

**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: *December 2011*

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DC employment and DC wage and salary earnings weakened in the last half of FY 2011

In the last half of FY 2011 the District of Columbia's economy appears to have lost momentum. In the six-month period from March 2011 to September 2011, four seasonally-adjusted measures of the level of economic activity in DC all slowed down compared to the first half of the year:

- **Wage and salary jobs located in DC** declined by 4,800 (-0.7%) from the end of March to the end of September. Growth in the first half of the fiscal year (0.7%) had been about the same as each half of FY 2010.
- **DC resident employment** declined by 7,200 (-2.4%) from the end of March to the end of September. Growth in the first half of the fiscal year (0.7%) had picked up from the negative growth in the last half of FY 2010.
- **Wages and salaries earned in DC** grew by 1.2% from the end of March to the end of September. For the first half of the fiscal year the growth rate had been 1.9%, slightly greater than the 1.7% rate for the last half of FY 2010.
- **Wages and salaries earned by DC residents** grew by 1.4% from the end of March to the end of September. For the first half of the fiscal year the growth rate had been 2.0%, the same rate of growth as the last half of FY 2010.

(1) DC employment and (2) DC wages and salaries: percent change in the first half and the second half of FY 2011

Indicator	First half <i>(Sep 2010 to Mar 2011)</i>	Second half <i>(Mar 2011 to Sep 2011)</i>
Employment		
Jobs located in DC	0.7	-0.7
DC resident employment	0.7	-2.4
Wages and salaries		
Earned in DC	1.9	1.2
Earned by DC residents	2.0	1.4

Source: BLS and BEA, seasonally adjusted. Percent change is for six months only and is not an annual rate. See tables on p. 17 for detail.

The tapering off of growth in DC's economy during FY 2011 is of concern because the possibility of future cutbacks in federal spending already adds to the uncertain outlook for FY 2012 and beyond. A cautionary note, however, is the possibility that during the coming year revisions to the data presented here could result in modification to the FY 2011 slowdown story. *(Continued on p. 17.)*

Wage and salary employment

In October total employment grew, but federal employment continued to weaken

- October wage and salary employment in DC was up by 1,700 (0.2%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for October was up by 167 (0.1%). Private sector jobs were up by 1,933 (0.4%).
- Total year-over-year DC metropolitan area employment increased by 4,100 (0.1%) in October as measured by the 3-month moving average.
- Suburban Washington employment rose by 0.1% in October from a year earlier.
- Seasonally adjusted wage and salary employment in DC increased by 1,500 in October (0.2%) from September, bringing it back to about where it was in April.

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

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

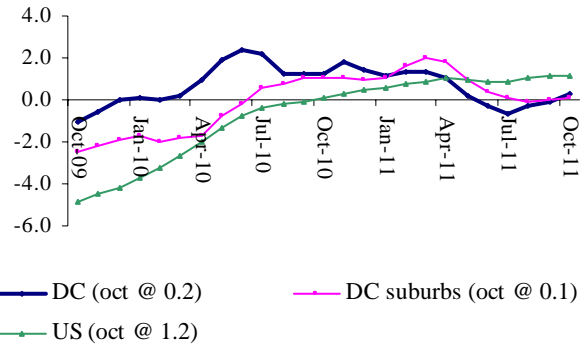


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: October 2011

Jurisdiction	FY 2009	FY 2010	FY 2011	12-mo avg (FY 2011)	3-mo average	This month
District of Columbia	701,742	708,408	712,550	712,600	711,967	716,400
1 year change	-1,033	6,667	4,142	3,200	1,700	600
% change	-0.1	1.0	0.6	0.5	0.2	0.1
Washington metro area	2,966,558	2,956,700	2,979,133	2,979,625	2,981,267	2,994,300
1 year change	-39,133	-9,858	22,433	20,067	4,100	5,900
% change	-1.3	-0.3	0.8	0.7	0.1	0.2
Washington suburbs (% ch)	-1.7	-0.7	0.8	0.7	0.1	0.2
US (% ch)	-3.8	-1.9	0.8	0.9	1.2	1.2

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

Table 2. Federal government and private sector wage and salary employment in DC: October 2011

Sector	FY 2009	FY 2010	FY 2011	12-mo avg (FY 2011)	3-month average	This month
Federal government	198,050	207,758	210,817	210,742	210,133	208,600
1 year change	5,283	9,708	3,058	2,508	167	-900
% change	2.7	4.9	1.5	1.2	0.1	-0.4
Private sector	463,050	463,858	466,117	466,292	467,633	473,200
1 year change	-5,408	808	2,258	1,792	1,933	2,100
% change	-1.2	0.2	0.5	0.4	0.4	0.4

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

Table 3. Seasonally adjusted DC Employment: April 2011 to October 2011

Indicator	Apr	May	Jun	Jul	Aug	Sep	Oct
D.C. Wage and Salary employment	715,300	712,500	712,100	714,100	701,800	713,500	715,000
change from prior month	1,700	-2,800	-400	2,000	-12,300	11,700	1,500
% change from prior month	0.2	-0.4	-0.1	0.3	-1.7	1.7	0.2

Source: BLS seasonally adjusted. October is preliminary

Sectors of the economy

Legal services and temporary employment once again led private sector job growth

• In October legal services and temporary employment each gained over 1,000 jobs over the previous year as measured by 3-month moving averages.

• Other private industries showing gains over the year include finance (933), other business services (700), and construction (367).

• Industry sectors losing jobs include personal services (-1,033), retail trade (-1,000), and education (-767).

• Local government declined by 400..

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

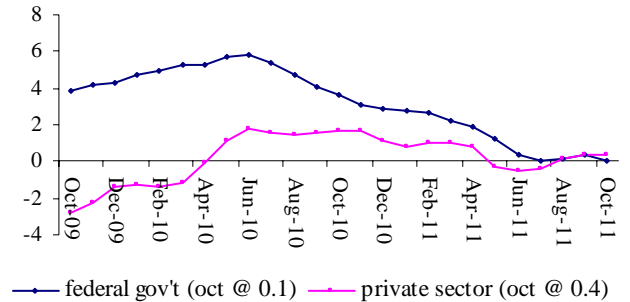


Table 4. Wage and salary employment located in DC: October 2011

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Oct 2011	DC share (%) in Oct 2011 of all sector jobs in:		Change from Oct 2010 to Oct 2011 in DC share of sector jobs in:	
	Oct 2010	Oct 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	209,967	210,133	167	0.1	1.2	29.5	55.5	7.43	0.35	0.16
Local government	34,600	34,200	-400	-1.2	-3.0	4.8	11.3	0.18	-0.20	0.00
Legal services	32,167	33,433	1,267	3.9	1.2	4.7		3.00		0.12
Other Professional and technical	69,533	69,467	-67	-0.1	1.1	9.8	21.8	1.07	-0.03	-0.05
Employment services	12,967	14,200	1,233	9.5	11.5	2.0	36.5	0.47	3.02	0.01
Other Business services	34,733	35,433	700	2.0	-0.3	5.0	19.1	0.53	0.10	0.00
Information	18,667	18,533	-133	-0.7	0.4	2.6	24.3	0.70	0.51	0.01
Finance	26,133	27,067	933	3.6	-1.2	3.8	17.9	0.35	0.13	0.01
Organizations	57,467	57,633	167	0.3	-1.2	8.1	35.9	1.91	0.30	-0.01
Education	48,100	47,333	-767	-1.6	2.2	6.6	48.8	1.50	-2.61	-0.06
Health	60,333	60,567	233	0.4	1.0	8.5	22.9	0.36	0.05	-0.01
Food service	37,267	37,233	-33	-0.1	-0.4	5.2	20.0	0.39	-0.12	-0.01
Accommodations	15,067	15,067	0	0.0	-2.0	2.1	38.5	0.81	0.42	-0.02
Amusement and recreation	7,100	7,267	167	2.3	2.6	1.0	17.5	0.36	0.01	0.01
Retail trade	18,133	17,133	-1,000	-5.5	-4.8	2.4	6.7	0.12	-0.37	-0.01
Wholesale trade	4,667	4,667	0	0.0	0.0	0.7	7.2	0.08	-0.07	0.00
Construction	10,800	11,167	367	3.4	2.5	1.6	8.0	0.19	0.49	0.01
Personal and miscellaneous ser.	7,133	6,100	-1,033	-14.5	-6.3	0.9		0.25		-0.05
Other private	5,433	5,333	-100	-1.8	-0.9	0.7	4.9	0.03	0.06	0.00
Total	710,267	711,967	1,700	0.2	0.5	100.0	23.9	0.54	0.02	-0.01
<i>Public sector</i>	244,567	244,333	-233	-0.1	0.6	34.3	35.8	1.13	-0.03	0.01
<i>Private sector</i>	465,700	467,633	1,933	0.4	0.4	65.7	20.3	0.43	0.05	0.00
<i>Professional and all business</i>	194,200	198,133	3,933	2.0	1.1	27.8	21.4	0.88	0.18	-0.01
<i>Education, health, and orgs.</i>	165,900	165,533	-367	-0.2	0.6	23.3	30.7	0.54	-0.06	-0.01
<i>Hospitality and trade</i>	82,233	81,367	-867	-1.1	-1.4	11.4	13.9	0.24	-0.18	-0.01
<i>Other private sector</i>	23,367	22,600	-767	-3.3	-1.0	3.2	9.1	0.09	-0.02	0.00

