

**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: *January 2012*

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Potential federal government cutbacks cloud the outlook for DC's economy and revenues

Jobs, income, private sector activities, and DC revenues are all heavily influenced by the extensive federal presence

The Budget Control Act of 2011 requires a \$1.2 trillion reduction in the federal deficit projected for the years FY 2013 to FY 2021. While much is not known about the actions that will be taken, in the absence of an agreement on revenue and expenditure changes, the Act mandates annual cuts in defense and non-defense discretionary spending to reach the reduction goal.

Because of the large impact that the presence of the federal government has on the District's economy and DC revenues, the potential for major cuts in government spending is likely to be a source of considerable uncertainty for the next several years. In FY 2010, the federal government spent \$64.5 billion in the District of Columbia, including \$23.0 billion in wages, \$21.2 billion in procurement, \$10.9 billion in grants, and \$2.7 billion in loans and loan guarantees. (See table on p. 17.)

The following table summarizes several aspects of the federal government's impact on the District of Columbia, some or all of which might be affected by deficit reduction efforts. Details on each of these items are shown in tables on p. 17.

Federal government's percent share of DC's economy and DC government finances in 2010

Federal jobs (including military) as percent of all wage and salary jobs in DC	30.7
Federal wages and salaries as percent of all wages and salaries earned in DC	36.9
Federal benefits as percent of all employer financed benefits for DC workers	61.7
Percent of employed DC residents who work for the federal government*	22.9
Percent of all wages and salaries earned by DC residents derived from federal employment*	27.6
Federal procurement spending in DC as percent of sales by DC private sector firms*	14.2
Square feet of office space leased by the federal government in DC as percent of all leased commercial office space in DC*	19.8
Percentage of DC government operating expenses financed by federal grants and payments	30.7

**estimated by the DC Office of Revenue Analysis. Sources: See tables on p. 17.*

Note: Direct impacts only; excludes secondary or "multiplier" effects. Leased space is 2011.

(Continued on p. 17)

Wage and salary employment

In December total employment grew, as private sector gains far outpaced federal loss

• December wage and salary employment in DC was up by 3,333 (0.5%) from a year earlier as measured by the 3-month moving average.

• Federal government employment for December was down by 1,700 (-0.8%). Private sector jobs were up by 5,533 (1.2%).

• Total year-over-year DC metropolitan area employment increased by 4,867 (0.2%) in December as measured by the 3-month moving average.

• There was an increase of 0.1% in suburban Washington employment in December from a year earlier.

• Seasonally adjusted wage and salary employment in DC increased by 3,100 (0.4%) in December from November.

Change in wage and salary employment located in DC, the DC suburbs, and the US:
December 2009 to December 2011
(% change from prior year in 3-month moving average)

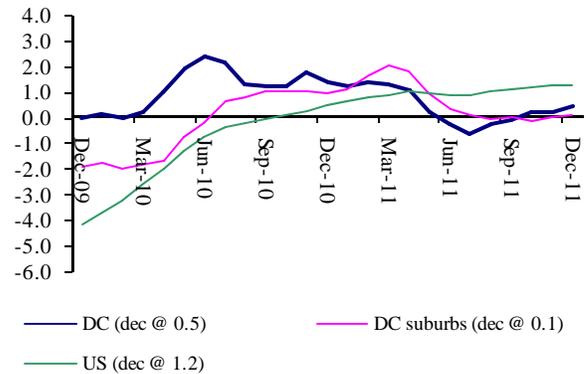


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: December 2011

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	713,383	718,700	720,100
1 year change	-1,033	6,667	4,142	2,508	3,333	7,000
% change	-0.1	1.0	0.6	0.4	0.5	1.0
Washington metro area	2,966,558	2,956,700	2,979,133	2,980,350	2,998,800	3,007,700
1 year change	-39,133	-9,858	22,433	16,050	4,867	13,400
% change	-1.3	-0.3	0.8	0.5	0.2	0.4
Washington suburbs (% ch)	-1.7	-0.7	0.8	0.6	0.1	0.3
US (% ch)	-3.8	-1.9	0.8	1.0	1.2	1.3

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

Source: BLS. December data is preliminary

Table 2. Federal government and private sector wage and salary employment in DC: December 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	210,392	208,400	208,200
1 year change	5,283	9,708	3,058	1,150	-1,700	-2,500
% change	2.7	4.9	1.5	0.5	-0.8	-1.2
Private sector	463,050	463,858	466,117	467,500	475,600	476,900
1 year change	-5,408	808	2,258	2,317	5,533	9,900
% change	-1.2	0.2	0.5	0.5	1.2	2.1

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

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

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
D.C. Wage and Salary employment	712,100	714,100	701,800	713,500	714,400	718,100	721,200
change from prior month	-400	2,000	-12,300	11,700	900	3,700	3,100
% change from prior month	-0.1	0.3	-1.7	1.7	0.1	0.5	0.4

Source: BLS seasonally adjusted. December is preliminary

Temporary employment, legal services, and health led December private sector job growth

- In December, temporary employment gained 1,533 jobs over last year, legal services 1,267, and health 1,133 as measured by 3-month moving averages.
- Other private industries showing gains over the year include finance (833), organizations (767), accommodations (633), and construction (567).
- Industry sectors losing jobs included personal services (-967), education (-667), and retail trade (-400).
- Local government declined by 500.

