

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



Vincent C. Gray, Mayor
Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
Stephen C. Swaim, Senior Economist

District of Columbia Economic and Revenue Trends: *August 2011*

Contents

Wage and salary employment2	
Sectors of the DC economy3	
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	
Hospitality10	
US economy and inflation11	
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	

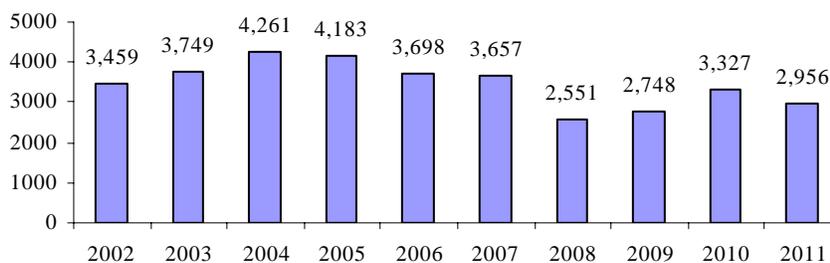
Spring home sales in DC were down 11% from 2010

The value of all sales declined only 4%, as the average selling price of single family homes rose 12%

In the 5 months from March through July of this year, 2,956 single family and condominium homes were sold through brokered sales. Sales in this period of the year were down by 11.2% from the same period in 2010. Other spring sale comparisons:

- 2011 sales were 15.9% higher than in the same period of 2008, the first spring after the beginning of the US recession and the low point of spring sales over the past 10 years.
- Spring sales in 2011 were 30.6% below the peak year of 2004, and 14.5% below the average (3,459) for the past 10 years.

Spring home sales in DC: 2002 to 2011
(number of homes sold from March through July)



The total value of home sales reflects the type and price of homes as well as the number of homes sold. The proportion of homes sold that were single family units in the spring of 2011 rose from the prior year as did the average price of those units. As a result, the value of home sales in the spring 2011 sales was only 4.0% less than for sales in the spring of 2010.
(Continued on p. 17)

Spring sales of single family and condominium homes: 2005 to 2011

(number and value of sales for the months of March, April, May, June, and July)

item	2005	2006	2007	2008	2009	2010	2011
Number of sales	4,183	3,698	3,657	2,551	2,748	3,327	2,956
% change from prior year	-1.8	-11.6	-1.1	-30.2	7.7	21.1	-11.2
Value of sales (\$ million)	2,249.3	2,014.8	2,016.8	1,436.8	1,381.5	1,677.3	1,610.3
% change from prior year	18.6	-10.4	0.1	-28.8	-3.9	21.4	-4.0
Single family sales % of total	55.2	55.5	48.5	52.9	56.8	58.0	59.7

Source: Metropolitan Regional Information Systems, Inc.(MRIS). Data are for closed (settled) sales.

Wage and salary employment

DC employment in June was less than a year earlier

• June wage and salary employment in DC was down by 1,567 (-0.2%) from a year earlier as measured by the 3-month moving average. This is the first year-over-year decline in 16 months.

• Federal government employment for June was up by 833 (0.4%), the smallest year-over-year increase in 3 1/2 years. Private sector jobs were down by 2,200 (-0.5%).

• Total year-over-year job growth for the DC metropolitan area was only 5,767 (0.2%) in June as measured by the 3-month moving average.

• Suburban Washington employment was up 0.3% in June from a year earlier.

• Seasonally adjusted wage and salary employment in DC increased in June by 300 (0.0%) from May.

Change in wage and salary employment located in DC, the DC suburbs, and the US: June 2009 to June 2011

(% change from prior year in 3-month moving average)

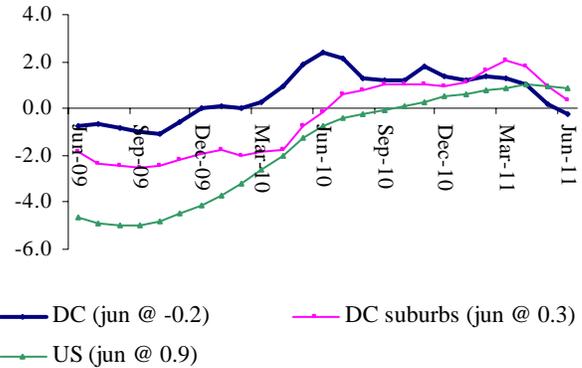


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: June 2011

Jurisdiction	FY 2008	FY 2009	FY 2010	12-mo avg	3-mo moving average	This month
District of Columbia	702,775	701,742	708,408	712,758	712,500	713,300
1 year change	11,067	-1,033	6,667	6,467	-1,567	-1,800
% change	1.6	-0.1	1.0	0.9	-0.2	-0.3
Washington metro area	3,005,692	2,966,558	2,956,700	2,979,150	2,988,033	2,997,400
1 year change	21,575	-39,133	-9,858	30,300	5,767	-3,700
% change	0.7	-1.3	-0.3	1.0	0.2	-0.1
Washington suburbs (% ch)	0.5	-1.7	-0.7	1.1	0.3	-0.1
US (% ch)	0.1	-3.8	-1.9	0.5	0.9	0.9

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.
Source: BLS. June data is preliminary

Table 2. Federal government and private sector wage and salary employment in DC: June 2011

Sector	FY 2008	FY 2009	FY 2010	12-mo avg	3-month moving average	This month
Federal government	192,767	198,050	207,758	210,617	211,033	212,100
1 year change	1,825	5,283	9,708	4,942	833	-1,200
% change	1.0	2.7	4.9	2.4	0.4	-0.6
Private sector	468,458	463,050	463,858	465,808	466,967	466,800
1 year change	7,475	-5,408	808	3,692	-2,200	-600
% change	1.6	-1.2	0.2	0.8	-0.5	-0.1

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

Table 3. Seasonally adjusted DC Employment: December 2010 to June 2011

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
D.C. Wage and Salary employment	714,100	715,400	714,700	713,600	715,300	712,500	712,800
change from prior month	-800	1,300	-700	-1,100	1,700	-2,800	300
% change from prior month	-0.1	0.2	-0.1	-0.2	0.2	-0.4	0.0

Source: BLS seasonally adjusted. June is preliminary

Sectors of the economy

Temporary employment increased more in June than any other part of DC's private sector

● In June temporary employment once again led private sector growth with a 1,200 (9.9%) gain over the previous year as measured by 3-month moving averages.

● Other private industries showing gains over the year include non-legal professional and technical services (867), health (567), legal services (467), and construction (133).

● Industry sectors losing jobs include food service (-1,333), retail trade (-1,200), organizations (-1,133), and finance (-700).

● Local government declined by 200.

Public and private sector wage and salary employment in DC: June 2009 to June 2011
(% change from prior year in 3-month moving average)