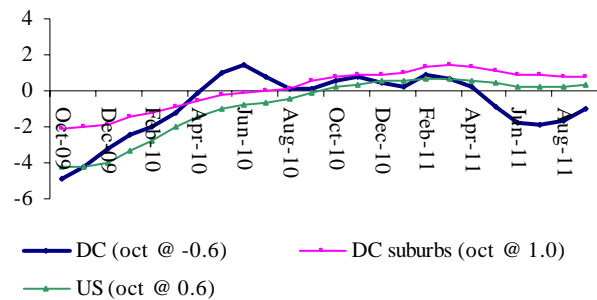
Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment

Unemployment fell slightly in October

- In October DC resident employment declined 1,851 (-0.6%) from a year earlier (3-mo. moving average); the labor force increased 2,105 (0.6%).
- In October the unemployment rate (seasonally adjusted) fell to 11.0%.
- Seasonally adjusted employment rose 0.5% from Sept.
- Initial unemployment insurance claims were up 13.2% from a year earlier (3-mo. moving average), the highest percent gain in 3 months.

Resident employment in DC, the DC suburbs, and the US: October 2009 to October 2011
(% change from prior year in 3-month moving average)



Jobs located in DC and DC resident employment:

October 2009 to October 2011

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

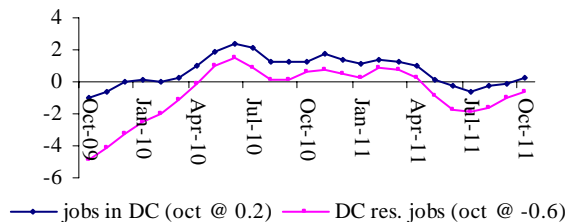


Table 5. Unemployment rates for DC, metro area, and US: October 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Oct 2010	Oct 2011	Oct 2010	Oct 2011
US	9.0	8.5	9.7	9.0
DC metro area	5.9	5.7	na	na
DC	9.5	10.4	9.7	11.0
DC suburbs	5.4	5.2	na	na

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

Table 6. Resident employment and unemployment: October 2011

Indicator	FY 2009	FY 2010	FY 2011	12-mo avg (FY 2011)	3-month average	This month
DC Labor force						
Resident employment	302,525	300,332	299,074	298,982	297,865	298,294
1 year change	-11,766	-2,193	-1,258	-1,565	-1,851	-1,106
% change	-3.7	-0.7	-0.4	-0.5	-0.6	-0.4
Labor Force	332,138	334,068	333,126	333,290	333,640	332,824
1 year change	-2,165	1,929	-942	-675	2,105	1,976
% change	-0.6	0.6	-0.3	-0.2	0.6	0.6
Unemployed	29,614	33,736	34,052	34,309	35,775	34,530
1 year change	9,600	4,122	316	890	3,957	3,082
% change	48.0	13.9	0.9	2.7	12.4	9.8
Unemployment rate	8.9	10.1	10.2	10.3	10.7	10.4
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	2,203	1,799	2,101	2,130	2,046	2,178
1 year change	688	-404	302	358	239	347
% change	45.4	-18.3	16.8	20.2	13.2	19.0
Weeks compensated (mo. avg.)	54,474	53,592	46,423	46,223	46,536	43,248
1 year change	19,736	-881	-7,169	-6,434	-3,501	-2,401
% change	56.8	-1.6	-13.4	-12.2	-7.0	-5.3

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: April 2011 to October 2011

Indicator	Apr	May	Jun	Jul	Aug	Sep	Oct
DC Resident employment	302,547	301,770	298,171	295,315	293,710	295,171	296,750
change from prior month	-19	-777	-3,599	-2,856	-1,605	1,461	1,579
% change from prior month	0.0	-0.3	-1.2	-1.0	-0.5	0.5	0.5
DC Unemployment rate (%)	9.6	9.8	10.4	10.8	11.1	11.1	11.0

Source: BLS seasonally adjusted. October is preliminary.

Wages and income

In the September quarter, wages earned by DC residents grew faster than those earned in DC

•Wages earned in the District of Columbia were 3.1% higher in the September quarter compared to the same quarter of 2010.

•In the September quarter, estimated wages of DC residents grew 3.4%, and DC Personal Income grew 4.7%.

•In the September quarter, the private sector accounted for \$1.60 billion (89%) of the increase in wages earned in DC. This was the 7th quarter in a row in which private sector wages were greater than in the same quarter a year earlier.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2008.3 to 2011.3
(% change from the same quarter of the prior year)

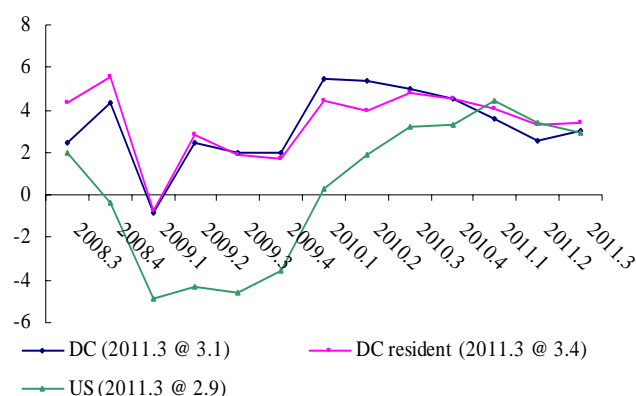


Table 8. DC Wages and Personal Income: September 2011
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average (FY 2011)	Latest quarter (Sep)
Wages and salaries earned in DC	54.28	55.35	57.80	59.77	60.32
1 year change	2.48	1.07	2.45	1.97	1.79
% change	4.8	2.0	4.4	3.4	3.1
Supplements to wages & salaries	15.34	16.23	17.08	17.56	17.67
% change	5.2	5.8	5.2	2.8	2.6
Proprietors' income earned by DC residents*	5.72	5.33	5.40	5.99	6.09
% change	15.7	-6.9	1.4	10.8	6.1
Wages and salaries of DC residents***	20.64	21.12	21.90	22.74	23.00
change from one year ago	1.29	0.48	0.78	0.83	0.75
% change	6.7	2.3	3.7	3.8	3.4
Income earned by DC residents	29.4	29.7	30.7	32.5	32.9
% change	8.2	1.0	3.5	5.7	4.7
Property income of DC residents	6.71	5.92	5.58	5.92	6.01
% change	17.0	-11.7	-5.8	6.0	6.0
Pensions and other transfer payments of DC res.	4.24	4.69	5.28	5.66	5.65
% change	8.5	10.7	12.5	7.3	2.9
DC Personal Income**	40.35	40.32	41.60	44.06	44.61
1 year change	3.53	-0.03	1.27	2.46	1.99
% change	9.6	-0.1	3.2	5.9	4.7
US Personal income	5.6	-3.1	1.5	5.1	4.1
US Wages and salaries	3.5	-3.5	0.5	3.5	2.9
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.55	-0.18	0.50	1.46	1.60
Federal government (1 yr ch, \$B)	0.88	1.05	1.89	0.66	0.41
DC res. wages as % of wages earned in DC	38.0	38.2	37.9	38.0	38.1
* 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 September were released December 19, 2011					

Single family and condominium home sales

In November the number of single family home sales and the average selling price both fell

- The November 3-month moving total of single family home sales was down 12.7% from a year earlier, and the average selling price was 7.1% less.
- November condominium sales were 0.2% below a year earlier as measured by the 3-month moving total; average selling prices were 2.3% lower.
- The total value of all home sales in November was 13.8% less than a year earlier as measured by the 3-month moving total.
- November median prices (CY to date) were up 7.4% for single family units, but down 2.4% for condominiums.
- The November ratio of single family inventory to sales (3.3) was lower than for condos (4.5). (3-mo. moving average).

