



District of Columbia Economic and Revenue Trends: November 2012

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

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

November highlights:

- ◇ Job growth slowing.....2
- ◇ Tax collections strong.... 12
- ◇ Weaker DC forecasts.....15

Indicator updates:

Wage and salary employment.2
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 economy11
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

DC gained 37,400 jobs since December 2007, but unemployment also rose by 12,452

More DC residents got jobs, but not enough to keep pace with a rising labor force

Since December 2007, the date that the Great Recession began, by many measures DC's economy has done extremely well compared to the nation as a whole. Unemployment, however, is one measure where DC has not done so well.

According to the US Bureau of Labor Statistics, total seasonally-adjusted wage and salary employment located in DC grew from 700,100 in December 2007 to 737,500 in September 2012, an increase of 37,400 (5.3%) jobs over this period of almost 5 years. By contrast, for the nation as a whole, total employment in September 2012 was still down 4.4 million (3.2%) from the recession's start despite a recovery period now well into its third year.

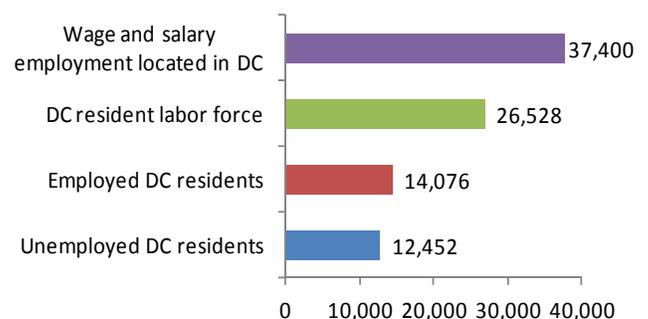
Unemployment tells a different story. In September 2012 there were 30,908 unemployed persons in the District of Columbia, 12,452 or 67.5% **more** than when the recession began. DC's percentage increase in the number of unemployed is higher than for the US, which saw a 58.1% increase over the same period.. Furthermore, unemployment rose in DC even though there was an increase of 14,076 (4.5%) in the number of employed DC residents.

By definition, DC unemployment is the difference between the labor force and employed DC residents. In a formal accounting sense, therefore, unemployment rose from December 2007 to September 2012 because the labor force increased by more than resident employment. The labor force increased by 26,528 and resident employment by only 14,076, resulting in an unemployment gain of 12,452.

BLS's summary statistics provide two insights into the dynamics of the current DC labor market that have produced both more employment and more unemployment. One is an increase in commuters. The other is DC population growth.

(continued on p. 17)

Change in DC wage and salary employment, labor force, resident employment and unemployment: December 2007 to September 2012



Wage and salary employment

DC's rate of increase in employment now lags the DC suburbs and the US

●September wage and salary employment in DC was up by 6,433 (0.9%) from a year earlier as measured by the 3-month moving average; DC's job growth is decelerating.

●Federal government employment for September was down by 3,800 (-1.8%). Private sector jobs were up by 10,000 (2.1%).

●Total year-over-year DC metropolitan area employment increased by 38,033 (1.3%) in September as measured by the 3-month moving average.

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

●Seasonally adjusted wage and salary employment in DC rose by 14,200 (2.0%) in September from the prior month, reaching a level of just 900 more than the previous March.

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

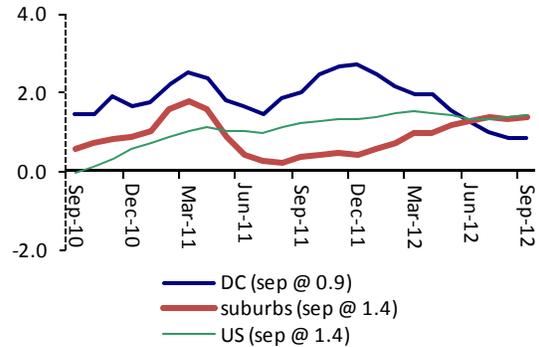


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: September 2012

Jurisdiction	FY 2009	FY 2010	FY 2011	12-mo avg	3-mo average	This month
District of Columbia	701,633	708,975	722,967	735,225	737,700	736,600
1 year change	-1,092	7,342	13,992	12,258	6,433	8,200
% change	-0.2	1.0	2.0	1.7	0.9	1.1
Washington metro area	2,964,175	2,954,825	2,988,192	3,023,533	3,034,933	3,037,200
1 year change	-41,517	-9,350	33,367	35,342	38,033	41,300
% change	-1.4	-0.3	1.1	1.2	1.3	1.4
Washington suburbs (% ch)	-1.8	-0.7	0.9	1.0	1.4	1.5
US (% ch)	-3.8	-1.9	1.1	1.4	1.4	1.4

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

Source: BLS. September data is preliminary.

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

Sector	FY 2009	FY 2010	FY 2011	3-m month		
				12-mo avg	average	This month
Federal government	198,050	208,233	213,275	209,992	210,367	209,700
1 year change	5,283	10,183	5,042	-3,283	-3,800	-2,600
% change	2.7	5.1	2.4	-1.5	-1.8	-1.2
Private sector	462,942	464,000	474,467	490,100	489,600	492,600
1 year change	-5,467	1,058	10,467	15,633	10,000	10,600
% change	-1.2	0.2	2.3	3.3	2.1	2.2

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

Table 3. Seasonally adjusted DC Employment: March 2012 to September 2012

Indicator	Mar	Apr	May	Jun	Jul	Aug	Sep
D.C. Wage and Salary employment	738,700	739,000	735,000	737,500	738,600	725,400	739,600
change from prior month	4,100	300	-4,000	2,500	1,100	-13,200	14,200
% change from prior month	0.6	0.0	-0.5	0.3	0.1	-1.8	2.0

Source: BLS seasonally adjusted. September is preliminary

Health accounted for more than 60% of the net job growth over the past year

- In September health gained 3,967 jobs over last year, 61.7% of the net increase in DC employment as measured by 3-month moving averages.
- Other private industries showing gains of at least 1,000 over the year included education, construction, employment services, and personal services.
- Private sector industries losing jobs included professional services (other than legal), business services (other than employment services), and information.
- Local government grew by 233.
- Over the past year, DC's share of federal employment fell relative to the US and the metro area.

