



District of Columbia Economic and Revenue Trends: October 2013

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

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

October highlights:

- ◇ Slow job growth.....2
- ◇ Slower resident employment.....4
- ◇ September revenue estimate.....16

Indicator updates:

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	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

The percentage increase in DC's Personal Income from 2001 to 2012 was 55% greater than the US average

In the 2010 to 2012 post-recession recovery period, however, DC's percentage gain moved closer to the national average

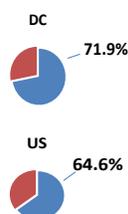
According to recently revised Personal Income estimates by the US Bureau of Economic Analysis, DC's 2012 Personal Income—\$47.28 billion—was 81.8% higher than in 2001. This percentage increase was 55% higher than the US gain over this period, which was 52.8%. (In compound interest terms, DC's rate of growth over the 11-year period was 5.6% per year v. 3.9% for the US.)

Personal Income, a broad measure of residents' current income from all sources, can be divided into 3 parts: (1) earnings from work (wages, benefits, and proprietors' income), (2) property income (interest, dividends, and rent, but not including capital gains), and (3) transfer payments (Social Security, Medicare, Medicaid, Unemployment Insurance, and pensions). DC's higher income gain is largely attributable to earnings from work. DC earnings are a greater proportion of Personal Income than in the US, and they have grown more rapidly.

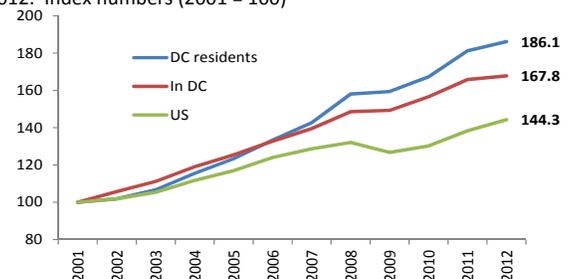
Earnings from work. In 2001 DC's earnings from work accounted for 70.2% of all Personal Income compared to 68.4% for the US. Over the next 11 years the percentage growth in DC was almost twice that in the US (86% v. 44%), and by 2012 the share of earnings in DC's Personal Income had risen to 71.9% while the US share fell to 64.6%. The US recession slowed earnings growth considerably. In the 2010 to 2012 recovery period, DC earnings growth, which was considerably less than in the two years prior to the recession, moved much closer to the national average (11.3% in DC v. 10.8% in the US). (See table on p. 17).

Of note, the percent growth in DC resident earnings from 2001 to 2012 also outpaced the 68% gain in amounts earned in DC by residents and non-residents alike. This reflects a combination of less income loss to suburban commuters and more reverse commuting by DC residents. In the 2010 to 2012 recovery period, amounts earned by all in DC actually grew less rapidly than the US average (7.1% earned by all in DC v. 10.8% in the US). (Continued on p. 17.)

Earnings from Work as percent of 2012 Personal Income in DC and US



Earnings from work for DC residents, all in DC, and the US: 2001 to 2012: Index numbers (2001 = 100)



Wage and salary employment

DC job growth remains weak

- August wage and salary employment in DC was up by 833 (0.1%) from a year earlier as measured by the 3-month moving average.
- Federal government employment for August was down by 6,100 (-2.9%); the private sector gained 7,533 (1.5%).
- Total year-over-year DC metropolitan area employment increased by 42,767 (1.4%) in August as measured by the 3-month moving average.
- There was an increase of 1.8% in suburban Washington employment in August from a year earlier.
- Seasonally adjusted wage and salary employment in DC fell by 2,000 (0.3%) in August from the prior month. Seasonally adjusted employment was 3,700 less than it was six months earlier in February.

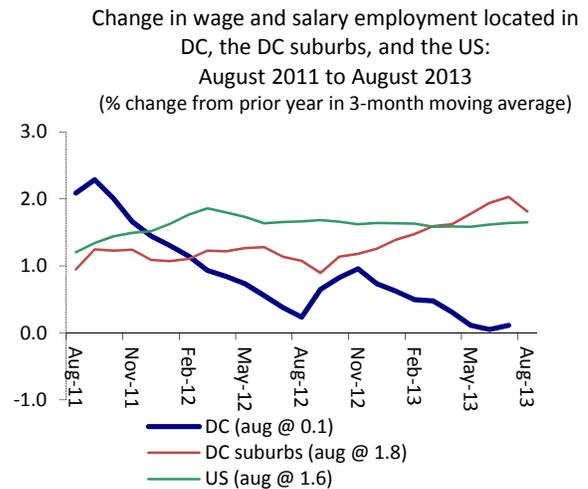


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: August 2013

Jurisdiction	FY 2010	FY 2011	FY 2012	12-mo avg	3-mo average	This month
District of Columbia	709,075	723,233	730,033	733,192	734,200	728,700
1 year change	7,442	14,158	6,800	3,417	833	1,600
% change	1.1	2.0	0.9	0.5	0.1	0.2
Washington metro area	2,956,233	2,998,442	3,030,808	3,068,125	3,090,700	3,068,500
1 year change	-8,083	42,208	32,367	39,333	42,767	33,400
% change	-0.3	1.4	1.1	1.3	1.4	1.1
Washington suburbs (% ch)	-0.7	1.2	1.1	1.6	1.8	1.4
US (% ch)	-1.9	1.2	1.7	1.6	1.6	1.7

