

The Prince William Report

Prince William County

Demographic and Economic Newsletter

Second Quarter 2014

Occoquan River

April - June 2014

GEOGRAPHY

Prince William County is located in Northern Virginia, approximately 35 miles southwest of Washington, D.C. It is bounded on the north by Fairfax and Loudoun Counties, on the east by the Potomac River (Maryland), on the south by Stafford County and on the west by Fauquier County.

Prince William County encompasses a **total area of 348 square miles** (222,615 acres) and a **total land area of 338.9 square miles**. Prince William County includes within its boundaries the independent cities of Manassas and Manassas Park. The combined area of Prince William County and the independent cities is 360 square miles (230,594 acres). Federal land accounts for approximately 41,600 acres or 18.7% of the total area and includes Quantico Marine Corps Base, Manassas National Battlefield Park, Prince William Forest Park, Occoquan Bay National Wildlife Refuge and Featherstone National Wildlife Refuge. Prince William County includes four incorporated towns and nineteen Census Designated Places (CDPs), that is, unincorporated population centers designated by the U.S. Census Bureau for data collection purposes).



POPULATION

The current estimated population of Prince William County is **422,727** (as of June 30, 2014) which is approximately 1,247 persons per square mile of land area, compared to 1,186 in 2010, the last official U.S. Census.

According to Census 2010, the population of Prince William County was **402,002 persons** as of April 1, 2010. Between 2000 and 2010, the population of the County increased by 121,189 persons (43.2%).

Prince William County Population 1950-2010

Year	Population	Growth Over Previous Decade (number)	Growth Over Previous Decade (percent)
1950	22,612	4,874	27.5%
1960	50,164	27,552	121.8%
1970	111,102	60,938	121.5%
1980	144,703	33,601	30.2%
1990	215,686	70,983	49.1%
2000	280,813	65,127	30.2%
2010	402,002	121,189	43.2%

Population of Prince William County, Cities and Incorporated Towns, April 1, 2010

Prince William County.....	402,002
Manassas City.....	37,821
Manassas Park City.....	14,273
Town of Dumfries.....	4,961
Town of Haymarket.....	1,782
Town of Quantico.....	480
Town of Ocoquan.....	934

Source: U.S. Department of Commerce, Bureau of the Census, *Census 2010*.

Note: The population of Prince William County includes the towns of Dumfries, Haymarket, Quantico and Ocoquan, but does not include the independent cities of Manassas and Manassas Park

As previously mentioned, there are currently nineteen CDPs in Prince William County, compared to fourteen in 2000. CDPs cover part but not all geographic areas of the County and include roughly 80.2% of the County's population.

Population of Census Designated Places 2010

CDP	2010 Population
Buckhall*	16,293
Bull Run	14,983
Cherry Hill*	16,000
County Center*	3,270
Dale City	65,969
Gainesville	11,481
Lake Ridge	41,058
Linton Hall	35,725
Loch Lomond	3,701
Marumsco*	35,036
Montclair	19,570
Neabsco*	12,068
Nokesville	1,354
Potomac Mills*	5,614
Quantico Base**	4,452
Sudley	16,203
Triangle	8,188
Woodbridge	4,055
Yorkshire	7,541

Source: U.S. Department of Commerce, Bureau of the Census, *2010 Census*

*Buckhall, Cherry Hill, County Center, Marumsco, Neabsco and Potomac Mills did not exist as CDPs in 2000.

**Quantico Base CDP was named Quantico Station in 2000; most 2010 CDPs that existed in 2000 have had boundary changes in 2010, some significantly so. Comparing populations for these CDPs between 2000 and 2010 may result in misleading calculations of population loss or gain.

The 2010 Census reports that Prince William County is the third most populous jurisdiction in Virginia.

Largest Jurisdictions in Virginia: 2000 and 2010

2010 Rank	Place	2000 Pop.	2010 Pop.	Change (number)	Change (percent)
1	Fairfax Co.	969,749	1,081,726	111,977	11.55%
2	Virginia Beach	425,257	437,994	12,737	3.00%
3	Pr. William Co.	280,813	402,002	121,189	43.16%
4	Chesterfield Co.	259,903	316,236	56,333	21.67%
5	Loudoun Co.	169,599	312,311	142,712	84.15%
6	Henrico Co.	262,300	306,935	44,635	17.02%
7	Norfolk	234,403	242,803	8,400	3.58%
8	Chesapeake	199,184	222,209	23,025	11.56%
9	Arlington Co.	189,453	207,627	18,174	9.59%
10	Richmond	197,790	204,214	6,424	3.25%

Source: U.S. Department of Commerce, Bureau of the Census, *Censuses 2000, 2010*

POPULATION (Estimates and Forecasts)

The current estimated population of Prince William County is **422,727** (as of June 30, 2014), which represents growth of 5.16% since April 1, 2010. Prince William County is projected to grow to **561,953** persons by 2030 according to the Metropolitan Washington Council of Governments.

1990 population (actual).....215,686
 2000 population (actual).....280,813
April 1, 2010 population (actual).....402,002
June 30, 2014 population (estimate).....422,727
 2020 population (forecast).....494,534
 2030 population (forecast).....561,953

Sources: 1990, 2000, April 1, 2010 figures: U.S. Department of Commerce, Bureau of the Census; June 30, 2014 estimate: Prince William County; 2020-30 forecasts: Metropolitan Washington Council of Governments (MWCOG) Round 8.2 Cooperative Forecasts.

