



District of Columbia Economic and Revenue Trends: June 2014

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For hotels, this spring tourist season was about the same as last year.

Over the past four years, springtime hotel revenue has not increased DC's tax base like it did before the Great Recession

According to hotel information compiled by Smith Travel Research, spring tourism in DC was about the same this year as the year before. During the months of March, April, and May there were just 21 more room-days rented in DC hotels than in the same period in 2013. Revenue growth was only 0.6%.

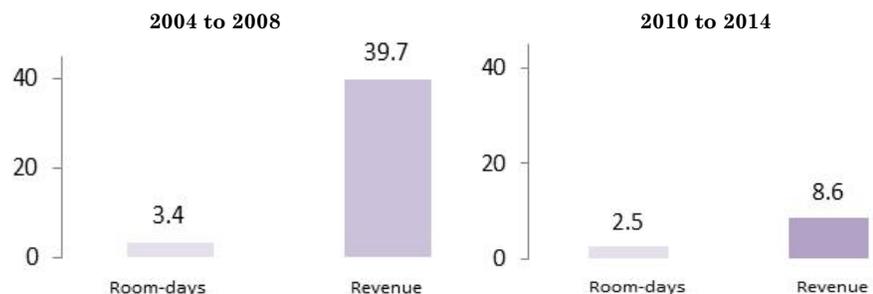
Traditionally, March, April, and May, cherry tree blooms and all, are important months for DC hotels. This quarter of the year accounts for an average of about 28.5% of annual hotel room sales and 31% of annual hotel revenues. Weather may have been a contributing factor to this year's relatively modest spring numbers, but the current year also fits a pattern in which recent annual increases in room-sale revenue have been well below those before the Great Recession.

Springtime hotel activity over the past 10 years can be divided into 3 periods:

- From 2004 to 2008, the four years before the recession made its mark, revenue from springtime hotel room sales grew 39.7%.
- In 2009 springtime revenues fell 11.2% when the impact of the Great Recession was felt, then bounced back 12.3% in 2010, almost to the pre-recession peak.
- Over the 4 years 2011 through 2014, springtime revenues grew 8.6%—a gain more than enough to enable revenues to surpass the pre-recession peak, but a growth rate far smaller than in the four pre-recession years.

Changes in room-days sold does not account for most of the difference in revenue growth between the last four years and the four pre-recession ones. Room days sold increased by 2.5% over the 2010 to 2014 period, close to the 3.4% gain in the four years prior to the recession. Change in the average room rate in the two periods is the main difference. In the four pre-recession years, *(continued on p. 17)*

% change in springtime DC hotel room days and revenue:



Wage and salary employment

DC's job growth continues well below US rate

● May wage and salary employment in DC was up by 1,700 (0.2%) from a year earlier as measured by the 3-month moving average.

● Federal government employment for May was down by 5,800 (-2.8%). The private sector more than offset this loss with a gain of 6,533 (1.3%), but private job growth is slowing.

● Total year-over-year DC metropolitan area employment increased by 6,033 (0.2%) in May as measured by the 3-month moving average.

● The 0.2% increase in suburban Washington employment in May from a year earlier pulled the rate up to equal DC's.

● Seasonally adjusted wage and salary employment in DC grew 1,700 in May from the prior month. Seasonally adjusted employment was up by 1,500 from November, six months earlier.

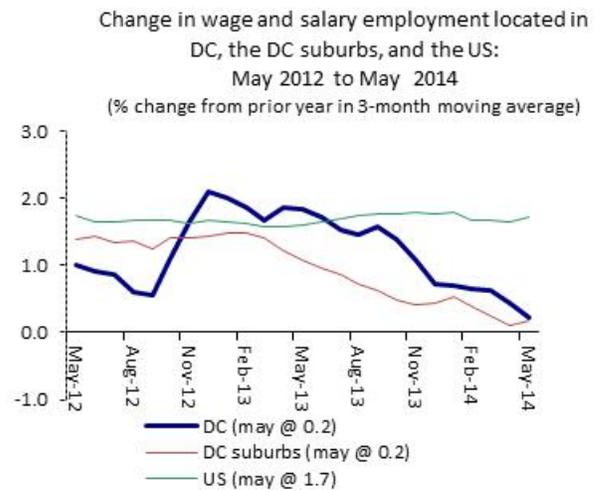


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: May 2014

Jurisdiction	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,950	743,892	746,550	746,733	746,100
1 year change	14,158	7,717	12,942	6,317	1,700	-700
% change	2.0	1.1	1.8	0.9	0.2	-0.1
Washington metro area	3,000,142	3,036,558	3,075,142	3,082,658	3,082,067	3,096,300
1 year change	42,375	36,417	38,583	16,275	6,033	6,000
% change	1.4	1.2	1.3	0.5	0.2	0.2
Washington suburbs (% ch)	1.3	1.3	1.1	0.4	0.2	0.3
US (% ch)	1.2	1.7	1.7	1.7	1.7	1.8

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

Source: BLS. May is preliminary.

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

Sector	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
Federal government	213,258	208,575	206,042	202,333	199,600	199,400
1 year change	5,025	-4,683	-2,533	-5,067	-5,800	-5,500
% change	2.4	-2.2	-1.2	-2.4	-2.8	-2.7
Private sector	474,833	487,642	502,992	508,900	512,167	511,700
1 year change	10,733	12,808	15,350	10,950	6,533	4,000
% change	2.3	2.7	3.1	2.2	1.3	0.8

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

Table 3. Seasonally adjusted DC Employment: November 2013 to May 2014

Indicator	Nov	Dec	Jan	Feb	Mar	Apr	May
D.C. Wage and Salary employment	747,800	747,400	747,000	745,700	745,300	747,600	749,300
change from prior month	-600	-400	-400	-1,300	-400	2,300	1,700
% change from prior month	-0.1	-0.1	-0.1	-0.2	-0.1	0.3	0.2

Source: BLS seasonally adjusted. May is preliminary

Education still leads private sector job growth

● In May, education’s gain of 2,433 jobs over last year was still more than that of any other sector, accounting for about 37% of all of the private sector’s net growth. (3-month moving averages.)

● Retail (1,667), health (1,433), and food service (1,367) also showed significant gain.

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

● Local government rose by 967 (2.8%).

● The federal government accounted for 26.7% of all DC jobs in May. Over the past year, DC’s share of federal employment fell slightly in the US, and remained the same in the metro area.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: May 2012 to May 2014 (% change from prior year in 3-month moving average)

