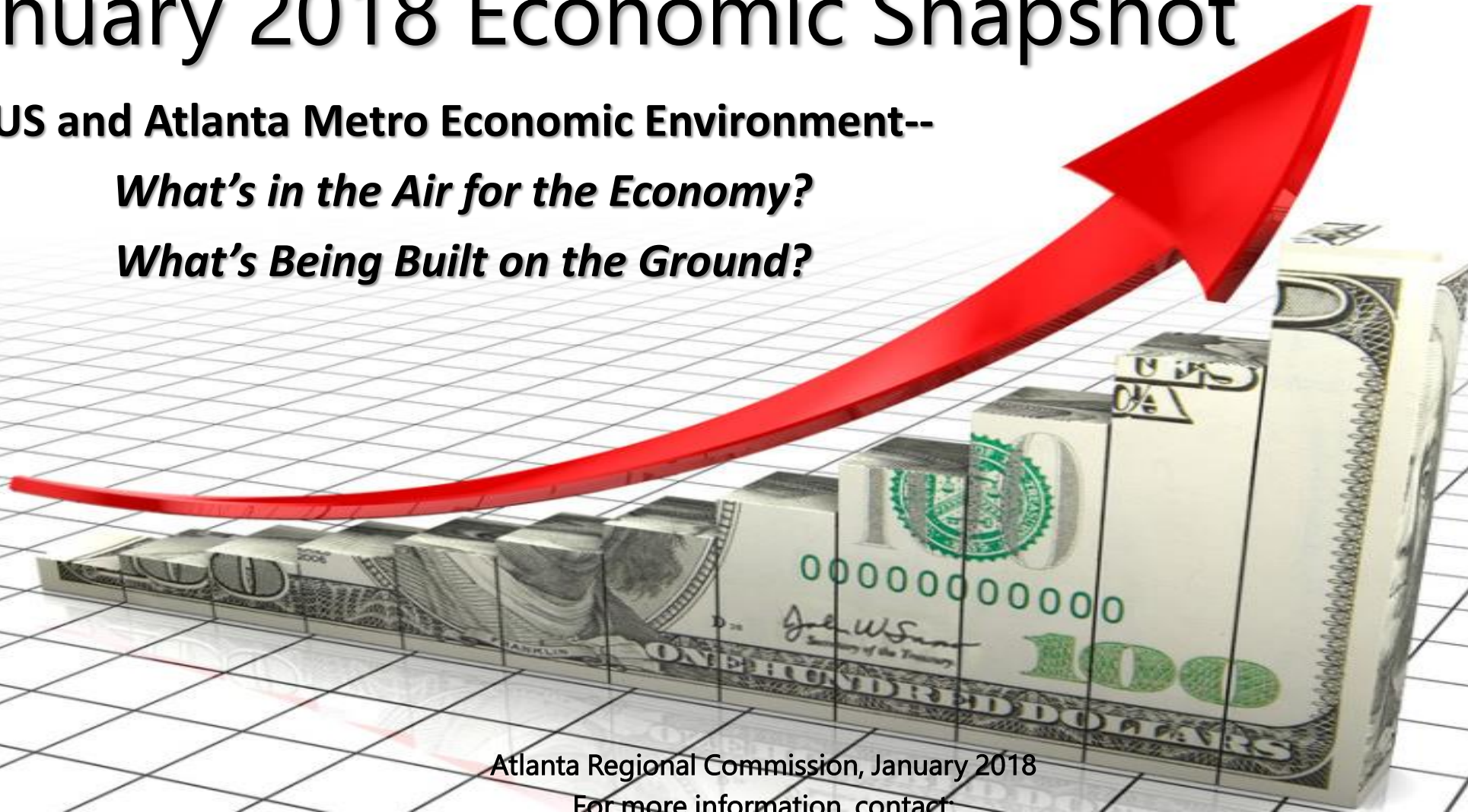


# January 2018 Economic Snapshot

US and Atlanta Metro Economic Environment--

*What's in the Air for the Economy?*

*What's Being Built on the Ground?*



Atlanta Regional Commission, January 2018

For more information, contact:

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## Key Points

Metro Atlanta continues to be a national leader in job growth

Strongest employment growth found in higher-paying sectors

Wages are finally seeing positive annual growth, but growth is still sluggish

Home prices finally above pre-recession peak

Metro Atlanta still has high levels of distressed housing

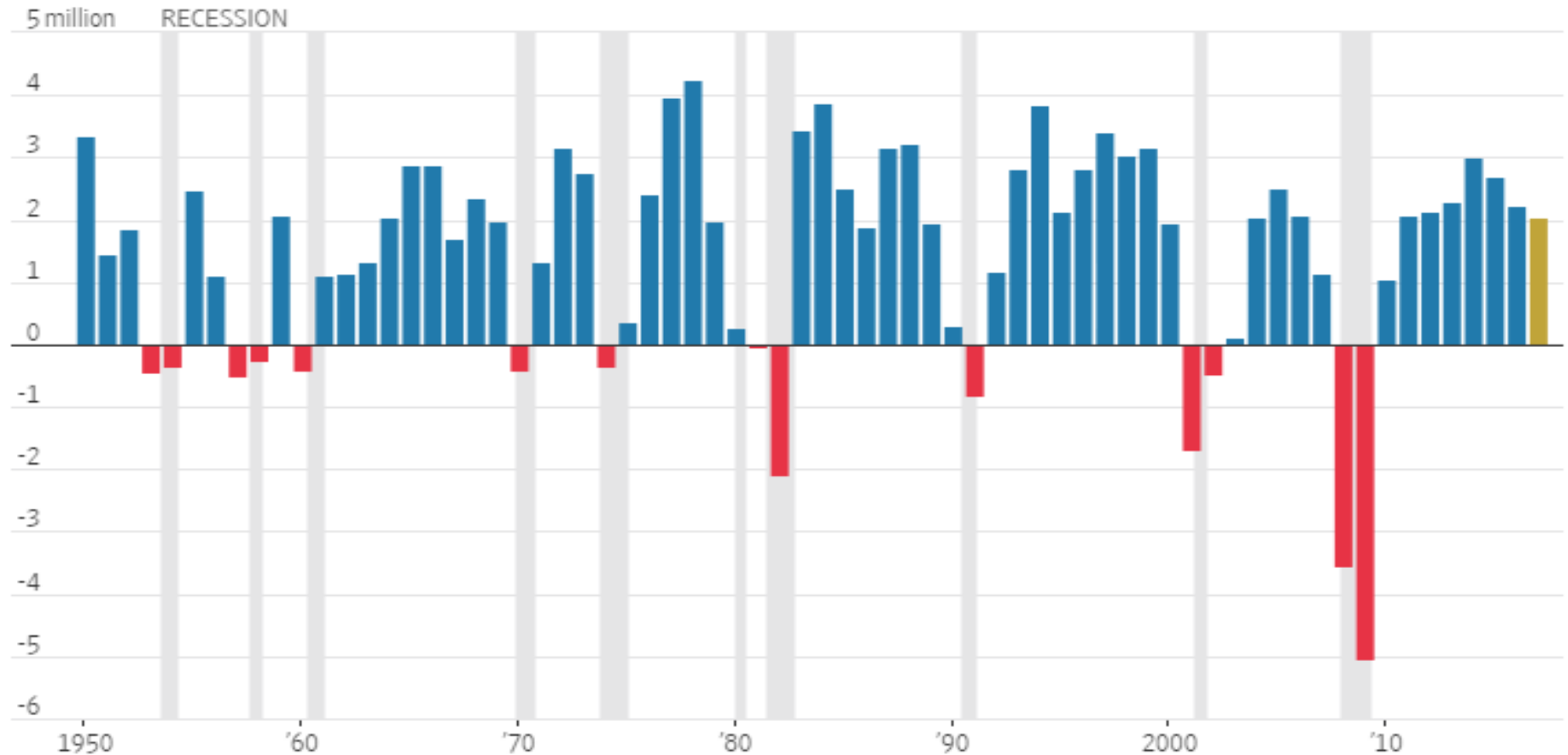
There are roughly five million square feet of office space and almost two million square feet of retail space currently under construction in metro Atlanta

# The Very Big Picture: USA Job Trends 1950 to “Now”

The national economy has seen seven years of job gains since the Great Recession officially ended in 2010. The recovery was not as dramatic/ rapid as that seen in previous Recessions, but has been “sustained”.

## Annual Employment

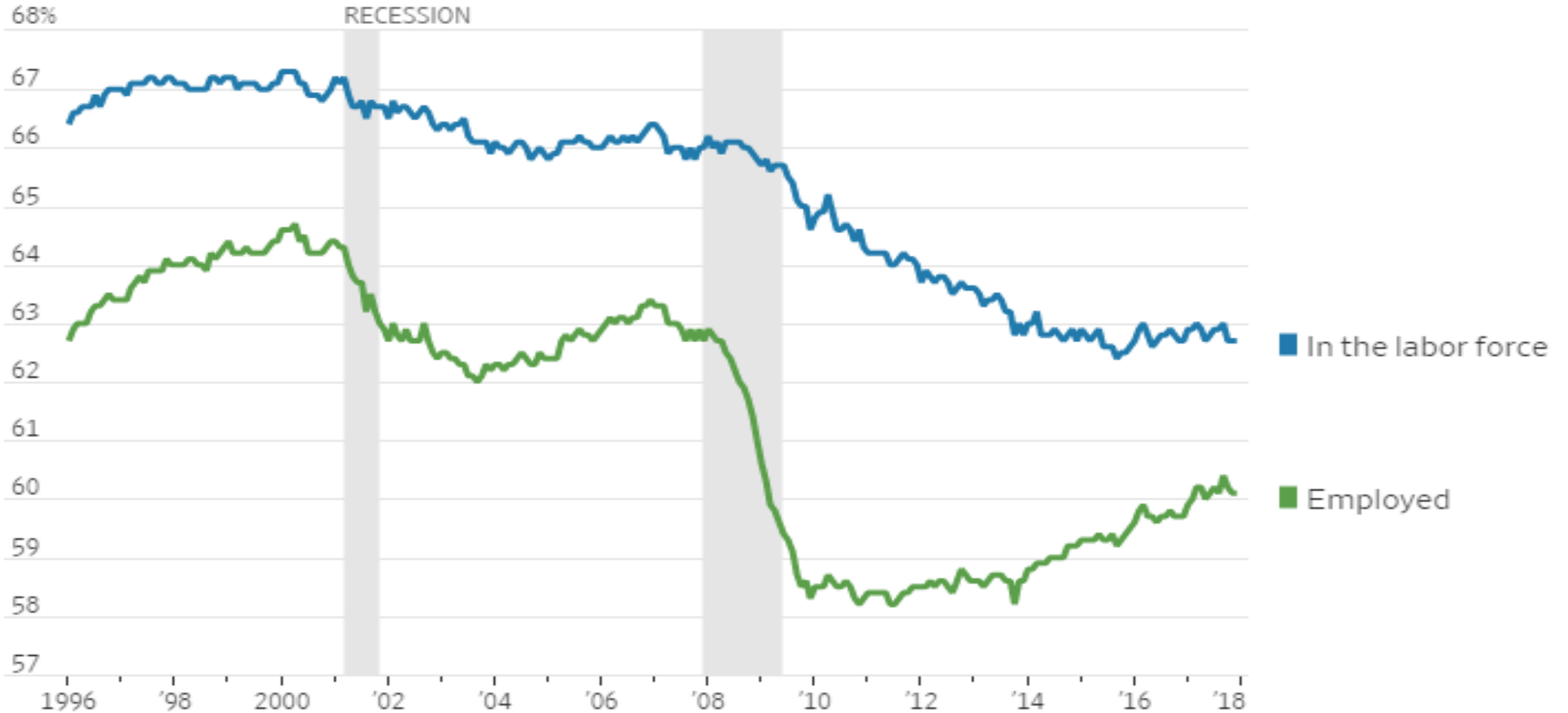
Change in nonfarm payrolls from end of prior year



