

# *Washington Area Economy and Housing Market: Performance and Outlook*

## *NVAR Economic Summit*

September 13, 2018

Donna Hurwitt  
Director, Market Intelligence  
Fairfax County Economic Development Authority



**FAIRFAX COUNTY**  
**ECONOMIC DEVELOPMENT AUTHORITY**

# FAIRFAX COUNTY'S ADVANTAGES

- **Market Access**
- **Dynamic, Diverse, International Business Community**
- **Center of Innovation**
- **Workforce: Highly Educated and Skilled**
- **Real Estate: A Variety of Options**
- **Outstanding Quality of Life**



# FAIRFAX COUNTY'S KEY INDUSTRIES



**CLOUD COMPUTING**



**CORPORATE HEADQUARTERS**



**CYBERSECURITY**



**DATA ANALYTICS**



**DEFENSE AND AEROSPACE**



**DIGITAL MEDIA**



**ENGINEERING SERVICES**



**FINANCIAL SERVICES**



**GOVERNMENT CONTRACTING**



**INFORMATION TECHNOLOGY**



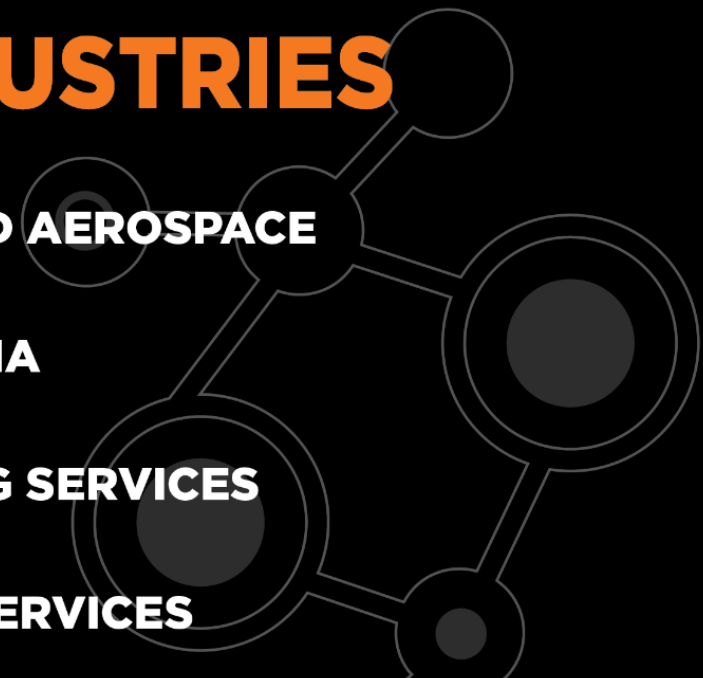
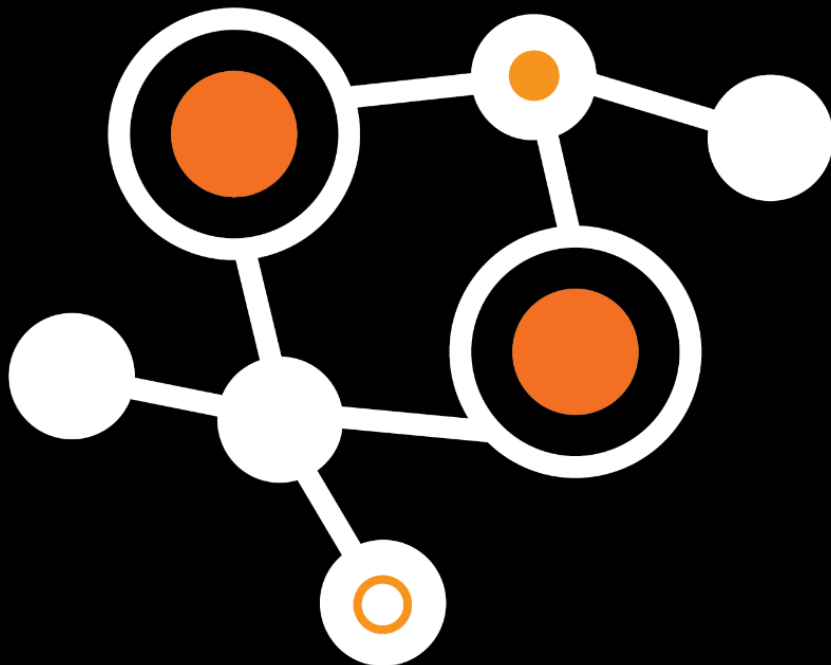
**LIFE SCIENCES AND  
PERSONALIZED HEALTH**



**SOFTWARE**



**TELECOMMUNICATIONS**



# MAJOR CORPORATE ANNOUNCEMENTS



# HIGHER EDUCATION

**60+**  
**COLLEGES AND  
UNIVERSITIES**  
IN THE D.C. METRO REGION

**12**  
OPERATE OR  
ARE BASED IN  
FAIRFAX COUNTY

ENROLLMENT  
EXCEEDS **400,000**

**NOVA** Northern Virginia  
Community College

**VirginiaTech**  
*Invent the Future*

  
UNIVERSITY of VIRGINIA

  
HOWARD  
UNIVERSITY

  
AMERICAN  
UNIVERSITY  
WASHINGTON, D.C.

  
JOHNS HOPKINS  
UNIVERSITY

  
GEORGE  
MASON  
UNIVERSITY

  
1774 1864  
GEORGETOWN UNIVERSITY

THE GEORGE  
WASHINGTON  
UNIVERSITY  
WASHINGTON, DC

  
UNIVERSITY OF  
MARYLAND

  
**87K**  
**DEGREES**  
CONFERRED ANNUALLY

# FAIRFAX COUNTY COMMERCIAL REAL ESTATE

**117M** SQUARE FEET  
OFFICE SPACE

**39M** SQUARE FEET  
INDUSTRIAL/  
FLEX SPACE

**41M** SQUARE FEET  
RETAIL SPACE

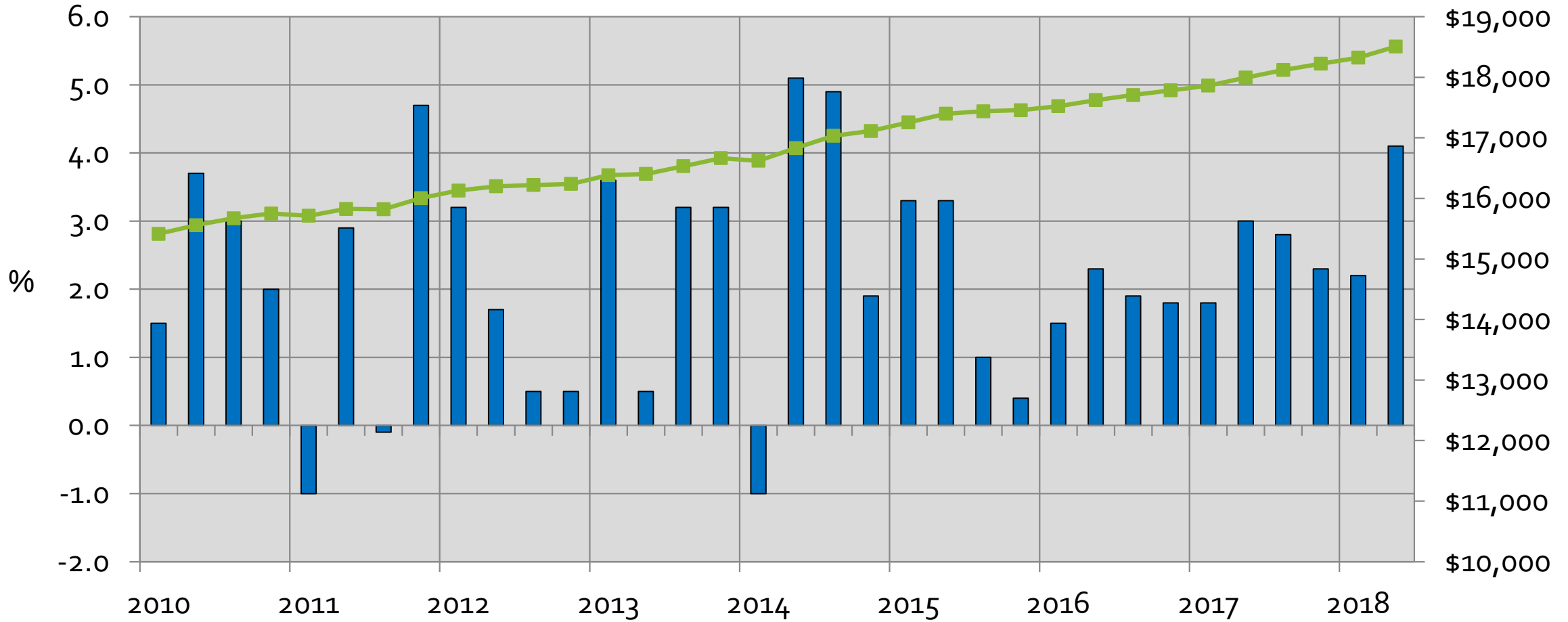
**#2**

SUBURBAN  
OFFICE MARKET  
IN U.S.



# U.S. Gross Domestic Product

■ Quarterly Change    ■ Real GDP (Billions)



2017 +2.3%

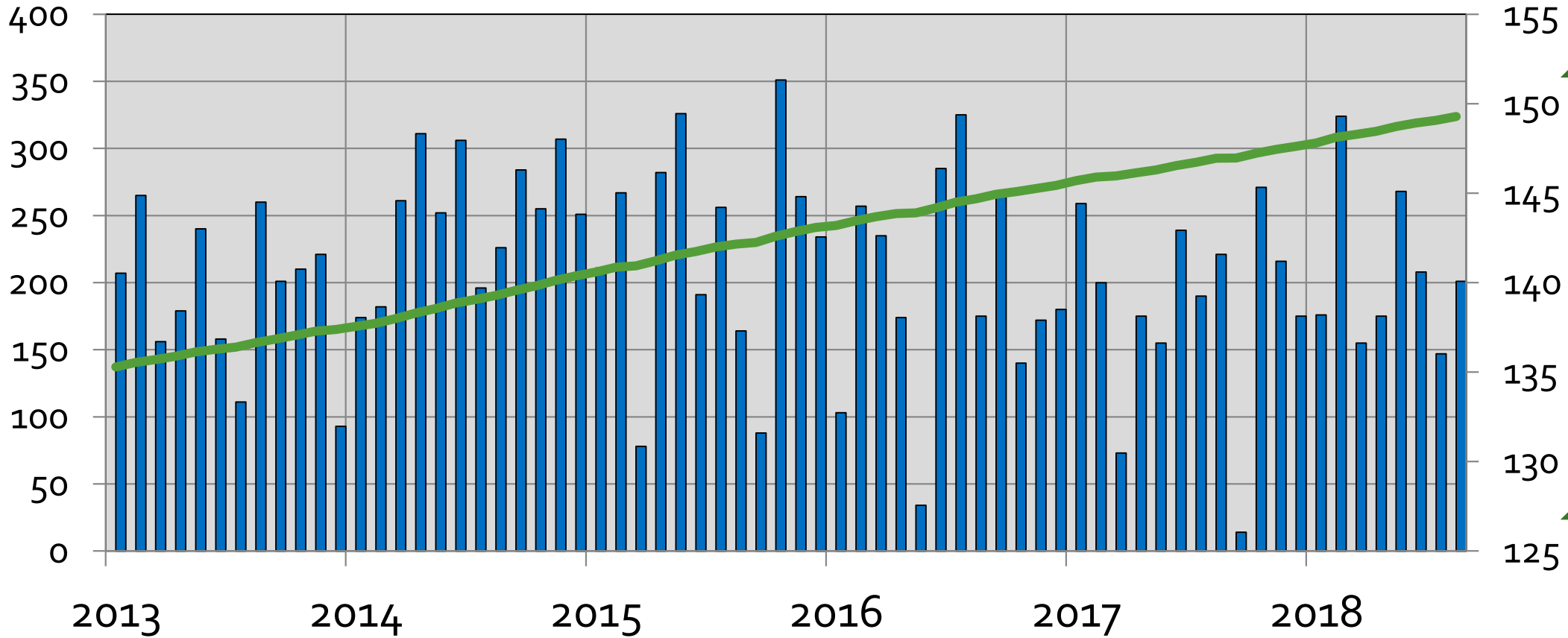
2018Q2 +4.2%

Source: Bureau of Economic Analysis (Seasonally Adjusted, Chained 2012 Dollars)

# US Payroll Jobs



■ Month-to-Month Change (000s)    — Total (Millions)

