

The Prince William Report

Prince William County

Demographic and Economic Newsletter

Third Quarter 2014

Steel and Liberty Memorial at McCoart, September, 2014. Photo by Allen Scarbrough

July - September 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 **423,780** (as of September 30, 2014) which is approximately 1,251 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 Occoquan.....	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 Occoquan, 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 **423,780** (as of September 30, 2014), which represents growth of 5.42% 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
September 30, 2014 population (estimate)..423,780
 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; Sept. 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 2013 American Community Survey indicated that 96.0% of the County's population reported as being of one race; 4.0% was of two or more races. Of those reported as being of a single race, 65.2% were White, 21.2% African-American, 7.9% were Asian or Pacific Islander, 0.3% were American Indian and/or Alaskan Native, 1.4% was of other races; approximately 21.5% of the population was Hispanic Origin (any race).

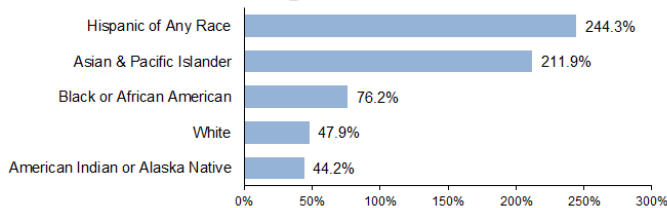
Race and Ethnicity in Prince William County

	1990	2000	2013
	% of Total	% of Total	% of Total
Reporting One Race	N/A	96.4%	96.0%
White	83.3%	68.9%	65.2%
Black/African American	11.6%	18.8%	21.2%
Am. Indian/Alaska Native	0.3%	0.4%	0.3%
Asian/Pacific Islander	3.0%	3.9%	7.9%
Other	1.8%	4.4%	1.4%
Reporting Two or More Races	N/A	3.6%	4.0%
Hispanic Origin (any race)	4.5%	9.7%	21.5%
Non-Hispanic (any race)	95.5%	90.3%	78.5%

Sources: U.S. Department of Commerce, Bureau of the Census, *Censuses 1990, 2000, 2013 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 2013, according to the Bureau of the Census, the population of Hispanics of any race in the County grew by 244.3%; Asian/Pacific Islanders grew by 211.9%; Black/African Americans increased by 76.2%; Whites increased by 47.9%. American Indian/Alaskan Natives, a relatively small segment of the total population, grew by 44.2%

Population by Race and Ethnicity Percent Change 2000 - 2013



Sources: U.S. Dept. of Commerce, Bureau of the Census, 2000 Census, 2013 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 2013 American Community Survey indicated that **22.8%** 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

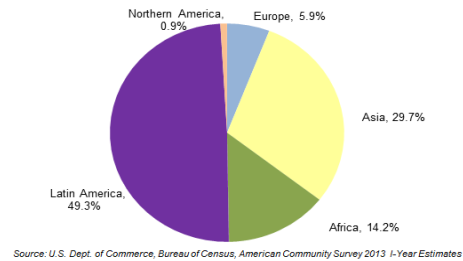
Native to the U.S.....	77.2%
Foreign-born.....	22.8%
Naturalized citizens.....	11.4%
Not a citizen.....	11.4%

Sources: U.S. Department of Commerce, Bureau of the Census, 2013 American Community Survey 1- Year Estimates.

The 2013 American Community Survey revealed that 31.4% of Prince William County’s population speaks a language other than English at home. This figure has risen significantly from 9.0% in 1990 and 16.3% in 2000. Furthermore, in 2013, 11.4% 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%.

