

Presented by Greg Grootendorst
Chief Economist
Hampton Roads Planning District Commission
January 21, 2009

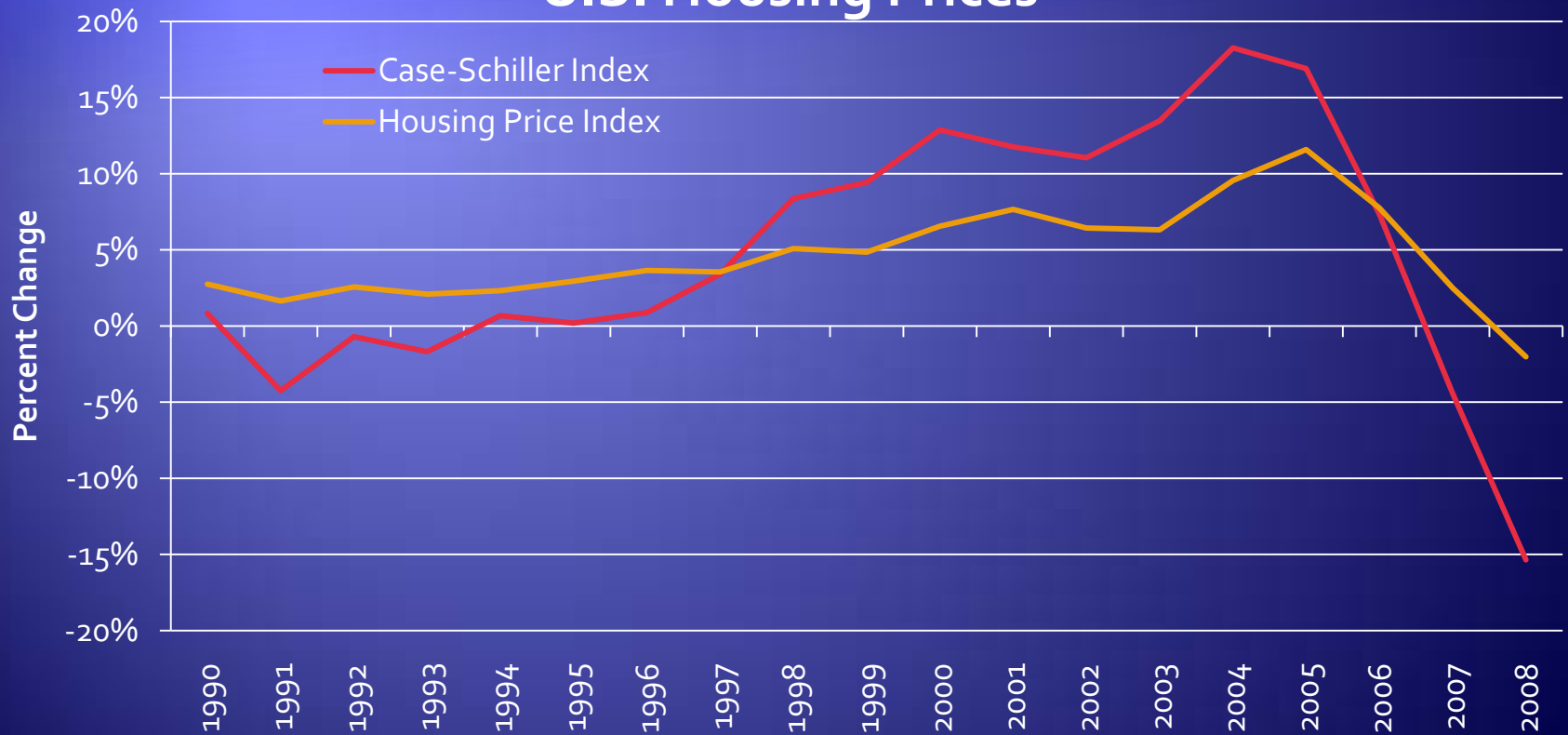
2009 HAMPTON ROADS ECONOMIC FORECAST

The U.S. Economy

- ◆ Housing Market
- ◆ Mortgage Crisis
- ◆ Flawed Securities
- ◆ Credit Tightening
- ◆ Consumer Confidence / Consumer Demand
- ◆ Employment / Unemployment
- ◆ Recession

