

# ECONOMIC FORECAST

**FY 2015  
1st Quarter**

Office of Management and Budget



# What the experts are saying...

“The economy will finally hit its stride, racking up solid 3% growth for the year. Look for consumer confidence and spending to swell, propelled by more-robust hiring, higher wages and lower energy expenses plus wealth gains from stronger home values and a healthy stock market.”

*The Kiplinger Letter*, January 2, 2015

“Six weeks ago, available data suggested low oil prices had not yet significantly affected energy activity. That has now changed. The Texas rig count fell by 143 from the first week in December to the third week in January—the most rapid decline since the onset of the 2007–09 recession—after hovering around 900 throughout November. Well permits, a leading indicator of future oil production, have fallen a staggering 50.6 percent since October.”

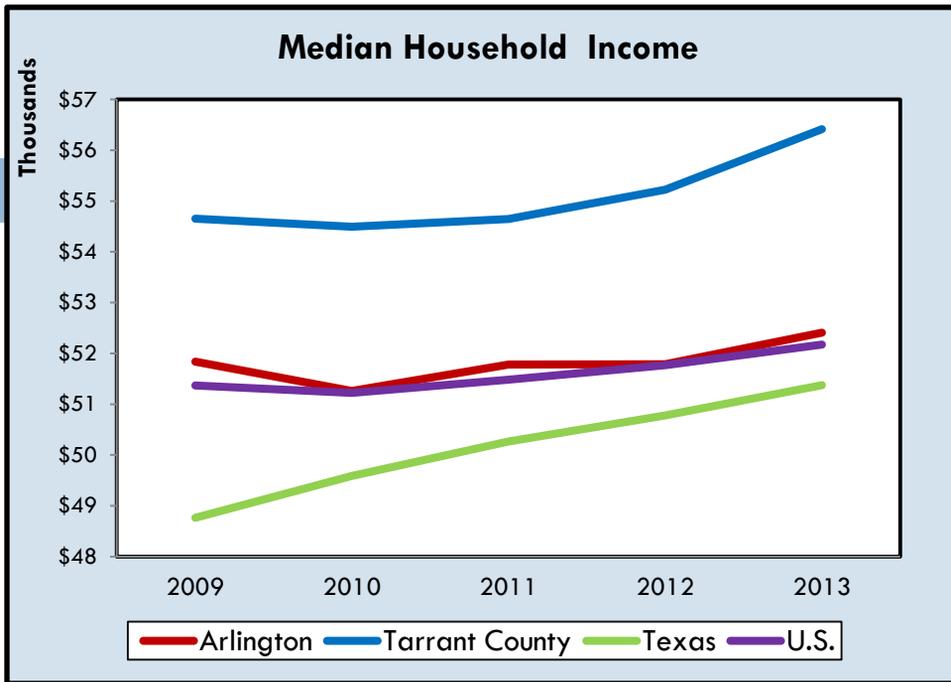
*Regional Economic Update*, Federal Reserve Bank of Dallas,  
January 29, 2015

<http://www.dallasfed.org/assets/documents/research/update/reg/2015/1501.pdf>

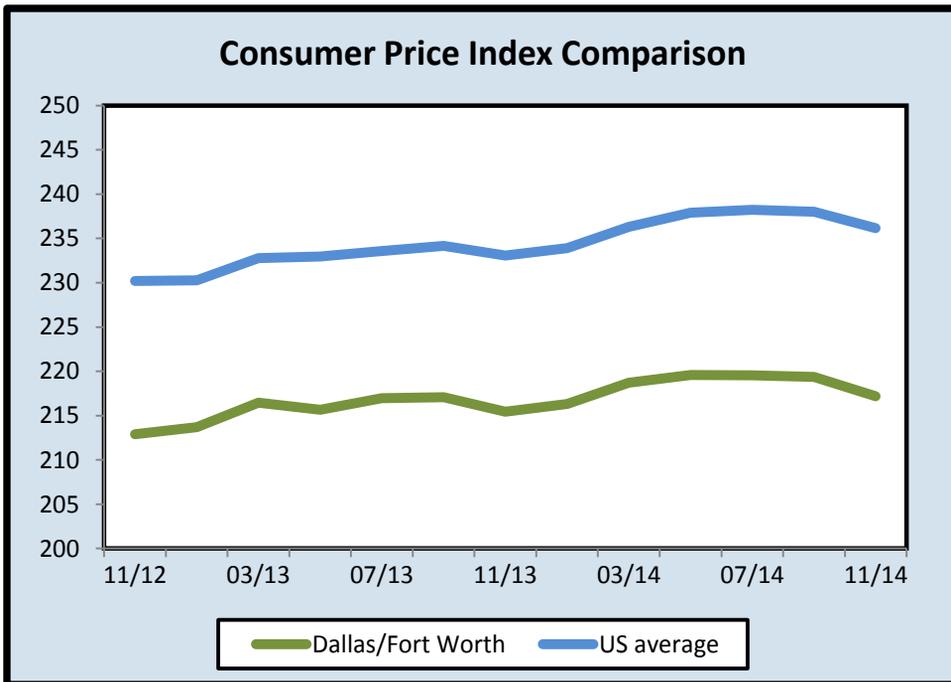
“Motorists’ savings at the gas pump are starting to filter into the economy...slowly. Spending on restaurant meals and recreation is already increasing, now that gasoline costs about \$1.25 per gallon less than it did last summer. However, it’ll take longer for drivers saving \$10 or so each week on gas to sock away enough to spend on bigger-ticket items....”

