

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



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District of Columbia Economic and Revenue Trends: *August 2012*

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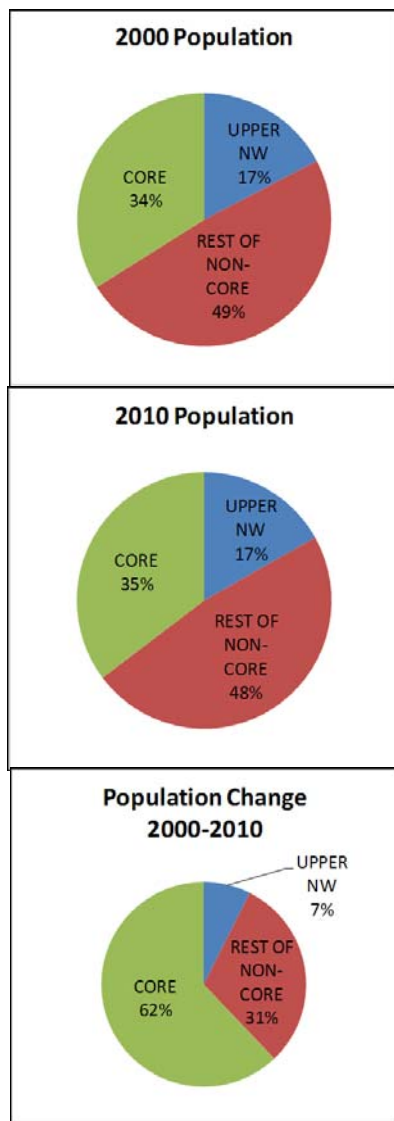
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62% of DC's population growth between 2000 and 2010 occurred in the city's inner core



The District experienced a remarkable level of growth between the 2000 and 2010 Censuses. Over the ten-year period, the city grew by almost 30,000 residents (5.2%) to reach 601,723 in 2010.

The bulk of DC's population growth stemmed from an influx of young professionals in the 20-29 year old age group. This cohort is likely the primary driver behind the spatial distribution shifts observed over the same period.

To evaluate these trends, we grouped the 188 Census tracts in the District to create 14 neighborhoods for analysis (see table on p.17). (The "neighborhood" marked 15 in the map on p. 17, representing the Mall and surrounding areas, does not carry an appreciable population and exhibited no growth over the period. It is thus excluded from the table.) We then split these neighborhoods into three primary groups. The "Core" group (green) represents the neighborhoods that sit in the interior of the city; these neighborhoods do not share a boundary with the city's external border. The "Upper NW" (blue) represents the neighborhoods to the west of Rock Creek Park. Finally, the "Non-Core" (red) group represents all other neighborhoods—essentially the eastern half of the city.

The most telling finding is the disproportionate growth of the central Core. The rapid development in this area has increased the housing capacity to accommodate an increase in population of over 9% in the inter-censal period. This rate of growth far outpaced both the "Upper NW" (2.14%) and the "Non-Core" neighborhoods (3.13%).
(continued on p. 17)

Neighborhood	Population				Share of Total Population		
	2000	2010	Change	% Change	2000	2010	Change
UPPER NW	99,008	101,131	2,123	2.14%	17.31%	16.84%	7.42%
REST OF NON-CORE	278,769	287,489	8,720	3.13%	48.73%	47.86%	30.48%
CORE	194,271	212,039	17,768	9.15%	33.96%	35.30%	62.10%
TOTAL	572,048	600,659	28,611	5.00%	100%	100%	100%

Wage and salary employment

DC employment growth slowed down

• June wage and salary employment in DC was up by 8,700 (1.2%) from a year earlier as measured by the 3-month moving average.

• Federal government employment for June was down by 3,433 (-1.6%). Private sector jobs were up by 11,867 (2.5%).

• Total year-over-year DC metropolitan area employment increased by 37,300 (1.2%) in June as measured by the 3-month moving average.

• There was an increase of 1.3% in suburban Washington employment in June from a year earlier. Suburban employment has almost reached the level it had obtained four years earlier.

• Seasonally adjusted wage and salary employment in DC rose by 1,600 (0.2%) in June from the prior month, but was still 1,100 less than in December 2011.

Change in wage and salary employment located in DC, the DC suburbs, and the US:
June 2010 to June 2012

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

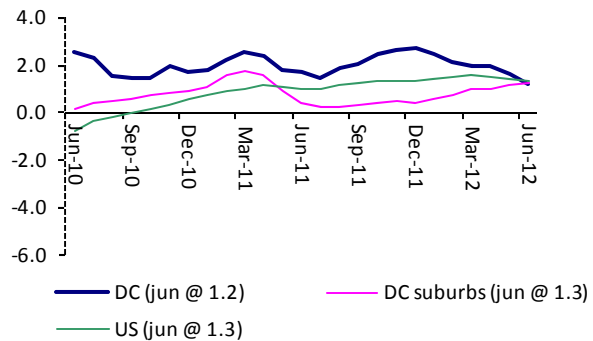


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: June 2012

Jurisdiction	FY 2009	FY 2010	FY 2011	12-mo avg	3-mo average	This month
District of Columbia	701,633	708,975	722,967	733,542	735,433	735,900
1 year change	-1,092	7,342	13,992	14,225	8,700	6,600
% change	-0.2	1.0	2.0	2.0	1.2	0.9
Washington metro area	2,964,175	2,954,825	2,988,192	3,013,833	3,039,567	3,051,900
1 year change	-41,517	-9,350	33,367	31,292	37,300	36,100
% change	-1.4	-0.3	1.1	1.0	1.2	1.2
Washington suburbs (% ch)	-1.8	-0.7	0.9	0.8	1.3	1.3
US (% ch)	-3.8	-1.9	1.1	1.4	1.3	1.3

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 2012

Sector	FY 2009	FY 2010	FY 2011	12-mo avg	3-month	
					average	This month
Federal government	198,050	208,233	213,275	210,917	209,600	210,700
1 year change	5,283	10,183	5,042	-2,000	-3,433	-4,000
% change	2.7	5.1	2.4	-0.9	-1.6	-1.9
Private sector	462,942	464,000	474,467	487,550	491,500	490,700
1 year change	-5,467	1,058	10,467	17,167	11,867	10,100
% change	-1.2	0.2	2.3	3.6	2.5	2.1

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

Table 3. Seasonally adjusted DC Employment: December 2011 to June 2012

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
D.C. Wage and Salary employment	737,700	733,100	734,600	738,700	739,000	735,000	736,600
change from prior month	100	-4,600	1,500	4,100	300	-4,000	1,600
% change from prior month	0.0	-0.6	0.2	0.6	0.0	-0.5	0.2

Source: BLS seasonally adjusted. June is preliminary

Education and health accounted for 75% of the net job growth over the past year

● In June education gained 2,900 jobs over last year, health services 3,633, and organizations 1,400 as measured by 3-month moving averages. (Education includes DC public charter schools.)

● Other private industries showing gains over the year included construction, temporary employment, food services, and accommodations.

● Private sector industries losing jobs included professional services (other than legal) and information.

● Local government grew by 267.

