

"Hormuz Kerfuffle"

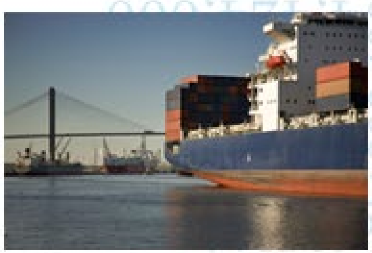
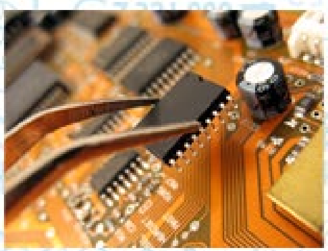
Further Spooks Corporate Hiring in '26 & Keeps Long-Bond Yields High

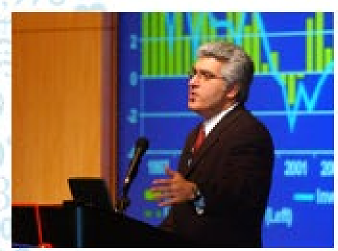
DR. RAJEEV DHAWAN

DIRECTOR

Presented at the in-person Fidelity National Title Tailgate Event • September 15, 2026

Economic Forecasting Center

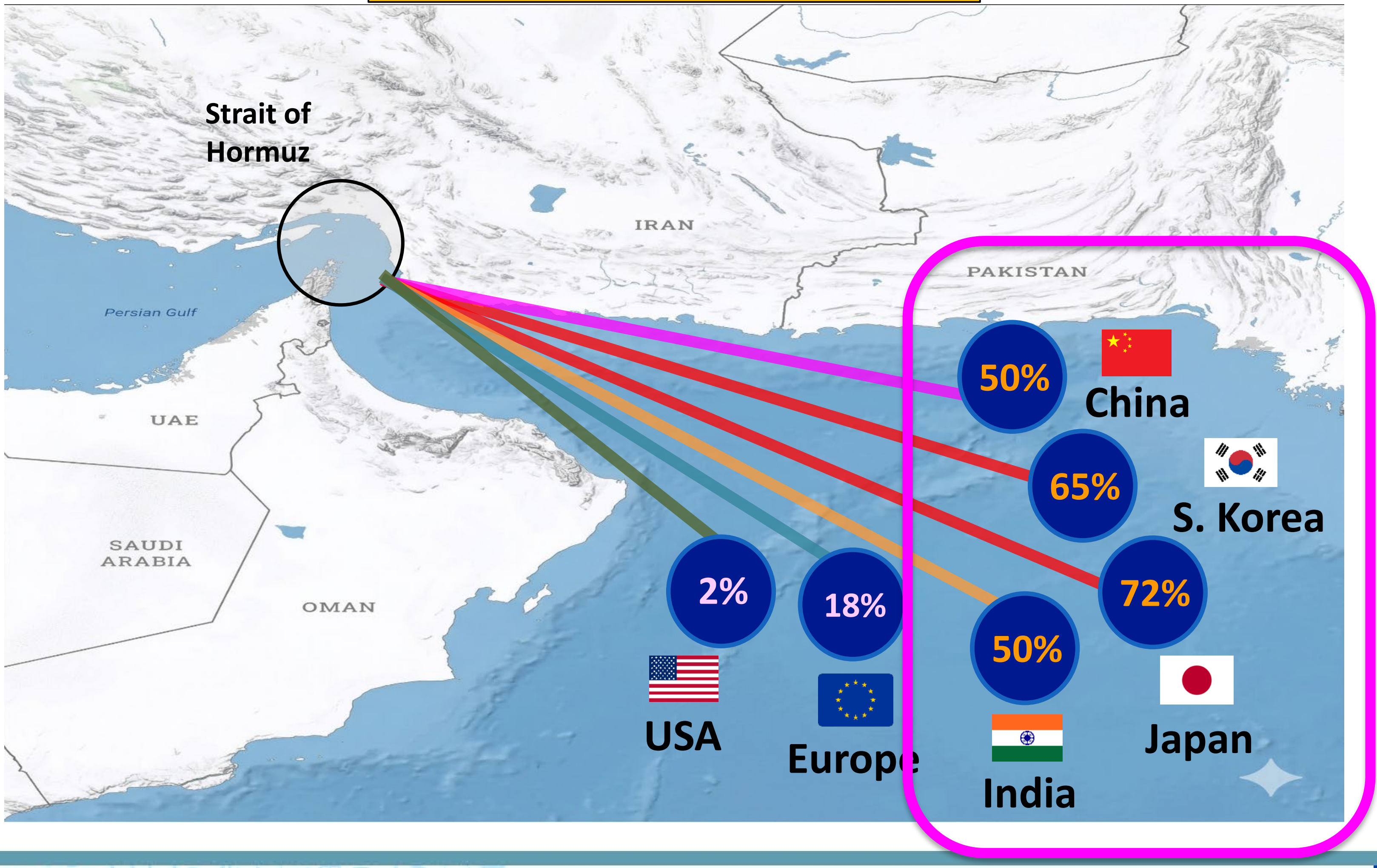





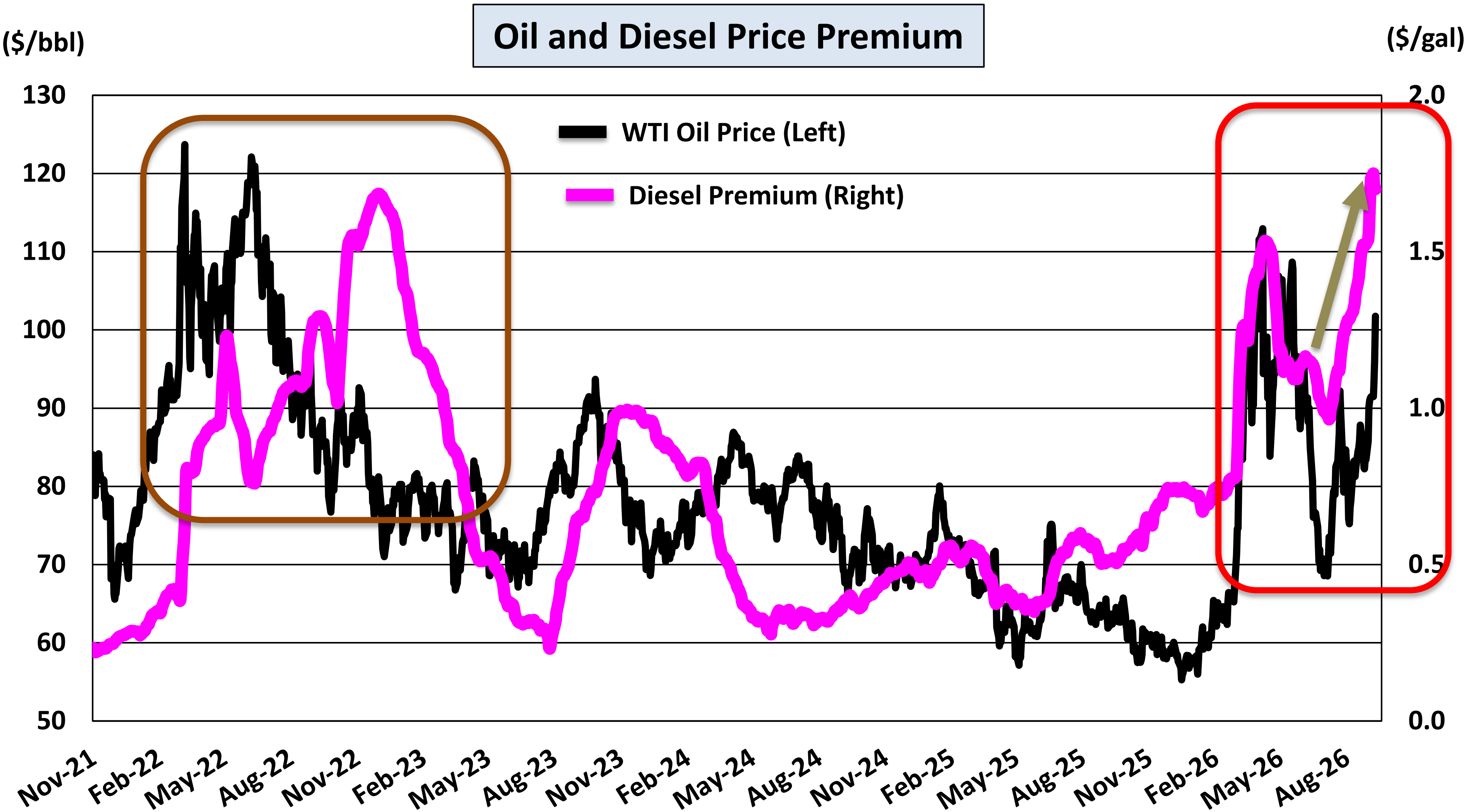
Georgia State University | J. MACK ROBINSON COLLEGE OF BUSINESS

Dependence Rate on the Strait of Hormuz

For Energy Imports



Recent Energy Price Trends



Components of Home Buying Decision

Home Price	Mortgage Rate
1. Property Tax	1. 10-Year T-Bond
2. Home Insurance + Fees	2. Premium

Fire Power	Liquidity Management
(A) Job/Wage Income	(A) Down Payment
(B) Wealth Position	(B) Asset Position

