



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

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### November highlights:

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**On a per capita basis, wages of DC residents are 79% above, and social security payments 37% below, the US average**

***DC's 2012 income components most above the US per capita average are proprietor's income, employee benefits, and Medicaid.***

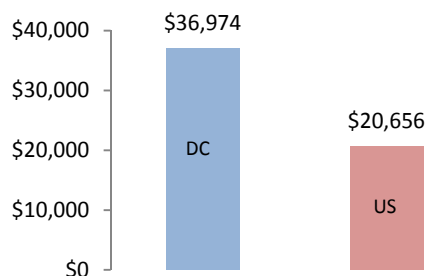
The Personal Income of DC residents in 2012 was \$47.28 billion, amounting to \$74,733 for each of the 632,323 residents. This level of per capita income was 71% above the US average of \$43,725. The full story of DC's per capita income is not, however, just that it is relatively high (it is 25% higher than in Connecticut, the highest of the 50 states), but how its income components compare with those in the rest of the nation.

Personal Income is the sum of several categories which can be divided into those related to current work and those that are not.

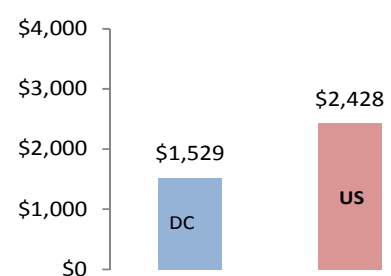
**Work-related.** Work related income components consist of (1) wages and salaries earned by DC residents (wherever they work), net of employee-paid social security taxes; (2) employee health and other benefits, and (3) proprietor's income. These components comprise about 72% of DC Personal Income, a considerably larger portion than in the US (about 65%). On a per capita basis, DC work-related income is 90% above the US average. Wages, which account for about 2/3 of work related (and about half of all Personal Income), are 79% above the per capita US average—but proprietors' income and employee benefits in DC are even higher on a per capita basis: 137% and 102%, respectively.

**Non-work related.** Non work-related income components fall into two categories: (1) property income (income from interest, dividends, rent and other property income, but excluding capital gains), and (2) transfer payments (Social Security, Medicare, Medicaid, Unemployment Insurance, and pensions). Taken as a whole, non-work related income is a smaller share in DC than the US (28% v 35%). On a per capita basis, DC non-work related income is 36% above the US average, but there is a lot of variation among the components. (*Cont'd on p. 17*)

**Per capita wage and salary income in DC and the US in 2012**



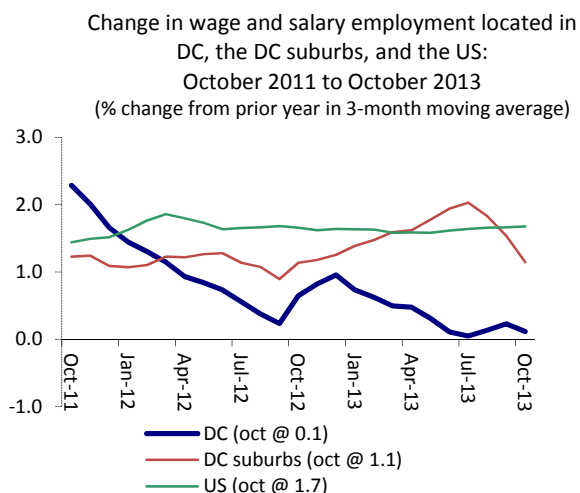
**Per capita Social Security income in DC and the US in 2012**



## Wage and salary employment

### DC and regional job growth appear to have been adversely affected by the federal shutdown

- October wage and salary employment in DC was up by 867 (0.1%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for October was down by 6,033 (-2.9%); the private sector gained 6,967 (1.4%).
- Total year-over-year DC metropolitan area employment increased by 27,467 (0.9%) in October as measured by the 3-month moving average.
- There was an increase of 1.1% in suburban Washington employment in October from a year earlier.
- Seasonally adjusted wage and salary employment in DC stayed the same in October from the prior month. Seasonally adjusted employment was 2,600 more than it was six months earlier in April.



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

Jurisdiction	FY 2011	FY 2012	FY 2013	12-mo avg	3-mo average	This month
District of Columbia	723,233	730,033	733,317	733,275	733,867	738,000
1 year change	14,158	6,800	3,283	2,517	867	-500
% change	2.0	0.9	0.4	0.3	0.1	-0.1
Washington metro area	2,998,442	3,030,808	3,070,483	3,072,208	3,077,033	3,087,800
1 year change	42,208	32,367	39,675	38,158	27,467	20,700
% change	1.4	1.1	1.3	1.3	0.9	0.7
Washington suburbs (% ch)	1.2	1.1	1.6	1.5	1.1	0.9
US (% ch)	1.2	1.7	1.6	1.6	1.7	1.7

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

Source: BLS. October data is preliminary.

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

Sector	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
Federal government	213,258	208,600	204,308	203,817	201,867	201,100
1 year change	5,025	-4,658	-4,292	-4,567	-6,033	-5,900
% change	2.4	-2.2	-2.1	-2.2	-2.9	-2.9
Private sector	474,833	486,708	494,867	495,292	498,533	503,200
1 year change	10,733	11,875	8,158	7,583	6,967	5,100
% change	2.3	2.5	1.7	1.6	1.4	1.0

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

**Table 3. Seasonally adjusted DC Employment: April 2013 to October 2013**

Indicator	Apr	May	Jun	Jul	Aug	Sep	Oct
D.C. Wage and Salary employment	733,100	733,800	732,700	731,900	730,400	735,700	735,700
change from prior month	-1,200	700	-1,100	-800	-1,500	5,300	0
% change from prior month	-0.2	0.1	-0.1	-0.1	-0.2	0.7	0.0

Source: BLS seasonally adjusted. October is preliminary

## Food services leads private sector job growth

● In October food services gained 3,567 jobs over last year. Professional services (other than legal) gained 2,733 jobs. The two sectors together accounted for about 90% of all private sector net job growth. (3-month moving averages.)

● Organizations (1,033), finance (967), education (967), and health (567) also showed significant one year gains.

● Private sector industries losing jobs included employment services, information, retail, and construction.

● Local government fell by 67.

