

OCTA

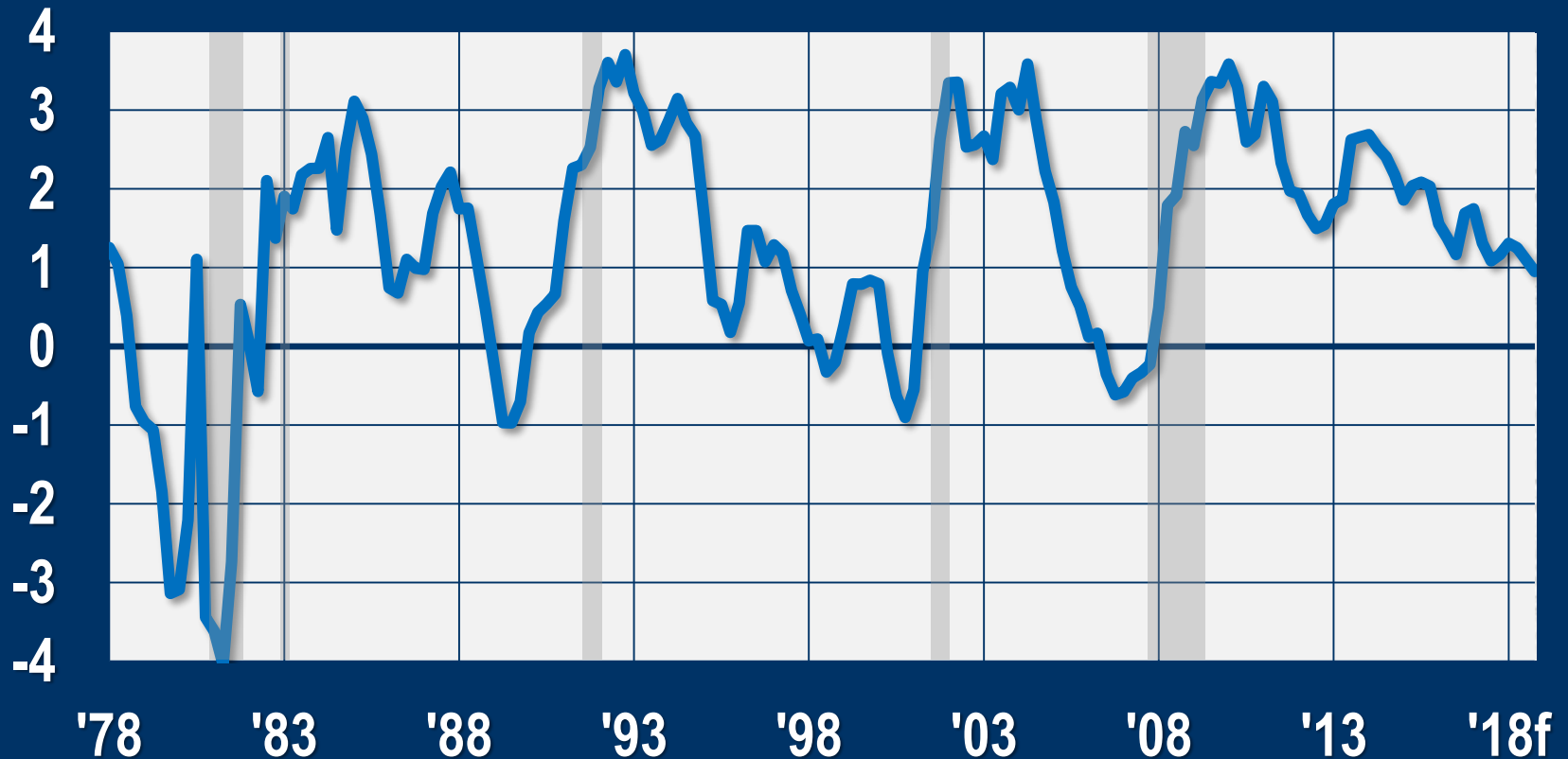
Economic Forecast
July 25, 2018

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A. Gary Anderson Center for Economic Research
Argyros School of Business and Economics
Chapman University