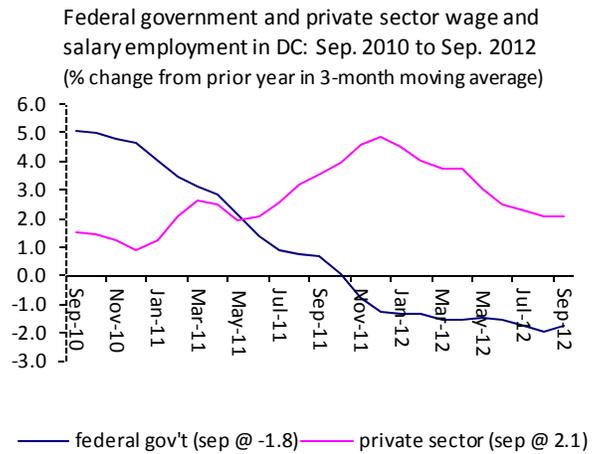


Table 4. Wage and salary employment located in DC: September 2012

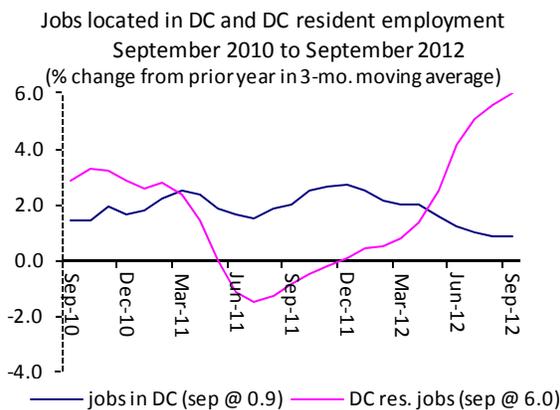
Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Sep 2012	DC share (%) in Sep 2012 of all sector jobs in:		Change from Sep 2011 to Sep 2012 in DC share of sector jobs in:	
	Sep 2011	Sep 2012	Amount	1 year change %			metro area	US	metro area	US
Federal government	214,167	210,367	-3,800	-1.8	-1.5	28.5	55.0	7.46	-0.6	-0.01
Local government	37,500	37,733	233	0.6	-0.3	5.1	12.4	0.21	-0.2	0.00
Legal services	30,633	30,833	200	0.7	0.1	4.2		2.75		0.01
Other Professional and technical	71,800	70,267	-1,533	-2.1	0.0	9.5	21.0	1.03	-0.7	-0.06
Employment services	13,667	14,867	1,200	8.8	9.6	2.0	37.2	0.46	2.9	0.00
Other Business services	34,133	33,433	-700	-2.1	1.7	4.5	18.8	0.49	-0.4	-0.02
Information	18,700	18,300	-400	-2.1	-1.3	2.5	23.0	0.69	-0.4	-0.01
Finance	26,967	26,767	-200	-0.7	0.2	3.6	17.8	0.34	-0.6	-0.01
Organizations	61,067	61,667	600	1.0	2.7	8.4	37.9	2.10	0.7	0.00
Education	51,367	53,133	1,767	3.4	8.9	7.2	53.0	1.71	0.0	0.01
Health	62,067	66,033	3,967	6.4	5.5	9.0	23.7	0.39	0.6	0.02
Food service	39,667	40,467	800	2.0	3.7	5.5	20.4	0.40	-0.3	0.00
Accommodations	15,400	16,033	633	4.1	4.4	2.2	38.0	0.83	1.4	0.03
Amusement and recreation	6,933	7,233	300	4.3	5.2	1.0	17.2	0.34	0.5	0.01
Retail trade	18,067	18,833	767	4.2	1.1	2.6	7.5	0.13	0.4	0.00
Wholesale trade	4,500	4,533	33	0.7	-0.5	0.6	7.4	0.08	0.3	0.00
Construction	12,433	14,067	1,633	13.1	12.6	1.9	9.4	0.24	0.9	0.03
Personal and miscellaneous ser.	7,033	8,033	1,000	14.2	6.9	1.1		0.32		0.04
Other private	5,167	5,100	-67	-1.3	-2.5	0.7	4.6	0.03	-0.2	0.00
Total	731,267	737,700	6,433	0.9	1.7	100.0	24.3	0.55	-0.1	0.00
<i>Public sector</i>	<i>251,667</i>	<i>248,100</i>	<i>-3,567</i>	<i>-1.4</i>	<i>-1.4</i>	<i>33.6</i>	<i>36.1</i>	<i>1.17</i>	<i>-0.7</i>	<i>-0.01</i>
<i>Private sector</i>	<i>479,600</i>	<i>489,600</i>	<i>10,000</i>	<i>2.1</i>	<i>3.3</i>	<i>66.4</i>	<i>20.9</i>	<i>0.44</i>	<i>0.1</i>	<i>0.00</i>
<i>Professional and all business</i>	<i>195,900</i>	<i>194,467</i>	<i>-1,433</i>	<i>-0.7</i>	<i>0.8</i>	<i>26.4</i>	<i>20.9</i>	<i>0.83</i>	<i>-0.5</i>	<i>-0.03</i>
<i>Education, health, and orgs.</i>	<i>174,500</i>	<i>180,833</i>	<i>6,333</i>	<i>3.6</i>	<i>5.5</i>	<i>24.5</i>	<i>32.1</i>	<i>0.59</i>	<i>0.3</i>	<i>0.02</i>
<i>Hospitality and trade</i>	<i>84,567</i>	<i>87,100</i>	<i>2,533</i>	<i>3.0</i>	<i>3.2</i>	<i>11.8</i>	<i>14.6</i>	<i>0.25</i>	<i>0.4</i>	<i>0.00</i>
<i>Other private sector</i>	<i>24,633</i>	<i>27,200</i>	<i>2,567</i>	<i>10.4</i>	<i>7.6</i>	<i>3.7</i>	<i>10.4</i>	<i>0.10</i>	<i>0.7</i>	<i>0.01</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

The unemployment rate continued to fall

- In September DC resident employment rose 18,538 (6.0%) from a year earlier (3-mo. moving average).
- In September the unemployment rate (seasonally adjusted) fell to 8.7%, and seasonally adjusted resident employment rose 1.1% from August, the 14th monthly increase in a row.
- In August initial unemployment insurance claims were down 6.4% from a year earlier (3-mo. moving average).



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

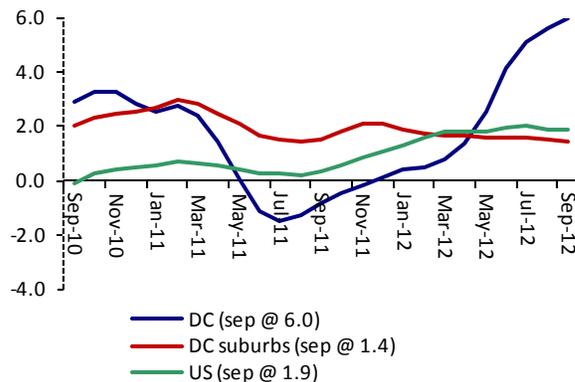


Table 5. Unemployment rates for DC, metro area, and US:

September 2012

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Sep. 2011	Sep. 2012	Sep. 2011	Sep. 2012
US	8.8	7.6	9.0	7.8
DC metro area	5.9	5.3	na	na
DC	10.5	8.8	10.4	8.7
DC suburbs	5.4	4.9	na	na

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

Table 6. Resident employment and unemployment: September 2012

Indicator	FY 2009	FY 2010	FY 2011	3-month		
				12-m o avg	average	This month
DC Labor force summary						
Resident employment	303,384	306,551	308,968	317,499	328,025	330,155
1 year change	-9,541	3,166	2,417	8,531	18,538	22,148
% change	-3.0	1.0	0.8	2.8	6.0	7.2
Labor Force	333,366	341,501	344,244	350,388	359,982	361,827
1 year change	452	8,135	2,743	6,144	13,729	17,567
% change	0.1	2.4	0.8	1.8	4.0	5.1
Unemployed	29,981	34,950	35,277	32,890	31,957	31,672
1 year change	9,993	4,969	327	-2,387	-4,809	-4,581
% change	50.0	16.6	0.9	-6.8	-13.1	-12.6
Unemployment rate	9.0	10.2	10.2	9.4	8.9	8.8
DC Unemployment insurance (state program) (August data)						
Initial claims (monthly avg.)	2,203	1,799	2,101	1,819	2,021	1,902
1 year change	688	-404	302	-259	-139	-141
% change	45.4	-18.3	16.8	-12.4	-6.4	-6.9
Weeks compensated (m o. avg.)	54,474	53,592	46,423	45,452	43,033	42,968
1 year change	19,736	-881	-7,169	-1,380	-5,306	-10,270
% change	56.8	-1.6	-13.4	-2.9	-11.0	-19.3

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: March 2012 to September 2012

Indicator	Mar	Apr	May	Jun	Jul	Aug	Sep
DC Resident employment	314,489	316,431	319,283	321,954	322,148	322,847	326,476
change from prior month	935	1,942	2,852	2,671	194	699	3,629
% change from prior month	0.3	0.6	0.9	0.8	0.1	0.2	1.1
DC Unemployment rate (%)	9.8	9.5	9.3	9.1	8.9	8.8	8.7

Source: BLS seasonally adjusted. September is preliminary

Wage gains slowed in the June quarter

● Wages earned in the District of Columbia were 1.7% higher in the June quarter compared to the same quarter of 2011. This was the slowest year-over-year increase in 3 years.

● Wages earned in DC fell below the US average in the first quarter of 2011.

● In the June quarter, estimated wages of DC residents grew 2.9%, and DC Personal Income grew 3.5%.

● Personal income gains for DC residents continued to outpace the US as a whole (the US grew at 3.3%), but resident wages fell below the US beginning in 2012.

● In the June quarter, the private sector accounted for more than 100% of the \$1.01 billion increase in wages earned in DC.

