

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Glen Lee
Chief Financial Officer

September 29, 2023

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: September 2023 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimate for the FY 2023 – FY 2027 District of Columbia Budget and Financial Plan. FY 2023 local source revenue is revised upward by \$178.8 million based on year-to-date collections data that show higher than expected sales and corporate income tax revenue. Stronger than expected interest earnings from investible reserves also comprise part of the FY 2023 upward revision. The revenue estimate is revised upward by a total of \$195.4 million over the financial plan period with the improved near-term outlook being followed by modestly slower growth and a deterioration of the commercial real estate market in the out-years relative to the February forecast.

September 2023 revenue estimate compared to previous estimate

| | Actual | | Estimated | | | Projected | |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|--|
| Local Source, General Fund Revenue Estimate (\$M) | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | |
| <i>February 2023 Revenue Estimate</i> | 9,886.8 | 9,712.0 | 9,688.2 | 9,869.5 | 10,178.7 | 10,505.9 | |
| <i>September Revision to the Estimate</i> | | 178.8 | 168.8 | 88.9 | -7.1 | -55.1 | |
| <i>Enacted Policy Proposals</i> | | 7.0 | 52.7 | 231.6 | 221.8 | 216.4 | |
| <i>September 2023 Revenue Estimate</i> | 9,886.8 | 9,897.8 | 9,909.7 | 10,190.0 | 10,393.4 | 10,667.3 | |
| Revenue Change From Previous Year | | | | | | | |
| Amount | | 11.1 | 11.8 | 280.3 | 203.4 | 273.9 | |
| <i>Year-Over-Year Percent Change</i> | 13.3% | 0.1% | 0.1% | 2.8% | 2.0% | 2.6% | |

As noted above, the District’s short-term economic outlook improved modestly from the February forecast, with upward revisions to the District’s gross state product (GSP), population, personal income, and resident wages relative to the February forecast. This reflects the fact that

both the national and the District economies have proved more resilient than forecasted earlier this year. The inflation rate has declined from its peak last year and the Federal Reserve has paused its interest rate hikes since July to see if the increases to date will slow the economy sufficiently to bring the inflation rate to its target of 2 percent. The modest improvement in the economy is reflected in the latest cash collection data, which show that revenue is projected to end the fiscal year with flat growth relative to the FY 2022 levels, a modest improvement from the 1 percent decline forecasted in February.

Although the near-term forecast for the revenue improved relative to the February forecast, the out-year forecast remains cautious for two reasons: 1) the Federal Reserve has signaled that it is determined to slow the economy to bring the inflation rate within its target of 2 percent through continued high-interest rates, with a decrease in rates not expected until the 2nd quarter of 2024; and 2) the District's commercial real property market continues to deteriorate as evidenced by the higher than expected decline in year-to-date deed tax receipts and a forecasted rise in vacancy rates to 25% by 2026.

In addition to the cash collection reports, this revenue forecast is informed by a variety of data sources, including official data on key economic indicators and updates prepared by the Congressional Budget Office and private forecasters, S&P Global, and Moody's Analytics.

Revenue Highlights

Real property tax

FY 2023 real property tax revenue has been revised upward by \$39.7 million to reflect higher-than-expected year-to-date collections, which grew 0.8 percent relative to FY2022. This is mainly due to the reduced impact of appeals and lower refunds this year, down by about \$35 million relative to last year. Historically, second-half real property tax collections in September represent slightly more than half of the annual real property tax revenue. Due to the continued deterioration in the commercial real property market, there is still great uncertainty about the final collection rates of the second-half payments. As a result, the FY 2023 revision to forecast remains cautious.

The FY 2024 forecast is revised upward by \$4.5 million from February and assumes that the impact of appeals and refunds in FY 2024 is similar to that of FY 2023. On the other hand, the forecast for the remainder of the financial plan period has been revised downward due to a forecasted increase in commercial vacancy rates relative to the February forecast. Real estate data firm CoStar has forecasted that the District's commercial vacancy rates will increase to 25% by 2026, a worsening of their forecast of 20% earlier this year. This will result in forecasted reductions of \$12.8 million in FY 2025, \$45 million in FY 2026, and \$ 69.9 million in FY 2027.

Sales tax

During the first ten months of FY 2023, hotel revenue grew by 50 percent, while restaurant revenue increased by approximately 21 percent compared to the same period in the previous fiscal year. Furthermore, recent legislation that raised the hotel tax rate from 14.95% to 15.95% will contribute to increased hotel revenue between FY 2023 and FY 2027. The additional 1% rate is allocated to the Destination DC fund. However, recent data indicate a slowdown in retail sales activity in the District, with gains of just 4.5 percent in the first ten months of FY 2023 compared to 15.8 percent for the same period last year.

FY 2023 general sales and use tax revenue has been revised upward by \$89.5 million due to the strong recovery of the leisure and hospitality sector as well as the ongoing impact of higher inflation. FY 2023 general sales and use tax revenue is estimated to grow 12.5 percent over the previous fiscal year. For FY 2024 - 2027, sales and use tax revenue is expected to grow by an average of 3 percent annually.

Individual Income taxes

Year-to-date individual income tax revenue is 2 percent lower than the same period in FY 2022 due to a significant decline in non-withholding (non-wage) income tax receipts. Components of non-withholding income, i.e., refunds, estimated payments, and final payments that are typically associated with the stock market performance and rental income, are collectively down by about 41 percent relative to the previous fiscal year, and down 14 percent compared to the February forecast. Year-to-date withholding tax receipts grew by about 10.3 percent, an improvement of 2.3 percentage points over the February forecast, with resident wages and employment growing stronger than expected.

The growth in withholding tax receipts is overwhelmed by a sharp reduction in non-withholding income tax receipts, with significantly lower fiscal year-to-date estimated and final payments collections. Slower forecasted growth for the S&P 500 in the out years relative to the February forecast also resulted in a downward adjustment to the out-year non-withholding income tax forecast. As a result, the forecast for individual income tax revenue is revised downward by a net \$32.1 million in FY 2023, and by a net total of \$104.7 million for fiscal years 2024 through 2027.

Business Income Taxes

Corporation franchise tax revenue will set new records in FY 2023, with year-to-date collections already surpassing FY 2022 levels by about \$3 million, an 18.7 percent increase. This increase is driven in large part by a boost in final payments, which increased 22.7 percent over the previous year. Although growth in estimated payments is not as strong, it is still up by about 13 percent and portends more moderate growth for the out years. Forecasts for key indicators, such as the S&P 500 and levels of business investment, also suggest more moderate growth going forward. Accordingly, the corporate franchise tax revenue forecast for FY 2023

is revised upward by \$82.5 million, and by an average of \$55.6 million annually over the financial plan period.

