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

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TPB Community Advisory Committee
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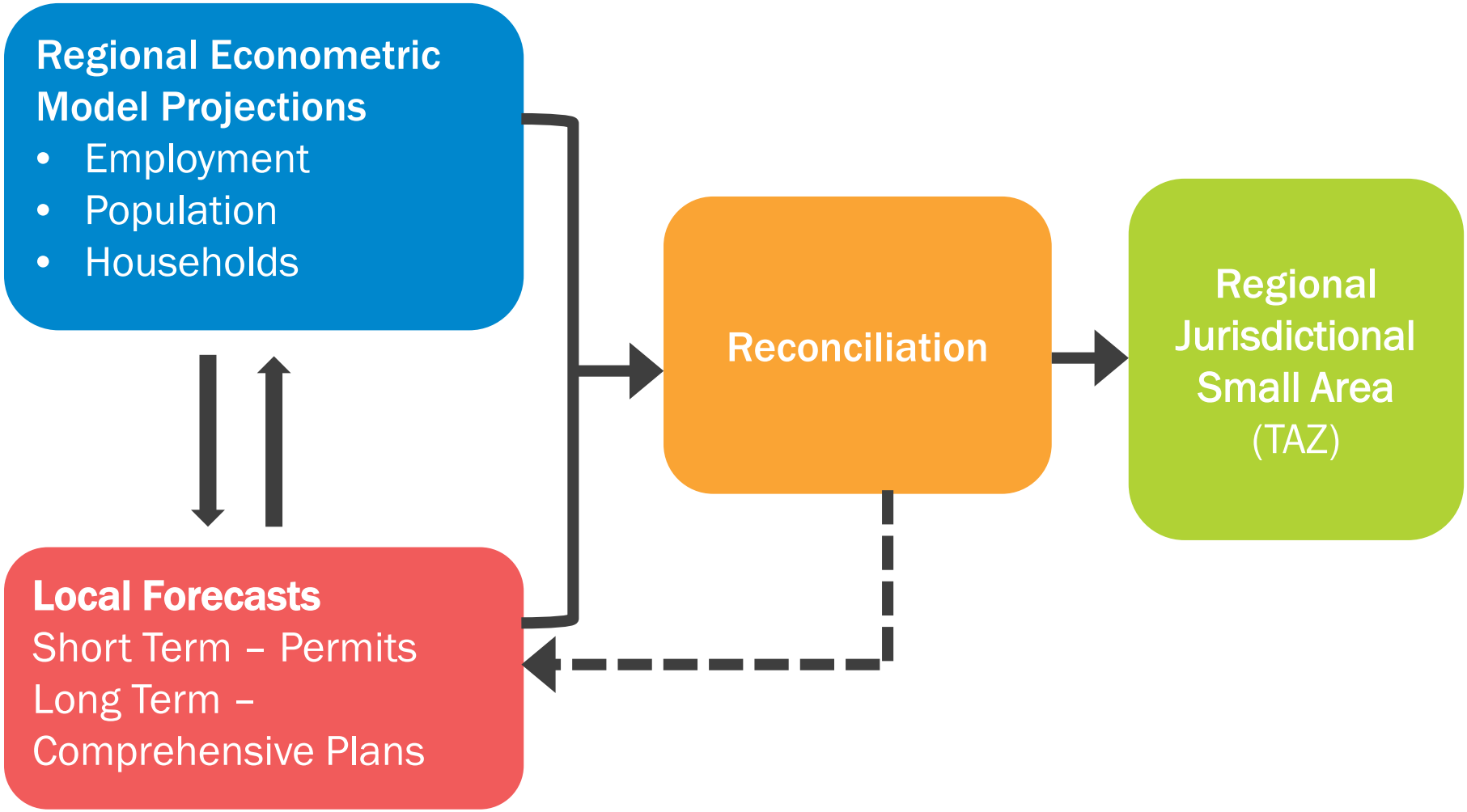
Metropolitan Washington
Council of Governments