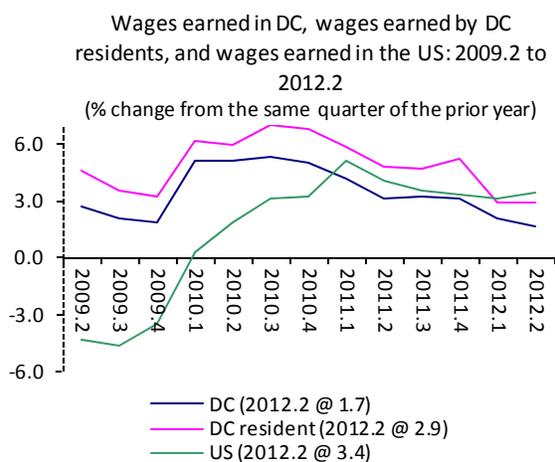


Table 8. DC Wages and Personal Income: June 2012

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

Indicator	FY 2009	FY 2010	FY 2011	4-quarter moving average	Latest quarter (Jun.)
Wages and salaries earned in DC	55.41	57.81	60.05	61.07	61.46
1 year change	1.14	2.40	2.24	1.49	1.01
% change	2.1	4.3	3.9	2.5	1.7
Supplements to wages & salaries	16.31	17.17	17.90	18.19	18.19
% change	6.3	5.3	4.2	2.8	0.9
Proprietors' income earned by DC residents*	5.38	5.63	5.96	6.12	6.31
% change	-6.0	4.6	6.0	2.8	4.9
Wages and salaries of DC residents***	21.40	22.59	23.84	24.49	24.78
change from one year ago	0.76	1.19	1.25	0.92	0.69
% change	3.7	5.6	5.5	3.9	2.9
Income earned by DC residents	30.1	31.8	33.9	34.9	35.4
% change	2.4	5.5	6.6	4.4	3.2
Property income of DC residents	5.78	5.18	5.47	5.64	5.80
% change	-14.1	-10.4	5.6	4.9	4.4
Pensions and other transfer payments of DC res.	4.62	5.22	5.70	5.85	5.95
% change	9.1	13.0	9.1	3.9	3.8
DC Personal Income**	40.52	42.18	45.03	46.40	47.16
1 year change	0.16	1.66	2.85	1.96	1.57
% change	0.4	4.1	6.8	4.4	3.5
US Personal income (% change from prior year)	-3.5	1.4	5.6	3.8	3.3
US Wages and salaries (% change from prior year)	-3.6	0.4	4.0	3.4	3.4
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	-0.15	0.57	1.62	1.46	1.09
Federal government (1 yr ch, \$B)	1.08	1.79	0.75	0.03	-0.15
DC res. wages as % of wages earned in DC	38.6	39.1	39.7	40.1	40.3

* 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 June were released September 25, 2012

Single family and condominium home sales

Condo sales and single family prices were strong in October

- The October 3-month moving total of single family home sales was down 0.7% from a year earlier, but the average selling price was 16.5% higher.
- October condominium sales were 24.2% above a year earlier as measured by the 3-month moving total; the average selling price was 1.2% lower.
- The total value of all home sales in October was 18.2% more than a year earlier as measured by the 3-month moving total.
- October year to date median prices were up 16.0% for single family units, and up 4.9% for condominiums.
- The October ratio of inventory to sales was 1.9 for single family units and 2.3 for condominiums (3-mo. moving average).

Number and average selling price of single family homes sold in DC: October 2010 to October 2012 (% change from prior year in 3-month moving averages)

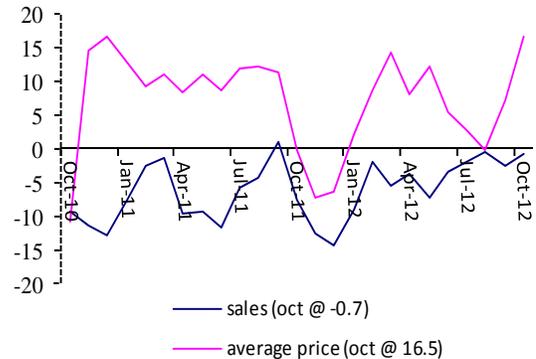


Table 9. D.C. Residential Real Estate Indicators: October 2012

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	12-mo moving		
					total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,259	4,084	3,800	3,563	3,588	871	272
1 year change	237	825	-284	-237	-136	-6	25
% change	7.8	25.3	-7.0	-6.2	-3.7	-0.7	10.1
Condo	2,590	2,884	2,469	2,784	2,865	770	255
1 year change	-206	294	-415	315	400	150	81
% change	-7.4	11.4	-14.4	12.8	16.2	24.2	46.6
Total	5,849	6,968	6,269	6,347	6,453	1,641	527
1 year change	31	1,119	-699	78	264	144	106
% change	0.5	19.1	-10.0	1.2	4.3	9.6	25.2
Average prices of units that sold							
Single family (\$)	597,269	538,395	601,026	630,109	636,796	654,607	631,246
1 year change	-70,098	-58,874	62,631	29,083	41,745	92,857	97,025
% change	-10.5	-9.9	11.6	4.8	7.0	16.5	18.2
Condo (\$)	359,952	414,030	423,365	429,611	428,199	416,565	425,256
1 year change	-52,283	54,078	9,336	6,245	4,191	-4,940	-21,222
% change	-12.7	15.0	2.3	1.5	1.0	-1.2	-4.8
Total value of all sales (\$ million)							
	2,878.8	3,392.9	3,329.2	3,441.1	3,511.6	890.9	280.1
1 year change	-290.6	514.1	-63.7	111.9	250.5	136.9	70.5
% change	-9.2	17.9	-1.9	3.4	7.7	18.2	33.6
Ratio: active inventory to sales							
Single family	5.2	3.4	3.3	2.3	2.1	1.9	1.7
Condo	5.7	4.6	4.9	2.9	2.8	2.3	2.4

Median contract prices, CY to date in October 2012: single family \$522,000 (16.0% 1 yr ch); condo \$380,000 (4.9% 1 yr ch)

Note: Data are closed contracts settled during each month or other period shown. Because average price depends on the mix of units sold, this measure can be volatile on a month-to-month basis, and it is not intended to measure changes in the value of all residential property.

Monthly average price for all single family units is calculated by ORA based on reported average prices and number of sales for different types of units.

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

Apartments and single family home transactions

Sales of higher priced single family homes were up in October

- Sales of single family units at prices above \$1 million were up 25.0% in October from a year ago as measured by the 3-month moving total.
- In September the quarterly Federal Housing Finance Agency house price index for DC was 7.8% higher over a year ago. For the US, there was a 3.3% rise.
- In the September quarter, occupied apartment units rose 1,426 (1.7%) and rents rose 4.4% from a year earlier.

FHFA expanded-data housing price index for DC and the US: 2003.3 to 2012.3 (% change from prior yr. in the 12-mo. moving avg.)

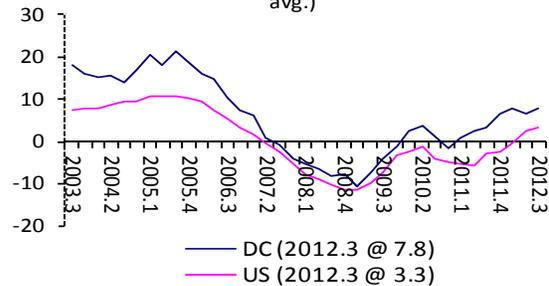


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: October 2012

Category	Fiscal year average				12-mo moving total		3-mo moving total	This month
	FY 2009	FY 2010	FY 2011	FY 2012	2011.3	2011.4	2012.1	
Single family homes	333	418	489	458	480	105	38	
1 year change	-10.2	85	71	-31	30	21	22	
% change	-23.4	25.5	17.0	-6.3	6.7	25.0	137.5	
percent of all single family sales	10.2	10.2	12.9	12.9	13.4	12.1	14.0	
Condominiums	62	89	87	72	75	17	5	
1 year change	-15	27	-2	-15	-10	-3	3	
% change	-19.5	43.5	-2.2	-17.2	-11.8	-15.0	150.0	
percent of all condominium sales	2.4	3.1	3.5	2.6	2.6	2.2	2.0	

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

Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: September 2012

Indicator	Fiscal year average				Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	2011.3	2011.4	2012.1	2012.2	2012.3
% change from prior year in value of index									
DC	-7.5	1.5	1.3	7.1	3.5	6.4	7.8	6.5	7.8
US	-10.0	-2.8	-4.7	0.7	-2.8	-2.6	-0.5	2.6	3.3

Addendum: % change from prior year in the average price of settled sales contracts for single family homes

Average DC sales price	-10.5	-9.9	11.6	4.8	11.4	-6.3	14.3	5.4	7.1
------------------------	-------	------	------	-----	------	------	------	-----	-----

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

Table 12. Market-rate units in larger DC apartment buildings: September 30, 2012

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

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

Commercial office space

Occupied office space fell in September

●For the quarter ending September, the vacancy rate for DC commercial office space rose to 8.3% (without sublet space), and to 9.3% (with sublet space). (In June the rates were 8.1% and 9.2%, respectively.)

