



District of Columbia Economic and Revenue Trends: March 2016

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Highlights:

- ◇ Faster wage growth5
- ◇ Slower pace for housing permits.....8
- ◇ Property transfers decline.....11

Indicator updates:

- Wage and salary employment.....2
- Sectors of the DC economy3
- Resident employment and unemployment 4
- Wages and income.....5
- Residential real estate and population.....6
- Commercial office space10
- Property transfers.....11
- Hospitality12
- US economy and federal government.....13
- DC tax collections.....14
- US and DC forecasts.....16
- DC revenue estimate.....18
- ORA reports , documents, & blog.....22
- About this report.....22
- ORA contact information.....22

DC Personal Income grew almost 5% at the end of 2015, topping the US rate for the first time in 2 years

DC's income per capita, however, grew more slowly than the US average

Following the Great Recession, the income recovery in both DC and the US as a whole slowed in 2013, a time of cutbacks in federal spending (the sequester) as well as some slowing in the overall national economy. Personal Income growth then resumed, more quickly at first in the US than in DC. After two years, DC now seems to have caught up. US Bureau of Economic Analysis data for the December 2015 quarter show faster year-over-year Personal Income growth in DC than in the US as a whole—4.9% in DC versus 4.0% in the US.

Personal Income growth in DC and the US: 2011.4 to 2015.4
(Percent change from the same quarter of the prior year)



DC's per capita income (Personal Income divided by population) was \$72,109 in December 2015, 50% higher than the US average of \$48,208. The percentage increase in DC's per capita income over the past year was, however, less than the national average: 2.7% in DC compared to 3.2% in the US. In 2015 DC's population (the denominator in the per capita calculation) grew faster than US population.

% change in Personal Income and other indicators in DC and the US: 2014.4 to 2015.4

indicator	DC	US
Personal Income growth	4.9	4.0
Per capita income growth	2.7	3.2
population growth	2.2	0.8

Source: BEA and BLS

(Continued on p. 19)

Wage and salary employment

Suburban jobs grew at twice the rate in DC over the past 3 months

- February wage and salary employment in DC was up by 10,200 (1.3%) from a year earlier as measured by the 3-month moving average.
- Federal government employment in DC for February was up by 1,167 (0.6%). The private sector gained 7,433 (1.4%).
- Total year-over-year DC metropolitan area employment increased by 70,633 (2.3%) in February as measured by the 3-month moving average.
- Suburban Washington employment in February increased by 2.6% from a year earlier.
- Seasonally adjusted DC jobs rose in February by 200 from the prior month.

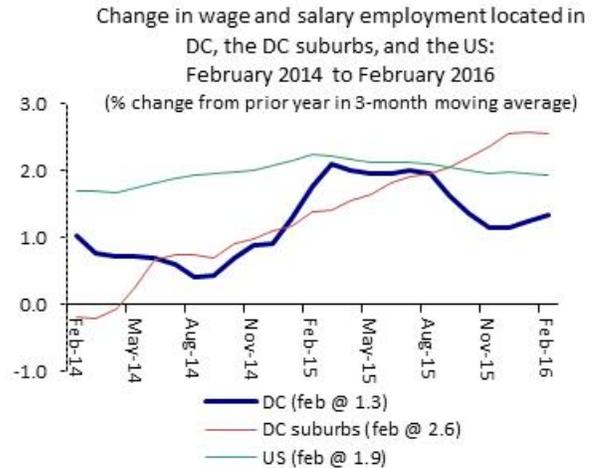


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: February 2016

Jurisdiction	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo average	This month
District of Columbia	730,950	745,375	751,842	764,250	768,367	770,000	771,200
1 year change	7,717	14,425	6,467	12,408	12,092	10,200	11,400
% change	1.1	2.0	0.9	1.7	1.6	1.3	1.5
Washington metro area	3,053,050	3,091,067	3,103,833	3,138,300	3,182,967	3,191,333	3,180,500
1 year change	36,617	38,017	12,767	36,000	62,425	70,633	68,800
% change	1.2	1.2	0.4	1.2	2.0	2.3	2.2
Washington suburbs (% ch)	1.3	1.0	0.3	1.6	2.1	2.6	2.4
US (% ch)	1.7	1.6	1.8	2.1	2.0	1.9	1.9

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

Source: BLS. February is preliminary.

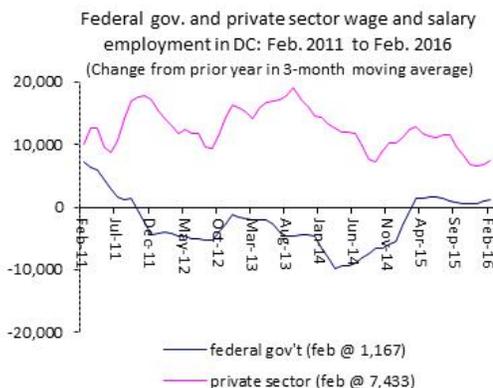


Table 2. Federal government and private sector wage and salary employment in DC: February 2016

Sector	FY 2013	FY 2014	FY 2015	12-mo avg	3-month average	This month
Federal government	205,900	198,367	197,950	198,308	198,900	198,800
1 year ch.	-2,675	-7,533	-417	1,075	1,167	1,200
% change	-1.3	-3.7	-0.2	0.5	0.6	0.6
Private sector	504,275	515,808	526,775	529,867	531,267	532,300
1 year ch.	16,633	11,533	10,967	9,275	7,433	8,500
% change	3.4	2.3	2.1	1.8	1.4	1.6

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

Table 3. Seasonally adjusted DC Employment: September 2015 to February 2016

Indicator	September	October	November	December	January	February
D.C. Wage and Salary employment	767,100	768,000	768,400	768,100	775,200	775,400
change from prior month	1,400	900	400	-300	7,100	200
% change from prior month	0.2	0.1	0.1	0.0	0.9	0.0

Source: BLS seasonally adjusted. February is preliminary

Jobs by sectors of the economy

Food services, professional services (except legal) and retail added the most private sector jobs

- In February the 3,133 increase in food services was more than all other sectors. (3-month moving average.)
- In the private sector, other professional services (2,233) and retail trade (1,767) were the only other industries that grew by more than 1,000 jobs.
- Private sector industries losing jobs included education, other business services, and organizations.
- Local government rose by 1,600 (4.2%).
- The federal government accounted for 25.8% of all DC jobs in January. Over the past year, DC's share of US federal employment fell slightly in both the metro area and the US.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: February 2014 to February 2016 (% change from prior year in 3-month moving average)

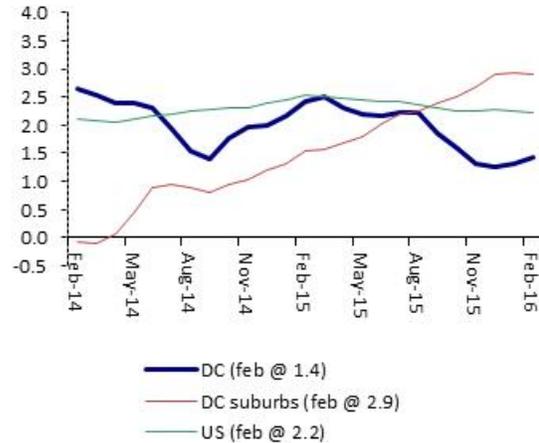


Table 4. Wage and salary employment located in DC: February 2016

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Feb 2016	DC share (%) in Feb 2016 of all sector jobs in:		Change from Feb 2015 to Feb 2016 in DC share of sector jobs in:	
	Feb 2015	Feb 2016	Amount	%			metro area	US	metro area	US
Federal government	197,733	198,900	1,167	0.6	0.5	25.8	54.3	7.19	-0.1	-0.02
Local government	38,233	39,833	1,600	4.2	4.5	5.2	11.9	0.20	0.3	0.01
Legal services	28,500	28,867	367	1.3	-0.8	3.7		2.57		0.00
Other Professional and technical	81,667	83,900	2,233	2.7	4.7	10.9	22.8	1.10	-0.2	-0.01
Employment services	14,200	14,900	700	4.9	2.7	1.9	34.0	0.41	0.0	0.00
Other Business services	34,600	33,767	-833	-2.4	0.0	4.4	18.1	0.45	-0.4	-0.02
Information	16,800	16,967	167	1.0	-0.4	2.2	22.5	0.62	0.6	0.00
Finance	30,300	30,433	133	0.4	0.3	4.0	19.7	0.37	-0.2	0.00
Organizations	62,800	62,500	-300	-0.5	0.2	8.1	35.4	2.13	-1.1	-0.01
Education	64,400	63,200	-1,200	-1.9	-0.1	8.2	53.1	1.77	-2.4	-0.08
Health	66,200	66,400	200	0.3	0.9	8.6	22.2	0.35	-0.3	-0.01
Food service	47,933	51,067	3,133	6.5	5.5	6.6	22.3	0.46	0.0	0.01
Accommodations	14,867	15,400	533	3.6	0.2	2.0	37.2	0.82	1.2	0.00
Amusement and recreation	7,433	7,433	0	0.0	2.9	1.0	18.1	0.38	-2.5	-0.02
Retail trade	22,167	23,933	1,767	8.0	5.9	3.1	8.5	0.15	0.5	0.01
Wholesale trade	5,000	4,900	-100	-2.0	-1.3	0.6	7.8	0.08	-0.3	0.00
Construction	13,767	14,100	333	2.4	0.5	1.8	9.3	0.22	-0.3	-0.01
Personal and miscellaneous ser.	7,733	7,567	-167	-2.2	0.8	1.0		0.29		-0.01
Other private	5,467	5,933	467	8.5	9.3	0.8	5.1	0.03	0.3	0.00
Total	759,800	770,000	10,200	1.3	1.6	100.0	24.0	0.54	-0.2	0.00
Public sector	235,967	238,733	2,767	1.2	1.2	31.0	34.1	1.07	0.0	0.01
Private sector	523,833	531,267	7,433	1.4	1.8	69.0	21.2	0.44	-0.3	0.00

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

Resident employment and unemployment

DC resident employment still growing at a 3% annual rate

- In February DC resident employment was up 10,514 (3.0%) from a year earlier (3-mo. moving average). The labor force grew by 7,434 (1.9%).
- The seasonally unadjusted unemployment rate rose to 6.9%, while the seasonally adjusted one stayed at 6.5%. Seasonally adjusted employment grew by 749 in February from December.
- January initial unemployment insurance claims were down 18.0% from last year (3-month moving average).

