

Economic  
Forecast  
FY 2017  
1<sup>st</sup> Quarter

Office of  
Management  
and Budget

# What the experts are saying...

“Texas economic growth has accelerated somewhat. Employment strengthened in the state and in most major metros in the second half of 2016. Improvement was broad based, with stronger manufacturing output and higher service sector revenue as well as solid real estate activity. The energy sector continued to show signs of improvement.

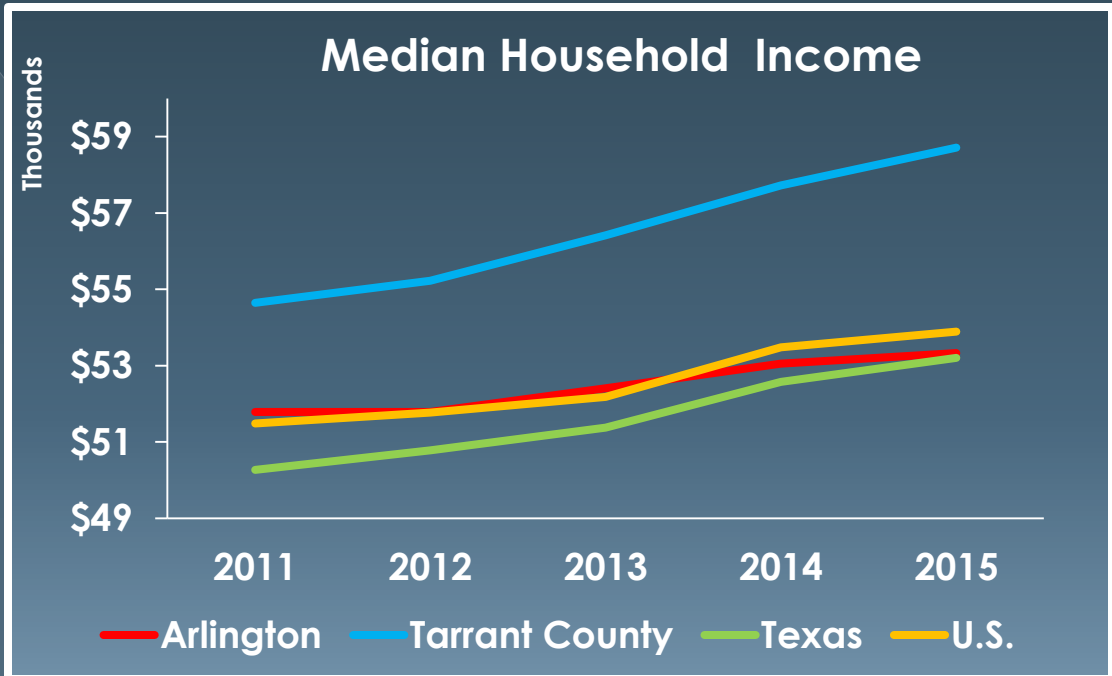
There is also evidence that this pickup in growth is set to continue... However, risks to the positive outlook remain, including a strong dollar and the potential for another drop in oil prices.”

*Regional Economic Update, Federal Reserve Bank of Dallas, Feb 2, 2017*  
(<http://www.dallasfed.org/en/research/update/reg/2017/1701.pdf>)

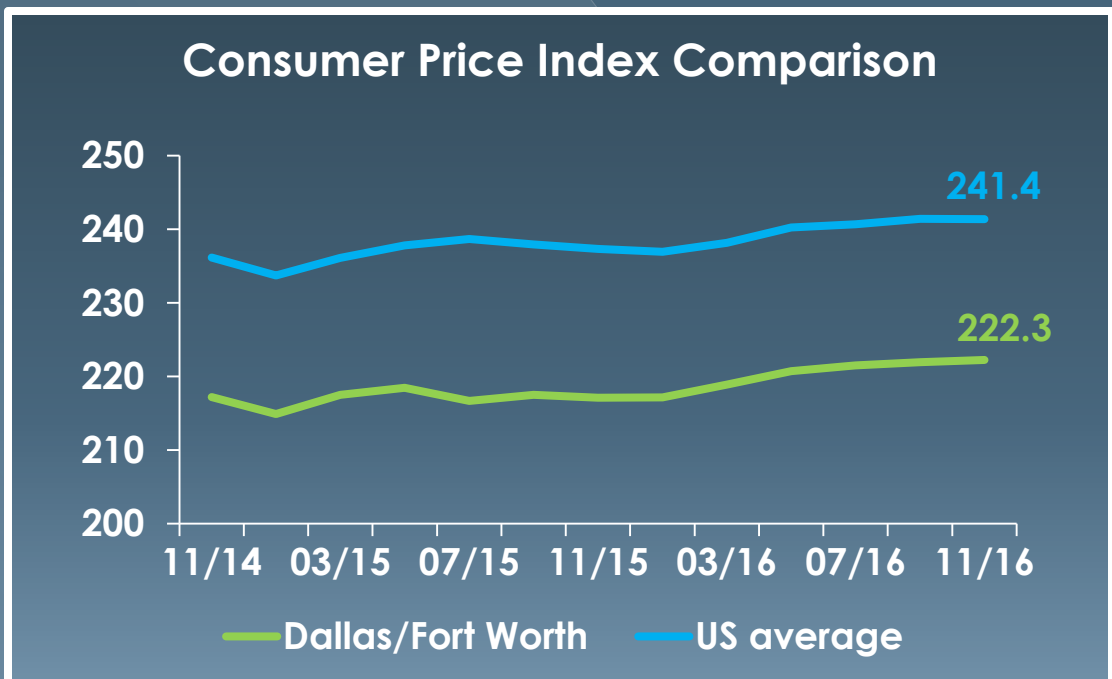
“Figure on GDP growth of 2.1% or so...better than the 1.6% rate logged in 2016 but falling short of what some folks on Wall Street and Main Street seem to be expecting this year

