



District of Columbia Economic and Revenue Trends: May 2014

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Highlights:

- ◇ Resident employment declined.....4
- ◇ Income growth slowing...5
- ◇ Total value of real property sales is rising.....9

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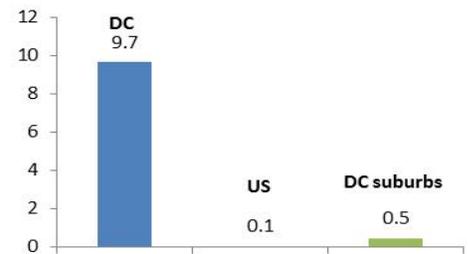
A six-year perspective on the Great Recession's impact on DC's private sector jobs: more jobs, changing structure

DC's rate of job growth far outpaced the US and the suburbs; biggest gains were in education, food services, and health

It has taken six years, but in the first quarter of 2014 private sector wage and salary employment in the US finally reached its pre-recession level. By contrast, jobs in the District of Columbia's private sector grew 9.7% (44,733) over the period of the Great Recession and recovery. The jobs gain in the Washington metropolitan area was largely centered in DC, as the suburban increase was only 0.5%.

Although total US private sector employment is about the same as six years ago, the structure is not; some sectors gained, others lost. This analysis breaks private sector employment into 16 sectors and tracks what happened from 2008.1 to 2014.1 in both the US and DC as well as in the DC suburbs. US jobs actually increased in 7 of the sectors which accounted for 47.1% of all jobs in 2008.1.

% change in private sector employment in DC, the US, and DC suburbs: 2008.1 to 2014.1



DC private sector jobs fared better than in the US because (1) DC started with a larger share (63.3% v 42.0%) of its private jobs in the 6 sectors that grew in both DC and the US, and (2) taken as a whole, those sectors increased faster in DC (14.3% v 8.9%). (The sectors are professional services, business services, education, health, arts, and food service.) Within this category, however, almost all (93%) of DC's growth was in education, food services and health. DC's rate of increase in professional services and business services was well below that of the US (and the suburbs, too). (Cont'd on p.17)

Change in wage and salary employment in DC, the US, and DC suburbs by category of growth pattern: 2008.1 to 2014.1

Growth pattern category	DC		US		DC suburbs	
	% of all 08 jobs	% ch, 08 to 14	% of all 08 jobs	% ch, 08 to 14	% of all 08 jobs	% ch, 08 to 14
1. DC and US both increase <i>Professional services, business services, education, health, arts, food services</i>	63.3	14.3	42.0	8.9	49.9	8.3
2. DC increase, US decline <i>Construction, wholesale trade, retail trade, financial services, accommodations, organizations, personal services</i>	30.8	6.0	38.4	-5.4	39.9	-5.2
3. US increase, DC decline <i>Transportation, utilities, mining</i>	1.0	-12.5	5.1	2.6	3.1	-2.6
4. US and DC both decline <i>Manufacturing and information services</i>	4.9	-22.4	14.5	-11.9	7.0	-21.2

Source: BLS, quarterly average from seasonally unadjusted data.

Wage and salary employment

Job growth in DC continues to slow

- April wage and salary employment in DC was up by 3,600 (0.5%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for April was down by 5,900 (-2.9%); the private sector more than offset this loss with a gain of 8,500 (1.7%).
- Total year-over-year DC metropolitan area employment increased by 5,467 (0.2%) in April as measured by the 3-month moving average.
- There was an increase of just 0.1% in suburban Washington employment in April from a year earlier
- Seasonally adjusted wage and salary employment in DC grew 3,500 in April from the prior month. Seasonally adjusted employment was up by 400 from October, six months earlier.

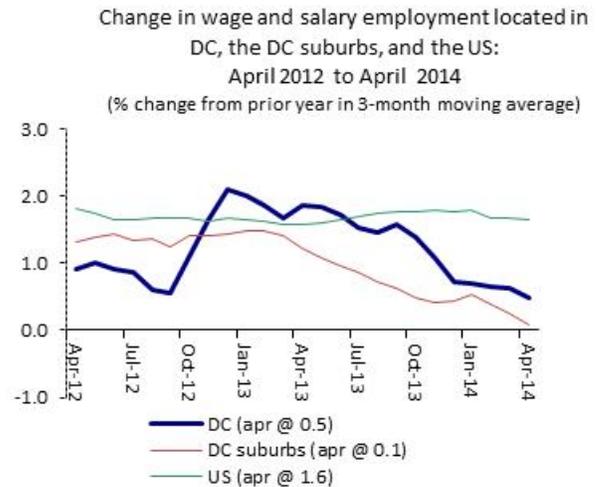


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: April 2014

Jurisdiction	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,950	743,892	746,708	745,833	750,500
1 year change	14,158	7,717	12,942	7,550	3,600	3,700
% change	2.0	1.1	1.8	1.0	0.5	0.5
Washington metro area	3,000,142	3,036,558	3,075,142	3,082,083	3,066,000	3,084,900
1 year change	42,375	36,417	38,583	18,892	5,467	6,300
% change	1.4	1.2	1.3	0.6	0.2	0.2
Washington suburbs (% ch)	1.3	1.3	1.1	0.5	0.1	0.1
US (% ch)	1.2	1.7	1.7	1.7	1.6	1.7

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

Source: BLS. April is preliminary.

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

Sector	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
Federal government	213,258	208,575	206,042	202,783	199,767	199,400
1 year change	5,025	-4,683	-2,533	-4,825	-5,900	-6,000
% change	2.4	-2.2	-1.2	-2.3	-2.9	-2.9
Private sector	474,833	487,642	502,992	508,675	511,167	516,100
1 year change	10,733	12,808	15,350	11,983	8,500	8,500
% change	2.3	2.7	3.1	2.4	1.7	1.7

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

Table 3. Seasonally adjusted DC Employment: October 2013 to April 2014

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
D.C. Wage and Salary employment	748,400	747,800	747,400	747,000	745,700	745,300	748,800
change from prior month	-3,400	-600	-400	-400	-1,300	-400	3,500
% change from prior month	-0.5	-0.1	-0.1	-0.1	-0.2	-0.1	0.5

Source: BLS seasonally adjusted. April is preliminary

Education leads private sector job growth

● In April education gained 5,300 jobs over last year. The sector accounted for about 62% of all of the private sector’s net growth. (3-month moving averages.)

