



## District of Columbia Economic and Revenue Trends: June 2018

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### Highlights:

- ◇ DC's resident employment rises.....3
- ◇ Income growth slows.....6
- ◇ Smaller number of new housing permits.....8

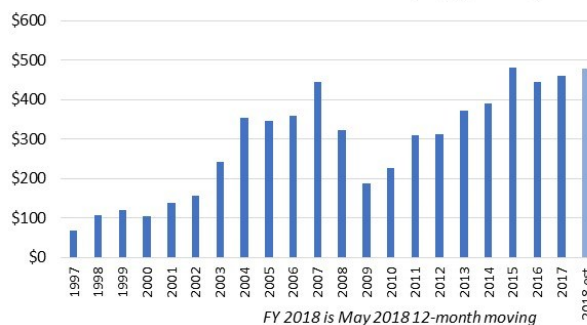
## Deed taxes, a volatile revenue source, appear likely in FY 2018 to get back up to their level of 3 years ago

*For the last 6 years single family and condominium home sales have provided a steadily rising foundation for the taxes*

Taxes on the sale, transfer of ownership interest, and financing of real residential and commercial property, collectively known as deed taxes, are an important tax revenue source for the District of Columbia, accounting for \$460 million in FY 2017, 6.2% of all tax revenue. Most deed tax revenue comes from the sale of property where the transfer and recordation taxes combine for a 2.9% tax rate on transactions. (For residential property valued under \$400,000 the combined rate is 2.2%). Details about each of the deed taxes is contained in Appendix 1.

Because deed taxes are paid at the time property transactions are settled, changes in DC real estate markets, both positive and negative, are immediately reflected in the flow of revenue to the city. Over the past 20 years deed taxes have increased in importance as those markets have grown, but the taxes have also been a significant contributor to year-to-year volatility of the city's tax revenues. The volatility was particularly evident before and after the Great Recession (December 2007 to June 2009).

Deed tax revenues: FY 1997 to FY 2018 (est) (\$million)



From 1997 to 2017 deed tax revenue grew at an annual average rate of 10.0% for 20 years, almost twice the 5.6% rate of all DC taxes. Most of the increase reflects tax base changes, but tax rates changed too. Rates in 2017 were about one-third higher than in 1997, with the most significant increase occurring in FY 2003.

- Deed tax revenue grew rapidly prior to the Great Recession, fell 58% from FY 2007 to FY 2009, and then grew again in the recovery. It took 8 years (until FY 2015) for revenues to return to their FY 2007 pre-recession peak. From FY 2009 to FY 2015 deed taxes accounted for 15.7% of all post-recession tax revenue growth.
- In FY 2016 deed tax revenues fell 7.6% from the FY 2015 level. About half of this decrease was recovered in FY 2017 and in May 2018 (Cont'd on p. 21)

Wage and salary employment.....2

Resident employment and unemployment.....3

Sectors of the economy..... 4

Income and population.....6

Multifamily housing and housing permits.....8

Commercial office space and property transfers.....10

Single family and condominium housing sales.....12

Hospitality .....14

US economy and federal government.....15

DC tax collections.....16

US and DC forecasts.....18

DC revenue estimate.....20

ORA reports, documents, & blog.....24

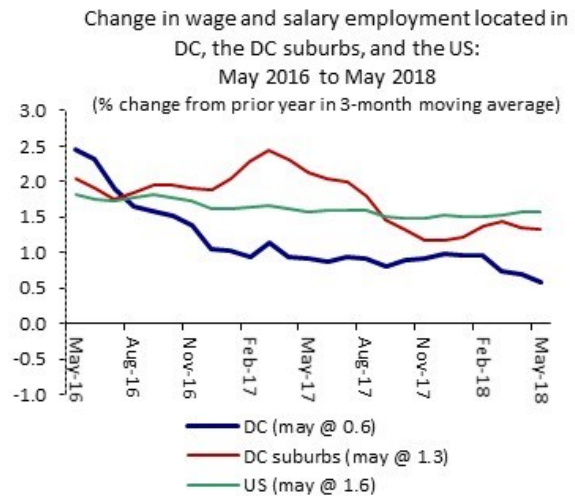
About this report.....24

ORA contact information.....24

## Wage and salary employment

### DC's rate of job growth has been slower since the beginning of the year

- May wage and salary employment in DC was up by 4,600 (0.6%) from a year earlier as measured by the 3-month moving average.
- Federal government employment in DC for May was down by 3,800 (1.96%). The private sector gained 7,667 (1.4%).
- Total year-over-year DC metropolitan area employment increased by 37,600 (1.2%) in May as measured by the 3-month moving average. Of the increase, 12.2% was in DC.
- Suburban Washington employment in May increased by 1.3% from a year earlier.
- Seasonally adjusted DC jobs grew by 3,100 in May and are 4,400 above December 2017, five months ago.

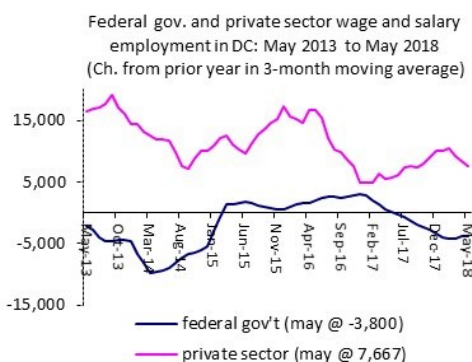


**Table 1. Wage and salary employment in DC, Washington Metro area, and the US: May 2018**

Jurisdiction	FY 2015	FY 2016	FY 2017	3-mo		
				12-mo avg	average	This month
District of Columbia	764,583	780,892	788,433	792,783	795,633	797,800
1 year change	12,992	16,308	7,542	6,650	4,600	5,200
% change	1.7	2.1	1.0	0.8	0.6	0.7
Washington metro area	3,133,800	3,209,608	3,264,825	3,290,633	3,306,500	3,328,200
1 year change	34,700	63,175	55,217	41,633	37,600	41,300
% change	1.1	2.0	1.7	1.3	1.2	1.3
Washington suburbs (% ch)	1.5	2.0	2.0	1.4	1.3	1.4
US (% ch)	2.1	1.8	1.6	1.5	1.6	1.6

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

Source: BLS. May 2018 is preliminary.



**Table 2. Federal government and private sector wage and salary employment in DC: May 2018**

Sector	FY 2015	FY 2016	FY 2017	3-month		
				12-mo avg	average	This month
Federal government	198,025	199,717	200,267	197,742	195,967	195,800
1 year ch.	-342	1,692	550	-3,058	-3,800	-4,300
% change	-0.2	0.9	0.3	-1.5	-1.9	-2.1
Private sector	527,033	541,258	547,417	553,558	558,733	561,000
1 year ch.	11,475	14,225	6,158	8,658	7,667	8,300
% change	2.2	2.7	1.1	1.6	1.4	1.5

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

**Table 3. Seasonally adjusted DC Employment: December 2017 to May 2018**

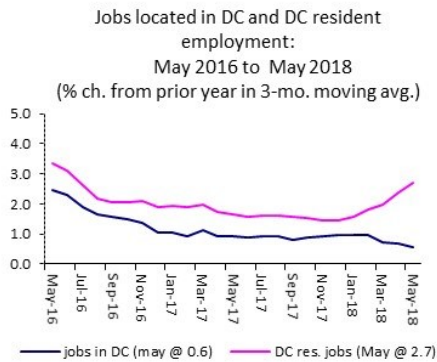
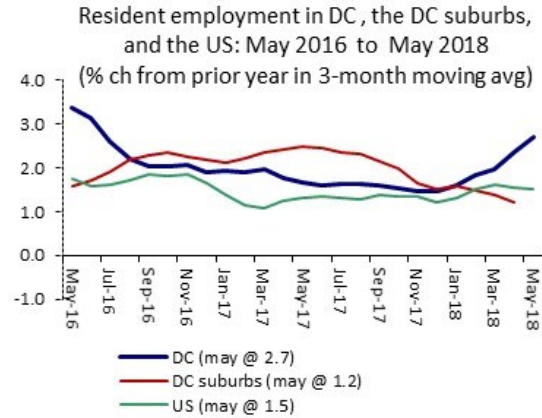
Indicator	December	January	February	March	April	May
D.C. Wage and Salary employment	794,000	794,600	794,300	793,400	795,300	798,400
change from prior month	500	600	-300	-900	1,900	3,100
% change from prior month	0.1	0.1	0.0	-0.1	0.2	0.4

Source: BLS seasonally adjusted. May is preliminary.

## Resident employment and unemployment

### Resident employment has grown faster since the beginning of the year

- In May DC resident employment was up 10,218 (2.7%) from a year earlier (3-mo. moving average). The labor force grew by 8,719 (2.2%).
- The seasonally adjusted unemployment rate remained at 5.6% in May. The rate a year ago was 6.2%.
- April initial unemployment insurance claims were down 10.0% from last year (3-month moving average).



**Table 4. Unemployment rates for DC, metro area, and US: May 2018**  
(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	May 2017	May 2018	May 2017	May 2018
US	4.1	3.6	4.3	3.8
DC	5.8	5.2	6.2	5.6
DC metro area	3.6	3.2	na	na
DC suburbs	3.3	3.0	na	na

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

**Table 5. Resident employment and unemployment: May 2018**

Indicator	FY 2014	FY 2015	FY 2016	FY 2017	12-mo avg	3-mo. avg.	This month
<b>DC Labor force summary</b>							
Resident employment	346,038	358,531	368,776	375,280	380,418	386,457	387,879
1 year change	4,216	12,493	10,245	6,504	7,135	10,218	12,086
% change	1.2	3.6	2.9	1.8	1.9	2.7	3.2
Labor Force	375,876	386,144	393,316	399,638	403,928	408,013	408,983
1 year change	1,777	10,268	7,172	6,322	6,553	8,719	10,075
% change	0.5	2.7	1.9	1.6	1.6	2.2	2.5
Unemployed	29,838	27,614	24,540	24,359	23,510	21,556	21,104
1 year change	-2,439	-2,224	-3,073	-182	-582	-1,499	-2,011
% change	-7.6	-7.5	-11.1	-0.7	-2.4	-6.5	-8.7
Unemployment rate	7.9	7.2	6.2	6.1	5.8	5.3	5.2
<b>DC Unemployment insurance (state program)</b>							
Initial claims (monthly avg.)	1,851	1,596	1,472	1,505	1,512	1,250	1,421
1 year change	-64	-255	-123	33	-14	-122	-79
% change	-3.3	-13.8	-7.7	2.2	-0.9	-8.9	-5.3
Weeks compensated (mo. avg.)	42,133	32,811	30,261	31,355	33,100	29,440	30,995
1 year change	-729	-9,322	-2,550	1,094	1,828	-1,265	-1,749
% change	-1.7	-22.1	-7.8	3.6	5.8	-4.1	-5.3

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

**Table 6. Seasonally adjusted DC Resident employment and unemployment: Dec. 2017 to May 2018**

Indicator	December	January	February	March	April	May
DC Resident employment	377,688	378,592	379,836	380,985	382,638	384,394
change from prior month	-6	904	1,244	1,149	1,653	1,756
% change from prior month	0.0	0.2	0.3	0.3	0.4	0.5
DC Unemployment rate (%)	5.9	5.8	5.7	5.6	5.6	5.6

Source: BLS seasonally adjusted. May is preliminary.

## Jobs by sectors of the economy

### Professional and technical services (other than legal services) top job growth in DC

- In May the increase of 2,367 in professional and technical services (except legal) was the largest of any sector. (3-month moving avg.)
- In the private sector, food service (2,167) was the only other industry that grew by 1,000 or more jobs in May.
- The sectors with the fastest rate of growth over the prior year in May were personal services (7.1%), other private (6.3%) and information (5.1%).
- Private sector industries losing jobs included accommodations, legal services, education, employment services, and other business services.
- Local government rose by 733.
- The federal government accounted for 24.7% of all DC jobs in May. Over the past year, DC's share of federal employment fell in both the metro area and the US.
- Over the past year DC's share of jobs in the US rose in information, food service, and personal services.