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

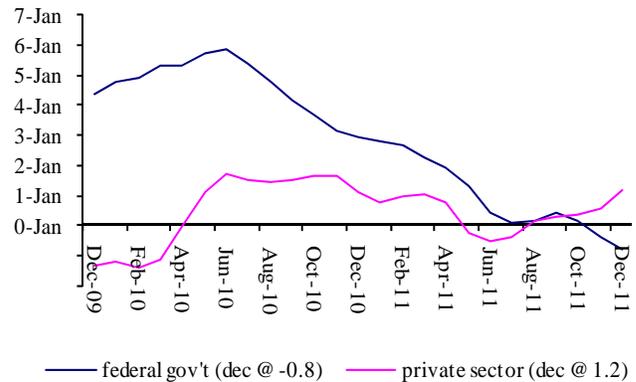


Table 4. Wage and salary employment located in DC: December 2011

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Dec 2011	DC share (%) in Dec. 2011 of all sector jobs in:		Change from Dec 2010 to Dec 2011 in DC share of sector jobs in:	
	Dec 2010	Dec 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	210,100	208,400	-1,700	-0.8	0.9	29.0	55.1	7.41	-0.16	0.03
Local government	35,200	34,700	-500	-1.4	-2.8	4.8	10.9	0.18	-0.29	0.00
Legal services	32,400	33,667	1,267	3.9	1.6	4.7		3.02		0.12
Other Professional and technical	70,000	70,433	433	0.6	0.9	9.8	22.0	1.07	0.01	-0.04
Employment services	12,967	14,500	1,533	11.8	12.0	2.0	37.4	0.47	4.49	0.03
Other Business services	35,167	35,233	67	0.2	-0.9	4.9	19.1	0.53	-0.08	-0.01
Information	18,700	18,533	-167	-0.9	0.3	2.6	24.0	0.70	0.34	0.00
Finance	26,233	27,067	833	3.2	-0.5	3.8	17.9	0.36	-0.07	0.01
Organizations	57,067	57,833	767	1.3	-1.0	8.0	36.0	1.92	0.34	0.02
Education	51,800	51,133	-667	-1.3	1.6	7.1	50.1	1.52	-1.34	-0.04
Health	60,633	61,767	1,133	1.9	1.0	8.6	23.1	0.36	0.20	0.00
Food service	37,367	37,600	233	0.6	-0.5	5.2	20.0	0.39	-0.30	-0.01
Accommodations	14,867	15,500	633	4.3	-1.3	2.2	39.2	0.88	0.69	0.02
Amusement and recreation	7,133	7,400	267	3.7	2.6	1.0	20.4	0.42	0.83	0.02
Retail trade	18,167	17,767	-400	-2.2	-4.9	2.5	6.8	0.12	-0.06	0.00
Wholesale trade	4,667	4,733	67	1.4	0.2	0.7	7.4	0.08	0.11	0.00
Construction	10,467	11,033	567	5.4	2.8	1.5	8.0	0.20	0.47	0.01
Personal and miscellaneous ser.	7,033	6,067	-967	-13.7	-7.2	0.8		0.25		-0.04
Other private	5,400	5,333	-67	-1.2	-0.9	0.7	4.8	0.03	0.09	0.00
Total	715,367	718,700	3,333	0.5	0.3	100.0	24.0	0.54	0.07	0.00
Public sector	245,300	243,100	-2,200	-0.9	0.4	33.8	34.9	1.09	-0.40	0.00
Private sector	470,067	475,600	5,533	1.2	0.3	66.2	20.6	0.43	0.15	0.00
Professional and all business	195,467	199,433	3,967	2.0	1.1	27.7	21.5	0.88	0.16	-0.01
Education, health, and orgs.	169,500	170,733	1,233	0.7	0.5	23.8	31.2	0.55	0.13	-0.01
Hospitality and trade	82,200	83,000	800	1.0	-1.3	11.5	14.1	0.25	0.11	0.00
Other private sector	22,900	22,433	-467	-2.0	-1.2	3.1	9.0	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")

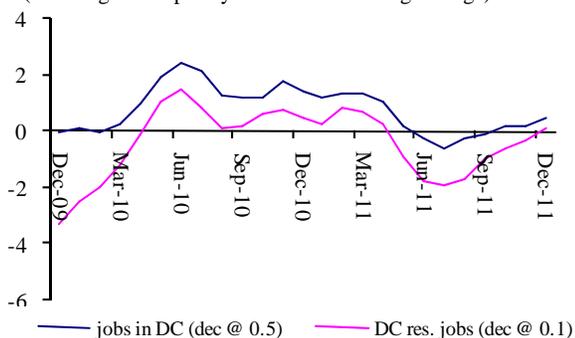
Resident employment

DC resident employment improved in December

- In December DC resident employment rose 415 (0.1%) from a year earlier (3-mo. moving average), and the single month of December was 0.6% higher than a year earlier.
- In December the unemployment rate (seasonally adjusted) fell to 10.4%, and seasonally adjusted employment rose 0.7% from November, the 4th monthly increase in a row.
- Initial unemployment insurance claims were down 28.7% from a year earlier (3-mo. moving average).

Jobs located in DC and DC resident employment: December 2009 to December 2011

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



Resident employment in DC, the DC suburbs, and the US: December 2009 to December 2011

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

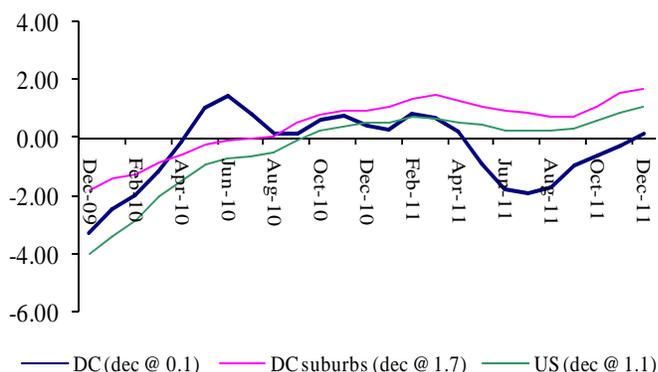


Table 5. Unemployment rates for DC, metro area, and US:

December 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Dec 2010	Dec 2011	Dec 2010	Dec 2011
US	9.1	8.3	9.4	8.5
DC metro area	5.7	5.4	na	na
DC	9.2	10.2	9.6	10.4
DC suburbs	5.3	5.0	na	na

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

Table 6. Resident employment and unemployment: December 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	299,178	298,564	299,140
1 year change	-11,766	-2,193	-1,258	-1,485	415	1,792
% change	-3.7	-0.7	-0.4	-0.5	0.1	0.6
Labor Force	332,138	334,068	333,126	333,846	332,590	333,013
1 year change	-2,165	1,929	-942	221	2,880	5,556
% change	-0.6	0.6	-0.3	0.1	0.9	1.7
Unemployed	29,614	33,736	34,052	34,668	34,026	33,873
1 year change	9,600	4,122	316	1,706	2,465	3,764
% change	48.0	13.9	0.9	5.2	7.8	12.5
Unemployment rate	8.9	10.1	10.2	10.4	10.2	10.2
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	2,203	1,799	2,101	1,917	1,833	1,734
1 year change	688	-404	302	-25	-737	-2,476
% change	45.4	-18.3	16.8	-1.3	-28.7	-58.8
Weeks compensated (mo. avg.)	54,474	53,592	46,423	46,667	47,858	46,056
1 year change	19,736	-881	-7,169	-3,713	975	-1,540
% change	56.8	-1.6	-13.4	-7.4	2.1	-3.2

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

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

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DC Resident employment	298,171	295,315	293,710	295,171	296,729	298,666	300,621
change from prior month	-3,599	-2,856	-1,605	1,461	1,558	1,937	1,955
% change from prior month	-1.2	-1.0	-0.5	0.5	0.5	0.7	0.7
DC Unemployment rate (%)	10.4	10.8	11.1	11.2	11.0	10.6	10.4

Source: BLS seasonally adjusted. December is preliminary.