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

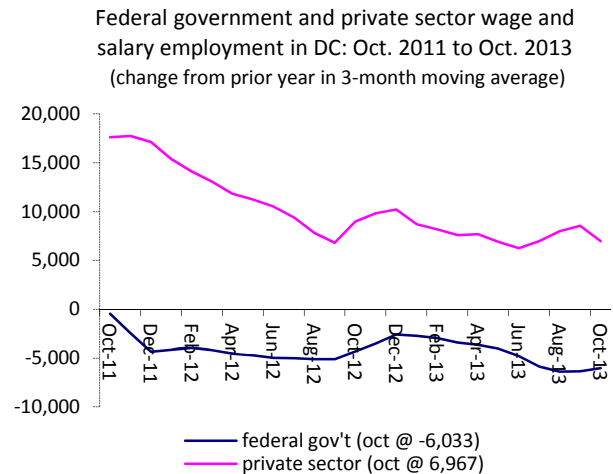


Table 4. Wage and salary employment located in DC: October 2013

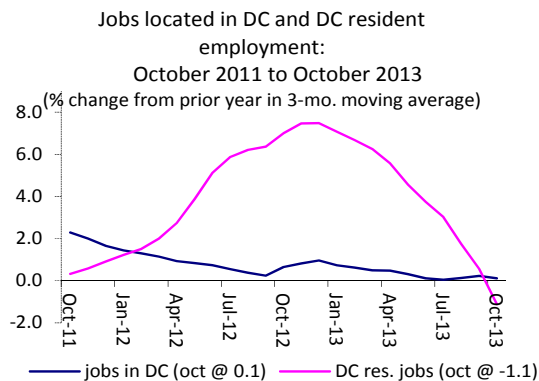
Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Oct 2013	DC share (%) in Oct 2013 of all sector jobs in:		Change from Oct 2012 to Oct 2013 in DC share of sector jobs in:		
	1 year change		Amount	%			metro area	US	metro area	US	
	Oct 2012	Oct 2013									
Federal government	207,900	201,867	-6,033	-2.9	-2.2	27.5	54.6	7.40	-0.5	0.02	
Local government	33,533	33,467	-67	-0.2	-1.4	4.6	10.7	0.18	-0.3	0.00	
Legal services	29,533	29,767	233	0.8	-0.5	4.1		2.64		0.01	
Other Professional and technical	76,767	79,500	2,733	3.6	3.7	10.8	22.9	1.14	0.7	0.01	
Employment services	13,700	12,433	-1,267	-9.2	-5.3	1.7	33.2	0.36	-1.2	-0.07	
Other Business services	33,933	34,233	300	0.9	2.6	4.7	17.7	0.48	-0.4	-0.01	
Information	17,100	16,433	-667	-3.9	-4.7	2.2	21.6	0.61	-0.5	-0.03	
Finance	28,100	29,067	967	3.4	2.0	4.0	18.7	0.37	-0.2	0.01	
Organizations	60,433	61,467	1,033	1.7	1.4	8.4	37.0	2.08	0.6	0.03	
Education	51,267	52,233	967	1.9	5.4	7.1	49.7	1.58	-1.7	0.02	
Health	64,133	64,700	567	0.9	1.0	8.8	23.1	0.37	0.2	0.00	
Food service	43,433	47,000	3,567	8.2	4.4	6.4	22.1	0.45	0.6	0.02	
Accomodations	15,467	15,667	200	1.3	0.3	2.1	36.8	0.83	0.3	0.00	
Amusement and recreation	7,233	6,900	-333	-4.6	-2.2	0.9	15.9	0.33	-1.7	-0.02	
Retail trade	18,667	18,133	-533	-2.9	-3.5	2.5	6.8	0.12	-0.3	-0.01	
Wholesale trade	5,000	5,033	33	0.7	2.2	0.7	7.9	0.09	0.1	0.00	
Construction	14,067	13,567	-500	-3.6	1.1	1.8	9.4	0.22	-0.2	-0.02	
Personal and miscellaneous ser.	7,633	7,633	0	0.0	-4.4	1.0		0.30		0.00	
Other private	5,100	4,767	-333	-6.5	-3.9	0.6	4.5	0.03	-0.1	0.00	
<b>Total</b>	<b>733,000</b>	<b>733,867</b>	<b>867</b>	<b>0.1</b>	<b>0.3</b>	<b>100.0</b>	<b>23.8</b>	<b>0.54</b>	<b>-0.2</b>	<b>-0.01</b>	
<i>Public sector</i>	<i>241,433</i>	<i>235,333</i>	<i>-6,100</i>	<i>-2.5</i>	<i>-2.1</i>	<i>32.1</i>	<i>34.4</i>	<i>1.09</i>	<i>-0.9</i>	<i>-0.03</i>	
<i>Private sector</i>	<i>491,567</i>	<i>498,533</i>	<i>6,967</i>	<i>1.4</i>	<i>1.6</i>	<i>67.9</i>	<i>20.8</i>	<i>0.43</i>	<i>0.1</i>	<i>0.00</i>	
<i>Professional and all business</i>	<i>199,133</i>	<i>201,433</i>	<i>2,300</i>	<i>1.2</i>	<i>1.3</i>	<i>27.4</i>	<i>21.4</i>	<i>0.83</i>	<i>0.1</i>	<i>-0.02</i>	
<i>Education, health, and orgs.</i>	<i>175,833</i>	<i>178,400</i>	<i>2,567</i>	<i>1.5</i>	<i>2.4</i>	<i>24.3</i>	<i>31.2</i>	<i>0.56</i>	<i>0.1</i>	<i>0.00</i>	
<i>Hospitality and trade</i>	<i>89,800</i>	<i>92,733</i>	<i>2,933</i>	<i>3.3</i>	<i>1.4</i>	<i>12.6</i>	<i>14.8</i>	<i>0.26</i>	<i>0.1</i>	<i>0.00</i>	
<i>Other private sector</i>	<i>26,800</i>	<i>25,967</i>	<i>-833</i>	<i>-3.1</i>	<i>-1.5</i>	<i>3.5</i>	<i>10.3</i>	<i>0.10</i>	<i>-0.1</i>	<i>0.00</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 in both DC and the suburbs declined in October, and unemployment rose

- In October DC resident employment fell 3,700 (-1.1%) from a year earlier (3-mo. moving average).
- Seasonally adjusted DC resident employment has fallen for 7 months in a row and in Oct. was 10,743 below the Apr. level.
- In October the unemployment rate (seasonally adjusted) increased to 8.9%, the highest since August 2012.
- August initial unemployment insurance claims were up 36.7% (3-month moving average).



Resident employment in DC, the DC suburbs, and the US: October 2011 to October 2013  
(% change from prior year in 3-month moving average)

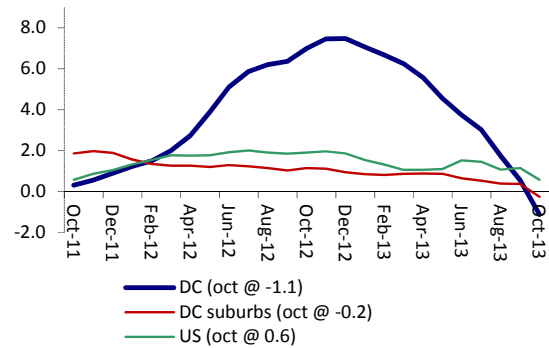


Table 5. Unemployment rates for DC, metro area, and US:  
October 2013  
(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Oct. 2012	Oct. 2013	Oct. 2012	Oct. 2013
US	7.5	7.0	7.9	7.3
DC	9.0	8.5	8.6	8.9
DC metro area	5.3	5.9	na	na
DC suburbs	4.9	5.4	na	na

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

Table 6. Resident employment and unemployment: October 2013

Indicator	FY 2010	FY 2011	FY 2012	FY 2013	12-mo avg	3-month average	This month
<b>DC Labor force summary</b>							
Resident employment	308,513	312,148	323,412	337,777	337,019	330,971	327,633
1 year change	4,332	3,635	11,264	14,365	11,604	-3,700	-9,094
% change	1.4	1.2	3.6	4.4	3.6	-1.1	-2.7
Labor Force	343,475	347,470	356,439	369,446	369,096	363,663	363,481
1 year change	9,339	3,995	8,969	13,007	10,937	-3,000	-4,197
% change	2.8	1.2	2.6	3.6	3.1	-0.8	-1.1
Unemployed	34,962	35,322	33,027	31,669	32,077	32,692	35,848
1 year change	5,007	360	-2,295	-1,359	-667	700	4,897
% change	16.7	1.0	-6.5	-4.1	-2.0	2.2	15.8
Unemployment rate	10.2	10.2	9.3	8.6	8.7	9.0	9.9
<b>DC Unemployment insurance (state program)</b>							
Initial claims (monthly avg.)	1,799	2,101	1,784	1,915	2,050	2,387	3,460
1 year change	-404	302	-317	131	295	641	1,625
% change	-18.3	16.8	-15.1	7.3	16.8	36.7	88.6
Weeks compensated (m o. avg.)	53,592	46,423	45,170	42,862	43,101	44,521	50,466
1 year change	-881	-7,169	-1,253	-2,308	-2,432	1,084	2,867
% change	-1.6	-13.4	-2.7	-5.1	-5.3	2.5	6.0

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: April 2013 to October 2013

Indicator	Apr	May	Jun	Jul	Aug	Sep	Oct
DC Resident employment	340,933	340,562	340,057	337,536	332,988	332,442	330,190
change from prior month	-296	-371	-505	-2,521	-4,548	-546	-2,252
% change from prior month	-0.1	-0.1	-0.1	-0.7	-1.3	-0.2	-0.7
DC Unemployment rate (%)	8.5	8.5	8.5	8.6	8.7	8.6	8.9

Source: BLS seasonally adjusted. October is preliminary

## DC resident wage gains below the US average

●Wages earned in the District of Columbia were 1.8% higher in the June quarter compared to the same quarter of 2012.

●Wages earned in DC have now grown at a slower rate than the US average for 10 quarters.

●In the June quarter, estimated wages of DC residents grew 2.5%. DC Personal Income grew 2.3%.

