



2018 Annual Economic Forecast

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2018 Hampton Roads Economic Forecast

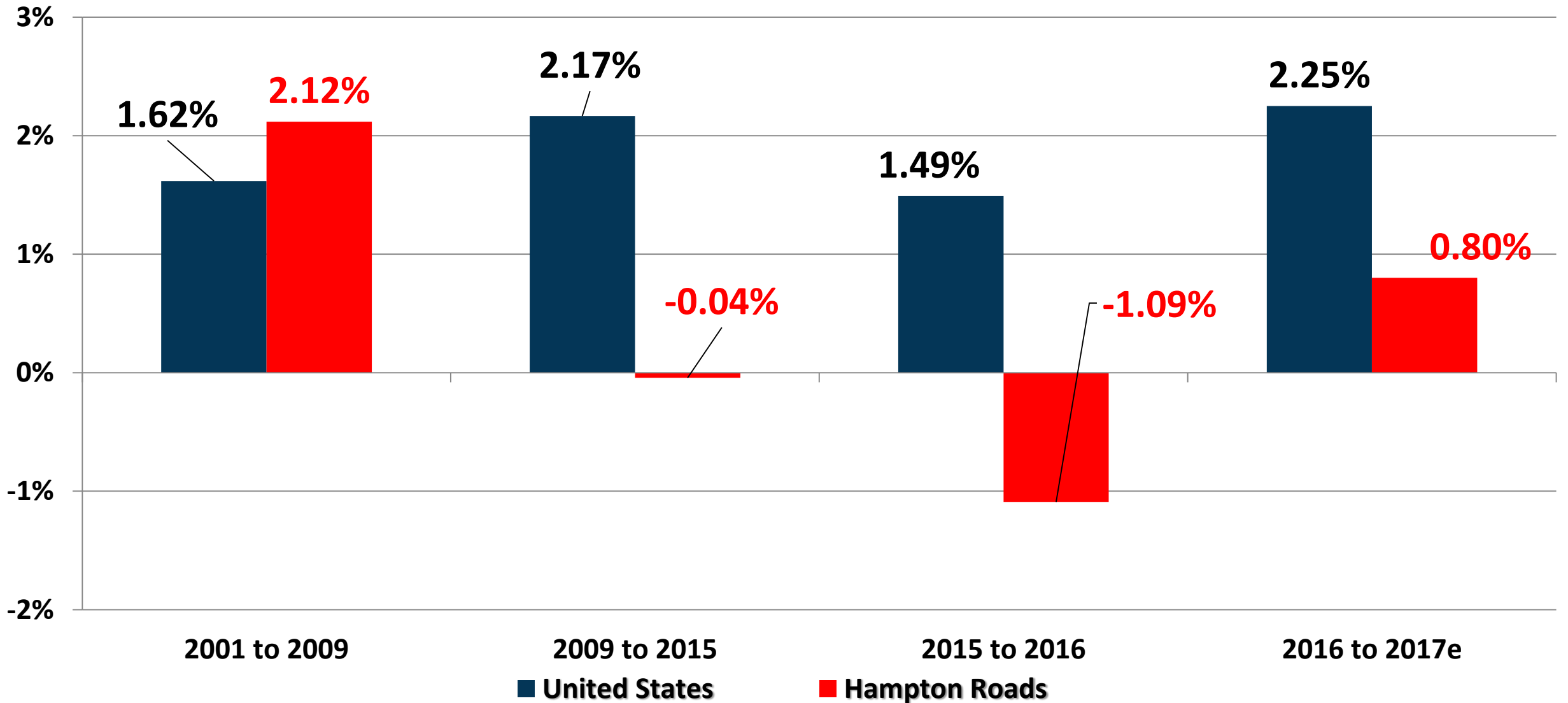
Stagnant Growth, Improving Future?

Professor Vinod Agarwal

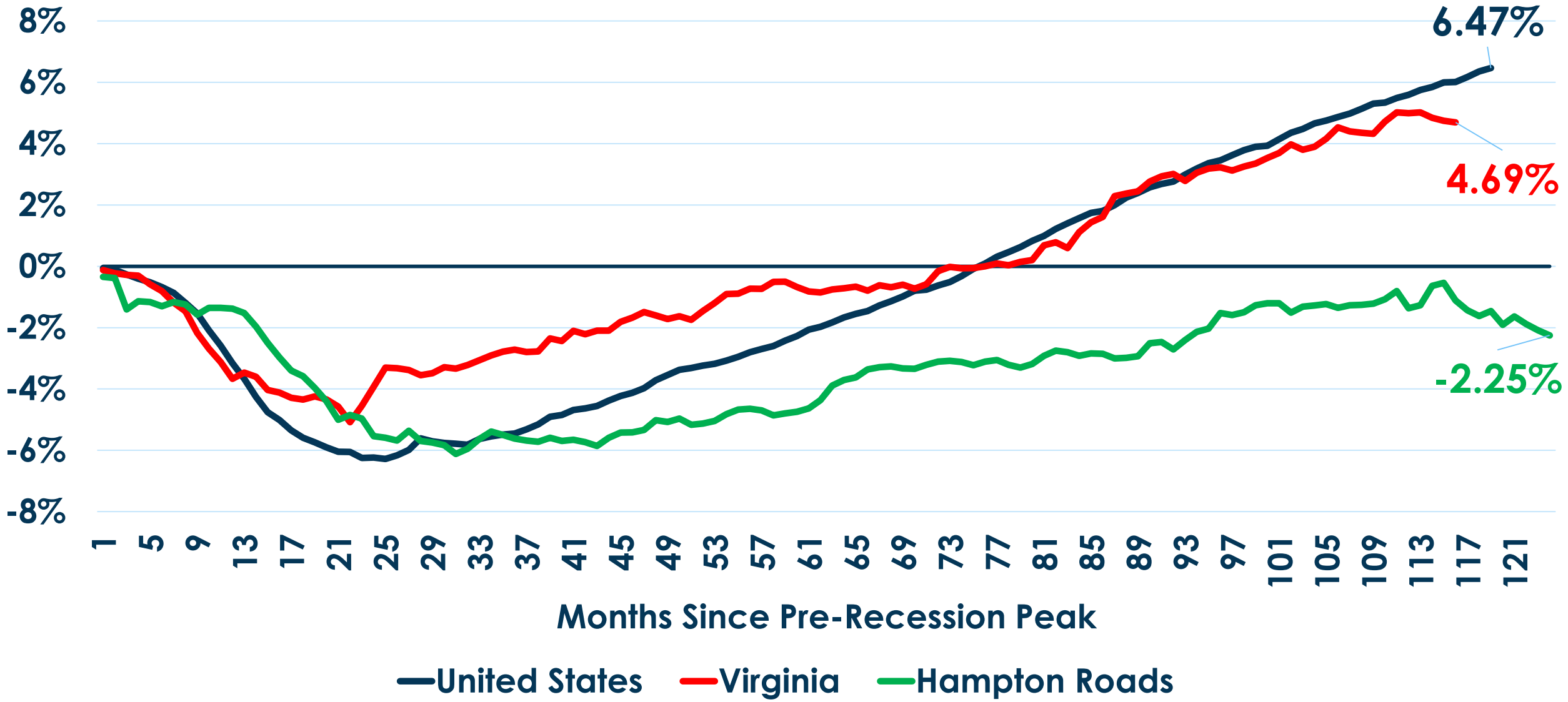
January 31, 2018



Annual Growth Rate in Real GDP Hampton Roads and the United States



Monthly Job Growth From Pre-Recession Peak Employment Hampton Roads, Virginia and United States, 2008-2017

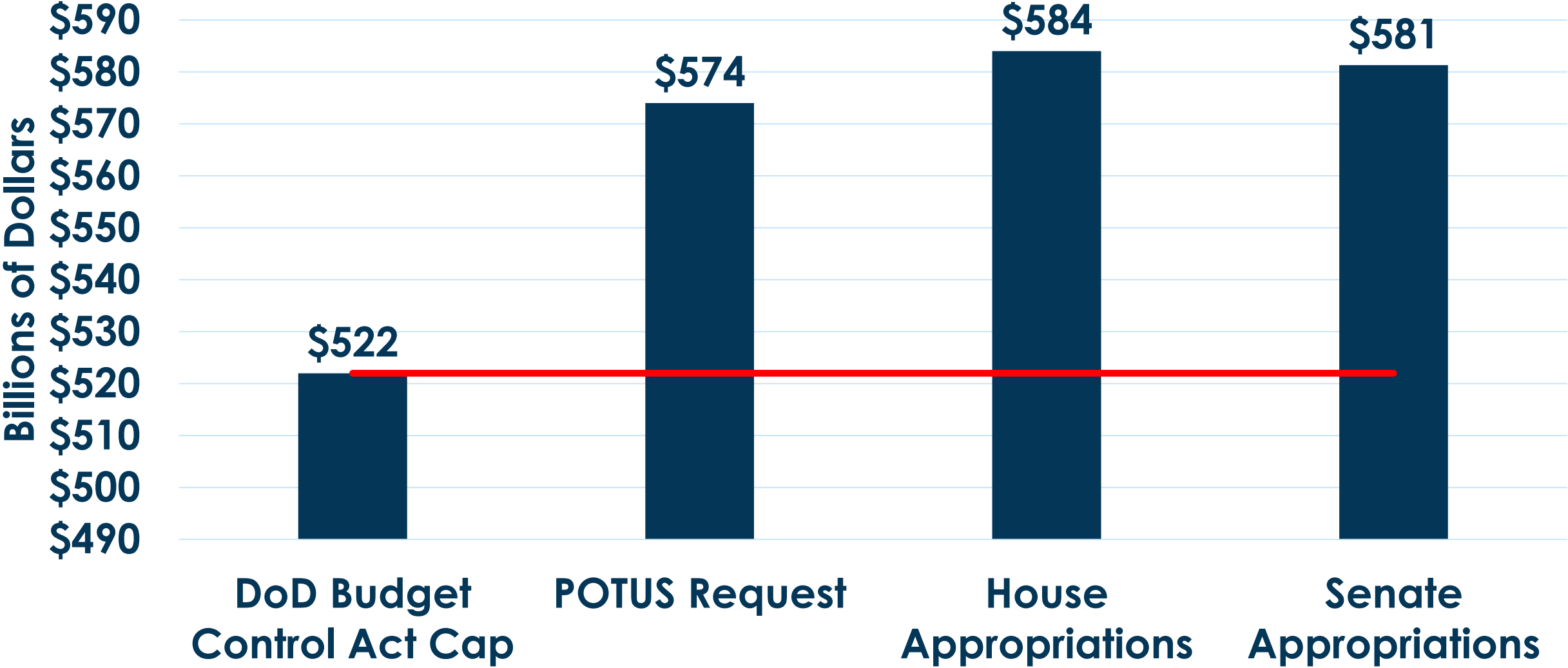


Source: Bureau of Labor Statistics and Old Dominion University Economic Forecasting Project. Peak employment for the United States was January 2008, Virginia was April 2008, and Hampton Roads was July 2007. Seasonally adjusted data through December 2017 (US and VA) and November 2017 (HR). Last month of data are preliminary. Data measure number of reported jobs.



