

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



Vincent C. Gray, Mayor
Natwar M. Gandhi, Chief Financial Officer

Fitzroy Lee, Deputy CFO & Chief Economist
Stephen C. Swaim, Senior Economist

District of Columbia Economic and Revenue Trends: *June 2011*

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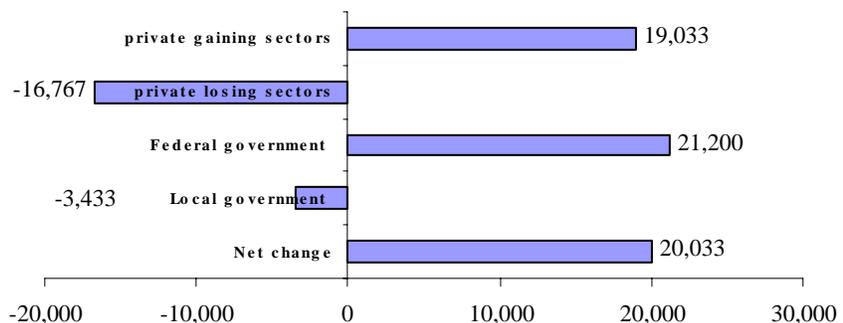
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Services contributed almost as much as the federal government to DC job growth over the past 4 years

From April 2007 (the last comparable period before the US recession began in December 2007) to April 2011, DC experienced a net job gain of 20,333 (2.9%) while the US economy as a whole lost 6,515,000 (4.8%). The main reason why DC employment fared so well is the increase in federal jobs. There is, however, another important part of the story: significant expansion in a large portion of DC's private sector.

In the US as a whole, changes in the composition of employment that occurred as millions of jobs were being shed brought gains to part of the private sector. This was particularly true in DC where an increase of 19,033 jobs in gaining sectors more than offset declines of 16,767 in sectors that lost jobs. Most of the private industries that gained jobs in DC were the ones that gained nationally—professional services (other than legal), education, health, and organizations. In addition, food services, recreation, and personal services also increased in DC. *(continued on p. 17.)*

Job market dynamics: summary of changes in DC jobs from April 2007 to April 2011



Sectors in which employment increased from April 2007 to April 2011

District of Columbia	United States
Federal government (11.2%)	Federal government (4.5%)
Professional services, excluding legal services (2.7%)	Professional services, excluding legal services (0.6%)
Education (9.1%)	Education (9.4%)
Health (12.2%)	Health (9.3%)
Organizations (3.4%)	Organizations (2.8%)
Food service (9.8%)	
Amusement and recreation (15.8%)	
Personal and miscel. Services (3.4%)	

Source: BLS. Wage & salary employment data based on 3-mo. moving averages.

Wage and salary employment

DC jobs continue to increase from a year earlier, but growth may be slowing

● April wage and salary employment in DC was up 7,800 (1.1%) from a year earlier as measured by the 3-month moving average. Slowing is suggested because the 12-month moving average was a bit higher—1.4%.

● Federal government employment for April was up 4,223 (2.1%), the smallest year-over-year increase in over 2 years. Private sector jobs were up by 3,767 (0.8%) in April.

● DC's job increase for April accounted for 16.1% of the 48,567 gain for the whole Washington metropolitan area.

● Suburban Washington employment was up 1.8% in April from a year earlier.

● Seasonally adjusted wage and salary employment in DC increased in April by 3,300 (0.5%) from March, the first significant rise in 7 months.

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

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

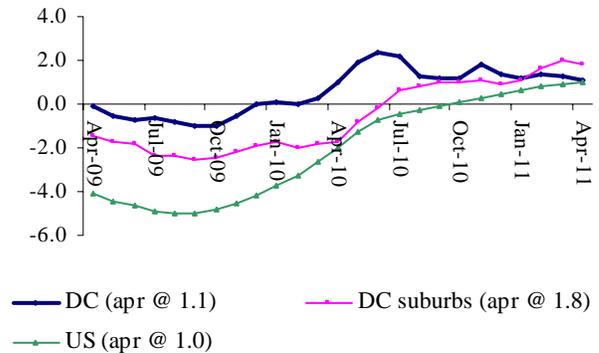


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: April 2011

Jurisdiction	FY 2008	FY 2009	FY 2010	12-mo avg	3-mo moving average	This month
District of Columbia	702,775	701,742	708,408	713,433	711,667	715,800
1 year change	11,067	-1,033	6,667	9,992	7,800	3,400
% change	1.6	-0.1	1.0	1.4	1.1	0.5
Washington metro area	3,005,692	2,966,558	2,956,700	2,979,850	2,968,433	2,985,900
1 year change	21,575	-39,133	-9,858	35,567	48,567	25,700
% change	0.7	-1.3	-0.3	1.2	1.7	0.9
Washington suburbs (% ch)	0.5	-1.7	-0.7	1.1	1.8	1.0
US (% ch)	0.1	-3.8	-1.9	0.3	1.0	1.1

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

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

Sector	FY 2008	FY 2009	FY 2010	12-mo avg	3-month moving average	This month
Federal government	192,767	198,050	207,758	210,733	210,567	211,200
1 year change	1,825	5,283	9,708	7,058	4,233	3,900
% change	1.0	2.7	4.9	3.5	2.1	1.9
Private sector	468,458	463,050	463,858	466,333	466,400	470,000
1 year change	7,475	-5,408	808	5,525	3,767	-300
% change	1.6	-1.2	0.2	1.2	0.8	-0.1

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

Table 3. Seasonally adjusted DC Employment: October 2010 to April 2011

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
D.C. Wage and Salary employment	714,500	714,900	714,100	715,400	714,700	713,600	716,900
change from prior month	900	400	-800	1,300	-700	-1,100	3,300
% change from prior month	0.1	0.1	-0.1	0.2	-0.1	-0.2	0.5

Source: BLS seasonally adjusted. April is preliminary

Sectors of the economy

Growth in federal jobs is slowing, but still accounted for over half of the net increase in jobs over the past year. Education and temporary employment led private sector gains.

- In April education led private sector growth with a 2,800 (5.6%) gain over the previous year as measured by 3-month moving averages.

- Other private industries showing gains over the year include employment services (1,833), health (1,333), non-legal professional and technical services (1,133), construction (533), and information (233).

- Industry sectors losing jobs include other business services (-1,133), finance (-867), food service (-767), retail trade (-700), and organizations (-500).

- Local government declined by 200.

