



Economic and Commercial Real Estate Conditions

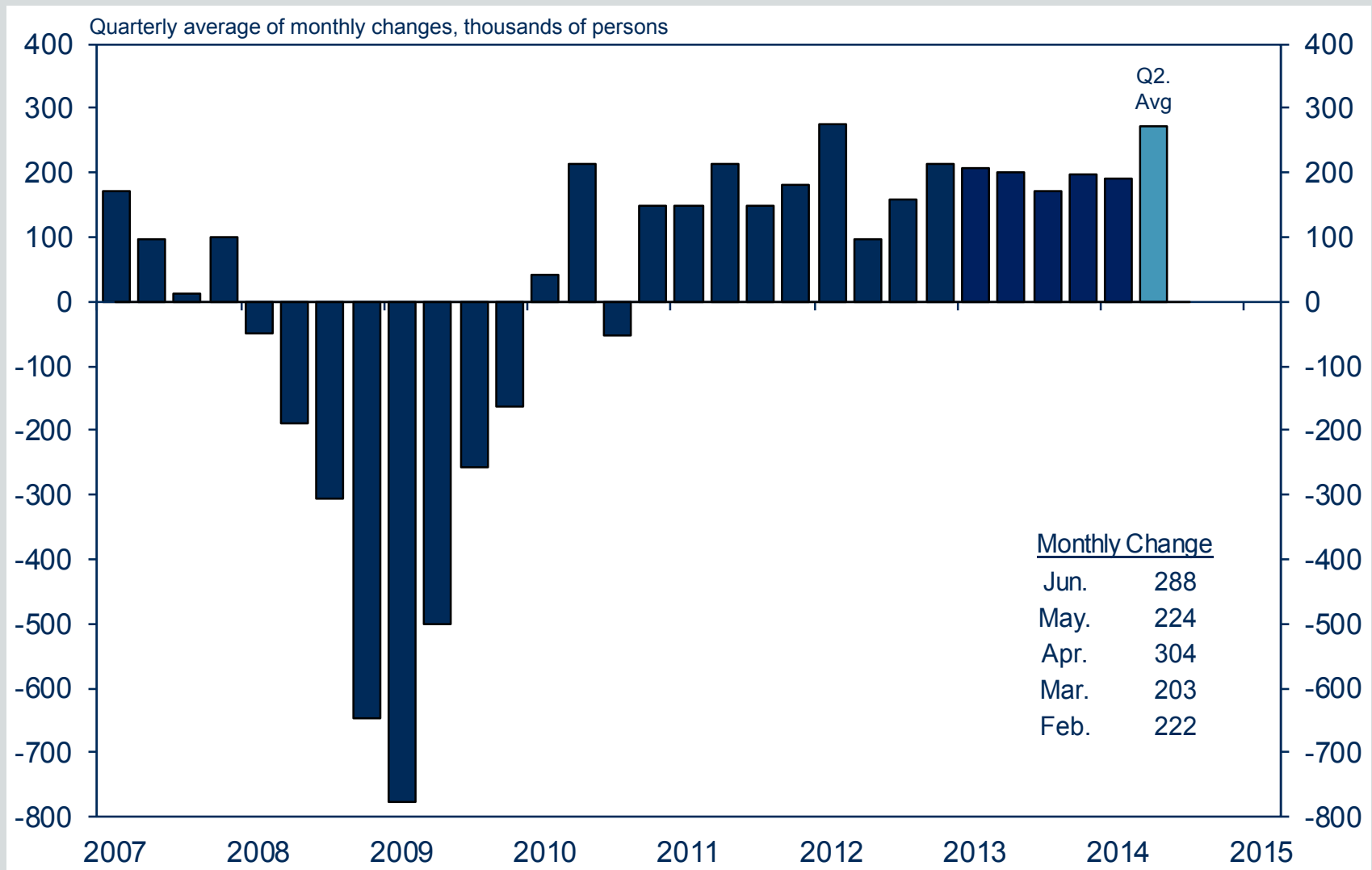
Ray Owens
July 16, 2014



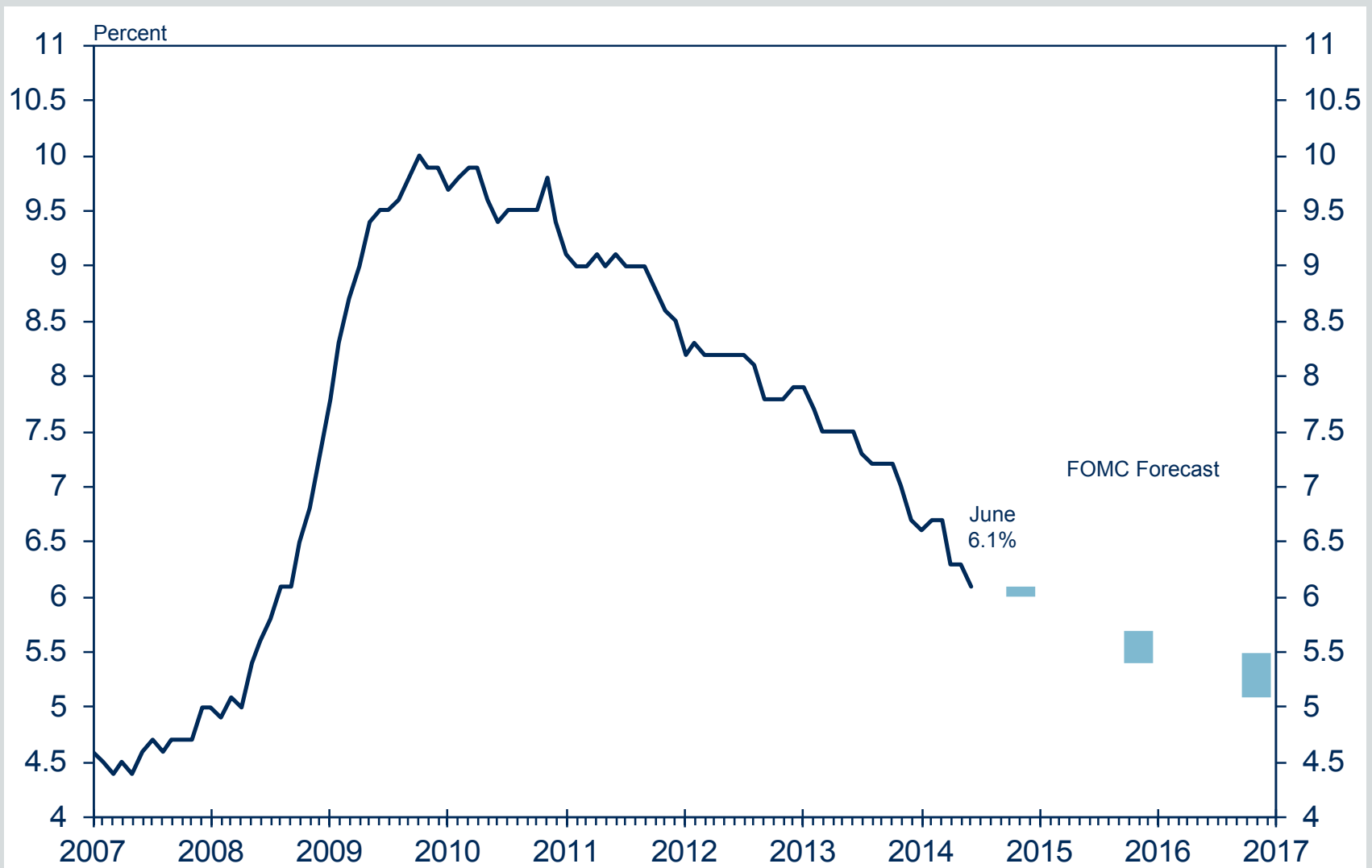
Real Gross Domestic Product

	2013				2014
Change from previous quarter at compound annual rate, %	Q1	Q2	Q3	Q4	Q1
Gross Domestic Product	1.1	2.5	4.1	2.6	-2.9
Personal Consumption Expenditures	2.3	1.8	2.0	3.3	1.0
Nonresidential Fixed Investment	-4.6	4.7	4.8	5.7	-1.2
Structures	-25.7	17.6	13.4	-1.8	-7.7
Equipment	1.6	3.3	0.2	10.9	-2.8
Intellectual Property Products	3.7	-1.5	5.8	4.0	6.3
Residential Fixed Investment	12.5	14.2	10.3	-7.9	-4.2
Exports of Goods & Services	-1.3	8.0	3.9	9.5	-8.9
Imports of Goods & Services	0.6	6.9	2.4	1.5	1.8
Government Consumption Expenditures & Gross Investment	-4.2	-0.4	0.4	-5.2	-0.8
Final Sales to Domestic Purchasers	0.5	2.1	2.3	1.6	0.3
Billions of chained (2009) dollars					
Change in Private Inventories	42.2	56.6	115.7	111.7	45.9
Net Exports of Goods & Services	-422.3	-424.4	-419.8	-382.8	-441.1

