

**Taxable Sales Forecast –
Chapman University
Raymond Sfeir, PhD,
Professor of Economics**

OCTA

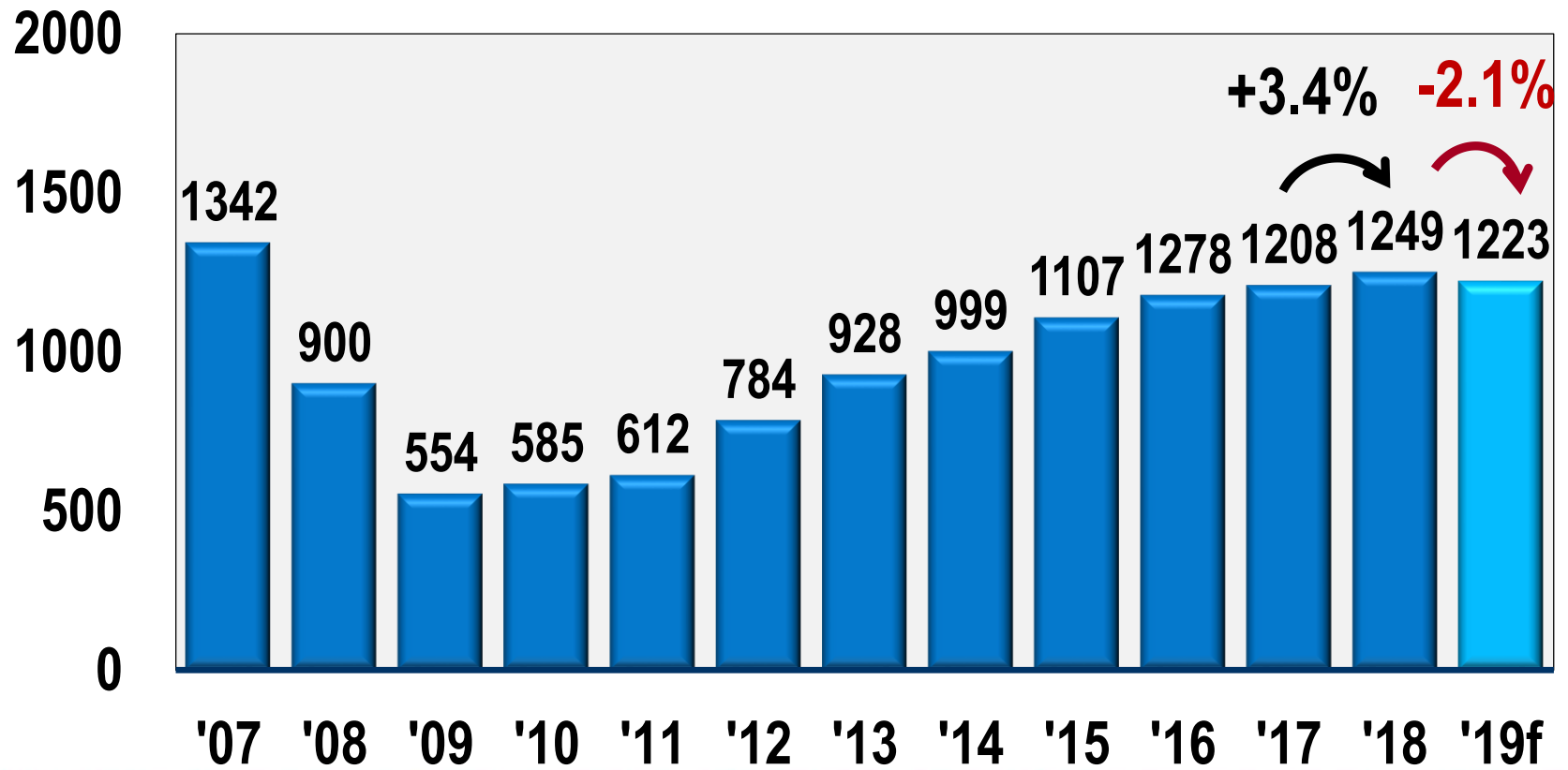
**Economic Forecast
July 10, 2019**



**Raymond Sfeir, Director
A. Gary Anderson Center for Economic Research
Argyros School of Business and Economics
Chapman University**

