



District of Columbia Economic and Revenue Trends: August 2015

Muriel Bowser, Mayor
 Jeffrey S. DeWitt, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
 Stephen Swaim, Senior Economist

Highlights:

- ◇ Private sector job growth accelerates in DC2
- ◇ DC unemployment rate drops below 7%.....4
- ◇ Strong tax collections..14

Indicator updates:

- Wage and salary employment.....2
- Sectors of the DC economy3
- Resident employment and unemployment 4
- Wages and income.....5
- Residential real estate.....6
- Commercial office space.....10
- Hospitality12
- US economy13
- DC tax collections.....14
- US and DC forecasts.....16
- DC revenue estimate.....18
- ORA reports , documents, & blog.....21
- About this report.....21
- ORA contact information.....21

For 3 1/2 years, resident employment has grown more rapidly than jobs located in DC

Jobs for DC's growing labor force included ones in the suburbs and turnover in jobs formerly held by commuters

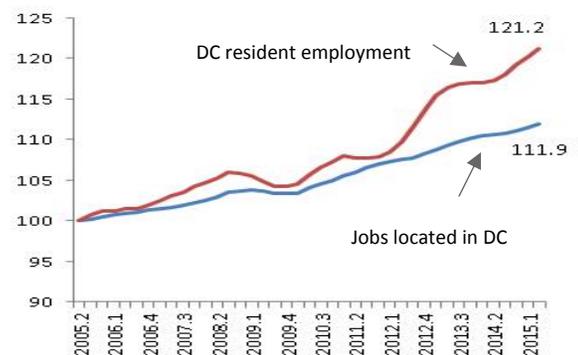
Two frequently-watched economic indicators, derived from different monthly surveys conducted by the US Bureau of Labor Statistics, provide insight into the dynamics of DC's economy. The first, a survey of employers of wage and salary jobs, measures the number of people working in DC regardless of where they live. The second, a household survey of residents, measures labor force characteristics including the number of DC residents who are employed regardless of the jurisdiction in which their job is located.

The two employment surveys show that the average number of employed residents in DC, 354,055 for the 12-months ending June 2015, was less than half of the number of wage and salary employees working in DC (759,667). It is not surprising that there are far fewer employed DC residents than jobs, because as the central city of a large metropolitan area, DC has a much larger share of the region's jobs (24%) than of population (11%). Indeed, there are more jobs located in DC than the city's entire population. This makes it particularly noteworthy that over the past 3 1/2 years resident employment in DC has been increasing much more rapidly than the city's job base.

From December 2011 to June 2015, resident employment not only increased by a greater percentage (12.3% v 4.6%) than DC's job base, but by more in absolute numbers—38,900 more resident jobs versus 33,500 more jobs located in DC. What accounts for this?

In the years leading up to December 2011, resident employment and the job base grew at about the same rate, even allowing for the downturns in the recession. Thus, from June 2005 to December 2011 the job base grew 7.0% and resident employment 7.9% (representing average annual growth of 1.0% and 1.2%, respectively). Resident employment then began to grow faster. In December 2011 resident employment was equivalent to 43.4% of the job base; by June 2015 this percentage had risen to 46.5%. This percentage did not, however, rise because growth in the job base slowed down—the average annual rate of growth of jobs in DC actually increased to 1.4%. (Cont'd on p. 19)

DC resident employment and jobs located in DC: 2005.2 to 2015.2 Index number of 12-month moving averages: 2005.2 = 100)



Wage and salary employment

DC's private sector job growth picked up in the summer, reversing spring's slowing trend

• July wage and salary employment in DC was up by 12,633 (1.7%) from a year earlier as measured by the 3-month moving average.

• Federal government employment in DC for July was up by 1,033 (0.5%). The private sector gained 11,200 (2.2%). (Upward revision to the June estimate boosted the July average.)

• Total year-over-year DC metropolitan area employment increased by 68,533 (2.2%) in July as measured by the 3-month moving average. This was the biggest yearly gain in more than 10 years.

• Suburban Washington employment in July increased by 2.4% from a year earlier.

• Seasonally adjusted DC jobs have been steady for 3 months.

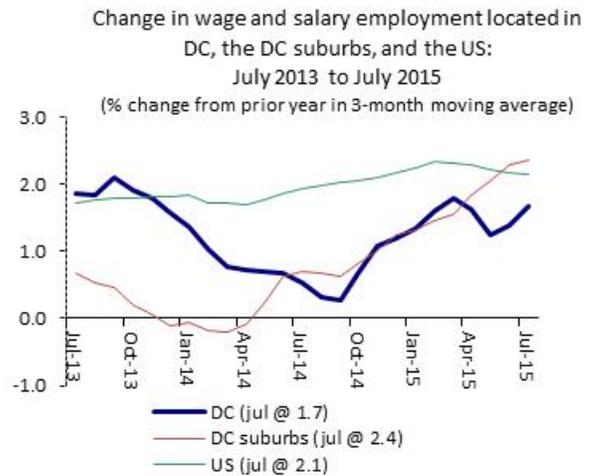


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: July 2015

Jurisdiction	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,950	745,375	751,492	761,083	767,033	775,900
1 year change	14,158	7,717	14,425	6,117	9,992	12,633	17,000
% change	2.0	1.1	2.0	0.8	1.3	1.7	2.2
Washington metro area	3,015,650	3,052,417	3,090,375	3,101,983	3,146,167	3,194,533	3,191,800
1 year change	42,592	36,767	37,958	11,608	47,158	68,533	73,800
% change	1.4	1.2	1.2	0.4	1.5	2.2	2.4
Washington suburbs (% ch)	1.3	1.3	1.0	0.2	1.6	2.4	2.4
US (% ch)	1.2	1.7	1.7	1.9	2.2	2.1	2.1

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

Source: BLS. July is preliminary.

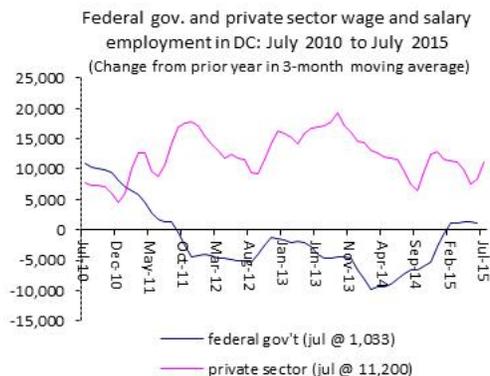


Table 2. Federal government and private sector wage and salary employment in DC: July 2015

Sector	FY 2012	FY 2013	FY 2014	12-mo avg	3-month average	This month
Federal government	208,575	205,900	198,367	197,700	198,067	198,900
1 year ch.	-4,683	-2,675	-7,533	-1,783	1,033	700
% change	-2.2	-1.3	-3.7	-0.9	0.5	0.4
Private sector	487,642	504,275	515,608	525,008	528,067	528,900
1 year ch.	12,808	16,633	11,333	10,575	11,200	15,700
% change	2.7	3.4	2.2	2.1	2.2	3.1

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

Table 3. Seasonally adjusted DC Employment: January 2015 to July 2015

	January	February	March	April	May	June	July
D.C. Wage and Salary employment	759,700	762,800	760,300	761,800	765,300	765,500	765,100
change from prior month	-1,700	3,100	-2,500	1,500	3,500	200	-400
% change from prior month	-0.2	0.4	-0.3	0.2	0.5	0.0	-0.1

Source: BLS seasonally adjusted. July is preliminary

Jobs by sectors of the economy

Health services and Non-lawyer professional services top DC's private sector job growth

- In July the increase of 3,033 jobs in health services was more than that of any other sector. (3-month moving average.)
- Four other private sectors grew by more than 1,000 jobs: non-lawyer professional services (2,733), other business services (1,967), organizations (1,700), and retail trade (1,100).
- Private sector industries losing jobs included education, accommodations, and information.
- Local government rose by 400 (1.0%).
- The federal government accounted for 25.8% of all DC jobs in July. Over the past year, DC's share of federal employment rose slightly in both the US and the metro area.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: July 2013 to July 2015 (% change from prior year in 3-month moving average)

