



District of Columbia Economic and Revenue Trends: September 2014

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DC's private sector jobs once again grew faster in August than in the US, the first time in the past 9 months

DC's growth was concentrated in 5 sectors: personal services, retail, education, selected business services, and food services

For most of the past decade, the District of Columbia's private sector has grown at a faster rate than the private sector in the US as a whole. The only exceptions were in the 2-year period before the Great Recession and a 9-month period from December 2013 to through this past July. In August 2014, however, DC's private sector once again grew faster than in the US, albeit by a small margin: 2.3% in DC versus 2.2% in the US (based on 3-month moving averages).

Although DC's private sector grew at a faster pace than the US in August, DC's growth was more concentrated in a few sectors. From August 2013 to August 2014, DC's private sector grew from 503,467 to 515,237, a net increase of 11,773. Of the net gain, 11,267 (96.0%) was in just five sectors—personal services, retail, education, certain business services, and food services. These sectors, representing about one third of DC's private sector, each grew 5% or more over the prior year. In the US economy as a whole, where growth was spread more evenly, these five sectors also account for about one third of all US private sector jobs but only 33.4% of the net job gain. Another 35.9% of all US job growth was in the 9 sectors that actually stayed the same or declined in DC (a group also accounting for about one third of private sector jobs in both DC and the US). (Cont'd on p. 19.)

Private sector wage and salary employment in DC and the US: August 2004 to August 2014 (% change from the prior year in the 3-month moving average)



DC private sector employment by category of change: August 2013 to August 2014

	% of total, Aug. 2013	% of all ch., Aug. 2013 to Aug. 2014
Group 1 (Increased at least 5% in DC from the prior year)		
5 sectors : Personal services, retail trade, education, business services (except for employment services), food services	31.6	96.0
Group 2 (Positive gain in DC from the prior year)		
4 sectors : Health, professional and technical services (except for legal), wholesale trade, financial services.	35.3	21.9
Group 3 (No gain or decline in DC from the prior year)		
9 sectors : Transportation and utilities, employment services, construction, legal services, information services, arts and leisure, organizations, accommodations, manufacturing	33.1	-17.9

Source: BLS

Wage and salary employment

DC's job growth continues to pick up

● August wage and salary employment in DC was up by 9,000 (1.2%) from a year earlier as measured by the 3-month moving average.

● Federal government employment in DC for August was down by 4,267 (-2.1%). The private sector more than offset this loss with a gain of 11,733 (2.3%), a faster growth rate than the private sector in the US as a whole.

● Total year-over-year DC metropolitan area employment increased by 18,867 (0.6%) in August as measured by the 3-month moving average.

● Suburban Washington employment in July increased by 0.4% from a year earlier, one third of DC's rate.

● Seasonally adjusted wage and salary employment in DC fell 4,200 in August to about the same level as it was in May.

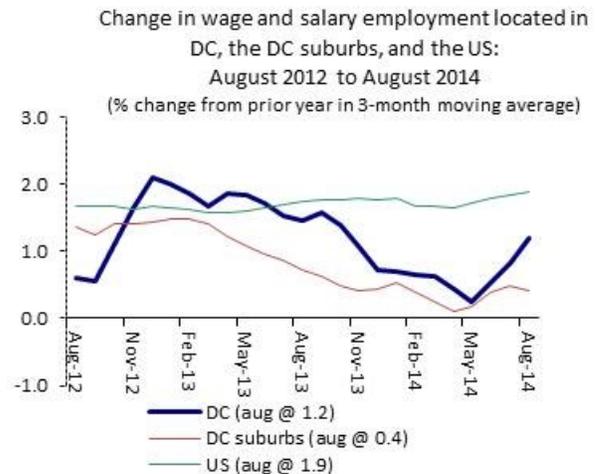


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: August 2014

Jurisdiction	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,950	743,892	748,833	754,700	748,800
1 year change	14,158	7,717	12,942	5,925	9,000	8,500
% change	2.0	1.1	1.8	0.8	1.2	1.1
Washington metro area	3,000,142	3,036,558	3,075,142	3,087,333	3,104,533	3,084,200
1 year change	42,375	36,417	38,583	14,058	18,867	10,300
% change	1.4	1.2	1.3	0.5	0.6	0.3
Washington suburbs (% ch)	1.3	1.3	1.1	0.3	0.4	0.1
US (% ch)	1.2	1.7	1.7	1.8	1.9	1.8

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.

Source: BLS. August is preliminary.

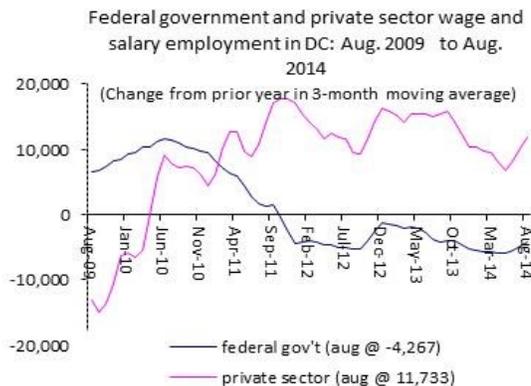


Table 2. Federal government and private sector wage and salary employment in DC: August 2014

Sector	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
Federal government	213,258	208,575	206,042	201,267	200,900	200,900
1 year ch.	5,025	-4,683	-2,533	-5,058	-4,267	-3,800
% change	2.4	-2.2	-1.2	-2.5	-2.1	-1.9
Private sector	474,833	487,642	502,992	511,867	515,200	512,200
1 year ch.	10,733	12,808	15,350	10,092	11,733	9,300
% change	2.3	2.7	3.1	2.0	2.3	1.8

Source: BLS. Not seasonally adjusted. August is preliminary.

Table 3. Seasonally adjusted DC Employment: February 2014 to August 2014

	Feb	Mar	Apr	May	June	July	August
D.C. Wage and Salary employment	745,700	745,300	747,600	749,700	753,300	754,000	749,800
change from prior month	-1,300	-400	2,300	2,100	3,600	700	-4,200
% change from prior month	-0.2	-0.1	0.3	0.3	0.5	0.1	-0.6

Source: BLS seasonally adjusted. August is preliminary

Jobs by sectors of the economy

Diversification in DC's private sector: growth of more than 1,000 jobs in 6 areas

- In August, the education gain of 3,900 jobs over last year was more than that of any other sector. (3-month moving average.)
- Five other sectors grew by more than 1,000 jobs: food service (2,400), retail (2,267), other business services (1,767), other professional and technical services (1,167), and health (1,100).
- Private sector industries losing jobs included organizations and accommodations.
- Local government rose by 1,533 (4.1%).
- The federal government accounted for 26.6% of all DC jobs in August. Over the past year, DC's share of federal employment fell slightly in the US, and grew slightly in the metro area.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: August 2012 to August 2014

(% change from prior year in 3-month moving average)

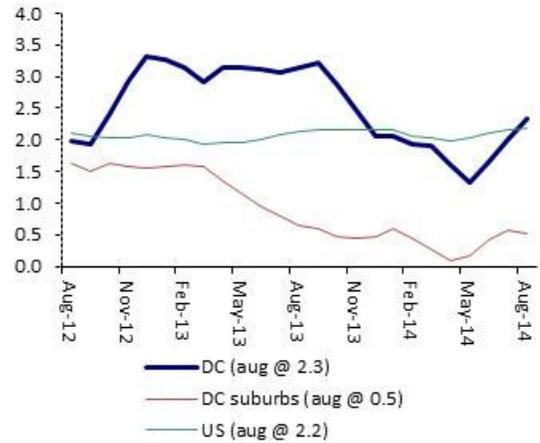


Table 4. Wage and salary employment located in DC: August 2014

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Aug 2014	DC share (%) in Aug 2014 of all sector jobs in:			Change from Aug 2013 to Aug 2014 in DC share of sector jobs in:	
	Aug 2013	Aug 2014	Amount	%			metro area	US	metro area	US	
Federal government	205,167	200,900	-4,267	-2.1	-2.5	26.6	54.9	7.37	0.1	-0.04	
Local government	37,067	38,600	1,533	4.1	2.6	5.1	12.5	0.21	0.3	0.01	
Legal services	30,033	29,867	-167	-0.6	0.0	4.0		2.61		-0.02	
Other Professional and technical	78,167	79,333	1,167	1.5	0.5	10.5	23.0	1.10	0.3	-0.02	
Employment services	14,933	14,867	-67	-0.4	-0.4	2.0	34.8	0.41	-0.5	-0.03	
Other Business services	33,767	35,533	1,767	5.2	2.2	4.7	18.4	0.48	0.8	0.01	
Information	17,300	17,167	-133	-0.8	-1.2	2.3	23.2	0.64	0.7	0.00	
Finance	28,733	28,967	233	0.8	1.2	3.8	18.6	0.36	-0.3	0.00	
Organizations	62,000	60,967	-1,033	-1.7	-0.9	8.1	36.0	2.06	-0.5	-0.04	
Education	51,933	55,833	3,900	7.5	7.7	7.4	53.1	1.78	0.6	0.10	
Health	65,933	67,033	1,100	1.7	2.3	8.9	23.6	0.37	0.5	0.00	
Food service	46,233	48,633	2,400	5.2	4.3	6.4	21.9	0.45	0.2	0.02	
Accommodations	15,433	15,067	-367	-2.4	0.3	2.0	35.3	0.75	-0.5	-0.02	
Amusement and recreation	7,100	7,000	-100	-1.4	0.1	0.9	14.7	0.29	-0.3	-0.01	
Retail trade	19,600	21,867	2,267	11.6	8.4	2.9	8.1	0.14	0.7	0.01	
Wholesale trade	4,900	4,967	67	1.4	-0.5	0.7	7.8	0.08	0.0	0.00	
Construction	14,467	14,400	-67	-0.5	-0.7	1.9	9.8	0.23	0.1	0.00	
Personal and miscellaneous ser.	7,700	8,633	933	12.1	6.4	1.1		0.33		0.03	
Other private	5,233	5,067	-167	-3.2	-6.1	0.7	4.4	0.03	-0.4	0.00	
Total	745,700	754,700	9,000	1.2	0.8	100.0	24.3	0.54	0.1	0.00	
Public sector	242,233	239,500	-2,733	-1.1	-1.7	31.7	35.5	1.14	-0.3	-0.02	
Private sector	503,467	515,200	11,733	2.3	2.0	68.3	21.2	0.44	0.3	0.00	

Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment and unemployment

Resident employment has started increasing faster

- In August DC resident employment was up 5,510 (1.6%) from a year earlier (3-mo. moving average). The labor force also grew by 3,243 (0.9%).
- Seasonally adjusted DC resident employment fell in August to about the level in May.
- In August the unemployment rate (seasonally adjusted) rose to 7.6%.
- August initial unemployment insurance claims were down 10.8% (3-month moving average).

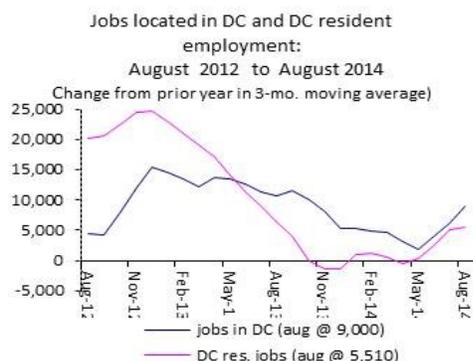
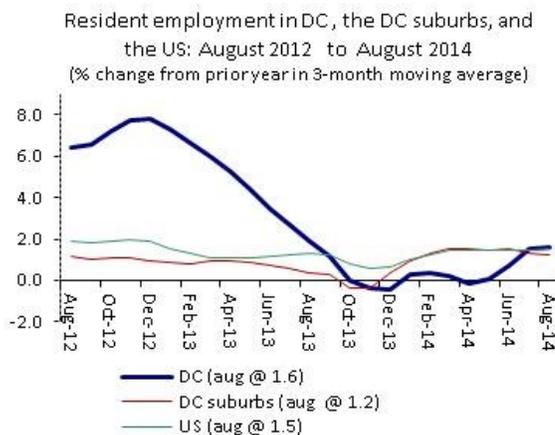


Table 5. Unemployment rates for DC, metro area, and US:
August 2014

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Aug. 2013	Aug. 2014	Aug. 2013	Aug. 2014
US	7.3	6.3	7.2	6.1
DC	8.3	8.5	8.3	7.6
DC metro area	5.5	5.6	na	na
DC suburbs	5.1	5.3	na	na

Source: U.S. BLS. na= data not available

Table 6. Resident employment and unemployment: August 2014

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	308,814	313,267	325,322	340,055	341,391	346,508	341,116
1 year change	4,557	4,453	12,055	14,734	1,448	5,510	4,277
% change	1.5	1.4	3.8	4.5	0.4	1.6	1.3
Labor Force	343,870	348,877	358,972	371,745	369,789	376,670	372,766
1 year change	9,706	5,007	10,095	12,773	-2,084	3,243	5,600
% change	2.9	1.5	2.9	3.6	-0.6	0.9	1.5
Unemployed	35,056	35,611	33,651	31,690	28,398	30,162	31,650
1 year change	5,149	554	-1,960	-1,961	-3,531	-2,267	1,323
% change	17.2	1.6	-5.5	-5.8	-11.1	-7.0	4.4
Unemployment rate	10.2	10.2	9.4	8.5	7.7	8.0	8.5
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,799	2,101	1,784	1,915	1,880	1,959	1,673
1 year change	-404	302	-317	131	-8	-236	-208
% change	-18.3	16.8	-15.1	7.3	-0.4	-10.8	-11.1
Weeks compensated (mo. avg.)	53,592	46,423	45,170	42,862	42,031	39,768	38,484
1 year change	-881	-7,169	-1,253	-2,308	-776	-3,281	-4,206
% change	-1.6	-13.4	-2.7	-5.1	-1.8	-7.6	-9.9

Source: Labor force: BLS. Unemployment Insurance: US Dept of Labor. Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: February 2014 to August 2014

Indicator	Feb	Mar	Apr	May	June	July	August
DC Resident employment	343,396	342,778	341,811	342,423	343,556	343,723	342,200
change from prior month	1,194	-618	-967	612	1,133	167	-1,523
% change from prior month	0.3	-0.2	-0.3	0.2	0.3	0.0	-0.4
DC Unemployment rate (%)	7.4	7.5	7.5	7.5	7.4	7.4	7.6

Source: BLS seasonally adjusted. August is preliminary

The growth rate of DC wages and salaries has increased but remains below the US average

●Wages and salaries earned in the District of Columbia were 2.4% higher in the June quarter compared to the same quarter of 2013. The growth rate is now comparable to the period before the federal sequester began.

●Wages earned in DC have now grown at a slower rate than the US average for over three years.

●In the June quarter, estimated wages of DC residents grew 2.9%. DC Personal Income grew 3.5%.

●In the June quarter, private sector wages and salaries earned in DC grew by \$1.67 billion over the prior year.

●Federal wages and salaries were \$150 million lower in the June quarter than a year earlier.

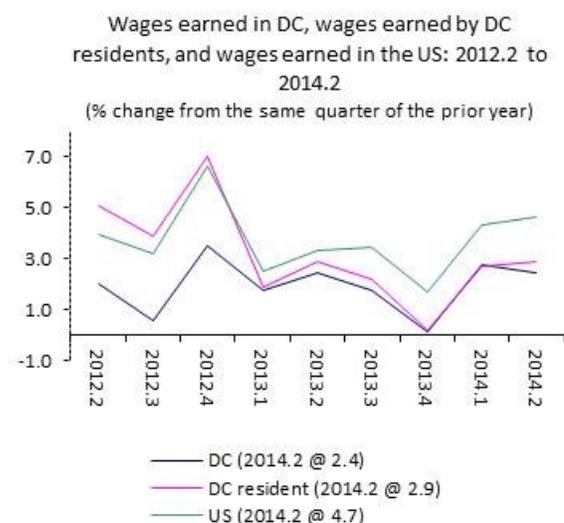


Table 8. DC Wages and Personal Income: June 2014

(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	4-quarter moving average	Latest quarter (Jun.)
Wages and salaries earned in DC	57.24	59.53	60.62	62.05	62.88	63.95
1 year change	2.32	2.29	1.10	1.43	1.09	1.52
% change	4.2	4.0	1.8	2.4	1.8	2.4
Supplements to wages & salaries	15.05	16.31	16.42	16.31	16.39	16.51
% change	7.5	8.3	0.7	-0.7	0.4	0.5
Proprietors' income earned by DC residents*	5.35	5.54	5.88	5.98	6.16	6.32
% change	-8.2	3.6	6.1	1.7	3.3	5.7
Wages and salaries of DC residents***	21.98	23.43	24.59	25.44	25.80	26.29
change from one year ago	1.27	1.45	1.16	0.85	0.50	0.73
% change	6.1	6.6	5.0	3.4	2.0	2.9
Income earned by DC residents	30.1	32.4	34.1	34.6	35.0	35.7
% change	3.8	7.9	5.2	1.5	1.2	2.9
Property income of DC residents	6.06	6.96	7.69	8.29	8.45	8.58
% change	-9.1	14.8	10.5	7.8	3.7	4.0
Pensions and other transfer of DC residents	5.20	5.66	5.67	5.78	6.08	6.20
% change	13.1	8.9	0.2	2.0	6.7	6.6
DC Personal Income**	41.31	45.04	47.46	48.69	49.54	50.43
1 year change	1.08	3.73	2.42	1.23	1.11	1.71
% change	2.7	9.0	5.4	2.6	2.3	3.5
US Personal income (% change from prior year)	1.2	6.0	4.7	3.8	2.7	4.1
US Wages and salaries(% change from prior year)	0.2	4.2	3.5	4.0	3.5	4.7
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	0.48	1.72	1.41	1.76	1.33	1.67
Federal government (1 yr ch, \$B)	1.77	0.69	-0.38	-0.35	-0.29	-0.15
DC res. wages as % of wages earned in DC	38.4	39.4	40.6	41.0	41.0	41.1

* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.

**Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.

***Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.

Source: BEA; data for June were released September 30, 2014

Single family and condominium housing

Sales of both single family and condominium units are down from last year

- The August 3-month moving total of single family home sales was down 2.8% from a year earlier, while the average selling price was 4.8% higher. Sales over \$1 million accounted for about one in every five sales.
- July condominium sales were down 2.2% from last year as measured by the 3-month moving total; the average selling price was 1.7% higher.
- The total value of all home sales in August slowed to just 1.0% above last year as measured by the 3-month moving total.
- August year-to-date median prices were up 4.2% for single family units, and 0.2% for condominiums.