●In the June quarter, the private sector accounted for 143% of the \$1.11 billion increase in wages earned in DC; federal wages declined by \$350 million.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2010.2 to 2013.2

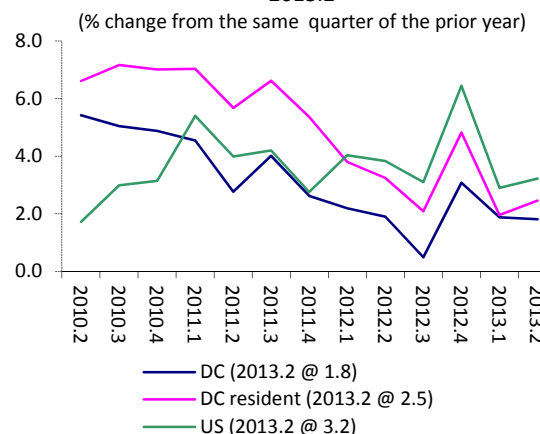


Table 8. DC Wages and Personal Income: June 2013

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

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	4-quarter moving average	Latest quarter (Jun.)
Wages and salaries earned in DC	54.92	57.24	59.56	60.62	61.65	62.05
1 year change	1.24	2.33	2.31	1.07	1.10	1.11
% change	2.3	4.2	4.0	1.8	1.8	1.8
Supplements to wages & salaries	14.08	14.93	16.11	16.23	16.06	16.08
% change	4.5	6.0	7.9	0.7	-1.8	-0.8
Proprietors' income earned by DC residents*	5.83	5.35	5.56	5.80	6.05	6.21
% change	-4.1	-8.2	4.0	4.3	4.4	7.0
Wages and salaries of DC residents***	20.76	22.03	23.48	24.33	24.88	25.09
change from one year ago	0.93	1.27	1.45	0.85	0.68	0.60
% change	4.7	6.1	6.6	3.6	2.8	2.5
Income earned by DC residents	29.0	30.1	32.5	33.7	34.2	34.4
% change	2.9	3.8	7.9	3.7	1.8	1.6
Property income of DC residents	6.76	6.16	7.08	7.51	7.75	7.89
% change	-11.1	-8.8	14.9	6.1	3.6	4.3
Pensions and other transfer of DC residents	4.61	5.19	5.68	5.65	5.75	5.81
% change	12.1	12.7	9.3	-0.4	1.7	3.6
DC Personal Income**	40.40	41.50	45.27	46.87	47.72	48.11
1 year change	0.49	1.10	3.77	1.60	0.97	1.09
% change	1.2	2.7	9.1	3.5	2.1	2.3
US Personal income (% change from prior year)	-2.0	1.3	5.9	4.0	3.5	2.7
US Wages and salaries (% change from prior year)	-3.3	0.2	4.2	3.4	3.9	3.2
Addendum: Change from prior year in wages earned in DC by sector						
Private sector (1 yr ch, \$B)	-0.08	0.49	1.76	1.35	1.58	1.59
Federal government (1 yr ch, \$B)	1.12	1.77	0.68	-0.35	-0.43	-0.35
DC res. wages as % of wages earned in DC	37.8	38.5	39.4	40.1	40.4	40.4

\* 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 30, 2013

## Single family and condominium home sales

### Value of home sales continues to increase sharply

- The October 3-month moving total of single family home sales was up 17.5% from a year earlier, and the average selling price was 9.7% higher.
- October condominium sales were 24.2% above a year earlier as measured by the 3-month moving total; the average selling price was 7.2% higher.
- The total value of all home sales in October was 30.4% more than a year earlier as measured by the 3-month moving total.
- October year-to-date median prices were up 14.9% for single family units, and up 6.6% for condominiums.
- The October ratios of inventory to sales were 1.7 for single family units and 1.9 for condominiums (3-mo. moving average).

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

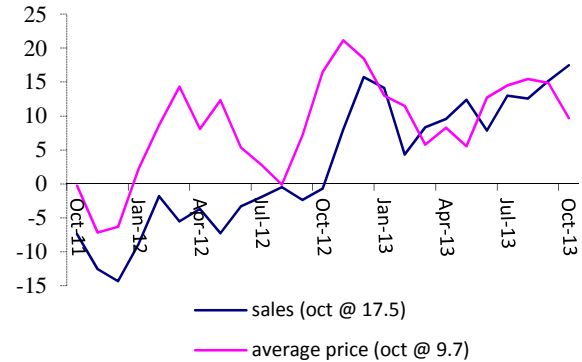


Table 9. D.C. Residential Real Estate Indicators: October 2013

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo moving total or average	3-mo moving total or average	This month
<b>Number of sales (settled contracts)</b>								
Single family	3,259	4,084	3,800	3,563	3,979	4,073	1,023	366
1 year change	237	825	-284	-237	416	485	152	94
% change	7.8	25.3	-7.0	-6.2	11.7	13.5	17.5	34.6
Condo	2,590	2,884	2,469	2,784	3,487	3,529	956	297
1 year change	-206	294	-415	315	703	664	186	42
% change	-7.4	11.4	-14.4	12.8	25.3	23.2	24.2	16.5
Total	5,849	6,968	6,269	6,347	7,466	7,602	1,979	663
1 year change	31	1,119	-699	78	1,119	1,149	338	136
% change	0.5	19.1	-10.0	1.2	17.6	17.8	20.6	25.8
<b>Average prices of units that sold</b>								
Single family (\$)	597,269	538,395	601,026	630,109	712,799	711,274	718,093	635,226
1 year change	-70,098	-58,874	62,631	29,083	82,690	74,479	63,486	3,981
% change	-10.5	-9.9	11.6	4.8	13.1	11.7	9.7	0.6
Condo (\$)	359,952	414,030	423,365	429,611	447,827	449,751	446,613	451,309
1 year change	-52,283	54,078	9,336	6,245	18,216	21,552	30,048	26,053
% change	-12.7	15.0	2.3	1.5	4.2	5.0	7.2	6.1
Total value of all sales (\$ million)	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	4,484.2	1,161.6	366.5
1 year change	-290.6	514.1	-63.7	111.9	956.7	972.6	270.7	86.4
% change	-9.2	17.9	-1.9	3.4	27.8	27.7	30.4	30.8
<b>Ratio: active inventory to sales</b>								
Single family	5.2	3.4	3.3	2.3		1.6	1.7	1.6
Condo	5.7	4.6	4.9	2.9		1.7	1.9	1.8

Median contract prices, CY to date in October 2013: single family \$599,950 (14.9% 1 yr ch); condo \$405,000 (6.6% 1 yr ch)

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

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

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



## Apartments and single family home transactions

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

• In June the quarterly Federal Housing Finance Agency house price index for DC was 12.8% higher than a year ago. The metro area increase was 9.9%, and the US was 7.6%.

• Sales of single family units at prices above \$1 million were up 61.0% in Oct. from a year ago as measured by the 3-month moving total; they accounted for 16.5% of sales.

• In the June quarter, occupied apartment units rose 2,161 (2.5%) and rents rose 1.9% from a year earlier.

FHFA expanded-data housing price index for DC and the US: 2004.2 to 2013.2  
(% change from prior yr. in the 12-mo. moving avg.)

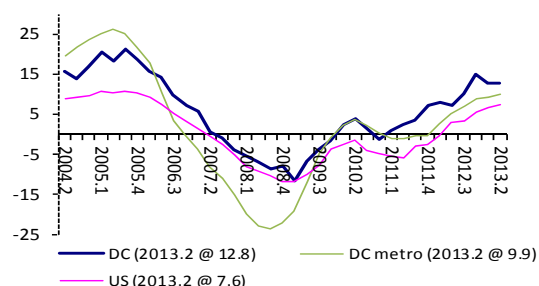


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: October 2013

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	12-mo		3-mo	
						moving total	moving total	moving total	This month
Single family homes	333	418	489	458	689	700	169	49	
1 year change	-102	85	71	-31	231	220	64	11	
% change	-23.4	25.5	17.0	-6.3	50.4	45.8	61.0	28.9	
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	17.2	16.5	13.4	
Condominiums	62	89	87	72	112	114	26	7	
1 year change	-15	27	-2	-15	40	39	9	2	
% change	-19.5	43.5	-2.2	-17.2	55.6	52.0	52.9	40.0	
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.2	2.7	2.4	

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

Table 11. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: June 2013

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

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

Average DC sales price	-10.5	-9.9	11.6	4.8	5.4	7.1	18.5	5.8	12.7
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Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This index is a broad measure

of the movement of single-family house prices. It measures average price changes in repeat sales or refinancings on the same properties.