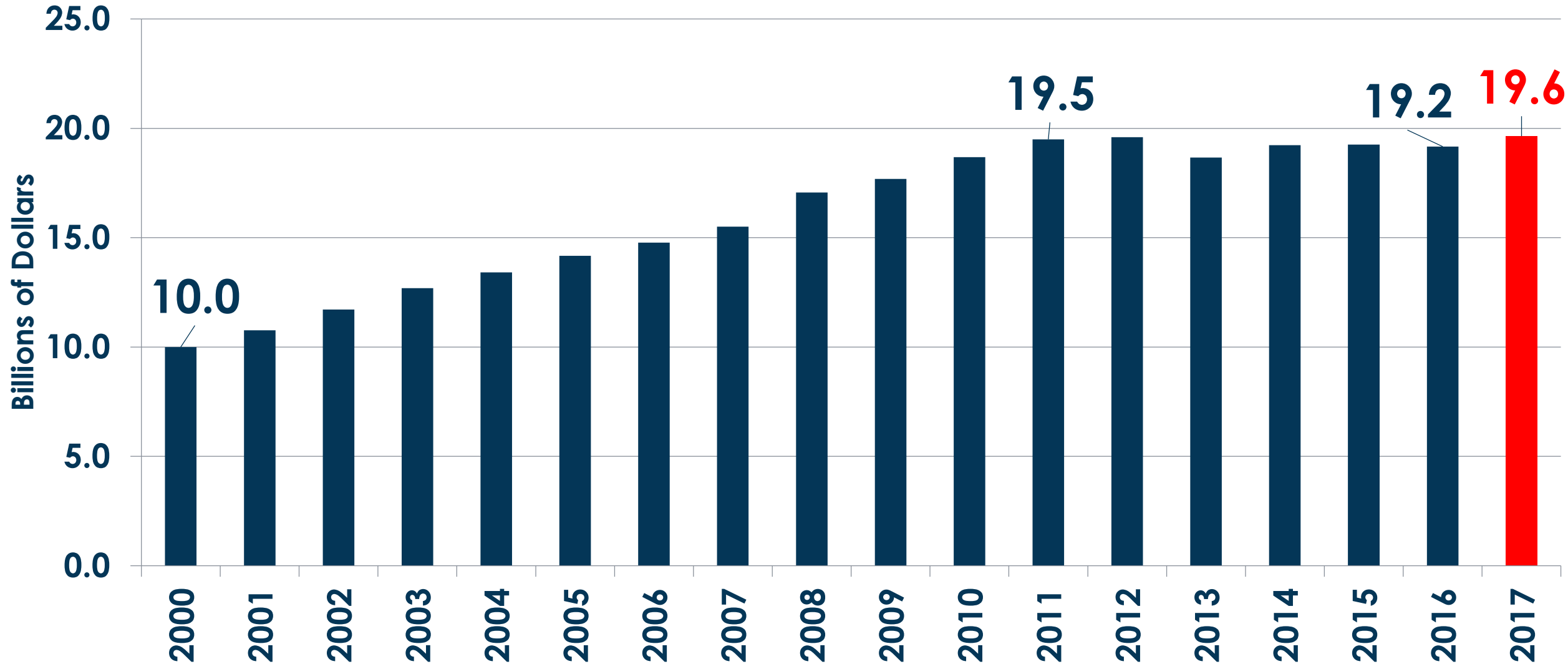
Defense Spending in Hampton Roads

DoD Base Budget Cap, Request, and Appropriations Bills Fiscal Year 2018



Sources: Budget Control Act of 2011, FY 2018 Presidential Budget Request, U.S. House of Representatives and U.S. Senate

Estimated Direct DoD Spending Hampton Roads, 2000 to 2017



Source: U.S. Department of Defense and the Old Dominion University Economic Forecasting Project. *Includes Federal Civilian and Military Personnel and Procurement.
Data for 2016 are estimates and data for 2017 are forecasts.

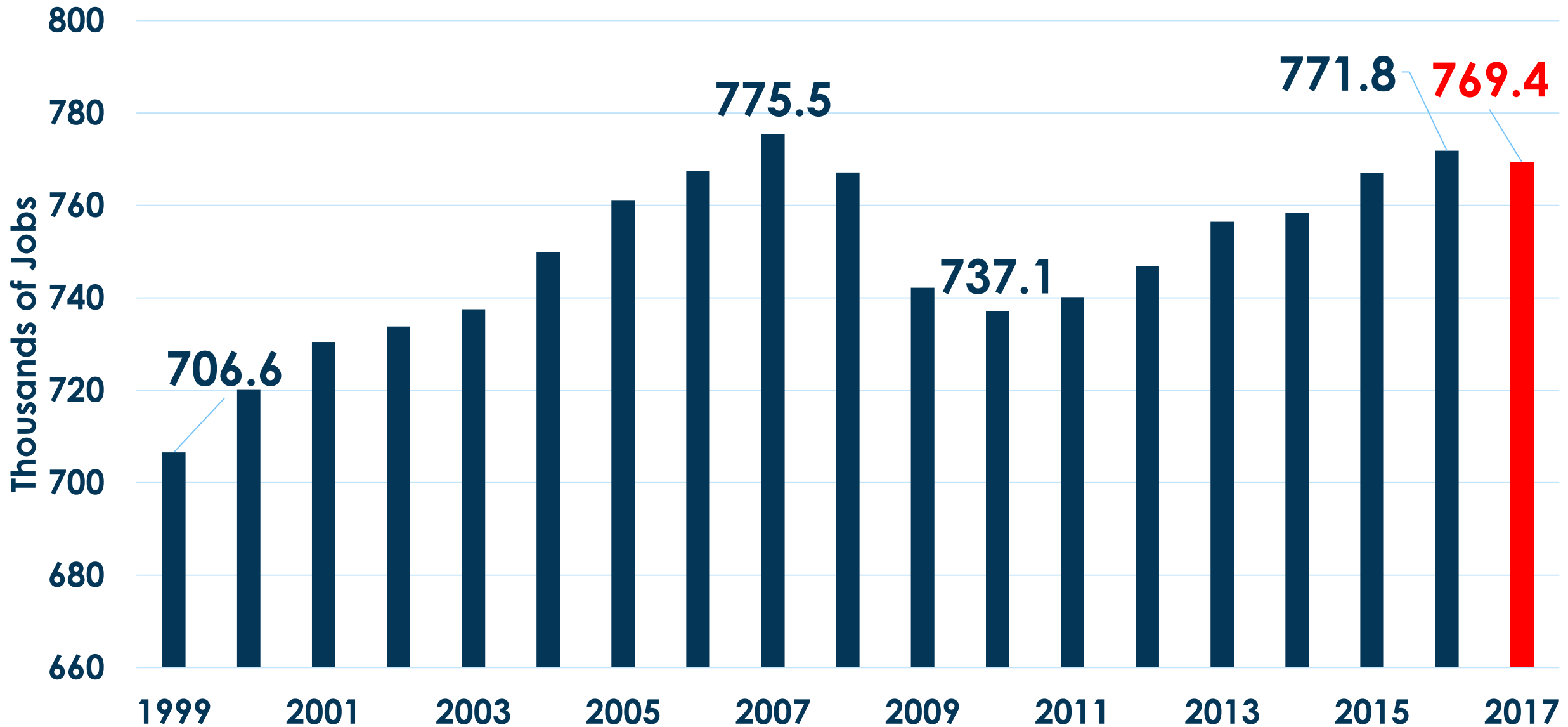
Estimated Average Compensation Hampton Roads, Selected Categories

	<u>2015</u>	<u>2016</u>	<u>Change in Compensation</u>
Military	\$91,561	\$92,189	0.69%
Federal Civilian Govt. Employees	\$107,322	\$109,624	2.15%
State and Local Govt. Employees	\$62,602	\$64,164	2.49%
Private Nonfarm	\$42,189	\$41,751	-1.04%