Nonfarm Payroll Employment



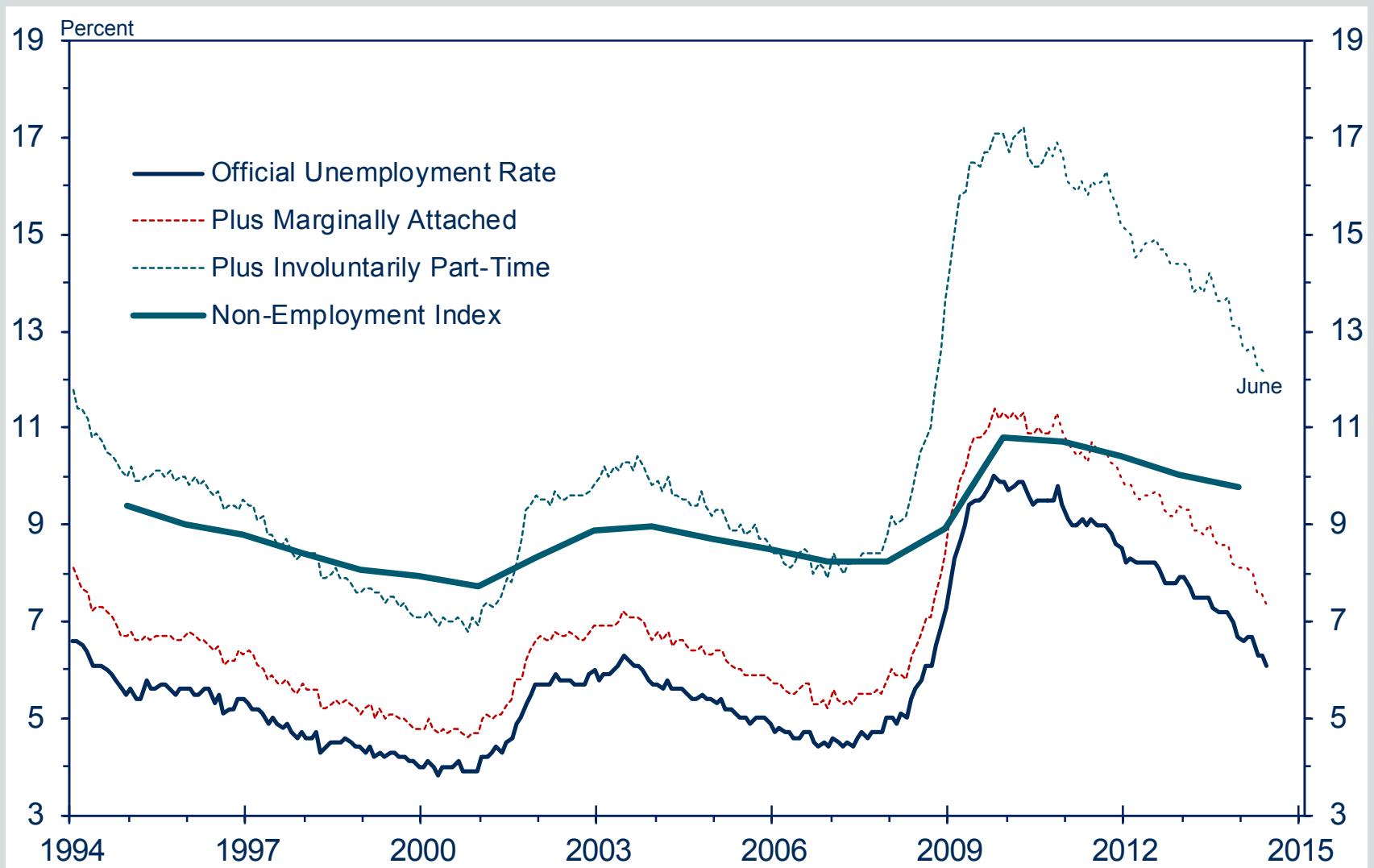
Civilian Unemployment Rate



Notes: FOMC forecast is the central tendency for the Q4 levels, from the June 18, 2014 meeting.

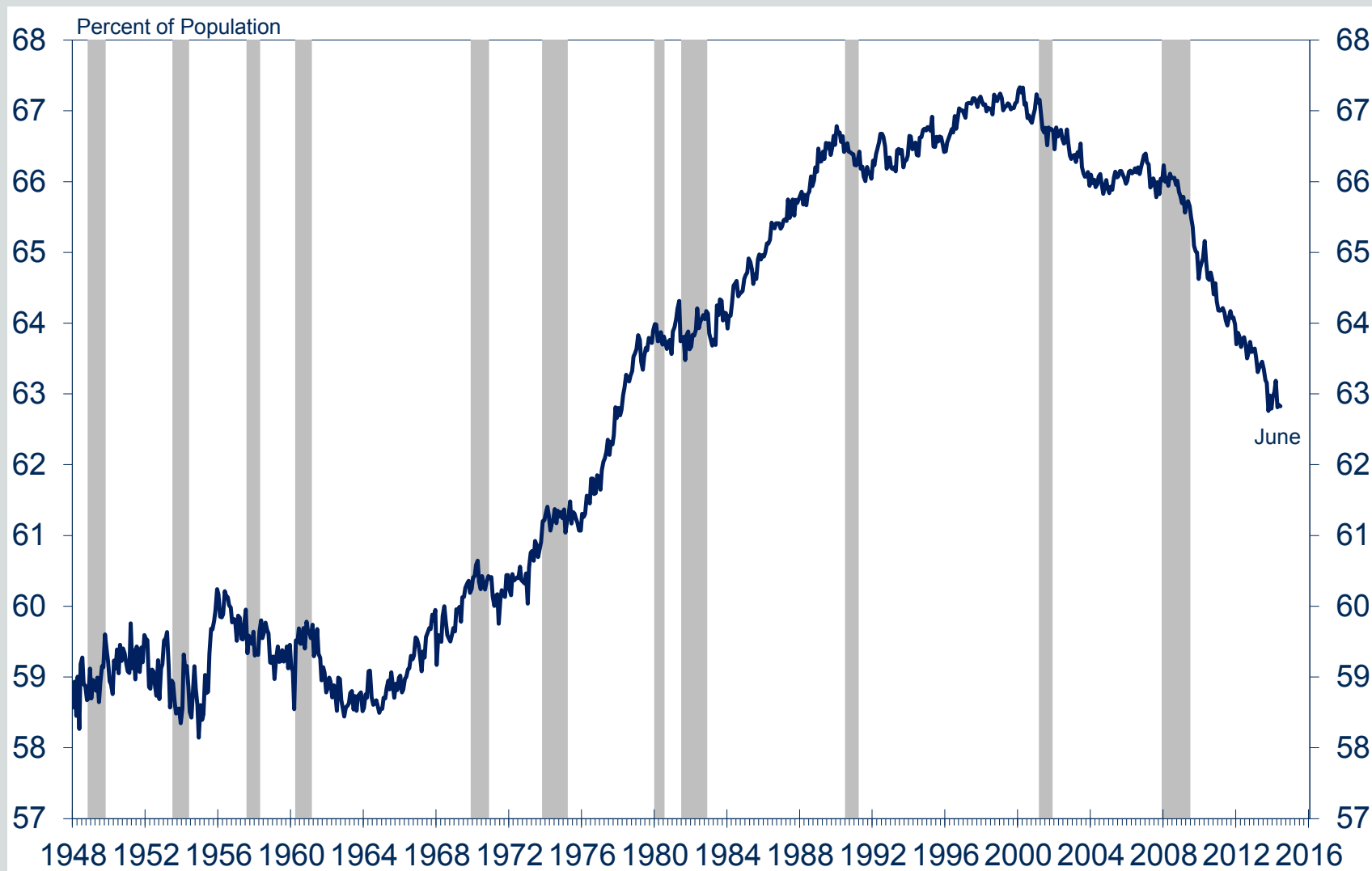
Source: Bureau of Labor Statistics & Board of Governors via Haver Analytics 4

