### **D.C. Economic Indicators** February 2014

Government of the District of Columbia \* \* \*
Vincent C. Gray, Mayor Jeffrey S. DeWitt, Chief Financial Officer Dr. Fitzroy Lee, Deputy CFO for Revenue Analysis

## **Labor & Industry**

- → Jobs in D.C. for December 2013, down 400 (0.1%) from December 2012
- District resident employment for December 2013, up 3,100 (0.9%) from December 2012





Labor Market ('000s): December 2013 <sup>a</sup> District of Columbia				Metropolitan area			Detailed Employment ('000s): December 2013				
									1 yr. ch.	1 yr. ch.	
	Level	1 yr. ch. (amt.)	1 yr. ch. (%)	Level	1 yr ch. (amt.)	1 yr. ch. (%)		Level	(amt.)	(%)	% of total
Employed residents	339.9	3.1	0.9	3,026.5	12.1	0.4	Manufacturing	0.9	0.0	0.0	0.1
Labor force	365.0	-3.4	-0.9	3,173.4	-10.5	-0.3	Construction	12.7	-0.7	-5.2	1.7
Total wage and salary							Wholesale trade				
employment	734.7	-0.4	-0.1	3,101.1	25.8	0.8	wholesale trade	5.1	0.0	0.0	0.7
Federal government	200.1	-6.3	-3.1	367.1	-8.4	-2.2	Retail trade	19.2	0.5	2.7	2.6
Local government	34.1	0.8	2.4	329.8	5.4	1.7	Utilities & transport.	4.0	-0.1	-2.4	0.5
Leisure & hospitality	68.6	3.9	6.0	293.6	15.3	5.5	Publishing & other info.	16.3	-0.6	-3.6	2.2
Trade	24.3	0.5	2.1	342.6	6.2	1.8	Finance & insurance	17.3	0.4	2.4	2.4
Education and health	119.1	0.4	0.3	390.6	3.6	0.9	Real estate	11.9	0.3	2.6	1.6
Prof., bus., and other							Legal services				
services	225.4	1.0	0.4	894.2	0.9	0.1	- U	30.3	0.5	1.7	4.1
Other private	63.1	-0.7	-1.1	483.2	2.8	0.6	Other profess. serv.	80.2	1.4	1.8	10.9
Unemployed	25.1	-6.5	-20.5	146.9	-22.6	-13.3	Empl. serv. (incl. temp)	12.1	-1.2	-9.0	1.6
New Unempl. Claims	1.9	0.1	5.5				Mgmt. & oth. bus serv.	34.5	1.0	3.0	4.7
Sources: U.S. Bureau of Labor Statistic	cs (BLS) & D.C.	Dept. of Employment Se	ervices (DOES)				Education	54.0	-0.3	-0.6	7.3
a Preliminary, not seasonally adjusted							Health care	65.1	0.7	1.1	8.9
							Organizations	60.6	-0.9	-1.5	8.2
D.C. Hotel Industry <sup>b</sup>				Airport Pa	ssengers <sup>c,d</sup>		Accommodations	15.9	0.4	2.6	2.2
Dec. 2013	Amt.	1 yr. ch.		Dec. 2013	Amt.('000)	1 yr. ch. (%)	Food service	46.1	3.6	8.5	6.3
Occupancy Rate	57.7%	1.6%		DCA	1,629.0	4.7	Amuse. & recreation	6.6	-0.1	-1.5	0.9
Avg. Daily Room Rate	\$167.24	\$0.78		IAD	1,757.3	-1.0	Other services	7.7	0.2	2.7	1.0
# Available Rooms	27,319	-234		BWI	1,838.2	6.9	Subtotal, private	500.5	5.1	1.0	68.1
Room Sales (\$M)	\$81.7	\$2.0		Total	5,224.5	3.4 <sup>e</sup>	Federal government	200.1	-6.3	-3.1	27.2

b Source: Smith Travel Research Cource: Metropolitan Washington Airports Authority & Maryland

Total

Percent Change in Revenue for Selected Taxes for FYs 2013 - 2015 (Est.)

Local government



- Total tax revenue before earmarking is expected to increase by 3.8%
- Individual income tax revenue is expected to increase by 4.9% in
- General sales tax revenue is expected to increase by 4.5% in FY2014
- All deed tax revenue is expected to decline by 13.3% in FY2014

Real property tax revenue is expected to increase by 5.2% in FY2014



734.7

-0.4

-0.1

100.0

FY14-FY15 (Est.)

