

# *Capital One Bank and the GMU Center for Regional Analysis*

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

Stephen S. Fuller, Ph.D.

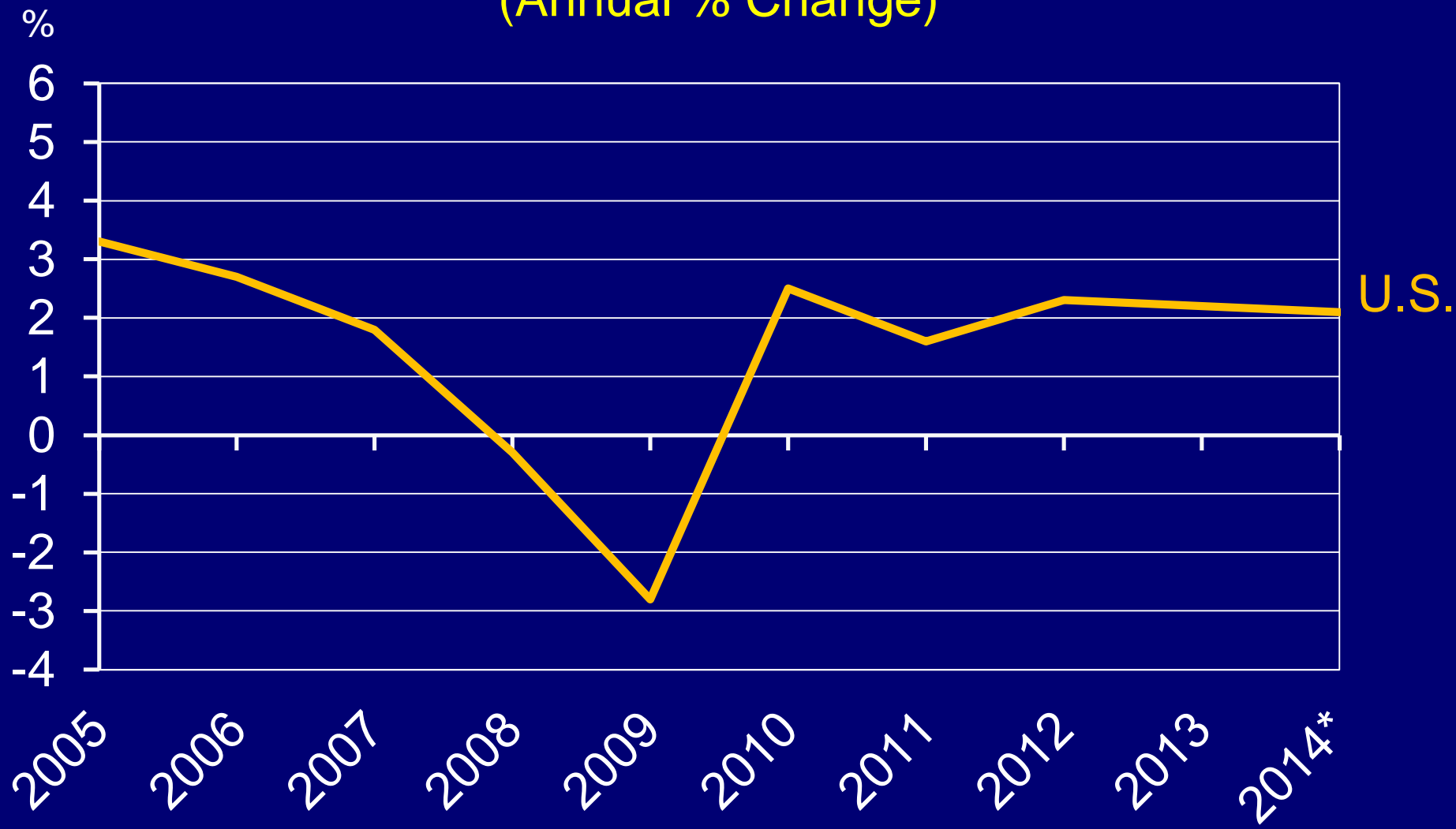
Dwight Schar Faculty Chair and University Professor  
Director, Center for Regional Analysis  
George Mason University

August 22, 2014

# Recent Economic Trends and Comparative Performance: U.S., Commonwealth of Virginia, Washington Metropolitan Area and Northern Virginia

# Economic Performance, 2005-2014

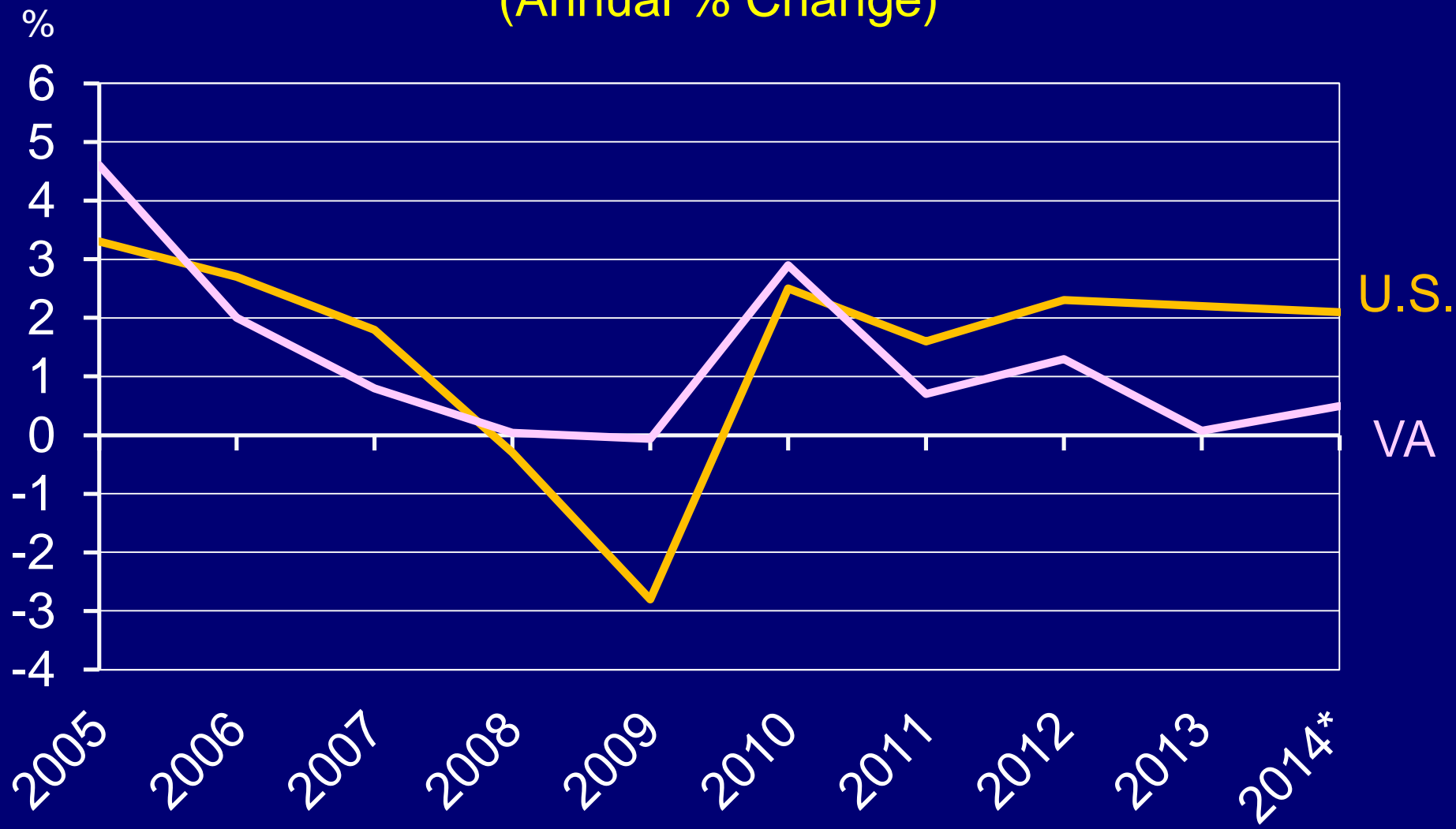
U.S., Virginia, Washington MSA, Northern Virginia  
(Annual % Change)



Sources: U.S Bureau of Labor Statistics, IHS Economics, GMU Center for Regional Analysis.  
\*mid-year forecasts

