



District of Columbia Economic and Revenue Trends: June 2024

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DC Highlights

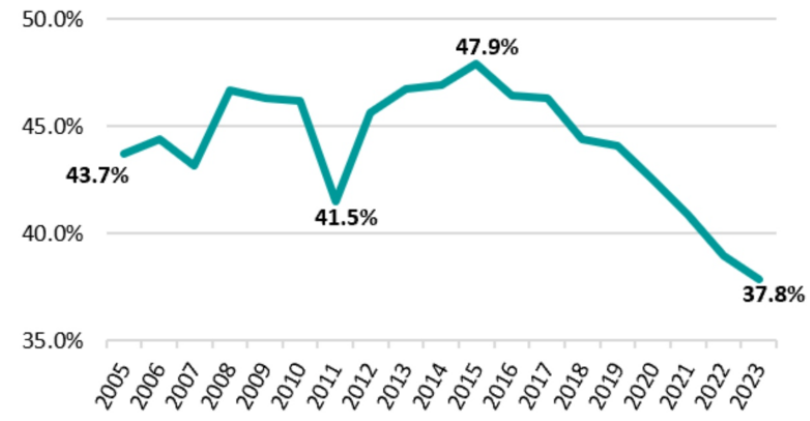
DC Jobs % YoY	0.8
DC Wages % YoY	6.4
Home prices % YoY	14.5
Office vacancy rate	16.8
Unemployment rate	5.4

Chart of the Month: The Increasing Levels of Vacant Office Space: The Achilles' Heel of DC's Office Market

In a recent [blog post](#), Office of Revenue Analysis analyst Daniel Muhammad gives an overview of the DC office market. "The following analysis illustrates how the recent trend of rapidly increasing levels of vacant office space in DC is impacting the value of several hundred large office buildings. The analysis identifies more than 500 high-value, large commercial office buildings in DC, and finds that at least 86 percent of them are expected to lose value at some point between 2020 and 2025. Among these buildings expected to lose value, we estimate a total loss of more than \$12 billion in building value. The declining value of these buildings as well as decreased sales transactions are affecting commercial property and deed tax collections." [Read more](#) at District Measured.

About: The District of Columbia Economic and Revenue Trends Report is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of DC. For further information or to comment on this report, contact Jeffrey Wilkins Jeffrey.Wilkins@dc.gov (202-843-4202).

Property Taxes for Large Commercial Office Buildings as a Share of Property Taxes Paid by all City Properties



Source: ORA analysis of OTR's annual real property tax data for TYs 2005-2023

Employment

DC jobs grew 0.8% over last year. Resident employment increased 1.4%. The DC unemployment rate was 5.4%.

Table 1. Wage and salary employment in DC, DC metro area, and US.
May 2024

Jurisdiction	May-24	May-23	May-22	May-21	May-20
District of Columbia	771,200	765,300	755,700	722,700	713,200
YoY % change	0.8	1.3	4.6	1.3	-9.9
DC metro area	3,401,200	3,372,300	3,304,600	3,193,700	2,976,800
YoY % change	0.9	2.0	3.5	7.3	-11.2
DC suburbs (%ch)	0.9	2.3	3.2	-11.6	1.5
US (%ch)	1.7	2.5	4.7	-11.7	1.2

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

Source: BLS

Table 2. Resident Employment and Unemployment: May 2024

Indicator	May-24	May-23	May-22	May-21	May-20
Resident Employment	382,522	377,096	370,465	347,987	341,366
Resident Employment YoY % change	1.4	1.8	6.5	1.9	-9.7
Labor Force	404,401	395,460	387,449	373,105	374,092
Labor Force YoY % change	2.3	2.1	3.8	-0.3	-6.2
Unemployed residents	21,879	18,364	16,984	25,118	32,726
Unemployed residents YoY % change	19.1	8.1	-32.4	-23.2	56.2
Unemployment initial claims	1,917	2,195	2,085	6,880	21,618
Unemployment initial claims YoY % change	-12.7	5.3	-69.7	-68.2	1004.6
Weeks compensated	19,530	17,948	9,311	51,364	234,250
Weeks compensated YoY % change	8.8	92.8	-81.9	-78.1	912.1

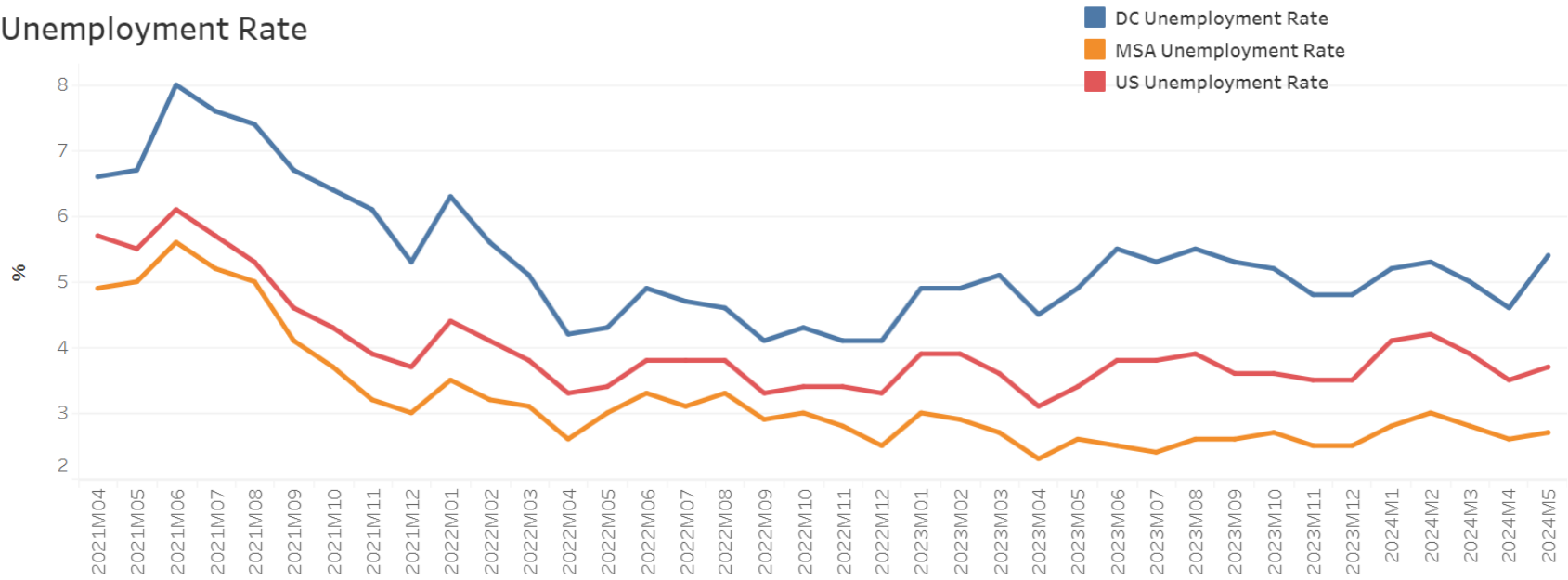
Source: BLS. Unemployment Insurance data: US Dept of Labor. Not seasonally adjusted.