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

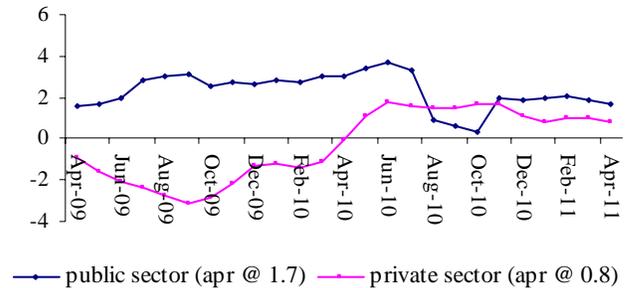


Table 4. Wage and salary employment located in DC: April 2011

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Apr 2011	DC share (%) in Apr 2011 of all sector jobs in:		Change from Apr 2010 to Apr 2011 in DC share of sector jobs in:	
	Apr 2010	Apr 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	206,333	210,567	4,233	2.1	3.5	29.6	55.3	7.44	-0.13	0.34
Local government	34,900	34,700	-200	-0.6	-6.7	4.9	11.3	0.18	-0.20	0.00
Legal services	32,467	32,433	-33	-0.1	-2.4	4.6	na	2.93		0.00
Other Professional and technical	68,000	69,133	1,133	1.7	2.4	9.7	21.7	1.06	-0.27	0.00
Employment services	11,233	13,067	1,833	16.3	14.6	1.8	34.9	0.47	2.10	0.02
Other Business services	35,233	34,100	-1,133	-3.2	-0.8	4.8	19.1	0.53	-1.10	-0.03
Information	18,467	18,700	233	1.3	-0.3	2.6	24.1	0.70	0.72	0.02
Finance	26,867	26,000	-867	-3.2	-2.4	3.7	17.8	0.34	-0.65	-0.01
Organizations	57,533	57,033	-500	-0.9	-0.5	8.0	35.7	1.89	0.21	-0.07
Education	49,700	52,500	2,800	5.6	4.8	7.4	51.7	1.58	-0.08	0.05
Health	59,200	60,533	1,333	2.3	2.8	8.5	22.8	0.36	0.25	0.00
Food service	36,800	36,033	-767	-2.1	1.6	5.1	19.9	0.39	-1.07	-0.02
Accommodations	15,167	14,833	-333	-2.2	-0.6	2.1	39.5	0.87	-1.05	-0.04
Amusement and recreation	6,900	7,067	167	2.4	2.7	1.0	19.8	0.41	-0.80	0.01
Retail trade	18,033	17,333	-700	-3.9	0.5	2.4	6.8	0.12	-0.53	-0.01
Wholesale trade	4,633	4,633	0	0.0	1.8	0.7	7.3	0.09	-0.08	0.00
Construction	10,000	10,533	533	5.3	-1.9	1.5	7.7	0.20	0.45	0.01
Personal and miscellaneous ser.	6,967	7,067	100	1.4	0.5	1.0	na	0.28		0.00
Other private	5,433	5,400	-33	-0.6	-4.0	0.8	4.8	0.03	-0.01	0.00
Total	703,867	711,667	7,800	1.1	1.4	100.0	24.0	0.55	-0.13	0.00
<i>Public sector</i>	<i>241,233</i>	<i>245,267</i>	<i>4,033</i>	<i>1.7</i>	<i>1.8</i>	<i>34.5</i>	<i>35.6</i>	<i>1.10</i>	<i>0.16</i>	<i>0.03</i>
<i>Private sector</i>	<i>462,633</i>	<i>466,400</i>	<i>3,767</i>	<i>0.8</i>	<i>1.2</i>	<i>65.5</i>	<i>20.4</i>	<i>0.43</i>	<i>-0.20</i>	<i>0.00</i>
<i>Professional and all business</i>	<i>192,267</i>	<i>193,433</i>	<i>1,167</i>	<i>0.6</i>	<i>0.8</i>	<i>27.2</i>	<i>21.3</i>	<i>0.88</i>	<i>-0.28</i>	<i>-0.02</i>
<i>Education, health, and orgs.</i>	<i>166,433</i>	<i>170,067</i>	<i>3,633</i>	<i>2.2</i>	<i>2.2</i>	<i>23.9</i>	<i>31.0</i>	<i>0.56</i>	<i>0.31</i>	<i>0.01</i>
<i>Hospitality and trade</i>	<i>81,533</i>	<i>79,900</i>	<i>-1,633</i>	<i>-2.0</i>	<i>1.1</i>	<i>11.2</i>	<i>13.9</i>	<i>0.25</i>	<i>-0.73</i>	<i>-0.01</i>
<i>Other private sector</i>	<i>22,400</i>	<i>23,000</i>	<i>600</i>	<i>2.7</i>	<i>-1.7</i>	<i>3.2</i>	<i>9.0</i>	<i>0.09</i>	<i>0.30</i>	<i>0.00</i>

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

Resident employment

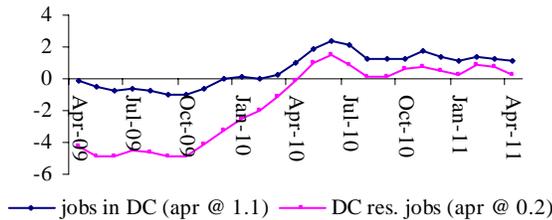
Resident employment was slightly higher in April than last year, but the unemployment rate rose

- In April DC resident employment was up just 721 (0.2%) from a year earlier as measured by the 3-month moving average.
- DC's labor force declined 762 (-0.2%) in April compared to a year earlier.
- In April the unemployment rate (seasonally adjusted) increased to 9.6% from March's 9.5%.
- Initial unemployment insurance claims were up 8.9% over last year.

Jobs located in DC and DC resident employment:

April 2009 to April 2011

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



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

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

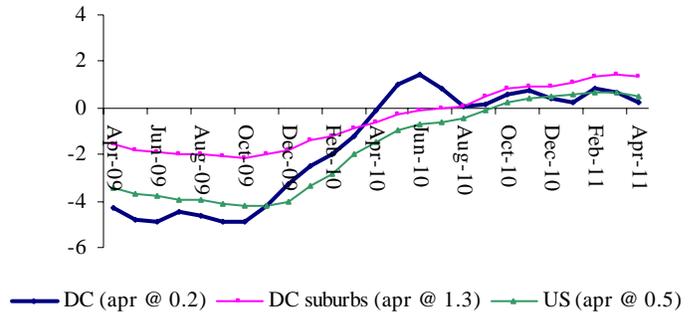


Table 5. Unemployment rates for DC, metro area, and US:

April 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Apr 2010	Apr 2011	Apr 2010	Apr 2011
US	9.5	8.7	9.8	9.0
DC metro area	6.0	5.4	na	na
DC	9.3	9.4	10.0	9.6
DC suburbs	5.5	4.9	na	na

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

Table 6. Resident employment and unemployment: April 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
DC Labor force						
Resident employment	314,290	302,525	300,332	300,930	301,329	300,751
1 year change	5,054	-11,766	-2,193	1,446	721	-3,049
% change	1.6	-3.7	-0.7	0.5	0.2	-1.0
Labor Force	334,303	332,138	334,068	333,355	333,285	331,925
1 year change	7,283	-2,165	1,929	58	-762	-3,209
% change	2.2	-0.6	0.6	0.0	-0.2	-1.0
Unemployed	20,013	29,614	33,736	32,426	31,956	31,174
1 year change	2,229	9,600	4,122	-1,388	-1,483	-160
% change	12.5	48.0	13.9	-4.1	-4.4	-0.5
Unemployment rate	6.0	8.9	10.1	9.7	9.6	9.4
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,515	2,203	1,799	2,005	1,641	1,685
1 year change	213	688	-404	44	134	106
% change	16.4	45.4	-18.3	2.3	8.9	6.7
Weeks compensated (mo. avg.)	34,738	54,474	53,592	47,992	46,765	41,268
1 year change	8,170	19,736	-881	-11,776	-5,540	-4,856
% change	30.8	56.8	-1.6	-19.7	-10.6	-10.5

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: October 2010 to April 2011

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
DC Resident employment	299,071	299,052	299,272	300,571	302,678	302,566	302,602
change from prior month	-205	-19	220	1,299	2,107	-112	36
% change from prior month	-0.1	0.0	0.1	0.4	0.7	0.0	0.0
DC Unemployment rate (%)	9.7	9.7	9.6	9.6	9.5	9.5	9.6

Source: BLS seasonally adjusted. April is preliminary.

Wages and income

Wage growth picked up in the December quarter, with the biggest gains in the private sector

- Wages earned in the District of Columbia were 5.1% higher in the December quarter compared to the same quarter of 2009.
- In the December quarter, DC Personal Income was 4.2% above a year earlier, and estimated wages of DC residents were 4.5% higher.
- In the December quarter, the private sector accounted for \$1.73 billion (60%) of the increase in wages earned in DC. This was the biggest private sector quarterly gain in almost 3 years.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2007.4 to 2010.4
(% change from the same quarter of the prior year)

