



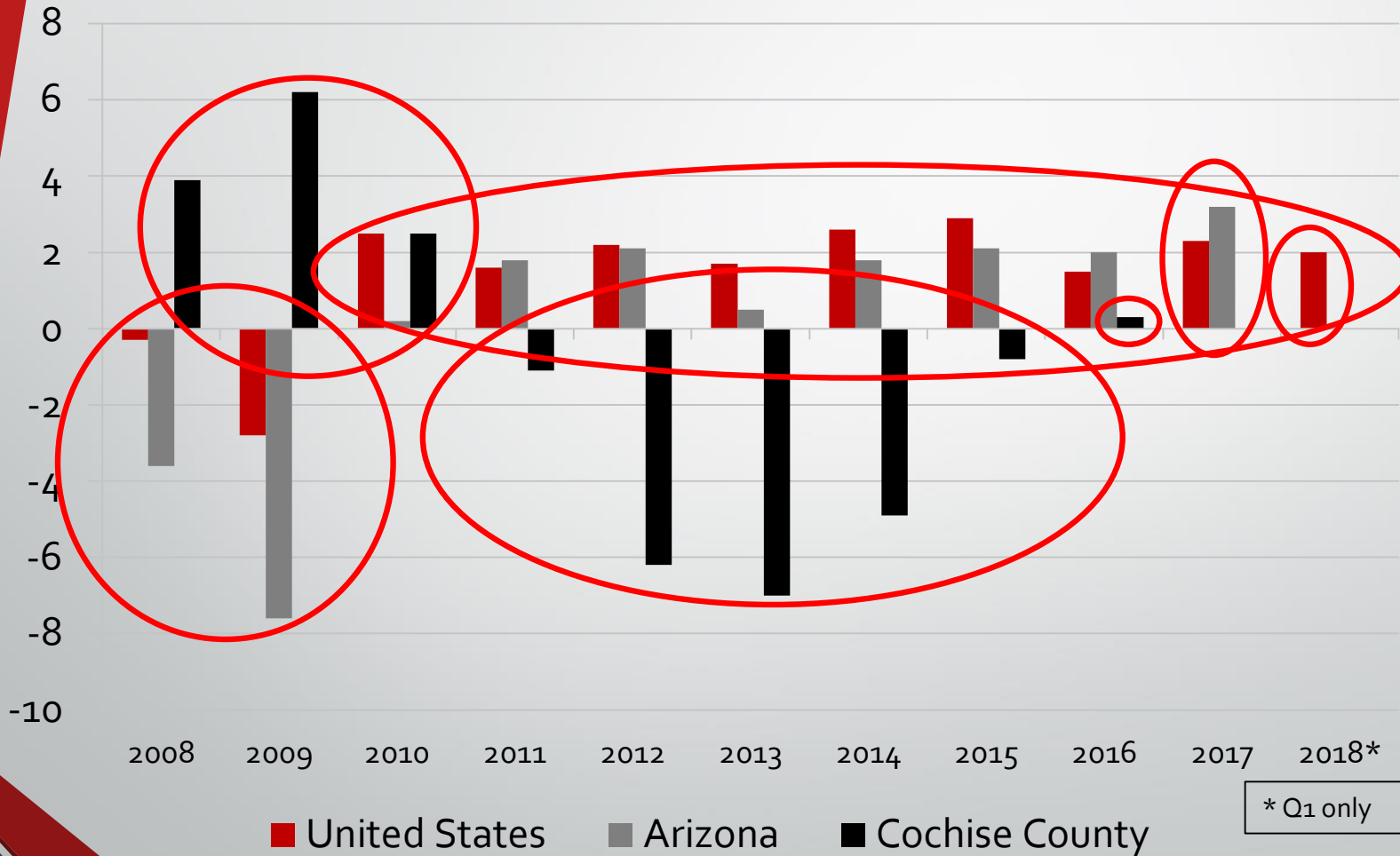
CENTER FOR ECONOMIC RESEARCH

DOUGLAS

Economic Outlook 2018

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Real GDP Growth (%)