Housing Values

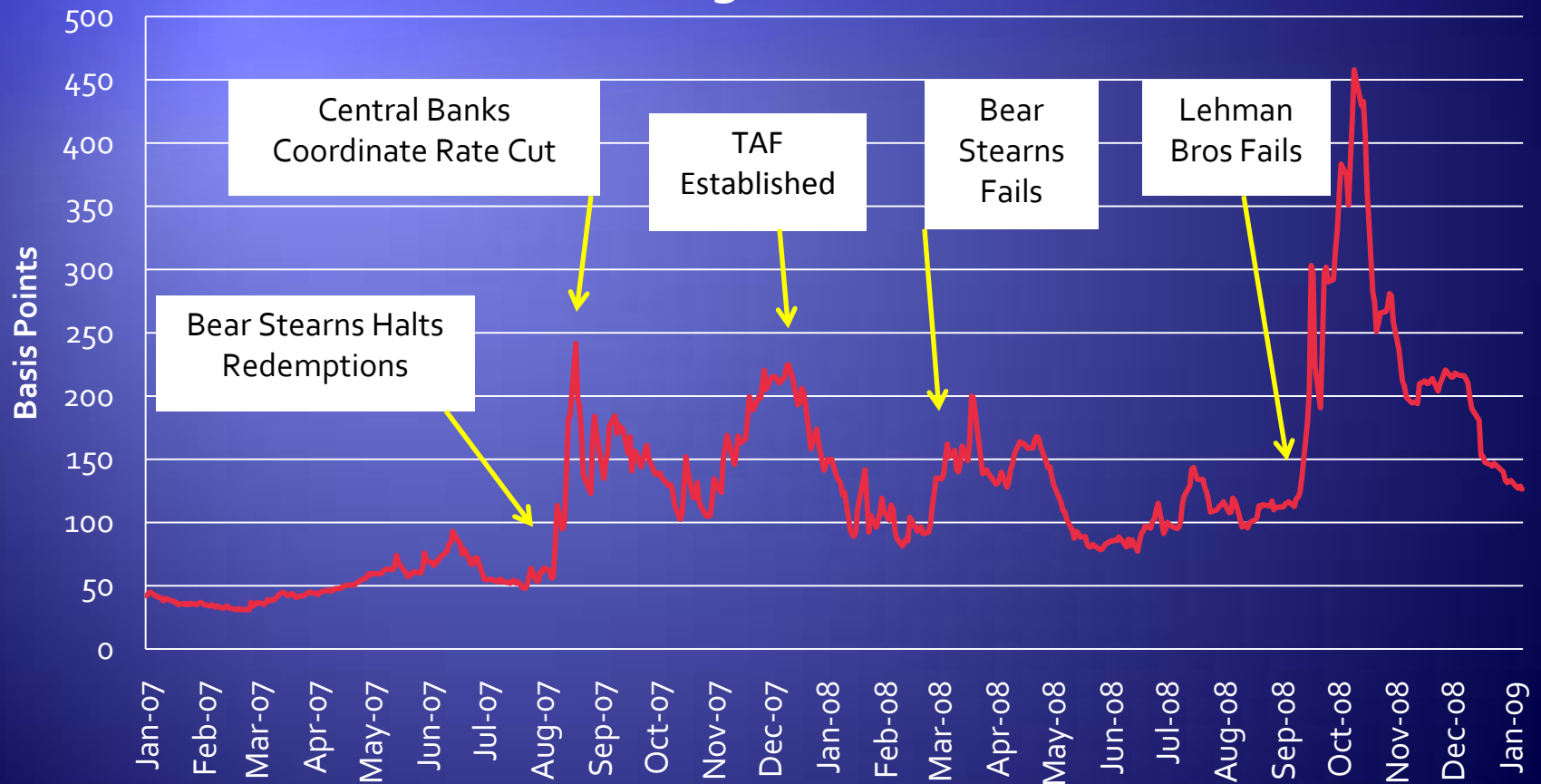
U.S. Housing Prices



Source: Office of Federal Housing Enterprise Oversight

Credit

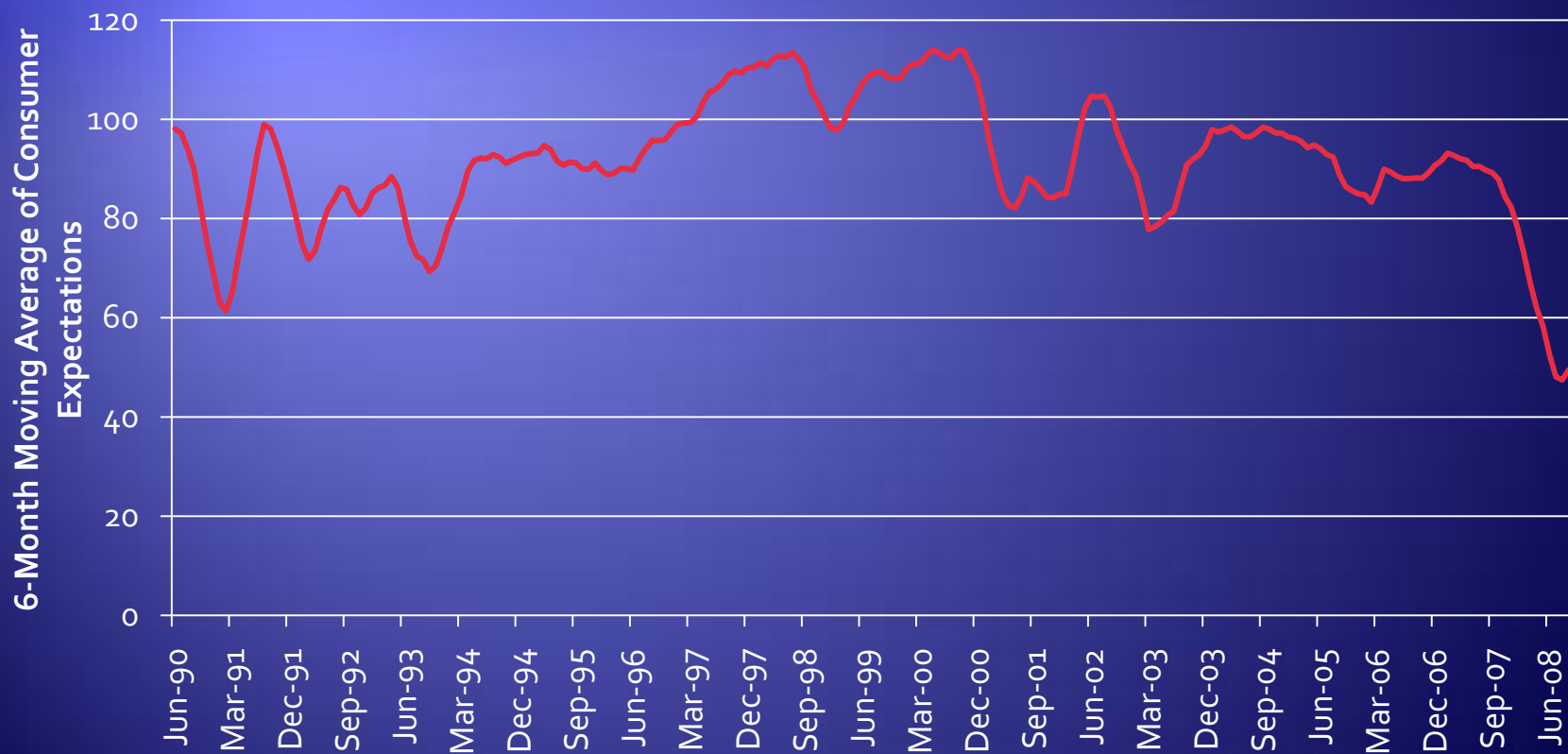
Difference Between 3 Month Libor and T-Bills