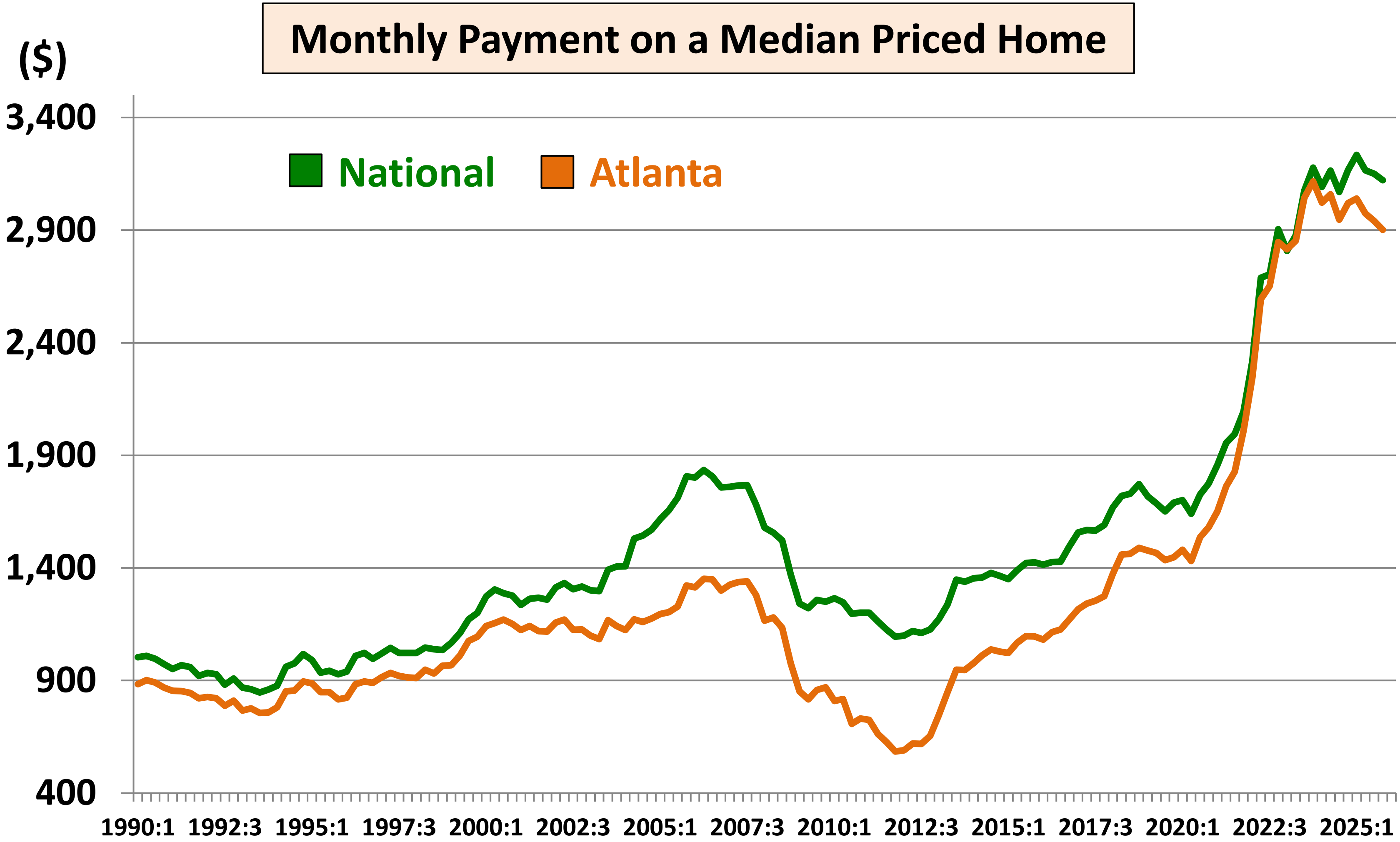
Stocks

Bonds

Cash

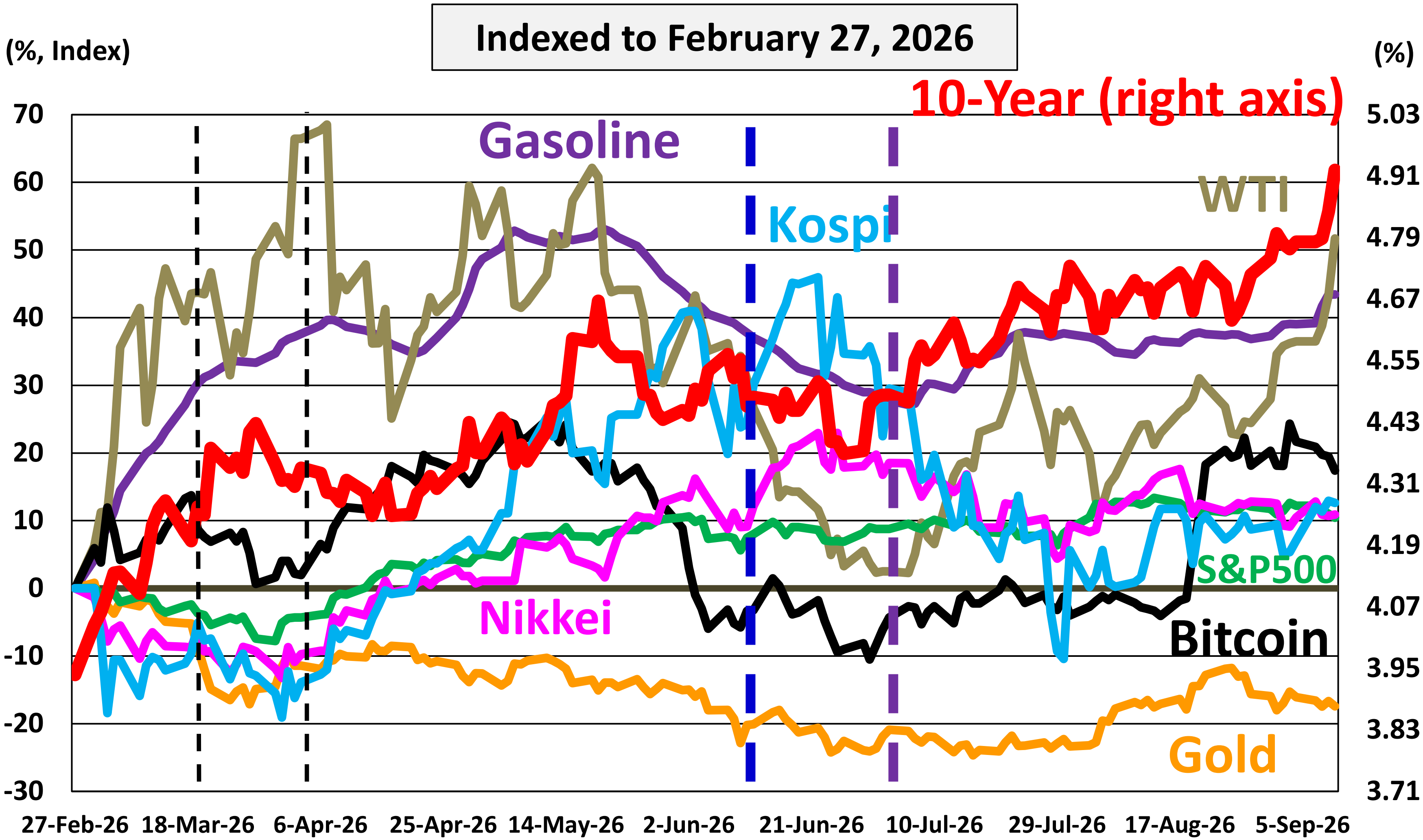
Crypto/Gold

Homebuyer Costs Have Skyrocketed



Source: Data from Harvard Joint Center for Housing Studies

Change Since Mideast Hostilities Began

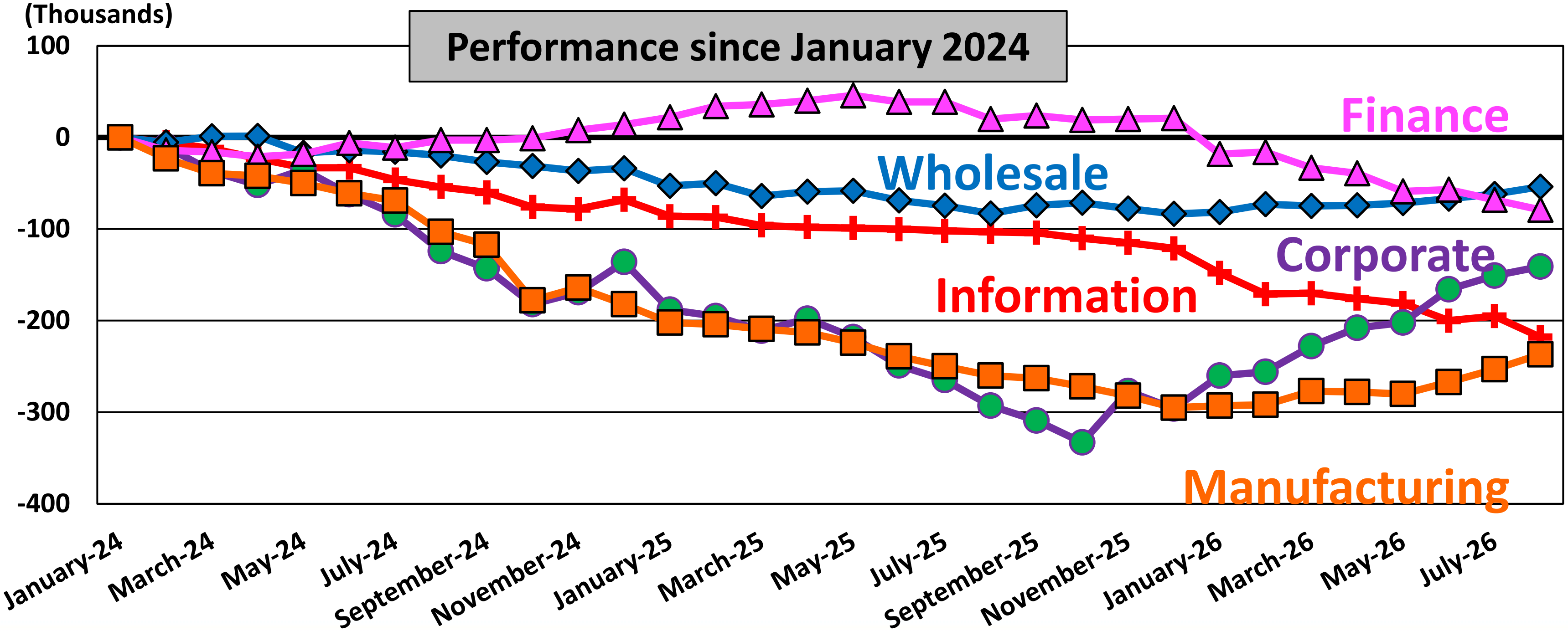


Source: Data from Bloomberg; EFC Calculations

The REAL State of the Labor Market

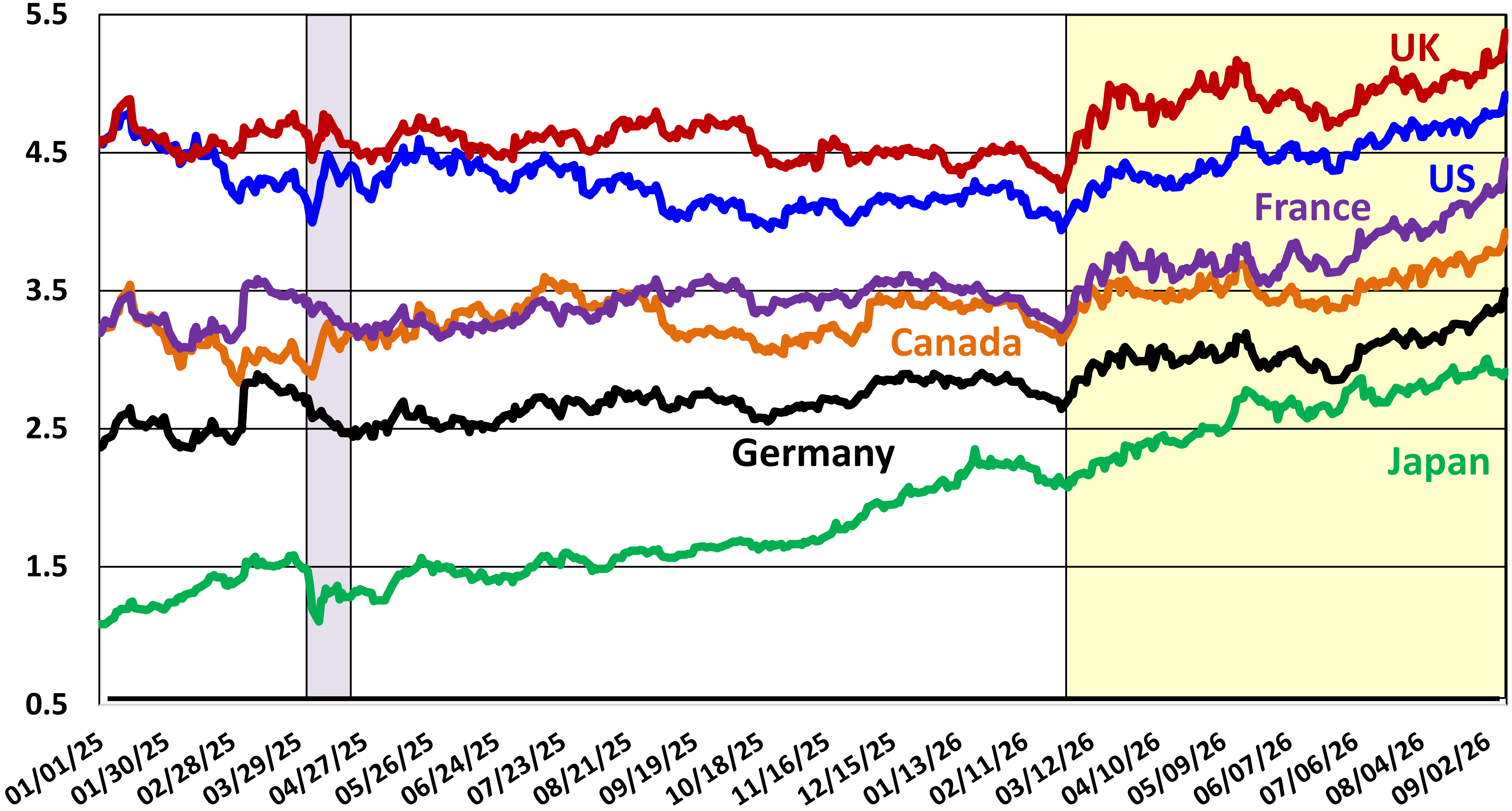
It does not feel like a tight labor market.

Tom Barkin
President, FRB of Richmond



Global Bond Wobble(s)

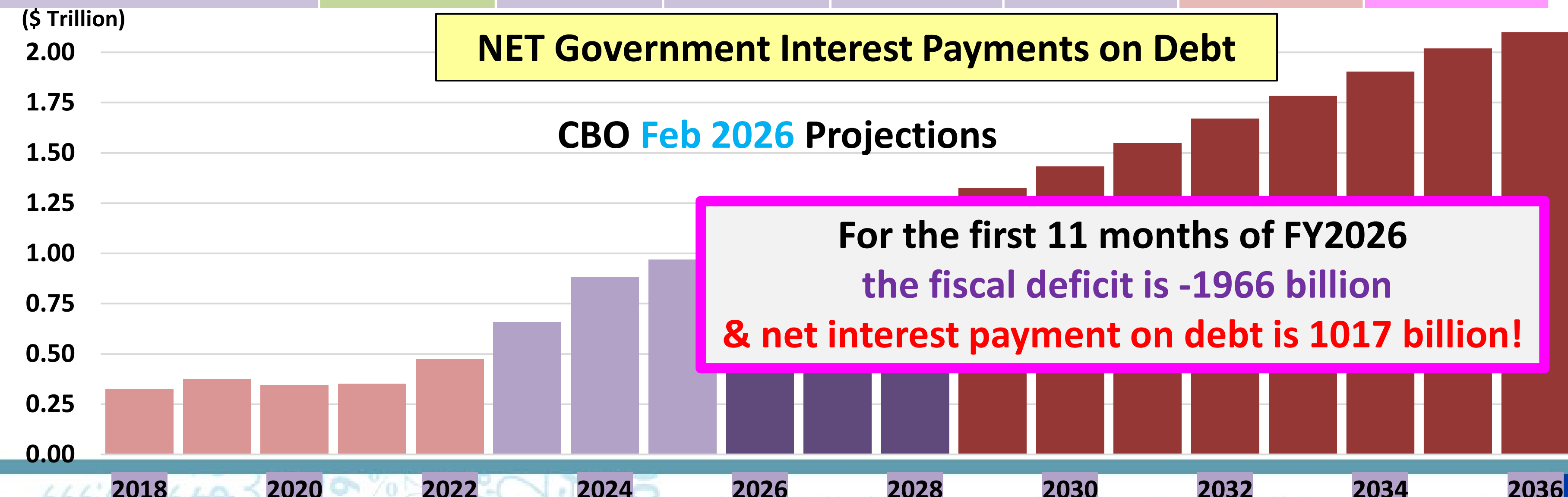
Global 10-Yr Bond movements since January 1, 2025



Source: EFC calculations based on data from *Bloomberg*

Current State of Federal Spending

$ Billion	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Spending (Deficit)	4447 (-984)	6652 (-3132)	6818 (-2775)	6272 (-1375)	6134 (-1695)	6752 (-1832)	7009 (-1775)
1. Social Security	1044	1096	1135	1219	1354	1461	1581
2. Medicare	651	776	696	755	848	874	997
3. Defense	688	726	755	767	821	875	917
4. Health (Medicaid etc.)	585	748	797	914	889	912	979
5. Income Security	650	2072	2250	1542	874	976	702
6. Other Discretionary	453	790	834	599	689	773	865
7. Net Interest on Debt	376	345	352	475	659	882	970