*The Kiplinger Letter*, February 20, 2015

# Household Indicators

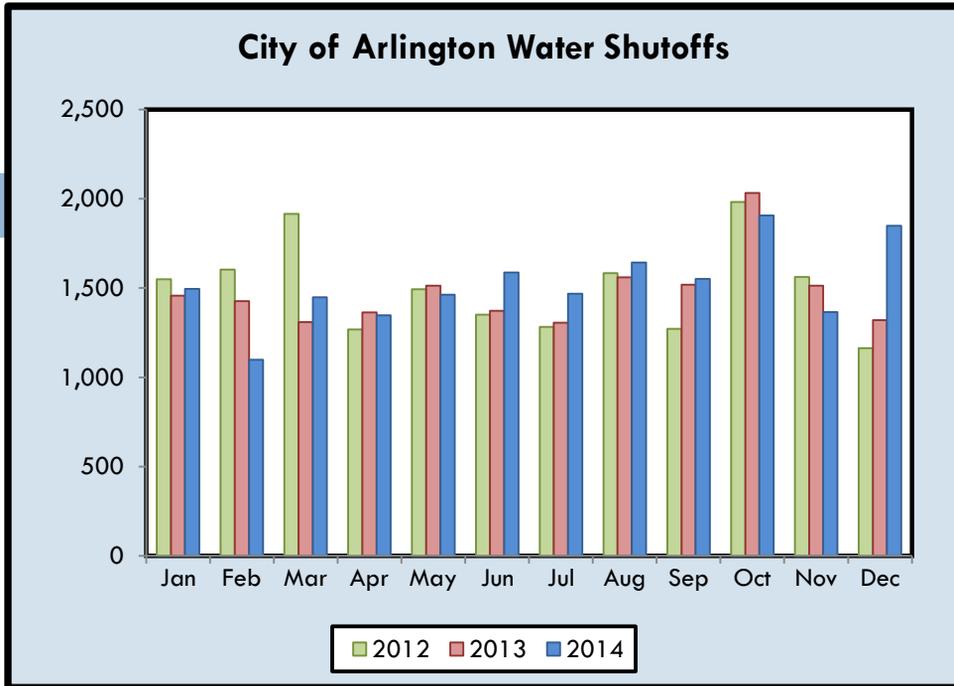


Median earnings of households in Arlington has risen from \$51,838 in 2009 to \$52,407 in 2013.

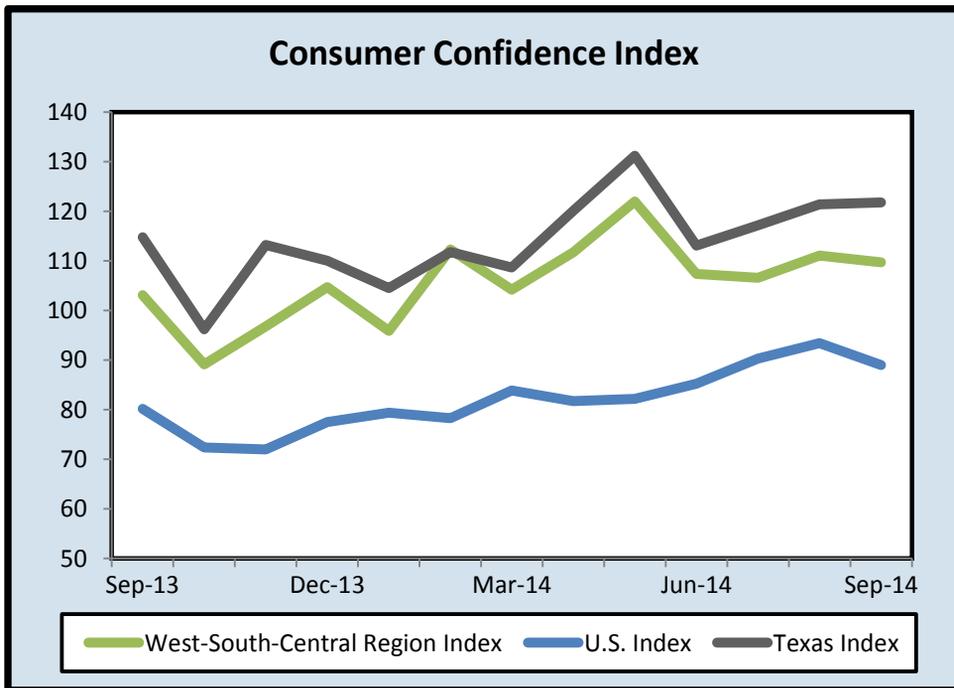


The U.S. average CPI rose from 233.1 in November 2013 to 236.2 in November 2014, while the D/FW average rose from 215.5 to 217.2.

# Household Indicators

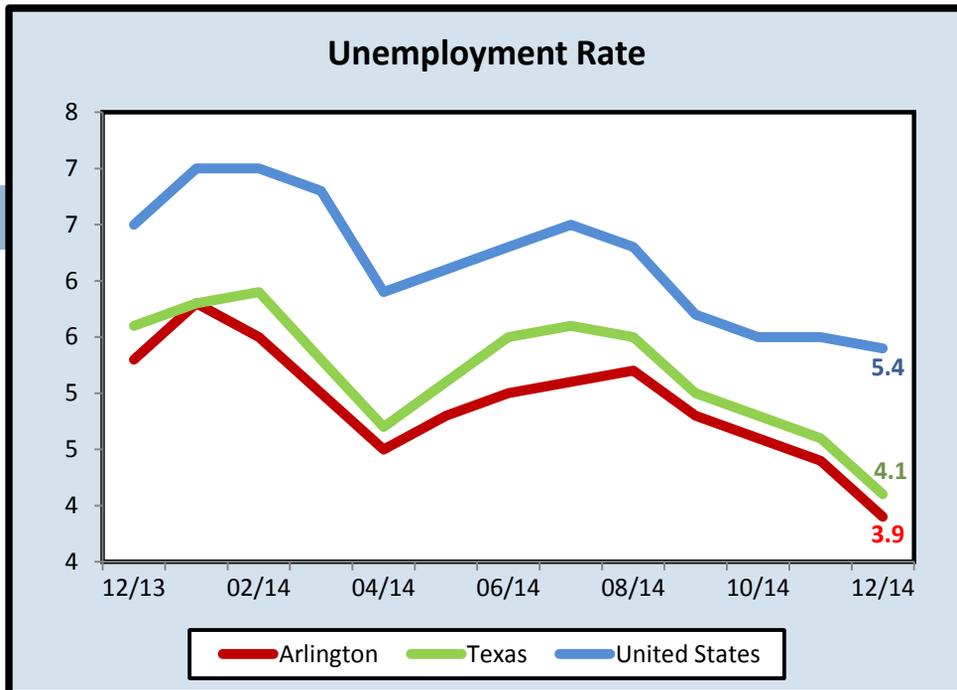


The number of monthly water shutoffs in December 2014 was 1,848, up from 1,320 in December 2013.