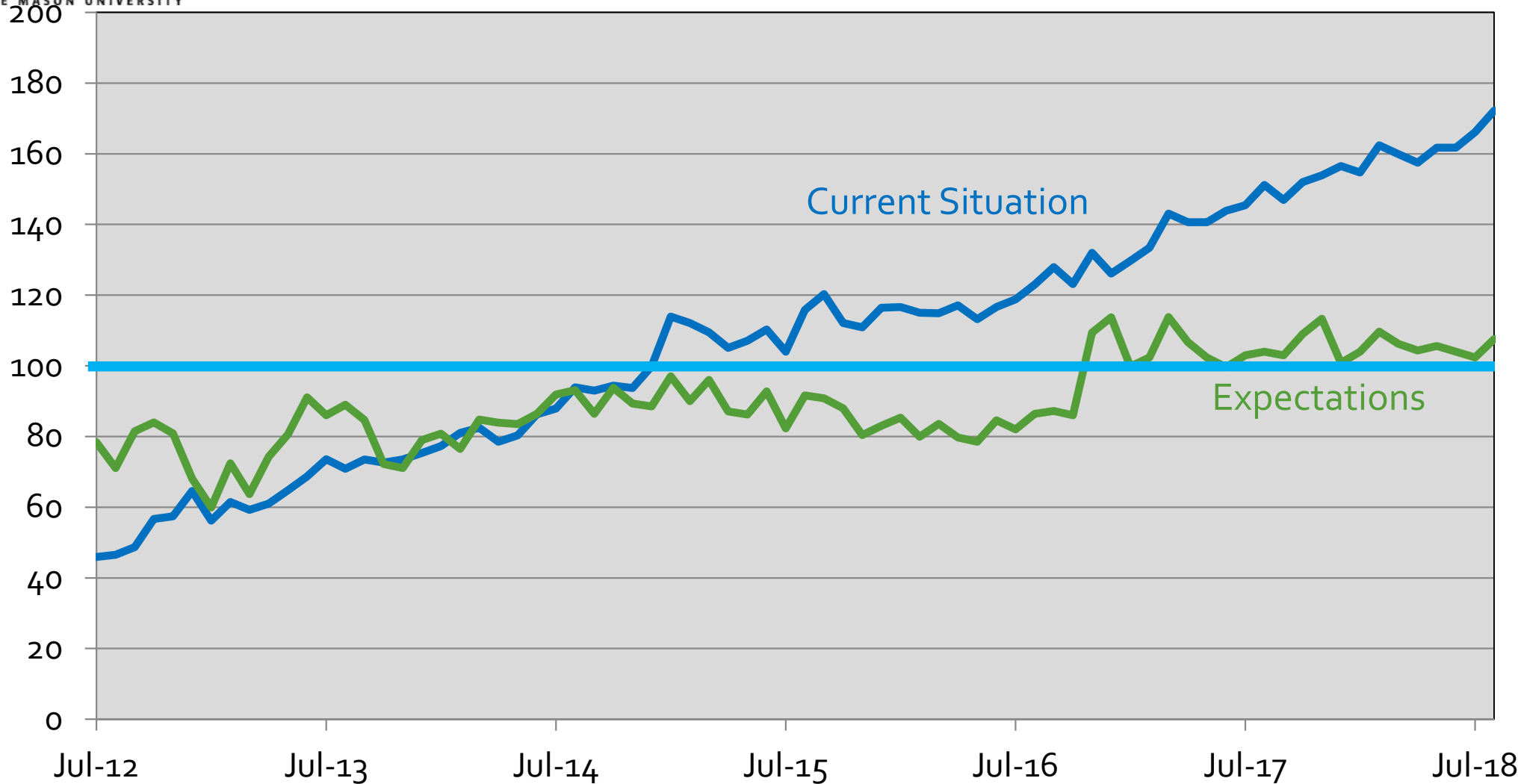


**2017-  
 2018**  
 2.3M  
 Aug  
 +201K

**Since  
 2010**  
 +19.5  
 M



# Consumer Confidence



**August 2018**

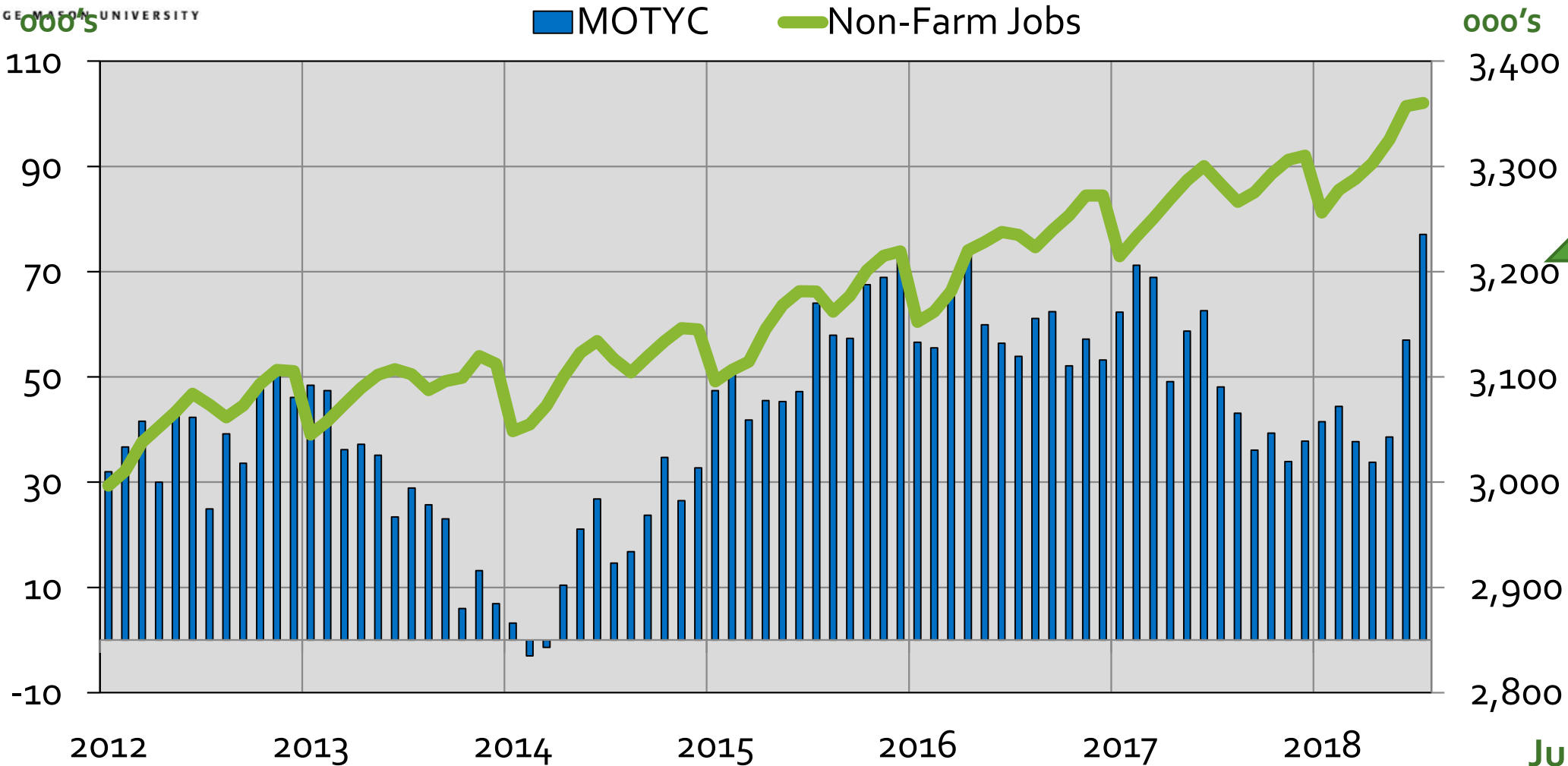
Cur. = 172.2

Exp. = 107.6

(1985 = 100)

# The Washington Economy

# Annual Job Change - Washington MSA

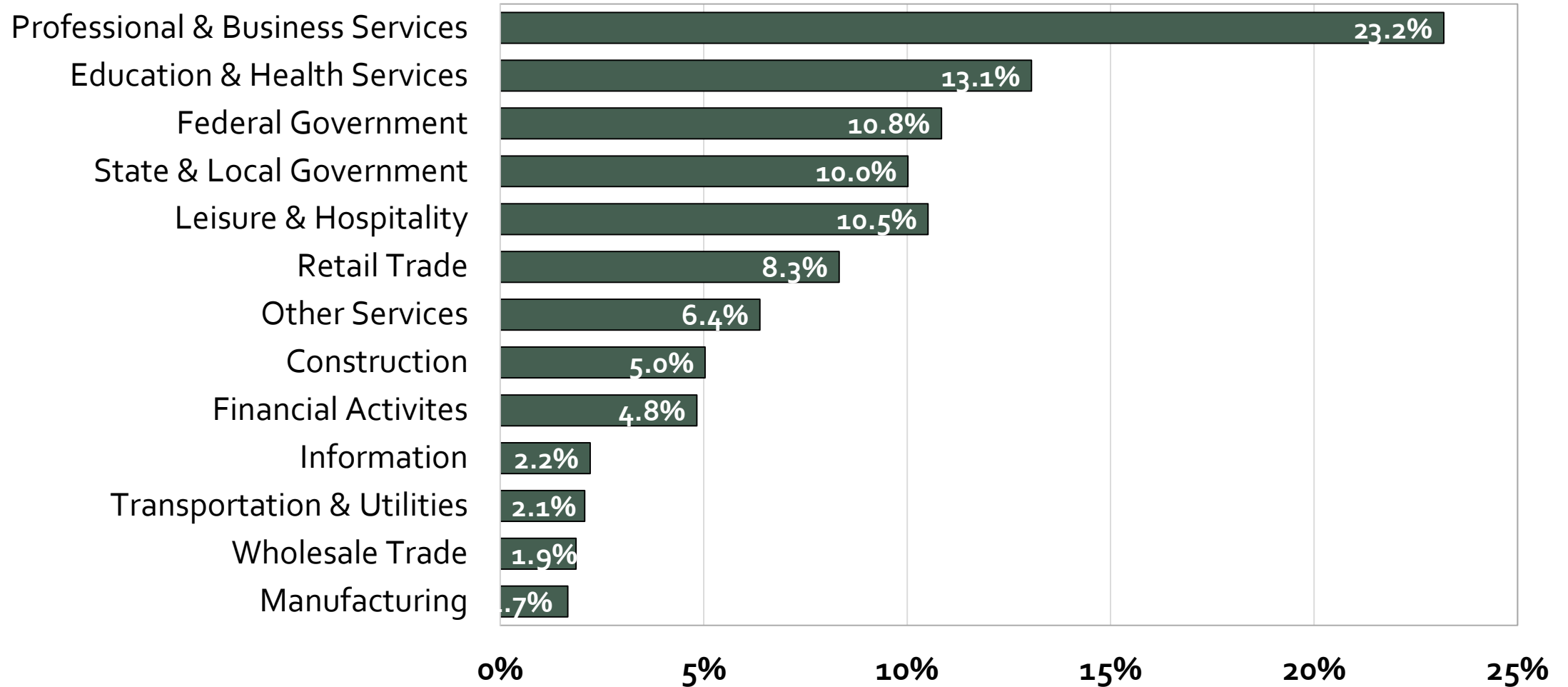


**July 17-  
 July 18  
 +77.1K**

**July-18  
 Total: 3,360 K**

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

# Employment Composition by Sector July 2018 Washington MSA



Source: US Bureau of Labor Statistics, Current Employment Statistics

# Professional & Business Services

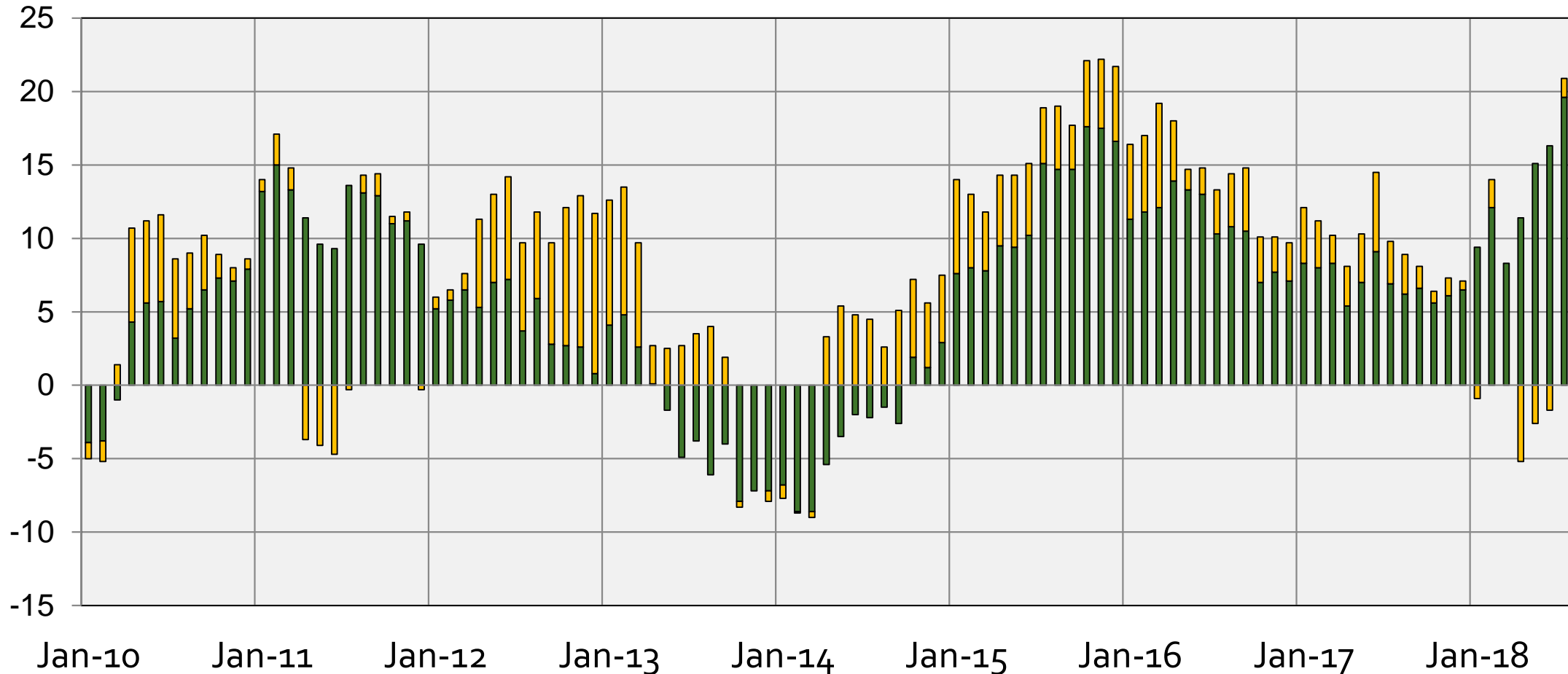
## Washington MSA

### Month Over the Year Change

(000s)

■ Prof., Sci. & Tech. Svcs & Mgt.

