

The Prince William Report

Prince William County

Demographic and Economic Newsletter

Second Quarter 2016

Occoquan River

April - June 2016

GEOGRAPHY

Prince William County is located in Northern Virginia, approximately 25 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 **434,183** (as of June 30, 2016), which is approximately 1,281 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
City of Manassas	37,821
City of Manassas Park.....	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 **434,183** (as of June 30, 2016), which represents growth of 8.01% since April 1, 2010. Prince William County is projected to grow to **519,928** 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, 2016 population (estimate).....	434,183
2020 population (forecast).....	469,783
2030 population (forecast).....	519,928

Sources: 1990, 2000, April 1, 2010 figures: U.S. Department of Commerce, Bureau of the Census; June 30, 2016 estimate: Prince William Co.; 2020-30 forecasts: Metropolitan Washington Council of Governments (MWCOG) Round 8.4 Cooperative Forecasts.

RACE AND ETHNICITY

Results from the 2014 American Community Survey indicated that 93.7% of the County’s population reported as being of one race; 6.3% was of two or more races. Of those reported as being of a single race, 62.9% were White, 19.9% African-American, 7.7% were Asian or Pacific Islander, 0.2% were American Indian and/or Alaskan Native, 1.4% was of other races; approximately 22.0% of the population was Hispanic Origin (any race).

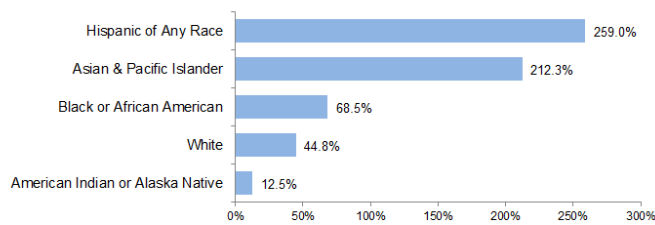
Race and Ethnicity in Prince William County

	1990	2000	2014
	% of Total	% of Total	% of Total
Reporting One Race	N/A	96.4%	93.7%
White	83.3%	68.9%	62.9%
Black/African American	11.6%	18.8%	19.9%
Am. Indian/Alaska Native	0.3%	0.4%	0.2%
Asian/Pacific Islander	3.0%	3.9%	7.7%
Other	1.8%	4.4%	3.0%
Reporting Two or More Races	N/A	3.6%	4.0%
Hispanic Origin (any race)	4.5%	9.7%	22.0%
Non-Hispanic (any race)	95.5%	90.3%	78.0%

Sources: U.S. Department of Commerce, Bureau of the Census, *Censuses 1990, 2000, 2014 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 2014, according to the Bureau of the Census, the population of Hispanics, of any race in the County, grew by 259.0%; Asian/Pacific Islanders grew by 212.3%; Black/African Americans increased by 68.5%; Whites increased by 44.8%. American Indian/Alaskan Natives, a relatively small segment of the total population, grew by 12.5%

**Prince William Co. Population by Race and Ethnicity
Percent Change 2000 - 2014**



Sources: U.S. Dept. of Commerce, Bureau of the Census, 2000 Census, 2014 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 2014 American Community Survey indicated that **23.3%** of Prince William County’s population was foreign-born, compared to 6.2% in 1990. The largest proportion of foreign-born residents is from Latin America.

**Birth Place and Citizenship 2014
Prince William County**

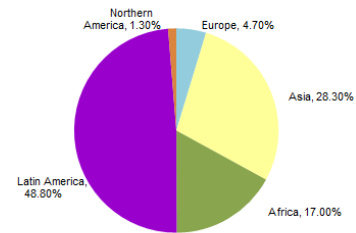
Native to the U.S.	76.7%
Foreign-born	23.3%
Naturalized citizens	12.6%
Not a citizen	10.7%

Sources: U.S. Department of Commerce, Bureau of the Census, 2014 American Community Survey 1- Year Estimates.

