

# ECONOMIC REPORT

Portland Metro Area | Fourth Quarter 2011



## LOCAL TRENDS:

Population (#)



Employment (#)



Unemployment (%)



Home Sales (#)



Home Values (\$)



Retail Sales (\$)



## NATIONAL HIGHLIGHTS

After a turbulent Third Quarter, Fourth Quarter showed some improvement for the American economy. Unemployment fell to 8.5% in December, its lowest rate since February 2009, with employers adding 200,000 jobs. Holiday retail sales were expected to be strong, and the National Retail Federation revised its estimate for sales upward to 3.8% year-over-year. The Conference Board's index of leading economic indicators rose half a percentage point in November, and the Institute of Supply Management's manufacturing index rose at its fastest pace in six months during December.

Due to these and other factors, economists predicted that the economy would grow more quickly during Fourth Quarter than it had in nearly two years. The European debt crisis, however, continued to cause concern. A default by a major European country like Greece or Italy could pull Europe into recession and hinder America's plodding recovery.

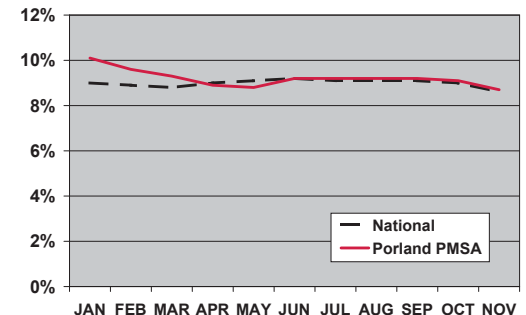
Americans took their economic frustration to the streets starting in September. Occupy Wall Street began with an encampment in New York City's Zuccotti Park, and the Occupy movement quickly spread around the nation and world. Its stated aims varied markedly and the movement lacked specific policy goals, but in general, it expressed disapproval of income inequality in America, high joblessness, corporations' influence on the financial sector, greed, and many other issues. While the lasting impact of the Occupy movement remains to be seen, it captured the attention of the media and public for months.

## LOCAL HIGHLIGHTS

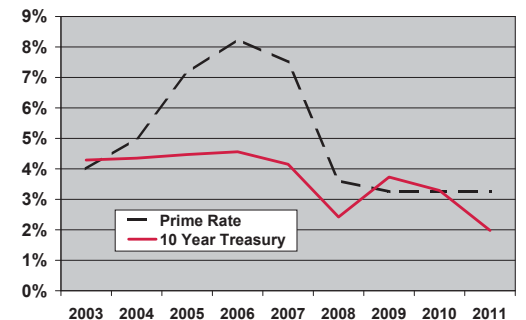
The University of Oregon Index of Economic Indicators rose slightly in October after falling for the prior three months. The state saw improved unemployment during Fourth Quarter; joblessness was at 9.1% in Oregon and 8.7% in the Portland metro area in November, the lowest rates both have seen in three years. However, the decline wasn't necessarily a result of job creation; it can largely be attributed to job seekers giving up their search for employment, according to the Oregon Employment Department. Portland's regional economy continues to attract national attention, as the metro area moved up 42 spots in the Milken Institute's Best-Performing Cities 2011 list, to 65.

Commercial development is finally beginning to pick up in the Portland metro area. Multifamily is the product type of choice, and apartment projects are taking shape all over the metro area. Plans for a mixed-use project at the Con-way site in Northwest are solidifying, and TMT Development announced that it will restart construction on Park Avenue West in 2013; work stalled on the downtown office tower in early 2009. We're also seeing the first signs of activity in the single-family housing market in some time, including an 18-home community in SE Portland's Richmond neighborhood.

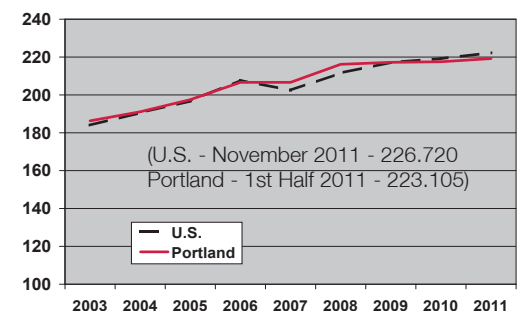
## Unemployment Comparison



## Prime Rates vs. 10-Year Treasury



## Consumer Price Index



## Oregon Monthly Job Gains

