

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



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## District of Columbia Economic and Revenue Trends: *March 2011*

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### *In the December quarter, DC Personal Income grew at the fastest pace in 2 years*

### *Jobs located in DC exceeded pre-recession level by 2.1%, but resident employment still 4.6% less*

In the last quarter of CY 2010, DC Personal Income grew at a 4.2% rate from the 4th quarter of 2009, the biggest quarterly gain in 2 years. Revised data from the US Bureau of Labor Statistics also showed 9,867 (1.4%) more jobs in the December quarter in DC than a year ago, 1,323 (0.4 %) more DC residents working, and a 9.6% unemployment rate (not seasonally adjusted), down from 10.5% a year ago. All in all, a good quarter for the DC economy.

Personal Income growth picked up substantially after the 1.1% rate in the third quarter of 2009, the worst quarter of the recent recession period and the 6th worst DC has experienced since 1970; 2009.4 (1.2%) was 7th worst. *(continued on p. 17)*

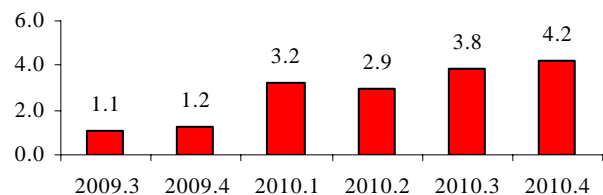
**DC's 7 worst quarters for Personal Income growth since 1970**

Quarter	% ch. from same Qtr. of prior yr.
1995.4	-1.24
1995.3	-0.73
1995.2	-0.46
1999.4	0.40
1994.1	0.84
<b>2009.3</b>	<b>1.07</b>
<b>2009.4</b>	<b>1.25</b>

Source: BEA

**DC Personal Income by quarter: 2009.3 to 2010.4**

(% change from prior year, seasonally adjusted annual rate)



### *Federal data revisions trim DC's job and resident employment counts for the end of 2010*

Every March, the Bureau of Labor Statistics revises labor market statistics from prior years. This year's revision reduced the District's wage and salary tally for the fourth quarter of 2010 by 11,167 (1.5%). Resident employment was also reduced, but by a much smaller amount—749 (0.2%).

A consequence of end of year reductions and other revisions is that growth rates in employment at the end of 2010 were much reduced from earlier *(continued on p. 17)*

## Wage and salary employment

**Jobs continue to grow, but BLS data revisions show that recent gains are at a moderate rate**

- January wage and salary employment in DC was 8,000 (1.1%) higher than a year earlier. Federal jobs were up by 5,200 and private sector jobs by 3,200.

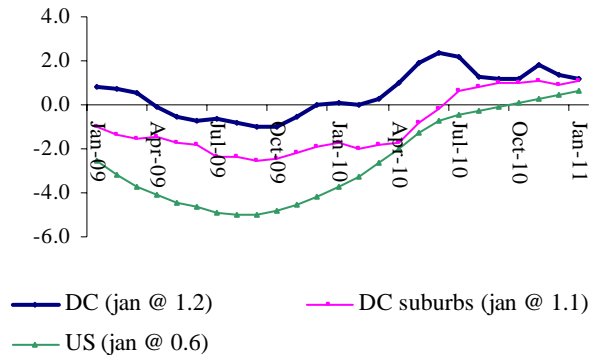
- DC's 8,567 (1.2%) job increase for the 3-month period ending January accounted for about 26.3% of the 32,567 gain for the whole Washington metropolitan area.

- Suburban Washington employment, now growing close to the same rate as DC, was up 1.1% in January from a year earlier.

- Seasonally adjusted wage and salary employment in DC was 1,600 (0.2%) greater in January than in October, three months earlier.

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

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



**Table 1. Wage and salary employment in DC, Washington Metro area, and the US: January 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	711,542	712,200	706,300
1 year change	11,067	-1,033	6,667	9,783	8,567	8,000
% change	1.6	-0.1	1.0	1.4	1.2	1.1
Washington metro area	3,005,692	2,966,558	2,956,700	2,967,700	2,977,867	2,940,200
1 year change	21,575	-39,133	-9,858	15,317	32,567	40,800
% change	0.7	-1.3	-0.3	0.5	1.1	1.4
Washington suburbs (% ch)	0.5	-1.7	-0.7	0.2	1.1	1.5
US (% ch)	0.1	-3.8	-1.9	-0.4	0.6	0.7

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

**Table 2. Federal government and private sector wage and salary employment in DC: January 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	209,675	210,633	211,100
1 year change	1,825	5,283	9,708	8,608	5,767	5,200
% change	1.0	2.7	4.9	4.3	2.8	2.5
Private sector	468,458	463,050	463,858	465,450	466,433	460,200
1 year change	7,475	-5,408	808	4,550	3,800	3,200
% change	1.6	-1.2	0.2	1.0	0.8	0.7

*Source: BLS. Not seasonally adjusted. January is preliminary.*

**Table 3. Seasonally adjusted DC Employment: August 2010 to January 2011**

Indicator	Aug	Sep	Oct	Nov	Dec	Jan
D.C. Wage and Salary employment	700,100	713,600	714,500	714,900	714,100	716,100
change from prior month	-14,000	13,500	900	400	-800	2,000
% change from prior month	-2.0	1.9	0.1	0.1	-0.1	0.3

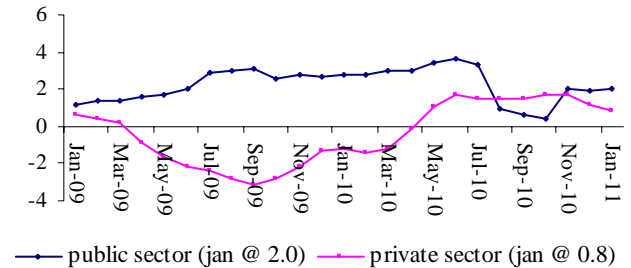
*Source: BLS seasonally adjusted. January is preliminary*

## Sectors of the economy

**The federal government accounted for a majority of recent job growth in the last 3 months. Education, temporary employment and professional services led private sector gains.**

- For the 3-month period ending January, Education led private sector growth with a 2,633 (5.4%) gain.
- Other private industries showing gains over the year include employment services (1,400), non-legal professional and technical services (1,367), food services (867), and health (633).
- Industry sectors losing jobs include organizations (-1,100), finance (-1,067), and retail trade (-533).
- Local government declined by 1,000.