Source: Federal Reserve Bank

Consumer Confidence

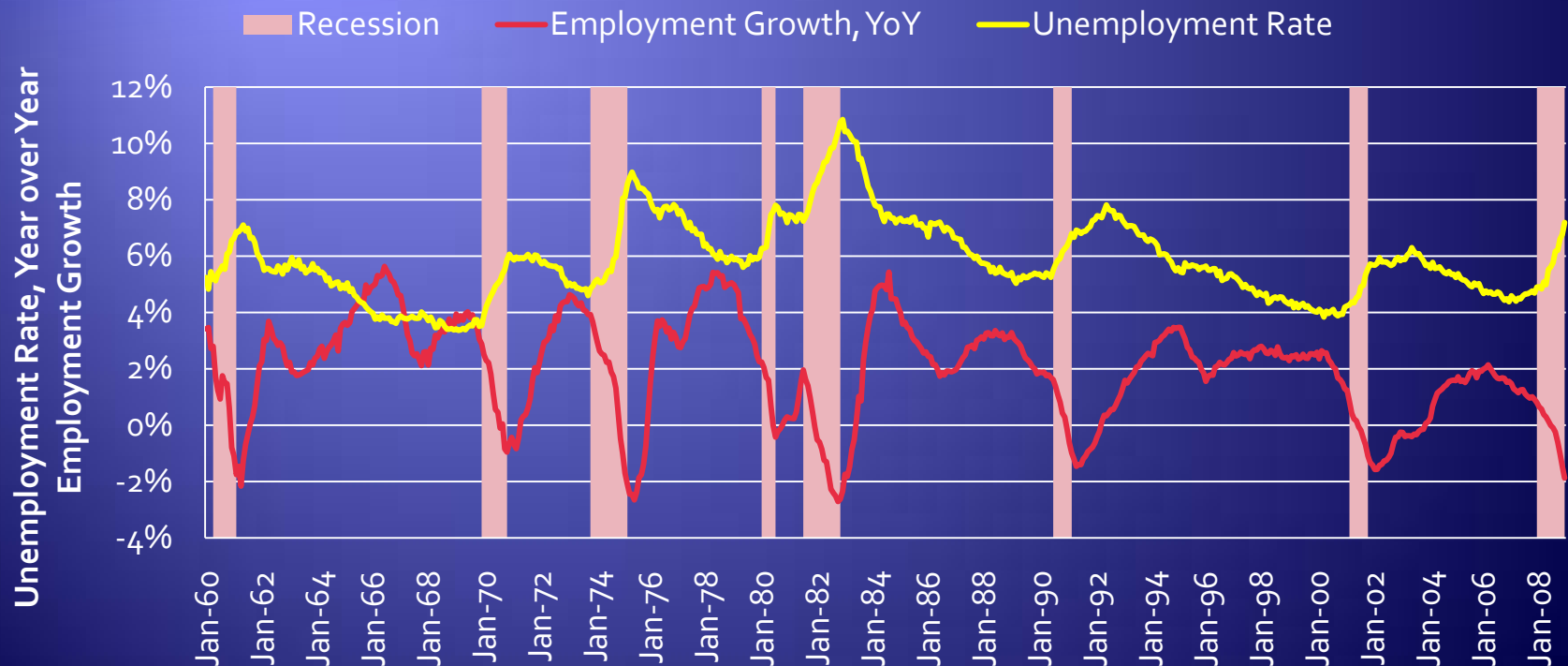
Consumer Expectations



Source: The Conference Board

Employment

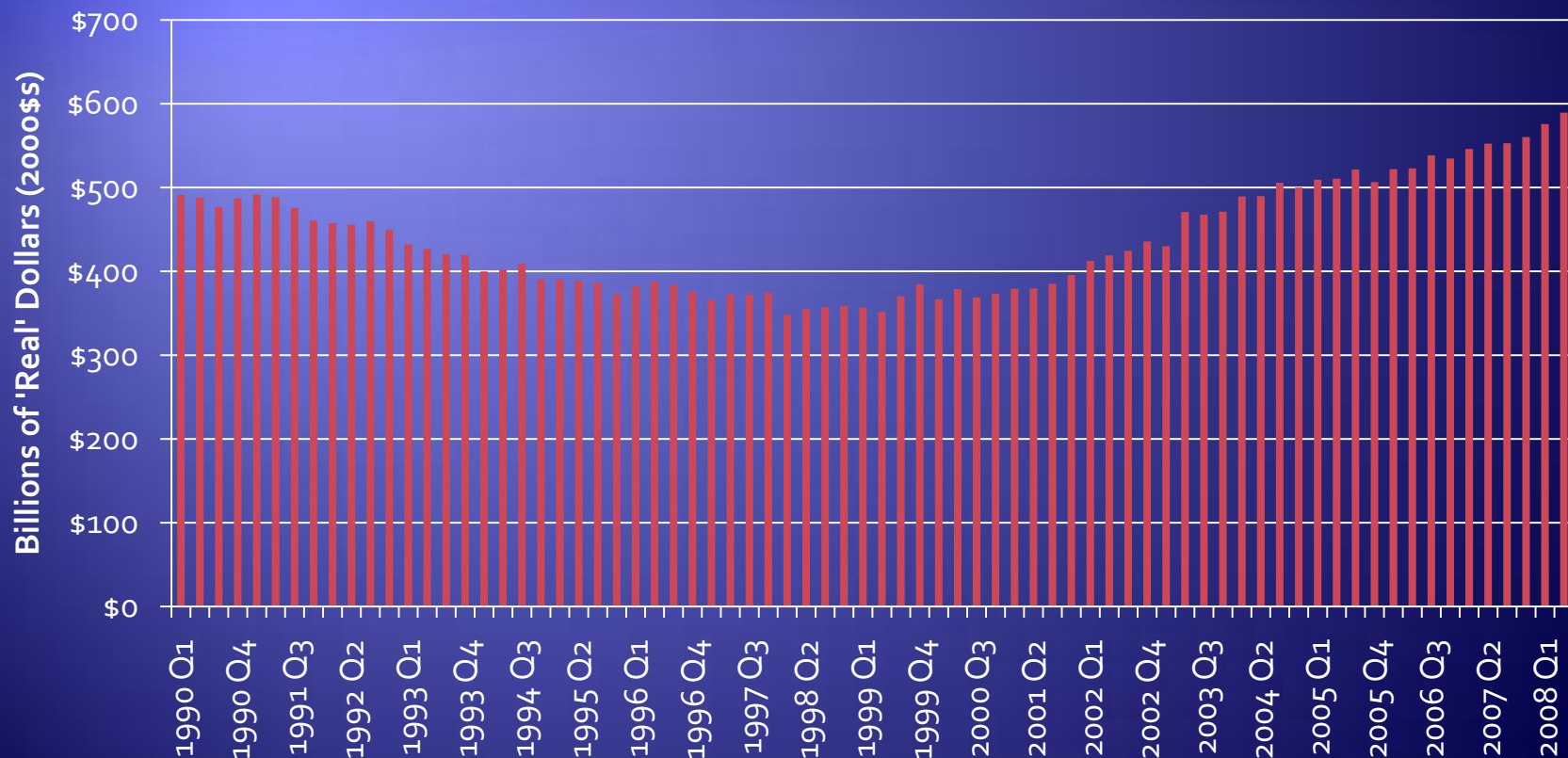
Employment Measures and Recessions



Sources: Bureau of Labor Statistics & the National Bureau of Economic Research

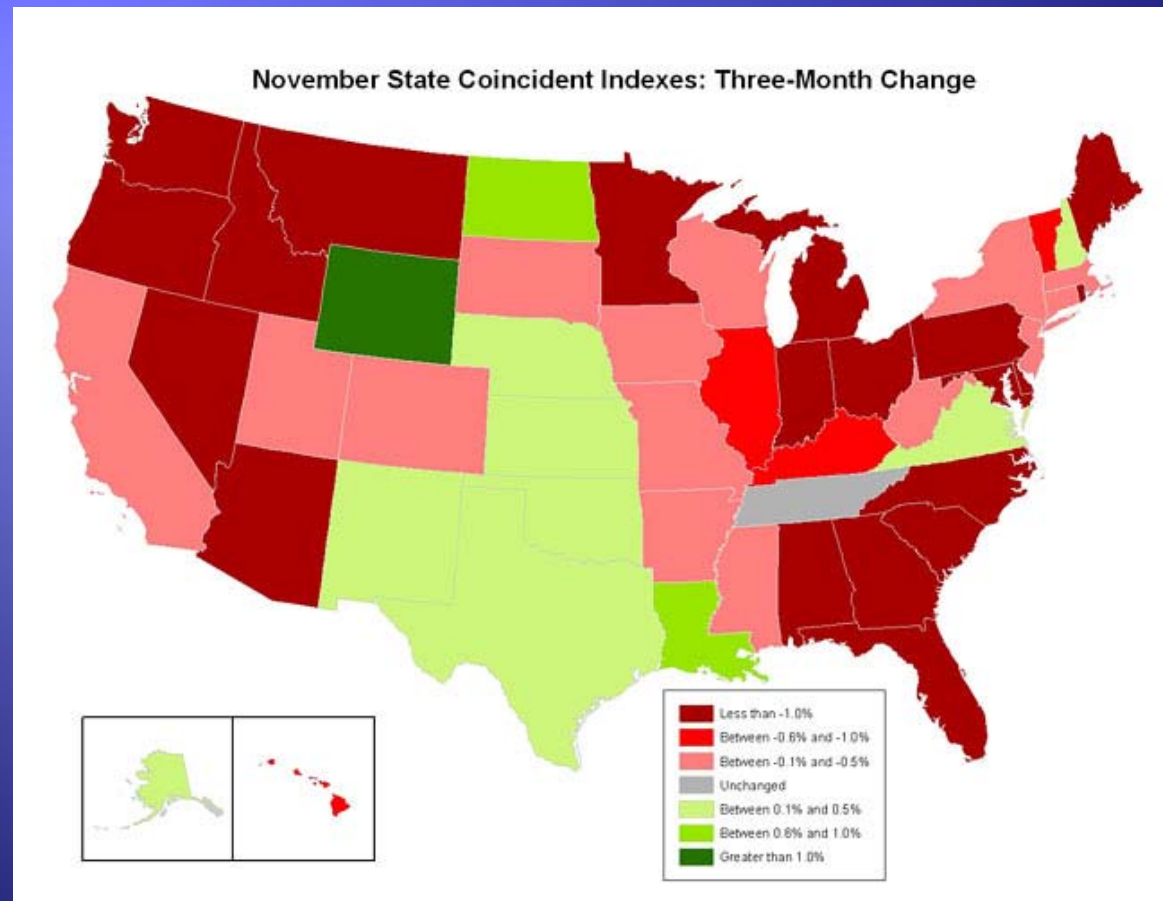
Defense Spending

Inflation Adjusted National Defense Spending



Sources: Office of Management and Budget

How do we compare?



Source: Philadelphia Federal Reserve Bank

Employment in the U.S.