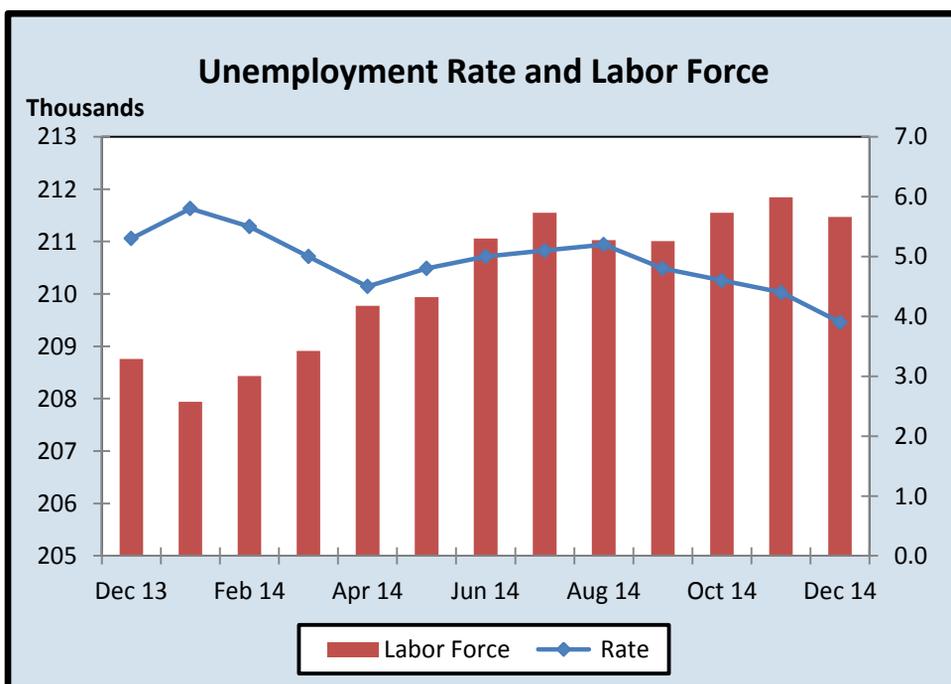


The Consumer Confidence Index for Texas for December 2014 is 119.4, up 8.5% from 110.0 in December 2013.

# Labor Indicators

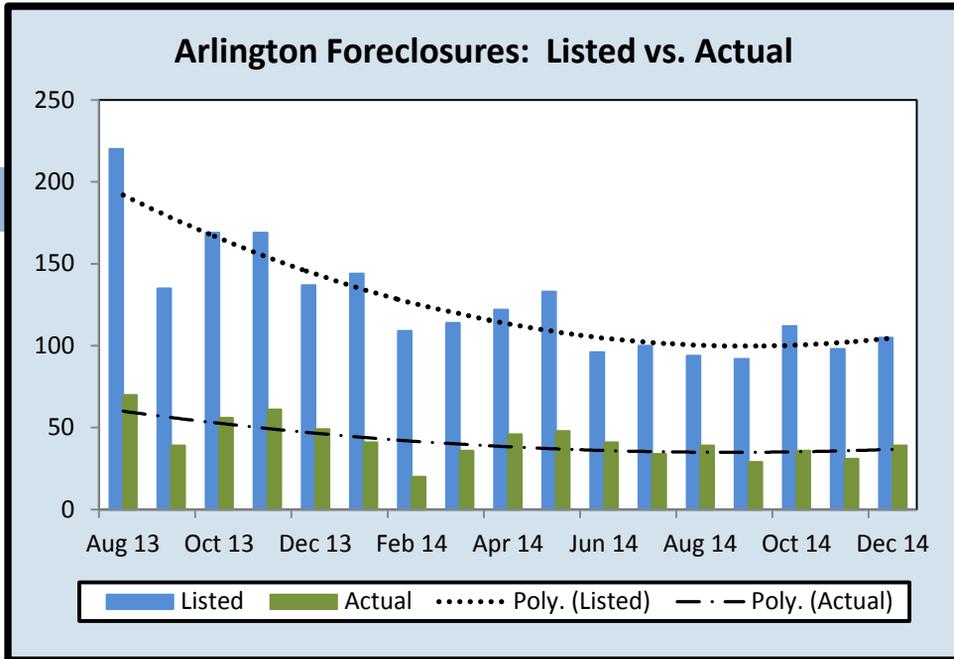


The unemployment rate in Arlington for December 2014 was 3.9%, down from 5.3% in December 2013.