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

Federal government and private sector wage and salary employment in DC: June 2010 to June 2012 (% change from prior year in 3-month moving average)

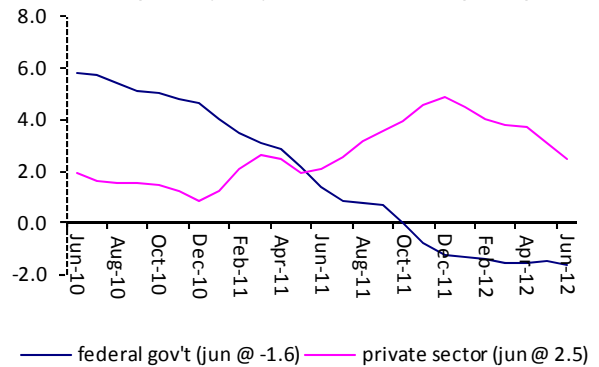


Table 4. Wage and salary employment located in DC: June 2012

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Jun 2012	DC share (%) in Jun 2012 of all sector jobs in:		Change from Jun 2011 to Jun 2012 in DC share of sector jobs in:	
	Jun 2011	Jun 2012	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	213,033	209,600	-3,433	-1.6	-0.9	28.5	55.1	7.43	-0.39	0.02
Local government	34,067	34,333	267	0.8	-2.6	4.7	10.9	0.18	-0.15	0.00
Legal services	30,400	30,700	300	1.0	-0.9	4.2		2.74		0.01
Other Professional and technical	72,500	71,433	-1,067	-1.5	1.4	9.7	21.3	1.05	-0.56	-0.06
Employment services	13,500	14,867	1,367	10.1	9.1	2.0	37.8	0.47	3.76	0.01
Other Business services	33,933	34,000	67	0.2	2.1	4.6	19.2	0.50	0.40	0.00
Information	18,700	18,433	-267	-1.4	-0.9	2.5	23.1	0.70	0.10	0.00
Finance	26,800	26,867	67	0.2	1.1	3.7	17.9	0.35	-0.59	0.00
Organizations	59,567	60,967	1,400	2.4	3.5	8.3	37.5	2.09	0.95	0.03
Education	50,900	53,800	2,900	5.7	11.4	7.3	52.5	1.62	0.28	0.04
Health	62,333	65,967	3,633	5.8	4.6	9.0	23.7	0.39	0.58	0.01
Food service	40,300	41,133	833	2.1	4.7	5.6	20.6	0.46	-0.40	0.04
Accommodations	15,733	16,200	467	3.0	3.4	2.2	38.0	0.89	0.83	0.02
Amusement and recreation	7,167	7,533	367	5.1	3.4	1.0	19.3	0.38	0.56	0.02
Retail trade	18,533	18,667	133	0.7	-0.3	2.5	7.4	0.13	0.17	0.00
Wholesale trade	4,600	4,600	0	0.0	-1.4	0.6	7.4	0.08	0.12	0.00
Construction	11,833	13,300	1,467	12.4	12.9	1.8	9.1	0.24	0.69	0.03
Personal and miscellaneous ser.	7,533	7,867	333	4.4	2.6	1.1		0.32		0.01
Other private	5,300	5,167	-133	-2.5	-3.1	0.7	4.6	0.03	-0.23	0.00
Total	726,733	735,433	8,700	1.2	2.0	100.0	24.2	0.55	-0.01	0.00
Public sector	247,100	243,933	-3,167	-1.3	-1.2	33.2	35.1	1.10	-0.62	0.00
Private sector	479,633	491,500	11,867	2.5	3.6	66.8	21.0	0.44	0.20	0.00
Professional and all business	195,833	196,300	467	0.2	1.4	26.7	21.2	0.84	-0.15	-0.02
Education, health, and orgs.	172,800	180,733	7,933	4.6	6.2	24.6	32.1	0.59	0.64	0.02
Hospitality and trade	86,333	88,133	1,800	2.1	2.9	12.0	14.8	0.26	0.21	0.00
Other private sector	24,667	26,333	1,667	6.8	6.2	3.6	10.2	0.10	0.35	0.00

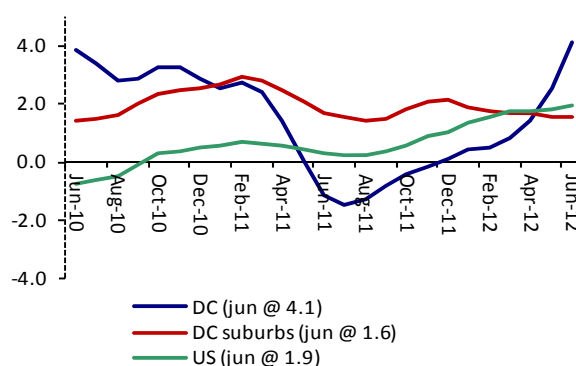
Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment

Resident employment continues to grow quite rapidly

- In June DC resident employment rose 12,717 (4.1%) from a year earlier (3-mo. moving average).
- In June the unemployment rate (seasonally adjusted) fell to 9.1%, and seasonally adjusted resident employment rose 0.8% from May, the 11th monthly increase in a row.
- Initial unemployment insurance claims were down 5.2% from a year earlier (3-mo. moving average).

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



Jobs located in DC and DC resident employment
June 2010 to June 2012

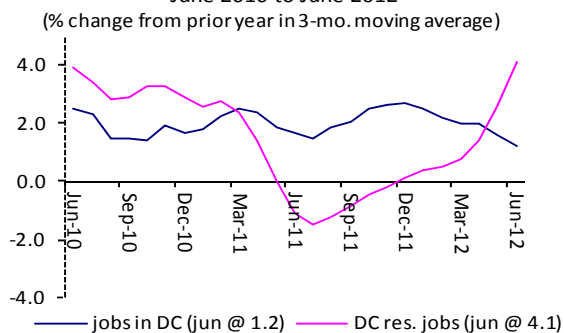


Table 5. Unemployment rates for DC, metro area, and US:

June 2012

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	June 2011	June 2012	June 2011	June 2012
US	9.3	8.4	9.1	8.2
DC metro area	6.2	5.7	na	na
DC	11.3	9.1	10.4	9.1
DC suburbs	5.6	5.3	na	na

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

Table 6. Resident employment and unemployment: June 2012

Indicator	FY 2009	FY 2010	FY 2011	12-mo avg	3-month average	
					12-mo avg	This month
DC Labor force summary						
Resident employment	303,384	306,551	308,968	312,857	321,337	325,673
1 year change	-9,541	3,166	2,417	3,227	12,717	18,370
% change	-3.0	1.0	0.8	1.0	4.1	6.0
Labor Force	333,366	341,501	344,244	346,954	352,292	358,082
1 year change	452	8,135	2,743	2,517	8,383	11,511
% change	0.1	2.4	0.8	0.7	2.4	3.3
Unemployed	29,981	34,950	35,277	34,097	30,955	32,409
1 year change	9,993	4,969	327	-709	-4,334	-6,859
% change	50.0	16.6	0.9	-2.0	-12.3	-17.5
Unemployment rate	9.0	10.2	10.2	9.8	8.8	9.1
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	2,203	1,799	2,101	1,850	1,831	2,225
1 year change	688	-404	302	-204	-100	-37
% change	45.4	-18.3	16.8	-9.9	-5.2	-1.6
Weeks compensated (m o. avg.)	54,474	53,592	46,423	45,884	41,122	38,072
1 year change	19,736	-881	-7,169	-1,443	-2,263	-10,728
% change	56.8	-1.6	-13.4	-3.0	-5.2	-22.0

Source: Labor force (BLS, w/ Dec. revisions). Unemployment Insurance (US Dept of Labor). Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: December 2011 to June 2012

Indicator	Dec	Jan	Feb	Mar	Apr	May	Jun
DC Resident employment	310,557	312,157	313,554	314,489	316,431	319,283	321,913
change from prior month	1,016	1,600	1,397	935	1,942	2,852	2,630
% change from prior month	0.3	0.5	0.4	0.3	0.6	0.9	0.8
DC Unemployment rate (%)	10.1	9.9	9.8	9.8	9.5	9.3	9.1

Source: BLS seasonally adjusted. June is preliminary

Wage gains slowed slightly in the March quarter

●Wages earned in the District of Columbia were 3.6% higher in the March quarter compared to the same quarter of 2011.

●In the March quarter, estimated wages of DC residents grew 4.1%, and DC Personal Income grew 3.8%.

●Income gains for DC residents outpaced the US as a whole. (US wages grew 3.5% and Personal Income 2.9%).

●In the March quarter, the private sector accounted for \$1.74 billion (80%) of the \$2.18 billion increase in wages earned in DC.

