GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF REVENUE ANALYSIS

District of Columbia Economic and Revenue Trends: January 2015

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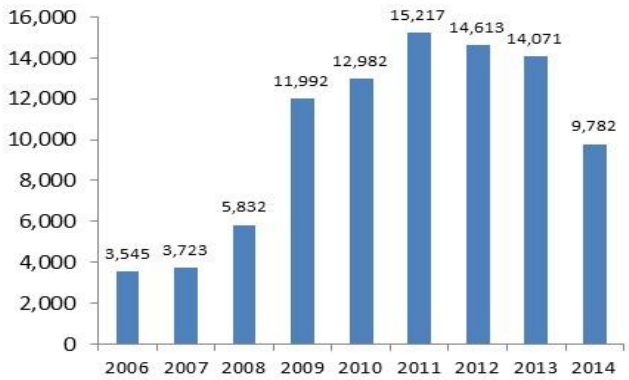
DC's population grew for the 9th straight year in 2014, but growth was the slowest in 6 years

Growth slowed in 2014 because net domestic migration was 82% less than the annual average of the prior three years.

According to US Census Bureau data released in December, DC's population as of July 1, 2014 stood at 658,893, an increase of 9,782 (1.5%) from 2013. This is the 9th straight year of population growth, during which time population increased 91,757 (16.2%). DC's population is now the largest it has been since 1978. Population growth in 2014 was, however, the slowest annual increase in 6 years.

The main reason for the 2014 slowdown was a sharp decline in net domestic in-migration. From 2013 to 2014, net domestic in-migration was just 1,173, a reduction of 5,267 (-82%) from the annual average (6,440) of the prior three years.

Annual change in DC population: 2006 to 2014

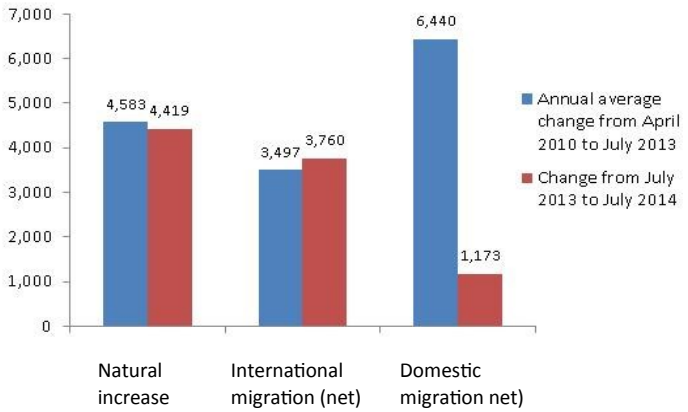


The other principal components of population change—natural increase and net international migration—increased in 2014 by approximately the same amounts as the annual average of the prior three years. In 2014 natural increase (births minus deaths) accounted for 45% of the overall increase in DC population.

Census does not say what accounted for the sharp decline in *(Continued on p. 19)*

Principal components of DC population change: April 1, 2010 to July 1, 2014. (Amount of change in 2014 compared to the annual average of the prior three years.)

Source: US Census Bureau



Wage and salary employment

DC continues to grow much faster than the metro area

●December wage and salary employment in DC was up by 13,433 (1.8%) from a year earlier as measured by the 3-month moving average.

●Federal government employment in DC for December was down by 1,400 (-0.7%). Bt contrast, the private sector gained 12,867 (2.5%).

●Total year-over-year DC metropolitan area employment increased by 18,733 (0.6%) in December as measured by the 3-month moving average.

●Suburban Washington employment in December increased by just 0.2% from a year earlier, 1/9th of DC's rate.

●Seasonally adjusted wage and salary employment in DC fell by 800 in December from November.

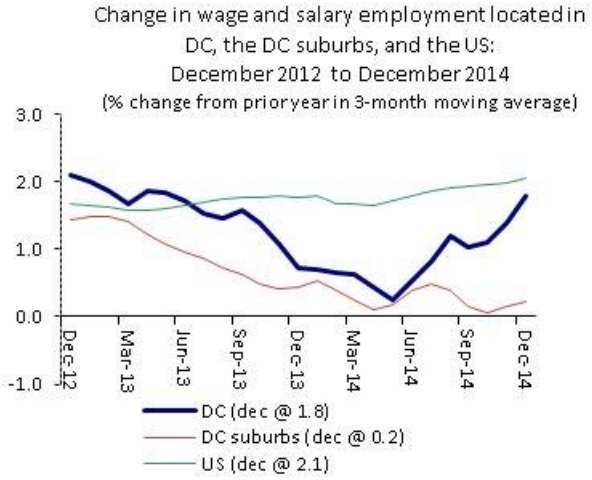


Table 1. **Wage and salary employment in DC, Washington Metro area, and the US: December 2014**

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	752,650	763,667	763,200
1 year change	14,158	7,717	12,942	5,400	7,417	13,433	14,600
% change	*2.0*	*1.1*	*1.8*	*0.7*	*1.0*	*1.8*	*2.0*
Washington metro area	3,000,142	3,036,558	3,075,142	3,087,642	3,092,325	3,121,333	3,127,400
1 year change	42,375	36,417	38,583	12,500	13,308	18,733	20,800
% change	*1.4*	*1.2*	*1.3*	*0.4*	*0.4*	*0.6*	*0.7*
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*	*1.9*	*2.1*	*2.2*

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

Source: BLS. December is preliminary.

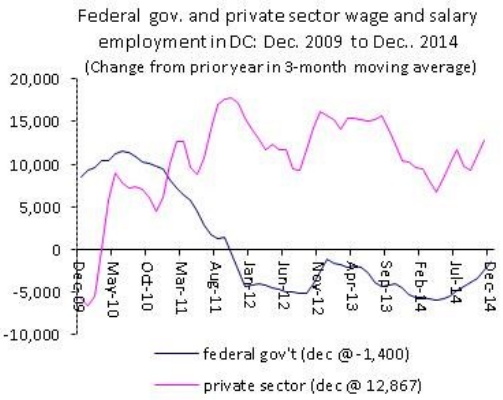


Table 2. **Federal government and private sector wage and salary employment in DC: December 2014**

Sector	FY 2012	FY 2013	FY 2014	12-mo avg	3-month average	This month
Federal government	208,575	206,042	200,950	200,600	201,400	201,800
1 year ch.	-4,683	-2,533	-5,092	-4,125	-1,400	-500
% change	*-2.2*	*-1.2*	*-2.5*	*-2.0*	*-0.7*	*-0.2*
Private sector	487,642	502,992	512,483	515,700	525,667	524,500
1 year ch.	12,808	15,350	9,492	10,117	12,867	13,000
% change	*2.7*	*3.1*	*1.9*	*2.0*	*2.5*	*2.5*

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

Table 3. **Seasonally adjusted DC Employment: June 2014 to December 2014**

	June	July	August	September	October	November	December
D.C. Wage and Salary employment	753,300	754,000	749,700	756,800	756,400	762,700	761,900
change from prior month	3,600	700	-4,300	7,100	-400	6,300	-800
% change from prior month	*0.5*	*0.1*	*-0.6*	*0.9*	*-0.1*	*0.8*	*-0.1*

Source: BLS seasonally adjusted. December is preliminary

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

●In December the increase of 3,033 jobs in Professional and technical services (except for legal) was more than that of any other sector. *(3-month moving average.)*

●Four other private sectors grew by more than 1,000 jobs: food services (2,667), retail (2,533), education (2,033), and other business services (1,867).

