

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



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

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

## District of Columbia Economic and Revenue Trends: *May 2011*

### Contents

Wage and salary employment ...2
Sectors of the DC economy .....3
Resident employment and unemployment ..... 4
Wages and income.....5
Residential real estate.....6
Commercial office space.....8
Real estate construction outlook and value of transactions.....9
Hospitality .....10
US economy and inflation .....11
DC tax collections.....12
US and DC forecasts.....14
DC revenue estimate.....16
ORA reports & documents.....18
About this report.....18
ORA contact information.....18

### ***DC seems poised to continue the past decade's gains in housing units, households, and population***

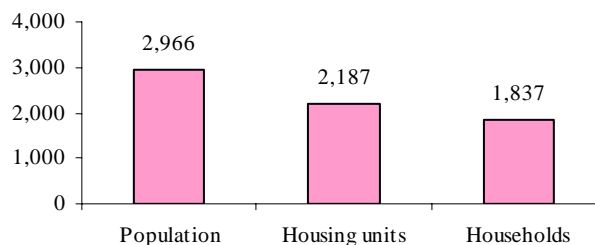
According to the 2010 Census, there were 296,719 housing units and 266,707 households in DC as of April 2010, increases of 8.0% and 7.4% respectively from the 2000 Census. DC's population, 601,723 in 2010, grew by 5.2% over the decade, a slower rate than housing units and households. The average annual increases in housing units and households over the last decade were 2,187 and 1,837, respectively, representing percentage gains of about 0.7% per year.

Housing construction data suggest that similar gains in housing units and households are likely to continue. For example, during the 5 years 2010 to 2015, Reis, Inc., a real estate data firm, expects an increase of 7,350 market rate rental units in larger buildings (an average of 1,470 per year), and increased occupancy in them of 9,077 units (an average of 1,815 per year). (See table 18 on p. 9 of this report.)

In the future, the rate of increase in housing units and households may continue to outpace population gains. According to the 2010 Census, the past decade saw more non-family households, fewer children, and smaller average household size.

(continued on p. 17)

**Average annual change in DC population, housing units, and households: 2000 to 2010**



**DC Population, housing units, and households: 2000 and 2010**

	2000	2010	change		Average yearly change
			number	%	
Population	572,059	601,723	29,664	5.2	2,966
Housing units	274,845	296,719	21,874	8.0	2,187
Households (equals occupied units)	248,338	266,707	18,369	7.4	1,837
not-occupied	26,507	30,012	3,505	13.2	
<i>Average household size</i>	2.16	2.11	-0.05		
<i>Housing vacancy rate (%)</i>	9.6	10.1	0.5		

2010 Census/DC Off.of Planning. Not occupied includes rental or sale units in transition, and seasonal or other use.

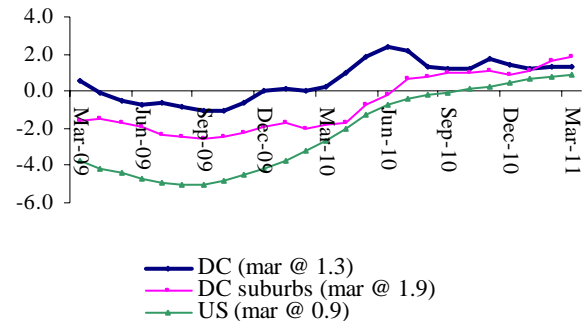
## Wage and salary employment

**DC jobs continue to increase from a year earlier, but seasonally adjusted month-to-month has stalled**

- The March wage and salary employment in DC was up 8,900 (1.3%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for March was up 4,667 (2.3%), the smallest year-over-year increase in 2 years. Private sector jobs were up by 4,500 (1.0%) in March.
- DC's job increase for March accounted for 17.6% of the 50,667 gain for the whole Washington metropolitan area.
- Suburban Washington employment was up 1.9% in March from a year earlier.
- Seasonally adjusted wage and salary employment in DC has not changed appreciably since September.

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

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



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

Jurisdiction	FY 2008	FY 2009	FY 2010	12-mo avg	3-mo moving average	This month
District of Columbia	702,775	701,742	708,408	713,100	708,067	709,700
1 year change	11,067	-1,033	6,667	10,975	8,900	6,100
% change	1.6	-0.1	1.0	1.6	1.3	0.9
Washington metro area	3,005,692	2,966,558	2,956,700	2,976,967	2,950,267	2,962,000
1 year change	21,575	-39,133	-9,858	31,225	50,667	39,400
% change	0.7	-1.3	-0.3	1.1	1.7	1.3
Washington suburbs (% ch)	0.5	-1.7	-0.7	0.9	1.9	1.5
US (% ch)	0.1	-3.8	-1.9	0.1	0.9	1.0

*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 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	210,408	210,533	210,400
1 year change	1,825	5,283	9,708	7,633	4,667	4,300
% change	1.0	2.7	4.9	3.8	2.3	2.1
Private sector	468,458	463,050	463,858	466,308	462,700	464,600
1 year change	7,475	-5,408	808	6,183	4,500	1,900
% change	1.6	-1.2	0.2	1.3	1.0	0.4

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

**Table 3. Seasonally adjusted DC Employment: September 2010 to March 2011**

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar
D.C. Wage and Salary employment	713,600	714,500	714,900	714,100	715,400	714,700	713,000
change from prior month	13,500	900	400	-800	1,300	-700	-1,700
% change from prior month	1.9	0.1	0.1	-0.1	0.2	-0.1	-0.2

*Source: BLS seasonally adjusted. March is preliminary*

## Sectors of the economy

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

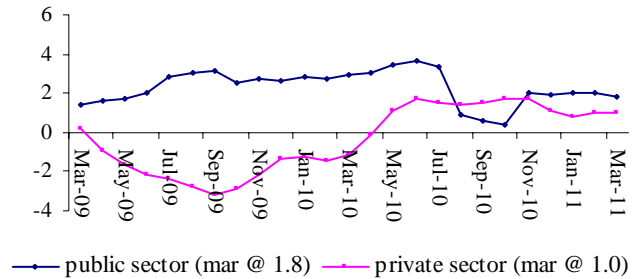
- In March, education led private sector growth with a 2,867 (5.9%) gain over the previous year as measured by 3-month moving averages.

- Other private industries showing gains over the year include employment services (2,100), non-legal professional and technical services (1,167), health (1,167), construction (500), and food services (467).

- Industry sectors losing jobs include other business services (-1,600), finance (-1,000), organizations (-900), and retail trade (-600).

- Local government declined by 267.

