



District of Columbia Economic and Revenue Trends: August 2013

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Individual income tax trends from 2001 to 2011 reflect changes in DC’s demographics, economy, and tax policies

Highlights: more single filers, strong income growth, recession’s impact, cut in the effective tax rate

The Great Recession of 2007 notwithstanding, DC’s economy showed significant net gains from 2001 to 2011: population grew by 44,000 (7.8%), resident employment by 26,000 (9.2%), and Personal Income by 75%. As would be expected, DC’s Individual Income tax base also expanded considerably. The number of filers increased by 65,900, a 25% increase, and tax liability grew by 51.3%.

An in-depth micro tax data analysis of the District of Columbia’s Individual Income tax for the tax years 2001 through 2011 provides additional insight into the changes that have occurred in DC’s economy over those 10 years. Some highlights from the tables and charts included in this note follow.

Demographic changes. Most—87.5%—of the new filers were single, bringing the total of such filers to 208,176, 63.6% of all filers. The percentage increase in married filers was half that of single filers, but the 10,301 increase in married filers pushed this group ahead of Head-of-Household filers, who lost 2,048.

Income gains. Overall, Federal Adjusted Gross Income (FAGI) grew at about the same rate as DC Personal Income (72.2% v 74.7%, respectively). Although married filers accounted for just 15.6% of the increase in all filers, they accounted for 48.5% of the increase in FAGI.

Recession and subsequent recovery. Capital gains pushed the growth rate of FAGI above that of Personal Income in the two years before the 2007 recession; the process reversed from 2007 to 2009 with the fall in the stock market.

Tax policy changes. The expanded Earned Income Tax Credit program brought in more filers early in the decade. Rate cuts and widening of tax brackets reduced tax collections relative to FAGI in 2006 and 2007, with the result that over the 10 years tax liability grew 51.3% compared to the 72.2% increase in FAGI. (The top rate increased in 2011.) *Continued on p. 17.*

DC income tax filers and Federal Adjusted Gross Income: tax year 2011 and change from 2001

filer type	filers						Federal adjusted gross income (FAGI)				
	number in 2011	change from 2001		percent of:			2011 level (\$ M)	change from 2001		percent of:	
		number	%	2011 total	ch from 01 to 11	amt. \$ M		%	2011 total	ch from 01 to 11	
Single	208,176	57,647	38.3	63.6	87.5	11,279.9	5,200.6	85.5	43.7	48.0	
married	62,266	10,301	19.8	19.0	15.6	12,415.8	5,253.3	73.3	48.0	48.5	
head of hh	56,929	-2,048	-3.5	17.4	-3.1	2,143.7	382.5	21.7	8.3	3.5	
Total	327,371	65,900	25.2	100	100	25,839.4	10,836.4	72.2	100	100	

Wage and salary employment

DC job growth continues to weaken

• June wage and salary employment in DC was up by 1,100 (0.2%) from a year earlier as measured by the 3-month moving average.

• Federal government employment for June was down by 4,767 (-2.3%); the private sector gained 6,500 (1.3%).

• Total year-over-year DC metropolitan area employment increased by 45,533 (1.5%) in June as measured by the 3-month moving average.

• There was an increase of 1.9% in suburban Washington employment in June from a year earlier.

• Seasonally adjusted wage and salary employment in DC fell by 300 (0.0%) in June from the prior month. Seasonally adjusted employment was 500 more than it was six months earlier in December.

Change in wage and salary employment located in DC, the DC suburbs, and the US: June 2011 to June 2013
(% change from prior year in 3-month moving average)

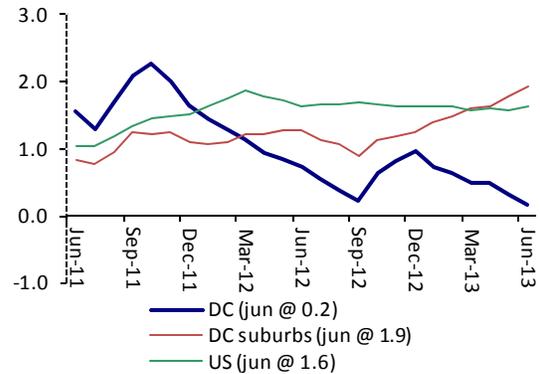


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: June 2013

Jurisdiction	FY 2010	FY 2011	FY 2012	12-mo avg	3-mo average	This month
District of Columbia	709,075	723,233	730,033	732,958	732,400	732,200
1 year change	7,442	14,158	6,800	3,358	1,100	-300
% change	1.1	2.0	0.9	0.5	0.2	0.0
Washington metro area	2,956,233	2,998,442	3,030,808	3,061,133	3,092,100	3,108,000
1 year change	-8,083	42,208	32,367	35,892	45,533	44,400
% change	-0.3	1.4	1.1	1.2	1.5	1.4
Washington suburbs (% ch)	-0.7	1.2	1.1	1.4	1.9	1.9
US (% ch)	-1.9	1.2	1.7	1.6	1.6	1.7

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

Source: BLS. June data is preliminary.

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

Sector	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	This month
Federal government	208,233	213,258	208,600	205,908	203,267	203,500
1 year change	10,183	5,025	-4,658	-3,967	-4,767	-6,000
% change	5.1	2.4	-2.2	-1.9	-2.3	-2.9
Private sector	464,100	474,833	486,708	492,792	495,933	495,300
1 year change	1,158	10,733	11,875	7,783	6,500	6,300
% change	0.3	2.3	2.5	1.6	1.3	1.3

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

Table 3. Seasonally adjusted DC Employment: December 2012 to June 2013

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
D.C. Wage and Salary employment	733,000	734,700	733,600	734,300	733,100	733,800	733,500
change from prior month	-400	1,700	-1,100	700	-1,200	700	-300
% change from prior month	-0.1	0.2	-0.1	0.1	-0.2	0.1	0.0

Source: BLS seasonally adjusted. June is preliminary

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

● In June professional services (other than legal) gained 3,000 jobs over last year and education gained 2,467 jobs, together accounting for about 84% of all private sector net job growth. (3-month moving averages.)

● Food service (+1,900) and other business services (1,033) were the only other sectors showing a gain of at least 1,000 jobs over the year.

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

● Local government fell by 633.

● Over the past year, DC's share of federal employment fell slightly in the DC metro area and stayed the same compared to the US total.

