

Hampton Roads Economic Forecast

2016

Hampton Roads Planning District Commission

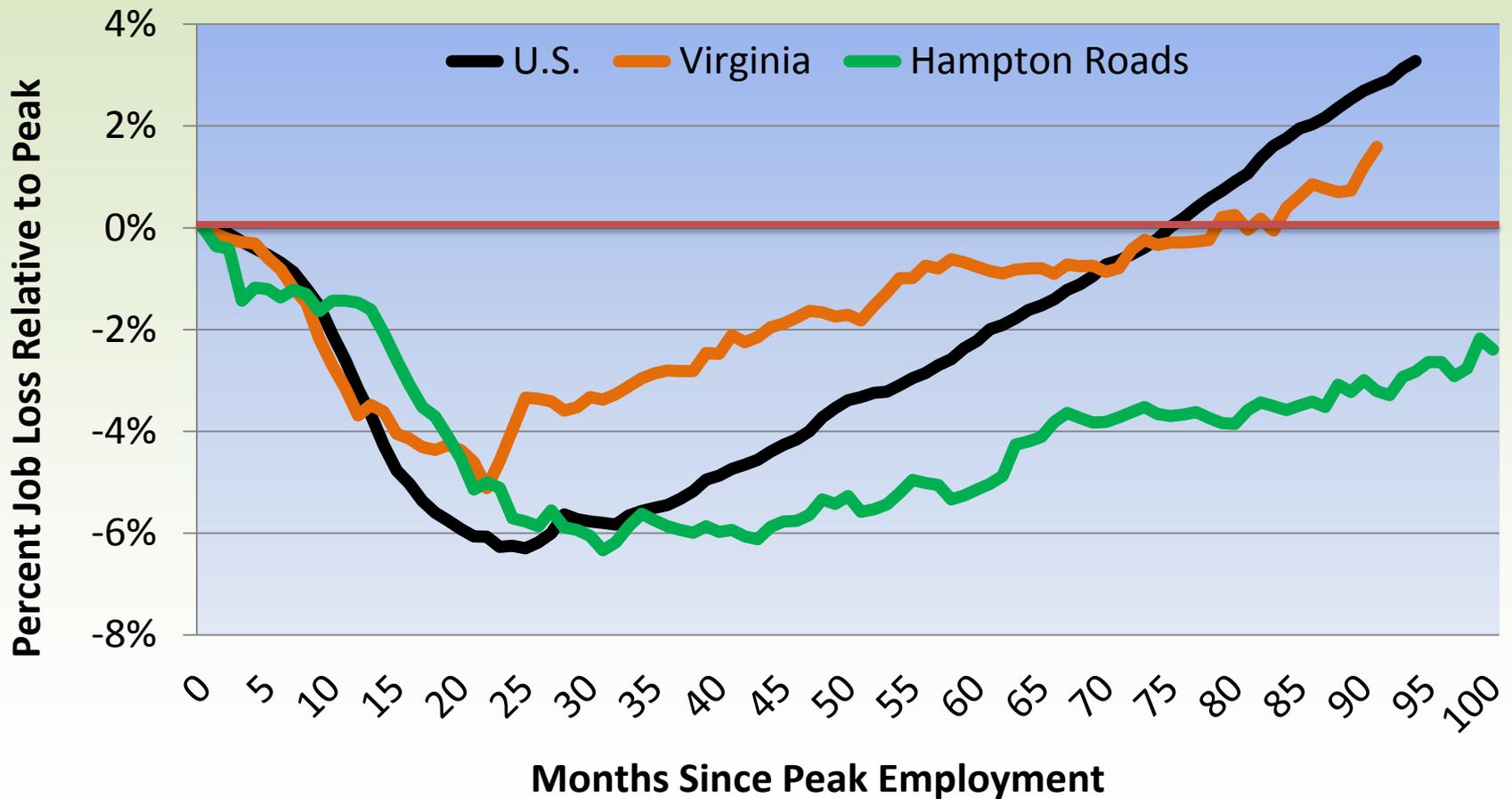
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Senior Economist

January 21, 2016



Employment Since the Great Recession



Source: Bureau of Labor Statistics, HRPDC

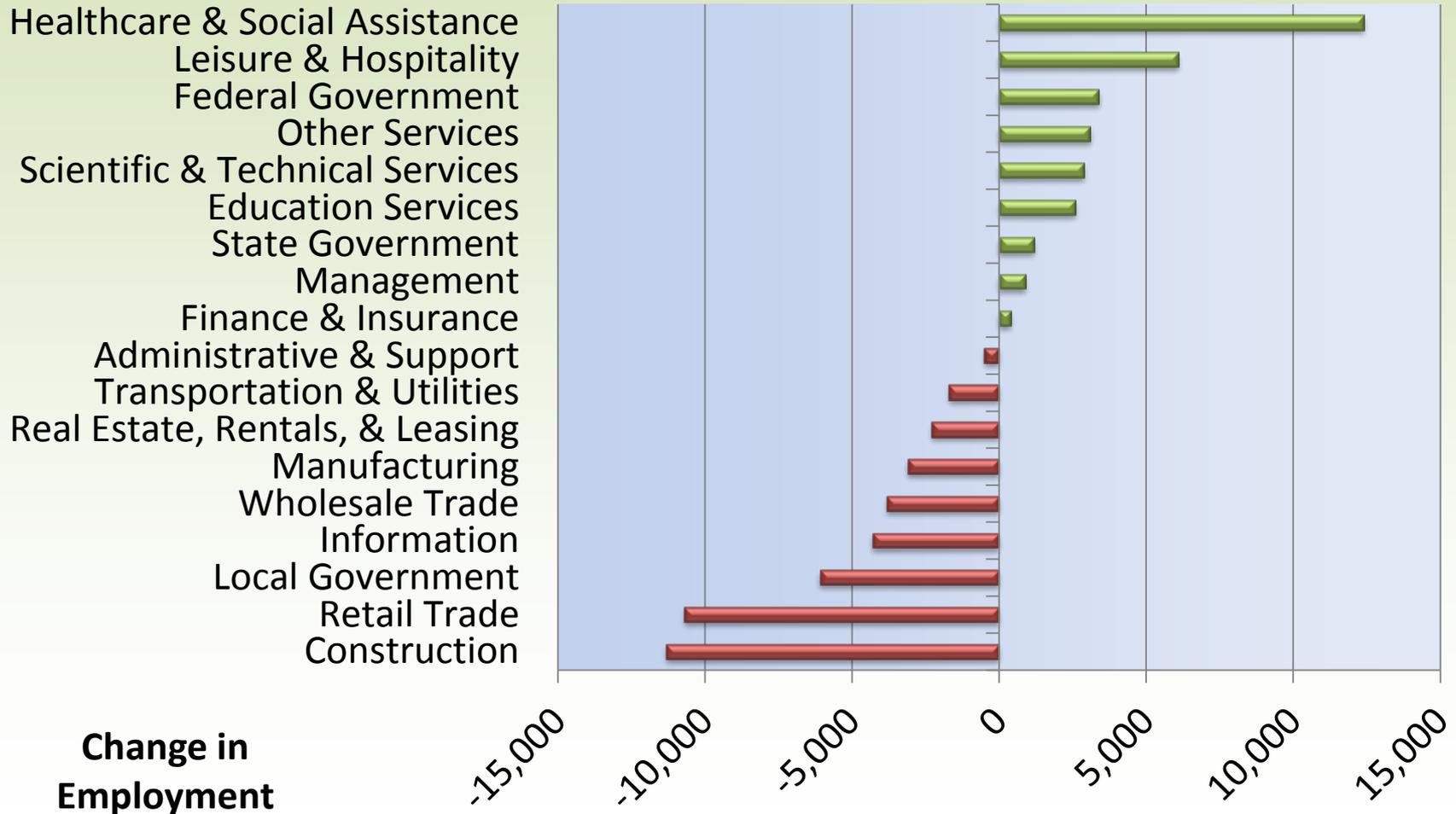
Hampton Roads Projected Return to Peak Employment