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



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

Industry sector	3-month moving average				12-month moving avg: % change	Sector % of all DC jobs, Mar 2011	DC % in Mar 2011 of all sector jobs in:	
	Mar 2010	Mar 2011	1 year change				metro area	US
			Amount	%				
Federal government	205,867	210,533	4,667	2.3	3.8	29.7	55.3	7.44
Local government	35,100	34,833	-267	-0.8	-7.2	4.9	11.3	0.18
Legal services	32,533	32,433	-100	-0.3	-2.9	4.6	na	2.93
Other Professional and technical	67,433	68,600	1,167	1.7	2.6	9.7	21.7	1.06
Employment services	10,767	12,867	2,100	19.5	14.8	1.8	34.9	0.47
Other Business services	35,567	33,967	-1,600	-4.5	-0.9	4.8	19.1	0.53
Information	18,467	18,700	233	1.3	-0.8	2.6	24.1	0.70
Finance	26,833	25,833	-1,000	-3.7	-2.0	3.6	17.8	0.34
Organizations	57,333	56,433	-900	-1.6	-0.5	8.0	35.7	1.89
Education	48,833	51,700	2,867	5.9	4.5	7.3	51.7	1.58
Health	58,833	60,000	1,167	2.0	3.2	8.5	22.8	0.36
Food service	35,667	36,133	467	1.3	2.8	5.1	19.9	0.39
Accommodations	14,900	14,767	-133	-0.9	0.1	2.1	39.5	0.87
Amusement and recreation	6,367	6,867	500	7.9	3.8	1.0	19.8	0.41
Retail trade	17,967	17,367	-600	-3.3	1.5	2.5	6.8	0.12
Wholesale trade	4,600	4,667	67	1.4	2.2	0.7	7.3	0.09
Construction	9,800	10,300	500	5.1	-3.0	1.5	7.7	0.20
Personal and miscellaneous services	6,933	6,733	-200	-2.9	0.0	1.0	na	0.28
Other private	5,367	5,333	-33	-0.6	-4.8	0.8	4.8	0.03
<b>Total</b>	<b>699,167</b>	<b>708,067</b>	<b>8,900</b>	<b>1.3</b>	<b>1.6</b>	<b>100.0</b>	<b>24.0</b>	<b>0.55</b>
<i>Public sector</i>	<i>240,967</i>	<i>245,367</i>	<i>4,400</i>	<i>1.8</i>	<i>2.0</i>	<i>34.7</i>	<i>35.6</i>	<i>1.10</i>
<i>Private sector</i>	<i>458,200</i>	<i>462,700</i>	<i>4,500</i>	<i>1.0</i>	<i>1.3</i>	<i>65.3</i>	<i>20.4</i>	<i>0.43</i>
<i>Professional and all business</i>	<i>191,600</i>	<i>192,400</i>	<i>800</i>	<i>0.4</i>	<i>0.7</i>	<i>27.2</i>	<i>21.3</i>	<i>0.88</i>
<i>Education, health, and organizations</i>	<i>165,000</i>	<i>168,133</i>	<i>3,133</i>	<i>1.9</i>	<i>2.3</i>	<i>23.7</i>	<i>31.0</i>	<i>0.56</i>
<i>Hospitality and trade</i>	<i>79,500</i>	<i>79,800</i>	<i>300</i>	<i>0.4</i>	<i>2.1</i>	<i>11.3</i>	<i>13.9</i>	<i>0.25</i>
<i>Other private sector</i>	<i>22,100</i>	<i>22,367</i>	<i>267</i>	<i>1.2</i>	<i>-2.5</i>	<i>3.2</i>	<i>9.0</i>	<i>0.09</i>

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

## Resident employment

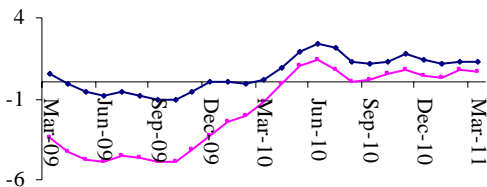
**Resident employment was higher in March than last year, but the unemployment rate didn't change much**

- In March DC resident employment was up 2,042 (0.7%) from a year earlier as measured by the 3-month moving average.
- DC's labor force was about the same in March compared to a year earlier.
- In March the unemployment rate (seasonally adjusted) declined remained at 9.5%.
- Initial unemployment insurance claims were up 13.3% over last year.

### Jobs located in DC and DC resident employment:

March 2009 to March 2011

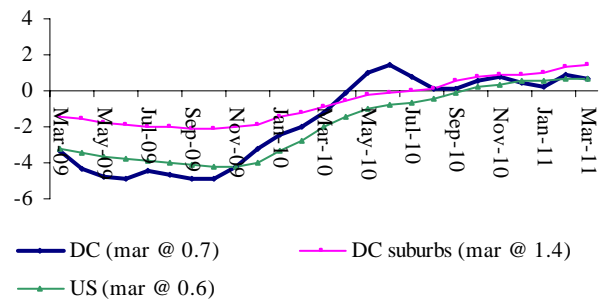
(% change from prior yr. in 3-mo. moving avg.)



— jobs in DC (mar @ 1.3) — DC res. jobs (mar @ 0.7)

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

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



— DC (mar @ 0.7) — DC suburbs (mar @ 1.4)  
— US (mar @ 0.6)

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

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Mar 2010	Mar 2011	Mar 2010	Mar 2011
US	10.2	9.2	9.7	8.8
DC metro area	6.6	5.8	na	na
DC	10.1	10.0	10.1	9.5
DC suburbs	6.1	5.3	na	na

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

Table 6. Resident employment and unemployment: March 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
<b>DC Labor force</b>						
Resident employment	314,290	302,525	300,332	301,173	300,442	299,939
1 year change	5,054	-11,766	-2,193	2,059	2,042	-336
% change	1.6	-3.7	-0.7	0.7	0.7	-0.1
Labor Force	334,303	332,138	334,068	333,618	333,230	333,186
1 year change	7,283	-2,165	1,929	1,059	-30	-943
% change	2.2	-0.6	0.6	0.3	0.0	-0.3
Unemployed	20,013	29,614	33,736	32,444	32,789	33,247
1 year change	2,229	9,600	4,122	-1,000	-2,072	-607
% change	12.5	48.0	13.9	-3.0	-5.9	-1.8
Unemployment rate	6.0	8.9	10.1	9.7	9.8	10.0
<b>DC Unemployment insurance (state program)</b>						
Initial claims (monthly avg.)	1,515	2,203	1,799	1,996	1,859	1,663
1 year change	213	688	-404	-8	219	-64
% change	16.4	45.4	-18.3	-0.4	13.3	-3.7
Weeks compensated (mo. avg.)	34,738	54,474	53,592	48,396	48,978	53,461
1 year change	8,170	19,736	-881	-11,885	-7,934	-6,965
% change	30.8	56.8	-1.6	-19.7	-13.9	-11.5

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

Table 7. Seasonally adjusted DC Resident employment and unemployment: September 2010 to March 2011

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DC Resident employment	299,276	299,071	299,052	299,272	300,571	302,678	302,512
change from prior month	-383	-205	-19	220	1,299	2,107	-166
% change from prior month	-0.1	-0.1	0.0	0.1	0.4	0.7	-0.1
DC Unemployment rate (%)	9.7	9.7	9.7	9.6	9.6	9.5	9.5

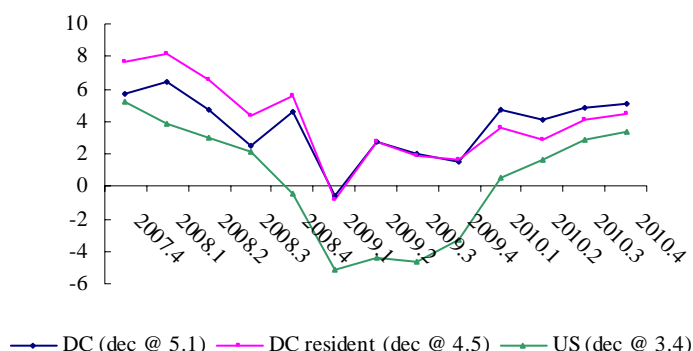
Source: BLS seasonally adjusted. March is preliminary.

