



District of Columbia Economic and Revenue Trends: May 2021

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Highlights

% ch, 3 month avg
 Green = Improving*

DC Jobs (p.2)	-8.8 %
DC Wages (p. 6)	1.0 %
Unemployment rate (p.3)	7.8 %
Home prices (p.12)	16.4 %
Office vacancy (p.10)	13.7 %
S&P 500 (p.15)**	47.3 %

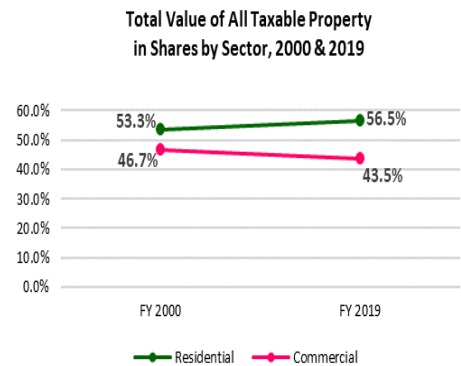
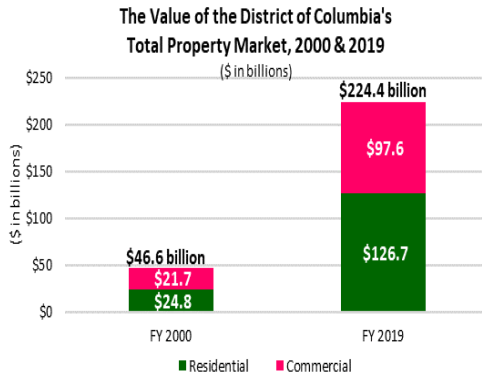
* 3-month moving avg growth better than 12 month

** % change annual

DC's Property Sales Market: Trends and Fluctuations (2000 to 2020)

Between 2000 and 2019, the District of Columbia property market experienced remarkable growth. According to annual District property assessment data, the total value of all taxable property grew from \$46.6 billion in 2000 to \$224.4 billion (382.4 percent higher) in 2019. The value of the residential sector grew at an annual average rate of 9.5 percent over the period, and the commercial sector grew at a slightly slower annual average rate of 8.7 percent. The higher growth rate for the residential sector caused the share of all residential value to increase to 56.5 percent in 2019 and the commercial sector share to decline to 43.5 percent.

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Whereas most of the value of all taxable real property is attributed to the residential sector, most of the value of property sales subject to total deed taxation is commercial property. Based on annual deed tax data from the District Recorder of Deeds, we estimate that the total property value subject to total deed taxation grew from \$4.1 billion in 2000 to \$17.4 billion in 2019. The value of the residential property sold grew at an annual average rate of 7.3 percent over the period, and the value of the commercial property only grew at an annual average rate of 8.7 percent. And while there are many factors (nationally and locally) that contributed to the rapid appreciation of property prices and values, the 10-year treasury rate also fell from 6.05 percent in 2000 to 2.05 percent in 2019.

And in contrast to the rapid growth in property values, the national consumer price index only grew at an annual average rate of 2.1 percent between 2000 and 2019. Additionally, the faster growth of property sale values in the commercial sector caused the share of all commercial value to increase to 51.1 percent in 2019 and the residential sector share to decline to 48.9 percent.

An average of 6.5 percent of the total residential property value in the city is sold annually, and an average of 10.1 percent of the total commercial property value in the city is sold annually. (continued page 19)

Wage and salary employment

Private sector continues to weaken in March

- In March, DC lost 68,600 jobs compared to a year ago, a 8.6% decline. The decline in the 3-month average was 8.8%, compared to the suburban decline of 5.6% and the U.S. decline of 5.4%.
- Federal sector employment grew 1.4 percent in contrast with the private sector decline of 13.1% in the 3-months ending March. In the 12 months ending March 2021, federal employment increased by 2,975 jobs (1.5%) while the private sector lost 72,542 (-12.9%).
- Seasonally adjusted employment was 500 higher in March than February and 4,500 lower than October 2020.

Wage and salary employment located in DC, DC suburbs and US:
April 2019 to March 2021

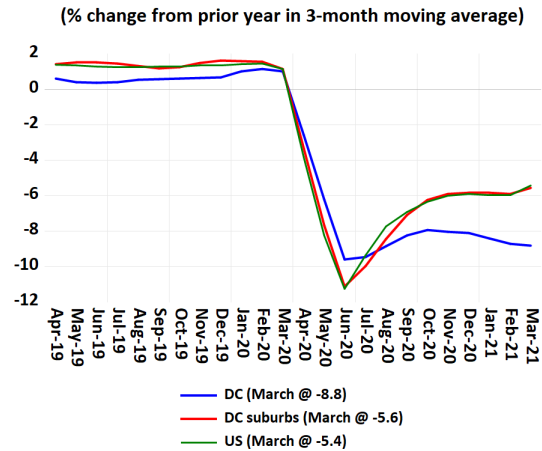


Table1. Wage and Salary Employment in DC, Washington Metro area, and the US: March 2021

Jurisdiction	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
District of Columbia	791,092	795,867	763,550	729,575	728,733	730,900
1 year change	8,508	4,775	-32,317	-69,600	-70,600	-68,600
% change	1.1	0.6	-4.1	-8.7	-8.8	-8.6
Washington metro area	3,297,742	3,336,442	3,205,025	3,097,958	3,129,567	3,147,800
1 year change	39,108	38,700	-131,417	-259,208	-212,000	-188,200
% change	1.2	1.2	-3.9	-7.7	-6.3	-5.6
Washington suburbs (%ch)	1.2	1.4	-3.9	-7.4	-5.6	-4.7
US (%ch)	1.6	1.4	-4.0	-7.4	-5.4	-4.4

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

Source: BLS. March 2021 is preliminary

Federal gov. and private sector wage and salary employment in DC:
April 2019 to March 2021

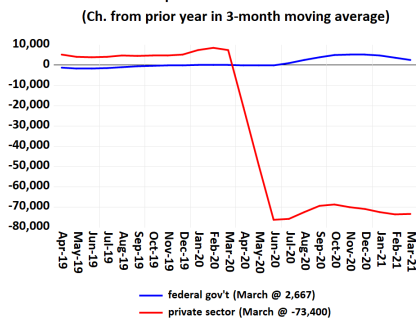


Table 2. Federal government and private sector wage and salary employment in DC: March 2021

Sector	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Federal government	196,983	195,233	196,225	198,225	197,767	197,500
1 year ch.	-3,225	-1,750	992	2,975	2,667	2,100
% change	-1.6	-0.9	0.5	1.5	1.4	1.1
Private sector	552,375	558,050	524,775	488,667	488,733	491,200
1 year ch.	11,125	5,675	-33,275	-72,542	-73,400	-70,800
% change	2.1	1.0	-6.0	-12.9	-13.1	-12.6

Source: BLS. Not seasonally adjusted. March is preliminary

Table 3. Seasonally Adjusted DC Employment: October 2020 to March 2021

Indicator	October	November	December	January	February	March
D.C. Wage and Salary Employment	736,400	733,600	733,900	732,500	731,400	731,900
change from prior month	1,000	-2,800	300	-1,400	-1,100	500
%change from prior month	0.1	-0.4	0.0	-0.2	-0.2	0.1

Source: BLS seasonally adjusted. March is preliminary.

Resident employment and unemployment

Resident employment still on a decline and unemployment claims saw a drop

- In March DC resident employment was down 25,217 (6.3%) from a year earlier (3-mo. moving average). The labor force fell by 16,350 (3.9%)—and the number of unemployed rose 8,867 (41.1%). The unemployment rate in March was 7.0%.
- Initial claims for unemployment insurance showed improvement. The 3-mo. moving average ending March 2021 was 6,883 lower than March 2020, the first month of the pandemic
- Seasonally adjusted resident employment grew in March, adding 221 jobs from February.

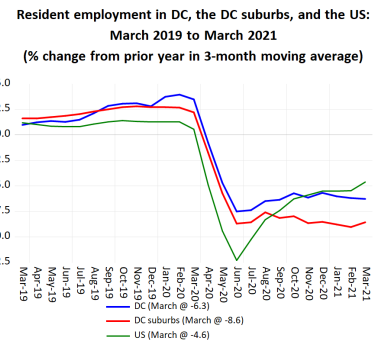
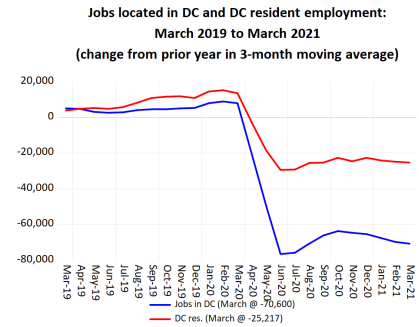


Table 4. Unemployment rates for DC, metro area, and US: March 2021

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Mar-20	Mar-21	Mar-20	Mar-21
US	4.5	6.2	4.4	6.0
DC	5.5	7.0	5.2	7.8
DC metro area	3.2	5.6	na	na
DC suburbs	2.9	5.4	na	na

Source: BLS; na=data not available.

Table 5. Resident employment and unemployment: March 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	370,535	375,734	375,608
1 year ch.	6,596	6,404	-7,538	-25,573	-25,217	-21,876
% change	1.7	1.7	-1.9	-6.5	-6.3	-5.5
Labor Force	407,036	412,824	411,558	405,646	406,162	403,736
1 year ch.	5,084	5,788	-1,266	-11,815	-16,350	-16,692
% change	1.3	1.4	-0.3	-2.8	-3.9	-4.0
Unemployed residents	23,440	22,824	29,096	35,112	30,428	28,128
1 year ch.	-1,511	-616	6,272	13,758	8,867	5,184
% change	-6.1	-2.6	27.5	64.4	41.1	22.6
Unemployment rate	5.8	5.5	7.1	8.7	7.5	7
DC Unemployment insurance (state program)						
Initial Claims (mo. avg)	1,611	2,299	12,886	12,315	7,673	9,758
1 year ch.	106	687	10,588	7,125	-6,883	-29,417
% change	7.1	42.7	460.6	137.3	-47.3	-75.1
Weeks compensated (mo. avg)	30,429	27,473	139,780	171,546	67,696	67,139
1 year ch.	-926	-2,956	112,307	145,355	40,233	35,408
% change	-3.0	-9.7	408.8	555.0	146.5	111.6

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

Table 6. Seasonally Adjusted DC resident employment and unemployment: October 2020 to March 2021

Indicator	October	November	December	January	February	March
DC resident employment	373,663	373,627	373,290	374,800	375,159	375,380
change from prior month	1,396	-36	-337	1,510	359	221
% change from prior month	0.4	0.0	-0.1	0.4	0.1	0.1
DC unemployment rate	8.8	8.8	8.8	8.4	8.1	7.8

Source: BLS seasonally adjusted. March is preliminary.

