

**Government of the District of Columbia
Office of the Chief Financial Officer**



Jeffrey S. DeWitt
Chief Financial Officer

December 28, 2018

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 306
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Re: December 2018 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

The revenue estimates for the FY 2019 - 2022 District of Columbia Budget and Financial Plan are unchanged from September 2018. There are only minor differences between the preliminary revenue figures for FY 2018, which ended September 30, 2018, and the September revenue estimate. Also, the economic outlook remains unchanged from the economic forecast that was the basis for the September revenue estimate, but it has become more uncertain. Potential revenues from District laws authorizing sports gaming and taxation of remote sales are not included in this estimate because neither is yet enacted; they will be included in the February revenue estimate after their enactment. The impact of the current federal shutdown is not included in the current estimate. The impact will depend on the shutdown's duration and other factors, such as whether federal employees are reimbursed for lost wages. Any impact will be reflected in the February revenue estimate.

December 2018 Revenue Estimate Compared to Prior Estimate

Local Source, General Fund Revenue Estimate (\$M)	Actual	Preliminary	Estimated	Projected		
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
September 2018 Revenue estimate		7,733.4	7,820.6	8,064.1	8,330.9	8,608.5
<i>December revision to estimate</i>		16.7	0.0	0.0	0.0	0.0
December 2018 Estimate	7,478.1	7,750.2	7,820.6	8,064.1	8,330.9	8,608.5
Revenue Change from Previous Year						
Amount		272.0	70.4	243.5	266.8	277.7
<i>Year-Over Year Percent Change</i>		3.6%	0.9%	3.1%	3.3%	3.3%

December 2018 Revenue Estimate

Page 2

Preliminary data for FY 2018, which ended in September, shows little change in the overall revenue from the September estimate. These numbers may change when the FY2018 Comprehensive Annual Financial Report (CAFR) is completed. The first two months of FY 2019, not generally significant months for revenue, suggest some revenue like withholding and deed taxes may be slowing down but other revenue like business income and sales taxes continue to be strong consistent with the September estimate. (In September, local fund revenue was expected to grow by 1.1 percent, after accounting for increased dedicated revenues, and by just over 3 percent annually from FY 2020 to FY 2022.)

Recent Legislation

Since the September 2018 estimate the Council passed two bills that will affect the revenue estimates. First, on December 4, the Council passed legislation requiring remote vendors to collect sales tax on purchases made by District residents. The legislation dedicates FY 2019 revenue to the Commission on Arts and Humanities and revenues in FY 2020 and subsequent years for commercial property tax relief. In February, the Office of Revenue Analysis will estimate the additional sales tax revenue attributable to remote sellers that will be used for commercial property tax rate reduction.

Second, on December 18, the Council passed legislation allowing the DC Lottery to establish sports gaming in the District. The expansion of gaming is expected to increase local fund revenue by approximately \$85.6 million and revenue to other funds by \$6 million over five years.

At this time, neither of these bills is District law. Their projected impact will be included in the February 2019 revenue estimate after enactment.

Revenue Impact of Recent Legislation

(\$000s)	FY2019	FY2020	FY2021	FY2022
Remote sales tax (B22-914)	\$ 14,336	\$ 631	\$ 2,183	\$ 3,914
<i>Local – increased sales tax revenue*</i>		25,299	27,475	29,837
<i>Local – estimated reduction in real property tax Dedicated to Comm. On Arts and Humanities</i>	14,336	(24,668)	(25,291)	(25,923)
Sports gaming (B22-944)	\$ 7,595	\$ 26,029	\$ 28,329	\$ 29,742
<i>Local</i>	7,206	24,317	26,446	27,670
<i>Dedicated (various funds)</i>	389	1,712	1,883	2,072
Total Potential Additional Revenue	\$ 21,931	\$ 26,660	\$ 30,512	\$ 33,656
<i>Local</i>	7,206	24,948	28,629	31,584
<i>Dedicated</i>	14,725	1,712	1,883	2,072

*Increased revenue from remote sales is dedicated to reducing commercial property tax rates. ORA will re-estimate in February to determine the commercial real property tax rate reduction.