## Wages and income

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

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

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



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

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

## Single family and condominium home sales

### April sales were considerably lower for both single family and for condo units

- The April 3-month moving average of single family home sales was down 8.7% from a year earlier, but the average selling price was 6.9% higher.
- April condominium sales were 22.8 % below a year earlier; average selling prices were 0.7% higher.
- April median prices (CY to date) were up 12.3% for single family units, but down 0.4% for condominiums.
- For April, the total value of all home sales was 10.1% less than a year earlier.
- The April ratio of single family inventory to sales (2.9) was the lowest in 11 months.

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

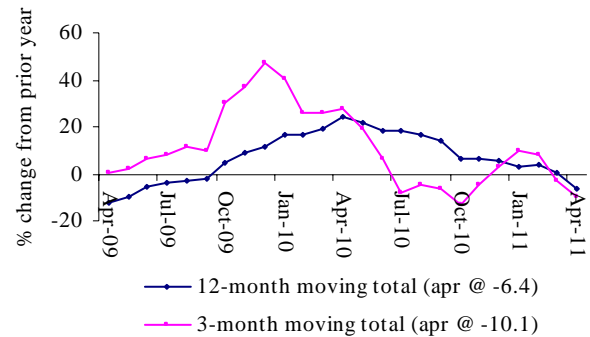


Table 9. D.C. Residential Real Estate Indicators: April 2011

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
<b>Number of sales (contracts)</b>							
Single family	3,873	3,267	3,821	4,543	4,348	1,207	462
1 year change	-402	-606	554	722	-306	-115	-90
% change	-9.4	-15.6	17.0	18.9	-6.6	-8.7	-16.3
Condo	4,147	2,979	2,935	3,222	2,778	803	271
1 year change	195	-1,168	-44	287	-800	-237	-163
% change	4.9	-28.2	-1.5	9.8	-22.4	-22.8	-37.6
Total	8,020	6,246	6,756	7,765	7,126	2,010	733
1 year change	-207	-1,774	510	1,009	-1,106	-352	-253
% change	-2.5	-22.1	8.2	14.9	-13.4	-14.9	-25.7
<b>Average prices of units that sold*</b>							
Single family (\$)	668,630	672,101	563,553	544,322	578,864	554,316	581,415
1 year change	10,015	3,471	-108,548	-19,231	38,207	35,646	23,587
% change	1.5	0.5	-16.2	-3.4	7.1	6.9	4.2
Condo (\$)	406,926	411,270	407,613	415,229	424,412	416,260	421,139
1 year change	-9,127	4,344	-3,657	7,617	23,623	2,923	-6,968
% change	-2.2	1.1	-0.9	1.9	5.9	0.7	-1.6
<b>Total value of all sales</b>	<b>4,277.1</b>	<b>3,420.9</b>	<b>3,349.7</b>	<b>3,810.7</b>	<b>3,695.9</b>	<b>1,003.3</b>	<b>382.7</b>
1 year change	-182.7	-856.2	-71.2	461.0	-254.3	-112.2	-111.0
% change	-2.5	-22.1	-2.1	13.8	-6.4	-10.1	-22.5
<b>Ratio: active inventory to sales</b>							
Single family	4.1	6.0	5.2	3.4	3.6	2.9	2.6
Condo	3.9	5.7	5.7	4.6	5.3	4.3	4.5
<b>Foreclosure actions**</b>							
	392	3,282	2,883	2,722	1,989	64	23
1 year change	273	2,890	-399	-161	-835	-462	-133
% change	229.4	737.2	-12.2	-5.6	-29.6	-87.8	-85.3

Median prices, CY to date in Apr. 2011: single family \$399,000 (12.3% 1 yr ch); condo \$360,000 (-0.4% 1 yr ch)

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

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

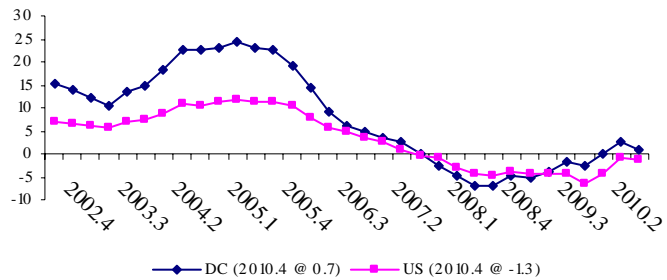
Source: (1) Metropolitan Regional Information Systems (MRIS), accessed through the Greater Capital Area Assn. of Realtors (GCAAR). (2) Foreclosures: Realty.trac. Foreclosure data does not include notices of delinquency.

## Apartments and single family home transactions

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

- Sales of houses below \$300,000 fell 23.9% for the 3-month period ending April, and those more than \$1 million increased 17.6%, compared to a year ago.
- The FHFA house price index for DC in the quarter ending December showed values up 0.7% over a year ago. For the US, there was a 1.3% decline.
- In the March quarter, occupied apartment units rose 1,226 (1.5%) and rents rose 3.8% from a year earlier.

**FHFA housing transaction index for DC and the US:  
2002.4 to 2010.4**  
(% change in index from same quarter of prior year)



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

Category of contract price	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total	3-mo moving total	This month
\$300,000 or less	738	748	1,433	1,731	1,575	426	145
1 year change	-34	10	685	298	-249	-134	-69
% change	-4.4	1.4	91.6	20.8	-13.7	-23.9	-32.2
percent of all sales	19.1	22.9	37.5	38.1	36.2	35.3	31.4
\$1 million or more	423	436	341	475	486	147	63
1 year change	-69	13	-95	134	58	22	6
% change	-14.0	3.1	-21.8	39.3	13.6	17.6	10.5
percent of all sales	10.9	13.3	8.9	10.5	11.2	12.2	13.6

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

**Table 11. Federal Housing Finance Agency Price Index for single family property in DC and US: December 2010**

Indicator	Fiscal year average				Quarter				
	FY 2007	FY 2008	FY 2009	FY 2010	2009.4	2010.1	2010.2	2010.3	2010.4
<b>% change from prior year in value of index</b>									
DC	4.3	-3.6	-5.2	-0.5	-1.6	-2.7	0.2	2.5	0.7
US	2.9	-2.2	-4.3	-4.1	-4.3	-6.4	-4.5	-0.9	-1.3
<i>Addendum: % change from prior year in average single family sales contract</i>									
Average DC sales price	1.5	0.5	-16.2	-3.4	-9.9	-8.5	0.0	3.1	16.2

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. Large, market-rate apartment units in DC: March 31, 2011**

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

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



## Commercial office space

### Vacancy rate continued to fall in March

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

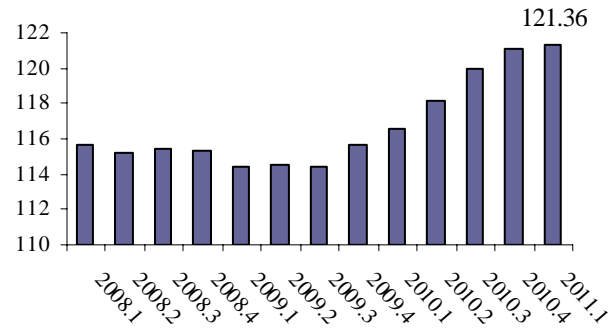
•DC's vacancy rate with sublet space was below the 12.0% rate for the metropolitan area.