Jobs by sectors of the economy

Government and construction only sectors to grow in March

- Government added 2,800 jobs in March over March 2020, mostly in federal government, and the private sector lost 73,400 jobs. (3-month moving avg.)
- In March, professional and technical services (not including legal) lost 767 jobs over last year and legal jobs went down 1,033 or 3.6%. (3-month moving avg.)
- Hospitality (food service, accommodation, and amusement) lost a combined 40,666 jobs or 51.7%. The education sector, mostly private colleges and universities, lost 4,733 (7.7%). Business services (excluding employment services) lost 4,167 (12.5%).
- The federal government accounted for 27% of all DC jobs in March. Federal jobs located in DC accounted for 53.3% of metro area federal jobs and 6.9% of US federal jobs.
- Hospitality jobs account for 5.5% of all DC jobs in March. Last year, in March 2020, the hospitality share of DC jobs was 9.8%.

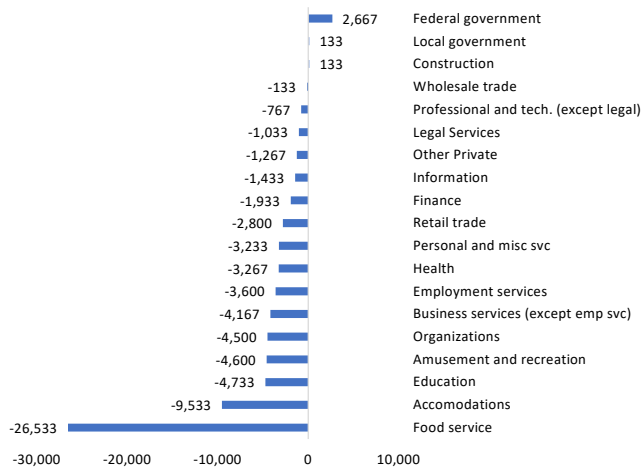
Table 7. Wage and salary employment located in DC: March 2021

Industry sector	3-month moving average						DC share (%) in March 2021 of all sector jobs in:	
	Mar 2020	Mar 2021	1 year change		12 mo. moving avg: %change	Sector % of all DC jobs, March 2021	metro area	US
Federal government	195,100	197,767	2,667	1.4	1.5	27.0	53.3	6.9
Local government	42,100	42,233	133	0.3	-0.1	5.8	12.5	0.2
Legal Services	29,100	28,067	-1033	-3.6	-2.9	3.8		2.5
Professional and tech. (except legal)	94,033	93,267	-767	-0.8	0.2	12.8	22.6	1.1
Employment services	14,233	10,633	-3,600	-25.3	-21.9	1.5	22.3	0.3
Business services (except emp svc)	33,333	29,167	-4,167	-12.5	-12.1	3.9	20.3	0.6
Information	20,567	19,133	-1,433	-7.0	-4.0	2.6	26.5	0.7
Finance	29,733	27,800	-1,933	-6.5	-4.4	3.8	18.2	0.3
Organizations	69,367	64,867	-4,500	-6.5	-3.9	8.9	37.0	2.3
Education	61,400	56,667	-4,733	-7.7	-6.4	7.8	52.4	1.6
Health	71,333	68,067	-3,267	-4.6	-5.1	9.3	21.4	0.3
Food service	52,867	26,333	-26,533	-50.2	-53.3	3.9	16.0	0.3
Accommodations	16,100	6,567	-9,533	-59.2	-59.5	0.9	27.4	0.5
Amusement and recreation	9,633	5,033	-4,600	-47.8	-48.5	0.7	17.5	0.3
Retail trade	22,800	20,000	-2,800	-12.3	-16.2	2.7	8.0	0.1
Wholesale trade	5,233	5,100	-133	-2.5	-4.5	0.7	8.2	0.1
Construction	15,167	15,300	133	0.9	1.3	2.1	9.6	0.2
Personal and misc svc	8,200	4,967	-3,233	-39.4	-40.7	0.7		0.2
Other Private	9,033	7,767	-1,267	-14.0	-15.4	1.1	4.7	0.0
Total	799,333	728,733	-70,600	-8.8	-8.7	100.0	23.2	0.5
<i>Public Sector</i>	<i>237,200</i>	<i>240,000</i>	<i>2,800</i>	<i>1.2</i>	<i>1.2</i>	<i>32.8</i>	<i>33.9</i>	<i>1.1</i>
<i>Private Sector</i>	<i>562,133</i>	<i>488,733</i>	<i>-73,400</i>	<i>-13.1</i>	<i>-12.9</i>	<i>67.2</i>	<i>20.1</i>	<i>0.4</i>

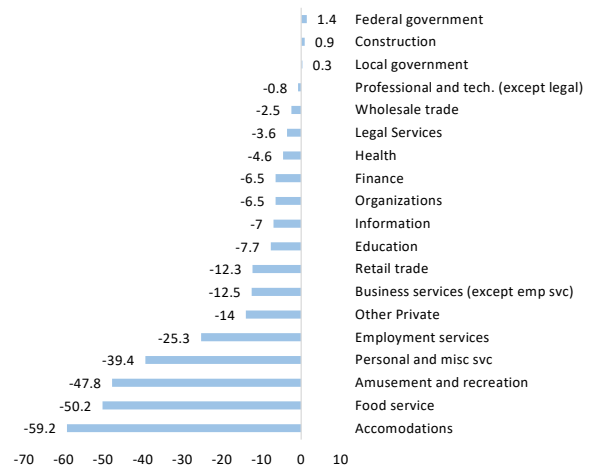
Source: BLS. Not seasonally adjusted. na=not available. For metro area, legal is included in other professional and technical and personal and miscellaneous service is included in organizations.

Jobs and wages by sector

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



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



Over the year ending December, the professional and management services sector had the highest growth in private sector jobs. The highest growth in wages occurred in the organizations and personal services sector.

- For the year ending December the federal government accounted for 27.2% of all jobs and 30.3% of all wages and salaries in DC. Over the 4 quarters, federal jobs increased 1.2% while wages grew 3.7%. Note data for employment shown as quarterly to compare to wages.
- Professional and management services jobs increased 800 in the 4-quarter average ending December 2020 and wages in the sector grew 3.9 percent. This sector account for 24.0% of DC wages and 16.8% of DC jobs.
- Trade and hospitality lost 34,183 jobs (31.1%) and over \$1.5 billion in wages (33.3%). The sector was 13.8% of DC employment at the end of 2019 and is now only 9.4%.

Table 8. Employment and income by sector of the DC economy: Quarter ending December 2020

Sector	4 qtr avg. wage and salary employment in DC ending December 2020			4 qtr avg. wages and salaries earned in DC ending December 2020			Percentage Distribution	
	Level	Annual change (jobs)	Annual Change (%)	Level (\$b)	Annual change (\$b)	Annual Change (%)	December 2020	
							Employment	Wages
Total	747,225	-49,983	-6.3	79.53	1.07	1.4	100.0	100.0
Federal government	197,558	2,325	1.2	23.93	0.85	3.7	27.2	30.3
Local government	42,867	125	0.3	3.68	0.11	3.0	5.8	4.7
Professional and Management	124,558	800	0.6	19.02	0.72	3.9	16.8	24.0
Business services	42,292	-4,792	-10.2	2.62	0.02	0.7	5.5	3.2
Information and financial services	48,758	-1,017	-2.0	7.44	0.28	4.0	6.5	9.4
Education and health services	124,967	-5,425	-4.2	8.04	0.16	2.0	16.9	10.1
Trade and hospitality	75,783	-34,183	-31.1	3.16	-1.57	-33.3	9.4	3.6
Organizations and personal services	73,500	-3,875	-5.0	7.95	0.40	5.3	9.7	10.0
Other private	17,158	-3,842	-18.3	3.70	0.11	3.1	2.3	4.7
Private sector	507,017	-52,333	-9.4	51.92	0.11	0.2	67.1	65.0
Government	240,208	2,350	1.0	27.61	0.96	3.6	32.9	35.0

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

Wages and income

DC's personal income and wages grew in the December 2020 quarter.

- Wages and salaries earned in the District of Columbia grew 1.0% in the December quarter compared to the same quarter of 2019.
- In the December quarter, DC Personal Income grew 3.9%, compared to 4.0% for the US average.
- Proprietors' income increased 3.1% and property income decreased by 1.5% in the December quarter over the same quarter in 2019.
- Pensions and other transfers, where federal pandemic relief for individuals is reported, grew 24.3% over last year in the December quarter.