Total value of sales of single family and condo units: November 2009 to November 2011
(% change from prior year in 3-mo. and 12-mo. moving totals)

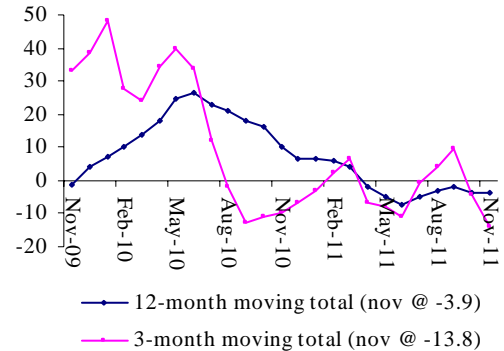


Table 9. D.C. Residential Real Estate Indicators: November 2011

Indicator	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,022	3,259	4,084	3,800	3,688	813	269
1 year change	-734	237	825	-284	-291	-118	-36
% change	-19.5	7.8	25.3	-7.0	-7.3	-12.7	-11.8
Condo	2,796	2,590	2,884	2,469	2,453	564	177
1 year change	-1,042	-206	294	-415	-233	-1	-12
% change	-27.1	-7.4	11.4	-14.4	-8.7	-0.2	-6.3
Total	5,818	5,849	6,968	6,269	6,142	1,378	447
1 year change	-1,776	31	1,119	-699	-523	-118	-47
% change	-23.4	0.5	19.1	-10.0	-7.8	-7.9	-9.5
Average prices of units that sold							
Single family (\$)	667,367	597,269	538,395	601,026	591,489	545,849	564,526
1 year change	9,480	-70,098	-58,874	62,631	37,754	-41,618	-46,678
% change	1.4	-10.5	-9.9	11.6	6.8	-7.1	-7.6
Condo (\$)	412,234	359,952	414,030	423,365	422,425	422,729	440,809
1 year change	6,803	-52,283	54,078	9,336	-3,533	-10,145	-19,463
% change	1.7	-12.7	15.0	2.3	-0.8	-2.3	-4.2
Total value of all sales (\$ million)	3,169.4	2,878.8	3,392.9	3,329.2	3,217.6	682.2	229.9
1 year change	-857.7	-290.6	514.1	-63.7	-129.8	-109.3	-43.5
% change	-21.3	-9.2	17.9	-1.9	-3.9	-13.8	-15.9
Ratio: active inventory to sales							
Single family	6.0	5.2	3.4	3.3	3.1	3.3	3.1
Condo	5.7	5.7	4.6	4.9	4.6	4.5	4.1

Median contract prices, CY to date in November 2011: single family \$450,000 (7.4% 1 yr ch); condo \$362,000 (-2.4% 1 yr ch)

Note: Data are closed contracts settled during each month or other period shown. Because average price depends on the mix of units sold, this measure can be volatile on a month to month basis, and it is not intended to measure changes in the value of all residential property. Monthly average price for all single family units is calculated by ORA based on reported average prices and number of sales for different types of units.

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

Apartments and single family home transactions

Sales of higher priced single family homes decreased in November

● Sales of single family units at prices above \$1 million were down 40.3% from a year ago as measured by the 3-month moving total.

● In September the quarterly FHFA house price index for DC rose 0.2% over a year ago. For the US, there was a 4.3% decline.

● In the September quarter, occupied apartment units rose 1,105 (1.3%) and rents rose 3.1% from a year earlier.

FHFA housing transaction price index for DC and the US: 2003.3 to 2011.3
(% change in index from same quarter of prior year)

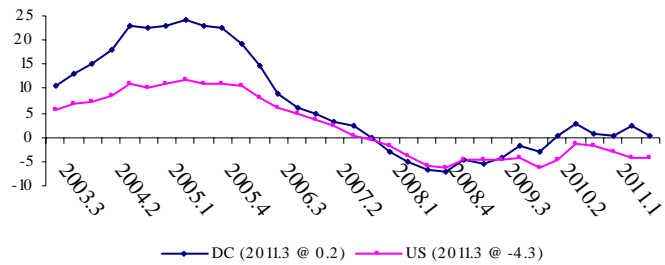


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: November 2011

Category	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving total	3-mo moving total	This month
Single family homes	435	333	418	489	445	71	30
1 year change	-18	-102	85	71	0	-48	-5
% change	-4.0	-23.4	25.5	17.0	0.0	-40.3	-14.3
percent of all single family sales	14.4	10.2	10.2	12.9	12.1	8.7	11.2
Condominiums	77	62	89	87	80	12	5
1 year change	-28	-15	27	-2	-16	-8	-5
% change	-26.7	-19.5	43.5	-2.2	-16.7	-40.0	-50.0
percent of all condominium sales	2.8	2.4	3.1	3.5	3.3	2.1	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: September 2011

Indicator	Fiscal year average				Quarter				
	FY 2008	FY 2009	FY 2010	FY 2011	2010.3	2010.4	2011.1	2011.2	2011.3
% change from prior year in value of index									
DC	-3.8	-5.4	-0.5	0.9	2.6	0.9	0.3	2.2	0.2
US	-3.0	-5.1	-4.3	-3.3	-1.4	-1.6	-3.2	-4.2	-4.3
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>									
Average DC sales price	1.4	-10.5	-9.9	11.6	-15.9	16.5	10.9	8.8	11.4

Source: (1) Federal Housing Finance Agency all transaction index (sales plus appraisals). This index is a broad measure of the movement of single-family house prices. The index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. (2) Average sales price: Table 9.

Table 12. Market-rate units in larger DC apartment buildings: September 30, 2011

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (September 2011)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,661	0	0.0
1 year change	262	1,241	1,663	880	691		
% change	0.3	1.5	1.9	1.0	0.8		
Occupied units	80,819	81,521	81,964	82,965	84,070	93	0.1
1 year change	175	702	443	1,001	1,105		
% change	0.2	0.9	0.5	1.2	1.3		
Vacant units	3,367	3,906	5,126	5,005	4,591	-93	-2.0
1 year change	87	539	1,220	-121	-414		
% change	2.7	16.0	31.2	-2.4	-8.3		
% of inventory	4.0	4.6	5.9	5.7	5.2		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,423	\$9	0.6
% change from 1 year	8.1	4.0	0.1	2.8	3.1		

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 slightly in September

- For the quarter ending September, the vacancy rate for DC commercial office space rose to 7.8% (without sublet space), and to 8.7% (with sublet space). (In June the rates were 7.5% and 8.6%, respectively.)
- DC's vacancy rate with sublet space in June was below the 12.1% rate for the metropolitan area.
- Occupied space increased in the September quarter by 1.95 million square feet (1.6%) from a year earlier.
- Space under construction decreased slightly in the last quarter, but is up 12.7% from a year ago.
- In the June quarter, average effective rents for leases of class A commercial office space were down 2.2% from a year earlier.