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

●Local government rose by 1,967 (5.7%).

●The federal government accounted for 26.4% of all DC jobs in December. Over the past year, DC's share of federal employment fell slightly in the US, and grew slightly in the metro area.

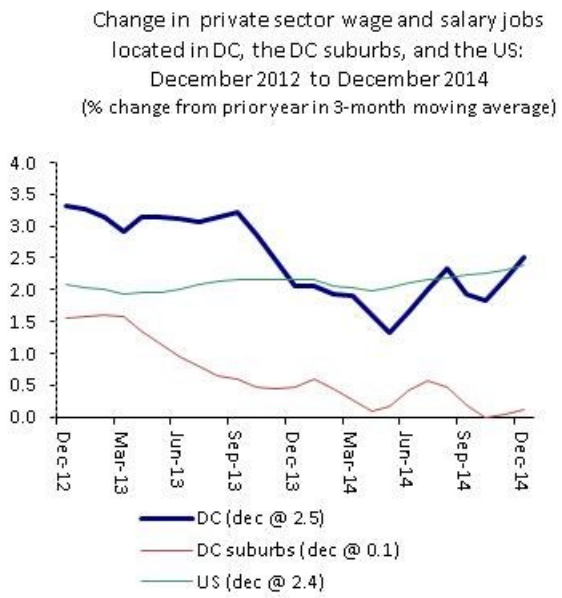


Table 4. **Wage and salary employment located in DC: December 2014**

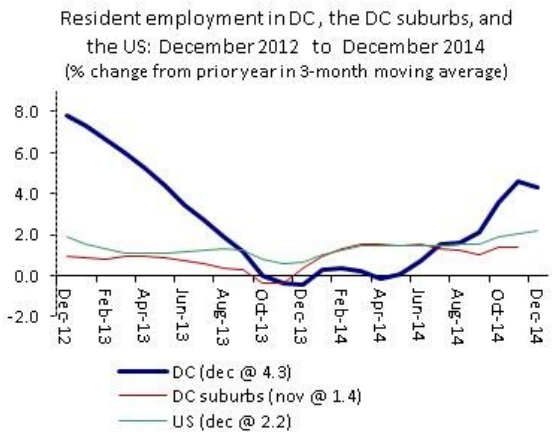
Industry sector	3-month moving average: Dec 2013	Dec 2014	1 year change: Amount	%	12-mo. moving avg: % change	Sector % of all DC jobs, Dec 2014	DC share (%) in Dec 2014 of all sector jobs in: metro area	US	Change from Dec 2013 to Dec 2014 in DC share of sector jobs in: metro area	US
Federal government	202,800	201,400	-1,400	-0.7	-2.0	26.4	55.0	7.40	0.1	-0.02
Local government	34,633	36,600	1,967	5.7	4.1	4.8	11.1	0.19	0.4	0.01
Legal services	30,033	29,700	-333	-1.1	-0.5	3.9		2.61		-0.02
Other Professional and technical	77,500	80,533	3,033	3.9	1.7	10.5	23.4	1.10	0.7	0.00
Employment services	14,767	15,533	767	5.2	1.5	2.0	35.3	0.41	0.5	-0.01
Other Business services	33,733	35,600	1,867	5.5	3.9	4.7	18.7	0.56	0.6	0.09
Information	17,033	17,067	33	0.2	-0.4	2.2	23.6	0.63	1.0	0.00
Finance	28,900	29,000	100	0.3	0.6	3.8	18.6	0.36	-0.4	0.00
Organizations	61,167	60,633	-533	-0.9	-1.5	7.9	36.2	2.07	-0.2	-0.03
Education	62,633	64,667	2,033	3.2	5.4	8.5	56.4	1.81	2.4	0.03
Health	66,367	66,833	467	0.7	1.4	8.8	23.2	0.36	0.1	-0.01
Food service	45,700	48,367	2,667	5.8	4.3	6.3	22.0	0.45	0.6	0.01
Accomodations	15,667	14,800	-867	-5.5	-2.0	1.9	35.0	0.81	-1.8	-0.05
Amusement and recreation	6,933	7,000	67	1.0	0.1	0.9	18.9	0.35	0.0	-0.01
Retail trade	21,000	23,533	2,533	12.1	10.1	3.1	8.4	0.15	0.8	0.01
Wholesale trade	4,933	4,833	-100	-2.0	-0.7	0.6	7.5	0.08	-0.3	0.00
Construction	13,567	14,300	733	5.4	0.8	1.9	9.5	0.23	0.2	0.00
Personal and miscellaneous ser.	7,967	8,467	500	6.3	7.6	1.1		0.33		0.02
Other private	4,900	4,800	-100	-2.0	-3.9	0.6	4.6	0.03	0.0	0.00
Total	**750,233**	**763,667**	**13,433**	**1.8**	**1.0**	**100.0**	**24.5**	**0.54**	**0.3**	**0.00**
Public sector	*237,433*	*238,000*	*567*	*0.2*	*-1.1*	*31.2*	34.2	1.07	-0.1	0.00
Private sector	*512,800*	*525,667*	*12,867*	*2.5*	*2.0*	*68.8*	21.7	0.44	0.4	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 December DC resident employment was up 14,566 (4.3%) from a year earlier *(3-mo. moving average)*. The labor force grew by 13,783(3.8%).
- Seasonally adjusted DC resident employment rose by 500 in December from November.
- In December the unemployment rate (seasonally adjusted) fell to 7.3%.
- December initial unemployment insurance claims were down 26.7% from last year *(3-month moving average)*.



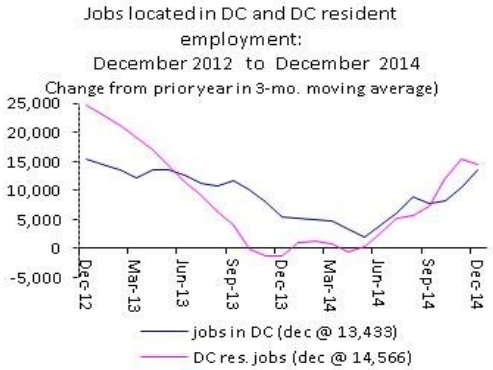


Table 5. **Unemployment rates for DC, metro area, and US: December 2014**

(percent of labor force)

Jurisdiction	Not seasonally adj. Dec. 2013	Not seasonally adj. Dec. 2014	Seasonally adj. Dec. 2013	Seasonally adj. Dec. 2014
US	6.5	5.4	6.7	5.6
DC	6.9	7.2	7.6	7.3
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 *November

Table 6. **Resident employment and unemployment: December 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	345,935	352,749	348,640
1 year change	4,453	12,055	14,734	2,238	6,227	14,566	8,154
% change	*1.4*	*3.8*	*4.5*	*0.7*	*1.8*	*4.3*	*2.4*
Labor Force	348,877	358,972	371,745	370,681	374,127	379,913	375,680
1 year change	5,007	10,095	12,773	-1,064	3,645	13,783	10,140
% change	*1.5*	*2.9*	*3.6*	*-0.3*	*1.0*	*3.8*	*2.8*
Unemployed	35,611	33,651	31,690	28,388	28,192	27,164	27,040
1 year change	554	-1,960	-1,961	-3,302	-2,582	-783	1,986
% change	*1.6*	*-5.5*	*-5.8*	*-10.4*	*-8.4*	*-2.8*	*7.9*
Unemployment rate	10.2	9.4	8.5	7.7	7.5	7.1	7.2
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	2,101	1,784	1,915	1,851	1,695	1,701	1,756
1 year change	302	-317	131	-64	-342	-621	-115
% change	*16.8*	*-15.1*	*7.3*	*-3.3*	*-16.8*	*-26.7*	*-6.1*
Weeks compensated (mo. avg.)	46,423	45,170	42,862	42,133	38,953	35,108	40,351
1 year change	-7,169	-1,253	-2,308	-729	-4,926	-12,721	-11,250
% change	*-13.4*	*-2.7*	*-5.1*	*-1.7*	*-11.2*	*-26.6*	*-21.8*