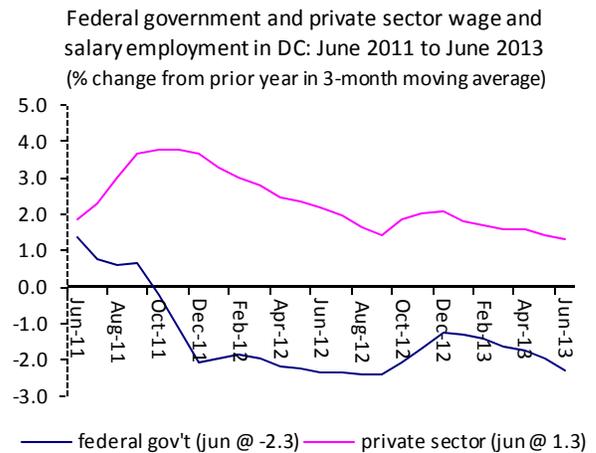


Table 4. Wage and salary employment located in DC: June 2013

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jun 2013	DC share (%) in Jun 2013 of all sector jobs in:		Change from Jun 2012 to Jun 2013 in DC share of sector jobs in:	
	Jun 2012	Jun 2013	Amount	%			metro area	US	metro area	US
Federal government	208,033	203,267	-4,767	-2.3	-1.9	27.8	54.6	7.36	-0.5	0.00
Local government	33,833	33,200	-633	-1.9	-1.3	4.5	10.2	0.17	-0.6	0.00
Legal services	29,867	29,533	-333	-1.1	-1.1	4.0	na	2.62	na	-0.04
Other Professional and technical	76,033	79,033	3,000	3.9	3.7	10.8	22.5	1.13	0.5	0.00
Employment services	13,667	13,467	-200	-1.5	-3.5	1.8	35.9	0.41	0.7	-0.03
Other Business services	33,300	34,333	1,033	3.1	2.4	4.7	17.5	0.48	-0.5	0.00
Information	17,367	16,533	-833	-4.8	-5.4	2.3	21.8	0.61	-0.9	-0.03
Finance	28,100	28,700	600	2.1	1.2	3.9	18.7	0.36	-0.3	0.00
Organizations	60,700	61,333	633	1.0	1.4	8.4	36.6	2.07	0.1	0.01
Education	49,100	51,567	2,467	5.0	4.5	7.0	49.7	1.53	-0.8	0.07
Health	63,700	64,433	733	1.2	1.2	8.8	23.0	0.37	0.0	0.00
Food service	43,867	45,767	1,900	4.3	4.0	6.2	21.6	0.44	-0.1	0.00
Accommodations	15,933	15,700	-233	-1.5	-0.3	2.1	36.8	0.85	-0.4	-0.02
Amusement and recreation	7,500	7,067	-433	-5.8	2.1	1.0	16.7	0.33	-1.8	-0.03
Retail trade	18,833	17,967	-867	-4.6	-2.0	2.5	6.8	0.12	-0.4	-0.01
Wholesale trade	4,933	5,000	67	1.4	4.2	0.7	7.8	0.09	0.0	0.00
Construction	13,567	13,467	-100	-0.7	5.5	1.8	9.2	0.23	-0.1	-0.01
Personal and miscellaneous ser.	7,733	7,033	-700	-9.1	-4.0	1.0	na	0.28	na	-0.03
Other private	5,233	5,000	-233	-4.5	-3.4	0.7	4.5	0.03	-0.2	0.00
Total	731,300	732,400	1,100	0.2	0.5	100.0	23.7	0.54	-0.3	-0.01
<i>Public sector</i>	<i>241,867</i>	<i>236,467</i>	<i>-5,400</i>	<i>-2.2</i>	<i>-1.8</i>	<i>32.3</i>	<i>33.9</i>	<i>1.07</i>	<i>-1.1</i>	<i>-0.02</i>
<i>Private sector</i>	<i>489,433</i>	<i>495,933</i>	<i>6,500</i>	<i>1.3</i>	<i>1.6</i>	<i>67.7</i>	<i>20.7</i>	<i>0.43</i>	<i>-0.1</i>	<i>0.00</i>
<i>Professional and all business</i>	<i>198,333</i>	<i>201,600</i>	<i>3,267</i>	<i>1.6</i>	<i>1.1</i>	<i>27.5</i>	<i>21.3</i>	<i>0.84</i>	<i>0.0</i>	<i>-0.01</i>
<i>Education, health, and orgs.</i>	<i>173,500</i>	<i>177,333</i>	<i>3,833</i>	<i>2.2</i>	<i>2.2</i>	<i>24.2</i>	<i>31.1</i>	<i>0.56</i>	<i>0.3</i>	<i>0.01</i>
<i>Hospitality and trade</i>	<i>91,067</i>	<i>91,500</i>	<i>433</i>	<i>0.5</i>	<i>1.8</i>	<i>12.5</i>	<i>14.7</i>	<i>0.26</i>	<i>-0.3</i>	<i>0.00</i>
<i>Other private sector</i>	<i>26,533</i>	<i>25,500</i>	<i>-1,033</i>	<i>-3.9</i>	<i>0.9</i>	<i>3.5</i>	<i>9.9</i>	<i>0.10</i>	<i>-0.4</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

DC's resident employment growth continued to slow

- In June DC resident employment rose 12,232 (3.7%) from a year earlier (3-mo. moving average).
- Seasonally adjusted DC resident employment has fallen for three months in a row and in June was below the February level.
- In June the unemployment rate (seasonally adjusted) remained at 8.5%. The rate has changed little in the past 6 months.
- June initial unemployment insurance claims were up 3.9% (3-month moving average).

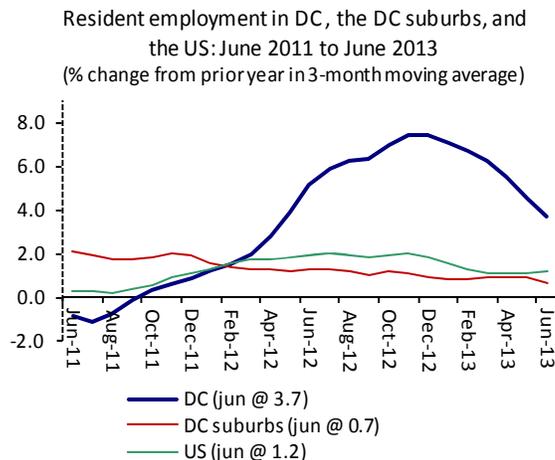
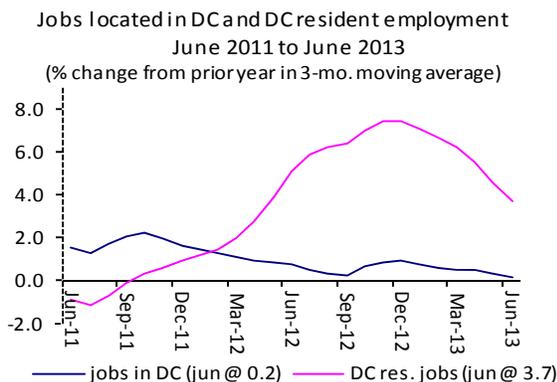


Table 5. Unemployment rates for DC, metro area, and US:
June 2013

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	June 2012	June 2013	June 2012	June 2013
US	8.4	7.8	8.2	7.6
DC metro area	5.9	6.0	na	na
DC	9.2	8.9	9.1	8.5
DC suburbs	5.5	5.6	na	na

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

Table 6. Resident employment and unemployment: June 2013

Indicator	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	
					average	This month
DC Labor force summary						
Resident employment	308,513	312,148	323,412	337,306	339,901	341,976
1 year change	4,332	3,635	11,264	18,891	12,232	11,129
% change	1.4	1.2	3.6	5.9	3.7	3.4
Labor Force	343,475	347,470	356,439	369,263	371,149	375,442
1 year change	9,339	3,995	8,969	16,940	12,037	10,975
% change	2.8	1.2	2.6	4.8	3.4	3.0
Unemployed	34,962	35,322	33,027	31,957	31,249	33,466
1 year change	5,007	360	-2,295	-1,951	-195	-154
% change	16.7	1.0	-6.5	-5.8	-0.6	-0.5
Unemployment rate	10.2	10.2	9.3	8.6	8.4	8.9
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,799	2,101	1,784	1,847	1,902	2,253
1 year change	-404	302	-317	-3	71	28
% change	-18.3	16.8	-15.1	-0.2	3.9	1.3
Weeks compensated (mo. avg.)	53,592	46,423	45,170	42,659	39,075	36,346
1 year change	-881	-7,169	-1,253	-3,225	-2,046	-1,726
% change	-1.6	-13.4	-2.7	-7.0	-5.0	-4.5

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: December 2012 to June 2013

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
DC Resident employment	339,422	340,227	340,941	341,229	340,933	340,562	340,507
change from prior month	1,587	805	714	288	-296	-371	-55
% change from prior month	0.5	0.2	0.2	0.1	-0.1	-0.1	0.0
DC Unemployment rate (%)	8.4	8.6	8.6	8.6	8.5	8.5	8.5