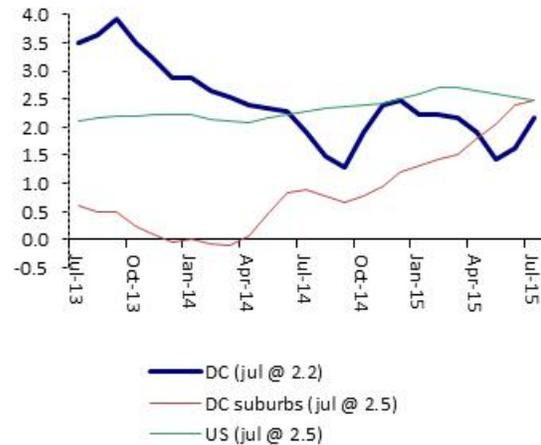


Table 4. Wage and salary employment located in DC: July 2015

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jul 2015	DC share (%) in Jul 2015 of all sector jobs in:		Change from Jul 2014 to Jul 2015 in DC share of sector jobs in:	
	Jul 2014	Jul 2015	Amount	%			metro area	US	metro area	US
Federal government	197,033	198,067	1,033	0.5	-0.9	25.8	54.5	7.21	0.2	0.01
Local government	40,500	40,900	400	1.0	3.2	5.3	12.4	0.22	-0.2	0.00
Legal services	29,500	29,633	133	0.5	-0.5	3.9		2.63		0.00
Other Professional and technical	79,367	82,100	2,733	3.4	2.8	10.7	22.8	1.10	-0.1	-0.01
Employment services	14,900	15,867	967	6.5	7.8	2.1	35.1	0.44	-0.1	0.00
Other Business services	34,333	36,300	1,967	5.7	4.4	4.7	18.5	0.48	0.6	0.01
Information	17,400	17,133	-267	-1.5	-0.3	2.2	22.3	0.61	-0.1	-0.02
Finance	30,433	30,900	467	1.5	2.8	4.0	20.5	0.38	0.6	0.00
Organizations	63,167	64,867	1,700	2.7	2.1	8.5	36.5	2.15	0.2	0.04
Education	56,467	55,867	-600	-1.1	-0.9	7.3	50.7	1.69	-3.3	-0.04
Health	66,433	69,467	3,033	4.6	2.4	9.1	22.6	0.24	-0.1	-0.13
Food service	48,500	48,767	267	0.5	1.7	6.4	21.4	0.43	-0.6	-0.01
Accommodations	15,533	14,933	-600	-3.9	-0.9	1.9	34.8	0.75	-1.3	-0.03
Amusement and recreation	7,233	7,567	333	4.6	5.0	1.0	16.5	0.32	0.9	0.01
Retail trade	21,100	22,200	1,100	5.2	7.3	2.9	8.0	0.14	0.2	0.00
Wholesale trade	4,900	4,733	-167	-3.4	-0.9	0.6	7.5	0.08	-0.3	0.00
Construction	14,467	14,867	400	2.8	1.9	1.9	9.7	0.23	0.1	0.00
Personal and miscellaneous ser.	7,767	7,267	-500	-6.4	-2.2	0.9		0.27		-0.02
Other private	5,367	5,600	233	4.3	3.9	0.7	4.9	0.03	0.1	0.00
Total	754,400	767,033	12,633	1.7	1.3	100.0	24.0	0.54	-0.1	0.00
Public sector	237,533	238,967	1,433	0.6	-0.3	31.2	34.4	1.11	-0.3	0.00
Private sector	516,867	528,067	11,200	2.2	2.1	68.8	21.1	0.44	-0.1	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's unemployment rate fell to 6.8% as resident employment continued its strong gains

- In July DC resident employment was up 10,762 (3.1%) from a year earlier (3-mo. moving average). The labor force grew by 7,663 (2.0%).
- Seasonally adjusted DC resident employment grew by 1,418 in July from June, and the seasonally adjusted unemployment rate fell to 6.8%, the lowest rate since September 2008.
- July initial unemployment insurance claims were down 9.6% from last year (3-month moving average).

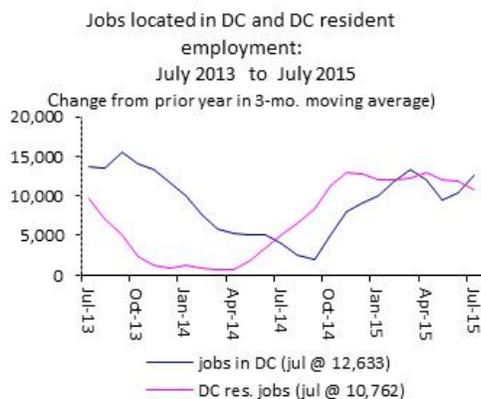
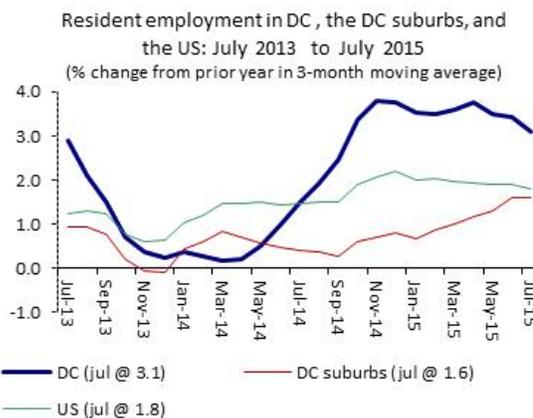


Table 5. Unemployment rates for DC, metro area, and US: July 2015

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	July 2014	July 2015	July 2014	July 2015
US	6.5	5.6	6.2	5.3
DC	8.1	7.0	7.8	6.8
DC metro area	5.3	4.6	na	na
DC suburbs	5.0	4.3	na	na

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

Table 6. Resident employment and unemployment: July 2015

Indicator	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	314,748	325,671	341,547	344,855	355,028	359,634	364,520
1 year change	3,378	10,923	15,876	3,308	11,750	10,762	11,679
% change	1.1	3.5	4.9	1.0	3.4	3.1	3.3
Labor Force	349,827	359,299	373,874	374,475	383,654	386,127	391,905
1 year change	5,524	9,471	14,576	600	10,520	7,663	7,859
% change	1.6	2.7	4.1	0.2	2.8	2.0	2.0
Unemployed	35,079	33,627	32,327	29,620	28,626	26,493	27,385
1 year change	2,146	-1,452	-1,300	-2,707	-1,230	-3,099	-3,820
% change	6.5	-4.1	-3.9	-8.4	-4.1	-10.5	-12.2
Unemployment rate	10.0	9.4	8.7	7.9	7.5	6.9	7.0
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	2,101	1,784	1,915	1,851	1,617	1,768	1,802
1 year change	302	-317	131	-64	-280	-187	-170
% change	16.8	-15.1	7.3	-3.3	-14.8	-9.6	-8.6
Weeks compensated (mo. avg.)	46,423	45,170	42,862	42,133	33,855	30,288	32,407
1 year change	-7,169	-1,253	-2,308	-729	-8,526	-8,293	-12,994
% change	-13.4	-2.7	-5.1	-1.7	-20.1	-21.5	-28.6

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: January 2015 to July 2015

Indicator	January	February	March	April	May	June	July
DC Resident employment	355,695	355,333	354,726	356,199	356,548	357,512	358,930
change from prior month	587	-362	-607	1,473	349	964	1,418
% change from prior month	0.2	-0.1	-0.2	0.4	0.1	0.3	0.4
DC Unemployment rate (%)	7.7	7.8	7.7	7.5	7.3	7.0	6.8

Source: BLS seasonally adjusted. July is preliminary.

Wages and salaries of DC residents continue to grow faster than all wages earned in DC

●Wages and salaries earned in the District of Columbia were 2.6% higher in the March quarter compared to the same quarter of 2014.

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

●In the March quarter, estimated wages of DC residents grew 3.4%. DC Personal Income grew 3.6%, the same rate as the previous quarter.

●Federal wages and salaries were \$440 million higher in March.

●In the March quarter, private sector wages and salaries earned in DC grew by \$1.11 billion over the prior year, a 2.8% gain.

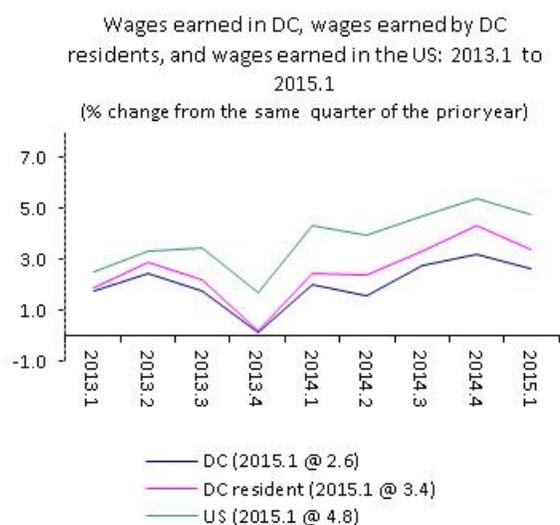


Table 8. DC Wages and Personal Income: March 2015

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

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	4-quarter moving average	Latest quarter (Mar.)
Wages and salaries earned in DC	57.24	59.53	60.62	62.05	63.05	63.97	64.73
1 year change	2.32	2.29	1.10	1.43	1.00	1.58	1.66
% change	4.2	4.0	1.8	2.4	1.6	2.5	2.6
Supplements to wages & salaries	15.05	16.31	16.42	16.31	16.35	16.42	16.56
% change	7.5	8.3	0.7	-0.7	0.3	0.6	1.7
Proprietors' income earned by DC residents*	5.35	5.54	5.88	5.98	6.25	6.43	6.56
% change	-8.2	3.6	6.1	1.7	4.4	5.9	5.3
Wages and salaries of DC residents***	21.98	23.43	24.59	25.44	25.96	26.46	26.81
change from one year ago	1.27	1.45	1.16	0.85	0.53	0.86	0.87
% change	6.1	6.6	5.0	3.4	2.1	3.4	3.4
Income earned by DC residents	30.1	32.4	34.1	34.6	35.2	35.9	36.4
% change	3.8	7.9	5.2	1.5	1.8	3.4	3.6
Property income of DC residents	6.06	6.96	7.69	8.29	8.51	8.66	8.72
% change	-9.1	14.8	10.5	7.8	2.7	3.5	3.5
Pensions and other transfer of DC residents	5.20	5.66	5.67	5.78	6.07	6.13	6.19
% change	13.1	8.9	0.2	2.0	4.9	3.0	3.5
DC Personal Income**	41.31	45.04	47.46	48.69	49.83	50.70	51.33
1 year change	1.08	3.73	2.42	1.23	1.13	1.65	1.76
% change	2.7	9.0	5.4	2.6	2.3	3.4	3.6
US Personal income (% change from prior year)	1.2	6.0	4.7	3.8	2.8	4.2	4.4
US Wages and salaries(% change from prior year)	0.2	4.2	3.5	4.0	3.7	4.7	4.8
Addendum: Change from prior year in wages earned in DC by sector							
Private sector (1 yr ch, \$B)	0.48	1.72	1.41	1.76	1.27	1.61	1.11
Federal government (1 yr ch, \$B)	1.77	0.69	-0.38	-0.35	-0.33	-0.08	0.44
DC res. wages as % of wages earned in DC	38.4	39.4	40.6	41.0	41.2	41.4	41.4

* 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 March were released June 22, 2015

Single family and condominium housing

The \$832,313 average selling price of a single family home in July was 2.3% below a year earlier

- The 3-month moving total of single family home sales in July was up 3.9% from a year earlier, while the average selling price was 2.3% less. Sales over \$1 million accounted for 22.0% of sales.
- July condominium sales were up 1.6% from last year as measured by the 3-month moving total, and the average selling price was 5.0% higher.
- The total value of all home sales in July was 3.3% above last year as measured by the 3-month moving total.
- July year-to-date median prices were up 5.8% for single family units, and 5.4% for condominiums.

