



District of Columbia Economic and Revenue Trends: December 2014

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DC income tax data gives insight into the population dynamics of a growing, changing city

The net increase was 58,157, but hundreds of thousands of filers moved on and off the tax rolls from 2001 to 2012

As DC's population has grown, the number of individual income tax filers has grown as well. Indeed, from 2001 to 2012 (the last year for which detailed tax data is available), the percentage growth in tax filers was twice that of population: 20.8% for filers versus 10.5% for the population. Single filers increased 33% over the period, accounting for 89.6% of the increase in filers. (See table 2 on p. 19).

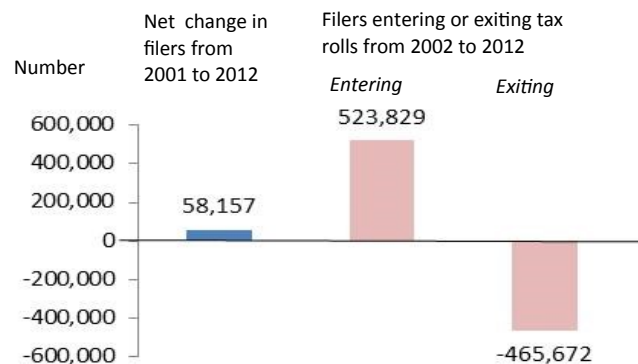
Table 1. DC Population and Individual Income tax filers: 2001 and 2012
 Source: Census and DC

	2001	2012	Amount Change	% Change
Population	574,504	635,040	60,536	10.5%
Individual Income tax filers	279,499	337,656	58,157	20.8%

A net increase of 58,157 in the number of filers from 2001 to 2012 is an important snapshot of how the city is changing. Along with this, however, is a fuller story of very substantial movement on and off the tax rolls during those years. In 2001 there were 279,499 tax filers. Starting with 2002, a total of 523,829 new tax filers had come onto the rolls by 2012 sometime during the period and 465,672 had exited. In all, there were 803,328 unique tax filers over the years 2001 to 2012. To help put this into perspective:

- The number of unique taxpayers over the 2001 to 2012 period was 2.9 times greater than the number of filers that existed in 2001.
- The number moving onto the rolls from 2002 to 2012 was 9 times greater than the net change over the period.
- The number moving off the rolls was 1.7 times the number of filers in 2001.

DC Individual Income tax filers, selected data: 2001 to 2012



Continued on p. 19

Wage and salary employment

DC continues to dominate metro area job growth

- November wage and salary employment in DC was up by 89,633 (1.3%) from a year earlier as measured by the 3-month moving average.
- Federal government employment in DC for November was down by 2,433 (-1.2%). The private sector more than offset this loss with a gain of 10,167 (2.0%).
- Total year -over-year DC metropolitan area employment increased by 13,367 (0.4%) in November as measured by the 3-month moving average.
- Suburban Washington employment in November increased by just 0.2% from a year earlier, 1/6th of DC's rate.
- Seasonally adjusted wage and salary employment in DC rose by 4,000 in November from October.



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

Jurisdiction	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,950	743,892	749,292	751,233	759,633	763,400
1 year change	14,158	7,717	12,942	5,400	6,317	9,633	12,600
% change	2.0	1.1	1.8	0.7	0.8	1.3	1.7
Washington metro area	3,000,142	3,036,558	3,075,142	3,087,642	3,090,458	3,107,233	3,126,800
1 year change	42,375	36,417	38,583	12,500	12,767	13,367	18,900
% change	1.4	1.2	1.3	0.4	0.4	0.4	0.6
Washington suburbs (% ch)	1.3	1.3	1.1	0.3	0.3	0.2	0.3
US (% ch)	1.2	1.7	1.7	1.8	1.8	2.0	2.0

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

Source: BLS. November is preliminary.

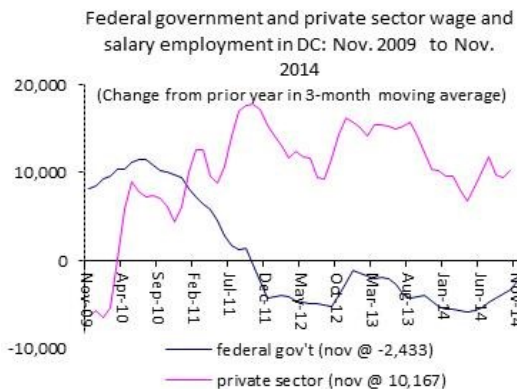


Table 2. Federal government and private sector wage and salary employment in DC: November 2014

Sector	FY 2012	FY 2013	FY 2014	12-mo avg	3-month average	This month
Federal government	208,575	206,042	200,950	200,650	201,100	201,400
1 year ch.	-4,683	-2,533	-5,092	-4,533	-2,433	-1,000
% change	-2.2	-1.2	-2.5	-2.2	-1.2	-0.5
Private sector	487,642	502,992	512,483	514,408	522,167	525,400
1 year ch.	12,808	15,350	9,492	9,550	10,167	11,700
% change	2.7	3.1	1.9	1.9	2.0	2.3

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

Table 3. Seasonally adjusted DC Employment: May 2014 to November 2014

	May	June	July	August	September	October	November
D.C. Wage and Salary employment	749,700	753,300	754,000	749,700	756,800	756,400	760,400
change from prior month	2,100	3,600	700	-4,300	7,100	-400	4,000
% change from prior month	0.3	0.5	0.1	-0.6	0.9	-0.1	0.5

Source: BLS seasonally adjusted. November is preliminary

Jobs by sectors of the economy

Non-lawyer professional services, food services, and retail trade top DC's private sector job growth

● In November the increase of 2,733 jobs in the Professional and technical services (except for legal) was more than that of any other sector. It was the largest year over year gain in this sector in almost 2 years. (3-month moving average.)

● Four other private sectors grew by more than 1,000 jobs: food services (2,333), retail (2,200), other business services (1,833), and education (1,033).

● Private sector industries losing jobs included organizations, accommodations, and legal services.

● Local government rose by 1,900 (5.5%).

● The federal government accounted for 26.5% of all DC jobs in Nov. 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: November 2012 to November 2014 (% change from prior year in 3-month moving average)

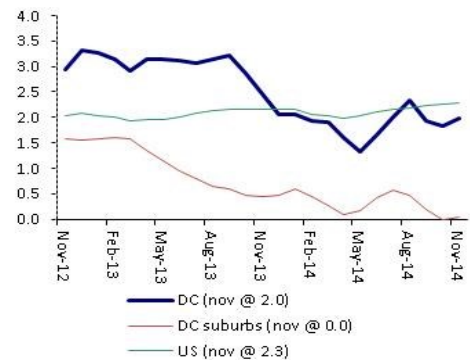


Table 4. Wage and salary employment located in DC: November 2014

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Nov 2014	DC share (%) in Nov 2014 of all sector jobs in:		Change from Nov 2013 to Nov 2014 in DC share of sector jobs in:	
	Nov 2013	Nov 2014	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	203,533	201,100	-2,433	-1.2	-2.2	26.5	55.0	7.40	0.1	-0.04
Local government	34,467	36,367	1,900	5.5	3.7	4.8	11.1	0.19	0.3	0.01
Legal services	29,767	29,333	-433	-1.5	-0.5	3.9		2.59		-0.03
Other Professional and technical	77,167	79,900	2,733	3.5	1.4	10.5	23.3	1.10	0.7	0.00
Employment services	14,933	15,400	467	3.1	0.6	2.0	35.2	0.41	0.0	-0.02
Other Business services	33,700	35,533	1,833	5.4	3.6	4.7	18.5	0.48	0.6	0.02
Information	17,067	17,100	33	0.2	-0.6	2.3	23.6	0.63	0.9	0.00
Finance	28,867	29,000	133	0.5	0.8	3.8	18.6	0.36	-0.4	0.00
Organizations	61,333	60,633	-700	-1.1	-1.4	8.0	36.3	2.07	-0.2	-0.04
Education	62,233	63,267	1,033	1.7	5.3	8.3	56.2	1.80	1.9	0.00
Health	66,167	66,533	367	0.6	1.6	8.8	23.3	0.36	0.2	-0.01
Food service	46,167	48,500	2,333	5.1	4.1	6.4	22.2	0.45	0.5	0.01
Accommodations	15,567	14,767	-800	-5.1	-1.3	1.9	34.9	0.79	-1.6	-0.05
Amusement and recreation	7,033	7,033	0	0.0	0.0	0.9	18.3	0.34	0.1	-0.01
Retail trade	20,333	22,533	2,200	10.8	9.8	3.0	8.2	0.14	0.7	0.01
Wholesale trade	4,933	4,800	-133	-2.7	-0.7	0.6	19.9	0.21	12.0	0.13
Construction	13,833	14,400	567	4.1	0.0	1.9	9.5	0.23	0.2	0.00
Personal and miscellaneous ser.	7,900	8,567	667	8.4	7.6	1.1		0.33		0.02
Other private	5,000	4,867	-133	-2.7	-4.4	0.6	4.9	0.03	0.3	0.00
Total	750,000	759,633	9,633	1.3	0.8	100.0	24.4	0.54	0.2	0.00
Public sector	238,000	237,467	-533	-0.2	-1.3	31.3	34.3	1.07	-0.2	-0.01
Private sector	512,000	522,167	10,167	2.0	1.9	68.7	21.6	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 continued strong gains

