GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF REVENUE ANALYSIS

District of Columbia Economic and Revenue Trends: January 2014

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Highlights:

Indicator updates:

Jobs serving DC residents and tourists are a growing share of DC's private sector

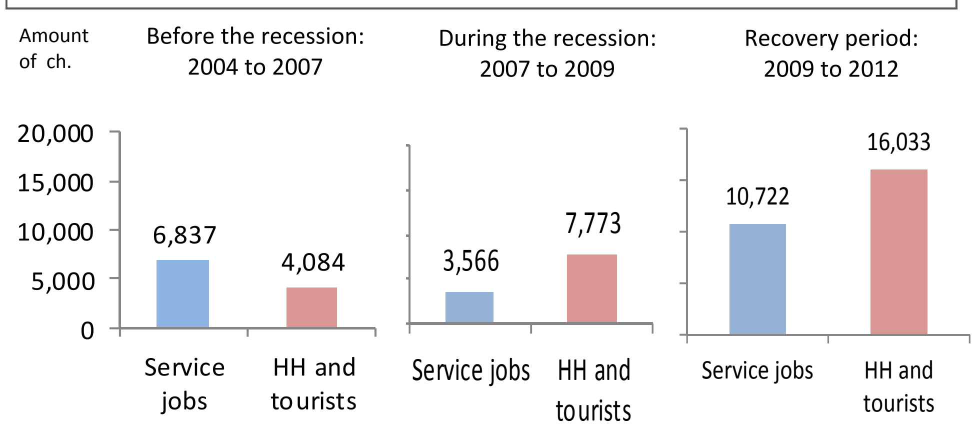
Retail, hospitality, and personal services grew by 24% (21,125) from 2004 to 2012; the rest of the private sector grew by 10%.

According to the US Census Bureau total employment (including self-employed and proprietors) in service sectors devoted to serving DC residents and tourists increased from 87,409 in 2004 to 108,534 in 2012, an increase of 21,125 (24.2%). These services—retail, hospitality, and personal services—accounted for 32.9% of all net private sector job gains over the 8-years, an increase which raised their share of all private sector jobs to 18.8% by 2012. More than 60% of the service employment gains were in food and beverage establishments.

Growing demand from additional people and tourists clearly have contributed to service sector growth. From 2004 to 2012, the number of households in DC rose by 26,150 (10.4%), while the daily average number of occupied hotel rooms grew by 1,740 (9.2%). (Hotels are included because a room occupied for 365 days can be viewed as equivalent to a household, defined by Census as an occupied housing unit. The hotel room is, however, like a higher income household: a daily rate of $200 translates into an annual cost of $73,000 just for a place to stay.)

Other factors are also at work. For example, the 40% gain in food services employment is much greater than the percent increase in households and tourism. Furthermore, from 2004 to 2007 every new household or filled hotel room was associated with an increase of 1.67 new service jobs. During the recession, as the pace of population growth picked up, this ratio fell to only about a quarter of that (0.46), rising to 0.67 for every new household or filled hotel room during the 2009 to 2012 recovery period. Changes in technology, such as *(Cont'd p. 17.)*

Change in (1) number DC service jobs for DC residents and tourists, and (2) number of DC households and average number of tourists each day: 2004 to 2012 (calendar years)



Wage and salary employment

No job growth as private sector gains were not quite enough to offset federal cutbacks.

●December wage and salary employment in DC was down by 133 (-0.0%) from a year earlier as measured by the 3-month moving average.

●Federal government employment for December was down by 6,267 (-3.0%); the private sector gained 5,633 (1.1%).

●Total year-over-year DC metropolitan area employment increased by 24,233 (0.8%) in December as measured by the 3-month moving average.

●There was an increase of 1.0% in suburban Washington employment in December from a year earlier

●Seasonally adjusted wage and salary employment in DC declined by 1,900 in December from the prior month. Seasonally adjusted employment was down by 300 from six months earlier in June.

Change in wage and salary employment located in DC, the DC suburbs, and the US: December 2011 to December 2013
(% change from prior year in 3-month moving average)

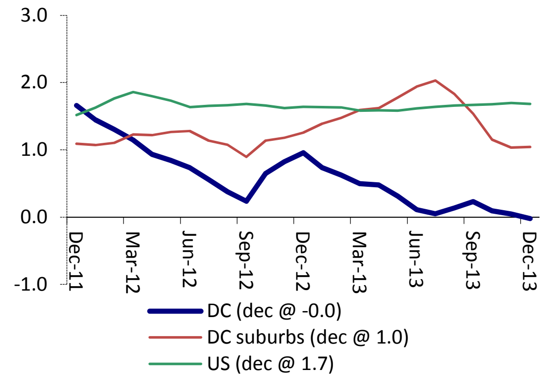


Table 1. **Wage and salary employment in DC, Washington Metro area, and the US: December 2013**

Jurisdiction	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,033	733,317	733,283	736,400	734,700
1 year change	14,158	6,800	3,283	1,500	-133	-400
% change	*2.0*	*0.9*	*0.4*	*0.2*	*0.0*	*-0.1*
Washington metro area	2,998,442	3,030,808	3,070,483	3,076,542	3,096,767	3,101,100
1 year change	42,208	32,367	39,675	36,742	24,233	25,800
% change	*1.4*	*1.1*	*1.3*	*1.2*	*0.8*	*0.8*
Washington suburbs (% ch)	*1.2*	*1.1*	*1.6*	*1.5*	*1.0*	*1.1*
US (% ch)	*1.2*	*1.7*	*1.6*	*1.6*	*1.7*	*1.6*

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.

Source: BLS. December is preliminary.

Table 2. **Federal government and private sector wage and salary employment in DC: December 2013**

Sector	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
Federal government	213,258	208,600	204,308	202,742	200,400	200,100
1 year change	5,025	-4,658	-4,292	-5,208	-6,267	-6,300
% change	*2.4*	*-2.2*	*-2.1*	*-2.5*	*-3.0*	*-3.1*
Private sector	474,833	486,708	494,867	496,275	502,100	500,500
1 year change	10,733	11,875	8,158	7,008	5,633	5,100
% change	*2.3*	*2.5*	*1.7*	*1.4*	*1.1*	*1.0*

Source: BLS. Not seasonally adjusted. December is preliminary.

Table 3. **Seasonally adjusted DC Employment: June 2013 to December 2013**

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
D.C. Wage and Salary employment	732,700	731,900	730,400	735,700	735,200	734,300	732,400
change from prior month	-1,100	-800	-1,500	5,300	-500	-900	-1,900
% change from prior month	*-0.1*	*-0.1*	*-0.2*	*0.7*	*-0.1*	*-0.1*	*-0.3*

Source: BLS seasonally adjusted. December is preliminary

Food services, professional services lead private sector job growth

●In December food services gained 3,867 jobs over last year . Professional services (other than legal) gained 1,733 jobs. The two sectors together acccounted for about 100% of all private sector net job growth. *(3-month moving averages.)*

●Finance (967), business services (other than employment) (700), and health (633) also showed significant gain.

●Private sector industries losing jobs included employment services, information, education, and construction.

●Local government rose by 500.

●Over the past year, DC's share of federal employment fell slightly in both the US and the metro area.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: December 2011 to December 2013
(% change from prior year in 3-month moving average)