This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac

since January 1975. It is augmented by data on mortgages endorsed by FHA and county recorder data licensed from DataQuick Information

Systems. (2) Average DC sales price is the average price of houses that sold during the period (settled contracts): see Table 9. Not seas. adj.

Table 12. Market-rate units in larger DC apartment buildings: June 30, 2013

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

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

## Commercial office space

### Office market improved slightly in September

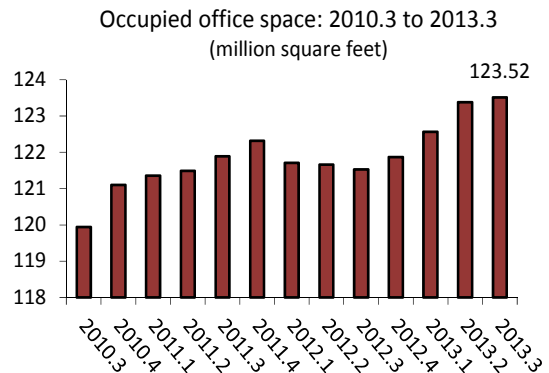
•For the quarter ending September, the vacancy rate for DC commercial office space fell to 9.2%.

•DC's vacancy rate in September was below the 13.4% rate for the metropolitan area.

•Occupied space in the September quarter rose by 1.99 million square feet (1.6%) from the prior year, reaching a new high.

•Space under construction in September (2.42 million square feet) was up slightly from the last quarter.

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



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

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	last quarter (September 2013)		
					Level	1 Q ch	% ch
Inventory	127.45	131.95	133.50	133.99	136.03	0.00	0.0
1 year change	3.86	4.49	1.56	0.48	2.05		
% change	3.1	3.5	1.2	0.4	1.5		
Occupied space	114.45	119.94	121.89	121.52	123.52	0.14	0.1
1 year change	-0.99	5.49	1.95	-0.36	1.99		
% change	-0.9	4.8	1.6	-0.3	1.6		
Leased space	116.25	121.35	123.06	122.82	124.43	0.01	0.0
Under construction	5.75	2.14	2.42	2.74	2.42	0.03	1.2
1 year change	-4.85	-3.60	0.27	0.33	-0.33		
% change	-45.8	-62.7	12.7	13.5	-11.9		
% of inventory	4.5	1.6	1.8	2.0	1.78		
Vacant (no sublet)	11.20	10.60	10.44	11.17	11.60	-0.01	-0.1
% of inventory	8.8	8.0	7.8	8.3	8.5		
Vacant (w sublet)	13.00	12.01	11.61	12.46	12.51	-0.14	-1.1
1 year change	4.84	-0.99	-0.39	0.85	0.05		
% ch from one year	59.4	-7.6	-3.3	7.3	0.4		
<b>DC area vacancy rates (with sublet)</b>							
District of Columbia	10.2	9.1	8.7	9.3	9.2	-0.1	
Northern Virginia	13.5	13.4	13.5	15.2	15.8	0.0	
Suburban Maryland	14.6	14.5	14.2	14.5	14.7	0.0	
DC Metropolitan area	12.6	12.2	12.1	13.1	13.4	0.0	

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

**Table 14. Average effective office rent for Class A commercial office leases in Downtown DC by year: 2009 to 2013.2**

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

Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.). Class A is defined as buildings greater than 50,000 square feet and built after 1997. \*Percent change from December 31, 2012.

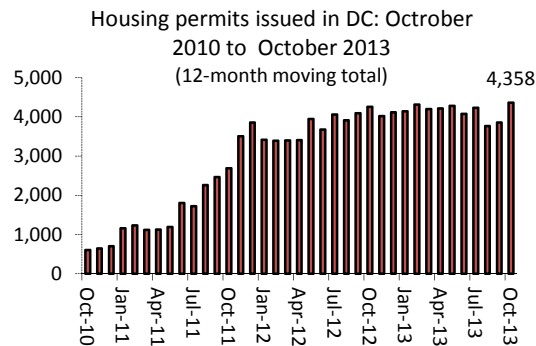


# Housing permits, office and apartment outlook, and value of property transfers

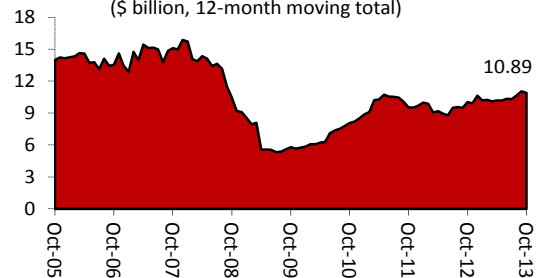
## Housing building permits increase to record 12-month total

•For the 12-month period ending October 4,358 housing unit building permits were issued, a 2.4% rise over the prior 12-month period and the highest in many years.

•Delta Associates expects DC's office vacancy rate (including sublet) to fall to 9.0% over the next two years.



Value of all real property subject to deed transfer or economic interest taxes:  
October 2005 to October 2013  
(\$ billion, 12-month moving total)



•Reis expects 6,546 new apartment units to be added to inventory in CY 2013 and CY 2014, and occupancy to grow by 6,232.

•The value of October property transfers was up by 26.3% from last year as measured by the 3-month moving total. The 12-month moving total (\$10.89 billion) was 8.5% higher than last year.

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

	FY 2010	FY 2011	FY 2012	FY 2013	12-month moving total	3-month moving total	This month
Total units	986	2,459	4,091	3,855	4,358	1,434	907
change from 1 year ago	487	1,473	1,632	-236	103	127	503
% change from 1 year	97.6	149.4	66.4	-5.8	2.4	9.7	124.5

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
<b>Inventory September 2013</b>					
Inventory (msf)	136.0	189.7	94.0	419.8	32.4
vacancy rate (%)	9.2	15.8	14.7	13.4	
<b>Estimated net activity to September 2015</b>					
new supply (msf)	2.8	4.3	1.2	8.3	33.7
new demand (msf)	2.9	4.0	1.3	8.2	35.4
<b>Estimated Inventory September 2015</b>					
vacancy rate (%)	9.0	15.6	14.5	13.2	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2008 to 2017

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,817	457	4.7	84,632	1,155
2012	90,433	1,616	4.3	86,500	1,868
2013 est	92,855	2,422	3.9	89,237	2,737
2014 est	96,979	4,124	4.4	92,732	3,495
2015 est	99,072	2,093	4.7	94,380	1,648
2016 est	100,434	1,362	4.9	95,491	1,111
2017 est	101,867	1,433	5.0	96,723	1,232

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

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	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	11,045.3	10,888.1	2,769.3	717.6
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	1,551.1	854.3	575.9	-157.2
% change from 1 year ago	-51.5	39.3	29.1	-5.6	16.3	8.5	26.3	-18.0

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

## Hospitality

### Hotel room revenue shows modest growth

• In September the 3-month moving total for hotel room-days sold was 2.4% more than a year earlier. The average room rate fell 0.7%, leading to 1.7% gain in room revenue.

• Employment in food services was 6.6% more in September than a year earlier as measured by the 3-month moving average. Hotel employment rose 0.2%, and retail lost 3.4%.

• September airline traffic into the DC area declined by 0.8% from a year earlier as measured by the 3-month moving total. Reagan National Airport showed no change.