Region of Birth of Pr. Wm. Co. Foreign-born Population, 2013



Source: U.S. Dept. of Commerce, Bureau of Census, American Community Survey 2013 1-Year Estimates

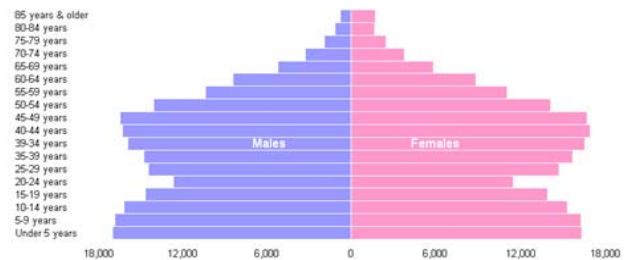
Language Spoken at Home, 2013 Ages 5 Years and Older

English only.....	68.6%
Spanish.....	18.1%
Other Indo-European languages.....	5.1%
Asian/Pacific Island languages.....	3.8%
Other.....	4.3%

Source: U.S. Department of Commerce, Bureau of the Census, 2013 American Community Survey 1-Year Estimates

AGE AND GENDER

According to the 2013 American Community Survey, **28.4%** of the total County population is under 18 years of age; approximately **7.9%** is aged 65 and over. The median age of the population is **33.7 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, 2013 American Community Survey 1-Year Estimates

Age Groups, Prince William County

Age	1990 Percent of Total Pop.	2000 Percent of Total Pop.	2013 Percent of Total Pop.
< 18	30.54%	30.4%	28.4%
18-64	66.43%	64.8%	63.7%
65 +	3.03%	4.8%	7.9%

Sources: U.S. Department of Commerce, Bureau of the Census, 1990, 2000, 2010 Censuses, 2013 American Community Survey 1-Year Estimates

The 2013 American Community Survey also indicated that **49.8%** of the County's population is male and **50.2%** 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 September 30, 2014, there were an estimated **144,725 housing units** in Prince William County. This represents an additional 7,610 units (5.55%) since April 1, 2010. The 2013 American Community Survey reports that nearly one out of every three houses in the County was built since 2000. In addition, the 2013 American Community Survey estimates that 55.0% of all houses are single family detached, 25.6% are townhouses, 17.7% are units in multi-family structures and 0.7% are mobile homes. The 2013 American Community Survey also reports that 38.8% of households have moved into their current residence since 2010.

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 2013 American Community Survey, 77.8% of the County's households are occupied by families, (compared to

66.9% in the United States). This represents a decrease of 2.9 percentage points since 1990, when 80.7% of households in the County were families. Approximately 44.5% 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, 28.6% of households were families with children under 18 years of age in 2013.

Pr. William Co. Households by Type 1990-2013

Household Type	1990 (%)	2000 (%)	2013 (%)
Family Households	80.7%	76.9%	77.8%
Family with own children	50.6%	44.2%	44.5%
Married Couple with own children	42.6%	34.2%	34.4%
Single female with own children	6.1%	7.5%	7.7%
Single male with own children	1.9%	2.5%	2.5%
Family, no children	30.1%	32.7%	33.3%
Non-Family Households	19.3%	23.1%	22.2%

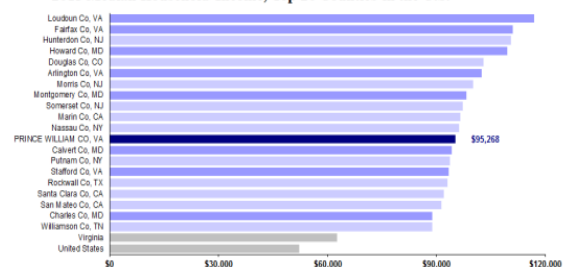
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 Census, Census 2000, 2013 American Community Survey 1 Year Estimates.

Prince William County's average household size, according to the 2013 American Community Survey was **3.16 persons** in 2013, 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 2.65 in 2013.