COG Cooperative Forecasting Process



Summary of Draft Round 9.2 Forecasts

COG / TPB Planning Area

(Thousands)

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

Change in 2045 Forecast from Prior Round

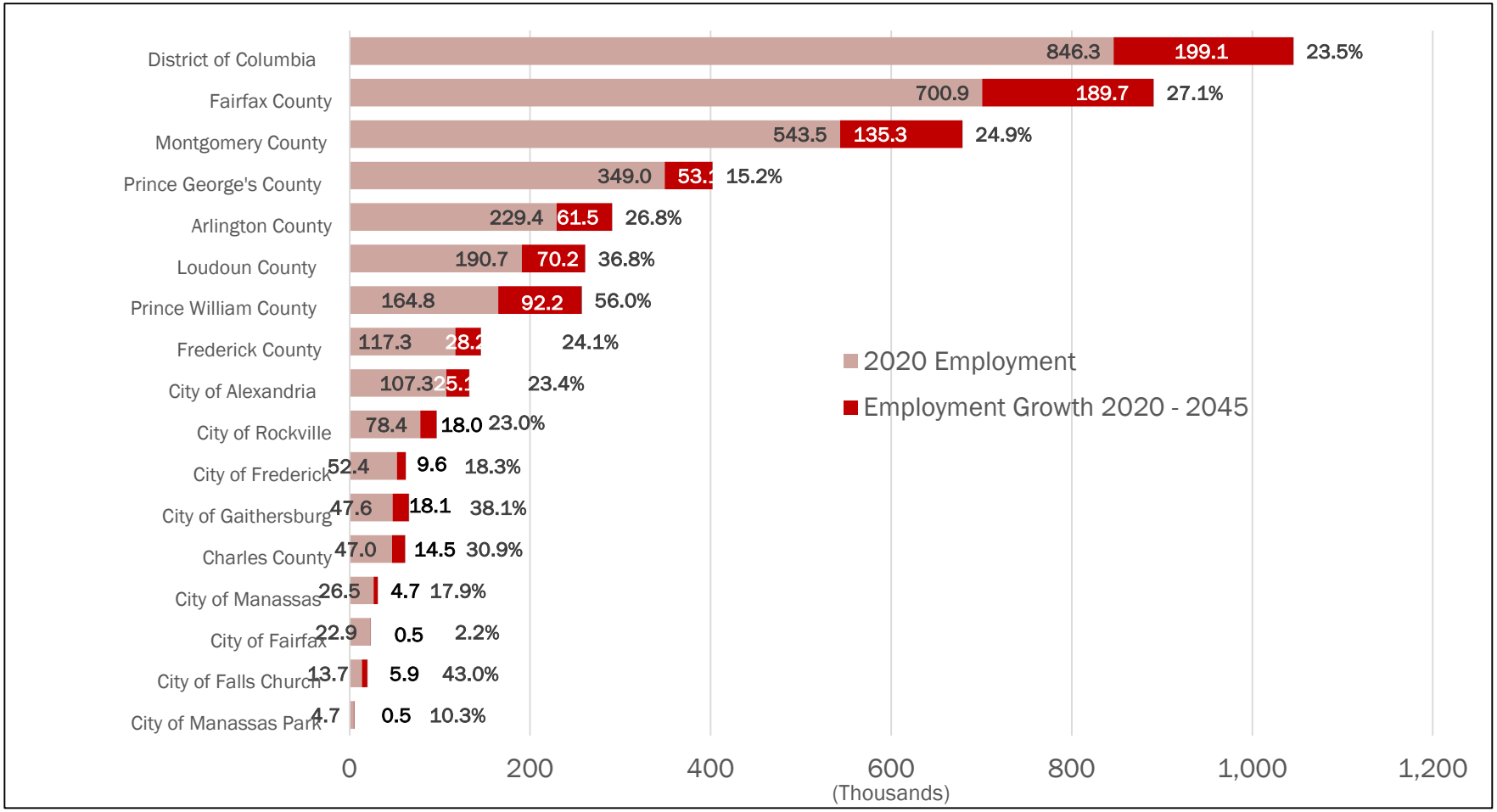
COG / TPB Planning Area

(Thousands)

