



District of Columbia Economic and Revenue Trends: November 2020

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Highlights:

- ◇ DC job growth stalls...2,4
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Education and Health Services jobs decline in COVID period across the region

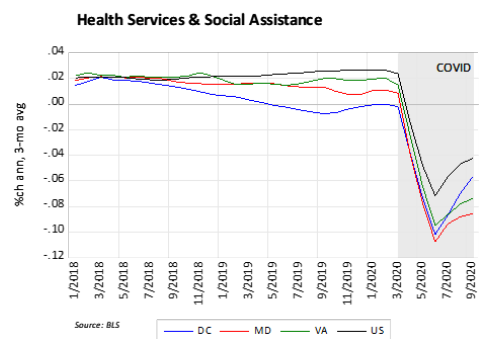
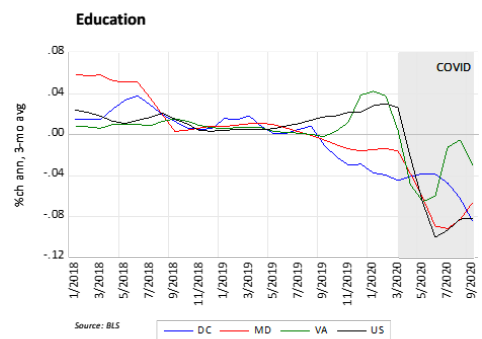
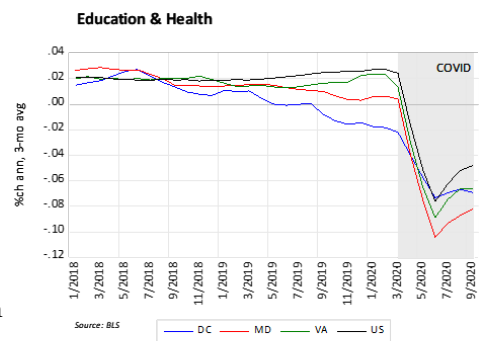
Similar declines in Health Services but mixed picture for the Education sector

From February 2020 to September 2020 “COVID Period”, jobs in Education and Health Services sectors in DC declined by 12,000, a 9.2% decline over 7 months (using 3-month moving average), accelerating a trend that had begun in 2019. This sector had been important for job growth following the 2007-2009 recession. In DC, job losses were concentrated in Education, specifically college and universities, reflecting the impact of the COVID-19 recession on higher education. Maryland and Virginia on the other hand saw the majority of job loss in Health Services (which includes social assistance). For the US, Education had a steeper drop but is a much smaller relative category and the combined Education and Health Services sector decline by 6.9%, better than all three jurisdictions (see table on page 23).

Education

Like the US, all three jurisdictions lost jobs in the Education sector during the COVID-period, but the pattern of job losses differed across the jurisdictions. The sector’s share of private jobs is much higher in DC than Maryland or Virginia with a higher share of college and university employees in this sector. Maryland and Virginia have large state school systems and many of the higher education jobs show up in the public sector.

- In the District, the Education sector, comprising 10.2% of private sector employment, lost 7,970 jobs, or 13%, during the COVID period. Part of that decline, at least through April, reflects a continuing trend in private education employment that started before the COVID period. Colleges and universities have been reducing employment levels since summer 2019. But over the summer of this year the decline accelerated. Year-over-year the DC Education sector lost 4,730 jobs (-8.4%) (Cont’d on p. 21)



Wage and salary employment

DC's percent drop in job growth was smaller than the US and a little higher than the suburbs

- DC has lost 54,100 jobs since last September, a 6.8% decline. The decline in the 3-month average was 6.7%.
- The suburbs fared a little better, down 5.4% in September which was better than the 3-month average.
- All of the decline was from private sector jobs as the federal government added almost 4,000 jobs in the 3-month period ending September relative to the same period last year.
- After declining in the last two fiscal years, federal job growth in the 12 month period ending September, equal to fiscal year 2020, was 1.1%.
- After strong gains in June and July, there were job losses in August and September.

Wage and salary employment located in DC, DC suburbs and US: September 2019 to September 2020

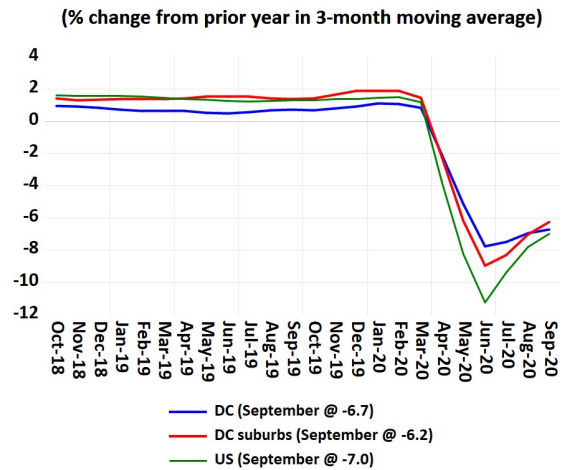


Table 1. Wage and Salary Employment in DC, Washington Metro area, and the US: September 2020

Jurisdiction	FY 2017	FY 2018	FY 2019	12-mo avg	3-mo avg	This month
District of Columbia	782,583	791,092	796,475	771,125	746,367	743,700
1 year change	7,400	8,508	5,383	-25,350	-53,533	-54,100
% change	1.0	1.1	0.7	-3.2	-6.7	-6.8
Washington metro area	3,258,633	3,297,742	3,338,633	3,237,175	3,143,233	3,159,000
1 year change	54,600	39,108	40,892	-101,458	-212,800	-191,400
% change	1.7	1.2	1.2	-3.0	-6.3	-5.7
Washington suburbs (%ch)	1.9	1.2	1.4	-3.0	-6.2	-5.4
US (%ch)	1.6	1.6	1.4	-3.9	-7.0	-6.4

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

Source: BLS. September 2020 is preliminary

Federal gov. and private sector wage and salary employment in DC: October 2018 to September 2020 (Ch. from prior year in 3-month moving average)

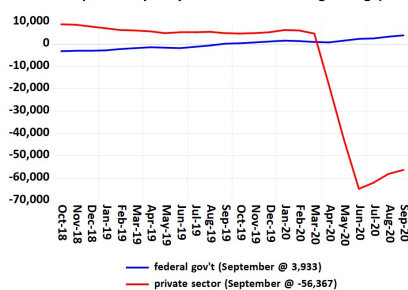


Table 2. Federal government and private sector wage and salary employment in DC: September 2020

Sector	FY 2017	FY 2018	FY 2019	12-mo avg	3-mo avg	This month
Federal government	200,208	196,983	195,442	197,567	200,433	200,800
1 year ch.	492	-3,225	-1,542	2,125	3,933	4,600
% change	0.2	-1.6	-0.8	1.1	2.0	2.3
Private sector	541,250	552,375	558,450	530,742	501,733	500,400
1 year ch.	6,125	11,125	6,075	-27,708	-56,367	-59,100
% change	1.1	2.1	1.1	-5.0	-10.1	-10.6

Source: BLS. Not seasonally adjusted. September is preliminary

Table 3. Seasonally Adjusted DC Employment: : April 2020 to September 2020

Indicator	April	May	June	July	August	September
D.C. Wage and Salary Employment	738,300	730,800	739,000	746,700	746,500	745,600
change from prior month	-62,900	-7,500	8,200	7,700	-200	-900
%change from prior month	-7.9	-1.0	1.1	1.0	0.0	-0.1

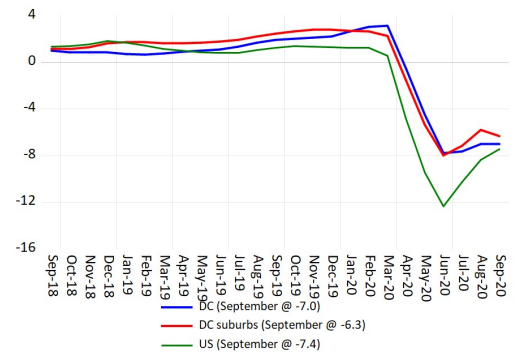
Source: BLS seasonally adjusted. September is preliminary.

Resident employment and unemployment

Resident employment declines and unemployment rate increases slightly in September

- In September DC resident employment was down 27,100 (7.0%) from a year earlier (*3-mo. moving average*). The labor force fell by 14,916 (3.6%)—and unemployment rose 53.4%.
- The seasonally adjusted unemployment rate was 8.7% in September, down from the 11.7% peak in April, 2020, but up slightly from August.
- Seasonally adjusted resident employment in September was down 1,143 from August, a 0.3% decrease.
- Initial unemployment insurance claims in September were up 348.9% from last year (*3-month moving average*).

Resident employment in DC, the DC suburbs, and the US:
September 2018 to September 2020
(% change from prior year in 3-month moving average)



Jobs located in DC and DC resident employment:
September 2018 to September 2020
(change from prior year in 3-month moving average)

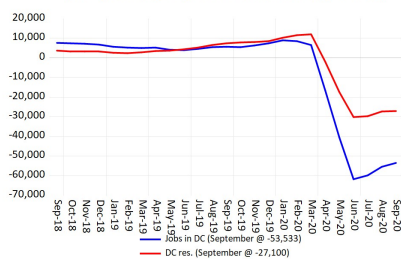


Table 4. Unemployment rates for DC, metro area, and US: September 2020

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Sep-19	Sep-20	Sep-19	Sep-20
US	3.3	7.7	3.5	7.9
DC	5.4	8.8	5.3	8.7
DC metro area	2.9	6.7	na	na
DC suburbs	2.6	6.4	na	na

Source: BLS; na=data not available.

Table 5. Resident employment and unemployment: September 2020

Indicator	FY 2017	FY 2018	FY 2019	12-mo avg	3-mo avg	This month
DC Labor force summary						
Resident Employment	375,386	380,897	385,356	376,211	360,844	358,580
1 year ch.	6,079	5,511	4,460	-9,146	-27,100	-27,522
% change	1.6	1.5	1.2	-2.4	-7.0	-7.1
Labor Force	399,776	404,151	408,085	405,278	395,842	393,146
1 year ch.	5,869	4,375	3,934	-2,807	-14,916	-14,842
% change	1.5	1.1	1.0	-0.7	-3.6	-3.6
Unemployed residents	24,390	23,254	22,729	29,068	34,998	34,566
1 year ch.	-210	-1,135	-525	6,339	12,184	12,680
% change	-0.9	-4.7	-2.3	27.9	53.4	57.9
Unemployment rate	6.1	5.8	5.6	7.2	8.8	8.8
DC Unemployment insurance (state program)						
Initial Claims (mo. avg)	1,505	1,611	2,299	12,886	9,015	7,019
1 year ch.	33	106	687	10,588	7,007	5,301
% change	2.2	7.1	42.7	460.6	348.9	308.6
Weeks compensated (mo. avg)	31,355	30,429	27,473	139,780	262,414	276,236
1 year ch.	1,094	-926	-2956	112,307	235,965	253,007
% change	3.6	-3.0	-9.7	408.8	892.2	1089.2

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

Table 6. Seasonally Adjusted DC resident employment and unemployment: April 2020 to September 2020

Indicator	April	May	June	July	August	September
DC resident employment	355,455	353,764	359,702	360,407	363,417	362,274
change from prior month	-39,619	-1,691	5,938	705	3,010	-1,143
% change from prior month	-10.0	-0.5	1.7	0.2	0.8	-0.3
DC unemployment rate	11.7	8.8	8.7	8.5	8.6	8.7

Source: BLS seasonally adjusted. September is preliminary.

Jobs by sectors of the economy

Professional and technical services added jobs while most private sector industries lost them

- In September professional and technical services (not including legal) added 2,567 jobs over last year despite extensive job losses elsewhere in the economy. (3-month moving avg.)
- No other industry in the private sector added more than 400 jobs in September.
- Wholesale trade, personal and miscellaneous services, and professional and technical services were the sectors with the fastest rates of growth over the prior year.
- Private sector industries losing the most jobs were food services, accommodations, business services (excluding employment services), and amusement and recreation.
- Federal government rose by 3,933 (2.0%) while local government fell 1,100 (2.4%).
- The federal government accounted for 27% of all DC jobs in September. Federal jobs located in DC accounted for 53.3% of metro area federal jobs and 6.4% of US federal jobs.