INCOME AND POVERTY

According to the 2013 American Community Survey, the 2013 median household income in Prince William County was **\$95,268**. This ranks twelfth among the largest counties in the United States, fourth 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 nine of the top twenty counties in the nation

2013 Median Household Income, Top 20 Counties in the U.S.



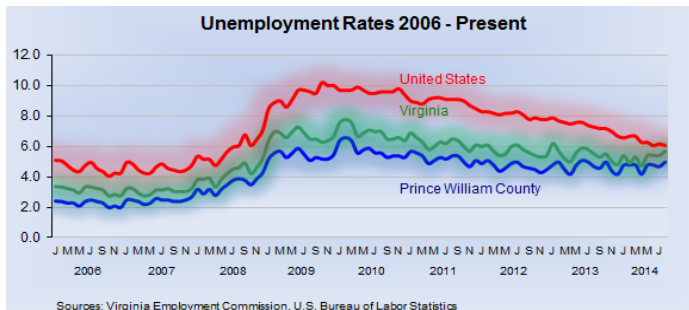
Source: U. S. Bureau of Census, 2013 American Community Survey 1-Year Estimates

for median household income. The per capita income in Prince William County in 2012 was **\$36,725**.

The 2013 American Community Survey reported that Prince William County's poverty rate was 7.0% in 2013, compared to the statewide rate of 11.7% and the national rate of 15.8%.

UNEMPLOYMENT

In August 2014, Prince William County had a civilian unemployment rate of **5.0%**, compared to the August 2013 rate of 4.7%. The Prince William County unemployment rate has historically trended 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 August 2014, the national unemployment rate was 6.1%; statewide the unemployment rate was 5.7%.

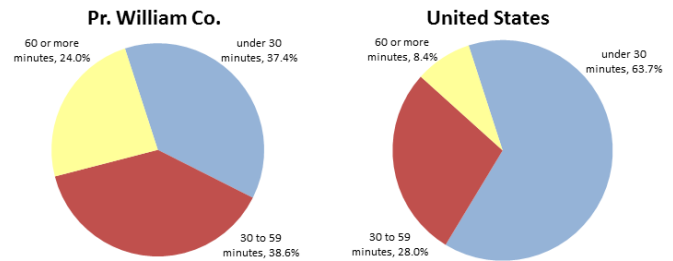


JOURNEY TO WORK

The 2013 American Community Survey indicates that on the average, Prince William County workers continue to face long commute times. Some **24.0%** of all County workers travel an hour or more one way to work. This figure is nearly three times the national number of 8.4% and is the fifteenth longest commute among the largest 828 counties in the United States. Of the 20 longest average commutes to work, seven are communities in the greater Washington area. The average travel time to work among Prince William County workers in 2013 was 37.8 minutes, an increase from 36.9 and 36 minutes in 2000 and 1990, respectively. The 2013 American Community Survey also indicated that 73.0% of Prince William County workers drive to work alone; 14.2% carpool to work;

5.5% use public transportation; 7.3% used other means, walked to work or worked at home.

Travel Time to Work, 2013



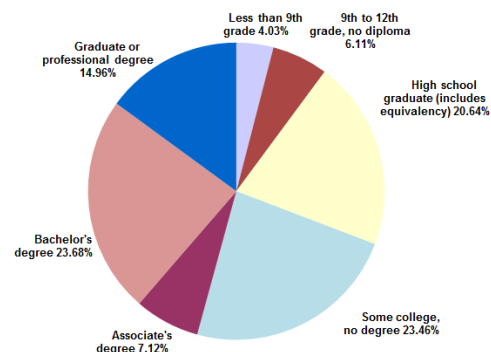
Source: US Dept. of Commerce, Bureau of the Census, 2013 American Community Survey 1-Year Estimates

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 2013 American Community Survey, 38.6% of adults in Prince William County had bachelor's degrees or higher, compared to 29.6% in the nation as a whole.

Educational Attainment in Pr. William Co. 2013



Source: U.S. Dept. of Commerce, Bureau of the Census, 2013 American Community Survey 1-Year Estimates

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 3rd Quarter 2014, the national economy appeared to be growing moderately in many areas, even as the housing market continued to struggle. Factory and durable goods orders 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 all of 2013, was reported at an annualized rate of 1.9%—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 (final) rebounded at 4.6%.