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

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

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

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



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

(In millions of square feet, unless noted otherwise)

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

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

**Table 14. Average effective office rent for Class A commercial office leases signed by 6-month periods: 2007.4 to 2010.4 (\$ per square foot of gross floor space)**

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

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

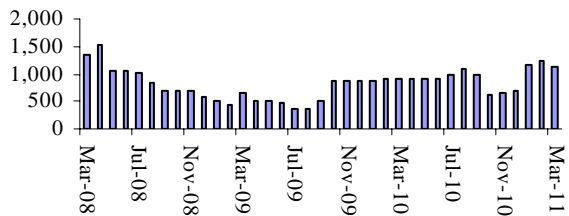


## Housing permits, office and apartment outlook, and value of property transfers

**Housing permits were up sharply in the last 3 months, and the value of property sales continues to rise.**

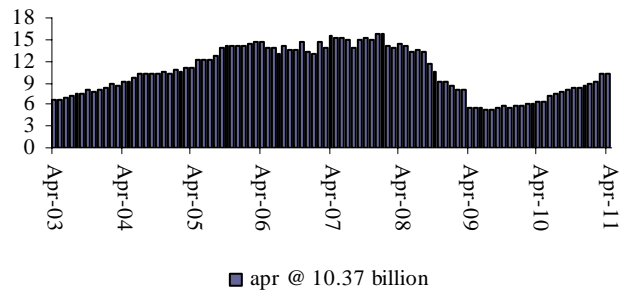
- In March, 714 building permits were issued in DC as measured by the 3-month moving total, a 138.8% one-year increase.
- Delta Associates expects DC's vacancy rate (including sublet) to fall (to 8.1%) over the next two years as new demand slightly outpaces additional supply.

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



■ number of units (12-month moving total) (mar @ 1,119)

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



■ apr @ 10.37 billion

- Reis expects 3,270 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,567.
- The value of property transferred in the 3 months ending April was 104.7% higher than a year earlier. For the 12-month period the value was 64.8% greater.

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

	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	3-month moving total	This month
Total units	2,196	690	499	986	1,119	714	161
change from 1 year ago	-211	-1,506	-191	487	201	415	-113
% change from 1 year	-8.8	-68.6	-27.7	97.6	21.9	138.8	-41.2

Source: Census Bureau (permits issued during period)

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

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

Source: Delta Associates msf = million square feet

**Table 17 DC market rate apartment units: 2006 to 2015**

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011 est	89,113	753	4.6	85,023	1,546
2012 est	91,630	2,517	3.9	88,044	3,021
2013 est	93,059	1,429	3.3	89,960	1,916
2014 est	94,198	1,139	2.8	91,542	1,582
2015 est	95,710	1,512	3.3	92,554	1,012

Source: Reis (see note in table 12)

**Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: April 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	10,365.5	2,773.7	505.8
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	4,076.8	1,418.9	85.9
% change from 1 year ago	10.5	-22.3	-51.5	41.5	64.8	104.7	20.5

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 revenues continue to grow as both demand and room rates rise.**

● In March the 3-month moving total for hotel room-days sold was 4.4% higher than a year earlier, and the average room rate was 4.6% higher, leading to a 9.2% gain in room revenue.

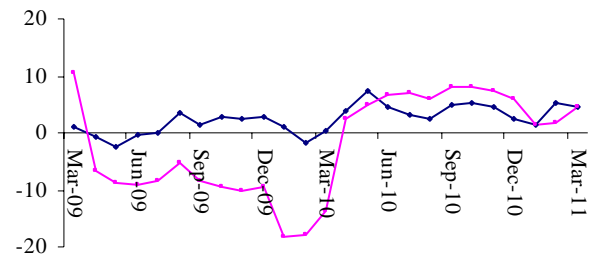
● Employment in food services was 1.3% higher in March as measured by the 3-month moving average; hotel and retail employment declined -0.9% and -3.3%, respectively.

● In March, airline traffic into the DC area was up 5.7% from a year earlier. Reagan National Airport's gain was 8.5%.

### DC hotel room days sold and average room rate:

March 2009 to March 2011

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



— Room days sold (mar @ 4.4) — average room rate (mar @ 4.6)

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

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month
<b>Hotel stays</b>								
Hotel room-days sold	(M)	mar	7.125	7.123	7.366	7.478	1.685	0.704
1 yr ch			0.044	-0.003	0.244	0.301	0.071	0.005
1 yr % ch			0.6	0.0	3.4	4.2	4.4	0.7
Average room rate	\$	mar	208.99	203.16	199.26	203.80	204.35	230.99
1 yr ch			10.55	-5.83	-3.90	12.25	8.94	18.40
1 yr % ch			5.3	-2.8	-1.9	6.4	4.6	8.7
Occupancy rate (average)	%	mar	74.2	73.1	73.7	74.8	68.3	82.8
1 yr ch			0.6	-1.1	0.6	2.6	2.9	0.6
1 yr % ch			0.9	-1.5	0.9	3.7	4.4	0.7
Room revenue	(\$M)	mar	1,489.1	1,447.0	1,467.9	1524.1	344.3	162.7
1 yr ch			83.8	-42.0	20.8	149.3	28.9	14.1
1 yr % ch			6.0	-2.8	1.4	10.9	9.2	9.5
<b>Airline passengers</b>								
DCA	1 yr % ch	mar	-3.2	-2.9	0.5	5.5	8.5	3.3
IAD	1 yr % ch	mar	-2.3	-4.4	1.2	3.2	2.5	-2.8
BWI	1 yr % ch	mar	0.0	-3.3	4.6	5.9	7.1	3.2
Total	1 yr % ch	mar	-1.8	-3.6	2.1	4.8	5.7	1.0
<b>Convention Center Transfer</b>								
	\$ M	apr	91.5	90.4	94.1	96.0	21.2	9.5
1 yr ch			8.2	-1.0	3.7	7.0	0.7	-0.4
1 yr % ch			9.8	-1.1	4.0	7.8	3.6	-4.2
<b>Employment</b>								
Accommodations	level ('000)	mar	15.2	15.0	15.3	15.1	14.8	15.1
1 yr ch			-0.3	-0.2	0.3	0.0	-0.1	-0.2
1 yr % ch			-2.2	-1.2	1.9	0.1	-0.9	-1.3
Food and bev	level ('000)	mar	35.4	35.9	37.1	37.4	36.1	36.1
1 yr ch			2.0	0.5	1.2	1.0	0.5	-0.6
1 yr % ch			5.8	1.4	3.3	2.8	1.3	-1.6
Arts and entertain.	level ('000)	mar	6.9	7.1	6.9	7.1	6.9	7.2
1 yr ch			0.9	0.2	-0.1	0.3	0.5	0.6
1 yr % ch			14.8	2.7	-2.0	3.8	7.9	9.1
Retail	level ('000)	mar	18.4	17.8	18.3	18.1	17.4	17.4
1 yr ch			0.3	-0.6	0.5	0.3	-0.6	-0.7
1 yr % ch			1.6	-3.5	3.0	1.5	-3.3	-3.9

\* Total for hotel rooms sold, room revenue, and Convention Center transfer

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

OCFO/OTR (Convention Center transfer; February collections are based on January sales data)

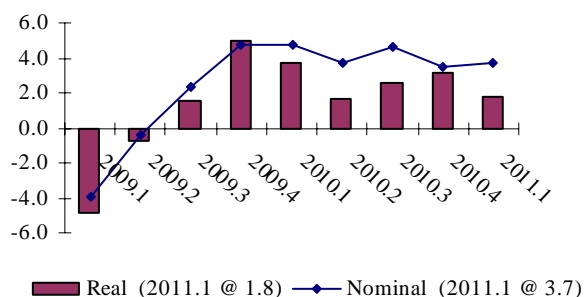
**In the March quarter, the pace of expansion slowed. In April, job growth picked up but the unemployment rate and inflation rose**

- March was the 7th consecutive quarter of real GDP growth, but the rate was a relatively weak 1.8% (annual rate).
- US employment (seasonally adjusted) increased by 244,000 in April, the 7th month to month gain in a row.
- The US unemployment rate (seasonally adjusted) rose to 9.0% in April, as resident employment declined.
- In April the S and P 500 index gained 2.1% from March, the 8th monthly gain out of the past 9 months.
- In April the CPI was 3.1% greater than a year earlier.

