



District of Columbia Economic and Revenue Trends: January 2021

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Highlights

% ch, 3 month avg
Green = Improving*

DC Jobs (p.2)	-6.2 %
DC Wages (p. 6)	1.8 %
Unemployment rate (p.3)	7.5 %
Home prices (p.12)	16.7 %
Office vacancy (p.10)	13.1 %
S&P 500 (p.15)**	14.3 %

* 3-month moving avg growth better than 12 month

** % change annual

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Personal Income in third quarter grows still buoyed by federal rebates and unemployment

Rebates and expanded unemployment insurance adds almost \$5 billion to District personal income

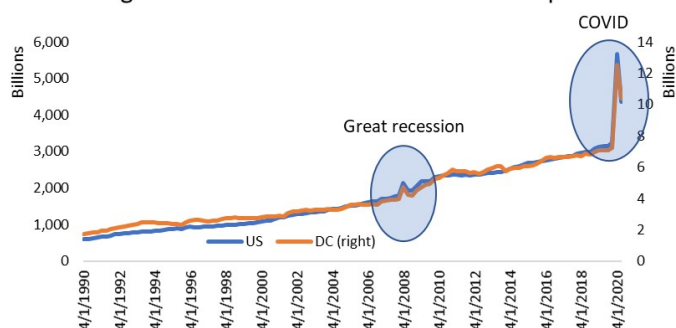
Table 1. Personal Income CY 2020.1 CY 2020.3

\$billions	2020.1	2020.2	2020.3
Personal Income			
US	18,940.5	20.4	19.9
% change annual	3.2%	10.7%	7.1%
DC	60.3	63.4	63.1
% change annual	3.3%	8.0%	6.9%
Transfers			
US	3,235.4	5,676.3	4,368.8
% change annual	4.9%	82.0%	39.1%
DC	7.3	12.5	10.4
% change annual	3.9%	76.4%	46.8%
Wages			
US	9,517.2	8,896.1	9,395.6
% change annual	3.2%	-4.0%	1.0%
DC Resident	31.5	30.1	31.1
% change annual	3.7%	-1.3%	1.6%

Source: Bureau of Economic Analysis; ORA for DC Resident wages

Despite a recession and pandemic, personal income grew in the 2nd and 3rd quarter of 2020 in the U.S. and the District. Wages, however, did reflect the economy, declining 4 percent in the 2nd quarter in the U.S. and 1.3 percent for District residents. The disconnect comes from the unprecedented transfer payments that were part of the federal coronavirus relief package passed in March 2020 (the CARES Act). Transfers, made up of payments by “government or business for which no current services are performed,” and include unemployment insurance as well as the federal relief rebates.¹ (**Cont. page 20**)

Figure 1. Personal current transfer receipts



Wage and salary employment

DC federal government employment grows while private sector loses jobs.

- In November, DC lost 50,600 jobs compared to a year ago, a 6.3% decline. The decline in the 3-month average was 6.2%, compared to the suburban decline of 4.9% and the U.S. decline of 6.1%.
- Federal sector employment grew 2.4 percent in contrast with the private sector decline of 9.7% in November. In the 12 months ending November 2020, federal employment increased by 2,825 jobs (1.4%) while the private sector lost 37,400 (-6.7%).
- Seasonally adjusted employment was 600 lower in November than October, offsetting the gains in revised October employment.

Wage and salary employment located in DC, DC suburbs and US: December 2018 to November 2020

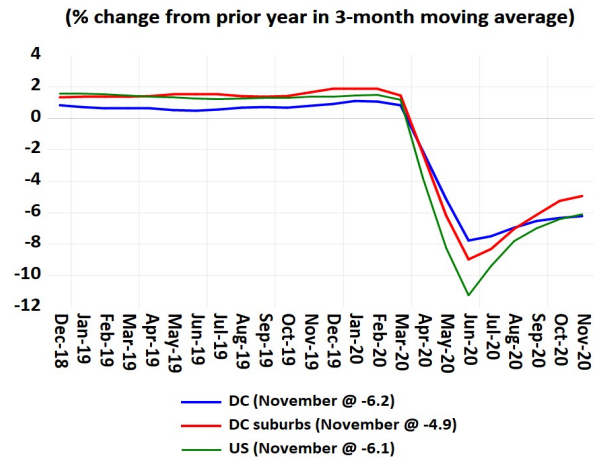


Table1. Wage and Salary Employment in DC, Washington Metro area, and the US: November 2020

Jurisdiction	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
District of Columbia	791,092	796,475	771,483	763,192	753,233	756,400
1 year change	8,508	5,383	-24,992	-34,400	-49,767	-50,600
% change	1.1	0.7	-3.1	-4.3	-6.2	-6.3
Washington metro area	3,297,742	3,338,633	3,238,258	3,208,992	3,198,833	3,218,800
1 year change	39,108	40,892	-100,375	-138,308	-176,533	-179,700
% change	1.2	1.2	-3.0	-4.1	-5.2	-5.3
Washington suburbs (%ch)	1.2	1.4	-3.0	-4.1	-4.9	-5.0
US (%ch)	1.6	1.4	-3.9	-5.2	-6.1	-6.0

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

Source: BLS. November 2020 is preliminary

Table 2. Federal government and private sector wage and salary employment in DC: November 2020

Sector	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Federal government	196,983	195,442	197,567	198,442	201,267	201,400
1 year ch.	-3,225	-1,542	2,125	2,825	5,033	4,800
% change	-1.6	-0.8	1.1	1.4	2.6	2.4
Private sector	552,375	558,450	531,100	521,900	509,500	512,800
1 year ch.	11,125	6,075	-27,350	-37,400	-55,067	-54,900
% change	2.1	1.1	-4.9	-6.7	-9.8	-9.7

Source: BLS. Not seasonally adjusted. November is preliminary

Federal gov. and private sector wage and salary employment in DC: December 2018 to November 2020 (Ch. from prior year in 3-month moving average)

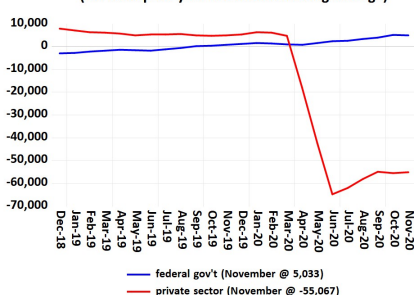


Table 3. Seasonally Adjusted DC Employment: June 2020 to November 2020

Indicator	June	July	August	September	October	November
D.C. Wage and Salary Employment	739,000	746,700	746,500	750,300	750,800	750,200
change from prior month	8,200	7,700	-200	3,800	500	-600
%change from prior month	1.1	1.0	0.0	0.5	0.1	-0.1

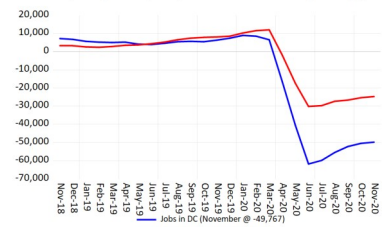
Source: BLS seasonally adjusted. November is preliminary.

Resident employment and unemployment

Resident employment declines even as unemployment rate decreases in November

- In November DC resident employment was down 24,665 (6.3%) from a year earlier (3-mo. moving average). The labor force fell by 13,412 (3.3%)—and the number of unemployed rose 11,253 (52.6%). The unemployment rate in November was 7.3%.
- Initial claims for unemployment insurance continues to be elevated. The 3-mo. moving average ending November 2020 was 4,513 higher than the same period in 2019.

Jobs located in DC and DC resident employment:
November 2018 to November 2020
(change from prior year in 3-month moving average)



Resident employment in DC, the DC suburbs, and the US:
November 2018 to November 2020
(% change from prior year in 3-month moving average)

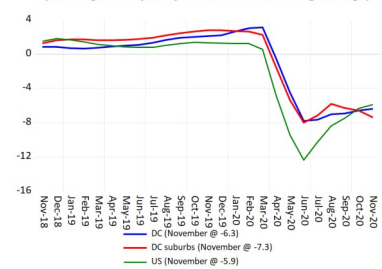


Table 4. Unemployment rates for DC, metro area, and US: November 2020

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Nov-19	Nov-20	Nov-19	Nov-20
US	3.3	6.4	3.5	6.7
DC	5.0	7.3	5.3	7.5
DC metro area	2.8	5.8	na	na
DC suburbs	2.5	5.6	na	na

Source: BLS; na=data not available.

Table 5. Resident employment and unemployment: November 2020

Indicator	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
DC Labor force summary						
Resident Employment	380,897	385,356	376,309	372,338	363,960	368,425
1 year ch.	5,511	4,460	-9,048	-14,386	-24,665	-23,140
% change	1.5	1.2	-2.3	-3.7	-6.3	-5.9
Labor Force	404,151	408,085	405,518	403,162	396,608	397,448
1 year ch.	4,375	3,934	-2,567	-6,138	-13,412	-14,898
% change	1.1	1.0	-0.6	-1.5	-3.3	-3.6
Unemployed residents	23,254	22,729	29,209	30,824	32,648	29,023
1 year ch.	-1,135	-525	6,480	8,248	11,253	8,242
% change	-4.7	-2.3	28.5	36.5	52.6	39.7
Unemployment rate	5.8	5.6	7.3	7.7	8.2	7.3

DC Unemployment insurance (state program)

Initial Claims (mo. avg)	1,611	2,299	12,886	13,573	6,479	5,414
1 year ch.	139	106	687	11,291	4,513	3,289
% change	2.2	7.1	42.7	495.0	229.6	154.8
Weeks compensated (mo. avg)	31,355	30,429	27,473	156,190	174,118	99,183
1 year ch.	1,094	-926	-2,956	129,346	149,976	76,812
% change	3.6	-3.0	-9.7	481.8	621.2	343.4

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

Table 6. Seasonally Adjusted DC resident employment and unemployment: June 2020 to November 2020

Indicator	June	July	August	September	October	November
DC resident employment	359,702	360,407	363,417	363,614	365,781	367,804
change from prior month	5,938	705	3,010	197	2,167	2,023
% change from prior month	1.7	0.2	0.8	0.1	0.6	0.6
DC unemployment rate	8.7	8.5	8.6	9.0	8.3	7.5

Source: BLS seasonally adjusted. November is preliminary.