Table 3. Unemployment Rate: May 2024

Date	US	DC	DC metro
This month	3.7	5.4	2.7
1 year ago	3.4	4.6	2.5

Source: BLS; Not seasonally adjusted. Percent of Labor Force.

Unemployment Rate



Jobs by sectors of the economy

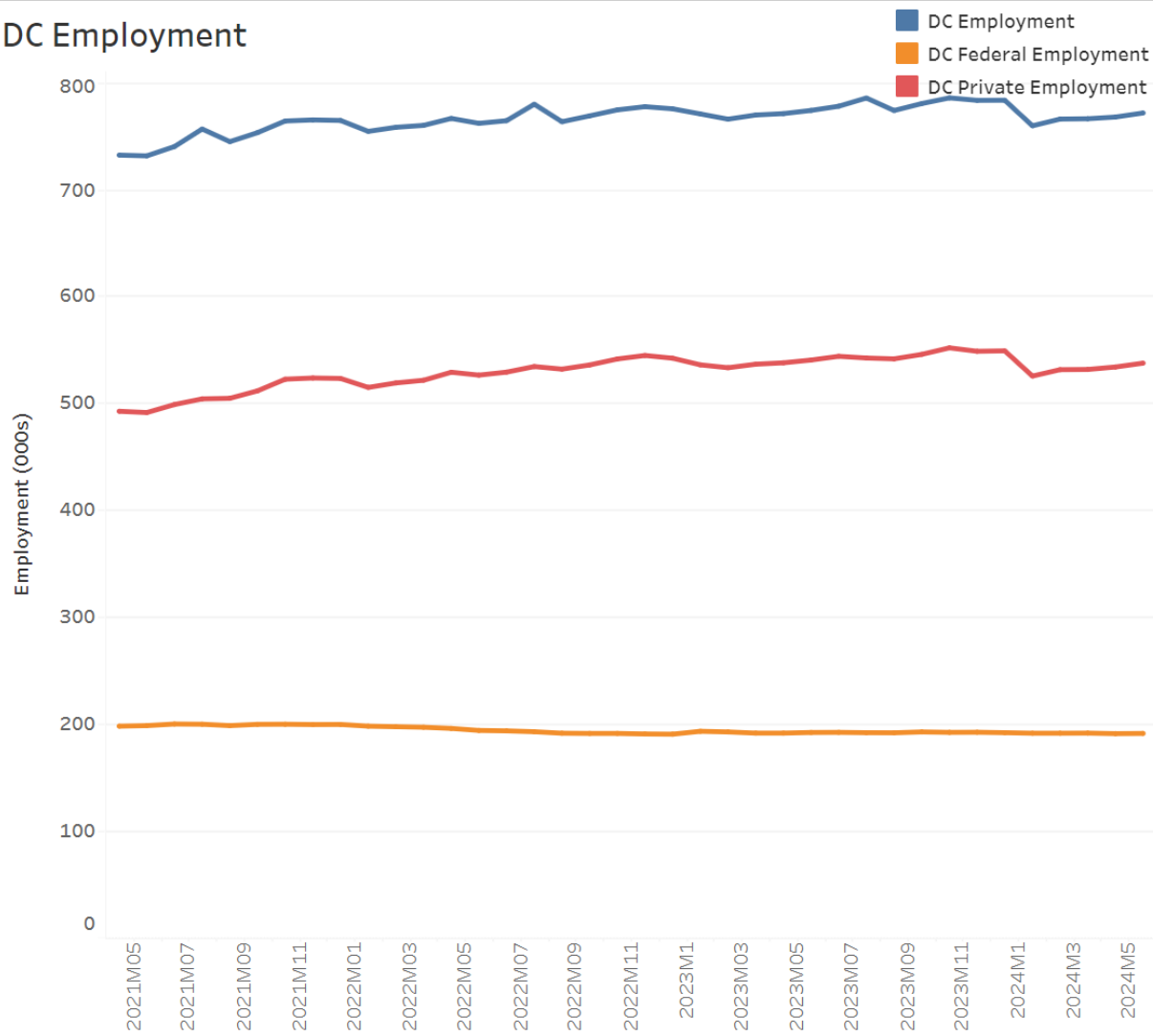
DC Public sector jobs are up 0.6% from last year. Private sector jobs are up 0.8% from last year.