# Economic Performance, 2005-2014

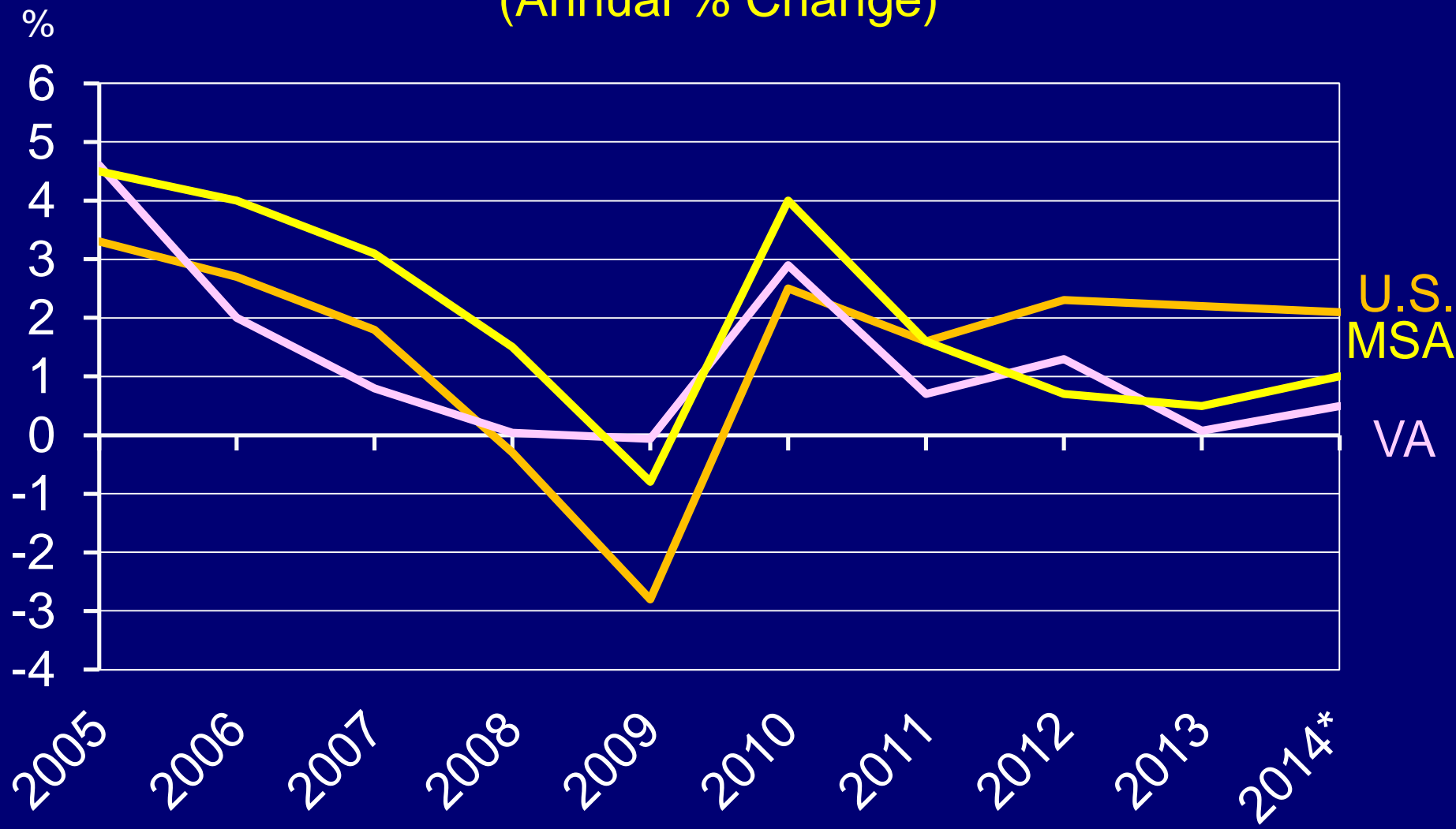
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Sources: U.S Bureau of Labor Statistics, IHS Economics, GMU Center for Regional Analysis.  
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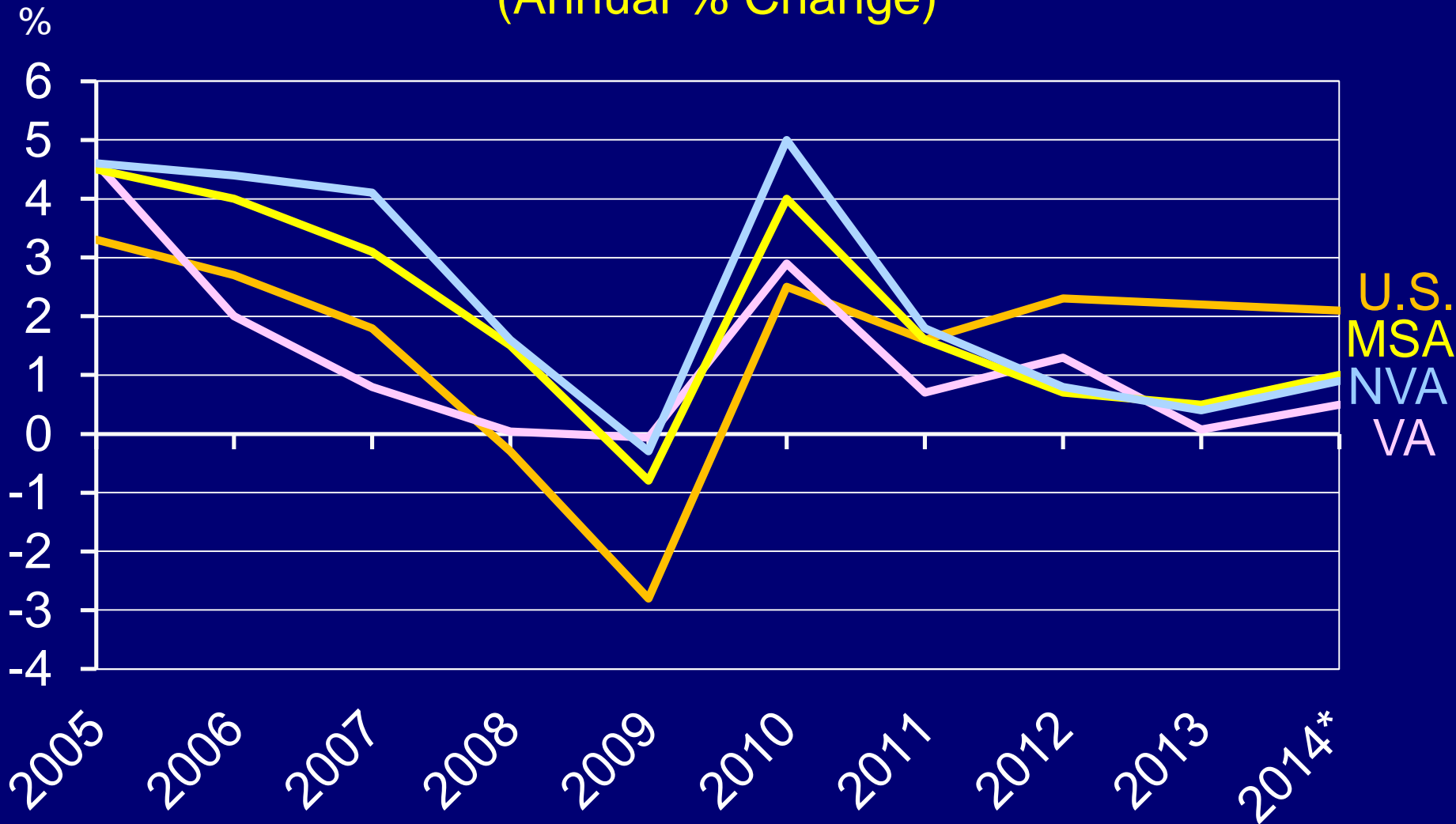
U.S., Virginia, Washington MSA, Northern Virginia  
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Sources: U.S Bureau of Labor Statistics, IHS Economics, GMU Center for Regional Analysis.  
\*mid-year forecasts

# Economic Performance, 2005-2014

U.S., Virginia, Washington MSA, Northern Virginia  
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# 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

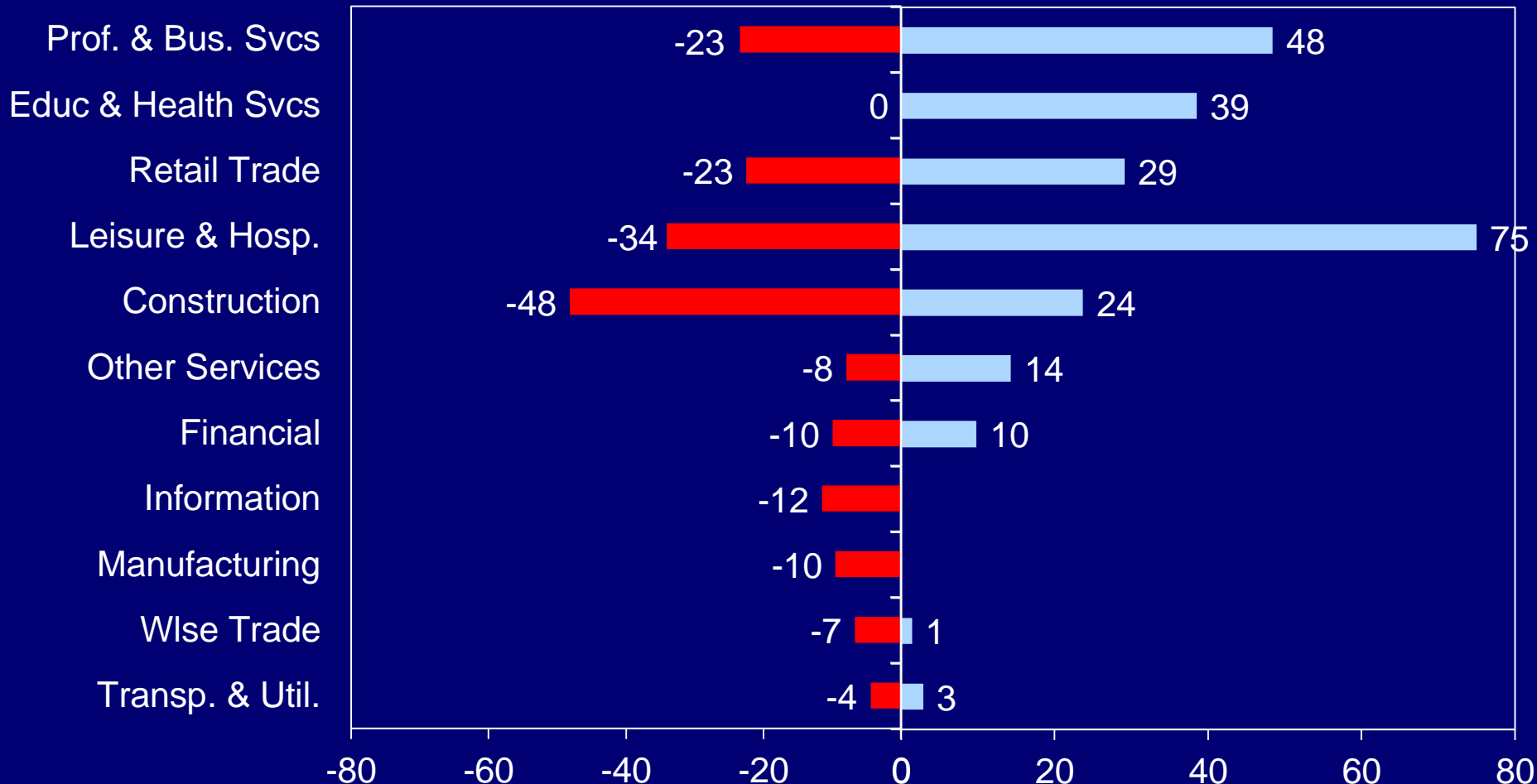
Aug 2008-Feb 2010

Feb 2010-Jul 2014

Total -178

(000s)

Total 243



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\$s)

<u>Sector</u>	<u>Aug 08-Feb 10</u>	<u>Feb 10-June 14</u>	<u>Change</u>
Private	- \$27.160	\$25.320	- \$1.840
Government			
State/Local	\$0.216	\$0.896	\$1.112
Federal	\$2.625	- \$0.752	\$1.873
Totals	- \$24.319	\$25.464	\$1.145