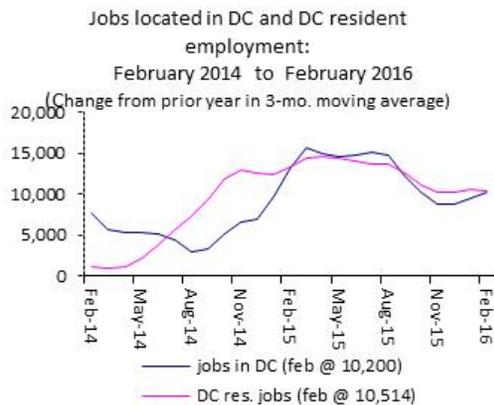
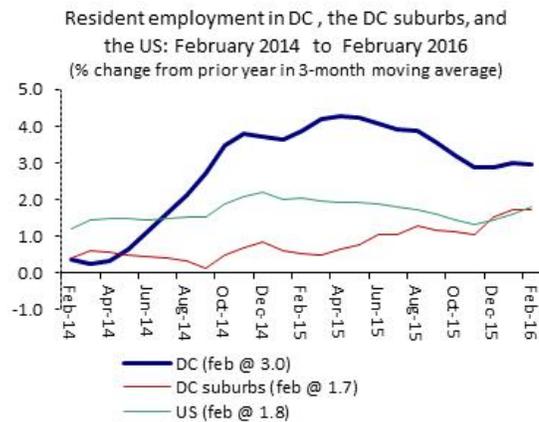


Table 5. Unemployment rates for DC, metro area, and US:
February 2016

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Feb. 2015	Feb. 2016	Feb. 2015	Feb. 2016
US	5.8	5.2	5.5	4.9
DC	7.6	6.9	7.3	6.5
DC metro area	4.8	4.1	na	na
DC suburbs	4.5	3.7	na	na

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

Table 6. Resident employment and unemployment: February 2016

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	325,712	341,727	345,573	358,984	363,314	366,329	367,531
1 year change	11,026	16,015	3,846	13,410	12,204	10,514	10,043
% change	3.5	4.9	1.1	3.9	3.5	3.0	2.8
Labor Force	359,327	374,045	375,222	386,668	389,665	392,316	394,764
1 year change	9,639	14,718	1,177	11,447	9,307	7,434	7,991
% change	2.8	4.1	0.3	3.1	2.4	1.9	2.1
Unemployed	33,615	32,317	29,648	27,685	26,351	25,987	27,233
1 year change	-1,387	-1,298	-2,669	-1,963	-2,897	-3,080	-2,052
% change	-4.0	-3.9	-8.3	-6.6	-9.9	-10.6	-7.0
Unemployment rate	9.4	8.7	7.9	7.2	6.8	6.6	6.9
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,784	1,915	1,851	1,596	1,506	1,336	1,164
1 year change	-317	131	-64	-255	-184	-293	-99
% change	-15.1	7.3	-3.3	-13.8	-10.9	-18.0	-7.8
Weeks compensated (mo. avg.)	45,170	42,862	42,133	32,811	31,350	32,151	29,530
1 year change	-1,253	-2,308	-729	-9,322	-6,051	-3,127	-2,026
% change	-2.7	-5.1	-1.7	-22.1	-16.2	-8.9	-6.4

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: Sep. 2015 to Feb. 2016

Indicator	September	October	November	December	January	February
DC Resident employment	363,754	364,279	364,703	364,977	366,350	367,099
change from prior month	640	525	424	274	1,373	749
% change from prior month	0.2	0.1	0.1	0.1	0.4	0.2
DC Unemployment rate (%)	6.7	6.6	6.6	6.6	6.5	6.5

Source: BLS seasonally adjusted. February is preliminary.

Wage growth in DC and for DC residents now a little faster than the US average

●Wages and salaries earned in the District of Columbia were 5.3% higher in the December quarter compared to the same quarter of 2014.

●Wages earned by DC residents grew by 4.9% in the December quarter compared to last year.

●In the December quarter, DC Personal Income grew 4.9%, above the US increase (4.0%).

●Federal wages and salaries were \$1.07 billion (4.9%) higher in December than a year earlier.

●In the December quarter, private sector wages and salaries earned in DC grew by \$2.20 billion over the prior year, a 5.4% gain.

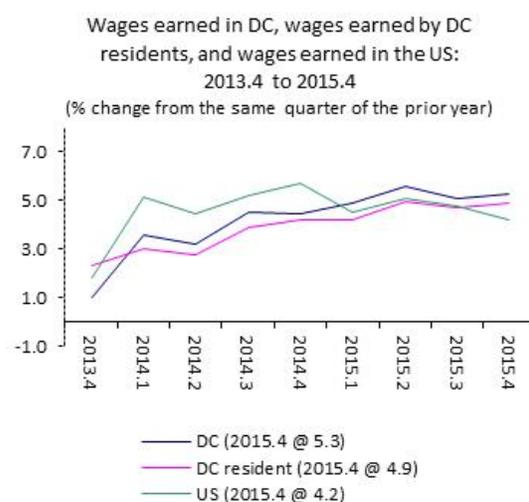


Table 8. DC Wages and Personal Income: December 2015

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

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	4-qr. moving avg.	Latest qtr. (Dec.)
Wages and salaries earned in DC	60.65	62.07	63.97	67.17	68.03	69.00
1 year change	1.13	1.41	1.90	3.20	3.37	3.45
% change	1.9	2.3	3.1	5.0	5.2	5.3
Supplements to wages & salaries	16.50	16.44	17.24	18.12	18.33	18.53
% change	0.9	-0.4	4.8	5.1	5.2	4.9
Proprietors' income earned by DC residents*	5.87	5.85	5.98	6.37	6.45	6.59
% change	5.9	-0.3	2.2	6.4	6.2	5.5
Wages and salaries of DC residents***	20.77	21.69	22.34	23.35	23.63	23.99
change from one year ago	0.91	0.92	0.65	1.01	1.06	1.11
% change	4.6	4.4	3.0	4.5	4.7	4.9
Income earned by DC residents	29.7	30.3	31.1	32.7	33.1	33.6
% change	4.9	2.0	2.8	5.0	5.1	5.0
Property income of DC residents	7.78	8.26	8.48	8.77	8.88	9.00
% change	11.0	6.2	2.6	3.5	3.9	4.8
Pensions and other transfer of DC residents	5.73	5.90	6.01	6.03	6.10	6.20
% change	-0.3	2.8	1.9	0.4	2.1	4.6
DC Personal Income**	43.21	44.44	45.63	47.50	48.07	48.83
1 year change	2.14	1.23	1.18	1.87	2.05	2.29
% change	5.2	2.8	2.7	4.1	4.5	4.9
US Personal income (% change from prior year)	4.6	3.0	2.9	4.7	4.4	4.0
US Wages and salaries(% change from prior year)	3.4	3.9	4.1	5.0	4.6	4.2
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	1.35	1.79	1.33	2.15	2.11	2.20
Federal government (1 yr ch, \$B)	-0.37	-0.43	0.48	0.85	1.01	1.07
DC res. wages as % of wages earned in DC	34.2	34.9	34.9	34.8	34.7	34.8

* 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 December were released March 24, 2016

Single family and condominium housing

A modest increase in the past 3 months in the total value of residential sales

- The 3-month moving total of single family home sales in February was down 3.3% from a year earlier, and the average selling price was 4.4% higher. The year-to-date median sales price (\$615,000) was up 3.4% from the prior year.
- February condominium sales were up 12.4% from last year as measured by the 3-month moving total, and the average selling price was 8.3% lower. Year-to-date median sales price (\$439,000) was the same as last year.
- The total value of all home sales in February was 1.7% above last year as measured by the 12-month moving total.
- The increase in DC home prices slowed in the December quarter, according to the Federal Housing Finance Agency Index of single-family same-property transactions. DC's gain over the prior year was 2.8%. The US index was up 5.8%.

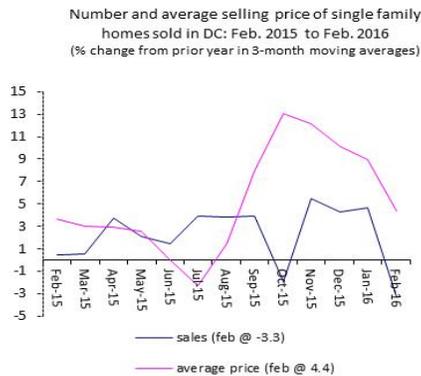


Table 9. D.C. Residential Real Estate Indicators: February 2016

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,563	3,979	4,024	4,097	4,117	851	248
1 year change	-237	416	45	73	90	-29	-6
% change	-6.2	11.7	1.1	1.8	2.2	-3.3	-2.4
Condo	2,784	3,487	3,592	3,832	3,855	769	220
1 year change	315	703	105	240	218	85	24
% change	12.8	25.3	3.0	6.7	6.0	12.4	12.2
Total	6,347	7,466	7,616	7,929	7,972	1,620	468
1 year change	78	1,119	150	313	308	56	18
% change	1.2	17.6	2.0	4.1	4.0	3.6	4.0
Average prices of units that sold							
Single family (\$)	630,109	712,799	736,362	767,870	787,248	743,223	720,121
1 year change	29,083	82,690	23,563	31,508	36,408	31,062	-7,298
% change	4.8	13.1	3.3	4.3	4.8	4.4	-1.0
Condo (\$)	429,611	447,827	472,419	499,650	489,959	489,695	508,494
1 year change	6,245	18,216	24,592	27,232	226	-44,495	477
% change	1.5	4.2	5.5	5.8	0.0	-8.3	0.1
Total value of all sales (\$ million)	3,441.1	4,397.8	4,660.0	5,060.6	5,129.9	1,009.1	290.5
1 year change	111.9	956.7	262.2	400.6	325.1	17.0	6.1
% change	3.4	27.8	6.0	8.6	6.8	1.7	2.2
Ratio: active inventory to sales							
Single family	2.3	1.6	1.6	1.5	1.4	1.6	1.3
Condo	2.9	1.7	1.9	1.7	1.6	1.8	1.6

Median contract prices, CY to date in March 2016: single family \$615,500 (3.4% 1 yr ch); condo \$439,000 (0.0% 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 accessed through Greater Capital Area Assn. of Realtors.