Hotel room sales revenue: Sep. 2011 to Sep. 2013  
(percent change in 3-month and 12-month moving average from same period of prior year)

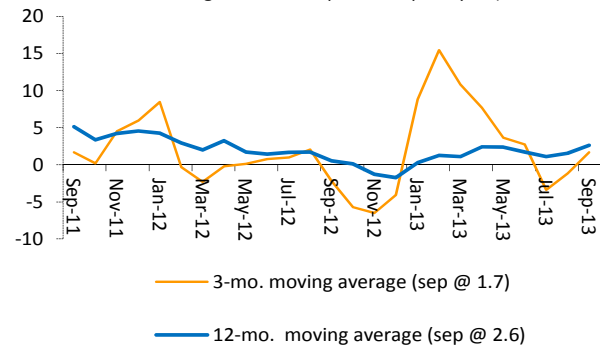


Table 19. Hospitality Industry: September 2013

Indicator	Units	date	FY 2010	FY 2011	FY 2012	12-mo total	3-month	This month
						or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	sep	7.370	7.465	7.617	7.683	2.033	0.628
	1 yr ch		0.248	0.095	0.152	0.066	0.047	0.007
	1 yr % ch		3.5	1.3	2.0	0.9	2.4	1.1
Average room rate	\$	sep	199.12	206.60	203.59	207.18	181.46	211.29
	1 yr ch		-4.05	7.49	-3.02	3.59	-1.22	3.47
	1 yr % ch		-2.0	3.8	-1.5	1.8	-0.7	1.7
Occupancy rate	%	sep	73.8	74.2	75.4	75.9	79.2	75.1
(average)	1 yr ch		0.7	0.5	1.2	0.5	1.0	0.0
	1 yr % ch		0.9	0.6	1.6	0.6	1.2	0.0
Room revenue	(\$M)	sep	1,467.5	1,542.3	1,550.7	1591.7	368.9	132.6
	1 yr ch		20.5	74.8	8.4	41.0	6.2	3.6
	1 yr % ch		1.4	5.1	0.5	2.6	1.7	2.8
Airline passengers								
DCA	1 yr % ch	sep	0.5	6.2	2.8	5.5	0.0	-1.4
IAD	1 yr % ch	sep	1.2	0.6	-2.9	-4.0	-0.3	-1.9
BWI	1 yr % ch	sep	4.6	4.2	1.0	-1.5	-2.0	-1.5
Total	1 yr % ch	sep	2.1	3.4	0.1	-0.3	-0.8	-1.6
Employment								
Accommodations	level ('000)	sep	15.3	15.3	15.5	15.5	15.5	15.6
	1 yr ch		0.3	0.0	0.2	0.0	0.0	0.1
	1 yr % ch		2.0	0.1	1.1	-0.1	0.2	0.6
Food and bev	level ('000)	sep	37.0	39.3	42.7	44.3	46.5	47.3
	1 yr ch		1.2	2.3	3.3	1.6	2.9	3.6
	1 yr % ch		3.3	6.2	8.5	3.8	6.6	8.2
Arts and entertain.	level ('000)	sep	7.0	6.8	6.9	6.8	6.9	6.9
	1 yr ch		-0.1	-0.2	0.1	-0.1	-0.4	-0.4
	1 yr % ch		-1.5	-2.5	1.5	-1.1	-5.9	-5.5
Retail	level ('000)	sep	18.3	18.6	18.8	18.2	18.1	18.0
	1 yr ch		0.5	0.2	0.3	-0.6	-0.6	-0.8
	1 yr % ch		3.0	1.3	1.4	-3.4	-3.4	-4.3

\* Total for hotel rooms sold and room revenue

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

# **Economic growth picked up in the June quarter; stock market continued sharp gains over the prior year**

●June was the 9th consecutive quarter of real GDP growth (newly revised series). The 2.5% annual rate of growth for the quarter was above average for the post-recession recovery.

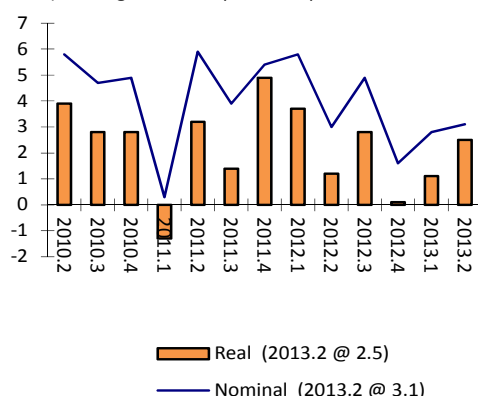
●US employment (seas. adj.) increased by 204,000 in October.

●The US unemployment rate (seasonally adj.) rose to 7.3% in Oct.

●In October the S & P 500 index rose 1.9% from September, and was 19.6% above last year.

●Compared to a year earlier, the rate of inflation fell in October, to 0.9% (sa).

Quarterly change in US Real and Nominal GDP:  
2010.2 to 2013.2  
(% change from the previous quarter at annual rates)



**Table 20. US GDP, income, corporate profits, and inflation: 2013.2 and September 2013**

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	12-mo avg	2013.2	Sep. 2013
US GDP real	2013.2	1 yr % ch	1.1	-3.9	1.8	1.9	2.3	2.0	1.6	
US GDP nominal	2013.2	1 yr % ch	3.4	-2.6	2.8	4.0	4.2	3.7	3.1	
US Personal income	2013.2	1 yr % ch	5.6	-3.4	1.5	5.4	3.3	3.7	3.0	
US wages	2013.2	1 yr % ch	3.4	-3.5	0.4	4.0	3.1	3.9	3.2	
Corporate profits	2013.2	1 yr % ch	-11.2	-12.2	35.9	9.1	8.4	3.8	4.5	
S and P stock index	sep	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	16.7	19.2	16.9
US CPI	aug	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	1.7	1.4	1.5
Balt./Wash. area CPI	jul	1 yr % ch	5.0	0.3	1.7	3.0	2.4	1.8	na	1.9

Source: BEA (data revised as of September 26, 2013), BLS, and Yahoo finance. na = not available

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

**Table 21. Quarter to quarter change in US GDP and income: 2011.4 to 2013.2**

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

Indicator	units	calendar year quarter						
		2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2
US GDP real	% ch from prior Q at saar	4.9	3.7	1.2	2.8	0.1	1.1	2.5
US GDP nominal	% ch from prior Q at saar	5.4	5.8	3.0	4.9	1.6	2.8	3.1
Wages and salaries	% ch from prior Q at saar	-2.4	11.1	1.8	1.8	10.5	-2.6	3.1
Personal income	% ch from prior Q at saar	0.6	7.4	3.0	1.5	10.8	-4.2	4.0

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on September 26, 2013

**Table 22. Monthly selected US Indicators: April 2013 to October 2013**

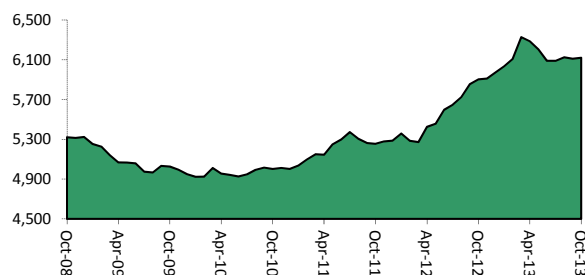
Indicator	Apr	May	June	July	August	September	October
S and P stock index (level)	1571	1640	1619	1668	1670	1687	1720
% change from prior month	1.3	4.4	-1.3	3.0	0.1	1.0	1.9
% change from 1 year ago	13.3	22.3	22.3	22.6	19.0	16.9	19.6
10 yr. Treasury Interest rate (level)	1.73	1.92	2.29	2.57	2.73	2.80	
CPI % ch from prior month (seasonally adjusted)	-0.37	0.15	0.48	0.16	0.09	0.18	-0.06
CPI % ch from prior year (seasonally adjusted)	1.11	1.39	1.76	1.96	1.52	1.18	0.94
Jobs (seasonally adjusted level, in millions)	135.51	135.69	135.86	135.95	136.19	136.35	136.55
change from prior month (thousands)	199	176	172	89	238	163	204
% change from prior month	0.15	0.13	0.13	0.07	0.18	0.12	0.15
Resident employment (season. adj. level, in mil.)	143.58	143.90	144.06	144.29	144.17	144.30	143.57
change from prior month (thousands)	293	319	160	227	-115	133	-735
% change from prior month	0.20	0.22	0.11	0.16	-0.08	0.09	-0.51
Unemployment rate (seasonally adj.)	7.5	7.6	7.6	7.4	7.3	7.2	7.3

Source: BLS and Yahoo! Finance.

