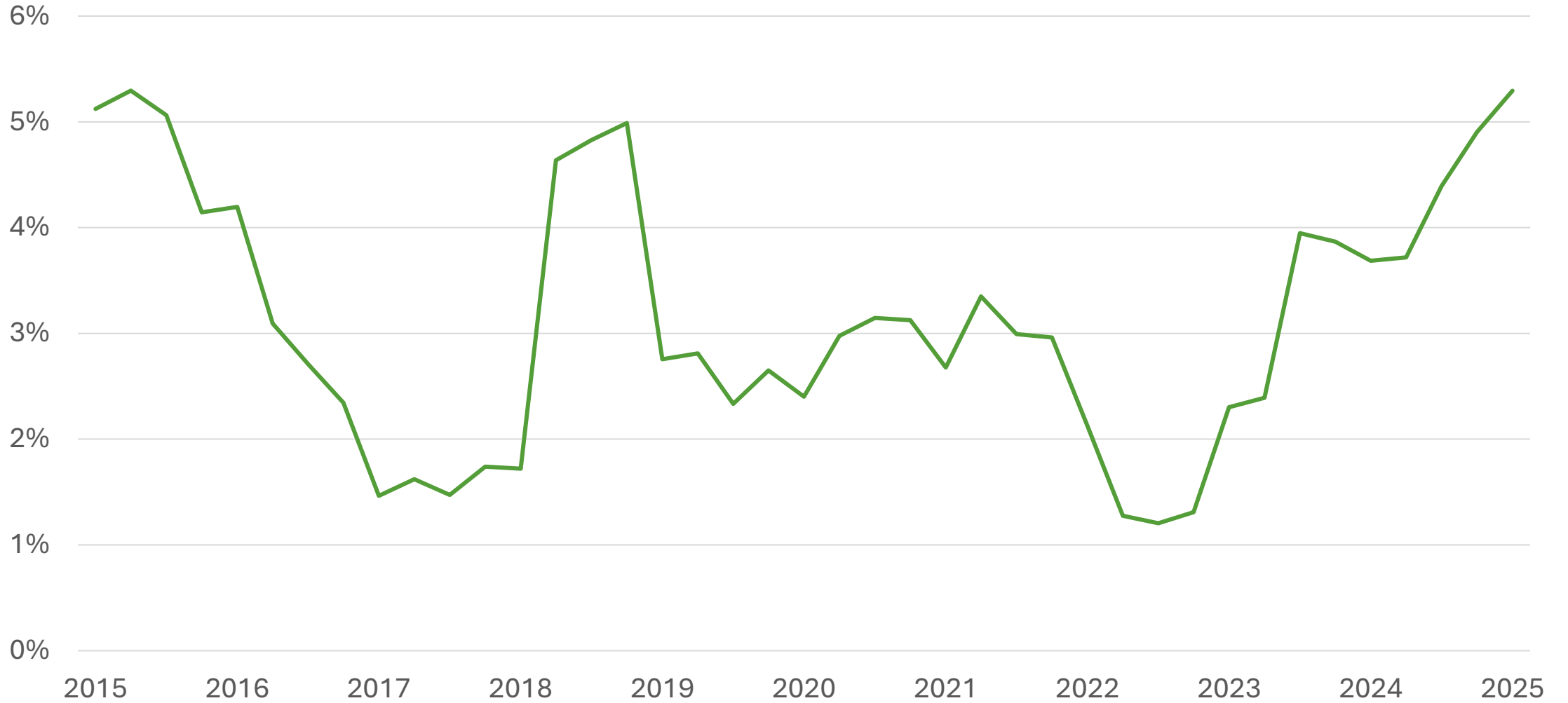


Construction Starts Office - Virginia



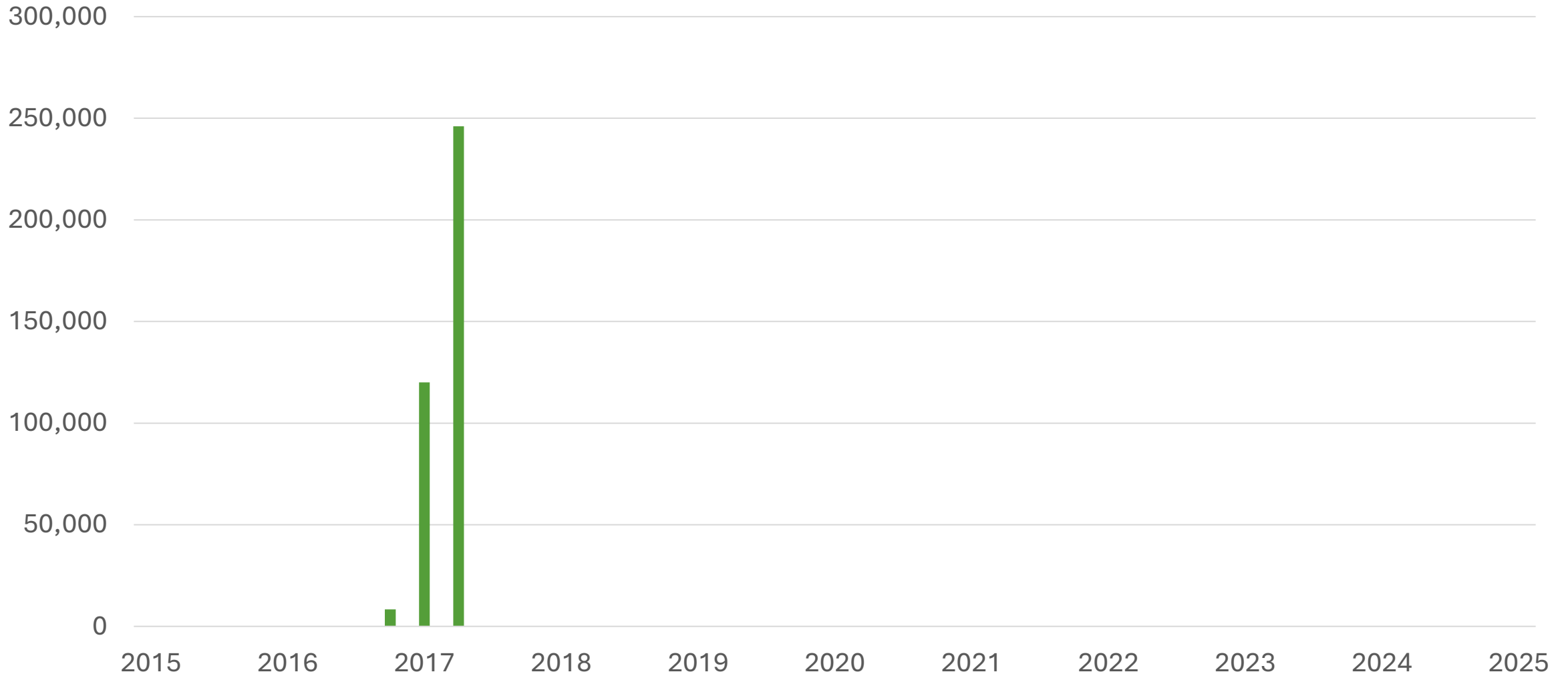


Vacancy Rate Office - Winchester





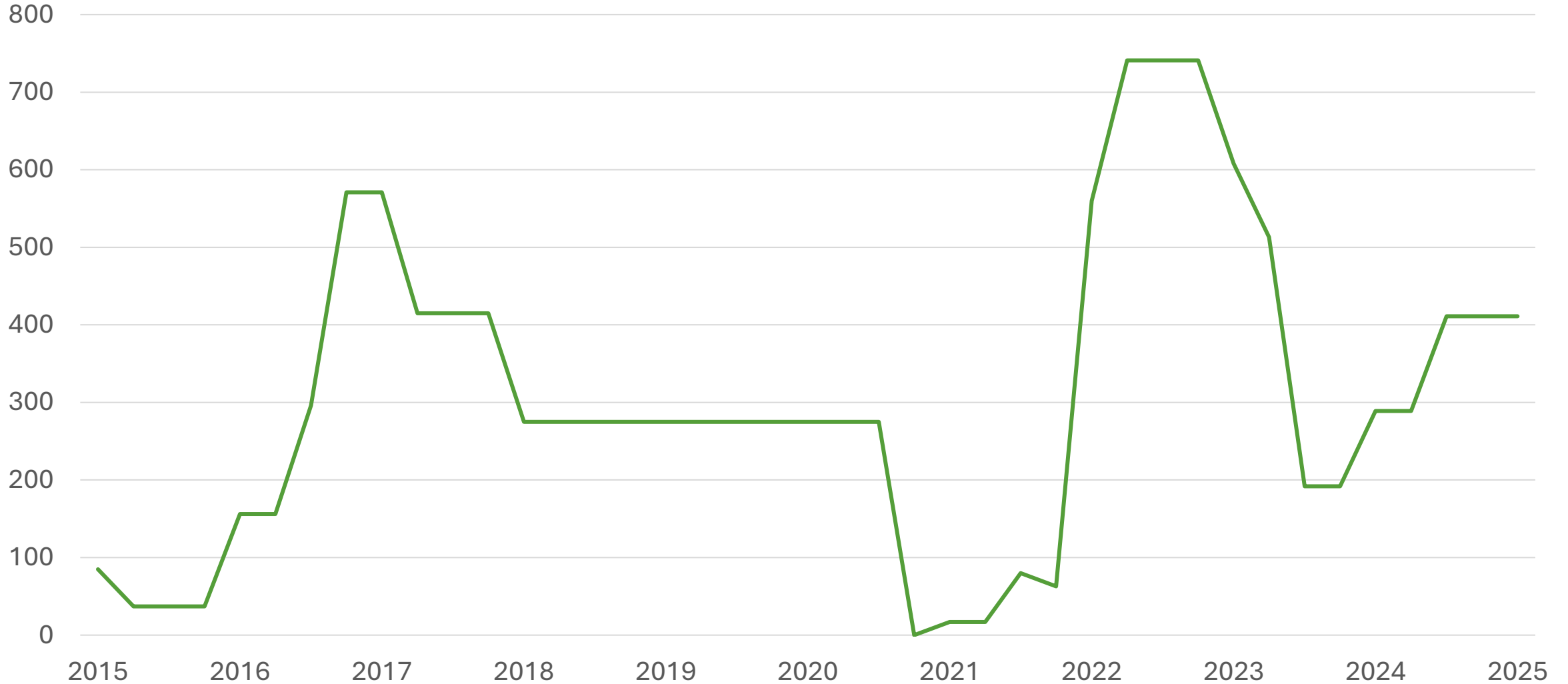
Construction Starts (sqft) Office - Winchester





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Under Construction (sqft) Multifamily - Winchester



Source: GMU Center for Regional Analysis (CRA); CoStar



Path to Competitiveness

- Housing Costs and Constraints
 - Adapting to changes in the utilization of the existing built environment
 - Addressing housing affordability
 - Reduce bureaucratic obstacles
- Loss of Federal Workers
 - Use courts to buy time to adjust
 - Re-Allocate Workers to private sector
 - Re-Train Remaining Workers
- Business Environment and Reduced Procurement Spending
 - Business attraction for now
 - Entrepreneurial support for future
 - Regional
 - Business led
 - Embrace tech change
 - Demand accountability
 - Improve Tax Regime



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