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



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

Industry sector	3-month moving average				12-month moving avg: % change	Sector % of all DC jobs, Jan 2011	DC % in Jan 2011 of all sector jobs in:	
	Jan 2010	Jan 2011	1 year change				metro area	US
			Amount	%				
Federal government	204,867	210,633	5,767	2.8	4.3	29.6	55.3	7.42
Local government	36,133	35,133	-1,000	-2.8	-8.5	4.9	11.3	0.18
Legal services	32,867	32,433	-433	-1.3	-4.2	4.6	na	2.91
Other Professional and technical	68,000	69,367	1,367	2.0	2.3	9.7	21.8	1.09
Employment services	11,367	12,767	1,400	12.3	11.5	1.8	33.2	0.44
Other Business services	34,933	35,000	67	0.2	0.2	4.9	19.3	0.54
Information	18,500	18,700	200	1.1	-1.8	2.6	23.9	0.69
Finance	27,033	25,967	-1,067	-3.9	-1.6	3.6	17.8	0.34
Organizations	57,533	56,433	-1,100	-1.9	-0.4	7.9	35.5	1.89
Education	48,733	51,367	2,633	5.4	3.3	7.2	51.6	1.58
Health	59,733	60,367	633	1.1	3.4	8.5	22.8	0.36
Food service	36,167	37,033	867	2.4	3.1	5.2	20.2	0.40
Accommodations	15,167	14,767	-400	-2.6	0.7	2.1	38.7	0.87
Amusement and recreation	6,533	6,967	433	6.6	1.4	1.0	19.8	0.41
Retail trade	18,600	18,067	-533	-2.9	2.2	2.5	6.8	0.12
Wholesale trade	4,600	4,667	67	1.4	2.0	0.7	7.3	0.09
Construction	10,333	10,300	-33	-0.3	-8.0	1.4	7.5	0.19
Personal and miscellaneous services	7,133	6,867	-267	-3.7	0.5	1.0	na	0.29
Other private	5,400	5,367	-33	-0.6	-6.4	0.8	4.8	0.03
<b>Total</b>	<b>703,633</b>	<b>712,200</b>	<b>8,567</b>	<b>1.2</b>	<b>1.4</b>	<b>100.0</b>	<b>23.9</b>	<b>0.55</b>
<i>Public sector</i>	<i>241,000</i>	<i>245,767</i>	<i>4,767</i>	<i>2.0</i>	<i>2.2</i>	<i>34.5</i>	<i>35.6</i>	<i>1.09</i>
<i>Private sector</i>	<i>462,633</i>	<i>466,433</i>	<i>3,800</i>	<i>0.8</i>	<i>1.0</i>	<i>65.5</i>	<i>20.4</i>	<i>0.43</i>
<i>Professional and all business</i>	<i>192,700</i>	<i>194,233</i>	<i>1,533</i>	<i>0.8</i>	<i>0.4</i>	<i>27.3</i>	<i>21.3</i>	<i>0.89</i>
<i>Education, health, and organizations</i>	<i>166,000</i>	<i>168,167</i>	<i>2,167</i>	<i>1.3</i>	<i>2.0</i>	<i>23.6</i>	<i>31.0</i>	<i>0.56</i>
<i>Hospitality and trade</i>	<i>81,067</i>	<i>81,500</i>	<i>433</i>	<i>0.5</i>	<i>2.3</i>	<i>11.4</i>	<i>13.9</i>	<i>0.25</i>
<i>Other private sector</i>	<i>22,867</i>	<i>22,533</i>	<i>-333</i>	<i>-1.5</i>	<i>-5.2</i>	<i>3.2</i>	<i>9.0</i>	<i>0.09</i>

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

## Resident employment

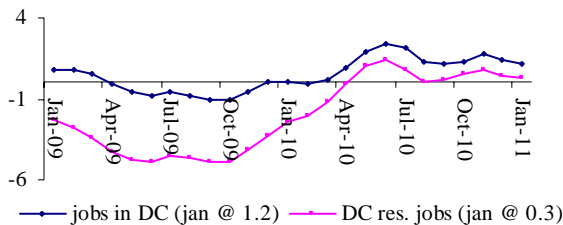
**Resident employment is continuing to grow, but the recent BLS data revisions have cut the growth rate.**

- In January DC resident employment was up 1,074 (0.4%) from a year earlier.
- DC's labor forces was 854 (-0.3%) less in January than a year earlier, and 1,644 (-0.5%) less for the 3-months ending January.
- In January the unemployment rate (seasonally adjusted) stayed at 9.6%.
- Initial unemployment insurance claims jumped 41.1% over last year for the 3-months ending January.

### Jobs located in DC and DC resident employment:

January 2009 to January 2011

(% change from prior yr. in 3-mo. moving avg.)



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

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

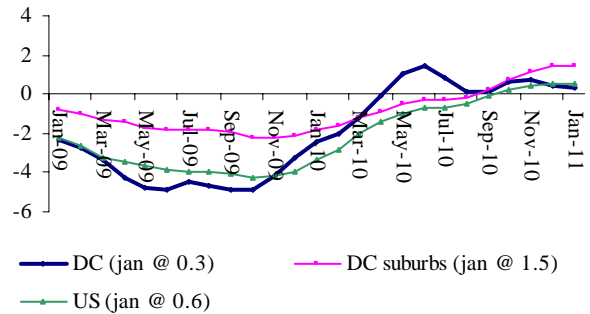


Table 5. Unemployment rates for DC, metro area, and US: January 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Jan 2010	Jan 2011	Jan 2010	Jan 2011
US	10.6	9.8	9.7	9.0
DC metro area	7.0	6.1	na	na
DC	10.7	10.1	10.3	9.6
DC suburbs	6.5	5.6	na	na

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

Table 6. Resident employment and unemployment: January 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
<b>DC Labor force</b>						
Resident employment	314,290	302,525	300,332	300,752	297,766	298,250
1 year change	5,054	-11,766	-2,193	1,178	821	1,074
% change	1.6	-3.7	-0.7	0.4	0.3	0.4
Labor Force	334,303	332,138	334,068	333,554	330,068	331,922
1 year change	7,283	-2,165	1,929	1,448	-1,644	-854
% change	2.2	-0.6	0.6	0.4	-0.5	-0.3
Unemployed	20,013	29,614	33,736	32,802	32,302	33,672
1 year change	2,229	9,600	4,122	270	-2,465	-1,928
% change	12.5	48.0	13.9	0.8	-7.1	-5.4
Unemployment rate	6.0	8.9	10.1	9.8	9.8	10.1
<b>DC Unemployment insurance (state program)</b>						
Initial claims (monthly avg.)	1,515	2,203	1,799	1,971	2,740	2,340
1 year change	213	688	-404	-145	798	359
% change	16.4	45.4	-18.3	-6.9	41.1	18.1
Weeks compensated (mo. avg.)	34,738	54,474	53,592	49,376	47,636	47,909
1 year change	8,170	19,736	-881	-10,158	-13,123	-12,040
% change	30.8	56.8	-1.6	-17.1	-21.6	-20.1

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: August 2010 to January 2011

Indicator	Aug	Sep	Oct	Nov	Dec	Jan
DC Resident employment	299,659	299,276	299,071	299,052	299,272	300,585
change from prior month	-836	-383	-205	-19	220	1,313
% change from prior month	-0.3	-0.1	-0.1	0.0	0.1	0.4
DC Unemployment rate (%)	9.8	9.7	9.7	9.7	9.6	9.6

Source: BLS seasonally adjusted. January is preliminary.

## Wages and income

### Wage growth picked up in the December quarter, with the biggest gains in the private sector

- Wages earned in the District of Columbia were 5.1% higher in the December quarter compared to the same quarter of 2009.
- In the December quarter, DC Personal Income was 4.2% above a year earlier, and estimated wages of DC residents were 4.5% higher.
- In the December quarter, the private sector accounted for \$1.73 billion (60%) of the increase in wages earned in DC. This was the biggest private sector quarterly gain in almost 3 years.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2007.4 to 2010.4  
(% change from the same quarter of the prior year)

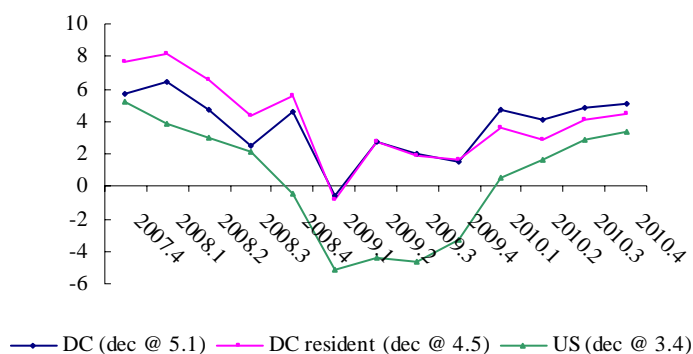


Table 8. **DC Wages and Personal Income: December 2010**  
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

