



## District of Columbia Economic and Revenue Trends: September 2013

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### September highlights:

- ◇ Slow job growth.....2
- ◇ Slower resident employment.....4
- ◇ Housing sales and prices increase.....6

### Indicator updates:

Wage and salary employment.....	2
Sectors of the DC economy .....	3
Resident employment and unemployment .....	4
Wages and income.....	5
Residential real estate.....	6
Commercial office space.....	8
Real estate construction outlook and value of transactions.....	9
Hospitality .....	10
US economy .....	11
DC tax collections.....	12
US and DC forecasts.....	14
DC revenue estimate.....	16
ORA reports & documents.....	18
About this report.....	18
ORA contact information.....	18

## Federal employment accounted for 24.5% of all DC income tax withheld from DC residents in 2011

*The federal employee share of DC withholding was falling before the 2007 recession, then rose when the recession began*

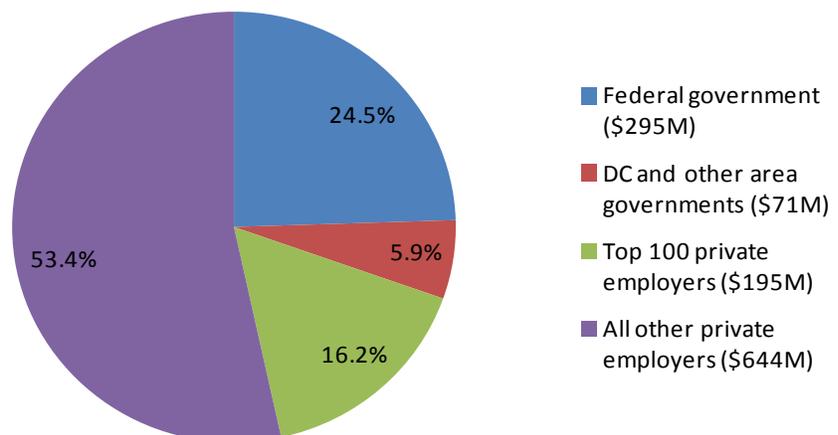
For tax year 2011, \$1.20 billion was withheld from the earnings of DC residents to fulfill taxpayer obligations under DC's Individual Income tax laws. Withholding from employee wages and salaries is one of the largest sources of revenue for the District government, generally accounting for more than 20% of all tax revenue.

The sources of withholding reveal a great deal about the connection between the District's economy and District government revenues. Not surprisingly, withholding data underscores the importance of the federal government for District finances. For tax year 2011, \$295 million, 24.5% of all withholding, came from the wages and salaries of District residents working for the federal government.

In 2011 about 70% of all withholding—\$839 million—came from District residents employed in the private sector. The top 100 employers in the private sector accounted for 16.2% of all withholding, with about one-quarter of the top 100 coming from hospital and university employment. Outside of the top 100, \$644 million—53.4% of all withholding—came from more than 30,000 private sector employers of DC residents.

*(Continued on p. 17)*

### Industry source of earnings for the \$1.20 billion withheld for the DC individual income tax in 2011: percent share



## Wage and salary employment

### DC job growth continues to weaken

• July wage and salary employment in DC was up by 100 (0.0%) from a year earlier as measured by the 3-month moving average.

• Federal government employment for July was down by 5,867 (-2.8%); the private sector gained 6,700 (1.4%).

• Total year-over-year DC metropolitan area employment increased by 47,600 (1.6%) in July as measured by the 3-month moving average.

• There was an increase of 2.1% in suburban Washington employment in July from a year earlier.

• Seasonally adjusted wage and salary employment in DC fell by 1,600 (0.2%) in July from the prior month. Seasonally adjusted employment was 3,600 less than it was six months earlier in January.

Change in wage and salary employment located in DC, the DC suburbs, and the US: July 2011 to July 2013

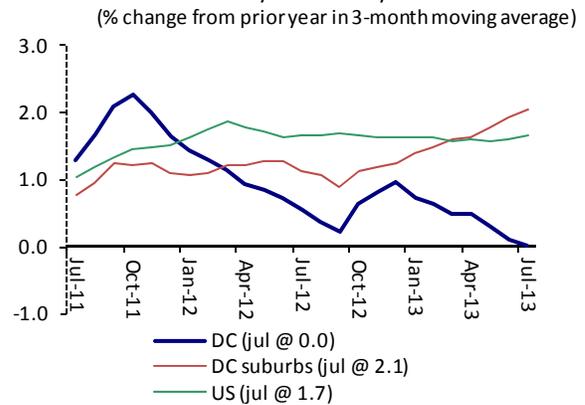


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: July 2013

Jurisdiction	FY 2010	FY 2011	FY 2012	12-mo avg	3-mo average	This month
District of Columbia	709,075	723,233	730,033	732,992	734,467	741,700
1 year change	7,442	14,158	6,800	3,417	100	1,200
% change	1.1	2.0	0.9	0.5	0.0	0.2
Washington metro area	2,956,233	2,998,442	3,030,808	3,065,400	3,098,367	3,095,700
1 year change	-8,083	42,208	32,367	39,058	47,600	50,600
% change	-0.3	1.4	1.1	1.3	1.6	1.7
Washington suburbs (% ch)	-0.7	1.2	1.1	1.6	2.1	2.1
US (% ch)	-1.9	1.2	1.7	1.6	1.7	1.7

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

Source: BLS. July data is preliminary.

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

Sector	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	This month
Federal government	208,233	213,258	208,600	205,325	203,233	203,500
1 year change	10,183	5,025	-4,658	-4,142	-5,867	-6,900
% change	5.1	2.4	-2.2	-2.0	-2.8	-3.3
Private sector	464,100	474,833	486,708	493,483	494,500	494,600
1 year change	1,158	10,733	11,875	8,017	6,700	9,000
% change	0.3	2.3	2.5	1.7	1.4	1.9

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

Table 3. Seasonally adjusted DC Employment: January 2013 to July 2013

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul
D.C. Wage and Salary employment	734,700	733,600	734,300	733,100	733,800	732,700	731,100
change from prior month	1,700	-1,100	700	-1,200	700	-1,100	-1,600
% change from prior month	0.2	-0.1	0.1	-0.2	0.1	-0.1	-0.2

Source: BLS seasonally adjusted. July is preliminary

**Professional services (other than legal) and education lead private sector job growth**

● In July professional services (other than legal) gained 3,500 jobs over last year and education gained 2,167 jobs, together accounting for about 85% of all private sector net job growth. (3-month moving averages.)

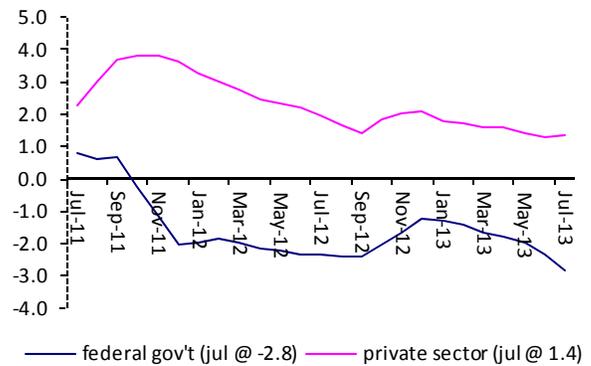
● Food service (2,033), other business services (867), and finance (800) also showed significant one year gains.

● Private sector industries losing jobs included information, legal, employment services, retail, recreation, construction, personal services, and accommodations.

● Local government fell by 733.

