



District of Columbia Economic and Revenue Trends: July 2021

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Highlights

% ch, 3 month avg
 Green = Improving*

DC Jobs (p.2)	-1.2 %
DC Wages (p. 6)	1.5 %
Unemployment rate (p.3)	7.2 %
Home prices (p.12)	17.0 %
Office vacancy (p.10)	14.0 %
S&P 500 (p.15)**	42.8 %

* 3-month moving avg growth better than 12 month

** % change annual

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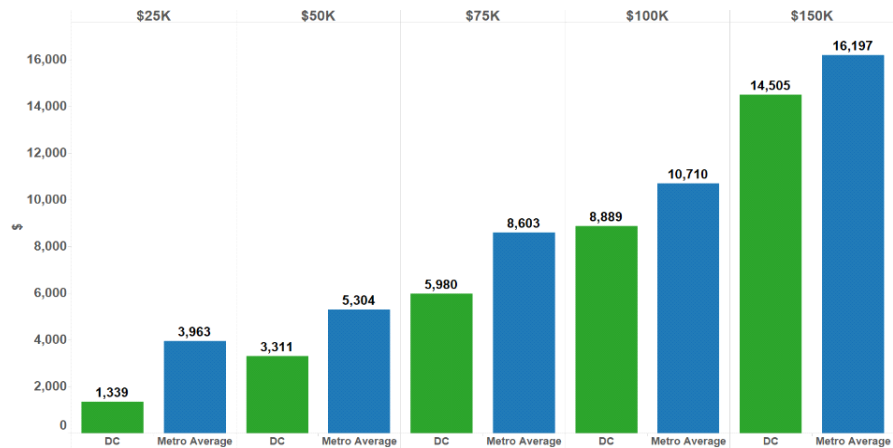
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State and local tax burdens on households in the metro: DC's continue to be lowest

According to a recent Office of Revenue Analysis report, DC households continue to have the lowest combined tax burdens compared to metro area neighbors across four main taxes: income, property, sales, and auto taxes. These calculations are part of an annual study called “Tax Rates and Tax Burdens: Washington Metropolitan Area,” in which hypothetical state and local tax burdens are estimated for a family of three at different income levels in eight Washington-area jurisdictions.

The jurisdictions are DC; Montgomery and Prince George’s counties in Maryland; Arlington and Fairfax counties in Virginia; and the Virginia cities of Alexandria, Fairfax, and Falls Church. For the 2019 tax year—and since 2012—ORA finds that DC continues to have the lowest combined tax burden at each annual income level assessed in the report (\$25,000; \$50,000; \$75,000; \$100,000; and \$150,000).

Chart 1: DC’s Combined Tax Burdens Compared to Average of Other Metro Areas, 2019



Comparison by tax type

Breaking the findings down by specific tax types, the District’s individual income tax burden in 2019 is lower than the average of the other metro areas at all levels except the \$100,000- and \$150,000-income levels, reflecting DC’s progressive income tax rate structure. The District’s income tax burden ranges from less than 0 percent (-\$2,572) at the \$25,000 income level (this negative burden is due to a refundable Earned Income Tax (EITC) and a refundable renter’s property tax credit) to 5.83 percent (\$8,745) at the \$150,000 income level.

(continued page 19)

Wage and salary employment

Private sector experiences growth in May

- In May, DC gained 26,300 jobs compared to a year ago, a 3.7% increase. The decline in the 3-month average was 1.2%, compared to the suburban growth of 3.6% and the U.S. increase of 4.7%.
- Federal sector employment grew 1.8 percent in contrast with the private sector decline of 2.4% in the 3-months ending May. In the 12 months ending May 2021, federal employment increased by 3,692 jobs (1.9%) while the private sector lost 57,133 (-10.4%).
- Seasonally adjusted employment was 3,700 higher in May than April and 7,400 higher than December 2020.

Wage and salary employment located in DC, DC suburbs and US:
June 2019 to May 2021

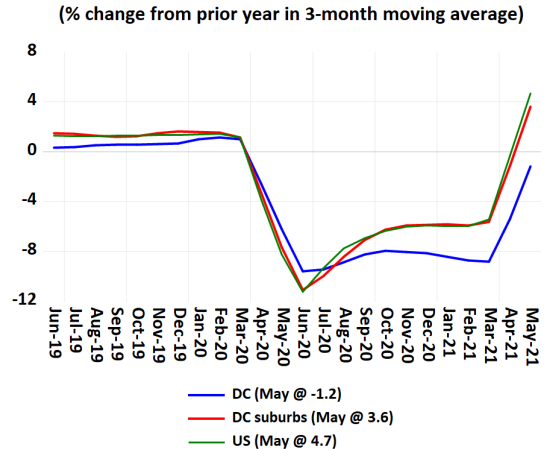


Table 1. Wage and Salary Employment in DC, Washington Metro area, and the US: May 2021

Jurisdiction	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
District of Columbia	791,092	795,867	763,550	733,142	736,967	740,400
1 year change	8,508	4,775	-32,317	-53,433	-8,600	26,300
% change	1.1	0.6	-4.1	-6.8	-1.2	3.7
Washington metro area	3,297,742	3,336,442	3,205,025	3,132,692	3,169,867	3,190,000
1 year change	39,108	38,700	-131,417	-162,292	76,200	210,100
% change	1.2	1.2	-3.9	-4.9	2.5	7.1
Washington suburbs (%ch)	1.2	1.4	-3.9	-4.3	3.6	8.1
US (%ch)	1.6	1.4	-4.0	-4.0	4.7	9.0

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

Source: BLS. May 2021 is preliminary

Federal gov. and private sector wage and salary employment in DC:
June 2019 to May 2021

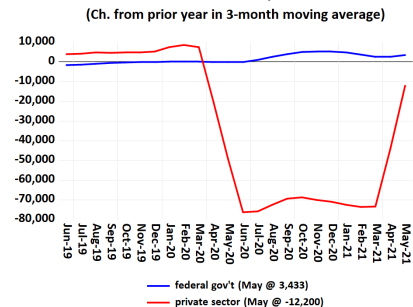


Table 2. Federal government and private sector wage and salary employment in DC: May 2021

Sector	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Federal government	196,983	195,233	196,225	198,908	198,200	198,800
1 year ch.	-3,225	-1,750	992	3,692	3,433	4,500
% change	-1.6	-0.9	0.5	1.9	1.8	2.3
Private sector	552,375	558,050	524,775	491,517	496,800	499,900
1 year ch.	11,125	5,675	-33,275	-57,133	-12,200	21,800
% change	2.1	1.0	-6.0	-10.4	-2.4	4.6

Source: BLS. Not seasonally adjusted. May is preliminary

Table 3. Seasonally Adjusted DC Employment: December 2020 to May 2021

Indicator	December	January	February	March	April	May
D.C. Wage and Salary Employment	733,900	732,500	731,400	732,000	737,600	741,300
change from prior month	300	-1,400	-1,100	600	5,600	3,700
%change from prior month	0.0	-0.2	-0.2	0.1	0.8	0.5

Source: BLS seasonally adjusted. May is preliminary.

Resident employment and unemployment

Resident employment increased and unemployment claims saw a drop

- In May DC resident employment was up 2,275 (0.6%) from a year earlier (*3-mo. moving average*). The labor force fell by 4,897 (1.2%)—and the number of unemployed fell 7,173 (21.2%). The unemployment rate in May was 6.3%.
- Initial claims for unemployment insurance continued to improve. The 3-mo. moving average ending May 2021 was 24,613 lower than May 2020.
- Seasonally adjusted resident employment grew in May, adding 469 jobs from April.

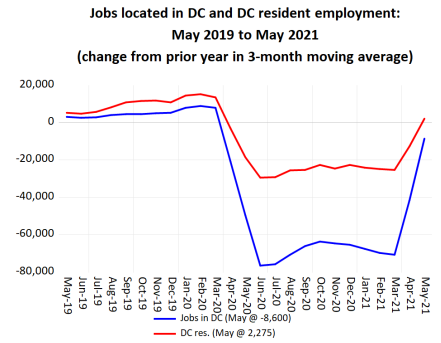


Table 4. Unemployment rates for DC, metro area, and US: May 2021

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	May-20	May-21	May-20	May-21
US	13.0	5.5	13.3	5.8
DC	9.0	6.3	8.9	7.2
DC metro area	8.7	5.0	na	na
DC suburbs	8.6	4.8	na	na

Source: BLS; na=data not available.

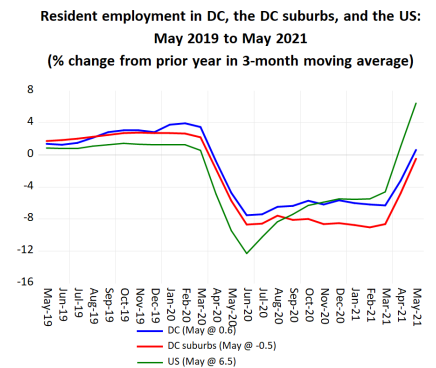


Table 5. Resident employment and unemployment: May 2021

Indicator	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
DC Labor force summary						
Resident Employment	383,596	390,000	382,462	372,926	375,896	377,564
1 year ch.	6,596	6,404	-7,538	-18,127	2,275	16,717
% change	1.7	1.7	-1.9	-4.6	0.6	4.6
Labor Force	407,036	412,824	411,558	405,813	402,576	403,110
1 year ch.	5,084	5,788	-1,266	-9,724	-4,897	6,598
% change	1.3	1.4	-0.3	-2.3	-1.2	1.7
Unemployed residents	23,440	22,824	29,096	32,887	26,679	25,546
1 year ch.	-1,511	-616	6,272	8,403	-7,173	-10,119
% change	-6.1	-2.6	27.5	34.3	-21.2	-28.4
Unemployment rate	5.8	5.5	7.1	8.1	6.6	6.3
DC Unemployment insurance (state program)						
Initial Claims (mo. avg)	1,611	2,299	12,886	8,613	9,655	6,880
1 year ch.	106	687	10,588	-1,570	-24,613	-14,738
% change	7.1	42.7	460.6	-15.4	-71.8	-68.2
Weeks compensated (mo. avg)	30,429	27,473	139,780	144,479	56,824	51,364
1 year ch.	-926	-2,956	112,307	86,887	-96,464	-182,886
% change	-3.0	-9.7	408.8	150.9	-62.9	-78.1

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

Table 6. Seasonally Adjusted DC resident employment and unemployment: December 2020 to May 2021

Indicator	December	January	February	March	April	May
DC resident employment	373,290	374,800	375,159	375,385	375,667	376,136
change from prior month	-337	1,510	359	226	282	469
% change from prior month	-0.1	0.4	0.1	0.1	0.1	0.1
DC unemployment rate	8.8	8.4	8.1	7.7	7.5	7.2

Source: BLS seasonally adjusted. May is preliminary.