Continued weakness in the District's commercial real estate market contributes to the large decline in year-to-date revenue for unincorporated business tax, which was anticipated in the February forecast. The year-to-date collections show that the decline was slightly less than forecasted in February. As a result, the FY 2023 unincorporated business tax revenue is revised upward by \$3.4 million, while the out-year forecast remains relatively unchanged.

Gross receipts taxes

FY 2023 gross receipts tax revenue is revised downward by \$10.1 million, mainly based on weaker year-to-date public utility and toll telecommunication tax collections, reflecting reduced commercial office use. The estimate has also been reduced for the out-years by an average of \$17 million per year over the financial plan period.

Deed taxes

Year-to-date deed tax collections are 54.1 percent below FY 2022 levels. FY 2022 revenue was driven by a sharp increase in high-valued property transactions, especially for commercial office properties valued above \$50 million. Such transactions have been largely absent this fiscal year. The deteriorating real estate market, higher mortgage rates, and a downturn in housing sales have all contributed to this decline. As a result, the forecast for FY 2023 deed tax revenue has been revised downward by \$39.9 million, and by \$18.3 million for FY 2024. The forecast for the out years remains unchanged.

Non-tax revenue

Non-tax revenue is revised upward by about \$94.5 million in FY 2023, mainly due to the stronger year-to-date interest income from investible reserves. The extraordinary income received in FY 2023 is a function of both increased city reserves held in interest-bearing accounts as well as the rapid rise in interest rates over the past two years. As the federal funds rates are not expected to return to the target level in the near term, we expect some of the FY 2023 strength to carry forward to the out-years, resulting in an upward revision of this revenue source by a total of \$100.2 million over the FY 2024 – FY 2027 financial plan period.

National and Regional Economies

Despite facing numerous challenges over the past year and a half, such as the Russian war in Ukraine, a significant tightening in monetary policy, a banking crisis, and a fight over the debt limit, both the US and District economies have shown surprising resilience and are still expanding. Unemployment remains at historically low levels, and consumer spending has remained strong though consumer sentiment has weakened. As a result, the Blue-Chip Economic Forecast revised upward the forecast for 2023 real GDP. In fact, Q3 GDP is forecasted to grow at 4.9% by the Atlanta Federal Reserve as of late September of 2023. However, the 2024 GDP

growth forecast remains subdued, and inflation continues to exceed the Federal Reserve's target rate of 2%.

U.S. Recent History

| | 2022q2 | 2022q3 | 2022q4 | 2023q1 | 2023q2 |
|--|--------|--------|--------|--------|--------|
| Real GDP (% change from prior year) | 1.8 | 1.9 | 0.9 | 1.8 | 2.5 |
| Nominal GDP (% change from prior year) | 9.6 | 9.2 | 7.3 | 7.2 | 6.1 |
| Nominal Personal Income (% change from prior year) | 3.2 | 4.6 | 5.1 | 5.6 | 5.4 |
| Unemployment rate (%) | 3.6 | 3.6 | 3.6 | 3.5 | 3.6 |
| CPI (% change from prior year) | 8.6 | 8.3 | 7.1 | 5.8 | 4.1 |
| Yield on 10-Yr Treasury (%) | 2.9 | 3.1 | 3.8 | 3.6 | 3.6 |
| S&P 500 (avg level) | 4,106 | 3,974 | 3,852 | 4,003 | 4,204 |

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, SP Global and Moody's.

U.S. real GDP rose a healthy 2.1% in the second quarter of 2023, according to the Bureau of Economic Analysis (BEA) second estimate. It was the fourth consecutive quarter of growth near or above the economy's potential. Several components, including higher consumer spending, government spending, total nonresidential business investment, and lower imports contributed to higher growth estimates. Nevertheless, it is important to exercise caution regarding recent moves by the Federal Reserve to raise interest rates. These actions have caused mortgage rates to surge, with the average rate surpassing 7 percent as of August 2023. This uptick in mortgage rates, coupled with increased input costs, has led to a significant downturn in both home construction and real estate transactions. The Federal Reserve Bank has raised interest rates several times already in 2023 and intends to keep rates high for an extended duration, raising concerns about the possibility of an impending economic recession.

U.S. Economic Outlook

| | FY 2022 (actual) | FY 2023 (est.) | FY 2024 (est.) | FY 2025 (est.) | FY 2026 (est.) | FY 2027 (est.) |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Real GDP (% change) | 3.3 | 2.0 | 2.1 | 1.6 | 2.1 | 2.2 |
| Nominal GDP (% change) | 10.4 | 6.6 | 4.2 | 3.7 | 4.1 | 4.2 |
| Nominal Personal Income (% change) | 2.5 | 5.2 | 4.5 | 4.3 | 4.3 | 4.3 |
| Unemployment rate (%) | 3.8 | 3.6 | 3.9 | 4.3 | 4.4 | 4.3 |
| CPI (% change) | 7.9 | 5.1 | 2.8 | 2.4 | 2.1 | 2.1 |
| Yield on 10-Yr Treasury (%) | 2.4 | 3.8 | 3.9 | 3.7 | 3.6 | 3.6 |
| S&P 500 (level last quarter) | 3,973.6 | 4,492.6 | 4,480.6 | 4,551.5 | 4,691.7 | 4,911.8 |

Source: SP Global Aug. 2023 Outlook; ORA for SP500

District of Columbia Economy

The District’s economy continues to recover from the pandemic-induced recession of 2020, with local fund revenue for FY 2022 growing by 13.3 percent over the previous fiscal year. While wage growth remains strong, particularly for high-paying jobs, it is expected to moderate due to the high-interest rate environment. Although payrolls are moving in the right direction, the District’s job growth in the last 12 months has been below the national and Washington metropolitan area averages. In fact, neither the District’s employment nor the resident employment levels are expected to return to their 2019 peak during the financial plan period. Over the last year, there has been a notable decline in federal employment (losing 5,700 jobs) in the District, as the federal government struggles to replace retirees and recent departures in a tight labor market.