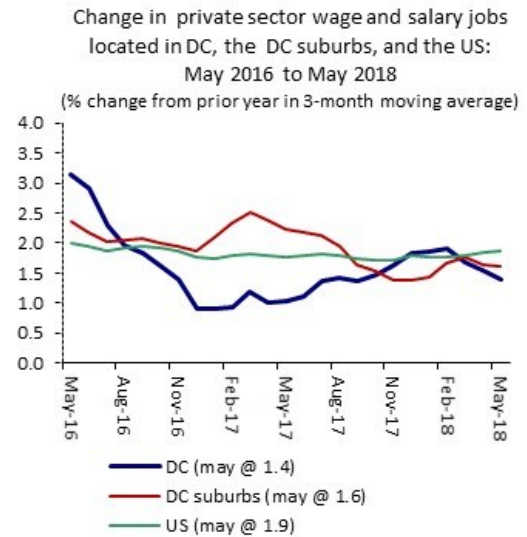


Table 7. Wage and salary employment located in DC: May 2018

Industry sector	3-month moving average					12-mo. moving avg: % change	DC share (%) in May 2018 of all sector jobs in:			Change from May 2017 to May 2018 in DC share of sector jobs in:	
	1 year change		Sector % of all DC jobs, May 2018	in:			metro area		US		
	May 2017	May 2018		Amount	%		metro area	US	metro area	US	
Federal government	199,767	195,967	-3,800	-1.9	-1.5	24.7	54.1	7.04	-0.1	-0.09	
Local government	40,200	40,933	733	1.8	2.6	5.2	11.9	0.21	0.0	0.00	
Legal services	28,200	28,133	-67	-0.2	-0.3	3.5		2.49		-0.01	
Professional and tech. (except legal)	87,367	89,733	2,367	2.7	2.8	11.3	22.9	1.12	-0.1	0.00	
Employment services	14,400	13,633	-767	-5.3	-3.6	1.7	32.8	0.37	0.1	-0.04	
Business services (except employ.)	35,567	35,167	-400	-1.1	-0.9	4.4	17.9	0.44	-0.4	-0.01	
Information	17,767	18,667	900	5.1	5.8	2.4	25.0	0.67	0.9	0.04	
Finance	29,933	30,700	767	2.6	1.2	3.9	19.3	0.36	0.2	0.00	
Organizations	65,433	66,200	767	1.2	1.1	8.3	36.0	2.19	0.2	0.00	
Education	67,433	66,633	-800	-1.2	0.1	8.4	53.0	1.75	-1.4	-0.04	
Health	69,567	70,267	700	1.0	1.2	8.9	21.9	0.35	-0.3	0.00	
Food service	52,967	55,133	2,167	4.1	3.7	6.9	22.8	0.47	0.4	0.01	
Accommodations	15,100	14,600	-500	-3.3	-2.1	1.8	33.1	0.73	0.7	-0.03	
Amusement and recreation	9,167	9,400	233	2.5	4.5	1.2	20.4	0.41	-0.7	0.00	
Retail trade	23,133	23,833	700	3.0	2.3	3.0	8.6	0.15	0.1	0.00	
Wholesale trade	4,933	5,100	167	3.4	0.5	0.6	8.3	0.09	0.4	0.00	
Construction	15,267	15,700	433	2.8	3.7	2.0	9.7	0.22	0.1	0.00	
Personal and miscellaneous ser.	8,500	9,100	600	7.1	7.9	1.1		0.32		0.02	
Other private	6,333	6,733	400	6.3	5.3	0.8	5.4	0.04	0.2	0.00	
<b>Total</b>	<b>791,033</b>	<b>795,633</b>	<b>4,600</b>	<b>0.6</b>	<b>0.8</b>	<b>100.3</b>	<b>24.1</b>	<b>0.54</b>	<b>-0.1</b>	<b>-0.01</b>	
Public sector	239,967	236,900	-3,067	-1.3	-0.8	29.9	33.6	1.04	-0.3	-0.01	
Private sector	551,067	558,733	7,667	1.4	1.6	70.4	21.5	0.44	0.0	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")

## Jobs and wages by sector

### **Federal government employment was the largest source of wage growth in DC over the past year**

- Compared to the prior year, for the year ending March, the federal government accounted for 25.1% of all jobs and 32.4% of all wages and salaries paid in DC.
- Professional and business services accounted for about 20.9 % of the net gain in employment in DC over the past year, and 24.9% of the gain in wages paid in DC.
- Information and finance share of last year’s wage gains (17.4%) was close to the share of job gain.
- Education and health services accounted for 14% of last year’s net job increases and 10% of the increase in wages.
- Trade and hospitality accounted for 35% of the increase in jobs over the past year and 5% of the increase in wages.

**Change in wage and salary jobs in DC: May 2017 to May 2018  
(Calculated from 3-month moving averages)**



**Table 8. Employment and income by sector of the DC economy: 12 mo average ending March 2018 (2018.1)**

Sector	12 mo. average wage and salary employment in DC ending Mar 2018			12 mo avg. wages and salaries earned in DC ending Mar 2018			Percentage Distributions			
	Level	Change from Mar 2017		Level (\$B)	Ch. from Mar 2017 (\$B)		Employment		Wages	
		% change	Level (\$B)		% change	Mar 2018	Ch from Mar 2017	Mar 2018	Ch from Mar 2017	
Total	791,842	6,700	0.9	72.50	2.15	3.06	100.0	100.0	100.0	100.0
Federal government	198,358	-2,458	-1.2	23.47	0.58	2.55	25.1	-36.7	32.4	27.1
Local government	41,283	1,025	2.5	3.18	0.04	1.17	5.2	15.3	4.4	1.7
Business and professional services	166,742	1,400	0.8	18.93	0.54	2.91	21.1	20.9	26.1	24.9
Information and financial services	48,525	1,283	2.7	6.33	0.37	6.27	6.1	19.2	8.7	17.4
Education and health services	134,800	925	0.7	7.38	0.21	2.94	17.0	13.8	10.2	9.8
Trade and hospitality services	105,258	2,333	2.3	4.51	0.10	2.29	13.3	34.8	6.2	4.7
Organizations and personal services	74,783	1,400	1.9	6.87	0.19	2.84	9.4	20.9	9.5	8.8
Other private	22,092	792	3.7	1.82	0.12	6.98	2.8	11.8	2.5	5.5
<i>Private sector</i>	<i>552,200</i>	<i>8,133</i>	<i>1.5</i>	<i>45.85</i>	<i>1.53</i>	<i>3.45</i>	<i>69.7</i>	<i>121.4</i>	<i>63.2</i>	<i>71.1</i>
<i>Government</i>	<i>239,642</i>	<i>-1,433</i>	<i>-0.6</i>	<i>26.65</i>	<i>0.62</i>	<i>2.38</i>	<i>30.3</i>	<i>-21.4</i>	<i>36.8</i>	<i>28.8</i>

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



## Wages and income

### Data revisions show slower income growth in DC

- Wages and salaries earned in the District of Columbia were 2.6% higher in the March quarter compared to the same quarter of 2017.
- Wages earned by DC residents grew an estimated 3.1% in the March quarter compared to last year.
- In the March quarter, DC Personal Income grew 2.8%, below the US average (3.6%).
- The growth rate of proprietors' income was 3.4% in the March quarter.
- Pensions and other transfers grew 1.3% over last year in the March quarter; property income grew 3.6%.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2016.1 to 2018.1

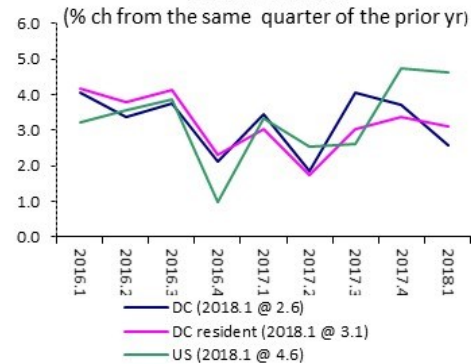


Table 9. DC Wages and Personal Income: March 2018 (2018.1)

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

Indicator	FY 2014	FY 2015	FY 2016	FY 2017	4-qr. moving avg.	Latest qtr. (Mar.)
Wages and salaries earned in DC	63.91	66.88	69.39	71.39	72.50	73.43
1 year change	1.83	2.97	2.51	2.00	2.15	1.85
% change	2.9	4.6	3.8	2.9	3.1	2.6
Supplements to wages & salaries	17.16	17.93	18.58	19.26	19.44	19.58
% change	4.4	4.5	3.6	3.7	2.7	1.2
Income earned in DC**	76.77	81.09	84.51	87.10	88.30	89.26
% change	3.4	5.6	4.2	3.1	2.9	2.2
Net resident adjustment***	-46.18	-47.66	-49.15	-50.68	-51.35	-51.84
% change	1.4	3.2	3.1	3.1	3.0	1.9
Income earned by DC residents**	30.60	33.43	35.36	36.42	36.95	37.42
% change	6.6	9.3	5.8	3.0	2.7	2.8
Wages and salaries of DC residents****	22.85	24.48	25.63	26.28	26.70	27.09
change from one year ago	1.18	1.64	1.15	0.65	0.73	0.81
% change	5.5	7.2	4.7	2.5	2.8	3.1
Proprietors' income earned by DC residents*	4.90	5.90	6.57	6.89	7.01	7.12
% change	13.7	20.4	11.2	5.0	3.4	3.4
Property income of DC residents	8.73	9.30	9.49	9.83	10.03	10.20
% change	3.4	6.6	2.1	3.5	4.0	3.6
Pensions and other transfers for DC residents	5.97	6.13	6.50	6.67	6.70	6.74
% change	0.9	2.7	5.9	2.6	0.7	1.3
DC Personal Income	45.30	48.86	51.35	52.91	53.68	54.36
1 year change	2.22	3.56	2.49	1.56	1.41	1.46
% change	5.1	7.9	5.1	3.0	2.7	2.8
US Personal income (% change from prior year)	3.5	5.5	3.0	2.5	3.3	3.6
US Wages and salaries (% change from prior year)	4.0	5.3	3.9	2.4	3.6	4.6

#### Addendum:

DC res. wages as % of wages earned in DC 35.7 36.6 36.9 36.8 36.8 36.9

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

\*\*does not include social insurance paid by individuals. Wage and salary amounts shown 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.

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

Source: BEA; data released June 21, 2018

## Population, jobs, and per capita income

### DC's per capita income growth was less than half the US average in the March quarter

- For 2017, population increased 9,636 (1.4%) and wage and salary employment increased by 7,458 (1.0%).
- In the past year population and jobs are each estimated to have grown below their 5 year average amount from 2012 to 2017.
- In the March quarter, DC's per capita income grew at a rate less than half of the US average (1.3% v 2.9%).
- In the March quarter wages per job in DC grew more slowly than in the US (1.8% v 3.1%).

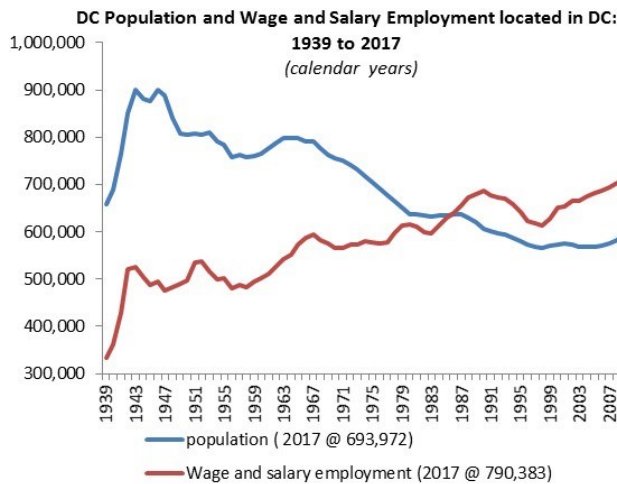
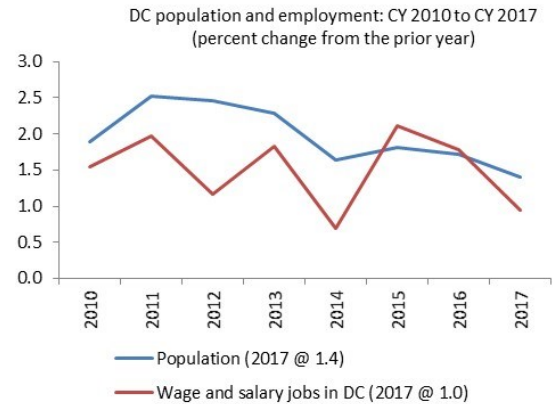


Table 10. DC Population and wage and salary employment located in DC: 2010 to 2017

Calendar year	Population			Wage and salary employment		
	Number	Change from prior yr. Number	%	Number	Change from prior yr. Number	%
2010	605,040	11,240	1.9	712,133	10,517	1.5
2011	620,336	15,296	2.5	726,208	14,075	2.0
2012	635,630	15,294	2.5	734,717	8,508	1.2
2013	650,114	14,484	2.3	748,108	13,392	1.8
2014	660,797	10,683	1.6	753,283	5,175	0.7
2015	672,736	11,939	1.8	769,242	15,958	2.1
2016	684,336	11,600	1.7	782,925	13,683	1.8
2017	693,972	9,636	1.4	790,383	7,458	1.0
Ch. from 2012 to 2017		58,342	9.4		55,667	7.7
Avg. annual ch.		11,668			11,133	