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



Source: U.S. Bureau of Labor Statistics

Job Market – First time unemployment claims, continued a generally improving trend in the 3rd Quarter 2014, with jobless claims ranging between 275,000 and 320,000. For the week ending September 20, 2014, a total of 293,000 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 August 2014 unemployment stood at 6.1% down from 6.7% one quarter earlier and a notable improvement over September 2013, when the unemployment rate stood at 7.2%. Job creation, which declined severely during the most recent recession, continued an expanding trend in the 3rd Quarter 2014, nearing 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 5.9%. Since that time, however, a net total of 8.36 million jobs have been added (through August 2014) -- an increase of 5.8% in 56 months. In July and August 2014 non-farm payrolls added 354,000 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 956,000 housing starts (annualized) were reported in August 2014, a 7.3% increase from one year earlier. August 2014 permits totaled 998,000 -- an 8.7% increase, year-over-year. A total of 5.05 million existing homes were sold in August 2014 (seasonally adjusted annualized rate), a 6.3% annual decrease. New home sales came in at 504,000 in August 2014 (seasonally adjusted annualized rate), an annual increase of 19.7%. Construction spending increased month-over-month by 1.8% in July 2014, led by a 3.0% increase in public spending. Private construction spending increased by 1.4%; non-residential construction increased by 2.1%, while residential increased by 0.7% in July 2014.

Retail Sales – Retail sales increased monthly by a 0.6% in August 2014 as the consumer appeared to feel some level of confidence in the economy. Leading the monthly retail sales increases were auto/parts (1.5%), building materials (1.4%), food (0.4%) and clothing (0.3%). General merchandise declined (-0.1%), as did gasoline stations (-0.8%). E-retailing/non-store sales increased by 0.1% month-over-month in August 2014. The Conference Board's Consumer Confidence Index stood at 92.4 in August 2014, up from 85.2 in June.

Automobiles – Motor vehicle sales increased month-over-month by more than a million vehicles in August 2014. That was the most vehicles sold in one month since January 2006, with total domestic vehicle sales reported at 17.5 million (annualized) compared to 16.5 million one month earlier. Domestic auto sales in August 2014 were reported at an annualized rate of 6.2 million—a 6.9% increase from the previous month and an increase of 10.7% year-over-year. Sales of light domestic trucks were reported at an annualized rate of 7.9 million in August 2014, an increase of 6.8% from the previous month and a 12.9% increase from one year earlier. Total sales of automobiles and light trucks, including foreign, were reported at 17.5 million in August 2014, a monthly increase of 6.5%, and 8.7% yearly. Domestic automobile sales, as a percentage of all sales in the United States, were

reported at 80.6% in August 2014, compared to 77.8% 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 3rd Quarter 2014 was **121.94** -- 100 being the standard for neutral performance. In the 2nd Quarter 2013, the national index was 111.22.

PRINCE WILLIAM ECONOMY

The Prince William County economy during the 3rd 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 (1st Quarter 2014) 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.

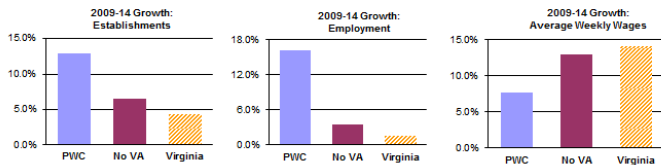
Establishments, Employment, Wages – According to data from the U.S. Department of Labor and the

Virginia Employment Commission, Prince William County has outpaced regional and state economies in business and job growth over the last five years but has lagged the state and region for at-place average weekly wage growth since 2009 as well as during the last year

In 2014 (1st Quarter), there were 8,040 employment establishments reported in Prince William County, an increase of 2.0% year-over-year and an increase of 13.0% since 2009. By comparison, Northern Virginia establishments increased by 0.7% in one year and by 6.5% since 2009; statewide, establishments increased by 0.9% in the last year and by 4.3% since 2009.

At-place employment in Prince William County (115,769 in the 1st Quarter 2014) increased by 1.3% year-over-year and by 16.2% since 2009. By comparison, Northern Virginia employment declined by 0.7% in the last year but grew by 3.4% since 2009. Employment in the Commonwealth declined by 0.02% in the last year, but increased by 1.6% since 2009.

