

# COOPERATIVE FORECASTING: UPDATE ON ROUND 9.2 AND PLANNING FOR ROUND 10.0

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March 15, 2022

# Previous Rounds of Cooperative Forecasts

Round 1 – 1976  
Round 2 – 1979  
Round 3 – 1983  
Round 3.5 – 1985  
Round IV – 1987  
Round IV-1 – 1991  
Round V – January 1994  
Round 5.1 – May 1994  
Round 5.2 – 1995  
Round 5.3 – 1996  
Round 5.4 – 1997  
Round 6a – 1998  
Round 6.1 – 1999  
Round 6.2 – 2000  
Round 6.3 – 2003  
Round 6.4A - 2004

Round 7.0 – 2005  
Round 7.0a – 2006  
Round 7.1 – 2008  
Round 7.2 – July 2009  
Round 7.2A – October 2009  
Round 8.0 - 2010  
Round 8.0a – 2011  
Round 8.1 – 2012  
Round 8.2 – 2013  
Round 8.3 – 2014  
Round 8.4 – 2015  
Round 9.0 – 2016  
Round 9.1 – 2018  
Round 9.1a – 2019  
[Round 9.2 - 2021](#)

# Overview of Forecasts: Round 9.2

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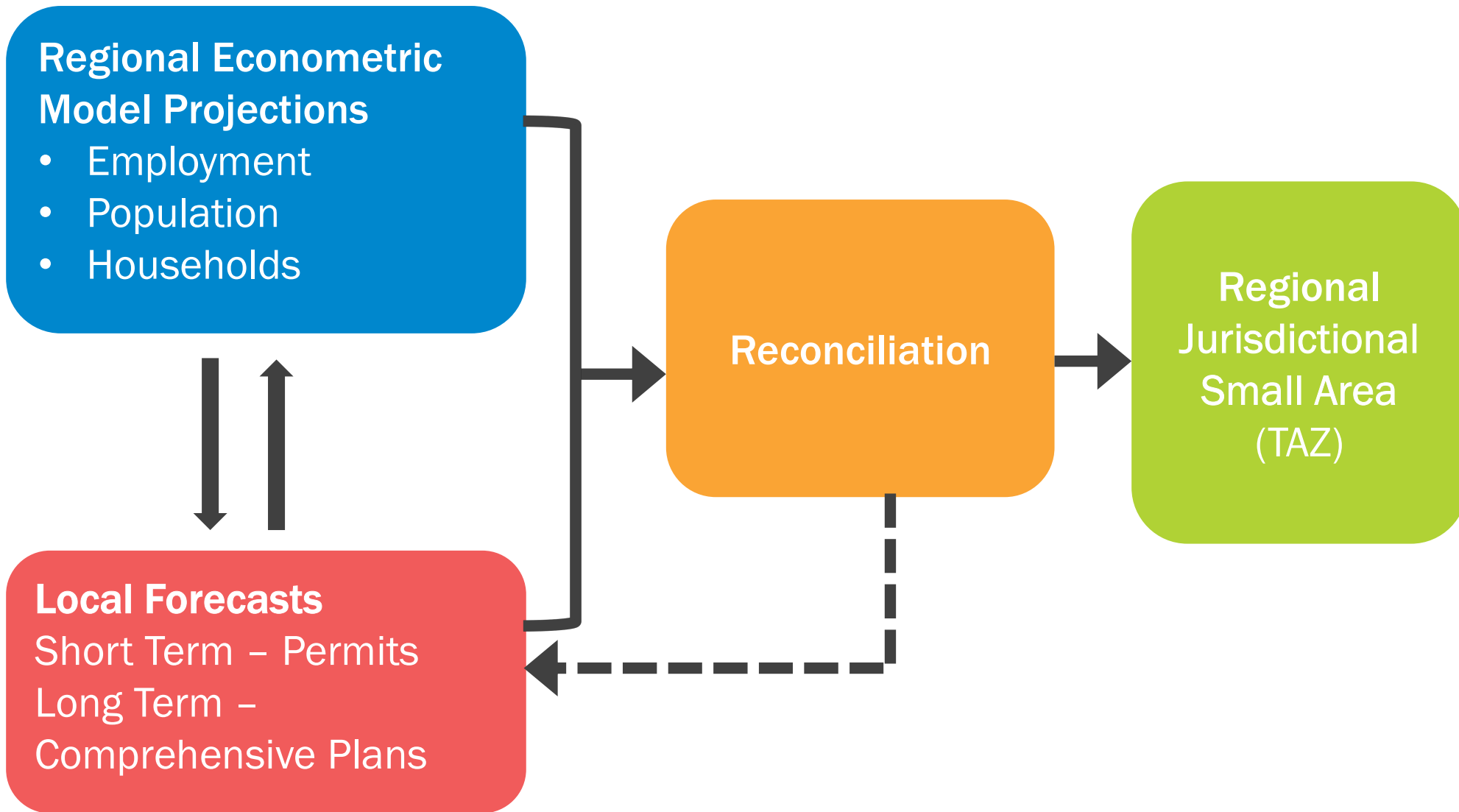
- First incremental update to Forecasts that were approved in 2018 (Round 9.1)
- COG jurisdictions that updated some elements of their forecasts for Round 9.2:
  - Frederick County
  - City of Frederick
  - Montgomery County
  - Arlington County
  - City of Alexandria
  - Fairfax County
  - City of Falls Church
  - Loudoun County
  - Prince William County
  - City of Manassas
- Most revisions are geographically focused, so change to regional projections is very limited
- Updated Forecasts for the Baltimore region (BMC Round 9A) were included in COG Round 9.2

# Jurisdictions That Updated Forecasts for Round 9.2

	Employment	Population	Households	TAZ Level Adjustments Only
Frederick County		✓	✓	
City of Frederick		✓	✓	
Montgomery County				✓
Arlington County	✓	✓	✓	
City of Alexandria	✓	✓	✓	
Fairfax County	✓	✓	✓	
City of Falls Church	✓	✓	✓	
Loudoun County	✓	✓	✓	
Prince William County				✓
City of Manassas	✓	✓	✓	