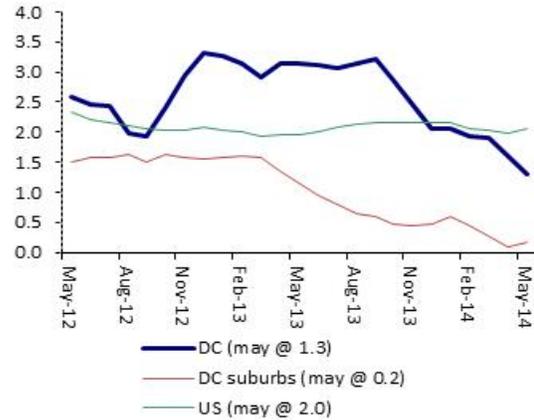


Table 4. Wage and salary employment located in DC: May 2014

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, May 2014	DC share (%) in May 2014 of all sector jobs in:			Change from May 2013 to May 2014 in DC share of sector jobs in:	
	May 2013	May 2014	Amount	%			metro area	US	metro area	US	
Federal government	205,400	199,600	-5,800	-2.8	-2.4	26.7	54.8	7.36	0.0	-0.02	
Local government	34,000	34,967	967	2.8	1.2	4.7	10.7	0.18	0.1	0.00	
Legal services	29,533	29,467	-67	-0.2	0.1	3.9		2.60		-0.01	
Other Professional and technical	77,967	78,400	433	0.6	0.3	10.5	22.9	1.09	0.5	-0.03	
Employment services	14,467	14,367	-100	-0.7	2.0	1.9	34.9	0.41	-0.2	-0.04	
Other Business services	33,367	34,133	767	2.3	0.9	4.6	18.1	0.47	0.3	0.00	
Information	17,033	17,000	-33	-0.2	-1.3	2.3	22.9	0.64	0.7	0.01	
Finance	28,533	28,633	100	0.4	1.4	3.8	18.7	0.36	-0.3	0.00	
Organizations	61,167	59,667	-1,500	-2.5	-0.1	8.0	35.9	2.05	-0.6	-0.06	
Education	59,100	61,533	2,433	4.1	9.4	8.2	53.7	1.75	-0.5	0.05	
Health	65,000	66,433	1,433	2.2	2.6	8.9	23.3	0.37	0.5	0.00	
Food service	45,833	47,200	1,367	3.0	4.4	6.3	22.0	0.45	0.0	0.00	
Accomodations	15,367	15,200	-167	-1.1	0.7	2.0	36.2	0.83	-0.1	-0.02	
Amusement and recreation	7,167	7,200	33	0.5	-0.4	1.0	18.3	0.35	-0.7	-0.01	
Retail trade	19,567	21,233	1,667	8.5	6.6	2.8	8.0	0.14	0.4	0.01	
Wholesale trade	4,867	4,867	0	0.0	-1.7	0.7	7.7	0.08	0.0	0.00	
Construction	13,700	13,700	0	0.0	-0.3	1.8	9.5	0.23	0.0	-0.01	
Personal and miscellaneous ser.	7,733	8,200	467	6.0	3.4	1.1		0.32		0.01	
Other private	5,233	4,933	-300	-5.7	-3.9	0.7	3.7	0.02	-1.1	-0.01	
Total	745,033	746,733	1,700	0.2	0.9	100.0	24.2	0.54	0.0	-0.01	
Public sector	239,400	234,567	-4,833	-2.0	-1.9	31.4	34.0	1.05	-0.5	-0.02	
Private sector	505,633	512,167	6,533	1.3	2.2	68.6	21.4	0.44	0.2	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

Resident employment now up slightly over last year

- In May DC resident employment was up 340 (0.1%) from a year earlier (3-mo. moving average). The labor force fell by 1.0%.
- Seasonally adjusted DC resident employment rose in May. It was 3,301 above November, six months earlier.
- In May the unemployment rate (seasonally adjusted) stayed at 7.5%.
- May initial unemployment insurance claims were down 7.2% (3-month moving average).

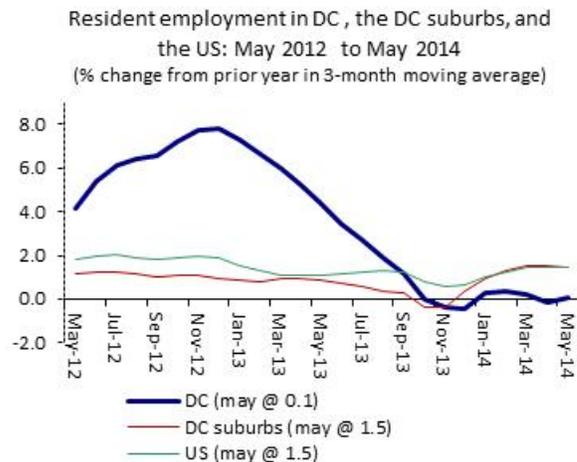
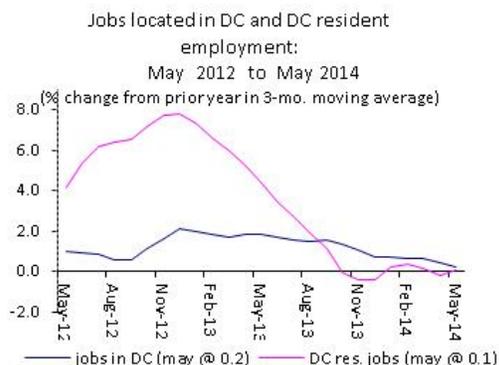


Table 5. Unemployment rates for DC, metro area, and US: May 2014
(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	May 2013	May 2014	May. 2013	May 2014
US	7.6	6.1	7.5	6.3
DC	8.2	6.7	8.5	7.5
DC metro area	5.5	5.0	na	na
DC suburbs	5.2	4.8	na	na

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

Table 6. Resident employment and unemployment: May 2014

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	308,814	313,267	325,322	340,055	340,012	340,882	344,040
1 year change	4,557	4,453	12,055	14,734	1,652	340	3,234
% change	1.5	1.4	3.8	4.5	0.5	0.1	0.9
Labor Force	343,870	348,877	358,972	371,745	368,972	367,121	368,894
1 year change	9,706	5,007	10,095	12,773	-1,810	-3,730	-2,441
% change	2.9	1.5	2.9	3.6	-0.5	-1.0	-0.7
Unemployed	35,056	35,611	33,651	31,690	28,961	26,239	24,854
1 year change	5,149	554	-1,960	-1,961	-3,461	-4,071	-5,675
% change	17.2	1.6	-5.5	-5.8	-10.7	-13.4	-18.6
Unemployment rate	10.2	10.2	9.4	8.5	7.9	7.1	6.7
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,799	2,101	1,784	1,915	1,939	1,565	1,662
1 year change	-404	302	-317	131	94	-121	-119
% change	-18.3	16.8	-15.1	7.3	5.1	-7.2	-6.7
Weeks compensated (mo. avg.)	53,592	46,423	45,170	42,862	42,851	39,023	34,925
1 year change	-881	-7,169	-1,253	-2,308	48	-788	-2,709
% change	-1.6	-13.4	-2.7	-5.1	0.1	-2.0	-7.2

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: November 2013 to May 2014

Indicator	Nov	Dec	Jan	Feb	Mar	Apr	May
DC Resident employment	339,115	340,191	342,202	343,396	342,778	341,811	342,416
change from prior month	990	1,076	2,011	1,194	-618	-967	605
% change from prior month	0.3	0.3	0.6	0.3	-0.2	-0.3	0.2
DC Unemployment rate (%)	7.8	7.6	7.4	7.4	7.5	7.5	7.5

Source: BLS seasonally adjusted. May is preliminary

The percentage growth of DC wages and salaries has slowed and remains well below the US average

●Wages and salaries earned in the District of Columbia were just 0.1% higher in the March quarter compared to the same quarter of 2013.

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

●In the March quarter, estimated wages of DC residents grew 0.7%. DC Personal Income grew 2.4%.

●In the March quarter, private sector wages and salaries earned in DC grew by \$270 million over the prior year. Private sector wage growth in the last two quarters was the lowest in four years.

●Federal wages and salaries were \$330 million lower in the March quarter than a year earlier.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2012.1 to 2014.1