*The Kiplinger Letter, January 13, 2017*

# Household Indicators

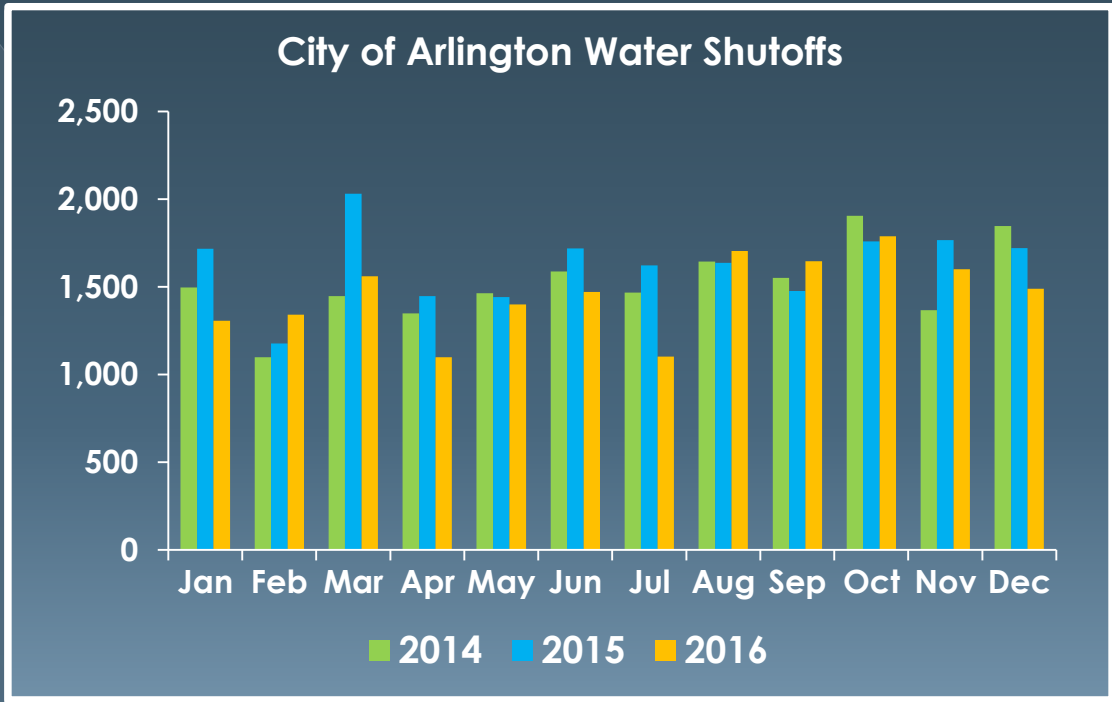


Median earnings of households in Arlington has risen from \$51,783 in 2011 to \$53,326 in 2015.

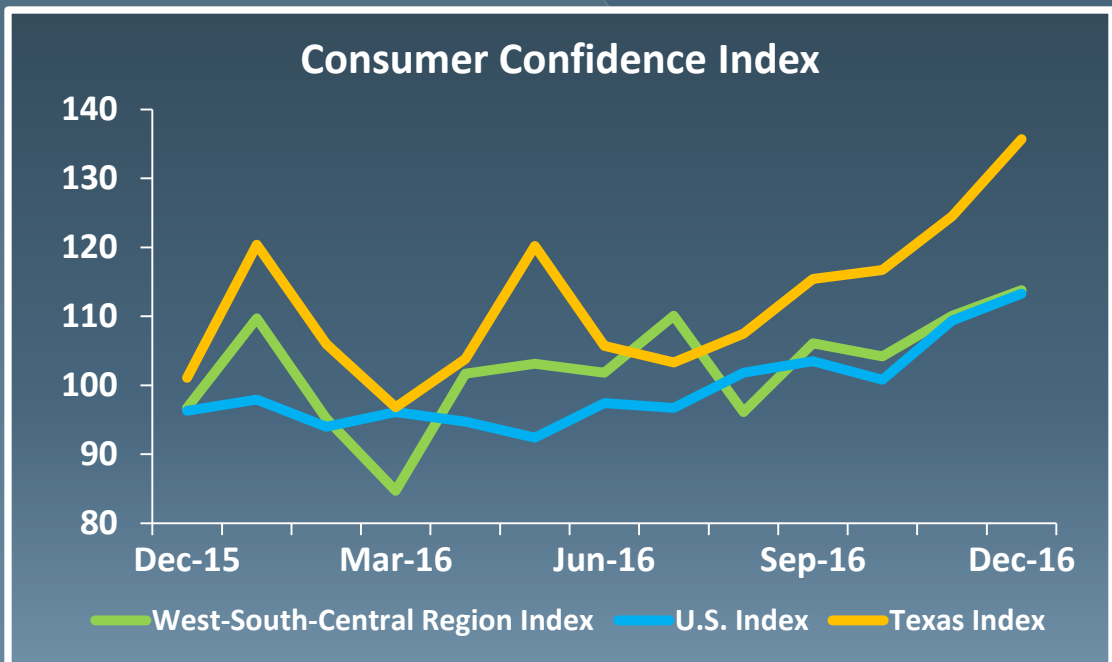


The U.S. average CPI increased from 237.3 in November 2015 to 241.4 in November 2016, while the D/FW CPI increased from 217.1 to 222.3.

# Household Indicators

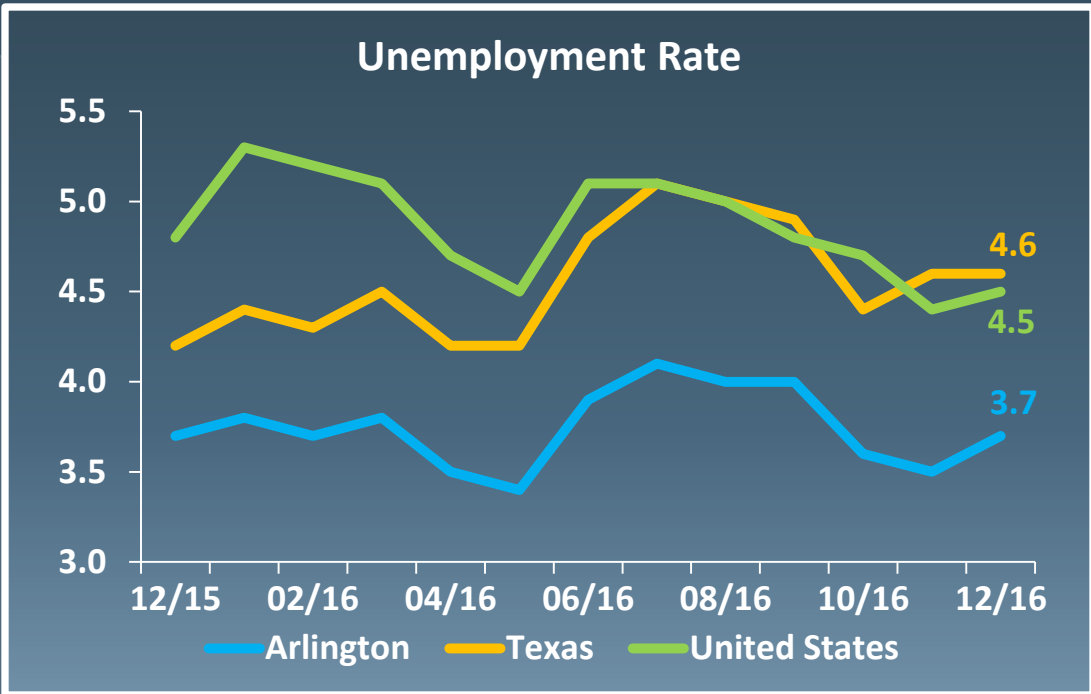


The number of monthly water shutoffs in December 2016 was 1,489, down from 1,722 in December 2015.