# COG Cooperative Forecasting Process



# Summary of Draft Round 9.2 Forecasts

## COG / TPB Planning Area (Thousands)

	<u>2020</u>	<u>2045</u>	<b>2020 to 2045</b>	
			<u>Number</u>	<u>Percent</u>
<b>Employment</b>	3,364.0	4,244.5	880.5	26%
<b>Population</b>	5,699.8	6,983.5	1,283.8	23%
<b>Households</b>	2,129.8	2,665.4	535.6	25%

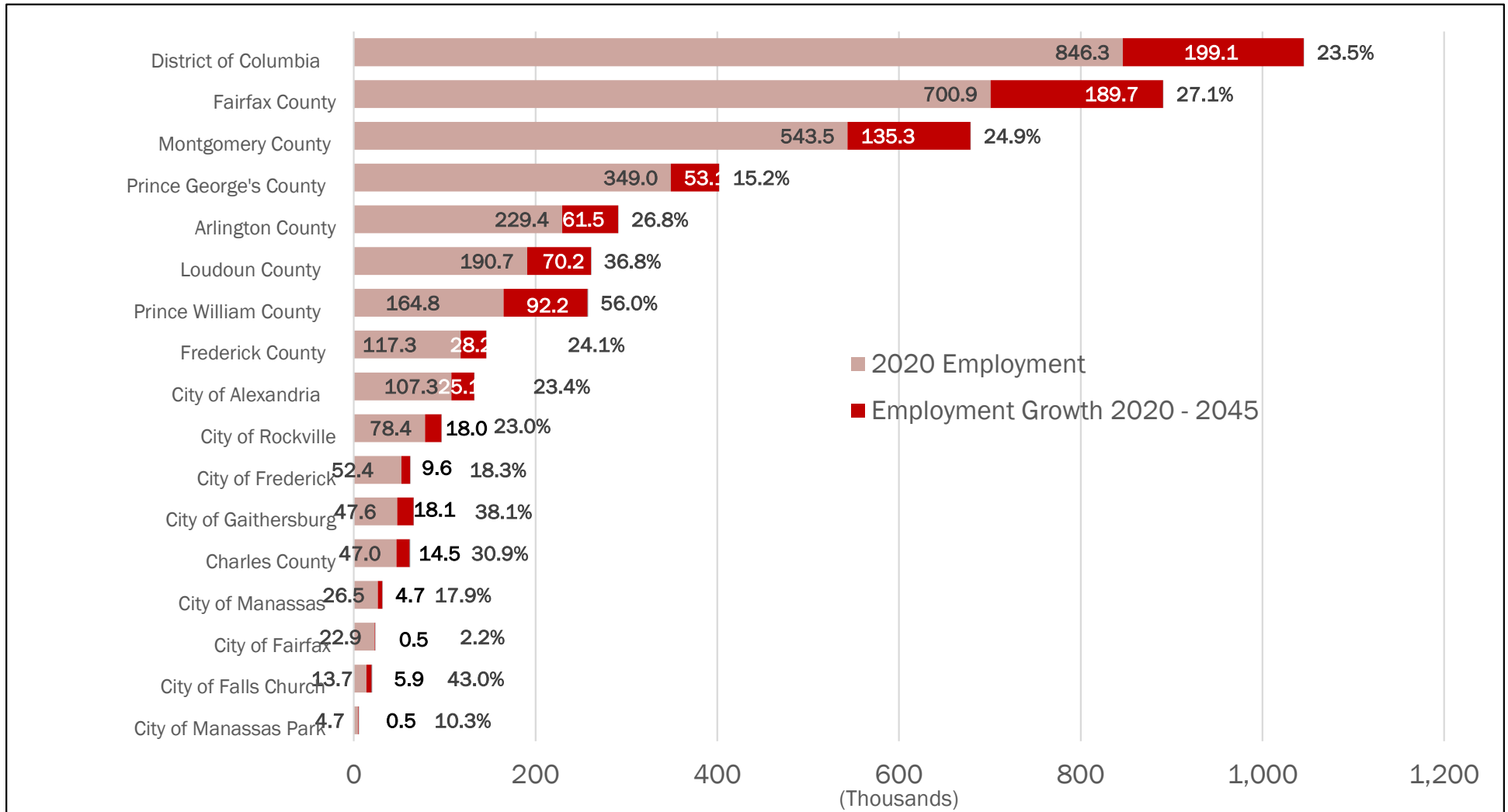
# Change in 2045 Forecast from Prior Round

## COG / TPB Planning Area (Thousands)

	<u>Round 9.1a</u>	<u>Round 9.2</u>	<u>Number</u>	<u>Percent</u>
<b>Employment</b>	4,273.8	4,244.5	-29.3	-0.7%
<b>Population</b>	6,925.7	6,983.5	57.8	0.8%
<b>Households</b>	2,659.9	2,665.4	5.5	0.2%