Occupied office space: 2008.3 to 2011.3
(million square feet)

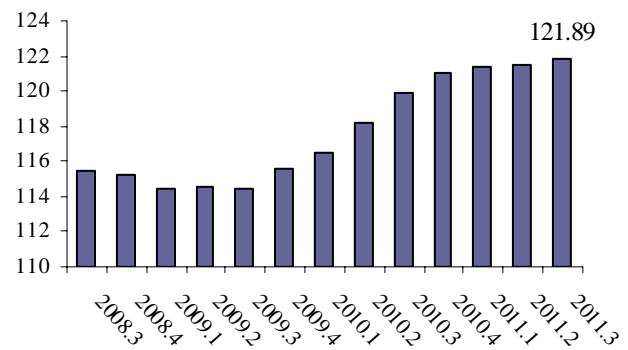


Table 13. Commercial office space in DC: September 30, 2011

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	last quarter (Sep. 2011)		
					Level	1 Q ch	% ch
Inventory	122.41	123.60	127.45	131.95	133.50	0.58	0.4
1 year change	4.75	1.19	3.86	4.49	1.56		
% change	4.0	1.0	3.1	3.5	1.2		
Occupied space	115.31	115.44	114.45	119.94	121.89	0.40	0.3
1 year change	4.95	0.13	-0.99	5.49	1.95		
% change	4.5	0.1	-0.9	4.8	1.6		
Leased space	115.31	116.29	116.25	121.35	123.06	0.13	0.1
Under construction	7.92	10.60	5.75	2.14	2.42	-0.22	-8.4
1 year change	1.98	2.68	-4.85	-3.60	0.27		
% change	33.3	33.9	-45.8	-62.7	12.7		
% of inventory	6.5	8.6	4.5	1.6	1.81		
Vacant (no sublet)	6.37	7.31	11.20	10.60	10.44	0.45	4.5
% of inventory	5.2	5.9	8.8	8.0	7.8		
Vacant (w sublet)	7.10	8.16	13.00	12.01	11.61	0.18	1.6
1 year change	-0.20	1.06	4.84	-0.99	-0.39		
% ch from one year	-2.7	14.9	59.4	-7.6	-3.3		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	5.8	6.6	10.2	9.1	8.7	0.1	
Northern Virginia	9.9	11.9	13.5	13.4	13.5	-0.1	
Suburban Maryland	9.9	11.5	14.6	14.5	14.2	-0.1	
DC Metropolitan area	8.6	10.1	12.6	12.2	12.1	0	

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

Table 14. Average effective office rent for Class A commercial office leases signed by 6-month periods: 2008.2 to 2011.2 (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2008.2	2008.4	2009.2	2009.4	2010.2	2010.4	2011.2
Average effective rent	46.25	46.25	45.75	43.30	40.70	40.10	39.80
% ch from prior year	4.0	1.1	-1.1	-6.4	-11.0	-7.4	-2.2
Average value of improvements for tenants	56.00	57.00	60.00	65.00	80.00	80.00	80.00

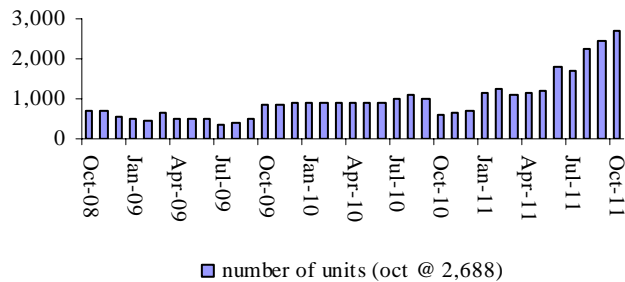
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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

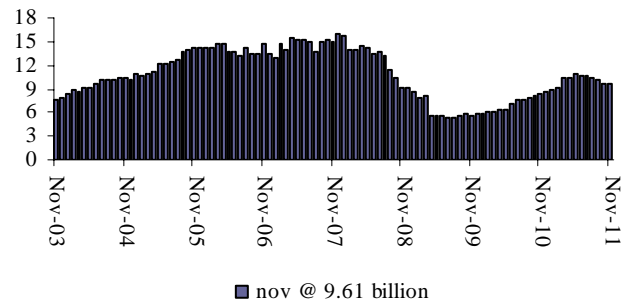
Housing permits at 5-year high, while the value of property transfers continued to slow

- For the 12-month period ending October, 2,688 housing unit building permits were issued, a level not reached since the spring of 2006.
- Delta Associates expects DC's office vacancy rate (including sublet) to fall (to 8.6%) over the next two years as new demand balances additional supply.

Housing permits issued in DC: October 2008 to October 2011
(12-month moving total)



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



- Reis expects 4,899 new apartment units to be added to inventory in CY 2012 and CY 2013, and occupancy to grow by 5,867.
- The value of November property transfers was down 34.6% from last year as measured by the 3-month moving total. The 12-month moving total was 15.4% greater.

Table 15. Housing unit building permits issued in DC: October 2011

	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	2,688	1,110	240
change from 1 year ago	-1,506	-191	487	1,473	2,087	965	229
% change from 1 year	-68.6	-27.7	97.6	149.4	347.3	665.5	2,081.8

Source: Census Bureau (permits issued during period).

Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: September 2011 to September 2013

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory September 2011					
Inventory (msf)	133.5	178.3	88.6	400.4	33.3
vacancy rate (%)	8.7	13.5	14.2	12.1	
Estimated net activity to September 2013					
new supply (msf)	2.7	3.0	2.3	8.0	33.8
new demand (msf)	2.6	4.5	2.5	9.6	27.1
Estimated Inventory September 2013					
vacancy rate (%)	8.6	12.4	13.6	11.4	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2006 to 2015

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011 est	89,071	711	5.2	84,439	962
2012 est	91,118	2,047	4.4	87,138	2,699
2013 est	93,970	2,852	3.9	90,306	3,168
2014 est	95,841	1,871	3.4	92,628	2,322
2015 est	97,376	1,535	3.3	94,159	1,531

Source: Reis (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: November 2011

	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	7,914.3	10,117.9	9,613.0	1,686.1	669.3
change from one year ago (\$M)	-3,307.6	-5,936.1	2,323.1	2,203.6	1,280.5	-893.6	25.1
% change from 1 year ago	-22.3	-51.5	41.5	27.8	15.4	-34.6	3.9

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.
Source: OCFO/Recorder of Deeds and OCFO/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

Hospitality

Tourism and hospitality industries are in a holding pattern

● In October the 3-month moving total for hotel room-days sold was 0.7% lower than a year earlier; the average room rate was 1.0% higher, leading to a 0.3% gain in room revenue.

● Employment in food services was 0.1% less in October than a year earlier as measured by the 3-month moving average. Hotel employment did not change, and retail declined 5.5%.

● In October, airline traffic into the DC area was down 1.7% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 1.1%.

