



District of Columbia Economic and Revenue Trends: February 2013

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A key DC housing price index has rebounded back to 1.9% higher than its 2007 pre-recession peak

For the US as a whole, the comparable index hasn't yet recovered and is still 21.1% below its 2007 peak

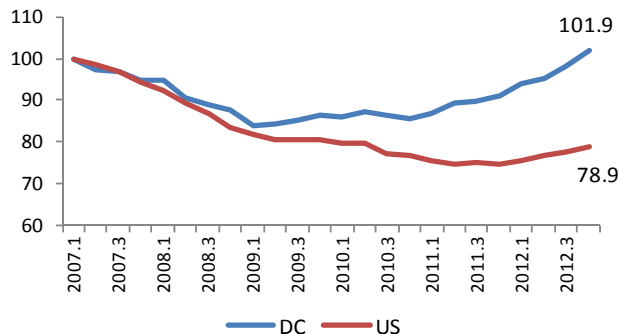
The Federal Housing Finance Agency (FHFA) calculates a Housing Price Index each quarter to measure the movement of single-family house prices in the District of Columbia and throughout the United States. The index measures the average price change in repeat sales or refinancing of the same properties.

According to data FHFA released in February, the price level for single family housing in the District of Columbia has recovered from the 16% loss incurred during the Great Recession. At the end of 2012 the price level was almost 2% higher than the prior peak which occurred in early 2007.

According to the FHFA price index, housing prices in both the District of Columbia and the US peaked in the first quarter 2007. From that time until the first quarter of 2009 the price index declined in both DC and the US by similar amounts: 16.0% in DC and 18.2% in the US. Since then, however, the DC index has risen 21.4%, with most of the increase accounted for by a 12.0% gain in 2012.

The contrast between house prices in DC and those in the US as a whole is striking. As DC prices began to recover during 2009, those in the US continued to fall even more. At the end of 2012 prices in the US were 21% below the 2007 peak. US prices continued to fall until the second quarter of 2011—more than 2 years after the DC index bottomed out. Over the past year, *(continued on p. 17)*

Federal House Finance Agency price index for the value of single family houses in DC and the US: 2007.1 to 2012.4
 (Index: 2007.1 = 100)



Wage and salary employment

More job growth deceleration in December

● December wage and salary employment in DC was up by 1,133 (0.2%) from a year earlier as measured by the 3-month moving average.

● Federal government employment for December was down by 2,233 (-1.1%). Private sector jobs were up by 3,267 (0.7%)—the slowest rate of private sector increase in 2 1/2 years.

● Total year-over-year DC metropolitan area employment increased by 33,600 (1.1%) in December as measured by the 3-month moving average.

● There was an increase of 1.4% in suburban Washington employment in December from a year earlier.

● Seasonally adjusted wage and salary employment in DC rose by 1,800 (0.2%) in December from the prior month—but remained 2,100 (0.3%) below the December 2011 level.

Change in wage and salary employment located in DC, the DC suburbs, and the US: December 2010 to December 2012 (% change from prior year in 3-month moving average)

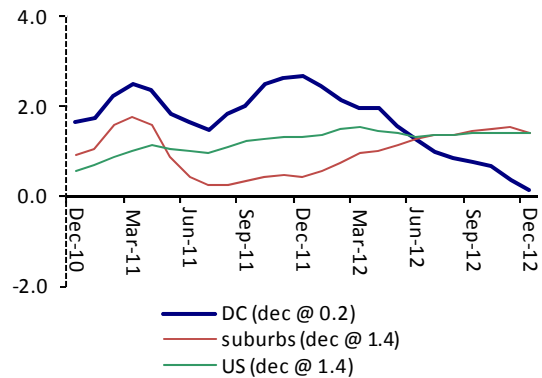


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: December 2012

Jurisdiction	FY 2010	FY 2011	FY 2012	12-mo avg	3-mo average	This month
District of Columbia	708,975	722,967	735,050	735,333	737,700	737,200
1 year change	7,342	13,992	12,083	7,517	1,133	1,400
% change	1.0	2.0	1.7	1.0	0.2	0.2
Washington metro area	2,954,825	2,988,192	3,023,625	3,032,025	3,059,200	3,060,500
1 year change	-9,350	33,367	35,433	36,500	33,600	30,200
% change	-0.3	1.1	1.2	1.2	1.1	1.0
Washington suburbs (% ch)	-0.7	0.9	1.0	1.3	1.4	1.3
US (% ch)	-1.9	1.1	1.4	1.4	1.4	1.4

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

Source: BLS. December data is preliminary.

Table 2. Federal government and private sector wage and salary employment in DC: December 2012

Sector	FY 2010	FY 2011	FY 2012	3-month		
				12-mo avg	average	This month
Federal government	208,233	213,275	209,992	209,433	208,667	208,900
1 year change	10,183	5,042	-3,283	-3,158	-2,233	-1,600
% change	5.1	2.4	-1.5	-1.5	-1.1	-0.8
Private sector	464,000	474,467	489,925	490,742	494,667	493,900
1 year change	1,058	10,467	15,458	10,583	3,267	3,200
% change	0.2	2.3	3.3	2.2	0.7	0.7

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

Table 3. Seasonally adjusted DC Employment: June 2012 to December 2012

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
D.C. Wage and Salary employment	737,500	738,600	725,400	737,500	739,500	733,800	735,600
change from prior month	2,500	1,100	-13,200	12,100	2,000	-5,700	1,800
% change from prior month	0.3	0.1	-1.8	1.7	0.3	-0.8	0.2

Source: BLS seasonally adjusted. December is preliminary

Health care, organizations, and education are the main bright spots

- In December health gained 3,167 jobs over last year, almost three times the entire net increase in DC employment as measured by 3-month moving averages.
- Other private industries showing gains of at least 1,000 over the year included organizations and education.
- Private sector industries losing jobs included professional services (including legal), business services (other than employment services), and information.
- Local government grew by 100.
- Over the past year, DC's share of federal employment in the DC metro area rose slightly.