Source: U.S. Bureau of the Census (population), BLS

Table 11. Per capita income and wages per job in DC and the US: FY 2015 to March 2018

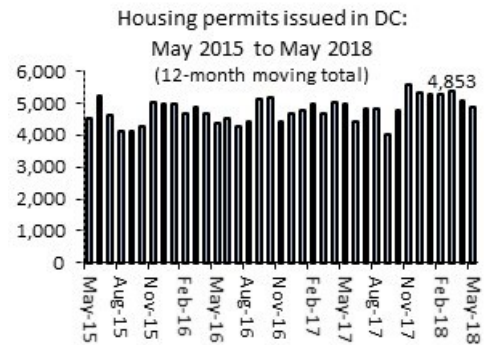
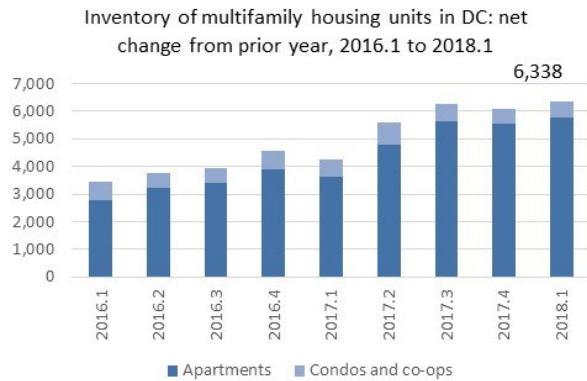
	DC					US				
	FY 2015	FY 2016	FY 2017	12-mo avg (Mar) 2018.1		FY 2015	FY 2016	FY 2017	12-mo avg (Mar) 2018.1	
<b>Per capita income</b>	72,935	75,350	76,501	77,073	77,642	48,027	49,098	49,987	50,749	51,410
% ch in per capita income	6.0	3.3	1.5	1.3	1.3	4.7	2.2	1.8	2.5	2.9
% ch in population	1.8	1.7	1.5	1.4	1.4	0.8	0.7	0.7	0.7	0.7
% ch in personal income	7.9	5.1	3.0	2.7	2.8	5.5	3.0	2.5	3.3	3.6
<b>Wages per job</b>	87,472	88,863	90,544	91,549	92,472	54,935	56,065	56,489	57,361	58,124
% ch in wages per job	2.9	1.6	1.9	2.2	1.8	3.1	2.1	0.8	2.1	3.1
% ch in wages and salary jobs	1.7	2.1	1.0	0.9	0.7	2.1	1.8	1.6	1.5	1.5
% ch in total wages	4.6	3.8	2.9	3.1	2.6	5.3	3.9	2.4	3.6	4.6
US Consumer price index						0.3	0.9	2.1	2.1	2.4

Source: BEA for per capita income, population and Personal Income. Moody's Analytics for CPI in US. Note: % changes are from the same period of the prior year.

## Multifamily-unit housing and housing permits

### The number of new housing permits issued over the prior year now less than 5,000

- According to CoStar, in March the inventory of apartments and condominiums increased by 6,338 (3.5%) from a year earlier. In the first quarter of 2018, however, inventory grew by only 613 from the end of 2017.
- For the 12-month period ending May 4,853 housing permits were issued, down 2.0% from last year. The 12-month moving total had been above 5,000 for 6 months. The 3-month total (534) was 45% below the same period as last year.
- Of the increase in multifamily-unit housing inventory over the 12-months ending 2018.1, 91.1% were in apartments. Of the housing permits issued over the past year, 95.1% were included in 41 buildings with 5 or more units.
- As of March, 13,207 multi-family units were under construction in 90 buildings. Of the construction, apartments accounted for 62% of the buildings and 87.6% of the units.



**Table 12. Estimated DC households: 2012 to 2017**

date	pop/hh	Estimated	
CY	Population	ratio	households
2012	635,630	2.259	281,401
2013	650,114	2.260	287,653
2014	660,797	2.261	292,217
2015	672,736	2.263	297,328
2016	684,336	2.267	301,866
2017	693,972	2.271	305,521

Source: 1) Population: US Census Bureau 2) population/household ratio estimated by ORA based on Office of Planning estimates for 2010, 2015, and 2020 3) households: calculated from population using the pop/hh ratio.

**Table 13. Housing unit building permits issued in DC: May 2018**

	FY 2015	FY 2016	FY 2017	12-mo. moving total	3-mo. moving total	This month
Total units	4,131	5,129	4,026	4,853	534	112
change from 1 yr ago	-336	998	-1,103	-99	-435	-206
% change from 1 year	-7.5	24.2	-21.5	-2.0	-44.9	-64.8
Multi-family projects with 5 or more units						
number	37	40	38	41	12	3
average size	112	128	106	118	45	35
Units in small projects with up to 4 units						
	399	333	376	240	38	7
% of all units	9.7	6.5	9.3	4.9	7.1	6.3

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

**Table 14. Inventory and construction for private sector apartments and condominiums in DC: 2012 to 2018.1**

CY	Inventory									Under construction					
	All Units			Apartments			Condominiums			Apartments			Condominiums		
	number	1 year ch.	%	build-ings	units	1 yr ch	build-ings	units	1 yr ch	build-ings	units per bldg.	build-ings	units	units per bldg.	
2012	162,887	2,073	1	2,693	121,477	2,044	598	32,734	29	34	7,837	231	2	244	122
2013	166,680	3,793	2.3	2,706	125,054	3,577	599	32,950	216	35	6,755	193	13	297	23
2014	171,418	4,738	2.8	2,725	129,660	4,606	606	33,082	132	42	6,820	162	38	972	26
2015	174,566	3,148	1.8	2,745	132,132	2,472	638	33,758	676	55	10,016	182	41	1,058	26
2016	179,136	4,570	2.6	2,766	136,039	3,907	670	34,421	663	58	11,459	198	35	1,421	41
2017	185,235	6,099	3.4	2,788	141,605	5,566	682	34,930	509	55	11,179	203	35	1,614	46
2018.1	185,848	6,338	3.5	2,790	142,134	5,772	686	35,014	566	56	11,565	207	34	1,642	48
1 Q ch.	613			2	529		4	84		1	386		-1	28	

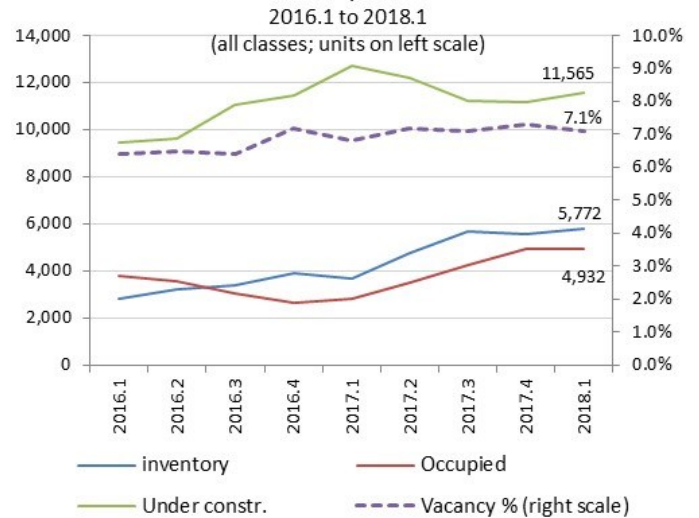
Source: CoStar. Includes units in privately-owned buildings with 5 or more units. CY amounts are last quarter of the year. Includes affordable units. Data is as of April 24, 2018. All units includes cooperative apartments, not shown separately. In 2017 there were 122 co-op buildings with 8,700 units with an average building size of 71.



## Occupancy rose by almost 5,000 units over the past year and the vacancy rate fell slightly

- According to CoStar, for the the 12-month period ending March occupied apartments rose by 4,932 (3.9%) from the prior year. The overall vacancy rate fell slightly to 7.1%, and rents were 0.6% higher.
- Class A units accounted 23.2% of all units in the city and 42.0% of vacant ones. They also accounted for 96.9% of the additions to apartment inventory over the past year, 91.8% of the increase in occupied units, and 86% of the new construction.
- Over the past year, Class A rents declined by 0.6%, Class B rose 1.0%, and Class C rose 1.8%.
- Vacancy rates in March: Class A 12.8%, Class B 5.7%, and Class C 5.1%.

DC Apartment units: (1) 12-month change in inventory and occupancy, (2) number under construction, and (3) vacancy rate : 2016.1 to 2018.1

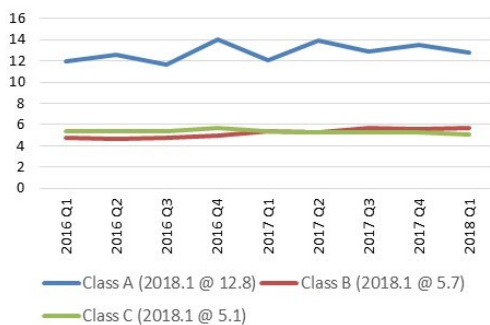


**Table 15. Apartment units in DC: 2012 to 2018.1**

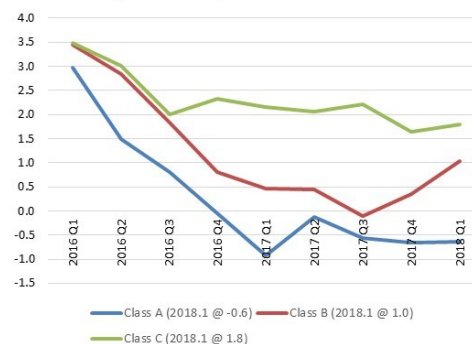
	Level				Change from prior period						Average rent		1 yr ch in units under constr.
	number				Inventory		Occupied		Vacant		Effective rent per unit	1 yr % change	
	Inventory	Occupied	Vacant	% vacant	units	% ch	units	% ch	units	% ch			
2012	121,477	113,558	7,919	6.5	2,044	1.7	1,935	1.7	109	1.4	\$1,584	4.2	2798
2013	125,054	115,560	9,494	7.6	3,577	2.9	2,002	1.8	1575	19.9	\$1,617	2.1	-1082
2014	129,660	119,885	9,775	7.5	4,606	3.7	4,325	3.7	281	3.0	\$1,678	3.8	65
2015	132,132	123,713	8,419	6.4	2,472	1.9	3,828	3.2	-1356	-13.9	\$1,761	4.9	3196
2016	136,039	126,368	9,671	7.1	3,907	3.0	2,655	2.1	1252	14.9	\$1,785	1.4	1443
2017	141,605	131,312	10,293	7.3	5,566	4.1	4,944	3.9	622	6.4	\$1,791	0.3	-280
2018.1	142,134	132,098	10,036	7.1	5,772	4.2	4,932	3.9	840	9.1	\$1,800	0.6	386
1 Q ch	529	786	-257								\$9		

Source: CoStar, as of April 24, 2018.

Vacancy rates in DC apartments by class: 2016.1 to 2018.1



1-year change in average effective rent in DC apartments by class: 2016.1 to 2018.1



**Table 16. Market rate apartment units in DC, Classes A, B, and C: 2018.1**

Class	Inventory					Occupied units			Effective monthly rent		Under construction		
	Units					Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units	Avg. size
	Buildings	Number	1 yr ch	% ch	% vacant								
Class A	157	33,029	5,396	19.5	12.8	28,816	4,530	18.7	\$2,460	-0.6	44	9,957	226
Class B	785	50,900	267	0.5	5.7	48,198	239	0.5	\$1,771	1.0	12	1,608	134
Class C	1,840	57,944	-33	-0.1	5.1	54,992	167	0.3	\$1,300	1.8	0		

Source: CoStar. Includes units in private sector buildings with 5 or more units. Includes affordable units. Vacancy rate is unoccupied units as % of inventory. Data as of April 24, 2018. The total amounts for apartments in table 15 includes a small number of units not shown here.

# Commercial office space

## Vacancy rate edged up in last quarter

• According to CoStar, for the the 12-month period ending March occupied office space increased by 0.29 million sq. ft. from the prior year while inventory rose by 0.89 msf. The vacancy rate edged up to 11.5% (including sublet) and average base rent rose 2.4%.

• The vacancy rate for class A space was 12.5% in March, up from 12.4% a year ago. Class A rent rose 0.7% over the past year.

• Space under construction in March 2018 (6.18 million square feet in 20 buildings) was 0.78 msf (14.4%) more than a year earlier.

• For Class B and Class C properties, inventory and occupancy have declined over the past year. Rents for these properties have increased more than in Class A, and the vacancy rate for Class B properties rose to 11.1%.

