

**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: *October 2011*

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Medicaid enrollment in the District of Columbia increased rapidly during the recession

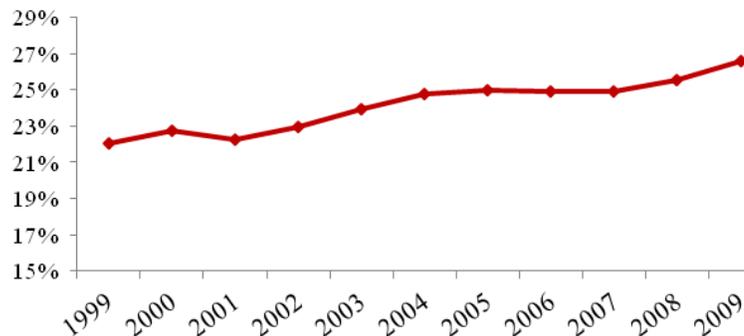
Medicaid is a Federally and locally funded program that provides health coverage to some low-income DC residents. Medicaid covers families with children and pregnant women, medically needy individuals, the elderly, and people with disabilities, if state and federal guidelines are met.

In 2009, 162,916 District residents were enrolled in Medicaid, equivalent to 27.2 percent of the city’s total population. For the same year, 20 percent of the total population in the US was enrolled in Medicaid, 14 percent in Maryland, and 11 percent in Virginia.

DC’s high enrollment rate reflects the socio-economic characteristics of the city—in 2009, 18.4 percent of the population was living under the poverty line in the District, compared to 14.3 percent in the US, 9.1 percent in Maryland, and 10.5 percent in Virginia. The differences are starker among people 18-or-under (children are the largest recipients of Medicaid Services in the District): 33.4 percent of people younger than 18 years-old are below poverty levels in the District, compared to 22.0 percent in the entire nation, 14.0 percent in Maryland, and 12.8 percent in Virginia.

Medicaid enrollment increased rapidly in DC during the recession – in the first month of 2007, 146,347 District residents were enrolled in Medicaid (or 24.9 percent of the total population), down from the previous all-time-high of 147,225 at the end of 2005 (or 25 percent of the total population). By the end of 2009, Medicaid enrollment increased by 16,569, or 11.3 percent. During this period, the District’s population increased by only 11,789 (or 2 percent.) *(Continued on page 17)*

Share of population enrolled in Medicaid, District of Columbia



Sources: D.C. Department of Healthcare Finance and U.S. Census Bureau

Wage and salary employment

DC employment in August was about the same as a year earlier

● August wage and salary employment in DC was down by 1,900 (-0.3%) from a year earlier as measured by the 3-month moving average. Although this is the third decline in a row, most of the decline is in local government.

● Federal government employment for August was up by 467 (0.2%). Private sector jobs were up by 600 (0.1%).

● Total year-over-year DC metropolitan area employment declined by 3,400 (0.1%) in August as measured by the 3-month moving average.

● Suburban Washington employment was also down by 0.1% in August from a year earlier.

● Seasonally adjusted wage and salary employment in DC decreased 12,500 in August (-1.8%) from July, bringing it back to about where it was a year ago.

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

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

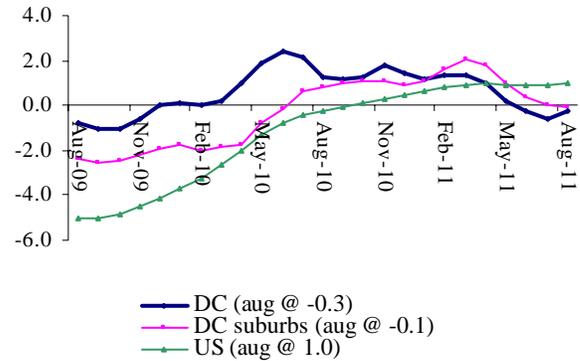


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: August 2011

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	712,433	714,833	708,500
1 year change	11,067	-1,033	6,667	5,292	-1,900	3,100
% change	1.6	-0.1	1.0	0.7	-0.3	0.4
Washington metro area	3,005,692	2,966,558	2,956,700	2,978,608	2,986,567	2,967,800
1 year change	21,575	-39,133	-9,858	25,433	-3,400	100
% change	0.7	-1.3	-0.3	0.9	-0.1	0.0
Washington suburbs (% ch)	0.5	-1.7	-0.7	0.9	-0.1	-0.1
US (% ch)	0.1	-3.8	-1.9	0.7	1.0	1.0

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

Table 2. Federal government and private sector wage and salary employment in DC: August 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	210,833	212,500	212,400
1 year change	1,825	5,283	9,708	3,742	467	1,600
% change	1.0	2.7	4.9	1.8	0.2	0.8
Private sector	468,458	463,050	463,858	466,008	464,700	463,400
1 year change	7,475	-5,408	808	2,892	600	2,400
% change	1.6	-1.2	0.2	0.6	0.1	0.5

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

Table 3. Seasonally adjusted DC Employment: February 2011 to August 2011

Indicator	Feb	Mar	Apr	May	Jun	Jul	Aug
D.C. Wage and Salary employment	714,700	713,600	715,300	712,500	712,100	714,100	701,600
change from prior month	-700	-1,100	1,700	-2,800	-400	2,000	-12,500
% change from prior month	-0.1	-0.2	0.2	-0.4	-0.1	0.3	-1.8

Source: BLS seasonally adjusted. August is preliminary

Sectors of the economy

Education increased more in August than any other part of DC's private sector

- In August education led private sector growth with a 1,333 (3.1%) gain over the previous year as measured by 3-month moving averages.
- Other private industries showing significant gains over the year include temporary employment (1,033), legal services (867), and other business services (433).
- Industry sectors losing jobs include retail trade (-1,400), personal services (-933), organizations (-567), food service (-400), and accommodations (-400).
- Local government declined by 2,967, in part due to the impact of the scope and timing of the summer job program.