RACE AND ETHNICITY

Results from the 2012 American Community Survey indicated that 94.5% of the County's population reported as being of one race; 5.5% was of two or more races. Of those reported as being of a single race, 63.5% were White, 20.0% African-American, 7.8% were Asian or Pacific Islander, 0.2% were American Indian and/or Alaskan Native, 3.0% was of other races; approximately 20.9% of the population was Hispanic Origin (any race).

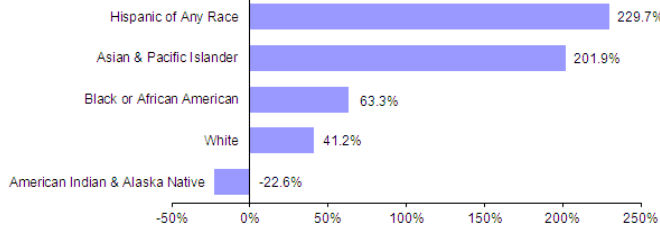
Race and Ethnicity in Prince William County

	1990	2000	2012
	% of Total	% of Total	% of Total
Reporting One Race	N/A	96.4%	94.5%
White	83.3%	68.9%	63.5%
Black/African American	11.6%	18.8%	20.0%
Am. Indian/Alaska Native	0.3%	0.4%	0.2%
Asian/Pacific Islander	3.0%	3.9%	7.8%
Other	1.8%	4.4%	3.0%
Reporting Two or More Races	N/A	3.6%	5.5%
Hispanic Origin (any race)	4.5%	9.7%	20.9%
Non-Hispanic (any race)	95.5%	90.3%	79.1%

Sources: U.S. Department of Commerce, Bureau of the Census, *Censuses 1990, 2000, 2012 American Community Survey 1-Year Estimates*

In recent decades, the population of Prince William County increasingly has become racially and ethnically diverse. The 2010 Census indicates that Prince William County is now a “minority-majority” community, meaning that less than half of the population (48.7%) is reported as non-Hispanic and of one race -- White. Between 2000 and 2012, according to the Bureau of the Census, the population of Hispanics of any race in the County grew by 229.7%; Asian/Pacific Islanders grew by 201.9%; Black/African Americans increased by 63.3%; Whites increased by 41.2%. American Indian/Alaskan Natives, a relatively small segment of the total population, declined by 22.6%

Population by Race and Ethnicity Percent Change 2000 - 2012



Sources: U.S. Dept. of Commerce, Bureau of the Census, 2000 Census, 2012 American Community Survey 1-Year Estimates

NATIVITY, PLACE OF BIRTH, LANGUAGE

The percentage of the County's population that was born outside of the United States rose significantly during the 1990's and that trend has continued during the 2000's. The 2012 American Community Survey indicated that **21.8%** of Prince William County's population was foreign-born, compared to 6.2% in 1990. The largest proportion of foreign-born residents are from Latin America.

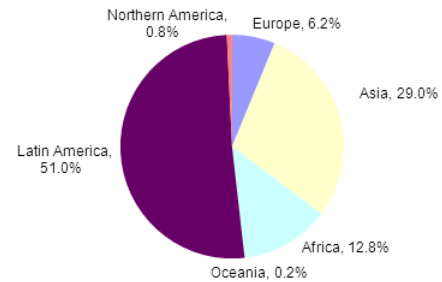
Birth Place and Citizenship 2011 Prince William County

Native to the U.S.....	78.2%
Foreign-born.....	21.8%
Naturalized citizens.....	12.8%
Not a citizen.....	9.0%

Sources: U.S. Department of Commerce, Bureau of the Census, 2012 American Community Survey 1-Year Estimates.

The 2012 American Community Survey revealed that 30.3% of Prince William County's population speaks a language other than English at home. This figure

Region of Birth of Pr. Wm. Co. Foreign-born Population, 2012



Source: U.S. Dept. of Commerce, Bureau of Census, American Community Survey 2012 1-Year Estimates

has risen significantly from 9.0% in 1990 and 16.3% in 2000. Furthermore, in 2012, 11.1% of the population indicated that they speak English “less than very well.” This figure is significantly higher than 1990's 3.1% and 2000's 6.7%.

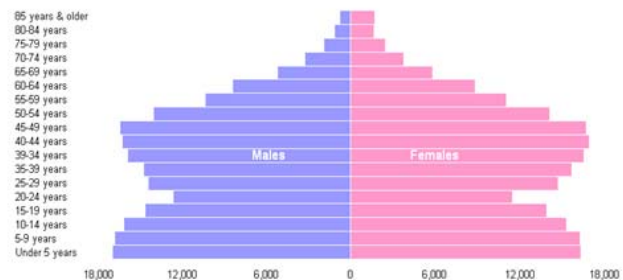
Language Spoken at Home, 2012 Ages 5 Years and Older

English only.....	69.7%
Spanish.....	17.2%
Other Indo-European languages.....	6.0%
Asian/Pacific Island languages.....	4.5%
Other.....	2.6%

Source: U.S. Department of Commerce, Bureau of the Census, 2012 American Community Survey 1-Year Estimates

AGE AND GENDER

According to the 2012 American Community Survey, **28.1%** of the total County population is under 18 years of age; approximately **7.5%** is aged 65 and over. The median age of the population is **33.8 years**. Prince William County's population, while younger than the national average, has aged slightly since 1990, when the median age was 29.1.