Single family and condominium housing

Table 10. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: December 2015 (2015.4)

Indicator	Fiscal year average				Last 2 Q's	
	FY 2012	FY 2013	FY 2014	FY 2015	2015.3	2015.4
% change from prior year in value of index						
DC	8.1	11.6	9.5	8.0	14.1	2.8
DC metro area	4.1	7.9	5.5	3.7	6.5	1.2
US	1.3	6.8	6.1	5.4	5.7	5.8

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 price, measuring the 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.

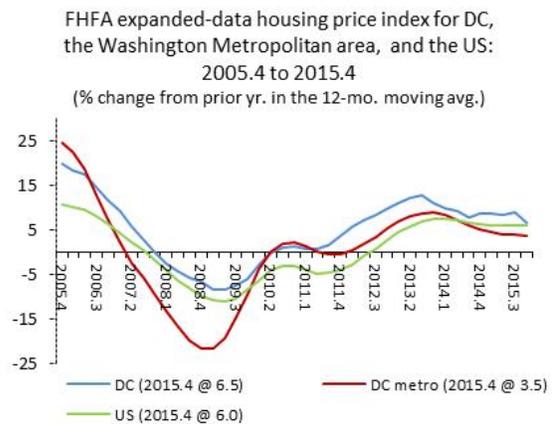
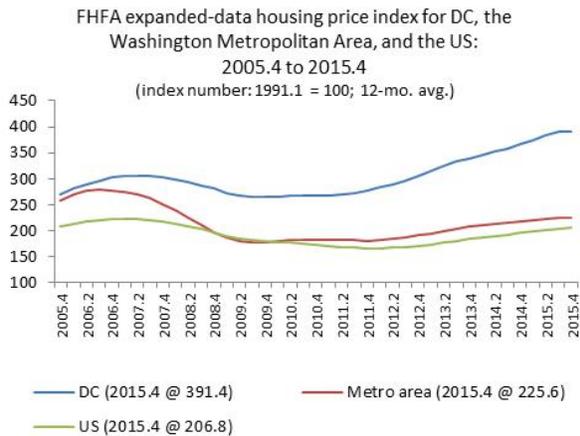


Table 11. D.C. Single family and condominium home sales at prices of \$1 million or more: February 2016

Category	FY 2013	FY 2014	FY 2015	12-mo	3-mo	This month
				moving total	moving total	
Single family homes	689	734	765	811	138	42
1 year change	231	45	31	66	-9	-4
% change	50.4	6.5	4.2	8.9	-6.1	-8.7
percent of all single family sales	17.3	18.2	18.7	19.7	16.2	16.9
Condominiums	112	128	160	143	27	10
1 year change	40	16	32	-1	-15	-1
% change	55.6	14.3	25.0	-0.7	-35.7	-9.1
percent of all condominium sales	3.2	3.6	4.2	3.7	3.5	4.5

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

Table 12. Single family housing permits in DC and sales of new DC condominium units: FY 2012 to 2015.4

	Single family housing permits	Sales of new condo units
FY 2012	236	479
FY 2013	368	442
FY 2014	267	516
FY 2015	293	483
12-mo. ending:		
2015.4	255	497
1 yr ch	-33	21
% ch.	-11.5	4.4

Source: Census Bureau (permits), and Delta Associates (condo sales)

Table 13. Condominium units under construction or planned: December 2015

item	projects	units	Avg. units
			per project
Unsold units in completed projects	43	1,301	30
Planned with probable sales within 36 months	21	1,801	86
subtotal	64	3,102	
Proposed/rumored with long term delivery	18	1,222	68
Planned as either condo or rental	23	10,128	440

Source: Delta Associates. See p.11 For definition of planned and proposed.

Population, housing permits, and apartments

The pace of new housing permits has slowed in the past three months

• For the the 12-month period ending February, 4,670 housing permits were issued, up 37.2% from a year ago; the 3-month total was, however, 69.5% lower than last year.

• In the December quarter, occupied apartment units increased 4,080 (2.5%) from a year earlier; effective rents rose 4.3%, and the vacancy rate rose to 4.3%.

• Rents for all classes of apartments rose over the past 12 months, led by a 4.9% increase in Class A rents.

• In the December quarter 11,401 apartment units were under construction, representing the equivalent of 6.6% of the existing inventory.

• DC's population in July 2015 was estimated by the Census Bureau at 672,228, an increase of 12,392 (1.9%) from 2014.

• An estimated 295,362 households lived in DC in July 2015, an increase of 4,940 (1.7%) from the prior year. Average household size has been rising slowly.

Housing permits issued in DC:
February 2013 to February 2016
(12-month moving total)

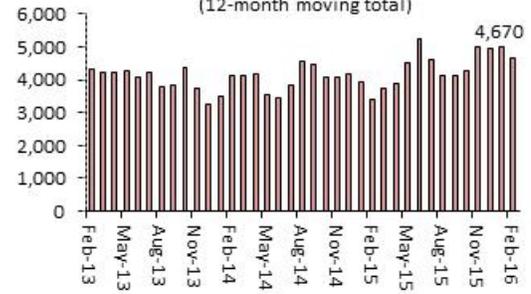


Table 14. Housing unit building permits issued in DC: February 2016

	FY 2013	FY 2014	FY 2015	12-mo. moving total	3-month moving total	This month
Total units	3,855	4,467	4,131	4,670	151	30
change from 1 yr ago	-236	612	-336	1,266	-344	-314
% change from 1 year	-5.8	15.9	-7.5	37.2	-69.5	-91.3
Multi-family projects with 5 or more units						
number	36	32	37	40	4	0
average size	107	140	112	117	38	

Source: Census Bureau (permits issued during period).

DC Apartment units: 12-mo. change in inventory and occupancy, and number under construction (all classes): 2014.1 to 2015.4

Source: CoStar (tables on next page)



Table 15. DC Population and Households: 2005 to 2015

Calendar year	Population			Households (estimated)		
	Number	Change from prior yr. number	%	Number	Change from prior yr. number	% pop/hh ratio
2005	567,136	-618	-0.1	253,232	763	0.3
2006	570,681	3,545	0.6	254,435	1,204	0.5
2007	574,404	3,723	0.7	255,715	1,279	0.5
2008	580,236	5,832	1.0	257,928	2,213	0.9
2009	592,228	11,992	2.1	262,868	4,941	1.9
2010	605,126	12,898	2.2	268,196	5,327	2.0
2011	620,472	15,346	2.5	274,519	6,324	2.4
2012	635,342	14,870	2.4	280,611	6,092	2.2
2013	649,540	14,198	2.2	286,385	5,774	2.1
2014	659,836	10,296	1.6	290,422	4,037	1.4
2015	672,228	12,392	1.9	295,362	4,940	1.7
Change from 10 to 15	67,102	11.1		27,166	10.1	2.47

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

Table 16. Delta apartment summary: Dec. 2015 (Class A)

Date of report	2015.3	2015.4
Deliveries (last 12 months)	2,897	2,389
Starts (last 12 months)	3,580	3,756
Net absorption, last 12 months	3,648	3,451
Rent increase, last 12 months	0.7	1.5
Supply of units, next 3 years		
vacant units	400	698
new supply	10,627	10,974*
total pipeline	11,027	11,672
New demand for units, next 3 years	7,750	8,410
vacant units in 3 years	3,277	3,262

*9,573 already under construction or marketing plus 25% of 5,604 units planned for possible delivery in 36 mo. Long term planning or rumored: 12,045 units. Source: Delta Associates

Annual increase in effective rent per unit by apartment class: 2014.1 to 2015.4 (1 year % change) (Source: CoStar)

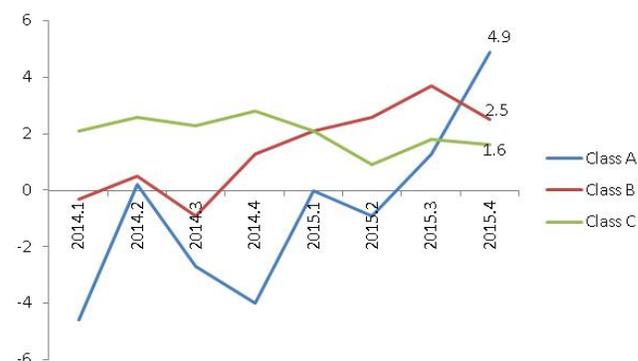


Table 17. Market rate apartment units in DC: 2010 to 2015 (2015.4)

CY	Inventory				Occupied units			Effective monthly rent		Under Construction	
	Buildings	Number	1 yr ch	% vacant	Number	1 yr ch	% ch	per unit	1 yr % ch	Buildings	Units
2010	3,144	157,464	1,104	4.5	153,247	2,047	1.4	\$1,456	1.0	18	2,424
2011	3,153	159,003	1,539	4.6	154,626	1,379	0.9	\$1,548	6.3	20	4,773
2012	3,161	161,070	2,067	4.5	156,717	2,091	1.4	\$1,595	3.0	35	8,033
2013	3,176	164,867	3,797	5.4	159,473	2,756	1.8	\$1,628	2.1	48	7,149
2014	3,203	169,617	4,750	5.2	164,132	4,659	2.9	\$1,660	2.0	79	8,445
2015	3,246	172,803	3,186	4.3	168,212	4,080	2.5	\$1,732	4.3	95	11,401
2015.4	3,246	172,803	3,186	4.3	168,212	4,080	2.5	\$1,732	4.3	95	11,401
1 Q change	7	514		0.4	81			\$6		-3	118

Source: CoStar. Includes units in private buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings.