Risks and Uncertainty

The economic outlook, both nationally and for the District, has not changed fundamentally since September but the uncertainty has risen. While national economic growth was strong in the third quarter of 2018, there is growing consensus that growth in 2019 will be slower.

Currently the upside potential of the District economy is countered by downside risks so that a revision to the revenue estimate at this time is not warranted. First, Amazon's selection of Arlington, Virginia, for its second headquarters will be beneficial for the metropolitan and District economies with the creation of thousands of high skilled jobs. The buildout for the headquarters will take place over several years and while a surge of early interest particularly in real estate markets is expected, the benefits accruing to the District primarily will be through Amazon employees choosing to live in the District and other technology companies coming to the District to take advantage of proximity to Amazon and the District's robust tax incentives. An estimate of fiscal benefits will be reflected in the February 2019 revenue estimate.

Second, Federal government employment continues to contract particularly for agencies located in the District. The Bipartisan Budget Act of 2018 deferred the automatic spending cuts known as sequestration through fiscal year 2019 but those cuts could come back in FY 2020 if no action is taken. The current federal shutdown poses not only budgetary risks to the District's finances, but also injects a degree of uncertainty in both the national and local economies.

Third, several leading indicators point to an economic slowdown. Nationally, the recent turmoil in international trade, the flattening of the yield curve, and a turbulent stock market are likely to encourage the postponement significant investment decisions. The S&P 500 stock index is on track to end 2018 significantly below 2017. The BlueChip survey of economists' consensus is a 35 percent probability of a recession in 2020.

In the District, employment has slowed down and initial claims for unemployment have increased. These indicators have preceded slowdowns in the past, though not always, and bear monitoring as the February 2019 estimate is prepared.

Finally, the effects of the 2017 federal Tax Cuts and Jobs Act are still being felt. For the District, there appears to be a shifting of income and potentially changes in business organizations. Corporate franchise tax collections continue to be strong but are partially offset by unexpected weakness in unincorporated business franchise tax collections. Although FY 2018 corporate franchise tax was much higher than estimated it is not clear how much of that was one-time related to the federal law.

Outlook

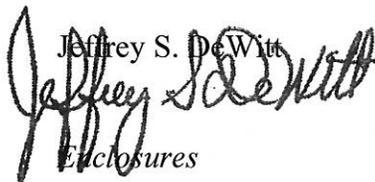
The economic forecasting services IHS Global Insight and Moody's Analytics assume that the federal sector will play a smaller role in the economy and that annual increases in population will be slower in the coming years. As noted, the effect of the federal government shutdown on the District's economy combined with other spending policies is of primary concern. Other risks to the forecast include lower than expected population and earnings growth of District residents. At the same time, the economic effect of Amazon's HQ2 in Arlington, VA, should mitigate any negative effect coming from the federal government sector.

Developments outside of the local economy also create uncertainty to the forecast. The increased tension on global trade will not affect the District directly, but could slow the national economy, which would be felt here. The shutdown of the federal government, the decline in the stock market, which is now lower than a year ago, and rising interest rates as the Federal Reserve phases in tighter monetary policy measures all contribute to uncertainty, along with possible disruptions arising from uncertainties around the world and potential national security events.

The economy has entered the tenth year of expansion. While this forecast does not predict recession, one may occur during the financial plan period, which could adversely affect the District's tax base. The Blue-Chip consensus forecast places the odds of a recession at one in four by 2019, and one in three by 2020. Because of the size of the federal deficit, federal spending may be limited in an economic downturn. In previous years, this spending has offset some of the impact of recession on the District's economy.

If you have any questions regarding this matter, please contact me on (202) 727-2476.