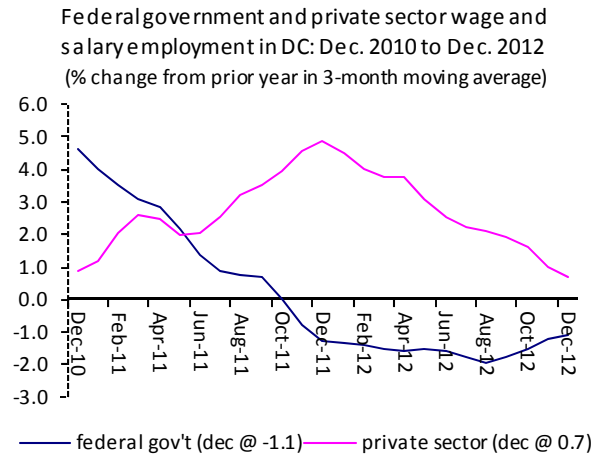


Table 4. Wage and salary employment located in DC: December 2012

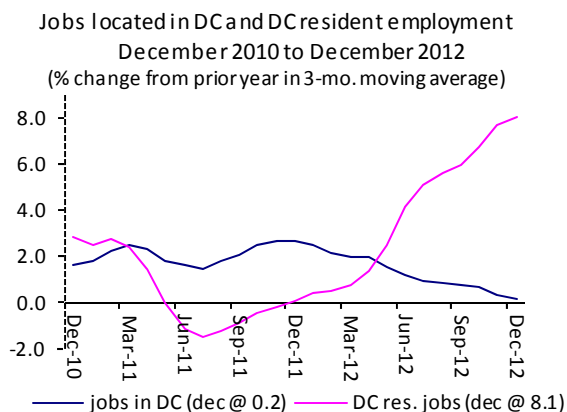
Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Dec 2012	DC share (%) in Dec 2012 of all sector jobs in:		Change from Dec 2011 to Dec 2012 in DC share of sector jobs in:	
	Dec 2011	Dec 2012	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	210,900	208,667	-2,233	-1.1	-1.5	28.3	55.1	7.47	0.02	0.03
Local government	34,267	34,367	100	0.3	0.2	4.7	10.5	0.18	-0.33	0.00
Legal services	30,733	30,600	-133	-0.4	0.3	4.1		2.72		-0.03
Other Professional and technical	73,033	71,733	-1,300	-1.8	-1.1	9.7	21.2	1.04	-0.64	-0.05
Employment services	14,067	14,567	500	3.6	9.0	2.0	36.0	0.44	0.29	-0.01
Other Business services	34,633	33,600	-1,033	-3.0	0.4	4.6	19.0	0.49	-0.75	-0.02
Information	18,533	17,967	-567	-3.1	-1.8	2.4	22.5	0.68	-0.56	-0.02
Finance	27,033	27,033	0	0.0	-0.1	3.7	17.8	0.35	-0.50	0.00
Organizations	61,267	62,333	1,067	1.7	2.2	8.4	38.2	2.14	0.76	0.02
Education	57,300	58,400	1,100	1.9	5.6	7.9	53.7	1.68	-1.19	0.01
Health	63,367	66,533	3,167	5.0	5.8	9.0	23.7	0.39	0.48	0.01
Food service	40,133	39,667	-467	-1.2	2.8	5.4	20.3	0.40	-0.49	-0.02
Accommodations	16,067	16,133	67	0.4	3.7	2.2	39.0	0.91	1.34	0.00
Amusement and recreation	7,067	6,933	-133	-1.9	4.3	0.9	20.1	0.38	-1.24	-0.02
Retail trade	18,967	18,600	-367	-1.9	0.8	2.5	7.2	0.12	-0.07	0.00
Wholesale trade	4,567	4,500	-67	-1.5	-0.2	0.6	7.3	0.08	0.04	0.00
Construction	12,433	13,333	900	7.2	11.2	1.8	9.1	0.24	0.54	0.02
Personal and miscellaneous ser.	7,133	7,767	633	8.9	9.7	1.1		0.31		0.02
Other private	5,067	4,967	-100	-2.0	-1.8	0.7	4.5	0.02	-0.07	-0.01
Total	736,567	737,700	1,133	0.2	1.2	100.0	24.1	0.55	-0.23	-0.01
Public sector	245,167	243,033	-2,133	-0.9	-1.3	32.9	34.4	1.09	-0.63	-0.01
Private sector	491,400	494,667	3,267	0.7	2.5	67.1	21.0	0.40	-0.10	-0.04
Professional and all business	198,033	195,500	-2,533	-1.3	0.1	26.5	21.0	0.83	-0.59	-0.03
Education, health, and orgs.	181,933	187,267	5,333	2.9	4.5	25.4	32.7	0.60	0.19	0.01
Hospitality and trade	86,800	85,833	-967	-1.1	2.5	11.6	14.5	0.25	-0.14	-0.01
Other private sector	24,633	26,067	1,433	5.8	8.0	3.5	10.2	0.07	0.52	-0.02

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 continues to grow strongly

- In December DC resident employment rose 24,904 (8.1%) from a year earlier (3-mo. moving average).
- In December the unemployment rate (seasonally adjusted) rose to 8.5%, and seasonally adjusted resident employment rose 0.9% from November, the 17th monthly increase in a row.
- In December initial unemployment insurance claims were down 0.2% from a year earlier (3-mo. moving average).



Resident employment in DC, the DC suburbs, and the US: December 2010 to December 2012
(% change from prior year in 3-month moving average)

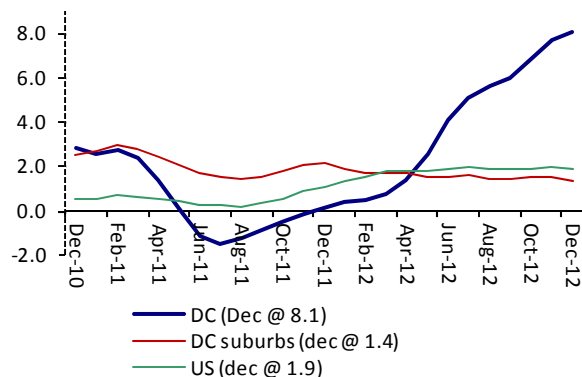


Table 5. Unemployment rates for DC, metro area, and US:

December 2012

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Dec. 2011	Dec. 2012	Dec. 2011	Dec. 2012
US	8.3	7.6	8.5	7.8
DC metro area	5.4	5.2	na	na
DC	9.8	8.6	10.1	8.5
DC suburbs	4.8	4.8	na	na

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

Table 6. Resident employment and unemployment: December 2012

Indicator	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	
					This month	This month
DC Labor force summary						
Resident employment	306,551	308,968	317,482	323,708	333,454	334,375
1 year change	3,166	2,417	8,515	14,648	24,904	25,728
% change	1.0	0.8	2.8	4.7	8.1	8.3
Labor Force	341,501	344,244	350,363	355,704	363,996	366,020
1 year change	8,135	2,743	6,119	11,371	21,367	23,672
% change	2.4	0.8	1.8	3.3	6.2	6.9
Unemployed	34,950	35,277	32,881	31,996	30,542	31,645
1 year change	4,969	327	-2,396	-3,276	-3,537	-2,056
% change	16.6	0.9	-6.8	-9.3	-10.4	-6.1
Unemployment rate	10.2	10.2	9.4	9.0	8.4	8.6
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,799	2,101	1,784	1,783	1,829	1,774
1 year change	-404	302	-317	-134	-4	40
% change	-18.3	16.8	-15.1	-7.0	-0.2	2.3
Weeks compensated (mo. avg.)	53,592	46,423	45,170	44,146	43,761	41,574
1 year change	-881	-7,169	-1,253	-2,521	-4,097	-4,482
% change	-1.6	-13.4	-2.7	-5.4	-8.6	-9.7

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: June 2012 to December 2012

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DC Resident employment	321,954	322,148	322,847	326,388	329,624	333,353	336,267
change from prior month	2,671	194	699	3,541	3,236	3,729	2,914
% change from prior month	0.8	0.1	0.2	1.1	1.0	1.1	0.9
DC Unemployment rate (%)	9.1	8.9	8.8	8.7	8.5	8.3	8.5

Source: BLS seasonally adjusted. December is preliminary

Wage gains slowed in the September quarter

● Wages earned in the District of Columbia were 0.8% higher in the September quarter compared to the same quarter of 2011. This was the slowest year-over-year increase in over 3 years.

● Wages earned in DC have now grown at a slower rate than the US average for a year and a half.

● In the September quarter, estimated wages of DC residents grew 1.7%, and DC Personal Income grew 2.9%.

● For the second quarter in a row, Personal income gains for DC residents grew more slowly than for the US as a whole.

● In the September quarter, the private sector accounted for well over 100% of the \$0.48 billion increase in wages earned in DC.