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

Table 7. **Seasonally adjusted DC Resident employment and unemployment: June 2014 to December 2014**

Indicator	June	July	August	September	October	November	December
DC Resident employment	343,556	343,723	342,195	345,018	350,109	353,573	354,073
change from prior month	*1,133*	*167*	*-1,528*	*2,823*	*5,091*	*3,464*	*500*
% change from prior month	*0.3*	*0.0*	*-0.4*	*0.8*	*1.5*	*1.0*	*0.1*
DC Unemployment rate (%)	7.4	7.4	7.7	7.7	7.6	7.4	7.3

Source: BLS seasonally adjusted. December 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.

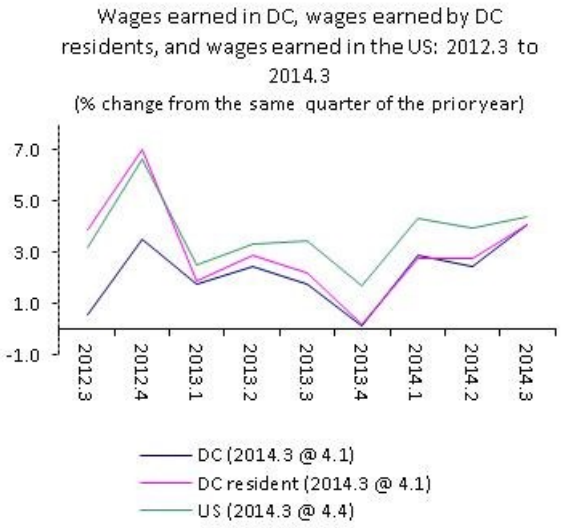


Table 8. **DC Wages and Personal Income: September 2014**

($ 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*
Addendum: Change from prior year in wages earned in DC by sector							
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 December was up 1.1% from a year earlier, while the average selling price was 7.0% higher. Sales over $1 million accounted for 14.4% of sales.

●December condominium sales were up 10.8% from last year as measured by the 3-month moving total; the average selling price was 11.0% higher.

●The total value of all home sales in December was 13.6% above last year as measured by the 3-month moving total.

●December year-to-date median prices were up 3.4% for single family units, and 1.6% for condominiums.

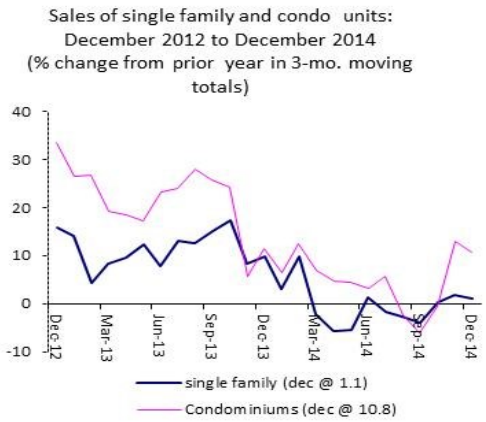


Table 9. **D.C. Residential Real Estate Indicators: December 2014**

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)								
Single family	4,084	3,800	3,563	3,979	4,024	4,035	1,029	375
1 year change	825	-284	-237	416	45	-35	11	12
% change	*25.3*	*-7.0*	*-6.2*	*11.7*	*1.1*	*-0.9*	*1.1*	*3.3*
Condo	2,884	2,469	2,784	3,487	3,592	3,682	926	285
1 year change	294	-415	315	703	105	109	90	-27
% change	*11.4*	*-14.4*	*12.8*	*25.3*	*3.0*	*3.1*	*10.8*	*-8.7*
Total	6,968	6,269	6,347	7,466	7,616	7,717	1,955	660
1 year change	1,119	-699	78	1,119	150	74	101	-15
% change	*19.1*	*-10.0*	*1.2*	*17.6*	*2.0*	*1.0*	*5.4*	*-2.2*
Average prices of units that sold								
Single family ($)	538,395	601,026	630,109	712,799	736,362	748,023	712,644	692,410
1 year change	-58,874	62,631	29,083	82,690	23,563	39,613	46,477	30,791
% change	*-9.9*	*11.6*	*4.8*	*13.1*	*3.3*	*5.6*	*7.0*	*4.7*
Condo ($)	414,030	423,365	429,611	447,827	472,419	485,519	524,892	579,572
1 year change	54,078	9,336	6,245	18,216	24,592	31,454	52,048	87,555
% change	*15.0*	*2.3*	*1.5*	*4.2*	*5.5*	*6.9*	*11.0*	*17.8*
Total value of all sales ($ million)	3,392.9	3,329.2	3,441.1	4,397.8	4,660.0	4,806.0	1,219.4	424.8
1 year change	514.1	-63.7	111.9	956.7	262.2	300.4	145.9	31.2
% change	*17.9*	*-1.9*	*3.4*	*27.8*	*6.0*	*6.7*	*13.6*	*7.9*
Ratio: active inventory to sales								
Single family	3.4	3.3	2.3	1.6	1.6	1.6	1.7	1.7
Condo	4.6	4.9	2.9	1.7	1.9	1.9	2.1	2.2

Median contract prices, CY to date in December 2014 *: single family $620,250 (3.4% 1 yr ch); condo $415,000 (1.6% 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: December 2014**

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving total	3-mo moving total	This month
Single family homes	418	489	458	689	734	733	148	51
1 year change	85	71	-31	231	45	43	-1	2
% change	*25.5*	*17.0*	*-6.3*	*50.4*	*6.5*	*6.2*	*-0.7*	*4.1*
percent of all single family sales	10.2	12.9	12.9	17.3	18.2	18.2	14.4	13.6
Condominiums	89	87	72	112	128	143	43	19
1 year change	27	-2	-15	40	16	32	15	5
% change	*43.5*	*-2.2*	*-17.2*	*55.6*	*14.3*	*28.8*	*53.6*	*35.7*
percent of all condominium sales	3.1	3.5	2.6	3.2	3.6	3.9	4.6	6.7

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 Dec. totalled 476—7.4% less than a year earlier.