Interest Rate Spread

10-Year T-Bond Less Fed Funds Rate



Household Debt Service Payments As a Percentage of Disposable Income

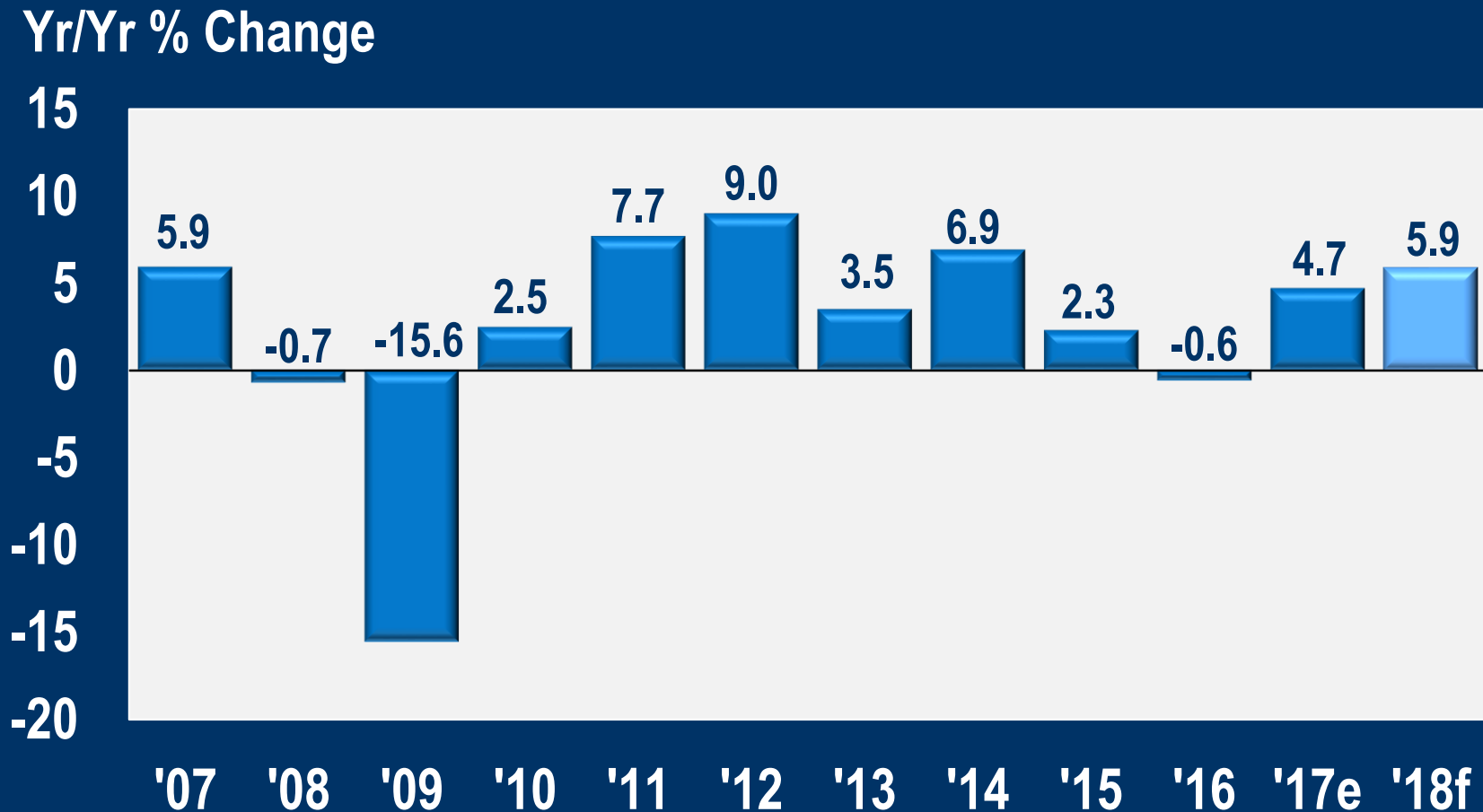


Housing Starts

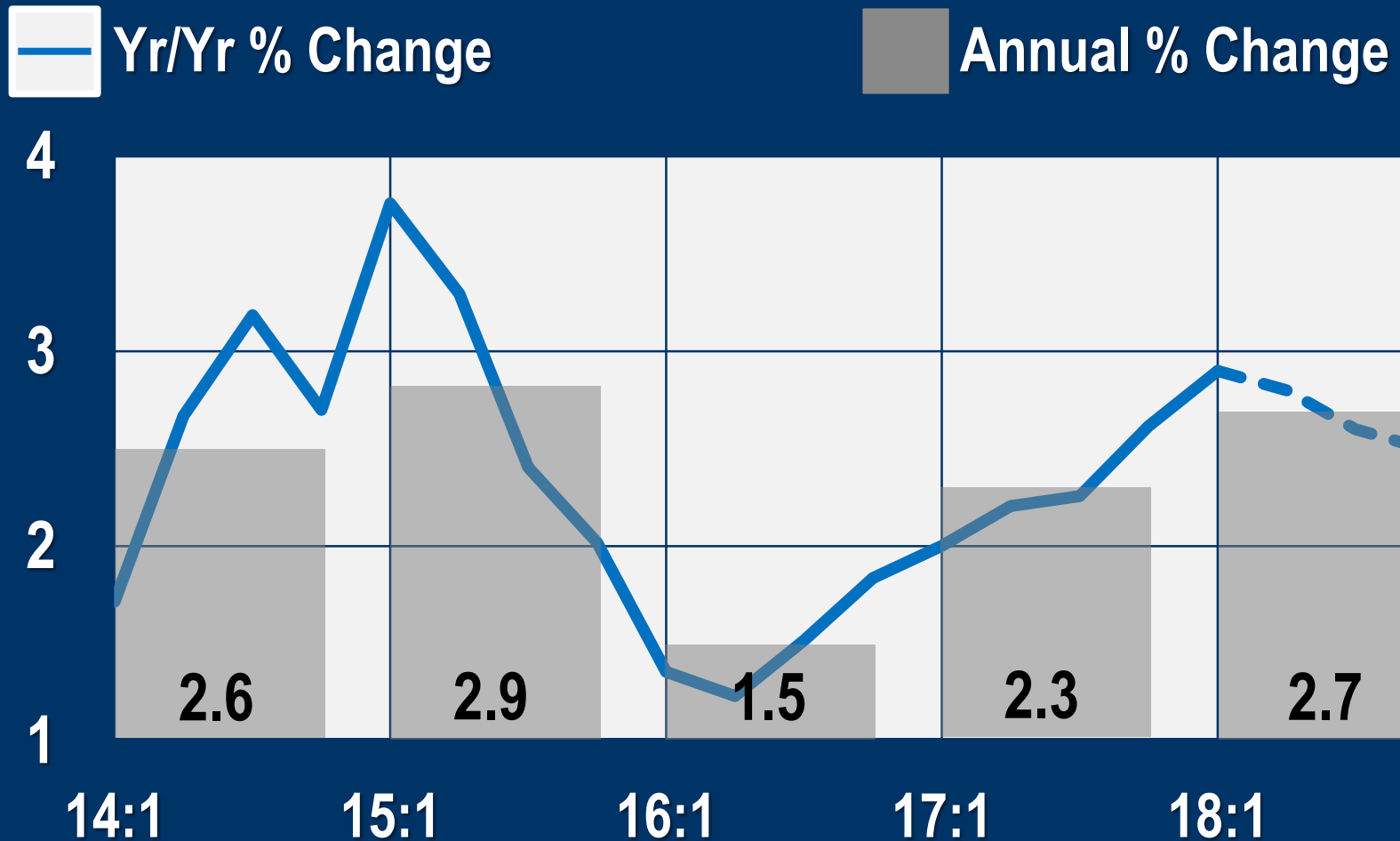
Thousands of Units



Nonresidential Investment - US

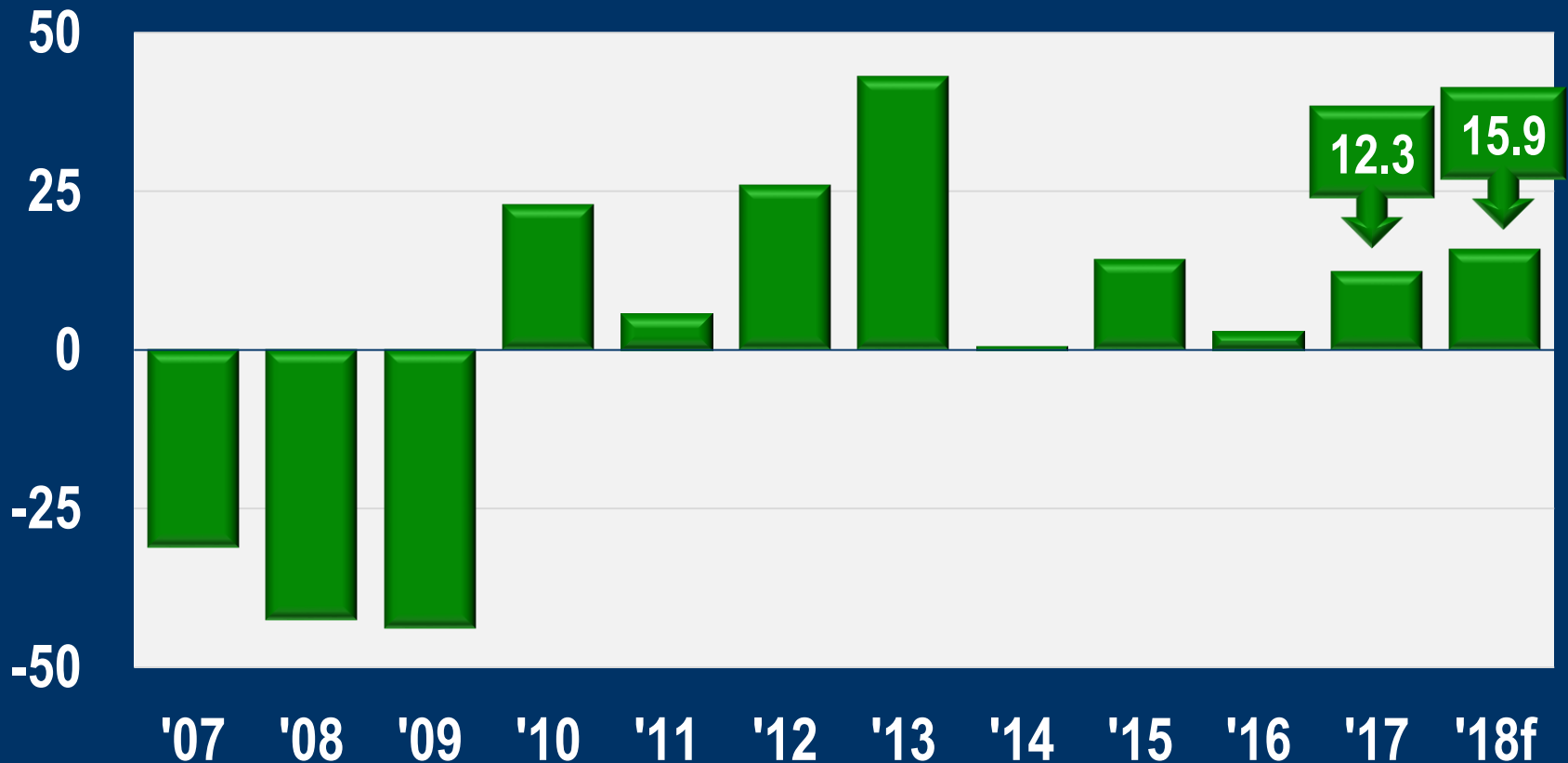


Real GDP



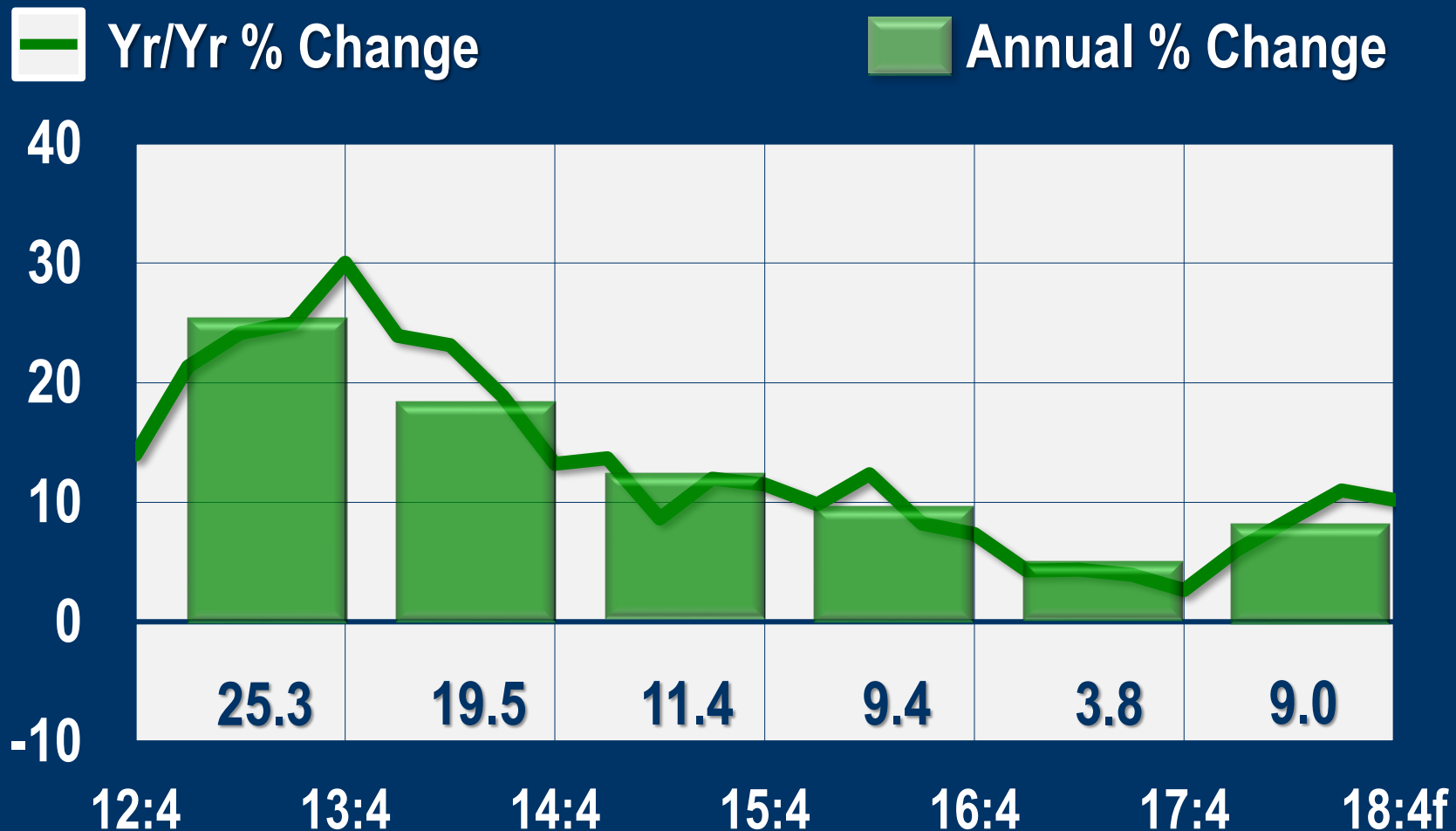
California Permits 2007-2018