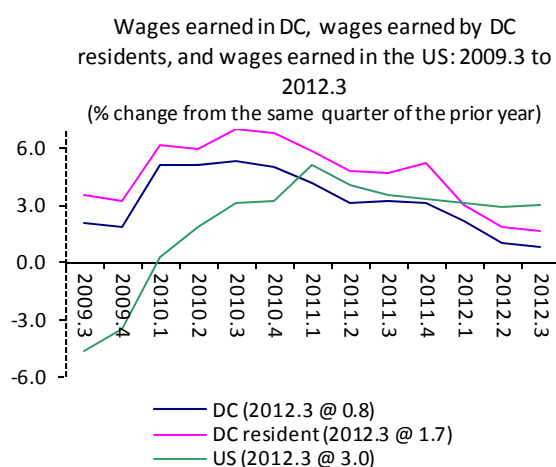


Table 8. DC Wages and Personal Income: September 2012

(\$ 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	55.41	57.81	60.05	61.12	61.12	61.11
1 year change	1.14	2.40	2.24	1.06	1.06	0.48
% change	2.1	4.3	3.9	1.8	1.8	0.8
Supplements to wages & salaries	16.31	17.17	17.90	18.18	18.18	18.18
% change	6.3	5.3	4.2	1.6	1.6	0.0
Proprietors' income earned by DC residents*	5.38	5.63	5.96	6.23	6.23	6.38
% change	-6.0	4.6	6.0	4.6	4.6	7.0
Wages and salaries of DC residents***	21.40	22.59	23.84	24.53	24.53	24.57
change from one year ago	0.76	1.19	1.25	0.70	0.70	0.40
% change	3.7	5.6	5.5	2.9	2.9	1.7
Income earned by DC residents	30.1	31.8	33.9	35.1	35.1	35.3
% change	2.4	5.5	6.6	3.6	3.6	2.5
Property income of DC residents	5.78	5.18	5.47	5.70	5.70	5.79
% change	-14.1	-10.4	5.6	4.3	4.3	4.4
Pensions and other transfer of DC residents	4.62	5.22	5.70	5.91	5.91	5.99
% change	9.1	13.0	9.1	3.8	3.8	4.1
DC Personal Income**	40.52	42.18	45.03	46.69	46.69	47.06
1 year change	0.16	1.66	2.85	1.66	1.66	1.34
% change	0.4	4.1	6.8	3.7	3.7	2.9
US Personal income (% change from prior year)	-3.5	1.4	5.6	3.3	3.3	3.2
US Wages and salaries (% change from prior year)	-3.6	0.4	4.0	3.1	3.1	3.0
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	-0.15	0.57	1.62	1.11	1.11	0.59
Federal government (1 yr ch, \$B)	1.08	1.79	0.75	-0.13	-0.13	-0.23
DC res. wages as % of wages earned in DC	38.6	39.1	39.7	40.1	40.1	40.2

* 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, 2012

Single family and condominium home sales

Sales and prices were very strong in January

- The January 3-month moving total of single family home sales was up 14.1% from a year earlier, and the average selling price was 13.0% higher.
- January condominium sales were 26.5% above a year earlier as measured by the 3-month moving total; the average selling price was 6.9% higher.
- The total value of all home sales in January was 31.0% more than a year earlier as measured by the 3-month moving total.
- January median prices were up 5.0% for single family units, and up 17.3% for condominiums.
- The January ratio of inventory to sales was 1.9 for single family units and 2.1 for condominiums (3-mo. moving average).

Number and average selling price of single family homes sold in DC: Jan. 2011 to Jan. 2013
(% change from prior year in 3-month moving averages)

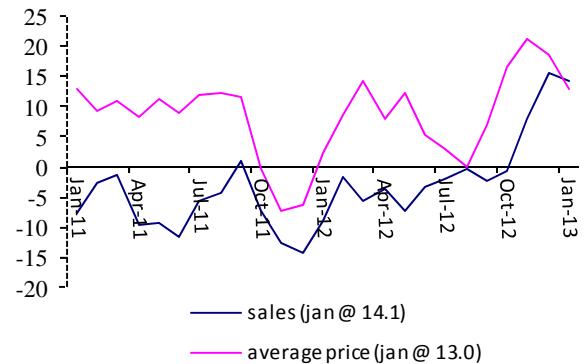


Table 9. D.C. Residential Real Estate Indicators: January 2013

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	12-mo moving		This month
					total or average	3-mo moving total or average	
Number of sales (settled contracts)							
Single family	3,259	4,084	3,800	3,563	3,698	890	235
1 year change	237	825	-284	-237	50	110	9
% change	7.8	25.3	-7.0	-6.2	1.4	14.1	4.0
Condo	2,590	2,884	2,469	2,784	3,010	692	197
1 year change	-206	294	-415	315	509	145	38
% change	-7.4	11.4	-14.4	12.8	20.4	26.5	23.9
Total	5,849	6,968	6,269	6,347	6,708	1,582	432
1 year change	31	1,119	-699	78	559	255	47
% change	0.5	19.1	-10.0	1.2	9.1	19.2	12.2
Average prices of units that sold							
Single family (\$)	597,269	538,395	601,026	630,109	654,582	679,933	619,928
1 year change	-70,098	-58,874	62,631	29,083	56,624	78,244	-3,385
% change	-10.5	-9.9	11.6	4.8	9.5	13.0	-0.5
Condo (\$)	359,952	414,030	423,365	429,611	434,424	448,027	426,284
1 year change	-52,283	54,078	9,336	6,245	13,318	29,002	35,866
% change	-12.7	15.0	2.3	1.5	3.2	6.9	9.2
Total value of all sales (\$ million)							
	2,878.8	3,392.9	3,329.2	3,441.1	3,728.3	915.2	229.7
1 year change	-290.6	514.1	-63.7	111.9	493.7	216.7	26.7
% change	-9.2	17.9	-1.9	3.4	15.3	31.0	13.2
Ratio: active inventory to sales							
Single family	5.2	3.4	3.3	2.3	1.9	1.9	1.6
Condo	5.7	4.6	4.9	2.9	2.4	2.1	1.7

Median contract prices, CY to date in January 2013: single family \$451,666 (5.0% 1 yr ch); condo \$399,900 (17.3% 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).

Apartments and single family home transactions

15% of single family home sales were for properties valued over \$1 million

• Sales of single family units at prices above \$1 million were up 48.9% in January from a year ago as measured by the 3-month moving total; they accounted for 15.4% of sales.

• In December the quarterly Federal Housing Finance Agency house price index for DC was 11.9% higher over a year ago. For the US, there was a 5.5% rise.

• In the September quarter, occupied apartment units rose 1,426 (1.7%) and rents rose 4.4% from a year earlier.

FHFA expanded-data housing price index for DC and the US: 2003.4 to 2012.4
(% change from prior yr. in the 12-mo. moving avg.)

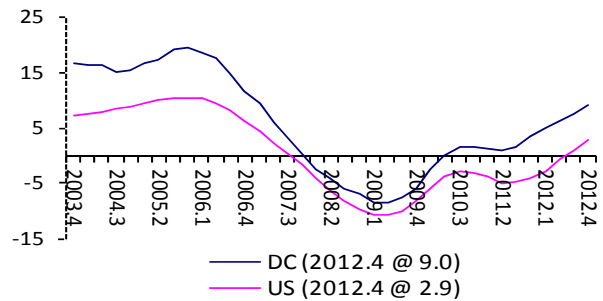


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: January 2013

Category	FY 2009	FY 2010	FY 2011	FY 2012	12-mo	3-mo	This month
					moving total	moving total	
Single family homes	333	418	489	458	525	137	27
1 year change	-102	85	71	-31	86	45	-3
% change	-23.4	25.5	17.0	-6.3	19.6	48.9	-10.0
percent of all single family sales	10.2	10.2	12.9	12.9	14.2	15.4	11.5
Condominiums	62	89	87	72	86	28	4
1 year change	-15	27	-2	-15	8	11	0
% change	-19.5	43.5	-2.2	-17.2	10.3	64.7	0.0
percent of all condominium sales	2.4	3.1	3.5	2.6	2.9	4.0	2.0

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 and US: December 2012

Indicator	Fiscal year average				Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	2011.4	2012.1	2012.2	2012.3	2012.4
% change from prior year in value of index									
DC	-7.5	1.5	1.5	7.7	6.5	7.8	6.8	9.5	11.9
US	-10.1	-2.8	-4.7	0.9	-2.5	-0.2	2.9	3.4	5.5

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	-6.3	14.3	5.4	7.1	18.5
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Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings). 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, 2012

Indicator	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	Latest Q (September 2012)		
					amount	1 Q ch	% ch
Inventory	87,090	87,970	88,710	89,464	89,464	647	0.7
1 year change	1,663	880	740	754	754		
% change	1.9	1.0	0.8	0.8	0.8		
Occupied units	81,964	82,965	84,125	85,551	85,551	484	0.6
1 year change	443	1,001	1,160	1,426	1,426		
% change	0.5	1.2	1.4	1.7	1.7		
Vacant units	5,126	5,005	4,585	3,913	3,913	163	4.3
1 year change	1,220	-121	-420	-672	-672		
% change	31.2	-2.4	-8.4	-14.7	-14.7		
% of inventory	5.9	5.7	5.2	4.4	4.4		
Average effective monthly rent	\$1,342	\$1,380	\$1,422	\$1,484	\$1,484	\$13	1.2
% change from 1 year	0.1	2.8	3.0	4.4	4.4		

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

Commercial office space

Office vacancy rate steady in December

●For the quarter ending December, the vacancy rate for DC commercial office space held steady at 9.3% from the previous quarter.

