

# Economic Forecast FY 2016

Office of  
Management  
and Budget

# What the experts are saying...

“Continued uncertainty over Brexit will push up the value of the U.S. dollar because global investors will view it as a “safe” currency as Brexit unfolds. The greenback had been weakening a bit of late, but Brexit puts it in a U-turn.

“A stronger buck dings U.S. exports, of course, making them more expensive in foreign markets. That’s sure to revive the headwinds against manufacturers of scores of goods...heavy machinery, chemicals, electronics and much more...just as they were starting to rebound somewhat from the previous spike in the dollar.

“But a higher dollar value also stems inflation as American consumers shell out less for clothes, food, pharmaceuticals and other imported goods.

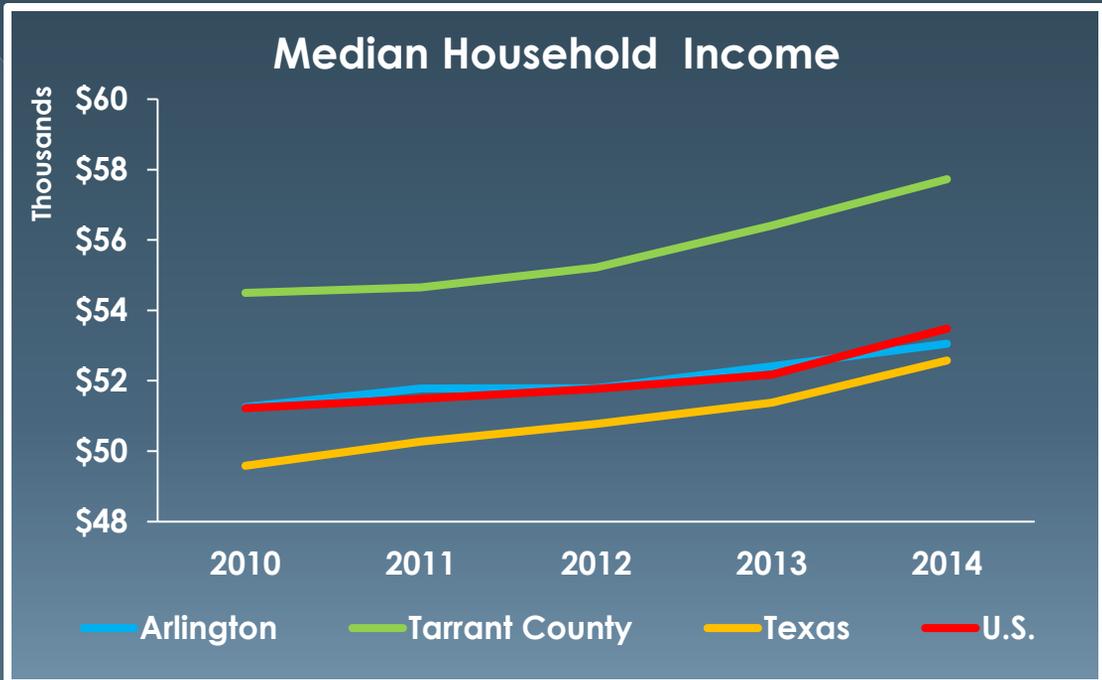
We now see the inflation rate easing to 1.9% in 2017 from 2.1% this year.”

*The Kiplinger Letter, July 1, 2016*

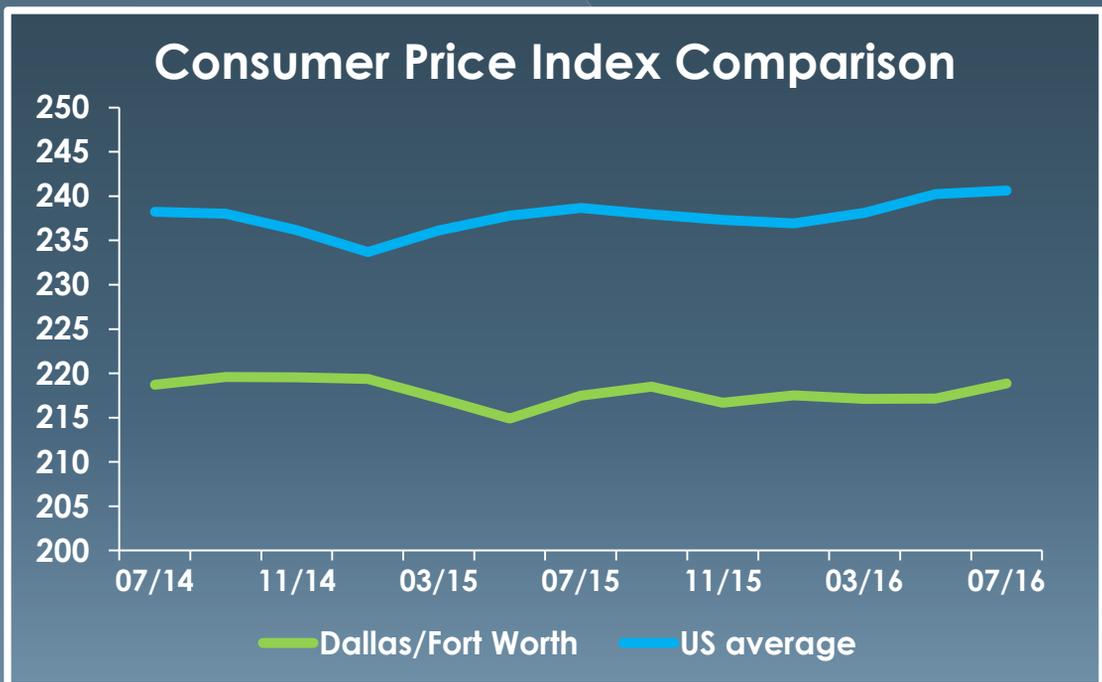
“The second-quarter GDP report raises fresh concerns about the U.S. economy. A hoped-for bounce in growth didn’t materialize because of lower investment by businesses. Robust consumer spending helped offset that and push growth to 1.2%. But a number of risks...a stronger dollar, the impacts of a volatile presidential race...still loom, and could further dampen investment or make shoppers more cautious. For the full year, expect growth of about 1.4%...a lackluster showing at best.”