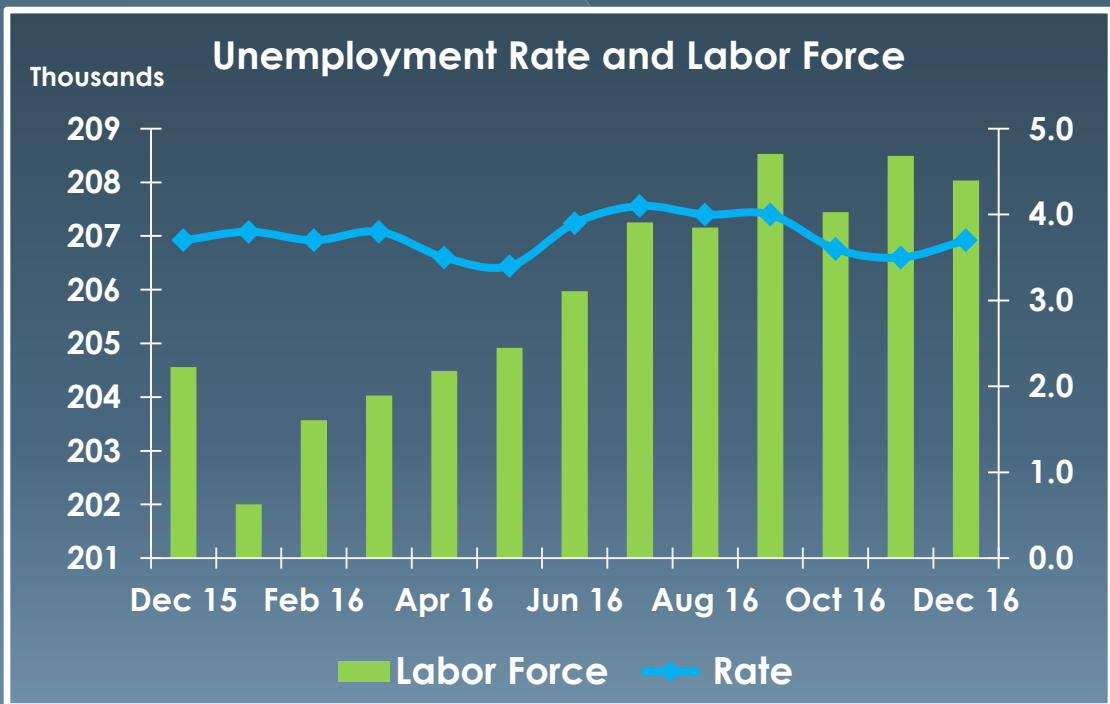


The Consumer Confidence Index for Texas for December 2016 is 135.7, up 34.7% from 101.1 in December 2015.

# Labor Indicators

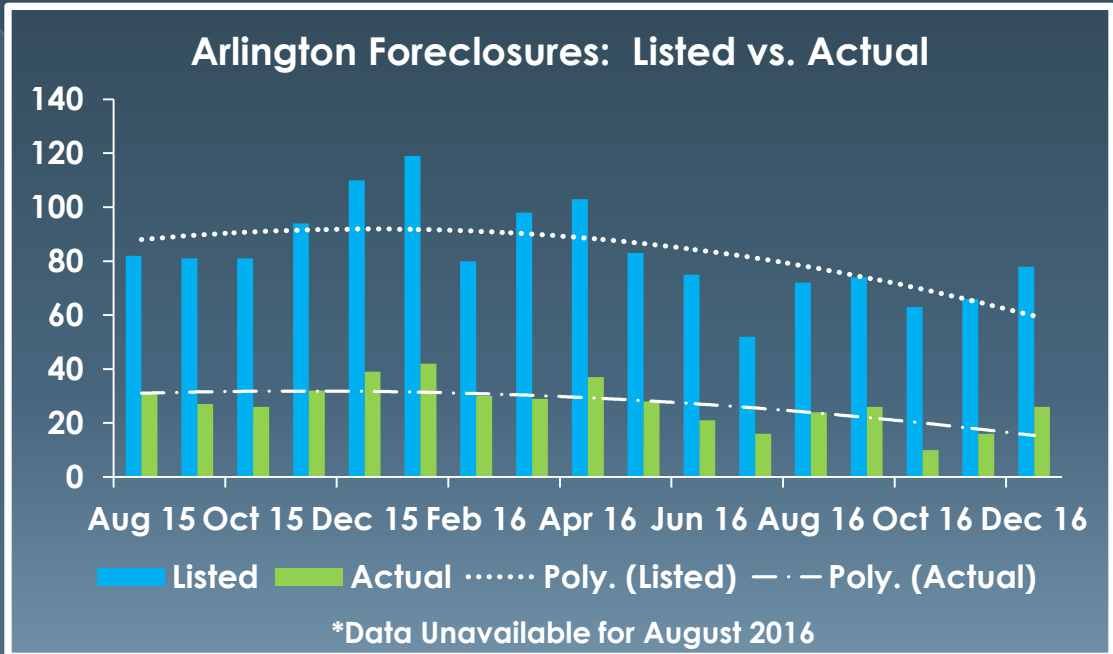


The unemployment rate in Arlington for December 2016 was 3.7%, equal to the 3.7% unemployment rate in December 2015.