- In November DC resident employment was up 15,394 (4.6%) from a year earlier (3-mo. moving average). The labor force grew by 13,869 (3.8%).
- Seasonally adjusted DC resident employment rose by 3,372 in November from October.
- In November the unemployment rate (seasonally adjusted) fell to 7.4%.
- November initial unemployment insurance claims were down 30.3% from last year (3-month moving average).

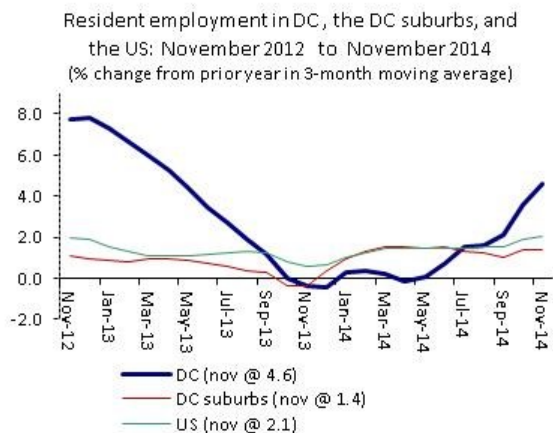


Table 5. Unemployment rates for DC, metro area, and US:
November 2014

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Nov. 2013	Nov. 2014	Nov. 2013	Nov. 2014
US	7.0	5.8	6.6	5.5
DC	7.1	7.0	7.8	7.4
DC metro area	4.9	4.5	na	na
DC suburbs	4.6	4.2	na	na

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

Table 6. Resident employment and unemployment: November 2014

Indicator	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	313,267	325,322	340,055	342,294	345,238	352,877	354,229
1 year change	4,453	12,055	14,734	2,238	5,619	15,394	14,303
% change	1.4	3.8	4.5	0.7	1.7	4.6	4.2
Labor Force	348,877	358,972	371,745	370,681	373,260	380,906	380,975
1 year change	5,007	10,095	12,773	-1,064	2,285	13,869	15,115
% change	1.5	2.9	3.6	-0.3	0.6	3.8	4.1
Unemployed	35,611	33,651	31,690	28,388	28,022	28,029	26,746
1 year change	554	-1,960	-1,961	-3,302	-3,334	-1,524	812
% change	1.6	-5.5	-5.8	-10.4	-10.6	-5.2	3.1
Unemployment rate	10.2	9.4	8.5	7.7	7.5	7.4	7.0
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	2,101	1,784	1,915	1,851	1,705	1,606	1,479
1 year change	302	-317	131	-64	-325	-699	-154
% change	16.8	-15.1	7.3	-3.3	-16.0	-30.3	-9.4
Weeks compensated (mo. avg.)	46,423	45,170	42,862	42,133	39,890	35,534	31,408
1 year change	-7,169	-1,253	-2,308	-729	-3,153	-8,563	-10,012
% change	-13.4	-2.7	-5.1	-1.7	-7.3	-19.4	-24.2

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: May 2014 to November 2014

Indicator	May	June	July	August	September	October	November
DC Resident employment	342,423	343,556	343,723	342,195	345,018	350,109	353,481
change from prior month	612	1,133	167	-1,528	2,823	5,091	3,372
% change from prior month	0.2	0.3	0.0	-0.4	0.8	1.5	1.0
DC Unemployment rate (%)	7.5	7.4	7.4	7.7	7.7	7.6	7.4

Source: BLS seasonally adjusted. November is preliminary

The growth rate of DC wages and salaries increased in the September quarter

●Wages and salaries earned in the District of Columbia were 4.1% higher in the September quarter compared to the same quarter of 2013.

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

●In the September quarter, estimated wages of DC residents grew 4.1%. DC Personal Income grew 4.2%, the highest year over year quarterly growth rate since the 4th Q of 2012.

●Federal wages and salaries were \$400 million higher than a year earlier, the first such increase in 2 1/2 years.

●In the September quarter, private sector wages and salaries earned in DC grew by \$1.72 billion over the prior year.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2012.3 to 2014.3

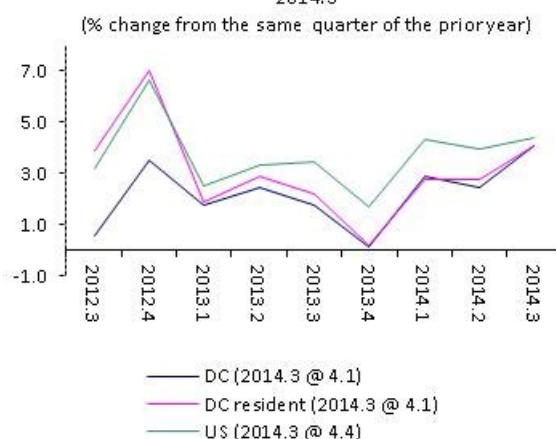


Table 8. DC Wages and Personal Income: September 2014

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

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	4-quarter moving average	Latest quarter (Sep.)
Wages and salaries earned in DC	57.24	59.53	60.62	62.05	63.52	63.52	64.36
1 year change	2.32	2.29	1.10	1.43	1.47	1.47	2.51
% change	4.2	4.0	1.8	2.4	2.4	2.4	4.1
Supplements to wages & salaries	15.05	16.31	16.42	16.31	16.55	16.55	16.67
% change	7.5	8.3	0.7	-0.7	1.5	1.5	3.1
Proprietors' income earned by DC residents*	5.35	5.54	5.88	5.98	6.25	6.25	6.38
% change	-8.2	3.6	6.1	1.7	4.4	4.4	6.2
Wages and salaries of DC residents***	21.98	23.43	24.59	25.44	26.06	26.06	26.47
change from one year ago	1.27	1.45	1.16	0.85	0.63	0.63	1.04
% change	6.1	6.6	5.0	3.4	2.5	2.5	4.1
Income earned by DC residents	30.1	32.4	34.1	34.6	35.4	35.4	35.9
% change	3.8	7.9	5.2	1.5	2.2	2.2	4.2
Property income of DC residents	6.06	6.96	7.69	8.29	8.51	8.51	8.65
% change	-9.1	14.8	10.5	7.8	2.7	2.7	3.1
Pensions and other transfer of DC residents	5.20	5.66	5.67	5.78	6.12	6.12	6.33
% change	13.1	8.9	0.2	2.0	5.8	5.8	5.7
DC Personal Income**	41.31	45.04	47.46	48.69	50.02	50.02	50.91
1 year change	1.08	3.73	2.42	1.23	1.33	1.33	2.06
% change	2.7	9.0	5.4	2.6	2.7	2.7	4.2
US Personal income (% change from prior year)	1.2	6.0	4.7	3.8	2.8	2.8	3.9
US Wages and salaries(% change from prior year)	0.2	4.2	3.5	4.0	3.6	3.6	4.4
<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	1.32	1.32	1.72
Federal government (1 yr ch, \$B)	1.77	0.69	-0.38	-0.35	-0.04	-0.04	0.40
DC res. wages as % of wages earned in DC	38.4	39.4	40.6	41.0	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 September were released December 19, 2014

Single family and condominium housing

Single family market is fairly flat compared to last year, but condo market is higher.