■ Admin. & Waste Mgt.

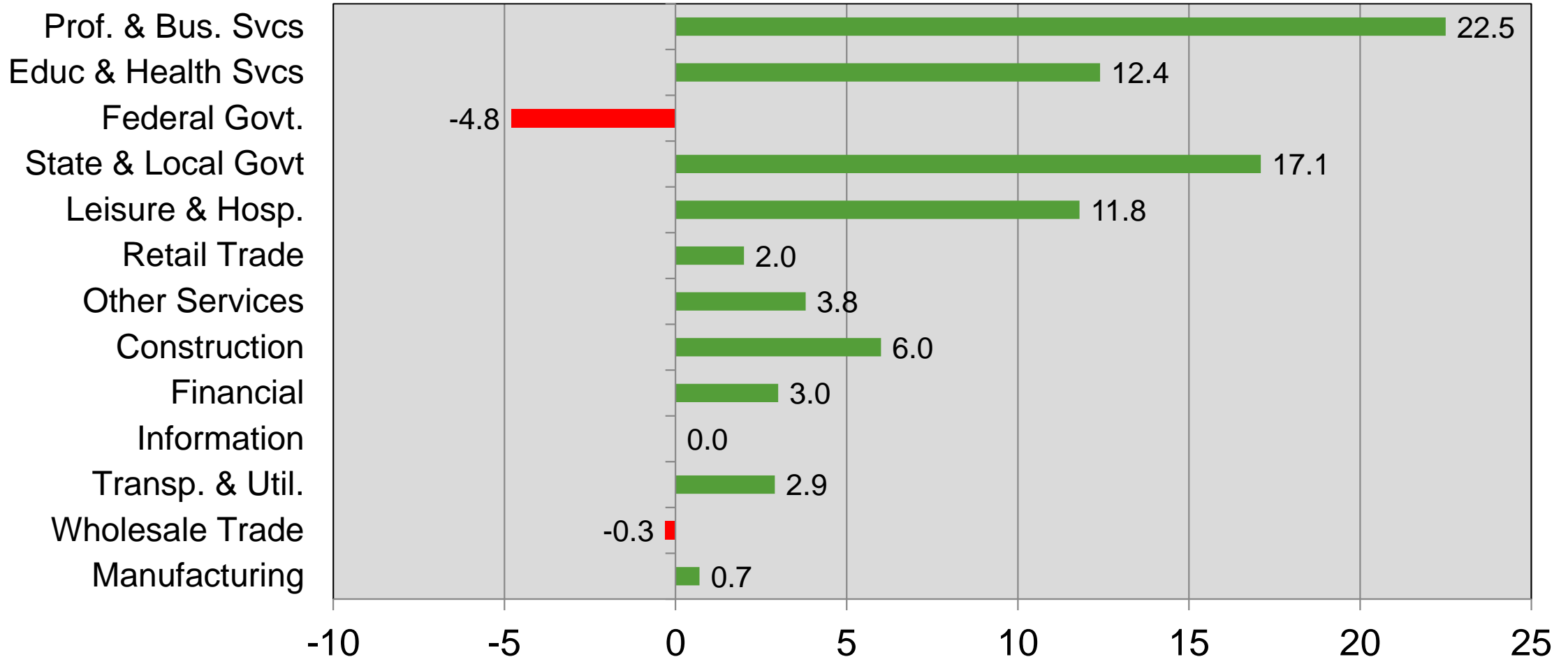


Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Job Change by Sector July 2017 – July 2018 Washington MSA (000s)

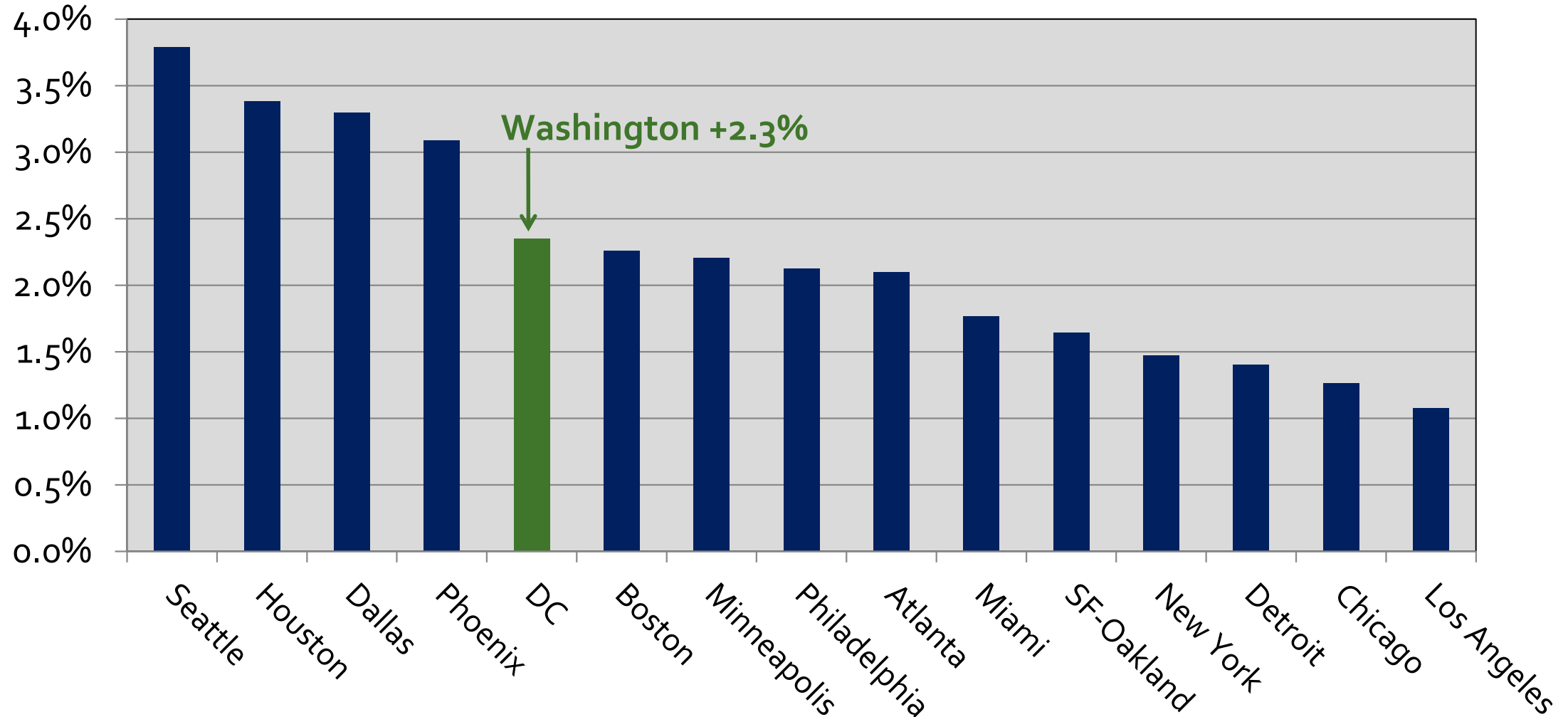
(Ranked by Size in 2017)

