

# **NAIOP**

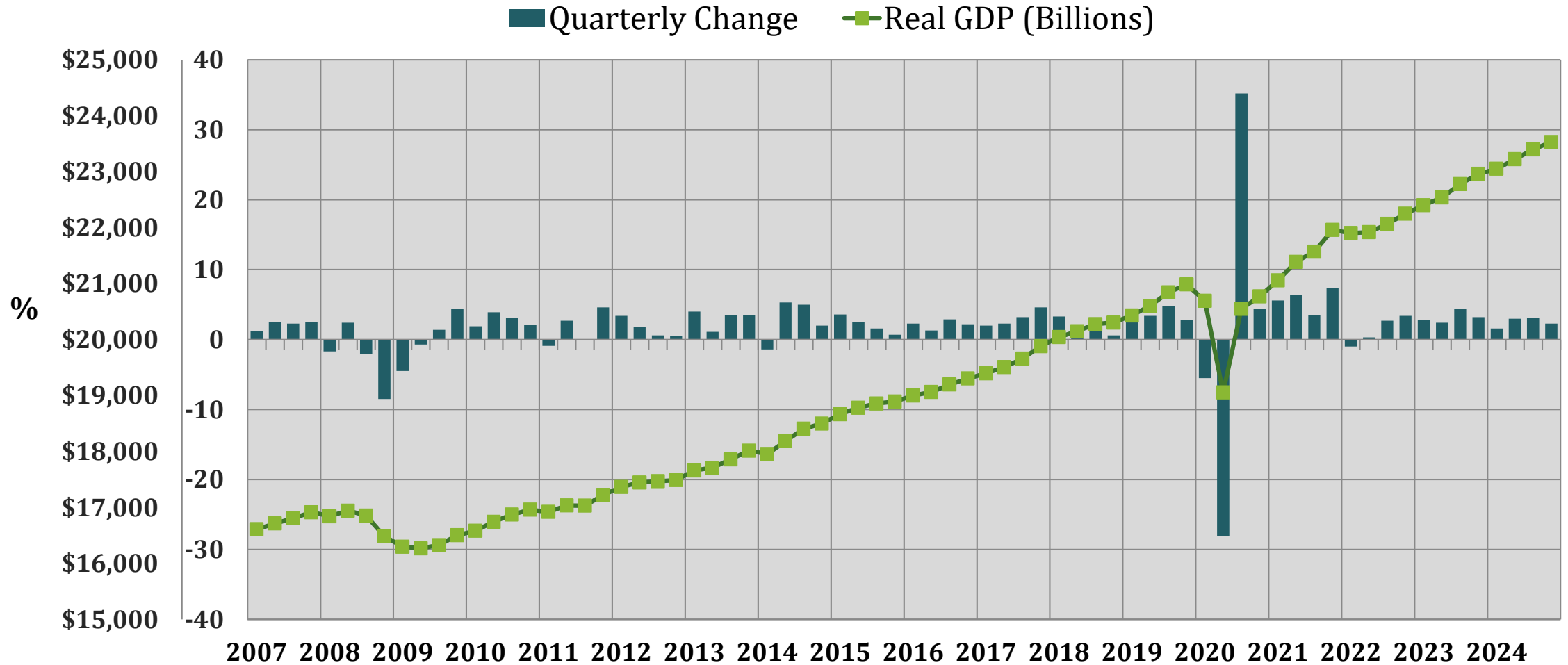
## **Known Unknowns & Moving Forward**

### **Regional Economic Performance and Outlook**

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Center for Regional Analysis / Stephen S. Fuller Institute  
Schar School of Policy and Government  
George Mason University