● Retail (1,700), health (1,300), and food service (1,133) also showed significant gain.

● Private sector industries losing jobs included organizations, information, and construction.

● Local government rose by 1,000.

● The federal government accounted for 26.8% of all DC jobs in April. 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: April 2012 to April 2014 (% change from prior year in 3-month moving average)

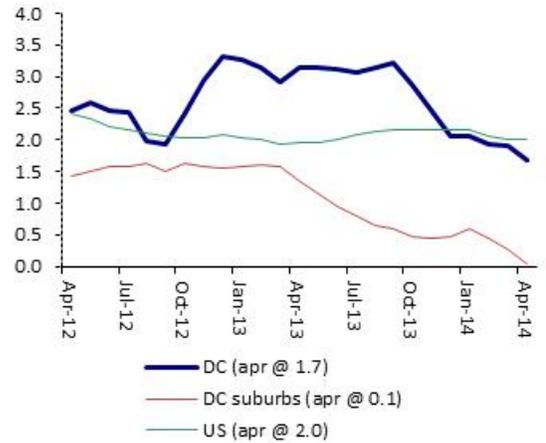


Table 4. Wage and salary employment located in DC: April 2014

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Apr 2014	DC share (%) in Apr 2014 of all sector jobs in:			Change from Apr 2013 to Apr 2014 in DC share of sector jobs in:	
	Apr 2013	Apr 2014	1 year change				metro area	US	metro area	US	
			Amount	%							
Federal government	205,667	199,767	-5,900	-2.9	-2.3	26.8	54.8	7.41	0.1	0.01	
Local government	33,900	34,900	1,000	2.9	1.1	4.7	10.9	0.18	0.1	0.00	
Legal services	29,533	29,467	-67	-0.2	0.1	4.0		2.62		0.00	
Other Professional and technical	77,967	78,033	67	0.1	0.4	10.5	22.8	1.09	0.6	-0.03	
Employment services	14,333	14,333	0	0.0	2.6	1.9	35.4	0.42	0.8	-0.04	
Other Business services	33,200	33,767	567	1.7	0.7	4.5	18.3	0.48	0.2	-0.01	
Information	17,100	16,967	-133	-0.8	-1.6	2.3	22.6	0.64	0.3	0.00	
Finance	28,533	28,567	33	0.1	1.4	3.8	18.8	0.36	-0.2	0.00	
Organizations	61,033	59,900	-1,133	-1.9	0.3	8.0	36.0	2.08	-0.5	-0.03	
Education	58,700	64,000	5,300	9.0	10.9	8.6	54.4	1.82	1.2	0.14	
Health	64,700	66,000	1,300	2.0	2.6	8.8	23.1	0.37	0.3	0.00	
Food service	44,600	45,733	1,133	2.5	4.6	6.1	21.4	0.43	-0.2	0.00	
Accommodations	15,133	15,167	33	0.2	0.7	2.0	36.8	0.85	0.9	0.01	
Amusement and recreation	6,967	6,900	-67	-1.0	-1.4	0.9	18.3	0.35	-1.1	-0.02	
Retail trade	19,533	21,233	1,700	8.7	6.3	2.8	8.0	0.14	0.5	0.01	
Wholesale trade	4,900	4,867	-33	-0.7	-1.8	0.7	7.8	0.08	-0.1	0.00	
Construction	13,600	13,433	-167	-1.2	-0.2	1.8	9.2	0.24	-0.4	-0.01	
Personal and miscellaneous ser.	7,633	8,000	367	4.8	2.7	1.1		0.31		0.01	
Other private	5,200	4,800	-400	-7.7	-3.9	0.6	4.5	0.03	-0.2	0.00	
Total	742,233	745,833	3,600	0.5	1.0	100.0	24.3	0.55	0.1	-0.01	
Public sector	239,567	234,667	-4,900	-2.0	-1.8	31.5	34.3	1.07	-0.5	-0.02	
Private sector	502,667	511,167	8,500	1.7	2.4	68.5	21.4	0.44	0.3	0.00	

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

Resident employment

Resident employment fell over last year

- In April DC resident employment was down 532 (-0.2%) from a year earlier (3-mo. moving average). The labor force fell by 0.9%.
- Seasonally adjusted DC resident employment fell in April. It was 3,733 above October, six months earlier.
- In April the unemployment rate (seasonally adjusted) stayed at 7.5%.
- April initial unemployment insurance claims were down 10.2% (3-month moving average).

Resident employment in DC, the DC suburbs, and the US: April 2012 to April 2014
(% change from prior year in 3-month moving average)

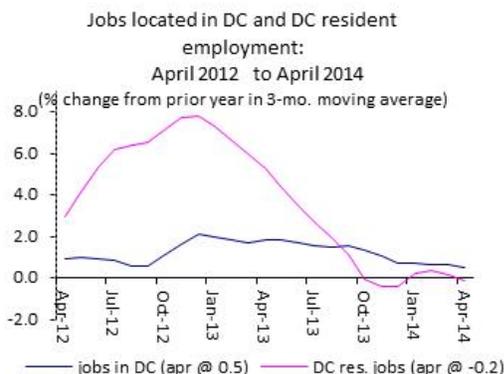
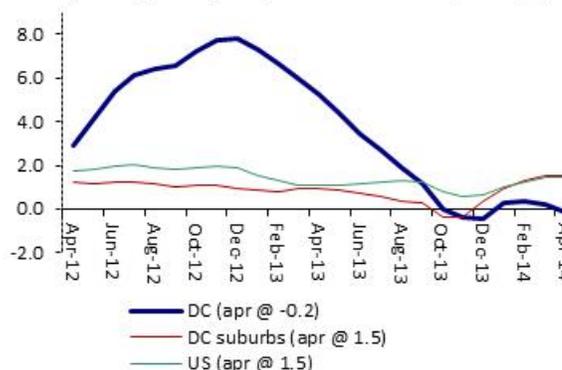


Table 5. Unemployment rates for DC, metro area, and US:
April 2014
(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Apr. 2013	Apr. 2014	Apr. 2013	Apr. 2014
US	7.1	5.9	7.5	6.3
DC	8.2	7.0	8.5	7.5
DC metro area	5.1	4.5	na	na
DC suburbs	4.7	4.2	na	na

