

**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: *May 2012*

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Taxes on real property value and transactions accounted for 38% of FY 2011 DC tax revenues

Over the past 25 years, real property's share of all tax revenues has varied between 23% (in 2000) and 41% (in 2010)

In FY 2011 the District of Columbia collected \$5.33 billion in tax revenue (before earmarks). Of this total, \$2.02 billion (38%) of came from two taxes on real estate.

The larger of these two real-estate related taxes is the real property tax levied each year on the assessed value of residential and commercial property. Of the total related to real property, \$1.72 billion (85% of the total) was from this source. The other real property-related tax, that on the transfer and recordation of deeds, generated \$311 million in FY 2011 revenues.

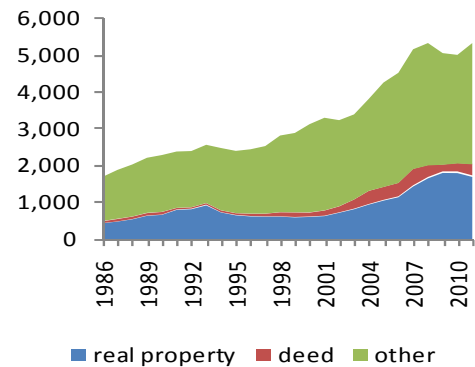
Looking back over the 25-year period from FY 1986 to FY 2011, the amount of real property-related revenue increased more than four fold—from \$482 million in 1986 to \$2,026 million in 2011. The compound rate of growth of real property-related axes over the period—5.9%—exceeded that of DC's GDP (5.2%), and all DC tax revenue (4.9%). Revenues generated from real property grew at a rate almost twice the inflation rate (3.0%).

The amount the tax revenue collected from real property values and transactions has contributed substantially to all DC tax revenue each year from 1986 to 2011, averaging 31.8% over those 25 years. The proportion has, however, varied considerably over the period.

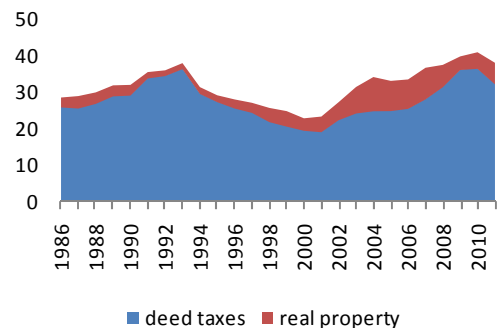
From 28.6% in FY 1986, the real property-related share of all taxes rose to 38.0% in 1993 (a year that incorporated an extra payment due to a change in the collection schedule). The share then fell until FY 2000, when it reached 23.0%. By FY 2010 it had risen to 41.0% and has fallen only slightly since.

The decade of the 1990's tells a very different story than the one following 2000.
(continued on p. 17.)

DC tax revenues from FY 1986 to FY 2011: real property related and all other (\$million)



Real property and deed tax revenues as percent of all DC tax revenue: FY 1986 to FY 2011



Wage and salary employment

March employment is about 14,200 (2.0%) above a year ago, with growth all in the private sector

- March wage and salary employment in DC was up by 14,167 (2.0%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for March was down by 3,233 (-1.5%). Private sector jobs were up by 17,633 (3.8%).
- Total year-over-year DC metropolitan area employment increased by 35,500 (1.2%) in March as measured by the 3-month moving average.
- There was an increase of 1.0% in suburban Washington employment in March from a year earlier.
- Seasonally adjusted wage and salary employment in DC rose by 4,000 (0.5%) in March from February.

Change in wage and salary employment located in DC, the DC suburbs, and the US: March 2010 to March 2012 (% change from prior year in 3-month moving average)

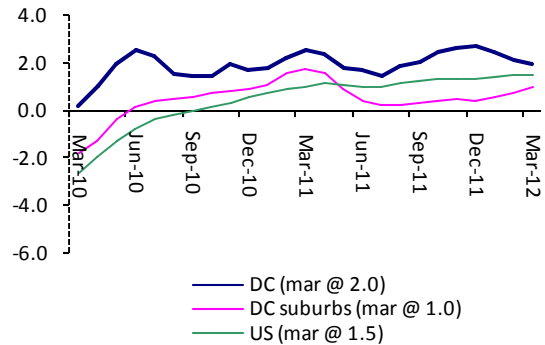


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: March 2012

Jurisdiction	FY 2009	FY 2010	FY 2011	12-mo avg	3-mo average	This month
District of Columbia	701,633	708,975	722,967	731,358	730,867	735,500
1 year change	-1,092	7,342	13,992	15,025	14,167	14,900
% change	-0.2	1.0	2.0	2.1	2.0	2.1
Washington metro area	2,964,175	2,954,825	2,988,192	3,004,400	2,992,833	3,011,300
1 year change	-41,517	-9,350	33,367	27,292	35,500	36,600
% change	-1.4	-0.3	1.1	0.9	1.2	1.2
Washington suburbs (% ch)	-1.8	-0.7	0.9	0.5	1.0	1.0
US (% ch)	-3.8	-1.9	1.1	1.3	1.5	1.5

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

Source: BLS. March data is preliminary.

Table 2. Federal government and private sector wage and salary employment in DC: March 2012

Sector	FY 2009	FY 2010	FY 2011	12-mo avg	3-month average	This month
Federal government	198,050	208,233	213,275	211,783	209,033	209,300
1 year change	5,283	10,183	5,042	-417	-3,233	-3,200
% change	2.7	5.1	2.4	-0.2	-1.5	-1.5
Private sector	462,942	464,000	474,467	484,567	487,633	492,000
1 year change	-5,467	1,058	10,467	16,592	17,633	18,200
% change	-1.2	0.2	2.3	3.5	3.8	3.8

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

Table 3. Seasonally adjusted DC Employment: September 2011 to March 2012

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar
D.C. Wage and Salary employment	733,000	734,700	737,600	737,700	733,100	734,600	738,600
change from prior month	14,200	1,700	2,900	100	-4,600	1,500	4,000
% change from prior month	2.0	0.2	0.4	0.0	-0.6	0.2	0.5

Source: BLS seasonally adjusted. March is preliminary

Education, health, food services, and organizations led March job growth

- In March education gained 5,000 jobs over last year, health services 3,267, food services 2,033, and organizations 1,833 as measured by 3-month moving averages. (Education includes DC public charter schools.)
- Other private industries showing gains over the year included temporary employment, other business services, construction, and accommodations.
- Private sector industries losing jobs included legal and other professional services, information, and retail.
- Local government declined by 233.