Measures of Labor Utilization

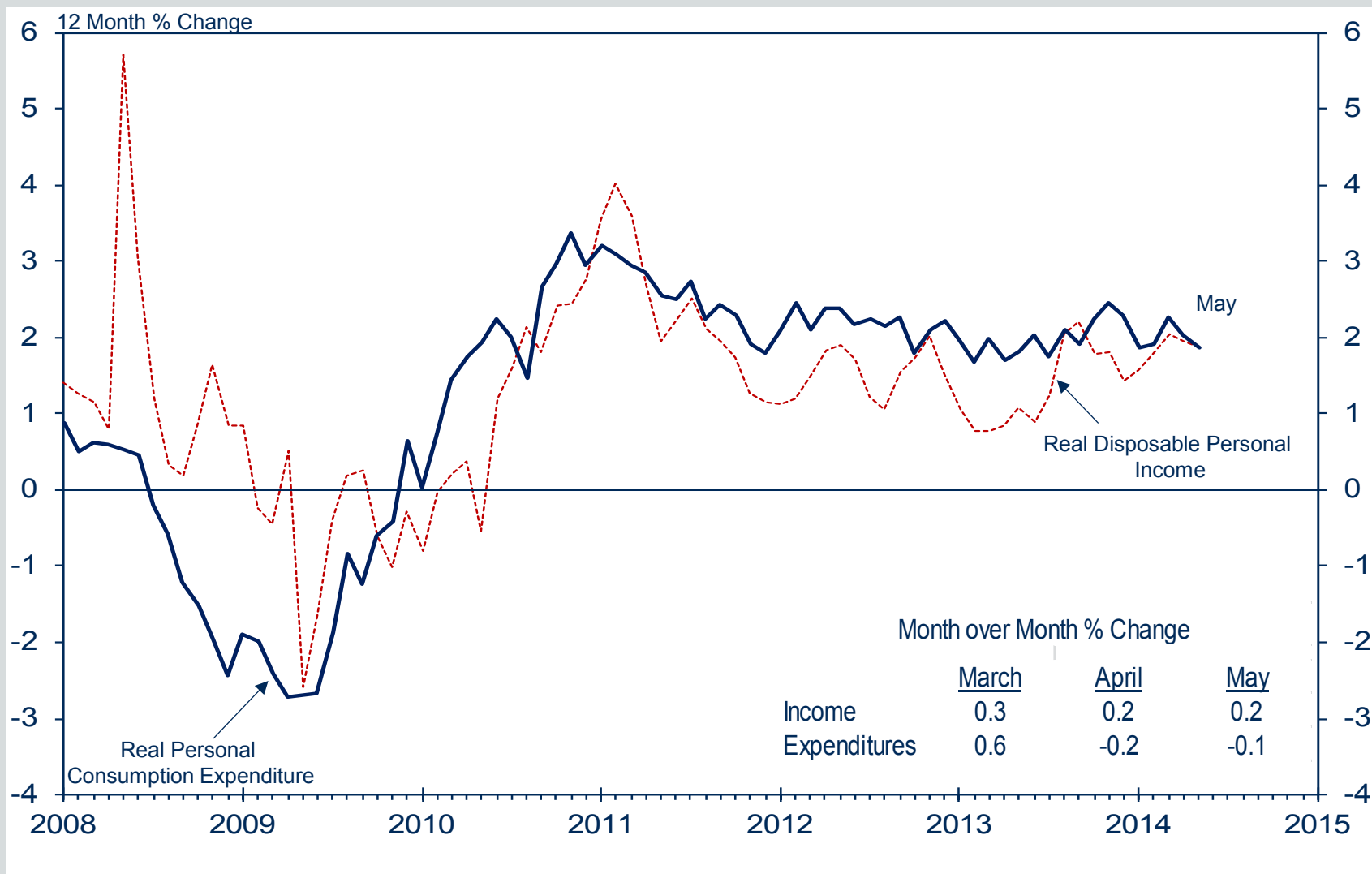


Note: Non-Employment Index is as a percent of working-age population and is annual.
Source: Bureau of Labor Statistics via Haver Analytics and Richmond Fed

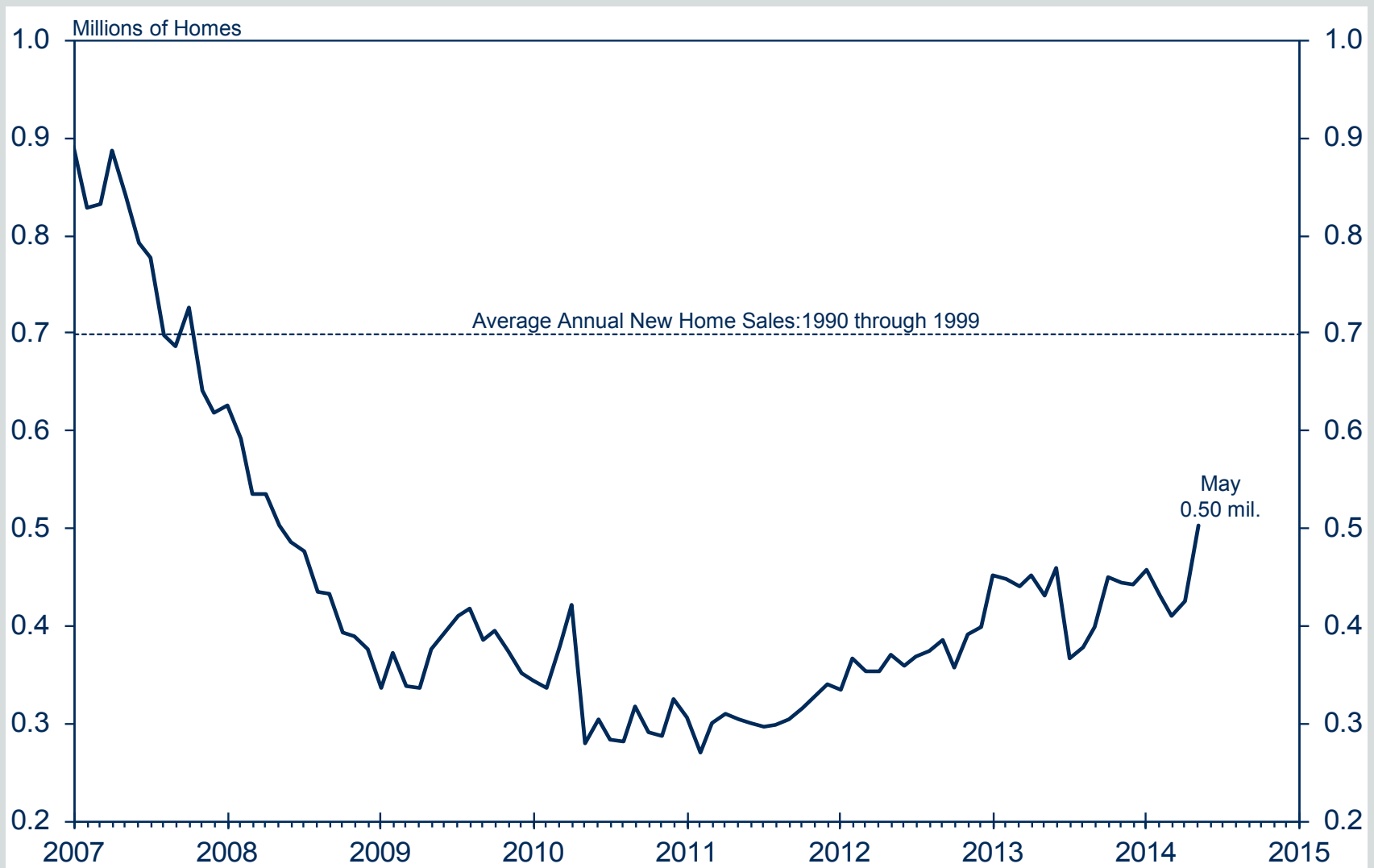
Civilian Labor Force Participation



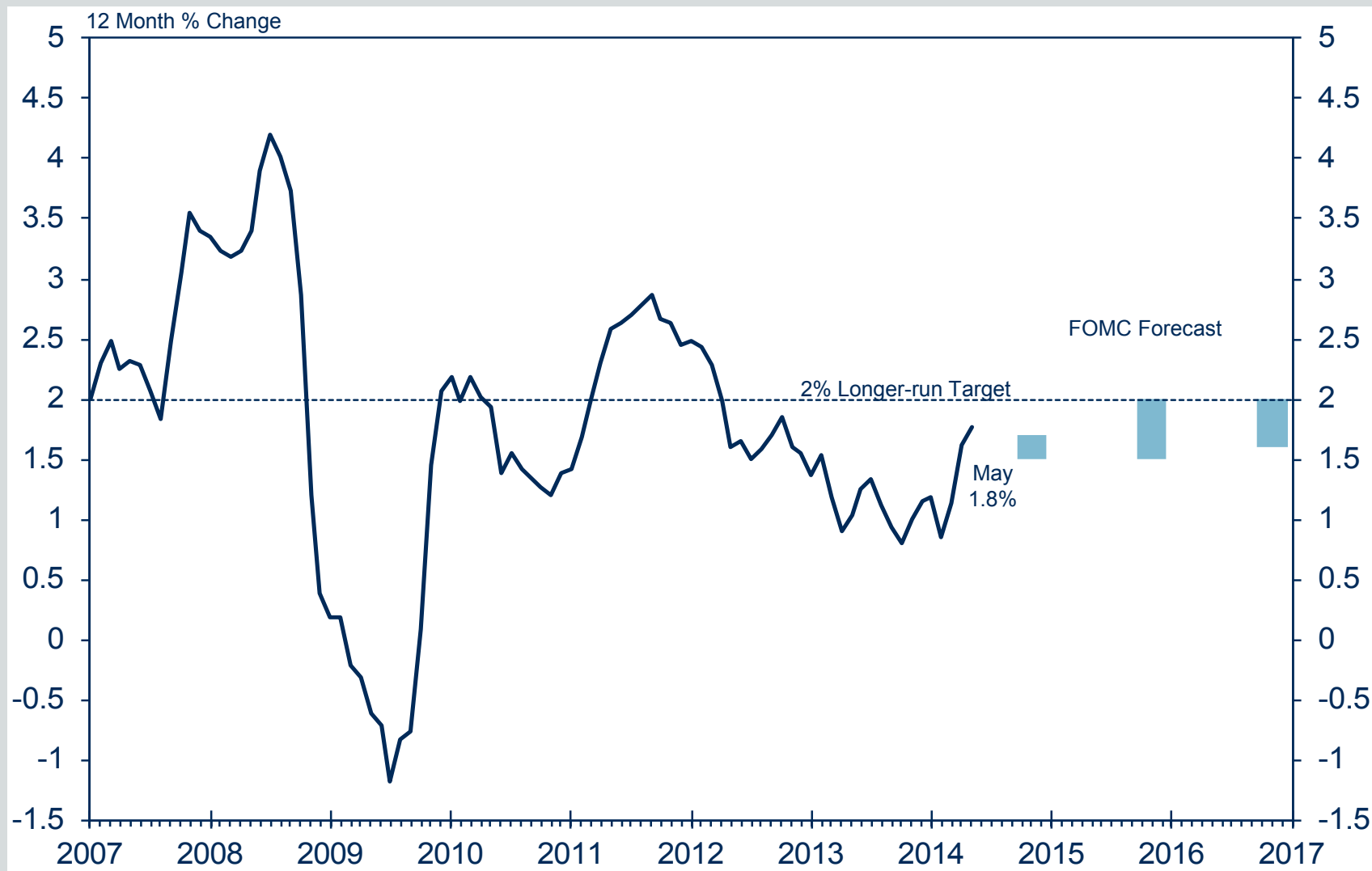
Disposable Personal Income & Expenditures