DC commercial office space: (1) 1 yr change in inventory and occupied space, (2) under construction, and (3) vacancy rate: 2016.1 to 2018.1 (million square feet)

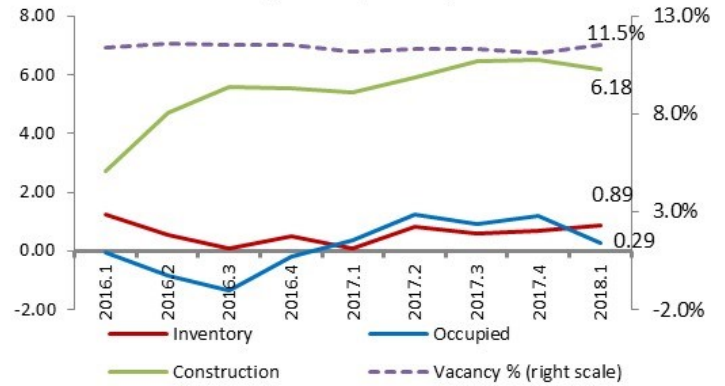


Table 17. DC commercial office space: 2012 to 2018.1

CY (year end)	Inventory				Occupied space			Vacant space			Base rent (direct)		Under constr.		
	Build-ings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Total %	Direct only %	\$ per sq ft.	1 yr % ch	Build-ings	msf	Avg. sf per bldg
2012	2,353	150.67	-0.11	-0.1	136.18	1.49	1.1	14.5	9.6	9.0	\$46.82	0.9	8	2.21	276,436
2013	2,350	151.36	0.69	0.5	136.62	0.44	0.3	14.7	9.7	9.2	\$46.92	0.2	12	2.13	177,131
2014	2,350	152.13	0.77	0.5	136.42	-0.21	-0.2	15.7	10.3	9.8	\$47.46	1.2	14	2.43	173,919
2015	2,350	152.82	0.70	0.5	135.83	-0.59	-0.4	17.0	11.1	10.7	\$48.13	1.4	17	3.42	200,953
2016	2,351	153.33	0.50	0.3	135.66	-0.17	-0.1	17.7	11.5	10.9	\$49.77	3.4	21	5.53	263,268
2017	2,353	154.00	0.67	0.4	136.86	1.20	0.9	17.1	11.1	10.3	\$50.90	2.3	22	6.52	296,265
2018.1	2,355	154.51	0.89	0.6	136.74	0.29	0.2	17.8	11.5	10.7	\$50.85	2.4	20	6.18	308,953
1 Q ch	2	0.51			-0.12				0.4	0.4	-\$0.05		-2.00	-0.34	

Source: CoStar, all classes and sizes. Data as of April 27, 2018

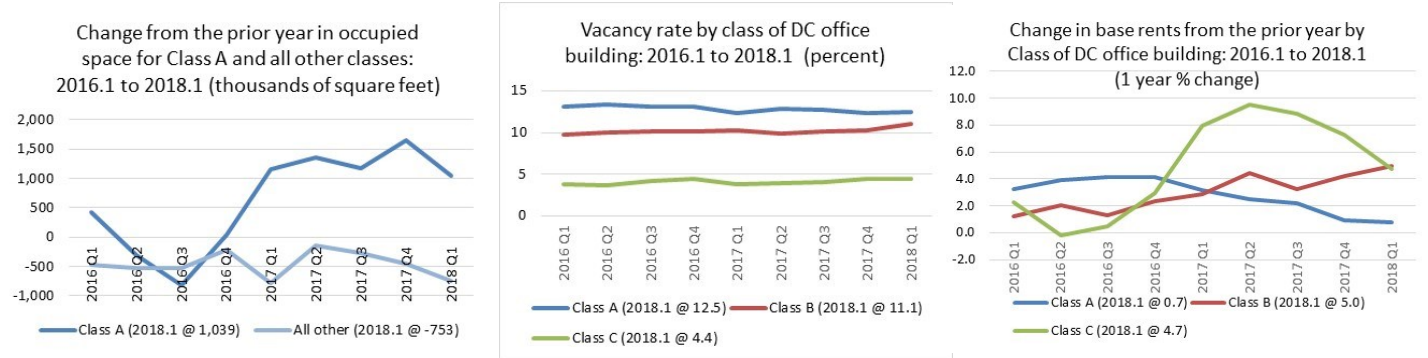


Table 18. DC Class A, B, and C commercial office space: 2018.1

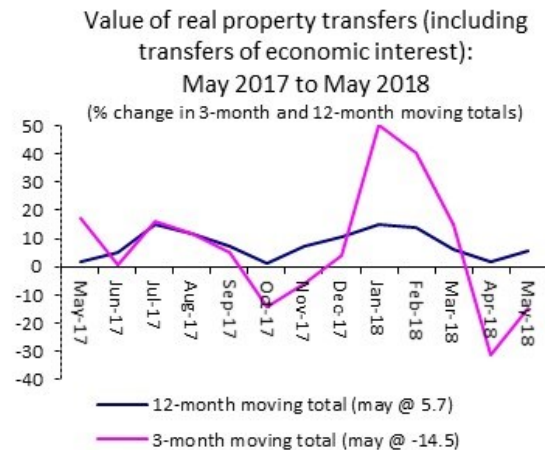
Class	Inventory				Occupied space			Vacant space			Base rent (direct)		Under constr.	
	Build-ings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	% ch	Level (msf)	Total %	Direct %	\$ per sq ft.	1 yr % ch	build-ings	msf
Class A	343	92.50	1.25	1.4	80.94	1.04	1.3	11.6	12.5	11.6	\$54.12	0.7	19	6.16
Class B	904	51.82	-0.28	-0.5	46.06	-0.65	-1.4	5.8	11.1	10.4	\$46.06	5.0	1	0.04
Class C	1,105	10.17	-0.04	-0.4	9.73	-0.10	-1.0	0.4	4.4	4.1	\$36.03	4.7	0	0.00

Source: CoStar. Data as of April 27, 2018

## Value of all property transfers

**The value of real property transfers for the past 12 months is up almost 6% from the prior year**

- The value of May property transfers fell by 14.5% from last year as measured by the 3-month moving total. The 12-month moving total was \$14.63 billion, 5.7% more than last year.
- Following the recovery in 2010 from the recession, the annual rate of growth in occupied office space slowed (becoming negative in 2016), generally lagging behind the percentage change in jobs located in DC. During the past year, however, as the rate of job growth slowed, office space growth picked up.
- The growth rate of multifamily housing inventory slowed during the recession. Since 2010, however inventory growth has increased steadily while the rate of population growth slowed.

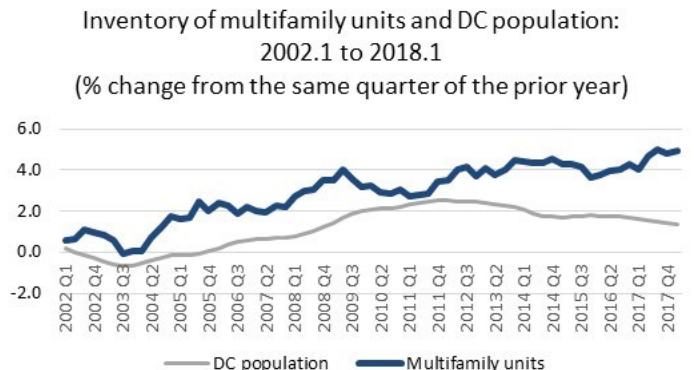
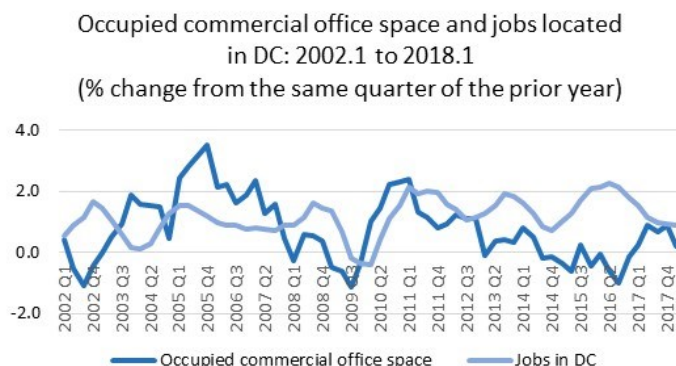


**Table 19. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: May 2018**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	12-mo moving total	3-month moving total	This month
All property transfers (\$ million)	11,063.9	11,569.8	14,766.3	13,035.9	13,998.6	14,629.0	3,204.9	1,366.9
change from one year ago (\$M)	1,530.6	505.8	3,196.5	-1,730.3	962.6	788.8	-544.5	403.6
% change from 1 year ago	16.1	4.6	27.6	-11.7	7.4	5.7	-14.5	41.9

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

Longer term view of occupied office space, multifamily housing units, jobs, and population in DC: 2002.1 to 2018.1



## Single family and condominium housing

### Housing prices rose in May

- The 3-month moving total of single family home sales in May was down 0.6% from a year earlier, and the average selling price was 4.0% higher. The year-to-date median sales price (\$711,250) was 4.3% higher than the prior year.
- May condominium sales were up 2.3% from last year as measured by the 3-month moving total, while the average selling price was 5.7% higher. The year-to-date median sales price (\$460,212) was up 1.2% from last year.
- The total value of all home sales in May rose by 5.1% from last year as measured by the 3-month moving total. For the past 12-months the increase was 6.8%.

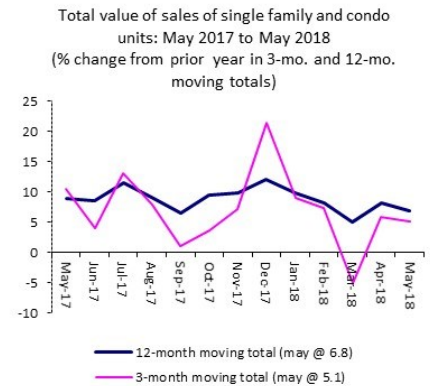
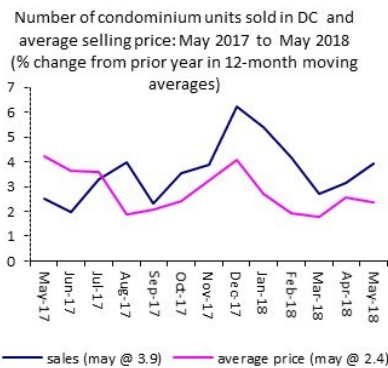
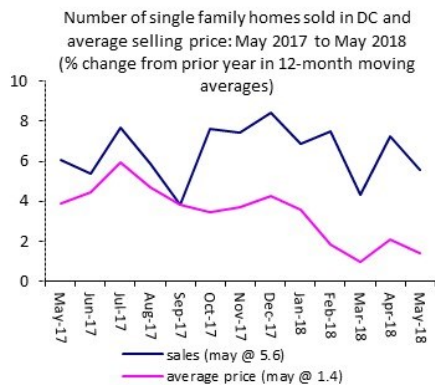


Table 20. D.C. Residential Real Estate Indicators: May 2018

Indicator	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	12-mo moving	3-mo moving	This month
						total or average	total or average	
<b>Number of sales (settled contracts)</b>								
Single family	3,979	4,024	4,097	4,385	4,552	4,767	1,234	490
1 year change	416	45	73	288	167	251	-7	-11
% change	11.7	1.1	1.8	8.7	3.8	5.6	-0.6	-2.2
Condo	3,487	3,592	3,832	3,955	4,046	4,209	1,178	459
1 year change	703	105	240	123	91	159	26	35
% change	25.3	3.0	6.7	5.6	2.3	3.9	2.3	8.3
<b>Average prices of units that sold</b>								
Single family (\$)	712,799	736,362	767,870	794,668	824,857	830,024	864,620	901,102
1 year change	82,690	23,563	31,508	26,798	30,189	11,603	33,361	7,750
% change	13.1	3.3	4.3	5.8	3.8	1.4	4.0	0.9
Condo (\$)	447,827	472,419	499,650	500,824	511,247	525,626	547,233	553,828
1 year change	18,216	24,592	27,232	1,173	10,423	12,072	29,318	13,678
% change	4.2	5.5	5.8	2.2	2.1	2.4	5.7	2.5
<b>Total value of all sales (\$ million)</b>	4,397.8	4,660.0	5,060.6	5,465.4	5,823.3	6,169.1	1,711.6	695.7
1 year change	956.7	262.2	400.6	404.8	357.9	393.2	83.4	19.2
% change	27.8	6.0	8.6	12.4	6.5	6.8	5.1	2.8
<b>Ratio: active inventory to sales</b>								
Single family	1.6	1.6	1.5	1.6	1.6	1.4	1.3	1.3
Condo	1.7	1.9	1.7	1.8	1.8	1.7	1.7	2.0

**Median contract prices, CY to date in May 2018:** single family \$711,250 (4.3% 1 yr ch); condo \$460,212 (1.2% 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.