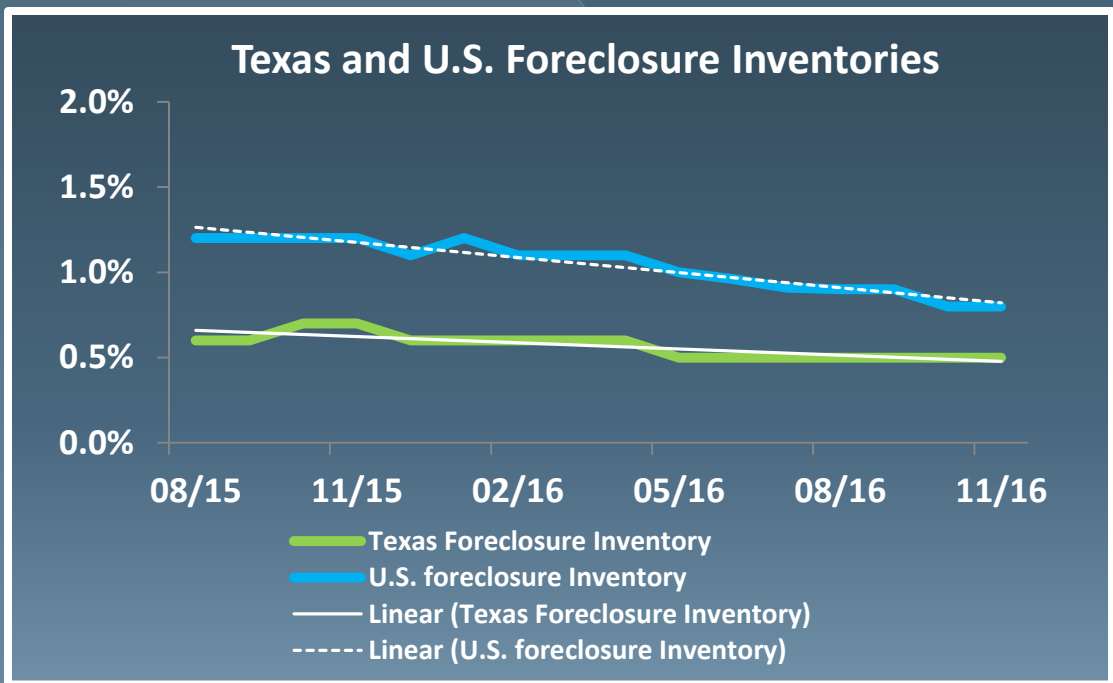


The Labor Force included 208,031 persons in Arlington in December 2016. This is up from December 2015, when the labor force was 204,560.

# Housing Indicators

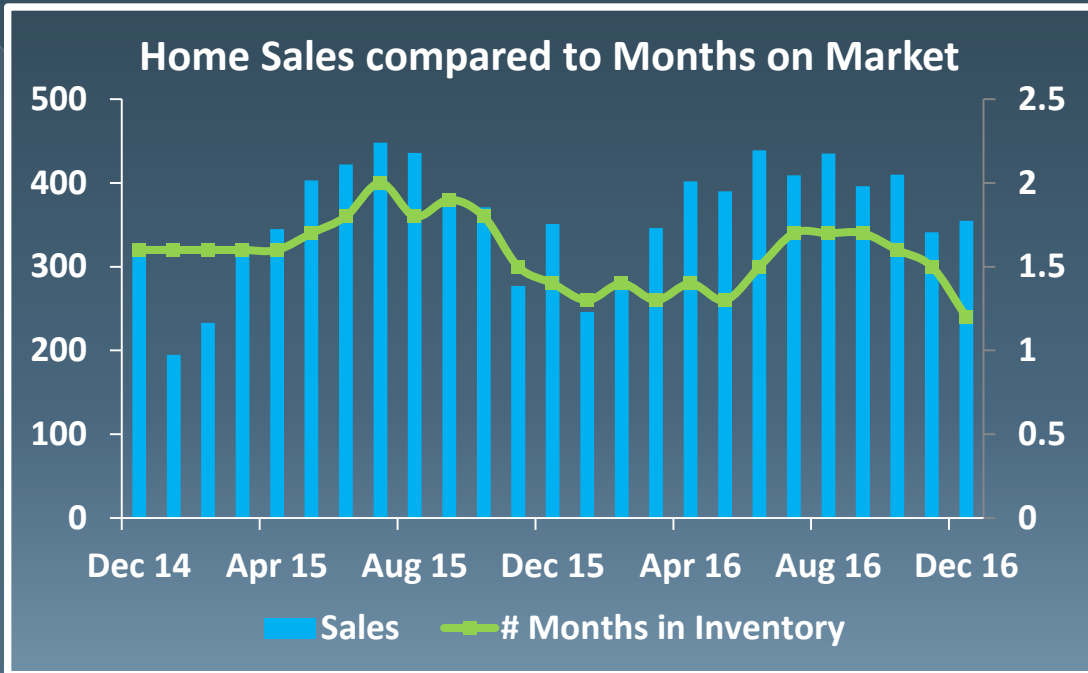


In December 2016, there were 78 foreclosures listed in Arlington, with 26 actual foreclosures.

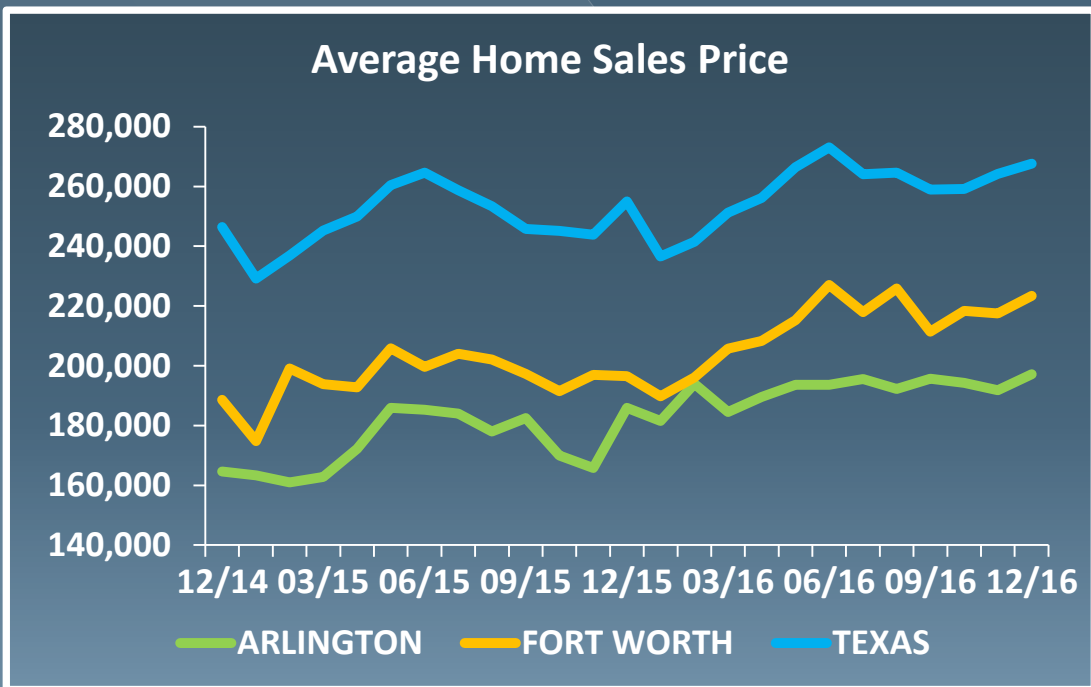


Nationally, 0.8% of homes with a mortgage were in foreclosure during December 2016, while only 0.5% of mortgaged homes in Texas were in foreclosure during December 2016.