Source: BLS seasonally adjusted. June is preliminary

DC resident wage gains slow

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

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

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

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

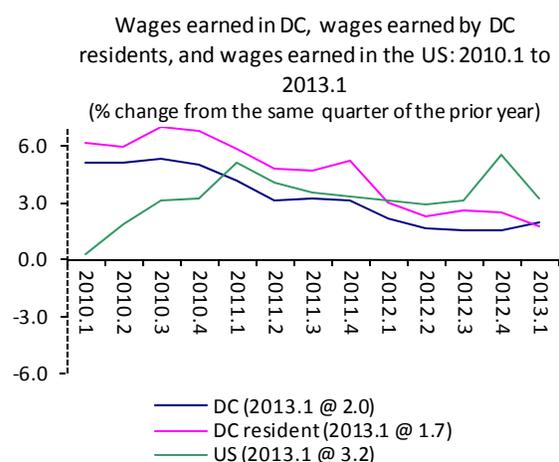


Table 8. DC Wages and Personal Income: March 2013

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

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	4-quarter moving average	Latest quarter (Mar.)
Wages and salaries earned in DC	55.41	57.81	60.05	61.32	61.86	62.44
1 year change	1.14	2.40	2.24	1.27	1.02	1.20
% change	2.1	4.3	3.9	2.1	1.7	2.0
Supplements to wages & salaries	16.31	17.17	17.90	18.20	18.26	18.45
% change	6.3	5.3	4.2	1.7	0.6	1.5
Proprietors' income earned by DC residents*	5.38	5.63	5.96	6.24	6.45	6.60
% change	-6.0	4.6	6.0	4.6	6.7	6.2
Wages and salaries of DC residents***	21.40	22.59	23.84	24.61	24.87	25.05
change from one year ago	0.76	1.19	1.25	0.78	0.55	0.43
% change	3.7	5.6	5.5	3.3	2.3	1.7
Income earned by DC residents	30.1	31.8	33.9	35.2	35.5	35.6
% change	2.4	5.5	6.6	3.8	2.6	1.4
Property income of DC residents	5.78	5.18	5.47	5.70	5.96	5.99
% change	-14.1	-10.4	5.6	4.3	6.6	5.9
Pensions and other transfer of DC residents	4.62	5.22	5.70	5.91	6.02	6.09
% change	9.1	13.0	9.1	3.8	3.8	3.4
DC Personal Income**	40.52	42.18	45.03	46.77	47.51	47.72
1 year change	0.16	1.66	2.85	1.74	1.49	1.03
% change	0.4	4.1	6.8	3.9	3.2	2.2
US Personal income (% change from prior year)	-3.5	1.4	5.6	3.3	3.7	2.8
US Wages and salaries (% change from prior year)	-3.6	0.4	4.0	3.1	3.7	3.2
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	-0.15	0.57	1.62	1.38	1.11	1.16
Federal government (1 yr ch, \$B)	1.08	1.79	0.75	-0.16	-0.12	-0.05
DC res. wages as % of wages earned in DC	38.6	39.1	39.7	40.1	40.2	40.1

* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.

**Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.

***Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.

Source: BEA; data for March were released June 27, 2013

Single family and condominium home sales

Home sales and prices continue to increase

- The July 3-month moving total of single family home sales was up 13.0% from a year earlier, and the average selling price was 14.5% higher.
- July condominium sales were 23.9% above a year earlier as measured by the 3-month moving total; the average selling price was 3.1% higher.
- The total value of all home sales in June was 28.8% more than a year earlier as measured by the 3-month moving total.
- July year-to-date median prices were up 14.3% for single family units, and up 6.1% for condominiums.
- The July ratios of inventory to sales were 1.4 for single family units and 1.5 for condominiums (3-mo. moving average).

Total value of sales of single family and condo units: July 2011 to July 2013
(% change from prior year in 3-mo. and 12-mo. moving totals)

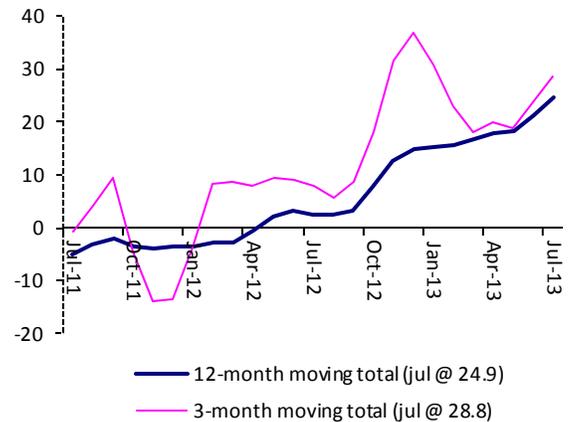


Table 9. D.C. Residential Real Estate Indicators: July 2013

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	12-mo moving		This month
					total or average	3-mo moving total or average	
Number of sales (settled contracts)							
Single family	3,259	4,084	3,800	3,563	3,921	1,242	437
1 year change	237	825	-284	-237	327	143	86
% change	7.8	25.3	-7.0	-6.2	9.1	13.0	24.5
Condo	2,590	2,884	2,469	2,784	3,343	1,090	342
1 year change	-206	294	-415	315	628	210	61
% change	-7.4	11.4	-14.4	12.8	23.1	23.9	21.7
Total	5,849	6,968	6,269	6,347	7,264	2,332	779
1 year change	31	1,119	-699	78	955	353	147
% change	0.5	19.1	-10.0	1.2	15.1	17.8	23.3
Average prices of units that sold							
Single family (\$)	597,269	538,395	601,026	630,109	696,908	773,198	763,877
1 year change	-70,098	-58,874	62,631	29,083	82,741	97,892	98,594
% change	-10.5	-9.9	11.6	4.8	13.5	14.5	14.8
Condo (\$)	359,952	414,030	423,365	429,611	443,004	459,609	462,619
1 year change	-52,283	54,078	9,336	6,245	13,035	13,680	14,593
% change	-12.7	15.0	2.3	1.5	3.0	3.1	3.3
Total value of all sales (\$ million)							
	2,878.8	3,392.9	3,329.2	3,441.1	4,213.5	1,461.3	492.0
1 year change	-290.6	514.1	-63.7	111.9	838.9	326.7	132.6
% change	-9.2	17.9	-1.9	3.4	24.9	28.8	36.9
Ratio: active inventory to sales							
Single family	5.2	3.4	3.3	2.3	1.6	1.4	1.7
Condo	5.7	4.6	4.9	2.9	1.8	1.5	1.6

Median contract prices, CY to date in July 2013: single family \$600,000 (14.3% 1 yr ch); condo \$407,501 (6.1% 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

Strong sales for million dollar single family homes

- Sales of single family units at prices above \$1 million were up 47.8% in July from a year ago as measured by the 3-month moving total; they accounted for 21.4% of sales.
- In March the quarterly Federal Housing Finance Agency house price index for DC was 11.0% higher over a year ago. For the US, there was a 6.4% rise.
- In the March quarter, occupied apartment units rose 2,085 (2.5%) and rents rose 2.5% from a year earlier.

