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

District of Columbia Economic and Revenue Trends: June 2016

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In May DC's annual job growth was 11,100—about the same as the yearly average for the past 5 years

Recent shifts in the composition of growth include more from government, less from education and health

Annual job growth in DC continues at a steady pace. According to the US Bureau of Labor Statistics, DC added 11,133 wages and salary jobs from May 2015 to May 2016. This increase was virtually the same as the average annual gain of 10,860 over the five years CY 2010 to CY 2015. In percentage terms, May's annual 1.5% gain was the same as the average annual rate of growth from 2010 to 2015.

While total job growth in May was about the same as the annual average for the preceding 5 years, this was true of some, but not all, of the individual sectors.

•Two sectors—(1) education and health and (2) organizations and other services—accounted for 47% of the 2010 to 2015 job growth, but less than 5% of May's. Education and health alone accounted for 37% of all 2010 to 2015 growth, adding an average of 4,002 per year, but the sector added only 900 in May.

•The federal government lost an average of 2,498 jobs per year from 2010 to 2015, but gained 1,567 in May, accounting for 14% of May's city-wide growth. Meanwhile, the local government share of May's job gain grew to 15%.

•Two sectors—(1) professional and business services and (2) trade and hospitality—accounted for almost 60% of job growth for both May and the 2010 to 2015 period. In May trade and hospitality was the largest source of new jobs—3,800 or 34% of the total increase. The next largest was professional and business services, 2,767 new jobs for 25% of the total. *(Continued on p. 19)*

Change in DC wage and salary employment by sector: annual average from CY 2010 to CY 2015, and May 2015 to May 2016

	Amount		% distibution of change	
Sector	2010 to 2015 average	May 2015 to May 2016	2010 to 2015 average	May 2015 to May 2016
Federal government	-2,498	1,567	-23.0	14.1
Local government	712	1,700	6.6	15.3
Professional and business	2,777	2,767	25.6	24.9
Information and financial services	355	233	3.3	2.1
Education and health	4,002	900	36.8	8.1
Trade and hospitality	3,553	3,800	32.7	34.1
Organizations and other services	1,118	-400	10.3	-3.6
Other private	842	567	7.8	5.1
Total	**10,860**	**11,133**	**100**	**100**

Source BLS. Annual average calculated from calendar year averages. May calculated from 3-month avg.

Highlights:

Indicator updates:

Wage and salary employment

DC job growth continues at about 11,000 per year

●May wage and salary employment in DC was up by 11,133 (1.5%) from a year earlier as measured by the 3-month moving average.

●Federal government employment in DC for May was up by 1,567 (0.8%). The private sector gained 7,867 (1.5%).

●Total year-over-year DC metropolitan area employment increased by 73,233 (2.3%) in May as measured by the 3-month moving average.

●Suburban Washington employment in May increased by 2.6% from a year earlier.

●Seasonally adjusted DC jobs increased in May by 6,800 from the prior month.

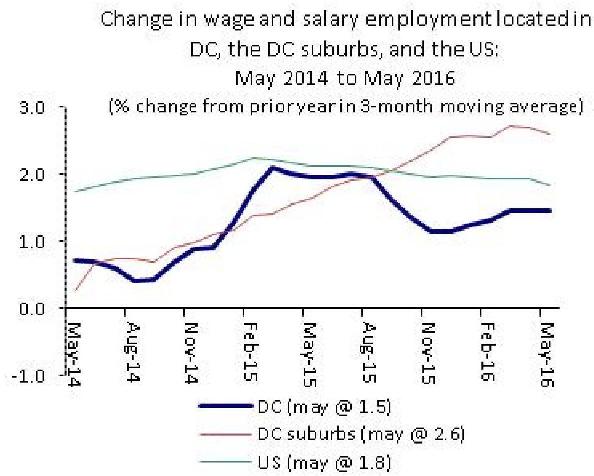


Table 1. **Wage and salary employment in DC, Washington Metro area, and the US: May 2016**

Jurisdiction	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo average	This month
District of Columbia	730,950	745,375	751,842	764,250	771,125	777,633	778,800
1 year change	7,717	14,425	6,467	12,408	11,175	11,133	11,500
% change	*1.1*	*2.0*	*0.9*	*1.7*	*1.5*	*1.5*	*1.5*
Washington metro area	3,053,050	3,091,067	3,103,833	3,138,300	3,201,200	3,228,533	3,247,300
1 year change	36,617	38,017	12,767	36,000	67,350	73,233	61,900
% change	*1.2*	*1.2*	*0.4*	*1.2*	*2.1*	*2.3*	*1.9*
Washington suburbs (% ch)	*1.3*	*1.0*	*0.3*	*1.6*	*2.4*	*2.6*	*2.1*
US (% ch)	*1.7*	*1.6*	*1.8*	*2.1*	*2.0*	*1.8*	*1.7*

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

Source: BLS. May is preliminary.

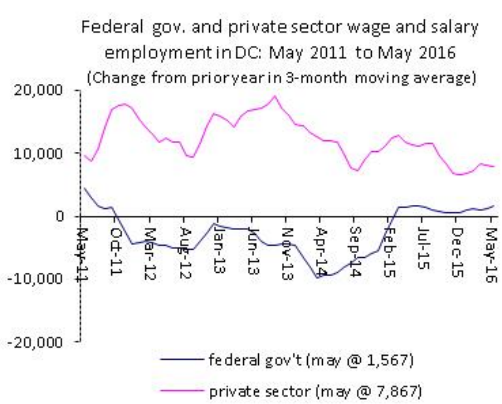


Table 2. **Federal government and private sector wage and salary employment in DC: May 2016**

Sector	FY 2013	FY 2014	FY 2015	12-mo avg	3-month average	This month
Federal government	205,900	198,367	197,950	198,700	199,200	198,500
1 year ch.	-2,675	-7,533	-417	1,075	1,567	900
% change	*-1.3*	*-3.7*	*-0.2*	*0.5*	*0.8*	*0.5*
Private sector	504,275	515,808	526,775	531,800	538,133	540,000
1 year ch.	16,633	11,533	10,967	8,375	7,867	8,700
% change	*3.4*	*2.3*	*2.1*	*1.6*	*1.5*	*1.6*

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

Table 3. **Seasonally adjusted DC Employment: December 2015 to May 2016**

Indicator	December	January	February	March	April	May
D.C. Wage and Salary employment	768,100	775,200	775,000	773,800	777,900	784,700
change from prior month	-300	7,100	-200	-1,200	4,100	6,800
% change from prior month	*0.0*	*0.9*	*0.0*	*-0.2*	*0.5*	*0.9*

Source: BLS seasonally adjusted. May is preliminary

Increase in legal sector jobs almost as many as retail and food services

●In May the 1,967 increase over the prior year in retail jobs was more than any other sector. *(3-month moving average.)*

●In the private sector, food services (1,567), legal services (1,533), and other professional services (1,233) also grew by more than 1,000 jobs in May.

●Private sector industries losing jobs included business services (other than temporary employment) and organizations.

●Local government rose by by 1,700 (4.4%).

●The federal government accounted for 25.6% of all DC jobs in May. Over the past year, DC's share of US federal employment remained unchanged in the metro area and the US.

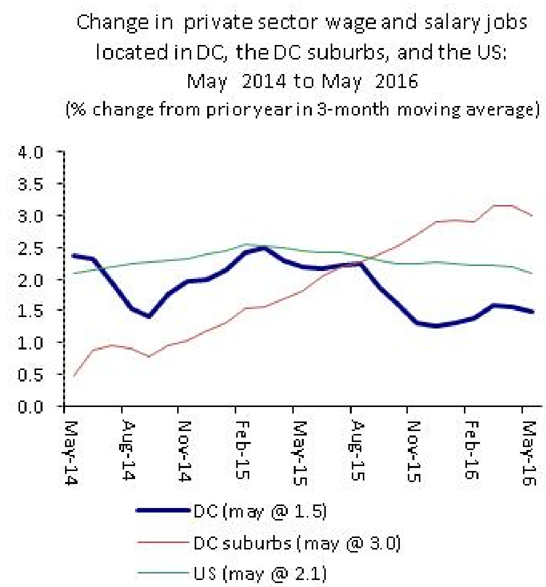


Table 4. **Wage and salary employment located in DC: May 2016**

Industry sector	3-month moving average: May 2015	May 2016	1 year change: Amount	%	12-mo. moving avg: % change	Sector % of all DC jobs, May 2016	DC share (%) in May 2016 of all sector jobs in: metro area	US	Change from May 2015 to May 2016 in DC share of sector jobs in: metro area	US
Federal government	197,633	199,200	1,567	0.8	0.5	25.6	54.4	7.19	0.0	0.00
Local government	38,600	40,300	1,700	4.4	4.4	5.2	12.0	0.20	0.4	0.01
Legal services	28,300	29,833	1,533	5.4	1.1	3.8		2.66		0.13
Other Professional and technical	82,900	84,133	1,233	1.5	3.7	10.8	22.8	1.09	-0.2	-0.02
Employment services	14,600	14,800	200	1.4	2.3	1.9	33.4	0.42	-1.2	0.00
Other Business services	34,867	34,667	-200	-0.6	-0.7	4.5	18.1	0.45	-0.2	-0.02
Information	16,967	16,900	-67	-0.4	-0.2	2.2	22.9	0.61	0.9	-0.01
Finance	30,200	30,500	300	1.0	0.4	3.9	19.8	0.37	0.0	0.00
Organizations	63,133	62,967	-167	-0.3	-0.2	8.1	35.3	2.13	-0.9	-0.02
Education	64,567	64,500	-67	-0.1	-0.6	8.3	53.5	1.76	-1.2	-0.04
Health	66,867	67,833	967	1.4	1.0	8.7	22.4	0.36	-0.1	-0.01
Food service	50,500	52,067	1,567	3.1	4.8	6.7	22.4	0.46	-0.3	0.00
Accomodations	15,200	15,467	267	1.8	0.4	2.0	38.1	0.82	2.1	0.01
Amusement and recreation	7,900	8,067	167	2.1	2.2	1.0	17.7	0.37	-1.7	0.00
Retail trade	21,833	23,800	1,967	9.0	7.2	3.1	8.4	0.15	0.4	0.01
Wholesale trade	4,900	4,733	-167	-3.4	-2.2	0.6	7.6	0.08	-0.4	0.00
Construction	14,033	14,233	200	1.4	0.9	1.8	9.0	0.22	-0.5	-0.01
Personal and miscellaneous ser.	7,733	7,500	-233	-3.0	-0.1	1.0		0.28		-0.01
Other private	5,767	6,133	367	6.4	8.7	0.8	5.3	0.03	0.3	0.00
Total	**766,500**	**777,633**	**11,133**	**1.5**	**1.5**	**100.0**	**24.1**	**0.54**	**-0.2**	**0.00**
Public sector	*236,233*	*239,500*	*3,267*	*1.4*	*1.2*	*30.8*	34.1	1.07	0.1	0.01
Private sector	*530,267*	*538,133*	*7,867*	*1.5*	*1.6*	*69.2*	21.3	0.44	-0.3	0.00

