GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF REVENUE ANALYSIS

District of Columbia Economic and Revenue Trends: November 2015

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◊ Job growth slows.....2
◊ Single family house prices rise 6,7
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Employment growth in retail, food service, and hotels slowed over the past year

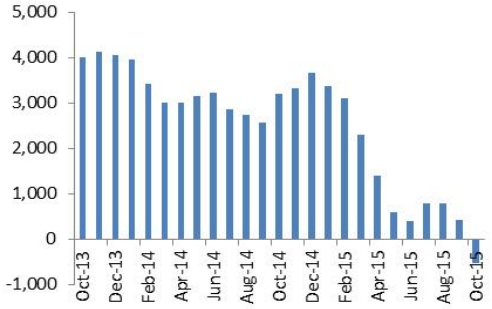
Fewer people worked in restaurants and hotels in October than a year ago

According to the US Bureau of Labor Statistics, employment in DC's retail, food service, and hotel industries has slowed down. In October 2015 there were 500 fewer persons working in these three sectors compared to October 2014. For the prior 5 years, employment in these sectors grew an average of 3,200 per year.

As shown in more detail on pages 19 and 20, the drop in employment from the prior year was particularly great in food services.

Since the recession ended, employment in retail, food service, and hotels grew faster than in the rest of DC's private sector—until this past year. In 2009 one is every 10 jobs in DC was in retail, food services, or hotels; by 2014 it was one in every 9. Thirty percent of the increase in DC employment from 2009 to 2014 was in retail, food service, and hotels.

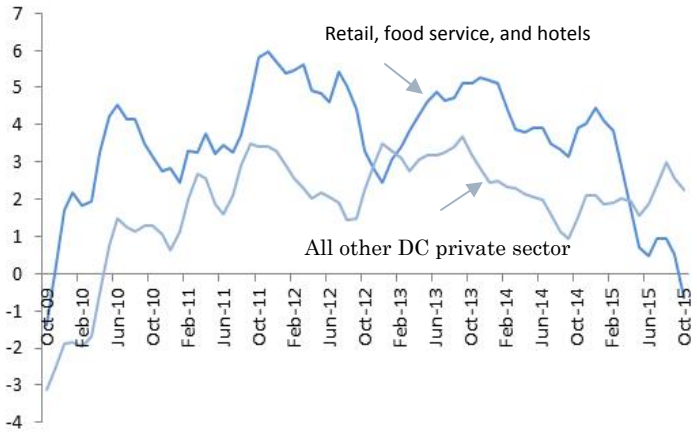
Change from the prior year in retail, food service, and hotel jobs: October 2013 to October 2015
(number of jobs, 3-month moving average)



The pick-up in growth in the rest of DC's private sector employment over the past year is a welcome indicator of the robust nature of DC's private sector. However, the strength of the retail, food service, and hotel sectors is an important element in DC's economy. These sectors generate about 70% of DC sales taxes and about 1 in every 8 of all tax dollars the District receives. Retail, (*Continued on p. 19)*

Percent change from the prior year in employment in (1) retail, food service, and hotels, and (2) the rest of DC's private sector: October 2009 to October 2015.

(3-month moving averages)



Wage and salary employment

Job growth slowed a little in October

●October wage and salary employment in DC was up by 9,933 (1.3%) from a year earlier as measured by the 3-month moving average.

●Federal government employment in DC for October was up by 800 (0.4%). The private sector gained 9.267 (1.8%).

●Total year-over-year DC metropolitan area employment increased by 62,133 (2.0%) in October as measured by the 3-month moving average.

●Suburban Washington employment in October increased by 2.2% from a year earlier.

●Seasonally adjusted DC jobs rose by 2,000 in October.

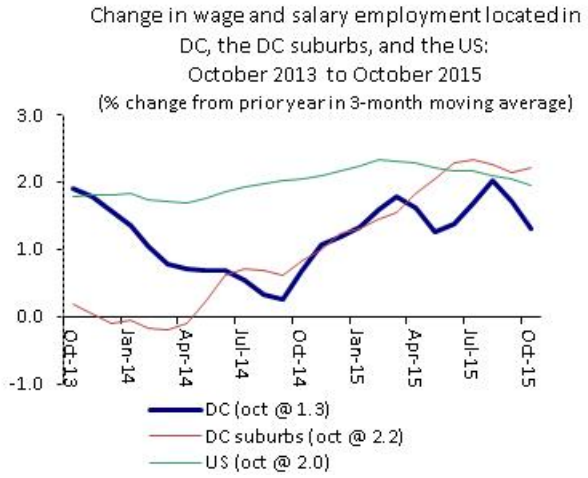


Table 1. **Wage and salary employment in DC, Washington Metro area, and the US: October 2015**

Jurisdiction	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo average	This month
District of Columbia	730,950	745,375	751,492	762,908	763,583	765,433	773,000
1 year change	7,717	14,425	6,117	11,417	11,217	9,933	8,100
% change	*1.1*	*2.0*	*0.8*	*1.5*	*1.5*	*1.3*	*1.1*
Washington metro area	3,052,417	3,090,375	3,101,983	3,138,900	3,155,983	3,182,400	3,206,000
1 year change	36,767	37,958	11,608	37,300	54,000	62,133	67,100
% change	*1.2*	*1.2*	*0.4*	*1.2*	*1.7*	*2.0*	*2.1*
Washington suburbs (% ch)	*1.3*	*1.0*	*0.2*	*1.8*	*1.9*	*2.2*	*2.5*
US (% ch)	*1.7*	*1.7*	*1.9*	*2.2*	*2.2*	*2.0*	*1.9*

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

Source: BLS. October is preliminary.

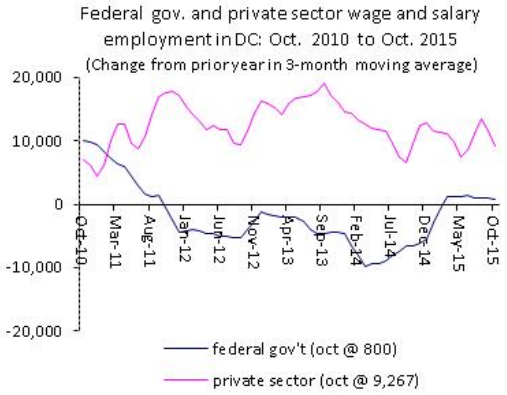


Table 2. **Federal government and private sector wage and salary employment in DC: October 2015**

Sector	FY 2013	FY 2014	FY 2015	12-mo avg	3-month average	This month
Federal government	205,900	198,367	197,867	197,900	198,200	198,000
1 year ch.	-2,675	-7,533	-500	42	800	400
% change	*-1.3*	*-3.7*	*-0.3*	*0.0*	*0.4*	*0.2*
Private sector	504,275	515,608	526,575	527,283	530,433	538,300
1 year ch.	16,633	11,333	10,967	10,425	9,267	8,500
% change	*3.4*	*2.2*	*2.1*	*2.0*	*1.8*	*1.6*

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

Table 3. **Seasonally adjusted DC Employment: May 2015 to October 2015**

Indicator	May	June	July	August	September	October
D.C. Wage and Salary employment	765,300	765,500	765,300	764,400	765,300	767,300
change from prior month	3,500	200	-200	-900	900	2,000
% change from prior month	*0.5*	*0.0*	*0.0*	*-0.1*	*0.1*	*0.3*

Source: BLS seasonally adjusted. October is preliminary

Health services and organizations topped DC private sector job growth

●In October the increase of 3,933 jobs in health services was more than that of any other sector. *(3-month moving average.)*

●Three other private sectors grew by more than 1,000 jobs: organizations (2,400), other business services (1,867), and non-lawyer professional services (1,100).

●Private sector industries losing jobs included education, food services, personal services, and accomodations.

●Local government fell by 333 (-0.9%).

●The federal government accounted for 25.9% of all DC jobs in September. Over the past year, DC's share of federal employment rose slightly in the both the metro area and the US.