New Single-Family Home Sales



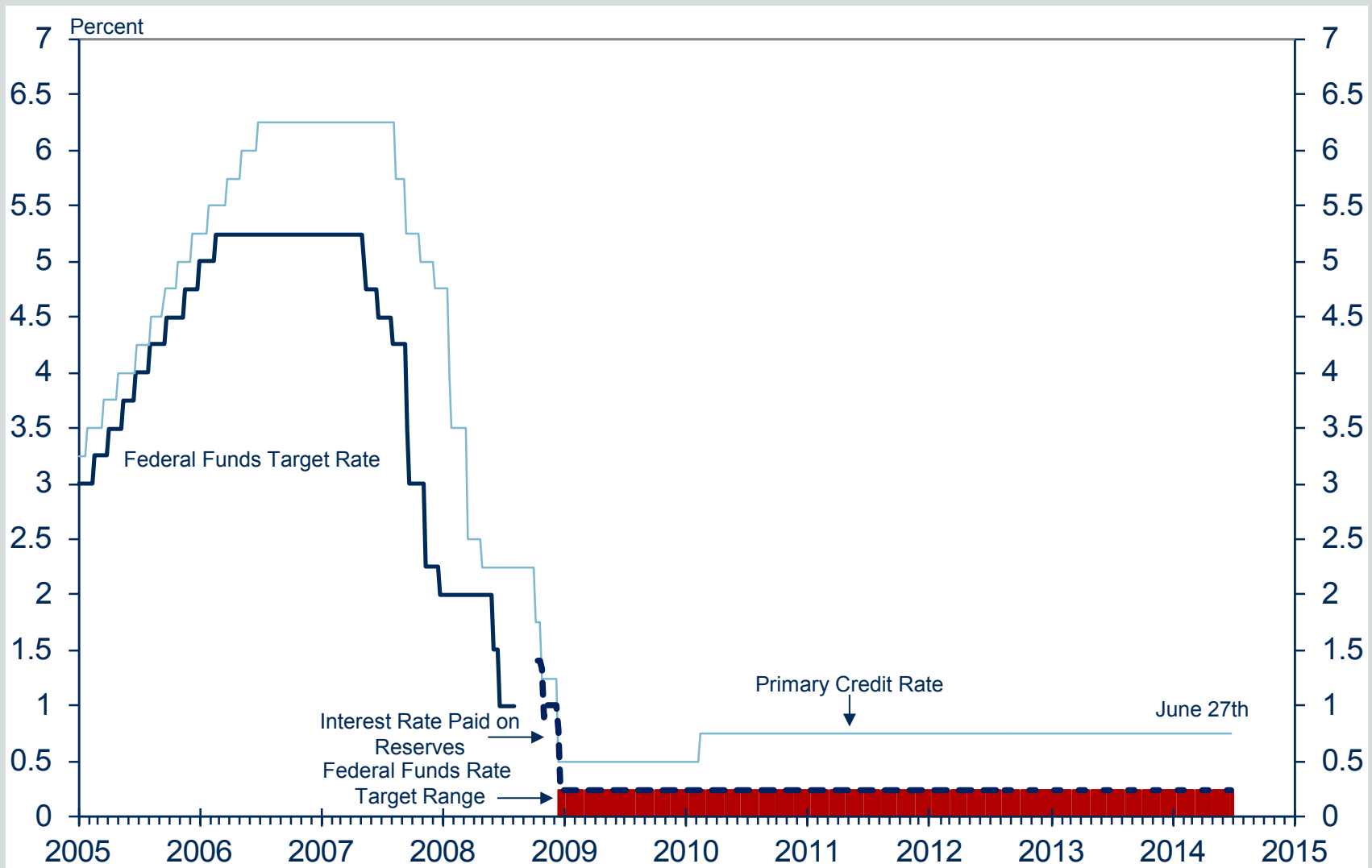
Personal Consumption Expenditure Price Index



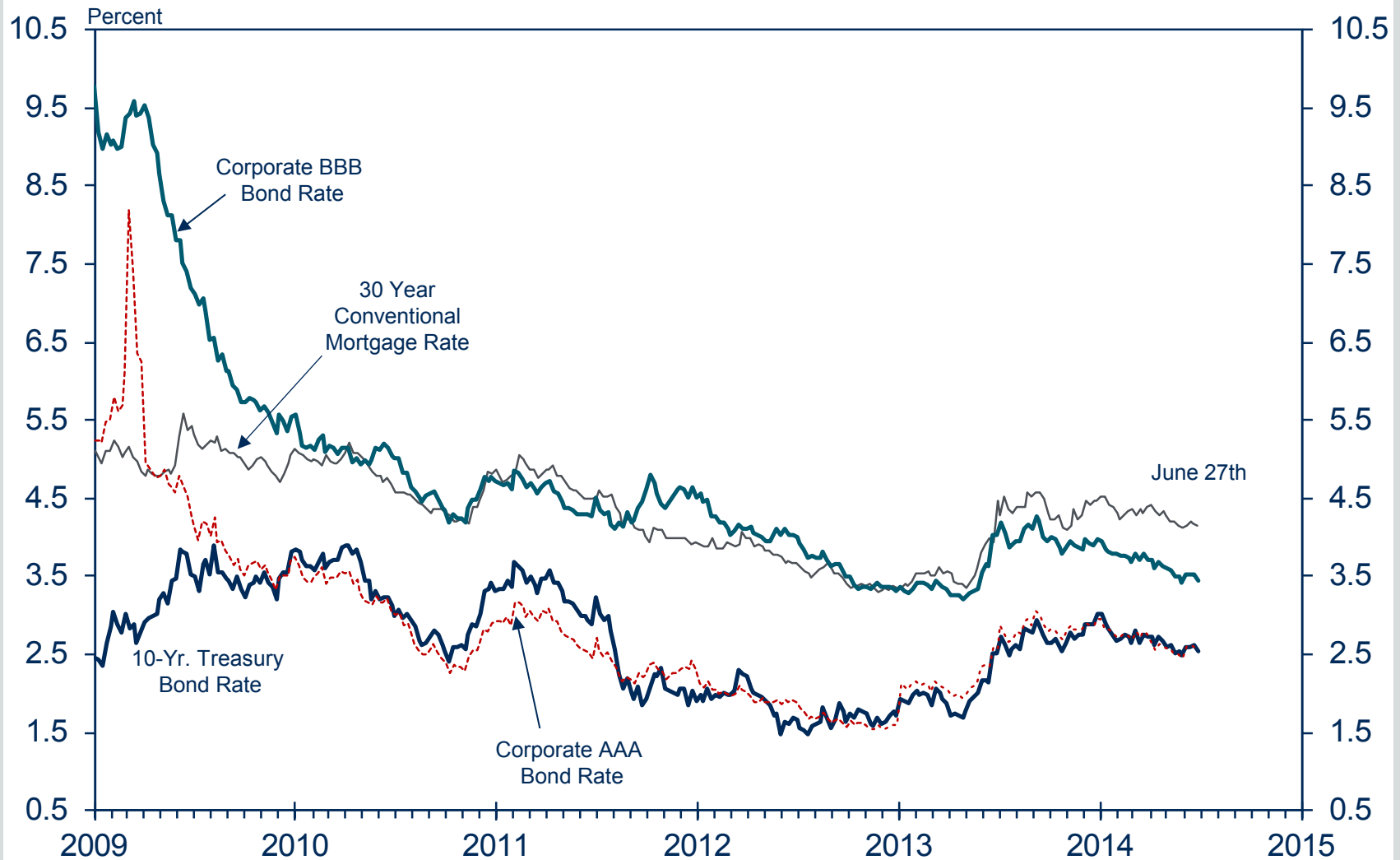
Notes: FOMC forecast is the central tendency for Q4/Q4 percent changes, from the June 18, 2014 meeting.

Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics

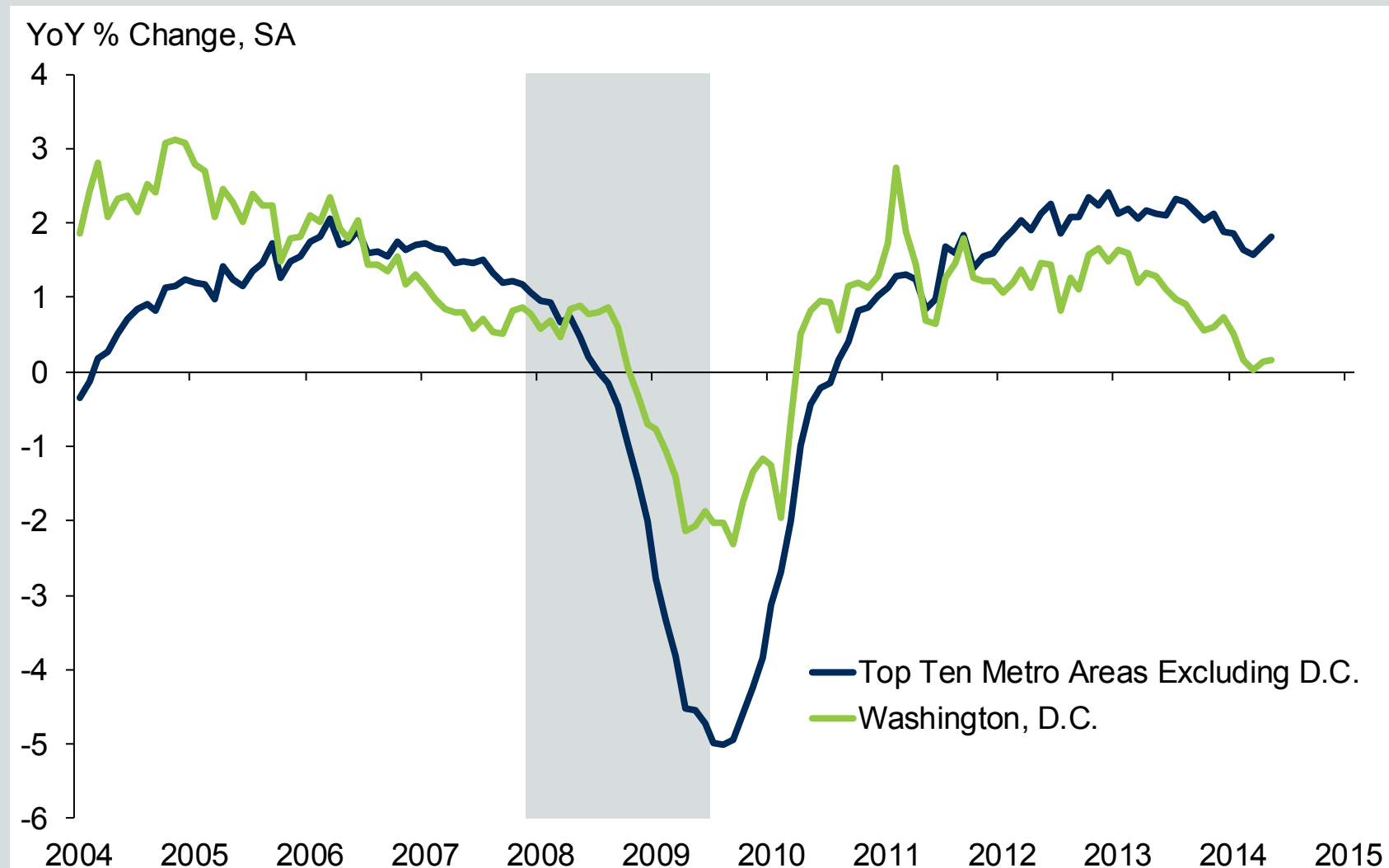
Monetary Policy Instruments



Capital Market Rates



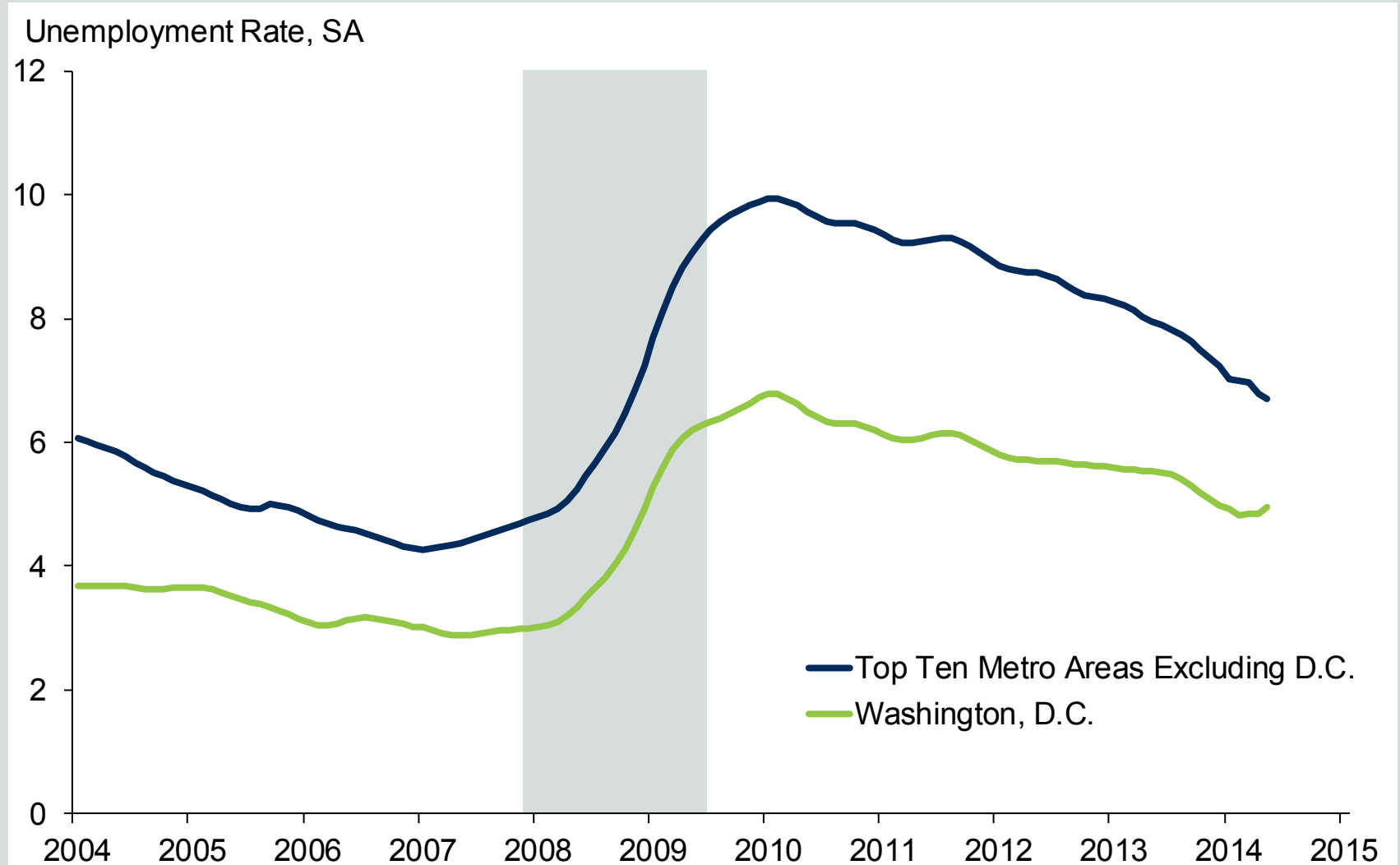
Total Employment Growth



Note: Top Ten Metro Areas Excluding D.C. is an average weighted by the relative economic size in 2012 of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