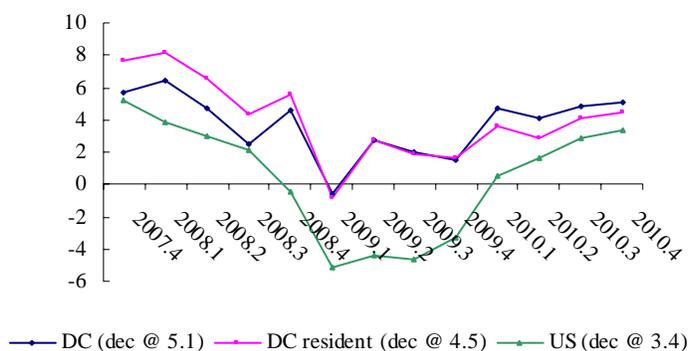


Table 8. DC Wages and Personal Income: December 2010
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average	Latest quarter (Dec)
Wages and salaries earned in DC	54.28	55.46	57.55	58.27	59.23
1 year change	2.48	1.18	2.10	2.60	2.88
% change	4.8	2.2	1.4	4.7	5.1
Supplements to wages & salaries	15.26	16.17	17.04	17.27	17.48
% change	4.6	6.0	5.4	5.6	5.7
Proprietors' income earned by DC residents*	5.58	5.71	5.70	5.76	5.83
% change	12.8	2.2	-2.0	2.0	4.2
Wages and salaries of DC residents***	20.63	21.11	21.75	21.99	22.37
change from one year ago	1.29	0.48	0.64	0.79	0.95
% change	6.6	2.3	1.4	3.7	4.5
Income earned by DC residents	29.2	30.0	30.8	31.1	31.6
% change	7.6	2.7	1.2	3.5	4.4
Property income of DC residents	6.47	6.46	6.39	6.42	6.45
% change	12.9	-0.2	-3.4	0.9	1.9
Pensions and other transfer payments of DC res.	4.24	4.67	5.11	5.19	5.28
% change	8.6	10.1	12.0	7.6	6.2
DC Personal Income**	39.95	41.15	42.31	42.75	43.36
1 year change	3.13	1.21	1.15	1.47	1.76
% change	8.5	3.0	1.6	3.6	4.2
US Personal income	5.0	-1.1	1.8	3.0	3.9
US Wages and salaries	3.5	-3.6	0.4	2.1	3.4
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.54	-0.21	0.72	1.28	1.73
Federal government (1 yr ch, \$B)	0.85	1.16	1.33	1.29	1.21
DC res. wages as % of wages earned in DC	38.0	38.1	37.8	37.7	37.8
* 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 December was released March 23, 2011					

Single family and condominium home sales

Average prices of units that sold are higher for single family units and lower for condominiums

- The May 3-month moving total of single family home sales was down 8.7% from a year earlier, but the average selling price was 10.3% higher.
- May condominium sales were 14.7% below a year earlier as measured by the 3-month moving total; average selling prices were 4.7% lower.
- May median prices (CY to date) were up 10.7% for single family units, but down 1.0% for condominiums.
- For May the total value of all home sales was 6.4% less than a year earlier as measured by the 3-month moving total.
- The May ratio of single family inventory to sales (2.8) was the lowest in 12 months (3-month moving average).

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

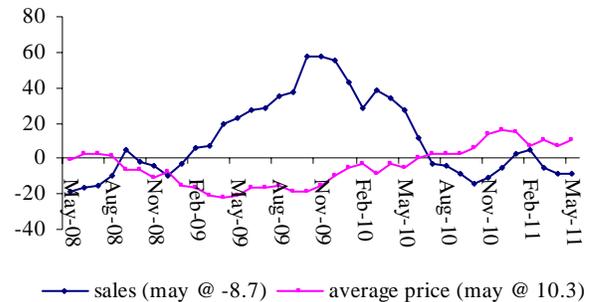


Table 9. D.C. Residential Real Estate Indicators: May 2011

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (contracts)							
Single family	3,873	3,267	3,821	4,543	4,391	1,306	428
1 year change	-402	-606	554	722	-248	-124	43
% change	-9.4	-15.6	17.0	18.9	-5.3	-8.7	11.2
Condo	4,147	2,979	2,935	3,222	2,880	877	303
1 year change	195	-1,168	-44	287	-576	-151	102
% change	4.9	-28.2	-1.5	9.8	-16.7	-14.7	50.7
Total	8,020	6,246	6,756	7,765	7,271	2,183	731
1 year change	-207	-1,774	510	1,009	-824	-275	145
% change	-2.5	-22.1	8.2	14.9	-10.2	-11.2	24.7
Average prices of units that sold*							
Single family (\$)	668,630	672,101	563,553	544,322	583,842	582,268	598,788
1 year change	10,015	3,471	-108,548	-19,231	46,011	54,553	54,552
% change	1.5	0.5	-16.2	-3.4	8.6	10.3	10.0
Condo (\$)	406,926	411,270	407,613	415,229	421,904	408,043	399,270
1 year change	-9,127	4,344	-3,657	7,617	17,492	-20,153	-23,175
% change	-2.2	1.1	-0.9	1.9	4.3	-4.7	-5.5
Total value of all sales	4,277.1	3,420.9	3,349.7	3,810.7	3,778.7	1,118.3	377.3
1 year change	-182.7	-856.2	-71.2	461.0	-113.9	-76.5	82.8
% change	-2.5	-22.1	-2.1	13.8	-2.9	-6.4	28.1
Ratio: active inventory to sales							
Single family	4.1	6.0	5.2	3.4	3.5	2.8	2.9
Condo	3.9	5.7	5.7	4.6	5.1	4.2	4.2
Foreclosure actions**							
	392	3,282	2,883	2,722	1,989	64	23
1 year change	273	2,890	-399	-161	-835	-462	-133
% change	229.4	737.2	-12.2	-5.6	-29.6	-87.8	-85.3

Median prices, CY to date in May 2011: single family \$415,000 (10.7% 1 yr ch); condo \$361,450 (-1.0% 1 yr ch)

*Monthly average prices are calculated by ORA based on reported CY-to-date average prices. This measure, which depends on the mix of properties sold, can be volatile on a month to month basis and does not necessarily reflect changes in the value of all property.

**Scheduled for auction plus real estate owned by financial institutions. March data.

Source: (1) Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

Apartments and single family home transactions

Sales of lower priced homes fell and higher priced ones increased over the past 3 months.

- Sales of houses below \$300,000 fell 21.7% for the 3-month period ending May, and those more than \$1 million increased 4.9%, compared to a year ago.
- In March the quarterly FHFA house price index for DC declined 0.2% over a year ago. For the US, there was a 3.1% decline.
- In the March quarter, occupied apartment units rose 1,226 (1.5%) and rents rose 3.8% from a year earlier.

**FHFA housing transaction index for DC and the US:
2003.1 to 2011.1**

(% change in index from same quarter of prior year)

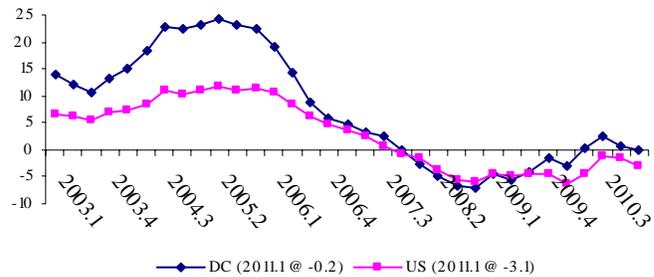


Table 10. D.C. Single family home sales contracts, \$300,000 or less and \$1 million or more: May 2011

Category of contract price	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total	3-mo moving total	This month
\$300,000 or less	738	748	1,433	1,731	1,580	433	135
1 year change	-34	10	685	298	-245	-120	5
% change	-4.4	1.4	91.6	20.8	-13.4	-21.7	3.8
percent of all sales	19.1	22.9	37.5	38.1	36.0	33.2	31.5
\$1 million or more	423	436	341	475	489	172	58
1 year change	-69	13	-95	134	42	8	3
% change	-14.0	3.1	-21.8	39.3	9.4	4.9	5.5
percent of all sales	10.9	13.3	8.9	10.5	11.1	13.2	13.6

Source: Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). Sales are ratified contracts, not all of which may go to settlement.

Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: March 2011

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2010.1	2010.2	2010.3	2010.4	2011.1
% change from prior year in value of index									
DC	4.2	-3.7	-5.3	-0.4	-2.8	0.3	2.6	0.7	-0.2
US	2.8	-2.8	-4.9	-4.2	-6.4	-4.6	-1.3	-1.6	-3.1
<i>Addendum: % change from prior year in average single family sales contract</i>									
Average DC sales price	1.5	0.5	-16.2	-3.4	-8.5	0.0	3.1	16.2	10.0

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: March 31, 2011

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (March 2011)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,360	-11	0.0
1 year change	262	1,241	1,663	880	572		
% change	0.3	1.5	1.9	1.0	0.7		
Occupied units	80,819	81,521	81,964	82,965	83,685	208	0.2
1 year change	175	702	443	1,001	1,226		
% change	0.2	0.9	0.5	1.2	1.5		
Vacant units	3,367	3,906	5,126	5,005	4,686	-197	-4.0
1 year change	87	539	1,220	-121	-643		
% change	2.7	16.0	31.2	-2.4	-12.1		
% of inventory	4.0	4.6	5.9	5.7	5.3		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,407	\$4	0.3
% change from 1 year	8.1	4.0	0.1	2.8	3.8		

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

Commercial office space

Vacancy rate continued to fall in March

•For the quarter ending March, the vacancy rate for DC commercial office space fell: to 7.4% (without sublet space), and to 8.4% (with sublet space). (In December the rates were 7.6% and 8.5%, respectively.)