Table 4. Wage and salary employment located in DC: May 2024

Industry sector	This Month	Last Year	YoY % chg	Share of DC Employment
Federal government	191,100	190,500	0.3	24.8
Local government	42,800	41,900	2.1	5.5
Legal Services	28,600	28,200	1.4	3.7
Professional and tech. (except legal)	95,200	95,300	-0.1	12.3
Employment services	14,900	15,600	-4.5	1.9
Business services (except emp svc)	33,400	32,800	1.8	4.3
Information	19,500	20,000	-2.5	2.5
Finance	25,500	26,200	-2.7	3.3
Organizations	61,700	59,700	3.4	8.0
Education	52,000	52,500	-1.0	6.7
Health	70,400	68,500	2.8	9.1
Food service	54,300	53,900	0.7	7.0
Accomodations	14,500	13,700	5.8	1.9
Amusement and recreation	10,900	10,100	7.9	1.4
Retail trade	19,900	20,000	-0.5	2.6
Wholesale trade	5,800	5,400	7.4	0.8
Construction	14,500	15,000	-3.3	1.9
Personal and misc svc	7,600	7,100	7.0	1.0
Other Private	8,600	8,900	-3.4	1.1
Total	771,200	765,300	0.8	100.0
Public Sector	233,900	232,400	0.6	30.3
Private Sector	537,300	532,900	0.8	69.7

Source: BLS. Not seasonally adjusted. na=not available.

DC Employment



Wages and Income

The federal government accounted for 28.6% of all wages in DC.

Table 5. Wage and Salary Income by sector of the DC economy: 2024q1

Sector	(\$b,saar)	YoY (\$b)	YoY (%)	Wages (%)
Total	97.2	5.8	6.4	100.0
Federal government	27.8	3.1	12.7	28.6
Local government	4.7	0.4	9.2	4.9
Professional and management	23.3	0.8	3.5	24.0
Business and professional services	3.6	0.2	4.5	3.7
Information and financial services	9.1	0.8	9.8	9.4
Education and health services	9.7	0.4	4.4	10.0
Trade and hospitality	5.3	-0.1	-1.2	5.5
Organizations & personal services	8.9	0.7	8.6	9.2
Other private	4.6	-0.5	-9.7	4.8
Private sector	64.7	2.3	3.7	66.6
Government	32.5	3.5	12.1	33.4

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

Table 6. DC wages and personal income: 2024q1

Indicator (\$ billion, seasonally adjusted)	2024q1	2023q1	2022q1	2021q1	2020q1
Wages and salaries earned in DC	97.2	91.3	87.5	81.4	81.3
YoY % change	6.4	4.4	7.5	0.2	4.2
Supplements to wages and salaries	23.8	22.3	21.9	21.3	20.8
YoY % change	6.7	1.8	2.9	2.2	2.0
Income earned in DC*	114.1	107.5	103.2	97.9	95.8
YoY % change	6.2	4.2	5.4	2.2	3.6
Net resident adjustment	-66.3	-62.5	-60.2	-55.7	-55.9
YoY % change	6.1	3.8	8.0	-0.3	5.0
Income earned by DC residents*	47.8	45.0	42.9	42.2	39.9
YoY % change	6.3	4.8	1.9	5.7	1.6
Wages and salaries of DC residents	37.2	35.1	33.4	31.7	31.0
YoY % change	6.2	5.0	5.4	2.3	2.5
Proprietors income earned by DC residents	6.6	6.0	5.8	6.6	5.4
YoY % change	9.8	4.6	-12.1	21.9	-2.3
Property income of DC residents	12.8	12.3	11.2	10.3	10.3
YoY % change	4.2	10.1	8.4	0.7	-3.8
Pensions and other transfers	10.2	9.8	8.9	13.6	7.4
YoY % change	3.2	10.2	-34.5	83.2	5.3
DC personal income	70.8	67.2	63.1	66.1	57.6
YoY % change	5.5	6.5	-4.6	14.8	1.0
US Personal income (% change from prior year)	4.4	5.8	-3.4	18.0	3.5
US Wages and Salaries (% change from prior year)	5.0	6.2	10.3	2.6	4.4
DC res. wages as % of wages earned in DC	38.3	38.4	38.2	39.0	38.1
DC Personal income as % of US	0.3	0.3	0.3	0.3	0.3

Source: BEA. *Excludes social insurance paid by individuals.

At mid-year 2023, population was estimated to be 8,023 (1.2%) higher than the prior year.

Table 7. DC Population

Calendar Year	Number	YoY Change	YoY % Change
2023	678,972	8,023	1.2
2022	670,949	1,912	0.3
2021	669,037	-1,802	-0.3
2020	670,839	-37,414	-5.3
2019	708,253	4,106	0.6
2018	704,147	7,068	1.0
2017	697,079	9,503	1.4

