

# **Cooperative Forecasting Committee**

## ***The Region's Housing Situation And Review of "Accuracy" of Cooperative Forecasts: 1975-2005***

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**November 1, 2005**

# What is Happening?

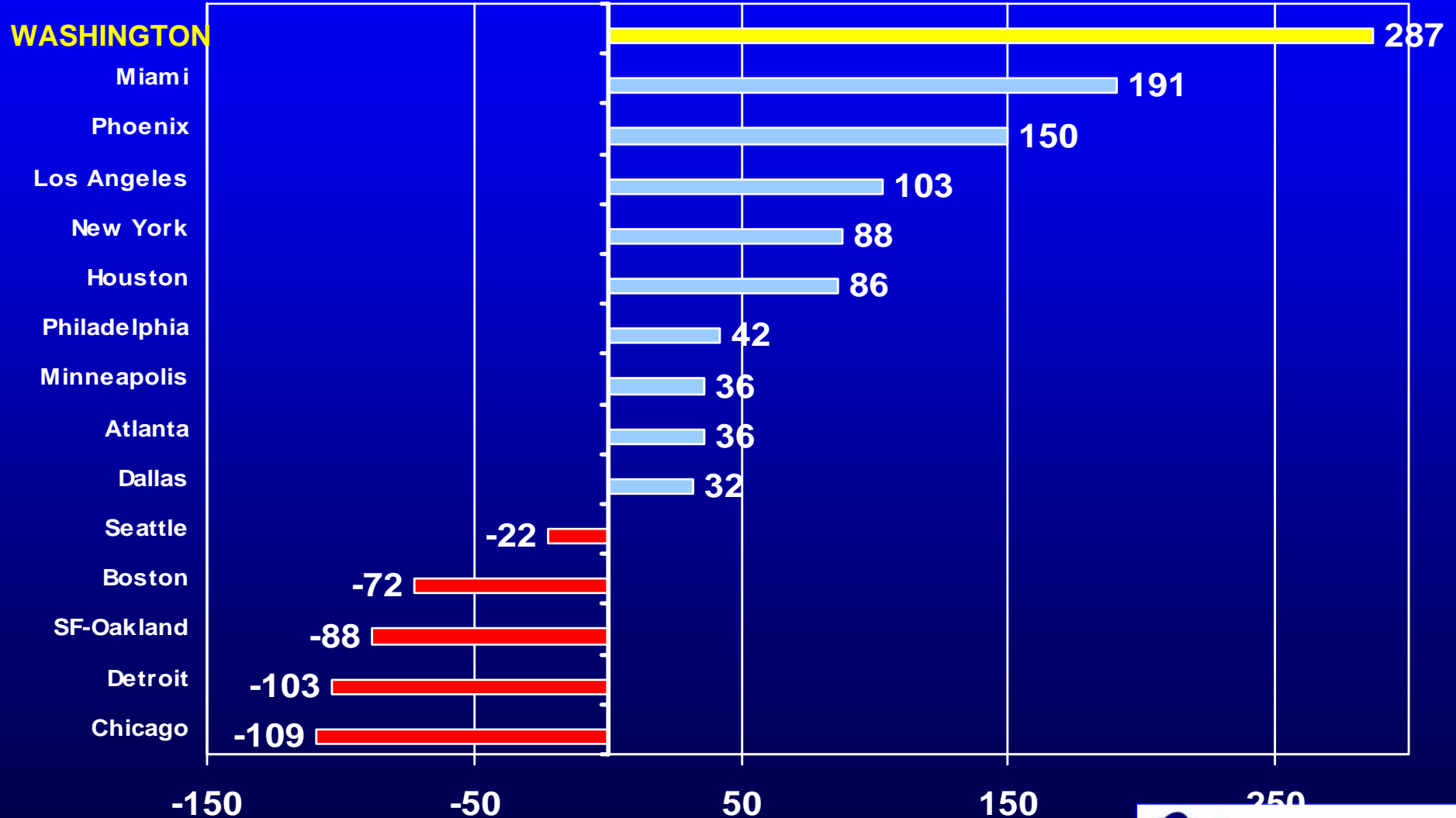
- **Nationally – Low mortgage interest rates**
- **Job growth creates demand**
- **Housing supply constrained by collective planning and zoning policies of the local governments**
- **Housing Prices increasing at record levels**

***Job Growth Creates Demand***

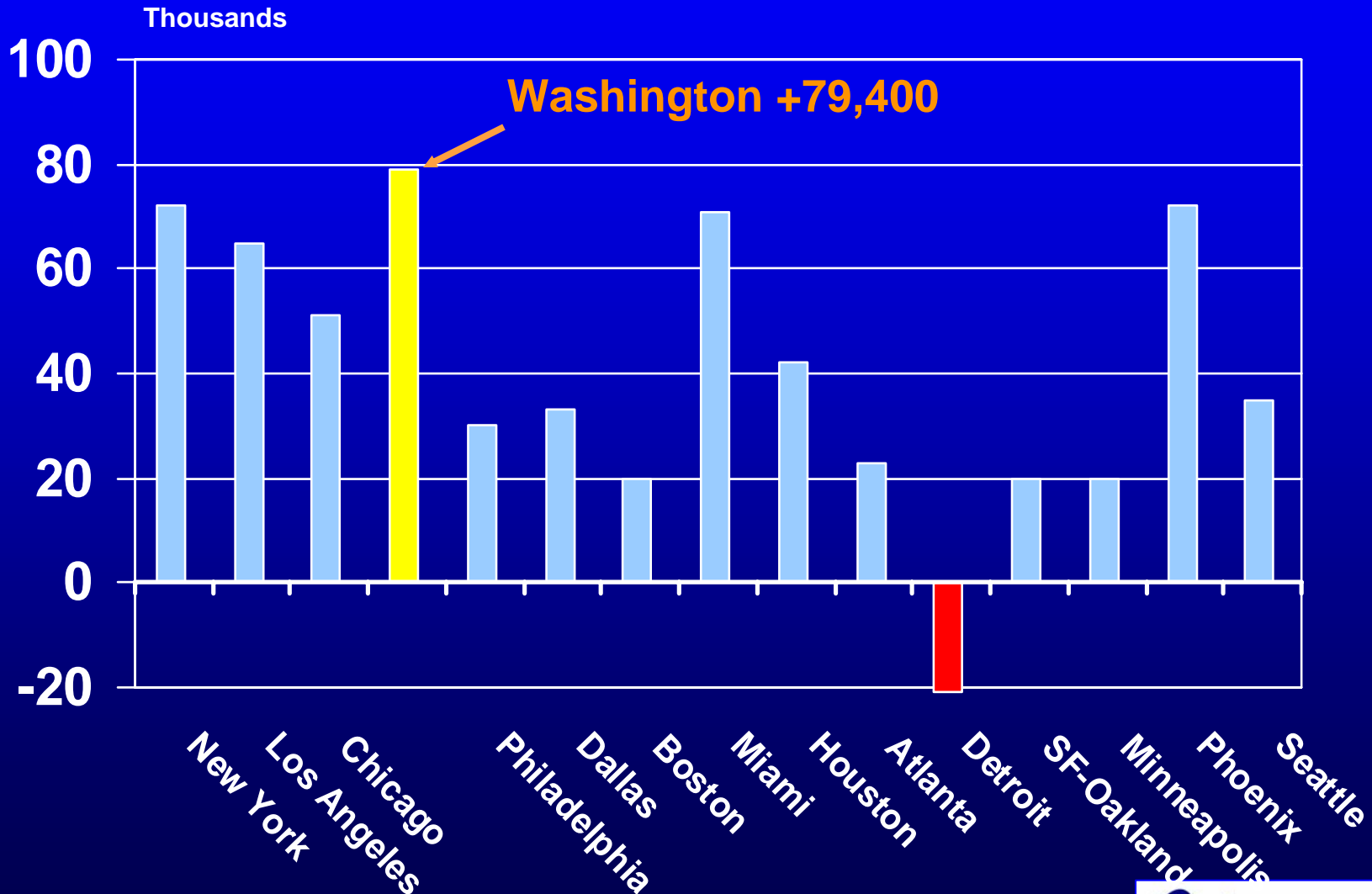
# Metro Comparisons Job Change Last Five Years

15 Largest Metro Areas

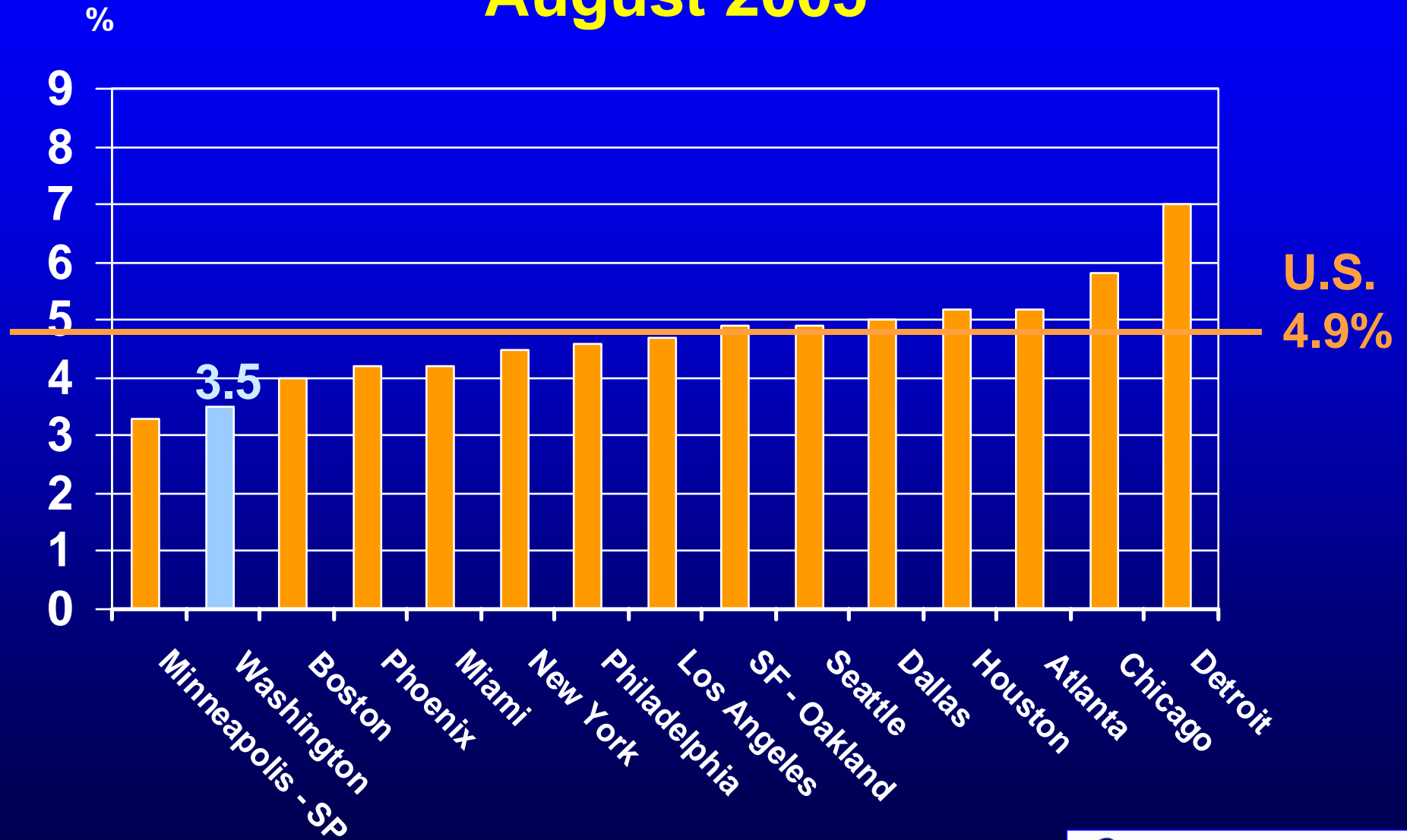
Thousands



# 15 Largest Job Markets Job Change Sep 2004 – Sep 2005



# 15 Largest Job Markets Ranked by Unemployment Rate August 2005



Data not seasonally adjusted

*Housing supply constrained by  
collective planning and zoning  
policies of the local governments*

