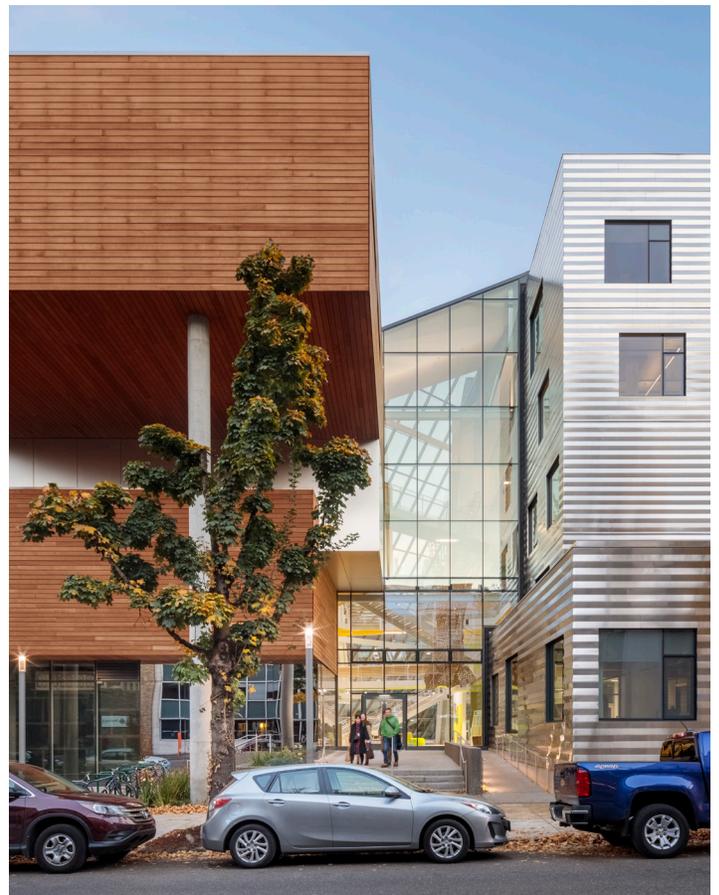


# THE STATE OF THE ECONOMY

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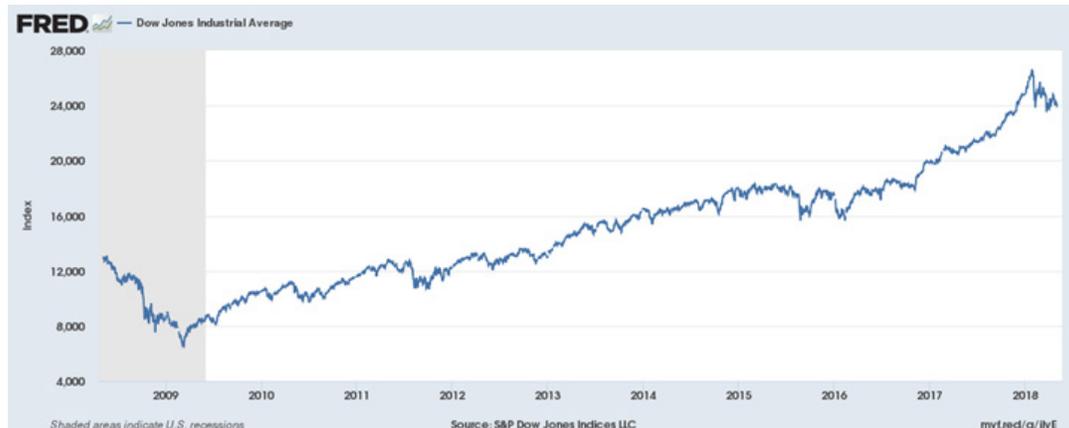
The United States economy remained strong through the first quarter of 2018 adding an average of 202,000 jobs each month according to the Bureau of Labor Statistics. This was an increase of about 20,000 over the 2017 monthly average. Unemployment remained low at 4.1 percent, unchanged from the fourth quarter of 2017.

The stock market's run of positive quarters finally stalled with the Dow Jones ending down 2.8 percent from the start of 2018 to the end of the first quarter. The Dow had risen nine quarters in a row, the longest run in almost 20 years. The small drop and increased volatility are likely outcomes of investor concerns over protectionist trade policies combined with markets having experienced unprecedented gains over the past two years.