Jobs by sectors of the economy

Government, professional and technology, health, food service, trade, construction and other private experienced growth in May

- Government added 3,600 jobs in May over May 2020, mostly in federal government, and the private sector lost 12,200 jobs. (3-month moving avg.)
- In May, professional and technical services (not including legal) gained 2,267 jobs over last year and legal jobs went down 667 or 2.3%. (3-month moving avg.)
- Hospitality (food service, accommodation, and amusement) lost a combined 4,700 jobs or 9.8%. The education sector, mostly private colleges and universities, lost 1,233 (2.1%). Business services (excluding employment services) lost 2,700 (8.7%).
- The federal government accounted for 26.9% of all DC jobs in May. Federal jobs located in DC accounted for 53.4% of metro area federal jobs and 6.9% of US federal jobs.
- Hospitality jobs account for 5.8% of all DC jobs in May. Last year, in May 2020, the hospitality share of DC jobs was 6.4%.

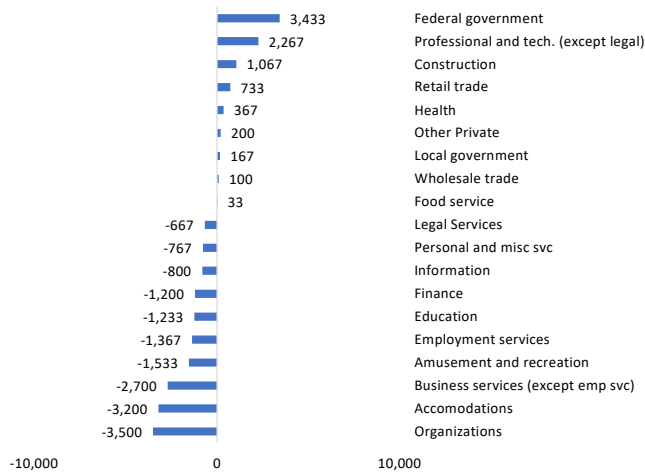
Table 7. Wage and salary employment located in DC: May 2021

Industry sector	3-month moving average						DC share (%) in May 2021 of all sector jobs in:	
	May 2020	May 2021	1 year change		12 mo. moving avg: %change	Sector % of all DC jobs, May 2021	metro area	US
Federal government	194,767	198,200	3,433	1.8	1.9	26.9	53.4	6.9
Local government	41,800	41,967	167	0.4	0.0	5.6	12.4	0.2
Legal Services	28,733	28,067	-667	-2.3	-3.2	3.8		2.5
Professional and tech. (except legal)	92,767	95,033	2,267	2.4	0.7	12.9	22.9	1.1
Employment services	12,133	10,767	-1,367	-11.3	-19.6	1.5	22.2	0.3
Business services (except emp svc)	31,000	28,300	-2,700	-8.7	-11.6	3.8	19.5	0.5
Information	20,033	19,233	-800	-4.0	-4.5	2.6	26.5	0.7
Finance	29,300	28,100	-1,200	-4.1	-4.5	3.8	18.6	0.3
Organizations	68,300	64,800	-3,500	-5.1	-4.4	8.8	36.8	2.3
Education	58,667	57,433	-1,233	-2.1	-5.4	7.7	52.6	1.6
Health	68,100	68,467	367	0.5	-3.5	9.3	21.2	0.3
Food service	30,667	30,700	33	0.1	-43.6	4.4	17.4	0.3
Accommodations	10,167	6,967	-3,200	-31.5	-55.3	1.0	28.2	0.5
Amusement and recreation	6,900	5,367	-1,533	-22.2	-44.6	0.7	15.6	0.3
Retail trade	19,267	20,000	733	3.8	-11.1	2.7	7.8	0.1
Wholesale trade	4,967	5,067	100	2.0	-3.2	0.7	8.1	0.1
Construction	14,367	15,433	1,067	7.4	4.1	2.1	9.6	0.2
Personal and misc svc	5,567	4,800	-767	-13.8	-34.3	0.6		0.2
Other Private	8,067	8,267	200	2.5	-11.5	1.1	4.8	0.0
Total	745,567	736,967	-8,600	-1.2	-6.8	100.0	23.2	0.5
<i>Public Sector</i>	<i>236,567</i>	<i>240,167</i>	<i>3,600</i>	<i>1.5</i>	<i>1.6</i>	<i>32.5</i>	<i>33.9</i>	<i>1.1</i>
<i>Private Sector</i>	<i>509,000</i>	<i>496,800</i>	<i>-12,200</i>	<i>-2.4</i>	<i>-10.4</i>	<i>67.5</i>	<i>20.2</i>	<i>0.4</i>

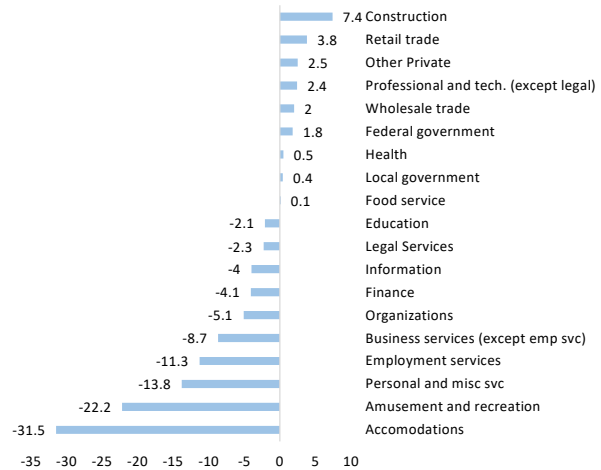
Source: BLS. Not seasonally adjusted. na=not available. For metro area, legal is included in other professional and technical and personal and miscellaneous service is included in organizations.

Jobs and wages by sector

Change in wage and salary jobs in DC:
May 2020 to May 2021
(Calculated from 3-month moving average)



% change in wage and salary jobs in DC:
May 2020 to May 2021
(Calculated from 3-month moving average)



Over the year ending March, there was negative growth in private sector jobs. The highest growth in wages occurred in the information and financial services sector.

- For the year ending March the federal government accounted for 27.1% of all jobs and 29.7% of all wages and salaries in DC. Over the 4 quarters, federal jobs increased 1.5% while wages grew 4.2%. Note data for employment shown as quarterly to compare to wages.
- Professional and management services jobs decreased 758 in the 4-quarter average ending March 2021 and wages in the sector grew 4.4 percent. This sector account for 24.6% of DC wages and 17.0% of DC jobs.
- Trade and hospitality lost 47,958 jobs (43.7%) and almost \$2.0 billion in wages (41.7%). The sector was 13.8% of DC employment in March 2020 and is now only 8.6%.

Table 8. Employment and income by sector of the DC economy: Quarter ending March 2021

Sector	4 qtr avg. wage and salary employment in DC ending March 2021			4 qtr avg. wages and salaries earned in DC ending March 2021			Percentage Distribution	
	Level	Annual change (jobs)	Annual Change (%)	Level (\$b)	Annual change (\$b)	Annual Change (%)	March 2021	
							Employment	Wages
Total	729,583	-69,592	-8.7	80.13	0.94	1.2	100.0	100.0
Federal government	198,225	2,975	1.5	24.13	0.96	4.2	27.1	29.7
Local government	42,683	-33	-0.1	3.68	0.06	1.6	5.8	4.5
Professional and Management	124,075	-758	-0.6	19.39	0.82	4.4	17.0	24.6
Business services	40,358	-7,100	-15.0	2.58	-0.09	-3.3	5.5	3.2
Information and financial services	47,908	-2,133	-4.3	7.79	0.57	7.9	6.4	9.8
Education and health services	122,992	-7,342	-5.6	8.11	0.16	2.0	17.1	10.1
Trade and hospitality	61,792	-47,958	-43.7	2.76	-1.98	-41.7	8.6	3.7
Organizations and personal services	71,558	-6,100	-7.9	7.97	0.32	4.2	9.6	9.7
Other private	19,992	-1,142	-5.4	3.73	0.11	3.1	2.8	4.6
<i>Private sector</i>	<i>488,675</i>	<i>-72,533</i>	<i>-12.9</i>	<i>52.32</i>	<i>-0.08</i>	<i>-0.1</i>	<i>67.1</i>	<i>65.7</i>
<i>Government</i>	<i>240,908</i>	<i>2,942</i>	<i>1.2</i>	<i>27.81</i>	<i>1.02</i>	<i>3.8</i>	<i>32.9</i>	<i>34.3</i>

Source: BLS and BEA. Federal government wages and salaries includes military.

Wages and income

DC's personal income and wages grew in the March 2021 quarter.

- Wages and salaries earned in the District of Columbia grew 1.5% in the March quarter compared to the same quarter of 2020.
- In the March quarter, DC Personal Income grew 10.5%, compared to 16.1% for the US average.
- Proprietors' income increased 5.2% and property income decreased by 1.8% in the March quarter over the same quarter in 2020.
- Pensions and other transfers, where federal pandemic relief for individuals is reported, grew 74.4% over last year in the March quarter.

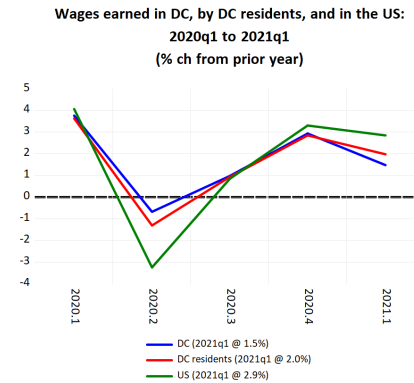


Table 9. DC Wages and Personal Income: 2021q1

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

Indicator	FY 2018	FY 2019	FY 2020	4-qtr. moving avg	Latest qtr. 2021q1
Wages and salaries earned in DC	75.5	78.0	79.3	80.1	82.1
1 yr change	3.4	2.5	1.3	0.9	1.2
% change	4.8	3.3	1.7	1.2	1.5
Supplements to wages and salaries	19.5	20.3	20.7	21.0	21.3
1 yr change	1.1	0.8	0.4	0.4	0.5
% change	5.7	4.1	2.0	2.1	2.6
Income earned in DC*	91.2	94.1	95.8	97.0	99.4
% change	3.7	3.3	1.8	1.4	1.9
Net resident adjustment**	-51.9	-53.4	-54.2	-54.7	-55.9
% change	3.7	2.7	1.5	1.3	1.3
Income earned by DC residents*	39.2	40.8	41.7	42.2	43.5
% change	3.8	4.0	2.1	1.6	2.7
Wages and salaries of DC residents***	29.0	30.3	30.8	31.2	32.1
1 yr change	1.9	1.3	0.5	0.3	0.6
% change	7.0	4.6	1.8	1.1	2.0
Proprietors income earned by DC residents****	6.9	6.8	7.1	7.3	7.6
% change	-10.1	-0.3	4.2	3.5	5.2
Property income of DC residents	10.6	10.6	10.5	10.4	10.5
% change	4.1	0.7	-1.2	-1.8	-1.8
Pensions and other transfers	6.8	7.0	9.3	11.1	12.7
% change	1.8	3.4	33.1	55.7	74.4
DC personal income	56.6	58.4	61.5	63.8	66.6
1 yr change	2.0	1.9	3.1	4.4	6.3
% change	3.6	3.3	5.2	7.5	10.5
US Personal income (% change from prior year)	5.2	4.3	6.3	9.7	16.1
US Wages and Salaries (% change from prior year)	5.4	4.6	1.6	1.0	2.9
Addendum:					
DC res. wages as % of wages earned in DC	38.4	38.9	38.9	39.0	39.1
DC Personal income as % of US	0.32	0.32	0.32	0.31	0.3

*Excludes social insurance paid by individuals. Wage and salary amounts do include social insurance paid by individuals.