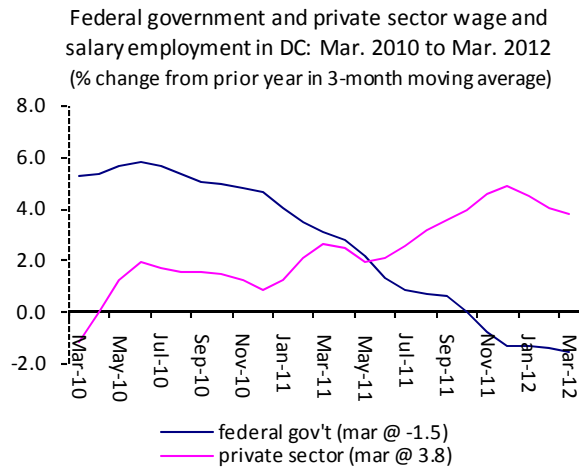


Table 4. Wage and salary employment located in DC: March 2012

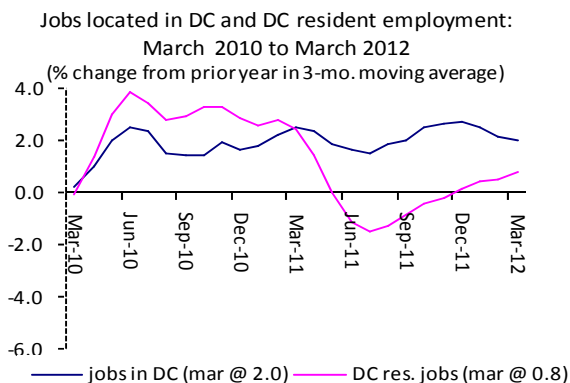
Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Mar 2012	DC share (%) in Mar 2012 of all sector jobs in:		Change from Mar 2011 to Mar 2012 in DC share of sector jobs in:	
	1 year change		Amount	%			metro area	US	metro area	US
	Mar 2011	Mar 2012								
Federal government	212,267	209,033	-3,233	-1.5	-0.2	28.6	55.0	7.45	-0.46	0.02
Local government	34,433	34,200	-233	-0.7	-3.2	4.7	10.9	0.18	-0.32	0.00
Legal services	30,300	30,233	-67	-0.2	-2.8	4.1	na	2.72	na	-0.01
Other Professional and technical	71,333	71,067	-267	-0.4	3.1	9.7	21.4	1.04	-0.20	-0.05
Employment services	12,667	14,267	1,600	12.6	9.3	2.0	37.6	0.48	4.10	0.02
Other Business services	33,200	34,067	867	2.6	0.6	4.7	20.0	0.52	0.93	0.01
Information	18,467	18,333	-133	-0.7	-0.5	2.5	23.1	0.70	0.04	0.01
Finance	26,567	26,633	67	0.3	0.8	3.6	18.0	0.35	-0.43	0.00
Organizations	58,867	60,700	1,833	3.1	3.4	8.3	37.8	2.11	1.35	0.06
Education	52,167	57,167	5,000	9.6	11.2	7.8	54.7	1.70	1.74	0.11
Health	61,300	64,567	3,267	5.3	4.1	8.8	23.5	0.38	0.53	0.01
Food service	37,767	39,800	2,033	5.4	5.4	5.4	20.6	0.42	-0.13	0.01
Accommodations	14,567	15,533	967	6.6	3.0	2.1	37.6	0.90	1.19	0.04
Amusement and recreation	6,267	6,767	500	8.0	0.8	0.9	21.6	0.39	1.23	0.02
Retail trade	18,433	18,400	-33	-0.2	-0.3	2.5	7.4	0.13	0.11	0.00
Wholesale trade	4,600	4,600	0	0.0	-2.1	0.6	7.3	0.08	0.00	0.00
Construction	11,100	12,500	1,400	12.6	12.5	1.7	8.9	0.24	0.65	0.02
Personal and miscellaneous ser.	7,200	7,900	700	9.7	3.1	1.1	na	0.33	na	0.03
Other private	5,200	5,100	-100	-1.9	-3.0	0.7	4.7	0.03	-0.10	0.00
Total	716,700	730,867	14,167	2.0	2.1	100.0	24.4	0.56	0.19	0.00
Public sector	246,700	243,233	-3,467	-1.4	-0.6	33.3	35.1	1.10	-0.72	0.00
Private sector	470,000	487,633	17,633	3.8	3.5	66.7	21.2	0.45	0.49	0.01
Professional and all business	192,533	194,600	2,067	1.1	1.4	26.6	21.4	0.86	0.17	-0.01
Education, health, and orgs.	172,333	182,433	10,100	5.9	5.9	25.0	32.5	0.60	1.01	0.03
Hospitality and trade	81,633	85,100	3,467	4.2	2.9	11.6	14.7	0.26	0.38	0.01
Other private sector	23,500	25,500	2,000	8.5	6.1	3.5	10.2	0.10	0.56	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 continued to improve in March

- In March DC resident employment rose 2,466 (0.8%) from a year earlier (3-mo. moving average).
- In March the unemployment rate (seasonally adjusted) remained at 9.8%, and seasonally adjusted employment rose 0.3% from January, the 8th monthly increase in a row.
- Initial unemployment insurance claims were down 8.9% from a year earlier (3-mo. moving average).



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

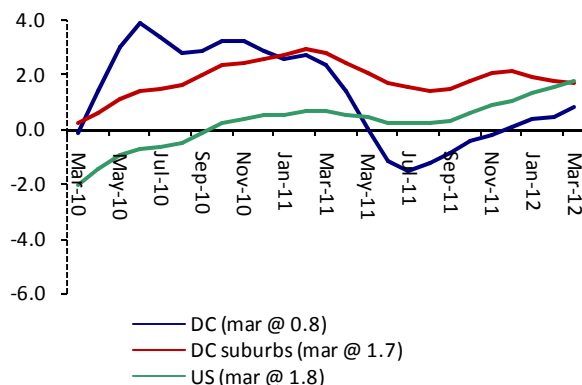


Table 5. Unemployment rates for DC, metro area, and US:
March 2012

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Mar 2011	Mar 2012	Mar 2011	Mar 2012
US	9.2	8.4	8.9	8.2
DC metro area	5.8	5.5	na	na
DC	10.1	9.9	10.0	9.8
DC suburbs	5.3	5.0	na	na

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

Table 6. Resident employment and unemployment: March 2012

Indicator	FY 2009	FY 2010	FY 2011	12-mo avg	3-month	
					average	This month
DC Labor force summary						
Resident employment	303,384	306,551	308,968	309,677	312,052	313,441
1 year change	-9,541	3,166	2,417	-824	2,466	3,786
% change	-3.0	1.0	0.8	-0.3	0.8	1.2
Labor Force	333,366	341,501	344,244	344,863	346,662	347,781
1 year change	452	8,135	2,743	-116	2,121	3,162
% change	0.1	2.4	0.8	0.0	0.6	0.9
Unemployed	29,981	34,950	35,277	35,186	34,610	34,340
1 year change	9,993	4,969	327	708	-345	-624
% change	50.0	16.6	0.9	2.1	-1.0	-1.8
Unemployment rate	9.0	10.2	10.2	10.2	10.0	9.9
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	2,203	1,799	2,101	1,875	1,693	1,521
1 year change	688	-404	302	-121	-166	-142
% change	45.4	-18.3	16.8	-6.1	-8.9	-8.5
Weeks compensated (mo. avg.)	54,474	53,592	46,423	46,450	48,110	43,276
1 year change	19,736	-881	-7,169	-1,946	-868	-10,185
% change	56.8	-1.6	-13.4	-4.0	-1.8	-19.1

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: September 2011 to March 2012

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DC Resident employment	307,496	308,525	309,541	310,557	312,157	313,554	314,488
change from prior month	989	1,029	1,016	1,016	1,600	1,397	934
% change from prior month	0.3	0.3	0.3	0.3	0.5	0.4	0.3
DC Unemployment rate (%)	10.4	10.3	10.2	10.1	9.9	9.8	9.8

Source: BLS seasonally adjusted. March is preliminary

Wage gains continued in the December quarter

- Wages earned in the District of Columbia were 4.4% higher in the December quarter compared to the same quarter of 2010.
- In the December quarter, estimated wages of DC residents grew 5.7%, and DC Personal Income grew 5.0%.
- In the December quarter, the private sector accounted for \$2.51 billion (95%) of the increase in wages earned in DC.