●DC's vacancy rate with sublet space in September was below the 13.1% rate for the metropolitan area.

●Occupied space fell in the September quarter by 0.36 million square feet (0.3%) from a year earlier.

●Space under construction was unchanged in the last quarter, and is up 13.5% from a year ago.

●In the June quarter, average effective rents for class A office space leases were up 0.8% from a year earlier.

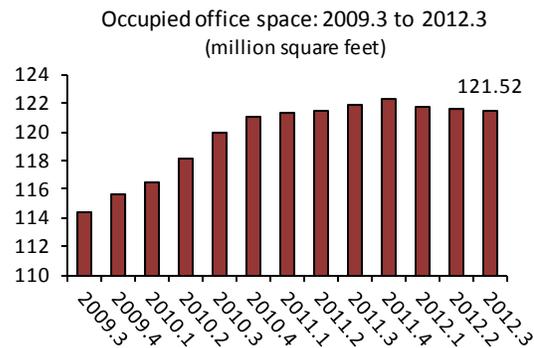


Table 13. Commercial office space in DC: September 30, 2012

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (September 2012)		
	2008	2009	2010	2011	Level	1 Q ch	% ch
Inventory	123.60	127.45	131.95	133.50	133.99	0.00	0.0
1 year change	1.19	3.86	4.49	1.56	0.48		
% change	1.0	3.1	3.5	1.2	0.4		
Occupied space	115.44	114.45	119.94	121.89	121.52	-0.13	-0.1
1 year change	0.13	-0.99	5.49	1.95	-0.36		
% change	0.1	-0.9	4.8	1.6	-0.3		
Leased space	116.29	116.25	121.35	123.06	122.82	-0.30	-0.2
Under construction	10.60	5.75	2.14	2.42	2.74	0.00	0.0
1 year change	2.68	-4.85	-3.60	0.27	0.33		
% change	33.9	-45.8	-62.7	12.7	13.5		
% of inventory	8.6	4.5	1.6	1.8	2.05		
Vacant (no sublet)	7.31	11.20	10.60	10.44	11.17	0.30	2.8
% of inventory	5.9	8.8	8.0	7.8	8.3		
Vacant (w sublet)	8.16	13.00	12.01	11.61	12.46	0.13	1.1
1 year change	1.06	4.84	-0.99	-0.39	0.85		
% ch from one year	14.9	59.4	-7.6	-3.3	7.3		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	6.6	10.2	9.1	8.7	9.3	0.1	
Northern Virginia	11.9	13.5	13.4	13.5	15.2	0.8	
Suburban Maryland	11.5	14.6	14.5	14.2	14.5	0.2	
DC Metropolitan area	10.1	12.6	12.2	12.1	13.1	0.5	

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: 2009.2 to 2012.2

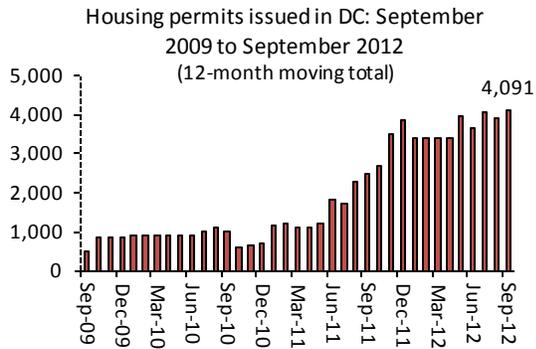
Indicator	\$ per square foot of gross floor space during 6-month period ending on date shown:						
	2009.2	2009.4	2010.2	2010.4	2011.2	2011.4	2012.2
Average effective rent	45.75	43.30	40.70	40.10	39.80	40.45	40.10
% ch from prior year	-1.1	-6.4	-11.0	-7.4	-2.2	0.9	0.8
Average value of improvements for tenants	60.00	65.00	80.00	80.00	80.00	75.00	75.00

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

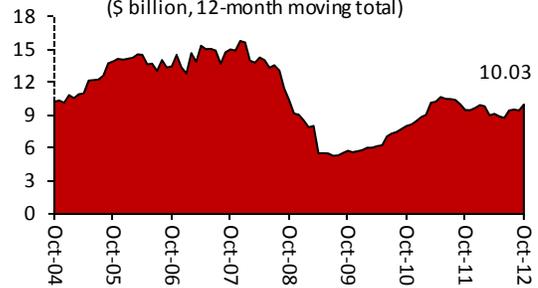
Housing permits, office and apartment outlook, and value of property transfers

The value of property transfers remained high in October

- For the 12-month period ending September, 4,091 housing unit building permits were issued, a 66.4% increase over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to rise slightly (to 9.5%) over the next two years.



Value of all real property subject to deed transfer or economic interest taxes: October 2004 to October 2012 (\$ billion, 12-month moving total)



- Reis expects 3,980 new apartment units to be added to inventory in CY 2012 and CY 2013, and occupancy to grow by 4,438
- The value of October property transfers was up by 32.7% from last year as measured by the 3-month moving total. The 12-month moving total was a 5.3% increase.

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

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total units	499	986	2,459	4,091	4,091	1,302	391
change from 1 year ago	-191	487	1,473	1,632	1,632	413	177
% change from 1 year ago	-27.7	97.6	149.4	66.4	66.4	46.5	82.7

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory September 2012					
Inventory (msf)	134.0	179.5	88.9	402.4	33.3
vacancy rate (%)	9.3	15.2	14.5	13.1	
Estimated net activity to September 2014					
new supply (msf)	3.0	4.0	2.2	9.2	32.6
new demand (msf)	2.5	4.0	1.8	8.3	30.1
Estimated Inventory September 2014					
vacancy rate (%)	9.5	14.8	14.6	13.0	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2007 to 2016

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

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

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: October 2012

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,494.3	10,033.8	2,193.3	874.8
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	505.1	540.7	539.6
% change from 1 year ago	-51.5	39.3	29.1	-5.6	5.3	32.7	161.0

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

Hotel room revenue down in September

● In September the 3-month moving total for hotel room-days sold was 0.5% higher than a year earlier; and the average room rate declined 2.7%, leading to a 2.2% decline in room revenue.

● Employment in food services was 2.0% higher in September than a year earlier as measured by the 3-month moving average. Hotel employment rose 4.1%, and retail gained 4.2%.

● September airline traffic into the DC area was up 0.9% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 7.3%.