Source: US Census Bureau

DC Population

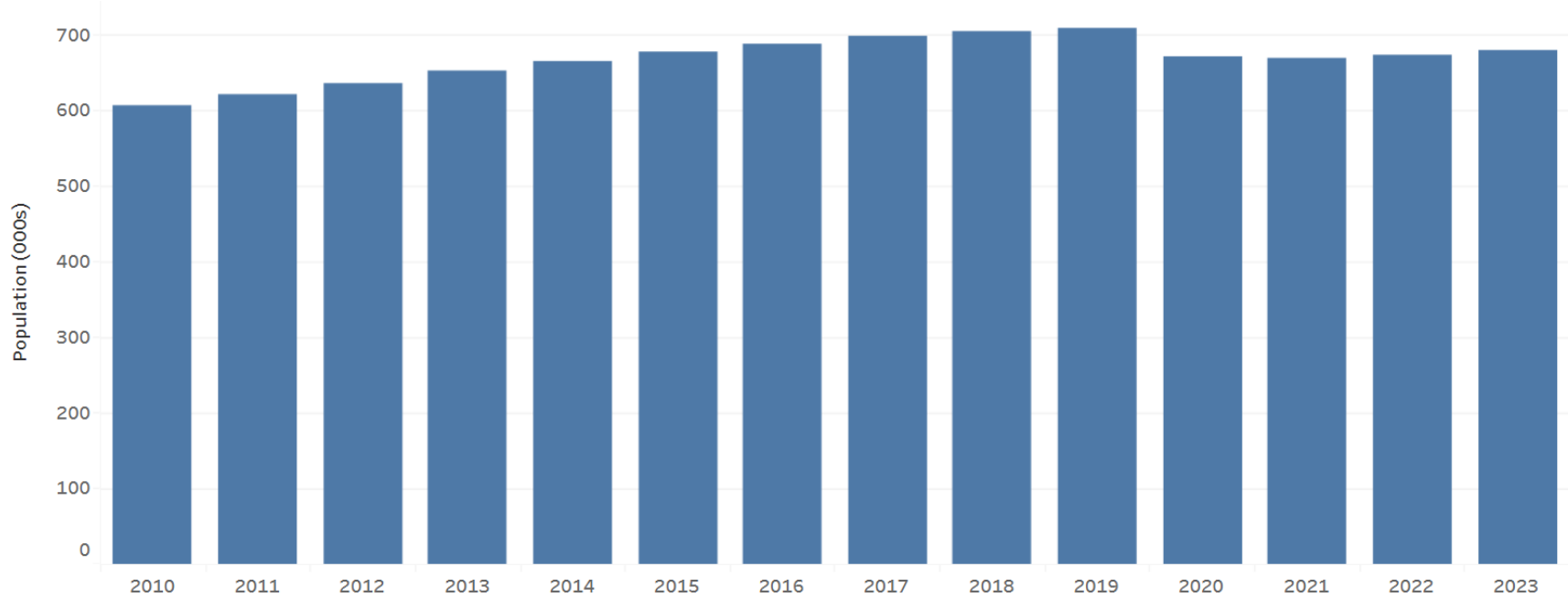


Table 8. Per capita income and wages per job: 2024q1

	DC					US				
Measure	2024q1	2023q1	2022q1	2021q1	2020q1	2024q1	2023q1	2022q1	2021q1	2020q1
Per capita Income	103,584	99,477	98,317	97,423	85,195	70,306	67,685	64,298	66,753	56,630
% ch in per capita income	4.1%	1.2%	0.9%	14.4%	3.2%	3.9%	5.3%	-3.7%	17.9%	3.0%
% ch in personal income	5.5%	6.5%	-4.6%	14.8%	1.0%	4.4%	5.8%	-3.4%	18.0%	3.5%
Wages per job	127,216	120,354	116,569	113,567	101,648	77,731	75,410	73,013	69,570	64,100
% ch in wages per job	5.7%	3.2%	2.6%	11.7%	3.2%	3.1%	3.3%	4.9%	8.5%	3.2%
% ch in wage and salary jobs	0.8%	1.2%	4.6%	-10.5%	1.6%	1.8%	3.2%	4.9%	-6.1%	1.5%
% ch in total wages	6.4%	4.4%	7.5%	0.2%	4.2%	5.0%	6.2%	10.3%	2.6%	4.4%
Consumer price index MSA	3.6%	4.4%	6.0%	1.5%	1.6%	3.1%	6.4%	7.6%	1.4%	2.5%

Source: BEA for per capita income; BLS for CPI. % changes are YoY.

According to CoStar, the inventory of apartments and condominiums increased by 2.6% from a year earlier.

Table 9. Housing unit building permits issued in DC: May 2024

Measure	12-mo avg	FY 2023	FY 2022	FY 2021	FY 2020
Total units	2,023	5,172	6,730	6,127	5,618
1 year ch.	-3,149	-1,558	603	509	-1,550
YoY % change	-60.9	-23.2	9.8	9.1	-21.6