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

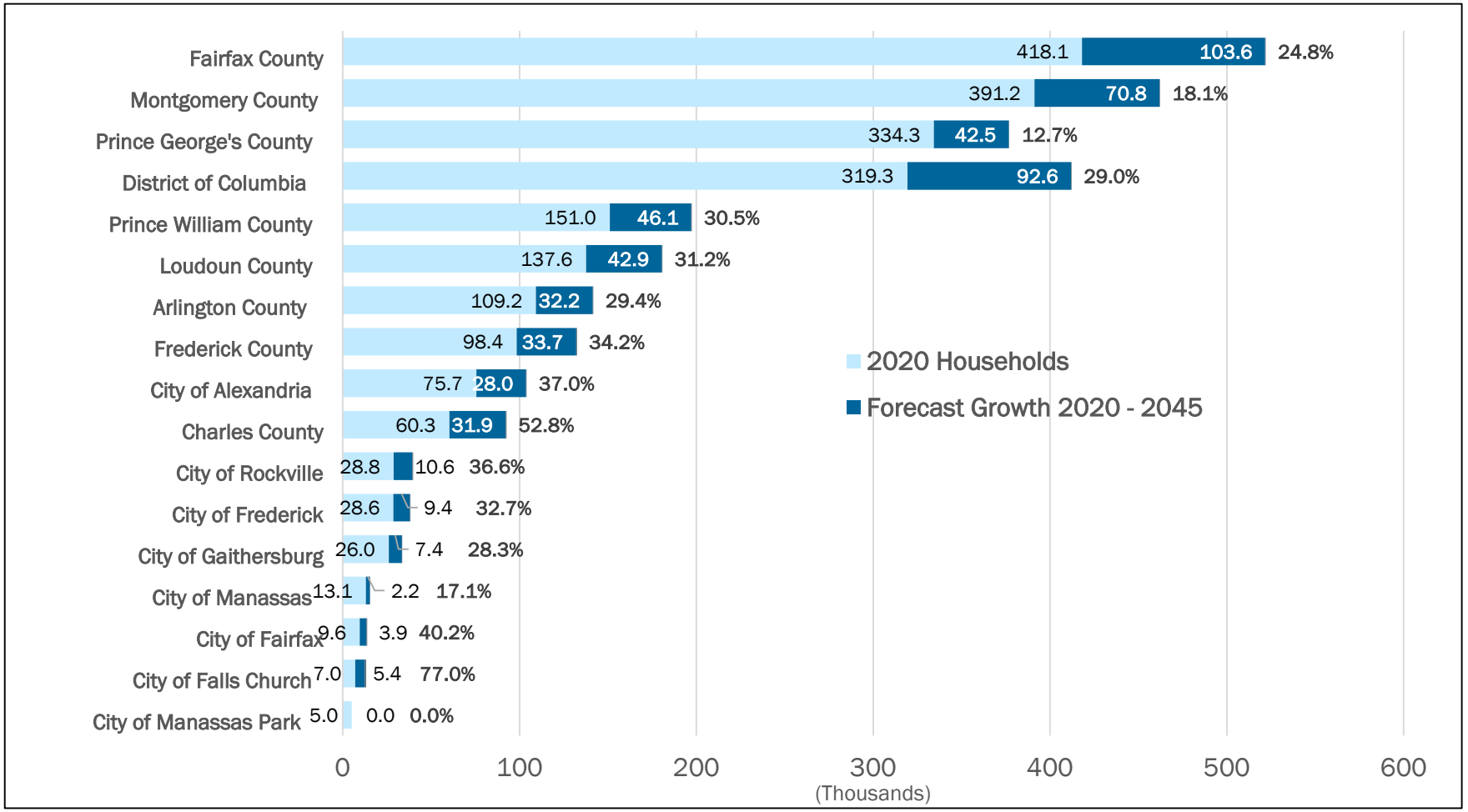
Forecast 2020 to 2045 Employment Growth

(Thousands)