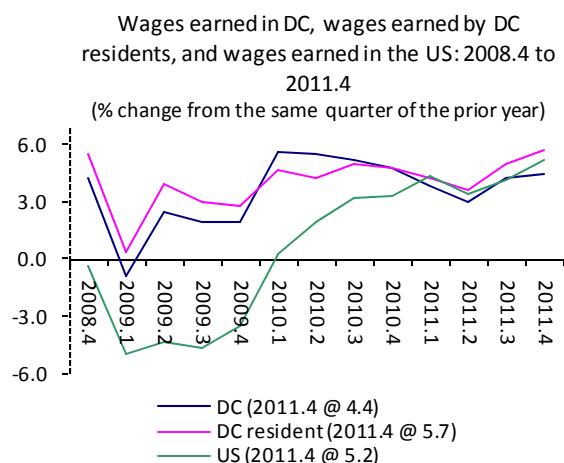


Table 8. DC Wages and Personal Income: December 2011

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

Indicator	FY 2009	FY 2010	FY 2011	4-quarter moving average	Latest quarter (Dec.)
Wages and salaries earned in DC	55.33	57.87	60.16	60.82	61.78
1 year change	1.06	2.55	2.29	2.27	2.63
% change	2.0	4.6	4.0	3.9	4.4
Supplements to wages & salaries	16.23	17.09	17.59	17.67	17.73
% change	5.8	5.3	2.9	2.2	1.9
Proprietors' income earned by DC residents*	5.33	5.40	5.98	6.04	6.14
% change	-6.9	1.4	10.7	7.6	4.0
Wages and salaries of DC residents***	21.30	22.19	23.17	23.50	23.99
change from one year ago	0.66	0.89	0.98	1.04	1.30
% change	3.2	4.2	4.4	4.7	5.7
Income earned by DC residents	29.9	31.1	32.9	33.4	34.0
% change	1.7	3.9	6.1	5.8	5.8
Property income of DC residents	5.98	5.67	6.01	6.10	6.15
% change	-11.0	-5.2	6.0	5.9	5.9
Pensions and other transfer payments of DC res.	4.69	5.28	5.67	5.67	5.67
% change	10.7	12.6	7.4	4.1	-0.1
DC Personal Income**	40.58	42.01	44.63	45.18	45.82
1 year change	0.22	1.43	2.62	2.41	2.20
% change	0.5	3.5	6.2	5.6	5.0
US Personal income (% change from prior year)	-3.1	1.5	5.3	5.1	4.6
US Wages and salaries (% change from prior year)	-3.5	0.5	3.8	4.3	5.2
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	-0.18	0.59	1.78	2.03	2.51
Federal government (1 yr ch, \$B)	1.03	1.91	0.66	0.42	0.27
DC res. wages as % of wages earned in DC	38.5	38.3	38.5	38.6	38.8

* 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 were released March 30, 2012

Single family and condominium home sales

In April, rising sale prices reflect greater demand and reduced supply

•The April 3-month moving total of single family home sales was down 3.7% from a year earlier, but the average selling price was 8.1% higher.

•April condominium sales were 13.6% above a year earlier as measured by the 3-month moving total; average selling prices were 1.5% higher.

•The total value of all home sales in April was 7.9% more than a year earlier as measured by the 3-month moving total.

•April year to date median prices were up 18.3% for single family units, and up 4.2% for condominiums.

•The ratio of inventory to sales fell to 2.2 for single family units and 2.5 for condos. (3-mo. moving average).

Single family home sales and average selling price:
April 2009 to April 2012
(12-mo. moving total for sales, moving average for prices)

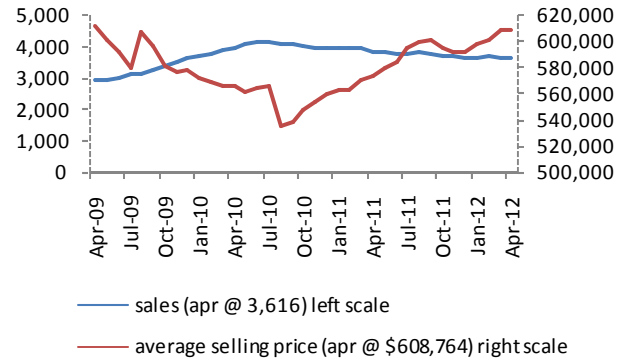


Table 9. D.C. Residential Real Estate Indicators: April 2012

Indicator	FY 2008	FY 2009	FY 2010	FY 2011	12-mo moving		This month
					total or average	3-mo moving total or average	
Number of sales (settled contracts)							
Single family	3,022	3,259	4,084	3,800	3,616	838	309
1 year change	-734	237	825	-284	-3,862	-32	-6
% change	-19.5	7.8	25.3	-7.0	-6.4	-3.7	-1.9
Condo	2,796	2,590	2,884	2,469	2,581	668	262
1 year change	-1,042	-206	294	-415	-2,552	80	43
% change	-27.1	-7.4	11.4	-14.4	1.1	13.6	19.6
Total	5,818	5,849	6,968	6,269	6,197	1,506	571
1 year change	-1,776	31	1,119	-699	-6,414	48	37
% change	-23.4	0.5	19.1	-10.0	-3.4	3.3	6.9
Average prices of units that sold							
Single family (\$)	667,367	597,269	538,395	601,026	608,764	600,456	590,182
1 year change	9,480	-70,098	-58,874	62,631	-574,374	45,002	283
% change	1.4	-10.5	-9.9	11.6	6.0	8.1	0.0
Condo (\$)	412,234	359,952	414,030	423,365	422,678	425,763	433,714
1 year change	6,803	-52,283	54,078	9,336	-424,810	6,269	13,055
% change	1.7	-12.7	15.0	2.3	-0.5	1.5	3.1
Total value of all sales (\$ million)							
	3,169.4	2,878.8	3,392.9	3,329.2	3,292.2	787.6	296.0
1 year change	-857.7	-290.6	514.1	-63.7	-3,302.3	57.7	18.1
% change	-21.3	-9.2	17.9	-1.9	-0.3	7.9	6.5
Ratio: active inventory to sales							
Single family	6.0	5.2	3.4	3.3	2.7	2.2	2.0
Condo	5.7	5.7	4.6	4.9	3.8	2.5	2.5

Median contract prices, CY to date in April 2012: single family \$472,000 (18.3% 1 yr ch); condo \$375,000 (4.2% 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 increased in April

- Sales of single family units at prices above \$1 million were up 12.3% in April from a year ago as measured by the 3-month moving total.
- In December the quarterly Federal Housing Finance Agency house price index for DC rose 1.6% over a year ago. For the US, there was a 3.0% decline.
- In the March quarter, occupied apartment units rose 1,250 (1.5%) and rents rose 3.3% from a year earlier.

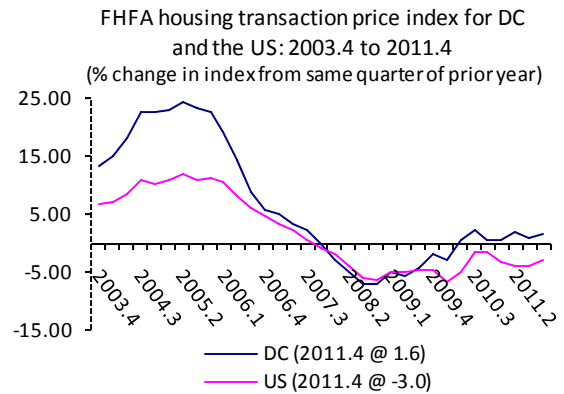


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: April 2012

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	449	103	37
1 year change	-18	-102	85	71	-460	10	1
% change	-4.0	-23.4	25.5	17.0	-2.4	10.8	2.8
percent of all single family sales	14.4	10.2	10.2	12.9	12.4	12.3	12.0
Condominiums	77	62	89	87	74	14	6
1 year change	-28	-15	27	-2	-90	-4	0
% change	-26.7	-19.5	43.5	-2.2	-17.8	-22.2	0.0
percent of all condominium sales	2.8	2.4	3.1	3.5	2.9	2.1	2.3

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: December 2011

Indicator	Fiscal year average				Quarter				
	FY 2008	FY 2009	FY 2010	FY 2011	2010.4	2011.1	2011.2	2011.3	2011.4
% change from prior year in value of index									
DC	-3.8	-5.4	-0.4	1.1	0.8	0.6	2.1	1.0	1.6
US	-3.0	-5.2	-4.3	-3.1	-1.5	-3.1	-4.0	-4.0	-3.0

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	16.5	10.9	8.8	11.4	-6.3
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Source: (1) Federal Housing Finance Agency "All Transaction Index" (sales plus refinancings). This index is a broad measure of the movement of single-family house prices which measures average price changes in repeat sales or refinancings on the same properties. This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975.