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 2013

Sector	FY 2010	FY 2011	FY 2012	12-mo avg	3-month average	This month
Federal government	208,233	213,258	208,600	204,883	203,433	203,400
1 year change	10,183	5,025	-4,658	-4,150	-6,100	-5,300
% change	5.1	2.4	-2.2	-2.0	-2.9	-2.5
Private sector	464,100	474,833	486,708	494,150	494,033	492,100
1 year change	1,158	10,733	11,875	8,117	7,533	7,200
% change	0.3	2.3	2.5	1.7	1.5	1.5

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

Table 3. Seasonally adjusted DC Employment: February 2013 to August 2013

Indicator	Feb	Mar	Apr	May	Jun	Jul	Aug
D.C. Wage and Salary employment	733,600	734,300	733,100	733,800	732,700	731,900	729,900
change from prior month	-1,100	700	-1,200	700	-1,100	-800	-2,000
% change from prior month	-0.1	0.1	-0.2	0.1	-0.1	-0.1	-0.3

Source: BLS seasonally adjusted. August is preliminary

Professional services (other than legal), education, and food services lead private sector job growth

- In August professional services (other than legal) gained 3,267 jobs over last year and education gained 2,800 jobs, together accounting for about 80% of all private sector net job growth. (3-month moving averages.)
- Food service (2,600), finance (900), and other business services (600) also showed significant one year gains.
- Private sector industries losing jobs included information, legal, employment services, retail, recreation, construction, personal services, and accommodations.
- Local government fell by 600.
- Over the past year, DC's share of federal employment fell slightly in both the DC metro area and the US.

Federal government and private sector wage and salary employment in DC: Aug. 2011 to Aug. 2013 (% change from prior year in 3-month moving average)

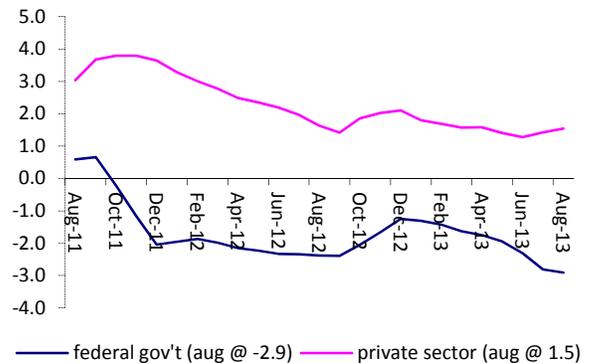


Table 4. Wage and salary employment located in DC: August 2013

Industry sector	3-month moving average		1 year change		12-mo. moving avg: % change	Sector % of all DC jobs, Aug 2013	DC share (%) in Aug 2013 of all sector jobs in:		Change from Aug 2012 to Aug 2013 in DC share of sector jobs in:	
	Aug 2012	Aug 2013	Amount	%			metro area	US	metro area	US
Federal government	209,533	203,433	-6,100	-2.9	-2.0	27.9	54.6	7.38	-0.6	-0.03
Local government	37,333	36,733	-600	-1.6	-1.6	5.0	11.9	0.20	-0.6	0.00
Legal services	30,133	29,900	-233	-0.8	-0.9	4.1		2.64		-0.03
Other Professional and technical	76,800	80,067	3,267	4.3	3.8	11.0	22.8	1.15	0.7	0.01
Employment services	13,367	12,733	-633	-4.7	-4.0	1.7	33.9	0.37	-0.1	-0.05
Other Business services	33,633	34,233	600	1.8	2.6	4.7	17.5	0.48	-0.5	0.00
Information	17,400	16,667	-733	-4.2	-5.1	2.3	21.7	0.62	-0.7	-0.03
Finance	28,133	29,033	900	3.2	1.5	4.0	18.6	0.36	-0.3	0.01
Organizations	60,900	61,433	533	0.9	1.5	8.4	36.6	2.05	0.1	0.01
Education	44,767	47,567	2,800	6.3	6.2	6.5	48.2	1.53	-0.8	0.08
Health	64,100	64,300	200	0.3	1.0	8.8	22.9	0.37	-0.1	-0.01
Food service	43,700	46,300	2,600	5.9	3.7	6.4	21.6	0.44	0.2	0.01
Accommodations	15,667	15,633	-33	-0.2	-0.2	2.1	36.5	0.80	0.1	-0.01
Amusement and recreation	7,333	6,967	-367	-5.0	-0.2	1.0	14.1	0.30	-2.0	-0.03
Retail trade	18,733	18,000	-733	-3.9	-3.0	2.5	6.8	0.12	-0.4	-0.01
Wholesale trade	4,933	4,967	33	0.7	3.3	0.7	7.8	0.09	0.0	0.00
Construction	14,000	13,633	-367	-2.6	3.6	1.9	9.3	0.23	-0.2	-0.01
Personal and miscellaneous ser.	7,667	7,500	-167	-2.2	-4.1	1.0		0.29		-0.01
Other private	5,233	4,900	-333	-6.4	-4.0	0.7	4.6	0.03	-0.1	0.00
Total	733,367	734,200	833	0.1	0.5	100.8	23.8	0.54	-0.3	-0.01
Public sector	246,867	240,167	-6,700	-2.7	-1.9	33.0	35.2	1.14	-1.2	-0.03
Private sector	486,500	494,033	7,533	1.5	1.7	67.8	20.5	0.43	0.0	0.00
Professional and all business	199,467	202,633	3,167	1.6	1.2	27.8	21.4	0.84	0.0	-0.01
Education, health, and orgs.	169,767	173,500	3,733	2.2	2.7	23.8	30.5	0.55	0.1	0.00
Hospitality and trade	90,367	91,867	1,500	1.7	1.2	12.6	14.4	0.26	-0.2	0.00
Other private sector	26,900	26,033	-867	-3.2	-0.2	3.6	10.2	0.10	-0.2	0.00