**Quarterly change in US Real and Nominal GDP:**

**2009.1 to 2011.1**

(% change from the previous quarter at annual rates)



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

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

Indicator	Date of latest indicator		FY 2007	FY 2008	FY 2009	FY 2010	12-mo avg	2011.1	Apr 2011
US GDP real	4th Q 2010	1 yr % ch	2.0	1.3	-3.4	2.2	2.8	2.3	
US GDP nominal	4th Q 2010	1 yr % ch	5.0	3.6	-2.1	2.9	4.1	3.9	
US Personal income	4th Q 2010	1 yr % ch	6.1	5.0	-1.1	1.8	3.8	5.1	
US wages	4th Q 2010	1 yr % ch	6.2	3.5	-3.6	0.4	3.0	4.2	
Corporate profits	4th Q 2010	1 yr % ch	-3.2	-10.6	-16.5	35.4	-9.7	na	
S and P stock index	apr		14.1	-5.7	-34.3	23.7	13.5	15.1	11.2
US CPI	apr	1 yr % ch	2.3	4.4	-0.3	1.7	1.7	2.7	3.2
Balt/Wash. area CPI	mar	1 yr % ch	3.3	5.0	0.3	1.7	1.8	na	3.0

Source: BEA (data revised as of April 28, 2011), BLS, and Yahoo finance na = not available

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

**Table 21. Quarter to quarter change in US GDP and income: 2009.3 to 2011.1**

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

Indicator	units	Calendar year Quarter							
		2009.3	2009.4	2010.1	2010.2	2010.3	2010.4	2011.1	
US GDP real	% ch from prior Q at saar	1.6	5.0	3.7	1.7	2.6	3.1	1.8	
US GDP nominal	% ch from prior Q at saar	2.3	4.7	4.8	3.7	4.6	3.5	3.7	
Wages and salaries	% ch from prior Q at saar	-1.5	1.3	0.4	6.2	3.4	3.3	3.5	
Personal income	% ch from prior Q at saar	-1.3	2.5	3.6	5.4	2.5	4.1	8.0	

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on April 28, 2011

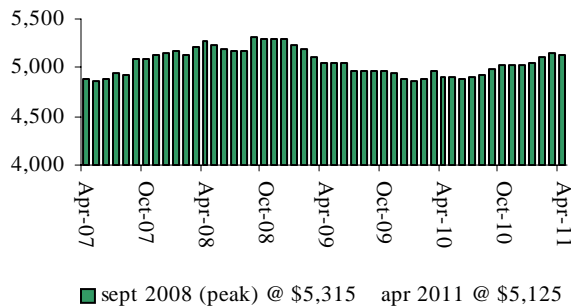
**Table 22. Monthly change in selected US Indicators: October 2010 to April 2011**

Indicator	Oct	Nov	Dec	Jan	Feb	Mar	Apr
S and P stock index (level)	1172	1199	1242	1283	1321	1304	1332
% change from prior month	4.4	2.3	3.6	3.3	3.0	-1.3	2.1
% change from 1 year ago	9.7	10.2	11.8	14.2	21.3	13.2	11.2
10 yr. Treasury Interest rate (level)	2.51	2.74	3.28	3.37	3.55	3.40	3.43
CPI % ch from prior month (seasonally adjusted)	0.25	0.12	0.43	0.40	0.55	0.55	0.42
CPI % ch from prior year (seasonally adjusted)	1.2	1.1	1.4	1.7	2.2	2.7	3.1
Jobs (seasonally adjusted level, in millions)	130.02	130.11	130.26	130.33	130.56	130.78	131.03
change from prior month (thousands)	171	93	152	68	235	221	244
% change from prior month	0.13	0.07	0.12	0.05	0.18	0.17	0.19
Resident employment (season. adj. level, in millions)	139.08	138.91	139.21	139.32	139.57	139.86	139.67
change from prior month (thousands)	-294	-175	297	117	250	291	-190
% change from prior month	-0.21	-0.13	0.21	0.08	0.18	0.21	-0.14
Unemployment rate (seasonally adj.)	9.7	9.8	9.4	9.0	8.9	8.8	9.0

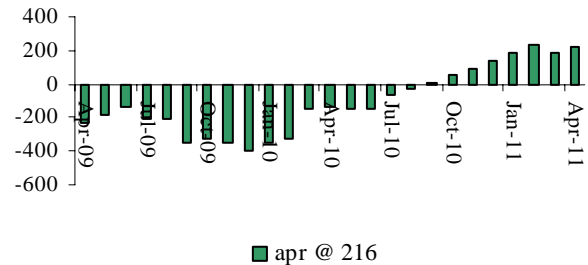
Source: BLS and Yahoo! Finance.

## DC tax collections

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



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



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

Tax	FY 2007	FY 2008	FY 2009	FY 2010	12-month moving total	FY 2011 to date	3-month moving total	This month
Total taxes	5,085.2	5,315.0	4,970.5	4,977.6	5,124.6	2,741.3	1,640.2	640.9
1 year change	615.1	229.7	-344.5	7.0	216.1	147.0	69.6	-28.1
% change	13.8	4.5	-6.5	0.1	4.4	5.7	4.4	-4.2
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,784.4	872.3	813.8	298.9
1 year change	296.1	241.2	113.9	36.3	-59.3	-50.6	-70.5	-73.3
% change	25.8	16.7	6.8	2.0	-3.2	-5.5	-8.0	-19.7
General sales	958.8	1,011.6	963.5	965.3	1,007.3	578.0	244.2	86.8
1 year change	62.0	52.8	-48.1	1.8	75.1	42.0	29.7	-4.3
% change	6.9	5.5	-4.8	0.2	8.1	7.8	13.9	-4.8
Individual income	1,313.1	1,353.2	1,127.2	1,107.1	1,210.5	692.7	240.1	146.5
1 year change	80.7	40.1	-226.0	-20.1	111.5	103.4	40.0	54.2
% change	6.5	3.1	-16.7	-1.8	10.1	17.5	20.0	58.7
withholding	974.8	1,004.2	1,021.2	1,070.6	1,144.5	697.2	302.5	103.5
1 year change	4.2	29.5	17.0	49.4	108.1	73.9	52.9	14.9
% change	0.4	3.0	1.7	4.8	10.4	11.9	21.2	16.8
non-withholding	338.3	349.0	106.0	36.5	66.0	-4.6	-62.4	43.1
1 year change	76.5	10.7	-243.0	-69.5	3.4	29.5	-12.9	39.3
% change	29.2	3.2	-69.6	-65.6	5.4	nm	nm	1,052.6
Corporate income	250.7	289.8	220.7	207.9	195.0	122.4	62.7	15.1
1 year change	30.9	39.1	-69.2	-12.8	-25.1	-12.9	-12.4	-4.1
% change	14.1	15.6	-23.9	-5.8	-11.4	-9.6	-16.5	-21.4
Unincorporated Bus.	166.4	128.9	121.3	120.7	116.8	70.6	39.0	35.4
1 year change	25.5	-37.5	-7.6	-0.6	-18.1	-3.8	0.7	8.0
% change	18.1	-22.5	-5.9	-0.5	-13.4	-5.1	1.9	29.4
Deed taxes*	442.0	323.2	187.4	224.2	286.3	160.8	101.8	38.0
1 year change	81.7	-118.8	-135.8	36.8	110.9	62.1	68.4	26.4
% change	22.7	-26.9	-42.0	19.6	63.3	62.9	204.3	226.4
Other taxes	510.5	523.3	551.7	517.4	524.3	244.5	138.5	20.2
1 year change	38.0	12.8	28.4	-34.3	21.1	7.0	13.6	-35.0
% change	8.0	2.5	5.4	-6.2	4.2	2.9	10.9	-63.4