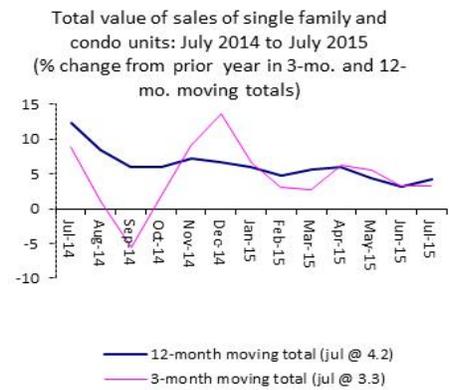


Table 9. D.C. Residential Real Estate Indicators: July 2015

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)								
Single family	4,084	3,800	3,563	3,979	4,024	4,101	1,268	440
1 year change	825	-284	-237	416	45	76	48	45
% change	25.3	-7.0	-6.2	11.7	1.1	1.9	3.9	11.4
Condo	2,884	2,469	2,784	3,487	3,592	3,725	1,171	381
1 year change	294	-415	315	703	105	52	19	19
% change	11.4	-14.4	12.8	25.3	3.0	1.4	1.6	5.2
Total	6,968	6,269	6,347	7,466	7,616	7,826	2,439	821
1 year change	1,119	-699	78	1,119	150	128	67	64
% change	19.1	-10.0	1.2	17.6	2.0	1.7	2.8	8.5
Average prices of units that sold								
Single family (\$)	538,395	601,026	630,109	712,799	736,362	750,991	832,313	818,907
1 year change	-58,874	62,631	29,083	82,690	23,563	747	-19,720	-22,371
% change	-9.9	11.6	4.8	13.1	3.3	0.1	-2.3	-2.7
Condo (\$)	414,030	423,365	429,611	447,827	472,419	498,112	501,942	501,558
1 year change	54,078	9,336	6,245	18,216	24,592	31,205	23,837	49,343
% change	15.0	2.3	1.5	4.2	5.5	6.7	5.0	10.9
Total value of all sales (\$ million)	3,392.9	3,329.2	3,441.1	4,397.8	4,660.0	4,935.3	1,643.1	551.4
1 year change	514.1	-63.7	111.9	956.7	262.2	200.6	52.9	55.4
% change	17.9	-1.9	3.4	27.8	6.0	4.2	3.3	11.2
Ratio: active inventory to sales								
Single family	3.4	3.3	2.3	1.6	1.6	1.5	1.3	1.6
Condo	4.6	4.9	2.9	1.7	1.9	1.8	1.6	1.8

Median contract prices, CY to date in July 2015: single family \$665,000 (5.8% 1 yr ch); condo \$437,400 (5.4% 1 yr ch)

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

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

Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: July 2015

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving total	3-mo moving total	This month
Single family homes	418	489	458	689	734	752	279	103
1 year change	85	71	-31	231	45	2	-15	-5
% change	25.5	17.0	-6.3	50.4	6.5	0.3	-5.1	-4.6
percent of all single family sales	10.2	12.9	12.9	17.3	18.2	18.3	22.0	23.4
Condominiums	89	87	72	112	128	161	48	9
1 year change	27	-2	-15	40	16	39	9	3
% change	43.5	-2.2	-17.2	55.6	14.3	32.0	23.1	50.0
percent of all condominium sales	3.1	3.5	2.6	3.2	3.6	4.3	4.1	2.4

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

Single family and condominium housing

Federal DC home price index increase in the June quarter again topped the US average

- In June the quarterly Federal Housing Finance Agency house price index for DC was 7.2% higher than a year ago.
- DC's 7.2% price gain in the June quarter was higher than that in the US (6.2%), and lower than in the DC metro area (7.5%).
- Sales of new condominium units for the 12-months ending June totalled 520—3.2% less than a year earlier.

FHFA expanded-data housing price index for DC and the US: 2005.2 to 2015.2 (% change from prior yr. in the 12-mo. moving avg.)

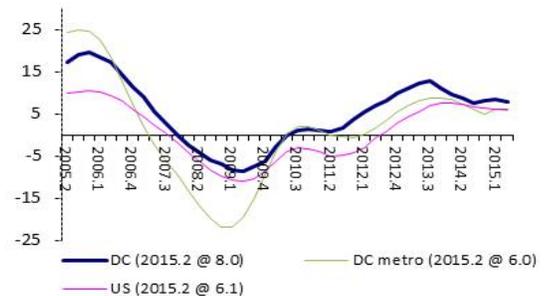


Table 11. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: June 2015 (2015.2)

Indicator	Fiscal year average					Quarter				
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	2014.2	2014.3	2014.4	2015.1	2015.2
% change from prior year in value of index										
DC	1.1	1.6	8.2	12.9	7.5	9.6	6.3	10.1	8.5	7.2
DC metro area	1.9	-0.5	3.5	8.9	6.2	5.0	4.0	4.1	4.1	7.5
US	-3.0	-4.8	0.8	6.9	6.7	6.3	6.0	6.0	6.1	6.2
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>										
Average DC sales price	-9.9	11.6	4.8	13.1	3.3	12.2	-3.1	7.0	3.0	0.0

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This index is a broad measure of the movement of single-family house prices. It measures average price changes in repeat sales or refinancings of the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick.
 (2) Average DC sales price is the average price only of houses that sold during the period (settled contracts); see Table 9. Not seas. adj.

Table 12. Single family housing permits: 2005 to July 2015

FY	#	FY	#	12-month moving total	
2005	134	2010	104	July 2014	295
2006	77	2011	267	July 2015	268
2007	605	2012	236	ch	-27
2008	223	2013	368	% ch	-9.2
2009	135	2014	267	Source: Census Bureau	

Table 13. New condominium unit sales: 2005 to 2015.2

FY	#	FY	#	12-month moving total	
2005	2,649	2010	542	June 2014	537
2006	1,623	2011	371	June 2015	520
2007	996	2012	468	ch	-17
2008	347	2013	514	% ch	-3.2
2009	524	2014	476	Source: Delta Associates	

Table 14. Condominium units under construction or planned: June 2015

Area of DC	Remaining units		Planned with probable sales within 36 mo				Proposed/rumored w long term delivery		Total pipeline*	
	projects	units	projects	units	projects	units	projects	units	projects	units
Central	7	280	6	564	1	20	14	864		
Mideast	21	564	4	137	4	287	29	988		
Upper NW	4	66	0	0	3	152	6	215		
Capitol East	15	500	10	825	6	612	31	1,937		
Total	47	1,410	20	1,526	14	1,071	81	4,007		

Source: Delta Associates *Does not include 11,772 units in 22 projects planned either as condo or rental

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

Date of report	2015.1	2015.2
Unsold units	1,378	1,410
New units	1,612	1,526
total	2,990	2,936

Source: Delta Associates

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

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

Apartments and population

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

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

•In the June quarter, occupied apartment units increased 2,783 (3.1%) from a year earlier; effective rents rose 1.7%, and the vacancy rate rose to 6.9%.

•For the five years 2009 through 2014, the number of occupied market rate apartment units increased by 8,242, about 33% of the estimated 24,638 increase in households in DC.