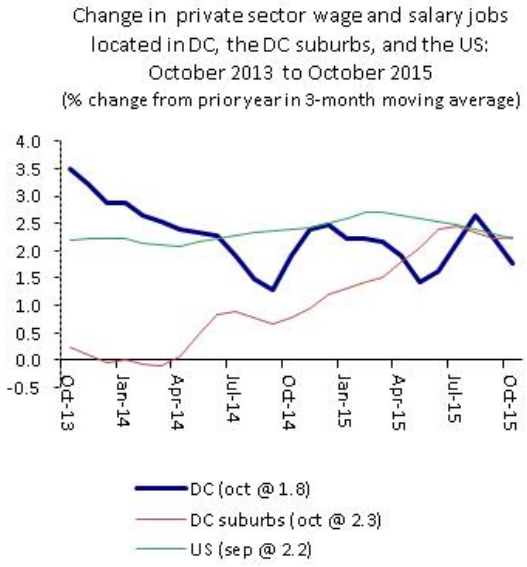


Table 4. **Wage and salary employment located in DC: October 2015**

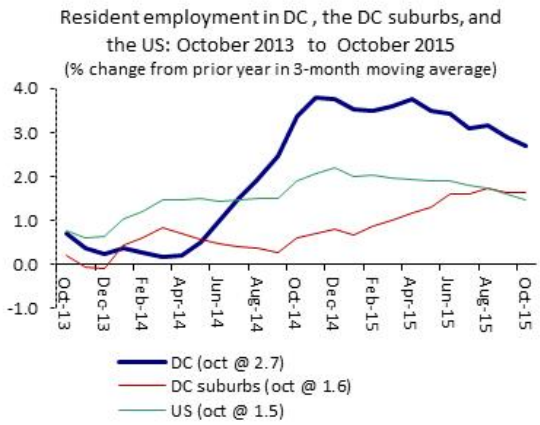
Industry sector	3-month moving average: Oct 2014	Oct 2015	1 year change: Amount	%	12-mo. moving avg: % change	Sector % of all DC jobs, Oct 2015	DC share (%) in Oct 2015 of all sector jobs in: metro area	US	Change from Oct 2014 to Oct 2015 in DC share of sector jobs in: metro area	US
Federal government	197,400	198,200	800	0.4	0.0	25.9	54.5	7.23	0.1	0.01
Local government	36,833	36,500	-333	-0.9	1.9	4.8	11.1	0.19	-0.4	0.00
Legal services	28,667	29,500	833	2.9	0.7	3.8		2.63		0.06
Other Professional and technical	80,400	81,500	1,100	1.4	2.5	10.6	22.6	1.08	-0.4	-0.03
Employment services	15,033	15,867	833	5.5	8.5	2.1	34.8	0.43	0.0	0.01
Other Business services	35,000	36,867	1,867	5.3	5.1	4.8	19.3	0.48	0.9	0.01
Information	17,067	17,067	0	0.0	-0.5	2.2	22.5	0.61	0.4	-0.01
Finance	30,567	31,067	500	1.6	2.0	4.1	20.5	0.38	0.4	0.00
Organizations	63,033	65,433	2,400	3.8	2.6	8.5	36.8	2.19	0.4	0.07
Education	59,467	58,700	-767	-1.3	-1.0	7.7	51.9	1.73	-2.4	-0.03
Health	66,800	70,733	3,933	5.9	3.6	9.2	23.0	0.38	0.3	0.01
Food service	48,300	47,733	-567	-1.2	0.5	6.2	21.1	0.42	-0.9	-0.02
Accomodations	15,300	14,800	-500	-3.3	-1.8	1.9	35.0	0.76	-1.2	-0.03
Amusement and recreation	7,267	7,300	33	0.5	3.7	1.0	17.7	0.32	0.9	-0.01
Retail trade	21,567	22,100	533	2.5	6.1	2.9	8.1	0.14	0.1	0.00
Wholesale trade	4,933	4,600	-333	-6.8	-3.1	0.6	7.3	0.08	-0.6	-0.01
Construction	14,700	14,933	233	1.6	1.8	1.9	9.6	0.22	-0.1	0.00
Personal and miscellaneous ser.	7,800	7,100	-700	-9.0	-4.9	0.9		0.27		-0.03
Other private	5,367	5,433	67	1.2	2.9	0.7	4.5	0.03	-0.2	0.00
Total	**755,500**	**765,433**	**9,933**	**1.3**	**1.5**	**99.9**	**24.1**	**0.54**	**-0.2**	**0.00**
Public sector	*234,233*	*234,700*	*467*	*0.2*	*0.3*	*30.6*	33.9	1.08	-0.4	0.00
Private sector	*521,267*	*530,733*	*9,467*	*1.8*	*2.0*	*69.2*	21.3	0.44	-0.1	0.00

Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment and unemployment

DC's unemployment rate fell to 6.6%

- In September DC resident employment was up 9,477 (2.7%) from a year earlier *(3-mo. moving average)*. The labor force grew by 5,819 (1.5%).
- The seasonally adjusted unemployment rate fell to 6.6%, the lowest rate since August 2008. Seasonally adjusted DC resident employment grew by 1,425 in October from September.
- October initial unemployment insurance claims were down 8.1% from last year *(3-month moving average)*.



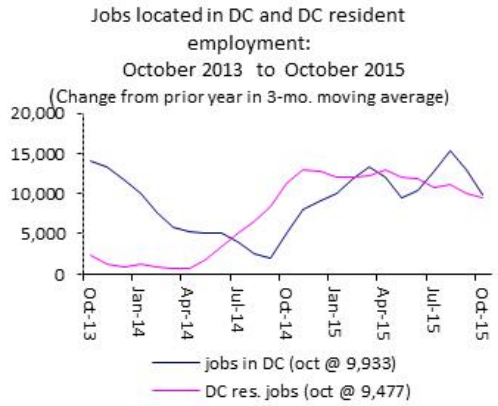


Table 5. **Unemployment rates for DC, metro area, and US: October 2015**

(percent of labor force)

	Not seasonally adj.		Seasonally adj.	
Jurisdiction	Oct. 2014	Oct. 2015	Oct. 2014	Oct. 2015
US	5.5	4.8	5.7	5.0
DC	7.7	6.7	7.7	6.6
DC metro area	4.7	4.3	*na*	*na*
DC suburbs	4.4	4.0	*na*	*na*

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

Table 6. **Resident employment and unemployment: October 2015**

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	325,671	341,547	344,855	356,577	357,399	360,043	363,506
1 year change	10,923	15,876	3,308	11,723	11,289	9,477	9,861
% change	*3.5*	*4.9*	*1.0*	*3.4*	*3.3*	*2.7*	*2.8*
Labor Force	359,299	373,874	374,475	384,581	385,108	386,578	389,536
1 year change	9,471	14,576	600	10,106	9,577	5,819	6,328
% change	*2.7*	*4.1*	*0.2*	*2.7*	*2.6*	*1.5*	*1.7*
Unemployed	33,627	32,327	29,620	28,020	27,726	26,602	26,030
1 year change	-1,452	-1,300	-2,707	-1,600	-1,695	-3,591	-3,533
% change	*-4.1*	*-3.9*	*-8.4*	*-5.4*	*-5.8*	*-11.9*	*-12.0*
Unemployment rate	9.4	8.7	7.9	7.3	7.2	6.9	6.7
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,784	1,915	1,851	1,596	1,583	1,535	1,719
1 year change	-317	131	-64	-255	-134	-135	-148
% change	*-15.1*	*7.3*	*-3.3*	*-13.8*	*-7.8*	*-8.1*	*-7.9*
Weeks compensated (mo. avg.)	45,170	42,862	42,133	32,811	32,386	32,017	28,474
1 year change	-1,253	-2,308	-729	-9,322	-8,338	-5,875	-5,092
% change	*-2.7*	*-5.1*	*-1.7*	*-22.1*	*-20.5*	*-15.5*	*-15.2*

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

Table 7. **Seasonally adjusted DC Resident employment and unemployment: May 2015 to October 2015**

Indicator	May	June	July	August	September	October
DC Resident employment	356,548	357,512	358,938	360,452	360,849	362,274
change from prior month	*349*	*964*	*1,426*	*1,514*	*397*	*1,425*
% change from prior month	*0.1*	*0.3*	*0.4*	*0.4*	*0.1*	*0.4*
DC Unemployment rate (%)	7.3	7.0	6.8	6.8	6.7	6.6

Source: BLS seasonally adjusted. October is preliminary.

For more than a year, wages of DC residents have grown slower than all wages earned in DC

●Wages and salaries earned in the District of Columbia were 4.8% higher in the June quarter compared to the same quarter of 2014.

●For the past 6 quarters, wages of DC residents have grown more slowly than in both the US as whole and wages earned in DC..

●In the June quarter, estimated wages of DC residents grew 4.2%. DC Personal Income also grew 4.2%, slightly above the US increase (4.1%).

●Federal wages and salaries were $1.01 billion (5.1%) higher in June than a year earlier.

●In the June quarter, private sector wages and salaries earned in DC grew by $1.87 billion over the prior year, a 4.7% gain.

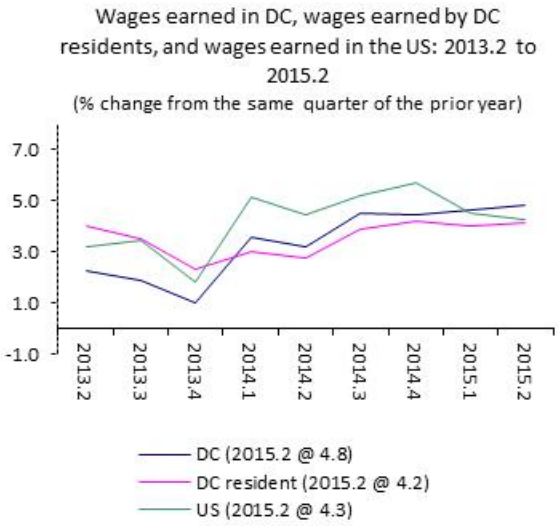


Table 8. **DC Wages and Personal Income: June 2015**

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

Indicator	FY 2011	FY 2012	FY 2013	FY 2014	4-qtr. moving avg.	Latest qtr. (June)
Wages and salaries earned in DC	59.53	60.65	62.07	63.97	65.41	67.45
1 year change	2.29	1.13	1.41	1.90	2.64	3.10
% change	*4.0*	*1.9*	*2.3*	*3.1*	*4.2*	*4.8*
Supplements to wages & salaries	16.35	16.50	16.44	17.24	17.68	18.31
% change	*8.5*	*0.9*	*-0.4*	*4.8*	*5.6*	*5.3*
Proprietors' income earned by DC residents*	5.54	5.87	5.85	5.98	6.18	6.39
% change	*3.6*	*5.9*	*-0.3*	*2.2*	*5.5*	*6.2*
Wages and salaries of DC residents***	19.86	20.77	21.69	22.34	22.80	23.41
change from one year ago	0.89	0.91	0.92	0.65	0.82	0.94
% change	*4.7*	*4.6*	*4.4*	*3.0*	*3.7*	*4.2*
Income earned by DC residents	28.3	29.7	30.3	31.1	31.9	32.8
% change	*6.2*	*4.9*	*2.0*	*2.8*	*4.3*	*4.7*
Property income of DC residents	7.01	7.78	8.26	8.48	8.57	8.86
% change	*15.0*	*11.0*	*6.2*	*2.6*	*3.1*	*3.5*
Pensions and other transfer of DC residents	5.75	5.73	5.90	6.01	6.02	6.16
% change	*9.0*	*-0.3*	*2.8*	*1.9*	*0.3*	*2.8*
DC Personal Income**	41.08	43.21	44.44	45.63	46.47	47.83
1 year change	3.05	2.14	1.23	1.18	1.60	1.95
% change	*8.0*	*5.2*	*2.8*	*2.7*	*3.6*	*4.2*
US Personal income (% change from prior year)	*6.1*	*4.6*	*3.0*	*2.9*	*4.6*	*4.1*
US Wages and salaries(% change from prior year)	*4.2*	*3.4*	*3.9*	*4.1*	*5.0*	*4.3*
Addendum: Change from prior year in wages earned in DC by sector						
Private sector (1 yr ch, $B)	*1.72*	*1.35*	*1.79*	*1.33*	*1.76*	*1.87*
Federal government (1 yr ch, $B)	*0.69*	*-0.37*	*-0.43*	*0.48*	*0.74*	*1.01*
DC res. wages as % of wages earned in DC	*33.4*	*34.2*	*34.9*	*34.9*	*34.9*	*34.7*

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

***Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.*

****Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.*

Source: BEA; data for June were released September 30, 2015

Single family and condominium housing

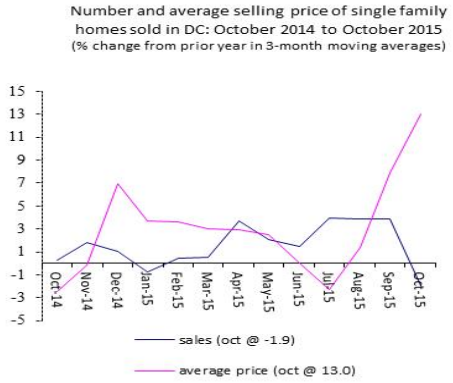
Single family average sale price moved higher, sales lower

●The 3-month moving total of single family home sales in October was down 1.9% from a year earlier, and the average selling price was 13.0% higher. The year-to-date median sales price ($660,000) was up 6.5%.