Sincerely,

Jeffrey S. DeWitt

Enclosures

DISTRIBUTION LIST

- Councilmember Anita Bonds (At-Large)
- Councilmember David Grosso (At-Large)
- Councilmember Elissa Silverman (At-Large)
- Councilmember Robert White (At-Large)
- Councilmember Brianne Nadeau (Ward 1)
- Councilmember Jack Evans (Ward 2)
- Councilmember Mary Cheh (Ward 3)
- Councilmember Brandon Todd (Ward 4)
- Councilmember Kenyan McDuffie (Ward 5)

December 2018 Revenue Estimate

Page 5

Councilmember Charles Allen (Ward 6)

Councilmember Vincent Gray (Ward 7)

Councilmember Trayon White (Ward 8)

Rashad Young, City Administrator

John Falcicchio, Chief of Staff to the Mayor

Jennifer Reed, Budget Director

Kathy Patterson, District of Columbia Auditor

Jennifer Budoff, Budget Director, Council of the District of Columbia

December 2018 Revenue Estimate
Page 6

TABLE 1: SEPTEMBER 2018 REVENUE SUMMARY TABLE

\$ in Thousands	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS		
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
PROPERTY	2,569,101	2,684,416	2,811,720	2,903,124	2,990,194	3,080,627	
Real Property	2,473,328	2,585,129	2,713,005	2,802,982	2,888,588	2,977,518	
Personal Property	63,305	65,780	64,136	64,456	64,778	65,102	
Public Space Rental	32,468	33,507	34,579	35,686	36,828	38,007	
<i>Dedicated to other funds</i>	<i>(45,586)</i>	<i>(44,556)</i>	<i>(49,221)</i>	<i>(59,206)</i>	<i>(65,481)</i>	<i>(56,645)</i>	
PROPERTY (NET)	2,523,515	2,639,860	2,762,498	2,843,918	2,924,714	3,023,982	
SALES & EXCISE	1,527,381	1,595,108	1,703,964	1,777,317	1,859,231	1,920,874	
General Sales	1,419,197	1,487,318	1,591,371	1,666,070	1,749,083	1,811,973	
Alcohol	6,641	6,758	6,879	7,003	7,122	7,239	
Cigarette	29,530	29,750	34,590	33,226	31,934	30,660	
Motor Vehicle	45,915	45,521	45,698	45,923	46,323	46,555	
Motor Fuel	26,098	25,761	25,426	25,095	24,769	24,447	
<i>Dedicated to other funds</i>	<i>(294,530)</i>	<i>(306,470)</i>	<i>(537,599)</i>	<i>(553,771)</i>	<i>(577,434)</i>	<i>(593,735)</i>	
SALES & EXCISE (NET)	1,232,851	1,288,638	1,166,366	1,223,546	1,281,797	1,327,139	
INCOME	2,512,522	2,604,170	2,685,068	2,792,272	2,901,350	3,019,708	
Individual Income	1,958,277	2,072,309	2,171,604	2,257,705	2,352,617	2,445,506	
Corporate Franchise	389,218	385,326	363,958	380,502	389,640	409,906	
U.B. Franchise	165,027	146,535	149,505	154,066	159,093	164,296	
INCOME (NET)	2,512,522	2,604,170	2,685,068	2,792,272	2,901,350	3,019,708	
GROSS RECEIPTS	361,776	359,759	374,449	363,826	367,265	370,756	
Public Utilities	138,124	143,234	143,951	144,670	145,394	146,121	
Toll Telecommunications	49,543	37,613	49,761	49,979	50,197	50,416	
Insurance Premiums	108,212	110,324	112,433	114,583	116,776	119,011	
Ballpark Fee	31,107	35,900	33,900	33,900	33,900	33,900	
Health Related Taxes	34,790	32,688	34,404	20,694	20,998	21,309	
<i>Dedicated to other funds</i>	<i>(121,786)</i>	<i>(126,526)</i>	<i>(125,690)</i>	<i>(113,117)</i>	<i>(114,579)</i>	<i>(116,066)</i>	
GROSS RECEIPTS (NET)	239,990	233,233	248,758	250,709	252,686	254,690	
OTHER TAX	502,072	523,300	500,910	502,225	519,170	536,191	
Estate	41,215	40,482	23,524	24,041	25,048	26,132	
Deed Recordation	250,740	263,625	263,900	264,717	273,829	282,941	
Deed Transfer	188,781	204,240	198,553	198,553	205,398	212,242	
Economic Interest	21,336	14,953	14,933	14,914	14,895	14,876	
<i>Dedicated to other funds</i>	<i>(65,927)</i>	<i>(72,570)</i>	<i>(70,718)</i>	<i>(69,750)</i>	<i>(72,083)</i>	<i>(74,483)</i>	
OTHER TAX (NET)	436,145	450,730	430,192	432,475	447,087	461,708	
NONTAX	487,513	471,209	481,596	474,535	476,139	473,720	
Licenses & Permits	92,549	94,134	133,127	129,530	135,279	134,959	
Fines & Forfeits	167,385	168,070	152,469	148,589	144,814	141,135	
Charges for Services	81,371	88,568	77,413	78,697	78,452	78,840	
Miscellaneous	146,208	120,437	118,587	117,720	117,593	118,787	
NONTAX (NET)	487,513	471,209	481,596	474,535	476,139	473,720	
LOTTERY Lottery	45,600	45,600	46,100	46,600	47,100	47,600	
GROSS REVENUE	8,005,965	8,283,563	8,603,806	8,859,900	9,160,449	9,449,476	
OTHER FUNDS (See Table 2 for Details)	527,829	550,123	783,228	795,844	829,576	840,929	
LOCAL FUND REVENUE	7,478,136	7,733,440	7,820,578	8,064,055	8,330,872	8,608,547	