Total = 77,100

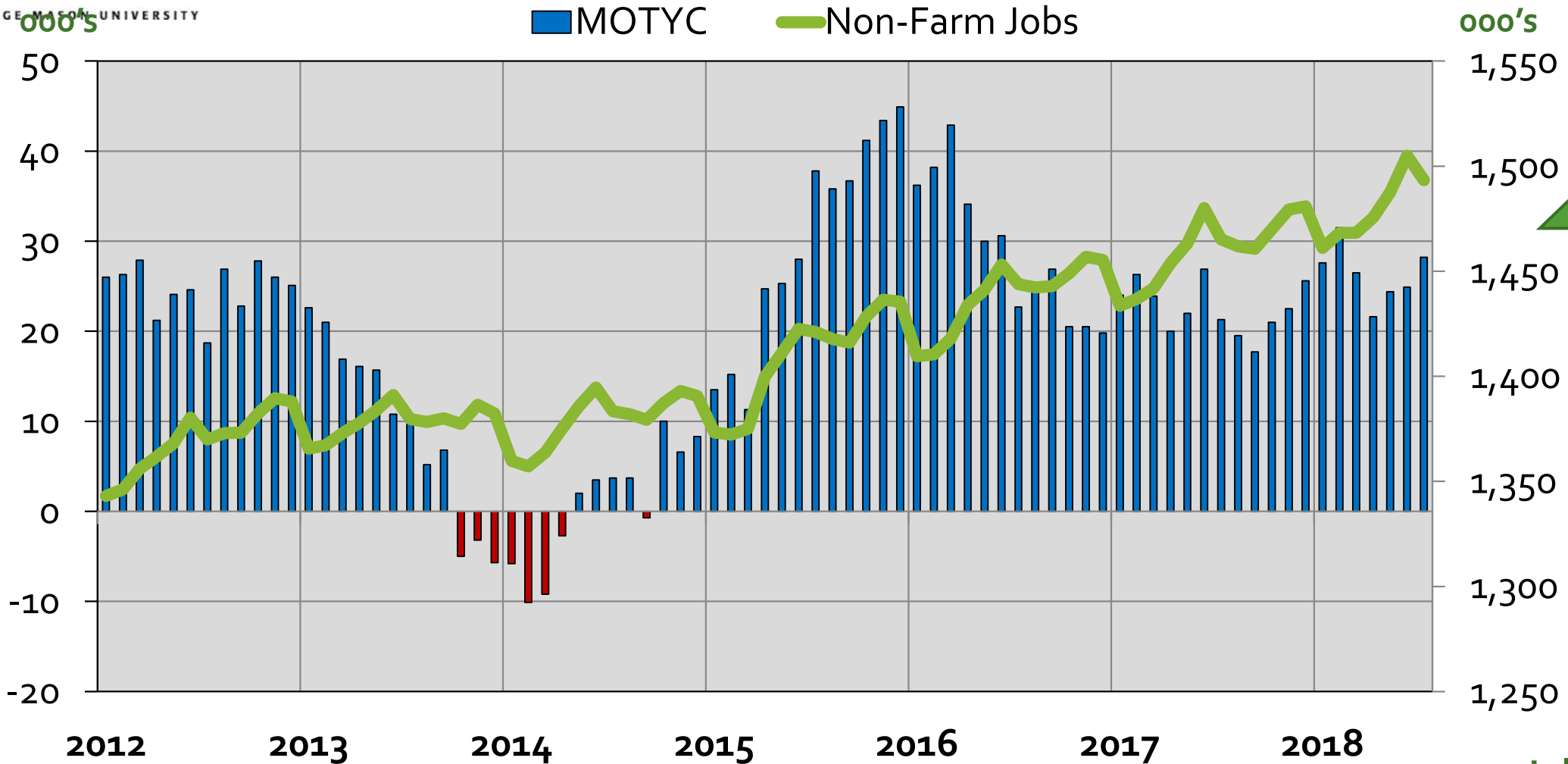


# 15 Largest Job Markets

## Job Change: July 2017 – July 2018



# Annual Job Change – Northern VA



**July 17-  
 July 18  
 +28.2K**

**July-18  
 Total: 1,493 K**

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

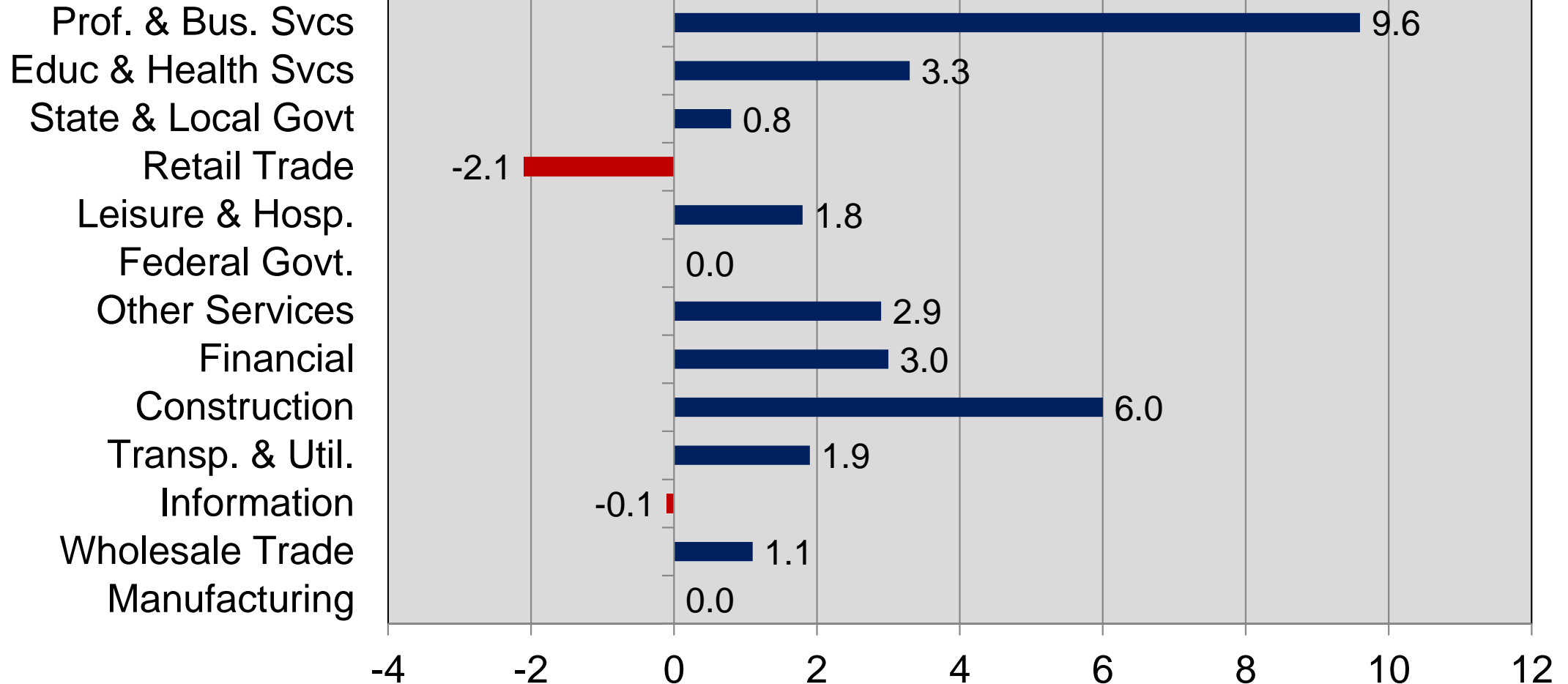


# Job Change by Sector July 2017 – July 2018 Northern Virginia

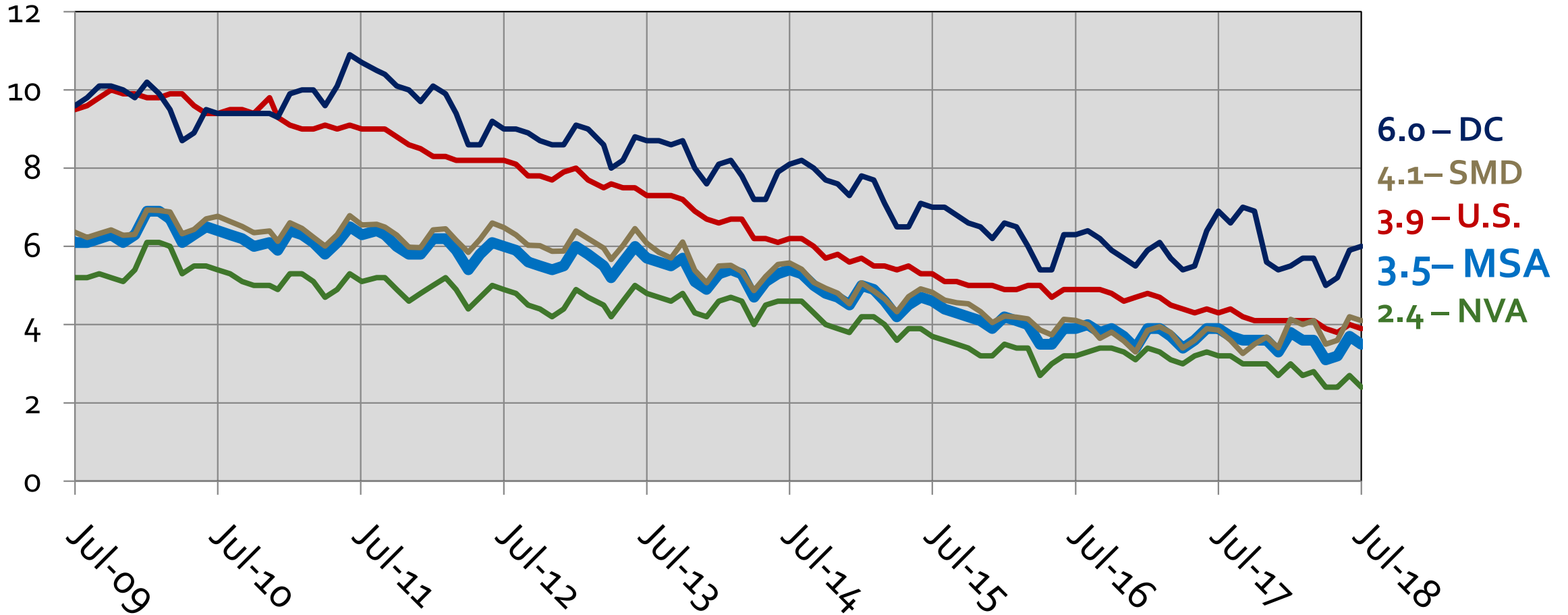
(Ranked by Size in 2017)

(000s)

Total 28,200



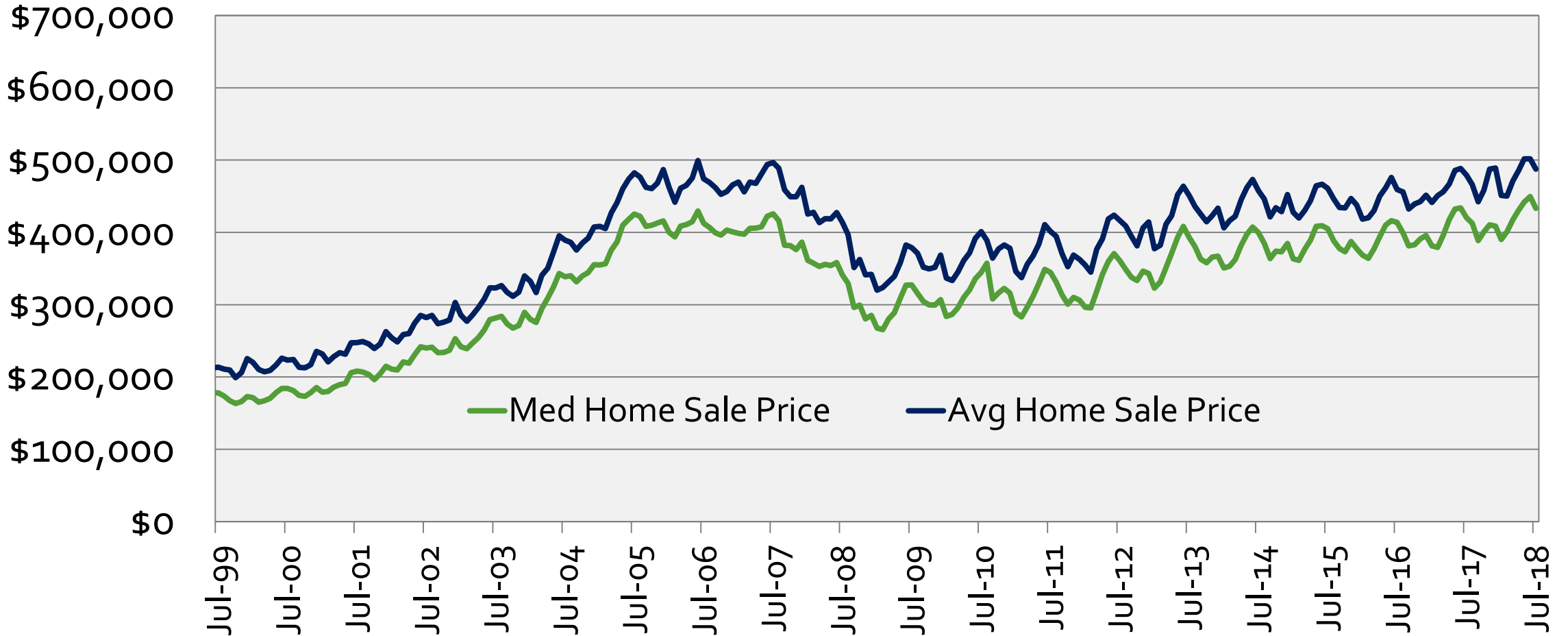
# Unemployment Rates in the WMSA By Sub-State Area



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

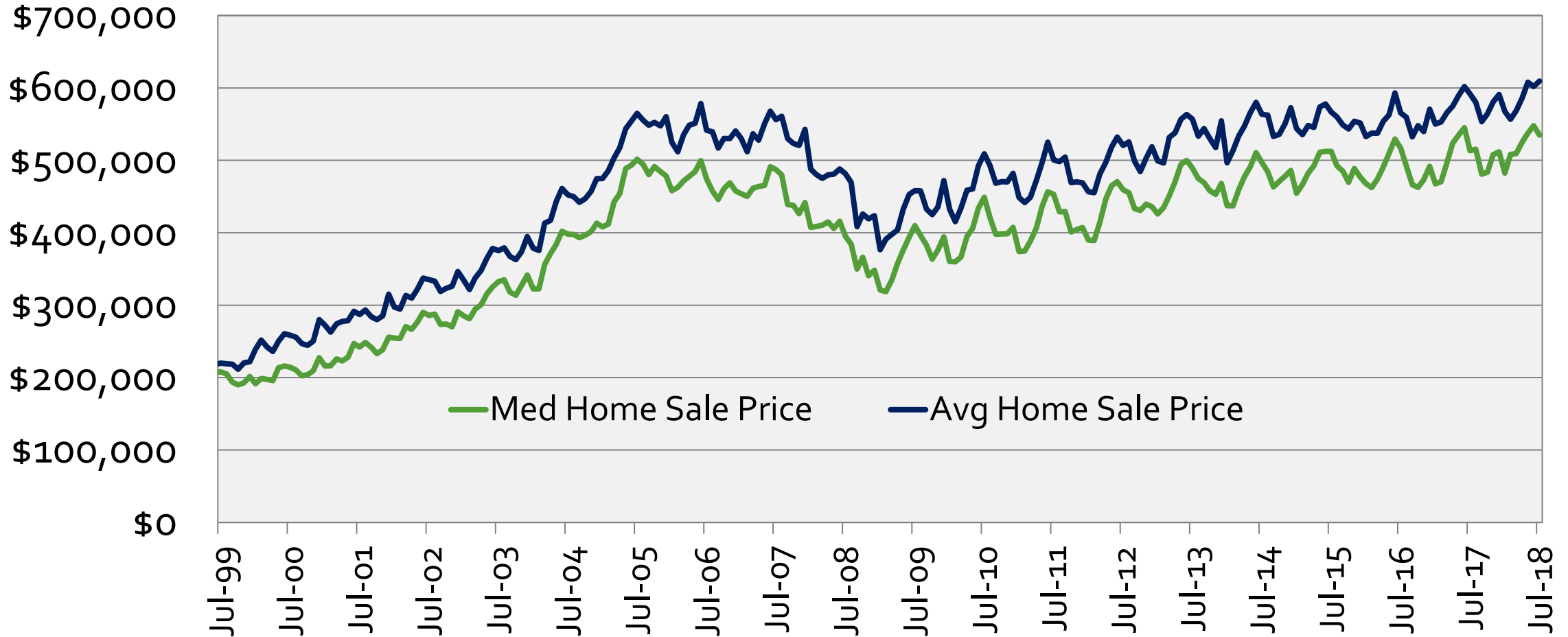
# Washington Area and NVAR Region Housing Trends