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

●Occupied space in the December quarter rose by 0.34 million square feet (0.3%) from the prior quarter, but was down 0.4% from a year earlier.

●Space under construction in December (2.63 million square feet) was down slightly from last quarter and year.

●In the December quarter, average effective rents for class A office space leases were down 1.5% from a year earlier.

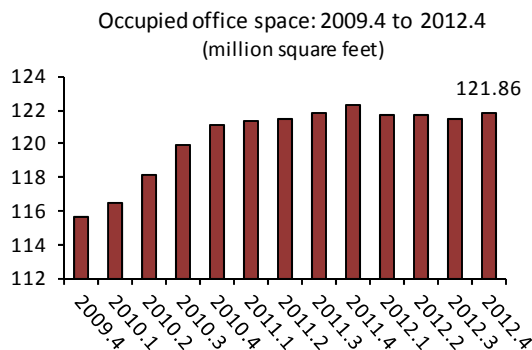


Table 13. Commercial office space in DC: December 31, 2012

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (December 2012)		
	2009	2010	2011	2012	Level	1 Q ch	% ch
Inventory	127.45	131.95	133.50	133.99	134.36	0.37	0.3
1 year change	3.86	4.49	1.56	0.48	0.83		
% change	3.1	3.5	1.2	0.4	0.6		
Occupied space	114.45	119.94	121.89	121.52	121.86	0.34	0.3
1 year change	-0.99	5.49	1.95	-0.36	-0.45		
% change	-0.9	4.8	1.6	-0.3	-0.4		
Leased space	116.25	121.35	123.06	122.82	122.68	-0.14	-0.1
Under construction	5.75	2.14	2.42	2.74	2.63	-0.11	-4.0
1 year change	-4.85	-3.60	0.27	0.33	-0.20		
% change	-45.8	-62.7	12.7	13.5	-7.2		
% of inventory	4.5	1.6	1.8	2.0	1.96		
Vacant (no sublet)	11.20	10.60	10.44	11.17	11.68	0.51	4.6
% of inventory	8.8	8.0	7.8	8.3	8.7		
Vacant (w sublet)	13.00	12.01	11.61	12.46	12.50	0.03	0.3
1 year change	4.84	-0.99	-0.39	0.85	1.28		
% ch from one year	59.4	-7.6	-3.3	7.3	11.4		
DC area vacancy rates (with sublet)							
District of Columbia	10.2	9.1	8.7	9.3	9.3	0.0	
Northern Virginia	13.5	13.4	13.5	15.2	15.7	0.5	
Suburban Maryland	14.6	14.5	14.2	14.5	14.7	0.2	
DC Metropolitan area	12.6	12.2	12.1	13.1	13.4	0.3	

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 Down to wn DC by year: 2009 to 2012

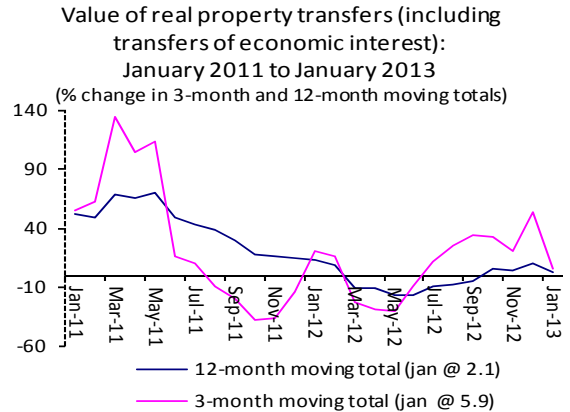
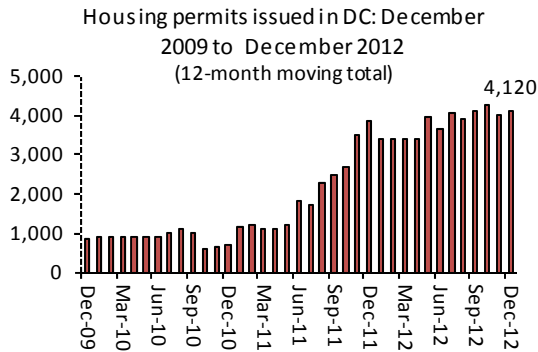
Indicator	\$ per square foot of gross floor space ending on date shown:			
	2009	2010	2011	2012
Average effective rent	50.80	48.65	48.54	47.80
% ch from prior year		-4.2	-0.2	-1.5
Average value of improvements for tenants				80.00

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

Housing permits continue above the 4,000 per year rate

- For the 12-month period ending December, 4,120 housing unit building permits were issued, a 6.9% increase over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to fall slightly (to 9.1%) over the next two years.



- Reis expects 3,980 new apartment units to be added to inventory in CY 2012 and CY 2013, and occupancy to grow by 4,438
- The value of January property transfers was up by 5.9% from last year as measured by the 3-month moving total. The 12-month moving total (\$10.20 billion) was 2.1% higher than last year.

Table 15. Housing unit building permits issued in DC: December 2012

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total units	499	986	2,459	4,091	4,120	1,562	532
change from 1 year ago	-191	487	1,473	1,632	267	29	105
% change from 1 year	-27.7	97.6	149.4	66.4	6.9	1.9	24.6

Source: Census Bureau (permits issued during period).

Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: Dec. 2012 to Dec. 2014

Indicator	DC	No VA	SubMD	Total	DC% of total
Inventory December 2012					
Inventory (msf)	134.4	179.7	89.4	403.5	33.3
vacancy rate (%)	9.3	15.7	14.7	13.4	
Estimated net activity to December 2014					
new supply (msf)	3.0	3.9	2.0	9.0	33.3
new demand (msf)	3.0	4.8	2.2	10.0	30.0
Estimated Inventory December 2014					
vacancy rate (%)	9.1	14.9	14.2	12.8	

Source: Delta Associates msf= million square feet

Table 17 DC market rate apartment units: 2007 to 2016

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,817	457	4.7	84,632	1,155
2012 est	89,820	1,003	4.1	86,134	1,502
2013 est	92,797	2,977	4.0	89,070	2,936
2014 est	97,257	4,460	4.4	92,997	3,927
2015 est	99,065	1,808	3.9	95,201	2,204
2016 est	100,447	1,382	3.4	97,012	1,811

Source: Reis, September 2012. (see note in table 12)

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

	FY 2009	FY 2010	FY 2011	FY 2012	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	10,197.5	2,928.8	550.4
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	211.7	163.6	-430.6
% change from 1 year ago	-51.5	39.3	29.1	-5.6	2.1	5.9	-43.9

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/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

Hospitality

Hospitality sector mostly weakened a little more in December

● In December the 3-month moving total for hotel room-days sold was 3.6% less than a year earlier. The average room rate declined 0.5%, leading to a 4.0% decline in room revenue.

● Employment in food services was 1.2% less in December than a year earlier as measured by the 3-month moving average. Hotel employment rose 0.4%, and retail lost 1.9%.

● December airline traffic into the DC area was down 0.7% from a year earlier as measured by the 3-month moving total. However, Reagan National Airport gained 6.3%.