Total value of sales of single family and condo units: Aug. 2012 to Aug. 2014
(% change from prior year in 3-mo. and 12-mo. moving totals)



Table 9. D.C. Residential Real Estate Indicators: August 2014

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)								
Single family	3,259	4,084	3,800	3,563	3,979	4,006	1,173	341
1 year change	237	825	-284	-237	416	60	-34	-19
% change	7.8	25.3	-7.0	-6.2	11.7	1.5	-2.8	-5.3
Condo	2,590	2,884	2,469	2,784	3,487	3,606	1,089	325
1 year change	-206	294	-415	315	703	144	-25	-67
% change	-7.4	11.4	-14.4	12.8	25.3	4.2	-2.2	-17.1
Total	5,849	6,968	6,269	6,347	7,466	7,612	2,262	666
1 year change	31	1,119	-699	78	1,119	204	-59	-86
% change	0.5	19.1	-10.0	1.2	17.6	2.8	-2.5	-11.4
Average prices of units that sold								
Single family (\$)	597,269	538,395	601,026	630,109	712,799	745,775	799,825	672,831
1 year change	-70,098	-58,874	62,631	29,083	82,690	43,791	36,785	-53,816
% change	-10.5	-9.9	11.6	4.8	13.1	6.2	4.8	-7.4
Condo (\$)	359,952	414,030	423,365	429,611	447,827	469,480	471,942	485,683
1 year change	-52,283	54,078	9,336	6,245	18,216	22,826	7,721	26,876
% change	-12.7	15.0	2.3	1.5	4.2	5.1	1.7	5.9
Total value of all sales (\$ million)								
	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	4,680.5	1,452.1	387.3
1 year change	-290.6	514.1	-63.7	111.9	956.7	364.2	14.0	-54.2
% change	-9.2	17.9	-1.9	3.4	27.8	8.4	1.0	-12.3
Ratio: active inventory to sales								
Single family	5.2	3.4	3.3	2.3	1.6	1.6	1.6	1.9
Condo	5.7	4.6	4.9	2.9	1.7	1.9	1.9	2.2

Median contract prices, CY to date in August 2014 : single family \$625,000 (4.2% 1 yr ch); condo \$411,000 (0.2% 1 yr ch)

Closed (settled) contracts. Average prices calculated by ORA based on number of sales and total value of sales.

Source: Metropolitan Regional Information Systems (MRIS); median price and inventory ratio data accessed through Greater Capital Area Assn. of Realtors.

Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: August 2014

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving total	3-mo moving total	This month
Single family homes	333	418	489	458	689	739	260	52
1 year change	-102	85	71	-31	231	75	12	-11
% change	-23.4	25.5	17.0	-6.3	50.4	11.3	4.8	-17.5
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	18.4	22.2	15.2
Condominiums	62	89	87	72	112	125	40	16
1 year change	-15	27	-2	-15	40	14	6	3
% change	-19.5	43.5	-2.2	-17.2	55.6	12.6	17.6	23.1
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.5	3.7	4.9

Source: Metropolitan Regional Information Systems (MRIS). Sales are ones closed (settled) during period shown.

Single family and condominium housing

Federal data shows DC home price increases moderating, but rising a little faster than in the US or metro area

- In June the quarterly Federal Housing Finance Agency house price index for DC was 6.9% higher than a year ago. This is a rate of growth about half that in June of 2013.2.
- DC's 6.9% price increase in the June quarter was higher than that in the DC metro area (5.0%) and the US (6.3%).
- Sales of new condominium units for the 12-months ending June totalled 537—25.8% more than a year earlier. Estimates for new condominium units to be delivered over the next 36 months have increased.

FHFA expanded-data housing price index for DC, the Washington Metropolitan Area, and the US: 2005.2 to 2014.2
(index number: 1991.1 = 100; 12-mo. avg.)

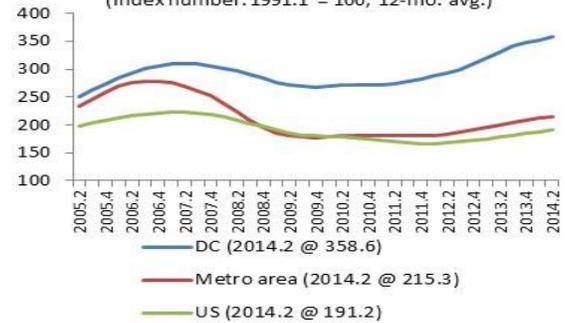


Table 11. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: June 2014 (2014.2)

Indicator	Fiscal year average					Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2013.2	2013.3	2013.4	2014.1	2014.2
% change from prior year in value of index										
DC	-7.4	1.3	1.8	8.0	13.5	13.1	12.9	8.3	6.8	6.9
DC metro area	-15.0	1.9	-0.4	3.6	9.2	9.7	9.4	9.1	7.7	5.0
US	-10.3	-3.0	-4.7	0.9	7.1	7.5	8.6	7.7	7.2	6.3
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>										
Average DC sales price	-10.5	-9.9	11.6	4.8	13.1	12.7	14.9	-2.2	6.7	12.2

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This index is a broad measure of the movement of single-family house prices. It measures average price changes in repeat sales or refinancings on the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuik.

(2) Average DC sales price is the average price only of houses that sold during the period (settled contracts): see Table 9. Not seas. adj.

Table 12. Single family housing permits: 2005 to Aug. 2014

FY	#	FY	#	12-month moving total	
2005	134	2010	104	Aug. 2013	343
2006	77	2011	267	Aug. 2014	289
2007	605	2012	236	ch	-54
2008	223	2013	368	% ch	-15.7
2009	135				

Source: Census Bureau

Table 13. New condominium unit sales: FY 2005 to June 2014 (2014.2)

FY	#	FY	#	12-month moving total	
2005	2,677	2010	470	June 2013	427
2006	2,755	2011	677	June 2014	537
2007	1,955	2012	335	ch	110
2008	1,288	2013	479	% ch	25.8
2009	217				

Source: Delta Associates

Table 14. Condominium units under construction or planned: June 2014

Area of DC	Remaining units		Proposed/rumored				Total pipeline	
	projects	units	Planned with probable sales within 36 mo		w long term delivery		projects	units
			projects	units	projects	units		
Central	5	117	10	484	4	580	19	1,181
Mideast	20	598	10	434	2	105	32	1,137
Upper NW	3	46	0	0	3	152	6	198
Capitol East	12	203	12	938	6	584	30	1,725
Total	40	964	32	1,856	15	1,421	87	4,241

Source: Delta Associates

Table 14a. Delta Associates: Condominium pipeline for next 36 months

Date of report	2014.1	2014.2
Unsold units	861	964
New units	1,461	1,856
total	2,322	2,820

Source: Delta Associates

Planned projects: Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).

Proposed projects: a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.

Apartments and population

The number of occupied apartments in June was 2.0% more than a year earlier.

• In the June quarter, occupied apartment units increased 1,730 (2.0%) from a year earlier; rents rose 1.3% and the vacancy rate rose to 5.7%.

• For the four years 2010 through 2013, the number of occupied market rate apartment units increased by a total of 5,962, about 30% of the estimated 20,303 increase in households in DC.

DC occupied market rate apartment units:
2012.2 to 2014.2

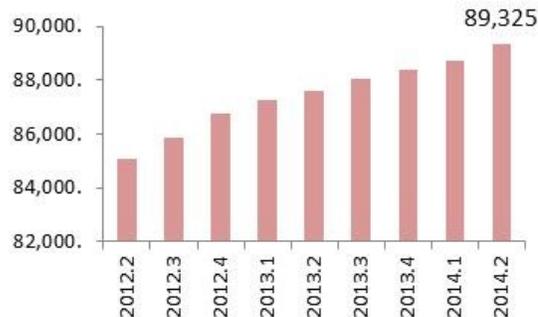


Table 15. Reis summary of DC market rate apartment units: 2005 to 2018 (est)

CY	Inventory			Occupied units			Effective rent	
	Number	1 yr ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch
2005	83,723			80,530			\$1,142	
2006	84,150	427	4.0	80,751	221	0.3	\$1,228	7.5
2007	84,618	468	3.9	81,284	533	0.7	\$1,307	6.4
2008	86,583	1,965	4.8	82,465	1,181	1.5	\$1,346	3.0
2009	87,788	1,205	6.1	82,415	-50	-0.1	\$1,353	0.5
2010	88,360	572	5.5	83,477	1,062	1.3	\$1,403	3.7
2011	88,817	457	4.7	84,632	1,155	1.4	\$1,440	2.6
2012	90,688	1,871	4.4	86,737	2,105	2.5	\$1,489	3.4
2013	93,333	2,645	5.3	88,377	1,640	1.9	\$1,520	2.1
2014 est	98,610	5,277	7.4	91,356	2,979	4.4	\$1,548	1.8
2015 est	100,556	1,946	7.3	93,238	1,882	2.3	\$1,579	2.0
2016 est	101,935	1,379	7.1	94,687	1,449	1.4	\$1,616	2.3
2017 est	103,389	1,454	7.5	95,662	975	1.4	\$1,656	2.5
2018 est	104,889	1,500	7.8	96,756	1,094	1.1	\$1,698	2.5
latest quarter: 2014.2								
2014.2	94,732	3,019	5.7	89,325	1,730	2.0	\$1,522	1.3

Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions. June 2014

Table 16. DC Population and Households: 2003 to 2013

Calendar year	Population			Households (estimated)		
	Number	Change from prior yr. number	%	Number	Change from prior yr. number	% pop/hh ratio
2003	568,502			251,373		2.26
2004	567,754	-748	-0.1	252,468	1,095	2.25
2005	567,136	-618	-0.1	253,232	763	2.24
2006	570,681	3,545	0.6	254,435	1,204	2.24
2007	574,404	3,723	0.7	255,715	1,279	2.25
2008	580,236	5,832	1.0	257,928	2,213	2.25
2009	592,228	11,992	2.1	262,868	4,941	2.25
2010	605,125	12,897	2.2	268,195	5,327	2.26
2011	619,624	14,499	2.4	273,546	5,351	2.27
2012	633,427	13,803	2.2	278,550	5,003	2.27
2013	646,449	13,022	2.1	283,172	4,622	2.28
Change from 08 to 13		66,213	11.4		25,244	2.62

Source: U.S. Census Bureau. Estimate is as of July 1 of the year shown. Households estimated by ORA based on DC Office of Planning data.