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)

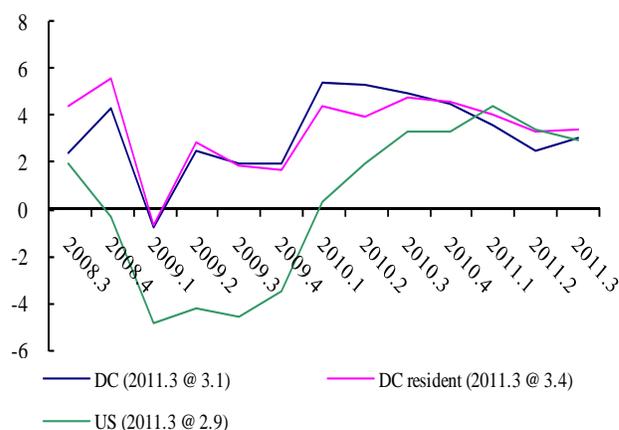


Table 8. DC Wages and Personal Income: September 2011

(\$ 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 (% change from prior year)	5.6	-3.1	1.5	5.1	4.1
US Wages and salaries(% change from prior year)	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 December the number of single family home sales and the average selling price both fell

- The December 3-month moving total of single family home sales was down 14.3% from a year earlier, and the average selling price was 6.3% less.
- December condominium sales were 3.5% above a year earlier as measured by the 3-month moving total; average selling prices were 2.5% lower.
- The total value of all home sales in December was 13.6% less than a year earlier as measured by the 3-month moving total.
- December median prices (CY to date) were up 7.1% for single family units, but down 2.3% for condominiums.
- The December ratio of single family inventory to sales (3.0) was lower than for condos (4.2). (3-mo. moving average).

Number and average selling price of single family homes sold in DC: December 2008 to December 2011
(% change from prior year in 3-month moving averages)



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

Indicator	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving	3-mo moving	This month
					total or average	total or average	
Number of sales (settled contracts)							
Single family	3,022	3,259	4,084	3,800	3,666	801	284
1 year change	-734	237	825	-284	-279	-134	-23
% change	-19.5	7.8	25.3	-7.0	-7.1	-14.3	-7.5
Condo	2,796	2,590	2,884	2,469	2,488	562	211
1 year change	-1,042	-206	294	-415	-160	19	35
% change	-27.1	-7.4	11.4	-14.4	-6.0	3.5	19.9
Total	5,818	5,849	6,968	6,269	6,154	1,363	495
1 year change	-1,776	31	1,119	-699	-439	-115	12
% change	-23.4	0.5	19.1	-10.0	-6.7	-7.8	2.5
Average prices of units that sold							
Single family (\$)	667,367	597,269	538,395	601,026	592,071	574,783	621,799
1 year change	9,480	-70,098	-58,874	62,631	32,637	-38,876	11,138
% change	1.4	-10.5	-9.9	11.6	5.8	-6.3	1.8
Condo (\$)	412,234	359,952	414,030	423,365	421,038	435,618	422,309
1 year change	6,803	-52,283	54,078	9,336	-4,993	-11,089	-19,582
% change	1.7	-12.7	15.0	2.3	-1.2	-2.5	-4.4
Total value of all sales (\$ million)	3,169.4	2,878.8	3,392.9	3,329.2	3,218.1	705.2	265.7
1 year change	-857.7	-290.6	514.1	-63.7	-117.0	-111.1	0.5
% change	-21.3	-9.2	17.9	-1.9	-3.5	-13.6	0.2
Ratio: active inventory to sales							
Single family	6.0	5.2	3.4	3.3	3.0	3.0	2.9
Condo	5.7	5.7	4.6	4.9	4.4	4.2	4.0

Median contract prices, CY to date in December 2011: single family \$450,000 (7.1% 1 yr ch); condo \$362,000 (-2.3% 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 December

- Sales of single family units at prices above \$1 million were down 40.9% from a year ago as measured by the 3-month moving total.
- In September the quarterly Federal Housing Finance Agency house price index for DC 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.

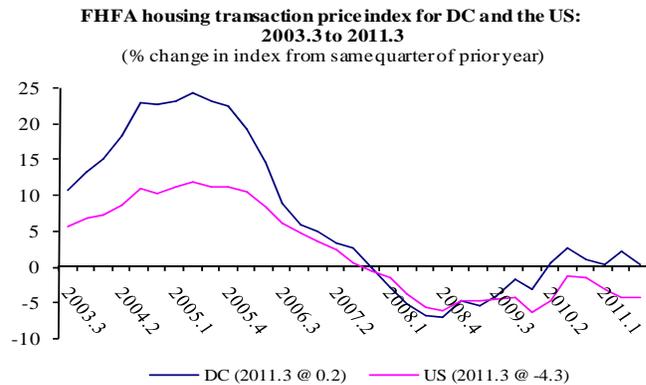


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: December 2011

Category	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving		This month
					total	3-mo moving total	
Single family homes	435	333	418	489	435	78	32
1 year change	-18	-102	85	71	-15	-54	-10
% change	-4.0	-23.4	25.5	17.0	-3.3	-40.9	-23.8
percent of all single family sales	14.4	10.2	10.2	12.9	11.9	9.7	11.3
Condominiums	77	62	89	87	79	15	8
1 year change	-28	-15	27	-2	-18	-8	-1
% change	-26.7	-19.5	43.5	-2.2	-18.6	-34.8	-11.1
percent of all condominium sales	2.8	2.4	3.1	3.5	3.2	2.7	3.8

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

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	-15.9	16.5	10.9	8.8	11.4
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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 fell slightly in December

● For the quarter ending December, the vacancy rate for DC commercial office space fell to 7.7% (without sublet space), and to 8.4% (with sublet space). (In September the rates were 7.7% and 8.7%, respectively.)

● DC's vacancy rate with sublet space in December was below the 12.1% rate for the metropolitan area.

● Occupied space increased in the December quarter by 1.22 million square feet (1.0%) from a year earlier.

● Space under construction increased slightly in the last quarter, and is up 27.9% from a year ago.

● In the December quarter, average effective rents for class A office space leases were up 0.9% from a year earlier.