Jobs by sectors of the economy

Professional and technical services added jobs while most private sector industries lost them

- In November professional and technical services (not including legal) added 1,433 jobs over last year despite extensive job losses elsewhere in the economy. (3-month moving avg.) Other private sectors adding jobs over last year included wholesale trade, construction, personal and miscellaneous services.
- Hospitality—food service, accommodation, and amusement—lost a combined 29,700 jobs or 36%. Business services (excluding employment services) lost 9,000 (26.2%) and education lost 6,767 (11.3%). As noted last month, education job loss in the District was concentrated in higher education jobs.
- Government rose by 5,300 (2.2%), primarily from an increase in federal employment.
- The federal government accounted for 26.6% of all DC jobs in November. Federal jobs located in DC accounted for 53.6% of metro area federal jobs and 6.9% of US federal jobs.

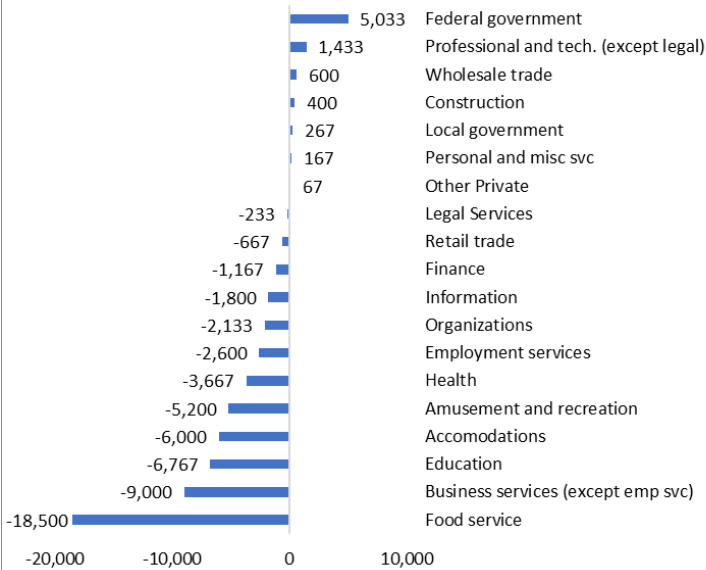
Table 7. Wage and salary employment located in DC: November 2020

Industry sector	3-month moving average					Sector % of all DC jobs, November 2020	DC share (%) in November 2020 of all sector jobs in:	
	Nov 2019	Nov 2020	1 year change		12 mo. moving avg: %change		metro area	US
			Amount	%				
Federal government	196,233	201,267	5,033	2.6	1.4	26.6	53.6	6.9
Local government	42,200	42,467	267	0.6	0.4	5.6	12.9	0.2
Legal Services	28,967	28,733	-233	-0.8	0.1	3.8		2.6
Professional and tech. (except legal)	93,367	94,800	1,433	1.5	3.3	12.6	22.8	1.1
Employment services	14,100	11,500	-2,600	-18.4	-11.8	1.6	28.3	0.4
Business services (except emp svc)	34,300	25,300	-9,000	-26.2	-14.8	3.3	16.9	0.4
Information	20,467	18,667	-1,800	-8.8	-2.2	2.5	25.4	0.7
Finance	29,733	28,567	-1,167	-3.9	-2.1	3.7	17.7	0.3
Organizations	69,233	67,100	-2,133	-3.1	-0.8	8.8	37.3	2.3
Education	60,000	53,233	-6,767	-11.3	-6.3	7.1	49.3	1.5
Health	71,033	67,367	-3,667	-5.2	-4.9	9.0	21.9	0.3
Food service	55,700	37,200	-18,500	-33.2	-29.9	5.0	19.2	0.4
Accommodations	16,633	10,633	-6,000	-36.1	-28.8	1.4	38.1	0.8
Amusement and recreation	9,900	4,700	-5,200	-52.5	-36.3	0.6	15.2	0.3
Retail trade	23,533	22,867	-667	-2.8	-2.1	3.1	8.6	0.2
Wholesale trade	5,267	5,867	600	11.4	8.5	0.8	9.5	0.1
Construction	14,800	15,200	400	2.7	-1.5	2.0	9.1	0.2
Personal and misc svc	8,500	8,667	167	2.0	2.7	1.1		0.3
Other Private	9,033	9,100	67	0.7	-2.3	1.2	5.7	0.0
Total	803,000	753,233	-49,767	-6.2	-4.3	100.0	23.5	0.5
<i>Public Sector</i>	<i>238,433</i>	<i>243,733</i>	<i>5,300</i>	<i>2.2</i>	<i>1.3</i>	<i>32.2</i>	<i>34.6</i>	<i>1.1</i>
<i>Private Sector</i>	<i>564,567</i>	<i>509,500</i>	<i>-55,067</i>	<i>-9.8</i>	<i>-6.7</i>	<i>67.8</i>	<i>20.4</i>	<i>0.4</i>

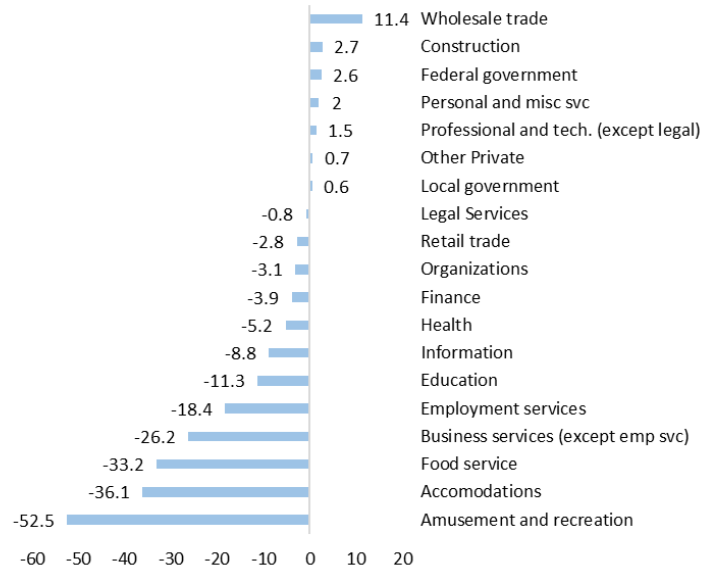
Source: BLS. Not seasonally adjusted. na=not available. For metro area, legal is included in other professional and technical and personal and miscellaneous service is included in organizations.

Jobs and wages by sector

**Change in wage and salary jobs in DC:
November 2019 to November 2020
(Calculated from 3-month moving average)**



**% change in wage and salary jobs in DC:
November 2019 to November 2020
(Calculated from 3-month moving average)**



Over the year ending September, the professional and management services sector had the highest growth in jobs while wages in the organizations and personal services sector had the highest growth.

- For the year ending September the federal government accounted for 26.8% of all jobs and 30.4% of all wages and salaries in DC. Over the 4 quarters, federal jobs increased 1.1% while wages grew 2.5%. Note data for employment shown as quarterly to compare to wages.
- Professional and management services jobs increased 3,742 in the 4-quarter average ending September 2020, offsetting some of the losses in other sectors while wages in the sector grew 3.7 percent. This sector accounts for 23.7% of DC wages and jobs are 17.1% of DC jobs.
- Organizations and personal services was the only other private sectors to add jobs, adding 217 jobs in the 4-quarter average ending September 2020 from last year. This sector accounted for 10.2% of DC jobs and wages.
- Business services jobs, mostly office building support, fell but wages grew by 4.4%, Education and health services employment fell over the past year but wages grew 3.4%.

Table 8. Employment and income by sector of the DC economy: Quarter ending September 2020

Sector	4 qtr avg. wage and salary employment in DC ending September 2020			4 qtr avg. wages and salaries earned in DC ending September 2020			Percentage Distribution	
	Annual			Annual			September 2020	
	Level	change (jobs)	% change	Level (\$b)	change (\$b)	% change	Employment	Wages
Total	771,483	-24,992	-3.1	79.45	1.49	1.9	100.0	100.0
Federal government	197,567	2,125	1.1	23.63	0.59	2.5	26.8	30.4
Local government	42,817	233	0.5	3.63	0.06	1.7	5.9	4.5
Professional and Management	126,992	3,742	3.0	18.86	0.68	3.7	17.1	23.7
Business services	42,525	-4,317	-9.2	2.67	0.11	4.4	4.9	3.3
Information and financial services	49,208	-300	-0.6	7.27	0.20	2.8	6.3	9.1
Education and health services	124,992	-5,733	-4.4	8.11	0.27	3.4	15.8	10.6
Trade and hospitality	89,675	-19,800	-18.1	3.71	-0.94	-20.3	10.1	3.6
Organizations and personal services	77,433	217	0.3	7.92	0.42	5.6	10.2	10.2
Other private	20,275	-1,158	-5.4	3.66	0.11	3.2	2.7	4.6
<i>Private sector</i>	<i>531,100</i>	<i>-27,350</i>	<i>-4.9</i>	<i>52.19</i>	<i>0.84</i>	<i>1.6</i>	<i>67.3</i>	<i>65.1</i>
<i>Government</i>	<i>240,383</i>	<i>2,358</i>	<i>1.0</i>	<i>27.26</i>	<i>0.65</i>	<i>2.4</i>	<i>32.7</i>	<i>34.9</i>

Source: BLS and BEA. Federal government wages and salaries includes military.

Wages and income

DC's personal income and wages grew in the September 2020 quarter.

- Wages and salaries earned in the District of Columbia grew 1.8% in the September quarter compared to the same quarter of 2019.
- In the September quarter, DC Personal Income grew 6.9%, compared to 7.1% for the US average. Federal relief continues to increase personal income (story page 1).
- Proprietors' income increased 7.1% and property income decreased by 2.2% in the September quarter over the same quarter in 2019.
- Pensions and other transfers, where federal pandemic relief showed up, grew 46.8% over last year in the September quarter.