Wages earned in DC, by DC residents, and in the US:
2019q4 to 2020q4
(% ch from prior year)

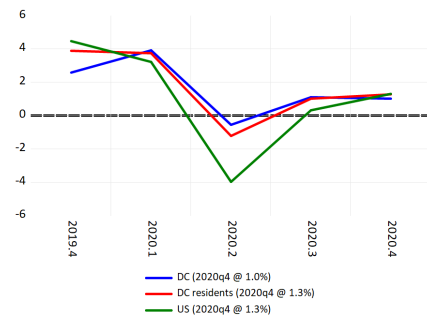


Table 9. DC Wages and Personal Income: December 2020

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

Indicator	FY 2018	FY 2019	FY 2020	4-qtr. moving	Latest qtr.
				avg	December 2020
Wages and salaries earned in DC	75.5	78.0	79.3	79.5	80.1
1 yr change	3.4	2.5	1.4	1.1	0.8
% change	4.8	3.3	1.8	1.4	1.0
Supplements to wages and salaries	19.5	20.3	20.8	20.9	21.1
1 yr change	1.1	0.8	0.4	0.5	0.5
% change	5.7	4.1	2.2	2.2	2.3
Income earned in DC*	91.2	94.1	95.9	96.2	97.1
% change	3.7	3.3	1.9	1.6	1.3
Net resident adjustment**	-51.9	-53.4	-54.2	-54.4	-54.7
% change	3.7	2.7	1.7	1.5	1.0
Income earned by DC residents*	39.2	40.8	41.7	41.9	42.5
% change	3.8	4.0	2.2	1.6	1.8
Wages and salaries of DC residents***	29.0	30.3	30.9	31.0	31.3
1 yr change	1.9	1.3	0.6	0.4	0.4
% change	7.0	4.6	1.8	1.2	1.3
Proprietors income earned by DC residents****	6.9	6.8	7.1	7.2	7.3
% change	-10.1	-0.3	4.2	3.4	3.1
Property income of DC residents	10.6	10.6	10.5	10.5	10.5
% change	4.1	0.7	-1.2	-1.2	-1.5
Pensions and other transfers	6.8	7.0	9.3	9.7	8.8
% change	1.8	3.4	32.8	37.6	24.3
DC personal income	56.6	58.4	61.5	62.1	61.7
1 yr change	2.0	1.9	3.1	3.2	2.3
% change	3.6	3.3	5.3	5.4	3.9
US Personal income (% change from prior year)	5.5	4.3	6.0	6.1	4.0
US Wages and Salaries (% change from prior year)	5.3	4.6	1.0	0.2	1.3
Addendum:					
DC res. wages as % of wages earned in DC	38.4	38.9	38.9	38.9	39.1
DC Personal income as % of US	0.32	0.32	0.32	0.32	0.32

*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 Mar 24, 2021

Population, jobs, and per capita income

DC's population growth rate slows and wage growth stronger in the December 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 December quarter, DC's per capita income grew at a 3.4% rate, same as the US.
- In the December quarter, wages per job in DC grew faster than in the US (9.9% v 7.7%).

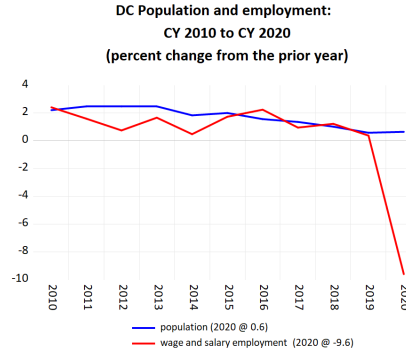
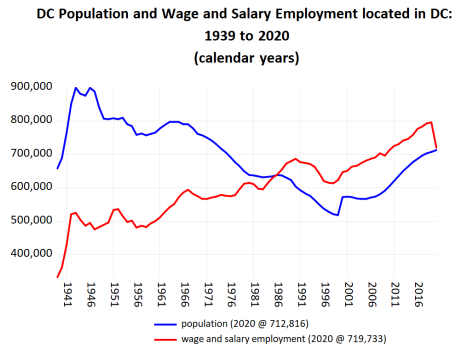


Table 10. DC Population and wage and salary employment located in DC: 2012 to 2020

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 December 2020

	DC					US				
	FY 2018	FY 2019	FY 2020	4-qtr moving avg (December 2020)		FY 2018	FY 2019	FY 2020	4-qtr moving avg (December 2020)	
Per capita income	80,522	82,588	86,362	87,067	86,475	54,028	56,057	59,152	59,642	58,952
% ch in per capita income	2.5	2.6	4.6	4.8	3.4	4.9	3.8	5.5	5.6	3.4
% ch in population	1.1	0.7	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5
% ch in personal income	3.6	3.3	5.3	5.4	3.9	5.5	4.3	6.0	6.1	4.0
Wages per job	95,393	97,959	104,102	106,555	108,485	59,429	61,308	64,559	65,743	66,481
% ch in wages per job	3.6	2.7	6.3	8.3	9.9	3.7	3.2	5.3	6.4	7.7
% ch in wage and salary jobs	1.1	0.6	-4.1	-6.3	-8.1	1.6	1.4	-4.0	-5.8	-5.9
% ch in total wages	4.8	3.3	1.8	1.4	1.0	5.3	4.6	1.0	0.2	1.3
	<i>Washington Metro</i>					<i>U.S.</i>				
Consumer price index	2.1	1.3	0.9	0.8	1.4	2.4	1.9	1.5	1.2	1.2

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 down in March 2021 relative to March 2020.

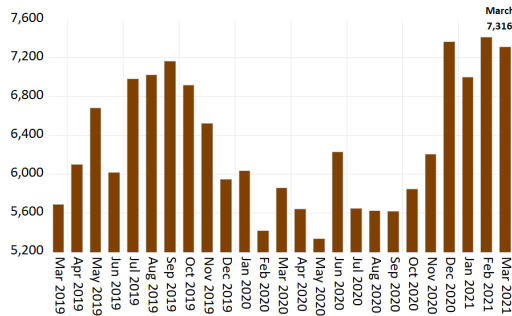
- For the 12-month period ending March, 7,316 housing permits were issued, up 25.0% from the same period last year. The 3-month total (1,651) was 3.2% lower than the same period last year. Multifamily project permits were issued for 8 projects in March.
- According to CoStar, in the quarter ending March 2021, the inventory of apartments and condominiums increased by 7,045 (3.7%) from a year earlier, a slight deceleration from last quarter but still strong.
- Of the increase in inventory of multifamily units in the first quarter, 94.4% were in apartments. Of the housing permits issued over the past 12-months, 95.9% were included in 58 buildings with 5 or more units.
- In the quarter ending March 2021, there were 14,006 multi-family units were under construction in 95 buildings. Of the construction, apartments accounted for 76.8% of the buildings and 94.6% of the units.

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

	FY 2018	FY 2019	FY 2020	12-mo avg	3-mo avg	This month
Total units	4,640	7,168	5,618	7,316	1,651	589
1 year ch.	592	2,528	-1,550	1,461	-54	-98
% change	14.6	54.5	-21.6	25.0	-3.2	-14.3
Multifamily projects with 5 or more units						
number	46	63	43	58	15	8
average size	85	122	124	135	162	70
Units in small projects with up to 4 units	179	218	254	299	88	31
% of all units	3.9	3.0	4.5	4.1	5.3	5.3

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

Housing permits issued in DC: March 2019 to March 2021 (12-mo moving total)



Inventory of multifamily housing units in DC: net change from prior year, March 2016 to March 2021

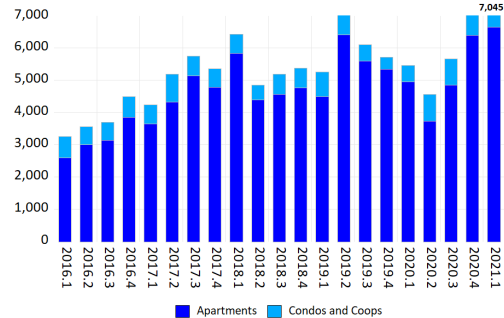


Table 13. Inventory and construction for private sector apartments and condominiums in DC: 2015 to 2021q1

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	168,816	2,979	1.8%	2,821	126,042	2,303	646	33,953	676	56	9,926	176	41	1,054	26
2016	173,313	4,497	2.7%	2,843	129,892	3,850	677	34,600	647	61	10,779	176	35	1,322	38
2017	178,670	5,357	3.1%	2,865	134,681	4,789	693	35,144	544	59	11,180	188	28	1,297	46
2018	184,045	5,375	3.0%	2,892	139,454	4,773	709	35,746	602	64	13,017	202	22	1,144	52
2019	189,758	5,713	3.1%	2,921	144,798	5,344	720	36,115	369	63	13,095	207	22	1,198	54
2020	196,920	7,162	3.8%	2,951	151,187	6,389	729	36,888	773	73	12,453	170	22	759	35
2021q1	197,892	7,045	3.7%	2,957	152,159	6,648	729	36,888	397	73	13,247	181	22	759	35
1 Q Ch.	972			6	972		0	0		0	794		0	0	

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 April 7, 2021. All units include cooperative apartments, not shown separately. In 2021 there are 123 co-op buildings with 8,845 units with an average building size of 72 units.

Apartments

Vacancy rate for premium apartments (Class A) exceed average by over 6 percentage points.

- According to CoStar, for the quarter ending March, 2021, occupied apartments declined by 1495 (1.1%) from the prior year. The overall vacancy rate rose to 12.7% and average rents fell 6.9%.
- In the first quarter 2021, Class A units accounted for 29.6% of all units in the city and 27.6% of occupied units.
- Over the past year effective rent in all classes of apartments decreased led by Class A declining 10.1%.
- Vacancy rates at the end of March 2021: Class A 19.0%, Class B 13.3%, and Class C 7.8%. The rate for all classes increased from last quarter.
- There are 73 buildings under construction, adding 13,247 units to inventory; 80.2% of which is Class A properties that have the highest vacancy rate.