# Forecast 2020 to 2045 Employment Growth

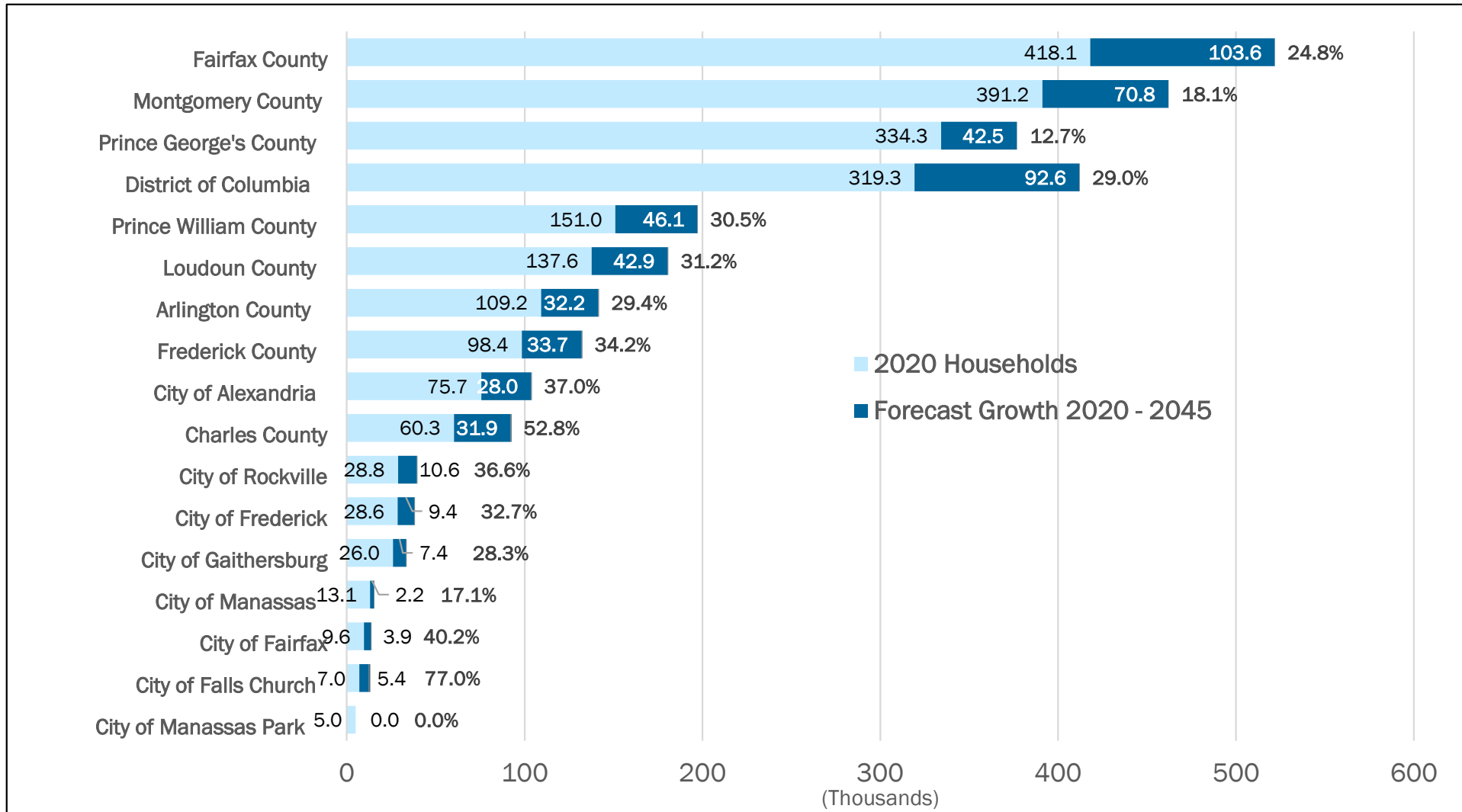
(Thousands)





# Forecast 2020 to 2045 Household Growth

(Thousands)