Occupied market rate apartment units:
2013.2 to 2015.2

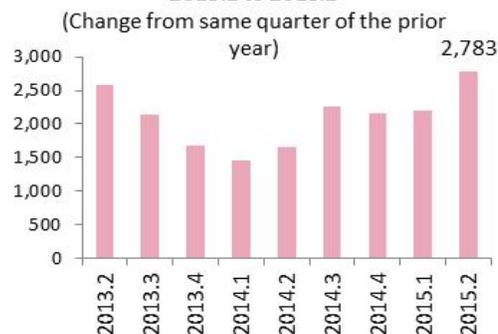


Table 15. Reis summary of DC market rate apartment units: 2005 to 2019 (est)

CY	Inventory			Occupied units			Effective rent	
	Number	1 yr ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch
2005	83,723	-1,113	3.8	80,530	79	0	\$1,142	2.8
2006	84,150	427	4.0	80,751	221	0.3	\$1,228	7.5
2007	84,618	468	3.9	81,284	533	0.7	\$1,307	6.4
2008	86,583	1,965	4.8	82,465	1,181	1.5	\$1,346	3.0
2009	87,788	1,205	6.1	82,415	-50	-0.1	\$1,353	0.5
2010	88,360	572	5.5	83,477	1,062	1.3	\$1,403	3.7
2011	88,817	457	4.7	84,632	1,155	1.4	\$1,440	2.6
2012	91,008	2,191	4.6	86,819	2,187	2.6	\$1,487	3.3
2013	93,574	2,566	5.4	88,501	1,682	1.9	\$1,519	2.2
2014	97,260	3,686	6.8	90,657	2,156	2.4	\$1,537	1.2
2015 est	100,939	3,679	7.3	93,537	2,880	2.3	\$1,569	2.1
2016 est	104,496	3,557	7.9	96,211	2,674	1.4	\$1,599	1.9
2017 est	108,018	3,522	8.5	98,789	2,578	1.4	\$1,629	1.9
2018 est	109,492	1,474	8.6	100,060	1,271	1.1	\$1,658	1.8
2019 est	110,403	911	8.6	100,868	808	2.1	\$1,696	2.3

latest quarter: June 2015

2015.2	98,960	4,317	6.9	92,084	2,783	3.1	\$1,549	1.7
--------	--------	-------	-----	--------	-------	-----	---------	-----

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

Table 16. DC Population and Households: 2004 to 2014

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

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

Apartments and housing permits

Housing permits up 21% over the past 12 months

● For the the 12-month period ending June 4,623 housing permits were issued up 21.0% from a year ago; the 3-month total was 72.4% higher than last year.

● Apartment demand is expected to more than keep pace with that of the past several years. According to Reis, in the 3 years 2012, 2013, and 2014 there was an increase of about 6,000 in the number of occupied market rate apartments. Over the next 3 years, occupied units are expected to increase by 7,431 according to Reis, and 7,750 according to Delta.



Table 19. Delta Associates apartment summary and forecast: June 2015 (Class A and B, investment grade)

Date of report	2015.1	2015.2
Class A		
Net absorption, last 12 months	3,368	3,815
Rent increase, last 12 months	-1.3	-0.7
Supply of units, next 3 years		
vacant units	978	591
new supply	11,508	11,282
total pipeline	12,486	11,873
New demand for units, next 3 years	6,875	7,750
Stabilized vacancy rate this quarter	6.0	3.4
Stabilized vacancy rate in 3 years	5.0	4.2
Class B		
net absorption, last 12 mo.	76	15
Rent increase, last 12 mo.	2.1	4.3

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

Table 17. Housing unit building permits issued in DC: July 2015

	FY 2012	FY 2013	FY 2014	12-mo. moving total	3-month moving total	This month
Total units	4,091	3,855	4,467	4,623	1,755	317
change from 1 yr ago	1,632	-236	612	802	737	-605
% change from 1 year	66.4	-5.8	15.9	21.0	72.4	-65.6
Multi-family projects with 5 or more units	21	36	32	39	17	4

Source: Census Bureau (permits issued during period).

Table 18. Reis apartment summary and forecast: June 2015

Date of report	2015.1	2015.2
Net absorption, last 12 months	2,198	2,783
Vacancy rate (%)	7.0	7.0
Rent increase, last 12 months (% ch)	1.9	1.9
New supply of units, next 3 years	11,741	9,795
New demand for units, next 3 years	8,957	7,431

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

Table 20. Apartment units under construction, planned, or contemplated by area of DC: June 2015

Area of DC	Under construction and/or marketing		Planned for possible delivery in next 36 mo		Longer-term planned or rumored	
	projects	units	projects	units	projects	units
Upper NW	6	852	1	142	1	30
Columbia Heights/Shaw	8	808	4	650	5	1,012
Central	11	1,094	3	331	4	1,238
NoMa/H Street	9	2,067	7	1,521	13	3,118
Capitol Hill/Riverfront	18	3,916	6	1,323	19	4,813
Upper GA	3	300	0	0	1	210
Northeast	4	1,063	4	760	4	1,212
River east	0	0	0	0	6	1,107
Total	59	10,100	25	4,727	53	12,740

Addendum: Pipeline of units currently vacant or likely to deliver by June 2018: **11,873**

Approximately 38% of the planned units are expected to materialize by June 2018.

Demand for new apartments by June 2018: 7,750 (2,583 per year)

Source: Delta Associates

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

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

Commercial office space

• Occupied commercial office space continues to show modest gains

• For the quarter ending June the vacancy rate in Delta Associates' broader office market measure was 6.9%; the Cushman and Wakefield measure in Junw was 11.1% (both without sublet).

• According to Delta, DC's vacancy rate in June was 38.4% lower than the metropolitan area average. Rents were 46.5% higher than the region average.

• According to Delta, in June occupied space rose 0.5% from the prior year; effective rent rose 3.4%.

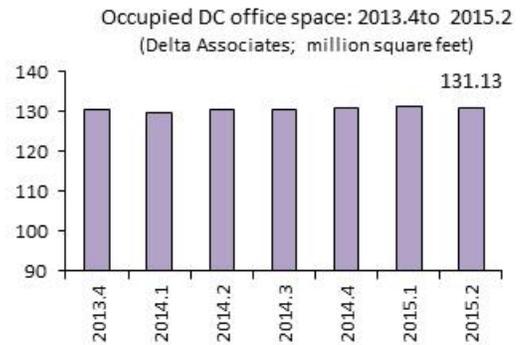


Table 21. Delta Associates summary of DC commercial office space: 2005 to June (2015.2)

Time period	Inventory		Occupied (leased) space			Effective rent			Direct vacancy (msf)	Under construction (msf)
	Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct vacancy rate %	\$ per sq ft.	1 yr % ch		
Calendar Year (year end)										
2005	119.05		113.41			4.7	46.45		5.64	
2006	124.62	5.57	117.34	3.93	3.5	5.8	48.36	4.1	7.28	
2007	128.86	4.24	122.11	4.77	4.1	5.2	50.19	3.8	6.75	
2008	129.73	0.87	121.64	-0.47	-0.4	6.2	51.25	2.1	8.09	
2009	134.54	4.81	122.51	0.87	0.7	8.9	47.81	-6.7	12.03	
2010	137.71	3.17	127.74	5.23	4.3	7.2	44.47	-7.0	9.97	
2011	138.34	0.64	129.16	1.43	1.1	6.6	44.16	-0.7	9.18	
2012	138.78	0.44	129.25	0.09	0.1	6.9	43.27	-2.0	9.53	
2013	140.21	1.43	130.38	1.13	0.9	7.0	42.05	-2.8	9.83	
2014	140.67	0.46	130.97	0.59	0.5	6.9	42.81	1.8	9.69	
Last Quarter: 2015.2										
DC	140.78	0.28	131.13	0.66	0.5	6.9	43.84	3.4	9.65	1.82
Metro area	406.00	1.37	360.57	0.28	0.1	11.2	29.93	3.4	45.43	4.91
DC share/difference %	34.7		36.4			-38.4	+46.5		21.2	37.0

excludes space for sublet; occupied space is the same as leased space. msf = million square feet.

Table 22. Cushman and Wakefield summary of commercial office space in DC: 2011 to 2015.2

Calendar year (end of year)	Inventory		Direct vacancy rate	Occupied (msf)	Overall vacancy rate	Asking face rent (\$/sf)	Under construction (msf)
	(msf)	Leased (msf)					
2011	104.95	93.66	10.8	92.5	11.9	50.63	1.60
2012	106.61	94.02	11.8	92.7	13.0	51.58	0.82
2013	107.95	93.72	13.2	92.4	14.4	50.96	1.78
2014	107.46	94.30	12.2	93.5	13.0	51.66	2.09
Last quarter: 2015.2							
DC	107.81	95.80	11.1	94.9	12.0	51.18	2.41
Metro area total	196.34	246.07	17	242.94	18	36.36	4.62
DC share/DC difference	54.9	38.9	-34.7	38.5	-33.3	41.8	44.7
DC year-over-year change							
Amount	-0.11	1.60	-1.6	1.83	-1.7	1.45	1.31
%	-0.1	1.7		2.0		2.9	119.2
DC change from prior quarter							
Amount	0.00	0.69	-0.7	0.70	-0.6	-0.43	0.37
% ch	0.0	0.7		0.7		-0.8	18.1

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

Commercial office space outlook and value of all property transfers

More property transfers this summer than last summer

- The value of July property transfers was up 13.1% from last year as measured by the 3-month moving total. The 12-month moving total (\$14.21 billion) was 17.8% higher than last year.
- In June Delta Associates decreased slightly its 2-year estimate of increased demand for office space to 2.5 million square feet. The vacancy rate is also expected fall to 6.4% as 2.0 million square feet are added.
- The amount of office space in DC currently under construction (1.77 msf) in June was about 1.3% of the existing inventory. Construction is up 0.93 msf (111.8%) from a year earlier, but is down 2.8% from the prior quarter.