Yr/Yr % Change



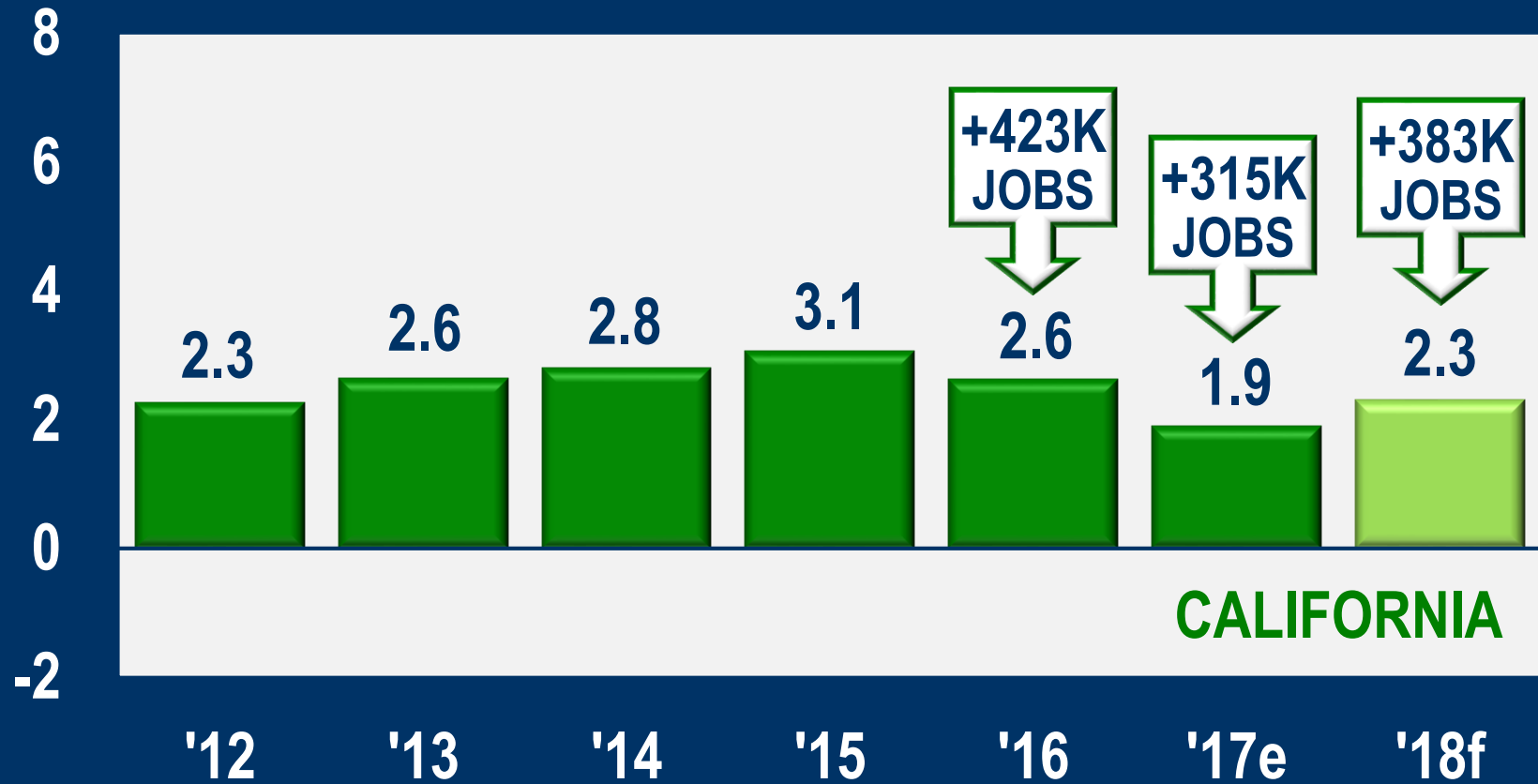
Source: Construction Industry Research Board

Construction Spending California



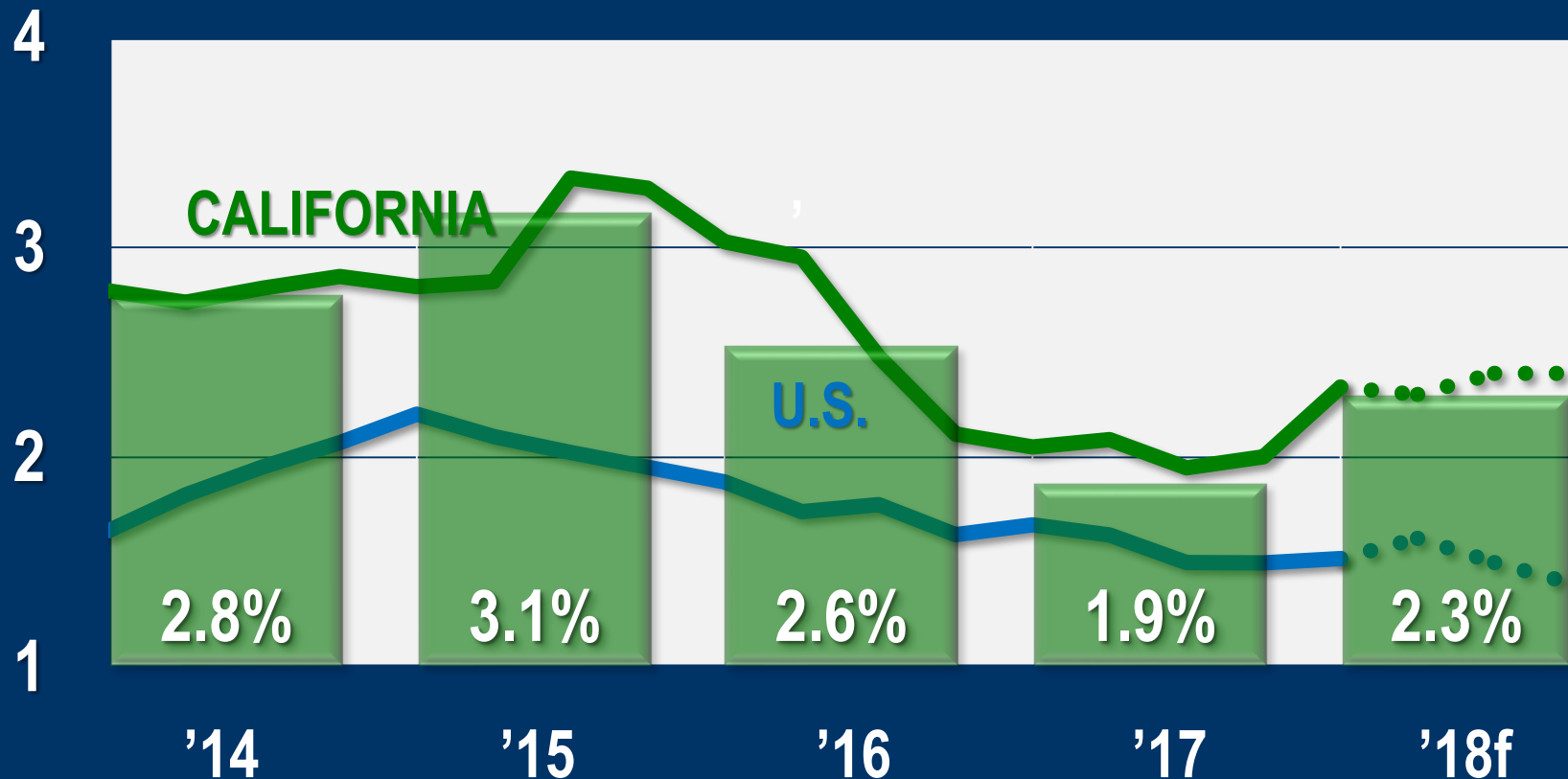
Job Growth

Annual % Change



Payroll Employment

Annual % Change
Quarterly % Change



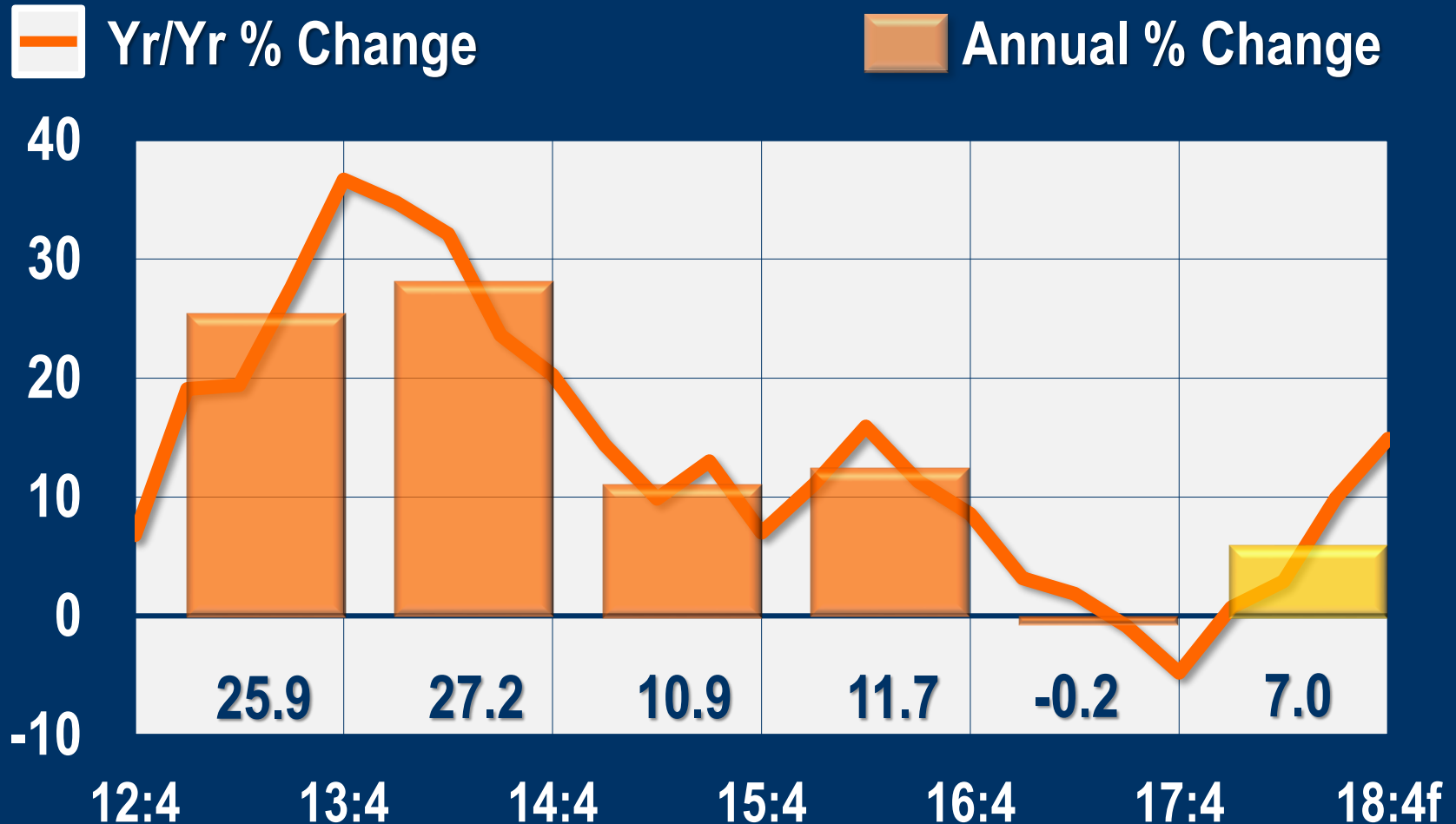
Orange County Outlook



The Hilbert Collection, Lee Blair, "Mary by the Sea"