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

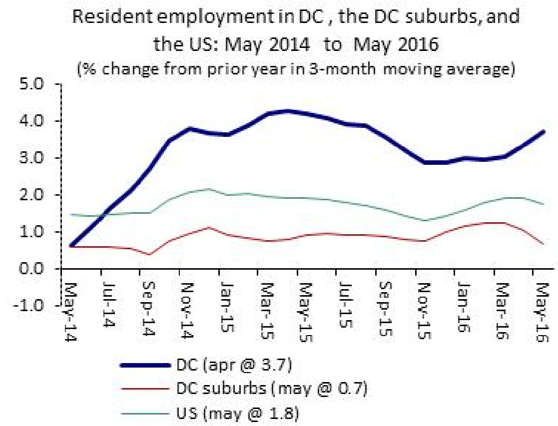
Resident employment and unemployment

DC unemployment rate the lowest in 8 years

- In May DC resident employment was up 13,359 (3.7%) from a year earlier *(3-mo. moving average).* The labor force grew by 9,871 (2.6%).

- The seasonally unadjusted unemployment rate fell to 5.2%, while the seasonally adjusted went down to 6.1%. Both rates were the lowest in 8 years.

- May initial unemployment insurance claims were down 4.2% from last year *(3-month moving average)*.



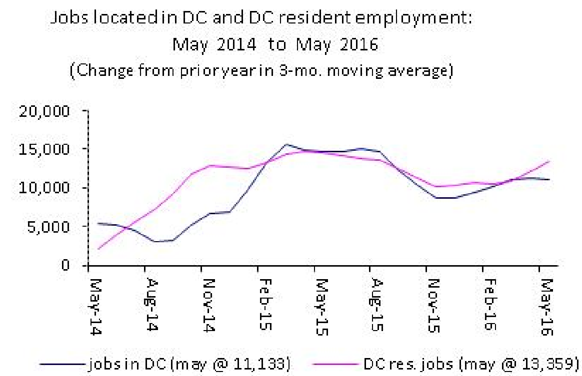


Table 5. **Unemployment rates for DC, metro area, and US: May 2016**

(percent of labor force)

	Not seasonally adj.		Seasonally adj.	
Jurisdiction	May 2015	May 2016	May 2015	May 2016
US	5.3	4.5	5.5	4.7
DC	6.6	5.2	7.0	6.1
DC metro area	4.5	3.6	*na*	*na*
DC suburbs	4.3	3.3	*na*	*na*

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

Table 6. **Resident employment and unemployment: May 2016**

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	325,712	341,727	345,573	358,984	366,650	371,984	372,771
1 year change	11,026	16,015	3,846	13,410	11,915	13,359	13,890
% change	*3.5*	*4.9*	*1.1*	*3.9*	*3.4*	*3.7*	*3.9*
Labor Force	359,327	374,045	375,222	386,668	392,128	394,334	393,184
1 year change	9,639	14,718	1,177	11,447	8,606	9,871	8,942
% change	*2.8*	*4.1*	*0.3*	*3.1*	*2.2*	*2.6*	*2.3*
Unemployed	33,615	32,317	29,648	27,685	25,478	22,349	20,413
1 year change	-1,387	-1,298	-2,669	-1,963	-3,308	-3,488	-4,948
% change	*-4.0*	*-3.9*	*-8.3*	*-6.6*	*-11.5*	*-13.5*	*-19.5*
Unemployment rate	9.4	8.7	7.9	7.2	6.5	5.7	5.2
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,784	1,915	1,851	1,596	1,491	1,355	1,496
1 year change	-317	131	-64	-255	-161	-60	-22
% change	*-15.1*	*7.3*	*-3.3*	*-13.8*	*-9.7*	*-4.2*	*-1.4*
Weeks compensated (mo. avg.)	45,170	42,862	42,133	32,811	30,819	28,038	24,016
1 year change	-1,253	-2,308	-729	-9,322	-4,366	-2,123	-1,991
% change	*-2.7*	*-5.1*	*-1.7*	*-22.1*	*-12.4*	*-7.0*	*-7.7*

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

Table 7. **Seasonally adjusted DC Resident employment and unemployment: Dec. 2015 to May 2016**

Indicator	December	January	February	March	April	May
DC Resident employment	364,977	366,350	367,082	368,554	371,361	373,550
change from prior month	*274*	*1,373*	*732*	*1,472*	*2,807*	*2,189*
% change from prior month	*0.1*	*0.4*	*0.2*	*0.4*	*0.8*	*0.6*
DC Unemployment rate (%)	6.6	6.5	6.5	6.5	6.4	6.1

Source: BLS seasonally adjusted. May is preliminary.

Wage growth in DC and for DC residents fell below the US average in the March quarter

●Wages and salaries earned in the District of Columbia were 4.4% higher in the March quarter compared to the same quarter of 2015.

●Wages earned by DC residents grew by 4.7% in the March quarter compared to last year.

●In the March quarter, DC Personal Income grew 4.3%, just below the US increase (4.4%).

●Federal wages and salaries were $1.07 billion (4.8%) higher in March than a year earlier.

●In the March quarter, private sector wages and salaries earned in DC grew by $2.10 billion over the prior year, a 5.0% gain.

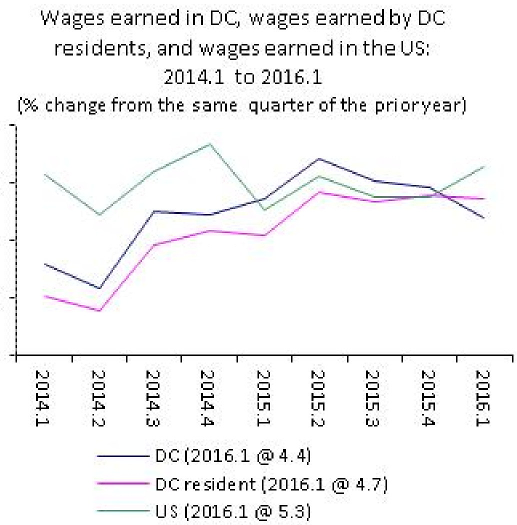


Table 8. **DC Wages and Personal Income: March 2016**
($ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	4-qtr. moving avg.	Latest qtr. (Mar.)
Wages and salaries earned in DC	60.65	62.07	63.97	67.17	68.65	69.85
1 year change	1.13	1.41	1.90	3.20	3.23	2.94
% change	*1.9*	*2.3*	*3.1*	*5.0*	*4.9*	*4.4*
Supplements to wages & salaries	16.50	16.44	17.24	18.12	18.44	18.73
% change	*0.9*	*-0.4*	*4.8*	*5.1*	*4.3*	*3.3*
Proprietors' income earned by DC residents*	5.87	5.85	5.98	6.37	6.54	6.66
% change	*5.9*	*-0.3*	*2.2*	*6.4*	*5.9*	*5.5*
Wages and salaries of DC residents***	20.77	21.69	22.34	23.35	23.89	24.32
change from one year ago	0.91	0.92	0.65	1.01	1.08	1.10
% change	*4.6*	*4.4*	*3.0*	*4.5*	*4.8*	*4.7*
Income earned by DC residents	29.7	30.3	31.1	32.7	33.4	34.1
% change	*4.9*	*2.0*	*2.8*	*5.0*	*4.9*	*4.8*
Property income of DC residents	7.78	8.26	8.48	8.77	8.98	9.04
% change	*11.0*	*6.2*	*2.6*	*3.5*	*4.7*	*4.7*
Pensions and other transfer of DC residents	5.73	5.90	6.01	6.03	6.12	6.18
% change	*-0.3*	*2.8*	*1.9*	*0.4*	*1.6*	*1.2*
DC Personal Income**	43.21	44.44	45.63	47.50	48.55	49.28
1 year change	2.14	1.23	1.18	1.87	2.08	2.04
% change	*5.2*	*2.8*	*2.7*	*4.1*	*4.5*	*4.3*
US Personal income (% change from prior year)	*4.6*	*3.0*	*2.9*	*4.7*	*4.4*	*4.4*
US Wages and salaries(% change from prior year)	*3.4*	*3.9*	*4.1*	*5.0*	*5.0*	*5.3*
Addendum: Change from prior year in wages earned in DC by sector						
Private sector (1 yr ch, $B)	*1.35*	*1.79*	*1.33*	*2.15*	*2.20*	*2.10*
Federal government (1 yr ch, $B)	*-0.37*	*-0.43*	*0.48*	*0.85*	*0.97*	*1.07*
DC res. wages as % of wages earned in DC	*34.2*	*34.9*	*34.9*	*34.8*	*34.8*	*34.8*

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

***Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.*

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

Source: BEA; data for December were released June 22, 2016

Single family and condominium housing

Sales of both single family and condominium units continue well above a year ago

●The 3-month moving total of single family home sales in May was up 13.6% from a year earlier, and the average selling price was 0.4% higher. The year-to-date median sales price ($654,950) was up 2.5% from the prior year.

●May condominium sales were up 9.3% from last year as measured by the 3-month moving total, and the average selling price was 2.1% higher. The year-to-date median sales price ($430,900) was down 0.7% from last year.

●The total value of all home sales in May rose to 13.2% above last year as measured by the 3-month moving total.

●The increase in DC home prices slowed in the March quarter, according to the Federal Housing Finance Agency Index of single-family same-property transactions. DC's gain over the prior year was 2.8%. The US index was up 5.6%. The Washington metropolitan area gain was only 0.8%.