Wages earned in DC, by DC residents, and in the US:
2019q3 to 2020q3
(% ch from prior year)

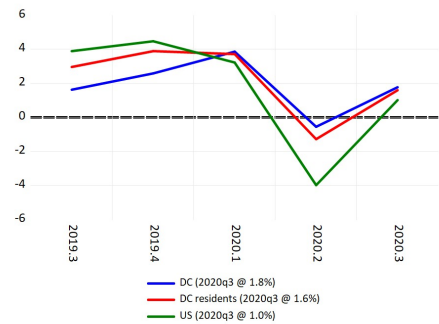


Table 9. DC Wages and Personal Income: September 2020

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

Indicator	FY 2018	FY 2019	FY 2020	4-qtr. moving avg	September 2020
Wages and salaries earned in DC	75.5	78.0	79.5	79.5	79.8
1 yr change	3.4	2.5	1.5	1.5	1.4
% change	4.8	3.3	1.9	1.9	1.8
Supplements to wages and salaries	19.5	20.3	20.8	20.8	21.0
1 yr change	1.1	0.8	0.4	0.4	0.5
% change	5.7	4.1	2.1	2.1	2.2
Income earned in DC*	91.2	94.1	96.0	96.0	96.9
% change	3.7	3.3	2.0	2.0	2.1
Net resident adjustment**	-51.9	-53.4	-54.3	-54.3	-54.6
% change	3.7	2.7	1.8	1.8	1.8
Income earned by DC residents*	39.2	40.8	41.7	41.7	42.3
% change	3.8	4.0	2.3	2.3	2.5
Wages and salaries of DC residents***	29.0	30.3	30.9	30.9	31.1
1 yr change	1.9	1.3	0.6	0.6	0.5
% change	7.0	4.6	2.0	2.0	1.6
Proprietors income earned by DC residents****	6.9	6.8	7.1	7.1	7.5
% change	-10.1	-0.3	4.3	4.3	7.1
Property income of DC residents	10.6	10.6	10.5	10.5	10.4
% change	4.1	0.7	-1.1	-1.1	-2.2
Pensions and other transfers	6.8	7.0	9.3	9.3	10.4
% change	1.8	3.4	33.1	33.1	46.8
DC personal income	56.6	58.4	61.5	61.5	63.1
1 yr change	2.0	1.9	3.1	3.1	4.1
% change	3.6	3.3	5.4	5.4	6.9
US Personal income (% change from prior year)	5.5	4.3	6.1	6.1	7.1
US Wages and Salaries (% change from prior year)	5.3	4.6	1.2	1.2	1.0
Addendum:					
DC res. wages as % of wages earned in DC	38.4	38.9	38.9	38.9	38.9
DC Personal income as % of US	0.32	0.32	0.32	0.32	0.32

*Excludes social insurance paid by individuals. Wage and salary amounts do include social insurance paid by individuals.

**Algebraic sum of (1) income earned in DC by non residents (negative) and (2) income earned by DC residents outside of DC (positive). Since this is a negative number, the larger the increase (or faster the rate of growth), the less growth for income earned by DC residents.)

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

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

Source: BEA; data released Dec 18, 2020

Population, jobs, and per capita income

DC's population growth rate slows and wage growth stronger in the September quarter.

- At mid-year 2020, population was estimated to be 4,563 (0.6%) higher than the prior year and wage and salary employment decreased by 61,033 (7.7%).
- In 2020 population grew less than half of their annual average increase over the 5 years 2015 to 2020 while wages fell significantly in the 2nd quarter of 2020 due to the pandemic.
- In the September quarter, DC's per capita income grew at a 6.3% rate compared to 6.6% in the US.
- In the September quarter, wages per job in DC grew faster than in the US (8.9% v 8.6%).

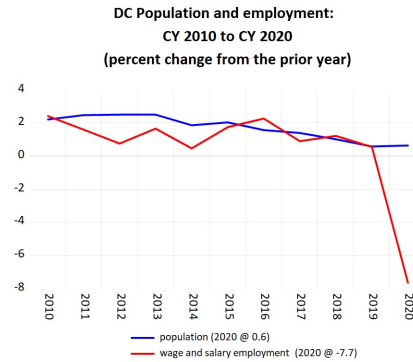
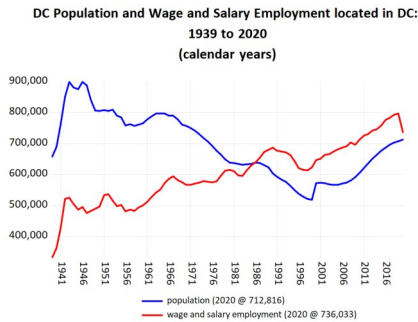


Table 10. DC Population and wage and salary employment located in DC: 2012 to 2020

Calendar Year	Population			Wage and salary employment		
	Number	Change from prior year Number	%	Number	Change from prior year Number	%
2012	635,737	15,447	2.5	730,533	5,367	0.7
2013	651,559	15,822	2.5	742,633	12,100	1.7
2014	663,603	12,044	1.8	746,133	3,500	0.5
2015	677,014	13,411	2.0	759,133	13,000	1.7
2016	687,576	10,562	1.6	776,333	17,200	2.3
2017	697,079	9,503	1.4	783,267	6,933	0.9
2018	704,147	7,068	1.0	792,700	9,433	1.2
2019	708,253	4,106	0.6	797,067	4,367	0.6
2020	712,816	4,563	0.6	736,033	-61,033	-7.7
<i>Ch. from 2015 to 2020</i>		<i>35,802</i>	<i>5.3</i>		<i>-23,100</i>	<i>-3.0</i>
<i>Avg. annual ch.(2015 to 2020)</i>		<i>7,160</i>			<i>(4,620)</i>	

Source: US Bureau of the Census (Population); BLS seasonally adjusted for year ending June quarter.

Table 11. Per capita income and wages per job in DC and the US: FY 2018 to September 2020

	DC					US				
	FY 2018	FY 2019	FY 2020	4-qtr moving avg (September 2020)		FY 2018	FY 2019	FY 2020	4-qtr moving avg (September 2020)	
Per capita Income	80,807	82,888	86,770	86,770	88,702	54,028	56,057	59,199	59,199	60,284
% ch in per capita income	2.5	2.6	4.7	4.7	6.3	4.9	3.8	5.6	5.6	6.6
% ch in population	1.0	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5
% ch in personal income	3.6	3.3	5.4	5.4	6.9	5.5	4.3	6.1	6.1	7.1
Wages per job	95,393	97,885	103,112	103,112	106,766	59,429	61,302	64,658	64,658	67,014
% ch in wages per job	3.6	2.6	5.3	5.3	8.9	3.7	3.2	5.5	5.5	8.6
% ch in wage and salary jobs	1.1	0.7	-3.1	-3.1	-6.5	1.6	1.4	-3.9	-3.9	-7.0
% ch in total wages	4.8	3.3	1.9	1.9	1.8	5.3	4.6	1.2	1.2	1.0
	<i>Washington Metro</i>					<i>U.S.</i>				
<i>Consumer price index</i>	<i>2.1</i>	<i>1.3</i>	<i>0.9</i>	<i>0.9</i>	<i>1</i>	<i>2.4</i>	<i>1.9</i>	<i>1.5</i>	<i>1.5</i>	<i>1.3</i>

Source: BEA for per capita income, population, and personal income; BLS for CPI. Note: % changes are from the same period of the prior year.

Multifamily-unit housing and housing permits

New housing permit issuance surged in November but still hasn't fully recovered

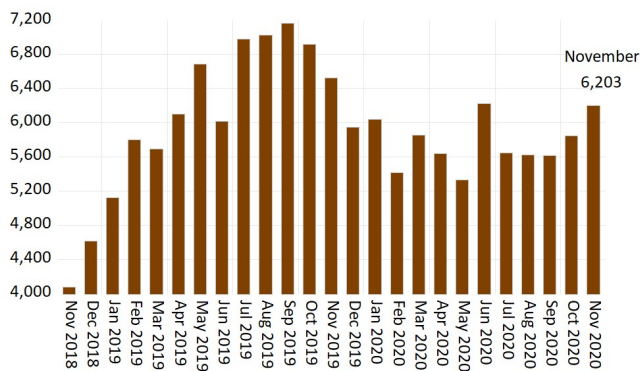
- For the 12-month period ending November, 6,203 housing permits were issued, down 4.9% from the same period last year. The 3-month total (1,990) was 41% above the same period last year.
- According to CoStar, in the quarter ending December 2020, the inventory of apartments and condominiums increased by 7,459 (4.0%) from a year earlier, fastest growth since at least 2014.
- Of the increase in inventory of multifamily units in the fourth quarter, 89.6% were in apartments. Of the housing permits issued over the past 12-months, 95.6% were included in 44 buildings with 5 or more units.
- As of the end of December, 12,840 multi-family units were under construction in 93 buildings. Of the construction, apartments accounted for 76.3% of the buildings and 94.1% of the units.

Table 12. Housing unit building permits issued in DC: November 2020

	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Total units	4,640	7,168	5,618	6,203	1,990	626
1 year ch.	592	2,528	-1,550	-322	579	357
% change	14.6	54.5	-21.6	-4.9	41.0	132.7
Multifamily projects with 5 or more units						
number	46	63	43	44	14	4
average size	85	122	124	131	133	153
Units in small projects with up to 4 units	179	218	254	272	78	16
% of all units	3.9	3.0	4.5	4.4	3.9	2.6

Source: Census Bureau (permits for privately owned units during period)

Housing permits issued in DC: November 2018 to November 2020 (12-mo moving total)



Inventory of multifamily housing units in DC: net change from prior year, December 2015 to December 2020

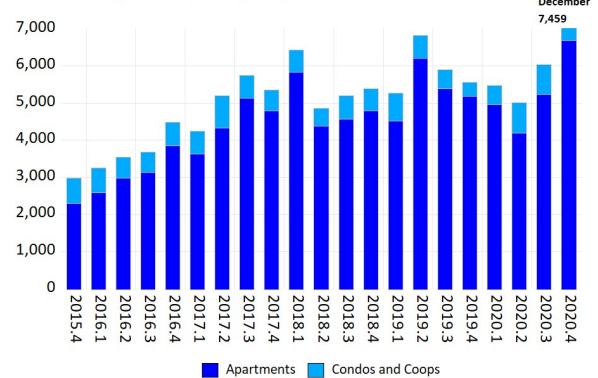


Table 13. Inventory and construction for private sector apartments and condominiums in DC: 2014 to 2020q4

CY	Inventory									Under Construction					
	All units			Apartments			Condominiums			Apartments		Condominiums			
	Number	1 yr Change	%	buildings	units	1 yr ch.	buildings	units	1 yr ch.	buildings	units	units per bldg	buildings	units	units per bldg
2014	164,815	4,644	2.9%	2,830	123,188	4,512	609	32,865	132	41	6,527	158	38	972	54
2015	167,794	2,979	1.8%	2,851	125,491	2,303	640	33,541	676	55	9,910	179	41	1,054	52
2016	172,283	4,489	2.7%	2,872	129,333	3,842	671	34,188	647	61	10,771	176	35	1,322	51
2017	177,632	5,349	3.1%	2,894	134,114	4,781	687	34,732	544	60	11,381	189	28	1,297	51
2018	183,018	5,386	3.0%	2,922	138,898	4,784	703	35,334	602	64	13,199	205	22	1,144	50
2019	188,577	5,559	3.0%	2,950	144,088	5,190	714	35,703	369	65	13,748	211	22	1,198	50
2020q4	196,036	7,459	4.0%	2,980	150,774	6,686	723	36,476	773	71	12,081	170	22	759	35
1 Q Ch.	2,385			8	2,385		1	66		-1	-1,200		1	66	

Source: CoStar. Includes units in privately-owned buildings with 5 or more units. CY amounts are last quarter of the year. Includes affordable units. Data is as of January 7, 2021. All units include cooperative apartments, not shown separately. In 2020 there were 121 co-op buildings with 8,786 units with an average building size of 73 units.