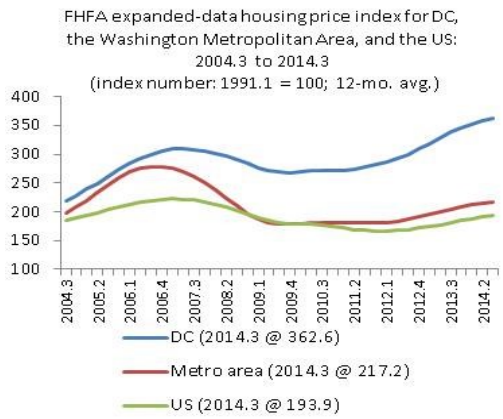


Table 11. **Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: September 2014 (2014.3)**

	Fiscal year average					Quarter				
Indicator	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*

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 Dec.. 2014**

FY	#	*FY*	#	***12-month moving total***	
2005	134	*2010*	104	Dec. 2013	333
2006	77	*2011*	267	Dec. 2014	288
2007	605	*2012*	236	ch	-45
2008	223	*2013*	368	*% ch*	*-13.5*
2009	135	*2014*	267	*Source: Census Bureau*	

Table 13. **New condominium unit sales: 2005 to 2014**

FY	#	*FY*	#	***12-month moving total***	
2005	2,649	*2010*	542	Dec. 2013	514
2006	1,623	*2011*	371	Dec. 2014	476
2007	996	*2012*	468	ch	-38
2008	347	*2013*	514	*% ch*	*-7.4*
2009	524	*2014*	476	*Source: Delta Associates*	

Table 14. **Condominium units under construction or planned: December 2014**

	Remaining units		Planned with probable sales within 36 mo		Proposed/rumored w long term delivery		Total pipeline*	
Area of DC	projects	units	projects	units	projects	units	projects	units
Central	7	175	9	733	1	20	17	928
Mideast	22	670	6	349	3	177	31	1,196
Upper NW	2	40	0	0	3	152	5	192
Capitol East	14	422	8	655	5	562	27	1,639
Total	45	1307	23	1,737	12	911	80	3,955

Source: Delta Associates **Does not include 11,537 units planned either as condo or rental*

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

Date of report	2014.3	2014.4
Unsold units	1,072	1,307
New units	1,975	1,737
total	3,047	3,044

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 last quarter of December, occupied apartment units increased 2,462 (2.8%) from a year earlier; effective rents rose 1.0%, and the vacancy rate rose to 6.4%.

●For the five years 2009 through 2014, the number of occupied market rate apartment units inceased by a total of 8,476, about 34% of the estimated 24,638 increase in households in DC.

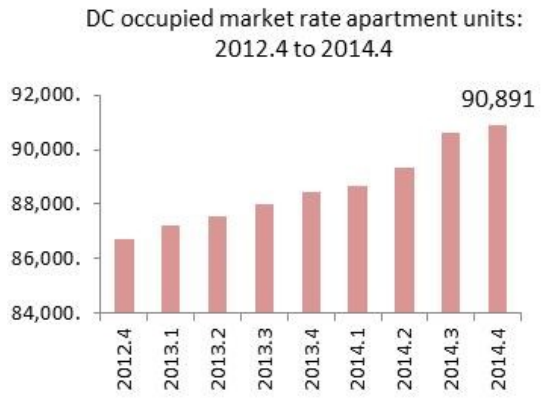


Table 15. **Reis summary of DC market rate apartment units: 2005 to 2019 (est)**

	Inventory			Occupied units			Effective rent	
CY	Number	1 yr ch	*% vacant*	Number	1 yr ch	% ch	$ per month	1 yr % ch
2005	83,723	-1,113	*3.8*	80,530	79	0.1	$1,142	2.8
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	93,254	2,566	*5.2*	88,429	1,692	*2.0*	$1,521	2.1
2014	97,059	3,805	*6.4*	90,891	2,462	*2.8*	$1,536	1.0
2015 est	100,904	3,845	*7.6*	93,256	2,365	*2.3*	$1,565	1.9
2016 est	104,679	3,775	*8.2*	96,121	2,865	*1.4*	$1,597	2.0
2017 est	108,752	4,073	*8.6*	99,418	3,297	*1.4*	$1,631	2.1
2018 est	110,577	1,825	*8.6*	101,025	1,607	*1.1*	$1,665	2.1
2019 est	112,057	1,480	*8.8*	102,144	1,119	*2.1*	$1,706	2.5

Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions. December 201. CY amounts are last quarter of the year.

Table 16**. DC Population and Households: 2004 to 2014**

	Population			Households (estimated)			
Calendar year	Number	Change from prior yr. number	%	Number	Change from prior yr. number	%	pop/hh ratio
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 December 4,187 housing permits were issued, up 28.6% from a year ago; the 3-month total was, however, 29.1% 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 2012, 2013, and 2014 there was an increase of 6,259 in the number of occupied market rate apartments. Over the next 3 years, occupied units are expected to increase by 8,527 according to Reis, and 6,875 according to Delta.

Table 19. **Delta Associates apartment summary and forecast: December 2014** *(Class A and B, investment grade)*

Date of report	2014.3	2014.4
Class A		
Net absorption, last 12 months	2,731	3,091
Rent increase, last 12 months	2.6	-0.4
Supply of units, next 3 years		
vacant units	529	705
new supply	11,073	10,968
total pipeline	11,602	11,673
New demand for units, next 3 years	6,875	6,875
Stabilized vacancy rate this quarter	3.5	4.5
Stabilized vacancy rate in 3 years	4.6	4.7
Class B		
net absorption, last 12 mo.	-122	152
Rent increase, last 12 mo.	3.0	5.4

Source: Delta Associates. Investment grade, Classes A and B

Table 17. **Housing unit building permits issued in DC: December 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	4,187	683	*129*
change from 1 yr ago	1,632	-236	612	931	-280	*95*
% change from 1 year	*66.4*	*-5.8*	*15.9*	*28.6*	*-29.1*	*279.4*
Multi-family projects with 5 or more units	21	36	32	31	7	1

Source: Census Bureau (permits issued during period).

Table 18. **Reis apartment summary and forecast: December 2014**

Date of report	2014.3	2014.4
Net absorption, last 12 months	2,651	2,462
Vacancy rate (%)	6.2	6.4
Rent increase, last 12 months (% ch)	1.3	1.0
New supply of units, next 3 years	13,522	11,693
New demand for units, next 3 years	9,999	8,527

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

Table 23. Apartment units under construction, planned, or contemplated by area of DC: December 2014

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	6	976	1	140	1	30
Columbia Heights/Shaw	11	1,018	5	735	3	775
Central	10	1,289	6	690	4	1,084
NoMa/H Street	8	1,566	7	1,848	13	3,071
Capitol Hill/Riverfront	14	3,009	9	2,189	15	3,837
Upper GA	2	296	0	0	1	210
Northeast	4	1,144	3	547	4	1,115
River east	0	0	3	531	5	747
total	55	9,298	31	6,680	46	10,869

Addendum : Pipeline of units currently vacant or likely to deliver by Dec. 2017: **11,673.**

Approximately 35% of the planned units are expected to materialize by Dec. 2017.

Demand for new apartments by Dec. 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 December the vacancy rate in Delta Associates' broader office market measure was 6.9%; the Cushman and Wakefield measure for September was 12.9% *(both without sublet).*

●According to Delta, DC's vacancy rates in December was 61% lower than the metropolitan area average. Rents were 47% higher than the region.

●According to Delta, in December occupied space rose 0.5% from the prior year; effective rent rose 1.8%.