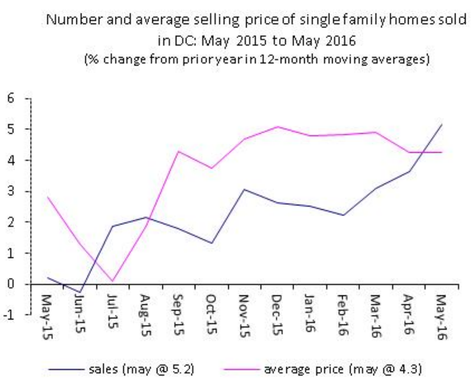


Table 9. **D.C. Residential Real Estate Indicators: May 2016**

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,563	3,979	4,024	4,097	4,257	1,166	439
1 year change	-237	416	45	73	209	140	56
% change	*-6.2*	*11.7*	*1.1*	*1.8*	*5.2*	*13.6*	*14.6*
Condo	2,784	3,487	3,592	3,832	3,950	1,118	421
1 year change	315	703	105	240	260	95	49
% change	*12.8*	*25.3*	*3.0*	*6.7*	*7.0*	*9.3*	*13.2*
Total	6,347	7,466	7,616	7,929	8,207	2,284	860
1 year change	78	1,119	150	313	469	235	105
% change	*1.2*	*17.6*	*2.0*	*4.1*	*6.1*	*11.5*	*13.9*
Average prices of units that sold							
Single family ($)	630,109	712,799	736,362	767,870	788,026	787,707	844,063
1 year change	29,083	82,690	23,563	31,508	32,206	3,167	-8,053
% change	*4.8*	*13.1*	*3.3*	*4.3*	*4.3*	*0.4*	*-0.9*
Condo ($)	429,611	447,827	472,419	499,650	492,806	496,884	514,443
1 year change	6,245	18,216	24,592	27,232	940	10,347	485
% change	*1.5*	*4.2*	*5.5*	*5.8*	*0.2*	*2.1*	*0.1*
Total value of all sales ($ million)	3,441.1	4,397.8	4,660.0	5,060.6	5,301.2	1,474.0	587.1
1 year change	111.9	956.7	262.2	400.6	426.7	171.3	69.6
% change	*3.4*	*27.8*	*6.0*	*8.6*	*8.8*	*13.2*	*13.4*
Ratio: active inventory to sales							
Single family	2.3	1.6	1.6	1.5	1.4	1.3	1.4
Condo	2.9	1.7	1.9	1.7	1.6	1.6	1.7

***Median contract prices, CY to date in May 2016** : single family $654,950 (2.5% 1 yr ch); condo $430,900 (-0.70% 1 yr ch)*

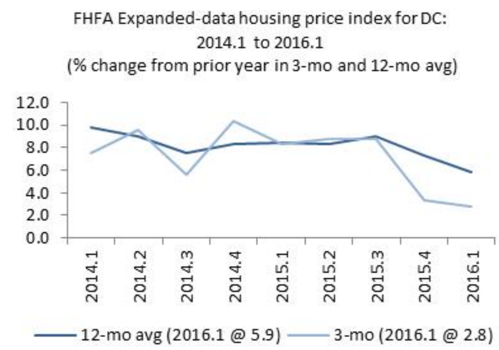
Closed (settled) contracts. Average prices calculated by ORA based on number of sales and total value of sales.

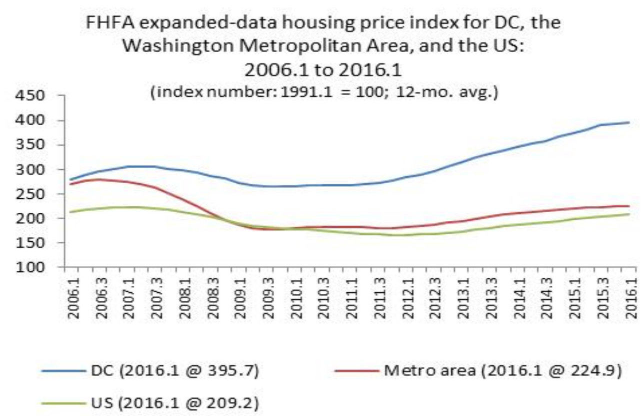
Source: Metropolitan Regional Information Systems (MRIS); median price and inventory accessed through Greater Capital Area Assn. of Realtors.

Table 10. **Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: March 2016 (2016.1)**

Indicator	Fiscal year average FY 2012	FY 2013	FY 2014	FY 2015	Last 2 Q's 2015.4	2016.1
% change from prior year in value of index						
DC	8.2	12.8	7.5	9.0	3.4	2.8
DC metro area	3.4	8.7	6.0	3.7	2.2	0.8
US	0.8	6.9	6.5	6.0	5.6	5.6

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa).This index is a broad measure of the movement of single-family house price, measuring the average price changes in repeat sales or refinancings of the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick.





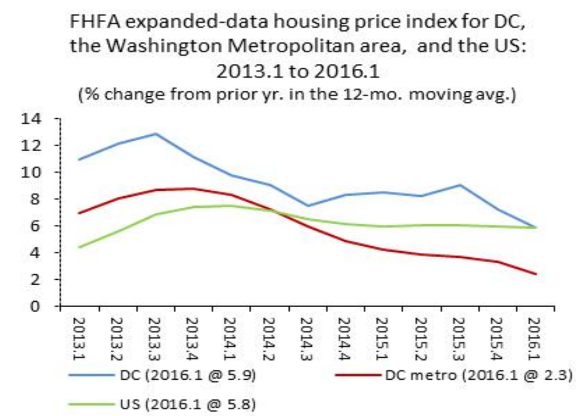


Table 11. **D.C. Single family and condominium home sales at prices of $1 million or more: May 2016**

Category	FY 2013	FY 2014	FY 2015	12-mo moving total	3-mo moving total	This month
Single family homes	689	734	765	873	264	120
1 year change	231	45	31	115	62	43
% change	*50.4*	*6.5*	*4.2*	*15.2*	*30.7*	*55.8*
percent of all single family sales	17.3	18.2	18.7	20.5	22.6	27.3
Condominiums	112	128	160	146	45	20
1 year change	40	16	32	-11	3	0
% change	*55.6*	*14.3*	*25.0*	*-7.0*	*7.1*	*0.0*
percent of all condominium sales	3.2	3.6	4.2	3.7	4.0	4.8

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

Table 12. **Single family housing permits in DC and sales of new DC condominium units: FY 2012 to 2016.1**

	Single family housing permits	Sales of new condo units
FY 2012	236	479
FY 2013	368	442
FY 2014	267	516
FY 2015	293	483
12-mo. ending:		
2016.1	334	544
1 yr ch	*102*	*29*
% ch.	*44.0*	*5.6*

Source: Census Bureau (permits), and Delta Associates (condo sales)

Table 13. **Condominium units (1) currently being marketed or under construction, or (2) planned: March 2016**

item	projects	units	Avg. units per project
Unsold units in projects currently marketing or under construction	43	1,301	
Planned with probable sales within 36 months	21	1,801	86
subtotal	***64***	***3,102***	
Proposed/rumored with long term delivery	18	1,222	68

Note: an additional 12,840 units in 24 projects are planned as either condominium or rental

Source: Delta Associates. See p.11 For definition of planned and proposed.

Population and apartments

In the first quarter of 2016, inventory, number of occupied units, and rents increased. The vacancy rate also increased, and construction slowed slightly

●The vacancy rate was 3.6%, up from 3.3% in Dec., but down from 3.9% a year earlier; rents rose 3.9% over the prior year.

Inventory and Construction for Apartments and Condominiums in DC

	Inventory							Construction			
CY	Number	YoY %	Apt Buildings	Apt Units	Apt % Vacant	Condo Buildings	Condo Units	Apt Buildings	Apt Units	Condo Buildings	Condo Units
2016q1	169,164	2.2	3,993	134,645	6.5	901	32,310	54	8,624	49	1,497
2015q1	165,475	2.5	3,970	131,671	7.2	869	31,595	50	7,961	42	1,528
2014q1	161,376	3.1	3,951	128,058	7.4	850	31,109	39	6,579	23	717
2013q1	156,567	2	3,936	124,267	6	844	30,091	33	7,775	9	1,277
2012q1	153,538	0.9	3,929	121,759	6	839	29,570	24	5,689	6	737
2011q1	152,126	0.3	3,921	120,466	5.7	838	29,505	19	3,492	4	544

Source: CoStar. Includes affordable units. Total includes co-op units.

Table 15**. DC Population and Households: 2005 to 2015**

	Population			Households (estimated)			
Calendar	Number	Change from prior yr.		Number	Change from prior yr.		
year		number	%		number	%	pop/hh ratio
2005	567,136	-618	-0.1	253,232	763	0.3	2.24
2006	570,681	3,545	0.6	254,435	1,204	0.5	2.24
2007	574,404	3,723	0.7	255,715	1,279	0.5	2.25
2008	580,236	5,832	1.0	257,928	2,213	0.9	2.25
2009	592,228	11,992	2.1	262,868	4,941	1.9	2.25
2010	605,126	12,898	2.2	268,196	5,327	2.0	2.26
2011	620,472	15,346	2.5	274,519	6,324	2.4	2.26
2012	635,342	14,870	2.4	280,611	6,092	2.2	2.26
2013	649,540	14,198	2.2	286,385	5,774	2.1	2.27
2014	659,836	10,296	1.6	290,422	4,037	1.4	2.27
2015	672,228	12,392	1.9	295,362	4,940	1.7	2.28
Change from 10 to 15		*67,102*	*11.1*		*27,166*	*10.1*	*2.47*

Source: U.S. Census Bureau. Estimate is as of July 1 of the year shown. Households estimated by ORA based on DC Office of Planning data.

Housing permits at 4,380 for the past year

●For the the 12-month period ending May, 4,380 housing permits were issued, up down 2.5% from a year ago; the 3-month total was, however, 22.4% lower than last year.

●Class A units account for 23% of all apartment units, 22% of the occupied units, and 94% of new construction.

●Class A vacancy rate of 8.2% in March was down from 8.5% a year earlier. Average rent per unit was up 2.5% from the prior year.

●Delta expects 5,931 deliveries in the coming year, with substantial fall off in the following two years.