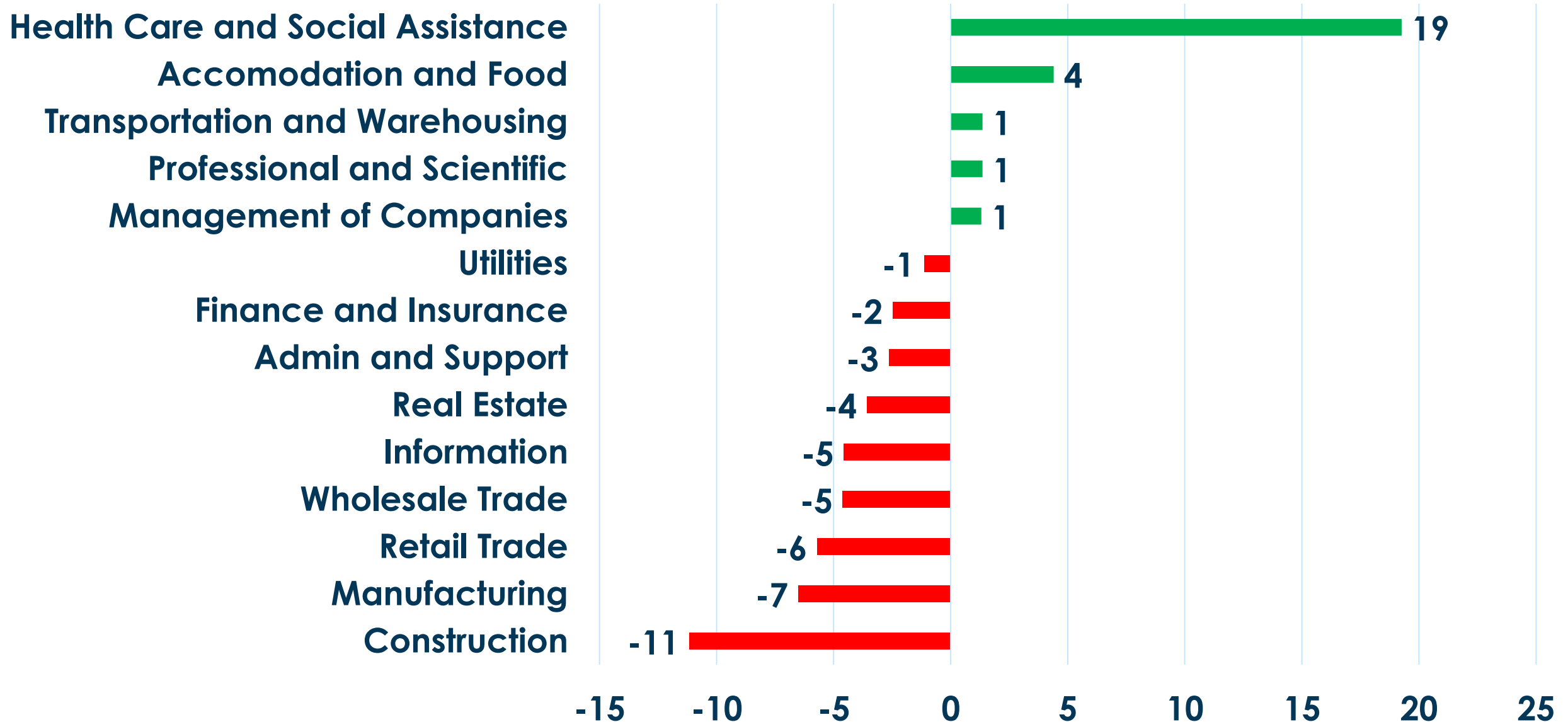
Where are the jobs?