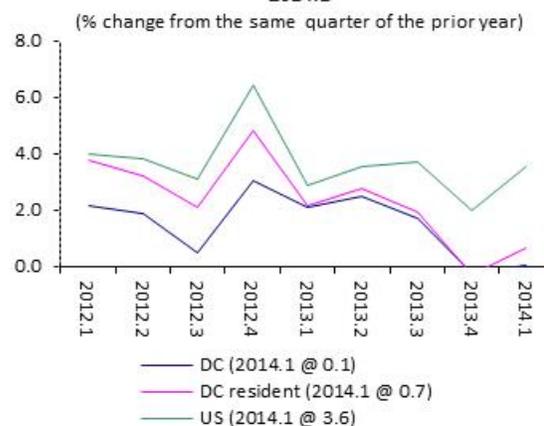


Table 8. DC Wages and Personal Income: March 2014

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

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	4-quarter moving average	Latest quarter (Mar.)
Wages and salaries earned in DC	57.24	59.56	60.62	62.05	62.03	62.18
1 year change	2.33	2.31	1.07	1.43	0.62	0.05
% change	4.2	4.0	1.8	2.4	1.0	0.1
Supplements to wages & salaries	14.93	16.11	16.23	16.03	15.99	16.05
% change	6.0	7.9	0.7	-1.2	-0.6	-0.7
Proprietors' income earned by DC residents*	5.35	5.56	5.80	6.16	6.35	6.53
% change	-8.2	4.0	4.3	6.2	6.9	6.5
Wages and salaries of DC residents***	22.03	23.48	24.33	25.03	25.06	25.16
change from one year ago	1.27	1.45	0.85	0.71	0.32	0.17
% change	6.1	6.6	3.6	2.9	1.3	0.7
Income earned by DC residents	30.1	32.5	33.7	34.4	34.5	34.8
% change	3.8	7.9	3.7	1.9	1.1	1.5
Property income of DC residents	6.16	7.08	7.51	7.87	8.01	8.08
% change	-8.8	14.9	6.1	4.8	4.4	5.7
Pensions and other transfer of DC residents	5.19	5.68	5.65	5.82	5.94	6.01
% change	12.7	9.3	-0.4	2.9	4.2	3.2
DC Personal Income**	41.50	45.27	46.87	48.05	48.43	48.86
1 year change	1.10	3.77	1.60	1.18	0.96	1.15
% change	2.7	9.1	3.5	2.5	2.0	2.4
US Personal income (% change from prior year)	1.3	5.9	4.0	3.7	2.8	3.5
US Wages and salaries(% change from prior year)	0.2	4.2	3.4	4.1	3.2	3.6
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	0.49	1.76	1.35	1.84	0.98	0.27
Federal government (1 yr ch, \$B)	1.77	0.68	-0.35	-0.40	-0.39	-0.33
DC res. wages as % of wages earned in DC	38.5	39.4	40.1	40.3	40.4	40.5

* 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 24, 2014

Single family and condominium home sales

The value of home sales continues to increase from last year due primarily to increases in average prices

- The May 3-month moving total of single family home sales was down 5.5% from a year earlier, while the average selling price was 10.5% higher.
- May condominium sales were 4.5% above a year earlier as measured by the 3-month moving total; the average selling price was 7.4% higher.
- The total value of all home sales in May was 7.2% more than a year earlier as measured by the 3-month moving total.
- May year-to-date median prices were up 5.3% for single family units, and 4.5% for condominiums.
- The May ratio of inventory to sales was 1.3 for single family units and 1.5 for condominiums (3-mo. moving average).

Total value of sales of single family and condo units: May 2012 to May 2014
(% change from prior year in 3-mo. and 12-mo. moving totals)

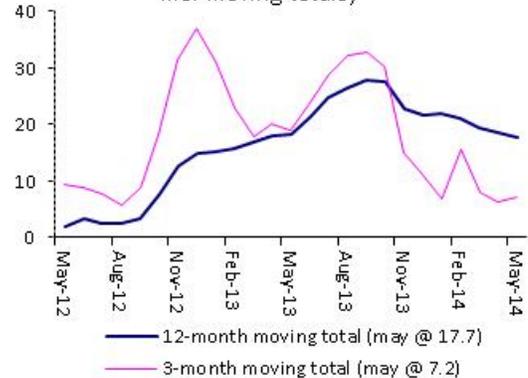


Table 9. D.C. Residential Real Estate Indicators: May 2014

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving		This month
						total or average	3-mo moving total or average	
Number of sales (settled contracts)								
Single family	3,259	4,084	3,800	3,563	3,979	4,040	1,005	388
1 year change	237	825	-284	-237	416	229	-58	-7
% change	7.8	25.3	-7.0	-6.2	11.7	6.0	-5.5	-1.8
Condo	2,590	2,884	2,469	2,784	3,487	3,631	970	388
1 year change	-206	294	-415	315	703	413	42	20
% change	-7.4	11.4	-14.4	12.8	25.3	12.8	4.5	5.4
Total	5,849	6,968	6,269	6,347	7,466	7,671	1,975	776
1 year change	31	1,119	-699	78	1,119	642	-16	13
% change	0.5	19.1	-10.0	1.2	17.6	9.1	-0.8	1.7
Average prices of units that sold								
Single family (\$)	597,269	538,395	601,026	630,109	712,799	735,240	765,185	852,374
1 year change	-70,098	-58,874	62,631	29,083	82,690	64,111	72,509	90,565
% change	-10.5	-9.9	11.6	4.8	13.1	9.6	10.5	11.9
Condo (\$)	359,952	414,030	423,365	429,611	447,827	467,128	478,253	501,748
1 year change	-52,283	54,078	9,336	6,245	18,216	29,759	32,887	56,957
% change	-12.7	15.0	2.3	1.5	4.2	6.8	7.4	12.8
Total value of all sales (\$ million)	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	4,666.5	1,232.9	525.4
1 year change	-290.6	514.1	-63.7	111.9	956.7	701.4	83.3	60.8
% change	-9.2	17.9	-1.9	3.4	27.8	17.7	7.2	13.1
Ratio: active inventory to sales								
Single family	5.2	3.4	3.3	2.3	1.6	1.6	1.3	1.3
Condo	5.7	4.6	4.9	2.9	1.7	1.8	1.5	1.5

Median contract prices, CY to date in May 2014: single family \$595,000 (5.3% 1 yr ch); condo \$418,000 (4.5% 1 yr ch)

Note: Data are closed contracts settled during each month or other period shown. Because average price depends on the mix of units sold, this measure can be volatile on a month-to-month basis, and it is not intended to measure changes in the value of all residential property.

Monthly average price for all single family units is calculated by ORA based on reported average prices and number of sales for different types of units.

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

Apartments and single family home transactions

18.8% of single family home sales were above \$1 million

• In March the quarterly Federal Housing Finance Agency house price index for DC was 5.9% higher than a year ago. The metro area increase was 7.3%, and the US was 7.0%.

• Sales of single family units at prices above \$1 million were up 9.2% in May from a year ago as measured by the 3-month moving total; they accounted for 18.8% of sales.

• In the March quarter, occupied apartment units rose 1,850 (2.1%) and rents rose 1.6% from a year earlier.

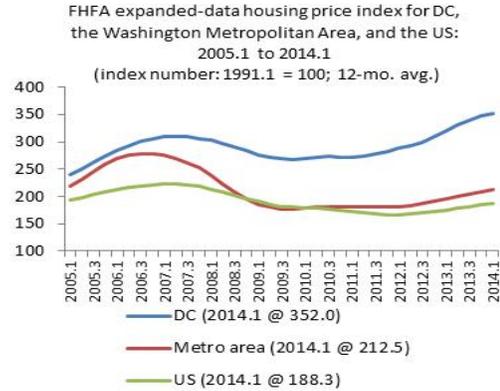


Table 10. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: March 2014 (2014.1)

Indicator	Fiscal year average					Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2013.1	2013.2	2013.3	2013.4	2014.1
% change from prior year in value of index										
DC	-7.5	1.4	1.8	8.0	13.4	13.3	13.0	12.9	8.8	5.9
DC metro area	-15.0	2.0	-0.4	3.6	9.4	9.5	9.9	9.3	8.9	7.3
US	-10.3	-2.9	-4.8	0.9	7.2	6.7	7.6	8.0	7.6	7.0
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>										
Average DC sales price	-10.5	-9.9	11.6	4.8	13.1	5.8	12.7	14.9	-2.2	6.7

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 on the same properties. This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. It is augmented by data on mortgages endorsed by FHA and country recorder data licensed from DataQuik Information Systems. (2) Average DC sales price is the average price of houses that sold during the period (settled contracts): see Table 9. Not seas. adj.

