



# 2019 Regional Economic Snapshot



Atlanta Regional Commission  
January 2019

## Key Takeaways

Metro Atlanta continues to be a national leader in job growth, though Atlanta's growth rate has slowed since late 2017, hovering just above the national average

Wages continue to see positive annual growth, but growth is still sluggish

Strongest year-over-year employment growth found in lower wage sectors, including construction and leisure & hospitality

Home prices remain above pre-recession peak, though still well below the 20 (largest) city composite

Office and retail construction levels similar to last year, with nearly five million square feet of office space and roughly two million square feet of retail space currently under construction in metro Atlanta

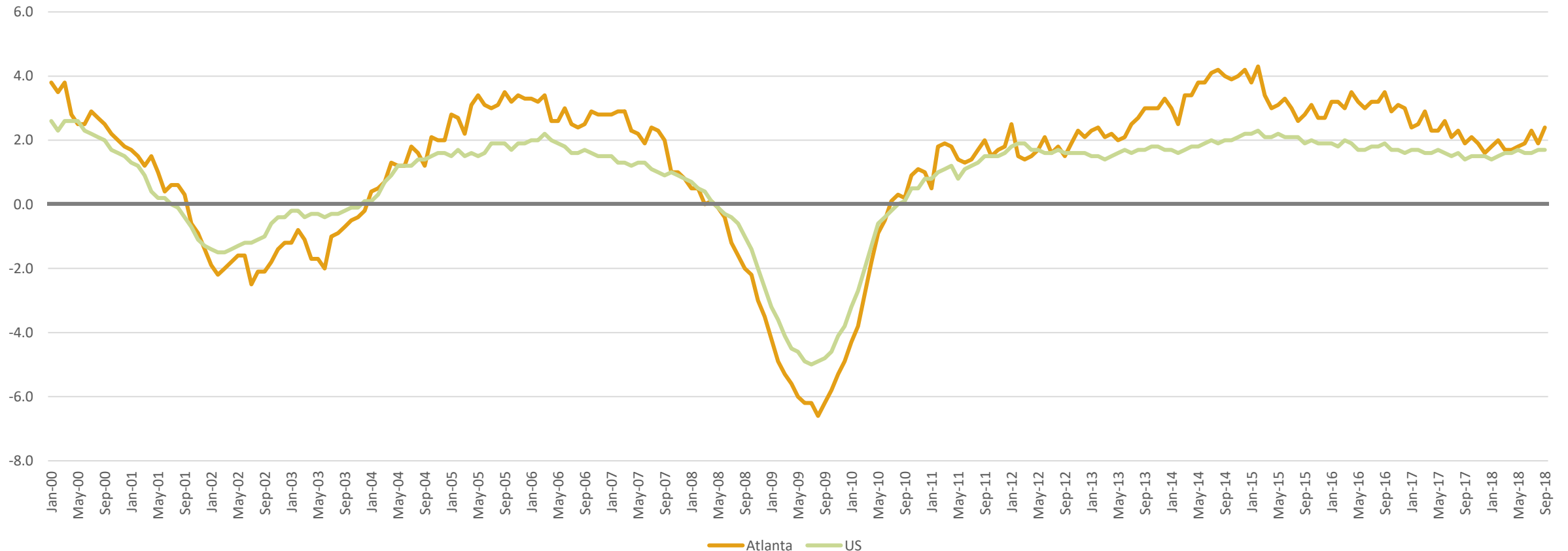
## Metro Atlanta's GDP Up Nearly 24 Percent Since 2010

(In millions of Chained Dollars \$2009)

Metro	2010	2011	2012	2013	2014	2015	2016	2017	% Change 2010-2017	% Change 2016-2017
New York	1,321,890	1,325,612	1,364,249	1,367,355	1,391,584	1,419,450	1,425,635	1,444,484	9.3%	1.3%
Los Angeles	754,535	760,055	781,151	796,341	826,980	869,246	880,453	904,899	19.9%	2.8%
Chicago	522,484	529,860	545,392	543,675	552,838	566,619	574,603	583,137	11.6%	1.5%
Dallas	359,151	372,205	391,231	412,264	431,147	454,716	461,752	479,678	33.6%	3.9%
Washington	426,282	432,803	435,144	431,875	434,035	442,788	450,726	460,026	7.9%	2.1%
Houston	372,614	385,027	408,515	425,042	436,083	452,353	436,221	436,369	17.1%	0.0%
San Francisco	321,982	321,282	337,674	350,305	368,129	389,201	411,340	425,358	32.1%	3.4%
Philadelphia	344,835	346,289	352,056	363,869	366,776	375,649	381,747	387,217	12.3%	1.4%
Boston	325,699	332,700	340,681	342,477	349,951	365,302	369,243	379,499	16.5%	2.8%
Atlanta	269,939	274,623	278,536	288,394	299,830	311,373	324,971	334,488	23.9%	2.9%
Seattle	240,771	245,216	256,930	264,336	273,733	286,317	297,254	312,587	29.8%	5.2%
Miami	247,557	247,940	254,161	251,020	267,698	281,369	289,602	296,486	19.8%	2.4%
San Jose	161,534	172,532	178,727	188,543	202,567	224,908	238,384	256,419	58.7%	7.6%
Detroit	196,263	203,896	208,204	209,372	213,422	218,528	222,087	228,069	16.2%	2.7%
Minneapolis	195,811	201,599	202,894	206,173	213,028	216,781	221,284	226,152	15.5%	2.2%
Phoenix	178,640	182,412	187,477	188,075	193,215	199,361	204,015	210,968	18.1%	3.4%
San Diego	173,447	179,174	181,171	186,674	189,042	190,899	197,641	201,986	16.5%	2.2%
Denver	151,224	153,031	157,916	159,968	169,525	177,321	179,516	185,942	23.0%	3.6%
Baltimore	150,990	154,141	155,582	156,912	158,797	160,112	164,254	165,903	9.9%	1.0%
Portland	141,374	148,621	142,586	138,916	141,344	146,689	151,966	156,553	10.7%	3.0%

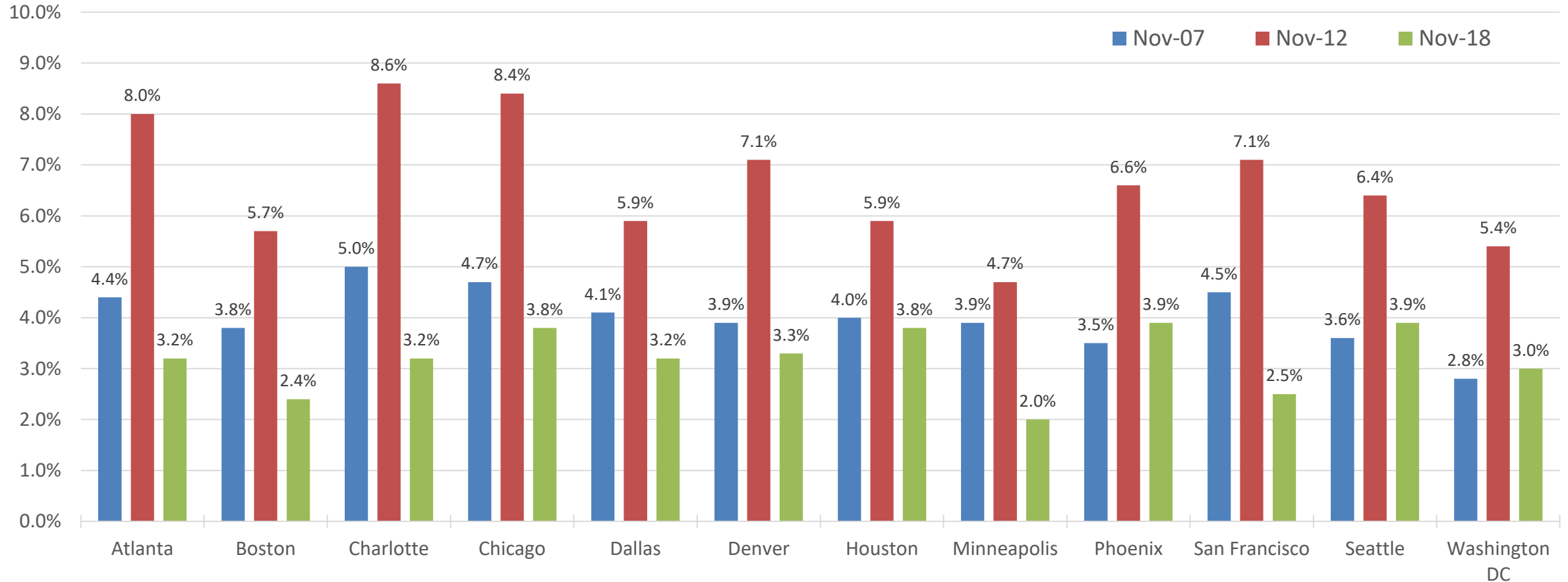
## Metro Atlanta Outperforming Nation Last 6 Years

Year-Over-Year Percent Change in Total Nonfarm Employment



In general, metro Atlanta's year-over-year employment growth rate has been stronger than that of the nation's for the last six years. However, since late 2017 Atlanta's growth rate has slowed, hovering just above the national rate.