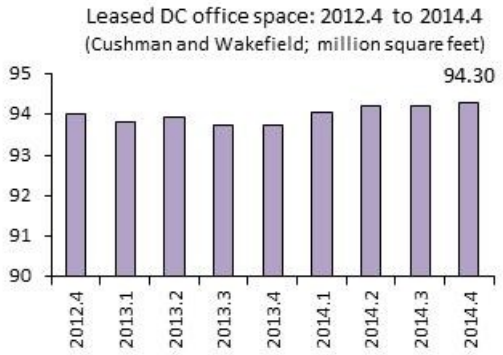


Table 21. **Delta Associates summary of DC commercial office space: 2005 to December 2014 (2014.4)**

	Inventory		Occupied (leased) space				Effective rent			
Time period	Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct vacancy rate %	$ per sq ft.	1 yr % ch	Direct vacancy (msf)	Under construction (msf)
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	
2014	140.67	0.46	130.97	0.59	0.5	6.9	42.81	1.8	9.69	
Last Quarter: 2014.4										
DC	140.67		130.97			6.9	42.81		9.69	1.44
Metro area	405.75		360.51			11.1	29.11		45.24	4.12
DC share/ difference %	*34.7*		*36.3*			*-60.9*	*+47.1*		*21.4*	*35.0*

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 2014.4**

	Inventory (msf)	Leased (msf)	Direct vacancy rate	Occupied (msf)	Overall vacancy rate	Asking face rent ($/sf)	Under construction (msf)
Calendar year (end of year)							
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	14.4	50.96	1.78
2014	107.46	94.30	12.2	93.5	13.0	51.66	2.09
Last quarter: 2014.4							
DC	107.46	94.30	12.2	93.5	13.0	51.66	2.09
Metro area total	296.40	245.92	17.0	242.63	18.1	36.72	5.38
DC share/DC difference	*36.3*	*38.3*	*-28.2*	*38.5*	*-28.2*	*+40.7*	38.8
DC year-over-year change							
Amount	-0.49	0.58	-1	1.09	-1.4	0.7	0.31
%	*-0.5*	*0.6*		*1.2*		*1.4*	17.1
DC change from prior quarter							
Amount	-0.63	0.10	-0.7	0.23	-0.7	0.93	0.498
% ch	*-0.6*	*0.1*		*0.3*		*1.8*	31.3

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.

Property transfers up sharply in December

●The value of December property transfers was up by 74.5% from last year as measured by the 3-month moving total. The 12-month moving total ($13.53 billion) was 29.6% higher than last year, and was the highest since August 2008.

●In December Delta Associates increased slightly its 2-year estimate of increased demand for office space to 2.5 million square feet. The vacancy rate is also expected fall to 6.3 % as only 1.7 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: December 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	13,526.2	4,582.1	1,236.3
change from one year ago ($M)	-5,936.1	2,197.9	2,270.4	-526.2	1,530.6	505.8	3,089.9	1,956.5	107.8
% change from 1 year ago	*-51.5*	*39.3*	*29.1*	*-5.2*	*16.1*	*4.6*	*29.6*	*74.5*	*9.6*

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/ORA (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: Dec. 2014 to Dec. 2016**

Indicator	DC	No VA	Sub MD	Total	*DC % of total*
Inventory December 2014					
Inventory (msf)	140.7	179.2	85.7	405.7	*34.6*
vacancy rate (%)	*6.9*	*13.6*	*13.1*	*11.1*	
Estimated net activity to December 2016					
new supply (msf)	1.7	2.6	0.5	4.8	*35.4*
new demand (msf)	2.5	3.3	1.3	7.1	*35.3*
Estimated vacancy rate on December 2016					
vacancy rate (%)	*6.3*	*13.0*	*12.1*	*10.5*	

Source: Delta Associates msf = million square feet

Table 25 **Delta two year forecasts for office outlook: December 2014**

Date of forecast	20014.3	2014.4
2 year pipeline *(msf)*	1.5	1.7
2 year demand *(msf)*	2.4	2.5

Source: Delta Associates. Pipeline is office buildings under construction plus those planned that may deliver in 2 years.

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

		Area of DC						
Indicator	Total	CBD	East End	Capitol Hill/Noma/ Capitol Waterfront	Southwest	West End	George-town	Uptown
Total existing rentable building area	140.50	46.33	44.51	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 December 2016 is ***1.7 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 well above a year ago

●In December the 3-month moving total for hotel room-days sold was 7.4% above a year earlier. The average room rate was up 0.8%, and revenue rose 8.3%.

●Employment in food services was 5.8% more in December than a year earlier as measured by the 3-month moving average. Hotel employment was down 5.5%, and retail was 12.1% higer.

●November airline traffic into the DC area was up 3.0% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 7.1%.

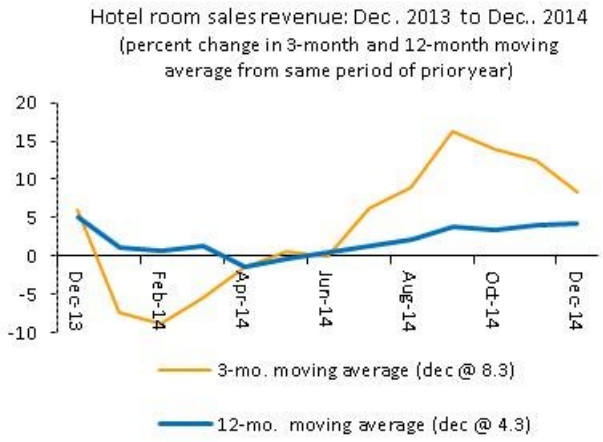


Table 27. **Hospitality Industry: December 2014**

Indicator	Units	date	FY 2012	FY 2013	FY 2014	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	dec	7.617	7.680	7.870	8.001	1.900	0.523
	1 yr ch		0.152	0.062	0.191	0.286	0.130	0.035
	1 yr % ch		*2.0*	*0.8*	*2.5*	*3.7*	*7.4*	*7.1*
Average room rate	$	dec	203.57	207.31	209.93	210.35	212.29	169.23
	1 yr ch		-3.03	3.74	2.62	1.23	1.75	1.93
	1 yr % ch		*-1.5*	*1.8*	*1.3*	*0.6*	*0.8*	*1.2*
Occupancy rate	%	dec	75.4	75.8	76.6	76.9	71.0	58.3
(average)	1 yr ch		1.2	0.5	0.8	0.8	1.4	0.6
	1 yr % ch		*1.6*	*0.6*	*1.1*	*1.0*	*2.0*	*1.0*
Room revenue	($M)	dec	1,550.7	1,592.1	1,652.1	1,682.9	403.4	88.6
	1 yr ch		8.4	41.4	60.1	69.6	30.8	6.8
	1 yr % ch		*0.5*	*2.7*	*3.8*	*4.3*	*8.3*	*8.4*
Airline passengers								
DCA	1 yr % ch	nov	2.8	5.5	0.0	1.7	7.1	6.0
IAD	1 yr % ch	nov	-2.9	-4.0	-1.9	-1.8	0.7	-1.6
BWI	1 yr % ch	nov	1.0	-1.5	-0.5	-0.3	1.6	1.2
Total	1 yr % ch	nov	0.1	-0.3	-0.8	-0.2	3.0	1.8
Employment								
Accommodations	level ('000)	dec	15.4	15.2	15.2	15.0	14.8	14.9
	1 yr ch		0.1	-0.2	0.0	-0.3	-0.9	-0.7
	1 yr % ch		*0.7*	*-1.1*	*0.1*	*-2.0*	*-5.5*	*-4.5*
Food and bev	level ('000)	dec	42.7	44.9	46.7	47.4	48.4	47.8
	1 yr ch		3.4	2.2	1.8	2.0	2.7	2.9
	1 yr % ch		*8.5*	*5.2*	*4.1*	*4.3*	*5.8*	*6.5*
Arts and entertain.	level ('000)	dec	6.9	6.9	7.0	7.0	7.0	7.0
	1 yr ch		0.1	0.0	0.0	0.0	0.1	0.2
	1 yr % ch		*1.3*	*0.6*	*0.2*	*0.1*	*1.0*	*2.9*
Retail	level ('000)	dec	18.8	19.7	21.3	22.0	23.5	24.4
	1 yr ch		0.3	0.8	1.7	2.0	2.5	2.4
	1 yr % ch		*1.4*	*4.5*	*8.5*	*10.1*	*12.1*	*10.9*

** 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 5.0%; nominal growth was 6.4%.

●US employment (seas. adj.) increased by 252,000 in December from the month before.