**February 6, 2025**

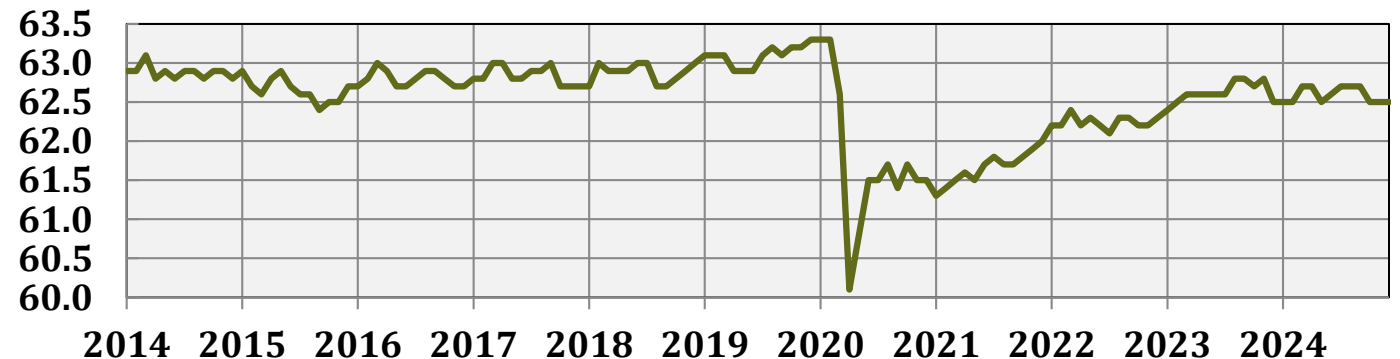
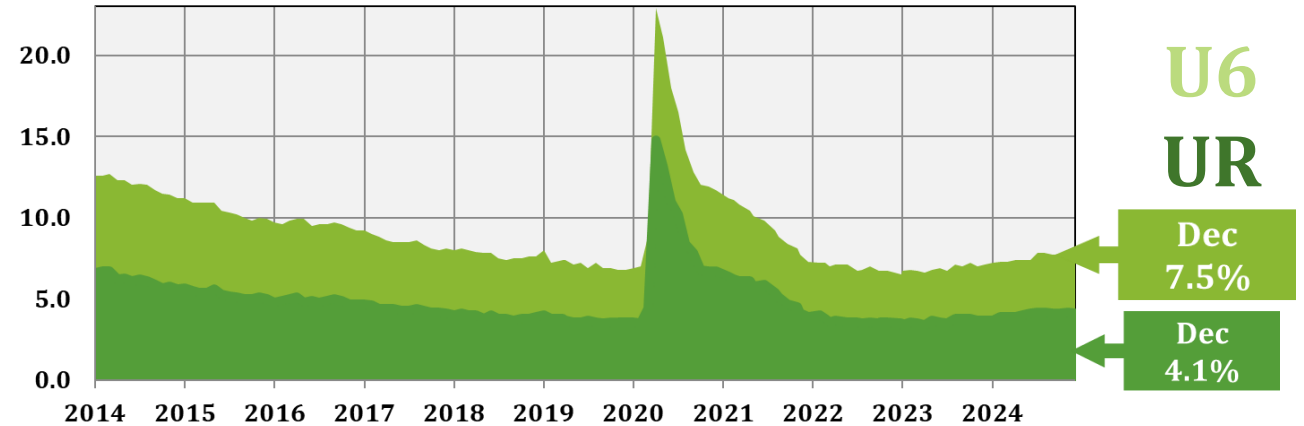
# U. S. Gross Domestic Product



Q3 2023-Q4 2024 2.66%

# Inflation/Interest Rates

- Consumer Inflation +2.9%
- Producer Prices +3.3%
- Job creation +265k
- Unemployment Rates
- Labor Force Participation
- Real Weekly Earnings +0.9%
- Tariffs