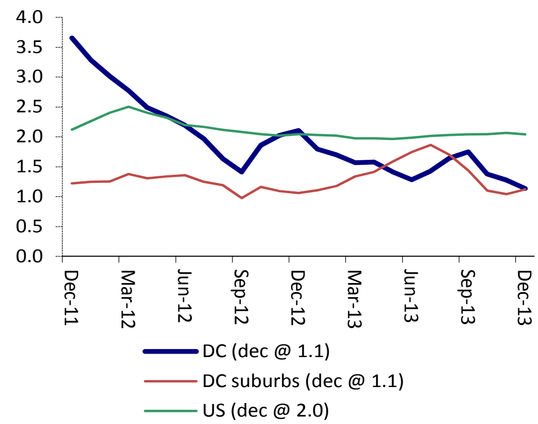


Table 4. **Wage and salary employment located in DC: December 2013**

Industry sector	3-month moving average: dec 2012	dec 2013	1 year change: Amount	%	12-mo. moving avg: % change	Sector % of all DC jobs, dec 2013	DC share (%) in Dec 2013 of all sector jobs in: metro area	US	Change from Dec 2012 to Dec 2013 in DC share of sector jobs in: metro area	US
Federal government	206,667	200,400	-6,267	-3.0	-2.5	27.2	54.6	7.38	-0.4	-0.01
Local government	33,400	33,900	500	1.5	-0.9	4.6	10.3	0.17	0.0	0.00
Legal services	29,800	30,333	533	1.8	-0.1	4.1		2.68		0.04
Other Professional and technical	77,967	79,700	1,733	2.2	3.3	10.8	23.0	1.13	0.6	-0.01
Employment services	13,567	12,167	-1,400	-10.3	-5.8	1.7	32.6	0.34	-1.7	-0.07
Other Business services	33,833	34,533	700	2.1	2.2	4.7	18.0	0.48	-0.1	0.00
Information	16,900	16,300	-600	-3.6	-4.2	2.2	21.6	0.61	-0.4	-0.02
Finance	28,167	29,133	967	3.4	2.5	4.0	18.6	0.37	-0.2	0.01
Organizations	60,700	61,033	333	0.5	1.2	8.3	36.9	2.07	0.3	0.01
Education	55,800	55,067	-733	-1.3	4.0	7.5	50.1	1.56	-2.3	-0.04
Health	64,333	64,967	633	1.0	0.9	8.8	23.1	0.37	0.3	0.00
Food service	42,867	46,733	3,867	9.0	5.5	6.3	21.8	0.45	0.4	0.02
Accomodations	15,533	15,967	433	2.8	0.7	2.2	37.6	0.89	0.6	0.01
Amusement and recreation	6,967	6,767	-200	-2.9	-3.7	0.9	17.8	0.35	-1.2	-0.02
Retail trade	18,600	18,667	67	0.4	-2.5	2.5	6.8	0.12	-0.1	0.00
Wholesale trade	5,067	5,100	33	0.7	1.5	0.7	8.0	0.11	0.1	0.02
Construction	13,667	13,000	-667	-4.9	-0.9	1.8	9.2	0.22	-0.4	-0.02
Personal and miscellaneous ser.	7,733	7,733	0	0.0	-4.5	1.1		0.30		0.00
Other private	4,967	4,900	-67	-1.3	-2.9	0.7	4.4	0.03	-0.1	0.00
Total	**736,533**	**736,400**	**-133**	**0.0**	**0.2**	**100.0**	**23.8**	**0.53**	**-0.2**	**-0.01**
Public sector	*240,067*	*234,300*	*-5,767*	*-2.4*	*-2.3*	*31.8*	33.7	1.05	-0.7	-0.02
Private sector	*496,467*	*502,100*	*5,633*	*1.1*	*1.4*	*68.2*	20.9	0.43	0.0	0.00
Professional and all business	*200,233*	*202,167*	*1,933*	*1.0*	*1.2*	*27.5*	21.5	0.83	0.1	-0.02
Education, health, and orgs.	*180,833*	*181,067*	*233*	*0.1*	*1.9*	*24.6*	31.4	0.57	-0.1	-0.01
Hospitality and trade	*89,033*	*93,233*	*4,200*	*4.7*	*2.0*	*12.7*	14.7	0.27	0.2	0.01
Other private sector	*26,367*	*25,633*	*-733*	*-2.8*	*-2.3*	*3.5*	10.2	0.09	-0.3	-0.01

Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment

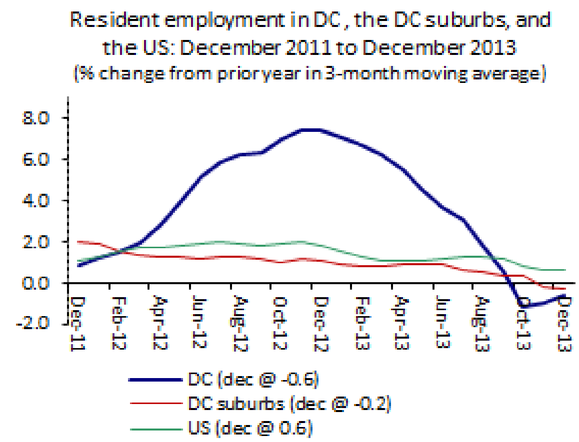
Resident employment lower than a year ago.

●In December DC resident employment was 1,988 (-0.6%) below a year earlier *(3-mo. moving average).*

●Seasonally adjusted DC resident employment rose in December for the second month in a row. In December it was 3,300 below the June level.

●In December the unemployment rate (seasonally adjusted) fell to 8.1%, the lowest level in 5 years.

●December initial unemployment insurance claims were up 26.9% *(3-month moving average).*



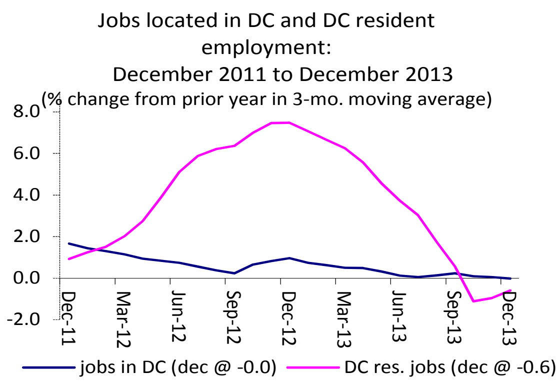


Table 5. **Unemployment rates for DC, metro area, and US: December 2013**

(percent of labor force)

Jurisdiction	Not seasonally adj. Dec. 2012	Not seasonally adj. Dec. 2013	Seasonally adj. Dec. 2012	Seasonally adj. Dec 2013
US	7.6	6.5	7.9	6.7
DC	8.6	6.9	8.4	8.1
DC metro area	5.3	4.6	na	na
DC suburbs	4.9	4.4	na	na

Source: U.S. BLS. na= data not available

Table 6. **Resident employment and unemployment: December 2013**

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
DC Labor force summary							
Resident employment	308,513	312,148	323,412	337,777	337,280	334,914	339,853
1 year change	4,332	3,635	11,264	14,365	8,010	-1,988	3,087
% change	*1.4*	*1.2*	*3.6*	*4.4*	*2.4*	*-0.6*	*0.9*
Labor Force	343,475	347,470	356,439	369,446	368,499	364,059	364,997
1 year change	9,339	3,995	8,969	13,007	6,889	-3,786	-3,389
% change	*2.8*	*1.2*	*2.6*	*3.6*	*1.9*	*-1.0*	*-0.9*
Unemployed	34,962	35,322	33,027	31,669	31,219	29,144	25,144
1 year change	5,007	360	-2,295	-1,359	-1,121	-1,798	-6,476
% change	*16.7*	*1.0*	*-6.5*	*-4.1*	*-3.5*	*-5.8*	*-20.5*
Unemployment rate	10.2	10.2	9.3	8.6	8.5	8.0	6.9
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,799	2,101	1,784	1,915	2,038	2,321	1,871
1 year change	-404	302	-317	131	254	492	97
% change	*-18.3*	*16.8*	*-15.1*	*7.3*	*14.3*	*26.9*	*5.5*
Weeks compensated (mo. avg.)	53,592	46,423	45,170	42,862	43,879	47,829	51,601
1 year change	-881	-7,169	-1,253	-2,308	-267	4,068	10,027
% change	*-1.6*	*-13.4*	*-2.7*	*-5.1*	*-0.6*	*9.3*	*24.1*

Source: Labor force: BLS. Unemployment Insurance: US Dept of Labor. Not seasonally adj.

Table 7. **Seasonally adjusted DC Resident employment and unemployment: June 2013 to December 2013**

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DC Resident employment	340,057	337,536	332,988	332,442	330,170	332,626	336,757
change from prior month	*-505*	*-2,521*	*-4,548*	*-546*	*-2,272*	*2,456*	*4,131*
% change from prior month	*-0.1*	*-0.7*	*-1.3*	*-0.2*	*-0.7*	*0.7*	*1.2*
DC Unemployment rate (%)	8.5	8.6	8.7	8.6	8.9	8.6	8.1

Source: BLS seasonally adjusted. December is preliminary

The percentage growth of DC wages and salaries remains below the US average

●Wages and salaries earned in the District of Columbia were 2.2% higher in the September quarter compared to the same quarter of 2012.

●Wages earned in DC have now grown at a slower rate than the US average for 11 quarters.

●In the September quarter, estimated wages of DC residents grew 2.7%. DC Personal Income grew 3.2%.

●In the September quarter, the private sector accounted for 135% of the $1.33 billion increase in wages earned in DC; federal wages declined by $690 million.

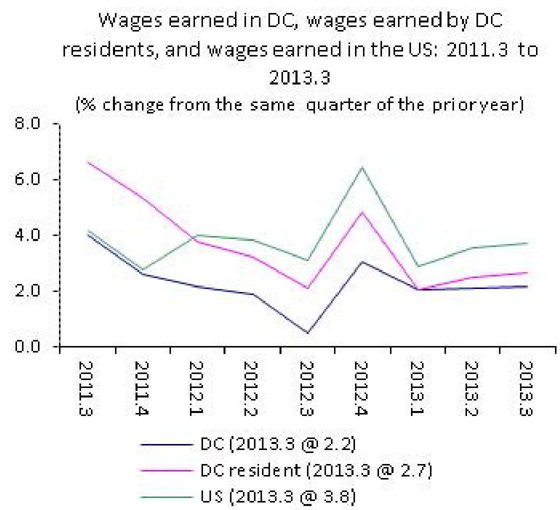


Table 8. **DC Wages and Personal Income: September 2013**

($ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	4-quarter moving average	Latest quarter (Sep.)
Wages and salaries earned in DC	54.92	57.24	59.56	60.62	62.05	62.08
1 year change	1.24	2.33	2.31	1.07	1.43	1.33
% change	*2.3*	*4.2*	*4.0*	*1.8*	*2.4*	*2.2*
Supplements to wages & salaries	14.08	14.93	16.11	16.23	16.10	16.07
% change	*4.5*	*6.0*	*7.9*	*0.7*	*-0.8*	*0.3*
Proprietors' income earned by DC residents*	5.83	5.35	5.56	5.80	6.16	6.27
% change	*-4.1*	*-8.2*	*4.0*	*4.3*	*6.2*	*7.6*
Wages and salaries of DC residents***	20.76	22.03	23.48	24.33	25.06	25.18
change from one year ago	0.93	1.27	1.45	0.85	0.73	0.66
% change	*4.7*	*6.1*	*6.6*	*3.6*	*3.0*	*2.7*
Income earned by DC residents	29.0	30.1	32.5	33.7	34.4	34.6
% change	*2.9*	*3.8*	*7.9*	*3.7*	*2.1*	*2.2*
Property income of DC residents	6.76	6.16	7.08	7.51	7.88	8.03
% change	*-11.1*	*-8.8*	*14.9*	*6.1*	*4.8*	*6.8*
Pensions and other transfer of DC residents	4.61	5.19	5.68	5.65	5.82	5.97
% change	*12.1*	*12.7*	*9.3*	*-0.4*	*2.9*	*4.7*
DC Personal Income**	40.40	41.50	45.27	46.87	48.12	48.56
1 year change	0.49	1.10	3.77	1.60	1.24	1.51
% change	*1.2*	*2.7*	*9.1*	*3.5*	*2.7*	*3.2*
US Personal income (% change from prior year)	*-2.0*	*1.3*	*5.9*	*4.0*	*3.7*	*3.6*
US Wages and salaries(% change from prior year)	*-3.3*	*0.2*	*4.2*	*3.4*	*4.1*	*3.8*
Addendum: Change from prior year in wages earned in DC by sector						
Private sector (1 yr ch, $B)	*-0.08*	*0.49*	*1.76*	*1.35*	*1.78*	*1.79*
Federal government (1 yr ch, $B)	*1.12*	*1.77*	*0.68*	*-0.35*	*-0.40*	*-0.69*
DC res. wages as % of wages earned in DC	*37.8*	*38.5*	*39.4*	*40.1*	*40.4*	*40.6*

** Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.*

***Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.*

****Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.*

Source: BEA; data for September were released December 19, 2013

Single family and condominium home sales

The average selling price of single family homes fell in December

●The December 3-month moving total of single family home sales was up 9.8% from a year earlier, but the average selling price was 2.2% lower.

●December condominium sales were 11.5% above a year earlier as measured by the 3-month moving total; the average selling price was 6.0% higher.

●The total value of all home sales in December was 11.2% more than a year earlier as measured by the 3-month moving total.

●December year-to-date median prices were up 13.2% for single family units, and up 7.5% for condominiums.

●The December ratios of inventory to sales were 1.8 for single family units and 2.2 for condominiums *(3-mo. moving average).*

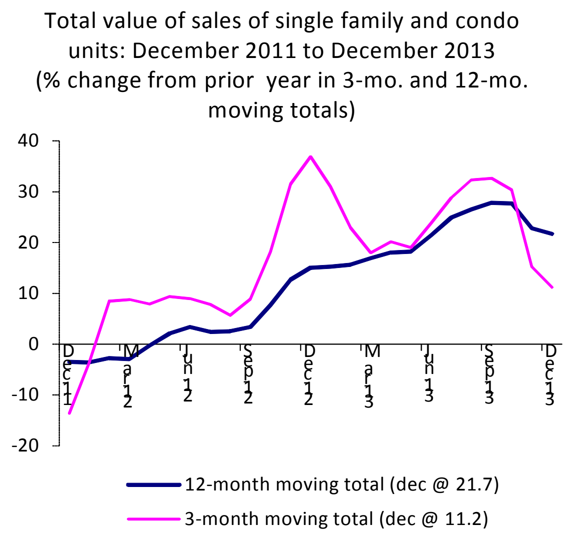


Table 9. **D.C. Residential Real Estate Indicators: December 2013**

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)								
Single family	3,259	4,084	3,800	3,563	3,979	4,070	1,018	363
1 year change	237	825	-284	-237	416	381	91	51
% change	*7.8*	*25.3*	*-7.0*	*-6.2*	*11.7*	*10.3*	*9.8*	*16.3*
Condo	2,590	2,884	2,469	2,784	3,487	3,573	836	312
1 year change	-206	294	-415	315	703	601	86	68
% change	*-7.4*	*11.4*	*-14.4*	*12.8*	*25.3*	*20.2*	*11.5*	*27.9*
Total	5,849	6,968	6,269	6,347	7,466	7,643	1,854	675
1 year change	31	1,119	-699	78	1,119	982	177	119
% change	*0.5*	*19.1*	*-10.0*	*1.2*	*17.6*	*14.7*	*10.6*	*21.4*
Average prices of units that sold								
Single family ($)	597,269	538,395	601,026	630,109	712,799	708,410	666,167	661,619
1 year change	-70,098	-58,874	62,631	29,083	82,690	53,536	-14,691	-59,528
% change	*-10.5*	*-9.9*	*11.6*	*4.8*	*13.1*	*8.2*	*-2.2*	*-8.3*
Condo ($)	359,952	414,030	423,365	429,611	447,827	454,064	472,844	492,017
1 year change	-52,283	54,078	9,336	6,245	18,216	21,455	26,848	18,188
% change	*-12.7*	*15.0*	*2.3*	*1.5*	*4.2*	*5.0*	*6.0*	*3.8*
Total value of all sales ($ million)	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	4,505.6	1,073.5	393.7
1 year change	-290.6	514.1	-63.7	111.9	956.7	804.1	107.8	53.1
% change	*-9.2*	*17.9*	*-1.9*	*3.4*	*27.8*	*21.7*	*11.2*	*15.6*
Ratio: active inventory to sales								
Single family	5.2	3.4	3.3	2.3	1.6	1.6	1.8	2.1
Condo	5.7	4.6	4.9	2.9	1.7	1.7	2.2	2.6

Median contract prices, CY to date in December 2013: single family $599,900 (13.2% 1 yr ch); condo $408,500 (7.5% 1 yr ch)

Note: Data are closed contracts settled during each month or other period shown. Because average price depends on the mix of units sold, this measure can be volatile on a month-to-month basis, and it is not intended to measure changes in the value of all residential property. Monthly average price for all single family units is calculated by ORA based on reported average prices and number of sales for different types of units.

Source: Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data accessed through the Greater Capital Area Assn. of Realtors (GCAAR).

Slowdown in sales of million dollar homes

●In September the quarterly Federal Housing Finance Agency house price index for DC was 10.7% higher than a year ago. The metro area increase was 9.4%, and the US was 8.8%.

●Sales of single family units at prices above $1 million were up 0.7% in December from a year ago as measured by the 3-month moving total; they accounted for 14.6% of sales.

●In the September quarter, occupied apartment units rose 2,562 (3.0%) and rents rose 2.0% from a year earlier.

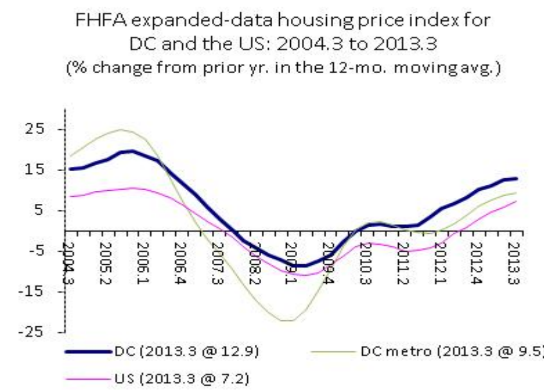


Table 10. **D.C. Single family and condominium home sales at prices of $1 million or more: December 2013**

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving total	3-mo moving total	This month
Single family homes	333	418	489	458	689	690	149	49
1 year change	-102	85	71	-31	231	162	1	-12
% change	*-23.4*	*25.5*	*17.0*	*-6.3*	*50.4*	*30.7*	*0.7*	*-19.7*
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	17.0	14.6	13.5
Condminiums	62	89	87	72	112	111	28	14
1 year change	-15	27	-2	-15	40	25	-1	-2
% change	*-19.5*	*43.5*	*-2.2*	*-17.2*	*55.6*	*29.1*	*-3.4*	*-12.5*
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.1	3.3	4.5

Source: Metropolitan Regional Information Systems (MRIS). Sales are ones closed (settled) during period shown.

Table 11. **Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: September 2013**

Indicator	Fiscal year average					Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	2012.3	2012.4	2013.1	2013.2	2013.3
% change from prior year in value of index										
DC	-7.5	1.5	1.6	8.2	12.9	9.9	14.8	12.9	13.1	10.7
DC metro area	-14.9	1.9	-0.4	3.7	9.5	6.9	9.1	9.5	9.9	9.4
US	-10.2	-2.9	-4.7	0.9	7.2	3.5	5.6	6.6	7.6	8.8
Addendum: % change from prior year in the average price of settled sales contracts for single family homes										
Average DC sales price	*-10.5*	*-9.9*	*11.6*	*4.8*	*13.1*	*7.7*	*18.5*	*5.5*	*12.4*	*15.3*

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa).This index is a broad measure of the movement of single-family house prices. It measures average price changes in repeat sales or refinancings on the same properties. This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. It is augmented by data on mortgages endorsed by FHA and country recorder data licensed from DataQuick Information Systems. (2) Average DC sales price is the average price of houses that sold during the period (settled contracts): see Table 9. Not seas. adj.

Table 12. **Market-rate units in larger DC apartment buildings: September 30, 2013**

Indicator	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	Sep. 30 2013	Latest Q (September 30, 2013) amount	1 Q ch	*% ch*
Inventory	87,970	88,710	89,464	92,580	92,580	1,459	*1.6*
1 year change	880	740	754	3,116	3,116		
% change	*1.0*	*0.8*	*0.8*	*3.5*	*3.5*		
Occupied units	82,965	84,125	85,620	88,182	88,182	954	*1.1*
1 year change	1,001	1,160	1,495	2,562	2,562		
% change	*1.2*	*1.4*	*1.8*	*3.0*	*3.0*		
Vacant units	5,005	4,585	3,844	4,398	4,398	505	*13.0*
1 year change	-121	-420	-741	554	554		
% change	*-2.4*	*-8.4*	*-16.2*	*14.4*	*14.4*		
% of inventory	5.7	5.2	4.3	4.8	4.8		
Average effective monthly rent	$1,380	$1,422	$1,481	$1,511	$1,511	$12	*0.8*
% change from 1 year	*2.8*	*3.0*	*4.1*	*2.0*	*2.0*		

Source: Reis. Includes units in competitive, private sector buildings with 40 or more units. Excludes condo conversions.