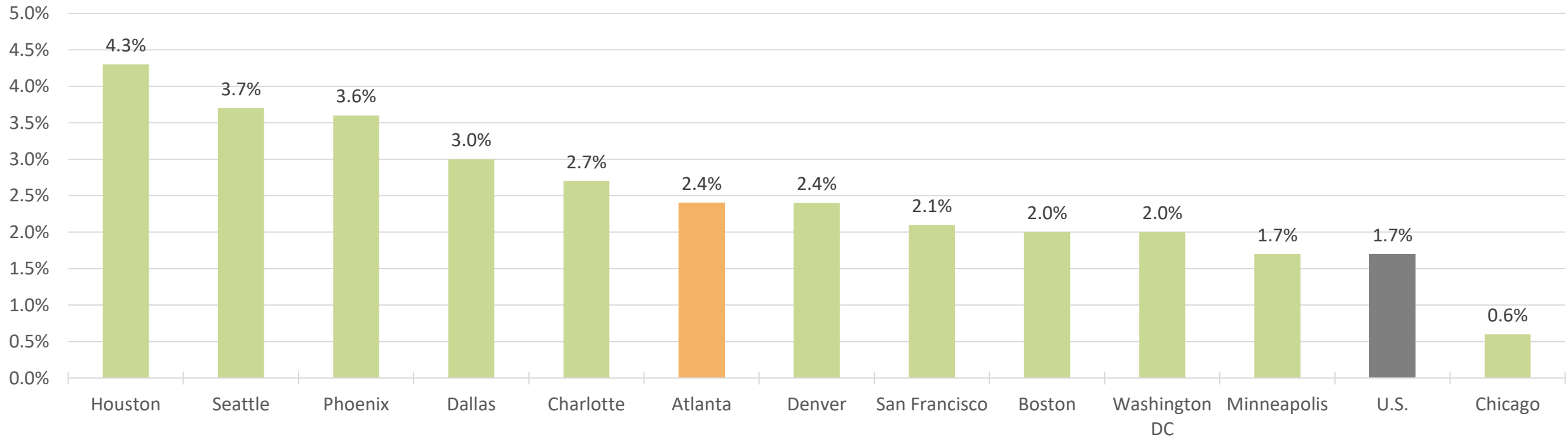
## Unemployment Rates Low Everywhere in Peer Metros



Metro Atlanta's unemployment rate for November 2018 (3.2%) was slightly less than the national unemployment rate (3.7%) for the same period, and was on par with its peer metros. Only Boston, Minneapolis, and San Francisco had lower rates of unemployment in November 2018.

## Metro Atlanta #6 in job growth, year-over-year

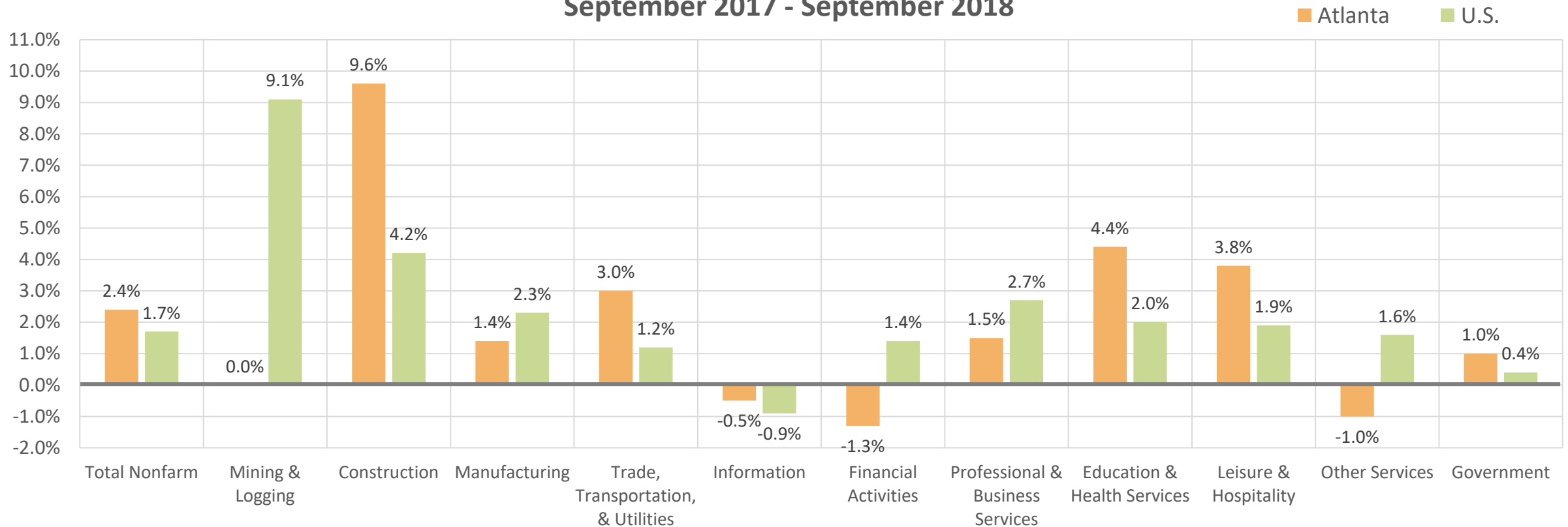
Year-Over-Year Percent Change in Nonfarm Employment  
September 2017 – September 2018



Metro Atlanta ranks sixth among the 12 largest metro areas in year-over-year job growth for the November 2017 to November 2018 period. Last year, Atlanta ranked 2<sup>nd</sup> among its peers in year-over-year growth, so while the metro is still outpacing the national growth rate, Atlanta's rate is starting to slow compared to its peers.