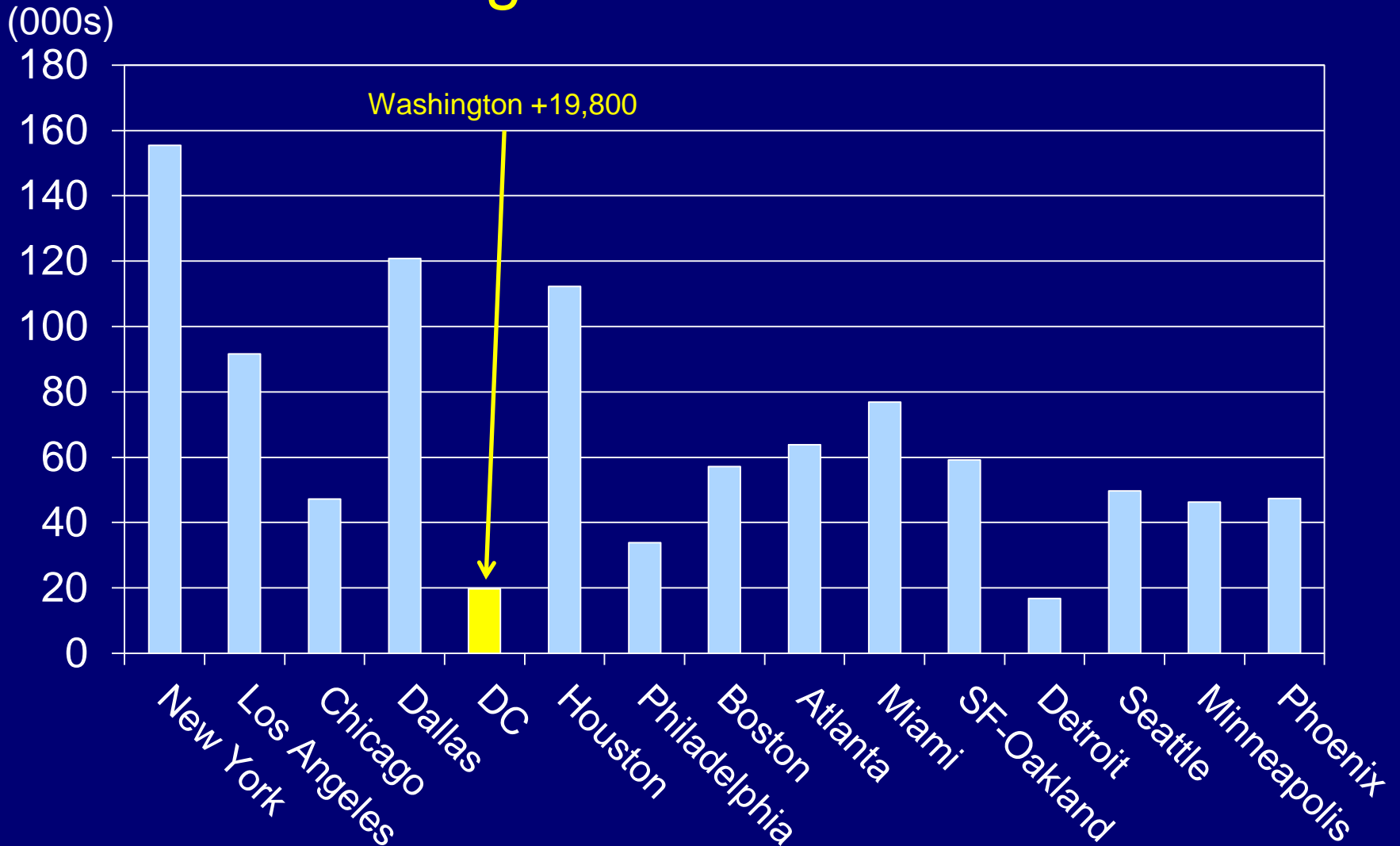
Source: GMU Center for Regional Analysis

\*Gross Regional Product

# How is the Washington Area Economy Performing in Mid-2014?

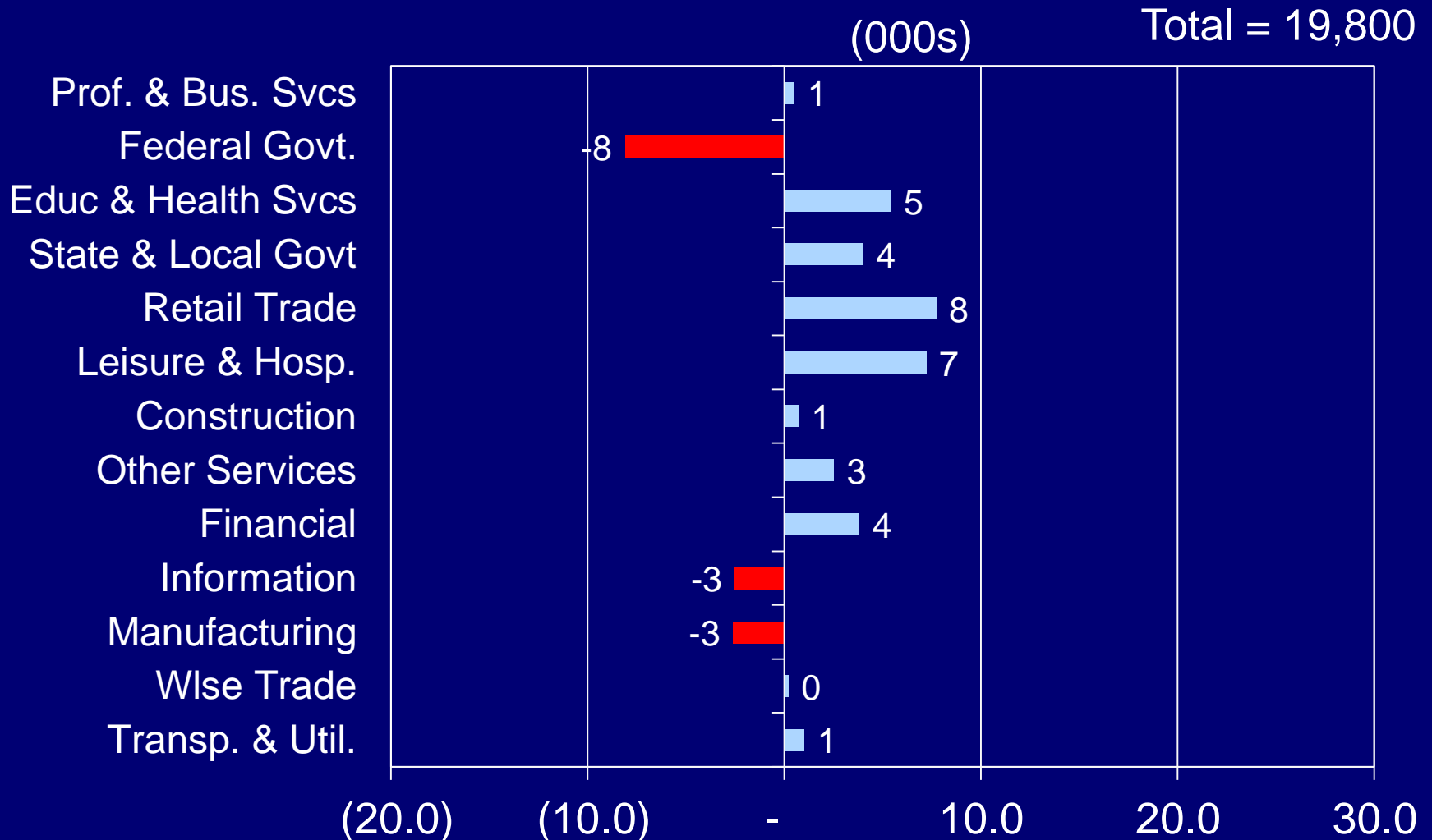
# 15 Largest Job Markets

## Job Change: Jul 2013 – Jul 2014



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

# Job Change by Sector Jul 2013 – Jul 2014 Washington MSA

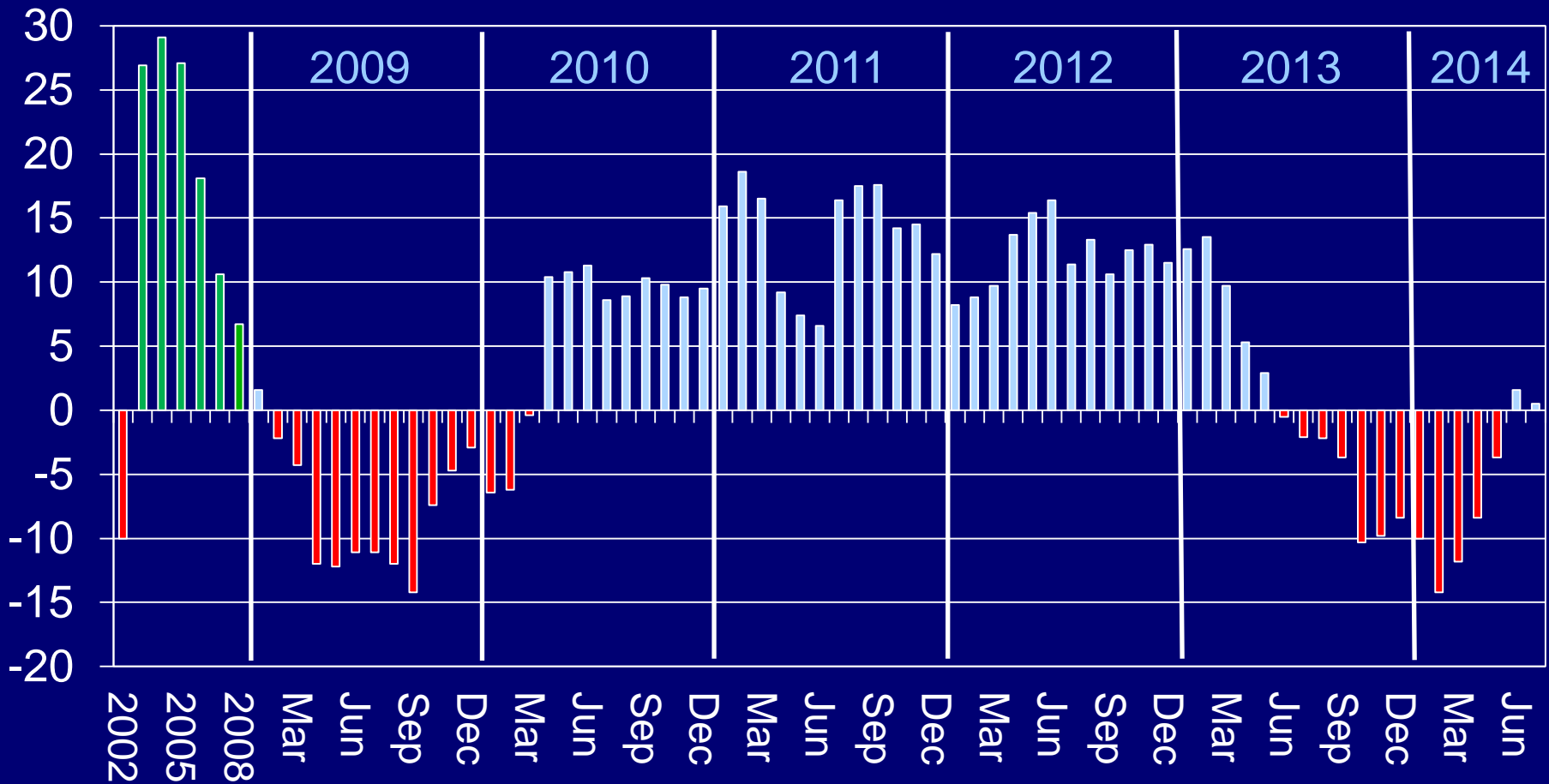


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Professional & Business Services Washington MSA