Source: Bureau of Labor Statistics, HRPDC

Hampton Roads Employment Change:

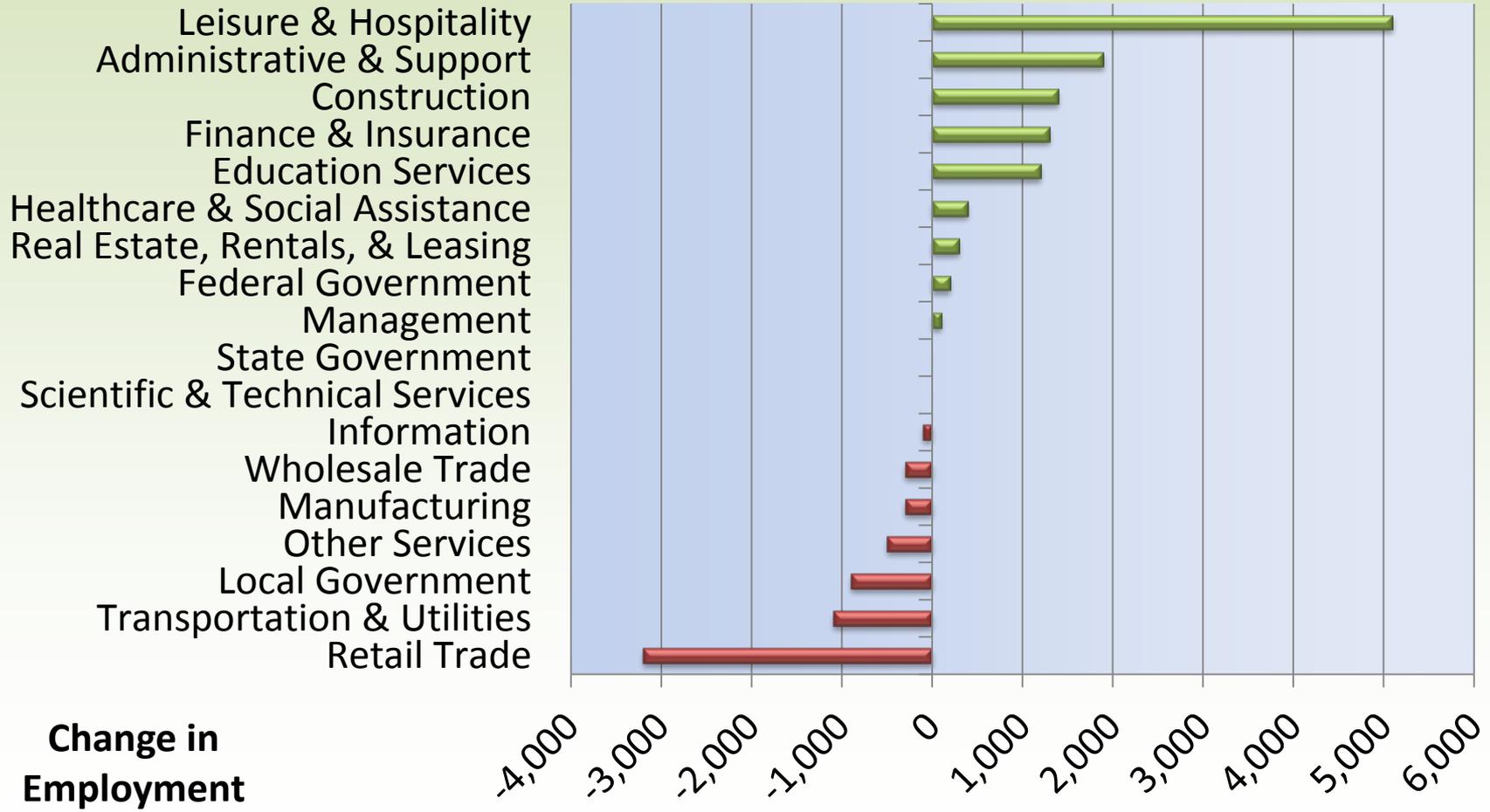
Nov '07 - Nov '15



Source: Bureau of Labor Statistics, HRPDC

Hampton Roads Employment Change:

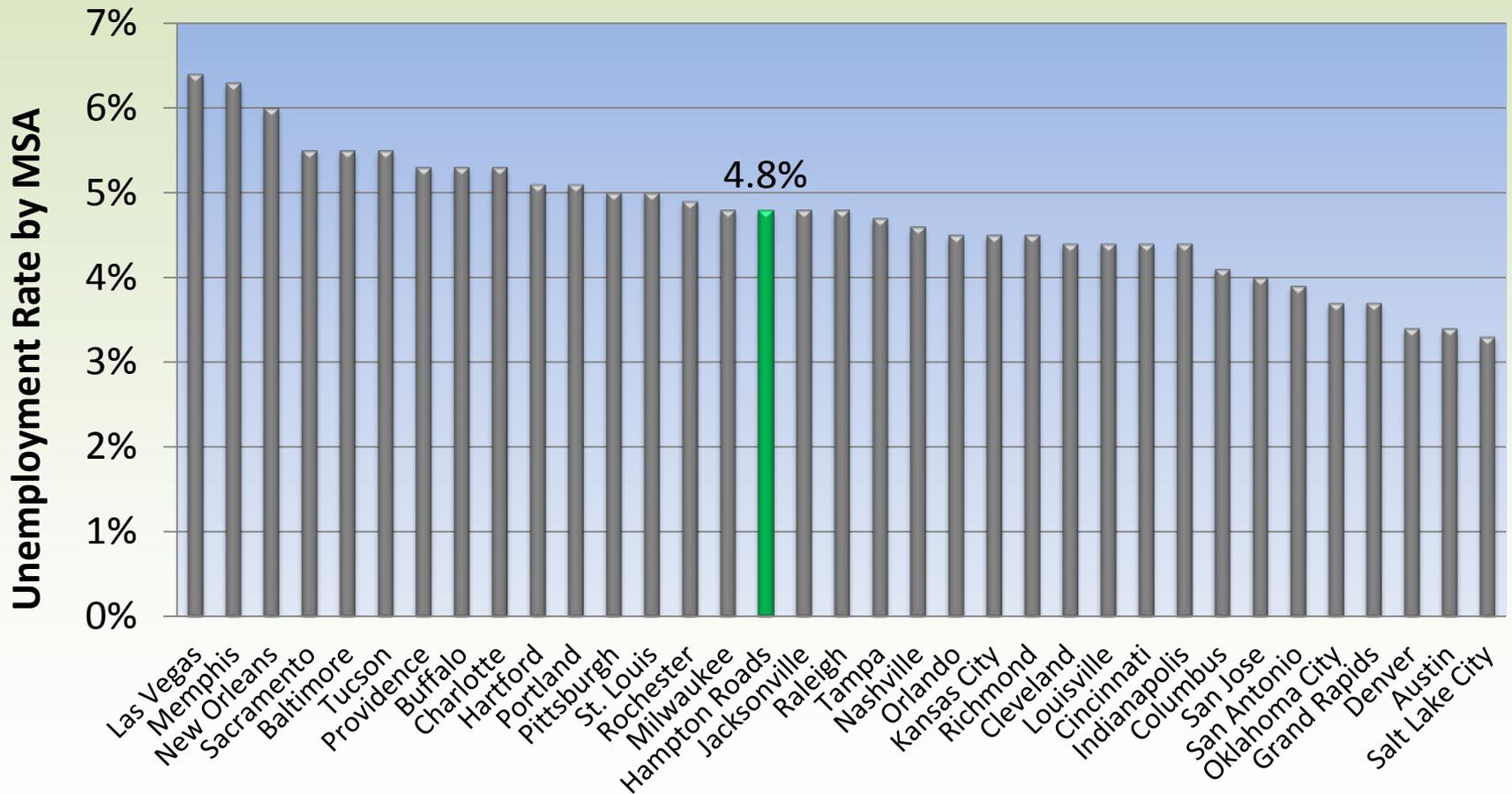
Nov '14 - Nov '15



Source: Bureau of Labor Statistics, HRPDC

Unemployment Rate in Nov 2015

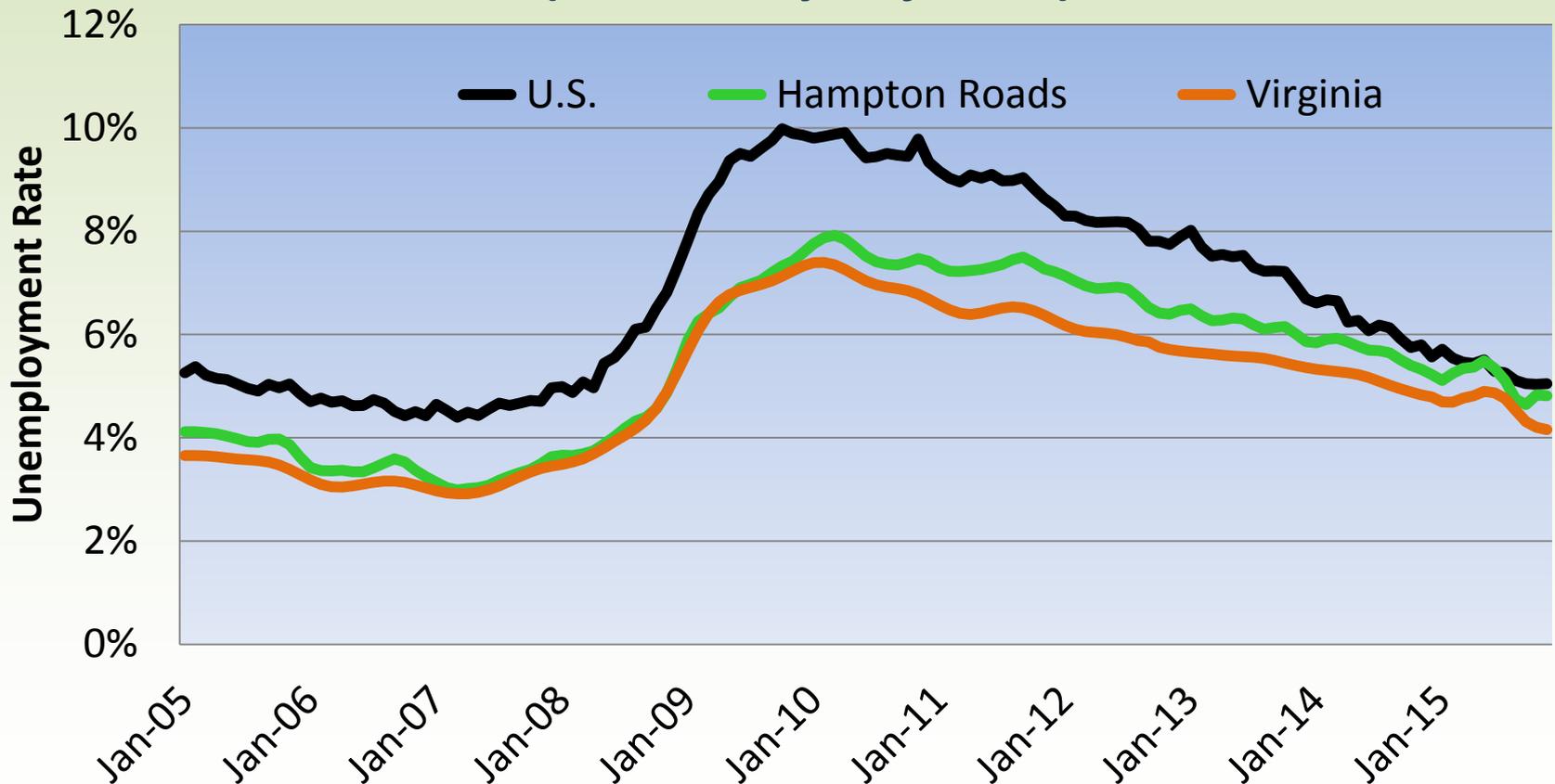
MSAs with Population between 1-3 Million