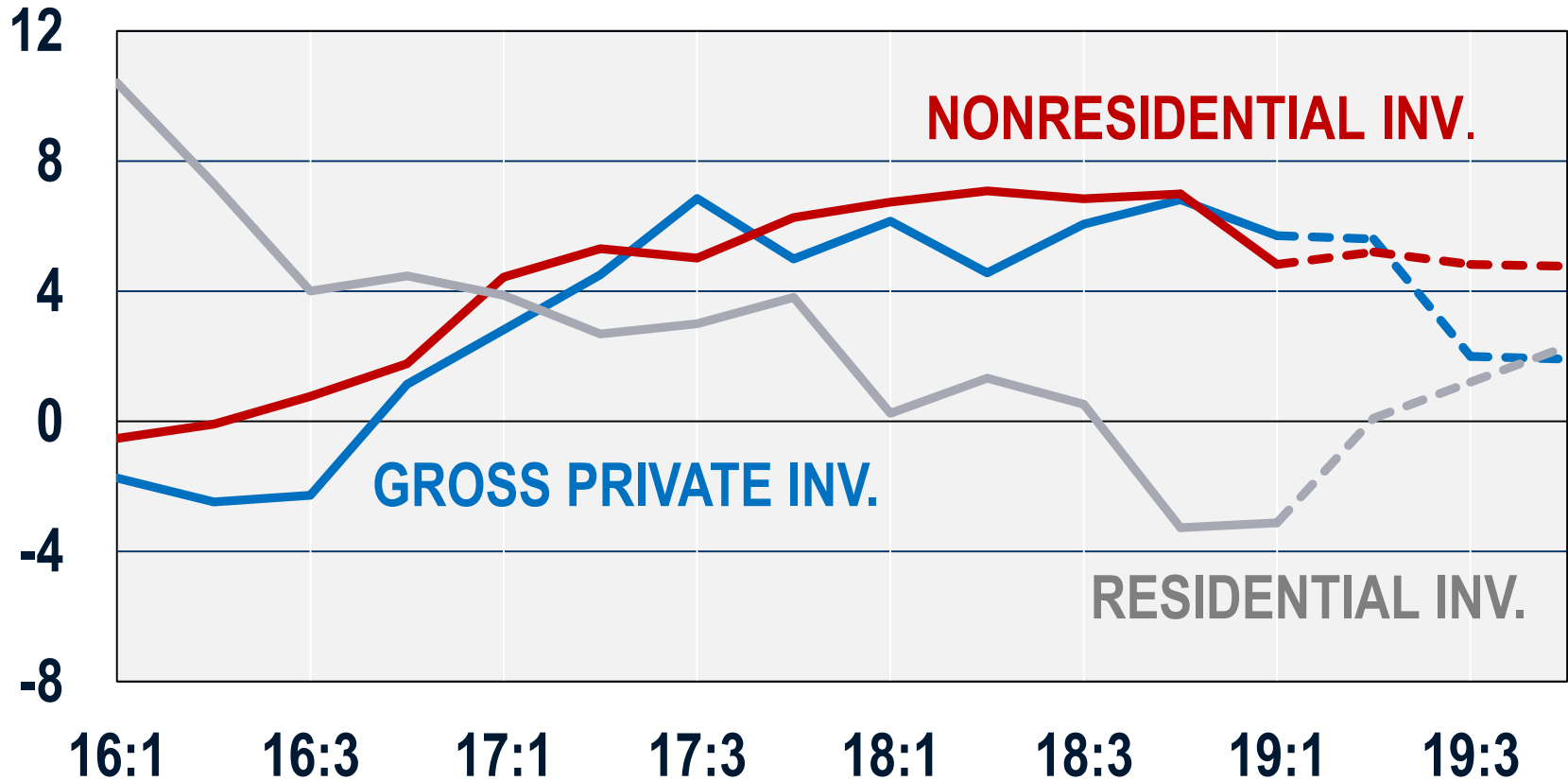
Housing Starts

Thousands of Units



Investment Spending

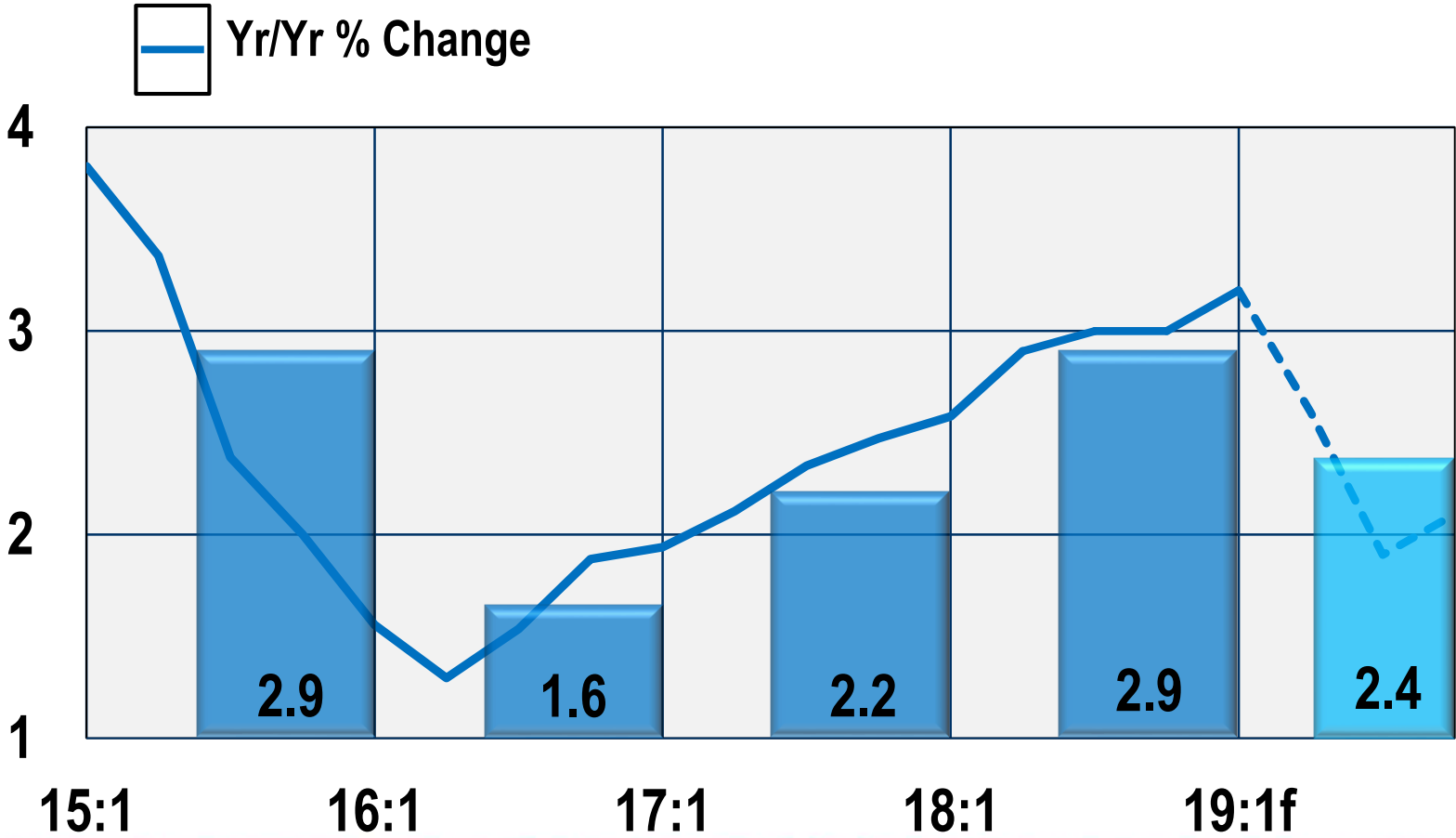
Percent



Household Debt Service Payments As a Percentage of Disposable Income

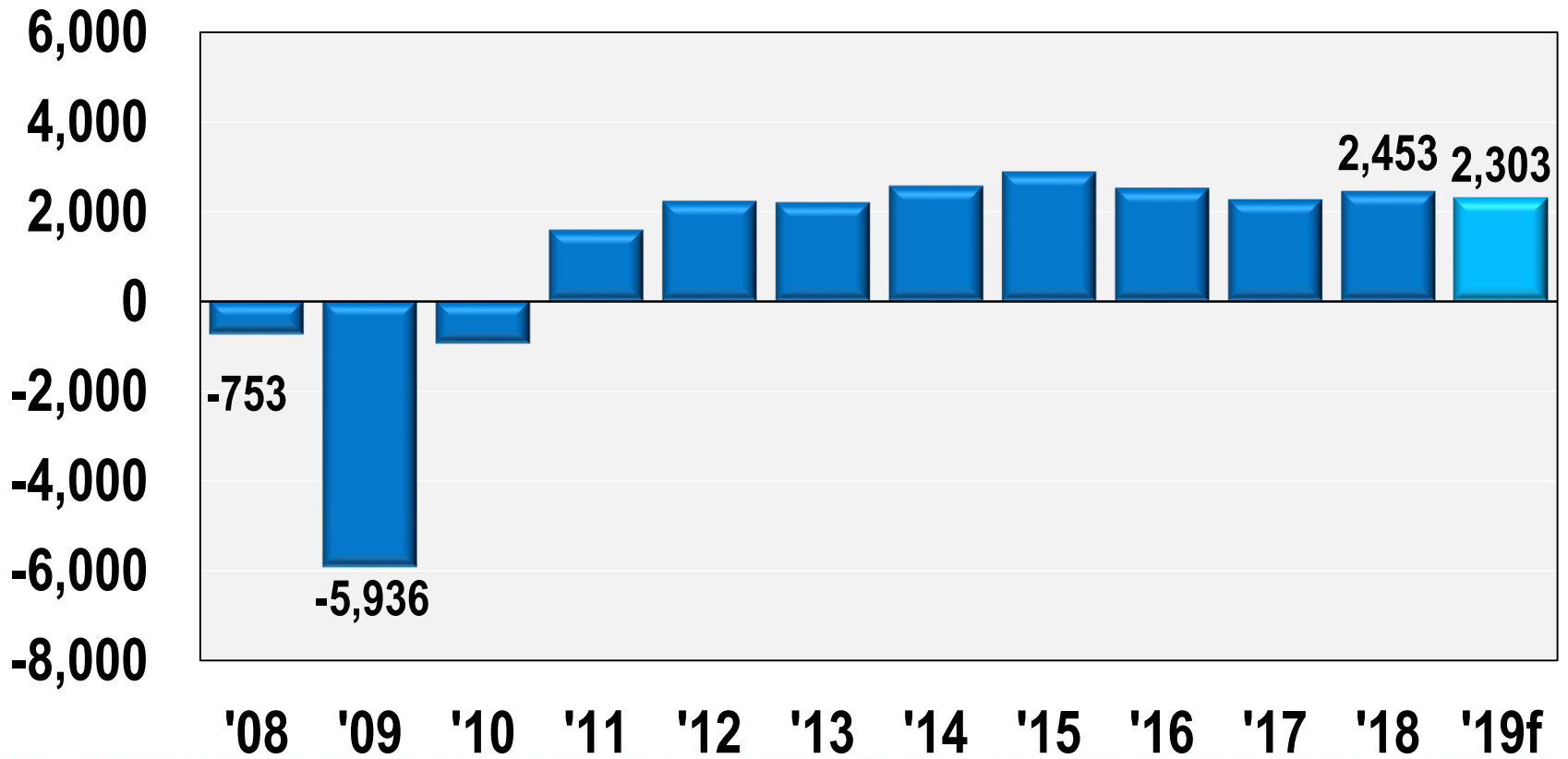


Real GDP



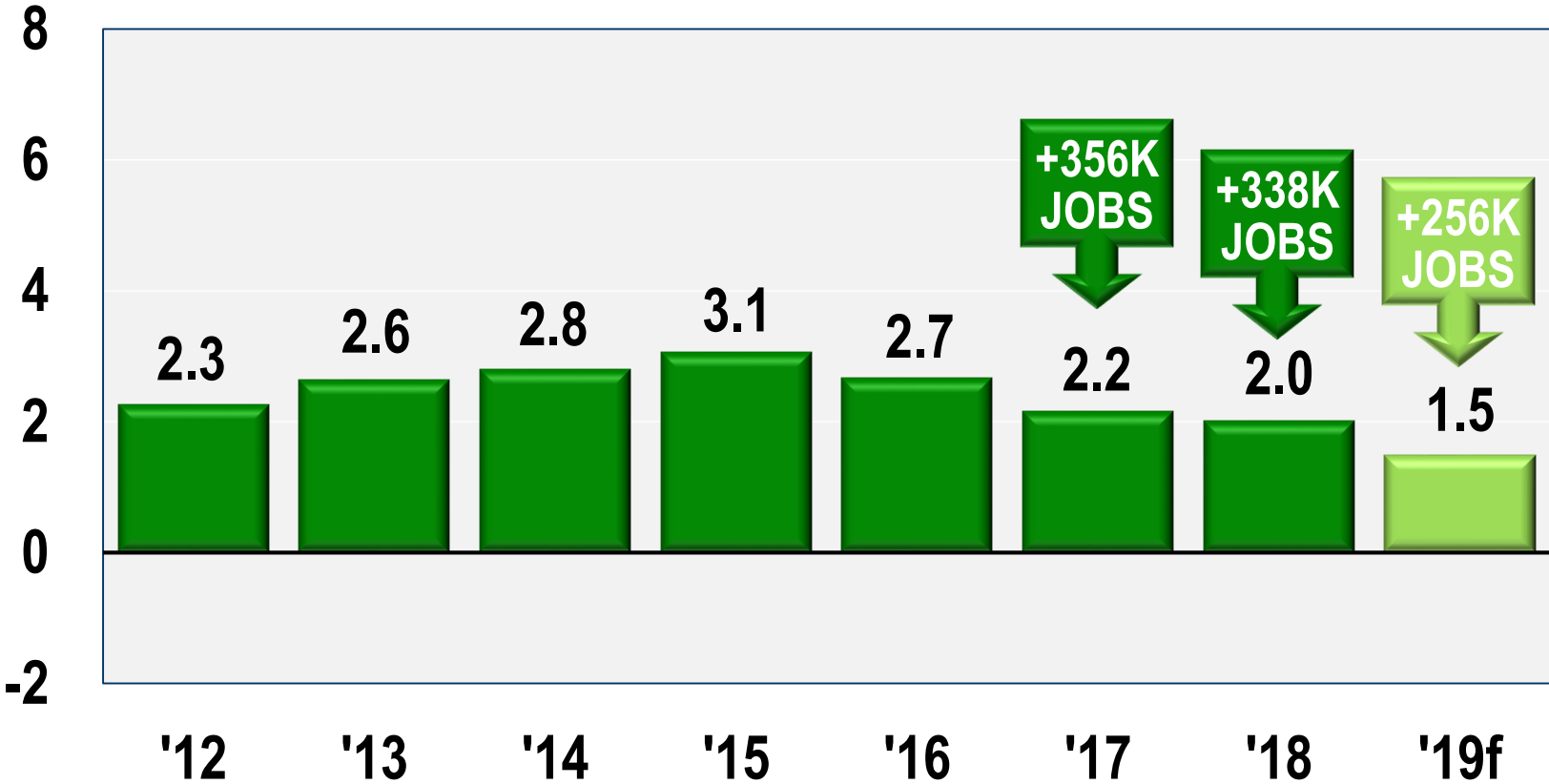
Change in Payroll Employment

Thousands



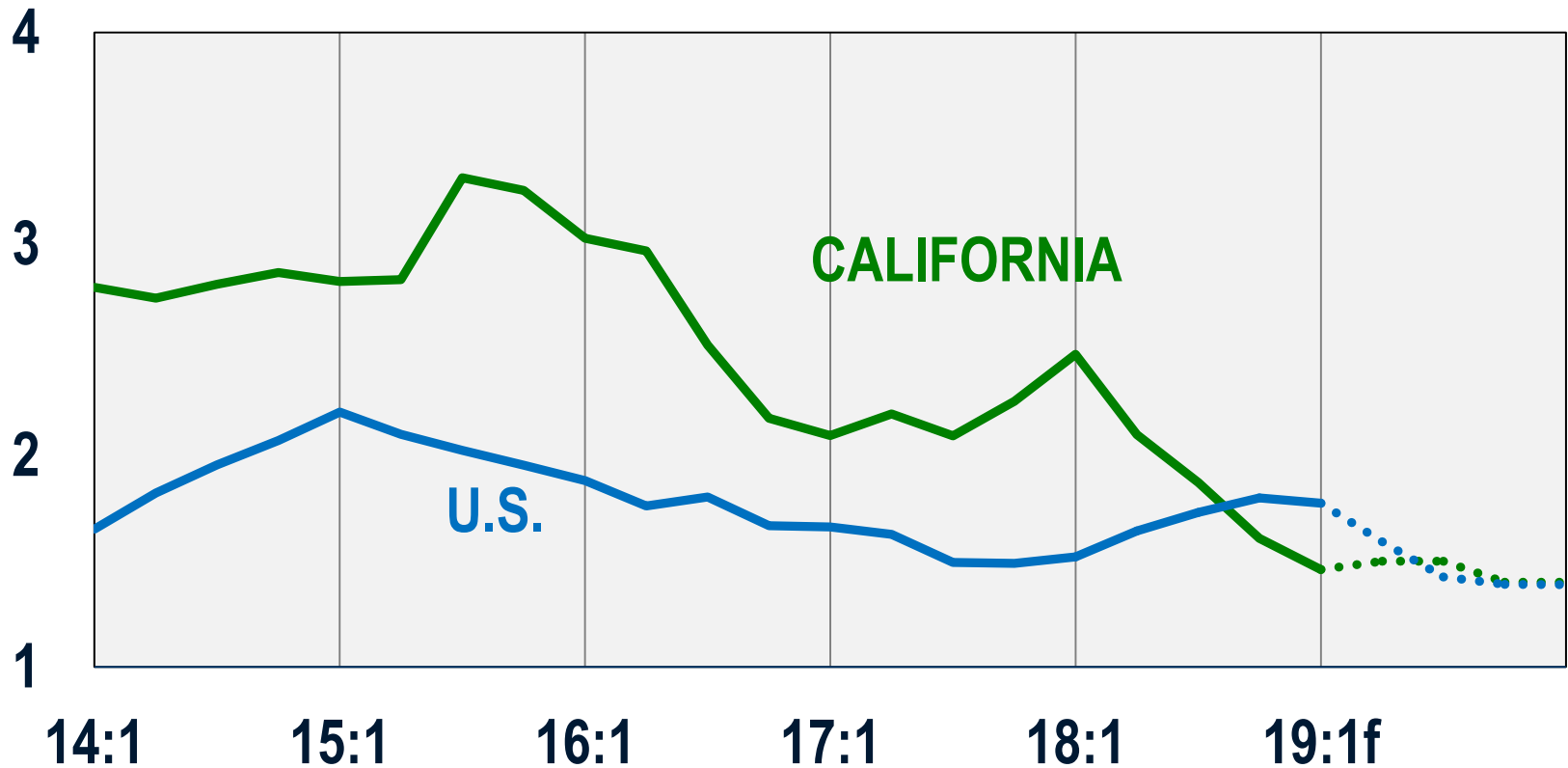
Job Growth, California

Annual % Change



Payroll Employment

Yr/Yr % Change



Orange County Economic Outlook



The Hilbert Collection, Bradford J. Salamon, "Disneyland, Vintage 1960" 9

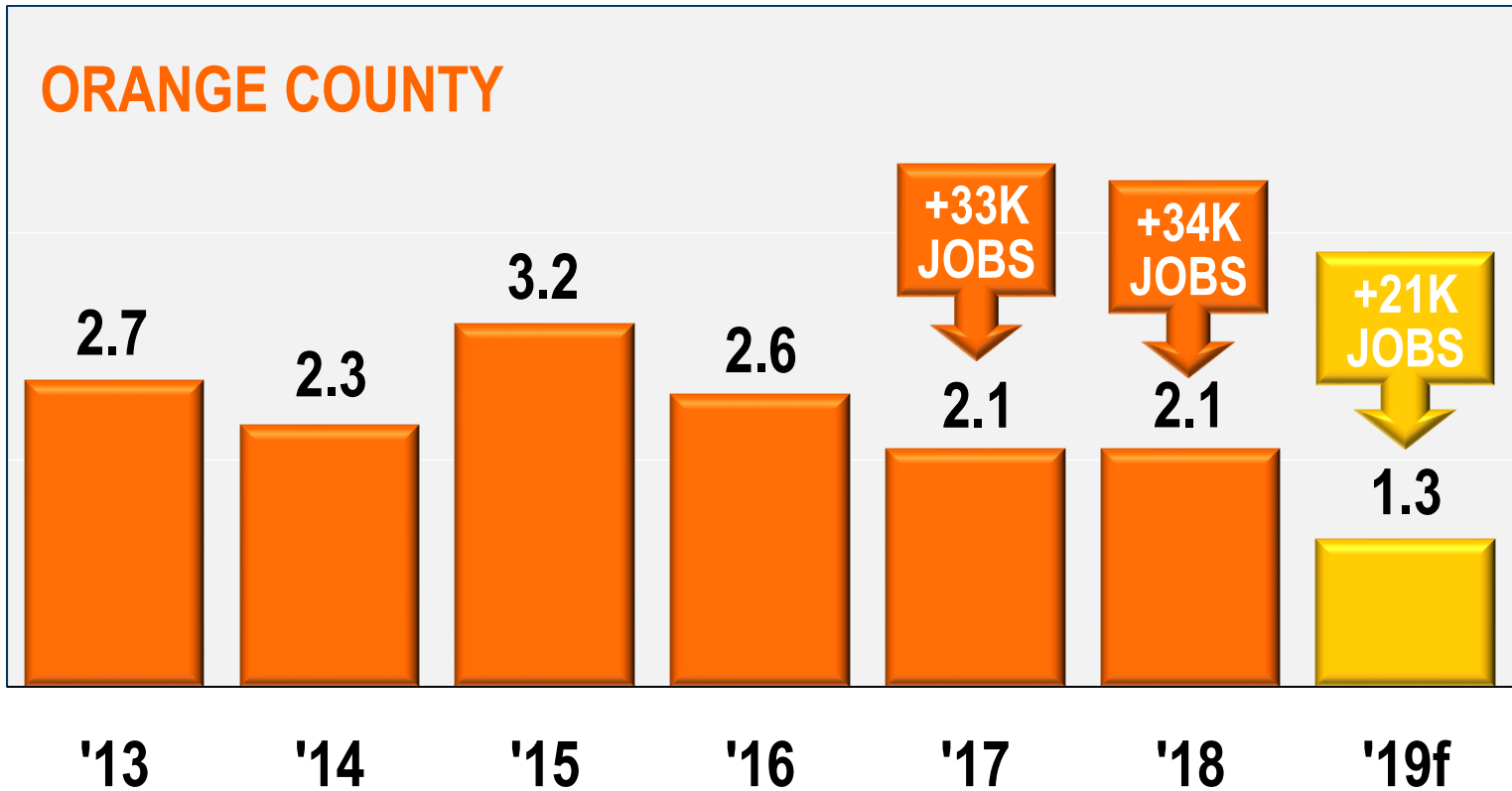
Job Growth

Annual % Change

6

ORANGE COUNTY

4



2

0

'13

'14