**Algebraic sum of (1) income earned in DC by non residents (negative) and (2) income earned by DC residents outside of DC (positive). Since this is a negative number, the larger the increase (or faster the rate of growth), the less growth for income earned by DC residents.)

*** Proprietors' income is derived from federal tax data and therefore all proprietor's income is earned by DC residents

****Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC; excludes social insurance paid by individuals.

Source: BEA; data released June 22, 2021

Population, jobs, and per capita income

DC's population growth rate slows and wages grow in the March quarter.

- At mid-year 2020, population was estimated to be 4,563 (0.6%) higher than the prior year and wage and salary employment decreased by 76,467 (9.6%).
- In 2020 population grew at a much slower rate than the average growth rate over the 5 years 2015 to 2020 while wage employment fell significantly in the 2nd quarter of 2020 due to the pandemic.
- In the March quarter, DC's per capita income grew at 10.0%, lower than the US rate of 16.1%.
- In the March quarter, wages per job in DC grew faster than in the US (11.3% v 10.0%).

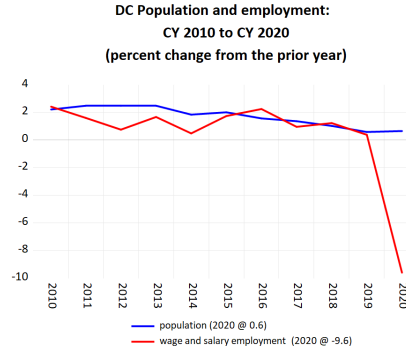
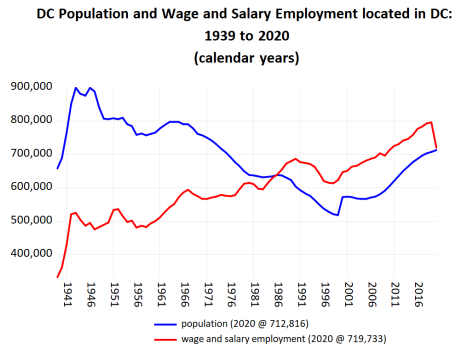


Table 10. DC Population and wage and salary employment located in DC: 2012 to 2020

Calendar Year	Population			Wage and salary employment		
	Number	Change from prior year Number	%	Number	Change from prior year Number	%
2012	635,737	15,447	2.5	730,533	5,367	0.7
2013	651,559	15,822	2.5	742,633	12,100	1.7
2014	663,603	12,044	1.8	746,133	3,500	0.5
2015	677,014	13,411	2.0	759,133	13,000	1.7
2016	687,576	10,562	1.6	776,167	17,033	2.2
2017	697,079	9,503	1.4	783,567	7,400	1.0
2018	704,147	7,068	1.0	793,133	9,567	1.2
2019	708,253	4,106	0.6	796,200	3,067	0.4
2020	712,816	4,563	0.6	719,733	-76,467	-9.6
<i>Ch. from 2015 to 2020</i>		35,802	5.3		-39,400	-5.2
<i>Avg. annual ch.(2015 to 2020)</i>		7,160			(7,880)	

Source: US Bureau of the Census (Population); BLS seasonally adjusted for year ending June quarter.

Table 11. Per capita income and wages per job in DC and the US: FY 2018 to March 2021

	DC					US				
	FY 2018	FY 2019	FY 2020	4-qtr moving avg (March 2021)	2021q1	FY 2018	FY 2019	FY 2020	4-qtr moving avg (March 2021)	2021q1
Per capita income	80,522	82,588	86,350	89,367	93,221	54,028	56,057	59,152	62,069	66,770
% ch in per capita income	2.5	2.6	4.6	6.9	10.0	4.9	3.8	5.5	9.2	16.1
% ch in population	1.1	0.7	0.6	0.5	0.4	0.6	0.5	0.5	NA	NA
% ch in personal income	3.6	3.3	5.2	7.5	10.5	5.5	4.3	6.0	9.7	16.6
Wages per job	95,393	97,959	103,995	109,830	112,703	59,429	61,308	64,559	67,603	69,789
% ch in wages per job	3.6	2.7	6.2	10.8	11.3	3.7	3.2	5.3	8.9	10.0
% ch in wage and salary jobs	1.1	0.6	-4.1	-8.7	-8.8	1.6	1.4	-4.0	-7.4	-5.4
% ch in total wages	4.8	3.3	1.7	1.2	1.5	5.3	4.6	1.0	0.9	4.0
	<i>Washington Metro</i>					<i>U.S.</i>				
<i>Consumer price index</i>	2.1	1.3	0.9	1.1	2.1	2.4	1.9	1.5	1.2	1.9

Source: BEA for per capita income, population, and personal income; BLS for CPI. Note: % changes are from the same period of the prior year.

Multifamily-unit housing and housing permits

New housing permit issuance up in May 2021 relative to May 2020.

- For the 12-month period ending May, 7,229 housing permits were issued, up 35.6% from the same period last year. The 3-month total (1,151) was 13.8% lower than the same period last year. Multifamily project permits were issued for 3 projects in May.
- According to CoStar, in the quarter ending June 2021, the inventory of apartments and condominiums increased by 7,460 (3.7%) from a year earlier, an uptick from last quarter.
- Of the increase in inventory of multifamily units in the second quarter, 97.5% were in apartments. Of the housing permits issued over the past 12-months, 94.3% were included in 56 buildings with 5 or more units.
- In the quarter ending June 2021, there were 14,891 multi-family units were under construction in 98 buildings. Of the construction, apartments accounted for 80.6% of the buildings and 95.3% of the units.

Table 12. Housing unit building permits issued in DC: May 2021

	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Total units	4,640	7,168	5,618	7,229	1,151	403
1 year ch.	592	2,528	-1,550	1,896	-185	10
% change	14.6	54.5	-21.6	35.6	-13.8	2.5
Multifamily projects with 5 or more units						
number	46	63	43	56	14	3
average size	85	122	124	134	70	101
Units in small projects with up to 4 units						
% of all units	3.9	3.0	4.5	5.7	15.1	24.8

Source: Census Bureau (permits for privately owned units during period)

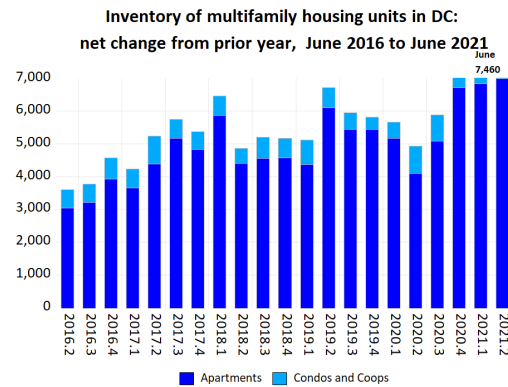
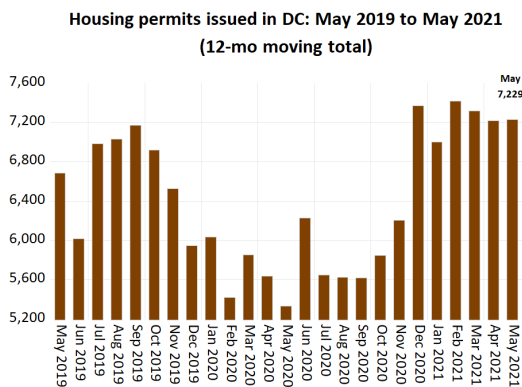


Table 13. Inventory and construction for private sector apartments and condominiums in DC: 2015 to 2021q2

CY	Inventory									Under Construction					
	All units			Apartments			Condominiums			Apartments			Condominiums		
	Number	1 yr Change	%	buildings	units	1 yr ch.	buildings	units	1 yr ch.	buildings	units	units per bldg	buildings	units	units per bldg
2015	175,871	2,907	1.7%	2,954	132,852	2,230	648	34,198	677	59	10,029	169	41	1,054	26
2016	180,442	4,571	2.6%	2,978	136,772	3,920	679	34,845	647	62	10,813	173	35	1,322	38
2017	185,808	5,366	3.0%	3,001	141,594	4,822	695	35,389	544	59	11,181	189	28	1,297	46
2018	190,985	5,177	2.8%	3,027	146,169	4,575	711	35,991	602	69	13,284	192	22	1,144	52
2019	196,804	5,819	3.0%	3,060	151,619	5,450	722	36,360	369	67	13,599	202	22	1,198	54
2020	204,293	7,489	3.8%	3,092	158,335	6,716	731	37,133	773	79	13,011	164	24	805	34
2021q2	207,147	7,460	3.7%	3,113	161,057	7,274	738	37,265	186	79	14,192	180	19	699	37
1 Q Ch.	1,863			13	1,731		-5	-106		-3	232		-5	-106	

Source: CoStar. Includes units in privately-owned buildings with 5 or more units. CY amounts are last quarter of the year. Includes affordable units. Data is as of July 8, 2021. All units include cooperative apartments, not shown separately. In 2021 there are 123 co-op buildings with 8,825 units with an average building size of 72 units.

Apartments

Vacancy rate for premium apartments (Class A) exceed average by a little over 5 percentage points.

- According to CoStar, for the quarter ending June, 2021, occupied apartments increased by 3,201 (2.3%) from the prior year. The overall vacancy rate rose to 10.9% and average rents increased 0.1%.
- In the second quarter 2021, Class A units accounted for 28.8% of all units in the city and 27.3% of occupied units.
- Over the past year effective rent in Class A apartments increased while Class B and Class C declined.
- Vacancy rates at the end of June 2021: Class A 16.1%, Class B 13.1%, and Class C 6.8%. The rate for all classes decreased from last quarter.
- There are 79 buildings under construction, adding 14,192 units to inventory; 82.0% of which is Class A properties that have the highest vacancy rate.