Private sector wage and salary jobs located in DC, the DC suburbs, and the US: September 2018 to September 2020 (% change from prior year in 3-month moving average)

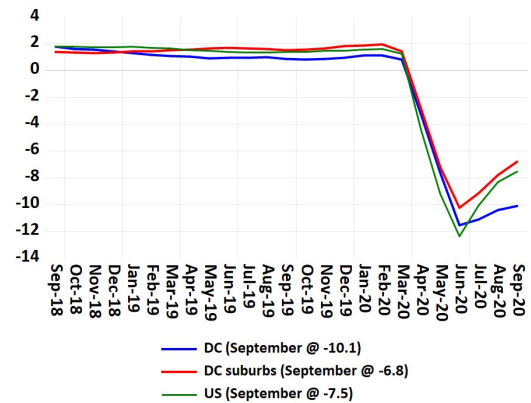


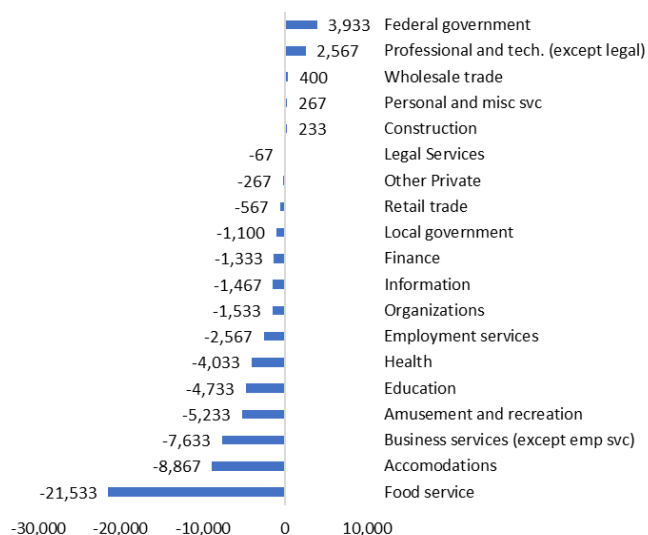
Table 7. Wage and salary employment located in DC: September 2020

Industry sector	3-month moving average		1 year change		12 mo. moving avg: %change	Sector % of all DC jobs, September 2020	DC share (%) in September 2020 of all sector jobs in:	
	Sep 2019	Sep 2020	Amount	%			metro area	US
Federal government	196,500	200,433	3,933	2.0	1.1	27.0	53.3	6.4
Local government	45,300	44,200	-1,100	-2.4	0.5	5.7	13.3	0.2
Legal Services	29,033	28,967	-67	-0.2	0.4	3.8		2.6
Professional and tech. (except legal)	92,667	95,233	2,567	2.8	3.5	12.7	22.8	1.2
Employment services	13,733	11,167	-2,567	-18.7	-8.5	1.5	29.5	0.4
Business services (except emp svc)	33,367	25,733	-7,633	-22.9	-9.5	3.4	17.3	0.5
Information	20,167	18,700	-1,467	-7.3	0.4	2.5	25.4	0.7
Finance	30,000	28,667	-1,333	-4.4	-1.3	3.8	18.0	0.3
Organizations	69,433	67,900	-1,533	-2.2	0.1	9.1	37.5	2.4
Education	56,067	51,333	-4,733	-8.4	-4.8	7.0	48.6	1.5
Health	70,700	66,667	-4,033	-5.7	-4.1	9.0	21.9	0.3
Food service	55,833	34,300	-21,533	-38.6	-24.5	4.8	18.8	0.4
Accommodations	16,567	7,700	-8,867	-53.5	-23.8	0.9	30.8	0.5
Amusement and recreation	9,800	4,567	-5,233	-53.4	-27.6	0.6	14.0	0.3
Retail trade	22,967	22,400	-567	-2.5	-1.6	3.0	8.7	0.1
Wholesale trade	5,200	5,600	400	7.7	6.6	0.8	8.9	0.1
Construction	15,000	15,233	233	1.6	-2.8	2.0	9.1	0.2
Personal and misc svc	8,500	8,767	267	3.1	2.2	1.2		0.4
Other Private	9,067	8,800	-267	-2.9	-3.1	1.2	5.4	0.0
Total	799,900	746,367	-53,533	-6.7	-3.2	100.0	23.5	0.5
<i>Public Sector</i>	<i>241,800</i>	<i>244,633</i>	<i>2,833</i>	<i>1.2</i>	<i>1.0</i>	<i>32.7</i>	<i>35.0</i>	<i>1.1</i>
<i>Private Sector</i>	<i>558,100</i>	<i>501,733</i>	<i>-56,367</i>	<i>-10.1</i>	<i>-5.0</i>	<i>67.3</i>	<i>20.3</i>	<i>0.4</i>

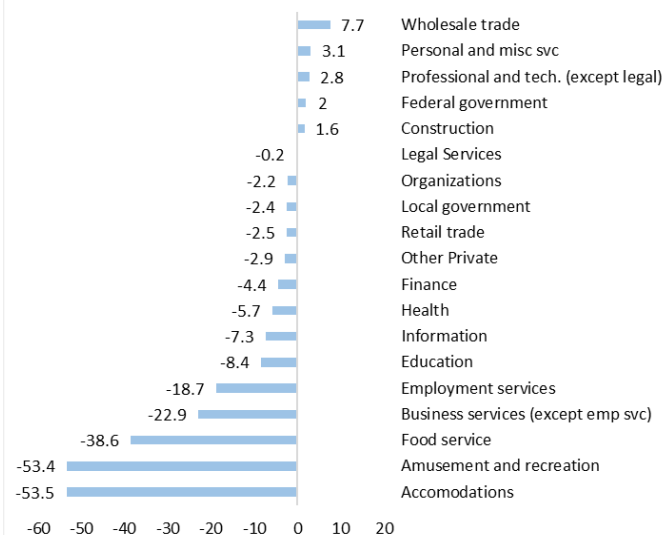
Source: BLS. Not seasonally adjusted. na=not available. For metro area, legal is included in other professional and technical and personal and miscellaneous service is included in organizations.

Jobs and wages by sector

Change in wage and salary jobs in DC:
September 2019 to September 2020
(Calculated from 3-month moving average)



% change in wage and salary jobs in DC:
September 2019 to September 2020
(Calculated from 3-month moving average)



Over the year ending June, the professional and management services sector was the highest growth in jobs and wages in DC followed by local government for job growth and business services for wage growth.

- For the year ending June the federal government accounted for 26.9% of all jobs and 30.4% of all wages and salaries in DC. Over the 4 quarters, federal jobs increased just 0.6% while wages grew 1.3%. Note data for employment shown as quarterly to compare to wages.
- Professional and management services jobs increased 3,550 in the quarter ending June 2020, offsetting some of the losses in other sectors while wages in the sector grew 4.4 percent. Wages in this sector account for 25% of DC wages while jobs are 17.5%.
- Information and finance and organizations and personal services were the only other private sectors to add jobs, adding 1,333 jobs from last year. These sectors accounted for 17.1% of DC jobs and 19.2 % of wages.
- Business services jobs, mostly office building support, fell but wages grew by 3.7%, Education and health services employment fell over the past year but wages grew modestly at 0.9%.

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

Sector	4 qtr avg. wage and salary employment in DC ending June 2020			4 qtr avg. wages and salaries earned in DC ending June 2020			Percentage Distributions			
	Level	Change from June		Level (\$b)	Change (\$b) from June		Employment share from June 2020	Wages		Change in share from June 2019
		2019	% change		2019	% change		June 2020	June 2019	
Total	784,508	-10,558	-1.3	79.19	1.54	2.0	100.0		100.0	
Federal government	196,583	1,192	0.6	23.37	0.31	1.3	26.9	2.4	30.4	1.0
Local government	43,092	633	1.5	3.63	0.09	2.4	5.7	0.5	4.6	0.0
Professional and Management	126,150	3,550	2.9	18.88	0.79	4.4	17.5	2.0	25.0	1.7
Business services	45,067	-1,600	-3.4	2.65	0.10	3.7	5.2	-0.7	3.1	-0.2
Information and financial services	49,892	592	1.2	7.25	0.20	2.9	6.6	0.4	9.4	0.2
Education and health services	127,133	-3,858	-2.9	7.86	0.07	0.9	16.3	0.1	9.6	-0.5
Trade and hospitality	98,300	-10,600	-9.7	4.24	-0.34	-7.3	8.8	-5.2	3.5	-2.6
Organizations and personal services	77,775	742	1.0	7.67	0.24	3.3	10.4	0.7	9.8	0.2
Other private	20,517	-1,208	-5.6	3.64	0.09	2.4	2.6	-0.1	4.7	0.1
Private sector	544,833	-12,383	-2.2	52.19	1.15	2.3	67.4	-2.9	65.1	-1.0
Government	239,675	1,825	0.8	27.01	0.39	1.5	32.6	2.9	34.9	1.0

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

Wages and income

DC's personal income grew but wages did not in the June 2020 quarter.

- Wages and salaries earned in the District of Columbia were the same in the June quarter compared to the same quarter of 2019 while they declined for DC residents and the US.
- In the June quarter, DC Personal Income grew 6.5%, compared to 10.4% for the US average.
- Proprietors' income declined 1.1% and property income by 1.5% in the June quarter.
- Pensions and other transfers, where federal pandemic relief showed up, grew 61.4% over last year in the June quarter.

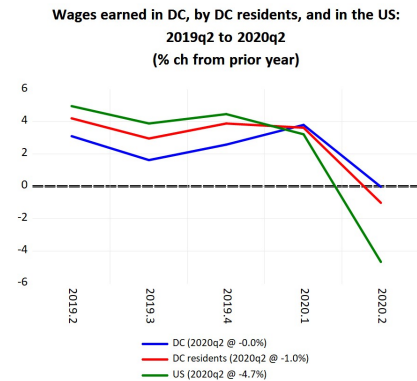


Table 9. DC Wages and Personal Income: June 2020

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

Indicator	FY 2017	FY 2018	FY 2019	4-qtr. moving avg	Latest qtr. June 2020
Wages and salaries earned in DC	72.0	75.5	78.0	79.2	78.1
1 yr change	2.7	3.4	2.5	1.5	0.0
% change	3.9	4.8	3.3	2.0	0.0
Supplements to wages and salaries	18.5	19.5	20.3	20.7	20.7
1 yr change	0.6	1.1	0.8	0.4	0.4
% change	3.1	5.7	4.1	2.2	1.9
Income earned in DC*	87.9	91.2	94.1	95.6	94.3
% change	3.2	3.7	3.3	2.1	0.0
Net resident adjustment**	-50.1	-51.9	-53.4	-54.2	-53.7
% change	2.8	3.7	2.7	1.7	0.7
Income earned by DC residents*	37.8	39.2	40.8	41.5	40.6
% change	3.8	3.8	4.0	2.6	-0.9
Wages and salaries of DC residents***	27.1	29.0	30.3	30.8	30.2
1 yr change	1.4	1.9	1.3	0.7	-0.3
% change	5.4	7.0	4.6	2.4	-1.0
Proprietors income earned by DC residents****	7.6	6.9	6.8	7.0	6.8
% change	-1.4	-10.1	-0.3	4.1	-1.1
Property income of DC residents	10.2	10.6	10.6	10.6	10.5
% change	3.4	4.1	0.7	-0.9	-1.5
Pensions and other transfers	6.6	6.8	7.0	8.2	11.5
% change	2.8	1.8	3.4	18.4	61.4
DC personal income	54.6	56.6	58.4	60.3	62.5
1 yr change	1.9	2.0	1.9	2.2	3.8
% change	3.6	3.6	3.3	3.9	6.5
US Personal income (% change from prior year)	4.3	5.5	4.3	5.1	10.4
US Wages and Salaries (% change from prior year)	4.1	5.3	4.6	1.7	-4.7
Addendum:					
DC res. wages as % of wages earned in DC	37.6	38.4	38.9	38.9	38.6
DC Personal income as % of US	0.33	0.32	0.32	0.31	0.31

*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 Sept 24, 2020

Population, jobs, and per capita income

DC's growth rates for per capita income grew slower than US while wages per job grew faster in the June quarter.