nm=not meaningful due to negative numbers or trivial collection amounts

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

Source: OCFO/OTR and OCFO/ORA

## DC tax collections

### Tax collections continue to rise

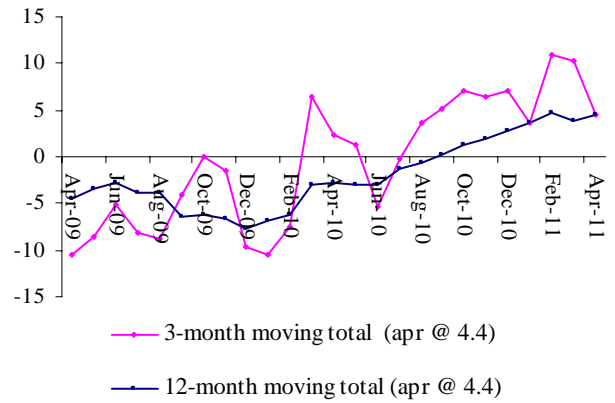
● For the 12-month period ending April, tax collections (before earmarking) were \$216 million (4.4%) more than a year earlier.

● General sales and withholding for the individual income tax have played a large role in the collections rebound. FY 2011 to date, sales taxes were up 7.8% and withholding 11.9%. Gains for the last 3 months were 13.9% and 21.2%, respectively.

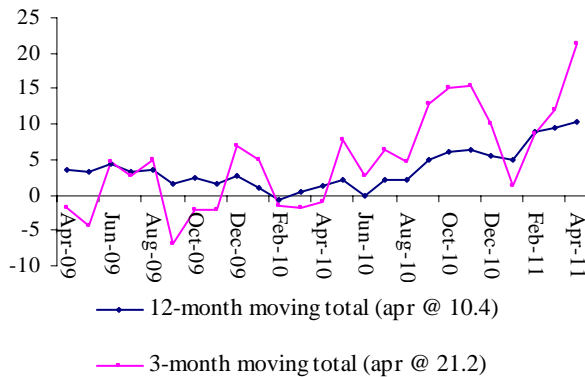
● For the fiscal year through April, the non-withholding part of the Individual Income tax, a primary source of revenue decline since the recession began, still remained slightly below the comparable period of FY 2010.

● Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 105.2% for the 3 months ending April.

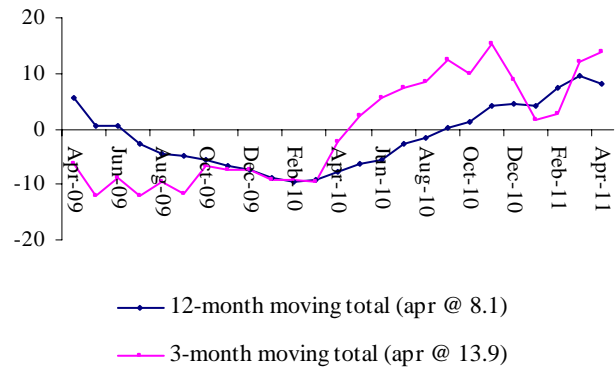
**DC Tax Collections (before earmarking):  
April 2009 to April 2011**  
(% change in 3-month and 12-month moving totals)



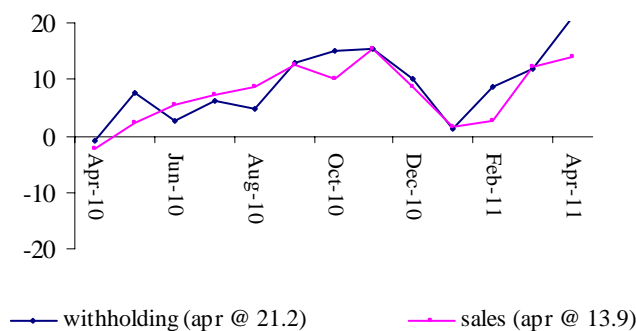
**Withholding collections: Apr. 2009 to Apr. 2011**  
(% change from prior year in 3-month and 12-month moving totals)



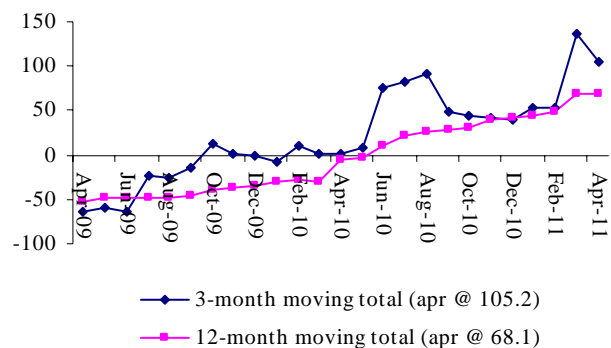
**Sales tax collections: Apr. 2009 to Apr. 2011**  
(% change from prior year in 3-month and 12-month moving totals)



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



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



## US economic forecasts

### Outlook for the US economy is for a little less growth and a little more inflation

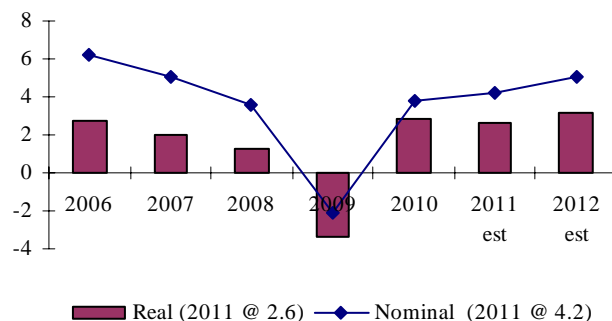
- The May Blue Chip Indicators forecast for real GDP in both FY 2011 and FY 2012 decreased slightly. Growth in real GDP is now forecast to be 2.6% in FY 2011 and 3.1% in FY 2012.
- For the 4th month in a row, in May Blue Chip Indicators raised its estimate for inflation for both FY 2011 (to 2.6%) and FY 2012 (to 2.5%). The forecast for the interest rate on 10 year Treasury securities did not change for FY 2011, but went down slightly for FY 2012.
- Global Insight lowered slightly its baseline and pessimistic forecasts for the S and P 500 stock index, while Economy.com raised its forecasts. The range in the forecasts for 2011 is from -1.2% to +12.6%.