Apartments

Vacancy rates for premium apartments (Class A) highest since 2014

- According to CoStar, for the quarter ending December, 2020, occupied apartments declined by 887 (0.7%) from the prior year. The overall vacancy rate rose to 11.8% and average rents fell 7.5%.
- In December, Class A units accounted for 29.4% of all units in the city and 27.1% of occupied units.
- Over the past year effective rent in all classes of apartments decreased led by Class A declining 11.2%.
- Vacancy rates in December: Class A 18.7%, Class B 11.2%, and Class C 7.0%.
- There are 70 buildings under construction, mostly Class A, which will add a total of 12,079 units to inventory.

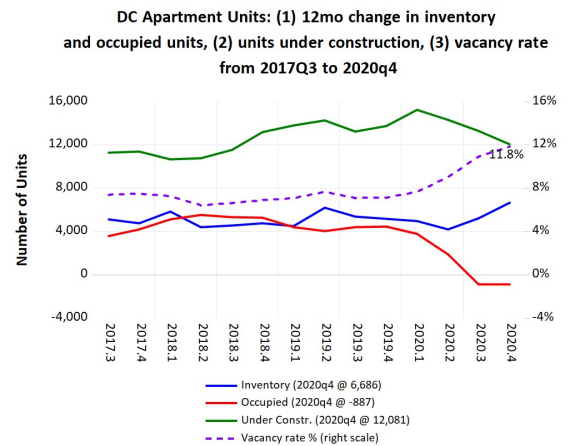
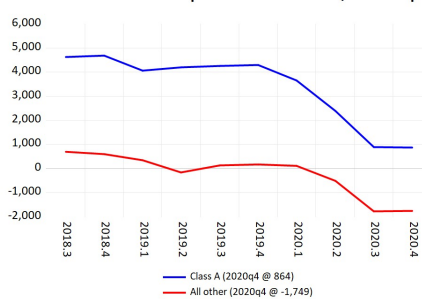


Table 14. Apartment Units in DC: 2015 to 2020q4

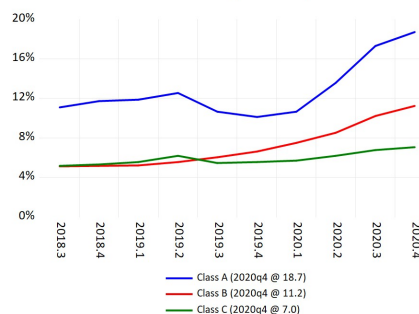
FY	Level				Change from prior year						Average Rent		1 yr ch in units under constr.
	Inventory	Number Occupied	Number Vacant	% vacant	inventory units	%ch	Occupied units	%ch	Vacant units	%ch	Effective rent per unit	1yr %ch	
2015	124,934	116,781	8,147	6.5	3,474	2.9	3,665	3.2	-191	-2.3	\$1,874	1.8	2,496
2016	128,066	119,749	8,311	6.5	3,132	2.5	2,968	2.5	164	2.0	\$1,925	2.7	1,323
2017	133,192	123,337	9,849	7.4	5,126	4.0	3,588	3.0	1,538	18.5	\$1,932	0.4	156
2018	137,766	128,655	9,105	6.6	4,574	3.4	5,318	4.3	-744	-7.6	\$1,976	2.3	255
2019	143,148	133,042	10,100	7.1	5,382	3.9	4,387	3.4	995	10.9	\$2,024	2.4	1,668
2020	148,389	132,156	16,227	10.9	5,241	3.7	-886	-0.7	6,127	60.7	\$1,902	-6.0	45
2020q4	150,774	132,913	17,861	11.8	6,686	4.6	-887	-0.7	7,579	73.7	\$1,873	-7.5	-1,667
1 Q ch	2,385	757	1,634								-\$29		

Source: CoStar, as of January 7, 2021

Change from the prior year in occupied Class A and all other classes of apartments from 2018Q3 to 2020q4



Vacancy rate by apartment building class from 2018Q3 to 2020q4



1-Yr % change in average effective rent by apartment building class from 2018Q3 to 2020q4

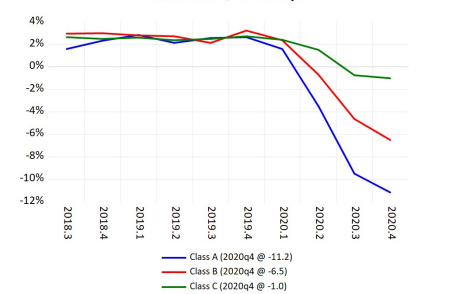


Table 15. Market rate apartment units in DC, Classes A, B, and C: 2020q4

Class	inventory					Occupied			Effective monthly rent		Under construction		
	Buildings	Number	1 yr ch	% ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units	Avg. size
Class A	195	44,279	5,197	13.3	18.7	35,997	864	2.5	2,373	-11.2	38	9,471	249
Class B	848	49,842	1,473	3.0	11.2	44,249	-920	-2.0	1,820	-6.5	32	2,608	82
Class C	1,915	56,512	16	0.0	7.0	52,533	-829	-1.6	1,380	-1.0	0	0	0

Source: CoStar; includes units in privately-owned buildings with 5 or more units, including affordable units. Vacancy rate is occupied units divided by inventor. Sum of class A, B, and C may not equal total. Data is as of January 7, 2021.

Commercial office space

Office vacancy rate rose to 13.1%, led by premium space (Class A)

- According to CoStar, for the 12-month period ending December occupied office space declined by 0.99 million sq. ft.(msf) from last year and inventory increased by 1.5 msf. The vacancy rate has risen to 13.1% (including sublet) and average base rent rose 0.3%.
- The vacancy rate for class A space was 13.8% in December and rent barely rose 0.1% over the past year.
- Space under construction in December 2020 (2.6 million square feet in 17 buildings), same as the December 2019 quarter.
- For Class B and Class C properties, occupancy declined over the past year. Rents for Class B and C properties increased at a faster rate than for Class A ones.

DC Office Space (millions sq ft): (1) 12mo change in inventory and occupied units, (2) units under construction, (3) vacancy rate from 2017Q3 to 2020q4

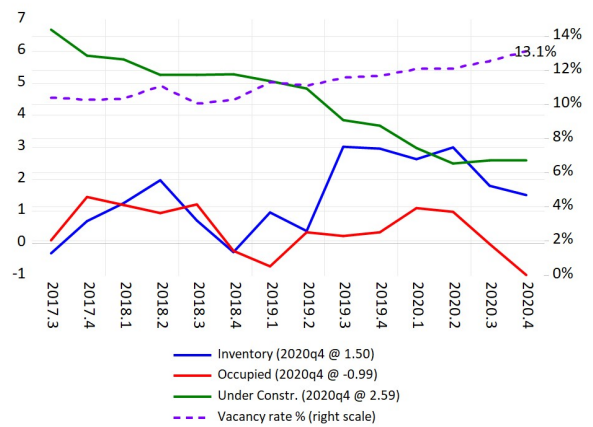
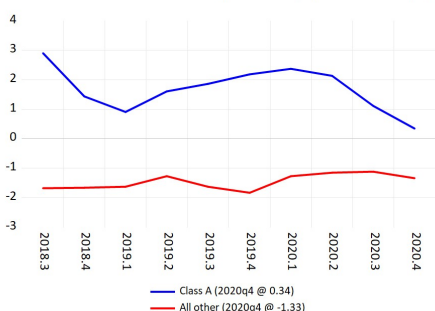


Table 16. DC Commercial office space: 2015 to 2020q4

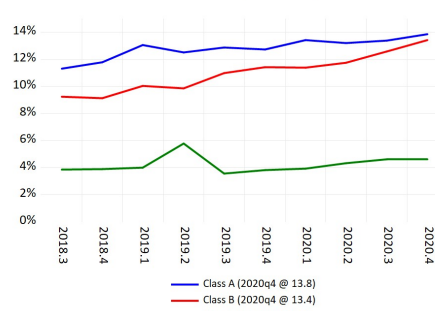
CY (year end)	Inventory				Occupied space			Vacant space			Base rent (direct)		Under constr.		
	Buildings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Direct %	Total %	\$ per sq ft	1 yr % ch	Buildings	msf	Avg, sf / bldg
2015	2,392	156.72	0.31	0.2	140.92	-1.18	-0.8	15.8	9.7	10.1	\$48.33	1.5	16	3.32	207,267
2016	2,389	157.41	0.69	0.4	140.43	-0.49	-0.3	17.0	10.3	10.8	\$50.13	3.7	21	5.32	253,163
2017	2,383	158.10	0.69	0.4	141.88	1.45	1.0	16.2	9.7	10.3	\$51.22	2.2	21	5.86	279,059
2018	2,378	157.83	-0.28	-0.2	141.65	-0.23	-0.2	16.2	9.5	10.2	\$52.20	1.9	21	5.29	252,091
2019	2,388	160.79	2.96	1.9	141.99	0.35	0.2	18.8	10.9	11.9	\$53.35	2.2	22	3.68	167,219
2020q4	2,392	162.29	1.50	0.9	141.00	-0.99	-0.7	21.3	12.0	13.1	\$53.51	0.3	17	2.59	152,512
1 Q ch	0	-0.02			-0.92	0.00			0.5	0.6	\$0.03		0	0.00	

Source: CoStar, as of January 7, 2021; msf = million square feet; base rent excludes concessions.