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

Federal government and private sector wage and salary employment in DC: July 2011 to July 2013 (% change from prior year in 3-month moving average)



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

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jul 2013	DC share (%) in Jul 2013 of all sector jobs in:		Change from Jul 2012 to Jul 2013 in DC share of sector jobs in:	
	Jul 2012	Jul 2013	Amount	%			metro area	US	metro area	US
Federal government	209,100	203,233	-5,867	-2.8	-2.0	27.7	54.5	7.36	-0.7	-0.03
Local government	37,467	36,733	-733	-2.0	-1.3	5.0	11.5	0.20	-0.7	0.00
Legal services	30,133	29,900	-233	-0.8	-1.0	4.1		2.64		-0.03
Other Professional and technical	76,400	79,900	3,500	4.6	3.9	10.9	22.7	1.15	0.6	0.01
Employment services	13,467	13,067	-400	-3.0	-3.6	1.8	34.8	0.39	0.3	-0.04
Other Business services	33,467	34,333	867	2.6	2.6	4.7	17.5	0.48	-0.4	0.00
Information	17,367	16,600	-767	-4.4	-5.0	2.3	21.7	0.61	-0.8	-0.03
Finance	28,067	28,867	800	2.9	1.4	3.9	18.7	0.36	-0.2	0.01
Organizations	60,967	61,367	400	0.7	1.3	8.4	36.6	2.06	0.0	0.00
Education	46,100	48,267	2,167	4.7	5.5	6.6	47.5	1.50	-2.0	0.06
Health	63,933	64,500	567	0.9	1.1	8.8	23.0	0.37	0.1	0.00
Food service	44,000	46,033	2,033	4.6	3.5	6.3	21.5	0.44	-0.1	0.00
Accommodations	15,900	15,733	-167	-1.0	-0.2	2.1	36.7	0.82	-0.2	-0.01
Amusement and recreation	7,467	7,067	-400	-5.4	0.9	1.0	15.0	0.31	-2.1	-0.03
Retail trade	18,833	17,967	-867	-4.6	-2.6	2.4	6.8	0.12	-0.4	-0.01
Wholesale trade	4,933	5,000	67	1.4	3.6	0.7	7.8	0.09	0.0	0.00
Construction	13,800	13,533	-267	-1.9	4.5	1.8	9.2	0.23	-0.2	-0.01
Personal and miscellaneous ser.	7,733	7,300	-433	-5.6	-4.0	1.0		0.29		-0.02
Other private	5,233	5,067	-167	-3.2	-3.1	0.7	4.6	0.03	-0.1	0.00
<b>Total</b>	<b>734,367</b>	<b>734,467</b>	<b>100</b>	<b>0.0</b>	<b>0.5</b>	<b>100.0</b>	<b>23.7</b>	<b>0.54</b>	<b>-0.4</b>	<b>-0.01</b>
Public sector	246,567	239,967	-6,600	-2.7	-1.9	32.7	34.6	1.11	-1.2	-0.03
Private sector	487,800	494,500	6,700	1.4	1.7	67.3	20.6	0.43	-0.1	0.00
Professional and all business	198,900	202,667	3,767	1.9	1.2	27.6	21.4	0.84	0.0	-0.01
Education, health, and orgs.	171,000	174,133	3,133	1.8	2.4	23.7	30.7	0.55	0.1	0.00
Hospitality and trade	91,133	91,800	667	0.7	1.4	12.5	14.5	0.26	-0.3	0.00
Other private sector	26,767	25,900	-867	-3.2	0.5	3.5	10.1	0.10	-0.3	0.00

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

### DC's resident employment growth continued to slow

- In July DC resident employment rose 9,970 (3.0%) from a year earlier (3-mo. moving average).
- Seasonally adjusted DC resident employment has fallen for four months in a row and in July was 2,723 below the January level.
- In July the unemployment rate (seasonally adjusted) increased to 8.6%. The rate has changed little in the past 6 months.
- July initial unemployment insurance claims were up 11.0% (3-month moving average).

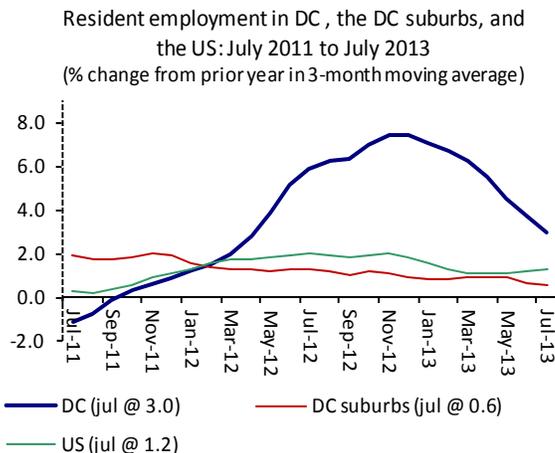
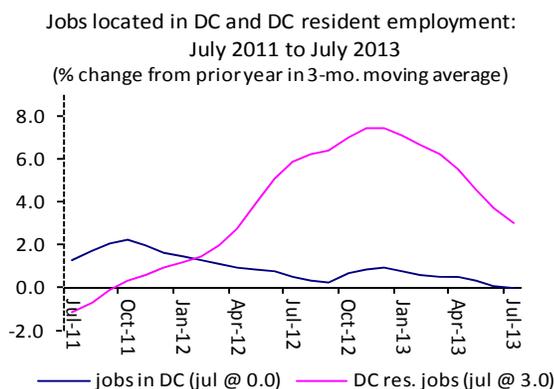


Table 5. Unemployment rates for DC, metro area, and US:  
July 2013  
(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	July 2012	July 2013	July 2012	July 2013
US	8.6	7.7	8.2	7.4
DC	9.3	9.0	9.1	8.5
DC metro area	5.8	5.7	na	na
DC suburbs	5.4	5.3	na	na

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

Table 6. Resident employment and unemployment: July 2013

Indicator	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	This month
<b>DC Labor force summary</b>						
Resident employment	308,513	312,148	323,412	337,938	340,914	342,024
1 year change	4,332	3,635	11,264	17,992	9,970	7,587
% change	1.4	1.2	3.6	5.6	3.0	2.3
Labor Force	343,475	347,470	356,439	369,839	373,593	375,780
1 year change	9,339	3,995	8,969	16,281	9,207	6,920
% change	2.8	1.2	2.6	4.6	2.5	1.9
Unemployed	34,962	35,322	33,027	31,901	32,679	33,756
1 year change	5,007	360	-2,295	-1,711	-763	-667
% change	16.7	1.0	-6.5	-5.1	-2.3	-1.9
Unemployment rate	10.2	10.2	9.3	8.6	8.7	9.0
<b>DC Unemployment insurance (state program)</b>						
Initial claims (monthly avg.)	1,799	2,101	1,784	1,890	2,162	2,452
1 year change	-404	302	-317	60	214	516
% change	-18.3	16.8	-15.1	3.3	11.0	26.7
Weeks compensated (m o. avg.)	53,592	46,423	45,170	42,830	41,363	50,109
1 year change	-881	-7,169	-1,253	-3,478	-2,518	2,050
% change	-1.6	-13.4	-2.7	-7.5	-5.7	4.3

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: January 2013 to July 2013

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul
DC Resident employment	340,227	340,941	341,229	340,933	340,562	340,057	337,504
change from prior month	805	714	288	-296	-371	-505	-2,553
% change from prior month	0.2	0.2	0.1	-0.1	-0.1	-0.1	-0.8
DC Unemployment rate (%)	8.6	8.6	8.6	8.5	8.5	8.5	8.6

Source: BLS seasonally adjusted. July is preliminary

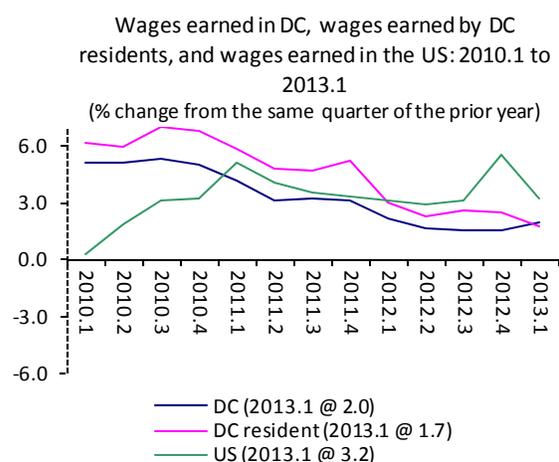
### DC resident wage gains slow

● Wages earned in the District of Columbia were 2.0% higher in the March quarter compared to the same quarter of 2012. The last 2 quarters have been the slowest year-over-year increases in over 3 years.

● Wages earned in DC have now grown at a slower rate than the US average for 9 quarters.

● In the March quarter, estimated wages of DC residents grew 1.7%—the first time in 3 years that growth has been lower than wages earned in DC. DC Personal Income grew 2.2%.

● In the March quarter, the private sector accounted for 97% of the \$1.20 billion increase in wages earned in DC.