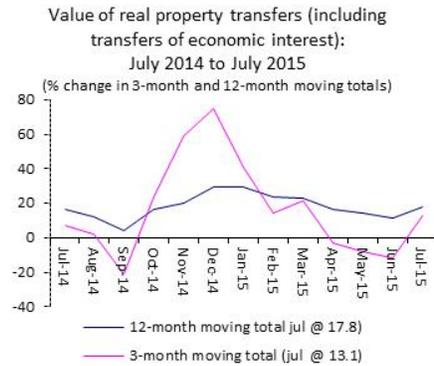


Table 23. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: July 2015

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,533.3	11,063.9	11,569.8	14,206.0	3,937.3	1,640.7
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-526.2	1,530.6	505.8	2,148.8	456.2	469.7
% change from 1 year ago	-51.5	39.3	29.1	-5.2	16.1	4.6	17.8	13.1	40.1

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

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

Table 24. Delta Associates outlook for commercial office space in DC and the surrounding metro area: June 2015 to June 2017

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2015					
Inventory (msf)	140.8	179.4	85.8	406.0	0.3
vacancy rate (%)	6.9	13.7	13.1	11.2	
Estimated net activity to June 2017					
new supply (msf)	2.0	2.7	0.4	5.1	0.4
new demand (msf)	2.5	3.0	1.3	6.8	0.4
Estimated vacancy rate on June 2017					
vacancy rate (%)	6.4	13.3	11.9	10.6	

Source: Delta Associates msf = million square feet

Table 25 Delta two year forecasts for office

Date of forecast	2015.1	2015.2
2 year pipeline (msf)	2.1	2.0
2 year demand (msf)	2.6	2.5

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

Table 26. DC Office market, existing and future space, by area of DC: June 2015 (2015.2)

Indicator (million sq ft.)	Area of DC							
	Total	CBD	East End	Capitol Hill/Noma/Capitol	Waterfront	Southwest	West End	George-town
Total existing rentable building area	140.78	46.50	44.61	18.92	11.85	4.55	2.82	11.55
Vacant	9.65	1.98	3.31	2.44	0.98	0.24	0.16	0.54
Under Construction	1.77	0.12	0.97	0.67				
Planned	10.60	0.44	1.20	7.17	1.78			
Proposed	9.64	0.16	0.54	5.14	3.11			0.68

Note: pipeline of projects under construction and planned expected to deliver by June 2017 is 2.0 msf (see table 24).

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

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

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

Hospitality

Hotel room revenue up 9.2% from a year ago

● In July the 3-month moving total for hotel room-days sold was 3.1% above a year earlier. The average room rate was up 5.9%, and revenue rose 9.2%.

● Employment in food services was 0.5% more in July than a year earlier as measured by the 3-month moving average. Hotel employment was down 3.9%, and retail was 5.2% higher.

● June airline traffic into the DC area was up 5.4% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 10.0%. For the past 12-months, total traffic into the DC area rose 2.7%.

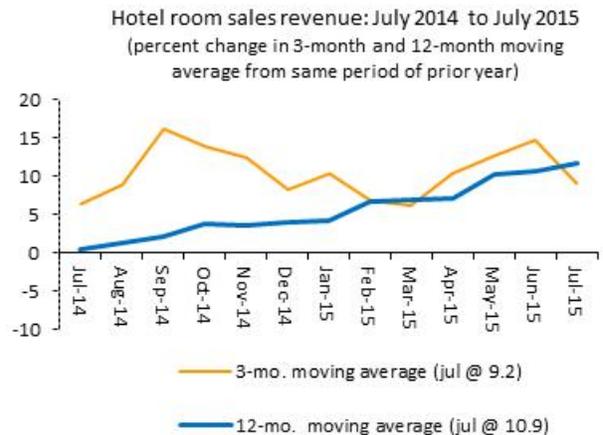


Table 27. Hospitality Industry: July 2015

Indicator	Units	date	FY 2012	FY 2013	FY 2014	12-mo total	3-month	This month
						or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	july	7.617	7.680	7.869	8.220	2.300	0.772
	1 yr ch		0.152	0.062	0.189	0.469	0.069	0.019
	1 yr % ch		2.0	0.8	2.5	6.1	3.1	2.5
Average room rate	\$	july	203.57	207.31	209.90	216.47	224.20	191.55
	1 yr ch		-3.03	3.74	2.59	9.46	12.51	-1.34
	1 yr % ch		-1.5	1.8	1.2	4.6	5.9	-0.7
Occupancy rate (average)	%	july	75.4	75.8	76.6	77.7	85.9	85.7
	1 yr ch		1.2	0.5	0.8	1.7	2.5	2.2
	1 yr % ch		1.6	0.6	1.0	2.2	3.0	2.6
Room revenue	(\$M)	july	1,550.7	1,592.1	1,651.7	1,779.5	515.5	147.9
	1 yr ch		8.4	41.4	59.6	174.9	43.4	2.5
	1 yr % ch		0.5	2.7	3.7	10.9	9.2	1.7
Airline passengers								
DCA	1 yr % ch	jun	2.8	5.5	0.0	6.7	10.0	11.5
IAD	1 yr % ch	jun	-2.9	-4.0	-1.9	-0.8	1.2	3.6
BWI	1 yr % ch	jun	1.0	-1.5	-0.5	2.4	5.2	5.4
Total	1 yr % ch	jun	0.1	-0.3	-0.8	2.7	5.4	6.7
Employment								
Accommodations	level ('000)	july	15.4	15.2	15.2	15.0	14.9	14.7
	1 yr ch		0.1	-0.2	0.0	-0.1	-0.6	-0.7
	1 yr % ch		0.7	-1.2	-0.1	-0.9	-3.9	-4.5
Food and bev	level ('000)	july	42.7	45.1	47.0	47.6	48.8	48.9
	1 yr ch		3.4	2.5	1.9	0.8	0.3	1.2
	1 yr % ch		8.5	5.7	4.2	1.7	0.5	2.5
Arts and entertain.	level ('000)	july	6.9	6.9	7.1	7.4	7.6	7.3
	1 yr ch		0.1	0.0	0.2	0.4	0.3	0.3
	1 yr % ch		1.3	0.2	2.2	5.0	4.6	4.3
Retail	level ('000)	july	18.8	19.7	21.1	22.4	22.2	22.1
	1 yr ch		0.3	0.9	1.4	1.5	1.1	1.2
	1 yr % ch		1.4	4.7	6.9	7.3	5.2	5.7

* Total for hotel rooms sold and room revenue

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

US economic growth picked up a revised 3.7% rate in the second quarter of 2015

- US real GDP growth in the June quarter was revised up to 3.7%; nominal growth was 5.9% (seasonally adjusted, annual rates).
- US employment (seas. adj.) increased by 215,000 in July from the month before.
- The US unemployment rate (seas. adj.) held at 5.3% in June.
- In July the S & P 500 index fell 0.2% from June and was 6.1% above last year.
- Compared to a year earlier, there was 0.2% inflation in July (seas. adj.).

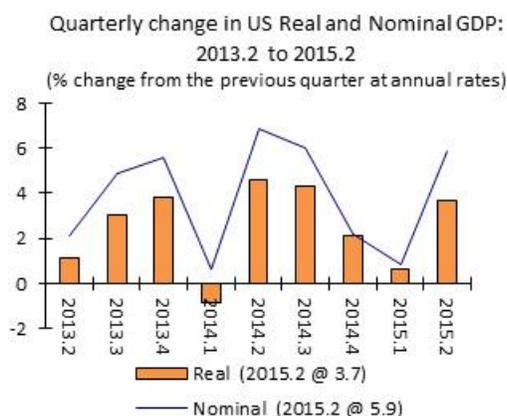


Table 28. US GDP, income, corporate profits, and inflation: 2015.2 and July 2015

(percent change from same period of prior year)

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	2015.2	July
US GDP real	1.7	1.9	2.3	1.2	2.4	2.7	2.7	
US GDP nominal	2.6	4.0	4.2	2.9	4.2	4.0	3.7	
US Personal income	1.3	5.9	4.7	3.0	3.0	4.6	4.2	
US wages	0.3	4.2	3.4	3.9	4.1	4.9	4.3	
Corporate profits*	42.1	0.7	15.0	3.1	3.0	4.8	6.4	
S and P stock index	23.7	13.8	5.4	16.7	20.3	12.5	10.6	6.1
US CPI	1.7	2.7	2.4	1.6	1.6	0.6	0.0	0.2
Balt//Wash. area CPI	1.7	3.0	2.4	1.6	1.7	0.5	na	0.2

Source: BEA (data revised as of August 27, 2015), BLS, and Yahoo finance. na = not available *before tax, w/o IVV and CCAdj
Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 28a. Federal government sector, US GDP accounts: 2015.2

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

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	12-mo avg	2015.2
All federal consumption and investment	6.5	2.0	-1.0	-3.9	-2.0	-0.1	0.3
Civilian consumption	8.7	0.7	1.8	-0.9	1.1	2.9	2.6
Employee compensation	8.8	3.1	0.7	-0.2	1.8	3.3	4.7
Purchased goods and ser.	12.9	-4.8	-1.2	-5.4	-1.0	3.0	-0.5

Source: BEA (data revised as of August 27, 2015). Nominal values.

Table 29. Quarter to quarter change in US GDP and income: 2014.1 to 2015.2

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

Indicator	calendar year quarter					
	2014.1	2014.2	2014.3	2014.4	2015.1	2015.2
US GDP real	-0.9	4.6	4.3	2.1	0.6	3.7
US GDP nominal	0.6	6.9	6.0	2.2	0.8	5.9
Wages and salaries	7.0	3.5	5.4	6.3	2.6	2.5
Personal income	6.0	5.0	4.4	4.9	3.3	3.8

Note: GDP=Gross Domestic Product Source: BEA, updated on August 27, 2015.