In contrast, the leisure and hospitality jobs have rebounded from their pandemic low, with the addition of over 12,000 jobs. Key indicators such as visitor counts and hotel occupancy are performing well, driven by a robust resurgence in domestic travel and the most substantial business travel activity since 2019. Despite these positive trends contributing to the growth of leisure and hospitality payrolls over the past year, the industry’s employment is still below pre-pandemic levels. With numerous offices in DC either remaining vacant or operating at reduced capacity due to the prevalence of remote work, businesses, such as restaurants and retail establishments that rely on consumer traffic, face significant hurdles in their prospects for future growth.

The unemployment rate in the District averaged 5 percent in the second quarter of 2023, up from 4.6 percent a year earlier. This increase in the District’s unemployment rate can be attributed mainly to a relatively larger number of residents entering the labor force (4,250) compared to those securing employment (736) during the first six months of 2023. Personal income growth in the District saw a significant increase in the first quarter of 2023, with a robust increase of 5.3 percent in Q1 FY 2023 compared to the same quarter of the previous year, when federal relief payments to households had ceased, thereby establishing a lower base for comparison.

D.C. Recent History

| | 2022q2 | 2022q3 | 2022q4 | 2023q1 | 2023q2 |
|---|--------|--------|--------|--------|--------|
| Real GDP (% change from prior year.) | 1.9 | 0.8 | 0.7 | 0.8 | 1.4 |
| Nominal GDP (% change from prior year) | 5.5 | 5.0 | 5.0 | 5.5 | 5.9 |
| Nominal Personal Income (% change from prior year) | 0.4 | 1.7 | 4.0 | 5.3 | 5.2 |
| Wages in D.C. (% change from prior year) | 6.4 | 5.5 | 4.3 | 3.5 | 4.1 |
| D.C. Resident Wages (% change from prior year) | 7.1 | 6.6 | 5.1 | 4.5 | 4.5 |
| Employment in D.C. (% change from prior year) | 4.7 | 3.4 | 1.9 | 1.7 | 1.6 |
| D.C. Resident Employment (% change from prior year) | 6.2 | 5.5 | 4.2 | 2.1 | -0.1 |
| Unemployment rate (%) | 4.6 | 4.1 | 4.2 | 4.6 | 5.0 |
| Washington area CPI (% change from prior year) | 7.9 | 7.3 | 6.7 | 4.9 | 3.9 |

Source: BEA; BLS; ORA

The District’s labor market remains tight, as the unemployment rate is expected to average a historical low of 4.6% in fiscal year 2023. However, the near-term outlook for the District’s economy is for slowing job growth with an increased downside risk from a potential government

shutdown. Over the next two years, DC's job growth is expected to decelerate significantly. This slowdown in job creation will further prolong the District's recovery to its pre-pandemic employment level—employment was at 97% of its pre-pandemic level in Q1 2023. On a positive note, the District's population grew 0.7% in 2022, a gain of just over 3,000 residents, reversing the declining trend since the onset of the pandemic. According to U.S. Census data, the District lost about 40,000 residents between 2019 and 2021, at the peak of the pandemic. Recent migration data from the Internal Revenue Service put that figure at just over 31,000. However, this negative trend began to reverse course in 2022.

DC Economic Outlook

| | FY 2022 (actual) | FY 2023 (est.) | FY 2024 (est.) | FY 2025 (est.) | FY 2026 (est.) | FY 2027 (est.) |
|-------------------------------------|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Real GDP (% change) | 2.6 | 1.2 | 1.8 | 1.6 | 1.8 | 1.9 |
| Nominal GDP (% change) | 6.1 | 5.6 | 4.7 | 4.1 | 4.1 | 4.1 |
| Nominal Personal Income (% change) | 0.2 | 4.8 | 4.5 | 4.0 | 4.0 | 3.9 |
| Wages in D.C. (% change) | 6.0 | 3.9 | 5.2 | 4.6 | 4.0 | 4.1 |
| D.C. Resident Wages (% change) | 5.8 | 4.6 | 5.2 | 4.6 | 4.0 | 4.1 |
| Population (% change) | 0.7 | 0.8 | 0.6 | 0.5 | 0.5 | 0.4 |
| Employment in D.C. (% change) | 4.0 | 1.6 | 0.8 | 0.5 | 0.4 | 0.5 |
| D.C. Resident Employment (% change) | 2.5 | 1.4 | 0.5 | -0.1 | 0.2 | 0.4 |
| Unemployment rate (%) | 5.7 | 4.8 | 5.2 | 5.4 | 5.5 | 5.5 |
| Washington area CPI (% change) | 7.2 | 4.6 | 2.6 | 2.6 | 2.3 | 2.3 |

Source: Office of Revenue Analysis September 2023

Note: Complete table on page 14

Risks to the Forecast

The forecast faces three categories of risk-macroeconomic, the potential shutdown of the federal government, and the ongoing implications of the COVID-19 pandemic.

Macroeconomic risks include factors that affect the performance of the national or international economies. Most important of these are a potential surge in oil prices, labor market strikes, and further actions by the Federal Reserve Bank (Fed). While the national and the District economies have so far weathered the Fed's aggressive interest rate increases, and further rate hikes are not expected in this tightening cycle, it is important to note that the full impact of higher interest rates takes time to permeate the economy. As more stringent borrowing conditions begin to affect economic activity, unforeseen stress points may emerge, potentially undermining the ongoing economic expansion. The housing market has already witnessed a substantial slowdown, primarily due to the combined effects of rising mortgage rates and elevated input costs, leading to a significant reduction in both construction and transaction activity.

In addition to these risks, a prolonged federal government shutdown could place significant strain on the District's economy. Previous government shutdowns disrupted the District's economy with a range of impacts on revenue. The extent of the revenue impact will depend

upon the length of the shutdown, with a longer shutdown likely leading to more significant losses of District revenue relative to the forecast.

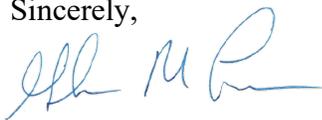
Similar to cities throughout North America, the COVID-19 pandemic has brought about significant changes in the District's population and economy, with potential long-term implications. The population decline observed during the pandemic, coupled with the increasing prevalence of remote work, may lead to demographic shifts with serious economic repercussions. If the population loss becomes permanent, the city's demographic profile could change, but the extent and impact of such changes are not yet clear. Additionally, as more people work from home, the District's transportation and office real estate sectors are likely to experience significant shifts. With fewer workers in offices, there will be less demand for office space, leading to a reduction in real estate prices. As described in our discussion about property tax forecasts, this trend is already emerging as federal agencies and private sector employers have reduced their office footprints, signaling a reduction in the demand for office space. Overall, the pandemic and the shift towards remote work are likely to have far-reaching economic consequences for the District.