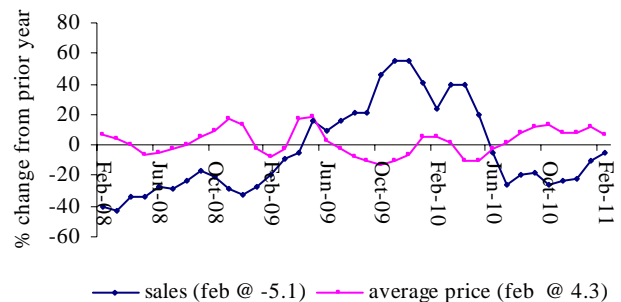
Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average	Latest quarter (Dec)
Wages and salaries earned in DC	54.28	55.46	57.55	58.27	59.23
1 year change	2.48	1.18	2.10	2.60	2.88
% change	4.8	2.2	1.4	4.7	5.1
Supplements to wages & salaries	15.26	16.17	17.04	17.27	17.48
% change	4.6	6.0	5.4	5.6	5.7
Proprietors' income earned by DC residents*	5.58	5.71	5.70	5.76	5.83
% change	12.8	2.2	-2.0	2.0	4.2
Wages and salaries of DC residents***	20.63	21.11	21.75	21.99	22.37
change from one year ago	1.29	0.48	0.64	0.79	0.95
% change	6.6	2.3	1.4	3.7	4.5
Income earned by DC residents	29.2	30.0	30.8	31.1	31.6
% change	7.6	2.7	1.2	3.5	4.4
Property income of DC residents	6.47	6.46	6.39	6.42	6.45
% change	12.9	-0.2	-3.4	0.9	1.9
Pensions and other transfer payments of DC res.	4.24	4.67	5.11	5.19	5.28
% change	8.6	10.1	12.0	7.6	6.2
DC Personal Income**	39.95	41.15	42.31	42.75	43.36
1 year change	3.13	1.21	1.15	1.47	1.76
% change	8.5	3.0	1.6	3.6	4.2
US Personal income	5.0	-1.1	1.8	3.0	3.9
US Wages and salaries	3.5	-3.6	0.4	2.1	3.4
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.54	-0.21	0.72	1.28	1.73
Federal government (1 yr ch, \$B)	0.85	1.16	1.33	1.29	1.21
DC res. wages as % of wages earned in DC	38.0	38.1	37.8	37.7	37.8
* 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 December was released March 23, 2011					

## Single family and condominium home sales

### February sales were higher for both single family and for condo units

- February single family home sales were up 18.8% from a year earlier, but the average selling price was 1.2% lower.
- February condominium sales were 7.5 % above a year earlier, and average selling prices were 21.4% higher.
- February median prices (CY to date) were up 11.7% for single family units, and 6.0% for condominiums.
- For the 3-month period ending February, the total value of all home sales was 8.2% above a year earlier.
- February foreclosure actions in DC continue to be down sharply (89.3%) from last year. The decline is 82.8% for the 3-month period ending February.

**Number and average selling price of condominium units sold in DC: Feb. 2008 to Feb. 2011**  
(% change in 3-month moving averages)



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

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
<b>Number of sales (contracts)</b>							
Single family	3,873	3,267	3,821	4,543	4,515	919	329
1 year change	-402	-606	554	722	182	47	52
% change	-9.4	-15.6	17.0	18.9	4.2	5.4	18.8
Condo	4,147	2,979	2,935	3,222	3,031	575	229
1 year change	195	-1,168	-44	287	-256	-31	16
% change	4.9	-28.2	-1.5	9.8	-7.8	-5.1	7.5
Total	8,020	6,246	6,756	7,765	7,546	1,494	558
1 year change	-207	-1,774	510	1,009	-74	16	68
% change	-2.5	-22.1	8.2	14.9	-1.0	1.1	13.9
<b>Average prices of units that sold*</b>							
Single family (\$)	668,630	672,101	563,553	544,322	566,521	545,745	501,212
1 year change	10,015	3,471	-108,548	-19,231	21,138	38,051	-6,295
% change	1.5	0.5	-16.2	-3.4	3.9	7.5	-1.2
Condo (\$)	406,926	411,270	407,613	415,229	428,049	421,106	425,251
1 year change	-9,127	4,344	-3,657	7,617	21,676	17,488	75,029
% change	-2.2	1.1	-0.9	1.9	5.3	4.3	21.4
<b>Total value of all sales</b>	<b>4,277.1</b>	<b>3,420.9</b>	<b>3,349.7</b>	<b>3,810.7</b>	<b>3,855.3</b>	<b>743.7</b>	<b>262.3</b>
1 year change	-182.7	-856.2	-71.2	461.0	156.4	56.4	47.1
% change	-2.5	-22.1	-2.1	13.8	4.2	8.2	21.9
<b>Ratio: active inventory to sales</b>							
Single family	4.1	6.0	5.2	3.4	3.5	3.9	3.6
Condo	3.9	5.7	5.7	4.6	4.9	5.5	4.8
<b>Foreclosure actions**</b>							
	392	3,282	2,883	2,722	2,122	93	19
1 year change	273	2,890	-399	-161	-776	-448	-159
% change	229.4	737.2	-12.2	-5.6	-26.8	-82.8	-89.3

Median prices, CY to date in Feb. 2011: single family \$374,125 (11.7% 1 yr ch); condo \$361,400 (6.0% 1 yr ch)

\*Monthly average prices are calculated by ORA based on reported CY-to-date average prices. This measure, which depends on the mix of properties sold, can be volatile on a month to month basis and does not necessarily reflect changes in the value of all property.

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

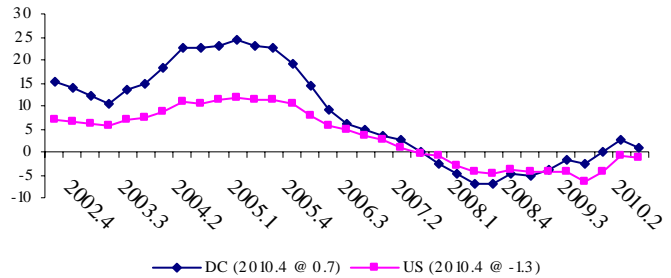
Source: (1) Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

## Apartments and single family home transactions

**Sales of lower priced homes rose more slowly than higher priced ones over the past 3 months. Rents are higher.**

- For the 3 month period ending in February sales of houses below \$300,000 gained 7.6%, and those more than \$1 million increased 25.0%, compared to a year ago.
- The FHFA house price index for DC in the quarter ending December showed values up 0.7% over a year ago. For the US, there was a 1.3% decline.

**FHFA housing transaction index for DC and the US:  
2002.4 to 2010.4**  
(% change in index from same quarter of prior year)



**Table 10. D.C. Single family home sales contracts, \$300,000 or less and \$1 million or more: February 2011**

Category of contract price	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
\$300,000 or less	738	748	1,433	1,731	1,700	396	128
1 year change	-34	10	685	298	40	28	-9
% change	-4.4	1.4	91.6	20.8	2.4	7.6	-6.6
percent of all sales	19.1	22.9	37.5	38.1	37.7	43.1	38.9
\$1 million or more	423	436	341	475	481	80	33
1 year change	-69	13	-95	134	88	16	17
% change	-14.0	3.1	-21.8	39.3	22.4	25.0	106.3
percent of all sales	10.9	13.3	8.9	10.5	10.7	8.7	10.0

*Source: Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). Sales are ratified contracts, not all of which may go to settlement.*

**Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: December 2010**

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2009.4	2010.1	2010.2	2010.3	2010.4
<b>% change from prior year in value of index</b>									
DC	4.3	-3.6	-5.2	-0.5	-1.6	-2.7	0.2	2.5	0.7
US	2.9	-2.2	-4.3	-4.1	-4.3	-6.4	-4.5	-0.9	-1.3
<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	-9.9	-8.5	0.0	3.1	16.2

*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. Apartment units in DC: December 31, 2010**

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (December 2010)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,360	390	0.4
1 year change	262	1,241	1,663	880	572		
% change	0.3	1.5	1.9	1.0	0.7		
Occupied units	80,819	81,521	81,964	82,965	83,477	512	0.6
1 year change	175	702	443	1,001	1,062		
% change	0.2	0.9	0.5	1.2	1.3		
Vacant units	3,367	3,906	5,126	5,005	4,883	-122	-2.4
1 year change	87	539	1,220	-121	-490		
% change	2.7	16.0	31.2	-2.4	-9.1		
% of inventory	4.0	4.6	5.9	5.7	5.5		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,403	\$23	1.6
% change from 1 year	8.1	4.0	0.1	2.8	3.7		

*Source: Reis. Includes units in private sector buildings with 40+ units. Condominium conversions are not in inventory.*



## Commercial office space

### Vacancy rate continued to fall in December

•For the quarter ending in December, the vacancy rate for DC commercial office space fell: to 7.6% (without sublet space), and to 8.5% (with sublet space). (In September, the rates were 8.0% and 9.1%, respectively.)