Source: Bureau of Labor Statistics/Haver Analytics

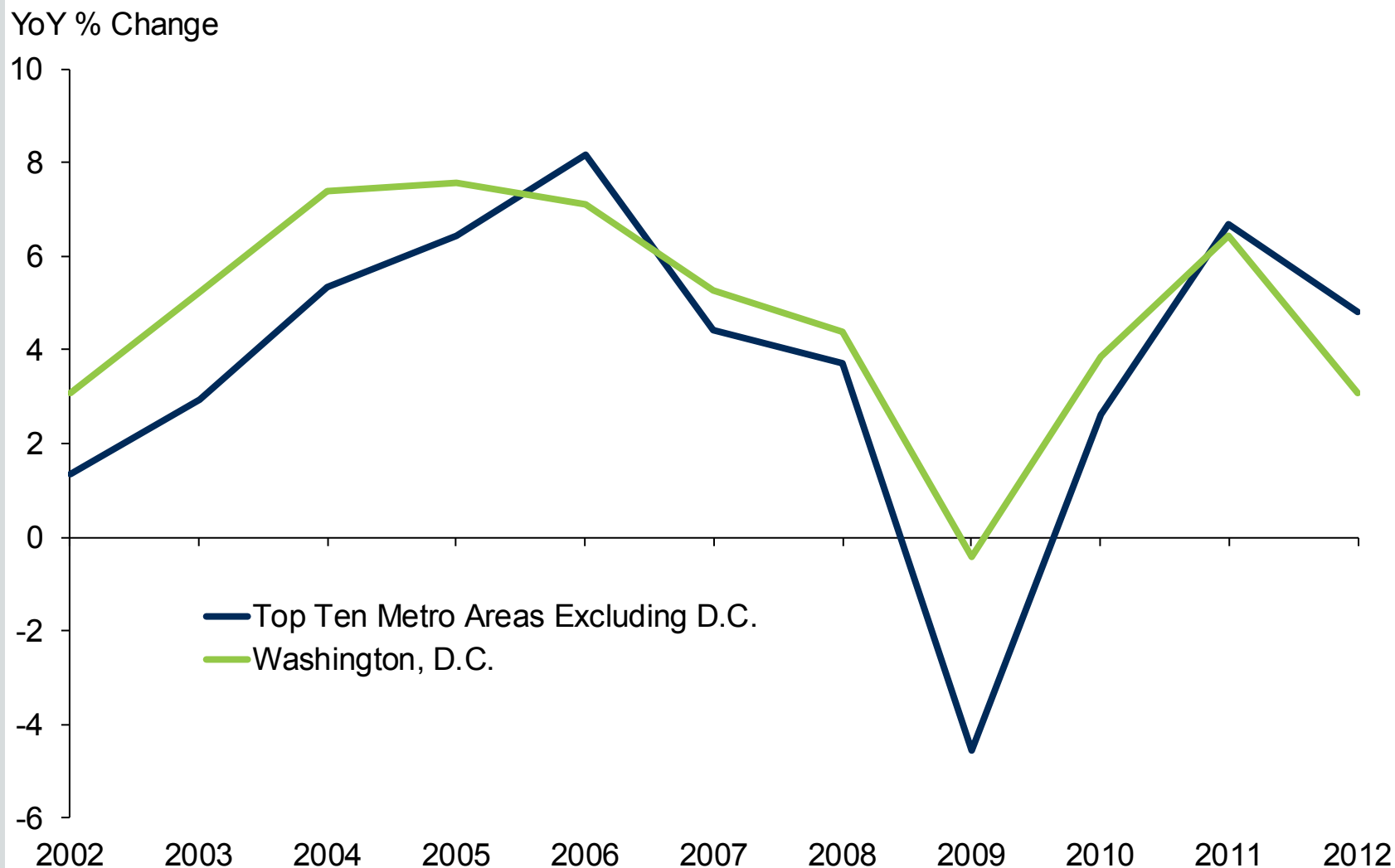
Unemployment Rate



Note: Top Ten Metro Areas Excluding D.C. is an average weighted by the relative economic size in 2012 of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

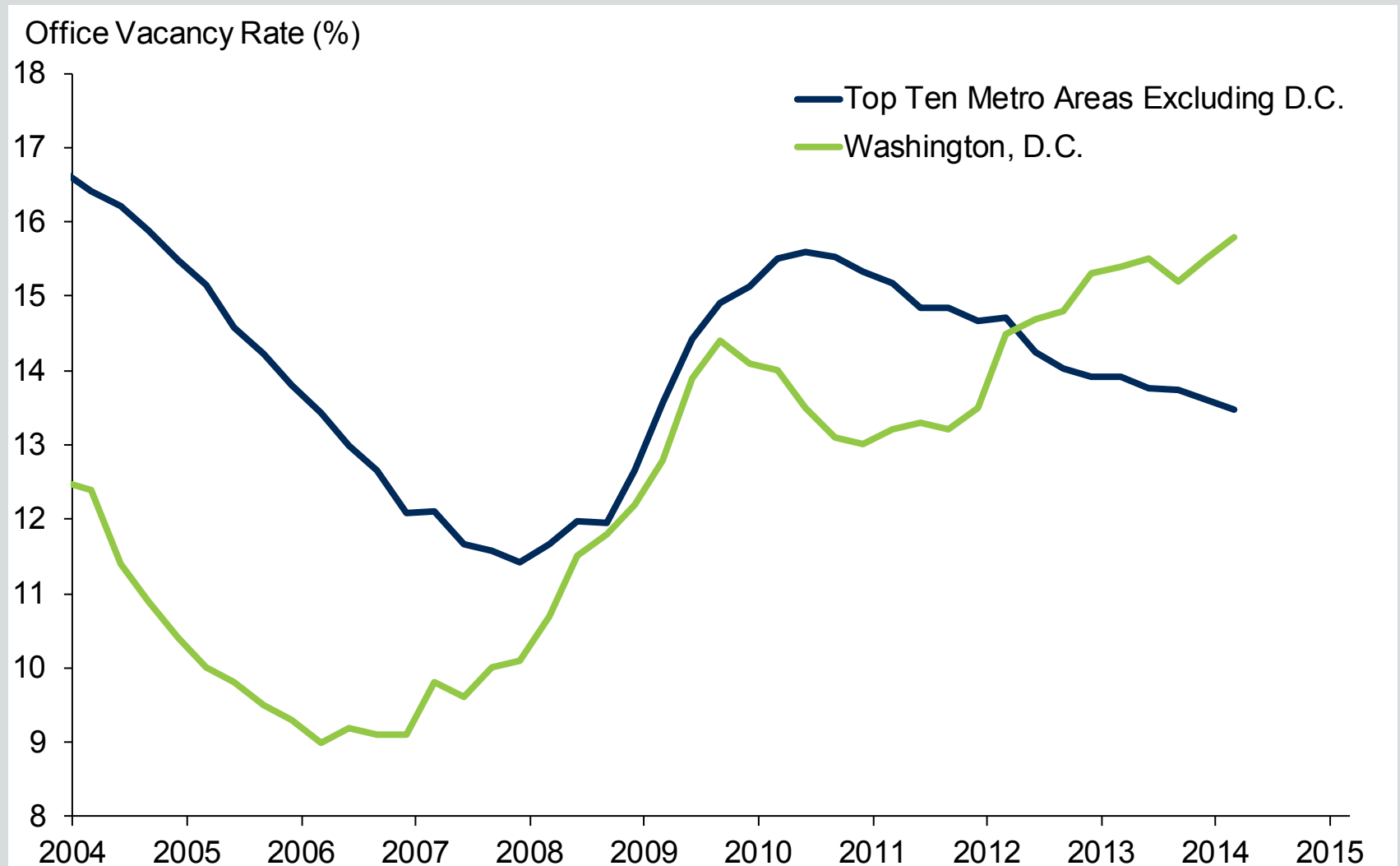
Source: Bureau of Labor Statistics/Haver Analytics

Total Personal Income Growth



Note: Top Ten Metro Areas Excluding D.C. is an average weighted by the relative economic size in 2012 of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