## Higher for Longer



# GDP: U.S. & DC Metro

## 2001 - 2023 (Billions, \$2017)

Compound  
Growth Rate

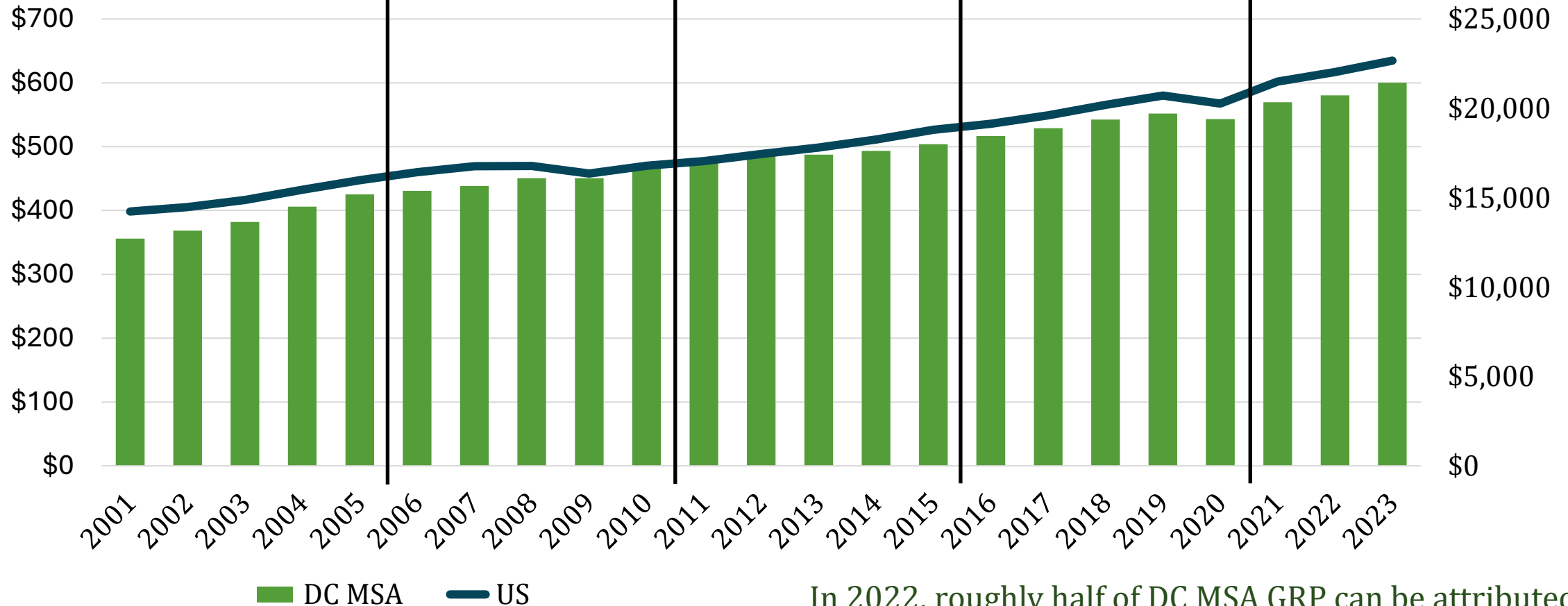
**DC** 4.5%  
**US** 3.0%

**2.4%**  
**0.5%**

**1.1%**  
**2.5%**

**1.3%**  
**1.4%**

**2.7%**  
**2.7%**



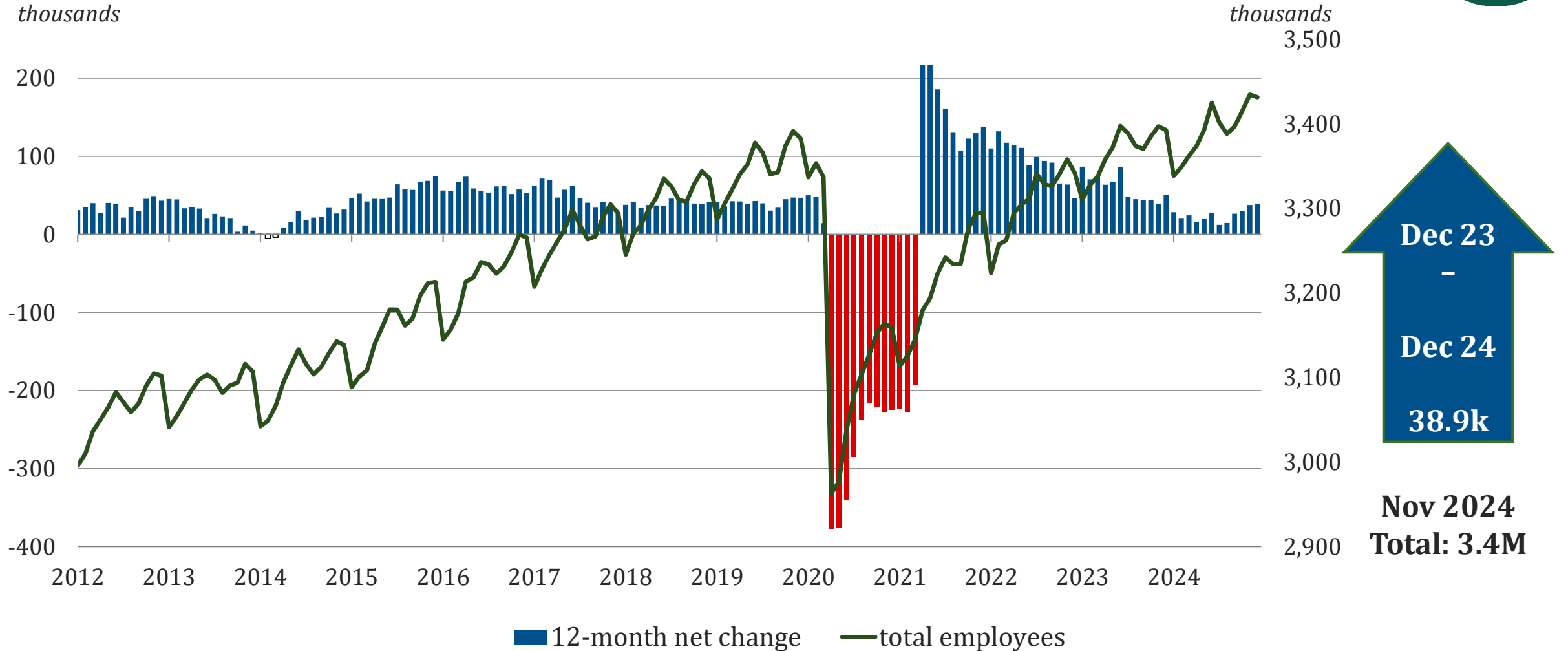
In 2022, roughly half of DC MSA GRP can be attributed to data centers built that year in Loudoun



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# Annual Job Change Washington MSA (2012-2024)