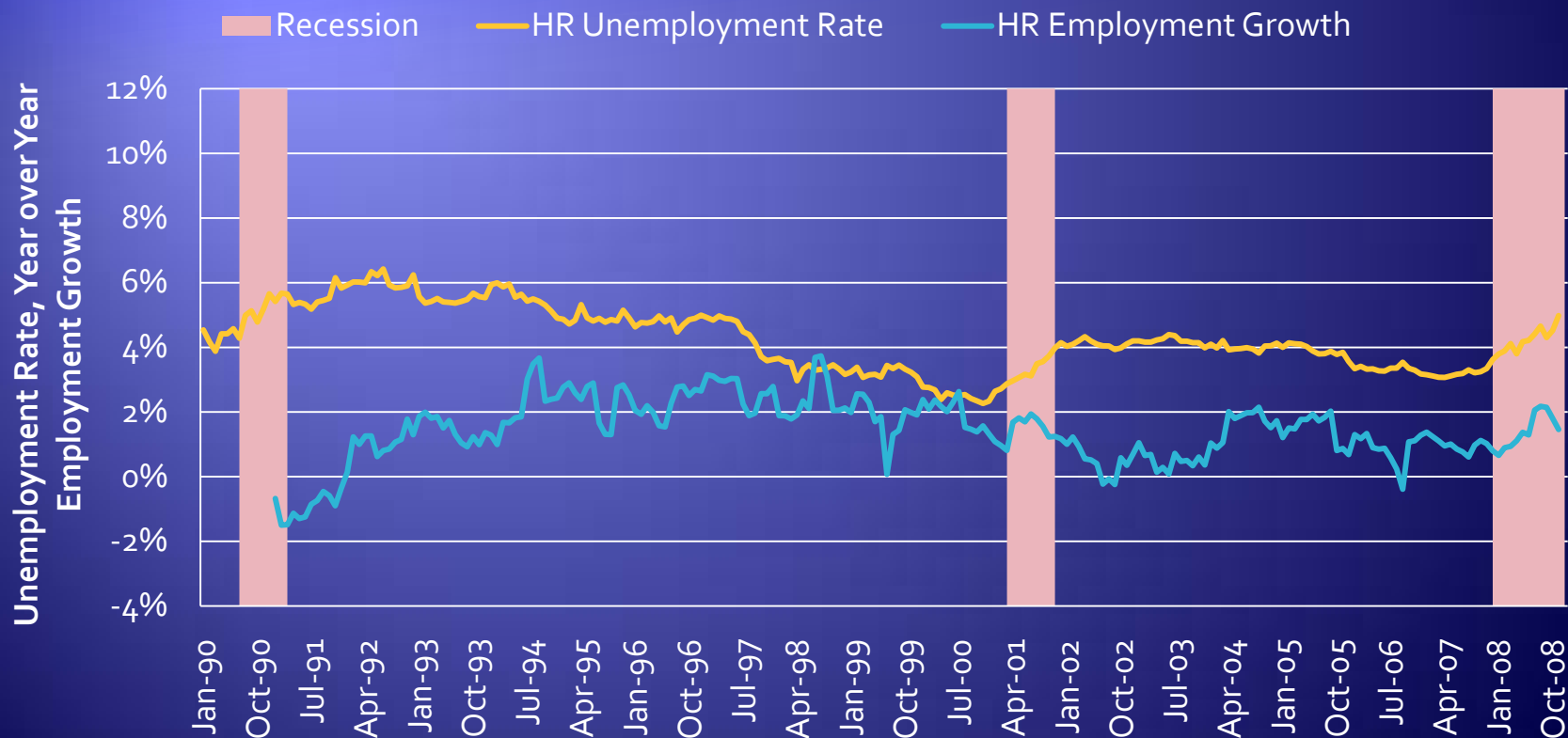
Employment Measures and Recessions in the U.S.



Source: Bureau of Labor Statistics

Employment in HR

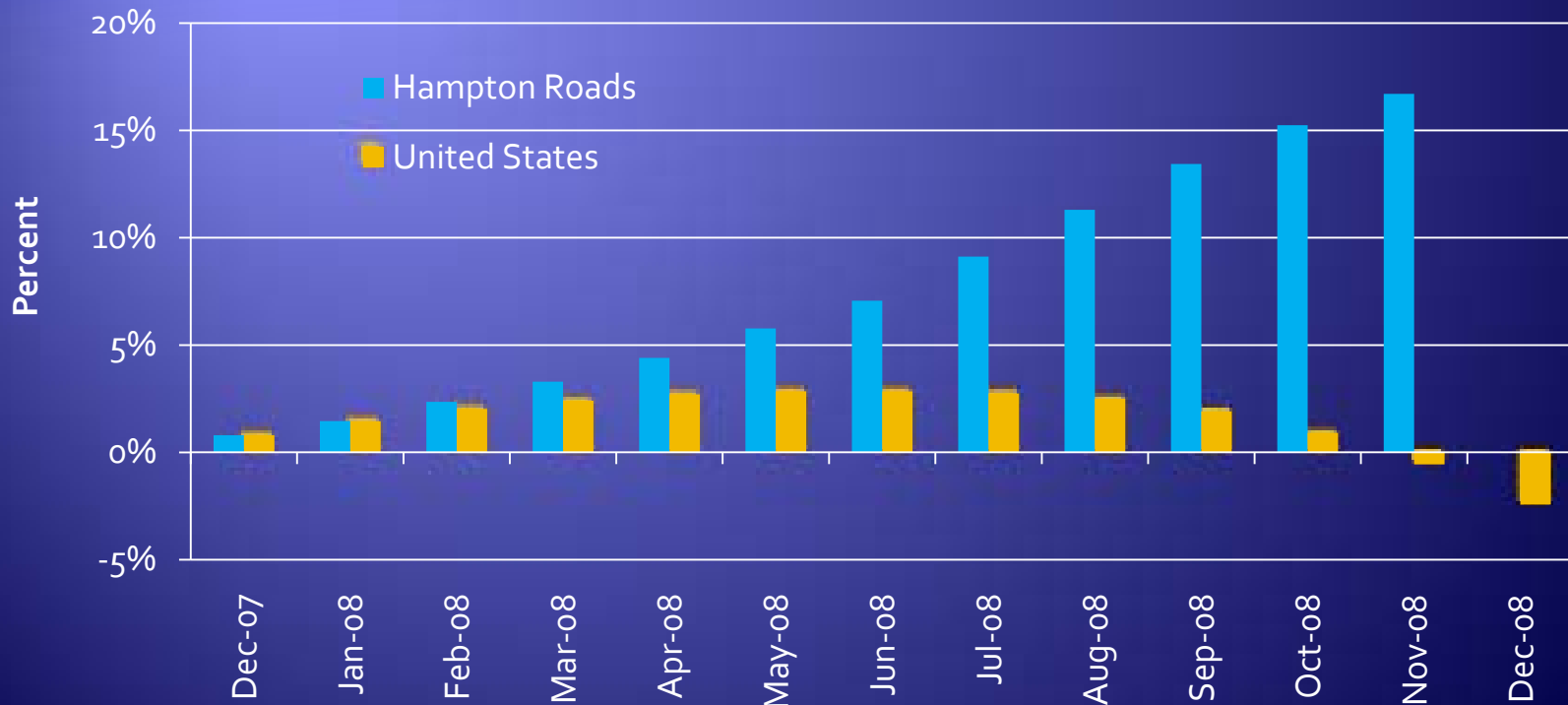
Employment Measures and Recessions in HR



Source: Bureau of Labor Statistics

Employment in HR & the U.S.