(2) Average DC sales price is the average price of houses that sold during the period (settled contracts): see Table 9.

Table 12. Market-rate units in larger DC apartment buildings: March 31, 2012

Indicator	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Latest Q (March 2012)		
					amount	1 Q ch	% ch
Inventory	85,427	87,090	87,970	88,710	88,848	0	0.0
1 year change	1,241	1,663	880	740	477		
% change	1.5	1.9	1.0	0.8	0.5		
Occupied units	81,521	81,964	82,965	84,125	84,935	274	0.3
1 year change	702	443	1,001	1,160	1,250		
% change	0.9	0.5	1.2	1.4	1.5		
Vacant units	3,906	5,126	5,005	4,585	3,913	-274	-6.5
1 year change	539	1,220	-121	-420	-773		
% change	16.0	31.2	-2.4	-8.4	-16.5		
% of inventory	4.6	5.9	5.7	5.2	4.4		
Average effective monthly rent	\$1,340	\$1,342	\$1,380	\$1,422	\$1,454	\$14	2.6
% change from 1 year	4.0	0.1	2.8	3.0	3.3		

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

Commercial office space

The office vacancy rate rose in March

●For the quarter ending March, the vacancy rate for DC commercial office space rose to 8.0% (without sublet space), and to 8.9% (with sublet space). (In December the rates were 7.7% and 8.4%, respectively.)

●DC's vacancy rate with sublet space in March was below the 12.5% rate for the metropolitan area.

●Occupied space increased in the March quarter by 0.35 million square feet (0.3%) from a year earlier.

●Space under construction increased slightly in the last quarter, and is up 13.4% 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.

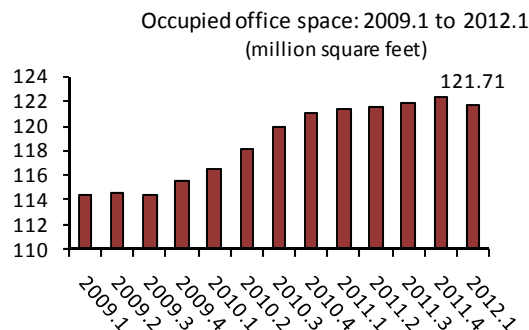


Table 13. Commercial office space in DC: March 31, 2012

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (Mar. 2012)		
	2008	2009	2010	2011	Level	1 Q ch	% ch
Inventory	123.60	127.45	131.95	133.50	133.60	0.07	0.1
1 year change	1.19	3.86	4.49	1.56	1.11		
% change	1.0	3.1	3.5	1.2	0.8		
Occupied space	115.44	114.45	119.94	121.89	121.71	-0.60	-0.5
1 year change	0.13	-0.99	5.49	1.95	0.35		
% change	0.1	-0.9	4.8	1.6	0.3		
Leased space	116.29	116.25	121.35	123.06	122.88	-0.21	-0.2
Under construction	10.60	5.75	2.14	2.42	2.95	0.12	4.1
1 year change	2.68	-4.85	-3.60	0.27	0.35		
% change	33.9	-45.8	-62.7	12.7	13.4		
% of inventory	8.6	4.5	1.6	1.8	2.21		
Vacant (no sublet)	7.31	11.20	10.60	10.44	10.72	0.28	2.7
% of inventory	5.9	8.8	8.0	7.8	8.0		
Vacant (w sublet)	8.16	13.00	12.01	11.61	11.89	0.67	6.0
1 year change	1.06	4.84	-0.99	-0.39	0.76		
% ch from one year	14.9	59.4	-7.6	-3.3	6.8		
<i>DC area vacancy rates (with sublet)</i>							
District of Columbia	6.6	10.2	9.1	8.7	8.9	0.5	
Northern Virginia	11.9	13.5	13.4	13.5	14.4	0.6	
Suburban Maryland	11.5	14.6	14.5	14.2	14.1	-0.3	
DC Metropolitan area	10.1	12.6	12.2	12.1	12.5	0.4	

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

Indicator	\$ per square foot of gross floor space 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

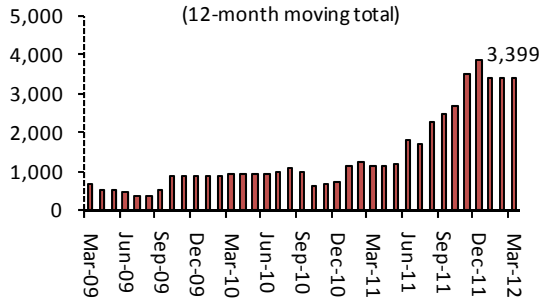
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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

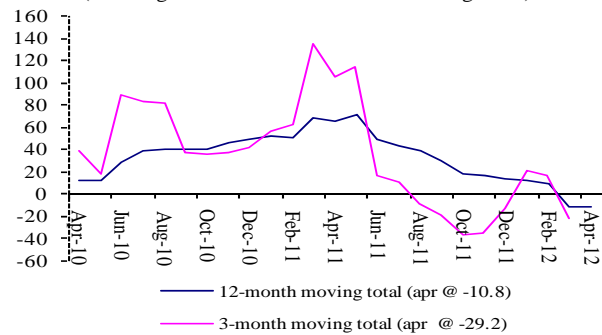
3,400 housing permits were issued during the past 12 months; the value of property transfers in the past 3 months was down 29% from last year's level

- For the 12-month period ending March, 3,399 housing unit building permits were issued, a 203.8% increase over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to rise (to 9.7%) over the next two years.

Housing permits issued in DC: March 2009 to March 2012 (12-month moving total)



Value of real property transfers (including transfers of economic interest): April 2010 to April 2012 (% change in 3-month and 12-month moving totals)



- Reis expects 5,297 new apartment units to be added to inventory in CY 2012 and CY 2013, and occupancy to grow by 5,665.
- The value of April property transfers was up down 29.2% from last year as measured by the 3-month moving total. The 12-month moving total was 10.8% less.

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

	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
Total units	690	499	986	2,459	3,399	260	165
change from 1 year ago	-1,506	-191	487	1,473	2,280	-454	4
% change from 1 year	-68.6	-27.7	97.6	149.4	203.8	-63.6	2.5

Source: Census Bureau (permits issued during period).

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

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory March 2012					
Inventory (msf)	133.6	179.1	88.6	401.3	33.3
vacancy rate (%)	8.9	14.4	14.1	12.5	
Estimated net activity to March 2014					
new supply (msf)	3.3	2.4	2.4	8.1	40.7
new demand (msf)	1.9	3.5	1.6	7.0	27.1
Estimated Inventory March 2014					
vacancy rate (%)	9.7	13.6	14.6	12.5	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2007 to 2016

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,848	488	4.7	84,661	1,184
2012 est	90,318	1,470	4.0	86,729	2,068
2013 est	93,847	3,529	3.8	90,234	3,505
2014 est	97,374	3,527	4.1	93,401	3,167
2015 est	99,182	1,808	3.7	95,482	2,081
2016 est	100,564	1,382	3.4	97,186	1,704

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

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

	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	11,527.3	5,591.2	7,789.1	10,059.5	9,180.4	1,957.6	641.2
change from one year ago (\$M)	-3,307.6	-5,936.1	2,197.9	2,270.4	-1,115.3	-805.5	135.3
% change from 1 year ago	-22.3	-51.5	39.3	29.1	-10.8	-29.2	26.8

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

March indicators for hotel stays and rates are a little weaker than a year ago

● In March the 3-month moving total for hotel room-days sold was 0.8% lower than a year earlier; and the average room rate was 1.7% lower, leading to a 2.4% decline in room revenue.