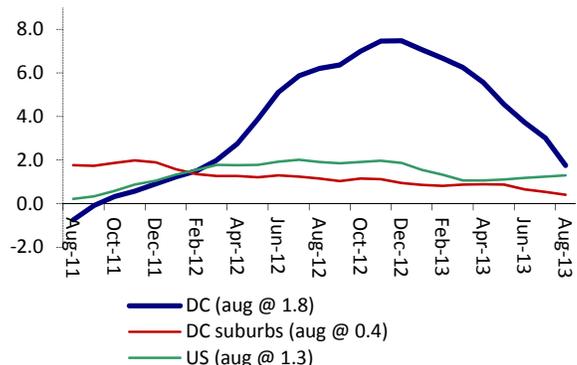
Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment

DC's resident employment growth continued to slow

- In August DC resident employment rose 5,841 (1.8%) from a year earlier (3-mo. moving average).
- Seasonally adjusted DC resident employment has fallen for five months in a row and in Aug. was 7,935 below the Feb. level.
- In August the unemployment rate (seasonally adjusted) increased to 8.7%. The rate has changed little in the past 6 months.
- August initial unemployment insurance claims were up 8.6% (3-month moving average).

Resident employment in DC, the DC suburbs, and the US: August 2011 to August 2013
(% change from prior year in 3-month moving average)



Jobs located in DC and DC resident employment:
August 2011 to August 2013
(% change from prior year in 3-mo. moving average)

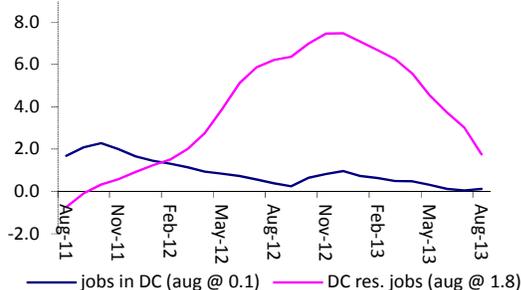


Table 5. Unemployment rates for DC, metro area, and US:

August 2013

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Aug. 2012	Aug. 2013	Aug. 2012	Aug. 2013
US	8.2	7.3	8.1	7.3
DC	9.0	8.5	8.9	8.7
DC metro area	5.7	5.4	na	na
DC suburbs	5.3	5.0	na	na

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

Table 6. Resident employment and unemployment: August 2013

Indicator	FY 2010	FY 2011	FY 2012	3-month		
				12-mo avg	average	This month
DC Labor force summary						
Resident employment	308,513	312,148	323,412	337,839	338,371	331,037
1 year change	4,332	3,635	11,264	16,264	5,841	-1,267
% change	1.4	1.2	3.6	5.1	1.8	-0.4
Labor Force	343,475	347,470	356,439	369,558	371,045	361,835
1 year change	9,339	3,995	8,969	14,605	4,838	-3,459
% change	2.8	1.2	2.6	4.1	1.3	-0.9
Unemployed	34,962	35,322	33,027	31,719	32,674	30,798
1 year change	5,007	360	-2,295	-1,659	-1,003	-2,192
% change	16.7	1.0	-6.5	-5.0	-3.0	-6.6
Unemployment rate	10.2	10.2	9.3	8.6	8.8	8.5
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,799	2,101	1,784	1,888	2,195	1,881
1 year change	-404	302	-317	70	174	-21
% change	-18.3	16.8	-15.1	3.8	8.6	-1.1
Weeks compensated (m o. avg.)	53,592	46,423	45,170	42,807	43,048	42,690
1 year change	-881	-7,169	-1,253	-2,645	15	-278
% change	-1.6	-13.4	-2.7	-5.8	0.0	-0.6

Source: Labor force: BLS. Unemployment Insurance: US Dept of Labor. Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: February 2013 to August 2013

Indicator	Feb	Mar	Apr	May	Jun	Jul	Aug
DC Resident employment	340,941	341,229	340,933	340,562	340,057	337,536	333,006
change from prior month	714	288	-296	-371	-505	-2,521	-4,530
% change from prior month	0.2	0.1	-0.1	-0.1	-0.1	-0.7	-1.3
DC Unemployment rate (%)	8.6	8.6	8.5	8.5	8.5	8.6	8.7

Source: BLS seasonally adjusted. August is preliminary

Wages and income

DC resident wage gains below the US average

- Wages earned in the District of Columbia were 1.8% higher in the June quarter compared to the same quarter of 2012.
- Wages earned in DC have now grown at a slower rate than the US average for 10 quarters.
- In the June quarter, estimated wages of DC residents grew 2.5%. DC Personal Income grew 2.3%.
- In the June quarter, the private sector accounted for 143% of the \$1.11 billion increase in wages earned in DC; federal wages declined by \$350 million.