Change from the prior year in occupied Class A and all other classes from 2018Q3 to 2020q4 (millions of sq ft)



Vacancy rate by office building class from 2018Q3 to 2020q4



1-Yr % change in average effective rent by office building class from 2018Q3 to 2020q4

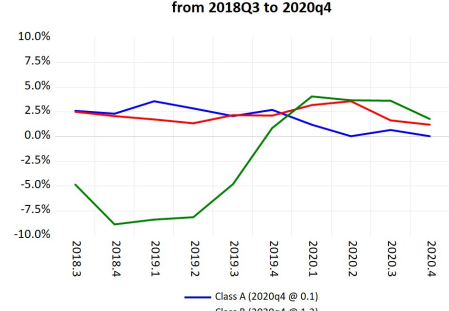


Table 17. DC Class A, B, and C commercial office space: 2020q4

Class	Inventory				Occupied space			Vacant space			Base rent (direct)		Under const.	
	Buildings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	Direct %	Total %	\$	1 yr %ch	buildings	msf
Class A	332	93.01	1.58	1.7	80.14	0.34	0.4	12.87	12.5	13.8	\$57.44	0.1	14	2.52
Class B	932	59.26	-0.03	-0.1	51.31	-1.21	-2.3	7.96	12.5	13.4	\$49.67	1.2	3	0.08
Class C	1,124	10.01	-0.04	-0.4	9.55	-0.12	-1.2	0.46	4.6	4.6	\$34.88	1.8	0	0.00

Source: CoStar, as of January 7, 2021

Property transfers and deed taxes

In November the value of sales fell for all property transactions even though brokered home sales increased.

- The value of property transfers in November, \$10.6 billion, was 33.5% below a year ago as measured by the 12-month moving total. The 3-month moving total, \$2.6 billion, was 38.5% below last year.

Over the 12-month period ending November the estimated value of brokered home sales was 11.8% above last year while the value of all other real property transfers was 62% below last year. For the last 3 months, the value of brokered home transfers were 27.7% higher last year and non-home transfers was 74.2% below.

Table 18. Market value of real property transfers subject to the deed transfer or economic interest tax: FY 2018 to November 2020

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total	This month
All property transfers (\$M)	14,646.3	17,355.2	10,587.9	10,578.1	2,591.4	829.1
change from one year ago (\$M)	647.8	2,708.8	-6,767.3	-5,340.4	-1,623.7	-255.6
% change from one year ago	4.6	18.5	-39.0	-33.5	-38.5	-23.6

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/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

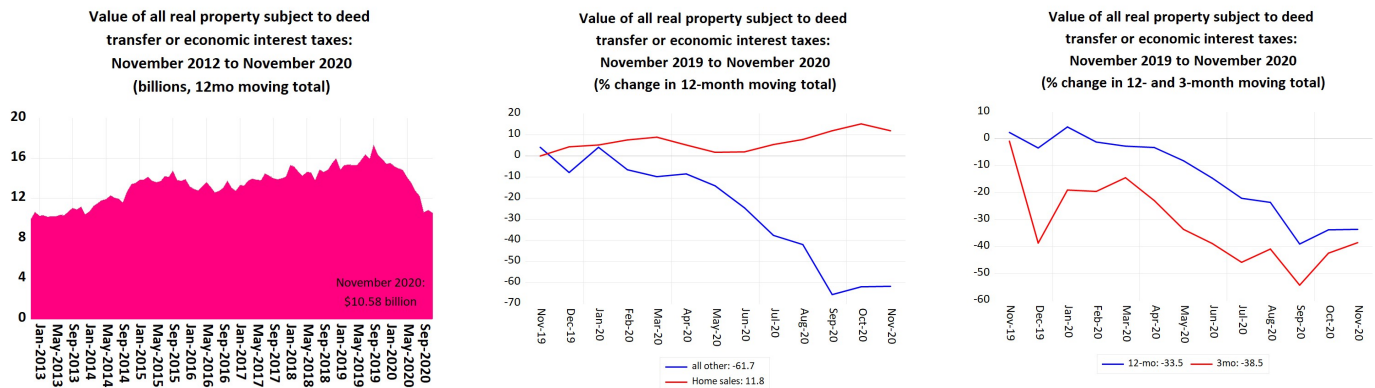


Table 19. Value of (1) brokered home sales and (2) all other real property subject to the deed transfer and economic interest taxes: FY 2018 to November

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total
Brokered home sales (\$m)	6,184	5,986	6,692	6,824	1,884
All other property (\$m)	8,462	11,370	3,896	3,754	707
% Change from 1 year ago					
Brokered home sales	6.2	-3.2	11.8	11.8	27.7
All other property	3.5	34.4	-65.7	-61.7	-74.2

Source: Brokered sales of single family homes and condominium units are from MarketStats by ShowingTime; Other property transfers equals the difference between the value of all real property transfers calculated from deed tax collections reported by the OCFO and the value of brokered sales.

Single family and condominium housing

Sales volume and average sale prices were significantly higher in November

- Single family home sales for November were up 5.5% from a year earlier (12-month average), while the average selling price was 8.9% higher. For the past three months, sales volume was up 24.6% and the average selling price was 16.7% higher.
- November condominium sales were up 10.7% from last year (12-month average) and the average selling price was 3.3% higher. For the past three months, sales volume was up 36.9% but prices were down 2.8%.
- The total value of all home sales for the 12-month period ending November rose 11.8% from last year. The 3-month moving total was 27.7% higher, a deceleration from October.

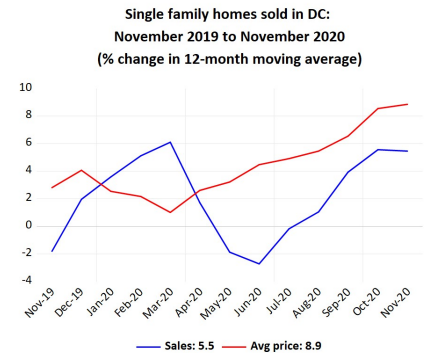
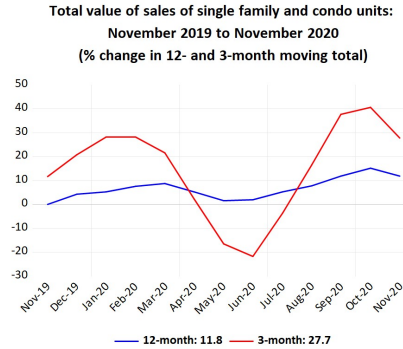
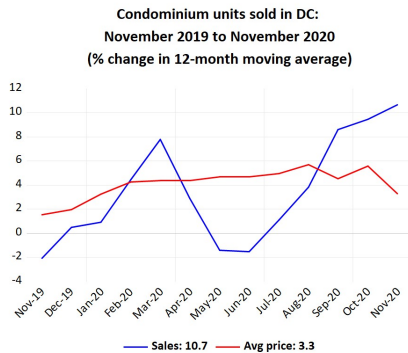


Table 20. Residential real estate indicators: November

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total	This month
Number of single family sales (settled contracts)						
Single family homes	4,717	4,439	4,614	4,755	1,362	452
1 year change	165	-278	175	246	269	62
% change	3.6	-5.9	3.9	5.5	24.6	15.9
Condominium	4,240	3,995	4,338	4,496	1,322	389
1 year change	194	-245	343	433	356	92
% change	4.8	-5.8	8.6	10.7	36.9	31.0
Total	8,957	8,434	8,952	9,251	2,684	841
1 year change	359	-523	518	679	625	154
% change	4.2	-5.8	6.1	7.9	30.4	22.4
Average prices of units sold						
Single family homes	\$828,741	\$861,921	\$918,292	\$941,855	\$993,070	\$997,533
1 year change	8,816	33,180	56,371	76,786	141,961	92,537
% change	1.1	4.0	6.5	8.9	16.7	10.2
Condominium	\$528,229	\$537,663	\$561,991	\$558,120	\$548,568	\$509,000
1 year change	17,620	9,433	24,328	17,653	-15,694	-94,681
% change	3.5	1.8	4.5	3.3	-2.8	-15.7
Total Value of All Sales (\$M)	\$6,184	\$5,986	\$6,692	\$6,824	\$1,884	\$451
1 year change	361	-199	706	718	409	-81
% change	6.2	-3.2	11.8	11.8	27.7	-15.3

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

Source: MarketStats by ShowingTime, accessed by BrightMLS. Sales are ones closed during period shown.

Single family and condominium housing

The FHFA house price index for DC was rising faster than the national average in the 3rd Quarter

- The percentage change from the prior year in DC home prices was 9.4% higher in the September quarter, according to the Federal Housing Finance Agency Index of single-family same-property transactions. The US index and the Washington metropolitan area were up 7.4%. Home price growth accelerated over the summer.
- 41.5% of all single family sales in November were for properties greater than \$1 million and sales of these properties grew 21% for the 12-month period ending November 2020. Sales of condominiums greater than \$1 million accounted for 6.7% of condominium sales in November and sales of these condominiums grew 10.8% in the 12-month period ending November over the same period in 2019.

Table 21. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US

Indicator	Fiscal year average			Last 2 Q's	
	FY 2018	FY 2019	FY 2020	2020q2	2020q3
%change from prior year in value of index					
DC	3.6	8.9	9.4	6.5	9.4
DC metro area	3.8	4.9	7.4	4.6	7.4
US	6.3	5.5	7.4	5.8	7.4

Source: Federal Housing Finance Agency

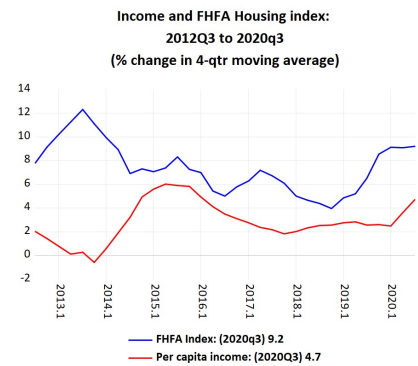
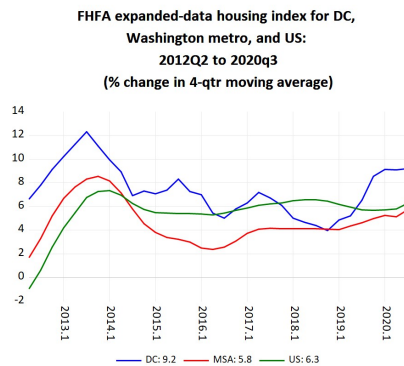
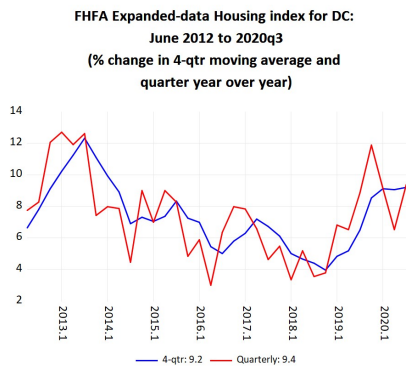


Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: November

	FY 2018	FY 2019	FY 2020	12mo moving	3mo moving	This month
				total	total	
Single family homes	1,192	1,232	1,403	1,518	475	162
1 year change	135	40	171	263	178	54
% change	12.8	3.4	13.9	21.0	59.9	50.0
% all single family sales	26.2	26.1	31.6	33.7	43.5	41.5
Condominium	222	213	252	246	65	20
1 year change	33	-9	39	24	3	-10
% change	17.5	-4.1	18.3	10.8	4.8	-33.3
% all condominium sales	5.5	5.0	6.3	6.1	6.7	6.7

Source: MarketStats by ShowingTime, accessed by BrightMLS. Sales are ones closed during period shown.