'15

'16

'17

'18

'19f

Manufacturing Jobs

Total % Change 2007 to 2018			
	U.S.	California	Orange County
Manufacturing Jobs	-8.6%	-9.6%	-11.8%

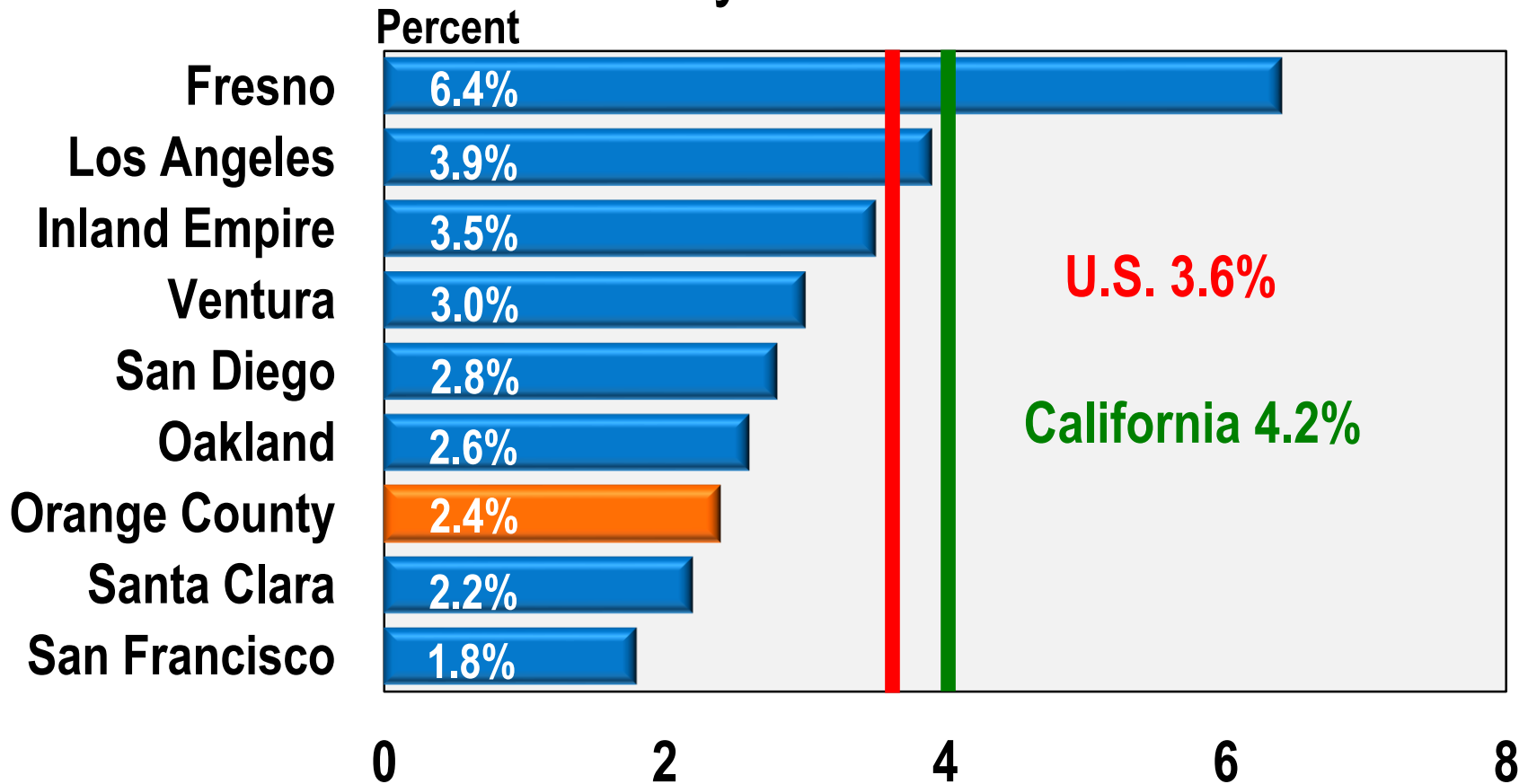
Employment by Industry

Orange County

Sector	2018 Employment	Employment % Share	2010 – 2018 % Change	2018Q4 Annual Wages
Leisure & Hospitality	222,617	13.5	32.0	\$27,976
Education & Health Services	224,992	13.6	33.0	\$53,092
Trade, Transportation & Utilities	262,217	15.9	7.5	\$56,160
Professional & Business Services	315,442	19.1	26.5	\$75,088
Construction	106,075	6.4	53.9	\$80,808
Manufacturing	159,792	9.7	5.8	\$85,904
Information	26,725	1.6	23.4	\$103,688
Financial Activities	119,067	7.2	14.9	\$106,652