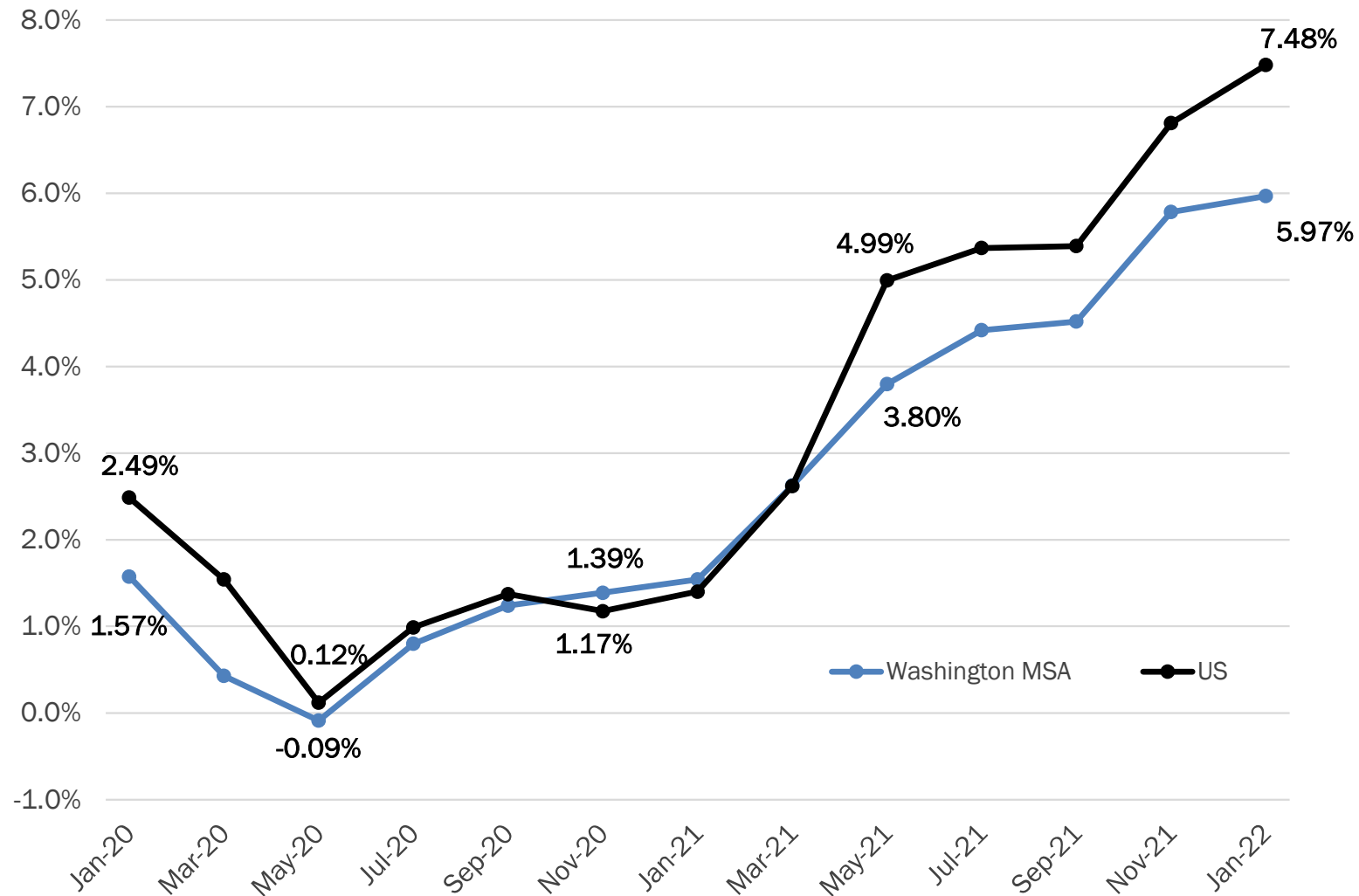


# Planning for Round 10.0

## Major Elements of New “Round” of Cooperative Forecasts:

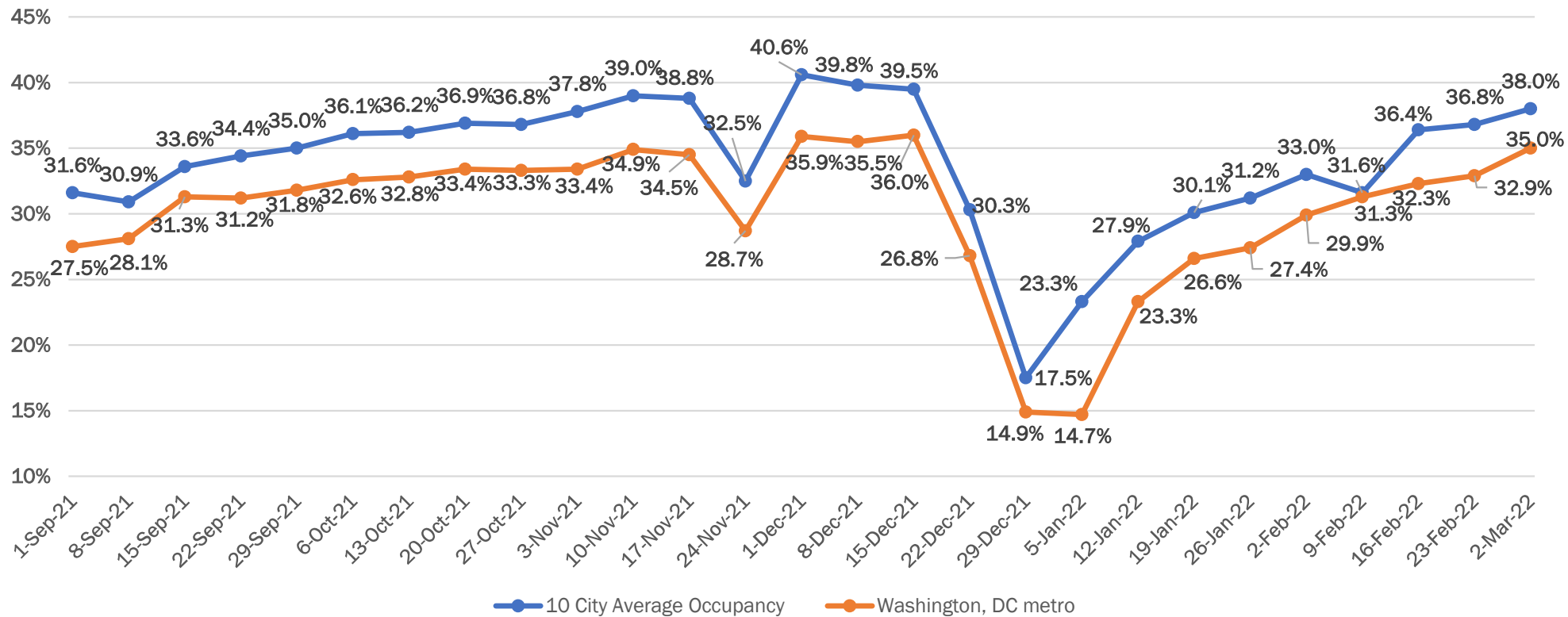
- Review existing economic conditions
- Distribute base year TAZ databases to member jurisdictions
- Develop “Benchmark” Regional Economic Forecast to new horizon year (2050)
- Reconcile jurisdictional projections with Regional Economic Model Forecast
- Compile local government 2020 to 2050 TAZ forecasts

# Inflation Rate for the Nation and Washington MSA



Source: Bureau of Labor Statistics, Consumer Price Index – Monthly (Not Seasonally Adjusted)