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

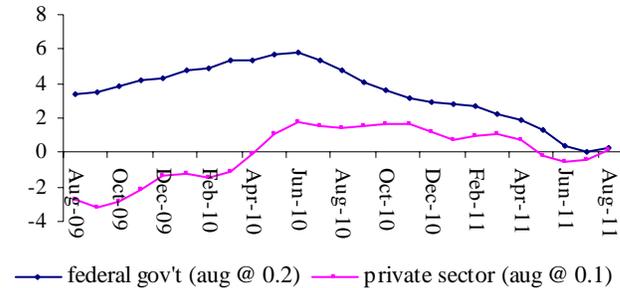


Table 4. Wage and salary employment located in DC: August 2011

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Aug 2011	DC share (%) in Aug 2011 of all sector jobs in:		Change from Aug 2010 to Aug 2011 in DC share of sector jobs in:	
	Aug 2010	Aug 2011	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	212,033	212,500	467	0.2	1.8	29.7	55.8	7.47	0.72	0.57
Local government	40,600	37,633	-2,967	-7.3	-3.6	5.3	12.5	0.21	-0.91	-0.01
Legal services	32,867	33,733	867	2.6	0.1	4.7	na	3.01	na	0.08
Other Professional and technical	69,600	69,667	67	0.1	1.6	9.7	21.9	1.07	-0.02	-0.04
Employment services	12,567	13,600	1,033	8.2	12.6	1.9	34.5	0.47	1.62	0.01
Other Business services	34,800	35,233	433	1.2	-0.6	4.9	18.8	0.52	-0.15	0.00
Information	18,700	18,633	-67	-0.4	0.6	2.6	24.2	0.70	0.35	0.01
Finance	26,633	26,933	300	1.1	-2.3	3.8	17.9	0.35	-0.08	0.00
Organizations	58,333	57,767	-567	-1.0	-1.2	8.1	35.6	1.89	0.02	-0.05
Education	43,133	44,467	1,333	3.1	4.3	6.2	37.0	1.17	-12.90	-0.32
Health	60,367	60,567	200	0.3	1.3	8.5	23.0	0.36	0.26	-0.01
Food service	37,867	37,467	-400	-1.1	0.0	5.2	19.9	0.01	-0.35	-0.38
Accommodations	15,400	15,000	-400	-2.6	-2.5	2.1	38.5	0.77	0.34	-0.04
Amusement and recreation	7,067	7,200	133	1.9	2.4	1.0	15.6	0.33	-0.23	0.01
Retail trade	18,433	17,033	-1,400	-7.6	-4.0	2.4	6.6	0.12	-0.57	-0.01
Wholesale trade	4,733	4,633	-100	-2.1	0.2	0.6	7.2	0.08	-0.14	0.00
Construction	10,967	11,100	133	1.2	1.2	1.6	8.0	0.19	0.45	0.00
Personal and miscellaneous ser.	7,133	6,200	-933	-13.1	-3.7	0.9	na	0.25	na	-0.04
Other private	5,500	5,467	-33	-0.6	-1.2	0.8	5.0	0.03	0.11	0.00
Total	716,733	714,833	-1,900	-0.3	0.7	100.0	23.9	0.54	-0.04	-0.01
Public sector	252,633	250,133	-2,500	-1.0	1.0	35.0	36.7	1.18	-0.05	0.02
Private sector	464,100	464,700	600	0.1	0.6	65.0	20.2	0.42	0.00	-0.01
Professional and all business	195,167	197,800	2,633	1.3	1.0	27.7	21.4	0.88	0.04	-0.01
Education, health, and orgs.	161,833	162,800	967	0.6	1.3	22.8	30.4	0.53	0.17	0.00
Hospitality and trade	83,500	81,333	-2,167	-2.6	-1.1	11.4	13.7	0.24	-0.42	-0.01
Other private sector	23,600	22,767	-833	-3.5	-0.9	3.2	9.1	0.09	0.02	0.00

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

Resident employment

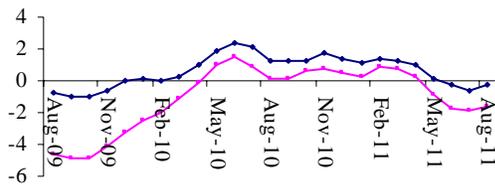
DC resident employment continued to decline

- In August DC resident employment declined 5,105 (-1.7%) from a year earlier as measured by the 3-mo. moving avg.
- DC's labor force declined 1,149 (-0.3%) in August compared to a year earlier.
- In August the unemployment rate (seasonally adjusted) increased to 11.1%. The last time it was this high was July 1983, 28 years ago.
- Seasonally adjusted employment declined 0.5% from July.
- Initial unemployment insurance claims were up 10.1%.

Jobs located in DC and DC resident employment:

August 2009 to August 2011

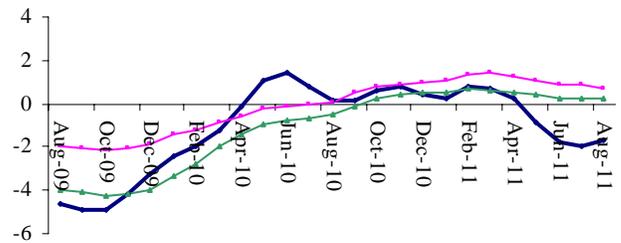
(% change from prior yr. in 3-mo. moving avg.)



— jobs in DC (aug @ -0.3) — DC res. jobs (aug @ -1.7)

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

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



— DC (aug @ -1.7) — DC suburbs (aug @ 0.7) — US (aug @ 0.2)

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

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Aug 2010	Aug 2011	Aug 2010	Aug 2011
US	9.5	9.1	9.6	9.1
DC metro area	6.1	6.1	na	na
DC	9.8	10.9	9.8	11.1
DC suburbs	5.7	5.5	na	na

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

Table 6. Resident employment and unemployment: August 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	299,252	298,538	297,495
1 year change	5,054	-11,766	-2,193	-770	-5,105	-2,318
% change	1.6	-3.7	-0.7	-0.3	-1.7	-0.8
Labor Force	334,303	332,138	334,068	332,865	336,579	333,715
1 year change	7,283	-2,165	1,929	-1,128	-1,149	1,216
% change	2.2	-0.6	0.6	-0.3	-0.3	0.4
Unemployed	20,013	29,614	33,736	33,614	38,042	36,220
1 year change	2,229	9,600	4,122	-359	3,956	3,534
% change	12.5	48.0	13.9	-1.1	11.6	10.8
Unemployment rate	6.0	8.9	10.1	10.1	11.3	10.9
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,515	2,203	1,799	2,077	2,160	2,043
1 year change	213	688	-404	259	197	81
% change	16.4	45.4	-18.3	14.3	10.1	4.1
Weeks compensated (mo. avg.)	34,738	54,474	53,592	46,832	48,339	53,238
1 year change	8,170	19,736	-881	-8,751	-3,623	-3,198
% change	30.8	56.8	-1.6	-15.7	-7.0	-5.7

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: February 2011 to August 2011

Indicator	Feb	Mar	Apr	May	Jun	Jul	Aug
DC Resident employment	302,678	302,566	302,547	301,770	298,171	295,315	293,710
change from prior month	2,107	-112	-19	-777	-3,599	-2,856	-1,605
% change from prior month	0.7	0.0	0.0	-0.3	-1.2	-1.0	-0.5
DC Unemployment rate (%)	9.5	9.5	9.6	9.8	10.4	10.8	11.1

Source: BLS seasonally adjusted. August is preliminary.

Wages and income

June data shows wages earned by DC residents grew faster than those earned in DC

•Wages earned in the District of Columbia were 2.4% higher in the June quarter compared to the same quarter of 2010.

•In the June quarter, estimated wages of DC residents grew 3.4%, and DC Personal Income grew 5.3%.

•In the June quarter, the private sector accounted for \$1.20 billion (87%) of the increase in wages earned in DC. This was the 6th quarter in a row in which private sector wages were greater than in the same quarter a year earlier.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2008.2 to 2011.2
(% change from the same quarter of the prior year)