Unemployment Rate

May 2019

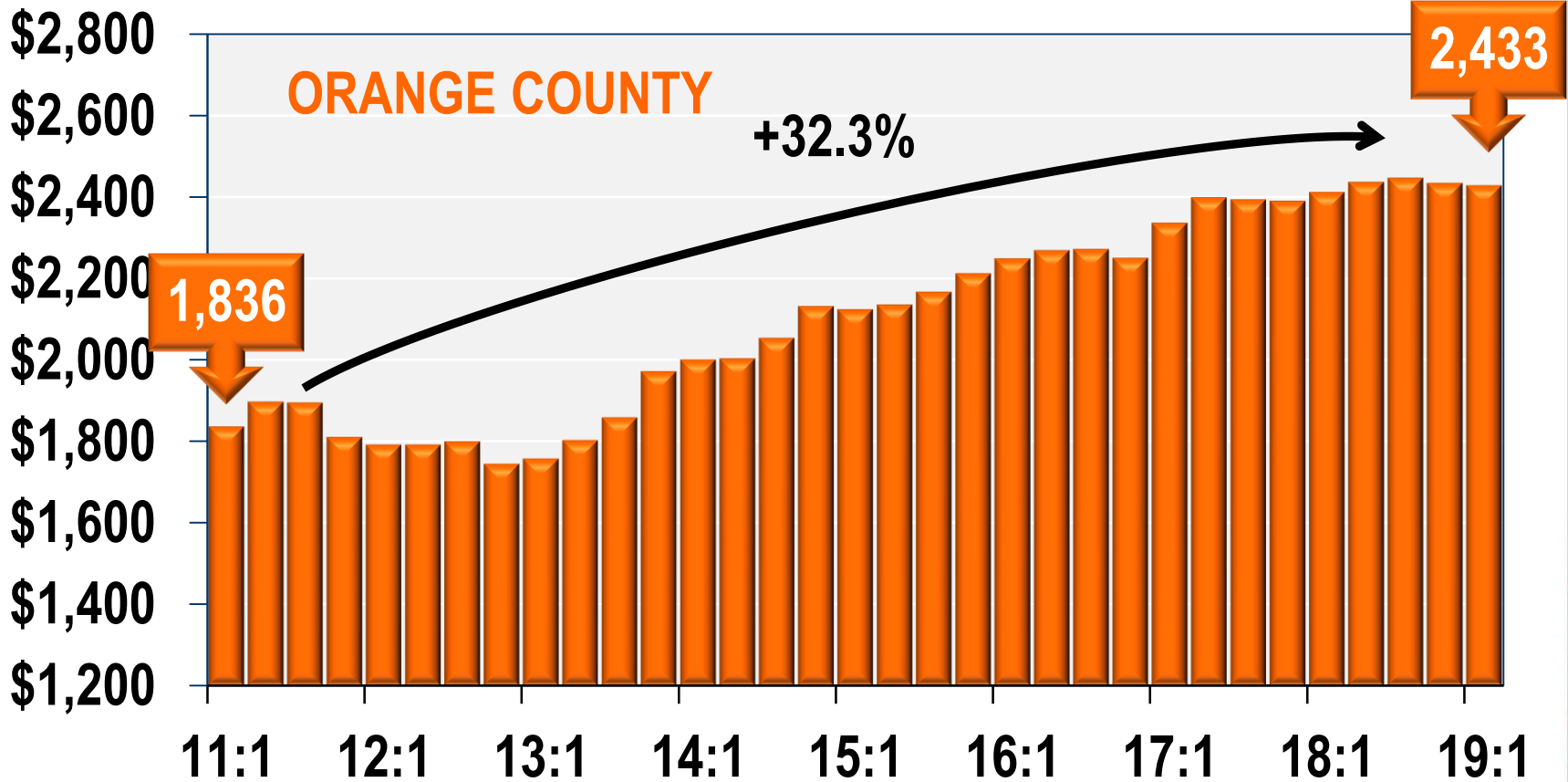


Orange County Housing Outlook

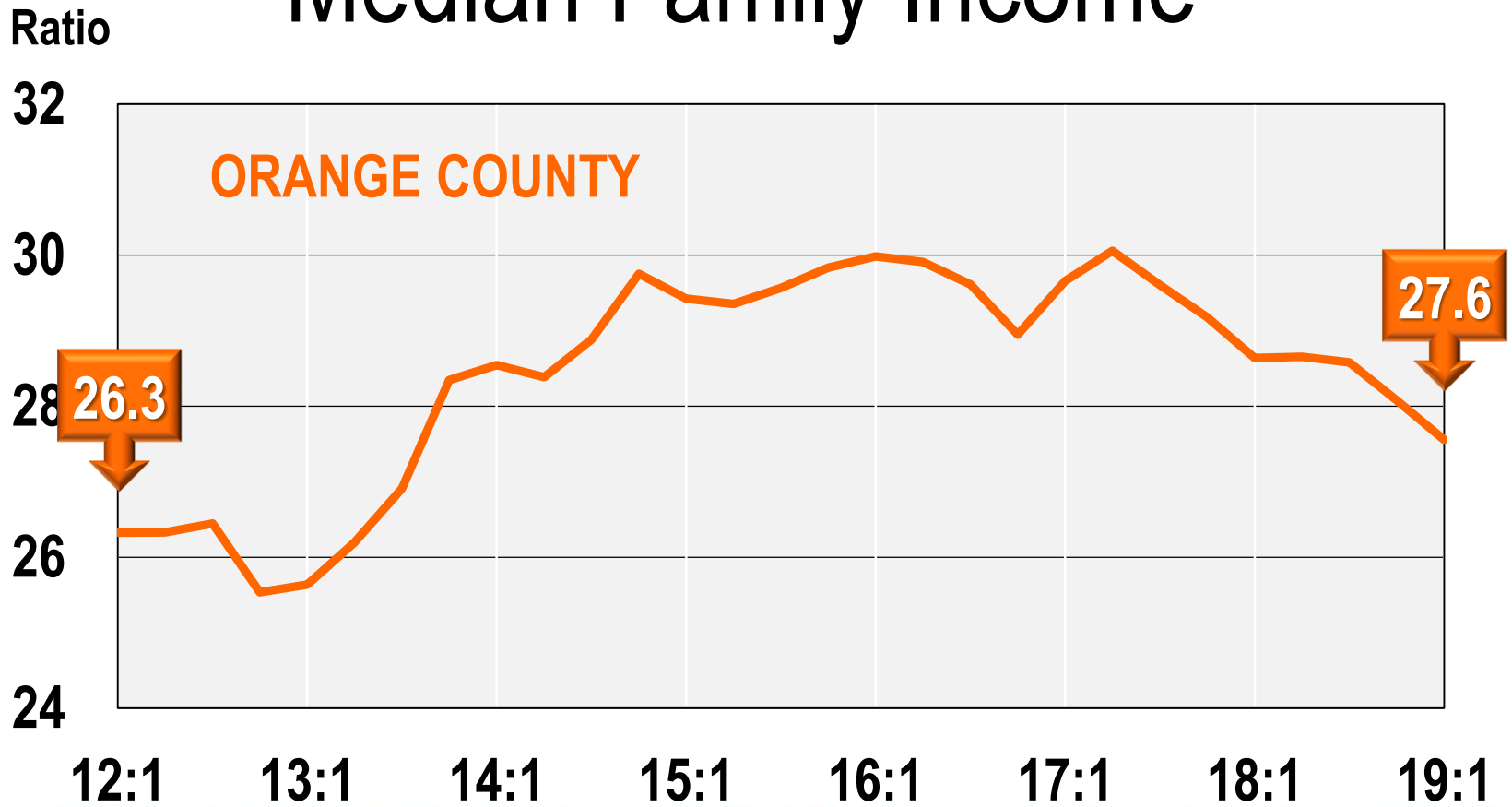


The Hilbert Collection, Phil Dike, "Westways Boats"