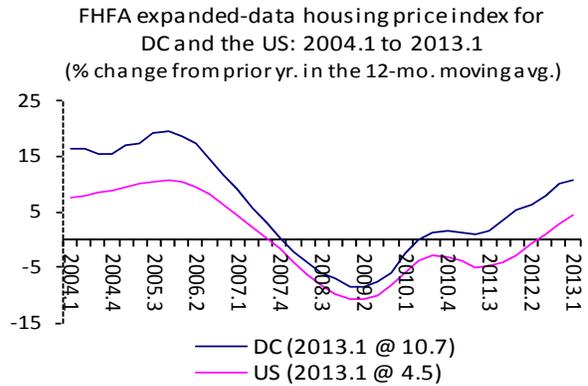


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: July 2013

Category	FY 2009	FY 2010	FY 2011	FY 2012	12-mo	3-mo	This month
					moving total	moving total	
Single family homes	333	418	489	458	636	266	89
1 year change	-102	85	71	-31	177	86	32
% change	-23.4	25.5	17.0	-6.3	38.6	47.8	56.1
percent of all single family sales	10.2	10.2	12.9	12.9	16.2	21.4	20.4
Condominiums	62	89	87	72	105	31	11
1 year change	-15	27	-2	-15	27	4	3
% change	-19.5	43.5	-2.2	-17.2	34.6	14.8	37.5
percent of all condominium sales	2.4	3.1	3.5	2.6	3.1	2.8	3.2

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

Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: March 2013

Indicator	Fiscal year average				Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	2012.1	2012.2	2012.3	2012.4	2013.1
% change from prior year in value of index									
DC	-7.5	1.4	1.6	8.0	8.1	7.0	10.1	14.9	11.0
US	-10.2	-2.8	-4.8	0.9	-0.2	2.9	3.4	5.3	6.4

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	14.3	5.4	7.1	18.5	5.8
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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: March 31, 2013

Indicator	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	Latest Q (March 31, 2013)		
					amount	1 Q ch	% ch
Inventory	87,090	87,970	88,710	89,464	90,805	372	0.4
1 year change	1,663	880	740	754	1,988		
% change	1.9	1.0	0.8	0.8	2.2		
Occupied units	81,964	82,965	84,125	85,620	86,991	491	0.6
1 year change	443	1,001	1,160	1,495	2,085		
% change	0.5	1.2	1.4	1.8	2.5		
Vacant units	5,126	5,005	4,585	3,844	3,814	-119	-3.0
1 year change	1,220	-121	-420	-741	-97		
% change	31.2	-2.4	-8.4	-16.2	-2.5		
% of inventory	5.9	5.7	5.2	4.3	4.2		
Average effective monthly rent	\$1,342	\$1,380	\$1,422	\$1,481	\$1,490	\$0	0.6
% change from 1 year	0.1	2.8	3.0	4.1	2.5		

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

Commercial office space

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

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

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

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

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

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

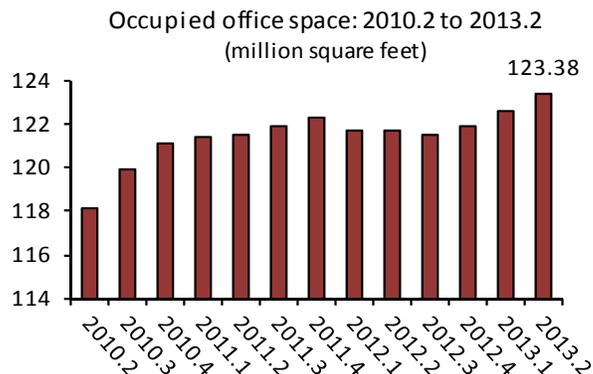


Table 13. Commercial office space in DC: June 30, 2013

(In millions of square feet, unless noted otherwise)

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

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

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

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

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

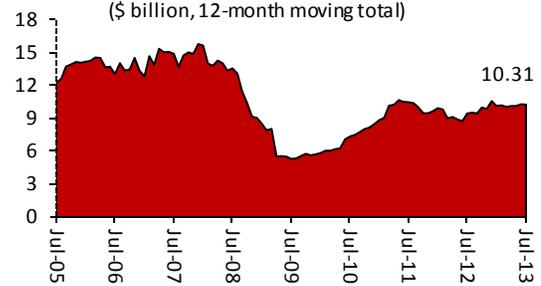
Housing permits, office and apartment outlook, and value of property transfers

Value of property transfers continues to increase

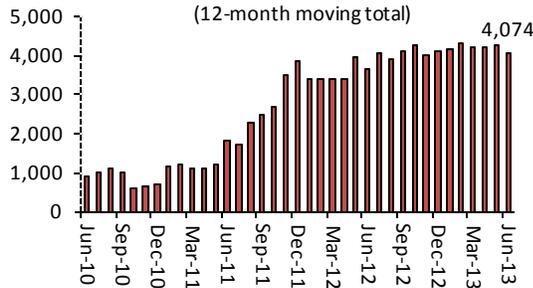
•For the 12-month period ending June, 4,074 housing unit building permits were issued, a 10.8% increase over the prior 12-month period.

•Delta Associates expects DC's office vacancy rate (including sublet) to fall to 9.1% over the next two years.

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



Housing permits issued in DC: June 2010 to June 2013
(12-month moving total)



•Reis expects 7,305 new apartment units to be added to inventory in CY 2013 and CY 2014, and occupancy to grow by 7,082.

•The value of July property transfers was up by 4.1% from last year as measured by the 3-month moving total. The 12-month moving total (\$10.31 billion) was 8.6% higher than last year.

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

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total units	499	986	2,459	4,091	4,074	875	142
change from 1 year ago	-191	487	1,473	1,632	396	-121	-207
% change from 1 year	-27.7	97.6	149.4	66.4	10.8	-12.1	-59.3

Source: Census Bureau (permits issued during period).

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

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

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2008 to 2017

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,817	457	4.7	84,632	1,155
2012	90,433	1,616	4.3	86,500	1,868
2013 est	92,995	2,562	3.7	89,514	3,014
2014 est	97,738	4,743	4.3	93,582	4,068
2015 est	99,312	1,574	4.3	95,087	1,505
2016 est	100,674	1,362	4.3	96,374	1,287
2017 est	102,107	1,433	4.4	97,649	1,275

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

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

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,494.3	10,312.2	3,244.9	1,417.9
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	819.0	127.1	-29.7
% change from 1 year ago	-51.5	39.3	29.1	-5.6	8.6	4.1	-2.0

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 revenue shows modest, but slowing, gain

• In June the 3-month moving total for hotel room-days sold was 0.5% more than a year earlier. The average room rate rose 2.2%, leading to an 2.8% gain in room revenue.

• Employment in food services was 4.3% more in June than a year earlier as measured by the 3-month moving average. Hotel employment fell 1.5%, and retail lost 4.6%.