•DC's vacancy rate with sublet space was below the 11.9% rate for the metropolitan area.

•Occupied space increased in the December quarter by 1.16 million square feet from the September quarter. In the past year, occupied space has increased by 5.48 million square feet (4.7%).

•In the December quarter, average effective rents for leases of class A commercial office space were down 7.4% from a year earlier.

Occupied office space: 2008.4 to 2010.4  
(million square feet)

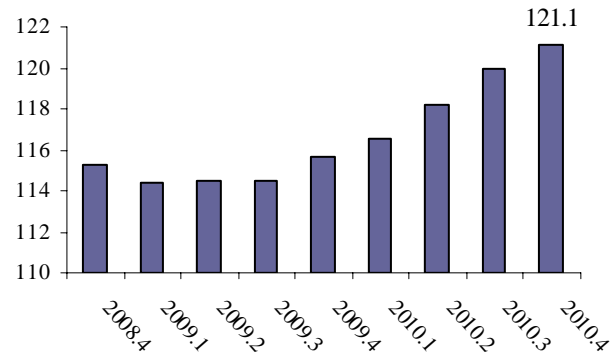


Table 13. Commercial office space in DC: December 31, 2010

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	last quarter (December 2010)		
					Level	1 Q ch	% ch
Inventory	122.41	123.60	127.45	131.95	132.35	0.40	0.3
1 year change	4.75	1.19	3.86	4.49	3.17		
% change	4.0	1.0	3.1	3.5	2.5		
Occupied space	115.31	115.44	114.45	119.94	121.10	1.16	1.0
1 year change	4.95	0.13	-0.99	5.49	5.48		
% change	4.5	0.1	-0.9	4.8	4.7		
Leased space	115.31	116.29	116.25	121.35	122.35	1.00	0.8
Under construction	7.92	10.60	5.75	2.14	2.22	0.07	3.5
1 year change	1.98	2.68	-4.85	-3.60	-2.56		
% change	33.3	33.9	-45.8	-62.7	-53.6		
% of inventory	6.5	8.6	4.5	1.6	1.7		
Vacant (no sublet)	6.37	7.31	11.20	10.60	10.00	-0.60	-5.6
% of inventory	5.2	5.9	8.8	8.0	7.6		
Vacant (w sublet)	7.10	8.16	13.00	12.01	11.25	-0.76	-6.3
1 year change	-0.20	1.06	4.84	-0.99	-2.31		
% ch from one year	-2.7	14.9	59.4	-7.6	-17.1		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	5.8	6.6	10.2	9.1	8.5	-0.6	
Northern Virginia	9.9	11.9	13.5	13.4	13.2	-0.2	
Suburban Maryland	9.9	11.5	14.6	14.5	14.1	-0.4	
DC Metropolitan area	8.6	10.1	12.6	12.2	11.9	-0.3	

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

Table 14. Average effective office rent for Class A commercial office leases signed by 6-month periods: 2007.4 to 2010.4 (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2007.4	2008.2	2008.4	2009.2	2009.4	2010.2	2010.4
Average effective rent	45.75	46.25	46.25	45.75	43.30	40.70	40.10
% ch from prior year	3.6	4.0	1.1	-1.1	-6.4	-11.0	-7.4
Average value of improvements for tenants	55.00	56.00	57.00	60.00	65.00	80.00	80.00

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



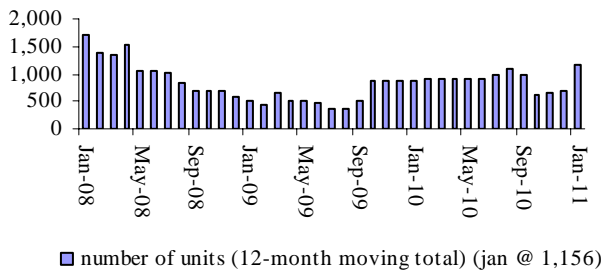
## Housing permits, office and apartment outlook, and value of property transfers

### Housing permits jumped up sharply in January, and the value of property sales continues to rise.

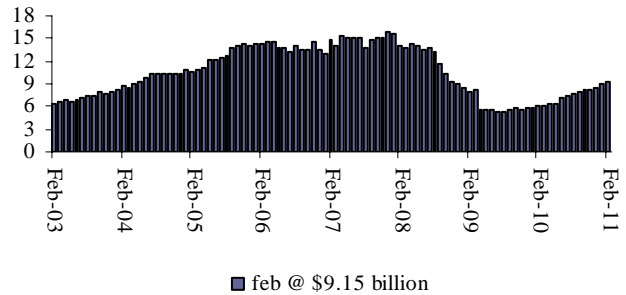
- In the 3-month period ending in January, 600 building permits were issued in DC, a 1,233% one-year increase.
- Delta Associates expects DC's vacancy rate (including sublet) to fall slightly (to 8.4%) over the next two years as new demand balances additional supply.

**Housing permits issued in DC: Jan. 2008 to Jan. 2011**

(12-month moving total)



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



- Reis expects 3,003 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,055.
- The value of February property transfers was 47.2% more than in February 2010. The value of property transferred in the 3 months ending February was 55.2% higher than a year earlier.

**Table 15. Housing unit building permits issued in DC: January 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	1,156	600	472
change from 1 year ago	-211	-1,506	-191	487	266	555	452
% change from 1 year	-8.8	-68.6	-27.7	97.6	29.9	1,233.3	2,260.0

Source: Census Bureau (permits issued during period)

**Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: December 2010 to December 2012**

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory December 2010</b>					
Inventory (msf)	132.3	177.9	88.5	398.7	33.2
vacancy rate (%)	8.5	13.2	14.1	11.9	
<b>Estimated net activity to December 2012</b>					
new supply (msf)	2.5	2.3	1.7	6.6	37.9
new demand (msf)	2.5	5.0	2.3	9.8	25.5
<b>Estimated Inventory December 2012</b>					
vacancy rate (%)	8.4	11.6	13.2	10.9	

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	88,847	487	4.7	84,678	1,201
2012 est	91,363	2,516	4.2	87,532	2,854
2013 est	92,735	1,372	3.6	89,407	1,875
2014 est	93,874	1,139	3.1	90,987	1,580
2015 est	95,386	1,512	3.6	91,961	974

Source: Reis (see note in table 12)

**Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: February 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	9,149.2	2,295.7	631.8
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	2,505.7	816.7	202.6
% change from 1 year ago	10.5	-22.3	-51.5	41.5	49.1	55.2	47.2

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

**January hotel room rates and demand were moderately higher than last year**

• In January the number of hotel room-days sold was 1.2% higher than a year earlier and the average room rate was 1.6% higher, leading to a 2.8% gain in room revenue. The gain in room revenue was 2.9% for the 3-month period ending January.

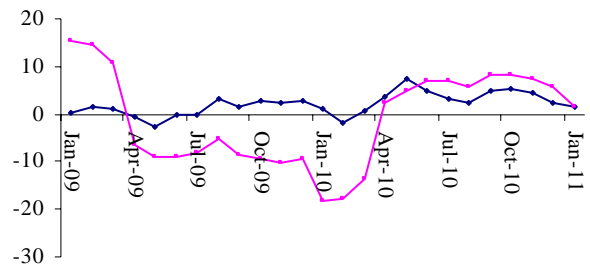
• Employment in food services was 2.4% higher for the 3-month period ending January; hotel and retail employment declined.

• In the 3 months ending January, airline traffic into the DC area was up 5.4% from a year earlier. Reagan National Airport's gain was 8.7%.