The 2014 American Community Survey revealed that 32.0% 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 2014, 11.2% 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, 2014
Region of Birth of Pr. William Co. Foreign-born Population, 2014**



source: US Dept. of Commerce, Bureau of the Census, 2014 American Community Survey 1-year Estimates

Ages 5 Years and Older

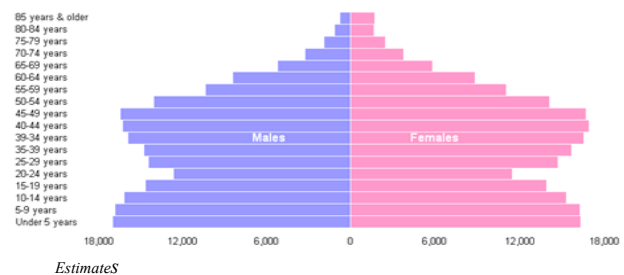
English only	68.0%
Spanish	17.7%
Other Indo-European languages	5.7%
Asian/Pacific Island languages	4.1%
Other	4.5%

Source: U.S. Department of Commerce, Bureau of the Census, 2014 American Community Survey 1-Year Estimates

AGE AND GENDER

According to the 2014 American Community Survey, **28.1%** of the total County population is under 18 years of age; approximately **8.3%** is aged 65 and over. The median age of the population is **34.2 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, 2014 American Community Survey 1-Year



Age Groups, Prince William County

Age	1990 Percent of Total Pop.	2000 Percent of Total Pop.	2014 Percent of Total Pop.
< 18	30.54%	30.4%	28.1%
18-64	66.43%	64.8%	63.6%
65 +	3.03%	4.8%	8.3%

Sources: U.S. Department of Commerce, Bureau of the Census, 1990, 2000, 2010 Censuses, 2014 American Community Survey 1-Year Estimates

The 2014 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%**

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

As of June 30, 2016, there were an estimated **148,341 housing units** in Prince William County. This represents an additional 11,226 units (8.19%) since April 1, 2010. The 2014 American Community Survey reports that nearly one out of every three houses in the County was built since 2000. In addition, the 2014 American Community Survey estimates that 56.0% of all houses are single family detached, 26.1% are townhouses, 16.0% are units in multi-family structures and 1.9% are mobile homes. The 2014 American Community Survey also reports that 34.8% 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 2014 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 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, 28.6% of households were families with children under 18 years of age in 2014.

Pr. William Co. Households by Type 1990-2014

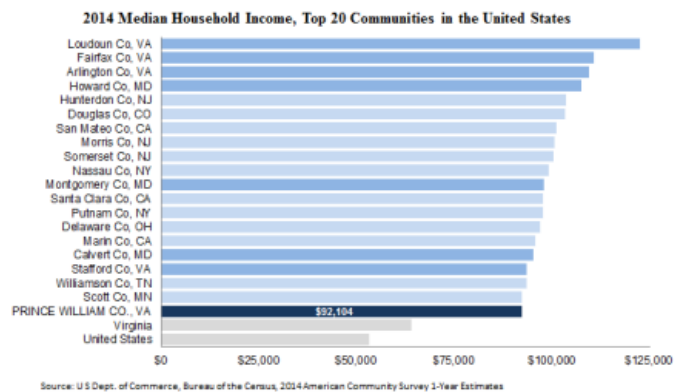
Household Type	1990	2000	2014
	(%)	(%)	(%)
Family Households	80.7%	76.9%	76.4%
Family with own children	50.6%	44.2%	42.0%
Married Couple with own children	42.6%	34.2%	32.5%
Single female with own children	6.1%	7.5%	6.5%
Single male with own children	1.9%	2.5%	3.0%
Family, no children	30.1%	32.7%	33.6%
Non-Family Households	19.3%	23.1%	23.6%

Source: U.S. Department of Commerce, Bureau of the Census, 1990 Census, Census 2000, 2014 American Community Survey 1 Year Estimates.

Prince William County’s average household size, according to the 2014 American Community Survey was **3.22 persons** in 2014, 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 2014.