Hospitality

Hotel stays in November were 78.7% below last year

- In November, the number of room-days sold was 78.7% fewer than a year ago, little changed from the summer. The average room rate was down 33.9% and hotel room sales revenue was 85.9% lower.
- Occupancy which is historically around 75% was 19.2% in November. However, the number of hotels in the survey have decreased as some have closed or temporarily suspended service.
- Air passengers through the regional airports were down 68.9% in October from last year, a small improvement over September travel. Passengers through Washington National (DCA) were down almost 80% from October 2019.
- Employment in food services was 32% lower in November than a year earlier and hotel employment was down 33.5%. As measured by the 3-month moving averages, the declines were 33% and 36%, respectively, suggesting some improvement.

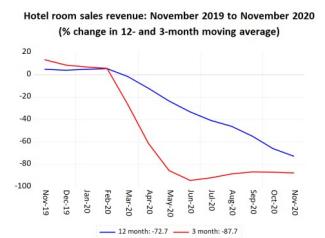
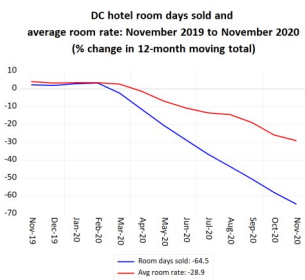


Table 23. Hospitality Industry: November 2020

Indicator	Units	FY 2018	FY 2019	FY 2020	12-mo moving average/sum*	3-mo moving average/sum*	This Month
Hotel Stays (updated November)							
Hotel room-days sold	(M)	9,019	9,128	4,525	3,267	0,513	0,155
	1 yr ch	0.272	0.109	-4,603	-5,935	-1,870	-0,574
	1 yr % ch	3.1	1.2	-50.4	-64.5	-78.5	-78.7
Average room rate	\$	\$219.91	\$216.37	\$175.46	\$157.99	\$142.03	\$142.22
	1 yr ch	-\$11.63	-\$3.54	-\$40.91	-\$64.29	-\$103.87	-\$73.08
	1 yr % ch	-5.0	-1.6	-18.9	-28.9	-42.2	-33.9
Room revenue	(\$M)	\$2,020.2	\$2,038.7	\$920.5	\$569.5	\$72.8	\$22.1
	1 yr ch	-\$18.3	\$18.5	-\$1,118.2	-\$1,512.9	-\$517.7	-\$135.0
	1 yr % ch	-0.9	0.9	-54.9	-72.7	-87.7	-85.9
Occupancy rate	%	78.0	76.3	42.0	32.3	21.8	19.2
Number of hotels in survey		136	140	125	123	124	127
Airline passengers (updated October)							
DCA	1 yr %ch	-1.2	0.7	-47.9	-55.1	-78.6	-78.9
IAD	1 yr %ch	4.1	4.3	-45.1	-51.2	-73.6	-68.3
BWI	1 yr %ch	4.5	-1.4	-42.1	-47.6	-62.1	-60.4
Total	1 yr %ch	2.5	1.1	-44.9	-51.1	-71.1	-68.9
Employment (updated November)							
Accommodations	level (000s)	15.6	16.2	12.6	11.6	10.6	10.9
	1 yr ch	0.5	0.6	-3.6	-4.7	-6.0	-5.5
	1 yr % ch	3.1	3.6	-22.0	-28.8	-36.1	-33.5
Food and beverage	level (000s)	54.6	55.4	41.9	38.9	37.2	37.8
	1 yr ch	2.5	0.8	-13.5	-16.6	-18.5	-17.6
	1 yr % ch	4.7	1.4	-24.4	-29.9	-33.2	-31.8

* Total for hotel rooms and room revenue.

Source: STR (hotel data); BLS (employment); BWI Airport (passenger data)

Federal non-defense spending increased faster than nominal GDP over the past 4 quarters

- Federal government non-defense spending for consumption and investment increased 4.8% in the September 2020 quarter from a year earlier. Defense spending grew 3.5%.
- Compared to the same quarter a year ago, in the September quarter nominal GDP contracted 1.7% and real (inflation adjusted) GDP fell 2.8%.
- The US employment rate (seas. adj.) was 6.7% in November, down slightly from October.
- In November, the average S&P 500 index was 14.3% above a year earlier.

Defense and non-defense spending: 2015Q3 to 2020Q3
(1 yr % change)

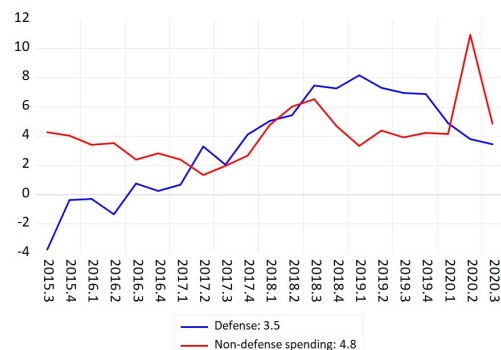


Table 24. Federal government consumption and investment, US GDP accounts: FY2018 to 2020Q3

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg*	2020Q3
Non-defense	5.0	4.1	6.1	6.1	4.8
Compensation of employees	3.7	3.0	3.2	3.2	5.4
Purchases of goods and services	5.7	3.7	6.3	6.3	4.6
Gross investment	2.9	5.2	5.4	5.4	5.6
Defense	5.5	7.4	4.7	4.7	3.5
Compensation of employees	4.0	4.5	3.2	3.2	2.8
Purchases of goods and services	4.8	6.4	3.8	3.8	2.9
Gross investment	8.6	11.7	8.2	8.2	5.8
All federal consumption and invest	5.3	6.1	5.3	5.3	4.0

Note: federal spending does not include social security, medicare, or grants.

*FY 2020 ended 2020Q3.

Source: BEA (Nov 25, 2020); nominal values.

Federal non-defense spending and US GDP: 2015Q3 to 2020Q3
(1 yr % change)

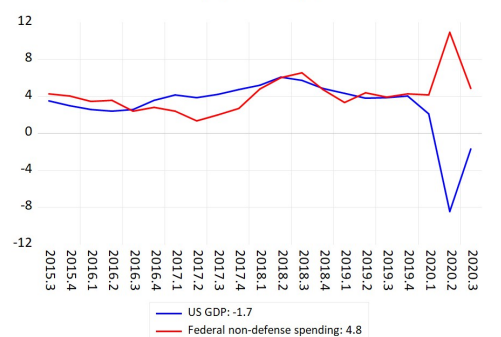


Table 25. US GDP, Income, and Inflation: FY2018 to 2020Q3

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg	2020Q3
GDP real	3.1	2.2	-2.3	-2.3	-2.8
GDP nominal	5.4	4.2	-1.1	-1.1	-1.7
Personal Income	5.5	4.3	6.1	6.1	7.1
Consumption	5.0	4.0	-1.4	-1.4	-1.7
Investment	7.8	5.2	-5.1	-5.1	-1.9
Corporate profits*	5.9	1.5	-5.3	-5.3	3.5
S and P stock index	16.2	3.3	10.2	10.2	12.3
US CPI	2.4	1.9	1.5	1.5	1.3

* Before tax, without IVA and CCadj.

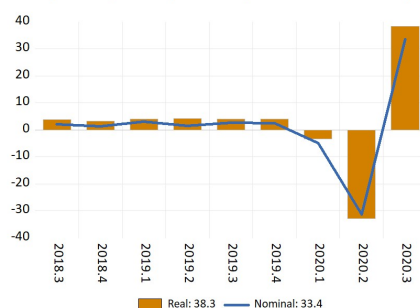
Source: BEA Nov 25, 2020; BLS (cpi); Dow Jones Indices (SP500)

Table 26. Monthly selected indicators: July to November

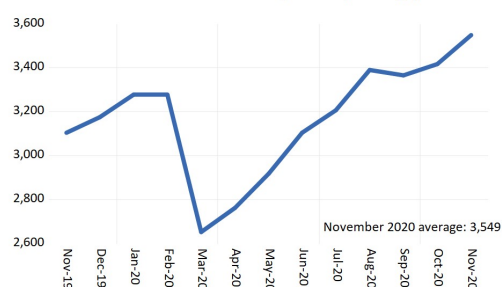
Indicator	July	August	September	October	November
S & P stock market index (level)	3,208	3,392	3,366	3,419	3,549
% change from prior year	7.06	17.06	12.86	14.81	14.3
10 yr Treasury Interest rate (level)	1.0	1.0	1.0	1.0	1.0
CPI % change from prior month (seas. adj.)	0.6	0.4	0.2	0.0	0.2
CPI % change from prior year (seas. adj.)	1.0	1.3	1.4	1.2	1.2
Jobs (seas. adj.) millions	139.57	141.06	141.77	142.38	142.63
change from prior month (thousands)	1,761	1,493	711	610	245
% change from prior month	1.28	1.07	0.5	0.43	0.17
Resident employment (seas. adj.) millions	143.53	147.29	147.56	149.81	149.73
change from prior month (thousands)	1,350	3,756	275	2,243	-74
% change from prior month	0.95	2.62	0.19	1.52	-0.05
Unemployment rate (seas. adj.)	10.2	8.4	7.9	6.9	6.7

Source: BLS; Dow Jones Indices; Federal Reserve

Quarterly change in US real and nominal GDP: 2018Q3 to 2020Q3
(% change from previous quarter at annual rate)

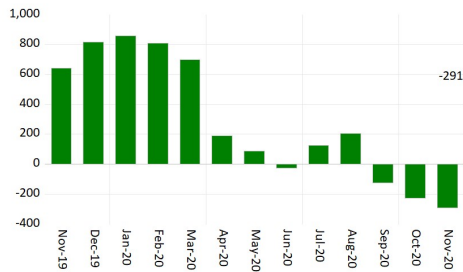


Standard & Poors Stock Market Index (SP500):
2019m11 to 2020m11 (Monthly average)