## Single family and condominium housing

### Growth in FHFA house price index for DC slowed in the March quarter

•The percentage change 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 4.2%. The US index was up 7.3%, and the Washington metropolitan area gain was 5.0%. The last time DC's quarterly growth rate was less than the metropolitan area average was 4 1/2 years ago.

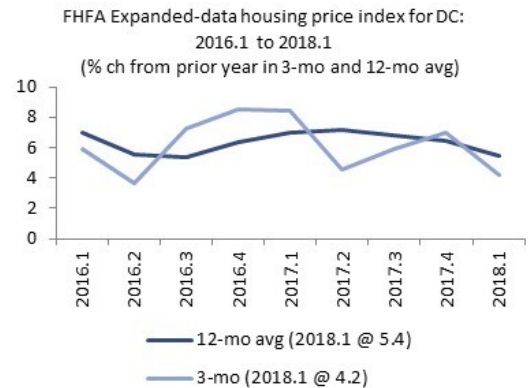
•27.1% of all single family sales for the 12-months ending May were for properties greater than \$1 million.

•In the March quarter, sales of new condominiums over the past 12 months were 19.7% lower than a year earlier.

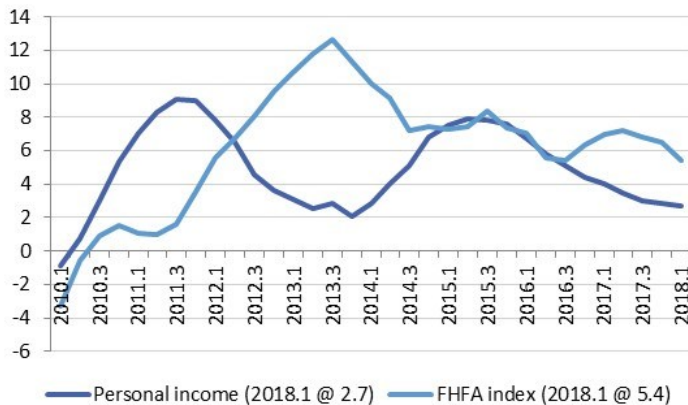
**Table 21. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: March 2018 (2018.1)**

Indicator	Fiscal year average				Last 2 Q's	
	FY 2014	FY 2015	FY 2016	FY 2017	2017.4	2018.1
<b>% change from prior year in value of index</b>						
DC	7.2	8.4	5.4	6.8	7.0	4.2
DC metro area	5.7	3.4	2.6	4.7	4.8	5.0
US	6.3	5.5	5.6	6.7	7.1	7.3

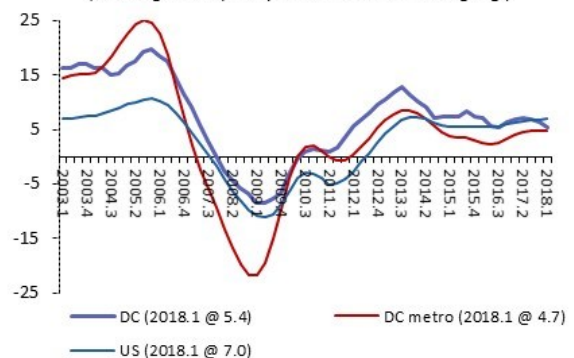
Source: Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This quarterly index is a broad measure of the movement of single-family house price, measuring the average price changes in repeat sales or refinancings of the same properties. This information is estimated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



**DC Personal Income and FHFA Housing index: 2010.1 to 2018.1**  
(% change from prior year in 12-month moving average)



**FHFA expanded-data housing price index for DC, the Washington Metropolitan area, and the US: 2003.1 to 2018.1**  
(% change from prior yr. in the 12-mo. moving avg.)



**Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: May 2018**

Category	FY 2015	FY 2016	FY 2017	12-mo	3-mo	This month
				moving total	moving total	
Single family homes	765	936	1,057	1,173	335	142
1 year change	31	171	121	158	28	5
% change	4.2	30.5	12.9	15.6	9.1	3.6
percent of all single family sales	18.7	21.3	23.2	24.6	27.1	29.0
Condominiums	160	167	189	217	62	24
1 year change	32	7	22	20	5	2
% change	25.0	21.9	13.2	10.2	8.8	9.1
percent of all condominium sales	4.2	4.2	4.7	5.2	5.3	5.2

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

**Table 23. Single family housing permits and sales of new condo. units in DC: FY 2013 to 2018.1**

FY	Permits	Condo. Sales
FY 2013	368	442
FY 2014	267	516
FY 2015	293	483
FY 2016	283	680
FY 2017	367	482
2018.1	259	496
1 yr ch	-50	-122
% ch.	-16.2	-19.7

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



# Hospitality

## The number of people staying in hotels continues to rise

● In May the 3-month moving total for hotel room-days sold was 3.7% above a year earlier. The average room rate was 1.9% lower, and hotel revenue was up 1.9%. These numbers are no longer influenced by the impact of the inauguration in January 2017.

● Employment in food services was 4.1% more in May than a year earlier as measured by the 3-month moving average. Hotel employment was down by 3.3%.

● February airline traffic into the DC area was up 1.4% compared to a year earlier as measured by the 3-month moving total. Reagan National was down 3.7%. For the past 12-months, total traffic into the DC area was 4.2% less than the prior year.

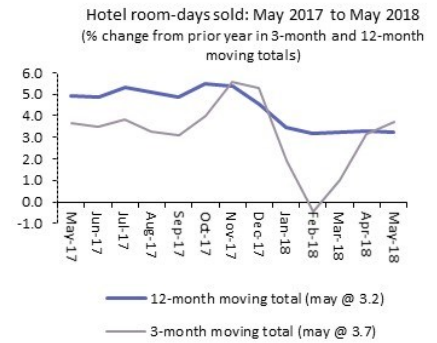
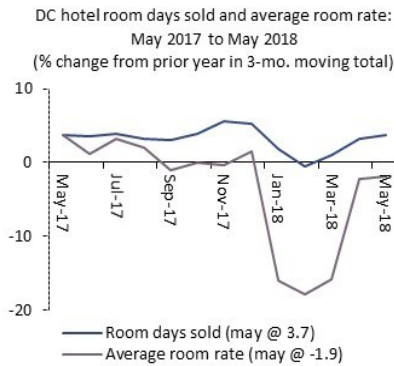
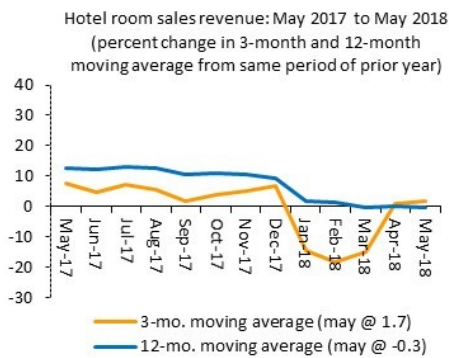


Table 27. Hospitality Industry: May 2018

Indicator	Units	date	FY 2014	FY 2015	FY 2016	12-month moving total or average*	3-month moving total or average*	This month
<b>Hotel stays</b>								
Hotel room-days sold	('M)	may	7.869	8.197	8.332	8.930	2.514	0.840
	1 yr ch		0.189	0.328	0.135	0.278	0.090	0.028
	1 yr % ch		2.5	4.2	1.3	3.2	3.7	3.5
Average room rate	\$	may	209.87	215.34	221.19	225.70	260.84	256.47
	1 yr ch		2.56	5.46	7.18	-7.98	-5.10	-4.72
	1 yr % ch		1.2	2.6	3.3	-3.4	-1.9	-1.8
Occupancy rate (average)	%	may	76.6	77.5	78.0	78.2	86.2	85.3
	1 yr ch		0.8	0.9	0.5	-0.3	0.2	0.2
	1 yr % ch		1.0	1.2	0.7	-0.4	0.3	0.2
Room revenue	(\$M)	may	1,651.4	1,765.1	1,843.0	2,015.5	655.7	215.4
	1 yr ch		59.4	113.6	83.2	-6.3	11.1	3.4
	1 yr % ch		3.7	6.9	4.7	-0.3	1.7	1.6
<b>Airline passengers</b>								
DCA	1 yr % ch	feb	0.0	10.3	2.8	-7.3	-3.7	-1.5
IAD	1 yr % ch	feb	-1.9	0.3	-0.1	-2.9	2.8	6.2
BWI	1 yr % ch	feb	-0.5	4.1	6.0	-2.3	5.2	7.6
Total	1 yr % ch	feb	-0.8	4.8	3.0	-4.2	1.4	3.9
<b>Employment</b>								
Accommodations	level ('000)	may	15.2	15.2	14.9	14.7	14.6	14.7
	1 yr ch		0.0	0.0	-0.3	-0.3	-0.5	-0.5
	1 yr % ch		-0.2	-0.2	-1.9	-2.1	-3.3	-3.3
Food and bev	level ('000)	may	47.1	49.7	51.5	53.6	55.1	55.9
	1 yr ch		2.0	2.7	1.7	1.9	2.2	1.9
	1 yr % ch		4.3	5.6	3.5	3.7	4.1	3.5

\* Total for hotel rooms sold and room revenue.

Source: STR (hotel data); BLS (employment); Airport authorities (airline passengers).

### Federal defense spending far outpaced that for non-defense activities in the March quarter

- Compared to the same quarter a year ago, in the March quarter Nominal GDP growth was 4.7% and real growth was 2.8%
- Seasonally adjusted quarterly GDP growth slowed to 2.2% (real) and 4.2% (nominal) in 2018.1 (*annualized growth rates*).
- Federal government non-defense spending for consumption and investment was 2.7% higher in the 2018.1 quarter than a year earlier, about half the growth rate (4.7%) for nominal GDP.
- In the 2018.1 quarter, defense spending over the prior year grew twice as fast as non-defense spending (5.4% v. 2.7%).

Federal non-defense spending and US GDP: 2014.1 to 2018.1 (1 year % change)

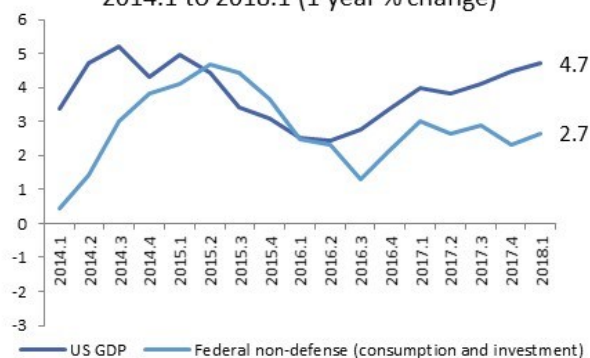


Table 29. Federal government consumption and investment, US GDP accounts: 2018.1

(percent change from same period of prior year)

Indicator	FY 2015			12-mo	
	FY 2015	FY 2016	FY 2017	avg	2018.1
<b>Non-defense</b>	<b>4.3</b>	<b>2.4</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>
Compensation of employees	4.2	4.0	4.0	3.9	3.8
Purchases of goods and services	7.6	1.8	-0.4	0.8	1.3
Gross investment	3.2	1.3	3.8	2.2	1.0
<b>Defense</b>	<b>-2.7</b>	<b>-0.2</b>	<b>0.9</b>	<b>3.4</b>	<b>5.4</b>
Compensation of employees	-0.5	1.0	2.4	3.0	2.5
Purchases of goods and services	-6.1	-1.2	-2.2	2.5	9.8
Gross investment	-2.9	0.6	5.2	10.0	9.6
<b>All federal consumption and invest.</b>	<b>-0.1</b>	<b>0.9</b>	<b>1.6</b>	<b>3.1</b>	<b>4.3</b>

Source: BEA (May 30, 2018). Nominal values.

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

Table 30. Qtr. to Qtr. ch. in US GDP: 2017.1 to 2018.1

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

Indicator	2017.1	2017.2	2017.3	2017.4	2018.1
US GDP real	1.2	3.1	3.2	2.9	2.2
US GDP nominal	3.3	4.1	5.3	5.3	4.2
Wages and salaries	6.1	3.1	4.7	4.8	5.6
Personal income	5.5	2.3	3.2	4.7	4.3

Note: GDP=Gross Domestic Product Source: BEA, updated May 30, 2018.