- The 3-month moving total of single family home sales in November was up 1.8% from a year earlier, while the average selling price was 0.1% lower. Sales over \$1 million accounted for about 15% of sales.
- November condominium sales were up 13.0% from last year as measured by the 3-month moving total; the average selling price was 9.2% higher.
- The total value of all home sales in November was 9.1% above last year as measured by the 3-month moving total.
- November year-to-date median prices were up 3.3% for single family units, and 2.1% for condominiums.

Sales of single family and condo units:
November 2012 to November 2014
(% change from prior year in 3-mo. moving totals)

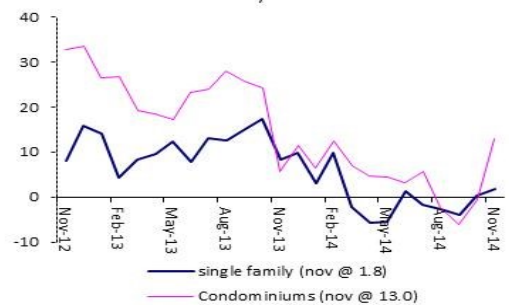


Table 9. D.C. Residential Real Estate Indicators: November 2014

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving	3-mo moving	This month
						total or average	total or average	
Number of sales (settled contracts)								
Single family	4,084	3,800	3,563	3,979	4,024	4,023	969	284
1 year change	825	-284	-237	416	45	4	17	-5
% change	25.3	-7.0	-6.2	11.7	1.1	0.1	1.8	-1.7
Condo	2,884	2,469	2,784	3,487	3,592	3,709	894	268
1 year change	294	-415	315	703	105	204	103	41
% change	11.4	-14.4	12.8	25.3	3.0	5.8	13.0	18.1
Total	6,968	6,269	6,347	7,466	7,616	7,732	1,863	552
1 year change	1,119	-699	78	1,119	150	208	120	36
% change	19.1	-10.0	1.2	17.6	2.0	2.8	6.9	7.0
Average prices of units that sold								
Single family (\$)	538,395	601,026	630,109	712,799	736,362	745,410	711,792	705,043
1 year change	-58,874	62,631	29,083	82,690	23,563	31,785	-932	-6,021
% change	-9.9	11.6	4.8	13.1	3.3	4.5	-0.1	-0.8
Condo (\$)	414,030	423,365	429,611	447,827	472,419	478,838	489,849	501,536
1 year change	54,078	9,336	6,245	18,216	24,592	26,776	41,228	26,868
% change	15.0	2.3	1.5	4.2	5.5	5.9	9.2	5.7
Total value of all sales (\$ million)	3,392.9	3,329.2	3,441.1	4,397.8	4,660.0	4,774.8	1,127.7	334.6
1 year change	514.1	-63.7	111.9	956.7	262.2	322.3	94.3	21.4
% change	17.9	-1.9	3.4	27.8	6.0	7.2	9.1	6.8
Ratio: active inventory to sales								
Single family	3.4	3.3	2.3	1.6	1.6	1.6	1.8	1.8
Condo	4.6	4.9	2.9	1.7	1.9	1.9	2.1	2.3

Median contract prices, CY to date in November 2014 : single family \$620,000 (3.3% 1 yr ch); condo \$416,250 (2.1% 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: November 2014

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving	3-mo moving	This month
						total	total	
Single family homes	418	489	458	689	734	731	149	35
1 year change	85	71	-31	231	45	29	-8	-16
% change	25.5	17.0	-6.3	50.4	6.5	4.1	-5.1	-31.4
percent of all single family sales	10.2	12.9	12.9	17.3	18.2	18.2	15.4	12.3
Condominiums	89	87	72	112	128	138	33	11
1 year change	27	-2	-15	40	16	25	13	4
% change	43.5	-2.2	-17.2	55.6	14.3	22.1	65.0	57.1
percent of all condominium sales	3.1	3.5	2.6	3.2	3.6	3.7	3.7	4.1

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 in the September quarter.

- In September the quarterly Federal Housing Finance Agency house price index for DC was 4.2% higher than a year ago. This is a rate of growth about one-third that in September 2013 (2013.3).
- DC's 4.2% price increase in the September quarter was higher than that in the DC metro area (3.7%), but below the US (6.0%).
- Sales of new condominium units for the 12-months ending Sep. totalled 516—16.7% more than a year earlier. Estimates for new condominium units to be delivered over the next 36 months have increased.

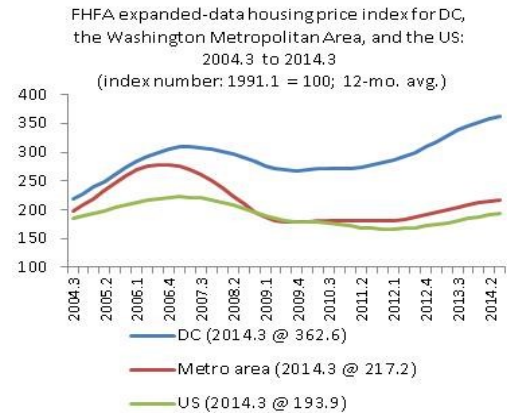


Table 11. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: September 2014 (2014.3)

Indicator	Fiscal year average					Quarter				
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	2013.3	2013.4	2014.1	2014.2	2014.3
% change from prior year in value of index										
DC	1.3	1.8	8.0	13.2	7.1	12.3	8.4	7.1	8.9	4.2
DC metro area	1.9	-0.5	3.5	9.2	6.4	9.3	9.1	7.7	5.4	3.7
US	-3.0	-4.7	0.8	7.1	6.9	8.6	7.9	7.3	6.5	6.0

Addendum: % change from prior year in the average price of settled sales contracts for single family homes

Average DC sales price	-9.9	11.6	4.8	13.1	3.3	14.9	-2.2	6.7	12.2	-0.1
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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 of the same properties.

This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick.

(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 Nov. 2014

FY	#	FY	#	12-month moving total	
2005	134	2010	104	Nov. 2013	333
2006	77	2011	267	Nov. 2014	282
2007	605	2012	236	ch	-51
2008	223	2013	368	% ch	-15.3
2009	135	2014	267	Source: Census Bureau	

Table 13. New condominium unit sales: FY 2005 to September 2014 (2014.3)

FY	#	FY	#	12-month moving total	
2005	2,755	2010	677	Sep. 2013	442
2006	1,955	2011	335	Sep. 2014	516
2007	1,288	2012	479	ch	74
2008	217	2013	442	% ch	16.7
2009	470	Source: Delta Associates			

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

Area of DC	Remaining units		Planned with probable sales within 36 mo		Total 36-month pipeline		Proposed/rumored w long term delivery*	
	projects	units	projects	units	projects	units	projects	units
Central	7	197	8	684	15	881	3	202
Mideast	21	667	9	338	30	1,015	3	105
Upper NW	2	40	0	0	2	40	3	152
Capitol East	11	158	11	953	22	1,111	6	584
Total	41	1,072	28	1,975	69	3,047	15	1,043

Source: Delta Associates *Does not include 12,131 units planned either as condo or rental

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

Date of report	2014.2	2014.3
Unsold units	964	1,072
New units	1,856	1,975
total	2,820	3,047

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

DC population reached 658,893 in 2014, but growth was the slowest in 6 years

•DC's population in July 2014 was estimated by the Census Bureau at 658,893, an increase of 9,782 (1.5%) from 2013. This is the slowest annual growth since 2008.

•In the September quarter, occupied apartment units increased 2,621 (3.0%) from a year earlier; rents rose 1.3% and the vacancy rate rose to 6.4%.

•For the four years 2010 through 2013, the number of occupied market rate apartment units increased by a total of 5,962, about 28% of the estimated 21,470 increase in households in DC.