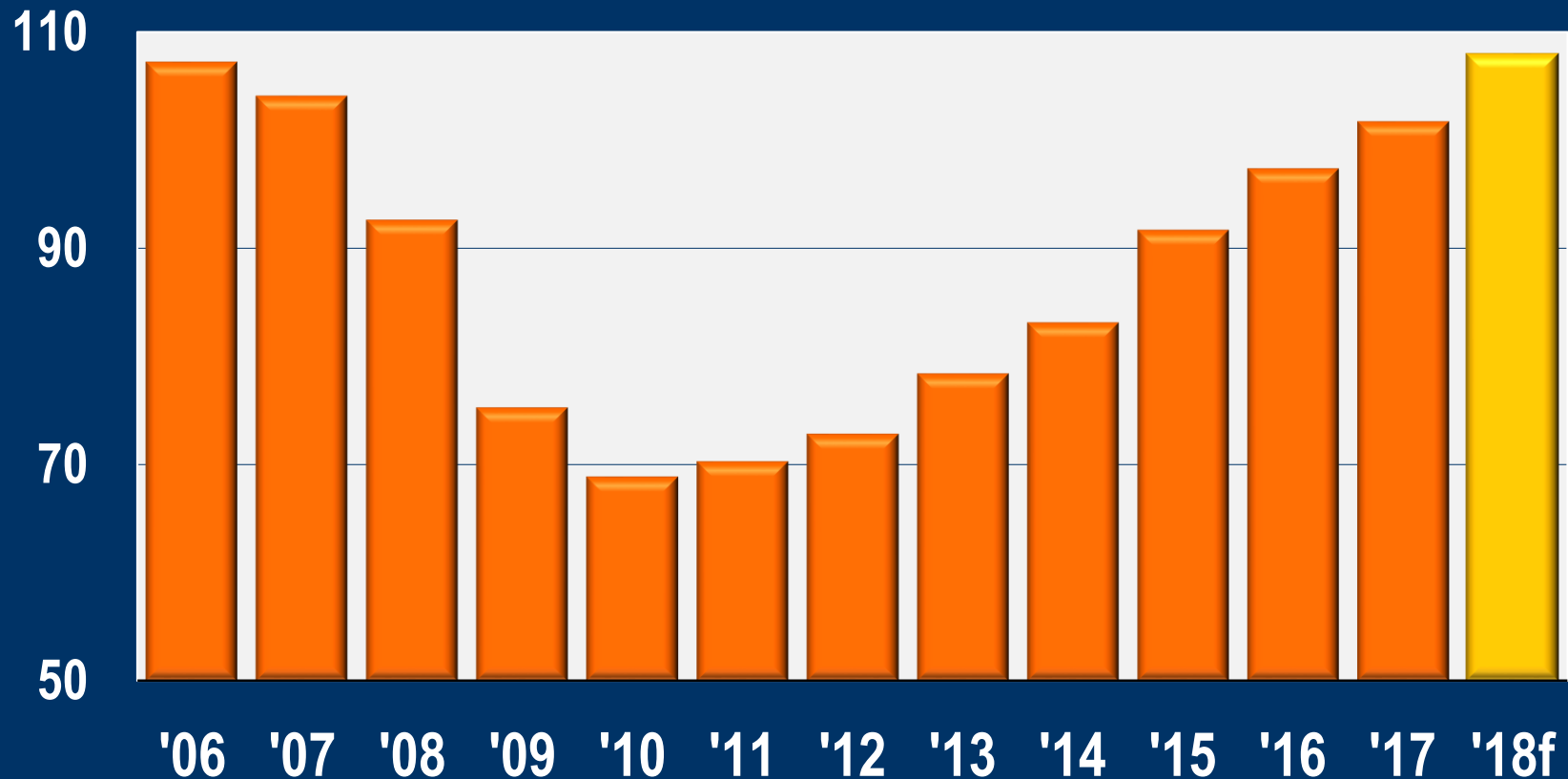


Construction Spending Orange County



Construction Employment Orange County

In Thousands



Purchasing Managers Index

Orange County

Index

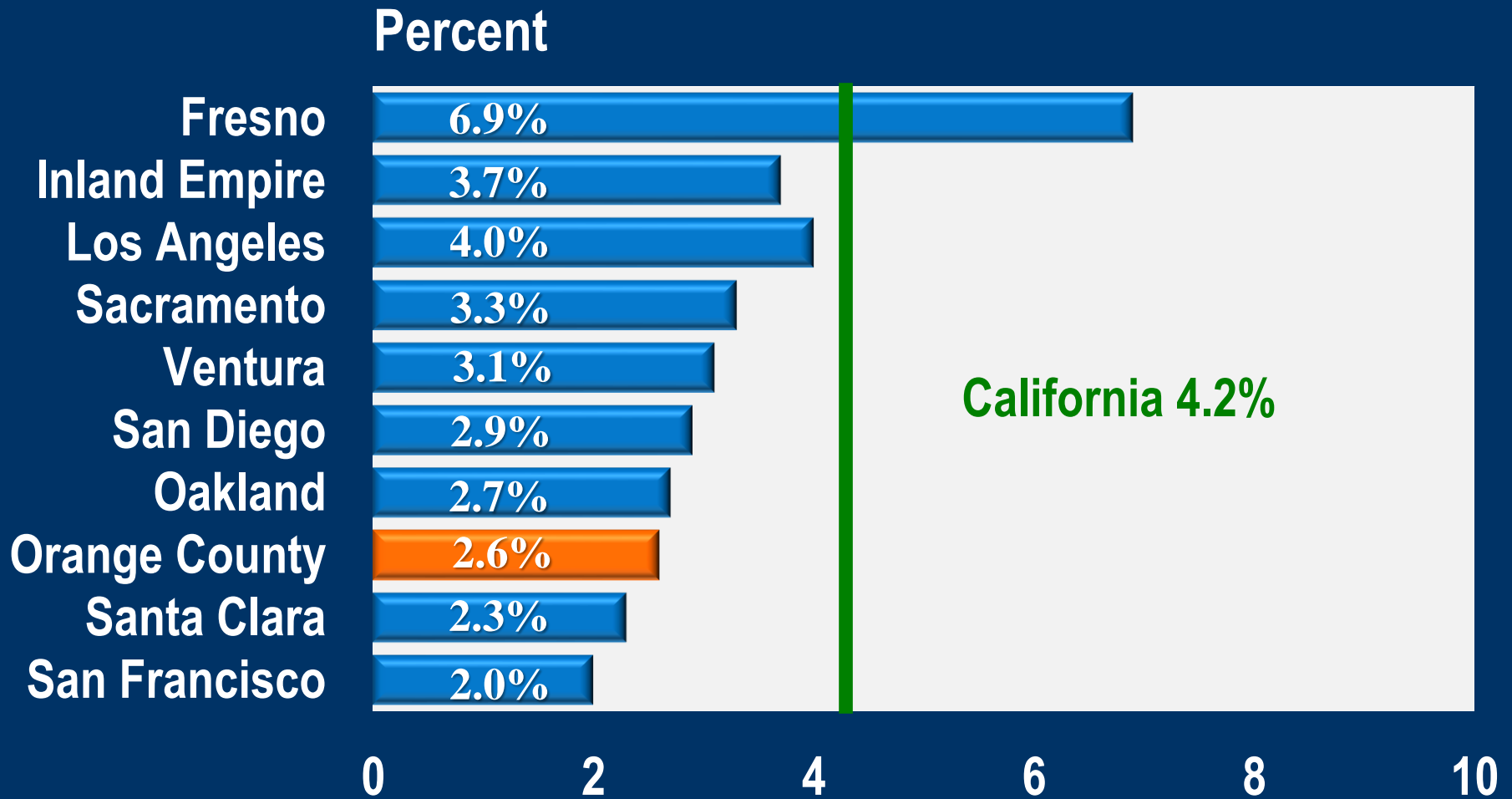


Manufacturing Jobs

	Total % Change 2007 to 2017		
	U.S.	California	Orange County
Manufacturing Jobs	−10.3%	−10.7%	−12.1%