MSAs

Source: Bureau of Labor Statistics, HRPDC

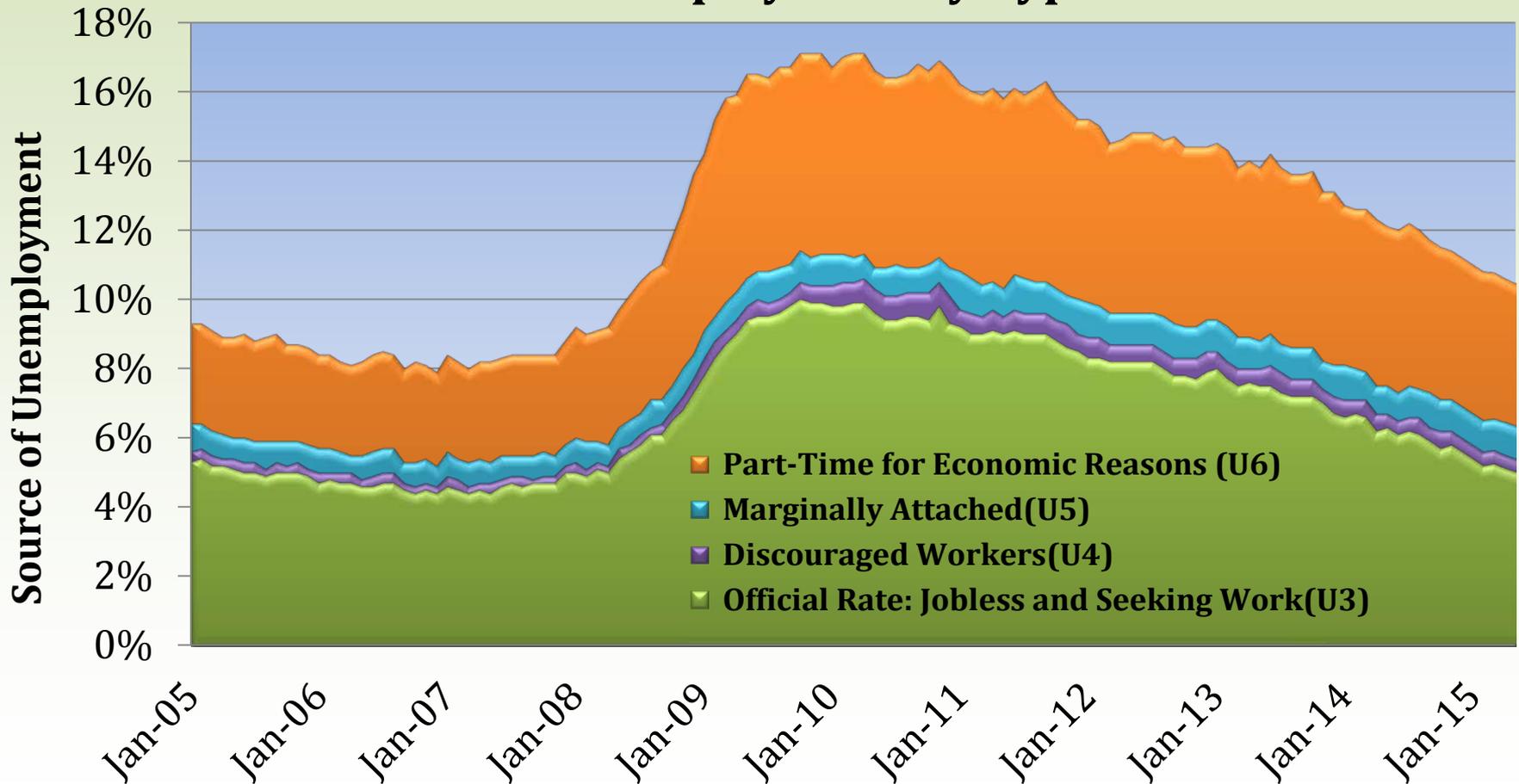
U.S., Virginia, & Hampton Roads Unemployment Rate (Seasonally Adjusted)