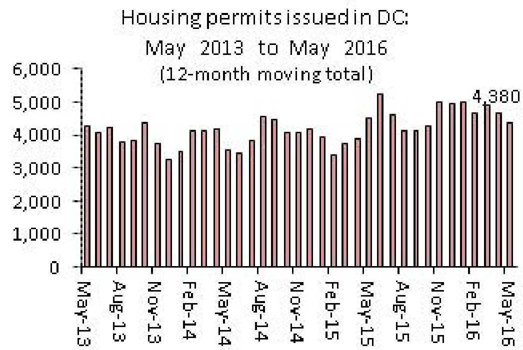


Table 16. **Delta Associates apartment summary and forecast: March 2016** *(Class A)*

Deliveries, last 12 months	1,761
Net absorption, last 12 months	3,537
Starts, last 12 months	2,130*
Rent increase, last 12 months	3.2
Under construction or marketing	9,499
Planned for possible delivery in 36 months	7,226
Long term planning or rumored	12,337
New supply, next 3 years	11,306**
New demand for units, next 3 years	8,410

**490 in 2016.1 quarter*

***9,499 Already under construction or marketing plus 25% of units in the planning stage.*

Note: Deliveries for next 3 years:
year ending 2017.1 (5,931)
year ending 2018.1 (2,856)
year ending 2019.1 (1,363).

For definition of planning and long term planning stages see box on p.11. Source: Delta Associates

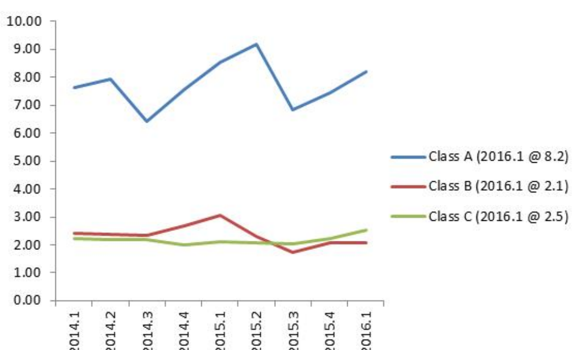
Table 14. **Housing unit building permits issued in DC: May 2016**

	FY 2013	FY 2014	FY 2015	12-mo. moving total	3-month moving total	This month
Total units	3,855	4,467	4,131	4,380	1,005	363
change from 1 yr ago	-236	612	-336	-114	-290	-286
% change from 1 year	*-5.8*	*15.9*	*-7.5*	*-2.5*	*-22.4*	*-44.1*
Multi-family projects with 5 or more units						
number	36	32	37	38	9	1
average size	107	140	112	115	112	346

Source: Census Bureau (permits issued during period).

Vacancy rate and 1 year % change in rent for Class A, Class B, and Class C Apartment units: 2014.1 to 2016.1

Vacancy rates



Rent

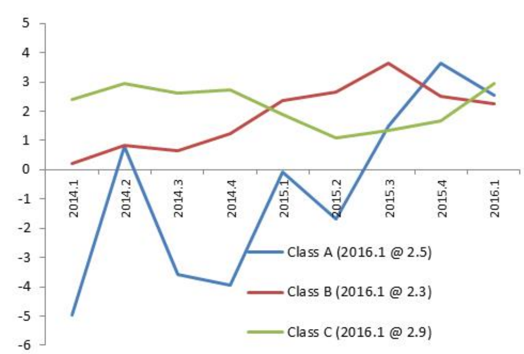


Table 18. **Market rate apartment units in DC, Classes A, B, and C: 2016.1**

Class	Inventory: Buildings	Inventory: Units Number	Inventory: Units 1 yr ch	Inventory: *% vacant*	Occupied units: Number	Occupied units: 1 yr ch	Occupied units: % ch	Effective monthly rent: $ per month	Effective monthly rent: 1 yr % ch	Under construction: Buildings	Under construction: Units	Under construction: Avg. size
Class A	250	40,369	3,816	8.2	37,058	3,628	10.9	$2,413	2.5	63	10,242	163
Class B	1,016	76,327	177	2.1	74,750	915	1.2	$1,587	2.3	30	624	21
Class C	2,032	60,684	-10	2.5	59,154	-255	-0.4	$1,157	2.9	0	-	

Source: CoStar. Includes units in private sector buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings. Vacancy rate is unoccupied units as % of inventory.

Commercial office space

Last quarter, occupied commercial office space fell slightly, and the vacancy rate increased slightly

● According to CoStar, for the the 12-month period ending March, occupied occupied space fell 0.1% from the prior year; base rent rose 2.3%.

●Class A office space accounted for 15% of all office buildings, 62% of office space, 61% of occupied space, and 99% of new construction. The vacancy rate for class A space was 12.5%, up from 11.9% in the Dec. quarter and from 12.0% a year ago. Class A rent rose 3.2% over the past year.

●Space under construction in March 2016 (3.29 million square feet in 13 buildings) was 720,000 less than the prior quarter and virtually the same as a year earlier.

DC Commercial office space: 1 year change in inventory and occupancy ,and under construction: 2014.1 to 2016.1 *(all classes, msf):*

Table 19. **DC commercial office space: 2010 to 2016.1**

		Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
CY (year end)	Build-ings	Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	$ per sq ft.	1 yr % ch	build-ings	msf
2010	2,358	151.48	2.56	134.78	3.16	2.4	10.0	11.0	$45.61	1.6	6	1.56
2011	2,353	152.38	0.90	135.68	0.91	0.7	10.3	11.0	$46.15	1.2	9	2.05
2012	2,343	152.12	-0.26	137.16	1.47	1.1	9.2	9.8	$45.18	-2.1	8	2.23
2013	2,340	152.90	0.78	137.45	0.29	0.2	9.5	10.1	$46.08	2.0	11	2.12
2014	2,333	152.86	-0.03	136.95	-0.50	-0.4	9.9	10.4	$47.24	2.5	12	2.35
2015	2,325	153.24	0.38	136.73	-0.22	-0.2	10.3	10.8	$47.94	1.5	19	4.01
2016.1	*2,324*	*153.33*	*0.36*	*136.51*	*-0.09*	*-0.1*	*10.4*	*11.0*	*$48.14*	*2.3*	*13*	*3.29*
1 Q ch	*-1*	*0.09*		*-0.22*			*0.1*	*0.2*	*$0.20*		*-6*	*-0.72*

Source: CoStar.All classes, all sizes.

Vacancy rate and 1 year % change in rent for all commercial office space and for Class A office space: 2014.1 to 2016.1

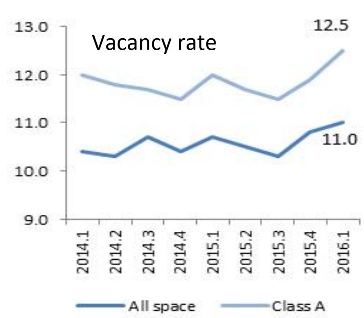


Table 20. **DC Class A, B, and C commercial office space: 2016.1**

		Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
CY (year end)	Build-ings	Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	$ per sq ft.	1 yr % ch	build-ings	msf
Class A	350	94.81	1.13	82.96	0.49	0.9	11.8	12.5	$52.07	3.2	10	3.26
Class B	860	48.14	-0.69	43.54	-0.58	-1.3	9.0	9.6	$42.30	1.3	3	0.03
Class C	1,113	10.34	-0.09	10.00	0.00	0.0	3.2	3.3	$33.18	5.3	0	0.00

Source: CoStar.

The value of property transfers increased substantially in the last 3 months

●Delta Associates expects the demand for new office space in DC to exceed the new supply over the next two years. DC's share of regional office new supply is estimated at 43% and the share of demand at 37%.

●The value of May property transfers was up 25.7% from last year as measured by the 3-month moving total. The 12-month moving total ($13.60 billion) was 0.1% lower than last year.

Table 21. **Delta Associates outlook for commercial office space: March 2016** *(million square feet)*

Vacant	9.70
New supply, next 2 years:*	
Under construction	*1.60*
Part of planned for delivery in 2 yr.	--
Total	1.60
Demand, next 2 years	2.80
Planned for possible delivery in 2 years	8.09
Proposed/rumored with long term delivery	14.03

**Supply for next two years represents office buildings currently under construction and a portion of those planned that could deliver by March 2018.*

For definitions of planned and proposed, see box.
Source: Delta Associates.

Table 22. **Delta Associates outlook for commercial office space in DC and the surrounding metro area: Mar. 2016 to Mar. 2018**

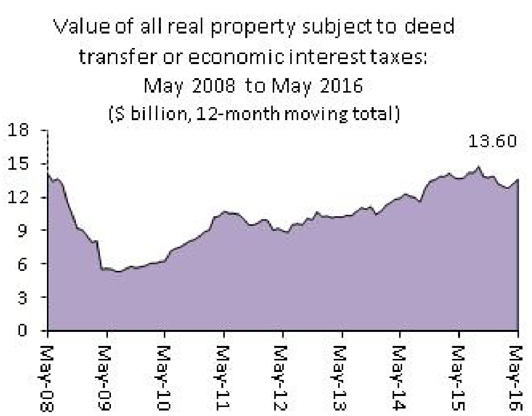
Indicator	DC	No VA	Sub MD	Total	*DC % of total*
Inventory March 2016					
Inventory (msf)	141.9	179.9	86.0	407.8	34.8
Estimated net activity to March 2018					
new supply (msf)	1.6	1.9	0.2	3.7	43.2
new demand (msf)	2.8	3.6	1.2	7.6	36.8

Source: Delta Associates msf = million square feet

Note: *Planned and proposed projects*

Planned projects: *Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).*

Proposed projects: *a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.*



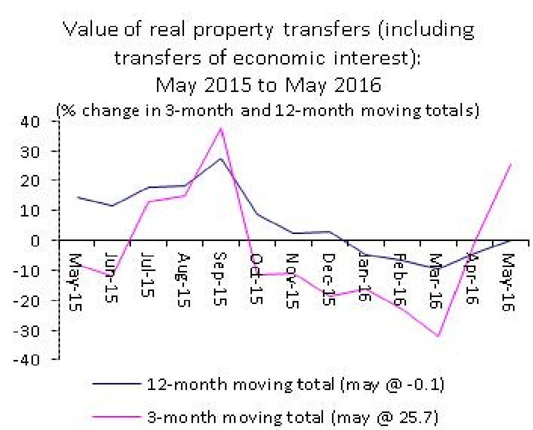


Table 23. **Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: May 2016**

	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total	3-month moving total	This month
All property transfers ($ million)	9,533.3	11,063.9	11,569.8	14,766.3	13,602.5	3,203.1	1,074.3
change from one year ago ($M)	-526.2	1,530.6	505.8	3,196.5	-16.6	654.5	420.7
% change from 1 year ago	*-5.2*	*16.1*	*4.6*	*27.6*	*-0.1*	*25.7*	*64.4*

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.
Source: OCFO/Recorder of Deeds and OCFO/ORA (calculated from tax collections and deposits adjusted for tax rate changes).