Forecast 2020 to 2045 Household Growth

(Thousands)



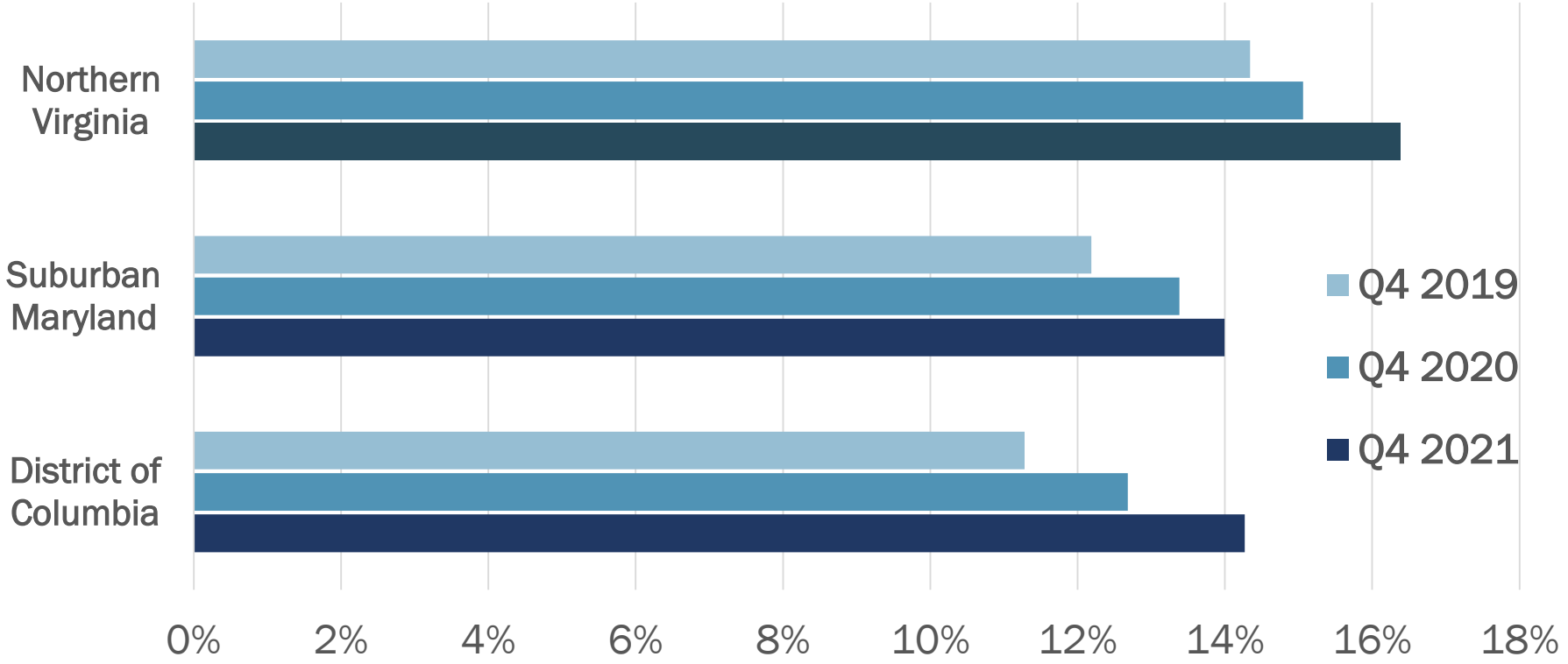
Planning for Round 10.0

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

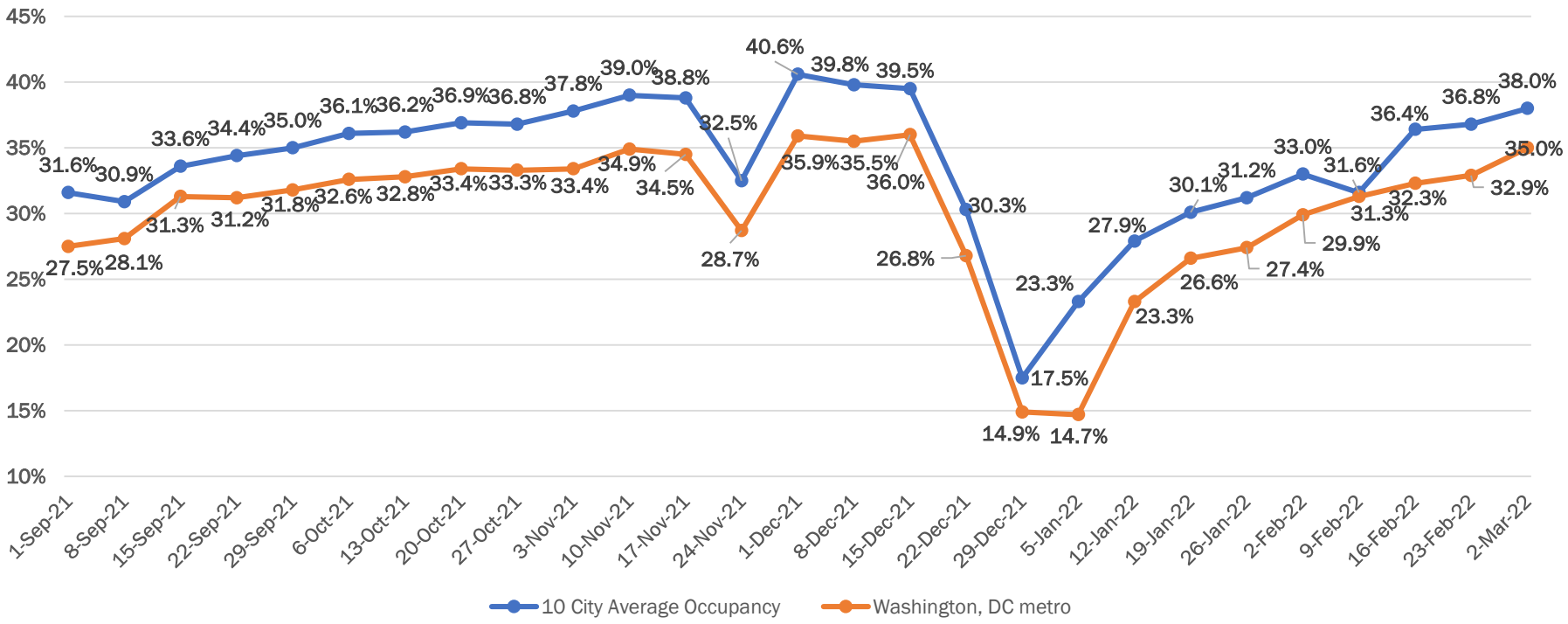
Change in Office Vacancy Rates Q4 2019 vs Q4 2020 vs Q4 2021

(Source: CoStar, COG)



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

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.