With fewer workers commuting to District offices, ridership for WMATA transit has decreased significantly. Fewer riders mean a sharp decline in rider revenue, which is a factor in WMATA's ability to balance its budget and maintain current service levels. A risk to the forecast is possible WMATA service reductions to address its current revenue shortfall. Recently proposed service reductions would have broad repercussions for the District's economy, with the potential for significant economic and fiscal losses. If enacted, the impact of these service reductions will be incorporated in future quarterly revenue forecasts.

The prevailing risks and high degree of uncertainty make for a challenging forecasting environment. As such, we will continue to monitor international, national, and local economic activity for any developments that would impair the forecast.

If you have any questions regarding these matters, please contact me at (202) 727-2476.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glen Lee".

Glen Lee

Attachments

DISTRIBUTION LIST

Councilmember Anita Bonds (At-Large)
Councilmember Robert White (At-Large)
Councilmember Christina Henderson (At-Large)
Councilmember Kenyan McDuffie (At-Large)
Councilmember Brianne Nadeau (Ward 1)
Councilmember Brooke Pinto (Ward 2)
Councilmember Matthew Frumin (Ward 3)
Councilmember Janeese Lewis George (Ward 4)
Councilmember Zachary Parker (Ward 5)
Councilmember Charles Allen (Ward 6)
Councilmember Vincent Gray (Ward 7)
Councilmember Trayon White (Ward 8)
Kevin Donahue, City Administrator
Lindsey Parker, Chief of Staff, Executive Office of the Mayor
Jennifer Reed, Director, Mayor's Office of Budget and Performance Management
Jennifer Budoff, Budget Director, Council of the District of Columbia
Kathy Patterson, District of Columbia Auditor

September Revenue Estimate
September 29, 2023
Page 10

TABLE 1: REVENUE SUMMARY TABLE

| \$ in Thousands | ACTUAL | | ESTIMATE | | OUT YEAR PROJECTIONS | |
|-------------------------------------|-------------------|------------------|------------------|-------------------|----------------------|------------------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| PROPERTY | 2,936,478 | 2,974,075 | 2,935,541 | 2,942,816 | 2,966,252 | 3,001,748 |
| Real Property | 2,814,534 | 2,848,600 | 2,811,555 | 2,818,067 | 2,840,681 | 2,875,259 |
| Personal Property | 82,885 | 81,408 | 80,886 | 81,649 | 82,471 | 83,389 |
| Public Space Rental | 39,060 | 44,067 | 43,100 | 43,100 | 43,100 | 43,100 |
| <i>Dedicated to other funds</i> | -42,268 | -45,853 | -51,165 | -55,235 | -59,418 | -64,934 |
| PROPERTY (NET) | 2,894,209 | 2,928,222 | 2,884,376 | 2,887,581 | 2,906,834 | 2,936,814 |
| SALES & EXCISE | 1,813,697 | 2,011,705 | 2,057,968 | 2,125,054 | 2,202,311 | 2,267,597 |
| General Sales | 1,702,383 | 1,915,437 | 1,960,032 | 2,026,299 | 2,102,380 | 2,166,629 |
| Alcohol | 6,919 | 7,057 | 7,170 | 7,285 | 7,402 | 7,538 |
| Cigarette | 22,465 | 13,000 | 12,387 | 12,263 | 12,202 | 12,141 |
| Motor Vehicle | 59,002 | 55,000 | 55,550 | 56,426 | 57,331 | 58,254 |
| Motor Fuel | 22,928 | 21,211 | 22,830 | 22,781 | 22,996 | 23,036 |
| <i>Dedicated to other funds</i> | -483,721 | -553,642 | -582,203 | -601,275 | -614,678 | -611,141 |
| SALES & EXCISE(NET) | 1,329,975 | 1,458,062 | 1,475,765 | 1,523,779 | 1,587,633 | 1,656,456 |
| INCOME | 4,108,314 | 4,150,682 | 4,212,964 | 4,296,689 | 4,447,348 | 4,620,748 |
| Individual Income | 3,116,991 | 3,090,868 | 3,214,742 | 3,352,366 | 3,485,144 | 3,631,232 |
| Corporate Franchise | 728,036 | 857,538 | 808,420 | 768,028 | 791,407 | 824,837 |
| U.B. Franchise | 263,286 | 202,276 | 189,802 | 176,295 | 170,798 | 164,679 |
| INCOME (NET) | 4,108,314 | 4,150,682 | 4,212,964 | 4,296,689 | 4,447,348 | 4,620,748 |
| GROSS RECEIPTS | 404,541 | 389,058 | 384,509 | 384,641 | 385,275 | 385,771 |
| Public Utilities | 129,362 | 121,451 | 120,196 | 119,162 | 118,434 | 117,598 |
| Toll Telecommunications | 46,716 | 37,213 | 36,509 | 35,943 | 35,552 | 35,110 |
| Insurance Premiums | 145,200 | 145,801 | 146,962 | 148,328 | 149,708 | 151,102 |
| Ballpark Fee | 41,975 | 45,658 | 41,549 | 41,549 | 41,549 | 41,549 |
| Private sports wagering | 3,963 | 1,474 | 1,474 | 1,474 | 1,474 | 1,474 |
| Games of Skill | 17 | 27 | 27 | 27 | 27 | 27 |
| Health Related Taxes | 37,308 | 37,435 | 37,793 | 38,158 | 38,531 | 38,911 |
| <i>Dedicated to other funds</i> | -152,678 | -160,858 | -156,835 | -158,621 | -160,444 | -162,206 |
| GROSS RECEIPTS (NET) | 251,863 | 228,200 | 227,674 | 226,020 | 224,831 | 223,565 |
| OTHER TAX | 738,184 | 400,497 | 421,802 | 457,829 | 491,257 | 524,692 |
| Estate | 48,202 | 81,808 | 40,387 | 40,880 | 41,379 | 41,884 |
| Deed Recordation | 383,560 | 179,335 | 206,274 | 224,379 | 243,035 | 261,690 |
| Deed Transfer | 271,147 | 124,935 | 160,466 | 172,402 | 186,675 | 200,950 |
| Economic Interest | 35,276 | 14,420 | 14,674 | 20,168 | 20,168 | 20,168 |
| <i>Dedicated to other funds</i> | -100,610 | -46,861 | -56,242 | -60,758 | -65,708 | -70,658 |
| OTHER TAX (NET) | 637,574 | 353,636 | 365,560 | 397,071 | 425,549 | 454,034 |
| TOTAL TAX (GROSS) | 10,001,213 | 9,926,016 | 10,012,74 | 10,207,029 | 10,492,443 | 10,800,56 |
| TOTAL TAX (NET) | 9,221,936 | 9,118,802 | 9,166,338 | 9,331,140 | 9,592,195 | 9,891,617 |
| NONTAX | 624,165 | 728,290 | 649,178 | 585,503 | 536,405 | 516,254 |
| Licenses & Permits | 135,008 | 139,170 | 147,728 | 150,685 | 151,589 | 145,635 |
| Fines & Forfeits | 161,321 | 159,998 | 157,467 | 154,672 | 152,023 | 148,710 |
| Charges for Services | 78,407 | 62,057 | 67,330 | 67,737 | 67,982 | 68,514 |
| Miscellaneous | 249,429 | 367,065 | 276,653 | 212,409 | 164,811 | 153,395 |
| <i>Dedicated to other funds</i> | | -1,561 | -4,906 | -2,833 | -801 | 0 |
| NONTAX (NET) | 624,165 | 728,290 | 649,178 | 585,503 | 536,405 | 516,254 |
| LOTTERY | 40,670 | 43,731 | 43,975 | 44,275 | 45,550 | 45,550 |
| <i>Dedicated to other funds</i> | | | -2,518 | -2,518 | -2,568 | -2,568 |
| LOTTERY (NET) | 40,670 | 43,731 | 41,457 | 41,757 | 42,982 | 42,982 |
| GROSS REVENUE | 10,666,048 | 10,699,58 | 10,754,44 | 11,061,107 | 11,284,914 | 11,565,59 |
| LOCAL FUND REVENUE* | 9,886,771 | 9,897,844 | 9,909,679 | 10,190,023 | 10,393,403 | 10,667,20 |
| OTHER FUNDS (See Table 2) ** | 779,278 | 801,753 | 844,805 | 871,084 | 891,512 | 898,269 |