- At mid-year 2019, population was 4,202 (0.6%) higher than the prior year and wage and salary employment increased by 4,367 (0.6%).
- In 2019 population and jobs grew less than half of their annual average increase over the 5 years 2014 to 2019.
- In the June quarter, DC's per capita income grew at a 5.8% rate compared to 9.8% in the US.
- In the June quarter, wages per job in DC grew faster than in the US (8.4% v 7.4%).

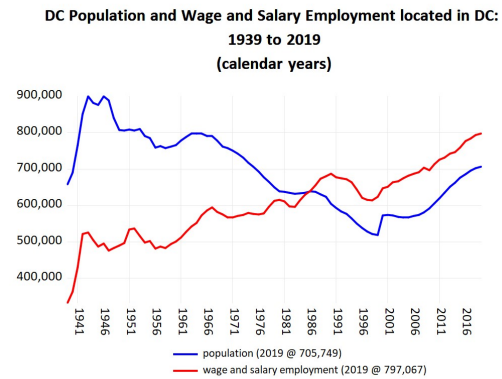
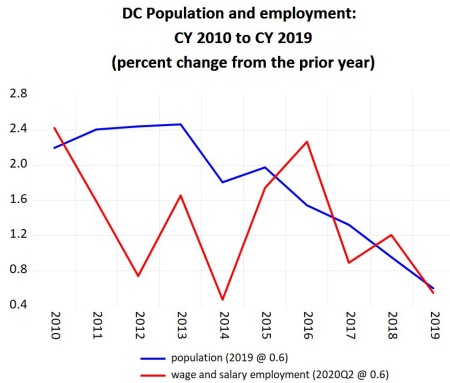


Table 10. DC Population and wage and salary employment located in DC: 2011 to 2019

Calendar Year	Population			Wage and salary employment		
	Number	Change from prior year Number	%	Number	Change from prior year Number	%
2011	619,800	14,574	2.4	725,167	11,367	1.6
2012	634,924	15,124	2.4	730,533	5,367	0.7
2013	650,581	15,657	2.5	742,633	12,100	1.7
2014	662,328	11,747	1.8	746,133	3,500	0.5
2015	675,400	13,072	2.0	759,133	13,000	1.7
2016	685,815	10,415	1.5	776,333	17,200	2.3
2017	694,906	9,091	1.3	783,267	6,933	0.9
2018	701,547	6,641	1.0	792,700	9,433	1.2
2019	705,749	4,202	0.6	797,067	4,367	0.6
<i>Ch. from 2014 to 2019</i>		<i>43,421</i>	<i>6.6</i>		<i>50,933</i>	<i>6.8</i>
<i>Avg. annual ch.(2014 to 2019)</i>		<i>8,684</i>			<i>10,187</i>	

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 2017 to June 2020

	DC					US				
	FY 2017	FY 2018	FY 2019	4-qtr moving avg (June 2020)	2020Q2	FY 2017	FY 2018	FY 2019	4-qtr moving avg (June 2020)	2020Q2
Per capita income	78,830	80,807	82,888	85,144	88,033	51,493	54,028	56,057	58,225	61,827
% ch in per capita income	2.2	2.5	2.6	3.2	5.8	3.6	4.9	3.8	4.6	9.8
% ch in population	1.4	1.0	0.7	0.6	0.6	0.7	0.6	0.5	0.5	0.5
% ch in personal income	3.6	3.6	3.3	3.9	6.5	4.3	5.5	4.3	5.1	10.4
Wages per job	92,044	95,393	97,885	101,060	106,285	57,306	59,429	61,302	63,207	66,022
% ch in wages per job	2.9	3.6	2.6	3.5	8.4	2.5	3.7	3.2	3.8	7.4
% ch in wage and salary jobs	1.0	1.1	0.7	-1.3	-7.8	1.6	1.6	1.4	-1.9	-11.3
% ch in total wages	3.9	4.8	3.3	2.0	0.0	4.1	5.3	4.6	1.7	-4.7
	<i>Washington Metro</i>					<i>U.S.</i>				
<i>Consumer price index</i>	<i>0.9</i>	<i>2.1</i>	<i>1.3</i>	<i>0.9</i>	<i>-0.1</i>	<i>2.1</i>	<i>2.4</i>	<i>1.9</i>	<i>1.6</i>	<i>0.4</i>

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 has slowed

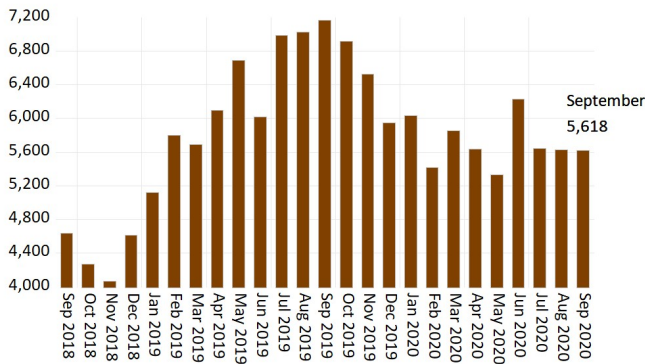
- For the 12-month period ending September, 5,618 housing permits were issued, down 21.6% from last year. The 3-month total (1,140) was 34.9% below the same period last year.
- According to CoStar, in the quarter ending September 2020, the inventory of apartments and condominiums increased by 6,049 (3.1%) from a year earlier.
- Of the increase in inventory of multifamily units in the third quarter, 86.7% were in apartments. Of the housing permits issued over the past year, 95.5% were included in 43 buildings with 5 or more units.
- As of the end of September, 14,494 multi-family units were under construction in 98 buildings. Of the construction, apartments accounted for 79.6% of the buildings and 95.4% of the units.

Table 12. Housing unit building permits issued in DC: September 2020

	FY 2017	FY 2018	FY 2019	12-mo avg	3-mo avg	This month
Total units	4,048	4,640	7,168	5,618	1,140	363
1 year ch.	-1,081	592	2,528	-1,550	-610	-6
% change	-21.1	14.6	54.5	-21.6	-34.9	-1.6
Multifamily projects with 5 or more units						
number	38	46	63	43	11	4
average size	101	85	122	124	98	87
Units in small projects with up to 4 units						
% of all units	9.8	3.9	3.0	4.5	6.7	4.1

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

Housing permits issued in DC: September 2018 to September 2020 (12-mo moving total)



Inventory of multifamily housing units in DC: net change from prior year, September 2015 to September 2020

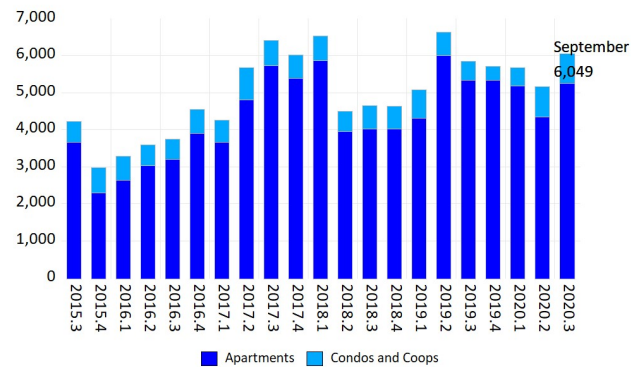


Table 13. Inventory and construction for private sector apartments and condominiums in DC: 2014 to 2020q3

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
2014	170,409	4,917	3.0%	2,864	128,769	4,785	609	32,878	132	42	6,571	155	38	972	54
2015	173,386	2,977	1.7%	2,885	131,070	2,301	640	33,554	676	56	10,008	178	41	1,054	52
2016	177,940	4,554	2.6%	2,906	134,977	3,907	671	34,201	647	61	10,802	176	36	1,393	51
2017	183,958	6,018	3.4%	2,930	140,356	5,379	688	34,816	615	58	10,814	185	28	1,297	51
2018	188,589	4,631	2.5%	2,956	144,385	4,029	704	35,418	602	67	13,406	199	22	1,144	50
2019	194,293	5,704	3.0%	2,986	149,720	5,335	715	35,787	369	68	13,828	202	21	1,169	50
2020q3	199,373	6,049	3.1%	3,008	154,027	5,247	724	36,560	802	78	13,830	177	20	664	33
1 Q Ch.	1,951			9	1,897		0	57		0	-773		0	57	

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 November 3, 2020. All units include cooperative apartments, not shown separately. In 2020 there were 121 co-op buildings with 8,786 units with an average building size of 73 units.

Apartments

Apartment vacancy rates were increasing and rents fell in September

- According to CoStar, for the quarter ending September, 2020, occupied apartments declined by 338 (0.2%) from the prior year. The overall vacancy rate rose to 10.3% and average rents fell 5.6%.
- In September, Class A units accounted for 27.9% of all units in the city and 26% of occupied units.
- Over the past year effective rent in all classes of apartments decreased led by Class A declining 9.2%.
- Vacancy rates in September: Class A 16.3%, Class B 9.2%, and Class C 6.7%.
- There are 77 buildings under construction, mostly Class A, which will add a total of 13,830 units to inventory.

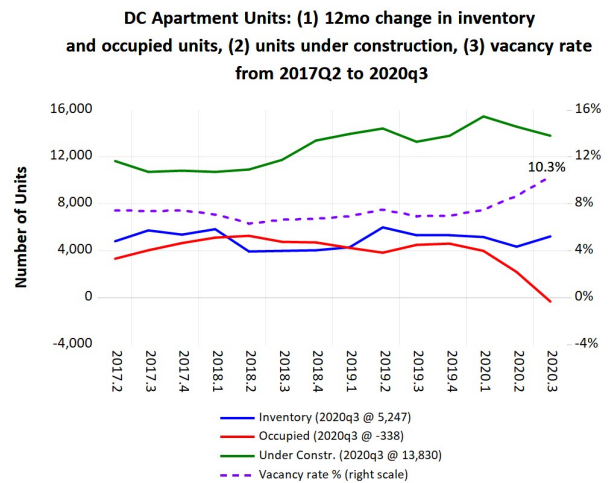


Table 14. Apartment Units in DC: 2014 to 2020q3

	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	
2014	128,769	118,908	10,107	7.8	4,785	3.9	3,753	3.3	1,179	13.2	\$1,788	1.0	-193
2015	131,070	122,858	8,375	6.4	2,301	1.8	3,950	3.3	-1,732	-17.1	\$1,851	3.5	3,437
2016	134,977	125,425	9,715	7.2	3,907	3.0	2,567	2.1	1,340	16.0	\$1,870	1.0	794
2017	140,356	130,108	10,411	7.4	5,379	4.0	4,683	3.7	696	7.2	\$1,878	0.4	12
2018	144,385	134,816	9,737	6.7	4,029	2.9	4,708	3.6	-674	-6.5	\$1,928	2.7	2,592
2019	149,720	139,404	10,484	7.0	5,335	3.7	4,588	3.4	747	7.7	\$1,985	3.0	422
2020q3	154,027	138,288	15,907	10.3	5,247	3.5	-338	-0.2	5,585	54.1	\$1,872	-5.6	533
1 Q ch	1,897	-776	2,673								-\$72		

Source: CoStar, as of November 3, 2020

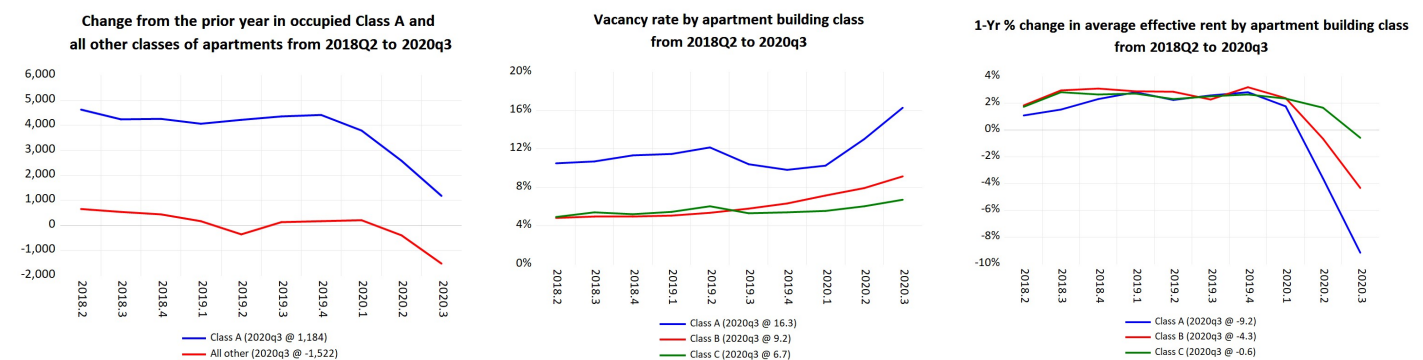


Table 15. Market rate apartment units in DC, Classes A, B, and C: 2020q3

Class	inventory					Occupied			Effective monthly rent		Under construction		
	Buildings	Number	1 yr ch	% ch	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units	Avg. size
Class A	197	42,890	4,142	10.7	16.3	35,896	1,184	3.4	2,406	-9.2	43	10,996	256
Class B	866	52,503	1,103	2.1	9.2	47,690	-720	-1.5	1,811	-4.3	34	2,832	83
Class C	1,932	58,540	2	0.0	6.7	54,612	-802	-1.4	1,373	-0.6	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 inventory. Data is as of November 3, 2020.