2-Bedroom Apartment Rent

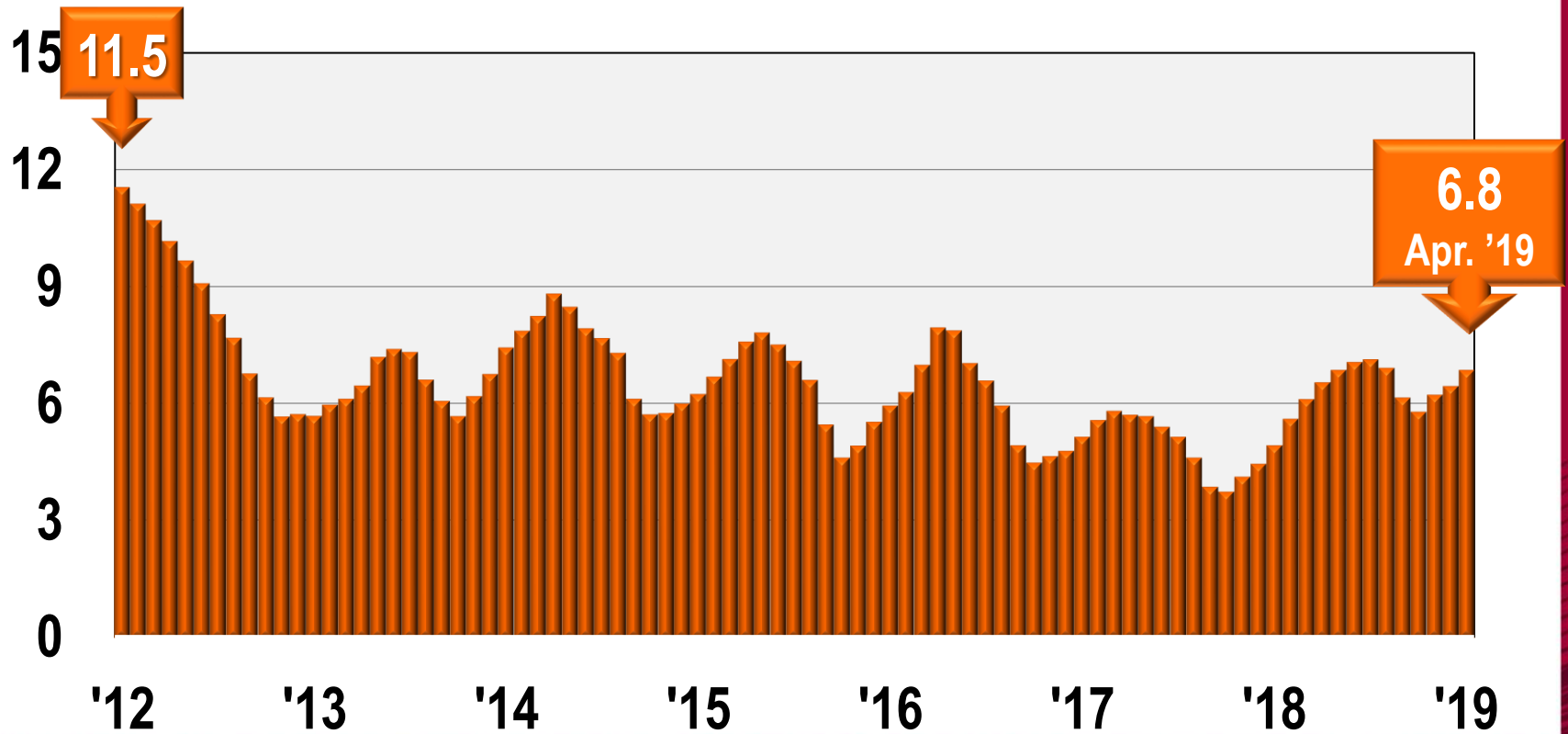


Apartment Rent to Median Family Income



Unsold Inventory - Orange County

Thousands



Months to sell Inventory

Months

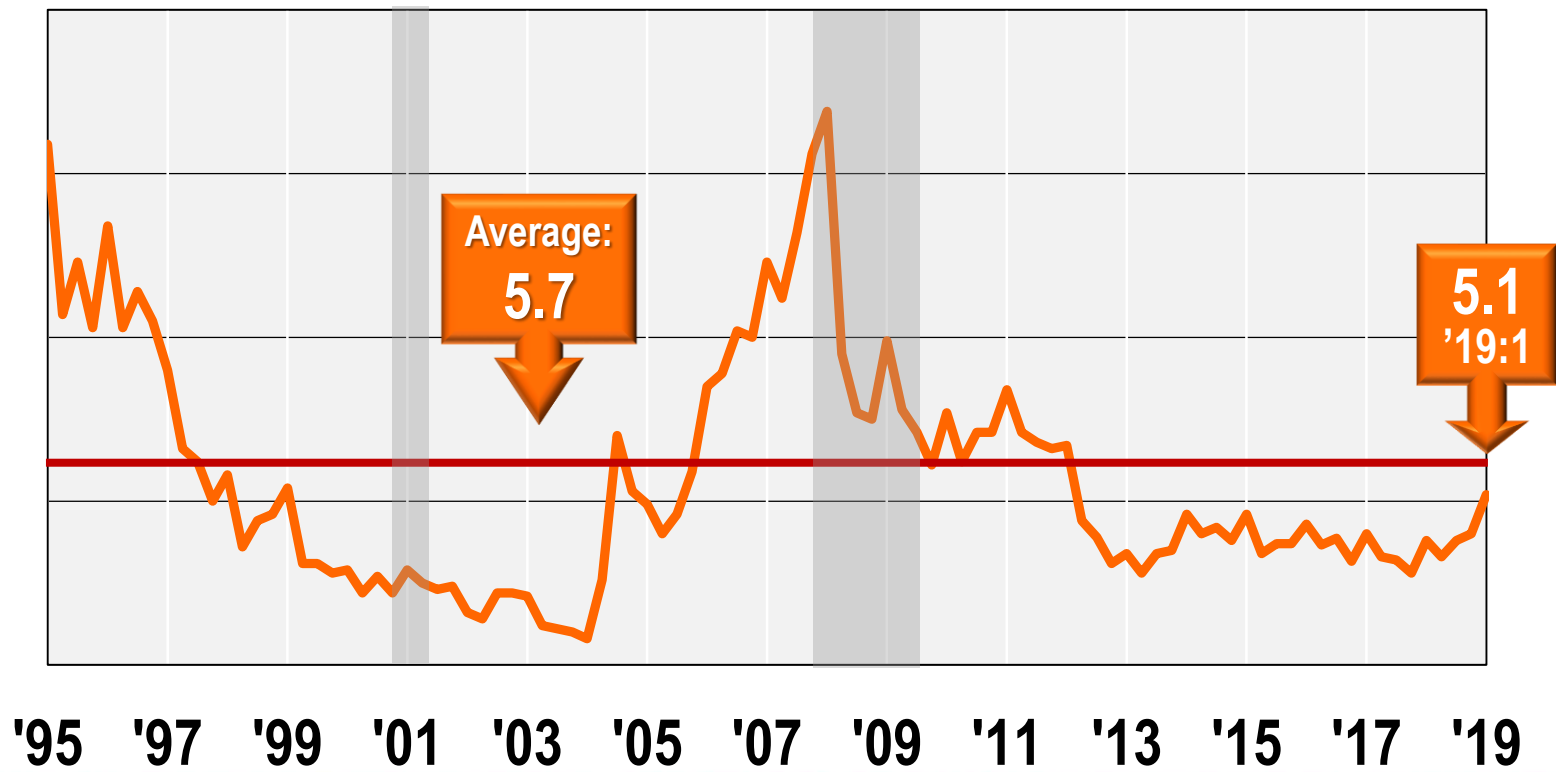
20

15

10

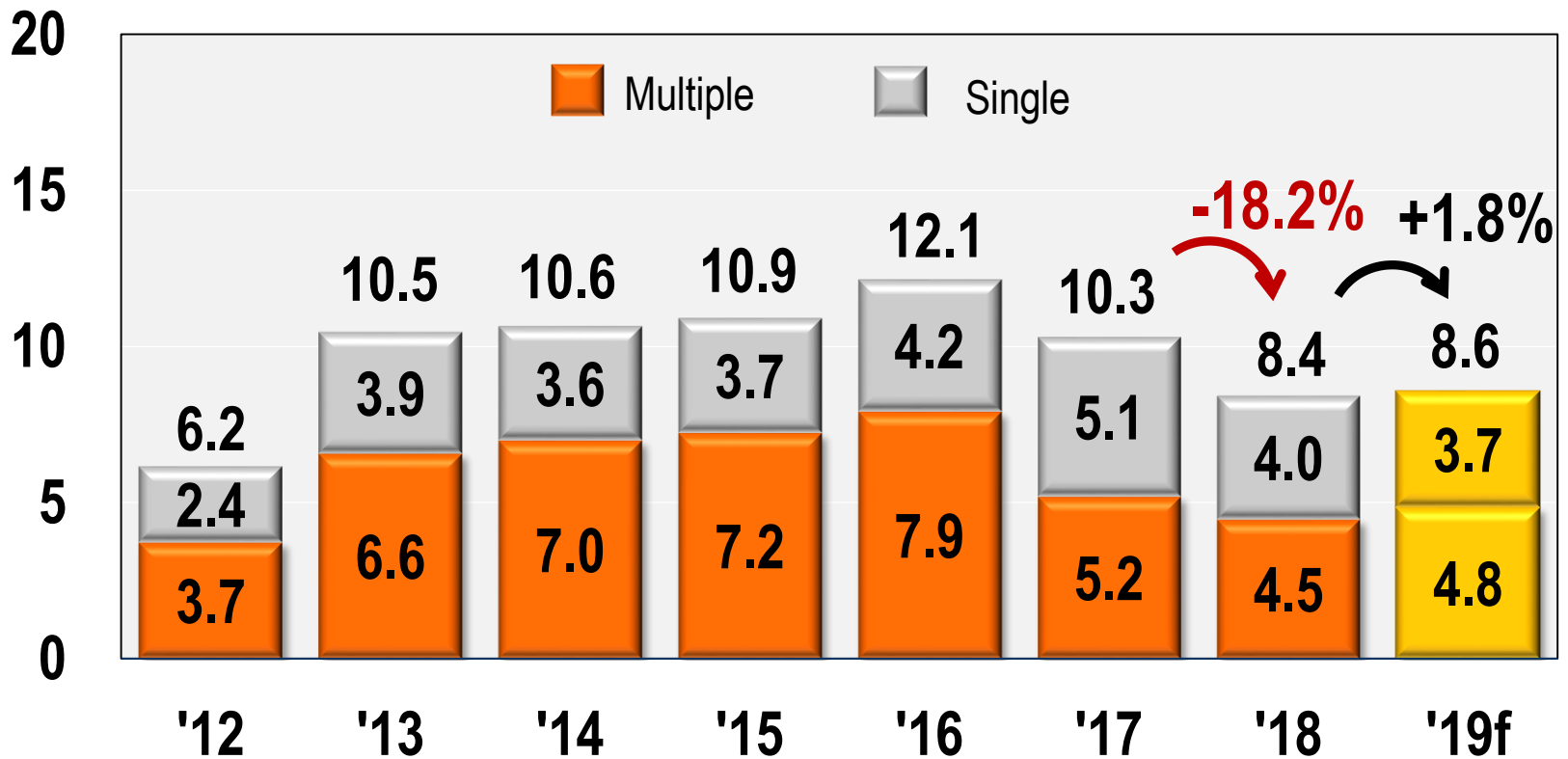
5

0



Residential Building Permits Orange County

Thousands of Units



Single-Family Homes as a Percentage of Total Residential Building Permits

Percent

70

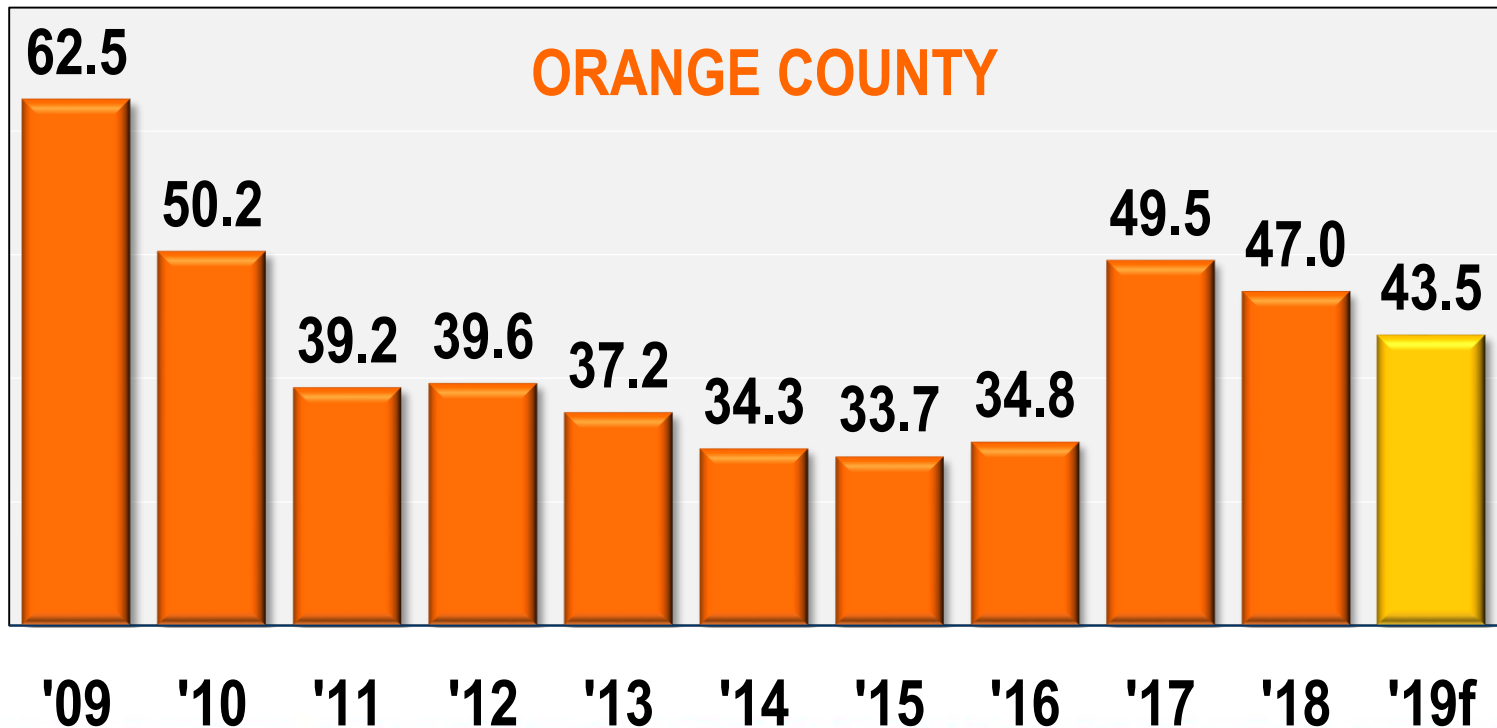