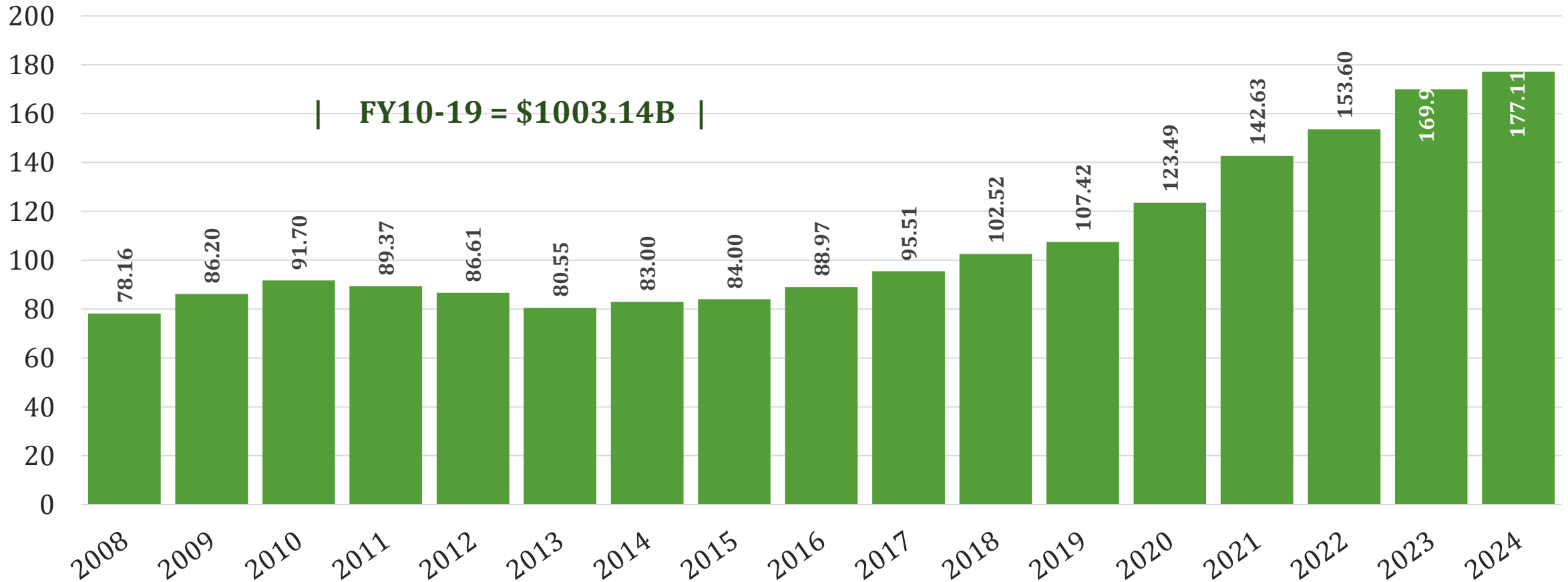
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Federal Procurement Spending in the Washington MSA