Commercial office space

In September, the vacancy rate rose to 12.7%

- According to CoStar, for the 12-month period ending September occupied office space declined by 0.09 million sq. ft.(msf) from last year and inventory increased by 1.75 msf. The vacancy rate has edged up to 12.7% (including sublet) and average base rent rose 0.7%.
- The vacancy rate for class A space was 13.5% in September and rent barely rose 0.6% over the past year.
- Space under construction in September 2020 (2.6 million square feet in 18 buildings) was up 0.13 msf from the prior quarter.
- For Class B and Class C properties, occupancy declined over the past year. Rents for Class B and C properties increased at a faster rate than for Class A ones.

DC Office Space (millions sq ft): (1) 12mo change in inventory and occupied units, (2) units under construction, (3) vacancy rate from 2017Q2 to 2020q3

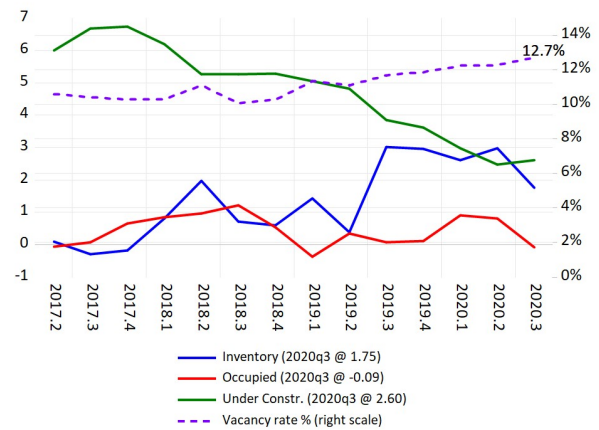


Table 16. DC Commercial office space: 2015 to 2020q3

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
2015	2,395	156.73	0.31	0.2	140.93	-1.18	-0.8	15.8	9.7	10.1	\$48.33	1.5	16	3.32	207,267
2016	2,393	157.45	0.73	0.5	140.47	-0.46	-0.3	17.0	10.3	10.8	\$50.13	3.7	21	5.32	253,163
2017	2,385	157.28	-0.18	-0.1	141.13	0.66	0.5	16.1	9.6	10.3	\$51.22	2.2	23	6.73	292,563
2018	2,383	157.87	0.60	0.4	141.67	0.54	0.4	16.2	9.6	10.3	\$52.20	1.9	21	5.29	251,837
2019	2,393	160.83	2.96	1.9	141.79	0.12	0.1	19.0	11.0	12.1	\$53.34	2.2	21	3.62	172,542
2020q3	2,396	162.32	1.75	1.1	141.71	-0.09	-0.1	20.6	11.6	12.7	\$53.46	0.7	18	2.60	144,681
1 Q ch	0	-0.02			-0.75	0.00		0.3	0.4	-0.07			1	0.13	

Source: CoStar, as of November 3, 2020

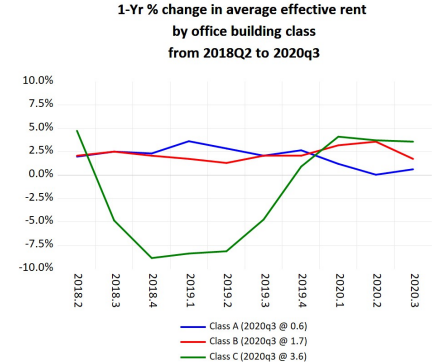
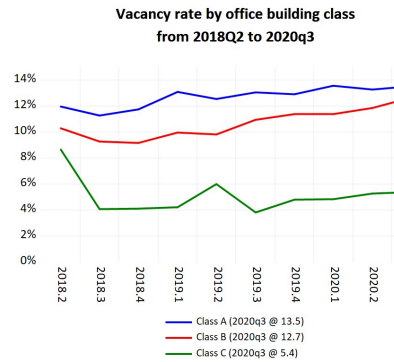
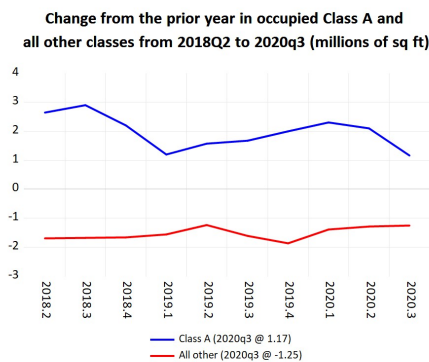


Table 17. DC Class A, B, and C commercial office space: 2020q3

Class	Inventory				Occupied space			Vacant space			Base rent (direct)		Under const.	
	Buildings	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	1 yr ch (msf)	1 yr % ch	Level (msf)	Direct %	Total %	\$	1 yr %ch	buildings	msf
Class A	333	93.06	1.84	2.0	80.49	1.17	1.5	12.57	12.2	13.5	\$57.43	0.6	14	2.50
Class B	929	59.15	-0.06	-0.1	51.66	-1.06	-2.0	7.49	11.8	12.7	\$49.46	1.7	4	0.10
Class C	1,130	10.09	-0.03	-0.3	9.55	-0.19	-1.9	0.54	4.3	5.4	\$34.76	3.6	0	0.00

Source: CoStar, as of November 3, 2020

Property transfers and deed taxes

In September the value of sales fell for all property transactions even though brokered home sales increased.

- The value of property transfers in September, \$10.59 billion, was 39% below a year ago as measured by the 12-month moving total. The 3-month moving total, \$2.5 billion, was 54.3% below last year.
- Over the 12-month period ending September the estimated value of brokered home sales was 11.8% above last year while the value of all other real property transfers was 65.7% below last year. For the last 3 months, the value of non-home transfers was 90.9% below last year, and brokered home transfers were 37.7% higher.

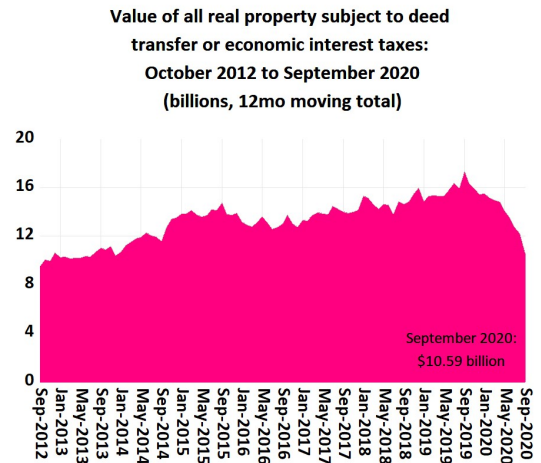


Table 18. Market value of real property transfers subject to the deed transfer or economic interest tax: FY 2017 to September 2020

	FY 2017	FY 2018	FY 2019	12mo moving total	3mo moving total	This month
All property transfers (\$M)	13,998.6	14,646.3	17,355.2	10,587.9	2,472.6	817.1
change from one year ago (\$M)	962.6	647.8	2,708.8	-6,767.3	-2,939.5	-1,613.9
% change from one year ago	7.4	4.6	18.5	-39.0	-54.3	-66.4

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

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

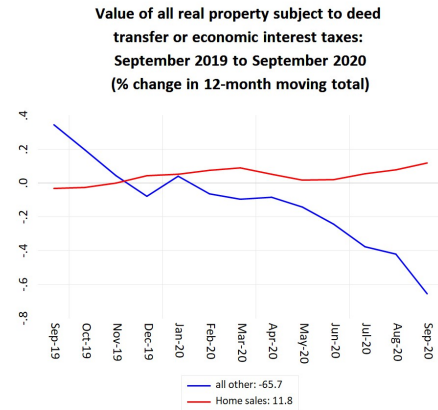
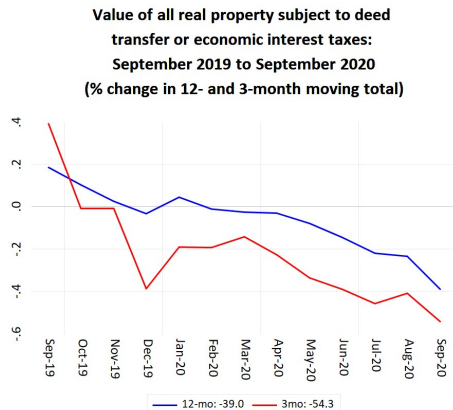


Table 19. Value of (1) brokered home sales and (2) all other real property subject to the deed transfer and economic interest taxes: FY 2017 to September

	FY 2017	FY 2018	FY 2019	12mo moving total	3mo moving total
Brokered home sales (\$m)	5,823,255	6,184,228	5,985,645	6,692,090	2,119,521
All other property (\$m)	8,175,298	8,462,120	11,369,507	3,895,810	353,109
% Change from 1 year ago					
Brokered home sales	6.5	6.2	-3.2	11.8	37.7
All other property	8.0	3.5	34.4	-65.7	-90.9

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 significantly higher in September

- Single family home sales for September were up 3.9% from a year earlier (12-month average), while the average selling price was 6.5% higher. For the past three months, sales volume was up 22.3% and the average selling price was 11.8% higher.
- September condominium sales were up 8.6% from last year (12-month average) and the average selling price was 4.5% higher. For the past three months, sales volume was up 33.5% and prices were up 4.6%.
- The total value of all home sales for the 12-month period ending September rose 11.8 from last year. The 3-month moving total was 37.7% higher.