Job Growth

	United States	Arizona	Cochise County
2016	1.8%	2.8%	-1.7%
2017	1.6%	2.4%	-1.2%
2018*	1.6%	2.5%	-1.8%

* May year-over-year comparison; U.S. and Arizona seasonally adjusted

Cochise County Jobs

	May 2018	May 2017	Change	Change (%)
Mining and Construction	1,500	1,400	100	7.1%
Manufacturing	600	600	0	0.0%
Trade, Transportation, and Utilities	5,800	5,800	0	0.0%
Information	400	500	-100	-20.0%
Financial Activities	1,200	1,200	0	0.0%
Professional and Business Services	3,500	4,000	-500	-12.5%
Educational and Health Services	4,700	4,800	-100	-2.1%
Leisure and Hospitality	3,600	3,600	0	0.0%
Other Services	800	700	100	14.3%
Federal Government	4,800	4,800	0	0.0%
State and Local Government	6,500	6,600	-100	-1.5%

Unemployment (%)

	May 2018	May 2017
United States	3.8	4.3
Arizona	4.7	4.9
Cochise County	4.7	5.5
Douglas	6.0	6.7

Note: U.S. and Arizona seasonally adjusted; county and city rate unadjusted

Local Labor Market Outlook

- Upside
 - Some stabilization & job gains
 - Improving state & national economy
 - Defense & border security spending
 - The Villages at Vigneto in Benson
- Downside
 - Still at bottom—long way up

Retail Sales Growth (%)

	Douglas	Cochise County	Arizona
2018*	4.9	4.2	5.2
2017	-7.4	0.3	1.9
2016	-8.2	-4.7	1.7
2015	-1.7	2.4	8.8
2014	-1.5	-1.0	1.9
2013	--	1.5	7.3

*Jan-Apr only.

Note: Inflation-adjusted to CPI-U; Douglas figures for 2017 and prior exclude single items >\$10,000 but include groceries; Douglas figure for 2018 (including 2017 comparison) excludes single items >\$10,000 and groceries

Restaurant & Bar Sales Growth (%)

	Douglas	Cochise County	Arizona
2018*	5.3	-0.1	3.4
2017	-5.7	-1.4	3.9
2016	-4.9	2.3	6.3
2015	-1.1	3.9	5.1
2014	-7.8	1.4	7.3
2013	1.3	-0.5	2.2

*Jan-Apr only. Note: Inflation-adjusted to CPI-U.

Hotel/Motel Receipts Growth (%)

	Douglas	Cochise County	Arizona
2018*	48.3	-4.4	6.8
2017	-2.8	10.7	7.2
2016	-4.5	-0.1	3.8
2015	9.2	8.2	12.2
2014	9.7	-0.6	9.9
2013	-13.1	-12.2	0.4

*Jan-Apr only. Note: Inflation-adjusted to CPI-U.