Apartments and housing permits

Housing permits rise to new high

•For the 12-month period ending August, 4,551 housing permits were issued, up 20.8% from a year ago; the 3-month increase was 135.1%.

•Apartment demand is expected to more than keep pace with that of the past several years. According to Reis, in the 3 years 2011, 2012, and 2013 there was an increase of 4,900 in the number of occupied market rate apartments. Over the next 3 years, occupied units are expected to increase by 5,850 according to Reis, and 6,630 according to Delta.

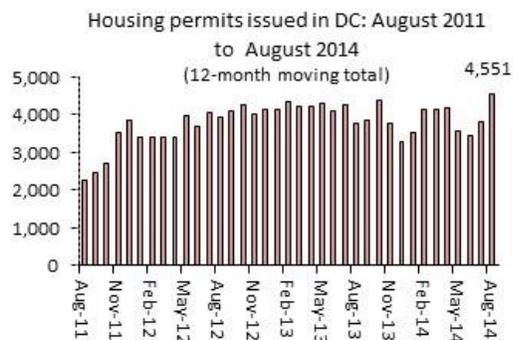


Table 17. Housing unit building permits issued in DC: August 2014

	FY 2010	FY 2011	FY 2012	FY 2013	12-mo. moving total	3-month moving total	This month
Total units	986	2,459	4,091	3,855	4,551	1,756	779
change from 1 yr ago	487	1,473	1,632	-236	783	1,009	730
% change from 1 year	97.6	149.4	66.4	-5.8	20.8	135.1	1,489.8
Multi-family projects with 5 or more units	6	13	21	36	32	11	4

Source: Census Bureau (permits issued during period).

Table 18. Reis apartment summary and forecast: June 2014

Date of report	2014.1	2014.2
Net absorption, last 12 months	1,850	1,730
Vacancy rate (%)	5.1	5.7
Rent increase, last 12 months (% ch)	1.6	1.3
New supply of units, next 3 years	8,075	7,930
New demand for units, next 3 years	7,963	5,850

Source: Reis, see table 15. 3 year estimate of supply and demand estimated by ORA from Table 15.

Table 19. Delta Associates apartment summary and forecast: June 2014

Date of report	2014.1	2014.2
Net absorption, last 12 months	1,822	2,026
Stabilized vacancy rate	4.8%	4.1%
Rent increase, last 12 months	-0.2%	1.1%
New supply of units, next 3 years	11,088	11,303
New demand for units, next 3 years	6,630	6,630

Source: Delta Associates. Investment grade Class A and B units. Supply and demand are Class A only

Table 20. Apartment units under construction, planned, or contemplated by area of DC: June 2014 (2014.2)

Area of DC	Under construction and/or marketing		Planned for possible delivery in next 36 mo		Longer-term planned or rumored	
	projects	units	projects	units	projects	units
Upper NW	5	959	1	141	2	90
Columbia Heights/Shaw	13	1,660	5	729	5	1,033
Central	9	1,621	5	463	4	1,133
NoMa/H Street	9	1,688	8	2,498	8	1,511
Capitol Hill/Riverfront	12	2,533	10	2,488	16	3,883
Upper GA	2	344	0	0	2	290
Northeast	3	719	2	662	3	983
River east	1	216	1	360	3	643
total	54	9,740	32	7,341	43	9,566

Addendum : Pipeline of available units in buildings likely to actually deliver by June 2017: **11,303**.

Approximately 18% of the planned units are expected to materialize by June 2017.

Demand for new apartments by June 2017: **6,630**

Source: Delta Associates

Planned projects: Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).

Proposed projects: a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.

Commercial office space

Commercial office market showed mixed results in the June quarter

For the quarter ending June, the vacancy rate in Delta Associates' broader office market measure was 7.1%, and the Cushman and Wakefield measure was 12.7% (both without sublet).

DC's vacancy rates in June were 24% to 55% lower than the metropolitan area average. Rents were 37% to 47% higher than the region.

In June occupied space rose 0.2% from the prior quarter in Cushman and Wakefield's market summary; the average asking rent fell 2.4%.

Occupied office space: 2012.2 to 2014.2
(Cushman and Wakefield; million square feet)

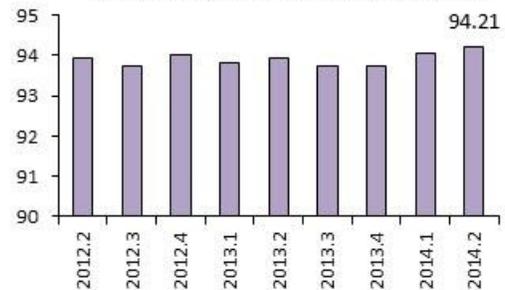


Table 21. Delta Associates summary of DC commercial office space: 2005 to 2014.2

Time period	Inventory		Occupied space			Direct vacancy rate %	Effective rent		Direct vacancy (msf)	Under construction (msf)
	Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch		\$ per sq ft.	1 yr % ch		
Calendar Year (year end)										
2005	119.05		113.41			4.7	46.45		5.64	
2006	124.62	5.57	117.34	3.93	3.5	5.8	48.36	4.1	7.28	
2007	128.86	4.24	122.11	4.77	4.1	5.2	50.19	3.8	6.75	
2008	129.73	0.87	121.64	-0.47	-0.4	6.2	51.25	2.1	8.09	
2009	134.54	4.81	122.51	0.87	0.7	8.9	47.81	-6.7	12.03	
2010	137.71	3.17	127.74	5.23	4.3	7.2	44.47	-7.0	9.97	
2011	138.34	0.64	129.16	1.43	1.1	6.6	44.16	-0.7	9.18	
2012	138.78	0.44	129.25	0.09	0.1	6.9	43.27	-2.0	9.53	
2013	140.21	1.43	130.38	1.13	0.9	7.0	42.05	-2.8	9.83	

Last Quarter: 2014.2

DC	140.50		130.47			7.1	42.41		10.03	0.83
Metro area	404.64		360.29			11.0	28.95		44.35	3.16
DC share/difference %	34.7		36.2			-54.9	+46.5		22.6	26.4

Sources: Delta Associates: includes single tenant and privately owned space. Excludes government owned space. Quarterly data on comparable basis is not available before 2013.4 due to changes in data base. msf = million square feet.

Table 22. Cushman and Wakefield summary of commercial office space in DC: 2011 to 2014.2

Calendar year (end of year)	Inventory (msf)	Occupied (msf)	Direct vacancy rate	Asking face rent (\$/sf)	Under construction (msf)
2012	106.61	94.02	11.8	51.58	0.82
2013	107.95	93.72	13.2	50.96	1.78
Last quarter: 2014.2					
DC	107.93	94.21	12.7	49.73	1.10
Metro area total	297.08	247.51	16.7	36.26	4.48
DC share/DC difference	36.3	38.1	-24.0	37.1	24.6
DC year-over-year change					
Amount	0.87	0.29	0.4	-1.64	0.21
%	0.8	0.3		-3.2	24.0
DC change from prior quarter					
Amount	-0.16	0.17	-0.3	-3.19	0
% ch	-0.1	0.2		-2.4	0

Source: Cushman and Wakefield: For-rent buildings 25,000 sf and larger. Excludes owner or government occupied properties. Rent includes taxes and utilities. msf = million square feet.

Commercial office space outlook and value of all property transfers

The growth in property transfers has slowed

- The value of August property transfers was up by 1.9% from last year as measured by the 3-month moving total, the slowest rate of growth in 7 months. The 12-month moving total (\$11.96 billion) was 12.0% higher than last year.
- In June Delta Associates cut its 2-year estimate of increased demand for office space to 2.3 million square feet. However, the vacancy rate is also expected fall as only 1.1 million square feet are added.
- The amount of office space in the planning phase is currently 12 times the amount (0.83 msf) under construction.



Table 23. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: August 2014

August	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,533.3	11,063.9	11,964.0	3,672.4	975.6
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-526.2	1,530.6	1,280.2	69.7	-93.2
% change from 1 year ago	-51.5	39.3	29.1	-5.2	16.1	12.0	1.9	-8.7

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.