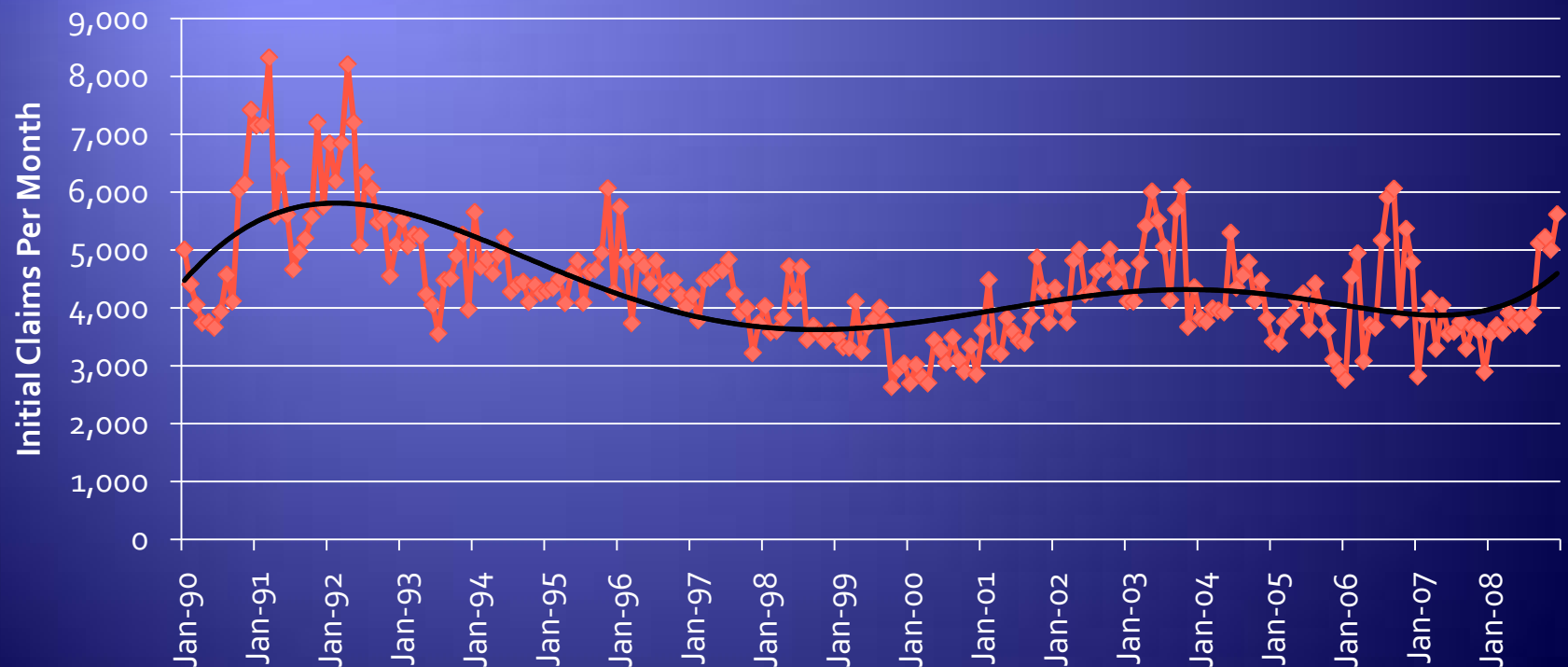
Cumulative Year-over-Year Employment Growth Rates



Source: Bureau of Labor Statistics

Initial Unemployment

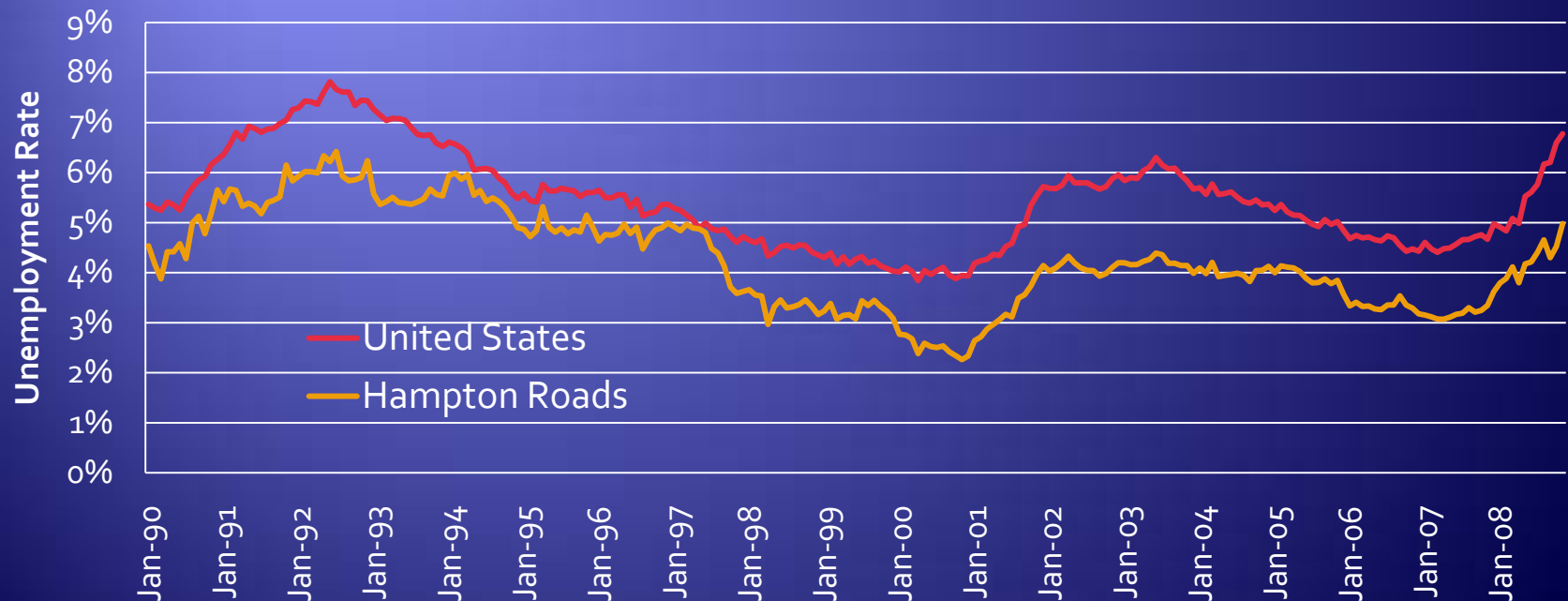
Deseasonalized Initial Unemployment Claims



Source: Virginia Employment Commission

Unemployment Rates

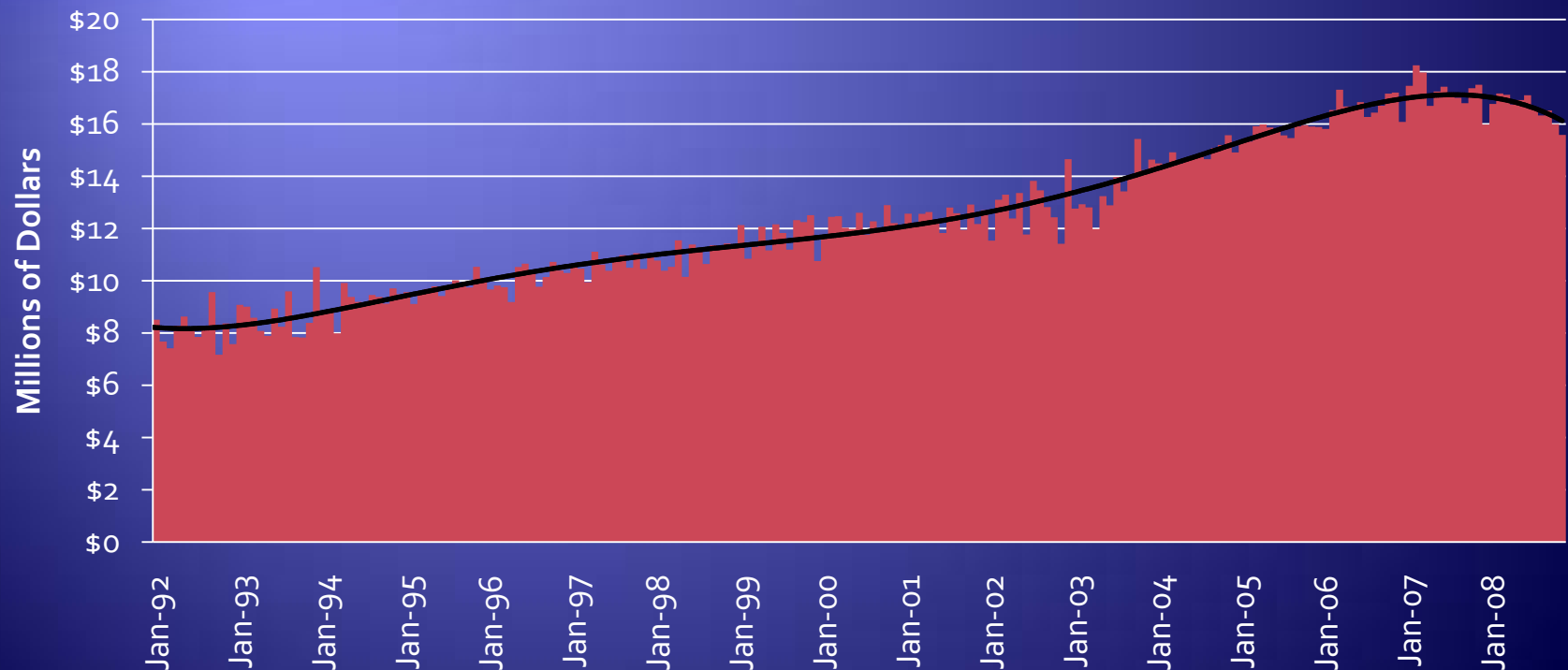
Unemployment Rates in Hampton Roads and the United States