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

Housing Permits issued in DC

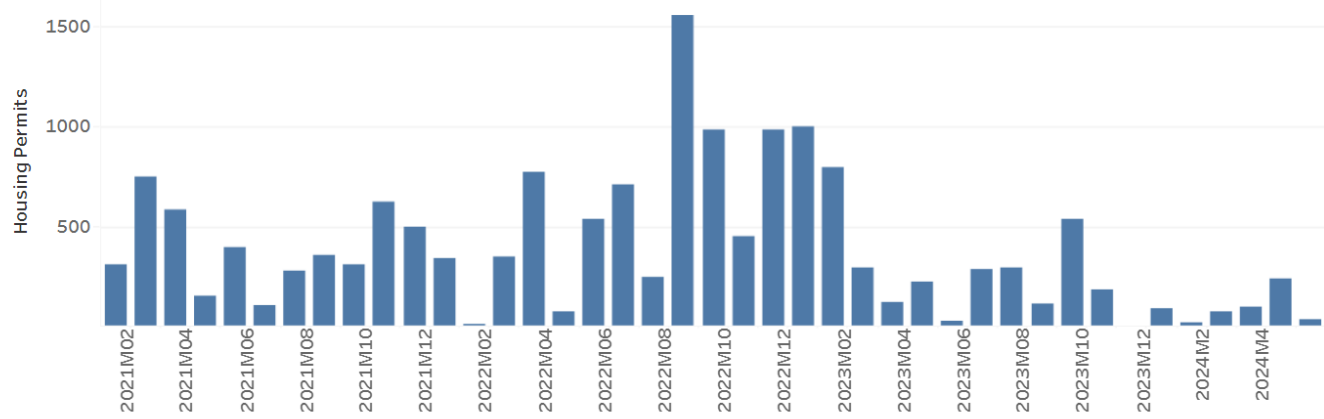


Table 10. Inventory and Construction for apartments and condos in DC: 2024q1

Inventory						Under Construction					
Quarter	Number	YoY %	Apt Buildings	Units	% Vacant	Condo Buildings	Units	Apt Buildings	Units	Condo Buildings	Condo Units
2024q1	217,753	2.6	3,773	180,516	7.7	813	31,171	79	13,856	17	457
2023q1	212,232	3.5	3,734	175,507	8.1	801	30,721	91	13,968	27	768
2022q1	205,085	3.2	3,693	168,825	7.5	785	30,256	85	13,610	28	863
2021q1	198,683	3.9	3,650	162,763	11.2	767	29,916	84	12,976	34	692
2020q1	191,292	3.6	3,614	155,867	7.7	755	29,421	79	15,534	27	736
2019q1	184,636	3.0	3,579	149,732	7.0	743	28,900	74	14,277	22	942

Source: CoStar. Includes units in privately-owned buildings with 5+ units. CY amounts are last quarter of the year. Includes affordable units. Total includes co-op units.

Table 11. Market rate apartments in DC: 2024q1

Measure	Inventory				Occupied		Effective monthly rent		Under construction	Under construction
Class	Buildings	Number	% ch	% vacant	Number	% ch	\$ per month	1 yr % ch	Buildings	Units
Total	3,773	180,516	2.9	7.7	165,207	3.3	2,182	1.7	79	13,856
Class A	251	57,983	8.1	10.7	51,757	10.6	2,738	1.2	40	10,641
Class B	1,202	62,376	1.1	8.6	57,023	1.2	2,124	2.3	38	3,202
Class C	2,239	59,816	-0.1	6.0	56,222	-0.6	1,493	1.6	1	13

Source: CoStar; includes units in privately-owned buildings with 5 or more units, including affordable units. Vacant rate includes units not available for rental. Sum of Class A, B, C may not equal total.

Commercial office

According to CoStar, occupied office space declined 0.8% from last year and inventory was up 0.1%. The vacancy rate has risen to 16.8% (including sublet).

Table 12. DC commercial office space: 2024q1

Commercial	Inventory			Occupied space		Vacant space		Base rent (direct)		Under constr.	Under constr.
CY (year end)	Buildings	Level (msf)	1 yr % ch	Level (msf)	% ch	Level (msf)	Total %	\$ per sq ft	1 yr % ch	Buildings	msf
2024q1	2,390	171.5	0.1	142.6	-0.8	28.9	16.8	53.6	0.1	4	0.8
2023q1	2,393	171.3	0.6	143.8	-1.7	27.5	16.1	53.5	0.3	10	1.4
2022q1	2,396	170.3	0	146.2	-0.9	24.1	14.2	53.3	-0.4	13	2.6
2021q1	2,399	170.3	0.3	147.6	-2.0	22.7	13.3	53.6	-0.3	14	1.9
2020q1	2,398	169.8	1.5	150.5	1.4	19.2	11.3	53.7	1.5	19	2.9
2019q1	2,393	167.2	0.4	148.5	-0.9	18.7	11.2	52.9	3.8	24	5.3

Source: CoStar; msf=million square feet;base rent excludes concessions. Vacant space includes space not available for lease.

DC Office square footage (million sq ft)

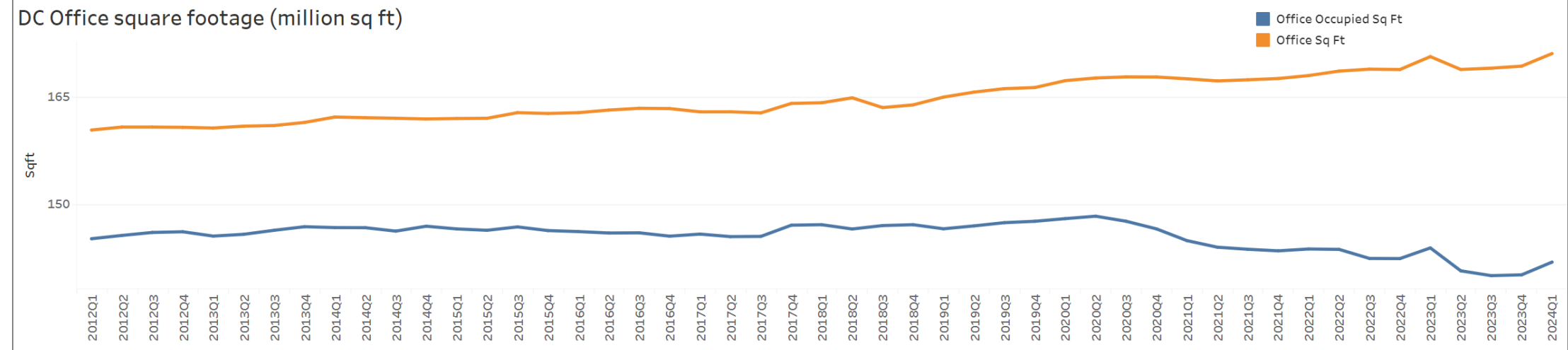


Table 13. DC Class A,B,C commercial office space: 2024q1

Commercial	Inventory			Occupied space		Vacant space		Base rent (direct)		Under constr.	Under constr.
Class	Buildings	Level (msf)	1 yr % ch	Level (msf)	1 yr % ch	Level (msf)	Total %	\$ per sq ft	1 yr %ch	buildings	msf
Total	2,390	171.5	0.1	142.6	-0.8	28.9	16.8	53.6	0.1	4	0.8
Class A	361	103	0.8	85.6	0.0	17.4	16.9	57.8	-0.6	2	0.7
Class B	934	58.6	-0.4	47.6	-2.2	11	18.8	47.4	-0.5	2	0.1
Class C	1,091	9.8	-3.7	9.4	-1.2	0.4	4.3	42.5	12.3	0	0

Source: CoStar. Vacant space includes space not available for lease. Sum of Class A, B, C may not equal total.