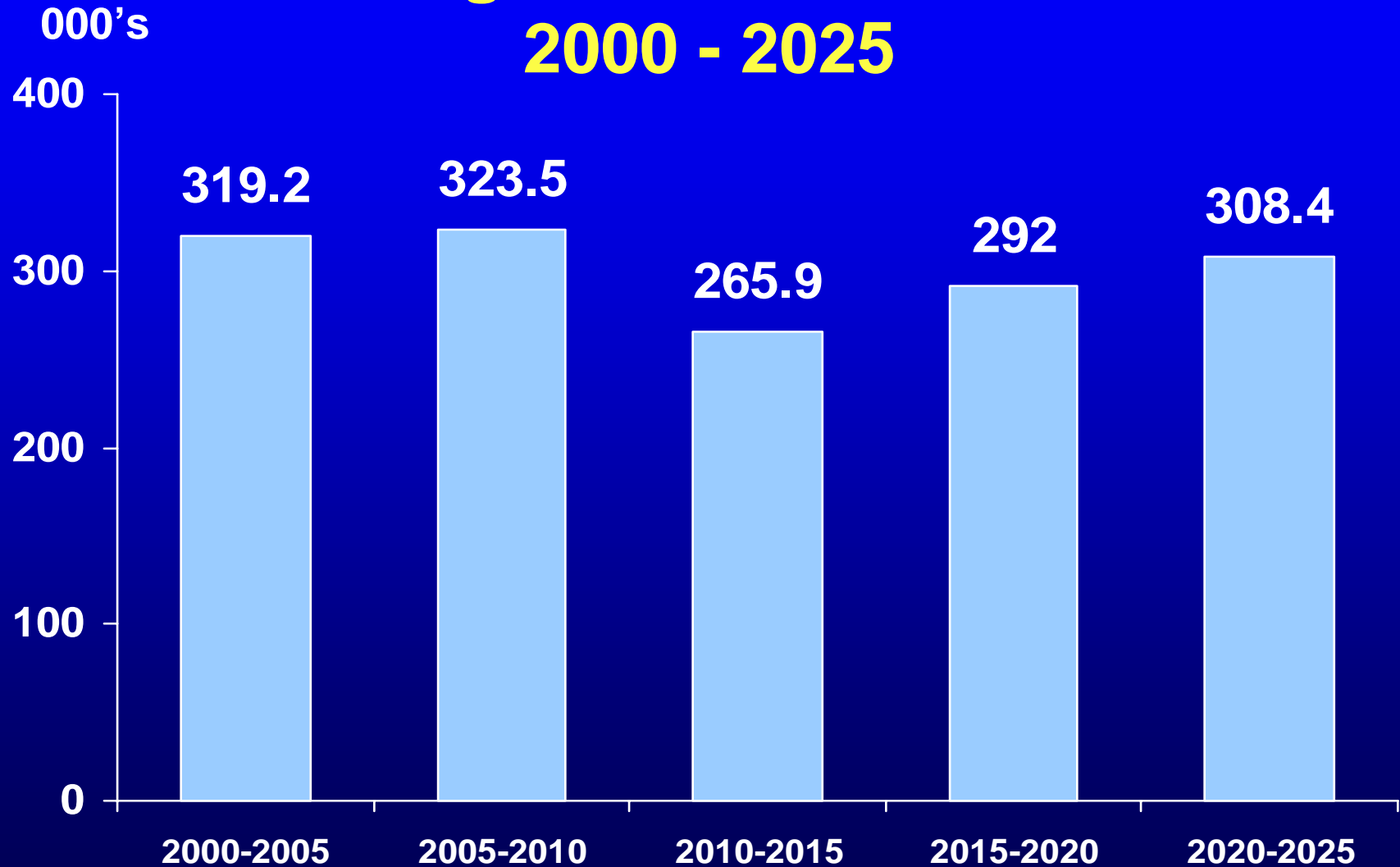
**2002 Study of Long-term  
Housing Supply and Demand  
Washington Region**

## **Executive Summary**

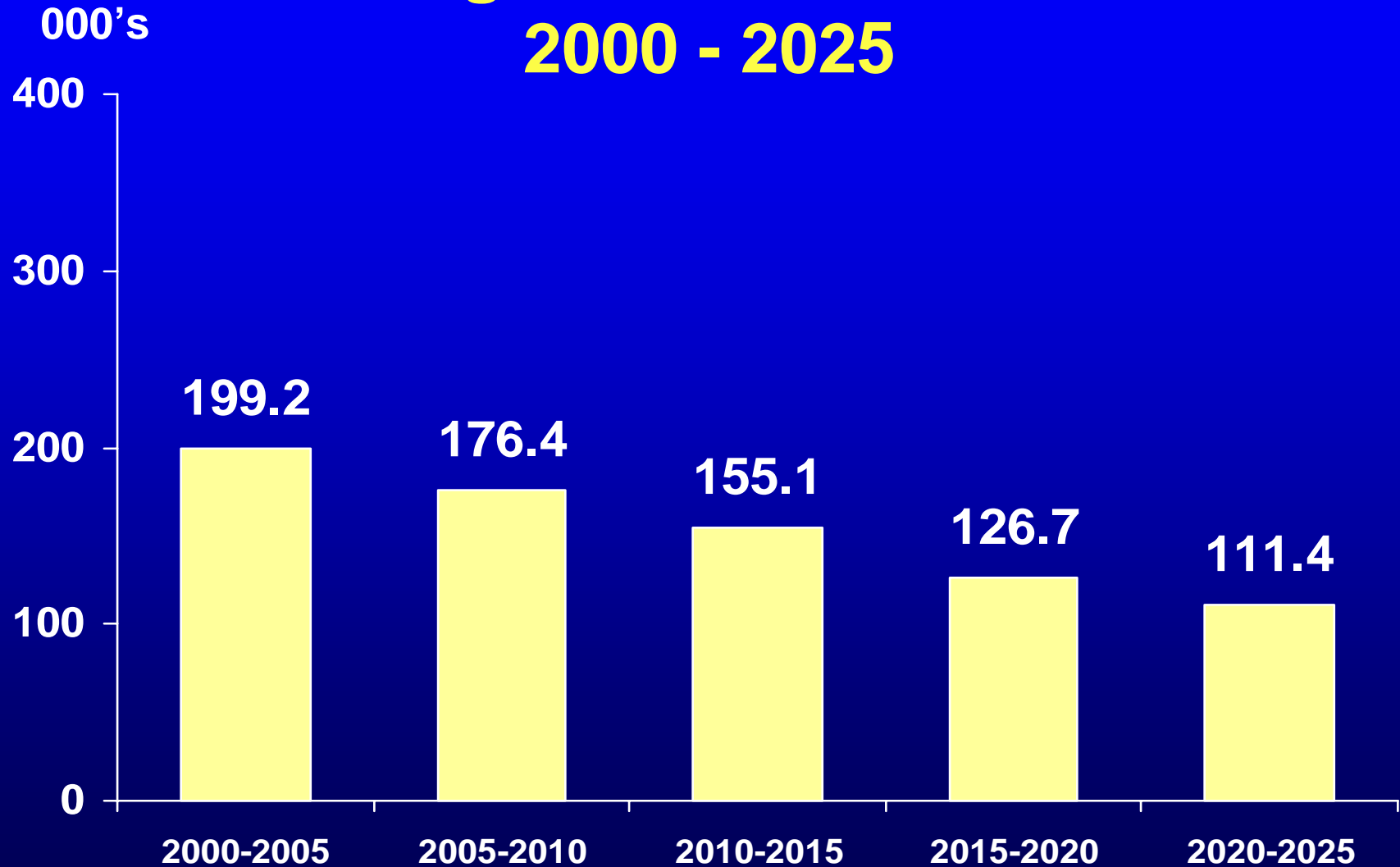
- **Existing (2000) Deficit = 43,200**
- **Long-term (2025) Housing Deficit = 218,100**
- **Several counties will reach buildout long before what is currently anticipated and before 2025 given the forecasts of jobs**



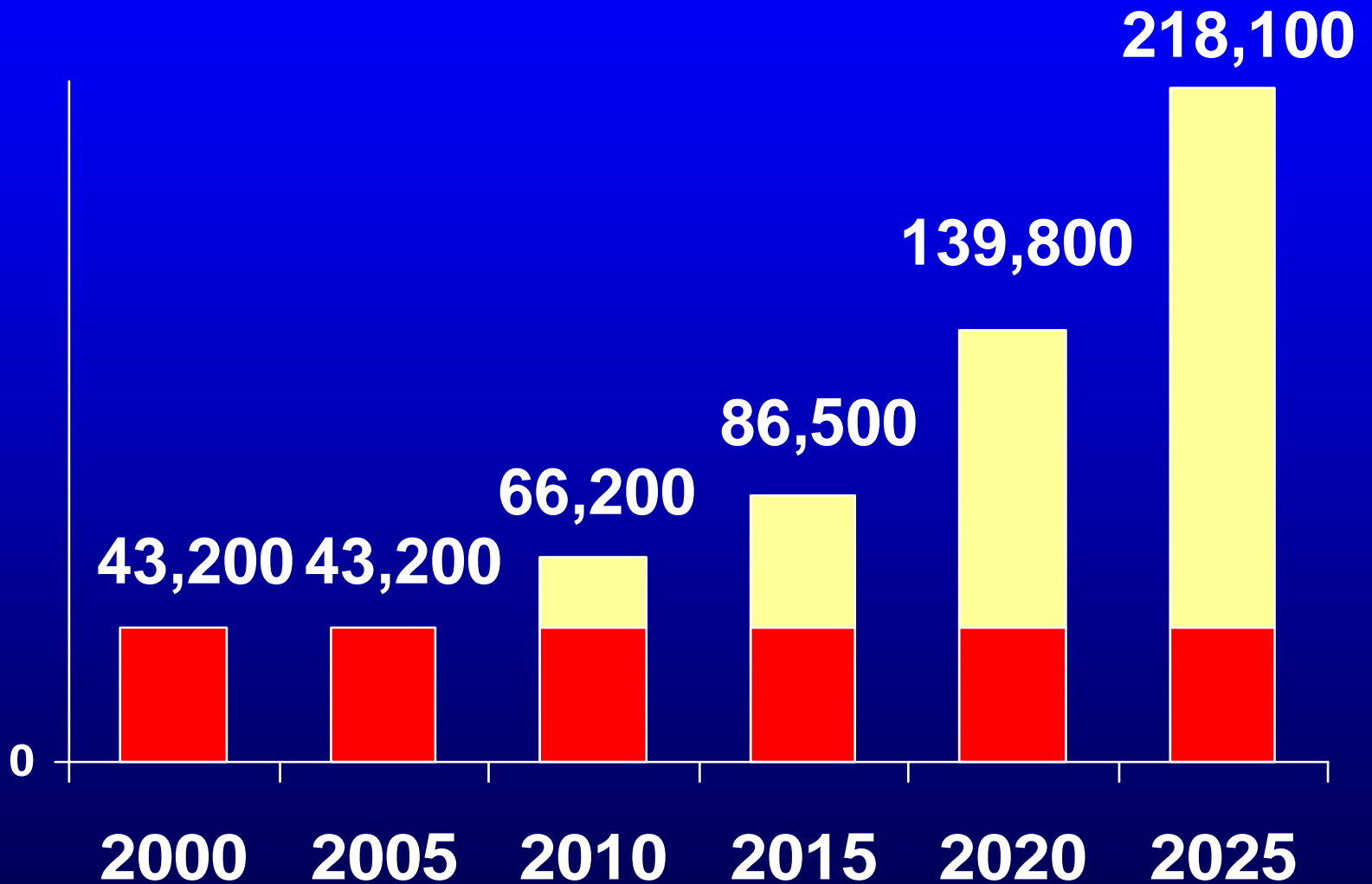
# Employment Forecasts – Study Area Change in 5-Year Periods 2000 - 2025