# Real Estate Indicators

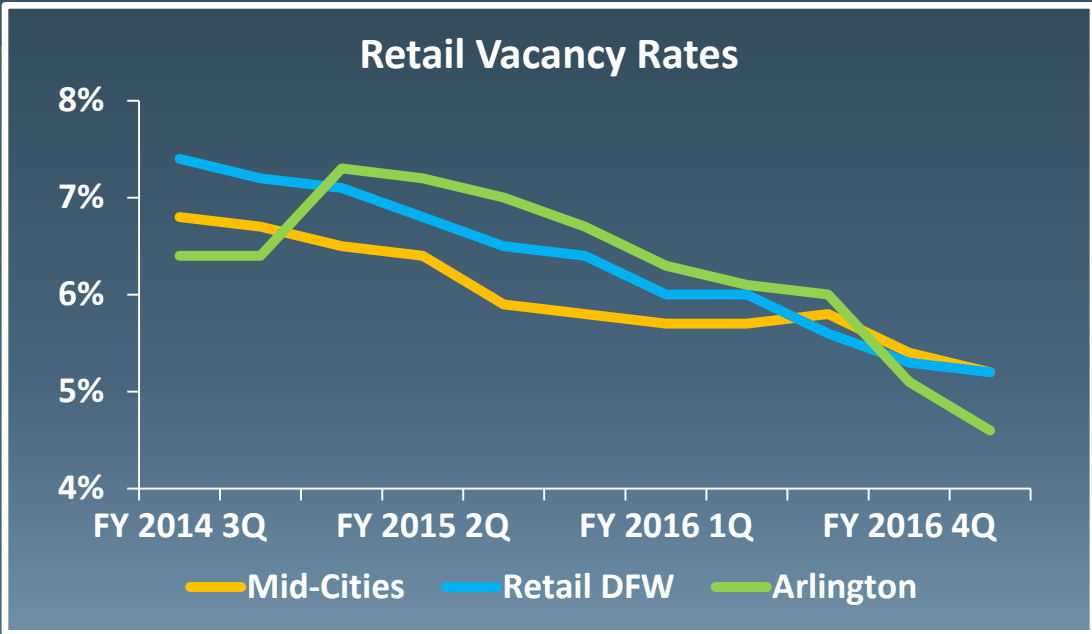


In December 2016, the average time a home in Arlington stayed on the market was 1.2 months, compared to 1.4 months in December 2015.

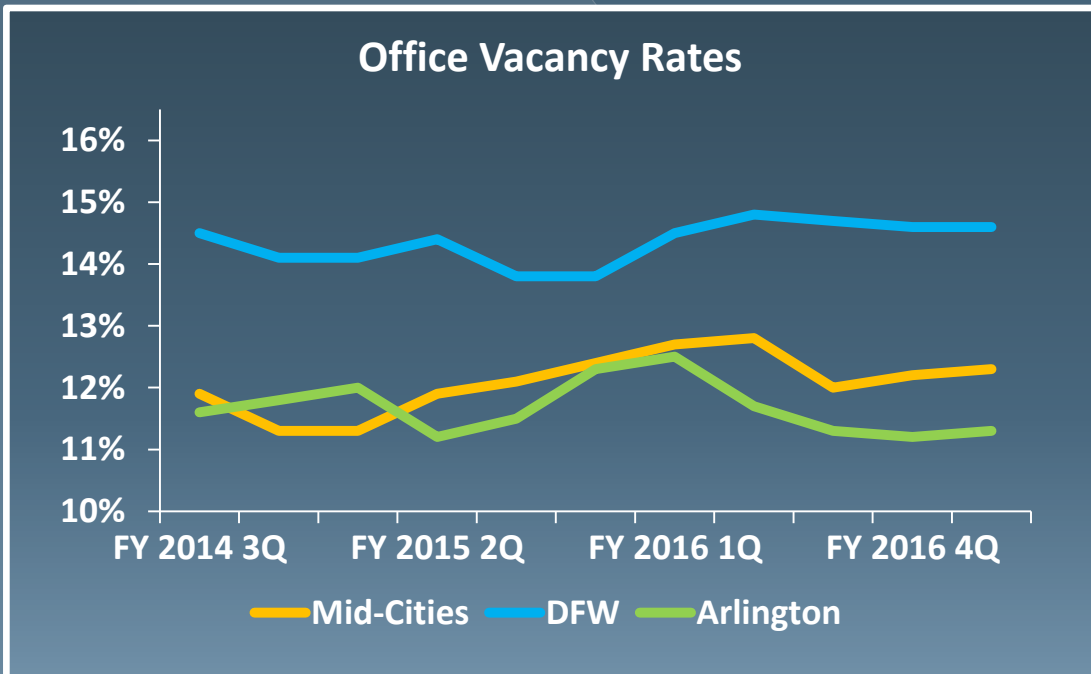


Average home sales price for Arlington in December 2016 was \$197,121. This is up from December 2015, when the average was \$185,871.