Commercial office space vacancy rate (with sublet) and space under construction: 2008.4 to 2011.4
(value at end of each quarter)

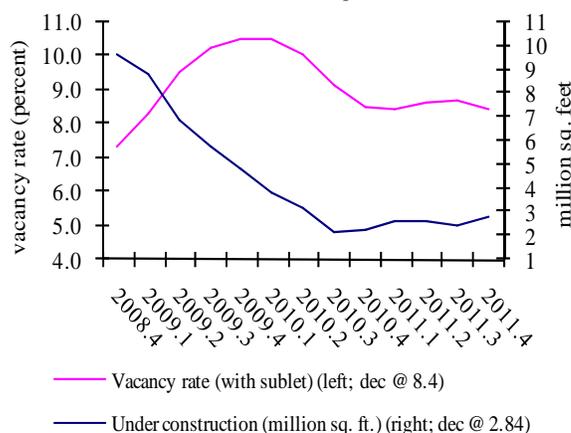


Table 13. Commercial office space in DC: December 31, 2011

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (Dec. 2011)		
	2008	2009	2010	2011	Level	1 Q ch	% ch
Inventory	123.60	127.45	131.95	133.50	133.53	0.03	0.0
1 year change	1.19	3.86	4.49	1.56	1.18		
% change	1.0	3.1	3.5	1.2	0.9		
Occupied space	115.44	114.45	119.94	121.89	122.31	0.43	0.3
1 year change	0.13	-0.99	5.49	1.95	1.22		
% change	0.1	-0.9	4.8	1.6	1.0		
Leased space	116.29	116.25	121.35	123.06	123.09	0.03	0.0
Under construction	10.60	5.75	2.14	2.42	2.84	0.42	17.4
1 year change	2.68	-4.85	-3.60	0.27	0.62		
% change	33.9	-45.8	-62.7	12.7	27.9		
% of inventory	8.6	4.5	1.6	1.8	2.12		
Vacant (no sublet)	7.31	11.20	10.60	10.44	10.44	0.00	0.0
% of inventory	5.9	8.8	8.0	7.8	7.7		
Vacant (w sublet)	8.16	13.00	12.01	11.61	11.22	-0.40	-3.4
1 year change	1.06	4.84	-0.99	-0.39	-0.03		
% ch from one year	14.9	59.4	-7.6	-3.3	-0.3		
DC area vacancy rates (with sublet)							
District of Columbia	6.6	10.2	9.1	8.7	8.4	-0.3	
Northern Virginia	11.9	13.5	13.4	13.5	13.8	0.3	
Suburban Maryland	11.5	14.6	14.5	14.2	14.4	0.2	
DC Metropolitan area	10.1	12.6	12.2	12.1	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: 2008.4 to 2011.4 (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2008.4	2009.2	2009.4	2010.2	2010.4	2011.2	2011.4
Average effective rent	46.25	45.75	43.30	40.70	40.10	39.80	40.45
% ch from prior year	1.1	-1.1	-6.4	-11.0	-7.4	-2.2	0.9
Average value of improvements for tenants	57.00	60.00	65.00	80.00	80.00	80.00	75.00

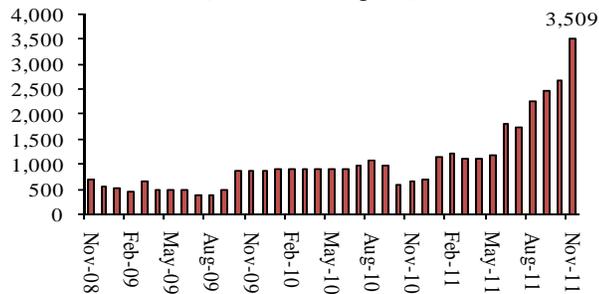
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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

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

- For the 12-month period ending November 3,509 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 rise (to 8.9%) over the next two years as new demand balances additional supply.

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



Value of real property transfers (including transfers of economic interest): December 2009 to December 2011
(% change in 3-month and 12-month moving totals)



- 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 December property transfers was down 14.1% from last year as measured by the 3-month moving total. The 12-month moving total was 14.0% greater.

Table 15. Housing unit building permits issued in DC: November 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	3,509	1,320	866
change from 1 year ago	-1,506	-191	487	1,473	2,864	1,247	821
% change from 1 year	-68.6	-27.7	97.6	149.4	444.0	1,708.2	1,824.4

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory December 2011					
Inventory (msf)	133.5	178.3	88.6	400.4	33.3
vacancy rate (%)	8.4	13.8	14.4	12.1	
Estimated net activity to December 2013					
new supply (msf)	3.1	2.3	2.4	7.9	39.2
new demand (msf)	2.2	3.5	2.0	7.7	28.6
Estimated Inventory December 2013					
vacancy rate (%)	8.9	13.0	14.5	11.9	

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: December 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	9,769.7	2,123.9	1,118.5
change from one year ago (\$M)	-3,307.6	-5,936.1	2,323.1	2,203.6	1,196.1	-348.3	156.7
% change from 1 year ago	-22.3	-51.5	41.5	27.8	14.0	-14.1	16.3

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 gained in December

● In December the 3-month moving total for hotel room-days sold was 7.0% higher than a year earlier; the average room rate was 1.2% lower, leading to a 5.7% gain in room revenue.

● Employment in food services was 0.6% higher in December than a year earlier as measured by the 3-month moving average. Hotel employment rose 4.3%, but retail declined 2.2%.

● November airline traffic into the DC area was down 1.3% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 1.4%.

DC hotel room days sold and average room rate:
December 2009 to December 2011
(% change from prior year in 3-mo. moving total)