INCOME AND POVERTY

According to the 2014 American Community Survey, the 2014 median household income in Prince William County was **\$92,104**. This ranks twentieth among the largest communities in the United States, fifth among counties and cities in the Commonwealth, and is an

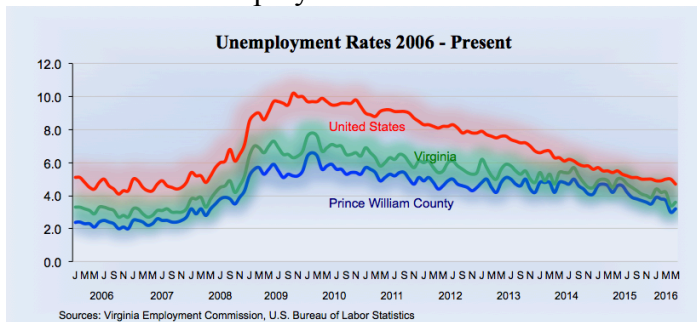


indication of the relative wealth of Prince William County and the greater Washington metropolitan region, which included eleven of the top twenty counties in the nation for median household income. The per capita income in Prince William County in 2014 was **\$35,747**.

The 2014 American Community Survey reported that Prince William County's poverty rate was 7.4% in 2014, compared to the statewide rate of 11.3% and the national rate of 15.5%.

UNEMPLOYMENT

In May 2016, Prince William County had a civilian unemployment rate of **3.2%**, compared to the May 2015 rate of 4.6%. 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 May 2016, the national unemployment rate was 4.7%; statewide the unemployment rate was 3.6%.

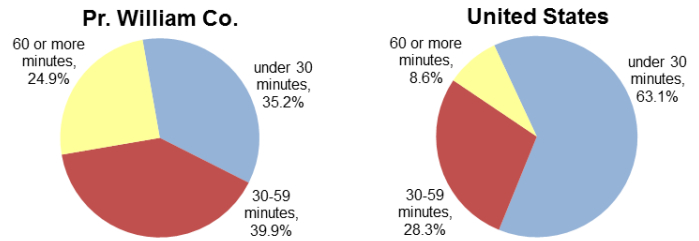


JOURNEY TO WORK

The 2014 American Community Survey indicates that on the average, Prince William County workers continue to face long commute times. Some **24.9%** 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, eight are communities in the greater Washington area. The average travel time to work among Prince William County workers in 2014 was **39.2 minutes**, an

increase from 36.9 and 36 minutes in 2000 and 1990, respectively. The 2014 American Community Survey also indicated that 75.7% of Prince William County workers drive to work alone; 14.1% carpool to work; 5.1% use public transportation; 5.1% used other means, walked to work or worked at home.

Travel Time to Work, 2014



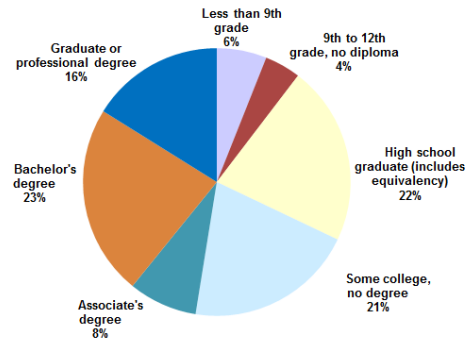
source: US Dept. of Commerce, Bureau of the Census, 2014 American Community Survey 1-Year Estimates

EDUCATION

The Prince William County Public School System reported that as of March 31, 2016, there were **87,672 students** enrolled in public schools in the County: 40,546 in elementary schools; 20,132 in middle schools; 25,595 in high schools; and 1,399 in special education schools.

According to the Census Bureau's 2014 American Community Survey, 39.1% of adults in Prince William County had bachelor's degrees or higher, compared to 30.1% in the nation as a whole.