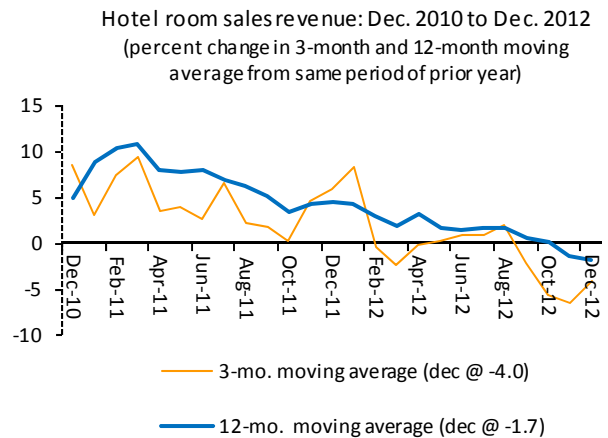


Table 19. Hospitality Industry: December 2012

Indicator	Units	date	FY 2009	FY 2010	FY 2011	3-month		
						12-mo total or average*	moving total or average*	This month
Hotel stays								
Hotel room -days sold	('M)	dec	7.123	7.370	7.465	7.545	1.735	0.479
	1 yr ch		-0.003	0.248	0.095	-0.041	-0.065	-0.003
	1 yr % ch		0.0	3.5	1.3	-0.5	-3.6	-0.7
Average room rate	\$	dec	203.16	199.12	206.60	203.56	203.01	166.41
	1 yr ch		-5.83	-4.05	7.49	-2.46	-0.94	1.54
	1 yr % ch		-2.8	-2.0	3.8	-1.2	-0.5	0.9
Occupancy rate (average)	%	dec	73.1	73.8	74.2	74.9	68.4	56.1
	1 yr ch		-1.1	0.7	0.5	-0.3	-2.1	0.0
	1 yr % ch		-1.5	0.9	0.6	-0.4	-3.0	0.0
Room revenue	(\$M)	dec	1,447.0	1,467.5	1,542.3	1535.9	352.2	79.7
	1 yr ch		-42.0	20.5	74.8	-27.0	-14.9	0.2
	1 yr % ch		-2.8	1.4	5.1	-1.7	-4.0	0.3
Airline passengers								
DCA	1 yr % ch	dec	-2.9	0.5	6.2	4.4	6.3	9.4
IAD	1 yr % ch	dec	-4.4	1.2	0.6	-3.3	-6.2	-4.1
BWI	1 yr % ch	dec	-3.3	4.6	4.2	1.3	-1.0	-0.5
Total	1 yr % ch	dec	-3.6	2.1	3.4	0.5	-0.7	1.0
Convention Center Transfer								
	\$ M	jan	91.5	94.4	98.0	96.6	30.7	11.8
	1 yr ch		0.0	2.8	3.6	-0.3	9.8	5.3
	1 yr % ch		0.0	3.1	3.9	-0.3	47.0	82.8
Employment								
Accommodations	level ('000)	dec	15.0	15.3	15.3	16.0	16.1	16.1
	1 yr ch		-0.2	0.3	0.0	0.5	0.1	0.2
	1 yr % ch		-1.2	2.0	0.0	3.5	0.4	1.3
Food and bev	level ('000)	dec	35.9	37.0	39.0	40.3	39.7	39.2
	1 yr ch		0.5	1.2	1.9	0.8	-0.5	-1.0
	1 yr % ch		1.4	3.3	5.2	2.1	-1.2	-2.5
Arts and entertain.	level ('000)	dec	7.1	7.0	6.8	7.1	6.9	6.7
	1 yr ch		0.2	-0.1	-0.2	0.3	-0.1	-0.2
	1 yr % ch		2.7	-1.5	-2.6	3.6	-1.9	-2.9
Retail	level ('000)	dec	17.8	18.3	18.5	18.6	18.6	18.8
	1 yr ch		-0.6	0.5	0.2	0.1	-0.4	-0.5
	1 yr % ch		-3.5	3.0	1.0	0.6	-1.9	-2.6

* Total for hotel rooms sold, room revenue, and Convention Center transfer

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers); OCFO/OTR (Convention Center Transfer; January collections based on December sales).

Economic growth slowed sharply in the December quarter

- December was the 14th consecutive quarter of real GDP growth. However, the minimal 0.1% gain in the quarter was tied with 2011.1 for the slowest rate of growth during the period.
- US employment (seas. adj.) increased by 157,000 in January.
- The US unemployment rate (seasonally adj.) rose to 7.9% in Jan.
- In January the S & P 500 index rose 4.1% from December, and was 13.8% above last year.
- Inflation fell slightly. The January CPI was 1.6% above a year earlier (sa).

Quarterly change in US Real and Nominal GDP: 2009.4 to 2012.4 (% change from the previous quarter at annual rates)

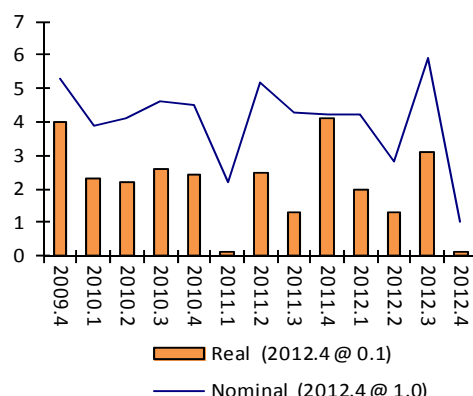


Table 20. US GDP, income, corporate profits, and inflation: 2012.4 and January 2013

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	12-mo avg	2012.4	jan 2013
US GDP real	2012.4	1 yr % ch	1.1	-3.9	1.8	1.9	2.3	2.2	1.6	
US GDP nominal	2012.4	1 yr % ch	3.4	-2.6	2.8	4.0	4.2	4.0	3.5	
US Personal income	2012.4	1 yr % ch	5.6	-3.4	1.5	5.4	3.3	3.5	5.0	
US wages	2012.4	1 yr % ch	3.4	-3.5	0.4	4.0	3.1	3.3	4.0	
Corporate profits	2012.4	1 yr % ch	-11.2	-12.2	35.9	9.1	8.4	na	na	
S and P stock index	jan	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	9.8	14.0	13.8
US CPI	jan	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	2.0	1.9	1.6
Balt/Wash. area CPI	jan	1 yr % ch	5.0	0.3	1.7	3.0		2.1	na	1.8

Source: BEA (data revised as of February 28, 2013), 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: 2011.2 to 2012.4

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

Indicator	units	calendar year quarter							
		2011.2	2011.3	2011.4	2012.1	2012.2	2012.3	2012.4	
US GDP real	% ch from prior Q at saar	2.5	1.3	4.1	2.0	1.3	3.1	0.1	
US GDP nominal	% ch from prior Q at saar	5.2	4.3	4.2	4.2	2.8	5.9	1.0	
Wages and salaries	% ch from prior Q at saar	2.3	1.3	0.9	8.0	1.4	2.3	4.1	
Personal income	% ch from prior Q at saar	2.6	1.2	1.3	6.4	3.0	2.4	7.7	

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on February 28, 2013

Table 22. Monthly change in selected US Indicators: July 2012 to January 2013

Indicator	Jul	Aug	Sep	Oct	Nov	Dec	Jan
S and P stock index (level)	1360	1403	1443	1438	1395	1422	1480
% change from prior month	2.8	3.2	2.9	-0.4	-3.0	2.0	4.1
% change from 1 year ago	2.6	18.4	23.0	19.1	13.7	14.4	13.8
10 yr. Treasury Interest rate (level)	1.50	1.67	1.71	1.72	1.64	1.71	1.71
CPI % ch from prior month (seasonally adjusted)	-0.04	0.52	0.52	0.17	-0.24	0.03	0.03
CPI % ch from prior year (seasonally adjusted)	1.44	1.70	1.97	2.16	1.77	1.76	1.58
Jobs (seasonally adjusted level, in millions)	133.76	133.93	134.07	134.23	134.47	134.67	134.83
change from prior month (thousands)	153	165	138	160	247	196	157
% change from prior month	0.11	0.12	0.10	0.12	0.18	0.15	0.12
Resident employment (season. adj. level, in mil.)	142.25	142.16	142.97	143.33	143.28	143.31	143.32
change from prior month (thousands)	-198	-86	810	354	-51	28	17
% change from prior month	-0.14	-0.06	0.57	0.25	-0.04	0.02	0.01
Unemployment rate (seasonally adj.)	8.2	8.1	7.8	7.9	7.8	7.8	7.9

Source: BLS and Yahoo! Finance.