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

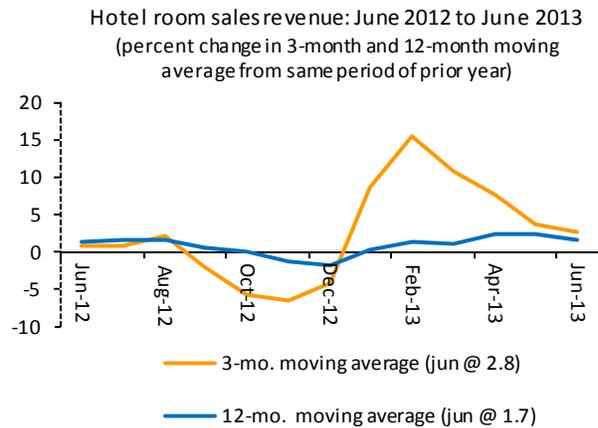


Table 19. Hospitality Industry: June 2013

Indicator	Units	date	FY 2010	FY 2011	FY 2012	3-month		This month
						12-mo total or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	jun	7.370	7.465	7.622	7.640	2.165	0.701
	1 yr ch		0.248	0.095	0.157	0.031	0.012	-0.022
	1 yr % ch		3.5	1.3	2.1	0.4	0.5	-3.0
Average room rate	\$	jun	199.12	206.60	203.51	207.58	229.53	214.14
	1 yr ch		-4.05	7.49	-3.09	2.71	4.94	-3.38
	1 yr % ch		-2.0	3.8	-1.5	1.3	2.2	-1.6
Occupancy rate (average)	%	jun	73.8	74.2	75.4	75.7	85.4	83.6
	1 yr ch		0.7	0.5	1.2	0.4	0.0	-3.4
	1 yr % ch		0.9	0.6	1.6	0.6	0.0	-3.9
Room revenue	(\$M)	jun	1,467.5	1,542.3	1,551.1	1586.0	496.9	150.0
	1 yr ch		20.5	74.8	8.8	27.1	13.3	-7.1
	1 yr % ch		1.4	5.1	0.6	1.7	2.8	-4.5
Airline passengers								
DCA	1 yr % ch	may	0.5	6.2	2.8	7.3	7.6	9.0
IAD	1 yr % ch	may	1.2	0.6	-2.9	-5.3	-5.7	-5.4
BWI	1 yr % ch	may	4.6	4.2	1.0	-0.4	-1.0	0.9
Total	1 yr % ch	may	2.1	3.4	0.1	0.1	-0.1	1.1
Employment								
Accommodations	level ('000)	jun	15.3	15.3	15.5	15.5	15.7	15.9
	1 yr ch		0.3	0.0	0.2	0.0	-0.2	-0.2
	1 yr % ch		2.0	0.1	1.1	-0.3	-1.5	-1.2
Food and bev	level ('000)	jun	37.0	39.3	42.7	43.6	45.8	46.7
	1 yr ch		1.2	2.3	3.3	1.7	1.9	2.8
	1 yr % ch		3.3	6.2	8.5	4.0	4.3	6.4
Arts and entertain.	level ('000)	jun	7.0	6.8	6.9	6.9	7.1	7.1
	1 yr ch		-0.1	-0.2	0.1	0.1	-0.4	-0.2
	1 yr % ch		-1.5	-2.5	1.5	2.1	-5.8	-2.7
Retail	level ('000)	jun	18.3	18.6	18.8	18.3	18.0	18.0
	1 yr ch		0.5	0.2	0.3	-0.4	-0.9	-0.9
	1 yr % ch		3.0	1.3	1.4	-2.0	-4.6	-4.8

* Total for hotel rooms sold, room revenue, and Convention Center transfer

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

Economic growth picked up in the June quarter

- June was the 9th consecutive quarter of real GDP growth (newly revised series). The 2.5% annual rate of growth for the quarter was above average for the post-recession recovery.
- US employment (seas. adj.) increased by 162,000 in July
- The US unemployment rate (seasonally adj.) fell to 7.4% in July.
- In July the S & P 500 index rose 3.0% from June, and was 22.6% above last year.
- Compared to a year earlier, inflation rose in July to 2.0% (sa).

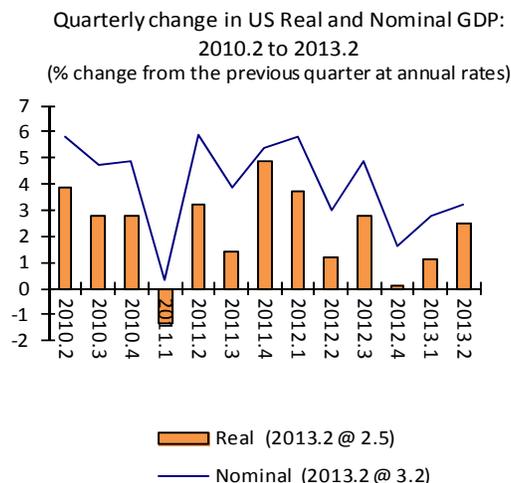


Table 20. US GDP, income, corporate profits, and inflation: 2013.2 and July 2013

(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	July 2013
US GDP real	2013.2	1 yr % ch	1.1	-3.9	1.8	1.9	2.3	2.0	1.6	
US GDP nominal	2013.2	1 yr % ch	3.4	-2.6	2.8	4.0	4.2	3.7	3.1	
US Personal income	2013.2	1 yr % ch	5.6	-3.4	1.5	5.4	3.3	3.7	3.0	
US wages	2013.2	1 yr % ch	3.4	-3.5	0.4	4.0	3.1	3.9	3.2	
Corporate profits	2013.2	1 yr % ch	-11.2	-12.2	35.9	9.1	8.4	4.0	5.0	
S and P stock index	jul	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	17.1	19.2	22.6
US CPI	jul	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	1.7	1.4	2.0
Balt//Wash. area CPI	jul	1 yr % ch	5.0	0.3	1.7	3.0	2.4	1.8	na	1.9

Source: BEA (data revised as of August 29, 2013), BLS, and Yahoo finance. na = not available

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

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

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

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

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

Table 22. Monthly selected US Indicators: January 2013 to July 2013

Indicator	Jan	Feb	Mar	Apr	May	June	July
S and P stock index (level)	1480	1512	1551	1571	1640	1619	1668
% change from prior month	4.1	2.2	2.5	1.3	4.4	-1.3	3.0
% change from 1 year ago	13.8	11.8	11.6	13.3	22.3	22.3	22.6
10 yr. Treasury Interest rate (level)	1.89	1.97	1.95	1.73	1.92	2.29	2.57
CPI % ch from prior month (seasonally adjusted)	0.03	0.68	-0.18	-0.37	0.15	0.48	0.16
CPI % ch from prior year (seasonally adjusted)	1.76	1.98	1.48	1.11	1.39	1.76	1.96
Jobs (seasonally adjusted level, in millions)	134.84	135.17	135.31	135.51	135.69	135.88	136.04
change from prior month (thousands)	148	332	142	199	176	188	162
% change from prior month	0.11	0.25	0.11	0.15	0.13	0.14	0.12
Resident employment (season. adj. level, in mil.)	143.32	143.49	143.29	143.58	143.90	144.06	144.29
change from prior month (thousands)	17	170	-206	293	319	160	227
% change from prior month	0.01	0.12	0.06	0.20	0.22	0.11	0.16
Unemployment rate (seasonally adj.)	7.9	7.7	7.6	7.5	7.6	7.6	7.4

Source: BLS and Yahoo! Finance.

DC tax collections

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

July 2013 @ \$6,090M

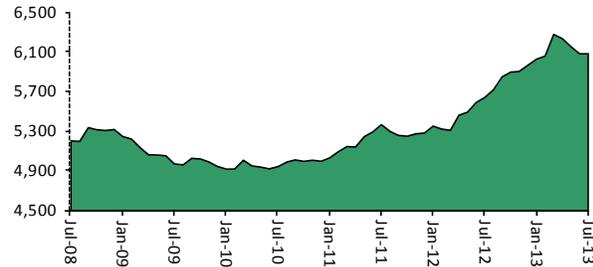


Table 23. Tax Collections (before earmarking): July 2013 (Preliminary)