# Office Occupancy Average for 10 MSAs vs. Washington MSA

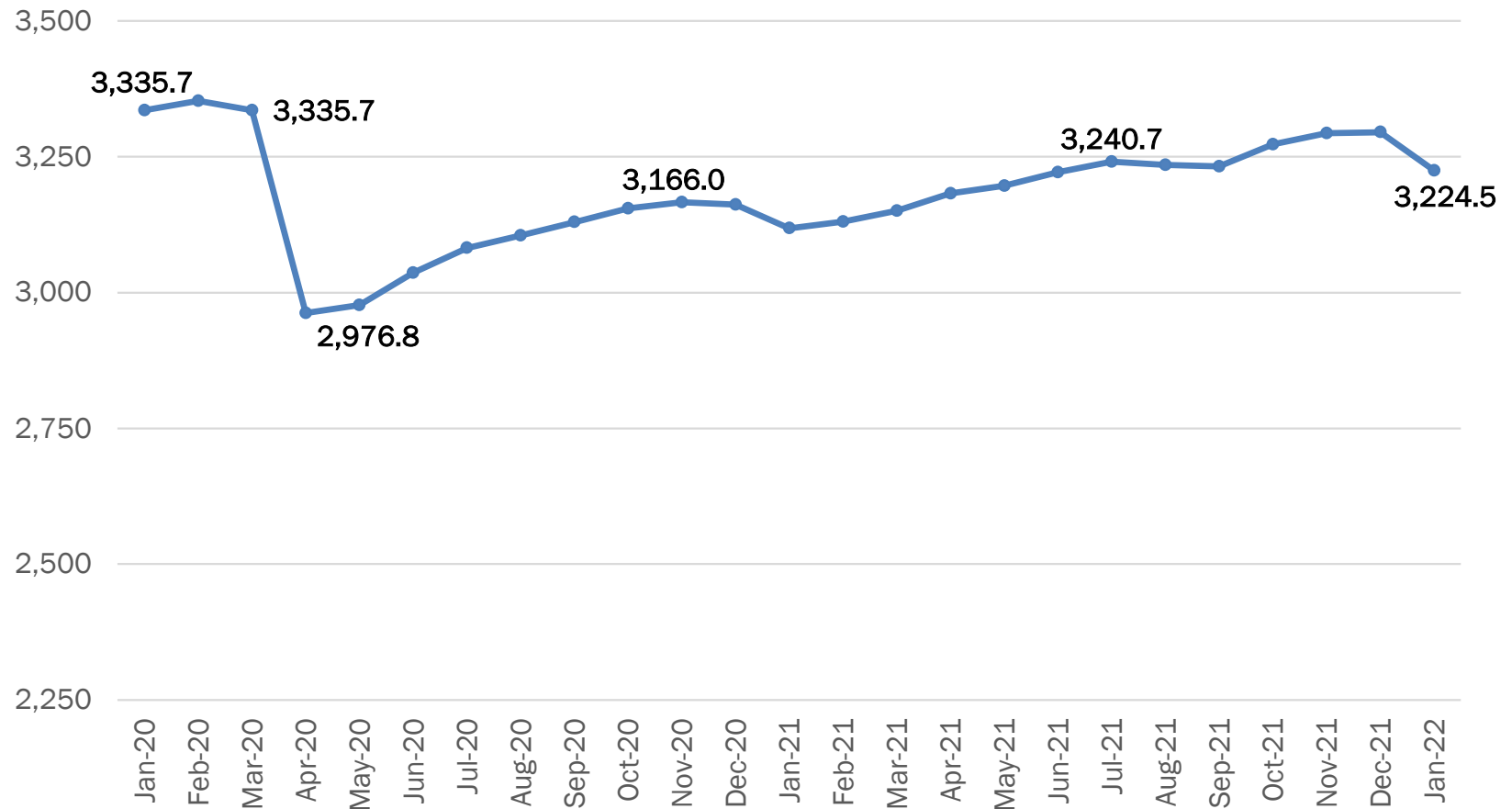


Source: COG tabulation of [Kastle Systems "Back to Work Barometer"](#)

As measured by [Kastle Systems](#) building security card 'swipes', our office occupancy rate remains several points below the average for the 10 largest regions.

# Employees of Nonfarm Payrolls in the Washington MSA

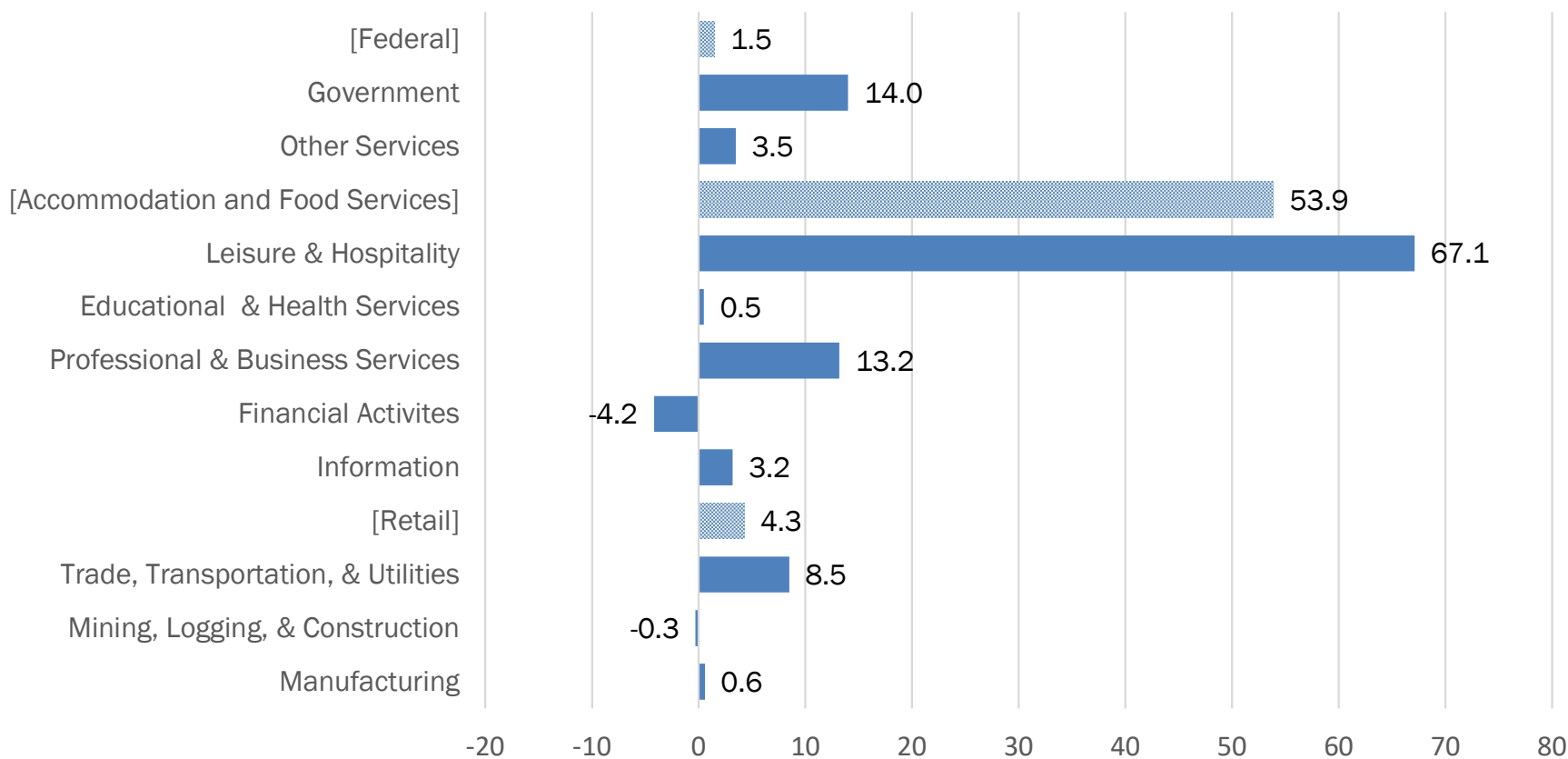
## (In Thousands)