●October condominium sales were up 2.5% from last year as measured by the 3-month moving total, and the average selling price was 0.1% lower. Year-to-date median sales price ($435,000) was up 4.8%.

●The total value of all home sales in October was 5.7% above last year as measured by the 12-month moving total.

●For the Federal Housing Finance Agency Index of single-family same-property transactions, DC's 8.6% price gain in the September quarter was well above the US average (5.8%) and more than twice the metro area average (3.3%).



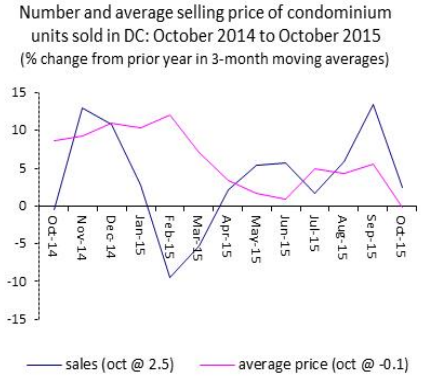


Table 9. **D.C. Residential Real Estate Indicators: October 2015**

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,563	3,979	4,024	4,097	4,081	1,006	354
1 year change	-237	416	45	73	53	-20	-16
% change	*-6.2*	*11.7*	*1.1*	*1.8*	*1.3*	*-1.9*	*-4.3*
Condo	2,784	3,487	3,592	3,832	3,749	975	290
1 year change	315	703	105	240	81	24	-83
% change	*12.8*	*25.3*	*3.0*	*6.7*	*2.2*	*2.5*	*-22.3*
Total	6,347	7,466	7,616	7,929	7,830	1,981	644
1 year change	78	1,119	150	313	134	4	-99
% change	*1.2*	*17.6*	*2.0*	*4.1*	*1.7*	*0.2*	*-13.3*
Average prices of units that sold							
Single family ($)	630,109	712,799	736,362	767,870	773,766	792,100	805,646
1 year change	29,083	82,690	23,563	31,508	27,973	91,389	66,661
% change	*4.8*	*13.1*	*3.3*	*4.3*	*3.8*	*13.0*	*9.0*
Condo ($)	429,611	447,827	472,419	499,650	497,857	484,471	476,783
1 year change	6,245	18,216	24,592	27,232	20,936	-660	-23,110
% change	*1.5*	*4.2*	*5.5*	*5.8*	*4.4*	*-0.1*	*-4.6*
Total value of all sales ($ million)	3,441.1	4,397.8	4,660.0	5,060.6	5,024.2	1,269.2	423.5
1 year change	111.9	956.7	262.2	400.6	270.8	88.9	-36.4
% change	*3.4*	*27.8*	*6.0*	*8.6*	*5.7*	*7.5*	*-7.9*
Ratio: active inventory to sales							
Single family	2.3	1.6	1.6	1.5	1.3	1.7	1.6
Condo	2.9	1.7	1.9	1.7	1.6	2.1	2.1

***Median contract prices, CY to date in October 2015** : single family $660,000 (6.5% 1 yr ch); condo $435,000 (4.8% 1 yr ch)*

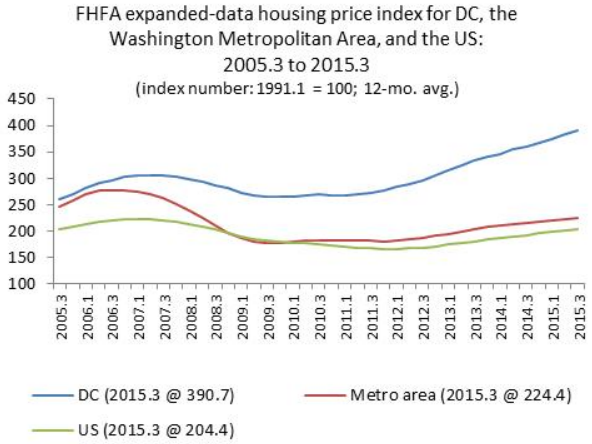
Closed (settled) contracts. Average prices calculated by ORA based on number of sales and total value of sales.

Source: Metropolitan Regional Information Systems (MRIS); median price and inventory accessed through Greater Capital Area Assn. of Realtors.

Table 10. **Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: September 2015 (2015.3)**

Indicator	Fiscal year average				Last 2 Q's	
	FY 2012	FY 2013	FY 2014	FY 2015	2015.2	2015.3
% change from prior year in value of index						
DC	8.2	13.0	7.6	8.8	8.2	8.6
DC metro area	3.4	8.8	6.1	3.9	3.6	3.3
US	0.8	6.9	6.6	6.1	6.5	5.8

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa).This index is a broad measure of the movement of single-family house price, measuring the average price changes in repeat sales or refinancings of the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick.



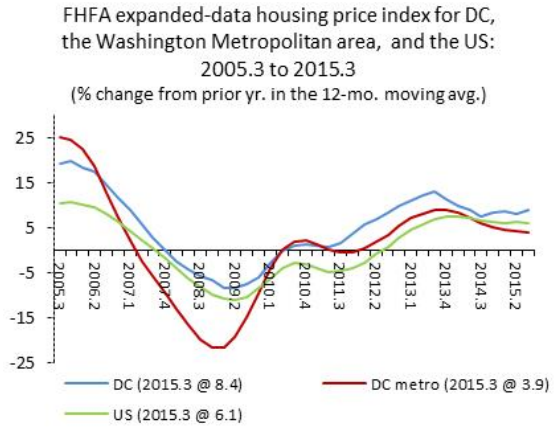


Table 11. **D.C. Single family and condominium home sales at prices of $1 million or more: October 2015**

Category	FY 2013	FY 2014	FY 2015	12-mo moving total	3-mo moving total	This month
Single family homes	689	734	765	779	193	76
1 year change	231	45	31	32	27	14
% change	*50.4*	*6.5*	*4.2*	*4.3*	*16.3*	*22.6*
percent of all single family sales	17.3	18.2	18.7	19.1	19.2	21.5
Condominiums	112	128	160	154	31	7
1 year change	40	16	32	20	-7	-6
% change	*55.6*	*14.3*	*25.0*	*14.9*	*-18.4*	*-46.2*
percent of all condominium sales	3.2	3.6	4.2	4.1	3.2	2.4

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

Table 12. **Single family housing permits in DC and sales of new DC condominium units: FY 2011 to 2015.3**

	Single family housing permits	Sales of new condo units
FY 2011	267	335
FY 2012	236	479
FY 2013	368	442
FY 2014	267	516
12-mo. ending:		
2015.3	293	483
1 yr ch	26	-33
% ch.	9.7	-6.4

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

Table 13. **Condominium units under construction or planned: September 2015**

item	projects	units	Avg. units per project
Unsold units in completed projects	51	1,614	32
Planned with probable sales within 36 months*	19	1,169	62
Proposed/rumored with long term delivery	17	1,514	89
Subtotal	***87***	***4,297***	
Planned as either condo or rental	19	8,947	471
Total	**106**	**13,244**	

** 1,137 apartment units under construction could also switch to condo.*
Source: Delta Associates. See p.11 For definition of planned and proposed.

Apartment & condo growth

●In the September quarter, occupied apartment & condo units increased 4,817 (2.9%) from a year earlier; effective rents rose 3.9%, and the vacancy rate fell to 4.1%.

●For the the 12-month period ending October, 4,284 housing permits were issued, up 5.4% from a year ago; the 3-month total was 20.2% lower than last year.

●In the September quarter 11,198 units were under construction, representing the equivalent of 6.5% of the existing inventory.

●DC's population in July 2014 was estimated by the Census Bureau at 658,893, an increase of 9,782 (1.5%) from 2013. This is the slowest annual growth since 2008.

●For the five years 2009 through 2014, the number of occupied private sector apartment units increased by 12,671, about 51% of the estimated 24,638 increase in households in DC.

DC Apartment units: 12-mo. change in inventory and occupancy, and number under construction (all classes): 2014.1 to 2015.3

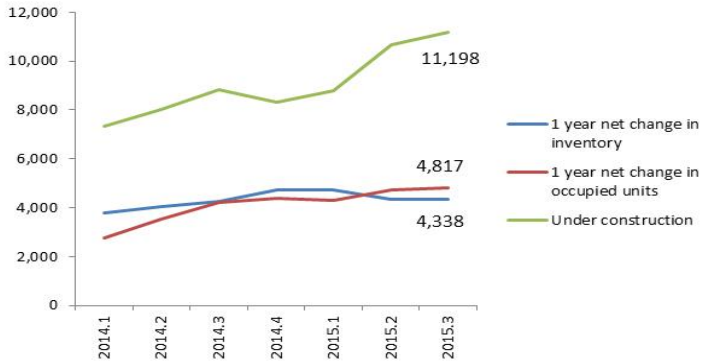


Table 14. **Market rate apartment & condo units in DC: 2007 to 2015.3**

CY	Inventory				Occupied units			Effective monthly rent		Under Construction	
		Units						$ per			
	Buildings	number	1 yr ch	*% vacant*	Number	1 yr ch	% ch	month	1 yr % ch	Buildings	Units
2007	3,098	151,405	1,994	5.2	146,849	1,465	1.0	$1,374	1.9	34	4,624
2008	3,121	154,931	3,526	6.3	149,334	2,485	1.7	$1,416	3.1	22	3,568
2009	3,135	156,707	1,776	5.7	151,539	2,205	1.5	$1,443	1.9	8	1,313
2010	3,141	157,811	1,104	4.6	153,557	2,018	1.3	$1,467	1.7	18	2,424
2011	3,150	159,350	1,539	4.6	155,035	1,478	1.0	$1,563	6.5	21	4,781
2012	3,158	161,419	2,069	4.6	157,030	1,995	1.3	$1,601	2.4	35	8,031
2013	3,173	165,216	3,797	5.4	159,821	2,791	1.8	$1,632	1.9	48	7,068
2014	3,200	169,964	4,748	5.5	164,210	4,389	2.7	$1,675	2.6	79	8,306
2015.2	*3,224*	*171,457*	*4,322*	*4.9*	*166,250*	*4,726*	*2.9*	*$1,708*	*2.8*	*89*	*10,669*
2015.3	*3,234*	*172,539*	*4,338*	*4.1*	*168,191*	*4,817*	*2.9*	*$1,732*	*3.9*	*94*	*11,198*

Source: CoStar. Includes units in private buildings with 5 or more units. CY amounts are last quarter of the year.Includes some affordable units in market rate buildings.