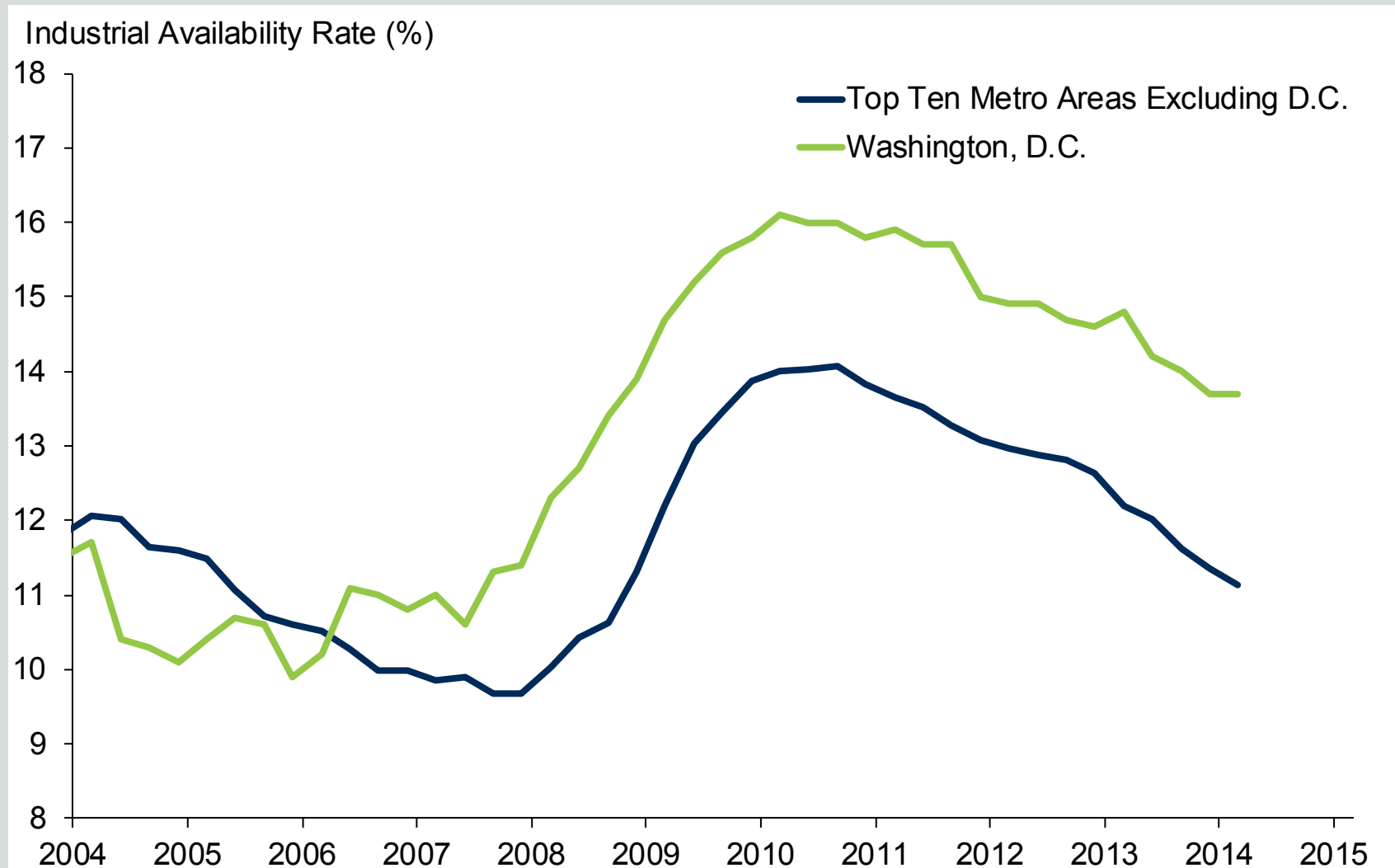
Office Vacancy Rate



Note: Top Ten Metro Areas Excluding D.C. vacancy rate is calculated by dividing the sum of vacant stock by total stock of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

Source: CBRE, through Q1:2014

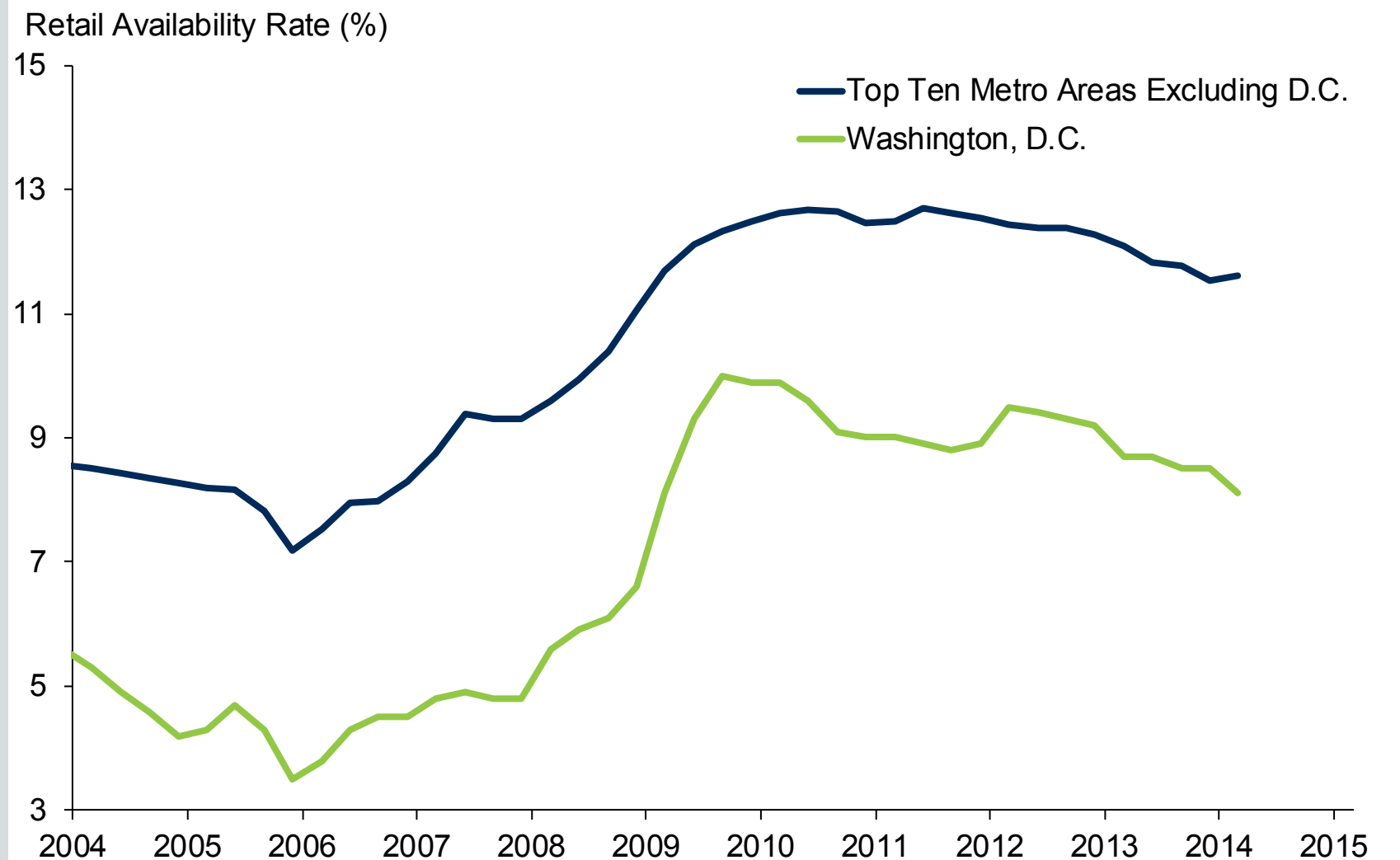
Industrial Availability Rate



Note: Top Ten Metro Areas Excluding D.C. availability rate is calculated by dividing the sum of vacant stock by total stock of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