Commercial office space

Commercial office market mixed in the December quarter—more space rented, rents down

●For the quarter ending December the vacancy rate for DC commercial office space rose slightly to 9.3% *(including sublet).*

●DC's vacancy rate in December was below the 13.4% rate for the metropolitan area.

●Occupied space in the December quarter rose by 2.03 million square feet (1.7%) from the prior year, reaching a new high.

●Space under construction in December (2.39 million square feet) was down slightly from the last quarter.

●In the December quarter, average effective rents for class A office space leases were down 2.0% from a year earlier.

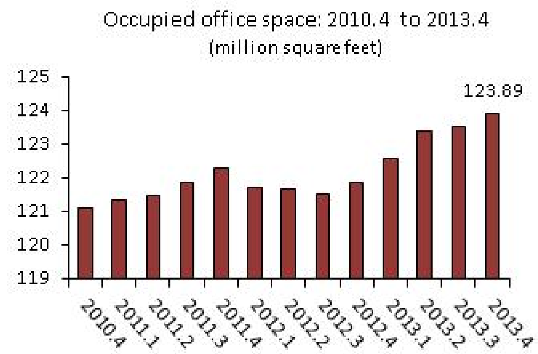


Table 13. **Commercial office space in DC: December 31, 2013**

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	Sep. 30 2013	last quarter (December 2013) Level	1 Q ch	*% ch*
Inventory	131.95	133.50	133.99	136.03	136.59	0.56	*0.4*
1 year change	4.49	1.56	0.48	2.05	2.24		
% change	*3.5*	*1.2*	*0.4*	*1.5*	*1.7*		
Occupied space	119.94	121.89	121.52	123.52	123.89	0.37	*0.3*
1 year change	5.49	1.95	-0.36	1.99	2.03		
% change	*4.8*	*1.6*	*-0.3*	*1.6*	*1.7*		
Leased space	121.35	123.06	122.82	124.43	124.67	0.24	*0.2*
Under construction	2.14	2.42	2.74	2.42	2.39	-0.03	*-1.2*
1 year change	-3.60	0.27	0.33	-0.33	-0.25		
% change	*-62.7*	*12.7*	*13.5*	*-11.9*	*-9.4*		
% of inventory	1.6	1.8	2.0	1.8	1.75		
Vacant (no sublet)	10.60	10.44	11.17	11.60	11.93	0.33	*2.8*
% of inventory	8.0	7.8	8.3	8.5	8.7		
Vacant (w sublet)	12.01	11.61	12.46	12.51	12.70	0.19	*1.5*
1 year change	-0.99	-0.39	0.85	0.05	0.21		
% ch from one year	*-7.6*	*-3.3*	*7.3*	*0.4*	*1.7*		
DC area vacancy rates (with sublet)							
District of Columbia	*9.1*	*8.7*	*9.3*	*9.2*	*9.3*	*0.1*	
Northern Virginia	*13.4*	*13.5*	*15.2*	*15.8*	*15.8*	*0.0*	
Suburban Maryland	*14.5*	*14.2*	*14.5*	*14.7*	*14.5*	*-0.2*	
DC Metropolitan area	*12.2*	*12.1*	*13.1*	*13.4*	*13.4*	*0.0*	

Source: Delta Associates. Includes single tenant and privately owned space as well as multi-tenant buildings.

Table 14. **Average effective office rent for Class A commercial office leases in Downtown DC by year: 2009 to 2013**

Indicator	$ per square foot of gross floor space ending on date shown: 2009	2010	2011	2012	2013
Average effective rent	50.80	48.65	48.54	47.80	46.85
% ch from prior year		*-4.2*	*-0.2*	*-1.5*	*-2.0*
Average value of improvements for tenants				80.00	82.00

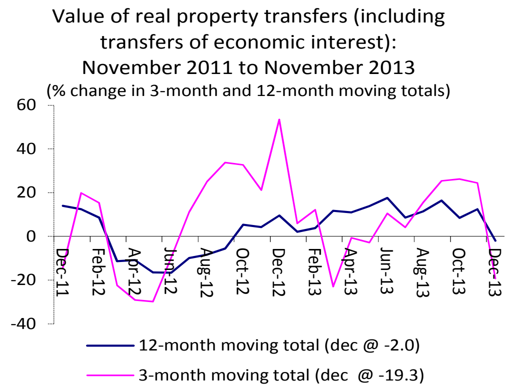
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.). Class A is defined as buildings greater than 50,000 square feet and built after 1997.

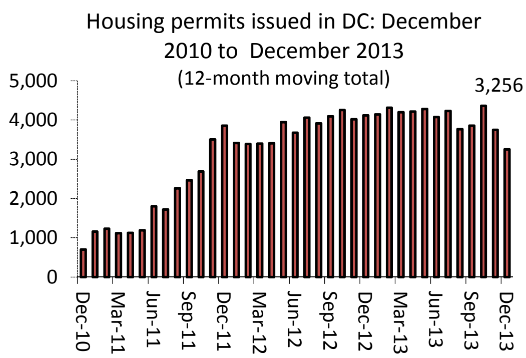
Housing permits, office and apartment outlook, and value of property transfers

The pace for issuing new housing permits slowed in December

●For the 12-month period ending December 3,256 housing unit building permits were issued, a 21.0% decline over the prior 12-month period. Permits were down 38.3% from the prior year for the 3-month avg.

●Delta Associates expects DC's office vacancy rate (including sublet) to fall to 9.0% over the next two years.





●Reis expects 5,464 new apartment units to be added to inventory in CY 2014 and CY 2015, and occupancy to grow by 5,143.

●The value of December property transfers was down by 19.3% from last year as measured by the 3-month moving total. The 12-month moving total ($10.42 billion) was 2.0% lower than last year .

Table 15. **Housing unit building permits issued in DC: December 2013**

	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
Total units	986	2,459	4,091	3,855	3,256	963	*34*
change from 1 year ago	487	1,473	1,632	-236	-864	-599	*-498*
% change from 1 year	*97.6*	*149.4*	*66.4*	*-5.8*	*-21.0*	*-38.3*	*-93.6*

Source: Census Bureau (permits issued during period).

Table 16. **Delta Associates outlook for commercial office space in DC and the surrounding metro area: Dec. 2013 to Dec. 2015**

Indicator	DC	No VA	Sub MD	Total	*DC % of total*
Inventory December 2013					
Inventory (msf)	136.6	190.9	94.1	421.6	*32.4*
vacancy rate (%)	*9.3*	*15.8*	*14.5*	*13.4*	
Estimated net activity to December 2015					
new supply (msf)	2.8	3.2	1.5	7.4	*37.8*
new demand (msf)	3.0	4.8	1.5	9.3	*32.3*
Estimated Inventory December 2015					
vacancy rate (%)	*9.0*	*14.7*	*14.2*	*12.7*	

Source: Delta Associates msf = million square feet

Table 17 **DC market rate apartment units: 2009 to 2017**

	Inventory			Occupied units		
CY	Number	1 yr ch	*% vacant*	number	1 yr ch	% ch
2009	87,788	1,205	*6.1*	82,415	-50	*-0.1*
2010	88,360	572	*5.5*	83,477	1,062	*1.3*
2011	88,817	457	*4.7*	84,632	1,155	*1.4*
2012	90,433	1,616	*4.3*	86,500	1,868	*2.2*
2013 est	94,199	3,766	*4.9*	89,604	2,737	*3.6*
2014 est	97,747	3,548	*4.7*	93,150	3,495	*4.0*
2015 est	99,663	1,916	*4.7*	95,021	1,648	*2.0*
2016 est	101,016	1,353	*4.8*	96,130	1,111	*1.2*
2017 est	102,440	1,424	*5.0*	97,318	1,232	*1.2*

Source: Reis, September 2013. (see note in table 12)

Table 18. **Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: December 2013**

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
All property transfers ($ million)	5,591.2	7,789.1	10,059.5	9,494.3	11,045.3	10,417.8	2,625.6	1,128.5
change from one year ago ($M)	-5,936.1	2,197.9	2,270.4	-565.3	1,551.1	-210.3	-627.5	-733.7
% change from 1 year ago	*-51.5*	*39.3*	*29.1*	*-5.6*	*16.3*	*-2.0*	*-19.3*	*-39.4*

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.

Source: OCFO/Recorder of Deeds and OCFO/ORA (calculated from tax collections and deposits adjusted for tax rate changes).

Hospitality

Demand for hotel rooms continues to grow

●In Dec. the 3-month moving total for hotel room-days sold was 2.0% more than a year earlier. The average room rate rose 3.5%, leading to a 5.6% gain in room revenue.

●Employment in food services was 9.0% more in December than a year earlier as measured by the 3-month moving average. Hotel employment rose 2.8%, and retail 0.4%.

●November airline traffic into the DC area was down 1.4% compared to a year earlier as measured by the 3-month moving total. Reagan National Airport was down 2.1%.