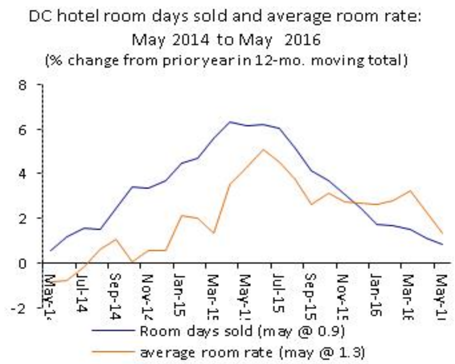
Hospitality

Hotel sales revenue up 4.8% from a year ago

●In May the 3-month moving total for hotel room-days sold was 2.0% above a year earlier. The average room rate was 2.7% higher, and revenue was up 4.8%. For the past 12 months, hotel revenue was up 2.2%.

●Employment in food services was 3.1% more in May than a year earlier as measured by the 3-month moving average. Hotel employment was up 1.8%.

●March airline traffic into the DC area was up 5.4% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 6.5%. For the past 12-months, total traffic into the DC area was 6.6% higher.



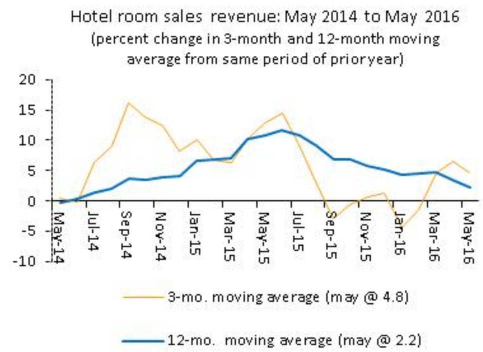


Table 24. **Hospitality Industry: May 2016**

Indicator	Units	date	FY 2013	FY 2014	FY 2015	12-month moving total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	may	7.680	7.869	8.193	8.243	2.341	0.778
	1 yr ch		0.062	0.189	0.324	0.070	0.046	0.003
	1 yr % ch		0.8	2.5	4.1	0.9	2.0	0.3
Average room rate	$	may	207.31	209.87	215.35	217.97	257.21	255.29
	1 yr ch		3.74	2.56	5.47	2.86	6.76	3.06
	1 yr % ch		1.8	1.2	2.6	1.3	2.7	1.2
Occupancy rate	%	may	75.8	76.6	77.5	77.8	87.2	85.0
(average)	1 yr ch		0.5	0.8	0.9	0.5	1.0	-0.7
	1 yr % ch		0.6	1.0	1.2	0.7	1.2	-0.8
Room revenue	($M)	may	1,592.1	1,651.4	1,764.3	1,796.8	602.2	197.3
	1 yr ch		41.4	59.4	112.8	38.5	27.3	1.8
	1 yr % ch		2.7	3.7	6.8	2.2	4.8	0.9
Airline passengers								
DCA	1 yr % ch	mar	5.5	0.0	10.3	10.2	6.5	8.1
IAD	1 yr % ch	mar	-4.0	-1.9	0.3	1.1	-0.5	2.3
BWI	1 yr % ch	mar	-1.5	-0.5	4.1	8.3	9.7	9.0
Total	1 yr % ch	mar	-0.3	-0.8	4.8	6.6	5.4	6.6
Employment								
Accommodations	level ('000)	may	15.2	15.2	15.1	15.3	15.5	15.5
	1 yr ch		-0.2	0.0	-0.1	0.1	0.3	0.3
	1 yr % ch		-1.2	-0.2	-0.3	0.4	1.8	2.0
Food and bev	level ('000)	may	45.1	47.1	49.7	51.1	52.1	52.4
	1 yr ch		2.5	2.0	2.6	2.4	1.6	1.6
	1 yr % ch		5.7	4.3	5.5	4.8	3.1	3.1

** Total for hotel rooms sold and room revenue.*

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

DC tax collections

Total DC tax collections (before earmarking): May 2011 to May 2016
(12-month moving total in $ million)

May 2016 @ $7,052M

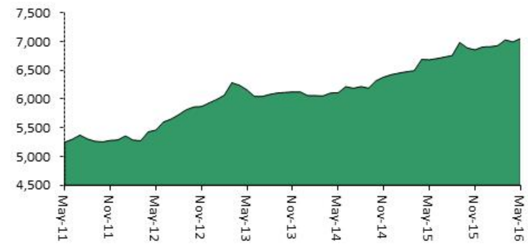


Table 29. **Tax Collections (before earmarking): May 2016 *(Preliminary)***

($ million)	Revenue (from CAFR)				Tax collections			
Tax	FY 2012	FY 2013	FY 2014	FY 2015	12-month moving total	FY 2016 to date	3-month moving total	This month
Total taxes	5,853.3	6,100.5	6,290.0	6,916.8	7,052.5	4,262.7	2,468.3	396.5
1 year change	528.0	247.2	189.5	656.9	370.0	69.3	124.1	59.8
% change	*9.9*	*4.2*	*3.1*	*10.0*	*5.5*	*1.7*	*5.3*	*17.8*
Real property	1,822.0	1,914.8	2,015.6	2,194.5	2,309.3	1,188.0	1,160.7	10.7
1 year change	106.9	92.8	100.7	178.9	226.6	-5.2	82.3	7.0
% change	*6.2*	*5.1*	*5.3*	*8.9*	*10.9*	*-0.4*	7.6	191.3
General sales	1,111.0	1,137.9	1,172.1	1,315.3	1,304.4	869.8	343.6	121.0
1 year change	67.6	26.8	34.2	143.2	81.8	50.3	31.8	5.2
% change	*9.5*	*2.4*	*3.0*	*12.2*	*6.7*	*6.1*	*10.2*	*4.5*
Individual income	1,490.7	1,640.9	1,679.2	1,868.0	1,876.2	1,236.6	478.9	139.0
1 year change	194.1	150.2	38.3	188.9	43.1	2.5	-37.1	20.1
% change	*15.0*	*10.1*	*2.3*	*11.2*	*2.4*	*0.2*	*-7.2*	*16.9*
withholding	1,321.6	1,391.2	1,472.9	1,553.2	1,611.3	1,112.6	428.5	138.3
1 year change	129.5	69.6	81.7	80.3	50.8	31.5	15.9	16.8
% change	*10.9*	*5.3*	*5.9*	*5.4*	*3.3*	*2.9*	*3.9*	*13.9*
non-withholding	169.1	249.6	206.2	314.8	264.8	124.0	50.4	0.7
1 year change	64.6	80.6	-43.4	108.6	-7.7	-29.0	-53.0	3.3
% change	*61.9*	*47.7*	*-17.4*	*52.6*	*-2.8*	*-19.0*	*-51.3*	na
Corporate income	302.9	299.0	280.2	308.0	347.0	226.1	124.6	6.6
1 year change	86.6	-3.9	-18.8	27.8	36.8	30.0	3.6	-5.6
% change	*40.1*	*-1.3*	*-6.3*	*9.9*	*11.9*	*15.3*	*3.0*	*-45.8*
Unincorporated Bus.	163.0	154.3	135.4	139.8	152.8	107.1	69.0	6.3
1 year change	19.6	-8.7	-18.9	4.4	-2.8	4.2	10.2	1.8
% change	*13.6*	*-5.3*	*-12.3*	*3.2*	*-1.8*	*4.1*	*17.4*	*40.9*
Deed taxes*	312.5	372.8	391.2	480.6	450.5	271.5	112.4	35.5
1 year change	1.3	60.3	18.4	89.4	4.4	-30.1	25.0	14.8
% change	*0.4*	*19.3*	*4.9*	*22.8*	*1.0*	*-10.0*	*28.7*	*71.6*
Other taxes	651.1	580.8	616.4	610.6	612.3	363.6	179.1	77.4
1 year change	23.3	-70.4	35.6	-5.8	-19.8	17.7	8.2	16.5
% change	*3.7*	*-10.8*	*6.1*	*-0.9*	*-3.1*	*5.1*	*4.8*	*27.0*

**Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.*

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those years.

(2) Tax collections data subject to accounting adjustments.

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

Source: OCFO/ORA

Individual income tax collections down 7% in the last 3 months compared to last year

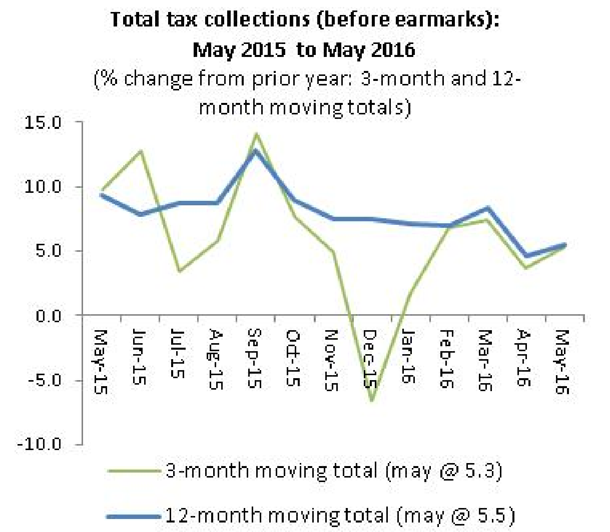
●For the 12 month period ending May total tax collections (before earmarking) were $370 million (5.5%) more than in the prior year. For the last 3 months they were 5.3% above last year.