Hotel room sales revenue: Sep. 2010 to Sep. 2012
(percent change in 3-month and 12-month moving average from same period of prior year)

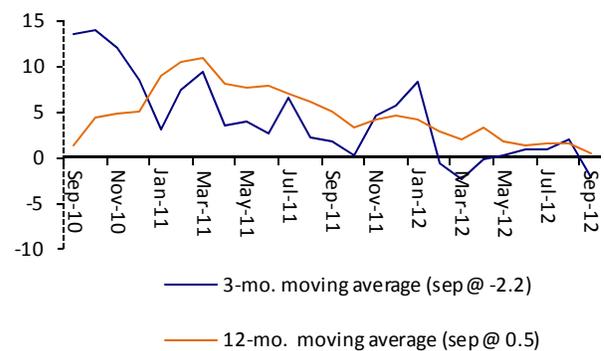


Table 19. Hospitality Industry: September 2012

Indicator	Units	date	FY 2009	FY 2010	FY 2011	12-mo total	3-month	This month
						or average*	or average*	
Hotel stays								
Hotel room -days sold	('M)	sep	7.123	7.370	7.465	7.606	1.988	0.623
	1 yr ch		-0.003	0.248	0.095	0.141	0.011	-0.009
	1 yr % ch		0.0	3.5	1.3	1.9	0.5	-1.4
Average room rate	\$	sep	203.16	199.12	231.00	203.79	182.52	207.81
	1 yr ch		-5.83	-4.05	-6.77	-2.81	-5.02	-16.84
	1 yr % ch		-2.8	-2.0	-2.8	-1.4	-2.7	-7.5
Occupancy rate (average)	%	sep	73.1	73.8	85.1	75.5	78.4	75.3
	1 yr ch		-1.1	0.7	0.4	1.2	0.8	-0.6
	1 yr % ch		-1.5	0.9	0.5	1.7	1.0	-0.8
Room revenue	(\$M)	sep	1,447.0	1,467.5	168.5	1550.1	362.9	129.4
	1 yr ch		-42.0	20.5	-2.8	7.8	-8.0	-12.5
	1 yr % ch		-2.8	1.4	-1.6	0.5	-2.2	-8.8
Airline passengers								
DCA	1 yr % ch	sep	-2.9	0.5	6.2	2.8	7.3	5.5
IAD	1 yr % ch	sep	-4.4	1.2	0.6	-2.9	-5.2	-5.4
BWI	1 yr % ch	sep	-3.3	4.6	4.2	1.0	2.0	0.7
Total	1 yr % ch	sep	-3.6	2.1	3.4	0.1	0.9	-0.2
Convention Center Transfer								
	\$ M	sep	91.5	94.4	98.0	97.3	22.6	3.4
	1 yr ch		0.0	2.8	3.6	-0.7	-3.4	-6.2
	1 yr % ch		0.0	3.1	3.9	-0.7	-13.2	-64.3
Employment								
Accommodations	level ('000)	sep	15.0	15.3	15.3	16.0	16.0	16.1
	1 yr ch		-0.2	0.3	0.0	0.7	0.6	0.6
	1 yr % ch		-1.2	2.0	0.0	4.4	4.1	3.9
Food and bev	level ('000)	sep	35.9	37.0	39.0	40.4	40.5	40.1
	1 yr ch		0.5	1.2	1.9	1.5	0.8	0.8
	1 yr % ch		1.4	3.3	5.2	3.7	2.0	2.0
Arts and entertain.	level ('000)	sep	7.1	7.0	6.8	7.1	7.2	7.3
	1 yr ch		0.2	-0.1	-0.2	0.4	0.3	0.3
	1 yr % ch		2.7	-1.5	-2.6	5.2	4.3	4.3
Retail	level ('000)	sep	17.8	18.3	18.5	18.7	18.8	19.0
	1 yr ch		-0.6	0.5	0.2	0.2	0.8	0.9
	1 yr % ch		-3.5	3.0	1.0	1.1	4.2	5.0

* 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

Economic growth picked up to 2.0% in the September quarter

●September was the 13th consecutive quarter of real GDP growth. The 2.0% gain in the quarter was just under the 2.2% average growth over the 13 quarters.

●US employment (seas. adj.) increased by 171,000 in October.

●The US unemployment rate (seasonally adj.) rose to 7.9% in Oct.

●In October the S & P 500 index fell 0.4% from September, but was 19.1% above a year ago.

●Inflation rose slightly. The October CPI was 2.2% above a year earlier (sa).

Quarterly change in US Real and Nominal GDP:
2009.3 to 2012.3
(% change from the previous quarter at annual rates)

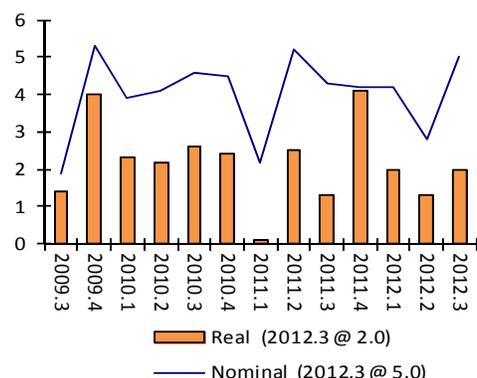


Table 20. US GDP, income, corporate profits, and inflation: 2012.3 and October 2012

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	12-mo avg	2012.3	oct 2012
US GDP real	2012.3	1 yr % ch	1.1	-3.9	1.8	1.9		2.2	2.3	
US GDP nominal	2012.3	1 yr % ch	3.4	-2.6	2.8	4.0		4.1	4.0	
US Personal income	2012.3	1 yr % ch	5.6	-3.4	1.5	5.4		3.4	3.6	
US wages	2012.3	1 yr % ch	3.4	-3.5	0.4	4.0		3.4	3.7	
Corporate profits	2012.3	1 yr % ch	-11.2	-12.2	35.9	9.1		na	na	
S and P stock index	oct	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	6.6	14.2	19.1
US CPI	oct	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	2.3	1.7	2.2
Balt//Wash. area CPI	sep	1 yr % ch	5.0	0.3	1.7	3.0		2.4	na	2.8

Source: BEA (data revised as of October 26, 2012), BLS, and Yahoo!finance. na = not available

Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 21. Quarter to quarter change in US GDP and income: 2011.1 to 2012.3

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

Indicator	units	calendar year quarter							
		2011.1	2011.2	2011.3	2011.4	2012.1	2012.2	2012.3	
US GDP real	% ch from prior Q at saar	0.1	2.5	1.3	4.1	2.0	1.3	2.0	
US GDP nominal	% ch from prior Q at saar	2.2	5.2	4.3	4.2	4.2	2.8	5.0	
Wages and salaries	% ch from prior Q at saar	8.9	2.3	1.3	0.9	8.0	3.2	2.5	
Personal income	% ch from prior Q at saar	11.1	2.6	1.2	1.3	6.4	3.9	2.7	

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on October 26, 2012

Table 22. Monthly change in selected US Indicators: April 2012 to October 2012

Indicator	Apr	May	Jun	Jul	Aug	Sep	Oct
S and P stock index (level)	1386	1341	1323	1360	1403	1443	1438
% change from prior month	-0.2	-3.3	-1.3	2.8	3.2	2.9	-0.4
% change from 1 year ago	4.1	0.2	2.8	2.6	18.4	23.0	19.1
10 yr. Treasury Interest rate (level)	2.03	1.79	1.61	1.50	1.67	1.71	1.72
CPI % ch from prior month (seasonally adjusted)	0.03	-0.28	0.04	0.05	0.60	0.57	0.15
CPI % ch from prior year (seasonally adjusted)	2.30	1.73	1.68	1.42	1.70	2.00	2.18
Jobs (seasonally adjusted level, in millions)	132.93	133.02	133.06	133.24	133.44	133.58	133.76
change from prior month (thousands)	68	87	45	181	192	148	171
% change from prior month	0.05	0.07	0.03	0.14	0.14	0.11	0.13
Resident employment (season. adj. level, in mil.)	141.87	142.29	142.42	142.22	142.10	142.97	143.38
change from prior month (thousands)	-169	422	128	-195	-119	873	410
% change from prior month	-0.12	0.30	0.09	-0.14	-0.08	0.61	0.29
Unemployment rate (seasonally adj.)	8.1	8.2	8.2	8.3	8.1	7.8	7.9

Source: BLS and Yahoo! Finance.