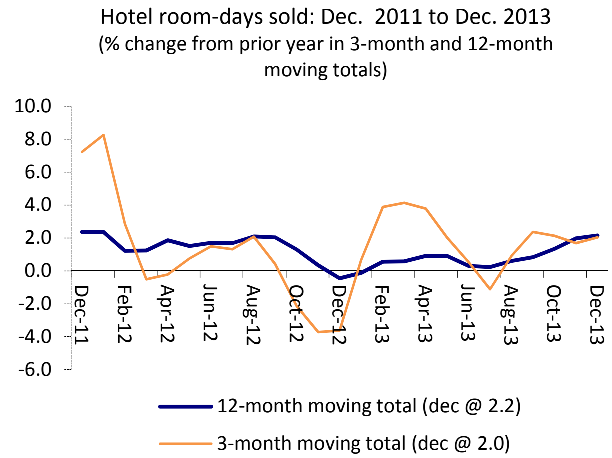


Table 19. **Hospitality Industry: December 2013**

Indicator	Units	date	FY 2011	FY 2012	FY 2013	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	dec	7.465	7.617	7.680	7.715	1.770	0.489
	1 yr ch		0.095	0.152	0.063	0.163	0.035	0.010
	1 yr % ch		*1.3*	*2.0*	*0.8*	*2.2*	*2.0*	*2.0*
Average room rate	$	dec	206.60	203.57	207.14	208.74	209.61	167.24
	1 yr ch		7.49	-3.03	3.57	5.49	7.06	0.78
	1 yr % ch		*3.8*	*-1.5*	*1.8*	*2.7*	*3.5*	*0.5*
Occupancy rate	%	dec	74.2	75.4	75.8	76.1	69.6	57.7
(average)	1 yr ch		0.5	1.2	0.5	1.3	1.2	1.6
	1 yr % ch		*0.6*	*1.6*	*0.6*	*1.7*	*1.8*	*2.9*
Room revenue	($M)	dec	1,542.3	1,550.7	1,590.8	1,610.4	371.0	81.7
	1 yr ch		74.8	8.4	40.2	75.5	19.6	2.0
	1 yr % ch		*5.1*	*0.5*	*2.6*	*4.9*	*5.6*	*2.5*
Airline passengers								
DCA	1 yr % ch	nov	6.2	2.8	5.5	4.2	-2.1	-5.9
IAD	1 yr % ch	nov	0.6	-2.9	-4.0	-3.0	-1.1	-4.4
BWI	1 yr % ch	nov	4.2	1.0	-1.5	-1.4	-0.9	-4.7
Total	1 yr % ch	nov	3.4	0.1	-0.3	-0.3	-1.4	-5.0
Employment								
Accommodations	level ('000)	dec	15.3	15.3	15.5	15.6	16.0	15.9
	1 yr ch		0.3	0.0	0.0	0.1	0.4	0.4
	1 yr % ch		*2.0*	*0.1*	*-0.1*	*0.7*	*2.8*	*2.6*
Food and bev	level ('000)	dec	37.0	39.3	44.3	45.3	46.7	46.1
	1 yr ch		1.2	2.3	1.6	2.4	3.9	3.6
	1 yr % ch		*3.3*	*6.2*	*3.8*	*5.5*	*9.0*	*8.5*
Arts and entertain.	level ('000)	dec	7.0	6.8	6.8	6.8	6.8	6.6
	1 yr ch		-0.1	-0.2	-0.1	-0.3	-0.2	-0.1
	1 yr % ch		*-1.5*	*-2.5*	*-1.1*	*-3.7*	*-2.9*	*-1.5*
Retail	level ('000)	dec	18.3	18.6	18.2	18.2	18.7	19.2
	1 yr ch		0.5	0.2	-0.6	-0.5	0.1	0.5
	1 yr % ch		*3.0*	*1.3*	*-3.4*	*-2.5*	*0.4*	*2.7*

** Total for hotel rooms sold and room revenue*

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

US economic growth remained strong in the 4th quarter.

●December was the 11th consecutive quarter of real GDP growth. The 3.2% annual rate of growth for the quarter was above average for the post-recession recovery.

●US employment (seas. adj.) increased by 113,000 in January.

●The US unemployment rate (seasonally adj.) fell to 6.6% in Jan.

●In January the S & P 500 index rose 0.8% from December and was 23.1% above last year.

●Compared to a year earlier, the rate of inflation rose in December to 1.5% (sa).

Quarterly change in US Real and Nominal GDP: 2010.4 to 2013.4
(% change from the previous quarter at annual rates)

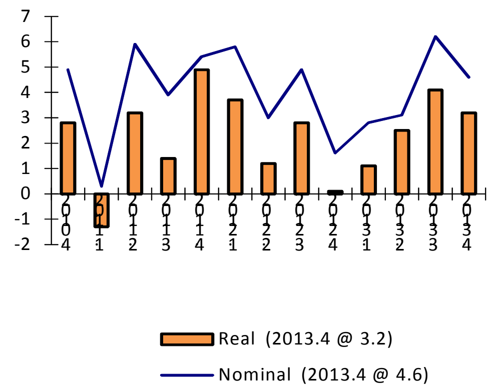


Table 20. **US GDP, income, corporate profits, and inflation: 2013.4 and December 2013**

(percent change from same period of prior year unless noted)

Indicator	Date of latest indicator		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	2013.4	Dec.
US GDP real	2013.4	1 yr % ch	-3.4	1.7	2.0	2.8	1.7	1.9	2.7	
US GDP nominal	2013.4	1 yr % ch	-2.3	2.6	4.0	4.6	3.3	3.4	4.2	
US Personal income	2013.4	1 yr % ch	-1.9	1.3	5.9	4.0	3.9	2.8	1.6	
US wages	2013.4	1 yr % ch	-3.2	0.3	4.2	3.4	4.1	3.0	2.0	
Corporate profits	2013.4	1 yr % ch	-10.3	33.5	9.9	8.5	3.7	na	na	
S and P stock index	dec	1 yr % ch	-34.3	23.7	13.8	5.4	16.7	19.1	24.8	27.1
US CPI	dec	1 yr % ch	-0.3	1.7	2.7	2.4	1.6	1.5	1.2	1.5
Balt//Wash. area CPI	nov	1 yr % ch	0.3	1.7	3.0	2.4	1.6	1.5	na	1.7

Source: BEA (data revised as of January 30, 2014), BLS, and Yahoo finance. na = not available
Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 21. **Quarter to quarter change in US GDP and income: 2012.2 to 2013.4**

(percent change from previous quarter at seasonally adjusted annual rates)

		calendar year quarter						
Indicator	units	2012.2	2012.3	2012.4	2013.1	2013.2	2013.3	2013.4
US GDP real	% ch from prior Q at saar	1.2	2.8	0.1	1.1	2.5	4.1	3.2
US GDP nominal	% ch from prior Q at saar	3.0	4.9	1.6	2.8	3.1	6.2	4.6
Wages and salaries	% ch from prior Q at saar	1.8	1.8	10.5	-2.6	4.4	2.6	3.7
Personal income	% ch from prior Q at saar	3.0	1.5	10.8	-4.2	4.6	4.0	2.0

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on January 30,2014.

Table 22. **Monthly selected US Indicators: July 2013 to January 2014**

Indicator	July	August	September	October	November	December	January
S and P stock index (level)	1668	1670	1687	1720	1784	1808	1822
% change from prior month	3.0	0.1	1.0	1.9	3.7	1.4	0.8
% change from 1 year ago	22.6	19.0	16.9	19.6	27.9	27.1	23.1
10 yr. Treasury Interest rate (level)	2.57	2.73	2.80	2.60	2.71	2.89	
CPI % ch from prior month *(seasonally adjusted)*	0.16	0.09	0.18	-0.06	0.03	0.30	
CPI % ch from prior year *(seasonally adjusted)*	1.96	1.52	1.18	0.94	1.22	1.49	
Jobs (seasonally adjusted level, in millions)	136.43	136.64	136.80	137.04	137.31	137.39	137.50
change from prior month (thousands)	149	202	164	237	274	75	113
% change from prior month	*0.11*	*0.15*	*0.12*	*0.17*	*0.20*	*0.05*	*0.08*
Resident employment (season. adj. level, in mil.)	*144.29*	*144.18*	*144.27*	*143.49*	*144.44*	*144.59*	*145.22*
change from prior month (thousands)	210	-106	91	-785	958	*143*	*638*
% change from prior month	*0.15*	*-0.07*	*0.06*	*-0.54*	*0.67*	*0.10*	*0.44*
Unemployment rate (seasonally adj.)	7.3	7.2	7.2	7.2	7.0	6.7	6.6

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking): December 2008 to December 2013
(12-month moving total in $ million)

December 2013 @ 6,133.3M

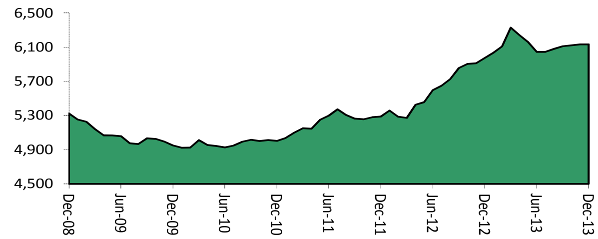


Table 23. **Tax Collections (before earmarking): December 2013** ***(Preliminary)***