Hotel room-days sold: October 2009 to October 2011

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

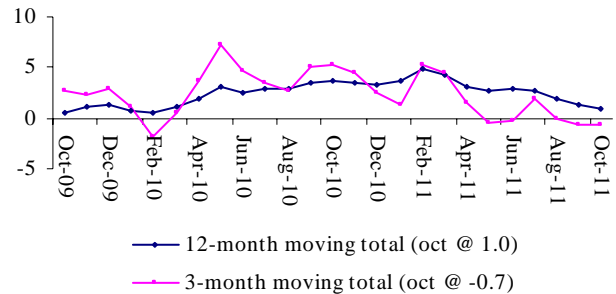


Table 19. Hospitality Industry: October 2011

Indicator	Units	date	FY 2009	FY 2010	FY 2011	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	oct	7.123	7.370	7.463	7.472	1.988	0.729
	1 yr ch		-0.003	0.248	0.093	0.075	-0.014	0.009
	1 yr % ch		0.0	3.5	1.3	1.0	-0.7	1.2
Average room rate	\$	oct	203.16	199.12	206.57	205.95	206.63	231.00
	1 yr ch		-5.83	-4.05	7.46	4.54	2.01	-6.77
	1 yr % ch		-2.8	-2.0	3.7	2.3	1.0	-2.8
Occupancy rate (average)	%	oct	73.1	73.8	74.3	74.3	78.2	85.1
	1 yr ch		-1.1	0.7	0.5	0.3	-1.4	0.4
	1 yr % ch		-1.5	0.9	0.7	0.4	-1.8	0.5
Room revenue	(\$M)	oct	1,447.0	1,467.5	1,541.8	1538.9	410.8	168.5
	1 yr ch		-42.0	20.5	74.2	49.1	1.1	-2.8
	1 yr % ch		-2.8	1.4	5.1	3.3	0.3	-1.6
Airline passengers								
DCA	1 yr % ch	oct	-2.9	0.5	6.2	5.6	1.1	0.3
IAD	1 yr % ch	oct	-4.4	1.2	0.6	-0.4	-4.0	-5.7
BWI	1 yr % ch	oct	-3.3	4.6	4.2	3.3	-1.4	-2.7
Total	1 yr % ch	oct	-3.6	2.1	3.4	2.6	-1.7	-3.0
Convention Center Transfer								
	\$ M	nov	91.5	94.4		95.8	24.7	8.7
	1 yr ch		0.0	2.8		-0.2	0.2	-0.1
	1 yr % ch		0.0	3.1		-0.2	0.7	-1.6
Employment								
Accommodations	level ('000)	oct	15.0	15.3		14.9	15.1	15.4
	1 yr ch		-0.2	0.3		-0.3	0.0	0.5
	1 yr % ch		-1.2	1.9		-2.0	0.0	3.4
Food and bev	level ('000)	oct	35.9	37.1		37.0	37.2	37.6
	1 yr ch		0.5	1.2		-0.2	0.0	0.1
	1 yr % ch		1.4	3.3		-0.4	-0.1	0.3
Arts and entertain.	level ('000)	oct	7.1	6.9		7.1	7.3	7.4
	1 yr ch		0.2	-0.1		0.2	0.2	0.2
	1 yr % ch		2.7	-2.0		2.6	2.3	2.8
Retail	level ('000)	oct	17.8	18.3		17.4	17.1	17.6
	1 yr ch		-0.6	0.5		-0.9	-1.0	-0.2
	1 yr % ch		-3.5	3.0		-4.8	-5.5	-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; November collections are based on October sales data)

In November, there was modest improvement in national employment and unemployment

- September was the 9th consecutive quarter of real GDP growth; the gain in the September quarter was a modest 2.0%.
- US employment (seasonally adjusted) increased by 120,000 in November, slightly above the 105,000 average gain per month for the past 7 months.
- The US unemployment rate (seasonally adjusted) went down to 8.6% in November. Labor force reductions contributed to the 0.4 percentage point decline.
- In November the S & P 500 index gained 2.6% from October.
- The November CPI was slightly less than in October, but still 3.4% above a year earlier (seasonally adjusted).

Quarterly change in US Real and Nominal GDP:

2008.3 to 2011.3

(% change from the previous quarter at annual rates)

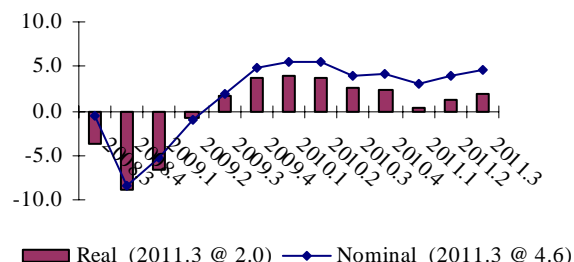


Table 20. US GDP, income, corporate profits, and inflation: 2011.3 and November 2011
(percent change from same period of prior year unless noted)

Indicator	Date of latest indicator	FY 2008	FY 2009	FY 2010	FY 2011	12-mo avg	2011.3	Nov 2011
US GDP real	2011.3 1 yr % ch	1.1	-4.2	2.1	2.1	2.1	1.5	
US GDP nominal	2011.3 1 yr % ch	3.4	-2.8	3.0	4.1	4.1	3.9	
US Personal income	2011.3 1 yr % ch	5.6	-3.1	1.5	5.1	5.1	4.2	
US wages	2011.3 1 yr % ch	3.4	-3.5	0.5	3.5	3.5	2.9	
Corporate profits	2011.3 1 yr % ch	-11.2	-11.6	42.6	10.6	10.6	7.9	
S and P stock index	nov 1 yr % ch	-5.7	-34.3	23.7	13.8	12.4	3.3	2.3
US CPI	nov 1 yr % ch	4.4	-0.3	1.7	2.7	3.0	3.8	3.4
Balt/Wash. area CPI	nov 1 yr % ch	5.0	0.3	1.7	3.0	3.3	na	3.3

Source: BEA (data revised as of November 22, 2011), BLS, and Yahoo finance. na = not available.
Personal income and wage data may differ from amounts shown in table 8 due to differences in BEA source tables.

Table 21. Quarter to quarter change in US GDP and income: 2010.1 to 2011.3

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

Indicator	units	calendar year quarter						
		2010.1	2010.2	2010.3	2010.4	2011.1	2011.2	2011.3
US GDP real	% ch from prior Q at saar	3.9	3.8	2.5	2.3	0.4	1.3	2.0
US GDP nominal	% ch from prior Q at saar	5.5	5.4	3.9	4.2	3.1	4.0	4.6
Wages and salaries	% ch from prior Q at saar	1.9	6.2	3.4	1.4	6.2	2.4	1.5
Personal income	% ch from prior Q at saar	6.7	6.2	4.1	4.0	8.6	3.4	0.6

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on November 22, 2011

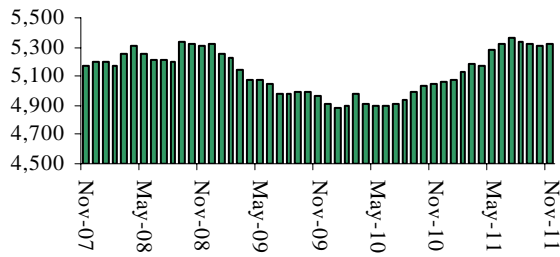
Table 22. Monthly change in selected US Indicators: May 2011 to November 2011

Indicator	May	Jun	Jul	Aug	Sep	Oct	Nov
S and P stock index (level)	1338	1287	1325	1185	1174	1207	1226
% change from prior month	0.5	-3.8	2.9	-10.6	-1.0	2.8	1.6
% change from 1 year ago	19.0	18.8	22.7	9.0	4.6	3.0	2.3
10 yr. Treasury Interest rate (level)	3.07	2.99	2.98	2.27	1.97	2.13	2.01
CPI % ch from prior month (seasonally adjusted)	0.17	-0.22	0.50	0.37	0.30	-0.08	-0.02
CPI % ch from prior year (seasonally adjusted)	3.4	3.4	3.6	3.76	3.90	3.56	3.41
Jobs (seasonally adjusted level, in millions)	131.03	131.05	131.17	131.28	131.49	131.59	131.71
change from prior month (thousands)	53	20	127	104	210	100	120
% change from prior month	0.04	0.02	0.10	0.08	0.16	0.08	0.09
Resident employment (season. adj. level, in millions)	139.78	139.33	139.30	139.63	140.03	140.30	140.58
change from prior month (thousands)	105	-445	-38	331	398	277	278
% change from prior month	0.08	-0.32	-0.03	0.24	0.29	0.20	0.20
Unemployment rate (seasonally adj.)	9.1	9.2	9.1	9.1	9.1	9.0	8.6

Source: BLS and Yahoo! Finance.