Table 11. D.C. Single family and condominium home sales at prices of \$1 million or more: May 2014

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo	3-mo	This month
						moving total	moving total	
Single family homes	333	418	489	458	689	727	189	86
1 year change	-102	85	71	-31	231	163	16	5
% change	-23.4	25.5	17.0	-6.3	50.4	28.9	9.2	6.2
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	18.0	18.8	22.2
Condominiums	62	89	87	72	112	119	29	15
1 year change	-15	27	-2	-15	40	21	-4	5
% change	-19.5	43.5	-2.2	-17.2	55.6	21.4	-12.1	50.0
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.3	3.0	3.9

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

Table 12. Market-rate units in larger DC apartment buildings: March 31, 2014

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	Latest Q (Mar. 31, 2014)		
	2010	2011	2012	2013	amount	1 Q ch	% ch
Inventory	87,970	88,710	89,719	92,576	93,890	366	0.4
1 year change	880	740	1,009	2,857	2,830		
% change	1.0	0.8	1.1	3.2	3.1		
Occupied units	82,965	84,125	85,859	88,086	89,080	349	0.4
1 year change	1,001	1,160	1,734	2,227	1,850		
% change	1.2	1.4	2.1	2.6	2.1		
Vacant units	5,005	4,585	3,860	4,490	4,810	17	0.4
1 year change	-121	-420	-725	630	980		
% change	-2.4	-8.4	-15.8	16.3	25.6		
% of inventory	5.7	5.2	4.3	4.9	5.1		
Average effective monthly rent	\$1,380	\$1,422	\$1,479	\$1,511	\$1,513	-\$7	-0.5
% change from 1 year	2.8	3.0	4.0	2.2	1.6		

Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions.

Commercial office space

Commercial office market showed mixed results in the March quarter

• For the quarter ending March, the vacancy rate in Delta Associates' broader market measure rose to 7.6%, and the Cushman and Wakefield measure fell to 13.0% (*without sublet*).

• DC's vacancy rates in March were 20% to 30% lower than the metropolitan area average.

• Occupied space in the March quarter fell in Delta's market measure and rose in Cushman and Wakefield's.

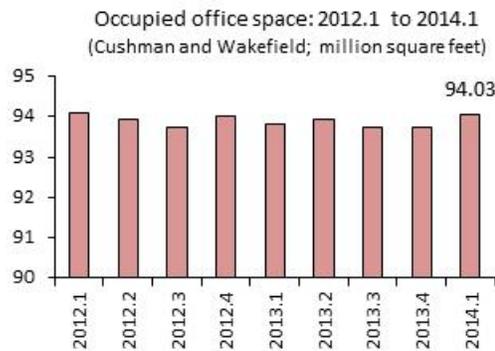


Table 13. Commercial office space in DC: 2011.4 to 2014.1

Estimate and time period	Delta Associates				Cushman and Wakefield			
	Inventory (msf)	Occupied (msf)	Vacancy rate	Effective rent (\$/sf)	Inventory (msf)	Occupied (msf)	Vacancy rate	Asking face rent (\$/sf)
Level								
Dec. 31 2011	138.42	129.16	6.6	44.16	104.95	93.66	11.9	50.63
Dec. 31 2012	138.78	129.25	6.9	43.27	106.61	94.02	13.0	51.58
Dec. 31 2013	140.21	130.38	7.0	42.05	107.95	93.72	13.2	50.96
Mar. 31 2014 (2014.1)	140.21	129.59	7.6	42.13	108.09	94.03	13.0	50.36
Metro area total	403.86	359.01	11.1	29.06	296.11	247.17	16.5	37.02
DC share/DC difference	34.7	36.1	-31.5	+45.0	36.5	38.0	-21.2	+36.0
DC year-over-year change								
Amount of change					1.56	0.22	1.1	-0.69
%					1.5	0.2	9.2	-1.3
DC ch. from prior quarter								
Amount of change	0.00	-0.79	0.6	0.08	0.14	0.31	-0.2	-0.60
%	0.0	-0.6	8.6	0.2	0.1	0.3	-1.5	-1.2

Sources: 1. Delta Associates: includes single tenant and privately owned space. Excludes government owned space. Quarterly data on comparable basis is not available before 2013.4 due to changes in data base.

2. Cushman and Wakefield: For-rent buildings 25,000 sf and larger. Excludes owner or government occupied properties.

Note: (1) rent includes taxes and utilities. (2) Inventory covers only areas noted in Table 14.

Table 14. Commercial office space by location in DC: 2013.1 and 2014.1

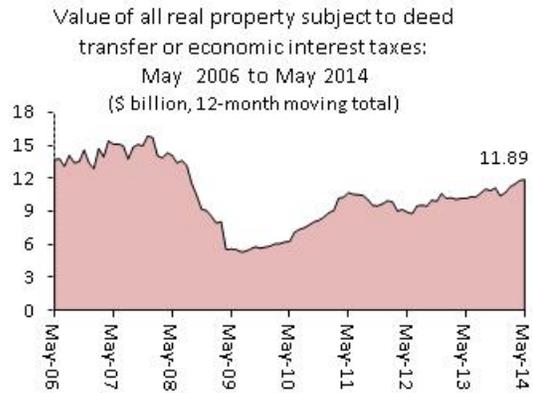
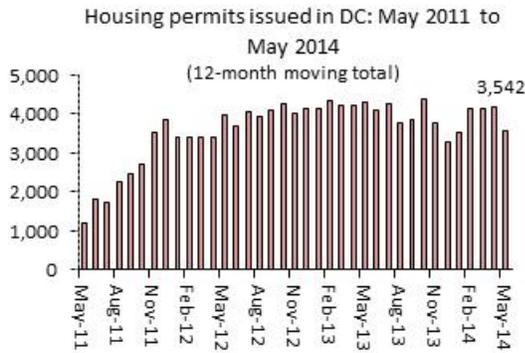
area and time period	Delta Associates				Cushman and Wakefield			
	Inventory (msf)	Vacant (msf)	Vacancy rate	Construction (msf)	Inventory (msf)	Vacant (msf)	Vacancy rate	Construction (msf)
CBD								
Mar 31, 2013					33.34	4.13	12.4	0.29
Mar 31, 2014	43.33	2.55	5.5	0.17	33.45	4.23	12.6	0.17
East End								
Mar 31, 2013					36.27	3.85	10.6	0.52
Mar 31 2014	44.32	3.41	7.7	0.81	36.94	4.28	11.6	0.59
Capitol Hill, NoMa, SW, Riverfront								
Mar 31, 2013					27.92	3.97	14.2	0.75
Mar 31, 2014	30.77	3.52	11.5	0.15	28.59	4.87	17.0	0.34
Georgetown, West End, Uptown								
Mar 31, 2013					9.01	0.76	8.4	0.10
Mar 31, 2014	18.79	1.14	6.1	0.00	9.21	0.67	7.2	0.00
Total								
Mar 31, 2013					106.54	12.71	11.9	1.67
Mar 31, 2014	140.21	10.62	7.6	1.12	108.09	14.05	13.0	1.10
Change					1.55	1.34	1.1	-0.57

Source: Delta Associates and Cushman and Wakefield. See table 13.

Housing permits, office and apartment outlook, and value of property transfers

New housing permits issued fell sharply in last 3 months

- For the 12-month period ending May 3,542 housing unit building permits were issued, a 17.3% decline over the prior 12-month period. Permits were down 73.6% from the prior year for the 3-month avg.
- Delta Associates expects DC's office vacancy rate (including sublet) to fall to 7.4% over the next two years.



- Reis expects 5,972 new apartment units to be added to inventory in CY 2014 and CY 2015, and occupancy to grow by 6,027.
- The value of May property transfers was up by 31.9% from last year as measured by the 3-month moving total. The 12-month moving total (\$11.89 billion) was 16.8% higher than last year.

Table 15. Housing unit building permits issued in DC: May 2014

	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
Total units	986	2,459	4,091	3,855	3,542	205	41
change from 1 year ago	487	1,473	1,632	-236	-739	-572	-639
% change from 1 year	97.6	149.4	66.4	-5.8	-17.3	-73.6	-94.0

Source: Census Bureau (permits issued during period).

Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: Mar. 2014 to Mar. 2016

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory March 2014					
Inventory (msf)	140.2	178.6	85.0	403.9	34.7
vacancy rate (%)	7.6	13.4	12.1	11.1	
Estimated net activity to March 2016					
new supply (msf)	3.0	2.8	1.3	7.1	42.3
new demand (msf)	3.1	4.3	1.7	9.1	34.1
Estimated vacancy rate on March 2016					
vacancy rate (%)	7.4	12.4	11.5	10.4	

Source: Delta Associates msf = million square feet

Table 17 Reis outlook for DC market rate apartment units: 2010 to 2018

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch	% ch
2010	88,360	572	5.5	83,477	1,062	1.3
2011	88,817	457	4.7	84,632	1,155	1.4
2012	90,688	1,871	4.4	86,737	2,105	2.5
2013	93,524	2,836	5.1	88,731	1,994	2.3
2014 est	97,885	4,361	5.3	92,649	3,918	4.4
2015 est	99,496	1,611	4.8	94,758	2,109	2.3
2016 est	100,875	1,379	4.8	96,057	1,299	1.4
2017 est	102,329	1,454	4.8	97,372	1,315	1.4
2018 est	103,829	1,500	5.2	98,471	1,099	1.1

Source: Reis, March 2014. (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: May 2014

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,494.3	11,045.3	11,894.4	2,772.6	784.3
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	1,551.1	1,713.9	670.7	73.4
% change from 1 year ago	-51.5	39.3	29.1	-5.6	16.3	16.8	31.9	10.3

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

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

Hospitality

Hotel sales revenue up slightly over the past 3 months

● In May, the 3-month moving total for hotel room-days sold was about the same as a year earlier. For the past 12 months, however, there was a slight 0.6% gain. The average room rate for the past 12 months was down 1.0%, and revenue was down 0.4%.

● Employment in food services was 3.0% more in May than a year earlier as measured by the 3-month moving average. Hotel employment fell 1.1%, but retail was 8.5% higher.

● March airline traffic into the DC area was down 4.2% compared to a year earlier as measured by the 3-month moving total. Reagan National was down 2.9%.



Table 19. Hospitality Industry: May 2014

Indicator	Units	date	FY 2011	FY 2012	FY 2013	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	may	7.465	7.617	7.680	7.701	2.186	0.751
1 yr ch			0.095	0.152	0.062	0.047	0.000	0.035
1 yr % ch			1.3	2.0	0.8	0.6	0.0	4.9
Average room rate	\$	may	206.60	203.57	207.25	206.00	233.36	229.97
1 yr ch			7.49	-3.03	3.68	-2.05	1.41	4.95
1 yr % ch			3.8	-1.5	1.8	-1.0	0.6	2.2
Occupancy rate (average)	%	may	74.2	75.4	75.8	76.1	85.3	83.8
1 yr ch			0.5	1.2	0.5	0.2	-0.2	0.8
1 yr % ch			0.6	1.6	0.6	0.3	-0.2	1.0
Room revenue	(\$M)	may	1,542.3	1,550.7	1,591.6	1,586.5	510.2	172.7
1 yr ch			74.8	8.4	41.0	-6.1	3.1	11.6
1 yr % ch			5.1	0.5	2.6	-0.4	0.6	7.2
Airline passengers								
DCA	1 yr % ch	mar	6.2	2.8	5.5	0.8	-2.9	-4.9
IAD	1 yr % ch	mar	0.6	-2.9	-4.0	-2.6	-5.0	-2.2
BWI	1 yr % ch	mar	4.2	1.0	-1.5	-1.8	-4.7	-4.2
Total	1 yr % ch	mar	3.4	0.1	-0.3	-1.3	-4.2	-3.8
Employment								
Accommodations	level ('000)	may	15.3	15.4	15.2	15.4	15.2	15.2
1 yr ch			0.0	0.1	-0.2	0.1	-0.2	-0.3
1 yr % ch			0.1	0.7	-1.1	0.7	-1.1	-1.9
Food and bev	level ('000)	may	39.3	42.7	44.9	46.0	47.2	48.9
1 yr ch			2.3	3.4	2.2	1.9	1.4	1.9
1 yr % ch			6.2	8.5	5.2	4.4	3.0	4.0
Arts and entertain.	level ('000)	may	6.8	6.9	6.9	7.0	7.2	7.3
1 yr ch			-0.2	0.1	0.0	0.0	0.0	0.2
1 yr % ch			-2.5	1.3	0.6	-0.4	0.5	2.8
Retail	level ('000)	may	18.6	18.8	19.7	20.6	21.2	21.2
1 yr ch			0.2	0.3	0.8	1.3	1.7	1.6
1 yr % ch			1.3	1.4	4.5	6.6	8.5	8.2

* Total for hotel rooms sold and room revenue

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

US economic growth declined in the 1st quarter while the stock market and employment showed gains

- Growth in the March quarter was revised downward to -2.9%, ending a string of 11 consecutive quarters of real GDP growth.
- US employment (seas. adj.) increased by 217,000 in May.
- The US unemployment rate (seasonally adj.) remained at 6.3% in May.
- In May the S & P 500 index increased 1.4 % from April and was 15.2% above last year.
- Compared to a year earlier, the rate of inflation rose in May to 2.1% (sa).

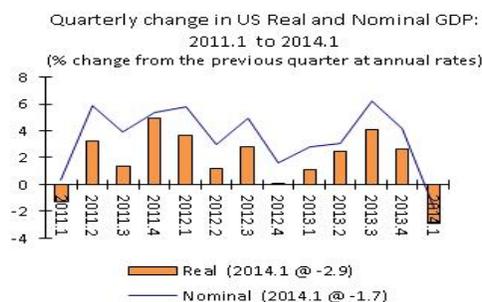


Table 20. US GDP, income, corporate profits, and inflation: 2014.1 and May 2014

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

Indicator	Date of latest indicator		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	2014.1	May
US GDP real	2014.1	1 yr % ch	-3.4	1.7	2.0	2.8	1.7	1.9	1.5	
US GDP nominal	2014.1	1 yr % ch	-2.3	2.6	4.0	4.6	3.3	3.4	2.9	
US Personal income	2014.1	1 yr % ch	-1.9	1.3	5.9	4.0	3.9	3.0	3.5	
US wages	2014.1	1 yr % ch	-3.2	0.3	4.2	3.4	4.1	3.2	3.6	
Corporate profits	2014.1	1 yr % ch	-10.3	33.5	9.9	8.5	3.7	3.5	-2.2	
S and P stock index	may	1 yr % ch	-34.3	23.7	13.8	5.4	16.7	20.9	21.1	15.2
US CPI	may	1 yr % ch	-0.3	1.7	2.7	2.4	1.6	1.5	1.4	2.0
Balt//Wash. area CPI	may	1 yr % ch	0.3	1.7	3.0	2.4	1.6	1.6	na	1.9

Source: BEA (data revised as of June 24, 2014), BLS, and Yahoo finance. na = not available

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

Table 21. Quarter to quarter change in US GDP and income: 2012.3 to 2014.1

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

Indicator	calendar year quarter						
	2012.3	2012.4	2013.1	2013.2	2013.3	2013.4	2014.1
US GDP real	2.8	0.1	1.1	2.5	4.1	2.6	-2.9
US GDP nominal	4.9	1.6	2.8	3.1	6.2	4.2	-1.7
Wages and salaries	1.8	10.5	-2.6	4.4	2.5	3.7	3.5
Personal income	1.5	10.8	-4.2	4.6	3.9	2.1	3.0

Note: GDP=Gross Domestic Product Source: BEA, updated on June 24, 2014.

Table 22. Monthly selected US Indicators: November 2013 to May 2014

Indicator	November	December	January	February	March	April	May
S and P stock index (level)	1784	1808	1822	1817	1864	1864	1890
% change from prior month	3.7	1.4	0.8	-0.3	2.6	0.0	1.4
% change from 1 year ago	27.9	27.1	23.1	20.1	20.2	18.7	15.2
10 yr. Treasury Interest rate (level)	2.71	2.89	2.85	2.70	2.72	2.69	2.56
CPI % ch from prior month (seasonally adjusted)	0.11	0.24	0.14	0.10	0.20	0.26	0.35
CPI % ch from prior year (seasonally adjusted)	1.23	1.51	1.56	1.10	1.54	1.96	2.14
Jobs (seasonally adjusted level, in millions)	137.31	137.40	137.54	137.76	137.96	138.25	138.46
change from prior month (thousands)	274	84	144	222	203	282	217
% change from prior month	0.20	0.06	0.10	0.16	0.15	0.20	0.16
Resident employment (season. adj. level, in mil.)	144.44	144.59	145.22	145.27	145.74	145.67	145.81
change from prior month (thousands)	958	143	638	42	476	-73	145
% change from prior month	0.67	0.10	0.44	0.03	0.33	-0.05	0.10
Unemployment rate (seasonally adj.)	7.0	6.7	6.6	6.7	6.7	6.3	6.3

Source: BLS and Yahoo! Finance.