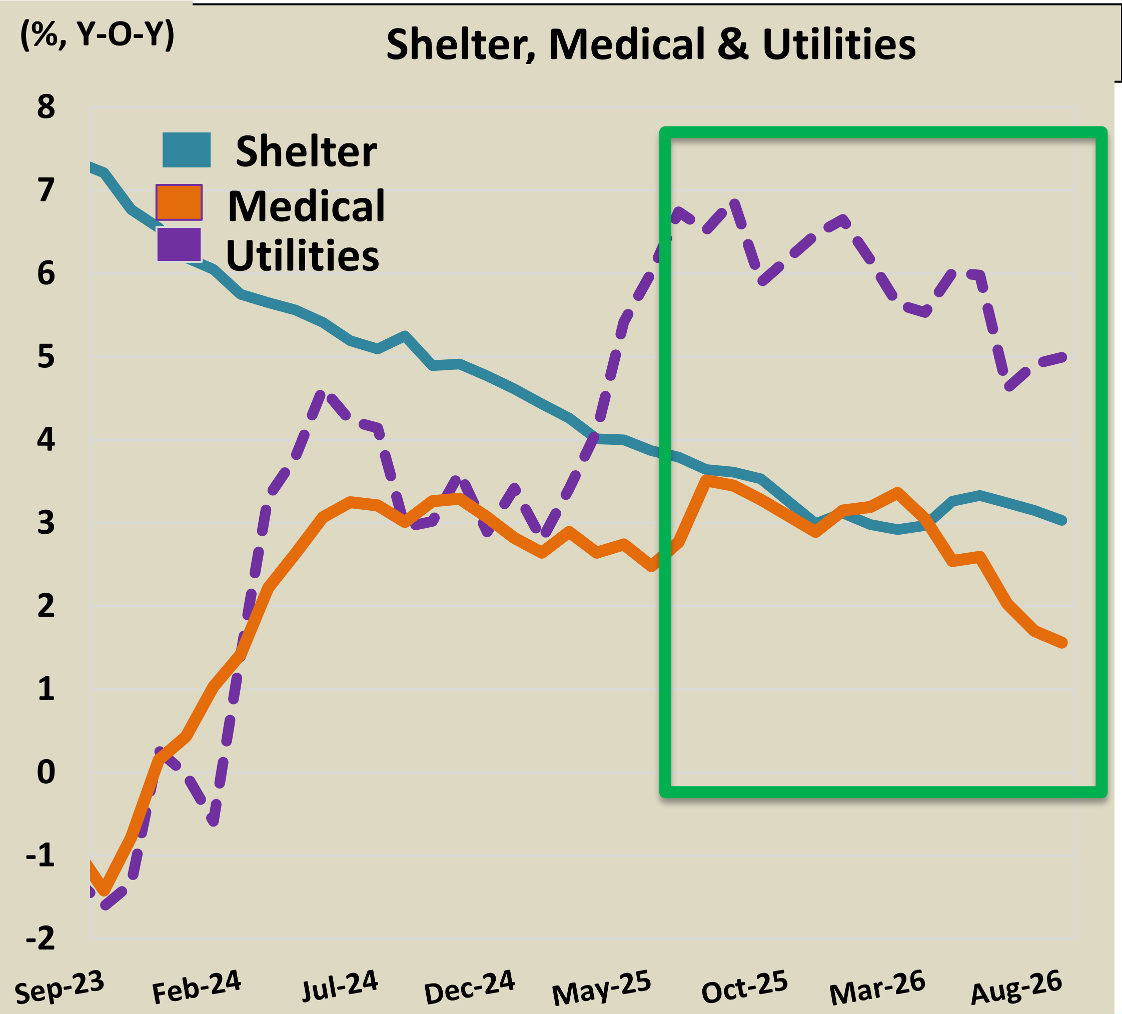


Source: Federal spending figures from Monthly Treasury Statements

Economic Forecasting Center

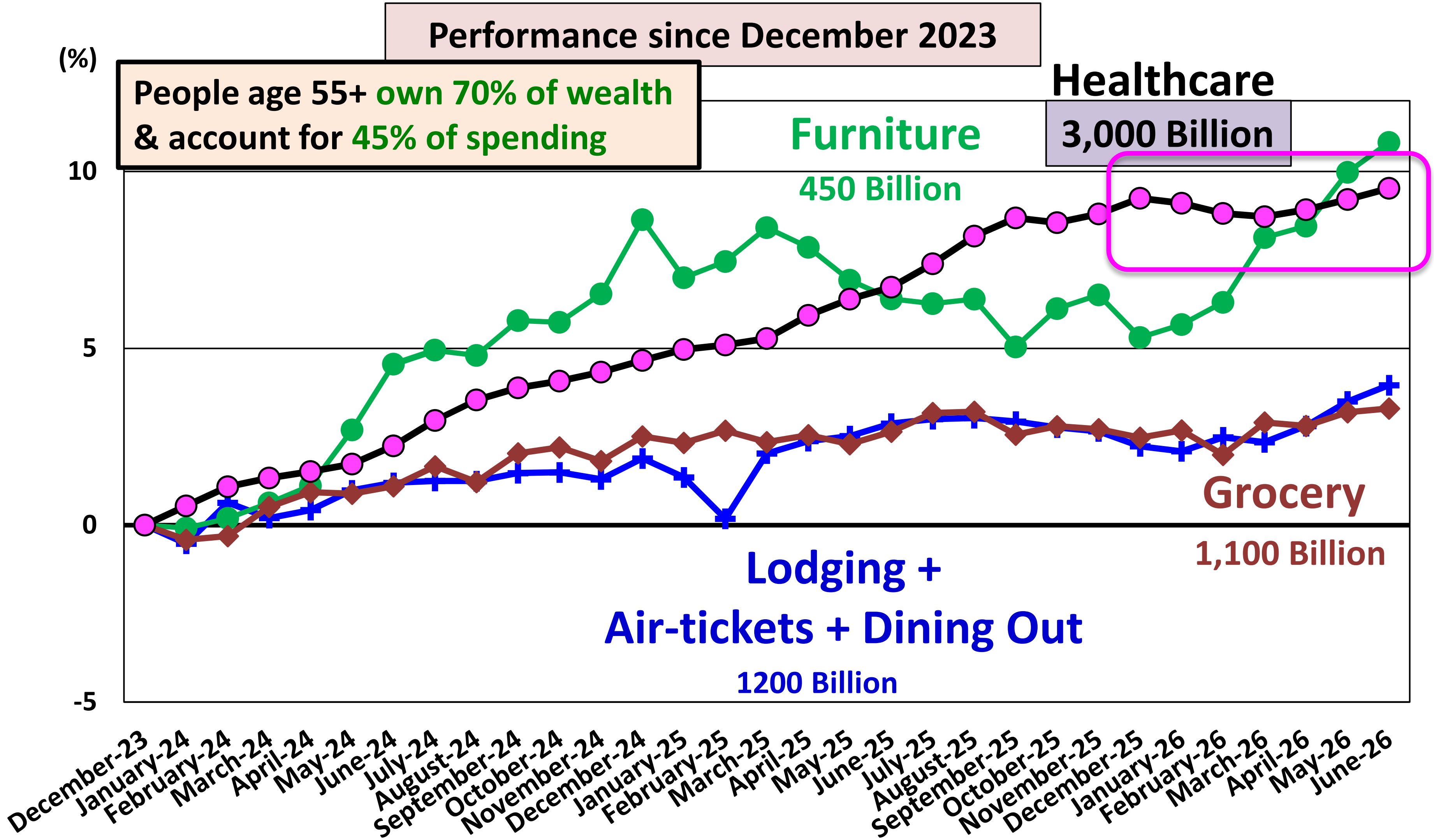
Inflation Affecting the Budget: Aug 2026

	Weight	Last 12 Months
OVERALL		3.4
Gasoline	4%	27.4
Food (& Alcohol)	14%	2.6
Clothing	3%	3.6
Utilities	3%	5.0
Recreation	4%	2.7
Airline Fare	1%	23.4
Hotel Room	1%	3.2
New Vehicles	4%	0.6
Shelter (rent)	35%	3.0
Medical	7%	1.7
Edu. & Comm.	5%	2.2

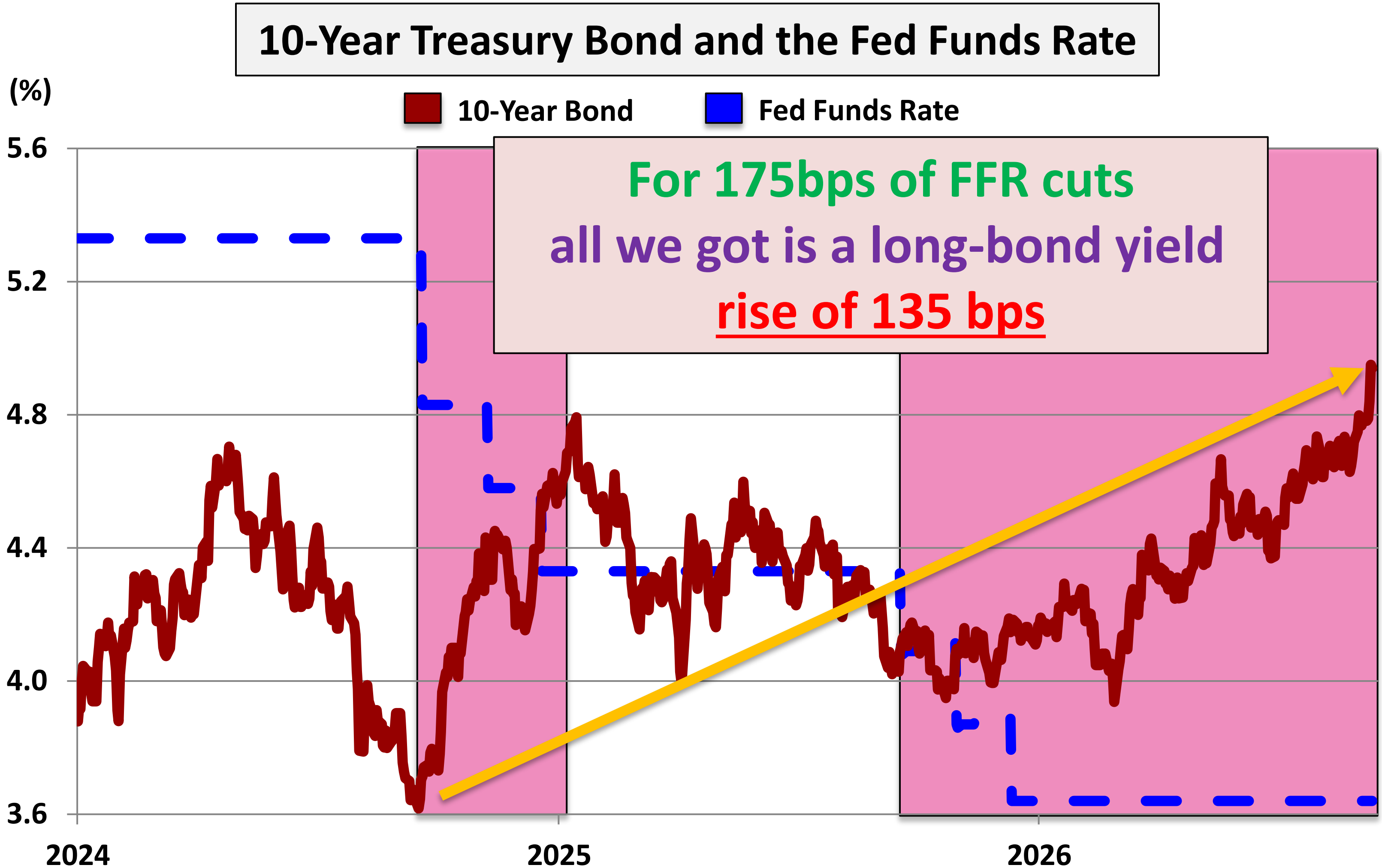


Source: *EFC calculations based on BLS data for CPI components*

Real Consumer Spending Since 2023 (National)