DC tax collections

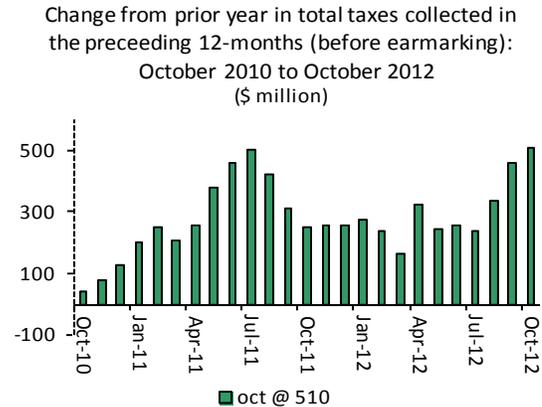
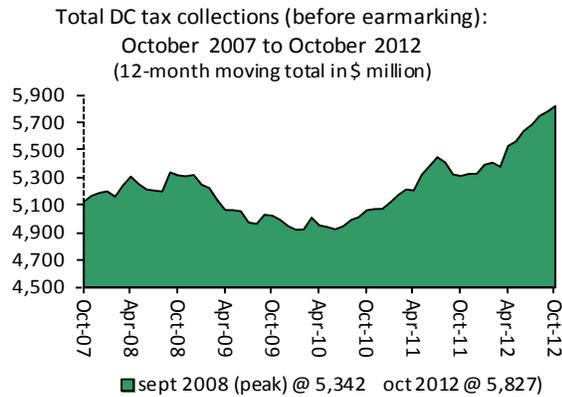


Table 23. Tax Collections (before earmarking): October 2012 (Preliminary)

(\$ million)

Tax	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total taxes	5,032.8	5,015.4	5,326.3	5,786.8	5,827.0	1,849.2	305.3
1 year change	-309.5	-17.4	311.0	460.5	510.3	136.8	40.1
% change	-5.8	-0.3	6.2	8.6	9.6	8.0	15.1
Real property	1,818.8	1,834.8	1,707.0	1,820.7	1,822.9	874.1	17.9
1 year change	134.0	15.9	-127.8	113.7	126.8	55.3	2.2
% change	8.0	0.9	-7.0	6.7	7.5	6.8	14.3
General sales	963.5	965.3	1,017.0	1,085.7	1,092.6	274.7	98.9
1 year change	-48.1	1.8	51.7	68.7	68.3	14.4	7.0
% change	-4.8	0.2	5.4	6.8	6.7	5.5	7.6
Individual income	1,127.2	1,107.1	1,297.0	1,468.2	1,483.1	369.9	115.9
1 year change	-226.0	-20.1	189.9	171.1	190.9	47.8	14.9
% change	-16.7	-1.8	17.2	13.2	14.8	14.9	14.8
withholding	1,021.2	1,070.6	1,189.9	1,310.7	1,314.1	311.7	105.5
1 year change	17.0	49.4	119.3	120.7	119.4	26.0	3.4
% change	1.7	4.8	11.1	10.1	10.0	9.1	3.4
non-withholding	106.0	36.5	107.1	157.5	169.0	58.2	10.4
1 year change	-243.0	-69.5	70.6	50.4	71.4	21.8	11.5
% change	-69.6	-65.6	193.3	47.1	73.2	60.0	-1,073.1
Corporate income	220.7	207.9	225.8	311.5	314.2	82.6	9.5
1 year change	-69.2	-12.8	17.9	85.7	99.6	34.5	2.8
% change	-23.9	-5.8	8.6	38.0	46.4	71.9	41.1
Unincorporated Bus.	122.4	120.7	141.5	159.1	162.1	33.5	6.1
1 year change	-6.5	-1.7	20.9	17.5	21.0	2.8	3.1
% change	-5.0	-1.4	17.3	12.4	14.9	9.0	100.6
Deed taxes*	187.4	225.6	314.1	310.7	323.9	73.8	27.3
1 year change	-135.8	38.2	88.5	-3.4	6.5	14.6	13.2
% change	-42.0	20.4	39.2	-1.1	2.1	24.7	93.4
Other taxes	592.8	554.0	623.9	631.1	628.1	140.6	29.6
1 year change	42.1	-38.8	70.0	7.2	-2.7	-32.7	-3.0
% change	7.6	-6.5	12.6	1.1	-0.4	-18.9	-9.2

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

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

(3) Data subject to accounting adjustments.

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

Source: OCFO/ORR

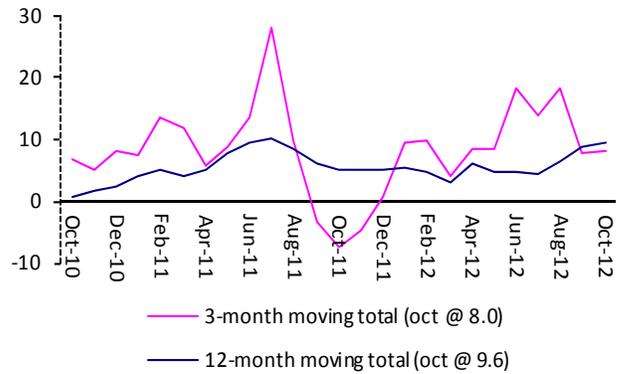
Tax collections continued to be strong in October

● For the 12-month period ending October, tax collections (before earmarking) were \$510.3 million (9.6%) more than a year earlier. Collections grew at an estimated 8.6% rate in FY 2012 which ended in September.

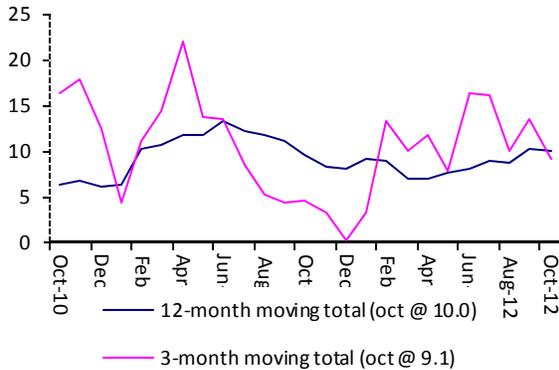
● In October the 3-month moving total for sales taxes was up 5.5% from last year, and withholding was up 9.1%.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 34.5% from the prior year for the 3 months ending October. For the last 12-month period, the payments were up 9.0%.

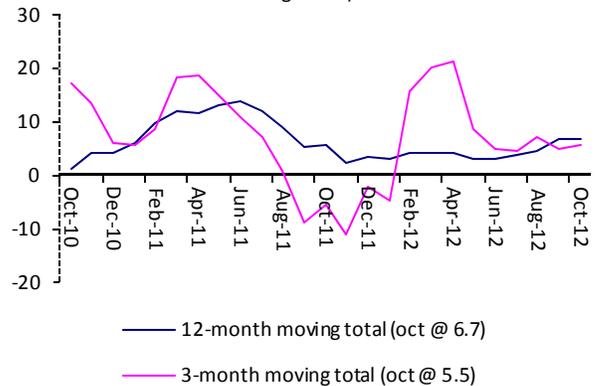
DC Tax Collections (before earmarking):
October 2010 to October 2012
(% change in 3-month and 12-month moving totals)



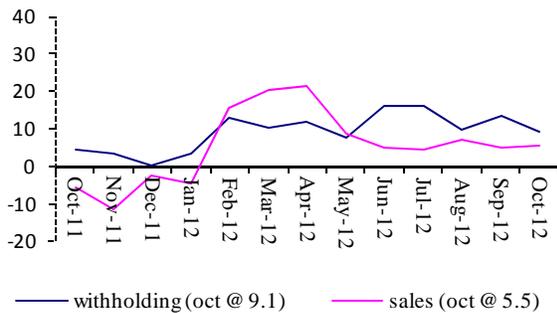
Withholding collections: Oct. 2010 to Oct. 2012
(% change from prior year in 3-month and 12-month moving totals)



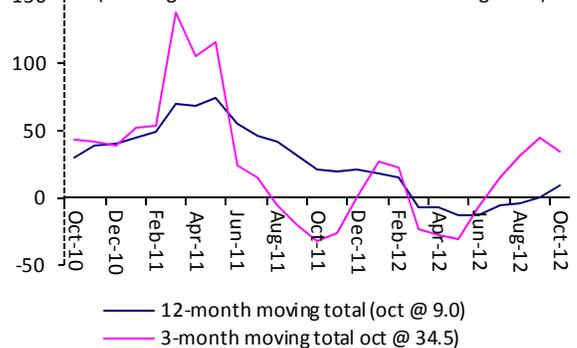
Sales tax collections: Oct. 2010 to Oct. 2012
(% change from prior year in 3-month and 12-month moving totals)



Collections for the General Sales tax and Individual Income tax withholding: Oct. 2011 to Oct. 2012
(% change in 3-month moving totals)



Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes:
October 2010 to October 2012
(% change in 3-month and 12-month moving totals)



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

US economic forecasts

The November Blue Chip Indicators forecast was unchanged for real GDP in FY 2013.