# Home Sale Price Washington MSA

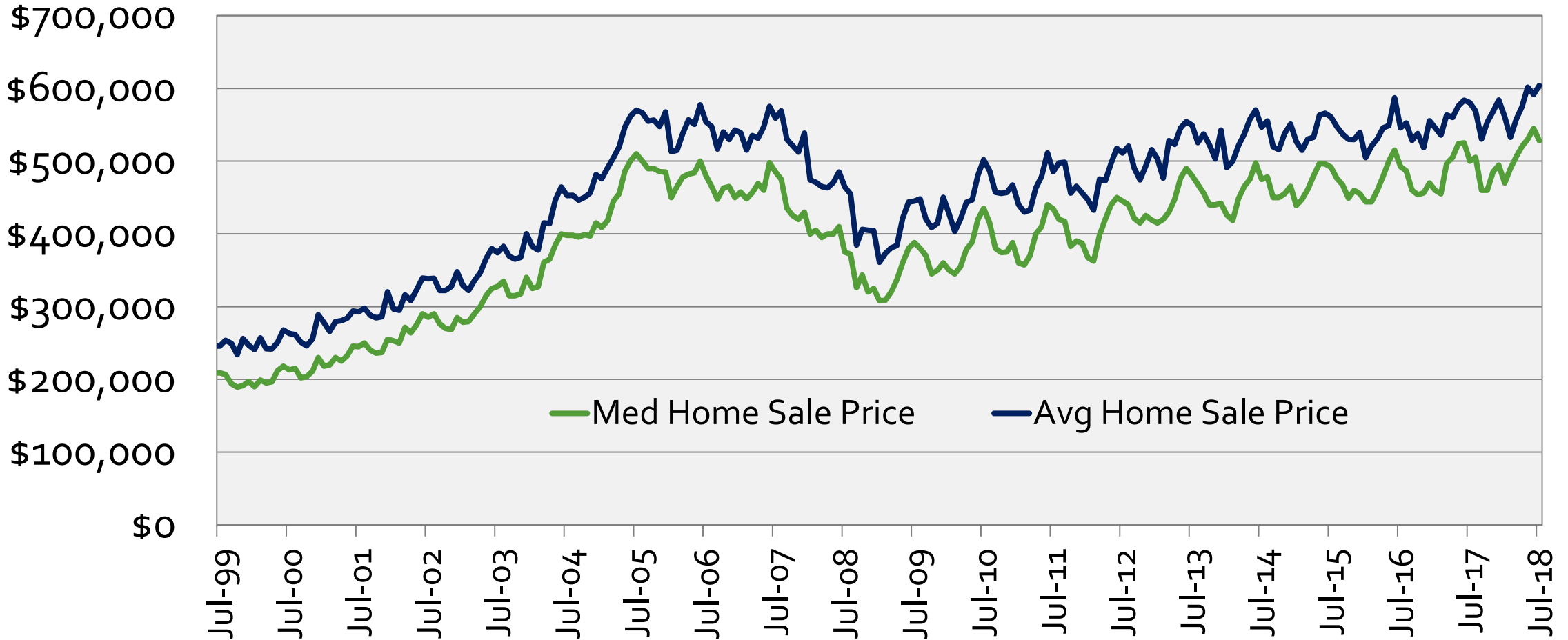


# Home Sale Price

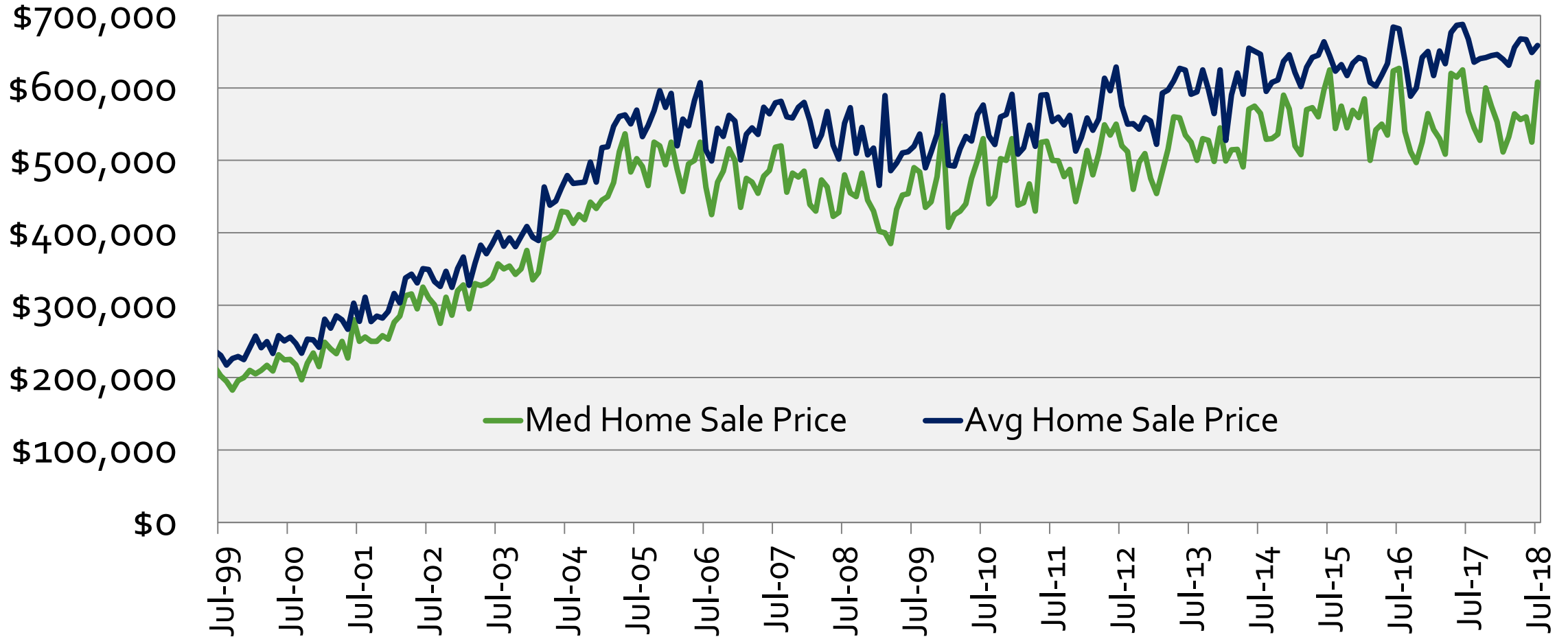
## NVAR Region



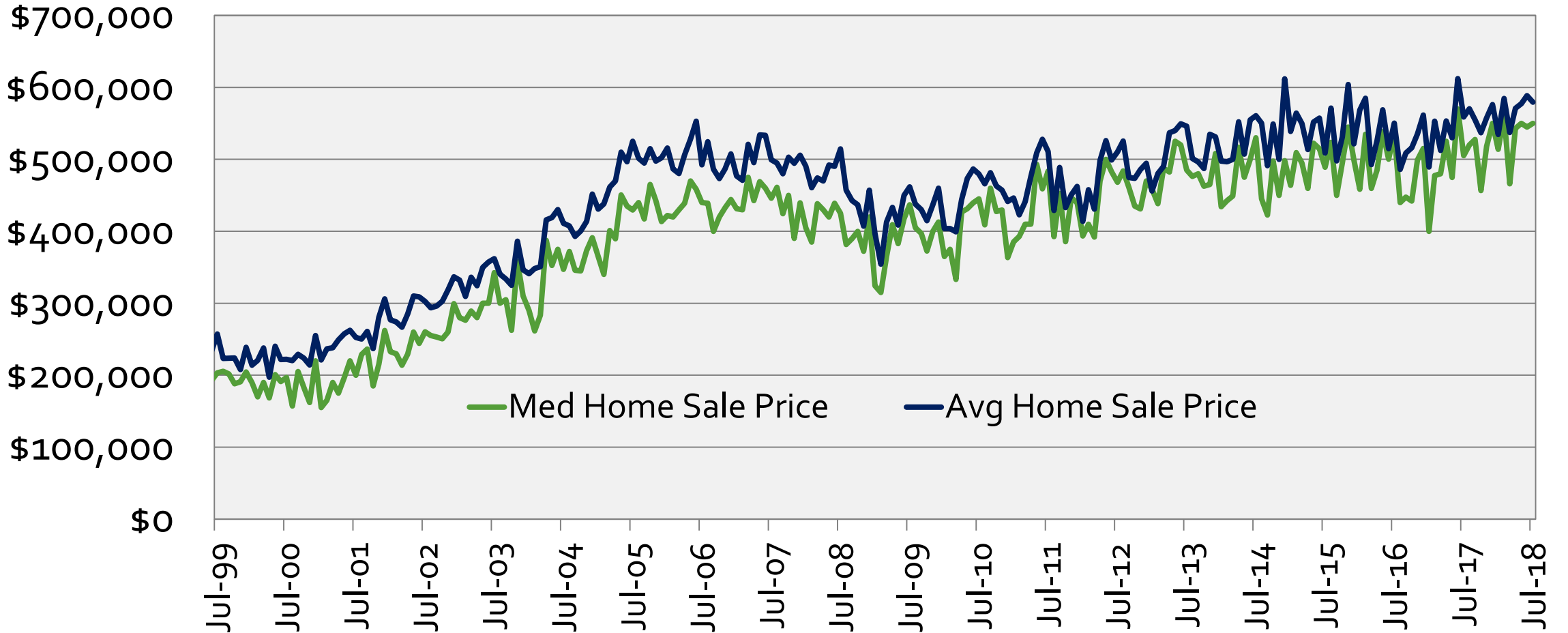
# Home Sale Price Fairfax County



# Home Sale Price Arlington

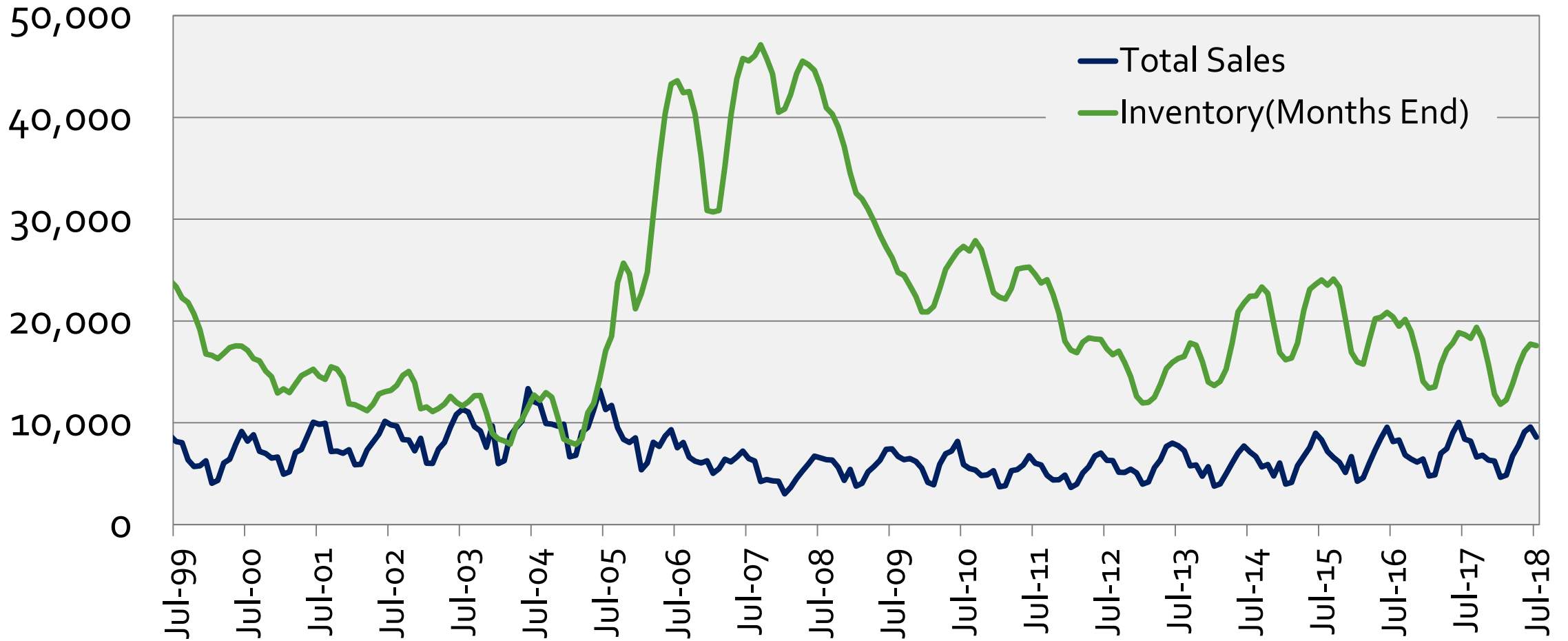


# Home Sale Price Alexandria



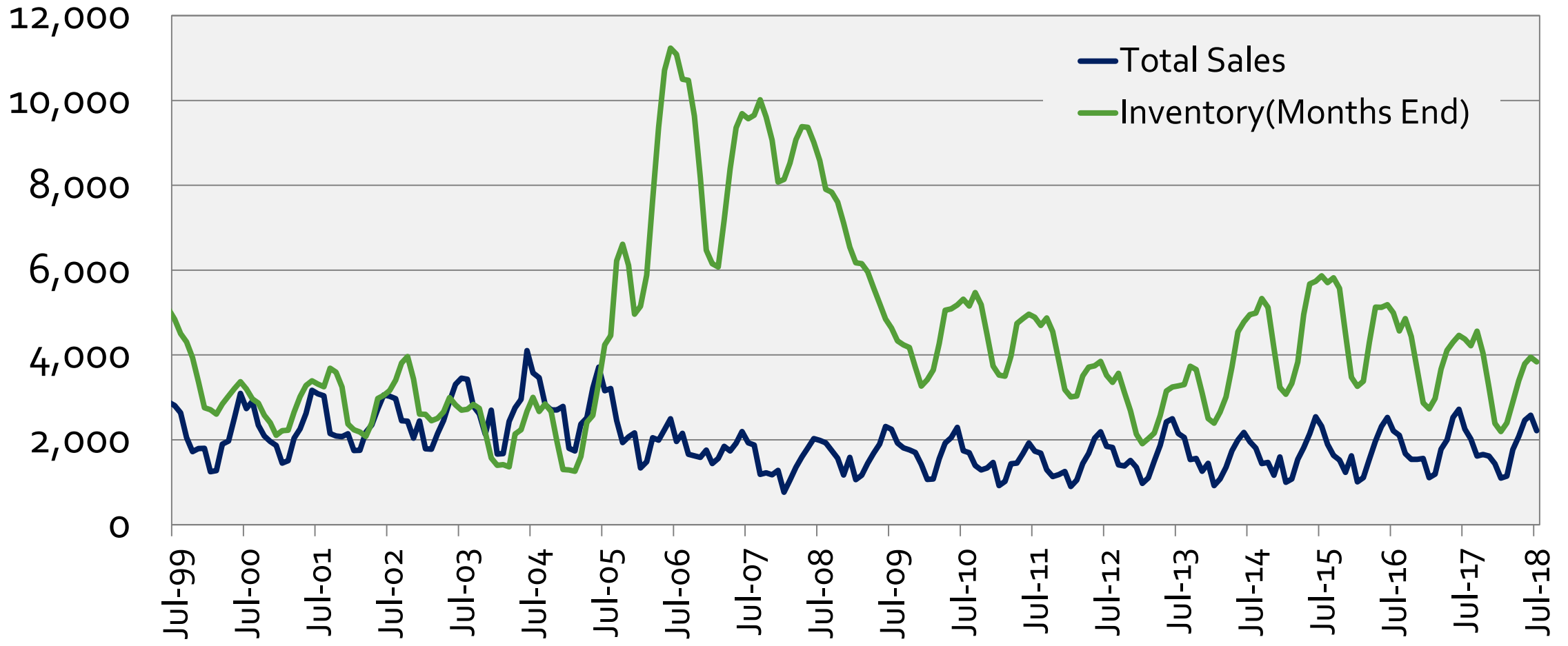


# Closed Sales and Inventory Washington MSA

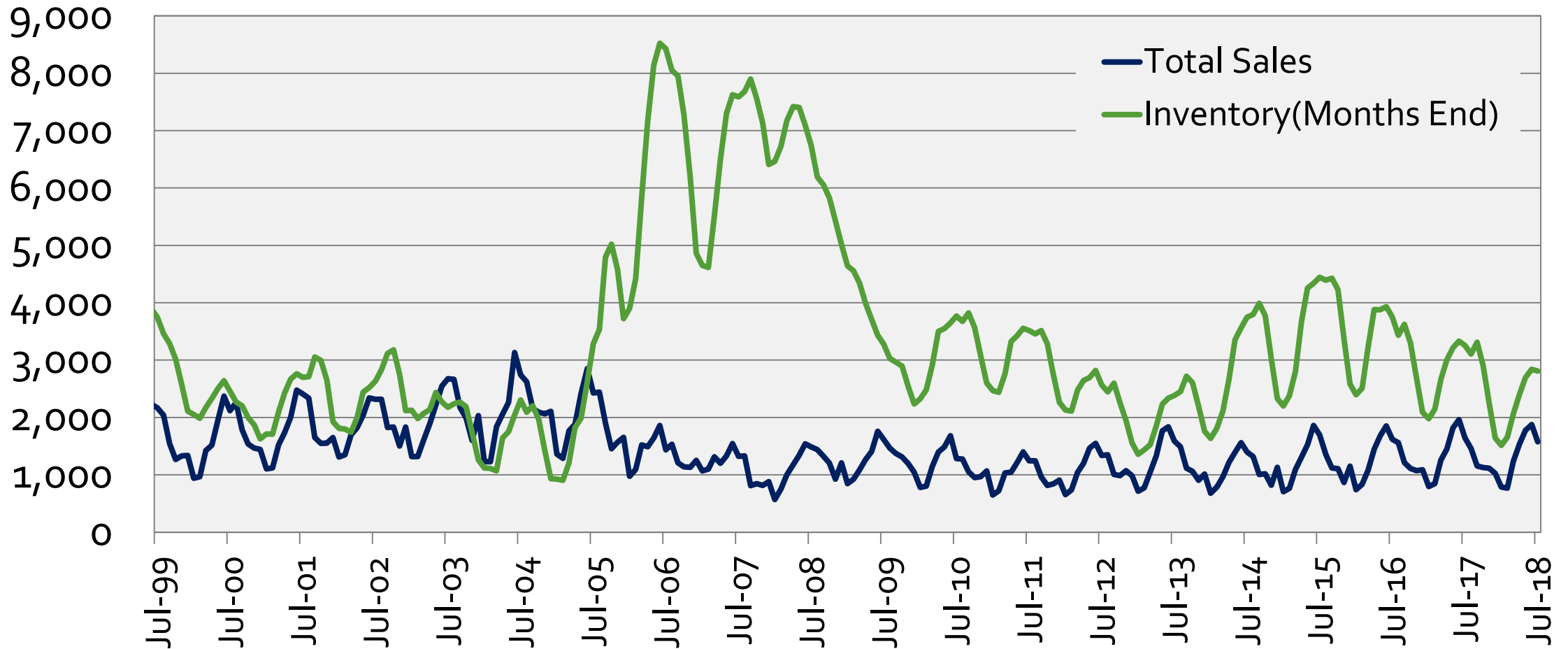


# Closed Sales and Inventory

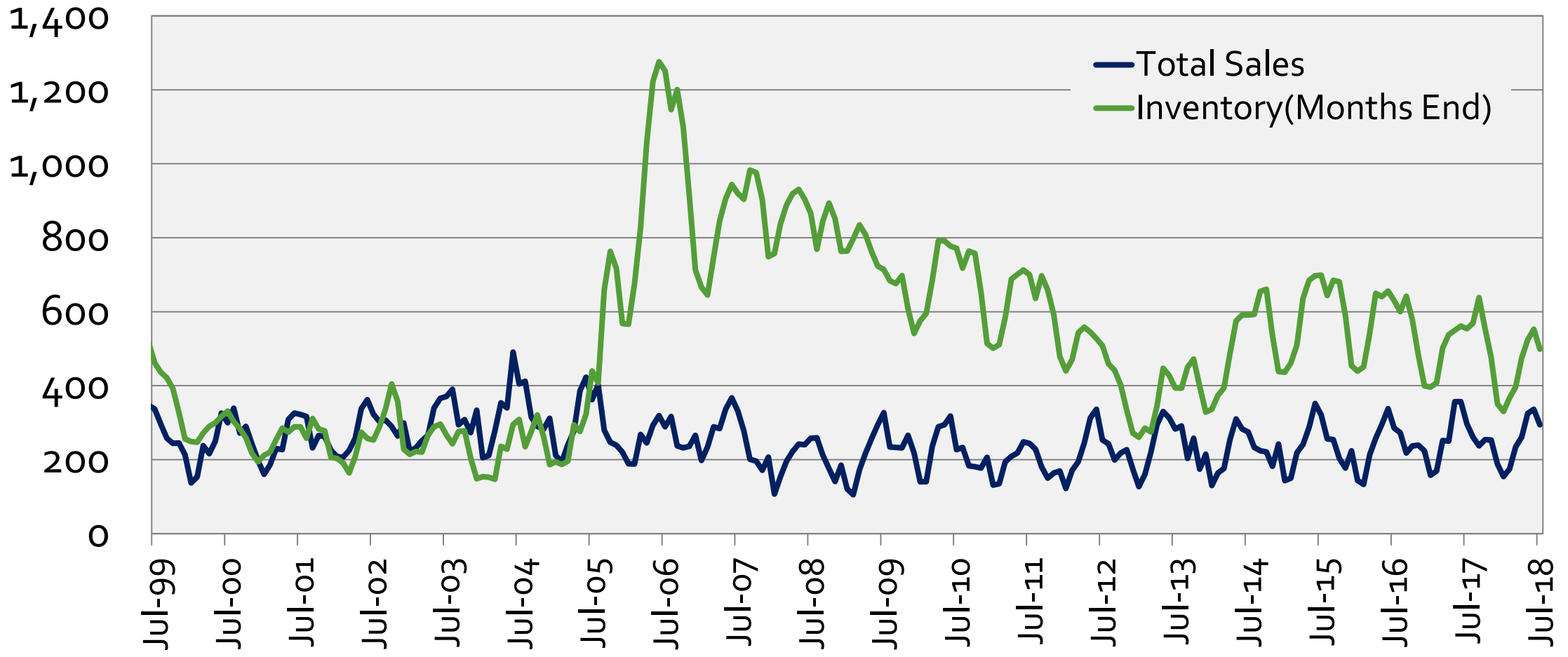
## NVAR Region



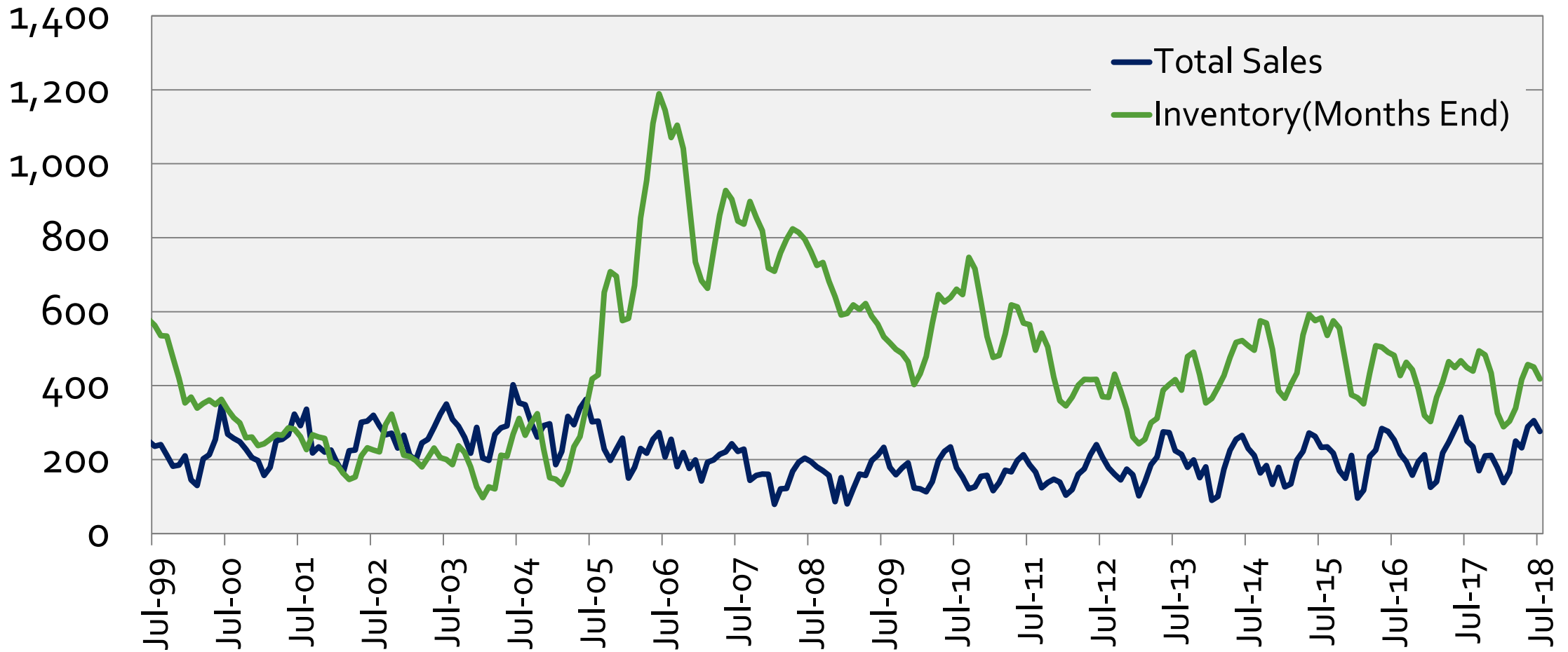
# Closed Sales and Inventory Fairfax County



# Closed Sales and Inventory Arlington



# Closed Sales and Inventory Alexandria



# Outlook

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