## Growth in Higher-Paying Sectors Slow, While Lower-Paying Sectors Soar

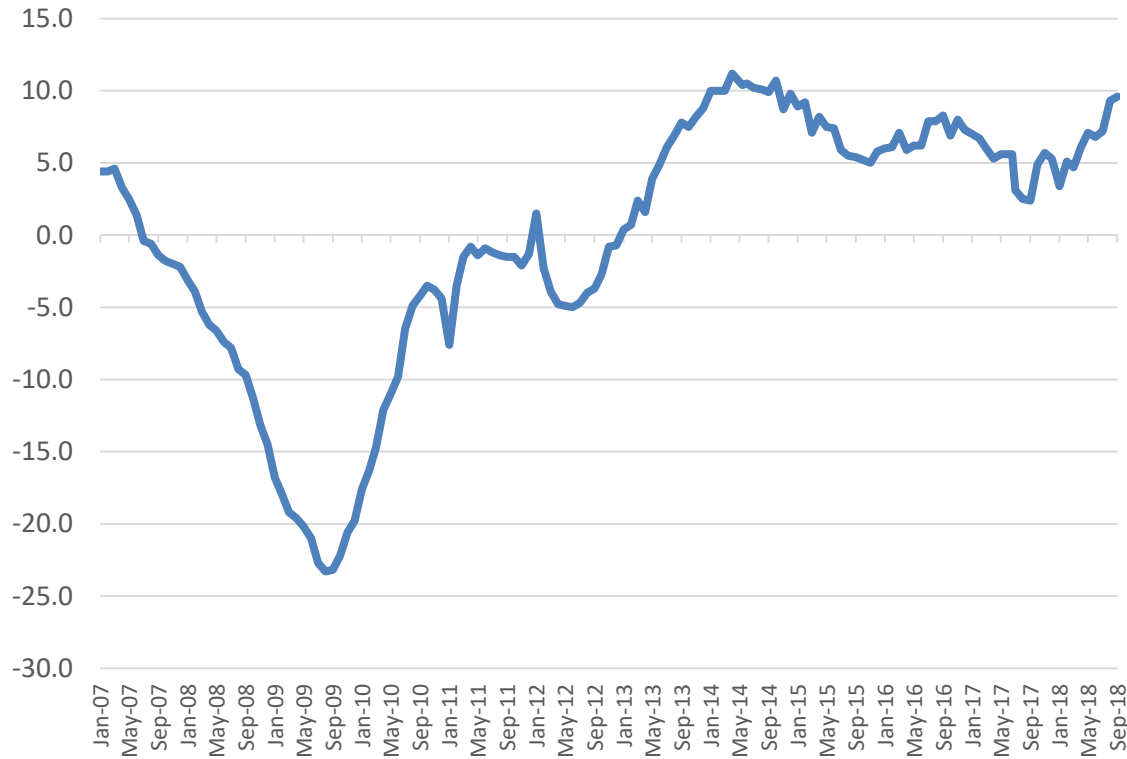
Year-Over-Year Percent Change in Employment, By Super Sector  
September 2017 - September 2018



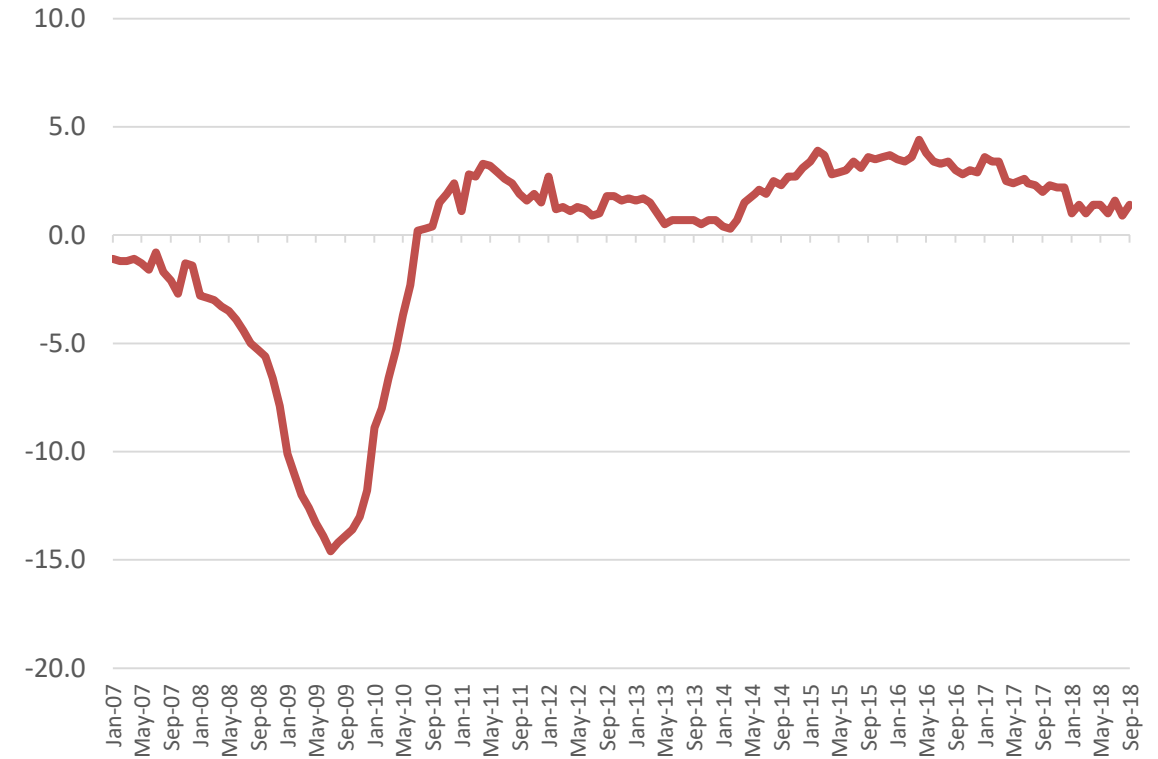
In metro Atlanta, year-over-year September 2017 to September 2018, the construction, education & health services, and leisure & hospitality sectors experienced the strongest growth, significantly outpacing national growth in these sectors. Historically a strong performer in metro Atlanta, the information sector in 2018 experienced a year of slow and, at times negative, growth.

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

### Construction



### Manufacturing



While both construction and manufacturing employment rebounded from the Great Recession, construction saw steadily increasing growth rates over 2018, while manufacturing's growth rate hovered around one percent over the course of the year.

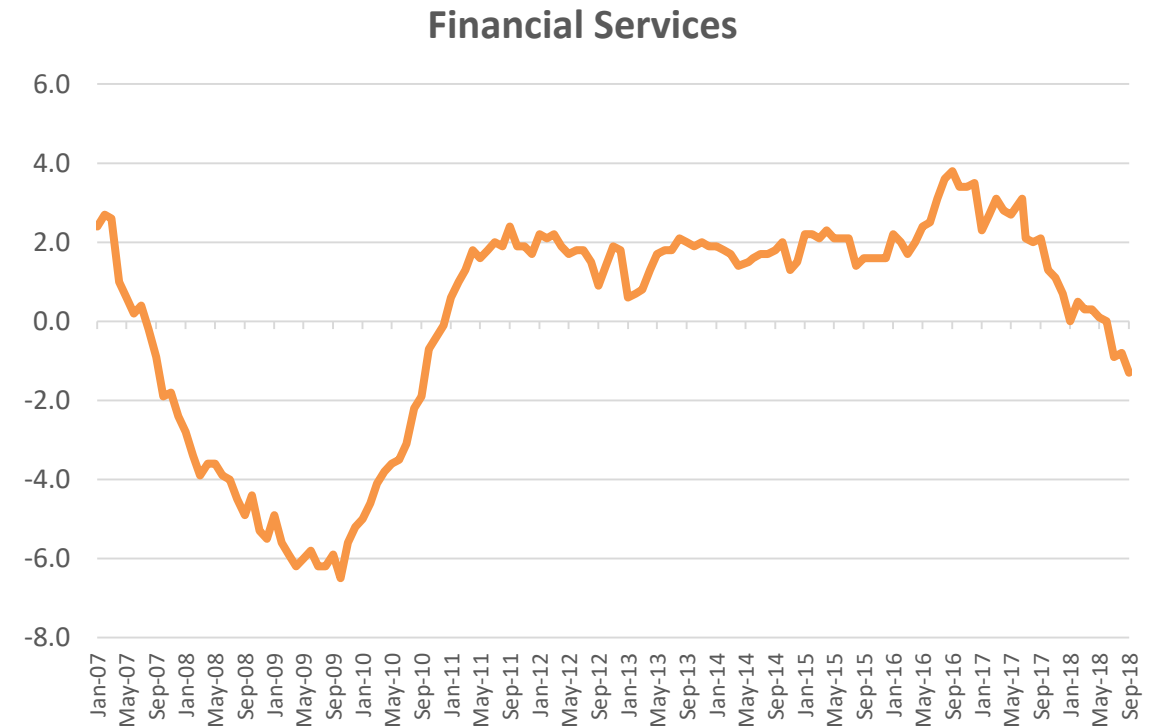
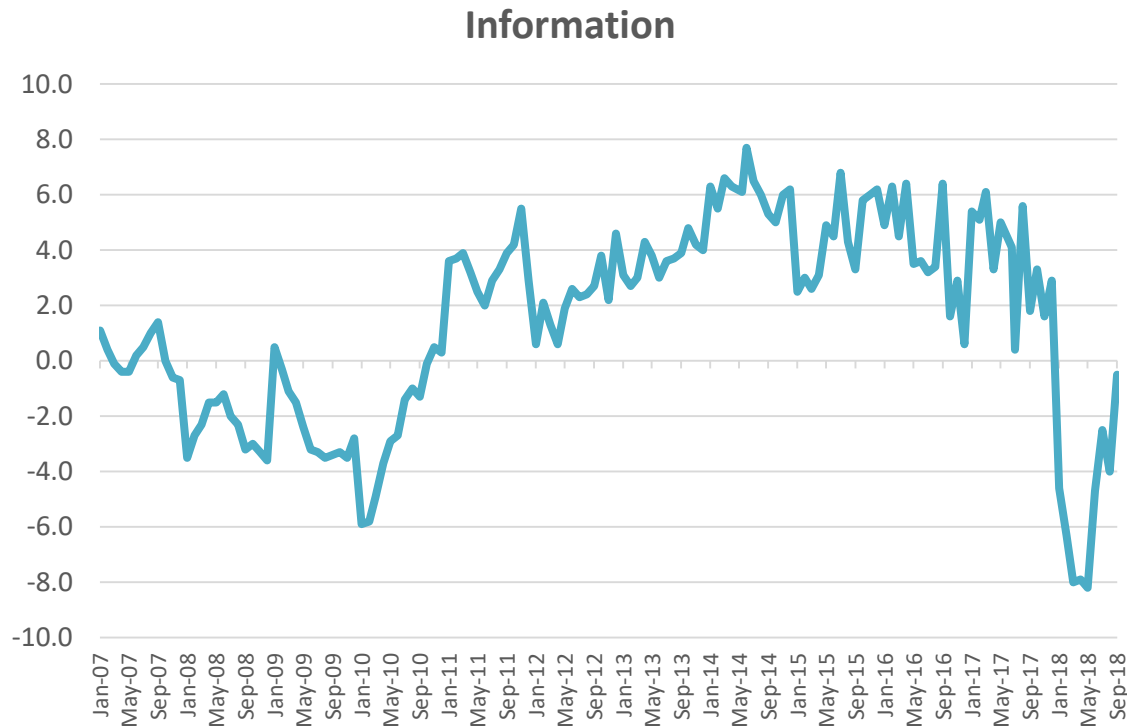