Wages earned in DC, wages earned by DC residents, and wages earned in the US: 2010.2 to 2013.2

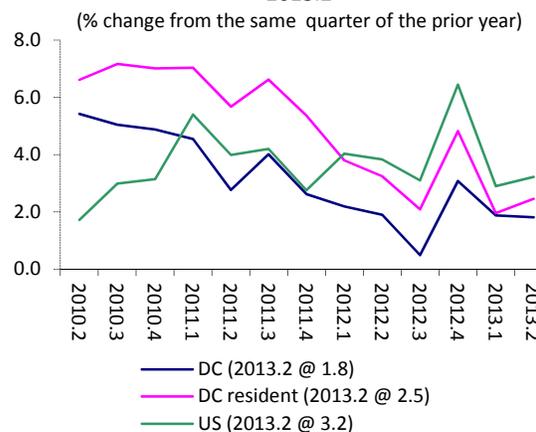


Table 8. DC Wages and Personal Income: June 2013

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

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	4-quarter moving average	Latest quarter (Jun.)
Wages and salaries earned in DC	54.92	57.24	59.56	60.62	61.65	62.05
1 year change	1.24	2.33	2.31	1.07	1.10	1.11
% change	2.3	4.2	4.0	1.8	1.8	1.8
Supplements to wages & salaries	14.08	14.93	16.11	16.23	16.06	16.08
% change	4.5	6.0	7.9	0.7	-1.8	-0.8
Proprietors' income earned by DC residents*	5.83	5.35	5.56	5.80	6.05	6.21
% change	-4.1	-8.2	4.0	4.3	4.4	7.0
Wages and salaries of DC residents***	20.76	22.03	23.48	24.33	24.88	25.09
change from one year ago	0.93	1.27	1.45	0.85	0.68	0.60
% change	4.7	6.1	6.6	3.6	2.8	2.5
Income earned by DC residents	29.0	30.1	32.5	33.7	34.2	34.4
% change	2.9	3.8	7.9	3.7	1.8	1.6
Property income of DC residents	6.76	6.16	7.08	7.51	7.75	7.89
% change	-11.1	-8.8	14.9	6.1	3.6	4.3
Pensions and other transfer of DC residents	4.61	5.19	5.68	5.65	5.75	5.81
% change	12.1	12.7	9.3	-0.4	1.7	3.6
DC Personal Income**	40.40	41.50	45.27	46.87	47.72	48.11
1 year change	0.49	1.10	3.77	1.60	0.97	1.09
% change	1.2	2.7	9.1	3.5	2.1	2.3
US Personal income (% change from prior year)	-2.0	1.3	5.9	4.0	3.5	2.7
US Wages and salaries (% change from prior year)	-3.3	0.2	4.2	3.4	3.9	3.2
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	-0.08	0.49	1.76	1.35	1.58	1.59
Federal government (1 yr ch, \$B)	1.12	1.77	0.68	-0.35	-0.43	-0.35
DC res. wages as % of wages earned in DC	37.8	38.5	39.4	40.1	40.4	40.4

* 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 30, 2013

Single family and condominium home sales

Value of home sales continues to increase sharply

- The September 3-month moving total of single family home sales was up 15.2% from a year earlier, and the average selling price was 14.9% higher.
- September condominium sales were 25.8% above a year earlier as measured by the 3-month moving total; the average selling price was 6.1% higher.
- The total value of all home sales in September was 32.7% more than a year earlier as measured by the 3-month moving total.
- September year-to-date median prices were up 15.4% for single family units, and up 6.8% for condominiums.
- The September ratios of inventory to sales were 1.8 for both single family units and condominiums (3-mo. moving average).

Total value of sales of single family and condo units: September 2011 to September 2013
(% change from prior year in 3-mo. and 12-mo. moving totals)