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

Table 6. Resident employment and unemployment: April 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	339,751	340,106	339,190
1 year change	4,557	4,453	12,055	14,734	2,310	-532	-1,401
% change	1.5	1.4	3.8	4.5	0.7	-0.2	-0.4
Labor Force	343,870	348,877	358,972	371,745	369,179	368,129	364,901
1 year change	9,706	5,007	10,095	12,773	-892	-3,472	-5,028
% change	2.9	1.5	2.9	3.6	-0.2	-0.9	-1.4
Unemployed	35,056	35,611	33,651	31,690	29,428	28,023	25,711
1 year change	5,149	554	-1,960	-1,961	-3,202	-2,940	-3,627
% change	17.2	1.6	-5.5	-5.8	-9.8	-9.5	-12.4
Unemployment rate	10.2	10.2	9.4	8.5	8.0	7.6	7.0
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,799	2,101	1,784	1,915	1,949	1,459	1,598
1 year change	-404	302	-317	131	112	-165	-74
% change	-18.3	16.8	-15.1	7.3	6.1	-10.2	-4.4
Weeks compensated (mo. avg.)	53,592	46,423	45,170	42,862	43,077	40,641	43,112
1 year change	-881	-7,169	-1,253	-2,308	-382	-227	-134
% change	-1.6	-13.4	-2.7	-5.1	-0.9	-0.6	-0.3

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: October 2013 to April 2014

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
DC Resident employment	338,125	339,115	340,191	342,202	343,396	342,778	341,858
change from prior month	528	990	1,076	2,011	1,194	-618	-920
% change from prior month	0.2	0.3	0.3	0.6	0.3	-0.2	-0.3
DC Unemployment rate (%)	8.0	7.8	7.6	7.4	7.4	7.5	7.5

Source: BLS seasonally adjusted. April is preliminary

Wages and income

The percentage growth of DC wages and salaries is slowing and remains below the US average

●Wages and salaries earned in the District of Columbia were 0.6% higher in the December quarter compared to the same quarter of 2012. This is the slowest year over year growth in more than 4 years.

●Wages earned in DC have now grown at a slower rate than the US average for 11 quarters.

●In the December quarter, estimated wages of DC residents grew 0.7%. DC Personal Income grew 1.1%.

●In the December quarter, the private sector wages and salaries earned in DC grew by \$840 million over the prior year; the federal sector declined by \$360 million.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2010.4 to 2013.4

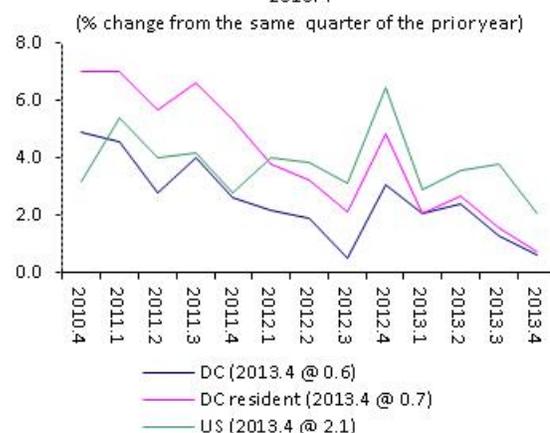


Table 8. DC Wages and Personal Income: December 2013

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

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	4-quarter moving average	Latest quarter (Dec.)
Wages and salaries earned in DC	57.24	59.56	60.62	61.96	62.05	62.18
1 year change	2.33	2.31	1.07	1.33	0.96	0.37
% change	4.2	4.0	1.8	2.2	1.6	0.6
Supplements to wages & salaries	14.93	16.11	16.23	16.07	16.06	15.96
% change	6.0	7.9	0.7	-1.0	-0.3	-0.1
Proprietors' income earned by DC residents*	5.35	5.56	5.80	6.16	6.24	6.34
% change	-8.2	4.0	4.3	6.2	6.4	5.2
Wages and salaries of DC residents***	22.03	23.48	24.33	25.00	25.04	25.17
change from one year ago	1.27	1.45	0.85	0.67	0.43	0.18
% change	6.1	6.6	3.6	2.8	1.7	0.7
Income earned by DC residents	30.1	32.5	33.7	34.3	34.4	34.6
% change	3.8	7.9	3.7	1.9	1.1	0.3
Property income of DC residents	6.16	7.08	7.51	7.87	7.90	8.05
% change	-8.8	14.9	6.1	4.8	3.5	1.3
Pensions and other transfer of DC residents	5.19	5.68	5.65	5.82	5.89	5.97
% change	12.7	9.3	-0.4	2.9	4.2	5.3
DC Personal Income**	41.50	45.27	46.87	48.04	48.17	48.59
1 year change	1.10	3.77	1.60	1.17	0.89	0.51
% change	2.7	9.1	3.5	2.5	1.9	1.1
US Personal income (% change from prior year)	1.3	5.9	4.0	3.7	2.6	1.4
US Wages and salaries(% change from prior year)	0.2	4.2	3.4	4.2	3.1	2.1
<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	1.74	1.38	0.84
Federal government (1 yr ch, \$B)	1.77	0.68	-0.35	-0.39	-0.38	-0.36
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 December were released March 25, 2014

Single family and condominium home sales

The number of single family sales is down from last year, but prices are up

- The April 3-month moving total of single family home sales was down 5.8% from a year earlier, and the average selling price was 10.5% higher.
- April condominium sales were 4.8% above a year earlier as measured by the 3-month moving total; the average selling price was 5.0% higher.
- The total value of all home sales in April was 6.3% more than a year earlier as measured by the 3-month moving total.
- April year-to-date median prices were up 8.5% for single family units, and there was no change for condominiums.
- The April ratio of inventory to sales was 1.3 for single family units and 1.6 for condominiums (3-mo. moving average).