DC occupied market rate apartment units:
2012.3 to 2014.3

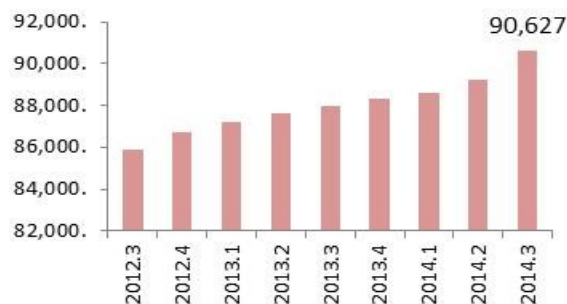


Table 15. Reis summary of DC market rate apartment units: 2005 to 2018 (est)

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	97,884	4,630	7.0	91,010	2,676	4.4	\$1,548	1.8
2015 est	100,370	2,486	7.6	92,696	1,686	2.3	\$1,579	2.0
2016 est	102,094	1,724	7.5	94,456	1,760	1.4	\$1,616	2.3
2017 est	104,277	2,183	7.5	96,424	1,968	1.4	\$1,656	2.5
2018 est	106,077	1,800	7.6	98,020	1,596	1.1	\$1,698	2.5

latest quarter: 2014.3

2014.3	96,806	4,366	6.4	90,627	2,621	3.0	\$1,531	1.3
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Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions. September 2014

Table 16. DC Population and Households: 2004 to 2014

Calendar year	Population			Households (estimated)			
	Number	Change from prior yr.		Number	Change from prior yr.		% pop/hh ratio
		number	%		number	%	
2004	567,754	-748	-0.1	252,468	1,095	0.4	2.25
2005	567,136	-618	-0.1	253,232	763	0.3	2.24
2006	570,681	3,545	0.6	254,435	1,204	0.5	2.24
2007	574,404	3,723	0.7	255,715	1,279	0.5	2.25
2008	580,236	5,832	1.0	257,928	2,213	0.9	2.25
2009	592,228	11,992	2.1	262,868	4,941	1.9	2.25
2010	605,210	12,982	2.2	268,233	5,365	2.0	2.26
2011	620,427	15,217	2.5	273,901	5,668	2.1	2.27
2012	635,040	14,613	2.4	279,259	5,358	2.0	2.27
2013	649,111	14,071	2.2	284,338	5,079	1.8	2.28
2014	658,893	9,782	1.5	287,506	3,168	1.1	2.29
Change from 09 to 14		66,665	11.3	24,638		9.4	2.71

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 for the past 12 months continue to exceed 4,000

• For the the 12-month period ending November, 4,092 housing permits were issued, up 9.0% from a year ago; the 3-month total was, however, 32.6% lower than last year.

• 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 5,856 according to Reis, and 6,875 according to Delta.



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

Date of report	2014.2	2014.3
Class A		
Net absorption, last 12 months	2,223	2,731
Rent increase, last 12 months (%)	1.8	2.6
Supply of units, next 3 years		
vacant units	649	529
new supply	11,303	11,073
total pipeline	11,953	11,602
New demand for units, next 3 years	6,630	6,875
Stabilized vacancy rate this quarter (%)	4.1	3.5
Stabilized vacancy rate in 3 years (%)	5.0	4.6
Class B		
net absorption, last 12 mo.	-197	-122
Rent increase, last 12 mo. (%)	-1.2	3.0

Source: Delta Associates, investment grade, Class A and Class B.

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

	FY 2012	FY 2013	FY 2014	12-mo. moving total	3-month moving total	This month
Total units	4,091	3,855	4,467	4,092	948	51
change from 1 yr ago	1,632	-236	612	338	-459	29
% change from 1 year	66.4	-5.8	15.9	9.0	-32.6	131.8
Multi-family projects with 5 or more units	21	36	32	29	11	5

Source: Census Bureau (permits issued during period).

Table 18. Reis apartment summary and forecast: September 2014

Date of report	2014.2	2014.3
Net absorption, last 12 months	1,730	2,621
Vacancy rate (%)	5.7	6.4
Rent increase, last 12 months (% ch)	1.3	1.9
New supply of units, next 3 years	7,930	7,708
New demand for units, next 3 years	5,850	5,856

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

Table 20. Apartment units under construction, planned, or contemplated by area of DC: September 2014 (2014.3)

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	934	1	140	2	90
Columbia Heights/Shaw	12	1,281	4	617	4	893
Central	10	1,513	5	362	5	1,333
NoMa/H Street	8	1,793	9	2,443	8	1,340
Capitol Hill/Riverfront	11	2,339	13	2,943	15	3,902
Upper GA	2	330	0	0	2	290
Northeast	3	813	7	1,744	3	902
River east	0	0	0	0	5	754
total	51	9,003	39	8,249	44	9,504

Addendum : Pipeline of units currently vacant or likely to deliver by Sep. 2017: **11,602**.

Approximately 23% of the planned units are expected to materialize by Sep. 2017.

Demand for new apartments by Sep. 2017: **6,875** (2,292 per year)

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 leasing has gained over the past year

For the quarter ending September, the vacancy rate in Delta Associates' broader office market measure was 7.0%, and the Cushman and Wakefield measure was 12.9% (both without sublet).

DC's vacancy rates in September were 24% to 57% lower than the metropolitan area average. Rents were 37% to 47% higher than the region.

In September occupied space rose 0.2% from the prior quarter in Cushman and Wakefield's market summary; the average asking rent rose 2.0%.

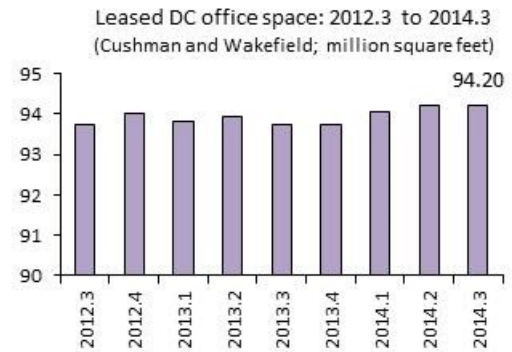


Table 21. Delta Associates summary of DC commercial office space: 2005 to September 2014 (2014.3)

Time period	Inventory		Occupied (leased) 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: 2014.3										
DC	140.50		130.65			7.0	42.69		9.85	1.27
Metro area	405.37		360.79			11.0	29.02		44.58	3.28
DC share/ difference %	34.7		36.2			-57.1	+47.1		22.1	38.7

Source: 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. Direct vacancy rate excludes space for sublet; occupied space is the same as leased space. msf = million square feet.

Table 22. Cushman and Wakefield summary of commercial office space in DC: 2011 to 2014.3

Calendar year (end of year)	Inventory		Direct vacancy rate	Occupied (msf)	Overall vacancy rate	Asking face rent (\$/sf)	Under construction (msf)
	(msf)	Leased (msf)					
2011	104.95	93.66	10.8	92.5	11.9	50.63	1.60
2012	106.61	94.02	11.8	92.7	13.0	51.58	0.82
2013	107.95	93.72	13.2	92.4	14.2	50.96	1.78
Last quarter: 2014.3							
DC	108.09	94.20	12.9	93.2	12.9	50.73	1.59
Metro area total	296.69	246.57	16.9	243.01	18.1	37.02	4.47
DC share/DC difference	36.4	38.2	-23.7	38.4	-28.7	+37.0	35.6
DC year-over-year change							
Amount	0.90	0.45	0.4	0.756	0.0	-0.27	0.57
%	0.8	0.5		0.8		-0.5	55.1
DC change from prior quarter							
Amount	0.17	-0.01	0.2	0.144	0.0	1.00	0.49
% ch	0.2	0.0		0.2		2.0	44.5

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

Property transfers up sharply in November

●The value of November property transfers was up by 58.6% from last year as measured by the 3-month moving total. The 12-month moving total (\$13.42 billion) was 20.1% higher than last year, and was the highest since July 2008.

●In September Delta Associates increased slightly its 2 -year estimate of increased demand for office space to 2.4 million square feet. The vacancy rate is also expected fall as only 1.5 million square feet are added.

●The amount of office space in the planning phase (10.34 msf) is currently 8 times the amount (1.27 msf) under construction.