Source: U.S. Department of Commerce, Bureau of the Census, 2012 American Community Survey 1-Year Estimates

Age Groups, Prince William County

Age	1990 Percent of Total Pop.	2000 Percent of Total Pop.	2012 Percent of Total Pop.
< 18	30.54%	30.4%	28.1%
18-64	66.43%	64.8%	64.4%
65 +	3.03%	4.8%	7.5%

Sources: U.S. Department of Commerce, Bureau of the Census, 1990, 2000, 2010 Censuses, 2012 American Community Survey 1-Year Estimates

The 2012 American Community Survey also indicated that **49.7%** of the County's population is male and **50.3%** is female.

HOUSING

The 2010 Census reported that Prince William County had **137,115 housing units** as of April 1, 2010. This represents an increase of over 39,000 units (39.8%) since 2000.

Housing Units, Pr. William Co. 1950-2010

Year	Housing Units	Decade Growth (numbers)	Decade Growth (%)
1950	5,755	2,325	67.80%
1960	13,207	7,452	129.49%
1970	29,885	16,678	126.28%
1980	46,490	16,605	55.56%
1990	74,759	28,269	60.81%
2000	98,052	23,293	31.16%
2010	137,115	39,063	39.84%

Source: U.S. Department of Commerce, Bureau of the Census

2010 Housing Occupancy

Total Housing units.....**137,115**.....**100.0%**
Occupied Housing units.....130,785.....95.4%

Sources: U.S. Department of Commerce, Bureau of the Census, 2010 Census

As of June 30, 2014, there were an estimated **144,278 housing units** in Prince William County. This represents an additional 6,754 units (4.93%) since April 1, 2010. The 2012 American Community Survey reports that nearly one out of every three houses in the County was built since 2000. In addition, the 2012 American Community Survey estimates that 54.6% of all houses are single family detached, 27.6% are townhouses, 17.1% are units in multi-family structures and 0.7% are mobile homes. The 2012 American Community Survey also reports that 29.9% of households have moved into their current residence since 2005.

HOUSEHOLD COMPOSITION

According to the 2010 Census, there were **130,785 households** in Prince William County as of April 1, 2010. According to the Census Bureau's 2012 American Community Survey, 77.3% of the County's households are occupied by families, (compared to 66.2% in the United States). This represents a decrease of 3.4 percentage points since 1990, when 80.7% of households in the County were families. Approximately 42.0% of Prince William County's households are family households occupied by parents with their own children under 18 years of age. In the United States, 29.0% of households were families with children under 18 years of age in 2012.

Pr. William Co. Households by Type 1990-2012

Household Type	1990 (%)	2000 (%)	2012 (%)
Family Households	80.7%	76.9%	77.3%
Family with own children	50.6%	44.2%	42.0%
Married Couple with own children	42.6%	34.2%	32.4%
Single female with own children	6.1%	7.5%	6.4%
Single male with own children	1.9%	2.5%	3.2%
Family, no children	30.1%	32.7%	35.3%
Non-Family Households	19.3%	23.1%	22.7%

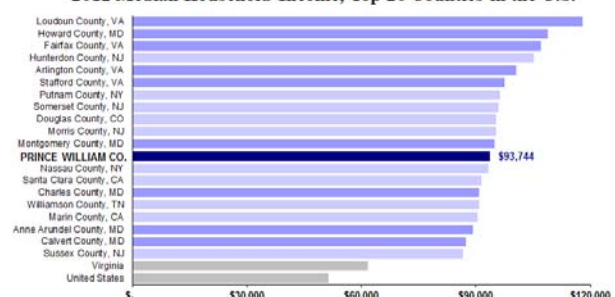
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 Census, Census 2000, 2012 American Community Survey 1 Year Estimates.

Prince William County's average household size, according to the 2012 American Community Survey was **3.17 persons** in 2012, compared to 2.94 persons in 2000 and 3.04 persons in 1990. The average household size in the United States was 2.63 in 1990, 2.61 in 2000 and 2.64 in 2012.

INCOME AND POVERTY

According to the 2012 American Community Survey,

2012 Median Household Income, Top 20 Counties in the U.S.



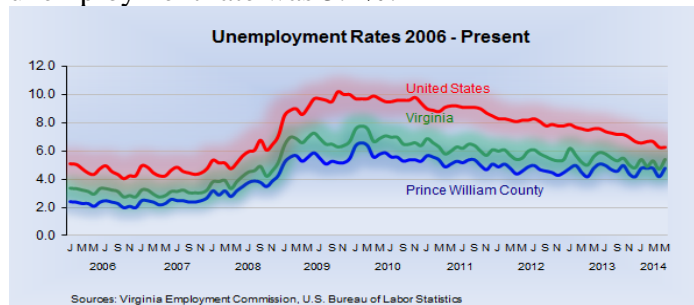
Source: U.S. Bureau of Census, 2012 American Community Survey 1-Year Estimates

the 2012 median household income in Prince William County was **\$93,744**. This ranks twelfth among the largest counties in the United States, fifth among counties in the Commonwealth, and is an indication of the relative wealth of Prince William County and the greater Washington metropolitan region, which included ten of the top twenty counties in the nation for median household income. The per capita income in Prince William County in 2012 was **\$35,811**.