Note: Seasonally adjusted  
Source: Labor Department



# The Very Big Picture: National Labor Force Participation Rate Steadying After Years of Decline



Note: Seasonally adjusted  
Source: Labor Department

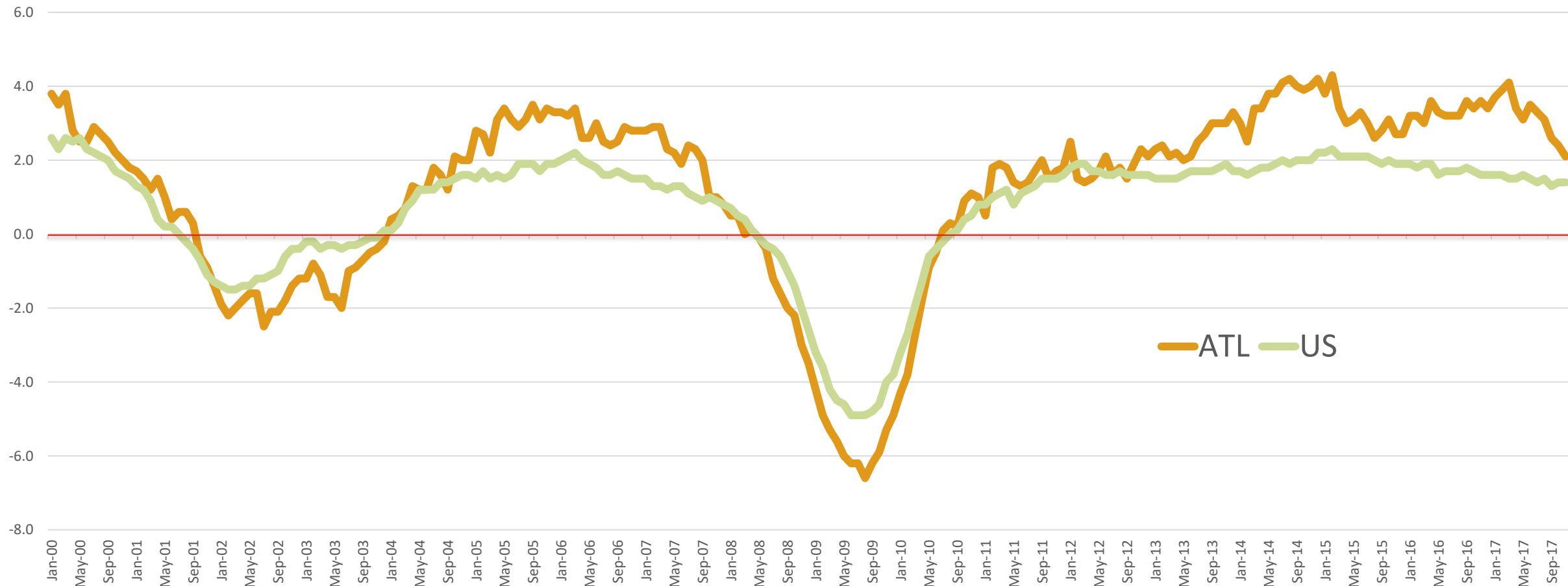
# Metro Atlanta's GDP Up Nearly 19 Percent Since 2010

(In millions of Chained Dollars \$2009)

	2010	2011	2012	2013	2014	2015	2016	GDP Change: 2010-2016	GDP Change: 2015-2016
New York	1,321,890	1,325,597	1,364,250	1,367,357	1,391,582	1,413,281	1,426,027	7.9%	0.9%
Los Angeles	754,535	760,055	782,013	796,785	827,992	866,578	884,836	17.3%	2.1%
Chicago	522,484	529,860	545,392	543,676	552,758	563,789	568,969	8.9%	0.9%
Dallas	359,152	372,206	391,232	412,265	432,289	457,409	471,278	31.2%	3.0%
Washington	426,285	432,811	435,149	431,879	434,050	444,442	449,293	5.4%	1.1%
Houston	372,614	385,028	408,515	425,043	434,848	456,245	442,458	18.7%	-3.0%
San Francisco	321,982	321,282	337,958	350,660	367,608	385,619	406,294	26.2%	5.4%
Philadelphia	344,835	346,289	352,056	363,869	366,687	375,200	381,332	10.6%	1.6%
Boston	325,698	332,700	340,681	342,706	350,209	364,136	371,577	14.1%	2.0%
<b>Atlanta</b>	<b>269,939</b>	<b>274,621</b>	<b>278,537</b>	<b>288,509</b>	<b>299,881</b>	<b>308,761</b>	<b>320,171</b>	<b>18.6%</b>	<b>3.7%</b>
Seattle	240,771	245,216	256,930	264,336	273,702	281,373	293,551	21.9%	4.3%
Miami	247,557	247,940	254,161	251,037	267,639	280,390	287,775	16.2%	2.6%
San Jose	161,534	172,532	178,834	188,663	202,592	223,759	236,855	46.6%	5.9%
Detroit	196,263	203,896	208,204	209,372	213,402	219,200	223,835	14.0%	2.1%
Minneapolis	195,810	201,598	202,891	206,171	212,880	215,881	217,566	11.1%	0.8%
Phoenix	178,640	182,413	187,477	188,076	193,190	198,049	203,253	13.8%	2.6%
San Diego	173,446	179,174	181,381	186,894	189,206	189,998	190,656	9.9%	0.3%
Denver	151,224	153,031	157,916	159,987	169,519	176,148	180,446	19.3%	2.4%
Baltimore	150,990	154,141	155,582	156,911	158,780	160,687	164,545	9.0%	2.4%
Portland	141,374	148,621	142,586	138,916	141,338	147,412	151,817	7.4%	3.0%

# Metro Atlanta Outperforming Nation Last 5 Years

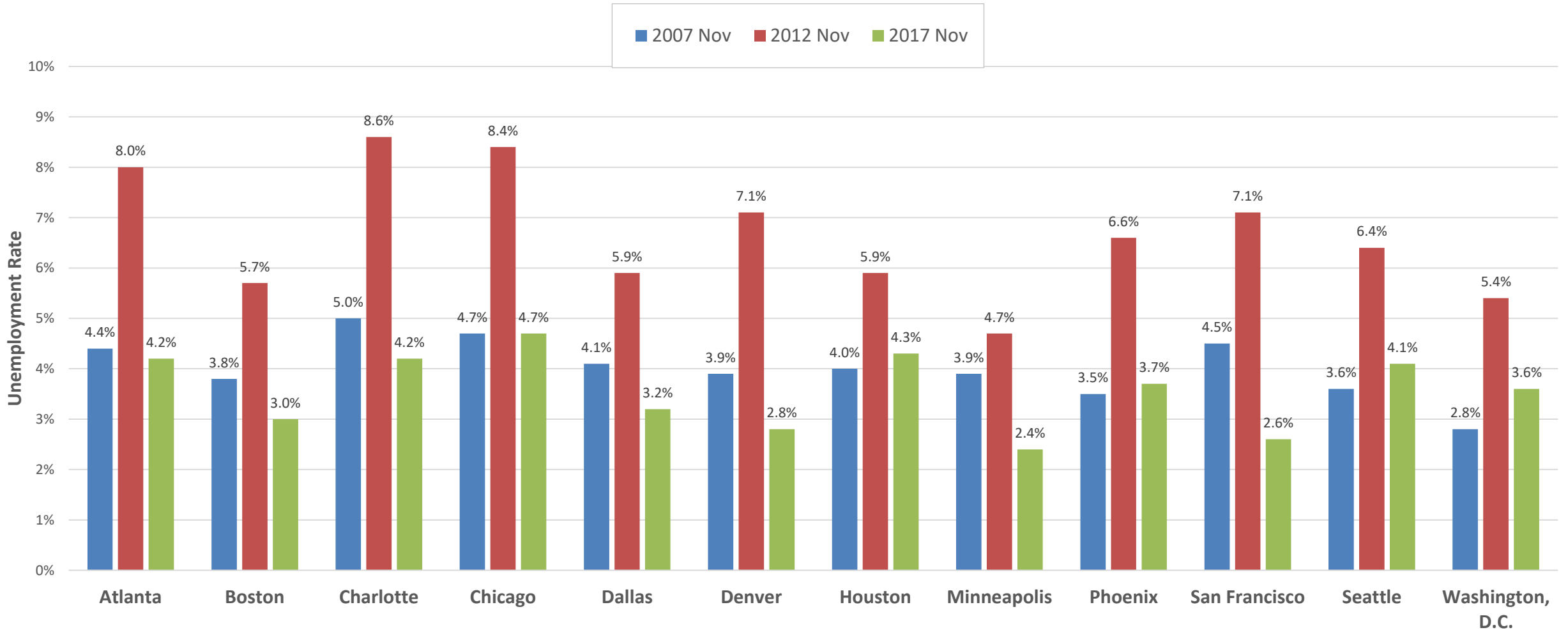
Year-Over-Year Percent Change in Total Employment



Year-over-year, metro Atlanta’s employment growth rate has been stronger than that of the nation’s for the last five years. Note, however, that the growth rate has slowed since the middle of 2017.

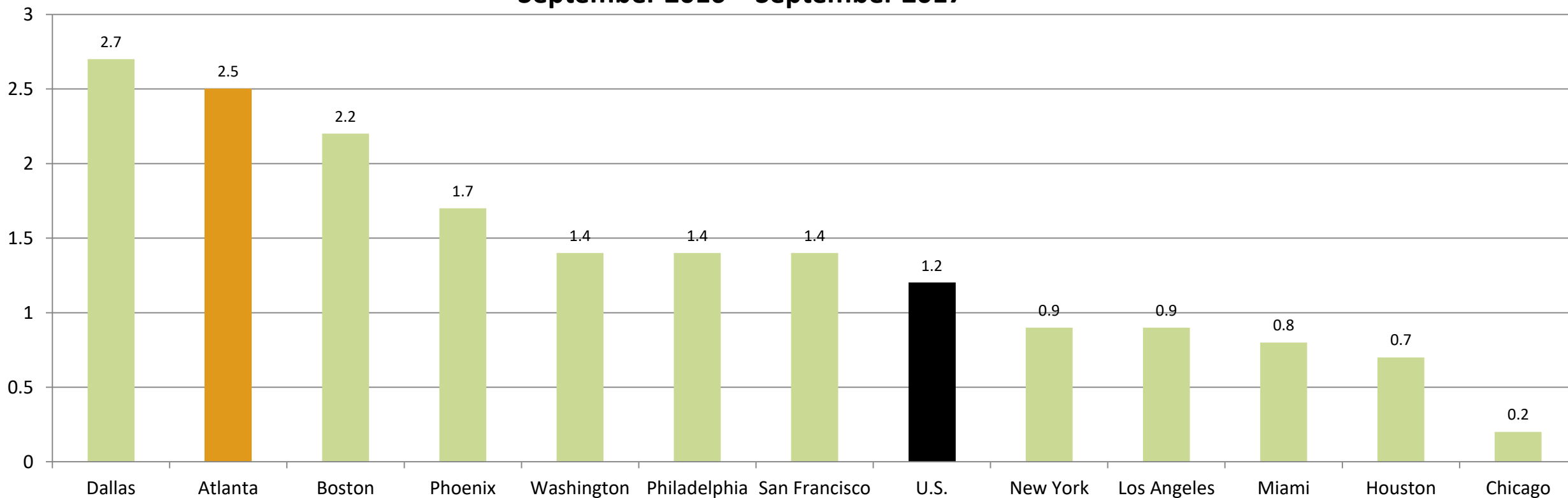
# Unemployment Rates Low Everywhere in Peer Metros- Relatively High for Metro Atlanta

## Unemployment



## ***Metro Atlanta #2 in job growth, year-over-year***

**Year-Over-Year Percent Change in Nonfarm Employment  
September 2016 – September 2017**

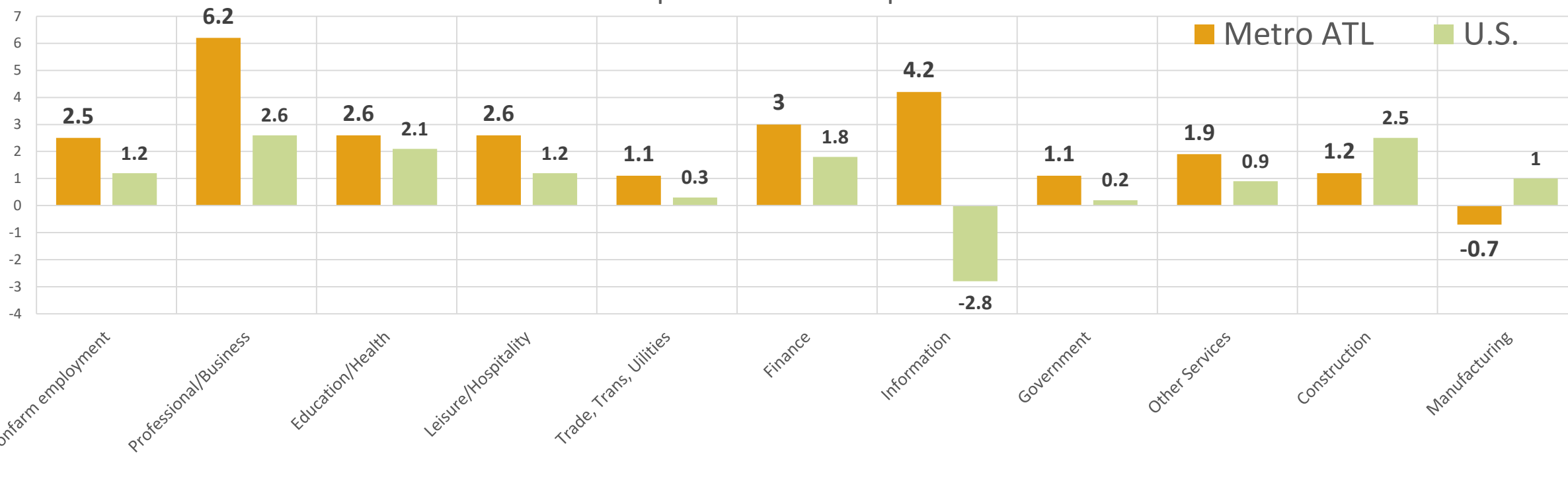


Metro Atlanta ranks second among the 12 largest metro areas in year-over-year job growth for the September 2016 to September 2017 period.