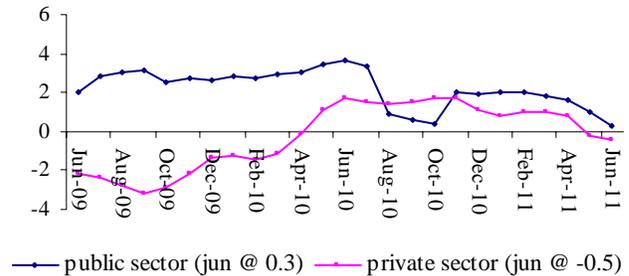


Table 4. Wage and salary employment located in DC: June 2011

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jun 2011	DC share (%) in Jun 2011 of all sector jobs in:		Change from Jun 2010 to Jun 2011 in DC share of sector jobs in:	
	Jun 2010	Jun 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	210,200	211,033	833	0.4	2.4	29.6	55.6	7.42	0.50	0.85
Local government	34,700	34,500	-200	-0.6	-5.6	4.8	11.1	0.18	-0.08	0.00
Legal services	32,667	33,133	467	1.4	-1.1	4.7	na	2.98	na	0.04
Other Professional and technical	69,200	70,067	867	1.3	2.0	9.8	22.0	1.08	-0.05	-0.02
Employment services	12,167	13,367	1,200	9.9	14.1	1.9	35.2	0.46	2.05	0.01
Other Business services	34,633	34,433	-200	-0.6	-1.0	4.8	18.3	0.52	-0.58	-0.01
Information	18,533	18,633	100	0.5	0.5	2.6	24.0	0.69	0.39	0.01
Finance	27,000	26,300	-700	-2.6	-3.0	3.7	17.7	0.35	-0.66	-0.01
Organizations	58,167	57,033	-1,133	-1.9	-1.1	8.0	35.7	1.89	0.01	-0.08
Education	48,200	47,933	-267	-0.6	3.8	6.7	49.5	1.49	-1.22	-0.04
Health	60,400	60,967	567	0.9	1.9	8.6	23.1	0.36	0.32	0.00
Food service	38,500	37,167	-1,333	-3.5	0.7	5.2	19.9	0.39	-0.92	-0.02
Accommodations	15,567	15,100	-467	-3.0	-1.6	2.1	38.6	0.83	-0.99	-0.05
Amusement and recreation	7,467	7,367	-100	-1.3	2.3	1.0	17.9	0.37	-0.42	0.00
Retail trade	18,467	17,267	-1,200	-6.5	-1.7	2.4	6.7	0.12	-0.57	-0.01
Wholesale trade	4,733	4,700	-33	-0.7	1.3	0.7	7.4	0.08	-0.04	0.00
Construction	10,733	10,867	133	1.2	0.5	1.5	8.0	0.20	0.44	0.00
Personal and miscellaneous ser.	7,167	7,033	-133	-1.9	-0.5	1.0	na	0.29	na	-0.01
Other private	5,567	5,600	33	0.6	-2.4	0.8	5.1	0.03	0.14	0.00
Total	714,067	712,500	-1,567	-0.2	0.9	100.0	23.8	0.54	-0.10	-0.01
<i>Public sector</i>	244,900	245,533	633	0.3	1.1	34.5	35.5	1.10	0.17	0.03
<i>Private sector</i>	469,167	466,967	-2,200	-0.5	0.8	65.5	20.3	0.43	-0.16	-0.01
<i>Professional and all business</i>	194,200	195,933	1,733	0.9	0.8	27.5	21.2	0.88	-0.13	-0.01
<i>Education, health, and orgs.</i>	166,767	165,933	-833	-0.5	1.4	23.3	30.7	0.55	0.02	-0.01
<i>Hospitality and trade</i>	84,733	81,600	-3,133	-3.7	-0.1	11.5	13.9	0.24	-0.67	-0.01
<i>Other private sector</i>	23,467	23,500	33	0.1	-0.5	3.3	9.5	0.09	0.33	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")

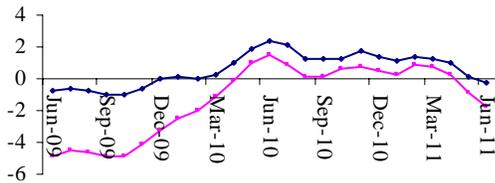
Resident employment

June was a bad month for DC resident employment

- In June DC resident employment declined 5,431 (-1.8%) from a year earlier as measured by the 3-month moving average.
- DC's labor force declined 2,946 (-0.9%) in June compared to a year earlier.
- In June the unemployment rate (seasonally adjusted) increased to 10.4% from May's 9.8%.
- Initial unemployment insurance claims were up 13.7% over last year.

Jobs located in DC and DC resident employment:

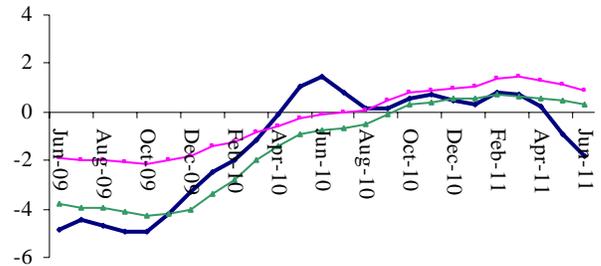
June 2009 to June 2011
(% change from prior yr. in 3-mo. moving avg.)



— jobs in DC (jun @ -0.2) — DC res. jobs (jun @ -1.8)

Resident employment in DC, the DC suburbs, and the US: June 2009 to June 2011

(% change from prior year in 3-month moving average)



— DC (jun @ -1.8) — DC suburbs (jun @ 0.9) — US (jun @ 0.3)

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

June 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	June 2010	June 2011	June 2010	June 2011
US	9.6	9.3	9.5	9.2
DC metro area	6.3	6.2	na	na
DC	10.2	11.9	9.8	10.4
DC suburbs	5.8	5.5	na	na

Source: U.S. Bureau of Labor Statistics na= data not available

Table 6. Resident employment and unemployment: June 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
DC Labor force						
Resident employment	314,290	302,525	300,332	299,826	298,548	296,074
1 year change	5,054	-11,766	-2,193	-388	-5,431	-8,423
% change	1.6	-3.7	-0.7	-0.1	-1.8	-2.8
Labor Force	334,303	332,138	334,068	332,886	333,472	335,909
1 year change	7,283	-2,165	1,929	-1,165	-2,946	-3,198
% change	2.2	-0.6	0.6	-0.3	-0.9	-0.9
Unemployed	20,013	29,614	33,736	33,060	34,924	39,835
1 year change	2,229	9,600	4,122	-777	2,485	5,225
% change	12.5	48.0	13.9	-2.3	7.7	15.1
Unemployment rate	6.0	8.9	10.1	9.9	10.5	11.9
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,515	2,203	1,799	2,054	1,931	2,262
1 year change	213	688	-404	191	233	318
% change	16.4	45.4	-18.3	10.3	13.7	16.4
Weeks compensated (mo. avg.)	34,738	54,474	53,592	47,327	43,385	48,800
1 year change	8,170	19,736	-881	-10,405	-4,276	-4,923
% change	30.8	56.8	-1.6	-18.0	-9.0	-9.2

Source: Labor force (BLS, preliminary for June.). Unemployment Insurance (US Dept of Labor). Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: December 2010 to June 2011

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
DC Resident employment	299,272	300,571	302,678	302,566	302,547	301,770	298,207
change from prior month	220	1,299	2,107	-112	-19	-777	-3,563
% change from prior month	0.1	0.4	0.7	0.0	0.0	-0.3	-1.2
DC Unemployment rate (%)	9.6	9.6	9.5	9.5	9.6	9.8	10.4

Source: BLS seasonally adjusted. June is preliminary.

Wages and income

Revised data shows wage growth in DC continuing in the 3% to 4% range

•Wages earned in the District of Columbia were 3.1% higher in the March quarter compared to the same quarter of 2010.

•In the March quarter, DC Personal Income was 4.3% above a year earlier, and estimated wages of DC residents were 3.6% higher.

•In the March quarter, the private sector accounted for \$1.01 billion (56%) of the increase in wages earned in DC. This was the 5th quarter in a row in which private sector wages were greater than in the same quarter a year earlier.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2008.1 to 2011.1
(% change from the same quarter of the prior year)

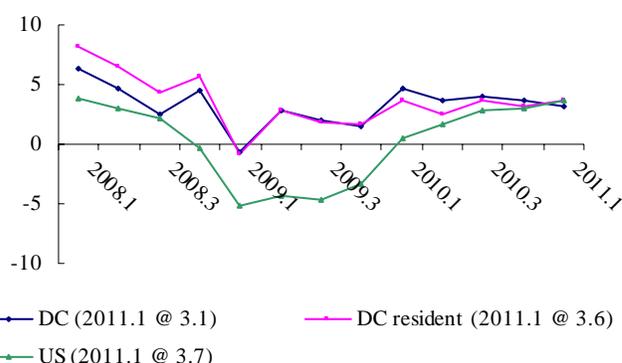


Table 8. DC Wages and Personal Income: March 2011
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average	Latest quarter (Mar)
Wages and salaries earned in DC	54.28	55.46	57.36	58.31	58.91
1 year change	2.48	1.18	1.90	2.01	1.79
% change	4.8	2.2	3.4	3.6	3.1
Supplements to wages & salaries	15.26	16.17	16.95	17.28	17.56
% change	4.6	6.0	4.9	4.3	3.2
Proprietors' income earned by DC residents*	5.58	5.71	5.70	5.80	5.88
% change	12.8	2.2	-0.2	3.0	3.5
Wages and salaries of DC residents***	20.63	21.11	21.72	22.08	22.34
change from one year ago	1.29	0.48	0.61	0.69	0.78
% change	6.6	2.3	2.9	3.2	3.6
Income earned by DC residents	29.2	30.0	30.8	31.4	32.0
% change	7.6	2.7	2.4	3.5	4.5
Property income of DC residents	6.47	6.46	6.39	6.47	6.62
% change	12.9	-0.2	-1.0	1.8	3.1
Pensions and other transfer payments of DC res.	4.24	4.67	5.11	5.25	5.32
% change	8.6	10.1	9.5	6.1	4.7
DC Personal Income**	39.95	41.15	42.26	43.09	43.93
1 year change	3.13	1.21	1.11	1.47	1.83
% change	8.5	3.0	2.7	3.5	4.3
US Personal income	5.0	-1.1	1.8	3.6	4.7
US Wages and salaries	3.5	-3.6	0.4	2.8	3.7
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.54	-0.21	0.70	1.02	1.01
Federal government (1 yr ch, \$B)	0.85	1.16	1.16	0.96	0.71
DC res. wages as % of wages earned in DC	38.0	38.1	37.9	37.9	37.9