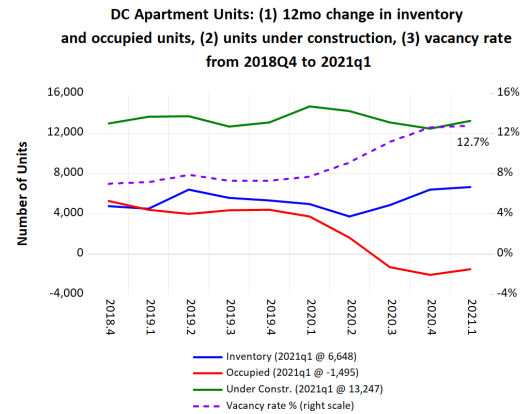


Table 14. Apartment Units in DC: 2015 to 2021q1

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	
2015	125,485	116,876	8,331	6.6	3,474	2.8	3,654	3.2	-180	-2.1	\$1,873	1.9	2,512
2016	128,625	119,861	8,486	6.6	3,140	2.5	2,985	2.6	155	1.9	\$1,924	2.7	1,315
2017	133,759	123,474	10,007	7.5	5,134	4.0	3,613	3.0	1,521	17.9	\$1,933	0.5	211
2018	138,322	128,803	9,241	6.7	4,563	3.4	5,329	4.3	-766	-7.7	\$1,977	2.3	10
2019	143,916	133,183	10,404	7.2	5,594	4.0	4,380	3.4	1,163	12.6	\$2,022	2.3	1,297
2020	148,772	131,898	16,545	11.1	4,856	3.4	-1,285	-1.0	6,141	59.0	\$1,897	-6.2	401
2021q1	152,159	132,481	19,349	12.7	6,648	4.6	-1,495	-1.1	8,143	72.7	\$1,883	-6.9	-1,466
1 Q ch	972	666	306								\$24		

Source: CoStar, as of April 7, 2021

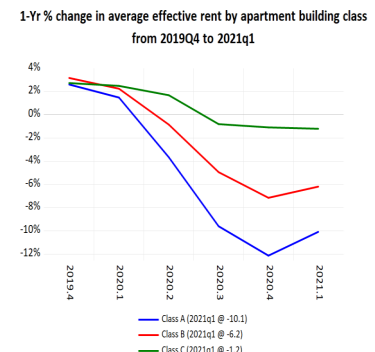
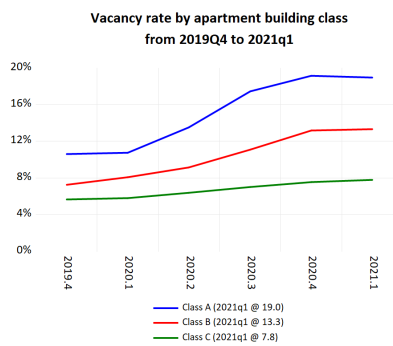
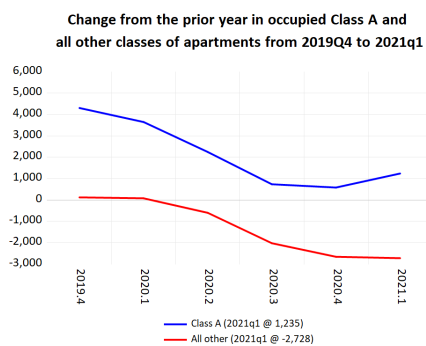


Table 15. Market rate apartment units in DC, Classes A, B, and C: 2021q1

Class	inventory Units				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	200	45,052	5,523	14.0	19.0	36,509	1,235	3.5	2,392	-10.1	39	10,622	272
Class B	851	50,462	1,125	2.3	13.3	43,744	-1,601	-3.5	1,825	-6.2	34	2,625	77
Class C	1,892	56,544	0	0.0	7.8	52,133	-1,127	-2.1	1,379	-1.2	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 April 7, 2021.

Commercial office space

Office vacancy rate rose to 13.7%, led by premium space (Class A)

- According to CoStar, for the quarter ending March occupied office space declined by 2.47 million sq. ft.(msf) from last year and inventory increased by 0.32 msf. The vacancy rate has risen to 13.7% (including sublet) and average base rent declined 0.2%, the first quarterly decline in rent since first quarter 2015.
- The vacancy rate for class A space was 13.8% in March and rent declined 0.6% over the past year. The vacancy rate for Class B office was slightly higher than Class A.
- Space under construction in March 2021 (2.3 million square feet in 14 buildings).
- Occupancy declined over the past year for all classes and rents only grew in Class B properties.

DC Office Space (millions sq ft): (1) 12mo change in inventory and occupied units, (2) units under construction, (3) vacancy rate from 2018Q4 to 2021q1

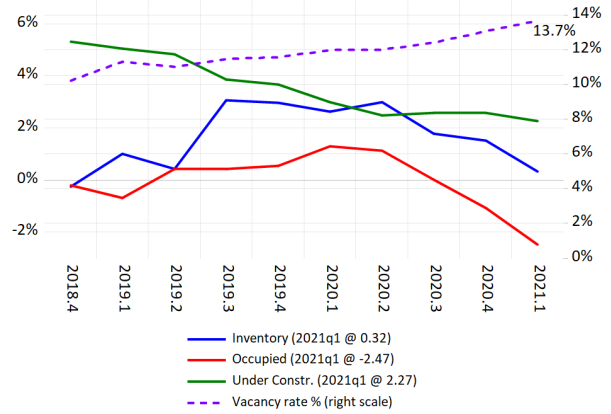


Table 16. DC Commercial office space: 2016 to 2021q1

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	2,394	157.63	0.88	0.6	140.64	-0.41	-0.3	17.0	10.3	10.8	\$50.13	3.7	20	5.30	265,073
2017	2,387	158.30	0.66	0.4	142.05	1.42	1.0	16.2	9.7	10.3	\$51.22	2.2	22	5.90	268,240
2018	2,383	158.05	-0.25	-0.2	141.86	-0.19	-0.1	16.2	9.5	10.2	\$52.20	1.9	21	5.31	252,712
2019	2,393	161.02	2.97	1.9	142.41	0.55	0.4	18.6	10.8	11.8	\$53.35	2.2	22	3.67	167,004
2020	2,397	162.53	1.50	0.9	141.32	-1.09	-0.8	21.2	12.1	13.2	\$53.51	0.3	17	2.59	152,234
2021q1	2,399	162.36	0.32	0.2	140.18	-2.47	-1.7	22.2	12.6	13.7	\$53.52	-0.2	14	2.27	162,212
1 Q ch	0	-0.17			-1.15	0.00		0.6	0.6	\$0.01		-3	-0.32		

Source: CoStar, as of April 7, 2021; msf = million square feet; base rent excludes concessions.

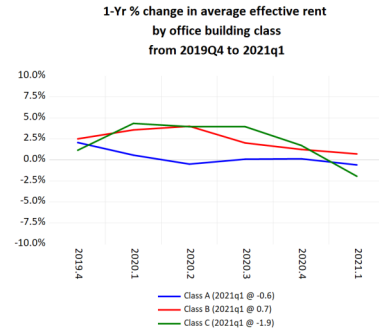
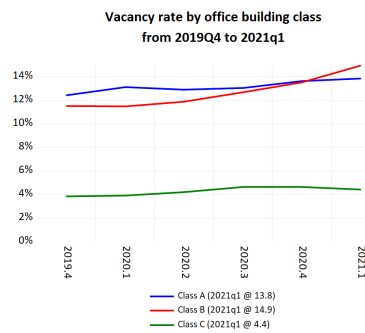
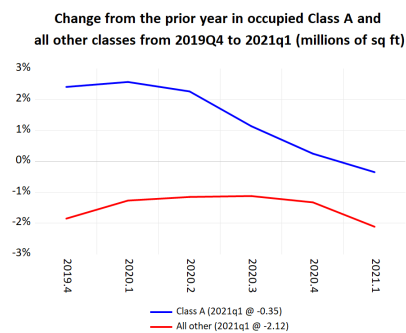


Table 17. DC Class A, B, and C commercial office space: 2021q1

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 %	\$	%ch	buildings	msf
Class A	337	93.48	0.36	0.4	80.53	-0.35	-0.4	12.94	12.6	13.8	\$56.93	-0.6	12	2.22
Class B	937	58.94	0.00	0.0	50.14	-2.04	-3.9	8.80	13.9	14.9	\$49.96	0.7	2	0.05
Class C	1,120	9.93	-0.04	-0.4	9.49	-0.09	-0.9	0.44	4.4	4.4	\$34.58	-1.9	0	0.00

Source: CoStar, as of April 7, 2021

Property transfers and deed taxes

Property sales for March up over last year.

- The value of property transfers in March, \$10.9 billion, was 26.8% below a year ago as measured by the 12-month moving total. The 3-month moving total, \$2.6 billion, was 7.6% lower than last year.
- Over the 12-month period ending March the estimated value of brokered home sales was 15.3% above last year while the value of all other real property transfers was 59.2% below last year. For the last 3 months, the value of brokered home transfers was 23.4% higher than last year and non-home transfers fell 40.6%.

Table 18. Market value of real property transfers subject to the deed transfer or economic interest tax: FY 2018 to March 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	10,968.3	2,601.3	1,135.1
change from one year ago (\$M)	647.8	2,708.8	-6,767.3	-4,013.3	-212.6	217.6
% change from one year ago	4.6	18.5	-39.0	-26.8	-7.6	23.7

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).

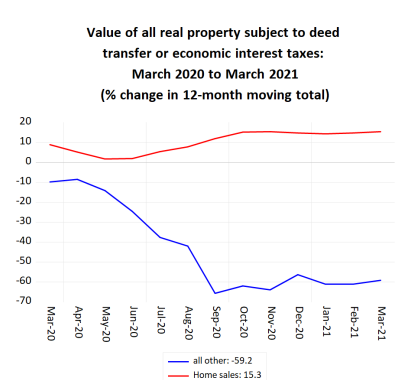
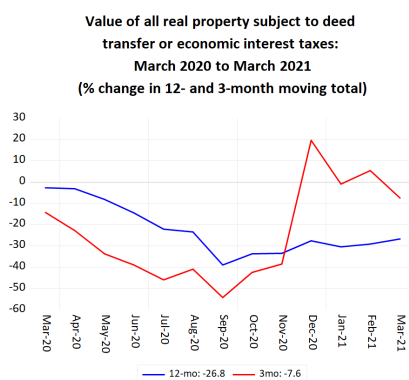
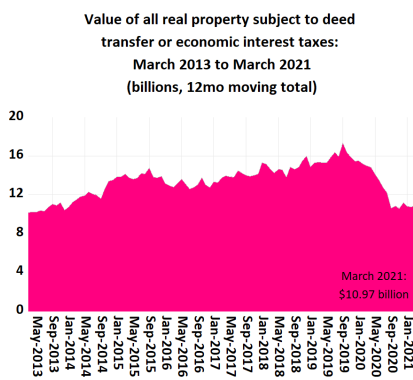


Table 19. Value of (1) brokered home sales and (2) all other real property subject to the deed transfer and economic interest taxes: FY 2018 to March

	FY 2018	FY 2019	FY 2020	12mo moving total	3mo moving total
Brokered home sales (\$m)	6,184	5,986	6,692	7,522	1,794
All other property (\$m)	8,462	11,370	3,896	3,447	807
% Change from 1 year ago					
Brokered home sales	6.2	-3.2	11.8	15.3	23.4
All other property	3.5	34.4	-65.7	-59.2	-40.6

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 March

- Single family home sales for March were up 3.2% from a year earlier (12-month average), while the average selling price was 12.6% higher. For the past three months, sales volume was up 7.4% and the average selling price was 16.4% higher.
- Condominium sales were up 11.8% from last year (12-month average ending March) and the average selling price was 0.1% lower. For the past three months, sales volume was up 24.3% but prices were down 3.1%.
- All home sales for the 12-month period ending March rose 7.3% from last year. The 3-month moving total was 15.8% higher.