Table 15**. DC Population and Households: 2004 to 2014**

Calendar year	Population			Households (estimated)			
	Number	Change from prior yr.		Number	Change from prior yr.		
		number	%		number	%	pop/hh ratio
2004	567,754	-748	-0.1	252,468	1,095	0.4	2.25
2005	567,136	-618	-0.1	253,232	763	0.3	2.24
2006	570,681	3,545	0.6	254,435	1,204	0.5	2.24
2007	574,404	3,723	0.7	255,715	1,279	0.5	2.25
2008	580,236	5,832	1.0	257,928	2,213	0.9	2.25
2009	592,228	11,992	2.1	262,868	4,941	1.9	2.25
2010	605,210	12,982	2.2	268,233	5,365	2.0	2.26
2011	620,427	15,217	2.5	273,901	5,668	2.1	2.27
2012	635,040	14,613	2.4	279,259	5,358	2.0	2.27
2013	649,111	14,071	2.2	284,338	5,079	1.8	2.28
2014	658,893	9,782	1.5	287,506	3,168	1.1	2.29
Change from 09 to 14		*66,665*	*11.3*		*24,638*	*9.4*	*2.71*

Source: U.S. Census Bureau. Estimate is as of July 1 of the year shown. Households estimated by ORA based on DC Office of Planning data.

Table 17. **Housing unit building permits issued in DC: October 2015**

	FY 2013	FY 2014	FY 2015	12-mo. moving total	3-month moving total	This month
Total units	3,855	4,467	4,131	4,284	1,337	*656*
change from 1 yr ago	-236	612	-336	221	-339	*153*
% change from 1 year	*-5.8*	*15.9*	*-7.5*	*5.4*	*-20.2*	*30.4*
Multi-family projects with 5 or more units						
number	36	32	37	37	9	5
average size	107	140	112	116	149	130

Source: Census Bureau (permits issued during period).

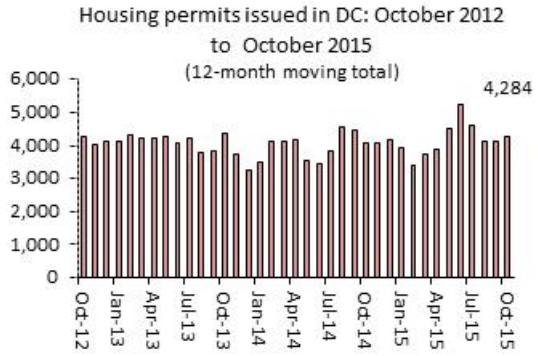


Table 18. **Delta Associates outlook for Class A apartment units: September 2015**

item	projects	units	Avg. units per project
Under construction*	67	10,579	158
Planned with probable sales within 36 months	24	5,510	230
Proposed/rumored with long term delivery	54	12,794	237
Total	145	28,883	
Addendum: estimated supply and demand for the next 3 years			
*supply***		*10,627*	
demand		*7,750*	

**CoStar, Class A. See table 16.*
***Supply available by Sept. 2018 represents vacant units, units under construction and marketing, and 25% (1,280) of planned units.*

Source: Delta Associates, except for under construction (CoStar).
For definitions of planned and proposed, see p. 11.

Annual increase in effective rent by apartment class: 2014.1 to 2015.3 *(1 year % change)*

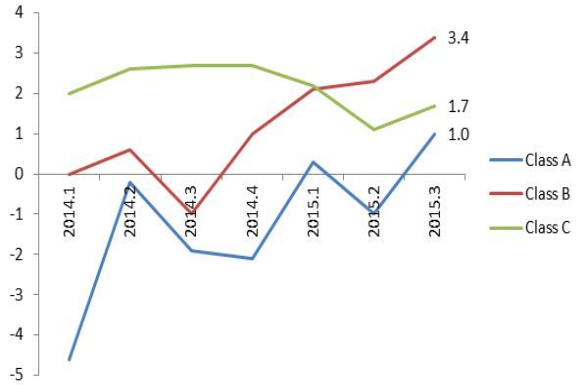


Table 16. **Market rate apartment & condo units in DC, Classes A, B, and C: 2012 to 2015.3**

CY	Inventory Units				Occupied units			Effective monthly rent		Under construction	
	Buildings	number	1 yr ch	*% vacant*	Number	1 yr ch	% ch	$ per month	1 yr % ch	Buildings	Units
Class A											
2012	160	26,950	2,158	*5.5*	25,458	1,614	*6.8*	$2,613	-4.4	28	7,742
2013	173	30,561	3,611	*7.6*	28,248	2,790	*11.0*	$2,512	-3.9	45	6,993
2014	201	35,292	4,731	*7.3*	32,726	4,478	*15.9*	$2,458	-2.1	65	8,091
2015.2	*220*	*36,693*	*4,224*	*6.2*	*34,431*	*4,541*	*15.2*	*$2,507*	*-1.0*	*68*	*10,288*
2015.3	*231*	*37,784*	*4,268*	*5.6*	*35,686*	*3,958*	*12.5*	*$2,525*	*1.0*	*67*	*10,579*
Class B											
2012	979	73,801	196	*1.9*	72,366	514	*0.7*	$1,546	3.3	5	264
2013	983	74,037	236	*2.3*	72,301	-65	*-0.1*	$1,570	1.6	3	75
2014	985	74,098	61	*2.7*	72,105	-196	*-0.3*	$1,585	1.0	14	215
2015.3	990	74,190	105	*1.5*	73,066	752	*1.0*	$1,632	3.4	26	614
Class C											
2012	2,003	60,317	-55	*1.9*	58,975	146	*0.2*	$1,092	3.4	2	25
2013	2,003	60,311	-6	*2.3*	58,975	0	*0.0*	$1,120	2.6	0	
2014	2,001	60,276	-35	*2.7*	59,081	106	*0.2*	$1,150	2.7	0	
2015.3	2,000	60,267	-35	*1.5*	59,130	95	*0.2*	$1,167	1.7	1	5

Source: CoStar. Includes units in private sector buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings.

Commercial office space

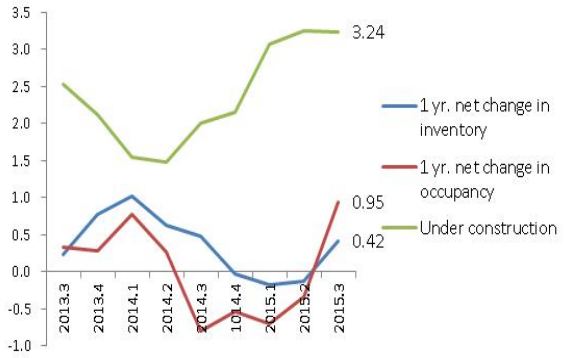
- ***Occupied commercial office space continues to rise and vacancy rate falls.***

●According to CoStar, for the quarter ending September 2015, the vacancy rate for all office space in DC was 10.4%, down from 10.5% in the prior quarter. The Class A vacancy rate was 11.4%. *(both including sublet)*

●In September 2015 occupied space rose 0.7% from the prior year; base rent rose 1.1%.

●Space under construction in September 2015 (3.24 million square feet in 15 buildings) was virtually unchanged from the prior quarter, but was 61% above a year earlier (2.01 msf in 11 buildings). Space under construction is equivalent to 2.1% of the existing inventory.

DC Commercial office space: 1 year change in inventory and occupancy ,and under construction: 2013.3 to 2015.3 *(all classes, msf):*



Vacancy rate and 1 year % change in rent for Class A and all commercial office space: 2013.3 to 2015.3

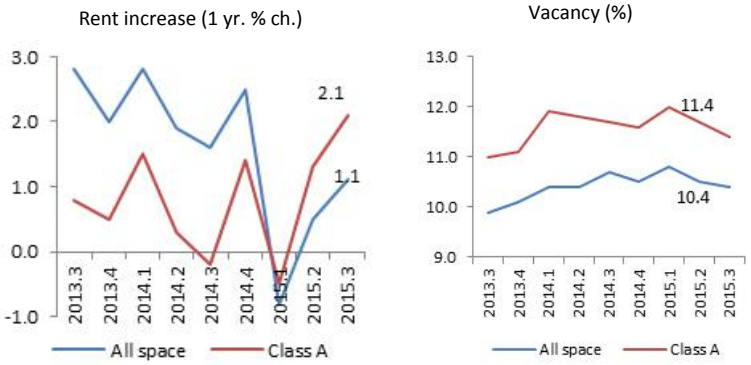


Table 19. **DC commercial office space: 2007 to September (2015.3)**

CY (year end)	Build-ings	Inventory Level (msf)	Inventory 1 yr ch (msf)	Occupied space Level (msf)	Occupied space 1 yr ch (msf)	Occupied space % ch	Vacancy % Direct	Vacancy % Total	Base rent (direct) $ per sq ft.	Base rent (direct) 1 yr % ch	Under constr. build-ings	Under constr. msf
2007	2,320	143.90	3.01	131.37	0.38	0.3	8.1	8.7	$43.10	3.6	20	5.35
2008	2,320	144.95	1.05	131.55	0.18	0.1	8.6	9.2	$43.22	0.3	25	6.89
2009	2,328	147.90	2.95	130.61	-0.94	-0.7	10.5	11.7	$44.86	3.8	13	3.96
2010	2,337	150.46	2.56	133.78	3.17	2.4	10.1	11.1	$45.59	1.6	6	1.56
2011	2,332	151.35	0.90	134.70	0.92	0.7	10.3	11.0	$46.15	1.2	9	2.05
2012	2,322	151.09	-0.26	136.17	1.47	1.1	9.2	9.9	$45.18	-2.1	8	2.23
2013	2,319	151.87	0.78	136.46	0.29	0.2	9.6	10.1	$46.08	2.0	11	2.12
2014	2,312	151.84	-0.03	135.94	-0.53	-0.4	10.0	10.5	$47.22	1.8	11	2.15
2015.2	*2,308*	*152.38*	*-0.12*	*135.88*	*-0.33*	*-0.2*	*10.0*	*10.5*	*$47.40*	*0.5*	*14*	*3.25*
2015.3	*2,306*	*151.90*	*0.42*	*136.57*	*0.95*	*0.7*	*9.9*	*10.4*	*$47.64*	*1.1*	*15*	*3.24*

Source: CoStar.All classes, all sizes.