Source: OCFO/Recorder of Deeds and OCFO/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

Table 24. Delta Associates outlook for commercial office space in DC and the surrounding metro area: June 2014 to June 2016

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2014					
Inventory (msf)	140.5	178.6	85.5	404.6	34.7
vacancy rate (%)	7.1	13.2	12.6	11.0	
Estimated net activity to June 2016					
new supply (msf)	1.1	2.6	0.5	4.2	26.2
new demand (msf)	2.3	3.0	1.2	6.5	35.4
Estimated vacancy rate on June 2016					
vacancy rate (%)	6.2	12.8	11.7	10.3	

Source: Delta Associates msf = million square feet

Table 25 Delta two year forecasts for office outlook: July 2014

Date of forecast	2014.1	2014.2
2 year pipeline (msf)	3.0	1.1
2 year demand (msf)	3.1	2.3

Source: Delta Associates. Pipeline is office buildings under construction plus those planned that may deliver by June 2016.

Table 26. DC Office market, existing and future space, by area of DC: June 2014 (million square feet)

Indicator	Area of DC							
	Total	CBD	East end	Capitol Hill/Noma/ Capitol Waterfront	Southwest	West End	George-town	Uptown
Total existing rentable building area	140.50	46.33	44.61	18.92	11.85	4.55	2.82	11.43
Vacant	10.03	2.27	3.12	2.55	1.01	0.26	0.25	0.57
Under Construction	0.83	0.17	0.52		0.15			
Planned	10.34	0.21	1.75	3.79	4.48			0.11
Proposed	12.04	0.60	0.26	10.09	0.41			0.68

Note: pipeline of projects under construction and planned expected to deliver by June 2016 is **1.1 msf** (see table 24).

Source: Delta Associates with data from Reis. See below for definitions of planned and proposed

Planned projects: Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).

Proposed projects: a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.

Hospitality

Hotel stays and revenue up sharply over the past 3 months

• In August, the 3-month moving total for hotel room-days sold was 4.3% above a year earlier. The average room rate was up 4.4%, and revenue rose 8.9%.

• Employment in food services was 5.2% more in August than a year earlier as measured by the 3-month moving average. Hotel employment was down 2.4%, and retail was 11.6% higher.

• July airline traffic into the DC area was down 1.0% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 0.2%.

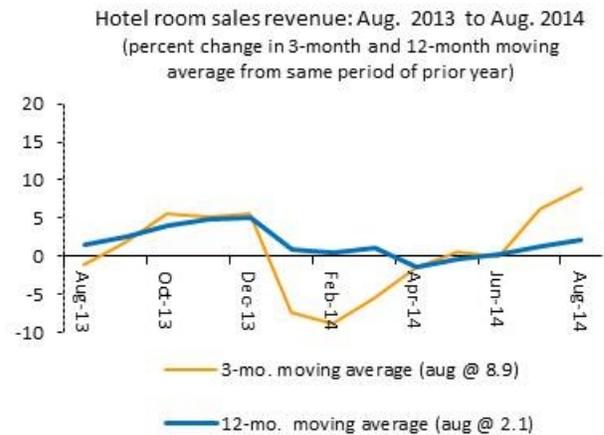


Table 27. Hospitality Industry: August 2014

Indicator	Units	date	FY 2011	FY 2012	FY 2013	12-mo total or average*	3-month moving total or average*	This month	
Hotel stays									
Hotel room-days sold	('M)	aug	7.465	7.617	7.680	7.792	2.197	0.718	
			1 yr ch	0.095	0.152	0.062	0.119	0.091	0.040
			1 yr % ch	1.3	2.0	0.8	1.5	4.3	5.9
Average room rate	\$	aug	206.60	203.57	207.30	208.08	191.72	169.76	
			1 yr ch	7.49	-3.03	3.73	1.07	8.10	16.62
			1 yr % ch	3.8	-1.5	1.8	0.5	4.4	10.9
Occupancy rate (average)	%	aug	74.2	75.4	75.8	76.2	82.0	79.6	
			1 yr ch	0.5	1.2	0.5	0.3	0.1	1.2
			1 yr % ch	0.6	1.6	0.6	0.4	0.1	1.5
Room revenue	(\$M)	aug	1,542.3	1,550.7	1,592.0	1,621.4	421.2	122.0	
			1 yr ch	74.8	8.4	41.3	33.0	34.5	18.0
			1 yr % ch	5.1	0.5	2.7	2.1	8.9	17.4
Airline passengers									
DCA	1 yr % ch	jul	6.2	2.8	5.5	-0.6	0.2	-2.0	
IAD	1 yr % ch	jul	0.6	-2.9	-4.0	-2.0	-1.9	-2.5	
BWI	1 yr % ch	jul	4.2	1.0	-1.5	-1.0	-1.2	0.1	
Total	1 yr % ch	jul	3.4	0.1	-0.3	-1.2	-1.0	-1.4	
Employment									
Accommodations	level ('000)	aug	15.3	15.4	15.2	15.3	15.1	15.0	
			1 yr ch	0.0	0.1	-0.2	0.0	-0.4	-0.2
			1 yr % ch	0.1	0.7	-1.1	0.3	-2.4	-1.3
Food and bev	level ('000)	aug	39.3	42.7	44.9	46.6	48.6	48.2	
			1 yr ch	2.3	3.4	2.2	1.9	2.4	2.4
			1 yr % ch	6.2	8.5	5.2	4.3	5.2	5.2
Arts and entertain.	level ('000)	aug	6.8	6.9	6.9	7.0	7.0	7.0	
			1 yr ch	-0.2	0.1	0.0	0.0	-0.1	-0.1
			1 yr % ch	-2.5	1.3	0.6	0.1	-1.4	-1.4
Retail	level ('000)	aug	18.6	18.8	19.7	21.2	21.9	21.7	
			1 yr ch	0.2	0.3	0.8	1.6	2.3	2.0
			1 yr % ch	1.3	1.4	4.5	8.4	11.6	10.2

* Total for hotel rooms sold and room revenue

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

US 2nd Quarter economic growth revised upward; stock market falls slightly in August

- US real GDP growth in the June quarter was revised up to 4.6%, nominal growth was 6.8%.
- US employment (seas. adj.) increased by 142,000 in August, the slowest growth in 8 months.
- The US unemployment rate (seas. adj.) fell to 6.1% in August.
- In August the S & P 500 index decreased 0.6% from July, but was 17.5% above last year.
- Compared to a year earlier, the rate of inflation fell slightly in August to 1.7% (seas. adj.).

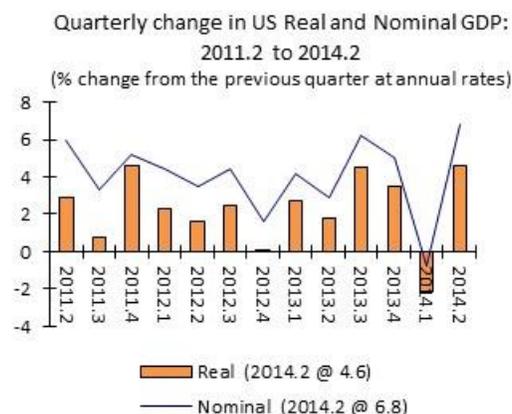


Table 28. US GDP, income, corporate profits, and inflation: 2014.2 and August 2014

(percent change from same period of prior year unless noted)

Indicator	Date of latest indicator		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	2014.2	August
US GDP real	2014.2	1 yr % ch	-3.4	1.7	1.9	2.3	1.8	2.5	2.6	
US GDP nominal	2014.2	1 yr % ch	-2.3	2.6	4.0	4.2	3.5	4.0	4.3	
US Personal income	2014.2	1 yr % ch	-1.9	1.3	5.9	4.7	3.8	2.7	4.1	
US wages	2014.2	1 yr % ch	-3.2	0.3	4.2	3.5	4.0	3.6	4.7	
Corporate profits	2014.2	1 yr % ch	-10.3	33.5	-1.1	14.9	6.3	4.4	4.6	
S and P stock index	August	1 yr % ch	-34.3	23.7	13.8	5.4	16.7	20.3	18.1	17.5
US CPI	August	1 yr % ch	-0.3	1.7	2.7	2.4	1.6	1.6	2.0	2.0
Balt//Wash. area CPI	August	1 yr % ch	0.3	1.7	3.0	2.4	1.6	1.7	na	1.7

Source: BEA (data revised as of September, 2014), BLS, and Yahoo finance. na = not available

Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 29. Quarter to quarter change in US GDP and income: 2012.4 to 2014.2

(percent change from previous quarter at seasonally adjusted annual rates)

Indicator	calendar year quarter						
	2012.4	2013.1	2013.2	2013.3	2013.4	2014.1	2014.2
US GDP real	0.1	2.7	1.8	4.5	3.5	-2.1	4.6
US GDP nominal	1.6	4.2	2.9	6.2	5.0	-0.8	6.8
Wages and salaries	10.7	-3.0	4.4	1.9	3.5	7.3	5.6
Personal income	13.5	-8.9	4.4	3.3	1.8	4.8	6.2

Note: GDP=Gross Domestic Product Source: BEA, updated on September, 2014.