•DC's vacancy rate with sublet space was below the 12.0% rate for the metropolitan area.

•Occupied space increased in the March quarter by 4.85 million square feet (4.2%) from a year earlier.

•Space under construction increased in the last quarter, but is down 31.1% from a year ago.

•In the December quarter, average effective rents for leases of class A commercial office space were down 7.4% from a year earlier.

Occupied office space: 2008.1 to 2011.1
(million square feet)

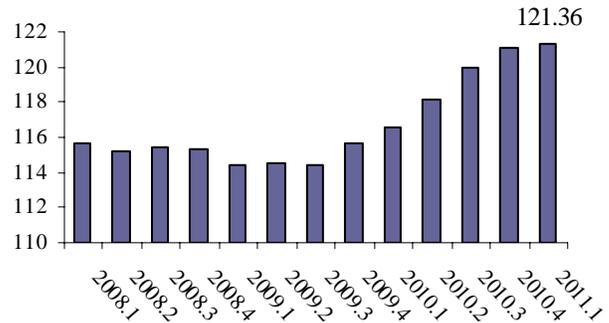


Table 13. Commercial office space in DC: March 31, 2011

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	last quarter (March 2011)		
					Level	1 Q ch	% ch
Inventory	122.41	123.60	127.45	131.95	132.49	0.14	0.1
1 year change		4.75	1.19	3.86	4.49	2.31	
% change		4.0	1.0	3.1	3.5	1.8	
Occupied space	115.31	115.44	114.45	119.94	121.36	0.26	0.2
1 year change		4.95	0.13	-0.99	5.49	4.85	
% change		4.5	0.1	-0.9	4.8	4.2	
Leased space	115.31	116.29	116.25	121.35	122.69	0.35	0.3
Under construction	7.92	10.60	5.75	2.14	2.60	0.39	17.4
1 year change		1.98	2.68	-4.85	-3.60	-1.17	
% change		33.3	33.9	-45.8	-62.7	-31.1	
% of inventory		6.5	8.6	4.5	1.6	2.0	
Vacant (no sublet)	6.37	7.31	11.20	10.60	9.79	-0.21	-2.1
% of inventory		5.2	5.9	8.8	8.0	7.4	
Vacant (w sublet)	7.10	8.16	13.00	12.01	11.13	-0.12	-1.1
1 year change		-0.20	1.06	4.84	-0.99	-2.54	
% ch from one year		-2.7	14.9	59.4	-7.6	-18.6	
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	5.8	6.6	10.2	9.1	8.4	-2.1	
Northern Virginia	9.9	11.9	13.5	13.4	13.6	-0.7	
Suburban Maryland	9.9	11.5	14.6	14.5	14.1	-0.7	
DC Metropolitan area	8.6	10.1	12.6	12.2	12.0	-1.2	

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: 2007.4 to 2010.4 (\$ per square foot of gross floor space)

Indicator	Amount during 6-month period ending on date shown:						
	2007.4	2008.2	2008.4	2009.2	2009.4	2010.2	2010.4
Average effective rent	45.75	46.25	46.25	45.75	43.30	40.70	40.10
% ch from prior year		3.6	4.0	1.1	-1.1	-6.4	-11.0
Average value of improvements for tenants	55.00	56.00	57.00	60.00	65.00	80.00	80.00

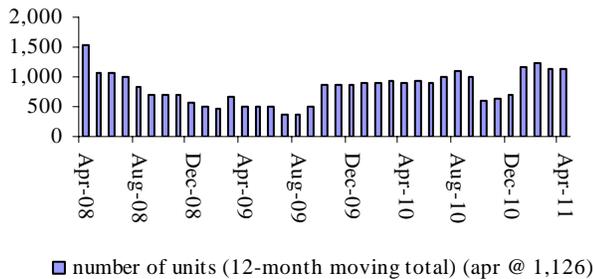
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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

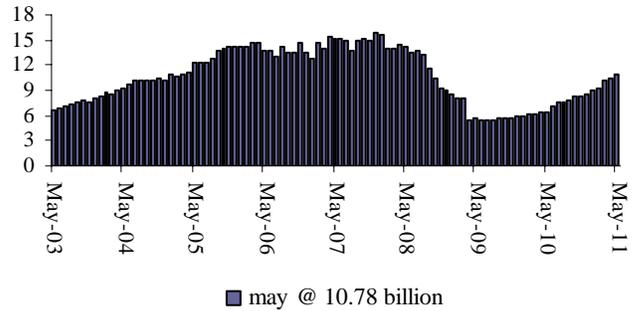
The value of property sales this quarter more than doubled from last year

- In April, 272 building permits were issued in DC as measured by the 3-month moving total, a 9.9% decline from last year.
- Delta Associates expects DC's vacancy rate (including sublet) to fall (to 8.1%) over the next two years as new demand slightly outpaces additional supply.

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



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



- Reis expects 3,270 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,567.
- The value of May property transfers was up 111% from last year as measured by the 3-month moving total. The 12-month moving total was 69.3% greater.

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

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
Total units	2,196	690	499	986	1,126	272	30
change from 1 year ago	-211	-1,506	-191	487	210	-30	7
% change from 1 year	-8.8	-68.6	-27.7	97.6	22.9	-9.9	30.4

Source: Census Bureau (permits issued during period)

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory March 2011					
Inventory (msf)	132.5	178.1	88.5	399.1	33.2
vacancy rate (%)	8.4	13.6	14.1	12.0	
Estimated net activity to March 2013					
new supply (msf)	2.9	2.7	2.9	7.3	39.7
new demand (msf)	3.0	5.2	2.3	10.5	28.6
Estimated Inventory March 2013					
vacancy rate (%)	8.1	12.0	13.1	11.0	

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	89,113	753	4.6	85,023	1,546
2012 est	91,630	2,517	3.9	88,044	3,021
2013 est	93,059	1,429	3.3	89,960	1,916
2014 est	94,198	1,139	2.8	91,542	1,582
2015 est	95,710	1,512	3.3	92,554	1,012

Source: Reis (see note in table 12)

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

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	14,834.9	11,527.3	5,591.2	7,914.3	10,777.0	3,093.0	951.1
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	4,411.0	1,627.8	411.6
% change from 1 year ago	10.5	-22.3	-51.5	41.5	69.3	111.1	76.3

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

Growth in hotel room sales and revenue showed signs of slowing in April

● In April the 3-month moving total for hotel room-days sold was 1.6% higher than a year earlier, and the average room rate was also 1.6% higher, leading to a 3.2% gain in room revenue.

● Employment in food services was 2.1% less in April than a year earlier as measured by the 3-month moving average; hotel and retail employment declined 2.2% and 3.9%, respectively.

● In April, airline traffic into the DC area was up 5.6% from a year earlier. Reagan National Airport's gain was 7.8%.