**DC hotel room days sold and average room rate:**

**January 2009 to January 2011**

(% change from prior year in 3-mo. moving total)



— Room days sold (jan @ 1.4) — average room rate (jan @ 1.5)

**Table 19. Hospitality Industry: January 2011**

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month	
<b>Hotel stays</b>									
Hotel room-days sold	(M)	jan	7.125	7.123	7.367	7.414	1.409	0.450	
			1 yr ch	0.044	-0.003	0.245	0.258	0.020	0.005
			1 yr % ch	0.6	0.0	3.4	3.6	1.4	1.2
Average room rate	\$	jan	208.99	203.16	199.28	202.01	181.25	177.88	
			1 yr ch	10.55	-5.83	-3.88	9.76	2.61	2.76
			1 yr % ch	5.3	-2.8	-1.9	5.1	1.5	1.6
Occupancy rate (average)	%	jan	74.2	73.1	73.7	74.1	55.8	53.0	
			1 yr ch	0.6	-1.1	0.7	1.8	0.7	0.7
			1 yr % ch	0.9	-1.5	0.9	2.4	1.2	1.3
Room revenue	(\$M)	jan	1,489.1	1,447.0	1,468.2	1,497.7	255.3	80.1	
			1 yr ch	83.8	-42.0	21.2	121.9	7.2	2.2
			1 yr % ch	6.0	-2.8	1.5	8.9	2.9	2.8
<b>Airline passengers</b>									
DCA	1 yr % ch	jan	-3.2	-2.9	0.5	3.4	8.7	3.6	
IAD	1 yr % ch	jan	-2.3	-4.4	1.2	2.3	3.2	-0.2	
BWI	1 yr % ch	jan	0.0	-3.3	4.6	4.3	5.1	1.2	
Total	1 yr % ch	jan	-1.8	-3.6	2.1	3.3	5.4	1.3	
<b>Convention Center Transfer</b>									
	\$ M	feb	91.5	90.4	94.1	95.5	18.2	5.2	
			1 yr ch	8.2	-1.0	3.7	6.7	-0.3	0.3
			1 yr % ch	9.8	-1.1	4.0	7.5	-1.6	5.7
<b>Employment</b>									
Accommodations	level ('000)	jan	15.2	15.0	15.3	15.1	14.8	14.6	
			1 yr ch	-0.3	-0.2	0.3	0.1	-0.4	-0.1
			1 yr % ch	-2.2	-1.2	1.9	0.7	-2.6	-0.7
Food and bev	level ('000)	jan	35.4	35.9	37.1	37.3	37.0	36.5	
			1 yr ch	2.0	0.5	1.2	1.1	0.9	1.2
			1 yr % ch	5.8	1.4	3.3	3.1	2.4	3.4
Arts and entertain.	level ('000)	jan	6.9	7.1	6.9	7.1	7.0	6.7	
			1 yr ch	0.9	0.2	-0.1	0.1	0.4	0.6
			1 yr % ch	14.8	2.7	-2.0	1.4	6.6	9.8
Retail	level ('000)	jan	18.4	17.8	18.3	18.2	18.1	17.5	
			1 yr ch	0.3	-0.6	0.5	0.4	-0.5	-0.8
			1 yr % ch	1.6	-3.5	3.0	2.2	-2.9	-4.4

\* 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; February collections are based on January sales data)

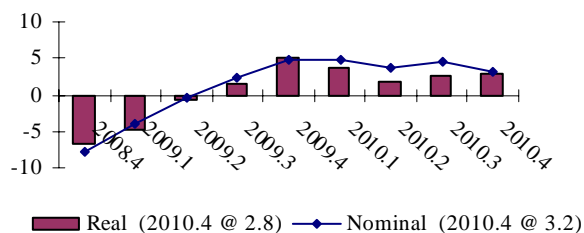
**In the December quarter, the level of GDP surpassed the prior peak. The stock market continued to gain. Job growth picked up in February.**

- Expansion has begun: after 2 1/2 years, the level of GDP has passed the prior peak of June 2008.
- US employment (seasonally adjusted) increased by 192,000 in February over the level of the prior month. The job gain in the last 4 months was 500,000 (0.4%).
- The US unemployment rate (seasonally adjusted) fell to 8.9% in February.
- The stock market in February gained 3.0% from January.

**Quarterly change in US Real and Nominal GDP:**

**2008.4 to 2010.4**

(% change from the previous quarter at annual rates)



**Table 20. US GDP, Income, corporate profits, and inflation: 2010.4 and February 2010**

(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	2010.4	latest mo.
US GDP real	4th Q 2010	1 yr % ch	2.0	1.3	-3.4	2.2		2.8	2.7	
US GDP nominal	4th Q 2010	1 yr % ch	5.0	3.6	-2.1	2.9		3.8	4.1	
US Personal income	4th Q 2010	1 yr % ch	6.1	5.0	-1.1	1.8		3.0	3.9	
US wages	4th Q 2010	1 yr % ch	6.2	3.5	-3.6	0.4		2.1	3.4	
Corporate profits	4th Q 2010	1 yr % ch	-3.2	-10.6	-16.5	35.4		na	na	
S and P stock index	feb		14.1	-5.7	-34.3	23.7		18.1	10.6	21.3
US CPI	feb	1 yr % ch	2.3	4.4	-0.3	1.7		1.6	1.5	2.1
Balt//Wash. area CPI	jan	1 yr % ch	3.3	5.0	0.3	1.7		1.7	na	2.3

Source: BEA (data revised as of January 28, 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: 2009.2 to 2010.4**

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

Indicator	units	Calendar year Quarter						
		2009.2	2009.3	2009.4	2010.1	2010.2	2010.3	2010.4
US GDP real	% ch from prior Q at saar	-0.7	1.6	5.0	3.7	1.7	2.6	2.8
US GDP nominal	% ch from prior Q at saar	-0.4	2.3	4.7	4.8	3.7	4.6	3.2
Wages and salaries	% ch from prior Q at saar	1.8	-1.5	1.3	0.4	6.2	3.3	3.5
Personal income	% ch from prior Q at saar	3.6	-1.3	2.5	3.6	5.4	2.4	4.1

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on February 25, 2011

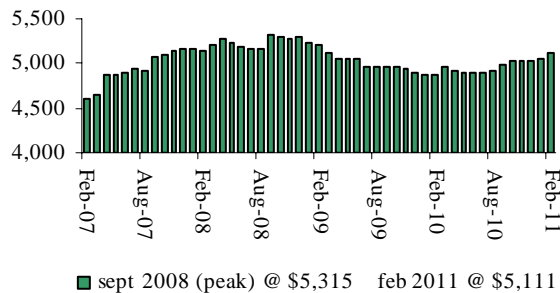
**Table 22. Monthly change in selected US Indicators: August 2010 to February 2011**

Indicator	Aug	Sep	Oct	Nov	Dec	Jan	Feb
S and P stock index (level)	1087	1122	1172	1199	1242	1283	1321
% change from prior month	0.7	3.2	4.4	2.3	3.6	3.3	3.0
% change from 1 year ago	7.7	7.4	9.7	10.2	11.8	14.2	21.3
10 yr. Treasury Interest rate (level)	2.69	2.64	2.51	2.74	3.28	3.37	3.55
CPI % ch from prior month (seasonally adjusted)	0.21	0.16	0.25	0.12	0.43	0.40	0.55
CPI % ch from prior year (seasonally adjusted)	1.2	1.1	1.2	1.1	1.4	1.7	2.2
Jobs (seasonally adjusted level, in millions)	129.87	129.84	130.02	130.11	130.26	130.32	130.52
change from prior month (thousands)	-59	-29	171	93	152	63	192
% change from prior month	0.0	0.0	0.1	0.1	0.1	0.0	0.1
Resident employment (season. adj. level, in millions)	139.27	139.38	139.08	138.91	139.21	139.32	139.57
change from prior month (thousands)	276	111	-294	-175	297	117	250
% change from prior month	0.2	0.1	-0.2	-0.1	0.2	0.1	0.2
Unemployment rate (seasonally adj.)	9.6	9.6	9.7	9.8	9.4	9.0	8.9

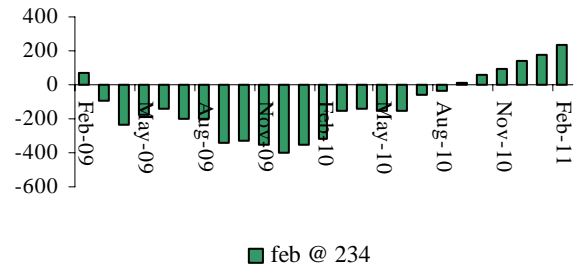
Source: BLS and Yahoo! Finance.