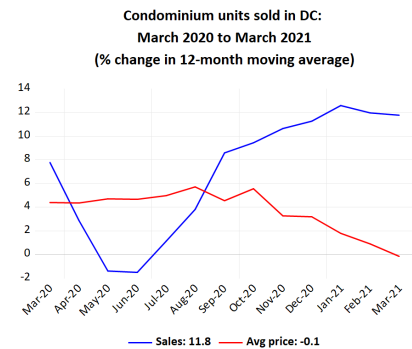
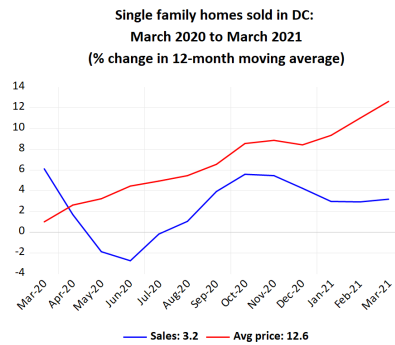
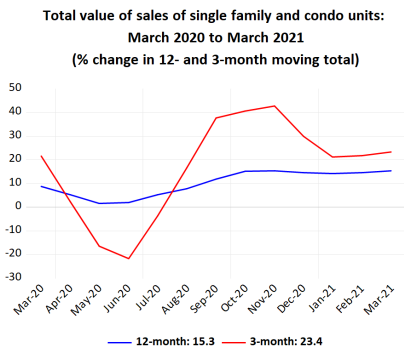


Table 20. Residential real estate indicators: March

	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	4,869	1,080	446
1 year change	165	-278	175	151	74	54
% change	3.6	-5.9	3.9	3.2	7.4	13.8
Condominium	4,240	3,995	4,338	4,848	1,252	535
1 year change	194	-245	343	510	245	108
% change	4.8	-5.8	8.6	11.8	24.3	25.3
Total	8,957	8,434	8,952	9,717	2,332	981
1 year change	359	-523	518	661	319	162
% change	4.2	-5.8	6.1	7.3	15.8	19.8
Average prices of units sold						
Single family homes	\$828,741	\$861,921	\$918,292	\$982,503	\$1,009,729	\$1,038,450
1 year change	8,816	33,180	56,371	110,283	142,573	162,892
% change	1.1	4.0	6.5	12.6	16.4	18.6
Condominium	\$528,229	\$537,663	\$561,991	\$554,404	\$556,899	\$561,268
1 year change	17,620	9,433	24,328	-799	-17,909	-32,370
% change	3.5	1.8	4.5	-0.1	-3.1	-5.5
Total Value of All Sales (\$M)	\$6,184	\$5,986	\$6,692	\$7,522	\$1,794	\$763
1 year change	361	-199	706	997	340	167
% change	6.2	-3.2	11.8	15.3	23.4	27.9

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 4rd Quarter

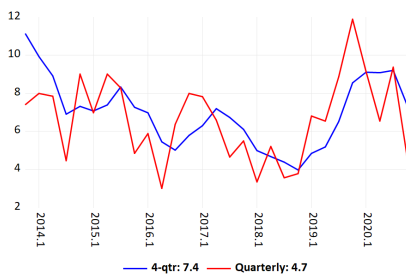
- The percentage change from the prior year in DC home prices was 4.7% higher in the December quarter, according to the Federal Housing Finance Agency (FHFA) Index of single-family same-property transactions. The US index was 10.4% higher and the Washington metropolitan area was up 9.5%.
- 44.1% of all single family sales in March were for properties greater than \$1 million and sales of these properties grew 26.2% for the 12-month period ending March 2021. Sales of condominiums greater than \$1 million accounted for 5.9% of condominium sales in March and sales of these condominiums were 3.5% lower in the 12-month period ending March 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

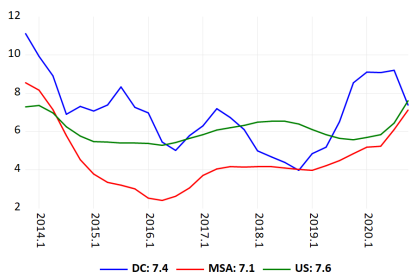
Indicator	Fiscal year average			Last 2 Q's	
	FY 2018	FY 2019	FY 2020	2020q3	2020q4
%change from prior year in value of index					
DC	0.0	0.1	0.1	9.4	4.7
DC metro area	0.0	0.0	0.1	8.1	9.5
US	0.1	0.1	0.1	7.8	10.4

Source: Federal Housing Finance Agency

FHFA Expanded-data Housing index for DC:
December 2013 to 2020q4
(% change in 4-qtr moving average and
quarter year over year)



FHFA expanded-data housing index for DC,
Washington metro, and US:
2013Q4 to 2020q4
(% change in 4-qtr moving average)



Income and FHFA Housing index:
2013Q4 to 2020q4
(% change in 4-qtr moving average)

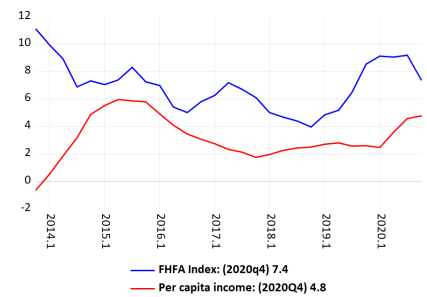


Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: March

	FY 2018	FY 2019	FY 2020	12mo moving		3mo moving	
				total	total	total	This month
Single family homes	1,192	1,232	1,403	1,661	386	173	
1 year change	135	40	171	345	119	61	
% change	12.8	3.4	13.9	26.2	44.6	54.5	
% all single family sales	26.2	26.1	31.6	35.2	38.4	44.1	
Condominium	222	213	252	245	66	25	
1 year change	33	-9	39	-9	-7	-5	
% change	17.5	-4.1	18.3	-3.5	-9.6	-16.7	
% all condominium sales	5.5	5.0	6.3	5.6	6.6	5.9	

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

Hospitality

Hotel stays in March were 12.0% below last year

- In March, there were 12.0% fewer hotel-room-days sold than a year ago. The average room rate was down 43.2% and hotel room sales revenue was 50.1% lower.
- Occupancy which is historically around 82% was 34.0% in March and was slightly worse than February. The number of hotels in the survey have decreased as some have closed or temporarily suspended service.
- Air passengers through the regional airports were down 68.7% in February from last year. Passengers through Washington National (DCA) were down almost 82.2% from February 2020.
- Hotel employment was 59.2% lower in the three-month average ending March than a year earlier and food service employment was down 50.2%.

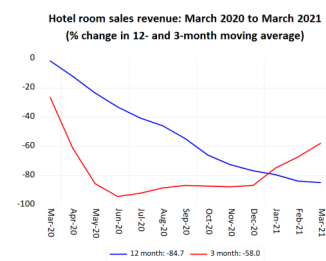
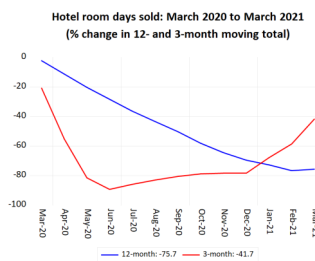
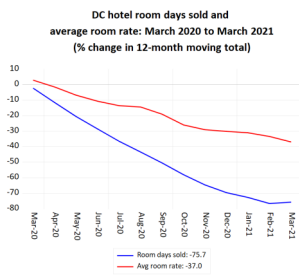


Table 23. Hospitality Industry: March 2021

Indicator	Units	FY 2018	FY 2019	FY 2020	12-mo moving average/sum*	3-mo moving average/sum*	This Month
Hotel Stays (updated March)							
Hotel room-days sold	(M)	9.019	9.128	4.525	2.137	0.914	0.282
	1 yr ch	0.272	0.109	-4.603	-6.652	-0.655	-0.038
	1 yr % ch	3.1	1.2	-50.4	-75.7	-41.7	-12.0
Average room rate	\$	\$219.91	\$216.37	\$175.46	\$139.42	\$143.30	\$135.73
	1 yr ch	-\$11.63	-\$3.54	-\$40.91	-\$81.75	-\$62.11	-\$103.35
	1 yr % ch	-5.0	-1.6	-18.9	-37.0	-30.2	-43.2
Room revenue	(\$M)	\$2,020.2	\$2,038.7	\$920.5	\$301.1	\$131.4	\$38.3
	1 yr ch	-\$18.3	\$18.5	-\$1,118.2	-\$1,665.7	-\$181.2	-\$38.3
	1 yr % ch	-0.9	0.9	-54.9	-84.7	-58.0	-50.1
Occupancy rate	%	78.0	76.3	42.0	24.9	37.4	34.0
Number of hotels in survey		136	140	125	117	126	126
Airline passengers (updated February)							
DCA	1 yr %ch	-1.2	0.7	-47.9	-80.5	-81.0	-82.2
IAD	1 yr %ch	4.1	4.3	-45.1	-71.2	-65.3	-65.8
BWI	1 yr %ch	4.5	-1.4	-42.1	-66.8	-59.5	-57.8
Total	1 yr %ch	2.5	1.1	-44.9	-72.6	-68.3	-68.7
Employment (updated March)							
Accommodations	level (000s)	15.6	16.2	11.5	6.7	6.6	6.6
	1 yr ch	0.5	0.6	-4.7	-9.8	-9.5	-9.6
	1 yr % ch	3.1	3.7	-29.1	-59.5	-59.2	-59.3
Food and beverage	level (000s)	54.6	55.2	39.2	25.7	26.3	28.3
	1 yr ch	2.5	0.6	-16.0	-29.4	-26.5	-23.2
	1 yr % ch	4.7	1.0	-29.0	-53.3	-50.2	-45.0

* 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 increased 12.5% in the March 2021 quarter from a year earlier. Defense spending grew 3.7%.
- Compared to the same quarter a year ago, in the March quarter nominal GDP grew 2.3% and real (inflation adjusted) GDP grew 0.4%.
- The US employment rate (seas. adj.) was 6.0% in March, an improvement over February.
- In March, the average S&P 500 index was 47.3% above a year earlier.