*The Kiplinger Letter, July 29, 2016*

# Household Indicators

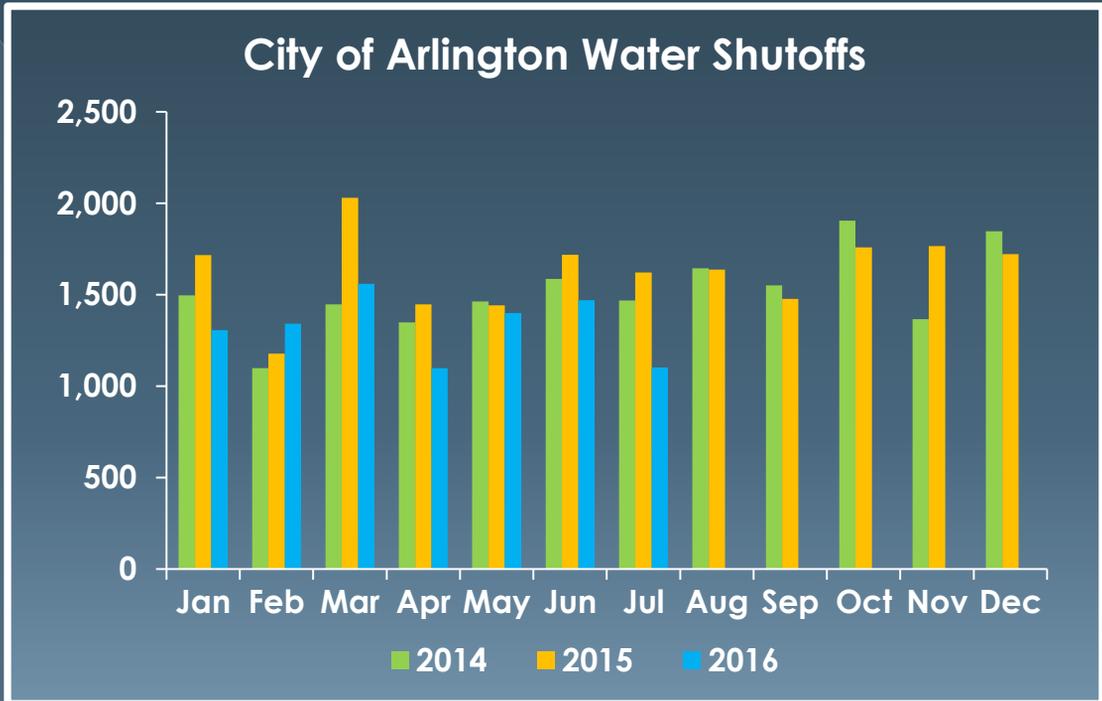


Median earnings of households in Arlington has risen from \$51,260 in 2010 to \$53,055 in 2014.

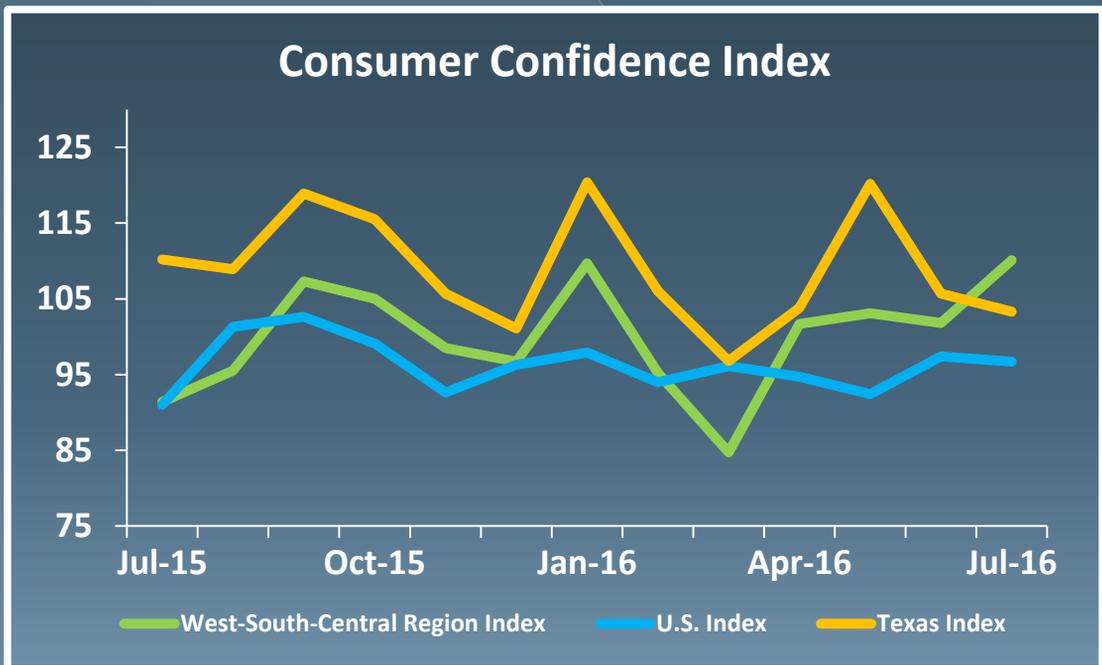


The U.S. average CPI increased from 238.7 in July 2015 to 240.6 in July 2016, while the D/FW CPI increased from 216.7 to 221.5.