Unemployment Rate

May 2018



Job Growth Orange County

Annual % Change



Employment by Industry

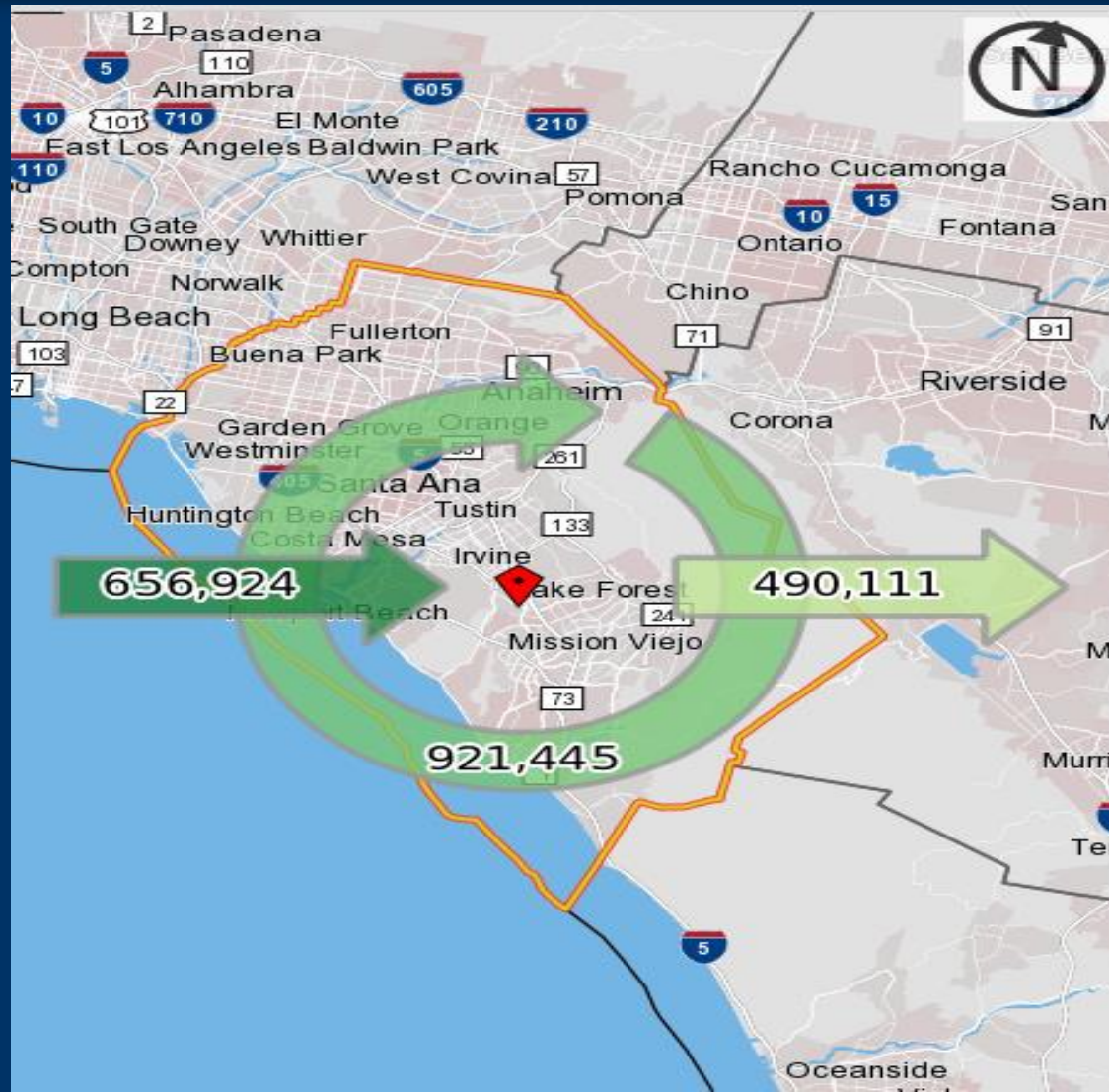
Orange County

Sector	2017 Employment	Employment % Share	2010 – 2017 % Change	2017Q4 Annual Wages (\$)
Leisure & Hospitality	218,233	13.5	29.4	28,704
Education & Health Services	215,625	13.3	27.5	53,248
Trade, Transportation & Utilities	263,008	16.3	7.0	54,860
Professional & Business Services	301,692	18.7	23.2	74,672
Construction	101,675	6.3	47.6	77,012
Manufacturing	158,642	9.8	5.4	78,312
Information	272,267	1.7	10.0	109,408
Financial Activities	118,950	7.4	14.9	113,724

Source: EDD, QCEW

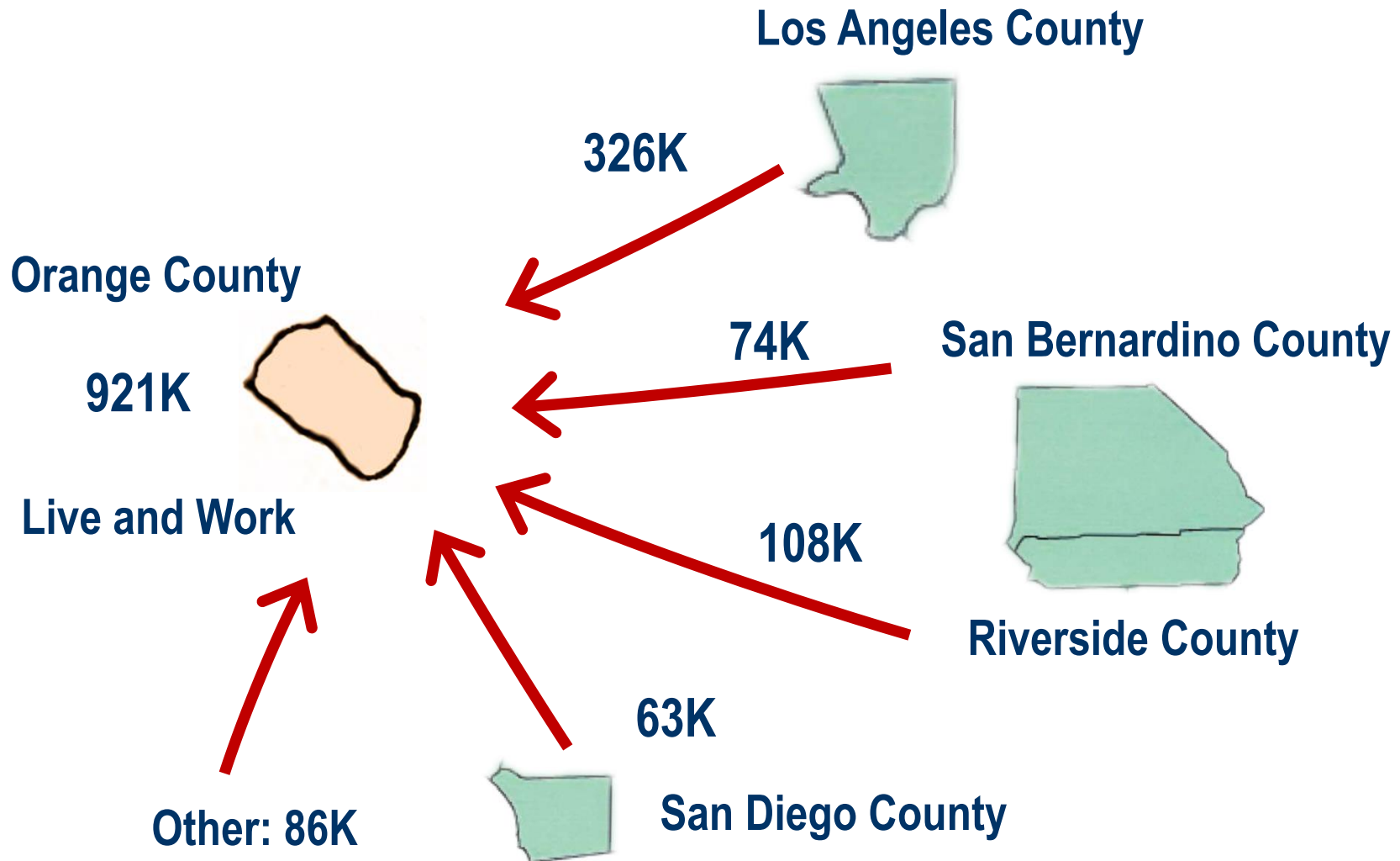
Orange County

Inflow/Outflow Job Counts - 2015



Orange County Jobs

Where workers live - 2015



Payroll Jobs – Orange County

Where do workers live?

Work in O.C.	2002	2014	2015
% Live in LA County	21.6	20.4	20.7
% Live in Inland Empire	9.9	11.8	11.5
% Live Elsewhere	7.0	10.1	9.4
	38.5	42.3	41.6