Note: FY 2018 column reflects September estimate not preliminary FY 2018 as shown in summary table on first page.

December 2018 Revenue Estimate

Page 7

TABLE 1: SEPTEMBER 2018 REVENUE SUMMARY TABLE (Continued)

% Change from Prior Fiscal Year	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS		
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	
PROPERTY	4.6%	4.5%	4.7%	3.3%	3.0%	3.0%	
Real Property	4.9%	4.5%	4.9%	3.3%	3.1%	3.1%	
Personal Property	7.1%	3.9%	-2.5%	0.5%	0.5%	0.5%	
Public Space Rental	-19.6%	3.2%	3.2%	3.2%	3.2%	3.2%	
<i>Dedicated to other funds</i>	34.5%	-2.3%	10.5%	20.3%	10.6%	-13.5%	
PROPERTY (NET)	4.1%	4.6%	4.6%	2.9%	2.8%	3.4%	
SALES & EXCISE	5.2%	4.4%	6.8%	4.3%	4.6%	3.3%	
General Sales	5.7%	4.8%	7.0%	4.7%	5.0%	3.6%	
Alcohol	2.7%	1.8%	1.8%	1.8%	1.7%	1.6%	
Cigarette	-3.0%	0.7%	16.3%	-3.9%	-3.9%	-4.0%	
Motor Vehicle	-0.2%	-0.9%	0.4%	0.5%	0.9%	0.5%	
Motor Fuel	3.0%	-1.3%	-1.3%	-1.3%	-1.3%	-1.3%	
<i>Dedicated to other funds</i>	6.1%	4.1%	75.4%	3.0%	4.3%	2.8%	
SALES & EXCISE (NET)	5.0%	4.5%	-9.5%	4.9%	4.8%	3.5%	
INCOME	2.0%	3.6%	3.1%	4.0%	3.9%	4.1%	
Individual Income	2.6%	5.8%	4.8%	4.0%	4.2%	3.9%	
Corporate Franchise	0.6%	-1.0%	-5.5%	4.5%	2.4%	5.2%	
U.B. Franchise	-2.6%	-11.2%	2.0%	3.1%	3.3%	3.3%	
INCOME (NET)	2.0%	3.6%	3.1%	4.0%	3.9%	4.1%	
GROSS RECEIPTS	-0.3%	-0.6%	4.1%	-2.8%	0.9%	1.0%	
Public Utilities	1.9%	3.7%	0.5%	0.5%	0.5%	0.5%	
Toll Telecommunications	-2.7%	-24.1%	32.3%	0.4%	0.4%	0.4%	
Insurance Premiums	3.1%	2.0%	1.9%	1.9%	1.9%	1.9%	
Ballpark Fee	-5.1%	15.4%	-5.6%	0.0%	0.0%	0.0%	
Health Related Taxes	-10.1%	-6.0%	5.2%	-39.8%	1.5%	1.5%	
<i>Dedicated to other funds</i>	-3.7%	3.9%	-0.7%	-10.0%	1.3%	1.3%	
GROSS RECEIPTS (NET)	1.5%	-2.8%	6.7%	0.8%	0.8%	0.8%	
OTHER TAX	0.8%	4.2%	-4.3%	0.3%	3.4%	3.3%	
Estate	-23.6%	-1.8%	-41.9%	2.2%	4.2%	4.3%	
Deed Recordation	0.3%	5.1%	0.1%	0.3%	3.4%	3.3%	
Deed Transfer	8.1%	8.2%	-2.8%	0.0%	3.4%	3.3%	
Economic Interest	9.7%	-29.9%	-0.1%	-0.1%	-0.1%	-0.1%	
<i>Dedicated to other funds</i>	3.5%	10.1%	-2.6%	-1.4%	3.3%	3.3%	
OTHER TAX (NET)	0.4%	3.3%	-4.6%	0.5%	3.4%	3.3%	
NONTAX	-4.2%	-3.3%	2.2%	-1.5%	0.3%	-0.5%	
Licenses & Permits	2.3%	1.7%	41.4%	-2.7%	4.4%	-0.2%	
Fines & Forfeits	-15.2%	0.4%	-9.3%	-2.5%	-2.5%	-2.5%	
Charges for Services	1.4%	8.8%	-12.6%	1.7%	-0.3%	0.5%	
Miscellaneous	3.8%	-17.6%	-1.5%	-0.7%	-0.1%	1.0%	
NONTAX (NET)	-4.2%	-3.3%	2.2%	-1.5%	0.3%	-0.5%	
LOTTERY							
Lottery	-14.4%	0.0%	1.1%	1.1%	1.1%	1.1%	
GROSS REVENUE	2.7%	3.5%	3.9%	3.0%	3.4%	3.2%	
OTHER FUNDS (See Table 2 for Details)	5.2%	4.2%	42.4%	1.6%	4.2%	1.4%	
LOCAL FUND REVENUE	2.5%	3.4%	1.1%	3.1%	3.3%	3.3%	