DC Apartment Units: (1) 12mo change in inventory and occupied units, (2) units under construction, (3) vacancy rate from 2018Q1 to 2021q2

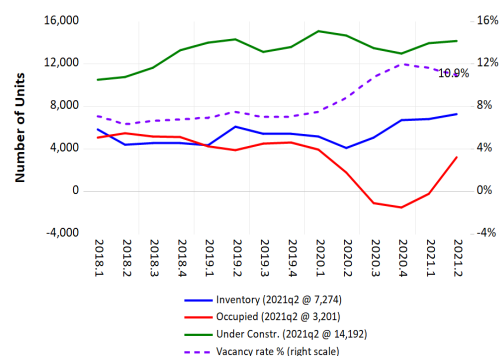
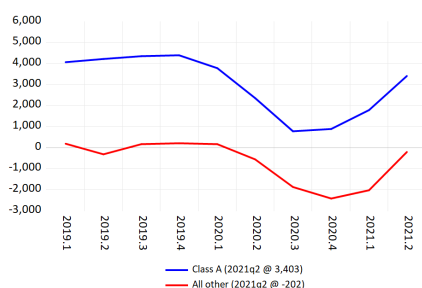


Table 14. Apartment Units in DC: 2015 to 2021q2

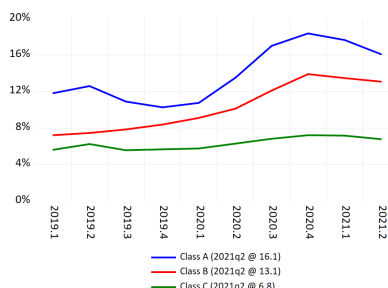
FY	Level				Change from prior year						Average Rent		1 yr ch in units under constr.	
	Inventory	Occupied	Vacant	% vacant	inventory units	%ch	Occupied units	%ch	Vacant units	%ch	Effective rent per unit	1yr %ch	units	under constr.
2015	132,295	122,608	8,593	6.5	3,401	2.6	3,565	3.0	-164	-1.9	\$1,850	1.9	2,641	
2016	135,505	125,771	8,640	6.4	3,210	2.4	3,163	2.6	47	0.5	\$1,900	2.7	1,246	
2017	140,672	129,348	10,230	7.3	5,167	3.8	3,577	2.8	1,590	18.4	\$1,909	0.5	178	
2018	145,236	134,513	9,629	6.6	4,564	3.2	5,165	4.0	-601	-5.9	\$1,954	2.4	272	
2019	150,675	139,023	10,507	7.0	5,439	3.7	4,510	3.4	878	9.1	\$2,000	2.4	1,490	
2020	155,754	137,930	16,679	10.7	5,079	3.4	-1,093	-0.8	6,172	58.7	\$1,881	-6.0	355	
2021q2	161,057	142,298	17,614	10.9	7,274	4.7	3,201	2.3	4,073	30.1	\$1,960	0.1	-481	
1 Q ch	1,731	2,604	-873								\$97			

Source: CoStar, as of July 8, 2021

Change from the prior year in occupied Class A and all other classes of apartments from 2019Q1 to 2021q2



Vacancy rate by apartment building class from 2019Q1 to 2021q2



1-Yr % change in average effective rent by apartment building class from 2019Q1 to 2021q2

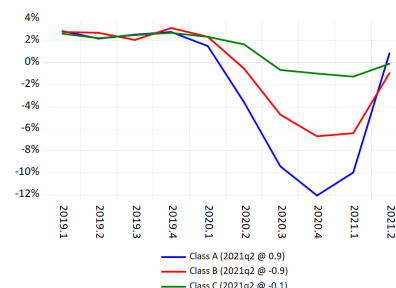


Table 15. Market rate apartment units in DC, Classes A, B, and C: 2021q2

Class	inventory					Occupied			Effective monthly rent		Under construction		
	Buildings	Number	1 yr ch	% ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units	Avg. size
Class A	208	46,315	5,318	13.0	16.1	38,862	3,403	9.6	2,570	0.9	45	11,645	259
Class B	909	55,716	1,956	3.6	13.1	48,416	108	0.2	1,863	-0.9	34	2,547	75
Class C	1,969	58,865	0	0.0	6.8	54,866	-310	-0.6	1,389	-0.1	0	0	0

Source: CoStar; includes units in privately-owned buildings with 5 or more units, including affordable units. Vacancy rate is occupied units divided by inventor. Sum of class A, B, and C may not equal total. Data is as of July 8, 2021.

Commercial office space

Office vacancy rate rose to 14.0%, led by premium space (Class A)

- According to CoStar, for the quarter ending June occupied office space declined by 3.85 million sq. ft.(msf) from last year and inventory decreased by 0.60 msf. The vacancy rate has risen to 14.0% (including sublet) and average base rent declined 0.5%.
- The vacancy rate for class A space was 14.5% in June, up from 13.1% a year ago . The vacancy rate for Class B office was slightly higher than Class A.
- Space under construction in June 2021 (2.7 million square feet in 16 buildings).
- Occupancy declined over the past year for all classes and rents only grew in Class A properties.

DC Office Space (millions sq ft): (1) 12mo change in inventory and occupied units, (2) units under construction, (3) vacancy rate from 2018Q1 to 2021q2

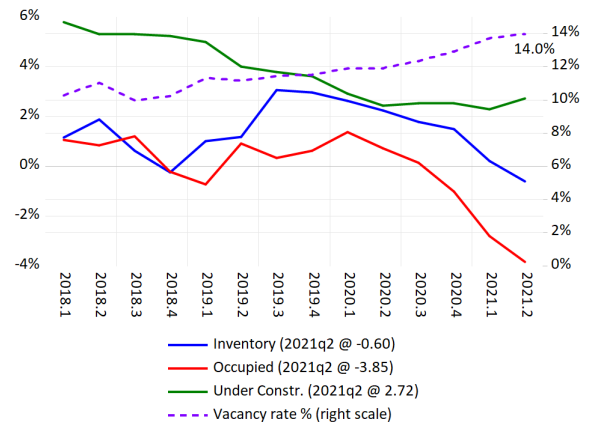
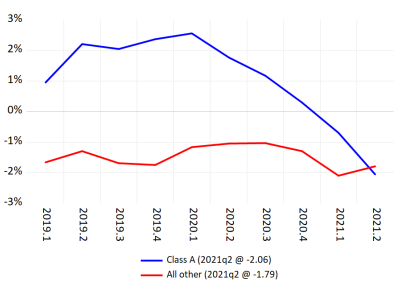


Table 16. DC Commercial office space: 2016 to 2021q2

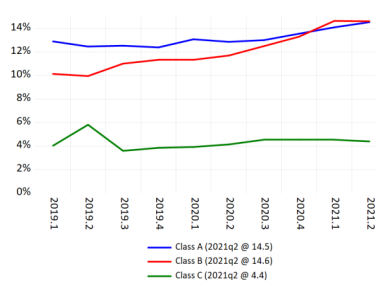
CY (year end)	Inventory				Occupied space			Vacant space			Base rent (direct)		Under constr.		
	Buildings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Direct only %	Total %	\$ per sq ft	1 yr % ch	Buildings	msf	Avg, sf / bldg
2016	2,399	158.48	0.88	0.6	141.50	-0.42	-0.3	17.0	10.2	10.8	\$50.13	3.7	20	5.24	261,827
2017	2,391	159.08	0.60	0.4	142.83	1.32	0.9	16.3	9.6	10.3	\$51.22	2.2	22	5.90	268,045
2018	2,388	158.84	-0.24	-0.2	142.60	-0.22	-0.2	16.2	9.5	10.2	\$52.19	1.9	21	5.24	249,471
2019	2,398	161.81	2.97	1.9	143.23	0.62	0.4	18.6	10.8	11.7	\$53.35	2.2	22	3.62	164,324
2020	2,402	163.32	1.50	0.9	142.22	-1.01	-0.7	21.1	12.0	13.0	\$53.51	0.3	17	2.53	148,752
2021q2	2,401	162.73	-0.60	-0.4	140.03	-3.85	-2.7	22.7	12.8	14.0	\$53.30	-0.5	16	2.72	169,845
1 Q ch	0	-0.32			-0.64	0.00			0.1	0.2	-\$0.24		1	0.42	

Source: CoStar, as of July 8, 2021; msf = million square feet; base rent excludes concessions.

Change from the prior year in occupied Class A and all other classes from 2019Q1 to 2021Q2 (millions of sq ft)



Vacancy rate by office building class from 2019Q1 to 2021Q2



1-Yr % change in average effective rent by office building class from 2019Q1 to 2021Q2

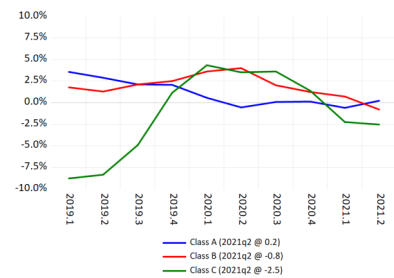


Table 17. DC Class A, B, and C commercial office space: 2021q2

Class	Inventory				Occupied space			Vacant space			Base rent (direct)		Under const.	
	Buildings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	Direct %	Total %	\$	1 yr %ch	buildings	msf
Class A	338	93.57	-0.57	-0.6	79.97	-2.06	-2.5	13.60	13.1	14.5	\$57.02	0.2	13	2.64
Class B	943	59.23	0.03	0.0	50.56	-1.71	-3.3	8.67	13.6	14.6	\$49.67	-0.8	3	0.08
Class C	1,116	9.93	-0.06	-0.6	9.49	-0.08	-0.8	0.44	4.4	4.4	\$34.17	-2.5	0	0.00

Source: CoStar, as of July 8, 2021

Property transfers and deed taxes

Property sales for May up over last year.

- The value of property transfers in May, \$12.3 billion, was 12.8% below a year ago as measured by the 12-month moving total. The 3-month moving total, \$3.7 billion, was 72.3% higher than last year.
- Over the 12-month period ending May the estimated value of brokered home sales was 36% above last year while the value of all other real property transfers was 50.3% below last year. For the last 3 months, the value of brokered home transfers was 66% higher than last year and non-home transfers grew 86.7%.

Table 18. Market value of real property transfers subject to the deed transfer or economic interest tax: FY 2018 to May 2021

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total	This month
All property transfers (\$M)	14,646.3	17,355.2	10,587.9	12,287.5	3,662.1	1,292.8
change from one year ago (\$M)	647.8	2,708.8	-6,767.3	-1,802.2	1,536.9	705.2
% change from one year ago	4.6	18.5	-39.0	-12.8	72.3	120

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

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

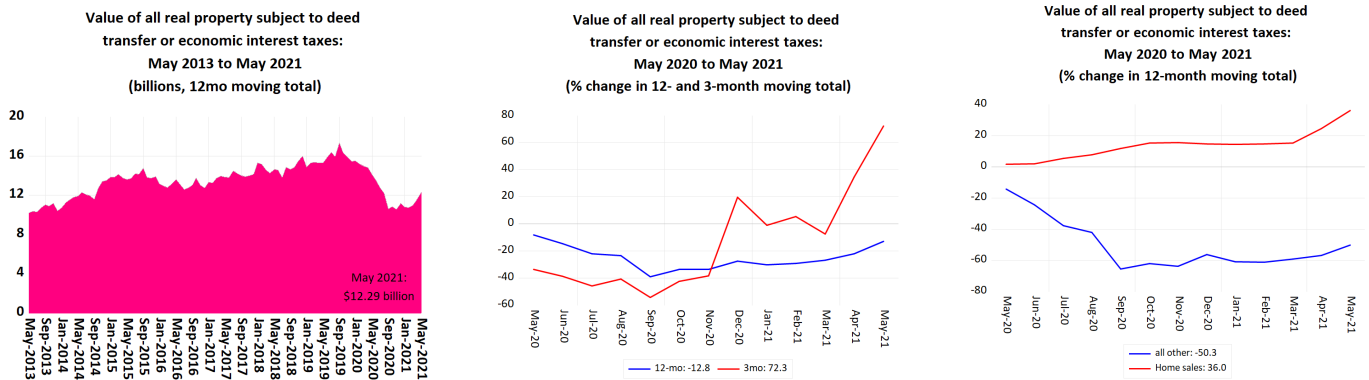


Table 19. Value of (1) brokered home sales and (2) all other real property subject to the deed transfer and economic interest taxes: FY 2018 to May 2021

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total
Brokered home sales (\$m)	6,184	5,986	6,692	8,331	2,454
All other property (\$m)	8,462	11,370	3,896	3,957	1,208
% Change from 1 year ago					
Brokered home sales	6.2	-3.2	11.8	36	66
All other property	3.5	34.4	-65.7	-50.3	86.7

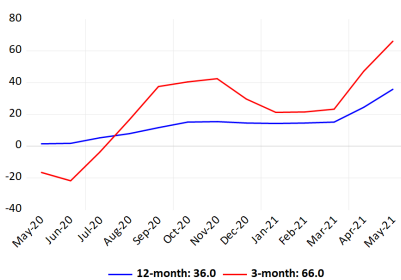
Source: Brokered sales of single family homes and condominium units are from MarketStats by ShowingTime; Other property transfers equals the difference between the value of all real property transfers calculated from deed tax collections reported by the OCFO and the value of brokered sales.