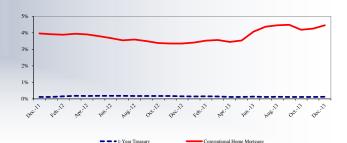
#### Tax Revenue for Fiscal Year 2013 and Estimated Tax Revenue for Fiscal Years 2014 and 2015 (\$000)<sup>a</sup> NOTE: REPORTING OF CASH COLLECTIONS WILL RESUME IN THE MARCH 2014 RELEASE

			% Chg.	% Chg.	% Chg.
			FY13-FY14	FY14-FY15	% Chg. FY14-FY15
FY'13	FY'14 <sup>d</sup>	FY'15 <sup>d</sup>	(Est.)	(Est.)	Addenda: FY13-FY14 (Est.) (Est.)
1,914,840	2,014,176	2,178,478	5.2%	8.2%	Convention Ctr. Transfer <sup>b</sup> 3.5% 3.7%
1,137,892	1,189,618	1,237,076	4.5%	4.0%	Ind. Inc. Tax Withholding for D.C. residents 4.0% 3.1%
1,640,899	1,721,218	1,780,192	4.9%	3.4%	
453,280	474,852	494,798	4.8%	4.2%	*Revenue amounts shown are before earmarks (TIF, Convention Ctr, Ballpark Fund, DDOT, the Highway Trust Fund, the Nursing Facility Quality of Care Fund, Healthy DC Fund, the Housing Production Trust Fund, WMATA, Hospital Fund, Stevie Sellows
372,825	323,180	332,089	-13.3%	2.8%	Quality Improvement Fund, Healthy Schools, ABRA).
					Variations in processing activities may affect year-to-date comparisons.
6,100,486	6,335,122	6,613,649	3.8%	4.4%	bPortion of sales tax on hotels and restaurants
					Profition of sales tax on notes and restaurants
431,822	457,944	442,056	6.0%	-3.5%	c Includes deed recordation, deed transfer, co-op recordation and economic interest taxes
					<sup>d</sup> As of the February 2014 Revenue Estimate
5,668,664	5,877,178	6,171,593	3.7%	5.0%	As of the Pedruary 2014 Revenue Estimate
	1,914,840 1,137,892 1,640,899 453,280 372,825 6,100,486 431,822	1,914,840         2,014,176           1,137,892         1,189,618           1,640,899         1,721,218           453,280         474,852           372,825         323,180           6,100,486         6,335,122           431,822         457,944	1,914,840         2,014,176         2,178,478           1,137,892         1,189,618         1,237,076           1,640,899         1,721,218         1,780,192           453,280         474,852         494,798           372,825         323,180         332,089           6,100,486         6,335,122         6,613,649           431,822         457,944         442,056	FY'13         FY'14 <sup>d</sup> FY'15 <sup>d</sup> (Est.)           1,914,840         2,014,176         2,178,478         5.2%           1,137,892         1,189,618         1,237,076         4.5%           1,640,899         1,721,218         1,780,192         4.9%           453,280         474,852         494,798         4.8%           372,825         323,180         332,089         -13.3%           6,100,486         6,335,122         6,613,649         3.8%           431,822         457,944         442,056         6.0%	FY13         FY14 <sup>d</sup> FY15 <sup>d</sup> (Est.)         FY14-FY15 (Est.)         FY14-FY15 (Est.)         (Est.)         (Est.)         (Est.)         (Est.)         (Est.)         8.2%         1,194,840         2,014,176         2,178,478         5.2%         8.2%         4.0%         4.5%         4.0%         4.0%         1,640,899         1,721,218         1,780,192         4.9%         3.4%         4.2%         372,825         323,180         332,089         -13.3%         2.8%           6,100,486         6,335,122         6,613,649         3.8%         4.4%           431,822         457,944         442,056         6.0%         -3.5%

## People & Economy

- →D.C. unemployment rate for Dec.: 7.6%, 0.2% lower than last month & 1.1% lower than 1 year ago
- The conventional home mortgage rate increased to 4.46% in December, compared to 4.26% one month earlier