## Metro Atlanta Strong in Higher-Paying Sectors

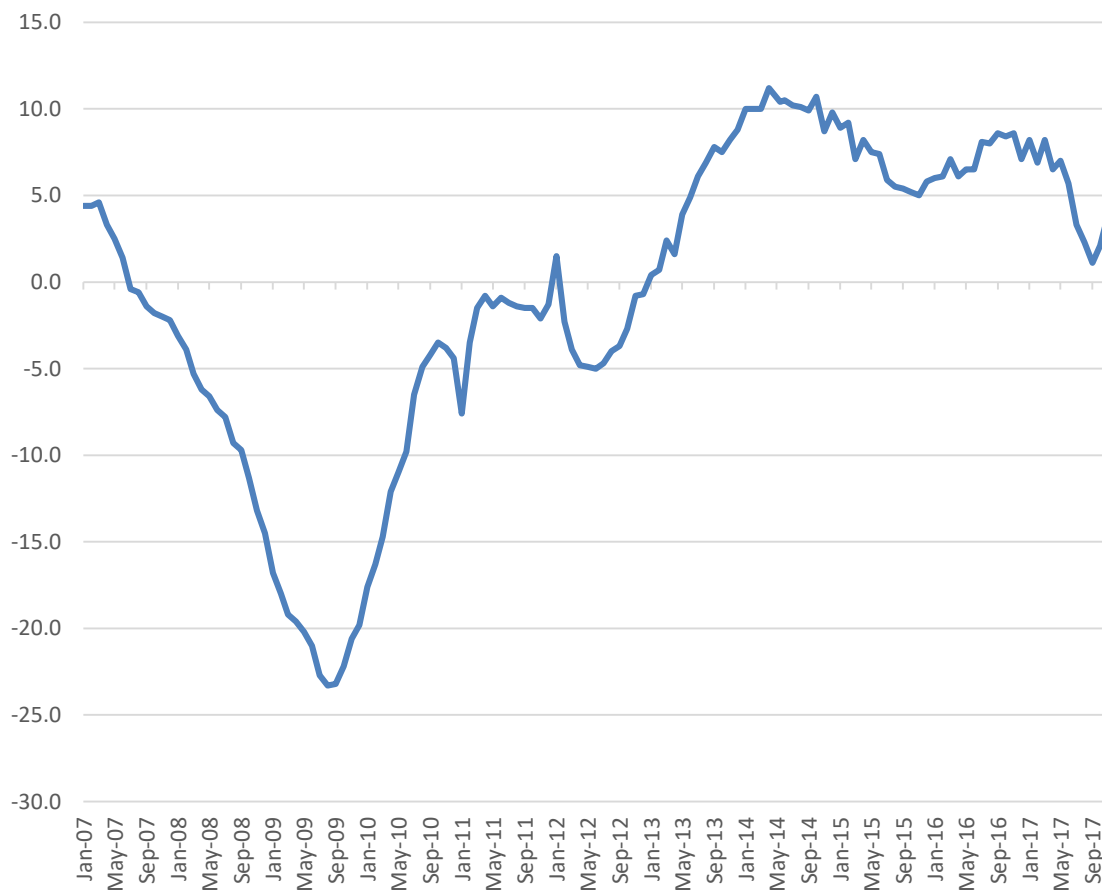
Year-Over-Year Percent Change in Employment, By Super Sector  
September 2016- September 2017



In metro Atlanta, year-over-year September 2016 to September 2017, the Professional/Business Services and Information sectors experienced the strongest growth, significantly outpacing national growth in these sectors.

# A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Construction



Manufacturing



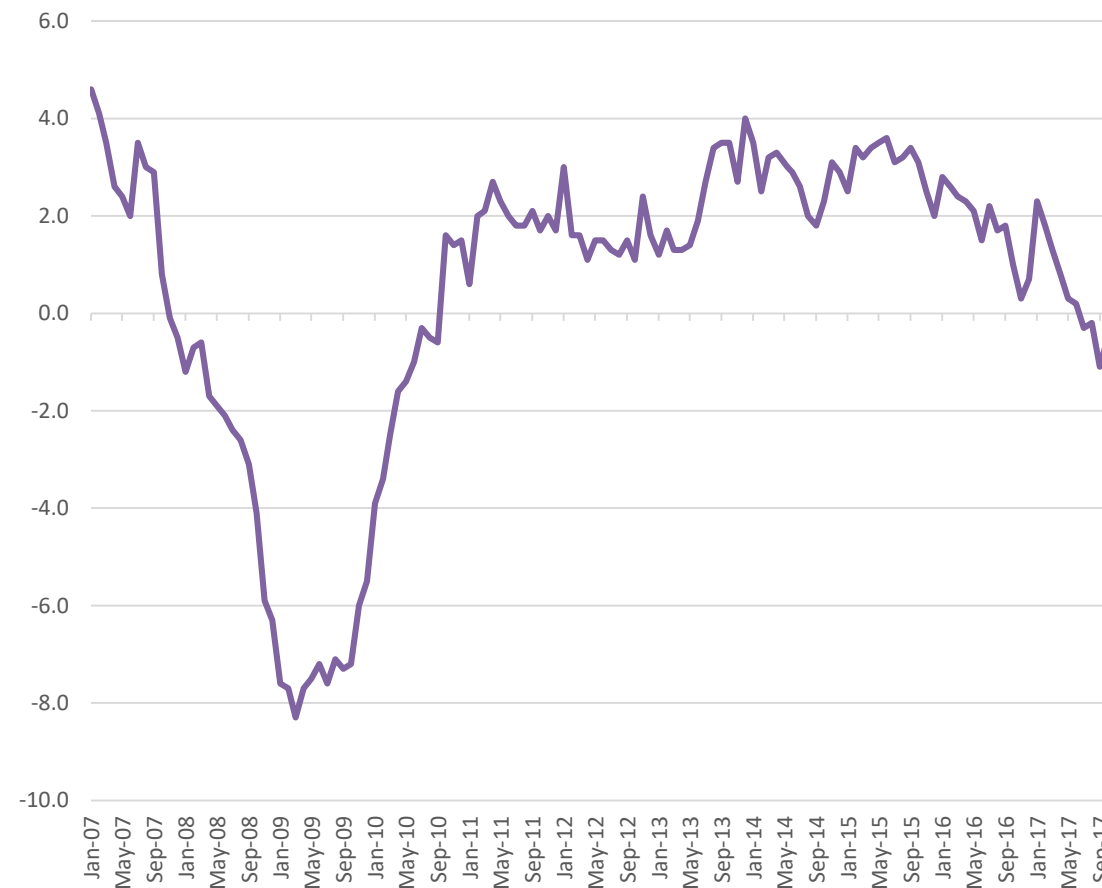
While both Construction and Manufacturing employment rebounded from the Great Recession, both sectors struggled in the second half of 2017, with employment declining in the Manufacturing sector.