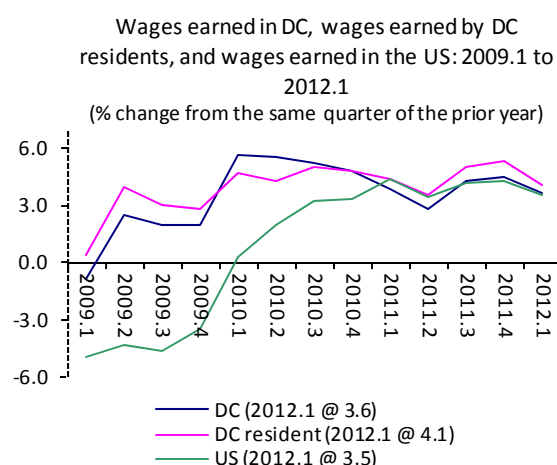


Table 8. DC Wages and Personal Income: March 2012

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

Indicator	FY 2009	FY 2010	FY 2011	4-quarter moving average	Latest quarter (Mar.)
Wages and salaries earned in DC	55.33	57.87	60.15	61.35	62.02
1 year change	1.06	2.55	2.28	2.25	2.18
% change	2.0	4.6	3.9	3.8	3.6
Supplements to wages & salaries	16.23	17.09	17.59	17.81	17.98
% change	5.8	5.3	2.9	2.3	2.3
Proprietors' income earned by DC residents*	5.33	5.40	5.98	6.14	6.30
% change	-6.9	1.4	10.7	6.1	6.3
Wages and salaries of DC residents***	21.30	22.19	23.17	23.70	23.98
change from one year ago	0.66	0.89	0.98	1.01	0.94
% change	3.2	4.2	4.4	4.5	4.1
Income earned by DC residents	29.9	31.1	32.9	33.7	34.2
% change	1.7	3.9	6.1	5.1	4.1
Property income of DC residents	5.98	5.67	6.01	6.16	6.26
% change	-11.0	-5.2	6.0	5.6	4.3
Pensions and other transfer payments of DC res.	4.69	5.28	5.67	5.69	5.71
% change	10.7	12.6	7.4	2.7	1.3
DC Personal Income**	40.58	42.01	44.63	45.59	46.18
1 year change	0.22	1.43	2.61	2.12	1.69
% change	0.5	3.5	6.2	4.9	3.8
US Personal income (% change from prior year)	-3.1	1.5	5.3	4.2	2.9
US Wages and salaries(% change from prior year)	-3.5	0.5	3.8	3.8	3.5
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	-0.18	0.59	1.77	1.98	1.74
Federal government (1 yr ch, \$B)	1.03	1.91	0.66	0.27	0.16
DC res. wages as % of wages earned in DC	38.5	38.3	38.5	38.6	38.7

* 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, 2012

Single family and condominium home sales

Housing prices continue to rise; condo sales are up sharply

- The July 3-month moving total of single family home sales was down 2.0% from a year earlier, but the average selling price was 2.8% higher.
- July condominium sales were 18.0% above a year earlier as measured by the 3-month moving total; the average selling price was 5.3% higher.
- The total value of all home sales in July was 7.8% more than a year earlier as measured by the 3-month moving total.
- July year to date median prices were up 14.1% for single family units, and up 5.5% for condominiums.
- The ratio of inventory to sales remained at June's low level of 1.8 for single family units (3-mo. moving average). This low ratio hadn't been reached in almost 7 years.

Number and average selling price of condominium units sold in DC: July 2010 to July 2012
(% change in 3-month moving averages)

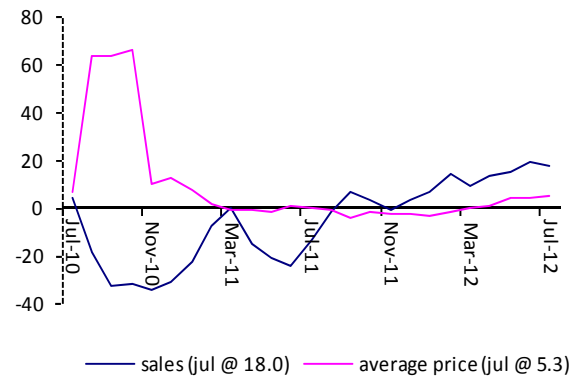


Table 9. D.C. Residential Real Estate Indicators: July 2012

Indicator	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving		This month
					total or average	3-mo moving total or average	
Number of sales (settled contracts)							
Single family	3,022	3,259	4,084	3,800	3,594	1,099	351
1 year change	-734	237	825	-284	-200	-22	8
% change	-19.5	7.8	25.3	-7.0	-5.3	-2.0	2.3
Condo	2,796	2,590	2,884	2,469	2,715	880	281
1 year change	-1,042	-206	294	-415	272	134	38
% change	-27.1	-7.4	11.4	-14.4	11.1	18.0	15.6
Total	5,818	5,849	6,968	6,269	6,309	1,979	632
1 year change	-1,776	31	1,119	-699	72	112	46
% change	-23.4	0.5	19.1	-10.0	1.2	6.0	7.8
Average prices of units that sold							
Single family (\$)	667,367	597,269	538,395	601,026	614,167	675,306	665,283
1 year change	9,480	-70,098	-58,874	62,631	19,321	18,628	-45,314
% change	1.4	-10.5	-9.9	11.6	3.2	2.8	-6.4
Condo (\$)	412,234	359,952	414,030	423,365	429,969	445,929	448,026
1 year change	6,803	-52,283	54,078	9,336	4,629	22,359	23,257
% change	1.7	-12.7	15.0	2.3	1.1	5.3	5.5
Total value of all sales (\$ million)							
	3,169.4	2,878.8	3,392.9	3,329.2	3,374.7	1,134.6	359.4
1 year change	-857.7	-290.6	514.1	-63.7	78.7	82.5	12.5
% change	-21.3	-9.2	17.9	-1.9	2.4	7.8	3.6
Ratio: active inventory to sales							
Single family	6.0	5.2	3.4	3.3	2.5	1.8	1.9
Condo	5.7	5.7	4.6	4.9	3.3	2.6	2.7

Median contract prices, CY to date in July 2012: single family \$525,000 (14.1% 1 yr ch); condo \$384,000 (5.5% 1 yr ch)

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

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

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

Apartments and single family home transactions

Sales of higher priced homes are rising

• Sales of single family units at prices above \$1 million were up 5.9% in July from a year ago as measured by the 3-month moving total.

• In March the quarterly Federal Housing Finance Agency house price index for DC was 4.7% over a year ago. For the US, there was a 1.3% decline.

• In the June quarter, occupied apartment units rose 1,119 (1.3%) and rents rose 4.0% from a year earlier.

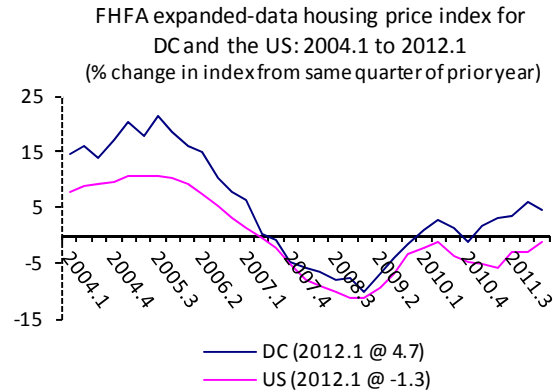


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: July 2012

Category	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving 3-mo moving		
					total	total	This month
Single family homes	435	333	418	489	459	180	57
1 year change	-18	-102	85	71	-27	10	5
% change	-4.0	-23.4	25.5	17.0	-5.6	5.9	9.6
percent of all single family sales	14.4	10.2	10.2	12.9	12.8	16.4	16.2
Condominiums	77	62	89	87	78	27	8
1 year change	-28	-15	27	-2	-10	4	0
% change	-26.7	-19.5	43.5	-2.2	-11.4	17.4	0.0
percent of all condominium sales	2.8	2.4	3.1	3.5	2.9	3.1	2.8

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 2012

Indicator	Fiscal year average				Quarter				
	FY 2008	FY 2009	FY 2010	FY 2011	2011.1	2011.2	2011.3	2011.4	2012.1
% change from prior year in value of index									
DC	-6.3	-7.2	0.9	1.8	1.8	3.0	3.4	5.8	4.7
US	-8.0	-9.8	-2.6	-4.7	-5.2	-5.8	-2.9	-2.9	-1.3

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

Average DC sales price	1.4	-10.5	-9.9	11.6	10.1	8.9	11.0	-6.6	13.6
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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 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, 2012

Indicator	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Latest Q (June 2012)		
					amount	1 Q ch	% ch
Inventory	85,427	87,090	87,970	88,710	88,848	0	0.0
1 year change	1,241	1,663	880	740	187		
% change	1.5	1.9	1.0	0.8	0.2		
Occupied units	81,521	81,964	82,965	84,125	85,096	161	0.2
1 year change	702	443	1,001	1,160	1,119		
% change	0.9	0.5	1.2	1.4	1.3		
Vacant units	3,906	5,126	5,005	4,585	3,752	-161	-4.1
1 year change	539	1,220	-121	-420	-932		
% change	16.0	31.2	-2.4	-8.4	-19.9		
% of inventory	4.6	5.9	5.7	5.2	4.2		
Average effective monthly rent	\$1,340	\$1,342	\$1,380	\$1,422	\$1,471	\$17	1.0
% change from 1 year	4.0	0.1	2.8	3.0	4.0		

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

Commercial office space

The office vacancy rate rose in June

●For the quarter ending June, the vacancy rate for DC commercial office space rose to 8.1% (without sublet space), and to 9.2% (with sublet space). (In March the rates were 8.0% and 8.9%, respectively.)