- The November Blue Chip Indicators kept its FY 2013 forecast for real GDP at 1.8%, slower than in FY 2012.
- The November Blue Chip Indicators raised slightly its inflation forecast for FY 2013. The forecast is for a 1.5% increase in the CPI in FY 2013.
- S and P 500: Global Insight and Economy.com pessimistic forecasts for the stock market for the last quarter of 2013 became more pessimistic. The range of estimates: 4.5% to 13.4% increase for the last quarter of 2012; -15.2% to 10.5% for the last quarter of 2013.

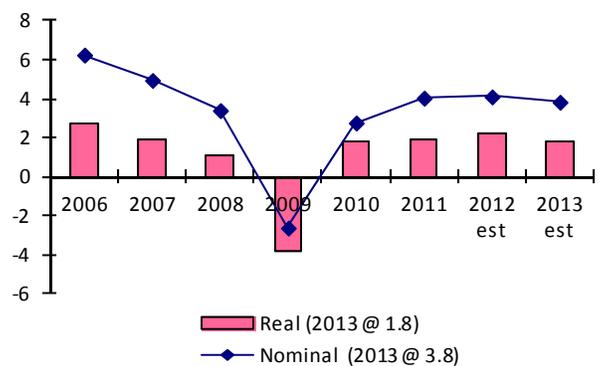
Table 24. Forecasts for US nominal and real GDP:

FY 2011 through FY 2013 (% change from prior fiscal year)

Forecast and date	real			nominal		
	2011	2012	2013	2011	2012	2013
Congressional Budget Office						
August 2011	2.5	2.5	2.0	4.0	3.8	3.0
January 2012	2.1	2.1	1.2	4.1	3.7	2.6
August	1.9	2.0	0.4	4.0	3.9	2.0
Blue Chip						
August	1.9	2.2	1.9	4.0	4.0	3.8
September	1.9	2.3	1.9	4.0	4.1	3.8
October	1.9	2.2	1.8	4.0	4.0	3.7
November	1.9	2.2	1.8	4.0	4.1	3.8

Sources: Blue Chip Indicators and the Congressional Budget Office.
Most recent Blue Chip FY 2011 is actual from BEA.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2013
(% change from the prior year; Nov. 2012 estimate)



S and P 500 stock index actual and alternative forecasts: 2005.1 to 2013.4
(October forecasts; value of index)

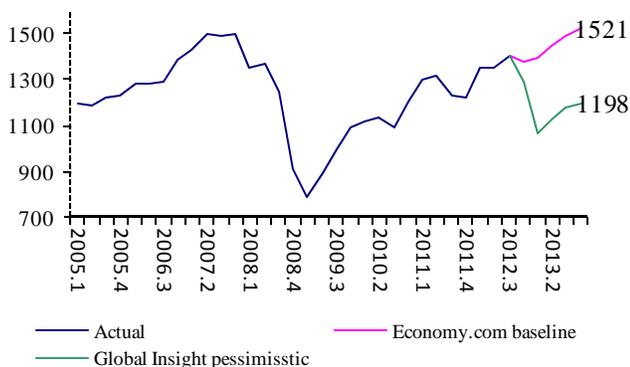


Table 25. Forecasts for S and P 500: 2011.4 to 2013.4

(% change from prior fiscal year)

Forecast date	% change from prior year			% change from prior year		
	2011.4	2012.4	2013.4	2011.4	2012.4	2013.4
Global Insight: baseline						
July	1.8	7.7	8.7	1.8	-14.9	14.1
August	1.8	9.3	7.0	1.8	-4.7	1.9
September	1.8	11.8	4.7	1.8	2.3	-5.1
October	1.8	13.4	3.9	1.8	5.4	-7.3
Economy.com baseline						
July	1.8	12.2	7.9	1.8	9.4	8.8
August	1.8	12.0	9.3	1.8	8.9	1.2
September	1.8	12.0	9.7	1.8	8.9	1.6
October	1.8	12.3	10.5	1.8	4.5	-15.2

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

Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2011 to FY 2013

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2011	2012	2013	2011	2012	2013
Aug	2.6	2.4	1.3	3.0	1.9	2.0
Sep	2.6	2.4	1.4	3.0	1.9	2.0
Oct	2.6	2.4	1.4	3.0	1.9	1.9
Nov	2.6	2.5	1.5	3.0	1.9	1.9

Source: Blue Chip Indicators

Forecasts for DC jobs and income became more pessimistic for FY 2013

●**Employment:** employment forecasts were cut for FY 2013 resulting in an even sharper decline from the significant growth in FY 2012. The range of job changes are -9,524 to 3,700 in FY 2013.

●**Unemployment:** Unemployment rate forecasts were reduced. The unemployment rate forecast range for FY 2013 is from 8.7% to 10.7%.

●**Wages earned in DC:** Reduced once again. The range: 0.1% to 2.8% in FY 2013.

●**Wages earned by DC residents:** the reduced forecast range: 0.3% to 3.6% in FY 2013.

Table 27. Jobs in DC: forecasts for FY 2011 to FY 2013

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Jul	14,667	15,789	7,832	14,667	15,548	4,229	14,667	14,190	4,786	14,667	13,039	-7,377
Aug	14,667	13,447	5,733	14,667	13,435	2,346	14,667	13,444	2,770	14,667	13,385	-8,370
Sep	14,667	13,617	6,107	14,667	13,546	2,991	14,667	13,606	3,188	14,667	13,548	-7,879
Oct	14,667	12,755	3,700	14,667	12,755	472	14,667	13,667	1,517	14,667	13,667	-9,524

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

Table 28. Unemployment rate in DC FY 2011 to FY 2013

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Jul	10.2	9.7	9.2	10.2	9.8	9.7	10.2	9.6	9.4	10.2	9.8	11.8
Aug	10.2	9.7	9.3	10.2	9.8	9.9	10.2	9.6	9.4	10.2	9.6	11.4
Sep	10.2	9.6	8.9	10.2	9.7	9.3	10.2	9.6	9.0	10.2	9.6	11.0
Oct	10.2	9.5	8.8	10.2	9.5	9.1	10.2	9.5	8.7	10.2	9.5	10.7

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

Table 29. Wages earned in DC FY 2011 to FY 2013

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Jul	3.9	3.5	3.2	3.9	3.4	1.9	3.9	3.4	3.6	3.9	3.2	1.0
Aug	3.9	3.5	3.2	3.9	3.4	1.9	3.9	3.4	3.6	3.9	3.4	0.9
Sep	3.9	3.4	3.1	3.9	3.4	2.2	3.9	3.5	3.5	3.9	3.5	0.8
Oct	3.9	2.0	2.7	3.9	2.0	1.8	3.9	2.1	2.8	3.9	2.1	0.1

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

Table 30. DC resident wages FY 2011 to FY 2013

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Jul	4.4	3.8	3.8	4.4	3.5	2.2	4.4	4.6	5.3	4.4	4.4	3.4
Aug	4.4	3.7	4.0	4.4	3.6	2.1	4.4	4.6	5.3	4.4	4.6	3.3
Sep	4.4	3.7	4.2	4.4	3.7	2.6	4.4	4.3	4.5	4.4	4.3	2.5
Oct	5.5	3.2	3.6	5.5	3.2	0.6	5.5	3.1	2.3	5.5	3.1	0.3

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

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

DC revenue estimate

The September revenue forecast did not change February's: tax revenue growth (before earmarks) for FY 2013

- The FY 2012 increase in revenue follows a strong 6.4% increase in FY 2011.
- In FY 2012, real property, individual income, general sales, and business income all show significant gains.
- In FY 2013, the individual income tax is projected to decline and sales tax growth to slow, primarily the consequence of anticipated cutbacks in federal government employment, wages, and contracts due to deficit reduction measures. Considerable uncertainty exists, however, as to the exact nature of such cuts or when they might materialize.
- In FY 2012 and FY 2013 taxes represent a slightly higher share of Personal Income than in the two prior fiscal years.