Table 18. Market rate apartment units in DC, Classes A, B, and C: 2013 to 2015.4

CY	Inventory				Occupied units			Effective monthly rent		Under construction	
	Buildings	Number	1 yr ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units
Class A											
2013	173	30,568	3,611	10.6	28,215	2,747	10.8	\$2,516	-3.5	45	7,074
2014	201	35,301	4,733	8.9	32,909	4,694	16.6	\$2,416	-4.0	65	8,212
2015	237	38,351	3,050	6.4	36,489	3,580	10.9	\$2,535	4.9	67	10,773
2015.4	237	38,351	3,050	6.4	36,489	3,580	10.9	\$2,535	4.9	67	10,773
1Q change	6	567		0.8	803			\$10		0	194
Class B											
2013	974	73,740	236	3.7	72,045	-126	-0.2	\$1,568	1.4	3	75
2014	976	73,801	61	4.2	71,913	-132	-0.2	\$1,588	1.3	14	233
2015	984	73,946	145	3.1	72,524	611	0.8	\$1,628	2.5	27	623
2015.4	984	73,946	145	3.1	72,524	611	0.8	\$1,628	2.5	27	623
1Q change	-6	-244		1.6	-542			-\$4		1	9
Class C											
2013	2,003	60,311	-6	3.7	58,975	0	0.0	\$1,120	2.6	0	
2014	2,001	60,276	-35	4.2	59,081	106	0.2	\$1,150	2.7	0	
2015	2,000	60,267	-9	3.1	59,068	-13	0.0	\$1,168	1.6	1	5
2015.4	2,000	60,267	-9	3.1	59,068	-13	0.0	\$1,168	1.6	1	5
1Q change	0	0		1.6	-62			\$1		0	0

Source: CoStar. Includes units in private sector buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings.

Commercial office space

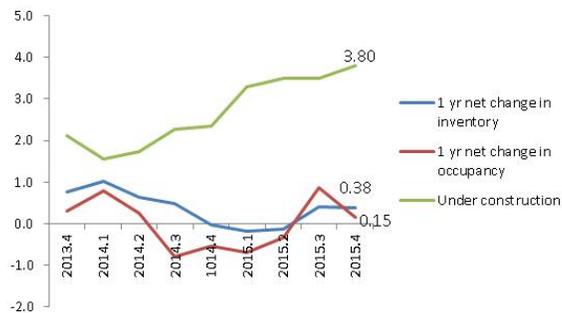
Last quarter, occupied commercial office space fell slightly, and the vacancy rate increased slightly

●According to CoStar, for the quarter ending December 2015, the vacancy rate for all office space in DC was 10.6%, up from 10.4% in the prior quarter. The Class A vacancy rate was 11.6% (both including sublet).

●In December 2015 occupied space rose 0.1% from the prior year; base rent rose 1.5%.

●Space under construction in December 2015 (3.80 million square feet in 18 buildings) was virtually unchanged from the prior quarter, but was 62% above a year earlier (2.35 msf in 11 buildings). Space under construction is equivalent to 2.5% of the existing inventory.

DC Commercial office space: 1 year change in inventory and occupancy, and under construction: 2013.4 to 2015.4 (all classes, msf):



Vacancy rate and 1 year % change in rent for Class A and all commercial office space: 2013.4 to 2015.4

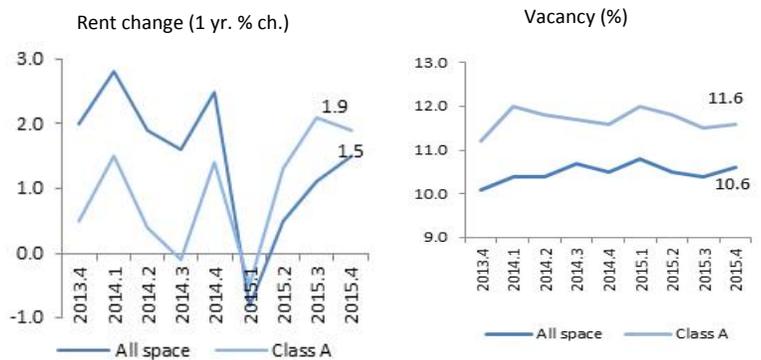


Table 19. DC commercial office space: 2008 to 2015 (2015.4)

CY (year end)	Buildings	Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
		Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	\$ per sq ft.	1 yr % ch	buildings	msf
2008	2,320	144.95	1.05	131.55	0.18	0.1	8.6	9.2	\$43.22	0.3	25	6.89
2009	2,328	147.90	2.95	130.61	-0.94	-0.7	10.5	11.7	\$44.86	3.8	13	3.96
2010	2,337	150.46	2.56	133.78	3.17	2.4	10.1	11.1	\$45.59	1.6	6	1.56
2011	2,331	151.71	1.26	135.04	1.26	0.9	10.3	11.0	\$46.15	1.2	9	2.05
2012	2,321	151.45	-0.26	136.51	1.47	1.1	9.2	9.9	\$45.18	-2.1	8	2.23
2013	2,318	152.23	0.78	136.81	0.30	0.2	9.6	10.1	\$46.08	2.0	11	2.12
2014	2,311	152.19	-0.03	136.28	-0.53	-0.4	9.9	10.5	\$47.22	2.5	11	2.35
2015	2,302	152.57	0.38	136.42	0.15	0.1	10.1	10.6	\$47.94	1.5	18	3.80
2015.4	2,302	152.57	0.38	136.42	0.15	0.1	10.1	10.6	\$47.94	1.5	18	3.80
1 Q ch	-1	-0.13		-0.42			0.1	0.2	\$0.29		0	0.31

Source: CoStar. All classes, all sizes.

Table 20. DC Class A commercial office space: 2013 to 2015 (2015.4)

CY (year end)	Buildings	Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
		Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	\$ per sq ft.	1 yr % ch	buildings	msf
2013	338	91.79	1.00	81.56	0.62	0.8	10.5	11.2	\$50.10	0.6	8	2.07
2014	342	92.96	1.17	82.14	0.59	0.7	10.9	11.6	\$50.78	1.4	10	2.33
2015	345	93.63	0.67	82.81	0.67	0.8	11.0	11.6	\$51.74	1.9	14	3.74
2015.4	345	93.63	0.67	82.81	0.67	0.8	11.0	11.6	\$51.74	1.9	14	3.74
1 Q ch	0	0.00		-0.05			0.0	0.1	\$0.38		1	0.33

Source: CoStar. All Class A.

Office outlook and value of all property transfers

Property transfers are down from last year

- Delta Associates expects the DC share of new office construction and increased demand to be a little more than one-third of the regional totals—about the same as DC's share of existing regional office space.
- The value of February property transfers was down 23.0% from last year as measured by the 3-month moving total. The 12-month moving total (\$12.95 billion) was 6.5% lower than last year.

Table 21. Delta Associates outlook for commercial office space: December 2015

item	Million sq. feet
Vacant	9.36
Under construction	1.79
Planned	8.54
Proposed/rumored with long term delivery	10.85
Total	21.18

Addendum: estimated supply and demand for the next 2 years

supply**	2.00
demand	2.80

**Supply for next two years represents office buildings currently under construction and those planned that might deliver by December 2017.

Source: Delta Associates.

For definitions of planned and proposed, see box.

Table 22. Delta Associates outlook for commercial office space in DC and the surrounding metro area: Dec. 2015 to Dec. 2017

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory December 2015					
Inventory (msf)	141.3	179.4	85.9	406.6	34.8
Estimated net activity to December 2017					
new supply (msf)	2.0	2.3	0.3	4.7	42.6
new demand (msf)	2.8	3.6	1.2	7.6	36.8

Source: Delta Associates msf = million square feet

Note: Planned and proposed projects

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.

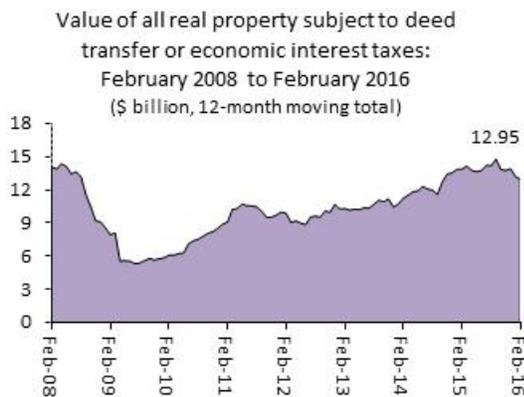


Table 23. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: February 2016

	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total	3-month moving total	This month
All property transfers (\$ million)	9,533.3	11,063.9	11,569.8	14,766.3	12,948.0	2,666.9	823.5
change from one year ago (\$M)	-526.2	1,530.6	505.8	3,196.5	-895.2	-796.8	-245.8
% change from 1 year ago	-5.2	16.1	4.6	27.6	-6.5	-23.0	-23.0

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).