The 2012 American Community Survey reported that Prince William County's poverty rate was 6.4% in 2012, compared to the statewide rate of 11.7% and the national rate of 15.9%.

UNEMPLOYMENT

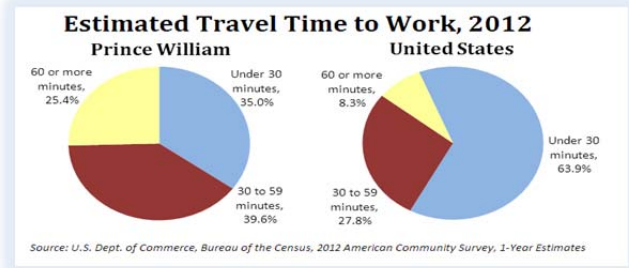
In May 2014, Prince William County had a civilian unemployment rate of **4.8%**, unchanged from May 2013. The Prince William County unemployment rate has historically trended significantly lower than the national rate, largely the result of Prince William County's enviable position as part of the Northern Virginia economy and its proximity to Washington, D.C. and the federal government. In May 2014, the national unemployment rate was 6.3%; statewide the unemployment rate was 5.4%.



JOURNEY TO WORK

The 2012 American Community Survey indicates that on the average, Prince William County workers continue to face long commute times. Some **25.4%** of all County workers travel an hour or more one way to work. This figure is more than three times the national number of 8.3% and is the eleventh longest commute among the largest 825 counties in the United States. Of the 20 longest average commutes to work, eight are communities in the greater

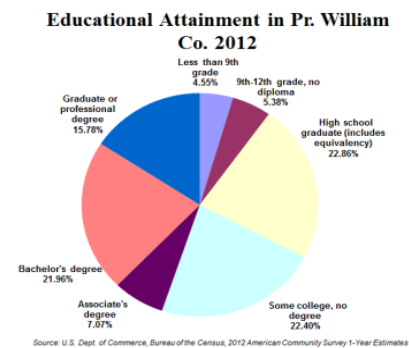
Washington area. The average travel time to work among Prince William County workers in 2012 was 39.6 minutes, an increase from 36.9 and 36 minutes in 2000 and 1990, respectively. The 2012 American Community Survey also indicated that 73.6% of Prince William County workers drive to work alone; 15.0% carpool to work; 5.7% use public transportation; 5.7% used other means, walked to work or worked at home.



EDUCATION

The Prince William County Public School System reported that as of June 30, 2014, there were **84,194 students** enrolled in public schools in the County: 39,786 in elementary schools; 19,442 in middle schools; 24,065 in high schools; and 901 in special education schools.

According to the Census Bureau's 2012 American Community Survey, 37.8% of adults in Prince William County had bachelor's degrees or higher, compared to 29.1% in the nation as a whole.



For more information, including current and archived economic, demographic, and financial data and publications, please visit the Prince William County Finance Department website at <http://www.pwcgov.org/finance>

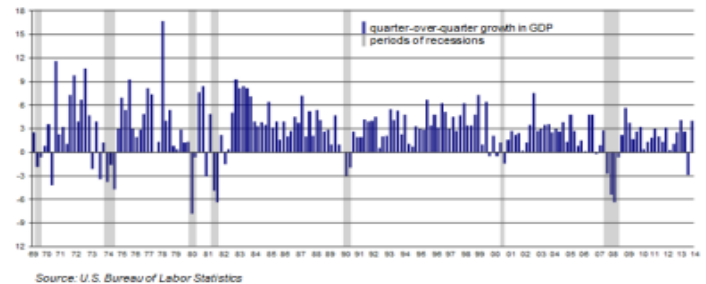
NATIONAL ECONOMY

During the 2nd Quarter 2014, the national economy appeared to be growing modestly in some areas, even as latest reports for gross domestic production slipped. The housing market and automobile sales grew during the quarter; job creation and unemployment are trending in the right direction, but concerns continue regarding the number of underemployed and unreported workers leaving the job market altogether. The stock market continued generally on an upward path while corporate earnings were mixed.

Real Gross Domestic Product (GDP) is the broadest measure of economic activity in the United States and is a reliable indication of the overall strength and performance of the national economy. Most economists agree that the latest recession/contraction began in the first quarter 2008, and, by accepted definitions, ended during the third quarter 2009, with a 2.2% expansion (quarter-over-quarter). Slow to moderate growth has proceeded since, with improvement as 2013 progressed, despite federal sequestration and a government shutdown in October.

GDP for the first four quarters of 2013 was as follows: 1.1%, 2.5%, 4.1% and 2.6%—signs of a moderately strengthened economy. First Quarter 2014 GDP was reported at -2.9%, the first negative growth rate since the end of the recession. However, 2nd Quarter GDP (preliminary) rebounded at 4.0%.