Source: Bureau of Labor Statistics, Total Non-Farm Jobs – Monthly (Not Seasonally Adjusted)

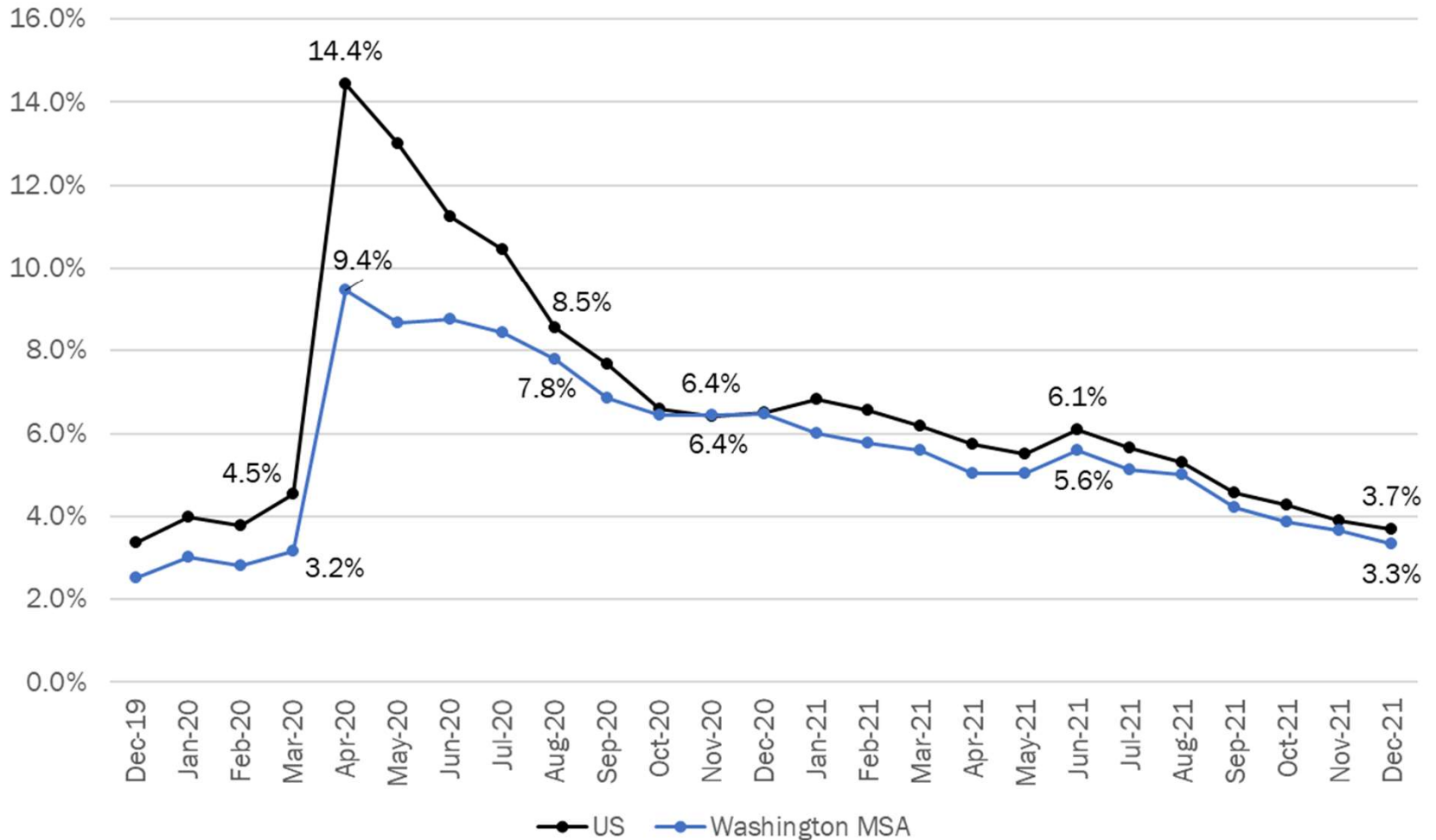
# Over-the-Year Employment Change by Industry Group in the Washington MSA (January 2021 and January 2022)

(In Thousands)