Office Lease Expiration by Class

Washington Region

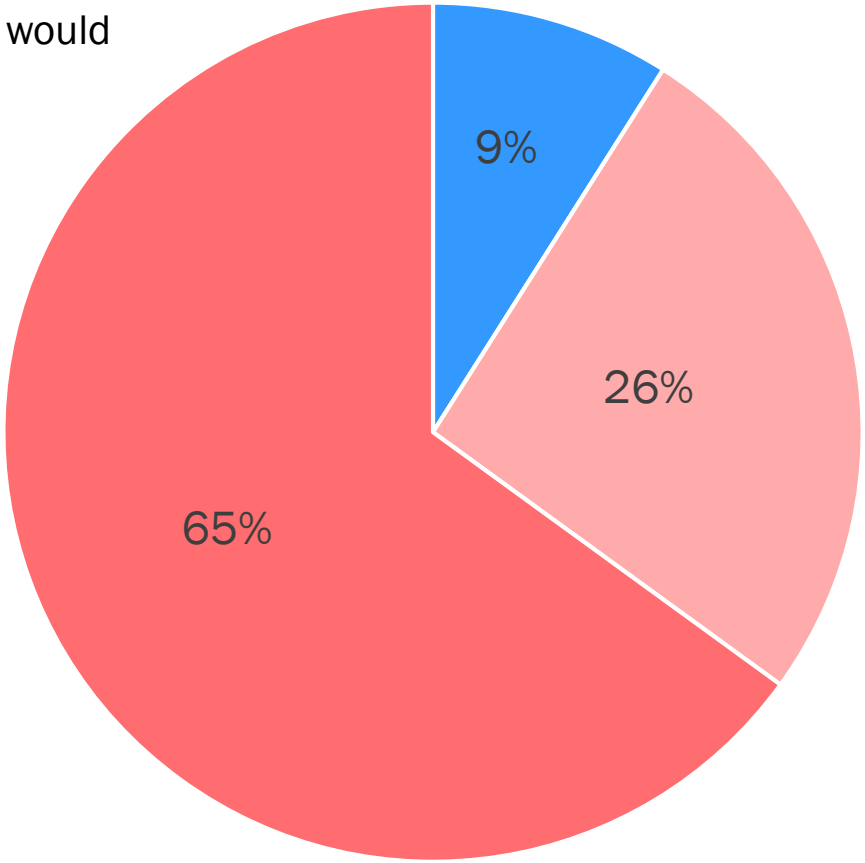
2022-2025
Lease Expirations

Class	FT²
Trophy	1,515,099
A	12,839,107
B	25,524,441
C	4,117,712

Preferences of Current Teleworkers

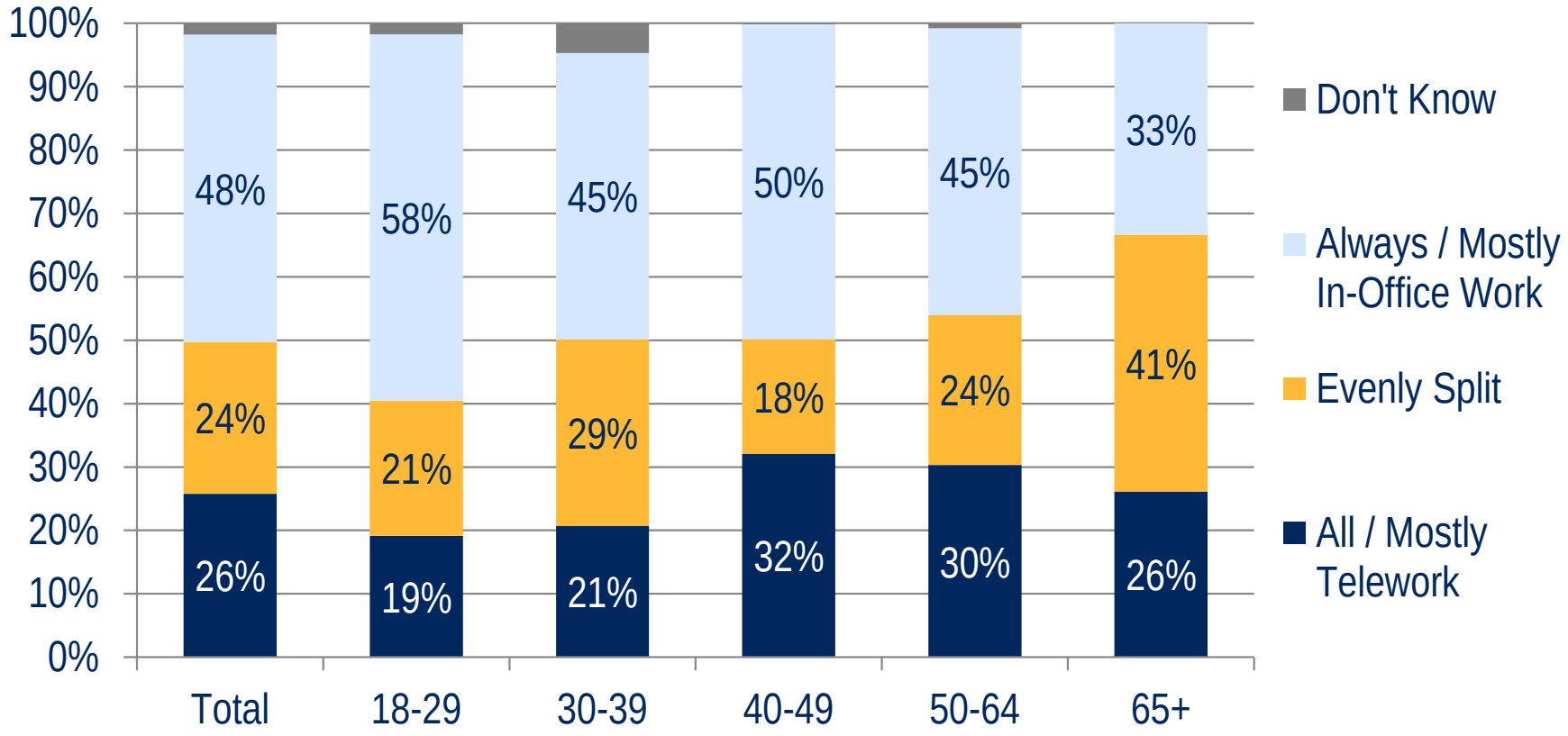
If given the choice to return to a work location once the COVID-19 pandemic is over, would you prefer to…?