Table 20. **DC Class A commercial office space: 2012 to September (2015.3)**

CY (year end)	Build-ings	Inventory Level (msf)	Inventory 1 yr ch (msf)	Occupied space Level (msf)	Occupied space 1 yr ch (msf)	Occupied space % ch	Vacancy % Direct	Vacancy % Total	Base rent (direct) $ per sq ft.	Base rent (direct) 1 yr % ch	Under constr. build-ings	Under constr. msf
2012	332	90.27	0.52	80.48	2.07	2.6	10.0	10.8	$49.83	0.9	8	2.23
2013	336	91.26	1.00	81.15	0.67	0.8	10.4	11.1	$50.10	0.5	8	2.07
2014	340	92.43	1.17	81.75	0.60	0.7	10.9	11.6	$50.78	1.4	9	2.08
2015.2	*342*	*92.63*	*0.36*	*81.75*	*0.33*	*0.4*	*11.1*	*11.7*	*$51.11*	*1.3*	*11*	*3.17*
2015.3	*343*	*93.10*	*0.67*	*82.45*	*0.81*	*1.0*	*11.0*	*11.4*	*$51.36*	*2.1*	*12*	*3.16*

Source: CoStar. All Class A.

Property transfers slower than a year ago

●Delta Associates expects the DC share of new office construction and increased demand to be a little more than one-third of the regional totals—about the same as DC's share of existing regional office space.

●The value of October property transfers was down 11.3% from last year as measured by the 3-month moving total. The 12-month moving total ($13.82 billion) was 8.8% higher than last year.

Table 21. **Delta Associates outlook for commercial office space: September 2015**

item	Million sq. feet
Under construction*	3.24
Planned	9.23
Proposed/rumored with long term delivery	10.46
Total	22.93

**CoStar. See table 19.*

Addendum: estimated supply and demand for the next 2 years

*supply***	*1.60*
demand	*2.50*

***Supply for next two years represents office buildings currently under construction and those planned that might deliver by September 2017.*

Source: Delta Associates, except for construction (CoStar). For definitions of planned and proposed, see box.

Table 22. **Delta Associates outlook for commercial office space in DC and the surrounding metro area: Sep. 2015 to Sep. 2017**

Indicator	DC	No VA	Sub MD	Total	*DC % of total*
Inventory September 2015					
Inventory (msf)	141.3	179.4	85.9	406.6	34.8
Estimated net activity to September 2017					
new supply (msf)	1.6	2.9	0.3	4.7	34.0
new demand (msf)	2.5	3.5	1.2	7.2	34.7

Source: Delta Associates msf = million square feet

***Note:** Planned and proposed projects*

***Planned projects:** Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).*

***Proposed projects:** a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.*

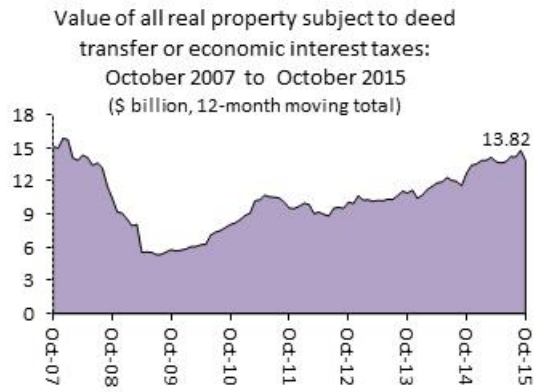


Table 23. **Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: October 2015**

	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total	3-month moving total	This month
All property transfers ($ million)	9,533.3	11,063.9	11,569.8	14,766.3	13,821.2	3,034.8	910.3
change from one year ago ($M)	-526.2	1,530.6	505.8	3,196.5	1,113.6	-384.8	-945.1
% change from 1 year ago	*-5.2*	*16.1*	*4.6*	*27.6*	*8.8*	*-11.3*	*-50.9*

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/ORA (calculated from tax collections and deposits adjusted for tax rate changes).

Demand for hotel rooms has been slowing

●In October the 3-month moving total for hotel room-days sold was 0.3% above a year earlier. The average room rate was down 0.9%, and revenue dceclined by 0.5%.

●Employment in food services was 1.2% less in October than a year earlier as measured by the 3-month moving average. Hotel employment was down 3.3%, and retail was 2.5% higher.

●September airline traffic into the DC area was up 8.0% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 14.5%. For the past 12-months, total traffic into the DC area declined 4.1%.

Table 24. **Hospitality Industry: October 2015**

Indicator	Units	date	FY 2013	FY 2014	FY 2015	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	oct	7.680	7.869	8.193	8.228	2.179	0.782
	1 yr ch		0.062	0.189	0.325	0.293	0.008	0.034
	1 yr % ch		*0.8*	*2.5*	*4.1*	*3.7*	*0.3*	*4.6*
Average room rate	$	oct	207.31	209.87	215.34	215.93	212.65	248.71
	1 yr ch		3.74	2.56	5.47	6.59	-1.87	4.97
	1 yr % ch		*1.8*	*1.2*	*2.6*	*3.1*	*-0.9*	*2.0*
Occupancy rate	%	oct	75.8	76.6	77.5	77.9	81.7	87.1
(average)	1 yr ch		0.5	0.8	0.9	0.9	0.7	4.3
	1 yr % ch		*0.6*	*1.0*	*1.2*	*1.2*	*0.8*	*5.2*
Room revenue	($M)	oct	1,592.1	1,651.4	1,764.4	1,776.6	463.4	194.6
	1 yr ch		41.4	59.4	112.9	115.5	-2.4	12.3
	1 yr % ch		*2.7*	*3.7*	*6.8*	*7.0*	*-0.5*	*6.7*
Airline passengers								
DCA	1 yr % ch	sep	5.5	0.0	1.0	1.0	14.5	12.8
IAD	1 yr % ch	sep	-4.0	-1.9	-8.3	-8.3	3.1	2.5
BWI	1 yr % ch	sep	-1.5	-0.5	-4.6	-4.6	7.2	7.0
Total	1 yr % ch	sep	-0.3	-0.8	-4.1	-4.1	8.0	7.3
Employment								
Accommodations	level ('000)	oct	15.2	15.2	15.0	14.9	14.8	14.7
	1 yr ch		-0.2	0.0	-0.2	-0.3	-0.5	-0.5
	1 yr % ch		*-1.2*	*-0.1*	*-1.6*	*-1.8*	*-3.3*	*-3.3*
Food and bev	level ('000)	oct	45.1	47.0	47.5	47.5	47.7	48.1
	1 yr ch		2.5	1.9	0.5	0.2	-0.6	-0.8
	1 yr % ch		*5.7*	*4.2*	*1.1*	*0.5*	*-1.2*	*-1.6*
Arts and entertain.	level ('000)	oct	6.9	7.1	7.4	7.4	7.3	7.3
	1 yr ch		0.0	0.2	0.3	0.3	0.0	0.1
	1 yr % ch		*0.2*	*2.2*	*4.5*	*3.7*	*0.5*	*1.4*
Retail	level ('000)	oct	19.7	21.1	22.5	22.5	22.1	22.5
	1 yr ch		0.9	1.4	1.4	1.3	0.5	0.2
	1 yr % ch		*4.7*	*6.9*	*6.8*	*6.1*	*2.5*	*0.9*

** Total for hotel rooms sold and room revenue*

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

US economic growth slowed in the third quarter of 2015

●US real GDP growth in the September quarter fell to to 2.1%; nominal growth was 3.4% (seasonally adjusted, annual rates).

●US employment (seas. adj.) increased by 271,000 in October from the month before.

●The US unemployment rate (seas. adj.) fell to 5.0% in October.

●In October the average S&P 500 index for the month rose 4.1% from September and was 4.5% above last year.

●Compared to a year earlier, inflation rose slightly in October, and was 0.1% above a year earlier. (seas. adj.).

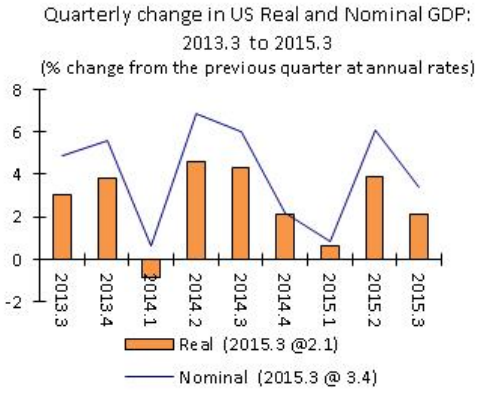


Table 27**. Federal government sector, US GDP acounts: 2015.3**
(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.3
Non-defense					
Compensation of employees	-0.2	1.8	4.2	4.2	4.7
Purchases of goods and services	-5.4	-1.0	0.8	0.8	-1.6
Gross investment	-3.0	-1.6	2.6	2.6	3.3
Defense					
Compensation of employees	-3.5	-0.5	-0.7	-0.7	0.0
Purchases of goods and services	-8.5	-9.1	-2.9	-2.9	-5.9
Gross investment	-8.3	-2.8	-3.3	-3.3	-3.8
All federal consumption and investment	-3.9	-2.0	-0.1	-0.1	-0.7

Source: BEA (November 24, 2015). Nominal values.

Federal government consumption and investment and US GDP: 2013.3 to 2015.3

(% change from same quarter of the prior year)

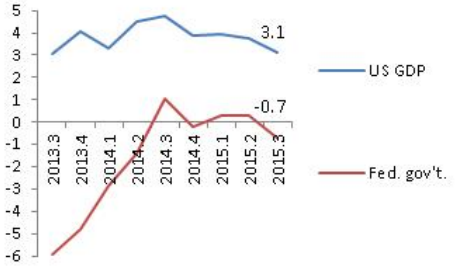


Table 26. **Qtr. to Qtr. ch. in US GDP: 2014.3 to 2015.3**
(% ch. from previous quarter at seasonally adj. annual rates)

Indicator	2014.3	2014.4	2015.1	2015.2	2015.3
US GDP real	4.3	2.1	0.6	3.9	2.1
US GDP nominal	6.0	2.2	0.8	6.1	3.4
Wages and salaries	5.4	6.3	2.6	5.7	5.3
Personal income	4.4	4.9	3.3	5.2	5.0

Note: GDP=Gross Domestic Product Source: BEA, updated Nov. 24, 2015.