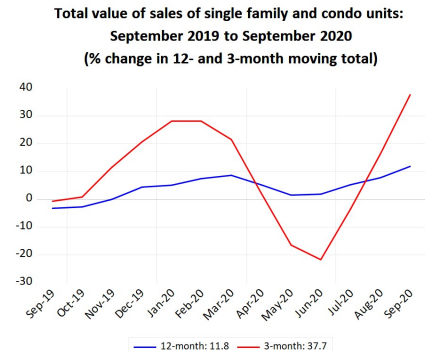
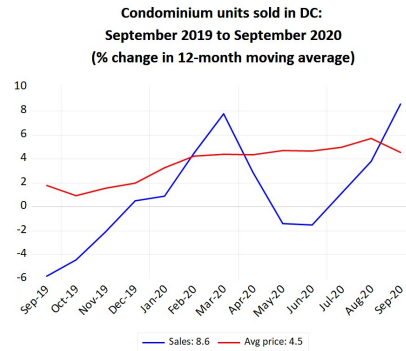
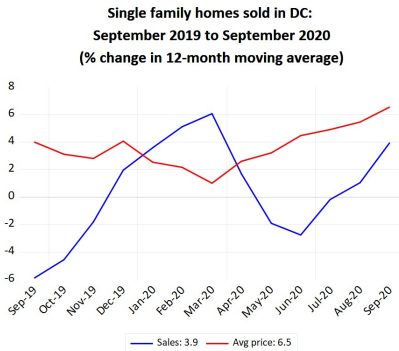


Table 20. Residential real estate indicators: September

	FY 2017	FY 2018	FY 2019	12mo moving total	3mo moving total	This month
Number of single family sales (settled contracts)						
Single family homes	4,552	4,717	4,439	4,614	1,380	436
1 year change	167	165	-278	175	252	128
% change	3.8	3.6	-5.9	3.9	22.3	41.6
Condominium	4,046	4,240	3,995	4,338	1,402	485
1 year change	91	194	-245	343	352	198
% change	2.3	4.8	-5.8	8.6	33.5	69.0
Total	8,598	8,957	8,434	8,952	2,782	921
1 year change	258	359	-523	518	604	326
% change	3.1	4.2	-5.8	6.1	27.7	54.8
Average prices of units sold						
Single family homes	\$819,925	\$828,741	\$861,921	\$918,292	\$967,026	\$948,263
1 year change	31,441	8,816	33,180	56,371	101,836	143,137
% change	4.0	1.1	4.0	6.5	11.8	17.8
Condominium	\$510,610	\$528,229	\$537,663	\$561,991	\$558,378	\$563,409
1 year change	12,194	17,620	9,433	24,328	24,475	-634
% change	2.4	3.5	1.8	4.5	4.6	-0.1
Total Value of All Sales (\$M)	\$5,823	\$6,184	\$5,986	\$6,692	\$2,120	\$687
1 year change	358	361	-199	706	580	277
% change	6.5	6.2	-3.2	11.8	37.7	67.5

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 was rising faster than the national average in June

- The percentage change from the prior year in DC home prices was 6.0% higher in the June quarter, according to the Federal Housing Finance Agency Index of single-family same-property transactions. The US index was up 5.7%, and the Washington metropolitan area gain was 4.6%. Home price growth in DC and DC metro area have slowed since last quarter.
- 45.8% of all single family sales in September were for properties greater than \$1 million and sales of these properties grew 80.8%, a significant increase. Sales of condominiums greater than \$1 million accounted for 8.7% of condominium sales and were up 56.3% in September.
- In the June quarter, sales of new condominiums over the past 12 months were 21.0% higher than a year earlier.

Table 21. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: June 2020

Indicator	Fiscal year average			Last 2 Q's	
	FY 2017	FY 2018	FY 2019	2020Q1	2020Q2
%change from prior year in value of index					
DC	5.0	3.4	8.7	7.6	6.0
DC metro area	3.9	3.8	4.9	5.3	4.6
US	6.3	6.4	5.6	5.9	5.7

Source: Federal Housing Finance Agency

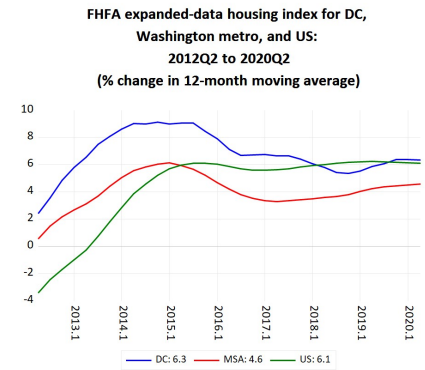
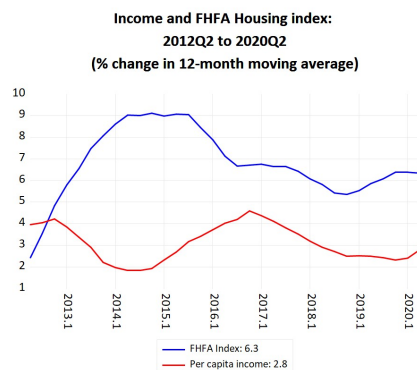
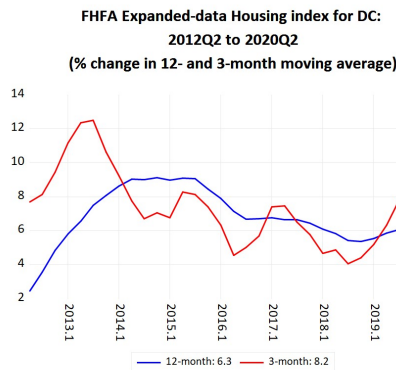


Table 22. D.C. Single family and condominium home sales at prices of \$1 million or more: September

	FY 2017	FY 2018	FY 2019	12mo	3mo	This month
				moving total	moving total	
Single family homes	1,057	1,192	1,232	1,403	484	141
1 year change	121	135	40	171	171	63
% change	12.9	12.8	3.4	13.9	54.6	80.8
% all single family sales	24.1	26.2	26.1	31.6	42.9	45.8
Condominium	189	222	213	252	73	25
1 year change	22	33	-9	39	24	9
% change	13.2	17.5	-4.1	18.3	49.0	56.3
% all condominium sales	4.8	5.5	5.0	6.3	7.0	8.7

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

Table 23. Single Family Housing Permits and sales of new condo units in DC: FY 2017 to 2020Q2

	Condo	
	Permits	sales
FY 2017	370	482
FY 2018	133	525
FY 2019	148	478
12 mo ending:2020Q2	114	535
1 yr ch %ch	-49	93
	-30.1	21.0

Source: Census (permits); Delta Associates (condo sales)

Hospitality

Hotel stays in September were 78.4% below last year

- In September, the number of room-days sold was 78.4% fewer than a year ago, the average room rate was down 41.7%, and hotel room sales revenue was 87.4% lower.
- Occupancy which is historically around 75% was 22.8% in September. However, the number of hotels in the survey have decreased as some have closed.
- Air passengers through the regional airports were down 73.8% in August from last year.
- Employment in food services was 36.3% less in September than a year earlier and hotel employment was down 58.4%. As measured by the 3-month moving averages, the declines were 38.6% and 53.5%, respectively.

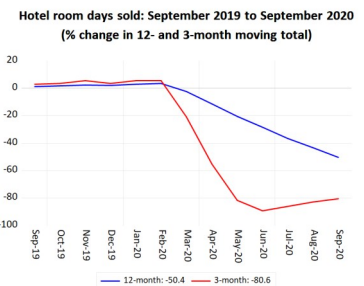
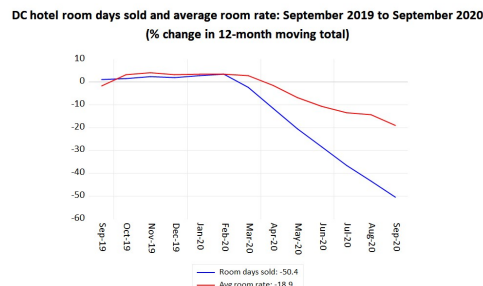
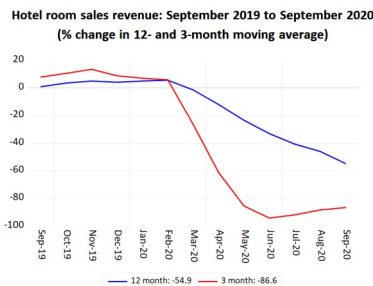


Table 24. Hospitality Industry: September 2020

Indicator	Units	FY 2017	FY 2018	FY 2019	12-mo moving average/sum*	3-mo moving average/sum*	This Month
Hotel Stays (updated September)							
Hotel room-days sold	(M)	8.747	9.019	9.128	4.525	0.470	0.168
	1 yr ch	0.414	0.272	0.109	-4.603	-1.950	-0.612
	1 yr % ch	5.0	3.1	1.2	-50.4	-80.6	-78.4
Average room rate	\$	232	220	216	175	138	142
	1 yr ch	14	-12	-4	-41	-63	-102
	1 yr % ch	6.5	-5.0	-1.6	-18.9	-31.4	-41.7
Room revenue	(\$M)	2,038.4	2,020.2	2,038.7	920.5	64.9	24.0
	1 yr ch	191.6	-18.3	18.5	-1,118.2	-420.7	-166.7
	1 yr % ch	10.4	-0.9	0.9	-54.9	-86.6	-87.4
Occupancy rate	%	78.5	78.0	76.3	42.0	27.2	22.8
Number of hotels in survey		131	136	140	125	113	119
Airline passengers (updated August)							
DCA	1 yr %ch	1.5	-1.2	0.7	-41.4	-79.7	-78.5
IAD	1 yr %ch	4.4	4.1	4.3	-39.0	-83.3	-78.9
BWI	1 yr %ch	4.3	4.5	-1.4	-37.1	-66.4	-65.0
Total	1 yr %ch	3.4	2.5	1.1	-39.1	-76.2	-73.8
Employment (updated September)							
Accommodations	level (000s)	15.1	15.6	16.2	12.3	7.7	6.9
	1 yr ch	0.3	0.5	0.6	-3.9	-8.9	-9.7
	1 yr % ch	1.8	3.1	3.6	-23.8	-53.5	-58.4
Food and beverage	level (000s)	52.2	54.6	55.4	41.8	34.3	35.8
	1 yr ch	0.7	2.5	0.8	-13.6	-21.5	-20.4
	1 yr % ch	1.3	4.7	1.4	-24.5	-38.6	-36.3

* Total for hotel rooms and room revenue.

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

US economy and the federal government sector

Federal non-defense spending increased faster than nominal GDP over the past 3 quarters

- Federal government non-defense spending for consumption and investment increased 11.5% in the June 2020 quarter from a year earlier. Defense spending grew 3.9%.
- Compared to the same quarter a year ago, in the June quarter nominal GDP contracted 8.5% and real GDP fell 9.0%. On a seasonally adjusted annual rate, nominal GDP fell 31.4% in the June quarter.
- The US employment rate (seas. adj.) was 7.9% in September.
- In September, the average S&P 500 index was 12.9% above a year earlier.

Defense and non-defense spending: 2015Q2 to 2020Q2
(1 yr % change)

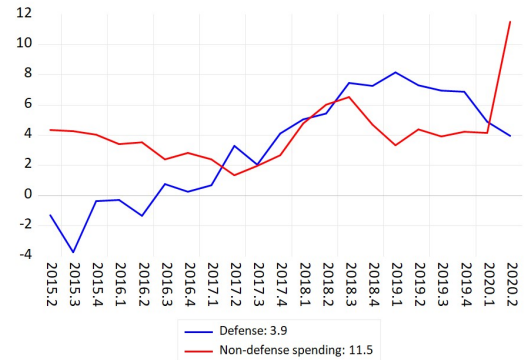


Table 25. Federal government consumption and investment, US GDP accounts: FY2017 to 2020Q2

(percent change from prior year)

Indicator	FY 2017	FY 2018	FY 2019	4q mov	
				avg	2020Q2
Non-defense	2.1	5.0	4.1	6.0	11.5
Compensation of employees	3.8	3.7	3.0	2.7	3.0
Purchases of goods and services	1.5	5.7	3.7	5.9	13.8
Gross investment	3.9	2.9	5.2	6.1	5.0
Defense	1.6	5.5	7.4	5.6	3.9
Compensation of employees	1.5	4.0	4.5	3.5	3.5
Purchases of goods and services	1.8	4.8	6.4	4.6	2.2
Gross investment	0.7	8.6	11.7	9.9	11.0

All federal consumption and investment

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

Federal non-defense spending and US GDP: 2015Q2 to 2020Q2
(1 yr % change)

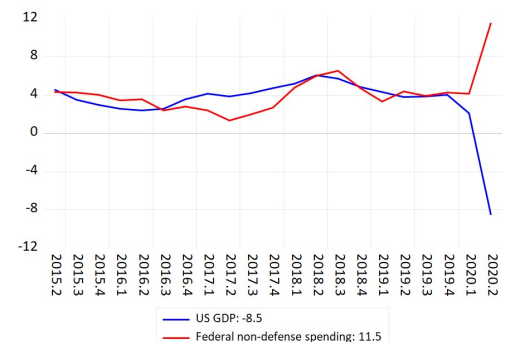


Table 26. US GDP, Income, and Inflation: FY2017 to 2020Q2

(percent change from prior year)

Indicator	FY 2017	FY 2018	FY 2019	4q mov	
				avg	2020Q2
GDP real	2.2	3.1	2.2	-1.1	-9.0
GDP nominal	4.0	5.4	4.2	0.3	-8.5
Personal Income	4.3	5.5	4.3	5.1	10.4
Consumption	4.3	5.0	4.0	0.0	-9.7
Investment	4.1	7.8	5.2	-4.1	-16.3
Corporate profits*	4.5	5.9	1.5	-6.3	-19.3
S and P stock index	13.8	16.2	3.3	8.0	1.6
US CPI	2.1	2.4	1.9	1.6	0.4

* Before tax, without IVA and CCadj.