Table 30. Monthly selected US Indicators: January 2015 to July 2015

Indicator	January	February	March	April	May	June	July
S and P stock index (level)	2028	2082	2080	2095	2112	2099	2094
% change from prior month	-1.3	2.7	-0.1	0.7	0.8	-0.6	-0.2
% change from 1 year ago	11.3	14.6	11.6	12.4	11.8	7.8	6.1
10 yr. Treasury Interest rate (level)	1.87	1.97	2.04	1.93	2.19	2.36	2.32
CPI % ch from prior month (seasonally adjusted)	-0.68	0.22	0.24	0.10	0.44	0.32	0.13
CPI % ch from prior year (seasonally adjusted)	-0.20	-0.07	-0.02	-0.11	0.03	0.18	0.21
Jobs (seasonally adjusted level, in millions)	140.79	141.06	141.18	141.37	141.625	141.86	142.07
change from prior month (thousands)	201	266	119	187	260	231	215
% change from prior month	0.14	0.19	0.08	0.13	0.18	0.16	0.15
Resident employment (season. adj. level, in mil.)	148.20	148.30	148.33	148.52	148.80	148.74	148.84
change from prior month (thousands)	759	96	34	192	272	-56	101
% change from prior month	0.51	0.06	0.02	0.13	0.18	-0.04	0.07
Unemployment rate (seasonally adj.)	5.7	5.5	5.5	5.4	5.5	5.3	5.3

Source: BLS and Yahoo! Finance.

DC tax collections

**Total DC tax collections (before earmarking):
July 2010 to July 2015**
(12-month moving total in \$ million)

July 2015 @ \$6,695M

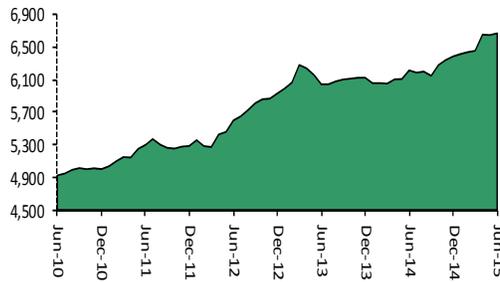


Table 31. Tax Collections (before earmarking): July 2015 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2011	FY 2012	FY 2013	FY 2014	12-month moving total	FY 2015 to date	3-month moving total	This month
Total taxes	5,325.3	5,853.3	6,100.5	6,290.0	6,694.7	5,097.6	1,234.2	367.7
1 year change	320.1	528.0	247.2	189.5	508.9	547.8	42.0	25.5
% change	6.4	9.9	4.2	3.1	8.2	12.0	3.5	7.5
Real property	1,715.1	1,822.0	1,914.8	2,015.6	2,077.1	1,213.6	24.9	16.8
1 year change	-106.4	106.9	92.8	100.7	140.3	193.1	-7.5	-6.7
% change	-5.8	6.2	5.1	5.3	7.2	18.9	-23.1	-28.5
General sales	1,014.9	1,111.0	1,137.9	1,172.1	1,239.1	1,048.7	345.0	117.8
1 year change	51.7	67.6	26.8	34.2	92.2	78.7	21.7	13.0
% change	3.9	9.5	2.4	3.0	8.0	8.1	6.7	12.4
Individual income	1,296.6	1,490.7	1,640.9	1,679.2	1,849.5	1,540.1	424.9	118.7
1 year change	186.2	194.1	150.2	38.3	193.1	163.6	24.6	5.4
% change	16.8	15.0	10.1	2.3	11.7	11.9	6.1	4.8
withholding	1,192.2	1,321.6	1,391.2	1,472.9	1,570.7	1,321.6	361.9	121.4
1 year change	118.3	129.5	69.6	81.7	113.9	91.9	18.1	8.0
% change	11.0	10.9	5.3	5.9	7.8	7.5	5.3	7.1
non-withholding	104.4	169.1	249.6	206.2	278.8	218.6	63.0	-2.7
1 year change	67.8	64.6	80.6	-43.4	79.2	71.7	6.5	-2.6
% change	185.2	61.9	47.7	-17.4	39.7	48.9	11.6	na
Corporate income	216.3	302.9	299.0	280.2	317.2	255.6	71.7	-2.2
1 year change	9.0	86.6	-3.9	-18.8	32.9	29.3	14.4	-5.9
% change	4.3	40.1	-1.3	-6.3	11.6	12.9	25.2	na
Unincorporated Bus.	143.4	163.0	154.3	135.4	151.9	123.7	25.6	-3.9
1 year change	27.0	19.6	-8.7	-18.9	14.3	13.0	-1.2	-5.7
% change	23.2	13.6	-5.3	-12.3	10.4	11.7	-4.4	na
Deed taxes*	311.2	306.6	367.3	386.0	472.4	406.1	125.2	52.8
1 year change	85.6	-4.5	60.6	18.8	68.1	81.2	22.4	20.1
% change	37.9	-1.5	19.8	5.1	16.8	25.0	21.8	61.3
Other taxes	627.8	657.0	586.3	621.6	587.5	509.7	216.9	67.6
1 year change	80.6	29.2	-70.7	35.3	-32.0	-10.9	-32.5	5.3
% change	14.7	4.6	-10.8	6.0	-5.2	-2.1	-13.0	8.6

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

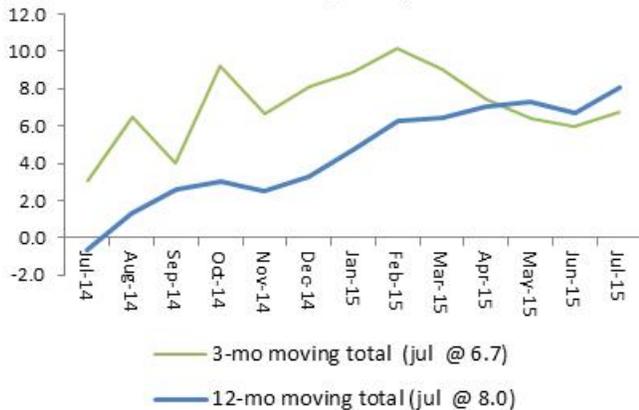
Tax collections remain well above a year ago

- For the 12 month period ending July, total tax collections (before earmarking) were \$509 million (8.2%) more than in the prior year. For the last 3 months they were 3.5% above last year.
- Individual income tax collections were 11.7% above last year for the 12-months ending July and withholding was 7.8% higher. For the past 3 months, withholding was up 5.3%.
- General sales tax collections were 8.0% above last year for the 12-months ending July. For the past 3 months, they were 6.7% above last year.
- Deed tax collections for the 12-months ending July were up 16.8% from last year; for the past 3 months they were 21.8% above last year.
- Corporate income taxes in June were up 11.6% and unincorporated business income taxes rose 10.4% from last year (12-mo. total).

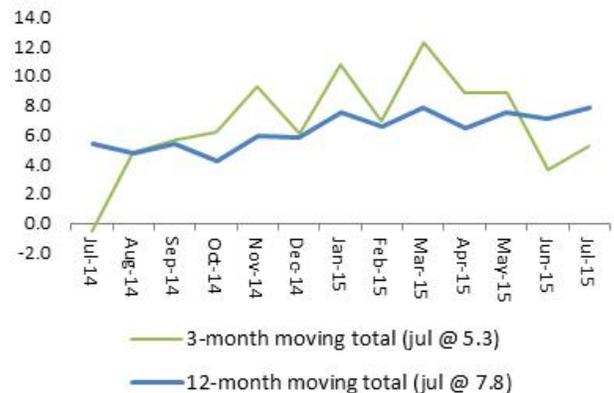
**Total tax collections (before earmarks):
July 2014 to July 2015**
(% change from prior year: 3-month and 12-month moving totals)



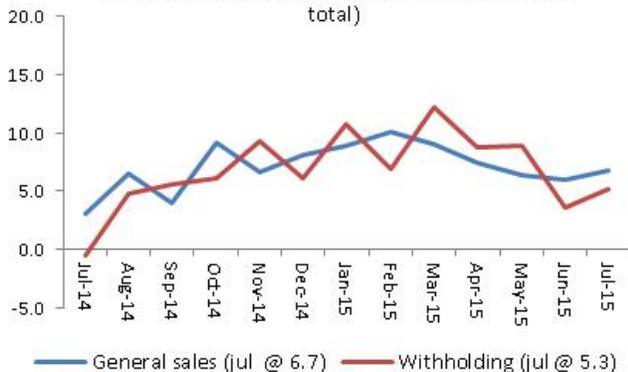
**General Sales tax collections (before earmarks):
July 2014 to July 2015**
(% change from prior year: 3-months and 12-month moving totals)



**Withholding for the Individual Income tax:
July 2014 to Jul 2015**
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual Income tax:
July 2014 to July 2015**
(% change from prior year in the 3-month moving total)



**Deed tax collections (before earmarks):
July 2014 to July 2015**
(% change from prior year: 3-month and 12-month moving totals)



US economic forecasts

The August Blue Chip forecast for the US economy slightly lowered estimated GDP growth in FY 2016

- The Blue Chip Indicator August forecast for real GDP growth in FY 2015 is now the same as the actual for FY 2014 (2.4%), rising to 2.6% in FY 2016.
- The Blue Chip Indicator August forecast for inflation (CPI): 0.4% for FY 2015 and 1.8% in FY 2016.
- S & P 500: Mixed August baseline forecasts. Growth during 2015 and 2016 is expected to be much less than it was in 2014.

Table 32. Blue Chip Forecast for US nominal and real GDP: FY 2013 through FY 2016

(% change from prior fiscal year)

Fiscal year and date of forecast	Real	Nominal
FY 2013 Actual	1.2	2.9
FY 2014 Actual	2.4	4.2
FY 2015		
May	2.1	3.1
June	2.3	3.3
July	2.4	3.5
August	2.4	3.6
FY 2016		
May	3.1	4.9
June	2.6	4.4
July	2.7	4.5
August	2.6	4.4

Sources: BEA, Blue Chip Indicators

Addendum:

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

Global Insight 2015: 2.4 real, 3.5 nom. 2016: 2.5 real, 5.3 nom.