## DC tax collections

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

October 2013 @ 6,120.81M



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

Tax	Revenue (from CAFR)				Tax collections			
	FY 2010	FY 2011	FY 2012	FY 2013 prelim	12-month moving total	FY 2014 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,861.8	6,111.0	6,120.8	319.7	1,961.8	319.7
1 year change	-47.0	320.1	536.5	255.7	216.5	9.8	30.5	9.8
% change	-0.9	6.4	10.1	4.4	3.7	3.2	1.6	3.2
Real property	1,821.5	1,715.1	1,822.0	1,928.4	1,929.1	19.0	947.2	19.0
1 year change	-1.2	-106.4	106.9	107.6	99.6	0.7	65.8	0.7
% change	-0.1	-5.8	6.2	5.9	5.4	3.9	7.5	3.9
General sales	976.7	1,014.9	1,111.0	1,131.3	1,138.6	108.1	284.9	108.1
1 year change	1.8	51.7	67.6	31.6	32.6	7.4	5.9	7.4
% change	0.3	3.9	9.5	2.9	3.0	7.3	2.1	7.3
Individual income	1,110.4	1,296.6	1,490.7	1,661.9	1,675.1	129.2	409.1	129.2
1 year change	-25.5	186.2	194.1	189.4	187.1	13.2	29.4	13.2
% change	-2.2	16.8	15.0	12.9	12.6	11.4	7.7	11.4
withholding	1,073.8	1,192.2	1,321.6	1,403.0	1,420.0	122.5	349.6	122.5
1 year change	52.6	118.3	129.5	97.5	110.6	17.0	37.7	17.0
% change	5.2	11.0	10.9	7.5	8.4	16.1	12.1	16.1
non-withholding	36.6	104.4	169.1	258.9	255.1	6.7	59.5	6.7
1 year change	-78.1	67.8	64.6	91.9	76.6	-3.8	-8.3	-3.8
% change	-68.1	185.2	61.9	55.0	42.9	-36.2	-12.3	-36.2
Corporate income	207.3	216.3	302.9	302.0	301.8	9.2	67.2	9.2
1 year change	-14.6	9.0	86.6	-3.1	-6.2	-0.2	-13.5	-0.2
% change	-6.6	4.3	40.1	-1.0	-2.0	-2.6	-16.8	-2.6
Unincorporated Bus.	116.4	143.4	163.0	160.4	157.8	3.5	30.4	3.5
1 year change	-3.9	27.0	19.6	1.9	-3.8	-2.6	-3.2	-2.6
% change	-3.2	23.2	13.6	1.2	-2.3	-42.3	-9.5	-42.3
Deed taxes*	225.6	311.2	306.6	366.2	362.0	26.1	105.4	26.1
1 year change	38.2	85.6	-4.5	68.1	47.8	-4.1	36.9	-4.1
% change	20.4	37.9	-1.5	22.8	15.2	-13.7	53.9	-13.7
Other taxes	547.3	627.8	665.5	560.9	556.4	24.6	117.7	24.6
1 year change	-43.3	80.6	37.7	-139.6	-140.7	-4.5	-90.8	-4.5
% change	-7.3	14.7	6.0	-19.9	-20.2	-15.5	-43.5	-15.5

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

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those respective years; FY 2013 preliminary is based on collections.

(2) Tax collections data subject to accounting adjustments.

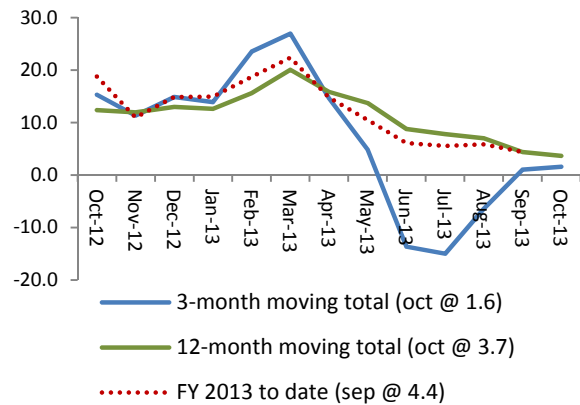
(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA

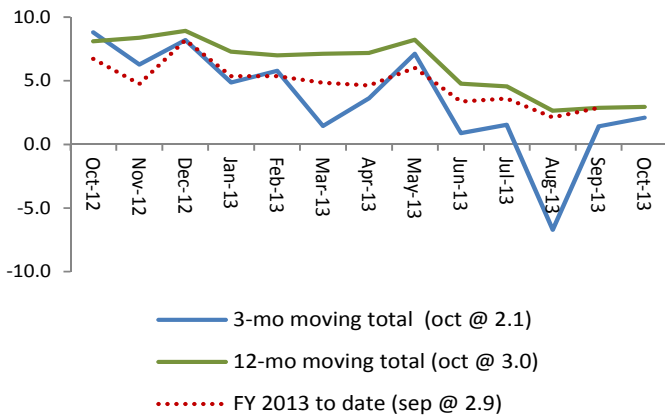
**Growth in total tax collections showed some signs of slowing in October, but withholding was quite strong**

- For the 12 month period ending October, total collection (before earmarking) were \$216 million (3.7%) more than in the prior year. For FY 2013, which ended in September, collections were 4.4% above the prior year. Collections for the last 3 months were 1.6% above last year.
- Individual income tax collections were 7.7% above the prior year for the 3-months ending October. Withholding in the past three months was 12.1% above a year earlier.
- General sales collections were 2.1% above last year for the three months ending October.
- Deed tax collections were up 53.9% from the prior year for the 3-months ending October; and for the past 12 months they were 15.2% above the prior year.

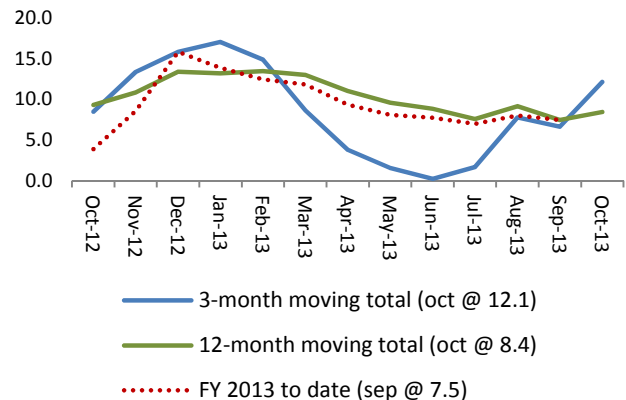
**Total tax collections (before earmarks):  
October 2012 to October 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



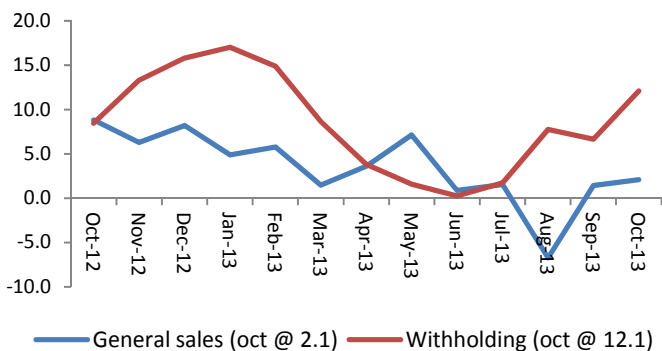
**General Sales tax collections (before earmarks):  
October 2012 to October 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date )



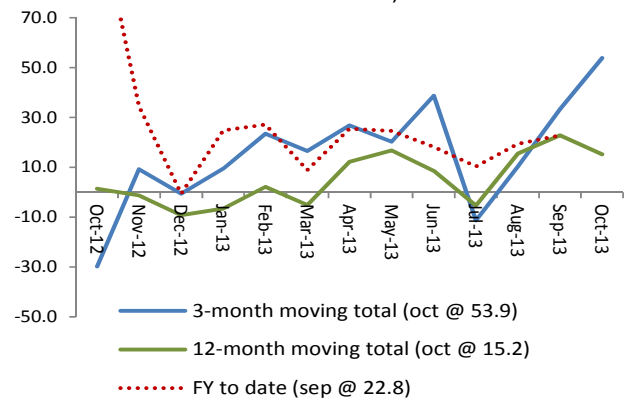
**Withholding for the Individual Income tax:  
October 2012 to October 2013**  
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



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



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



## US economic forecasts

### Little change in the November Blue Chip Indicators outlook for FY 2014

- The November forecast for real GDP growth in FY 2014 remained at 2.4%, with nominal growth at 4.0%.
- The November forecast for inflation (CPI) remained the same for FY 2013 (1.6%) and decreased slightly for FY 2014 (also to 1.6%).
- S and P 500: The range of October forecasts for the change in the last quarter of 2013 compared to the last quarter of 2012: 10.0% to 19.7%.