●The US unemployment rate (seas. adj.) fell to 5.6% in December.

●In December the S & P 500 index rose 0.5% from November, and was 13.6% above last year.

●Compared to a year earlier, the rate of inflation fell to 0.7% in December (seas. adj.).

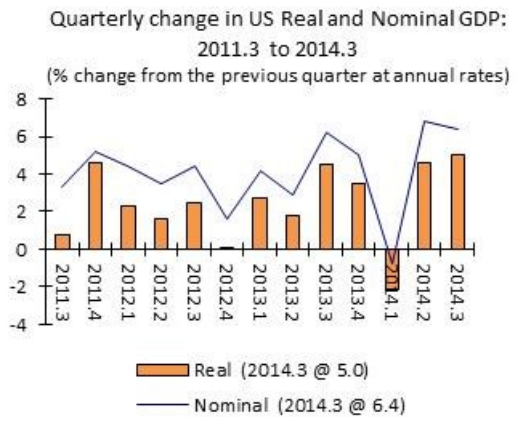


Table 28. **US GDP, income, corporate profits, and inflation: 2014.3 and December 2014**

(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	Dec.
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	December	1 yr % ch	23.7	13.8	5.4	16.7		17.5	18.0	13.6
US CPI	December	1 yr % ch	1.7	2.7	2.4	1.6		1.6	1.8	0.8
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)

	calendar year quarter						
Indicator	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: June 2014 to December 2014**

Indicator	June	July	August	September	October	November	December
S and P stock index (level)	1947	1973	1962	1963	1937	2045	2054
% change from prior month	3.0	1.3	-0.6	0.1	-2.8	5.5	0.5
% change from 1 year ago	20.3	18.3	17.5	16.3	12.6	14.6	13.6
10 yr. Treasury Interest rate (level)	2.59	2.53	2.41	2.53	2.29	2.32	2.21
CPI % ch from prior month *(seasonally adjusted)*	0.26	0.09	-0.20	0.09	0.00	-0.26	-0.37
CPI % ch from prior year *(seasonally adjusted)*	2.08	2.00	1.71	1.66	1.65	1.28	0.66
Jobs (seasonally adjusted level, in millions)	138.764	139.01	139.21	139.48	139.74	140.10	140.35
change from prior month (thousands)	267	243	203	271	261	353	252
% change from prior month	*0.19*	*0.18*	*0.15*	*0.19*	*0.19*	*0.25*	*0.18*
Resident employment (season. adj. level, in mil.)	*146.22*	*146.35*	*146.45*	*146.61*	*147.26*	*147.33*	*147.44*
change from prior month (thousands)	*407*	*131*	*50*	*156*	*653*	*71*	*111*
% change from prior month	*0.28*	*0.09*	*0.03*	*0.11*	*0.45*	*0.05*	*0.08*
Unemployment rate (seasonally adj.)	*6.1*	*6.2*	*6.1*	*5.9*	*5.7*	*5.8*	*5.6*

Source: BLS and Yahoo! Finance.

DC tax collections

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

December 2014 @ $6,344M

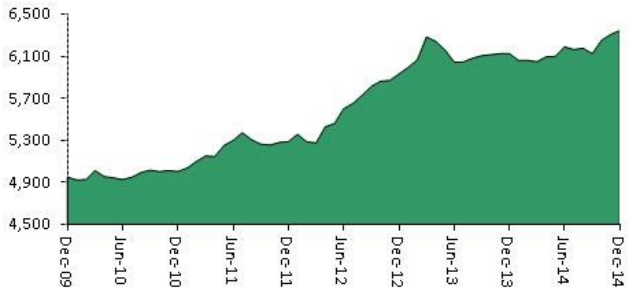


Table 31. **Tax Collections (before earmarking): December 2014 *(Preliminary)***

($ million)	Revenue (from CAFR)				Tax collections			
Tax	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	6,344.4	1,156.6	1,156.6	382.3
1 year change	320.1	528.0	292.5	18.5	218.8	220.9	220.9	38.0
% change	*6.4*	*9.9*	*5.0*	*0.3*	*3.6*	*23.6*	*23.6*	*11.0*
Real property	1,715.1	1,822.0	1,916.5	1,876.6	1,979.4	117.3	117.3	-3.4
1 year change	-106.4	106.9	95.7	-39.9	78.1	102.8	102.8	-2.2
% change	*-5.8*	*6.2*	*5.3*	*1.4*	*4.1*	*711.7*	*711.7*	*na*
General sales	1,014.9	1,111.0	1,131.3	1,156.2	1,179.9	319.9	319.9	92.5
1 year change	51.7	67.6	9.8	24.9	33.3	23.7	23.7	6.0
% change	*3.9*	*9.5*	*0.9*	*2.2*	*2.9*	*8.0*	*8.0*	*6.9*
Individual income	1,296.6	1,490.7	1,661.9	1,685.9	1,711.6	393.1	393.1	139.9
1 year change	186.2	194.1	189.4	24.0	35.6	25.7	25.7	10.7
% change	*16.8*	*15.0*	*12.9*	*1.4*	*2.1*	*7.0*	*7.0*	*8.2*
withholding	1,192.2	1,321.6	1,403.0	1,478.9	1,499.8	363.3	363.3	110.8
1 year change	118.3	129.5	97.5	75.8	82.8	20.9	20.9	-0.4
% change	*11.0*	*10.9*	*7.5*	*5.4*	*5.8*	*6.1*	*6.1*	*-0.3*
non-withholding	104.4	169.1	258.9	207.1	211.9	29.8	29.8	29.2
1 year change	67.8	64.6	91.9	-51.8	-47.2	4.8	4.8	11.0
% change	*185.2*	*61.9*	*55.0*	*-20.0*	*-18.2*	*19.2*	*19.2*	*61.0*
Corporate income	216.3	302.9	302.0	287.9	288.6	61.7	61.7	51.8
1 year change	9.0	86.6	-3.1	-14.1	-9.1	0.7	0.7	4.7
% change	*4.3*	*40.1*	*-1.0*	*-4.7*	*-3.1*	*1.1*	*1.1*	*9.9*
Unincorporated Bus.	143.4	163.0	160.4	138.9	150.8	37.5	37.5	32.6
1 year change	27.0	19.6	1.9	-21.5	-3.0	11.9	11.9	12.2
% change	*23.2*	*13.6*	*1.2*	*-13.4*	*-2.0*	*46.3*	*46.3*	*59.8*
Deed taxes*	311.2	306.6	366.4	391.2	451.0	149.3	149.3	42.0
1 year change	85.6	-4.5	69.1	24.9	58.9	59.8	59.8	8.4
% change	*37.9*	*-1.5*	*23.3*	*6.8*	*15.0*	*66.8*	*66.8*	*24.8*
Other taxes	627.8	657.0	566.5	586.7	583.0	77.8	77.8	26.9
1 year change	80.6	29.2	-70.2	20.2	25.0	-3.7	-3.7	-1.7
% change	*14.7*	*4.6*	*-11.0*	*3.6*	*4.5*	*-4.6*	*-4.6*	*-6.0*