Source: Bureau of Labor Statistics, HRPDC

The Real Unemployment Rate

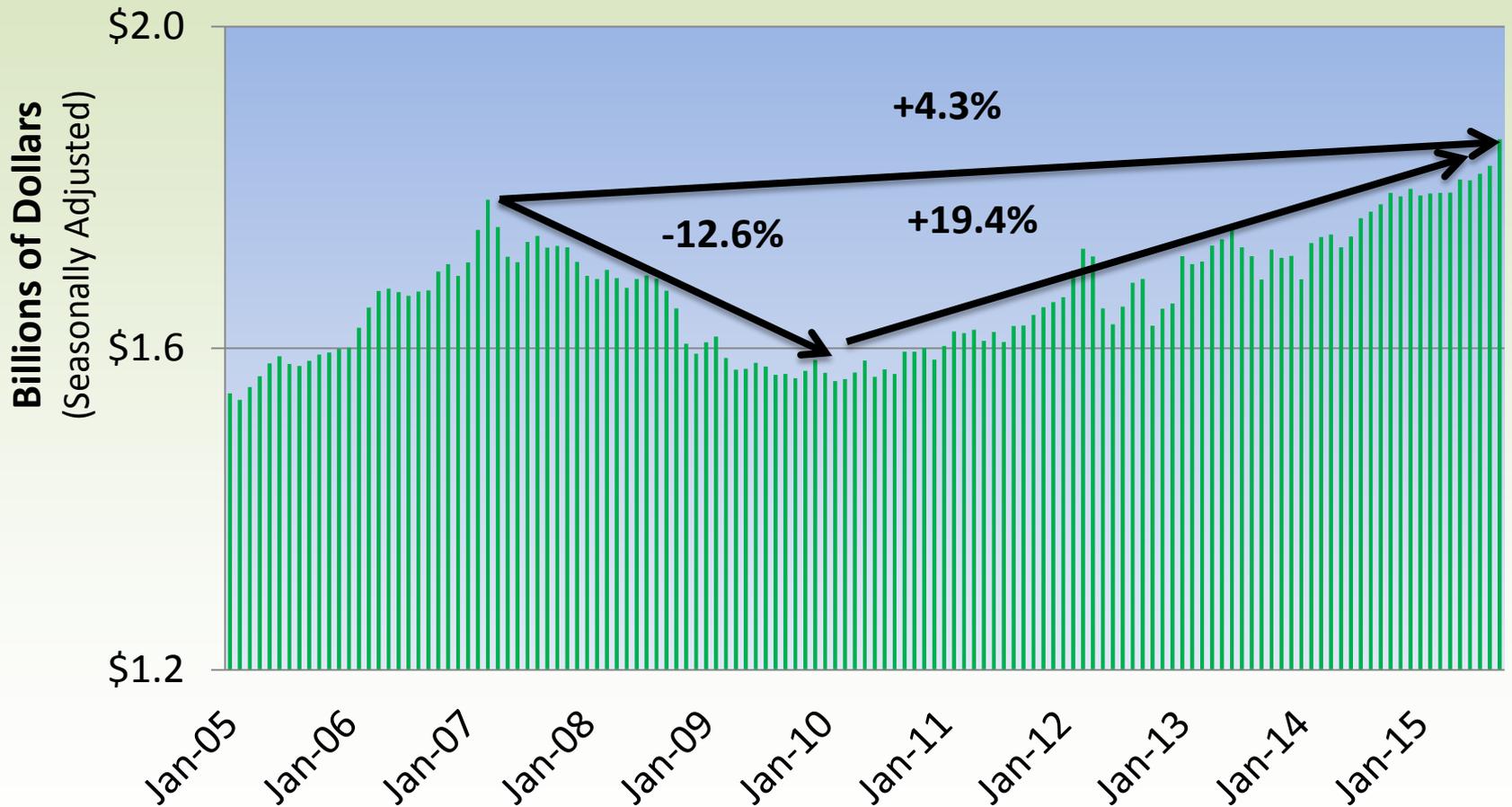
U.S. Unemployment by Type



Source: Bureau of Labor Statistics, HRPDC

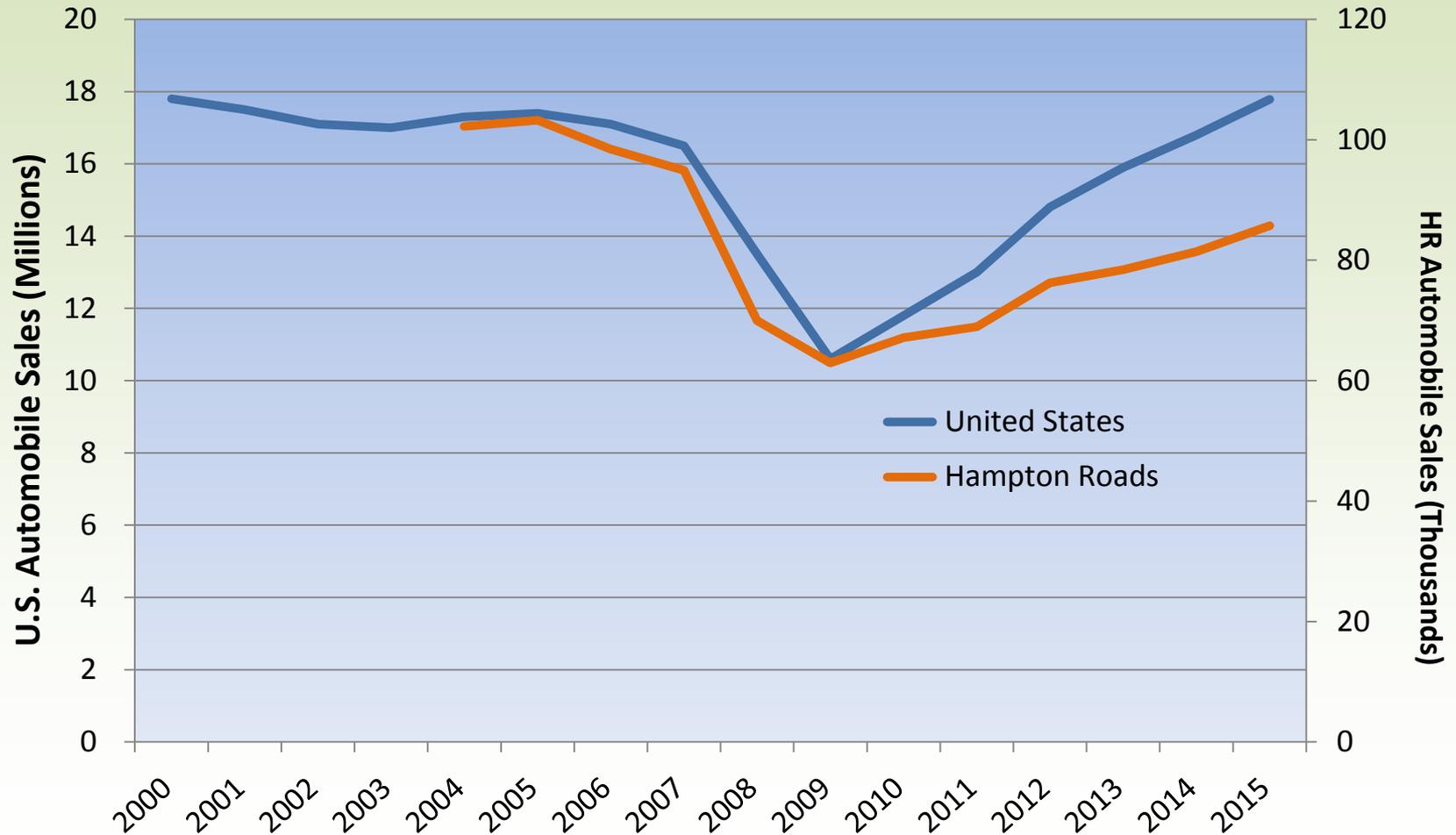
Hampton Roads Retail Sales

(3 Month Moving Average)



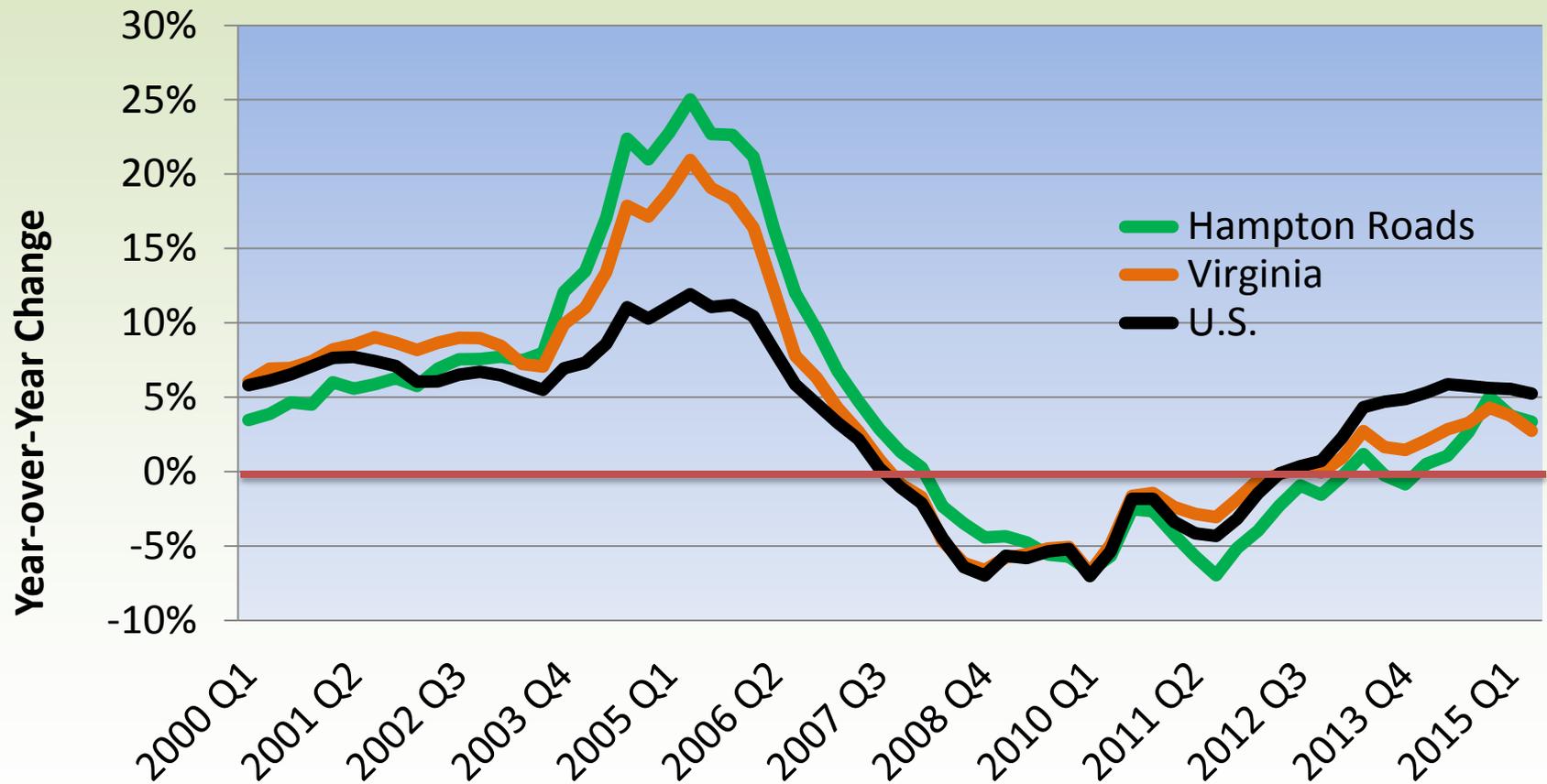
Source: Virginia Department of Taxation, HRPDC