Tax	Revenue (from CAFR)			Tax collections			
	FY 2010	FY 2011	FY 2012	12-month moving total	FY 2013 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,861.8	6,090.3	4,468.8	1,111.7	371.9
1 year change	-47.0	320.1	536.5	442.4	235.0	-153.2	0.5
% change	-0.9	6.4	10.1	7.8	5.6	-12.1	0.1
Real property	1,821.5	1,715.1	1,822.0	1,868.7	1,005.6	27.9	24.6
1 year change	-1.2	-106.4	106.9	117.0	47.9	-27.3	0.0
% change	-0.1	-5.8	6.2	6.7	5.0	-49.4	0.2
General sales	976.7	1,014.9	1,111.0	1,132.8	954.4	313.6	106.9
1 year change	1.8	51.7	67.6	48.6	32.4	9.7	5.5
% change	0.3	3.9	9.5	4.5	3.5	3.2	5.4
Individual income	1,110.4	1,296.6	1,490.7	1,645.7	1,382.0	397.1	113.7
1 year change	-25.5	186.2	194.1	252.7	173.2	-45.3	-2.0
% change	-2.2	16.8	15.0	18.1	14.3	-10.2	-1.8
withholding	1,073.8	1,192.2	1,321.6	1,382.3	1,175.9	345.6	116.2
1 year change	52.6	118.3	129.5	97.2	76.8	5.8	0.6
% change	5.2	11.0	10.9	7.6	7.0	1.7	0.5
non-withholding	36.6	104.4	169.1	263.4	206.1	51.5	-2.5
1 year change	-78.1	67.8	64.6	155.5	96.4	-51.1	-2.7
% change	-68.1	185.2	61.9	144.2	87.9	-49.8	na
Corporate income	207.3	216.3	302.9	313.8	242.6	53.3	8.7
1 year change	-14.6	9.0	86.6	32.3	8.6	-11.6	-3.5
% change	-6.6	4.3	40.1	11.5	3.7	-17.9	-28.5
Unincorporated Bus.	116.4	143.4	163.0	160.7	133.2	30.7	4.3
1 year change	-3.9	27.0	19.6	0.5	2.2	-19.3	7.4
% change	-3.2	23.2	13.6	0.3	1.7	-38.6	na
Deed taxes*	225.6	311.2	306.6	320.8	282.5	93.4	41.3
1 year change	38.2	85.6	-4.5	-22.2	22.9	-13.3	-11.0
% change	20.4	37.9	-1.5	-6.5	8.8	-12.5	-21.0
Other taxes	547.3	627.8	665.5	647.8	468.4	195.7	72.4
1 year change	-43.3	80.6	37.7	13.5	-52.2	-46.2	4.0
% change	-7.3	14.7	6.0	2.1	-10.0	-19.1	5.9

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

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

(2) Tax collections data subject to accounting adjustments.

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

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

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

• For FY 2013 through July (a 10-month period), tax collections (before earmarking) were \$235 million (5.6%) more than a year earlier. However, the percent gain over last year has been falling; collections for the last 3 months were 12.1% below last year.

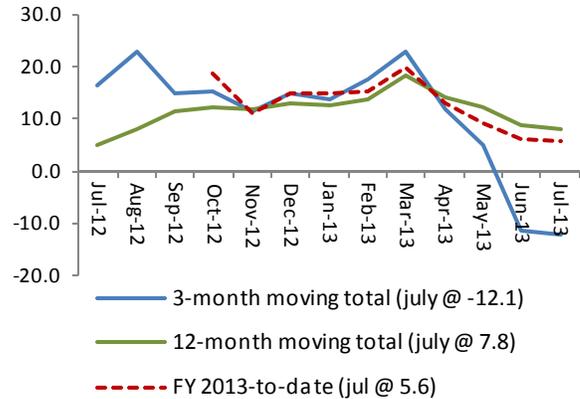
• Thus far in FY 2013, individual income tax collections are 14.3% above last year and account for about three-quarters of the gain in all collections over last year. Withholding growth has been falling, however, and was just 1.7% for the past 3 months.

• General sales collections for FY 2013 through July were 3.5% above last year. For the past 3 months, the gain was 3.2%.

• For FY 2013 deed tax collections were up 8.8% from the prior year, but for the past 3 months they were 12.1% below the prior year.

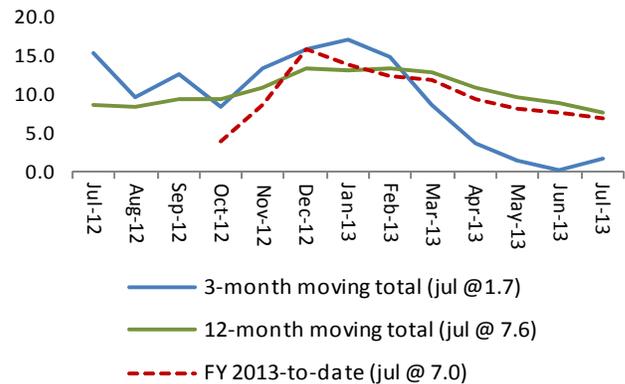
**Total tax collections (before earmarks):
July 2012 to July 2013**

(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



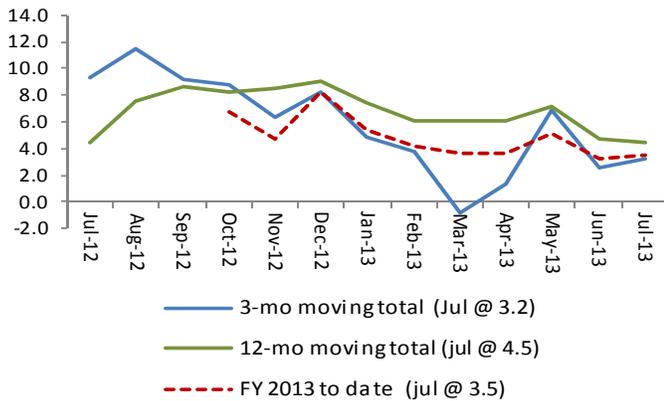
**Withholding for the Individual Income tax:
July 2012 to 2013**

(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



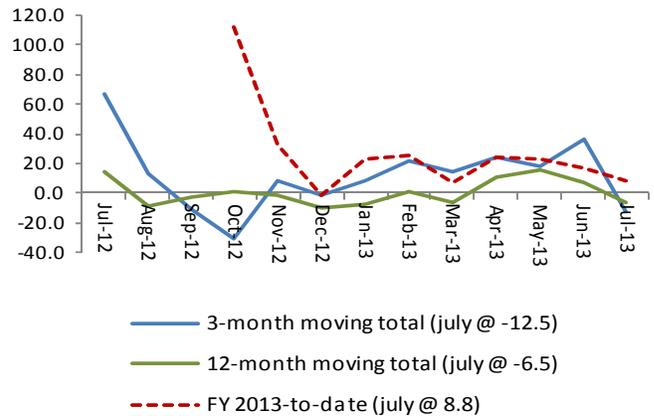
**General Sales tax collections (before earmarks):
July 2012 to July 2013**

(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



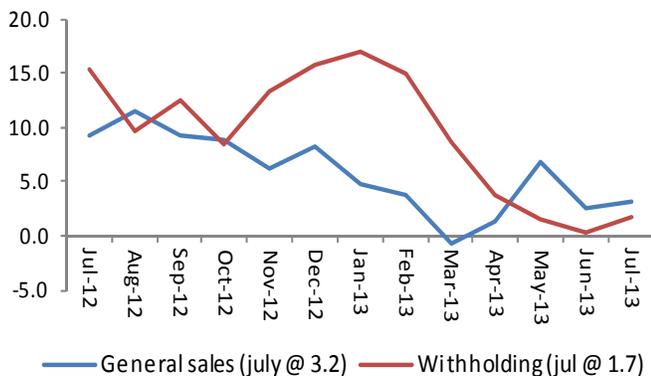
**Deed tax collections (before earmarks):
July 2012 to July 2013**

(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



**General Sales tax and Withholding for the Individual
Income tax: July 2013**

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



US economic forecasts

The August Blue Chip Indicators reduced its outlook for FY 2013 and FY 2014

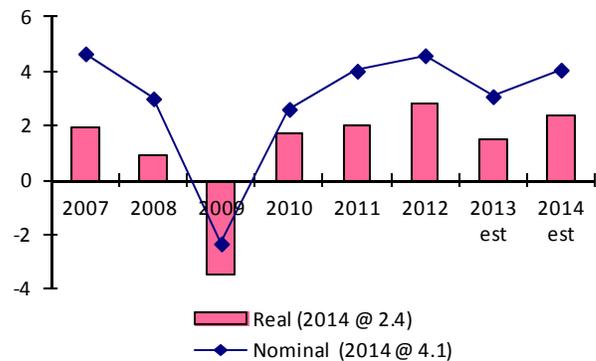
- The August Blue Chip Indicators reduced its FY 2013 forecast for real GDP growth to 1.5%, and its FY 2014 forecast to 2.4%.
- The August Blue Chip Indicators forecast for inflation (CPI) remained the same: 1.6% in FY 2013 and 1.7% in FY 2014.
- S and P 500: The range of July forecasts for the last quarter of 2013 compared to the last quarter of 2012: 0.0 to 15.5%.