● Employment in food services was 5.4% higher in March than a year earlier as measured by the 3-month moving average. Hotel employment rose 6.6%, but retail declined 0.2%.

● February airline traffic into the DC area was up 0.3% from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 1.5%.

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

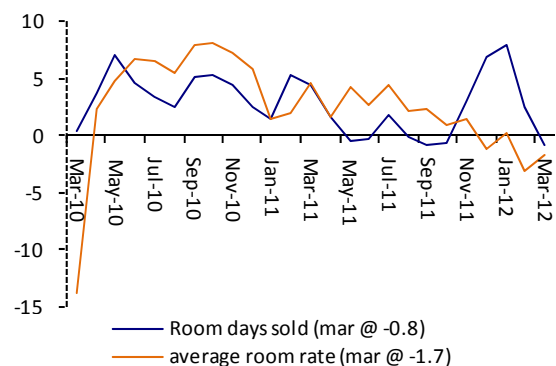


Table 19. Hospitality Industry: March 2012

Indicator	Units	date	FY 2009	FY 2010	FY 2011	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	mar	7.123	7.370	7.466	7.570	1.674	0.711
1 yr ch			-0.003	0.248	0.096	0.085	-0.013	0.006
1 yr % ch			0.0	3.5	1.3	1.1	-0.8	0.9
Average room rate	\$	mar	203.16	199.12	206.62	205.30	201.15	229.35
1 yr ch			-5.83	-4.05	7.51	1.59	-3.42	-2.00
1 yr % ch			-2.8	-2.0	3.8	0.8	-1.7	-0.9
Occupancy rate (average)	%	mar	73.1	73.8	74.3	75.0	67.3	83.0
1 yr ch			-1.1	0.7	0.5	0.2	-1.0	0.2
1 yr % ch			-1.5	0.9	0.7	0.3	-1.5	0.2
Room revenue	(\$M)	mar	1,447.0	1,467.5	1,542.6	1554.0	336.7	162.9
1 yr ch			-42.0	20.5	75.1	29.4	-8.5	-0.1
1 yr % ch			-2.8	1.4	5.1	1.9	-2.4	-0.1
Airline passengers								
DCA	1 yr % ch	feb	-2.9	0.5	6.2	2.9	1.5	4.6
IAD	1 yr % ch	feb	-4.4	1.2	0.6	-2.6	-2.0	-0.1
BWI	1 yr % ch	feb	-3.3	4.6	4.2	1.3	1.8	7.3
Total	1 yr % ch	feb	-3.6	2.1	3.4	0.3	0.3	3.8
Convention Center Transfer								
	\$ M	apr	91.5	94.4	98.0	101.6	25.8	9.2
1 yr ch			0.0	2.8	3.6	5.4	4.6	-0.2
1 yr % ch			0.0	3.1	3.9	5.6	21.8	-2.6
Employment								
Accommodations	level ('000)	mar	15.0	15.3	15.3	15.7	15.5	15.9
1 yr ch			-0.2	0.3	0.0	0.4	1.0	1.0
1 yr % ch			-1.2	2.0	0.0	3.0	6.6	6.7
Food and bev	level ('000)	mar	35.9	37.0	39.0	40.0	39.8	40.1
1 yr ch			0.5	1.2	1.9	2.1	2.0	1.5
1 yr % ch			1.4	3.3	5.2	5.4	5.4	3.9
Arts and entertain.	level ('000)	mar	7.1	7.0	6.8	7.0	6.8	7.2
1 yr ch			0.2	-0.1	-0.2	0.1	0.5	0.6
1 yr % ch			2.7	-1.5	-2.6	0.8	8.0	9.1
Retail	level ('000)	mar	17.8	18.3	18.5	18.5	18.4	18.6
1 yr ch			-0.6	0.5	0.2	-0.1	0.0	0.3
1 yr % ch			-3.5	3.0	1.0	-0.3	-0.2	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; April collections are based on March sales data)

In April job gains were the fewest in 6 months, and the stock market was lower than in March

- March was the 11th consecutive quarter of real GDP growth; the 2.2% gain in the March quarter was a little below average for all of those quarters.
- US employment (seasonally adjusted) increased by 115,000 in Apr.
- The US unemployment rate (seasonally adj.) fell to 8.1% in April.
- In April the S & P 500 index lost 0.2% from March and was 4.1% above a year ago.
- The April CPI was 2.3% above a year earlier (sa), the smallest year-over-year increase in 14 months.

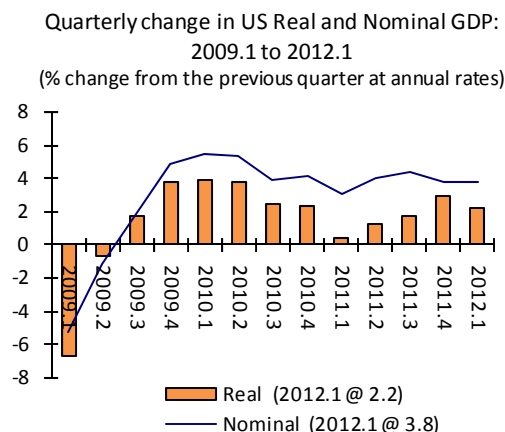


Table 20. US GDP, income, corporate profits, and inflation: 2012.1 and April 2012

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	12-mo avg	2012.1	Apr 2012
US GDP real	2012.1	1 yr % ch	1.1	-4.2	2.1	2.1	1.7	2.1	
US GDP nominal	2012.1	1 yr % ch	3.4	-2.8	3.0	4.1	3.9	4.0	
US Personal income	2012.1	1 yr % ch	5.6	-3.1	1.5	5.3	4.5	3.4	
US wages	2012.1	1 yr % ch	3.4	-3.5	0.5	3.8	4.4	4.7	
Corporate profits	2012.1	1 yr % ch	-11.2	-11.6	42.6	10.5	na	na	
S and P stock index	apr	1 yr % ch	-5.7	-34.3	23.7	13.8	7.4	4.3	4.1
US CPI	apr	1 yr % ch	4.4	-0.3	1.7	2.7	3.2	2.8	2.3
Balt//Wash. area CPI	mar	1 yr % ch	5.0	0.3	1.7	3.0	3.3	na	2.8

Source: BEA (data revised as of April 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: 2010.3 to 2012.1

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

Indicator	units	calendar year quarter						
		2010.3	2010.4	2011.1	2011.2	2011.3	2011.4	2012.1
US GDP real	% ch from prior Q at saar	2.5	2.3	0.4	1.3	1.8	3.0	2.2
US GDP nominal	% ch from prior Q at saar	3.9	4.2	3.1	4.0	4.4	3.8	3.8
Wages and salaries	% ch from prior Q at saar	3.4	1.4	6.2	2.4	6.5	5.3	4.2
Personal income	% ch from prior Q at saar	4.1	4.0	8.6	3.4	3.1	3.2	3.6

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

Table 22. Monthly change in selected US Indicators: October 2011 to April 2012

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
S and P stock index (level)	1207	1226	1243	1301	1352	1389	1386
% change from prior month	2.8	1.6	1.4	4.6	4.0	2.7	-0.2
% change from 1 year ago	3.0	2.3	0.1	1.4	2.4	6.5	4.1
10 yr. Treasury Interest rate (level)	2.13	2.01	1.96	1.94	1.96	2.16	2.03
CPI % ch from prior month (seasonally adjusted)	-0.03	0.09	0.01	0.21	0.41	0.29	0.03
CPI % ch from prior year (seasonally adjusted)	3.55	3.45	3.00	2.93	2.89	2.65	2.30
Jobs (seasonally adjusted level, in millions)	131.81	131.96	132.19	132.46	132.72	132.87	132.99
change from prior month (thousands)	112	157	223	275	259	154	115
% change from prior month	0.09	0.12	0.17	0.21	0.20	0.12	0.09
Resident employment (season. adj. level, in mil.)	140.30	140.61	140.79	141.64	142.07	142.03	141.87
change from prior month (thousands)	190	317	176	847	428	-31	-169
% change from prior month	0.14	0.23	0.13	0.60	0.30	-0.02	-0.12
Unemployment rate (seasonally adj.)	8.9	8.7	8.5	8.3	8.3	8.2	8.1

Source: BLS and Yahoo! Finance.