# Household Indicators

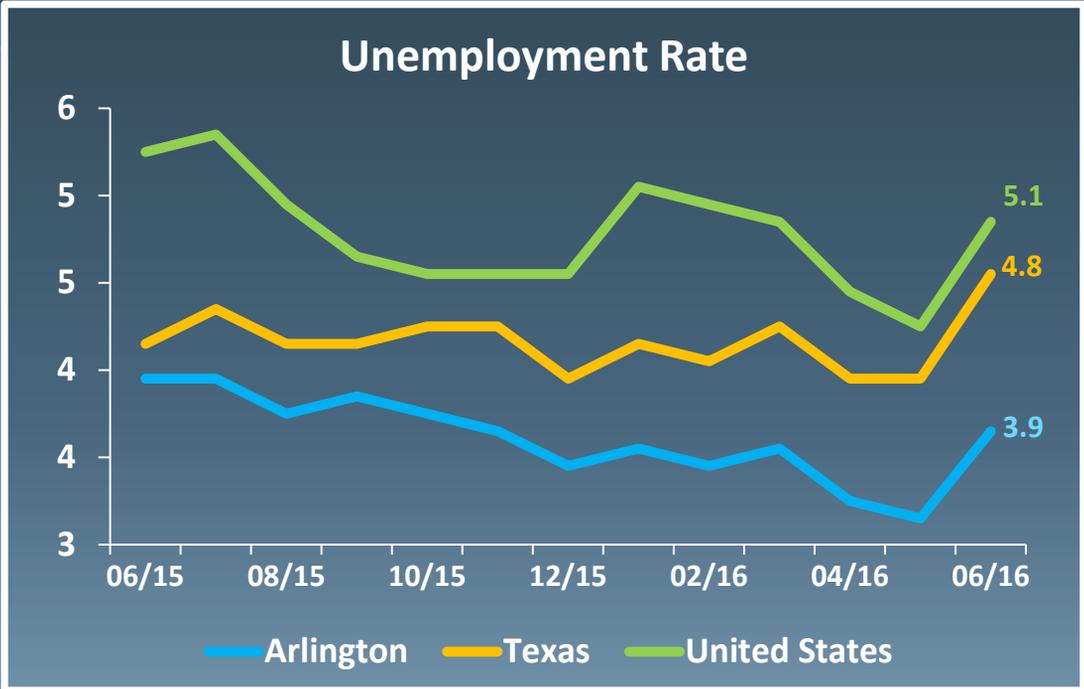


The number of monthly water shutoffs in July 2016 was 1,102, down from 1,622 in July 2015.

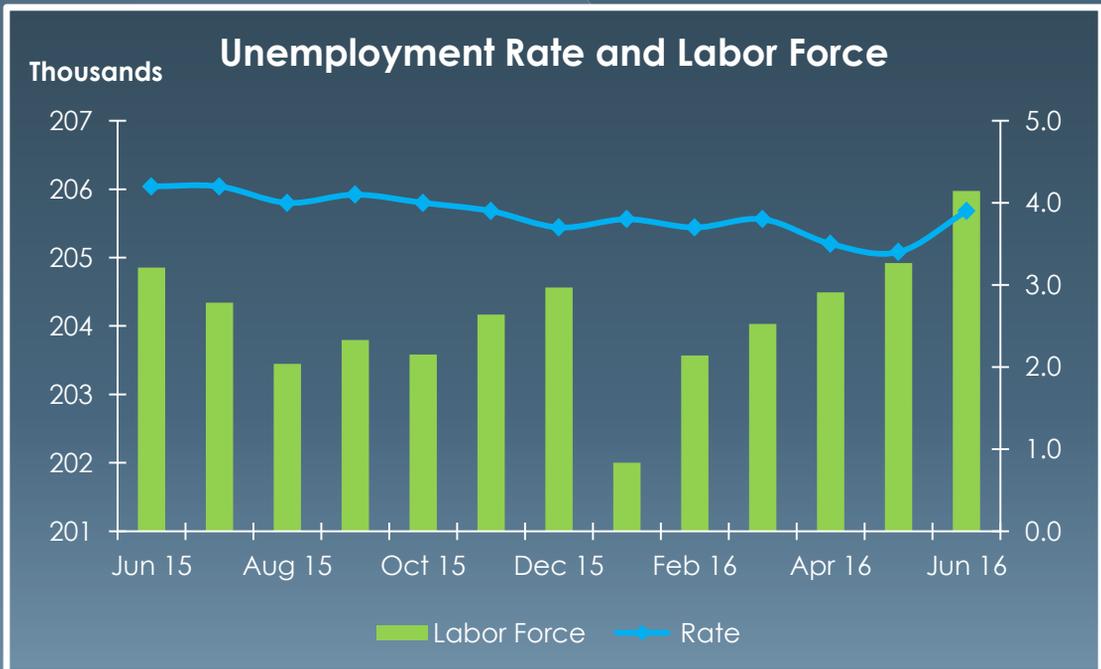


The Consumer Confidence Index for Texas for July 2016 is 103.3, down 6.3% from 110.2 July 2015.

# Labor Indicators

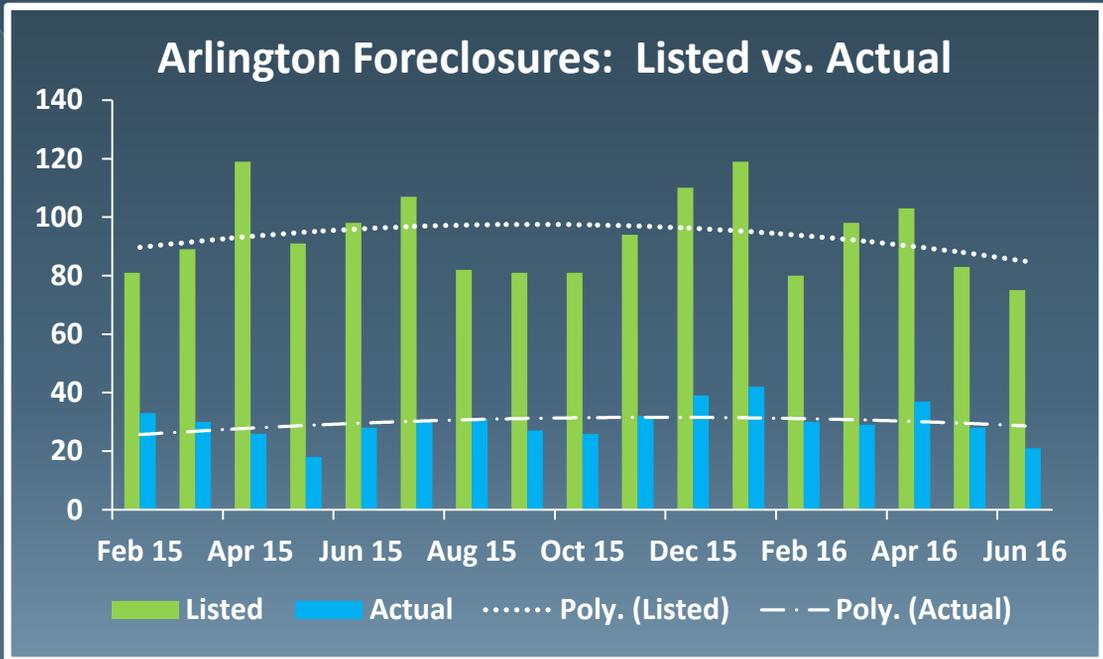


The unemployment rate in Arlington for June 2016 was 3.9%, down slightly from 4.2% in June 2015.