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
Congressional Budget Office						
January 2012	2.1	1.2		3.7	2.6	
August	2.0	0.4		3.9	2.0	
February 2013	2.3	1.5	2.1	4.2	3.1	3.8
Blue Chip						
May	2.3	1.8	2.5	4.2	3.4	4.3
June	2.3	1.8	2.5	4.2	3.4	4.3
July	2.3	1.6	2.5	4.2	3.2	4.2
August	2.8	1.5	2.4	4.6	3.1	4.1

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; August 2013 estimate)



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

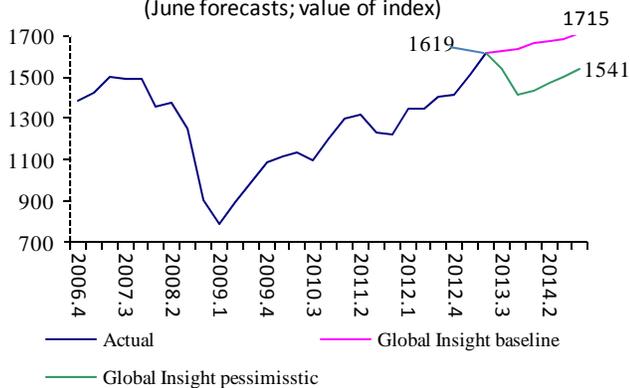


Table 25. Forecasts for S and P 500: 2012.4 to 2014.4

Forecast date	% change from prior year			% change from prior year		
	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
Global Insight: baseline						
April	15.7	12.8	3.7	15.7	-3.0	8.5
May	15.7	13.8	3.7	15.7	-2.2	8.4
June	15.7	14.4	3.6	15.7	-1.0	7.6
July	15.7	15.5	4.7	15.7	0.0	8.7
Economy.com baseline						
April	15.7	11.4	2.2	15.7	4.2	0.3
May	15.7	11.2	2.5	15.7	7.8	1.4
June	15.7	12.9	2.4	15.7	9.5	1.2
July	15.7	13.7	-0.2	15.7	10.5	0.9

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

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

Forecast date	CPI			10 yr Treasury rate		
	2012	2013	2014	2012	2013	2014
May	2.5	1.7	1.9	1.9	1.9	2.4
Jun	2.5	1.7	1.8	1.9	1.9	2.4
Jul	2.5	1.6	1.7	1.9	2.0	2.7
Aug	2.5	1.6	1.7	1.9	2.1	2.9

Source: Blue Chip Indicators

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

The biggest changes in July are slight reductions in Global Insight estimates of DC employment, combined with increases in its estimates for wage growth. Economy.com slightly increased its forecasts for jobs and wages in FY 2014.

- **Employment:** The range of change in wage and salary employment for FY 2013 is 4,155 to 4,963; and for FY 2014: 484 to 6,964.
- **Unemployment:** . The unemployment rate forecast range for FY 2013 is from 8.4% to 8.5%. For FY 2014 the range is 8.2% to 9.8%.
- **Wages earned in DC:** The range in growth from the prior year: 0.5% to 1.7% in FY 2013, picking up to 2.5% to 4.8% in FY 2014.
- **Wages earned by DC residents:** The range in growth from the prior year: -2.1% to 1.2% in FY 2013, and -1.1% to 3.9% 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
Apr	6,659	5,211	8,683	6,658	4,443	5,137	6,658	4,530	5,105	6,658	3,566	-509
May	6,659	5,563	8,382	6,658	5,083	5,144	6,658	4,588	4,718	6,658	4,361	-245
Jun	6,659	5,929	8,681	6,658	5,671	5,974	6,658	4,887	4,663	6,658	4,625	-668
Jul	6,659	4,307	6,964	6,658	4,155	4,466	6,658	4,963	5,548	6,658	4,719	484

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
Apr	9.3	8.6	8.5	9.3	8.7	9.0	9.3	8.5	8.3	9.3	8.7	9.8
May	9.3	8.5	8.4	9.3	8.6	8.9	9.3	8.4	8.3	9.3	8.5	9.9
Jun	9.3	8.5	8.4	9.3	8.6	8.8	9.3	8.5	8.3	9.3	8.6	9.9
Jul	9.3	8.5	8.4	9.3	8.5	8.8	9.3	8.4	8.2	9.3	8.5	9.8

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
Apr	2.1	1.0	4.4	2.1	0.7	2.9	2.1	2.3	5.6	2.1	2.0	3.9
May	2.1	0.3	4.8	2.1	0.1	3.3	2.1	2.1	5.5	2.1	2.0	4.0
Jun	2.1	-0.8	3.5	2.1	-0.9	2.2	2.1	1.7	4.7	2.1	1.6	3.2
Jul	2.1	0.6	3.7	2.1	0.5	2.5	2.1	1.7	4.8	2.1	1.6	3.4

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
Apr	3.2	-1.6	3.9	3.2	-2.1	0.4	3.2	1.8	4.4	3.2	1.6	3.2
May	3.2	-3.0	4.8	3.2	-3.4	1.5	3.2	1.5	4.2	3.2	1.5	3.2
Jun	3.2	-5.5	0.5	3.2	-5.8	-2.4	3.2	1.2	3.7	3.2	1.2	2.6
Jul	3.3	-1.8	1.7	3.3	-2.1	-1.1	3.2	1.2	3.9	3.2	1.1	2.9

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

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

DC revenue estimate

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

• Anticipated tax revenue growth of \$187.4 million in FY 2013 and \$159.2 million in FY 2014 (gains of 3.2% and 2.6%, respectively) are significantly lower than that which occurred in FY 2012 (\$537 and 10.1%). This reflects one-time increases in FY 2012, slowing employment growth in DC, and allowances for the impact of a sequester or other cutbacks in federal spending.

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

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

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

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Real property	1,822.0	1,889.8	1,967.5	106.9	67.8	77.7	6.2	3.7	4.1
Deed taxes	306.6	305.4	317.1	-4.5	-1.3	11.7	-1.5	-0.4	3.8
General sales	1,111.0	1,155.5	1,190.1	96.1	44.4	34.7	9.5	4.0	3.0
Individual income	1,490.7	1,621.6	1,642.1	194.1	130.9	20.5	15.0	8.8	1.3
Withholding	1,321.6	1,412.6	1,434.6	129.5	91.0	22.0	10.9	6.9	1.6
non-withholding	169.1	209.0	207.4	64.6	39.9	-1.5	61.9	23.6	-0.7
Business income	465.9	469.7	476.6	106.2	3.8	6.8	29.5	0.8	1.5
Other	665.5	607.2	615.0	37.7	-58.3	7.8	6.0	-8.8	1.3
Total	5,861.8	6,049.2	6,208.4	536.5	187.4	159.2	10.1	3.2	2.6

Source: ORA. June 24, 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2012 is from the FY 2012 CAFR