December 2018 Revenue Estimate
Page 8

From September 2018 Revenue estimate

TABLE 2: DEDICATED REVENUE

DEDICATION	Tax Type	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
TIF	Real Property	19,583	17,975	18,245	18,871	23,189	28,990
	General Sales	32,102	30,934	34,828	38,804	44,211	42,377
PILOT	Real Property	25,826	25,927	30,302	39,822	41,722	29,656
	General Sales		7,855	19,399	20,048	20,560	21,084
Downtown TIF	Real Property	197	655	674	713	570	-
Convention Center	General Sales	138,128	136,987	144,060	150,760	157,275	164,065
Convention Center-Destination DC	General Sales		5,711	6,008	6,285	6,557	6,840
Ballpark	General Sales	17,764	16,900	15,900	15,900	15,900	15,900
	Public Utility	7,938	8,649	8,736	8,823	8,910	8,999
	Toll Telecommunication	2,484	2,203	2,327	2,451	2,575	2,699
	Ballpark Fee	31,107	35,900	33,900	33,900	33,900	33,900
Healthy DC	General Sales	835	824	808	825	841	858
	Insurance Premium	45,487	47,086	46,323	47,250	48,195	49,159
WMATA - Operations	General Sales	74,167	75,663	79,096	82,997	87,332	91,616
WMATA - Capital	General Sales		-	178,500	178,500	183,855	189,371
Healthy Schools	General Sales	4,266	4,666	4,266	4,266	4,266	4,266
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Council on Arts and Humanities	General Sales	-	-	28,138	29,320	30,698	31,742
Highway Trust Fund	Motor Fuel	26,099	25,761	25,428	25,095	24,769	24,447
Nursing Facility Quality of Care	Health Related	13,949	14,523	14,917	15,215	15,519	15,830
Hospital Fund	Health Related	10,400	8,800	8,501	-	-	-
Hospital Provider Fee Fund	Health Related	5,528	5,507	5,507			
ICF-IDD Stevie Sellows	Health Related	4,913	3,859	5,479	5,479	5,479	5,479
Housing Production Trust Fund (HPTF)	Deed Recordation	31,919	33,954	33,991	34,113	35,482	36,848
	Deed Transfer	26,095	28,393	27,538	27,538	28,566	29,592
HPTF-Debt Service	Deed Recordation	5,603	5,589	5,594	5,594	5,592	5,593
	Deed Transfer	2,222	2,243	2,245	2,245	2,244	2,244
West End Maintenance	Deed Recordation	44	1,195	675	130	100	103
	Deed Transfer	44	1,195	675	130	100	103
	Property	45,587	44,556	49,221	59,206	65,481	56,645
	Sales & Excise	294,531	306,470	537,599	553,771	577,434	593,735
	Gross Receipts	121,786	126,526	125,690	113,117	114,579	116,066
	Other taxes	65,927	72,570	70,718	69,750	72,083	74,483