Hotel room-days sold: April 2009 to April 2011
(% change from prior year in 3-month and 12-month moving totals)

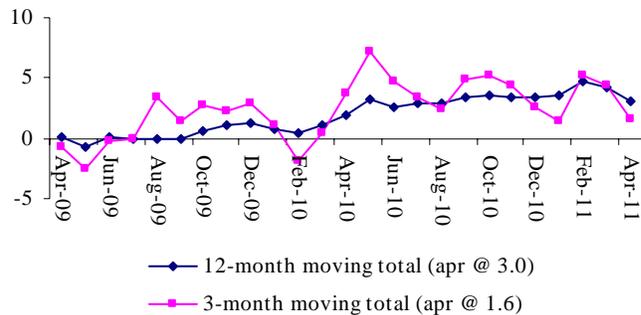


Table 19. Hospitality Industry: April 2011

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	(M)	apr	7.125	7.123	7.366	7.443	1.936	0.702
1 yr ch			0.044	-0.003	0.244	0.218	0.030	-0.035
1 yr % ch			0.6	0.0	3.4	3.0	1.6	-4.8
Average room rate	\$	apr	208.99	203.16	199.27	202.92	216.14	219.88
1 yr ch			10.55	-5.83	-3.90	9.23	3.40	-8.10
1 yr % ch			5.3	-2.8	-1.9	4.8	1.6	-3.6
Occupancy rate (average)	%	apr	74.2	73.1	73.7	74.4	79.1	84.6
1 yr ch			0.6	-1.1	0.6	1.9	1.0	-5.0
1 yr % ch			0.9	-1.5	0.9	2.6	1.3	-5.6
Room revenue	(\$M)	apr	1,489.1	1,447.0	1,467.9	1510.4	418.5	154.3
1 yr ch			83.8	-42.0	20.8	110.9	13.0	-13.7
1 yr % ch			6.0	-2.8	1.4	7.9	3.2	-8.2
Airline passengers								
DCA	1 yr % ch	apr	-3.2	-2.9	0.5	5.6	7.8	2.9
IAD	1 yr % ch	apr	-2.3	-4.4	1.2	3.2	2.3	-0.3
BWI	1 yr % ch	apr	0.0	-3.3	4.6	6.0	7.3	3.0
Total	1 yr % ch	apr	-1.8	-3.6	2.1	4.8	5.6	1.8
Convention Center Transfer								
	\$ M	may	91.5	90.4	94.1	96.6	26.2	10.2
1 yr ch			8.2	-1.0	3.7	6.3	1.1	0.6
1 yr % ch			9.8	-1.1	4.0	6.9	4.4	6.8
Employment								
Accommodations	level ('000)	apr	15.2	15.0	15.3	15.1	14.8	14.9
1 yr ch			-0.3	-0.2	0.3	-0.1	-0.3	-0.6
1 yr % ch			-2.2	-1.2	1.9	-0.6	-2.2	-3.9
Food and bev	level ('000)	apr	35.4	35.9	37.1	37.1	36.0	36.4
1 yr ch			2.0	0.5	1.2	0.6	-0.8	-2.3
1 yr % ch			5.8	1.4	3.3	1.6	-2.1	-5.9
Arts and entertain.	level ('000)	apr	6.9	7.1	6.9	7.1	7.1	7.3
1 yr ch			0.9	0.2	-0.1	0.2	0.2	-0.4
1 yr % ch			14.8	2.7	-2.0	2.7	2.4	-5.2
Retail	level ('000)	apr	18.4	17.8	18.3	18.0	17.3	17.4
1 yr ch			0.3	-0.6	0.5	0.1	-0.7	-1.1
1 yr % ch			1.6	-3.5	3.0	0.5	-3.9	-5.9

* 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; May collections are based on April sales data)

In May, job growth slowed, the unemployment rate rose, and inflation increased.

- March was the 7th consecutive quarter of real GDP growth, but the rate was a relatively weak 1.8% (annual rate).
- US employment (seasonally adjusted) increased by 54,000 in May, the 8th month in a row of positive growth, but the smallest increase of those 8 months.
- The US unemployment rate (seasonally adjusted) rose to 9.1% in May.
- In May the S and P 500 index gained 0.5% from April.
- In May the CPI was 3.6% greater than a year earlier.

Quarterly change in US Real and Nominal GDP:

2009.1 to 2011.1

(% change from the previous quarter at annual rates)

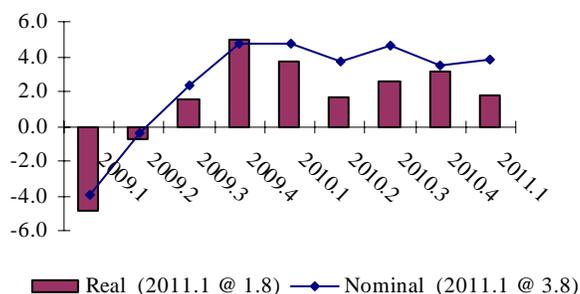


Table 20. US GDP, Income, corporate profits, and inflation: 2011.1 and May 2011

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

Indicator	Date of latest indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo avg	2011.1	May 2011
US GDP real	2011.1 1 yr % ch	2.0	1.3	-3.4	2.2	2.8	2.3	
US GDP nominal	2011.1 1 yr % ch	5.0	3.6	-2.1	2.9	4.1	3.9	
US Personal income	2011.1 1 yr % ch	6.1	5.0	-1.1	1.8	3.7	4.7	
US wages	2011.1 1 yr % ch	6.2	3.5	-3.6	0.4	2.8	3.7	
Corporate profits	2011.1 1 yr % ch	-3.2	-10.6	-16.5	35.4	21.5	8.5	
S and P stock index	may 1 yr % ch	14.1	-5.7	-34.3	23.7	13.2	14.4	19.0
US CPI	may 1 yr % ch	2.3	4.4	-0.3	1.7	1.8	2.7	3.6
Balt/Wash. area CPI	may 1 yr % ch	3.3	5.0	0.3	1.7	2.1	na	3.9

Source: BEA (data revised as of May 26, 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: 2009.3 to 2011.1

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

Indicator	units	Calendar year Quarter							
		2009.3	2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	
US GDP real	% ch from prior Q at saar	1.6	5.0	3.7	1.7	2.6	3.1	1.8	
US GDP nominal	% ch from prior Q at saar	2.3	4.7	4.8	3.7	4.6	3.5	3.8	
Wages and salaries	% ch from prior Q at saar	-1.5	1.3	0.4	6.2	3.4	1.7	3.3	
Personal income	% ch from prior Q at saar	-1.3	2.5	3.6	5.4	2.5	3.3	7.2	

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on May 26, 2011

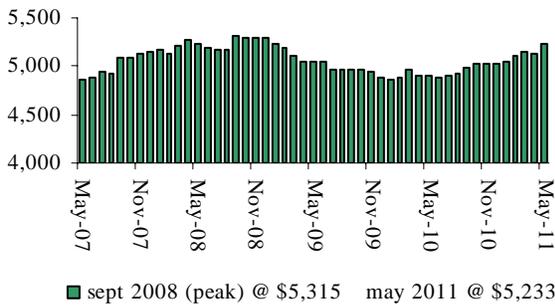
Table 22. Monthly change in selected US Indicators: November 2010 to May 2011

Indicator	Nov	Dec	Jan	Feb	Mar	Apr	May
S and P stock index (level)	1199	1242	1283	1321	1304	1332	1338
% change from prior month	2.3	3.6	3.3	3.0	-1.3	2.1	0.5
% change from 1 year ago	10.2	11.8	14.2	21.3	13.2	11.2	19.0
10 yr. Treasury Interest rate (level)	2.74	3.28	3.37	3.55	3.40	3.43	3.07
CPI % ch from prior month (seasonally adjusted)	0.12	0.43	0.40	0.55	0.55	0.42	0.17
CPI % ch from prior year (seasonally adjusted)	1.1	1.4	1.7	2.2	2.7	3.1	3.4
Jobs (seasonally adjusted level, in millions)	130.11	130.26	130.33	130.56	130.76	130.99	131.04
change from prior month (thousands)	93	152	68	235	194	232	54
% change from prior month	0.07	0.12	0.05	0.18	0.15	0.18	0.04
Resident employment (season. adj. level, in millions)	138.91	139.21	139.32	139.57	139.86	139.67	139.78
change from prior month (thousands)	-175	297	117	250	291	-190	105
% change from prior month	-0.13	0.21	0.08	0.18	0.21	-0.14	0.08
Unemployment rate (seasonally adj.)	9.8	9.4	9.0	8.9	8.8	9.0	9.1

Source: BLS and Yahoo! Finance.