* Local fund total adjusted to include policy revenue

** Adjusted to include policy revenue impacting dedicated revenue

September Revenue Estimate
September 29, 2023
Page 11

TABLE 1: REVENUE SUMMARY TABLE (Continued)

| % Change from Year Ago | ACTUAL | | ESTIMATE | | OUT YEAR PROJECTIONS | |
|----------------------------------|--------|--------|----------|--------|----------------------|---------|
| | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| PROPERTY | -3.3% | 1.3% | -1.3% | 0.2% | 0.8% | 1.2% |
| Real Property | -3.4% | 1.2% | -1.3% | 0.2% | 0.8% | 1.2% |
| Personal Property | 3.0% | -1.8% | -0.6% | 0.9% | 1.0% | 1.1% |
| Public Space Rental | -9.3% | 12.8% | -2.2% | 0.0% | 0.0% | 0.0% |
| Dedicated to other funds | -3.8% | 8.5% | 11.6% | 8.0% | 7.6% | 9.3% |
| PROPERTY (NET) | -3.3% | 1.2% | -1.5% | 0.1% | 0.7% | 1.0% |
| SALES & EXCISE | 38.5% | 10.9% | 2.3% | 3.3% | 3.6% | 3.0% |
| General Sales | 41.5% | 12.5% | 2.3% | 3.4% | 3.8% | 3.1% |
| Alcohol | 11.6% | 2.0% | 1.6% | 1.6% | 1.6% | 1.8% |
| Cigarette | 1.3% | -42.1% | -4.7% | -1.0% | -0.5% | -0.5% |
| Motor Vehicle | 7.1% | -6.8% | 1.0% | 1.6% | 1.6% | 1.6% |
| Motor Fuel | -2.9% | -7.5% | 7.6% | -0.2% | 0.9% | 0.2% |
| Dedicated to other funds | 34.8% | 14.5% | 5.2% | 3.3% | 2.2% | -0.6% |
| SALES & EXCISE(NET) | 39.9% | 9.6% | 1.2% | 3.3% | 4.2% | 4.3% |
| INCOME | 17.2% | 1.0% | 1.5% | 2.0% | 3.5% | 3.9% |
| Individual Income | 17.9% | -0.8% | 4.0% | 4.3% | 4.0% | 4.2% |
| Corporate Franchise | 8.6% | 17.8% | -5.7% | -5.0% | 3.0% | 4.2% |
| U.B. Franchise | 36.6% | -23.2% | -6.2% | -7.1% | -3.1% | -3.6% |
| INCOME (NET) | 17.2% | 1.0% | 1.5% | 2.0% | 3.5% | 3.9% |
| GROSS RECEIPTS | 9.3% | -3.8% | -1.2% | 0.0% | 0.2% | 0.1% |
| Public Utilities | 0.1% | -6.1% | -1.0% | -0.9% | -0.6% | -0.7% |
| Toll Telecommunications | 23.4% | -20.3% | -1.9% | -1.5% | -1.1% | -1.2% |
| Insurance Premiums | 11.5% | 0.4% | 0.8% | 0.9% | 0.9% | 0.9% |
| Ballpark Fee | 13.4% | 8.8% | -9.0% | 0.0% | 0.0% | 0.0% |
| Private sports wagering | 85.2% | -62.8% | 0.0% | 0.0% | 0.0% | 0.0% |
| Games of Skill | 0.0% | 59.4% | 0.0% | 0.0% | 0.0% | 0.0% |
| Health Related Taxes | 11.2% | 0.3% | 1.0% | 1.0% | 1.0% | 1.0% |
| Dedicated to other funds | 10.4% | 5.4% | -2.5% | 1.1% | 1.1% | 1.1% |
| GROSS RECEIPTS (NET) | 8.6% | -9.4% | -0.2% | -0.7% | -0.5% | -0.6% |
| OTHER TAX | 26.1% | -45.7% | 5.3% | 8.5% | 7.3% | 6.8% |
| Estate | 51.9% | 69.7% | -50.6% | 1.2% | 1.2% | 1.2% |
| Deed Recordation | 29.0% | -53.2% | 15.0% | 8.8% | 8.3% | 7.7% |
| Deed Transfer | 15.6% | -53.9% | 28.4% | 7.4% | 8.3% | 7.6% |
| Economic Interest | 62.0% | -59.1% | 1.8% | 37.4% | 0.0% | 0.0% |
| Dedicated to other funds | 24.0% | -53.4% | 20.0% | 8.0% | 8.1% | 7.5% |
| OTHER TAX (NET) | 26.5% | -44.5% | 3.4% | 8.6% | 7.2% | 6.7% |
| TOTAL TAX (GROSS) | 13.5% | -0.8% | 0.9% | 1.9% | 2.8% | 2.9% |
| TOTAL TAX (NET) | 12.6% | -1.1% | 0.5% | 1.8% | 2.8% | 3.1% |
| NONTAX | 27.8% | 16.7% | -10.9% | -9.8% | -8.4% | -3.8% |
| Licenses & Permits | 6.8% | 3.1% | 6.1% | 2.0% | 0.6% | -3.9% |
| Fines & Forfeits | 17.3% | -0.8% | -1.6% | -1.8% | -1.7% | -2.2% |
| Charges for Services | -2.7% | -20.9% | 8.5% | 0.6% | 0.4% | 0.8% |
| Miscellaneous | 73.2% | 47.2% | -24.6% | -23.2% | -22.4% | -6.9% |
| Dedicated to other funds | 0.0% | 0.0% | 214.4% | -42.3% | -71.7% | -100.0% |
| NONTAX (NET) | 27.8% | 16.7% | -10.9% | -9.8% | -8.4% | -3.8% |
| LOTTERY | -15.5% | 7.5% | 0.6% | 0.7% | 2.9% | 0.0% |
| Dedicated to other funds | | | | | | |
| LOTTERY (NET) | -15.5% | 7.5% | -5.2% | 0.7% | 2.9% | 0.0% |
| GROSS REVENUE | 14.1% | 0.3% | 0.5% | 2.9% | 2.0% | 2.5% |
| LOCAL FUND REVENUE | 13.3% | 0.1% | 0.1% | 2.8% | 2.0% | 2.6% |
| OTHER FUNDS (See Table 2) | 25.2% | 2.9% | 5.4% | 3.1% | 2.3% | 0.8% |