	2013	2014	2015	2016	2017	2018	2019	2020
<b>D.C.</b>	<b>13.4</b>	<b>5.2</b>	<b>15.9</b>	<b>13.0</b>	<b>9.7</b>	<b>10.6</b>	<b>8.9</b>	<b>8.2</b>
<b>Sub. MD</b>	<b>7.2</b>	<b>10.2</b>	<b>12.5</b>	<b>14.4</b>	<b>17.7</b>	<b>14.1</b>	<b>12.0</b>	<b>11.0</b>
<b>No. VA</b>	<b>9.2</b>	<b>0.8</b>	<b>29.8</b>	<b>31.0</b>	<b>23.6</b>	<b>15.9</b>	<b>13.7</b>	<b>12.6</b>
<b>REGION</b>	<b>28.1</b>	<b>18.6</b>	<b>57.7</b>	<b>55.6</b>	<b>51.0</b>	<b>40.6</b>	<b>34.6</b>	<b>31.8</b>

Source: BLS, IHS Economics, GMU Center for Regional Analysis (December 2016)

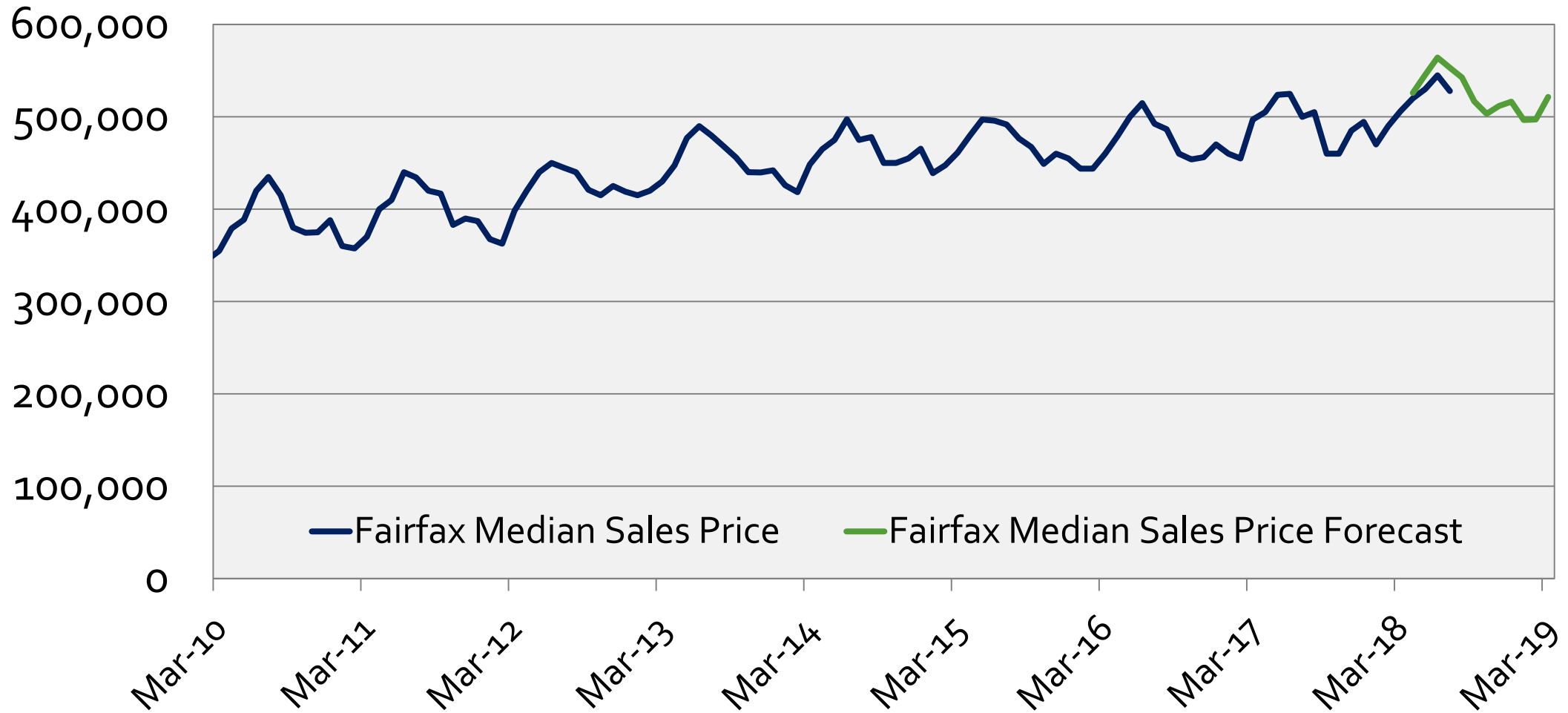
NOTE: The regional totals do not include Jefferson, WV.