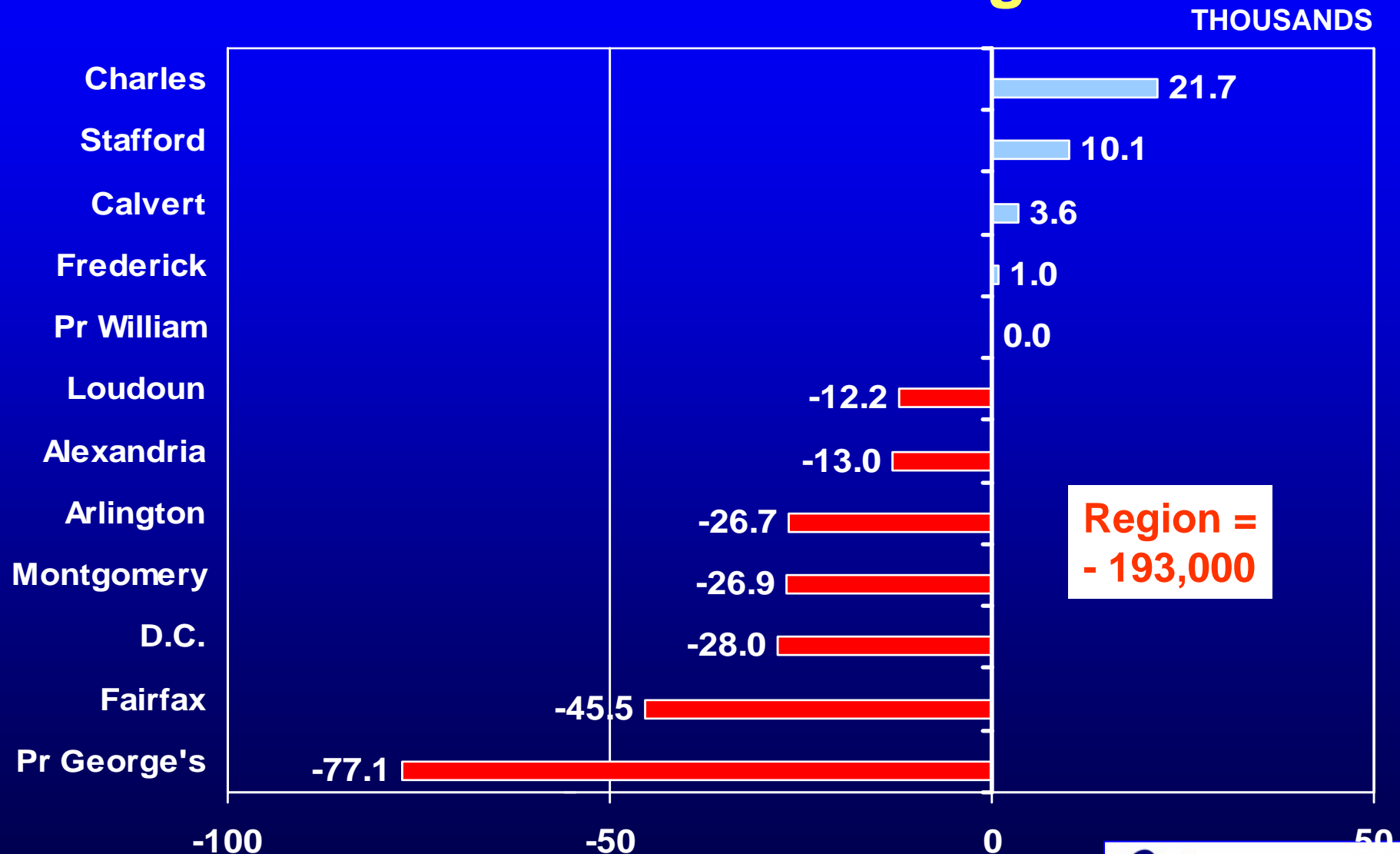
# Household Forecasts – Study Area Change in 5-Year Periods 2000 - 2025



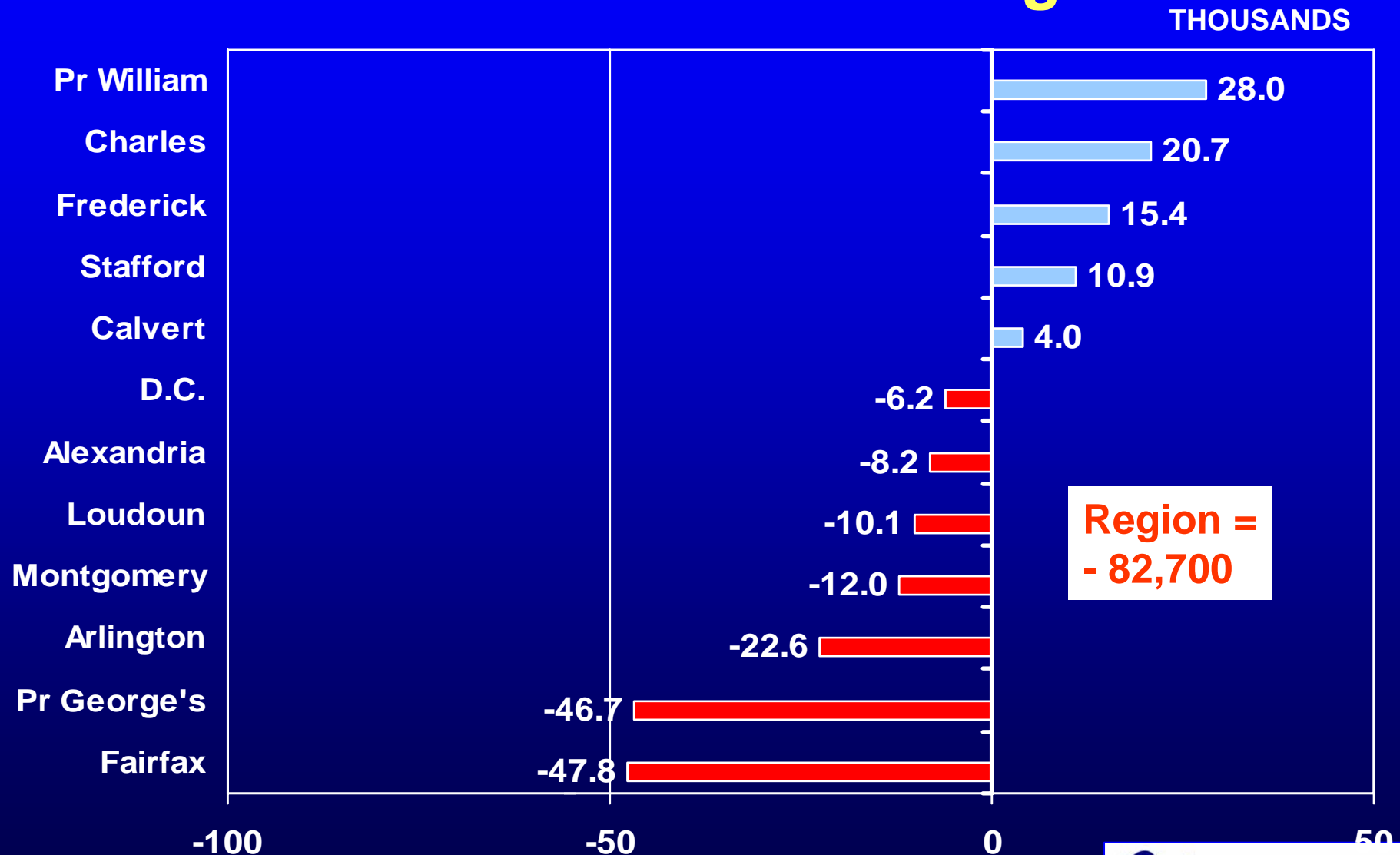
# Deficit Supply of New Housing vs. Calculated Demand for New Housing



# 2030 Housing Deficit/Surplus by Jurisdiction Round 6.4A – COG Region



# 2030 Housing Deficit/Surplus by Jurisdiction Draft Round 7 – COG Region

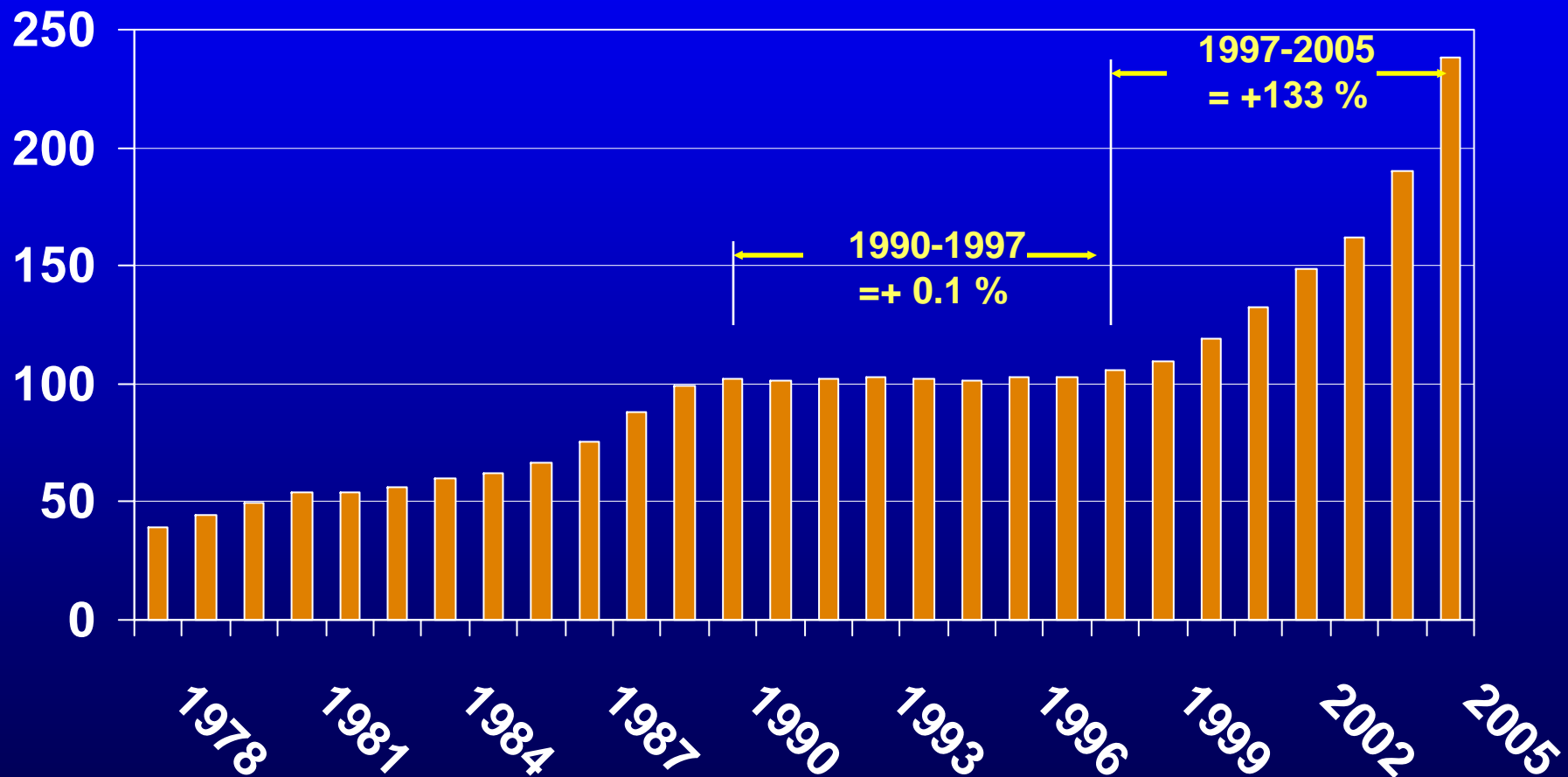


## **Inadequate Housing Supply will result in**

- **Increased costs of housing – and even more serious for affordable housing**
- **Increased demand for housing further and further from employment centers**
- **Longer, more congested and “odd-hour” commutes**
- **Diminished economic potential**
- **Diminished fiscal capacity**

***Housing Prices  
increasing at record  
levels***

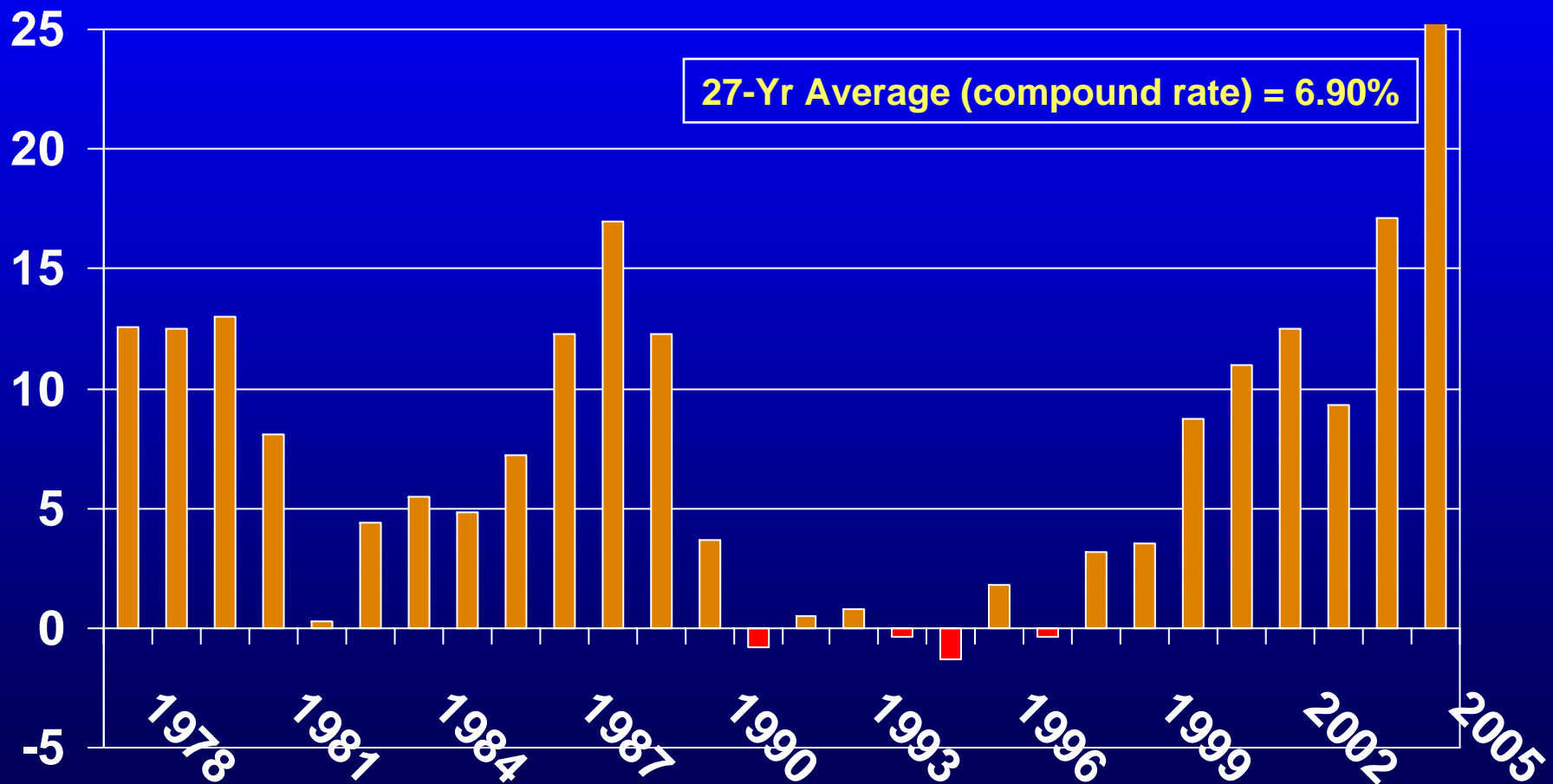
# Housing Price Index Washington PMSA 2<sup>nd</sup> Quarter Each Year