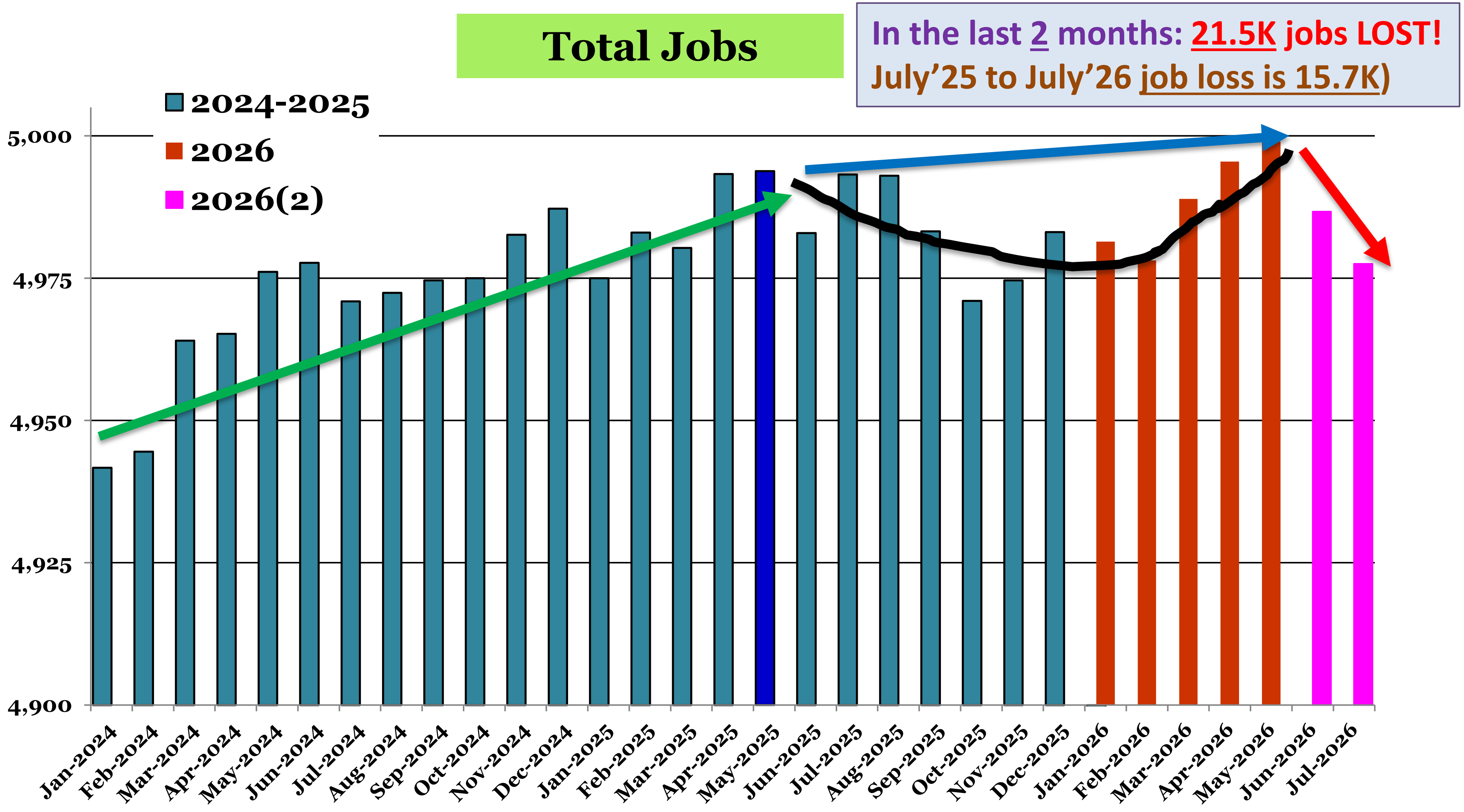
The Current Long-Yield Conundrum



US Forecast Summary

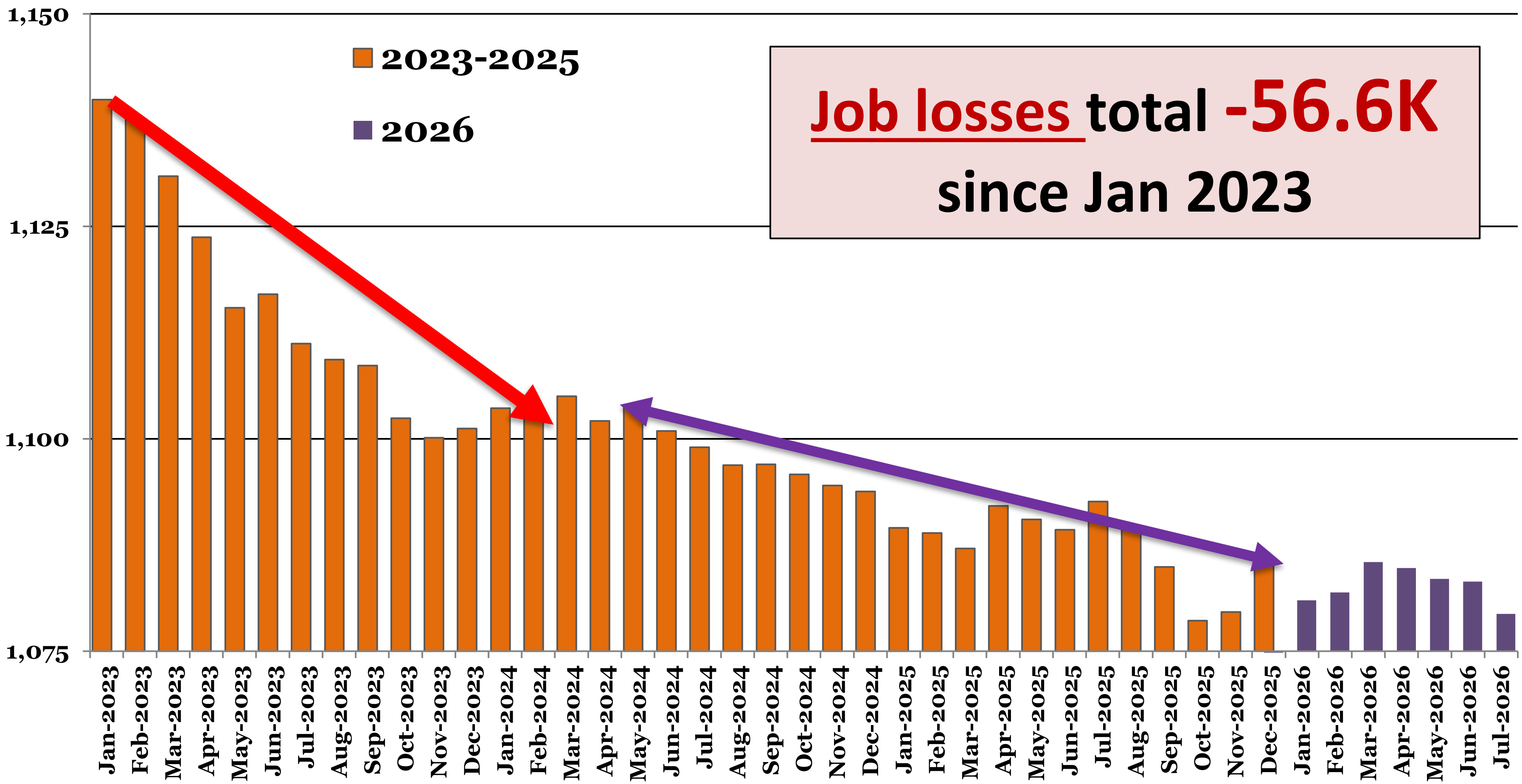
	History				Qtr. Forecast							Annual			
	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27	Q1-28	2025	2026	2027	2028
GDP (%)	4.4	0.5	2.1	1.5	1.7	1.0	1.4	1.6	1.9	2.3	2.4	2.1	1.9	1.5	2.2
Y-O-Y/(Q4/Q4)	2.3	2.0	2.7	2.1	1.4	1.6	1.4	1.4	1.5	1.8	2.1				
CONS. (%)	3.5	1.9	0.5	3.2	2.6	1.0	1.3	1.7	1.9	2.3	2.5	2.6	2.1	1.7	2.4
Invest. (%)	3.2	2.4	10.6	8.4	4.2	5.2	3.9	3.1	2.7	2.9	2.9	4.1	6.3	4.1	2.2
Autos (mil.)	16.6	15.7	15.5	16.3	16.1	15.6	15.5	15.6	15.7	15.9	16.2	16.2	15.9	15.7	16.3
Starts (mil.)	1.347	1.323	1.418	1.347	1.318	1.300	1.307	1.302	1.309	1.310	1.321	1.356	1.346	1.307	1.347
Jobs ('000)	11	-30	43	96	10	-25	-35	23	48	73	88	745	333	105	1,029
Oil ($/bbl)	65.6	59.1	71.9	92.7	85.9	81.3	76.5	78.4	77.9	73.1	78.1	65.3	82.9	76.5	77.2
CPI	3.1	2.9	3.2	6.1	2.3	1.0	1.5	1.6	1.7	1.9	2.2	2.7	3.3	1.9	2.1
CPI (Core)	3.2	2.2	2.5	2.9	2.6	2.0	1.8	1.7	2.0	2.1	2.4	2.9	2.6	2.0	2.3
USD (%)	-4.7	5.8	-3.1	1.0	4.4	-2.2	-2.7	-5.0	-3.4	-2.8	-0.1	-0.5	-1.2	-2.0	-1.4
FF Rate	4.3	3.9	3.6	3.6	3.6	3.6	3.3	2.6	2.6	2.6	2.6	4.2	3.6	2.8	2.7
10-Year	4.3	4.1	4.2	4.4	4.7	4.7	4.5	4.0	4.2	4.3	4.4	4.3	4.5	4.2	4.5
Mortgage	6.6	6.2	6.1	6.4	6.7	6.7	6.4	6.2	6.2	6.3	6.4	6.6	6.5	6.3	6.5
Trade Deficit	-757	-785	-820	-869	-919	-960	-992	-1,007	-1,006	-981	-949	-926	-892	-996	-885
Deficit (Fiscal) (bil. $)/% GDP	-1,787	-1,685	-1,807	-1,788	-1,840	-1,884	-1,943	-1,956	-1,965	-1,968	-1,996	-5.9	-5.6	-5.8	-5.7