U.S. Gross Domestic Product and Recessions 1969 - 2014



Job Market – First time unemployment claims, continued a generally improving trend in the 2nd Quarter 2014, with jobless claims ranging between 310,000 and 320,000. For the week ending June 30, 2014, a total of 315,000 claims were reported. Unemployment rates, considered a lagging indicator of sorts, continued a generally improving trend, moving near 6.0% in the last quarter of 2013. In June 2014 unemployment stood at 6.1% down from 6.7% one quarter earlier and a notable improvement over June 2013, when the unemployment rate stood at 7.5%. Job creation, which declined severely during the most recent recession, continued an expanding trend in the 2nd Quarter 2014, though not yet back to pre-recession levels of employment. In two years, from December 2007 until December 2009, a net of over 8.5 million jobs were lost as the economic contraction took hold -- a loss of 5.8%. Since that time, however, a net total of 8.21 million jobs have been added (through June 2014) -- an increase of 5.7% in 54 months. In the 2nd Quarter 2014 non-farm payrolls added 826,000 net new jobs. These jobs gains have continued to mitigate the unemployment rate in the nation. It should be noted however that some of the reduction in the jobless rate is the result of workers leaving the job market altogether, or taking part-time jobs. Nonetheless, unemployment rates are headed in the right direction and give strength to an optimistic outlook going forward.

Indicators at a Glance

GDP	↑
Federal Deficit	↑
Corporate Profits	↑
Dow Jones	↑
Housing Starts	↑
Job Growth	↑
Unemployment	↓
Consumer Confidence	↔
Retail Sales	↔
Auto Sales	↑
Energy Prices	↑
Core Inflation	↔
Interest Rates	↔
U.S Dollar	↔
National Index	↔
PWC Index	↑

Housing Industry – Across the nation, some 893,000 housing starts (annualized) were reported in June 2014, a 6.8% increase from one year earlier. June 2014 permits totaled 963,000 -- a 5.7% increase, year-over-year. A total of 4.89 million existing homes were sold in May 2014 (seasonally adjusted annualized rate), a 5.6% annual decrease. New home sales came in at 504,000 in May 2014 (seasonally adjusted annualized rate), an annual increase of 2.7%. Construction spending increased month-over-month by 0.1% in May 2014, led by a 1.1% increase in nonresidential spending. Public construction increased by 1.0%, while private construction declined by 0.3% and residential construction declined by 1.5% in May 2014.

Retail Sales – Retail sales increased monthly by a modest 0.2% in June 2014 as the consumer appeared to pocket some gains made in earnings during the quarter. Leading the monthly retail sales increases were general merchandise (1.1%), clothing (0.8%), food (0.4%), auto/parts (3.1%), building materials (1.8%), and gasoline stations (0.3%). Building materials declined by 1.0%, auto parts by 0.3% and furniture by 0.1%. E-retailing/non-store sales increased by 0.9% month-over-month in June 2014. The Conference Board's Consumer Confidence Index stood at 85.2 in June 2014, up from 82.2 in May.

Automobiles – Motor vehicle sales in June 2014 reached their highest level since July 2006, with total vehicle sales reported at 17.0 million (annualized) compared to 16.8 million one month earlier. Domestic auto sales in June 2014 were reported at an annualized rate of 5.9 million – a 3.5% increase from the previous month and an increase of 11.3% year-over-year. Sales of light domestic trucks were reported at an annualized rate of 7.5 million in June 2014, a decrease of 2.6% from the previous month but a 10.3% increase from one year earlier. Total sales of automobiles and light trucks, including foreign, were reported at 17.0 million in June 2014, a monthly increase of 1.2%, and 6.3% yearly. Domestic automobile sales, as a percentage of all sales in the United States, were reported at 78.8% in June 2014, compared to 78.1% one year earlier.

The quarterly index of economic indicators for the United States economy includes 53 major indices, each nominally scored from 0 to 200. A score of 100 indicates expected or neutral impact to the economy; a score of 0 indicates the most severe negative impact or under performance; a score of 200 indicates the most positive impact or better than expected performance.

Our national index of economic indicators for the 2nd Quarter 2014 was **111.22** -- 100 being the standard for average performance. In the 1st Quarter 2013, the national index was 109.08.

PRINCE WILLIAM ECONOMY

The Prince William County economy during the 2nd Quarter 2014, continued overall to exhibit healthy tendencies, even as ongoing federal budget difficulties loomed that could directly impact the local economy in the coming months. The residential real estate market maintained improvement in terms of average sold price and number of sales. Unemployment in the County, while still somewhat elevated by recent standards, declined over the quarter and is well below the national rate. Foreclosures are generally on a downward pace, approaching levels recorded before the real estate downturn. Latest at-place employment data from the Virginia Employment Commission (4th Quarter 2013) indicate growth, year-over-year, in establishments, employment and average weekly wages in the County. The Prince William County commercial inventory, still elevated in terms of historic vacancy rates, improved from one year earlier. The Prince William economy appears, for the most part, to be healthy, even as the impact on the local economy of sequestration, federal employment furloughs and ongoing federal budget difficulties has yet to be fully ascertained.