Source: Federal Office of Housing Enterprise Oversight, Center for Regional Analysis



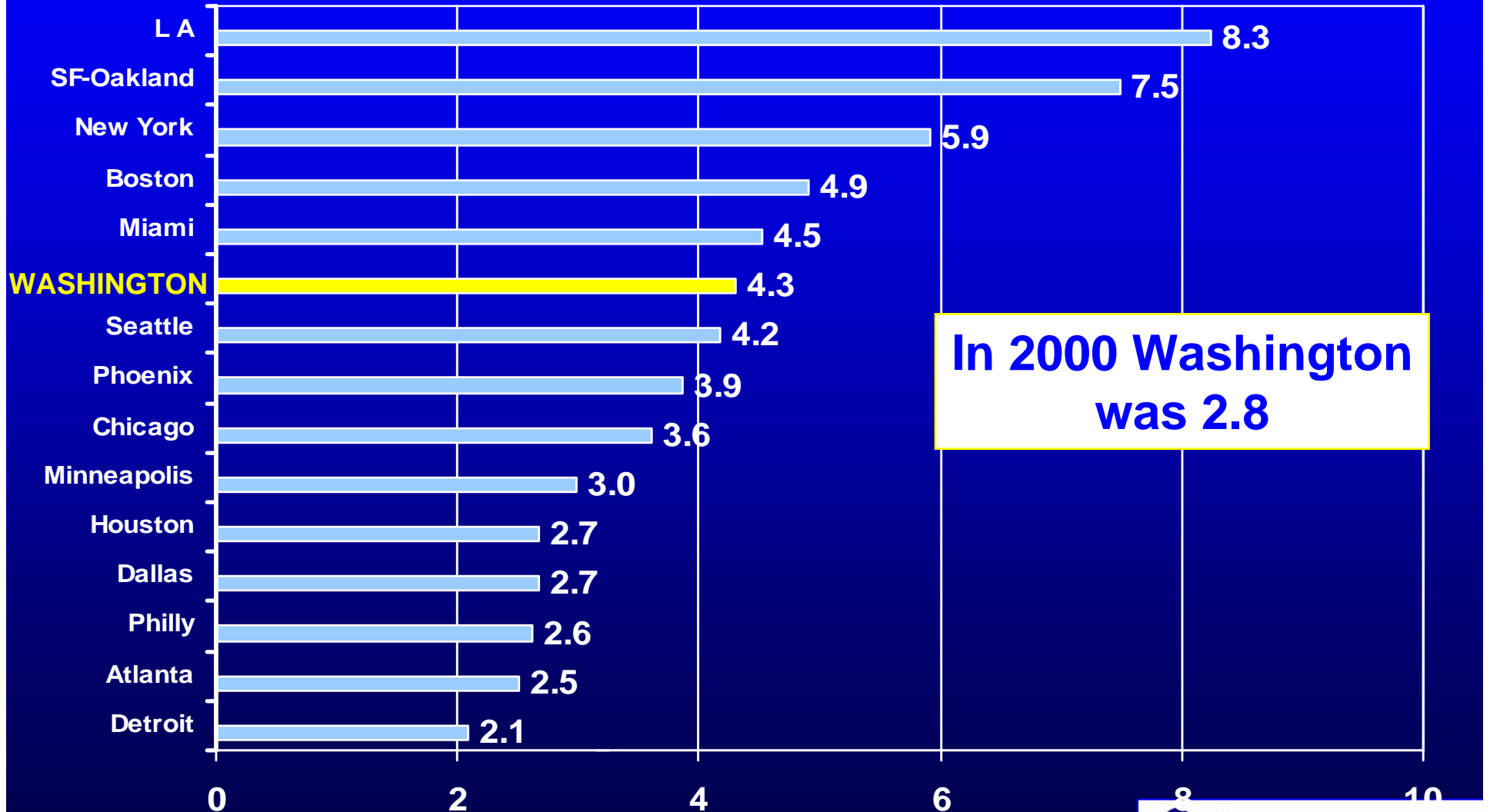
# Housing Price Index Annual % Change Washington PMSA 2nd Quarter Each Year



Source: Federal Office of Housing Enterprise Oversight, Center for Regional Analysis

# Metro Comparisons

## Ratio of Median Value of New Housing to Median Family Income – Q2 2005



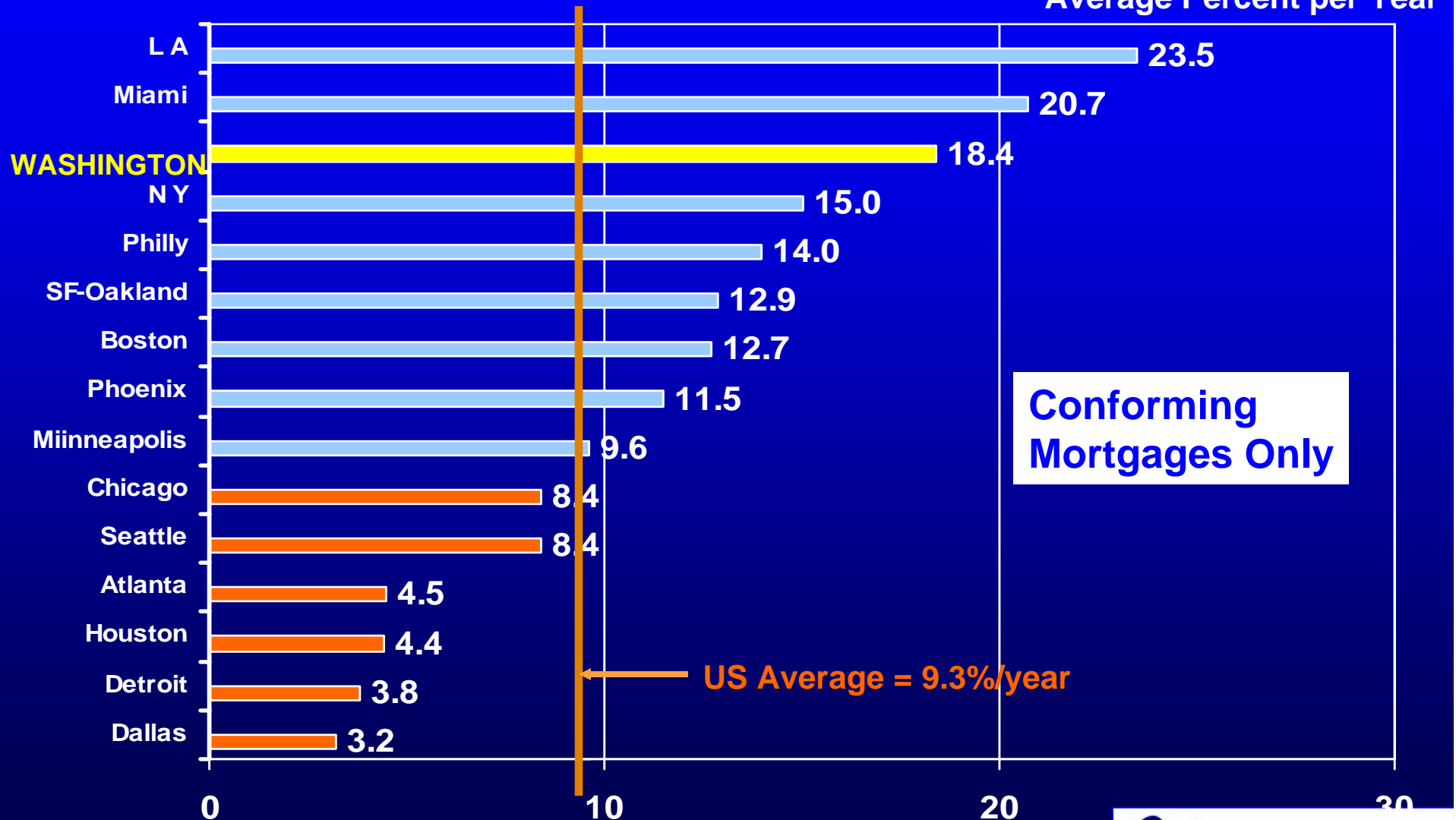
Source: NAHB/Wells Fargo, GMU Center for Regional Analysis