## A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)



Growth in wholesale trade has been trending upward over the last two years and employment in the retail sector has begun ticking back up over the course of 2018 after experiencing over two years of declining growth rates.

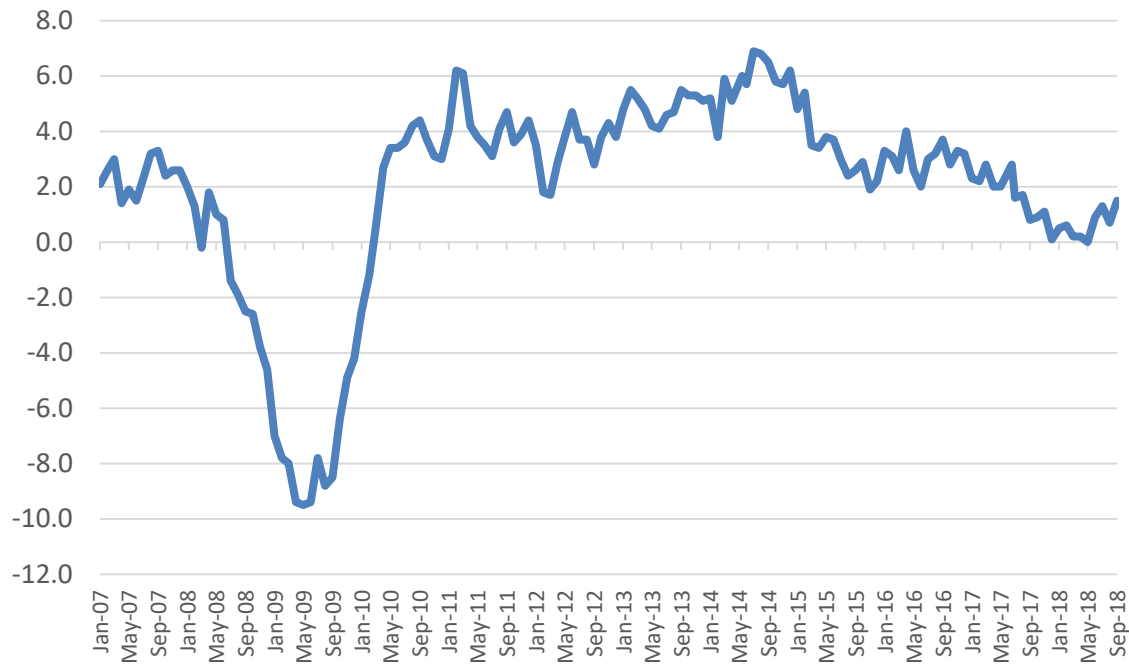
## *A Look at Sector-by-Sector Employment Growth (not seasonally adjusted)*



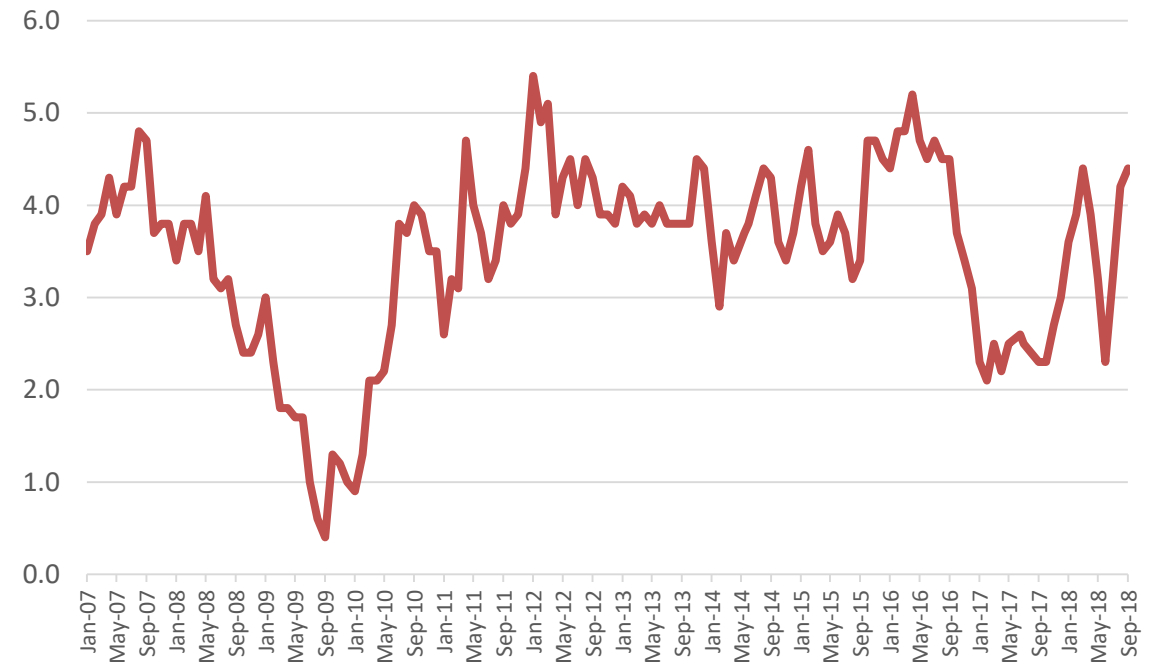
The information and financial services sectors, two sectors that have relatively high overall wages, have experienced slow, and, at times negative, growth rates since late 2017, though the last four months the information sector, while still negative, has slowly begun climbing upward again.