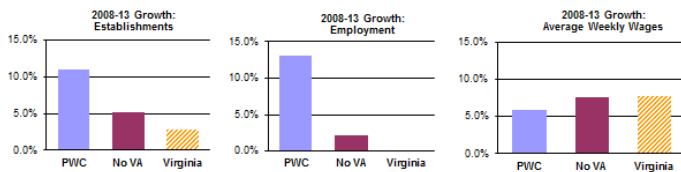
Establishments, Employment, Wages – According to data from the U.S. Department of Labor and the Virginia Employment Commission, Prince William

County has outpaced regional and state economies in business and job growth over the last five years and has nearly matched the state and region for at-place average weekly wage growth since 2008 as well as during the last year

In 2013 (4th Quarter), there were 7,944 employment establishments reported in Prince William County, a decline of 0.5% year-over-year but an increase of 11.1% since 2008. By comparison, Northern Virginia establishments declined by 0.8% in one year but increased by 5.3% since 2008; statewide, establishments declined by 1.5% in the last year and grew by 2.9% since 2008.

At-place employment in Prince William County (117,503 in the 4th Quarter 2013) increased by 1.9% year-over-year and by 13.1% since 2008. By comparison, Northern Virginia employment declined by 0.6% in the last year but grew by 2.2% since 2008. Employment in the Commonwealth grew by 0.1% in the last year, and increased by less than 0.1% since 2008.

At-Place Establishments, Jobs & Wages 2008-13
Pr. Wm. Co., No. Virginia and Virginia



Source: Virginia Employment Commission

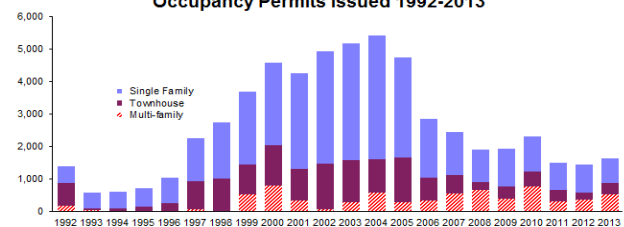
The average weekly wage in Prince William County (\$863 in the 4th Quarter 2013) was unchanged year-over-year but grew by 5.9% since 2008. At-place average weekly wages in Northern Virginia (\$1,411) declined by 2.1% in the last year but grew by 7.6% since 2008. In Virginia, weekly wages (\$1,028) declined by 1.3% year-over-year but grew by 7.8% since 2008.

Residential Real Estate Market –According to data from Metropolitan Regional Information Systems (MRIS), during June 2014, the average home in Prince William County sold for \$365,839. This represents an increase of 3.8% year-over-year. The number of homes sold in Prince William County in June 2014 was 688—a decrease of 1.15% from June

2013. The ratio of homes on the market to homes sold was 2.82, compared to 1.50 one year earlier. Average “days on the market” stood at 36 in June 2014 compared to 30 in June 2013.

In 2013, a total of 1,643 residential occupancy permits were issued for new homes: 756 single family homes, 349 townhouses and 538 multi-family units (including apartments). This represents an increase of 11.9% year-over-year but well below 2010’s 2,312 total new units. The mix of housing types has shifted in six years, reflecting a changed market. In 2006, 63% of all permits issued were for single family detached, while 25% were for townhouses and 12% for condominiums/apartments. In 2013, by comparison, 46.0% of all permits issued were for single family detached, while 21.2% were for townhouses and 32.7% were for multi-family units. The chart below depicts the annual levels of Prince William County building permits since 1992.

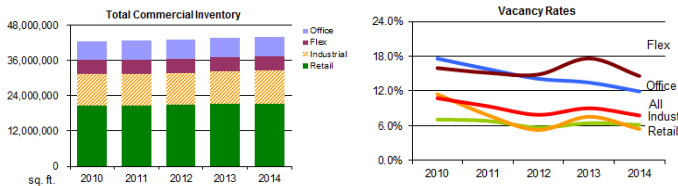
Pr. Wm Co. Number of New Residential Units With Occupancy Permits Issued 1992-2013



Commercial Real Estate Market – During the 2nd Quarter 2014, the Prince William County commercial inventory saw improving conditions, although vacancy rates continue to be elevated by historic trends and new construction continues at a generally reduced level. Insomuch as Prince William County’s commercial inventory is a part of the region’s inventory, it is affected by general conditions in the region’s economy. Overbuilding during the last economic expansion was in part responsible for an oversupply of Office, and Industrial inventory as the economy began to worsen. Furthermore, in certain types of product—notably Flex, which is often characterized by single large and specific uses, the movement of one or two tenants can greatly impact vacancy rates. Current conditions suggest that the Prince William County commercial real estate

market, while generally improving, continues to be in an absorption phase, meaning product that was developed largely before the economic downturn is still not fully leased.

In June 2014, according to Costar Realty Group (Costar), Prince William County commercial inventory included 44.2 million square feet (sq. ft.) of space in 1,941 buildings, with 3.41 million sq. ft. of vacant space—a vacancy rate of 7.7%. Since 2010, some 1.52 million sq. ft. of commercial space has been added to the inventory, a growth rate of 3.7%.