# A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Wholesale Trade



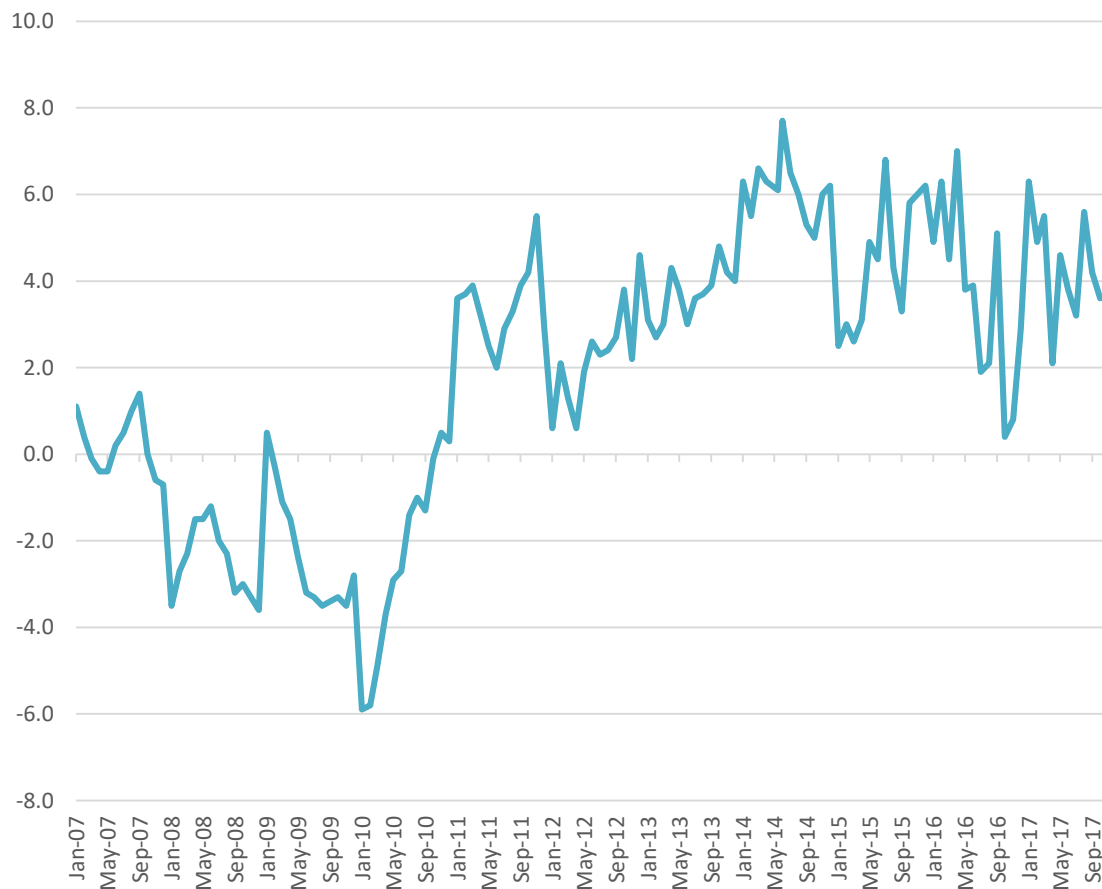
Retail



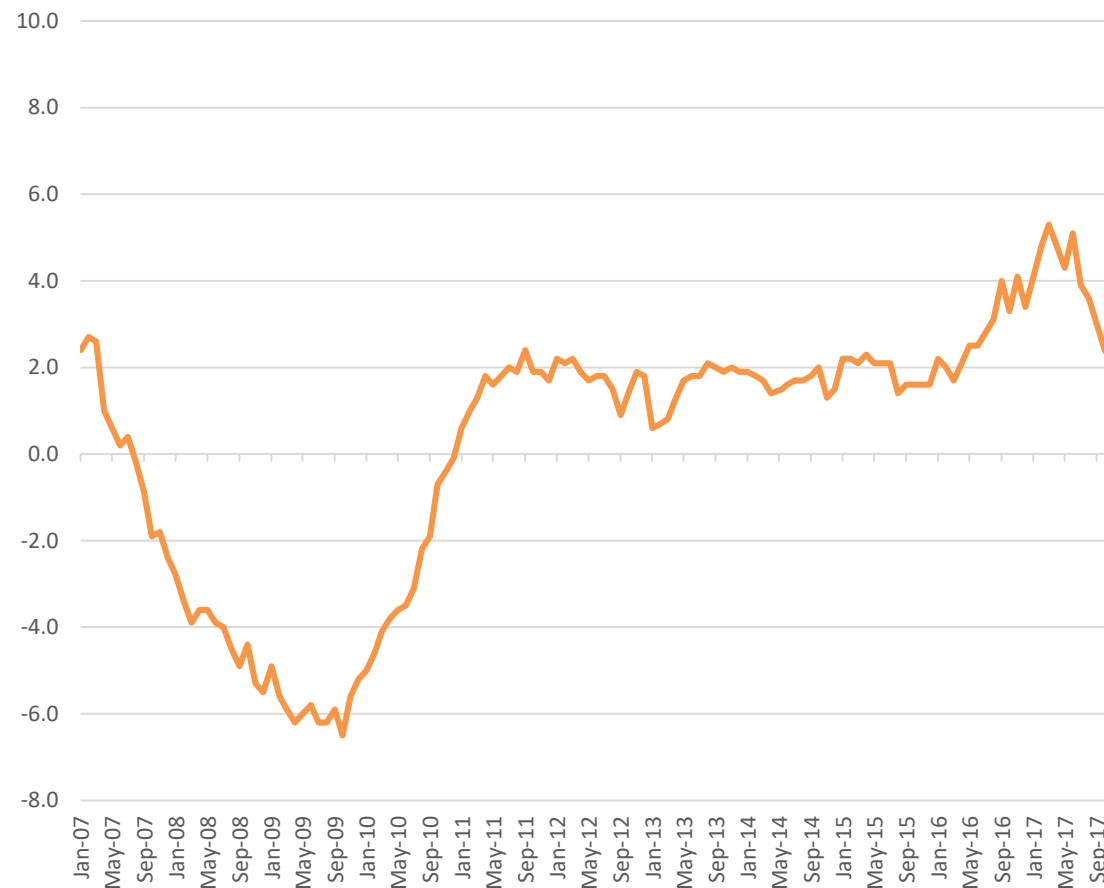
Growth in the Wholesale Trade has been strongly positive for about four years, while employment in the retail sector has trended down since late 2014, and declined late in 2017.

# A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Information



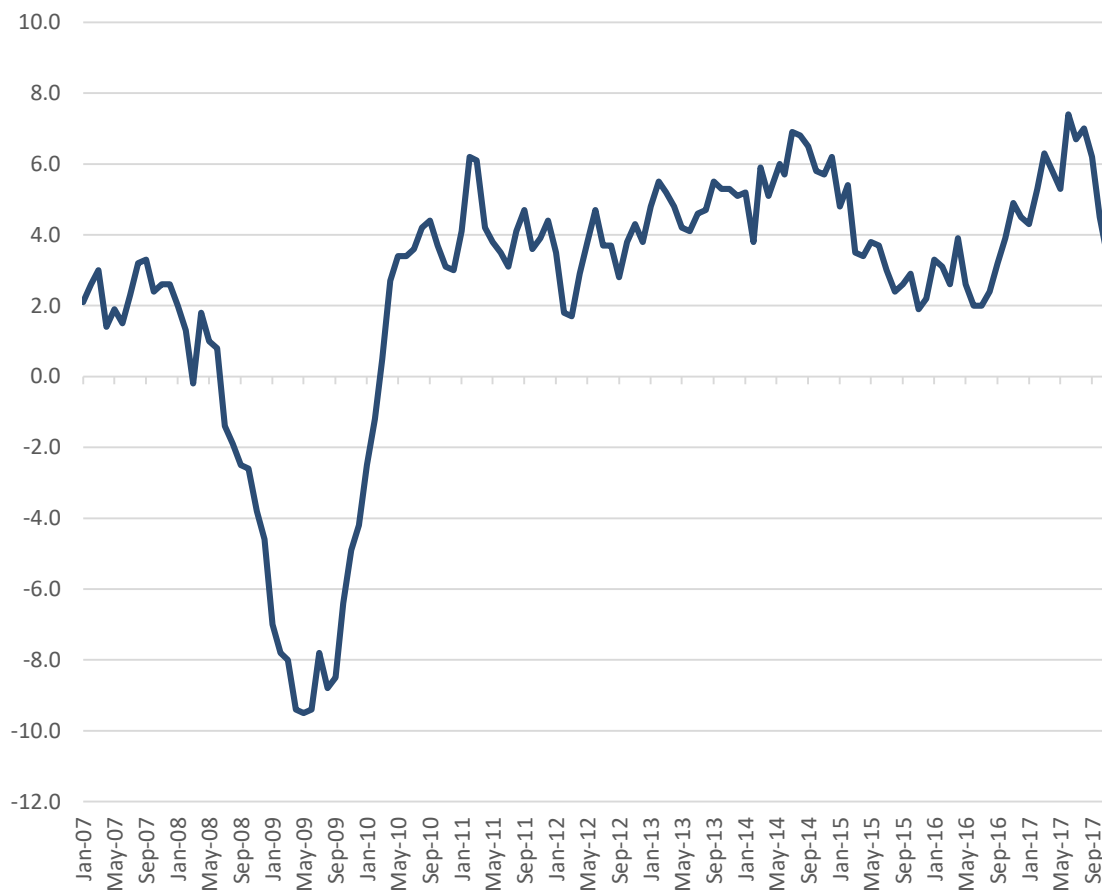
Finance



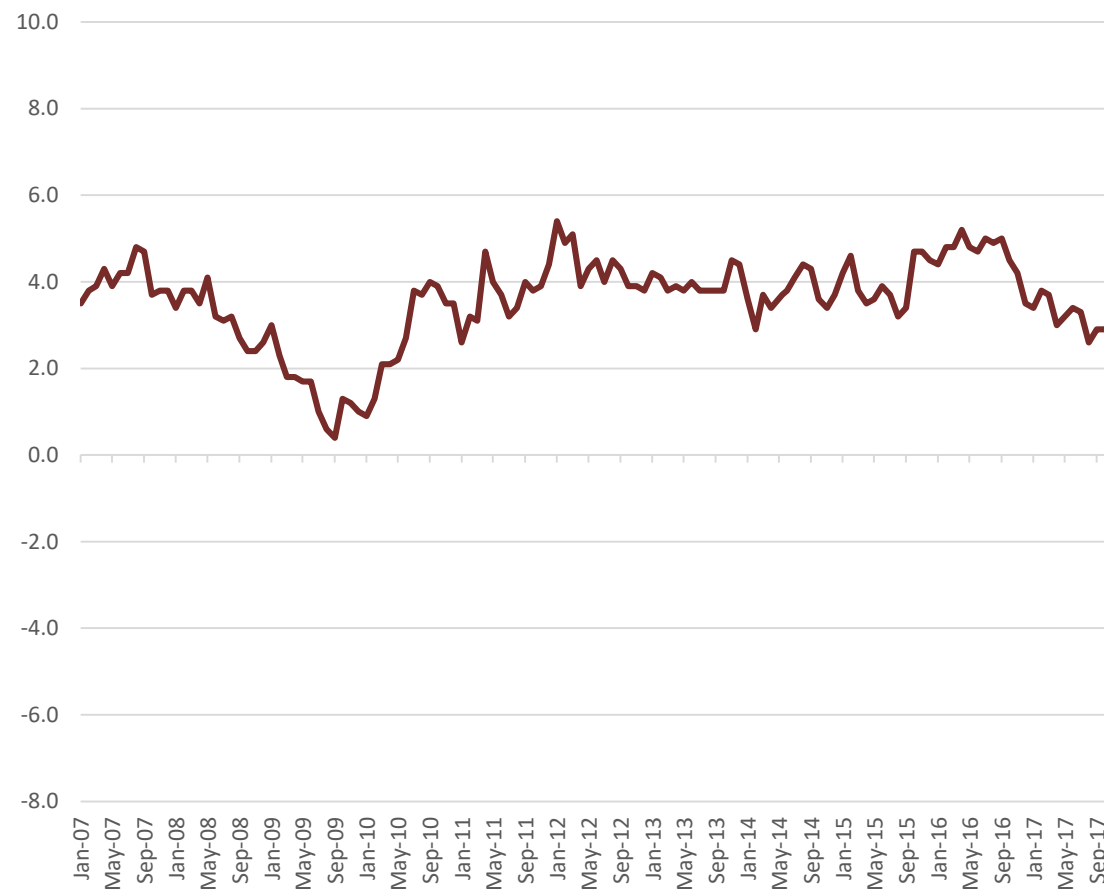
The Information and Finance sectors, two sectors that have relatively high overall wages, have experienced strong growth since the great recession, consistently adding jobs over the time period.

# A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

Professional/Business



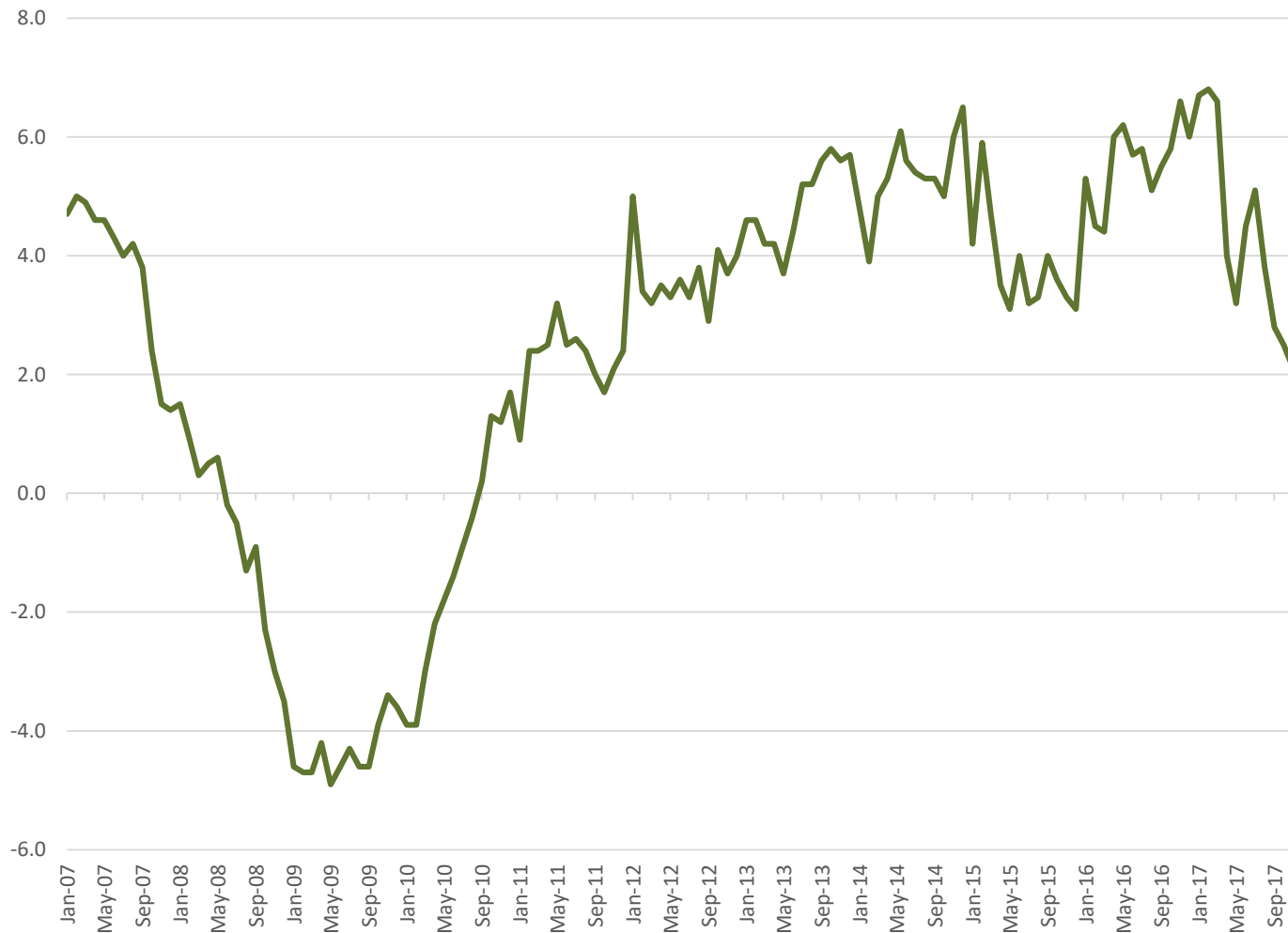
Education/Health



Like the Information and Finance Sectors, employment growth in the Professional/Business sector has been positive each month since February of 2010. Employment growth in Education/Health have also remained steadily positive.