DC tax collections

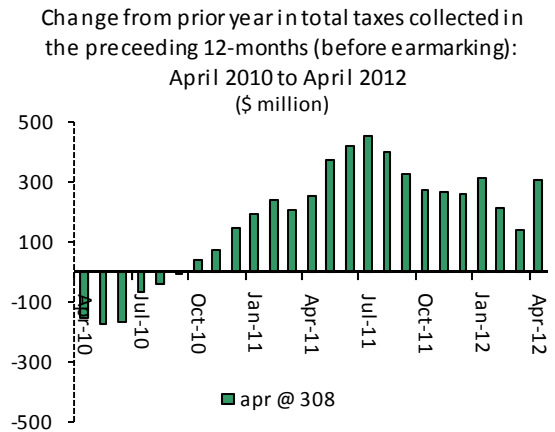
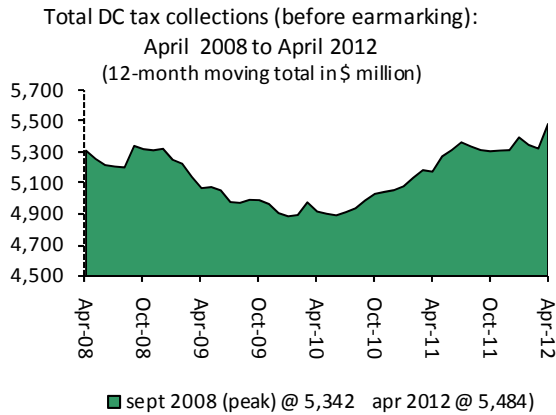


Table 23. Tax Collections (before earmarking): April 2012 (Preliminary)

(\$ million)

Tax	FY 2008	FY 2009	FY 2010	FY 2011	12-month moving total	3-month moving total	This month
Total taxes	5,342.3	4,992.9	4,988.8	5,315.7	5,483.9	1,745.9	812.9
1 year change	224.8	-349.4	-4.2	326.9	308.2	86.6	158.5
% change	4.4	-6.5	-0.1	6.6	6.0	5.2	24.2
Real property	1,684.8	1,798.7	1,834.8	1,707.0	1,737.3	883.0	441.2
1 year change	241.2	113.9	36.0	-127.8	-46.9	69.2	142.3
% change	16.7	6.8	2.0	-7.0	-2.6	8.5	47.6
General sales	1,011.6	945.8	916.6	974.9	1,039.6	291.7	101.2
1 year change	52.8	-65.8	-29.2	58.3	88.2	54.5	17.5
% change	5.5	-6.5	-3.1	6.4	9.3	23.0	20.9
Individual income	1,353.2	1,143.3	1,139.8	1,314.6	1,338.8	235.3	162.5
1 year change	40.1	-209.9	-3.6	174.9	99.9	-6.8	14.6
% change	3.1	-15.5	-0.3	15.3	8.1	-2.8	9.9
withholding	1,004.2	1,037.3	1,103.3	1,207.6	1,220.0	301.9	122.1
1 year change	29.5	33.1	65.9	104.3	47.1	-2.7	17.2
% change	3.0	3.3	6.4	9.5	4.0	-0.9	16.4
non-withholding	349.0	106.0	36.5	107.1	118.7	-66.7	40.4
1 year change	10.7	-243.0	-69.5	70.5	52.8	-4.2	-2.6
% change	3.2	-69.6	-65.6	193.2	80.1	6.7	-6.1
Corporate income	289.8	202.5	197.3	251.8	278.8	104.6	27.8
1 year change	39.1	-87.3	-5.2	54.6	62.4	26.8	8.3
% change	15.6	-30.1	-2.6	27.7	28.9	34.4	42.2
Unincorporated Bus.	128.9	122.4	120.7	143.0	153.0	39.9	33.6
1 year change	-37.5	-6.5	-1.7	22.3	35.7	0.7	-1.8
% change	-22.5	-5.0	-1.4	18.4	30.4	1.8	-5.1
Deed taxes*	323.2	187.4	225.6	314.1	309.0	45.9	10.4
1 year change	-118.8	-135.8	38.2	88.5	21.2	-56.0	-27.6
% change	-26.9	-42.0	20.4	39.2	7.4	-55.0	-72.6
Other taxes	550.7	592.8	554.0	610.2	627.5	145.7	36.2
1 year change	7.9	42.1	-38.8	56.2	47.6	-1.7	5.3
% change	1.5	7.6	-6.5	10.2	8.2	-1.2	17.2

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

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

(3) Data subject to accounting adjustments.

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

Source: OCFO/ORR

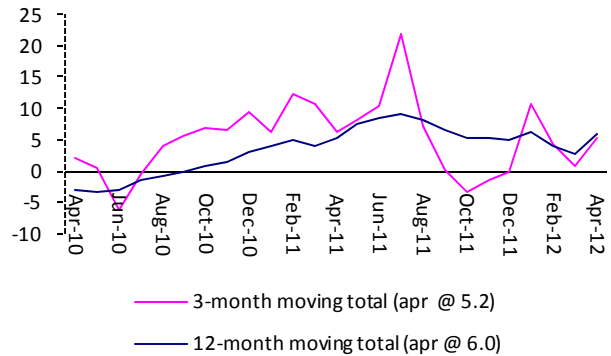
Tax collections gained significantly in April

● For the 12-month period ending April, tax collections (before earmarking) were \$308 million (6.0%) more than a year earlier. Collections grew at a 6.6% rate in FY 2011.

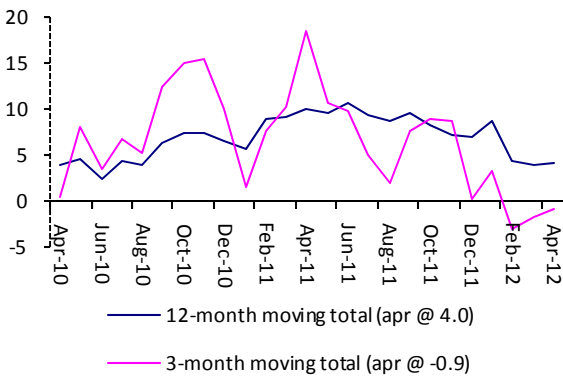
● In April the 3-month moving total for sales taxes was up 23.0% from last year, while withholding was down 0.9%. (These collection amounts may be influenced by timing of payment processing.)

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were down 28.0% from the prior year for the 3 months ending April.