## DC tax collections

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



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



**Table 23. Tax Collections (before earmarking): February 2011  
(\$ 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	5,111.3	1,329.6	831.4	228.5
1 year change	615.1	229.7	-344.5	7.0	234.4	133.7	81.6	56.2
% change	13.8	4.5	-6.5	0.1	4.8	11.2	10.9	32.7
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,865.8	72.0	41.2	13.5
1 year change	296.1	241.2	113.9	36.3	41.1	30.8	21.6	10.9
% change	25.8	16.7	6.8	2.0	2.3	nm	nm	nm
General sales	958.8	1,011.6	963.5	965.3	994.2	411.7	227.5	77.9
1 year change	62.0	52.8	-48.1	1.8	67.7	28.9	6.0	16.7
% change	6.9	5.5	-4.8	0.2	7.3	7.6	2.7	27.2
Individual income	1,313.1	1,353.2	1,127.2	1,107.1	1,159.7	503.0	305.8	50.4
1 year change	80.7	40.1	-226.0	-20.1	57.6	52.5	21.4	-10.8
% change	6.5	3.1	-16.7	-1.8	5.2	11.7	7.5	-17.7
withholding	974.8	1,004.2	1,021.2	1,070.6	1,119.4	496.7	302.1	101.9
1 year change	4.2	29.5	17.0	49.4	92.7	48.8	23.8	27.8
% change	0.4	3.0	1.7	4.8	9.0	10.9	8.5	37.6
non-withholding	338.3	349.0	106.0	36.5	40.2	6.3	3.6	-51.5
1 year change	76.5	10.7	-243.0	-69.5	-35.1	3.7	-2.3	-38.6
% change	29.2	3.2	-69.6	-65.6	-46.6	142.6	-39.2	nm
Corporate income	250.7	289.8	220.7	207.9	204.3	57.1	45.0	-2.6
1 year change	30.9	39.1	-69.2	-12.8	-11.3	-3.6	-3.7	-3.1
% change	14.1	15.6	-23.9	-5.8	-5.3	-5.9	-7.6	nm
Unincorporated Bus.	166.4	128.9	121.3	120.7	119.1	34.7	32.2	3.1
1 year change	25.5	-37.5	-7.6	-0.6	-5.8	-1.6	5.5	3.0
% change	18.1	-22.5	-5.9	-0.5	-4.6	-4.3	20.6	nm
Deed taxes*	442.0	323.2	187.4	224.2	248.5	98.0	72.4	39.0
1 year change	81.7	-118.8	-135.8	36.8	63.2	24.4	23.2	30.6
% change	22.7	-26.9	-42.0	19.6	34.1	33.1	47.3	367.1
Other taxes	510.5	523.3	551.7	517.4	519.6	153.2	107.3	47.2
1 year change	38.0	12.8	28.4	-34.3	22.0	2.2	7.6	8.9
% change	8.0	2.5	5.4	-6.2	4.4	1.5	7.6	23.2

nm=not meaningful due to negative numbers or trivial collection amounts

\*Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions. Amounts accounted for as tax collections in this table may vary from payments to Recorder of Deeds due to processing and timing effects.

Source: OCFO/OTR and OCFO/ORR

## DC tax collections

### Tax collections continue to rise

● For the 12-month period ending in February, tax collections (before earmarking) were \$234 million (4.8%) more than a year earlier.

● General sales and withholding for the individual income tax have played a large role in the collections rebound. FY 2011 to date, sales taxes were up 7.6% and withholding 10.9%. Gains for the last 3 months were 2.7% and 8.5%, respectively.

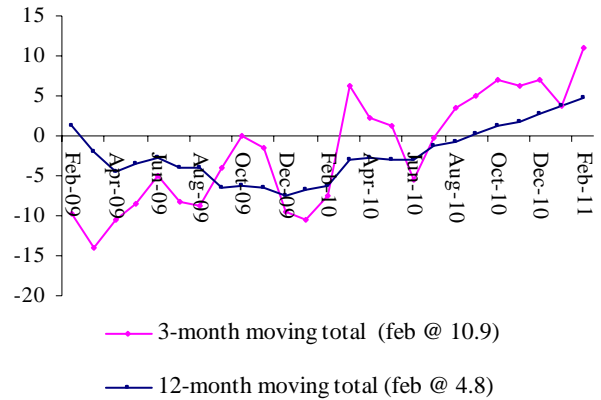
● The non-withholding part of the Individual Income tax, a primary source of revenue decline, has increased thus far in FY 2011.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 54.1% for the 3 months ending February.

### DC Tax Collections (before earmarking):

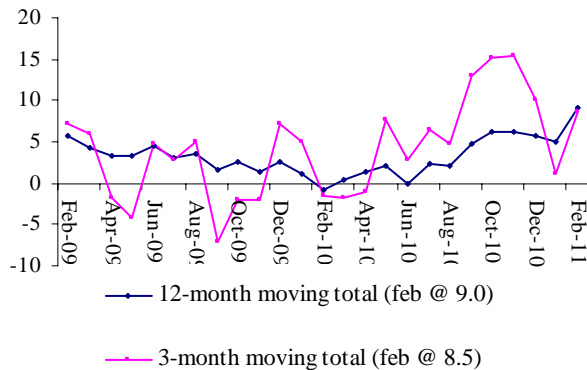
February 2009 to February 2011

(% change in 3-month and 12-month moving totals)



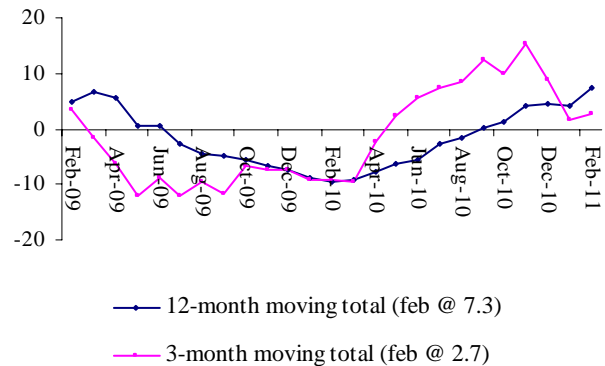
### Withholding collections: Feb. 2009 to Feb. 2011

(% change from prior year in 3-month and 12-month moving totals)



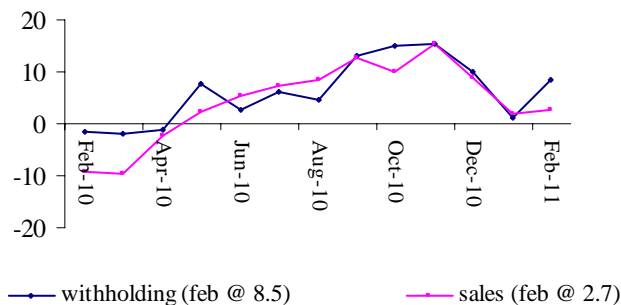
### Sales tax collections: Feb. 2009 to Feb. 2011

(% change from prior year in 3-month and 12-month moving totals)



### Collections for the General Sales tax and Individual Income tax withholding: Feb. 2010 to Feb. 2011

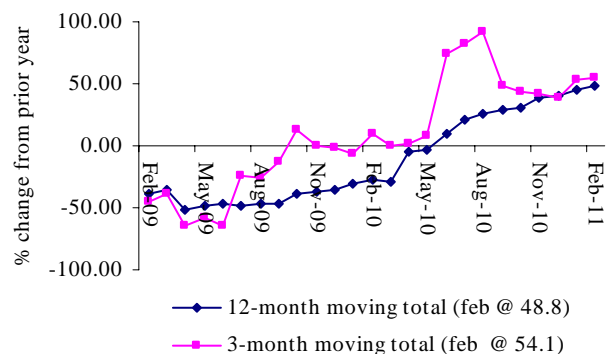
(% change in 3-month moving total)



### Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes:

February 2009 to February 2011

(% change in 3-month and 12-month moving totals)



## US economic forecasts

### Outlook for the US economy has improved

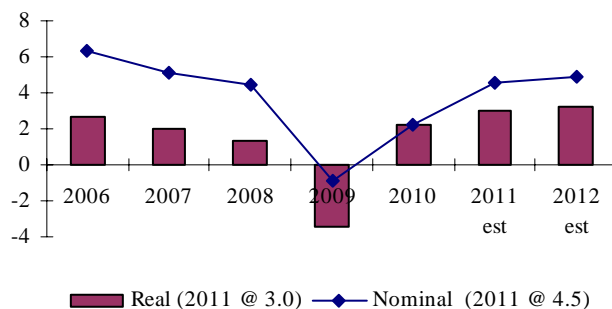
- The March Blue Chip Indicators forecast for real GDP in FY 2012 decreased slightly. Growth in real GDP is now forecast to be 3.0% in FY 2011 and 3.2% in FY 2012.
- For the second month in a row, Blue Chip raised its estimate for inflation in FY 2011 and FY 2012; the interest rate on 10 year Treasury securities did not change.
- Global Insight raised both its baseline and pessimistic stock market forecasts for 2011; there was little change in the Economy.com forecast. The range in the forecasts for 2011 is from -0.5% to +11.7%.

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		
<b>Congressional Budget Office</b>						
August	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
<b>Blue Chip</b>						
December	1.9	2.5		2.2	4.1	
January	2.2	3.0	3.3	2.9	4.6	4.9
February	2.2	3.0	3.4	2.9	4.4	5.0
March	2.2	3.0	3.2	2.2	4.5	4.9

Sources: Blue Chip Indicators and the Congressional Budget Office.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2012  
(% change from the prior year; Mar. 2011 estimate)



S and P 500 stock index: Feb. 2005 to Feb. 2011

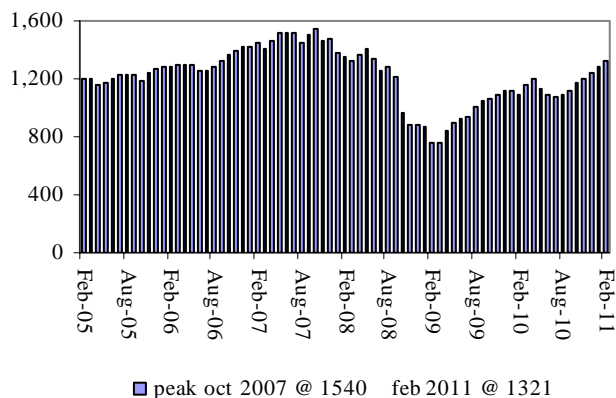


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4  
(% change from prior fiscal year)

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		
Nov	9.3	3.3	7.7	7.5	-5.0	10.7
Dec	9.0	4.5	7.6	8.4	-5.0	10.7
Jan	9.0	4.5	7.6	8.4	-5.0	10.7
Feb	10.6	11.7	7.0	10.6	1.2	9.9
	Economy.com baseline			Economy.com pessimistic		
Oct	2.6	11.2	5.8	-8.4	13.5	16.1
Nov	8.9	8.7	4.4	-2.8	10.9	14.6
Dec	9.4	8.9	4.2	-2.4	11.1	14.4
Jan	10.6	10.0	1.1	10.6	0.2	11.0
Feb	10.6	9.2	1.3	10.6	-0.5	11.3

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

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

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
Dec	1.7	1.4		3.4	2.9	
Jan	1.7	1.5	1.8	3.4	3.3	4.1
Feb	1.7	1.7	2.0	3.4	3.4	4.2
Mar	1.7	1.9	2.1	3.4	3.4	4.2

Source: Blue Chip Indicators

**Slight improvement in Global Insight and Economy.com February forecasts.**

- **Employment:** Both forecasts reduced slightly their estimates for DC job growth. The forecasts anticipate job growth of 13,500 to 18,800 in FY 2011, and another 900 to 11,000 in FY 2012.
- **Unemployment:** Slight reduction in unemployment forecasts. The range is rates from 9.3% to 10.5% for FY 2011, and 8.4% to 11.9% in 2012.
- **Wages earned in DC:** Expectations for FY 2011 cut back slightly. The range of growth rates is from 4.1% to 5.8% in FY 2011, and from 3.3% to 5.8% in FY 2012.
- **Wages earned by DC residents:** Growth rates for FY 2011 were lowered, but are still quite high, ranging from 9.2% to 10.8%. For FY 2012 the range is from 5.8% to 8.0%.

**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		
nov	6,150	9,661	10,647	6,183	8,886	6,873	6,150	6,336	4,379	6,150	78	2,590
dec	6,183	10,241	10,859	6,183	8,886	6,873	6,183	6,513	4,423	6,183	617	2,859
jan	6,183	20,730	11,409	6,183	19,809	8,141	6,183	21,274	10,121	6,183	16,333	2,601
feb	6,183	18,836	10,960	6,183	18,145	6,783	6,183	18,162	8,486	6,183	13,454	861

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		
nov	10.9	9.4	8.5	10.9	9.4	8.6	10.9	10.3	9.6	10.9	11.6	12.0
dec	10.9	9.4	8.5	10.9	9.4	8.6	10.9	10.3	10.1	10.9	11.6	12.4
jan	10.9	9.4	8.5	10.9	9.4	8.6	10.9	9.9	8.8	10.9	11.0	11.9
feb	10.9	9.3	8.4	10.9	9.3	8.5	10.9	9.4	8.8	10.9	10.5	11.9

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		
nov	3.2	4.3	5.4	3.2	3.6	3.9	3.4	4.1	4.4	3.4	2.6	2.8
dec	3.2	4.6	5.1	3.0	2.5	3.3	3.6	4.9	4.8	3.6	3.6	3.1
jan	4.1	6.2	5.7	4.1	5.6	4.3	4.1	5.6	5.6	4.1	4.5	3.5
feb	4.1	5.8	5.8	4.1	5.3	4.3	4.1	5.1	5.2	4.1	4.1	3.3

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		
nov	2.7	8.3	9.2	2.7	7.1	7.6	3.5	7.9	8.7	3.5	6.8	7.5
dec	2.8	8.6	8.7	2.8	7.4	7.0	3.6	8.2	8.8	3.6	7.2	7.6
jan	3.1	12.4	8.8	3.1	11.3	7.2	3.1	10.8	8.3	3.1	9.9	6.8
feb	3.1	10.8	7.9	3.1	9.8	5.8	3.1	10.0	8.0	3.1	9.2	6.6

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 February 2011 forecast is for tax revenue (before earmarks) to decline \$35.3 million (0.7%) in FY 2011, then increase by \$307 million (6.2%) in FY 2012

- The 2011 decline is driven by a \$214 million (11.8%) decline in real property taxes due to lower assessments that reflect the market values prevailing at the end of 2009.
- The largest increases in FY 2011 are in General Sales and Individual Income tax withholding.
- In FY 2012, rebound in real property is the largest source of growth. The non-withholding part of the individual income tax is the second largest source of growth, marking the end of a three year, \$320 million (92%), decline in this revenue source.
- In FY 2011 through FY 2013 taxes as a share of Personal Income are lower than in the preceding years.