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

item	2012	2013	2014
Wage and salary employment	730,025	734,531	733,901
1 year change	6,658	4,506	-631
% change	0.9	0.6	-0.1
DC resident employment	323,512	340,451	341,156
1 year change	11,396	16,940	705
% change	3.7	5.2	0.2
Unemployment rate	9.3	8.6	9.5

Source: ORA June 2013 revenue estimate

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

item	2012	2013	2014
Wages and salaries earned in DC	2.1	0.0	1.4
Wages and salaries earned by DC residents	3.2	4.7	1.7
DC Personal income	3.8	4.2	2.3
S and P 500 stock index	15.7	2.8	4.7

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

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

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

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

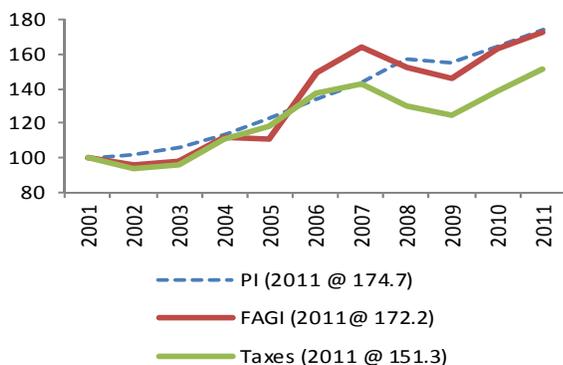
The tables below show the number of filers, Federal Adjusted Gross Income (FAGI), and tax liability for each of the major filer types for selected years 2001 through 2011. Mean and median incomes for each filer type are also indicated. The years represent key points in the business cycle that affected the District's economy. From 2001 to 2007, the District's economy expanded, along with that of the national economy, a period also characterized by growing employment and wages and also by large gains in the stock market and housing prices. The Great Recession occurred in the 2007 to 2009 period, and the years 2009 to 2011 mark the period of recovery.

The recession had an impact on all filer types. From 2007 to 2009 FAGI fell in DC for all filer types, but 93% of the reduction was among married filers, whose median and mean income is considerably above that of the other filers. In the 2009 to 2011 period, the income tax rebounded strongly, with a 6.3% increase in filers and a 21.8% growth in tax liability. In these latest two years, married filers increased at the same rate as single filers, and married filer growth in median and mean FAGI was greater than for singles.

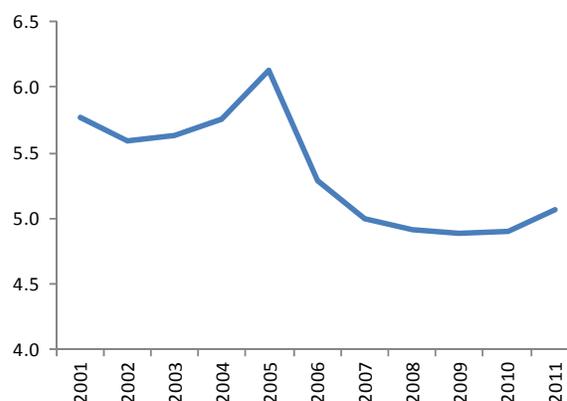
—Stephen Swaim and Judy Mulusa, ORA, assisted by Betty Alleyne, Kelly Dinkins, and Daniel Muhammad

DC FAGI, DC Personal Income, and Income tax liability: 2001 to 2011

(Index numbers: 2001 = 100)



DC tax liability as % of DC FAGI: 2001 to 2011



Individual Income tax, selected years and statistics, by filer type: 2001 to 2011

item	Level				Amount of change				Percent change			
	2001	2007	2009	2011	01 to 07	07 to 09	09 to 11	01 to 11	01 to 07	07 to 09	09 to 11	01 to 11
Single filers												
Filers	150,529	188,106	194,559	208,176	37,577	6,453	13,617	57,647	25.0	3.4	7.0	38.3
FAGI (\$M)	6,079.3	10,030.8	9,902.2	11,279.9	3,951.4	-128.6	1,377.8	5,200.6	65.0	-1.3	13.9	85.5
Tax (\$M)	368.8	503.0	492.2	571.4	134.1	-10.8	79.3	202.6	36.4	-2.1	16.1	54.9
Median FAGI	32,738	40,201	40,356	42,482	7,463	155	2,126	9,744	22.8	0.4	5.3	29.8
Mean FAGI	40,387	53,325	50,895	54,185	12,939	-2,430	3,289	13,798	32.0	-4.6	6.5	34.2
Married filers												
Filers	51,965	56,736	58,061	62,266	4,771	1,325	4,205	10,301	9.2	2.3	7.2	19.8
FAGI (\$M)	7,162.5	12,500.9	9,995.2	12,415.8	5,338.4	-2,505.7	2,420.6	5,253.3	74.5	-20.0	24.2	73.3
Tax (\$M)	421.7	653.6	512.0	660.9	231.9	-141.6	148.9	239.2	55.0	-21.7	29.1	56.7
Median FAGI	69,004	97,684	102,697	112,361	28,680	5,014	9,664	43,357	41.6	5.1	9.4	62.8
Mean FAGI	137,833	220,335	172,150	199,399	82,502	-48,185	27,249	61,566	59.9	-21.9	15.8	44.7
Head of Household filers												
Filers	58,977	58,667	55,239	56,929	-310	-3,428	1,690	-2,048	-0.5	-5.8	3.1	-3.5
FAGI (\$M)	1,761.1	2,106.2	2,044.4	2,143.7	345.1	-61.8	99.3	382.5	19.6	-2.9	4.9	21.7
Tax (\$M)	74.4	75.5	70.0	76.2	1.1	-5.5	6.2	1.8	1.5	-7.3	8.9	2.5
Median FAGI	22,692	26,647	28,080	26,300	3,955	1,433	-1,780	3,608	17.4	5.4	-6.3	15.9
Mean FAGI	29,862	35,901	37,010	37,655	6,040	1,109	645	7,793	20.2	3.1	1.7	26.1
All filers												
Filers	261,471	303,509	307,859	327,371	42,038	4,350	19,512	65,900	16.1	1.4	6.3	25.2
FAGI (\$M)	15,003.0	24,637.9	21,941.8	25,839.4	9,634.9	-2,696.1	3,897.6	10,836.4	64.2	-10.9	17.8	72.2
Tax (\$M)	864.9	1,232.0	1,074.2	1,308.5	367.1	-157.9	234.4	443.6	42.4	-12.8	21.8	51.3

FAGI = Federal Adjusted Gross Income. Married filers includes all categories of married filers. Head of Household is unmarried head of household with dependents.

Source: OCFO. Analysis excludes small number of filers that are dependents claimed by someone else.

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:

Revised Revenue estimates for FY 2013 to FY 2017, June 24, 2013. Quarterly revenue estimate shows differences from the prior estimate, describes economic assumptions and changes in each tax, and contains details of each tax and of key economic variables.

Briefing documents. A new 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 or two months prior to the *Trends* date (the August report has mostly May and June 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	June	August 19
D.C. Personal Income	BEA	2013.1	September 30
D.C. Tax Collections	OTR/ORA	July	September 15
D.C. Housing Sales	MRI S*	July	c September 10
D.C. Commercial Office Building data	Delta Associates	2013.2	c October 1
DC Apartment data	Reis, inc	2013.1	c July 31
D.C. Hotel stay information	Smith Travel Research	June	c. August 30
Consumer Price Index	BLS	July	September 10
U.S. Jobs and Labor Force	BLS	June and July	September 6
U.S. GDP and Personal Income	BEA	2013.2	September 26
S and P 500 Stock Index	Financial press	July	September 1
Interest rate on 10-Year Treasury Securities	Financial press	July	September 1
IHS Global Insight D.C. forecast	Global Insight	July	c. August 25
Moody's Economy.com D.C. forecast	Economy.com	July	c. August 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	August	September 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.

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