# Metro Comparisons

## Average Annual Percent Change in House Prices

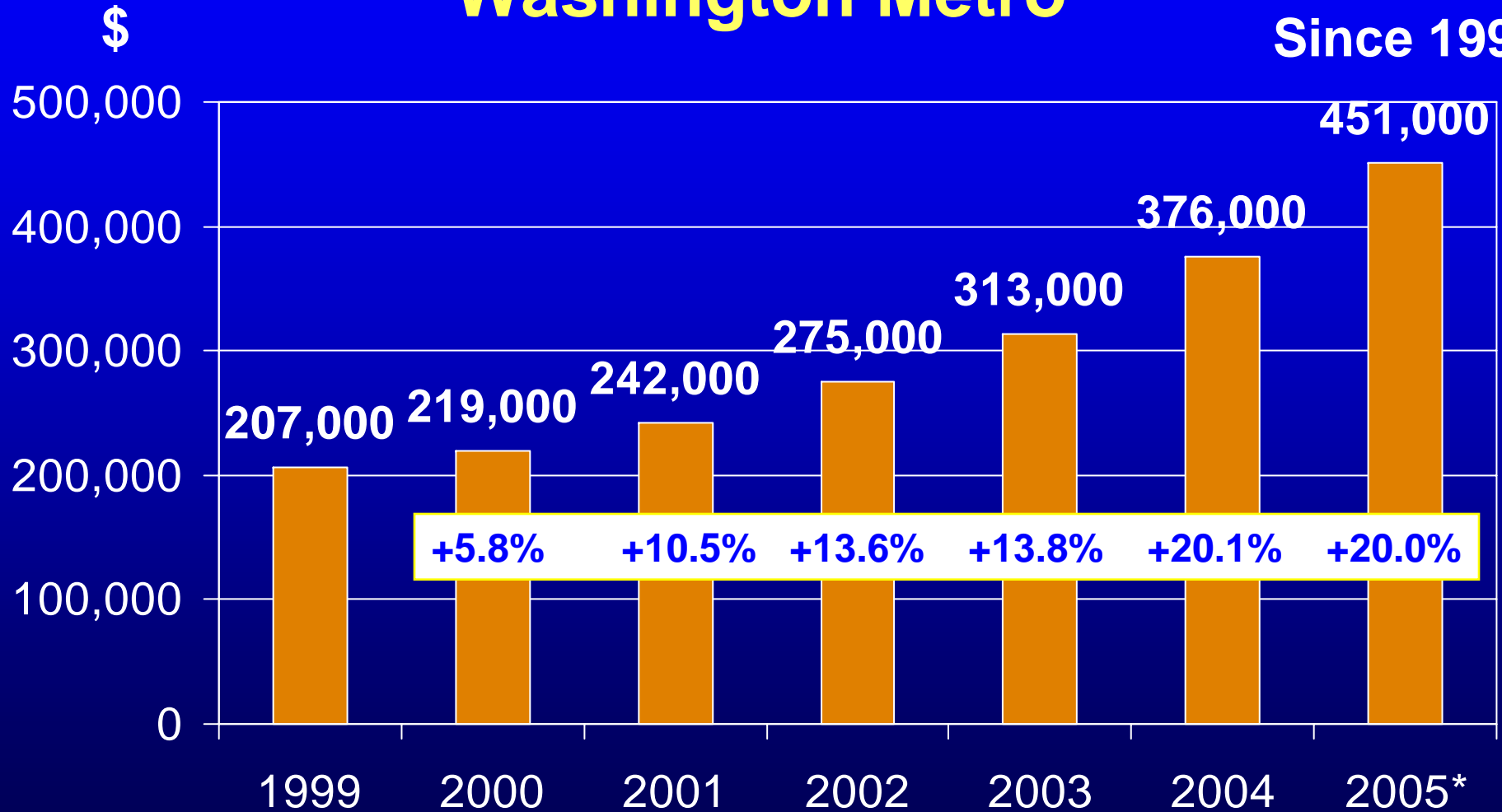
1st Quarter 2002 – 1st Quarter 2005

Average Percent per Year



# Average Sales Price Existing Houses Washington Metro

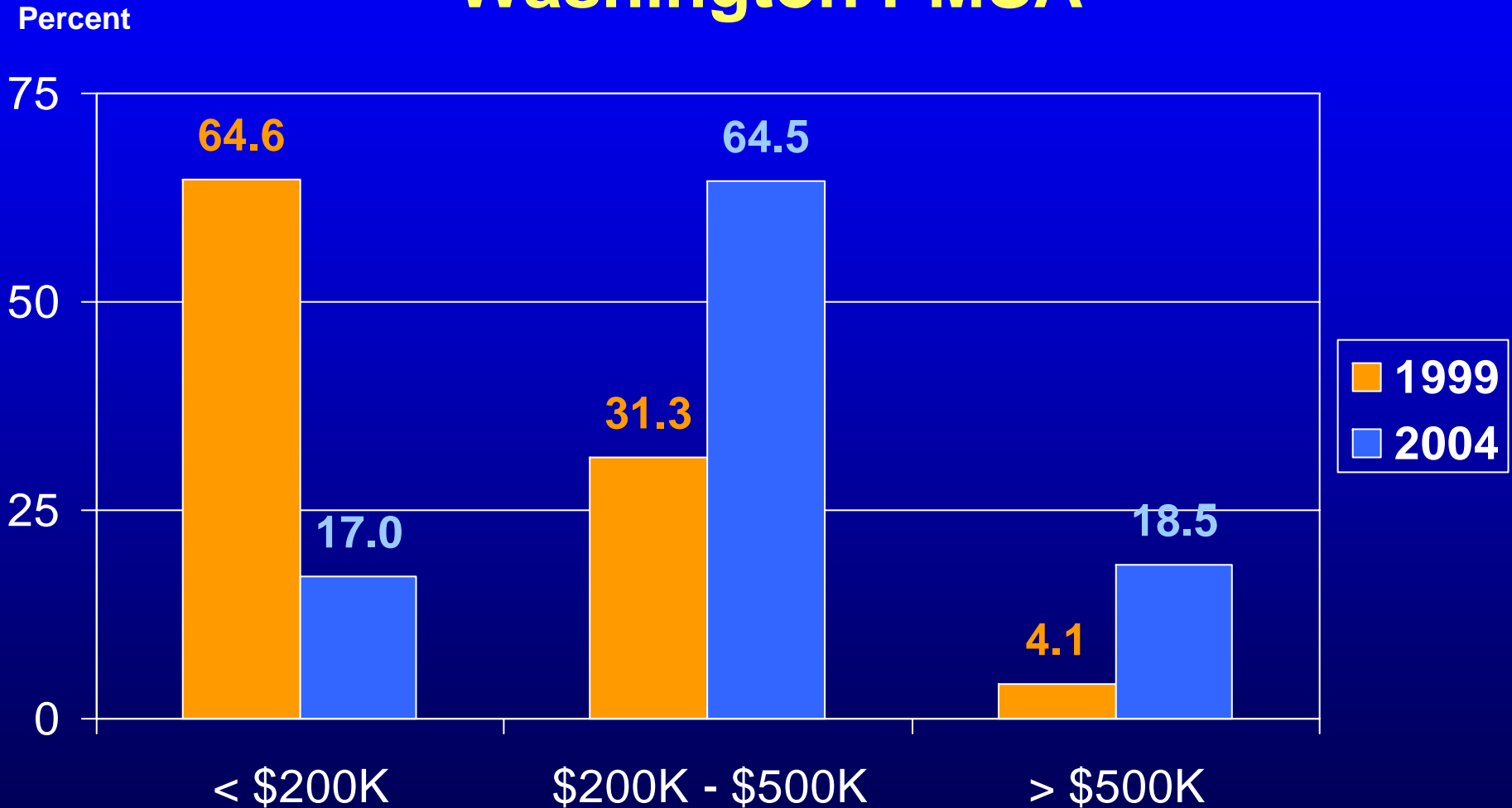
+ 118%  
Since 1999



Source: MRIS, GMU Center for Regional Analysis

# % of Houses Sold by Price Range 1999 vs. 2004 Washington PMSA

All Units



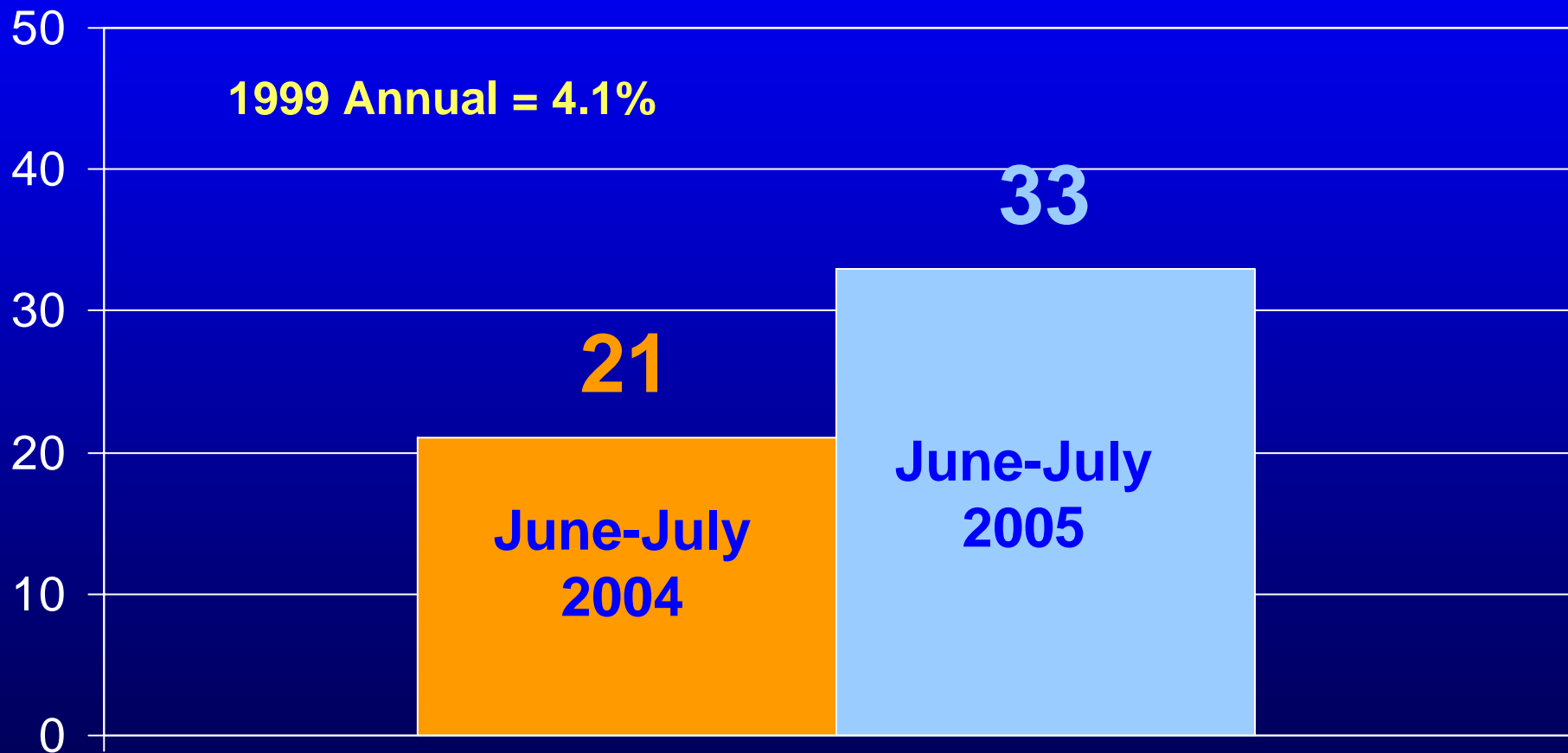
Source: MRIS, GMU Center for Regional Analysis