Educational Attainment in Pr. William Co. 2014



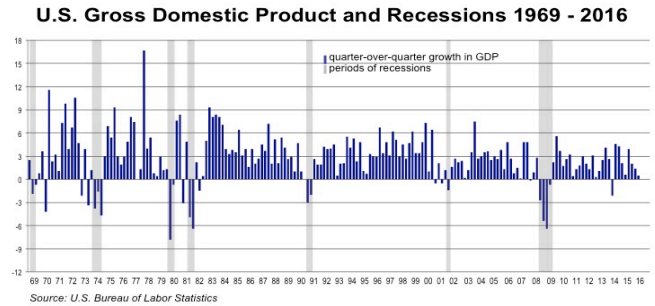
Source: U.S. Dept. of Commerce, Bureau of the Census, 2014 American Community Survey 1-Year Estimates

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 second quarter of 2016, the national economy continued to exhibit mixed signals: manufacturing, factory production, and business inventories continued to struggle in the quarter. Consumers increased retail spending activity during the quarter; automobile purchases, while still strong in comparison to the most recent recession, moderated during the last two quarters. Gas prices, moved well below prices from recent years; inflation continues to be at a manageable rate. Job creation and unemployment are trending in the right direction, although the weak labor participation rate may serve to overstate the strength of the trend. Unemployment across the nation in June 2016 stood at 4.9%, compared to 5.3% one year earlier. The stock market, despite uneasiness over the British exit from the European Union, continued generally on an upward path while corporate earnings were mixed.

moderate growth has proceeded since, with general improvement in 2013 and 2014. GDP was moderate but positive in all four quarters of 2015, ending the year at 1.4% during the 4th Quarter. In the first quarter 2016 GDP expanded at a modest 1.1% and in the second quarter 2016 at 1.2%. The following graph presents GDP quarter-to-quarter growth and periods of recession from 1969 to 2016 (2nd Quarter).



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	↑

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

Job Market – First time unemployment claims, continued a generally improving trend in the 2nd Quarter 2016, with jobless claims ranging between 250,000 and 290,000. For the week ending June 25, 2016, a total of 258,000 claims were reported. Unemployment rates, considered a lagging indicator of sorts, continued a generally improving trend, during the first quarter of 2016. In June 2016, unemployment stood at 4.9% compared to 5.0% one quarter earlier. Job creation, which declined severely during the most recent recession, continued an expanding trend in the 2nd Quarter 2016 with 442,000 net new jobs reported. 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 13.1 million jobs have been added (through June 2016) -- an increase of 9.5% in 78 months. In 2015 (January-December), non-farm payrolls added 2.49 million net new jobs. The 442,000 net new non-farm payroll jobs added in the 2nd Quarter 2016 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 a cautiously optimistic outlook going forward.

Housing Industry – Across the nation, some 1,164,000 housing starts (annualized) were reported in May 2016, a 22.0% increase from one year earlier. May 2016 permits totaled 1,138,000 -- a 9.6% increase, year-over-year. A total of 5.53 million existing homes were sold in May 2016 (seasonally adjusted annualized rate), a 3.4% annual increase. New home sales came in at 551,000 in May 2016 (seasonally adjusted annualized rate), an annual increase of 1.1%. Construction spending decreased month-over-month by 0.8% in May 2016. Residential construction was unchanged monthly in May 2016, while non-residential declined by 0.7%. Public construction spending declined by 2.3%; private construction spending decreased by 0.3%.

Retail Sales – U.S. retail and food sales increased by 0.6% in June 2016. Sales increases were reported for building materials (3.9%) gasoline stations (1.2%), food retailers (0.5%), furniture stores (0.5%), general merchandise (0.4%) and auto/parts retailers (0.1%). Sales declines were reported for clothing (-1.0%); in June 2016 e-retail increased by 1.1%. The Conference Board's Consumer Confidence Index stood at 98.0 in June 2016, compared to 96.1 in March 2015.

Automobiles – Total sales of automobiles and light trucks, including foreign, were reported at 16.66 million in June 2016, a 0.5% increase from the 16.53 million sold in March 2016 but a decrease of 2.0% from June 2015. Domestic auto sales in June 2016 were reported at an annualized rate of 4.95 million—a decrease of 10.2% from the 5.51 million reported in March 2016 and a decrease of 10.0% year-over-year. Sales of light domestic trucks were reported at an annualized rate of 8.24 million in June 2016, an increase of 0.4% since March 2016, and an increase of 5.6% from one year earlier. Domestic automobile and light truck sales, as a percentage of all sales in the United States, were reported at 79.2% in June 2016 compared to 82.8% in March 2016 and 78.2% 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 2016 was **98.98** -- 100 being the standard for neutral performance. In the 1st Quarter 2015, the national index was 92.86.