Single family and condominium housing

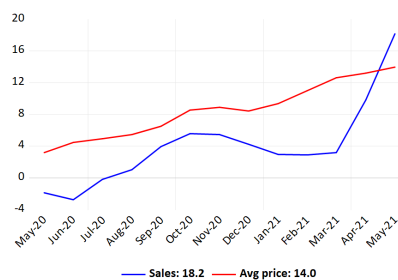
Sales volume and average sale prices were higher in May

- Single family home sales for May were up 18.2% from a year earlier (12-month average), while the average selling price was 14.0% higher. For the past three months, sales volume was up 39.3% and the average selling price was 17.0% higher.
- Condominium sales were up 35.0% from last year (12-month average ending May) and the average selling price was 0.4% higher. For the past three months, sales volume was up 69.4% but prices were up 0.7%.
- All home sales for the 12-month period ending May rose 26.2% from last year. The 3-month moving total was 54.1% higher.

Total value of sales of single family and condo units:
May 2020 to May 2021
(% change in 12- and 3-month moving total)



Single family homes sold in DC:
May 2020 to May 2021
(% change in 12-month moving average)



Condominium units sold in DC:
May 2020 to May 2021
(% change in 12-month moving average)

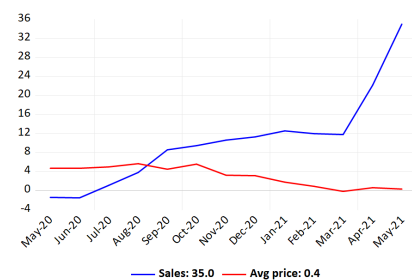


Table 20. Residential real estate indicators: May 2021

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total	This month
Number of single family sales (settled contracts)						
Single family homes	4,717	4,439	4,614	5,212	1,406	488
1 year change	165	-278	175	802	397	180
% change	3.6	-5.9	3.9	18.2	39.3	58.4
Condominium	4,240	3,995	4,338	5,417	1,653	541
1 year change	194	-245	343	1,403	677	283
% change	4.8	-5.8	8.6	35.0	69.4	109.7
Total	8,957	8,434	8,952	10,629	3,059	1,029
1 year change	359	-523	518	2,205	1,074	463
% change	4.2	-5.8	6.1	26.2	54.1	81.8
Average prices of units sold						
Single family homes	\$828,741	\$861,921	\$918,292	\$1,007,888	\$1,070,315	\$1,109,822
1 year change	8,816	33,180	56,371	123,603	155,837	148,059
% change	1.1	4.0	6.5	14.0	17.0	15.4
Condominium	\$528,229	\$537,663	\$561,991	\$558,123	\$572,979	\$573,739
1 year change	17,620	9,433	24,328	1,962	4,084	2,227
% change	3.5	1.8	4.5	0.4	0.7	0.4
Total Value of All Sales (\$M)	\$6,184	\$5,986	\$6,692	\$8,331	\$2,454	\$852
1 year change	361	-199	706	2,204	976	408
% change	6.2	-3.2	11.8	36.0	66.0	92.0

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

Source: MarketStats by ShowingTime, accessed by BrightMLS. Sales are ones closed during period shown.

Single family and condominium housing

The FHFA house price index for DC slowed relative to the national average in the 1st Quarter

- The percentage change from the prior year in DC home prices was 7.3% higher in the March quarter, according to the Federal Housing Finance Agency (FHFA) Index of single-family same-property transactions. The US index was 12.3% higher and the Washington metropolitan area was up 10.8%.
- 74.4% of all single family sales in May were for properties greater than \$1 million and sales of these properties grew 52.1% for the 12-month period ending May 2021. Sales of condominiums greater than \$1 million accounted for 13.2% of condominium sales in May and sales of these condominiums were 24.4% higher in the 12-month period ending May relative to the same period last year.

Table 21. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US

Indicator	Fiscal year average			Last 2 Q's	
	FY 2018	FY 2019	FY 2020	2020q4	2021q1
%change from prior year in value of index					
DC	4.3	6.1	9.8	4.9	7.3
DC metro area	4.0	4.4	6.3	9.9	10.8
US	6.5	5.6	6.5	10.5	12.3

Source: Federal Housing Finance Agency

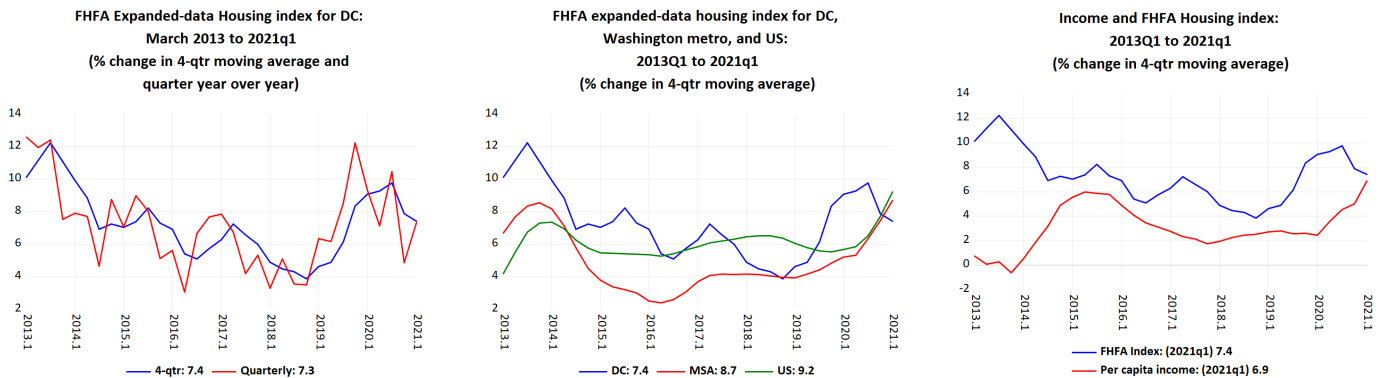


Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: May 2021

	FY 2018	FY 2019	FY 2020	12mo moving	3mo moving	This month
				total	total	
Single family homes	1,192	1,232	1,403	1,892	588	229
1 year change	135	40	171	648	292	142
% change	12.8	3.4	13.9	52.1	98.6	163.2
% all single family sales	26.2	26.1	31.6	42.9	58.3	74.4
Condominium	222	213	252	291	99	34
1 year change	33	-9	39	57	41	21
% change	17.5	-4.1	18.3	24.4	70.7	161.5
% all condominium sales	5.5	5.0	6.3	7.3	10.1	13.2

Source: MarketStats by ShowingTime, accessed by BrightMLS. Sales are ones closed during period shown.

Hospitality

Hotel stays in May were significantly higher than last year

- In May, there were 269.4% more hotel-room-days sold than a year ago. The average room rate was up 20.5% and hotel room sales revenue was 345.3% higher.
- Occupancy which is historically around 85% was 34.4% in May and was lower than April.
- Air passengers through the regional airports were up 1,146.9% in April from last year. Passengers through Washington National (DCA) were up 1,240% from April 2020.
- Hotel employment was 31.5% lower in the three-month average ending May than a year earlier and food service employment was up 0.1%.

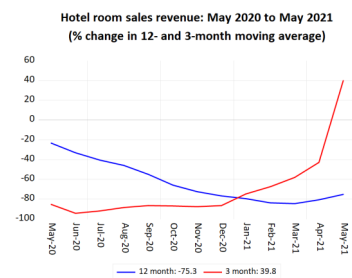
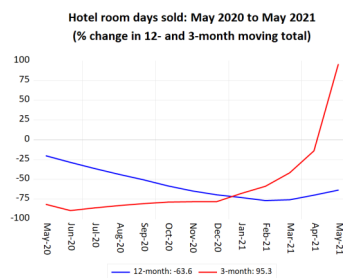
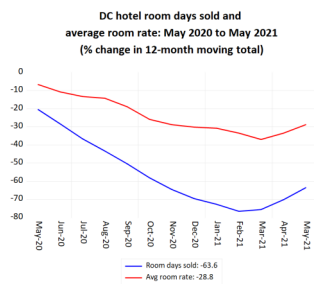


Table 23. Hospitality Industry: May 2021

Indicator	Units	FY 2018	FY 2019	FY 2020	12-mo moving average/sum*	3-mo moving average/sum*	This Month
Hotel Stays (updated May)							
Hotel room-days sold	(M)	9.019	9.128	4.525	2.623	0.917	0.333
	1 yr ch	0.272	0.109	-4.603	-4.579	0.448	0.243
	1 yr % ch	3.1	1.2	-50.4	-63.6	95.3	269.4
Average room rate	\$	\$219.91	\$216.37	\$175.46	\$142.38	\$146.54	\$157.97
	1 yr ch	-\$11.63	-\$3.54	-\$40.91	-\$57.57	-\$22.63	\$26.91
	1 yr % ch	-5.0	-1.6	-18.9	-28.8	-13.4	20.5
Room revenue	(\$M)	\$2,020.2	\$2,038.7	\$920.5	\$377.9	\$135.0	\$52.6
	1 yr ch	-\$18.3	\$18.5	-\$1,118.2	-\$1,154.8	\$38.5	\$40.8
	1 yr % ch	-0.9	0.9	-54.9	-75.3	39.8	345.3
Occupancy rate	%	78.0	76.3	42.0	28.7	35.2	34.4
Number of hotels in survey		136	140	125	122	129	133
Airline passengers (updated April)							
DCA	1 yr %ch	-1.2	0.7	-47.9	-75.0	-33.5	1240.0
IAD	1 yr %ch	4.1	4.3	-45.1	-70.5	-39.0	719.2
BWI	1 yr %ch	4.5	-1.4	-42.1	-55.3	20.6	1595.7
Total	1 yr %ch	2.5	1.1	-44.9	-66.5	-18.6	1146.9
Employment (updated May)							
Accommodations	level (000s)	15.6	16.2	11.5	6.7	7.0	7.3
	1 yr ch	0.5	0.6	-4.7	-8.2	-3.2	0.4
	1 yr % ch	3.1	3.7	-29.1	-55.3	-31.5	5.8
Food and beverage	level (000s)	54.6	55.2	39.2	27.6	30.7	32.6
	1 yr ch	2.5	0.6	-16.0	-21.4	0.0	10.9
	1 yr % ch	4.7	1.0	-29.0	-43.6	0.1	50.2

* Total for hotel rooms and room revenue.