Average Annual Civilian Jobs Hampton Roads, 1999-2017

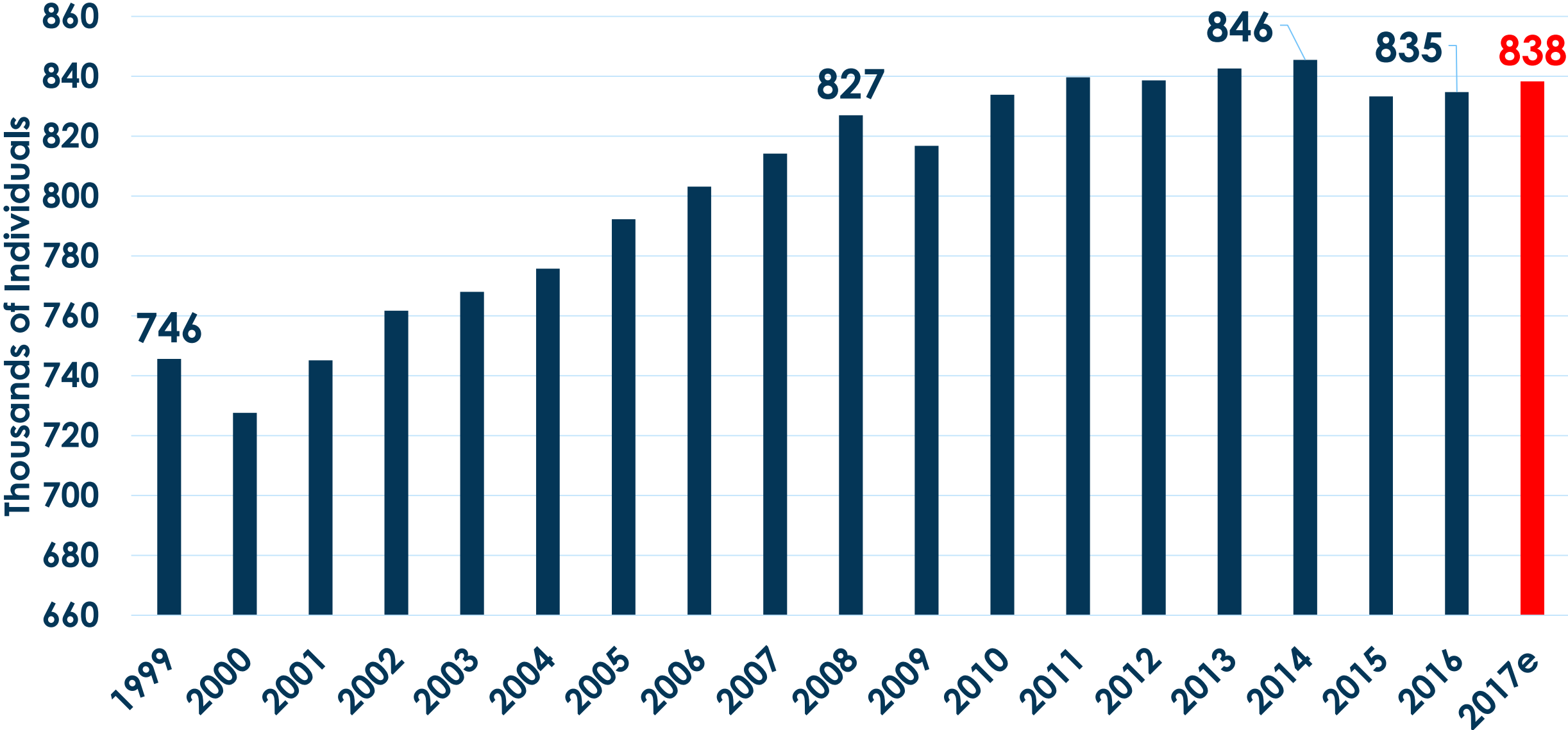


Change in Private Sector Employment

Selected Industries in Hampton Roads, 2007 Q1 to 2017 Q1

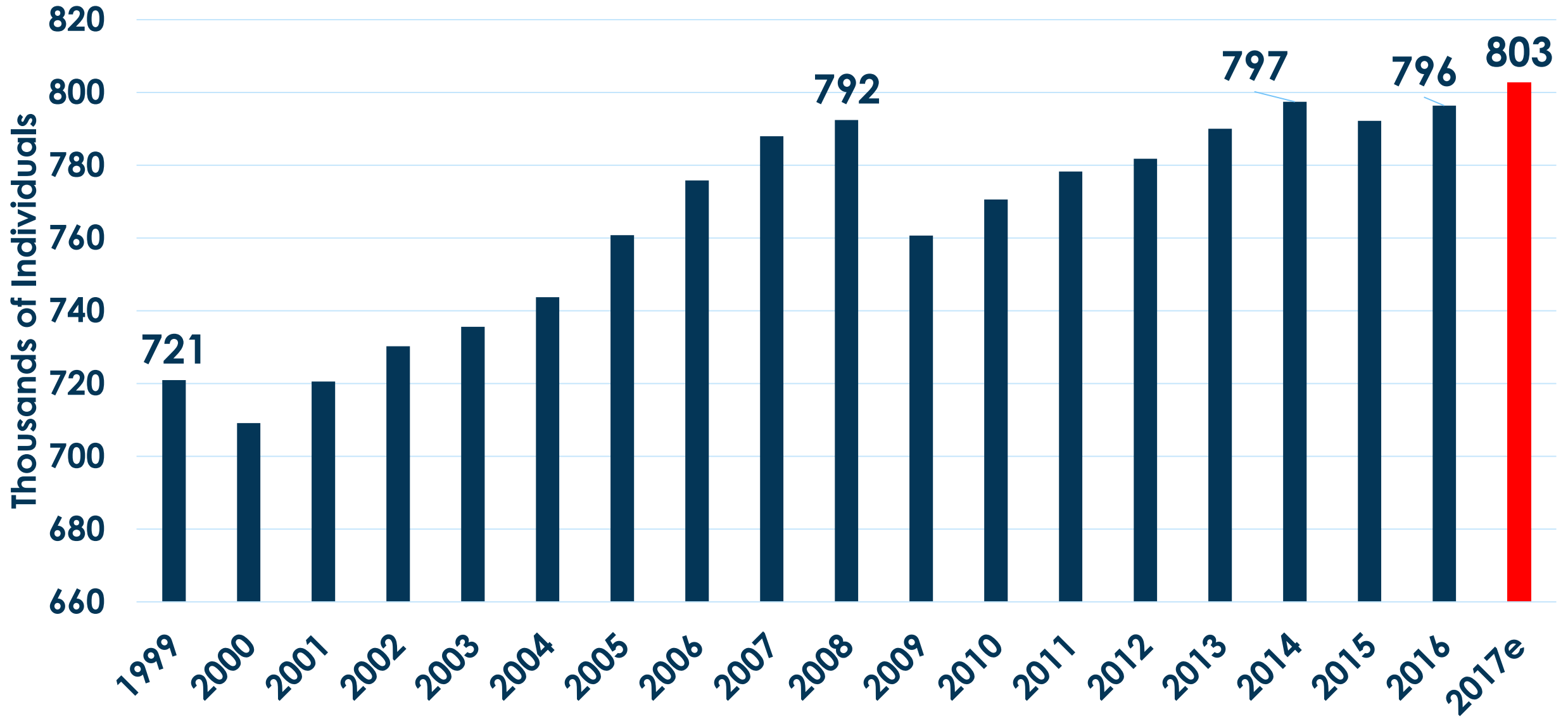


Civilian Labor Force Hampton Roads, 1999-2017

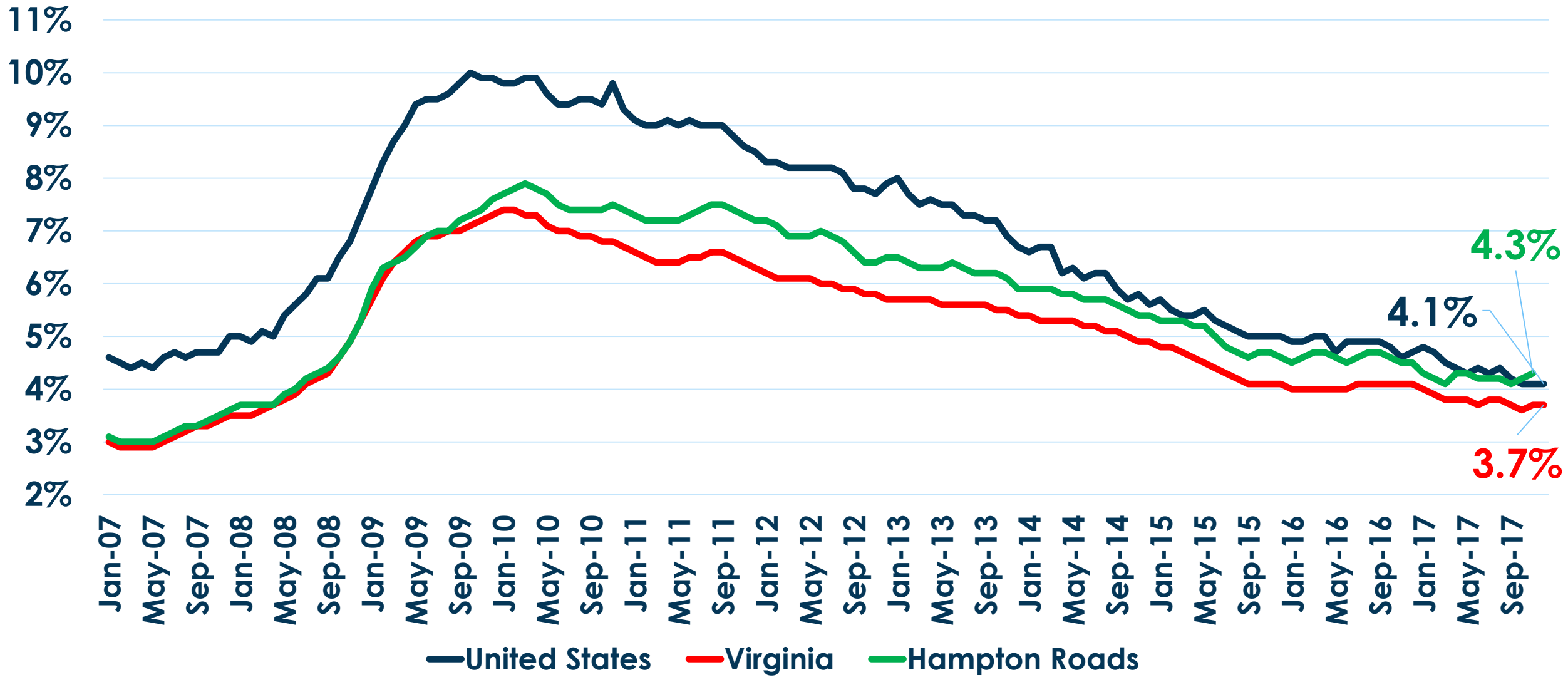


Source: U.S. Department of Labor LAUS data and the Old Dominion University Economic Forecasting Project. Not seasonally adjusted. Data will be revised in March/April 2018

Number of Individuals Employed Hampton Roads, 1999 to 2017



Headline Unemployment Rate (U3) Hampton Roads, Virginia, and United States January 2007-December 2017*

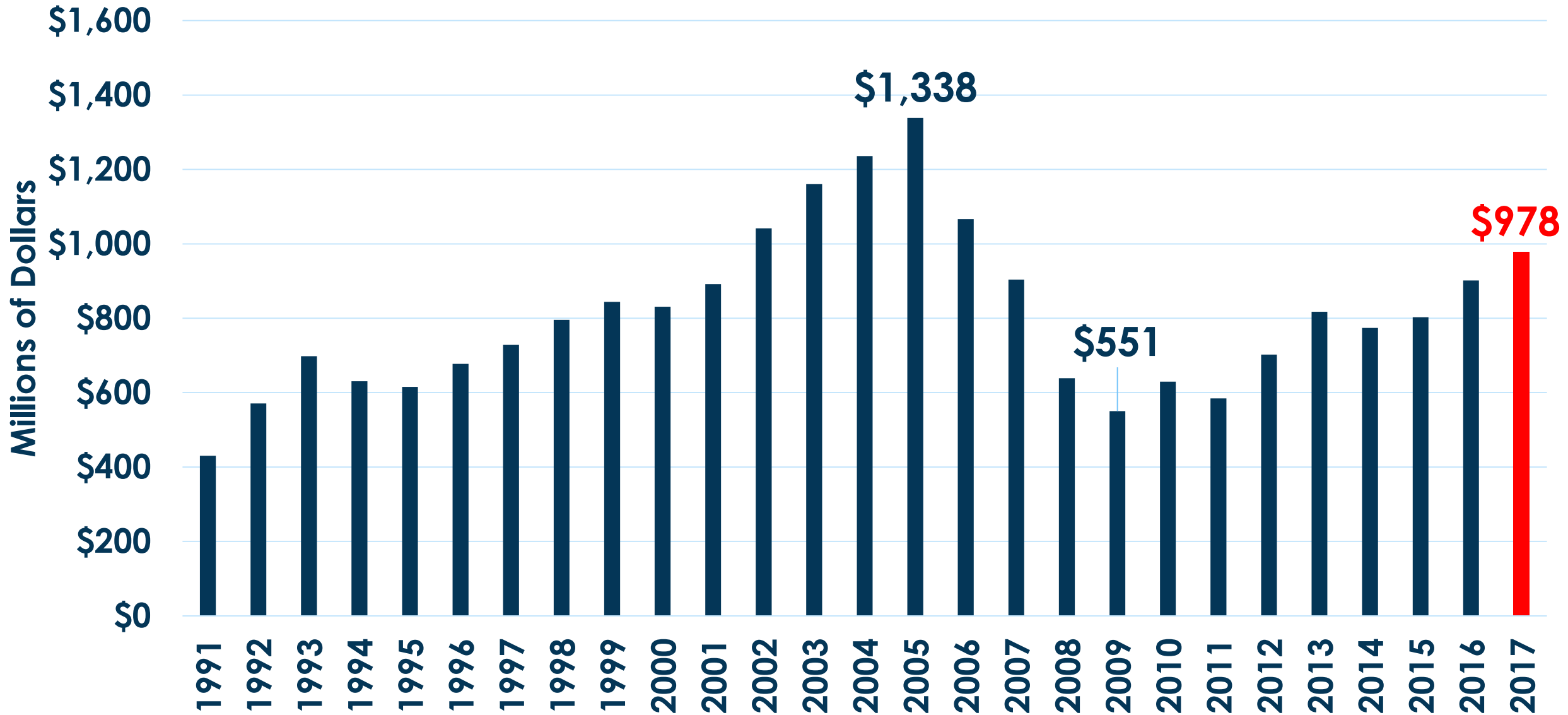


Source: Bureau of Labor Statistics Seasonally adjusted data and the Old Dominion University Forecasting Project. Preliminary data: US and VA (Dec 17) and HR (Nov 17). Hampton Roads data only through November 2017.