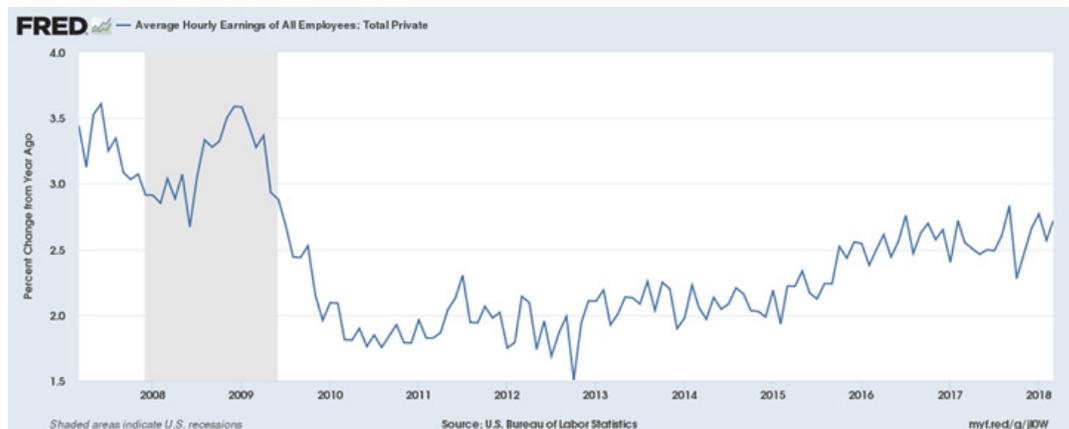
Spencer Weills is a candidate for the Masters in Real Estate Development degree and currently works for iBuildPdx General Contractors. Any errors of omissions are the author's responsibility. Any opinions are those of the author solely and do not represent the opinions of any other person of entity.

US ECONOMY

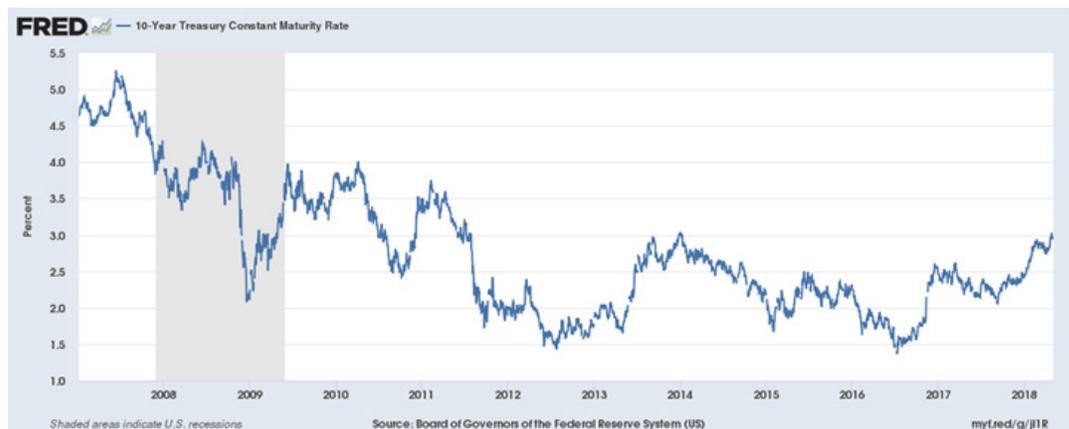


Wages and salaries finally started to pick up pace as well. Gaining 0.9 percent in the first quarter according to the Labor Department. This was the largest increase since the first quarter of 2007.

The economic indicators for 2018 are positive so far and are continuing the trend of strong growth in the U.S. economy seen since the Great Recession.



The 10 year treasury note continues to rise, nearing the 3 percent mark at publication date. While the 3 percent mark is still very low historically, the rising rate reflects investors demand for higher yields from government debt as the government continues to increase deficit spending.