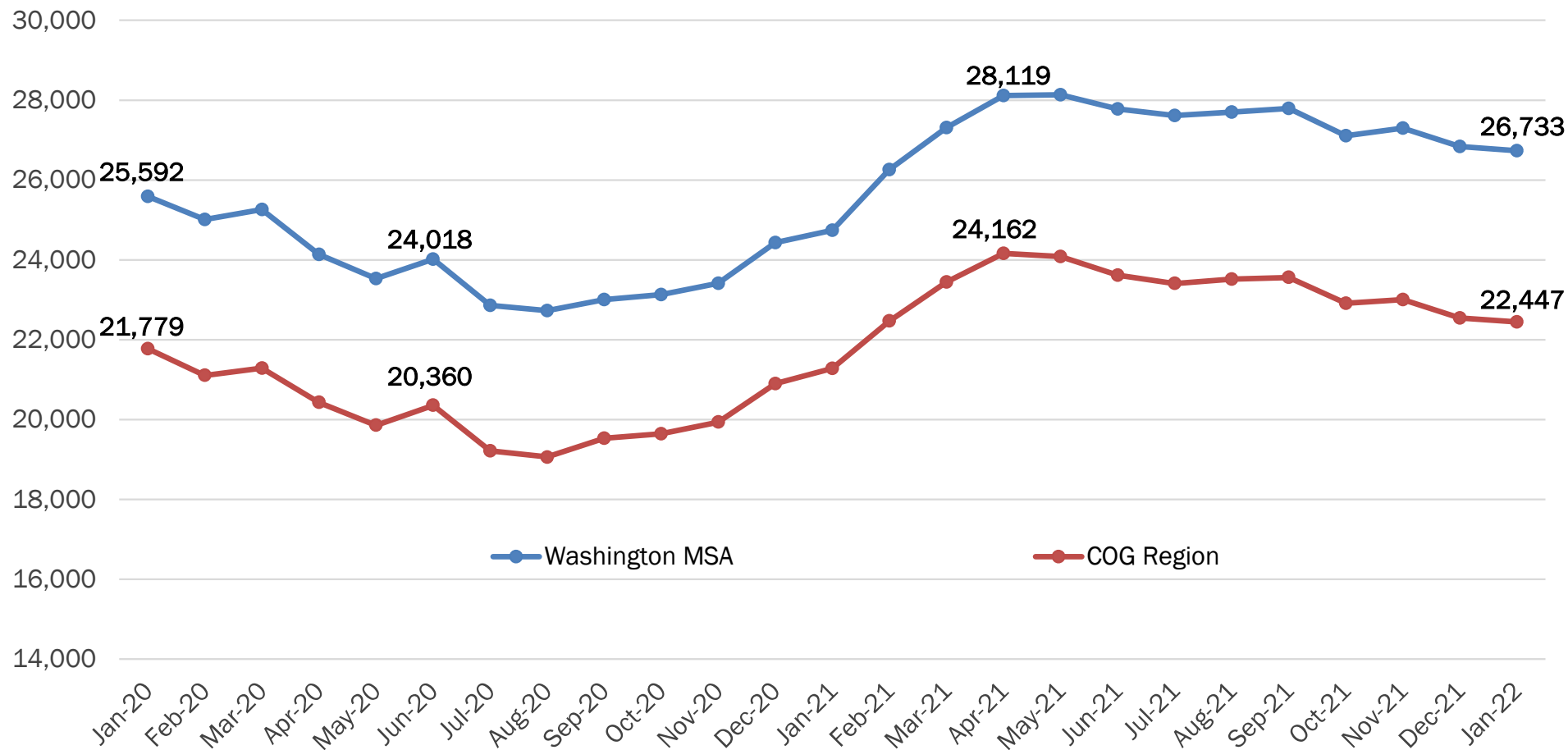
Source: Bureau of Labor Statistics, Total Non-Farm Jobs – Monthly (Not Seasonally Adjusted)

# Unemployment Rate for the Nation and Washington MSA



Source: Bureau of Labor Statistics, Unemployment Rate - Monthly (Not Seasonally Adjusted)

# Housing Units Authorized by Building Permits for the Washington MSA and COG Region (12-month total)

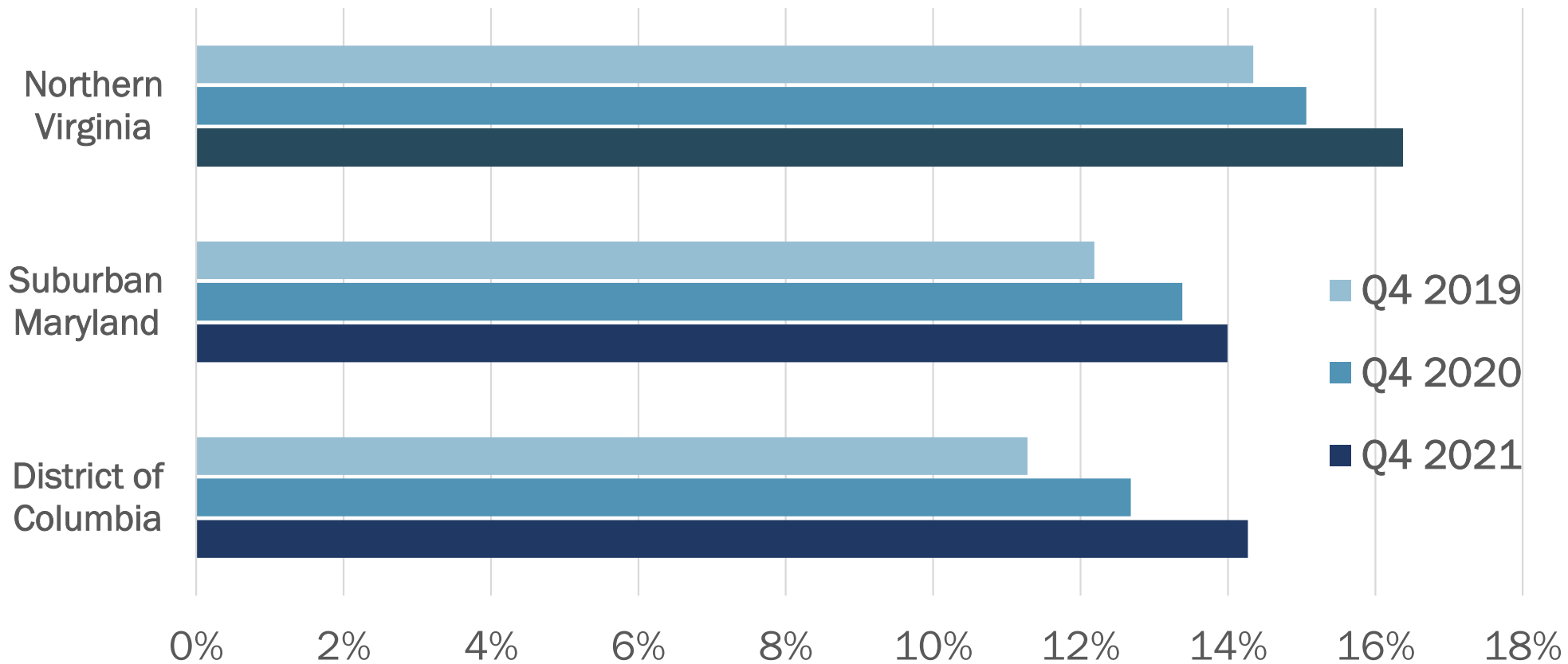


Source: U.S. Census Bureau, Residential Construction Branch, Building Permits Survey



# Change in Office Vacancy Rates Q4 2019 vs Q4 2020 vs Q4 2021

(Source: CoStar, COG)