***For the region in 1999,  
4.1% of Houses sold for  
over \$500,000***

# **% of Houses Sold Over \$500,000 Jun-July of 2004 - 2005 Washington MSA**

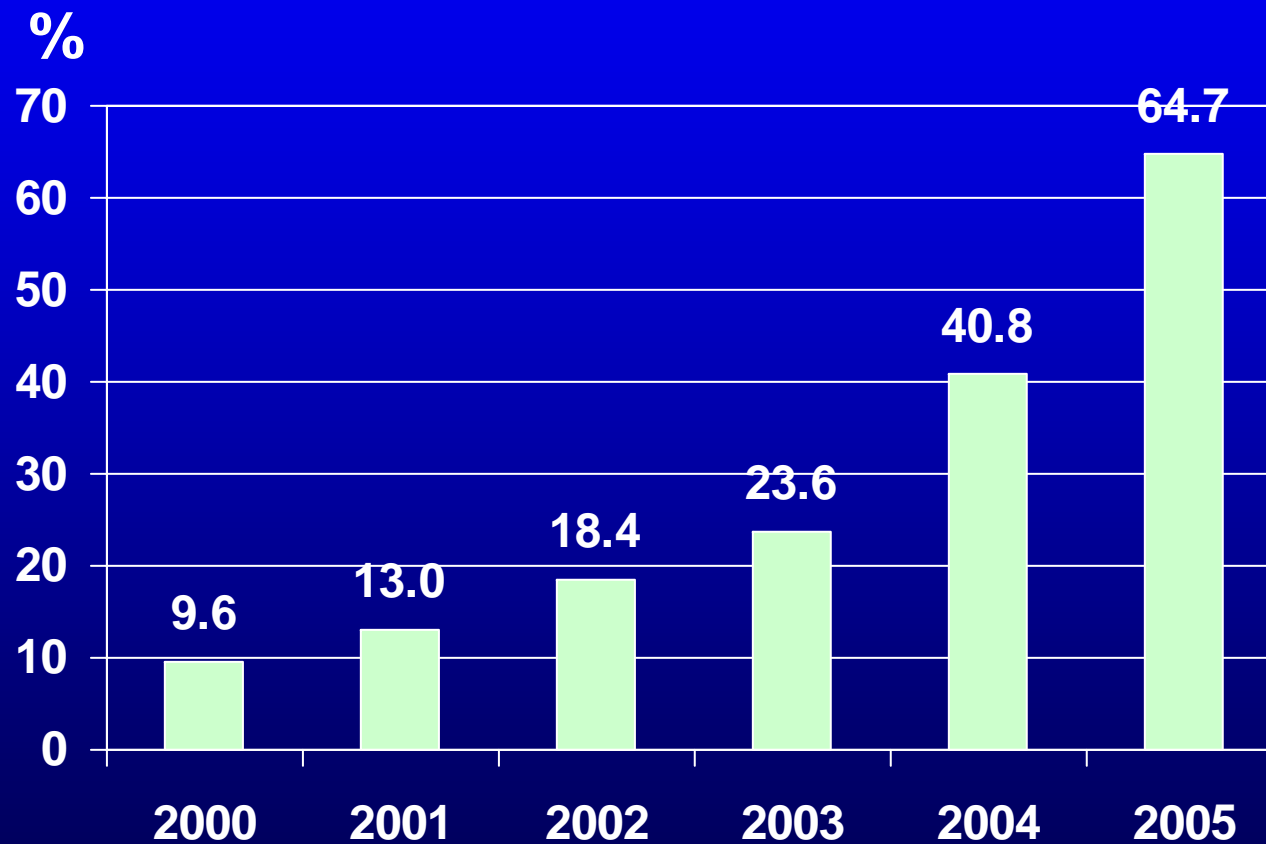
**All Units**

Percent



Source: MRIS, GMU Center for Regional Analysis

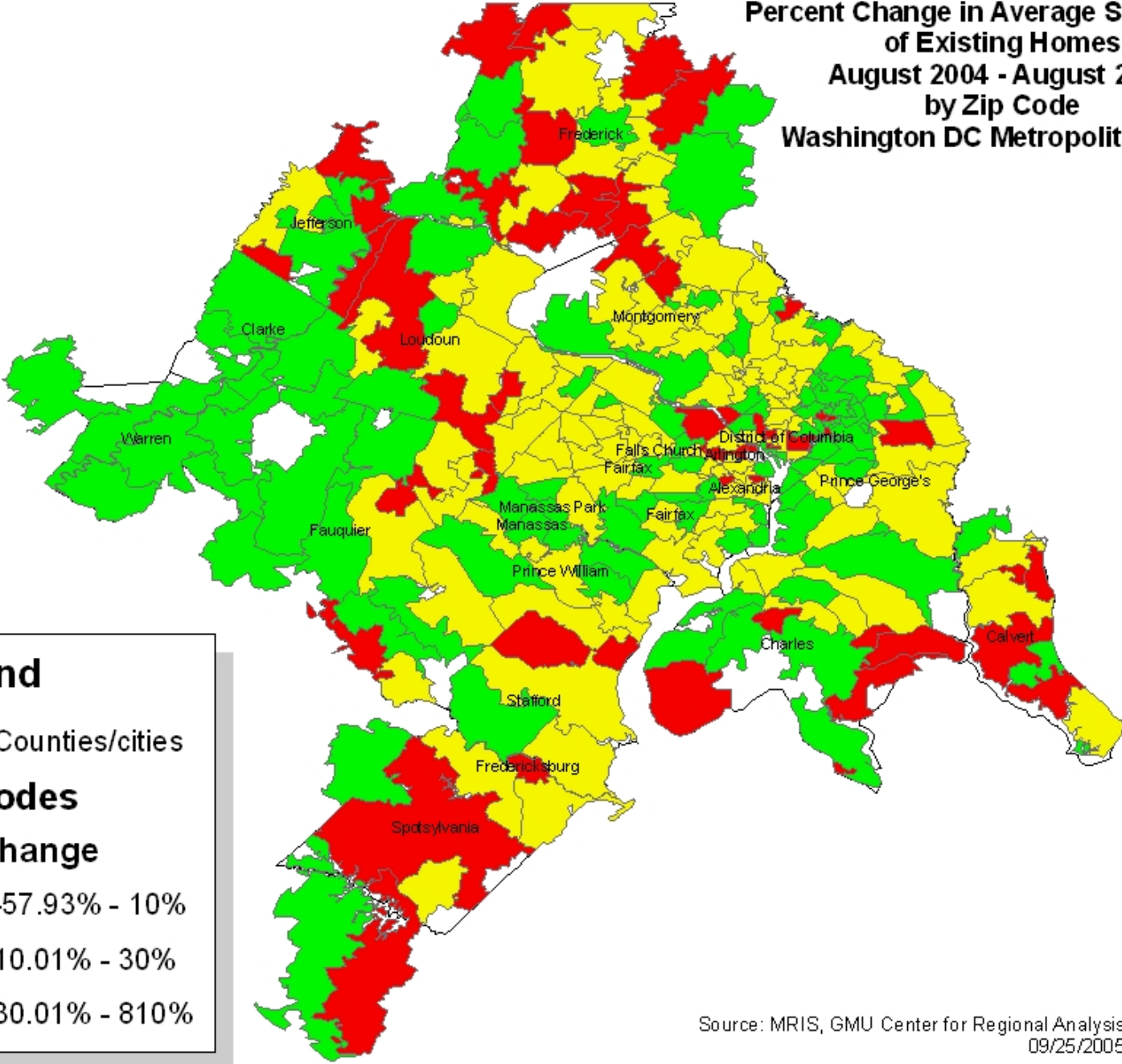
# Percent of Single-Family Sales Over \$500,000 Summer Each Year (Jun-Aug) NVAR Jurisdictions







**Percent Change in Average Sales Price  
of Existing Homes  
August 2004 - August 2005  
by Zip Code  
Washington DC Metropolitan Area**



**Legend**

Counties/cities

**Zip Codes**

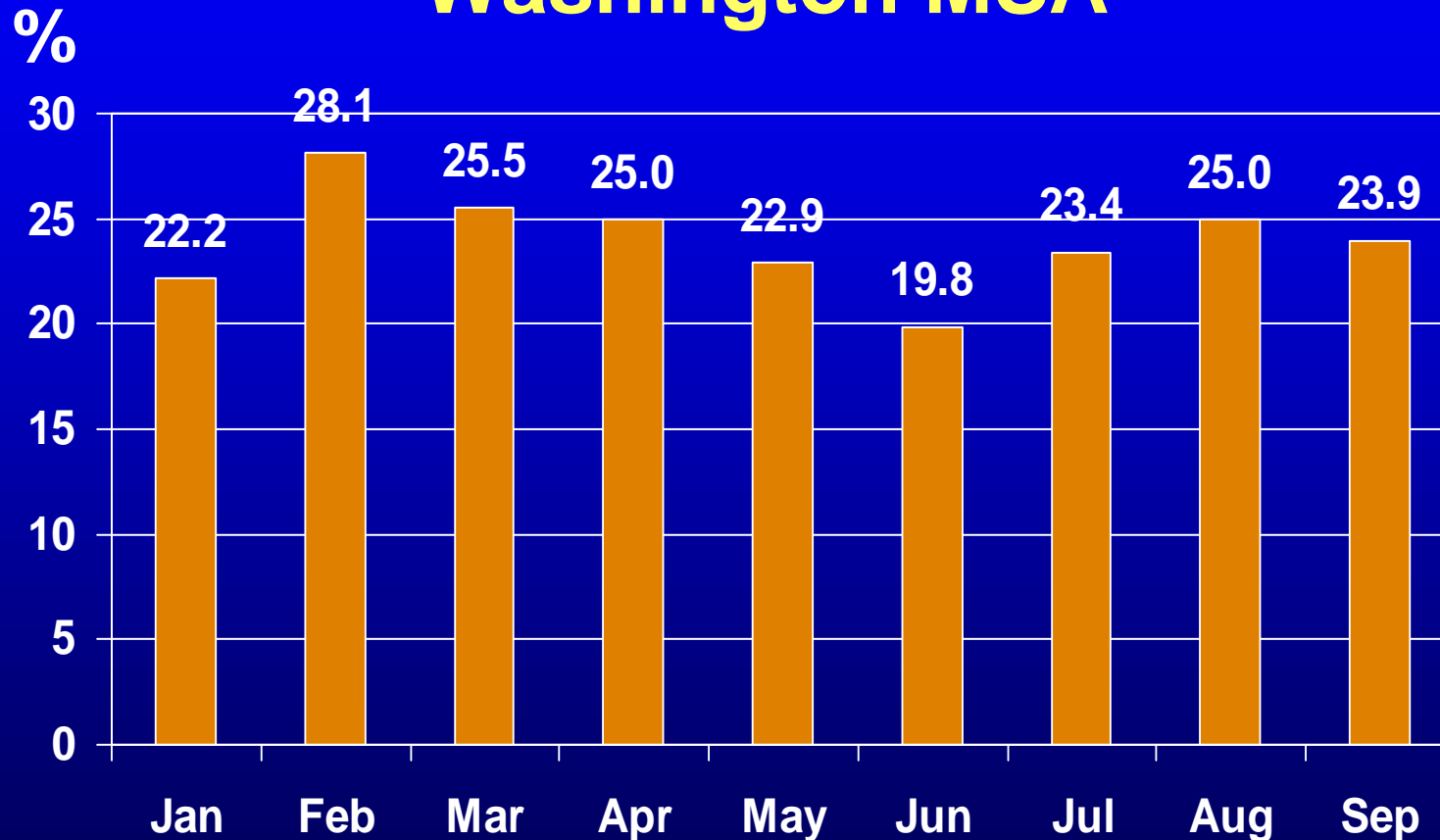
**Pct. Change**

- Red: -57.93% - 10%
- Yellow: 10.01% - 30%
- Green: 30.01% - 810%

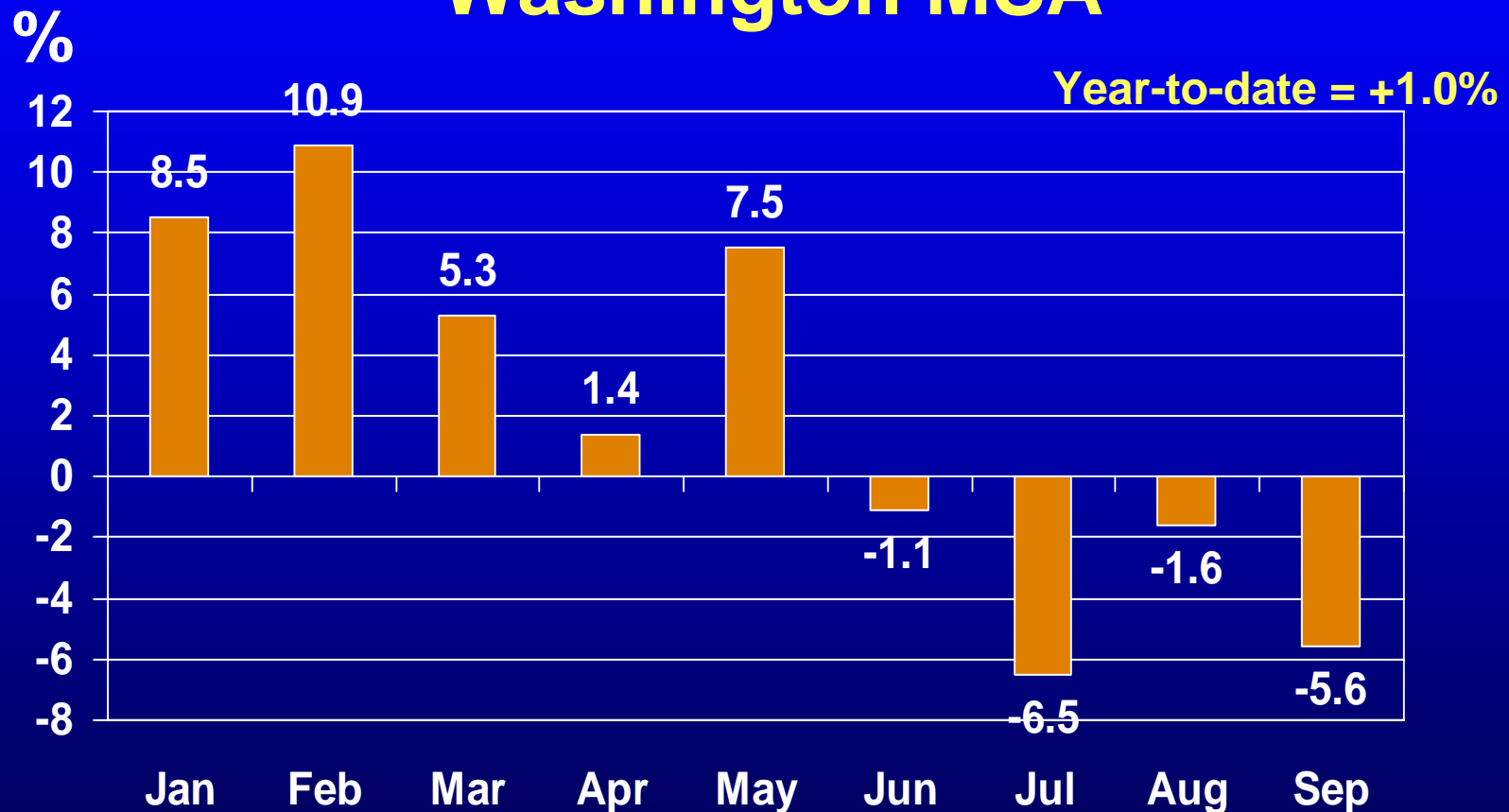
Source: MRIS, GMU Center for Regional Analysis  
09/25/2005