Sales of single family and condo units:
April 2012 to April 2014
(% change from prior year in 3-mo. moving totals)

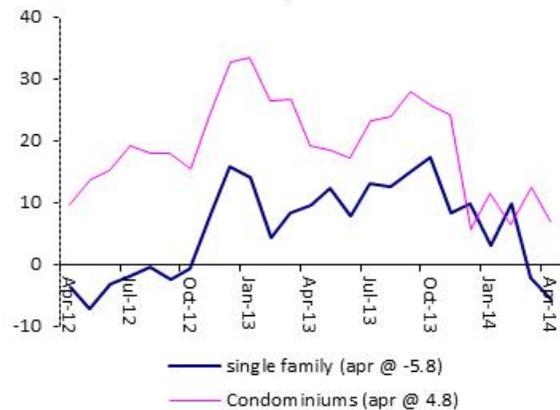


Table 9. D.C. Residential Real Estate Indicators: April 2014

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	4,047	865	330
1 year change	237	825	-284	-237	416	269	-53	-5
% change	7.8	25.3	-7.0	-6.2	11.7	7.1	-5.8	-1.5
Condo	2,590	2,884	2,469	2,784	3,487	3,611	829	305
1 year change	-206	294	-415	315	703	478	38	-9
% change	-7.4	11.4	-14.4	12.8	25.3	15.3	4.8	-2.9
Total	5,849	6,968	6,269	6,347	7,466	7,658	1,694	635
1 year change	31	1,119	-699	78	1,119	747	-15	-14
% change	0.5	19.1	-10.0	1.2	17.6	10.8	-0.9	-2.2
Average prices of units that sold								
Single family (\$)	597,269	538,395	601,026	630,109	712,799	726,603	718,365	750,718
1 year change	-70,098	-58,874	62,631	29,083	82,690	61,059	68,081	113,052
% change	-10.5	-9.9	11.6	4.8	13.1	9.2	10.5	17.7
Condo (\$)	359,952	414,030	423,365	429,611	447,827	461,132	463,513	472,986
1 year change	-52,283	54,078	9,336	6,245	18,216	23,083	22,047	17,754
% change	-12.7	15.0	2.3	1.5	4.2	5.3	5.0	3.9
Total value of all sales (\$ million)	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	4,605.7	1,005.6	392.0
1 year change	-290.6	514.1	-63.7	111.9	956.7	718.9	59.5	35.4
% change	-9.2	17.9	-1.9	3.4	27.8	18.5	6.3	9.9
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	1.6	1.5

Median contract prices, CY to date in April 2014: single family \$573,000 (8.5% 1 yr ch); condo \$399,900 (0.0% 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

16% 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 16.4% in April from a year ago as measured by the 3-month moving total; they accounted for 17.2% of sales.
- In the March quarter, occupied apartment units rose 1,850 (2.1%) and rents rose 1.6% from a year earlier.

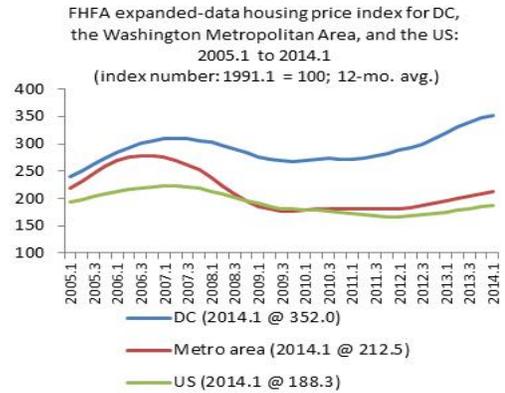


Table 10. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: March 2014 (2014.1)

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 DataQuick 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: April 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	722	149	58
1 year change	-102	85	71	-31	231	172	21	15
% change	-23.4	25.5	17.0	-6.3	50.4	31.3	16.4	34.9
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	17.8	17.2	17.6
Condominiums	62	89	87	72	112	114	27	12
1 year change	-15	27	-2	-15	40	13	-2	-1
% change	-19.5	43.5	-2.2	-17.2	55.6	12.9	-6.9	-7.7
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.2	3.3	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 2010	Sep. 30 2011	Sep. 30 2012	Sep. 30 2013	Latest Q (Mar. 31, 2014)		
					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.

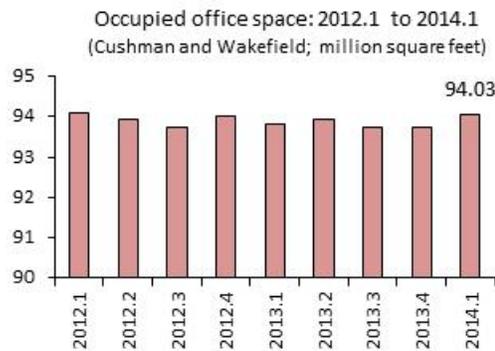


Table 13. Commercial office space in DC: 2011.4 to 2014.1

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

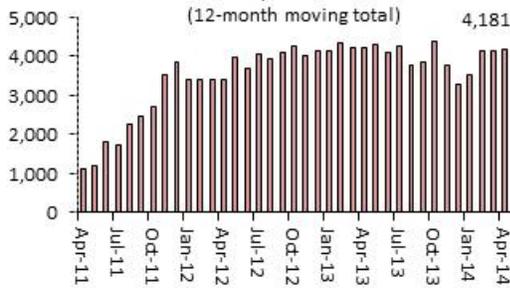
Source: Delta Associated and Cushman and Wakefield. See table 13.

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

The total value of all real property transfers has risen sharply in the past few months

- For the 12-month period ending April 4,181 housing unit building permits were issued, a 0.8% decline over the prior 12-month period. Permits were up 204% 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.

Housing permits issued in DC: April 2011 to April 2014



Value of real property transfers (including transfers of economic interest): April 2012 to April 2014



- 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 April property transfers was up by 57.1% from last year as measured by the 3-month moving total. The 12-month moving total (\$11.82 billion) was 16.1% higher than last year.

Table 15. Housing unit building permits issued in DC: April 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	4,181	1,013	95
change from 1 year ago	487	1,473	1,632	-236	-32	680	42
% change from 1 year	97.6	149.4	66.4	-5.8	-0.8	204.2	79.2

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 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: April 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	11,821.0	3,055.5	1,041.0
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	1,551.1	1,636.0	1,110.3	315.0
% change from 1 year ago	-51.5	39.3	29.1	-5.6	16.3	16.1	57.1	43.4

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 stays down slightly

● In April, the 3-month moving total for hotel room-days sold was 1.5% less than a year earlier. For the past 12 months, however, there was a slight 0.1% gain. The average room rate for the past 12 months was down 1.6%, and revenue was down 1.4%.

● Employment in food services was 2.5% more in April than a year earlier as measured by the 3-month moving average. Hotel employment rose 0.2% and retail 8.7%.

● February airline traffic into the DC area was down 1.6% compared to a year earlier as measured by the 3-month moving total. Reagan National Airport was up 0.5%.