Sales Outlook

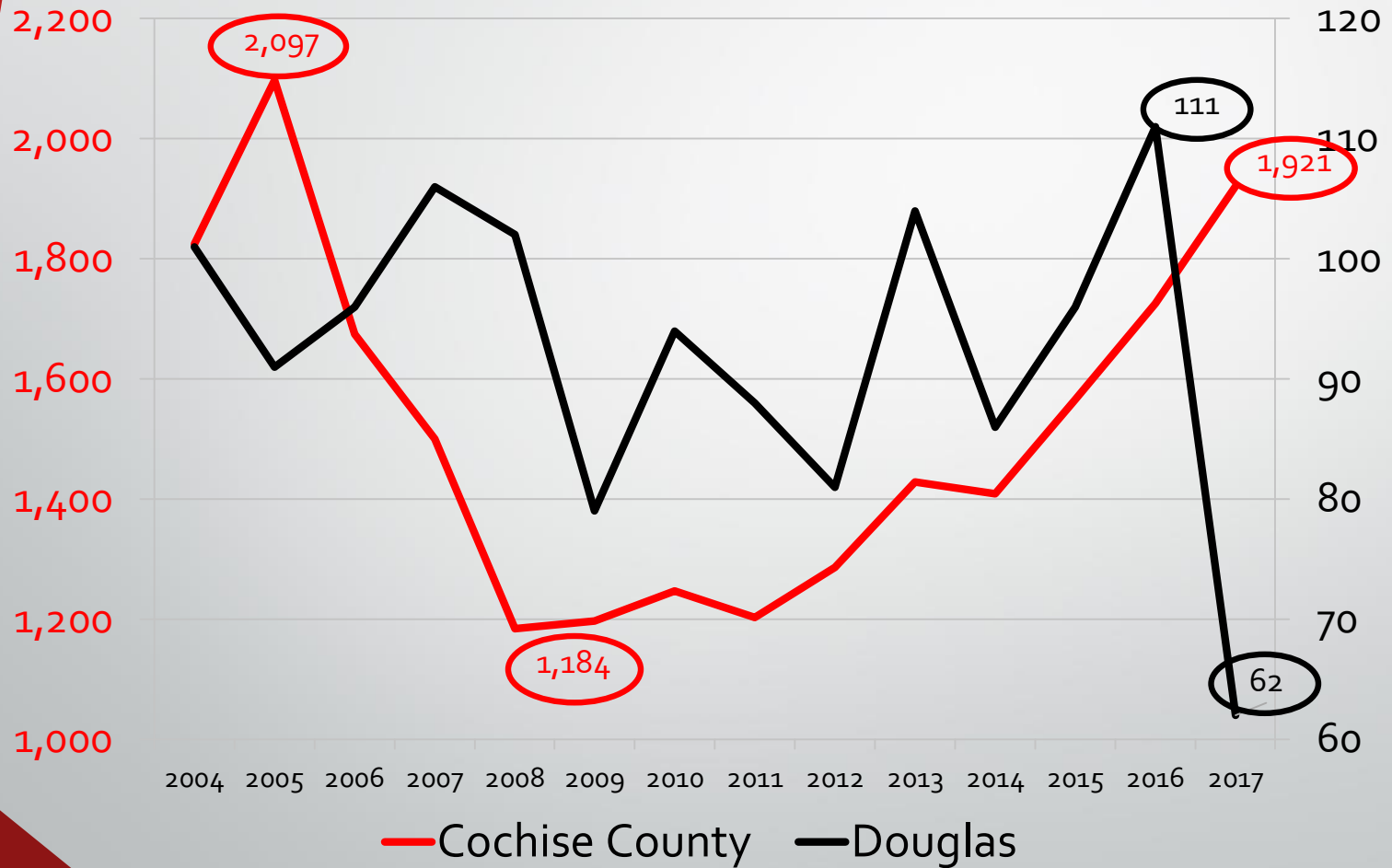
- Retail

- Continued challenges

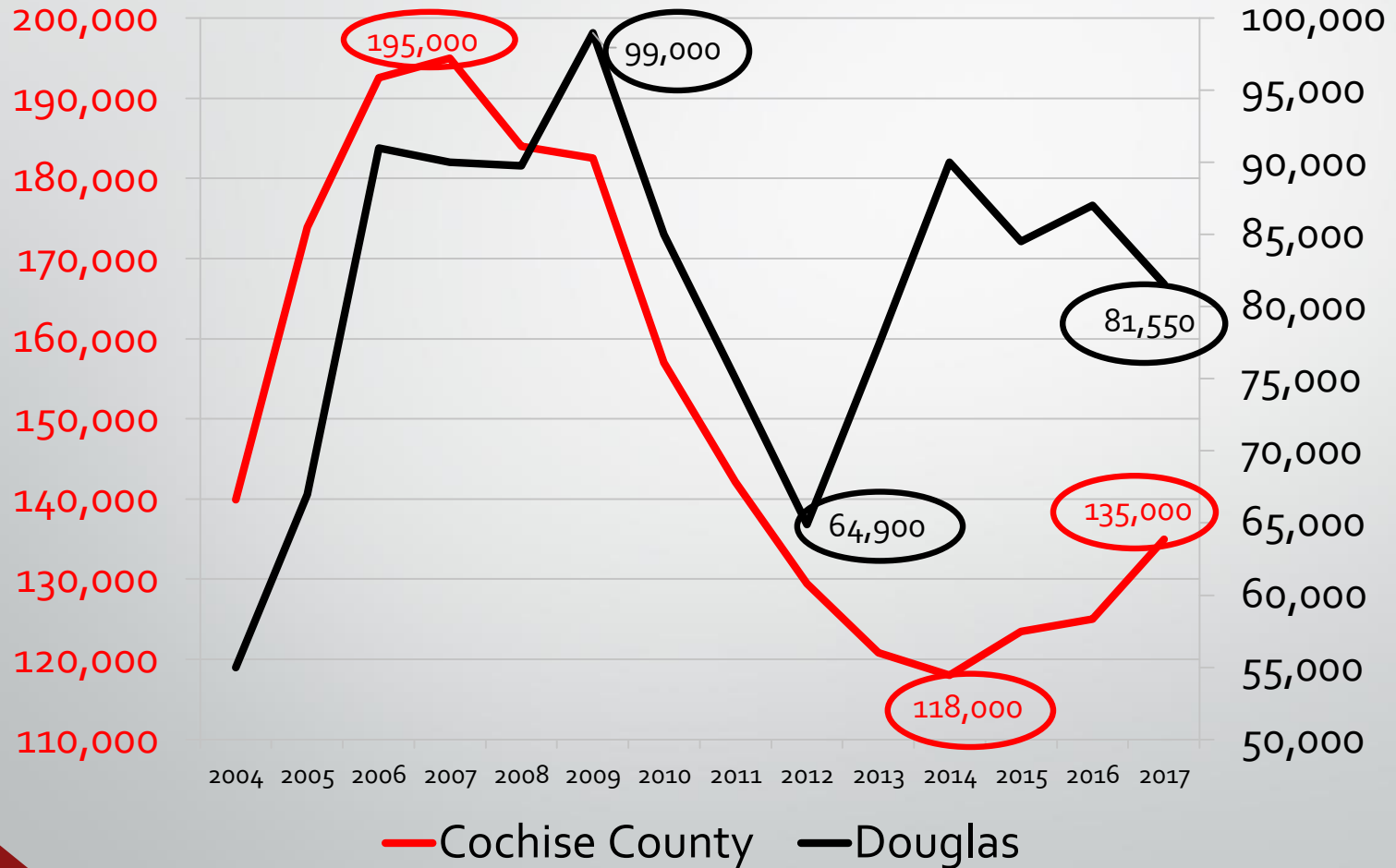
- Restaurant & Bar and Hotel/Motel

- Increased defense and border security spending

Home Sales