60

50

40

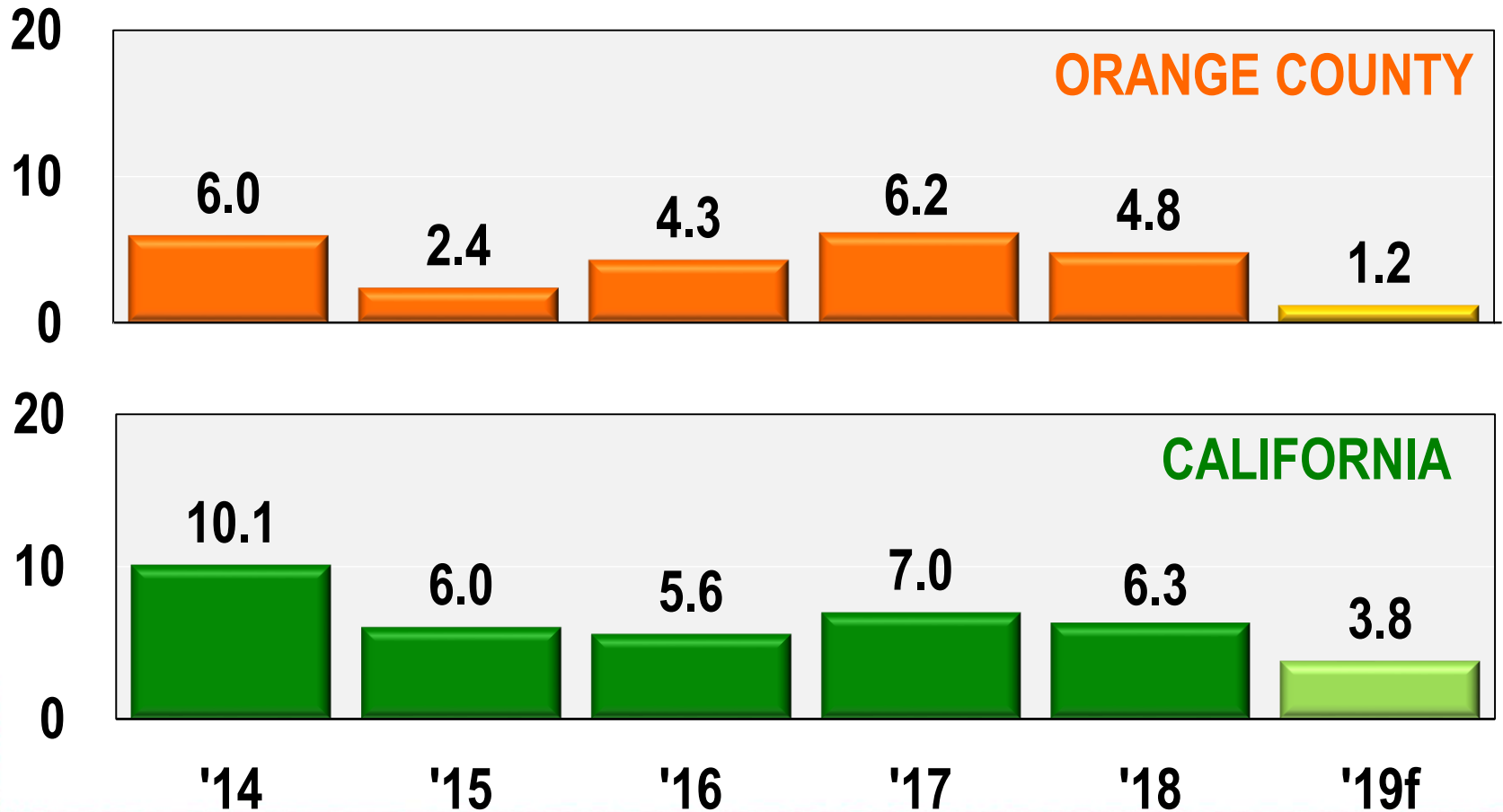
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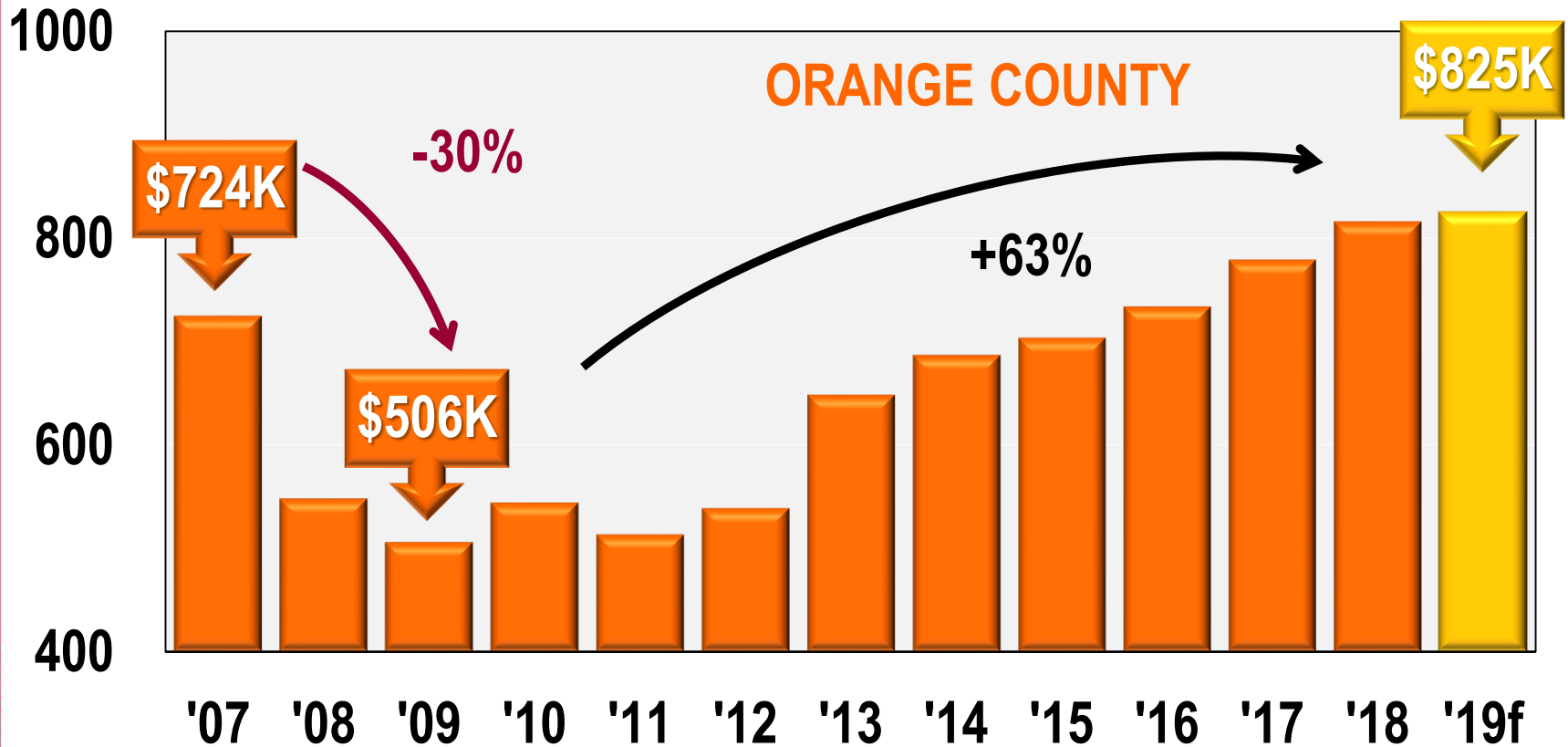
Median Single-Family Home Price

Annual % Change



Median Single-Family Home Price

Thousands of \$



Factors Affecting Consumer Spending

- Mild wage growth
 - Lower level of employment growth
 - Small rise in home prices
 - Higher equity market
 - Lower debt service
 - Weaker consumer sentiment
- } Positive wealth effect