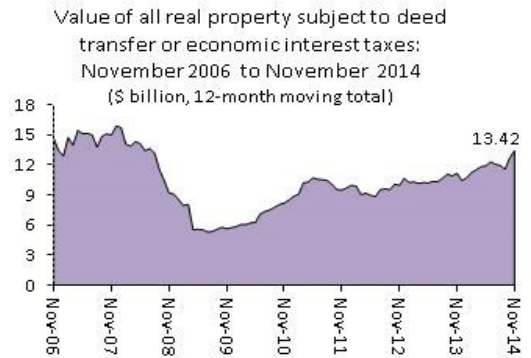


Table 23. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: November 2014

August	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo 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	11,569.8	13,418.4	3,934.5	1,490.4
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-526.2	1,530.6	505.8	2,248.3	1,454.5	710.8
% change from 1 year ago	-51.5	39.3	29.1	-5.2	16.1	4.6	20.1	58.6	91.2

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: Sep. 2014 to Sep. 2016

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory September 2014					
Inventory (msf)	140.5	179.1	85.7	405.5	34.6
vacancy rate (%)	7.0	13.3	12.4	11.0	
Estimated net activity to September 2016					
new supply (msf)	1.5	2.0	0.4	4.0	37.5
new demand (msf)	2.4	3.2	1.2	6.8	35.3
Estimated vacancy rate on September 2016					
vacancy rate (%)	6.3	12.5	11.7	10.2	

Source: Delta Associates msf = million square feet

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

Date of forecast	2014.2	2014.3
2 year pipeline (msf)	1.1	1.5
2 year demand (msf)	2.3	2.4

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

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

Indicator	Area of DC							
	Total	CBD	East End	Capitol Hill/Noma/Capitol	Waterfront	Southwest	West End	George-town
Total existing rentable building area	140.50	46.33	44.51	18.92	11.85	4.55	1.85	11.43
Vacant	9.85	2.23	3.03	2.50	1.02	0.26	0.25	0.56
Under Construction	1.27	0.17	0.52	0.47				0.11
Planned	10.34	0.21	1.75	3.95	4.48			
Proposed	10.54	0.60	0.26	8.59	0.41			0.68

Note: pipeline of projects under construction and planned expected to deliver by September 2016 is **1.5 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 November the 3-month moving total for hotel room-days sold was 9.1% above a year earlier. The average room rate was up 3.1%, and revenue rose 12.5%.

● Employment in food services was 5.1% more in November than a year earlier as measured by the 3-month moving average. Hotel employment was down 5.1%, and retail was 10.8% higher.

● October airline traffic into the DC area was up 2.0% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 4.7%.

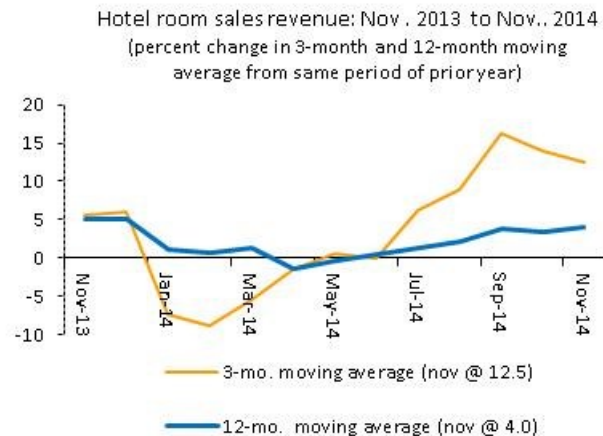


Table 27. Hospitality Industry: November 2014

Indicator	Units	date	FY 2012	FY 2013	FY 2014	3-month		This month
						12-mo total or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	nov	7.617	7.680	7.870	7.966	2.082	0.629
	1 yr ch		0.152	0.062	0.191	0.261	0.174	0.030
	1 yr % ch		2.0	0.8	2.5	3.4	9.1	4.9
Average room rate	\$	nov	203.57	207.31	209.92	210.41	228.91	210.48
	1 yr ch		-3.03	3.74	2.61	1.29	6.95	13.19
	1 yr % ch		-1.5	1.8	1.3	0.6	3.1	6.7
Occupancy rate (average)	%	nov	75.4	75.8	76.6	77.0	78.5	72.0
	1 yr ch		1.2	0.5	0.8	1.0	3.1	-0.1
	1 yr % ch		1.6	0.6	1.1	1.3	4.1	-0.1
Room revenue	(\$M)	nov	1,550.7	1,592.1	1,652.1	1,676.1	476.6	132.3
	1 yr ch		8.4	41.4	60.1	64.8	53.0	14.1
	1 yr % ch		0.5	2.7	3.8	4.0	12.5	12.0
Airline passengers								
DCA	1 yr % ch	oct	2.8	5.5	0.0	0.7	4.7	9.3
IAD	1 yr % ch	oct	-2.9	-4.0	-1.9	-2.0	0.6	2.1
BWI	1 yr % ch	oct	1.0	-1.5	-0.5	-0.7	1.0	0.4
Total	1 yr % ch	oct	0.1	-0.3	-0.8	-0.7	2.0	3.8
Employment								
Accommodations	level ('000)	nov	15.4	15.2	15.2	15.1	14.8	14.8
	1 yr ch		0.1	-0.2	0.0	-0.2	-0.8	-0.9
	1 yr % ch		0.7	-1.1	0.1	-1.3	-5.1	-5.7
Food and bev	level ('000)	nov	42.7	44.9	46.7	47.1	48.5	47.9
	1 yr ch		3.4	2.2	1.8	1.9	2.3	2.0
	1 yr % ch		8.5	5.2	4.1	4.1	5.1	4.4
Arts and entertain.	level ('000)	nov	6.9	6.9	7.0	7.0	7.0	7.0
	1 yr ch		0.1	0.0	0.0	0.0	0.0	0.1
	1 yr % ch		1.3	0.6	0.2	0.0	0.0	1.4
Retail	level ('000)	nov	18.8	19.7	21.3	21.8	22.5	23.6
	1 yr ch		0.3	0.8	1.7	1.9	2.2	2.8
	1 yr % ch		1.4	4.5	8.5	9.8	10.8	13.5

* Total for hotel rooms sold and room revenue

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

US economic growth was strong in the 3rd Q

- US real GDP growth in the September quarter was revised up to 5.0%; nominal growth was 6.4%.
- US employment (seas. adj.) increased by 321,000 in November, the largest monthly increase since January 2012.
- The US unemployment rate (seas. adj.) remained at 5.8% in November.
- In November the S & P 500 index rose 5.5% from October, and was 14.6% above last year.
- Compared to a year earlier, the rate of inflation fell to 1.3% in November (seas. adj.).

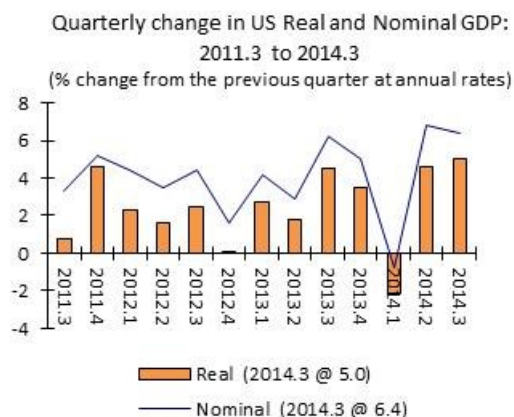


Table 28. US GDP, income, corporate profits, and inflation: 2014.3 and November 2014

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

Indicator	Date of latest indicator		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	2014.3	Nov.
US GDP real	2014.3	1 yr % ch	1.7	1.9	2.3	1.8	2.6	2.6	2.7	
US GDP nominal	2014.3	1 yr % ch	2.6	4.0	4.2	3.5	4.1	4.1	4.3	
US Personal income	2014.3	1 yr % ch	1.3	5.9	4.7	3.8	2.8	2.8	3.8	
US wages	2014.3	1 yr % ch	0.3	4.2	3.5	4.0	3.6	3.6	4.4	
Corporate profits	2014.3	1 yr % ch	33.5	-1.1	14.9	6.3	4.4	4.4	5.1	
S and P stock index	November	1 yr % ch	23.7	13.8	5.4	16.7		18.6	18.0	14.6
US CPI	November	1 yr % ch	1.7	2.7	2.4	1.6		1.6	1.8	1.7
Balt./Wash. area CPI	November	1 yr % ch	1.7	3.0	2.4	1.6		1.6	na	1.2

Source: BEA (data revised as of December 23, 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: 2013.1 to 2014.3

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

Indicator	calendar year quarter						
	2013.1	2013.2	2013.3	2013.4	2014.1	2014.2	2014.3
US GDP real	2.7	1.8	4.5	3.5	-2.1	4.6	5.0
US GDP nominal	4.2	2.9	6.2	5.0	-0.8	6.8	6.4
Wages and salaries	-3.0	4.4	1.9	3.5	7.3	2.8	3.6
Personal income	-8.9	4.4	3.3	1.8	4.8	4.9	3.6

Note: GDP=Gross Domestic Product Source: BEA, updated on December 23, 2014.