- 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.

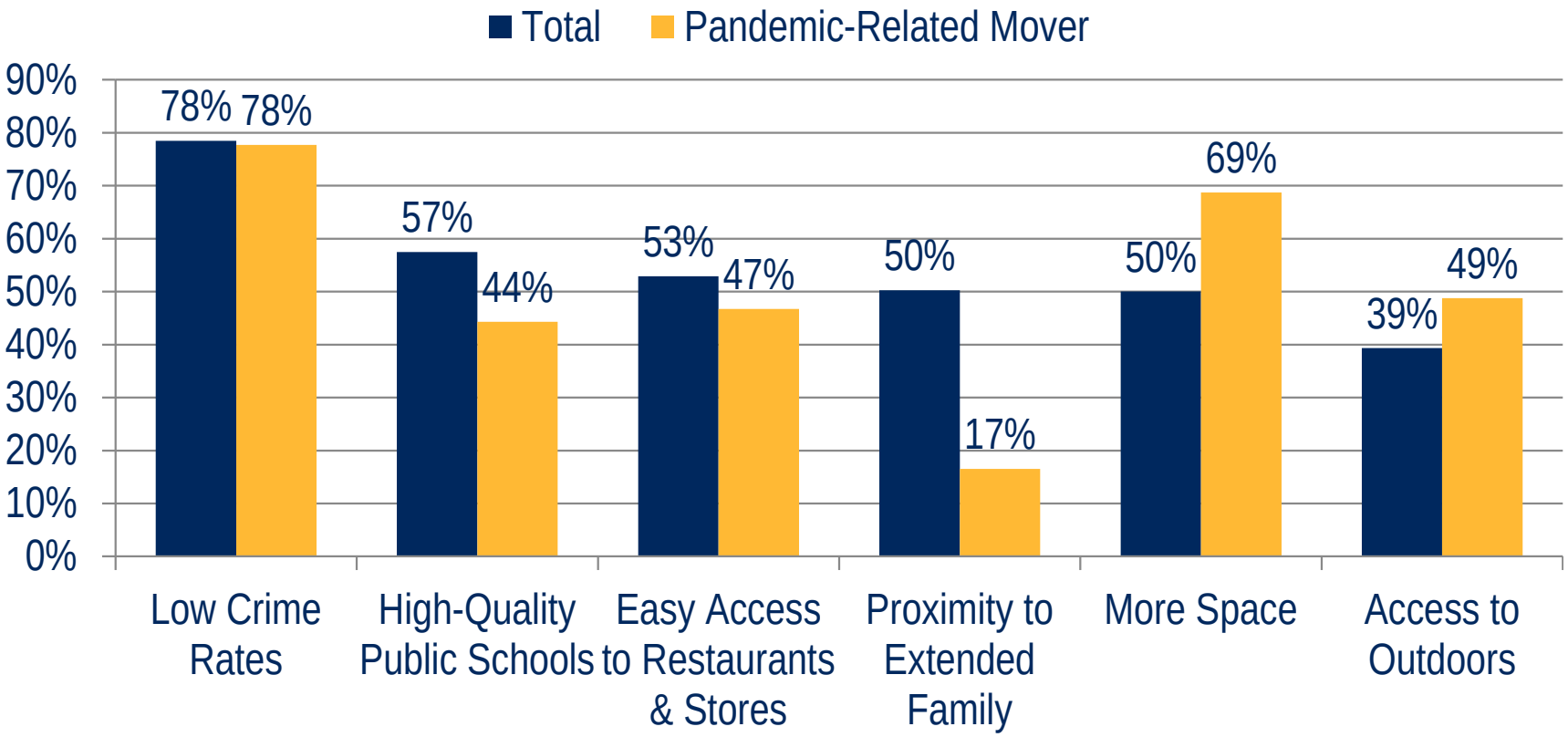
Post-Pandemic Telework Preference by Age
Workers in the Washington Region (July '21)