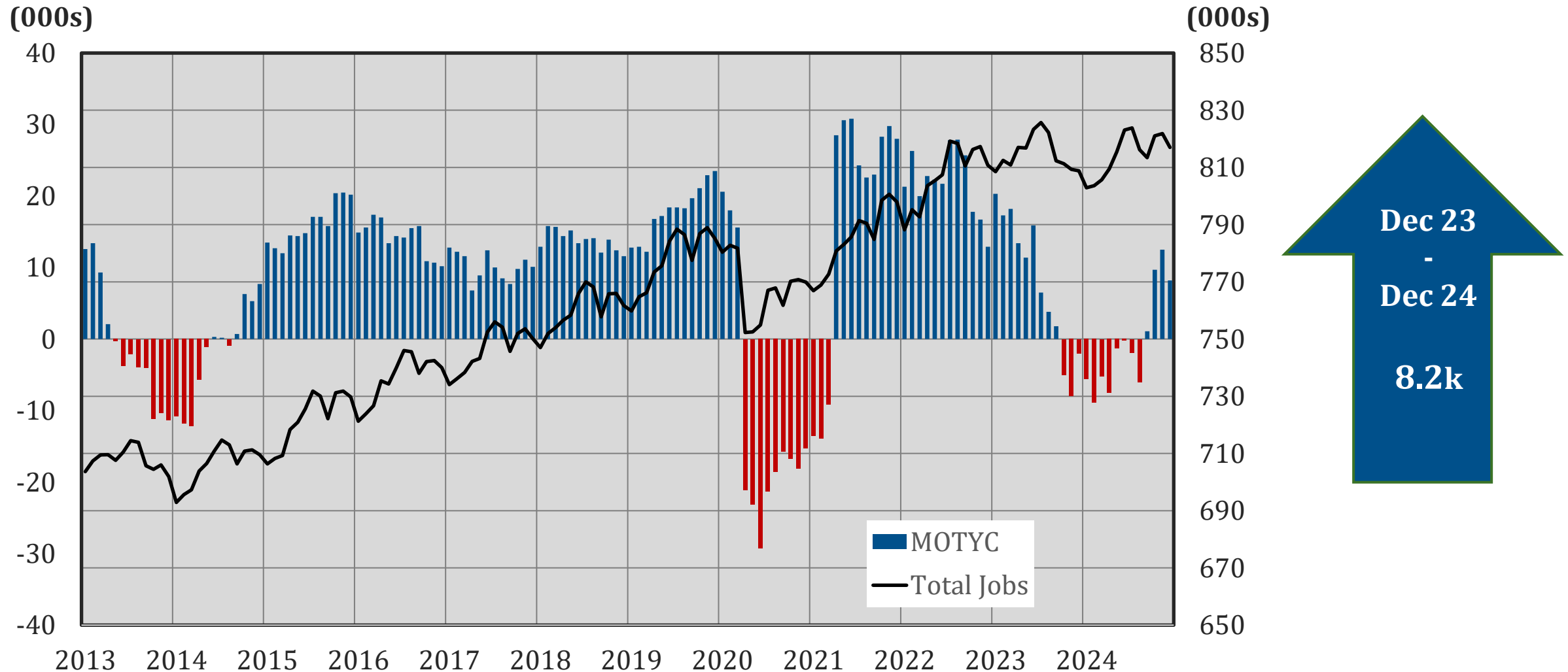
Fiscal Years 2008-2024

\$ Billions

Most Recent Year is Running Total



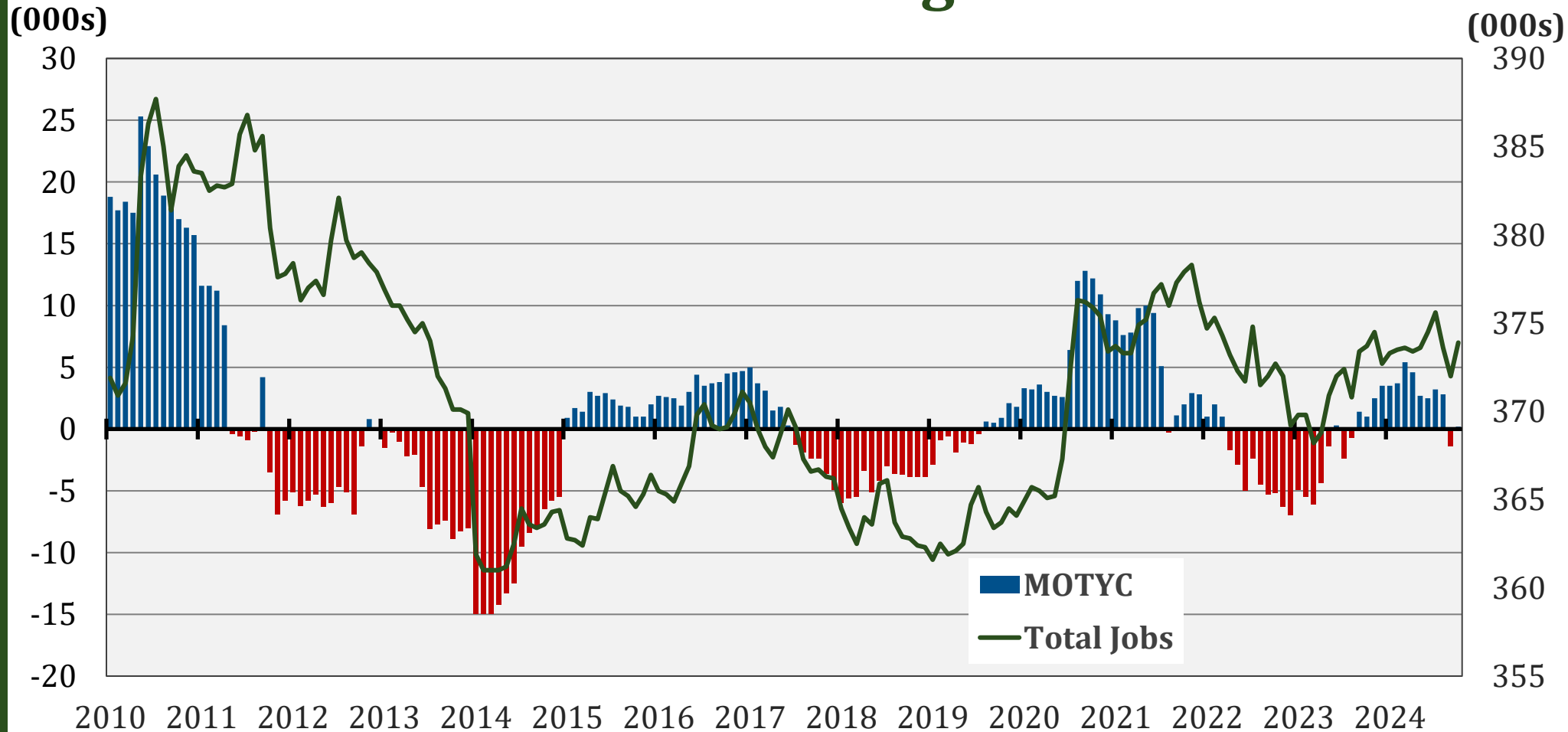
# Professional & Business Services Washington MSA





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# Federal Government Washington MSA