DC tax collections

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

May 2014 @ \$6,108 M

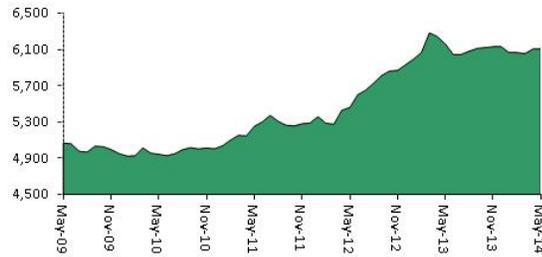


Table 23. Tax Collections (before earmarking): May 2014 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	FY 2014 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,853.3	6,105.5	6,108.3	3,692.3	2,128.8	342.2
1 year change	-47.0	320.1	528.0	252.2	-51.6	-2.7	43.0	4.3
% change	-0.9	6.4	9.9	4.3	-0.8	-0.1	2.1	1.3
Real property	1,821.5	1,715.1	1,822.0	1,914.8	1,929.7	993.3	965.6	12.6
1 year change	-1.2	-106.4	106.9	92.8	61.2	13.3	15.9	10.2
% change	-0.1	-5.8	6.2	5.1	3.3	1.4	1.7	435.6
General sales	976.7	1,014.9	1,111.0	1,137.9	1,134.7	752.8	288.5	110.3
1 year change	1.8	51.7	67.6	26.8	-29.3	3.4	2.0	1.7
% change	0.3	3.9	9.5	2.4	-2.5	0.5	0.7	1.6
Individual income	1,110.4	1,296.6	1,490.7	1,640.9	1,640.9	1,087.0	440.3	110.8
1 year change	-25.5	186.2	194.1	150.2	-30.5	-21.0	-6.9	-12.3
% change	-2.2	16.8	15.0	10.1	-1.8	-1.9	-1.5	-10.0
withholding	1,073.8	1,192.2	1,321.6	1,390.3	1,451.9	999.5	378.9	113.6
1 year change	52.6	118.3	129.5	68.7	37.3	48.9	19.3	-6.7
% change	5.2	11.0	10.9	5.2	2.6	5.1	5.4	-5.5
non-withholding	36.6	104.4	169.1	250.6	189.0	87.6	61.4	-2.8
1 year change	-78.1	67.8	64.6	81.5	-67.8	-69.8	-26.2	-5.6
% change	-68.1	185.2	61.9	48.2	-26.4	-44.4	-29.9	nm
Corporate income	207.3	216.3	302.9	299.0	281.7	173.8	98.5	4.6
1 year change	-14.6	9.0	86.6	-3.9	-40.4	-20.4	-12.4	-0.2
% change	-6.6	4.3	40.1	-1.3	-12.6	-10.5	-11.2	-4.6
Unincorporated Bus.	116.4	143.4	163.0	154.3	138.2	86.2	54.6	2.2
1 year change	-3.9	27.0	19.6	-8.7	-19.7	-22.2	-13.2	-3.7
% change	-3.2	23.2	13.6	-5.3	-12.5	-20.5	-19.5	-62.5
Deed taxes*	225.6	311.2	306.6	367.3	390.2	246.7	96.9	24.5
1 year change	38.2	85.6	-4.5	60.6	51.6	23.9	17.0	-5.8
% change	20.4	37.9	-1.5	19.8	15.2	10.7	21.3	-19.2
Other taxes	547.3	627.8	657.0	591.3	592.8	352.5	184.3	77.1
1 year change	-43.3	80.6	29.2	-65.7	-44.5	20.2	40.6	14.3
% change	-7.3	14.7	4.6	-10.0	-7.0	6.1	28.2	22.8

*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.

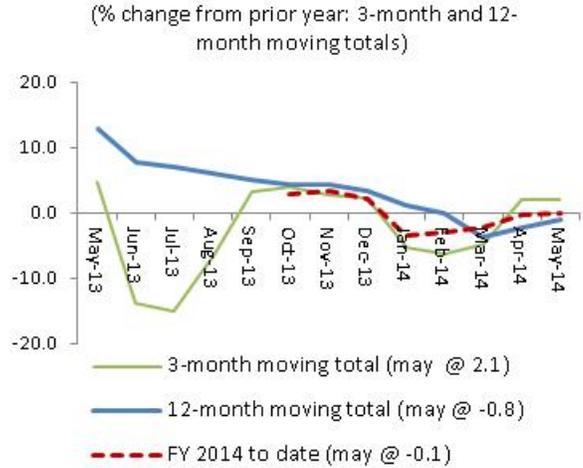
(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORR nm=not meaningful due to small amount or negative numbers

Business income taxes and the non-withholding part of the individual income tax have declined

- For the 12 month period ending May total tax collections (before earmarking) were \$51.6 million (-0.8%) less than in the prior year. Through May, the 8th month of FY 2014, tax collections were \$2.7 million (-0.1%) below last year; for the last 3 months they were 2.1% above last year.
- Individual income tax collections were 1.8% below last year for the 12-months ending May; withholding was 2.6% higher, while the non-withholding portion was 26.4% lower.
- General sales collections were 2.5% below last year for the 12-months ending May, in part because of the decline in the general sales rate to 5.75%.
- Deed tax collections (12-mo. avg) were up 15.2% from May of last year.
- Corporate income taxes were down 12.6% and unincorporated business income taxes were down 12.5% from last year (12-mo. avg.)

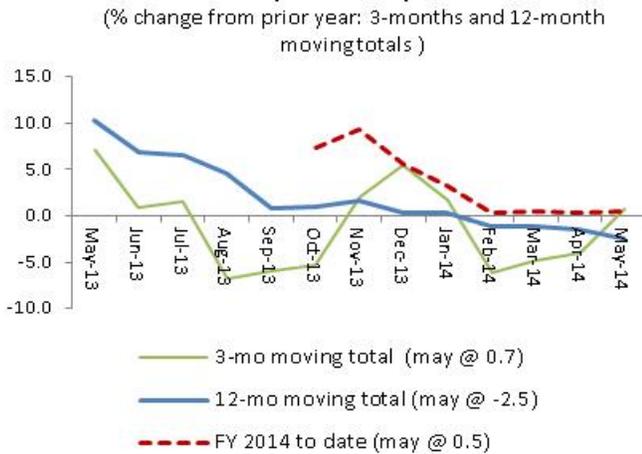
**Total tax collections (before earmarks):
May 2013 to May 2014**



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



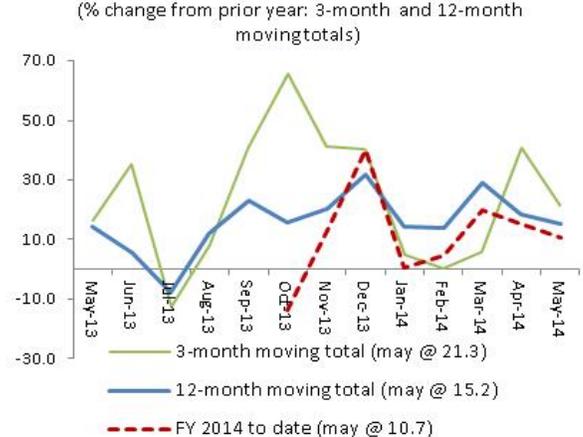
**General Sales tax collections (before earmarks):
May 2013 to May 2014**



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



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



US economic forecasts

Forecasts for FY 2014 GDP edged lower; faster growth still anticipated for FY 2015

- The Blue Chip Indicator June forecast for real GDP still expects growth in FY 2015 of 2.9%, compared with a lowered 2.3% in FY 2014. The growth rate in nominal GDP in FY 2015 is expected to rise to 4.8% from a reduced 3.7% in FY 2014.
- The Blue Chip Indicator June forecast for inflation (CPI) is 1.6% for FY 2014 and 2.0% for FY 2015.
- S and P 500: The forecasts for year-over-year growth in the 4th quarter of 2014 edged up in the June. The Global Insight range for the 2014.4 quarter is from an 8.9% gain to a 1.7% decline. Economy.com anticipates virtually no gain in FY 2015.