Single family and condo

Single family home sales were down 1.1% from a year earlier, while the average price was 14.5% higher. Condo sales were down 20.9% from last year and the average price was 8.1% lower.

Table 14. Residential real estate indicators: May 2024

Measure	This month	12mo total	FY 2023	FY 2022	FY 2021
Single family homes (#)	352	3,256	3,343	4,509	5,136
Single family homes YoY %	1.1	-2.6	-25.9	-12.2	11.3
Condominium (#)	317	3,109	3,443	4,847	5,563
Condominium YoY % change	-20.9	-9.7	-29.0	-12.9	28.2
Total	669	6,365	6,786	9,356	10,699
Total YoY % change	-10.7	-6.2	-27.5	-12.6	19.5
Total Value of All Sales (\$M)	623	5,379	5,619	7,926	8,660
Total Value of All Sales YoY %	-1.5	-4.3	-29.1	-8.5	29.4
Single family homes avg price	1,246,910	1,098,074	1,086,592	1,117,476	1,057,400
YoY % change	14.5	1.1	-2.8	5.7	15.1
Condominium avg price	580,268	577,937	571,713	585,899	565,376
YoY % change	-8.1	1.1	-2.4	3.6	0.6

Note: Settled contracts. Source: MarketStats by Showingtime, accessed by getsmartcharts.com. Sales are ones closed during period shown.

Single family homes sold in DC.

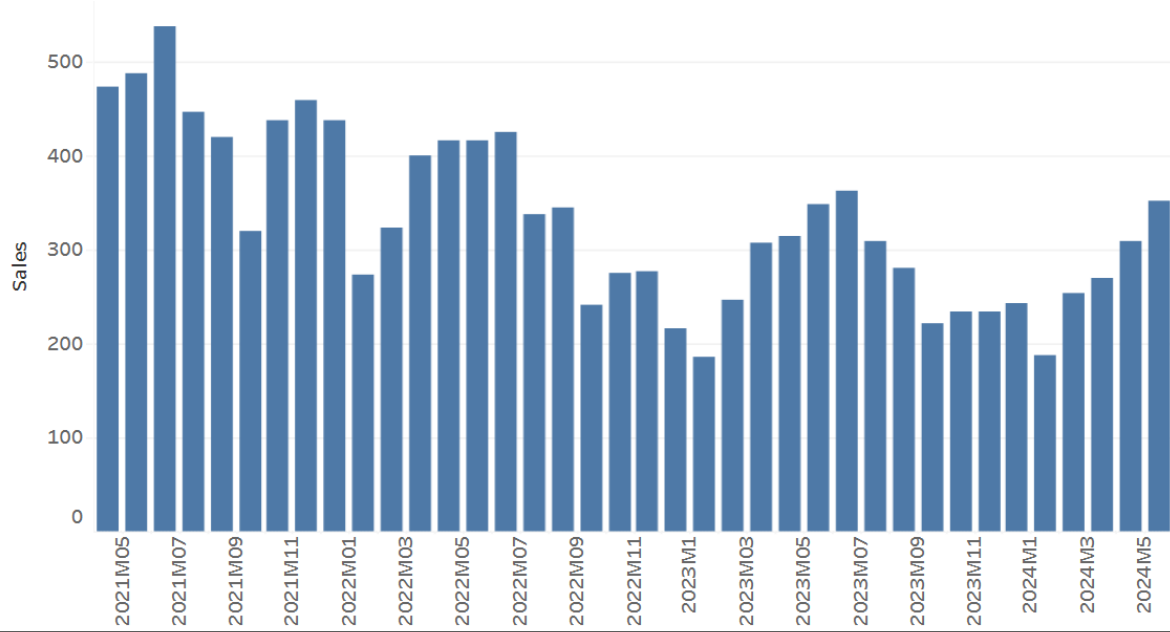


Table 15. DC single family and condo sales at prices of \$1 million+: May 2024

Measure	This month	12mo total	FY 2023	FY 2022	FY 2021	FY 2020
Single family homes (#)	171	1,312	1,340	2,008	2,047	1,403
1 year change	18	-28	-668	-39	644	171
YoY % change	11.8	-2.1	-33.3	-1.9	45.9	13.9
% all single family sales	48.6	40.3	40.1	44.5	39.9	30.4
Condominium (#)	30	283	260	357	328	252
1 year change	9	23	-97	29	76	39
YoY % change	42.9	8.8	-27.2	8.8	30.2	18.3
% all condominium sales	9.5	108.8	7.6	7.4	5.9	6.3

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

Property transfers and deed taxes

Table 16. Value of brokered home sales and real property subject to deed transfer and economic interest taxes: May 2024

Measure	12mo moving total	FY 2023	FY 2022	FY 2021	FY 2020
Total (\$m)	8,972	8,593	15,510	13,967	10,588
Total (% ch from year ago)	-16.0	-44.6	11.0	31.9	-39.0
Brokered home sales (\$m)	5,379	5,619	7,926	8,660	6,692
Brokered home sales (% ch from year ago)	-10.4	-29.1	-8.5	29.4	11.8

Source: Brokered sales of single family homes and condo units are from MarketStats by ShowingTime; Large commercial property are properties with assessed values greater than \$2 million.