($ million)	Revenue (from CAFR)				Tax collections			
Tax	FY 2010	FY 2011	FY 2012	FY 2013 prelim	12-month moving total	FY 2014 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,853.3	6,097.9	6,133.3	937.3	937.3	344.9
1 year change	-47.0	320.1	528.0	244.6	202.4	22.3	22.3	1.6
% change	*-0.9*	*6.4*	*9.9*	*4.2*	*3.4*	*2.4*	*2.4*	*0.5*
Real property	1,821.5	1,715.1	1,822.0	1,912.9	1,901.2	14.4	14.4	-1.2
1 year change	-1.2	-106.4	106.9	90.8	63.8	-16.0	-16.0	-10.1
% change	*-0.1*	*-5.8*	*6.2*	*5.0*	*3.5*	*-52.7*	*-52.7*	nm
General sales	976.7	1,014.9	1,111.0	1,139.9	1,146.7	296.2	296.2	86.5
1 year change	1.8	51.7	67.6	68.6	4.0	15.4	15.4	-2.4
% change	*0.3*	*3.9*	*9.5*	*2.6*	*0.4*	*5.5*	*5.5*	*-2.7*
Individual income	1,110.4	1,296.6	1,490.7	1,639.8	1,677.3	368.7	368.7	129.3
1 year change	-25.5	186.2	194.1	149.1	139.6	15.4	15.4	6.2
% change	*-2.2*	*16.8*	*15.0*	*10.0*	*9.1*	*4.4*	*4.4*	*5.0*
withholding	1,073.8	1,192.2	1,321.6	1,390.3	1,418.2	343.7	343.7	111.2
1 year change	52.6	118.3	129.5	68.7	67.9	15.2	15.2	1.1
% change	*5.2*	*11.0*	*10.9*	*5.2*	*5.0*	*4.6*	*4.6*	*1.0*
non-withholding	36.6	104.4	169.1	249.5	259.1	25.0	25.0	18.1
1 year change	-78.1	67.8	64.6	80.4	71.8	0.3	0.3	5.1
% change	*-68.1*	*185.2*	*61.9*	*47.6*	*38.3*	*1.0*	*1.0*	*39.3*
Corporate income	207.3	216.3	302.9	297.9	298.0	61.3	61.3	47.4
1 year change	-14.6	9.0	86.6	-5.0	-22.3	-4.0	-4.0	-8.7
% change	*-6.6*	*4.3*	*40.1*	*-1.6*	*-7.0*	*-6.2*	*-6.2*	*-15.5*
Unincorporated Bus.	116.4	143.4	163.0	153.7	153.8	25.7	25.7	20.4
1 year change	-3.9	27.0	19.6	-9.2	-8.8	-6.6	-6.6	-3.0
% change	*-3.2*	*23.2*	*13.6*	*-5.7*	*-5.4*	*-20.4*	*-20.4*	*-12.7*
Deed taxes*	225.6	311.2	306.6	360.6	392.1	89.5	89.5	33.7
1 year change	38.2	85.6	-4.5	54.0	95.2	25.7	25.7	19.3
% change	*20.4*	*37.9*	*-1.5*	*17.6*	*32.1*	*40.3*	*40.3*	*135.0*
Other taxes	547.3	627.8	657.0	593.1	564.2	81.6	81.6	28.7
1 year change	-43.3	80.6	29.2	-63.9	-69.1	-7.7	-7.7	0.2
% change	*-7.3*	*14.7*	*4.6*	*-9.7*	*-10.9*	*-8.6*	*-8.6*	*0.7*

**Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.*

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those years; FY 2013 preliminary is based on Dec. revenue estimate.

(2) Tax collections data subject to accounting adjustments.

(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA

FY 2014 is starting out with modest gains in tax collections

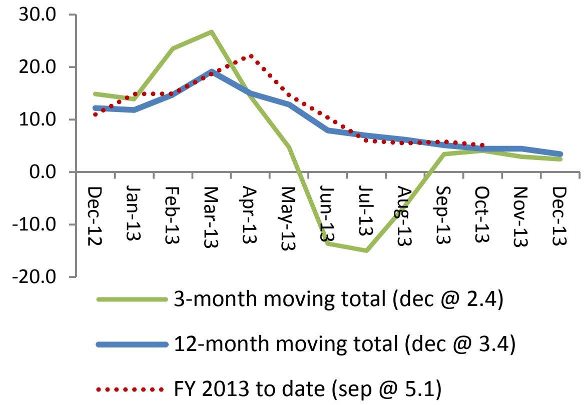
●For the 12 month period ending December, total collection (before earmarking) were $202.4 million (3.4%) more than in the prior year. For FY 2013, which ended in September, collections were 5.1% above the prior year. Collections for the last 3 months were 2.4% above last year.

●Individual income tax collections were respectively 9.1% and 4.4% above the prior year for the 12-month and 3-month periods ending December. For withholding, the 12-month and 3-month increases are 5.0% and 4.6%, respectively.

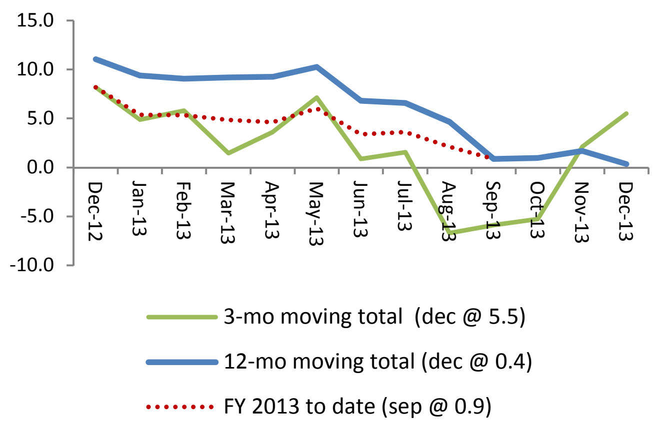
●General sales collections were 0.4% and 5.5%, respectively, above last year for the 12-months and 3-months ending December.

●Deed tax collections were up 32.1% from the prior year for the 12-months ending December, and for the past three months they were 40.3% above the prior year.

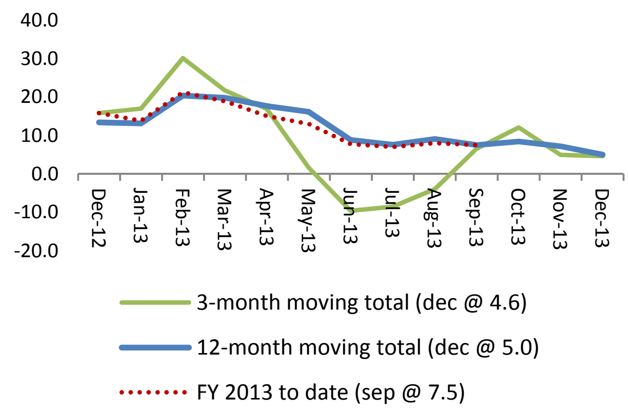
Total tax collections (before earmarks): December 2012 to December 2013
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



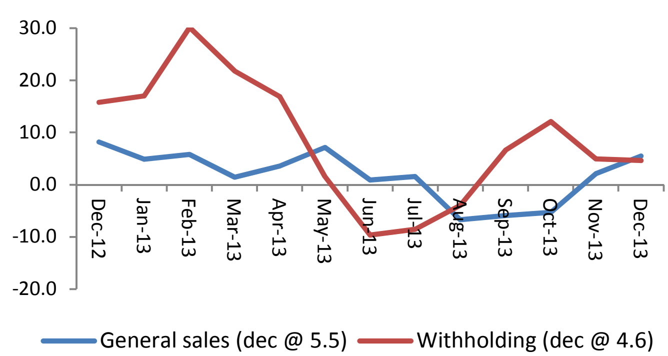
General Sales tax collections (before earmarks): December 2012 to December 2013
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



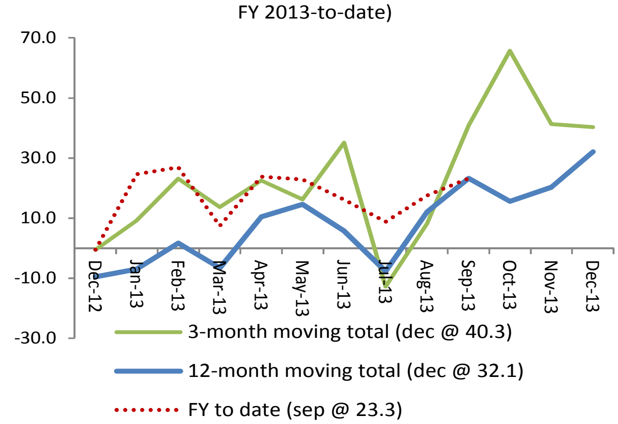
Withholding for the Individual Income tax: December 2012 to December 2013
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



General Sales tax and Withholding for the Individual Income tax: December 2012 to December 2013
(% change from prior year in the 3-month moving total)



Deed tax collections (before earmarks): December 2012 to December 2013
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



US economic forecasts

The US economy is expected to grow more rapidly in FY 2014 and FY 2015 than in FY 2013

●The Blue Chip Indicator January forecast for real GDP expects growth in FY 2015 of 2.9%, compared with 2.6% in FRY 2014 and 1.7% in FY 2013. The growth rate in nominal GDP in FY 2015 is expected to rise to 4.8%.

●The Blue Chip Indicator January forecast for inflation (CPI) remains at 1.5% for FY 2014 and rises to 1.9% for FY 2015.

●S and P 500: The range of January forecasts by Global Insight and Economy.com for the change in the last quarter of 2014 compared to the last quarter of 2013: -7.3% to 3.2%.