Hotel room-days sold: Apr. 2012 to Apr. 2014
(% change from prior year in 3-month and 12-month moving totals)



Table 19. Hospitality Industry: April 2014

Indicator	Units	date	FY 2011	FY 2012	FY 2013	3-month		This month
						12-mo total or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	apr	7.465	7.617	7.680	7.666	1.978	0.734
1 yr ch			0.095	0.152	0.062	0.009	-0.029	-0.014
1 yr % ch			1.3	2.0	0.8	0.1	-1.5	-1.9
Average room rate	\$	apr	206.60	203.57	207.23	205.42	224.25	231.68
1 yr ch			7.49	-3.03	3.66	-3.26	-0.03	-16.88
1 yr % ch			3.8	-1.5	1.8	-1.6	0.0	-6.8
Occupancy rate (average)	%	apr	74.2	75.4	75.8	76.0	81.3	89.5
1 yr ch			0.5	1.2	0.5	0.1	0.1	-0.1
1 yr % ch			0.6	1.6	0.6	0.1	0.1	-0.1
Room revenue	(\$M)	apr	1,542.3	1,550.7	1,591.5	1,574.8	443.6	170.0
1 yr ch			74.8	8.4	40.8	-23.1	-6.7	-15.9
1 yr % ch			5.1	0.5	2.6	-1.4	-1.5	-8.6
Airline passengers								
DCA	1 yr % ch	feb	6.2	2.8	5.5	1.9	0.5	-3.5
IAD	1 yr % ch	feb	0.6	-2.9	-4.0	-2.9	-4.6	-7.6
BWI	1 yr % ch	feb	4.2	1.0	-1.5	-1.4	-0.7	-7.0
Total	1 yr % ch	feb	3.4	0.1	-0.3	-0.9	-1.6	-6.1
Employment								
Accommodations	level ('000)	apr	15.3	15.4	15.2	15.4	15.2	15.3
1 yr ch			0.0	0.1	-0.2	0.1	0.0	-0.1
1 yr % ch			0.1	0.7	-1.1	0.7	0.2	-0.6
Food and bev	level ('000)	apr	39.3	42.7	44.9	45.9	45.7	47.6
1 yr ch			2.3	3.4	2.2	2.0	1.1	1.3
1 yr % ch			6.2	8.5	5.2	4.6	2.5	2.8
Arts and entertain.	level ('000)	apr	6.8	6.9	6.9	7.0	6.9	7.3
1 yr ch			-0.2	0.1	0.0	-0.1	-0.1	-0.2
1 yr % ch			-2.5	1.3	0.6	-1.4	-1.0	-2.7
Retail	level ('000)	apr	18.6	18.8	19.7	20.5	21.2	21.4
1 yr ch			0.2	0.3	0.8	1.2	1.7	1.8
1 yr % ch			1.3	1.4	4.5	6.3	8.7	9.2

* 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

- Growth in the March quarter was revised downward to -0.1%, ending a string of 11 consecutive quarters of real GDP growth.
- US employment (seas. adj.) increased by 288,000 in April.
- The US unemployment rate (seasonally adj.) fell to 6.3% in April.
- In April the S & P 500 index was unchanged from March and was 18.7% above last year.
- Compared to a year earlier, the rate of inflation rose in April to 2.0% (sa).

Quarterly change in US Real and Nominal GDP: 2011.1 to 2014.1 (% change from the previous quarter at annual rates)

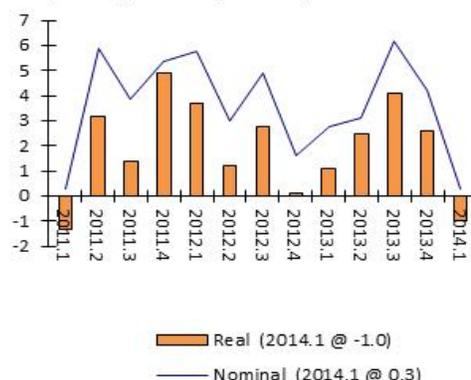


Table 20. US GDP, income, corporate profits, and inflation: 2014.1 and April 2014

(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	Apr
US GDP real	2014.1	1 yr % ch	-3.4	1.7	2.0	2.8	1.7	1.9	2.6	
US GDP nominal	2014.1	1 yr % ch	-2.3	2.6	4.0	4.6	3.3	3.4	4.1	
US Personal income	2014.1	1 yr % ch	-1.9	1.3	5.9	4.0	3.9	2.8	1.6	
US wages	2014.1	1 yr % ch	-3.2	0.3	4.2	3.4	4.1	3.0	2.0	
Corporate profits	2014.1	1 yr % ch	-10.3	33.5	9.9	8.5	3.7	4.6	6.2	
S and P stock index	apr	1 yr % ch	-34.3	23.7	13.8	5.4	16.7	21.6	21.1	18.7
US CPI	apr	1 yr % ch	-0.3	1.7	2.7	2.4	1.6	1.5	1.4	2.0
Balt./Wash. area CPI	mar	1 yr % ch	0.3	1.7	3.0	2.4	1.6	1.6	na	1.9

Source: BEA (data revised as of May 29, 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	-1.0
US GDP nominal	4.9	1.6	2.8	3.1	6.2	4.2	0.3
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	3.2

Note: GDP=Gross Domestic Product Source: BEA, updated on May 29,2014.

Table 22. Monthly selected US Indicators: October 2013 to April 2014

Indicator	October	November	December	January	February	March	April
S and P stock index (level)	1720	1784	1808	1822	1817	1864	1864
% change from prior month	1.9	3.7	1.4	0.8	-0.3	2.6	0.0
% change from 1 year ago	19.6	27.9	27.1	23.1	20.1	20.2	18.7
10 yr. Treasury Interest rate (level)	2.60	2.71	2.89	2.85	2.70	2.72	2.69
CPI % ch from prior month (seasonally adjusted)	-0.06	0.11	0.24	0.14	0.10	0.20	0.26
CPI % ch from prior year (seasonally adjusted)	0.94	1.23	1.51	1.56	1.10	1.54	1.96
Jobs (seasonally adjusted level, in millions)	137.04	137.31	137.40	137.54	137.76	137.96	138.25
change from prior month (thousands)	237	274	84	144	222	203	288
% change from prior month	0.17	0.20	0.06	0.10	0.16	0.15	0.21
Resident employment (season. adj. level, in mil.)	143.49	144.44	144.59	145.22	145.27	145.74	145.67
change from prior month (thousands)	-785	958	143	638	42	476	-73
% change from prior month	-0.54	0.67	0.10	0.44	0.03	0.33	-0.05
Unemployment rate (seasonally adj.)	7.2	7.0	6.7	6.6	6.7	6.7	6.3

Source: BLS and Yahoo! Finance.