# Real Estate Indicators



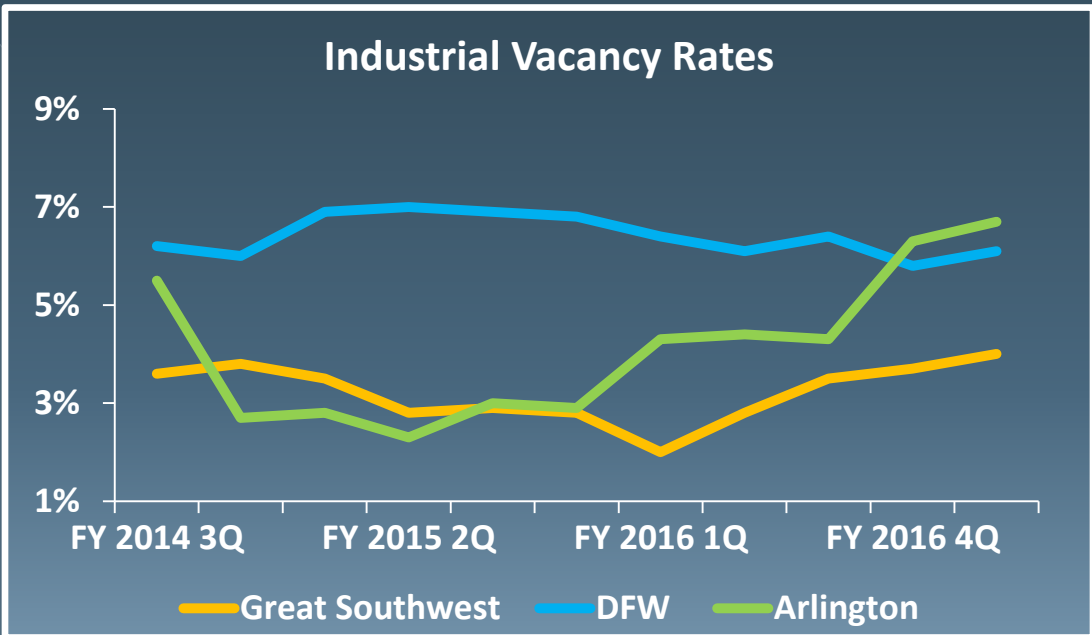
The vacancy rate for retail space in Arlington was 4.1% in the first quarter of FY 2017, down from 5.8% in the first quarter of FY 2016, and down from 4.6% in the fourth quarter of FY 2016.



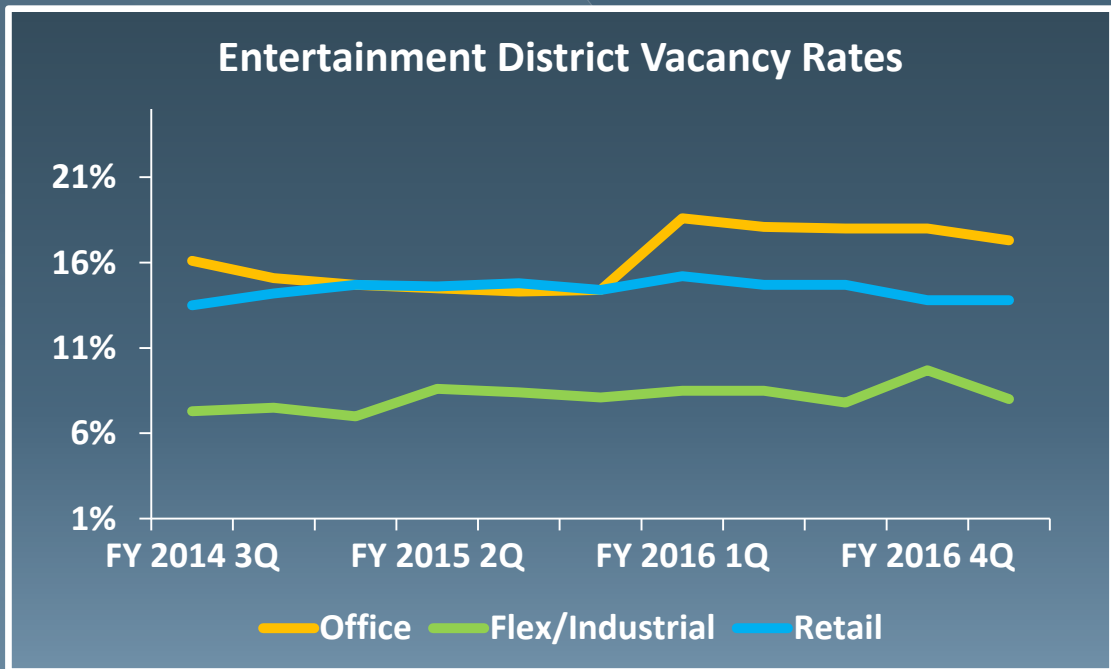
The vacancy rate for office space in Arlington was 10.8% in the first quarter of FY 2017, down from 12.0% in the first quarter of FY 2016, up from 10.7% in the fourth quarter of FY 2016.



# Real Estate Indicators

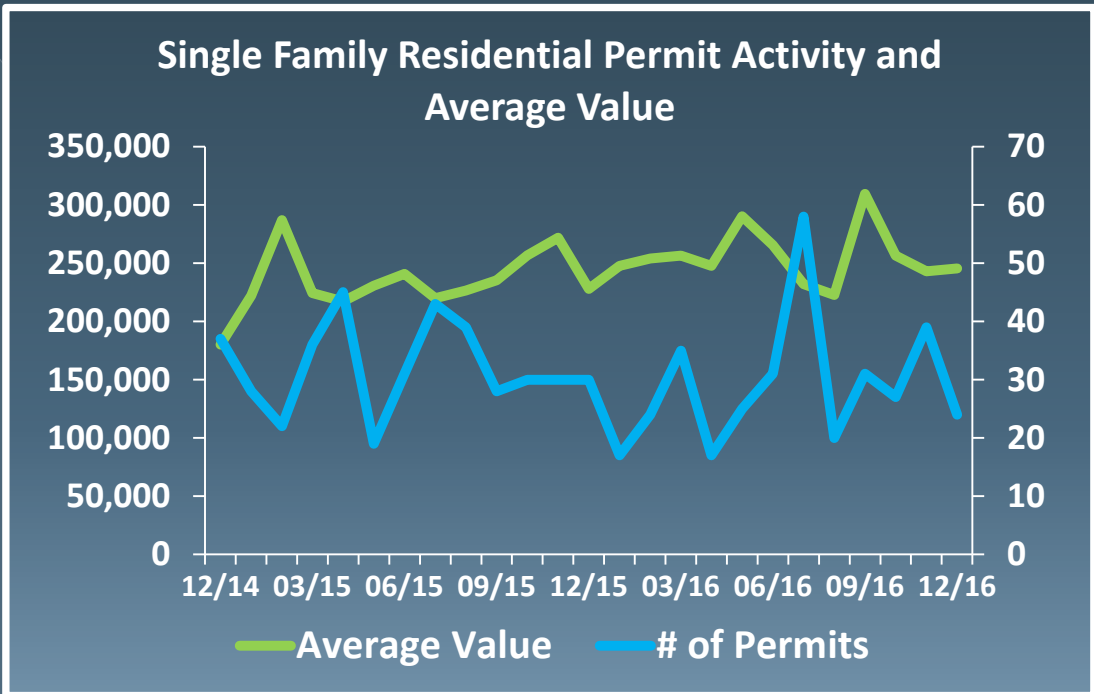


The vacancy rate for industrial space in Arlington was 6.7% in the first quarter of FY 2017, up from 4.3% in the first quarter of FY 2016, and up from 6.3% in the fourth quarter of FY 2016.