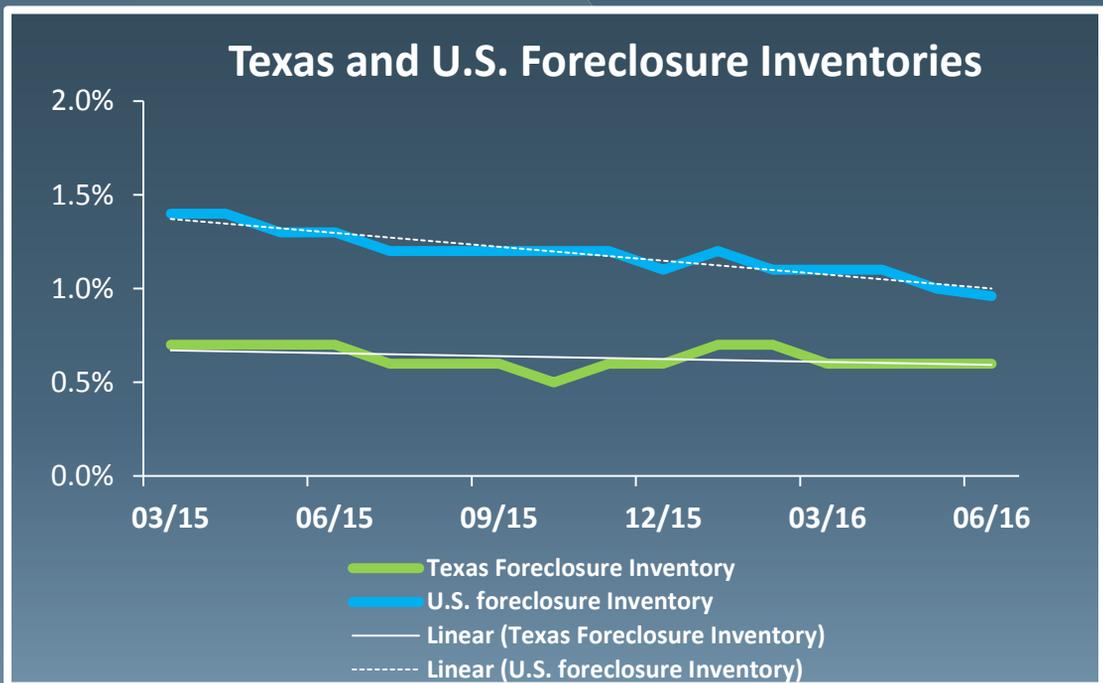


The Labor Force included 205,973 persons in Arlington in June 2016. This is up slightly from June 2015, when the labor force was 204,852.

# Housing Indicators

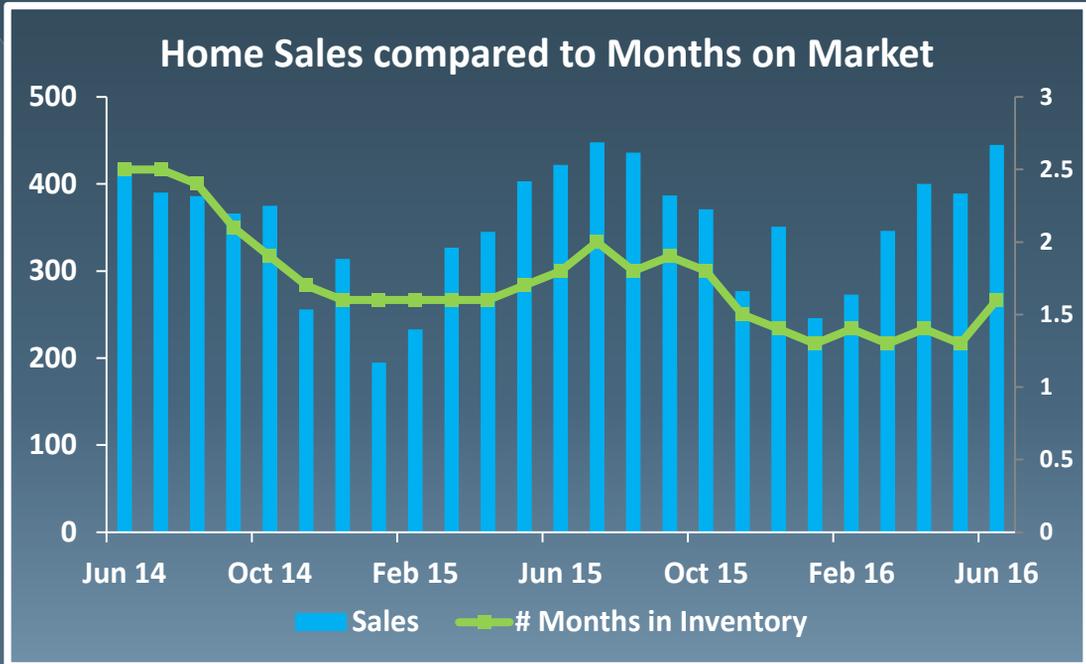


In June 2016, there were 75 foreclosures listed in Arlington, with 21 actual foreclosures.

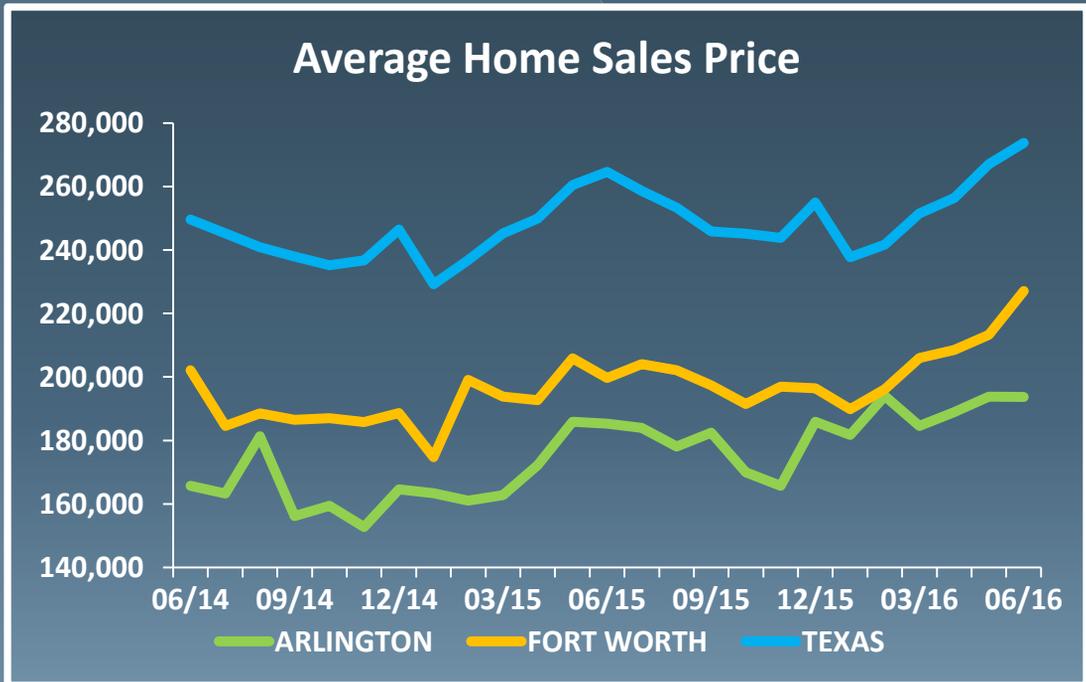


Nationally, 0.96% of homes with a mortgage were in foreclosure during June 2016, while only 0.5% of mortgaged homes in Texas were in foreclosure during June 2016.