DC tax collections

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

April 2014 @ \$6,104.0M

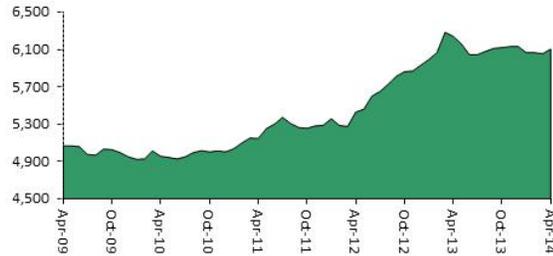


Table 23. Tax Collections (before earmarking): April 2014 (Preliminary)

(\$ million)	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	6,104.0	3,350.1	2,012.9	820.0
1 year change	-47.0	320.1	528.0	252.2	-137.2	-7.0	39.4	50.0
% change	-0.9	6.4	9.9	4.3	-2.2	-0.2	2.0	6.5
Real property	1,821.5	1,715.1	1,822.0	1,914.8	1,919.5	980.7	961.7	331.8
1 year change	-1.2	-106.4	106.9	92.8	23.5	3.0	12.7	62.5
% change	-0.1	-5.8	6.2	5.1	1.2	0.3	1.3	23.2
General sales	976.7	1,014.9	1,111.0	1,137.9	1,133.6	643.1	255.5	99.3
1 year change	1.8	51.7	67.6	26.8	-16.2	2.3	-9.8	-0.6
% change	0.3	3.9	9.5	2.4	-1.4	0.4	-3.7	-0.6
Individual income	1,110.4	1,296.6	1,490.7	1,640.9	1,655.3	978.3	390.7	244.8
1 year change	-25.5	186.2	194.1	150.2	-73.7	-6.6	9.0	-8.7
% change	-2.2	16.8	15.0	10.1	-4.3	-0.7	2.4	-3.4
withholding	1,073.8	1,192.2	1,321.6	1,390.3	1,460.2	887.5	400.9	141.3
1 year change	52.6	118.3	129.5	68.7	45.7	57.2	48.2	22.8
% change	5.2	11.0	10.9	5.2	3.2	6.9	13.7	19.2
non-withholding	36.6	104.4	169.1	250.6	195.1	90.8	-10.1	103.5
1 year change	-78.1	67.8	64.6	81.5	-119.4	-63.8	-39.2	-31.5
% change	-68.1	185.2	61.9	48.2	-38.0	-41.3	nm	-23.3
Corporate income	207.3	216.3	302.9	299.0	281.9	169.2	97.9	24.5
1 year change	-14.6	9.0	86.6	-3.9	-43.6	-20.2	-2.6	-0.3
% change	-6.6	4.3	40.1	-1.3	-13.4	-10.6	-2.6	-1.0
Unincorporated Bus.	116.4	143.4	163.0	154.3	141.9	84.0	52.2	46.7
1 year change	-3.9	27.0	19.6	-8.7	-38.1	-18.5	-12.1	-6.4
% change	-3.2	23.2	13.6	-5.3	-21.2	-18.1	-18.8	-12.1
Deed taxes*	225.6	311.2	306.6	367.3	396.1	222.1	100.9	35.5
1 year change	38.2	85.6	-4.5	60.6	61.8	29.7	29.3	-1.3
% change	20.4	37.9	-1.5	19.8	18.5	15.5	41.0	-3.5
Other taxes	547.3	627.8	657.0	591.3	575.8	272.6	153.9	37.6
1 year change	-43.3	80.6	29.2	-65.7	-50.9	3.2	12.9	4.8
% change	-7.3	14.7	4.6	-10.0	-8.1	1.2	9.2	14.8

*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/ORA nm=not meaningful due to small amount or negative numbers

Tax collections picked up in April

• For the 12 month period ending April total tax collections (before earmarking) were \$ 137 million (-2.2%) less than in the prior year. For the first 7 months of FY 2014, tax collections were \$7 million (-0.2%) below last year, and for the last 3 months they were 2.0% above last year.

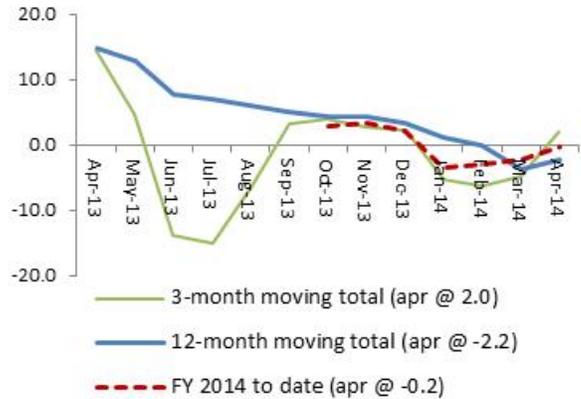
• It is not possible to draw conclusions at this point about the outlook for FY 2014 revenues. Key components of real property and income taxes have yet to be fully reflected in collections, and weather and last year’s Inauguration complicate year-over-year comparisons at this point.

• Individual income tax collections were 4.3% below last year for the 12-months ending April; withholding was 3.2% higher, while the non-withholding portion was 38.0% lower.

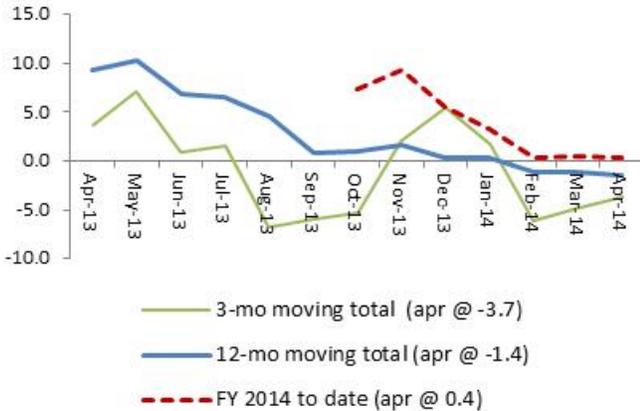
• General sales collections were 1.4% below last year for the 12-months ending April, in part because of the decline in the general sales rate to 5.75%.