Automobile Sales



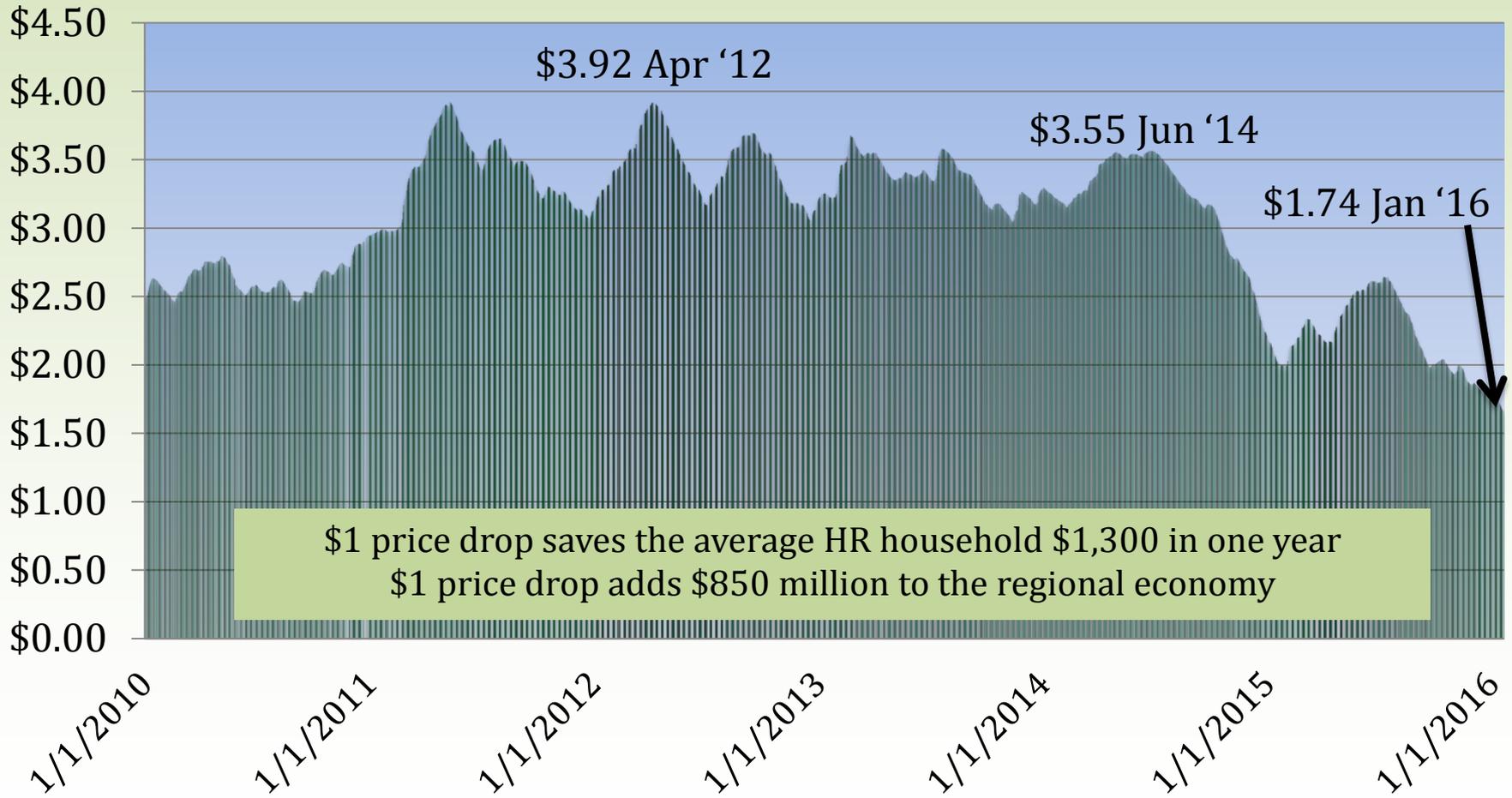
Sources: Bureau of Economic Analysis, Virginia Automobile Dealers Association, HRPDC

Home Price Index Growth in Hampton Roads, Virginia, and the U.S.



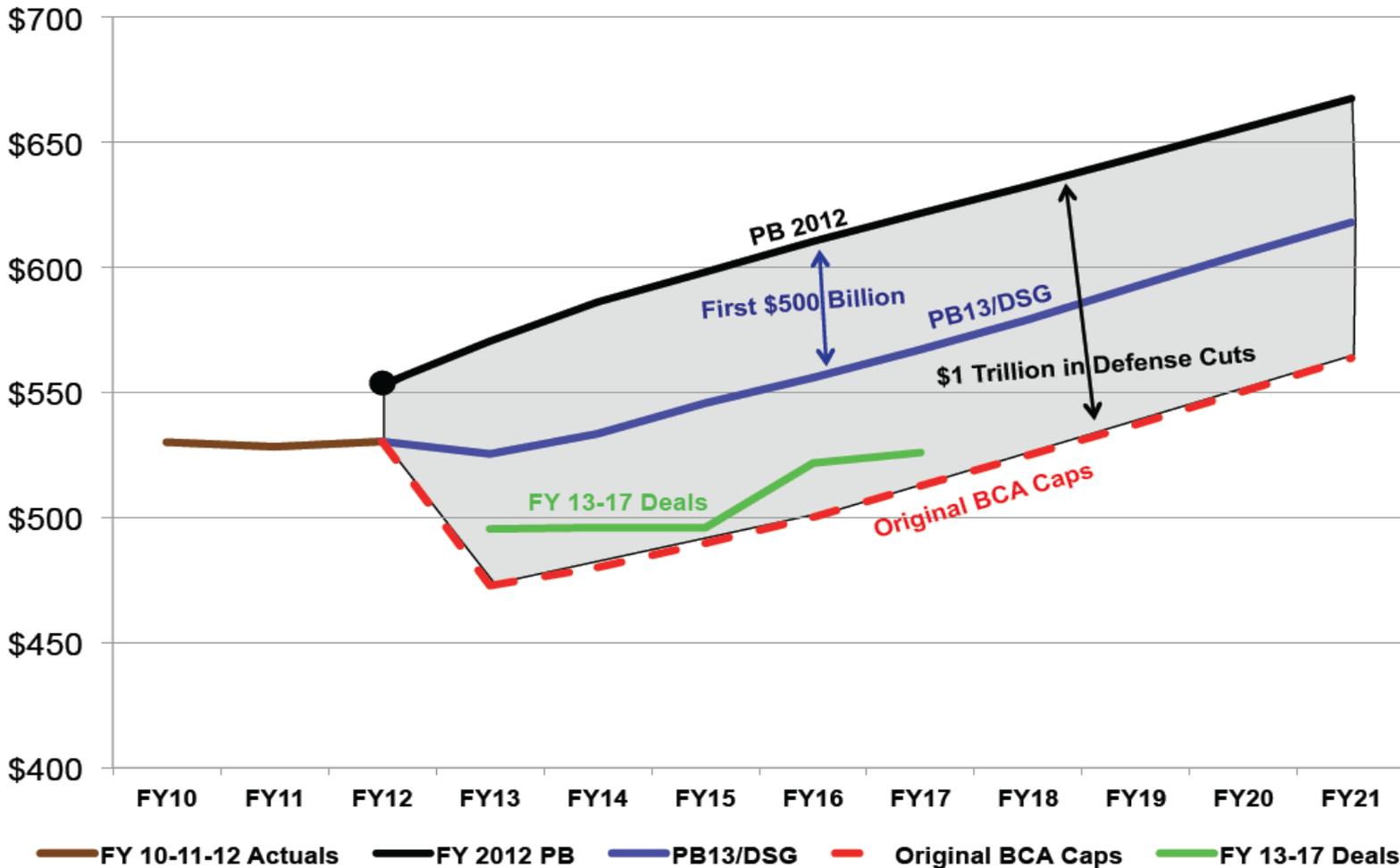
Source: Federal Housing Finance Agency, HRPDC