Table 24 A. **Forecasts for US nominal and real GDP: FY 2013 through FY 2015** *(% change from prior fiscal year)*

	real			nominal		
Fiscal year and date of forecast	Blue Chip	Moody's Economy.com	IHS Global Insight	Blue Chip	Moody's Economy.com	IHS Global Insight
FY 2013 Actual	1.7	1.7	1.7	3.3	3.3	3.3
FY 2014						
October	2.4	2.6	0.7	4.0	4.5	3.9
November	2.4	2.6	2.3	4.0	4.4	5.3
December	2.4	2.8	2.4	4.0	4.2	5.3
January	2.6	3.0	2.7	4.1	4.6	5.6
FY 2015						
October		4.1	1.5		6.5	5.0
November		4.2	3.0		6.4	6.5
December		4.0	3.0		6.0	6.4
January	2.9	3.7	3.0	4.8	5.9	6.5

Sources:BEA, Blue Chip Indicators, Moody's Economy.com, and IHS Global Insight.

Table 24 B. **CBO estimates of GDP and other indicators: FY 2013 to FY 2016**

Indicator	FY 2013	FY 2014	FY 2015	FY 2016
Real GDP *(% ch from prior yr.)*	1.7	2.4	3.3	3.4
Nominal GDP *(% ch from prior yr.)*	3.3	3.9	4.9	5.3
CPI *(% ch from prior yr.)*	1.6	1.5	1.9	2.1
10 yr. Treasury bond rate	2.1	3.0	3.6	4.2
Unemployment rate	7.6	6.9	6.6	6.2

Source: Congressional Budget Office, The Budget and Economic Outlook: 2014 to 2024, February 2014

Table 25. **Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2013 to FY 2015**

(% change from prior fiscal year)

Forecast	CPI			10 yr Treasury rate		
date	2013	2014	2015	2013	2014	2015
Oct	1.6	1.7		2.1	3.0	
Nov	1.6	1.6		2.1	2.9	
Dec	1.6	1.5		2.1	3.0	
Jan	1.6	1.5	1.9	2.1	3.0	3.6

Source: Blue Chip Indicators

Table 26A. **IHS Global Insight forecast for S and P 500: 2012.4 to 2014.4**

(% change from prior fiscal year)

Forecast	% change from prior year			% change from prior year		
date	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
	Global Insight: baseline			**Global Insight: pessimistic**		
October	15.7	19.7	3.2	15.7	10.0	0.9
November	15.7	22.6	3.2	15.7	20.2	-5.4
December	15.7	24.7	3.2	15.7	24.1	-6.8
January	15.7	24.7	3.2	15.7	24.7	-7.3

Source: IHS Global Insight

Table 26 B. **Moody's Economy.com forecast for S and P 500: 2012.4 to 2014.4**

(% change from prior fiscal year)

Forecast	% change from prior year			% change from prior year		
date	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
	Economy.com baseline			**Economy.com pessimistic**		
October	15.7	12.8	4.7	15.7	15.3	-2.6
November	15.7	12.8	4.7	15.7	12.7	0.3
December	15.7	25.4	1.1	15.7	25.4	-3.2
January	15.7	24.8	1.6	15.7	24.8	-2.8

Source: Moody's Economy.com.

January DC forecasts by Global Insight and Economy.com: stronger economy in FY 2015 than in FY 2014

Global Insight has generally raised its forecast for FY 2015 and Economy.com has lowered theirs. Global Insight sees more job growth in DC than does Economy.com, however Global Insight's income gains are less.

●*Employment:* The range of change in wage and salary employment for FY 2014: -556 to 5,000. For FY 2015 the range is –3,859 to 11,379.

●*Unemployment:* Even though it has improved, the unemployment rate forecasts remain high: 8.1% to 8.7% in FY 2014, and 7.4% to 9.7% in FY 2015.

●*Wages earned in DC:* The range in growth for FY 2014: a modest 1.4% to 2.6%. For FY 2015, the range is 3.4% to 5.2%.

●*Wages earned by DC residents:* The range of growth for FY 2014: –1.2% to 2.8% in FY 2014,and from –1.5 to 4.1% in FY 2015. Both forecasts say that the growth in resident wages in FY 2015 will be lower than those for growth in wages earned in DC.

Table 27. **Jobs in DC: forecasts for FY 2013 to FY 2015**

(amount of change from prior year)

Date of				Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
estimate	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Oct	2,853	4,738	11,242	2,848	2,536	7,388	2,979	-196	9,663	2,979	-4,638	536
Nov	3,143	5,172	10,992	3,143	3,627	7,537	2,867	-2,495	9,760	2,867	-6,730	452
Dec	3,559	6,668	10,858	3,558	4,978	7,646	3,558	3,860	8,843	3,558	2,796	1,455
Jan	3,559	5,000	11,379	3,558	4,057	8,541	3,558	1,065	3,931	3,558	-556	-3,859

Source: IHS Global Insight and Moody's Economy.com.

Table 28. **Unemployment rate in DC FY 2013 to FY 2015**

Date of	**Global Insight: baseline**			**Global Insight: pesssimistic**			**Economy.com: baseline**			**Economy.com: pessimistic**		
estimate	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Oct	8.6	8.4	8.0	8.7	8.8	8.7	8.6	8.6	8.5	8.6	9.2	10.3
Nov	8.6	8.4	7.7	8.6	8.6	8.5	8.6	8.7	8.7	8.6	9.3	10.4
Dec	8.6	8.2	7.5	8.6	8.6	8.3	8.6	8.2	8.1	8.6	8.6	9.6
Jan	8.6	8.1	7.4	8.6	8.4	8.2	8.6	8.3	8.2	8.6	8.7	9.7

Source: IHS Global Insight and Moody's Economy.com.

Table 29. **Wages earned in DC FY 2013 to FY 2015**

(percent change from prior year)

Date of	**Global Insight: baseline**			**Global Insight: pessimistic**			**Economy.com: baseline**			**Economy.com: pessimistic**		
estimate	2013	2014	2015	2013	2014	2015	2013	2014		2013	2014	2015
Oct	2.0	3.3	4.9	1.9	2.1	3.7	2.2	3.5	7.1	2.2	2.4	4.6
Nov	2.2	2.4	4.5	2.2	1.3	3.2	2.1	3.1	7.0	2.1	2.1	4.5
Dec	2.2	2.5	4.6	2.2	1.3	3.3	2.3	4.1	7.5	2.3	3.6	5.6
Jan	2.4	2.4	4.6	2.4	1.4	3.4	2.4	2.6	5.2	2.4	2.1	3.4

Source: IHS Global Insight and Moody's Economy.com.

Table 30. **DC resident wages FY 2013 to FY 2015**

(percent change from prior year)

Date of	**Global Insight: baseline**			**Global Insight: pessimistic**			**Economy.com: baseline**			**Economy.com: pessimistic**		
estimate	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Oct	2.1	0.1	2.9	1.9	-2.5	-1.3	2.8	2.5	4.9	2.7	1.7	3.1
Nov	2.8	0.5	2.0	2.8	-1.8	-2.1	2.8	2.4	5.4	2.8	1.5	3.4
Dec	2.9	0.6	2.1	2.9	-1.7	-1.9	3.0	3.6	5.9	3.0	3.3	4.4
Jan	3.0	1.0	2.2	3.0	-1.2	-1.5	3.0	2.8	4.1	3.0	2.4	2.7

Note: Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

Source: IHS Global Insight and Moody's Economy.com.

DC revenue estimate

The December revenue estimate adds to revenue growth in FY 2014 and FY 2015

●Anticipated tax revenue growth of $210.4 million in FY 2014 and $141.3 million in FY 2015 (gains of 3.5% and 2.2%, respectively) are below the estimate of what occurred in FY 2013 ($244.6 million and 4.2%). This reflects slowing employment growth in DC, and allowances for the impact of the sequester or other cutbacks in federal spending.

●The real property tax accounts for about 48% of growth in FY 2014, and the major gains in FY 2015 are divided almost equally among real property, general sales, and the indvidual income taxes.

●As a share of DC Personal Income, tax collections in FY 2014 are the same as FY 2013, and FY 2015 is a little less than FY 2013.

Table 31. **DC Tax Revenue (before earmarks) for FY 2012 through FY 2015: December 2013 revenue estimate**

Tax	FY level ($ million)				Change from prior year ($ M)			% change from prior year		
	2012	2013	2014	2015	2013	2014	2015	2013	2014	2015
Real property	1,822.0	1,912.9	2,014.2	2,052.5	90.8	101.3	38.3	5.0	5.3	1.9
Deed taxes	306.6	360.6	321.1	348.6	54.0	-39.5	27.5	17.6	-11.0	8.6
General sales	1,111.0	1,139.9	1,182.8	1,223.2	28.8	42.9	40.4	2.6	3.8	3.4
Individual income	1,490.7	1,639.8	1,714.0	1,757.4	149.1	74.2	43.4	10.0	4.5	2.5
Withholding	*1,321.6*	*1,390.3*	*1,444.5*	*1,506.2*	*68.7*	*54.1*	*61.8*	*5.2*	*3.9*	*4.3*
non-withholding	*169.1*	*249.5*	*269.6*	*251.2*	*80.4*	*20.1*	*-18.4*	*47.6*	*8.1*	*-6.8*
Business income	465.9	451.7	477.7	502.0	-14.2	26.0	24.3	-3.1	5.8	5.1
Other	657.0	593.1	598.5	566.0	-63.9	5.4	-32.5	-9.7	0.9	-5.4
Total	5,853.3	6,097.9	6,308.3	6,449.6	244.6	210.4	141.3	4.2	3.5	2.2

Source: ORA. Dec. 20, 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-tyoe" earmarked revenues. FY 2012 is from the FY 2012 CAFR. General sales excludes motot vehicle fuel.