Table 31. DC Tax Revenue (before earmarks) for FY 2011 through FY 2013: February 2012 revenue estimate

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Real property	1,715.1	1,838.3	1,953.2	-106.4	123.2	114.9	-5.8	7.2	6.3
Deed taxes	311.2	311.1	312.4	85.6	-0.1	1.3	37.9	0.0	0.4
General sales	1,014.9	1,045.9	1,066.2	38.2	31.0	20.2	3.9	3.1	1.9
Individual income	1,296.6	1,446.4	1,406.2	186.2	149.9	-40.3	16.8	11.6	-2.8
Withholding	1,192.2	1,303.6	1,336.3	118.3	111.5	32.7	11.0	9.4	2.5
non-withholding	104.4	142.8	69.9	67.8	38.4	-72.9	185.2	36.7	-51.1
Business income	359.7	387.9	400.1	36.0	28.3	12.2	11.1	7.9	3.1
Other	627.8	586.5	583.0	80.6	-41.3	-3.5	14.7	-6.6	-0.6
Total	5,325.3	5,616.2	5,721.0	320.1	290.9	104.8	6.4	5.5	1.9

Source: ORA. February 29, 2012 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. Excludes revisions to FY 2012 contained in the September revenue letter.

Table 32. DC labor market assumptions: FY 2011 to FY 2013

item	2011	2012	2013
Wage and salary employment	713,042	716,640	709,713
1 year change	4,858	3,598	-6,927
% change	0.7	0.5	-1.0
DC resident employment	299,158	302,526	303,932
1 year change	-1,237	3,368	1,406
% change	-0.4	1.1	0.5
Unemployment rate	10.1	10.0	10.5

Source: ORA February 2012 revenue estimate

Table 33. DC Income and stock market assumptions:

item	FY 2011 to FY 2013 (change from prior year)		
	2011	2012	2013
Wages and salaries earned in DC	3.4	3.1	0.7
Wages and salaries earned by DC residents	3.8	4.5	2.6
DC Personal income	5.9	3.3	2.1
S and P 500 stock index	1.8	0.0	3.9

Source: ORA February 2012 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 2005 to FY 2014

item	2005	2006	2007	2008	2009	2010	2011	2012 est	2013 est	2014 est
Tax revenue (\$ million)										
Level	4,249	4,516	5,155	5,325	5,052	5,005	5,325	5,616	5,721	5,859
Change from prior year	444	267	638	170	-273	-47	320	291	105	138
Percent change from prior year										
Tax revenue	11.7	6.3	14.1	3.3	-5.1	-0.9	5.6	5.6	1.8	2.6
Personal Income	8.3	8.2	8.1	9.6	-0.1	3.2	5.9	3.3	2.1	3.2
Tax revenue as percent of Personal Income	13.5	13.3	14.0	13.2	12.5	12.0	12.1	12.3	12.3	12.2

Source: ORA. February 2012 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 unemployment, continued from p.1

An approximation of how much of the net increase in DC jobs went to commuters is to take the difference between the increase in jobs (37,400) and the increase in resident employment (14,076). By this estimate, 23,324 (62.4%) of the gain in jobs went to commuters. This is an approximation for two reasons. First, some of the increase in DC resident employment may reflect jobs outside of DC (i.e., reverse commuting). In addition, the data on jobs and on resident employment are derived from different BLS surveys as explained in the note to the table below.

The labor force can change without a change in the population if the number of people seeking work changes in response to available job opportunities. However the increase in the District's population certainly must have contributed greatly to the increase in the labor force since December 2007. According Global Insight, DC's population increased by 54,250 (9.4%) between the last quarter of 2007 and the third quarter of 2012. A portion of the rise in resident employment over the past 5 years is therefore likely associated with additional DC residents getting jobs rather than reductions in unemployment.

The dynamics involving labor force, jobs, unemployment varied over the December 2007 to September 2012 period, with sharp differences before and after December 2009.

- *December 2007 to December 2009*—the beginning of the recession to the peak of DC's unemployment rate rise (10.5% in December 2009). Jobs grew by 5,200, the labor force grew by 6,185, and resident employment fell by 10,654. In this period unemployment rose by 16,839.
- *December 2009 to September 2012*—the recovery period. Jobs grew by 32,200, the labor force grew by 20,343, and resident employment rose by 24,730 (more than the growth in the labor force). Accordingly, in this period unemployment fell by 4,387, job growth began to make a dent in the number of unemployed, and the unemployment rate began to fall. In this period it is noteworthy that (1) the increase in resident employment accounted for about three quarters (76.8%) of the increase in jobs in DC, and (2) it took an increase of 7.3 jobs in the economy to reduce DC unemployment by one.

Going forward, one would hope that job increases would contribute directly to reducing unemployment, but experience over the past 5 years suggests that there may continue to be uncertainty regarding the connections between employment changes in DC and the number of unemployed. —*Stephen Swaim, Office of Revenue Analysis*

Labor market and employment in DC and the US: December 2007 to September 2012 (seasonally adjusted)

	Level in selected period:			Amount of change		Percent change:		Change from Dec 07 to Sep 12	
	Dec 2007	Dec 2009	Sep 2012	Dec 07 to	Dec 09 to	Dec 07 to	Dec 09 to	Amount	%
				Dec 09	Sep 12	Dec 09	Sep 12		
DC:									
Labor force	330,768	336,953	357,296	6,185	20,343	1.9	6.0	26,528	8.0
Resident employment	312,312	301,658	326,388	-10,654	24,730	-3.4	8.2	14,076	4.5
Unemployed	18,456	35,295	30,908	16,839	-4,387	91.2	-12.4	12,452	67.5
Unemp. rate (%)	5.6	10.5	8.7	4.9	-1.8	87.5	-17.1	3.1	55.4
Wage and salary jobs in DC	700,100	705,300	737,500	5,200	32,200	0.7	4.6	37,400	5.3
US (in thousands)									
Labor force	153,918	153,091	155,063	-827	1,972	-0.5	1.3	1,145	0.7
Resident employment	146,273	137,968	142,974	-8,305	5,006	-5.7	3.6	-3,299	-2.3
Unemployed	7,645	15,124	12,088	7,479	-3,036	97.8	-20.1	4,443	58.1
Unemp. rate (%)	5	9.9	7.8	4.9	-2.1	98.0	-21.2	2.8	56.0
Wage and salary jobs in DC	137,982	129,319	133,584	-8,663	4,265	-6.3	3.3	-4,398	-3.2

Source: US Bureau of Labor Statistics. Labor force data is from household survey data. Wage and salary data is from establishment surveys and is not strictly comparable to household survey results because it counts jobs (both full and part time) and not people working (one person could have more than one job). Data for September 2012 reflect October 2012 BLS revisions. All data is subject to further revision by BLS.

ORA Reports and Documents

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

Recent ORA reports:

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

Tax Rates and Tax Burdens 2011 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2011 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

D.C. Tax Expenditure Report. July 2012. Estimates the revenue loss from more than 200 abatements, credits, deductions, and exclusions offered through the personal income, corporate income, real property, sales, personal property, and other taxes. The report describes the purpose and structure (eligibility requirements, amount of benefit) of each tax expenditure, along with a discussion of possible impacts and relevant research. This report, prepared every two years, also provides information on comparable provisions in Maryland and Virginia.

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 November report has mostly September and October data). Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Table 35. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	September	November 20
D.C. Personal Income	BEA	2012.2	December 19
D.C. Tax Collections	OTR/ORA	October	December 15
D.C. Housing Sales	MRIS*	October	c December 10
D.C. Commercial Office Building data	Delta Associates	2012.3	c January 10
DC Apartment data	Reis, inc	2012.3	c December 31
D.C. Hotel stay information	Smith Travel Research	September	c. November 30
Consumer Price Index	BLS	September	December 14
U.S. Jobs and Labor Force	BLS	August and September	December 7
U.S. GDP and Personal Income	BEA	2012.3	November 29
S and P 500 Stock Index	Financial press	October	December 1
Interest rate on 10-Year Treasury Securities	Financial press	October	December 1
IHS Global Insight D.C. forecast	Global Insight	October	c. November 25
Moody's Economy.com D.C. forecast	Economy.com	October	c. November 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	November	December 10

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

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

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

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