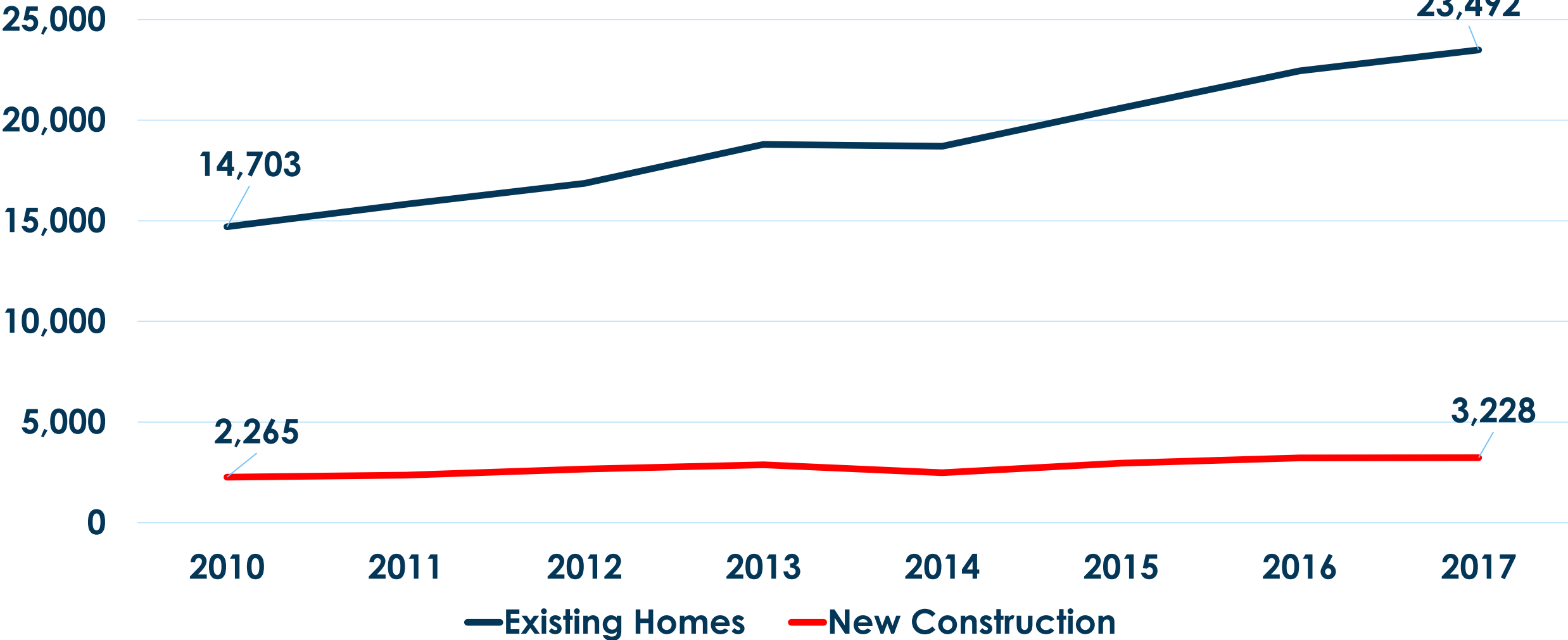


Residential Housing is Looking Up

Value of Building Permits for One-Unit Family Homes Hampton Roads, 1991-2017

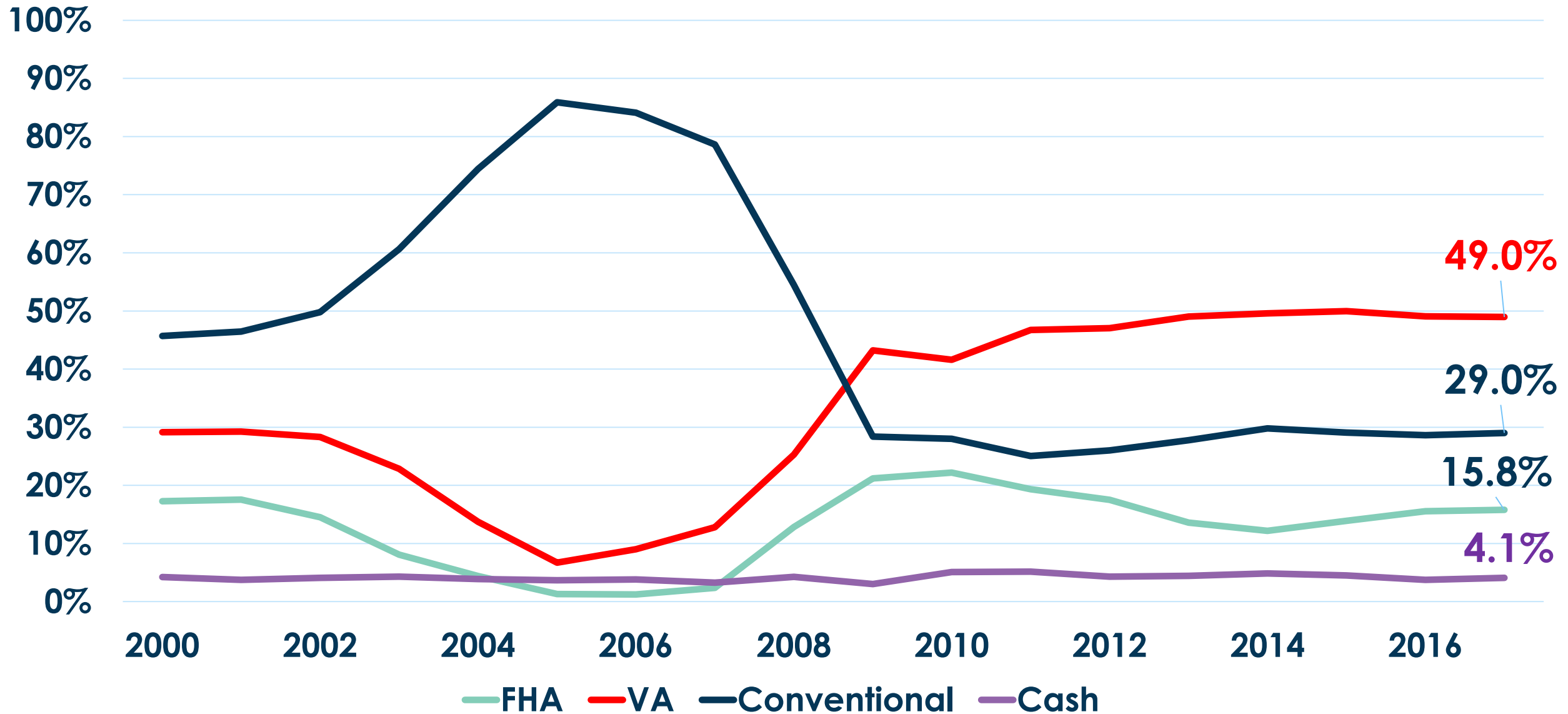


Existing and New Construction Home Sales Hampton Roads, 2010-2017



Source: Real Estate Information Network and Old Dominion University Economic Forecasting Project. Information Deemed Reliable But not Guaranteed. Figures reported here represent only those properties that are listed through REIN by REIN members and may not represent all new construction activity in our region.

Distribution of New Construction Home Sales by Financing Type Hampton Roads, 2000-2017



Median Sales Price of Existing Homes Hampton Roads, 2002-2017



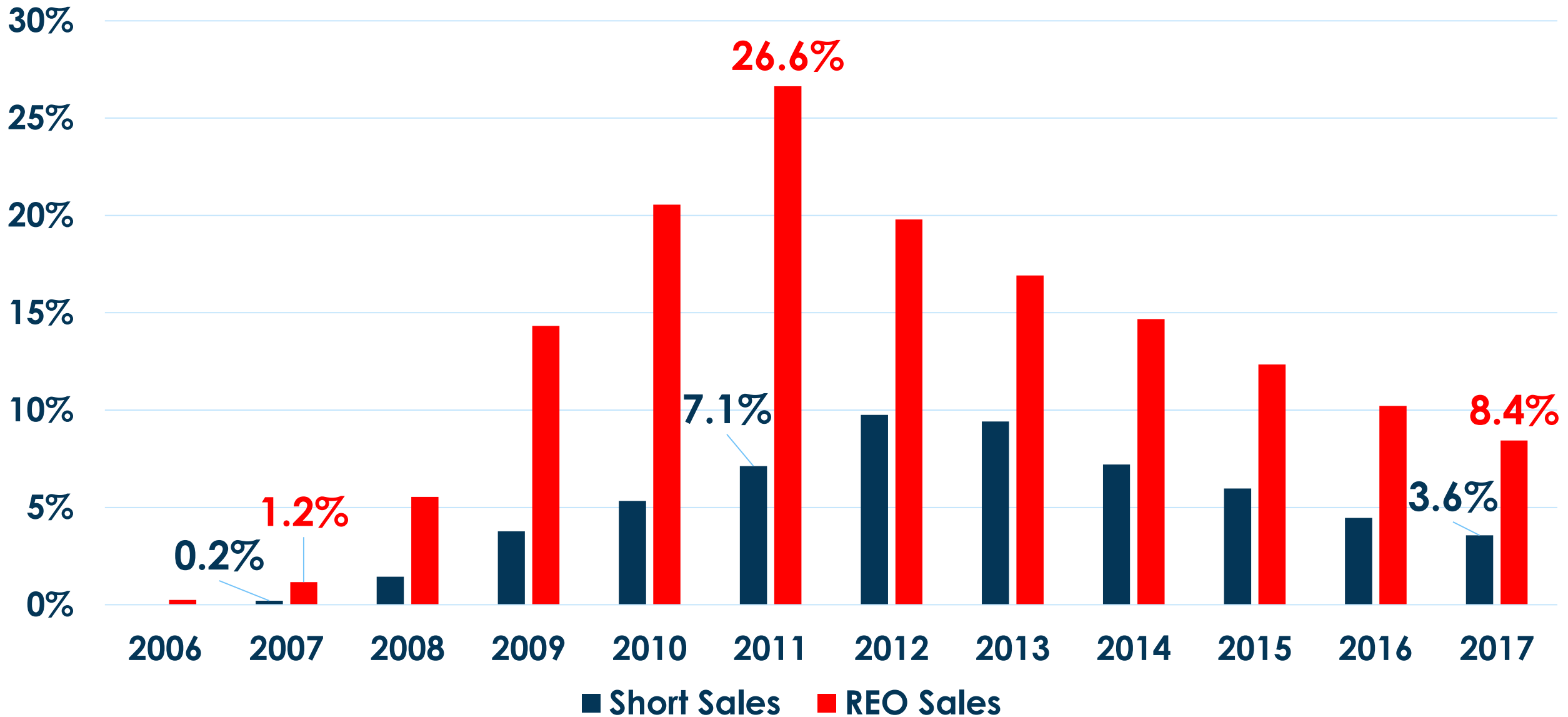
Median Sale Price of Existing Residential Homes for Selected Cities in Hampton Roads: 2007 and 2017

<u>City</u>	<u>Median Price</u> <u>2007</u>	<u>Median Price</u> <u>2017</u>	<u>% change</u>
Chesapeake	\$250,100	\$245,000	-2.0%
Norfolk	\$195,000	\$183,500	-5.9%
Portsmouth	\$165,500	\$140,000	-15.4%
Suffolk**	\$257,500	\$240,000	-6.8%
Virginia Beach	\$245,000	\$247,500	+1.2%
Hampton	\$180,000	\$155,000	-13.9%
Newport News	\$199,250	\$170,000	-14.7%
Williamsburg*	\$284,450	\$283,000	-0.5%
Hampton Roads	\$223,000	\$219,000	-1.8%

Source: Real Estate Information Network and Old Dominion University Economic Forecasting Project. Information Deemed Reliable But not Guaranteed.