Source: STR (hotel data); BLS (employment); BWI Airport (passenger data)

Federal non-defense spending increased faster than nominal GDP over the past 4 quarters

- Federal government non-defense spending for consumption and investment which included spending on COVID relief, increased 1.0% in the June 2021 quarter from a year earlier. Defense spending grew 3.7%.
- Compared to the same quarter a year ago, in the April quarter nominal GDP grew 16.7% and real (inflation adjusted) GDP grew 12.2%.
- The US employment rate (seas. adj.) was 5.8% in May, slightly lower than April.
- In May the average S&P 500 index was 42.7% above a year earlier.

Defense and non-defense spending: 2016Q1 to 2021q2 (1 yr % change)

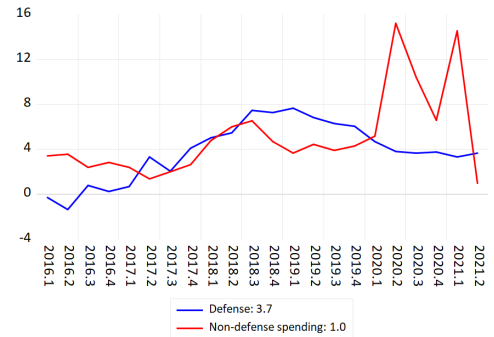


Table 24. Federal government consumption and investment, US GDP accounts: FY2018 to 2021q2

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg*	2021q2
Non-defense	5.0	4.2	8.8	7.9	1.0
Compensation of employees	3.7	3.0	4.8	6.0	4.6
Purchases of goods and services	5.7	2.9	9.6	9.0	0.5
Gross investment	2.9	8.0	6.7	4.8	2.4
Defense	5.5	7.0	4.6	3.6	3.7
Compensation of employees	4.0	4.3	4.3	4.6	4.2
Purchases of goods and services	4.8	6.9	3.7	2.6	2.8
Gross investment	8.6	7.3	7.9	7.5	7.1
All federal consumption and investr	5.3	5.8	6.3	5.4	2.5

Note: federal spending does not include social security, medicare, or grants.

*FY 2020 ended 2020q3.

Source: BEA (July 29, 2021); nominal values.

Federal non-defense spending and US GDP: 2016Q1 to 2021q2 (1 yr % change)

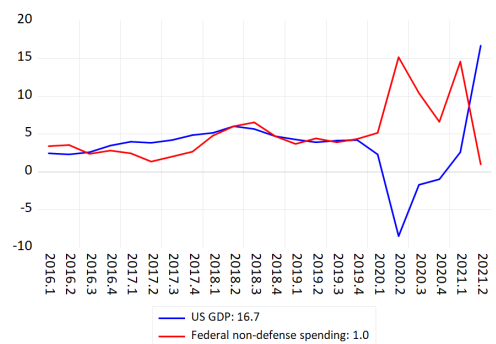


Table 25. US GDP, Income, and Inflation: FY2018 to 2021q2

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg	2021q2
GDP real	3.0	2.2	-2.2	1.6	12.2
GDP nominal	5.4	4.2	-1.0	3.8	16.7
Personal Income	5.2	4.3	6.3	7.1	1.0
Consumption	5.1	3.9	-1.4	5.0	20.7
Investment	7.3	6.4	-5.2	6.2	24.0
Corporate profits*	7.4	4.9	-5.4	NA	NA
S and P stock index	16.2	3.3	10.2	20.7	30.7
US CPI	2.4	1.9	1.5	2.3	4.8

* Before tax, without IVA and CCadj.

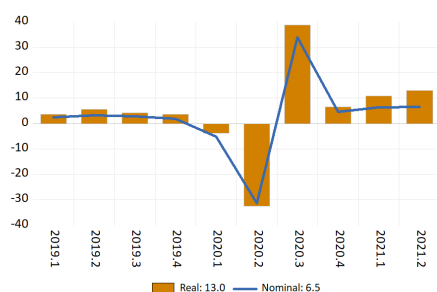
Source: BEA July 29, 2021; BLS (cpi); Dow Jones Indices (SP500)

Table 26. Monthly selected indicators: January to May 2021

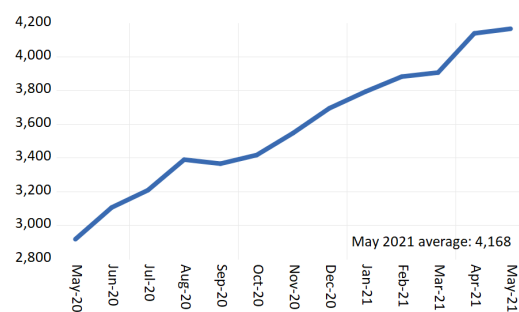
Indicator	January	February	March	April	May
S & P stock market index (level)	3,794	3,883	3,908	4,141	4,168
% change from prior year	15.73	18.49	47.33	49.94	42.75
10 yr Treasury Interest rate (level)	1.0	1.0	2.0	2.0	2.0
CPI % change from prior month (seas. adj.)	0.3	0.4	0.6	0.8	0.6
CPI % change from prior year (seas. adj.)	1.4	1.7	2.6	4.2	4.9
Jobs (seas. adj.) millions	142.74	143.27	144.06	144.33	144.91
change from prior month (thousands)	233	536	785	269	583
% change from prior month	0.16	0.38	0.55	0.19	0.4
Resident employment (seas. adj.) millions	150.03	150.24	150.85	151.18	151.62
change from prior month (thousands)	201	208	609	328	444
% change from prior month	0.13	0.14	0.41	0.22	0.29
Unemployment rate (seas. adj.)	6.3	6.2	6	6.1	5.8

Source: BLS; Dow Jones Indices; Federal Reserve

Quarterly change in US real and nominal GDP: 2019Q1 to 2021q2 (% change from previous quarter at annual rate)

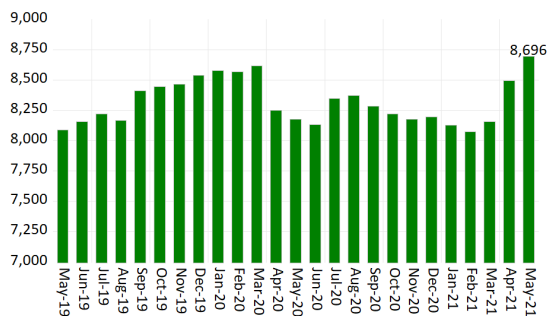


Standard & Poors Stock Market Index (SP500): 2020m5 to 2021m5 (Monthly average)



DC tax collections

DC tax collections (before earmarking): May 2019 to May 2021
(\$ million, 12-mo moving total)



DC tax collections (before earmarking): May 2020 to May 2021
(1 yr \$ change 12-mo moving total (\$M))

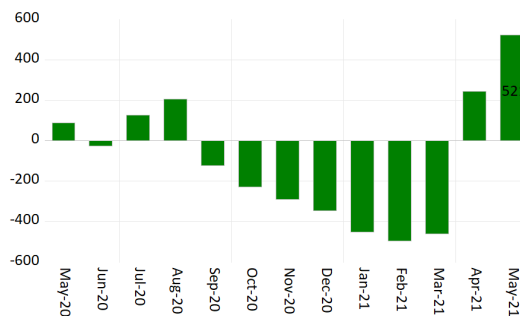


Table 27. Tax Collections (before earmarks): May 2021

(\$ millions)	Annual Revenue (From Comprehensive Annual Financial Report)			Tax Collections			
	FY 2018	FY 2019	FY 2020	12-mo mov total	FY 2021 to date	3-mo mov total	This month
Total taxes	7,771.3	8,455.3	8,236.7	8,696.4	5,205.0	3,066.9	594.3
1 yr change	298.7	684.0	-218.6	520.9	412.0	622.1	204.7
% change	4.0	8.8	-2.6	6.4	8.6	25.4	52.5
Real Property	2,554.2	2,710.1	2,836.7	2,870.4	1,465.3	1,403.4	23.6
1 yr change	80.9	155.9	126.7	151.7	95.9	59.3	-60.4
% change	3.3	6.1	4.7	5.6	7.0	4.4	-71.9
General sales	1,492.6	1,597.7	1,222.4	1,042.6	708.2	282.4	89.5
1 yr change	73.4	105.2	-375.3	-521.1	-263.4	21.1	22.8
% change	5.2	7.0	-23.5	-33.3	-27.1	8.1	34.3
Individual income	2,066.8	2,299.3	2,377.2	2,750.3	1,773.1	715.0	296.0
1 yr change	108.6	232.5	77.9	564.4	382.5	291.3	164.0
% change	5.5	11.2	3.4	25.8	27.5	68.7	124.3
withholding	1,818.2	1,942.9	2,060.6	2,129.0	1,494.5	571.7	172.8
1 yr change	51.6	124.7	117.7	94.2	78.9	42.9	20.9
% change	2.9	6.9	6.1	4.6	5.6	8.1	13.8
non-withholding	248.7	356.4	316.6	621.3	278.6	143.3	123.2
1 yr change	56.9	107.8	-39.8	470.3	303.6	248.4	143.1
% change	29.7	43.3	-11.2	311.4	-1215.5	-236.3	-718.1
Corporate franchise	436.5	507.9	575.6	704.4	431.3	238.4	37.2
1 yr change	47.3	71.4	67.7	218.1	133.7	109.7	32.1
% change	12.2	16.4	13.3	44.9	44.9	85.2	635.0
Unincorporated bus.	138.2	134.7	152.1	206.8	129.2	75.4	21.0
1 yr change	-26.8	-3.5	17.3	68.6	51.1	42.2	17.8
% change	-16.2	-2.5	12.8	49.7	65.6	127.3	555.3
Deed Taxes[^]	472.3	561.1	452.7	475.3	342.2	146.0	59.2
1 yr change	11.4	88.8	-108.4	-80.4	9.0	40.9	33.1
% change	2.5	18.8	-19.3	-14.5	2.7	38.9	127.0
Other taxes	610.7	644.4	619.9	646.6	355.7	206.3	67.7
1 yr change	3.9	33.7	-24.5	119.6	3.1	57.6	-4.9
% change	0.6	5.5	-3.8	22.7	0.9	38.7	-6.7

[^] Deed taxes include deed recordation, deed transfer, and tax on transfers of economic interest in real property.