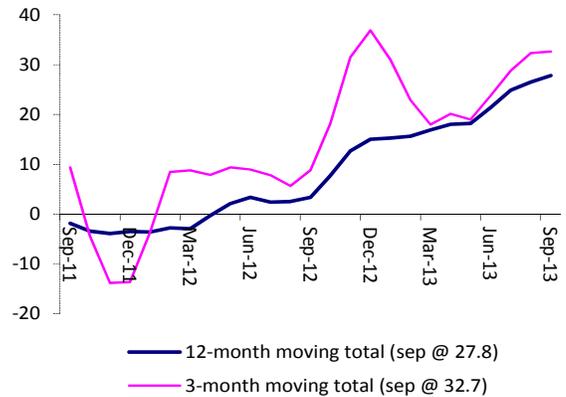


Table 9. D.C. Residential Real Estate Indicators: September 2013

Indicator	FY 2009	FY 2010	FY 2011	FY 2012	12-mo moving	3-mo moving	This month
					total or average	total or average	
Number of sales (settled contracts)							
Single family	3,259	4,084	3,800	3,563	3,979	1,094	297
1 year change	237	825	-284	-237	416	144	33
% change	7.8	25.3	-7.0	-6.2	11.7	15.2	12.5
Condo	2,590	2,884	2,469	2,784	3,487	1,001	267
1 year change	-206	294	-415	315	703	205	25
% change	-7.4	11.4	-14.4	12.8	25.3	25.8	10.3
Total	5,849	6,968	6,269	6,347	7,466	2,095	564
1 year change	31	1,119	-699	78	1,119	349	58
% change	0.5	19.1	-10.0	1.2	17.6	20.0	11.5
Average prices of units that sold							
Single family (\$)	597,269	538,395	601,026	630,109	712,799	764,104	809,843
1 year change	-70,098	-58,874	62,631	29,083	82,690	98,864	149,527
% change	-10.5	-9.9	11.6	4.8	13.1	14.9	22.6
Condo (\$)	359,952	414,030	423,365	429,611	447,827	450,688	423,486
1 year change	-52,283	54,078	9,336	6,245	18,216	25,801	19,291
% change	-12.7	15.0	2.3	1.5	4.2	6.1	4.8
Total value of all sales (\$ million)							
	2,878.8	3,392.9	3,329.2	3,441.1	4,397.8	1,287.1	353.6
1 year change	-290.6	514.1	-63.7	111.9	956.7	316.9	81.5
% change	-9.2	17.9	-1.9	3.4	27.8	32.7	29.9
Ratio: active inventory to sales							
Single family	5.2	3.4	3.3	2.3	1.6	1.8	2.0
Condo	5.7	4.6	4.9	2.9	1.7	1.8	2.1

Median contract prices, CY to date in September 2013: single family \$600,000 (15.4% 1 yr ch); condo \$406,000 (6.8% 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.

Source: Metropolitan Regional Information Systems (MRIS); median contract price and inventory ratio data accessed through the Greater Capital Area Assn. of Realtors (GCAAR).

Apartments and single family home transactions

DC housing prices rising faster than in US or the metro area

- In June the quarterly Federal Housing Finance Agency house price index for DC was 12.8% higher than a year ago. The metro area increase was 9.9%, and the US was 7.6%.
- Sales of single family units at prices above \$1 million were up 68.5% in Sep. from a year ago as measured by the 3-month moving total; they accounted for 19.1% of sales.
- In the June quarter, occupied apartment units rose 2,161 (2.5%) and rents rose 1.9% from a year earlier.

FHFA expanded-data housing price index for DC and the US: 2004.2 to 2013.2
(% change from prior yr. in the 12-mo. moving avg.)

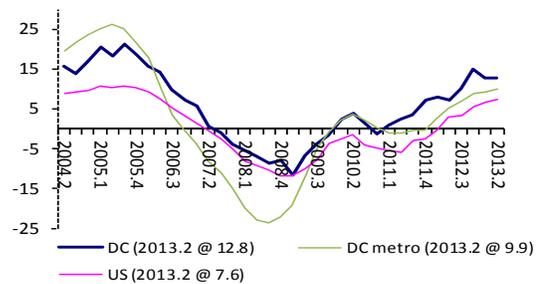


Table 10. D.C. Single family and condominium home sales at prices of \$1 million or more: September 2013

Category	Fiscal year average				12-mo moving total			3-mo moving total	
	FY 2009	FY 2010	FY 2011	FY 2012	2012.2	2012.3	2012.4	2013.1	2013.2
Single family homes	333	418	489	458	689	689	209	57	57
1 year change	-102	85	71	-31	231	85	25	25	25
% change	-23.4	25.5	17.0	-6.3	50.4	68.5	78.1	78.1	78.1
percent of all single family sales	10.2	10.2	12.9	12.9	17.3	19.1	19.2	19.2	19.2
Condominiums	62	89	87	72	112	30	6	6	6
1 year change	-15	27	-2	-15	40	10	1	1	1
% change	-19.5	43.5	-2.2	-17.2	55.6	50.0	20.0	20.0	20.0
percent of all condominium sales	2.4	3.1	3.5	2.6	3.2	3.0	2.2	2.2	2.2

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, DC metro area, and US: June 2013

Indicator	Fiscal year average				Quarter				
	FY 2009	FY 2010	FY 2011	FY 2012	2012.2	2012.3	2012.4	2013.1	2013.2
% change from prior year in value of index									
DC	-7.5	1.5	1.6	8.2	7.1	10.2	15.0	12.8	12.8
DC metro area	-14.9	1.9	-0.4	3.7	5.3	7.0	8.9	9.4	9.9
US	-10.2	-2.9	-4.8	0.9	2.9	3.5	5.5	6.6	7.6

Addendum: % change from prior year in the average price of settled sales contracts for single family homes

Average DC sales price	-10.5	-9.9	11.6	4.8	5.4	7.1	18.5	5.8	12.7
------------------------	-------	------	------	-----	-----	-----	------	-----	------

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This index is a broad measure of the movement of single-family house prices. It measures average price changes in repeat sales or refinancings on the same properties. This information is obtained from transactions whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. It is augmented by data on mortgages endorsed by FHA and county recorder data licensed from DataQuick Information Systems. (2) Average DC sales price is the average price of houses that sold during the period (settled contracts): see Table 9. Not seas. adj.