# Average Sales Price Change Month-over-the-year 2004 – 2005 Washington MSA



# Total Unit Sales Change Month-over-the-year 2004 – 2005 Washington MSA



# Average Days on the Market Change Month-over-the-year 2004 – 2005 Washington MSA

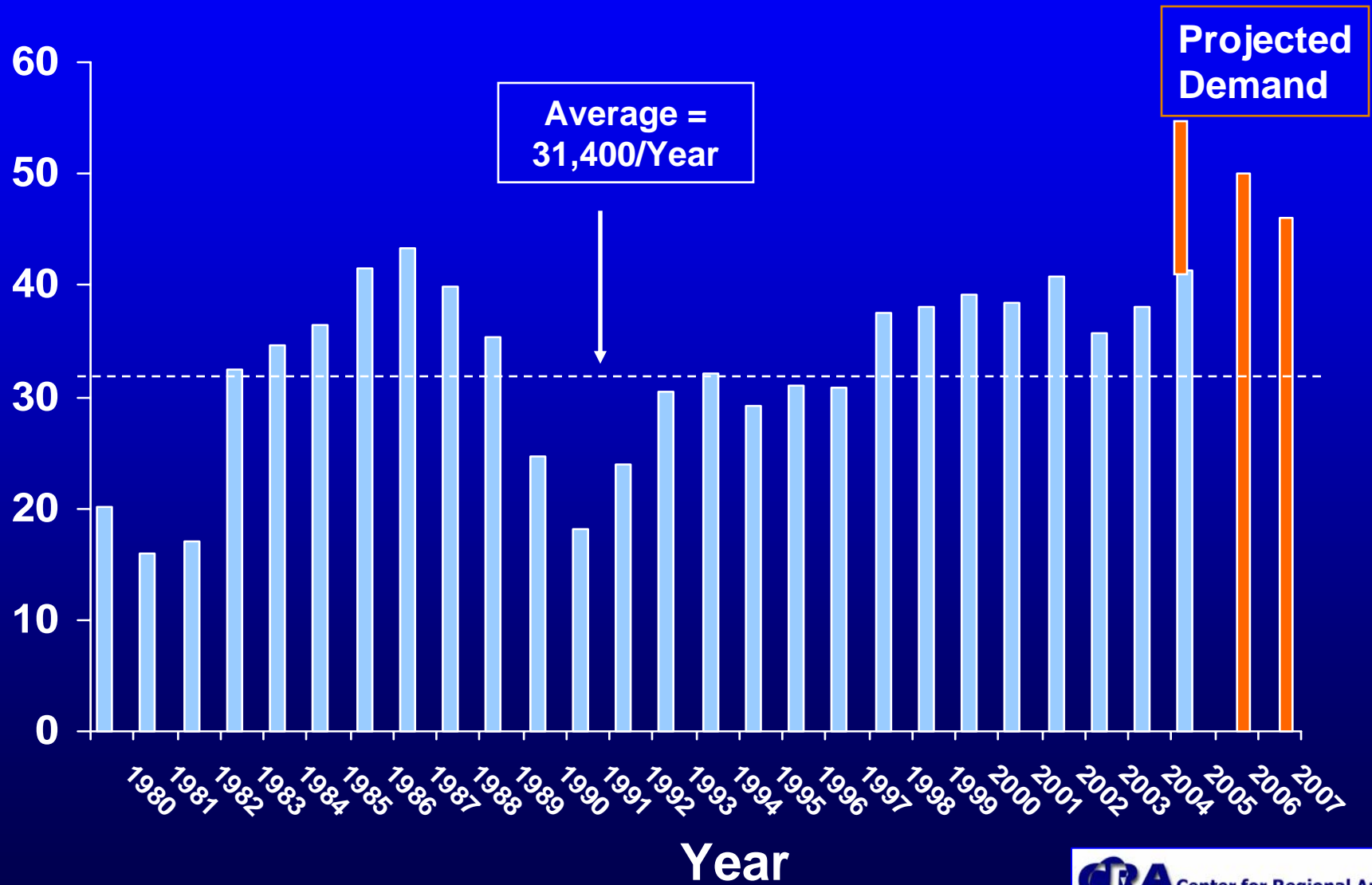


## Employment Change by Sub-state Region (000s)

|               | 10-Yr<br>Avg.(1) | 2004        | 2005        | 2006        | 2007        |
|---------------|------------------|-------------|-------------|-------------|-------------|
| <b>D.C.</b>   | <b>1.4</b>       | <b>6.9</b>  | <b>8.0</b>  | <b>6.0</b>  | <b>5.5</b>  |
| <b>S. MD</b>  | <b>16.1</b>      | <b>7.4</b>  | <b>23.0</b> | <b>21.0</b> | <b>19.0</b> |
| <b>No. VA</b> | <b>33.4</b>      | <b>53.7</b> | <b>52.0</b> | <b>48.0</b> | <b>44.0</b> |
| <b>REGION</b> | <b>50.9</b>      | <b>68.0</b> | <b>83.0</b> | <b>75.0</b> | <b>68.5</b> |
|               | <b>2.0%</b>      | <b>2.4%</b> | <b>2.9%</b> | <b>2.6%</b> | <b>2.3%</b> |

(1) 1994-2004

# MSA Total Housing Unit Permits 1980 - 2005



***The Cooperative  
Forecasting Program***

***1975 - 2005***



## 1990 Population

|                | 1976 - CF<br>Round 1 | 1990<br>Census | Diff     | % Diff |
|----------------|----------------------|----------------|----------|--------|
| <b>Central</b> | 1,102,100            | 907,600        | 194,500  | 21.4%  |
| <b>Inner</b>   | 2,538,700            | 2,333,400      | 205,300  | 8.8%   |
| <b>Outer</b>   | 306,200              | 336,500        | - 30,300 | - 9.0% |
| <b>Region</b>  | 3,947,000            | 3,577,500      | 369,500  | 10.3%  |

1983 Region

## 1990 Households

|                | 1976 - CF<br>Round 1 | 1990<br>Census | Diff    | % Diff |
|----------------|----------------------|----------------|---------|--------|
| <b>Central</b> | 475,000              | 381,400        | 93,600  | 24.5%  |
| <b>Inner</b>   | 875,000              | 843,900        | 31,100  | 3.7%   |
| <b>Outer</b>   | 85,300               | 112,100        | -26,800 | -23.9% |
| <b>Region</b>  | 1,435,000            | 1,337,400      | 97,900  | 7.3%   |

1983 Region

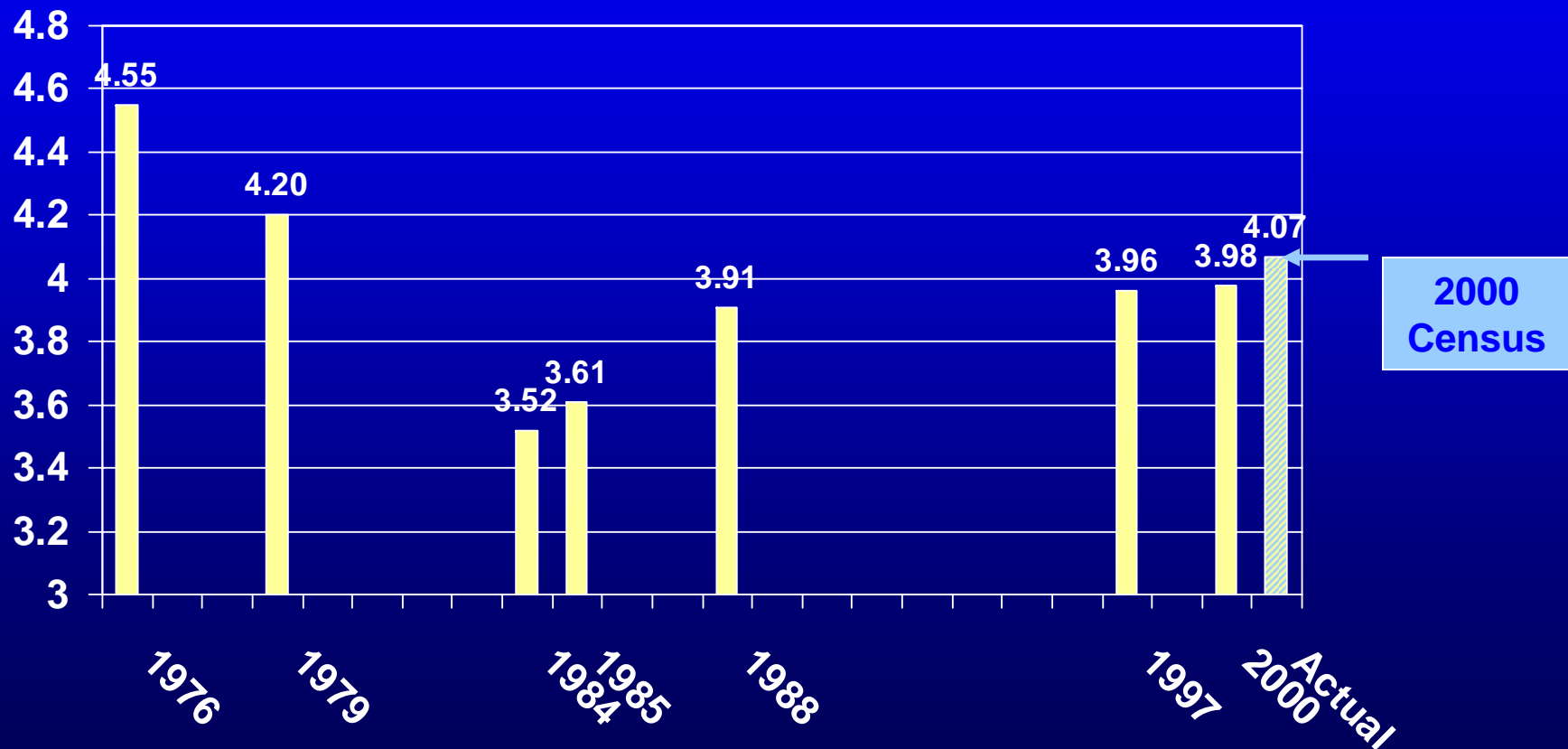
## 1990 Employment

|                | 1976 - CF<br>Round 1 | 1990<br>Census | Diff     | % Diff |
|----------------|----------------------|----------------|----------|--------|
| <b>Central</b> | 1,010,700            | 1,023,600      | -12,900  | - 1.3% |
| <b>Inner</b>   | 1,016,900            | 1,216,200      | -199,300 | -16.4% |
| <b>Outer</b>   | 79,700               | 127,600        | -47,900  | -37.5% |
| <b>Region</b>  | 2,107,300            | 2,367,400      | -260,100 | -11.0% |