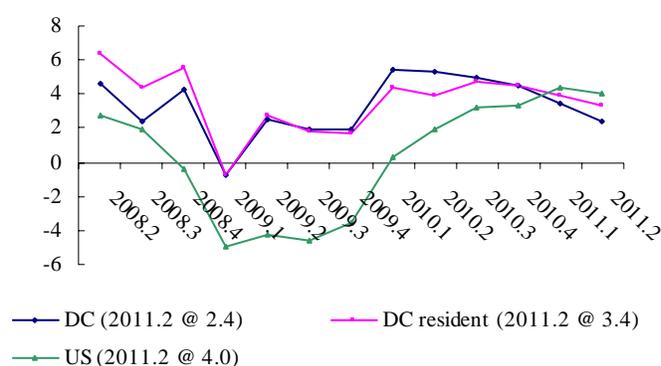


Table 8. DC Wages and Personal Income: June 2011
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2008	FY 2009	FY 2010	4-quarter moving average	Latest quarter (Jun)
Wages and salaries earned in DC	54.28	55.35	57.80	59.28	60.02
1 year change	2.48	1.07	2.45	2.17	1.38
% change	4.8	2.0	4.4	3.8	2.4
Supplements to wages & salaries	15.34	16.23	17.08	17.42	17.57
% change	5.2	5.8	5.2	3.2	1.3
Proprietors' income earned by DC residents*	5.72	5.33	5.40	5.90	6.02
% change	15.7	-6.9	1.4	13.0	7.9
Wages and salaries of DC residents***	20.64	21.12	21.90	22.55	22.90
change from one year ago	1.29	0.48	0.78	0.90	0.75
% change	6.7	2.3	3.7	4.1	3.4
Income earned by DC residents	29.4	29.7	30.7	32.1	32.8
% change	8.2	1.0	3.5	6.1	4.9
Property income of DC residents	6.71	5.92	5.58	5.83	6.03
% change	17.0	-11.7	-5.8	5.8	6.0
Pensions and other transfer payments of DC res.	4.24	4.69	5.28	5.62	5.70
% change	8.5	10.7	12.5	9.5	6.5
DC Personal Income**	40.35	40.32	41.60	43.56	44.48
1 year change	3.53	-0.03	1.27	2.66	2.23
% change	9.6	-0.1	3.2	6.5	5.3
US Personal income	5.6	-3.1	1.5	5.4	5.4
US Wages and salaries	3.5	-3.5	0.5	3.7	4.0
<i>Addendum: Change from prior year in wages earned in DC by sector</i>					
Private sector (1 yr ch, \$B)	1.55	-0.18	0.50	1.25	1.20
Federal government (1 yr ch, \$B)	0.88	1.05	1.89	0.96	0.30
DC res. wages as % of wages earned in DC	38.0	38.2	37.9	38.0	38.2

* 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 June were released September 22, 2011

Single family and condominium home sales

In September, both the number of all home sales and their total value of sales rose

- The September 3-month moving total of single family home sales was up 1% from a year earlier, and the average selling price was 11.4% higher.
- September condominium sales were 7.0% above a year earlier as measured by the 3-month moving total; average selling prices were 3.5% lower.
- The total value of all home sales in September was 9.4% more than a year earlier as measured by the 3-month moving total.
- September median prices (CY to date) were up 11.1% for single family units, but down 1.8% for condominiums.
- The September ratio of single family inventory to sales (3.2) was considerably lower than for condos (4.6). (3-mo. moving average).

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

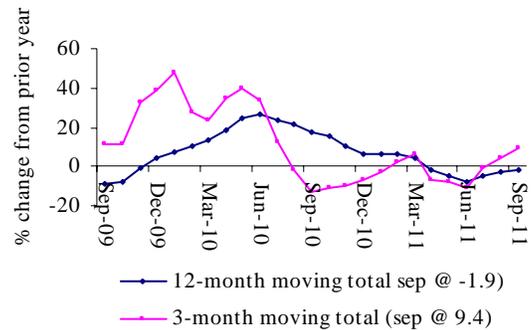


Table 9. D.C. Residential Real Estate Indicators: September 2011

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 (settled contracts)							
Single family	3,756	3,022	3,259	4,084	3,800	973	297
1 year change	-751	-734	237	825	-284	10	-6
% change	-16.7	-19.5	7.8	25.3	-7.0	1.0	-2.0
Condo	3,838	2,796	2,590	2,884	2,469	689	213
1 year change	251	-1,042	-206	294	-415	45	15
% change	7.0	-27.1	-7.4	11.4	-14.4	7.0	7.6
Total	7,594	5,818	5,849	6,968	6,269	1,662	510
1 year change	-500	-1,776	31	1,119	-699	55	9
% change	-6.2	-23.4	0.5	19.1	-10.0	3.4	1.8
Average prices of units that sold							
Single family (\$)	657,887	667,367	597,269	538,395	601,026	621,209	538,604
1 year change	-8,480	9,480	-70,098	-58,874	62,631	63,788	8,460
% change	-1.3	1.4	-10.5	-9.9	11.6	11.4	1.6
Condo (\$)	405,431	412,234	359,952	414,030	423,365	416,350	388,305
1 year change	-15,931	6,803	-52,283	54,078	9,336	-15,119	-14,647
% change	-3.8	1.7	-12.7	15.0	2.3	-3.5	-3.6
Total value of all sales (\$ million)	4,027.1	3,169.4	2,878.8	3,392.9	3,329.2	891.3	242.7
1 year change	-487.7	-857.7	-290.6	514.1	-63.7	76.6	2.3
% change	-10.8	-21.3	-9.2	17.9	-1.9	9.4	0.9
Ratio: active inventory to sales							
Single family	4.1	6.0	5.2	3.4	3.3	3.2	3.7
Condo	3.9	5.7	5.7	4.6	4.9	4.6	5.2
Foreclosure actions*							
1 year change	273	2,890	-399	-161	-1,819	-613	-172
% change	229.4	737.2	-12.2	-5.6	-66.5	-89.9	-88.2

Median contract prices, CY to date in September 2011: single family \$455,000 (11.1% 1 yr ch); condo \$362,000 (-1.8% 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.

*Scheduled for auction plus real estate owned by financial institutions. Data is for August.

Source: (1) Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data 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 higher priced single family homes increased

- Sales of single family units at prices above \$1 million were up 12.3% from a year ago as measured by the 3-month moving total.
- In June the quarterly FHFA house price index for DC rose 2.0% over a year ago. For the US, there was a 4.5% decline.
- In the June quarter, occupied apartment units rose 1,709 (2.1%) and rents rose 2.7% from a year earlier.

**FHFA housing transaction index for DC and the US:
2003.2 to 2011.2**

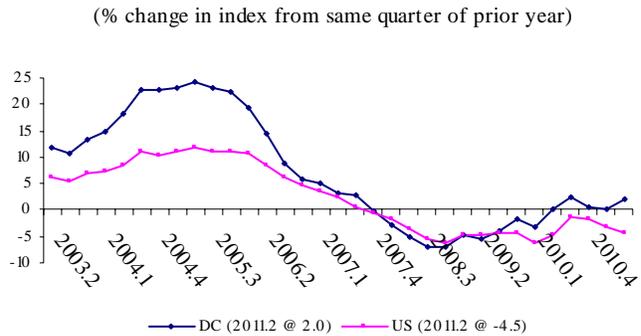


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: September 2011

Category	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total	3-mo moving total	This month
Single family homes	453	435	333	418	489	120	25
1 year change	-107	-18	-102	85	71	14	-4
% change	-19.1	-4.0	-23.4	25.5	17.0	13.2	-13.8
percent of all single family sales	12.1	14.4	10.2	10.2	12.9	12.3	8.4
Condominiums	105	77	62	89	87	26	5
1 year change	8	-28	-15	27	-2	-2	-1
% change	8.2	-26.7	-19.5	43.5	-2.2	-7.1	-16.7
percent of all condominium sales	2.7	2.8	2.4	3.1	3.5	3.8	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: June 2011

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2010.2	2010.3	2010.4	2011.1	2011.2
% change from prior year in value of index									
DC	4.2	-3.7	-5.3	-0.5	0.3	2.6	0.7	0.3	2.0
US	2.8	-2.9	-5.0	-4.2	-4.7	-1.3	-1.6	-3.2	-4.5
<i>Addendum: % change from prior year in the average price of settled sales contracts for single family homes</i>									
Average DC sales price	-1.3	1.4	-10.9	-9.9	-0.9	-15.9	16.5	10.9	8.8