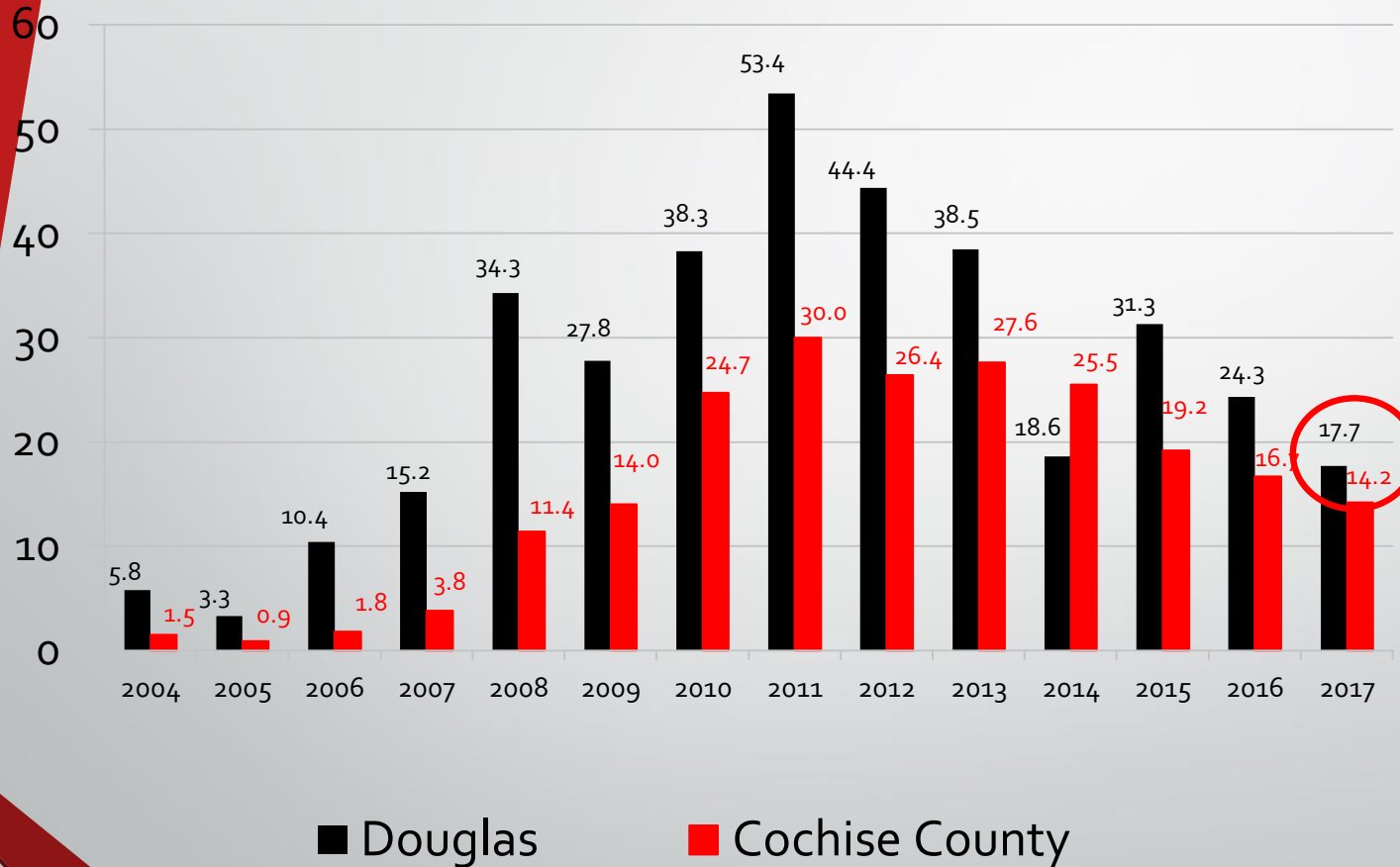


Median Home Price

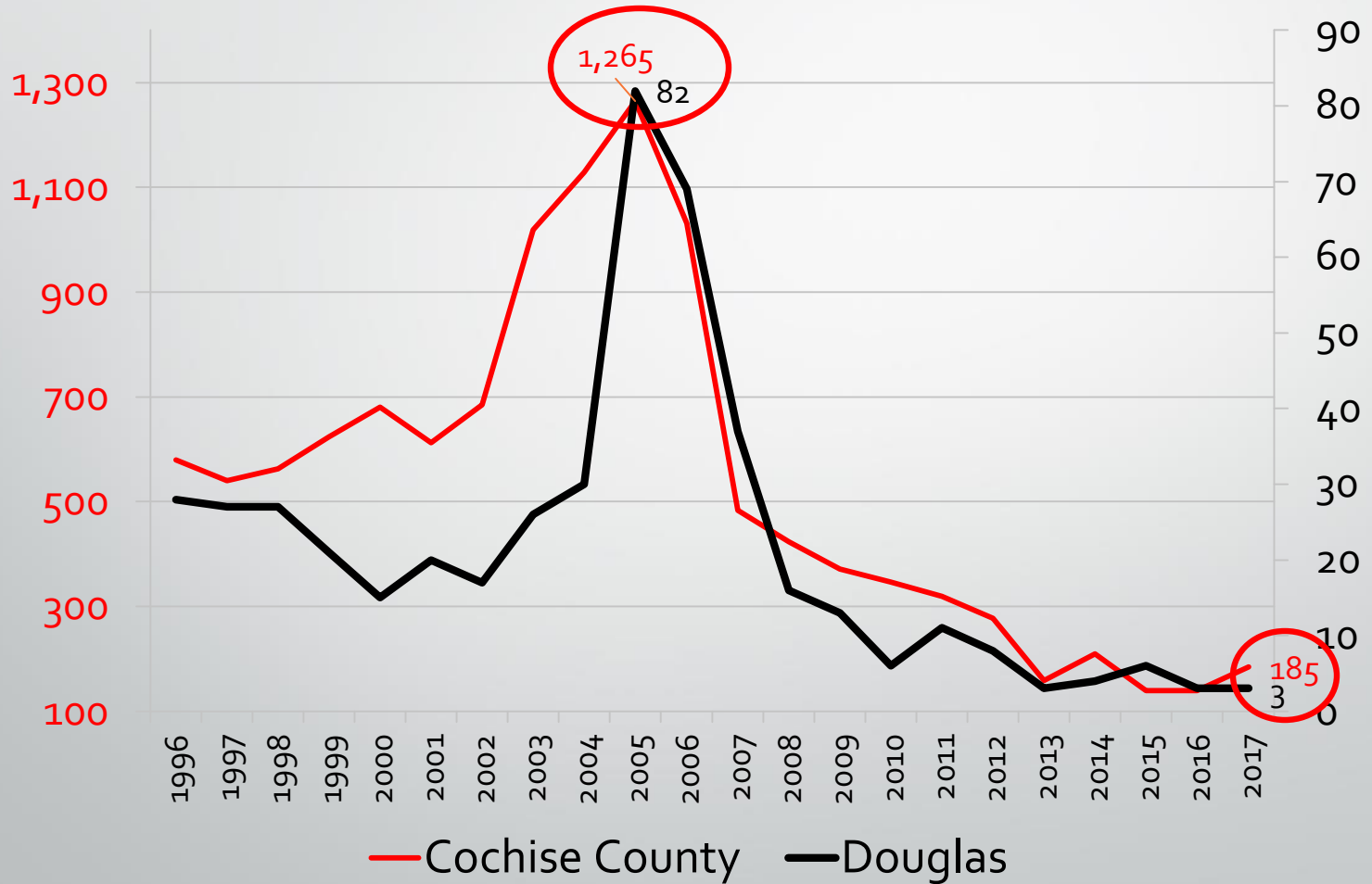


Foreclosures

(% of sales)



New Home Construction



Real Estate & Construction Outlook

- Foreclosures clearing
- Population declines
- The Villages at Vigneto

Conclusion

- Still very much at the bottom, but digging out
- Job growth remains problematic
- Retail facing challenges, hospitality positioned well
- Home sales doing well, new construction picking up
- Foreclosures clearing from the market = rebound in home prices & new construction
- Defense and border security spending
- Benefits from strong state & national economies
- Economic development efforts

THE END



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