Housing Outlook

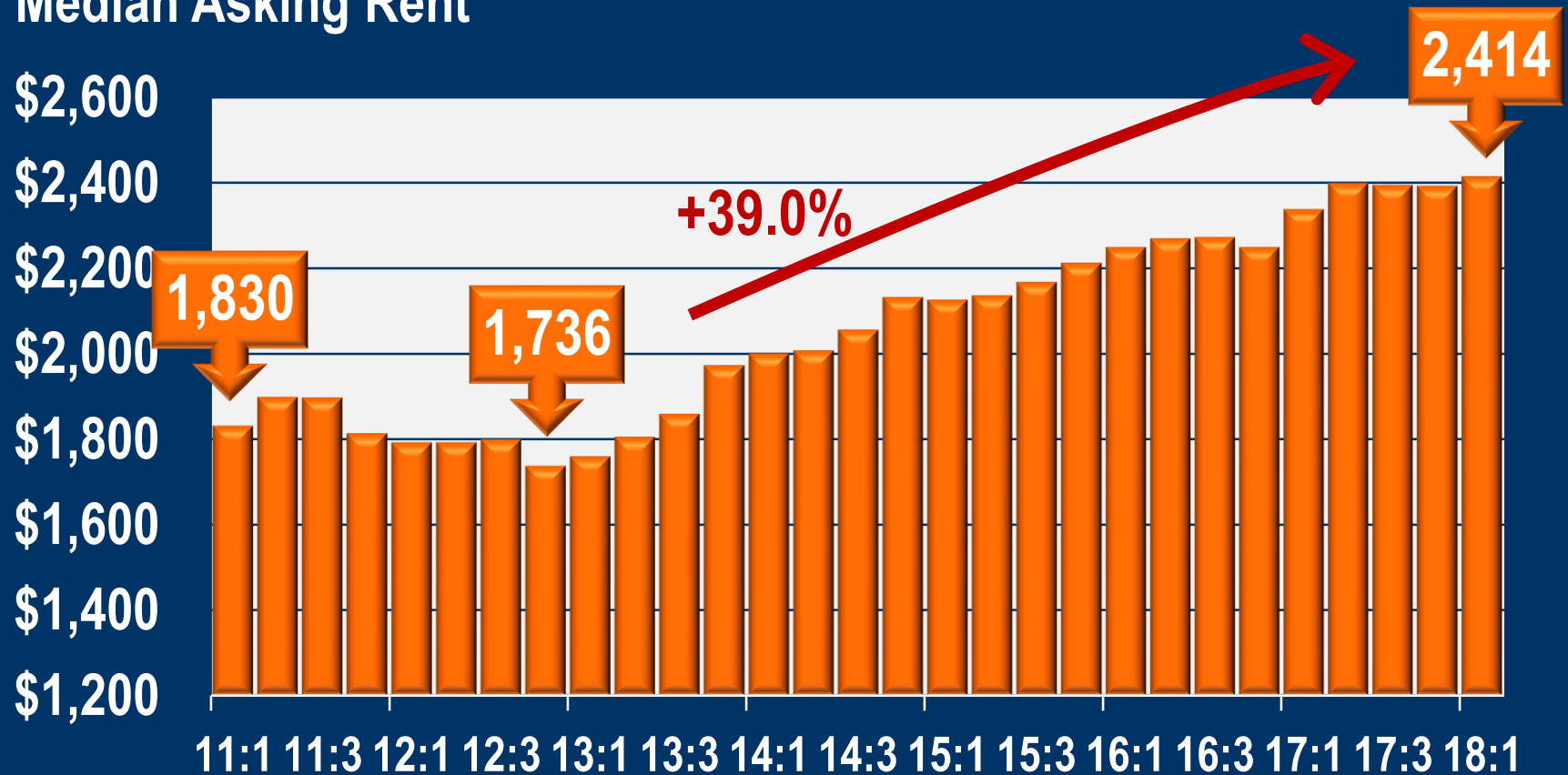


The Hilbert Collection, Bradford J. Salamon, "Disneyland, Vintage 1960"

Orange County

2-Bedroom Apartment Rents

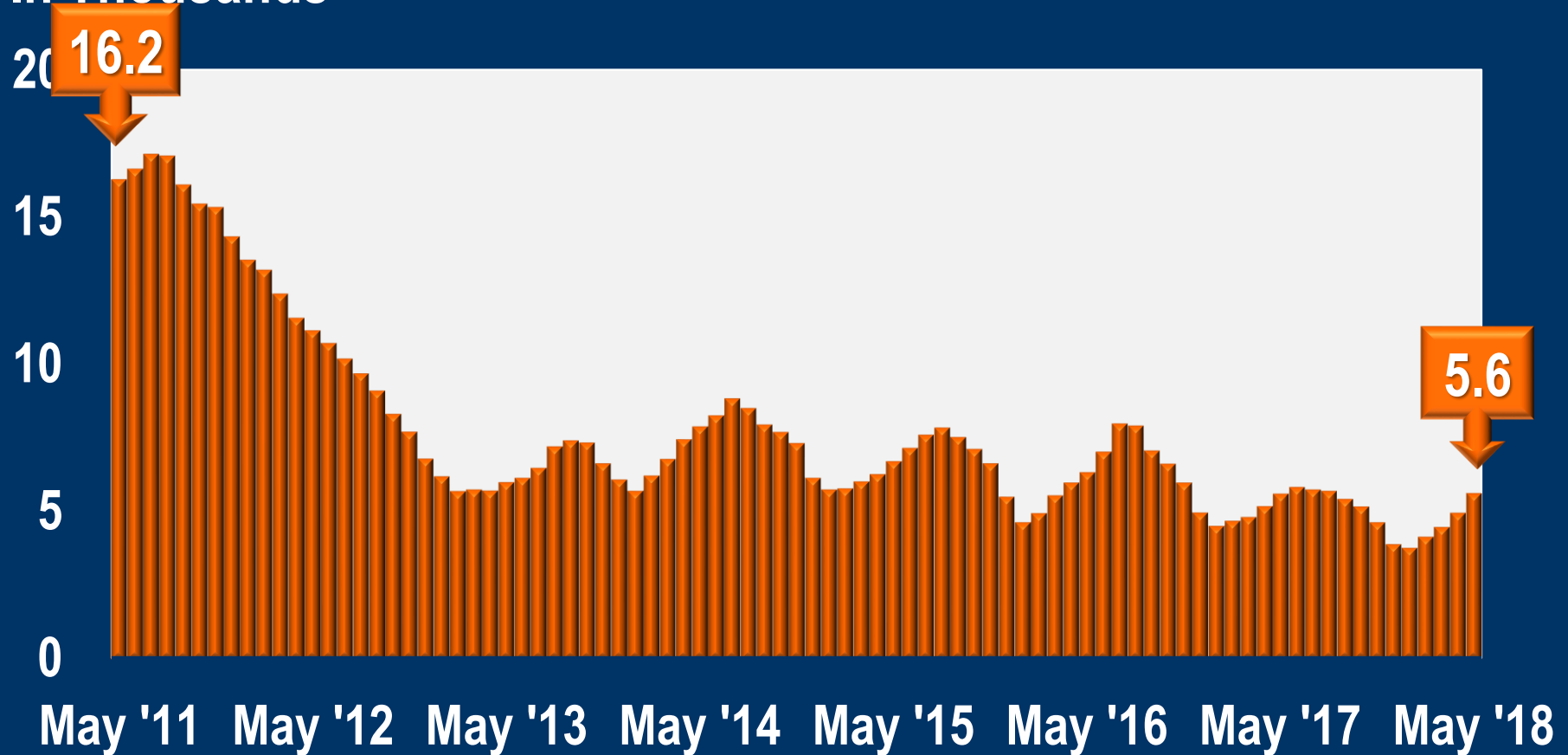
Median Asking Rent



Source: Zillow

Unsold Inventory Orange County

In Thousands



Supply of Unsold Homes Orange County

Months



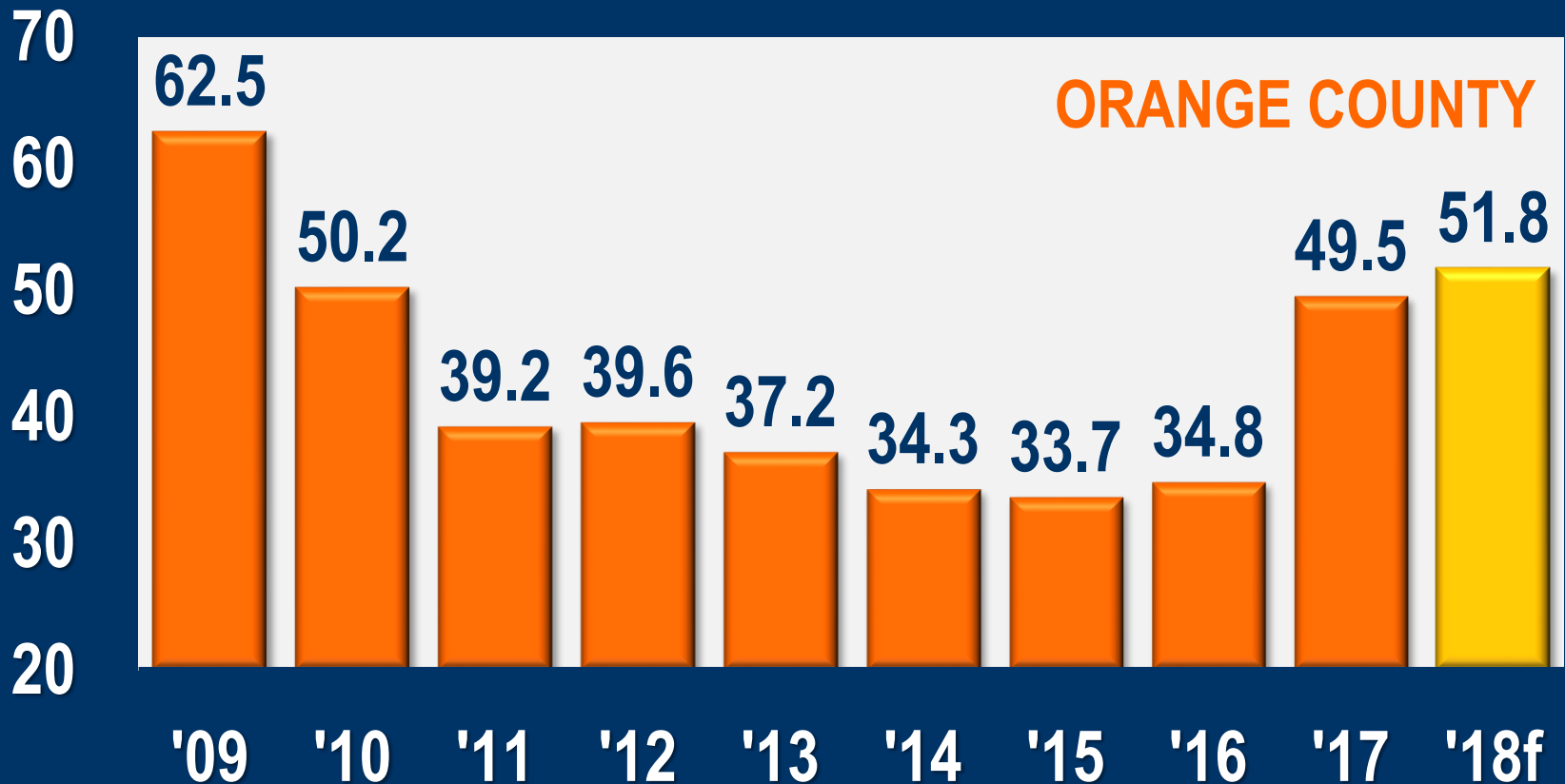
Residential Building Permits Orange County