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: June 30, 2011

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (June 2011)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,704	333	0.4
1 year change	262	1,241	1,663	880	734		
% change	0.3	1.5	1.9	1.0	0.8		
Occupied units	80,819	81,521	81,964	82,965	84,017	332	0.4
1 year change	175	702	443	1,001	1,709		
% change	0.2	0.9	0.5	1.2	2.1		
Vacant units	3,367	3,906	5,126	5,005	4,687	1	0.0
1 year change	87	539	1,220	-121	-975		
% change	2.7	16.0	31.2	-2.4	-17.2		
% of inventory	4.0	4.6	5.9	5.7	5.3		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,414	\$7	0.5
% change from 1 year	8.1	4.0	0.1	2.8	2.7		

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

Commercial office space

Vacancy rate rose slightly in September

●For the quarter ending September, the vacancy rate for DC commercial office space rose: to 7.8% (without sublet space), and to 8.7% (with sublet space). (In June the rates were 7.5% and 8.6%, respectively.)

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

●Occupied space increased in the September quarter by 1.95 million square feet (1.6%) from a year earlier.

●Space under construction decreased slightly in the last quarter, but is up 12.7% from a year ago.

●In the June quarter, average effective rents for leases of class A commercial office space were down 2.2% from a year earlier.

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

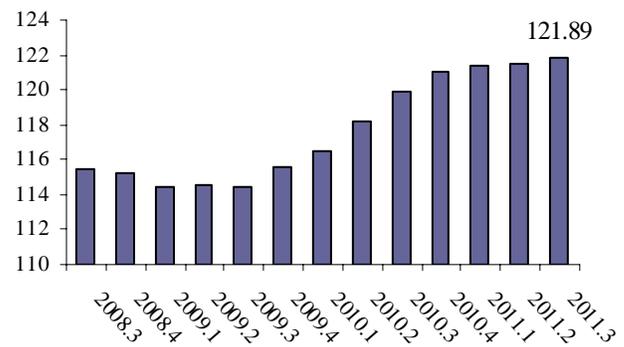


Table 13. Commercial office space in DC: September 30, 2011

(In millions of square feet, unless noted otherwise)

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

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

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

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

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

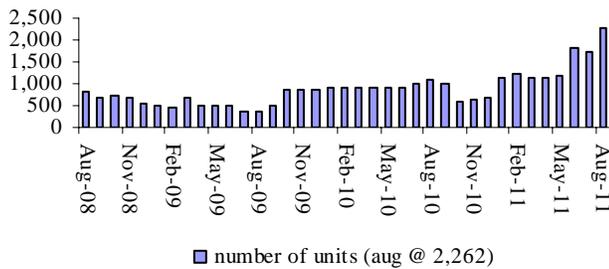
Housing permits, office and apartment outlook, and value of property transfers

Housing permits are up sharply, while the value of property transfers has slowed

● In August building permits for 1,292 housing units were issued in DC as measured by the 3-month moving total, a 493% increase from last year.

● Delta Associates expects DC's office vacancy rate (including sublet) to fall (to 8.6%) over the next two years as new demand balances additional supply.

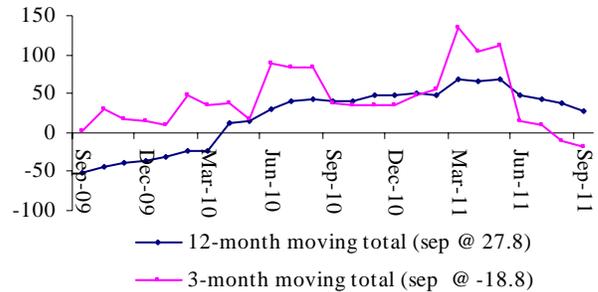
Housing permits issued in DC: August 2008 to August 2011
(12-month moving total)



Value of real property transfers (including transfers of economic interest):

September 2009 to September 2011

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



● Reis expects 3,256 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,538.

● The value of September property transfers was down 18.8% from last year as measured by the 3-month moving total. The 12-month moving total was 27.8% greater.

Table 15. Housing unit building permits issued in DC: August 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	2,262	1,292	656
change from 1 year ago	-211	-1,506	-191	487	1,173	1,074	539
% change from 1 year	-8.8	-68.6	-27.7	97.6	107.7	492.7	460.7

Source: Census Bureau (permits issued during period).

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

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

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2006 to 2015

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011 est	89,317	957	4.8	85,030	1,553
2012 est	91,616	2,299	3.9	88,015	2,985
2013 est	93,470	1,854	3.4	90,266	2,251
2014 est	94,636	1,166	2.9	91,899	1,633
2015 est	96,172	1,536	3.3	92,963	1,064

Source: Reis (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: September 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	10,117.9	2,115.6	680.6
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	2,203.6	-491.2	-388.6
% change from 1 year ago	10.5	-22.3	-51.5	41.5	27.8	-18.8	-36.3

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

Hotel stays declined slightly in August

● In August the 3-month moving total for hotel room-days sold was 0.1% lower than a year earlier; the average room rate was 2.2% higher, leading to a 2.2% gain in room revenue.

● Employment in food services was 1.1% less in August than a year earlier as measured by the 3-month moving average; hotel and retail employment declined 2.6% and 7.6%, respectively.

● In August, airline traffic into the DC area was down -0.2% from a year earlier as measured by the 3-month moving total. Reagan National Airport's gain was 3.4%.