Table 12. Market-rate units in larger DC apartment buildings: June 30, 2013

Indicator	Fiscal year average				Latest Q (June 30, 2013)		
	Sep. 30 2009	Sep. 30 2010	Sep. 30 2011	Sep. 30 2012	amount	1 Q ch	% ch
Inventory	87,090	87,970	88,710	89,464	91,121	316	0.3
1 year change	1,663	880	740	754	2,304		
% change	1.9	1.0	0.8	0.8	2.6		
Occupied units	81,964	82,965	84,125	85,620	87,228	237	0.3
1 year change	443	1,001	1,160	1,495	2,161		
% change	0.5	1.2	1.4	1.8	2.5		
Vacant units	5,126	5,005	4,585	3,844	3,893	79	2.1
1 year change	1,220	-121	-420	-741	143		
% change	31.2	-2.4	-8.4	-16.2	3.8		
% of inventory	5.9	5.7	5.2	4.3	4.3		
Average effective monthly rent	\$1,342	\$1,380	\$1,422	\$1,481	\$1,499	\$9	0.6
% change from 1 year	0.1	2.8	3.0	4.1	1.9		

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

Commercial office space

Office market improved slightly in September

• For the quarter ending September, the vacancy rate for DC commercial office space fell to 9.2%.

• DC's vacancy rate in September was below the 13.4% rate for the metropolitan area.

• Occupied space in the September quarter rose by 1.99 million square feet (1.6%) from the prior year, reaching a new high.

• Space under construction in September (2.42 million square feet) was up slightly from the last quarter.

• In the June quarter, average effective rents for class A office space leases were down 1.3% from 6-months earlier.

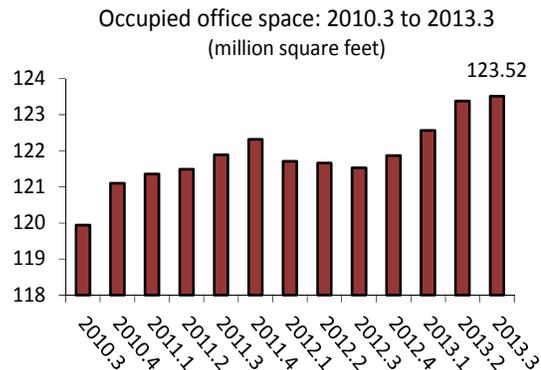


Table 13. Commercial office space in DC: September 30, 2013

(In millions of square feet, unless noted otherwise)

Indicator	Sep. 30	Sep. 30	Sep. 30	Sep. 30	last quarter (September 2013)		
	2009	2010	2011	2012	Level	1 Q ch	% ch
Inventory	127.45	131.95	133.50	133.99	136.03	0.00	0.0
1 year change		3.86	4.49	1.56	0.48	2.05	
% change		3.1	3.5	1.2	0.4	1.5	
Occupied space	114.45	119.94	121.89	121.52	123.52	0.14	0.1
1 year change		-0.99	5.49	1.95	-0.36	1.99	
% change		-0.9	4.8	1.6	-0.3	1.6	
Leased space	116.25	121.35	123.06	122.82	124.43	0.01	0.0
Under construction	5.75	2.14	2.42	2.74	2.42	0.03	1.2
1 year change		-4.85	-3.60	0.27	0.33	-0.33	
% change		-45.8	-62.7	12.7	13.5	-11.9	
% of inventory		4.5	1.6	1.8	2.0	1.78	
Vacant (no sublet)	11.20	10.60	10.44	11.17	11.60	-0.01	-0.1
% of inventory		8.8	8.0	7.8	8.3	8.5	
Vacant (w sublet)	13.00	12.01	11.61	12.46	12.51	-0.14	-1.1
1 year change		4.84	-0.99	-0.39	0.85	0.05	
% ch from one year		59.4	-7.6	-3.3	7.3	0.4	
DC area vacancy rates (with sublet)							
District of Columbia	10.2	9.1	8.7	9.3	9.2	-0.1	
Northern Virginia	13.5	13.4	13.5	15.2	15.8	0.0	
Suburban Maryland	14.6	14.5	14.2	14.5	14.7	0.0	
DC Metropolitan area	12.6	12.2	12.1	13.1	13.4	0.0	

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 in Downtown DC by year: 2009 to 2013.2

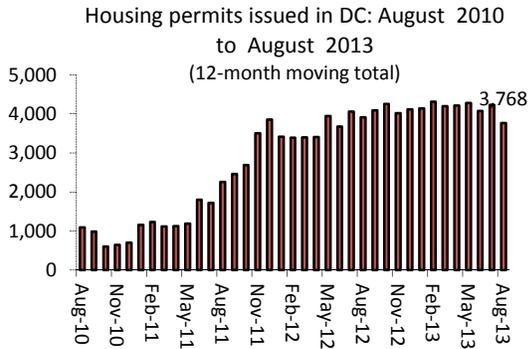
Indicator	\$ per square foot of gross floor space ending on date shown:				
	2009	2010	2011	2012	2013.2
Average effective rent	50.80	48.65	48.54	47.80	47.20
% ch from prior year		-4.2	-0.2	-1.5	-1.3*
Average value of improvements for tenants				80.00	85.00

Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.). Class A is defined as buildings greater than 50,000 square feet and built after 1997. *Percent change from December 31, 2012.