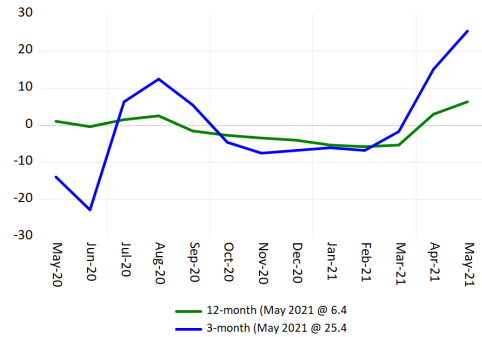
Note: (1) Revenues for fiscal years 2018 through 2020 are based on the CAFR; (2) tax collections subject to accounting adjustments at year end; (3) The table and charts on this page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with the prior year more meaningful. The data may differ from other published OCFO reports

Source: OCFO/ORR

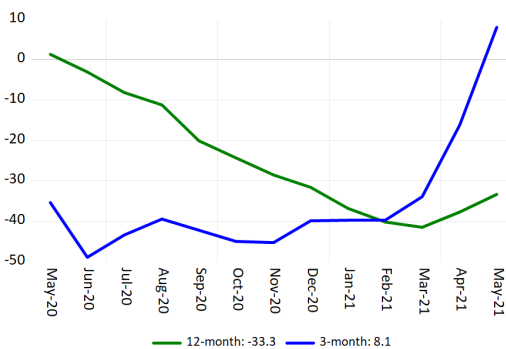
Total Tax collections year to date (Oct.—May.) up

- For the 12 month period ending May total tax collections (before earmarking) were \$521 million (6.4%) higher than in the prior year. For the last 3 months they were up 25.4% from last year.
- Individual income tax collections were 25.8% above last year for the 12-months ending May because of 4.6% growth in withholding and strong estimated payments. For the past 3 months, total individual income tax collections were up \$291 million while withholding was up \$42.9 million (8.1%).
- General sales tax collections were 33.3% below last year for the 12-months ending May. For the past 3 months, they were up 8.1% from last year.
- Deed tax collections for the 12-months ending May were down 14.5% from last year; for the past 3 months they were up 38.9% .
- Corporate income taxes for the 12 months ending May were up 44.9% while unincorporated business income taxes were up 49.7% over last year.

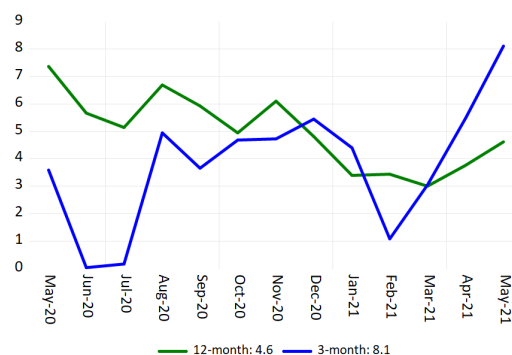
Tax collections (before earmarking):
May 2020 to May 2021
(% change 12- and 3-month totals)



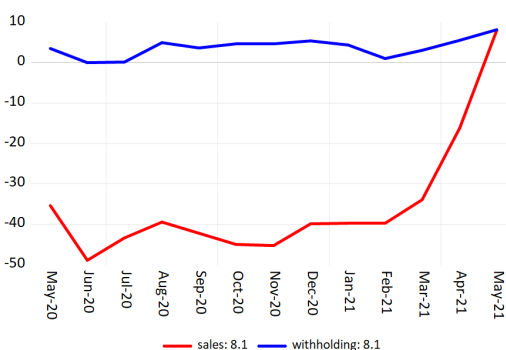
General sales tax collections (before earmarking):
May 2020 to May 2021
(% change 12- and 3-month totals)



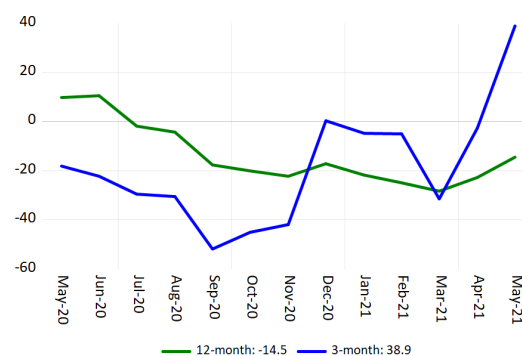
Withholding for individual income tax collections:
May 2020 to May 2021
(% change 12- and 3-month totals)



General sales tax collections and withholding:
May 2020 to May 2021
(% change 3-month totals)



Deed tax collections (before earmarking):
May 2020 to May 2021
(% change 12- and 3-month totals)



US economic forecasts

Table 28. Forecasts for US Nominal and real GDP, Personal income, unemployment, CPI, Interest rate, and S&P500

Indicator	IHS Markit (July 2021)				Moody's Analytics (July 2021)			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real GDP (% ch from prior yr)	-2.3	4.0	6.1	2.4	-2.3	4.2	6.0	2.4
Nominal GDP (% ch from prior year)	-1.1	6.9	9.0	4.5	-1.1	6.9	9.1	4.7
Personal income (%ch from prior yr)	6.0	6.7	1.1	4.3	6.0	6.7	-0.1	4.7
Unemployment (%)	7.3	6.1	4.5	3.6	7.3	6.0	4.0	3.5
CPI (% ch from prior year)	1.5	3.0	2.9	2.0	1.5	3.0	3.3	2.3
10 Year Treasury (%)	1.1	1.3	1.8	2.1	1.1	1.4	2.2	2.6
S&P 500 (level)*	3,322	4,378	4,642	4,842	3,322	4,157	3,899	3,835

DC economic forecasts

Table 29. Forecasts for Select DC indicators

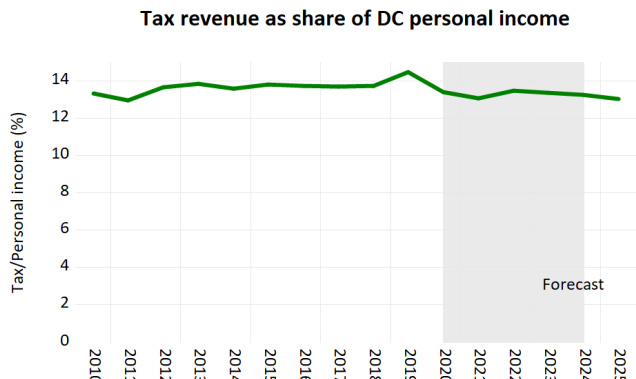
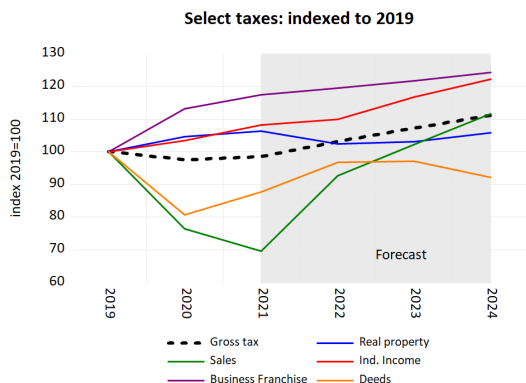
Indicator	IHS Markit (July 2021)				Moody's Analytics (July 2021)				ORA (May 2021)			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real GDP-DC (% ch from year ago)	-0.7	2.8	6.0	2.6	-0.7	2.6	5.2	2.7	-0.8	2.2	3.3	2.0
Personal income (% ch from year ago)	5.2	5.1	2.2	6.6	5.2	4.7	0.3	4.3	5.2	3.9	1.3	4.8
Wages in DC (% ch from year ago)	1.7	5.2	6.9	6.1	1.7	4.6	3.6	4.4	1.8	2.6	5.2	4.5
Jobs in DC (% ch from year ago)	-4.1	-3.0	5.3	3.4	-4.1	-3.3	2.7	1.3	-4.1	-2.8	4.6	2.4
Unemployment rate (%)	7.1	7.8	5.7	4.8	7.1	7.7	5.6	4.8	7.1	8.0	5.8	5.1
Population (% ch from year ago)	0.2	0.0	0.1	0.3	0.5	0.6	0.8	0.9	0.7	0.4	0.7	0.7
Households (% ch from year ago)	0.0	0.8	0.7	0.7	0.5	1.0	1.3	1.4	1.1	0.8	1.1	1.0

DC revenue estimate

Table 30. DC Tax Revenue (before earmarks) for May 2021 estimate

Tax	FY Level (\$m)				Change from prior FY (\$m)				%change from prior FY			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real Property	2,836.7	2,884.0	2,774.3	2,793.7	126.7	47.2	-109.7	19.4	4.7%	1.7%	-3.8%	0.7%
Deed taxes	452.7	492.1	542.9	544.6	-108.2	39.4	50.8	1.6	-19.3%	8.7%	10.3%	0.3%
General Sales	1,222.4	1,113.1	1,481.8	1,633.0	-375.3	-109.3	368.7	151.1	-23.5%	-8.9%	33.1%	10.2%
Individual Income	2,377.2	2,487.0	2,527.6	2,684.3	77.9	109.7	40.7	156.7	3.4%	4.6%	1.6%	6.2%
withholding	2,060.6	2,134.2	2,230.7	2,332.2	117.7	73.6	96.5	101.5	6.1%	3.6%	4.5%	4.5%
non-withholding	316.6	352.8	296.9	352.1	-39.8	36.2	-55.9	55.2	-11.2%	11.4%	-15.8%	18.6%
Business Income	727.7	755.3	768.3	781.8	85.0	27.6	12.9	13.6	13.2%	3.8%	1.7%	1.8%
Other	1,347.6	1,354.9	1,398.6	1,407.4	60.3	7.4	43.7	8.8	4.7%	0.5%	3.2%	0.6%
Total	8,236.7	8,331.1	8,725.3	9,063.0	-218.6	94.4	394.2	337.7	-2.6%	1.1%	4.7%	3.9%

Source: ORA, May 2021 revenue estimate. Table includes tax revenue before earmarked dedications and excludes nontax revenue, lottery, and special purpose revenue.



Continued from front page

The real property tax burden for DC residents falls below the average of the other metro areas for homeowners at all income levels. For homeowners (those families earning \$50,000 or more), the tax burden ranges from 1.36 percent (\$682) for income at the \$50,000 income level to 2.19 percent (\$3,285) at the \$150,000 income level. For the District, in 2019 the effective rate of \$0.85 is applied to the assessed market value of a home, less a \$74,850 homestead deduction.

To determine property tax burdens for renters, Metropolitan Statistical Area (MSA) area median rental values are used for the study. Since all the jurisdictions fall into the same MSA, those families who earn \$25,000 per year and are assumed to rent have the same property tax burden, which is assumed to be 15 percent of annual rent paid. However, as noted above, a Schedule H credit available to lower income renters in DC is presented with the income tax burdens, thus DC would have the lowest burdens on renters when considering that credit.