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

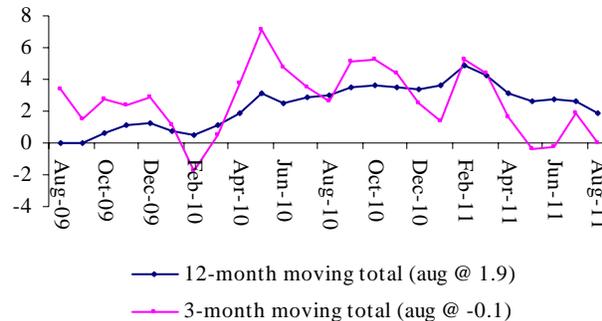


Table 19. **Hospitality Industry: August 2011**

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)	aug	7.125	7.123	7.370	7.468	2.046	0.626
	1 yr ch		0.044	-0.003	0.248	0.142	-0.001	-0.018
	1 yr % ch		0.6	0.0	3.5	1.9	-0.1	-2.8
Average room rate	\$	aug	208.99	203.16	199.12	205.69	187.31	159.74
	1 yr ch		10.55	-5.83	-4.05	7.98	4.11	1.91
	1 yr % ch		5.3	-2.8	-2.0	4.0	2.2	1.2
Occupancy rate (average)	%	aug	74.2	73.1	73.8	74.4	80.5	73.1
	1 yr ch		0.6	-1.1	0.7	1.1	-0.9	-3.1
	1 yr % ch		0.9	-1.5	0.9	1.5	-1.1	-4.1
Room revenue	(\$M)	aug	1,489.1	1,447.0	1,467.5	1536.1	383.2	100.0
	1 yr ch		83.8	-42.0	20.5	87.6	8.2	-1.7
	1 yr % ch		6.0	-2.8	1.4	6.0	2.2	-1.6
Airline passengers								
DCA	1 yr % ch	aug	-3.2	-2.9	0.5	6.5	3.4	0.8
IAD	1 yr % ch	aug	-2.3	-4.4	1.2	1.1	-3.4	-4.7
BWI	1 yr % ch	aug	0.0	-3.3	4.6	4.4	0.3	-2.7
Total	1 yr % ch	aug	-1.8	-3.6	2.1	3.8	-0.2	-2.5
Convention Center Transfer								
	\$ M	sep	91.5	90.4	94.1	96.0	24.1	7.7
	1 yr ch		8.2	-1.0	3.7	1.9	-1.4	0.6
	1 yr % ch		9.8	-1.1	4.0	2.1	-5.5	9.1
Employment								
Accommodations	level ('000)	aug	15.2	15.0	15.3	14.9	15.0	14.8
	1 yr ch		-0.3	-0.2	0.3	-0.4	-0.4	-0.3
	1 yr % ch		-2.2	-1.2	1.9	-2.5	-2.6	-2.0
Food and bev	level ('000)	aug	35.4	35.9	37.1	37.0	37.5	37.4
	1 yr ch		2.0	0.5	1.2	0.0	-0.4	0.2
	1 yr % ch		5.8	1.4	3.3	0.0	-1.1	0.5
Arts and entertain.	level ('000)	aug	6.9	7.1	6.9	7.1	7.2	7.2
	1 yr ch		0.9	0.2	-0.1	0.2	0.1	0.2
	1 yr % ch		14.8	2.7	-2.0	2.4	1.9	2.9
Retail	level ('000)	aug	18.4	17.8	18.3	17.6	17.0	16.8
	1 yr ch		0.3	-0.6	0.5	-0.7	-1.4	-1.5
	1 yr % ch		1.6	-3.5	3.0	-4.0	-7.6	-8.2

* 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; September collections are based on August sales data)

In September, there was modest improvement in national employment, but unemployment was unchanged

- June was the 8th consecutive quarter of real GDP growth, but the rate was a relatively weak 1.3% (annual rate).
- US employment (seasonally adjusted) increased by 103,000 in September.
- The US unemployment rate (seasonally adjusted) stayed at 9.1% in September
- In September the S and P 500 index lost 1.0% from August
- In September the CPI was 3.9% greater than a year earlier (seasonally adjusted).

Quarterly change in US Real and Nominal GDP:

2008.2 to 2011.2

(% change from the previous quarter at annual rates)

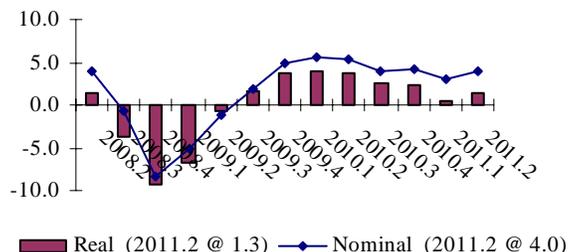


Table 20. US GDP, income, corporate profits, and inflation: 2011.2 and September 2011

(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	2011.2	Sep 2011
US GDP real	2011.2 1 yr % ch	2.0	1.1	-4.2	2.1	2.6	1.6	
US GDP nominal	2011.2 1 yr % ch	5.0	3.4	-2.8	3.0	4.4	3.8	
US Personal income	2011.2 1 yr % ch	6.1	5.6	-3.1	1.5	4.8	5.8	
US wages	2011.2 1 yr % ch	6.2	3.4	-3.5	0.5	3.2	4.4	
Corporate profits	2011.2 1 yr % ch	-3.2	-11.2	-11.6	42.6	15.1	8.5	
S and P stock index	sep 1 yr % ch	14.1	-5.7	-34.3	23.7	13.8	12.0	4.6
US CPI	sep 1 yr % ch	2.3	4.4	-0.3	1.7	2.7	3.4	3.9
Balt/Wash. area CPI	sep 1 yr % ch	3.3	5.0	0.3	1.7	3.0	na	3.4

Source: BEA (data revised as of September 29, 2011), BLS, and Yahoo finance

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: 2009.4 to 2011.2

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

Indicator	units	calendar year quarter						
		2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	2011.2
US GDP real	% ch from prior Q at saar	3.8	3.9	3.8	2.5	2.3	0.4	1.3
US GDP nominal	% ch from prior Q at saar	4.9	5.5	5.4	3.9	4.2	3.1	4.0
Wages and salaries	% ch from prior Q at saar	1.3	1.9	6.2	3.4	1.4	6.2	4.8
Personal income	% ch from prior Q at saar	2.2	6.7	6.2	4.1	4.0	8.6	4.5

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on September 29, 2011

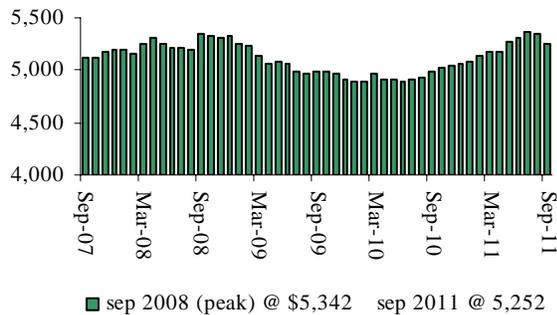
Table 22. Monthly change in selected US Indicators: March 2011 to September 2011

Indicator	Mar	Apr	May	Jun	Jul	Aug	Sep
S and P stock index (level)	1304	1332	1338	1287	1325	1185	1174
% change from prior month	-1.3	2.1	0.5	-3.8	2.9	-10.6	-1.0
% change from 1 year ago	13.2	11.2	19.0	18.8	22.7	9.0	4.6
10 yr. Treasury Interest rate (level)	3.40	3.43	3.07	2.99	2.98	2.27	1.97
CPI % ch from prior month (seasonally adjusted)	0.55	0.42	0.17	-0.22	0.50	0.37	0.30
CPI % ch from prior year (seasonally adjusted)	2.7	3.1	3.4	3.4	3.6	3.76	3.90
Jobs (seasonally adjusted level, in millions)	130.76	130.97	131.03	131.05	131.17	131.23	131.33
change from prior month (thousands)	194	217	53	20	127	57	103
% change from prior month	0.15	0.17	0.04	0.02	0.10	0.04	0.08
Resident employment (season. adj. level, in millions)	139.86	139.67	139.78	139.33	139.30	139.63	140.03
change from prior month (thousands)	291	-190	105	-445	-38	331	398
% change from prior month	0.21	-0.14	0.08	-0.32	-0.03	0.24	0.29
Unemployment rate (seasonally adj.)	8.8	9.0	9.1	9.2	9.1	9.1	9.1

Source: BLS and Yahoo! Finance.