●DC's vacancy rate with sublet space in June was below the 12.6% rate for the metropolitan area.

●Occupied space rose in the June quarter by 0.17 million square feet (0.1%) from a year earlier.

●Space under construction decreased slightly in the last quarter, and is up 3.9% from a year ago.

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

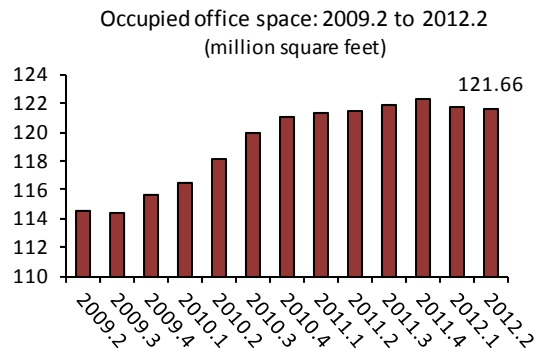


Table 13. Commercial office space in DC: June 30, 2012

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (June 2012)		
	2008	2009	2010	2011	Level	1 Q ch	% ch
Inventory	123.60	127.45	131.95	133.50	133.99	0.39	0.3
1 year change	1.19	3.86	4.49	1.56	1.07		
% change	1.0	3.1	3.5	1.2	0.8		
Occupied space	115.44	114.45	119.94	121.89	121.66	-0.05	0.0
1 year change	0.13	-0.99	5.49	1.95	0.17		
% change	0.1	-0.9	4.8	1.6	0.1		
Leased space	116.29	116.25	121.35	123.06	123.12	0.24	0.2
Under construction	10.60	5.75	2.14	2.42	2.74	-0.21	-7.1
1 year change	2.68	-4.85	-3.60	0.27	0.10		
% change	33.9	-45.8	-62.7	12.7	3.9		
% of inventory	8.6	4.5	1.6	1.8	2.05		
Vacant (no sublet)	7.31	11.20	10.60	10.44	10.87	0.15	1.4
% of inventory	5.9	8.8	8.0	7.8	8.1		
Vacant (w sublet)	8.16	13.00	12.01	11.61	12.33	0.44	3.7
1 year change	1.06	4.84	-0.99	-0.39	0.90		
% ch from one year	14.9	59.4	-7.6	-3.3	7.8		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	6.6	10.2	9.1	8.7	9.2	0.3	
Northern Virginia	11.9	13.5	13.4	13.5	14.4	0.0	
Suburban Maryland	11.5	14.6	14.5	14.2	14.3	0.2	
DC Metropolitan area	10.1	12.6	12.2	12.1	12.6	0.1	

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

Table 14. Average effective office rent for Class A commercial office leases signed by 6-month periods: 2009.2 to 2012.2

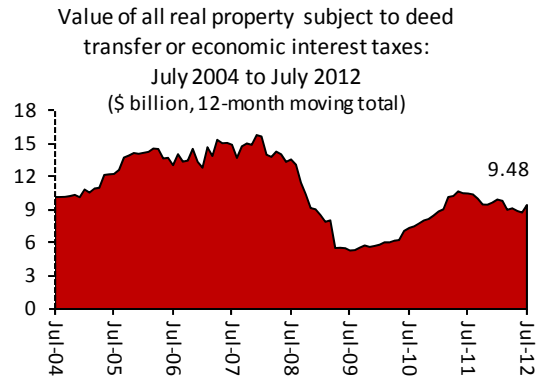
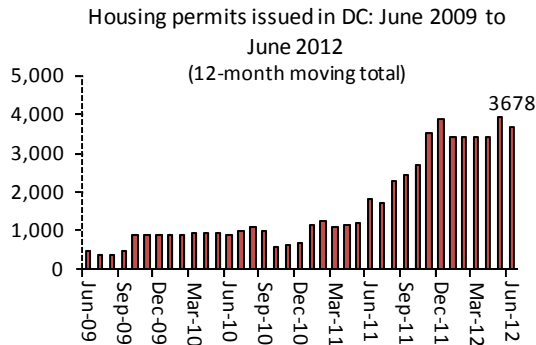
Indicator	\$ per square foot of gross floor space during 6-month period ending on date shown:						
	2009.2	2009.4	2010.2	2010.4	2011.2	2011.4	2012.2
Average effective rent	45.75	43.30	40.70	40.10	39.80	40.45	40.10
% ch from prior year	-1.1	-6.4	-11.0	-7.4	-2.2	0.9	0.8
Average value of improvements for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

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

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

More building permits in June; the value of property transferred in July was higher than a year ago

- For the 12-month period ending June, 3,678 housing unit building permits were issued, a 103.8% increase over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to rise (to 9.8%) over the next two years.



- Reis expects 4,666 new apartment units to be added to inventory in CY 2012 and CY 2013, and occupancy to grow by 5,250
- The value of July property transfers was up by 10.6% from last year as measured by the 3-month moving total. The 12-month moving total was 10.0% less.

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

	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
Total units	690	499	986	2,459	3,678	996	349
change from 1 year ago	-1,506	-191	487	1,473	1,873	279	-268
% change from 1 year ago	-68.6	-27.7	97.6	149.4	103.8	38.9	-43.4

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory June 2012					
Inventory (msf)	134.0	179.1	88.6	401.7	33.4
vacancy rate (%)	9.2	14.4	14.3	12.6	
Estimated net activity to June 2014					
new supply (msf)	3.0	3.0	2.4	8.5	35.3
new demand (msf)	1.9	3.5	1.6	7.0	27.1
Estimated Inventory June 2014					
vacancy rate (%)	9.8	13.9	14.8	12.7	

Source: Delta Associates msf= million square feet

Table 17 DC market rate apartment units: 2007 to 2016

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,848	488	4.7	84,661	1,184
2012 est	90,445	1,597	3.9	86,955	2,294
2013 est	93,514	3,069	3.9	89,911	2,956
2014 est	97,637	4,123	4.1	93,594	3,683
2015 est	99,445	1,808	3.8	95,691	2,097
2016 est	100,827	1,382	3.4	97,404	1,713

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

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

	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	11,527.3	5,591.2	7,789.1	10,059.5	9,477.0	3,101.5	1,431.3
change from one year ago (\$M)	-3,307.6	-5,936.1	2,197.9	2,270.4	-1,056.7	296.6	680.8
% change from 1 year ago	-22.3	-51.5	39.3	29.1	-10.0	10.6	90.7

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

Hospitality

June hotel stays were up slightly from last year

● In June the 3-month moving total for hotel room-days sold was 1.3% higher than a year earlier; and the average room rate was 0.3% lower leading to a 0.9% rise in room revenue.

● Employment in food services was 2.1% higher in June than a year earlier as measured by the 3-month moving average. Hotel employment rose 3.0%, and retail gained 0.7%.

● May airline traffic into the DC area was up 0.4% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 0.7%.

