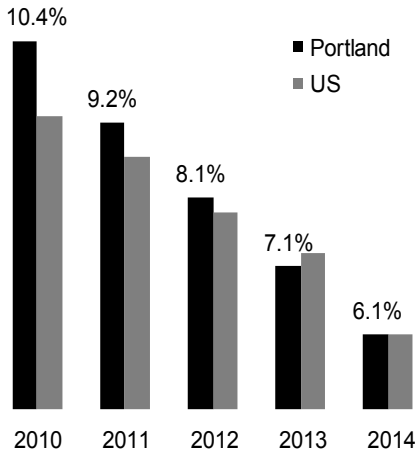
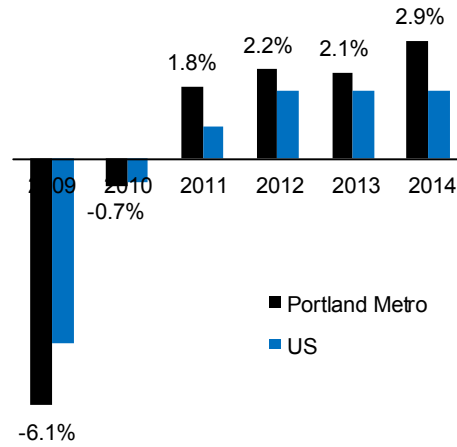


Unemployment Rate - Portland Metro
May 2010 - May 2014



Employment Growth - May 2014
Increase on a year earlier



Labor Trends

Recent years have seen a steady decline in the regional unemployment rate of three points in the last three years. Where the Portland region had an unemployment rate noticeably above the US rate in 2010 and 2011, our rate is now equal to the US rate.

The Portland region saw robust employment growth of 2.9 percent over the last 12 months. Portland's growth is noticeably faster than the US rate which has been stuck at 1.7 percent for the past three years.

Real Estate Trends

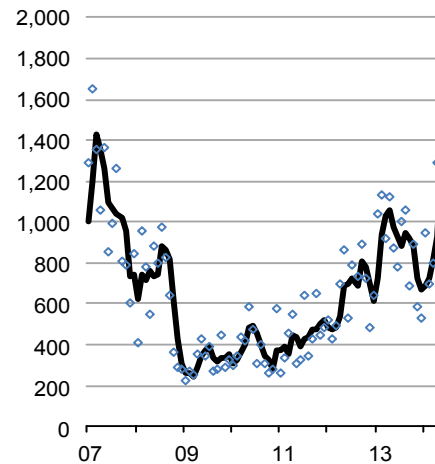
After a weak 1st quarter in 2014, April and May permit numbers showed impressive growth, returning to prerecession levels. 1,780 permits were filed in May, a level we haven't seen since 2006.

The surge in residential building permits is almost entirely due to a massive increase in planned apartment and condo projects in the city of Portland. In May, 62 percent of all permits in the region were multifamily projects in the city of Portland. Outside of the city of Portland, most communities are seeing a decrease in activity compared to last year.

So far in 2014, most cities in the region have yet to report a single planned apartment or condo project of more than 4 units, including: Hillsboro, Tigard, Gresham and every city in Clackamas County.

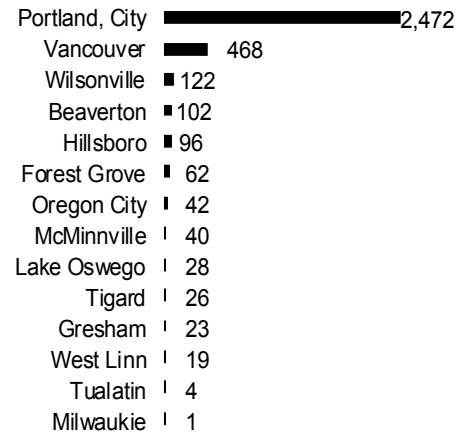
Residential Building Permits

Portland Metro Region - 3 month average



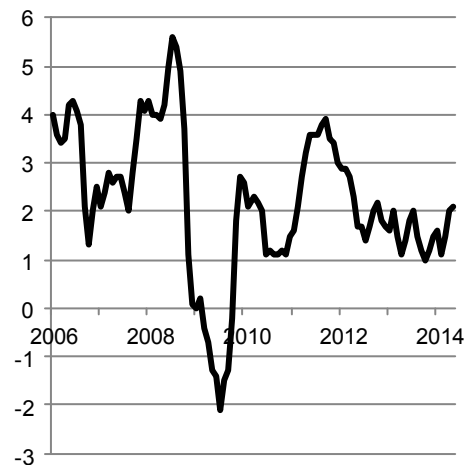
Residential Building Permits

First five months of the year



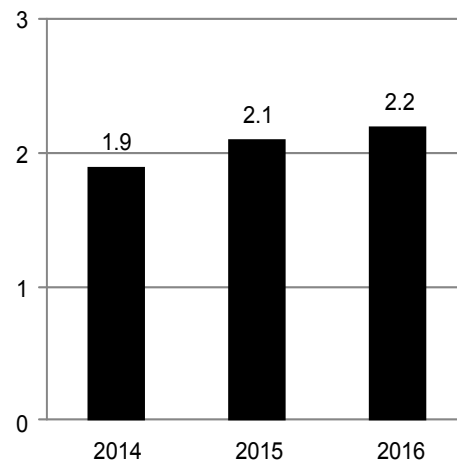
US Inflation Rate - Year over year

2006 through May 2014



US Inflation Forecast

Survey of Professional Forecasters
Federal Reserve Bank of Philadelphia



2013 Population Trends

The US inflation rate has averaged about 1.6 percent over the last two years. A mild increase in the last couple of months has renewed concern that inflation may pick up soon.

Every quarter, the Philadelphia Federal Reserve produces its Survey of Professional Forecasters. The survey provides the current conventional wisdom among economic forecasters about the outlook for the US economy. Currently, the thinking is that inflation may pick up slightly, while remaining close to 2 percent for the near future.

Check out the full report here :
www.philadelphiafed.org/research-and-data/

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Have questions? E-mail me!**

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