Hospitality

Hotel room sales and revenue for the past 3 months were lower than last year

● In February the 3-month moving total for hotel room-days sold was 0.6% below a year earlier. The average room rate was down 0.7%, and revenue was down 1.4%.

● Employment in food services was 6.5% more in February than a year earlier as measured by the 3-month moving average. Hotel employment was up 3.6%, and retail was 8.0% higher.

● January airline traffic into the DC area was up 5.2% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 6.4%. For the past 12-months, total traffic into the DC area was 5.9% higher.

Hotel room-days sold: Feb. 2014 to Feb. 2016
(% change from prior year in 3-month and 12-month moving totals)



Table 24. Hospitality Industry: February 2016

Indicator	Units	date	FY 2013	FY 2014	FY 2015	12-month moving total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	feb	7.680	7.869	8.193	8.197	1.590	0.583
			0.062	0.189	0.324	0.133	-0.010	0.018
			0.8	2.5	4.1	1.7	-0.6	3.2
Average room rate	\$	feb	207.31	209.87	215.31	215.83	177.54	199.10
			3.74	2.56	5.44	5.85	-1.33	4.71
			1.8	1.2	2.6	2.8	-0.7	2.4
Occupancy rate (average)	%	feb	75.8	76.6	77.5	77.5	61.1	71.9
			0.5	0.8	0.9	0.6	-0.7	1.6
			0.6	1.0	1.2	0.8	-1.1	2.3
Room revenue	(\$M)	feb	1,592.1	1,651.4	1,764.0	1,769.2	282.3	116.0
			41.4	59.4	112.6	76.0	-3.9	6.2
			2.7	3.7	6.8	4.5	-1.4	5.7
Airline passengers								
DCA	1 yr % ch	jan	5.5	0.0	10.3	10.6	6.4	1.4
IAD	1 yr % ch	jan	-4.0	-1.9	0.3	0.1	-1.9	-6.4
BWI	1 yr % ch	jan	-1.5	-0.5	4.1	7.2	10.8	6.8
Total	1 yr % ch	jan	-0.3	-0.8	4.8	5.9	5.2	0.6
Employment								
Accommodations	level ('000)	feb	15.2	15.2	15.1	15.2	15.4	15.3
			-0.2	0.0	-0.1	0.0	0.5	0.5
			-1.2	-0.2	-0.3	0.2	3.6	3.4
Food and bev	level ('000)	feb	45.1	47.1	49.7	50.8	51.1	51.7
			2.5	2.0	2.6	2.7	3.1	3.3
			5.7	4.3	5.5	5.5	6.5	6.8
Arts and entertain.	level ('000)	feb	6.9	7.1	7.7	7.7	7.4	7.4
			0.0	0.2	0.5	0.2	0.0	0.2
			0.2	2.9	7.7	2.9	0.0	2.8
Retail	level ('000)	feb	19.7	21.1	22.1	22.8	23.9	23.5
			0.9	1.4	1.1	1.3	1.8	1.7
			4.7	7.0	5.0	5.9	8.0	7.8

* Total for hotel rooms sold and room revenue.

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

Federal sector's contribution of US economic growth increased in the last quarter of 2015

- US real GDP growth in the December quarter was 1.4%; nominal growth was 2.3% (seasonally adjusted, annual rates).
- US employment (seas. adj.) increased by 242,000 in February from the month before.
- The US unemployment rate (seas. adj.) stayed at 4.9% in Feb.
- In February the average S&P 500 index for the month fell 0.7% from January and was 8.5% below a year earlier.
- Compared to the prior month, inflation fell slightly in February, and was 1.0% above a year earlier. (seas. adj.).

Quarterly change in US Real and Nominal GDP: 2013.4 to 2015.4

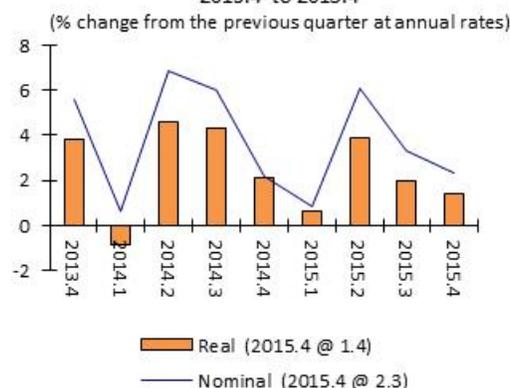


Table 25. US GDP, income, and inflation: 2015.4

(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.4
US GDP real	1.2	2.4	2.6	2.4	2.0
US GDP nominal	2.9	4.2	3.6	3.5	3.1
US Personal income	3.0	3.0	4.7	4.4	4.0
US wages	3.9	4.1	5.0	4.6	4.2
Corporate profits*	3.1	3.0	4.2	3.3	-2.9
S and P stock index	16.7	20.3	9.7	3.4	-4.6
US CPI	1.6	1.6	0.3	0.1	0.5

Balt./Wash. area CPI

1.6 1.7 0.4 0.3 na

Source: BEA (Mar. 29, 2016), BLS, Yahoo.

na= not available. *Before tax, w/o IVV and CCAadj.

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

Federal government consumption and investment and US GDP: 2013.4 to 2015.4

(Nominal; % change from same quarter of the prior year)

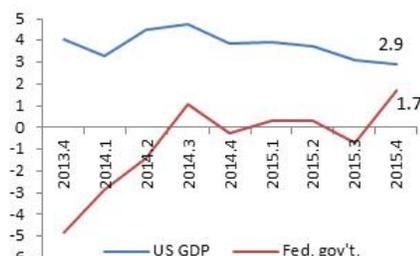


Table 26. Qtr. to Qtr. ch. in US GDP: 2014.4 to 2015.4

(% ch. from previous quarter at seasonally adj. annual rates)

Indicator	2014.4	2015.1	2015.2	2015.3	2015.4
US GDP real	2.1	0.6	3.9	2.0	1.4
US GDP nominal	2.2	0.8	6.1	3.3	2.3
Wages and salaries	6.3	2.6	5.7	4.0	4.2
Personal income	4.9	3.3	5.2	4.4	3.0

Note: GDP=Gross Domestic Product Source: BEA, updated Mar. 25, 2016.

Table 27. Federal government sector, US GDP accounts: 2015.4

(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.4
Non-defense					
Compensation of employees	-0.2	1.8	4.2	4.6	5.2
Purchases of goods and services	-5.4	-1.0	0.7	-1.1	-2.7
Gross investment	-3.0	-1.6	2.6	2.6	2.5
Defense					
Compensation of employees	-3.5	-0.5	-0.7	-0.2	0.9
Purchases of goods and services	-8.5	-9.1	-2.9	-1.3	2.5
Gross investment	-8.3	-2.8	-3.3	-2.4	-0.4
All federal consumption and investment	-3.9	-2.0	-0.1	0.4	1.7

Source: BEA (March 25, 2016). Nominal values.

Table 28. Monthly selected US Indicators: October 2015 to February 2016

Indicator	October	November	December	January	February
S and P stock index (level)	2025	2073	2054	1919	1904
% change from prior month	4.1	2.4	-0.9	-6.6	-0.7
% change from 1 year ago	4.5	1.4	0.0	-5.4	-8.5
10 yr. Treasury Interest rate (level)	2.06	2.26	2.24	2.08	1.78
CPI % ch from prior month (seasonally adjusted)	0.19	0.15	-0.11	0.03	-0.17
CPI % ch from prior year (seasonally adjusted)	0.13	0.44	0.67	1.34	0.97
Jobs (seasonally adjusted level, in millions)	142.60	142.88	143.15	143.32	143.56
change from prior month (thousands)	295	280	271	172	242
% change from prior month	0.21	0.20	0.19	0.12	0.17
Resident employment (season. adj. level, in mil.)	149.20	149.44	149.93	150.54	151.07
change from prior month (thousands)	255	247	485	615	530
% change from prior month	0.17	0.17	0.32	0.41	0.35
Unemployment rate (seasonally adj.)	5.0	5.0	5.0	4.9	4.9

Source: BLS and Yahoo! Finance.