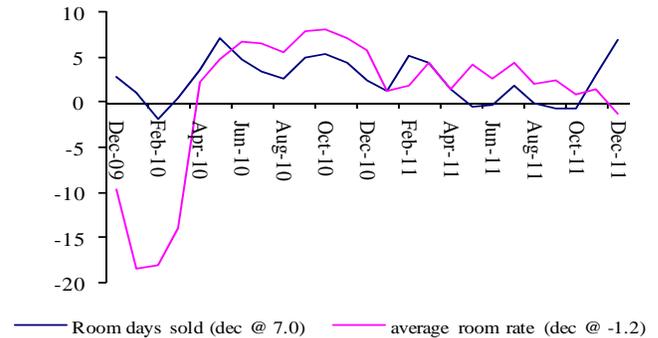


Table 19. Hospitality Industry: December 2011

Indicator	Units	date	FY 2009	FY 2010	FY 2011	12-mo total	3-month	This month
						or average*	or average*	
Hotel stays								
Hotel room-days sold	('M)	dec	7.123	7.370	7.463	7.581	1.796	0.482
1 yr ch			-0.003	0.248	0.093	0.170	0.117	0.056
1 yr % ch			0.0	3.5	1.3	2.3	7.0	13.2
Average room rate	\$	dec	203.16	199.12	206.57	206.00	204.01	164.67
1 yr ch			-5.83	-4.05	7.46	4.30	-2.41	-5.20
1 yr % ch			-2.8	-2.0	3.7	2.1	-1.2	-3.1
Occupancy rate (average)	%	dec	73.1	73.8	74.3	75.3	70.6	56.2
1 yr ch			-1.1	0.7	0.5	1.2	4.1	6.2
1 yr % ch			-1.5	0.9	0.7	1.6	6.2	12.4
Room revenue	(\$M)	dec	1,447.0	1,467.5	1,541.7	1561.7	366.4	79.3
1 yr ch			-42.0	20.5	74.2	66.8	19.9	7.0
1 yr % ch			-2.8	1.4	5.1	4.5	5.7	9.7
Airline passengers								
DCA	1 yr % ch	nov	-2.9	0.5	6.2	5.0	1.4	1.7
IAD	1 yr % ch	nov	-4.4	1.2	0.6	-1.1	-3.7	-3.8
BWI	1 yr % ch	nov	-3.3	4.6	4.2	2.7	-1.0	-1.7
Total	1 yr % ch	nov	-3.6	2.1	3.4	1.9	-1.3	-1.4
Convention Center Transfer								
	\$ M	dec	91.5	94.4		94.3	22.9	5.8
1 yr ch			0.0	2.8		-0.9	-1.7	-1.5
1 yr % ch			0.0	3.1		-1.0	-6.9	-20.4
Employment								
Accommodations	level ('000)	dec	15.0	15.3		15.1	15.5	15.3
1 yr ch			-0.2	0.3		-0.1	0.6	0.5
1 yr % ch			-1.2	1.9		-0.6	4.3	3.4
Food and bev	level ('000)	dec	35.9	37.1		37.0	37.6	37.6
1 yr ch			0.5	1.2		-0.2	0.2	0.4
1 yr % ch			1.4	3.3		-0.6	0.6	1.1
Arts and entertain.	level ('000)	dec	7.1	6.9		7.2	7.4	7.3
1 yr ch			0.2	-0.1		0.2	0.3	0.3
1 yr % ch			2.7	-2.0		2.5	3.7	4.3
Retail	level ('000)	dec	17.8	18.3		17.3	17.8	18.1
1 yr ch			-0.6	0.5		-0.9	-0.4	-0.3
1 yr % ch			-3.5	3.0		-4.9	-2.2	-1.6

* 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; December collections are based on November sales data)

In December, labor markets continued to improve

- December was the 10th consecutive quarter of real GDP growth; the gain in the December quarter was 4th highest of those quarters.
- US employment (seasonally adjusted) increased by 200,000 in December, slightly above the 105,000 average gain per month for the past 7 months.
- The US unemployment rate (seasonally adjusted) went down to 8.5% in December.
- In December the S & P 500 index gained 1.4% from November.

Quarterly change in US Real and Nominal GDP: 2008.4 to 2011.4

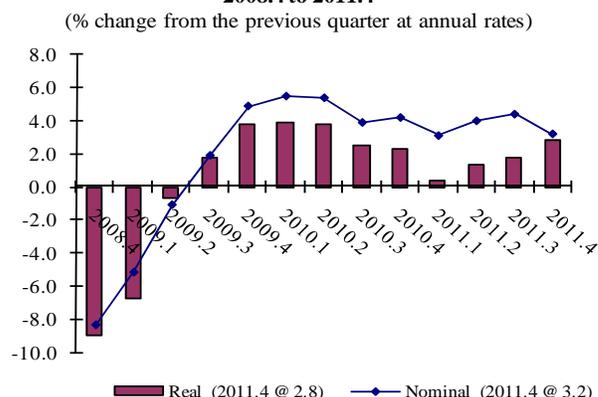


Table 20. US GDP, income, corporate profits, and inflation: 2011.4 and December 2011

(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	2011.4	Dec 2011
US GDP real	2011.4	1 yr % ch	1.1	-4.2	2.1	2.1	1.7	1.6	
US GDP nominal	2011.4	1 yr % ch	3.4	-2.8	3.0	4.1	3.9	3.7	
US Personal income	2011.4	1 yr % ch	5.6	-3.1	1.5	5.1	4.7	3.9	
US wages	2011.4	1 yr % ch	3.4	-3.5	0.5	3.5	3.6	3.6	
Corporate profits	2011.4	1 yr % ch	-11.2	-11.6	42.6	10.5	na	na	
S and P stock index	dec	1 yr % ch	-5.7	-34.3	23.7	13.8	11.4	1.8	0.1
US CPI	dec	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 January 27, 2012), BLS, and Yahoo finance. na = not available.

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

Table 21. Quarter to quarter change in US GDP and income: 2010.2 to 2011.4

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

Indicator	units	calendar year quarter						
		2010.2	2010.3	2010.4	2011.1	2011.2	2011.3	2011.4
US GDP real	% ch from prior Q at saar	3.8	2.5	2.3	0.4	1.3	1.8	2.8
US GDP nominal	% ch from prior Q at saar	5.4	3.9	4.2	3.1	4.0	4.4	3.2
Wages and salaries	% ch from prior Q at saar	6.2	3.4	1.4	6.2	2.4	1.5	4.0
Personal income	% ch from prior Q at saar	6.2	4.1	4.0	8.6	3.4	0.8	2.5

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

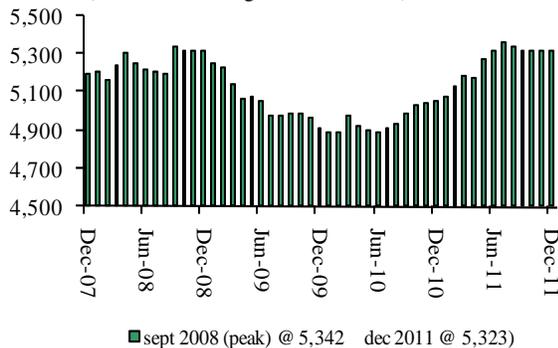
Table 22. Monthly change in selected US Indicators: June 2011 to December 2011

Indicator	Jun	Jul	Aug	Sep	Oct	Nov	Dec
S and P stock index (level)	1287	1325	1185	1174	1207	1226	1243
% change from prior month	-3.8	2.9	-10.6	-1.0	2.8	1.6	1.4
% change from 1 year ago	18.8	22.7	9.0	4.6	3.0	2.3	0.1
10 yr. Treasury Interest rate (level)	2.99	2.98	2.27	1.97	2.13	2.01	1.97
CPI % ch from prior month (seasonally adjusted)	-0.22	0.50	0.37	0.30	-0.08	-0.02	0.01
CPI % ch from prior year (seasonally adjusted)	3.4	3.6	3.76	3.90	3.56	3.41	2.98
Jobs (seasonally adjusted level, in millions)	131.05	131.17	131.28	131.49	131.60	131.70	131.90
change from prior month (thousands)	20	127	104	210	112	100	200
% change from prior month	0.02	0.10	0.08	0.16	0.09	0.08	0.15
Resident employment (season. adj. level, in mil.)	139.39	139.45	139.75	140.11	140.30	140.61	140.79
change from prior month (thousands)	-423	65	304	353	190	317	176
% change from prior month	-0.30	0.05	0.22	0.25	0.14	0.23	0.13
Unemployment rate (seasonally adj.)	9.1	9.1	9.1	9.0	8.9	8.7	8.5

Source: BLS and Yahoo! Finance.