DC hotel room days sold and average room rate:
June 2010 to June 2012
(% change from prior year in 3-mo. moving total)

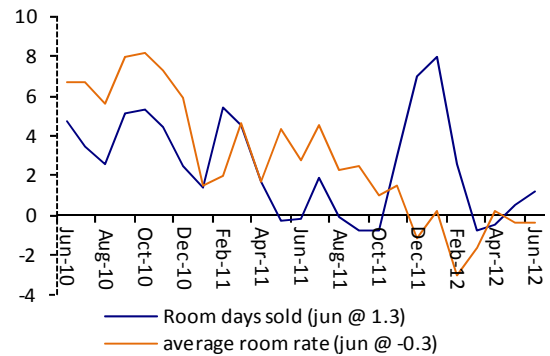


Table 19. Hospitality Industry: May to July 2012

Indicator	Units	date	FY 2009	FY 2010	FY 2011	12-mo total	3-month	This month
						or average*	moving total or average*	
Hotel stays								
Hotel room -days sold	('M)	jun	7.123	7.370	7.467	7.598	2.148	0.721
	1 yr ch		-0.003	0.248	0.097	0.116	0.027	0.022
	1 yr % ch		0.0	3.5	1.3	1.6	1.3	3.1
Average room rate	\$	jun	203.16	199.12	231.00	205.16	225.35	218.32
	1 yr ch		-5.83	-4.05	-6.77	-0.24	-0.78	-1.96
	1 yr % ch		-2.8	-2.0	-2.8	-0.1	-0.3	-0.9
Occupancy rate (average)	%	jun	73.1	73.8	85.1	75.3	85.5	87.0
	1 yr ch		-1.1	0.7	0.4	0.7	1.1	2.8
	1 yr % ch		-1.5	0.9	0.5	0.9	1.3	3.3
Room revenue	(\$M)	jun	1,447.0	1,467.5	168.5	1558.7	484.1	157.3
	1 yr ch		-42.0	20.5	-2.8	22.1	4.3	3.4
	1 yr % ch		-2.8	1.4	-1.6	1.4	0.9	2.2
Airline passengers								
DCA	1 yr % ch	may	-2.9	0.5	6.2	-7.5	0.7	-1.1
IAD	1 yr % ch	may	-4.4	1.2	0.6	-11.2	-0.5	-0.2
BWI	1 yr % ch	may	-3.3	4.6	4.2	-8.7	0.9	-0.9
Total	1 yr % ch	may	-3.6	2.1	3.4	-9.3	0.4	-0.7
Convention Center Transfer								
	\$ M	jul	91.5	94.4	98.0	103.2	29.7	10.1
	1 yr ch		0.0	2.8	3.6	6.7	1.6	2.5
	1 yr % ch		0.0	3.1	3.9	6.9	5.9	32.6
Employment								
Accommodations	level ('000)	jun	15.0	15.3	15.3	15.8	16.2	16.3
	1 yr ch		-0.2	0.3	0.0	0.5	0.5	0.5
	1 yr % ch		-1.2	2.0	0.0	3.4	3.0	3.2
Food and bev	level ('000)	jun	35.9	37.0	39.0	40.2	41.1	41.1
	1 yr ch		0.5	1.2	1.9	1.8	0.8	0.9
	1 yr % ch		1.4	3.3	5.2	4.7	2.1	2.2
Arts and entertain.	level ('000)	jun	7.1	7.0	6.8	7.1	7.5	7.3
	1 yr ch		0.2	-0.1	-0.2	0.2	0.4	0.3
	1 yr % ch		2.7	-1.5	-2.6	3.4	5.1	4.3
Retail	level ('000)	jun	17.8	18.3	18.5	18.5	18.7	18.7
	1 yr ch		-0.6	0.5	0.2	-0.1	0.1	0.2
	1 yr % ch		-3.5	3.0	1.0	-0.3	0.7	1.1

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

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

OCFO/OTR (Convention Center transfer; July collections are based on June sales data)

July job growth picked up a little, and the stock market gained after 3-months of decline

- June was the 12th consecutive quarter of real GDP growth; however, the 1.5% gain in the June quarter was less than that of the 2 prior quarters.
- US employment (seas. adj.) increased by 163,000 in July.
- The US unemployment rate (seasonally adj.) rose to 8.3%.
- In July the S & P 500 index gained 2.8% from June, but was just 2.6% above a year ago.
- Inflation continued to fall. The July CPI was 1.4% above a year earlier (sa), the smallest year-over-year increase in 19 months.

Quarterly change in US Real and Nominal GDP: 2009.2 to 2012.2
(% change from the previous quarter at annual rates)

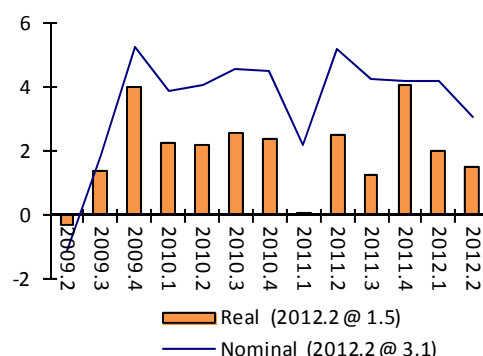


Table 20. US GDP, income, corporate profits, and inflation: 2012.2 and July 2012

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	12-m o avg	2012.2	Jul 2012
US GDP real	2011.2	1 yr % ch	1.1	-3.9	1.8	1.9	2.0	2.2	
US GDP nominal	2011.2	1 yr % ch	3.4	-2.6	2.8	4.0	4.1	3.9	
US Personal income	2011.2	1 yr % ch	5.6	-3.4	1.5	5.4	4.2	3.2	
US wages	2011.2	1 yr % ch	3.4	-3.5	0.4	4.0	3.5	3.2	
Corporate profits	2011.2	1 yr % ch	-11.2	-12.2	35.9	9.1	8.7	9.7	
S and P stock index	jul	1 yr % ch	-5.7	-34.3	23.7	13.8	3.2	2.4	2.6
US CPI	jul	1 yr % ch	4.4	-0.3	1.7	2.7	2.7	2.8	1.4
Balt./Wash. area CPI	jul	1 yr % ch	5.0	0.3	1.7	3.0	2.5	na	1.4

Source: BEA (data revised as of July 27, 2012), BLS, and Yahoo finance. Balt./Wash. Area CPI is May data. 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: 2010.4 to 2012.2

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

Indicator	units	calendar year quarter						
		2010.4	2011.1	2011.2	2011.3	2011.4	2012.1	2012.2
US GDP real	% ch from prior Q at saar	2.4	0.1	2.5	1.3	4.1	2.0	1.5
US GDP nominal	% ch from prior Q at saar	4.5	2.2	5.2	4.3	4.2	4.2	3.1
Wages and salaries	% ch from prior Q at saar	1.6	8.9	2.3	1.3	0.9	7.4	3.3
Personal income	% ch from prior Q at saar	3.6	11.1	2.6	1.2	1.3	6.1	4.3

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on July 27, 2012

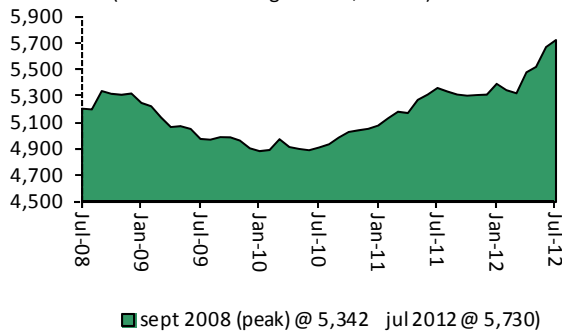
Table 22. Monthly change in selected US indicators: January 2012 to July 2012

Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul
S and P stock index (level)	1301	1352	1389	1386	1341	1323	1360
% change from prior month	4.6	4.0	2.7	-0.2	-3.3	-1.3	2.8
% change from 1 year ago	1.4	2.4	6.5	4.1	0.2	2.8	2.6
10 yr. Treasury Interest rate (level)	1.94	1.96	2.16	2.03	1.79	1.61	1.50
CPI % ch from prior month (seasonally adjusted)	0.21	0.41	0.29	0.03	-0.28	0.04	0.05
CPI % ch from prior year (seasonally adjusted)	2.93	2.89	2.65	2.30	1.73	1.68	1.42
Jobs (seasonally adjusted level, in m millions)	132.46	132.72	132.86	132.93	133.02	133.08	133.25
change from prior month (thousands)	275	259	143	68	87	64	163
% change from prior month	0.21	0.20	0.11	0.05	0.07	0.05	0.12
Resident employment (season. adj. level, in mil.)	141.64	142.07	142.03	141.87	142.29	142.42	142.22
change from prior month (thousands)	847	428	-31	-169	422	128	-195
% change from prior month	0.60	0.30	-0.02	-0.12	0.30	0.09	-0.14
Unemployment rate (seasonally adj.)	8.3	8.3	8.2	8.1	8.2	8.2	8.3

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking):
July 2008 to July 2012
(12-month moving total in \$ million)



Change from prior year in total taxes collected in
the preceding 12-months (before earmarking):
July 2010 to July 2012
(\$ million)

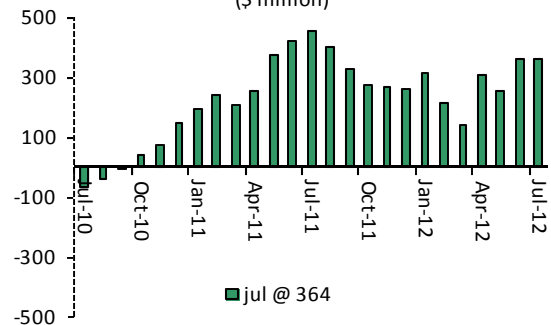


Table 23. Tax Collections (before earmarking): July 2012 (Preliminary)

(\$ million)

Tax	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
Total taxes	5,342.3	4,992.9	4,988.8	5,315.7	5,729.8	1,305.2	369.8
1 year change	224.8	-349.4	-4.2	326.9	364.1	245.9	53.1
% change	4.4	-6.5	-0.1	6.6	6.8	23.2	16.8
Real property	1,684.8	1,798.7	1,834.8	1,707.0	1,767.6	61.9	24.5
1 year change	241.2	113.9	36.0	-127.8	-29.0	30.4	2.3
% change	16.7	6.8	2.0	-7.0	-1.6	96.4	10.1
General sales	1,011.6	945.8	916.6	974.9	1,112.2	301.0	101.4
1 year change	52.8	-65.8	-29.2	58.3	191.6	72.7	19.3
% change	5.5	-6.5	-3.1	6.4	20.8	31.8	23.5
Individual income	1,353.2	1,143.3	1,139.8	1,314.6	1,450.9	481.1	115.7
1 year change	40.1	-209.9	-3.6	174.9	169.8	112.1	13.1
% change	3.1	-15.5	-0.3	15.3	13.3	30.4	12.8
withholding	1,004.2	1,037.3	1,103.3	1,207.6	1,303.8	378.5	115.6
1 year change	29.5	33.1	65.9	104.3	116.6	83.7	15.2
% change	3.0	3.3	6.4	9.5	9.8	28.4	15.2
non-withholding	349.0	106.0	36.5	107.1	147.1	102.6	0.2
1 year change	10.7	-243.0	-69.5	70.5	53.2	28.4	-2.1
% change	3.2	-69.6	-65.6	193.2	56.7	38.2	-93.0
Corporate income	289.8	202.5	197.3	251.8	283.6	65.0	12.2
1 year change	39.1	-87.3	-5.2	54.6	45.4	4.8	2.1
% change	15.6	-30.1	-2.6	27.7	19.0	8.0	21.1
Unincorporated Bus.	128.9	122.4	120.7	143.0	160.2	49.9	-3.1
1 year change	-37.5	-6.5	-1.7	22.3	29.4	7.1	-6.9
% change	-22.5	-5.0	-1.4	18.4	22.5	16.7	-182.8
Deed taxes*	323.2	187.4	225.6	314.1	309.3	108.4	52.3
1 year change	-118.8	-135.8	38.2	88.5	-55.1	0.3	21.2
% change	-26.9	-42.0	20.4	39.2	-15.1	0.2	68.3
Other taxes	550.7	592.8	554.0	610.2	646.1	237.8	66.8
1 year change	7.9	42.1	-38.8	56.2	11.9	18.5	2.0
% change	1.5	7.6	-6.5	10.2	1.9	8.5	3.1

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

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

(3) Data subject to accounting adjustments.

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

Source: OCFO/DRA

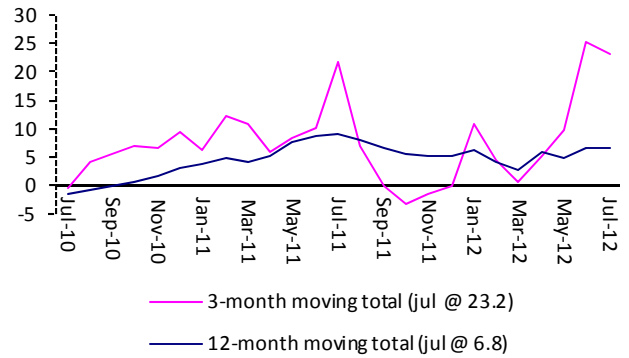
Tax collections continue to be strong in July

● For the 12-month period ending July, tax collections (before earmarking) were \$364 million (6.8%) more than a year earlier. Collections grew at a 6.6% rate in FY 2011.

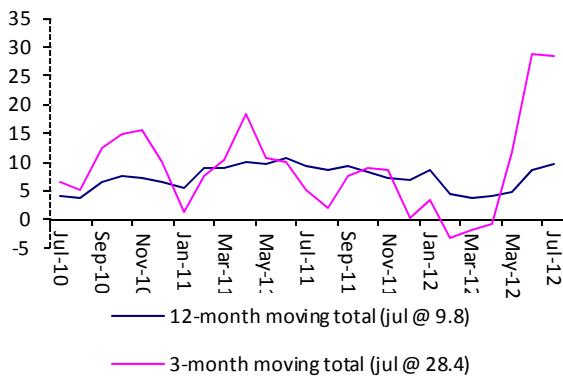
● In July the 3-month moving total for sales taxes was up 31.8% from last year, and withholding was up 28.4%. (These collection amounts may be influenced by timing of payment processing.)

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 15.2% from the prior year for the 3 months ending June. For the last 12-month period, the payments were down 5.8%.

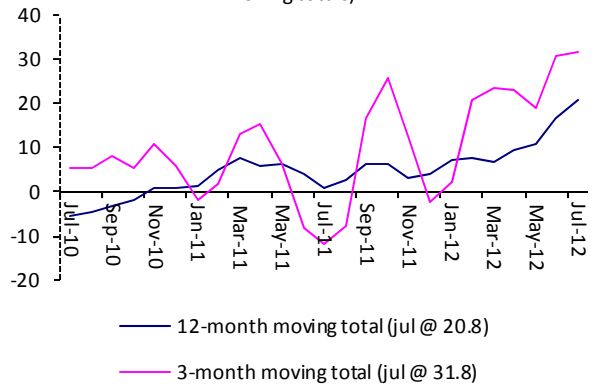
DC Tax Collections (before earmarking):
July 2010 to July 2012
(% change in 3-month and 12-month moving totals)



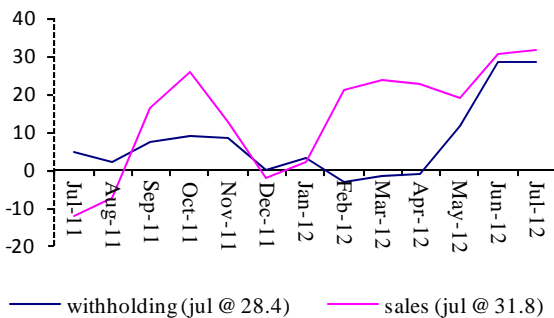
Withholding collections: July 2010 to July 2012
(% change from prior year in 3-month and 12-month moving totals)



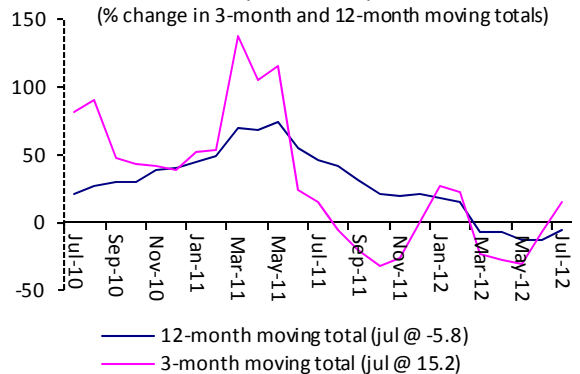
Sales tax collections: July 2010 to July 2012
(% change from prior year in 3-month and 12-month moving totals)



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



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



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

US economic forecasts

The August Blue Chip Indicators again cut its outlook for the US economy for FY 2013

•The August Blue Chip Indicators reduced its FY 2013 forecast for real GDP to 1.9%. 26% of the 50 economists surveyed say there will be a US recession within 12 months. 88% say uncertainty about the “fiscal cliff” looming at the end of the year will depress GDP growth in the second half of 2012, but less than 10% of these expect the impact to be large.