* 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 22, 2011

Single family and condominium home sales

In July, sales were down and average selling prices (especially for single family units) were up

- The July 3-month moving total of single family home sales was down 5.7% from a year earlier, and the average selling price was 11.9% higher.
- July condominium sales were 12.7% below a year earlier as measured by the 3-month moving total; average selling prices were 0.3% lower.
- July median prices (CY to date) were up 15.0% for single family units, but down 0.3% for condominiums.
- For July the total value of all home sales was 0.6% less than a year earlier as measured by the 3-month moving total.
- The July ratio of single family inventory to sales (2.7) was considerably lower than for condos (4.3). (3-mo. moving average).

Total value of sales of single family and condo units: July 2009 to July 2011
(% change from prior year in 3-mo. and 12-mo. moving totals)

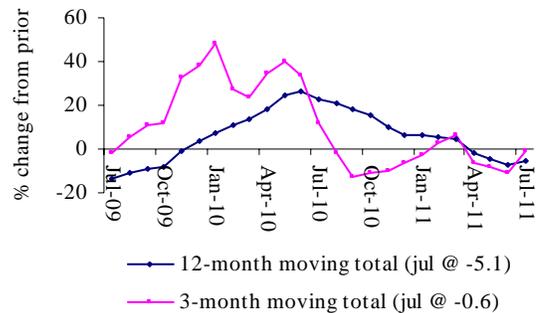


Table 9. **D.C. Residential Real Estate Indicators: July 2011**

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,756	3,022	3,259	4,084	3,794	1,121	343
1 year change	-751	-734	237	825	-327	-68	4
% change	-16.7	-19.5	7.8	25.3	-7.9	-5.7	1.2
Condo	3,838	2,796	2,590	2,884	2,443	746	243
1 year change	251	-1,042	-206	294	-636	-109	19
% change	7.0	-27.1	-7.4	11.4	-20.7	-12.7	8.5
Total	7,594	5,818	5,849	6,968	6,237	1,867	586
1 year change	-500	-1,776	31	1,119	-963	-177	23
% change	-6.2	-23.4	0.5	19.1	-13.4	-8.7	4.1
Average prices of units that sold							
Single family (\$)	657,887	667,367	597,269	538,395	594,847	656,678	710,597
1 year change	-8,480	9,480	-70,098	-58,874	28,702	70,030	111,342
% change	-1.3	1.4	-10.5	-9.9	5.1	11.9	18.6
Condo (\$)	405,431	412,234	359,952	414,030	425,340	423,570	424,769
1 year change	-15,931	6,803	-52,283	54,078	55,140	1,356	-23,456
% change	-3.8	1.7	-12.7	15.0	14.9	0.3	-5.2
Total value of all sales (\$ million)	4,027.1	3,169.4	2,878.8	3,392.9	3,296.0	1,052.1	347.0
1 year change	-487.7	-857.7	-290.6	514.1	-177.0	-6.4	43.4
% change	-10.8	-21.3	-9.2	17.9	-5.1	-0.6	14.3
Ratio: active inventory to sales							
Single family	4.1	6.0	5.2	3.4	3.4	2.7	2.8
Condo	3.9	5.7	5.7	4.6	5.0	4.3	4.6
Foreclosure actions*							
1 year change	273	2,890	-399	-161	-1,775	-674	-201
% change	229.4	737.2	-12.2	-5.6	-62.0	-88.9	-88.2

Median contract prices, CY to date in July 2011: single family \$460,000 (15.0% 1 yr ch); condo \$364,000 (-0.3% 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 unit.

**Scheduled for auction plus real estate owned by financial institutions.

Source: (1) Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

Apartments and single family home transactions

In July, sales of higher priced homes increased

● Sales of single family units at prices above \$1 million were up 32.6% from a year ago as measured by the 3-month moving total.

● In March the quarterly FHFA house price index for DC declined 0.2% over a year ago. For the US, there was a 3.1% decline.

● In the June quarter, occupied apartment units rose 1,709 (2.1%) and rents rose 2.7% from a year earlier.

**FHFA housing transaction index for DC and the US:
2003.1 to 2011.1**
(% change in index from same quarter of prior year)

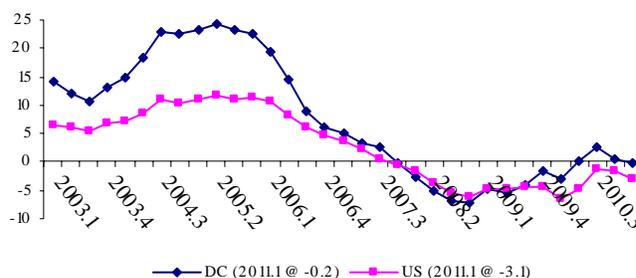


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: July 2011

Category	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total	3-mo moving total	This month
Single family homes	738	748	1,433	1,731	1,653	438	158
1 year change	-34	10	685	298	-108	9	73
% change	-4.4	1.4	91.6	20.8	-6.1	2.1	85.9
percent of all sales	19.1	22.9	37.5	38.1	37.2	32.6	35.0
Condominiums	423	436	341	475	489	163	42
1 year change	-69	13	-95	134	42	9	0
% change	-14.0	3.1	-21.8	39.3	9.4	5.8	0.0
percent of all sales	10.9	13.3	8.9	10.5	11.0	12.1	9.3

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 and US: March 2011

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2010.1	2010.2	2010.3	2010.4	2011.1
% change from prior year in value of index									
DC	4.2	-3.7	-5.3	-0.4	-2.8	0.3	2.6	0.7	-0.2
US	2.8	-2.8	-4.9	-4.2	-6.4	-4.6	-1.3	-1.6	-3.1
<i>Addendum: % change from prior year in average single family sales contract</i>									
Average DC sales price	1.5	0.5	-16.2	-3.4	-8.5	0.0	3.1	16.2	10.0

Source: (1) Federal Housing Finance Agency all transaction index (sales plus appraisals). This index is a broad measure of the movement of single-family house prices. The index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. (2) Average sales price: Table 9.

Table 12. Market-rate units in larger DC apartment buildings: June 30, 2011

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (June 2011)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,704	333	0.4
1 year change	262	1,241	1,663	880	734		
% change	0.3	1.5	1.9	1.0	0.8		
Occupied units	80,819	81,521	81,964	82,965	84,017	332	0.4
1 year change	175	702	443	1,001	1,709		
% change	0.2	0.9	0.5	1.2	2.1		
Vacant units	3,367	3,906	5,126	5,005	4,687	1	0.0
1 year change	87	539	1,220	-121	-975		
% change	2.7	16.0	31.2	-2.4	-17.2		
% of inventory	4.0	4.6	5.9	5.7	5.3		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,414	\$7	0.5
% change from 1 year	8.1	4.0	0.1	2.8	2.7		

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

Commercial office space

Vacancy rate rose slightly in June

●For the quarter ending June, the vacancy rate for DC commercial office space rose: to 7.5% (without sublet space), and to 8.6% (with sublet space). (In March the rates were 7.4% and 8.4%, respectively.)

●DC's vacancy rate with sublet space in June was below the 12.1% rate for the metropolitan area.

●Occupied space increased in the June quarter by 3.34 million square feet (2.8%) from a year earlier, but has changed little for the past 3 quarters.

●Space under construction increased slightly in the last quarter, but is down 17.5% from a year ago.