December 2018 Revenue Estimate
Page 9

From September 2018 Revenue estimate

Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2013 through FY 2022

Fiscal Years	Actual					Estimate		Forecast		
	2013 act	2014 act	2015 act	2016 act	2017 act	2018 est	2019 est	2020 est	2021 est	2022 est
Gross State Product (\$ billion)	110.98 1.4%	115.06 3.7%	120.72 4.9%	124.87 3.4%	129.13 3.4%	135.83 5.2%	142.53 4.9%	149.05 4.6%	155.16 4.1%	161.57 4.1%
Real Gross State Product (billions \$2005)	103.37 -0.5%	104.62 1.2%	107.15 2.4%	108.51 1.3%	109.81 1.2%	112.79 2.7%	115.12 2.1%	117.25 1.8%	118.71 1.2%	120.26 1.3%
Personal Income (\$ billion)	43.08 2.8%	45.30 5.1%	48.86 7.9%	51.35 5.1%	53.27 3.7%	55.47 4.1%	58.04 4.6%	60.61 4.4%	63.28 4.4%	65.92 4.2%
Real Personal Income (billions \$2005)	34.39 2.0%	35.32 2.7%	38.01 7.6%	40.17 5.7%	41.20 2.5%	42.06 2.1%	43.04 2.3%	44.00 2.2%	44.93 2.1%	45.84 2.0%
Per Capita Income (\$)	66,473 0.6%	68,672 3.3%	72,787 6.0%	75,204 3.3%	76,888 2.2%	78,992 2.7%	81,593 3.3%	84,186 3.2%	86,917 3.2%	89,642 3.1%
Real Per Capita Income (\$2005)	53,069 -0.3%	53,547 0.9%	56,627 5.8%	58,838 3.9%	59,469 1.1%	59,888 0.7%	60,503 1.0%	61,110 1.0%	61,713 1.0%	62,332 1.0%
Wages earned in D.C. (\$ billion)	62.08 2.4%	63.91 2.9%	66.88 4.6%	69.39 3.8%	71.45 3.0%	74.74 4.6%	77.92 4.2%	81.04 4.0%	84.21 3.9%	87.27 3.6%
Wages earned by D.C. residents (\$ billion)	21.7 4.1%	22.8 5.5%	24.5 7.2%	25.6 4.7%	26.6 3.8%	28.0 5.1%	29.3 4.7%	30.5 4.3%	31.9 4.6%	33.3 4.4%
Population ('000)	648.1 2.3%	659.5 1.8%	671.2 1.8%	682.8 1.7%	692.7 1.5%	702.2 1.4%	711.4 1.3%	719.9 1.2%	728.0 1.1%	735.3 1.0%
Households ('000)	286.5 2.2%	291.8 1.9%	297.1 1.8%	301.1 1.3%	305.0 1.3%	309.1 1.3%	313.3 1.4%	316.9 1.2%	320.6 1.1%	323.8 1.0%
Civilian Labor Force ('000)	374.1 4.1%	375.9 0.5%	386.2 2.7%	393.3 1.8%	399.6 1.6%	405.0 1.4%	410.5 1.4%	415.3 1.2%	420.1 1.1%	424.3 1.0%