Table 24 A. Forecasts for US nominal and real GDP:

FY 2013 through FY 2015 (% change from prior fiscal year)

Fiscal year and date of forecast	real			nominal		
	Moody's Economy.com IHS Global Insight			Moody's Economy.com IHS Global Insight		
	Blue Chip	com	Insight	Blue Chip	com	Insight
FY 2013 Actual	1.7	1.7	1.7	3.3	3.3	3.3
FY 2014						
March	2.6	2.9	2.5	4.2	4.3	5.1
April	2.7	2.9	2.5	4.2	4.3	4.9
May	2.4	2.5	2.5	3.9	4.0	4.9
June	2.3	2.4	2.3	3.7	3.9	4.2
FY 2015						
March	2.9	3.9	3.1	4.8	5.9	6.8
April	2.9	3.9	2.7	4.8	5.9	6.5
May	2.9	3.6	2.7	4.8	5.8	6.5
June	2.9	3.5	2.8	4.8	5.7	6.9

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

Table 24 B. CBO estimates of GDP and other indicators:

FY 2013 to FY 2016

Indicator	FY 2013	FY 2014	FY 2015	FY 2016
Real GDP (% ch from prior yr.)	1.7	2.4	3.3	3.4
Nominal GDP (% ch from prior yr.)	3.3	3.9	4.9	5.3
CPI (% ch from prior yr.)	1.6	1.5	1.9	2.1
10 yr. Treasury bond rate	2.1	3.0	3.6	4.2
Unemployment rate	7.6	6.9	6.6	6.2

Source: Congressional Budget Office, *The Budget and Economic Outlook: 2014 to 2024*, February 2014

Table 25. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2013 to FY 2015

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2013	2014	2015	2013	2014	2015
Mar	1.6	1.5	2.1	2.1	2.9	3.6
Apr	1.6	1.5	2.0	2.1	3.0	3.6
May	1.6	1.6	2.0	2.1	2.9	3.5
Jun	1.6	1.6	2.0	2.1	2.9	3.5

Source: Blue Chip Indicators

Table 26A. IHS Global Insight forecast for S and P 500: 2013.4 to 2015.4

Forecast date	% change from prior year			% change from prior year		
	2013.4	2014.4	2015.4	2013.4	2014.4	2015.4
	Global Insight: baseline			Global Insight: pessimistic		
March	24.8	7.1	4.3	24.8	-3.4	4.7
April	24.8	7.1	4.3	24.8	-3.4	4.8
May	24.8	8.3	4.3	24.8	-2.3	4.8
June	24.8	8.9	4.3	24.8	-1.7	4.8

Source: IHS Global Insight

Table 26 B. Moody's Economy.com forecast for S and P 500: 2013.4 to 2015.4

Forecast date	% change from prior year			% change from prior year		
	2013.4	2014.4	2015.4	2013.4	2014.4	2015.4
	Economy.com baseline			Economy.com pessimistic		
March	24.8	2.8	0.1	24.8	-1.6	2.5
April	24.8	4.9	0.2	24.8	0.5	1.3
May	24.8	6.3	0.0	24.8	1.7	0.7
June	24.8	8.4	0.1	24.8	3.8	0.2

Source: Moody's Economy.com.

June DC forecasts by Global Insight and Economy.com: less wage growth in both FY 2014 and FY 2015

Baseline forecasts reduced wage growth in FY 2014 and FY 2015, but they also anticipate that FY 2015 gains will be at least triple those in FY 2014.

●**Employment:** Baseline gains in wage and salary employment rise from the 2,500 to 3,000 range in FY 2014 to about 7,000 or more in FY 2015. Resident employment in FY 2015 also increases in FY 2015 from FY 2014's 2,500 range. Baseline unemployment rates remain at 7% or higher through FY 2015.

●**Income.** Baseline forecasts for Personal Income are below 2% in 2014, rising closer to 4% in FY 2015.

Table 27. Jobs in DC: forecasts for FY 2013 to FY 2015

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Mar	3,559	2,580	9,903	3,558	1,684	7,316	12,892	4,670	6,879	3,558	-1,437	-3,783
Apr	12,892	2,646	6,751	12,892	2,035	2,013	12,892	2,283	5,964	12,892	831	-2,034
May	12,892	2,990	7,175	12,892	2,401	2,889	12,892	2,766	9,748	12,892	2,368	3,348
Jun	12,892	2,868	6,984	12,892	2,533	4,758	12,892	2,442	7,735	12,892	1,239	475

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

Table 28. DC Personal Income: forecasts for FY 2013 to FY 2015

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Mar	2.7	1.7	3.7	2.7	0.2	0.4	2.7	3.0	4.9	2.7	2.8	2.9
Apr	2.5	1.6	3.4	2.5	0.8	0.5	2.5	1.8	4.8	2.5	1.5	3.4
May	2.5	1.8	4.1	2.5	1.2	1.3	2.5	1.5	4.2	2.5	1.3	2.6
Jun	2.5	1.8	3.7	2.5	1.2	1.2	2.5	1.2	3.9	2.5	1.1	2.3

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

Table 29. DC resident emp.: forecasts for FY 2013 to FY 2015

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Mar	14,837	-2,125	8,442	14,471	1,974	4,346
Apr	14,471	2,914	8,078	14,471	2,806	4,128
May	14,471	2,242	5,729	14,471	2,366	4,150
June	14,471	2,397	6,002	14,471	2,500	3,471

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

Table 30. Unemployment rate in DC FY 2013 to FY 2015

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Mar	8.6	8.1	7.5	8.5	7.6	7.6
Apr	8.5	7.4	7.0	8.5	7.5	7.4
May	8.5	7.5	7.1	8.5	7.5	7.5
Jun	8.5	7.5	7.1	8.5	7.4	7.6

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

Table 31. Wages earned in DC FY 2013 to FY 2015

(percent change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Mar	2.4	1.6	4.3	2.4	1.7	5.4
Apr	2.2	1.0	3.9	2.2	1.0	5.3
May	2.2	1.3	3.8	2.2	0.9	5.4
Jun	2.2	1.2	3.7	2.2	0.7	5.0

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

Table 32. DC resident wages FY 2013 to FY 2015

(percent change from prior year)

Date of estimate	Global Insight: baseline			Economy.com: baseline		
	2013	2014	2015	2013	2014	2015
Mar	3.0	0.0	2.8	3.0	2.2	4.2
Apr	2.8	0.2	2.2	2.8	0.9	4.0
May	2.8	0.7	3.3	2.8	0.9	4.1
Jun	2.8	0.5	3.1	2.8	0.4	3.6

Note: Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

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

DC revenue estimate

The February revenue estimate adds to revenue growth in FY 2015

- Anticipated tax revenue growth (before earmarks) is \$234.7 million in FY 2014 and \$278.5 million in FY 2015. The percentage gains of 3.8% and 4.4%, respectively, are close to what occurred in FY 2013 (a 4.2% increase of \$247.2 million). This reflects continued growth in the DC economy as well as cutbacks in federal spending.
- The real property tax accounts for 42% of the growth in FY 2014 and 59% of growth in FY 2015. Personal Income, sales, and business income taxes increase in each year.
- As a share of DC Personal Income, tax collections in FY 2014 and FY 2015 are the same as FY 2013—12.7%.