Thousands of Units



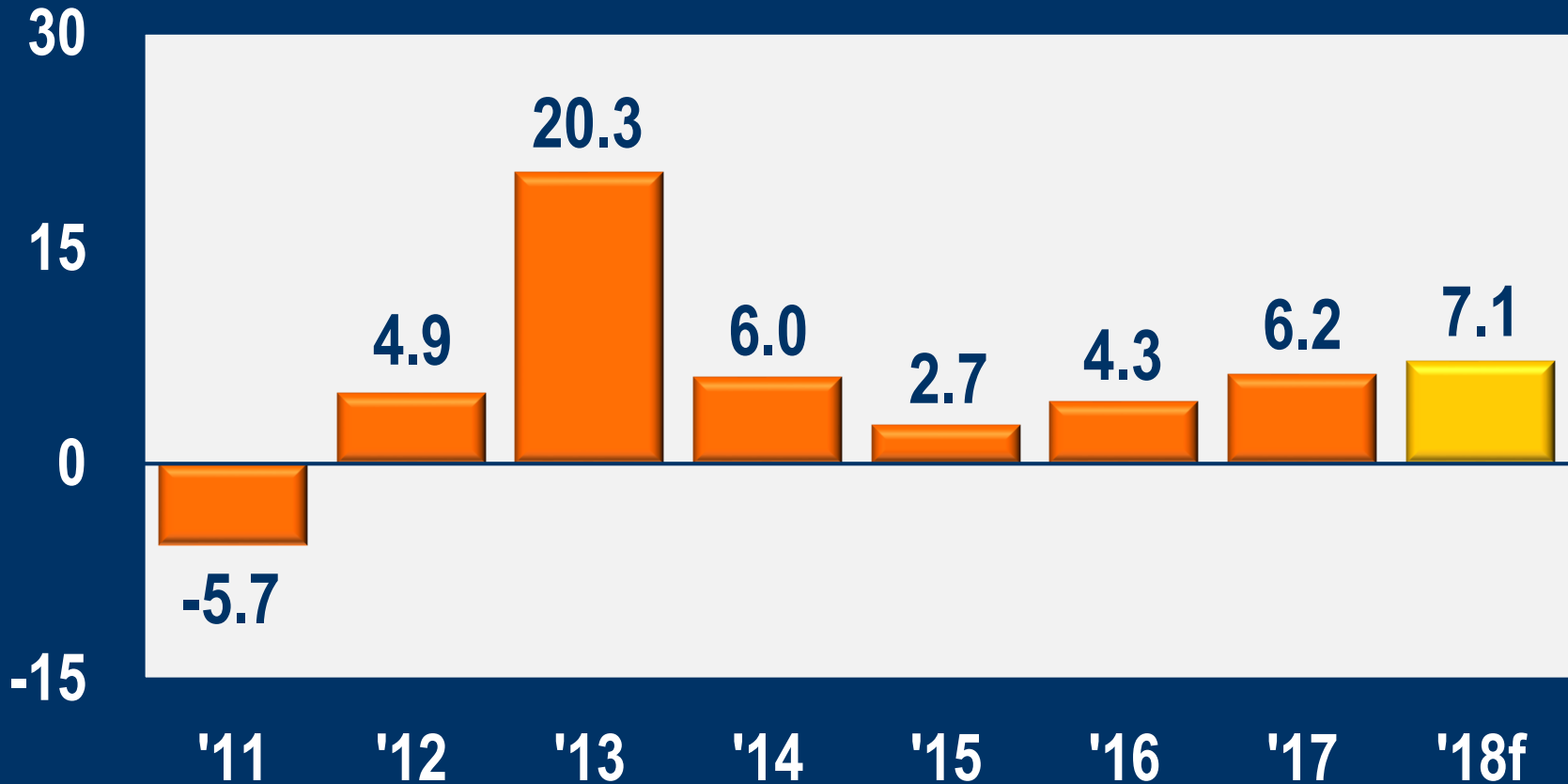
Single Family Homes As a Percentage of Total Housing Unit Permits

Percent



Resale Single-Family Housing Prices Orange County

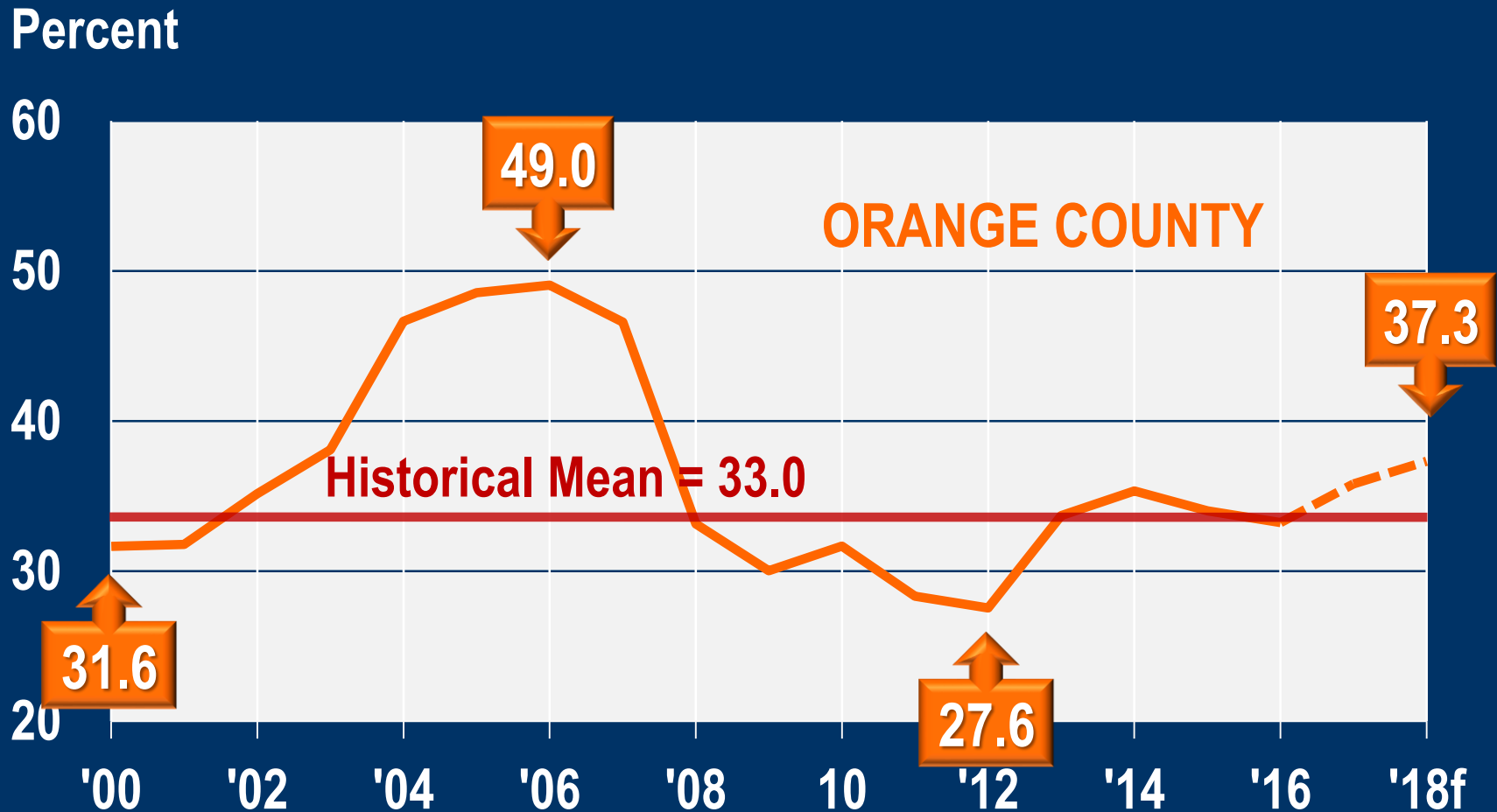
Annual % Change



Median Single-Family Home Prices Orange County



Percent of Median Family Income Needed for Mortgage Payment on Median-Priced Home



Factors Affecting Consumer Spending

- Mild wage growth
 - Strong level of employment growth
 - Higher home prices
 - Higher equity market
- } Positive wealth effect

Factors Affecting Consumer Spending

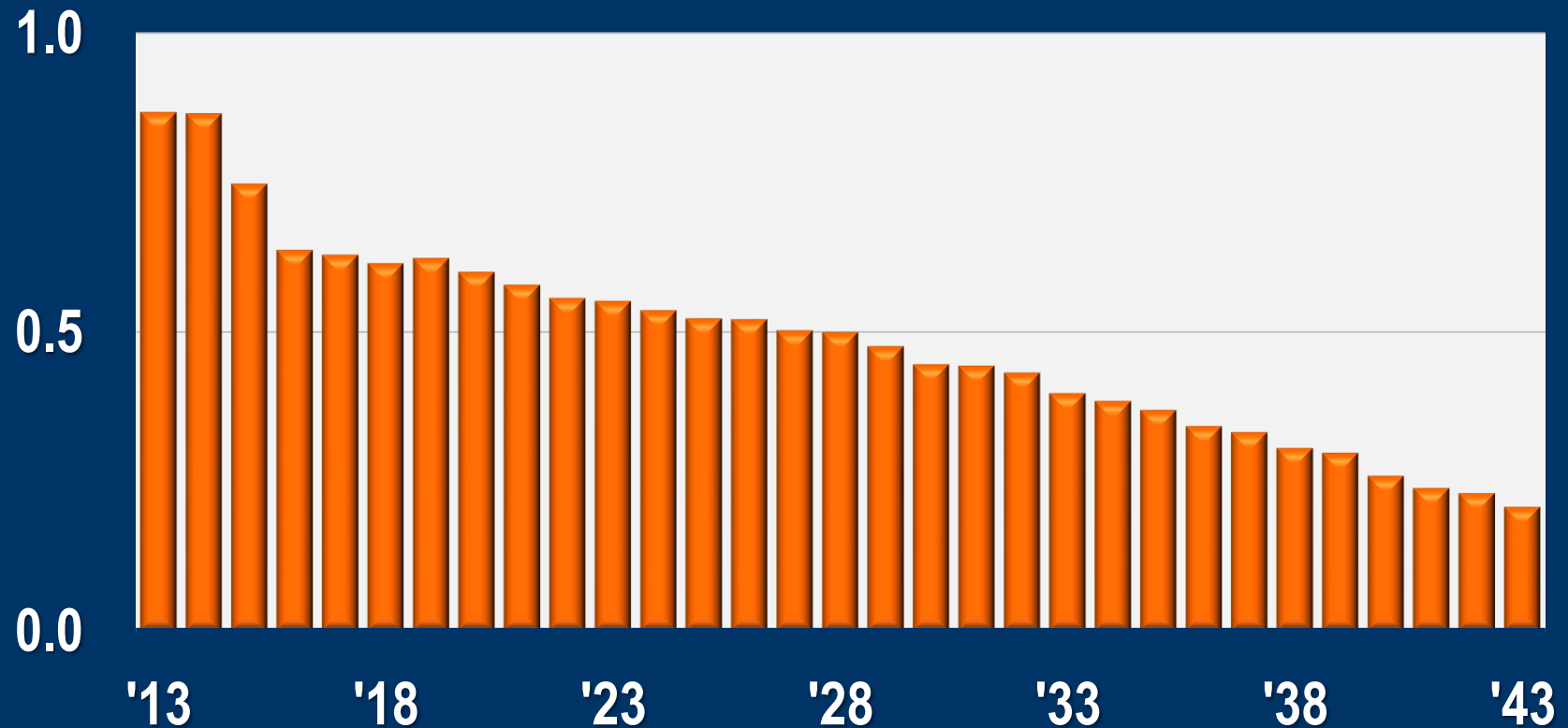
- Mild wage growth
 - Strong level of employment growth
 - Higher home prices
 - Higher equity market
 - Lower debt service
- } Positive wealth effect