Table 30. Monthly selected US Indicators: May 2014 to November 2014

Indicator	May	June	July	August	September	October	November
S and P stock index (level)	1890	1947	1973	1962	1963	1937	2045
% change from prior month	1.4	3.0	1.3	-0.6	0.1	-2.8	5.5
% change from 1 year ago	15.2	20.3	18.3	17.5	16.3	12.6	14.6
10 yr. Treasury Interest rate (level)	2.56	2.59	2.53	2.41	2.53	2.29	2.32
CPI % ch from prior month (seasonally adjusted)	0.35	0.26	0.09	-0.20	0.09	0.00	-0.24
CPI % ch from prior year (seasonally adjusted)	2.14	2.08	2.00	1.71	1.66	1.65	1.29
Jobs (seasonally adjusted level, in millions)	138.50	138.764	139.01	139.21	139.48	139.72	140.05
change from prior month (thousands)	229	267	243	203	271	243	321
% change from prior month	0.17	0.19	0.18	0.15	0.19	0.17	0.23
Resident employment (season. adj. level, in mil.)	145.81	146.22	146.35	146.37	146.60	147.28	147.29
change from prior month (thousands)	145	407	131	16	232	683	4
% change from prior month	0.10	0.28	0.09	0.01	0.16	0.47	0.00
Unemployment rate (seasonally adj.)	6.3	6.1	6.2	6.1	5.9	5.8	5.8

Source: BLS and Yahoo! Finance.

DC tax collections

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

November 2014 @ \$6,306M

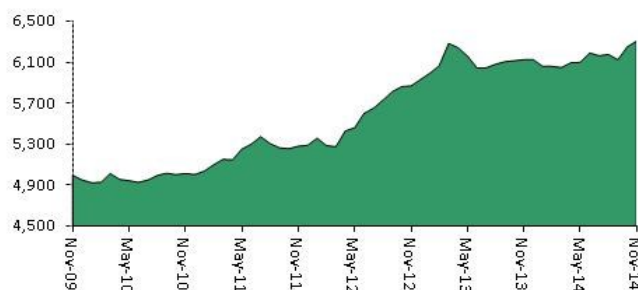


Table 31. Tax Collections (before earmarking): November 2014 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2011	FY 2012	FY 2013	FY 2014	12-month moving total	FY 2015 to date	3-month moving total	This month
Total taxes	5,325.3	5,853.3	6,104.9	6,123.5	6,306.3	774.1	1,958.9	328.0
1 year change	320.1	528.0	292.5	18.5	181.8	182.8	130.4	55.8
% change	6.4	9.9	5.0	0.3	3.0	30.9	7.1	20.5
Real property	1,715.1	1,822.0	1,916.5	1,876.6	1,981.3	120.3	881.7	4.3
1 year change	-106.4	106.9	95.7	-39.9	69.9	104.7	36.6	6.1
% change	-5.8	6.2	5.3	1.4	3.7	670.4	4.3	na
General sales	1,014.9	1,111.0	1,131.3	1,156.2	1,173.7	227.2	319.6	106.4
1 year change	51.7	67.6	9.8	24.9	24.6	17.5	19.8	4.8
% change	3.9	9.5	0.9	2.2	2.1	8.3	6.6	4.8
Individual income	1,296.6	1,490.7	1,661.9	1,685.9	1,701.0	253.2	439.4	128.3
1 year change	186.2	194.1	189.4	24.0	31.1	15.1	30.3	18.1
% change	16.8	15.0	12.9	1.4	1.9	6.3	7.4	16.4
withholding	1,192.2	1,321.6	1,403.0	1,478.9	1,500.2	252.6	379.3	131.9
1 year change	118.3	129.5	97.5	75.8	84.3	21.3	32.2	21.9
% change	11.0	10.9	7.5	5.4	6.0	9.2	9.3	19.9
non-withholding	104.4	169.1	258.9	207.1	200.8	0.6	60.0	-3.6
1 year change	67.8	64.6	91.9	-51.8	-53.2	-6.2	-1.9	-3.8
% change	185.2	61.9	55.0	-20.0	-20.9	-90.6	-3.0	na
Corporate income	216.3	302.9	302.0	287.9	283.9	9.9	67.0	4.3
1 year change	9.0	86.6	-3.1	-14.1	-22.7	-4.0	-1.2	-0.3
% change	4.3	40.1	-1.0	-4.7	-7.4	-28.6	-1.7	-7.1
Unincorporated Bus.	143.4	163.0	160.4	138.9	138.6	4.9	31.2	1.1
1 year change	27.0	19.6	1.9	-21.5	-18.2	-0.3	0.9	-0.6
% change	23.2	13.6	1.2	-13.4	-11.6	-6.2	2.9	-35.9
Deed taxes*	311.2	306.6	366.4	391.2	442.7	353.2	138.7	59.0
1 year change	85.6	-4.5	69.1	24.9	69.9	297.3	51.4	29.3
% change	37.9	-1.5	23.3	6.8	18.8	532.4	58.9	98.2
Other taxes	627.8	657.0	566.5	586.7	585.1	49.9	81.3	24.4
1 year change	80.6	29.2	-70.2	20.2	27.2	-2.9	-7.5	-1.5
% change	14.7	4.6	-11.0	3.6	4.9	-5.6	-8.4	-5.7

*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/DRA na=not applicable due to negative number

Tax collections continue to be quite strong

• For the 12 month period ending November, total tax collections (before earmarking) were \$181.8 million (3.0%) more than in the prior year. For the last 3 months they were 7.1% above last year.

• Individual income tax collections were 1.9% above last year for the 12-months ending November. Withholding was 6.0% higher, while the non-withholding portion was 20.9% lower. For the past 3 months, withholding was up 9.3%.

• General sales tax collections were 2.1% above last year for the 12-months ending November. For the past 3 months, they were 6.6% above last year.

• Deed tax collections in November (12-mo. avg.) were up 18.8% from last year; for the past 3 months they were up 58.9%.

• Corporate income taxes in November were down 7.4% and unincorporated business income taxes were also down 11.6% from last year (12-mo. avg.).

**Total tax collections (before earmarks):
November 2013 to November 2014**

(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax collections (before earmarks):
November 2013 to November 2014**

(% change from prior year: 3-months and 12-month moving totals)



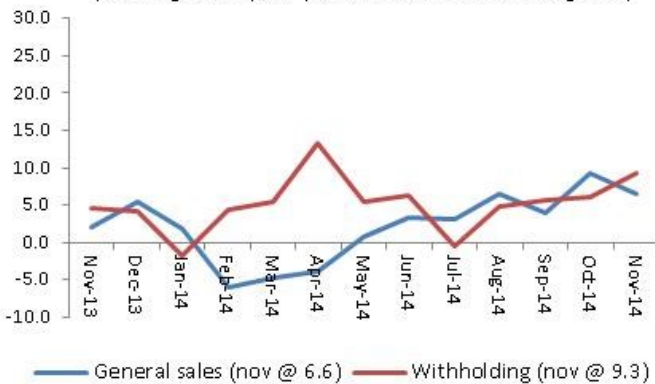
**Withholding for the Individual Income tax:
November 2013 to November 2014**

(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual Income tax:
November 2013 to November 2014**

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



**Deed tax collections (before earmarks):
November 2013 to November 2014**

(% change from prior year: 3-month and 12-month moving totals)



US economic forecasts

December Blue Chip forecast for the US economy: economic growth picks up in FY 2015

- The Blue Chip Indicator December forecast for real GDP growth rises from 2.3% in FY 2014 to 3.3% in FY 2015. The FY 2015 rate would be most rapid one-year growth in the economy since FY 2006.
- The Blue Chip Indicator November forecast lowered its inflation estimate (CPI) to 1.3% for FY 2015.
- S & P 500: Global Insight raised its estimate of growth for the 4th quarter of 2015 to 9.0% over the 4th quarter of FY 2014.

Table 32. Blue Chip Forecast for US nominal and real GDP: FY 2013 through FY 2015

(% change from prior fiscal year)

Fiscal year and date of forecast	Real	Nominal
FY 2013 Actual	1.8	3.5
FY 2014		
February	2.9	4.8
September	2.2	3.9
October	2.3	3.9
November	2.3	3.9
December	2.3	3.9
FY 2015		
February	2.9	4.8
September	2.8	4.7
October	2.9	4.8
November	2.9	4.6
December	3.3	5.0

Sources: BEA, Blue Chip Indicators

Addendum:

December US GDP forecasts by Global Insight and Economy.com:

Global Insight 2014: 2.5 real, 4.0 nom. 2015: 2.6 real, 5.1 nom.