DC tax collections

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



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

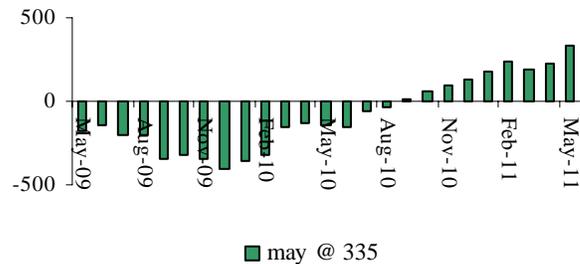


Table 23. Tax Collections (before earmarking): May 2011
 (\$ million)

Tax	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	FY 2011 to date	3-month moving total	This month
Total taxes	5,085.2	5,315.0	4,970.5	4,977.6	5,232.7	3,129.9	1,800.4	379.6
1 year change	615.1	229.7	-344.5	7.0	335.3	255.1	121.4	99.1
% change	13.8	4.5	-6.5	0.1	6.8	8.9	7.2	35.3
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,785.3	878.7	806.7	6.4
1 year change	296.1	241.2	113.9	36.3	-38.8	-49.7	-80.5	1.0
% change	25.8	16.7	6.8	2.0	-2.1	-5.3	-9.1	17.5
General sales	958.8	1,011.6	963.5	965.3	1,004.9	656.6	244.9	78.5
1 year change	62.0	52.8	-48.1	1.8	73.2	39.6	10.7	-2.4
% change	6.9	5.5	-4.8	0.2	7.9	6.4	4.6	-2.9
Individual income	1,313.1	1,353.2	1,127.2	1,107.1	1,231.7	851.4	348.4	158.8
1 year change	80.7	40.1	-226.0	-20.1	110.6	124.6	72.1	21.2
% change	6.5	3.1	-16.7	-1.8	9.9	17.1	26.1	15.4
withholding	974.8	1,004.2	1,021.2	1,070.6	1,154.5	800.8	304.1	103.6
1 year change	4.2	29.5	17.0	49.4	108.4	83.9	35.1	10.0
% change	0.4	3.0	1.7	4.8	10.4	11.7	13.0	10.7
non-withholding	338.3	349.0	106.0	36.5	77.2	50.6	44.3	55.2
1 year change	76.5	10.7	-243.0	-69.5	2.2	40.7	37.0	11.2
% change	29.2	3.2	-69.6	-65.6	2.9	408.4	502.8	25.5
Corporate income	250.7	289.8	220.7	207.9	204.6	135.6	78.5	13.2
1 year change	30.9	39.1	-69.2	-12.8	-17.8	-3.3	0.3	9.6
% change	14.1	15.6	-23.9	-5.8	-8.0	-2.4	0.4	270.6
Unincorporated Bus.	166.4	128.9	121.3	120.7	124.6	86.0	51.3	15.4
1 year change	25.5	-37.5	-7.6	-0.6	0.0	3.9	5.5	7.7
% change	18.1	-22.5	-5.9	-0.5	0.0	4.8	12.0	101.3
Deed taxes*	442.0	323.2	187.4	224.2	315.5	198.6	100.6	37.8
1 year change	81.7	-118.8	-135.8	36.8	136.8	91.3	66.9	29.2
% change	22.7	-26.9	-42.0	19.6	76.6	85.1	198.8	341.0
Other taxes	510.5	523.3	551.7	517.4	566.1	323.1	169.9	69.6
1 year change	38.0	12.8	28.4	-34.3	71.3	48.7	46.4	32.7
% change	8.0	2.5	5.4	-6.2	14.4	17.7	37.6	88.7

*Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions. Tax collections in this table may vary from payments to Recorder of Deeds (graphed on next page) due to processing and timing effects.

Source: OCFO/OTR and OCFO/ORA

DC tax collections

Tax collections continue to rise

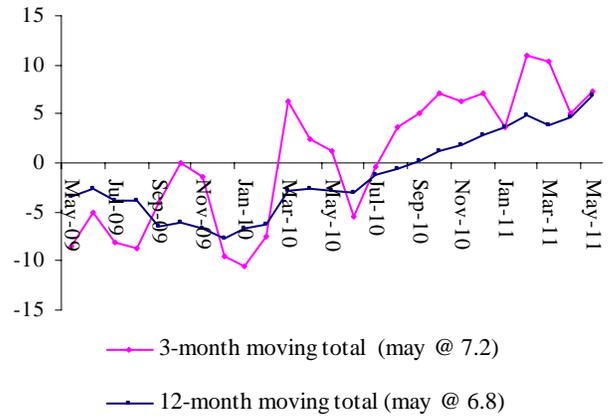
● For the 12-month period ending May, tax collections (before earmarking) were \$335million (6.8%) more than a year earlier.

● General sales and withholding for the individual income tax have played a large role in the collections rebound. FY 2011 to date, sales taxes were up 6.4% and withholding 11.7%. Gains for the last 3 months were 4.6% and 13.0%, respectively.

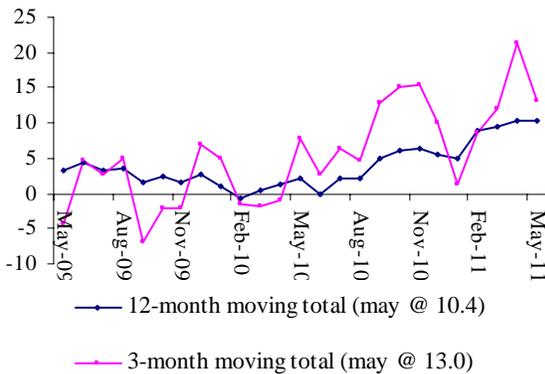
● For the fiscal year through May, the non-withholding part of the Individual Income tax, a primary source of revenue decline since the recession began, increased \$40.7 million over the comparable period of FY 2010, a four-fold increase.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 116% for the 3 months ending May.

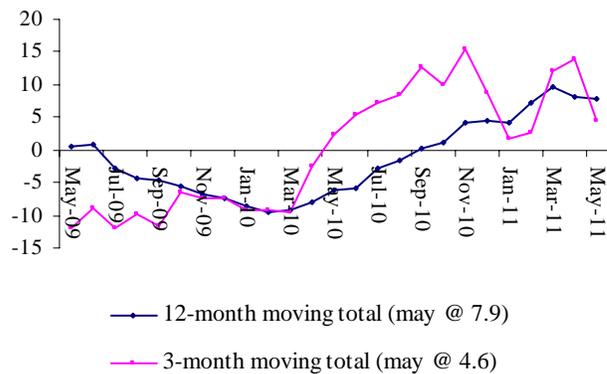
**DC Tax Collections (before earmarking):
May 2009 to May 2011**
(% change in 3-month and 12-month moving totals)



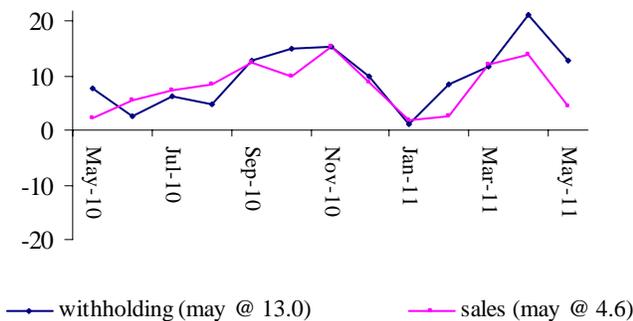
Withholding collections: May 2009 to May 2011
(% change from prior year in 3-month and 12-month moving totals)



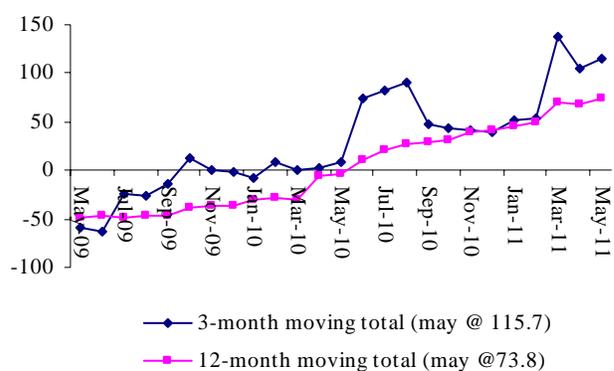
Sales tax collections: May 2009 to May 2011
(% change from prior year in 3-month and 12-month moving totals)



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



**Deed payments to DC Recorder of Deeds (for
transfer, economic interest, and recordation
taxes): May 2009 to May 2011**
(% change from prior year in 3-month and 12-month moving
totals)



US economic forecasts

Outlook for the US economy is for a little less growth

- The June Blue Chip Indicators forecast for real GDP in FY 2012 decreased slightly. Growth in real GDP is now forecast to be 2.6% in FY 2011 and 3.0% in FY 2012.
- In June Blue Chip Indicators made no change in its forecast for inflation (CPI): 2.6% for FY 2011 and 2.5% for 2012. The forecast for the interest rate on 10 year Treasury securities went down slightly for both FY 2011 and FY 2012.
- S and P 500: In May, Global Insight and Economy.com both raised slightly their expectations for 2011.4, and lowered them more substantially for 2012.4. The range in percentage changes are -0.4% to +13.6% for 2011.4.