Source: Bureau of Labor Statistics

Retail Sales

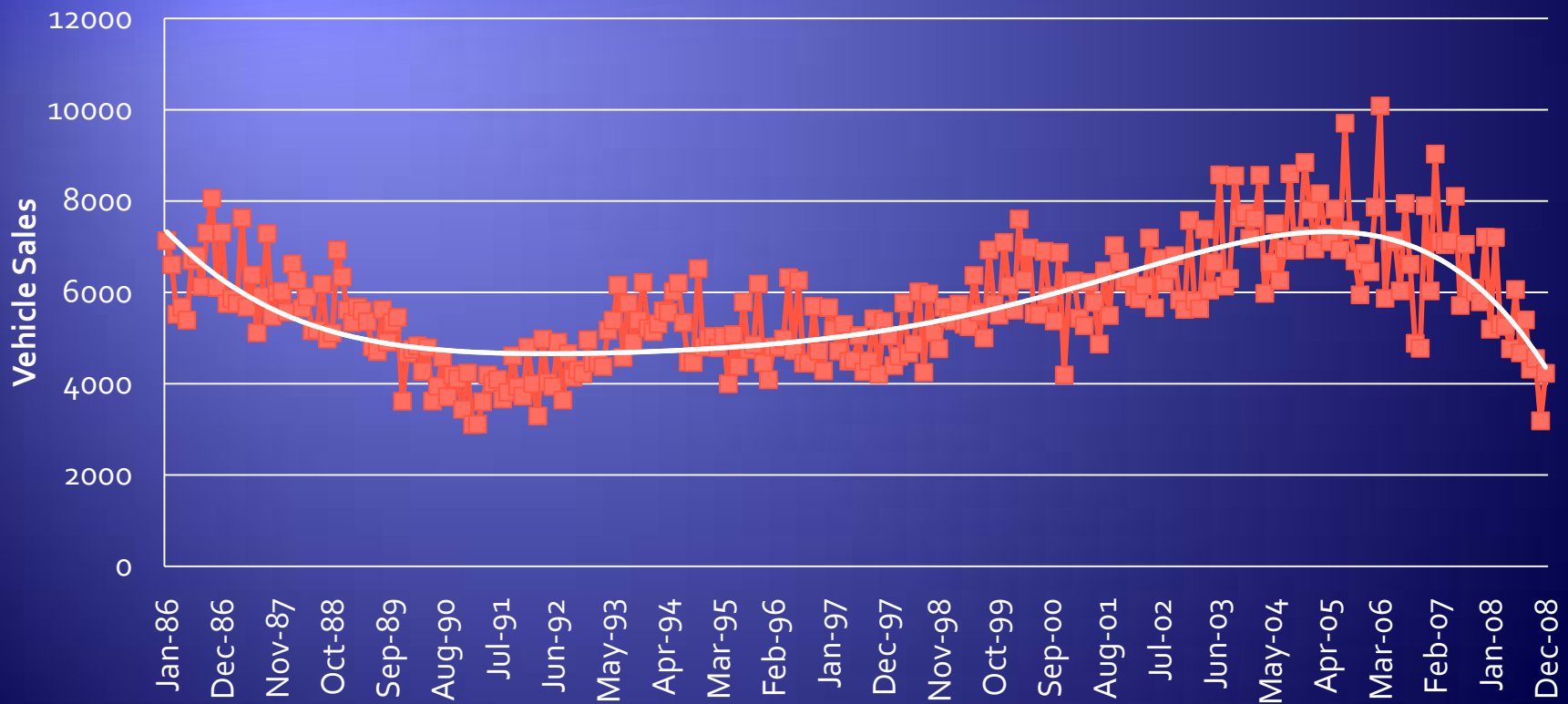
Deseasonalized Taxable Sales



Source: Virginia Department of Taxation

Auto Sales

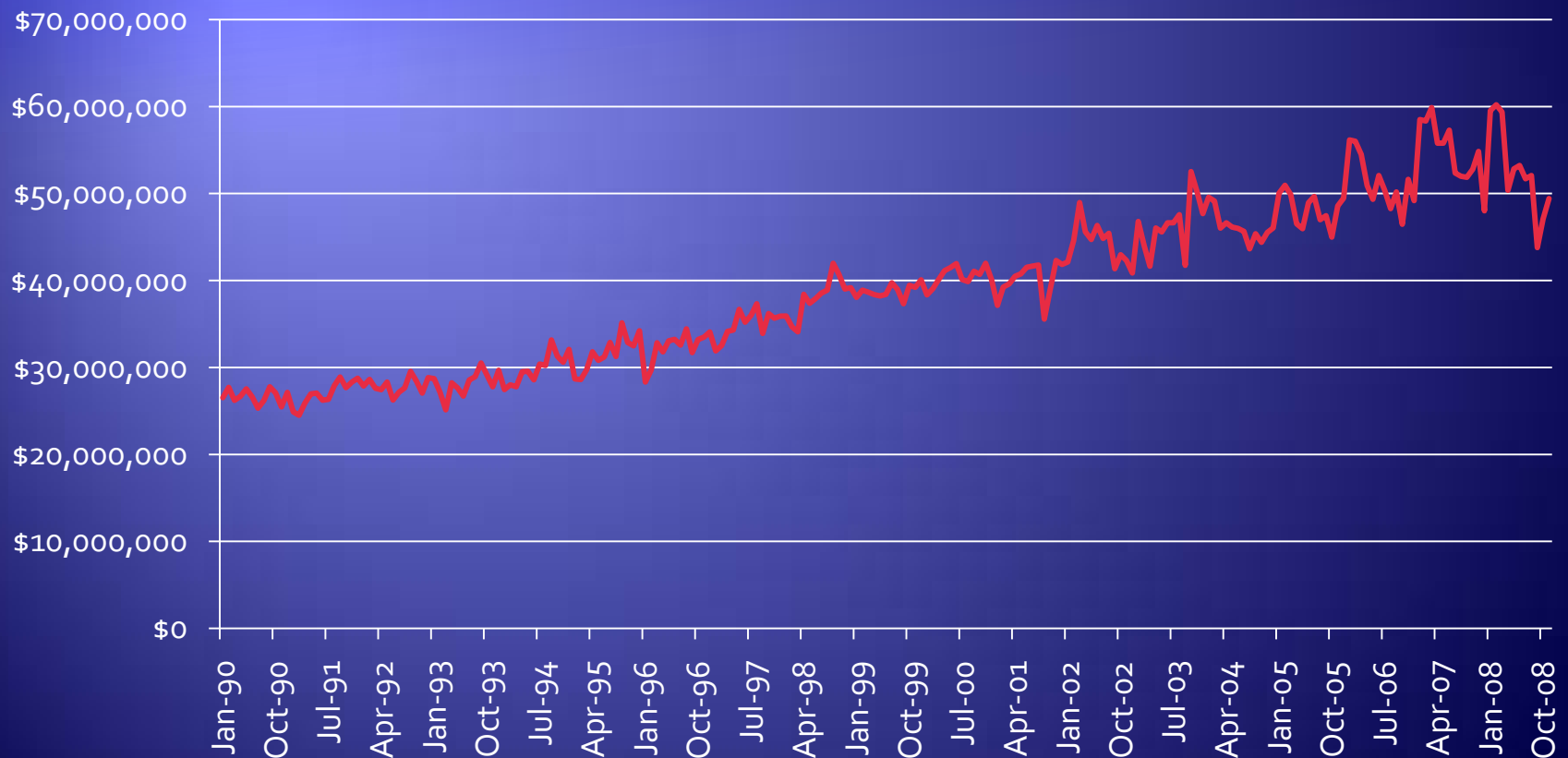
Deseasonalized Monthly Vehicle Sales



Source: Virginia Automobile Dealers Association

Tourism

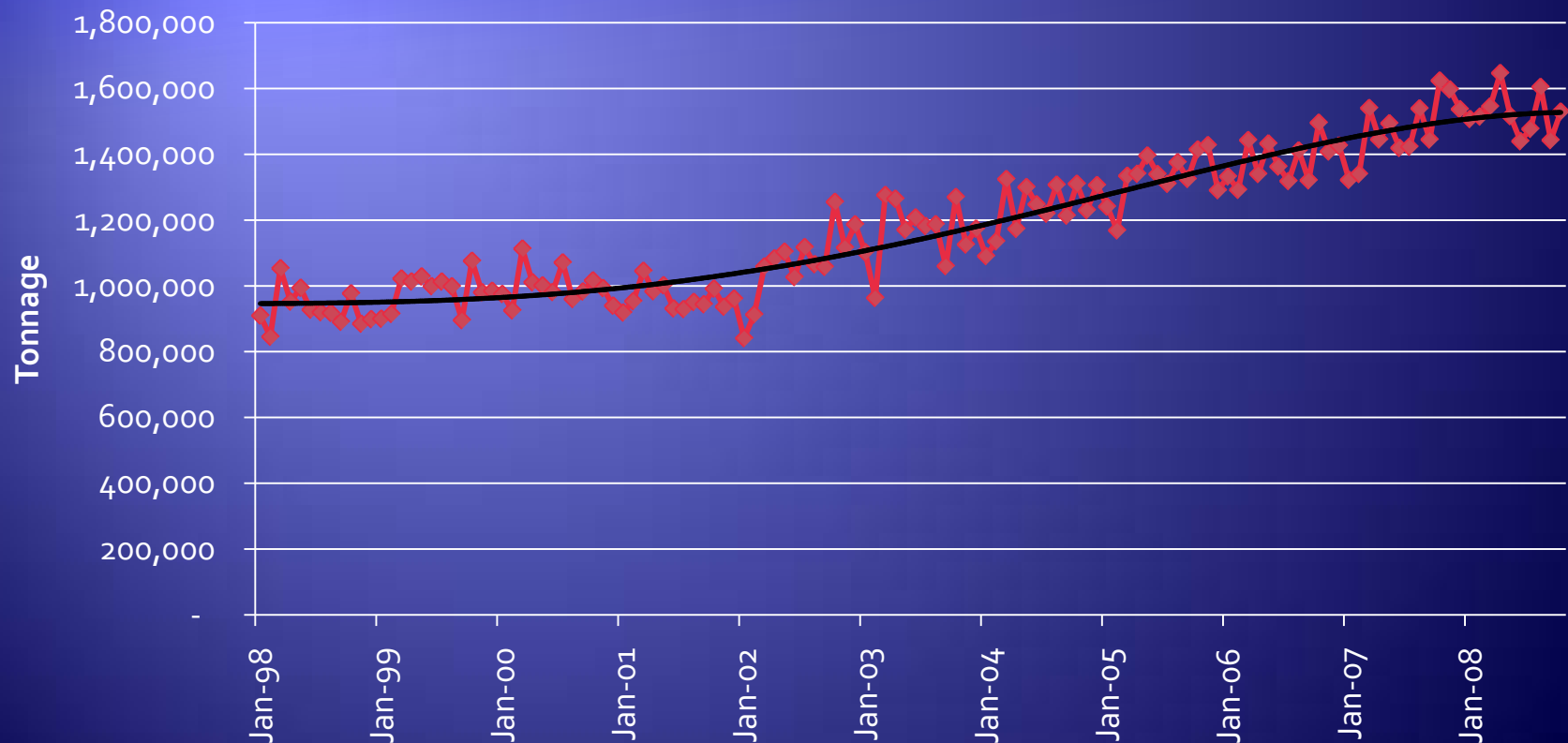
Deseasonalized Hotel Revenues



Source: Virginia Department of Taxation

The Ports

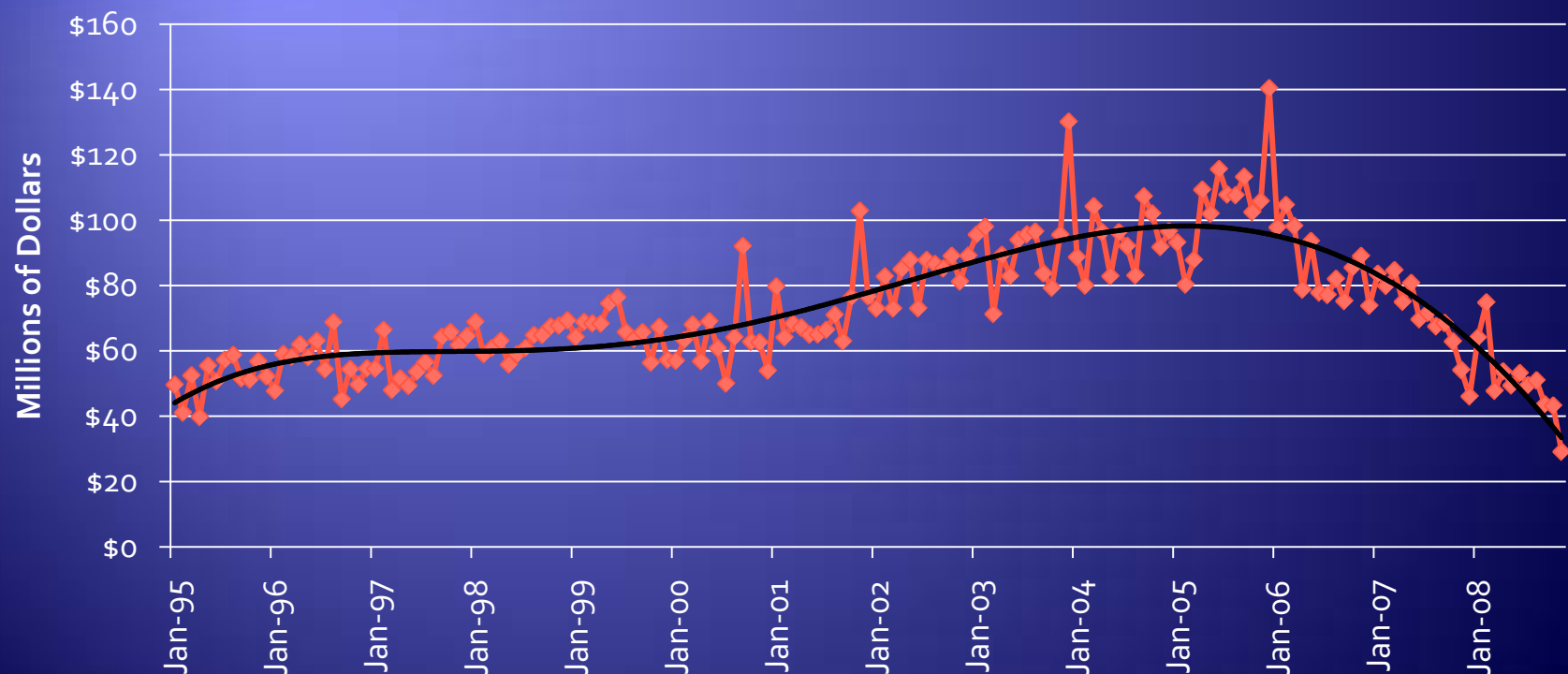
Hampton Roads General Cargo Tonnage