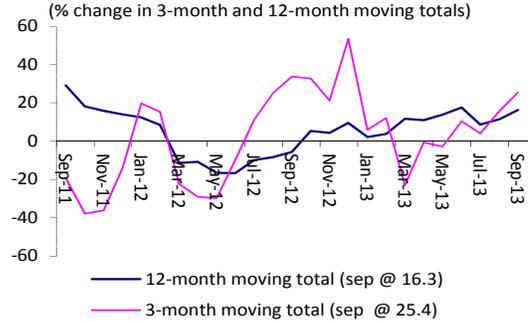
Housing permits, office and apartment outlook, and value of property transfers

Value of property transfers continues to increase

- For the 12-month period ending August, 3,768 housing unit building permits were issued, a 3.7% decline over the prior 12-month period.
- Delta Associates expects DC's office vacancy rate (including sublet) to fall to 9.0% over the next two years.



Value of real property transfers (including transfers of economic interest): September 2011 to September 2013



- Reis expects 6,546 new apartment units to be added to inventory in CY 2013 and CY 2014, and occupancy to grow by 6,232.
- The value of September property transfers was up by 25.4% from last year as measured by the 3-month moving total. The 12-month moving total (\$11.05 billion) was 16.3% higher than last year.

Table 15. Housing unit building permits issued in DC: August 2013

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
Total units	499	986	2,459	4,091	3,768	747	49
change from 1 year ago	-191	487	1,473	1,632	-146	-513	-463
% change from 1 year	-27.7	97.6	149.4	66.4	-3.7	-40.7	-90.4

Source: Census Bureau (permits issued during period).

Table 16. Delta Associates outlook for commercial office space in DC and the surrounding metro area: Sep. 2013 to Sep. 2015

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory September 2013					
Inventory (msf)	136.0	189.7	94.0	419.8	32.4
vacancy rate (%)	9.2	15.8	14.7	13.4	
Estimated net activity to September 2015					
new supply (msf)	2.8	4.3	1.2	8.3	33.7
new demand (msf)	2.9	4.0	1.3	8.2	35.4
Estimated Inventory September 2015					
vacancy rate (%)	9.0	15.6	14.5	13.2	

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2008 to 2017

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011	88,817	457	4.7	84,632	1,155
2012	90,433	1,616	4.3	86,500	1,868
2013 est	92,855	2,422	3.9	89,237	2,737
2014 est	96,979	4,124	4.4	92,732	3,495
2015 est	99,072	2,093	4.7	94,380	1,648
2016 est	100,434	1,362	4.9	95,491	1,111
2017 est	101,867	1,433	5.0	96,723	1,232

Source: Reis, June 2013. (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: September 2013

	FY 2009	FY 2010	FY 2011	FY 2012	12-month moving total	3-month moving total	This month
All property transfers (\$ million)	5,591.2	7,789.1	10,059.5	9,494.3	11,045.3	3,469.6	982.8
change from one year ago (\$M)	-5,936.1	2,197.9	2,270.4	-565.3	1,551.1	703.5	380.1
% change from 1 year ago	-51.5	39.3	29.1	-5.6	16.3	25.4	63.1

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.

Hospitality

Hotel stays continue to increase

• In August the 3-month moving total for hotel room-days sold was 0.9% more than a year earlier. The average room rate fell 2.0%, leading to 1.2% loss in room revenue.

• Employment in food services was 5.9% more in August than a year earlier as measured by the 3-month moving average. Hotel employment fell 0.2%, and retail lost 3.9%.

• July airline traffic into the DC area was flat from a year earlier as measured by the 3-month moving total. Reagan National Airport gained 4.9%.