Dec 23  
-  
Dec 24  
2.6k

Dec 2024  
Total: 375k



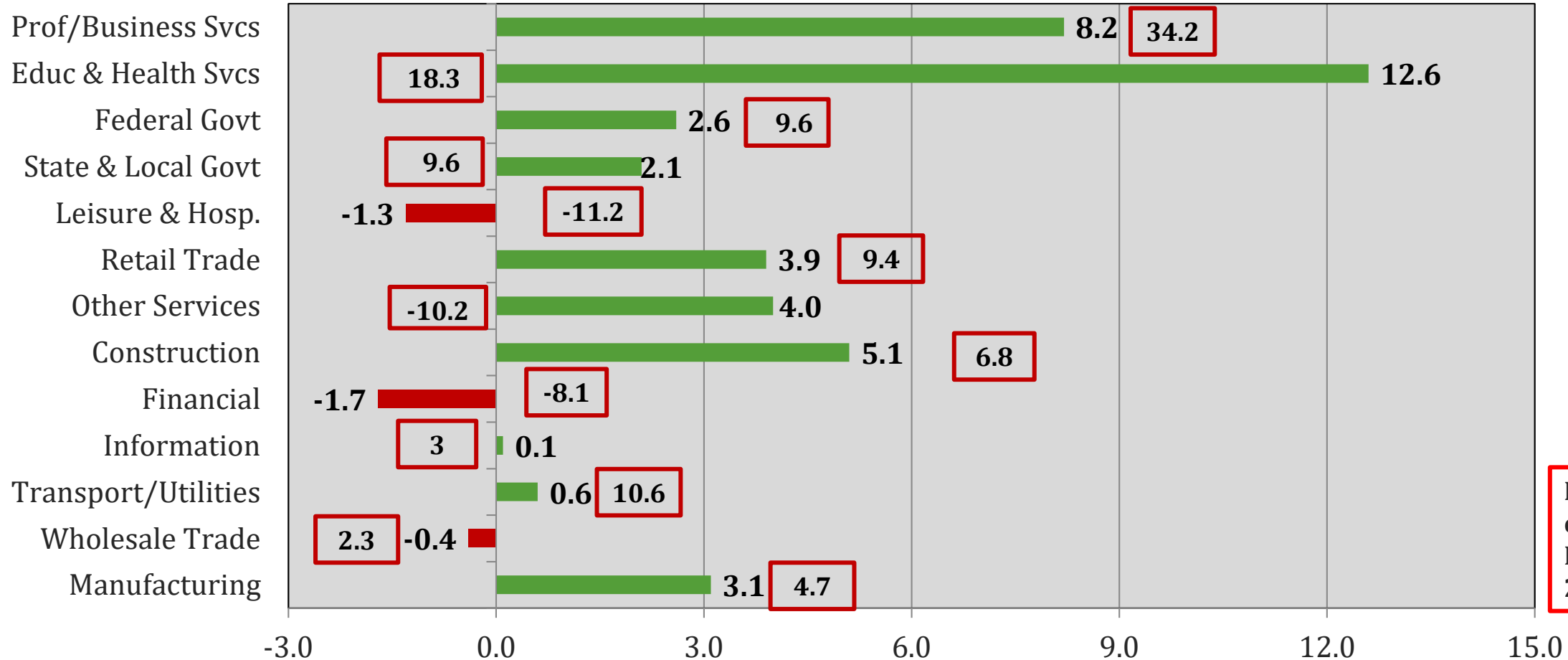
# Job Change by Sector Washington MSA

Dec 2023 – Dec 2024

(000s)

(Ranked by Size in 2019)