At-Place Employment ('000)	745.2 1.9%	751.7 0.9%	764.7 1.7%	780.9 2.1%	788.6 1.0%	795.0 0.8%	802.9 1.0%	809.1 0.8%	812.9 0.5%	816.0 0.4%
Resident Employment ('000)	341.8 4.9%	346.1 1.3%	358.5 3.6%	368.8 2.9%	375.3 1.8%	382.0 1.8%	387.3 1.4%	392.1 1.2%	396.8 1.2%	401.0 1.1%
Unemployment Rate	8.6	7.9	7.2	6.2	6.1	5.7	5.6	5.6	5.5	5.5
Housing Starts	3,542	4,497	3,966	4,401	4,504	6,662	3,531	3,218	3,137	3,103
Housing Stock ('000)	308.6 1.9%	312.8 1.4%	316.1 1.1%	319.5 1.1%	323.0 1.1%	326.9 1.2%	331.3 1.3%	335.2 1.2%	338.8 1.1%	342.2 1.0%
Home sales	7,466 17.6%	7,616 2.0%	7,929 4.1%	8,340 5.2%	8,598 3.1%	8,976 4.4%	9,245 3.0%	9,245 0.0%	9,245 0.0%	9,245 0.0%
Average home sale price ('000)	0.7 13.1%	0.7 3.3%	0.8 4.3%	0.8 3.5%	0.8 3.8%	0.8 0.0%	0.9 4.0%	0.9 4.1%	0.9 4.4%	1.0 4.2%
Change in S & P 500 Index of Common Stock*	24.8%	13.6%	2.0%	6.4%	19.2%	3.9%	1.7%	1.7%	1.7%	1.7%
Interest rate on 10-year Treasury notes (%)	2.1	2.7	2.2	1.9	2.3	2.8	3.4	3.6	3.8	4.0
Washington Area Consumer Prices: % change from prior year	1.3	1.8	-0.1	0.0	2.0	2.2	2.3	2.4	2.4	2.4

* Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2017 is the % change from CY 2016.4 to CY 2017.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Global Insight (August 2018) and Moody's Analytics (Economy.com) (August 2018); forecasts of the national economy prepared by the Congressional Budget Office (August 2018) and Blue Chip Economic Indicators (August 2018); BLS labor market information from July 2018; the Census Bureau estimates of the D.C. population (2017); Bureau of Economic Analysis estimates of D.C. Personal Income (March 2017); Metropolitan Regional Information System (MRIS) D.C. home sales data (July 2017), accessed in part through the Greater Capital Area Association of Realtors (GCAAR); CoStar information on commercial office buildings and residential property in D.C. (June 2018); and Delta Associates commercial office buildings and apartments in DC (June 2018).