Table 30. Monthly selected US Indicators: February 2014 to August 2014

Indicator	February	March	April	May	June	July	August
S and P stock index (level)	1817	1864	1864	1890	1947	1973	1962
% change from prior month	-0.3	2.6	0.0	1.4	3.0	1.3	-0.6
% change from 1 year ago	20.1	20.2	18.7	15.2	20.3	18.3	17.5
10 yr. Treasury Interest rate (level)	2.70	2.72	2.69	2.56	2.59	2.53	2.41
CPI % ch from prior month (seasonally adjusted)	0.10	0.20	0.26	0.35	0.26	0.09	-0.20
CPI % ch from prior year (seasonally adjusted)	1.10	1.54	1.96	2.14	2.08	2.00	1.71
Jobs (seasonally adjusted level, in millions)	137.76	137.96	138.27	138.50	138.764	138.98	139.118
change from prior month (thousands)	222	203	304	229	267	212	142
% change from prior month	0.16	0.15	0.22	0.17	0.19	0.15	0.10
Resident employment (season. adj. level, in mil.)	145.27	145.74	145.67	145.81	146.22	146.35	146.368
change from prior month (thousands)	42	476	-73	145	407	131	16
% change from prior month	0.03	0.33	-0.05	0.10	0.28	0.09	0.01
Unemployment rate (seasonally adj.)	6.7	6.7	6.3	6.3	6.1	6.2	6.1

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking): August 2009 to August 2014
(12-month moving total in \$ million)

August 2014 @ \$6,182M

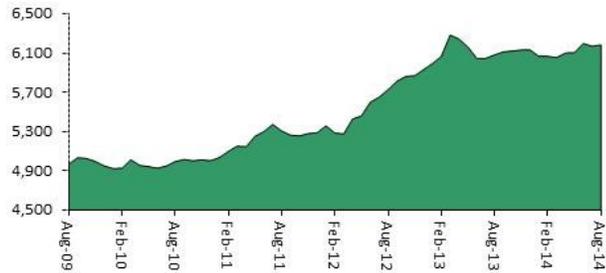


Table 31. Tax Collections (before earmarking): August 2014 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	FY 2014 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,853.3	6,105.5	6,181.9	4,938.7	1,250.6	412.3
1 year change	-47.0	320.1	528.0	252.2	102.0	70.9	77.9	13.4
% change	-0.9	6.4	9.9	4.3	1.7	1.5	6.6	3.4
Real property	1,821.5	1,715.1	1,822.0	1,914.8	1,944.7	1,115.2	122.2	102.1
1 year change	-1.2	-106.4	106.9	92.8	75.0	28.2	15.2	15.2
% change	-0.1	-5.8	6.2	5.1	4.0	2.6	14.2	17.5
General sales	976.7	1,014.9	1,111.0	1,137.9	1,153.9	1,063.8	310.7	97.9
1 year change	1.8	51.7	67.6	26.8	10.9	22.6	18.9	11.3
% change	0.3	3.9	9.5	2.4	1.0	2.2	6.5	13.0
Individual income	1,110.4	1,296.6	1,490.7	1,640.9	1,670.7	1,499.8	412.8	123.3
1 year change	-25.5	186.2	194.1	150.2	3.7	8.8	29.8	14.3
% change	-2.2	16.8	15.0	10.1	0.2	0.6	7.8	13.1
withholding	1,073.8	1,192.2	1,321.6	1,390.3	1,468.0	1,352.1	352.6	122.4
1 year change	52.6	118.3	129.5	68.7	67.2	64.9	16.1	11.2
% change	5.2	11.0	10.9	5.2	4.8	5.0	4.8	10.0
non-withholding	36.6	104.4	169.1	250.6	202.7	147.7	60.1	0.9
1 year change	-78.1	67.8	64.6	81.5	-63.5	-56.2	13.7	3.1
% change	-68.1	185.2	61.9	48.2	-23.9	-27.6	29.5	nm
Corporate income	207.3	216.3	302.9	299.0	285.1	230.8	57.0	4.4
1 year change	-14.6	9.0	86.6	-3.9	-28.3	-16.9	3.5	0.8
% change	-6.6	4.3	40.1	-1.3	-9.0	-6.8	6.5	22.8
Unincorporated Bus.	116.4	143.4	163.0	154.3	137.7	112.6	26.5	1.9
1 year change	-3.9	27.0	19.6	-8.7	-22.8	-22.7	-0.5	0.1
% change	-3.2	23.2	13.6	-5.3	-14.2	-16.8	-1.8	5.0
Deed taxes*	225.6	311.2	306.6	367.3	391.2	359.8	113.1	34.9
1 year change	38.2	85.6	-4.5	60.6	44.0	24.9	1.0	-13.1
% change	20.4	37.9	-1.5	19.8	12.7	7.4	0.9	-27.2
Other taxes	547.3	627.8	657.0	591.3	598.7	556.7	208.3	47.8
1 year change	-43.3	80.6	29.2	-65.7	19.6	26.1	10.0	-15.2
% change	-7.3	14.7	4.6	-10.0	3.4	4.9	5.0	-24.1

*Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those years.

(2) Tax collections data subject to accounting adjustments.

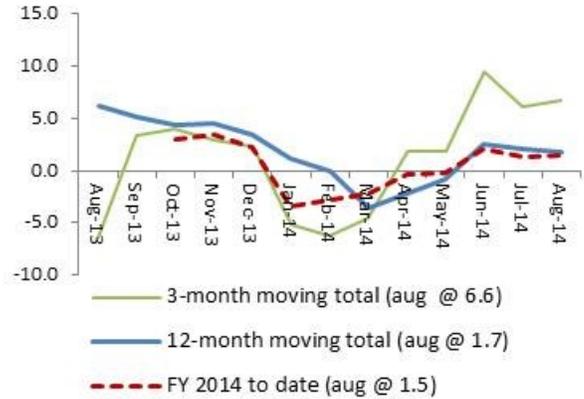
(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA nm=not meaningful due to small amount or negative numbers

Tax collections increased in August

- For the 12 month period ending August, total tax collections (before earmarking) were \$102.0 million (1.7%) more than in the prior year. Through August, the 11th month of FY 2014, tax collections were \$70.9 million (1.5%) above last year; for the last 3 months they were 6.6% above last year.
- Individual income tax collections were 0.2% above last year for the 12-months ending August; withholding was 4.8% higher, while the non-withholding portion was 23.9% lower.
- General sales collections were 1.0% above last year for the 12-months ending August, in part because of the FY 2014 cut in the general sales rate to 5.75%.
- Deed tax collections (12-mo. avg.) were up 12.7% from August of last year; for the past 3 months the gain was 0.9%.
- Corporate income taxes were down 9.0% and unincorporated business income taxes were also down 14.2% from last year (12-mo. avg.).

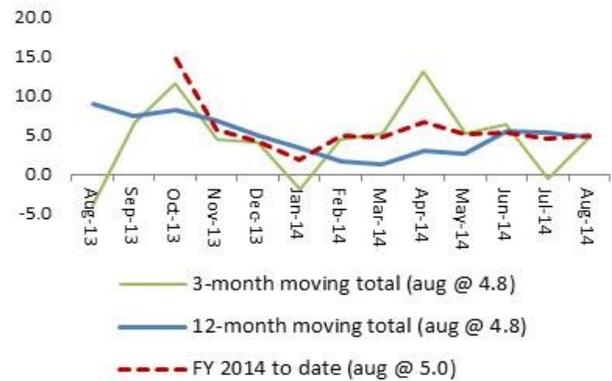
**Total tax collections (before earmarks):
August 2013 to August 2014**
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax collections (before earmarks):
August 2013 to August 2014**
(% change from prior year: 3-months and 12-month moving totals)



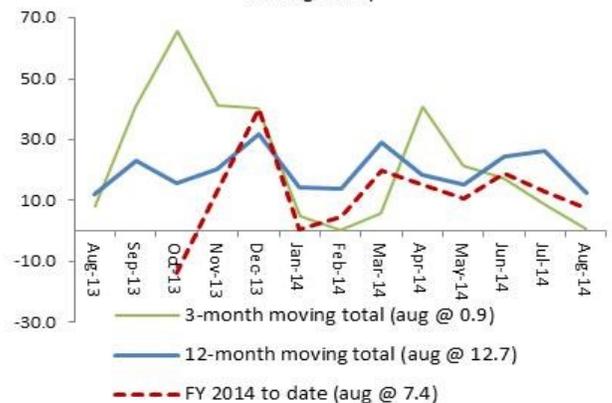
**Withholding for the Individual Income tax:
August 2013 to August 2014**
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual Income tax:
August 2013 to August 2014**
(% change from prior year in the 3-month moving total)



**Deed tax collections (before earmarks):
August 2013 to August 2014**
(% change from prior year: 3-month and 12-month moving totals)



US economic forecasts

Little change in September forecasts for the US economy: improvement in FY 2015 and even more in FY 2016

- The Blue Chip Indicator September forecast for real GDP growth rises from 2.2% in FY 2014 to 2.8% in FY 2015.
- For FY 2016, Economy.com raised its real GDP forecast to 3.6%, while Global Insight lowered its to 2.9%, just barely over FY 2015's growth rate.
- The Blue Chip Indicator September forecast for inflation (CPI) remained at 1.7% for FY 2014 and 2.2% for FY 2015.
- S & P 500: Forecasts for year-over-year growth in the 4th quarter of 2014 increased in the September estimates. Baseline forecasts expect much slower growth for the 4th quarter of 2015, and the pessimistic ones expect modest decline by that time.