●In the June quarter, average effective rents for leases of class A commercial office space were down 2.2% from a year earlier.

Occupied office space: 2008.2 to 2011.2
(million square feet)

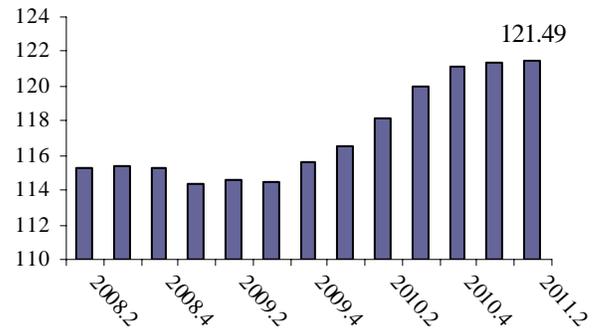


Table 13. Commercial office space in DC: June 30, 2011

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	last quarter (June 2011)		
					Level	1 Q ch	% ch
Inventory	122.41	123.60	127.45	131.95	132.92	0.43	0.1
1 year change	4.75	1.19	3.86	4.49	1.64		
% change	4.0	1.0	3.1	3.5	1.2		
Occupied space	115.31	115.44	114.45	119.94	121.49	0.13	0.2
1 year change	4.95	0.13	-0.99	5.49	3.34		
% change	4.5	0.1	-0.9	4.8	2.8		
Leased space	115.31	116.29	116.25	121.35	122.93	0.24	0.3
Under construction	7.92	10.60	5.75	2.14	2.64	0.03	17.4
1 year change	1.98	2.68	-4.85	-3.60	-0.56		
% change	33.3	33.9	-45.8	-62.7	-17.5		
% of inventory	6.5	8.6	4.5	1.6	2.0		
Vacant (no sublet)	6.37	7.31	11.20	10.60	9.99	0.19	-2.1
% of inventory	5.2	5.9	8.8	8.0	7.5		
Vacant (w sublet)	7.10	8.16	13.00	12.01	11.43	0.30	-1.1
1 year change	-0.20	1.06	4.84	-0.99	-1.70		
% ch from one year	-2.7	14.9	59.4	-7.6	-12.9		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	5.8	6.6	10.2	9.1	8.6	0.2	
Northern Virginia	9.9	11.9	13.5	13.4	13.6	0	
Suburban Maryland	9.9	11.5	14.6	14.5	14.3	0.2	
DC Metropolitan area	8.6	10.1	12.6	12.2	12.1	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 signed by 6-month periods: 2008.2 to 2011.2 (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2008.2	2008.4	2009.2	2009.4	2010.2	2010.4	2011.2
Average effective rent	46.25	46.25	45.75	43.30	40.70	40.10	39.80
% ch from prior year	4.0	1.1	-1.1	-6.4	-11.0	-7.4	-2.2
Average value of improvements for tenants	56.00	57.00	60.00	65.00	80.00	80.00	80.00

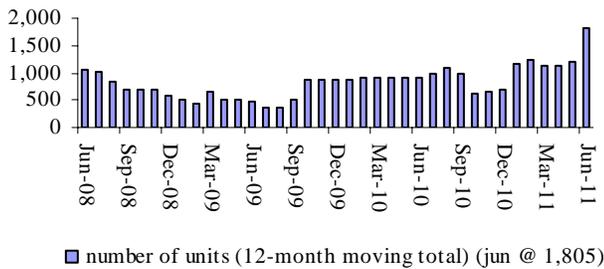
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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

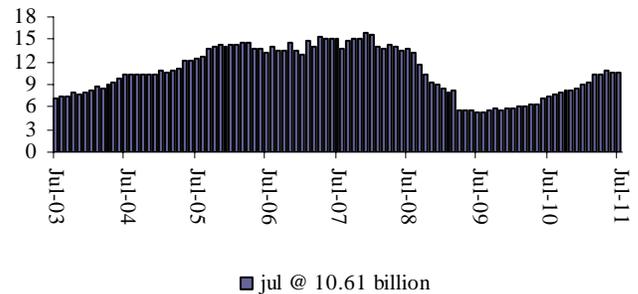
Housing permits have increased, and the rate of increase in the value of property sales has slowed

- In June, 717 building permits were issued in DC as measured by the 3-month moving total, more than a 2000% increase from last year.
- Delta Associates expects DC's vacancy rate (including sublet) to fall (to 8.4%) over the next two years as new demand balances additional supply.

Housing permits issued in DC: June 2008 to June 2011
(12-month moving total)



Value of all real property subject to deed transfer or economic interest taxes: Jul 2003 to Jul 2011
(\$ billion, 12-month moving total)



- Reis expects 3,256 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,538.
- The value of July property transfers was up 9.5% from last year as measured by the 3-month moving total, the smallest increase in the measure in a year. The 12-month moving total was 41.9% greater.

Table 15. Housing unit building permits issued in DC: June 2011

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
Total units	2,196	690	499	986	1,805	717	617
change from 1 year ago	-211	-1,506	-191	487	891	686	617
% change from 1 year	-8.8	-68.6	-27.7	97.6	97.5	2,212.9	na

Source: Census Bureau (permits issued during period). na=not applicable due to 0 permits in June 2010

Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: June 2011 to June 2013

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2011					
Inventory (msf)	132.9	178.1	88.6	399.6	33.3
vacancy rate (%)	8.6	13.6	14.3	12.1	
Estimated net activity to June 2013					
new supply (msf)	3.0	2.7	1.5	7.3	41.1
new demand (msf)	3.0	5.2	2.3	10.5	28.6
Estimated Inventory June 2013					
vacancy rate (%)	8.4	12.0	13.2	11.1	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2006 to 2015

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
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 est	89,317	957	4.8	85,030	1,553
2012 est	91,616	2,299	3.9	88,015	2,985
2013 est	93,470	1,854	3.4	90,266	2,251
2014 est	94,636	1,166	2.9	91,899	1,633
2015 est	96,172	1,536	3.3	92,963	1,064

Source: Reis (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: July 2011

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	14,834.9	11,527.3	5,591.2	7,914.3	10,614.0	2,852.5	798.1
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	3,133.2	248.6	4.9
% change from 1 year ago	10.5	-22.3	-51.5	41.5	41.9	9.5	0.6

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

Higher room rates pushed up hotel revenues in June

● In June the 3-month moving total for hotel room-days sold was 0.2% lower than a year earlier, and the average room rate was also 2.7% higher, leading to a 2.5% gain in room revenue.

● Employment in food services was 3.5% less in June than a year earlier as measured by the 3-month moving average; hotel and retail employment declined 3.0% and 6.5%, respectively.

● In June, airline traffic into the DC area was up 2.4% from a year earlier as measured by the 3-month moving total. Reagan National Airport's gain was 5.2%.

Hotel room sale revenue: Jun. 2009 to Jun. 2011
(percent change in 3-month and 12-month moving average from same period of prior year)