In June 2014 the Prince William County commercial inventory consisted of:

- Office: 6,576,342 sq. ft. in 435 buildings;
- Flex: 4,944,557 sq. ft. in 137 buildings;
- Industrial: 11,256,204 sq. ft. in 322 buildings; and
- Retail: 21,459,782 sq. ft. in 1,047 buildings

Vacancy rates moved lower in all commercial categories decreasing by 0.7%, year-over-year. Total vacancy across all categories in June 2014 was 7.7%, a decrease of 299,066 sq. ft. since June 2013, when the total vacancy rate was 8.4%. Total vacant space has declined by 1,141,525 sq. ft. since June 2010, when the total vacancy rate was 10.7%.

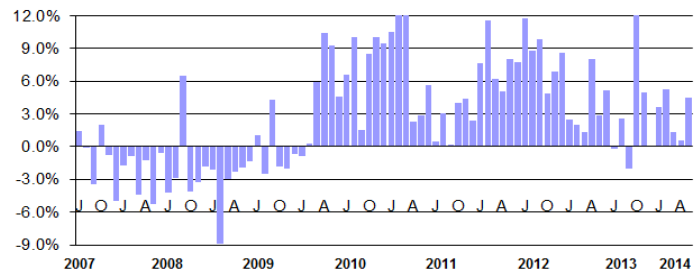
Prince William County commercial vacancy as of June 2014 is as follows:

- Office: 792,691 sq. ft. (12.1%);
- Flex: 730,649 sq. ft. (14.8%);
- Industrial: 546,770 sq. ft. (4.9%); and
- Retail: 1,344,209 sq. ft. (6.3%).

Retail – Retail activity, as reflected by sales revenue generated in Prince William County, has grown during the quarter, continuing a three-year trend. Between July 2006 and July 2007, seasonally adjusted sales tax revenues indicated a relatively flat

trend from the previous five years of growth. Between August 2007 and January 2010, however, the trend was downward, reflecting economic conditions and concerns. This period included 26 out of 30 months in which declining sales revenue year-over-year was reported. Beginning in February, 2010, however, the trend was reversed, with 50 out of 52 months (through May 2014) of positive monthly year-over-year growth. Sequestration and continued federal budget uncertainty notwithstanding, and despite some uneasiness during the previous summer, the economy and consumer confidence appear to be gaining some strength and retailers are hopeful of continued healthy retail activity.

Prince William County Monthly Year-Over-Year Sales Revenue Growth Rates July 2007 - May 2014



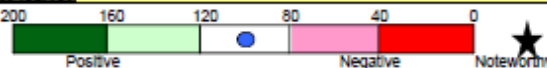
Source: Pr. Wm. Co. Finance Dept.

The quarterly index of economic indicators for Prince William County includes nineteen local economic indices, each nominally scored from 0 to 200. A score of 100 indicates expected or neutral impact to the economy; a score of 0 indicates severely negative impact or under performance; a score of 200 indicates a tremendously positive impact or better than expected performance.

Our local index of economic indicators for the 2nd Quarter 2014 was **123.68** – 100 being the standard for average performance. In the 1st Quarter 2014, the index was also 123.68.

For more information, including current and archived economic, demographic, and financial data and publications, please visit the Prince William County Finance Department website at <http://www.nwccgov.org/finance>