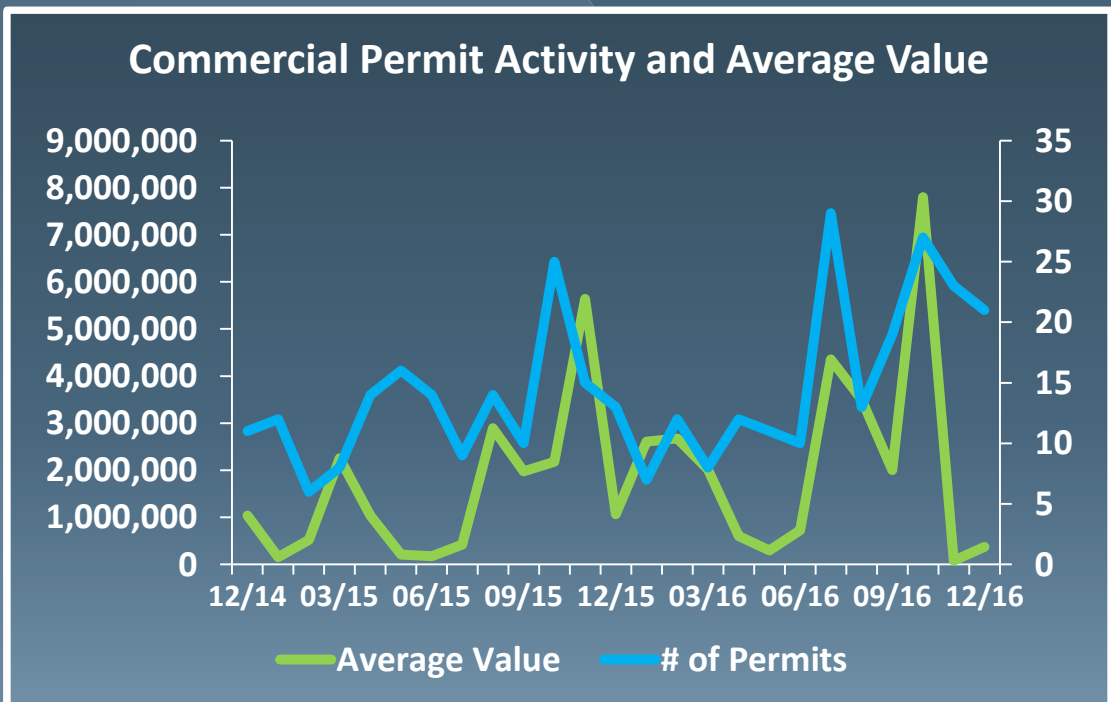


The vacancy rates for the Entertainment District in the third quarter of FY 2016 were 17.3% for office, 8.0% for industrial, and 13.8% for retail.

# Construction Indicators

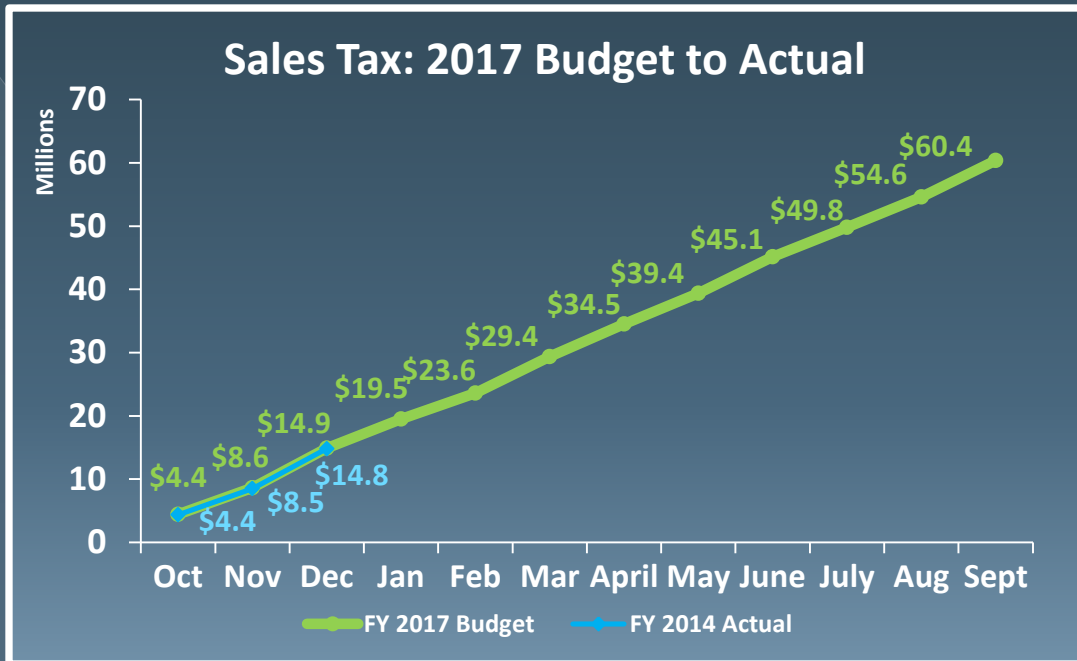


The average value of Single Family Residential Permits was \$245,392 in December 2016.