**Total = 38.9k**



**Employment  
change since  
February  
2020**

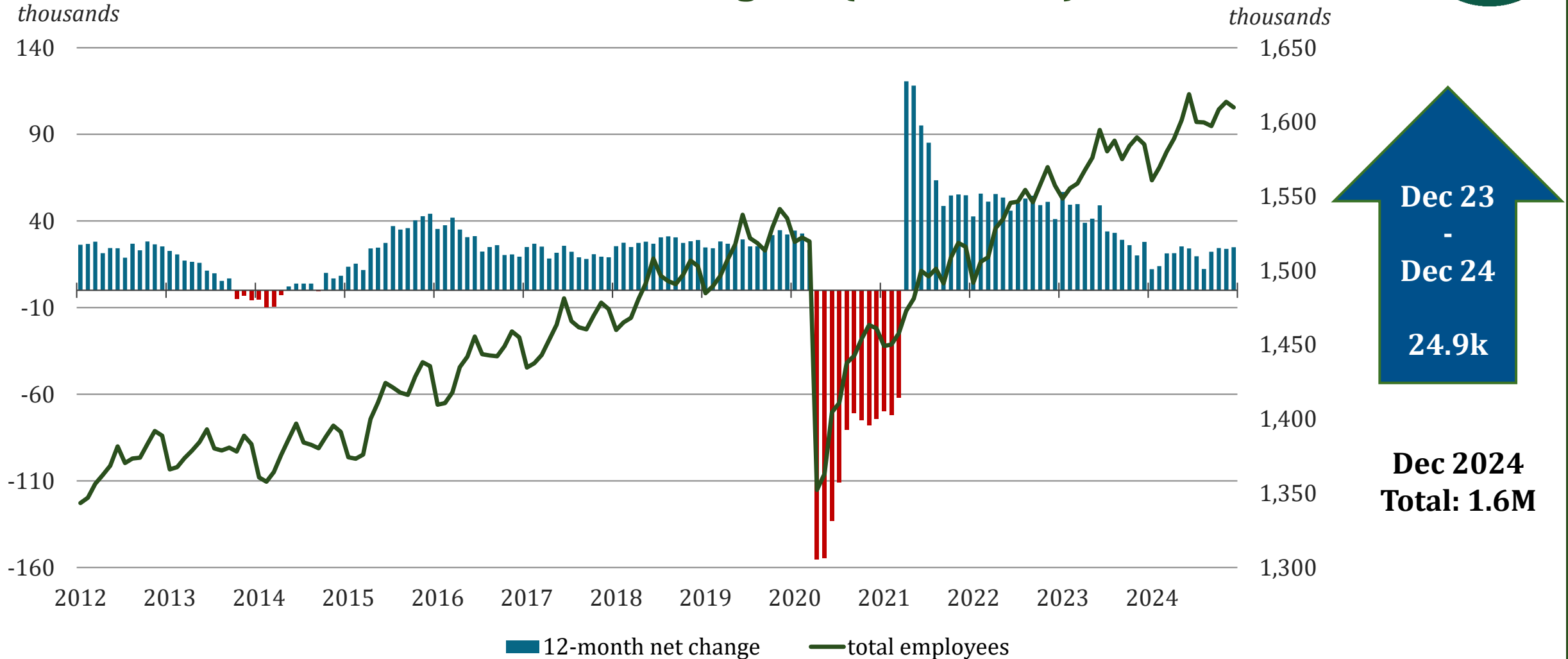


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# Annual Job Change

## Northern Virginia (2012-2024)



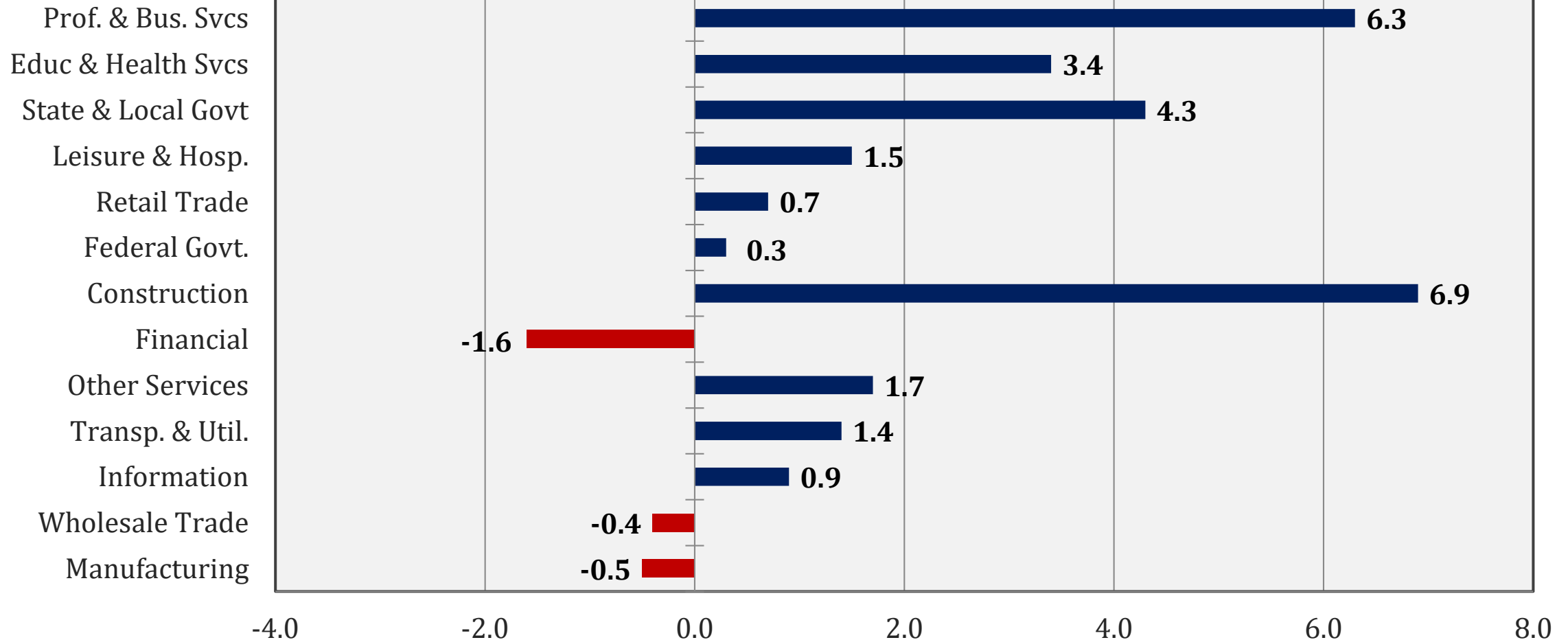
Source: Bureau of Labor Statistics (Not Seasonally Adjusted), GMU Center for Regional Analysis