Table 25**. US GDP, income, and inflation: 2015.3**
(percent change from same period of prior year)

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.3
US GDP real	1.2	2.4	2.6	2.6	2.2
US GDP nominal	2.9	4.2	3.7	3.7	3.1
US Personal income	3.0	3.0	4.7	4.7	4.7
US wages	3.9	4.1	5.1	5.1	5.1
Corporate profits*	3.1	3.0	4.3	4.3	2.5
S and P stock index	16.7	20.3	9.7	9.7	2.5
US CPI	1.6	1.6	0.3	0.3	0.0
Balt//Wash. area CPI	1.6	1.7	0.4	0.4	na

Source: BEA (Nov. 24, 2015), BLS, Yahoo.
*na= not available. *Before tax, w/o IVV and CCAdj.*
Personal income and wage data may differ from table 8 due to differences in BEA source

Table 28. **Monthly selected US Indicators: June 2015 to October 2015**

Indicator	June	July	August	September	October
S and P stock index (level)	2099	2094	2040	1944	2025
% change from prior month	-0.6	-0.2	-2.6	-4.7	4.1
% change from 1 year ago	7.8	6.1	4.0	-2.4	4.5
10 yr. Treasury Interest rate (level)	2.36	2.32	2.16	2.17	2.06
CPI % ch from prior month *(seasonally adjusted)*	0.32	0.13	-0.07	-0.15	0.20
CPI % ch from prior year *(seasonally adjusted)*	0.18	0.21	0.22	-0.03	0.12
Jobs (seasonally adjusted level, in millions)	141.87	142.09	142.25	142.38	142.65
change from prior month (thousands)	245	223	153	137	271.00
% change from prior month	*0.17*	*0.16*	*0.11*	*0.10*	*0.19*
Resident employment (season. adj. level, in mil.)	148.74	148.84	149.04	148.80	149.12
change from prior month (thousands)	-56	101	196	-236	320
% change from prior month	*-0.04*	*0.07*	*0.13*	*-0.16*	*0.22*
Unemployment rate (seasonally adj.)	5.3	5.3	5.1	5.1	5.0

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking): October 2010 to October 2015
(12-month moving total in $ million)

October 2015 @ $6,924M

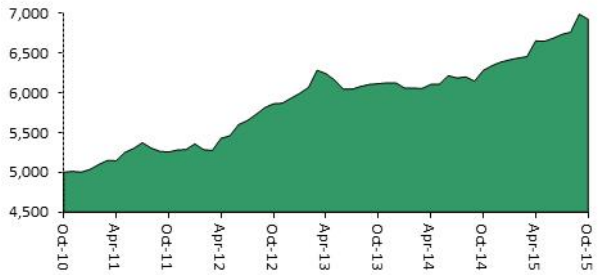


Table 29. **Tax Collections (before earmarking): October 2015 *(Preliminary)***

($ million)	Revenue (from CAFR)				Tax collections			
Tax	FY 2012	FY 2013	FY 2014	FY 2015	12-month moving total	FY 2015 to date	3-month moving total	This month
Total taxes	5,853.3	6,100.5	6,290.0	6,988.5	6,924.4	386.2	2,276.9	386.2
1 year change	528.0	247.2	189.5	799.8	604.5	-64.1	189.7	-64.1
% change	*9.9*	*4.2*	*3.1*	*12.9*	*9.6*	*-14.2*	*9.1*	*-14.2*
Real property	1,822.0	1,914.8	2,015.6	2,313.6	2,215.8	18.2	1,118.2	18.2
1 year change	106.9	92.8	100.7	423.8	227.4	-97.8	132.8	-97.8
% change	*6.2*	*5.1*	*5.3*	*11.1*	*11.4*	*-84.3*	*13.5*	*-84.3*
General sales	1,111.0	1,137.9	1,172.1	1,254.2	1,254.9	121.5	326.9	121.5
1 year change	67.6	26.8	34.2	93.7	81.8	0.7	15.8	0.7
% change	*9.5*	*2.4*	*3.0*	*8.1*	*7.0*	*0.6*	*5.1*	*0.6*
Individual income	1,490.7	1,640.9	1,679.2	1,873.7	1,894.4	145.7	479.2	145.7
1 year change	194.1	150.2	38.3	187.7	211.5	20.8	44.9	20.8
% change	*15.0*	*10.1*	*2.3*	*11.1*	*12.6*	*16.6*	*10.3*	*16.6*
withholding	1,321.6	1,391.2	1,472.9	1,579.8	1,590.7	131.5	389.8	131.5
1 year change	129.5	69.6	81.7	101.0	112.4	10.9	20.0	10.9
% change	*10.9*	*5.3*	*5.9*	*6.8*	*7.6*	*9.0*	*5.4*	*9.0*
non-withholding	169.1	249.6	206.2	293.8	303.8	14.2	89.4	14.2
1 year change	64.6	80.6	-43.4	86.7	99.1	9.9	24.9	9.9
% change	*61.9*	*47.7*	*-17.4*	*41.9*	*48.4*	*235.5*	*38.7*	*235.5*
Corporate income	302.9	299.0	280.2	317.0	315.6	4.2	65.5	4.2
1 year change	86.6	-3.9	-18.8	29.1	31.3	-1.4	-1.6	-1.4
% change	*40.1*	*-1.3*	*-6.3*	*10.1*	*11.0*	*-25.4*	*-2.3*	*-25.4*
Unincorporated Bus.	163.0	154.3	135.4	148.3	150.6	6.1	30.7	6.1
1 year change	19.6	-8.7	-18.9	9.4	11.4	2.3	-1.3	2.3
% change	*13.6*	*-5.3*	*-12.3*	*6.7*	*8.2*	*62.3*	*-4.0*	*62.3*
Deed taxes*	306.6	367.3	386.0	480.6	459.8	27.4	101.9	27.4
1 year change	-4.5	60.6	18.8	89.4	46.3	-20.8	-12.6	-20.8
% change	*-1.5*	*19.8*	*5.1*	*22.8*	*11.2*	*-43.2*	*-11.0*	*-43.2*
Other taxes	657.0	586.3	621.6	601.2	633.3	63.2	154.4	63.2
1 year change	29.2	-70.7	35.3	-33.3	-5.2	32.1	11.6	32.1
% change	*4.6*	*-10.8*	*6.0*	*-5.2*	*-0.8*	*103.4*	*8.1*	*103.4*

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

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those years.

(2) Tax collections data subject to accounting adjustments.

(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA

Tax collections continue well above a year ago

●For the 12 month period ending October, total tax collections (before earmarking) were $604.5 million (9.6%) more than in the prior year. For the last 3 months they were 9.1% above last year.

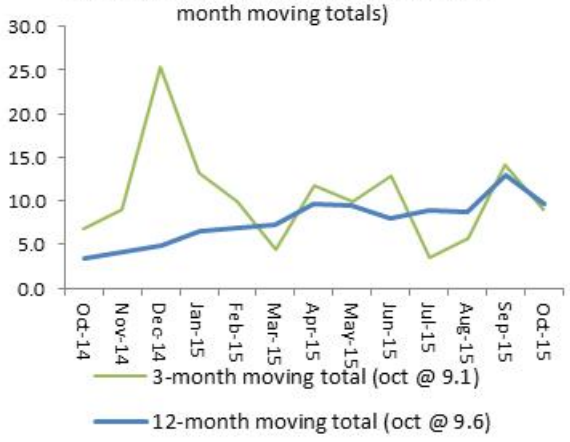
●Individual income tax collections were 12.6% above last year for the 12-months ending October and withholding was 7.6% higher. For the past 3 months, withholding was up 5.4%.

●General sales tax collections were 7.0% above last year for the 12-months ending October. For the past 3 months, they were 5.1% above last year.

●Deed tax collections for the 12-months ending October were up 11.2% from last year; for the past 3 months they were down 11.0%.

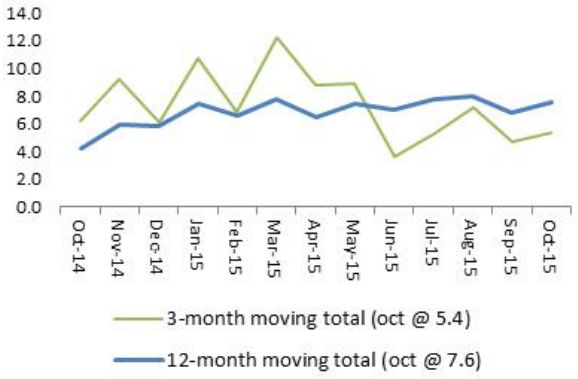
●Corporate income taxes in October were up 11.0% and unincorporated business income taxes rose 8.2% from last year (12-mo. total).

Total tax collections (before earmarks): October 2014 to October 2015
(% change from prior year: 3-month and 12-month moving totals)



General Sales tax collections (before earmarks): October 2014 to October 2015
(% change from prior year: 3-months and 12-month moving totals)

Withholding for the Individual Income tax: October 2014 to October 2015
(% change from prior year: 3-month and 12-month moving totals)



General Sales tax and Withholding for the Individual Income tax: October 2014 to October 2015
(% change from prior year in the 3-month moving total)

Deed tax collections (before earmarks): October 2014 to October 2015
(% change from prior year: 3-month and 12-month moving totals)

US economic forecasts

The November Blue Chip forecast for the US economy slightly cut GDP growth in FY 2016

●The Blue Chip Indicator November forecast for real GDP growth in FY 2016 (2.5%) is the same for its estimate for FY 2015 (also 2.5%), and only slightly above what it was in FY 2014 (2.4%).

●The Blue Chip Indicator November forecast for inflation (CPI) : 0.3% for FY 2015 and 1.4% in FY 2016.

●S&P 500: November baseline forecasts: higher forecasts for the last quarter of 2015, and with growth picking up 2016, but still less than one-half of the growth in 2014.