Table 32. Forecasts for US nominal and real GDP: FY 2013 through FY 2016 (1 yr % change)

Date of forecast	Fiscal year	real			nominal		
		Blue Chip	Economy.com	Global Insight	Blue Chip	Economy.com	Global Insight
actual	2013	1.8	1.8	1.8	3.5	3.5	3.5
Jun	2014	2.3	2.4	2.3	3.7	3.9	4.2
Jul		1.8	1.9	1.9	3.4	3.5	3.6
Aug		2.2	2.4	2.4	3.8	3.8	4.0
Sep		2.2	2.4	2.4	3.9	3.9	4.0
Jun	2015	2.9	3.5	2.8	4.8	5.7	6.9
Jul		2.7	3.2	2.6	4.6	5.5	5.3
Aug		2.8	3.1	2.6	4.7	5.4	5.7
Sep		2.8	3.1	2.8	4.7	5.4	5.4
Jun	2016		3.3	3.2		5.4	5.5
Jul			3.4	3.2		5.5	6.0
Aug			3.4	3.2		5.9	6.1
Sep			3.6	2.9		6.0	6.2

Sources: BEA, Blue Chip Indicators, Moody's Economy.com, and IHS Global Insight.

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2008 to FY 2015 (% change from the prior year; Nov. 2013 estimate)

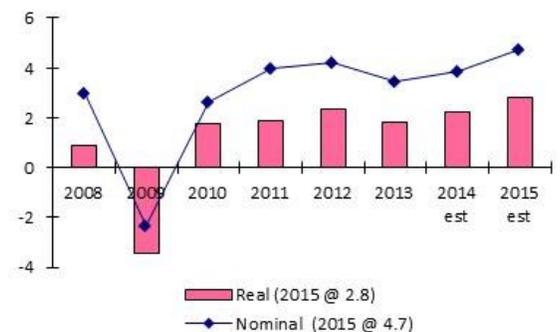


Table 33. CBO estimates of GDP and other indicators: FY 2013 to FY 2016

Indicator	Date of est.	FY 2013	FY 2014	FY 2015	FY 2016
Real GDP (1 yr % ch)	February 2014	1.7	2.4	3.3	3.4
	August 2014	1.7	1.8	2.7	3.5
Nominal GDP (1 yr % ch.)	February 2014	3.3	3.9	4.9	5.3
	August 2014	3.3	3.4	4.5	5.3
CPI (1 yr % ch)	February 2014	1.6	1.5	1.9	2.1
	August 2014	1.6	1.7	2.3	2.0
10 yr. Treasury bond rate	February 2014	2.1	3.0	3.6	4.2
	August 2014	2.1	2.7	3.1	3.7
Unemployment rate	February 2014	7.6	6.9	6.6	6.2
	August 2014	7.6	6.5	5.9	5.8

Source: CBO, *The Budget and Economic Outlook: 2014 to 2024*, Feb. and Aug. 2014

Table 35. IHS Global Insight forecast for S and P 500: 2013.4 to 2015.4

Forecast date	% change from prior year			% change from prior year		
	2013.4	2014.4	2015.4	2013.4	2014.4	2015.4
	Global Insight: baseline			Global Insight: pessimistic		
June	24.8	8.9	4.3	24.8	-1.7	4.8
July	24.8	8.5	4.3	24.8	7.9	-3.7
August	24.8	10.0	4.2	24.8	8.6	-3.0
September	24.8	14.9	4.1	24.8	13.4	-3.1

Source: IHS Global Insight

Table 34. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2013 to FY 2015

Forecast date	CPI			10 yr Treasury rate		
	2013	2014	2015	2013	2014	2015
	Jun	1.6	1.6	2.0	2.1	2.9
Jul	1.6	1.7	2.2	2.1	2.8	3.5
Aug	1.6	1.7	2.2	2.1	2.7	3.2
Sep	1.6	1.7	2.2	2.1	2.7	3.1

Source: Blue Chip Indicators

Table 36. Moody's Economy.com forecast for S and P 500: 2013.4 to 2015.4

Forecast date	% change from prior year			% change from prior year		
	2013.4	2014.4	2015.4	2013.4	2014.4	2015.4
	Economy.com baseline			Economy.com pessimistic		
June	24.8	8.4	0.1	24.8	3.8	0.2
July	24.8	5.7	2.1	24.8	5.2	4.5
August	24.8	11.7	0.7	24.8	11.1	-0.2
September	24.8	13.5	0.1	24.8	12.9	-1.4

Source: Moody's Economy.com.

September DC forecasts by Global Insight and Economy.com: more jobs and income in FY 2015 and FY 2016

●**Employment:** The baseline employment forecasts for Global Insight and Economy.com show twice as much job growth in FY 2015 as in FY 2014. Global Insight’s pessimistic forecast has job growth in FY 2015 exceeding that of FY 2014, but Economy.com’s does not. Baseline resident employment gains in FY 2015 are also more than double those in FY 2014. Unemployment falls, but only Global Insight brings it below 7.0% in FY 2015 (to 6.9%).

●**Income.** Baseline forecasts for Personal Income are expected to rise to from a little more than 2% in 2014 to 4.1% or more in FY 2015 and 5% to 6% in FY 2016. Global Insight’s pessimistic outlook is for little change in the rate of growth through FY 2016.

Table 37. Jobs in DC: forecasts for FY 2013 to FY 2015

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Jun	12,892	2,868	6,984	12,892	2,533	4,758	12,892	2,442	7,735	12,892	1,239	475
Jul	12,892	4,432	8,489	12,892	4,119	5,241	12,892	4,173	9,514	12,892	4,070	2,655
Aug	12,892	5,150	9,626	12,892	4,929	6,826	12,892	4,678	9,915	12,892	4,592	3,565
Sep	12,892	5,048	9,491	12,892	4,937	6,926	12,892	4,329	8,951	12,892	4,328	2,642

Source: IHS Global Insight and Moody's Economy.com.

Table 38. DC Personal Income: forecasts for FY 2013 to FY 2016

(percent change from prior year)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Jun	2.5	1.8	3.7	5.0	2.5	1.2	1.2	2.6	2.5	1.2	3.9	6.0	2.5	1.1	2.3	5.6
Jul	2.5	2.1	4.0	4.9	2.5	1.8	1.9	2.5	2.5	2.1	4.5	6.1	2.5	2.0	3.1	6.1
Aug	2.5	2.4	4.2	5.1	2.5	2.2	2.1	2.6	2.5	2.2	4.7	6.3	2.5	2.2	3.4	6.3
Sep	2.5	2.3	4.1	5.0	2.5	2.1	2.1	2.4	2.5	2.1	4.2	6.2	2.5	2.1	3.0	5.9

Source: IHS Global Insight and Moody's Economy.com.

Table 39. DC resident emp.: forecasts for FY 2013 to FY 2015

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Jun	14,471	2,397	6,002	14,471	2,500	3,471
Jul	14,471	2,238	6,570	14,471	2,075	4,386
Aug	14,471	2,379	6,830	14,471	2,181	4,634
Sep	14,471	2,374	6,934	14,471	2,116	4,417

Source: IHS Global Insight and Moody's Economy.com.

Table 40. Unemployment rate in DC FY 2013 to FY 2015

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Jun	8.5	7.5	7.1	8.5	7.4	7.6
Jul	8.5	7.5	7.1	8.5	7.6	7.5
Aug	8.5	7.5	7.0	8.5	7.5	7.2
Sep	8.5	7.5	6.9	7.5	7.3	7.1

Source: IHS Global Insight and Moody's Economy.com.

Table 41. Wages earned in DC FY 2013 to FY 2015

(percent change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Jun	2.2	1.2	3.7	2.2	0.7	5.0
Jul	2.4	0.7	3.9	2.4	0.9	5.6
Aug	2.4	0.9	4.0	2.4	0.9	5.5
Sep	2.4	0.8	4.1	2.4	0.7	4.7

Source: IHS Global Insight and Moody's Economy.com.

Table 42. DC resident wages FY 2013 to FY 2015

(percent change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Jun	2.8	0.5	3.1	2.8	0.4	3.6
Jul	2.9	0.8	3.7	2.9	1.0	4.6
Aug	2.9	1.2	4.0	2.9	1.2	5.3
Sep	2.9	1.0	4.3	2.9	1.1	4.6

Note: Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

Source: IHS Global Insight and Moody's Economy.com.

DC revenue estimate

The February revenue estimate adds to revenue growth in FY 2015 and FY 2016

• Anticipated tax revenue growth (before earmarks) is \$234.6 million in FY 2014, \$278.5 million in FY 2015, and \$223.5 million in FY 2016. The percentage gains of 3.8%, 4.4%, and 3.4%, respectively, are close to what occurred in FY 2013 (a 4.2% increase of \$247.2 million). The estimate reflects continued growth in the DC economy as well as cutbacks in federal spending.

• The real property tax accounts for 42% of the growth in FY 2014, 59% of growth in FY 2015, and 35.4% in FY 2016. Individual income, sales, and business income taxes increase in each year.

• As a share of DC Personal Income, tax collections in FY 2014 and FY 2015 are the same as FY 2013—12.7%—falling slightly to 12.5% in FY 2016.