# A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)

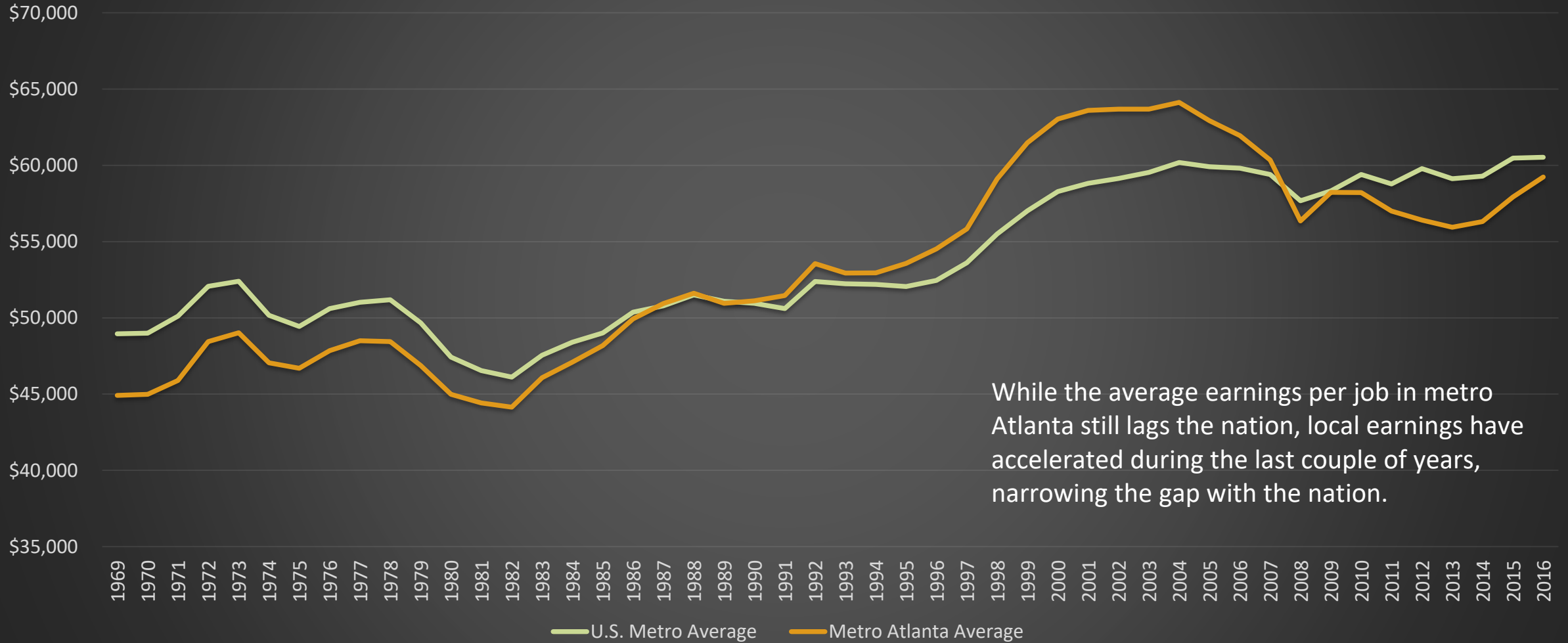
## Leisure



Employment growth in the Leisure/Hospitality sector has been strong as well, although it experienced significant dips since fall of 2016.

# Jobs Earnings Falling Behind in Metro Atlanta

## Earnings per Job (\$2016)



While the average earnings per job in metro Atlanta still lags the nation, local earnings have accelerated during the last couple of years, narrowing the gap with the nation.

# Jobs Earnings the Same Today As in 1998

Earnings per Job – Metro Atlanta (\$2016)



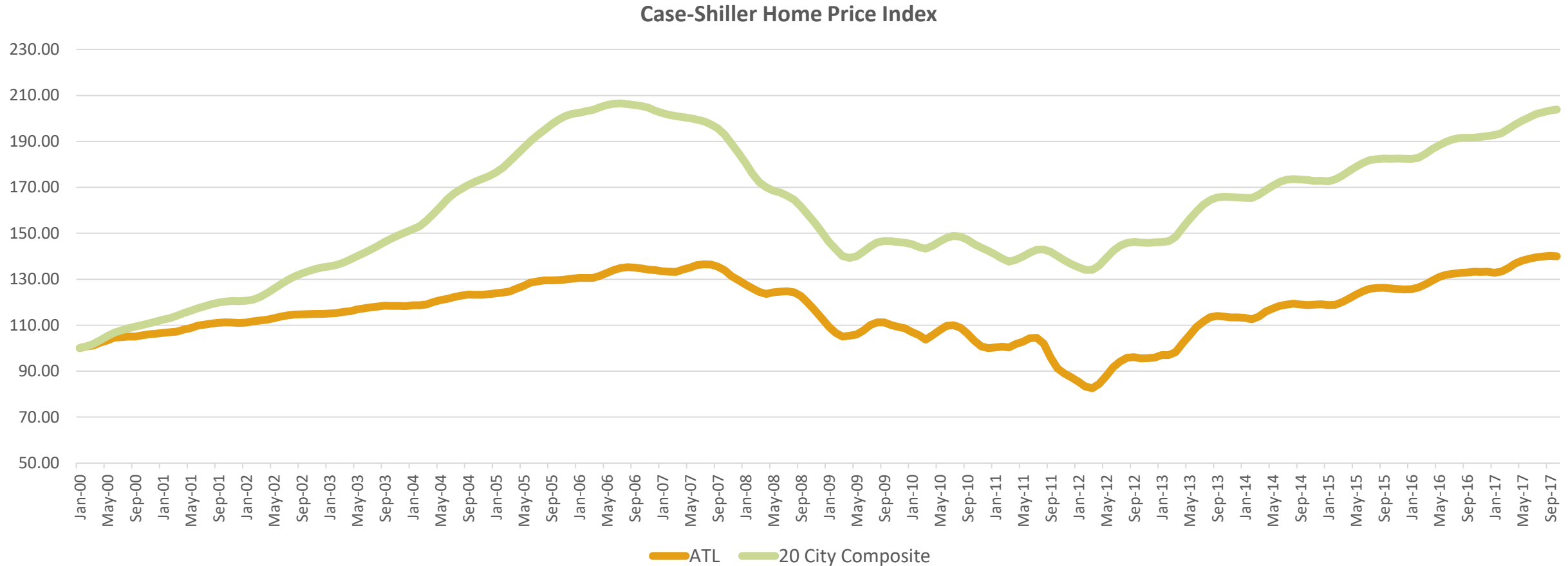


## Average Hourly Wage by Selected Occupation

Overall, the average pay in metro Atlanta is higher. But in exploring wages by selected occupations, wages for lower-wage occupations pay less in metro Atlanta than they do in the nation as a whole.

Occupation	Atlanta Area	United States
Total, All Occupations	\$24.38	\$23.86
Financial Managers	71.48	67.17
General/Operations Managers	59.90	58.70
Computer Systems Analysts	45.89	44.05
Management Analysts	45.65	44.19
Accountants/Auditors	38.02	36.89
Registered Nurses	32.63	34.70
Customer Service Reps	17.46	16.91
Construction Laborers	17.00	18.22
Retail Salespersons	12.25	13.07
Cashiers	9.63	10.43
Waiters/Waitresses	9.25	11.73
Cooks, Fast Food	8.99	9.89

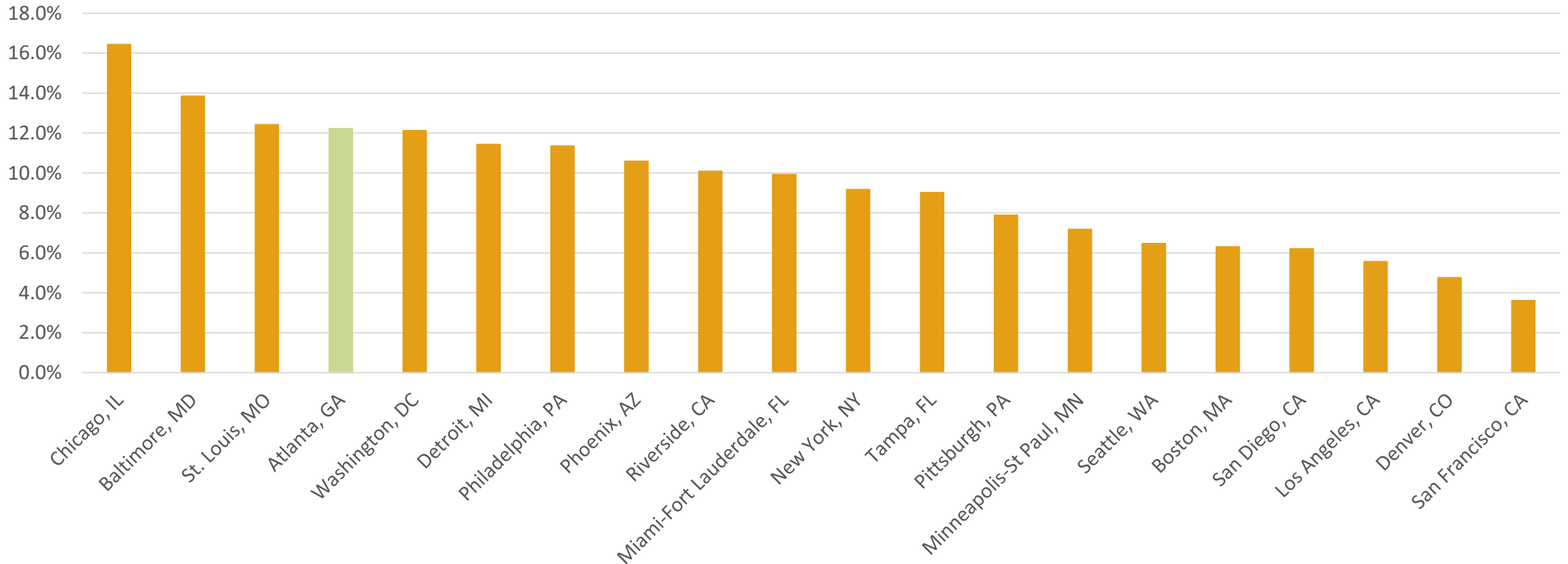
# Home Prices Exceed Pre-Recession Peak



Home prices in metro Atlanta are higher today than during they were at the pre-recession peak; they have been for the last four months (per Case-Shiller). Home prices in Atlanta are still lower than the 20 largest city composite prices, however.