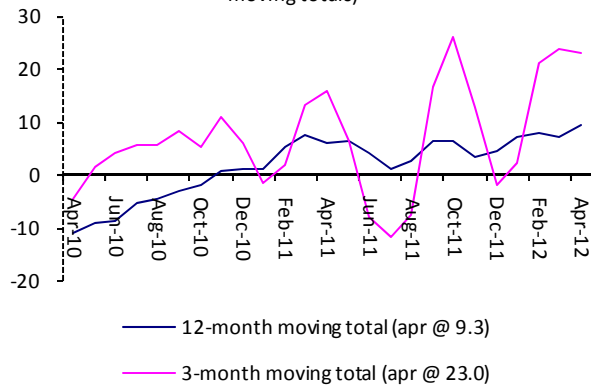
DC Tax Collections (before earmarking):
April 2010 to April 2012
(% change in 3-month and 12-month moving totals)



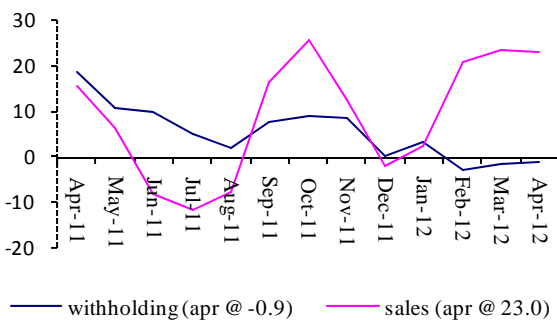
Withholding collections: April 2010 to April 2012
(% change from prior year in 3-month and 12-month moving totals)



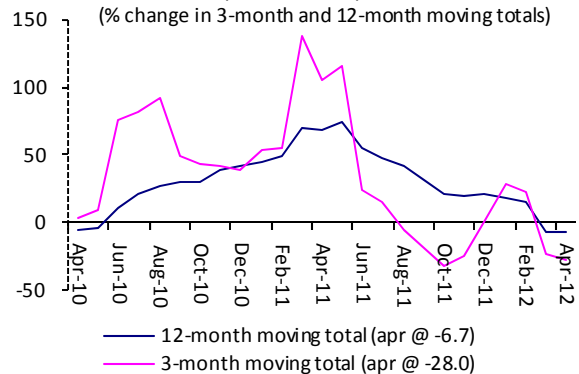
Sales tax collections: April 2010 to April 2012
(% change from prior year in 3-month and 12-month moving totals)



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



Payments to DC Recorder of Deeds for recordation, transfer, and economic interest taxes: April 2010 to April 2012
(% 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 May outlook for the US economy weakened slightly for FY 2013

- The May Blue Chip Indicators kept its FY 2012 forecast for real GDP at 2.1%, with an increase to 2.4% forecast for FY 2013.
- In May the Blue Chip Indicators kept its inflation outlook the same, but lowered its forecast for FY 2013 interest rates. The forecast is for an increase of 2.6% for the CPI in FY 2012, 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 April baseline forecasts show a higher range—from 11.2% to 15.3%. Their pessimistic forecasts diverge sharply: 12.4% growth for Economy.com and an 11.2% decline for Global Insight.

Table 24. Forecasts for US nominal and real GDP:

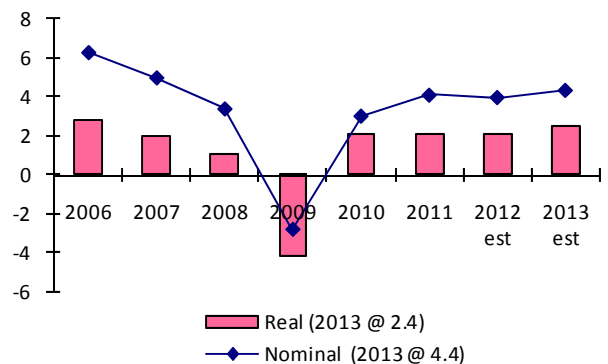
FY 2011 through FY 2013 (% change from prior fiscal year)

Forecast and date	real			nominal		
	2011	2012	2013	2011	2012	2013
Congressional Budget Office						
January 2011	2.5	3.2	2.9	3.6	4.4	4.5
August	2.5	2.5	2.0	4.0	3.8	3.0
January 2012	2.1	2.1	1.2	4.1	3.7	2.6
Blue Chip						
February	2.1	2.0	2.5	4.1	3.8	4.4
March	2.1	2.1	2.5	4.1	4.0	4.4
April	2.1	2.1	2.5	4.1	4.0	4.5
May	2.1	2.1	2.4	4.1	4.0	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: 2006 to 2013
(% change from the prior year; May 2012 estimate)



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

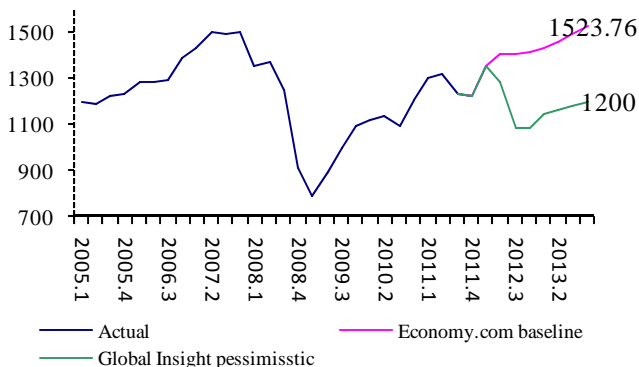


Table 25. Forecasts for S and P 500: 2011.4 to 2013.4

(% change from prior fiscal year)

Forecast date	% change from prior year			% change from prior year		
	2011.4	2012.4	2013.4	2011.4	2012.4	2013.4
Global Insight: baseline						
Jan	1.8	5.9	5.6	1.8	-12.8	6.4
Feb	1.8	7.3	5.8	1.8	-14.3	9.9
Mar	1.8	8.8	5.7	1.8	-13.1	9.8
Apr	1.8	11.2	6.2	1.8	-11.2	10.3
Economy.com baseline						
Jan	3.3	8.3	8.2	3.3	-11.3	25.6
Feb	1.8	10.3	8.8	1.8	7.6	9.8
Mar	1.8	11.6	9.1	1.8	8.7	10.1
Apr	1.8	15.3	7.8	1.8	12.4	8.8

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
Feb	2.6	2.4	1.5	3.0	2.1	2.8
Mar	2.6	2.6	1.6	3.0	2.1	2.7
Apr	2.6	2.6	1.6	3.0	2.2	2.8
May	2.6	2.6	1.6	3.0	2.2	2.7

Source: Blue Chip Indicators

April forecasts from Global Insight and Economy.com were generally more pessimistic, especially regarding wages

●**Employment:** forecasts for FY 2012 were decreased. The range of job changes are from 10,257 to 13,354 in FY 2012, and -2,577 to 6,692 in FY 2013.

●**Unemployment:** Little change in the unemployment rate forecasts. The FY 2012 range from the two forecasting services is from 9.9% to 10.2%, still well above the US average.

●**Wages earned in DC:** Both forecasts significantly cut growth in FY 2012. The ranges: 2.9% to 3.7% in FY 2012; 2.1% to 5.3% in FY 2013.

●**Wages earned by DC residents:** Both forecasts also significantly cut estimates for FY 2012. Growth rates range from 3.7% to 5.4% in FY 2012, and from 2.5% to 6.6% in FY 2013.