Average Annual Change 1990-2016 = 37,300

# NVAR Region Forecasts

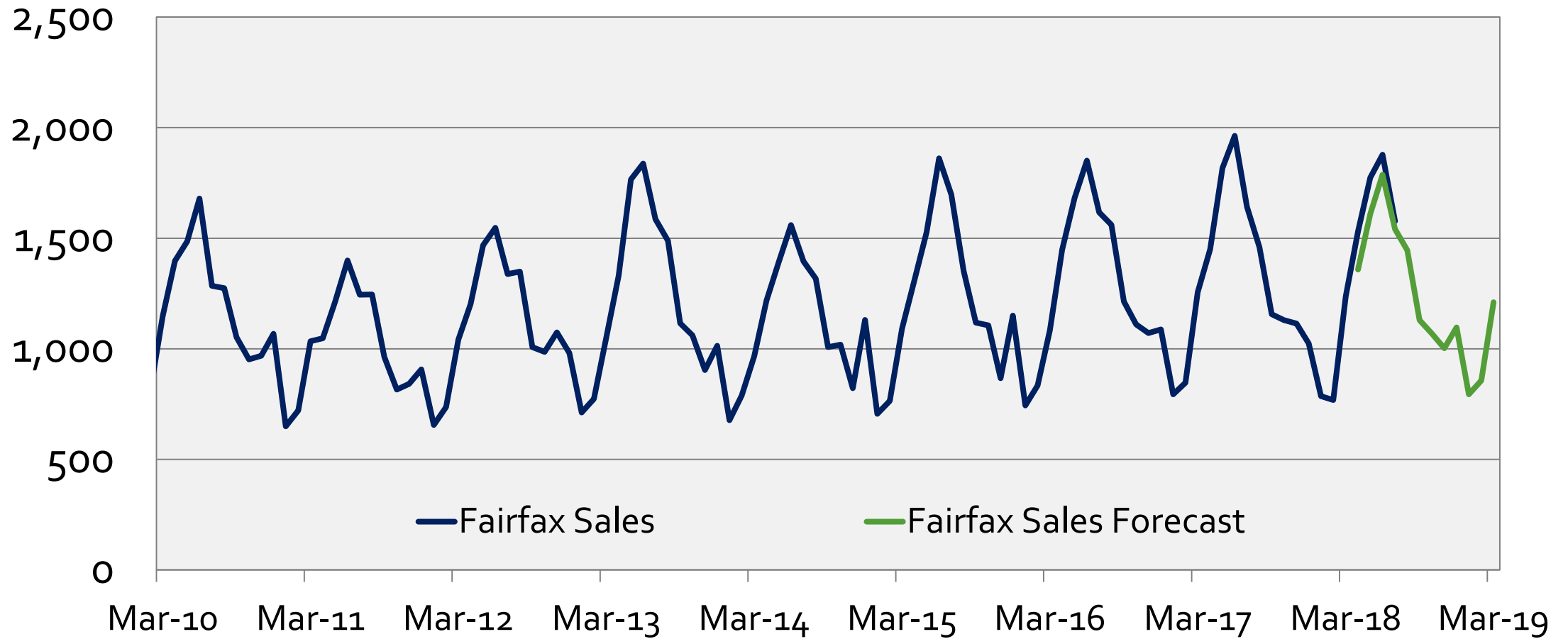


# Median Sales Price Forecast Fairfax

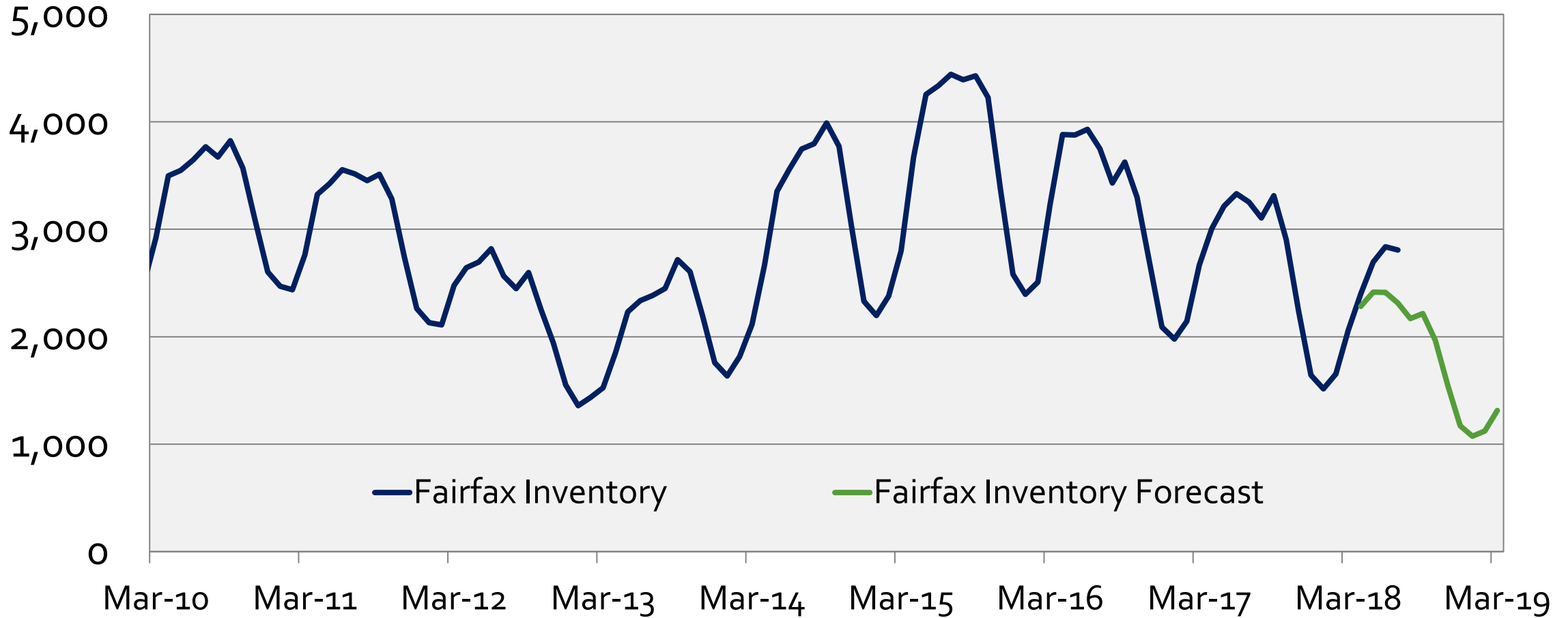


# Sales Forecast (units)

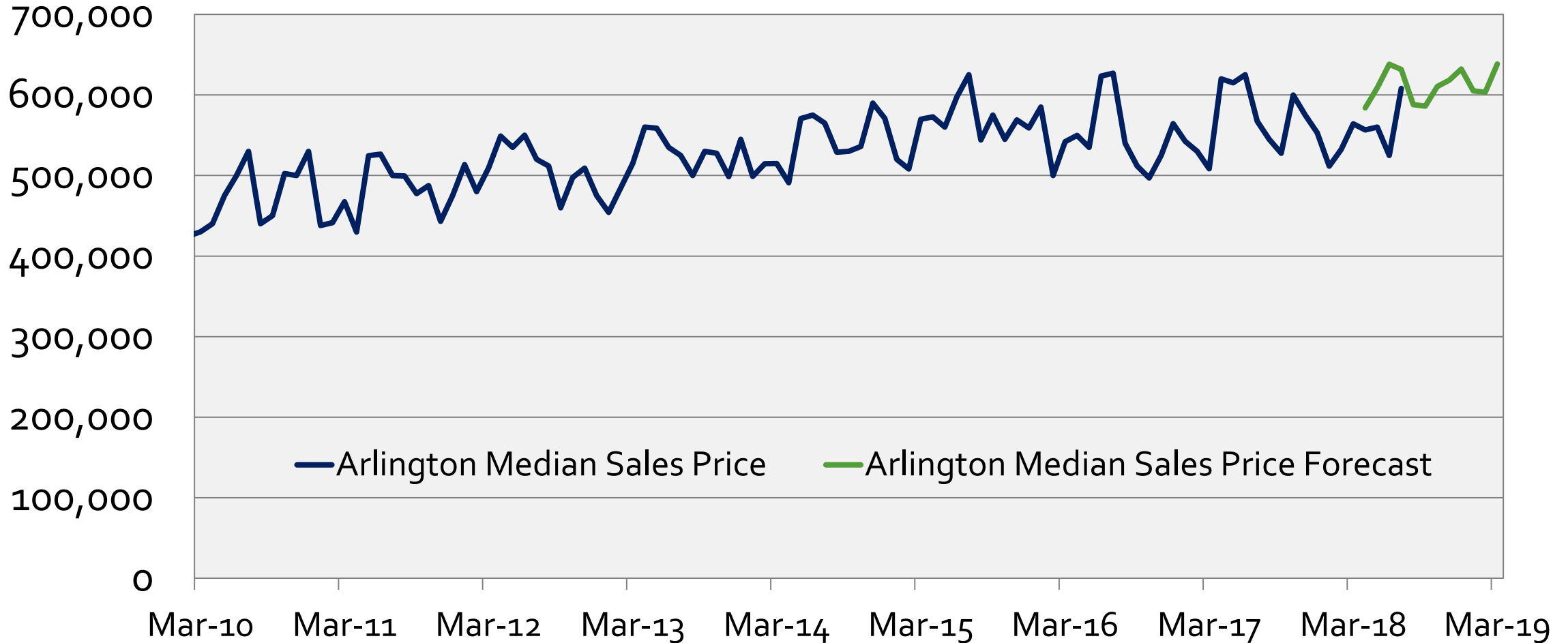
## Fairfax



# Inventory Forecast (months end) Fairfax

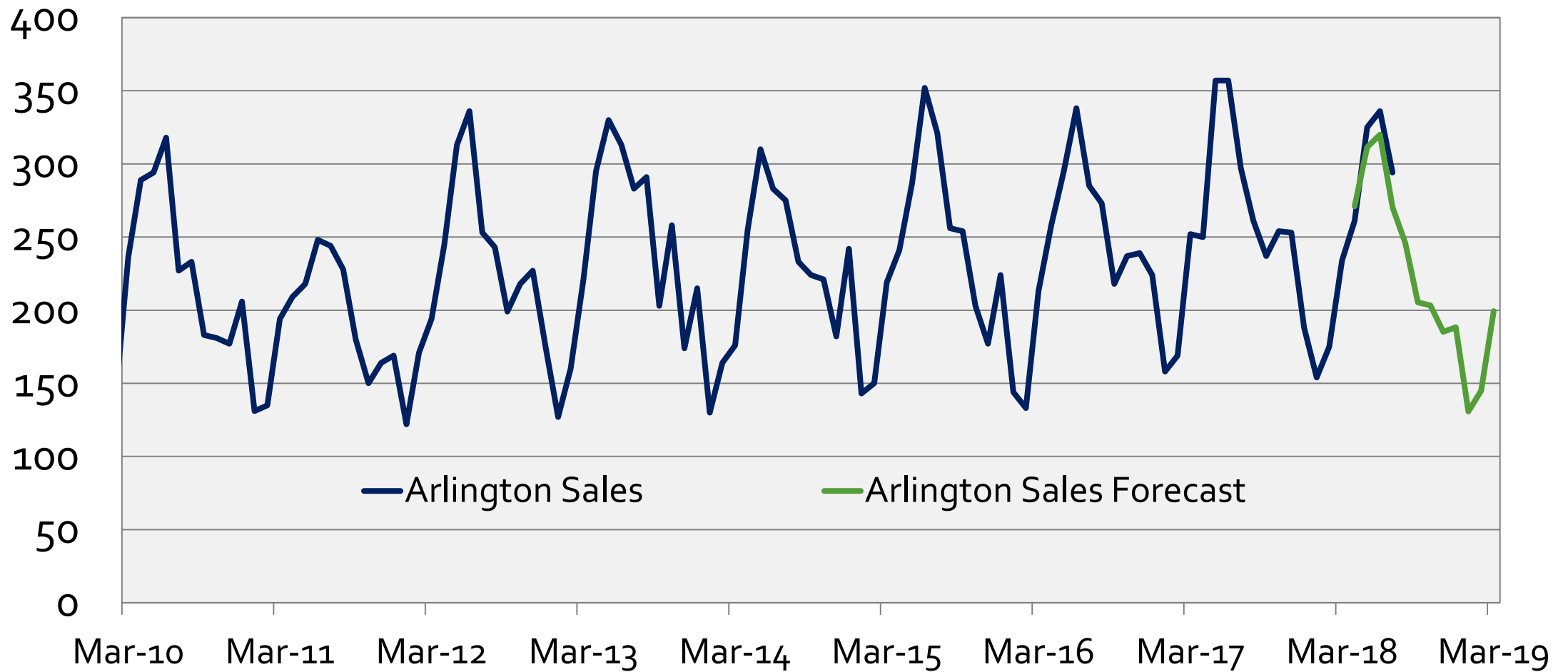


# Median Sales Price Forecast Arlington

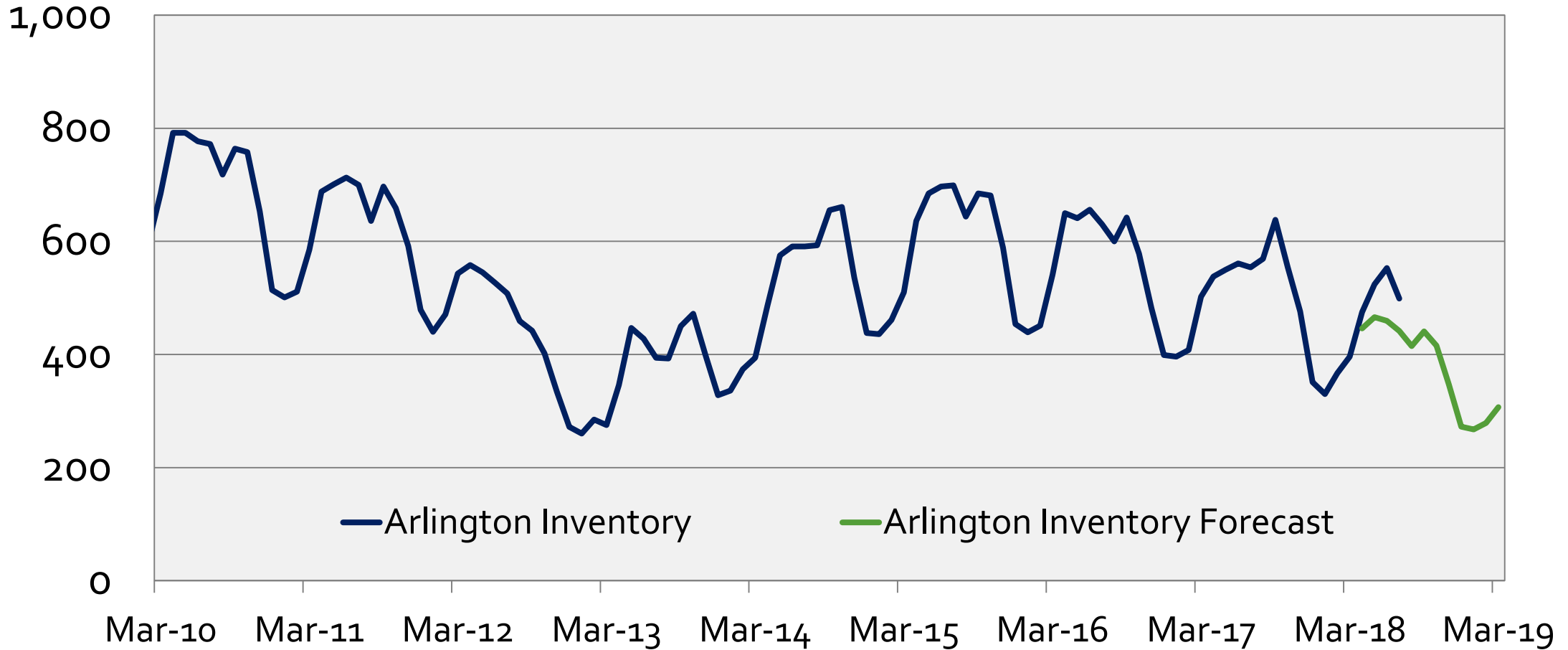


# Sales Forecast (units)

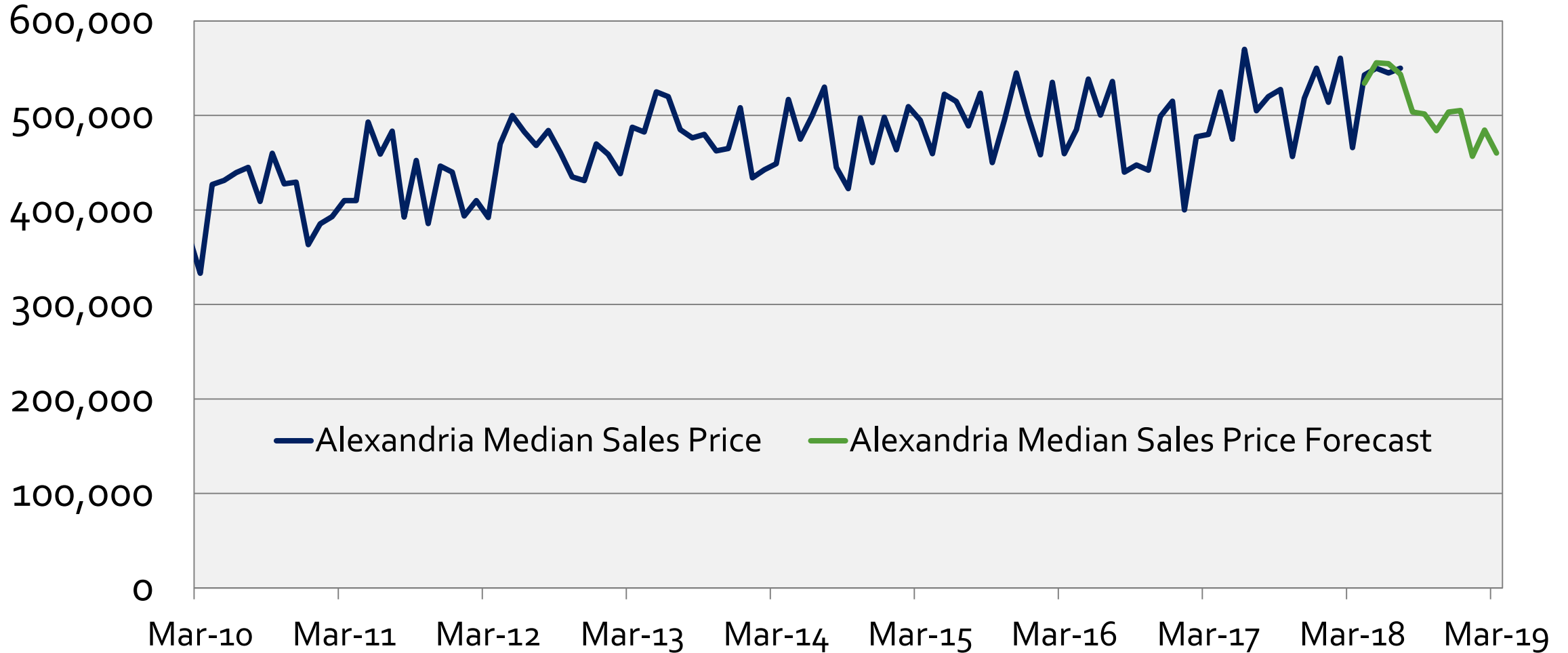
## Arlington



# Inventory Forecast (months end) Arlington

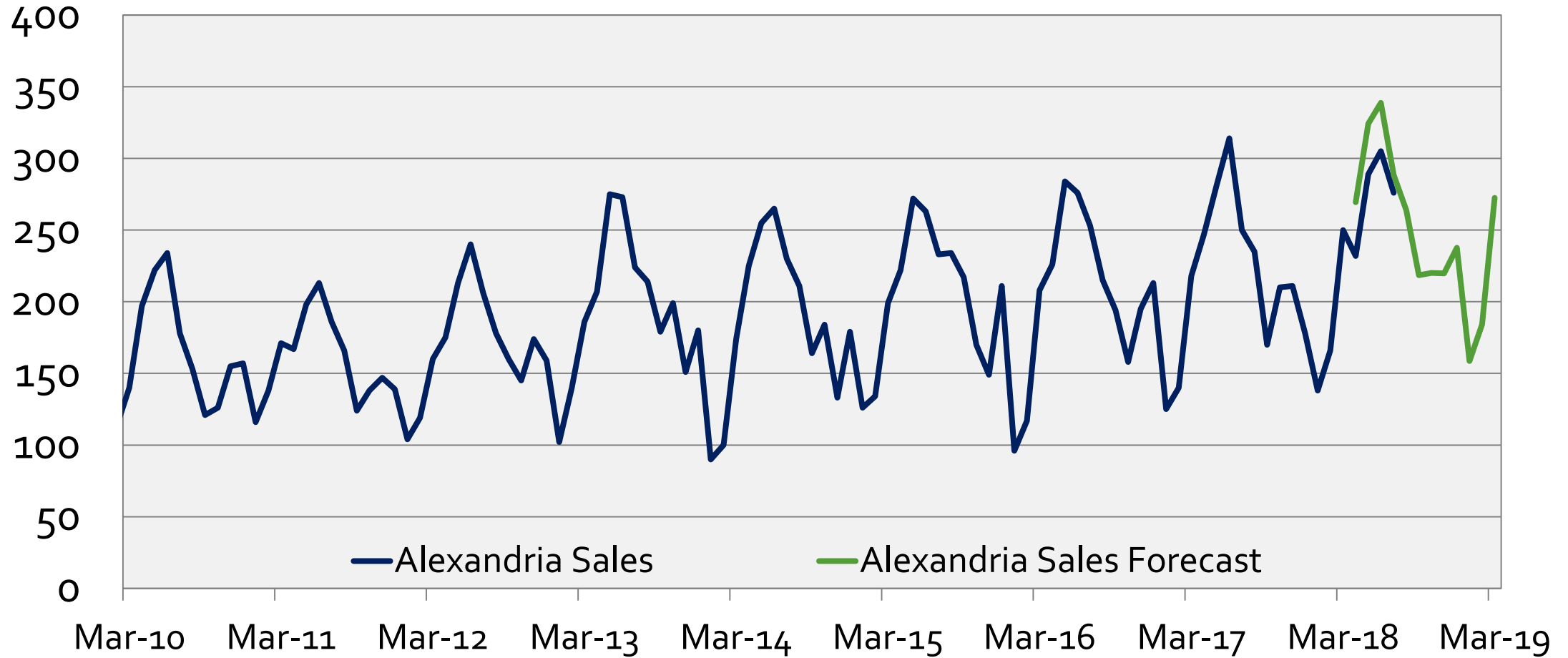


# Median Sales Price Forecast Alexandria



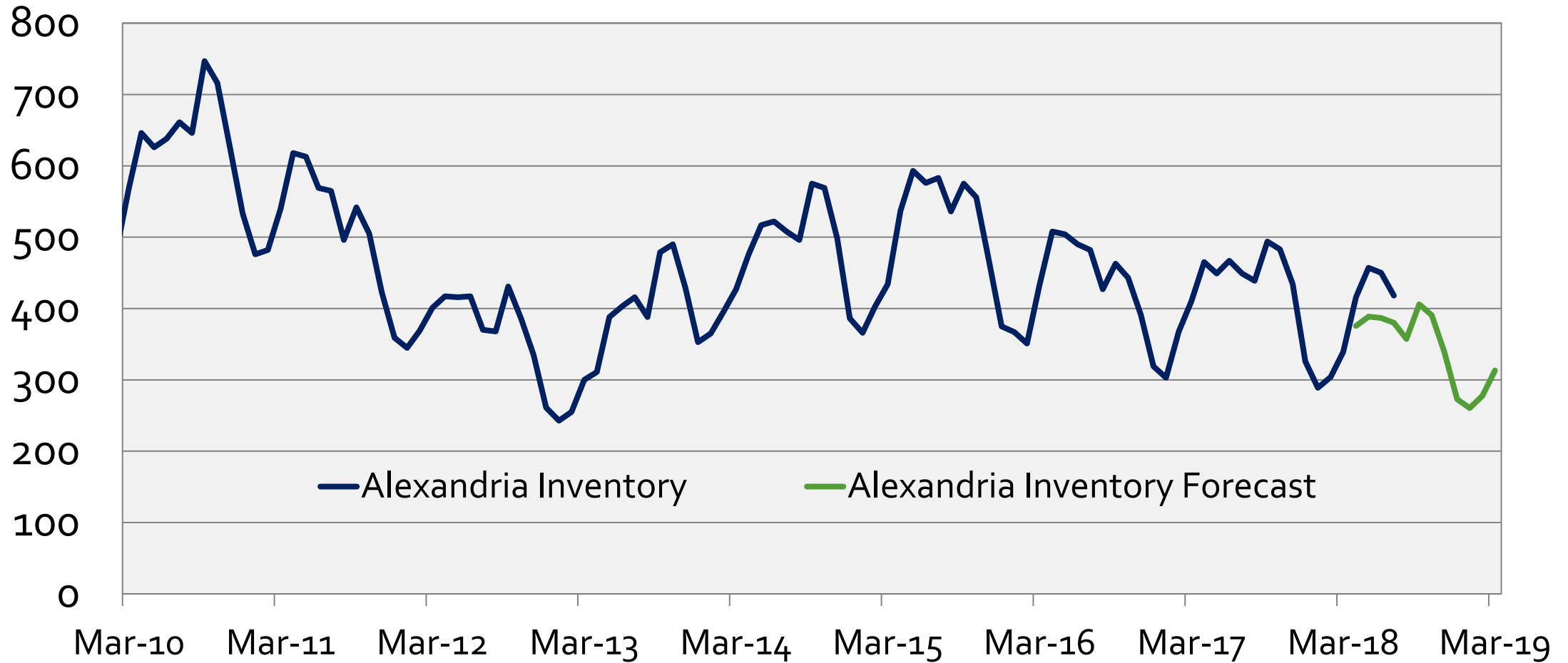
# Sales Forecast (units)

## Alexandria





# Inventory Forecast (months end) Alexandria



# Key Factors

## • Now/This Year:

- On a roll
- Large corporate prospects
- Federal budget (let the good times roll)
- Bonus checks
- Job growth constrained by labor availability
- Building permits not booming

## • Looking Forward

- Economic development = Talent attraction
- Quality of life is key
- Net effects of new tax laws on worker take home
- Effects of SALT limitations on local governments
- Increasing debate about 1099 work versus employment
- The sharing economy
- Construction costs
- AI

[cra.gmu.edu](http://cra.gmu.edu)

[fairfaxcountyeda.org](http://fairfaxcountyeda.org)



@FairfaxEDA

@GMU\_CRA



**FAIRFAX COUNTY**  
ECONOMIC DEVELOPMENT AUTHORITY