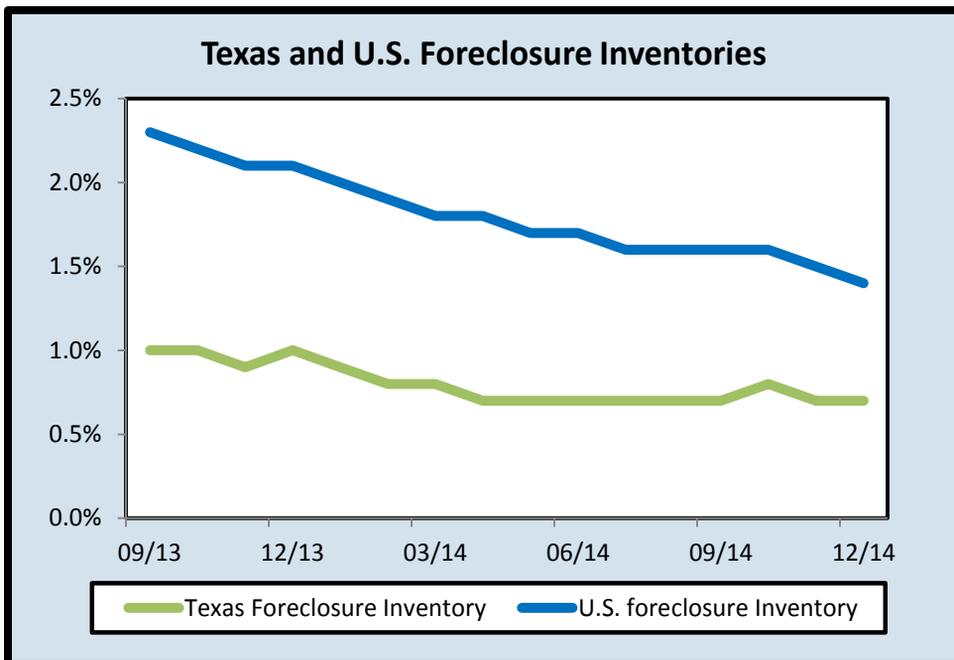


The Labor Force included 211,467 persons in Arlington in December 2014. This is an increase from December 2013, when the labor force was 208,760.

# Housing Indicators

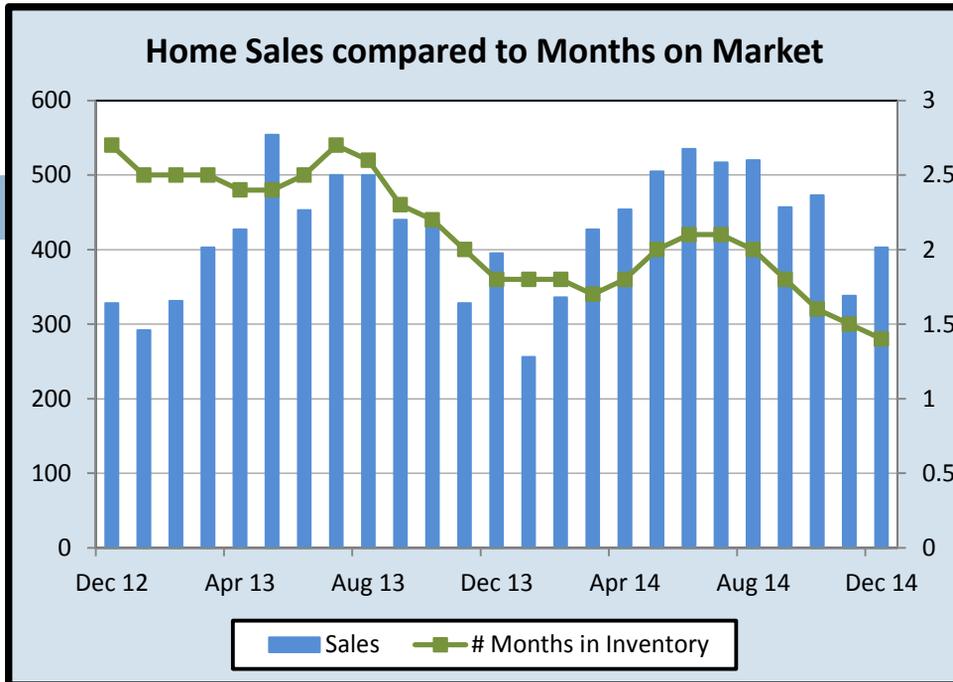


In December 2014, there were 105 foreclosures listed in Arlington, with 39 actual foreclosures.

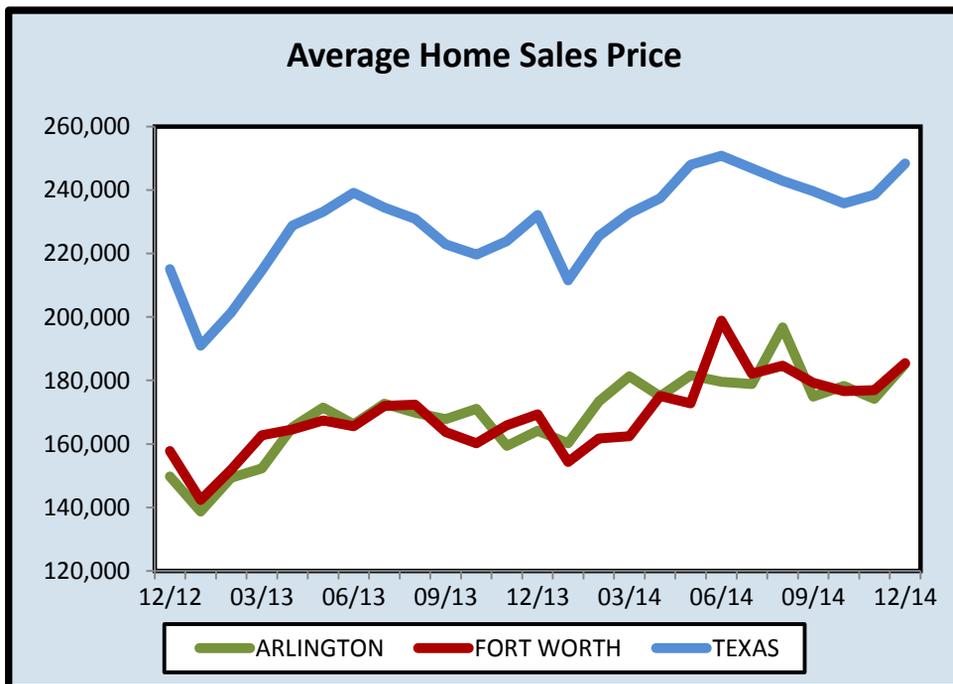


Nationally, 1.4% of homes with a mortgage were in foreclosure during December 2014, while only 0.7% of mortgaged homes in Texas were in foreclosure during December 2014.