Source: BEA Aug 27, 2020; BLS (cpi); Dow Jones Indices (SP500)

Table 27. Monthly selected indicators: April to September

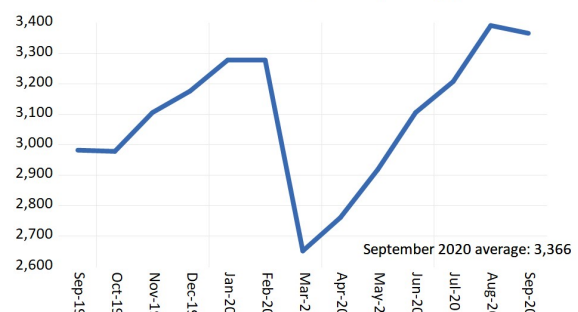
Indicator	2020				
	May	June	July	August	September
S & P stock market index (level)	2,920	3,105	3,208	3,392	3,366
% change from prior year	2.27	7.42	7.06	17.06	12.86
10 yr Treasury Interest rate (level)	1.0	1.0	1.0	1.0	1.0
CPI % change from prior month (seas. adj.)	-0.1	0.6	0.6	0.4	0.2
CPI % change from prior year (seas. adj.)	0.2	0.7	1.0	1.3	1.4
Jobs (seas. adj.) millions	133.03	137.81	139.57	141.06	141.72
change from prior month (thousands)	2,725	4,781	1,761	1,489	661
% change from prior month	2.09	3.59	1.28	1.07	0.47
Resident employment (seas. adj.) millions	137.24	142.18	143.53	147.29	147.56
change from prior month (thousands)	3,839	4,940	1,350	3,756	275
% change from prior month	2.88	3.6	0.95	2.62	0.19
Unemployment rate (seas. adj.)	13.3	11.1	10.2	8.4	7.9

Source: BLS; Dow Jones Indices; Federal Reserve

Quarterly change in US real and nominal GDP: 2018Q2 to 2020Q2
(% change from previous quarter at annual rate)

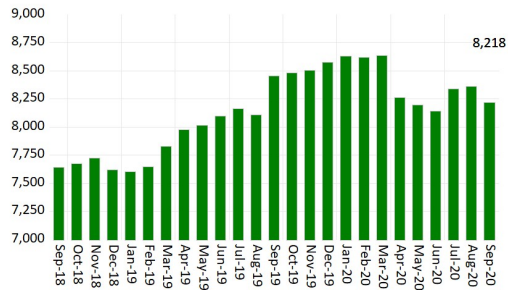


Standard & Poors Stock Market Index (SP500):
2019m9 to 2020m9 (Monthly average)



DC tax collections

DC tax collections (before earmarking): September 2018 to September 2020
(\$ million, 12-mo moving total)



DC tax collections (before earmarking): September 2019 to September 2020
(1 yr \$ change 12-mo moving total (\$M))

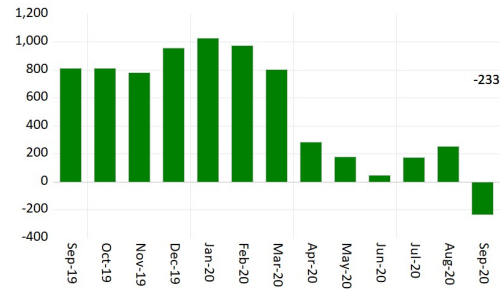


Table 28. Tax Collections (before earmarks): September 2020

Tax	Annual Revenue (From CAFR)			Tax Collections			
	FY 2017	FY 2018	FY 2019	12-mo mov total	FY 2020 to date	3-mo mov total	This month
Total taxes	7,472.7	7,771.3	8,455.3	8,218.4	8,218.4	2,916.1	1,696.8
1 yr change	239.1	298.7	684.0	-233.2	-233.2	77.9	-140.6
% change	3.3	4.0	8.8	-2.8	-2.8	2.7	-7.7
Real Property	2,473.3	2,554.2	2,710.1	2,781.9	2,781.9	1,360.5	1,179.5
1 yr change	115.8	80.9	155.9	50.4	50.4	11.2	-29.5
% change	4.9	3.3	6.1	1.8	1.8	0.8	-2.4
General sales	1,419.2	1,492.6	1,597.7	1,305.8	1,305.8	263.7	76.6
1 yr change	76.1	73.4	105.2	-327.5	-327.5	-192.9	-90.7
% change	5.7	5.2	7.0	-20.1	-20.1	-42.3	n.m.
Individual income	1,958.3	2,066.8	2,299.3	2,367.8	2,367.8	768.1	235.0
1 yr change	50.4	108.6	232.5	73.9	73.9	208.1	-17.3
% change	2.6	5.5	11.2	3.2	3.2	37.2	-6.9
withholding	1,766.6	1,818.2	1,942.9	2,050.1	2,050.1	481.1	147.4
1 yr change	139.0	51.6	124.7	114.7	114.7	17.0	-7.7
% change	8.5	2.9	6.9	5.9	5.9	3.7	-5.0
non-withholding	191.7	248.7	356.4	317.7	317.7	287.0	87.6
1 yr change	-88.6	56.9	107.8	-40.8	-40.8	191.2	-9.6
% change	-31.6	29.7	43.3	-11.4	-11.4	n.m.	-9.9
Corporate franchise	389.2	436.5	507.9	570.6	570.6	203.3	104.1
1 yr change	2.1	47.3	71.4	60.7	60.7	86.9	7.6
% change	0.6	12.2	16.4	11.9	11.9	n.m.	7.9
Unincorporated bus.	165.0	138.2	134.7	155.6	155.6	53.6	24.5
1 yr change	-4.4	-26.8	-3.5	4.5	4.5	14.4	-19.8
% change	-2.6	-16.2	-2.5	3.0	3.0	36.6	-44.7
Deed Taxes*	460.7	472.3	560.9	466.3	466.3	88.0	25.9
1 yr change	16.6	11.6	88.7	-100.2	-100.2	-95.0	-42.5
% change	3.7	2.5	18.8	-17.7	-17.7	-51.9	n.m.
Other taxes	606.9	610.7	644.6	570.3	570.3	178.9	51.1
1 yr change	-17.6	3.7	33.9	5.0	5.0	45.1	51.6
% change	-2.8	0.6	5.5	0.9	0.9	33.8	n.m.

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

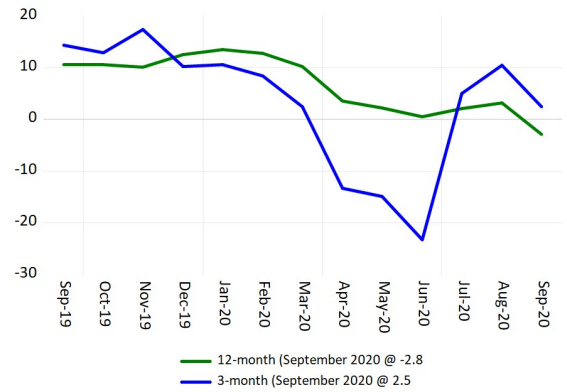
Note: (1) Revenues for fiscal years 2017 through 2019 are based on the CAFR; (2) tax collections subject to accounting adjustments at year end; (3) The table and charts on this page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with the prior year more meaningful. The data may differ from other published OCFO reports

Source: OCFO/ORR; n.m. = not meaningful

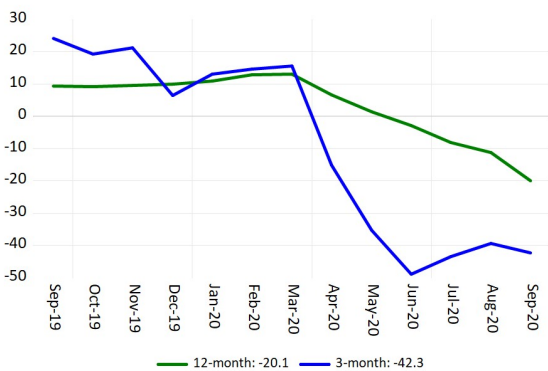
Tax collections for September stall lead by sales and deed taxes

- For the 12 month period ending September total tax collections (before earmarking) were \$233 million (2.8%) less than in the prior year. For the last 3 months they were up 2.7% from last year.
- Individual income tax collections were 3.2% above last year for the 12-months ending September and withholding was 5.9% higher. For the past 3 months, total income tax collections were up 37.2% while withholding was up 3.7%. Payments deferred from April contributed to the 3 month growth from last year.
- General sales tax collections were 20.1% below last year for the 12-months ending September. For the past 3 months, they were down 42.3% from last year.
- Deed tax collections for the 12-months ending September were down 17.7% from last year; for the past 3 months they were down over 50%.
- Corporate income taxes for the 12 months ending September were up 11.9% while unincorporated business income taxes were 3% above last year.

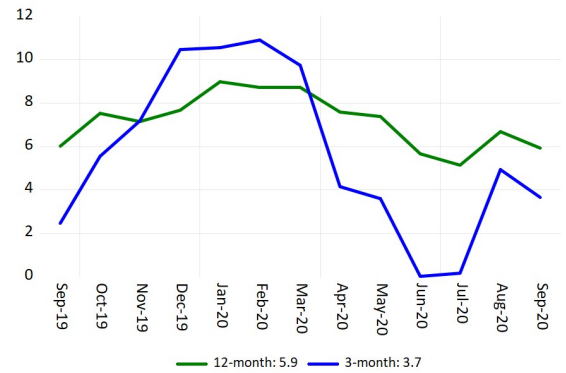
**Tax collections (before earmarking):
September 2019 to September 2020
(% change 12- and 3-month totals)**



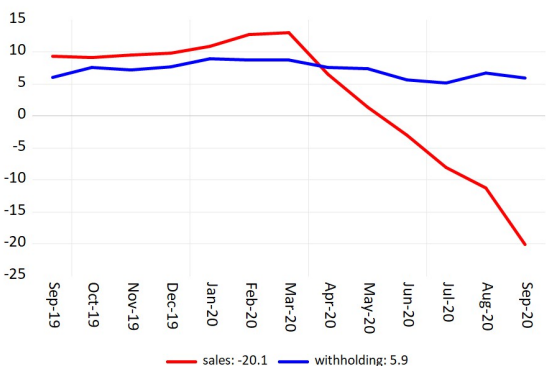
**General sales tax collections (before earmarking):
September 2019 to September 2020
(% change 12- and 3-month totals)**



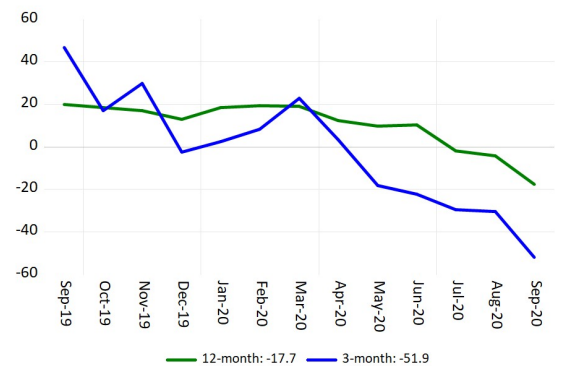
**Withholding for individual income tax collections:
September 2019 to September 2020
(% change 12- and 3-month totals)**



**General sales tax collections and withholding:
September 2019 to September 2020
(% change 12- and 3-month totals)**



**Deed tax collections (before earmarking):
September 2019 to September 2020
(% change 12- and 3-month totals)**



US economic forecasts

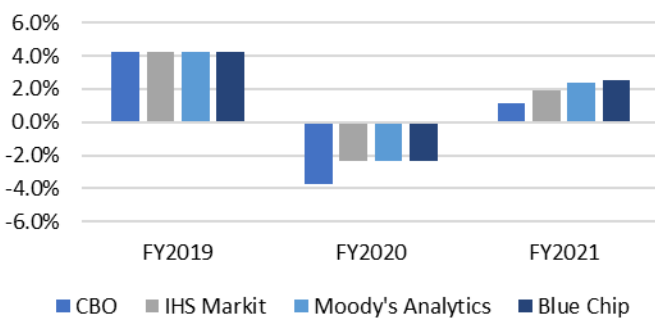
Forecasts are for negative real GDP growth in FY 2020 and weak growth in FY 2021

- IHS Markit and Moody's Analytics November forecasts for real US GDP growth show negative growth for FY 2020 (both down 2.3%), with slow growth in FY 2021. Faster growth picks up in FY 2022.
- S&P 500 November baseline forecasts: IHS Markit believes the stock market in FY 2021 will be 11.7% above FY 2020, followed by a 1.8% gain the next fiscal year. Moody's expects a 6.7% increase in FY 2021 and 1.8% in FY 2022..
- The November Blue Chip Indicators estimates real GDP growth for FY 2020 at -2.3%, and FY 2021 at 2.5%.
- CBO's July 2020 economic outlook: real GDP declines 3.8% in FY 2020 and gains 1.1% in FY 2021,
- The forecasts since March for real GDP and the stock market have changed significantly. Real GDP, according to IHS Markit, has gotten considerably weaker with the pandemic while the opposite is true for the S&P 500.