Table 24. Forecasts for US nominal and real GDP: FY 2010 through FY 2012 (% change from prior fiscal year)

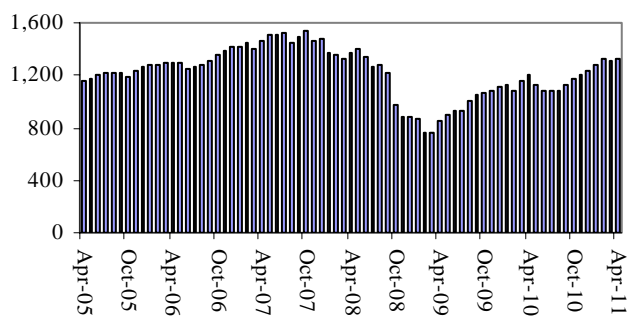
Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
<b>Congressional Budget Office</b>						
August	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
<b>Blue Chip</b>						
February	2.2	3.0	3.4	2.9	4.4	5.0
March	2.2	3.0	3.2	2.2	4.5	4.9
April	2.2	2.8	3.2	2.2	4.4	5.0
May	2.2	2.6	3.1	2.2	4.2	5.0

Sources: Blue Chip Indicators and the Congressional Budget Office.

Blue Chip Indicators estimate of US Nominal and Real GDP: 2006 to 2012 (% change from the prior year; May 2011 estimate)



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



■ S and P 500 stock index (apr @ 1332)

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

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		
Jan	9.0	4.5	7.6	8.4	-5.0	10.7
Feb	10.6	11.7	7.0	10.6	1.2	9.9
Mar	10.6	13.4	5.5	10.6	-0.5	9.1
Apr	10.6	12.6	5.5	10.6	-1.2	9.1
	Economy.com baseline			Economy.com pessimistic		
Jan	10.6	10.0	1.1	10.6	0.2	11.0
Feb	10.6	9.2	1.3	10.6	-0.5	11.3
Mar	10.6	10.3	1.3	10.6	3.2	9.0
Apr	10.6	12.2	1.3	10.6	5.0	9.0

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

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
Feb	1.7	1.7	2.0	3.4	3.4	4.2
Mar	1.7	1.9	2.1	3.4	3.4	4.2
Apr	1.7	2.3	2.3	3.4	3.4	4.2
May	1.7	2.6	2.5	3.4	3.4	4.1

Source: Blue Chip Indicators

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

• **Employment:** Both forecasts made slight changes for FY 2011: Global Insight’s baseline went up slightly, the others declined. The range of job changes are from from 7,714 to 10,531 in FY 2011, and another 5,222 to 11,449 in FY 2012.

• **Unemployment:** Both forecasts raised slightly their baseline forecasts for unemployment in FY 2011. The range in rates is from 9.2% to 9.6% for FY 2011, and 8.4% to 11.0% in FY 2012.

• **Wages earned in DC:** Expectations for the baseline in FY 2011 were cut back. Growth rate ranges: 4.4% to 4.9% in FY 2011; 4.3% to 6.2% in FY 2012.

• **Wages earned by DC residents:** Growth rates for FY 2011 were lowered, but are still quite high, ranging from 7.1% to 7.8%. For FY 2012 the range is from 6.4% to 8.5%.

**Table 27. Jobs in DC: forecasts for FY 2010 to FY 2012**

(amount of change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
jan	6,183	20,730	11,409		6,183	19,809	8,141		6,183	21,274	10,121		6,183	16,333	2,601
feb	6,183	18,836	10,960		6,183	18,145	6,783		6,183	18,162	8,486		6,183	13,454	861
mar	6,808	10,354	11,521		6,808	9,467	7,204		6,808	9,376	8,268		6,808	8,016	5,140
apr	6,808	10,531	11,449		6,808	9,281	6,580		6,808	9,034	9,016		6,808	7,714	5,222

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

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

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
jan	10.9	9.4	8.5		10.9	9.4	8.6		10.9	9.9	8.8		10.9	11.0	11.9
feb	10.9	9.3	8.4		10.9	9.3	8.5		10.9	9.4	8.8		10.9	10.5	11.9
mar	10.1	9.2	8.3		10.1	9.3	8.4		10.1	9.1	9.0		10.1	9.8	11.8
apr	10.1	9.3	8.4		10.1	9.3	8.4		10.1	9.2	8.7		10.1	9.6	11.0

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

**Table 29. Wages earned in DC FY 2010 to FY 2012**

(percent change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
jan	4.1	6.2	5.7		4.1	5.6	4.3		4.1	5.6	5.6		4.1	4.5	3.5
feb	4.1	5.8	5.8		4.1	5.3	4.3		4.1	5.1	5.2		4.1	4.1	3.3
mar	4.1	5.7	6.2		4.1	5.5	4.8		4.1	5.0	5.7		4.1	4.4	4.2
apr	3.8	4.9	6.2		3.8	4.6	4.7		3.8	4.8	5.8		3.8	4.4	4.3

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

**Table 30. DC resident wages FY 2010 to FY 2012**

(percent change from prior year)

Date of estimate	2010	2011	2012		2010	2011	2012		2010	2011	2012		2010	2011	2012
	Global Insight: baseline				Global Insight: pessimistic				Economy.com: baseline				Economy.com: pessimistic		
jan	3.1	12.4	8.8		3.1	11.3	7.2		3.1	10.8	8.3		3.1	9.9	6.8
feb	3.1	10.8	7.9		3.1	9.8	5.8		3.1	10.0	8.0		3.1	9.2	6.6
mar	3.1	10.7	8.5		2.6	9.1	9.1		3.1	9.6	8.4		3.1	9.2	7.3
apr	3.0	7.7	8.3		3.0	7.1	6.4		3.0	7.8	8.5		3.0	7.5	7.4

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 February 2011 forecast is for tax revenue (before earmarks) to decline \$35.3 million (0.7%) in FY 2011, then increase by \$307 million (6.2%) in FY 2012

- The 2011 decline is driven by a \$214 million (11.8%) decline in real property taxes due to lower assessments that reflect the market values prevailing at the end of 2009.
- The largest increases in FY 2011 are in General Sales and Individual Income tax withholding.
- In FY 2012, a rebound in real property is the largest source of growth. The non-withholding part of the individual income tax is the second largest source of growth, marking the end of a three year, \$320 million (92%), decline in this revenue source.

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

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Real property	1,821.5	1,607.4	1,729.2	-1.2	-214.0	121.8	-0.1	-11.8	7.6
Deed taxes	225.6	255.8	270.0	38.2	30.2	14.1	20.4	13.4	5.5
General sales	976.7	1,018.8	1,061.0	3.3	42.2	42.1	0.3	4.3	4.1
Individual income	1,110.4	1,183.3	1,296.8	-25.5	72.8	113.5	-2.2	6.6	9.6
Withholding	1,073.8	1,155.4	1,182.2	52.6	81.6	26.8	5.2	7.6	2.3
non-withholding	36.6	27.9	114.5	-78.1	-8.7	86.7	-68.1	-23.9	310.9
Business income	323.7	346.1	356.3	-18.4	22.4	10.2	-5.4	6.9	2.9
Other	547.3	558.4	563.6	-10.7	11.1	5.2	-1.9	2.0	0.9
Total	5,005.2	4,969.8	5,276.7	-14.4	-35.3	306.9	-0.3	-0.7	6.2

Source: ORA. February 28, 2011 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

Table 32. DC labor market assumptions: FY 2010 to FY 2012

item	2010	2011	2012
Wage and salary employment	709,584	723,666	733,412
1 year change	6,184	14,083	9,746
% change	0.9	2.0	1.3
DC resident employment	298,153	303,447	310,165
1 year change	-3,257	5,294	6,718
% change	-1.1	1.8	2.2
Unemployment rate	10.9	9.6	8.7