The District's sales tax burden is higher than the average of the other metro areas at all income levels. The general sales tax rate in the District of Columbia is 6 percent; however, because of the multiple rate system, the total tax burden is more than 6 percent of total taxable sales. The District's sales tax rates on restaurant meals, alcohol, transient accommodations, and commercial parking services are higher than the general rate. (The higher rates for restaurants etc. are, of course, also paid by non-residents and are major revenue sources for the District.)

The District of Columbia auto tax burden is lower than average of the other metro areas at all income levels. Unlike Virginia localities, the District and Maryland jurisdictions do not levy a personal property tax on automobiles. The combined state and local registration fees in Virginia are comparable to the sole state rate in Maryland. The highest registration fee in the metropolitan area is imposed in the District of Columbia, ranging from \$72 for a vehicle weight under 3,500 pounds to \$155 for vehicles of 5,000 pounds or more.

Recent DC tax changes

As noted above, DC's combined tax burdens have been the lowest in the metro area at each income level since the 2012 report, in part reflecting Individual Income Tax changes in the preceding years that offered more benefit to lower income taxpayers. Following the 2013 DC Tax Revision Commission, further changes to the District's Individual Income Tax made it more progressive, including new tax brackets for income over \$350,000 and \$1,000,000 with higher rates, a reduction in the tax rate on income between \$40,000 and \$60,000, and limitations on itemized deductions for higher income earners. Further, the Schedule H property tax credit administered through the income tax for lower income renters and homeowners has been increased and eligibility for the credit has expanded, while the District's EITC was expanded to include low income workers without children.

Methodology

To compare the attractiveness of different locations within the major metropolitan Washington area, this study estimates hypothetical state and local tax burdens for a family of three. The hypothetical family consists of two wage-earning spouses and one school-age child. The gross family income levels used are \$25,000, \$50,000, \$75,000, \$100,000- and \$150,000. The wage and salary split is assumed to be 70-30 between the two spouses. The family at each income level is assumed to own a single-family home, except for families at the \$25,000 income level, who are assumed to occupy rental housing. All families are assumed to reside within the confines of the jurisdiction, and all wage and salary income is assumed to have been earned in the jurisdiction.

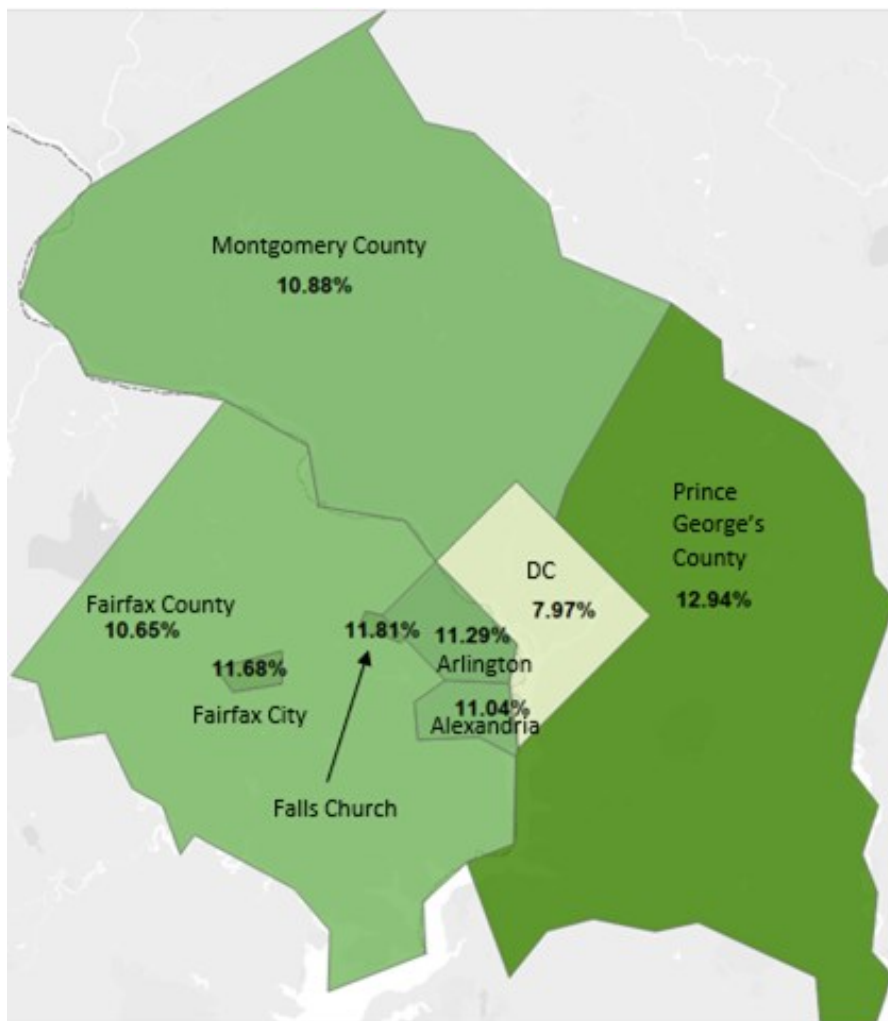
The four taxes used in the comparison are the individual income tax; the real property tax on residential property; the general sales and use tax; and automobile taxes, including the gasoline tax, registration fees, and personal property tax for tax year 2019.

This study is not intended to measure the overall level of state and local taxation in a jurisdiction; rather, it attempts to measure a hypothetical tax burden for a family given assumptions identified for each tax. There is no single "best" way of measuring tax burdens. To estimate tax payments, the study makes assumptions about typical households, their sources of income, and consumption patterns.

Property tax liabilities are particularly difficult to measure accurately because of varying assessment practices, property characteristics, tax policies, and relief mechanisms.

A metro-area map for the \$75,000 income level is shown below. A table showing tax burdens for each jurisdiction in 2019 follows on p. 21. The full report with more metro area maps at different income levels can be found here: <https://cfo.dc.gov/page/tax-burden-studies>

Map 1: Combined 2019 Metropolitan Area Tax Burdens (Income, Property, Sales, & Auto) as a % of Income (Family Earning \$75,000/Year)



Source: ORA Analysis. Note: The lighter shading represents a lower tax burden



**Table 1: 2019 Major State & Local Tax Burdens for a Family of Three
in Selected Washington Metropolitan Area Jurisdictions**

TAX	DC	Mont. Co.	PG Co.	Alexan- dria	Arlington Co.	Fairfax Co.	Fairfax City	Falls Church	Area Average 1/
\$25,000 INCOME LEVEL									
Income 2/	-2,572	-526	-526	0	0	0	0	0	(150)
Real Property	2,772	2,772	2,772	2,772	2,772	2,772	2,772	2,772	2,772
Sales and Use	945	844	853	954	954	840	954	954	908
Automobile	193	258	258	419	595	389	645	470	434
TOTAL	1,339	3,348	3,357	4,145	4,321	4,001	4,371	4,196	3,963
RANK	8	7	6	4	2	5	1	3	
\$50,000 INCOME LEVEL									
Income	1,338	2,704	2,704	1,940	1,940	1,940	1,940	1,940	2,158
Real Property	682	948	2,193	1,701	1,508	1,703	1,607	1,996	1,665
Sales and Use	1,115	992	1,004	1,111	1,111	967	1,111	1,111	1,058
Automobile	176	230	230	413	591	378	649	466	422
TOTAL	3,311	4,874	6,132	5,165	5,150	4,989	5,307	5,512	5,304
RANK	8	7	1	4	5	6	3	2	
\$75,000 INCOME LEVEL									
Income	2,891	4,691	4,691	3,377	3,377	3,377	3,377	3,377	3,752
Real Property	1,333	1,767	3,290	2,552	2,262	2,554	2,411	2,993	2,547
Sales and Use	1,370	1,228	1,250	1,294	1,294	1,135	1,294	1,294	1,255
Automobile	387	475	475	1,056	1,535	923	1,680	1,194	1,048
TOTAL	5,980	8,161	9,706	8,278	8,467	7,990	8,762	8,858	8,603
RANK	8	7	2	3	5	6	4	1	
\$100,000 INCOME LEVEL									
Income	4,827	6,679	5,311	4,155	4,193	4,150	4,131	4,128	4,678
Real Property	1,983	2,587	4,386	3,403	3,016	3,406	3,215	3,991	3,429
Sales and Use	1,643	1,481	1,514	1,530	1,530	1,341	1,530	1,530	1,494
Automobile	436	510	510	1,148	1,627	962	1,758	1,250	1,109
TOTAL	8,889	11,257	11,721	10,235	10,366	9,859	10,633	10,899	10,710
RANK	8	7	2	3	6	5	4	1	
\$150,000 INCOME LEVEL									
Income	8,745	8,675	8,488	6,471	6,518	6,458	6,371	6,383	7,052
Real Property	3,285	4,227	6,580	5,104	4,524	5,109	4,822	5,987	5,193
Sales and Use	2,030	1,842	1,893	1,826	1,826	1,607	1,826	1,826	1,807
Automobile	445	524	524	2,987	3,256	2,411	3,122	2,195	2,145
TOTAL	14,505	15,268	17,484	16,388	16,124	15,585	16,142	16,391	16,197
RANK	8	7	1	3	5	6	4	2	

Source: ORA. Note: Numbers may not add to totals due to rounding. 1/ Area averages exclude DC. 2/Negative numbers result from refundable income tax credits.

-Lori Metcalf, Fiscal Analyst

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

District, Measured. Information on the economic and demographic trends taking shape in the city can be found on the ORA Blog, District, Measured (districtmeasured.com). You can sign up at the blog page to receive updates as new articles are posted.

Recent ORA reports:

May 2021 revenue estimate. May 14, 2021.

DC Corporate Tax Burden Study, May 2021

DC Tax Facts, 2019. Details on all DC taxes. *(Released September 2020)*

DC Tax Facts Visual Guide Report. A visual guide to DC's tax system. *(Released December 2019)*

Tax Rates and Tax Burdens 2019 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. *(Released April 2021)*

Tax Rates and Tax Burdens 2019 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. *(Released April 2021)*

Tax Expenditure Report. A compendium of tax expenditures for 2020. *(Released December 2020)*

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*).

Information sources			
Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	May	July 23, 2021
D.C. Personal Income	BEA	2021.1	July 22, 2021
D.C. Tax Collections	OTR/ORA	May	July 15, 2021
D.C. Housing Sales	MarketStats by ShowingTime*	May	c. July 2021
D.C. Commercial Office Building data	CoStar and Delta	2021.2	c. August 2021
DC Apartment data	CoStar and Delta	2021.2	c. August 2021
D.C. Hotel stay information	STR	May	c. July 2021
U.S. Jobs and Labor Force	BLS	May	July 23, 2021
U.S. GDP and Personal Income	BEA	2021.2	July 29, 2021
S and P 500 Stock Index	FRED (St. Louis Fed Reserve)	May	July 24, 2021
Interest rate on 10-Year Treasury Securities	FRED (St. Louis Fed Reserve)	May	July 24, 2021
IHS Markit D.C. forecast	IHS Markit	April	c. June 2021
Moody's Analytics D.C. forecast	Moody's Analytics	April	c. June 2021

*Accessed through GCAAR.

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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