(000s) Annual Data

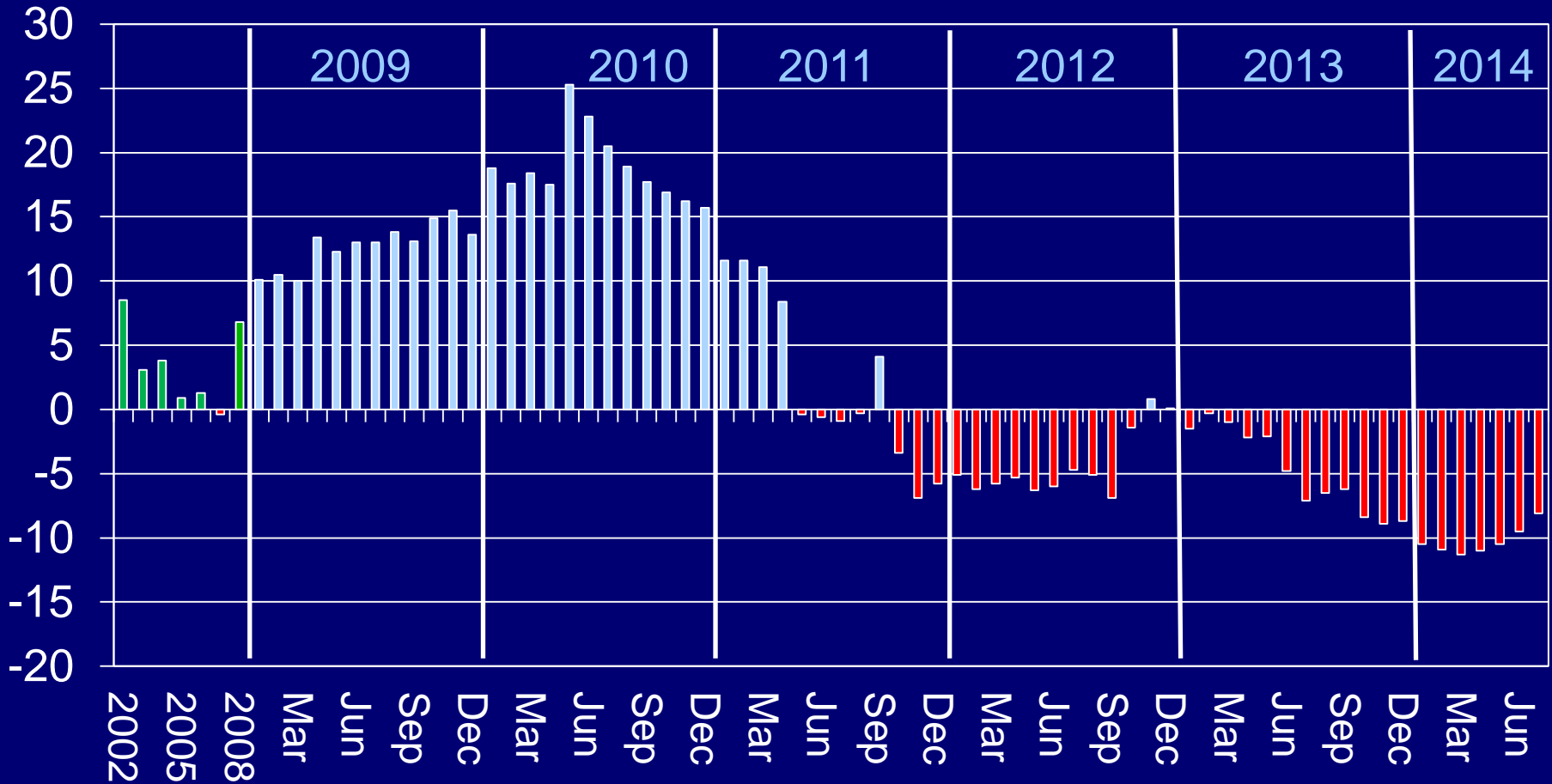
Annual Month over Year



# Federal Government Washington MSA

(000s) Annual Data

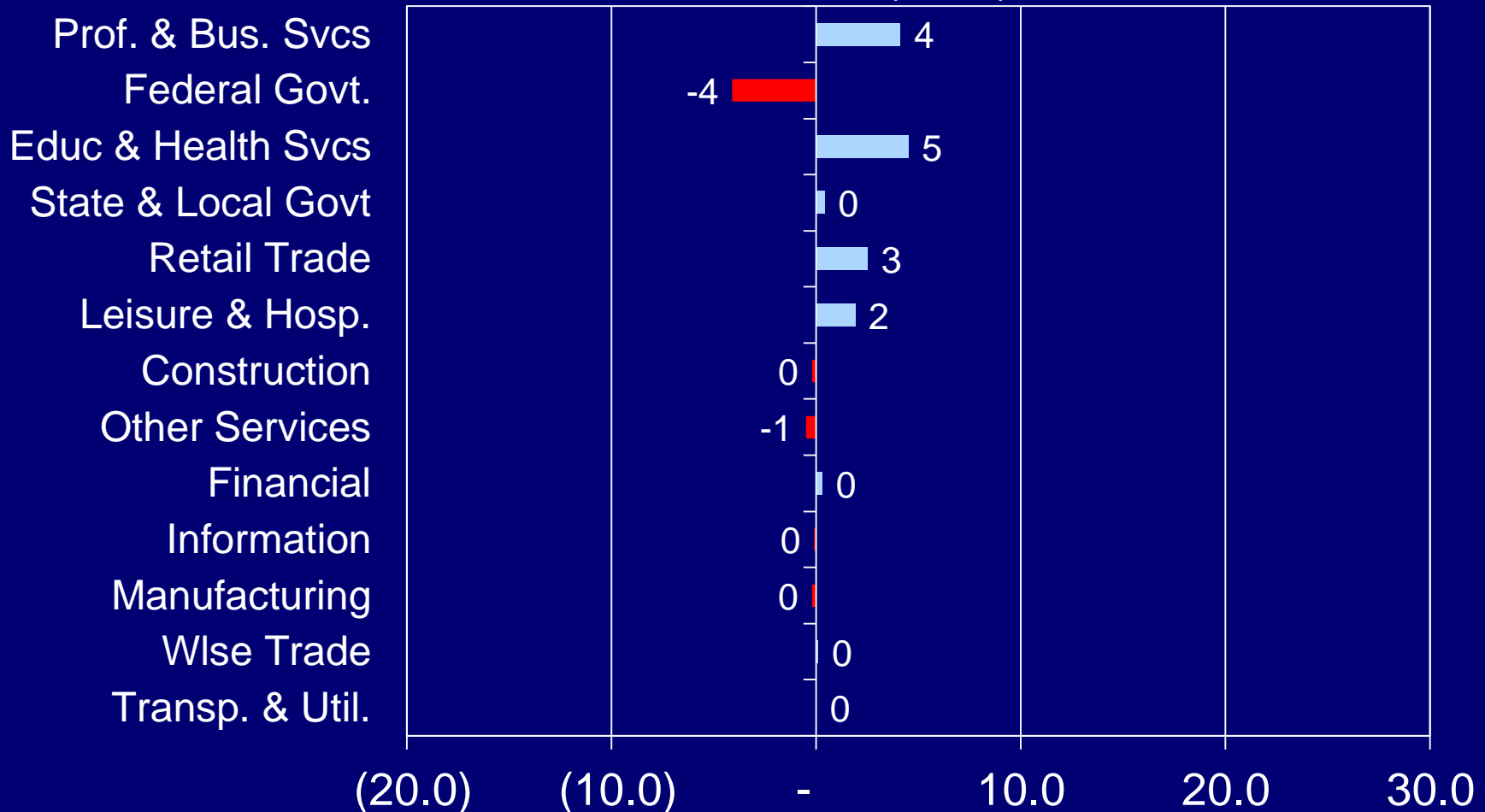
Annual Month over Year



# Job Change by Sector Jul 2013 – Jul 2014 District of Columbia

(000s)