• Deed tax collections (12-mo. avg) were up 18.5%.

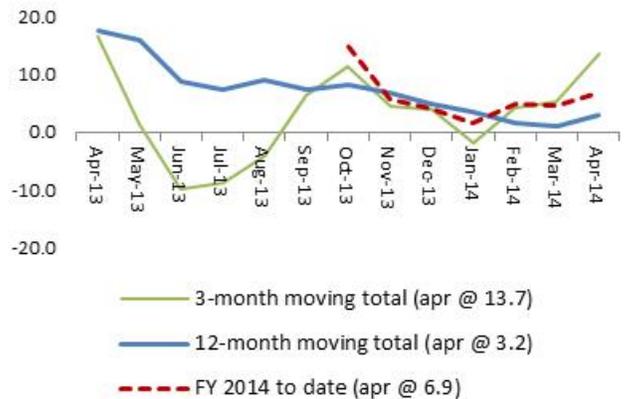
**Total tax collections (before earmarks):
April 2013 to April 2014**
(% change from prior year: 3-month and 12-month moving totals)



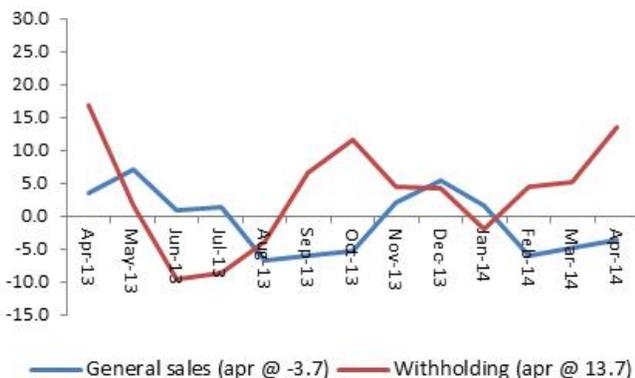
**General Sales tax collections (before earmarks):
April 2013 to April 2014**
(% change from prior year: 3-months and 12-month moving totals)



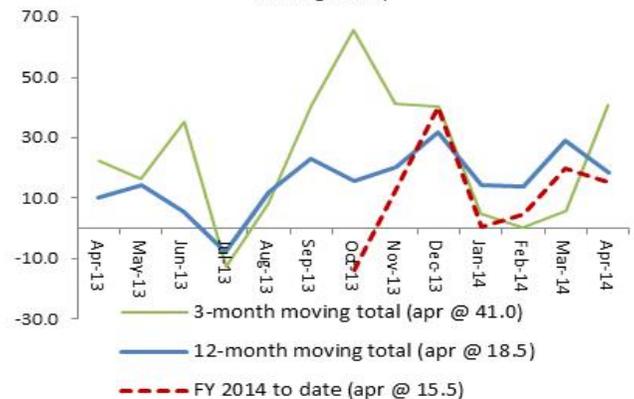
**Withholding for the Individual Income tax:
April 2013 to April 2014**
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual
Income tax: April 2013 to April 2014**
(% change from prior year in the 3-month moving total)



**Deed tax collections (before earmarks):
April 2013 to April 2014**
(% change from prior year: 3-month and 12-month moving totals)



US economic forecasts

The Blue Chip forecast for FY 2014 was cut, but faster growth still anticipated for FY 2015

- The Blue Chip Indicator May forecast for real GDP still expects growth in FY 2015 of 2.9%, compared with a lowered 2.4% in FY 2014. The growth rate in nominal GDP in FY 2015 is expected to rise to 4.8% from 3.9% in FY 2014.
- The Blue Chip Indicator May forecast for inflation (CPI) is 1.6% for FY 2014 and 2.0% for FY 2015.
- S and P 500: The range of May forecasts by Global Insight and Economy.com for the change in the last quarter of 2014 compared to the last quarter of 2013: -2.3% to 8.3%.

**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			Moody's		
	Blue Chip	Economy.com	IHS Global Insight	Blue Chip	Economy.com	IHS Global Insight
FY 2013 Actual	1.7	1.7	1.7	3.3	3.3	3.3
FY 2014						
February	2.9	3.0	2.8	4.4	4.4	5.2
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
FY 2015						
February	2.9	3.9	3.0	4.8	6.0	7.0
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

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

Forecast date	CPI			10 yr Treasury rate		
	2013	2014	2015	2013	2014	2015
	Feb	1.6	1.5	2.0	2.1	3.0
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

Source: Blue Chip Indicators

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

(% change from prior fiscal year)

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		
February	24.8	4.9	4.3	24.8	-5.7	4.7
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

Source: IHS Global Insight

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

(% change from prior fiscal year)

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		
February	24.8	2.4	0.3	24.8	-2.0	3.2
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

Source: Moody's Economy.com

May DC forecasts by Global Insight and Economy.com: fairly weak FY 2014 and a stronger FY 2015

The May Global Insight and Economy.com April baseline forecasts assume that both employment and income will be significantly stronger in FY 2015 than in FY 2014. The Global Insight pessimistic one assumes that FY 2015 will only bring a slight improvement from FY 2014.

●**Employment:** The range of change in wage and salary employment for FY 2014: 2,368 to 2,990. For FY 2015 the range is 2,889 to 9,748. Baseline forecasts expect resident employment to increase in FY 2014 by about 2,300, then increase from a range of 4,150 to 5,729 in FY 2015. Baseline unemployment rate forecasts remain at 7% or higher through FY 2015.