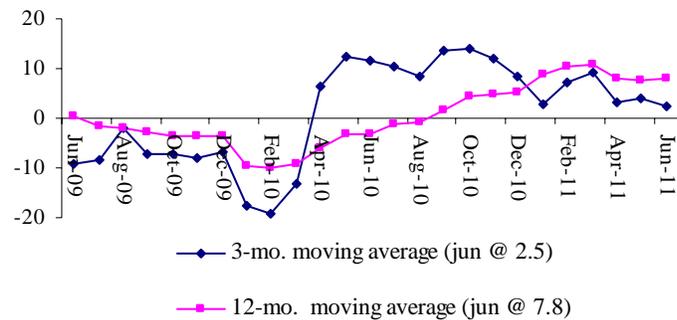


Table 19. Hospitality Industry: June 2011

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	jun	7.125	7.123	7.367	7.474	2.120	0.699
1 yr ch			0.044	-0.003	0.244	0.201	-0.005	0.008
1 yr % ch			0.6	0.0	3.4	2.8	-0.2	1.2
Average room rate	\$	jun	208.99	203.16	199.21	205.42	226.11	220.37
1 yr ch			10.55	-5.83	-3.96	9.62	5.96	8.19
1 yr % ch			5.3	-2.8	-1.9	4.9	2.7	3.9
Occupancy rate (average)	%	jun	74.2	73.1	73.7	74.6	84.3	84.3
1 yr ch			0.6	-1.1	0.7	1.9	-0.8	0.4
1 yr % ch			0.9	-1.5	0.9	2.6	-1.0	0.5
Room revenue	(\$M)	jun	1,489.1	1,447.0	1,467.5	1535.4	479.4	153.9
1 yr ch			83.8	-42.0	20.5	111.3	11.6	7.5
1 yr % ch			6.0	-2.8	1.4	7.8	2.5	5.1
Airline passengers								
DCA	1 yr % ch	jun	-3.2	-2.9	0.5	6.3	5.2	4.5
IAD	1 yr % ch	jun	-2.3	-4.4	1.2	2.3	-1.1	-2.6
BWI	1 yr % ch	jun	0.0	-3.3	4.6	5.4	3.9	2.0
Total	1 yr % ch	jun	-1.8	-3.6	2.1	4.5	2.4	1.0
Convention Center Transfer								
	\$ M	jul	91.5	90.4	94.1	96.3	28.0	7.6
1 yr ch			8.2	-1.0	3.7	5.4	0.3	-1.2
1 yr % ch			9.8	-1.1	4.0	5.9	1.1	-13.2
Employment								
Accommodations	level ('000)	jun	15.2	15.0	15.3	15.0	15.1	15.3
1 yr ch			-0.3	-0.2	0.3	-0.3	-0.5	-0.3
1 yr % ch			-2.2	-1.2	1.9	-1.6	-3.0	-1.9
Food and bev	level ('000)	jun	35.4	35.9	37.1	37.0	37.2	37.6
1 yr ch			2.0	0.5	1.2	0.3	-1.3	-0.9
1 yr % ch			5.8	1.4	3.3	0.7	-3.5	-2.3
Arts and entertain.	level ('000)	jun	6.9	7.1	6.9	7.1	7.4	7.5
1 yr ch			0.9	0.2	-0.1	0.2	-0.1	0.3
1 yr % ch			14.8	2.7	-2.0	2.3	-1.3	4.2
Retail	level ('000)	jun	18.4	17.8	18.3	17.8	17.3	17.2
1 yr ch			0.3	-0.6	0.5	-0.3	-1.2	-1.3
1 yr % ch			1.6	-3.5	3.0	-1.7	-6.5	-7.0

* 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; July collections are based on June sales data)

In July, there were slight improvements in national employment: job growth was up and the unemployment rate was down

- June was the 8th consecutive quarter of real GDP growth, but the rate was a relatively weak 1.3% (annual rate).
- US employment (seasonally adjusted) increased by 117,000 in July, the 10th month in a row of positive growth, and the largest increase in three months.
- The US unemployment rate (seasonally adjusted) fell back to 9.1% in July.
- In July the S and P 500 index gained 2.9% from June.
- In July the CPI was 3.6% greater than a year earlier

Quarterly change in US Real and Nominal GDP:

2008.2 to 2011.2

(% change from the previous quarter at annual rates)

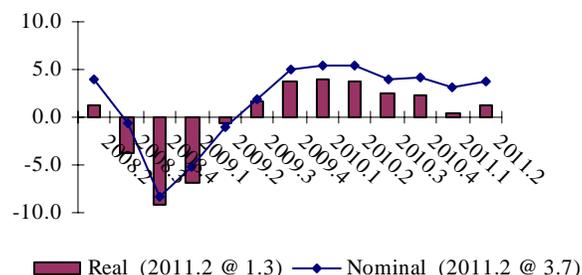


Table 20. US GDP, Income, corporate profits, and inflation: 2011.2 and July 2011

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

Indicator	Date of latest indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo avg	2011.2	Jul 2011
US GDP real	2011.2 1 yr % ch	2.0	1.1	-4.2	2.1	1.6	1.6	
US GDP nominal	2011.2 1 yr % ch	5.0	3.4	-2.8	3.0	3.7	3.7	
US Personal income	2011.2 1 yr % ch	6.1	5.6	-3.1	1.5	4.8	5.7	
US wages	2011.2 1 yr % ch	6.2	3.4	-3.5	0.5	3.1	4.1	
Corporate profits	2011.2 1 yr % ch	-3.2	-11.2	-11.6	42.6	na	na	
S and P stock index	jul 1 yr % ch	14.1	-5.7	-34.3	23.7	14.0	20.1	22.7
US CPI	jul 1 yr % ch	2.3	4.4	-0.3	1.7	2.2	3.6	3.6
Balt/Wash. area CPI	jul 1 yr % ch	3.3	5.0	0.3	1.7	2.7	na	4.1

Source: BEA (data revised as of July 29, 2011), 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: 2009.4 to 2011.2

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

Indicator	units	calendar year quarter							
		2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	2011.2	
US GDP real	% ch from prior Q at saar	3.8	3.9	3.8	2.5	2.3	0.4	1.3	
US GDP nominal	% ch from prior Q at saar	4.9	5.5	5.4	3.9	4.2	3.1	3.7	
Wages and salaries	% ch from prior Q at saar	1.3	1.9	6.2	3.4	1.4	5.1	4.1	
Personal income	% ch from prior Q at saar	2.2	6.7	6.2	4.1	4.0	8.0	4.1	

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on July 29, 2011

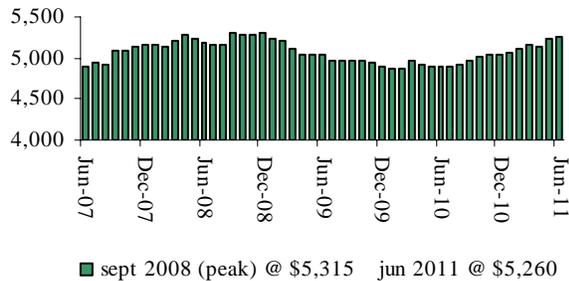
Table 22. Monthly change in selected US Indicators: January 2011 to July 2011

Indicator	Jan	Feb	Mar	Apr	May	June	July
S and P stock index (level)	1283	1321	1304	1332	1338	1287	1325
% change from prior month	3.3	3.0	-1.3	2.1	0.5	-3.8	2.9
% change from 1 year ago	14.2	21.3	13.2	11.2	19.0	18.8	22.7
10 yr. Treasury Interest rate (level)	3.37	3.55	3.40	3.43	3.07	2.99	2.98
CPI % ch from prior month (seasonally adjusted)	0.40	0.55	0.55	0.42	0.17	-0.22	0.50
CPI % ch from prior year (seasonally adjusted)	1.7	2.2	2.7	3.1	3.4	3.4	3.6
Jobs (seasonally adjusted level, in millions)	130.33	130.56	130.76	130.97	131.03	131.07	131.19
change from prior month (thousands)	68	235	194	217	53	46	117
% change from prior month	0.05	0.18	0.15	0.17	0.04	0.04	0.09
Resident employment (season. adj. level, in millions)	139.32	139.57	139.86	139.67	139.78	139.33	139.30
change from prior month (thousands)	117	250	291	-190	105	-445	-38
% change from prior month	0.08	0.18	0.21	-0.14	0.08	-0.32	-0.03
Unemployment rate (seasonally adj.)	9.0	8.9	8.8	9.0	9.1	9.2	9.1

Source: BLS and Yahoo! Finance.