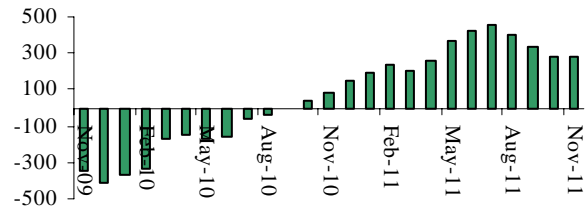
DC tax collections

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



■ sept 2008 (peak) @ 5,342 nov 2011 @ 5,320

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



■ nov @ 275

Table 23. Tax Collections (before earmarking): November 2011 (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	5,322.1	5,319.9	1,705.3	241.0
1 year change	224.8	-349.4	-4.2	333.3	275.4	-19.1	6.0
% change	4.4	-6.5	-0.1	6.7	5.5	-1.1	2.5
Real property	1,684.8	1,798.7	1,834.8	1,713.2	1,700.3	797.6	2.2
1 year change	241.2	113.9	36.0	-121.5	-143.6	-76.3	-2.0
% change	16.7	6.8	2.0	-6.6	-7.8	-8.7	nm
General sales	1,011.6	945.8	916.6	970.8	963.3	277.1	73.9
1 year change	52.8	-65.8	-29.2	54.2	29.0	30.0	-13.0
% change	5.5	-6.5	-3.1	5.9	3.1	12.1	-15.0
Individual income	1,353.2	1,143.3	1,139.8	1,314.6	1,312.3	351.0	99.7
1 year change	40.1	-209.9	-3.6	174.9	140.8	32.4	2.8
% change	3.1	-15.5	-0.3	15.3	12.0	10.2	2.9
withholding	1,004.2	1,037.3	1,103.3	1,207.6	1,209.4	308.6	100.1
1 year change	29.5	33.1	65.9	104.3	80.5	23.2	-2.5
% change	3.0	3.3	6.4	9.5	7.1	8.1	-2.4
non-withholding	349.0	106.0	36.5	107.1	102.9	42.4	-0.4
1 year change	10.7	-243.0	-69.5	70.5	60.3	9.1	5.3
% change	3.2	-69.6	-65.6	193.2	141.6	27.5	nm
Corporate income	289.8	202.5	197.3	251.8	239.6	50.9	2.9
1 year change	39.1	-87.3	-5.2	54.6	39.1	1.5	-4.9
% change	15.6	-30.1	-2.6	27.7	19.5	3.0	nm
Unincorporated Bus.	128.9	122.4	120.7	143.0	147.4	34.5	4.0
1 year change	-37.5	-6.5	-1.7	22.3	33.6	15.9	4.8
% change	-22.5	-5.0	-1.4	18.4	29.5	85.3	nm
Deed taxes*	323.2	187.4	225.6	314.9	326.4	62.8	23.0
1 year change	-118.8	-135.8	38.2	89.2	99.7	-34.1	8.3
% change	-26.9	-42.0	20.4	39.6	43.9	-35.2	56.1
Other taxes	550.7	592.8	554.0	613.7	630.6	131.3	35.4
1 year change	7.9	42.1	-38.8	59.7	77.0	11.5	10.0
% change	1.5	7.6	-6.5	10.8	13.9	9.6	39.4

*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 for FY 2011 and following months 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/ORA nm= not meaningful due to negative numbers

DC tax collections

Some slowing in tax collections was evident in November

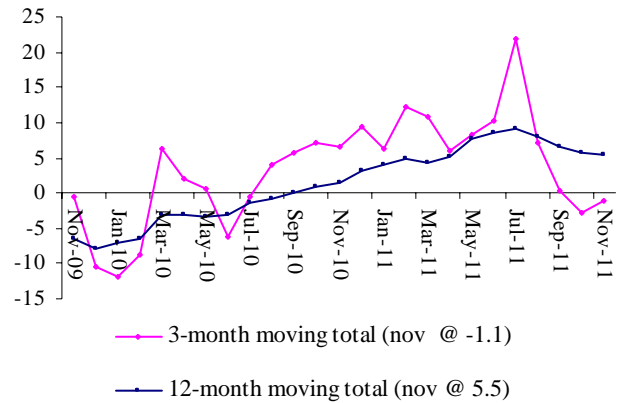
● For the 12-month period ending November, tax collections (before earmarking) were \$275.4 million (5.5%) more than a year earlier. Reported collections grew at a 6.7% rate in FY 2011.

● In November, the 3-month moving total for sales taxes was up 12.1% from last year, and withholding was up 8.1%. However these growth rates result primarily from very strong collections in September that may in part reflect end of year adjustments for amounts not recorded earlier in the fiscal year.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were down 25.8% from the prior year for the 3 months ending November.

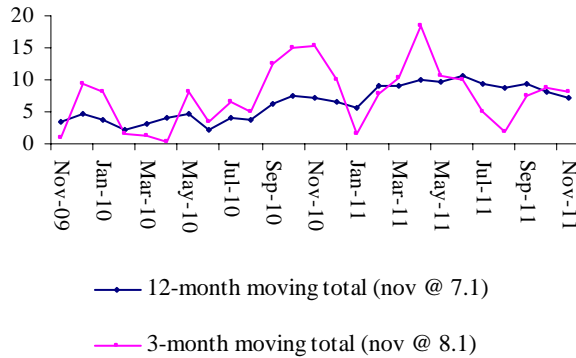
DC Tax Collections (before earmarking): November 2009 to November 2011

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



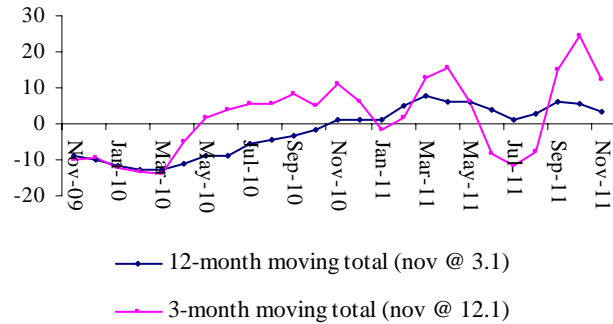
Withholding collections: November 2009 to November 2011

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



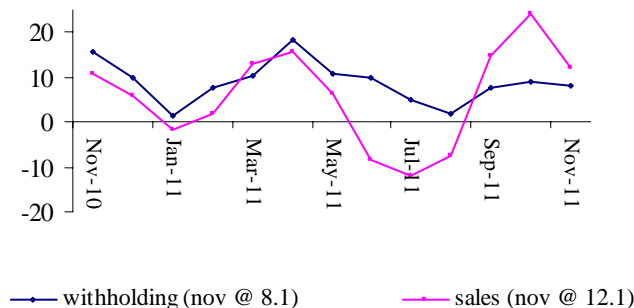
Sales tax collections: November 2009 to November 2011

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



Collections for the General Sales tax and Individual Income tax withholding: November 2010 to November 2011

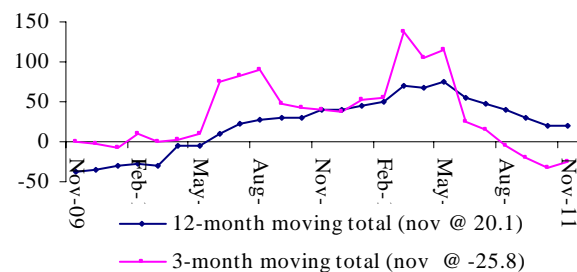
(% change in 3-month moving total)



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

November 2009 to November 2011

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



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

US economic forecasts

No change in the Blue Chip Indicators outlook for the US economy for FY 2012.

- The December Blue Chip Indicators kept its FY 2012 forecast for real GDP at 2.0%.
- In December Blue Chip Indicators lowered its estimate for inflation and interest rates in FY 2012. The forecast is for increases of 2.5% for the CPI and a 2.2% interest rate for 10 year Treasury securities.
- S and P 500*: In November Global Insight and Economy.com both reduced their 2012.4 estimates for the S and P 500. The range in percentage changes are -9.6% to +7.6% for 2012.4 compared to 2011.4.