DC tax collections

DC tax collections (before earmarking): November 2019 to November 2020
(1 yr \$ change 12-mo moving total (\$M))



DC tax collections (before earmarking): November 2018 to November 2020
(\$ million, 12-mo moving total)

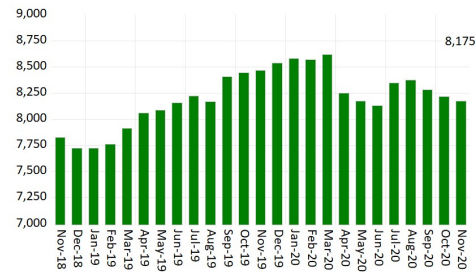


Table 27. Tax Collections (before earmarks): November 2020

Tax	Annual Revenue (From CAFR)			Tax Collections			
	FY 2018	FY 2019	FY 2020*	12-mo mov total	FY 2021 to date	3-mo mov total	This month
Total taxes	7,771.3	8,455.3	8,284.4	8,175.3	737.4	2,449.0	334.6
1 yr change	298.7	684.0	-170.9	-291.3	-109.2	-197.5	-42.8
% change	4.0	8.8	-2.0	-3.4	-12.9	-7.5	-11.3
Real Property	2,554.2	2,710.1	2,774.4	2,799.3	52.4	1,224.5	4.4
1 yr change	80.9	155.9	64.3	77.1	24.9	-12.1	0.4
% change	3.3	6.1	2.4	2.8	90.4	-1.0	9.2
General sales	1,492.6	1,597.7	1,306.1	1,183.4	180.7	257.6	83.8
1 yr change	73.4	105.2	-291.7	-472.1	-122.6	-213.0	-60.2
% change	5.2	7.0	-18.3	-28.5	-40.4	-45.3	-41.8
Individual income	2,066.8	2,299.3	2,367.8	2,392.0	337.8	572.8	164.5
1 yr change	108.6	232.5	68.5	79.2	24.1	6.8	26.9
% change	5.5	11.2	3.0	3.4	7.7	1.2	19.6
withholding	1,818.2	1,942.9	2,050.1	2,079.9	342.1	489.5	171.9
1 yr change	51.6	124.7	107.2	119.8	29.8	22.1	26.0
% change	2.9	6.9	5.5	6.1	9.5	4.7	17.8
non-withholding	248.7	356.4	317.7	312.1	-4.3	83.3	-7.4
1 yr change	56.9	107.8	-38.7	-40.6	-5.6	-15.3	0.9
% change	29.7	43.3	-10.9	-11.5	-414.1	-15.5	-10.8
Corporate franchise	436.5	507.9	570.6	571.8	32.2	136.3	18.1
1 yr change	47.3	71.4	62.7	59.4	1.2	8.8	-4.8
% change	12.2	16.4	12.3	11.6	3.8	6.9	-21.0
Unincorporated bus.	138.2	134.7	155.6	156.2	9.1	33.6	5.1
1 yr change	-26.8	-3.5	20.9	-5.6	0.6	-19.2	2.8
% change	-16.2	-2.5	15.5	-3.5	7.1	-36.4	n.m.
Deed Taxes[^]	472.3	560.9	466.3	441.4	67.2	93.1	30.6
1 yr change	11.6	88.7	-94.6	-127.1	-24.9	-67.4	-10.6
% change	2.5	18.8	-16.9	-22.4	-27.0	-42.0	-25.8
Other taxes	610.7	644.6	643.5	631.1	58.0	131.1	28.1
1 yr change	3.7	33.9	-1.0	97.7	-12.4	98.6	2.8
% change	0.6	5.5	-0.2	18.3	-17.6	n.m.	10.9

* preliminary estimate (not CAFR); ^ Deed taxes include deed recordation, deed transfer, and tax on transfers of economic interest in real property.

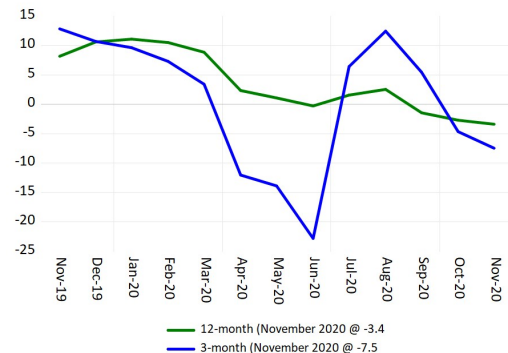
Note: (1) Revenues for fiscal years 2017 through 2019 are based on the CAFR; (2) tax collections subject to accounting adjustments at year end; (3) The table and charts on this page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with the prior year more meaningful. The data may differ from other published OCFO reports

Source: OCFO/ORA; n.m. = not meaningful

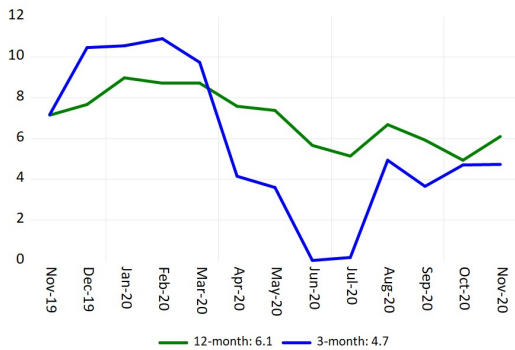
Tax collections for November continue to decline

- For the 12 month period ending November total tax collections (before earmarking) were \$291 million (3.4%) less than in the prior year. For the last 3 months they were down 7.5% from last year.
- Individual income tax collections were 3.4% above last year for the 12-months ending November because of 6.1% growth in withholding. For the past 3 months, total income tax collections were up 1.2% while withholding was up 4.7%.
- General sales tax collections were 28.5% below last year for the 12-months ending November. For the past 3 months, they were down 45.3% from last year.
- Deed tax collections for the 12-months ending November were down 22.4% from last year; for the past 3 months they were down 42%.
- Corporate income taxes for the 12 months ending November were up 11.6% while unincorporated business income taxes were down 3.5% over last year.

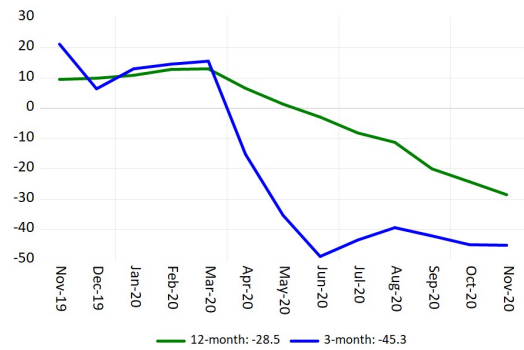
**Tax collections (before earmarking):
November 2019 to November 2020
(% change 12- and 3-month totals)**



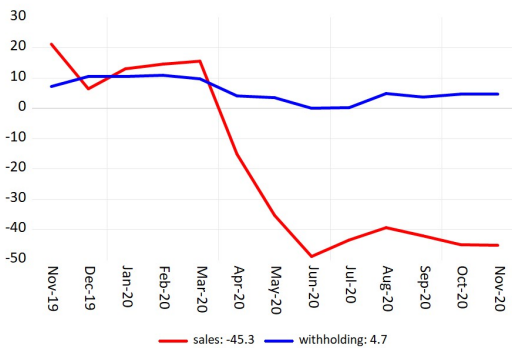
**Withholding for individual income tax collections:
November 2019 to November 2020
(% change 12- and 3-month totals)**



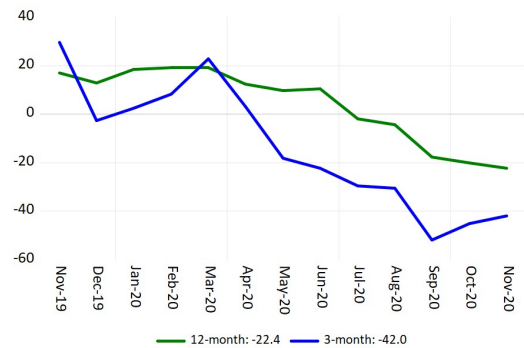
**General sales tax collections (before earmarking):
November 2019 to November 2020
(% change 12- and 3-month totals)**



**General sales tax collections and withholding:
November 2019 to November 2020
(% change 3-month totals)**



**Deed tax collections (before earmarking):
November 2019 to November 2020
(% change 12- and 3-month totals)**



US economic forecasts

Forecasts for the national economy show negative real GDP growth in FY 2020 and weak growth in FY 2021

- IHS Markit and Moody's Analytics January forecasts for real US GDP growth show negative growth for FY 2020 (both down 2.3%), with slow growth in FY 2021. Faster growth picks up in FY 2022.
- Personal income will slow according to IHS Markit in FY 2021 and FY 2022 and contract according to Moody's Analytics in FY 2022 based on assumptions about federal relief (see story page 1).
- S&P 500 November baseline forecasts: IHS Markit believes the stock market in the last quarter of FY 2021 will be 12.9% above the last quarter of FY 2020, followed by a 1.6% decline in FY 2022. Moody's has a similar forecast but shows a further decline in FY 2023.

Table 28. Forecasts for US Nominal and real GDP, Personal income, unemployment, CPI, Interest rate, and S&P500

Indicator	IHS Markit (January 2021)				Moody's Analytics (January 2021)			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real GDP (% ch from prior yr)	-2.3	2.3	4.2	2.7	-2.3	3.2	5.0	3.9
Nominal GDP (% ch from prior year)	-1.1	3.9	6.0	4.7	-1.1	4.6	7.5	6.3
Personal income (%ch from prior yr)	6.1	2.2	1.4	4.1	6.1	6.1	-0.5	5.2
Unemployment (%)	7.3	5.8	4.0	4.0	7.3	6.4	5.4	4.3
CPI (% ch from prior year)	1.5	1.9	2.5	2.2	1.5	1.7	2.5	2.5
10 Year Treasury (%)	1.1	1.0	1.2	1.4	1.1	1.1	1.8	2.6
S&P 500 (level)*	3,322	3,751	3,690	3,817	3,322	3,735	3,677	3,511

* SP500 shown is average for last quarter of fiscal year

DC economic forecasts

IHS Markit and Moody's differ on how much the recession's impact on the District will carry over to FY 2021

- **Jobs:** For FY 2021, IHS Markit anticipates a 0.2% decline in DC jobs while Moody's says they will decline by 2.3%. ORA's December outlook was closer to the current Moody's outlook. Both jobs and unemployment outlooks have changed considerably since the onset of the pandemic.
- **Population:** IHS Markit anticipates DC population growth will continue to slow each year, essentially ruling out any net in-migration. Moody's expects the amount of growth to edge up each year reflecting some net in-migration.
- **Income:** Both IHS Markit and Moody's show slow personal income growth in FY 2021 at 0.8% and 1.4%, respectively. IHS Markit is more optimistic about growth in FY 2022 forecasting 5.3% while Moody's and ORA show about 3% growth.