Georgia Employment Levels 2024-Now



This is a White-Collar, Middle-Management & Entry Level Worker Job Malaise

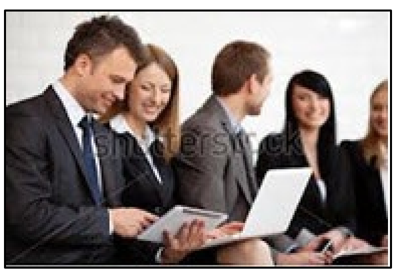
Corporate + Information Jobs + Wholesale



Triangle of Money

Income

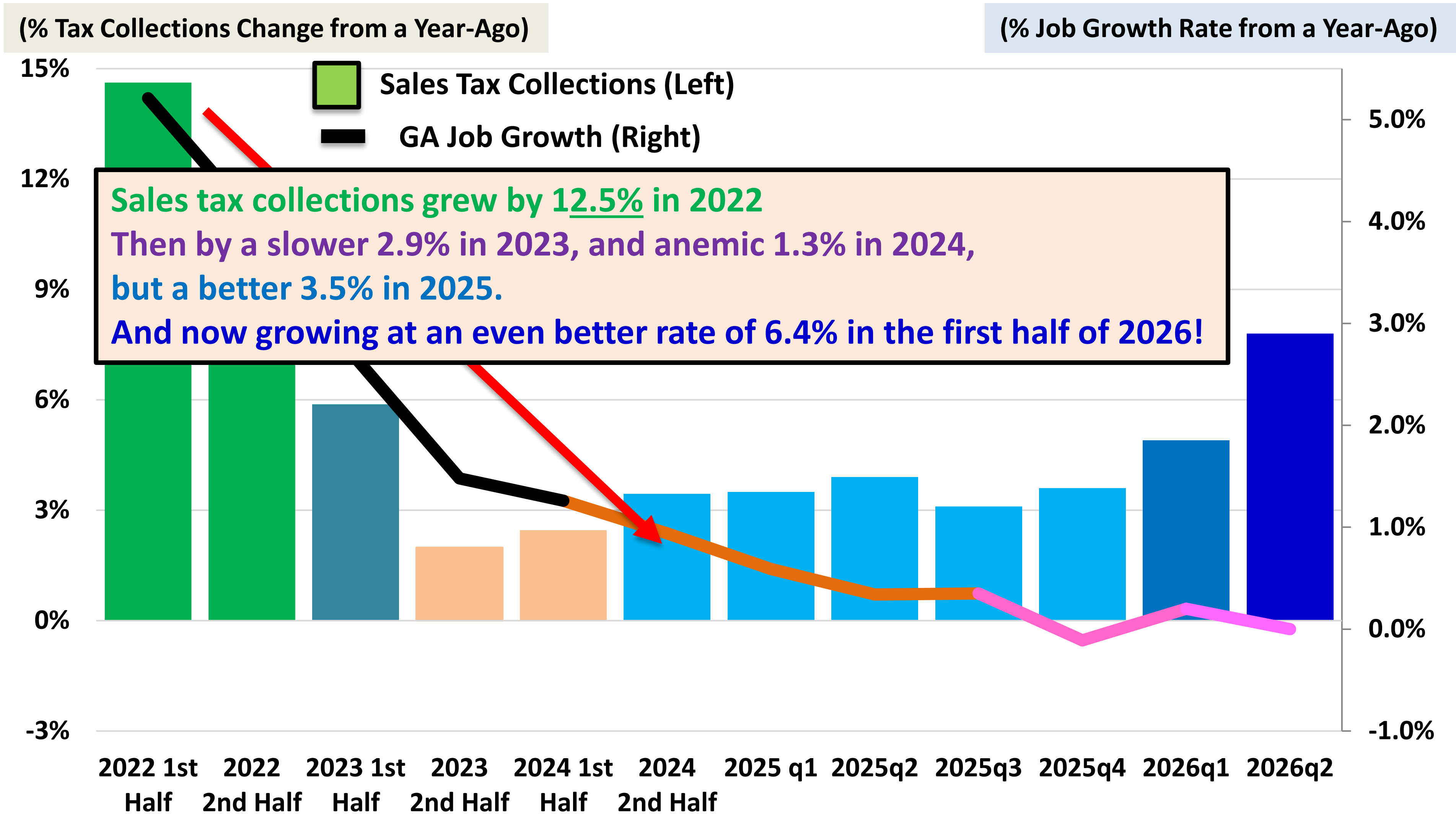
Whenever jobs data is giving you *conflicting signals* (example, 2003/04 & now) you reconcile by looking at income metrics (esp. state tax collections) BEFORE making your real estate decisions.



Jobs

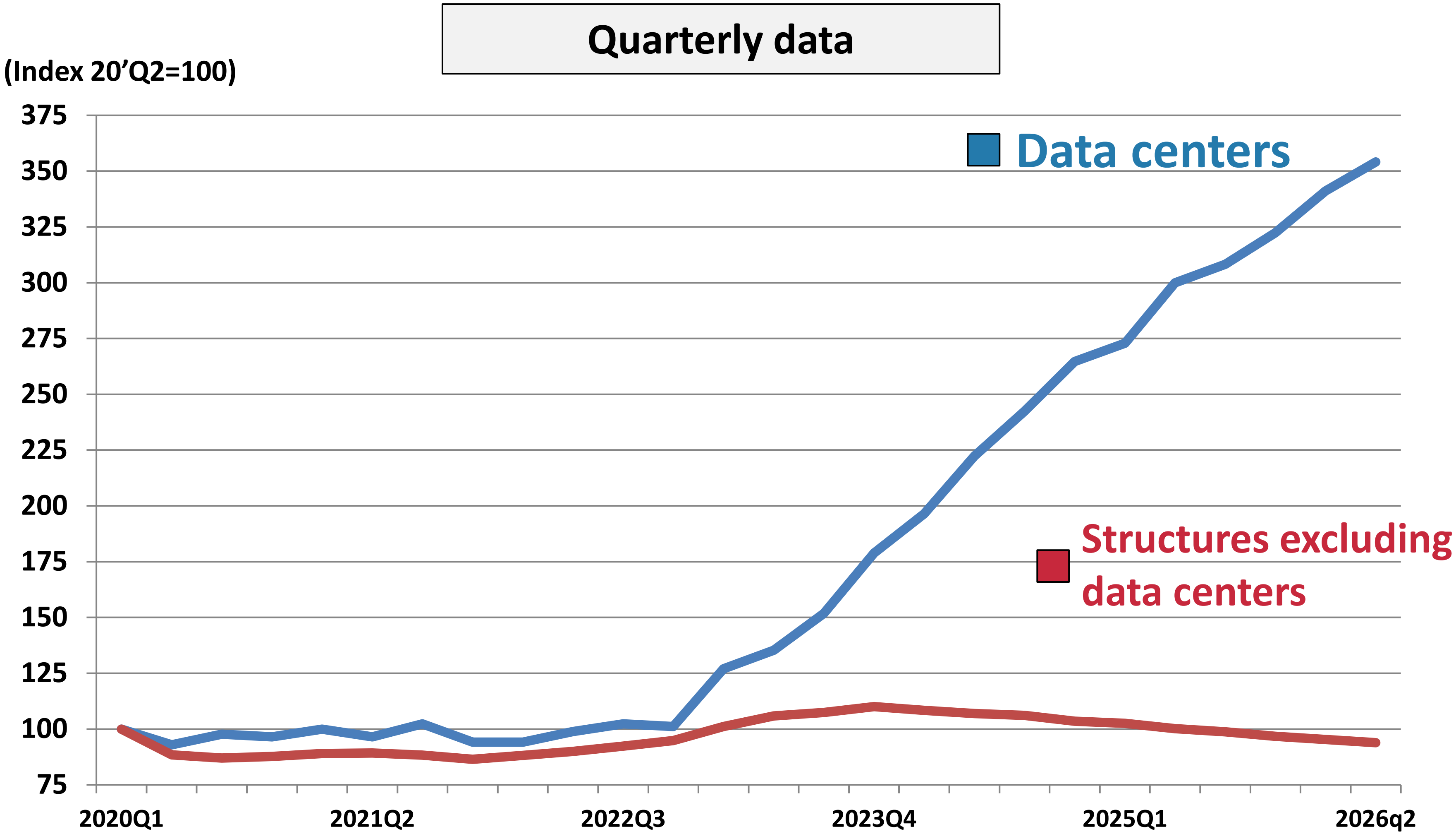
Real Estate & Construction

Georgia Gross Sales Tax Collections



Source: EFC calculations based on Monthly Georgia DOR Statements

Real Fixed Investment in Structures (<u>Nation</u>)