* Williamsburg represents Williamsburg, James City County, York County and Gloucester County. ** Median price in Suffolk peaked in 2006 at \$263,950

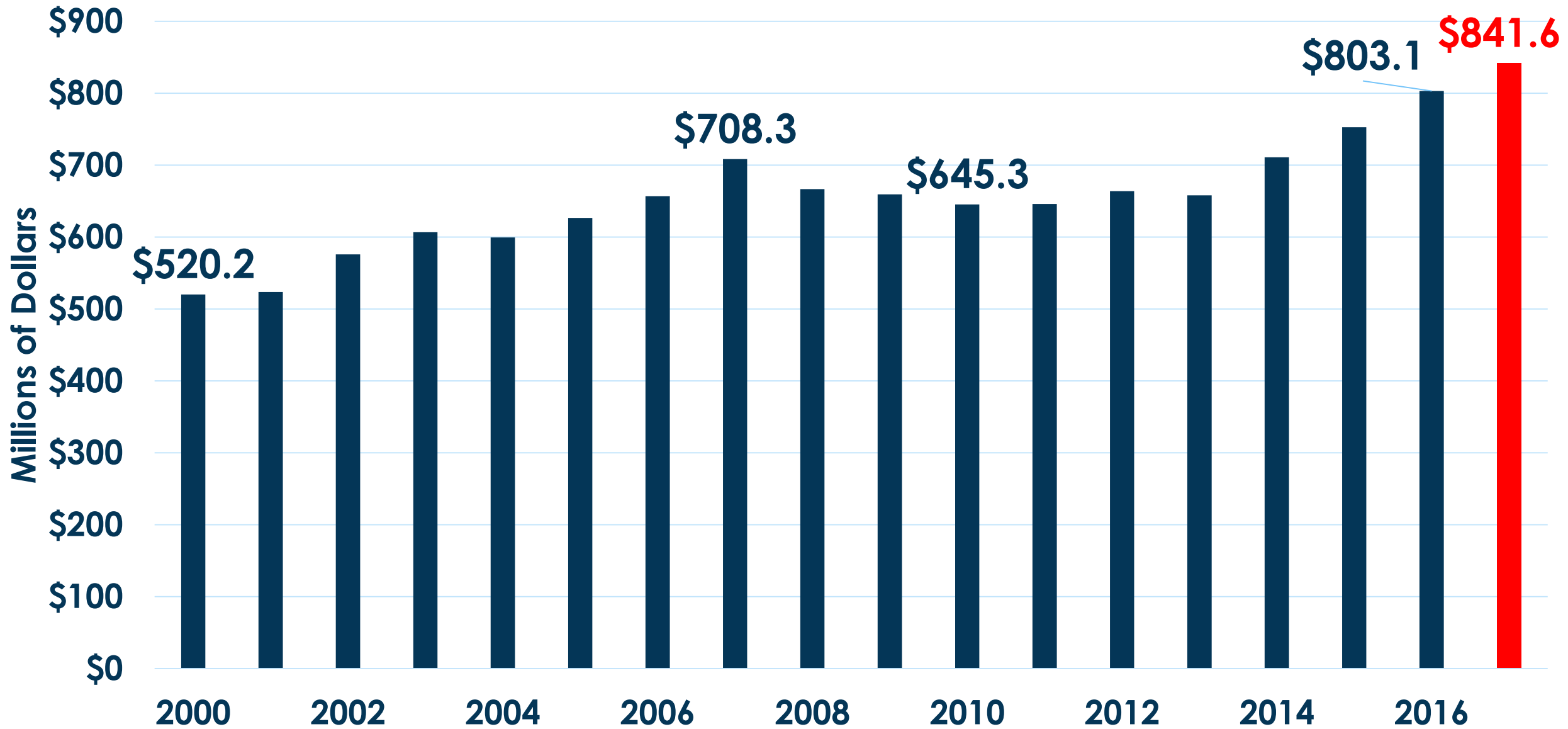
Short Sales and Bank-Owned Sales as Percent of Total Sales Hampton Roads, 2006-2017



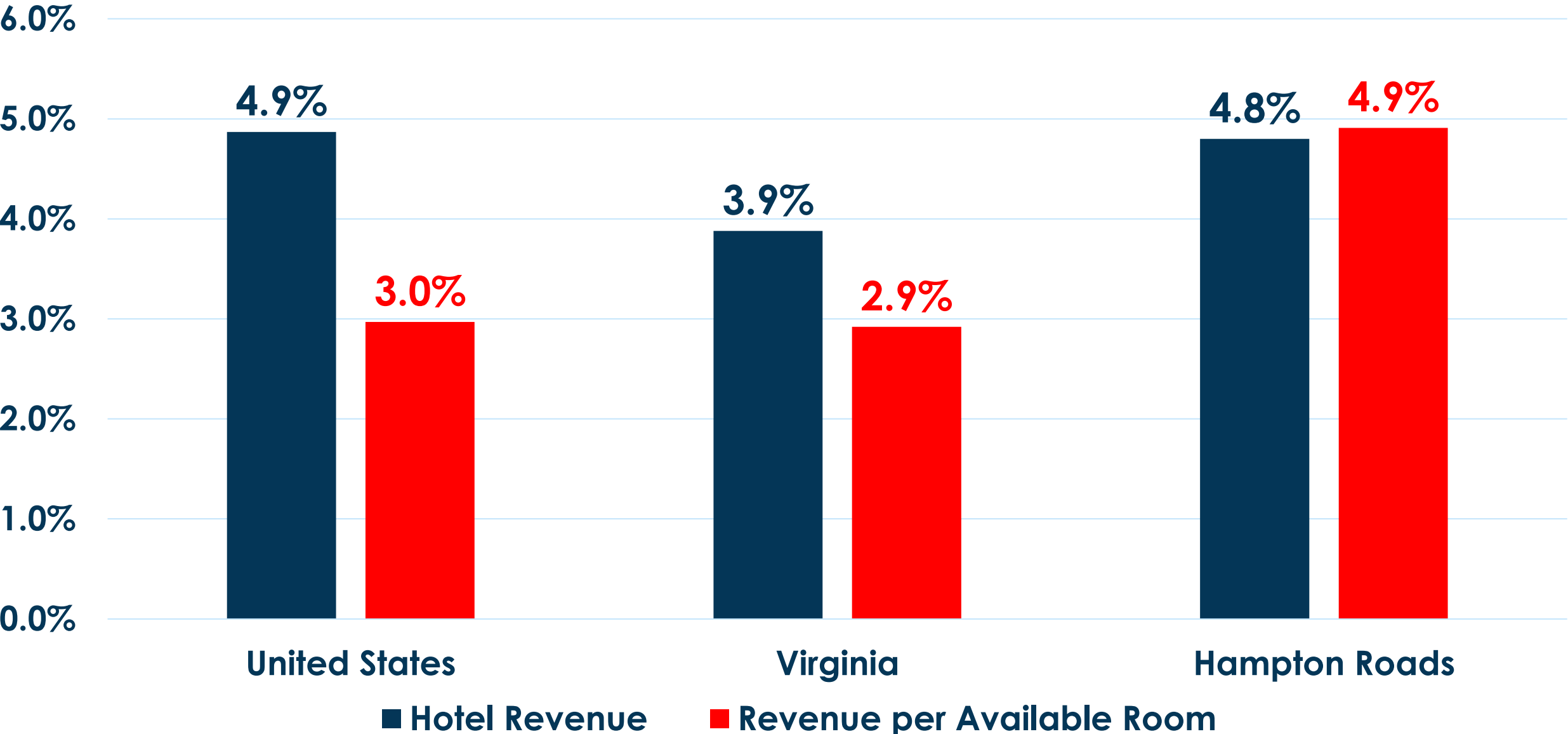


Hotel Industry

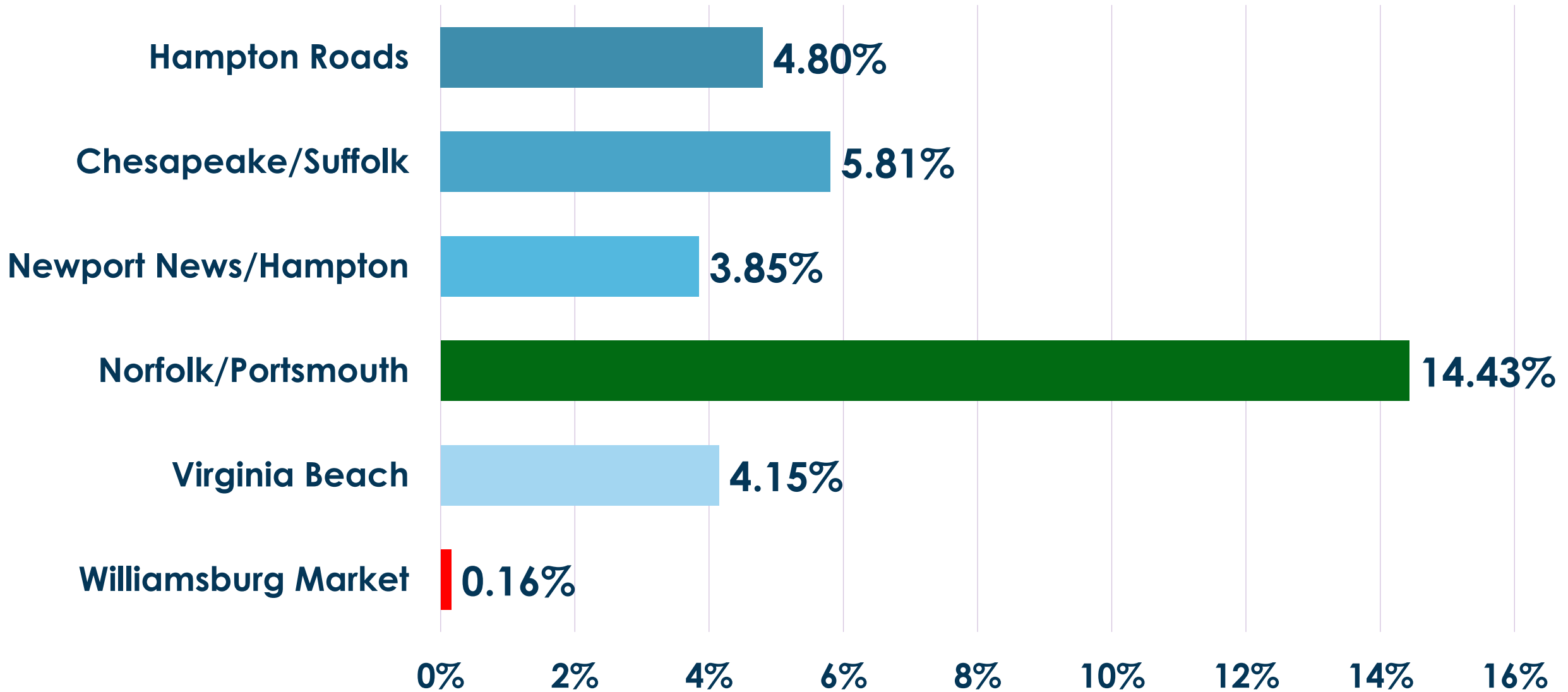
Hotel Revenue in Hampton Roads 2000-2017