Economy.com 2015: 2.4 real, 3.4 nom. 2016: 3.2 real, 4.7 nom.

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2009 to FY 2016 (% change from the prior year; August 2015 estimate)

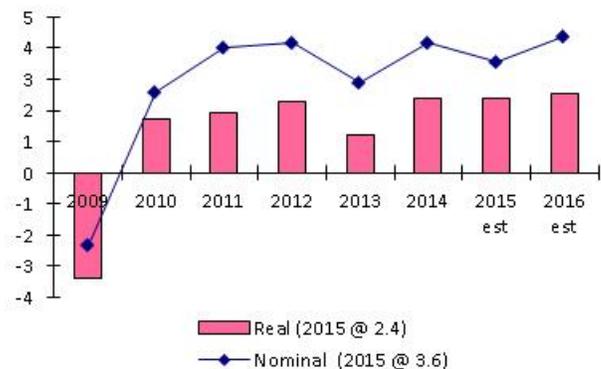


Table 33. CBO estimates of GDP and other indicators: FY 2014 to FY 2017

Indicator	FY 2014	FY 2015	FY 2016	FY 2017
Real GDP (% ch from prior yr.)	2.6	2.4	2.7	3.0
Nominal GDP (% ch from prior yr.)	4.1	3.4	4.2	4.8
CPI (% ch from prior yr.)	1.6	0.3	1.7	2.3
10 yr. Treasury bond rate	2.7	2.2	2.8	3.6
Unemployment rate	6.5	5.5	5.2	5.0

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

Table 34. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2014 to FY 2016

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2014	2015	2016	2014	2015	2016
May	1.6	0.2	1.8	2.7	2.2	2.8
Jun	1.6	0.3	1.8	2.7	2.2	2.8
Jul	1.6	0.3	1.8	2.7	2.2	2.9
Aug	1.6	0.4	1.8	2.7	2.2	2.8

Source: Blue Chip Indicators

Table 35. 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		
May	13.6	6.8	3.8	13.6	0.1	1.4
June	13.6	7.5	3.8	13.6	-5.3	-18.6
July	13.6	5.5	3.8	13.6	-5.0	-20.4
August	13.6	2.9	4.9	13.6	-7.1	2.6

Source: IHS Global Insight

Table 36. 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		
May	13.6	5.3	3.3	13.6	1.4	2.5
June	13.6	4.2	1.7	13.6	-0.2	0.8
July	13.6	4.9	2.8	13.6	0.4	1.9
August	13.6	6.4	4.6	13.6	4.3	1.0

Source: Moody's Analytics (Economy.com)

Little change in August baseline DC forecasts: job growth weaker in FY 2016 than in FY 2015, but Personal Income growth is stronger.

●**Employment:** In FY 2016 growth in jobs located in DC and DC resident employment is expected to be below FY 2015 growth. Global Insight expects the DC unemployment rate to dip below 7% in FY 2016.

●**Income.** Economy.com expects Personal Income in DC to grow much more rapidly in FY 2016 than in FY 2015. Global Insight has just a slight increase slated for FY 2016. Global Insight expects DC Personal Income growth to be slower than in the US in FY 2015 and FY 2016; Economy.com does not, and its forecast for DC Personal Income growth in FY 2016, 7.1%, is almost twice the Global Insight estimate.

Table 37. 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				Economy.com: baseline				Economy.com: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
May	6.0	11.3	6.9	6.7	6.0	10.5	2.1	1.3	6.0	11.3	9.5	11.0	6.0	10.9	3.3	8.8
Jun	6.0	11.6	7.1	6.3	6.0	11.3	3.1	0.5	6.0	11.2	9.6	11.8	6.0	11.1	4.1	8.4
Jul	6.0	11.6	7.6	6.4	6.0	11.6	5.8	3.2	6.0	12.4	10.5	10.8	6.0	12.2	5.0	7.3
Aug	6.0	10.9	5.8	6.7	6.0	10.8	1.9	1.1	6.0	11.1	9.8	11.6	6.0	11.1	5.2	7.0

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

Table 38. 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				Economy.com: baseline				Economy.com: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
May	3.4	11.7	8.0	6.5	3.4	11.4	5.6	3.6	3.4	11.6	7.8	6.5	3.4	11.5	5.5	6.8
Jun	3.4	11.6	8.0	6.5	3.4	11.5	6.3	3.7	3.4	11.6	7.8	6.5	3.4	11.5	5.6	6.9
Jul	3.4	11.4	7.7	6.4	3.4	11.3	6.9	5.1	3.4	11.4	8.3	6.5	3.4	11.3	6.0	6.9
Aug	3.4	11.2	6.2	5.4	3.4	11.2	4.5	2.1	3.4	11.4	8.3	6.4	3.4	11.4	6.4	5.6

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

Table 39. DC Personal Income: forecasts for FY 2014 to FY 2017

(percent change from prior year)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
May	2.5	4.0	3.9	5.2	2.5	3.2	1.0	2.5	2.5	3.3	6.7	7.3	2.5	3.2	4.8	7.3
Jun	2.5	4.0	3.9	4.6	2.5	3.6	1.7	1.3	2.5	3.3	6.7	7.3	2.5	3.1	5.0	7.1
Jul	2.3	3.4	3.8	4.8	2.3	3.2	2.5	2.7	2.3	3.8	6.9	7.0	2.3	3.7	5.3	6.8
Aug	2.3	3.4	3.8	4.7	2.3	3.3	2.0	1.1	2.3	3.4	7.1	7.2	2.3	3.4	5.6	6.6

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

Table 40. August 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				Economy.com			
	2014	2015	2016	2017	2014	2015	2016	2017
Wage and salary jobs								
DC	0.8	1.4	0.8	0.9	0.8	1.5	1.3	1.5
Metro area					0.4	1.8	1.7	1.7
US	1.8	2.2	1.6	1.6	1.8	2.2	2.1	2.3
Personal Income								
DC	2.3	3.4	3.8	4.7	2.3	3.4	7.1	7.2
Metro area					1.7	3.9	6.2	6.6
US	3.0	4.6	4.3	5.1	3.0	4.6	6.2	7.1

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

Table 41. August DC forecasts for wages and unemployment: FY 2014 to FY 2017

(percent change from prior year)

	Global Insight				Economy.com			
	2014	2015	2016	2017	2014	2015	2016	2017
Wages and salaries earned in DC								
	1.6	3.0	4.0	4.2	1.6	3.6	6.8	7.1
DC resident wages and salaries								
	2.1	3.2	3.4	4.2	2.1	4.1	7.2	7.1
DC Unemployment rate (level)								
	7.9	7.4	6.6	6.4	7.9	7.5	7.0	6.9

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

DC revenue estimate

The June revenue estimate: \$472.8 million more tax revenue in FY 2015, and another \$187.4 million in FY 2016.

• Anticipated tax revenue growth (before earmarks) is 7.5% in FY 2015 and 2.8% in FY 2016. FY 2014 tax revenue growth was 3.1%. The estimates reflect growth in the DC economy and federal spending constraints due to sequestration.

• The real property tax accounts for 40% of revenue growth in FY 2015, and 63% in FY 2016. Individual income and sales increase in both FY 2015 and FY 2016; business income falls in FY 2016.

• As a share of DC Personal Income, tax revenue in FY 2015 and FY 2016 is expected to rise compared to FY 2014—from 12.6% in FY 2014 to 13.0% in FY 2015 and 12.7% in FY 2016.

Table 43. DC Tax Revenue (before earmarks) for FY 2014 through FY 2017: June 2015 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	2,202.4	2,319.6	2,384.1	100.7	186.8	117.2	64.4	5.3	9.3	5.3	2.8
Deed taxes	391.2	406.7	401.1	409.1	24.0	15.5	-5.6	8.0	6.5	4.0	-1.4	2.0
General sales	1,172.1	1,254.2	1,304.7	1,359.5	34.2	82.1	50.5	54.8	3.0	7.0	4.0	4.2
Individual income	1,679.2	1,830.1	1,862.0	1,945.6	38.3	150.9	31.9	83.6	2.3	9.0	1.7	4.5
Withholding	1,472.9	1,548.9	1,612.9	1,684.9	81.7	75.9	64.0	72.0	5.9	5.2	4.1	4.5
non-withholding	206.2	281.2	249.1	260.7	-43.4	75.0	-32.1	11.6	-17.4	36.4	-11.4	4.6
Business income	415.6	459.3	443.1	459.9	-37.7	43.8	-16.3	16.8	-8.3	10.5	-3.5	3.8
Other	616.4	610.0	619.6	624.3	30.1	-6.4	9.6	4.7	5.1	-1.0	1.6	0.8
Total	6,290.0	6,762.8	6,950.2	7,182.4	189.5	472.8	187.4	232.2	3.1	7.5	2.8	3.3

Source: ORA. June 30, 2015 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 is from the FY 2014 CAFR

Table 44. DC labor market assumptions: FY 2014 to FY 2017

item	2014	2015	2016	2017
Wage and salary employment	751,483	762,813	771,228	779,626
1 year change	6,000	11,329	8,415	8,398
% change	0.8	1.5	1.1	1.1
DC resident employment	344,826	355,199	362,249	368,162
1 year change	3,434	10,374	7,050	5,913
% change	1.0	3.0	2.0	1.6
Unemployment rate	7.9	7.5	7.0	6.7

Source: ORA June 2015 revenue estimate

Table 45. 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	2.2	3.8	4.4	4.7
Wages and salaries earned by DC residents	2.3	5.4	5.3	5.3
DC Personal income	2.5	4.4	4.6	5.6
S and P 500 stock index	13.6	6.0	3.6	2.2

Source: ORA June 2015 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 46. DC tax revenue (before earmarks) and DC Personal Income: FY 2008 to FY 2017

item	2008	2009	2010	2011	2012	2013	2014	2015 est	2016 est	2017 est
Tax revenue (\$ million)										
Level	5,325	5,052	5,005	5,325	5,853	6,100	6,290	6,763	6,950	7,182
Change from prior year	170	-273	-47	320	528	247	189	473	187	232
Percent change from prior year										
Tax revenue	3.3	-5.1	-0.9	6.4	9.9	4.2	3.1	7.5	2.8	3.3
Personal Income	9.6	1.3	2.7	9.0	5.4	2.6	2.5	4.4	4.6	5.6
Tax revenue as percent of Personal Income										
	13.4	12.6	12.1	11.8	12.3	12.5	12.6	13.0	12.7	12.5

Source: ORA. June 30, 2015 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

The percentage rose because resident employment’s average annual rate of growth rose to 3.8%.