DC tax collections

**Total DC tax collections (before earmarking):
June 2007 to June 2011**
(12-month moving total in \$ million)



**Change from prior year in total taxes collected in
the preceding 12-months (before earmarking):
June 2009 to June 2011**
(\$ million)

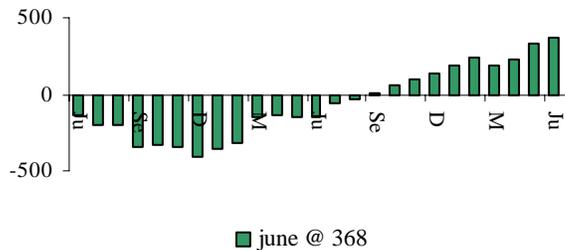


Table 23. Tax Collections (before earmarking): June 2011 (Preliminary)
(\$ million)

Tax	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	FY 2011 to date	3-month moving total	This month
Total taxes	5,085.2	5,315.0	4,970.5	4,977.6	5,260.1	3,481.6	1,380.9	351.3
1 year change	615.1	229.7	-344.5	7.0	368.4	282.5	107.1	27.0
% change	13.8	4.5	-6.5	0.1	7.5	8.8	8.4	8.3
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,784.0	881.6	308.2	2.9
1 year change	296.1	241.2	113.9	36.3	-37.6	-51.0	-73.6	-1.3
% change	25.8	16.7	6.8	2.0	-2.1	-5.5	-19.3	-31.5
General sales	958.8	1,011.6	963.5	965.3	983.1	725.4	234.2	68.9
1 year change	62.0	52.8	-48.1	1.8	46.6	17.8	-28.5	-21.8
% change	6.9	5.5	-4.8	0.2	5.0	2.5	-10.9	-24.1
Individual income	1,313.1	1,353.2	1,127.2	1,107.1	1,245.5	958.3	412.2	120.8
1 year change	80.7	40.1	-226.0	-20.1	148.8	138.4	89.2	27.7
% change	6.5	3.1	-16.7	-1.8	13.6	16.9	27.6	29.7
withholding	974.8	1,004.2	1,021.2	1,070.6	1,163.2	891.0	297.2	90.2
1 year change	4.2	29.5	17.0	49.4	123.7	92.6	33.5	8.7
% change	0.4	3.0	1.7	4.8	11.9	11.6	12.7	10.7
non-withholding	338.3	349.0	106.0	36.5	82.3	67.4	115.0	30.6
1 year change	76.5	10.7	-243.0	-69.5	25.0	45.8	55.6	18.9
% change	29.2	3.2	-69.6	-65.6	43.8	212.0	93.8	162.9
Corporate income	250.7	289.8	220.7	207.9	207.6	174.0	66.7	38.4
1 year change	30.9	39.1	-69.2	-12.8	-13.9	-0.3	8.6	3.0
% change	14.1	15.6	-23.9	-5.8	-6.3	-0.2	14.7	8.6
Unincorporated Bus.	166.4	128.9	121.3	120.7	126.8	109.5	74.3	23.5
1 year change	25.5	-37.5	-7.6	-0.6	0.1	6.1	18.0	2.2
% change	18.1	-22.5	-5.9	-0.5	0.1	5.9	32.0	10.4
Deed taxes*	442.0	323.2	187.4	224.2	342.1	237.9	115.1	25.5
1 year change	81.7	-118.8	-135.8	36.8	156.8	117.9	82.2	12.7
% change	22.7	-26.9	-42.0	19.6	84.6	98.3	249.5	100.1
Other taxes	510.5	523.3	551.7	517.4	570.9	394.9	170.3	71.4
1 year change	38.0	12.8	28.4	-34.3	67.6	53.5	11.3	4.5
% change	8.0	2.5	5.4	-6.2	13.4	15.7	7.1	6.8

*Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions. Tax collections in this table may vary from payments to Recorder of Deeds (graphed on next page) due to processing and timing effects. Includes public space rental, and several adjustments that affect timing of when payments are accounted for.

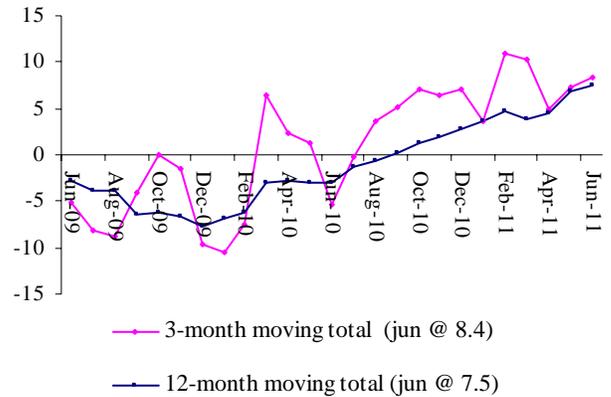
Source: OCFO/OTR and OCFO/ORA

DC tax collections

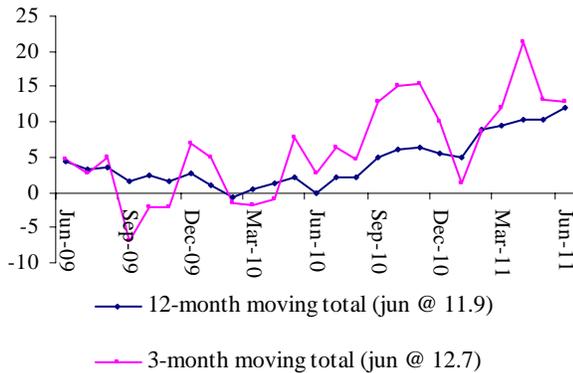
Tax collections continue to rise, but sales tax collections for the past three months are below the comparable period of last year

- For the 12-month period ending June, tax collections (before earmarking) were \$368 million (7.5%) more than a year earlier.
- FY 2011 to date, sales taxes were up 2.5% and withholding 11.6%. The general sales tax has slowed in the past few months, and the change from the prior year in the 3-month moving total was a decline of 10.8%.
- Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 23.9% for the 3 months ending June.

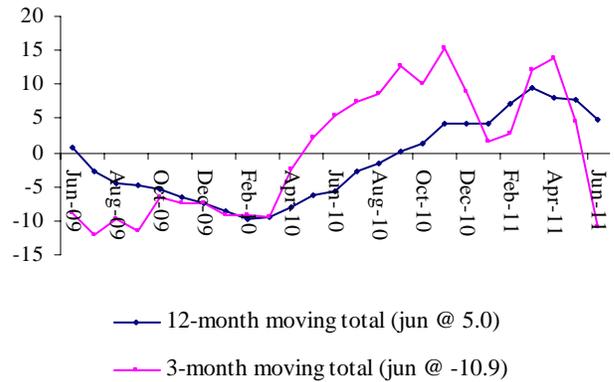
**DC Tax Collections (before earmarking):
June 2009 to June 2011**
(% change in 3-month and 12-month moving totals)



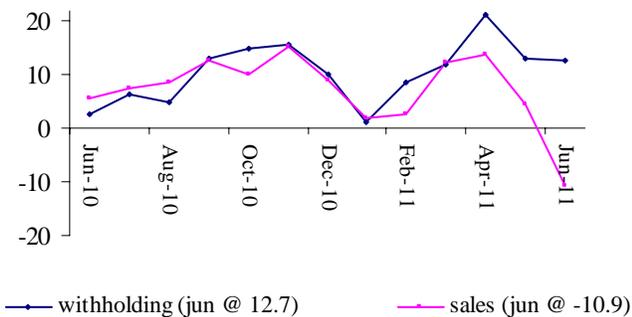
Withholding collections: June 2009 to June 2011
(% change from prior year in 3-month and 12-month moving totals)



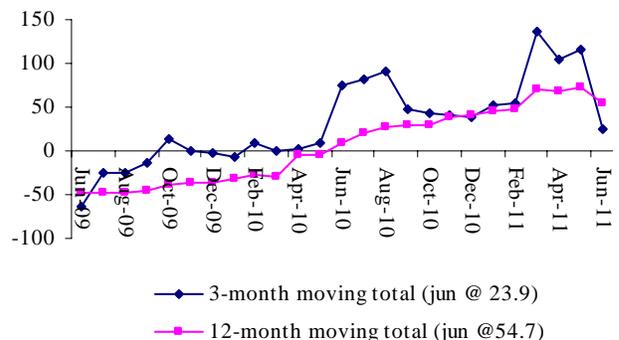
Sales tax collections: June 2009 to June 2011
(% change from prior year in 3-month and 12-month moving totals)



Collections for the General Sales tax and Individual Income tax withholding: June 2010 to June 2011
(% change in 3-month moving total)



Deed payments to DC Recorder of Deeds (for transfer, economic interest, and recordation taxes): June 2009 to June 2011
(% change from prior year in 3-month and 12-month moving totals)



US economic forecasts

Blue Chip Indicators' outlook for the US economy is for significantly less growth

- The August Blue Chip Indicators forecasts for real GDP in FY 2011 and FY 2012 decreased. Growth in real GDP is now forecast to be 2.1% in FY 2011 (last month's forecast was for 2.5%), and 2.2% in FY 2012 (down from 2.9% last month).
- In August Blue Chip Indicators lowered slightly its estimate for inflation in FY 2011 and FY 2012. The CPI forecast is for increases of 2.5% for FY 2011 and 2.4% for FY 2012. The forecast for the interest rate on 10 year Treasury securities once again went down slightly for both FY 2011 and FY 2012.
- S and P 500: In July Global Insight and Economy.com made relatively small changes in their forecasts, The range in percentage changes are -2.7% to +13.2% for 2011.4.