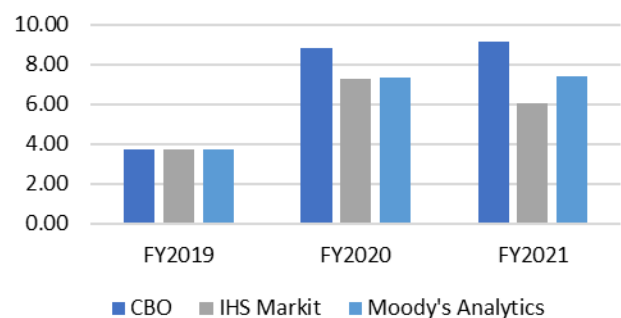
Table 29. Forecasts for US Nominal and real GDP, Personal income, unemployment, CPI, Interest rate, and S&P500

Indicator	IHS Markit (November 2020)				Moody's Analytics (November 2020)			
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022
Real GDP (% ch from prior yr)	2.2	-2.3	1.9	2.3	2.2	-2.3	2.3	4.6
Nominal GDP (% ch from prior year)	4.2	-1.1	3.7	4.4	4.2	-1.1	3.9	6.8
Personal income (%ch from prior yr)	4.3	6.0	-0.9	2.8	4.3	6.0	2.4	1.4
Unemployment (%)	3.7	7.3	6.0	4.9	3.7	7.3	7.4	6.6
CPI (% ch from prior year)	1.9	1.5	2.0	2.7	1.9	1.5	1.6	2.6
10 Year Treasury (%)	2.5	1.1	0.9	1.2	-0.1	-0.5	-0.2	1.0
S&P 500 (level)	2,814	3,102	3,466	3,530	2,814	3,102	3,310	3,369

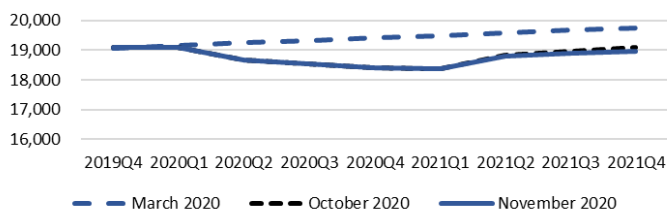
Real US GDP (% ch from prior year)



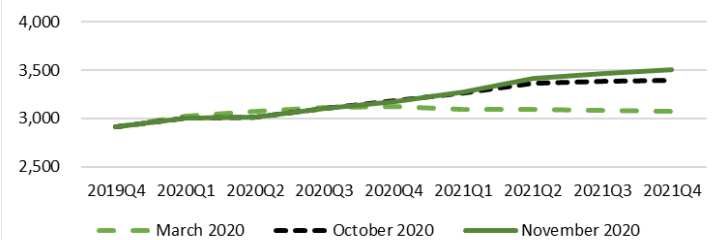
US Unemployment Rate (%)



Evolution of IHS Markit Real GDP Forecast (\$billions)



Evolution of IHS Markit S&P 500 Forecast

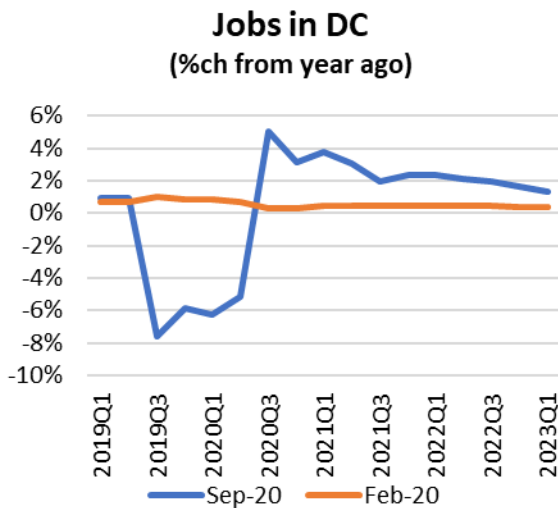


IHS Markit and Moody's differ on how much the recession's impact will carry over to FY 2021

- **Jobs:** IHS Markit and Moody's both forecast about 3% job loss in FY 2020. For FY 2021, however, IHS Markit anticipates a rebound of 0.9% while Moody's says they will decline by another 2.1%. ORA's September outlook was closer to the current Moody's outlook. Both jobs and unemployment outlooks have changed considerably since the onset of the pandemic.
- **Population:** IHS Markit anticipates DC population growth will continue to slow each year, essentially ruling out any net in-migration. Moody's expects the amount of growth to edge up each year reflecting some net in-migration.
- **Income:** Both IHS Markit and Moody's raised their estimates for personal income growth in FY 2020 to 3.9% and 3.7%, respectively. Moody's has negative growth of 1.0% in FY 2021, while IHS Markit expects a modest 1.6% increase.
- **Apartments and office space.** Delta Associates anticipates that the supply of new Class A apartment space will outpace demand over the next 3 years, and the supply of new office space is also a little higher than demand for the next 2 years.

Table 30. Forecasts for Select DC indicators

Indicator	IHS Markit (November 2020)				Moody's Analytics (November 2020)				ORA (September 2020)			
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022
Real GDP-DC (% ch from year ago)	1.1	-0.9	1.8	2.8	1.1	-0.6	2.6	4.7	1.8	-0.9	-0.4	2.8
Personal income (% ch from year ago)	3.3	3.9	1.6	3.4	3.3	3.7	-1.0	2.9	3.8	4.3	-2.7	4.1
Wages in DC (% ch from year ago)	3.3	1.9	5.4	5.4	3.3	1.5	-1.0	3.1	3.8	1.8	1.2	3.6
Jobs in DC (% ch from year ago)	0.7	-3.1	0.9	3.0	0.7	-3.0	-2.1	1.8	0.7	-2.9	-1.0	2.8
Unemployment rate (%)	5.6	7.2	6.8	6.2	5.6	7.3	9.1	7.7	5.6	7.3	8.7	7.7
Population (% ch from year ago)	0.7	0.5	0.4	0.5	0.6	0.7	0.8	0.8	0.7	0.6	0.6	0.7
Households (% ch from year ago)	1.0	0.6	0.4	1.1	1.1	1.3	1.1	1.2	1.0	0.8	0.4	0.8



Source: ORA September 2020 Revenue Estimate



Table 31. Outlook for Class A Apartments and Office Space for DC and Surrounding metro area

Indicator	CLASS A APARTMENTS					CLASS A COMMERCIAL OFFICE SPACE					
	DC	Northern VA	Suburban MD	Total	DC share %	DC	Northern VA	Suburban MD	Total	DC share %	
Inventory (June 2020)											
Number of Units	32,848	72,461	42,613	147,922	22.2%	Million square feet (msf)	149.6	185.8	86.6	422.0	35.5%
Estimated Net Activity to June 2023						Estimated Net Activity to June 2022					
New supply (units)	18,907	14,567	8,848	42,322	44.7%	New supply (msf)	3.1	6.9	2.6	12.6	24.6%
New demand (units)	9,880	10,400	5,720	26,000	38.0%	New demand (msf)	0.7	3.2	1.0	4.9	14.3%

Source: Delta Associates

DC revenue estimate

September 2020 revenue estimate: FY 2020 tax revenue falls \$359 million (4.2%) below the FY 2019 level and \$137 million in FY 2021 (-1.7%). Revenue doesn't recover 2019 level until FY 2022.

- The real property tax grows \$71.7 million (2.6%) in FY 2020 helping to buffer the fall in other revenue sources, but growth slows after that (0.9% in FY 2021) and declines by 0.6% in FY 2022.
- Individual income tax revenue, which rose 11.2% in FY 2019, is expected to grow just 1.2% in FY 2020 and 2.5% in FY 2021.
- The General sales tax, which grew 7.0% in FY 2019, is expected to experience a 21.4% decline in FY 2020 and an additional 12.7% decline in FY 2021. Growth picks up again in FY 2022, rebounding 24.2%.
- Deed taxes grew 18.8% FY 2019, but are expected to fall 17.4% in FY 2020. By FY 2024, deed tax collections regain the FY 2019 level.
- As a % of DC Personal Income, tax revenue rose to 14.3% in FY 2019 but is expected to fall back to 13.4% in FY 2020.

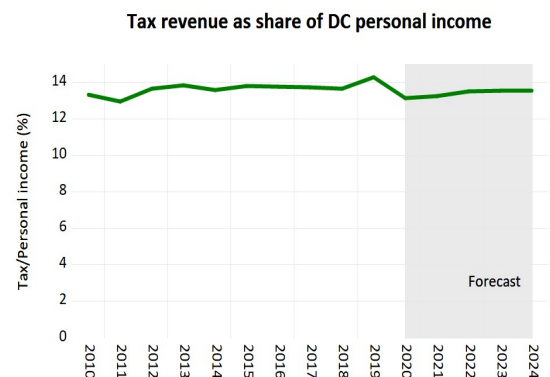
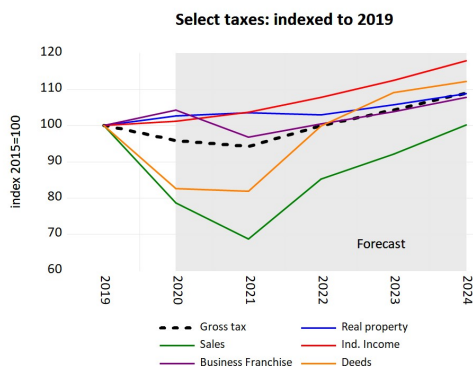
Table 32. DC Tax Revenue (before earmarks) for September 2020

Tax	FY Level (\$m)				Change from prior FY (\$m)				%change from prior FY			
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022	FY 2019	FY 2020	FY 2021	FY 2022
Real Property	2,710.1	2,781.8	2,806.0	2,789.3	155.9	71.7	24.3	-16.8	6.1%	2.6%	0.9%	-0.6%
Deed taxes	561.1	463.6	459.3	560.1	88.8	-97.4	-4.3	100.8	18.8%	-17.4%	-0.9%	21.9%
General Sales	1,597.7	1,255.9	1,096.6	1,362.4	105.2	-341.8	-159.3	265.8	7.0%	-21.4%	-12.7%	24.2%
Individual Income	2,299.3	2,326.8	2,385.2	2,478.8	232.5	27.5	58.4	93.6	11.2%	1.2%	2.5%	3.9%
withholding	1,942.9	2,017.5	2,086.0	2,183.2	201.8	74.6	68.6	97.2	11.6%	3.8%	3.4%	4.7%
non-withholding	356.4	309.3	299.1	295.6	30.6	-47.1	-10.2	-3.6	9.4%	-13.2%	-3.3%	-1.2%
Business Income	642.7	669.8	621.9	645.6	67.9	27.1	-47.8	23.7	11.8%	4.2%	-7.1%	3.8%
Other	1,287.2	1,268.7	1,213.2	1,251.1	101.8	-18.6	-55.5	37.9	8.6%	-1.4%	-4.4%	3.1%
Total	8,455.4	8,096.8	7,960.3	8,441.6	684.1	-358.6	-136.5	481.4	8.8%	-4.2%	-1.7%	6.0%

Source: ORA, September 2020 revenue estimate. Table includes tax revenue before earmarked dedications and excludes nontax revenue, lottery, and special purpose revenue.