Table 29. Forecasts for Select DC indicators

Indicator	IHS Markit (December 2020)				Moody's Analytics (December 2020)				ORA (December 2020)			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real GDP-DC (% ch from year ago)	-0.9	2.3	3.9	2.0	-0.3	3.1	4.4	3.7	-0.4	1.5	3.7	3.1
Personal income (% ch from year ago)	4.4	0.8	5.3	5.9	4.4	1.4	3.0	5.0	5.2	0.7	3.1	4.8
Wages in DC (% ch from year ago)	2.1	4.9	5.5	4.0	2.4	2.9	3.1	4.8	1.9	3.4	4.5	4.6
Jobs in DC (% ch from year ago)	-3.1	-0.2	4.6	1.5	-3.1	-2.3	1.7	1.6	-3.0	-1.8	3.1	2.1
Unemployment rate (%)	7.3	7.0	5.7	5.8	7.3	8.2	7.4	5.9	7.3	8.2	6.8	6.0
Population (% ch from year ago)	0.5	0.4	0.5	0.5	0.7	0.8	0.8	0.8	0.6	0.6	0.7	0.7
Households (% ch from year ago)	-0.1	1.0	1.3	0.8	1.3	1.1	1.1	1.2	1.1	0.8	1.1	1.0

DC revenue estimate

December 2020 revenue estimate: FY 2020 tax revenue falls \$220 million (2.6%) below the FY 2019 level and \$134 million in FY 2021 (-1.6%). Revenue doesn't recover 2019 level until FY 2022.

- The real property tax grew \$125.9 million (4.6%) in FY 2020 helping to buffer the fall in other revenue sources, but then declines 0.1% in FY 2021 and 1.0% in FY 2022.
- Individual income tax revenue, which rose 11.2% in FY 2019, grew 3.4% in FY 2020 and 2.6% in FY 2021.
- The General sales tax, which grew 7.0% in FY 2019, experienced a 23.5% decline in FY 2020 and an additional 9.2% decline in FY 2021. Growth picks up again in FY 2022, rebounding 26.9% but doesn't recover FY 2019 levels until FY 2023.
- Deed taxes grew 18.8% FY 2019, but fell 19.3% in FY 2020. By FY 2024, deed tax collections regain the FY 2019 level.
- As a % of DC Personal Income, tax revenue rose to 14.3% in FY 2019 but is expected to fall back to 13.4% in FY 2020.

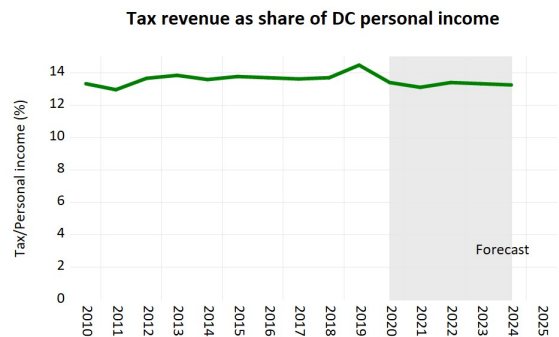
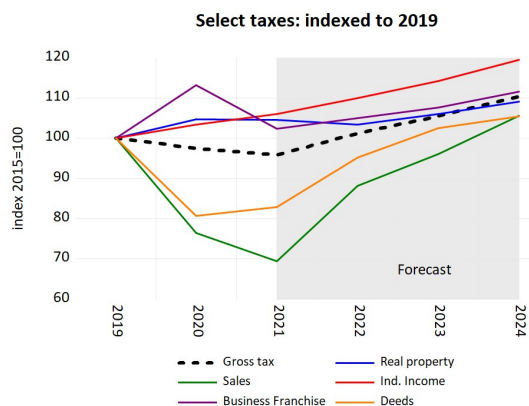
Table 30. DC Tax Revenue (before earmarks) for December 2020 estimate

Tax	FY Level (\$m)				Change from prior FY (\$m)				%change from prior FY			
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022
Real Property	2,710.1	2,836.0	2,832.1	2,802.4	155.9	125.9	-3.9	-29.6	6.1%	4.6%	-0.1%	-1.0%
Deed taxes	561.1	452.7	465.0	534.1	88.8	-108.3	12.3	69.1	18.8%	-19.3%	2.7%	14.9%
General Sales	1,597.7	1,222.4	1,109.7	1,407.8	105.2	-375.3	-112.7	298.1	7.0%	-23.5%	-9.2%	26.9%
Individual Income	2,299.3	2,377.2	2,438.6	2,527.7	232.5	77.9	61.4	89.1	11.2%	3.4%	2.6%	3.7%
withholding	1,942.9	2,060.6	2,120.9	2,205.5	201.8	117.7	60.3	84.6	11.6%	6.1%	2.9%	4.0%
non-withholding	356.4	316.6	317.7	322.2	30.6	-39.8	1.1	4.5	9.4%	-11.2%	0.3%	1.4%
Business Income	642.7	727.7	657.8	674.5	67.9	85.0	-69.9	16.7	11.8%	13.2%	-9.6%	2.5%
Other	1,287.2	1,347.3	1,256.2	1,280.4	101.8	60.1	-91.2	24.3	8.6%	4.7%	-6.8%	1.9%
Total	8,455.4	8,235.7	8,101.6	8,552.5	684.1	-219.7	-134.2	450.9	8.8%	-2.6%	-1.6%	5.6%

Source: ORA, December 2020 revenue estimate. Table includes tax revenue before earmarked dedications and excludes nontax revenue, lottery, and special purpose revenue.

Table 31. DC gross tax revenue and selected economic variables: December 2020 estimate

Item	2014	2015	2016	2017	2018	2019	2020	2021 (est)	2022 (est)	2023 (est)
Tax revenue										
Level (\$m)	6,297	6,917	7,234	7,473	7,771	8,455	NA	8,102	8,552	8,917
Change from prior year	197	620	317	239	299	684	NA	-134	451	364
% Change from prior year	3.2%	9.8%	4.6%	3.3%	4.0%	8.8%	NA	-1.6%	5.6%	4.3%
Personal income	5.3%	8.2%	5.2%	3.8%	3.4%	3.0%	5.2%	0.7%	3.1%	4.8%
Wages in DC	2.9%	5.0%	3.4%	3.9%	4.8%	3.3%	1.9%	3.4%	4.5%	4.6%
Wages of DC residents	5.1%	7.8%	3.9%	5.4%	7.0%	4.6%	2.0%	2.9%	3.7%	4.0%
Population	1.9%	1.9%	1.6%	1.3%	1.0%	0.7%	0.6%	0.6%	0.7%	0.7%
Employment	0.7%	1.7%	2.1%	1.0%	1.1%	0.7%	-3.0%	-1.8%	3.1%	2.1%
SP 500	13.6%	2.0%	6.4%	19.2%	3.3%	14.7%	8.5%	3.4%	3.4%	3.4%



Transfers were much more significant than in the great recession and remained at high levels over two quarters so far. Most of the rebates were paid in April and May of 2020 while the expanded unemployment benefits that delivered an additional \$600 per week to millions ended in early August, 2020. The expanded unemployment benefits and the economic impact payments increased personal income by \$2.4 trillion nationally and \$4.9 billion in the District over the 2nd and 3rd quarters, according to analysis by the U.S. Bureau of Economic Analysis.

- Norton Francis

Table A2. Personal Current Transfer Receipts (\$billions)

	2020.1	2020.2	2020.3
Total Transfers			
US	\$3,235.4	\$5,676.3	\$4,368.8
DC	7.3	12.5	10.4
Unemployment (regular)			
US	43.0	294.2	220.4
DC	0.1	0.4	0.4
Unemployment (expanded)			
US	-	787.9	546.2
DC	-	2.0	1.1
Rebates			
US	-	1,078.1	15.6
DC	-	1.8	0.0
Other			
US	3,192.4	5,091.9	4,679.0
DC	7.1	12.3	11.0

Source: BEA <https://www.bea.gov/system/files/2020-12/covid-workbook.pdf>

¹ BEA – “Personal current transfer receipts- Receipts of persons from government and business for which no current services are performed. Current transfer receipts from government include Social Security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits. Current transfer receipts from business include liability payments for personal injury and corporate gifts to nonprofit institutions.”

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.

<p>Recent ORA reports:</p> <p>December revenue estimate. December 30, 2020.</p> <p>DC Tax Facts, 2019. Details on all DC taxes. <i>(Released September 2020)</i></p> <p>DC Tax Facts Visual Guide Report. A visual guide to DC’s tax system. <i>(Released December 2019)</i></p> <p>Tax Rates and Tax Burdens 2018 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. <i>(Released June 2020)</i></p> <p>Tax Rates and Tax Burdens 2018 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. <i>(Released March 2020)</i></p> <p>Tax Expenditure Report. A compendium of tax expenditures for 2020. <i>(Released December 2020)</i></p>

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*).

Information sources			
Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	November	January 26, 2021
D.C. Personal Income	BEA	2020.3	March 24, 2021
D.C. Tax Collections	OTR/ORA	November	January 15, 2021
D.C. Housing Sales	MarketStats by ShowingTime*	September	c. Jan 2021
D.C. Commercial Office Building data	CoStar and Delta	2020.3	c. Jan 2021
DC Apartment data	CoStar and Delta	2020.3	c. Jan 2021
D.C. Hotel stay information	STR	November	c. Jan 2021
Consumer Price Index	BLS	November	November 12, 2020
U.S. Jobs and Labor Force	BLS	November	November 6, 2020
U.S. GDP and Personal Income	BEA	2020.3	January 28, 2021
S and P 500 Stock Index	FRED (St. Louis Fed Reserve)	November	January 1, 2021
Interest rate on 10-Year Treasury Securities	FRED (St. Louis Fed Reserve)	November	January 1, 2021
IHS Markit D.C. forecast	IHS Markit	December	c. January 2021
Moody's Analytics D.C. forecast	Moody's Analytics	December	c. January 2021

*Accessed through Bright MLS.

For further information or to comment on this report, contact: Norton Francis (202-442-8242) Norton.francis@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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