Quarterly change in US Real and Nominal GDP: 2016.1 to 2018.1

(% change from the previous quarter at annual rates)

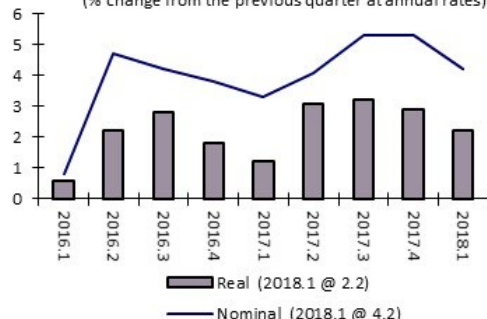


Table 28. US GDP, income, and inflation: 2018.1

(percent change from same period of prior year)

Indicator	FY 2015			12-mo	
	FY 2015	FY 2016	FY 2017	avg	2018.1
GDP real	3.0	1.5	2.1	2.5	2.8
GDP nominal	4.3	2.7	3.8	4.3	4.7
Consumption	4.3	4.0	4.5	4.4	4.4
Investment	7.3	-1.1	4.2	6.3	8.0
Corporate profits*	3.7	2.4	5.9	4.6	4.3
S and P stock index	9.7	0.4	13.8	16.7	17.6
US CPI	0.3	0.9	1.9	1.6	1.8

Source: BEA (May 30, 2018), BLS, Yahoo. na=not available

\*Before tax, with IVA and CCAAdj.

Defense and non-defense federal spending: 2014.1 to 2018.1 (1 Year % change)

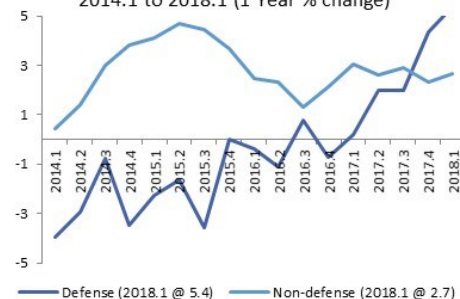


Table 31. Monthly selected US Indicators: January 2018 to May 2018

Indicator	January	February	March	April	May
S and P stock index (level)	2790	2705	2703	2654	2701
% change from prior month	4.7	-3.0	-0.1	-1.8	1.8
% change from 1 year ago	22.6	16.1	14.2	12.5	12.8
10 yr. Treasury Interest rate (level)	2.58	2.86	2.84	2.87	2.98
CPI % ch from prior month (seasonally adjusted)	0.54	0.15	-0.06	0.22	0.22
CPI % ch from prior year (seasonally adjusted)	2.14	2.26	2.36	2.43	2.43
Jobs (seasonally adjusted level, in millions)	147.8	148.1	148.3	148.4	148.4
change from prior month (thousands)	176.0	324.0	135.0	164.0	164.0
% change from prior month	0.1	0.2	0.1	0.1	0.2
Resident employment (season. adj. level, in mil.)	154.430	155.215	155.178	155.181	155.474
change from prior month (thousands)	409	785	-37	3	293
% change from prior month	0.3	0.5	0.0	0.0	0.2
Unemployment rate (seasonally adj.)	4.1	4.1	4.1	3.9	3.8

Source: BLS and Fed (Federal Reserve data base,

## DC tax collections

### Total DC tax collections (before earmarking): May 2013 to May 2018

(12-month moving total in May 2018 is \$7,688 million)



Table 32. Tax Collections (before earmarking): May 2018 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2014	FY 2015	FY 2016	FY 2017	12-month moving total	FY 2018 to date	3-month moving total	This month
Total taxes	6,290.0	6,916.8	7,241.0	7,472.9	7,688.1	4,693.7	2,513.9	431.3
1 year change	189.5	626.9	324.2	239.3	372.2	227.8	-54.7	10.1
% change	3.1	10.0	4.7	3.3	5.1	5.1	-2.1	2.4
Real property	2,015.6	2,194.5	2,357.5	2,473.3	2,551.6	1,342.1	1,226.6	32.3
1 year change	100.7	178.9	163.0	115.9	118.1	68.0	-16.0	4.2
% change	5.3	8.9	7.4	4.9	4.9	5.3	-1.3	15.1
General sales	1,172.1	1,315.3	1,343.1	1,419.2	1,456.2	992.4	376.3	136.2
1 year change	34.2	143.2	27.8	76.1	69.0	36.1	17.8	10.2
% change	3.0	12.2	2.1	5.7	5.0	3.8	5.0	8.1
Individual income	1,679.2	1,868.0	1,907.9	1,958.3	2,038.1	1,346.2	437.1	137.5
1 year change	38.3	188.9	39.8	50.4	176.8	122.4	-32.9	-8.7
% change	2.3	11.2	2.1	2.6	9.5	10.0	-7.0	-6.0
withholding	1,472.9	1,553.2	1,627.6	1,766.6	1,807.5	1,246.6	470.5	141.3
1 year change	81.7	80.3	74.4	139.0	113.0	63.0	12.3	12.2
% change	5.9	5.5	4.8	8.5	6.7	5.3	2.7	9.5
non-withholding	206.2	314.8	280.3	191.7	230.6	99.6	-33.5	-3.9
1 year change	-43.4	108.6	-34.5	-88.6	63.8	59.4	-45.1	-20.9
% change	-17.4	52.7	-11.0	-31.6	38.3	147.9	nm	nm
Corporate income	280.2	308.0	387.1	389.2	390.5	252.7	148.6	4.3
1 year change	-18.8	27.8	79.1	2.1	-6.6	-13.6	10.4	-5.0
% change	-6.3	9.9	25.7	0.6	-1.7	-5.1	7.5	-53.6
Unincorporated Bus.	135.4	139.8	169.4	165.0	140.9	94.6	53.0	-1.4
1 year change	-18.9	4.4	29.6	-4.4	-27.5	-22.7	-26.1	-7.2
% change	-12.3	3.2	21.2	-2.6	-16.3	-19.3	-33.0	-123.9
Deed taxes*	391.2	480.6	445.2	460.9	479.5	310.0	107.6	45.9
1 year change	18.4	89.4	-35.4	16.7	14.6	17.6	-8.9	7.5
% change	4.9	22.8	-7.4	3.8	3.1	6.0	-7.7	19.6
Other taxes	616.4	610.6	630.9	606.9	631.3	355.8	164.7	76.6
1 year change	35.6	-5.8	20.3	-17.6	27.8	19.9	1.0	9.1
% change	6.1	-0.9	3.3	-2.8	4.6	5.9	0.6	13.5

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

Note: (1) Revenues for the fiscal years 2014 through 2017 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/ORR nm = not meaningful due to negative numbers

**The general sales tax was the leading source of revenue growth over the past 3 months**

- For the 12 month period ending May total tax collections (before earmarking) were \$372 million (5.1%) more than in the prior year. For the last 3 months they were down 2.1% from last year.
- Individual income tax collections were 9.5% above last year for the 12-months ending May and withholding was 6.7% higher. For the past 3 months, withholding was up 2.7%, although all income tax collections were down 7.0%.
- General sales tax collections were 5.0% above last year for the 12-months ending May. For the past 3 months, they were also 5.0% above last year, and the \$17.8 million increase in collections was the biggest 3-month gain of all tax sources.
- Deed tax collections for the 12-months ending May were up 3.1% from last year; for the past 3 months they were down 7.7%.
- Corporate income taxes in May were down 1.7% and unincorporated business income taxes fell 16.3% from last year (12-mo. totals).

**Total tax collections (before earmarks):  
May 2017 to May 2018**  
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax collections (before earmarks):  
May 2017 to May 2018**  
(% change from prior year: 3-months and 12-month moving totals)



**Withholding for the Individual Income tax:  
May 2017 to May 2018**  
(% change from prior year: 3-month and 12-month moving totals)



**General Sales tax and Withholding for the Individual Income tax:  
May 2017 to May 2018**  
(% change from prior year in the 12-month moving total)



**Deed tax collections (before earmarks):  
May 2017 to May 2018**  
(% change from prior year: 3-month and 12-month moving totals)





## US economic forecasts

### The May Blue Chip forecast for FY 2019 has a slight increase in GDP growth and inflation

- The May Blue Chip Indicators raised real GDP growth in FY 2018 to 2.8% but kept FY 2019 at 2.7%. Nominal growth is estimated at 4.8% for FY 2018 and 5.0% in FY 2019.
- CBO's April 2018 economic and budget outlook: real growth rates of 2.8% in FY 2018 and 3.1% in FY 2019.
- The Blue Chip Indicators May forecast for inflation (CPI): 2.5% for FY 2018 and 2.3% for FY 2019.
- Global Insight and Moody's Analytics May forecasts expect US Personal Income growth to accelerate in FY 2018 and FY 2019. The forecast range is 4.2% to 4.3% for FY 2018, and 4.9% to 5.2% for FY 2019. (FY 2017 was 2.6%).
- S&P 500 May baseline forecasts: For the 4th quarter of 2018, Global Insight says the stock market will be 1.6% higher than a year earlier, Moody's says it will be 0.1% lower. Both forecast negative growth in FY 2019.

Table 33. Forecasts for US nominal and real GDP: FY 2014 through FY 2019  
(% change from prior fiscal year)

Fiscal year and date of forecast	real			nominal		
	Blue Chip	Moody's Analytics	IHS Global Insight	Blue Chip	Moody's Analytics	IHS Global Insight
<b>FY 2014 Actual</b>	2.6	2.6	2.6	4.4	4.4	4.4
<b>FY 2015 Actual</b>	3.0	3.0	3.0	4.3	4.3	4.3
<b>FY 2016 Actual</b>	1.5	1.5	1.5	2.7	2.7	2.7
<b>FY 2017 Actual</b>	2.1	2.1	2.1	3.8	3.8	3.8
<b>FY 2018</b>						
February	2.7	2.8	2.7	4.8	4.8	4.9
March	2.7	2.9	2.6	4.8	4.9	4.7
April	2.7	2.8	2.7	4.8	4.9	4.7
May	2.8	2.9	2.8	4.8	5.0	4.8
<b>FY 2019</b>						
February	2.5	2.9	2.8	4.7	5.8	5.3
March	2.7	3.0	3.0	4.9	5.8	5.3
April	2.7	2.9	3.0	4.9	5.8	5.4
May	2.7	2.9	2.9	5.0	5.8	5.2

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

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2012 to FY 2019  
(% change from the prior year; May 2018 estimate)

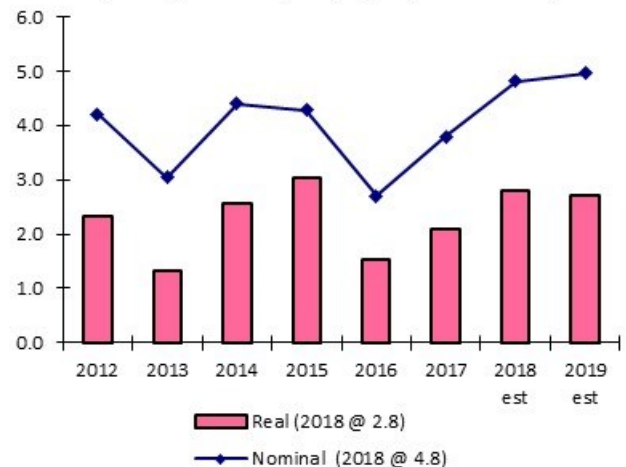


Table 34. CBO estimates of US economic indicators: FY 2017 to FY 2020

Indicator	FY 2017	FY 2018	FY 2019	FY 2020
Real GDP (% ch from prior yr.)	2.1	2.8	3.1	2.1
Nominal GDP (% ch from prior yr.)	3.8	4.8	5.1	4.2
CPI (% ch from prior yr.)	2.1	2.2	2.1	2.4
10 yr. Treasury bond rate	2.3	2.8	3.5	4.0
Unemployment rate	4.5	3.9	3.3	3.5

Source: Congressional Budget Office, An Update to [The Budget and Economic Outlook: 2018 to 2028](#), April 2018

Table 35. Forecasts for US Personal Income: FY 2017 to FY 2020

Forecast date	% change from prior fiscal yr				% change from prior fiscal yr			
	2017	2018	2019	2020	2017	2018	2019	2020
	<b>Global Insight</b>				<b>Moody's Analytics</b>			
Feb	2.5	4.0	5.2	5.2	2.5	4.3	5.2	4.3
Mar	2.6	4.0	5.2	5.4	2.6	4.4	5.2	4.3
Apr	2.6	4.2	5.3	5.2	2.6	4.4	5.3	4.3
May	2.6	4.0	4.9	5.1	2.6	4.3	5.2	4.3

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

Table 36. Forecasts for S and P 500: 2017.4 to 2019.4

Forecast date	% change from prior year			% change from prior year		
	2017.4	2018.4	2019.4	2017.4	2018.4	2019.4
	<b>Global Insight</b>			<b>Moody's Analytics</b>		
February	19.2	7.7	-3.0	19.2	3.7	-10.1
March	19.2	4.1	-2.1	19.2	1.8	-10.2
April	19.2	2.0	-1.7	19.2	0.9	-10.1
May	19.2	1.6	-1.8	19.2	-0.1	-9.8

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

Table 37. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2017 to FY 2019

Forecast date	CPI			10 yr Treasury rate		
	2017	2018	2019	2017	2018	2019
Feb	2.0	2.3	2.2	2.3	2.7	3.2
Mar	2.0	2.4	2.1	2.3	2.8	3.3
Apr	2.0	2.4	2.2	2.3	2.8	3.3
May	2.0	2.5	2.3	2.3	2.8	3.4

Source: Blue Chip Indicators



**Global Insight and Moody's Analytics differ on outlook for DC's economy through 2020**

- **Jobs:** Global Insight anticipates DC job growth will fall to 6,341 in FY 2020, while Moody's says it will only be 3,325 in that year. This is consistent with Moody's view of slower US job growth.
- **Population:** Global Insight anticipates a modest, gradual slowdown in annual population growth, Moody's has a sharper decline which essentially cuts all net in-migration by 2019.
- **Income:** Global Insight has Personal Income growth rising to 4.7% in FY 2019, close to the US rate of 4.9%. Moody's has a 4.2% DC growth rate for that year.
- **Apartments and office space.** Delta Associates anticipate that the supply of new office and apartment space will outpace demand over the next several years.