DC tax collections

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



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

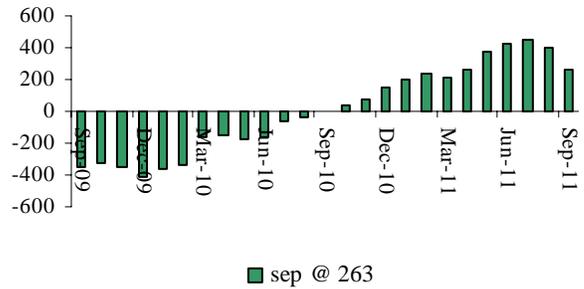


Table 23. **Tax Collections (before earmarking): September 2011 (Preliminary)**
(\$ million)

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	5,117.5	5,342.3	4,992.9	4,988.8	5,252.1	5,252.1	1,742.2	1,127.9
1 year change	638.5	224.8	-349.4	-4.2	263.4	263.4	-63.2	-88.1
% change	14.3	4.4	-6.5	-0.1	5.3	5.3	-3.5	-7.2
Real property	1,443.7	1,684.8	1,798.7	1,834.8	1,705.7	1,705.7	824.1	772.3
1 year change	296.1	241.2	113.9	36.0	-129.0	-129.0	-78.0	-70.9
% change	25.8	16.7	6.8	2.0	-7.0	-7.0	-8.6	-8.4
General sales	958.8	1,011.6	945.8	916.6	929.2	929.2	232.8	69.2
1 year change	62.0	52.8	-65.8	-29.2	12.6	12.6	-6.0	-4.1
% change	6.9	5.5	-6.5	-3.1	1.4	1.4	-2.5	-5.6
Individual income	1,313.1	1,353.2	1,143.3	1,139.8	1,297.2	1,297.2	323.8	133.3
1 year change	80.7	40.1	-209.9	-3.6	157.4	157.4	28.6	17.2
% change	6.5	3.1	-15.5	-0.3	13.8	13.8	9.7	14.9
withholding	974.8	1,004.2	1,037.3	1,103.3	1,189.9	1,189.9	283.9	89.2
1 year change	4.2	29.5	33.1	65.9	86.7	86.7	3.7	3.7
% change	0.4	3.0	3.3	6.4	7.9	7.9	1.3	4.4
non-withholding	338.3	349.0	106.0	36.5	107.2	107.2	39.9	44.1
1 year change	76.5	10.7	-243.0	-69.5	70.7	70.7	25.0	13.5
% change	29.2	3.2	-69.6	-65.6	193.7	193.7	167.4	44.2
Corporate income	250.7	289.8	202.5	197.3	249.7	249.7	57.7	39.3
1 year change	30.9	39.1	-87.3	-5.2	52.5	52.5	16.1	11.7
% change	14.1	15.6	-30.1	-2.6	26.6	26.6	38.7	42.3
Unincorporated Bus.	166.4	128.9	122.4	120.7	142.2	142.2	32.2	26.7
1 year change	25.5	-37.5	-6.5	-1.7	21.5	21.5	14.9	10.7
% change	18.1	-22.5	-5.0	-1.4	17.8	17.8	86.2	67.2
Deed taxes*	442.0	323.2	187.4	225.6	309.3	309.3	71.4	20.1
1 year change	81.7	-118.8	-135.8	38.2	83.7	83.7	-34.2	-51.2
% change	22.7	-26.9	-42.0	20.4	37.1	37.1	-32.4	-71.8
Other taxes	542.8	550.7	592.8	554.0	618.8	618.8	200.2	67.1
1 year change	61.5	7.9	42.1	-38.8	64.8	64.8	-4.5	-1.6
% change	12.8	1.5	7.6	-6.5	11.7	11.7	-2.2	-2.3

*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) 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.

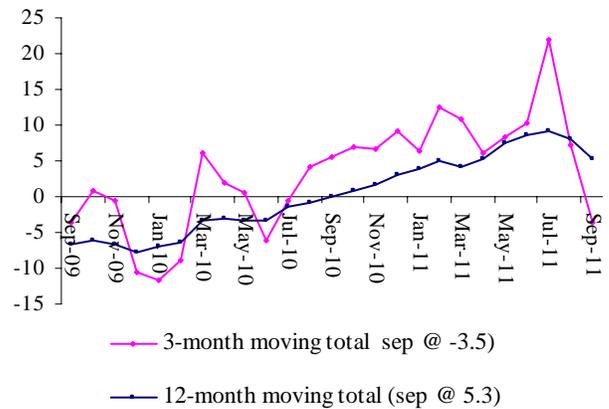
Source: OCFO/ORR

DC tax collections

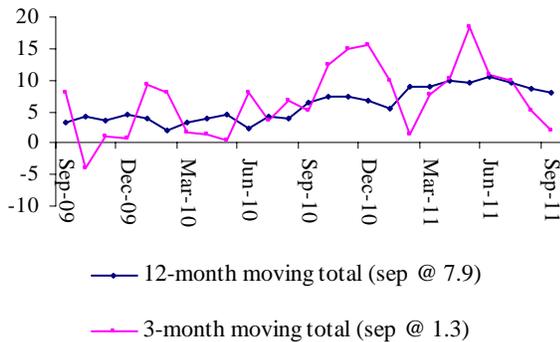
End of year real property tax collections slow down growth of FY 2011 tax collections

- For the 12-month period ending September, tax collections (before earmarking) were \$263 million (5.3%) more than a year earlier.
- FY 2011 to date, real property tax collections were down 7.0%, while collections were up 1.4% for the sales tax and 13.8% for the individual income tax.
- Both sales and withholding have slowed in recent months. The 3-month moving total for sales taxes was down 2.5% from last year, and withholding was up 1.3%.
- Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were down 19.8% from the prior year for the 3 months ending September. FY 2011 to date collections were up 31.1% over last year.

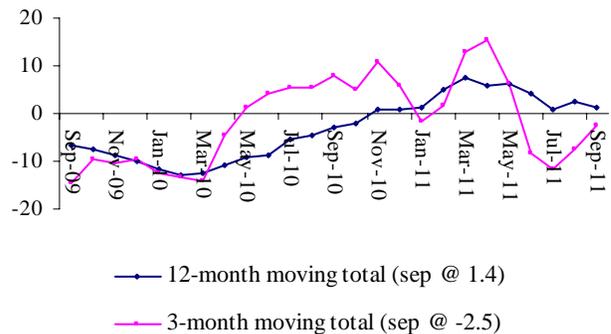
**DC Tax Collections (before earmarking):
September 2009 to September 2011**
(% change in 3-month and 12-month moving totals)



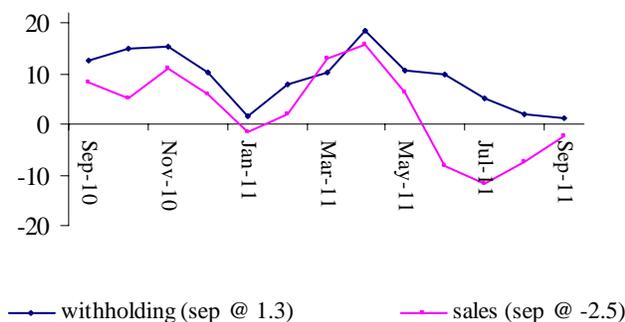
**Withholding collections: September 2009 to
September 2011**
(% change from prior year in 3-month and 12-month
moving totals)



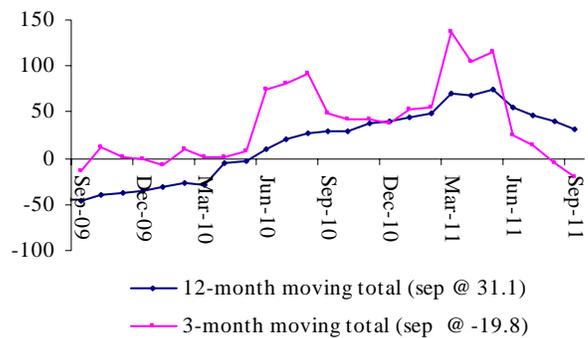
**Sales tax collections: September 2009 to
September 2011**
(% change from prior year in 3-month and 12-month
moving totals)



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



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



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

US economic forecasts

Blue Chip Indicators again reduced outlook for the US economy for FY 2012.