Table 31. DC Tax Revenue (before earmarks) for FY 2010 through FY 2012: February 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	1,607.4	1,729.2	-1.2	-214.0	121.8	-0.1	-11.8	7.6
Deed taxes	225.6	255.8	270.0	38.2	30.2	14.1	20.4	13.4	5.5
General sales	976.7	1,018.8	1,061.0	3.3	42.2	42.1	0.3	4.3	4.1
Individual income	1,110.4	1,183.3	1,296.8	-25.5	72.8	113.5	-2.2	6.6	9.6
Withholding	1,073.8	1,155.4	1,182.2	52.6	81.6	26.8	5.2	7.6	2.3
non-withholding	36.6	27.9	114.5	-78.1	-8.7	86.7	-68.1	-23.9	310.9
Business income	323.7	346.1	356.3	-18.4	22.4	10.2	-5.4	6.9	2.9
Other	547.3	558.4	563.6	-10.7	11.1	5.2	-1.9	2.0	0.9
Total	5,005.2	4,969.8	5,276.7	-14.4	-35.3	306.9	-0.3	-0.7	6.2

Source: ORA. February 28, 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	709,584	723,666	733,412
1 year change	6,184	14,083	9,746
% change	0.9	2.0	1.3
DC resident employment	298,153	303,447	310,165
1 year change	-3,257	5,294	6,718
% change	-1.1	1.8	2.2
Unemployment rate	10.9	9.6	8.7

Source: ORA February 2011 revenue estimate

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	4.1	4.8	5.1
Wages and salaries earned by DC residents	3.1	4.9	6.3
DC Personal income	2.9	4.4	3.8
S and P 500 stock index	10.6	4.7	5.9

Source: ORA February 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
<b>Tax revenue (\$ million)</b>										
Level	3,805	4,249	4,516	5,155	5,325	5,052	5,005	4,970	5,277	5,521
Change from prior year	420	444	267	638	170	-273	-47	-35	307	244
<b>Percent change from prior year</b>										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	-0.7	6.2	4.6
Personal Income	6.9	8.3	8.2	8.0	8.0	2.5	2.9	4.4	3.8	4.5
<b>Tax revenue as percent of Personal Income</b>										
Personal Income	13.1	13.5	13.3	14.0	13.4	12.4	12.0	11.4	11.6	11.6

Source: ORA. February 28, 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.

**Income and employment in the 2010.4 quarter, continued from p. 1**

In the last several quarters, employment in DC has increased, more so for jobs located in DC than for resident employment. In 2010.4 there were 14,400 (2.1%) more persons working in DC than in 2007.4 when the US recession began. DC residents have not, however, fared as well, with 14,385 (4.6%) fewer working in 2010.4 than in 2007.4. —Stephen Swaim, ORA

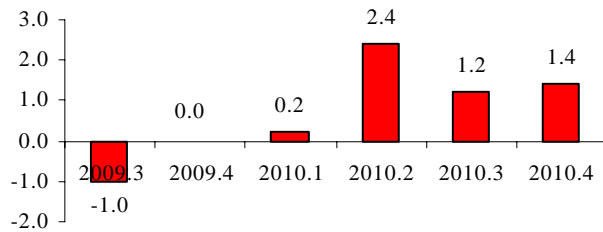
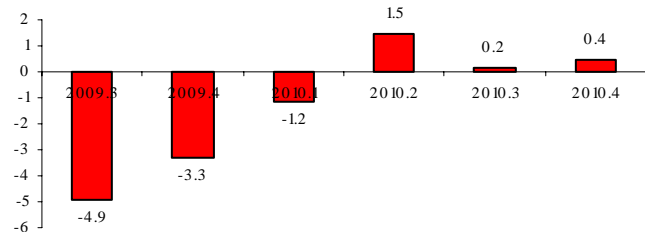
**Jobs located in DC and DC resident employment: 2007.4 to 2010.4**

Item	2007.4	2010.4	Change	% ch.
Jobs in DC	700,967	715,367	14,400	2.1
DC res. employ.	312,534	298,149	-14,385	-4.6

Source: BLS

**Jobs located in DC: 2009.3 to 2010.4**

(% change from the same quarter of the prior year)

**DC resident employment: 2009.3 to 2010.4** (percent change from same quarter of prior year)**Labor market revisions, continued from p. 1.**

reports, which had DC jobs growing 3.1% from the last quarter of 2009, and resident employment up 2.0%.

Most of the changes in DC's 2010.4 job count were in the private sector, the largest being a 12,300 (25.9%) reduction in "other business services". Health, professional and technical services, and employment services gained jobs. In addition to federal and local governments, the organization sector also lost jobs.

Slower growth in resident employment in the 2010.4 quarter is primarily the result of upward revisions to 2009; since resident employment didn't fall as far, growth from the prior year is less. —Stephen Swaim, ORA

**March 2011 revision to DC labor market indicators for the 2009 and 2010 December quarters**

indicator	Dec 2009	Dec 2010	change from prior yr.	
			amount	%
<b>Jobs located in DC</b>				
Old	704,600	726,533	21,933	3.1
March 2011 revision	705,500	715,367	9,867	1.4
<b>Private sector jobs in DC</b>				
Old	461,533	476,967	15,433	3.3
March 2011 revision	464,767	470,067	5,300	1.1
<b>DC resident employment</b>				
Old	292,902	298,898	5,996	2.0
March 2011 revision	296,826	298,149	1,323	0.4
<b>DC labor force</b>				
Old	331,744	330,787	-957	-0.3
March 2011 revision	331,480	329,710	-1,770	-0.5
<b>Unemployed</b>				
Old	38,842	31,889	-6,953	-17.9
March 2011 revision	34,653	31,561	-3,093	-8.9
<b>Unemployment rate</b>				
Old	11.7	9.6	-2.1	
March 2011 revision	10.5	9.6	-0.9	

Source: BLS Not seasonally adjusted.

**Revised DC employment for the December 2010 quarter**

Sector	Number of jobs		Revision	
	old	revised	Amount	%
Federal government	211,933	210,100	-1,833	-0.9
Local government	37,633	35,200	-2,433	-6.5
Legal services	32,267	32,400	133	0.4
Other Professional and technical	67,900	70,000	2,100	3.1
Employment services	10,667	12,967	2,300	21.6
Other Business services	47,467	35,167	-12,300	-25.9
Information	18,600	18,700	100	0.5
Finance	26,367	26,233	-133	-0.5
Organizations	58,300	57,067	-1,233	-2.1
Education	52,333	51,800	-533	-1.0
Health	58,067	60,633	2,567	4.4
Food service	37,400	37,367	-33	-0.1
Accommodations	15,033	14,867	-167	-1.1
Amusement and recreation	7,033	7,133	100	1.4
Retail trade	17,533	18,167	633	3.6
Wholesale trade	4,600	4,667	67	1.4
Construction	11,367	10,467	-900	-7.9
Personal and miscellaneous service	5,867	7,033	1,167	19.9
Other private	6,167	5,400	-767	-12.4
<b>Total</b>	<b>726,533</b>	<b>715,367</b>	<b>-11,167</b>	<b>-1.5</b>

Source: BLS. March 2011 revision to Wage and salary employment, not seasonally adjusted.

## 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](http://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 jurisdiction 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.

**Dedicated Taxes Report.** Describes the 11 dedicated taxes that earmark a percentage of a tax for particular purposes. For each dedicated tax, the report provides information on the purpose, legal authority, five-year revenue history, year of enactment, administering agency, and a description of the revenue source including applicable rates or percentage allocations.

### About this report.

The *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 March report has mostly January and February 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 *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	January	March 25
D.C. Personal Income	BEA	2010.4	June 22
D.C. Tax Collections	OTR/ORA	February	April 15
D.C. Housing Sales	GCAAR*	February	c April 10
D.C. Commercial Office Building data	Delta Associates	2010.4	c April 10
DC Apartment data	Reis, inc	2010.4	c April 10
D.C. Hotel stay information	Smith Travel Research	January	c. April 1
Consumer Price Index	BLS	January and February	April 15
U.S. Jobs and Labor Force	BLS	January and February	April 1
U.S. GDP and Personal Income	BEA	2010.4	March 25
S and P 500 Stock Index	Financial press	February	April 1
Interest rate on 10-Year Treasury Securities	Financial press	February	April 1
HIS Global Insight D.C. forecast	Global Insight	February	c. March 20
Moody's Economy.com D.C. forecast	Economy.com	February	c. March 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	March	April 10

\*Greater Capital Area Association of Realtors (data from the Metropolitan Regional Information Systems)

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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