DC tax collections

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



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

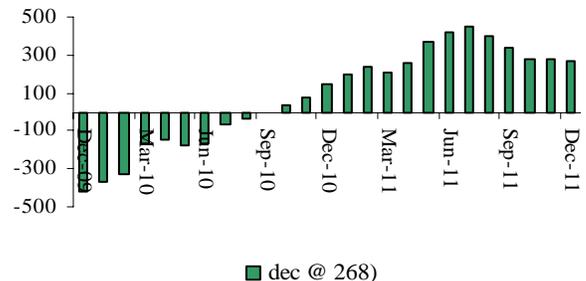


Table 23. Tax Collections (before earmarking): December 2011 (Preliminary)
(\$ million)

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	5,323.3	789.8	283.7
1 year change	224.8	-349.4	-4.2	333.3	267.5	1.3	3.4
% change	4.4	-6.5	-0.1	6.7	5.3	0.2	1.2
Real property	1,684.8	1,798.7	1,834.8	1,713.2	1,689.3	23.8	5.9
1 year change	241.2	113.9	36.0	-121.5	-157.9	-23.9	-11.0
% change	16.7	6.8	2.0	-6.6	-8.5	-50.1	nm
General sales	1,011.6	945.8	916.6	970.8	969.4	242.5	76.3
1 year change	52.8	-65.8	-29.2	54.2	39.2	-1.4	6.1
% change	5.5	-6.5	-3.1	5.9	4.2	-0.6	8.7
Individual income	1,353.2	1,143.3	1,139.8	1,314.6	1,315.2	288.2	87.9
1 year change	40.1	-209.9	-3.6	174.9	153.0	0.5	2.9
% change	3.1	-15.5	-0.3	15.3	13.2	0.2	3.4
withholding	1,004.2	1,037.3	1,103.3	1,207.6	1,206.5	283.7	82.0
1 year change	29.5	33.1	65.9	104.3	77.3	-1.1	-2.9
% change	3.0	3.3	6.4	9.5	6.8	-0.4	-3.4
non-withholding	349.0	106.0	36.5	107.1	108.7	4.4	5.9
1 year change	10.7	-243.0	-69.5	70.5	75.7	1.6	5.8
% change	3.2	-69.6	-65.6	193.2	229.7	58.5	nm
Corporate income	289.8	202.5	197.3	251.8	246.5	50.2	40.6
1 year change	39.1	-87.3	-5.2	54.6	37.9	-5.4	6.9
% change	15.6	-30.1	-2.6	27.7	18.2	-9.7	nm
Unincorporated Bus.	128.9	122.4	120.7	143.0	148.3	28.2	21.1
1 year change	-37.5	-6.5	-1.7	22.3	35.3	5.4	1.0
% change	-22.5	-5.0	-1.4	18.4	31.3	23.5	nm
Deed taxes*	323.2	187.4	225.6	314.9	336.6	64.5	27.4
1 year change	-118.8	-135.8	38.2	89.2	103.9	21.7	10.2
% change	-26.9	-42.0	20.4	39.6	44.7	50.7	59.1
Other taxes	550.7	592.8	554.0	613.7	618.1	92.5	24.5
1 year change	7.9	42.1	-38.8	59.7	56.1	4.3	-12.6
% change	1.5	7.6	-6.5	10.8	10.0	4.9	-34.0

*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.

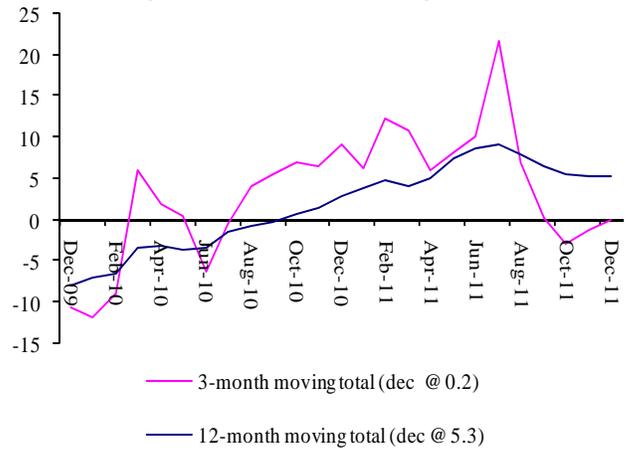
(4) This table and the graphs on the next page include adjustments to the timing and consistency of collection reporting which make comparisons with prior year periods more accurate; accordingly, the data may vary slightly from other OCFO reports.

Source: OCFO/ORA nm= not meaningful due to negative numbers

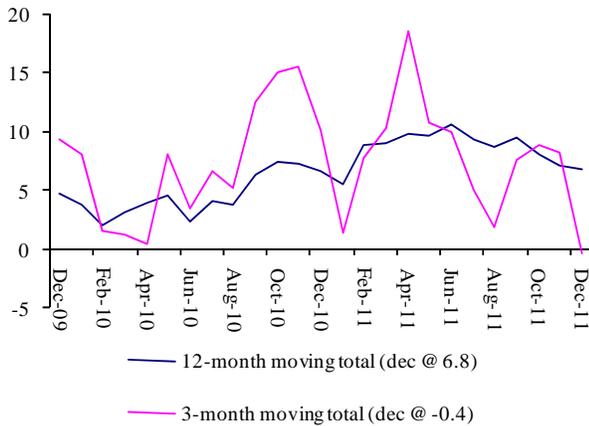
Slowing in collections for withholding and general sales taxes was evident in December

- For the 12-month period ending December, tax collections (before earmarking) were \$267.5 million (5.3%) more than a year earlier. Reported collections grew at a 6.7% rate in FY 2011.
- In December, the 3-month moving total for sales taxes was down 0.6% from last year, and withholding was down 0.4%.
- Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were down 0.1% from the prior year for the 3 months ending December.