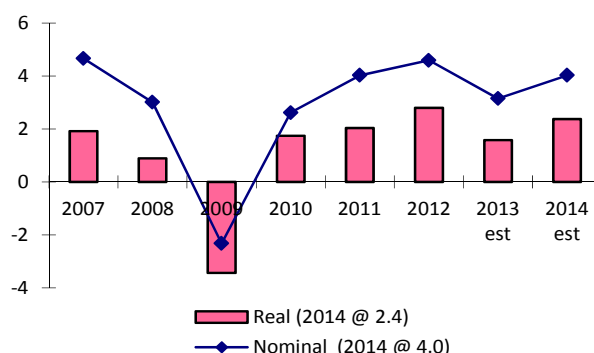
Table 24. Forecasts for US nominal and real GDP:

FY 2012 through FY 2014 (% change from prior fiscal year)

Forecast and date	real			nominal		
	2012	2013	2014	2012	2013	2014
<b>Congressional Budget Office</b>						
August	2.0	0.4		3.9	2.0	
February 2013	2.3	1.5	2.1	4.2	3.1	3.8
Sep. 2013	2.3	1.5	2.1	4.2	3.1	3.8
<b>Blue Chip</b>						
August	2.8	1.5	2.4	4.6	3.1	4.1
September	2.8	1.6	2.5	4.6	3.2	4.1
October	2.8	1.6	2.4	4.6	3.2	4.0
November	2.8	1.6	2.4	4.6	3.2	4.0

Sources: Blue Chip Indicators and the Congressional Budget Office.

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



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

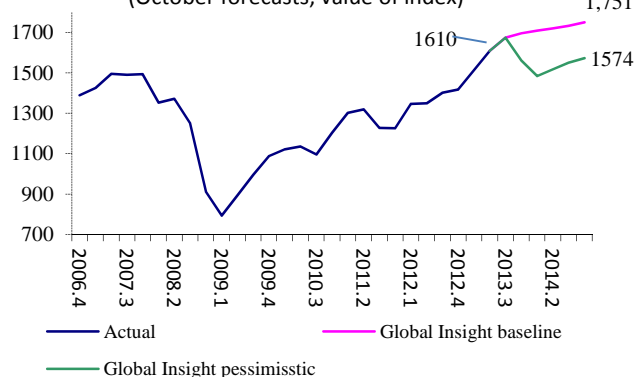


Table 25. Forecasts for S and P 500: 2012.4 to 2014.4

(% change from prior fiscal year)

Forecast date	% change from prior year			% change from prior year		
	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
<b>Global Insight: baseline</b>						
July	15.7	15.5	4.7	15.7	0.0	8.7
August	15.7	19.3	3.3	15.7	7.2	3.4
September	15.7	18.6	3.4	15.7	8.3	1.7
October	15.7	19.7	3.2	15.7	10.0	0.9
<b>Economy.com baseline</b>						
July	15.7	13.7	-0.2	15.7	10.5	0.9
August	15.7	13.7	-0.2	15.7	13.7	-4.4
September	15.7	16.8	-0.6	15.7	16.8	-4.7
October	15.7	12.8	4.7	15.7	15.3	-2.6
<b>Global Insight: pessimistic</b>						

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

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2012	2013	2014	2012	2013	2014
Aug	2.5	1.6	1.7	1.9	2.1	2.9
Sep	2.5	1.6	1.8	1.9	2.1	3.0
Oct	2.5	1.6	1.7	1.9	2.1	3.0
Nov	2.5	1.6	1.6	1.9	2.1	2.9

Source: Blue Chip Indicators

**October DC forecasts by Global Insight and Economy.com: mixed pattern of small changes**

The biggest changes in October for FY 2014 are (1) modest cuts in job growth in DC, (2) narrowing of the differences in forecast for income earned in DC in and for DC residents.

- **Employment:** The range of change in wage and salary employment for FY 2014: -4,638 to 4,738. Economy.com expects employment level to decline in FY 2014.
- **Unemployment:** The unemployment rate forecast range for FY 2014 is 8.4% to 9.2%.
- **Wages earned in DC:** The range in growth for FY 2014: 2.1% to 3.5%.
- **Wages earned by DC residents:** The range in growth from the prior year: -2.5% to 2.5% in FY 2014. Both forecasts still anticipate that the growth in resident wages in FY 2013 and FY 2014 will be lower than those for growth in wages earned in DC, a reversal of recent trends.

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

(amount of change from prior year)												
Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jul	6,659	4,307	6,964	6,658	4,155	4,466	6,658	4,963	5,548	6,658	4,719	484
Aug	6,659	4,331	7,015	6,658	4,139	4,475	6,658	4,341	5,380	6,658	4,291	2,167
Sep	6,659	4,243	6,920	6,658	4,189	4,294	6,658	3,290	2,063	6,658	3,242	-1,371
Oct	6,659	2,853	4,738	6,658	2,848	2,536	6,658	2,979	-196	6,658	2,979	-4,638

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

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

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jul	9.3	8.5	8.4	9.3	8.5	8.8	9.3	8.4	8.2	9.3	8.5	9.8
Aug	9.3	8.5	8.5	9.3	8.5	8.8	9.3	8.5	8.3	9.3	8.5	8.9
Sep	9.3	8.5	8.4	9.3	8.5	8.7	9.3	8.5	8.3	9.3	8.5	8.9
Oct	9.3	8.6	8.4	9.3	8.6	8.7	9.3	8.6	8.6	9.3	8.6	9.2

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

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

(percent change from prior year)												
Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jul	2.1	0.6	3.7	2.1	0.5	2.5	2.1	1.7	4.8	2.1	1.6	3.4
Aug	2.1	0.9	3.6	2.1	0.7	2.4	2.1	2.1	4.8	2.1	2.1	4.1
Sep	2.1	1.0	2.9	2.1	1.0	1.7	2.1	1.9	4.6	2.1	1.9	3.5
Oct	1.8	2.0	3.3	1.8	1.9	2.1	1.8	2.2	3.5	1.8	2.2	2.4

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

**Table 30. DC resident wages FY 2012 to FY 2014**

(percent change from prior year)												
Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jul	3.3	-1.8	1.7	3.3	-2.1	-1.1	3.2	1.2	3.9	3.2	1.1	2.9
Aug	3.3	-1.2	1.5	3.3	-1.4	-1.2	3.3	2.0	4.0	3.3	2.0	3.4
Sep	3.3	-0.7	-1.4	3.3	-0.8	-4.1	3.3	1.8	3.5	3.3	1.7	2.7
Oct	3.6	2.1	0.1	3.6	1.9	-2.5	3.6	2.8	2.5	3.6	2.7	1.7

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 estimate adds to revenue growth in FY 2013 and FY 2014

• Anticipated tax revenue growth of \$253.9 million in FY 2013 and \$157.2 million in FY 2014 (gains of 4.3% and 2.6%, respectively) are significantly lower than that which occurred in FY 2012 (\$528.0 million and 9.9%). This reflects one-time increases in FY 2012, slowing employment growth in DC, and allowances for the impact of a sequester or other cutbacks in federal spending.

• The individual income tax accounts for about 64% of growth in FY 2013, and real property accounts for 73% of the growth in FY 2014.

• As a share of DC Personal Income, tax collections in FY 2013 and FY 2014 are slightly higher than in FY 2012.