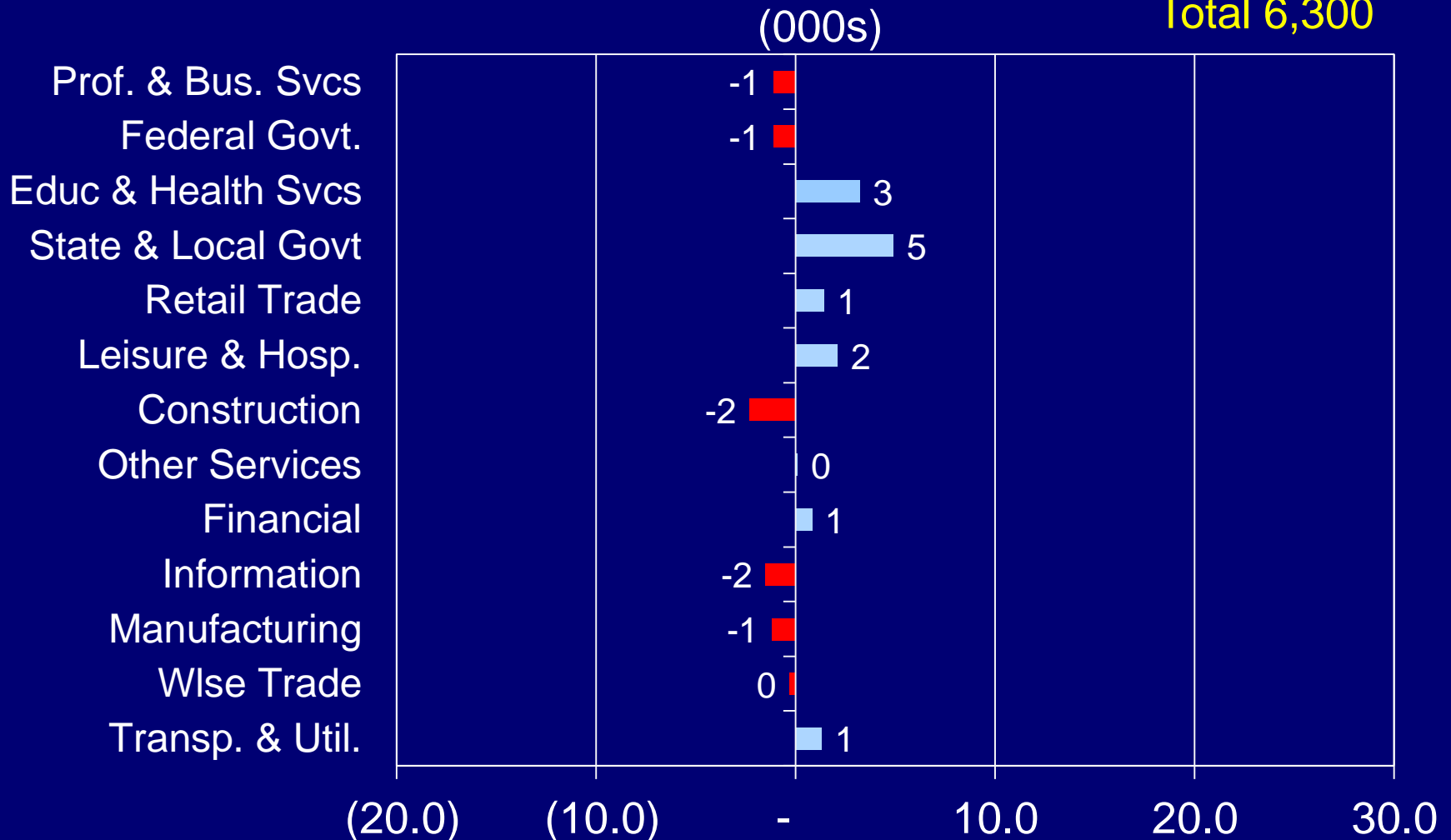
Total 8,700



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

# Job Change by Sector Jul 2013 – Jul 2014 Suburban Maryland

Total 6,300



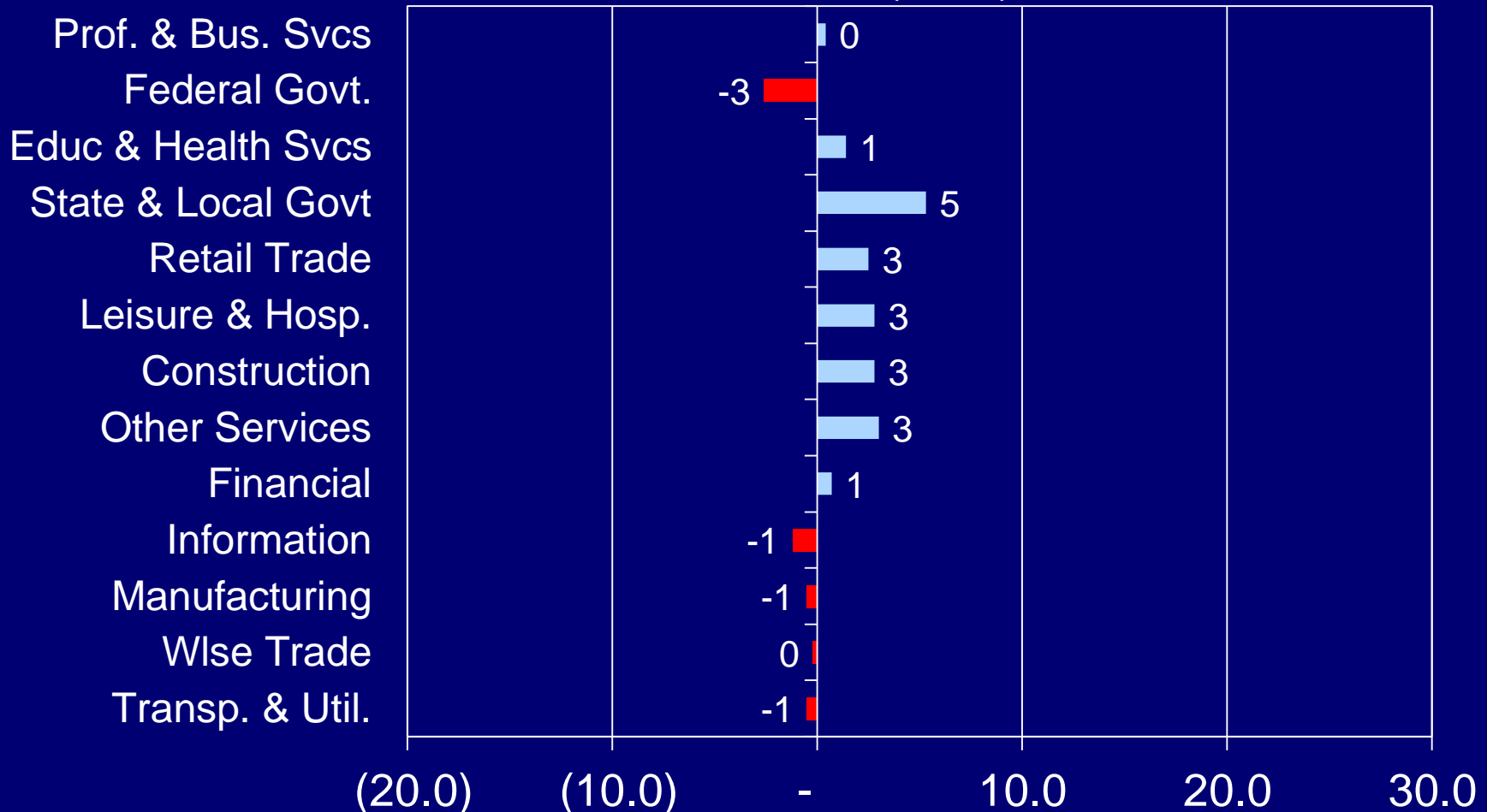
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis



# Job Change by Sector Jul 2013 – Jul 2014 Northern Virginia

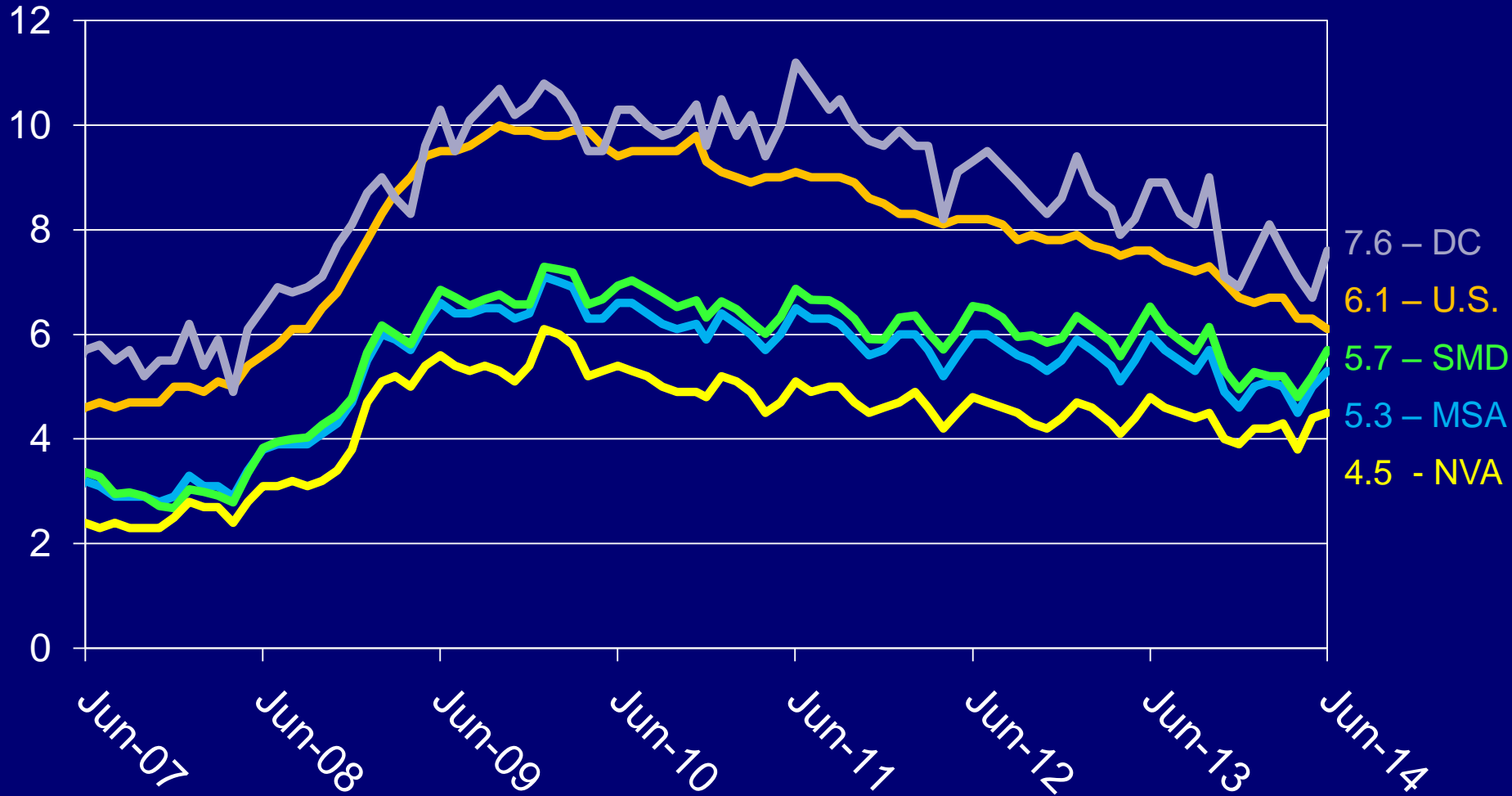
(000s)

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

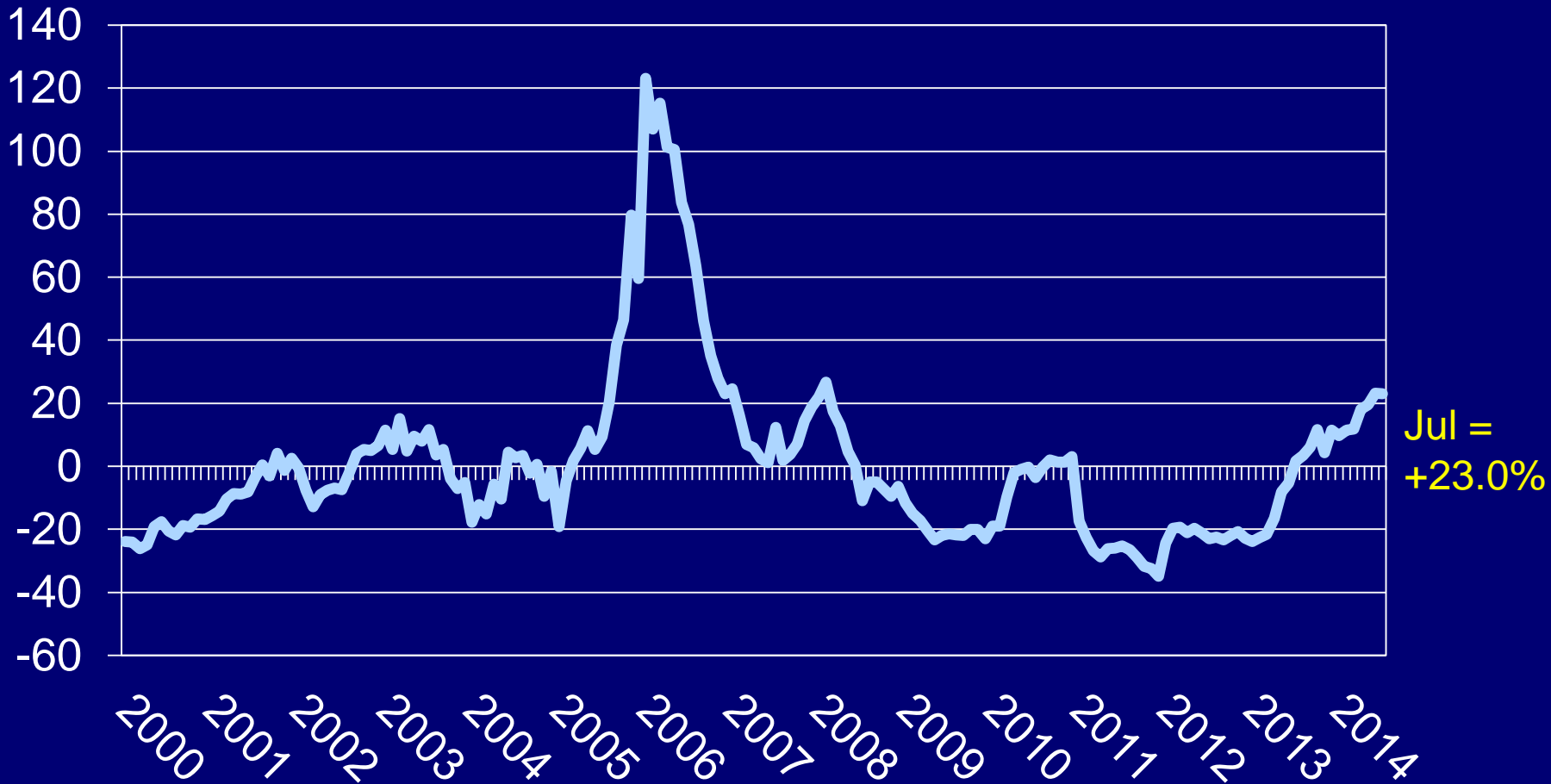


Source: Bureau of Labor Statistics (Region - Not Seasonally Adjusted, US – Seasonally Adjusted)