# Real Estate Indicators

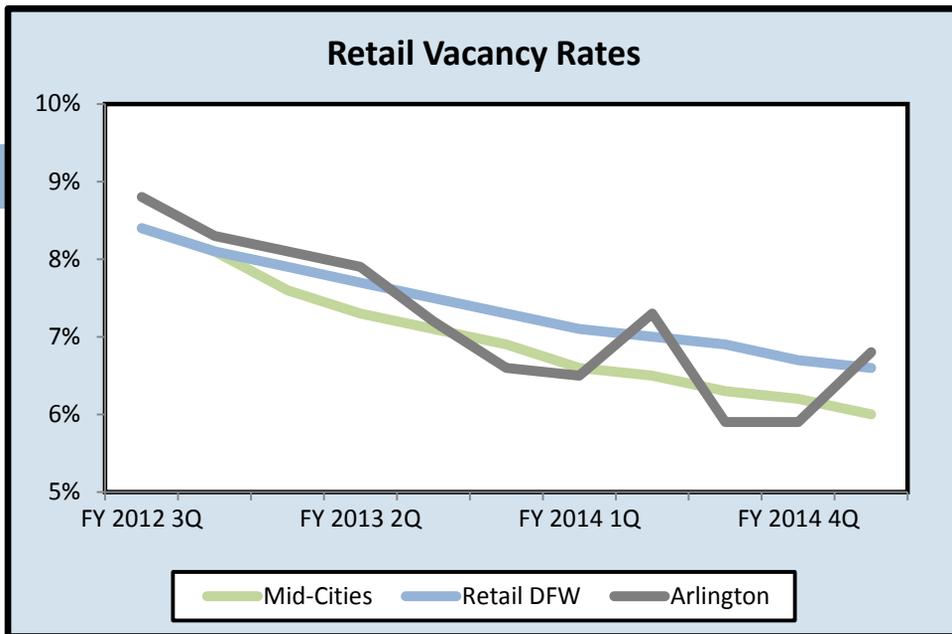


In December 2014, the average time a home in Arlington stayed on the market was 1.4 months, compared to 1.8 months in December 2013.

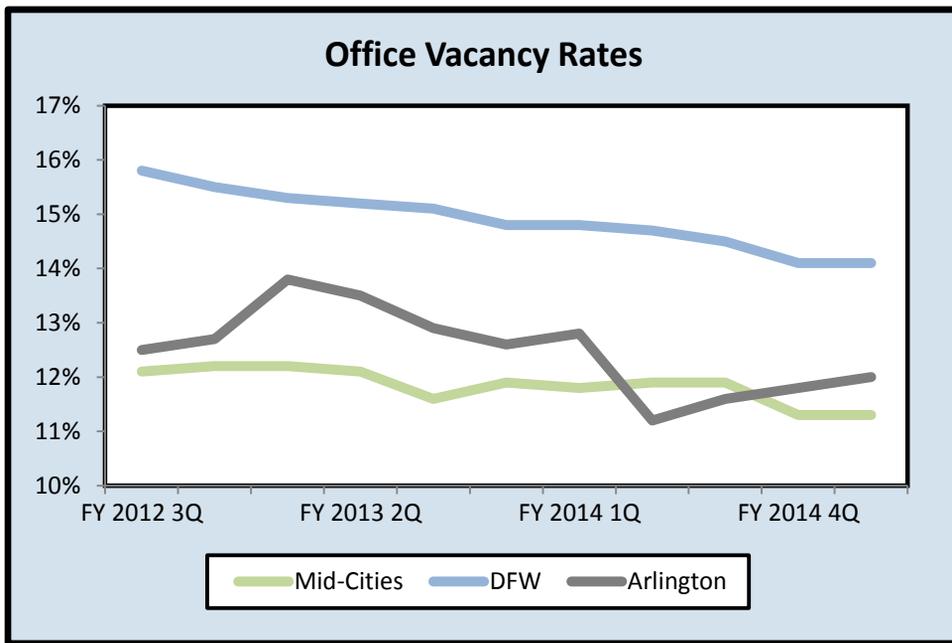


Average sale price for homes in Arlington in December 2014 was \$185,200. This is up from December 2013, when the average sale price was \$164,200.