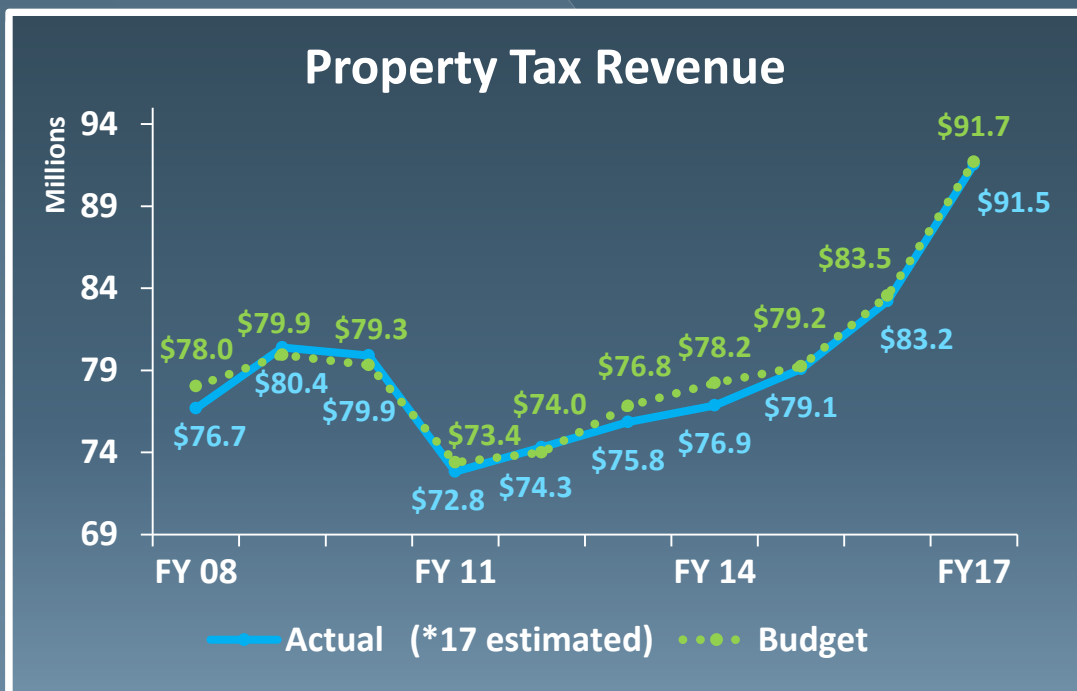


The average value of Commercial Permits was \$373,683 in December 2016.

# Revenue Indicators

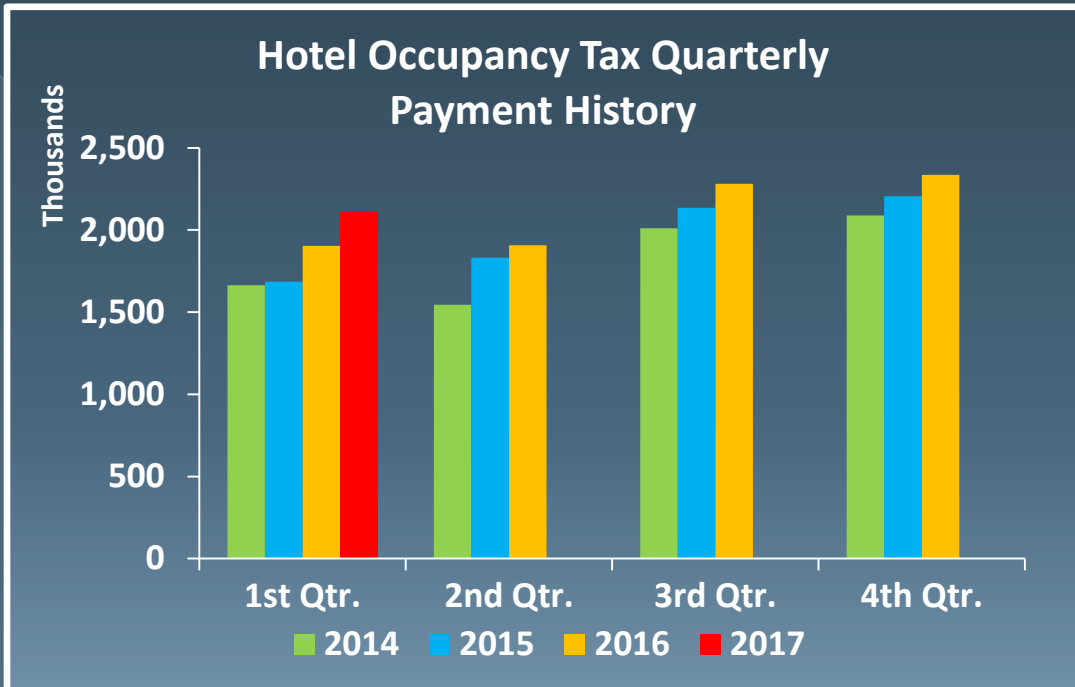


Through December 2016, sales tax receipts are \$93,786 (0.6%) below the budgeted amount of \$14,917,325

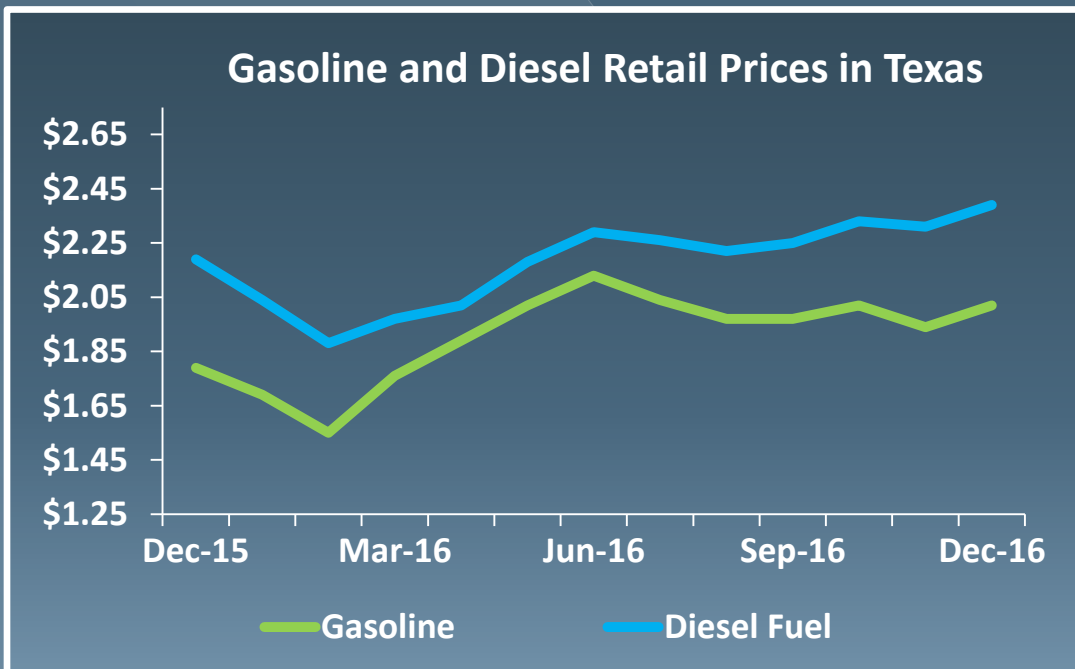


The City's property tax collections for FY 2017 are projected to reach \$91,543,560, or 99.8% of the budgeted amount of \$91,705,262.

# Revenue Indicators



FY 2017 first quarter Hotel Occupancy Tax revenues were \$2,108,498, up 10.8% from \$1,902,548 during the first quarter of FY 2016.



The average price of gasoline in Texas during December 2016 was \$2.02 per gallon, up 12.8% from \$1.79 per gallon in December 2015.

# Notes