DC tax collections

**Total DC tax collections (before earmarking):
February 2011 to February 2016**
(12-month moving total in \$ million)

February 2016 @ \$6,931M

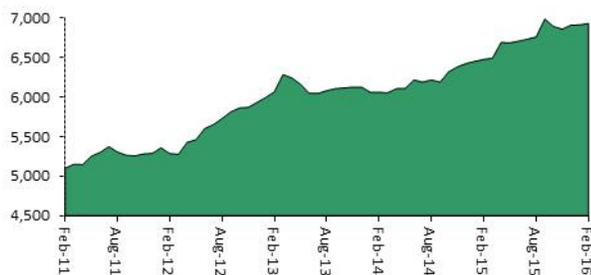


Table 29. Tax Collections (before earmarking): February 2016 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2012	FY 2013	FY 2014	FY 2015	12-month moving total	FY 2016 to date	3-month moving total	This month
Total taxes	5,853.3	6,100.5	6,290.0	6,916.8	6,930.8	1,794.4	1,138.3	269.1
1 year change	528.0	247.2	189.5	656.9	456.4	-54.8	72.9	19.5
% change	9.9	4.2	3.1	10.0	7.0	-3.0	6.8	7.8
Real property	1,822.0	1,914.8	2,015.6	2,194.5	2,226.9	27.3	4.7	-0.1
1 year change	106.9	92.8	100.7	178.9	249.9	-87.6	10.5	-1.2
% change	6.2	5.1	5.3	8.9	12.6	-76.2	na	na
General sales	1,111.0	1,137.9	1,172.1	1,315.3	1,272.6	526.2	294.4	83.6
1 year change	67.6	26.8	34.2	143.2	68.6	18.4	14.0	1.0
% change	9.5	2.4	3.0	12.2	5.7	3.6	5.0	1.3
Individual income	1,490.7	1,640.9	1,679.2	1,868.0	1,913.2	757.7	504.0	78.8
1 year change	194.1	150.2	38.3	188.9	155.8	39.6	39.1	0.7
% change	15.0	10.1	2.3	11.2	8.9	5.5	8.4	0.9
withholding	1,321.6	1,391.2	1,472.9	1,553.2	1,595.4	684.2	431.5	138.0
1 year change	129.5	69.6	81.7	80.3	68.5	15.6	15.4	-5.3
% change	10.9	5.3	5.9	5.4	4.5	2.3	3.7	-3.7
non-withholding	169.1	249.6	206.2	314.8	317.8	73.6	72.5	-59.2
1 year change	64.6	80.6	-43.4	108.6	87.4	24.0	23.6	6.0
% change	61.9	47.7	-17.4	52.6	37.9	48.5	48.3	-9.2
Corporate income	302.9	299.0	280.2	308.0	343.4	101.5	91.2	11.0
1 year change	86.6	-3.9	-18.8	27.8	55.7	26.4	26.0	8.7
% change	40.1	-1.3	-6.3	9.9	19.3	35.1	39.9	368.5
Unincorporated Bus.	163.0	154.3	135.4	139.8	142.3	38.1	30.2	1.9
1 year change	19.6	-8.7	-18.9	4.4	-9.1	-6.0	-9.0	0.9
% change	13.6	-5.3	-12.3	3.2	-6.0	-13.6	-23.0	79.3
Deed taxes*	312.5	372.8	391.2	480.6	425.5	159.1	86.4	28.5
1 year change	1.3	60.3	18.4	89.4	-30.2	-55.1	-20.5	-2.1
% change	0.4	19.3	4.9	22.8	-6.6	-25.7	-19.2	-6.7
Other taxes	651.1	580.8	616.4	610.6	606.9	184.4	127.5	65.2
1 year change	23.3	-70.4	35.6	-5.8	-34.3	9.5	12.9	11.5
% change	3.7	-10.8	6.1	-0.9	-5.3	5.4	11.3	21.4

na = not applicable due to negative numbers.

*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.

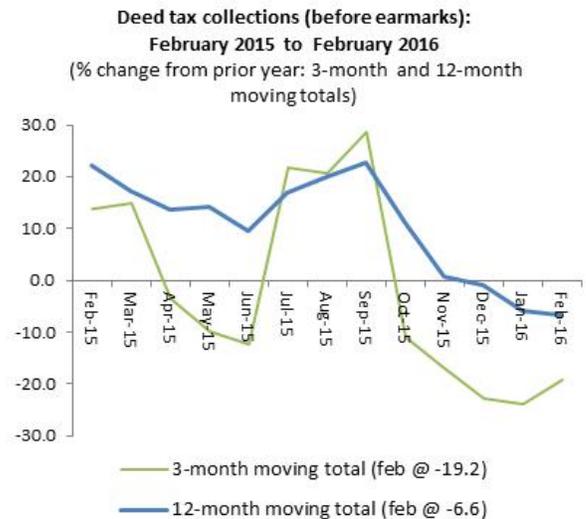
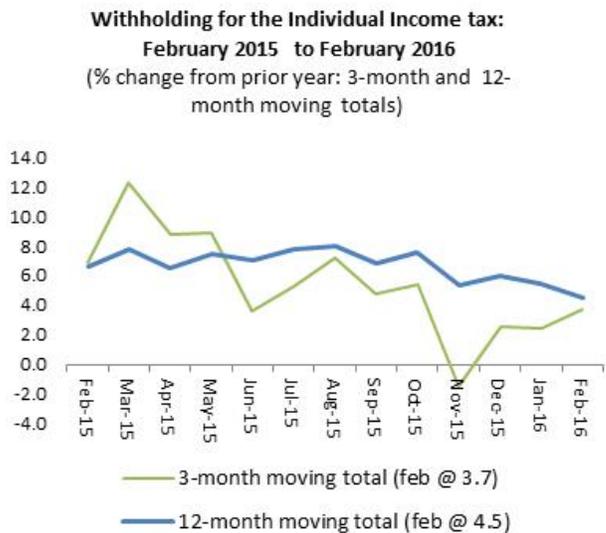
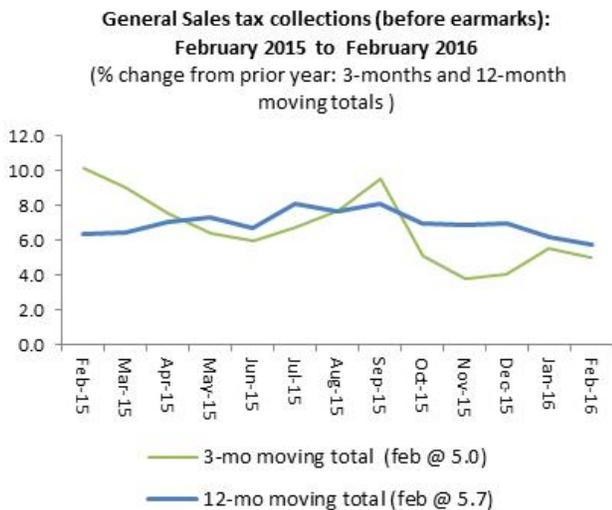
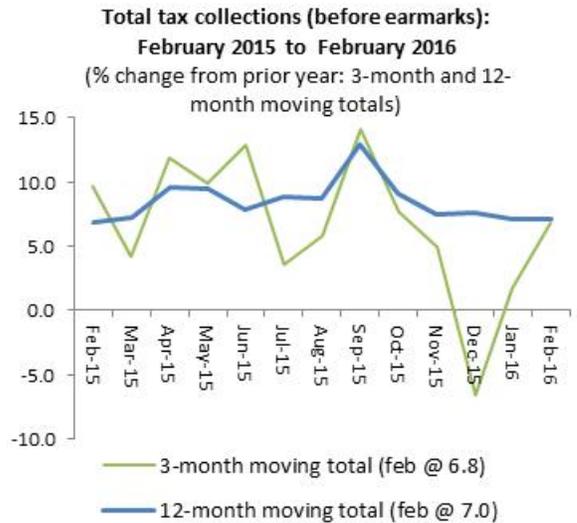
(2) Tax collections data subject to accounting adjustments.

(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/ORR

Deed taxes are down 19% in the last 3 months, but sales and income taxes are higher

- For the 12 month period ending February, total tax collections (before earmarking) were \$456.4 million (7.0%) more than in the prior year. For the last 3 months they were 6.8% above last year.
- Individual income tax collections were 8.9% above last year for the 12-months ending February, and withholding was 4.5% higher. For the past 3 months, withholding increased 3.7%.
- General sales tax collections were 5.7% above last year for the 12-months ending February. For the past 3 months, they were 5.0% above last year.
- Deed tax collections for the 12-months ending February were down 6.6% from last year; for the past 3 months they were down 19.2%.
- Corporate income taxes in February were up 19.3% and unincorporated business income taxes fell 6.0% from last year (12-mo. total).



US economic forecasts

The March Blue Chip forecast for the US economy increased slightly the estimate for FY 2016; no gain in the stock market forecast for this year.

- The Blue Chip Indicator March forecast raised its forecast for real GDP growth in FY 2016 to 2.0% from 1.9%. The FY 2017 estimate remained at 2.4%. Both years are lower than the actual for 2015 (2.6%).
- The Blue Chip Indicator March forecast for inflation (CPI) : 1.0% for FY 2016 and 2.1% in FY 2017. These estimates are unchanged from February.
- S&P 500 February baseline forecasts: slightly lower estimates, with the last quarter of 2016 below that of 2015.

Table 30. Forecasts for US nominal and real GDP:

Fiscal year and date of forecast	FY 2013 through FY 2017 (% change from prior fiscal year)					
	real			nominal		
	Blue Chip	Moody's Analytics	IHS Global Insight	Blue Chip	Moody's Analytics	IHS Global Insight
FY 2013 Actual	1.2	1.2	1.2	2.9	2.9	2.9
FY 2014 Actual	2.4	2.4	2.4	4.2	4.2	4.2
FY 2015 Actual	2.6	2.6	2.6	3.6	3.6	3.6
FY 2016						
December	2.5	2.6	2.5	4.0	3.7	5.0
January	2.3	2.5	2.3	3.9	3.9	4.4
February	1.9	2.0	2.1	3.3	3.5	4.0
March	2.0	2.1	2.1	3.3	3.4	4.0
FY 2017						
January	2.5	3.0	3.1	4.6	5.1	6.6
February	2.4	3.0	2.9	4.4	5.0	6.5
March	2.4	3.0	2.7	4.3	4.9	6.1

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

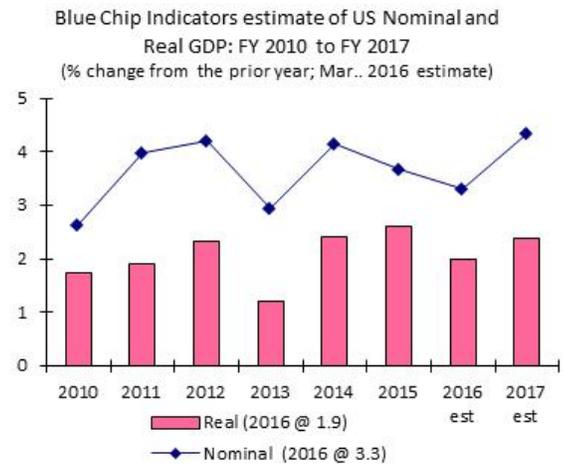


Table 31. CBO estimates of GDP and other indicators: FY 2015 to FY 2018

Indicator	FY 2015	FY 2016	FY 2017	FY 2018
Real GDP (% ch from prior yr.)	2.6	2.3	2.6	2.3
Nominal GDP (% ch from prior yr.)	3.6	3.8	4.3	4.3
CPI (% ch from prior yr.)	0.3	1.0	2.2	2.4
10 yr. Treasury bond rate	2.2	2.6	3.3	3.8
Unemployment rate	5.5	4.8	4.4	4.5