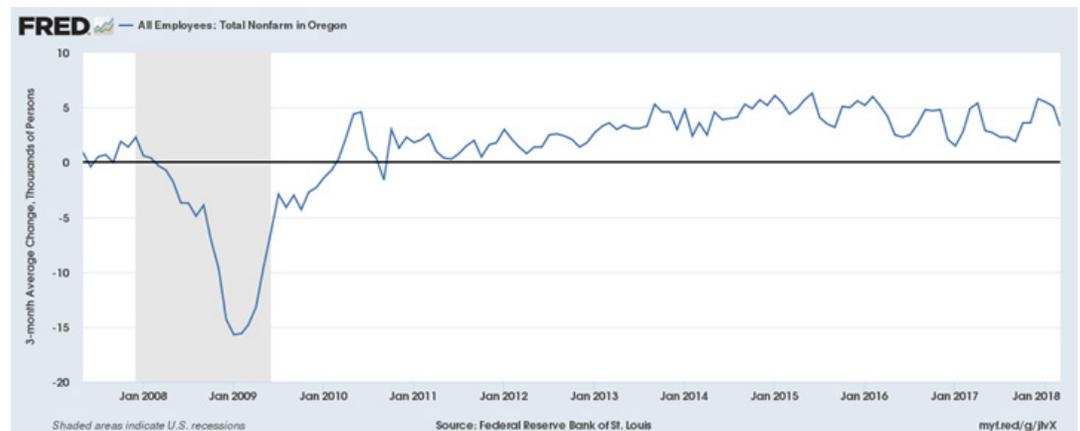
# STATE OF THE ECONOMY

## OREGON ECONOMY

Oregon's economy continued its strong growth in the fourth quarter of 2017. The unemployment rate remained at 4.1 percent, the lowest in more than 30 years.

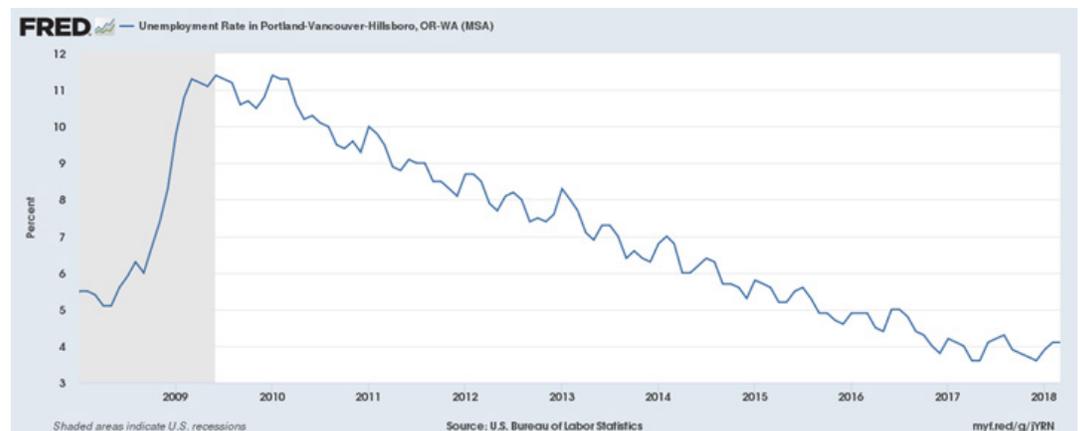


Oregon's number of jobs continued to grow at a strong pace due to the low unemployment rate and in migration to the state. The first quarter of 2018 saw 14,300 new job added, continuing a steady growth since the end of the Great Recession.



## PORTLAND ECONOMY

Portland's metro unemployment rate crept back up in the first quarter of 2018 to 4.1 percent to match the nationwide average.



The Oregon Office of Economic Analysis forecasts new construction will pick up in the next three years to match the increase in demand. The agency expects the construction activity will alleviate some housing price pressures. Nevertheless, to the extent that supply does not match demand, the state's economists are concerned home prices and rents

## STATE OF THE ECONOMY

### PORTLAND ECONOMY

will increase significantly faster than income or wages for the typical household. They note significantly worse housing affordability may dampen future growth given Oregon's reliance on net immigration.

Despite the increase in construction, costs continue to rise, driven largely by a tight labor market. In addition, Portland's inclusionary housing ordinance has reduced flow through the permit pipeline, which may lead to supply lagging demand for multifamily housing.