Table 24. Forecasts for US nominal and real GDP:
FY 2010 through FY 2012 (% change from prior fiscal year)

Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
Congressional Budget Office						
August 2010	2.4	2.3	2.9	3.1	3.3	4.1
January 2011	2.2	2.5	3.2	2.9	3.6	4.4
August 2011	2.1	2.5	2.5	3.0	4.0	3.8
Blue Chip						
May	2.2	2.6	3.1	2.9	4.2	5.0
June	2.2	2.6	3.0	2.9	4.2	4.9
July	2.2	2.5	2.9	2.9	4.1	4.8
August	2.1	2.1	2.2	3.0	4.1	4.2

Sources: Blue Chip Indicators and the Congressional Budget Office.
For the August estimates, FY 2010 reflects BEA revised data.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2012

(% change from the prior year; August 2011 estimate)

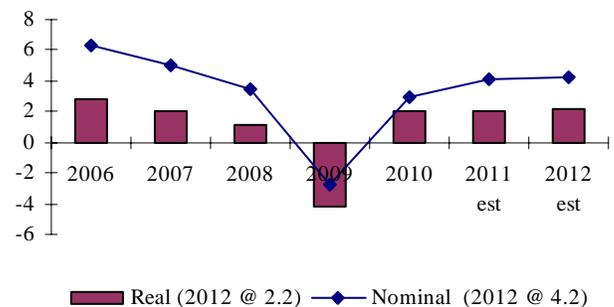


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
	% change from prior year			% change from prior year		
	Global Insight: baseline			Global Insight: pessimistic		
Apr	10.6	12.6	5.5	10.6	-1.2	9.1
May	10.6	13.6	5.1	10.6	-0.4	8.7
June	10.6	13.1	5.1	10.6	-2.0	7.6
July	10.6	13.2	5.1	10.6	-2.7	8.6
	Economy.com baseline			Economy.com pessimistic		
Apr	10.6	12.2	1.3	10.6	5.0	9.0
May	10.6	12.5	-1.6	10.6	5.3	5.9
June	10.6	11.7	0.5	10.6	6.8	5.6
July	10.6	11.7	0.5	10.6	4.5	8.1

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

S and P 500 stock index: July 2005 to July 2011

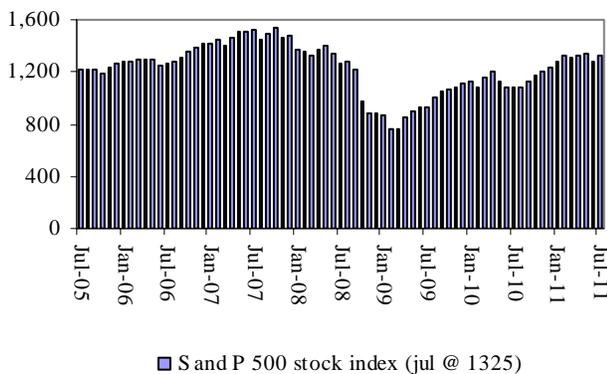


Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2010 to FY 2012

(% change from prior fiscal year)

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
May	1.7	2.6	2.5	3.4	3.4	4.1
June	1.7	2.6	2.5	3.4	3.3	4.0
July	1.7	2.6	2.6	3.4	3.2	3.8
August	1.7	2.5	2.4	3.4	3.1	3.4

Source: Blue Chip Indicators

DC economic forecasts

In July, Global Insight and Economy.com both made significant cuts to employment and income forecasts

- **Employment:** Global Insight significantly lowered both its baseline and pessimistic forecasts for FY 2011, as did Economy.com. The range of job changes are from 4,879 to 6,100 in FY 2011, and -3,884 to + 6,800 in FY 2012.
- **Unemployment:** the unemployment rate forecasts were all raised.
- **Wages earned in DC:** the forecasts were all lowered significantly. Growth rate ranges: 2.5% to 3.2% in FY 2011; 2.8% to 5.2% in FY 2012.
- **Wages earned by DC residents:** the forecasts were all lowered significantly. Growth rates range from 2.7% to 3.6% in FY 2011; 4.3% to 6.1% in FY 2012.

Table 27. Jobs in DC: forecasts for FY 2010 to FY 2012

(amount of change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
apr	6,808	10,531	11,449		6,808	9,281	6,580		6,808	9,034	9,016		6,808	7,714	5,222
may	6,808	8,674	10,175		6,808	8,122	6,118		6,808	8,989	7,937		6,808	7,862	2,892
june	6,808	8,806	9,999		6,808	8,311	6,522		6,808	8,829	7,457		6,808	7,729	2,506
july	6,808	6,103	6,800		6,808	5,881	3,992		6,808	5,729	1,580		6,808	4,879	-3,884

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

Table 28. Unemployment rate in DC FY 2010 to FY 2012

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
apr	10.1	9.3	8.4		10.1	9.3	8.4		10.1	9.2	8.7		10.1	9.6	11.0
may	10.1	9.4	8.4		10.1	9.4	8.5		10.1	9.3	8.8		10.1	9.6	11.0
june	10.1	9.4	8.4		10.1	9.4	8.5		10.1	9.3	8.9		10.1	9.6	11.1
july	10.1	9.6	8.9		10.1	9.6	9.1		10.1	9.7	9.6		10.1	9.9	12.3

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

Table 29. Wages earned in DC FY 2010 to FY 2012

(percent change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
apr	3.8	4.9	6.2		3.8	4.6	4.7		3.8	4.8	5.8		3.8	4.4	4.3
may	3.8	4.7	5.7		3.8	4.5	4.3		3.8	4.9	5.9		3.8	4.5	4.3
jun	3.8	4.7	5.6		3.8	4.5	4.4		3.8	4.5	5.5		3.8	4.1	3.9
jul	3.4	3.2	5.2		3.4	3.1	4.0		3.4	2.8	4.7		3.4	2.5	2.8

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

Table 30. DC resident wages FY 2010 to FY 2012

(percent change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
apr	3.0	7.7	8.3		3.0	7.1	6.4		3.0	7.8	8.5		3.0	7.5	7.4
may	3.0	7.2	7.4		3.0	6.8	5.4		3.0	7.8	8.4		3.0	7.5	7.2
jun	3.0	7.2	7.2		3.0	6.9	5.6		3.0	7.6	8.2		3.0	7.3	7.1
jul	2.9	3.6	5.9		2.9	3.4	4.3		2.9	2.9	6.1		2.9	2.7	4.6

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

Source: Global Insight and Moody's Economy.com. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

DC revenue estimate

The June 2011 forecast is for tax revenue (before earmarks) to increase \$103.9 million (2.1%) in FY 2011, then another \$266 million (5.2%) in FY 2012

- The 2011 increase in revenue is expected despite a \$140.5 million (7.7%) decline in real property taxes that results from the impact of lower assessments based on property values prevailing at the end of 2009.
- The largest increases in FY 2011 are in withholding for the Individual Income tax and deed taxes.
- In FY 2012, a rebound in real property is the largest source of growth. General sales, withholding, the non-withholding part of the individual income tax, and business taxes all contribute to the increase.
- In FY 2011 through FY 2013 taxes as a share of Personal Income are lower than in the preceeding years.

Table 31. DC Tax Revenue (before earmarks) for FY 2010 through FY 2012: June 2011 revenue estimate

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Real property	1,821.5	1,681.0	1,805.0	-1.2	-140.5	124.0	-0.1	-7.7	7.4
Deed taxes	225.6	287.3	288.7	38.2	61.7	1.4	20.4	27.3	0.5
General sales	976.7	1,013.8	1,070.3	3.3	37.1	56.5	0.3	3.8	5.6
Individual income	1,110.4	1,215.3	1,298.6	-25.5	104.8	83.4	-2.2	9.4	6.9
Withholding	1,073.8	1,157.2	1,201.1	52.6	83.4	43.8	5.2	7.8	3.8
non-withholding	36.6	58.0	97.6	-78.1	21.4	39.5	-68.1	58.5	68.1
Business income	323.7	343.9	358.1	-18.4	20.2	14.2	-5.4	6.3	4.1
Other	547.3	567.8	554.3	-43.3	20.5	-13.4	-7.3	3.7	-2.4
Total	5,005.2	5,109.1	5,375.1	-47.0	103.9	266.0	-0.9	2.1	5.2

Source: ORA. June 22, 2011 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.