Table 24. Forecasts for US nominal and real GDP:

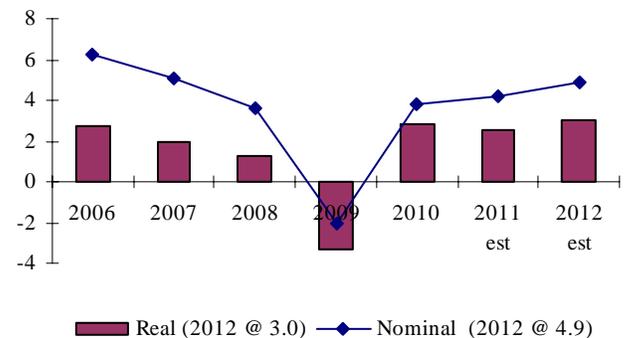
FY 2010 through FY 2012 (% change from prior fiscal year)

Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
Congressional Budget Office						
August	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
Blue Chip						
March	2.2	3.0	3.2	2.9	4.5	4.9
April	2.2	2.8	3.2	2.9	4.4	5.0
May	2.2	2.6	3.1	2.9	4.2	5.0
June	2.2	2.6	3.0	2.9	4.2	4.9

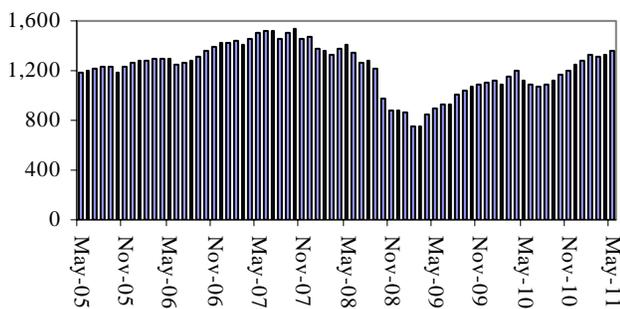
Sources: Blue Chip Indicators and the Congressional Budget Office.

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

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



S and P 500 stock index: May 2005 to May 2011



■ S and P 500 stock index (may @ 1359)

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		
Feb	10.6	11.7	7.0	10.6	1.2	9.9
Mar	10.6	13.4	5.5	10.6	-0.5	9.1
Apr	10.6	12.6	5.5	10.6	-1.2	9.1
May	10.6	13.6	5.1	10.6	-0.4	8.7
	Economy.com baseline			Economy.com pessimistic		
Feb	10.6	9.2	1.3	10.6	-0.5	11.3
Mar	10.6	10.3	1.3	10.6	3.2	9.0
Apr	10.6	12.2	1.3	10.6	5.0	9.0
May	10.6	12.5	-1.6	10.6	5.3	5.9

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		
Feb	1.7	1.7	2.0	3.4	3.4	4.2
Mar	1.7	1.9	2.1	3.4	3.4	4.2
Apr	1.7	2.3	2.3	3.4	3.4	4.2
May	1.7	2.6	2.5	3.4	3.4	4.1
June	1.7	2.6	2.5	3.4	3.3	4.0

Source: Blue Chip Indicators

Global Insight and Economy.com May forecasts are a little less optimistic

- **Employment:** Global Insight reduced baseline and pessimistic forecasts for both FY 2011 and FY 2012. Economy.com made slight changes to FY 2011, but significant reductions to FY 2012. The range of job changes are from from 7,862 to 8,989 in FY 2011, and another 2,892 to 10,175 in FY 2012.
- **Unemployment:** For the second month in a row, both forecasts raised slightly their baseline forecasts for unemployment in FY 2011. Rates range from 9.3% to 9.6% for FY 2011, and 8.4% to 11.0% in FY 2012.
- **Wages earned in DC:** Global Insight reduced its expectations for both FY 2011 and FY 2012; Economy.com made little change. Growth rate ranges: 4.5% to 4.9% in FY 2011; 4.3% to 5.9% in FY 2012.
- **Wages earned by DC residents:** Global Insight reduced its forecasts for both FY 2011 and FY 2012; Economy.com made little change. Growth rates range from 6.8% to 7.8% in FY 2011; 5.4% to 8.4% in FY 2012.

Table 27. Jobs in DC: forecasts for FY 2010 to FY 2012
(amount of change from prior year)

Date of estimate	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
feb	6,183	18,836	10,960	6,183	18,145	6,783	6,183	18,162	8,486	6,183	13,454	861
mar	6,808	10,354	11,521	6,808	9,467	7,204	6,808	9,376	8,268	6,808	8,016	5,140
apr	6,808	10,531	11,449	6,808	9,281	6,580	6,808	9,034	9,016	6,808	7,714	5,222
may	6,808	8,674	10,175	6,808	8,122	6,118	6,808	8,989	7,937	6,808	7,862	2,892

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

Table 28. Unemployment rate in DC FY 2010 to FY 2012

Date of estimate	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
feb	10.9	9.3	8.4	10.9	9.3	8.5	10.9	9.4	8.8	10.9	10.5	11.9
mar	10.1	9.2	8.3	10.1	9.3	8.4	10.1	9.1	9.0	10.1	9.8	11.8
apr	10.1	9.3	8.4	10.1	9.3	8.4	10.1	9.2	8.7	10.1	9.6	11.0
may	10.1	9.4	8.4	10.1	9.4	8.5	10.1	9.3	8.8	10.1	9.6	11.0

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

Table 29. Wages earned in DC FY 2010 to FY 2012
(percent change from prior year)

Date of estimate	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
feb	4.1	5.8	5.8	4.1	5.3	4.3	4.1	5.1	5.2	4.1	4.1	3.3
mar	4.1	5.7	6.2	4.1	5.5	4.8	4.1	5.0	5.7	4.1	4.4	4.2
apr	3.8	4.9	6.2	3.8	4.6	4.7	3.8	4.8	5.8	3.8	4.4	4.3
may	3.8	4.7	5.7	3.8	4.5	4.3	3.8	4.9	5.9	3.8	4.5	4.3

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

Table 30. DC resident wages FY 2010 to FY 2012
(percent change from prior year)

Date of estimate	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
feb	3.1	10.8	7.9	3.1	9.8	5.8	3.1	10.0	8.0	3.1	9.2	6.6
mar	3.1	10.7	8.5	2.6	9.1	9.1	3.1	9.6	8.4	3.1	9.2	7.3
apr	3.0	7.7	8.3	3.0	7.1	6.4	3.0	7.8	8.5	3.0	7.5	7.4
may	3.0	7.2	7.4	3.0	6.8	5.4	3.0	7.8	8.4	3.0	7.5	7.2

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. Global Insight's pessimistic probability is 20%, Economy.com's is 25%.

DC revenue estimate

The June 2011 forecast is for tax revenue (before earmarks) to increase \$103.9 million (2.1%) in FY 2011, then another \$266 million (5.2%) in FY 2012

- The 2011 increase in revenue is expected despite a \$140.5 million (7.7%) decline in real property taxes that results from the impact of lower assessments reflecting property values prevailing at the end of 2009.
- The largest increases in FY 2011 are in withholding for the Individual Income tax and deed taxes.
- In FY 2012, a rebound in real property is the largest source of growth. General sales, withholding, the non-withholding part of the individual income tax, and business taxes all contribute to the increase.
- In FY 2011 through FY 2013 taxes as a share of Personal Income are lower than in the preceding years.