# Recent Washington Area Housing Market Trends

# Percent Change in Inventories of Existing Homes

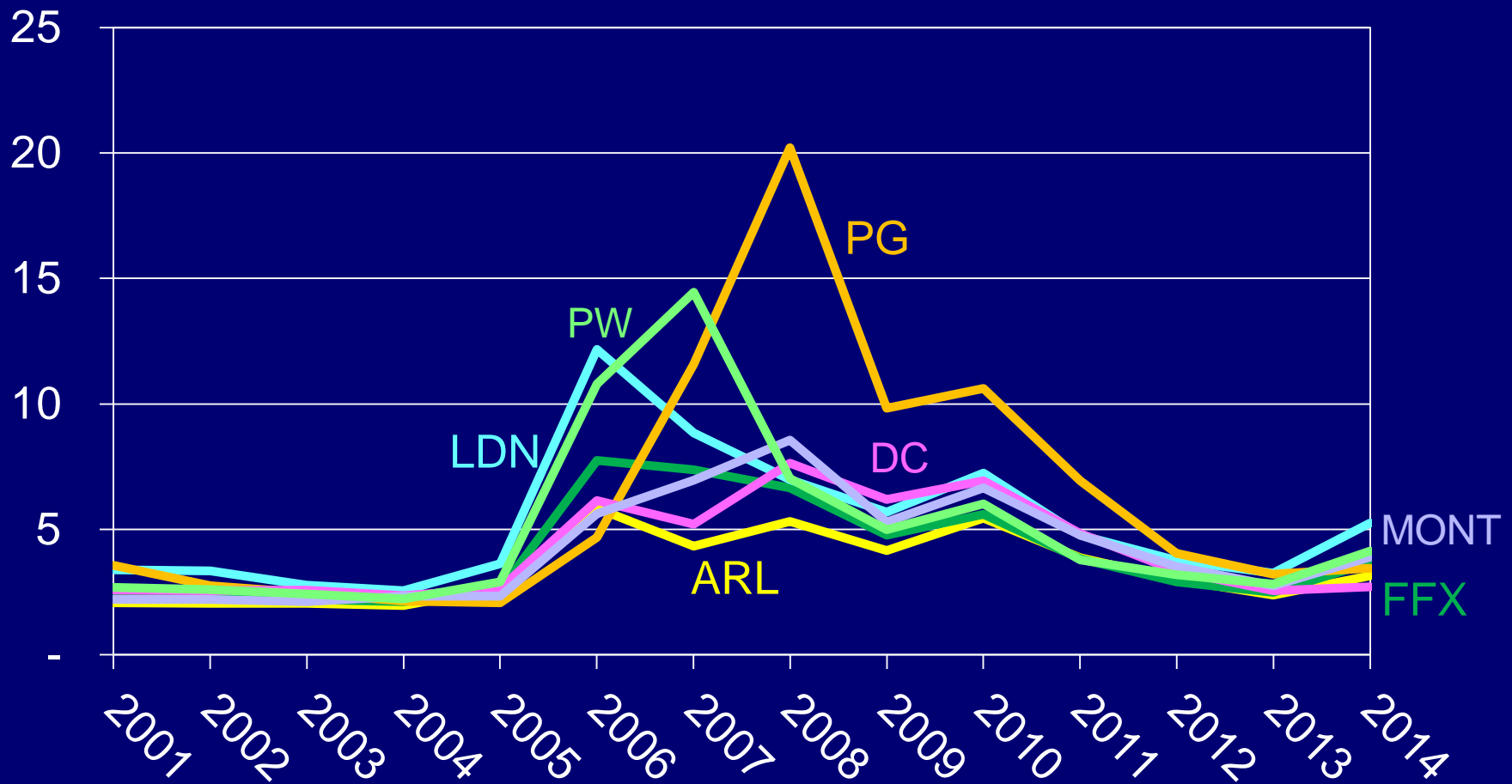
## Month-Over-Year 2000 – 2014, MSA



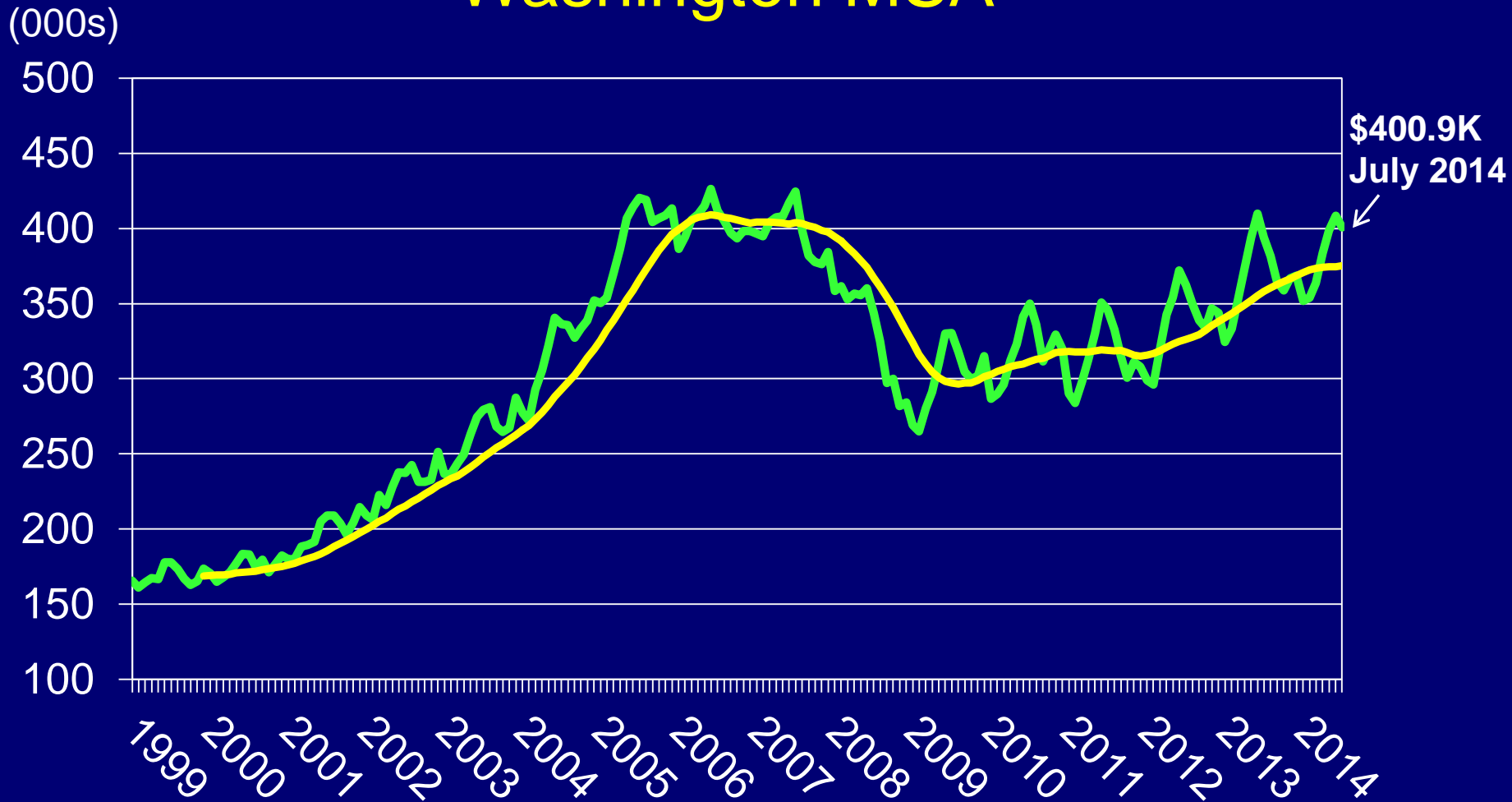
Jul = +23.0%

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

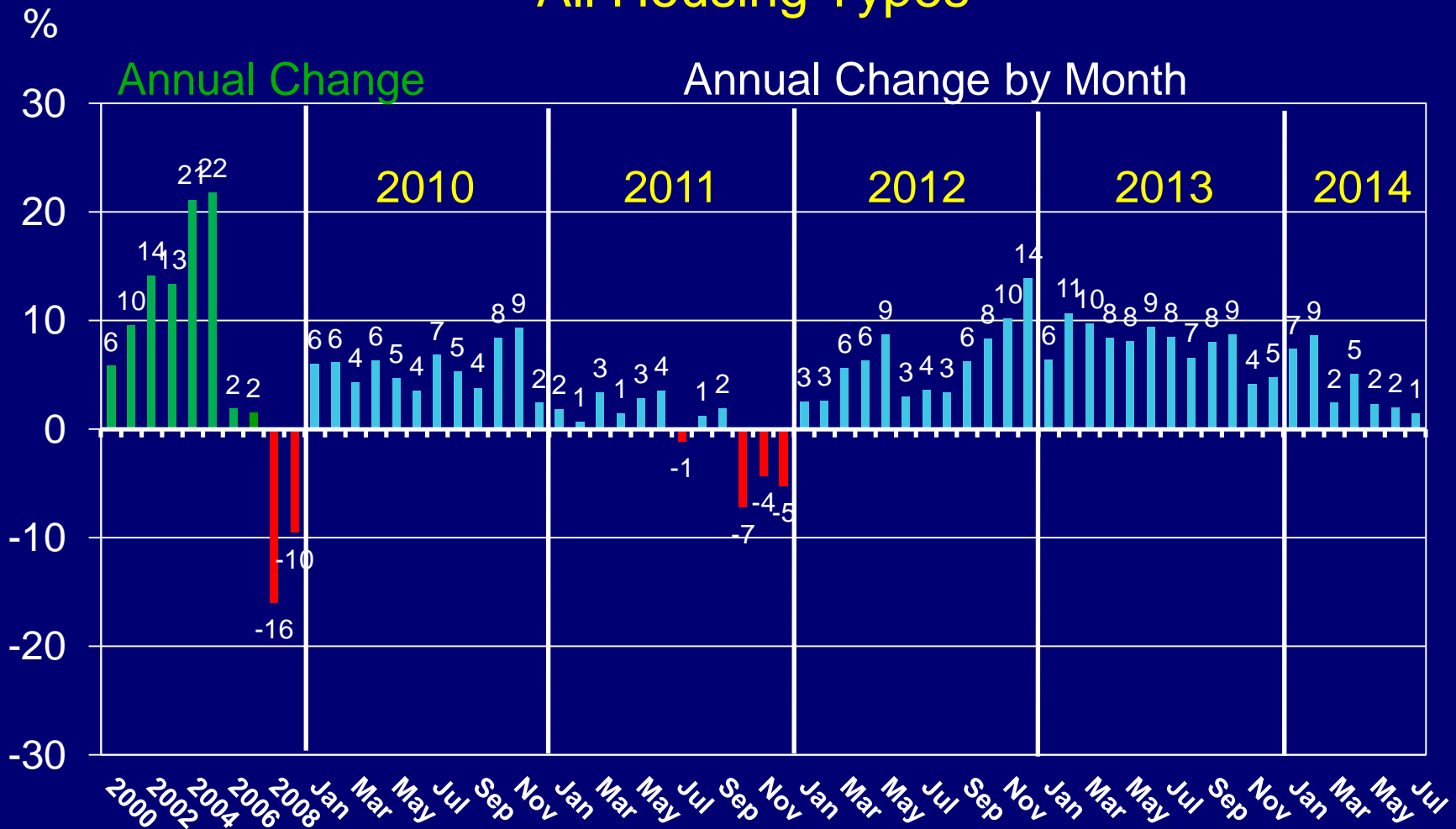