PRINCE WILLIAM ECONOMY

The Prince William County economy appears, for the most part, to be healthy and the primary back drop that frames this outlook (relatively low gas prices, low interest rates, improving job market, and affordable housing relative to neighboring counties) is not expected to change dramatically over the near term. The residential real estate market is growing in terms of average sold price and number of sales; foreclosures continue on a downward pace, approaching levels recorded before the real estate downturn. Unemployment in the County continued to improve over the quarter and is still well below the national rate. Latest at-place employment data from the Virginia Employment Commission (4th Quarter 2015) 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 overall to be healthy, with expectations of continued growth in the coming year.

Establishments, Employment, Wages – According to data from the U.S. Department of Labor and the Virginia Employment Commission, Prince William County has outpaced regional, state and national economies in business and job growth over the last five years but has lagged slightly behind the state and region for at-place average weekly wage growth since 2010.

In 2015 (4th Quarter), there were 9,016 employment establishments reported in Prince William County, a growth rate of 8.8% year-over-year and 20.6% since 2010. By comparison, Northern Virginia establishments grew by 8.5% in one year and 13.9% since 2010; statewide, establishments grew by 7.7% in the last year and 12.8% since 2010.

At-place employment in Prince William County (125,655 in the 4th Quarter 2015) increased by 3.6% year-over-year and by 18.6% since 2010. By comparison, Northern Virginia employment increased by 2.8% in the last year and 5.6% since 2010. Employment in the Commonwealth grew by 3.0% in the last year, and increased by 6.3% since 2010.

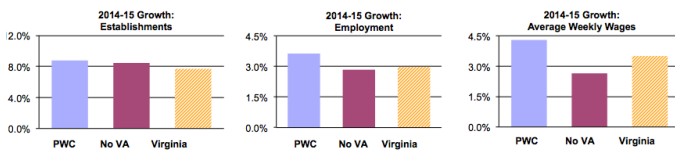
The average weekly wage in Prince William County (\$924 in the 4th Quarter 2015) grew by 4.3% year-over-year and 6.1% since 2010. At-place average weekly wages in Northern Virginia (\$1,475) grew by 2.6% in the last year and 3.0% since 2010. In Virginia, weekly wages (\$1,094) grew by 3.5% year-over-year and 6.3% since 2010.

sold was 1.9, compared to 2.6 one year earlier. Average “days on the market” stood at 41 in June 2016, compared to 40 in June 2015.

In 2015, a total of 2,311 residential occupancy permits were issued for new homes: 609 single family homes, 484 townhouses and 1,218 multi-family units (including apartments). This represents an increase of 9.8% year-over-year and the largest annual number since 2010’s 2,312 total new units. The mix of housing types has shifted in ten years, reflecting a changed market. In 2005, 65% of all permits issued were for single family detached, while 29% were for townhouses and 6% for condominiums. In 2015, by comparison, 26.4% of all permits issued were for single family detached, while 20.9% were for townhouses and 52.7% were for multi-family units. A total of 948 permits were issued for rental apartments, accounting for 77.8% of all multi-family permits and 41.0% of all residential occupancy permits issued in 2015.

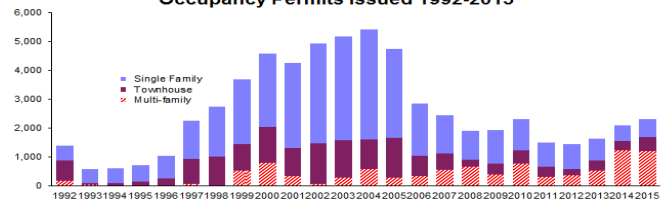
The chart below depicts the annual levels of Prince William County building permits from 1992 to 2015.