Table 43. DC Tax Revenue (before earmarks) for FY 2013 through FY 2016: February 2014 revenue estimate

Tax	FY level (\$ million)				Change from prior year (\$ M)				% change from prior year			
	2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
Real property	1,914.8	2,014.2	2,178.5	2,257.6	92.8	99.3	164.3	79.1	5.1	5.2	8.2	3.6
Deed taxes	367.3	317.7	326.5	338.2	60.6	-49.6	8.9	11.6	19.8	-13.5	2.8	3.6
General sales	1,137.9	1,189.6	1,237.1	1,282.1	26.8	51.7	47.5	45.0	2.4	4.5	4.0	3.6
Individual income	1,640.9	1,721.2	1,780.2	1,843.8	150.2	80.3	59.0	63.6	10.1	4.9	3.4	3.6
Withholding	1,391.2	1,446.7	1,491.5	1,540.9	69.6	55.5	44.8	49.4	5.3	4.0	3.1	3.3
non-withholding	249.6	274.5	288.7	302.9	80.6	24.8	14.2	14.3	47.7	9.9	5.2	4.9
Business income	453.3	474.9	494.8	508.7	-12.6	21.6	19.9	13.9	-2.7	4.8	4.2	2.8
Other	586.3	617.6	596.6	606.8	-70.7	31.3	-21.0	10.2	-10.8	5.3	-3.4	1.7
Total	6,100.5	6,335.1	6,613.6	6,837.2	247.2	234.6	278.5	223.5	4.2	3.8	4.4	3.4

Source: ORA. Feb 26, 2014 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2012 is from the FY 2013 CAFR

Table 44. DC labor market assumptions: FY 2013 to FY 2016

item	2013	2014	2015	2016
Wage and salary employment	733,584	736,983	744,490	752,796
1 year change	3,559	3,399	7,507	8,306
% change	0.5	0.5	1.0	1.1
DC resident employment	338,349	341,709	346,383	351,414
1 year change	14,837	3,360	4,674	5,031
% change	4.6	1.0	1.4	1.5
Unemployment rate	8.6	8.1	7.4	7.3

Source: ORA February 2014 revenue estimate

Table 45. DC Income and stock market assumptions: FY 2013 to FY 2016 (% change from prior year)

item	2013	2014	2015	2016
Wages and salaries earned in DC	2.4	2.2	4.0	4.0
Wages and salaries earned by DC residents	3.0	2.7	4.3	4.4
DC Personal income	2.7	3.7	4.7	4.8
S and P 500 stock index	24.7	2.4	3.0	2.5

Source: ORA February 2014 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 46. DC tax revenue (before earmarks) and DC Personal Income: FY 2007 to FY 2016

item	2007	2008	2009	2010	2011	2012	2013	2014 est	2015 est	2016 est
Tax revenue (\$ million)										
Level	5,155	5,325	5,052	5,005	5,325	5,853	6,100	6,335	6,614	6,837
Change from prior year	638	170	-273	-47	320	528	247	235	279	224
Percent change from prior year										
Tax revenue	14.1	3.3	-5.1	-0.9	6.4	9.9	4.2	3.8	4.4	3.4
Personal Income	7.4	9.4	1.2	2.7	9.1	3.5	2.7	3.7	4.7	4.8
Tax revenue as percent of Personal Income										
	14.1	13.3	12.5	12.1	11.8	12.5	12.7	12.7	12.7	12.5

Source: ORA. February 2014 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

The tables below show private sector employment in both DC and the US divided into 18 sectors. The table at the bottom ranks the sectors according to percent growth in DC from August 2013 to August 2014. The upper table groups the sectors according to those DC growth rates. Two features stand out.

(1) The distribution of total employment in August 2013 for both DC and the US is remarkably even in terms of the 3 categories: each category has about one-third of all private sector jobs.

(2) The distribution of the change in employment from August 2013 to August 2014 is very different in DC compared to the US. The category containing the 5 sectors that grew the fastest in DC increased more than 3 times as fast in DC as in the US (7.1% in DC v. 2.2% in the US). Two of the sectors (personal services and education) grew in DC by more than 10%, 6 to 8 times the US growth rate. The second category of positive gain in DC, which includes health and most professional services, was more comparable to the US, although each of the four sectors there grew more slowly in DC than in the US. The “No gain or decline group” includes two sectors that have traditionally been a source of strength for DC: legal services and organizations.

—Stephen Swaim, DC Office of Revenue Analysis

Private sector employment in DC and the US by category of change: August 2013 to August 2014

Group and sector	DC			US		
	% change, Aug. 2013 to Aug. 2014	% of total, Aug. 2013	% of all net change, Aug. 2013 to Aug. 2014	% change, Aug. 2013 to Aug. 2014	% of total, Aug. 2013	% of all net change, Aug. 2013 to Aug. 2014
Group 1 (Increased at least 5% in DC from the prior year) 5 sectors: Personal services, retail trade, education, business services (except for employment services), food services 159,233 DC jobs in Aug. 2013; increase of 11,267 to Aug 2014.	7.1	31.6	96.0	2.2	33.4	33.4
Group 2 (Positive gain in DC from the prior year) 4 sectors: Health, professional and technical services (except for legal), wholesale trade, financial services. 177,733 DC jobs in Aug. 2013; increase of 2,567 to Aug. 2014.	1.4	35.3	21.9	2.0	33.3	30.8
Group 3 (No gain or decline in DC from the prior year) 9 sectors: Transportation and utilities, employment services, construction, legal services, information services, arts and leisure, organizations, accommodations, manufacturing 166,500 DC jobs in Aug. 2013; increase of 11,000 to Aug. 2014.	-1.3	33.1	-17.9	2.3	33.3	35.9

Source: BLS

Private sector wage and salary employment in DC and the US: August 2013 to August 2014

Sector	District of Columbia								US economy		
	Level		1 year change		% of total			% ch, Aug. 13 to Aug. 14	% of all jobs, Aug. 13	% of all ch, Aug. 13 to Aug. 14	
	Aug. 2013	Aug. 2014	number	%	Aug. 2013	Aug. 2014	1 yr ch				
Personal services	7,700	8,633	933	12.1	1.5	1.7	8.0	1.4	2.2	1.4	
Retail trade	19,600	21,867	2,267	11.6	3.9	4.2	19.3	1.9	13.1	11.4	
Education	51,933	55,833	3,900	7.5	10.3	10.8	33.2	1.5	2.7	1.9	
Business services (except for employment)	33,767	35,533	1,767	5.2	6.7	6.9	15.1	2.2	6.3	6.4	
Food services	46,233	48,633	2,400	5.2	9.2	9.4	20.5	2.9	9.2	12.3	
Health	65,933	67,033	1,100	1.7	13.1	13.0	9.4	1.9	15.4	13.7	
Professional and technical (except legal)	78,167	79,333	1,167	1.5	15.5	15.4	9.9	3.3	6.0	9.2	
Wholesale trade	4,900	4,967	67	1.4	1.0	1.0	0.6	2.3	5.0	5.2	
Financial services	28,733	28,967	233	0.8	5.7	5.6	2.0	2.3	6.9	2.6	
Transportation and utilities	4,233	4,233	0	0.0	0.8	0.8	0.0	1.3	4.3	6.0	
Employment services	14,933	14,867	-67	-0.4	3.0	2.9	-0.6	7.8	2.9	10.4	
Construction	14,467	14,400	-67	-0.5	2.9	2.8	-0.6	5.4	6.0	10.6	
Legal services	30,033	29,867	-167	-0.6	6.0	5.8	-1.4	0.4	1.0	0.2	
Information services	17,300	17,167	-133	-0.8	3.4	3.3	-1.1	-0.5	2.3	-0.6	
Arts and leisure	7,100	7,000	-100	-1.4	1.4	1.4	-0.9	2.6	2.0	2.4	
Organizations	62,000	60,967	-1,033	-1.7	12.3	11.8	-8.8	0.3	2.6	0.3	
Accommodations	15,433	15,067	-367	-2.4	3.1	2.9	-3.1	0.4	1.7	0.3	
Manufacturing	1,000	833	-167	-16.7	0.2	0.2	-1.4	1.3	10.4	6.3	
All private	503,467	515,200	11,733	2.3	100.0	100.0	100.0	2.2	100.0	100.0	

Source: BLS. All calculations are three-month averages ending for the months shown.

ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements on pending legislation, reports, and other documents on subjects related to DC's economy and taxes. These documents are posted on the OCFO web site (www.cfo.dc.gov) under subcategories of "Reports and Publications" and "Budget and Revenue."

Recent ORA reports:

Revised revenue estimate, September 29, 2014. No change from February 2014 except for policy changes in FY 2015 budget.

Tax expenditure report, May 2014. Comprehensive description of all DC tax expenditures.

Briefing documents. A series with information related to DC's economy and taxes.

DC Tax Facts, 2014. Details on all DC taxes.

Tax Rates and Tax Burdens 2012 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2012 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

About this report.

District of Columbia Economic and Revenue Trends is generally issued toward the end of every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date. Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Table 47. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	August	October 29
D.C. Personal Income	BEA	2014.2	December 19
D.C. Tax Collections	OTR/ORA	August	c. October 15
D.C. Housing Sales	MRIS*	August	c. October 10
D.C. Commercial Office Building data	Delta / Cushman and Wakefield	2014.2	c October 15
DC Apartment data	Reis, inc	2014.2	c October 20
D.C. Hotel stay information	Smith Travel Research	August	c. October 20
Consumer Price Index	BLS	August	October 22
U.S. Jobs and Labor Force	BLS	August	October 3
U.S. GDP and Personal Income	BEA	2014.2	October 30
S and P 500 Stock Index	Financial press	August	October 1
Interest rate on 10-Year Treasury Securities	Financial press	August	October 1
IHS Global Insight D.C. forecast	Global Insight	September	c. October 25
Moody's Economy.com D.C. forecast	Economy.com	September	c. October 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	September	October 10

*Metropolitan Regional Information Systems; listings and contract data accessed through the Greater Capital Area Association of Realtors.

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov. See also the *Economic Indicators* and *Cash Reports* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov).

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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