Three reasons can be given for why the growth of resident employment accelerated over the past 3 1/2 years compared to the growth in DC’s job base.

First, the rapid increase in resident employment growth reflects demographic changes occurring in DC. Not only did the population grow more rapidly in the recent period (2.0% annual rate versus the earlier 1.4%), but the share of the population in the labor force has been rising. (The labor force grew at a 2.8% annual rate since December 2011.)

Second, in the turnover that is constantly occurring in the labor market, DC’s resident employment grows without a net increase in the job base whenever a DC resident fills a vacancy left by a commuter who retires or takes a job outside of DC. In addition, in 2010 about 27% of DC’s employed residents were working outside of DC, and more of this may be occurring. Thus, the net increase in jobs located in DC does not define how much resident employment can grow.

Third, relatively more people who are working may be self employed or working as individual contractors (such as an Uber driver) and therefore less likely to be counted in BLS surveys of wage and salary jobs located in DC.

While the more rapid growth in resident employment since December 2011 has not been based on a weakening of DC’s job base, it is reasonable to wonder whether there is a limit to how long resident employment can continue to grow so much faster than jobs located in the city. Over the past 30 years the ratio of resident employment to wage and salary jobs located in DC has never been higher than 47.8% (in 1985, a time when DC had 17% of the region’s population, 33.6% of the region’s jobs, and had more people living in the city than working in it).

Although DC’s job base did not weaken over the past 3 1/2 years, the continued health of the city’s job base cannot be taken for granted. From December 2011 to June 2015, DC’s average annual rate of growth in jobs located in DC (1.4%) was below the US average (1.7%), and uncertainty regarding the future of federal spending, which plays a large role in the regional economy, remains a matter of concern.

—Stephen Swaim, DC Office of Revenue Analysis

Change in DC resident employment and jobs located in DC: 2005.2 to 2015.2

Indicator	Amount of change		Percent change	
	2005.2 to 2011.4	2011.4 to 2015.2	2005.2 to 2011.4	2011.4 to 2015.2
	DC resident employment	23,043	38,896	7.9
Jobs located in DC	47,492	33,458	7.0	4.6

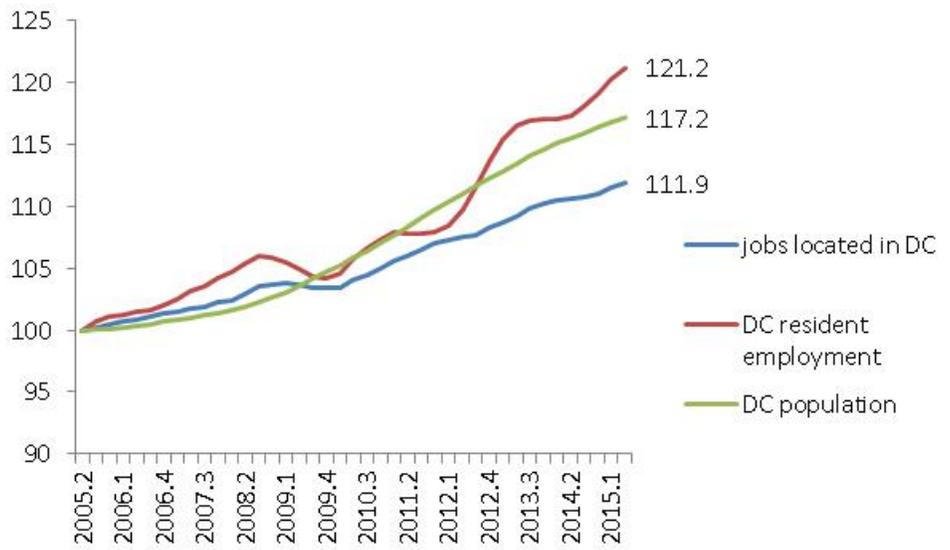
Source: BLS. See longer table below

Average annual amount and percent change for jobs located in DC, labor force, resident employment, and population: 2005.2 to 2015.2	Indicator	Average change per year		Annual rate of change	
		2005.2 to 2011.4	2011.4 to 2015.2	2005.2 to 2011.4	2011.4 to 2015.2
		Jobs located in DC	7,306	9,560	1.0
Labor force	5,364	9,188	1.6	2.8	
Resident employment	3,545	11,113	1.2	3.8	
Population	8,435	12,169	1.4	2.0	

Source: BLS and Census Bureau, See longer table below.

Jobs located in DC, DC resident employment, and DC population: 2005.2 to 2015.2

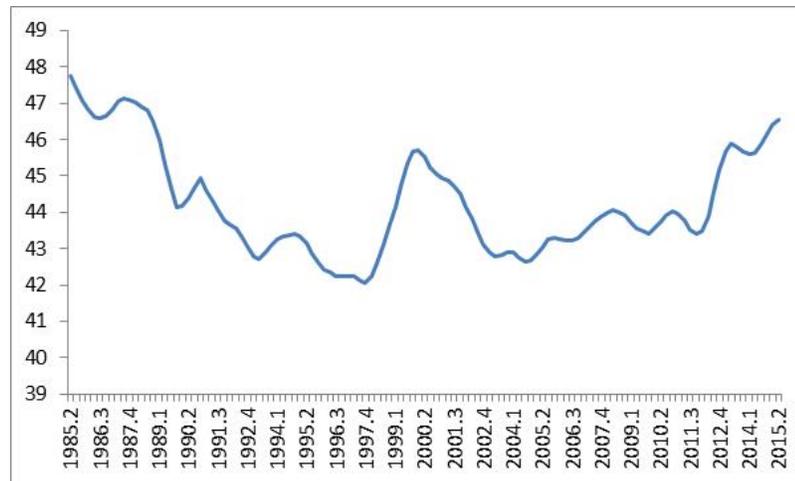
Index numbers of 12-month moving averages: 2005.2 = 100



DC resident employment as % of wage and salary jobs located in DC: 1985.2 to 2015.2

(Calculated from 12-month moving averages)

Source: BLS



Change in DC resident employment and jobs located in DC: 2005.2 to 2015.2

(12-month moving average)

DC indicator	2005.2	2011.4	2015.2	Amount of change		Percent change	
				2005.2 to 2011.4	2011.4 to 2015.2	2005.2 to 2011.4	2011.4 to 2015.2
Jobs located in DC	678,717	726,208	759,667	47,492	33,458	7.0	4.6
Labor force	315,974	350,843	382,999	34,868	32,157	11.0	9.2
Resident employment	292,117	315,159	354,055	23,043	38,896	7.9	12.3
Unemployment	23,858	35,683	28,944	11,826	-6,739	49.6	-18.9
Unemployment rate	7.6	10.2	7.5	2.6	-2.6	34.7	-25.8
Population	567,368	622,197	664,787	54,830	42,590	9.7	6.8
Labor force/ pop. ratio	0.56	0.56	0.58	0.64	0.76		
Res. emp./pop. ratio	0.51	0.51	0.53	0.42	0.91		

Source: BLS. Data are 12-month moving averages for dates shown. Census Bureau population estimates accessed through Moody's Analytics.

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, June 30, 2015.

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

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

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

Tax Rates and Tax Burdens 2013 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2013 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

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

Table 47. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	July	September 18
D.C. Personal Income	BEA	2015.1	September 30
D.C. Tax Collections	OTR/ORA	July	c. September 15
D.C. Housing Sales	MRIS*	July	c. September 10
D.C. Commercial Office Building data	Delta / Cushman and Wakefield	2015.1	c. July 15
DC Apartment data	Reis, inc	2015.2	c. October 20
D.C. Hotel stay information	Smith Travel Research	July	c. September 25
Consumer Price Index	BLS	July	September 16
U.S. Jobs and Labor Force	BLS	July	September 4
U.S. GDP and Personal Income	BEA	2015.2	September 25
S and P 500 Stock Index	Financial press	July	September 1
Interest rate on 10-Year Treasury Securities	Financial press	July	September 1
IHS Global Insight D.C. forecast	Global Insight	August	c. September 25
Moody's Analytics Economy.com D.C. forecast	Economy.com	August	c. September 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	August	c. September 10

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

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

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

*Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist
Office of Revenue Analysis
1101 4th St., SW, Suite W770
Washington D.C. 20024
202-727-7775*