At-Place Jobs & Wages 2014-15
Pr. Wm. Co., No. Virginia and Virginia



Source: Virginia Employment Commission

Pr. Wm Co. Number of New Residential Units With
Occupancy Permits Issued 1992-2015

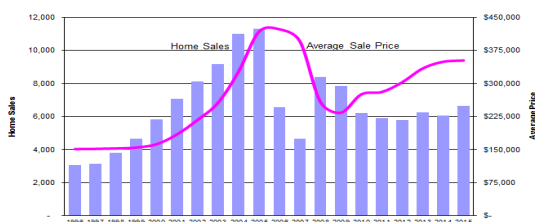


Source: Prince William County Department of Public Works

Residential Real Estate Market – According to data from Metropolitan Regional Information Systems (MRIS), during June 2016, the average home in Prince William County sold for \$374,970. This represents an increase of 3.62% year-over-year. The number of homes sold in Prince William County in June 2016 was 798—an increase of 5.42% from June 2015. The ratio of homes on the market to homes

Commercial Real Estate Market – During the second quarter of 2016 the Prince William County commercial inventory saw gradually improving conditions, although new construction continues at a generally reduced level. In so much 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

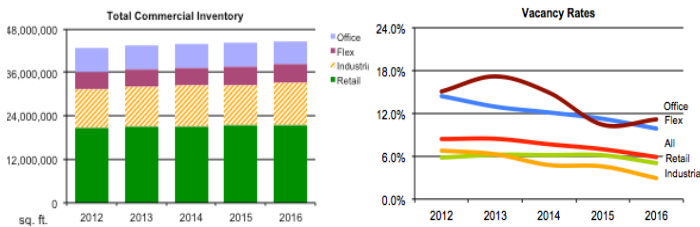
Prince William County Home Sales and Average Sold Price 1996-2015



Source: Metropolitan Regional Information Systems

vacancy rates. Current conditions suggest that the Prince William County commercial real estate market continues to be in an absorption phase—particularly in office product.

In June 2016, according to Costar Realty Group (Costar), Prince William County commercial inventory included 44.8 million square feet (sq. ft.) of space in 2,000 buildings, with 2.63 million sq. ft. of vacant space—a vacancy rate of 5.9%. Since 2012, some 1.90 million sq. ft. of commercial space has been added to the inventory, a growth rate of 4.4%.



Source: Costar Realty Group

In June 2016 the Prince William County commercial inventory consisted of:

- Office: 6,502,127 sq. ft. in 441 buildings;
- Flex: 5,137,312 sq. ft. in 142 buildings;
- Industrial: 11,781,515 sq. ft. in 332 buildings; and
- Retail: 21,409,994 sq. ft. in 1,085 buildings.

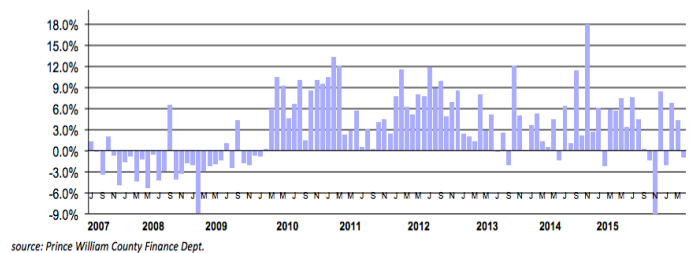
Vacancy rates moved lower across all categories except Flex since June 2015. Total vacancy across all categories in June 2016 was 5.9%, a decrease of 444,467 sq. ft. since June 2015, when the total vacancy rate was 7.0%. Total vacant space has declined by 957,870 sq. ft. since June 2012, when the total vacancy rate was 8.4%. Prince William County commercial vacancy as of June 2016 is as follows:

- Office: 641,510 sq. ft. (9.9%);
- Flex: 573,087 sq. ft. (11.2%);
- Industrial: 344,263 sq. ft. (2.9%); and
- Retail: 1,078,114 sq. ft. (5.0%).

Retail – Retail activity, as reflected by sales revenue generated in Prince William County, was volatile

over the holiday season, with an outlier of sorts occurring in November 2015 as year-over-year sales revenue were 11.0% lower than the remarkable sales revenue reported in November 2014. Sales rebounded in December 2015, increasing year-over-year at 8.5% from December 2014 but continued to exhibit volatility in the first four months of 2016, including April’s decline of 0.9% from the previous April. Three of the last seven months reported have seen declines year-over-year; Despite these latest months of volatility, retailers are hopeful, going forward into 2016, of steady retail activity.