# Median House Sales Price Washington MSA



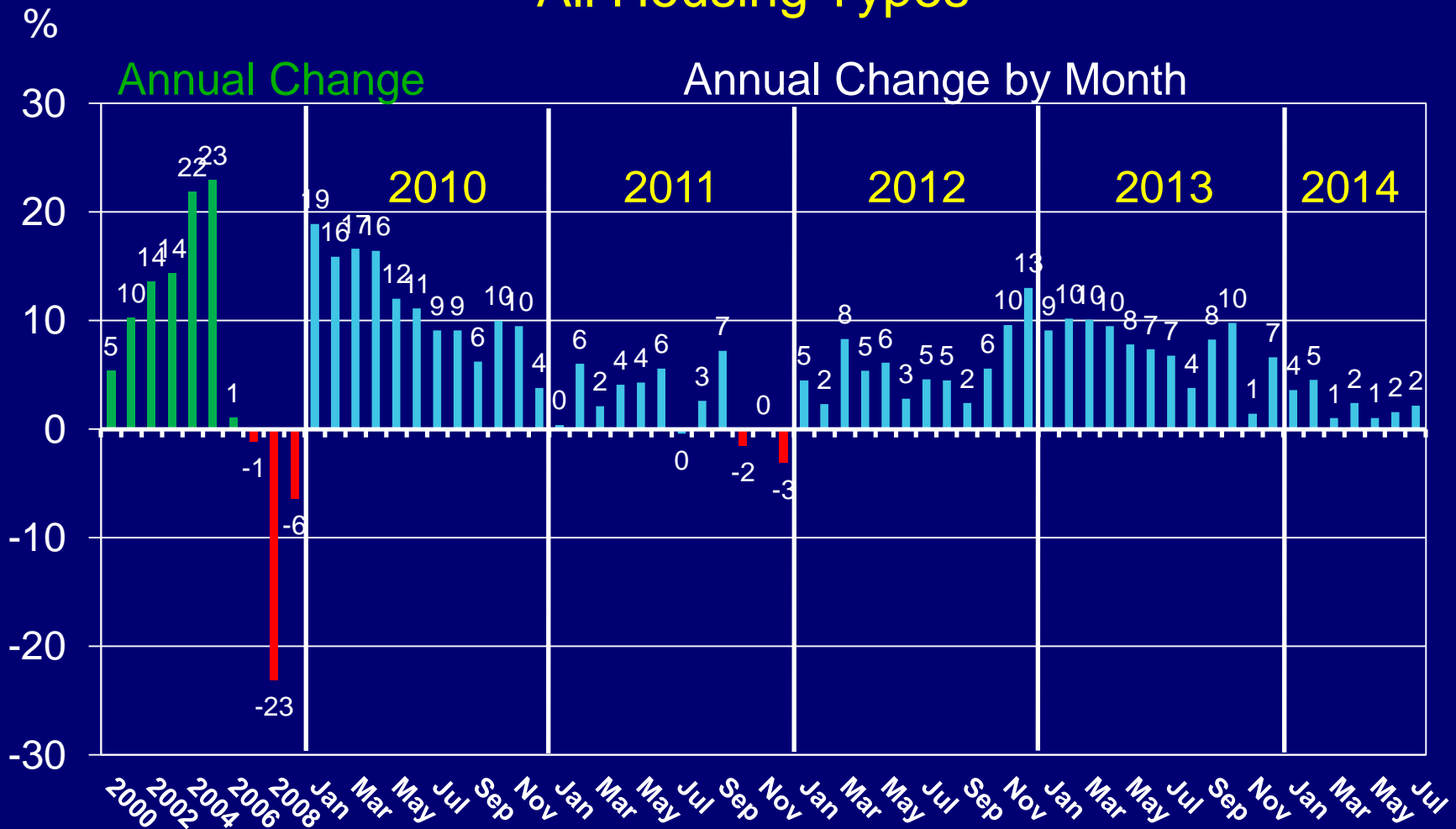
\$400.9K  
July 2014

# Average Sales Price Percent Change Washington MSA All Housing Types



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

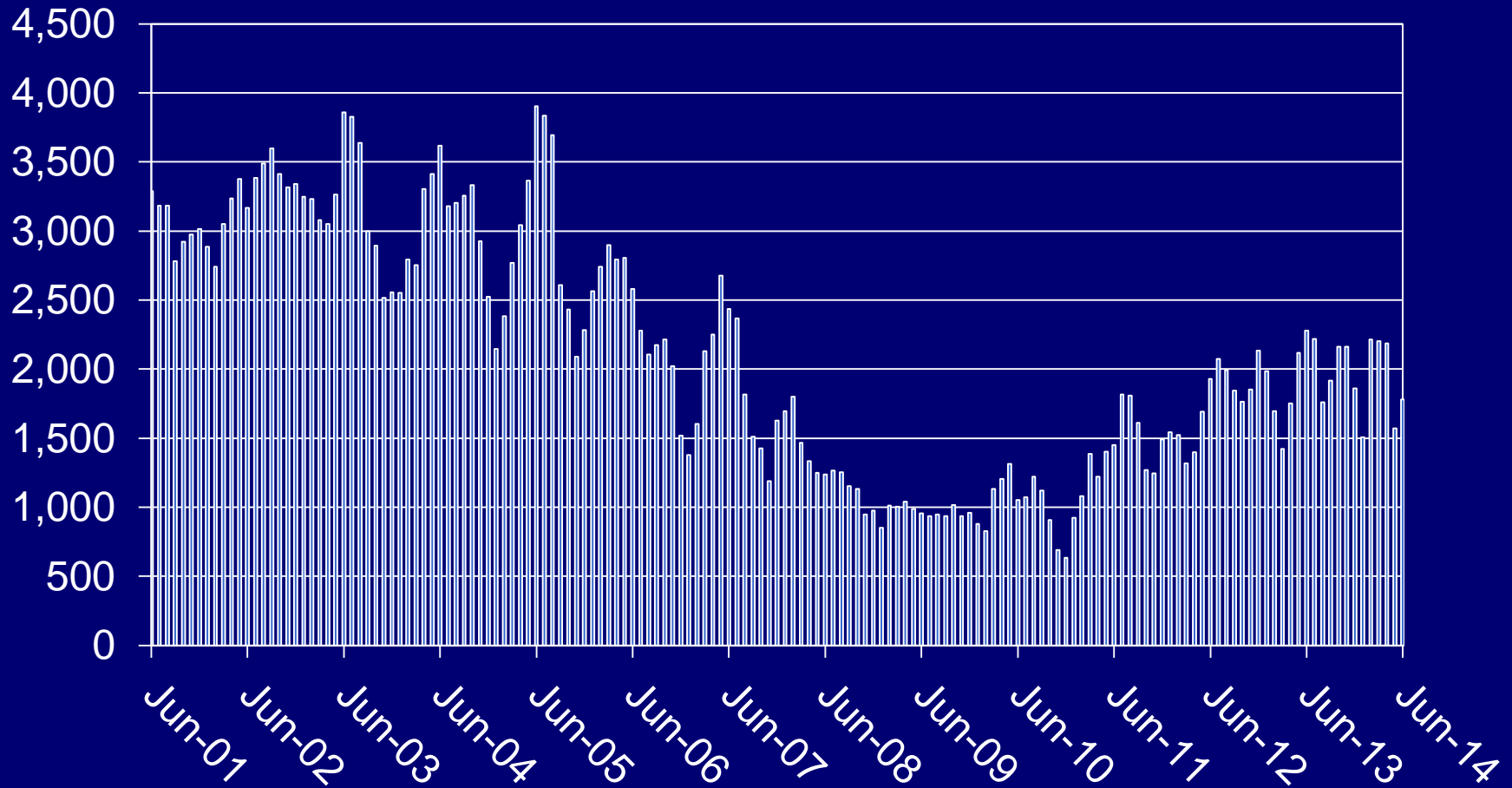
# Average Sales Price Percent Change Northern Virginia All Housing Types