Table 32. DC labor market assumptions: FY 2010 to FY 2012

item	2010	2011	2012
Wage and salary employment	708,183	716,306	722,052
1 year change	6,808	8,122	5,746
% change	1.0	1.1	0.8
DC resident employment	300,395	301,826	306,954
1 year change	-2,280	1,431	5,128
% change	-0.8	0.5	1.7
Unemployment rate	10.1	9.5	9.1

Table 33. DC Income and stock market assumptions: FY 2010 to FY 2012 (change from prior year)

item	2010	2011	2012
Wages and salaries earned in DC	3.8	4.5	4.2
Wages and salaries earned by DC residents	3.0	4.8	5.3
DC Personal income	2.8	4.8	5.5
S and P 500 stock index	10.6	2.5	7.2

Source: ORA June 2011 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 2004 to FY 2013

item	2004	2005	2006	2007	2008	2009	2010	2011 est	2012 est	2013 est
Tax revenue (\$ million)										
Level	3,805	4,249	4,516	5,155	5,325	5,052	5,005	5,109	5,375	5,620
Change from prior year	420	444	267	638	170	-273	-47	104	266	245
Percent change from prior year										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	2.1	5.2	4.6
Personal Income	6.9	8.3	8.2	8.1	8.5	3.0	2.8	4.8	5.5	5.7
Tax revenue as percent of Personal Income										
Personal Income	13.1	13.5	13.3	14.0	13.3	12.3	11.8	11.5	11.5	11.4

Source: ORA. June 22, 2011 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 home sales, continued from p. 1

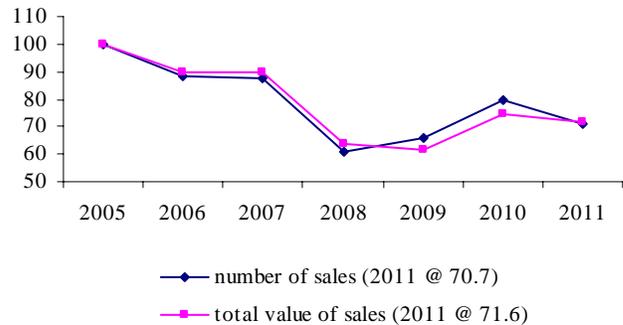
For most of the period since 2005 percentage changes in the total value of spring sales have tracked quite closely that of changes in the total number of sales. The \$1.61 billion in sales value in 2011 was —12.1 % above the low point of 2008 (compared to a drop of 15.9% for the number of sales), and —28.4% below 2005 (compared to a 29.3% drop in the number of sales).

From 2005 to 2008 the number of single family home sales in the spring period fell 41.5% and condominium sales dropped 36.0%. From 2008 to 2011, however, spring sales of single family units rose 30.7%, while condominium sales declined an additional 0.7%.

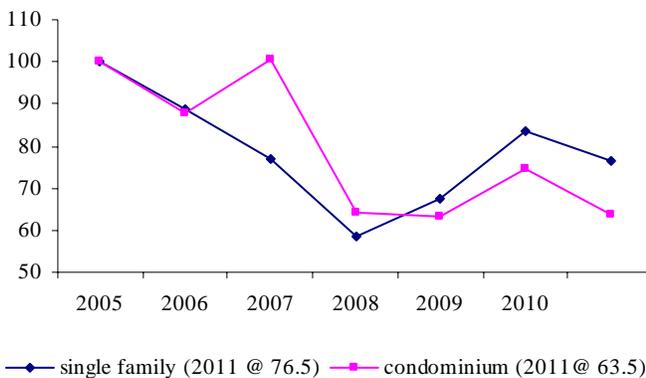
Average spring selling prices for single family units have fluctuated more than for condominiums over the 2005 to 2011 period. These changes reflect the changing composition of housing units as well as overall housing market conditions. However for both types of units, average selling prices in the spring of 2011 were almost the same as in 2005.

—Stephen Swaim, Office of Revenue Analysis

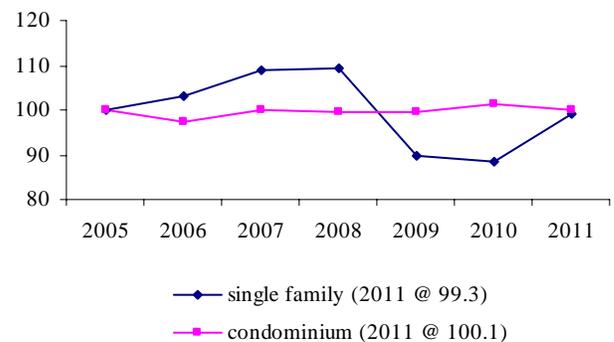
Number and total value of all home sales in the Spring months: 2005 to 2011
(index number: 2005 = 100)



Number of sales of single family and condominium homes in the Spring months: 2005 to 2011
(index number: 2005 = 100)



Average selling price of single family and condominium units in the Spring months: 2005 to 2011
(index number: 2005 = 100)



Spring sales of single family and condominium units: 2005 to 2011

(number and value of sales for the months of March, April, May, June, and July)

item	2005	2006	2007	2008	2009	2010	2011
Single family units							
Sales	2,307	2,052	1,775	1,350	1,560	1,928	1,764
% change from prior year	-11.6	-11.1	-13.5	-23.9	15.6	23.6	-8.5
Average selling price	632,439	652,818	688,724	691,694	566,434	560,414	628,044
% change from prior year	27.1	3.2	5.5	0.4	-18.1	-1.1	12.1
Condominium units							
Sales	1,876	1,646	1,882	1,201	1,188	1,399	1,192
% change from prior year	13.6	-12.3	14.3	-36.2	-1.1	17.8	-14.8
Average selling price	421,241	410,191	422,077	418,862	419,060	426,617	421,537
% change from prior year	16.3	-2.6	2.9	-0.8	0.0	1.8	-1.2

Source: Metropolitan Regional Information Systems, Inc.(MRIS). Data are for closed (settled) sales.

ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares fiscal impact studies 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 "Tax Rates and Revenues," "Economic Reports," and "Fiscal Impact Statements."

Recent ORA reports:

Tax Rates and Tax Burdens—A Nationwide Comparison 2009. This annual publication compares DC tax rates and the 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—Washington Metropolitan Area 2009. This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of surrounding jurisdictions in the DC metropolitan area.

Special-Purpose Revenue Report. Describes more than 200 special-purpose revenue funds ("O-type" funds) that set aside fees, fines, and other assessments collected by an agency in order to support its programs. The report provides the statutory basis, year of enactment, purpose, and revenue source for each fund.

Taxicab medallions—A review of experience in other cities. May 2011. Includes a review of the experience with taxicab medallions in 5 US cities: New York, Boston, Chicago, San Francisco, and Miami-Dade (Florida). Reviews economic literature on taxicab medallions. Additional information is included in a Q and A format.

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 August 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 (click on *Economic Trends, Monthly Review*).

Table 35. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	June	August 19
D.C. Personal Income	BEA	2011.1	September 22
D.C. Tax Collections	OTR/ORA	June	September 15
D.C. Housing Sales	MRIS*	July	c September 10
D.C. Commercial Office Building data	Delta Associates	2011.2	c October 10
DC Apartment data	Reis, inc	2011.1	c August 1
D.C. Hotel stay information	Smith Travel Research	June	c. September 10
Consumer Price Index	BLS	June and July	September 14
U.S. Jobs and Labor Force	BLS	June and July	September 2
U.S. GDP and Personal Income	BEA	2011.2	August 26
S and P 500 Stock Index	Financial press	July	September 1
Interest rate on 10-Year Treasury Securities	Financial press	June	September 1
HIS Global Insight D.C. forecast	Global Insight	July	c. August 20
Moody's Economy.com D.C. forecast	Economy.com	July	c. August 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	August	September 10

*Metropolitan Regional Information Systems.

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.

Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist
 Office of Revenue Analysis
 1101 4th St., SW, Suite W770
 Washington D.C. 20024
 202-727-7775