Hospitality

There were 3.4% more hotel-room-days sold than a year ago (12-mo avg). The average room rate was down 0.2% (12-mo avg).

Table 17. Hospitality industry: May 2024 (Air passengers: April 2024)

Indicator	Units	This Month	12-mo moving avg or sum*	FY 2023	FY 2022	FY 2021	FY 2020
Hotel room-days sold	(M)	0.8	8.8	8.5	6.7	3.7	4.5
Hotel room-days sold	1 yr % ch	3.1	3.4	25.8	84.1	-19.1	-50.4
Average room rate	\$	298.1	251.4	251.9	220.5	154.4	175.5
Average room rate	1 yr % ch	-0.8	-0.2	14.2	42.8	-12.0	-18.9
Room revenue	(\$M)	248.8	2,251.0	2,172.8	1,545.1	581.0	920.5
Room revenue	1 yr % ch	2.3	3.6	40.6	166.0	-36.9	-54.9
Occupancy rate	%	79.3	70.7	69.2	57.3	34.2	42.0
Number of hotels in survey	#	162	157.9	153.9	137.8	130	125.3
Air Passengers DCA	1 yr %ch	2.5	3.0	10.6	125.1	-18.2	-47.9
Air Passengers BWI	1 yr %ch	3.2	10.5	13.9	37.0	4.6	-42.1
Air Passengers IAD	1 yr %ch	7.4	12.9	17.4	68.9	-10.0	-45.1
Air Passengers Total	1 yr %ch	4.3	8.7	13.9	70.2	-7.0	-44.9

*Sum for Hotel room-days and Room revenue. Source: STR (hotel data); BLS (employment); BWI Airport, MWAA airport statistics

US Economy and Federal Government

Compared to the same quarter a year ago, nominal GDP grew 5.4% and real (inflation adjusted) GDP grew 2.9%.

Table 18. US GDP, income, and inflation: 2024q1

Indicator	2024q1	2023q1	2022q1	2021q1	2020q1
GDP real	2.9	1.7	3.6	1.6	1.2
GDP nominal	5.4	7.1	10.7	4.1	2.9
Personal Income	4.4	5.8	-3.4	18.0	3.5
Consumption	4.8	7.3	11.9	5.1	2.3
Investment	6.2	-0.9	18.3	5.9	-1.1
Corporate profits*	10.1	0.5	13.7	32.7	-2.1
S and P stock index	23.7	-15.8	20.6	15.7	25.7
US CPI	3.2	5.7	8.0	1.9	2.1

*Before tax. Source: BEA; BLS (CPI)

Table 19. Federal government consumption and investment, US GDP accounts: 2024q1

Indicator	2024q1	2023q1	2022q1	2021q1	2020q1
Non-defense	4.5	16.6	-1.3	14.5	5.2
Compensation of employees	15.7	0.6	5.4	4.5	3.6
Purchases of goods and services	-0.5	17.4	-4.5	19.0	5.3
Gross investment	18.7	14.2	9.1	2.1	4.8
Defense	7.4	5.9	1.0	3.3	4.7
Compensation of employees	8.9	0.2	3.3	5.1	3.9
Purchases of goods and services	4.9	8.2	0.0	1.9	4.1
Gross investment	17.1	-2.4	4.5	8.8	7.0
All federal consumption and investment	6.1	10.4	0.0	7.8	4.9

Note: Federal spending does not include social security, medicare, or grants. Source: BEA; nominal values.

DC Tax Collections

Total tax collections are up 4.1% this fiscal year. Sales tax collections are up 8.4% this fiscal year.

Table 20. Tax collections: May 2024

(\$ millions)	This month	FY 2024 to date	FY 2023	FY 2022	FY 2021	FY 2020
Total taxes	573.0	6,172.3	9,990.7	10,006.4	8,808.1	8,236.7
1 yr % change	7.6	4.1	-0.2	13.6	6.9	-2.6
Real Property	10.1	1,469.4	2,840.3	2,814.5	2,914.1	2,836.7
1 yr % change	58.4	4.7	0.9	-3.4	2.7	4.7
General sales	178.9	1,342.6	1,921.5	1,702.4	1,202.7	1,222.4
1 yr % change	7.7	8.4	12.9	41.5	-1.6	-23.5
Individual income	217.6	2,087.6	3,048.2	3,117.0	2,643.2	2,377.2
1 yr % change	7.5	2.6	-2.2	17.9	11.2	3.4
withholding	213.6	1,954.0	2,629.4	2,423.5	2,200.4	2,060.6
1 yr % change	15.4	7.9	8.5	10.1	6.8	6.1
non-withholding	4.0	133.6	418.8	693.4	442.8	316.6
1 yr % change	-76.6	-40.3	-39.6	56.6	39.9	-11.2
Corporate franchise	41.6	563.2	905.8	728.0	670.2	575.6
1 yr % change	-8.6	10.3	24.4	8.6	16.4	13.3
Unincorporated bus.	18.6	139.9	220.5	263.3	192.8	152.1
1 yr % change	45.0	-7.4	-16.3	36.6	26.8	12.8
Deed Taxes^	32.8	201.5	338.6	690.0	552.5	452.7
1 yr % change	-2.4	-11.0	-50.9	24.9	22.0	-19.3
Other taxes	73.5	368.2	715.6	691.2	632.5	619.9
1 yr % change	12.0	0.5	3.5	9.3	2.0	-3.8

*Tax collections subject to accounting adjustments at year end. Source: OCFO/ORa

Tax collections (3-month moving average)