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

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Real property	1,822.0	1,889.8	2,004.8	106.9	67.7	115.1	6.2	3.7	6.1
Deed taxes	306.6	346.6	315.4	-4.5	40.0	-31.2	-1.5	13.0	-9.0
General sales	1,111.0	1,138.2	1,145.2	96.1	27.1	7.0	9.5	2.4	0.6
Individual income	1,490.7	1,653.6	1,687.0	194.1	162.9	33.5	15.0	10.9	2.0
Withholding	1,321.6	1,415.6	1,450.8	129.5	94.0	35.2	10.9	7.1	2.5
non-withholding	169.1	238.0	236.3	64.6	68.9	-1.7	61.9	40.8	-0.7
Business income	465.9	475.8	490.5	106.2	9.9	14.7	29.5	2.1	3.1
Other	657.0	603.3	621.4	29.2	-53.7	18.1	4.6	-8.2	3.0
Total	5,853.3	6,107.2	6,264.4	528.0	253.9	157.2	9.9	4.3	2.6

Source: ORA. Sep. 30, 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2012 is from the FY 2012 CAFR

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

item	2012	2013	2014
Wage and salary employment	730,025	733,690	737,181
1 year change	6,658	3,665	3,491
% change	0.9	0.5	0.5
DC resident employment	323,512	338,569	341,163
1 year change	11,396	15,057	2,594
% change	3.7	4.7	0.8
Unemployment rate	9.3	8.5	8.8

Source: ORA September 2013 revenue estimate

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

item	2012	2013	2014
Wages and salaries earned in DC	2.1	0.7	1.8
Wages and salaries earned by DC residents	3.3	3.1	2.1
DC Personal income	3.9	3.5	2.8
S and P 500 stock index	15.7	7.2	3.4

Source: ORA September 2013 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 34. DC tax revenue (before earmarks) and DC Personal Income: FY 2006 to FY 2015

item	2006	2007	2008	2009	2010	2011	2012	2013 est	2014 est	2015 est
<b>Tax revenue (\$ million)</b>										
Level	4,516	5,155	5,325	5,052	5,005	5,325	5,853	6,107	6,264	6,435
Change from prior year	267	638	170	-273	-47	320	528	254	157	171
<b>Percent change from prior year</b>										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	9.9	4.3	2.6	2.7
Personal Income	8.2	8.1	9.6	0.4	4.1	6.8	3.9	3.5	2.8	3.5
<b>Tax revenue as percent of Personal Income</b>										
	13.3	14.0	13.2	12.5	11.9	11.8	12.5	12.6	12.6	12.5

Source: ORA. September 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

Per capita property income, for example, is 52% above the US average, and Medicaid is 152% higher. On the other hand, social security is 37% less than the US average and Medicare is 14% less.

Some of the differences between the DC and the US reflect the District's entirely urban character, population growth concentrated in younger age groups, and many retirees likely not eligible for full social security benefits due to government service. Over the period from 2001 to 2012, which covers the recently revised BEA Personal Income statistics, the percent by which DC's per capita income exceeds that in the US grew substantially: from 43.8% in 2001 to 71% in 2012. Per capita income also reflects averages and say little about the distribution. The high per capita Medicaid income component highlights the substantial lower income population residing in DC.

The accompanying tables and charts show details of the components of DC Personal Income and how they compare with the US as a whole. The tables include the components of DC Personal Income both in the aggregate and on a per capita basis, and note changes from 2001 to 2012.

—Stephen Swaim, DC Office of Revenue Analysis

## Composition of DC Personal Income compared to the US: 2012

Component	DC		US % share	Difference in share (DC minus US)
	Level (\$M)	% share		
<b>Work-related</b>				
Wages and salaries net of employee contribution to social security	23,380	49.4	47.2	2.2
Private benefits	4,751	10.0	8.5	1.6
Proprietors, income	5,865	12.4	8.9	3.5
<i>subtotal</i>	33,996	71.9	64.6	7.3
<b>Non work-related</b>				
Property income	7,630	16.1	18.2	-2.0
Transfers				
Social Security benefits	967	2.0	5.6	-3.5
Medicare benefits	972	2.1	4.1	-2.0
Medicaid 1/	2,114	4.5	3.0	1.4
State unemployment insurance benefits	229	0.5	0.6	-0.1
All other personal current transfer receipt	1,373	2.9	3.9	-1.0
<i>subtotal</i>	13,285	28.1	35.4	-7.3
Total	47,281	100.0	100.0	0.0

Source: BEA (see below).

## Per capita DC and US Personal Income by components: 2012

Component	Level (\$)		Difference:	% DC is
	DC	US	DC over US (\$)	greater than US
<b>Work-related</b>				
Wages and salaries net of employee contribution to social security	36,974	20,656	16,318	79.0
Private benefits	7,514	3,710	3,804	102.5
Proprietors' income	9,275	3,906	5,369	137.4
sub total	53,763	28,272	25,491	90.2
<b>non-work related</b>				
property income	12,067	7,949	4,118	51.8
transfer payments				
Social Security benefits	1,529	2,428	-899	-37.0
Medicare benefits	1,537	1,786	-249	-13.9
Medicaid 1/	3,343	1,329	2,014	151.6
State unemployment insurance benefits	362	262	100	38.0
All other personal current transfer receipts	2,172	1,707	465	27.2
subtotal	21,010	15,461	5,549	35.9
<b>Total</b>	74,773	43,735	31,038	71.0

Source: BEA (see below) Detail may not add due to rounding.

## Major components of DC and US Personal Income in CY 2012 and change from CY 2001

Personal income component	Level in 2012 (\$ million)			Change from 2001 to 2012				
	DC	US	% of US	Amount of ch. (\$M)		% change		DC % of US
				DC	US	DC	US	
Wages and salaries net of employee contribution to social security	23,380	6,484,300	0.36	10,906	1,906,535	87	42	0.57
Employee benefits	4,751	1,164,614	0.41	2,537	432,686	115	59	0.59
Proprietors' income	5,865	1,226,190	0.48	2,288	387,137	64	46	0.59
Property income	7,630	2,495,206	0.31	2,789	849,008	58	52	0.33
Transfers	5,655	2,358,236	0.24	2,751	1,170,163	95	98	0.24
Total	47,281	13,728,546	0.34	21,270	4,745,529	82	53	0.45
Population	632,323	313,914,040	0.20	57,898	28,614,040	10	10	0.20

Source: US Bureau of Economic Analysis (BEA), revised data from 2001 to 2012. Note: DC wage and salary component net of employee social security is estimated assuming that the % of employee benefits is the same for persons working in DC and for DC resident employees wherever they work.

## Detail of the transfer component of DC and US Personal Income in CY 2012 and change from CY 2001

Personal income component	Level in 2012 (\$ million)			Change from 2001 to 2012				
	DC	US	% of US	Amount of ch. (\$M)		% change		DC % of US
				DC	US	DC	US	
Social Security benefits	967	762,165	0.13	363	337,081	60	79	0.11
Medicare benefits	972	560,762	0.17	397	318,182	69	131	0.12
Medicaid 1/	2,114	417,068	0.51	1,183	189,809	127	84	0.62
State unemployment insurance benefits	229	82,399	0.28	162	51,063	243	163	0.32
All other personal current transfer receipts	1,373	535,842	0.26	645	274,028	89	105	0.24
transfers	5,655	2,358,236	0.24	2,751	1,170,163	95	98	0.24
Population	632,323	313,914,040	0.20	57,898	28,614,040	10	10	0.20

Source: US Bureau of Economic Analysis (BEA), revised date from 2001 to 2012.

## ORA Reports and Documents

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

### **Recent ORA reports:**

**Revised Revenue estimates for FY 2013 to FY 2017, September 30, 2013.** Quarterly revenue estimate shows differences from the prior estimate, describes economic assumptions and changes in each tax, and contains details of each tax and of key economic variables.

**Briefing documents.** A series with information related to DC's economy and taxes.

**DC Tax Facts, 2013.** Details on all DC taxes.

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

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

### **About this report.**

*District of Columbia Economic and Revenue Trends* is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date (the 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](http://www.cfo.dc.gov) (click on *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Table 35. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	October	December 20
D.C. Personal Income	BEA	2013.2	December 19
D.C. Tax Collections	OTR/ORA	October	December 15
D.C. Housing Sales	MRIS*	October	c November 10
D.C. Commercial Office Building data	Delta Associates	2013.3	c January 1
DC Apartment data	Reis, inc	2013.2	c November
D.C. Hotel stay information	Smith Travel Research	October	c. November 30
Consumer Price Index	BLS	October	December 17
U.S. Jobs and Labor Force	BLS	October and September	December 6
U.S. GDP and Personal Income	BEA	2013.2	December 5
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	September	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](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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