1983 Region

# Cooperative Forecasts of Year 2000 Population by Year Forecast Made Washington Region

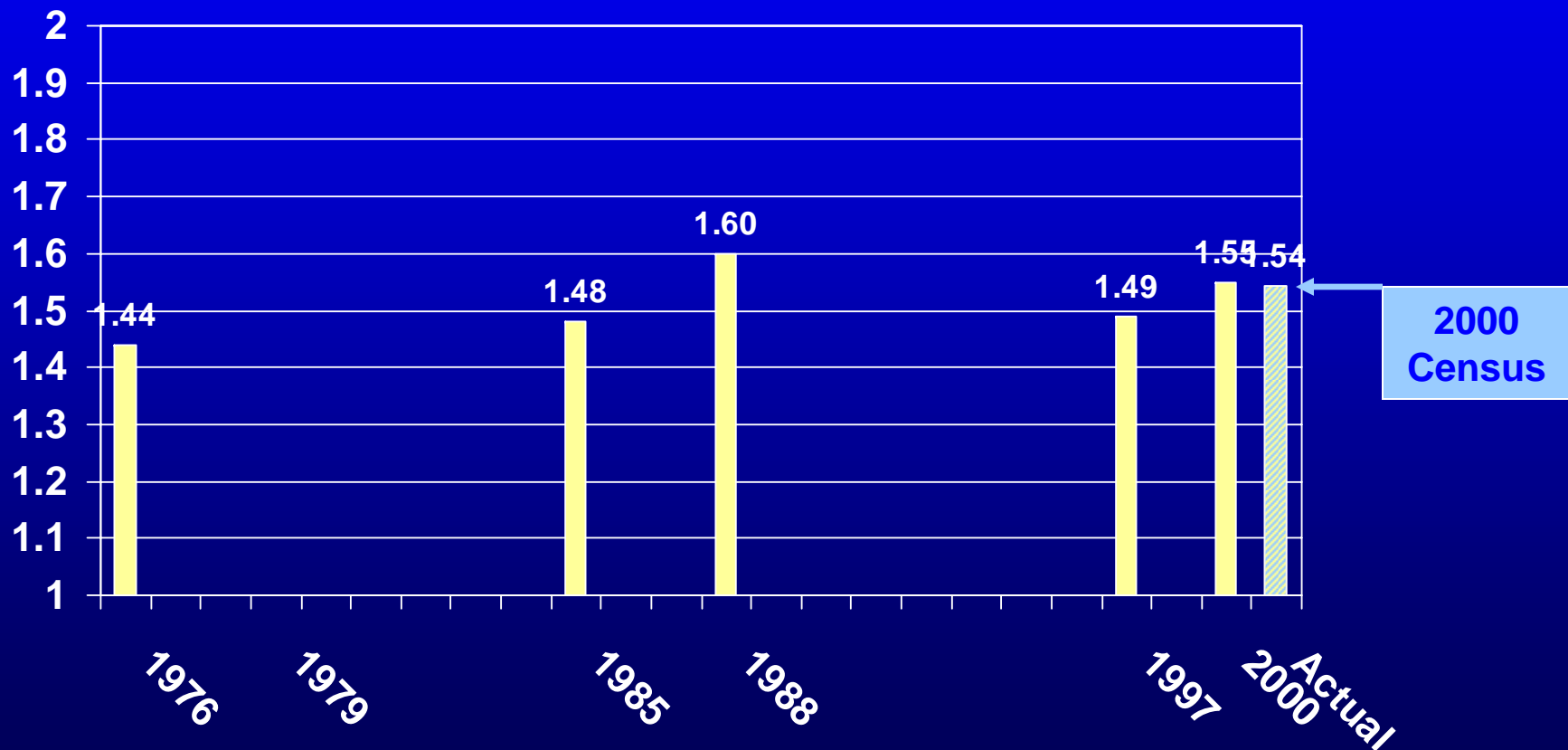
Millions



1983 Region

# Cooperative Forecasts of Year 2000 Households by Year Forecast Made Washington Region

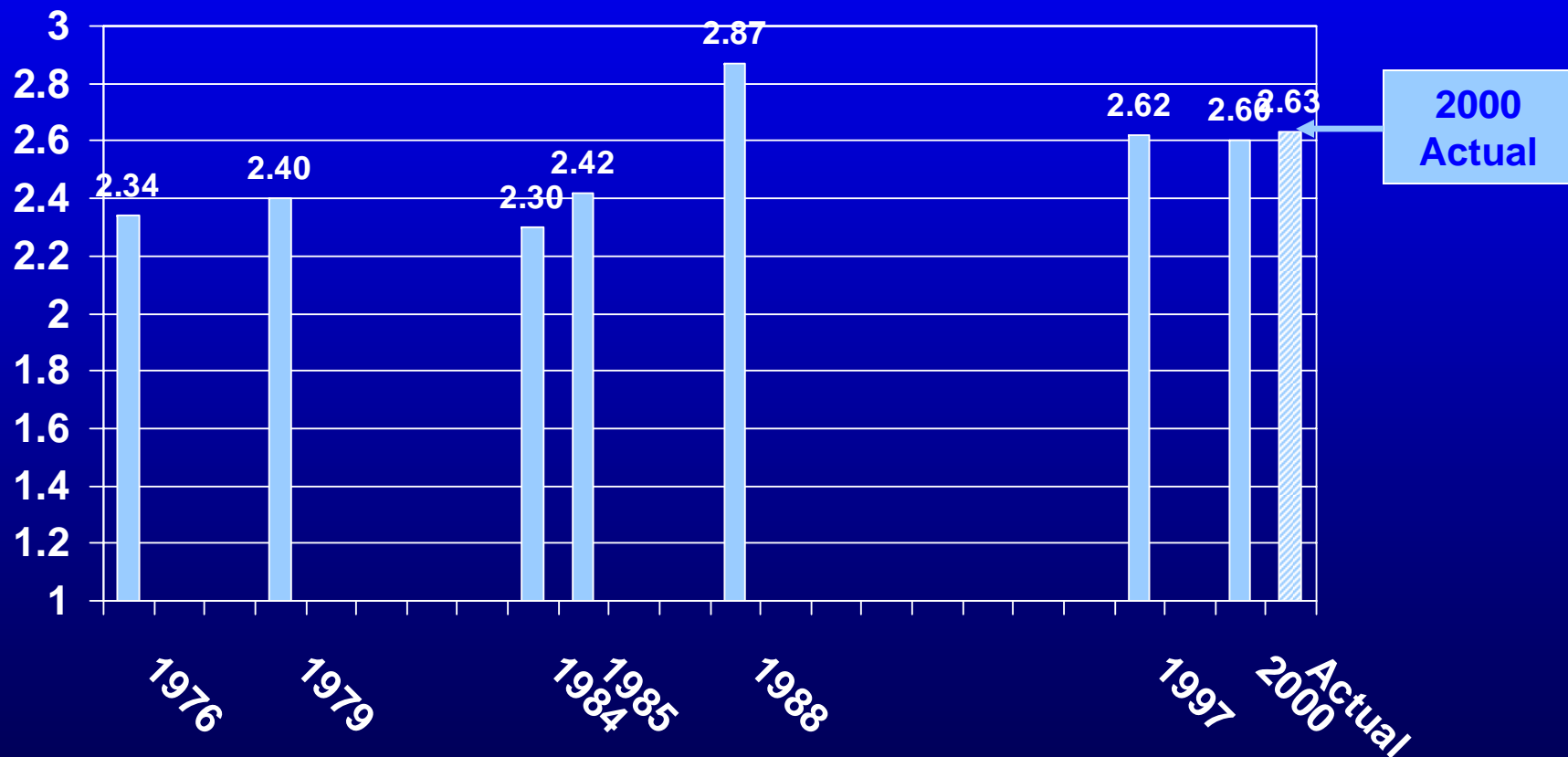
Millions



1983 Region

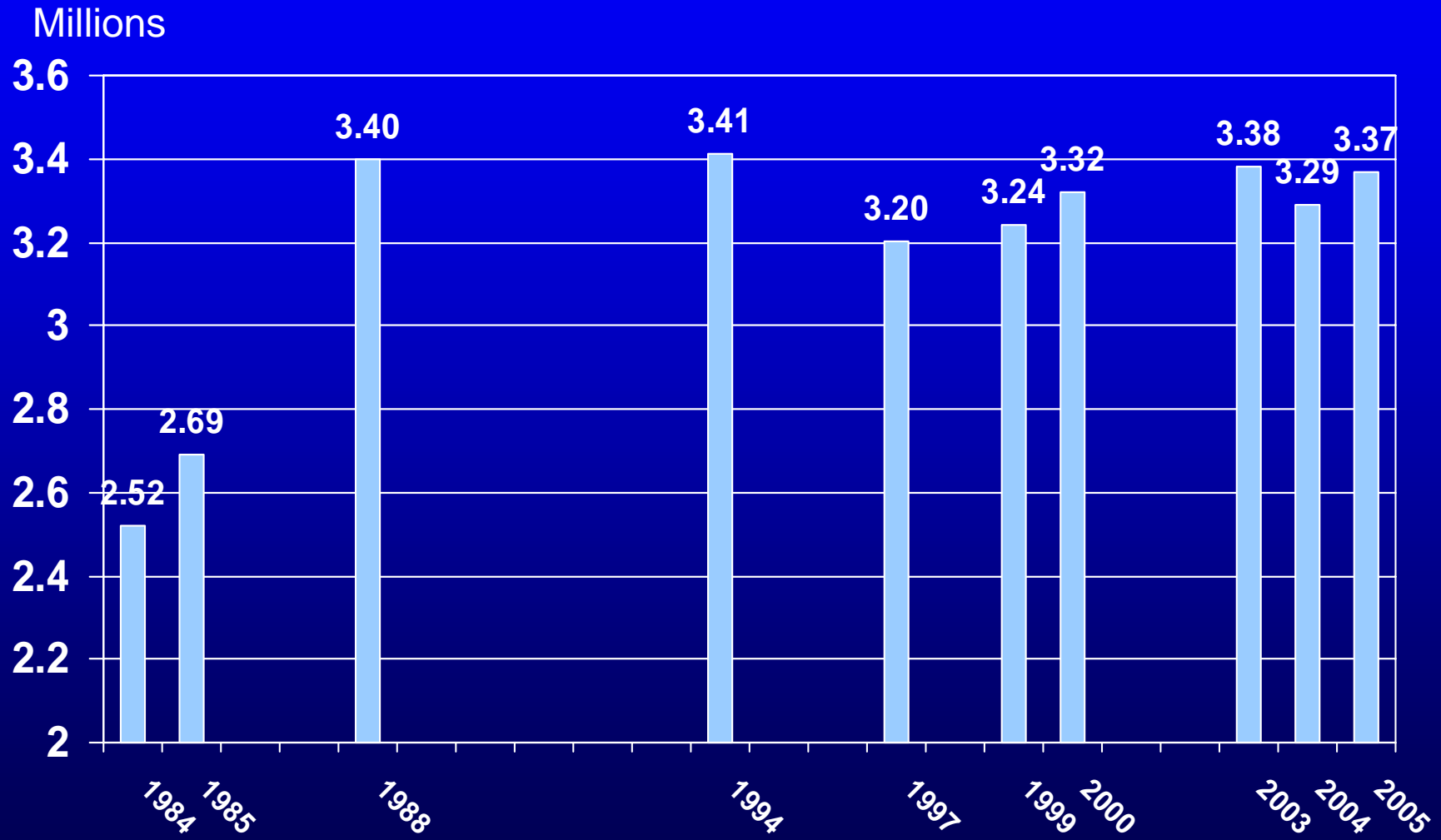
# Cooperative Forecasts of Year 2000 Employment by Year Forecast Made Washington Region

Millions

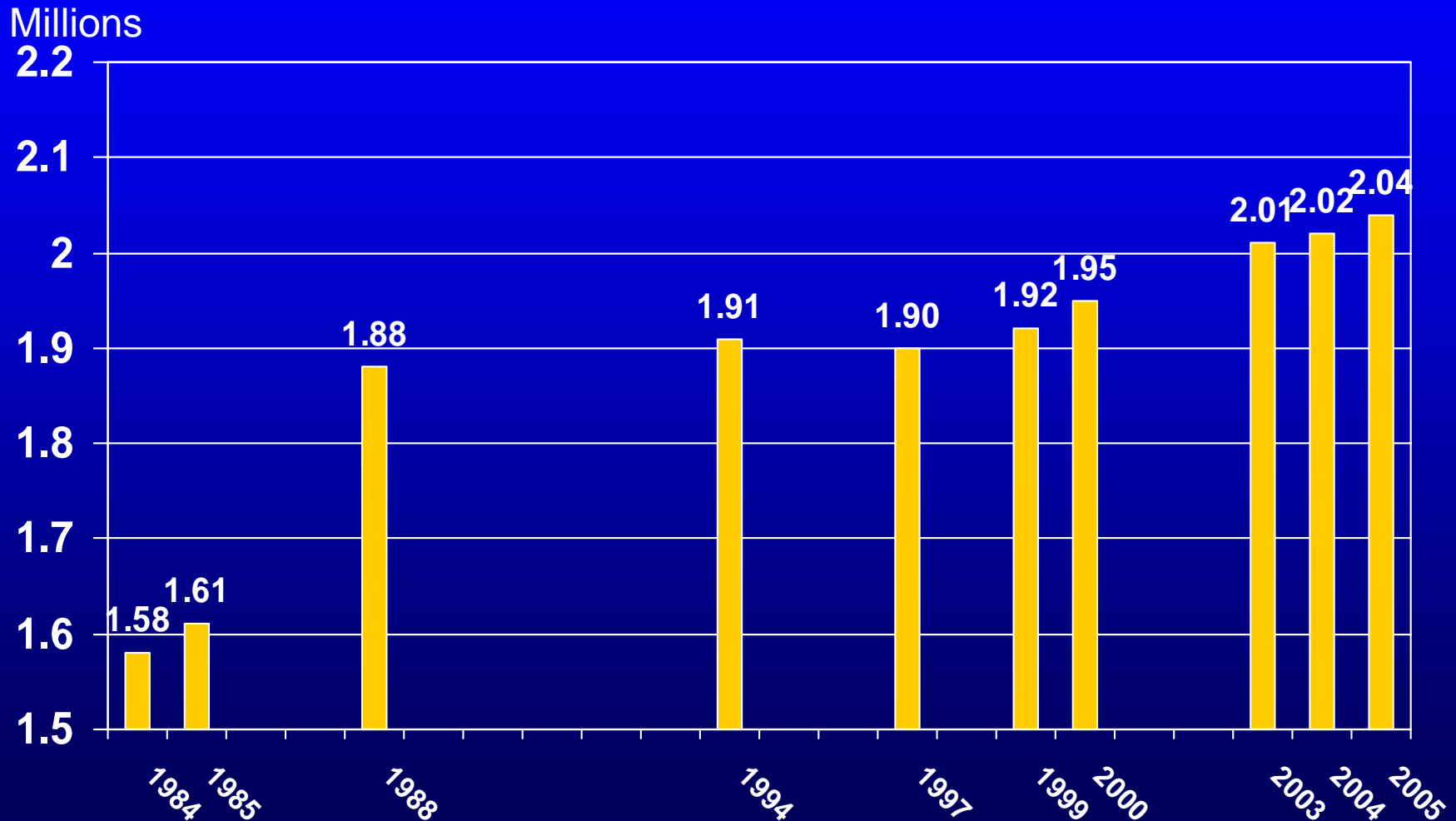


1983 Region

# Cooperative Forecasts of 2010 Jobs by Year Forecast Made Washington Region



# Cooperative Forecasts of 2010 Households by Year Forecast Made Washington Region







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