**Table 38. Forecasts of DC jobs and population to FY 2020**

	Global Insight				Moody's Analytics			
	FY	Level	1 year change		Level	1 year change		
			amount	%		amount	%	
<b>Jobs</b>	2017	788,575	7,692	1.0	788,550	7,675	1.0	
	2018	796,218	7,643	1.0	795,900	7,350	0.9	
	2019	804,186	7,968	1.0	803,125	7,225	0.9	
	2020	810,526	6,341	0.8	806,450	3,325	0.4	
<b>Population</b>	2017	692,750	9,987	1.5	692,800	9,900	1.4	
	2018	701,882	9,132	1.3	699,225	6,425	0.9	
	2019	710,060	8,178	1.2	703,725	4,500	0.6	
	2020	717,315	7,254	1.0	707,925	4,200	0.6	

Source: May baseline forecasts from Global Insight and Moody's Analytics

**Table 39. Forecasts of DC resident jobs, households, and housing starts to FY 2020**

	FY	Global Insight	Moody's Analytics
<b>Resident jobs (1 year change)</b>			
	2017	6,483	6,500
	2018	5,648	4,825
	2019	9,289	4,950
	2020	6,236	1,050
<b>Households (1 year change)</b>			
	2017	1,849	4,375
	2018	3,399	2,600
	2019	3,826	3,450
	2020	3,379	3,650
<b>Housing starts</b>			
	2017	4,504	4,202
	2018	6,662	4,782
	2019	3,103	4,260
	2020	2,619	4,045

Source: May baseline forecasts from Global Insight and Moody's Analytics

**Table 40. Forecasts of DC Personal Income to FY 2020**

Date of est.	Global Insight				Moody's Analytics			
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2017	FY 2018	FY 2019	FY 2020
February	2.9	3.1	5.0	5.3	2.9	2.1	4.1	4.0
March	2.9	3.3	5.0	5.7	2.9	2.8	4.1	3.9
April	3.1	4.2	5.1	5.6	3.1	3.6	4.3	4.0
May	3.1	4.1	4.7	5.4	3.1	3.4	4.2	3.9

Source: Baseline forecasts from Global Insight and Moody's Analytics

**Table 41. May forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2017 to FY 2020**

(percent change from prior year)

Indicator	Global Insight				Moody's Analytics			
	2017	2018	2019	2020	2017	2018	2019	2020
Wage and salary jobs								
DC	1.0	1.0	1.0	0.8	1.0	0.9	0.9	0.4
Metro area					1.8	1.4	1.5	0.5
US	1.6	1.6	1.6	1.0	1.6	1.6	1.5	0.5
Personal Income								
DC	3.1	4.1	4.7	5.4	3.1	3.4	4.2	3.9
Metro area					2.7	3.8	4.6	3.4
US	2.6	4.0	4.9	5.1	2.6	4.3	5.2	4.3

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

**Table 42. May DC forecasts for wages and unemployment: FY 2017 to FY 2020 (% change from prior year)**

Indicator	Global Insight				Moody's Analytics			
	2017	2018	2019	2020	2017	2018	2019	2020
Wages and salaries earned in DC	3.0	5.0	4.1	4.7	3.0	4.9	5.2	3.9
DC resident wages and salaries	2.6	4.6	4.3	5.8	2.6	3.4	4.3	4.5
DC Unemployment rate (level)	6.1	5.6	5.1	4.8	6.1	5.7	5.6	5.8

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

**Table 43. Delta Associates outlook for Class A apartments in DC and the surrounding metro area: March 2018 to March 2021**

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory March 2018</b>					
Inventory (msf)	26,069	69,727	38,874	134,370	19.4
<b>Estimated net activity to March 2021</b>					
new supply (msf)	14,678	12,832	9,553	37,063	39.6
new demand (msf)	11,970	11,025	8,820	31,500	38.0

Source: Delta Associates

**Table 44. Delta Associates outlook for Class A commercial office space in DC and the surrounding metro area: March 2018 to March 2020**

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory March 2018</b>					
Inventory (msf)	143.1	182.5	85.7	411.3	34.8
<b>Estimated net activity to March 2020</b>					
new supply (msf)	6.3	2.1	1.9	10.3	61.2
new demand (msf)	4.2	3.4	1.4	8.9	47.2

Source: Delta Associates msf = million square feet

## DC revenue estimate

### **The February estimate for tax revenue (before earmarks): \$213 million more in FY 2018 than in FY 2017, followed by a \$242 million increase in FY 2019**

- The tax revenue increase (before earmarks) of 3.3% in FY 2017 is estimated to be followed by a 2.9% increase in FY 2018, and 3.2% in FY 2019. The estimates reflect growth in the DC economy and the effects of scheduled tax cuts for FY 2018.
- Real property tax growth of \$115.9 million in FY 2017 accounted for 48.4% of the net increase in taxes for that year. Real property's share of the increase for FY 2018 is 54.0% and for FY 2019 is 37.0%.
- Individual income tax revenue rose 2.6% in FY 2017, and is expected to grow by 4.9% in FY 2018, then rise 4.3% in FY 2019.
- The General sales tax, which grew 5.7% in FY 2017, is estimated to grow 4.4% in FY 2018 and again in FY 2019.
- Deed taxes, which grew 3.8% in FY 2017, are estimated to rise 1.7% in FY 2018 and increase 1.0% in FY 2019.

**Table 45. DC Tax Revenue (before earmarks) for FY 2017 through FY 2020: February 28, 2018 revenue estimate**

Tax	FY level (\$ million)				Change from prior year (\$ M)				% change from prior year			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
Real property	2,473.3	2,588.4	2,678.4	2,767.5	115.9	115.1	90.0	89.1	4.9	4.7	3.5	3.3
Deed taxes	460.9	468.8	473.5	488.3	16.7	7.9	4.8	14.8	3.8	1.7	1.0	3.1
General sales	1,419.2	1,481.0	1,546.6	1,611.0	76.1	61.8	65.6	64.4	5.7	4.4	4.4	4.2
Individual income	1,958.3	2,054.6	2,142.8	2,224.4	50.4	96.4	88.1	81.6	2.6	4.9	4.3	3.8
Withholding	1,766.6	1,820.6	1,890.4	1,964.7	139.0	54.0	69.8	74.3	8.5	3.1	3.8	3.9
non-withholding	191.7	234.0	252.4	259.7	-88.6	42.3	18.3	7.4	-31.6	22.1	7.8	2.9
Business income	554.2	499.6	514.7	530.3	-2.2	-54.6	15.1	15.6	-0.4	-9.9	3.0	3.0
Other	606.9	593.4	572.8	577.4	-17.6	-13.5	-20.7	4.6	-2.8	-2.2	-3.5	0.8
Total	7,472.9	7,685.9	7,928.8	8,199.0	239.3	213.1	242.9	270.1	3.3	2.9	3.2	3.4

Source: ORA. February 28, 2018 revenue estimate. 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 2017 is from the CAFR. FY 2018 reflects full implementation of DC tax cut legislation.

**Table 46. DC population and employment: FY 2017 to FY 2020**

item	2017	2018	2019	2020
Wage and salary employment	789,934	797,373	803,884	808,335
1 year change	9,934	7,439	6,510	4,451
% change	1.3	0.9	0.8	0.6
DC population	692,750	701,882	710,060	717,315
1 year change	9,987	9,132	8,178	7,254
% change	1.5	1.3	1.2	1.0
Unemployment rate	6.0	5.9	5.9	5.9

Source: ORA February 2018 revenue estimate.

**Table 47. DC Income and stock market assumptions:**

item	FY 2017 to FY 2020 (% change from prior year)			
	2017	2018	2019	2020
Wages and salaries earned in DC	2.5	3.5	4.1	4.1
Wages and salaries earned by DC residents	3.3	3.8	4.8	4.5
DC Personal income	3.5	3.7	4.9	4.6
S and P 500 stock index	19.2	2.7	2.7	2.7

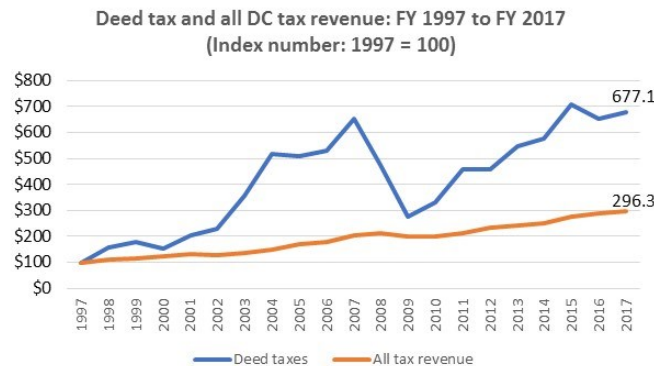
Source: ORA February 2018 revenue estimate. Stock index, on a CY basis, represents the % ch. from the December quarter of the prior yr.

**Table 48. DC tax revenue (before earmarks) and DC Personal Income: FY 2011 to FY 2020**

item	2011	2012	2013	2014	2015	2016	2017	2018 est	2019 est	2020 est	
<b>Tax revenue (\$ million)</b>											
Level		5,325	5,853	6,100	6,290	6,917	7,234	7,473	7,686	7,929	8,199
Change from prior year		320	528	247	189	627	317	239	213	243	270
<b>Percent change from prior year</b>											
Tax revenue		6.4	9.9	4.2	3.1	10.0	4.6	3.3	2.9	3.2	3.4
Personal Income		9.1	4.5	2.8	5.1	7.9	5.1	3.5	3.7	4.9	4.6
<b>Tax revenue as percent of Personal Income</b>											
		13.3	14.0	14.2	13.9	14.2	14.1	14.1	14.0	13.7	13.6

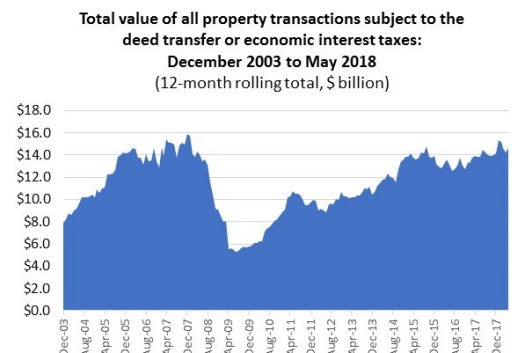
Source: ORA. February 2018 revenue estimate. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

the 12-month moving total was almost equal to the FY 2015 level. See Appendix 2 for more detail on changes in deed taxes over the years.



**Tax base: sales and transfer of property.** Transfer and recordation taxes on the sale or transfers of ownership interest are by far the largest component of deed tax revenue, ranging from about 80% to 90% of revenue. (It was 86% in FY 2017). The 12-month rolling total of the value of all sales and transfers subject to deed taxes is shown in the accompanying graph from December 2003 to May 2018. (The value of all property being transferred is calculated by dividing the tax collections by the appropriate tax rates.)

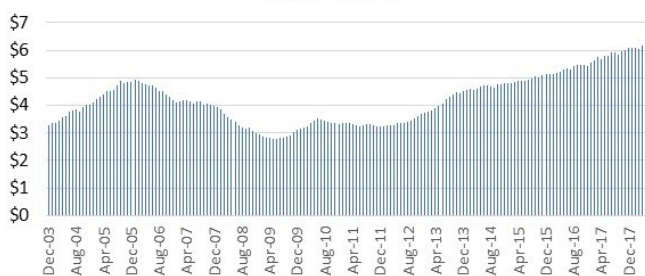
Before the Great Recession, the value of property transactions rose rapidly, reaching \$15.86 billion in December 2007 (the start of the recession). Sales fell sharply with the recession, down 66% to \$5.33 billion by July 2009. The value of sales then grew fairly steadily in the recovery, reaching \$14.77 billion in September 2015. Since then, the total value of sales has continued at a level that has never quite settled in above either the peak reached before the Great Recession or the one at the end of FY 2015. In September 2017 the value was \$14.00 billion, and May 2018 it was \$14.63 billion.