# Real Estate Indicators

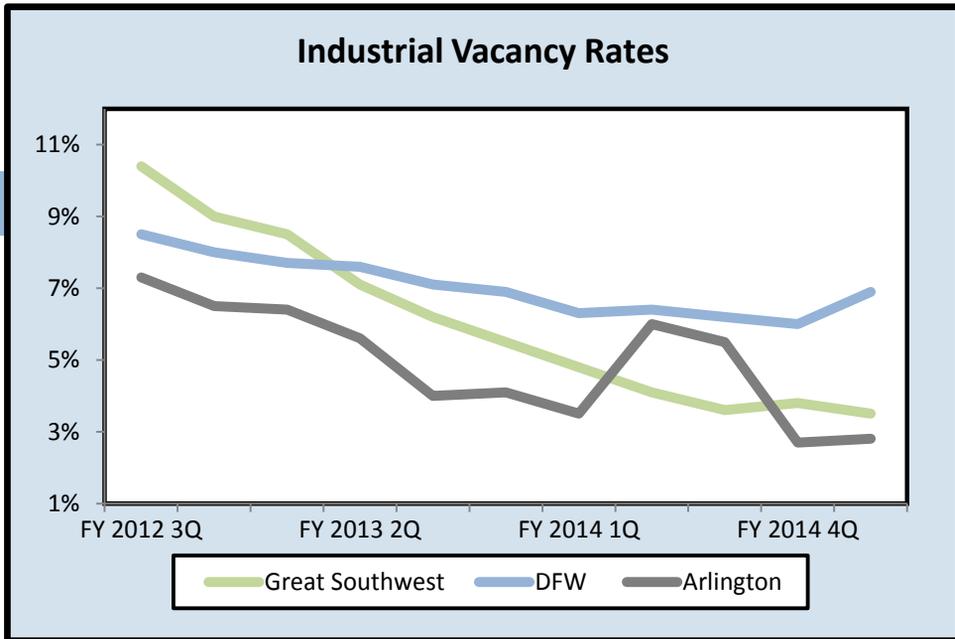


The vacancy rate for retail space in Arlington was 6.8% in the first quarter of FY 2015, up from 6.5% in the first quarter of FY 2014, and up from the 5.9% vacancy rate in the fourth quarter of FY 2014.

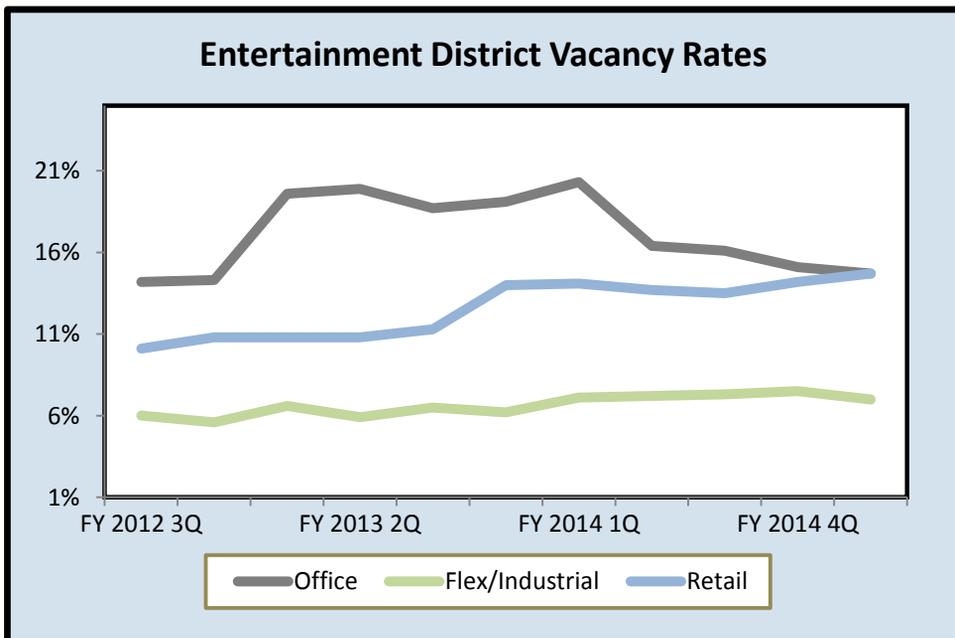


The vacancy rate for office space in Arlington was 11.5% in the first quarter of FY 2015, down from 12.3% in the first quarter of FY 2014, but up from 11.3% in the fourth quarter of FY 2014.

# Real Estate Indicators

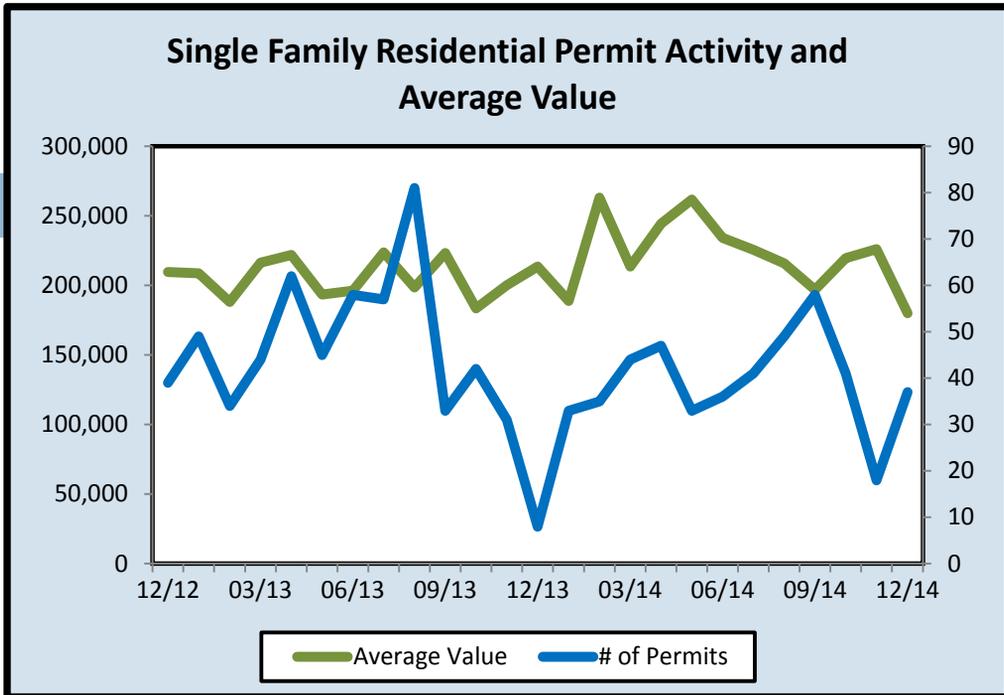


The vacancy rate for industrial space in Arlington was 2.8% in the first quarter of FY 2015, down from 3.5% in the first quarter of FY 2014, but up slightly from 2.7% in the fourth quarter of 2014.