Sources: Washington Post / Schar School Survey; The Stephen S. Fuller Institute at the Schar School, GMU

% Stating that Factor is Extremely or Moderately Important in Deciding where to Live

Washington Region by Move Status, July 2021 Survey



Sources: Washington Post / Schar School Survey; The Stephen S. Fuller Institute at the Schar School, GMU
NOTE: The margin of error for the pandemic-related movers is large due to a small sample size

Round 10.0 Work Plan

Confirm key Round 10 planning assumptions and develop workplan & schedule	• Examine current economic trends • New Base Year (2020) • Planning Horizon Year of forecasts (2050) • TAZ system (COG 3722) • Land Use Employment Categories (Industrial Retail, Office, and Other)
COVID-19 impacts to future growth	• Examine pre- and post-pandemic trends relating to teleworking and possible impact on future office space needs • Explore office conversions to residential trends • Impact of pandemic on outmigration on the Washington region
Commercial space utilization assumptions (square feet per worker)	• Review current Sq. Ft. assumptions and make any recommendation for updating or revising. • Include other miscellaneous land uses such data centers or hotels
Demographic assumptions	• Future Average Household Size Assumptions for Local Government Analysis

Round 10.0 Work Plan, continued

Benchmarking to Year 2020	• Develop 2020 Census Base Year by Census Blocks into COG Transportation Analysis Zones (TAZ) • Develop 2020 Employment Base Year by TAZ
New Econometric Model	• Develop Round 10 Econometric Model • Develop a range of 'regional' economic forecasts (Low, Intermediate, High)
Local Forecasting Procedures	• Provide a presentation to the Cooperative Forecasting committee about your own forecasting procedures and methodology. • Submit initial Round 10 Jurisdictional Totals / Benchmark Totals • Submit Round 10 TAZ Level data
COG Forecasting Procedures	• Acquire Forecasts for Non-COG/TPB Jurisdictions • Coordinate with FAMPO and BMC about receiving latest forecasts data. • Coordinate with Clarke, Fauquier, Calvert, St. Mary's, and Jefferson counties

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

- 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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