# Real Estate Indicators

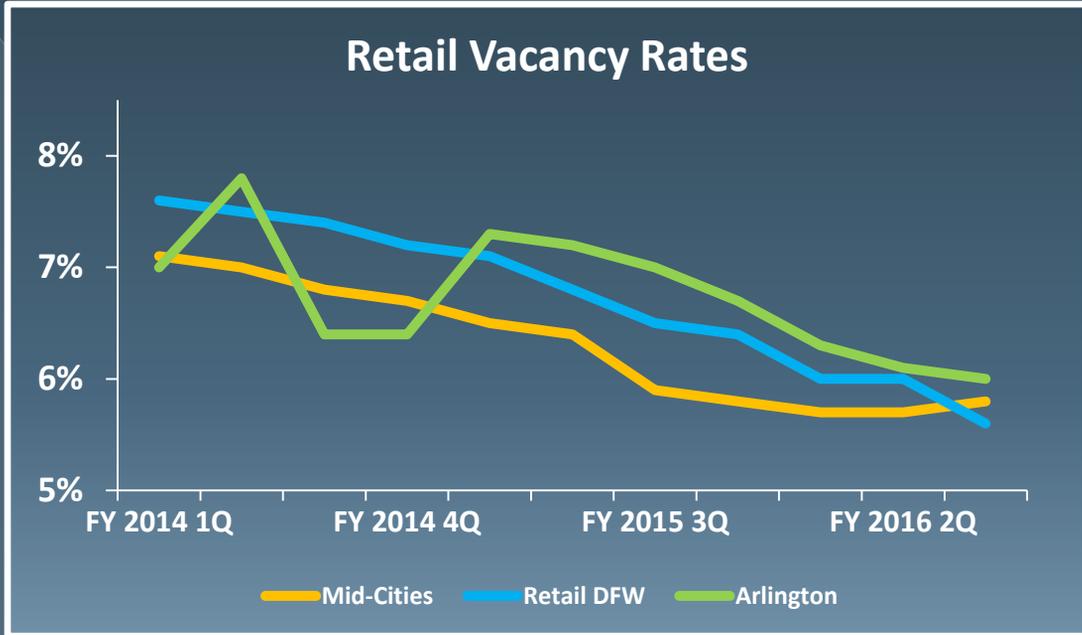


In June 2016, the average time a home in Arlington stayed on the market was 1.6 months, compared to 1.8 months in June 2015.

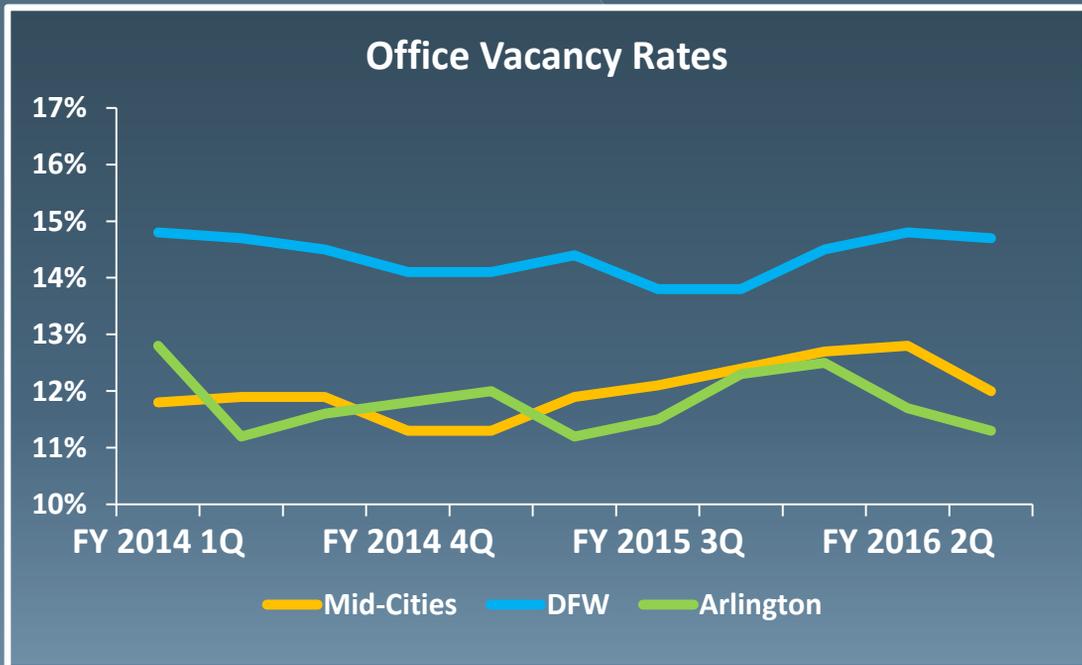


Average sale price for homes in Arlington in June 2016 was \$193,668. This is up from June 2015, when the average sale price was \$185,258.