Table 33. DC Tax Revenue (before earmarks) for FY 2012 through FY 2015: February 2014 revenue estimate

Tax	FY level (\$ million)				Change from prior year (\$ M)			% change from prior year		
	2012	2013	2014	2015	2013	2014	2015	2013	2014	2015
Real property	1,822.0	1,914.8	2,014.2	2,178.5	92.8	99.3	164.3	5.1	5.2	8.2
Deed taxes	306.6	367.3	317.7	326.5	60.6	-49.6	8.9	19.8	-13.5	2.8
General sales	1,111.0	1,137.9	1,189.6	1,237.1	26.8	51.7	47.5	2.4	4.5	4.0
Individual income	1,490.7	1,640.9	1,721.2	1,780.2	150.2	80.3	59.0	10.1	4.9	3.4
Withholding	1,321.6	1,391.2	1,446.7	1,491.5	69.6	55.5	44.8	5.3	4.0	3.1
non-withholding	169.1	249.6	274.5	288.7	80.6	24.8	14.2	47.7	9.9	5.2
Business income	465.9	453.3	474.9	494.8	-12.6	21.6	19.9	-2.7	4.8	4.2
Other	657.0	586.3	617.6	596.6	-70.7	31.3	-21.0	-10.8	5.3	-3.4
Total	5,853.3	6,100.5	6,335.1	6,613.6	247.2	234.7	278.5	4.2	3.8	4.4

Source: ORA. Feb 26, 2014 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2012 and FY 2013 are from the FY 2013 CAFR

Table 34. DC labor market assumptions: FY 2012 to FY 2015

item	2012	2013	2014	2015
Wage and salary employment	730,025	733,584	736,983	744,490
1 year change	6,659	3,559	3,399	7,507
% change	0.9	0.5	0.5	1.0
DC resident employment	323,512	338,349	341,709	346,383
1 year change	11,397	14,837	3,360	4,674
% change	3.7	4.6	1.0	1.4
Unemployment rate	9.3	8.6	8.1	7.4

Source: ORA February 2014 revenue estimate

Table 35. DC Income and stock market assumptions: FY 2012 to FY 2015 (% change from prior year)

item	2012	2013	2014	2015
Wages and salaries earned in DC	1.8	2.4	2.2	4.0
Wages and salaries earned by DC residents	3.6	3.0	2.7	4.3
DC Personal income	3.5	2.7	3.7	4.7
S and P 500 stock index	15.7	24.7	2.4	3.0

Source: ORA February 2014 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 36. DC tax revenue (before earmarks) and DC Personal Income: FY 2006 to FY 2015

item	2006	2007	2008	2009	2010	2011	2012	2013	2014 est	2015 est
Tax revenue (\$ million)										
Level	4,516	5,155	5,325	5,052	5,005	5,325	5,853	6,100	6,335	6,614
Change from prior year	267	638	170	-273	-47	320	528	247	235	279
Percent change from prior year										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	9.9	4.2	3.8	4.4
Personal Income	8.7	7.4	9.4	1.2	2.7	9.1	3.5	2.7	3.7	4.7
Tax revenue as percent of Personal Income										
	13.3	14.1	13.3	12.5	12.1	11.8	12.5	12.7	12.7	12.7

Source: ORA. February 2014 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

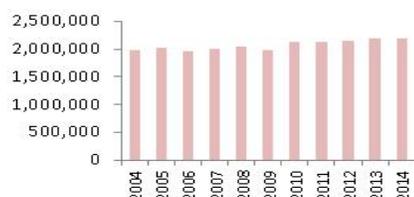
average room rates increased 35.1%—more than double inflation (CPI grew 15.6%) over the period. By contrast, the average room rate increased 6.0% over the past four years, less than the increase in the CPI (7.7%). The drop in the average room rate growth reflects changing supply and demand conditions, including perhaps changes in the mix of hotel rooms available to the public.

Over the entire 10-year period, springtime revenue grew from a level of \$336.9 million in 2004 to \$510.2 million in 2014, a 51.4% increase. As a consequence of changes in average room rates, about three quarters of this increase in annual revenue occurred in the 2004 to 2008 pre-recession period.

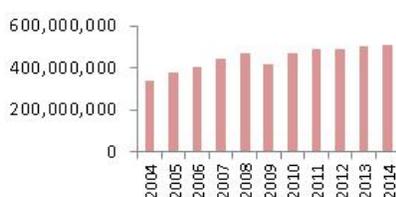
The roller coaster period from 2008 to 2010, which saw both recession and recovery, was noteworthy in that the two years accounted for 2/3 of the decade's room growth and 43% of the growth in room days. Also during this period the average room rate from spring travel declined 4.5%; the average rate for the 2014 season was just \$2.84 (1.2%) above the 2008 pre-recession peak.

—Stephen Swaim, Office of Revenue Analysis

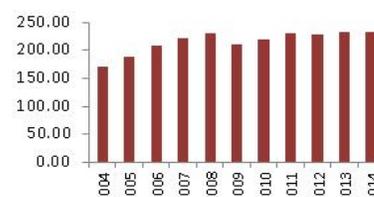
Hotel room-days sold in the spring months: 2004 to 2014



Hotel revenue in the spring months: 2004 to 2014 (\$)



Average room rate for the spring months: 2004 to 2014 (\$)



Selected springtime hotel statistics (March, April, and May) during the years 2004, 2008, 2010, and 2014

	Rooms	Room demand (room-days sold)	Occupancy rate	Average room rate (\$)	Revenue (\$)	CPI	Accommo- dation jobs
Values in spring months for year shown							
2004	26,177	1,975,373	82.0	170.57	336,948,453	189.5	14,267
2008	26,294	2,042,090	84.4	230.52	470,736,551	219.1	14,833
2010	27,431	2,133,623	84.5	220.25	469,924,239	224.3	15,467
2014	27,855	2,186,367	85.3	233.36	510,197,825	241.6	15,200
Change over the decade from 2004 to 2014							
Amount	1,678	210,994	3.3	62.79	173,249,372	52.1	933
%	6.4	10.7	4.0	36.8	51.4	27.5	6.5
Amount of change by sub-period							
2004 to 2008	117	66,717	2.4	59.95	133,788,098	29.5	566
2008 to 2010	1,137	91,533	0.1	-10.27	-812,312	5.2	634
2010 to 2014	424	52,744	0.8	13.11	40,273,586	17.3	-267
Percentage change by sub-period							
2004 to 2008	0.4	3.4	3.0	35.1	39.7	15.6	4.0
2008 to 2010	4.3	4.5	0.1	-4.5	-0.2	2.4	4.3
2010 to 2014	1.5	2.5	0.9	6.0	8.6	7.7	-1.7
Proportion of change over the past decade accounted for by sub-period							
2004 to 2008	7.0	31.6	73.3	95.5	77.2	56.7	60.7
2008 to 2010	67.8	43.4	3.8	-16.4	-0.5	10.0	67.9
2010 to 2014	25.3	25.0	22.9	20.9	23.2	33.3	-28.6
total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: STR (Smith Travel Research) and BLS (employment and CPI)

ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements on pending legislation, reports, and other documents on subjects related to DC's economy and taxes. These documents are posted on the OCFO web site (www.cfo.dc.gov) under subcategories of "Reports and Publications" and "Budget and Revenue."

Recent ORA reports:

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, 2013. Details on all DC taxes.

Tax Rates and Tax Burdens 2012 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 2012 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 37. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	May	July 18
D.C. Personal Income	BEA	2014.1	September 30
D.C. Tax Collections	OTR/ORA	May	c. July 15
D.C. Housing Sales	MRIS*	May	c. July 10
D.C. Commercial Office Building data	Delta / Cushman and Wakefield	2014.1	c July 15
DC Apartment data	Reis, inc	2014.1	c July 20
D.C. Hotel stay information	Smith Travel Research	May	c. July 20
Consumer Price Index	BLS	May	July 18
U.S. Jobs and Labor Force	BLS	May	July 3
U.S. GDP and Personal Income	BEA	2014.1	July 30
S and P 500 Stock Index	Financial press	May	July 1
Interest rate on 10-Year Treasury Securities	Financial press	May	July 1
IHS Global Insight D.C. forecast	Global Insight	June	c. July 25
Moody's Economy.com D.C. forecast	Economy.com	June	c. July 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	June	July 10

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

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

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

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