Economy.com 2014: 2.5 real, 4.0 nom. 2015 2.9 real, 5.1 nom.

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2008 to FY 2015
(% change from the prior year; Dec. 2014 estimate)

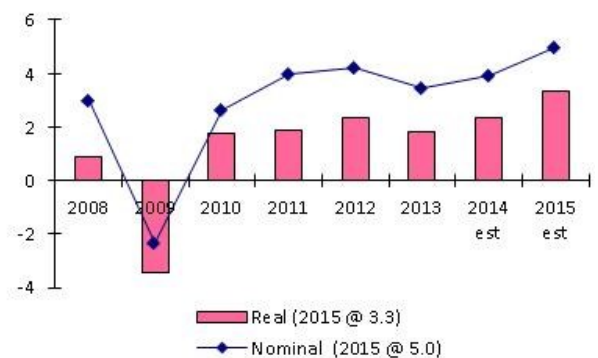


Table 33. CBO estimates of GDP and other indicators: FY 2013 to FY 2016

Indicator	FY 2013	FY 2014	FY 2015	FY 2016
Real GDP (% ch from prior yr.)	1.7	1.8	2.7	3.5
Nominal GDP (% ch from prior yr.)	3.3	3.4	4.5	5.3
CPI (% ch from prior yr.)	1.6	1.7	2.3	2.0
10 yr. Treasury bond rate	2.1	2.7	3.1	3.7
Unemployment rate	7.6	6.5	5.9	5.8

Source: Congressional Budget Office, *The Budget and Economic Outlook: 2014 to 2024*, August 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		
September	24.8	14.9	4.1	24.8	13.4	-3.1
October	24.8	12.5	4.1	24.8	11.1	-3.1
November	24.8	13.0	5.9	24.8	11.7	0.2
December	24.8	13.8	9.0	24.8	13.4	2.2

Source: IHS Global Insight

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

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2013	2014	2015	2013	2014	2015
Sep	1.6	1.7	2.2	2.1	2.7	3.1
Oct	1.6	1.6	1.9	2.1	2.7	3.0
Nov	1.6	1.6	1.6	2.1	2.7	2.8
Dec	1.6	1.6	1.3	2.1	2.7	2.7

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		
September	24.8	13.5	0.1	24.8	12.9	-1.4
October	24.8	11.4	4.1	24.8	10.8	2.6
November	24.8	12.6	3.8	24.8	12.6	0.2
December	24.8	13.7	3.6	24.8	13.7	0.0

Source: Moody's Economy.com.

December baseline DC forecasts: jobs and income in DC economy stronger in FY 2015, but growth lags the US average

●**Employment:** From 2014 to 2015 employment growth about doubles, both for jobs in DC and for DC residents. Unemployment stays at 7% or more through FY 2015.

●**Income.** Global Insight and Economy.com both lowered their baseline forecasts for FY 2015. However both forecasts expect higher Personal Income in both FY 2015 and FY 2016 than in FY 2014.

Table 37. Jobs in DC: forecasts for FY 2013 to FY 2016

(amount of change from prior year, in thousands of jobs)

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
Feb	3.6	2.6	10.5	9.6	3.6	1.7	8.2	6.2	3.6	0.2	4.1	6.1	3.6	-1.4	-3.8	6.2
Sep	12.9	5.0	9.5	8.5	12.9	4.9	6.9	4.6	12.9	4.3	9.0	14.4	12.9	4.3	2.6	12.3
Oct	12.9	4.3	7.6	7.8	12.9	4.3	4.6	2.1	12.9	4.1	8.7	14.6	12.9	4.1	2.4	12.5
Nov	12.9	5.1	9.5	6.7	12.9	5.1	7.2	2.2	12.9	5.1	10.1	12.5	12.9	5.1	6.0	3.9
Dec	12.9	5.0	9.6	7.1	12.9	5.0	7.7	2.1	12.9	5.0	11.3	12.0	12.9	5.1	6.0	3.9

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

Table 38. DC Resident employment: forecasts for FY 2013 to FY 2016

(amount of change from prior year, in thousands of jobs)

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
Feb	14.8	-2.3	8.5	6.8	14.8	-3.5	5.8	4.6	14.8	-2.2	4.1	5.1	14.8	-3.9	-0.6	7.5
Sep	14.5	2.4	6.9	5.4	14.5	2.3	5.6	3.2	14.5	2.1	4.4	5.1	14.5	2.1	1.6	4.8
Oct	14.5	1.9	5.8	5.8	14.5	1.9	4.9	3.8	14.5	1.8	4.0	5.3	14.5	1.8	1.3	5.0
Nov	14.5	2.1	5.3	5.5	14.5	2.1	4.5	3.3	14.5	2.1	3.8	5.3	14.5	2.1	2.2	2.4
Dec	14.5	2.1	5.5	5.4	14.5	2.1	5.0	3.2	14.5	2.1	4.0	5.2	14.5	2.1	2.2	2.4

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

Table 39. 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
Feb	2.7	2.0	4.3	4.3	2.7	0.5	1.0	1.7	2.7	2.9	4.3	5.1	2.7	2.8	2.9	5.5
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
Oct	2.6	2.6	4.2	4.8	2.6	2.6	2.4	1.7	2.6	2.7	4.4	6.3	2.6	2.7	3.2	6.0
Nov	2.6	2.6	3.4	3.8	2.6	2.6	1.8	1.1	2.6	2.8	4.9	6.3	2.6	2.8	3.9	5.1
Dec	2.6	2.6	3.3	3.8	2.6	2.6	1.9	0.9	2.6	2.8	4.1	6.6	2.6	2.8	3.9	5.1

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

Table 40. December forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2013 to FY 2016

(percent change from prior year)

Indicator	Global Insight				Economy.com			
	2013	2014	2015	2016	2013	2014	2015	2016
Wage and salary jobs								
DC	1.8	0.7	1.3	0.9	1.8	0.7	1.5	1.6
Metro area					1.3	0.4	0.7	1.9
US	1.7	1.8	2.0	1.5	1.7	1.8	2.2	2.5
Personal Income								
DC	2.6	2.6	3.3	3.8	2.6	2.8	4.1	6.6
Metro area					2.2	1.6	4.0	6.3
US	3.8	2.8	4.1	4.6	3.8	2.8	4.8	6.8

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

Table 41. December DC forecasts for wages and unemployment: FY 2013 to FY 2016

(percent change from prior year)

	Global Insight				Economy.com			
	2013	2014	2015	2016	2013	2014	2015	2016
Wages and salaries earned in DC	2.4	2.3	3.4	4.3	2.4	2.3	4.1	6.6
DC resident wages and salaries	3.4	2.1	2.8	3.6	3.4	2.5	4.2	7.3
DC Unemployment rate (level)	8.5	7.6	7.2	6.8	8.5	7.6	7.5	7.2

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

DC revenue estimate

The December revenue estimate: \$258.7 million more tax revenue in FY 2015, and another \$254.7 million in FY 2016.

- Anticipated tax revenue growth (before earmarks) is 4.6% in FY 2015 and 3.9% in FY 2016. The estimated FY 2014 tax revenue growth was 2.7%. The estimates reflect growth in the DC economy as well as cutbacks in federal spending.
- The real property tax accounts for 54% of the growth in FY 2014, 64% of growth in FY 2015, and 39% in FY 2016. Individual income, sales, deed, and business income taxes all increase in FY 2015 and FY 2016.
- As a share of DC Personal Income, tax revenue in FY 2014 is the same as in FY 2013—12.5%. The percentage rises to 12.6% in FY 2015, then falls back to 12.4% in FY 2016.