Factors Affecting Consumer Spending

- Mild wage growth
 - Strong level of employment growth
 - Higher home prices
 - Higher equity market
 - Lower debt service
 - Low inflation rate
- } Positive wealth effect

Total Population Orange County

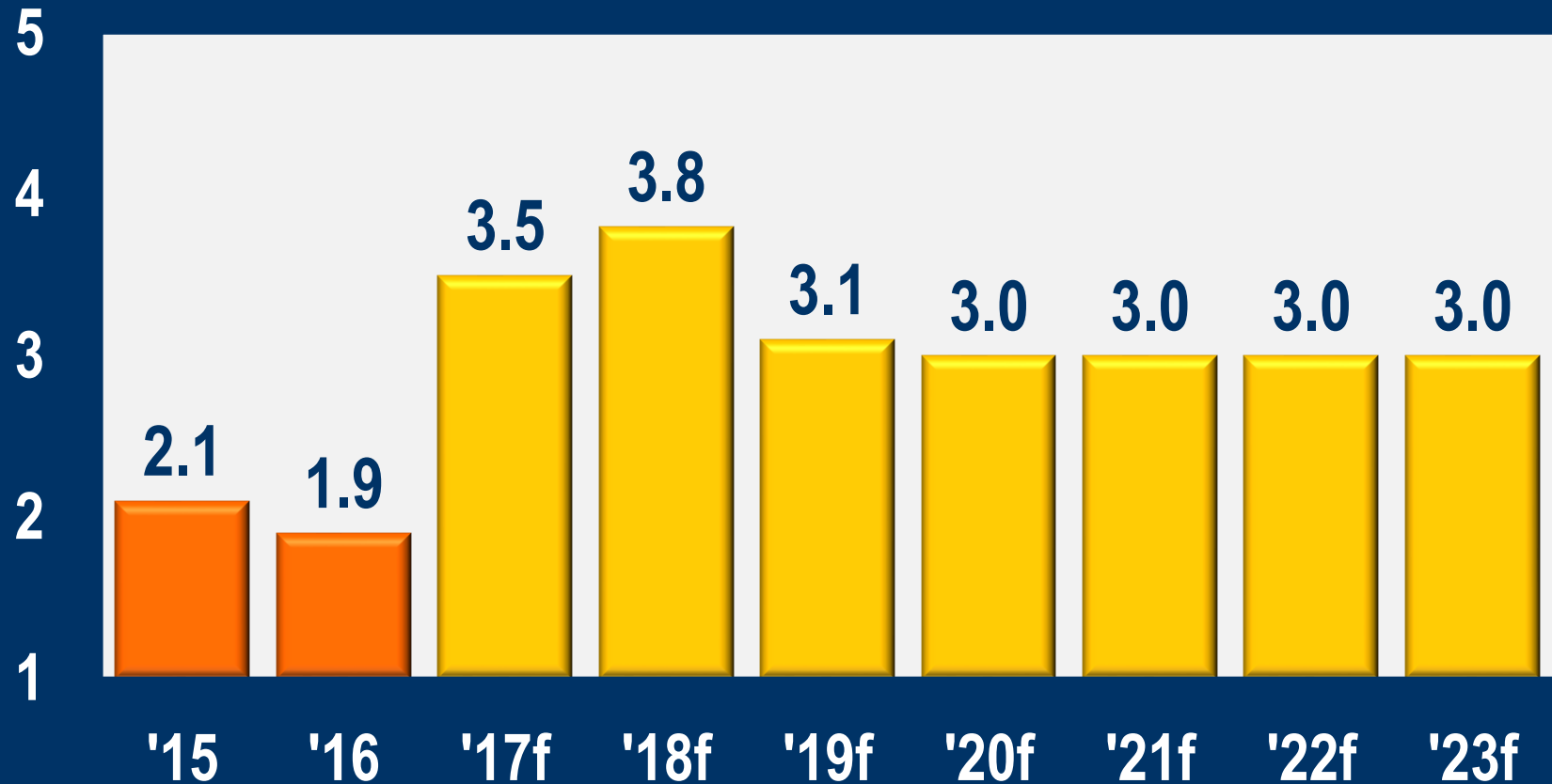
Yr/Yr % Change



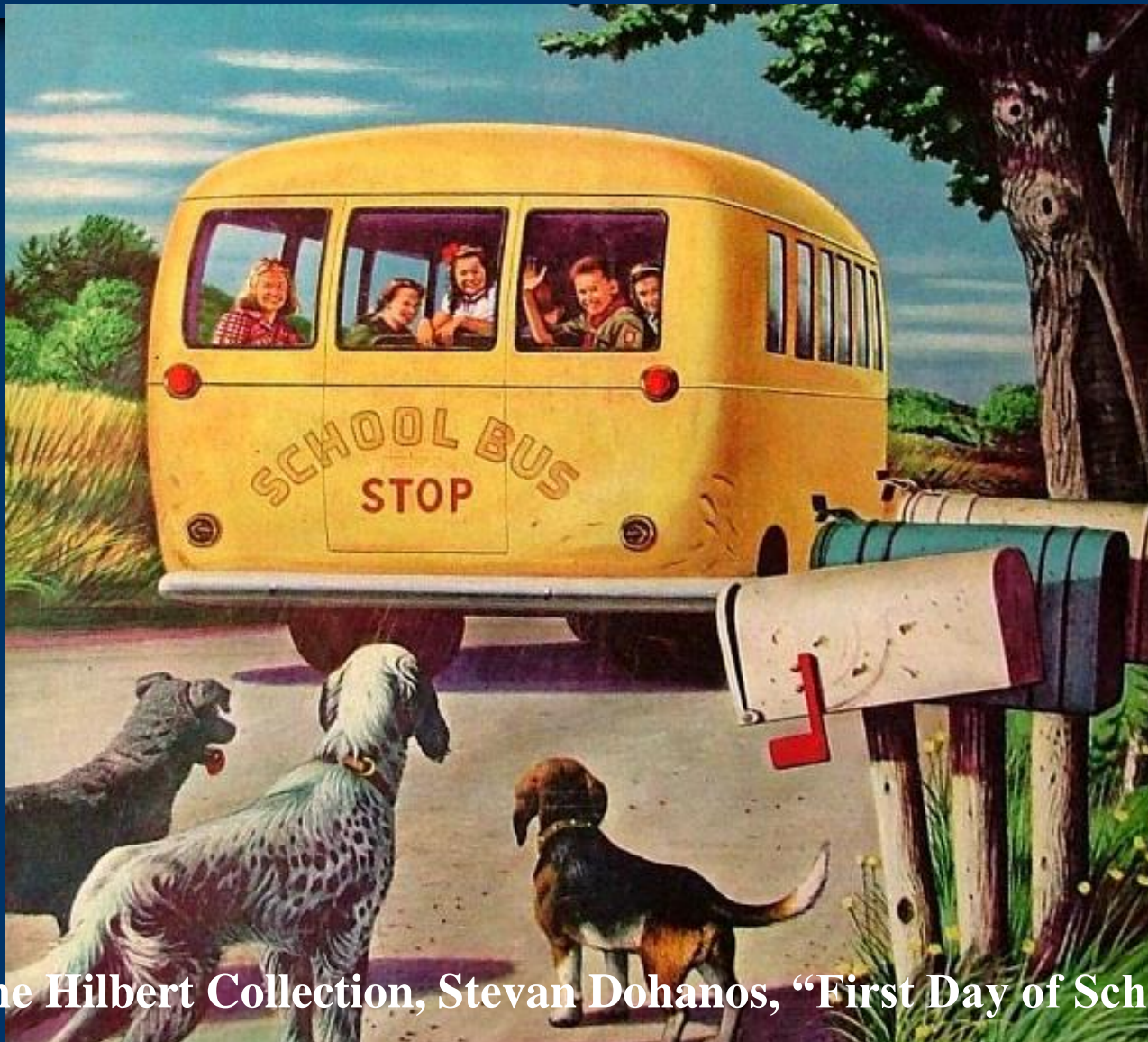
Source: California Department of Finance

Taxable Sales Orange County

Annual % Change



Chapman Economic Forecast



The Hilbert Collection, Stevan Dohanos, "First Day of School"