**Table 8. DC Wages and Personal Income: March 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 (Mar.)
Wages and salaries earned in DC	55.41	57.81	60.05	61.32	61.86	62.44
1 year change	1.14	2.40	2.24	1.27	1.02	1.20
% change	2.1	4.3	3.9	2.1	1.7	2.0
Supplements to wages & salaries	16.31	17.17	17.90	18.20	18.26	18.45
% change	6.3	5.3	4.2	1.7	0.6	1.5
Proprietors' income earned by DC residents*	5.38	5.63	5.96	6.24	6.45	6.60
% change	-6.0	4.6	6.0	4.6	6.7	6.2
Wages and salaries of DC residents***	21.40	22.59	23.84	24.61	24.87	25.05
change from one year ago	0.76	1.19	1.25	0.78	0.55	0.43
% change	3.7	5.6	5.5	3.3	2.3	1.7
Income earned by DC residents	30.1	31.8	33.9	35.2	35.5	35.6
% change	2.4	5.5	6.6	3.8	2.6	1.4
Property income of DC residents	5.78	5.18	5.47	5.70	5.96	5.99
% change	-14.1	-10.4	5.6	4.3	6.6	5.9
Pensions and other transfer of DC residents	4.62	5.22	5.70	5.91	6.02	6.09
% change	9.1	13.0	9.1	3.8	3.8	3.4
DC Personal Income**	40.52	42.18	45.03	46.77	47.51	47.72
1 year change	0.16	1.66	2.85	1.74	1.49	1.03
% change	0.4	4.1	6.8	3.9	3.2	2.2
US Personal income (% change from prior year)	-3.5	1.4	5.6	3.3	3.7	2.8
US Wages and salaries (% change from prior year)	-3.6	0.4	4.0	3.1	3.7	3.2
<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	1.38	1.11	1.16
Federal government (1 yr ch, \$B)	1.08	1.79	0.75	-0.16	-0.12	-0.05
DC res. wages as % of wages earned in DC	38.6	39.1	39.7	40.1	40.2	40.1

\* 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 March were released June 27, 2013

## Single family and condominium home sales

### Home sales and prices continue to increase

- The August 3-month moving total of single family home sales was up 12.6% from a year earlier, and the average selling price was 15.4% higher.
- August condominium sales were 28.0% above a year earlier as measured by the 3-month moving total; the average selling price was 6.8% higher.
- The total value of all home sales in August was 32.3% more than a year earlier as measured by the 3-month moving total.
- August year-to-date median prices were up 14.3% for single family units, and up 6.5% for condominiums.
- The August ratios of inventory to sales were 1.5 for single family units and 1.6 for condominiums (3-mo. moving average).

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

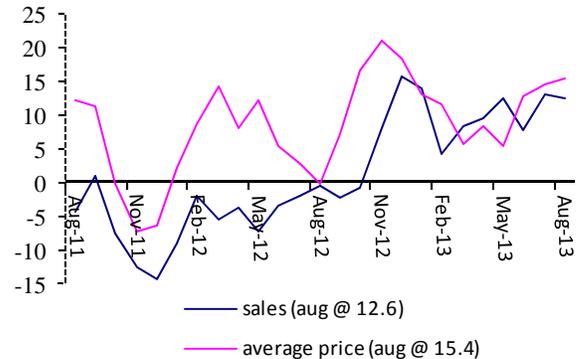


Table 9. D.C. Residential Real Estate Indicators: August 2013

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	12-mo moving		This month
					total or average	3-mo moving total or average	
<b>Number of sales (settled contracts)</b>							
Single family	3,259	4,084	3,800	3,563	3,946	1,207	360
1 year change	237	825	-284	-237	350	135	25
% change	7.8	25.3	-7.0	-6.2	9.7	12.6	7.5
Condo	2,590	2,884	2,469	2,784	3,462	1,114	392
1 year change	-206	294	-415	315	707	244	119
% change	-7.4	11.4	-14.4	12.8	25.7	28.0	43.6
Total	5,849	6,968	6,269	6,347	7,408	2,321	752
1 year change	31	1,119	-699	78	1,057	379	144
% change	0.5	19.1	-10.0	1.2	16.6	19.5	23.7
<b>Average prices of units that sold</b>							
Single family (\$)	597,269	538,395	601,026	630,109	701,983	763,040	726,647
1 year change	-70,098	-58,874	62,631	29,083	81,650	102,000	57,571
% change	-10.5	-9.9	11.6	4.8	13.2	15.4	8.6
Condo (\$)	359,952	414,030	423,365	429,611	446,654	464,222	458,807
1 year change	-52,283	54,078	9,336	6,245	18,004	29,415	39,394
% change	-12.7	15.0	2.3	1.5	4.2	6.8	9.4
<b>Total value of all sales (\$ million)</b>							
	2,878.8	3,392.9	3,329.2	3,441.1	4,316.3	1,438.1	441.4
1 year change	-290.6	514.1	-63.7	111.9	904.7	351.2	102.8
% change	-9.2	17.9	-1.9	3.4	26.5	32.3	30.4
<b>Ratio: active inventory to sales</b>							
Single family	5.2	3.4	3.3	2.3	1.6	1.5	1.6
Condo	5.7	4.6	4.9	2.9	1.7	1.6	1.6

Median contract prices, CY to date in August 2013: single family \$600,000 (14.3% 1 yr ch); condo \$410,000 (6.5% 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.

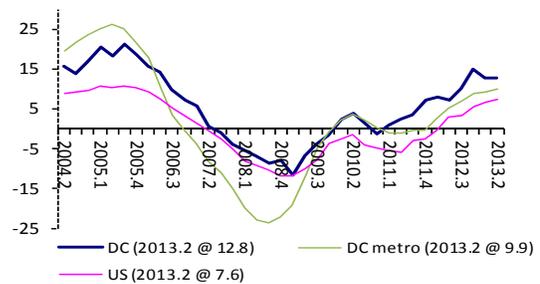
Source: Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data accessed through the Greater Capital Area Assn. of Realtors (GCAAR).

## Apartments and single family home transactions

### DC housing prices rising faster than in US or the metro area

- In June the quarterly Federal Housing Finance Agency house price index for DC was 12.8% higher than a year ago. The metro area increase was 9.9%, and the US was 7.6%.
- Sales of single family units at prices above \$1 million were up 67.6% in August from a year ago as measured by the 3-month moving total; they accounted for 20.5% of sales.
- In the June quarter, occupied apartment units rose 2,161 (2.5%) and rents rose 1.9% from a year earlier.

FHFA expanded-data housing price index for DC and the US: 2004.2 to 2013.2  
(% 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: August 2013**

Category	FY 2009	FY 2010	FY 2011	FY 2012	12-mo		3-mo	
					moving total	moving total	This month	
Single family homes	333	418	489	458	664	248	63	
1 year change	-102	85	71	-31	213	100	28	
% change	-23.4	25.5	17.0	-6.3	47.2	67.6	80.0	
percent of all single family sales	10.2	10.2	12.9	12.9	16.8	20.5	17.5	
Condominiums	62	89	87	72	111	34	13	
1 year change	-15	27	-2	-15	39	13	6	
% change	-19.5	43.5	-2.2	-17.2	54.2	61.9	85.7	
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.1	3.3	

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: June 2013**

Indicator	Fiscal year average				Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	2012.2	2012.3	2012.4	2013.1	2013.2
<b>% change from prior year in value of index</b>									
DC	-7.5	1.5	1.6	8.2	7.1	10.2	15.0	12.8	12.8
DC metro area	-14.9	1.9	-0.4	3.7	5.3	7.0	8.9	9.4	9.9
US	-10.2	-2.9	-4.8	0.9	2.9	3.5	5.5	6.6	7.6

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	5.4	7.1	18.5	5.8	12.7
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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 county 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: June 30, 2013**