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

### Professional & Business Services

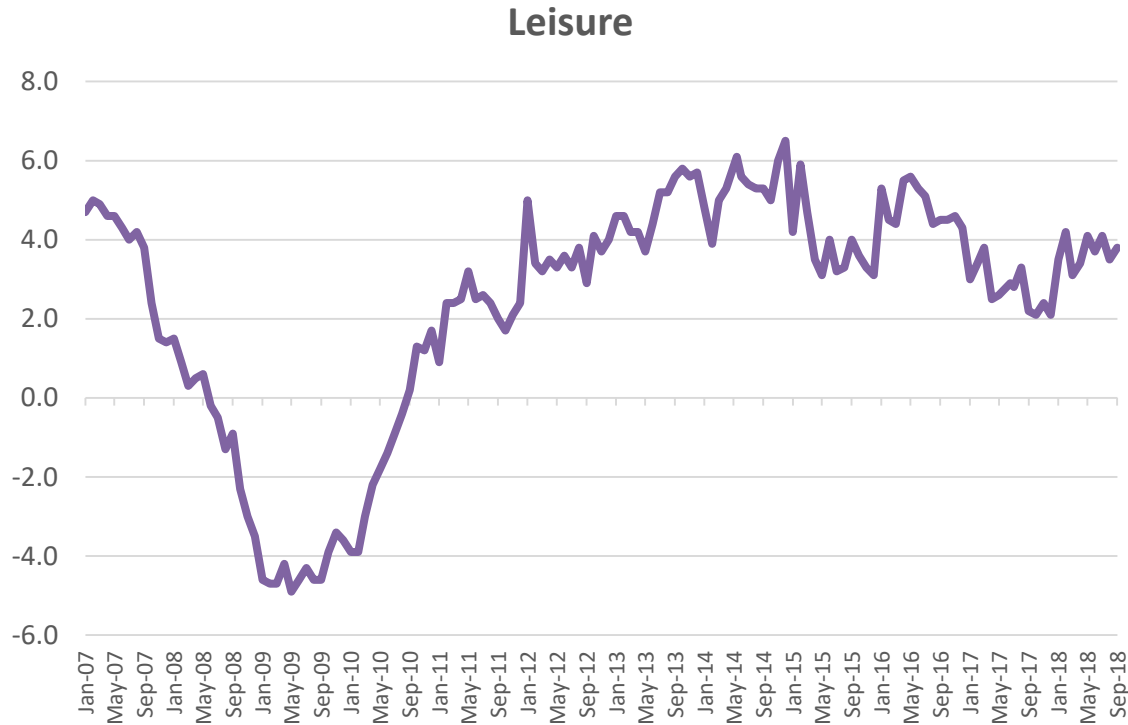


### Education & Health Services



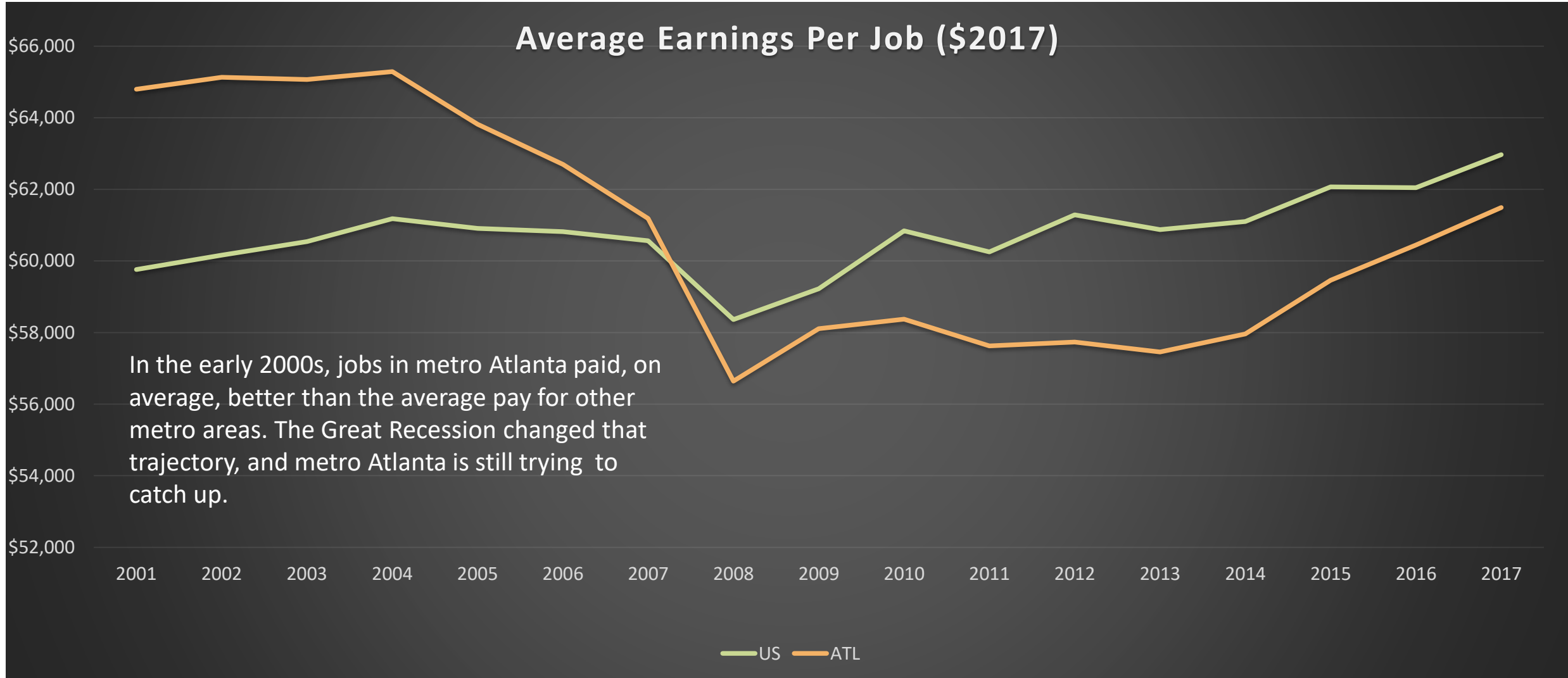
Though previously a strong growth sector, the professional & business services sector has been declining each month since August 2014. Meanwhile, the education and health services sector has seen some variability in growth rates, though growth has remained above two percent since the recession.

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



Employment growth in the leisure & hospitality sector slowed from June 2016 to December 2017 before rebounding in 2018 to a rate of between three and four percent.

## Jobs Earnings Falling Behind in Metro Atlanta



# Jobs Earnings the Same Today As in 1998

Earnings per Job – Metro Atlanta (\$2016)