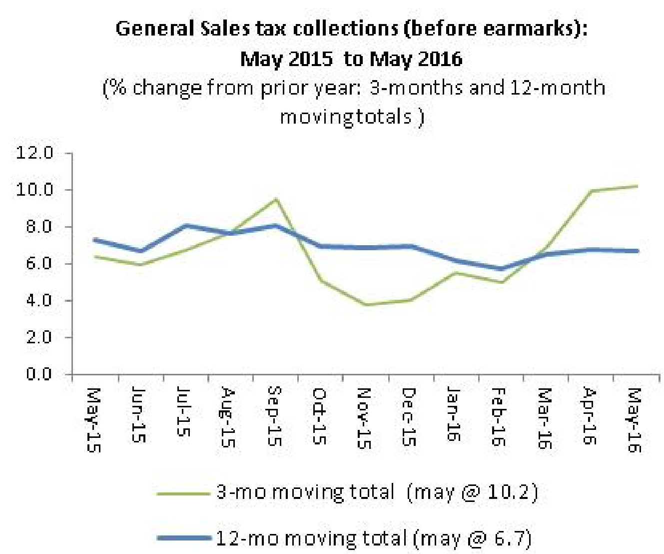
●Individual income tax collections were 2.4% above last year for the 12-months ending May and withholding was 3.3% higher. For the past 3 months, withholding was up 3.9% and all collections were down 7.2%,

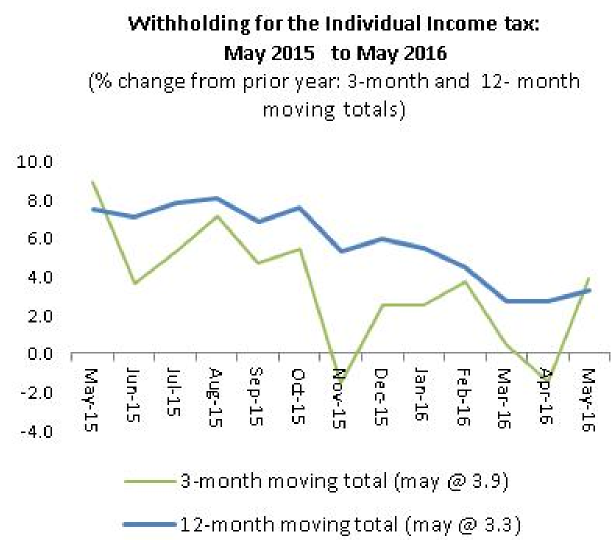
●General sales tax collections were 6.7% above last year for the 12-months ending May. For the past 3 months, they were 10.2% above last year.

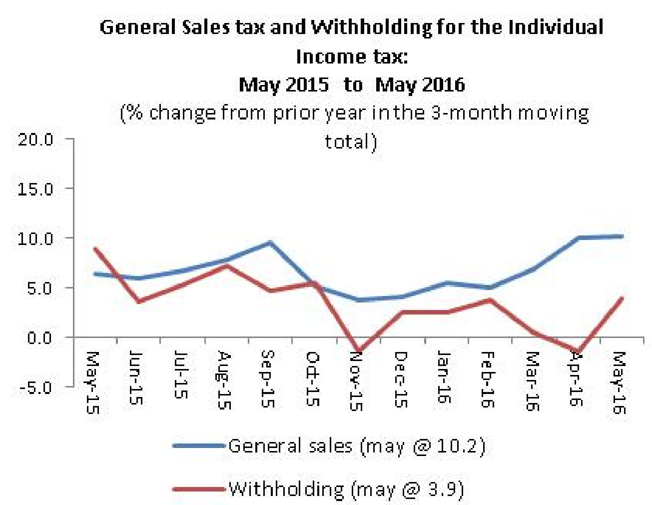
●Deed tax collections for the 12-months ending May were up 1.0% from last year; for the past 3 months they were up 28.7%.

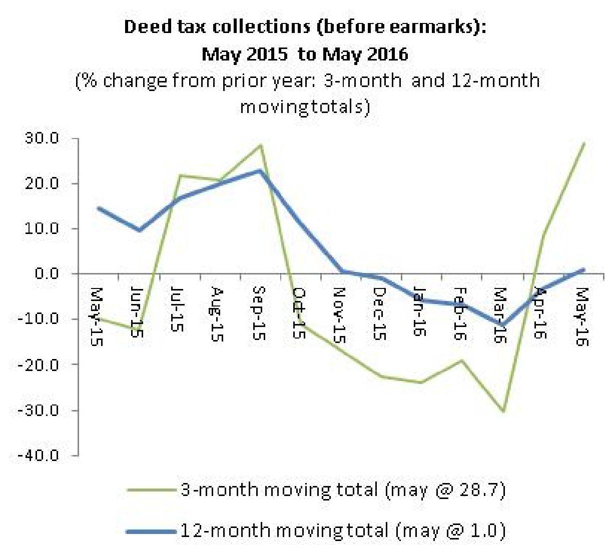
●Corporate income taxes in May were up 11.9% and unincorporated business income taxes fell 1.8% from last year (12-mo. total).











Slow first quarter for US real GDP growth

●US real GDP growth in the March quarter was revised up to 1.1%; nominal growth stayed at 1.4% (seasonally adjusted, annual rates).

●Federal government consumption and investment for all activities was 1.4% higher in the 2016.1 quarter than a year earlier.

●US employment (seas. adj.) increased by 38,000 in May from the month before, the slowest growth in over 5 1/2 years.

●The US unemployment rate (seas. adj.) fell to at 4.7% in May.

●In May the average S&P 500 index for the month fell 0.5% from April, and was 2.2% below a year earlier.

●Inflation rose slightly in May and was 1.1% above a year earlier.

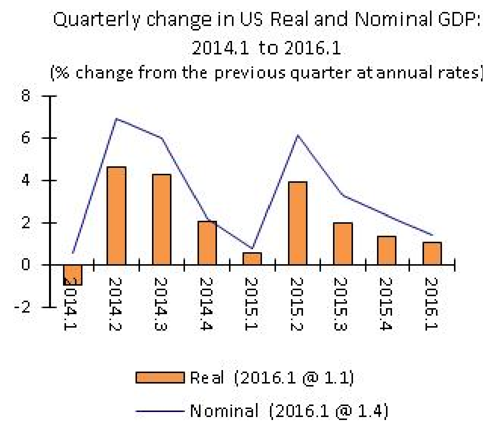


Table 26. **Qtr. to Qtr. ch. in US GDP: 2015.1 to 2016.1**

(% ch. from previous quarter at seasonally adj. annual rates)

Indicator	2015.1	2015.2	2015.3	2015.4	2016.1
US GDP real	0.6	3.9	2.0	1.4	1.1
US GDP nominal	0.8	6.1	3.3	2.3	1.4
Wages and salaries	2.6	5.7	4.0	6.4	4.5
Personal income	3.3	5.2	4.4	4.1	3.6

Note: GDP=Gross Domestic Product Source: BEA, updated June 28, 2016.

Table 27. **Federal government sector, US GDP acounts: 2016.1**

(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2016.1
Non-defense					
Compensation of employees	-0.2	1.8	4.2	4.9	4.9
Purchases of goods and services	-5.4	-1.0	0.7	-1.3	0.0
Gross investment	-3.0	-1.6	2.6	3.1	3.9
Defense					
Compensation of employees	-3.5	-0.5	-0.7	0.5	2.0
Purchases of goods and services	-8.5	-9.1	-2.9	-1.7	-3.3
Gross investment	-8.3	-2.8	-3.3	-1.4	2.5
All federal consumption and investment	-3.9	-2.0	-0.1	0.7	1.4

Source: BEA (June 28, 2016). Nominal values.

Table 25. **US GDP, income, and inflation: 2016.1**

(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2016.1
US GDP real	1.2	2.4	2.6	2.2	2.1
US GDP nominal	2.9	4.2	3.6	3.3	3.3
US Personal income	3.0	3.0	4.7	4.4	4.4
US wages	3.9	4.1	5.0	5.0	5.3
Corporate profits*	3.1	3.0	4.2	1.2	-2.4
S and P stock index	16.7	20.3	9.7	2.2	-2.8
US CPI	1.6	1.6	0.3	0.4	1.1
Balt//Wash. area CPI	1.6	1.7	0.4	0.7	na

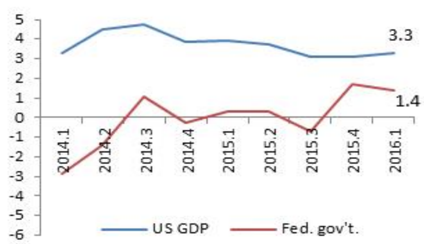
Source: BEA (June 28, 2016), BLS, Yahoo.

*na= not available. *Before tax, w/o IVV and CCAdj.*

Personal income and wagesmay differ from table 8 due to differences in BEA source.

Federal government consumption and investment and US GDP: 2014.1 to 2016.1

(Nominal.; % change from same quarter of the prior year)



Federal government defense and domestic consumption and investment : 2014.1 to 2016.1

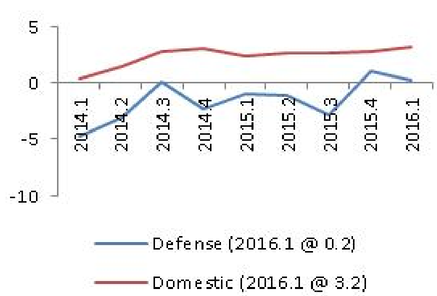


Table 28. **Monthly selected US Indicators: February 2016 to May 2016**

Indicator	February	March	April	May
S and P stock index (level)	1904	2022	2076	2066
% change from prior month	-0.7	6.2	2.6	-0.5
% change from 1 year ago	-8.5	-2.8	-0.9	-2.2
10 yr. Treasury Interest rate (level)	1.78	1.89	1.80	1.80
CPI % ch from prior month *(seasonally adjusted)*	-0.17	0.09	0.41	0.22
CPI % ch from prior year *(seasonally adjusted)*	0.97	0.87	1.14	1.07
Jobs (seasonally adjusted level, in millions)	143.55	143.73	143.86	143.89
change from prior month (thousands)	233	186	123	38
% change from prior month	*0.16*	*0.13*	*0.09*	*0.03*
Resident employment (season. adj. level, in mil.)	151.074	151.32	151.00	*151.03*
change from prior month (thousands)	530	246	-316	*26*
% change from prior month	*0.35*	*0.16*	*-0.21*	*0.02*
Unemployment rate (seasonally adj.)	4.9	5.0	5.0	4.7

Source: BLS and Yahoo! Finance.