Source: Congressional Budget Office, *The Budget and Economic Outlook: 2016 to 2026*, January 2016

Table 32. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2015 to FY 2017

Forecast date	FY 2015 to FY 2017 (% change from prior fiscal year)					
	CPI			10 yr Treasury rate		
	2015	2016	2017	2015	2016	2017
Dec	0.3	1.4		2.2	2.5	
Jan	0.3	1.2	2.2	2.2	2.5	3.1
Feb	0.3	1.0	2.1	2.2	2.3	2.9
Mar	0.3	1.0	2.1	2.2	2.2	2.8

Source: Blue Chip Indicators

Table 33. IHS Global Insight forecast for S and P 500: 2014.4 to 2016.4

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Global Insight: baseline			Global Insight: pessimistic		
December	13.6	3.1	6.5	13.6	2.8	-31.8
January	13.6	2.0	5.4	13.6	2.0	-32.7
February	13.6	2.0	-0.6	13.6	2.0	-38.0
March	13.6	2.0	-0.8	13.6	2.0	-30.8

Source: IHS Global Insight

Table 34. Moody's Analytics forecast for S and P 500: 2014.4 to 2016.4

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Economy.com baseline			Economy.com pessimistic		
December	13.6	1.6	5.1	13.6	1.6	0.7
January	13.6	2.0	1.6	13.6	2.0	-2.6
February	13.6	2.0	-2.0	13.6	2.0	-6.4
March	13.6	2.0	-3.6	13.6	2.0	-7.9

Source: Moody's Analytics (Economy.com.)

March baseline forecasts for DC: continued growth in FY 2016 and FY 2017.

●**Employment:** Little change in the baseline estimates from the prior month. Employment for FY 2016 is close to FY 2015 actual, with slower gains in FY 2017. Resident employment and jobs located in DC continue to grow at about the same number. DC’s unemployment rate stays about 6.5% in FY 2016.

●**Income.** Although similar in their job outlooks, Global Insight and Moody’s Analytics differ in their outlook for income. Global Insight estimates DC Personal Income will be higher in FY 2016 and FY 2017 than it was in FY 2015; Moody’s Analytics says it will be lower each year. Global Insight’s Personal Income growth for DC is above the national average, whereas Moody’s Analytics shows it much below the US average.

Table 35. Jobs in DC: forecasts for FY 2014 to FY 2017

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

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Dec	6.0	11.3	6.6	5.8	6.0	11.3	4.9	0.5	6.0	11.3	6.4	6.7	6.0	11.3	3.6	0.3
Jan	6.0	11.3	10.5	6.1	6.0	11.3	8.9	0.8	6.0	11.3	9.7	6.6	6.0	11.3	6.9	0.2
Feb	6.0	11.3	10.8	5.7	6.0	11.3	10.0	0.0	6.0	11.3	9.4	6.4	6.0	11.3	8.1	-0.4
Mar	6.0	11.3	10.8	6.5	6.0	11.3	9.8	0.1	6.3	12.5	10.3	7.8	6.3	12.5	4.0	-1.0

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

Table 36. DC Resident employment: forecasts for FY 2014 to FY 2017

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

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Dec	3.4	11.7	9.1	7.2	3.4	11.7	8.4	4.3	3.4	11.7	7.9	5.6	3.4	11.7	6.5	3.8
Jan	3.4	11.7	9.9	7.2	3.4	11.7	9.2	4.3	3.4	11.7	9.4	6.0	3.4	11.7	8.1	4.2
Feb	3.4	11.7	10.6	7.2	3.4	11.7	10.3	4.6	3.4	11.7	9.8	6.3	3.4	11.7	9.1	3.7
Mar	3.4	11.7	10.5	7.6	3.4	11.7	10.1	4.3	3.9	13.3	9.5	6.9	3.9	13.3	9.8	4.8

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

Table 37. DC Personal Income: forecasts for FY 2014 to FY 2017

(percent change from prior year)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Dec	2.7	4.1	4.3	5.8	2.7	4.1	3.4	2.4	2.7	3.8	2.5	1.7	2.7	3.8	1.5	0.3
Jan	2.7	4.2	4.9	5.4	2.7	4.2	4.0	2.1	2.7	4.2	3.9	1.6	2.7	4.2	2.8	0.3
Feb	2.7	4.2	4.7	5.3	2.7	4.2	4.3	2.2	2.7	4.2	3.6	1.5	2.7	4.2	3.0	-0.2
Mar	2.7	4.2	4.8	5.4	2.7	4.2	4.0	0.5	2.7	4.2	3.8	1.5	2.7	4.2	2.1	-0.5

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

Table 38. March forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2014 to FY 2017

(percent change from prior year)

Indicator	Global Insight				Moody's Analytics			
	2014	2015	2016	2017	2014	2015	2016	2017
Wage and salary jobs								
DC	0.8	1.5	1.4	0.8	0.8	1.7	1.3	1.0
Metro area					0.4	1.7	1.9	1.5
US	1.8	2.1	1.9	1.5	1.8	2.1	1.9	1.7
Personal Income								
DC	2.7	4.2	4.8	5.4	2.7	4.2	3.8	1.5
Metro area					2.2	4.4	6.1	6.8
US	3.0	4.7	4.0	4.6	3.0	4.7	4.1	5.7

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

Table 39. March DC forecasts for wages and unemployment: FY 2014 to FY 2017

(percent change from prior year)

	Global Insight				Moody's Analytics			
	2014	2015	2016	2017	2014	2015	2016	2017
Wages and salaries earned in DC								
	3.1	5.1	4.9	4.3	3.1	5.0	4.4	3.4
DC resident wages and salaries								
	3.0	4.6	5.7	6.1	3.0	4.5	3.6	-1.7
DC Unemployment rate (level)								
	7.9	7.4	6.4	6.0	7.9	7.2	6.6	6.6

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

DC revenue estimate

The February revenue estimate: \$31 million less in FY 2016 than in FY 2015, followed by a \$244 million increase in FY 2017

● Anticipated tax revenue decline (before earmarks) is 0.4% in FY 2016, followed by a 3.5% increase in FY 2017. The estimates reflect growth in the DC economy, but the decline in FY 2016 results from a one-time revenue gain in FY 2015 from settlement payments for past due sales taxes from on-line hotel bookings, extraordinary gains from certain taxes, and the effects of scheduled tax cuts enacted in September 2015.

● Real property tax growth of \$163 million in FY 2016 is offset by decreases in other taxes in that year. Real property is also the leading source of revenue gain in FY 2017. Individual income tax revenue increased 11.2% in FY 2015, but is estimated to fall 0.6% in FY 2016 reflecting both tax cuts and extraordinary capital gains in FY 2015. Sales (due to the hotel booking settlement), deed taxes, and business income are projected to fall in FY 2016.

● As a share of DC Personal Income, tax revenue in FY 2016 is expected to fall to 13.9% compared from 14.6 in FY 2015.

Table 40. DC Tax Revenue (before earmarks) for FY 2014 through FY 2017: February 2016 revenue estimate

Tax	FY level (\$ million)				Change from prior year (\$ M)				% change from prior year			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Real property	2,015.6	2,194.5	2,357.2	2,456.7	100.7	178.9	162.7	99.5	5.3	8.9	7.4	4.2
Deed taxes	391.2	480.6	361.2	367.7	24.0	89.4	-119.4	6.5	6.5	22.8	-24.8	1.8
General sales	1,172.1	1,315.3	1,290.8	1,344.4	34.2	143.2	-24.4	53.5	3.0	12.2	-1.9	4.1
Individual income	1,679.2	1,868.0	1,857.0	1,930.4	38.3	188.9	-11.1	73.4	2.3	11.2	-0.6	4.0
Withholding	1,472.9	1,553.2	1,615.0	1,678.9	81.7	80.3	61.7	64.0	5.9	5.5	4.0	4.0
non-withholding	206.2	314.8	242.0	251.5	-43.4	108.6	-72.8	9.5	-17.4	52.7	-23.1	3.9
Business income	415.6	447.8	420.9	427.7	-37.7	32.2	-26.9	6.8	-8.3	7.8	-6.0	1.6
Other	616.4	610.6	599.0	603.5	30.1	-5.8	-11.7	4.6	5.1	-0.9	-1.9	0.8
Total	6,290.0	6,916.8	6,886.1	7,130.5	189.5	626.9	-30.8	244.4	3.1	10.0	-0.4	3.5

Source: ORA. February 26, 2016 revenue estimate under existing legislation. Deed taxes include economic interest. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2014 and FY 2015 are from the CAFR.

Table 41. DC labor market assumptions: FY 2014 to FY 2017

item	2014	2015	2016	2017
Wage and salary employment	751,483	762,800	772,403	778,754
1 year change	6,000	11,317	9,603	6,351
% change	0.8	1.5	1.3	0.8
DC resident employment	344,826	356,540	365,433	370,564
1 year change	3,434	11,714	8,893	5,130
% change	1.0	3.4	2.5	1.4
Unemployment rate	7.9	7.4	6.5	6.4

Source: ORA February 2016 revenue estimate.