Indicator	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	Latest Q (June 30, 2013)		
					amount	1 Q ch	% ch
Inventory	87,090	87,970	88,710	89,464	91,121	316	0.3
1 year change	1,663	880	740	754	2,304		
% change	1.9	1.0	0.8	0.8	2.6		
Occupied units	81,964	82,965	84,125	85,620	87,228	237	0.3
1 year change	443	1,001	1,160	1,495	2,161		
% change	0.5	1.2	1.4	1.8	2.5		
Vacant units	5,126	5,005	4,585	3,844	3,893	79	2.1
1 year change	1,220	-121	-420	-741	143		
% change	31.2	-2.4	-8.4	-16.2	3.8		
% of inventory	5.9	5.7	5.2	4.3	4.3		
Average effective monthly rent	\$1,342	\$1,380	\$1,422	\$1,481	\$1,499	\$9	0.6
% change from 1 year	0.1	2.8	3.0	4.1	1.9		

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

## Commercial office space

### Occupied office increased again in the June quarter, and the vacancy rate fell

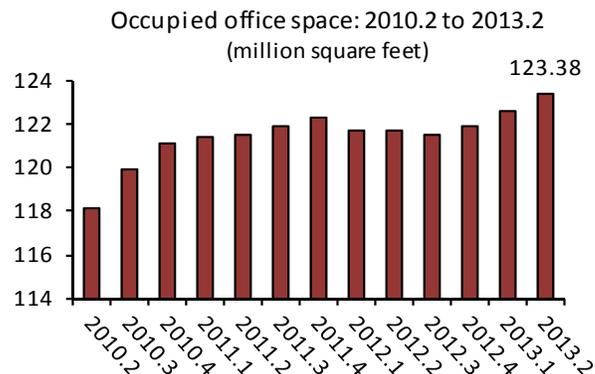
● For the quarter ending June, the vacancy rate for DC commercial office space fell to 9.3%.

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

● Occupied space in the June quarter rose by 1.72 million square feet (1.4%) from the prior year, reaching a new high.

● Space under construction in June (2.39 million square feet) was down from the last quarter and last year.

● In the June quarter, average effective rents for class A office space leases were down 1.3% from 6-months earlier.



**Table 13. Commercial office space in DC: June 30, 2013**

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (June 2013)		
	2009	2010	2011	2012	Level	1 Q ch	% ch
Inventory	127.45	131.95	133.50	133.99	136.03	0.45	0.3
1 year change	3.86	4.49	1.56	0.48	2.05		
% change	3.1	3.5	1.2	0.4	1.5		
Occupied space	114.45	119.94	121.89	121.52	123.38	0.81	0.7
1 year change	-0.99	5.49	1.95	-0.36	1.72		
% change	-0.9	4.8	1.6	-0.3	1.4		
Leased space	116.25	121.35	123.06	122.82	124.42	0.79	0.6
Under construction	5.75	2.14	2.42	2.74	2.39	-0.17	-6.8
1 year change	-4.85	-3.60	0.27	0.33	-0.35		
% change	-45.8	-62.7	12.7	13.5	-12.9		
% of inventory	4.5	1.6	1.8	2.0	1.75		
Vacant (no sublet)	11.20	10.60	10.44	11.17	11.61	-0.34	-2.9
% of inventory	8.8	8.0	7.8	8.3	8.5		
Vacant (w sublet)	13.00	12.01	11.61	12.46	12.65	-0.36	-2.8
1 year change	4.84	-0.99	-0.39	0.85	0.32		
% ch from one year	59.4	-7.6	-3.3	7.3	2.6		
<b>DC area vacancy rates (with sublet)</b>							
District of Columbia	10.2	9.1	8.7	9.3	9.3	-0.3	
Northern Virginia	13.5	13.4	13.5	15.2	15.8	0.1	
Suburban Maryland	14.6	14.5	14.2	14.5	14.7	-0.1	
DC Metropolitan area	12.6	12.2	12.1	13.1	13.4	-0.1	

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 2013.2**

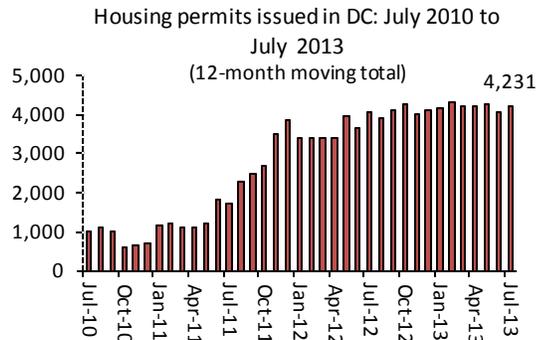
Indicator	\$ per square foot of gross floor space ending on date shown:				
	2009	2010	2011	2012	2013.2
Average effective rent	50.80	48.65	48.54	47.80	47.20
% ch from prior year		-4.2	-0.2	-1.5	-1.3*
Average value of improvements for tenants				80.00	85.00

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. \*Percent change from December 31, 2012.

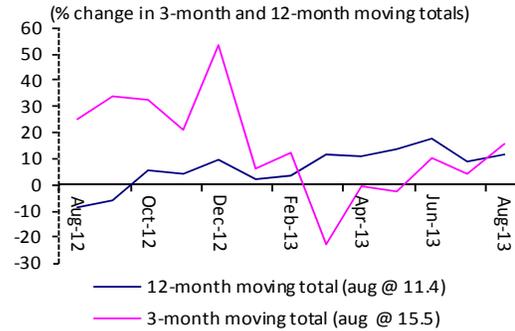
# Housing permits, office and apartment outlook, and value of property transfers

## Value of property transfers continues to increase

- For the 12-month period ending July, 4,231 housing unit building permits were issued, a 4.3% increase over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to fall to 9.1% over the next two years.



Value of real property transfers (including transfers of economic interest): August 2012 to August 2013



- Reis expects 6,546 new apartment units to be added to inventory in CY 2013 and CY 2014, and occupancy to grow by 6,232.
- The value of August property transfers was up by 15.5% from last year as measured by the 3-month moving total. The 12-month moving total (\$10.66 billion) was 11.4% higher than last year.

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

	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	4,231	1,378	556
change from 1 year ago	-191	487	1,473	1,632	173	18	157
% change from 1 year	-27.7	97.6	149.4	66.4	4.3	1.3	39.3

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory June 2013</b>					
Inventory (msf)	136.0	189.2	94.0	419.3	32.4
vacancy rate (%)	9.3	15.8	14.7	13.4	
<b>Estimated net activity to June 2015</b>					
new supply (msf)	2.8	4.2	1.2	8.2	34.1
new demand (msf)	2.8	3.7	1.3	7.8	35.9
<b>Estimated Inventory June 2015</b>					
vacancy rate (%)	9.1	15.7	14.4	13.3	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2008 to 2017

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
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	90,433	1,616	4.3	86,500	1,868
2013 est	92,855	2,422	3.9	89,237	2,737
2014 est	96,979	4,124	4.4	92,732	3,495
2015 est	99,072	2,093	4.7	94,380	1,648
2016 est	100,434	1,362	4.9	95,491	1,111
2017 est	101,867	1,433	5.0	96,723	1,232

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

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: August 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	10,665.2	3,602.8	1,068.9
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	1,093.0	484.7	353.0
% change from 1 year ago	-51.5	39.3	29.1	-5.6	11.4	15.5	49.3

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

# Hospitality

## Hotel revenue falls

● In July the 3-month moving total for hotel room-days sold was 3.4% less than a year earlier. The average room rate fell 2.3%, leading to 3.4% loss in room revenue.

● Employment in food services was 4.6% more in July than a year earlier as measured by the 3-month moving average. Hotel employment fell 1.0%, and retail lost 4.6%.

● May airline traffic into the DC area was down 0.1% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 7.6%.