US economic forecasts

The June Blue Chip forecast for the US economy was slightly stronger for FY 2016, unchanged for FY 2017

●The June Blue Chip Indicators raised its forecast for real GDP growth in FY 2016 back to 1.9% from 1.8%. The FY 2017 estimate stayed at 2.2%. Both years are lower than the actual for 2014 and 2015 (2.4% and 2.6%, respectively).

●The Blue Chip Indicators June forecast for inflation (CPI) : 1.0% for FY 2016 and 2.1% in FY 2017. The FY 2016 estimate is up from 0.9% in May.

●S&P 500 June baseline Global Insight forecast: 3.9% annal gain in the 4th quarter of 2016 is unchanged from May. Moody's Analytics expects a 1.0% 4th quarter increase in 2016, up from -3.2% in May.

Table 30. **Forecasts for US nominal and real GDP: FY 2013 through FY 2017** *(% change from prior fiscal year)*

	real			nominal		
Fiscal year and date of forecast	Blue Chip	Moody's Analytics	IHS Global Insight	Blue Chip	Moody's Analytics	IHS Global Insight
FY 2013 Actual	1.2	1.2	1.2	2.9	2.9	2.9
FY 2014 Actual	2.4	2.4	2.4	4.2	4.2	4.2
FY 2015 Actual	2.6	2.6	2.6	3.6	3.6	3.6
FY 2016						
March	2.0	2.1	2.1	3.3	3.4	4.0
April	1.9		2.0	3.3		4.2
May	1.8	1.8	1.7	3.0	3.1	3.1
June	1.9	1.9	1.9	3.1	2.9	3.2
FY 2017						
March	2.4	3.0	2.7	4.3	4.9	6.1
April	2.3		2.7	4.2		6.0
May	2.2	2.8	2.5	4.1	4.7	5.7
June	2.2	2.7	2.5	4.1	4.5	5.5

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

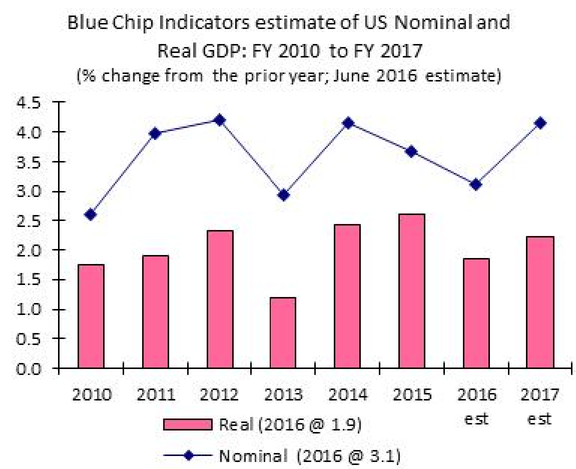


Table 31. **CBO estimates of GDP and other indicators: FY 2015 to FY 2018**

Indicator	FY 2015	FY 2016	FY 2017	FY 2018
Real GDP *(% ch from prior yr.)*	2.6	2.3	2.6	2.3
Nominal GDP *(% ch from prior yr.)*	3.6	3.8	4.3	4.3
CPI *(% ch from prior yr.)*	0.3	1.0	2.2	2.4
10 yr. Treasury bond rate	2.2	2.6	3.3	3.8
Unemployment rate	5.5	4.8	4.4	4.5

Source: Congressional Budget Office, The Budget and Economic Outlook: 2016 to 2026, January 2016

Table 32. **Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2015 to FY 2017**

(% change from prior fiscal year)

Forecast	CPI			10 yr Treasury rate		
date	2015	2016	2017	2015	2016	2017
Mar	0.3	1.0	2.1	2.2	2.2	2.8
Apr	0.3	1.0	2.1	2.2	2.1	2.6
May	0.3	0.9	2.1	2.2	2.0	2.5
Jun	0.3	1.0	2.1	2.2	2.1	2.9

Source: Blue Chip Indicators

Table 33. **IHS Global Insight forecast for S and P 500: 2014.4 to 2016.4**

Forecast	% change from prior year			% change from prior year		
date	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Global Insight: baseline			**Global Insight: pessimistic**		
March	13.6	2.0	-0.8	13.6	2.0	-30.8
April	13.6	2.0	2.4	13.6	2.0	-28.5
May	13.6	2.0	3.9	13.6	2.0	-3.3
June	13.6	2.0	3.9	13.6	2.0	-3.3

Source: IHS Global Insight

Table 34. **Moody's Analytics forecast for S and P 500: 2014.4 to 2016.4**

Forecast	% change from prior year			% change from prior year		
date	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Economy.com baseline			**Economy.com pessimistic**		
March	13.6	2.0	-3.6	13.6	2.0	-7.9
April						
May	13.6	2.0	-3.2	13.6	2.0	-6.6
June	13.6	2.0	1.0	13.6	2.0	-2.5

Source: Moody's Analytics (Economy.com.)

May baseline forecasts for DC: continued growth in FY 2016 and FY 2017.

●*Employment:* Employment forecasts for FY 2016 are down by two or three thousand from FY 2015 actual, with slower gains in FY 2017. The growth in the number of employed DC residents are estimated be be less than in FY 2015 and also less than the number of new jobs located in DC. (Recently resident employment has been growing faster.) DC's unemployment rate expected to average about 6.5% in FY 2016.

●*Income.* Although similar in their job outlooks, Global Insight and Moody's Analytics differ in their outlook for income. Global Insight estimates DC Personal Income will be higher in FY 2016 and FY 2017 than it was in FY 2015; Moody's Analytics says it will be lower each year. Global Insight's Personal Income growth for DC is above the national average, whereas Moody's Analytics shows it below the US average.

Table 35. **Jobs in DC: forecasts for FY 2014 to FY 2017**

(amount of change from prior year, in thousands of jobs)

Date of	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
estimate	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Mar	6.0	11.3	10.8	6.5	6.0	11.3	9.8	0.1	6.3	12.5	10.3	7.8	6.3	12.5	4.0	-1.0
Apr	6.3	12.5	11.4	8.1	6.3	12.5	10.5	1.6								
May	6.3	12.5	10.8	7.5	6.3	12.5	10.4	3.4	6.3	12.5	9.8	7.5	6.3	12.5	9.4	1.4
June	6.3	12.5	10.7	7.5	6.3	12.5	10.5	4.2	6.3	12.5	9.3	6.7	6.3	12.5	8.9	0.7

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

Table 36. **DC Resident employment: forecasts for FY 2014 to FY 2017**

(amount of change from prior year, in thousands of jobs)

Date of	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
estimate	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Mar	3.4	11.7	10.5	7.6	3.4	11.7	10.1	4.3	3.9	13.3	9.5	6.9	3.9	13.3	9.8	4.8
Apr	3.9	13.3	8.9	7.5	3.9	13.3	8.6	4.0								
May	3.9	13.3	9.1	7.3	3.9	13.3	8.9	5.0	3.9	13.3	9.0	6.4	3.9	13.3	8.8	3.7
June	3.9	13.3	8.1	6.5	3.9	13.3	7.9	4.8	3.9	13.3	8.5	6.1	3.9	13.3	8.3	3.4

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

Table 37. **DC Personal Income: forecasts for FY 2014 to FY 2017**

(percent change from prior year)

Date of	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
estimate	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Mar	2.7	4.2	4.8	5.4	2.7	4.2	4.0	0.5	2.7	4.2	3.8	1.5	2.7	4.2	2.1	-0.5
Apr	2.7	4.1	4.9	5.2	2.7	4.1	4.0	0.3								
May	2.7	4.1	5.0	4.9	2.7	4.1	5.1	5.3	2.7	4.1	3.7	1.5	2.7	4.1	3.6	-0.4
Jun	2.7	4.1	5.3	5.4	2.7	4.1	5.4	6.0	2.7	4.1	3.6	1.3	2.7	4.1	3.4	-0.6

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

Table 38. June forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2014 to FY 2017

(percent change from prior year)

	Global Insight				Moody's Analytics			
Indicator	2014	2015	2016	2017	2014	2015	2016	2017
Wage and salary jobs								
DC	0.8	1.7	1.4	1.0	0.8	1.7	1.2	0.9
Metro area					0.4	1.6	2.1	1.5
US	1.8	2.1	1.8	1.5	1.8	2.1	1.8	1.6
Personal Income								
DC	2.7	4.1	5.3	5.4	2.7	4.1	3.6	1.3
Metro area					2.2	4.3	4.5	6.5
US	3.0	4.7	4.2	4.6	3.0	4.7	4.3	5.5

Source: IHS Global Insight and Moody's Analytics. Baseline forecasts

Table 39. **June DC forecasts for wages and unemployment: FY 2014 to FY 2017**

(percent change from prior year)

Global Insight				Moody's Analytics			
2014	2015	2016	2017	2014	2015	2016	2017
Wages and salaries earned in DC							
3.1	5.0	4.8	4.5	3.1	5.0	4.4	3.3
DC resident wages and salaries							
3.0	4.5	6.1	6.5	3.0	4.5	3.3	-1.9
DC Unemployment rate (level)							
7.9	7.2	6.5	6.1	7.9	7.2	6.5	6.6

Source: IHS Global Insight and Moody's Analytics (Economy.com). Baseline forecasts.

DC revenue estimate

The February revenue estimate: $31 million less in FY 2016 than in FY 2015, followed by a $244 million increase in FY 2017

●Anticipated tax revenue decline (before earmarks) is 0.4% in FY 2016, followed by a 3.5% increase in FY 2017. The estimates reflect growth in the DC economy, but the decline in FY 2016 results from a one-time revenue gain in FY 2015 from settlement payments for past due sales taxes from on-line hotel bookings, extraordinary gains from certain taxes, and the effects of scheduled tax cuts enacted in September 2015.

●Real property tax growth of $163 million in FY 2016 is offset by decreases in other taxes in that year. Real property is also the leading source of revenue gain in FY 2017. Individual income tax revenue increased 11.2% in FY 2015 , but is estimated to fall 0.6% in FY 2016 reflecting both tax cuts and extraordinary capital gains in FY 2015. Sales (due to the hotel booking settlement), deed taxes, and business income are projected to fall in FY 2016.