Source: ORA February 2011 revenue estimate

Table 33. DC Income and stock market assumptions:

FY 2010 to FY 2012 (change from prior year)

item	2010	2011	2012
Wages and salaries earned in DC	4.1	4.8	5.1
Wages and salaries earned by DC residents	3.1	4.9	6.3
DC Personal income	2.9	4.4	3.8
S and P 500 stock index	10.6	4.7	5.9

Source: ORA February 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
<b>Tax revenue (\$ million)</b>										
Level	3,805	4,249	4,516	5,155	5,325	5,052	5,005	4,970	5,277	5,521
Change from prior year	420	444	267	638	170	-273	-47	-35	307	244
<b>Percent change from prior year</b>										
Tax revenue	12.4	11.7	6.3	14.1	3.3	-5.1	-0.9	-0.7	6.2	4.6
Personal Income	6.9	8.3	8.2	8.0	8.0	2.5	2.9	4.4	3.8	4.5
<b>Tax revenue as percent of Personal Income</b>										
Personal Income	13.1	13.5	13.3	14.0	13.4	12.4	12.0	11.4	11.6	11.6

Source: ORA. February 28, 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 population, households, and housing units, continued from p. 1**

The tables below summarize DC households and population in 2000 and 2010 and changes over the decade.

• Non-family households accounted for 57.7% of all households in 2010, and their increase from 2000 to 2010 exceeded the net increase in all households. As in 2000, single persons accounted for 44% of all households in 2010.

• Households with children represented 20.7% of all households in 2010, down from 24.6% in 2000. Households with children declined by 5,794 (9.5%) over the decade, and the number of children declined by 7,687 (6.0%).

• Changes in household types from 2000 to 2010 include: single person +8,657 (8.0%); married couple +2,028 (3.6%); unmarried partner +5,684 (38.2%); and female householder with children, no husband present -3,378 (-13.8%).

—Stephen Swaim, Office of Revenue Analysis

**DC Households: 2000 and 2010**

	2000	2010	change		Percent of total households		
			number	%	2000	2010	change from 2000 to 2010
<b>Total households</b>	<b>248,338</b>	<b>266,707</b>	<b>18,369</b>	<b>7.4</b>			
<b>Non-family households</b>	<b>134,172</b>	<b>153,992</b>	<b>19,820</b>	<b>14.8</b>	<b>54.0</b>	<b>57.7</b>	<b>107.9</b>
Single	108,774	117,431	8,657	8.0	43.8	44.0	47.1
Without children	13,515	27,289	13,774	101.9	5.4	10.2	75.0
With children	11,883	9,272	-2,611	-22.0	4.8	3.5	-14.2
<b>Family households</b>	<b>114,166</b>	<b>112,715</b>	<b>-1,451</b>	<b>-1.3</b>	<b>46.0</b>	<b>42.3</b>	<b>-7.9</b>
Without children	65,062	66,794	1,732	2.7	26.2	25.0	9.4
Married couple	35,890	37,517	1,627	4.5	14.5	14.1	8.9
Female householder, no husband present	22,471	22,497	26	0.1	9.0	8.4	0.1
Other family	6,701	6,780	79	1.2	2.7	2.5	0.4
With own children under 18	49,104	45,921	-3,183	-6.5	19.8	17.2	-17.3
Married couple	20,741	21,142	401	1.9	8.4	7.9	2.2
Female householder, no husband present	24,561	21,183	-3,378	-13.8	9.9	7.9	-18.4
Other family	3,802	3,596	-206	-5.4	1.5	1.3	-1.1

Source: 2010 Census/DC Office of Planning.

**DC Population: 2000 and 2010**

	2000	2010	change		Percent of total population		
			number	%	2000	2010	change from 2000 to 2010
<b>Total population</b>	<b>572,059</b>	<b>601,723</b>	<b>29,664</b>	<b>5.2</b>			
Living in households	536,497	561,702	25,205	4.7	93.8	93.3	85.0
Living in group quarters such as college dormitories	27,598	32,682	5,084	18.4	4.8	5.4	17.1
Institutionalized	7,964	7,339	-625	-7.8	1.4	1.2	-2.1
<b>Household population: householder, spouse, or partner</b>	<b>319,855</b>	<b>345,936</b>	<b>26,081</b>	<b>8.2</b>	<b>55.9</b>	<b>57.5</b>	<b>87.9</b>
Householder living alone	108,774	117,431	8,657	8.0	19.0	19.5	29.2
Householder living with spouse or unmarried partner	71,517	79,229	7,712	10.8	12.5	13.2	26.0
Spouse of householder	56,631	58,659	2,028	3.6	9.9	9.7	6.8
Unmarried partner of householder	14,886	20,570	5,684	38.2	2.6	3.4	19.2
Householder not living alone, no spouse or partner	68,047	70,047	2,000	2.9	11.9	11.6	6.7
<b>Household population: other adults over 18</b>	<b>87,526</b>	<b>94,337</b>	<b>6,811</b>	<b>7.8</b>	<b>15.3</b>	<b>15.7</b>	<b>23.0</b>
Relatives of householder	50,187	46,591	-3,596	-7.2	8.8	7.7	-12.1
Other non-related to householder	37,339	47,746	10,407	27.9	6.5	7.9	35.1
<b>Household population: children under 18</b>	<b>129,116</b>	<b>121,429</b>	<b>-7,687</b>	<b>-6.0</b>	<b>22.6</b>	<b>20.2</b>	<b>-25.9</b>
Householder's own children	88,899	80,575	-8,324	-9.4	15.5	13.4	-28.1
Children related to householder	22,097	17,444	-4,653	-21.1	3.9	2.9	-15.7
Children not related to householder	18,120	23,410	5,290	29.2	3.2	3.9	17.8

Source: 2010 Census/DC Office of Planning.

## 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](http://www.cfo.dc.gov)) under "Tax Rates and Revenues," "Economic Reports," and "Fiscal Impact Statements."

### Recent ORA reports:

**Tax Rates and Tax Burdens—A Nationwide Comparison 2009.** This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

**Tax Rates and Tax Burdens—Washington Metropolitan Area 2009.** This annual publication compares DC tax rates and the estimated DC tax burdens for households of different income levels with the rates and burdens of surrounding jurisdictions in the DC metropolitan area.

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

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

### About this report.

*District of Columbia Economic and Revenue Trends* is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the 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](http://www.cfo.dc.gov) (click on *Economic Trends, Monthly Review*).

Table 35. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	March	May 20
D.C. Personal Income	BEA	2010.4	June 22
D.C. Tax Collections	OTR/ORA	April	June 15, 2011
D.C. Housing Sales	GCAAR*	April	cJune 10
D.C. Commercial Office Building data	Delta Associates	2011.1	c July 10
DC Apartment data	Reis, inc	2011.1	c August 1
D.C. Hotel stay information	Smith Travel Research	March	c. June 1
Consumer Price Index	BLS	March and April	June 15
U.S. Jobs and Labor Force	BLS	March and April	June 3
U.S. GDP and Personal Income	BEA	2011.1	May 26
S and P 500 Stock Index	Financial press	April	June 1
Interest rate on 10-Year Treasury Securities	Financial press	April	June 1
HIS Global Insight D.C. forecast	Global Insight	April	cMay 20
Moody's Economy.com D.C. forecast	Economy.com	April	cMay 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	May	June 10

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

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

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

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