DC tax collections

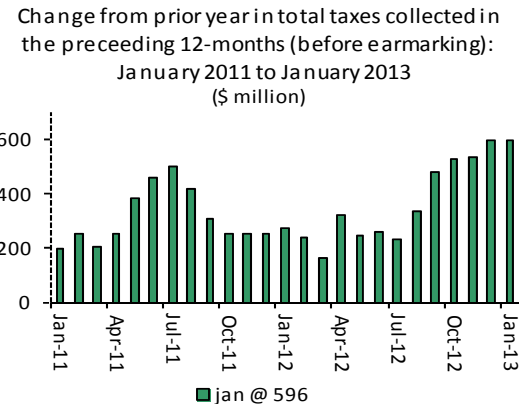
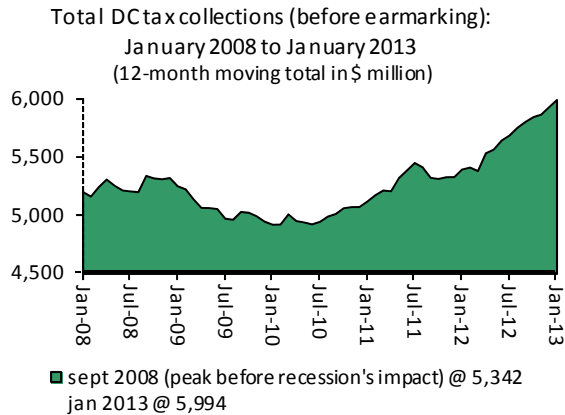


Table 23. Tax Collections (before earmarking): January 2013 (Preliminary)
(\$ million)

Tax	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total taxes	5,032.8	5,015.4	5,326.3	5,806.1	5,994.3	1,074.4	463.6
1 year change	-309.5	-17.4	311.0	479.8	596.4	148.0	61.8
% change	-5.8	-0.3	6.2	9.0	11.0	16.0	15.4
Real property	1,818.8	1,834.8	1,707.0	1,816.4	1,824.5	9.7	-0.8
1 year change	134.0	15.9	-127.8	109.5	156.4	5.8	3.4
% change	8.0	0.9	-7.0	6.4	9.4	nm	nm
General sales	963.5	965.3	1,017.0	1,084.6	1,134.0	274.0	94.6
1 year change	-48.1	1.8	51.7	67.6	120.9	43.0	10.3
% change	-4.8	0.2	5.4	6.6	11.9	18.6	12.3
Individual income	1,127.2	1,107.1	1,297.0	1,479.0	1,588.0	488.3	249.9
1 year change	-226.0	-20.1	189.9	182.0	260.0	93.5	44.2
% change	-16.7	-1.8	17.2	14.0	19.6	23.7	21.5
withholding	1,021.2	1,070.6	1,189.9	1,311.9	1,369.1	373.3	149.1
1 year change	17.0	49.4	119.3	122.0	164.0	53.2	12.7
% change	1.7	4.8	11.1	10.3	13.6	16.6	9.3
non-withholding	106.0	36.5	107.1	167.1	218.9	115.1	100.8
1 year change	-243.0	-69.5	70.6	60.0	96.0	40.3	31.5
% change	-69.6	-65.6	193.3	56.0	78.1	53.9	45.5
Corporate income	220.7	207.9	225.8	311.2	335.2	80.5	23.5
1 year change	-69.2	-12.8	17.9	85.4	105.9	21.3	9.2
% change	-23.9	-5.8	8.6	37.8	46.2	36.0	64.5
Unincorporated Bus.	122.4	120.7	141.5	159.3	155.9	32.2	6.0
1 year change	-6.5	-1.7	20.9	17.7	4.6	-6.5	-7.1
% change	-5.0	-1.4	17.3	12.5	3.1	-16.8	-54.1
Deed taxes*	187.4	225.6	314.1	312.5	319.7	89.8	51.8
1 year change	-135.8	38.2	88.5	-1.6	-45.3	-6.0	6.4
% change	-42.0	20.4	39.2	-0.5	-12.4	-6.3	14.1
Other taxes	592.8	554.0	623.9	643.2	636.9	99.8	38.6
1 year change	42.1	-38.8	70.0	19.2	-6.0	-3.2	-4.6
% change	7.6	-6.5	12.6	3.1	-0.9	-3.1	-10.7

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

Note: (1) Includes public space rental (in other taxes). (2) Deed tax collections will vary from payments to Recorder of Deeds (graphed on the next page) due to processing and timing effects.

(3) Data subject to accounting adjustments.

(4) This table and the graphs on the next page include adjustments to the timing and consistency of collection reporting which make comparisons with prior year periods more accurate; accordingly, the data may vary from other OCFO reports.

Source: OCFO/ORR

nm = not meaningful due to small amount of activity

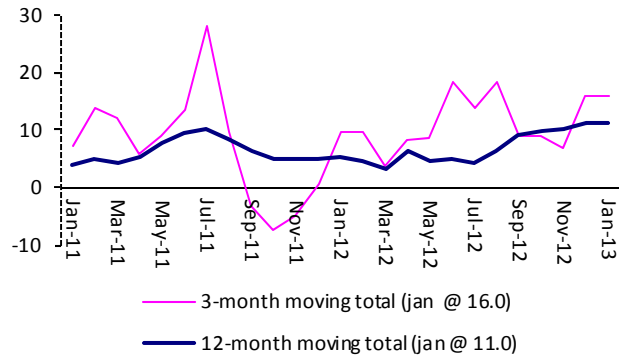
January was another strong month for tax collections

● For the 12-month period ending January tax collections (before earmarking) were \$596 million (11.0%) more than a year earlier. Collections grew at an estimated 9.0% rate in FY 2012 which ended in September.

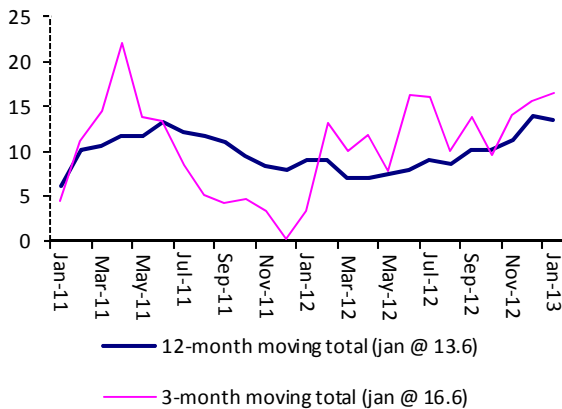
● In January the 3-month moving total for sales taxes was up 18.6% from last year, and withholding was up 16.6%.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 11.4% from the prior year for the 3 months ending December. For the last 12-month period, the payments were up 5.8%.

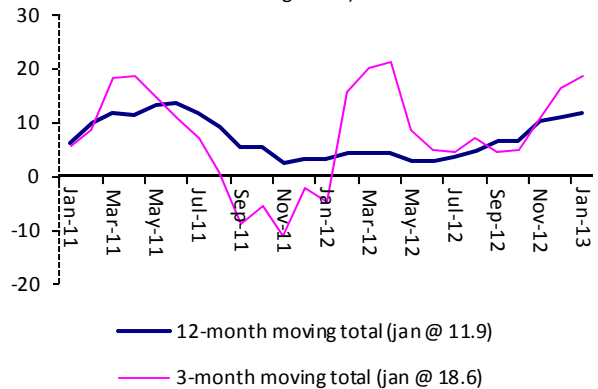
DC Tax Collections (before earmarking):
January 2011 to January 2013
(% change in 3-month and 12-month moving totals)