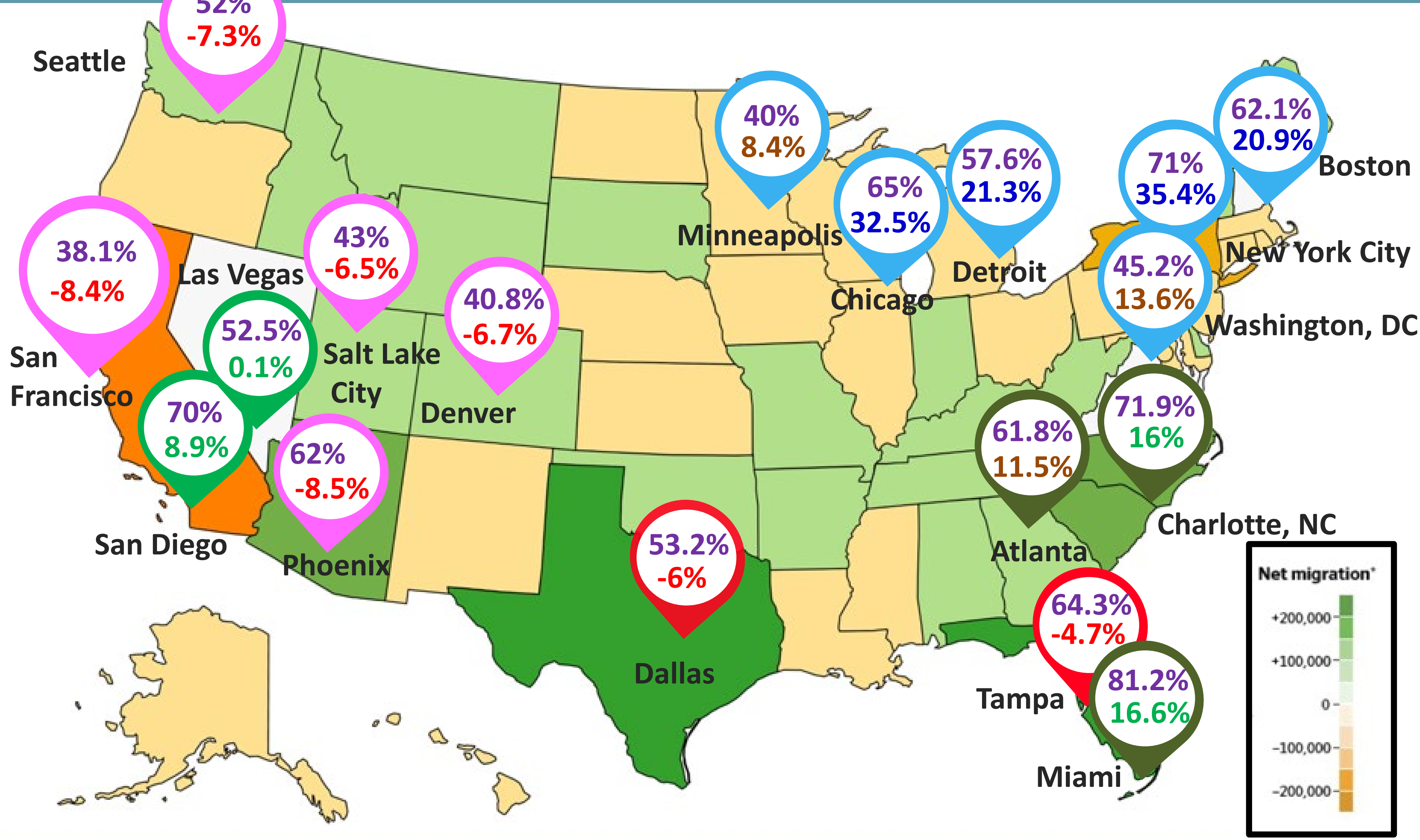
Georgia Sectoral Calendar* History & Forecast

	2022	2023	2024	2025	2026f	2027f	2028f
Calendar Job Additions (000s)	164.9	69.1	45.8	-5.4	23.4	62.7	80.5
Global	65.5	-28.9	-11.2	-21.8	10.4	27.5	36.0
Professional & Business Services	20.7	-24.9	-8.9	-4.6	-0.5	15.1	21.5
Transportation & Utilities	15.4	1.4	-3.0	-5.7	1.6	3.4	5.3
Manufacturing	17.0	7.4	-1.7	-2.7	2.9	3.3	2.0
Wholesale Trade	10.4	2.1	-0.5	-2.9	3.2	2.7	3.7
Information	2.0	-14.9	2.9	-5.9	3.2	3.0	3.5
Domestic	99.4	98.0	57.0	16.4	13.0	35.2	44.5
Leisure & Hospitality	31.8	15.1	4.4	-1.1	2.7	8.0	7.6
Retail Trade	6.7	1.8	-4.9	-2.5	-1.7	0.9	4.2
Education & Health	27.5	42.9	30.9	22.9	17.7	13.9	15.8
Construction	6.6	8.0	8.2	4.2	-4.1	5.0	5.0
Financial Activities	9.8	4.4	4.2	0.9	-3.0	1.3	3.5
Government	11.9	19.3	12.3	-5.7	-0.9	4.5	5.7

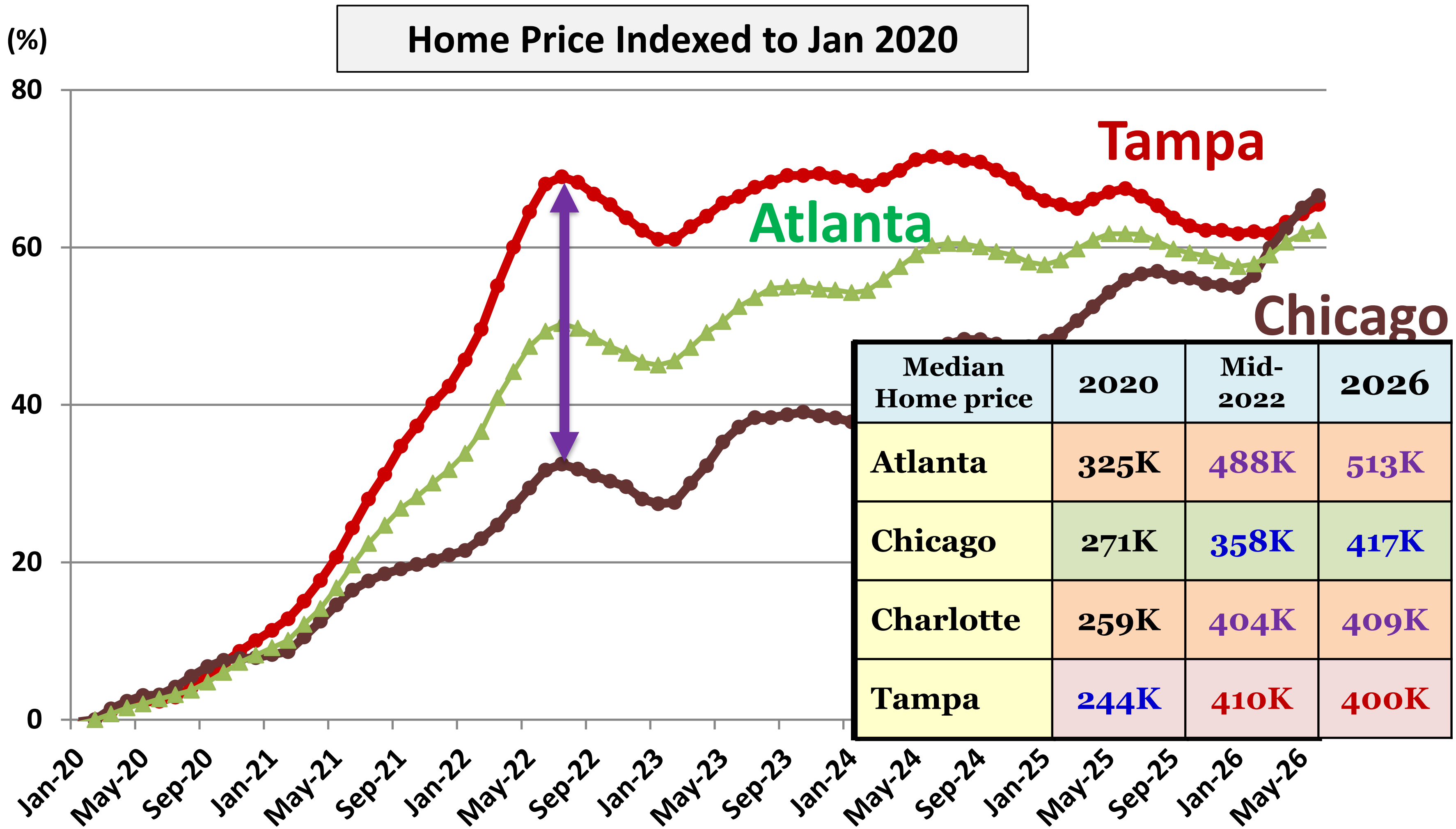
* Calendar Year (Prior Year Q4 to Current Year Q4 Change)

"Californization" of Home Prices (Gains Since Feb 2020)

{Home Price CHANGES (June 2022 to Present)}



How Tampa Stacks Up To Chicago?