At-Place Establishments, Jobs & Wages 2009-14
Pr. Wm. Co., No. Virginia and Virginia



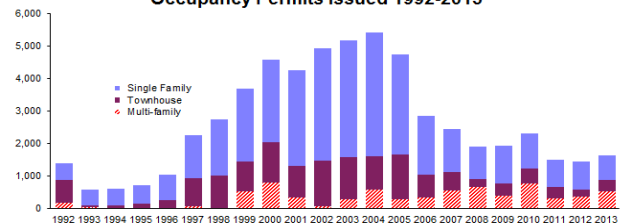
The average weekly wage in Prince William County (\$832 in the 1st Quarter 2014) increased by 0.1% year-over-year and grew by 7.6% since 2009. At-place average weekly wages in Northern Virginia (\$1,435) grew by 1.7% in the last year and 13.0% since 2009. In Virginia, weekly wages (\$1,050) grew by 2.1% year-over-year and 14.1% since 2009.

Residential Real Estate Market –According to data from Metropolitan Regional Information Systems (MRIS), during August 2014, the average home in Prince William County sold for \$369,670. This represents an increase of 7.5% year-over-year. The number of homes sold in Prince William County in August 2014 was 605—a decrease of 1.8% from August 2013. The ratio of homes on the market to homes sold was 3.30, compared to 2.03 one year

earlier. Average “days on the market” stood at 45 in August 2014 compared to 29 in August 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 3rd Quarter 2014, the Prince William County commercial inventory saw improving conditions across all types of commercial space, even as 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 improving, continues to be in an absorption phase, meaning product that was developed largely before the economic downturn is still not fully leased.

In September 2014, according to Costar Realty Group (Costar), Prince William County commercial inventory included 44.1 million square feet of space in 1,942 buildings. Since 2010, some 1.56 million square feet of commercial space has been added to the inventory, a growth rate of 3.7%. Vacancy rates moved to their lowest rate in five years, with all types decreasing.

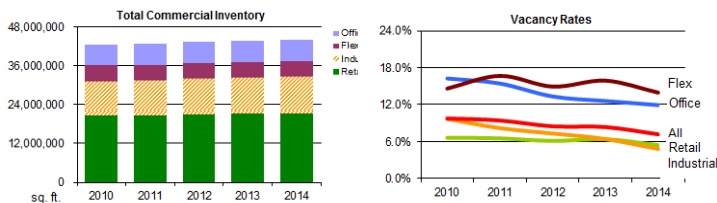
In September 2014 the Prince William County commercial inventory consisted of:

- Office: 6,562,644 sq. ft. in 435 buildings;
- Flex: 4,921,903 sq. ft. in 136 buildings;
- Industrial: 11,193,272 sq. ft. in 324 buildings; and
- Retail: 21,465,245 sq. ft. in 1,047 buildings

Vacancy rates moved lower in all commercial categories decreasing by 1.2%, year-over-year. Total vacancy across all categories in September 2014 was 7.2%, a decrease of 500,271 sq. ft. since September 2013, when the total vacancy rate was 8.4%. Total vacant space has declined by 978,298 sq. ft. since September 2010, when the total vacancy rate was 9.8%.

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

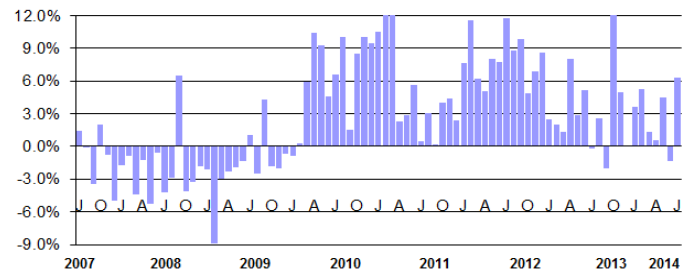
- Office: 782,620 sq. ft. (11.9%);
- Flex: 687,376 sq. ft. (14.0%);
- Industrial: 538,682 sq. ft. (4.8%); and
- Retail: 1,165,194 sq. ft. (5.4%).