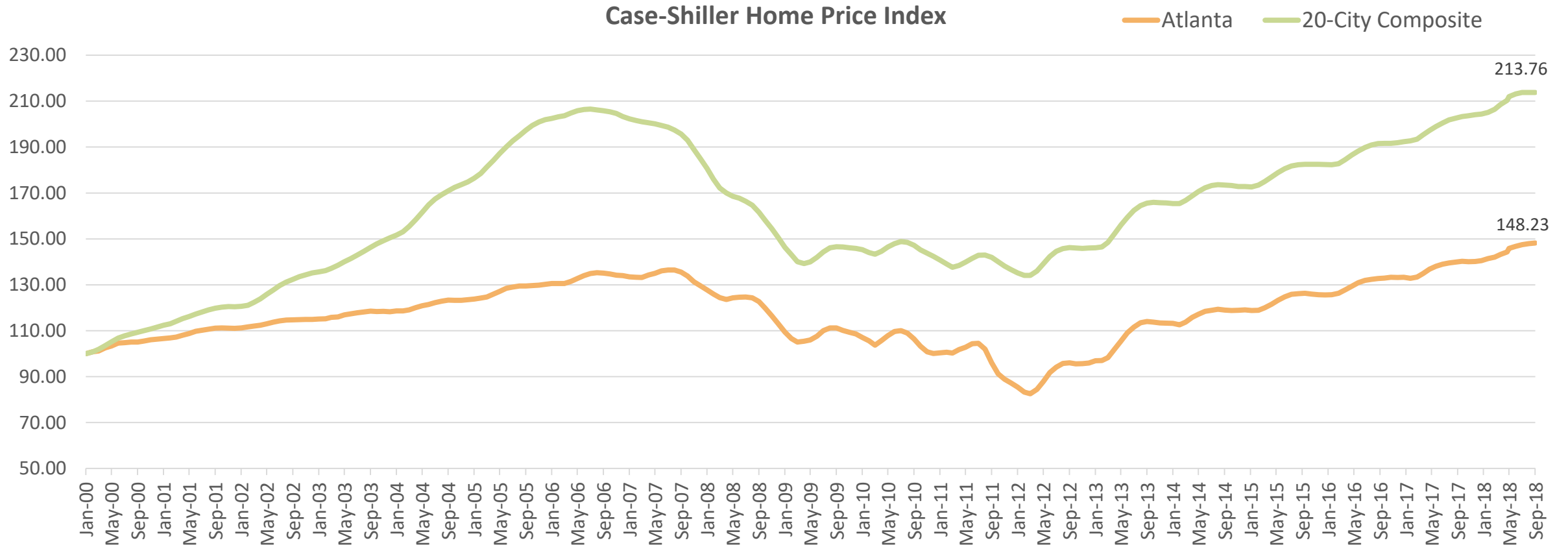


## Average Hourly Wage by Selected Occupation

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
Financial Managers	\$71.92	\$69.00
General and Operations Managers	\$58.86	\$59.36
Management Analysts	\$46.66	\$44.92
Computer Systems Analysts	\$43.46	\$44.59
Accountants and Auditors	\$37.20	\$37.46
Registered Nurses	\$33.91	\$35.36
Customer Service Representatives	\$17.46	\$17.14
Construction Laborers	\$17.24	\$18.70
Retail Salespersons	\$12.00	\$13.20
Cashiers	\$9.82	\$10.64
Cooks, Fast Food	\$9.63	\$10.39
Waiters and Waitresses	\$9.57	\$12.15

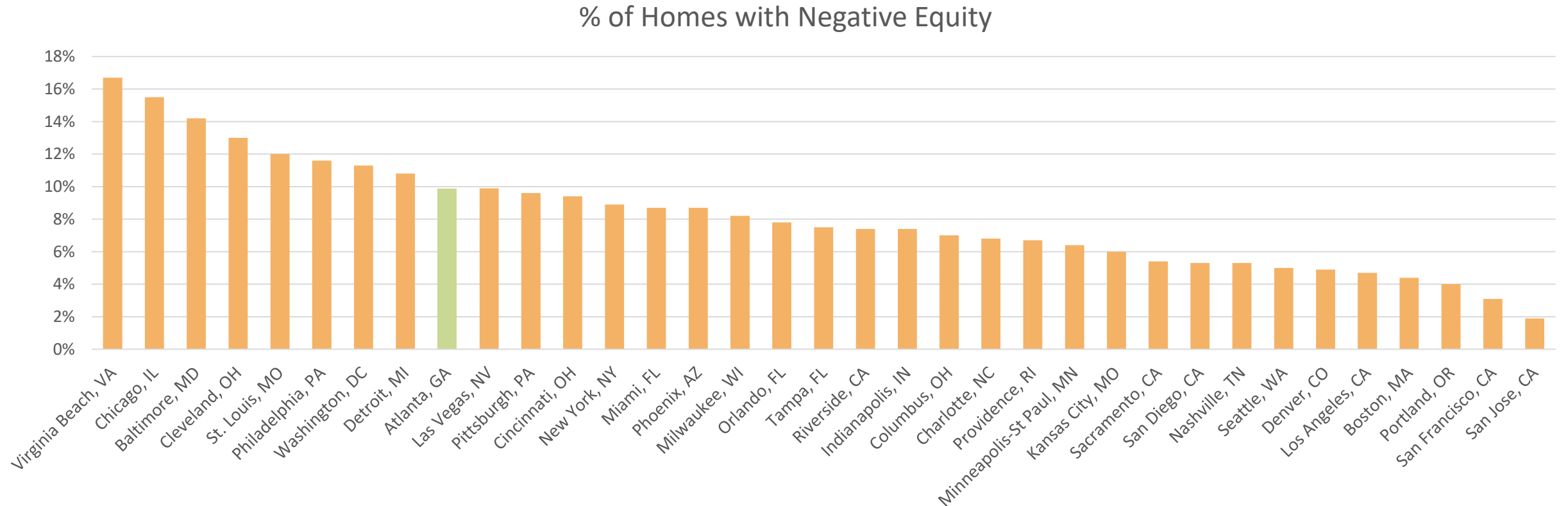
## Home Prices Exceed Pre-Recession Peak



Home prices in metro Atlanta are higher today than during they were at the pre-recession peak; they have been for the last 18 months (per Case-Shiller). Home prices in Atlanta are still lower than the 20 largest city composite prices, however.



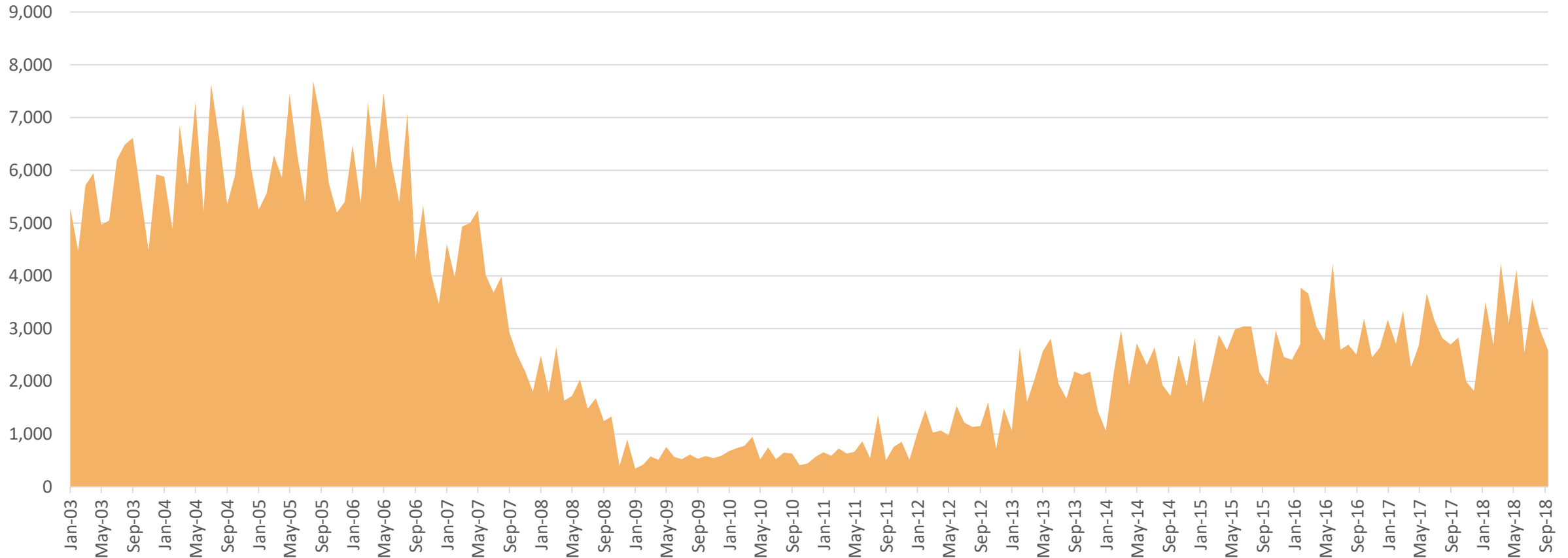
## Still Struggles With Housing Costs, Though



While home prices have finally eclipsed their pre-recession peak, Atlanta ranks ninth out of the 40 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