Orange County Consumer Sentiment Composite

Index

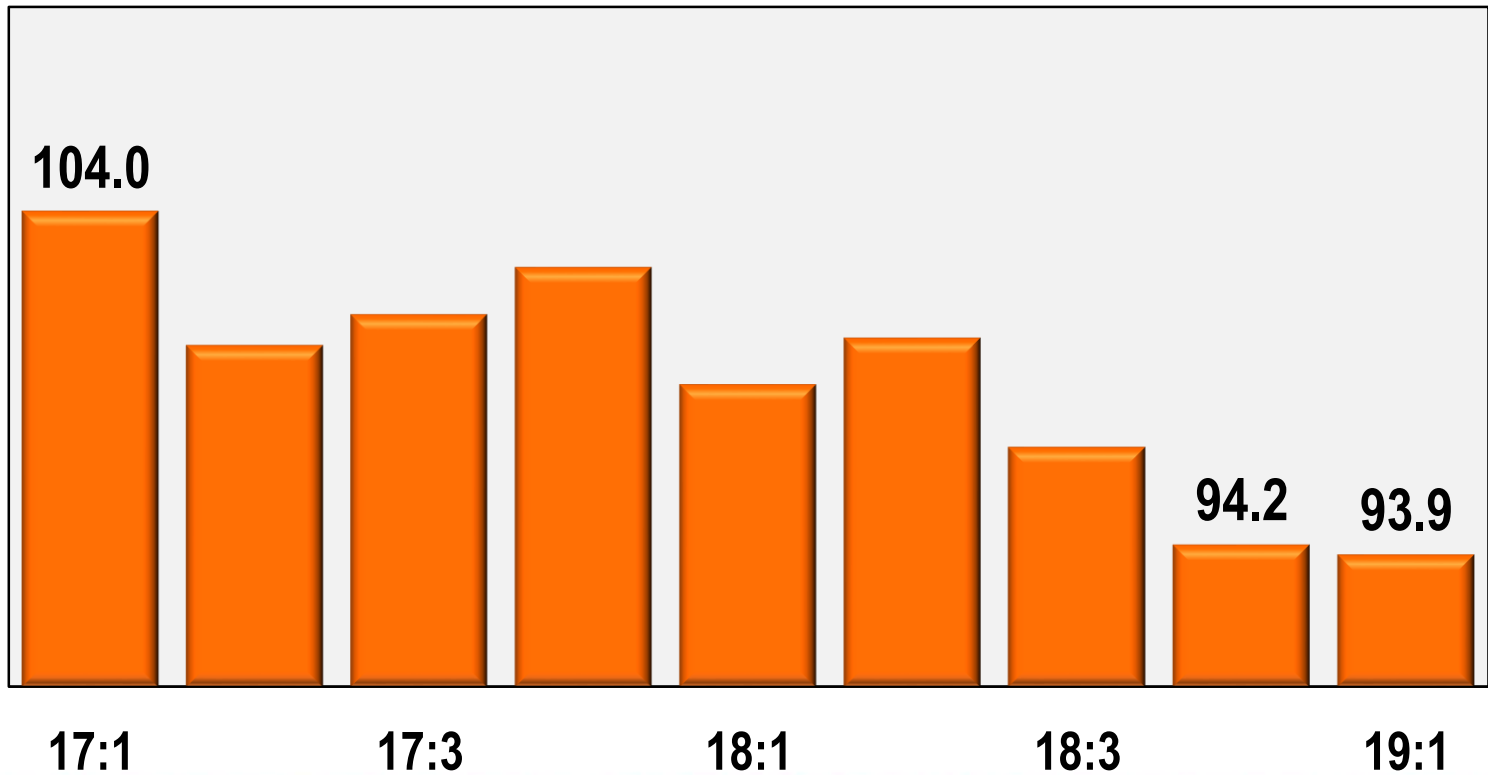
110

105

100

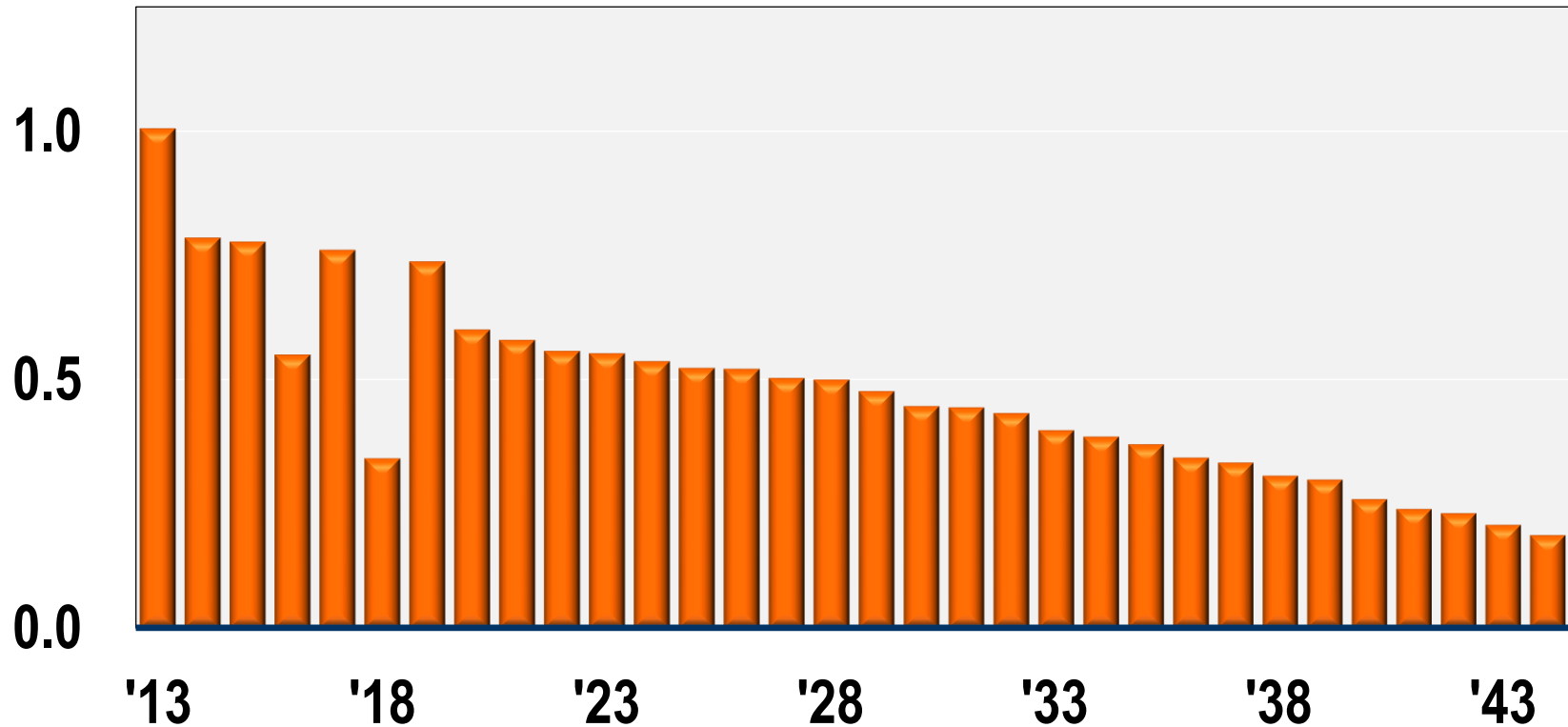
95

90



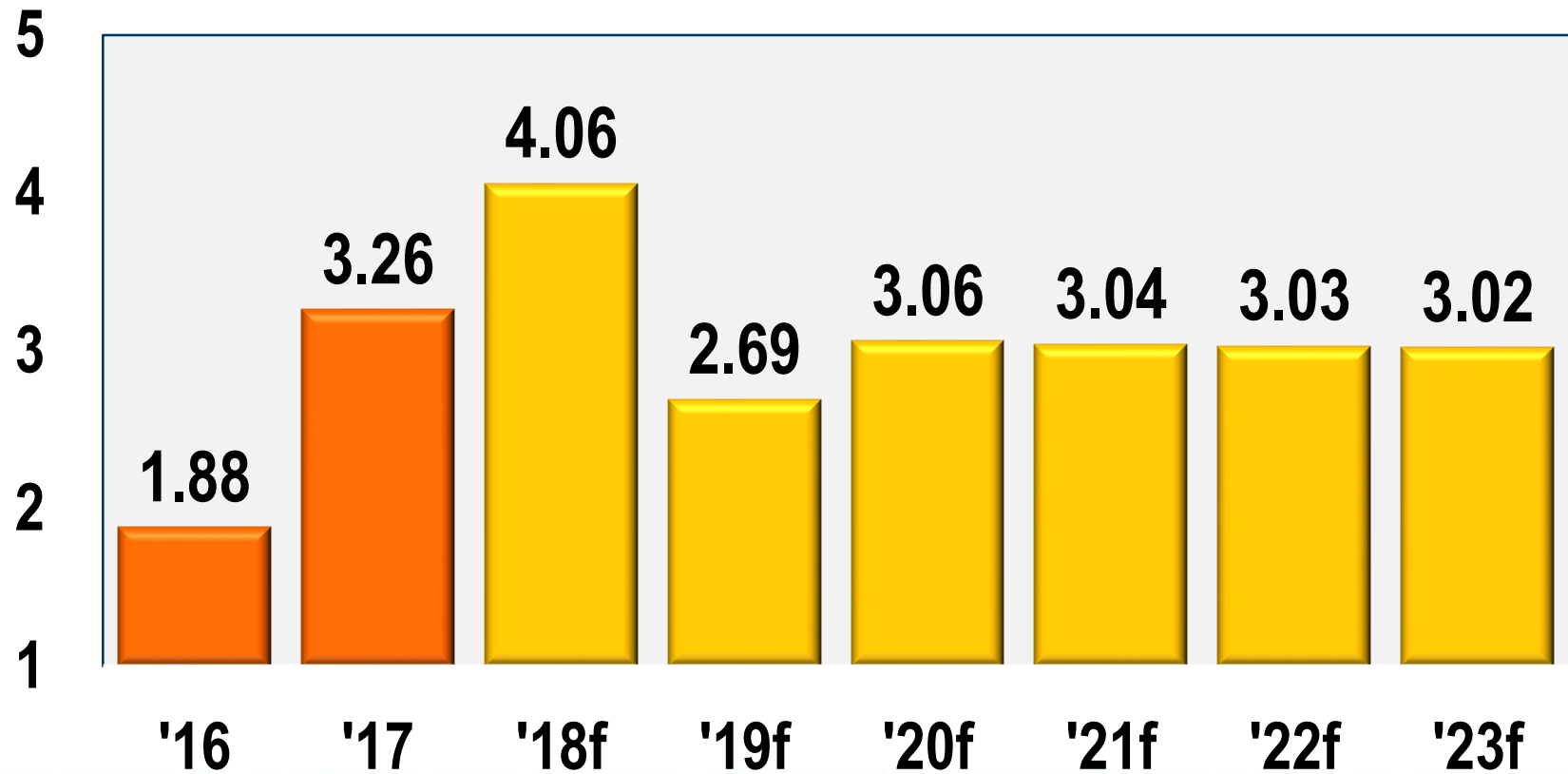
Total Population Orange County

Yr/Yr % Change

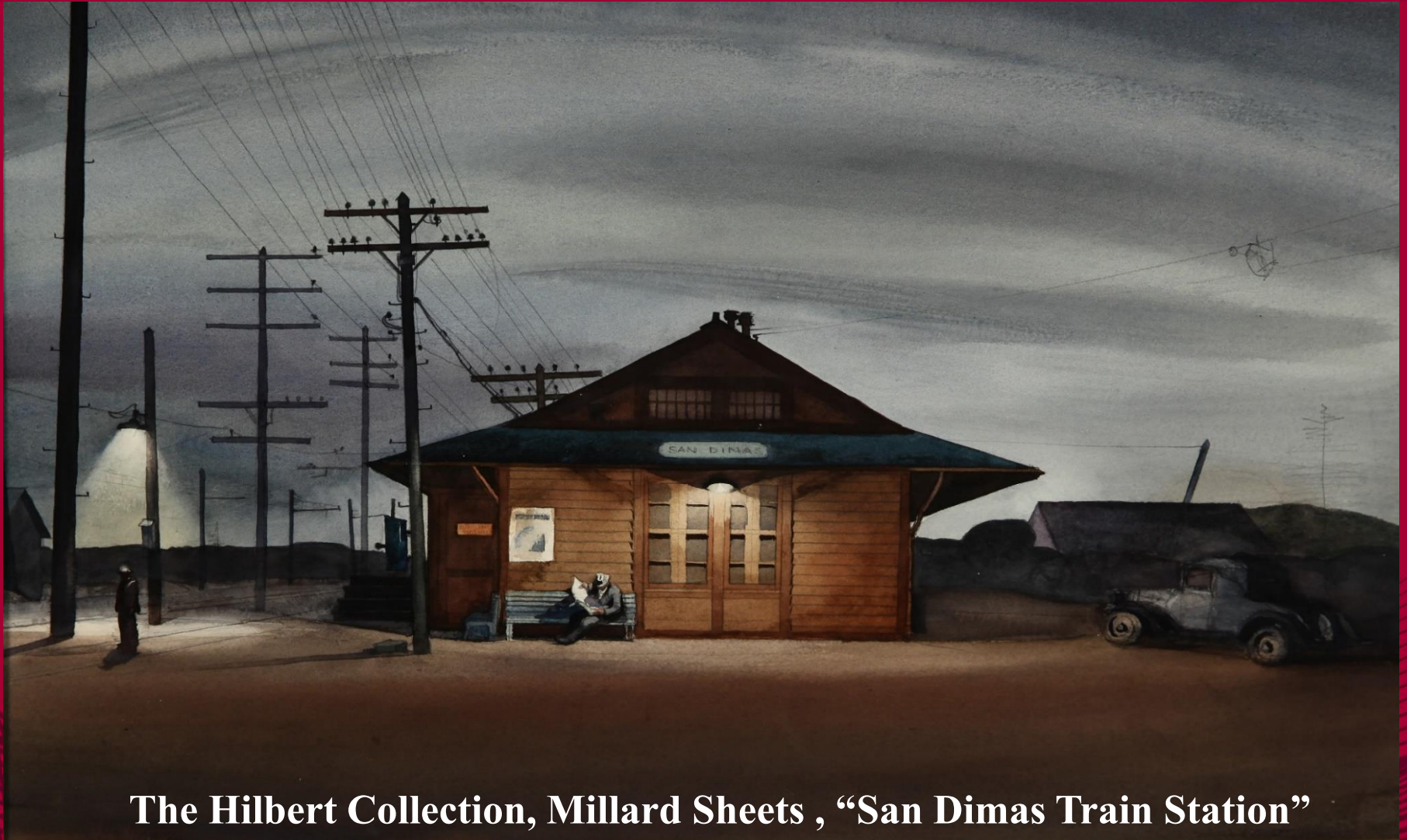


Taxable Sales Orange County

Annual % Change

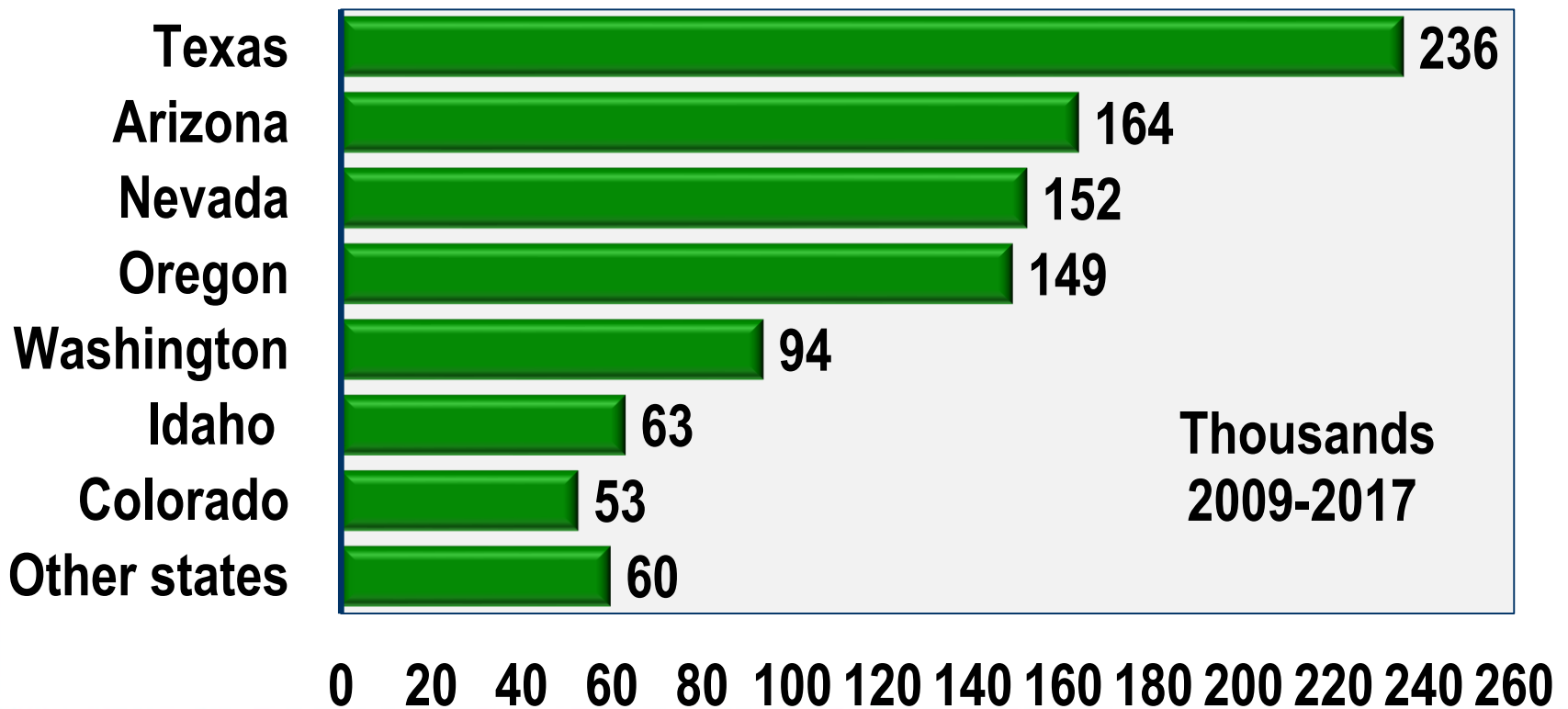