•The August Blue Chip Indicators made no change in its inflation forecasts for FY 2012 and FY 2013. The forecast is for a 1.3% increase in the CPI in FY 2013.

•S and P 500: For the last quarter of calendar year 2012, Global Insight and Economy.com made no change in their July baseline forecasts. Global Insight did, however, significantly cut its pessimistic forecast. FY 2012 pessimistic forecasts diverge sharply: 9.4% growth for Economy.com and a 14.9% decline for Global Insight.

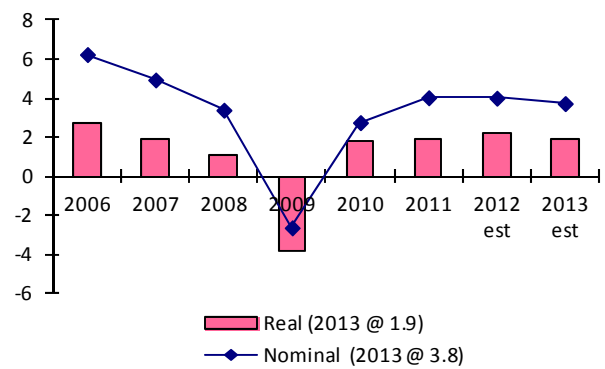
Table 24. Forecasts for US nominal and real GDP:

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

Forecast and date	real			nominal		
	2011	2012	2013	2011	2012	2013
Congressional Budget Office						
January 2011	2.5	3.2	2.9	3.6	4.4	4.5
August	2.5	2.5	2.0	4.0	3.8	3.0
January 2012	2.1	2.1	1.2	4.1	3.7	2.6
Blue Chip						
May	2.1	2.1	2.4	4.1	4.0	4.4
June	2.1	2.0	2.2	4.1	3.9	4.1
July	2.1	2.0	2.1	4.1	3.9	3.9
August	1.9	2.2	1.9	4.0	4.0	3.8

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

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



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

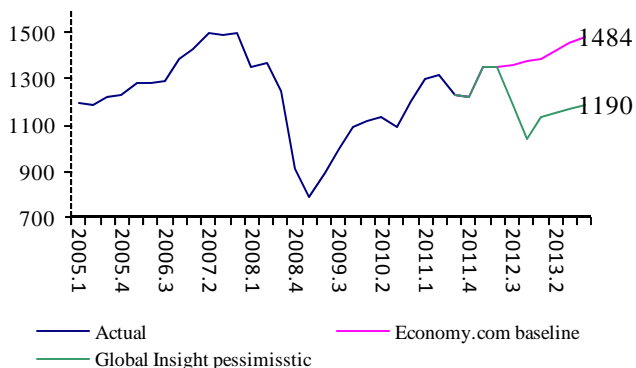


Table 25. Forecasts for S and P 500: 2011.4 to 2013.4

(% change from prior fiscal year)

Forecast date	% change from prior year			% change from prior year		
	2011.4	2012.4	2013.4	2011.4	2012.4	2013.4
Global Insight: baseline						
Apr	1.8	11.2	6.2	1.8	-11.2	10.3
May	1.8	11.2	6.2	1.8	-11.2	10.3
June	1.8	7.7	8.7	13.8	-2.5	-8.5
July	1.8	7.7	8.7	1.8	-14.9	14.1
Economy.com baseline						
Apr	1.8	15.3	7.8	1.8	12.4	8.8
May	1.8	16.0	7.7	1.8	13.1	8.7
Jun	1.8	12.2	7.9	1.8	6.1	8.3
Jul	1.8	12.2	7.9	1.8	9.4	8.8

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

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

Treasury interest rate: FY 2011 to FY 2013

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2011	2012	2013	2011	2012	2013
May	2.6	2.6	1.6	3.0	2.2	2.7
Jun	2.6	2.5	1.5	3.0	2.0	2.4
Jul	2.6	2.4	1.3	3.0	2.0	2.3
Aug	2.6	2.4	1.3	3.0	1.9	2.0

Source: Blue Chip Indicators

July forecasts are similar to June's

●**Employment:** Global Insight added jobs for FY 2012 and FY 2013; Economy.com took jobs away. The range of job changes are from 13,039 to 15,789 in FY 2012, and -7,377 to 7,832 in FY 2013.

●**Unemployment:** Economy.com increased slightly its forecast for FY 2013. The unemployment rate forecast range for FY 2013 is from 9.2% to 11.8%.

●**Wages earned in DC:** Both forecasts decrease slightly their baseline for FY 2013. The ranges: 3.2% to 3.5% in FY 2012; 1.0% to 3.6% in FY 2013.

●**Wages earned by DC residents:** Global Insight raised its FY 2013 forecasts. The ranges: 3.5% to 4.6% in FY 2012; 2.2% to 5.3% in FY 2013.

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

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Apr	14,667	13,354	6,692	14,667	12,656	2,092	14,667	12,711	4,116	14,667	10,257	-2,577
May	14,667	13,489	5,607	14,667	13,130	1,297	14,667	13,831	4,761	14,667	12,837	-3,186
Jun	14,667	13,193	5,528	14,667	12,826	1,796	14,667	14,671	4,356	14,667	13,368	-7,622
Jul	14,667	15,789	7,832	14,667	15,548	4,229	14,667	14,190	4,786	14,667	13,039	-7,377

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

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

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Apr	10.2	9.9	9.2	10.2	9.9	9.8	10.2	10.2	9.7	10.2	10.2	10.3
May	10.2	9.8	9.1	10.2	9.8	9.7	10.2	10.2	9.8	10.2	10.2	10.0
Jun	10.2	9.8	9.2	10.2	9.8	9.7	10.2	9.7	9.3	10.2	9.9	11.7
Jul	10.2	9.7	9.2	10.2	9.8	9.7	10.2	9.6	9.4	10.2	9.8	11.8

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

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

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Apr	4.0	3.5	3.6	4.0	3.2	2.1	4.0	3.7	5.3	4.0	2.9	3.5
May	4.0	3.9	3.5	4.0	3.7	2.1	4.0	4.0	4.8	4.0	3.7	2.9
Jun	4.0	3.1	3.3	4.0	2.9	1.9	4.0	3.8	3.7	4.0	3.5	1.2
Jul	3.9	3.5	3.2	3.9	3.4	1.9	3.9	3.4	3.6	3.9	3.2	1.0

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

Table 30. DC resident wages FY 2011 to FY 2013

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Apr	4.4	4.1	4.4	4.4	3.7	2.5	4.4	5.4	6.6	4.4	4.9	5.2
May	4.4	4.8	4.0	4.4	4.5	2.1	4.4	5.8	6.5	4.4	5.6	5.1
Jun	4.4	2.8	3.5	4.4	2.6	1.6	4.4	5.3	5.2	4.4	5.1	3.4
Jul	4.4	3.8	3.8	4.4	3.5	2.2	4.4	4.6	5.3	4.4	4.4	3.4

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 forecast did not change February's: tax revenue growth (before earmarks) of \$291 million (5.5%) in FY 2012, with less growth in FY 2013 due to effects of anticipated federal cutbacks