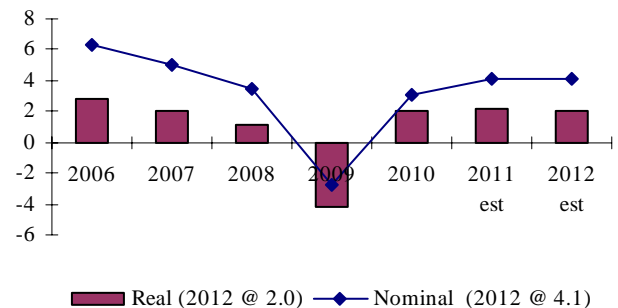
Table 24. Forecasts for US nominal and real GDP:

FY 2010 through FY 2012 (% change from prior fiscal year)						
Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
Congressional Budget Office						
August 2010	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
August 2011	2.1	2.5	2.5	3.0	4.0	3.8
Blue Chip						
September	2.1	2.1	1.9	3.0	4.0	3.8
October	2.1	2.1	1.8	3.0	4.1	3.8
November	2.1	2.2	2.0	3.0	4.1	4.1
December	2.1	2.1	2.0	3.0	4.1	4.1

Sources: Blue Chip Indicators and the Congressional Budget Office. Most recent FY 2010 is actual from BEA.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2012

(% change from the prior year; November 2011 estimate)



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

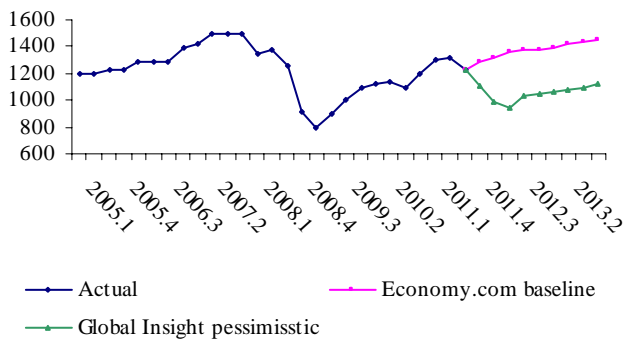


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
	% change from prior year			% change from prior year		
	Global Insight: baseline			Global Insight: pessimistic		
Aug	10.6	-2.4	8.3	10.6	-16.2	3.7
Sep	10.6	-4.5	10.6	10.6	-17.9	6.0
Oct	10.6	-8.6	11.1	10.6	-18.2	2.2
Nov	10.6	1.3	4.3	10.6	-8.5	-5.0
Economy.com baseline						
Aug	10.6	1.7	6.5	10.6	-10.3	10.2
Sep	10.6	2.7	8.0	10.6	-9.4	11.7
Oct	10.6	5.9	8.0	10.6	-6.7	11.6
Nov	10.6	6.3	7.6	10.6	3.7	-9.6

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

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

(% change from prior fiscal year)

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
Sep	1.7	2.6	2.4	3.4	3.0	2.7
Oct	1.7	2.6	2.5	3.4	3.0	2.4
Nov	1.7	2.6	2.6	3.4	3.0	2.4
Dec	1.7	2.6	2.5	3.4	3.0	2.2

Source: Blue Chip Indicators

In November, Global Insight generally raised their forecasts, while Economy.com lowered theirs

- **Employment:** Global Insight raised its forecasts for FY 2012 and FY 2013, while economy.com lowered its forecasts. The range of job changes are from -12,454 to 626 in FY 2012, and -7,457 to 7,296 in FY 2013.
- **Unemployment:** Global Insight and Economy.com both raised their forecasts for the FY 2012 and FY 2013 unemployment rates. The FY 2012 range is from 10.8% to 12.5%.
- **Wages earned in DC:** Global Insight raised its forecasts for FY 2012. Economy.com cut its forecasts. Growth rate ranges: 0.5% to 2.7% in FY 2012; 1.7% to 3.9% in FY 2013.
- **Wages earned by DC residents:** Global Insight raised its forecasts for FY 2012 and FY 2013, and Economy.com reduced them. Growth rates range from 0.9% to 3.4% in FY 2012; 3.2% 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	2011	2012	2013		2011	2012	2013		2011	2012	2013		2011	2012	2013
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
aug	6,677	6,561	6,443		6,683	4,552	3,504		5,560	-2,807	5,058		5,480	-10,443	3,605
sep	6,558	6,720	7,256		6,570	3,825	3,887		5,457	-4,493	-2,514		5,381	-12,114	-3,915
oct	3,235	-4,457	6,541		3,209	-8,309	234		6,162	-2,582	-3,095		6,162	-10,191	-4,330
nov	4,842	626	7,296		4,839	-1,253	2,336		4,842	-5,749	-2,927		4,842	-12,454	-7,457

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

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

Date of estimate	2011	2012	2013		2011	2012	2013		2011	2012	2013		2011	2012	2013
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
aug	9.8	9.7	9.3		9.8	9.9	9.6		9.8	10.1	9.7		9.8	11.7	12.9
sep	10.0	10.0	9.3		10.0	10.1	9.5		9.8	10.1	10.3		9.8	11.7	13.5
oct	10.0	10.1	9.3		10.0	10.6	10.6		10.1	10.7	10.6		10.1	12.3	13.7
nov	10.0	10.8	10.3		10.0	11.3	11.7		10.0	11.0	10.7		10.0	12.5	13.9

Source: 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	2011	2012	2013		2011	2012	2013		2011	2012	2013		2011	2012	2013
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
aug	3.0	3.6	3.9		3.0	2.9	2.8		2.7	4.4	7.0		2.6	2.3	6.0
sep	3.0	3.8	4.0		3.1	2.9	2.8		2.8	4.2	6.1		2.7	2.0	5.1
oct	3.0	2.4	3.8		3.0	1.5	2.1		3.5	4.5	6.2		3.5	2.3	5.3
nov	3.2	2.7	3.8		3.2	2.1	2.2		3.3	2.5	3.9		3.3	0.5	1.7

Source: 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	2011	2012	2013		2011	2012	2013		2011	2012	2013		2011	2012	2013
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
aug	3.1	2.7	3.6		3.1	0.6	2.3		2.8	7.0	7.2		2.7	5.4	6.4
sep	3.1	3.1	3.7		3.3	-0.3	0.6		2.8	6.8	6.4		2.7	5.2	5.7
oct	2.9	1.5	4.9		2.9	-1.0	2.5		3.7	6.0	6.5		3.7	4.3	5.8
nov	3.4	2.9	5.3		3.4	0.9	4.5		3.2	3.4	4.8		3.2	1.8	3.2

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

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

DC revenue estimate

The December 2011 forecast: tax revenue (before earmarks) increases by \$298.5 million (5.6%) in FY 2012, but growth in FY 2013 then falls to \$97.8 million (1.8%) due to effects of anticipated federal government cutbacks

- The 2012 increase in revenue follows a similar strong 5.6% increase in FY 2011.
- In FY 2012, real property, individual income, general sales, and business income all show significant gains.
- In FY 2013, income and sales taxes decline. The decline reflects provision for 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: December 2011 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	1,706.4	1,866.8	1,953.2	-115.0	160.3	86.4	-6.3	9.4	4.6
Deed taxes	315.9	296.1	312.4	90.2	-19.8	16.3	40.0	-6.3	5.5
General sales	983.7	1,026.2	1,022.6	7.0	42.5	-3.6	0.7	4.3	-0.4
Individual income	1,296.6	1,416.9	1,398.7	186.2	120.3	-18.2	16.8	9.3	-1.3
Withholding	1,192.2	1,270.0	1,331.6	118.3	77.9	61.5	11.0	6.5	4.8
non-withholding	104.4	146.9	67.2	67.8	42.4	-79.7	185.2	40.6	-54.3
Business income	359.7	396.5	411.6	36.0	36.9	15.0	11.1	10.2	3.8
Other	624.4	582.7	584.6	77.1	-41.6	1.9	14.1	-6.7	0.3
Total	5,286.7	5,585.2	5,683.1	281.5	298.5	97.8	5.6	5.6	1.8

Source: ORA. December 21, 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

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

item	2011	2012	2013
Wage and salary employment	713,022	713,227	708,459
1 year change	4,839	204	-4,768
% change	0.7	0.0	-0.7
DC resident employment	299,157	300,909	302,759
1 year change	-1,238	1,752	1,850
% change	-0.4	0.6	0.6
Unemployment rate	10.1	10.0	10.6