September Revenue Estimate
September 29, 2023
Page 12

TABLE 2: DEDICATED/ENTERPRISE REVENUE

| \$ in Thousands | | ACTUAL | | ESTIMATE | | OUT YEAR PROJECTIONS | |
|-------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------------|----------------|
| DEDICATED TO | Tax Type | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| TIF | Real Property | 19,796 | 15,949 | 16,166 | 17,165 | 18,597 | 19,285 |
| | General Sales | 17,963 | 21,316 | 22,300 | 27,331 | 28,724 | 30,187 |
| PILOT | Real Property | 21,619 | 28,553 | 33,648 | 36,719 | 39,469 | 44,297 |
| | General Sales | 14,555 | 22,776 | 26,257 | 27,441 | 28,513 | 29,627 |
| Walter Reed Development | Real Property | 651 | 744 | 744 | 744 | 744 | 744 |
| St. Elizabeth East Campus Red. Fun | Real Property | 203 | 607 | 307 | 607 | 607 | 607 |
| | General Sales | 117 | 81 | 81 | 81 | 81 | 81 |
| Convention Center | General Sales | 117,325 | 150,296 | 156,121 | 163,486 | 168,965 | 172,857 |
| Convention Center-DestinationDC | General Sales | 4,956 | 18,824 | 30,072 | 31,690 | 32,660 | 19,108 |
| Ballpark | General Sales | 12,429 | 14,535 | 16,150 | 16,150 | 16,150 | 16,150 |
| | Public Utility | 7,067 | 6,937 | 6,745 | 6,841 | 6,942 | 6,949 |
| | Toll Telecom | 2,308 | 2,019 | 1,988 | 1,966 | 1,942 | 1,918 |
| | Ballpark Fee | 41,975 | 45,658 | 41,549 | 41,549 | 41,549 | 41,549 |
| Healthy DC - Marijuana | General Sales | 2,229 | 2,046 | 2,234 | 2,234 | 2,234 | 2,234 |
| Healthy DC - MCO | Insurance premium | 63,819 | 68,609 | 67,287 | 68,633 | 70,006 | 71,406 |
| WMATA - Operations | General Sales | 64,172 | 74,986 | 76,557 | 78,126 | 79,726 | 81,321 |
| WMATA - Capital | General Sales | 178,500 | 178,500 | 178,500 | 178,500 | 178,500 | 178,500 |
| WMATA - Bus Fare | General Sales | - | - | - | - | - | - |
| Healthy Schools | General Sales | 5,690 | 5,690 | 5,690 | 5,690 | 5,690 | 5,690 |
| ABRA | General Sales | 1,170 | 1,170 | 1,070 | 1,070 | 1,070 | 1,070 |
| Comm. on Arts and Humanities | General Sales | 41,688 | 42,211 | 42,632 | 43,468 | 44,317 | 45,184 |
| Highway Trust Fund | Motor Fuel | 22,928 | 21,211 | 22,830 | 22,781 | 22,996 | 23,036 |
| Nursing Facility Quality of Care | Health Related | 17,818 | 17,910 | 18,268 | 18,633 | 19,006 | 19,386 |
| Hospital Fund | Health Related | 8,454 | 8,454 | 8,454 | 8,454 | 8,454 | 8,454 |
| Hospital Provider Fee Fund | Health Related | 5,518 | 5,532 | 5,532 | 5,532 | 5,532 | 5,532 |
| ICF-IDD Stevie Sellows | Health Related | 5,518 | 5,539 | 5,539 | 5,539 | 5,539 | 5,539 |
| Dept of Behavioral Health | Sports Wager | 200 | 200 | | | | |
| Neighborhood Safety | Sports Wager | | - | | | | |
| and Engagement Fund | Lottery-SW | | - | | | | |
| Early Childhood Development Fund | Sports Wager | | - | | | | |
| | Lottery-SW | | - | - | - | - | - |
| Vision Zero: Pedestrian Safety Fund | Traffic Fines-ATE | | | 0 | 0 | 0 | - |
| Housing Production | Deed Recordation | 53,763 | 23,771 | 29,065 | 30,678 | 30,622 | 30,583 |
| Trust Fund (HPTF) | Deed Transfer | 40,672 | 18,094 | 23,682 | 25,105 | 26,294 | 27,490 |
| | Economic Interest | 1,058 | 891 | 891 | 891 | 891 | 891 |
| HPTF-Debt Service | Deed Recordation | 3,771 | 3,129 | 1,876 | 1,871 | 1,873 | 1,873 |
| | Deed Transfer | 647 | 646 | 387 | 386 | 387 | 387 |
| | Economic Interest | - | - | - | - | - | - |
| West End Maintenance | Deed Recordation | 338 | 165 | 170 | 175 | 180 | 185 |
| | Deed Transfer | 361 | 165 | 170 | 175 | 180 | 185 |
| TOTAL* | | 779,278 | 807,215 | 842,962 | 869,711 | 888,442 | 892,307 |