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 51 out of 53 months (through June 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 - July 2014



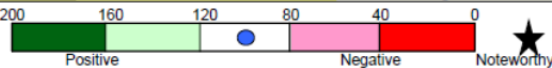
Source: Pr. Wm. Co. Finance Dept.

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 3rd Quarter 2014 was **115.79** – 100 being the standard for neutral performance.
In the 2nd Quarter 2014, the index was 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.pwcgov.org/finance>

Summary of National Economic Indicators as Reported by "Briefing.Com"								10/2/14
Data Released 3rd Quarter 2014								
Date	Release	For	Actual	Outlook	Prior	Change	Notes	
6-Sep	Initial Claims (000s)	4-Sep	316		323	-2.2%	updated	
13-Sep	Initial Claims (000s)	11-Sep	281		316	-11.1%	updated	
20-Sep	Initial Claims (000s)	18-Sep	295		281	5.0%	updated	
27-Sep	Initial Claims (000s)	25-Sep	287		295	-2.7%	updated	
10-Jul	Unemployment Rate	August	6.1%		6.3%	-0.2%	updated	
10-Jul	Nonfarm Payrolls (000s)	Q3 2014	621		826	-24.8%	updated	
10-Jul	Hourly Earnings	August	0.2%		0.2%	0.0%	updated	
10-Jul	Average Workweek	August	34.5		34.5	0.0%	updated	
29-Sep	Personal Income	August	0.3%		0.5%	-0.2%	updated	
29-Sep	Personal Spending	August	0.5%		0.3%	0.2%	updated	
10-Sep	Wholesale Inventories	July	0.1%		1.0%	-0.9%	updated	
10-Sep	Wholesale Inventories (Sales)	July	0.7%		1.3%	-0.6%	updated	
10-Sep	Ratio Inventory to Sales (months)	July	1.16		1.18	-2.0%	updated	
12-Sep	Business Inventories	July	0.4%		0.6%	-0.2%	updated	
12-Sep	Business Inventories (Sales)	July	0.8%		0.8%	0.0%	updated	
12-Sep	Ratio Inventory to Sales (months)	July	1.29		1.29	0.0%	updated	
3-Sep	Factory Orders	July	10.5%		0.8%	9.7%	updated	
3-Sep	Durable Orders	July	22.6%		0.9%	21.7%	updated	
15-Sep	Industrial Production	August	-0.1%		0.5%	-0.6%	updated	
15-Sep	Capacity Utilization	August	78.8%		79.1%	-0.3%	updated	
14-Sep	ISM Index (survey)	August	59.0		55.4	6.5%	updated	
4-Sep	ISM Services (survey)	August	59.6		56.3	5.9%	updated	
10-Sep	NY Empire State Index--Seasonally Adjusted (survey)	September	27.54		19.28	42.8%	updated	
18-Sep	Philadelphia Fed (survey)	September	22.5		17.8	26.4%	updated	
29-Aug	Chicago PMI (survey)	August	64.3		65.5	-1.8%	updated	
25-Sep	Durable Goods Orders	August	-18.2%		0.9%	-19.1%	updated	
19-Sep	Leading Indicators	August	0.2%		0.6%	-0.4%	updated	
14-Sep	Housing Starts (000s)	August	956		984	-2.8%	updated	
14-Sep	Building Permits (000s)	August	998		1005	-0.7%	updated	
14-Sep	Existing Home Sales (m)	August	5.05		4.91	2.9%	updated	
24-Sep	New Home Sales (000s)	August	504		458	10.0%	updated	
2-Sep	Construction Spending	July	1.8%		1.4%	0.4%	updated	
8-Sep	Consumer Credit (\$b)	July	\$26.00		\$25.50	2.0%	updated	
12-Sep	Retail Sales	August	0.6%		0.4%	0.2%	updated	
12-Sep	Retail Sales ex-auto	August	0.3%		0.4%	-0.1%	updated	
4-Sep	Auto Sales-Domestic (m)	August	6.2		5.7	8.8%	updated	
4-Sep	Truck Sales--Domestic (m)	August	7.9		7.6	3.9%	updated	
4-Sep	All Light Vehicle Sales Including Foreign (m)	August	17.5		16.7	4.8%	updated	
4-Sep	Domestic Light Vehicle Sales % of All Sales Including Fo	August	80.6%		79.6%	1.2%	updated	
4-Sep	Trade Balance (\$b)	July	\$40.50		\$46.00	-12.0%	updated	
11-Sep	Treasury Budget (\$b)	August	-\$128.70		-\$130.00	-1.0%	updated	
25-Jun	GDP-Adv	Q2 2014	4.6%		-2.9%	7.5%	updated	
12-Sep	Import Prices ex-oil	August	0.1%		0.0%	0.1%	updated	
12-Sep	Import Prices with oil	August	-0.9%		0.3%	-1.2%	updated	
12-Sep	Export Prices ex-agriculture	August	-0.3%		0.0%	-0.3%	updated	
12-Sep	Export Prices with agriculture	August	-0.5%		0.1%	-0.6%	updated	
16-Sep	PPI	August	0.0%		0.1%	-0.1%	updated	
16-Sep	Core PPI	August	0.1%		0.2%	-0.1%	updated	
17-Sep	CPI	August	-0.2%		0.4%	-0.6%	updated	
17-Sep	Core CPI	August	0.0%		0.3%	-0.3%	updated	
26-Sep	Mich Sentiment-Prel. (survey)	September	84.6		82.5	3%	updated	
26-Aug	Consumer Confidence (survey)	August	92.4		82.2	12.4%	updated	
121.94	National Index							