Table 31. DC Tax Revenue (before earmarks) for FY 2010 through FY 2012: June 2011 revenue estimate

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Real property	1,821.5	1,681.0	1,805.0	-1.2	-140.5	124.0	-0.1	-7.7	7.4
Deed taxes	225.6	287.3	288.7	38.2	61.7	1.4	20.4	27.3	0.5
General sales	976.7	1,013.8	1,070.3	3.3	37.1	56.5	0.3	3.8	5.6
Individual income	1,110.4	1,215.3	1,298.6	-25.5	104.8	83.4	-2.2	9.4	6.9
Withholding	1,073.8	1,157.2	1,201.1	52.6	83.4	43.8	5.2	7.8	3.8
non-withholding	36.6	58.0	97.6	-78.1	21.4	39.5	-68.1	58.5	68.1
Business income	323.7	343.9	358.1	-18.4	20.2	14.2	-5.4	6.3	4.1
Other	547.3	567.8	554.3	-10.7	20.5	-13.4	-1.9	3.7	-2.4
Total	5,005.2	5,109.1	5,375.1	-14.4	103.9	266.0	-0.3	2.1	5.2

Source: ORA. June 22, 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 2010 to FY 2012

item	2010	2011	2012
Wage and salary employment	708,183	716,306	722,052
1 year change	6,808	8,122	5,746
% change	1.0	1.1	0.8
DC resident employment	300,395	301,826	306,954
1 year change	-2,280	1,431	5,128
% change	-0.8	0.5	1.7
Unemployment rate	10.1	9.5	9.1

Table 33. DC Income and stock market assumptions: FY 2010 to FY 2012 (change from prior year)

item	2010	2011	2012
Wages and salaries earned in DC	3.8	4.5	4.2
Wages and salaries earned by DC residents	3.0	4.8	5.3
DC Personal income	2.8	4.8	5.5
S and P 500 stock index	10.6	2.5	7.2

Source: ORA June 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	5,109	5,375	5,620
Change from prior year	420	444	267	638	170	-273	-47	104	266	245
Percent change from prior year										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	2.1	5.2	4.6
Personal Income	6.9	8.3	8.2	8.1	8.5	3.0	2.8	4.8	5.5	5.7
Tax revenue as percent of Personal Income										
Personal Income	13.1	13.5	13.3	14.0	13.3	12.3	11.8	11.5	11.5	11.4

Source: ORA. June 22, 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 over the past 4 years, continued from p. 1

In short, over the past 4 years the District has been blessed several times over from an employment point of view: 1) a high proportion of federal employment (which grew faster in DC than elsewhere in the US); 2) a high proportion of jobs in the industries that were expanding nationally; and 3) a low proportion of jobs in industries that were the hardest hit nationally.

—Stephen Swaim, Office of Revenue Analysis

Summary of gains and losses in DC and US employment from April 2007 to April 2011

Sector and job experience	District of Columbia			United States			
	% of total jobs in April 2007	change from April 2007 to April 2011		% of total jobs in April 2007	change from April 2007 to April 2011		
		amount	%		amount	%	
Private sector components in which							
Both DC and US gained	32.4	14,600	6.5	20.3	1,829,033	6.6	
DC gained, US lost	6.6	4,433	9.7	10.1	-249,033	-1.8	
Both lost	28.1	-16,767	-8.6	53.1	-8,119,667	-11.2	
Public sector components in which							
Both DC and US gained (federal gov't)	27.4	21,200	11.2	2.0	121,667	4.5	
Both lost (state and local)	5.5	-3,433	-9.0	14.5	-97,000	-0.5	
Private sector total	67.1	2,267	0.5	83.5	-6,539,667	-5.7	
Public sector total	32.9	17,767	7.8	16.5	24,667	0.1	
Sectors that gained jobs	66.4	40,233	8.8	22.3	1,950,700	6.4	
Sectors that lost jobs	33.6	-20,200	-8.7	77.7	-8,465,700	-8.0	
Total	100.0	20,033	2.9	100.0	-6,515,000	-4.8	

Source: BLS. Wage and salary employment data based on 3-month averages.

Employment by sector in DC and the US: April 2007 and April 2011

Note: Sectors increasing over the 4 year period are shown in bold.

Sector	District of Columbia				United States			
	April 2007	April 2011	change		April 2007	April 2011	change	
			number	%			number	%
Sectors in which DC employment increased from April 2007 to April 2011								
Federal government	189,133	210,333	21,200	11.2	2,714,333	2,836,000	121,667	4.5
Other Professional and technical Organizations	67,300	69,100	1,800	2.7	6,471,967	6,509,800	37,833	0.6
Education	47,767	52,133	4,367	9.1	3,071,300	3,359,167	287,867	9.4
Health	54,000	60,567	6,567	12.2	15,223,900	16,645,167	1,421,267	9.3
Food service	32,900	36,133	3,233	9.8	9,392,200	9,329,933	-62,267	-0.7
Amusement and recreation	6,100	7,067	967	15.8	1,823,600	1,768,233	-55,367	-3.0
Personal and miscellaneous ser.	6,867	7,100	233	3.4	2,551,867	2,420,467	-131,400	-5.1
Sectors in which DC employment decreased from April 2007 to April 2011								
Local government	38,133	34,700	-3,433	-9.0	19,806,667	19,709,667	-97,000	-0.5
Legal services	35,467	32,433	-3,033	-8.6	1,170,867	1,106,933	-63,933	-5.5
Employment services	13,100	13,067	-33	-0.3	3,498,233	2,800,833	-697,400	-19.9
Other Business services	36,700	34,100	-2,600	-7.1	6,549,267	6,484,767	-64,500	-1.0
Information	22,233	18,700	-3,533	-15.9	3,026,667	2,678,000	-348,667	-11.5
Finance	29,567	26,000	-3,567	-12.1	8,298,333	7,570,667	-727,667	-8.8
Accommodations	15,533	14,833	-700	-4.5	1,796,400	1,718,400	-78,000	-4.3
Retail trade	17,933	17,333	-600	-3.3	15,264,500	14,282,867	-981,633	-6.4
Wholesale trade	4,733	4,233	-500	-10.6	5,043,500	4,752,367	-291,133	-5.8
Construction	12,100	10,567	-1,533	-12.7	7,348,000	5,213,667	-2,134,333	-29.0
Other private	6,500	5,833	-667	-10.3	20,542,267	17,809,867	-2,732,400	-13.3
Total	691,100	711,133	20,033	2.9	136,503,000	129,988,000	-6,515,000	-4.8

Source: BLS. Wage and salary employment data are 3 month moving averages, ending with the month shown.

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 "Tax Rates and Revenues," "Economic Reports," and "Fiscal Impact Statements."

Recent ORA reports:

Tax Rates and Tax Burdens—A Nationwide Comparison 2009. 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 2009. 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.

Special-Purpose Revenue Report. Describes more than 200 special-purpose revenue funds ("O-type" funds) that set aside fees, fines, and other assessments collected by an agency in order to support its programs. The report provides the statutory basis, year of enactment, purpose, and revenue source for each fund.

Dedicated Taxes Report. Describes the 11 dedicated taxes that earmark a percentage of a tax for particular purposes. For each dedicated tax, the report provides information on the purpose, legal authority, five-year revenue history, year of enactment, administering agency, and a description of the revenue source including applicable rates or percentage allocations.

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 June report has mostly April and May 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 *Economic Trends, Monthly Review*).

Table 35. **Information sources**

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	April	June 17
D.C. Personal Income	BEA	2010.4	June 22
D.C. Tax Collections	OTR/ORA	May	July 15, 2011
D.C. Housing Sales	GCAAR*	May	cJuly 10
D.C. Commercial Office Building data	Delta Associates	2011.1	c July 10
DC Apartment data	Reis, inc	2011.1	c August 1
D.C. Hotel stay information	Smith Travel Research	April	c. July 1
Consumer Price Index	BLS	April and May	July 15
U.S. Jobs and Labor Force	BLS	April and May	July 8
U.S. GDP and Personal Income	BEA	2011.1	June 24
S and P 500 Stock Index	Financial press	May	July 1
Interest rate on 10-Year Treasury Securities	Financial press	May	July 1
HIS Global Insight D.C. forecast	Global Insight	May	cJune 20
Moody's Economy.com D.C. forecast	Economy.com	May	cJune 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	June	July 10

*Greater Capital Area Association of Realtors (data from the Metropolitan Regional Information Systems)

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.

*Fitzroy Lee, Deputy Chief Financial Officer and Chief Economist
Office of Revenue Analysis
1101 4th St., SW, Suite W770
Washington D.C. 20024
202-727-7775*