September Revenue Estimate
September 29, 2023
Page 13

Supplemental Tables

TABLE 1-1 REVENUE COMPONENTS

\$ in Thousands

| | ACTUAL FY2022 | ESTIMATE FY2023 | ESTIMATE FY2024 | OUT YEAR PROJECTIONS | | |
|---------------------------------|------------------|--------------------|--------------------|----------------------|------------------|------------------|
| | | | | FY2025 | FY2026 | FY2027 |
| 1. REAL PROPERTY | 2,814,534 | 2,848,600 | 2,811,555 | 2,818,067 | 2,840,681 | 2,875,259 |
| Residential (C1) | 1,118,137 | 1,175,185 | 1,208,787 | 1,239,648 | 1,273,952 | 1,311,659 |
| Commercial (C2) | 1,673,550 | 1,650,415 | 1,578,625 | 1,553,793 | 1,541,611 | 1,537,979 |
| Vacant & Blighted | 22,847 | 23,000 | 24,143 | 24,626 | 25,118 | 25,621 |
| 2. GENERAL SALES | 1,702,383 | 1,915,437 | 1,960,032 | 2,026,299 | 2,102,380 | 2,166,629 |
| Retail | 894,879 | 916,573 | 922,080 | 947,450 | 987,161 | 1,026,684 |
| Restaurant | 420,646 | 505,602 | 518,328 | 536,548 | 558,087 | 580,494 |
| Hotel | 247,395 | 346,167 | 368,957 | 388,806 | 400,712 | 400,832 |
| Other | 139,463 | 147,095 | 150,667 | 153,495 | 156,420 | 158,619 |
| 3. INDIVIDUAL INCOME TAX | 3,116,991 | 3,090,868 | 3,214,742 | 3,352,366 | 3,485,144 | 3,631,232 |
| Withholding | 2,423,544 | 2,662,057 | 2,764,957 | 2,884,120 | 3,003,294 | 3,133,281 |
| Non-withholding | 693,447 | 428,811 | 449,786 | 468,247 | 481,850 | 497,950 |

Supplemental Tables

TABLE 1-1 REVENUE COMPONENTS (Continued)

% Change from Year Ago

| | ACTUAL FY2022 | ESTIMATE FY2023 | ESTIMATE FY2024 | OUT YEAR PROJECTIONS | | |
|---------------------------------|------------------|--------------------|--------------------|----------------------|-------------|-------------|
| | | | | FY2025 | FY2026 | FY2027 |
| 1. REAL PROPERTY | -3.4% | 1.2% | -1.3% | 0.2% | 0.8% | 1.2% |
| Residential (C1) | 5.8% | 5.1% | 2.9% | 2.6% | 2.8% | 3.0% |
| Commercial (C2) | -8.9% | -1.4% | -4.3% | -1.6% | -0.8% | -0.2% |
| Vacant & Blighted | 16.8% | 0.7% | 5.0% | 2.0% | 2.0% | 2.0% |
| 2. GENERAL SALES | 41.5% | 12.5% | 2.3% | 3.4% | 3.8% | 3.1% |
| Retail | 20.3% | 2.4% | 0.6% | 2.8% | 4.2% | 4.0% |
| Restaurant | 64.6% | 20.2% | 2.5% | 3.5% | 4.0% | 4.0% |
| Hotel | 183.2% | 39.9% | 6.6% | 5.4% | 3.1% | 0.0% |
| Other | 20.1% | 5.5% | 2.4% | 1.9% | 1.9% | 1.4% |
| 3. INDIVIDUAL INCOME TAX | 17.9% | -0.8% | 4.0% | 4.3% | 4.0% | 4.2% |
| Withholding | 10.1% | 9.8% | 3.9% | 4.3% | 4.1% | 4.3% |
| Non-withholding | 56.6% | -38.2% | 4.9% | 4.1% | 2.9% | 3.3% |