Defense and non-defense spending: 2016Q4 to 2021q1 (1 yr % change)

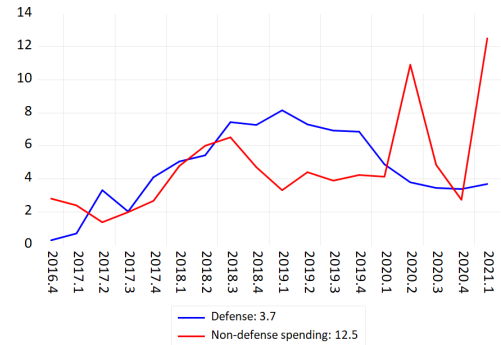


Table 24. Federal government consumption and investment, US GDP accounts: FY2018 to 2021q1

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg*	2021q1
Non-defense	5.0	4.1	6.1	7.8	12.5
Compensation of employees	3.7	3.0	3.2	3.4	2.1
Purchases of goods and services	5.7	3.7	6.3	8.9	15.5
Gross investment	2.9	5.2	5.4	4.5	4.0
Defense	5.5	7.4	4.7	3.6	3.7
Compensation of employees	4.0	4.5	3.2	3.4	4.3
Purchases of goods and services	4.8	6.4	3.8	2.9	3.2
Gross investment	8.6	11.7	8.2	6.4	5.6
All federal consumption and investr	5.3	6.1	5.3	5.3	7.2

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

*FY 2020 ended 2020q3.

Source: BEA (May 27, 2021); nominal values.

Federal non-defense spending and US GDP: 2016Q4 to 2021q1 (1 yr % change)

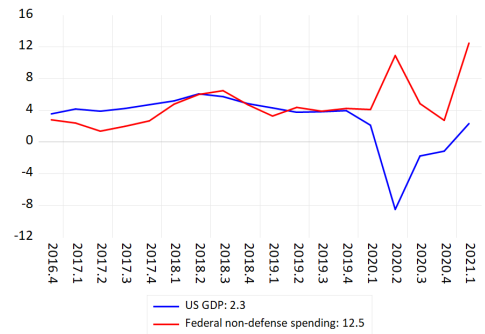


Table 25. US GDP, Income, and Inflation: FY2018 to 2021q1

(percent change from prior year)

Indicator	FY 2018	FY 2019	FY 2020	4q mov	
				avg	2021q1
GDP real	3.1	2.2	-2.3	-3.5	0.4
GDP nominal	5.4	4.2	-1.1	-2.2	2.3
Personal Income	5.5	4.3	6.0	9.7	16.6
Consumption	5.0	4.0	-1.4	-2.3	3.6
Investment	7.8	5.2	-5.1	-1.7	6.3
Corporate profits*	5.9	1.5	-5.3	-1.3	12.7
S and P stock index	16.2	3.3	10.2	13.7	25.0
US CPI	2.4	1.9	1.5	1.2	1.9

* Before tax, without IVA and Ccadj.

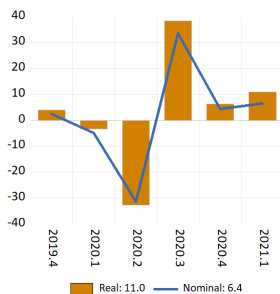
Source: BEA May 27, 2021; BLS (cpi); Dow Jones Indices (SP500)

Table 26. Monthly selected indicators: November to March

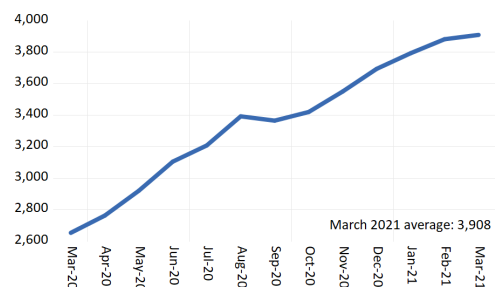
Indicator	November	December	January	February	March
S & P stock market index (level)	3,549	3,695	3,794	3,883	3,908
% change from prior year	14.3	16.32	15.73	18.49	47.33
10 yr Treasury Interest rate (level)	1.0	1.0	1.0	1.0	2.0
CPI % change from prior month (seas. adj.)	0.2	0.2	0.3	0.4	0.6
CPI % change from prior year (seas. adj.)	1.1	1.3	1.4	1.7	2.6
Jobs (seas. adj.) millions	142.81	142.5	142.74	143.27	144.04
change from prior month (thousands)	264	-306	233	536	770
% change from prior month	0.19	-0.21	0.16	0.38	0.54
Resident employment (seas. adj.) millions	149.81	149.83	150.03	150.24	150.85
change from prior month (thousands)	140	21	201	208	609
% change from prior month	0.09	0.01	0.13	0.14	0.41
Unemployment rate (seas. adj.)	6.7	6.7	6.3	6.2	6

Source: BLS; Dow Jones Indices; Federal Reserve

Quarterly change in US real and nominal GDP: 2019Q4 to 2021q1 (% change from previous quarter at annual rate)

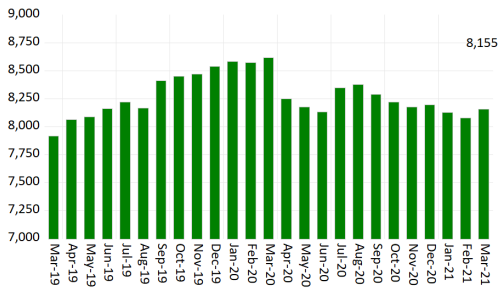


Standard & Poors Stock Market Index (SP500): 2020m3 to 2021m3 (Monthly average)



DC tax collections

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



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

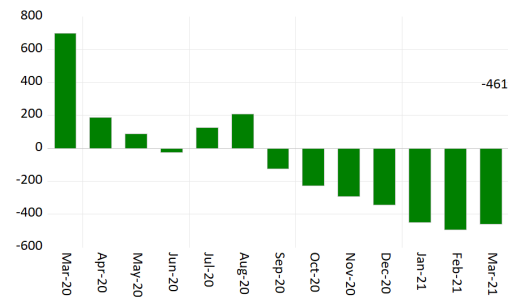


Table 27. Tax Collections (before earmarks): March 2021

Tax	Annual Revenue (From CAFR)			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	8,154.6	3,559.7	2,302.5	1,421.6
1 yr change	298.7	684.0	-218.6	-460.6	-129.8	-39.0	80.3
% change	4.0	8.8	-2.6	-5.3	-3.5	-1.7	6.0
Real Property	2,554.2	2,710.1	2,836.7	2,846.4	1,052.3	992.2	990.4
1 yr change	80.9	155.9	126.7	191.2	72.0	45.3	35.3
% change	3.3	6.1	4.7	7.2	7.3	4.8	3.7
General sales	1,492.6	1,597.7	1,222.4	1,002.5	516.0	258.8	90.2
1 yr change	73.4	105.2	-375.3	-709.2	-303.6	-133.2	-19.1
% change	5.2	7.0	-23.5	-41.4	-37.0	-34.0	-17.4
Individual income	2,066.8	2,299.3	2,377.2	2,463.3	1,177.6	657.9	119.5
1 yr change	108.6	232.5	77.9	70.4	95.5	67.8	4.3
% change	5.5	11.2	3.4	2.9	8.8	11.5	3.7
withholding	1,818.2	1,942.9	2,060.6	2,094.0	1,112.1	609.7	189.3
1 yr change	51.6	124.7	117.7	61.0	43.9	18.0	7.9
% change	2.9	6.9	6.1	3.0	4.1	3.0	4.4
non-withholding	248.7	356.4	316.6	369.3	65.5	48.2	-69.8
1 yr change	56.9	107.8	-39.8	9.4	51.6	49.8	-3.6
% change	29.7	43.3	-11.2	2.6	370.8	n.m.	5.5
Corporate franchise	436.5	507.9	575.6	604.0	253.4	103.0	60.6
1 yr change	47.3	71.4	67.7	47.2	33.4	11.3	9.4
% change	12.2	16.4	13.3	8.5	15.2	12.3	18.3
Unincorporated bus.	138.2	134.7	152.1	168.5	70.6	29.6	16.8
1 yr change	-26.8	-3.5	17.3	0.2	12.9	7.3	4.0
% change	-16.2	-2.5	12.8	0.1	22.4	32.5	31.2
Deed Taxes[^]	472.3	561.1	452.7	422.1	236.4	97.1	40.2
1 yr change	11.4	88.8	-108.4	-167.2	-44.3	-44.7	-12.4
% change	2.5	18.8	-19.3	-28.4	-15.8	-31.5	-23.5
Other taxes	610.7	644.4	619.9	647.8	253.4	163.9	103.9
1 yr change	3.9	33.7	-24.5	106.8	4.3	7.3	58.8
% change	0.6	5.5	-3.8	19.7	1.7	4.7	n.m.