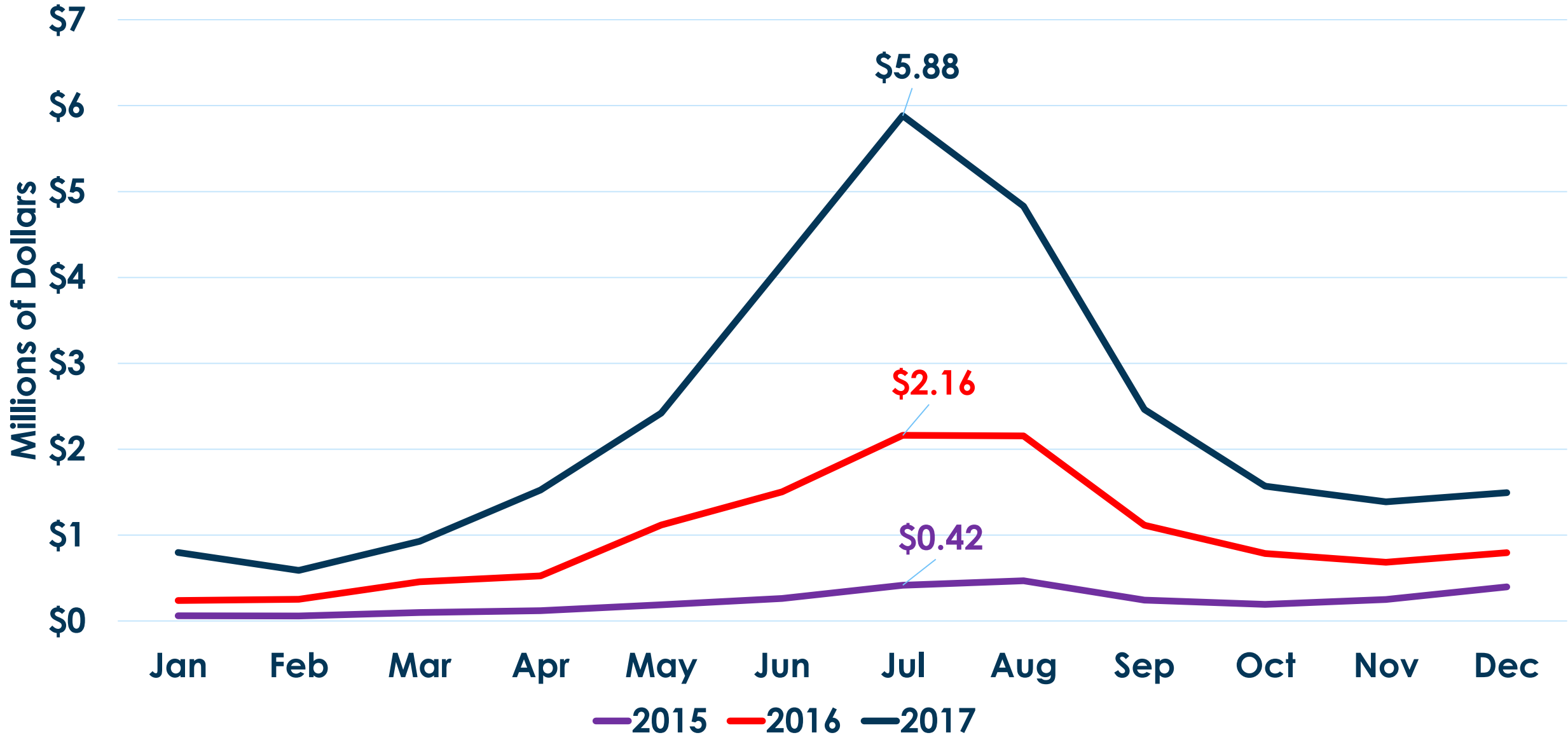
Growth in Hotel Revenue and Revenue Per Available Room United States, Virginia, and Hampton Roads, 2016-2017



Growth in Hotel Revenue Hampton Roads, 2016 to 2017



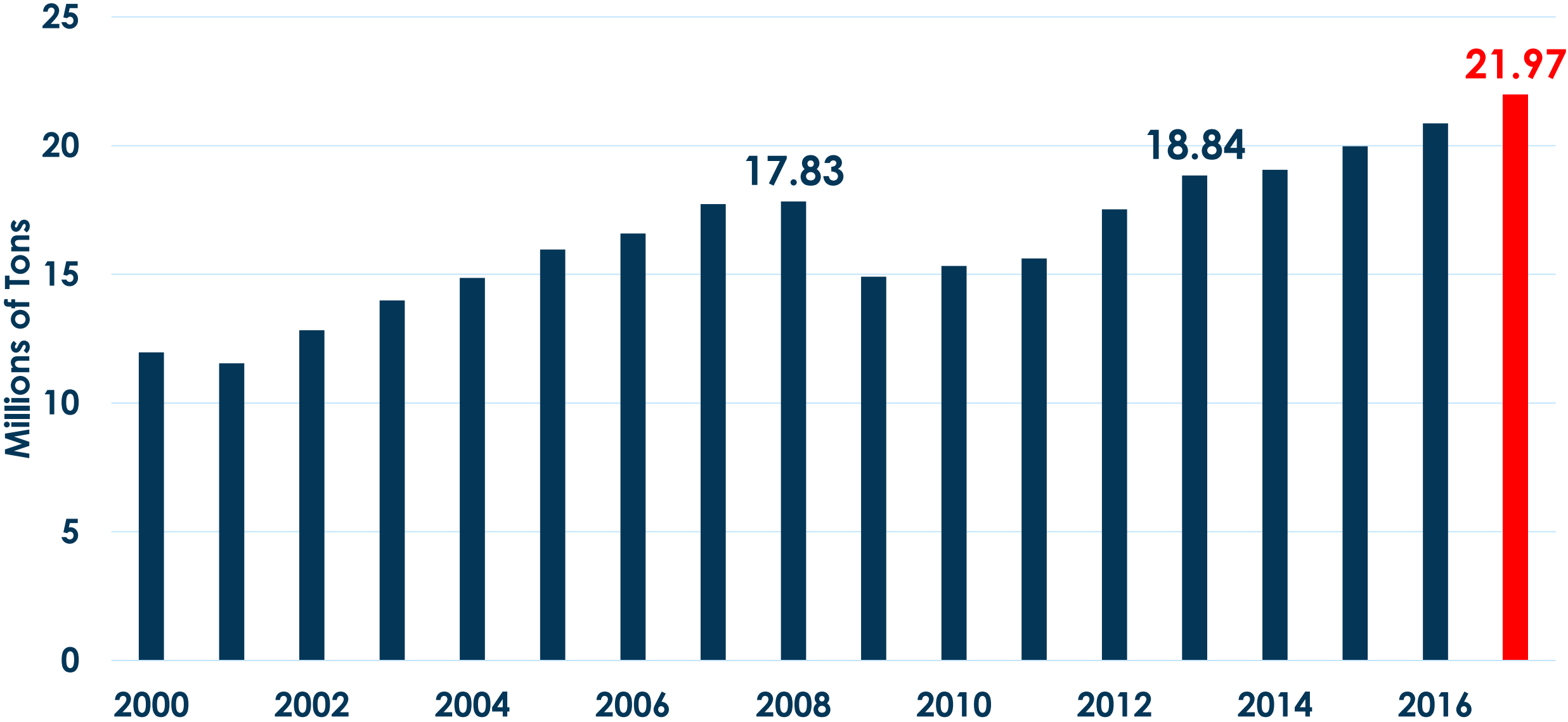
Monthly Airbnb Revenue in Hampton Roads 2015-2017