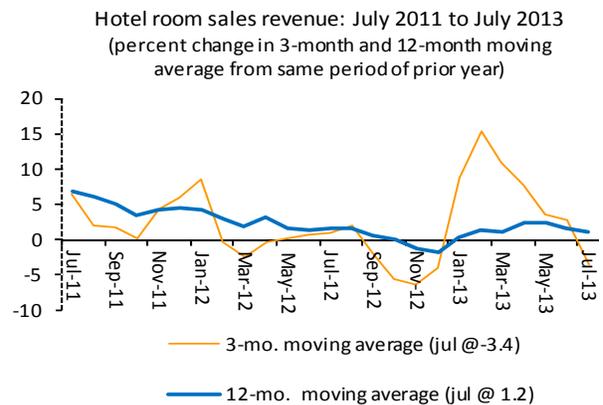


Table 19. Hospitality Industry: July 2013

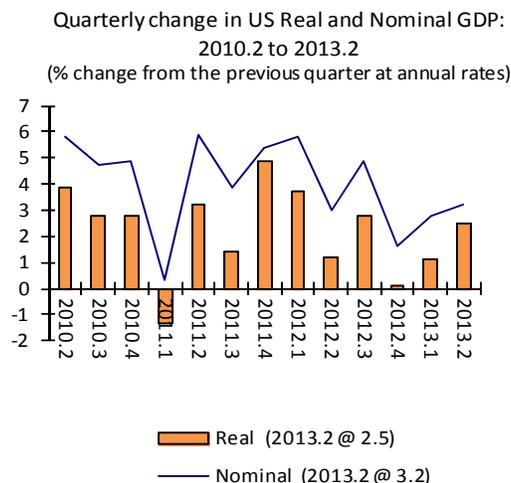
Indicator	Units	date	FY 2010	FY 2011	FY 2012	3-month		
						12-mo total or average*	moving total or average*	This month
<b>Hotel stays</b>								
Hotel room-days sold	('M)	jul	7.370	7.465	7.622	7.640	2.143	0.727
	1 yr ch		0.248	0.095	0.157	0.024	-0.024	0.000
	1 yr % ch		3.5	1.3	2.1	0.3	-1.1	0.0
Average room rate	\$	jul	199.12	206.60	203.51	207.20	206.79	182.36
	1 yr ch		-4.05	7.49	-3.09	1.71	-4.84	-3.54
	1 yr % ch		-2.0	3.8	-1.5	0.8	-2.3	-1.9
Occupancy rate (average)	%	jul	73.8	74.2	75.4	75.6	83.5	83.9
	1 yr ch		0.7	0.5	1.2	0.3	-1.6	-0.8
	1 yr % ch		0.9	0.6	1.6	0.4	-1.8	-0.9
Room revenue	(\$M)	jul	1,467.5	1,542.3	1,551.1	1583.0	443.2	132.2
	1 yr ch		20.5	74.8	8.8	18.0	-15.5	-3.0
	1 yr % ch		1.4	5.1	0.6	1.2	-3.4	-2.2
<b>Airline passengers</b>								
DCA	1 yr % ch	may	0.5	6.2	2.8	7.3	7.6	9.0
IAD	1 yr % ch	may	1.2	0.6	-2.9	-5.3	-5.7	-5.4
BWI	1 yr % ch	may	4.6	4.2	1.0	-0.4	-1.0	0.9
Total	1 yr % ch	may	2.1	3.4	0.1	0.1	-0.1	1.1
<b>Employment</b>								
Accommodations	level ('000)	jul	15.3	15.3	15.5	15.5	15.7	15.5
	1 yr ch		0.3	0.0	0.2	0.0	-0.2	0.0
	1 yr % ch		2.0	0.1	1.1	-0.2	-1.0	0.0
Food and bev	level ('000)	jul	37.0	39.3	42.7	43.7	46.0	45.7
	1 yr ch		1.2	2.3	3.3	1.5	2.0	1.8
	1 yr % ch		3.3	6.2	8.5	3.5	4.6	4.1
Arts and entertain.	level ('000)	jul	7.0	6.8	6.9	6.9	7.1	6.9
	1 yr ch		-0.1	-0.2	0.1	0.1	-0.4	-0.5
	1 yr % ch		-1.5	-2.5	1.5	0.9	-5.4	-6.8
Retail	level ('000)	jul	18.3	18.6	18.8	18.3	18.0	17.9
	1 yr ch		0.5	0.2	0.3	-0.5	-0.9	-0.8
	1 yr % ch		3.0	1.3	1.4	-2.6	-4.6	-4.3

\* Total for hotel rooms sold and room revenue

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

**Economic growth picked up in the June quarter**

- June was the 9th consecutive quarter of real GDP growth (newly revised series). The 2.5% annual rate of growth for the quarter was above average for the post-recession recovery.
- US employment (seas. adj.) increased by 149,000 in August.
- The US unemployment rate (seasonally adj.) fell to 7.3% in August.
- In August the S & P 500 index rose 0.1% from July, and was 19.0% above last year.
- Compared to a year earlier, inflation fell in August to 1.5% (sa).



**Table 20. US GDP, income, corporate profits, and inflation: 2013.2 and August 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	2013.2	Aug. 2013
US GDP real	2013.2	1 yr % ch	1.1	-3.9	1.8	1.9	2.3	2.0	1.6	
US GDP nominal	2013.2	1 yr % ch	3.4	-2.6	2.8	4.0	4.2	3.7	3.1	
US Personal income	2013.2	1 yr % ch	5.6	-3.4	1.5	5.4	3.3	3.7	3.0	
US wages	2013.2	1 yr % ch	3.4	-3.5	0.4	4.0	3.1	3.9	3.2	
Corporate profits	2013.2	1 yr % ch	-11.2	-12.2	35.9	9.1	8.4	4.0	5.0	
S and P stock index	aug	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	17.2	19.2	19.0
US CPI	aug	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	1.7	1.4	1.5
Balt//Wash. area CPI	jul	1 yr % ch	5.0	0.3	1.7	3.0	2.4	1.8	na	1.9

Source: BEA (data revised as of August 29, 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: 2011.4 to 2013.2**

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

Indicator	units	calendar year quarter						
		2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2
US GDP real	% ch from prior Q at saar	4.9	3.7	1.2	2.8	0.1	1.1	2.5
US GDP nominal	% ch from prior Q at saar	5.4	5.8	3.0	4.9	1.6	2.8	3.2
Wages and salaries	% ch from prior Q at saar	-2.4	11.1	1.8	1.8	10.5	-2.6	3.1
Personal income	% ch from prior Q at saar	0.6	7.4	3.0	1.5	10.8	-4.2	3.9

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on August 29, 2013

**Table 22. Monthly selected US Indicators: February 2013 to August 2013**

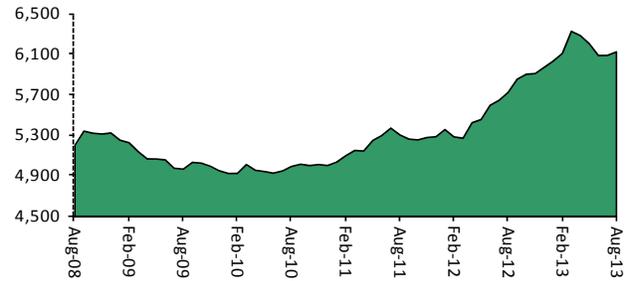
Indicator	Feb	Mar	Apr	May	June	July	August
S and P stock index (level)	1512	1551	1571	1640	1619	1668	1670
% change from prior month	2.2	2.5	1.3	4.4	-1.3	3.0	0.1
% change from 1 year ago	11.8	11.6	13.3	22.3	22.3	22.6	19.0
10 yr. Treasury Interest rate (level)	1.97	1.95	1.73	1.92	2.29	2.57	2.73
CPI % ch from prior month (seasonally adjusted)	0.68	-0.18	-0.37	0.15	0.48	0.16	0.09
CPI % ch from prior year (seasonally adjusted)	1.98	1.48	1.11	1.39	1.76	1.96	1.52
Jobs (seasonally adjusted level, in millions)	135.17	135.31	135.51	135.69	135.86	135.96	136.11
change from prior month (thousands)	332	142	199	176	172	104	149
% change from prior month	0.25	0.11	0.15	0.13	0.13	0.08	0.11
Resident employment (season. adj. level, in mil.)	143.49	143.29	143.58	143.90	144.06	144.29	144.17
change from prior month (thousands)	170	-206	293	319	160	227	-115
% change from prior month	0.12	0.06	0.20	0.22	0.11	0.16	-0.08
Unemployment rate (seasonally adj.)	7.7	7.6	7.5	7.6	7.6	7.4	7.3

Source: BLS and Yahoo! Finance.