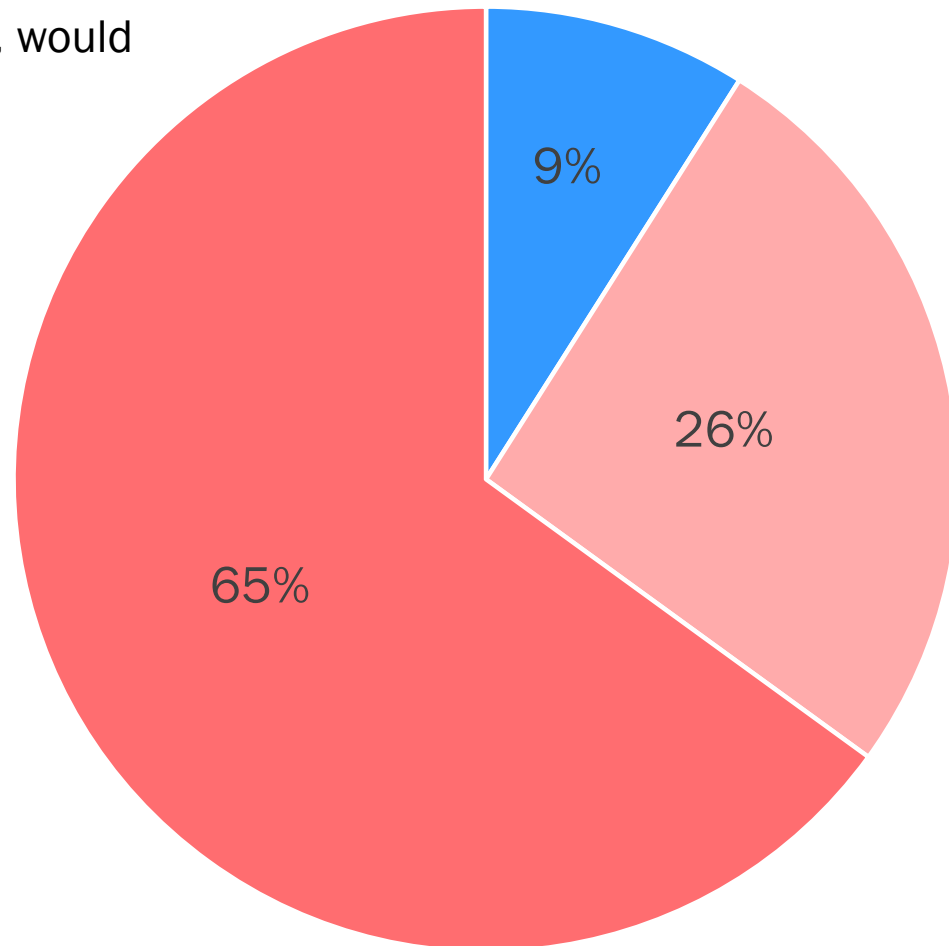


Office vacancy rates have increased throughout the region, accelerating in the second year of the pandemic.

# Preferences of Current Teleworkers

If given the choice to return to a work location once the COVID-19 pandemic is over, would you prefer to...?

- Return to work location full-time
- Telework full-time
- Telework some days and commute to work location some days



Source: COG/TPB "2020 Voices of the Region Survey," 2021.

# Round 10.0 Work Plan

Confirm key Round 10 planning assumptions and develop workplan & schedule	<ul style="list-style-type: none"><li>• Examine current economic trends</li><li>• New Base Year (2020)</li><li>• Planning Horizon Year of forecasts (2050)</li><li>• TAZ system (COG 3722)</li><li>• Land Use Employment Categories (Industrial Retail, Office, and Other)</li></ul>
COVID-19 impacts to future growth	<ul style="list-style-type: none"><li>• Examine pre- and post-pandemic trends relating to teleworking and possible impact on future office space needs</li><li>• Explore office conversions to residential trends</li><li>• Impact of pandemic on outmigration on the Washington region</li></ul>
Commercial space utilization assumptions (square feet per worker)	<ul style="list-style-type: none"><li>• Review current Sq. Ft. assumptions and make any recommendation for updating or revising.</li><li>• Include other miscellaneous land uses such data centers or hotels</li></ul>
Demographic assumptions	<ul style="list-style-type: none"><li>• Future Average Household Size Assumptions for Local Government Analysis</li></ul>

# Round 10.0 Work Plan, continued

Benchmarking to Year 2020	<ul style="list-style-type: none"><li>• Develop 2020 Census Base Year by Census Blocks into COG Transportation Analysis Zones (TAZ)</li><li>• Develop 2020 Employment Base Year by TAZ</li></ul>
New Econometric Model	<ul style="list-style-type: none"><li>• Develop Round 10 Econometric Model</li><li>• Develop a range of 'regional' economic forecasts (Low, Intermediate, High)</li></ul>
Local Forecasting Procedures	<ul style="list-style-type: none"><li>• Provide a presentation to the Cooperative Forecasting committee about your own forecasting procedures and methodology.</li><li>• Submit initial Round 10 Jurisdictional Totals / Benchmark Totals</li><li>• Submit Round 10 TAZ Level data</li></ul>
COG Forecasting Procedures	<ul style="list-style-type: none"><li>• Acquire Forecasts for Non-COG/TPB Jurisdictions</li><li>• Coordinate with FAMPO and BMC about receiving latest forecasts data.</li><li>• Coordinate with Clarke, Fauquier, Calvert, St. Mary's, and Jefferson counties</li></ul>

# Assessing Potential Short- and Long-Term Effects of COVID on the Forecasts

Technical Assistance from TPB on-call consultant to develop assessments of:

- A ‘range’ of regional economic forecasts. Jurisdictional forecasts will still be indexed to the intermediate or “most likely” regional economic projections.
- Potential changes to
  - future average household size, and
  - office and retail space usage density (*the square feet of space needed for each worker*)
- Impacts on the timing, location and amount of future housing

# Next steps and Schedule

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- Final COG Board approval of Round 9.2 concurrent with TPB adoption of the Air Quality Conformity Analysis
- Initial Round 10 work underway with proposed approval of draft Forecasts in early 2023.
- Distribution to local governments of Round 10 base year 2020 Census and 2020 employment data by TAZ
- Ongoing assessment of multi-sector impacts of COVID

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