Prince William County Monthly Year-Over-Year Sales Revenue Growth Rates July 2007 - April 2016



source: Prince William County 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 2016 was **136.84** – 100 being the standard for neutral performance. In the 1st Quarter 2015, the index was 123.68.

Summary of National Economic Indicators as Reported by "Briefing.Com"

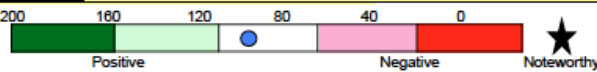
7/29/16

Data Released 2nd Quarter 2016

Date	Release	For	Actual	Outlook	Prior	Change	Notes
22-Jun	Initial Claims (000s)	4-Jun	264		271	-2.6%	updated
29-Jun	Initial Claims (000s)	11-Jun	277		264	4.9%	updated
6-Jul	Initial Claims (000s)	18-Jun	258		277	-6.0%	updated
13-Jul	Initial Claims (000s)	25-Jun	270		258	4.7%	updated
13-Jul	Unemployment Rate	June	4.9%		5.0%	-0.1%	updated
13-Jul	Nonfarm Payrolls (000s)	Q2 2016	442		587	-24.7%	updated
13-Jul	Hourly Earnings	June	0.1%		0.1%	0.0%	updated
13-Jul	Average Workweek	June	34.4		34.5	-0.3%	updated
13-Jul	Personal Income	May	0.2%		0.1%	0.1%	updated
13-Jul	Personal Spending	May	0.4%		0.2%	0.2%	updated
13-Jul	Wholesale Inventories	May	0.1%		-0.6%	0.7%	updated
13-Jul	Wholesale Inventories (Sales)	May	0.5%		-0.2%	0.7%	updated
13-Jul	Ratio Inventory to Sales (months)	May	1.35		1.36	-1.0%	updated
18-Jul	Business Inventories	May	0.2%		-0.1%	0.3%	updated
18-Jul	Business Inventories (Sales)	May	0.2%		-0.3%	0.6%	updated
18-Jul	Ratio Inventory to Sales (months)	May	1.40		1.40	0.0%	updated
13-Jul	Factory Orders	May	-1.0%		-1.9%	0.9%	updated
13-Jul	Durable Orders	May	-2.3%		-3.3%	1.0%	updated
13-Jul	Industrial Production	May	-0.4%		-0.2%	-0.2%	updated
13-Jul	Capacity Utilization	May	74.9%		75.6%	-0.7%	updated
13-Jul	ISM Index (survey)	June	53.2		49.5	7.5%	updated
13-Jul	ISM Services (survey)	June	56.5		54.5	3.7%	updated
13-Jul	NY Empire State Index-Seasonally Adjusted (survey)	June	6.01		0.82	889.4%	updated
13-Jul	Philadelphia Fed (survey)	June	4.7		12.4	-62.1%	updated
13-Jul	Chicago PMI (survey)	June	56.8		53.6	6.0%	updated
13-Jul	Durable Goods Orders	May	-2.2%		-330.0%	327.8%	updated
13-Jul	Leading Indicators	May	-0.2%		0.1%	-0.3%	updated
13-Jul	Housing Starts (000s)	May	1164		954	22.0%	updated
13-Jul	Building Permits (000s)	May	1138		1038	9.6%	updated
13-Jul	Existing Home Sales (m)	May	5.53		5.35	3.4%	updated
13-Jul	New Home Sales (000s)	May	551		545	1.1%	updated
13-Jul	Construction Spending	May	-0.8%		1.1%	-1.9%	updated
13-Jul	Consumer Credit (\$b)	May	\$18.60		\$14.10	31.9%	updated
18-Jul	Retail Sales	June	0.6%		-0.3%	0.9%	updated
18-Jul	Retail Sales ex-auto	June	0.7%		0.4%	0.3%	updated
13-Jul	Auto Sales-Domestic (m)	June	4.95		5.51	-10.2%	updated
13-Jul	Truck Sales-Domestic (m)	June	8.24		8.21	0.4%	updated
13-Jul	All Light Vehicle Sales Including Foreign (m)	June	16.68		16.57	0.5%	updated
13-Jul	Domestic Light Vehicle Sales % of All Sales Including For	June	79.2%		82.8%	-4.4%	updated
14-Jul	Trade Balance (\$b)	May	-\$41.10		-\$44.00	-6.6%	updated
14-Jul	Treasury Budget (\$b)	June	\$6.30		-\$108.00	-105.8%	updated
14-Jul	GDP-Adv	Q2 2016	1.2%		1.1%	0.1%	updated
14-Jul	Import Prices ex-oil	June	-0.3%		-0.1%	-0.2%	updated
14-Jul	Import Prices with oil	June	0.2%		0.4%	-0.2%	updated
14-Jul	Export Prices ex-agriculture	June	0.5%		0.2%	0.3%	updated
14-Jul	Export Prices with agriculture	June	0.8%		-0.1%	0.9%	updated
14-Jul	PPI	June	0.5%		-0.2%	0.7%	updated
14-Jul	Core PPI	June	0.4%		-0.2%	0.6%	updated
18-Jul	CPI	June	0.2%		0.1%	0.1%	updated
18-Jul	Core CPI	June	0.2%		0.1%	0.1%	updated
14-Jul	Mich Sentiment-Prel. (survey)	June	93.5		91.0	3%	updated
14-Jul	Consumer Confidence (survey)	June	98.0		96.1	2.0%	updated