## DC tax collections

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

August 2013 @ \$6,125M



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

Tax	Revenue (from CAFR)			Tax collections			
	FY 2010	FY 2011	FY 2012	12-month moving total	FY 2013 to date	3-month moving total	This month
<b>Total taxes</b>	5,005.2	5,325.3	5,861.8	6,125.4	4,867.7	1,172.7	398.8
1 year change	-47.0	320.1	536.5	400.4	270.1	-80.0	35.1
% change	-0.9	6.4	10.1	7.0	5.9	-6.4	9.7
<b>Real property</b>	1,821.5	1,715.1	1,822.0	1,869.7	1,087.0	107.0	86.9
1 year change	-1.2	-106.4	106.9	60.4	48.9	1.1	6.4
% change	-0.1	-5.8	6.2	3.3	4.7	1.1	8.0
<b>General sales</b>	976.7	1,014.9	1,111.0	1,121.2	1,041.1	291.7	86.7
1 year change	1.8	51.7	67.6	28.9	21.5	-21.0	-11.6
% change	0.3	3.9	9.5	2.6	2.1	-6.7	-11.8
<b>Individual income</b>	1,110.4	1,296.6	1,490.7	1,667.0	1,491.1	383.0	109.0
1 year change	-25.5	186.2	194.1	234.8	194.5	33.6	21.3
% change	-2.2	16.8	15.0	16.4	15.0	9.6	24.3
<b>withholding</b>	1,073.8	1,192.2	1,321.6	1,400.8	1,287.2	336.6	111.2
1 year change	52.6	118.3	129.5	117.1	95.3	24.2	18.5
% change	5.2	11.0	10.9	9.1	8.0	7.8	20.0
<b>non-withholding</b>	36.6	104.4	169.1	266.2	203.9	46.5	-2.2
1 year change	-78.1	67.8	64.6	117.7	99.2	9.4	2.8
% change	-68.1	185.2	61.9	79.2	94.8	25.3	na
<b>Corporate income</b>	207.3	216.3	302.9	313.4	247.6	53.5	3.5
1 year change	-14.6	9.0	86.6	32.6	8.2	-8.7	-1.9
% change	-6.6	4.3	40.1	11.6	3.4	-14.0	-35.4
<b>Unincorporated Bus.</b>	116.4	143.4	163.0	160.5	135.3	26.9	1.8
1 year change	-3.9	27.0	19.6	-0.3	2.0	2.6	-0.5
% change	-3.2	23.2	13.6	-0.2	1.5	10.7	-22.4
<b>Deed taxes*</b>	225.6	311.2	306.6	348.2	330.3	110.6	47.1
1 year change	38.2	85.6	-4.5	43.1	50.1	9.1	26.6
% change	20.4	37.9	-1.5	14.1	17.9	8.9	130.3
<b>Other taxes</b>	547.3	627.8	665.5	645.5	535.3	199.9	63.9
1 year change	-43.3	80.6	37.7	1.0	-55.0	-96.6	-5.2
% change	-7.3	14.7	6.0	0.2	-9.3	-32.6	-7.5

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

Note: (1) Revenue for the fiscal years shown is consistent with the CAFR for those respective years.

(2) Tax collections data subject to accounting adjustments.

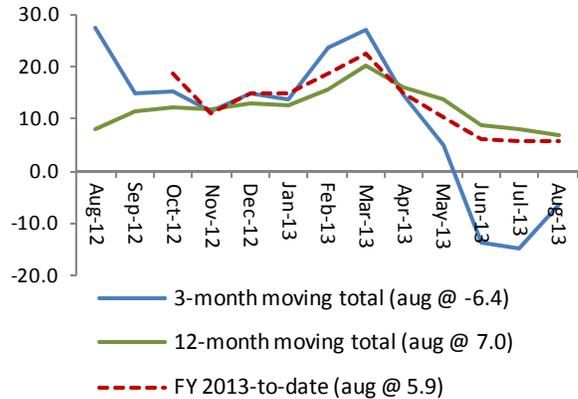
(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORR      na=not applicable due to negative numbers

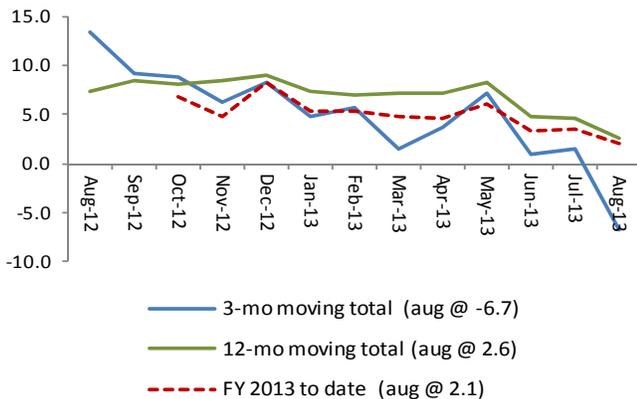
**Tax collections have slowed in recent months, but growth is positive for the fiscal year**

- For FY 2013 through August (an 11-month period), tax collections (before earmarking) were \$270 million (5.9%) more than a year earlier. However, the percent gain over last year has been falling; collections for the last 3 months were 6.4% below last year.
- Thus far in FY 2013, individual income tax collections are 15.0% above last year and account for almost three-quarters of the gain in all collections over last year. Withholding growth had been falling but has risen 7.8% for the past 3 months.
- General sales collections for FY 2013 through August were 2.1% above last year. For the past 3 months they were 6.7% below last year.
- For FY 2013 deed tax collections were up 17.9% from the prior year; but for the past 3 months they were 8.9% above the prior year.

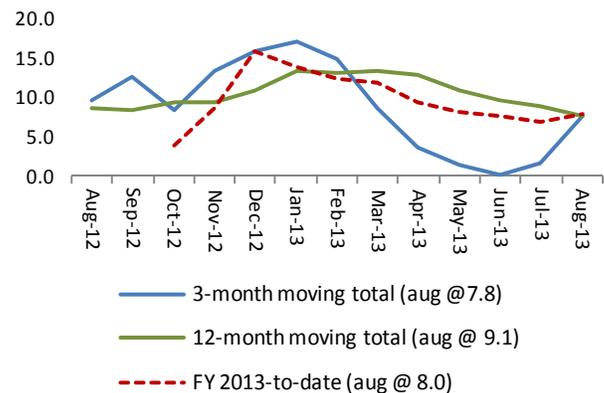
**Total tax collections (before earmarks):  
August 2012 to August 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



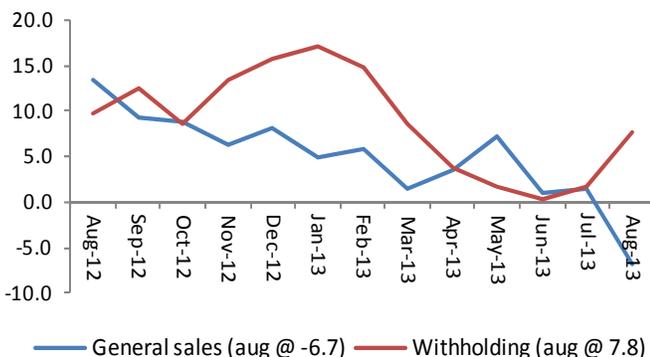
**General Sales tax collections (before earmarks):  
August 2012 to August 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



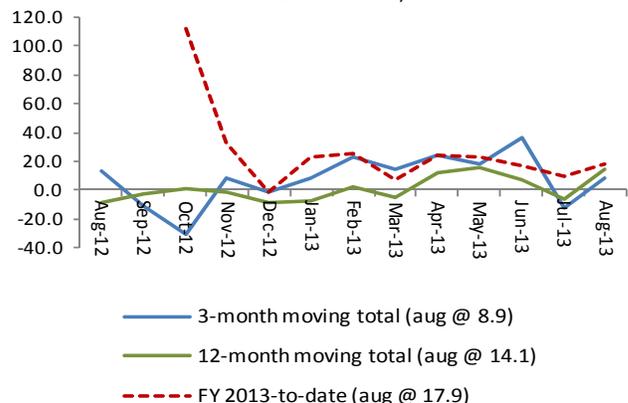
**Withholding for the Individual Income tax:  
August 2012 to August 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



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



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



## US economic forecasts

### The September Blue Chip Indicators increased its outlook for FY 2013 and FY 2014

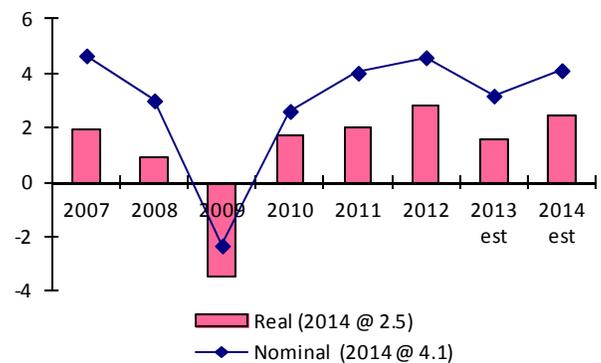
- The September Blue Chip Indicators increased its FY 2013 forecast for real GDP growth to 1.6%, and its FY 2014 forecast to 2.5%.
- The September Blue Chip Indicators forecast for inflation (CPI) remained the same for FY 2013 (1.6%) and increased slightly for FY 2014 (to 1.8%).
- S and P 500: The range of August forecasts for the change in the last quarter of 2013 compared to the last quarter of 2012: 7.2% to 19.3%.