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

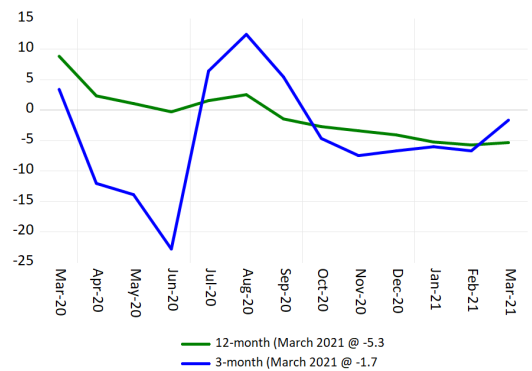
Note: (1) Revenues for fiscal years 2018 through 2020 are based on the CAFR; (2) tax collections subject to accounting adjustments at year end; (3) The table and charts on this page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with the prior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

Source: OCFO/ORR; n.m. = not meaningful because of volatility (greater than 50% change)

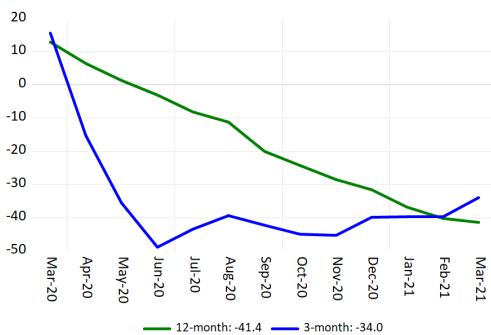
Total Tax collections year to date (Oct.—Mar.) down

- For the 12 month period ending March total tax collections (before earmarking) were \$461 million (5.3%) less than in the prior year. For the last 3 months they were down 1.7% from last year.
- Individual income tax collections were 2.9% above last year for the 12-months ending March because of 3.0% growth in withholding and strong estimated payments. For the past 3 months, total individual income tax collections were up 11.5% while withholding was up 3.0%.
- General sales tax collections were 41.4% below last year for the 12-months ending March. For the past 3 months, they were down 34.0% from last year.
- Deed tax collections for the 12-months ending March were down 28.4% from last year; for the past 3 months they were down 31.5% .
- Corporate income taxes for the 12 months ending March were up 8.5% while unincorporated business income taxes were up 0.1% over last year.

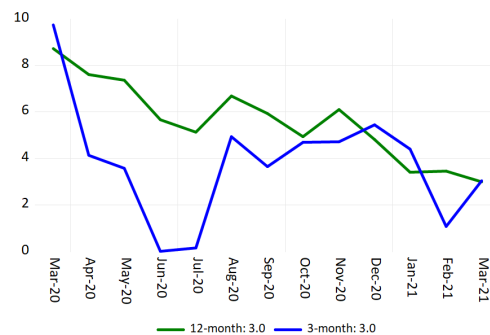
**Tax collections (before earmarking):
March 2020 to March 2021
(% change 12- and 3-month totals)**



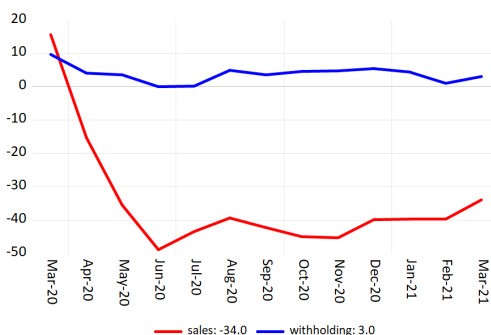
**General sales tax collections (before earmarking):
March 2020 to March 2021
(% change 12- and 3-month totals)**



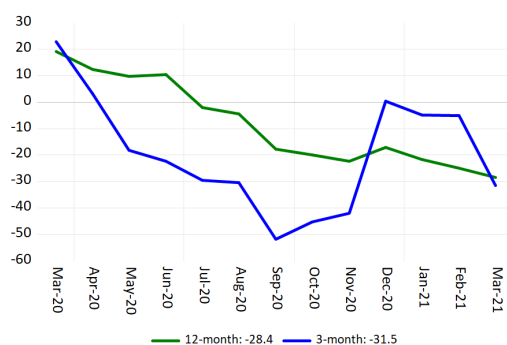
**Withholding for individual income tax collections:
March 2020 to March 2021
(% change 12- and 3-month totals)**



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



**Deed tax collections (before earmarking):
March 2020 to March 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 (April 2021)				Moody's Analytics (April 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	3.9	5.3	2.3	-2.3	3.9	6.4	2.4
Nominal GDP (% ch from prior year)	-1.1	6.0	7.5	4.5	-1.1	5.7	8.9	4.8
Personal income (%ch from prior yr)	6.0	5.6	0.5	4.3	6.0	3.3	0.7	4.7
Unemployment (%)	7.3	5.8	4.0	3.6	7.3	6.0	4.1	3.8
CPI (% ch from prior year)	1.5	2.1	1.7	1.7	1.5	2.2	2.6	2.5
10 Year Treasury (%)	1.1	1.4	1.9	2.0	1.1	1.5	2.2	2.6
S&P 500 (level)*	3,322	3,965	4,354	4,703	3,322	3,935	3,716	3,626

DC economic forecasts

Table 29. Forecasts for Select DC indicators

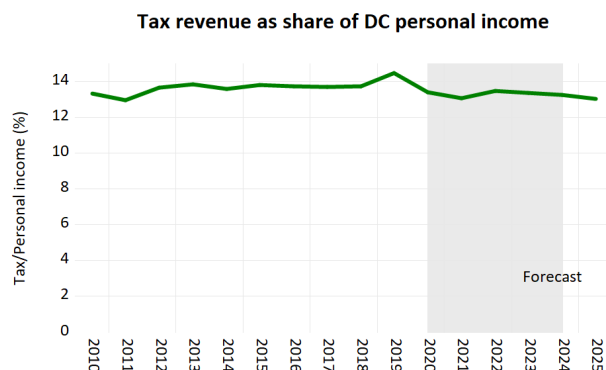
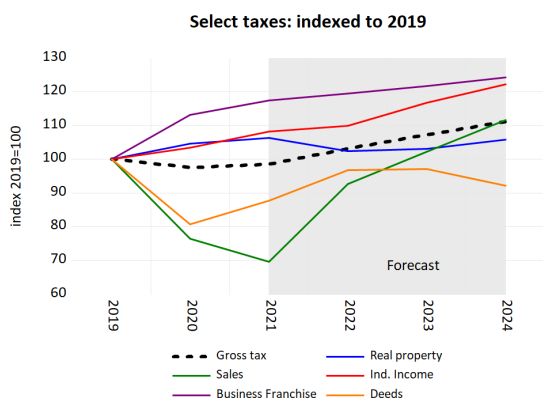
Indicator	IHS Markit (April 2021)				Moody's Analytics (April 2021)				ORA (May 2021)			
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023	FY 2020	FY 2021	FY 2022	FY 2023
Real GDP-DC (% ch from year ago)	-0.7	2.7	5.9	2.3	-0.7	2.7	6.0	2.6	-0.8	2.2	3.3	2.0
Personal income (% ch from year ago)	5.3	4.0	1.4	6.4	5.3	2.6	0.9	4.4	5.2	3.9	1.3	4.8
Wages in DC (% ch from year ago)	1.8	3.0	6.9	5.6	1.8	2.4	4.5	4.4	1.8	2.6	5.2	4.5
Jobs in DC (% ch from year ago)	-4.1	-2.3	5.9	2.9	-4.1	-3.4	2.4	1.2	-4.1	-2.8	4.6	2.4
Unemployment rate (%)	7.1	7.7	5.4	4.8	7.1	8.1	6.2	5.4	7.1	8.0	5.8	5.1
Population (% ch from year ago)	0.7	0.3	0.5	0.6	0.5	0.6	0.7	0.9	0.7	0.4	0.7	0.7
Households (% ch from year ago)	0.1	1.0	1.4	0.9	0.4	1.1	1.7	1.6	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.



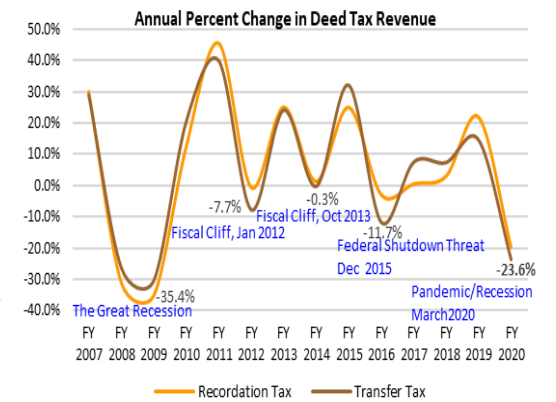
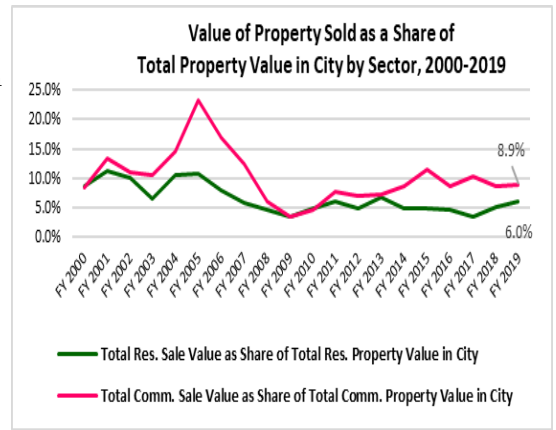
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The slight downward trend in the ratios reflect the robust annual growth on the total value of both sectors since 2000. In 2005, a record high of 23.2 percent of the total commercial property value in the city was sold. This reflects the brief period of very rapid expansion in commercial office space in the city prior the Great recession. A record of 50 investment grade office buildings were sold in 2005 (Delta Associates).

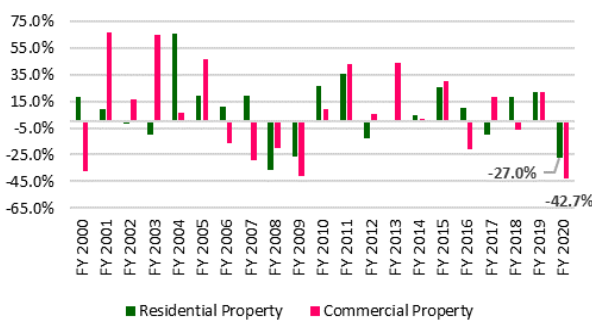
Annual Fluctuations in the Property Sales Market

The previous charts may suggest that the property sales market has grown in a relatively smooth upward trending fashion, but that is not the case. The chart (to the right below) shows that more recently the Great Recession caused deed recordation taxes to decline 35.4 percent in 2009. It appears that major broad-based cuts to federal spending (or threatened cuts) in 2012, 2013 and 2015 contributed to deed taxes declining significantly in those years. The figure also shows that the current COVID-19 pandemic (and resultant national recession) also caused deed tax collections to decline 23.6 percent in 2020. (Coincidentally, the District increased its deed recordation and transfer tax rates from 1.45% to 2.50% for commercial properties valued at \$2 million or higher in October 2019. We estimate that absent that tax rate increase, deed tax collections would have declined approximately 38 percent in 2020 compared to 2019, making it the largest decline in deed tax collections in over 20 years).