# Still Struggles With Housing Costs, Though

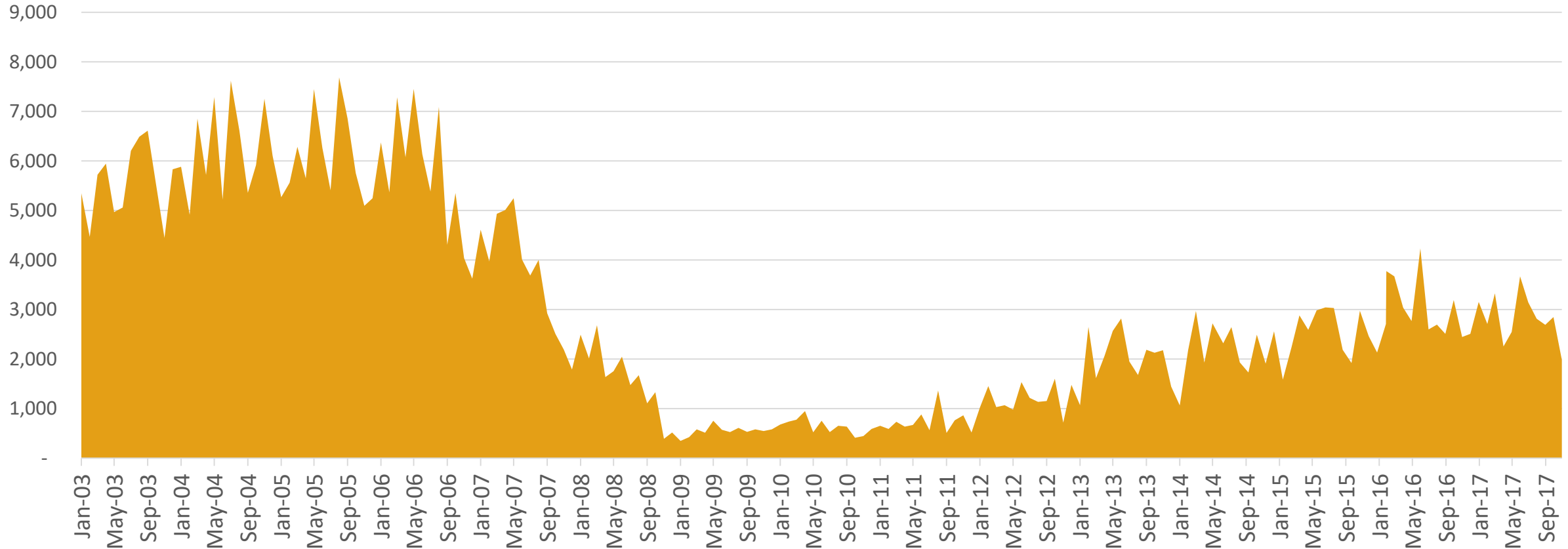
% of Homes, with mortgage, with Negative Equity



While home prices have finally eclipsed their pre-recession peak, Atlanta ranks fourth out of the 20 largest markets in the percentage of homes that have negative equity (owners owe more than what the house is worth)

# Total Residential Units Authorized by Building Permit

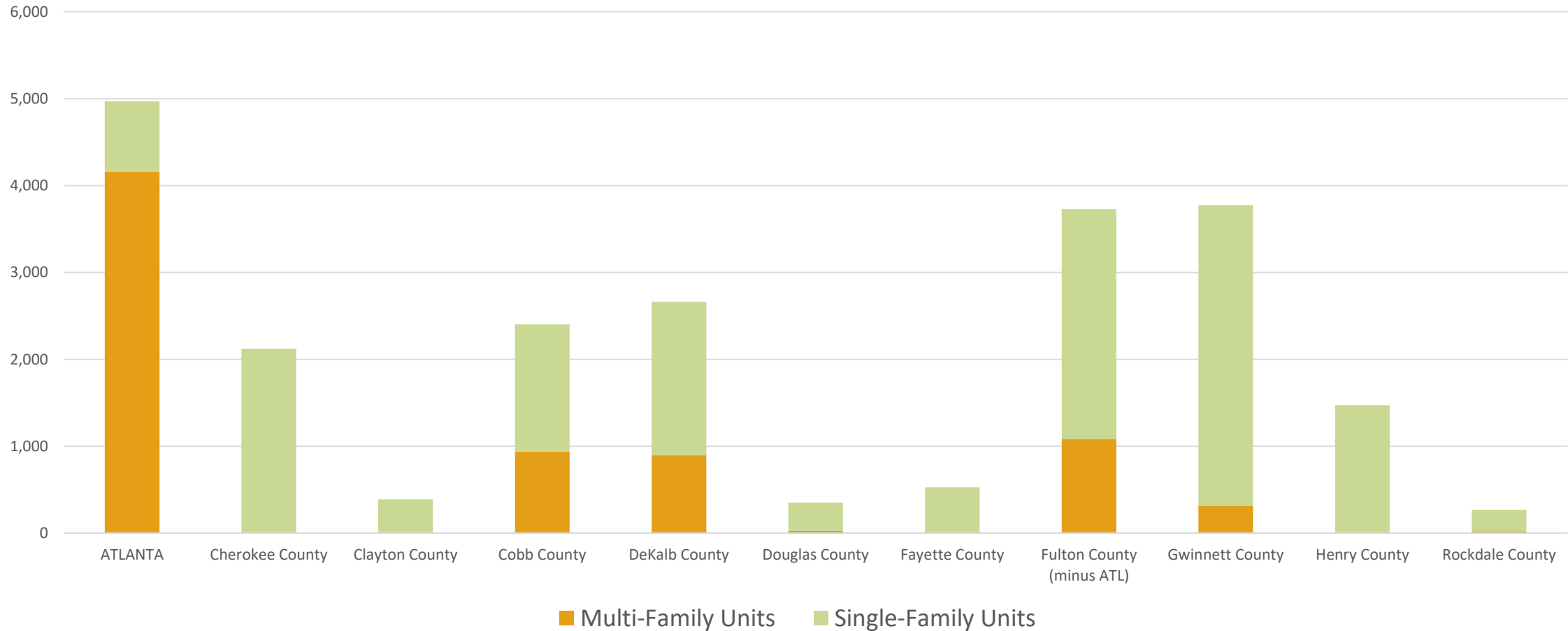
Metro Atlanta Residential Units Permitted, 2003 - Current



Switching to the housing market –the number of units permitted are still significantly lower when compared to pre-recession levels.

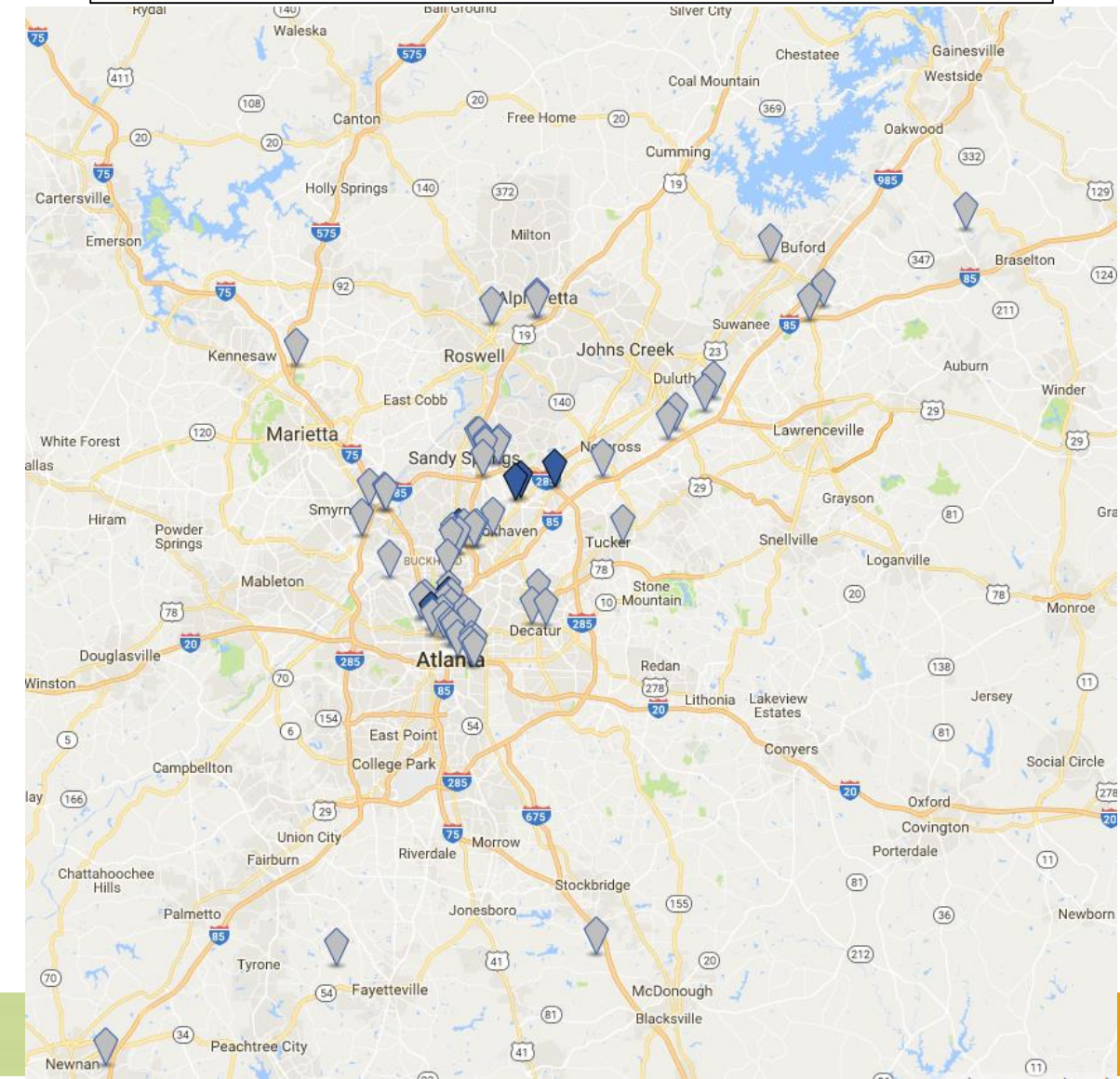
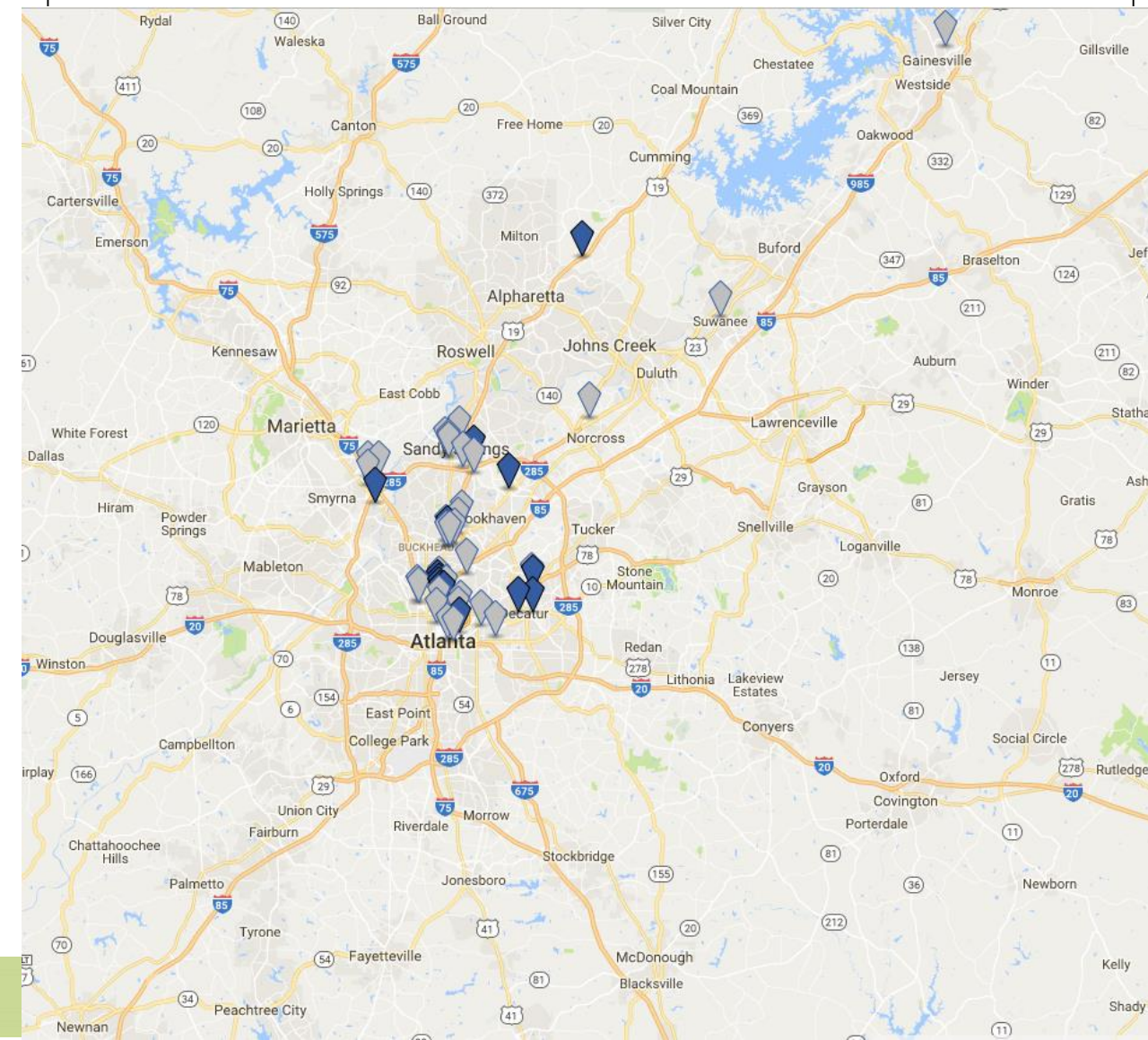
# Total Residential Units Authorized by Building Permit, by Jurisdiction

Number of Residential Units Permitted, 2017 (Through November)