Gasoline Prices in Hampton Roads

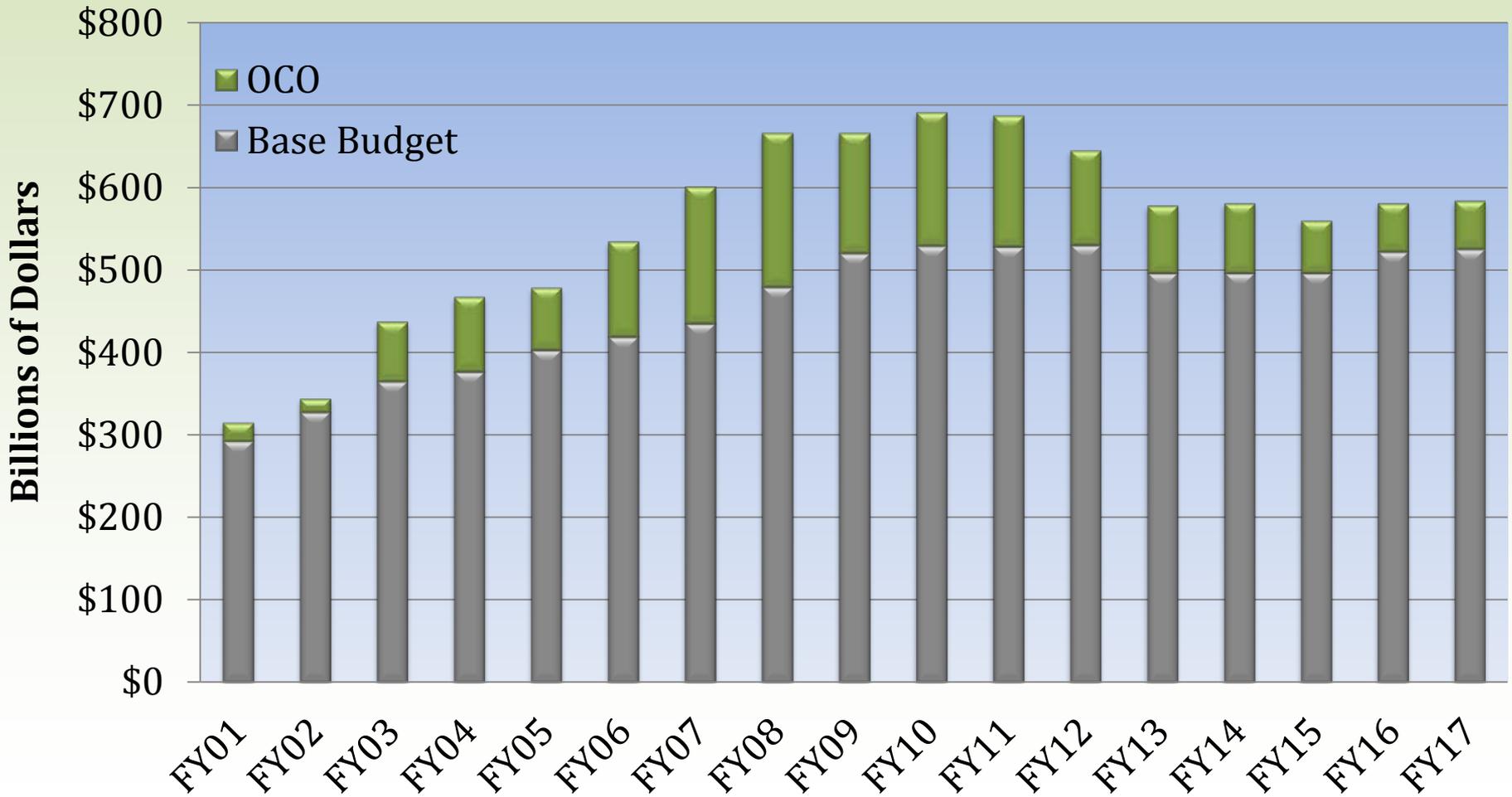


Source: AAA Fuel Gauge Report, HRPDC

DoD Budget- Deals Don't Close Gap



National Defense Expenditures



The Year Ahead...