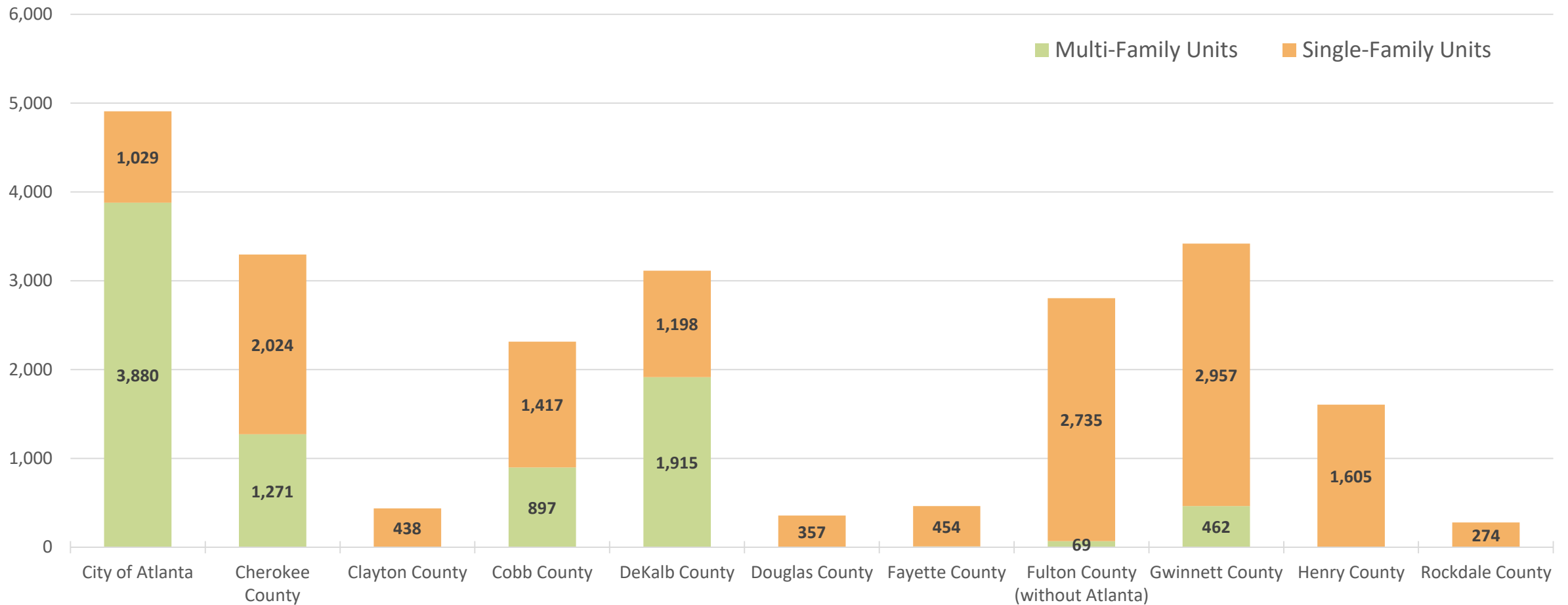
Metro Atlanta Residential Units Permitted, 2003-Current



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

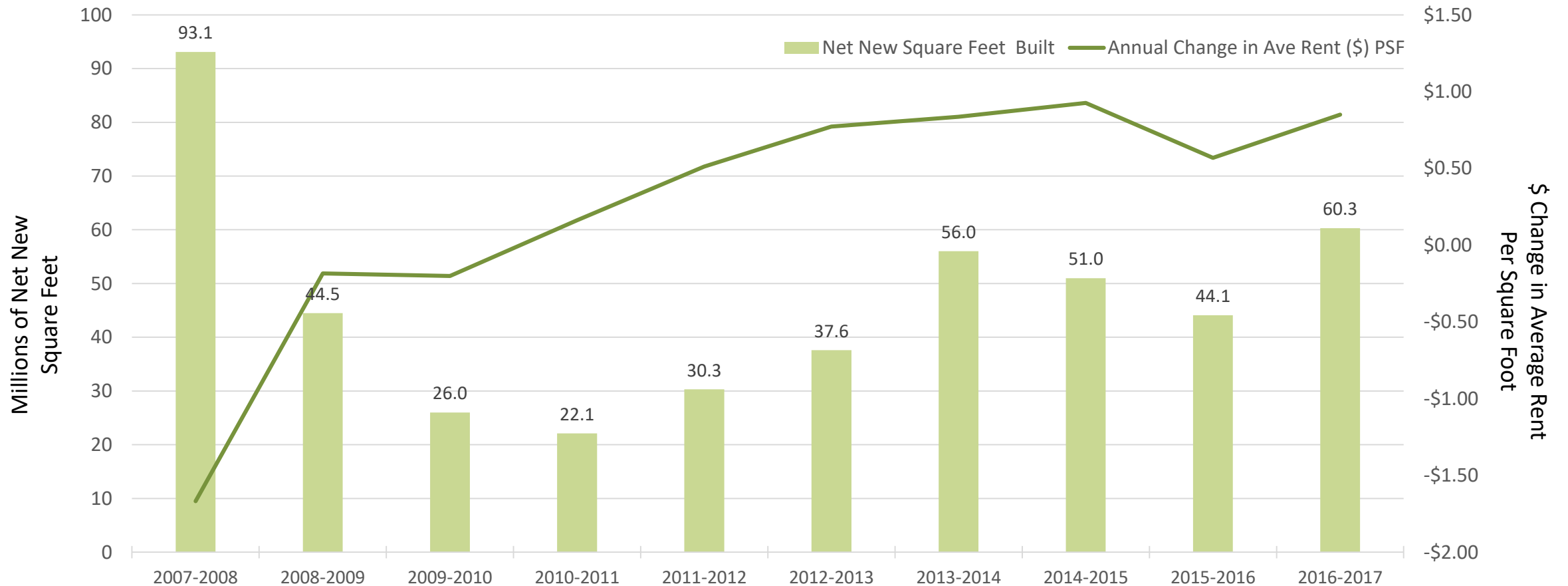
## Total Residential Units Authorized by Building Permit, by Jurisdiction

Number of Residential Units Permitted, 2018 (through October)