Source: Virginia Port Authority

Residential Construction

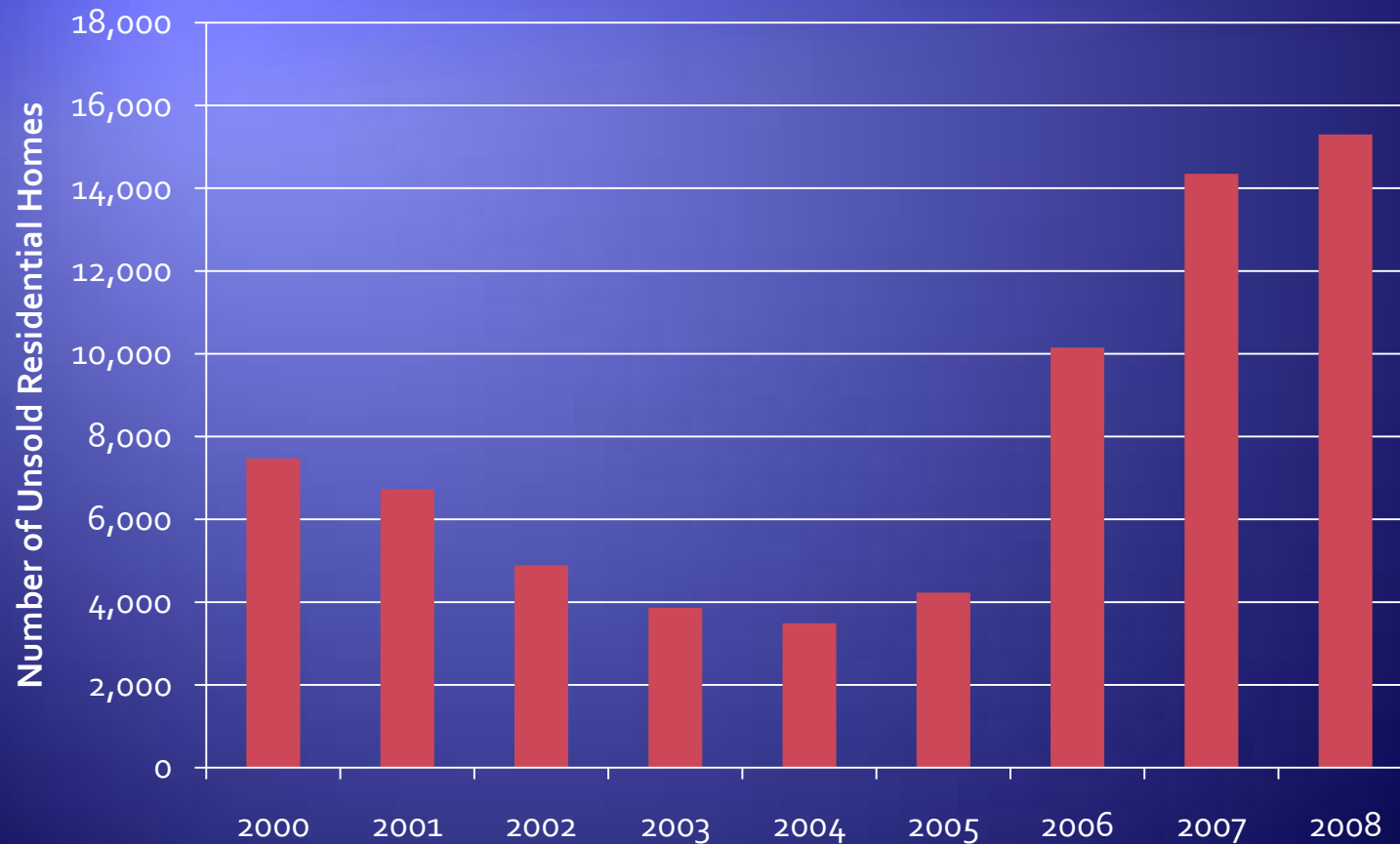
Value of Single Family Building Permits



Source: U.S. Census Bureau

Housing

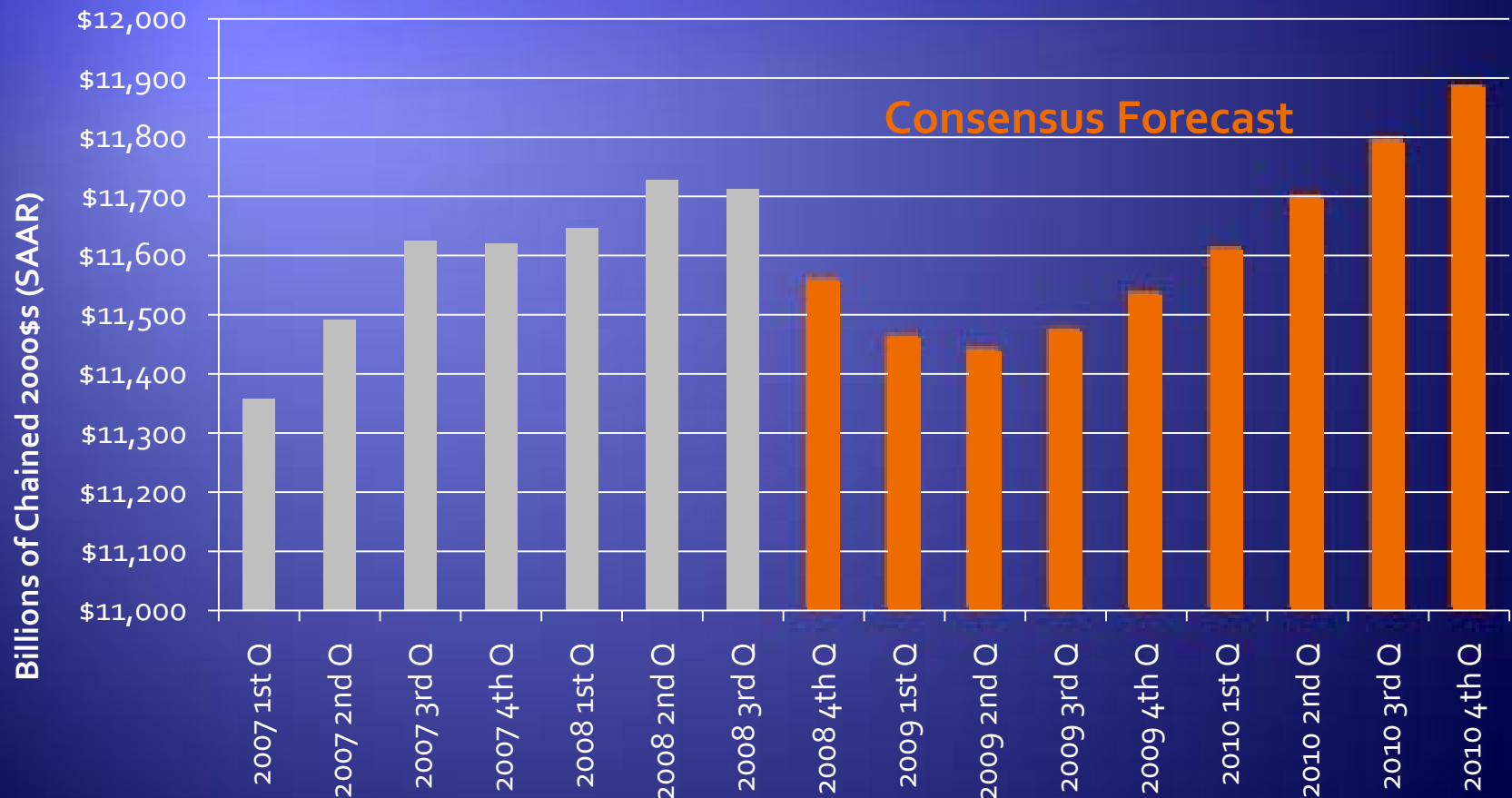
Inventory of Existing Housing



Source: Virginia Association of Realtors and Real Estate Investment Network

National Forecast

Real Gross Domestic Product



Source: Blue Chip Economic Indicators

2008 Economic Forecast

	2008 (Year to Date)	2009 Forecast
U.S.		
Real GDP	1.2%	-1.6%
Interest Rates		
3-Month Treasury Bills	1.4%	0.4%
10-Year Treasury Notes	3.7%	2.8%
Hampton Roads		
Gross Product	NA	0.5%
Civilian Employment	2.6%	0.2%
Unemployment Rate	3.2%	5.8%
Retail Sales	-4.0%	-3.6%
Auto and Truck Sales	-27.0%	-17.0%
Value of Single-Family Residential Building Permits	-30.0%	-19.0%
Hotel Revenues	-5.1%	-3.2%

What next?

- ◆ Housing prices to bottom out
- ◆ Foreclosures to peak
- ◆ Employment bottoms
- ◆ Unemployment peaks
- ◆ Housing prices resume

Questions?