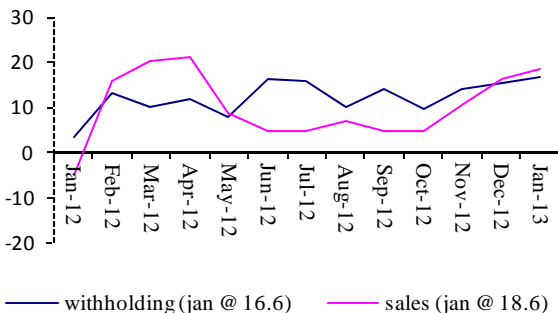
Withholding collections: Jan. 2011 to Jan. 2013
(% change from prior year in 3-month and 12-month moving totals)



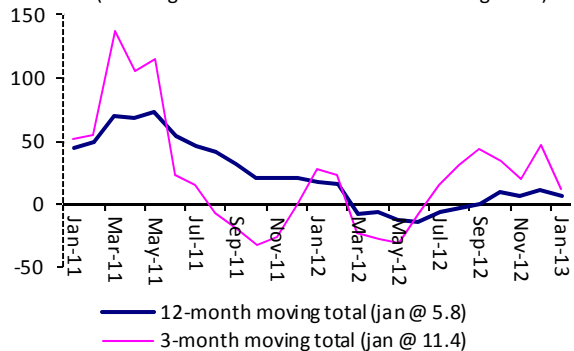
Sales tax collections: Jan. 2011 to Jan. 2013
(% change from prior year in 3-month and 12-month moving totals)



Collections for the General Sales tax and Individual Income tax withholding: Jan. 2012 to Jan. 2013
(% change in 3-month moving totals)



Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes: January 2011 to January 2013
(% change in 3-month and 12-month moving totals)



Note: source is Recorder of Deeds, not Table 23.

US economic forecasts

The February Blue Chip Indicators reduced its forecast for FY 2013

•The February Blue Chip Indicators lowered its FY 2013 forecast for real GDP to 1.6%, slower than in FY 2012 (2.3%). FY 2014 is forecast to grow at a 2.6% rate. Since FY 2000, GDP growth has exceeded 2.5% in only 3 years: FY 2004, 2005, and 2006.

•The February Blue Chip Indicators inflation forecast for FY 2013 decreased slightly to 1.8%; a 2.1% rate is forecast for FY 2014, which would be the highest rate since FY 2010.

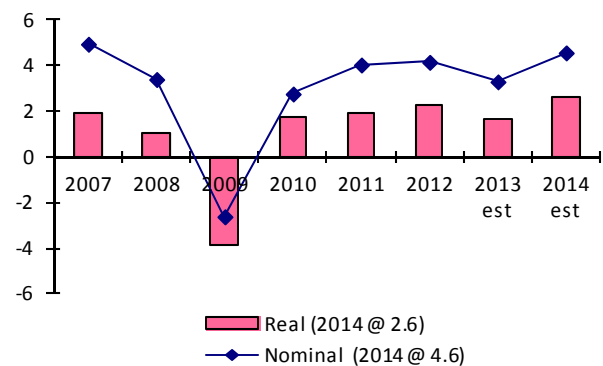
•S and P 500: The January forecasts for the last quarter of 2013 are slightly lower than they were in December. The range of estimates: -14.2% to 7.2% for the last quarter of 2013.

Table 24. Forecasts for US nominal and real GDP: FY 2012 through FY 2014 (% change from prior fiscal year)

Forecast and date	real			nominal		
	2012	2013	2014	2012	2013	2014
Congressional Budget Office						
January 2012	2.1	1.2		3.7	2.6	
August	2.0	0.4		3.9	2.0	
February 2013	2.3	1.5	2.1	4.2	3.1	3.8
Blue Chip						
November	2.2	1.8		4.1	3.8	
December	2.3	1.8		4.1	3.8	
January	2.3	1.9	2.5	4.2	3.9	4.5
February	2.3	1.6	2.6	4.2	3.3	4.6

Sources: Blue Chip Indicators and the Congressional Budget Office.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2007 to 2014 (% change from the prior year; Feb. 2013 estimate)



S and P 500 stock index actual and alternative forecasts: 2006.1 to 2014.4 (December forecasts; value of index)

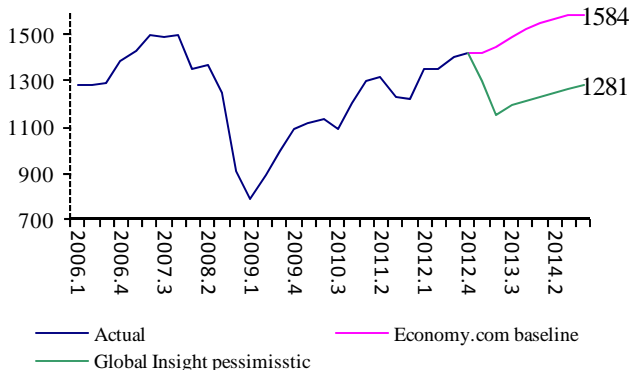


Table 25. Forecasts for S and P 500: 2012.4 to 2014.4

Forecast date	% change from prior year			% change from prior year		
	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
Global Insight: baseline						
October	13.4	3.9	4.5	5.4	-7.3	5.3
November	13.4	3.9	4.5	11.9	-12.1	5.1
December	15.1	3.8	4.3	14.6	-13.5	5.1
January	15.7	3.4	4.6	15.7	-14.2	5.3
Economy.com baseline						
October	12.3	10.5	4.0	9.2	2.3	15.5
November	12.9	10.0	4.2	12.7	-4.3	9.9
December	13.0	9.9	4.1	12.9	-4.3	9.8
January	15.7	7.2	4.2	15.7	-6.8	9.9

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

Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2012 to FY 2014

Forecast date	CPI			10 yr Treasury rate		
	2012	2013	2014	2012	2013	2014
Nov	2.5	1.5		1.9	1.9	
Dec	2.5	1.5		1.9	1.9	
Jan	2.5	1.9	2.1	1.9	1.9	2.4
Feb	2.5	1.8	2.1	1.9	1.9	2.5

Source: Blue Chip Indicators

January forecasts for DC income similar to those in December

- **Employment:** Little or negative job growth expected for FY 2013. Economy.com decreased both its baseline and pessimistic forecasts for FY 2013. The range of job changes for FY 2013 are -7,355 to 1,888.
- **Unemployment:** Unemployment expected to stay above 8% through FY 2014. Some modest reductions in the unemployment rate forecasts. The unemployment rate forecast range for FY 2013 is from 8.4% to 9.2%.
- **Wages earned in DC:** Growth of less than about 2% expected in FY 2013, higher in FY 2014. Small modifications in the forecasts, some up a little, some down. The range: 0.0% to 2.2% in FY 2013.
- **Wages earned by DC residents:** Growth of less than 2% in FY 2013, could be higher in FY 2014. Small changes in each of the forecasts. The range: -0.3% to 1.7% in FY 2013 and -0.2% to 4.3% in FY 2014.

Table 27. Jobs in DC: forecasts for FY 2012 to FY 2014

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Oct	12,755	3,700	8,401	12,755	472	3,582	13,667	1,517	7,029	13,667	-9,524	-829
Nov	12,642	3,785	8,027	12,642	-52	2,241	12,642	488	6,676	12,642	-7,446	-6,212
Dec	12,467	3,201	8,394	12,467	284	2,509	12,467	5,248	6,949	12,467	-2,478	-5,772
Jan	12,467	1,888	7,989	12,467	386	4,074	12,467	256	6,421	12,467	-7,355	-6,440

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

Table 28. Unemployment rate in DC FY 2012 to FY 2014

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Oct	9.5	8.8	8.6	9.5	9.1	9.5	9.5	8.7	8.7	9.5	10.7	12.0
Nov	9.5	8.7	8.4	9.5	8.9	9.3	9.5	8.6	8.6	9.5	10.0	12.2
Dec	9.5	8.7	8.4	9.5	8.9	9.3	9.5	8.5	8.3	9.5	9.4	10.9
Jan	9.5	8.4	8.4	9.5	8.6	9.0	9.5	8.4	8.2	9.5	9.2	10.8