Table 24. Forecasts for US nominal and real GDP:

Forecast and date	real			nominal		
	2012	2013	2014	2012	2013	2014
<b>Congressional Budget Office</b>						
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
<b>Blue Chip</b>						
June	2.3	1.8	2.5	4.2	3.4	4.3
July	2.3	1.6	2.5	4.2	3.2	4.2
August	2.8	1.5	2.4	4.6	3.1	4.1
September	2.8	1.6	2.5	4.6	3.2	4.1

Sources: Blue Chip Indicators and the Congressional Budget Office.

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



S and P 500 stock index actual and alternative forecasts: 2006.4 to 2014.4  
(August forecasts; value of index)

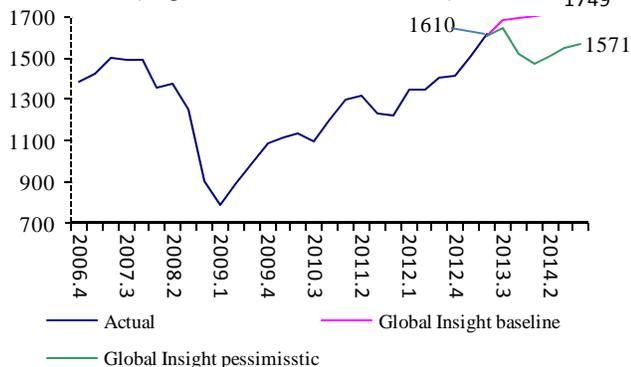


Table 25. Forecasts for S and P 500: 2012.4 to 2014.4

Forecast date	% change from prior year			% change from prior year		
	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
<b>Global Insight: baseline</b>						
May	15.7	13.8	3.7	15.7	-2.2	8.4
June	15.7	14.4	3.6	15.7	-1.0	7.6
July	15.7	15.5	4.7	15.7	0.0	8.7
August	15.7	19.3	3.3	15.7	7.2	3.4
<b>Economy.com baseline</b>						
May	15.7	11.2	2.5	15.7	7.8	1.4
June	15.7	12.9	2.4	15.7	9.5	1.2
July	15.7	13.7	-0.2	15.7	10.5	0.9
August	15.7	13.7	-0.2	15.7	13.7	-4.4

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
Jun	2.5	1.7	1.8	1.9	1.9	2.4
Jul	2.5	1.6	1.7	1.9	2.0	2.7
Aug	2.5	1.6	1.7	1.9	2.1	2.9
Sep	2.5	1.6	1.8	1.9	2.1	3.0

Source: Blue Chip Indicators

**August forecasts for DC by IHS Global Insight and Moody's Economy.com did not change much**

The biggest changes in August are slight increases in income in most forecasts.

- **Employment:** The range of change in wage and salary employment for FY 2013 is 4,139 to 4,341; and for FY 2014: 2,167 to 7,015.
- **Unemployment:** . The unemployment rate forecast range for FY 2013 is 8.5%. For FY 2014 the range is 8.3% to 8.9%.
- **Wages earned in DC:** The range in growth from the prior year: 0.7% to 2.1% in FY 2013, picking up to 2.4% to 4.8% in FY 2014.
- **Wages earned by DC residents:** The range in growth from the prior year: -1.4% to 2.0% in FY 2013, and -1.2% to 4.0% in FY 2014. Both forecasts still anticipate that the growth in resident wages in FY 2013 and FY 2014 will be lower than those for growth in wages earned in DC, a reversal of recent trends.

**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
May	6,659	5,563	8,382	6,658	5,083	5,144	6,658	4,588	4,718	6,658	4,361	-245
Jun	6,659	5,929	8,681	6,658	5,671	5,974	6,658	4,887	4,663	6,658	4,625	-668
Jul	6,659	4,307	6,964	6,658	4,155	4,466	6,658	4,963	5,548	6,658	4,719	484
Aug	6,659	4,331	7,015	6,658	4,139	4,475	6,658	4,341	5,380	6,658	4,291	2,167

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
May	9.3	8.5	8.4	9.3	8.6	8.9	9.3	8.4	8.3	9.3	8.5	9.9
Jun	9.3	8.5	8.4	9.3	8.6	8.8	9.3	8.5	8.3	9.3	8.6	9.9
Jul	9.3	8.5	8.4	9.3	8.5	8.8	9.3	8.4	8.2	9.3	8.5	9.8
Aug	9.3	8.5	8.5	9.3	8.5	8.8	9.3	8.5	8.3	9.3	8.5	8.9

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
May	2.1	0.3	4.8	2.1	0.1	3.3	2.1	2.1	5.5	2.1	2.0	4.0
Jun	2.1	-0.8	3.5	2.1	-0.9	2.2	2.1	1.7	4.7	2.1	1.6	3.2
Jul	2.1	0.6	3.7	2.1	0.5	2.5	2.1	1.7	4.8	2.1	1.6	3.4
Aug	2.1	0.9	3.6	2.1	0.7	2.4	2.1	2.1	4.8	2.1	2.1	4.1

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
May	3.2	-3.0	4.8	3.2	-3.4	1.5	3.2	1.5	4.2	3.2	1.5	3.2
Jun	3.2	-5.5	0.5	3.2	-5.8	-2.4	3.2	1.2	3.7	3.2	1.2	2.6
Jul	3.3	-1.8	1.7	3.3	-2.1	-1.1	3.2	1.2	3.9	3.2	1.1	2.9
Aug	3.3	-1.2	1.5	3.3	-1.4	-1.2	3.3	2.0	4.0	3.3	2.0	3.4

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 June revenue estimate adds to revenue growth in FY 2013 and FY 2014

• Anticipated tax revenue growth of \$187.4 million in FY 2013 and \$159.2 million in FY 2014 (gains of 3.2% and 2.6%, respectively) are significantly lower than that which occurred in FY 2012 (\$536.5 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.

• The individual income tax accounts for about 70% of growth in FY 2013, and real property accounts for 49% of the growth in FY 2014.

• As a share of DC Personal Income, tax collections in FY 2013 through FY 2015 are about the same as in FY 2012.