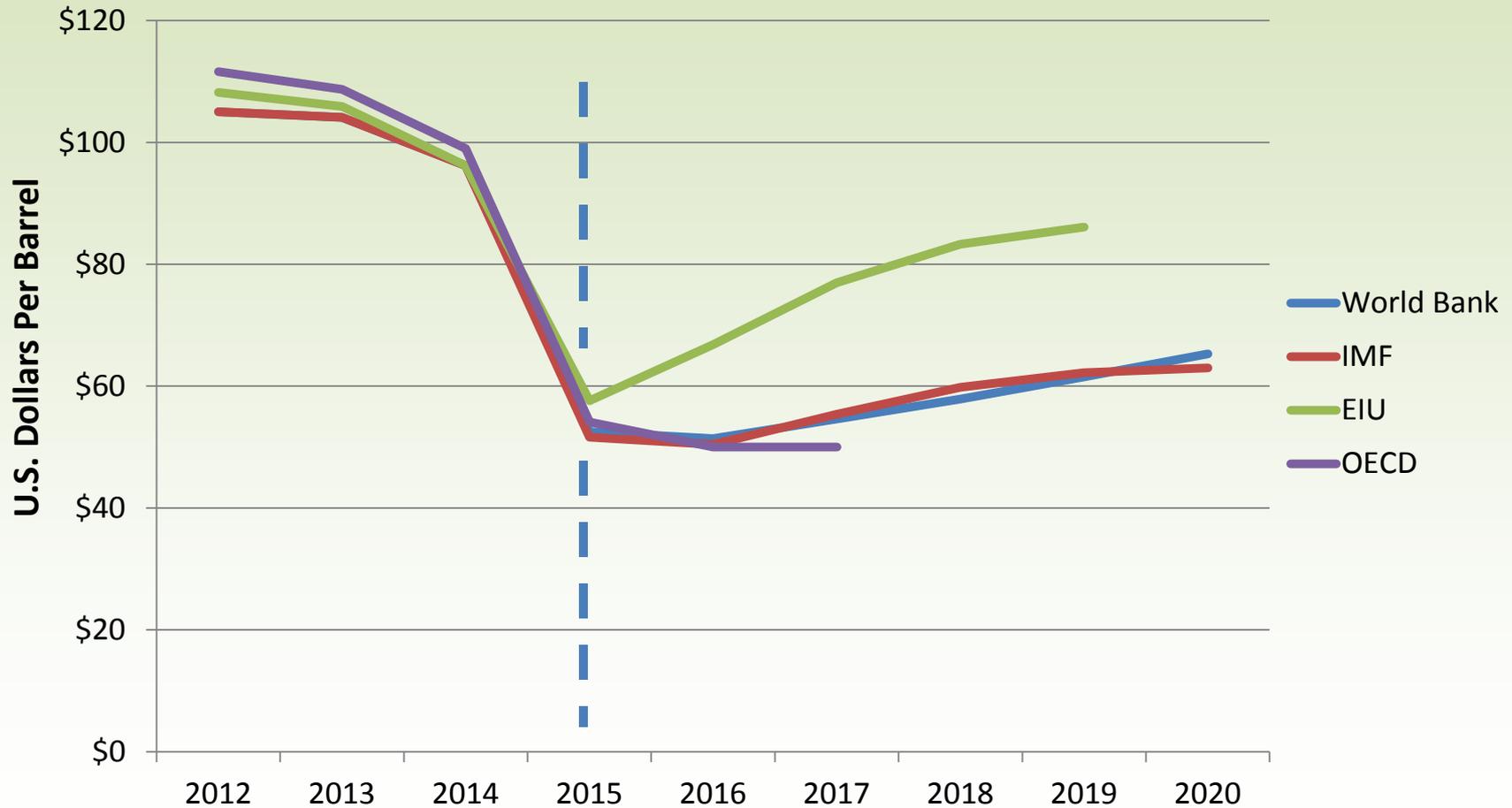
The Good:

- Federal budget adds a degree of certainty
- Growing national economy
- Consumer spending is strong
- Low energy prices
- Interest rates continue to remain low
- Corporate investment and office space leasing is up

The Bad:

- Federal spending continues to be tight
- Loss of local Navy personnel
- Region's housing market remains weak
- Dollar is high
 - Tourism impacts
 - Factory activity is down
- Slow growth outside of the U.S.

Crude Oil Price Forecast



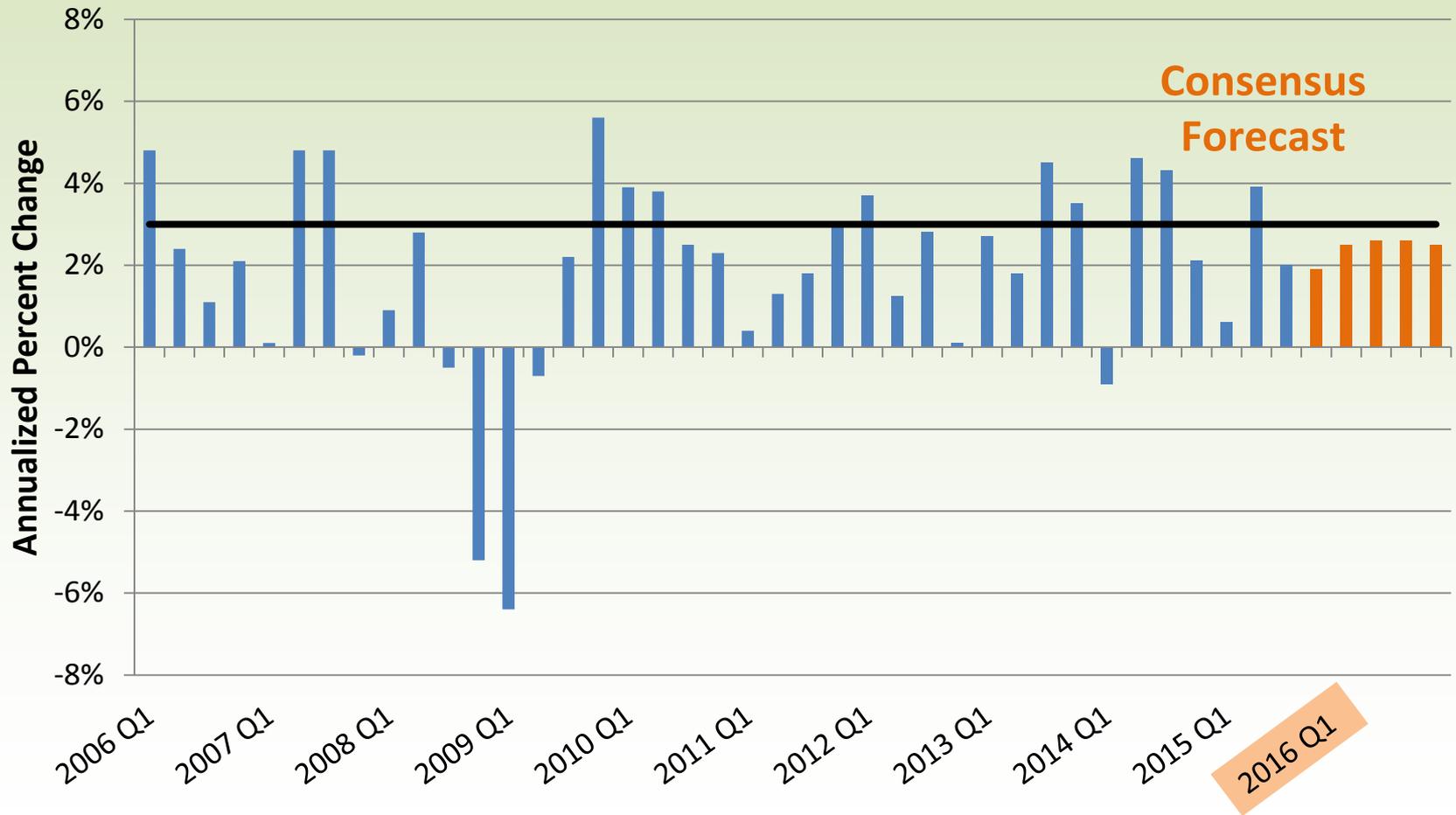
Sources: Knoema.com, HRPDC

Impact of Fed Rate Hike

- Mortgage Rates
- Auto Loans
- Credit Cards
- Saving rates
- Investment Market



Annualized Percent Change in U.S. Gross Domestic Product



HRPDC Forecast for 2016

	2015 (Year to Date)	2016 Forecast
U.S.		
Real GDP	2.6%	2.5%
Interest Rates		
Short Government Rates	0.0%	0.7%
Long Government Rates	2.1%	2.7%
Hampton Roads		
Gross Product	NA	1.3%
Civilian Employment	0.8%	0.8%
Unemployment Rate	4.8%	4.7%
Retail Sales	3.6%	4.1%
Auto and Truck Sales	5.2%	4.5%
Value of Single-Family Residential Building Permits	7.6%	2.3%

Discussion

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