Table 42. DC Income and stock market assumptions: FY 2014 to FY 2017 (% change from prior year)

item	2014	2015	2016	2017
Wages and salaries earned in DC	3.1	5.1	4.2	3.9
Wages and salaries earned by DC residents	3.0	4.6	4.5	4.0
DC Personal income	2.7	4.2	4.0	4.2
S and P 500 stock index	13.6	2.0	0.5	3.5

Source: ORA February 2016 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 43. DC tax revenue (before earmarks) and DC Personal Income: FY 2009 to FY 2018

item	2009	2010	2011	2012	2013	2014	2015	2016 est	2017 est	2018 est	
Tax revenue (\$ million)											
Level		5,052	5,005	5,325	5,853	6,100	6,290	6,917	6,886	7,130	7,381
Change from prior year		-273	-47	320	528	247	189	627	-31	244	251
Percent change from prior year											
Tax revenue		-5.1	-0.9	6.4	9.9	4.2	3.1	10.0	-0.4	3.5	3.5
Personal Income		-0.7	1.5	8.0	5.2	2.8	2.7	4.2	4.0	4.2	4.7
Tax revenue as percent of Personal Income											
		13.5	13.2	13.0	13.5	13.7	13.8	14.6	13.9	13.8	13.7

Source: ORA. February 26, 2016 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.

DC’s income grew faster than the national average primarily because the earnings of DC residents increased in 2015 at a faster rate than the year before, whereas nationally the growth rate of earnings fell. (Earnings, are wages and salaries, benefits, and proprietors’ income.)

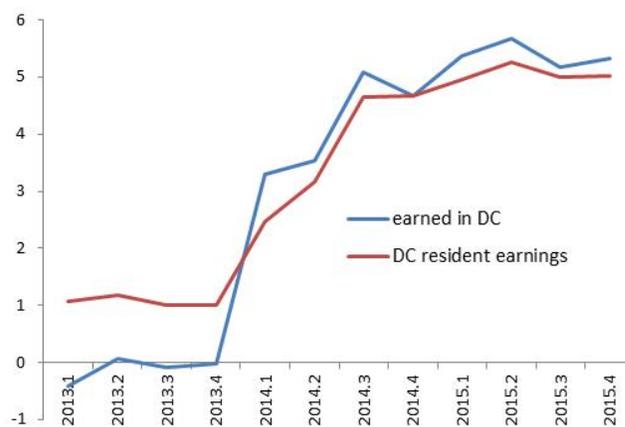
In a manner similar to per capita income, the percentage increase in earnings per resident worker was less in DC than in the US from 2014.4 to 2015.4 (2.1% versus 2.3%). The percent increase in DC’s resident employment was, however, twice that of the US average.

Earnings in DC, earnings of DC residents, and earnings in the US: 2014.4 and 2015.4 from prior year)	(% change 2014.4 2015.4)		% change in Resident earnings and other indicators in DC and the US: 2014.4 to 2015.5		
	2014.4	2015.4	indicator	DC	US
Earned in DC	4.7	5.3	Resident earnings*	5.0	3.8
DC resident earnings	4.7	5.0	Earnings per employed resident worker	2.1	2.3
US earnings	5.4	3.8	Resident employment	2.9	1.4

**Earnings are after personal contributions for social insurance.
Source: BEA and BLS. Resident workers are resident employment average for the 2014.4 and 2015.4 quarters, calculated from seasonally adjusted data.*

In 2015 DC resident earnings grew close to, but at a slightly slower, rate than the amount earned in DC. This has been true for most of the past two years. Accordingly, one possible factor that could boost DC Personal Income growth—having DC residents increase their share of all the income earned in DC—seems not to have contributed to recent Personal Income growth in DC. On the contrary, the share earned in DC by commuters seems to have risen slightly, although this cannot be determined with certainty due to the nature of the Personal Income accounts. (Amounts earned in DC measure earnings there by both DC residents and commuters. Amounts earned by DC residents measure what DC residents earn wherever they work—in DC, in the suburbs, or elsewhere. Because BEA does not show how much of the earnings of DC residents are actually earned in DC, it is not possible to know exactly what share of the amounts earned in DC by everybody are earned by commuters.)

Amounts earned in DC and earned by DC residents: 2013.1 to 2015.4
(% change from the same quarter of the prior year)



As noted earlier, in the Personal Income accounts amounts earned in DC have three components: wages and salaries, benefits, and proprietors’ income. Wages and salaries make up about three-quarters of all earnings. Wages and salaries accounted for 74.1% of the \$4.66 billion increase in DC earnings in 2015, a slightly higher percentage than the 70.9% share of the smaller (\$3.93 billion) increase in 2014.

Along with an increase in wages earned in DC, 2015 also saw a shift in the amount of new income generated by some of the industries that make up the District's economy. Public sector wage and salary gains (both federal civilian and local government) picked up considerably in 2015, adding \$1.25 billion in 2015 compared to \$420 million in the prior year. The public sector share of the growth in wages went from 15% in 2014 to 36% in 2015.

In the private sector the most striking changes were (1) a rise in the share of wage growth accounted for by a collection of business services: information, finance, management, and other business services, and (2) a decrease in the share contributed by professional and technical services, education, and health.

In 2014 the professional and technical, education, and health services accounted for half of all wage and salary growth in DC. The next year these sectors accounted for less than a quarter of the city's gains. By contrast, the information, finance, management, and other business services share of all DC wage gains rose from 13.3% in 2014 to 21.3% in 2015.

The following tables summarize the components of income earned in DC and the wages and salaries originating in various sectors of the DC economy.

A note of caution. BEA revises data from time to time, so it is important to be aware that as the agency obtains more data from tax filings and other sources, perceptions about developments in the District's economy can change.

—Stephen Swaim, DC Office of Revenue Analysis

Amounts earned in DC: 2014.4 and 2015.4

item	Level (\$B)			Ch from the prior year (\$B)		% change from prior year	
	20013.4	2014.4	2015.4	2013.4 to 2014.4	2014.4 to 2015.4	2013.4 to 2014.4	2014.4 to 2015.4
Wages and salaries*	62.76	65.55	69.00	2.79	3.45	4.4	5.3
Benefits	16.89	17.66	18.53	0.77	0.87	4.5	4.9
Proprietor's income	5.87	6.25	6.59	0.38	0.34	6.4	5.5
Total earnings in DC*	85.52	89.46	94.12	3.93	4.66	4.6	5.2
	<i>Percent of total</i>						
Wages and salaries	73.4	73.3	73.3	70.9	74.1		
Benefits	19.8	19.7	19.7	19.5	18.6		
Proprietor's income	6.9	7.0	7.0	9.6	7.3		
Total earnings in DC	100	100	100	100	100		

*Before personal contributions for social insurance.

Source: BEA. The data is income earned by all persons working in DC.

Wages and salaries earned in DC by industry sector: 2013.4 to 2015.4

sector	Level (\$B)			Ch. from prior year (\$B)		% ch from prior year	
	2013.4	2014.4	2015.4	2013.4 to 2014.4	2014.4 to 2015.4	2013.4 to 2014.4	2014.4 to 2015.4
Professional and tech	13.28	14.25	14.79	0.97	0.54	7.3	3.8
Education and health	6.32	6.74	6.97	0.42	0.23	6.7	3.4
Retail and hospitality	3.08	3.37	3.66	0.29	0.29	9.5	8.6
Information, finance, and business services	7.99	8.36	9.10	0.37	0.74	4.7	8.8
Organizations	5.90	6.16	6.46	0.26	0.30	4.5	4.9
Other private	2.08	2.13	2.23	0.05	0.10	2.4	4.5
Private sector	38.64	41.01	43.20	2.37	2.20	6.1	5.4
Federal civilian	20.40	20.86	21.93	0.47	1.07	2.3	5.1
Federal military	0.99	0.95	0.95	-0.04	0.00	-4.4	-0.1
Local government	2.73	2.73	2.92	0.00	0.19	-0.1	6.9
Public sector	24.12	24.54	25.79	0.42	1.25	1.7	5.1
Total	62.76	65.55	69.00	2.79	3.45	4.4	5.3
				<i>Percent of total</i>			
Professional and tech	21.2	21.7	21.4	34.8	15.8		
Education and health	10.1	10.3	10.1	15.2	6.6		
Retail and hospitality	4.9	5.1	5.3	10.4	8.4		
Information, finance, and business services	12.7	12.8	13.2	13.3	21.3		
Organizations	9.4	9.4	9.4	9.4	8.8		
Other private	3.3	3.3	3.2	1.8	2.8		
Private sector	61.6	62.6	62.6	84.9	63.7		
Federal civilian	32.5	31.8	31.8	16.8	30.9		
Federal military	1.6	1.4	1.4	-1.6	0.0		
Local government	4.3	4.2	4.2	-0.1	5.5		
Public sector	38.4	37.4	37.4	15.1	36.3		
Total	100.0	100.0	100.0	100.0	100.0		

Source: US Bureau of Economic Analysis. Wages and salaries are before deduction for personal social insurance contributions.

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."

District, Measured. Information on the economic and demographic trends taking shape in the city can be found on the ORA Blog, District, Measured (districtmeasured.com). You can sign up at the blog page to receive updates as new articles are posted.

Recent ORA reports:

Revised revenue estimate, February 26, 2016.

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, 2015. Details on all DC taxes.

Tax Rates and Tax Burdens 2014 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 2014 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*).

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	February	April 15
D.C. Personal Income	BEA	2015.4	June 22
D.C. Tax Collections	OTR/ORA	February	c. April 15
D.C. Housing Sales	MRIS*	February	c. April 10
D.C. Commercial Office Building data	CoStar and Delta	2015.4	c. April 10
DC Apartment data	CoStar and Delta	2015.4	c. April 10
D.C. Hotel stay information	Smith Travel Research	February	c. April 20
Consumer Price Index	BLS	February	April 14
U.S. Jobs and Labor Force	BLS	February	April 1
U.S. GDP and Personal Income	BEA	2015.4	April 28
S and P 500 Stock Index	Financial press	February	February 1
Interest rate on 10-Year Treasury Securities	Financial press	February	February 1
IHS Global Insight D.C. forecast	Global Insight	March	c. April 25
Moody's Analytics D.C. forecast	Moody's Analytics	March	c. April 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	March	c. April 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* 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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