Table 30. **Forecasts for US nominal and real GDP: FY 2013 through FY 2016** *(% change from prior fiscal year)*

	real			nominal		
Fiscal year and date of forecast	Blue Chip	Moody's Analytics	IHS Global Insight	Blue Chip	Moody's Analytics	IHS Global Insight
FY 2013 Actual	1.2	1.2	1.2	2.9	2.9	2.9
FY 2014 Actual	2.4	2.4	2.4	4.2	4.2	4.2
FY 2015						
August	2.4	2.4	2.4	3.6	3.4	3.5
September	2.6	2.5	2.5	3.7	3.6	3.7
October	2.6	2.5	2.5	3.7	3.7	3.7
November	2.5	2.6	2.5	3.6	3.6	3.6
FY 2016						
August	2.6	3.2	2.5	4.4	4.7	5.3
September	2.7	3.1	2.6	4.4	4.6	5.5
October	2.6	2.9	2.7	4.3	4.3	5.6
November	2.5	2.5	2.8	4.1	5.2	3.9

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

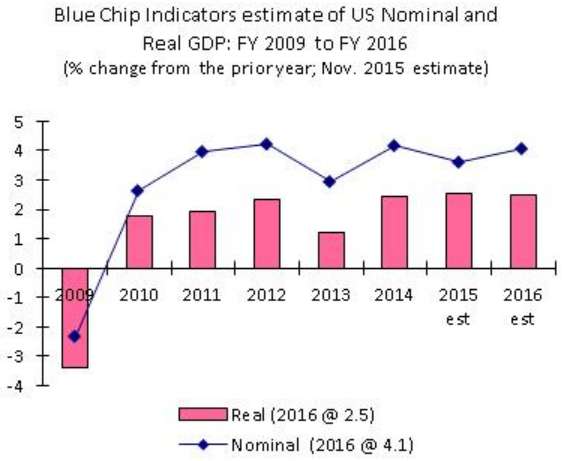


Table 31. **CBO estimates of GDP and other indicators: FY 2014 to FY 2017**

Indicator	FY 2014	FY 2015	FY 2016	FY 2017
Real GDP *(% ch from prior yr.)*	2.6	2.4	2.7	3.0
Nominal GDP *(% ch from prior yr.)*	4.1	3.4	4.2	4.8
CPI *(% ch from prior yr.)*	1.6	0.3	1.7	2.3
10 yr. Treasury bond rate	2.7	2.2	2.8	3.6
Unemployment rate	6.5	5.5	5.2	5.0

Source: Congressional Budget Office, The Budget and Economic Outlook: 2015 to 2025 , August 2015

Table 32. **Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2014 to FY 2016**

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2014	2015	2016	2014	2015	2016
Aug	1.6	0.4	1.8	2.7	2.2	2.8
Sep	1.6	0.3	1.6	2.7	2.2	2.7
Oct	1.6	0.3	1.5	2.7	2.2	2.6
Nov	1.6	0.3	1.4	2.7	2.2	2.5

Source: Blue Chip Indicators

Table 33. **IHS Global Insight forecast for S and P 500: 2014.4 to 2016.4**

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Global Insight: baseline			**Global Insight: pessimistic**		
August	13.6	2.9	4.9	13.6	-7.1	2.6
September	13.6	0.2	5.8	13.6	-15.1	-3.9
October	13.6	-1.1	5.0	13.6	-11.1	-5.4
November	13.6	3.1	6.5	13.6	-13.4	-23.4

Source: IHS Global Insight

Table 34. **Moody's Analytics forecast for S and P 500: 2014.4 to 2016.4**

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Economy.com baseline			**Economy.com pessimistic**		
August	13.6	6.4	4.6	13.6	4.3	1.0
September	13.6	2.0	4.6	13.6	0.0	1.0
October	13.6	0.6	6.9	13.6	-0.5	3.5
November	13.6	2.0	5.1	13.6	2.0	0.8

Source: Moody's Analytics (Economy.com.)

Little change in baseline forecast for DC in FY 2016 and FY 2017

•*Employment:* In FY 2016 growth is expected to be less than in FY 2015. For FY 2016 the increase in the number of employed DC residents is expected to be greater than in jobs located in DC. DC's unemployment rate stays in the 6% to 7% range through FY 2017.

•*Income.* Global Insight estimates DC Personal Income will be higher in FY 2016 and FY 2017 than it was in FY 2015. Moody's Analytics says it will be lower. Global Insight's Personal Income growth for DC is similar to the national average, whereas Moody's Analytics is much below the US average.

Table 35. **Jobs in DC: forecasts for FY 2014 to FY 2017**

(amount of change from prior year, in thousands of jobs)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Aug	6.0	10.9	5.8	6.7	6.0	10.8	1.9	1.1	6.0	11.1	9.8	11.6	6.0	11.1	5.2	7.0
Sep	6.0	11.5	7.1	6.9	6.0	11.5	4.5	3.1	6.0	11.6	9.0	10.4	6.0	11.6	4.5	5.9
Oct	6.0	11.2	6.0	6.5	6.0	11.2	4.0	3.6	6.0	11.2	6.4	8.2	6.0	11.2	1.5	3.5
Nov	6.0	11.3	6.7	6.2	6.0	11.3	4.5	2.5	6.0	11.3	6.2	6.8	6.0	11.3	3.4	0.5

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 36. **DC Resident employment: forecasts for FY 2014 to FY 2017**

(amount of change from prior year, in thousands of jobs)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Aug	3.4	11.2	6.2	5.4	3.4	11.2	4.5	2.1	3.4	11.4	8.3	6.4	3.4	11.4	6.4	5.6
Sep	3.4	11.3	6.3	5.4	3.4	11.3	5.2	3.1	3.4	11.3	8.3	6.9	3.4	11.3	6.1	6.1
Oct	3.4	11.7	9.3	5.9	3.4	11.7	8.6	4.1	3.4	11.8	9.2	5.8	3.4	11.8	6.6	5.3
Nov	3.4	11.7	8.9	7.0	3.4	11.7	7.8	4.5	3.4	11.7	8.1	5.6	3.4	11.7	6.8	3.8

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 37. **DC Personal Income: forecasts for FY 2014 to FY 2017**

(percent change from prior year)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Aug	2.3	3.4	3.8	4.7	2.3	3.3	2.0	1.1	2.3	3.4	7.1	7.2	2.3	3.4	5.6	6.6
Sep	2.3	3.4	3.8	4.8	2.3	3.4	2.5	2.0	2.3	3.5	6.8	7.2	2.3	3.5	5.4	6.6
Oct	2.7	4.1	4.5	6.1	2.7	4.0	3.3	3.2	2.7	3.9	3.9	2.4	2.7	3.9	1.8	1.3
Nov	2.7	4.1	4.4	5.9	2.7	4.1	3.4	3.1	2.7	3.8	3.1	1.8	2.7	3.8	2.1	0.4

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 38. **November forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2014 to FY 2017**

(percent change from prior year)

Indicator	Global Insight				Moody's Analytics			
	2014	2015	2016	2017	2014	2015	2016	2017
Wage and salary jobs								
DC	0.8	1.5	0.9	0.8	0.8	1.5	0.8	0.9
Metro area					0.4	1.7	1.3	1.5
US	1.8	2.2	1.7	1.4	1.8	2.2	1.8	1.9
Personal Income								
DC	2.7	4.1	4.4	5.9	2.7	3.8	3.1	1.8
Metro area					2.2	4.0	6.0	6.8
US	3.0	4.7	4.4	5.1	3.0	4.5	5.1	6.4

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

Table 39. **November DC forecasts for wages and unemployment: FY 2014 to FY 2017**

(percent change from prior year)

Global Insight				Moody's Analytics			
2014	2015	2016	2017	2014	2015	2016	2017
Wages and salaries earned in DC							
3.1	4.7	4.1	4.6	3.1	4.6	4.1	3.7
DC resident wages and salaries							
3.0	4.2	4.2	6.2	3.0	3.8	0.8	-1.9
DC Unemployment rate (level)							
7.9	7.4	6.5	6.3	7.9	7.4	6.7	6.9

Source: IHS Global Insight and Moody's Analytics (Economy.com). Baseline forecasts.

DC revenue estimate

The September revenue estimate: $594 million more tax revenue in FY 2015, and another $68 million in FY 2016.

●Anticipated tax revenue growth (before earmarks) is 9.4% in FY 2015 and 1.0% in FY 2016. FY 2014 tax revenue growth was 3.1%. The estimates reflect growth in the DC economy and federal spending constraints due to sequestration. Part of the big increase in FY 2015 is one-time revenue gain from settlement payments for past due sales taxes from on-line hotel booking.

●The real property tax accounts for 31% of revenue growth in FY 2015, and 173% in FY 2016. Individual income tax revenue increases in both FY 2015 and FY 2016; sales (due to hotel booking settlement), deed taxes, and business income fall in FY 2016.

●As a share of DC Personal Income, tax revenue in FY 2015 is expected to rise to 13.2% compared to 12.6% in FY 2014—and fall back to 12.5% by FY 2017 due in part to the effects of scheduled tax cuts.

Table 40. **DC Tax Revenue (before earmarks) for FY 2014 through FY 2017: September 2015 revenue estimate**

Tax	FY level ($ million)				Change from prior year ($ M)				% change from prior year			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Real property	2,015.6	2,202.0	2,318.9	2,380.4	100.7	186.4	116.9	61.6	5.3	9.2	5.3	2.7
Deed taxes	391.2	438.0	400.9	408.9	24.0	46.8	-37.1	8.0	6.5	12.0	-8.5	2.0
General sales	1,172.1	1,330.7	1,304.7	1,359.5	34.2	158.6	-26.0	54.8	3.0	13.5	-2.0	4.2
Individual income	1,679.2	1,830.1	1,864.3	1,947.9	38.3	150.9	34.2	83.6	2.3	9.0	1.9	4.5
Withholding	*1,472.9*	*1,548.9*	*1,612.9*	*1,684.9*	*81.7*	*75.9*	*64.0*	*72.0*	*5.9*	*5.2*	*4.1*	*4.5*
non-withholding	*206.2*	*281.2*	*251.4*	*263.0*	*-43.4*	*75.0*	*-29.8*	*11.6*	*-17.4*	*36.4*	*-10.6*	*4.6*
Business income	415.6	460.3	443.1	463.6	-37.7	44.8	-17.3	20.5	-8.3	10.8	-3.7	4.6
Other	616.4	623.0	620.0	624.7	30.1	6.6	-3.0	4.8	5.1	1.1	-0.5	0.8
Total	6,290.0	6,884.1	6,951.8	7,185.0	189.5	594.1	67.7	233.2	3.1	9.4	1.0	3.4

Source: ORA. September 30, 2015 revenue estimate under existing legislation. Deed taxes include economic interest. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2014 os from the FY 2014 CAFR.

Table 41. **DC labor market assumptions: FY 2014 to FY 2017**

item	2014	2015	2016	2017
Wage and salary employment	751,483	762,813	771,228	779,626
1 year change	6,000	11,329	8,415	8,398
% change	*0.8*	*1.5*	*1.1*	*1.1*
DC resident employment	344,826	355,199	362,249	368,162
1 year change	3,434	10,374	7,050	5,913
% change	*1.0*	*3.0*	*2.0*	*1.6*
Unemployment rate	7.9	7.5	7.0	6.7

Source: ORA September 2015 revenue estimate, unchanged from June.

Table 42. **DC Income and stock market assumptions: FY 2014 to FY 2017** (% change from prior year)

item	2014	2015	2016	2017
Wages and salaries earned in DC	2.2	3.8	4.4	4.7
Wages and salaries earned by DC residents	2.3	5.4	5.3	5.3
DC Personal income	2.5	4.4	4.6	5.6
S and P 500 stock index	13.6	6.0	3.6	2.2

Source: ORA September 2015 revenue estimate, unchanged from June. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 43. **DC tax revenue (before earmarks) and DC Personal Income: FY 2008 to FY 2017**

item	2008	2009	2010	2011	2012	2013	2014	2015 est	2016 est	2017 est
Tax revenue ($ million)										
Level	5,325	5,052	5,005	5,325	5,853	6,100	6,290	6,884	6,952	7,185
Change from prior year	170	-273	-47	320	528	247	189	594	68	233
Percent change from prior year										
Tax revenue	3.3	-5.1	-0.9	6.4	9.9	4.2	3.1	9.4	1.0	3.4
Personal Income	9.6	1.3	2.7	9.0	5.4	2.6	2.5	4.4	4.6	5.6
Tax revenue as percent of Personal Income	13.4	12.6	12.1	11.8	12.3	12.5	12.6	13.2	12.8	12.5

Source: ORA. September 30, 2015 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

food service, and hotels also account for over half of the District's lower wage jobs.