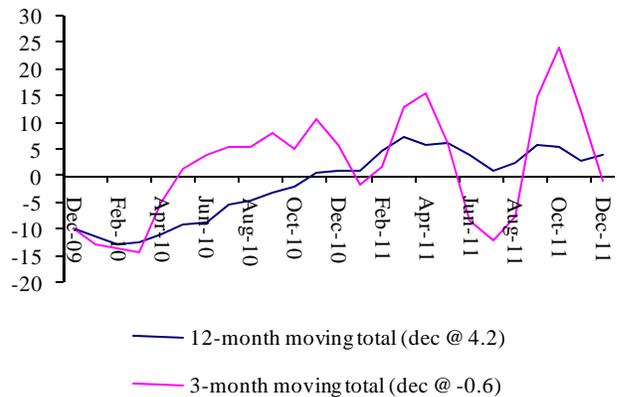
**DC Tax Collections (before earmarking):
December 2009 to December 2011**
(% change in 3-month and 12-month moving totals)



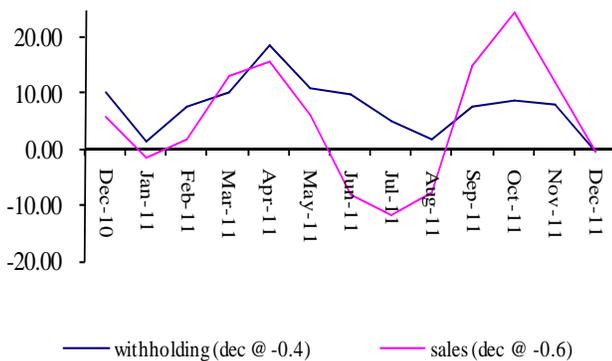
Withholding collections: December 2009 to December 2011
(% change from prior year in 3-month and 12-month moving totals)



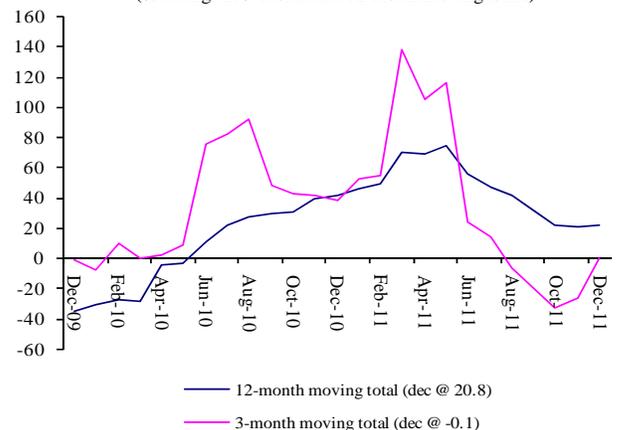
Sales tax collections: December 2009 to December 2011
(% change from prior year in 3-month and 12-month moving totals)



Collections for the General Sales tax and Individual Income tax withholding: December 2010 to December 2011
(% change in 3-month moving totals)



Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes: December 2009 to December 2011
(% change in 3-month and 12-month moving totals)



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

US economic forecasts

The Blue Chip Indicators outlook for the US economy for FY 2012 increased slightly.

- The January Blue Chip Indicators raised its FY 2012 forecast for real GDP slightly to 2.1%, with an increase to 2.5% in FY 2013.
- In January Blue Chip Indicators lowered its estimate for inflation. 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: For calendar year 2012, the Global Insight and Economy.com January baseline forecasts anticipate slightly more optimistic growth of 5.9% to 8.3%, while the pessimistic forecasts fell to declines of 11.3% to 12.8%.

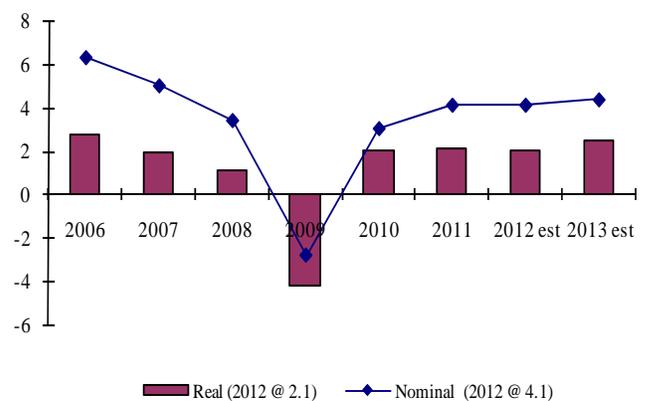
Table 24. Forecasts for US nominal and real GDP:

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						
October	2.1	1.8		4.1	3.8	
November	2.2	2.0		4.1	4.1	
December	2.1	2.0		4.1	4.1	
January	2.1	2.1	2.5	4.1	4.1	4.4

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

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2006 to FY 2013

(% change from the prior year; January 2012 estimate)



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

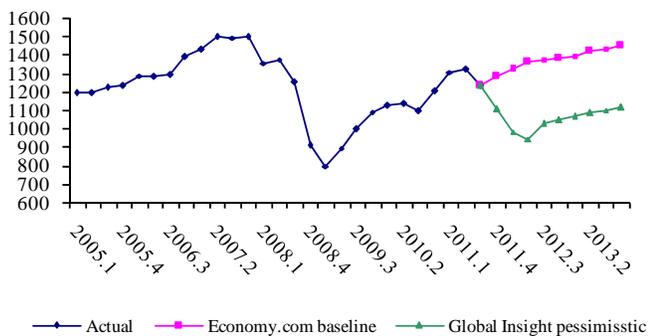


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	% change from prior year			% change from prior year		
	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
Global Insight: baseline						
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
Dec	10.6	1.3	5.6	10.6	-0.1	-11.9
Jan	10.6	1.8	5.9	10.6	1.8	-12.8
Economy.com baseline						
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
Dec	10.6	2.1	6.2	10.6	-0.3	-10.9
Jan	10.6	3.3	8.3	10.6	3.3	-11.3

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

Table 26. Blue Chip forecasts for CPI and 10 year

Treasury interest rate: FY 2011 to FY 2013

(% change from prior fiscal year)

Forecast date	CPI			10 yr Treasury rate		
	2011	2012	2013	2011	2012	2013
Oct	2.6	2.5		3.0	2.4	
Nov	2.6	2.6		3.0	2.4	
Dec	2.6	2.5		3.0	2.2	
Jan	2.6	2.4	1.5	3.0	2.2	2.8

Source: Blue Chip Indicators

In January, Global Insight and Economy.com raised their forecasts for FY 2012 and FY 2013

•**Employment:** The higher employment forecasts are substantial for FY 2012, creating a higher base for 2013. . The range of job changes are from -4,383 to 6,637 in FY 2012, and -6,669 to 7,514 in FY 2013.

•**Unemployment:** Global Insight and Economy.com both lowered their unemployment rate forecasts for the FY 2012 and FY 2013, although they remain high. The FY 2012 range is from 10.4% to 11.9%.