# Real Estate Indicators

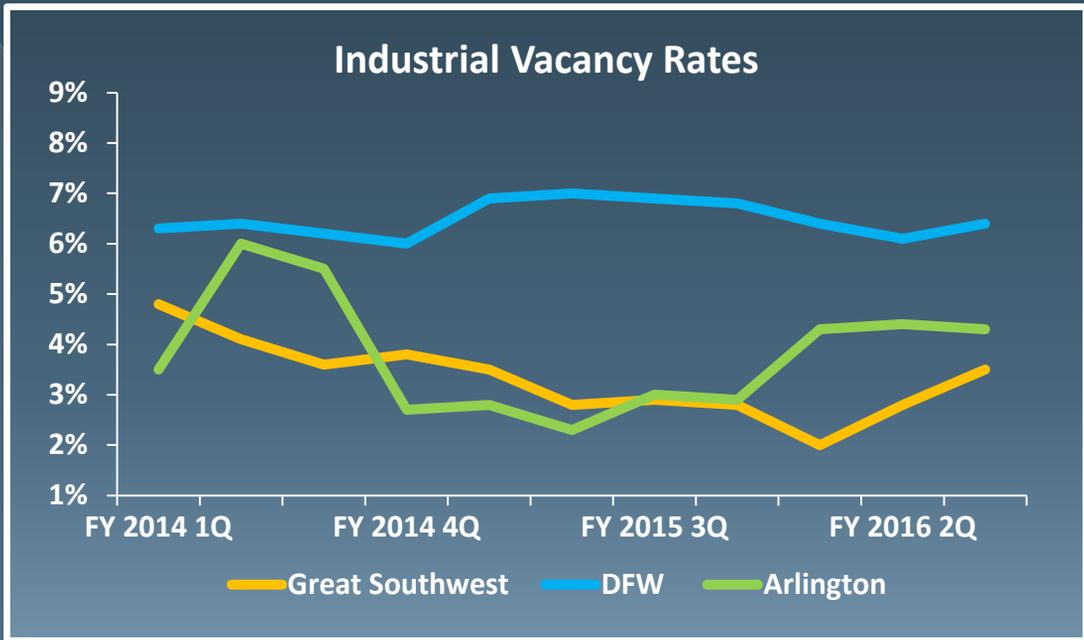


The vacancy rate for retail space in Arlington was 5.5% in the third quarter of FY 2016, down from 6.5% in the third quarter of FY 2015, and down from 5.6% in the second quarter of FY 2016.

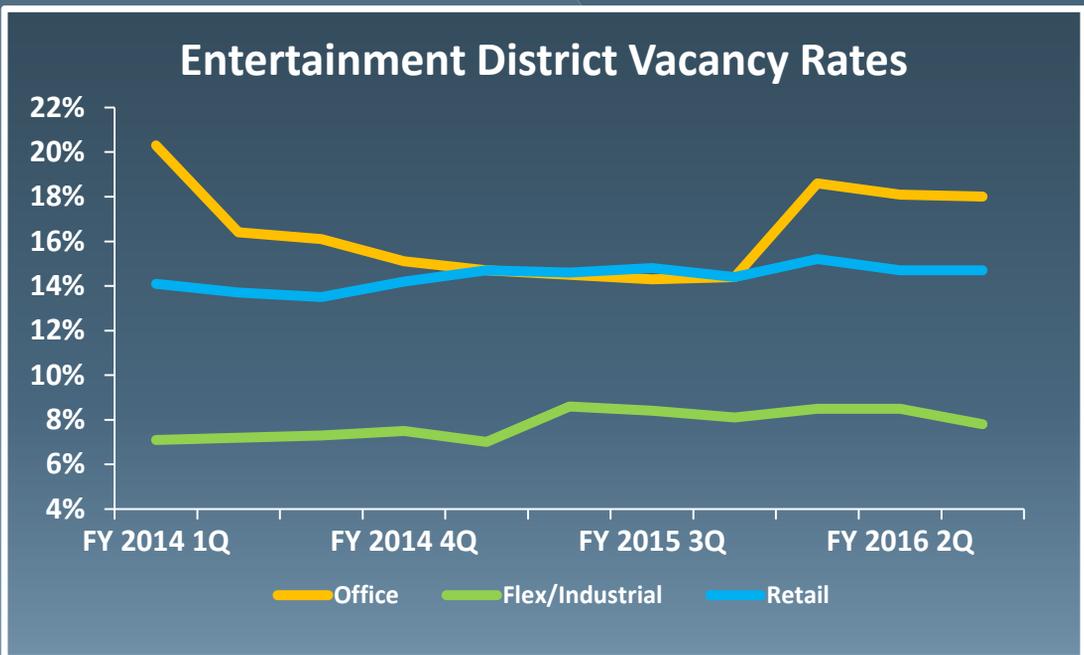


The vacancy rate for office space in Arlington was 10.8% in the third quarter of FY 2016, down from 11.0% in the third quarter of FY 2015, and down from 11.2% in the second quarter of FY 2016.

# Real Estate Indicators

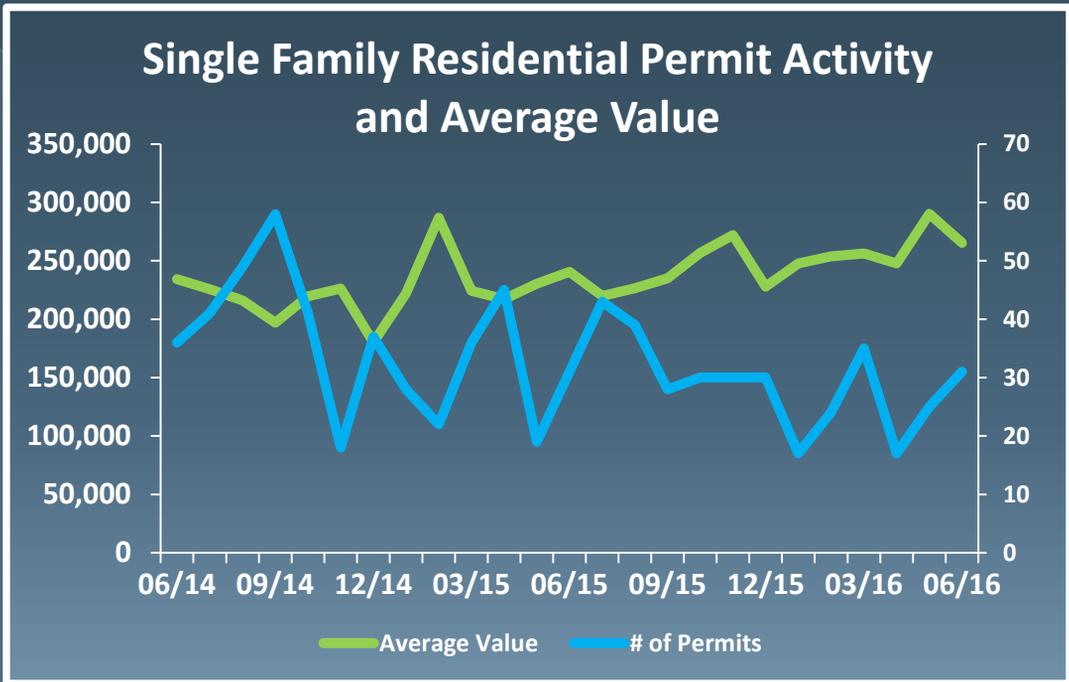


The vacancy rate for industrial space in Arlington was 4.3% in the third quarter of FY 2016, up from 3.0% in the third quarter of FY 2015, but down from 4.4% in the fourth quarter of FY 2015.