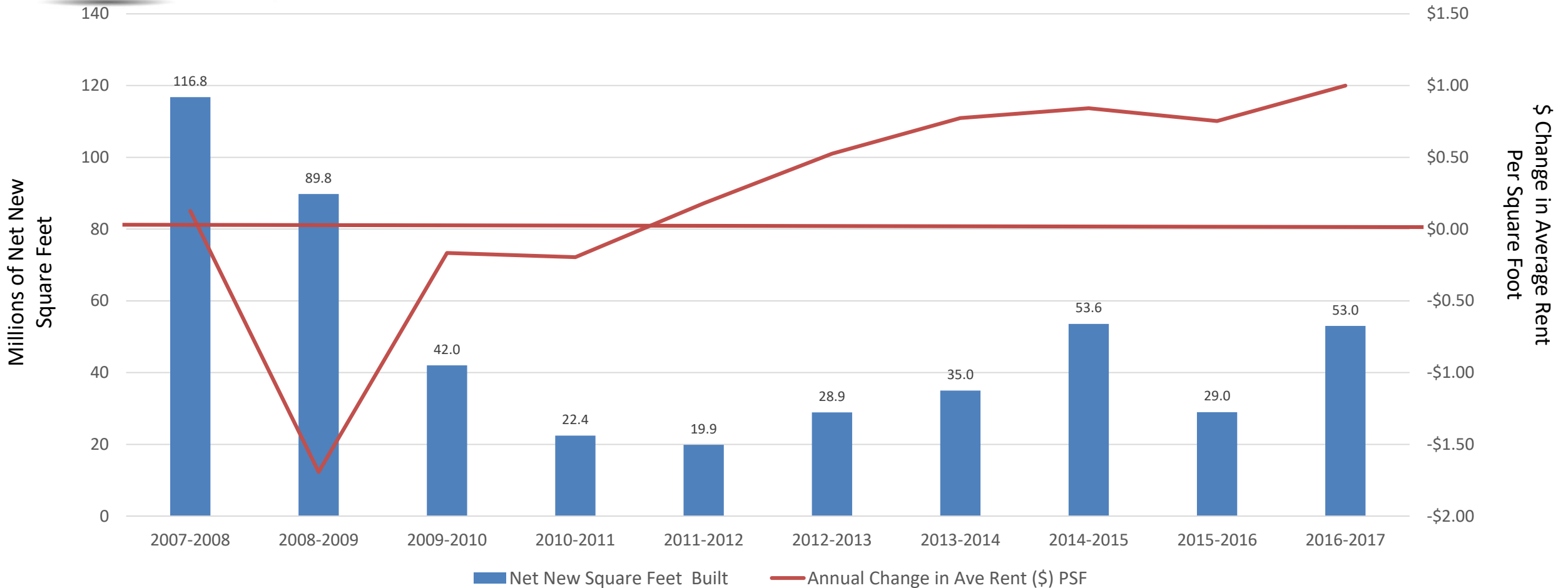


Properties (46) of 200 Units+ Under Construction as of 1/18

Properties (65) of 200 Units+ Proposed as of 1/18

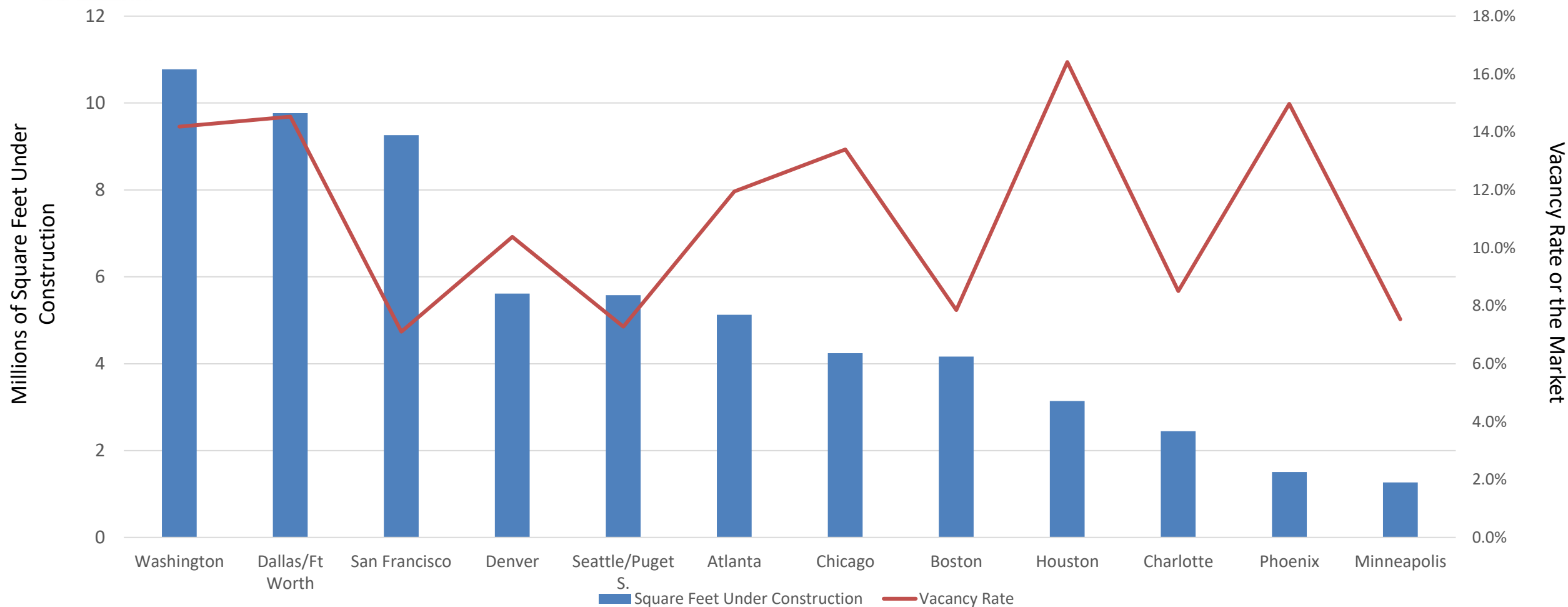


# The Nation –Office Space Over Time (Net New Space and Rent Changes)



Nationally, little new office space has been added in recent years, which is a result of the overbuilding of the sector prior to and during early part of the recession, and minimal (or negative) rent growth.

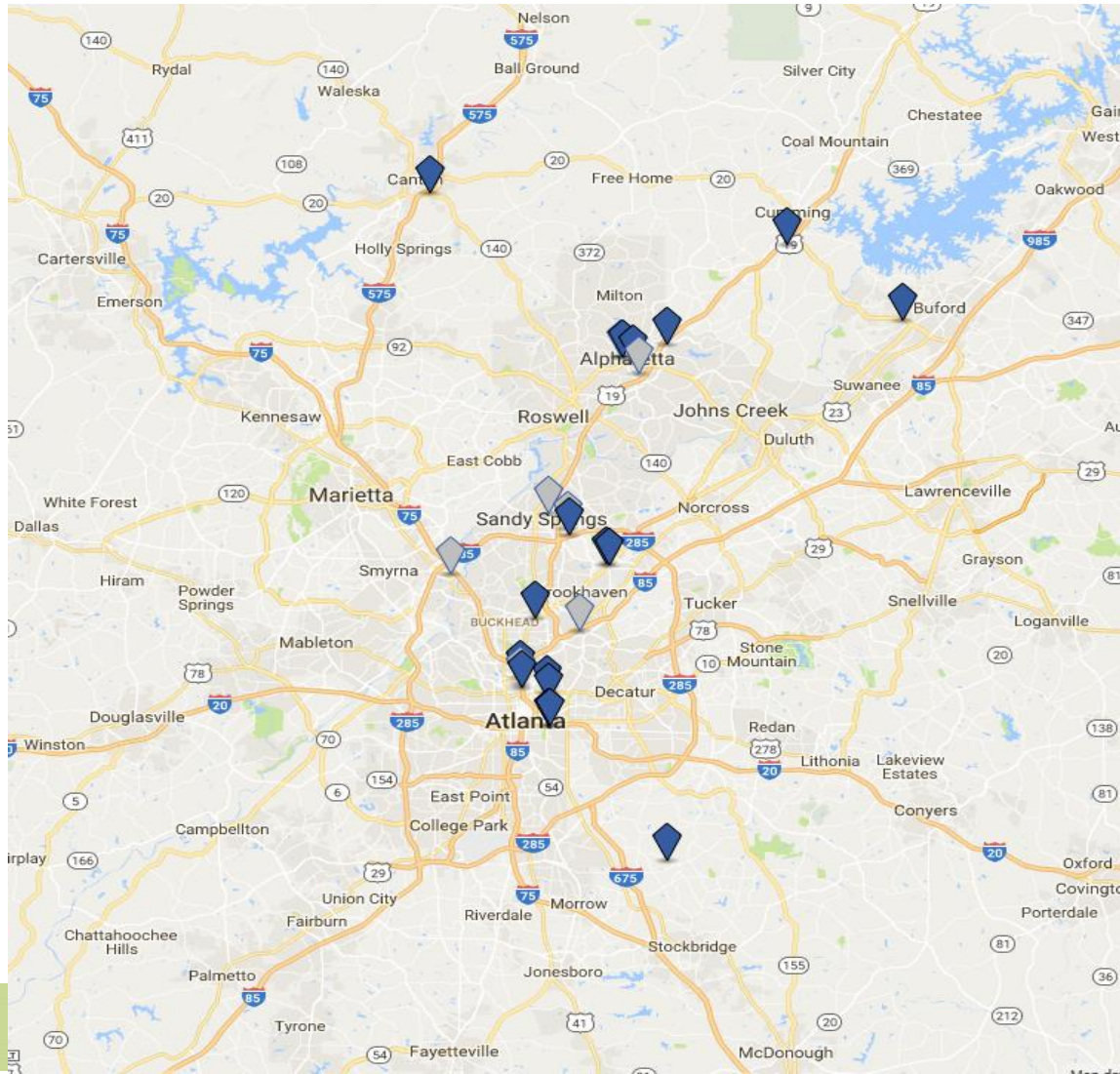
# Atlanta & Peer MSAs- Current Office Conditions 2017 (3Q)



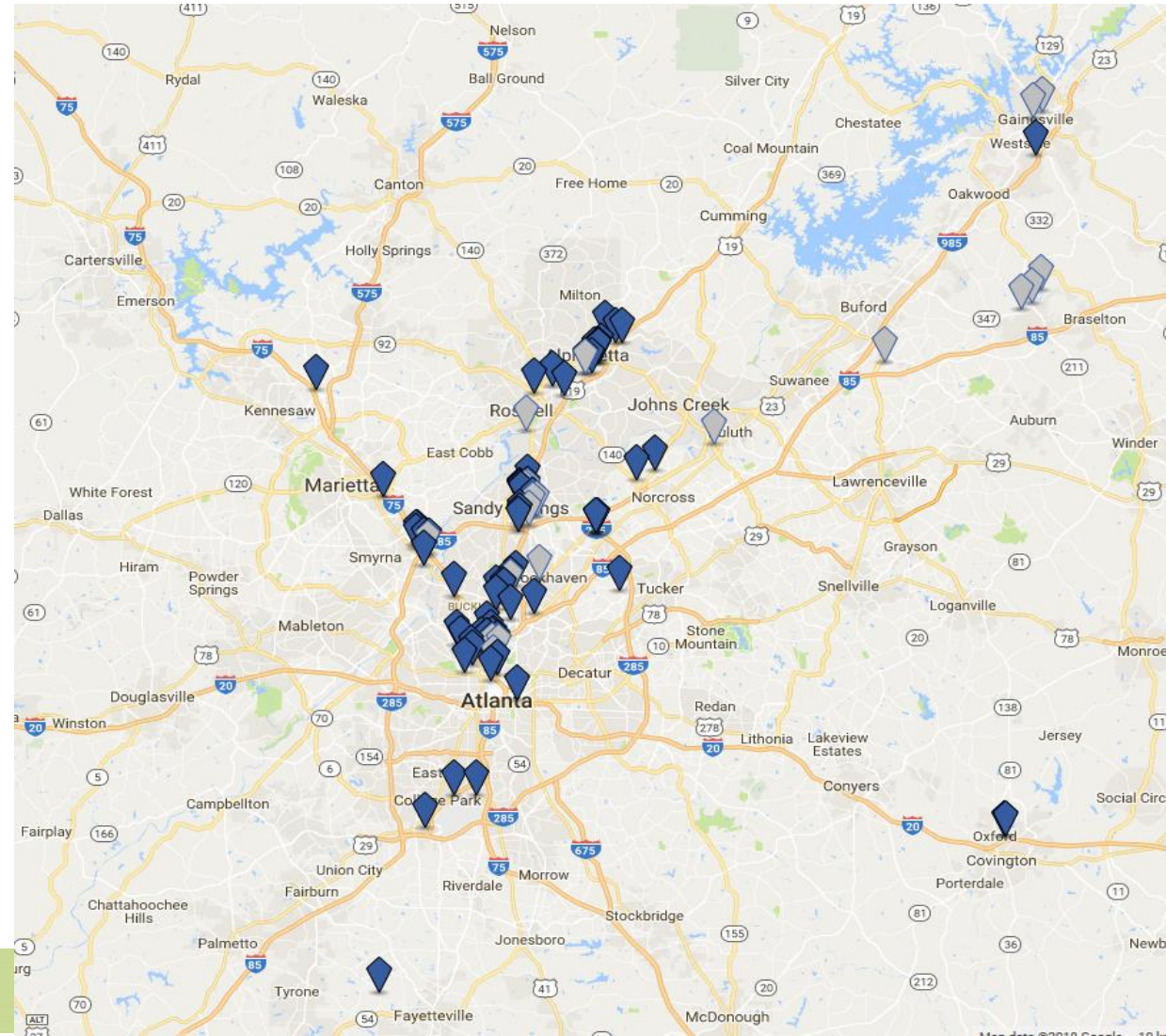
A little more than five million square feet of office space is currently under construction in metro Atlanta with an 11.9 percent vacancy rate. Both of these values rank metro Atlanta in the middle of the pack of these peer metros.