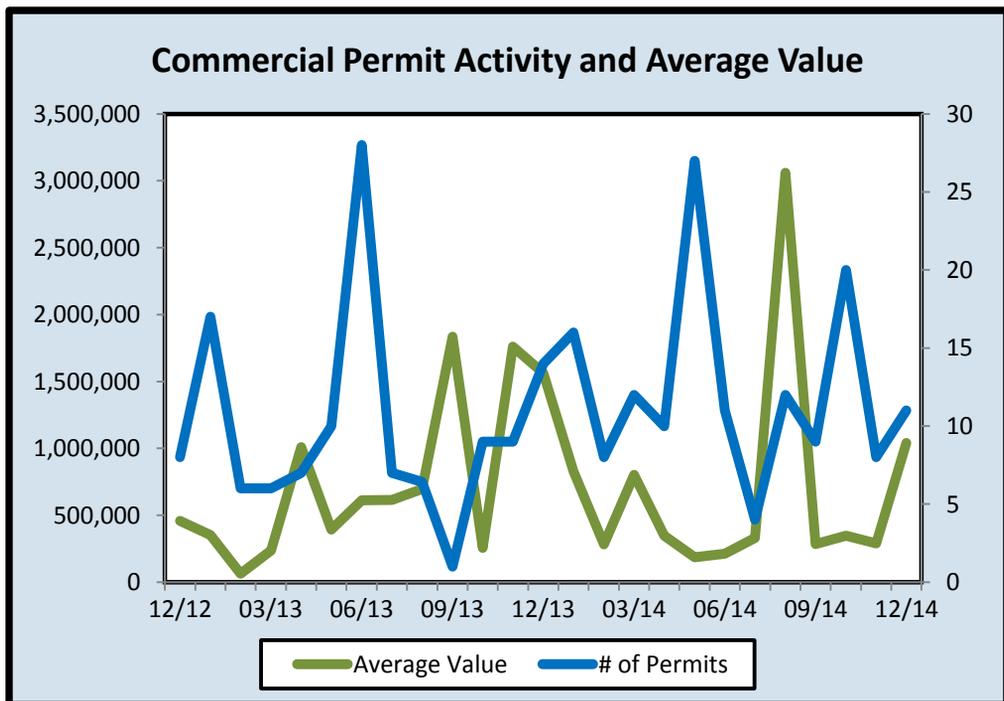


The vacancy rates for the Entertainment District in the first quarter of FY 2015 were 14.7% for office, 7.0% for industrial, and 14.7% for retail.

# Construction Indicators

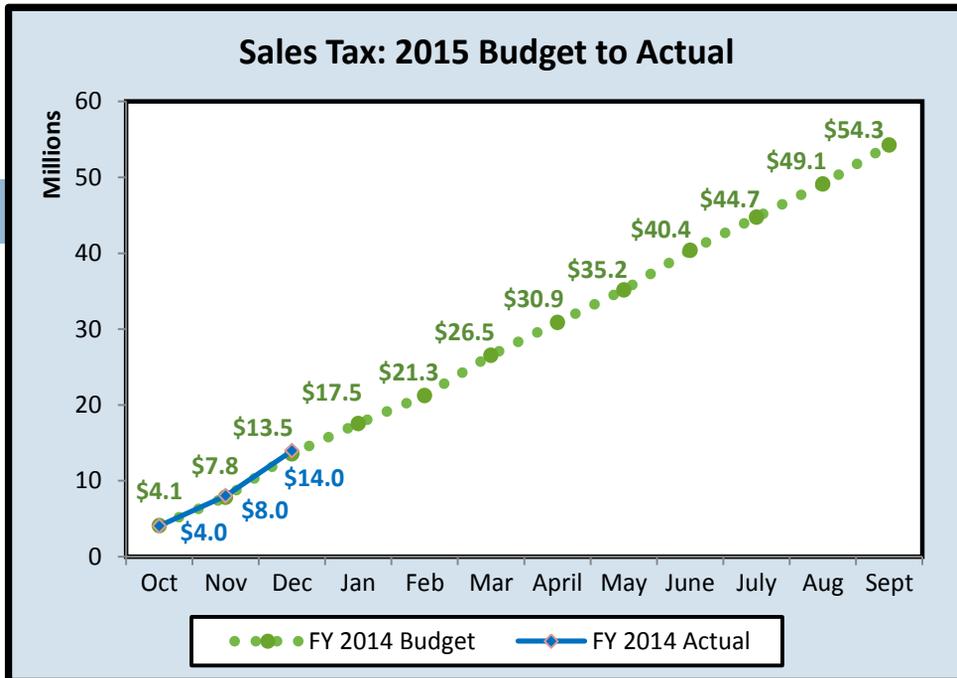


The average value of Single Family Residential Permits was \$180,099 in December 2014.