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

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

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

Source: ORA. February 29, 2012 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

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

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

Source: ORA February 2012 revenue estimate

Table 33. DC Income and stock market assumptions:

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

Source: ORA February 2012 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 34. DC tax revenue (before earmarks) and DC Personal Income: FY 2005 to FY 2014

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

Source: ORA. February 2012 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

Population Growth, continued from p.1

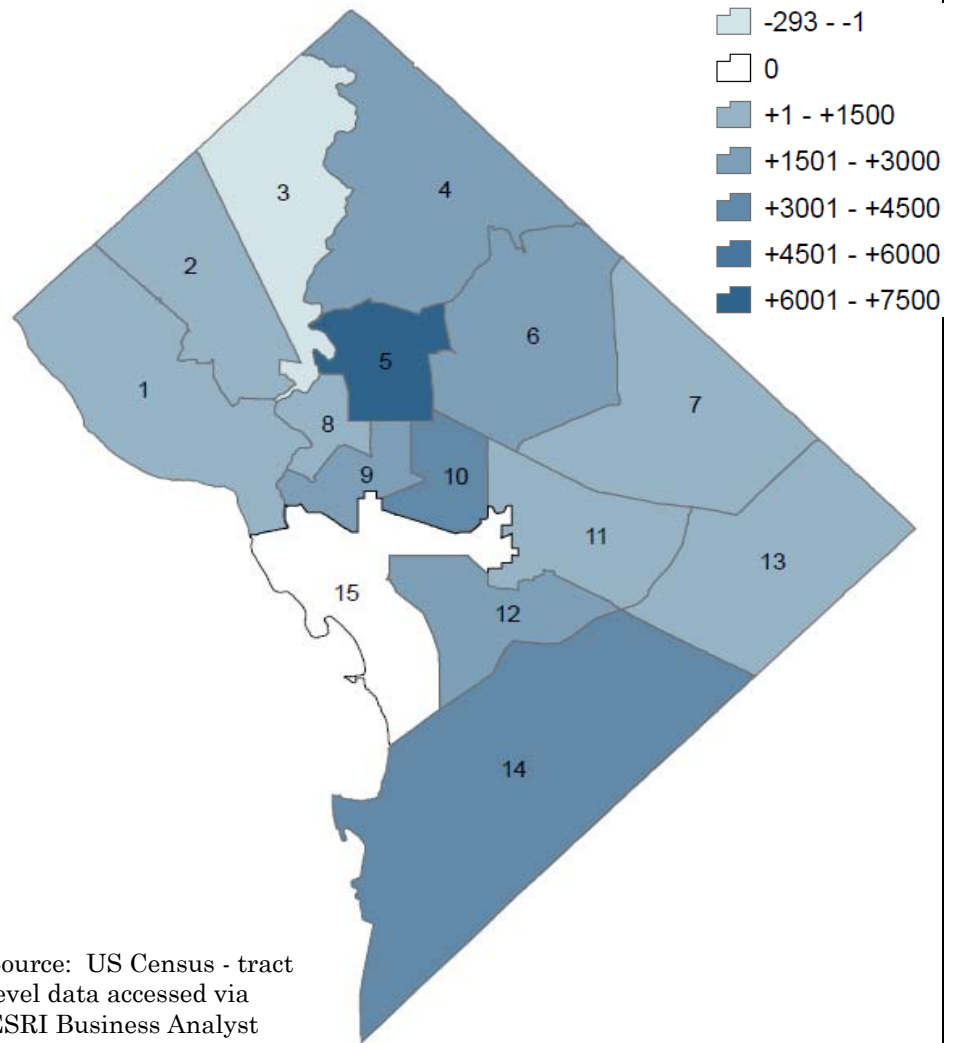
Every neighborhood experienced growth between 2000 and 2010 except for the Chevy Chase/Forest Hills area, which declined only slightly (-1.15%). The Chinatown/Mt. Vernon/Shaw area experienced the highest rate of growth over the period at 20.43%, followed by the Southwest Waterfront (10.70%) and the U Street/Columbia Heights/Mt. Pleasant area (10.27%). It is interesting to note that all but the slowest growing “Core” neighborhood, Capitol Hill, increased its population at a greater rate than either of the fastest growing neighborhoods (Ledroit Park/Brookland/Eckington and Tenleytown) in the peripheral neighborhoods.

In general, there has been a strong eastward trend in the location of the city’s population centroid, a spatially weighted average measure of population location. As the city continues to create new jobs and opportunities, new patterns of residential development are occurring. The implications of this shift are likely to impact the composition of the revenue portfolio as the property base evolves, nodes of commercial activity are repositioned, and patterns of income and household composition change. Moreover, these same features have the potential to alter the demand structure for public services and the consequent basket of expenditures provided to District residents.

—Marvin Ward Jr. ORA

Note: The discrepancies between the total figures in the tables and the official Census citywide figures (2000 — 572,059; 2010 — 601,723) are an artifact of the Census tract data acquired from ESRI Business Analyst and the process used to aggregate the data to the neighborhood level.

Net Change in DC Population by Neighborhood: 2000—2010



Source: US Census - tract level data accessed via ESRI Business Analyst

		Population			
Code	Neighborhood	2000	2010	Change	% Change
2	Tenleytown	32,747	34,168	1,421	4.34%
1	Foxhall	40,731	41,726	995	2.44%
3	Chevy Chase/Forest Hills	25,530	25,237	(293)	-1.15%
SUBTOTAL - UPPER NW		99,008	101,131	2,123	2.14%
6	Ledroit Park/Brookland/Eckington	44,513	46,692	2,179	4.90%
14	Anacostia/Congress Heights/Bellevue	82,156	85,596	3,440	4.19%
4	Petworth/Brightwood	69,385	71,330	1,945	2.80%
13	Deanwood/Ft. Dupont/Capitol View	52,009	52,761	752	1.45%
7	Trinidad/Ft. Lincoln/Kenilworth	30,706	31,110	404	1.32%
SUBTOTAL - REST OF NON-CORE		278,769	287,489	8,720	3.13%
10	Chinatown/Mt. Vernon/Shaw	19,733	23,765	4,032	20.43%
12	SW/SE Waterfront	18,626	20,619	1,993	10.70%
5	U Street/Columbia Heights/Mt. Pleasant	65,411	72,127	6,716	10.27%
9	Downtown/Golden Triangle/Foggy Bottom	25,326	27,872	2,546	10.05%
8	Dupont/Adams Morgan	21,452	22,820	1,368	6.38%
11	Capitol Hill	43,723	44,836	1,113	2.55%
SUBTOTAL - CORE		194,271	212,039	17,768	9.15%
TOTAL		572,048	600,659	28,611	5.00%

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 "Economy and Revenue" subcategories "Revenue," "DC Economy," "Fiscal Impact Statements," and "Studies." (OCFO Budget documents are posted under "Annual Operating Budget and Capital Plan.")

Recent ORA reports:

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

FY 2013 Proposed Budget and Financial Plan. June 22, 2012. The revenue chapter (Chapter 4 of Volume 1, the Executive Summary) of the Annual Operating Budget presents the revenue estimates for the budget. The chapter includes details about specific DC taxes and other revenue sources and about all proposed policy changes affecting revenues.

June Quarterly Revenue Estimate. June 22, 2012. Letter notes that the revenue estimates for FY 2012-FY 2016 remain unchanged from the February 2012 certification.

DC Tax Facts, 2011. Details on all DC taxes.

About this report.

District of Columbia Economic and Revenue Trends is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the August report has mostly June and July data). Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Economy and Revenue, 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 17
D.C. Personal Income	BEA	2012.1	September 25
D.C. Tax Collections	OTR/ORA	July	September 15
D.C. Housing Sales	MRIS*	July	c September 10
D.C. Commercial Office Building data	Delta Associates	2012.2	c September 10
DC Apartment data	Reis, inc	2012.2	c October 1
D.C. Hotel stay information	Smith Travel Research	June	c. August 30
Consumer Price Index	BLS	July	September 14
U.S. Jobs and Labor Force	BLS	June and July	September
U.S. GDP and Personal Income	BEA	2012.2	August 29
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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