Source: ORA December 2011 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	3.2	2.3	1.2
Wages and salaries earned by DC residents	3.4	3.1	3.0
DC Personal income	5.6	2.3	2.6
S and P 500 stock index	1.2	1.7	5.5

Source: ORA December 2011 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 34. DC tax revenue (before earmarks) and DC Personal Income: FY 2004 to FY 2013

item	2004	2005	2006	2007	2008	2009	2010	2011 est	2012 est	2013 est
Tax revenue (\$ million)										
Level	3,805	4,249	4,516	5,155	5,325	5,052	5,005	5,287	5,585	5,683
Change from prior year	420	444	267	638	170	-273	-47	282	299	98
Percent change from prior year										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	4.5	5.9	3.5
Personal Income	6.9	8.3	8.2	8.1	9.6	-0.1	3.2	5.6	2.3	2.6
Tax revenue as percent of Personal Income										
Personal Income	13.1	13.5	13.3	14.0	13.2	12.5	12.0	12.0	12.4	12.3

Source: ORA. December 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

DC employment and wages, continued from p. 1

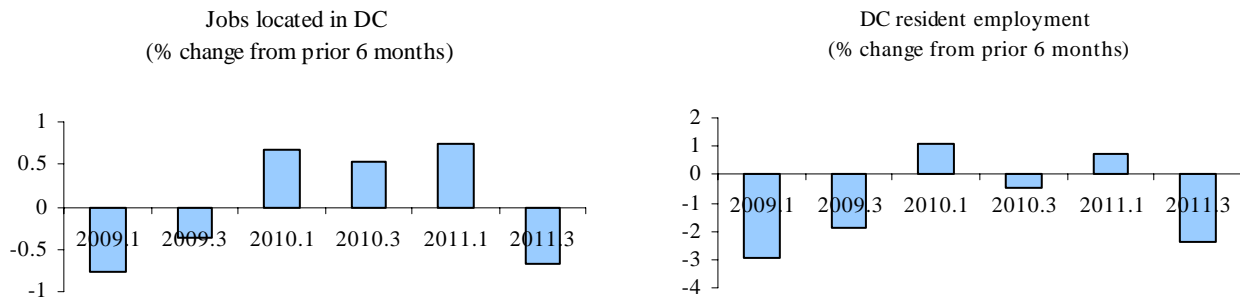
The following table shows employment and wages in the final quarters of fiscal years FY 2007 through FY 2011. Each measure made notable gains from the end of FY 2009 to the end of FY 2010, then slowed to the end of FY 2011. The remaining tables show levels and percent changes in 6 month increments, starting with the end of FY 2009. Growth in the first quarter of FY 2010 was particularly strong for all measures. —Stephen Swaim, ORA

(1) DC employment and (2) DC wages and salaries: last quarter of FY 2007 to last quarter of FY 2011

Indicator	Level for the last quarter of the Fiscal Year					Percent change from prior year			
	2007.3	2008.3	2009.3	2010.3	2011.3	2008	2009	2010	2011
Employment									
Wage and salary jobs in DC	691,900	708,900	700,800	709,267	709,800	2.5	-1.1	1.2	0.1
DC resident employment	309,590	312,933	297,984	299,810	294,732	1.1	-4.8	0.6	-1.7
Wages and salaries									
Earned in DC (\$B)	53.37	54.68	55.77	58.53	60.32	2.5	2.0	5.0	3.1
Earned by DC residents (\$B)	19.98	20.84	21.23	22.25	23.00	4.3	1.9	4.8	3.4

Source: US Bureau of Labor Statistics for employment and US Bureau of Economic Analysis for wages and salaries. All data seasonally adjusted. Wages earned by DC residents estimated by ORA as noted in Trend Table 8 on p.5.

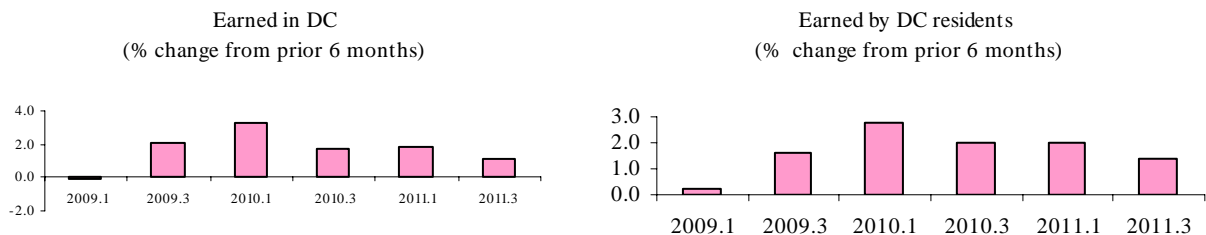
DC employment: selected quarters from 2009.3 to 2011.3:



Indicator	Quarter					Percent change over prior 6 months			
	2009.3 (end of FY 2009)	2010.1 (1st half of FY 2010)	2010.3 (end of FY 2010)	2011.1 (1st half of FY 2011)	2011.3 (end of FY 2011)	1st half FY 2010	2nd half FY 2010	1st half FY 2011	2nd half FY 2011
Jobs located in DC	700,800	705,500	709,267	714,567	709,800	0.7	0.5	0.7	-0.7
DC resident employment	297,984	301,216	299,810	301,938	294,732	1.1	-0.5	0.7	-2.4

Source: BLS. Seasonally adjusted data. Employment levels shown are the averages for the months in the quarter.

DC wages and salaries: selected quarters from 2009.3 to 2011.3:



DC wages and salaries: selected quarters from 2009.3 to 2011.3

Indicator	Quarter (\$billion)					Percent change over prior 6 months			
	2009.3 (end of FY 2009)	2010.1 (1st half of FY 2010)	2010.3 (end of FY 2010)	2011.1 (1st half of FY 2011)	2011.3 (end of FY 2011)	1st half FY 2010	2nd half FY 2010	1st half FY 2011	2nd half FY 2011
Earned in DC	55.77	57.57	58.53	59.63	60.32	3.2	1.7	1.9	1.2
Earned by DC residents	21.23	21.81	22.25	22.69	23.00	2.7	2.0	2.0	1.4

Source: Bureau of Economic Analysis. Seasonally adjusted. Percent change is for six months only and is not an annualized rate.

ORA Reports and Documents

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

Recent ORA reports:

Revised Revenue Estimates for Fiscal Years 2011 to 2015. December 22, 2011. Transmittal letter and accompanying tables.

Tax Rates and Tax Burdens—A Nationwide Comparison 2010. This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens—Washington Metropolitan Area 2010. This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of surrounding jurisdictions in the DC metropolitan area.

Taxicab medallions—A review of experience in other cities. May 2011. Includes a review of the experience with taxicab medallions in 5 US cities: New York, Boston, Chicago, San Francisco, and Miami-Dade (Florida). Reviews economic literature on taxicab medallions. Additional information is included in a Q and A format.

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 December report has mostly October and November 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	October	December 20
D.C. Personal Income	BEA	2011.3	March 28
D.C. Tax Collections	OTR/ORA	November	January 15
D.C. Housing Sales	MRIS*	November	c January 10
D.C. Commercial Office Building data	Delta Associates	2011.3	c January 10
DC Apartment data	Reis, inc	2011.3	c January 20
D.C. Hotel stay information	Smith Travel Research	October	c January 15
Consumer Price Index	BLS	November	January 19
U.S. Jobs and Labor Force	BLS	October and November	January 6
U.S. GDP and Personal Income	BEA	2011.3	December 22
S and P 500 Stock Index	Financial press	November	January 1
Interest rate on 10-Year Treasury Securities	Financial press	November	January 1
IHS Global Insight D.C. forecast	Global Insight	November	c. December 20
Moody's Economy.com D.C. forecast	Economy.com	November	c. December 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	December	January 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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