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

Table 29. Wages earned in DC FY 2012 to FY 2014

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Oct	2.0	2.7	3.9	2.0	1.8	2.3	2.1	2.8	5.8	2.1	0.1	4.2
Nov	2.0	2.4	3.8	2.0	1.5	2.2	1.9	1.6	5.6	1.9	-0.2	2.7
Dec	1.9	2.0	3.9	1.9	1.2	2.2	1.8	1.4	5.5	1.8	0.0	2.7
Jan	1.8	2.2	3.8	1.8	1.5	2.4	1.8	1.2	5.5	1.8	0.0	2.8

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

Table 30. DC resident wages FY 2012 to FY 2014

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Oct	3.2	3.6	5.5	3.2	0.6	0.3	3.1	2.3	4.6	3.1	0.3	3.4
Nov	3.2	3.0	5.5	3.2	-0.1	-0.1	2.8	0.8	4.5	2.8	-0.5	2.3
Dec	3.0	2.0	5.2	3.0	-0.8	-0.5	2.9	1.2	4.4	2.9	0.2	2.3
Jan	2.9	1.7	3.5	2.9	0.4	-0.2	2.9	0.6	4.3	2.9	-0.3	2.3

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 February revenue estimate anticipates continued revenue growth in FY 2013 and FY 2014

- Tax revenue growth of \$109 million in FY 2013 and \$139 million in FY 2014 (gains of 1.9% and 2.3%, respectively) are significantly lower than that which occurred in FY 2012 (\$537 and 10.1%). This reflects one-time increases in FY 2012, slowing employment growth in DC, and allowances for the impact of a sequester or other cutbacks in federal spending.
- Sales and income taxes are major sources of growth in FY 2013; real property accounts for more than half of the growth in FY 2014.
- In FY 2013 and FY 2014 taxes represent a slightly lower share of Personal Income than in FY 2012 which was the highest percentage in 4 years.

Table 31. DC Tax Revenue (before earmarks) for FY 2012 through FY 2014: February 2013 revenue estimate

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Real property	1,822.0	1,840.2	1,910.0	106.9	18.1	69.8	6.2	1.0	3.8
Deed taxes	312.5	295.8	305.9	1.3	-16.8	10.1	0.4	-5.4	3.4
General sales	1,111.0	1,172.9	1,200.3	96.1	61.8	27.4	9.5	5.6	2.3
Individual income	1,490.7	1,579.9	1,599.3	194.1	89.2	19.5	15.0	6.0	1.2
Withholding	1,321.6	1,409.9	1,412.5	129.5	88.2	2.7	10.9	6.7	0.2
non-withholding	169.1	170.0	186.8	64.6	0.9	16.8	61.9	0.5	9.9
Business income	465.9	469.7	476.6	106.2	3.8	6.8	29.5	0.8	1.5
Other	659.6	612.3	617.4	31.8	-47.3	5.0	5.1	-7.2	0.8
Total	5,861.8	5,970.7	6,109.4	536.5	108.9	138.7	10.1	1.9	2.3

Source: ORA. February 22, 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. FY 2012 is from the FY 2012 CAFR

Table 32. DC labor market assumptions: FY 2012 to FY 2014

item	2012	2013	2014
Wage and salary employment	735,783	731,107	724,598
1 year change	12,467	-4,677	-6,508
% change	1.7	-0.6	-0.9
DC resident employment	316,473	324,799	324,539
1 year change	7,429	8,326	-260
% change	2.4	2.6	-0.1
Unemployment rate	9.5	9.2	10.3

Source: ORA February 2013 revenue estimate

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

item	2012	2013	2014
Wages and salaries earned in DC	1.8	0.8	0.7
Wages and salaries earned by DC residents	2.9	4.1	1.5
DC Personal income	3.7	3.7	2.2
S and P 500 stock index	15.7	1.2	1.2

Source: ORA February 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	5,862	5,971	6,109	6,252
Change from prior year	267	638	170	-273	-47	320	537	109	139	142
Percent change from prior year										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	10.1	1.9	2.3	2.3
Personal Income	8.2	8.1	9.6	0.4	4.1	6.8	3.7	3.7	2.2	3.7
Tax revenue as percent of Personal Income										
	13.3	14.0	13.2	12.5	11.9	11.8	12.6	12.3	12.4	12.2

Source: ORA. February 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.

DC housing prices, continued from p.1

the index for the US as a whole rose by 5.5%, about half of DC's 12.0 rate of increase in that year.

The FHFA data do not explain why the DC price index has recovered from the recession so much more rapidly than the US as a whole. However, the growth in the District's population, employment, and income over the past five years since the recession began, together with the relatively limited supply of housing that exists within the boundaries of the city, are certainly major contributors to the rise in prices.

—Stephen Swaim, DC Office of Revenue Analysis

Jurisdiction	Period	
	2007.1 to 2009.1	2009.1 to 2012.4
DC	-16.0	21.4
US	-18.2	-3.5

Source: see table below

FHFA Housing Price Index for DC and the US: 2007.1 to 2012.4

Year and quarter	Housing price index				Index numbers: 2007.1 = 100	
	DC		US		DC	US
	number	% change from same q of prior yr	number	% change from same q of prior yr		
2007.1	313.20		222.14		100.0	100.0
2007.2	304.11		219.27		97.1	98.7
2007.3	302.96		215.28		96.7	96.9
2007.4	296.94		210.04		94.8	94.6
2008.1	296.83	-5.2	204.78	-7.8	94.8	92.2
2008.2	283.94	-6.6	198.90	-9.3	90.7	89.5
2008.3	278.22	-8.2	193.38	-10.2	88.8	87.1
2008.4	274.07	-7.7	185.75	-11.6	87.5	83.6
2009.1	263.01	-11.4	181.64	-11.3	84.0	81.8
2009.2	264.20	-7.0	179.14	-9.9	84.4	80.6
2009.3	267.20	-4.0	179.00	-7.4	85.3	80.6
2009.4	270.42	-1.3	179.27	-3.5	86.3	80.7
2010.1	269.20	2.4	177.36	-2.4	86.0	79.8
2010.2	273.50	3.5	176.74	-1.3	87.3	79.6
2010.3	271.01	1.4	171.82	-4.0	86.5	77.3
2010.4	267.56	-1.1	170.52	-4.9	85.4	76.8
2011.1	272.25	1.1	168.02	-5.3	86.9	75.6
2011.2	279.89	2.3	166.12	-6.0	89.4	74.8
2011.3	280.66	3.6	166.96	-2.8	89.6	75.2
2011.4	285.11	6.6	166.17	-2.6	91.0	74.8
2012.1	293.73	7.9	167.74	-0.2	93.8	75.5
2012.2	298.50	6.6	170.78	2.8	95.3	76.9
2012.3	307.50	9.6	172.57	3.4	98.2	77.7
2012.4	319.22	12.0	175.28	5.5	101.9	78.9

Source: Federal Housing Financy Agency "Expanded-data HPI Index" (sales plus refinancings). This index is a broad measure of the movement of single-family house prices. It measures average price change 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 by county recorder data licensed from DataQuick Information systems.

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, February 22, 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.

DC Tax Facts, 2012. Details on all DC taxes.

Tax Rates and Tax Burdens 2011 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 2011 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 about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the February report has mostly December and January data). 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 18
D.C. Personal Income	BEA	2012.3	March 27
D.C. Tax Collections	OTR/ORA	January	March 15
D.C. Housing Sales	MRIS*	January	c March 10
D.C. Commercial Office Building data	Delta Associates	2012.4	c April 10
DC Apartment data	Reis, inc	2012.3	c January 31
D.C. Hotel stay information	Smith Travel Research	December	c. February 28
Consumer Price Index	BLS	January	March 15
U.S. Jobs and Labor Force	BLS	December and January	March 8
U.S. GDP and Personal Income	BEA	2012.4	March 28
S and P 500 Stock Index	Financial press	January	March 1
Interest rate on 10-Year Treasury Securities	Financial press	January	March 1
IHS Global Insight D.C. forecast	Global Insight	January	c. February 24
Moody's Economy.com D.C. forecast	Economy.com	January	c. February 24
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	February	March 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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