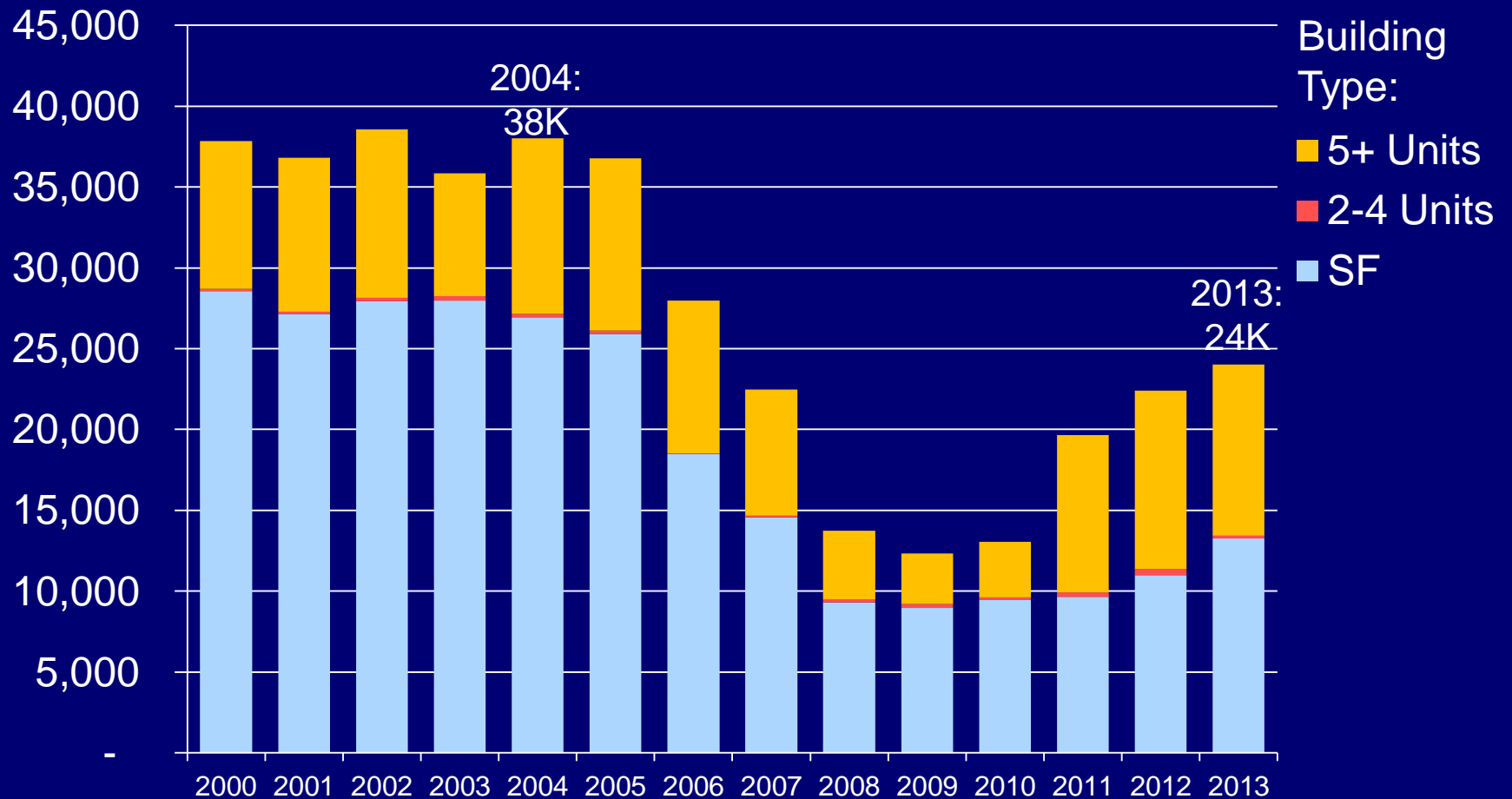
Source: Metropolitan Regional Information Systems (MRIS), GMU Center for Regional Analysis



# Washington MSA Building Permits 2001 – 2014, 3-Month Mvg Avg

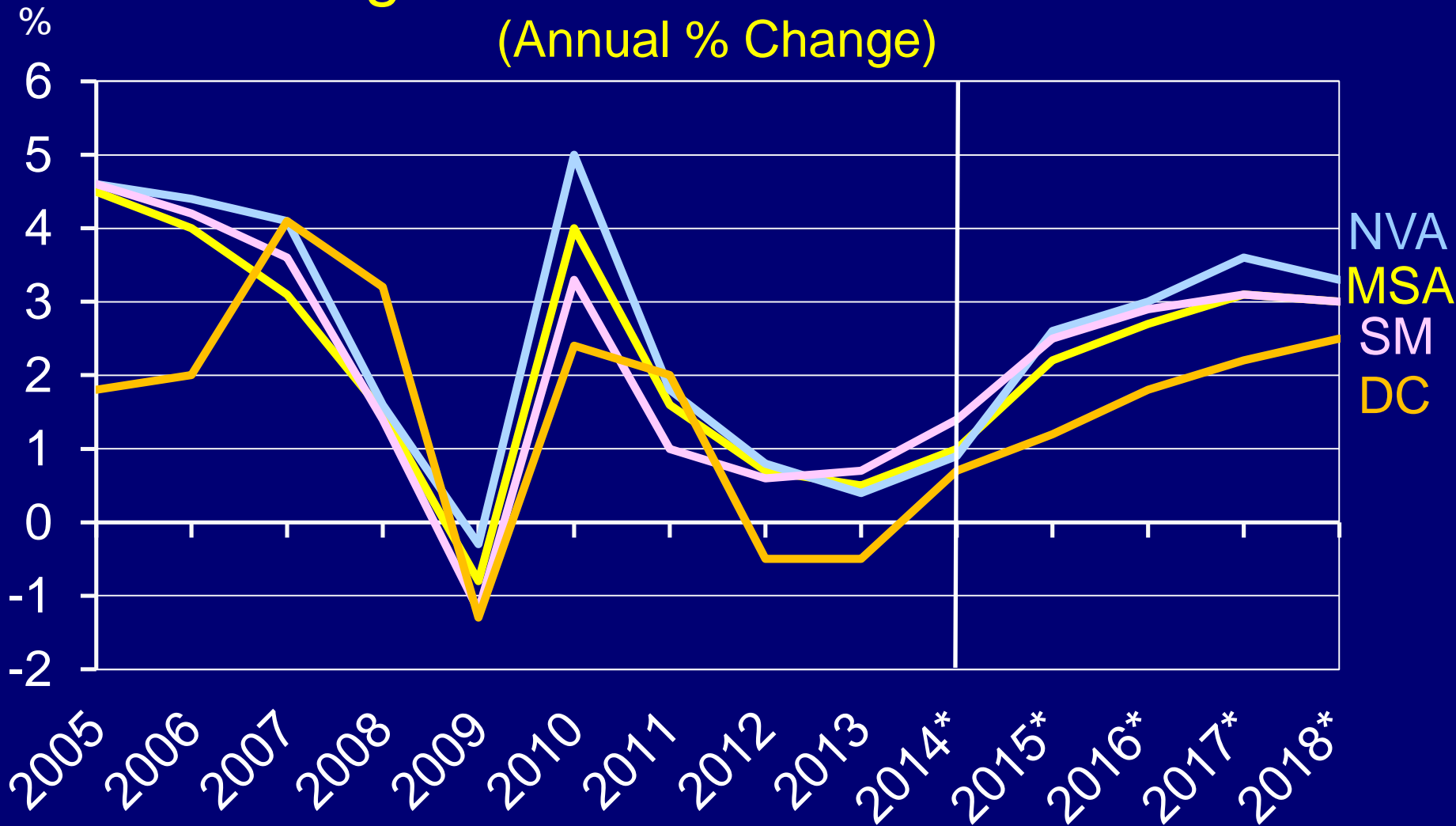


# New Building Permits for Privately Owned Residential Units, WMSA



# Economic Outlook for the Washington Metropolitan Area: 2014-2018

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



Sources: U.S Bureau of Labor Statistics, IHS Economics, GMU Center for Regional Analysis.  
\*mid-year forecasts

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

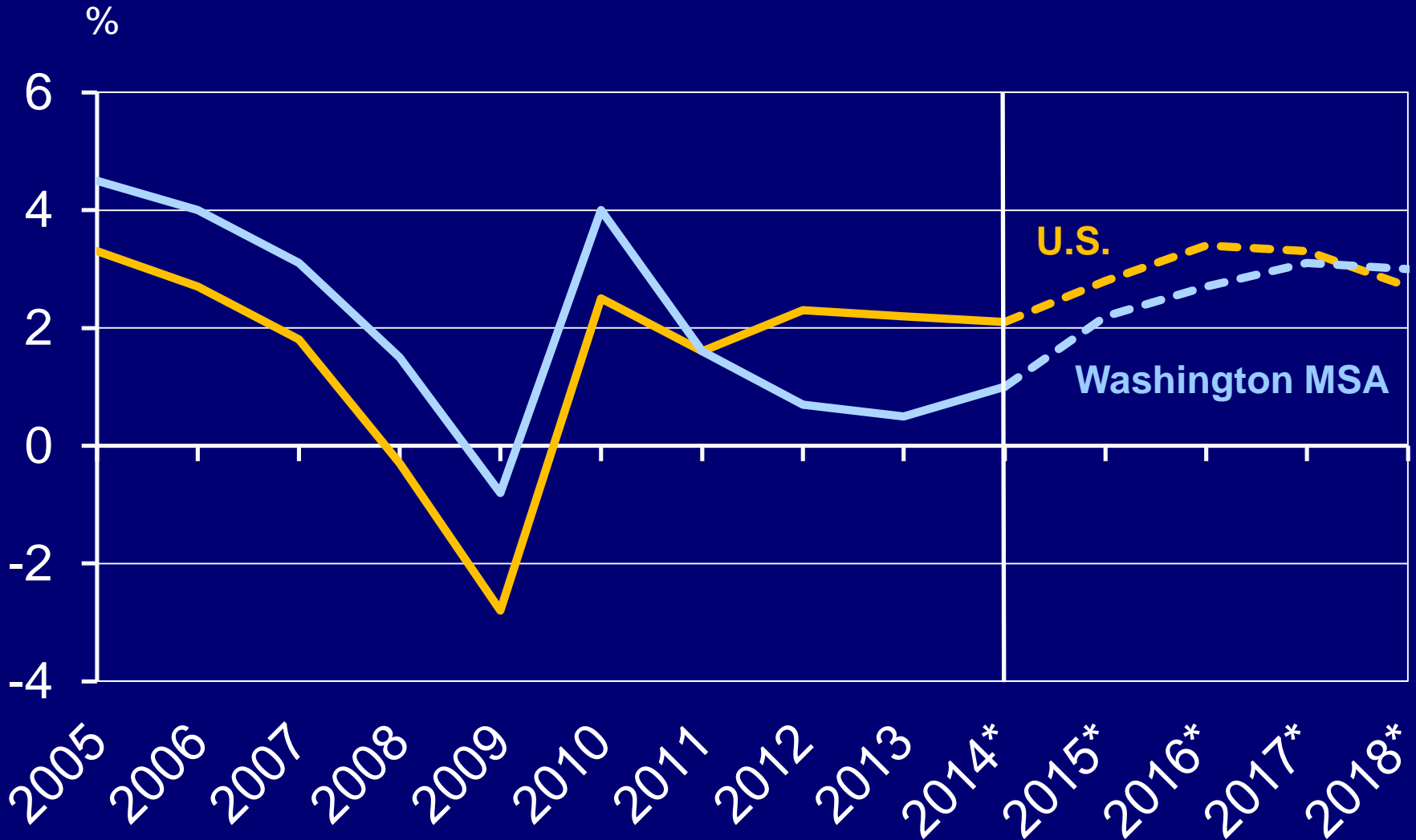
	2011	2012	2013	2014	2015	2016	2017	2018
<b>D.C.</b>	14.1	5.6	11.0	6.5	8.5	9.8	12.0	13.6
<b>Sub. MD</b>	4.4	4.8	6.7	12.1	17.0	20.5	21.9	21.2
<b>No. VA</b>	26.4	23.5	12.6	7.8	17.7	23.2	26.9	24.7
<b>REGION</b>	42.6	32.2	30.3	26.4	43.2	53.5	60.8	59.5

Average Annual Change 1990-2010 = 35,800

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

NOTE: The regional totals include Jefferson, WV.

# U.S. GDP and Washington Area GRP 2005 – 2014 – 2018



Sources: U.S Bureau of Labor Statistics, IHS Economics, GMU Center for Regional Analysis.

\*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](http://cra.gmu.edu)

Save The Date:  
January 15, 2015