98.98

National Index



Prince William County Data (Data Reported by PWC Finance Dept., USBLS, VEC, Costar, MRIS)

Date	Release	For	Actual	Outlook	Prior	Change	Notes
18-Jul	Pr Wm Estimated Population	Q2 2016	434,183		432,874	0.3%	updated
18-Jul	Washington-Baltimore CPI-U Monthly Year-Over-Year	May	0.1%		1.6%	-1.5%	updated
18-Jul	Pr Wm Civ. Labor Force	May	231,302		231,462	-0.1%	updated
18-Jul	Pr Wm Civ Emp Lab Force	May	223,881		222,612	0.6%	updated
18-Jul	Pr Wm Unemployment Rt	May	3.2%		3.8%	-0.6%	updated
18-Jul	Pr Wm At-place Establishments	Q4 2015	9,018		8,954	0.7%	updated
18-Jul	Pr Wm At-place Employment	Q4 2015	125,655		124,034	1.3%	updated
18-Jul	Pr Wm At-place Avg Salary	Q4 2015 \$	48,048		\$ 44,720	7.4%	updated
18-Jul	Pr Wm Net Vehicles Added	Q1 2016	15,333		12,009	27.7%	updated
18-Jul	Pr Wm Sales Tax Revenue Year over Year 12 Month Mov Avg Increase	April	-2.1%		-0.9%	-1.2%	updated
18-Jul	Pr Wm Commercial Inventory (sf including retail)	Q2 2016	44,830,948		44,697,426	0.3%	updated
18-Jul	Pr Wm Commercial Vacancy (sf including retail)	Q2 2016	5.9%		5.8%	0.1%	updated
18-Jul	Pr Wm Commercial Inventory (sf non-retail)	Q2 2016	23,420,954		23,284,048	0.7%	updated
18-Jul	Pr Wm Commercial Vacancy (non-retail)	Q2 2016	6.7%		6.3%	0.4%	updated
18-Jul	Pr Wm Housing Market Unit Sales	June	798		527	51.4%	updated
18-Jul	Pr Wm Housing Market Ending Listing Inventory	June	1,490		1,333	11.8%	updated
18-Jul	Pr Wm Housing Market Listing/Sales Ratio	June	1.9		2.3	-20.0%	updated
18-Jul	Pr Wm Housing Market Sale Price	June \$	374,970		\$ 350,443	4.3%	updated
18-Jul	Pr. Wm. Quarterly Foreclosures	Q1 2015	114		138	-17.4%	updated

136.84

Pr. Wm Index