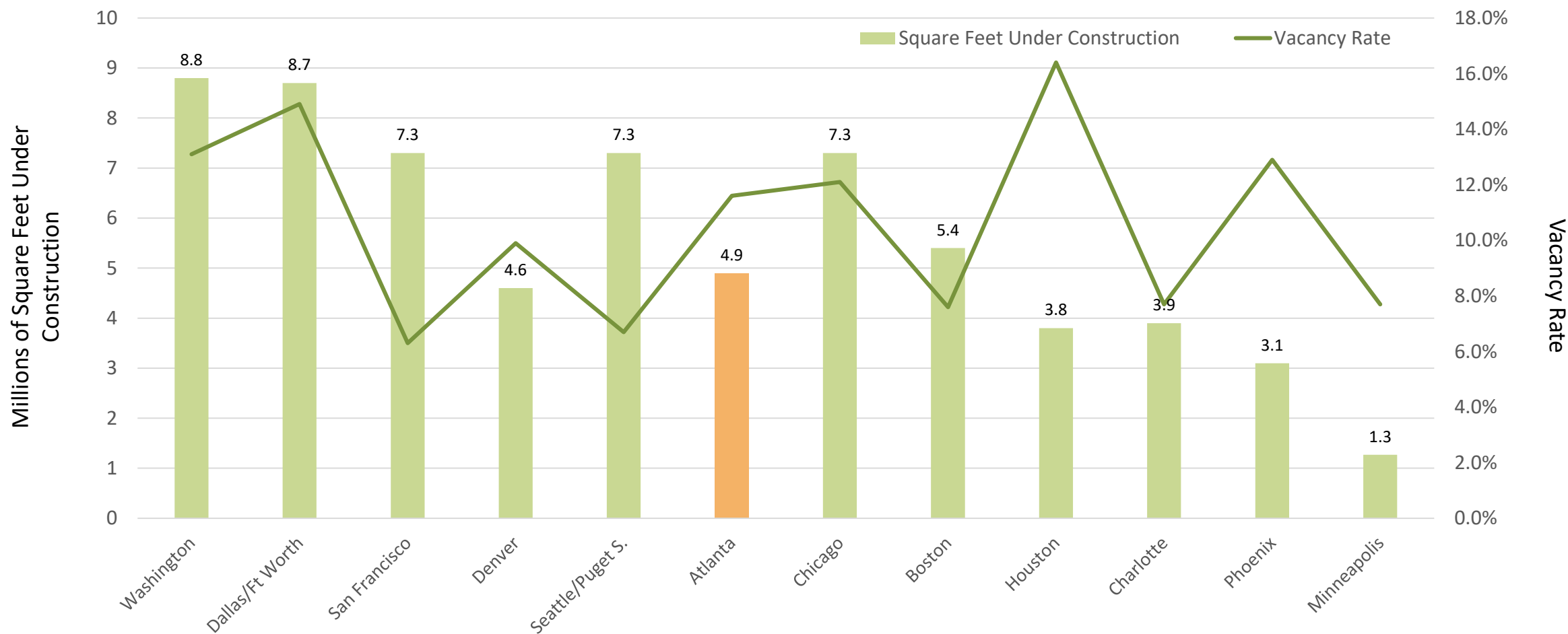


## The Nation –Office Space Over Time (Net New Space and Rent Changes)



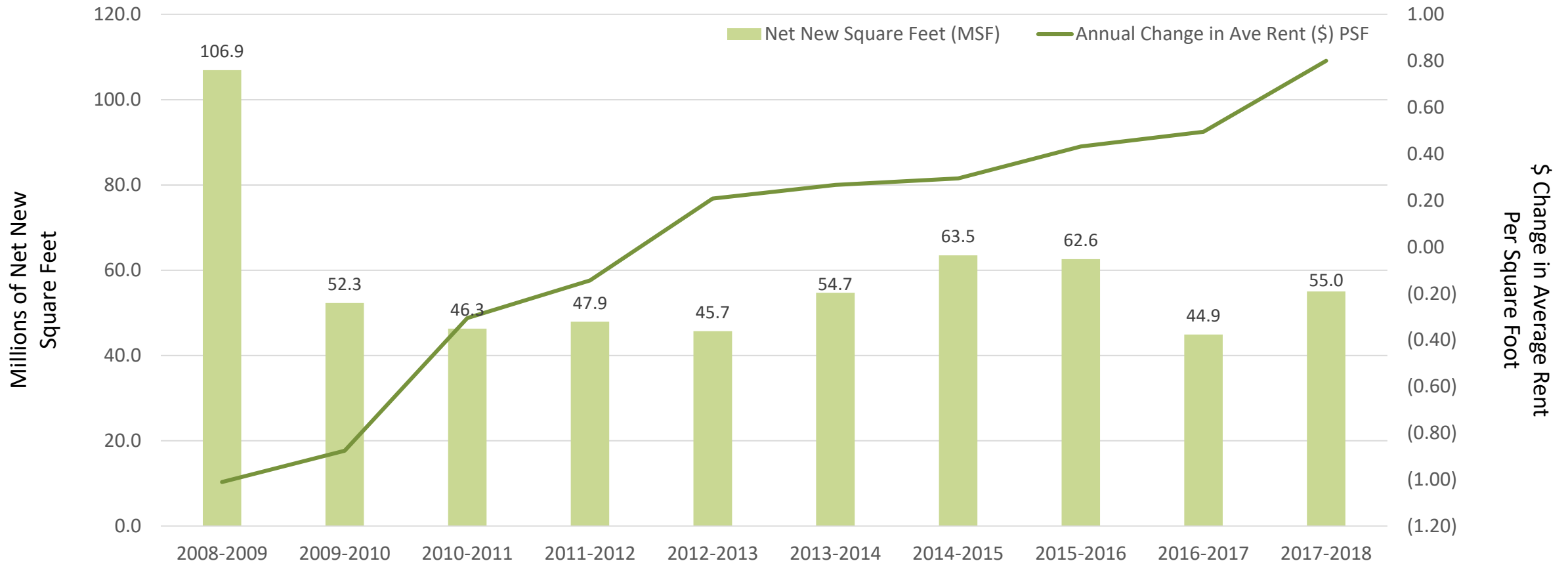
Nationally, little new office space has been added in recent years, which is a result of the overbuilding of the sector prior to and during early part of the recession, and minimal (or negative) rent growth.

# Atlanta & Peer MSAs- Current Office Conditions 2017 Q3



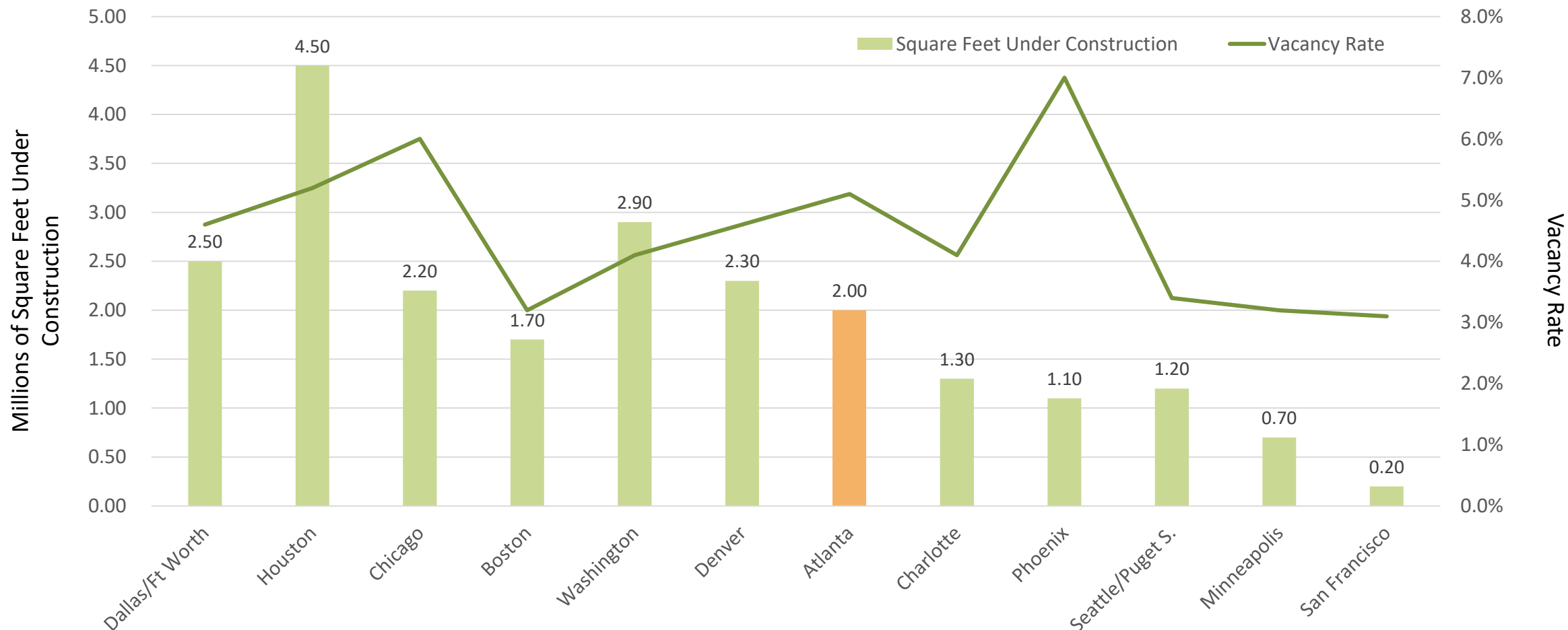
A little less than five million square feet of office space is currently under construction in metro Atlanta with an 11.6 percent vacancy rate. Both of these values rank metro Atlanta in the middle of the pack of these peer metros.

## 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 in 2014-2015 & 2015-2016. After years of negative or flat rent growth, average rents increased recently.

## Current Retail Conditions – Atlanta & Peer MSAs 2017 Q3



Across metro Atlanta, roughly two million square feet of retail space is currently under construction with a 5.1 percent vacancy rate. Both of these values rank metro Atlanta in the middle of the pack of peer metros.