●As a share of DC Personal Income, tax revenue in FY 2016 is expected to fall to 13.9% from 14.6% in FY 2015.

Table 40. **DC Tax Revenue (before earmarks) for FY 2014 through FY 2017: February 2016 revenue estimate**

Tax	FY level ($ million)				Change from prior year ($ M)				% change from prior year			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Real property	2,015.6	2,194.5	2,357.2	2,456.7	100.7	178.9	162.7	99.5	5.3	8.9	7.4	4.2
Deed taxes	391.2	480.6	361.2	367.7	24.0	89.4	-119.4	6.5	6.5	22.8	-24.8	1.8
General sales	1,172.1	1,315.3	1,290.8	1,344.4	34.2	143.2	-24.4	53.5	3.0	12.2	-1.9	4.1
Individual income	1,679.2	1,868.0	1,857.0	1,930.4	38.3	188.9	-11.1	73.4	2.3	11.2	-0.6	4.0
Withholding	*1,472.9*	*1,553.2*	*1,615.0*	*1,678.9*	*81.7*	*80.3*	*61.7*	*64.0*	*5.9*	*5.5*	*4.0*	*4.0*
non-withholding	*206.2*	*314.8*	*242.0*	*251.5*	*-43.4*	*108.6*	*-72.8*	*9.5*	*-17.4*	*52.7*	*-23.1*	*3.9*
Business income	415.6	447.8	420.9	427.7	-37.7	32.2	-26.9	6.8	-8.3	7.8	-6.0	1.6
Other	616.4	610.6	599.0	603.5	30.1	-5.8	-11.7	4.6	5.1	-0.9	-1.9	0.8
Total	6,290.0	6,916.8	6,886.1	7,130.5	189.5	626.9	-30.8	244.4	3.1	10.0	-0.4	3.5

Source: ORA. February 26, 2016 revenue estimate under existing legislation. Deed taxes include economic interest. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2014 and FY 2015 are from the CAFR.

Table 41. **DC labor market assumptions: FY 2014 to FY 2017**

item	2014	2015	2016	2017
Wage and salary employment	751,483	762,800	772,403	778,754
1 year change	6,000	11,317	9,603	6,351
% change	*0.8*	*1.5*	*1.3*	*0.8*
DC resident employment	344,826	356,540	365,433	370,564
1 year change	3,434	11,714	8,893	5,130
% change	*1.0*	*3.4*	*2.5*	*1.4*
Unemployment rate	7.9	7.4	6.5	6.4

Source: ORA February 2016 revenue estimate.

Table 42. **DC Income and stock market assumptions: FY 2014 to FY 2017** (% change from prior year)

item	2014	2015	2016	2017
Wages and salaries earned in DC	3.1	5.1	4.2	3.9
Wages and salaries earned by DC residents	3.0	4.6	4.5	4.0
DC Personal income	2.7	4.2	4.0	4.2
S and P 500 stock index	13.6	2.0	0.5	3.5

Source: ORA February 2016 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 43. **DC tax revenue (before earmarks) and DC Personal Income: FY 2009 to FY 2018**

item	2009	2010	2011	2012	2013	2014	2015	2016 est	2017 est	2018 est
Tax revenue ($ million)										
Level	5,052	5,005	5,325	5,853	6,100	6,290	6,917	6,886	7,130	7,381
Change from prior year	-273	-47	320	528	247	189	627	-31	244	251
Percent change from prior year										
Tax revenue	-5.1	-0.9	6.4	9.9	4.2	3.1	10.0	-0.4	3.5	3.5
Personal Income	-0.7	1.5	8.0	5.2	2.8	2.7	4.2	4.0	4.2	4.7
Tax revenue as percent of Personal Income	13.5	13.2	13.0	13.5	13.7	13.8	14.6	13.9	13.8	13.7

Source: ORA. February 26, 2016 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

 Continued from page 1

Job growth in DC, the Washington metropolitan area, and the US. DC's annual job growth was a few tenths of a percent less than in the US economy for both the 2010 to 2015 period and the year ending May 2016. Like DC, however, the US experienced similar annual wage and salary employment growth rates for both May and the 2010 to 2015 period. Wage and salary jobs grew 1.8% in May in the US economy and an average of 1.7% for the years 2010 to 2015.

The pattern was different in the DC suburbs. Suburban growth in May, 2.6%, exceeded that of DC by more than a full percentage point and was almost one percent above the US rate. But for the 2010 to 2015 period suburban growth was less than in both the US and DC. The cutback in federal spending, known as the sequester, which took effect in 2013 appears to have had a considerable impact on suburban job growth over the 5 years from 2010 to 2015. In May 2016 the suburbs added 62,100 jobs over the prior year, more than twice the annual average for the 2000 to 2015 period (26,800).

Annual percentage increase in wage and salary jobs in DC, the DC metropolitan area, and the US: average from 2010 to 2015, and May 2015 to May 2016

Place	Annual average: 2010 to 2015	May 2015 to May 2016
US	1.7	1.8
Metro area	1.2	2.3
DC	1.5	1.5
Suburbs	1.2	2.6

Source: BLS

—Stephen Swaim, DC Office of Revenue Analysis

DC wage and salary jobs: CY 2010 to CY 2015

	Level 2010	Level 2015	5 yr ch	Annual
Amounts				
Federal government	210,600	198,108	-12,492	-2,498
Local government	36,325	39,883	3,558	712
Professional and business	147,675	161,558	13,883	2,777
Information and financial services	45,550	47,325	1,775	355
Education and health	107,875	127,883	20,008	4,002
Trade and hospitality	82,767	100,533	17,767	3,553
Organizations and other services	65,408	71,000	5,592	1,118
Other private	15,933	20,142	4,208	842
Total	712,133	766,433	54,300	10,860
Percentage distribution				
Federal government	29.6	25.8	-23.0	-23.0
Local government	5.1	5.2	6.6	6.6
Professional and business	20.7	21.1	25.6	25.6
Information and financial services	6.4	6.2	3.3	3.3
Education and health	15.1	16.7	36.8	36.8
Trade and hospitality	11.6	13.1	32.7	32.7
Organizations and other services	9.2	9.3	10.3	10.3
Other private	2.2	2.6	7.8	7.8
Total	100	100	100	100

Source: BLS. Calendar year is 12-month moving average for December of year shown.

DC wage and salary jobs: May 2015 to May 2016

	Level May 2015	Level May 2016	Change
Amounts			
Federal government	197,633	199,200	1,567
Local government	38,600	40,300	1,700
Professional and business	160,667	163,433	2,767
Information and financial services	47,167	47,400	233
Education and health	131,433	132,333	900
Trade and hospitality	100,333	104,133	3,800
Organizations and other services	70,867	70,467	-400
Other private	19,800	20,367	567
Total	766,500	777,633	11,133
Percentage distribution			
Federal government	25.8	25.6	14.1
Local government	5.0	5.2	15.3
Professional and business	21.0	21.0	24.9
Information and financial services	6.2	6.1	2.1
Education and health	17.1	17.0	8.1
Trade and hospitality	13.1	13.4	34.1
Organizations and other services	9.2	9.1	-3.6
Other private	2.6	2.6	5.1
Total	100	100	100

Source: BLS. Calendar year is 3-month moving average for May of year shown.

Wage and salary employment in the US and the Washington metropolitan area: 2010 to 2015

	Level('000)		5-year change		5 year average ch.	
	Dec 10	Dec 15	Amount	%	Avg /yr	%/yr
US	130,361.3	141,865.3	11,504.0	8.8	2,300.8	1.7
Metropolitan area	2,982.9	3,171.4	188.5	6.3	37.7	1.2
DC	712.1	766.4	54.3	7.6	10.9	1.5
suburbs	2,270.7	2,404.9	134.2	5.9	26.8	1.2

Source: BLS. Calculated from 12 month moving average for date shown.

Wage and salary employment in the US and the Washington metropolitan area: May 2015 to May 2016

	Level('000)		Change		5 year average ch.	
	May 15	May 16	Amount	%	Avg /yr	%/yr
US	141,206.0	143,809.3	2,603.3	1.8	520.7	1.7
Metropolitan area	3,155.3	3,228.5	73.2	2.3	14.6	1.2
DC	766.5	777.6	11.1	1.5	2.2	1.5
suburbs	2,388.8	2,450.9	62.1	2.6	12.4	1.2

Source: BLS. Calculated from 3-month moving averages

Note about data:

This analysis of wage and salary employment by place of work covers the period from CY 2010 to May 2016. The analysis uses data from the Bureau of Labor Statistics employer survey of wage and salary employment. The data for calendar year 2010 and 2015 are 12-month averages from December of those years. The data for May 2015 and May 2016 are three month averages for March, April, and May.

It should be noted that the data presented here can be revised as BLS sorts through additional information that becomes available.

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:

Revised revenue estimate, June 30, 2016.

Tax expenditure report. May 2014. Comprehensive description of all DC tax expenditures.

Briefing documents. A series with information related to DC's economy and taxes.

DC Tax Facts, 2015. Details on all DC taxes.

Tax Rates and Tax Burdens 2014 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2014 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

About this report. *District of Columbia Economic and Revenue Trends* is generally issued toward the end of every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date. Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Budget and Revenue/Economy/ Economic and Revenue Trends).*

Table 44. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	May	July 22
D.C. Personal Income	BEA	2016.1	September 28
D.C. Tax Collections	OTR/ORA	May	c. July 15
D.C. Housing Sales	MRIS*	May	c. July 10
D.C. Commercial Office Building data	CoStar and Delta	2016.1	c. July 10
DC Apartment data	CoStar and Delta	2016.1	c. July 10
D.C. Hotel stay information	Smith Travel Research	May	c. July 20
Consumer Price Index	BLS	May	July 15
U.S. Jobs and Labor Force	BLS	May	July 8
U.S. GDP and Personal Income	BEA	2016.1	July 29
S and P 500 Stock Index	Financial press	May	July 1
Interest rate on 10-Year Treasury Securities	Financial press	May	July 1
IHS Global Insight D.C. forecast	Global Insight	June	c. July 15
Moody's Analytics D.C. forecast	Moody's Analytics	June	c. July 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	June	c. July 10

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

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

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

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