Prince William County Data (Data Reported by PWC Finance Dept., USBLs, VEC, Costar, MRIS)							
Date	Release	For	Actual	Outlook	Prior	Change	Notes
26-Sep	Pr Wm Estimated Population	Q3 2014	423,780		422,727	0.2%	updated
26-Sep	Washington-Baltimore CPI-U Monthly Year-Over-Year	July	1.6%		2.2%	-0.6%	updated
26-Sep	Pr Wm Civ. Labor Force	August	237,273		240,163	-1.2%	updated
26-Sep	Pr Wm Civ Emp Lab Force	August	225,380		228,593	-1.4%	updated
26-Sep	Pr Wm Unemployment Rt	August	5.0%		4.8%	0.2%	updated
26-Sep	Pr Wm At-place Establishments	Q1 2014	8,040		7,944	1.2%	updated
26-Sep	Pr Wm At-place Employment	Q1 2014	115,769		117,503	-1.5%	updated
26-Sep	Pr Wm At-place Avg Salary	Q1 2014	\$ 43,264		\$ 44,876	-3.6%	updated
26-Sep	Pr Wm Net Vehicles Added	Q2 2014	8,735		4,966	75.9%	updated
26-Sep	Pr Wm Sales Tax Revenue Year over Year 12 Month Mov Avg Ince.	July	3.0%		2.9%	0.1%	updated
26-Sep	Pr Wm Commercial Inventory (sf including retail)	Q3 2014	44,143,064		44,236,885	-0.2%	updated
26-Sep	Pr Wm Commercial Vacancy (sf including retail)	Q3 2014	7.2%		7.7%	-0.5%	updated
26-Sep	Pr Wm Commercial Inventory (sf non-retail)	Q3 2014	22,677,819		22,777,103	-0.4%	updated
26-Sep	Pr Wm Commercial Vacancy (non-retail)	Q3 2014	8.9%		9.1%	-0.2%	updated
26-Sep	Pr Wm Housing Market Unit Sales	August	605		627	-3.5%	updated
26-Sep	Pr Wm Housing Market Ending Listing Inventory	June	1,995		1,645	21.3%	updated
26-Sep	Pr Wm Housing Market Listing/Sales Ratio	June	3.3		2.6	28.2%	updated
26-Sep	Pr Wm Housing Market Sale Price	June	\$ 369,670		\$ 354,703	4.2%	updated
26-Sep	Pr. Wm. Quarterly Foreclosures	Q3 2014 (J-A)	63		143	-55.9%	updated
115.79	Pr. Wm Index						