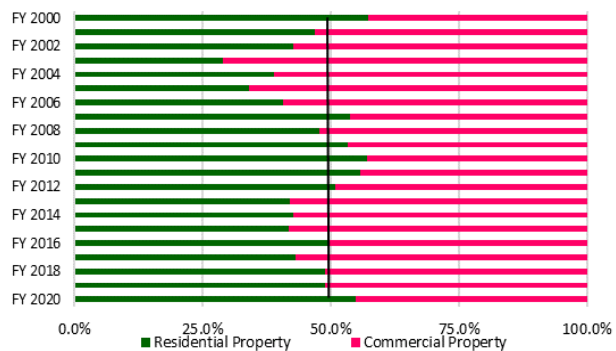
The chart below shows the annual percent change in deed tax collections by class. In years of major decline, there tends to be a greater reduction in commercial sales activity than in residential sales activity. The greater contraction in commercial sales activity caused the value of all residential sales to account for 50 percent or more of all value sold in those same years. (Interestingly, the commercial office sales activity in the city began to decline in 2006, three years before the Great Recession of 2009. Hence, this sector may at times be a leading indicator of the broader economy and not just a lagging indicator.) But more generally, the charts suggest that annual residential property sales are the bedrock of annual deed tax collections, and the level of sales or notably lack of sales of commercial property causes the greatest declines/swings in annual deed tax collections activity.



Annual Percent Change in Deed Tax Revenue by Sector

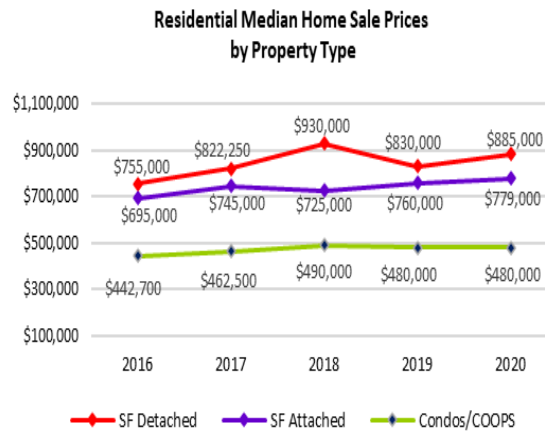
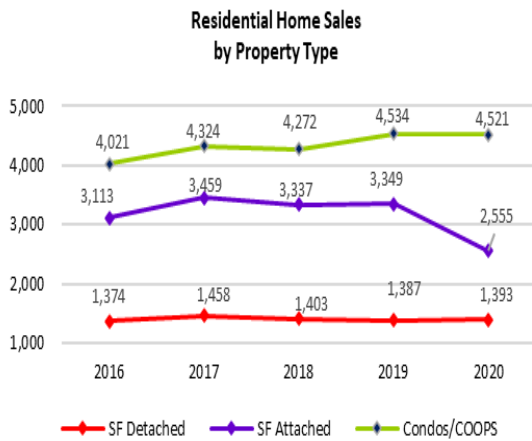


Annual Deed Tax Revenue by Sector Shares

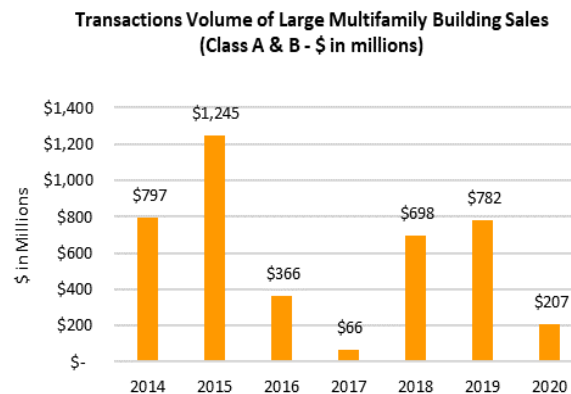
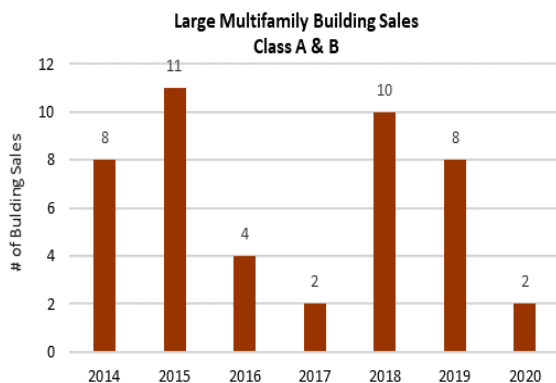


Residential Property Sales in 2020

There were 9,270 residential homes sold in 2019 but only 8,469 (8.6 percent less) sold in 2020. The lower number of homes sold in 2020 is largely attributed to the 23.7 percent drop in single-family attached homes. Interestingly, neither of these three subsectors of the residential market experienced a decline in median sale prices in 2020.



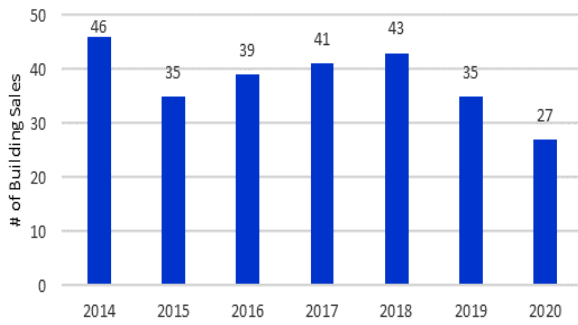
In addition to single family home sales, the residential property sales sector also includes the sale of multifamily (rental) properties. When we examined the sales of the largest multifamily properties in years 2014 to 2020, we find that there were fewer sales in 2020 than in 2018 and 2019. While this subsector tended to produce an average of \$594 million in transaction volume in years 2014 to 2019, only 35 percent of that average was generated in 2020. This appears to be a major factor in the 27 percent decline in deed tax collections from the residential sector in 2020 as shown earlier. Consequently, the total value of residential property sales as share of the total value of all residential property value in city dropped from 6.0 percent in 2019 to 4.3 percent in 2020. The properties shown in the charts below are large Class A & B multifamily residential properties with more than 100 rental units that were built or renovated after 2000. The average sale price for the over 2 million square feet of large multifamily building space sold in 2019 was \$373 per square foot (CoStar).



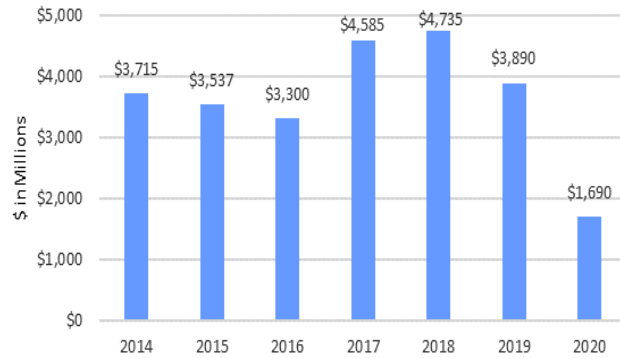
Commercial Office Building Sales in 2020

The city's commercial sector experienced a greater decline in deed tax activity than the residential sector in 2020. In the large commercial office building subsector, there were also fewer sales and lower transaction volume in 2020. Although the average annual transaction volume in this subsector for years 2014 to 2019 was about \$4 billion, 2020 saw about 42 percent of that. Assuming 2020 would have been relatively similar to the prior years, this suggests that approximately \$2.3 billion in sales transactions did not occur in 2020, which is likely a major factor in the 42.7 percent decline in deed tax collections in the commercial sector in 2020. Consequently, the total value of commercial property sales as a share of the total value of all commercial property value in the city dropped from 8.9 percent in 2019 to 5.0 percent in 2020. The average sale price for the over 7 million square feet of large commercial office space sold in 2019 was \$516 per square foot (Delta Associates).

**Large Commercial Office Building Sales
Investment Grade**



**Transaction Volume for Large Commercial Office Building Sales
(Investment Grade - \$ in millions)**



An Interpretation of Recent Trends and Fluctuations

Over the past 21 years, DC’s property market experienced not only remarkable growth but also major market fluctuations. The greatest annual fluctuations appear to be correlated with national recessions, major broad-based cuts (or threatened cuts) to federal spending and the COVID-19 pandemic. From the perspective of annual deed tax collections, it appears that these national economic shocks took a greater toll on the city’s large commercial office building sales sector than on the city’s residential sales sector. Also, the years in which such shocks occurred were promptly followed by strong rebounds in deed tax activity in both sectors. This suggests that these shocks caused a significant slowdown in sales activity (or even a postponement of a considerable number of sale transactions) for that year and maybe the following year with a relatively prompt return to more normal sales levels resuming shortly thereafter, particularly in the large office building subsector.

The residential and commercial sectors of the city property sales market each account for about half of all taxable property value sold on an annual basis. The residential sector tends to grow healthily and is the relatively less volatile sector of the city’s property market. Hence, it can be considered the bedrock of annual deed tax collections. The commercial sector, on the other hand, has been growing faster on average and appears to be responsible for most of the volatility in annual deed tax collections activity.

-Daniel Muhammad, Sr. Economist

About the Data

Data is from the Greater Capital Area Association of Realtors, Bright MLS, CoStar and Delta Associates

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	March	May 21, 2021
D.C. Personal Income	BEA	2020.4	June 22, 2021
D.C. Tax Collections	OTR/ORA	March	May 15, 2021
D.C. Housing Sales	MarketStats by ShowingTime*	March	c. May 2021
D.C. Commercial Office Building data	CoStar and Delta	2021.1	c. July 2021
DC Apartment data	CoStar and Delta	2021.1	c. July 2021
D.C. Hotel stay information	STR	March	c. May 2021
U.S. Jobs and Labor Force	BLS	March	May 21, 2021
U.S. GDP and Personal Income	BEA	2020.4	April 29, 2021
S and P 500 Stock Index	FRED (St. Louis Fed Reserve)	March	May 21, 2021
Interest rate on 10-Year Treasury Securities	FRED (St. Louis Fed Reserve)	March	May 21, 2021
IHS Markit D.C. forecast	IHS Markit	March	c. May 2021
Moody's Analytics D.C. forecast	Moody's Analytics	March	c. May 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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