#### One-Year Treasury and Conventional Home Mortgage Interest Rates December 2011 to December 2013



U.S. GDP	% change for yr. ending		CPI	% change fo	or yr. ending	D.C. Population		
Source: BEA	4 <sup>th</sup> Q 2013	3 <sup>rd</sup> Q 2013	Source: BLS	Nov. 2013	Sept. 2013	Source: Census		
Nominal	4.0	3.4	U.S.	1.2	1.2	*Estimate for:	Level	% chg.
Real	2.5	2.0	D.C./Balt. metro area	1.7	1.2	2000	572,059	
						2003	577,777	1.0
						2004	579,796	0.3
Personal Income <sup>a</sup>			Unemployment Rate <sup>c</sup>			2005	582,049	0.4
Source: BEA	% change fo	r yr. ending	Source: BLS	Dec. 2013	Nov. 2013	2006	583,978	0.3
Total Personal Income	3 <sup>rd</sup> Q 2013	2 <sup>nd</sup> Q 2013	U.S.	6.7	7.0	2007	586,409	0.4
U.S.	3.6	2.9	D.C.	7.6	7.8 <sup>+</sup>	2008	590,074	0.6
D.C.	3.2	2.4				2009	599,657	1.6
Wage & Salary Portion of Personal Income						2010	604,989	0.9
U.S.	3.8	3.6	Interest Rates	National	Average	2011	619,020	2.3
Earned in D.C.	2.2	2.1	Source: Federal Reserve	Dec. 2013	Nov. 2013	2012	632,323	2.1
Earned by D.C. residents <sup>b</sup>	2.7	2.5	1-yr. Treasury	0.13	0.12	* July 1, except for 2000	·	
			Conv. Home Mortgage	4.46	4.26	Distribution of Individu	al Income Tax	Filers

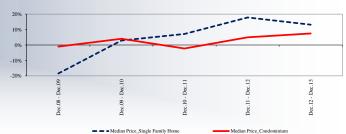
<sup>&</sup>lt;sup>a</sup> Nominal <sup>b</sup> Estimated <sup>c</sup> Seasonally adjusted

by Inco	me Catego	ry				
Source: D.C. Office of Tax and Revenue						
	2009	2010	2011			
Less than \$30,000	43.1%	42.7%	42.0%			
\$30,000-\$50,000	19.9%	19.3%	19.0%			
\$50,000-\$75,000	14.0%	13.9%	14.0%			
\$75,000-\$100,000	7.7%	7.8%	8.0%			
\$100,000-\$200,000	10.4%	11.0%	11.3%			
\$200,000-\$500,000	4.0%	4.3%	4.5%			
\$500,000 and Over	1.0%	1.1%	1.2%			

# **Housing & Office Space**

- → There were 216 condos sold in December 2013, 2.7% decrease from 1 year ago
- → The year to date median price increased 13.2% from 1 year ago for single family homes, and condos experienced an increase of 7.5% in the year to date median price
- → In the 4<sup>th</sup> quarter of 2013 vacant commercial office space increased by 200,000 square feet relative to the 3<sup>rd</sup> quarter of 2013

Year Over Year Percent Change in the Median Price for a Single Family Home and Condominium in Washington, D.C.



Housing Sales			D.C. Housing Permits Issued			D.C. Commercial Office Space		
Source: MRIS <sup>a</sup>			Source: U.S. Census Bureau			Source: Delta Associates		
				4 Qs ending				
Completed contracts	Dec. 2013	1 yr. % ch.		4 <sup>th</sup> Q 2013	1 yr. ch.	Vacancy Rate (%)		
Single family	257	-1.5	Total housing units	3,255	-865		4 <sup>th</sup> Q 2013	1 qtr. ch.
Condo/Co-op	216	-2.7	Single family	333	54	Excl. sublet space	8.7	0.2
			Multifamily (units)	2,922	-919	Incl. sublet space	9.3	0.1
Prices (\$000)			Class A Apt. d and Condominium Uni	its				
Single family	Dec. 2013	1 yr. % ch.	Source: Delta Associates			Inventory Status (in million square feet)		
Average <sup>b</sup>	\$637.6	-18.5					4th Q 2013	1 qtr. ch.
Median <sup>c</sup>	\$600.0	13.2	Units under construction and/or marketing	4 <sup>th</sup> Q 2013	1 yr. ch.	Total inventory	136.6	0.6
			Rental apartments	11,277	1,955	Leased space <sup>e</sup>	124.7	0.2
Condo/Co-op			Condominiums <sup>g</sup>	1,176	248	Occupied space <sup>f</sup>	123.9	0.4
Average <sup>b</sup>	\$518.3	7.0	Other units likely to deliver over the next 36 me	onths h		Vacant	12.7	0.2
Median <sup>c</sup>	\$408.5	7.5	Rental apartments	6,840	-1,107	Under construction or renovation	2.4	0.0
			Condominiums	861	-517			

<sup>&</sup>lt;sup>a</sup>Metropolitan Regional Information System as reported by the Greater Capital Area Association of Realtors

<sup>†</sup> Indicates data revised by stated source since previous D.C. Economic Indicators.

b Average prices are calculated for the month from year-to-date information "Median prices are year-to-date d Investment grade units, as defined by Delta "Calculated from vac. rate excl. sublet "Calculated from vac. rate incl. sublet "Includes sold units" b Only a portion will materialize