Summary of National Economic Indicators as Reported by "Briefing.Com"							8/6/14
Data Released 2nd Quarter 2014							
Date	Release	For	Actual	Outlook	Prior	Change	Notes
20-Jun	Initial Claims (000s)	7-Jun	318		323	-1.5%	updated
27-Jun	Initial Claims (000s)	14-Jun	314		318	-1.3%	updated
4-Jul	Initial Claims (000s)	21-Jun	313		314	-0.3%	updated
11-Jul	Initial Claims (000s)	28-Jun	315		313	0.6%	updated
10-Jul	Unemployment Rate	June	6.1%		6.7%	-0.6%	updated
10-Jul	Nonfarm Payrolls (000s)	Q2 2014	826		533	55.0%	updated
10-Jul	Hourly Earnings	June	0.2%		0.1%	0.1%	updated
10-Jul	Average Workweek	June	34.5		34.5	0.0%	updated
10-Jul	Personal Income	May	0.4%		0.3%	0.1%	updated
10-Jul	Personal Spending	May	0.2%		0.0%	0.2%	updated
10-Jul	Wholesale Inventories	May	0.5%		1.0%	-0.5%	updated
10-Jul	Wholesale Inventories (Sales)	May	0.4%		0.8%	-0.4%	updated
10-Jul	Ratio Inventory to Sales (months)	May	1.18		1.18	0.0%	updated
10-Jul	Business Inventories	May	0.5%		0.6%	-0.1%	updated
10-Jul	Business Inventories (Sales)	May	0.8%		-1.1%	1.9%	updated
10-Jul	Ratio Inventory to Sales (months)	May	1.29		1.29	0.0%	updated
10-Jul	Factory Orders	May	-0.5%		0.8%	-1.3%	updated
10-Jul	Durable Orders	May	-0.9%		0.9%	-1.8%	updated
10-Jul	Industrial Production	June	0.2%		0.5%	-0.3%	updated
10-Jul	Capacity Utilization	June	79.1%		79.1%	0.0%	updated
10-Jul	ISM Index (survey)	June	55.3		55.4	-0.2%	updated
10-Jul	ISM Services (survey)	June	56.0		56.3	-0.5%	updated
10-Jul	NY Empire State Index-Seasonally Adjusted (survey)	June	19.28		19.01	1.4%	updated
10-Jul	Philadelphia Fed (survey)	June	17.8		15.4	15.6%	updated
10-Jul	Chicago PMI (survey)	June	62.6		65.5	-4.4%	updated
2-Jul	Durable Goods Orders	May	-0.9%		0.8%	-1.7%	updated
19-Jun	Leading Indicators	May	0.5%		0.3%	0.2%	updated
17-Jul	Housing Starts (000s)	June	893		985	-9.3%	updated
17-Jul	Building Permits (000s)	June	963		1005	-4.2%	updated
23-Jun	Existing Home Sales (m)	May	4.89		4.66	4.9%	updated
24-Jun	New Home Sales (000s)	May	504		425	18.6%	updated
1-Jul	Construction Spending	May	0.1%		0.8%	-0.7%	updated
9-Jul	Consumer Credit (\$b)	May	\$19.60		\$26.10	-24.9%	updated
15-Jul	Retail Sales	June	0.2%		0.5%	-0.3%	updated
15-Jul	Retail Sales ex-auto	June	0.4%		0.4%	0.0%	updated
2-Jul	Auto Sales-Domestic (m)	June	5.9		5.7	3.5%	updated
2-Jul	Truck Sales-Domestic (m)	June	7.5		7.7	-2.6%	updated
2-Jul	All Light Vehicle Sales Including Foreign (m)	June	17.0		16.8	1.2%	updated
2-Jul	Domestic Light Vehicle Sales % of All Sales Including Fo	June	78.8%		79.8%	-1.2%	updated
3-Jul	Trade Balance (\$b)	May	\$44.40		\$47.00	-5.5%	updated
11-Jul	Treasury Budget (\$b)	June	\$70.50		-\$130.00	-154.2%	updated
25-Jun	GDP-Adv.	Q2 2014	4.0%		-2.9%	6.9%	updated
15-Jul	Import Prices ex-oil	June	-0.1%		0.0%	-0.1%	updated
15-Jul	Import Prices with oil	June	0.1%		0.3%	-0.2%	updated
15-Jul	Export Prices ex-agriculture	June	-0.3%		0.1%	-0.4%	updated
15-Jul	Export Prices with agriculture	June	-0.4%		0.1%	-0.5%	updated
16-Jul	PPI	June	0.4%		-0.2%	0.6%	updated
16-Jul	Core PPI	June	0.1%		0.0%	0.1%	updated
17-Jun	CPI	May	0.4%		0.3%	0.1%	updated
17-Jun	Core CPI	May	0.3%		0.2%	0.1%	updated
27-Jun	Mich Sentiment-Prel. (survey)	June	82.5		81.9	1%	updated
24-Jun	Consumer Confidence (survey)	June	85.2		82.2	3.6%	updated
11.22	National Index						



Prince William County Data (Data Reported by PWC Finance Dept., USBL, VEC, Costar, MRIS)							
Date	Release	For	Actual	Outlook	Prior	Change	Notes
16-Jul	Pr Wm Estimated Population	Q4 2013	422,727		421,377	0.3%	updated
16-Jul	Washington-Baltimore CPI-U Monthly Year-Over-Year	May	2.2%		0.9%	1.3%	updated
16-Jul	Pr Wm Civ. Labor Force	May	240,163		237,458	1.1%	updated
16-Jul	Pr Wm Civ Emp Lab Force	May	226,593		226,096	1.1%	updated
16-Jul	Pr Wm Unemployment Rt	May	4.8%		4.8%	0.0%	updated
16-Jul	Pr Wm At-place Establishments	Q4 2013	7,944		7,969	-0.3%	updated
16-Jul	Pr Wm At-place Employment	Q4 2013	117,503		116,765	0.6%	updated
16-Jul	Pr Wm At-place Avg Salary	Q4 2013	\$ 44,876		\$ 43,420	3.4%	updated
16-Jul	Pr Wm Net Vehicles Added	Q2 2014	4,966		3,139	58.2%	updated
16-Jul	Pr Wm Sales Tax Revenue Year over Year 12 Month Mov Avg Ince	May	3.0%		3.3%	-0.3%	updated
16-Jul	Pr Wm Commercial Inventory (sf including retail)	Q2 2014	44,236,885		44,233,969	0.0%	updated
16-Jul	Pr Wm Commercial Vacancy (sf including retail)	Q2 2014	7.7%		7.8%	-0.1%	updated
16-Jul	Pr Wm Commercial Inventory (sf non-retail)	Q2 2014	22,777,103		22,766,105	0.0%	updated
16-Jul	Pr Wm Commercial Vacancy (non-retail)	Q2 2014	9.1%		9.3%	-0.2%	updated
16-Jul	Pr Wm Housing Market Unit Sales	June	688		432	59.3%	updated
16-Jul	Pr Wm Housing Market Ending Listing Inventory	June	1,770		1,218	45.3%	updated
16-Jul	Pr Wm Housing Market Listing/Sale Ratio	June	2.6		2.8	-8.6%	updated
16-Jul	Pr Wm Housing Market Sale Price	June	\$ 365,839		\$ 327,670	11.6%	updated
3-Jul	Pr Wm Quarterly Foreclosures	Q2 2013	143		167	-14.4%	updated
123.68	Pr. Wm Index						