Challenges



The Hilbert Collection, Millard Sheets , “San Dimas Train Station”

Net Population Outflow and Destination Out of California



Home Ownership Affordability

Index

140

120

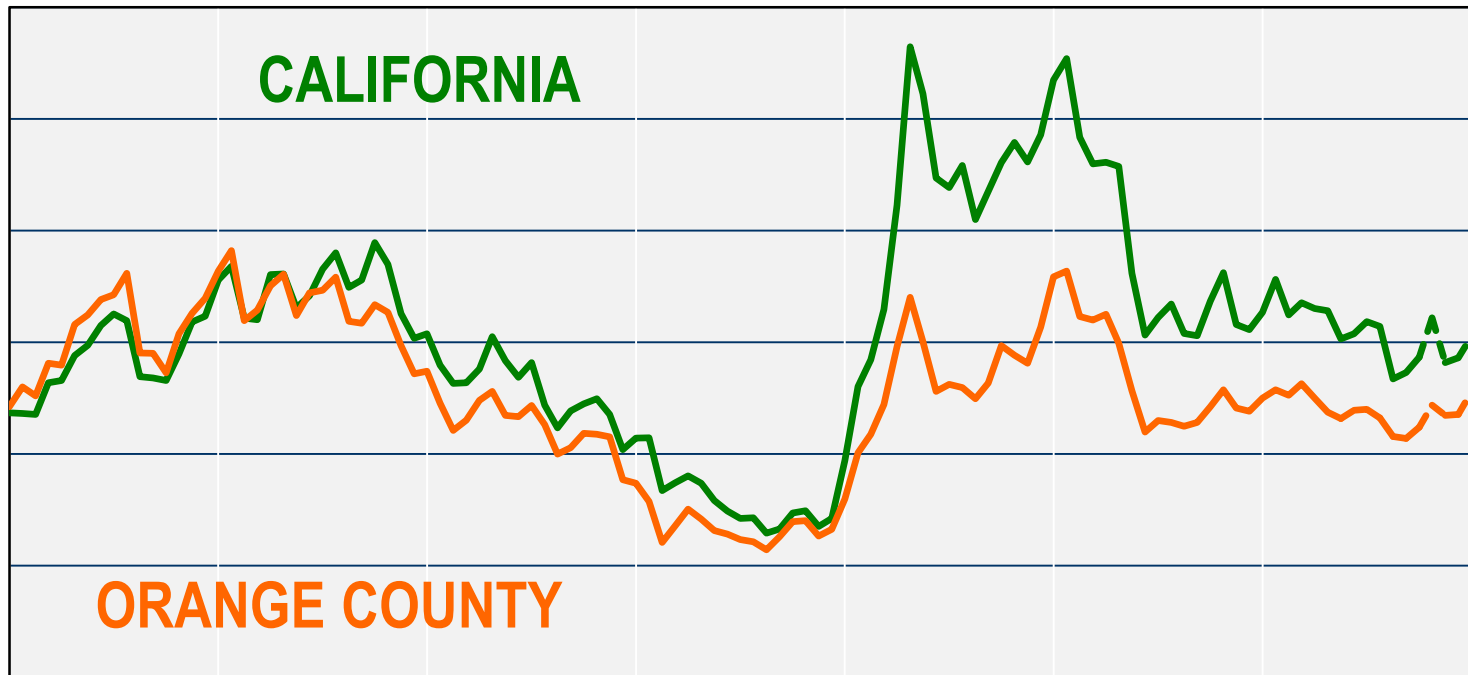
100

80

60

40

20



91:4

95:4

99:4

03:4

07:4

11:4

15:4

19:4

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