•The October Blue Chip Indicators forecasts for real GDP in FY 2012 decreased.. Growth in real GDP is now forecast to be 2.1% in FY 2011 and 1.8% in FY 2012.

•In October Blue Chip Indicators raised slightly its estimate for inflation in FY 2012. The CPI forecast is for increases of 2.6% for FY 2011 and 2.5% for FY 2012. The forecast for the interest rate on 10 year Treasury securities once again went down for FY 2012.

•S and P 500: In August Global Insight and Economy.com made little change in their forecasts. The range in percentage changes are -17.9% to +2.7% for 2011.4 compared to the same quarter of the prior year.

Table 24. Forecasts for US nominal and real GDP:

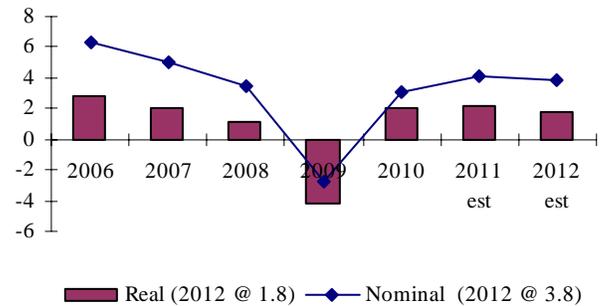
FY 2010 through FY 2012 (% change from prior fiscal year)

Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
Congressional Budget Office						
August 2010	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
August 2011	2.1	2.5	2.5	3.0	4.0	3.8
Blue Chip						
July	2.2	2.5	2.9	2.9	4.1	4.8
August	2.1	2.1	2.2	3.0	4.1	4.2
September	2.1	2.1	1.9	3.0	4.0	3.8
October	2.1	2.1	1.8	3.0	4.1	3.8

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

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

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



S and P 500 stock index actual and Global Insight forecasts: 2005.1 to 2013.4

(index value)

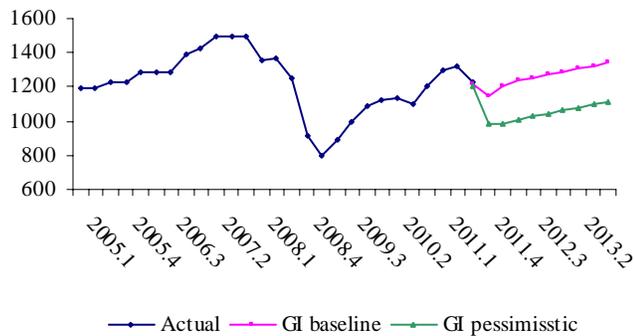


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
	% change from prior year			% change from prior year		
	Global Insight: baseline			Global Insight: pessimistic		
Jun	10.6	13.1	5.1	10.6	-2.0	7.6
Jul	10.6	13.2	5.1	10.6	-2.7	8.6
Aug	10.6	-2.4	8.3	10.6	-16.2	3.7
Sep	10.6	-4.5	10.6	10.6	-17.9	6.0
Economy.com baseline						
Jun	10.6	11.7	0.5	10.6	6.8	5.6
Jul	10.6	11.7	0.5	10.6	4.5	8.1
Aug	10.6	1.7	6.5	10.6	-10.3	10.2
Sep	10.6	2.7	8.0	10.6	-9.4	11.7

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		
July	1.7	2.6	2.6	3.4	3.2	3.8
Aug	1.7	2.5	2.4	3.4	3.1	3.4
Sep	1.7	2.6	2.4	3.4	3.0	2.7
Oct	1.7	2.6	2.5	3.4	3.0	2.4

Source: Blue Chip Indicators

In September, Economy.com reduced to its forecasts for FY 2012 and FY 2013

•**Employment:** Global Insight raised slightly its baseline forecasts for FY 2011 and FY 2012, and Economy.com made more substantial reductions in both FY 2012 and FY 2013. The range of job changes are from -12,114 to 3,825 in FY 2012, and -3,915 to 7,256 in FY 2013.

•**Unemployment:** Global Insight raised its forecasts for the FY 2012 unemployment rate. The FY 2012 range is from 10.0% to 11.7%.

•**Wages earned in DC:** Global Insight raised slightly its baseline forecasts for FY 2012 and FY 2013. Economy.com lowered its forecasts. Growth rate ranges: 2.0% to 4.2% in FY 2012; 2.8% to 6.1% in FY 2013.

•**Wages earned by DC residents:** Global Insight raised its baseline and lowered its pessimistic forecasts for FY 2012 and FY 2013. Economy.com lowered its forecasts for both years. Growth rates range from -0.3% to 6.8% in FY 2012; 0.6% to 6.4% in FY 2013.

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

(amount of change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
jun	8,806	9,999	7,362	8,311	6,522	5,730	8,829	7,457	6,827	7,729	2,506	9,026
jul	6,103	6,800	7,026	5,881	3,992	5,166	5,729	1,580	5,170	4,879	-3,884	7,069
aug	6,677	6,561	6,443	6,683	4,552	3,504	5,560	-2,807	5,058	5,480	-10,443	3,605
sep	6,558	6,720	7,256	6,570	3,825	3,887	5,457	-4,493	-2,514	5,381	-12,114	-3,915

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 2011 to FY 2013

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
jun	9.4	8.4	7.5	9.4	8.5	7.6	9.3	8.9	8.6	9.6	11.1	10.6
jul	9.6	8.9	7.9	9.6	9.1	8.3	9.7	9.6	9.3	9.9	12.3	11.5
aug	9.8	9.7	9.3	9.8	9.9	9.6	9.8	10.1	9.7	9.8	11.7	12.9
sep	10.0	10.0	9.3	10.0	10.1	9.5	9.8	10.1	10.3	9.8	11.7	13.5

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 2011 to FY 2013

(percent change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
jun	4.7	5.6	4.7	4.5	4.4	4.3	4.5	5.5	6.4	4.1	3.9	6.2
jul	3.2	5.2	4.6	3.1	4.0	4.0	2.8	4.7	6.3	2.5	2.8	5.8
aug	3.0	3.6	3.9	3.0	2.9	2.8	2.7	4.4	7.0	2.6	2.3	6.0
sep	3.0	3.8	4.0	3.1	2.9	2.8	2.8	4.2	6.1	2.7	2.0	5.1

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 2011 to FY 2013

(percent change from prior year)

Date of estimate	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
jun	7.2	7.2	5.2	6.9	5.6	5.1	7.6	8.2	7.5	7.3	7.1	7.4
jul	3.6	5.9	5.3	3.4	4.3	4.8	2.9	6.1	7.5	2.7	4.6	7.1
aug	3.1	2.7	3.6	3.1	0.6	2.3	2.8	7.0	7.2	2.7	5.4	6.4
sep	3.1	3.1	3.7	3.3	-0.3	0.6	2.8	6.8	6.4	2.7	5.2	5.7

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 September 2011 forecast is for tax revenue (before earmarks) to increase \$226.7 million (4.5%) in FY 2011, then another \$306.8 million (5.9%) in FY 2012

- The 2011 increase in revenue is expected despite a \$89.8 million (4.9%) decline in real property taxes that results from the impact of lower assessments based on 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 the real property tax 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 similar to the years 2009 and 2010.