Table 43. DC Tax Revenue (before earmarks) for FY 2013 through FY 2016: December 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	2,004.7	2,186.6	2,285.8	92.8	89.8	181.9	99.2	5.1	4.7	9.1	4.5
Deed taxes	367.3	387.0	391.5	397.9	60.6	19.8	4.5	6.4	19.8	5.4	1.2	1.6
General sales	1,137.9	1,172.1	1,243.9	1,294.2	26.8	34.2	71.9	50.3	2.4	3.0	6.1	4.0
Individual income	1,640.9	1,679.2	1,725.0	1,801.3	150.2	38.3	45.8	76.3	10.1	2.3	2.7	4.4
Withholding	1,391.2	1,483.6	1,507.0	1,569.7	69.6	92.3	23.4	62.7	5.3	6.6	1.6	4.2
non-withholding	249.6	195.6	218.0	231.6	80.6	-54.1	22.4	13.6	47.7	-21.7	11.5	6.2
Business income	453.3	415.6	421.8	434.4	-12.6	-37.7	6.2	12.6	-2.7	-8.3	1.5	3.0
Other	586.3	608.1	583.5	593.4	-70.7	21.8	-24.6	9.9	-10.8	3.7	-4.0	1.7
Total	6,100.5	6,266.6	6,552.3	6,807.0	247.2	166.1	285.7	254.7	4.2	2.7	4.6	3.9

Source: ORA. Dec 30, 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 2013 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	744,375	749,467	757,526	764,207
1 year change	12,892	5,092	8,060	6,681
% change	1.8	0.7	1.1	0.9
DC resident employment	339,956	342,107	346,849	351,760
1 year change	14,471	2,151	4,742	4,910
% change	4.4	0.6	1.4	1.4
Unemployment rate	8.5	7.6	7.4	7.0

Source: ORA December 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	1.1	2.1	3.5	4.3
Wages and salaries earned by DC residents	3.4	2.3	4.8	5.2
DC Personal income	2.6	2.7	4.4	4.8
S and P 500 stock index	24.8	12.8	4.8	2.9

Source: ORA December 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	6,267	6,552	6,807
Change from prior year		638	170	-273	-47	320	528	247	166	286	255
Percent change from prior year											
Tax revenue		14.1	3.3	-5.1	-0.9	6.4	9.9	4.2	2.7	4.6	3.9
Personal Income		7.3	9.6	1.3	2.7	9.0	5.4	2.6	2.7	4.4	4.8
Tax revenue as percent of Personal Income											
		14.2	13.4	12.6	12.1	11.8	12.3	12.5	12.5	12.6	12.4

Source: ORA. December 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.

An Overview of District Individual income tax filers

As noted on p.1, there was a total net increase of 58,127 filers in 2012 compared to 2001. Table 2 shows the city's Individual Income tax filers by major filer type status. The net increase in filers over the 11 years can primarily be attributed to the growth/in-migration of single filers and secondarily to married filers. In sum, there were 52,101 more single filers and 10,964 more married filers in 2012 than in 2001. There were less head of household and other filer types in 2012 than in 2001.

Table 2 Profile of District of Columbia Individual Income tax filers: 2001 to 2012

Filer Type	2001	Percent Share in 2001	2012	Percent Share in 2012	Total change (2012 v 2001)		
					Amount Change	Share of Change	Percent Change
Single	155,901	55.8%	208,002	61.6%	52,101	89.6%	33.4%
Married	61,796	22.1%	72,760	21.5%	10,964	18.9%	17.7%
Head of Household	59,899	21.4%	56,275	16.7%	-3,624	-6.2%	-6.1%
Other	1,903	0.7%	1,080	0.3%	-823	-1.4%	-43.2%
Total	279,499	100.0%	337,656	100.0%	58,157	100.0%	20.8%

Source: DC OCFO

Note: 2012 totals do not add due to an unidentified discrepancy of 461 filers counted in the detail but excluded from the total.

Trends in tax filer tenure and family formation

Table 3 shows that there were a total of 803,328 unique individual income tax filers between 2001 and 2012. It segments them into four broad subgroups: 1) Always Single- single filer status for their entire time as District residents; 2) Single to Married - tax filers that were single filers in the initial part of their tenure in the city but married filers during the latter part of their tenure; 3) Always Married - married filer status for their entire time as District residents; and 4) Other - primarily head of household filers but also a small number of tax filers that were married in the early part of the tenure but single filers during the latter part of their tenure (divorcees).

Table 3. Unique Individual Income tax filers over the period 2001 to 2012 by residency tenure and marriage status

	Unique tax filers	Percent share of all taxpayers	Exited from tax rolls	Percent share of filers exiting the tax rolls	Percent of filer type exiting the tax rolls	Avg. time (years) in DC of exiting filers
Always Single	399,618	49.7%	235,412	50.6%	58.9%	2.8
Single to Married	43,998	5.5%	22,682	4.9%	51.6%	4.3
Always Married	77,231	9.6%	41,171	8.8%	53.3%	3.2
Other	282,481	35.2%	166,407	35.7%	58.9%	2.1
Total	803,328	100.0%	465,672	100.0%	58.0%	2.4

Source: DC OCFO

Table 3 shows that 59 percent of all unique Individual Income tax filers that were in the city between 2001 and 2012 were not residents of the city as of 2012. And, single filers (who remained single during their entire tenure in the city) were the largest group of filers that tended to leave the city. Filers that were single

filers in the initial part of their tenure in the city but married filers during the latter part of their tenure accounted for 5.5 percent of the total unique Individual Income tax filers in the city over the study period. Interestingly, however, this small subgroup of filers appears to have been the least likely to migrate out of the city and the most likely to have the longest tenure (4.3 years). There was, however, significant turnover here too: the 43,998 who moved from single to married were almost 4 times as great as the 10,964 net increase in married filers from 2001 to 2012. The growing number of and longer-city-tenured married filers may be a trend that bears watching in the coming years.

If we combine certain elements from Tables 2 and 3, a broad overview of tax filers' migration into and out of the city can be obtained which is summarized below and in the graph on p. 1. Table 2 shows that there were 279,499 total Individual Income tax filers in 2001. Table 3 shows that there were a total of 803,328 unique Individual Income tax filers that have been subject to the city's income tax between 2001 and 2012. When we subtract the total 2001 filers (279,499) from the total unique filers over the study period (803,328), we obtain all filers for years 2002-2012 that were not present in 2001 (523,829). Table 2 shows that there were 465,672 total Individual Income tax filers (of varying tenure) that were present in the city at some point between 2001-2011 that were not present in 2012. Table 3 shows the sum of these numbers, 337,656, the total number total filers in 2012. The city gained 58,157 more tax filers than it lost (523,829-465,672) over the study period.

Table 4 Summary of Individual Income tax filers: 2001 to 2012

Total Tax Filers in 2001	279,499
All Filers for Years 2002-2012 that were Not Present in 2001	523,829
All Filers for Years 2001-2011 that were Not Present in 2012	-465,672
Total Tax Filers in 2012	337,656
Net Increase in Tax Filers in 2012 (compared to 2001)	58,157

Note on methodology

This analysis focuses on the extent to which Individual Income tax filers change filing status, enter, and/or migrate out of the city over the years 2001 to 2012 (the last year for which detailed tax data is available). In interpreting these results it should be noted that there are also some inherent limitations in using this tax data due to the imperfect nature of the data (e.g. non-filers, late filers, duplicate/amended returns, complex/inaccurate filing statuses, processing problems, etc.). Also the data requires that we use "filers" as the focus of analysis regardless of the type of return. This means that all persons associated with a married filer status are counted as one filer. Accordingly, the finding that there were 803,328 distinct filers underestimates the total number of persons reflected on DC's tax rolls over the 2011 to 2012 period. We count as exiting all persons who did not file, but this could be for a number of reasons—non-filing, death, or becoming a spouse on another persons return—in addition to moving.

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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, December 30, 2014.

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 2013 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 2013 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	November	January 27
D.C. Personal Income	BEA	2014.3	March 25
D.C. Tax Collections	OTR/ORA	November	c. January 15
D.C. Housing Sales	MRIS*	November	c. January 10
D.C. Commercial Office Building data	Delta / Cushman and Wakefield	2014.3	c. January 10
DC Apartment data	Reis, inc	2014.3	c. January 20
D.C. Hotel stay information	Smith Travel Research	November	c. January 20
Consumer Price Index	BLS	November	January 16
U.S. Jobs and Labor Force	BLS	November	January 9
U.S. GDP and Personal Income	BEA	2014.3	January 30
S and P 500 Stock Index	Financial press	November	December 1
Interest rate on 10-Year Treasury Securities	Financial press	November	December 1
IHS Global Insight D.C. forecast	Global Insight	December	c. January 25
Moody's Economy.com D.C. forecast	Economy.com	December	c. January 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	December	c. January 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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