•**Wages earned in DC:** Both forecasts added at least one percentage point to growth in FY 2012. Growth rate ranges: 1.5% to 3.8% in FY 2012; 2.0% to 4.3% in FY 2013.

•**Wages earned by DC residents:** Both forecasts added substantially—from 2.6 percentage points to 6.0 percentage points—to their estimates of growth for FY 2012. Growth rates range from 4.4% to 7.3% in FY 2012.

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
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
dec	4,859	1,121	8,063	4,858	-1,466	1,763	4,858	-4,418	-2,645	4,858	-10,942	-6,962
jan	4,859	6,637	7,514	4,858	5,064	1,569	4,858	2,351	-1,838	4,858	-4,383	-6,669

Source: 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
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
dec	10.0	10.8	10.3	10.0	11.0	11.0	10.0	10.7	10.5	10.0	12.2	13.8
jan	10.0	10.6	10.1	10.0	10.7	10.8	10.0	10.4	10.3	10.0	11.9	13.5

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	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
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
dec	3.2	2.8	3.8	3.2	2.1	2.0	3.1	2.2	3.9	3.1	0.2	2.0
jan	3.4	3.8	3.7	3.4	3.3	2.0	3.4	3.3	4.3	3.4	1.5	2.2

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	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
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
dec	3.3	3.1	5.2	3.3	0.5	2.7	3.1	3.2	4.9	4.0	-0.2	0.3
jan	3.8	5.7	5.0	3.8	4.4	2.4	3.8	7.3	5.1	3.8	5.8	3.6

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 forecast: tax revenue (before earmarks) increases by \$298.5 million (5.6%) in FY 2012, with smaller \$97.8 million (1.8%) gain in FY 2013 due to effects of anticipated federal 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 are projected to 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

Federal government wage and salary employment in DC: 2010	
Federal government	
<i>Civilian</i>	208,842
<i>Military</i>	19,756
subtotal, all federal	228,598
Total employment in DC	744,729
Federal % of total	30.7%

Source: US Bureau of Economic Analysis

Federal government wages and salaries earned in DC: 2010 (\$ billion)	
Federal government	
<i>Civilian</i>	20.21
<i>Military</i>	1.33
subtotal, all federal	21.54
Total wages and salaries earned in DC	58.43
Federal % of total	36.9%

Source: US Bureau of Economic Analysis. The average wage per employee is \$94,214 (\$21.54B divided by 228,598 employees).

Supplements to federal government wages and salaries earned in DC: 2010 (\$ billion)	
Federal supplements	
<i>Civilian</i>	9.62
<i>Military</i>	1.04
subtotal, all federal	10.66
All employer financed supplements earned in DC	17.26
Federal % of total	61.7%

Source: US Bureau of Economic Affairs. Supplements are employer contributions for pensions, for health and other insurance, and for government social insurance.

Estimated federal employment of DC residents: 2010	
Residents employed by government	82,584
Less: estimated residents employed by local government	14,197
Residents employed by the federal government	68,387
Total employed residents	299,127
Federal % of total	22.9%

Source: (1) Total resident employment and government employment are from the 2010 American Community Survey for DC. (2) Local government employment is estimated at 40% of the 35,492 local government jobs in DC estimated by the US Bureau of Labor Statistics for 2010.

Estimated federal wages earned by DC residents: 2010	
Estimated DC residents working for the federal government	68,387
Estimated average wage earned by DC residents working for the federal government	\$89,503
Total federal wages earned by DC residents	\$6,120,840,017
Estimated total wages earned by DC residents in 2010	\$22,147,396,051
Federal % of total	27.6%

Source: (1) DC residents working for the federal government is calculated in a companion table. (2) Wages per employee is estimated at 95% of the average wage of \$94,214 earned by all federal employees working in DC.

Federally financed DC operating expenditures: FY 2010 (\$ million)	
Federal sources	
<i>Federal grants</i>	2,436.8
<i>Specially appropriated federal payments and contributions to DC</i>	151.2
subtotal, all federal	2,588.0
Total DC operating expenditures	8,441.8
Federal % of total	30.7%

Source: FY 2012 DC Proposed Budget and Financial Plan, tables 5A-3, 5A-5, and 5A-6. Total operating expenditures are gross funds, but exclude enterprise and other non-general funds and intra-District funds.

Estimate of federal procurement in relation to total sales by DC private sector firms: 2010 (\$ billion)	
Federal procurement outlays in DC	\$21.25
Estimated sales to all customers by DC's private sector	\$149.39
Federal % of total	14.2%

Source: (1) Federal procurement: US Census Bureau Consolidated Federal Funds Report; (2) Private sector sales: estimated from the REMI model standard regional control for the District of Columbia.

Federal Government spending in DC: FY 2007 to FY 2010 (\$ billion)				
category	2007	2008	2009	2010
Wages and salaries	17.74	19.03	22.29	23.03
Retirement and disability	2.31	2.27	2.85	2.79
Procurement	14.72	16.54	20.41	21.25
Grants	5.88	6.16	12.02	10.87
Other	3.07	3.46	5.26	4.30
subtotal, direct expenditures	43.73	47.46	62.82	62.24
Loans and loan guarantees	1.37	0.95	3.12	2.67
Total	45.09	48.41	65.94	64.91

Source: US Census Bureau, Consolidated Federal Funds Report, 2010.

Note: Amounts shown in this table may differ from BEA data on federal earnings.

Federal government leased space in DC: 2011 (million sq. ft.)	
Federal government leased space in DC: 2011 (million sq. ft.)	23.43
All leased space in commercial office buildings	133.02
Federal % of total	19.8%

Sources: (1) federal leased space: US Census Bureau, Consolidated Federal Funds Report, 2010 (2) Leased space: CoStar. Leased space is in Class A,B, and C buildings of at least 50,000 square ft of rentable space.

—Stephen Swaim, ORA

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 January report has mostly December 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	December	February 29
D.C. Personal Income	BEA	September	March 28
D.C. Tax Collections	OTR/ORA	December	February 15
D.C. Housing Sales	MRIS*	December	c February 10
D.C. Commercial Office Building data	Delta Associates	December	c March 10
DC Apartment data	Reis, inc	September	c February 1
D.C. Hotel stay information	Smith Travel Research	December	c. February 15
Consumer Price Index	BLS	December	February 16
U.S. Jobs and Labor Force	BLS	December	February 3
U.S. GDP and Personal Income	BEA	January	February 29
S and P 500 Stock Index	Financial press	December	February 1
Interest rate on 10-Year Treasury Securities	Financial press	December	February 1
IHS Global Insight D.C. forecast	Global Insight	January	c. February 20
Moody's Economy.com D.C. forecast	Economy.com	January	c. February 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	January	February 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 Fi-

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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