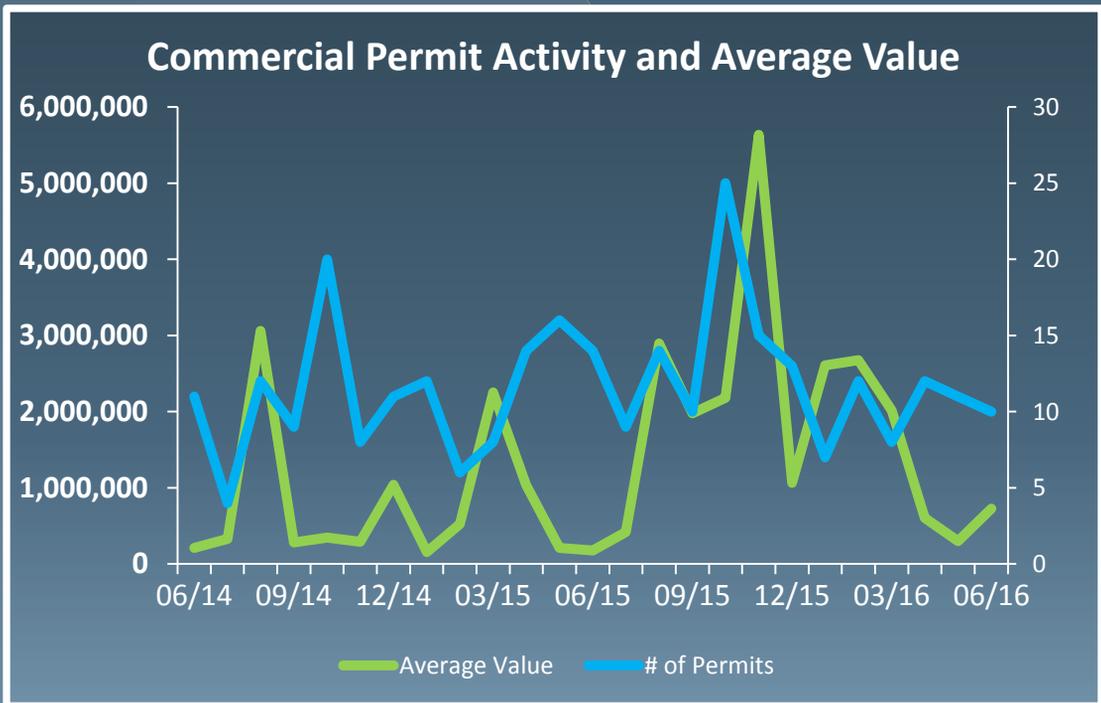


The vacancy rates for the Entertainment District in the third quarter of FY 2016 were 18.0% for office, 7.8% for industrial, and 14.7% for retail.

# Construction Indicators

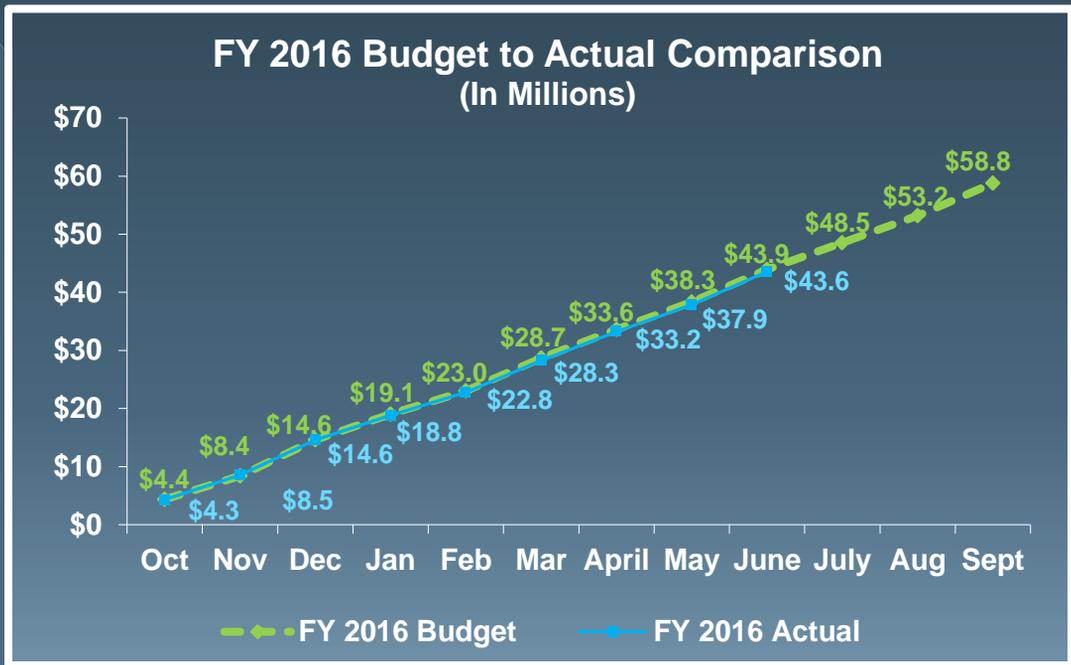


The average value of Single Family Residential Permits was \$265,500 in June 2016.