**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 *na=not applicable due to negative number*

Tax collections continue to be quite strong

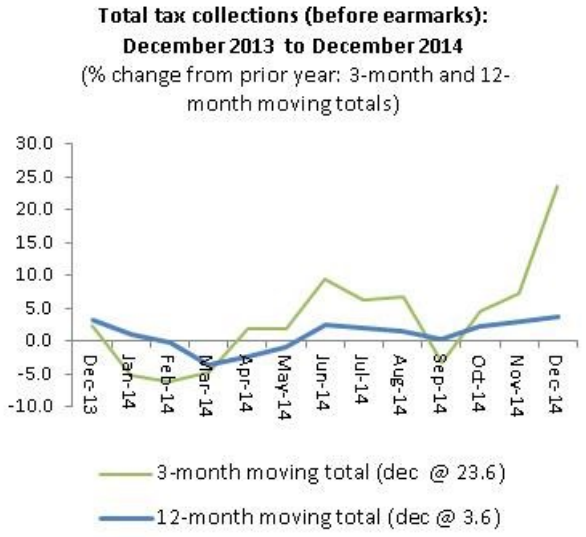
●For the 12 month period ending December, total tax collections (before earmarking) were $218.8 million (3.6%) more than in the prior year. For the last 3 months they were 23.6% above last year.

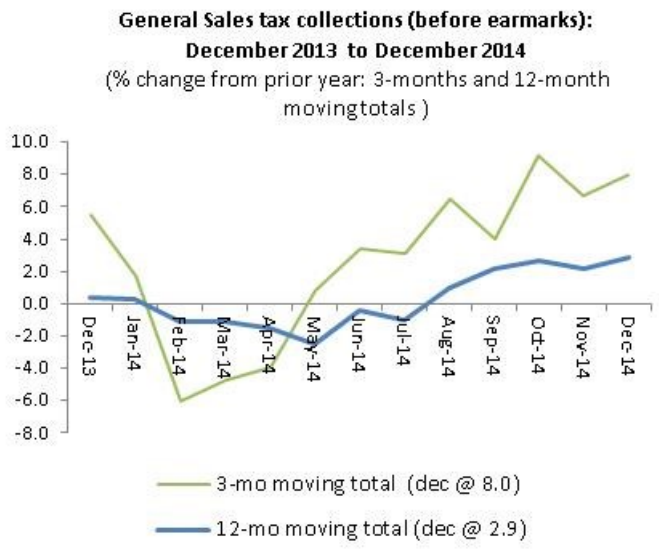
●Individual income tax collections were 2.1% above last year for the 12-months ending December; withholding was 5.8% higher, while the non-withholding portion was 18.2% lower. For the past 3 months, withholding was up 6.1%.

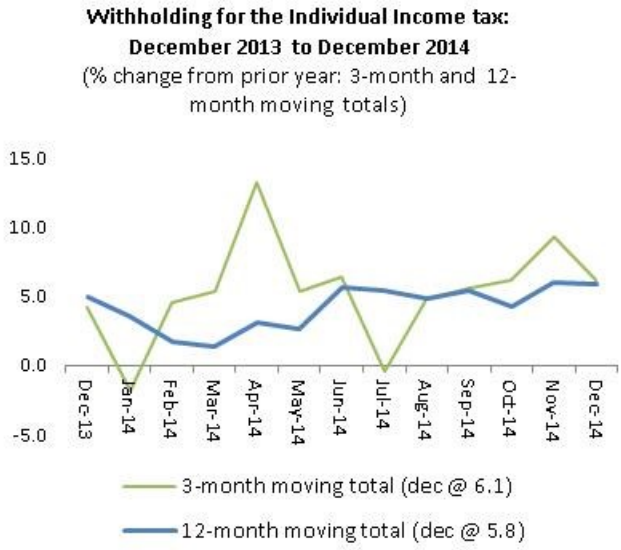
●General sales tax collections were 2.9% above last year for the 12-months ending December. For the past 3 months, they were 8.0% above last year.

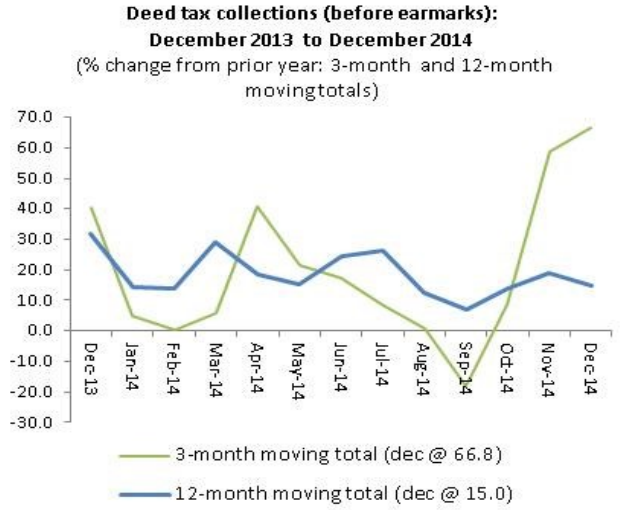
●Deed tax collections in December (12-mo. avg.) were up 15.0% from last year; for the past 3 months they were up 66.8%.

●Corporate income taxes in December were down 3.1% and unincorporated business income taxes were also down 2.0% from last year (12-mo. avg.).









US economic forecasts

January Blue Chip forecast for the US economy: economic growth picks up in FY 2015, slows a bit in FY 2016

●The Blue Chip Indicator January forecast for real GDP growth rises from 2.4% in FY 2014 to 3.1% in FY 2015, then falls back to 2.9% in FY 2016.

●The Blue Chip Indicator January forecast lowered its inflation estimate (CPI) to 0.7% for FY 2015; FY 2016 is 2.0%.

●S & P 500: little change in forecasts. The last quarter of 2015 is expected to show slower growth than that which occurred in 2013 aned 2014.

Table 32. **Blue Chip Forecast for US nominal and real GDP: FY 2013 through FY 2016**
(% change from prior fiscal year)

Fiscal year and date of forecast	Real	Nominal
FY 2013 Actual	1.8	3.5
FY 2014 Actual	2.4	4.0
FY 2015		
October	2.9	4.8
November	2.9	4.6
December	3.3	5.0
January	3.1	4.6
FY 2016		
January	2.9	4.8

Sources:BEA, Blue Chip Indicators

Addendum:
January US GDP forecasts by Global Insight and Economy.com:
Global Insight 2015: 3.1 real, 5.3 nom. 2016: 2.6 real, 6.1 nom.
Economy.com 2015: 3.4 real, 4.9 nom. 2016 3.7 real, 5.3 nom.