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

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Real property	1,731.6	1,866.8	1,953.2	-89.8	135.1	86.4	-4.9	7.8	4.6
Deed taxes	316.6	296.1	312.4	91.0	-20.5	16.3	40.3	-6.5	5.5
General sales	968.2	1,018.2	1,072.8	-8.5	50.0	54.6	-0.9	5.2	5.4
Individual income	1,249.8	1,391.9	1,413.8	139.3	142.2	21.9	12.5	11.4	1.6
Withholding	1,180.1	1,262.4	1,305.9	106.3	82.3	43.5	9.9	7.0	3.4
non-withholding	69.6	129.5	107.9	33.0	59.9	-21.6	90.1	86.0	-16.7
Business income	355.0	390.3	403.2	31.3	35.3	12.9	9.7	9.9	3.3
Other	610.7	575.4	576.8	63.4	-35.3	1.4	11.6	-5.8	0.3
Total	5,231.9	5,538.6	5,732.2	226.7	306.8	193.6	4.5	5.9	3.5

Source: ORA. September 16, 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

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

item	2011	2012	2013
Wage and salary employment	713,968	718,123	721,089
1 year change	5,785	4,154	2,966
% change	0.8	0.6	0.4
DC resident employment	300,468	301,774	305,205
1 year change	73	1,307	3,431
% change	0.0	0.4	1.1
Unemployment rate	10.1	9.8	9.9

Source: ORA September 2011 revenue estimate

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

item	2011	2012	2013
Wages and salaries earned in DC	2.9	2.8	2.7
Wages and salaries earned by DC residents	4.2	2.9	3.6
DC Personal income	4.7	3.6	3.8
S and P 500 stock index	-13.2	7.1	12.9

Source: ORA September 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	5,232	5,539	5,732
Change from prior year	420	444	267	638	170	-273	-47	227	307	194
Percent change from prior year										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	4.5	5.9	3.5
Personal Income	6.9	8.3	8.2	8.1	8.5	3.0	2.7	4.7	3.6	3.8
Tax revenue as percent of Personal Income										
	13.1	13.5	13.3	14.0	13.3	12.3	11.8	11.8	12.1	12.0

Source: ORA. September 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 Medicaid, continued from p. 1

The increase in enrollment from 2007 to 2009 was most rapid among the aged—1,608 more elderly enrolled in Medicaid in December 2009, compared to January 2007, representing a 15.9 percent increase in this group. In 2009, the elderly constituted 7.2 percent of total enrollment compared to 6.9 percent in 2007. That said, the shares of eligible groups have remained relatively constant through the recession—children constitute roughly half of the recipients, and non-aged adults constitute about 43 percent, split almost equally between disabled, and non-disabled.

Projecting Medicaid enrollment continues to be a challenge. Medicaid enrollment has been negatively correlated with resident employment (the correlation between the two data series is 0.67). For example, between January 2007 and December 2009, resident employment dropped by approximately 11,110, while Medicaid enrollment increased by 16,569. Continuing economic uncertainty makes it hard to project resident employment.

Between 2005 and 2007, while the unemployment rate in the District declined steadily, Medicaid enrollment held relatively constant. During the recession, unemployment rose rapidly, and the unemployment rate increased at a faster rate than Medicaid enrollments.

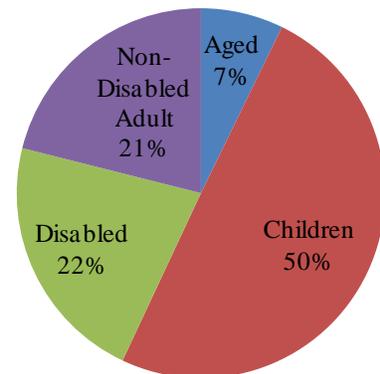
Finally, the federal Health Care Reform bill has significantly increased the eligible population for Medicaid starting in 2010. Income eligibility limits were significantly increased—for example from 200 percent to 300 percent of federal poverty limits for children up to age 19, and from 125 percent to 200 percent of federal poverty limits for parents.

—Yesim Yilmaz, Office of Revenue Analysis

DC Medicaid enrollment change, by eligible group Jan 2007 to Dec 2009

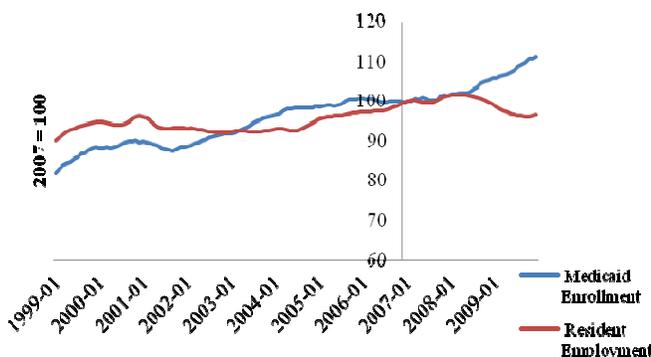
	2007	2009	Change	Percentage Change
Aged	10,133	11,741	1,608	15.9%
Children	72,906	81,062	8,156	11.2%
Disabled Adult	31,821	35,811	3,990	12.5%
Non-Disabled Adult	31,487	34,302	2,815	8.9%
Total	146,347	162,916	16,569	11.3%
Population	587,868	599,657	11,789	2.0%
Unemployment	17,874	34,570	16,696	93.4%

Enrollment by group, 2009

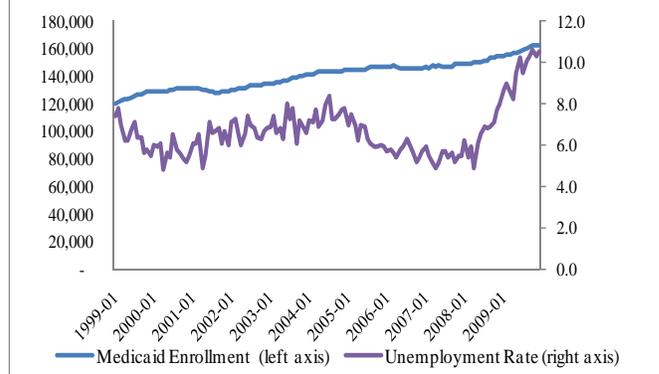


Sources: D.C. Department of Healthcare Finance and U.S. Census Bureau

Medicaid Enrollment and Resident Employment, 1999 - 2009



Medicaid Enrollment and Unemployment Rate, 1999 - 2009



ORA Reports and Documents

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

Recent ORA reports:

Revised Revenue Estimates for Fiscal Years 2011 to 2015. September 16, 2011. Transmittal letter and accompanying tables.

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.

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

About this report.

District of Columbia Economic and Revenue Trends is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the October report has mostly August and September 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	August	October 21
D.C. Personal Income	BEA	2011.2	December 19
D.C. Tax Collections	OTR/ORA	September	November 15
D.C. Housing Sales	MRIS*	September	c November 10
D.C. Commercial Office Building data	Delta Associates	2011.3	c January 10
DC Apartment data	Reis, inc	2011.2	c October 20
D.C. Hotel stay information	Smith Travel Research	August	c. November 10
Consumer Price Index	BLS	September	November 16
U.S. Jobs and Labor Force	BLS	August and September	November 4
U.S. GDP and Personal Income	BEA	2011.2	October 27
S and P 500 Stock Index	Financial press	September	November 1
Interest rate on 10-Year Treasury Securities	Financial press	September	November 1
IHS Global Insight D.C. forecast	Global Insight	September	c. October 20
Moody's Economy.com D.C. forecast	Economy.com	September	c. October 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	October	November 10

*Metropolitan Regional Information Systems. MRIS data on listings and contract sales is 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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