Source: CBRE, through Q1:2014

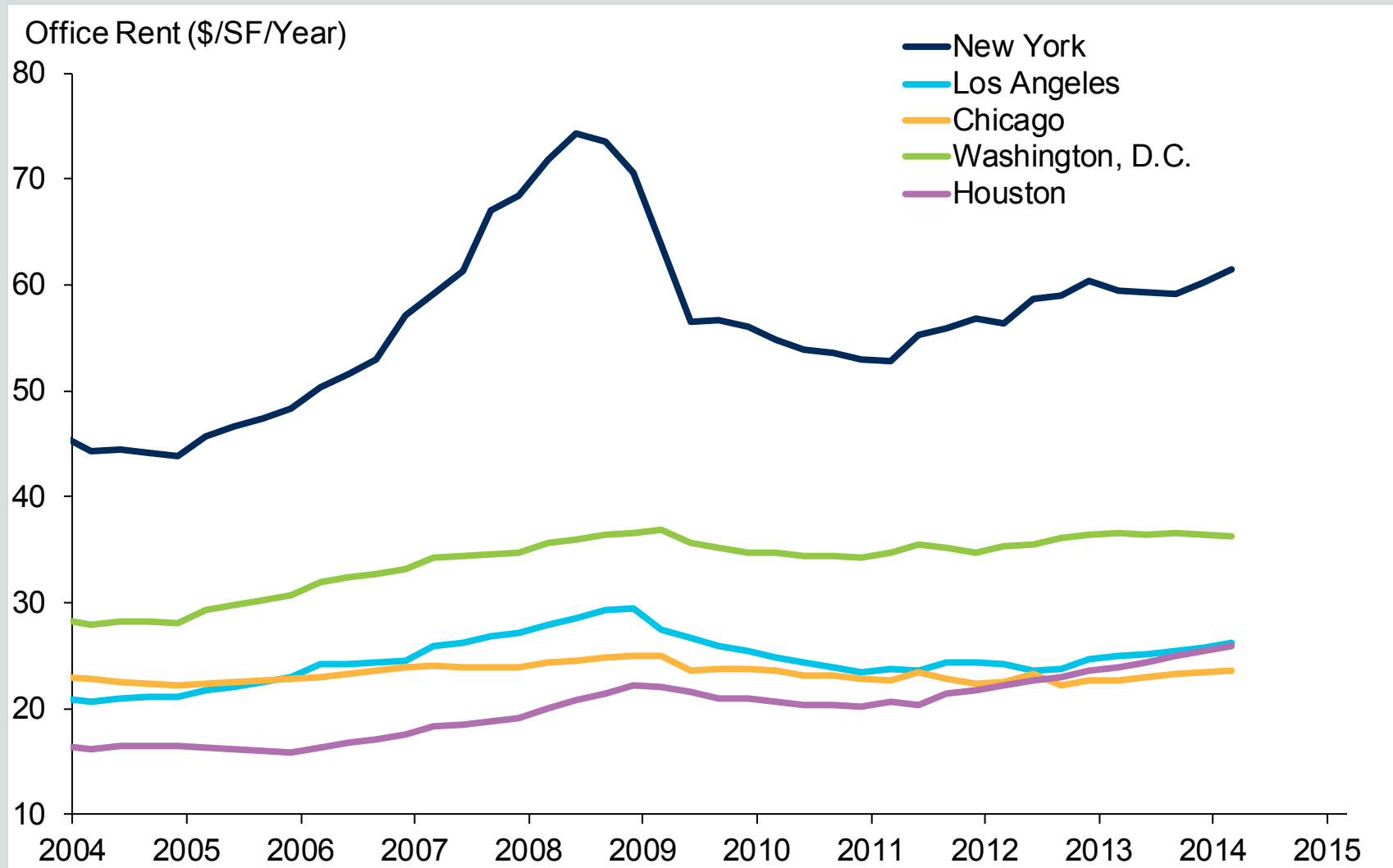
Retail Availability Rate



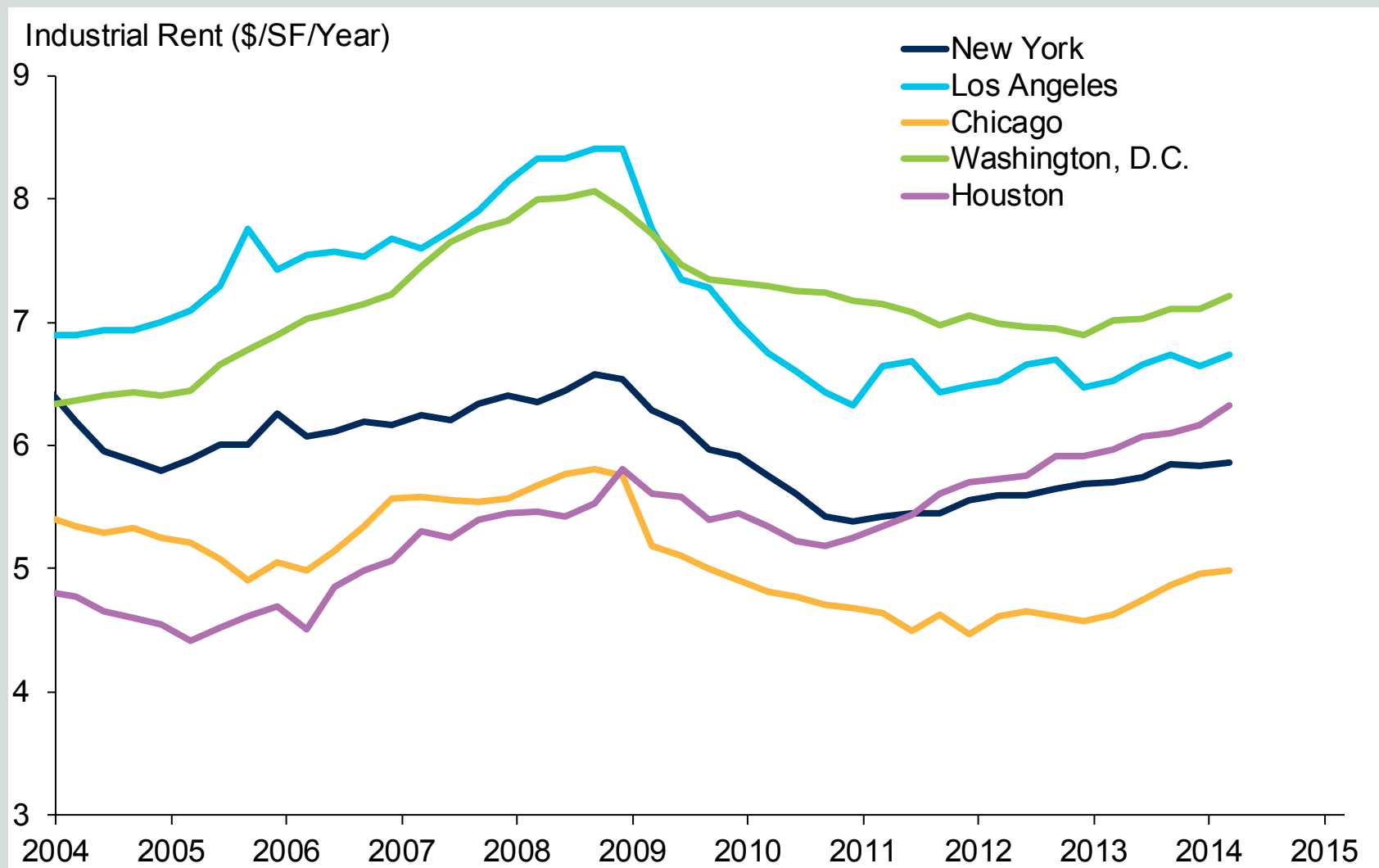
Note: Top Ten Metro Areas Excluding D.C. availability rate is calculated by dividing the sum of vacant stock by total stock of the following metropolitan areas: New York, Los Angeles, Chicago, Houston, Dallas, Philadelphia, San Francisco, Boston, Atlanta, and Miami

Source: CBRE, through Q1:2014

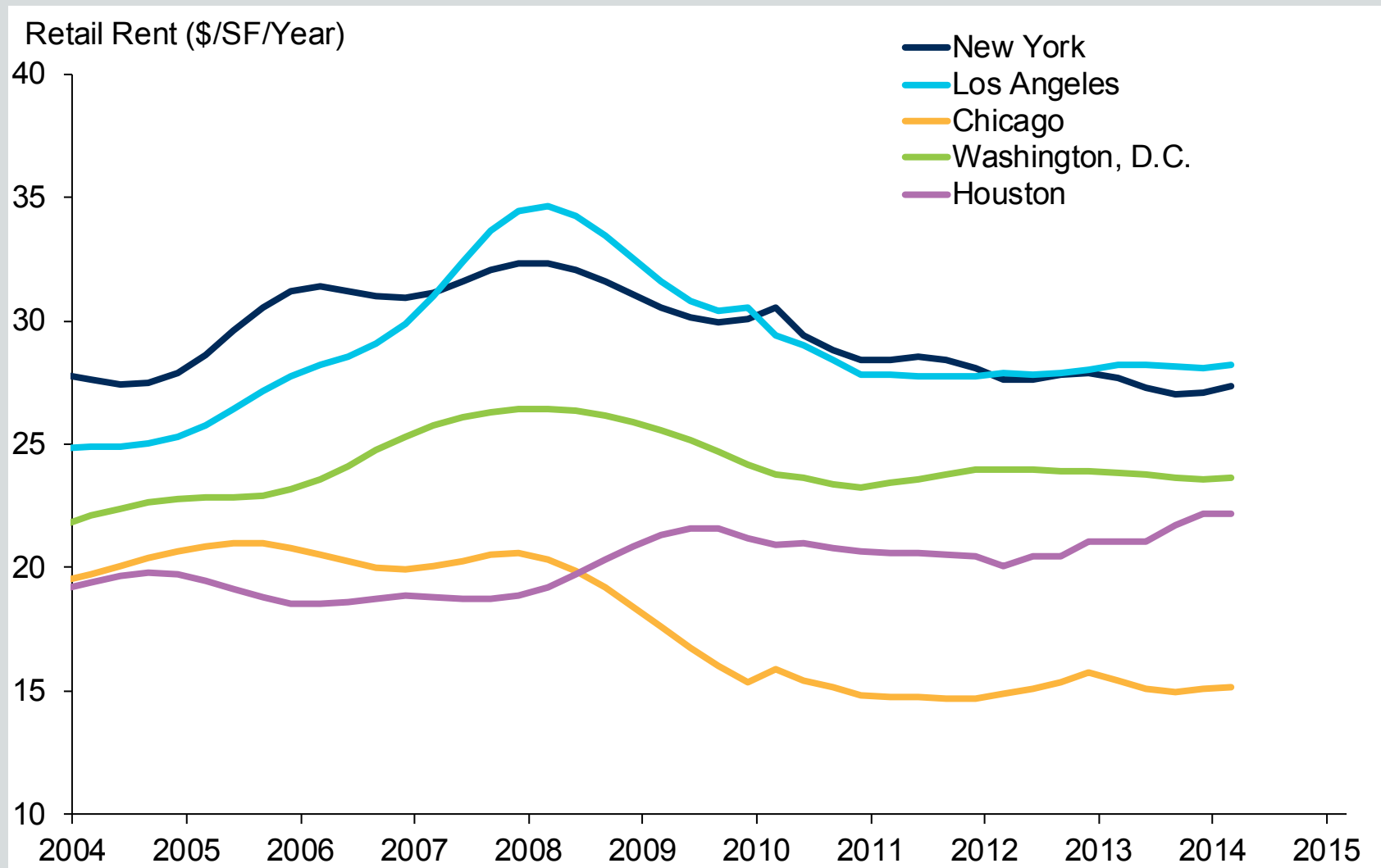
Office Rents – Top 5 Markets



Industrial Rents – Top 5 Markets



Retail Rents – Top 5 Markets



Office Completions and Net Absorption

Washington, D.C. Market