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

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
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
Feb	4,859	7,584	7,273	4,858	6,145	907	4,858	5,043	-6	4,858	2,028	-6,329
Mar	14,667	16,024	7,282	14,667	14,827	2,691	14,667	16,124	5,653	14,667	13,259	-514
Apr	14,667	13,354	6,692	14,667	12,656	2,092	14,667	12,711	4,116	14,667	10,257	-2,577

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
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
Feb	10.0	10.3	9.7	10.0	10.4	10.5	10.0	10.1	9.6	10.0	10.8	11.4
Mar	10.2	9.9	9.2	10.2	9.9	9.8	10.2	10.2	9.6	10.2	10.2	10.3
Apr	10.2	9.9	9.2	10.2	9.9	9.8	10.2	10.2	9.7	10.2	10.2	10.3

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
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
Feb	3.4	4.1	3.9	3.4	3.7	2.1	3.4	3.9	4.7	3.4	3.0	2.8
Mar	3.7	5.3	3.8	3.7	5.0	2.4	3.4	5.0	5.2	3.4	4.1	3.5
Apr	4.0	3.5	3.6	4.0	3.2	2.1	4.0	3.7	5.3	4.0	2.9	3.5

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
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
Feb	3.8	6.5	5.2	3.8	5.3	2.6	3.8	7.8	5.3	3.8	7.2	4.1
Mar	4.4	9.4	5.1	4.4	8.9	3.3	3.8	8.4	6.6	3.8	7.8	5.4
Apr	4.4	4.1	4.4	4.4	3.7	2.5	4.4	5.4	6.6	4.4	4.9	5.2

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 February revenue forecast: tax revenue growth (before earmarks) of \$291 million (5.5%) in FY 2012, with less growth in FY 2013 due to effects of anticipated federal cutbacks

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

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

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

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

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

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

Source: ORA February 2012 revenue estimate

Table 33. DC Income and stock market assumptions: FY 2011 to FY 2013 (change from prior year)

item	2011	2012	2013
Wages and salaries earned in DC	3.4	3.1	0.7
Wages and salaries earned by DC residents	3.8	4.5	2.6
DC Personal income	5.9	3.3	2.1
S and P 500 stock index	1.8	0.0	3.9

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

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

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

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

DC taxes on real property, continued from p. 1

In the decade from FY 1990 to FY 2000, real property-related revenues unadjusted for inflation actually declined by 2.0%. From FY 2000 to FY 2010, however, real property-related revenues rose by 186%, accounting for 70.5% of the increase in all DC tax revenue for the decade. (The increase in the decade after FY 2000 occurred despite cuts to effective real property tax rates enacted during this period.)

The decade of the 1990's reflected the decline in the District's economic fortunes after the US recession and subsequent federal government cutbacks in the first half of the 1990's. The decade after FY 2000 reflected the strong DC and US economic performance in the run-up to the US recession that began in December 2007 (the first quarter of FY 2008). Although DC real estate was greatly affected by the recession, the length of time it took to work through the assessment process (two years) meant that it wasn't until FY 2011 that real-estate related tax revenues actually fell.

tax	Amount (\$ million)			Change (\$ million)		Change (%)	
	1990	2000	2010	1990 -2000	2000-2010	1990 -2000	2000-2010
Real property	665	611	1,821	-54	1,211	-8.1	198.2
Deed taxes	66	106	226	39	120	59.0	113.6
subtotal	731	717	2,047	-15	1,331	-2.0	185.7
All other taxes	1,548	2,400	2,958	852	558	55.0	23.3
Total	2,279	3,116	5,005	837	1,889	36.7	60.6

Source: Office of Revenue Analysis

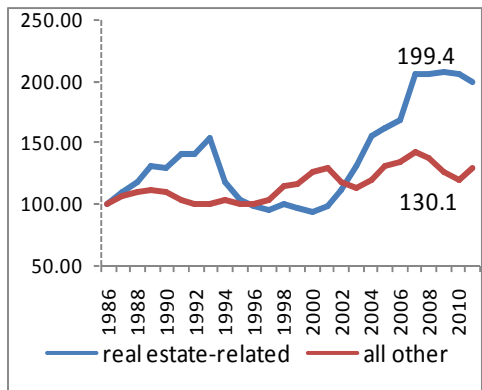
The trend in revenues related to real property values and transactions reflects changes in tax rates and in the underlying economics of the tax bases to which rates are applied. Next month's Trend report will look at some of these factors.

—Stephen Swaim, ORA

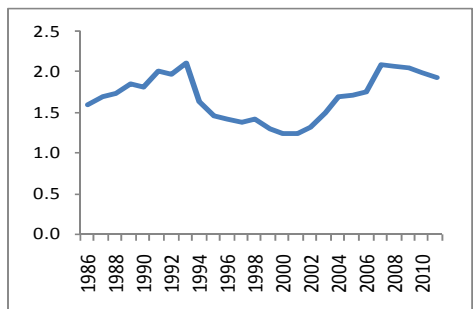
FY	Amount of tax (\$ million)			% ch from prior yr.	All DC taxes (\$ million)	real estate % of total	real estate-related taxes (\$2010 M)
	Real property	Deed	subtotal				
1986	437	45	482		1,685	28.6	991
1987	480	63	544	12.8	1,874	29.0	1,087
1988	544	62	607	11.5	2,022	30.0	1,169
1989	638	65	704	16.0	2,205	31.9	1,300
1990	665	66	731	3.9	2,279	32.1	1,286
1991	802	40	842	15.2	2,372	35.5	1,408
1992	821	38	859	2.0	2,384	36.0	1,398
1993	928	43	971	13.0	2,558	38.0	1,528
1994	731	46	776	-20.0	2,470	31.4	1,181
1995	654	45	699	-10.0	2,391	29.2	1,029
1996	624	60	684	-2.1	2,434	28.1	975
1997	618	68	686	0.2	2,522	27.2	953
1998	617	108	725	5.7	2,808	25.8	989
1999	598	121	719	-0.8	2,880	25.0	962
2000	611	106	717	-0.3	3,116	23.0	934
2001	633	140	773	7.9	3,294	23.5	978
2002	726	157	883	14.3	3,229	27.4	1,103
2003	823	243	1,066	20.7	3,384	31.5	1,298
2004	948	353	1,301	22.0	3,805	34.2	1,545
2005	1,061	348	1,408	8.3	4,249	33.1	1,618
2006	1,154	360	1,514	7.5	4,516	33.5	1,676
2007	1,449	444	1,893	25.0	5,155	36.7	2,044
2008	1,673	323	1,996	5.5	5,325	37.5	2,052
2009	1,823	187	2,010	0.7	5,052	39.8	2,059
2010	1,821	226	2,047	1.8	5,005	40.9	2,047
2011	1,715	311	2,026	-1.0	5,325	38.0	1,977

Source: Office of Revenue Analysis

Inflation-adjusted real estate-related and all other dc tax revenue: FY 1986 to FY 2011 (index numbers: 1986 = 100)



Real estate-related tax revenues as percent of DC Gross State Product: FY 1986 to FY 2011



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 2012 to 2016. February 29, 2012. Transmittal letter and accompanying tables.

FY 2013 Proposed Budget and Financial Plan. March 23, 2012. The revenue chapter (Chapter 4 of Volume one, the Executive Summary) presents the revenue estimates for the budget. The chapter includes details about specific DC taxes and other revenue sources and about all proposed policy changes affecting revenues.

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

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.

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 May report has mostly March and April 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	March	May 18
D.C. Personal Income	BEA	2011.4	June 27
D.C. Tax Collections	OTR/ORA	April	June 15
D.C. Housing Sales	MRIS*	April	c June 10
D.C. Commercial Office Building data	Delta Associates	2012.1	c July 10
DC Apartment data	Reis, inc	4-Jul	c August 1
D.C. Hotel stay information	Smith Travel Research	March	c. May 30
Consumer Price Index	BLS	April	June 14
U.S. Jobs and Labor Force	BLS	March and April	June 1
U.S. GDP and Personal Income	BEA	2012.1	May 31
S and P 500 Stock Index	Financial press	April	June 1
Interest rate on 10-Year Treasury Securities	Financial press	April	June1
IHS Global Insight D.C. forecast	Global Insight	April	c. May 25
Moody's Economy.com D.C. forecast	Economy.com	April	c. May 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	May	June 10

*Metropolitan Regional Information Systems; listings and contract data accessed through the Greater Capital Area Association of Realtors.

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov See also the *Economic Indicators* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov).

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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