# Job Change by Sector Northern Virginia

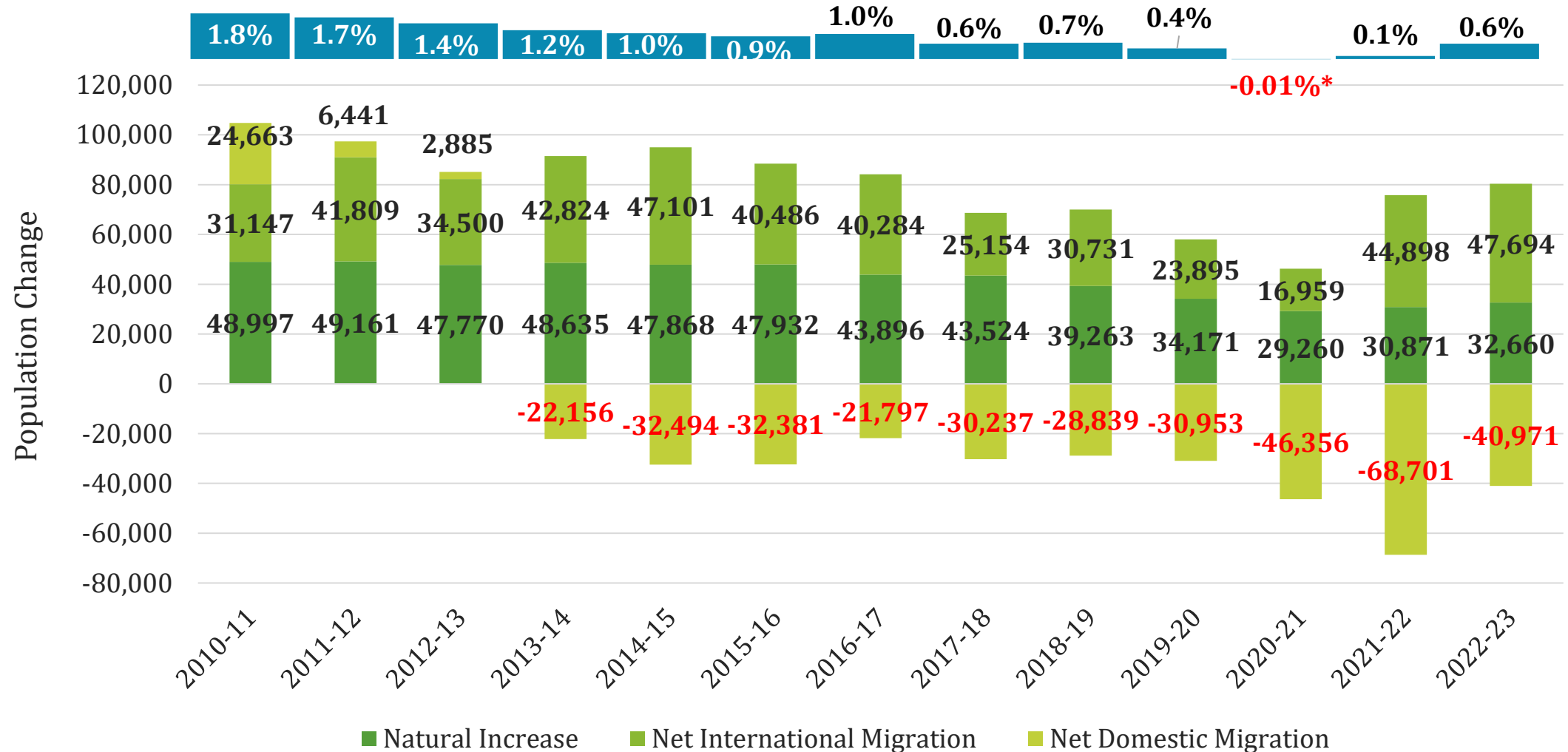
(Ranked by Size in 2019)

(000s)

**Total: +24.9k**



# Elements of Population Change Washington MSA



# Trump/DOGE Effects

## President-Elect has promised:

- Full return to office for federal workers
- Bust the swamp with Schedule F
- Relocate federal agencies/departments
- Lower government spending
- Deportations/restricting access

## Consider:

- Every federal job has an induced regional impact of about 0.4.
  - Contractors providing support
  - 2-3 regional jobs lost for every federal job
- Already seeing divergence in overall federal jobs and the DC region
- Procurement spending trend and contractor jobs diverging
- Role of AI in government
- Losing access to important support workers with strict immigration policies

# Some Things to Be Positive About – Maybe

- We have opportunities based on data centers and their customer industries
  - Be at the forefront of new energy tech, lowering impacts
- Getting unused/underused federal office inventory into the market?
- RFK
- Tysons casino??????
- Federal government will still be big
- Change land use regulations to be more competitive, and change attitudes

# Outlook & Path to Competitiveness

- **GRP Metro**

- **-0.5% to +1.4**

- **Job Growth**

- **Net -20 to +20k**

- **Real Estate**

- Adapting to changes in the utilization of the existing built environment
- Addressing housing affordability
- Get bureaucrats out of the way

- **Transportation:**

- Achieving cost effectiveness across a multimodal transportation network
- Finish what is started

- **Public-Private Partnerships**

- Rebuilding built environment
- Services: Childcare

- **Economic Development**

- Business attraction for now
- Entrepreneurial support for future
- Regional!
- Business led
- Embrace tech change
- Demand accountability
- Use courts to buy time to adjust

# Thank You

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