Table 33. DC gross tax revenue and selected economic variables: September 2020 estimate

Item	2013	2014	2015	2016	2017	2018	2019	2020 (est)	2021 (est)	2022 (est)
Tax revenue										
Level (\$m)	6,100	6,297	6,917	7,234	7,473	7,771	8,455	8,097	7,960	8,442
Change from prior year	239	197	620	317	239	299	684	-359	-137	481
% Change from prior year	4.1%	3.2%	9.8%	4.6%	3.3%	4.0%	8.8%	-4.2%	-1.7%	6.0%
Personal income	2.7%	5.3%	8.0%	4.8%	3.6%	4.6%	3.8%	4.3%	-2.7%	4.1%
Wages in DC	2.5%	2.9%	5.0%	3.3%	4.1%	4.7%	3.8%	1.8%	1.2%	3.6%
Wages of DC residents	4.8%	5.1%	7.6%	3.7%	5.0%	5.2%	3.7%	1.1%	1.9%	4.4%
Population	2.4%	1.9%	1.9%	1.6%	1.3%	1.0%	0.7%	0.6%	0.6%	0.7%
Employment	1.6%	0.7%	1.7%	2.1%	1.0%	1.1%	0.7%	-2.9%	-1.0%	2.8%
SP 500	24.8%	13.6%	2.0%	6.4%	19.2%	3.3%	14.7%	-1.2%	4.0%	4.0%



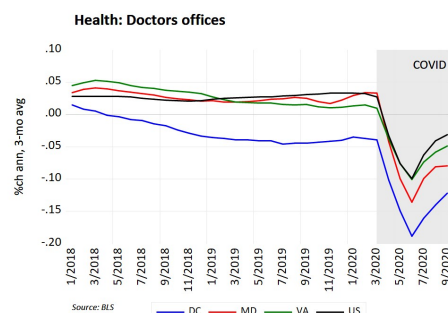
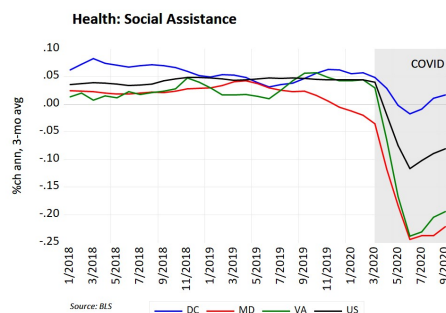
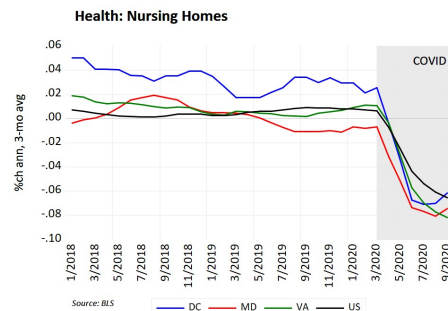
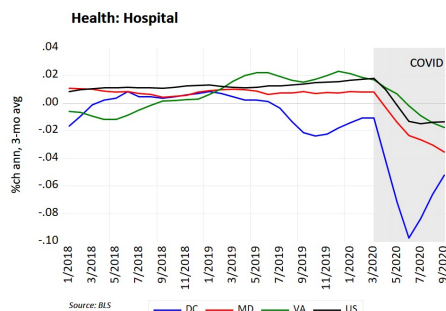
- In Maryland, employment in the Education sector, comprising 4% of private employment, was also declining pre-COVID and, like DC, that decline was accelerated through the summer. Over the COVID period, Maryland lost 8,300 jobs (9.2%).
- Virginia’s pattern followed the US declining significantly in March and April but then Education employment, comprising 3% of private employment, did not decline as much relative to the prior year. Over the COVID period, Virginia lost 11,770 Education jobs (11.7%) but year over year the decline was only 2.9% sector-wide because of growth in private college and university employment.

Health Services & Social Assistance

In the Health Services and Social Assistance sector, employment over the COVID period declined by over 9% in Maryland, 7.9% in Virginia, 5.7% in DC and 5.3% in the US (see table page 23). The subgroups in this sector drive the growth rates:

- In the District and Maryland, ambulatory care, primarily doctors’ offices, declined 10% and 9.4% respectively owing to the more restrictive COVID policies in these jurisdictions. In the District, the reduction in day-time office workers also played a role in reducing demand for services.
- Hospital employment in Maryland and Virginia generally followed the national pattern: jobs in hospitals were cut in non-emergency, non-COVID related departments reflecting the restrictions on elective care. DC saw a much bigger impact, declining significantly in late spring 2020 but recovering some in the late summer.
- Nursing home employment has declined by 6% to 8% in September 2020 over the prior year. DC had prior to COVID relatively strong year over year growth between 2% and 4%. Maryland’s nursing home sector had already declined pre-COVID.
- Social Assistance, which does not include government employees, declined significantly in Maryland and Virginia but not as much as the other health sectors in the District.

-Norton Francis



Education and Health Services Employment: DC, MD, VA, and US

	3 - month moving average			COVID Change: Feb 2020 - Sep 2020		Change from Sep 2019		Share of Sep-2020 private employment	Share of sector employment
	Sep-2019	Feb-2020	Sep-2020	Change (000s)	Change (%)	Change (000s)	Change (%)		
<i>000s of jobs except US</i>									
DC Private Employment	558.10	560.77	501.73	(59.03)	-10.5%	(56.37)	-10.1%	100.0%	
Education and Health Services	126.77	130.00	118.00	(12.00)	-9.2%	(8.77)	-6.9%	23.5%	
Education	56.07	59.30	51.33	(7.97)	-13.4%	(4.73)	-8.4%	10.2%	43.5%
- college & university	38.30	40.97	33.63	(7.33)	-17.9%	(4.67)	-12.2%	6.7%	65.5%
Health Services (incl. Social Assistance)	70.70	70.70	66.67	(4.03)	-5.7%	(4.03)	-5.7%	13.3%	56.5%
- ambulatory (doctors' offices)	19.40	18.93	17.03	(1.90)	-10.0%	(2.37)	-12.2%	3.4%	25.6%
- hospitals	27.60	27.70	26.17	(1.53)	-5.5%	(1.43)	-5.2%	5.2%	39.3%
- nursing homes	8.10	8.03	7.60	(0.43)	-5.4%	(0.50)	-6.2%	1.5%	11.4%
- social assistance	15.60	16.03	15.87	(0.17)	-1.0%	0.27	1.7%	3.2%	23.8%
MD Private Employment	2,282.20	2,259.40	2,114.17	(145.23)	-6.4%	(168.03)	-7.4%	100.0%	
Education and Health Services	471.10	475.33	432.40	(42.93)	-9.0%	(38.70)	-8.2%	20.5%	
Education*	88.30	90.70	82.40	(8.30)	-9.2%	(5.90)	-6.7%	3.9%	19.1%
Health Services (incl. Social Assistance)	382.80	384.63	350.00	(34.63)	-9.0%	(32.80)	-8.6%	16.6%	80.9%
- ambulatory (doctors' offices)	150.47	152.73	138.43	(14.30)	-9.4%	(12.03)	-8.0%	6.5%	39.6%
- hospitals	109.13	109.50	105.30	(4.20)	-3.8%	(3.83)	-3.5%	5.0%	30.1%
- nursing homes	70.40	70.23	65.17	(5.07)	-7.2%	(5.23)	-7.4%	3.1%	18.6%
- social assistance	52.80	52.17	41.10	(11.07)	-21.2%	(11.70)	-22.2%	1.9%	11.7%
VA Private Employment	3,348.60	3,330.30	3,149.80	(180.50)	-5.4%	(198.80)	-5.9%	100.0%	
Education and Health Services	551.90	563.73	515.23	(48.50)	-8.6%	(36.67)	-6.6%	16.4%	
Education	91.67	100.77	89.00	(11.77)	-11.7%	(2.67)	-2.9%	2.8%	17.3%
- college & university	35.40	40.30	36.00	(4.30)	-10.7%	0.60	1.7%	1.1%	40.4%
Health Services (incl. Social Assistance)	460.23	462.97	426.23	(36.73)	-7.9%	(34.00)	-7.4%	13.5%	82.7%
- ambulatory (doctors' offices)	189.80	190.50	180.57	(9.93)	-5.2%	(9.23)	-4.9%	5.7%	42.4%
- hospitals	107.40	108.53	105.50	(3.03)	-2.8%	(1.90)	-1.8%	3.3%	24.8%
- nursing homes	77.83	78.40	71.47	(6.93)	-8.8%	(6.37)	-8.2%	2.3%	16.8%
- social assistance	85.20	85.53	68.70	(16.83)	-19.7%	(16.50)	-19.4%	2.2%	16.1%
US Private Employment (millions of jobs)	129.26	128.50	119.53	(8.97)	-7.0%	(9.73)	-7.5%	100.0%	
Education and Health Services	24.03	24.58	22.87	(1.71)	-6.9%	(1.16)	-4.8%	19.1%	
Education	3.57	3.89	3.28	(0.61)	-15.6%	(0.29)	-8.1%	2.7%	14.3%
- college & university	1.64	1.86	1.53	(0.32)	-17.4%	(0.11)	-6.7%	1.3%	46.7%
Health Services (incl. Social Assistance)	20.46	20.69	19.59	(1.10)	-5.3%	(0.87)	-4.2%	16.4%	85.7%
- ambulatory (doctors' offices)	7.72	7.83	7.48	(0.34)	-4.4%	(0.24)	-3.1%	6.3%	38.2%
- hospitals	5.21	5.25	5.14	(0.11)	-2.2%	(0.07)	-1.4%	4.3%	26.2%
- nursing homes	3.40	3.38	3.17	(0.21)	-6.2%	(0.22)	-6.5%	2.7%	16.2%
- social assistance	4.13	4.23	3.80	(0.43)	-10.3%	(0.33)	-8.1%	3.2%	19.4%

* Maryland college & university sector detail not available.

source: BLS Current Employment Statistics; not seasonally adjusted

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:

September revenue estimate. September 30, 2020.

DC Tax Facts, 2019. Details on all DC taxes.

DC Tax Facts Visual Guide Report. A visual guide to DC's tax system.

Tax Rates and Tax Burdens 2018 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 2018 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.

Review of economic development tax expenditures. November 2018. Comprehensive description and analysis of DC tax expenditures related to economic development incentives.

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	September	November 20, 2020
D.C. Personal Income	BEA	2020.2	December 17, 2020
D.C. Tax Collections	OTR/ORA	September	November 15, 2020
D.C. Housing Sales	MarketStats by ShowingTime*	September	c. Nov 10
D.C. Commercial Office Building data	CoStar and Delta	2020.3	c. Jan 2021
DC Apartment data	CoStar and Delta	2020.3	c. Jan 2021
D.C. Hotel stay information	STR	September	c. Nov 2020
Consumer Price Index	BLS	September	November 12, 2020
U.S. Jobs and Labor Force	BLS	September	November 6, 2020
U.S. GDP and Personal Income	BEA	2020.3	November 25, 2020
S and P 500 Stock Index	FRED (St. Louis Fed Reserve)	September	December 1, 2020
Interest rate on 10-Year Treasury Securities	FRED (St. Louis Fed Reserve)	September	December 1, 2020
IHS Markit D.C. forecast	IHS Markit	November	c. December 2020
Moody's Analytics D.C. forecast	Moody's Analytics	November	c. December 2020
Blue Chip Economic Indicators for the U.S.	Wolters Kluwer	November	c. December 2020

*Accessed through Bright MLS.

For further information or to comment on this report, contact: Norton Francis (202-442-8242)

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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