Table 31. DC Tax Revenue (before earmarks) for FY 2012 through FY 2014: June 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	1,889.8	1,967.5	106.9	67.8	77.7	6.2	3.7	4.1
Deed taxes	306.6	305.4	317.1	-4.5	-1.3	11.7	-1.5	-0.4	3.8
General sales	1,111.0	1,155.5	1,190.1	96.1	44.4	34.7	9.5	4.0	3.0
Individual income	1,490.7	1,621.6	1,642.1	194.1	130.9	20.5	15.0	8.8	1.3
Withholding	1,321.6	1,412.6	1,434.6	129.5	91.0	22.0	10.9	6.9	1.6
non-withholding	169.1	209.0	207.4	64.6	39.9	-1.5	61.9	23.6	-0.7
Business income	465.9	469.7	476.6	106.2	3.8	6.8	29.5	0.8	1.5
Other	665.5	607.2	615.0	37.7	-58.3	7.8	6.0	-8.8	1.3
Total	5,861.8	6,049.2	6,208.4	536.5	187.4	159.2	10.1	3.2	2.6

Source: ORA. June 24, 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	730,025	734,531	733,901
1 year change	6,658	4,506	-631
% change	0.9	0.6	-0.1
DC resident employment	323,512	340,451	341,156
1 year change	11,396	16,940	705
% change	3.7	5.2	0.2
Unemployment rate	9.3	8.6	9.5

Source: ORA June 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	2.1	0.0	1.4
Wages and salaries earned by DC residents	3.2	4.7	1.7
DC Personal income	3.8	4.2	2.3
S and P 500 stock index	15.7	2.8	4.7

Source: ORA June 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

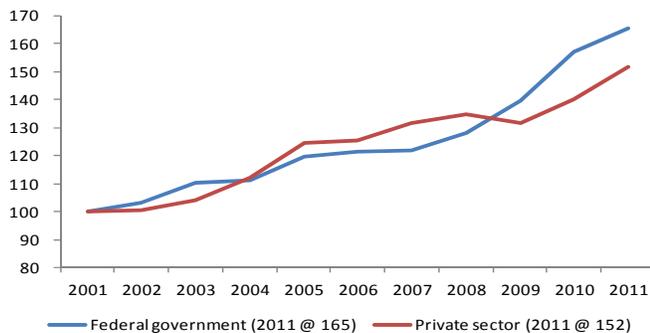
item	2006	2007	2008	2009	2010	2011	2012	2013 est	2014 est	2015 est
<b>Tax revenue (\$ million)</b>										
Level	4,516	5,155	5,325	5,052	5,005	5,325	5,862	6,049	6,208	6,382
Change from prior year	267	638	170	-273	-47	320	537	187	159	174
<b>Percent change from prior year</b>										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	10.1	3.2	2.6	2.8
Personal Income	8.2	8.1	9.6	0.4	4.1	6.8	3.8	4.2	2.3	3.3
<b>Tax revenue as percent of Personal Income</b>	13.3	14.0	13.2	12.5	11.9	11.8	12.5	12.4	12.5	12.4

Source: ORA. June 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.

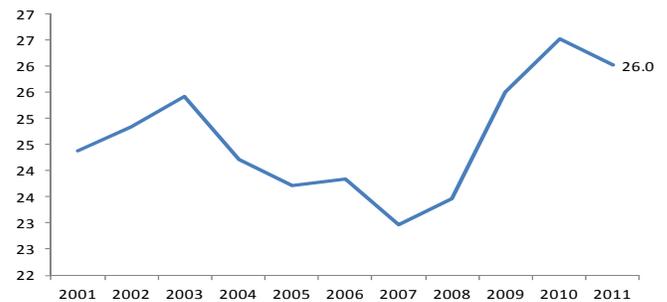
Over the decade from 2001 to 2011, withholding from the private sector increased less than that from the federal government—52% to 65%. Although withholding from the private sector grew more quickly than from the federal government in the six years before the US recession that began in December 2007, there was no net increase at all from the private sector in the recession years 2007 to 2009. From 2009 to 2011 private sources grew close to the same pace as federal ones—15.3% versus 18.4%. Withholding from earnings in hospital and university employment outpaced that from other parts of the private sector for the decade.

—Stephen Swaim and Philip Sung, ORA, assisted by Betty Alleyne, Kelly Dinkins, and Daniel Muhammad

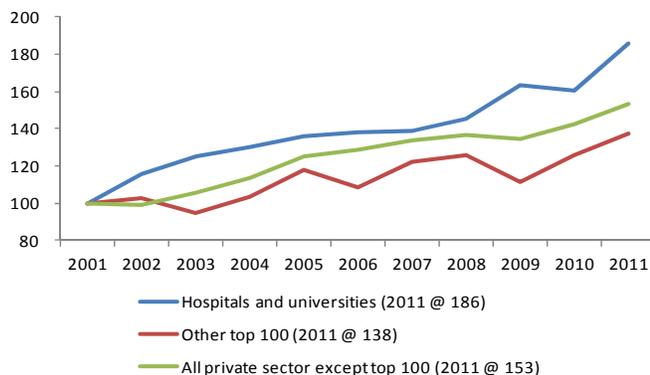
**Withholding derived from federal government and private sector earnings: 2001 to 2011** (Index numbers: 2001 = 100)



**Percent share of DC individual income tax withholding derived from federal government earnings: 2001 to 2011** (Total excludes DC and other state and local governments)



**Withholding derived from earnings in private sector components: 2001 to 2011** (Index numbers: 2001 = 100)



**Industry source of earnings for amounts withheld for the DC Individual Income Tax in tax year 2011.**

Sector	\$ million	% of total
Federal government	295.0	24.5
DC and area state and local governments	71.1	5.9
DC	59.8	5.0
Other	11.3	0.9
Private sector	838.7	69.6
Top 100 private	195.1	16.2
Hospitals and universities	49.3	4.1
Other top 100	145.8	12.1
All other private	643.6	53.4
Total	1,204.8	100.0

Source: OCFO

**Industry source of earnings for amounts withheld for the DC Individual Income Tax: selected years from tax year 2001 to tax year 2011\***

Sector	Amount of collections tax (calendar) year (\$M)				change for selected periods							
					Amount of change (\$ M)				Percent change (%)			
	2001	2007	2009	2011	01 to 07	07 to 09	09 to 11	01 to 11	01 to 07	07 to 09	09 to 11	01 to 11
Federal government	178.4	217.0	249.1	295.0	38.7	32.1	45.9	116.6	21.7	14.8	18.4	65.4
All private	553.0	727.7	727.4	838.7	174.7	-0.3	111.3	285.7	31.6	0.0	15.3	51.7
top 100 private sector	132.5	166.5	161.4	195.1	34.1	-5.1	33.7	62.6	25.7	-3.1	20.9	47.3
Hospitals and Universities	26.5	36.7	43.3	49.3	10.2	6.5	6.0	22.8	38.5	17.8	13.9	85.8
Other top 100	105.9	129.8	118.1	145.8	23.8	-11.7	27.7	39.8	22.5	-9.0	23.4	37.6
All other private	420.5	561.2	566.0	643.6	140.7	4.8	77.6	223.1	33.4	0.9	13.7	53.1
<b>total</b>	<b>731.4</b>	<b>944.8</b>	<b>976.6</b>	<b>1133.7</b>	<b>213.4</b>	<b>31.8</b>	<b>157.2</b>	<b>402.4</b>	<b>29.2</b>	<b>3.4</b>	<b>16.1</b>	<b>55.0</b>
	Percent distribution of collections				Percent distribution of change							
Federal government	24.4	23.0	25.5	26.0	18.1	100.8	29.2	29.0				
All private	75.6	77.0	74.5	74.0	81.9	-0.9	70.8	71.0				
top 100 private sector	18.1	17.6	16.5	17.2	16.0	-16.0	21.4	15.6				
Hospitals and Universities	3.6	3.9	4.4	4.3	4.8	20.6	3.8	5.7				
Other top 100	14.5	13.7	12.1	12.9	11.2	-36.6	17.6	9.9				
All other private	57.5	59.4	58.0	56.8	65.9	15.2	49.4	55.4				
<b>total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>				

\*Note: excludes withholding from the District of Columbia and other state and local jurisdictions because consistent data is not available for all years.

Source: OCFO. The tax year is the calendar year in which tax liabilities were incurred.

## 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](http://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, June 24, 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 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 to two months prior to the *Trends* date (the September report has mostly June and July 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](http://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	July	September 20
D.C. Personal Income	BEA	2013.1	September 30
D.C. Tax Collections	OTR/ORA	August	October 15
D.C. Housing Sales	MRIS*	August	c October 10
D.C. Commercial Office Building data	Delta Associates	2013.2	c October 1
DC Apartment data	Reis, inc	2013.2	c November
D.C. Hotel stay information	Smith Travel Research	July	c. September 30
Consumer Price Index	BLS	August	October 16
U.S. Jobs and Labor Force	BLS	July and August	October 4
U.S. GDP and Personal Income	BEA	2013.2	September 26
S and P 500 Stock Index	Financial press	August	October 1
Interest rate on 10-Year Treasury Securities	Financial press	August	October 1
IHS Global Insight D.C. forecast	Global Insight	August	c. September 25
Moody's Economy.com D.C. forecast	Economy.com	August	c. September 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	September	October 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](mailto: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](http://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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