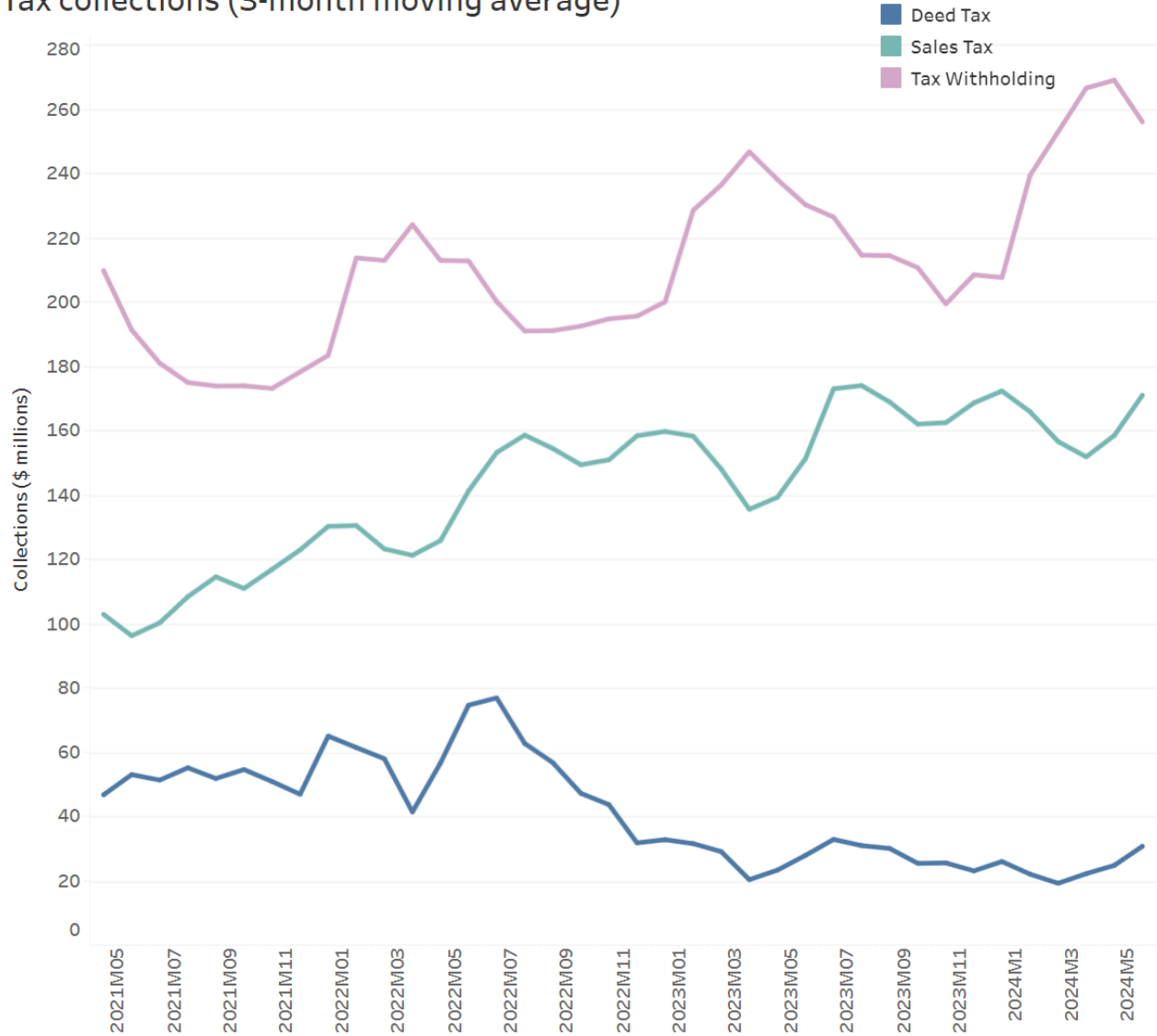


Table 21. Forecasts for select DC indicators by DC Office of Revenue Analysis (June 2024)

Indicator	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Real GDP-DC	0.5	1.8	1.6	1.9	2.1	2.2
Personal income	5.5	5.0	4.3	4.1	3.9	4.2
Wages in DC	5.4	5.8	4.2	3.8	3.7	3.9
Population	1.0	0.9	0.5	0.5	0.4	0.4
Employment in DC	1.6	0.9	0.5	0.4	0.4	0.4
Unemployment rate (%)	4.7	5.2	5.3	5.3	5.4	5.3
Washington area CPI	4.9	3.3	2.3	2.3	2.5	2.3

Table 22. DC tax revenue estimates from June 2024 estimate

Tax	FY 2023	FY 2024	FY 2025	FY 2023	FY 2024	FY 2025
Indicator	Level (\$m)	Level (\$m)	Level (\$m)	% change from prior FY	% change from prior FY	% change from prior FY
Real Property	2,840.3	2,811.7	2,794.4	0.9	-1.0	-0.6
Deed taxes	338.6	343.7	393.3	-50.9	1.5	14.4
General Sales	1,921.5	1,982.4	2,017.5	12.9	3.2	1.8
Individual Income	3,048.2	3,133.7	3,284.0	-2.2	2.8	4.8
withholding	2,629.4	2,822.3	2,856.9	8.5	7.3	1.2
non-withholding	418.8	311.4	427.1	-39.6	-25.6	37.2
Business Income	1,126.3	1,110.1	1,106.8	13.6	-1.4	-0.3
Other	1,850.3	1,776.0	1,768.4	10.3	-4.0	-0.4
Total	9,999.0	10,047.6	10,257.6	0.0	0.5	2.1

Source: ORA Revenue Estimate. Revenue before earmarked dedications. Excludes nontax revenue, lottery, and special purpose.