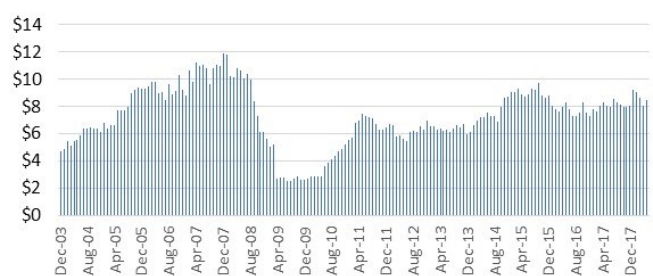
The value of property sales accounted for by home sales can be estimated from the Metropolitan Regional Information Systems, Inc. (MRIS), a system which tracks brokered sales of single family and condominium units. Prior to the Great Recession the value of residential home sales actually peaked in January 2006, two years before the recession began. By May 2009 the value of transactions had fallen 43.7% from the peak. From May 2009 to the present they grew fairly steadily, increasing 122% by May 2018. The May 2018 value was 25% above the pre-recession peak.

The pattern of sales for all other property types (apartments, offices, hotels, etc.) was quite different than for housing. (The value of these transactions is estimated by subtracting the value of brokered home sales from the total of all sales subject to the deed taxes.) The pre-recession gain for these other properties was much higher than for home sales, and the fall during the recession was both more precipitous and much greater (78.9%). Recovery has also been more uneven than for housing, and in May 2018 the value of these transactions was still 28.7% below the pre-recession peak.

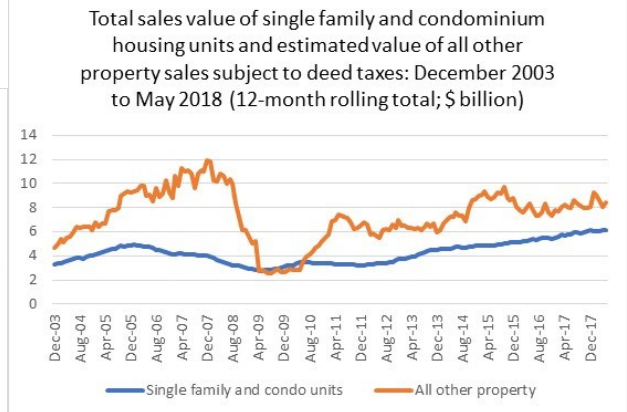
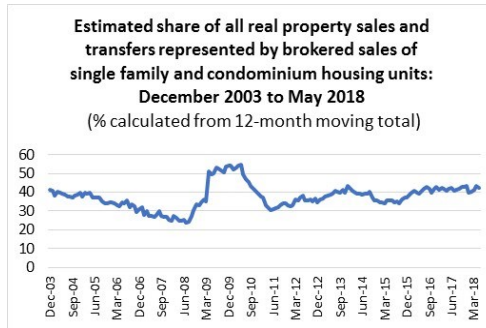
Value of brokered single family and condominium home sales: December 2003 to May 2018 (12-month moving total; \$ billion)



Estimated value of all property sales except for home sales: December 2003 to May 2018 (12-month moving total; \$ billion)



As a percentage of all transaction volume, MRIS data show brokered home sales have ranged from about 25% just before the recession to 55% at its end in 2009. The May 2018 percentage, 42.2%, was just one percentage point above December 2003 (41.2%). Home sales have been providing a steadily rising underpinning for deed transaction taxes since May 2012.



Value of brokered home sales and all other transactions: recession and recovery (\$ billion; based on 12-month rolling totals)

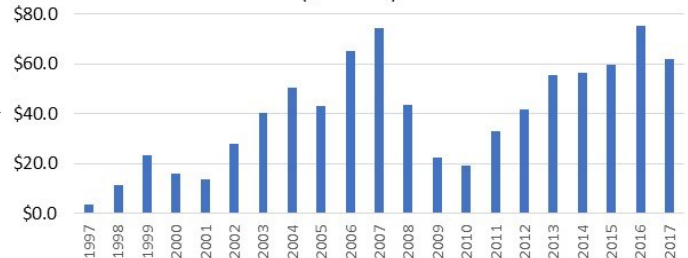
	Pre-recession peak		Recession low			Recovery peak			May 2018		
	Month	Amount (\$B)	Month	Amount (\$B)	% ch	Month	Amount (\$B)	% ch	Amount (\$B)	% ch from recovery peak	% ch from pre-reces. peak
Home sales	Jan 06	\$4.92	May 09	\$2.78	-43.7	May 18	\$6.17	122.4	\$6.17	na	25.2
All other	Dec 07	\$11.87	Jul 09	\$2.51	-78.9	Sep 15	\$9.71	286.7	\$8.46	-12.8	-28.7

Source: Calculated by author based on tax collection data from OCFO and on settled contract sales for housing units from MRIS.

**Tax base: recordation related to commercial loans for construction and financing.**

The principal sources for the portion of deed taxes unrelated to property sales are the recordation of loans for construction and refinancing of commercial property. These loans have had patterns of volatility similar to commercial property sales, particularly around the Great Recession. Revenue from these recordation taxes fell from \$74.3 million in FY 2007 to \$19.0 million in FY 2010, a 77.4% drop of \$55.3 million. By FY 2016 the revenue had grown back to \$75.4 million, only to fall by \$13.4 million in FY 2017, a decrease of 17.8%.

Estimated tax revenue commercial construction and refinancing loans subject to the recordation tax: FY 1997 to 2017 (\$ million)



**FY 2018 and outlook.**

Thus far in FY 2018, deed tax revenues are stronger than at the same time last year. In May 2018, eight months into the fiscal year, the 12-month moving total for collections was \$479.5 million, 3.1% above the same period of the prior year and just \$1.1 million less than the \$480.6 million reached in FY 2015. For the fiscal year to date, collections are 6.0% ahead of last year, a pace that if sustained would bring collections above the FY 2015 amount.

Looking ahead, it must be borne in mind that deed tax revenues can be highly volatile. Everything that affects the number and price of residential and commercial property sales has an immediate impact on deed tax revenues. The list of possible risks to this tax is a long one. Some of these risks relate to the national and international economies: recession, rising interest rates, changes in the value of the dollar, financial market instability, or foreign events that make international investments in DC more or less attractive. Some of the risks are more local in nature: federal spending, job and population growth, housing affordability, and whether local real estate investment firms or their portfolios are purchased by other companies. As we saw a decade ago, the change can be quite sudden.

Deed taxes in May 2018: (1) FY- to-date and (2) 12-month moving total (% change from the prior year)

	FY-to-date	12-mo. moving total
All deed tax collections	6.0	3.1
Portion related to:		
Sale and transfer of property	6.2	5.5
Construction loans and refinancing	4.7	-9.9

Source: OCFO

—Stephen Swaim, DC Office of Revenue Analysis



Appendix 1. Deed taxes in the District of Columbia.

When taxable residential or commercial property is sold, the District of Columbia government collects two taxes: one on the transfer of the property (the deed transfer tax) and the other to record the deed (the deed recordation tax). For residential property less than \$400,000 the rates of each tax are 1.1% of the value of the transaction, with both together amounting to 2.2% of the transaction value.

For all other property the rates are 1.45% for each tax, amounting to a combined total of 2.9% of transaction value. A comparable tax of 2.9% is collected on the transfer of economic interest in real property, which occurs when an ownership interest is sold in an entity that derives more than 50% of its gross receipts from property in DC or whose real property holdings in DC comprise at least 80% of the entity’s tangible assets. Starting in FY 2010, the 2.9% transfer has also been applied to the transfer of ownership in a cooperative housing association, with a rate of 2.2% for a transfer involving values of less than \$400,000.

When commercial property is constructed, recordation taxes are collected on loans for construction and for permanent financing (to the extent that permanent financing exceeds the already recorded construction loan being refinanced). The tax is also collected if permanent loans are refinanced, with the tax being applicable to amounts greater than the existing loan on which recordation taxes have already been paid.

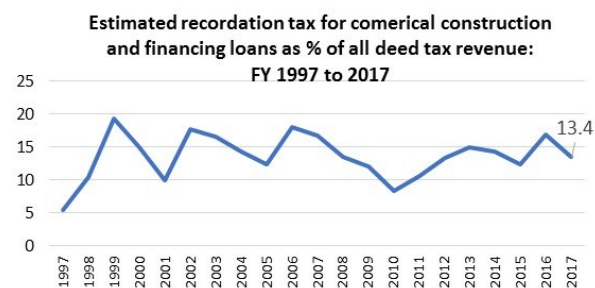
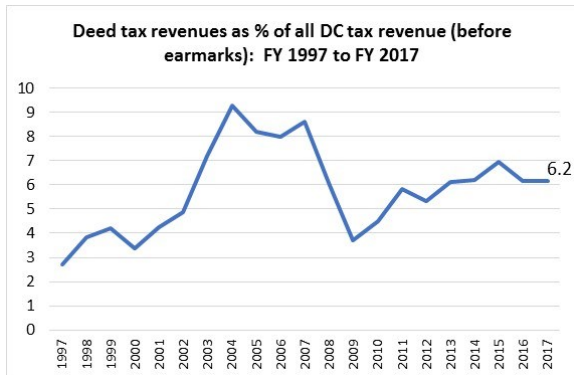
Along with the addition of cooperative housing arrangements in FY 2010, there have been changes in tax rates over the past 20 years. In FY 2003 the basic rate for both the transfer and recordation taxes was raised from 1.1% to 1.5%. In FY 2005 the rate was cut back to 1.1%, but was raised back to 1.45% in FY 2007.

Appendix 2. Selected deed tax data.

DC deed tax revenue: FY 2002 to FY 2017, selected years

	Level (\$million)					Amount of change (\$M) from:				% change from:			
	FY 2002	FY 2007	FY 2009	FY 2015	FY 2017	2002 to 2007	2007 to 2009	2009 to 2015	2015 to 2017	2002 to 2007	2007 to 2009	2009 to 2015	2015 to 2017
	All deed taxes	157.3	443.9	187.4	480.6	460.9	286.7	-256.5	293.2	-19.7	182.3	-57.8	156.5
Property sales and economic interest transfers	129.5	369.6	164.9	421.0	398.9	240.1	-204.7	256.1	-22.1	185.3	-55.4	155.3	-5.3
Commercial loan recordations	27.7	74.3	22.5	59.6	62.0	46.6	-51.8	37.0	2.4	168.1	-69.7	164.7	4.0

Source: OCFO. When most properties are sold, deed recordation and transfer taxes are collected in the same amounts (e.g., 1.45% rate for each tax). Commercial loan recordations are estimated as the difference between total recordation tax collections and transfer tax collections.



**About this data.** Revenue and current collections for the deed taxes—deed recordation, deed transfer, and economic interest—are from the DC Office of the Chief Financial Officer (OCFO). All tax data is before earmarking of funds for the Housing Production Trust fund. Data on the value of brokered sales of single family and condominium homes are from the Metropolitan Regional Information Systems (MRIS). Calculation of the value of property transfers from deed tax data and of brokered home sales from MRIS data are by the author; the values of these property transfers should be viewed as estimates. Property transfers calculated from tax data do not include transfers of property that is exempt from paying the tax.



**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](http://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](http://districtmeasured.com)). You can sign up at the blog page to receive updates as new articles are posted.

**Recent ORA reports:**

**Revised revenue estimate, February 28, 2018.**

**DC Tax Facts, 2017.** Details on all DC taxes.

**Tax Rates and Tax Burdens 2016 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 2016 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.

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

**Tax expenditure report, November 2016.** Comprehensive description of all DC tax expenditures.

**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](http://www.cfo.dc.gov) (click on *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	May	July 20
D.C. Personal Income	BEA	2018.1	September 25
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	2018.1	c. July 10
DC Apartment data	CoStar and Delta	2018.1	c. July 10
D.C. Hotel stay information	Smith Travel Research	May	c. July 20
Consumer Price Index	BLS	May	July 12
U.S. Jobs and Labor Force	BLS	May	July 6
U.S. GDP and Personal Income	BEA	2018.1	June 28
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	May	c. June 15
Moody's Analytics D.C. forecast	Moody's Analytics	May	c. June 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	May	c. June 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](mailto: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](http://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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