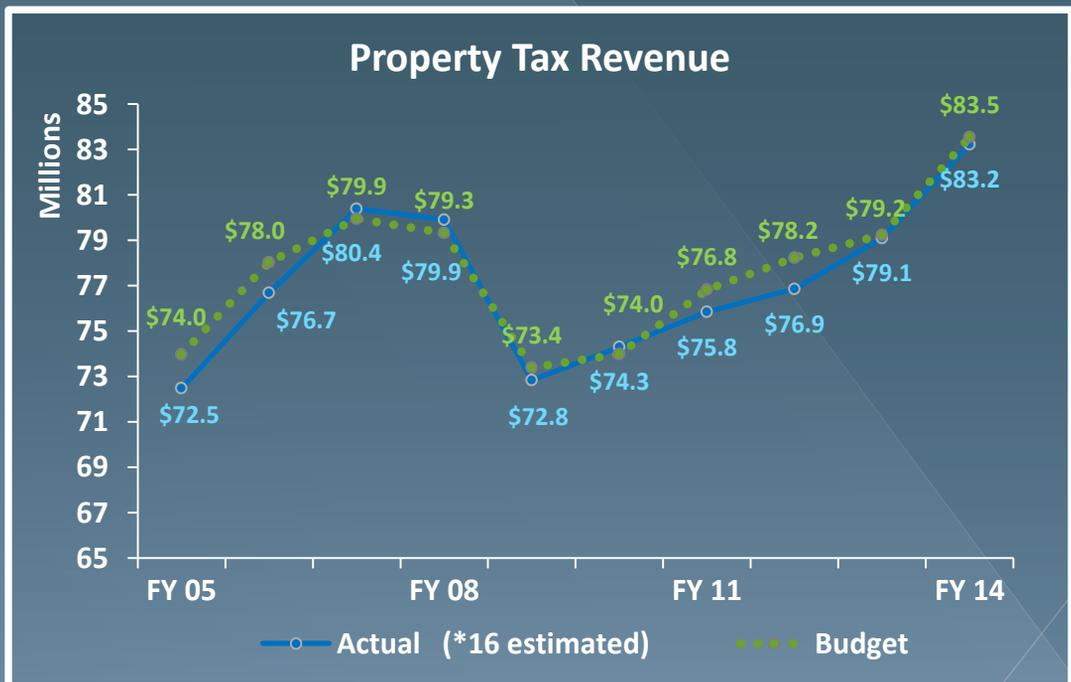


The average value of Commercial Permits was \$726,813 in June 2016.

# Revenue Indicators

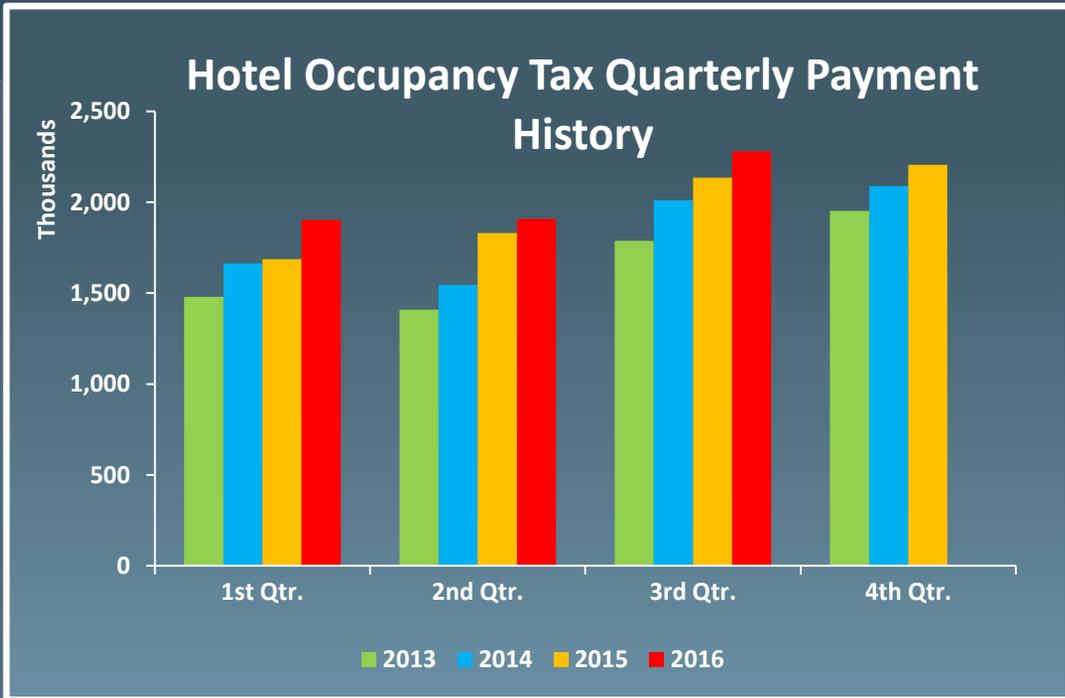


Through June 2016, receipts are \$43,564,147, or 0.8%, below the budgeted amount of \$43,904,435.

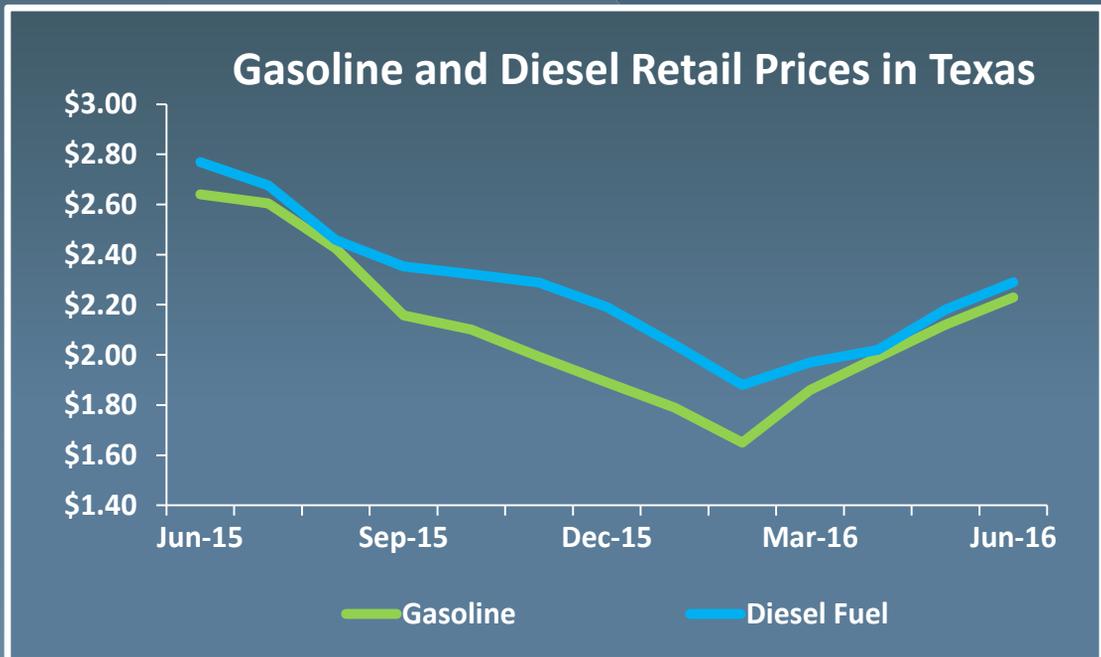


The City's property tax collections for FY 2016 are projected to reach \$83,222,024, or 0.4% below the budgeted amount of \$83,548,790.

# Revenue Indicators



FY 2016 third quarter Hotel Occupancy Tax revenues were \$2,279,031, up 6.7% from \$2,135,049 during the third quarter of FY 2015.



The average price of gasoline in Texas during June 2016 was \$2.23 per gallon, down 15.6% from \$2.64 per gallon in June 2015.

# Notes