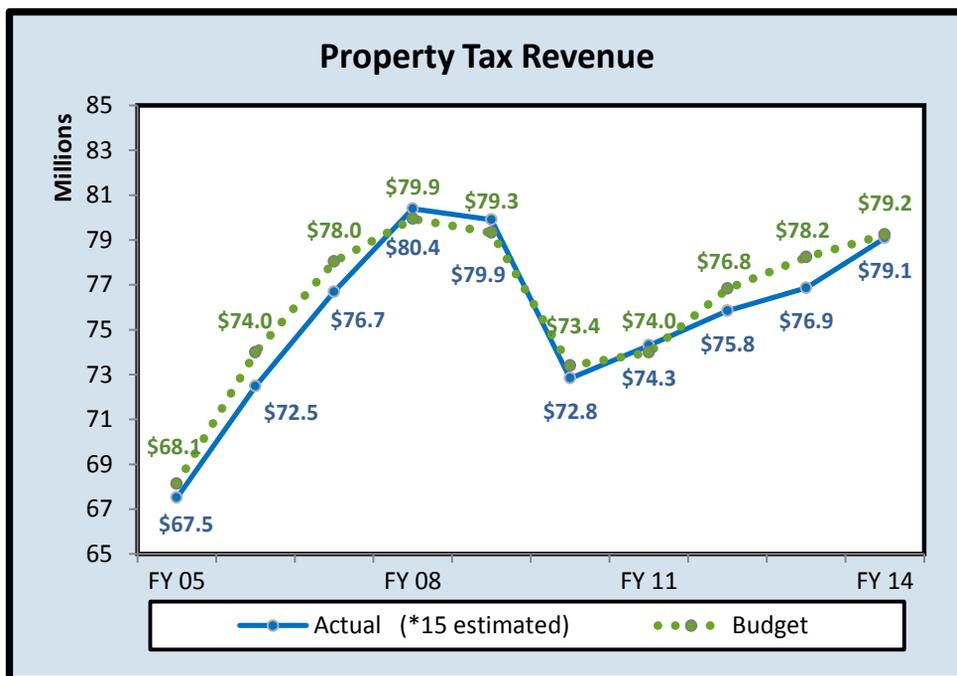


The average value of Commercial Permits was \$1,041,308 in September 2014.

# Revenue Indicators

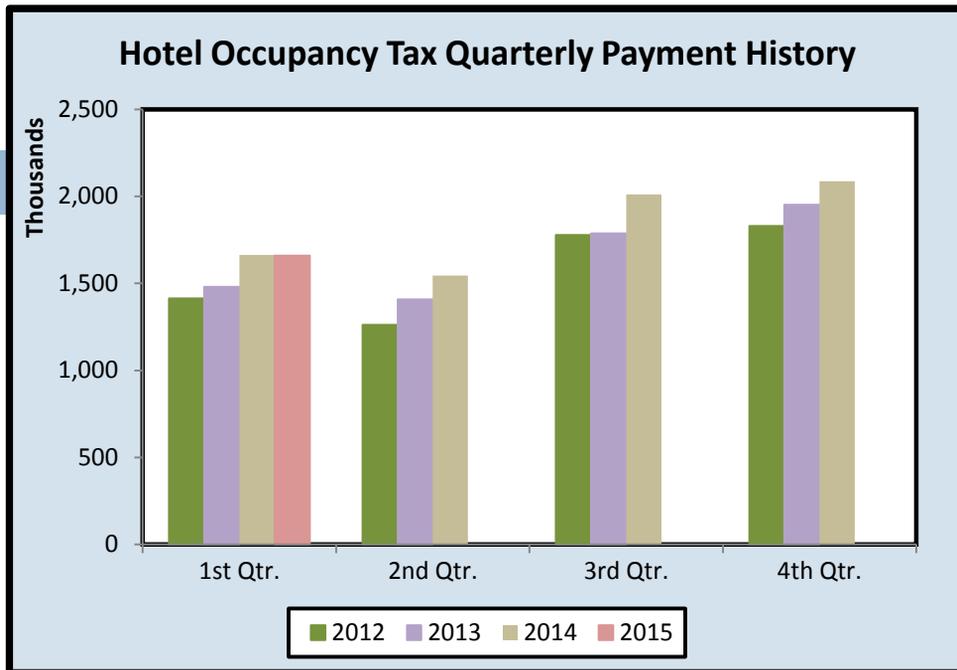


Through December 2014, receipts are \$416,863, or 3.1%, above the budgeted amount of \$13,541,784.

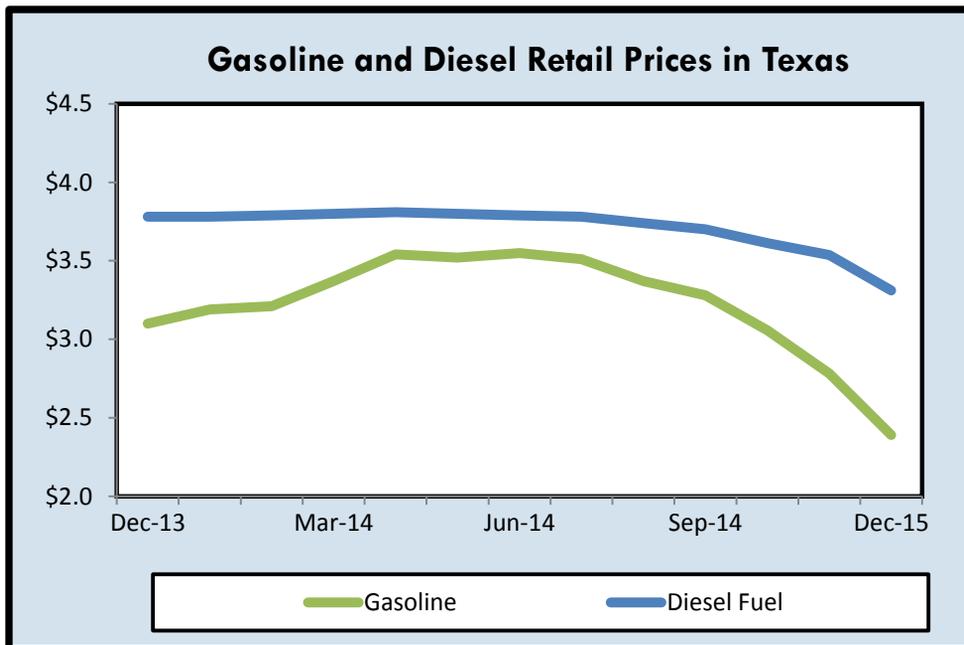


The City's property tax collections for FY 2015 are projected to reach \$79,088,270, or 99.8% of the budgeted amount of \$79,236,434.

# Revenue Indicators



FY 2015 first quarter Hotel Occupancy Tax revenues were \$1,660,424, down 0.2% from \$1,663,995 during the first quarter of FY 2014.



The average price of gasoline in Texas during December 2014 was \$2.39 per gallon, down 22.9% from \$3.10 per gallon in December 2013.

# Notes