Additional details about employment trends in the retail, food service, and hotel sectors is show in the following tables and graphs. The first table summarizes developments from October 2009 to October 20015, the post recession period. Trends are also shown for each sector individually.

It should be noted in addition to employment, it would be necessary to take sales, profitability, and other factors into account in evaluating the overall health of these sectors.

—Stephen Swaim, Office of Revenue Analysis

Retail, food service, and hotal employment in DC: October 2009 to October 2015
(3 month moving averages)

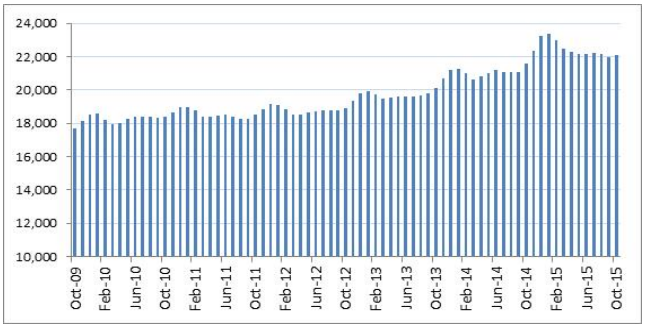
Sector	Level			Change from Oct. 09 to Oct. 14			change from Oct. 14 to Oct. 15	
	Oct-09	Oct-14	Oct-15	Total number	%	Average number per year	number	%
Retail	17,700	21,567	22,100	3,867	21.8	773	533	2.5
Food services	36,267	48,300	47,733	12,033	33.2	2,407	-567	-1.2
Hotel	15,200	15,300	14,800	100	0.7	20	-500	-3.3
Subtotal	**69,167**	**85,167**	**84,633**	**16,000**	**23.1**	**3,200**	**-533**	**-0.6**
All other private sector	388,700	436,000	445,800	47,300	12.2	9,460	9,800	2.2
Private sector	457,867	521,167	530,433	63,300	13.8	12,660	9,267	1.8
All jobs in DC	701,533	755,500	765,433	53,967	7.7	10,793	9,933	1.3
Addendum:								
Subtotal % of all private	*15.1*	*16.3*	*16.0*	*25.3*			*-5.8*	
Subtotal % of all jobs	*9.9*	*11.3*	*11.1*	*29.6*			*-5.4*	

Source: BLS

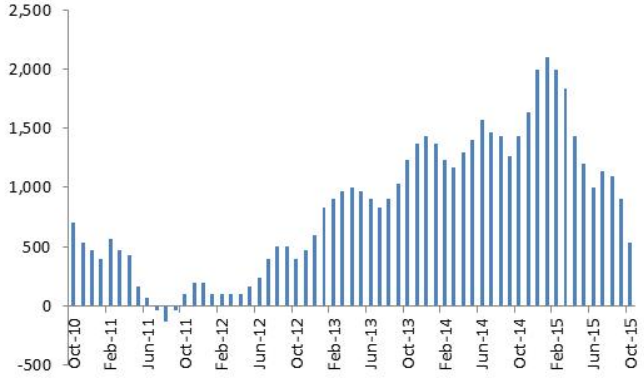
Retail

- The slower growth in retail employment in the past year was relatively less than in food service or hotels.
- Jobs in retail increased by 533 from October 2014 to October 2015. This is about 70% of the average from the prior 5 years, and the percentage change was slightly higher than for the rest of DC's private sector.

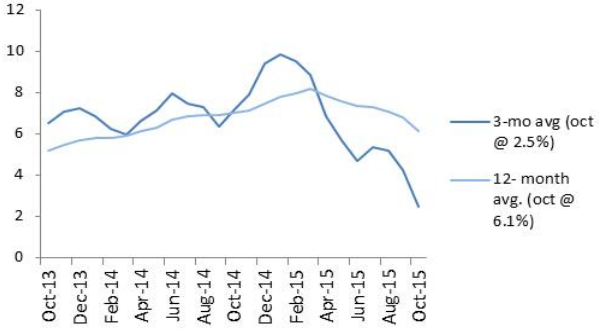
Retail employment in DC: October 2009 to October 2015
(3-month moving average)



Change in retail employment in DC: October 2010 to October 2015 *(3-month moving average)*



DC retail employment: October 2013 to October 2015
(% change in 3-month and 12-month moving averages)

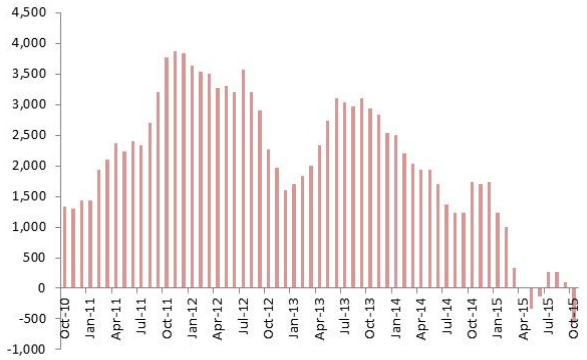


Food service

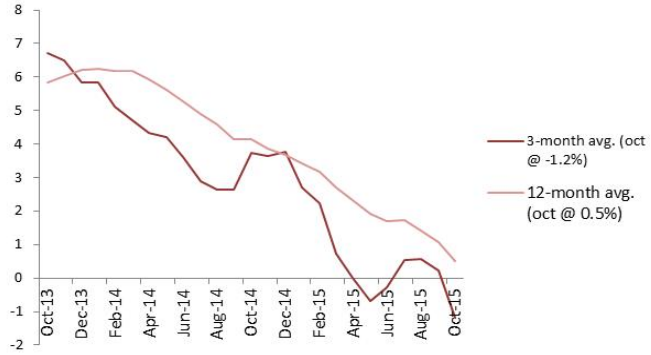
- The growth in food service employment has been slowing down for more than two years.
- Negative change from the prior year first appeared in the spring of 2015.

Food service employment in DC: October 2009 to October 2015 *(3-month moving average)*

Change in food service employment in DC: October 2010 to October 2015 *(3-month moving average)*



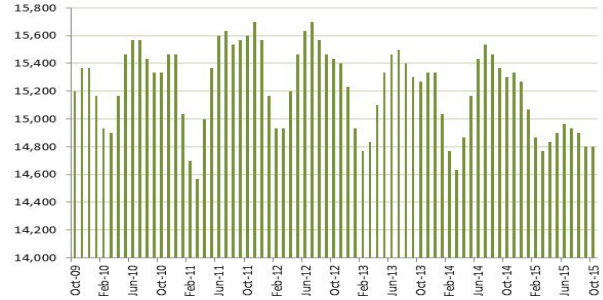
DC food service employment: October 2013 to October 2015 *(% change in 3-month and 12-month moving averages)*



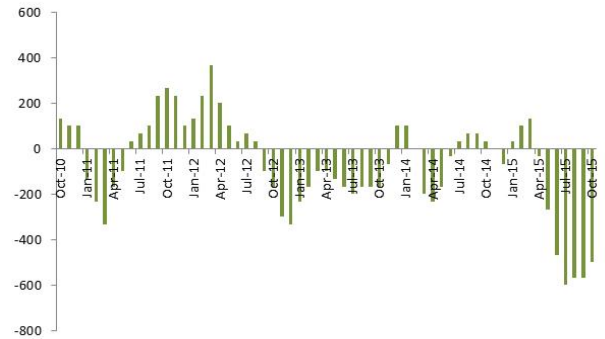
Hotels

- Hotel employment has been level or trending downward for most of the post-recession period.
- The number of persons working in hotels in October 2015—14,800—is 433 less than were working in hotels 10 years earlier. The number of room-days sold increased 18 % over that time.

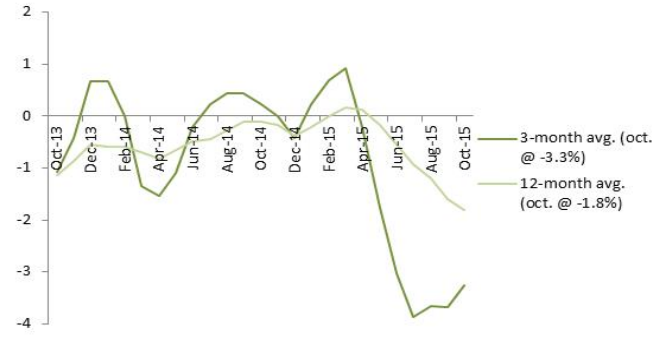
Hotel employment in DC: October 2009 to October 2015 *(3-month moving average)*



Change in hotel employment in DC: October 2010 to October 2015 *(3-month moving average)*



DC hotel employment: October 2013 to October 2015 *(% change in 3-month and 12-month moving averages)*



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:

Revised revenue estimate, September 30, 2015.

Tax expenditure report. May 2014. Comprehensive description of all DC tax expenditures.

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

DC Tax Facts, 2014. Details on all DC taxes.

Tax Rates and Tax Burdens 2013 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 2013 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.

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).*

Table 44. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	October	December 18
D.C. Personal Income	BEA	2015.2	December 21
D.C. Tax Collections	OTR/ORA	October	c. December 15
D.C. Housing Sales	MRIS*	October	c. December 10
D.C. Commercial Office Building data	CoStar and Delta	2015.3	c. January 10
DC Apartment data	CoStar and Delta	2015.3	c. January 10
D.C. Hotel stay information	Smith Travel Research	October	c. December 25
Consumer Price Index	BLS	October	December 15
U.S. Jobs and Labor Force	BLS	October	December 4
U.S. GDP and Personal Income	BEA	2015.3	December 22
S and P 500 Stock Index	Financial press	October	December 1
Interest rate on 10-Year Treasury Securities	Financial press	October	December 1
IHS Global Insight D.C. forecast	Global Insight	November	c. December 25
Moody's Analytics D.C. forecast	Moody's Analytics	November	c. Decmeber 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	November	c. December 10

**Metropolitan Regional Information Systems; listings and contract data accessed through the Greater Capital Area Association of Realtors.*

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov See also the *Economic Indicators* and *Cash Reports* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov)**.**

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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