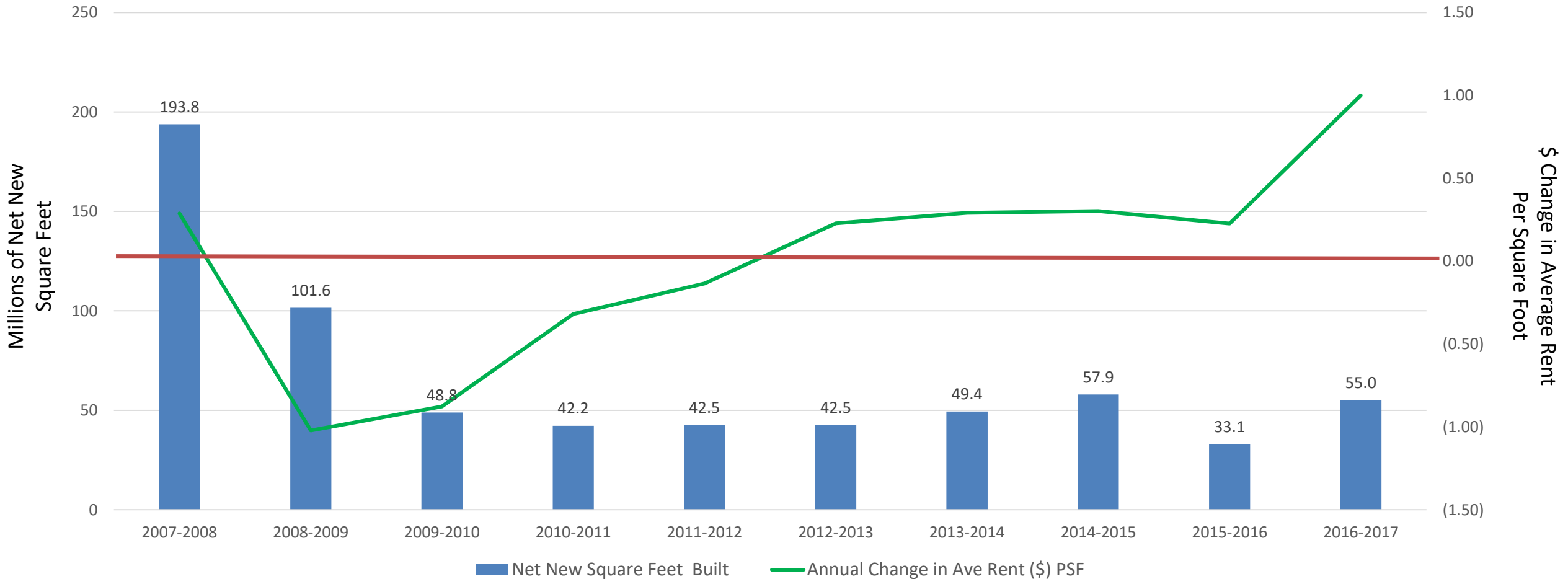
Properties (25) of 100K+ SF Under Construction as of 1/18



Properties (94) of 100K+ SF Proposed as of 1/18

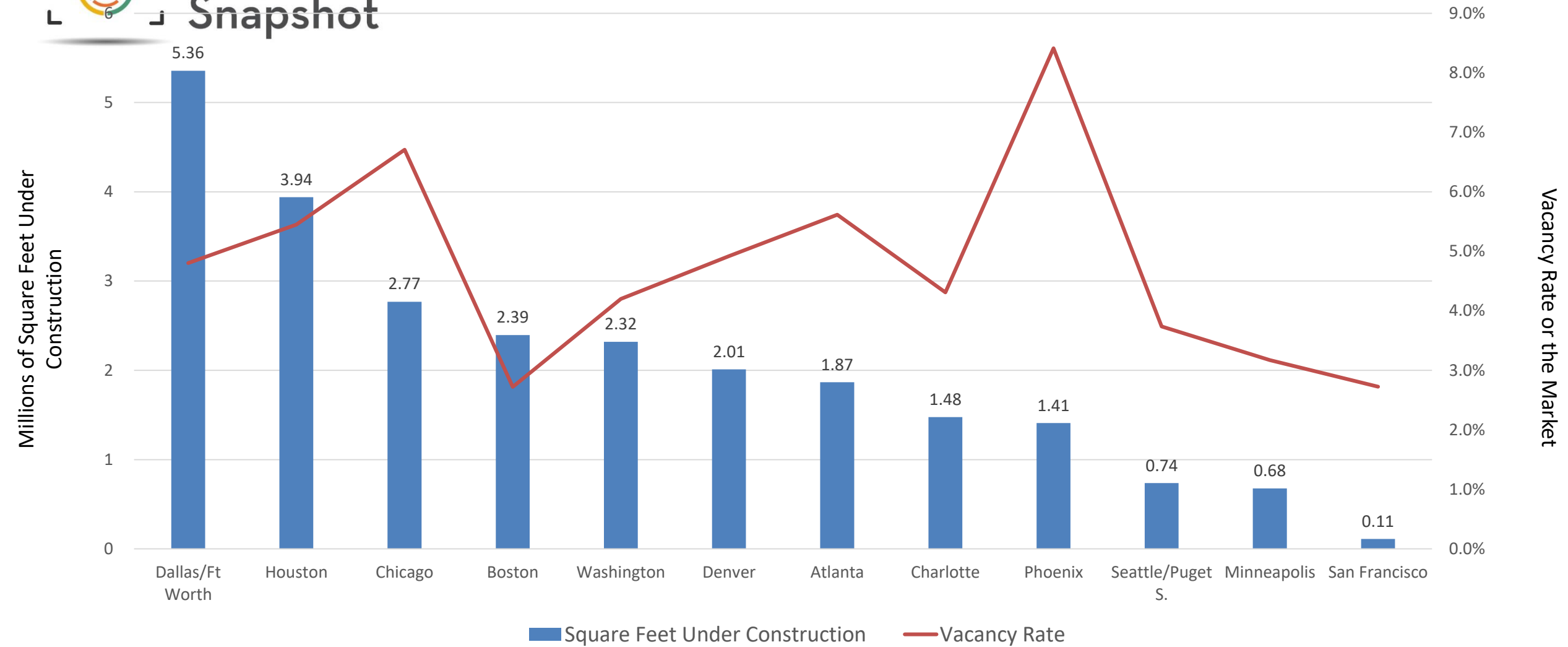


# Retail Over Time (Net New Space and Rent Changes)—The Nation



Nationally, and similar to new office space built, new retail construction has lagged in recent years, with a bump-up last year. After years of negative or flat rent growth, average rents increased between 2016 and 2017.

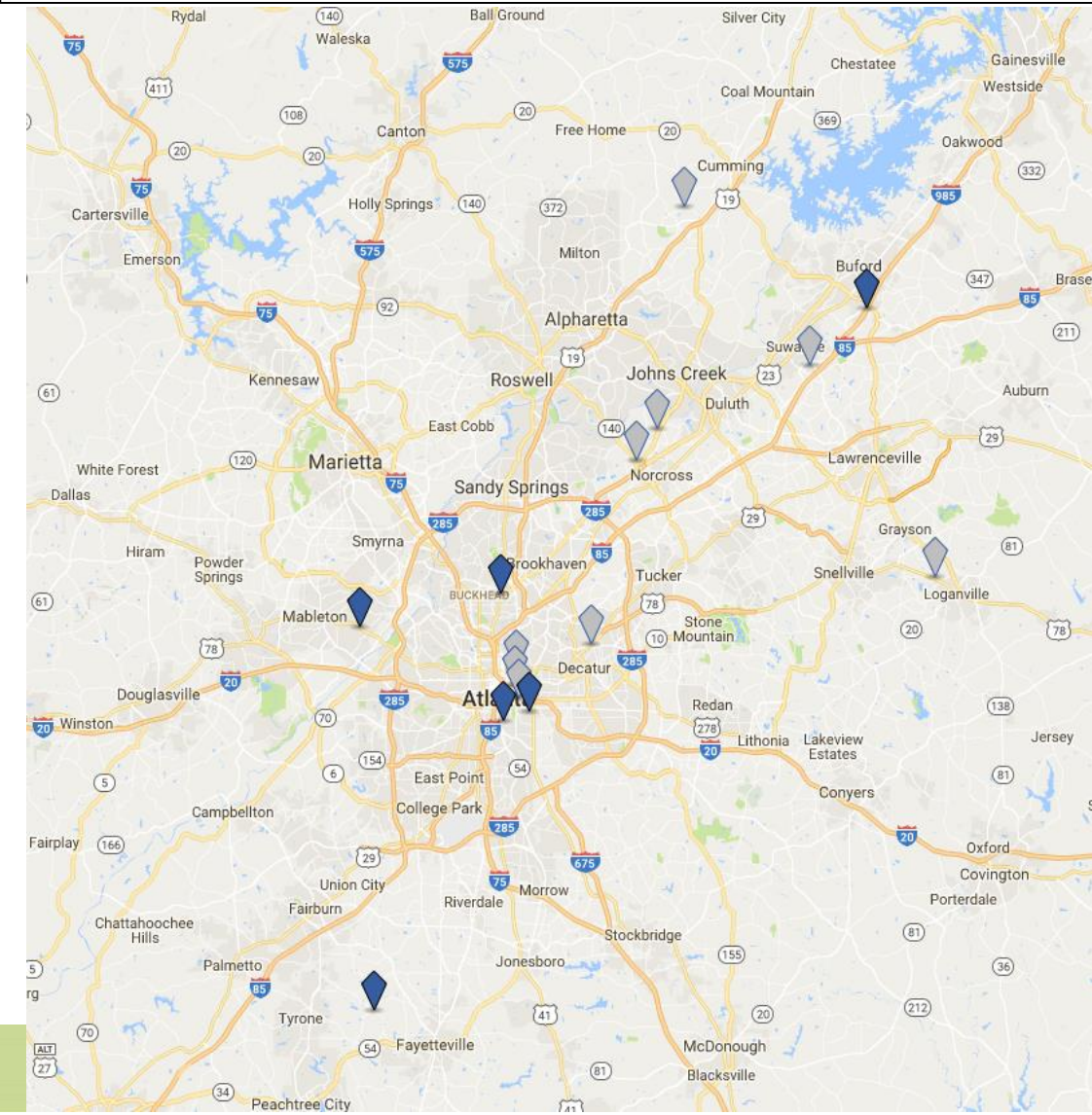
# Current Retail Conditions 3q2017—Atlanta & Peer MSAs



Across metro Atlanta, a little less than two million square feet of retail space is currently under construction with an 5.6 percent vacancy rate. Both of these values rank metro Atlanta in the middle of the pack of peer metros.



Properties (15) of 25K+ SF Under Construction as of 1/18



Properties (17) of 100K+ SF Proposed as of 1/18