Median Home price	2020	Mid-2022	2026
Atlanta	325K	488K	513K
Chicago	271K	358K	417K
Charlotte	259K	404K	409K
Tampa	244K	410K	400K

Source: Median home prices for 2020 from Zillow

Net Domestic Migration: 2012 to 2025

	2012 (thous.)	2019 (thous.)	2022 (thous.)	Latest (thous.)
California	-41.3	-208.4	-344.1	-229.1
Texas	141.6	121.4	218.8	67.3
Florida	103.7	139.3	310.9	22.5
New York	-108.3	-183.9	-284.9	-137.6
Georgia	14.9	52.5	79.1	27.3
Tennessee	26.8	37.7	82.3	42.4
N. Carolina	29.4	69.7	98.4	84.1
S. Carolina	23.9	53.4	83.3	66.6
Alabama	-0.1	10.8	27.7	23.4
Louisiana	-0.6	-24.6	-48.1	-14.4

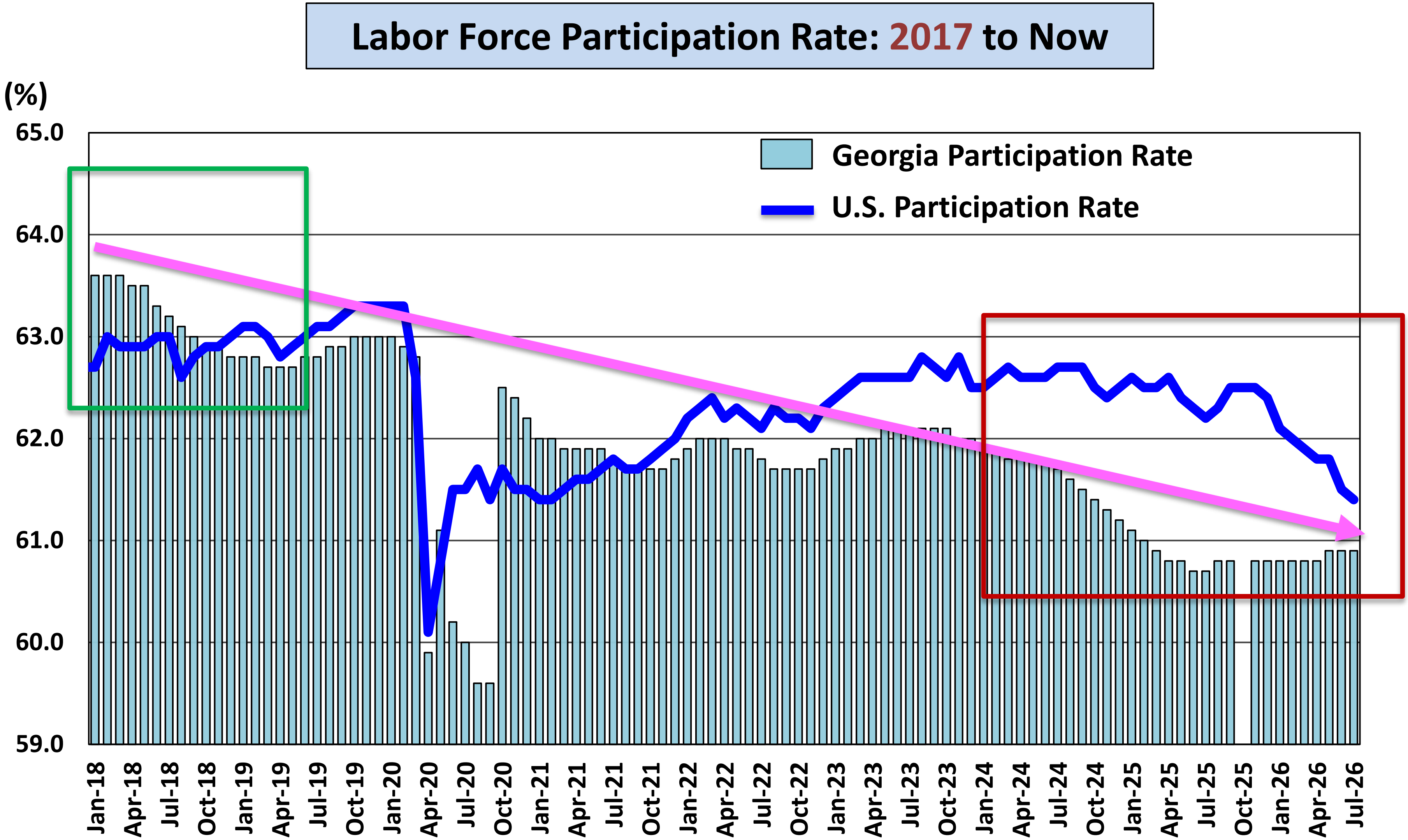
	2012 (thous.)	2019 (thous.)	2022 (thous.)	Latest (thous.)
Washington	12.0	36.0	-3.3	9.2
Oregon	10.9	24.7	-8.9	2.2
Virginia	4.5	-8.9	-26.1	6.3
Arizona	29.9	95.8	68.3	31.1
Utah	-0.8	16.0	13.2	3.3
Idaho	-0.7	28.5	28.1	19.9
Montana	3.0	5.7	15.5	6.3
Colorado	27.2	33.8	5.4	-12.0
NEMS*	-3.5	8.3	25.4	13.3
Minnesota+ Ohio	-48.2	-146.3	-24.0	+20.2

* VT + NH + ME

Source: *Census Bureau*

Midwestern Exodus Is Finally Ending

Where are the Missing Workers?



Atlanta Housing Permit Forecast

Permits	2020	2021	2022	2023	2024	2025	2026f	2027f	2028f
Single family	27,025	30,245	24,136	22,248	23,702	20,022	19,851	21,139	22,414
Multifamily	3,485	7,843	21,191	15,589	14,881	11,224	10,254	9,330	11,611
TOTAL	30,510	38,088	45,327	36,837	38,583	31.246	30,105	30,469	34,025

		HISTORY									FORECAST		
County		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Cobb	single family	1,564	1,673	1,559	1,811	1,893	1,371	1,152	1,140	1,041	946	1,003	1,058
	mutlifamily	1,065	1,117	2,008	683	1,300	1,502	1,804	461	799	925	622	755
Cherokee	single family	2,284	2,299	2,177	2,385	2,598	2,495	2,196	1,796	1,491	1,322	1,404	1,492
	mutlifamily	0	1,271	266	9	156	526	30	869	33	284	383	674
Forsyth	single family	2,548	2,389	1,851	2,485	2,305	1,354	1,121	1,692	1,413	1,332	1,415	1,504
	mutlifamily	434	1,261	0	0	54	1,247	250	833	312	448	477	992
Barrow	single family	547	754	740	819	989	937	807	1,116	1,300	1,635	1,728	1,835
	mutlifamily	130	113	0	116	145	117	285	311	284	55	58	61
Bartow	single family	536	620	610	759	733	798	835	1,138	796	722	767	815
	mutlifamily	6	264	250	102	400	1,607	774	483	235	352	375	401

Today's Message

- **Main Message—Hormuz *MUDDLE* is NOT good for corporate type hiring and long-bond interest rates in coming quarters.**
- **Corollary A: Low sentiment reading in face of superb stock market gains is explained by lack of job creation for entry level-white-collar jobs (Corporate,B2B, Mkting & Coding jobs in Tech).**
- **Corollary B: Federal Reserve will do some rate cuts in early 2027 (100bps in total). This will help small businesses that are bank credit dependent to boost their hiring in 2027.**
- **Corollary C: Increased defense spending ALL OVER the world when added to runaway outlays for AI computing means long-bond yields remain elevated.**
- **Corollary D: Runaway Data Center construction boom multiplier and positive environment for the manufacturing sector is a plus going forward for growth outside the core metro Atlanta area.**
- **Corollary E: Net domestic migration is slowing—causes range from "*Californization*" of home prices to lack of quality job growth.**



Special Thanks to the Center's Sponsors

Georgia Power

marta

The Coca-Cola Company

MAC'S Beverages
Midtown - Atl, GA

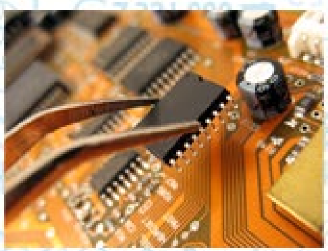
ARC

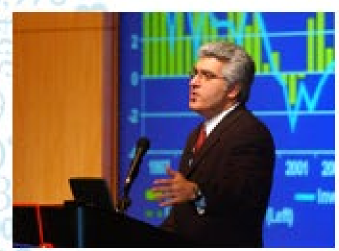
Carl R. Zwerner
Chair of Family
Owned Businesses

Georgia State University
J. Mack Robinson
COLLEGE of BUSINESS

HONORARY BOARD
DEPARTMENT OF REAL ESTATE

Economic Forecasting Center



Georgia State University
J. MACK ROBINSON COLLEGE OF BUSINESS