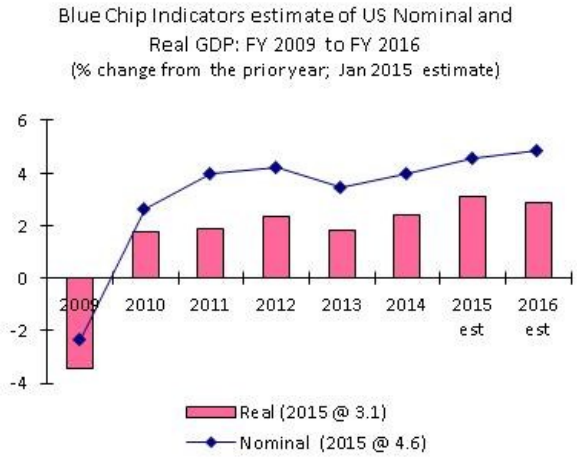


Table 33. **CBO estimates of GDP and other indicators: FY 2013 to FY 2016**

Indicator	FY 2013	FY 2014	FY 2015	FY 2016
Real GDP *(% ch from prior yr.)*	1.8	2.5	2.7	3.0
Nominal GDP *(% ch from prior yr.)*	3.5	4.0	4.4	4.5
CPI *(% ch from prior yr.)*	1.6	1.6	1.1	2.0
10 yr. Treasury bond rate	2.1	2.7	2.6	3.2
Unemployment rate	7.6	6.5	5.8	5.4

Source: Congressional Budget Office, The Budget and Economic Outlook: 2015 to 2025, January 2015

Table 34. **Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2014 to FY 2016**
(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2014	2015	2016	2014	2015	2016
Oct	1.6	1.9		2.7	3.0	
Nov	1.6	1.6		2.7	2.8	
Dec	1.6	1.3		2.7	2.7	
Jan	1.6	0.7	2.0	2.7	2.5	3.3

Source: Blue Chip Indicators

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**		
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
January	24.8	13.7	9.0	24.8	13.7	2.4

Source: IHS Global Insight

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**		
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
January	24.8	13.6	4.5	24.8	13.6	0.9

Source: Moody's Economy.com.

January baseline DC forecasts: jobs and income in DC economy stronger in FY 2015 and FY 2016, with Personal Income growth about the same as the US average.

•*Employment:* From 2014 to 2015 employment growth about doubles, both for jobs in DC and for DC residents. Unemployment rate finally falls below 7% in FY 2016.

•*Income.* Global Insight and Economy.com both raised their baseline forecasts for FY 2015; growth is expected to be well above FY 2014 in both FY 2015 and FY 2016.

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
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
Jan	12.9	5.0	11.0	7.6	12.9	5.0	8.9	2.4	12.9	5.0	14.3	12.9	12.9	5.0	10.1	4.1

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
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
Jan	14.5	2.1	5.9	5.9	14.5	2.1	5.5	3.6	14.4	2.1	13.2	5.5	14.5	2.1	11.5	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
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
Jan	2.6	2.7	4.6	4.1	2.6	2.7	3.4	1.1	2.6	2.7	4.5	6.5	2.6	2.7	3.4	5.3

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

Table 40. **January 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	1.5	1.0	1.8	0.7	1.9	1.7
Metro area					1.3	0.4	0.7	1.9
US	1.7	1.8	2.1	1.8	1.7	1.8	2.3	2.5
Personal Income								
DC	2.6	2.7	4.6	4.1	2.6	2.7	4.5	6.5
Metro area					2.3	1.8	3.9	6.1
US	3.8	2.8	4.3	4.8	3.8	2.8	4.6	6.6

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

Table 41.**January 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	2.4	4.0	4.4	2.4	2.4	4.5	6.7
DC resident wages and salaries	3.4	2.5	4.8	4.2	3.4	2.5	4.8	7.4
DC Unemployment rate (level)	8.5	7.6	7.2	6.8	8.5	7.6	7.2	6.8

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.

net domestic migration in 2014. Are more people moving out? Fewer moving in? We know from income tax data that there is considerable change in the composition of DC tax filers each year. Net migration is the result of decisions made by thousands of residents, or potential residents, taking into consideration such things as demographic factors (age, family formation, children), housing prices, incomes, schools, other city services, and job availability. Learning more about the nature of the decisions being made to enter or leave DC is important for understanding how the city may change over the next few years.

One should be cautious about drawing firm conclusions about DC population trends based solely on the most recent Census estimate because data is revised as more information becomes available. But it is fair to conclude at this point that population cannot be assumed to continue to increase in the future as it has in the recent past. Changes in net migration can cause fairly sharp changes in annual population growth.

Even with the slower overall growth in 2014, however, DC's rate of population growth in 2014 was twice that of the US (1.51% v 0.75%). In addition to positive net domestic migration, DC's share of US births and international migration in 2014 was significantly greater than DC's share of the 2013 population (which was 0.21%).

—Stephen Swaim, DC Office of Revenue Analysis

Components of change in DC population: April 2010 to July 2014

time period	Total	Natural increase	Vital events		Net migration		
			births	deaths	Total	Internat'l	Domestic
Population change: April 2010 to July 2014	57,126	19,313	39,983	20,670	37,229	15,126	22,103
Population change: July 2013 to July 2014	9,782	4,419	9,647	5,228	4,933	3,760	1,173
Population change: April 2010 to July 2013*	47,344	14,894	30,336	15,442	32,296	11,366	20,930
Average annual change: April 2010 to July 2013**	14,567	4,583	9,334	4,751	9,937	3,497	6,440

**equals population change from April 2010 to July 2014 minus that from July 2013 to July 2014.*

***equals population change from April 2010 to July 2013 divided by 3.25 years*

Source: US Census Bureau

DC population: 2004 to 2014

year	total	1 year change amount	1 year change %
2004	567,754		
2005	567,136	-618	*-0.1*
2006	570,681	3,545	*0.6*
2007	574,404	3,723	*0.7*
2008	580,236	5,832	*1.0*
2009	592,228	11,992	*2.1*
2010	605,210	12,982	*2.2*
2011	620,427	15,217	*2.5*
2012	635,040	14,613	*2.4*
2013	649,111	14,071	*2.2*
2014	658,893	9,782	*1.5*

Source: US Census Bureau. Yearly data as of July 1.

Selected comparisons of DC and US population in 2013 and 2014

% change in population from 2013 to 2014	
US	0.75
DC	1.51
DC % share of US 2013 population	0.21
DC % share of change in US population from 2013 to 2014	
DC share of US population change	0.41
DC share of net international migration	0.38
DC share of natural increase	0.32
births	*0.24*
deaths	*0.20*

Source: US Census Bureau

Major components contributing to the change in DC population: April 2010 to July 2014

Component	Annual average change from April 2010 to July 2013	Change from July 2013 to July 2014	Difference: most recent year over prior 3 year average	
			Amount	%
Natural increase	4,583	4,419	-164	*-3.6*
International net migration	3,497	3,760	263	*7.5*
Domestic net migration	6,440	1,173	-5,267	*-81.8*

Source: US Census Bureau

Natural increase and vital events contributing to change in DC population: April 2010 to July 2014

component	Annual average change from April 2010 to July 2013	Change from July 2013 to July 2014	Difference: most recent year over prior 3 year average	
			Amount	%
Births	9,334	9,647	313	*3.4*
Deaths	4,751	5,228	477	*10.0*
Natural increase	4,583	4,419	-164	*-3.6*

Source: US Census Bureau

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	December	March 17
D.C. Personal Income	BEA	2014.3	March 25
D.C. Tax Collections	OTR/ORA	December	c. February 15
D.C. Housing Sales	MRIS*	December	c. February 10
D.C. Commercial Office Building data	Delta / Cushman and Wakefield	2014.4 (Delta only)	c. April 15
DC Apartment data	Reis, inc	2014.4	c April 20
D.C. Hotel stay information	Smith Travel Research	December	c. February 20
Consumer Price Index	BLS	December	February 26
U.S. Jobs and Labor Force	BLS	December	February 6
U.S. GDP and Personal Income	BEA	2014.3	January 30
S and P 500 Stock Index	Financial press	December	February 1
Interest rate on 10-Year Treasury Securities	Financial press	December	February 1
IHS Global Insight D.C. forecast	Global Insight	January	c. February 25
Moody's Economy.com D.C. forecast	Economy.com	January	c. February 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	January	c. February 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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