Table 32. **DC labor market assumptions: FY 2012 to FY 2015**

item	2012	2013	2014	2015
Wage and salary employment	730,025	734,833	736,717	745,086
1 year change	6,659	4,808	1,885	8,369
% change	*0.9*	*0.7*	*0.3*	*1.1*
DC resident employment	323,512	338,349	341,664	344,776
1 year change	11,397	14,837	3,316	3,111
% change	*3.7*	*4.6*	*1.0*	*0.9*
Unemployment rate	9.3	8.6	8.4	7.7

Source: ORA December 2013 revenue estimate

Table 33. **DC Income and stock market assumptions: FY 2012 to FY 2014** (% change from prior year)

item	2012	2013	2014	2015
Wages and salaries earned in DC	1.8	2.2	2.1	4.0
Wages and salaries earned by DC residents	3.6	2.8	2.8	3.0
DC Personal income	3.5	2.5	3.6	3.9
S and P 500 stock index	15.7	22.6	2.6	2.4

Source: ORA December 2013 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

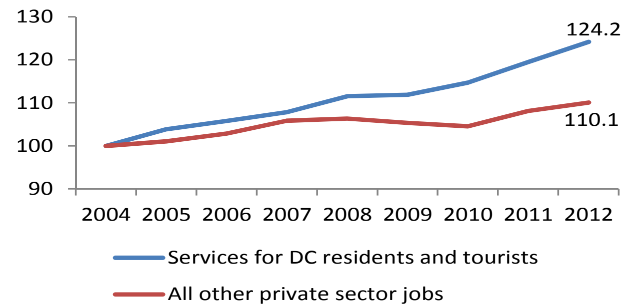
Table 34. **DC tax revenue (before earmarks) and DC Personal Income: FY 2006 to FY 2015**

item	2006	2007	2008	2009	2010	2011	2012	2013 est	2014 est	2015 est
Tax revenue ($ million)										
Level	4,516	5,155	5,325	5,052	5,005	5,325	5,853	6,098	6,308	6,450
Change from prior year	267	638	170	-273	-47	320	528	245	210	141
Percent change from prior year										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	9.9	4.2	3.5	2.2
Personal Income	8.7	7.4	9.4	1.2	2.7	9.1	3.5	2.5	3.6	3.9
Tax revenue as percent of Personal Income	13.3	14.1	13.3	12.5	12.1	11.8	12.5	12.7	12.7	12.5

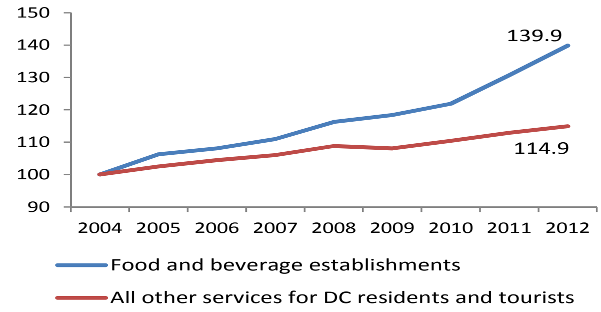
Source: ORA. December 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

automated check-out and on-line purchases appear to be reducing some aspects of service sector job growth (especially that not related to eating and drinking establishments) associated with more population and tourism. Additional details are contained in the following tables and charts. —*Stephen Swaim, DC Office of Revenue Analysis*

DC private sector employment in (1) service jobs for DC residents and tourists, and (2) all other private sector: 2004 to 2012 (Index numbers: 2004 = 100)



DC service employment for DC residents and tourists in (1) food and beverage establishments, and (2) all other: 2004 to 2012 (Index numbers: 2004 = 100)



DC private sector jobs in (1) food services, personal services, and retail serving DC residents and tourists and (2) all other: 2004 to 2012

	Level (calendar years)				Change from 2004 to 2012 by subperiod: Amount			%			Total change from 2004 to 2012	
Sector	2004	2007	2009	2012	04 to 07	07 to 09	09 to 12	04 to 07	07 to 09	09 to 12	Amount	%
Total jobs serving households and tourists	87,409	94,246	97,812	108,534	6,837	3,566	10,722	7.8	3.8	11.0	21,125	24.2
All other private sector	427,188	452,317	450,058	470,309	25,129	-2,259	20,251	5.9	-0.5	4.5	43,121	10.1
Total private	514,597	546,563	547,870	578,843	31,966	1,307	30,973	13.7	3.3	15.5	64,246	12.5
Service as % of private	*17.0*	*17.2*	*17.9*	*18.8*	*21.4*	*272.8*	*34.6*				*32.9*	

Source: US Bureau of Economic Analysis (BEA). Data includes self employed and proprietors in addition to wage and salary employment.

DC households and daily average of occupied hotel rooms: 2004 to 2012

	Level (calendar years)				Change from 2004 to 2012 by subperiod: Amount			%			Total change from 2004 to 2012	
Sector	2004	2007	2009	2012	04 to 07	07 to 09	09 to 12	04 to 07	07 to 09	09 to 12	Amount	%
DC households	252,400	255,969	263,566	278,550	3,569	7,597	14,984	1.4	3.0	5.7	26,150	10.4
Occupied hotel rooms (daily average)	18,951	19,466	19,641	20,691	515	175	1,050	2.7	0.9	5.3	1,740	9.2
Total	271,351	275,435	283,207	299,240	4,084	7,773	16,033	1.5	2.8	5.7	27,889	10.3
Hotel as % of total	*7.5*	*7.1*	*6.9*	*6.9*	*14.4*	*2.3*	*7.0*				*6.7*	

Source: DC households estimated by DC Office of Revenue Analysis based on date from US Census and DC Office of Planning; hotel occupancy from Smith Trravel Research.

DC employment in food services, personal services, and retail serving DC residents and tourist: Calendar years 2004 to 2012

	Level (calendar years)				Change from 2004 to 2012 by subperiod: Amount			%			Total change from 2004 to 2012	
Sector	2004	2007	2009	2012	04 to 07	07 to 09	09 to 12	04 to 07	07 to 09	09 to 12	Amount	%
Restaurants and other food and beverage establishments	32,455	36,013	38,426	45,400	3,558	2,413	6,974	11.0	6.7	18.1	12,945	39.9
Personal care and services	11,460	12,292	12,677	14,517	832	385	1,840	7.3	3.1	14.5	3,057	26.7
Entertainment	10,899	12,271	13,549	13,809	1,372	1,278	260	12.6	10.4	1.9	2,910	26.7
Retail food and beverage stores	5,767	5,768	6,221	6,580	1	453	359	0.0	7.9	5.8	813	14.1
Household furniture and items	1,576	1,788	1,479	1,698	212	-309	219	13.5	-17.3	14.8	122	7.7
Clothing, general merchandise, and other retail except food and beverage stores	9,886	10,384	10,050	10,730	498	-334	680	5.0	-3.2	6.8	844	8.5
Hotels	15,366	15,730	15,410	15,800	364	-320	390	2.4	-2.0	2.5	434	2.8
Total jobs serving households and tourists	**87,409**	**94,246**	**97,812**	**108,534**	**6,837**	**3,566**	**10,722**	**7.8**	**3.8**	**11.0**	21,125	24.2
All except restaurants and other food and beverage establishments	54,954	58,233	59,386	63,134	3,279	1,153	3,748	6.0	2.0	6.3	8,180	14.9
Ratio or service jobs to hh and tourists	***0.32***	***0.34***	***0.35***	***0.36***	***1.67***	***0.46***	***0.67***				***0.76***	

Note: (1)Categories of clothing, general merchandise, and other retail except food and beverage stores, and of personal services, exclude services realted to automobiles.

(2) Clothing, general merchandise, and other retail except food and beverage stores includes sporting goods, electronics, and miscell. store and non-store retailers.

Source: US Bureau of Economic Analysis (BEA). Data includes self employed and proprietors in addition to wage and salary employment.

ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements on pending legislation, reports, and other documents on subjects related to DC 's economy and taxes. These documents are posted on the OCFO web site (www.cfo.dc.gov) under subcategories of "Reports and Publications" and "Budget and Revenue."

Recent ORA reports:

Revised Revenue estimates for FY 2013 to FY 2017, December 20, 2013. Quarterly revenue estimate shows differences from the prior estimate, describes economic assumptions and changes in each tax, and contains details of each tax and of key economic variables.

Briefing documents. A series with information related to DC's economy and taxes.

DC Tax Facts, 2013. Details on all DC taxes.

Tax Rates and Tax Burdens 2012 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2012 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

About this report.

District of Columbia Economic and Revenue Trends is generally issued toward the end of every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date. Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Budget and Revenue/Economy/ Economic and Revenue Trends).*

Table 35. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	December	March 17
D.C. Personal Income	BEA	2013.3	March 25
D.C. Tax Collections	OTR/ORA	December	February 15
D.C. Housing Sales	MRIS*	December	c February 10
D.C. Commercial Office Building data	Delta Associates	2013.4	c April 1
DC Apartment data	Reis, inc	2013.3	c February 1
D.C. Hotel stay information	Smith Travel Research	December	c. February 30
Consumer Price Index	BLS	December	February 20
U.S. Jobs and Labor Force	BLS	December and January	March 7
U.S. GDP and Personal Income	BEA	2013.4	February 28
S and P 500 Stock Index	Financial press	January	February 1
Interest rate on 10-Year Treasury Securities	Financial press	December	February 1
IHS Global Insight D.C. forecast	Global Insight	January	c. February 25
Moody's Economy.com D.C. forecast	Economy.com	January	c. February 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	January	February 10

**Metropolitan Regional Information Systems; listings and contract data accessed through the Greater Capital Area Association of Realtors.*

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov See also the *Economic Indicators* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov).

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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