●**Income.** Baseline forecasts for Personal Income are from 1.5% to 1.8% in FY 2014, and 4.1% to 4.2% 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
Feb	3,559	2,579	10,489	3,558	1,737	8,186	3,558	192	4,060	3,558	-1,437	-3,783
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

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
Feb	2.7	2.0	4.3	2.7	0.5	1.0	2.7	2.9	4.3	2.7	2.8	2.9
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

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
Feb	14,837	-2,312	8,538	14,837	-2,229	4,130
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

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
Feb	8.6	8.2	7.5	8.6	8.2	8.2
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

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
Feb	2.4	1.7	4.3	2.4	1.8	5.0
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

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
Feb	3.0	0.2	3.6	3.0	2.3	3.9
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

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:

item	FY 2012 to FY 2015 (% change from prior year)			
	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	5-Jul	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

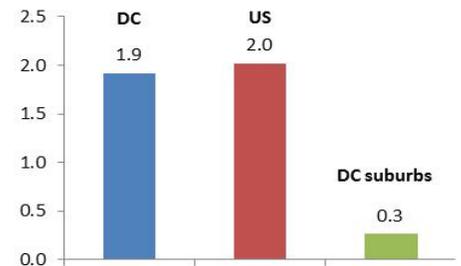
Source: ORA. February 2014 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

DC private sector jobs also fared better because it experienced growth in 7 sectors in which US jobs declined. These sectors, which accounted for 30.8% of 2008 DC jobs, grew by 6%. In the US these sectors (40.3% of all jobs in 2008) declined by 5.4%. Within this category, DC's biggest numerical gains were in organizations, but retail and personal services grew at double digit rates. DC also benefitted from having a small percentage of its 2008.1 jobs in manufacturing and information (4.9% v 14.5% in the US) where employment fell sharply.

The most recent year: 2013 to 2014. During the recovery period, US private sector jobs have been growing steadily. In the most recent year, 2013.1 to 2014.1, they grew by 2.0%. Only one (information) of the 9 sectors that lost jobs in the US over the entire six year period failed to grow this past year. DC grew almost as fast (1.9%) as the US, and the pattern was similar to that for the entire 6 years after the start of the recession: more jobs in education, health, and food service, joined also by retail and personal services. Job growth in the suburbs continued to lag at 0.3%.

—Stephen Swaim, DC Office of Revenue Analysis

% change in private sector employment in DC, the US, and DC suburbs: 2013.1 to 2014.1



Wage and salary employment in sectors in which the US and DC both gained employment from 2008.1 to 2014.1

Sector	Level in DC 2014.1	Change from 2008.1 to 2014.1				Change from 2013.1 to 2014.1			
		DC		US %	DC suburb %	DC		US %	DC suburb %
		#	%			#	%		
Education	62,800	16,767	36.4	12.4	15.1	5,600	9.8	1.4	4.3
Health services	65,900	11,367	20.8	12.3	15.4	1,267	2.0	1.6	0.1
Food services	44,500	10,733	31.8	9.1	14.4	1,233	2.9	3.2	3.8
Professional services	107,233	3,000	2.9	5.3	4.0	167	0.2	2.6	-3.1
Business services	47,767	67	0.1	5.9	1.7	567	1.2	4.7	-0.7
Arts and recreation	6,567	33	0.5	5.4	12.5	33	0.5	4.5	7.6
Total	334,767	41,967	14.3	8.9	8.3	8,867	2.7	2.8	-0.2

Source of all tables in this series: BLS

Wage and salary employment in sectors in which DC gained and the US lost employment from 2008.1 to 2014.1

Sector	Level in DC 2014.1	Change from 2008.1 to 2014.1				Change from 2013.1 to 2014.1			
		DC		US %	DC suburb %	DC		US %	DC suburb %
		#	%			#	%		
Organizations	60,200	3,533	6.2	-1.5	2.7	-700	-1.1	0.3	1.7
Retail trade	21,133	2,967	16.3	-1.9	-1.2	1,633	8.4	2.0	1.9
Personal services	7,933	967	13.9	0.0	na	400	5.3	0.9	na
Construction	13,133	367	2.9	-20.7	-19.1	-467	-3.4	2.9	2.1
Accommodations	15,133	300	2.0	-1.4	8.6	300	2.0	1.1	-1.9
Financial services	28,567	233	0.8	-4.4	-2.4	167	0.6	0.8	1.9
Wholesale trade	4,867	133	2.8	-3.3	-11.1	-67	-1.4	2.0	-0.1
Total	150,967	8,500	6.0	-5.4	-5.2	1,267	0.9	1.7	1.6

na = not available; personal services are included in Organizations.

Wage and salary employment in sectors in which DC and the US both lost employment from 2008.1 to 2014.1

Sector	Level in DC 2014.1	Change from 2008.1 to 2014.1				Change from 2013.1 to 2014.1			
		DC		US %	DC suburb %	DC		US %	DC suburb %
		#	%			#	%		
Manufacturing	800	-900	-52.9	-11.8	-24.6	-200	-31.4	0.6	-5.0
Information	16,967	-4,233	-20.0	-12.1	-18.3	-200	-8.1	-1.2	-3.0
Total	17,767	-5,133	-22.4	-11.9	-21.2	-400	-0.4	0.3	-3.8

Wage and salary employment in sectors in which DC lost and the US gained employment from 2008.1 to 2014.1

Sector	Level in DC 2014.1	Change from 2008.1 to 2014.1				Change from 2013.1 to 2014.1			
		DC		US %	DC suburb %	DC		US %	DC suburb %
		#	%			#	%		
Transp., utilities, mining	3,967	-567	-12.5	2.6	-2.6	-167	-4.0	2.2	0.5

Wage and salary employment in all sectors in DC, the US and the DC suburbs from 2008.1 to 2014.1

Sector	Level in DC 2014.1	Change from 2008.1 to 2014.1				Change from 2013.1 to 2014.1			
		DC		US %	DC suburb %	DC		US %	DC suburb %
		#	%			#	%		
All sectors	507,467	44,733	9.7	0.1	0.5	9,533	1.9	2.0	0.3

ORA Reports and Documents

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

Recent ORA reports:

Revised Revenue estimates for FY 2014 to FY 2018, February 26, 2014. Quarterly revenue estimate shows differences from the prior estimate, describes economic assumptions and changes in each tax, and contains details of each tax and of key economic variables.

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	April	June 20
D.C. Personal Income	BEA	2013.4	June 24
D.C. Tax Collections	OTR/ORA	April	c. June 15
D.C. Housing Sales	MRIS*	April	c. June 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	April	c. June 20
Consumer Price Index	BLS	April	June 17
U.S. Jobs and Labor Force	BLS	April	June 6
U.S. GDP and Personal Income	BEA	2014.1	June 25
S and P 500 Stock Index	Financial press	April	June 1
Interest rate on 10-Year Treasury Securities	Financial press	April	June 1
IHS Global Insight D.C. forecast	Global Insight	May	c. June 25
Moody's Economy.com D.C. forecast	Economy.com	May	c. June 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	May	June 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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