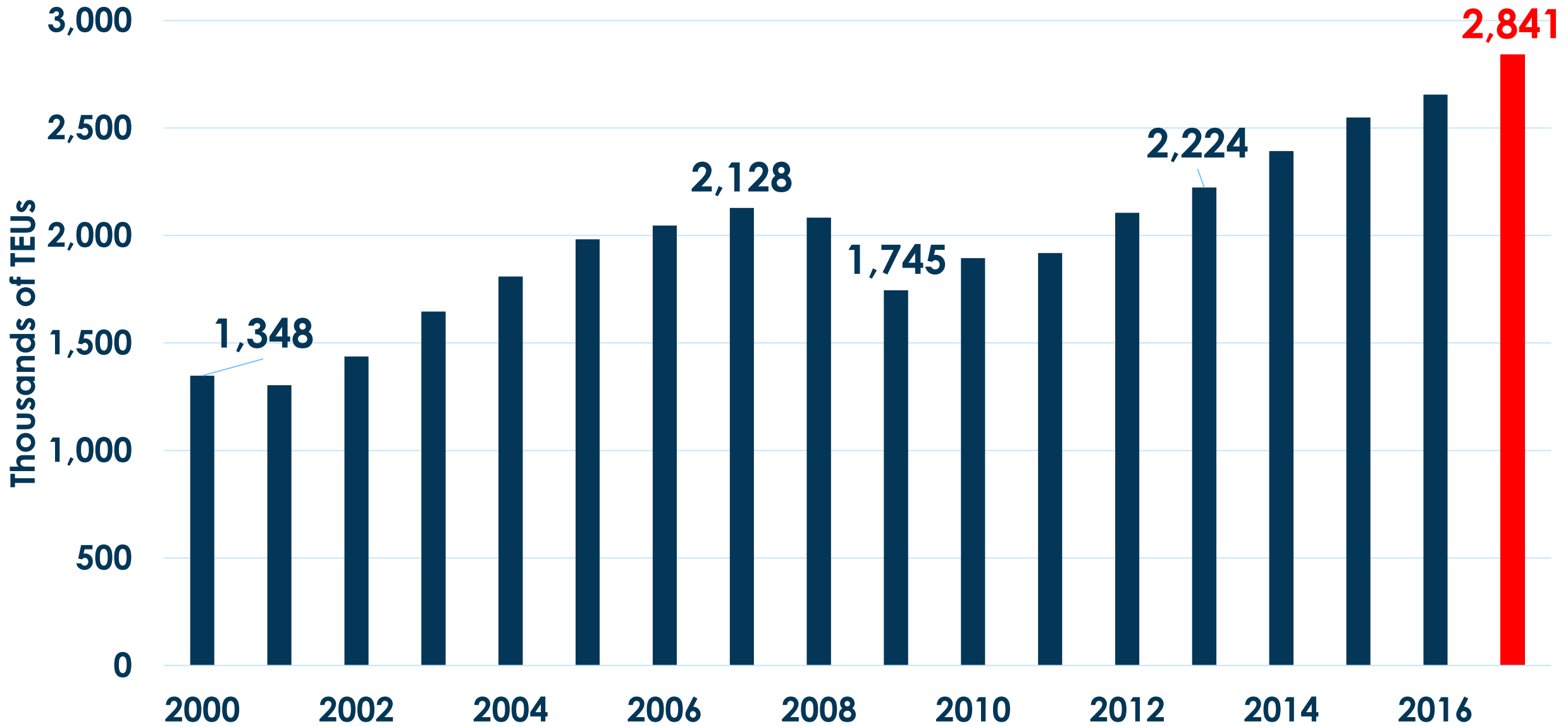
Port of Virginia: Growing rapidly

General Cargo Tonnage Port of Virginia, 2000-2017



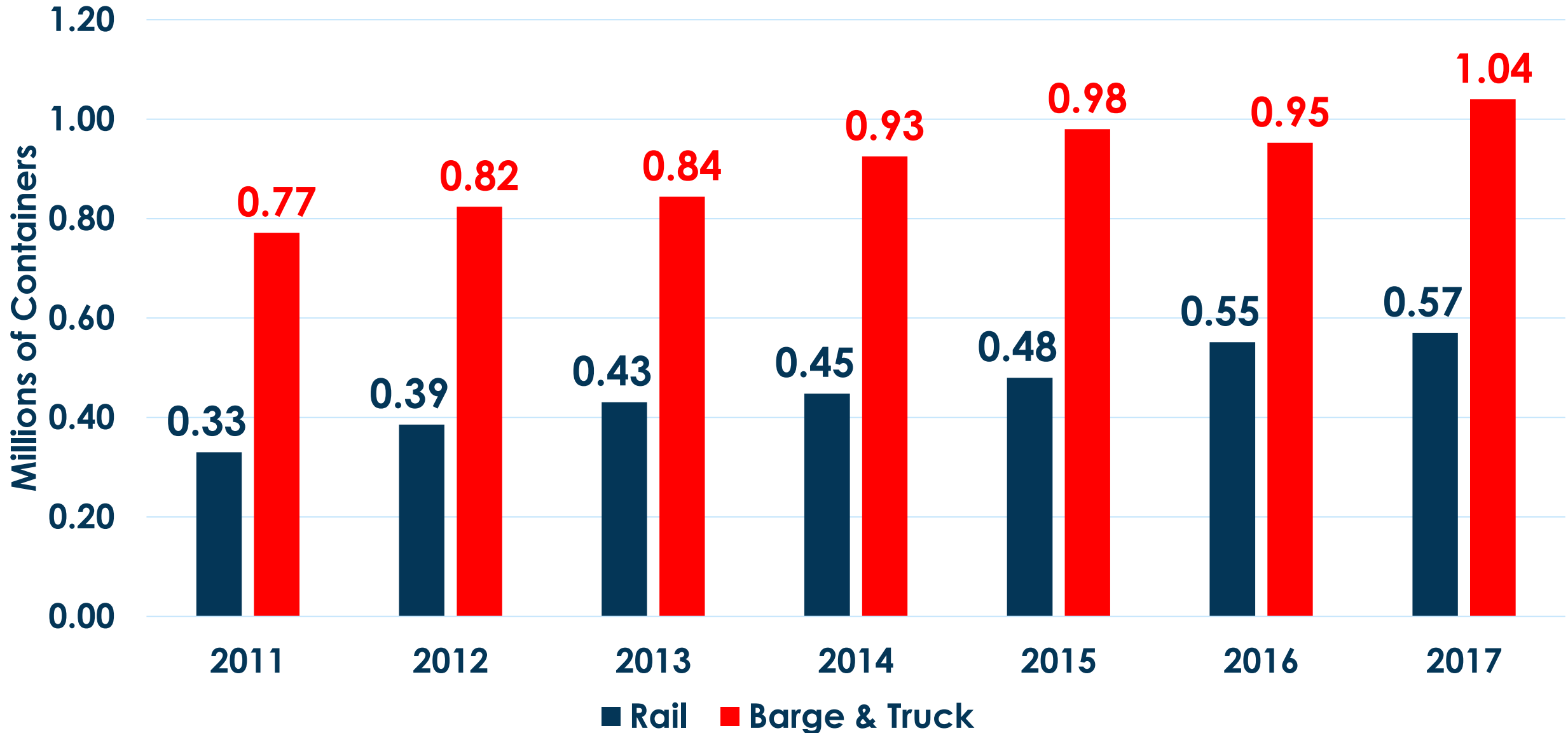
Source: Virginia Port Authority and Old Dominion University Economic Forecasting Project.

Twenty Foot Equivalent Container Units (TEUs) Port of Virginia, 2000-2017

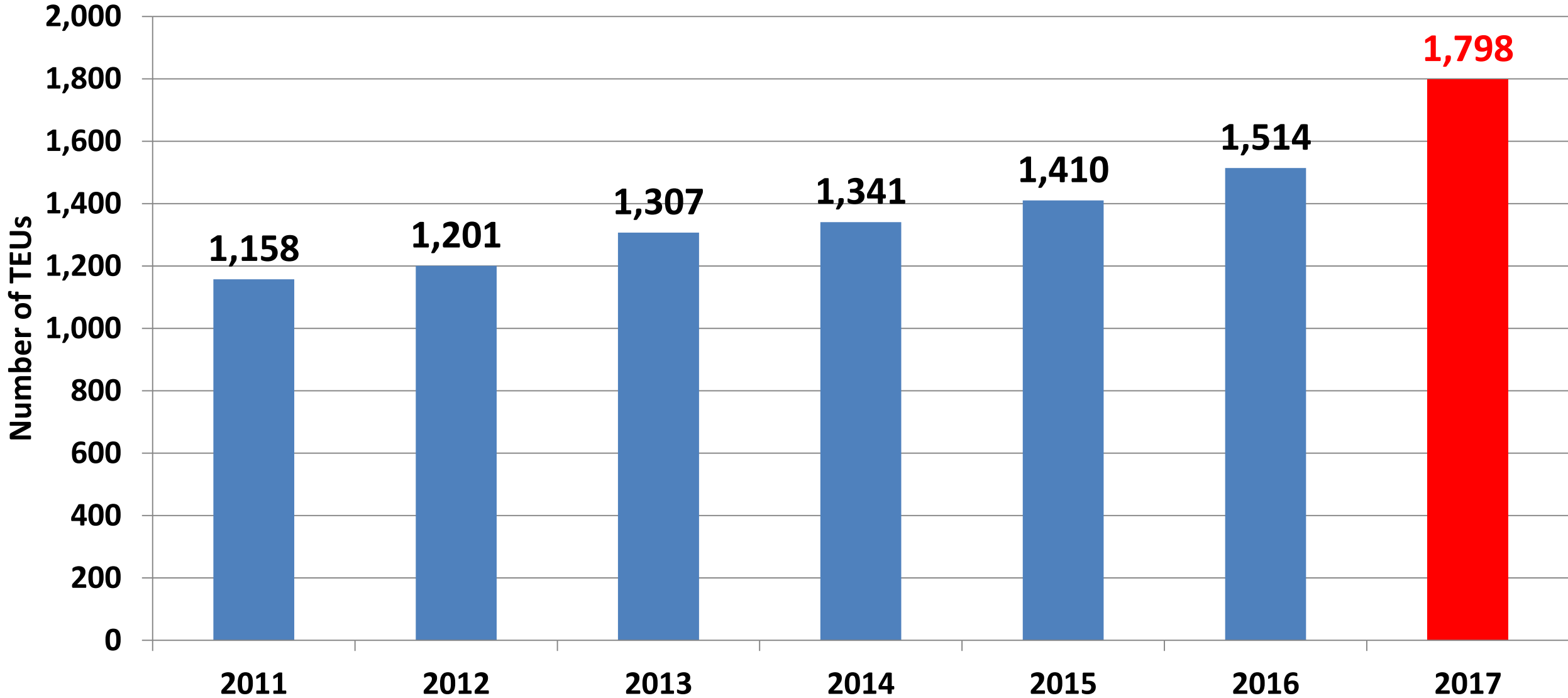


Movement of Containers by Type of Transportation

Port of Virginia, 2011-2017



Average TEUs per Container Vessel Call Port of Virginia, 2011-2017



	2017 Forecast	2017 Actual	2018 Forecast
Hampton Roads Real Gross Domestic Product Initial Forecast	1.4%	--	--
Hampton Roads Real Gross Domestic Product Mid-year revision	0.8%	--	1.2%
Civilian Job Growth	0.5%	-0.3%	0.5%
Unemployment Rate	4.3%	4.3%	3.9%
Taxable Sales	2.6%	3.0%	3.0%
Hotel Revenue	4.4%	4.8%	3.9%
General Cargo Tonnage	2.7%	5.3%	2.8%
One Unit Housing Permit Value	2.6%	8.5%	2.4%

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<p>REAL GDP</p> <p>2016</p> <p>\$81.36 bil</p> <p>↓ -1.09% from 2015</p>	<p>UNEMPLOYMENT RATE</p> <p>November 2017</p> <p>4.1%</p> <p>↓ -0.2% from November 2016</p>	<p>TOTAL NONFARM EMPLOYMENT</p> <p>2017 Q4</p> <p>766,900</p> <p>↓ -0.98% from 2016 Q4</p>
<p>SIZE OF THE LABOR FORCE</p> <p>November 2017</p> <p>823,003</p> <p>↓ -0.78% from November 2016</p>	<p>AVERAGE WEEKLY WAGES</p> <p>2017 Q2</p> <p>\$886</p> <p>↑ 6.49% from 2016 Q2</p>	<p>INITIAL UNEMPLOYMENT CLAIMS</p> <p>December 2017</p> <p>1,927</p> <p>↓ -29.54% from December 2016</p>
<p>TAXABLE RETAIL SALES</p> <p>2017 Q3</p> <p>\$5.84 bil</p> <p>↑ 2.90% from 2016 Q3</p>	<p>FHFA HOUSING PRICE INDEX</p> <p>2017 Q3</p> <p>↑ 2.26%</p> <p>from 2016 Q3</p>	<p>HOTEL REVENUE PER AVAILABLE ROOM (REVPAR)</p> <p>YTD December 2017</p> <p>\$62.64</p> <p>↑ 4.91% from YTD December 2016</p>

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