Table 3. Key Economic Variables

Estimated Key Economic Indicators for the DC Economy - September 2023

Forecast Period Fiscal Year 2017 to Fiscal Year 2027

| Variable | Actual | | | | | | Estimated | | Forecast | | |
|--|--------|---------|--------|--------|--------|--------|-----------|---------|----------|---------|---------|
| | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Gross Domestic Product - DC (\$billions) | 132.3 | 138.2 | 143.1 | 144.3 | 151.2 | 160.4 | 169.5 | 177.9 | 185.7 | 193.0 | 201.0 |
| <i>% change annual</i> | 3.1% | 4.5% | 3.6% | 0.8% | 4.8% | 6.1% | 5.7% | 5.0% | 4.4% | 3.9% | 4.1% |
| Real GDP-DC (2012 \$billions) | 120.4 | 123.1 | 124.5 | 122.9 | 125.8 | 129.1 | 130.7 | 132.8 | 134.7 | 136.4 | 138.6 |
| <i>% change annual</i> | 1.3% | 2.2% | 1.1% | -1.3% | 2.3% | 2.6% | 1.2% | 1.6% | 1.4% | 1.3% | 1.6% |
| Personal Income (\$billions) | 54.0 | 56.1 | 57.1 | 61.2 | 64.1 | 64.4 | 67.5 | 70.7 | 73.6 | 76.5 | 79.6 |
| <i>% change annual</i> | 3.7% | 3.9% | 1.8% | 7.2% | 4.8% | 0.4% | 4.9% | 4.8% | 4.0% | 4.0% | 4.0% |
| Real Personal Income (2012 \$billions) | 46.7 | 47.0 | 47.7 | 49.8 | 50.5 | 47.9 | 48.3 | 49.4 | 50.4 | 51.6 | 52.8 |
| <i>% change annual</i> | 3.6% | 0.5% | 1.5% | 4.4% | 1.5% | -5.1% | 0.7% | 2.4% | 2.1% | 2.3% | 2.4% |
| Per capita personal income | 79,477 | 81,923 | 83,037 | 89,634 | 96,093 | 95,728 | 99,616 | 103,759 | 107,338 | 111,172 | 115,130 |
| <i>% change annual</i> | 2.6% | 3.1% | 1.4% | 7.9% | 7.2% | -0.4% | 4.1% | 4.2% | 3.4% | 3.6% | 3.6% |
| Real per capita personal income (2012S) | 68,825 | 68,629 | 69,338 | 72,924 | 75,728 | 71,328 | 71,254 | 72,504 | 73,615 | 74,993 | 76,438 |
| <i>% change annual</i> | 2.5% | -0.3% | 1.0% | 5.2% | 3.8% | -5.8% | -0.1% | 1.8% | 1.5% | 1.9% | 1.9% |
| Wages in DC (\$billions) | 72.2 | 75.7 | 78.1 | 79.5 | 82.9 | 88.0 | 91.4 | 96.2 | 100.5 | 104.4 | 108.5 |
| <i>% change annual</i> | 4.0% | 4.8% | 3.2% | 1.8% | 4.2% | 6.1% | 4.0% | 5.2% | 4.4% | 3.9% | 4.0% |
| Wages of DC residents (\$billions) | 27.1 | 29.0 | 30.3 | 30.9 | 31.7 | 33.6 | 35.2 | 37.0 | 38.7 | 40.2 | 41.8 |
| <i>% change annual</i> | 5.4% | 6.9% | 4.6% | 2.0% | 2.7% | 6.0% | 4.6% | 5.3% | 4.4% | 3.9% | 4.0% |
| Population (000s) | 697.1 | 704.1 | 708.3 | 683.7 | 667.1 | 672.2 | 677.5 | 681.8 | 685.3 | 688.4 | 691.4 |
| <i>% change annual</i> | 1.1% | 0.8% | 0.4% | -0.5% | -2.4% | 0.8% | 0.8% | 0.6% | 0.5% | 0.5% | 0.4% |
| Households (000s) | 301.7 | 307.0 | 312.0 | 312.5 | 319.0 | 325.5 | 328.7 | 331.3 | 333.7 | 335.2 | 337.0 |
| <i>% change annual</i> | 0.3% | 1.8% | 1.6% | 0.2% | 2.1% | 2.0% | 1.0% | 0.8% | 0.7% | 0.5% | 0.5% |
| Civilian labor force (000s) | 394.4 | 395.3 | 398.8 | 391.8 | 377.5 | 386.8 | 390.3 | 391.8 | 392.7 | 394.6 | 396.3 |
| <i>% change annual</i> | 0.2% | 0.2% | 0.9% | -1.8% | -3.7% | 2.5% | 0.9% | 0.4% | 0.2% | 0.5% | 0.4% |
| Employment in DC (000s) | 782.7 | 791.2 | 796.1 | 762.2 | 729.0 | 761.1 | 773.6 | 781.4 | 785.4 | 788.6 | 792.6 |
| <i>% change annual</i> | 1.0% | 1.1% | 0.6% | -4.3% | -4.4% | 4.4% | 1.6% | 1.0% | 0.5% | 0.4% | 0.5% |
| Employment of DC residents (000s) | 369.7 | 373.1 | 376.9 | 363.7 | 350.1 | 366.9 | 371.9 | 371.8 | 371.4 | 372.4 | 374.1 |
| <i>% change annual</i> | 0.3% | 0.9% | 1.0% | -3.5% | -3.7% | 4.8% | 1.4% | 0.0% | -0.1% | 0.3% | 0.4% |
| Unemployment rate | 6.2 | 5.7 | 5.5 | 7.2 | 7.2 | 5.1 | 4.7 | 5.1 | 5.4 | 5.6 | 5.6 |
| Housing Starts | 4,309 | 4,732 | 6,180 | 4,819 | 5,475 | 4,407 | 5,913 | 3,591 | 3,168 | 3,057 | 2,834 |
| Home Sales | 8,598 | 8,957.0 | 8,468 | 10,029 | 12,728 | 11,145 | 7,995 | 7,045 | 7,981 | 8,704 | 10,643 |
| <i>% change annual</i> | 3.1% | 4.2% | -5.5% | 18.4% | 26.9% | -12.4% | -28.3% | -11.9% | 13.3% | 9.1% | 22.3% |
| Avg Home Sale Price (000s) | 824.9 | 835.1 | 798.0 | 800.8 | 826.2 | 834.5 | 801.5 | 819.0 | 837.3 | 861.7 | 890.2 |
| <i>% change annual</i> | 3.8% | 1.2% | -4.4% | 0.4% | 3.2% | 1.0% | -4.0% | 2.2% | 2.2% | 2.9% | 3.3% |
| Multifamily residential rent per unit (\$) | 2,036 | 2,079 | 2,147 | 2,146 | 2,133 | 2,265 | 2,318 | 2,431 | 2,542 | 2,639 | 2,722 |
| <i>% change annual</i> | 1.6% | 2.1% | 3.3% | -0.1% | -0.6% | 6.2% | 2.3% | 4.9% | 4.6% | 3.8% | 3.2% |
| CBD office occupancy rate | 89.3% | 89.5% | 88.9% | 88.1% | 86.0% | 84.7% | 83.3% | 80.6% | 77.9% | 75.6% | 74.2% |
| SP 500 Stock Index | 19.2% | 3.3% | 14.7% | 26.3% | 29.4% | -16.3% | 17.0% | -0.8% | 1.9% | 3.3% | 4.8% |
| US 10-Year Treasury Yield | 2.27% | 2.74% | 2.50% | 1.13% | 1.27% | 2.38% | 3.68% | 3.73% | 3.60% | 3.60% | 3.60% |
| Washington Area CPI: % change prior year | 0.9% | 2.1% | 1.3% | -2.4% | 4.2% | 7.1% | 4.5% | 2.7% | 2.6% | 2.4% | 2.3% |

* Change in S&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 2018 is the % change from CY 2017.4 to CY 2018.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Markit (August 2023) and Moody's Analytics (August 2023); forecasts of the national economy prepared by the Congressional Budget Office (July 2023) and Blue Chip Economic Indicators (August 2023); BLS labor market information from July 2023; the Census Bureau estimates of DC population (2020) based on 2020 mid-year estimate and not 2020 Decennial census; BEA estimates of DC personal income (2023q1); Metropolitan Regional Information System (MRIS) DC home sales data (July 2023), accessed in part through the Greater Capital Area Association of Realtors; CoStar information on commercial office buildings and residential property in DC (2023q2).