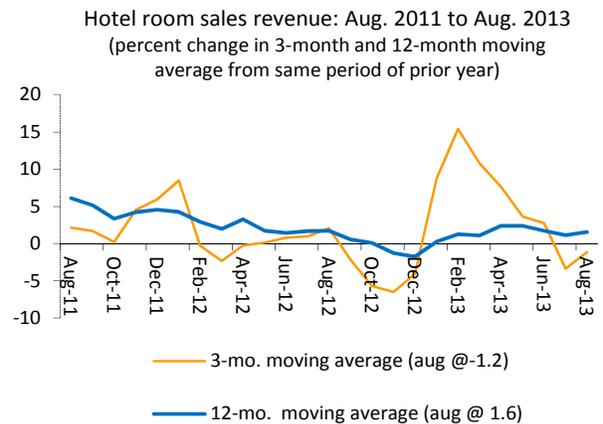


Table 19. Hospitality Industry: August 2013

Indicator	Units	date	FY 2010	FY 2011	FY 2012	12-mo total	3-month	This month
						or average*	moving total	
Hotel stays								
Hotel room -days sold	('M)	aug	7.370	7.465	7.617	7.676	2.106	0.679
	1 yr ch		0.248	0.095	0.152	0.049	0.019	0.041
	1 yr % ch		3.5	1.3	2.0	0.6	0.9	6.4
Average room rate	\$	aug	199.12	206.60	203.59	206.90	183.44	153.44
	1 yr ch		-4.05	7.49	-3.02	1.91	-3.81	-1.07
	1 yr % ch		-2.0	3.8	-1.5	0.9	-2.0	-0.7
Occupancy rate (average)	%	aug	73.8	74.2	75.4	75.9	81.9	78.4
	1 yr ch		0.7	0.5	1.2	0.4	-0.1	3.7
	1 yr % ch		0.9	0.6	1.6	0.6	-0.2	5.0
Room revenue	(\$M)	aug	1,467.5	1,542.3	1,550.7	1588.1	386.3	104.1
	1 yr ch		20.5	74.8	8.4	24.6	-4.5	5.6
	1 yr % ch		1.4	5.1	0.5	1.6	-1.2	5.7
Airline passengers								
DCA	1 yr % ch	jul	0.5	6.2	2.8	7.3	4.9	2.4
IAD	1 yr % ch	jul	1.2	0.6	-2.9	-4.8	-2.6	-0.1
BWI	1 yr % ch	jul	4.6	4.2	1.0	-0.7	-1.6	-2.6
Total	1 yr % ch	jul	2.1	3.4	0.1	0.2	0.0	-0.3
Employment								
Accommodations	level ('000)	aug	15.3	15.3	15.5	15.5	15.6	15.5
	1 yr ch		0.3	0.0	0.2	0.0	0.0	0.1
	1 yr % ch		2.0	0.1	1.1	-0.2	-0.2	0.6
Food and bev	level ('000)	aug	37.0	39.3	42.7	44.0	46.3	46.2
	1 yr ch		1.2	2.3	3.3	1.6	2.6	2.9
	1 yr % ch		3.3	6.2	8.5	3.7	5.9	6.7
Arts and entertain.	level ('000)	aug	7.0	6.8	6.9	6.9	7.0	6.9
	1 yr ch		-0.1	-0.2	0.1	0.0	-0.4	-0.4
	1 yr % ch		-1.5	-2.5	1.5	-0.2	-5.0	-5.5
Retail	level ('000)	aug	18.3	18.6	18.8	18.2	18.0	18.0
	1 yr ch		0.5	0.2	0.3	-0.6	-0.7	-0.6
	1 yr % ch		3.0	1.3	1.4	-3.0	-3.9	-3.2

* Total for hotel rooms sold and room revenue

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

Economic growth picked up in the June quarter

- June was the 9th consecutive quarter of real GDP growth (newly revised series). The 2.5% annual rate of growth for the quarter was above average for the post-recession recovery.
- US employment (seas. adj.) increased by 148,000 in September
- The US unemployment rate (seasonally adj.) fell to 7.2% in Sep..
- In September the S & P 500 index rose 1.0% from August, and was 16.9% above last year.
- Compared to a year earlier, inflation fell in August to 1.5% (sa).

Quarterly change in US Real and Nominal GDP:
2010.2 to 2013.2
(% change from the previous quarter at annual rates)

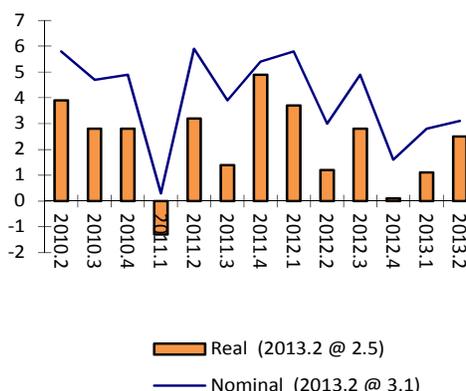


Table 20. US GDP, income, corporate profits, and inflation: 2013.2 and September 2013

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

Indicator	Date of latest indicator		FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	12-mo avg	2013.2	Sep. 2013
US GDP real	2013.2	1 yr % ch	1.1	-3.9	1.8	1.9	2.3	2.0	1.6	
US GDP nominal	2013.2	1 yr % ch	3.4	-2.6	2.8	4.0	4.2	3.7	3.1	
US Personal income	2013.2	1 yr % ch	5.6	-3.4	1.5	5.4	3.3	3.7	3.0	
US wages	2013.2	1 yr % ch	3.4	-3.5	0.4	4.0	3.1	3.9	3.2	
Corporate profits	2013.2	1 yr % ch	-11.2	-12.2	35.9	9.1	8.4	3.8	4.5	
S and P stock index	sep	1 yr % ch	-5.7	-34.3	23.7	13.8	5.4	16.7	19.2	16.9
US CPI	aug	1 yr % ch	4.4	-0.3	1.7	2.7	2.4	1.7	1.4	1.5
Balt//Wash. area CPI	jul	1 yr % ch	5.0	0.3	1.7	3.0	2.4	1.8	na	1.9

Source: BEA (data revised as of September 26, 2013), 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: 2011.4 to 2013.2

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

Indicator	units	calendar year quarter						
		2011.4	2012.1	2012.2	2012.3	2012.4	2013.1	2013.2
US GDP real	% ch from prior Q at saar	4.9	3.7	1.2	2.8	0.1	1.1	2.5
US GDP nominal	% ch from prior Q at saar	5.4	5.8	3.0	4.9	1.6	2.8	3.1
Wages and salaries	% ch from prior Q at saar	-2.4	11.1	1.8	1.8	10.5	-2.6	3.1
Personal income	% ch from prior Q at saar	0.6	7.4	3.0	1.5	10.8	-4.2	4.0

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on September 26, 2013

Table 22. Monthly selected US Indicators: March 2013 to September 2013

Indicator	Mar	Apr	May	June	July	August	September
S and P stock index (level)	1551	1571	1640	1619	1668	1670	1687
% change from prior month	2.5	1.3	4.4	-1.3	3.0	0.1	1.0
% change from 1 year ago	11.6	13.3	22.3	22.3	22.6	19.0	16.9
10 yr. Treasury Interest rate (level)	1.95	1.73	1.92	2.29	2.57	2.73	2.80
CPI % ch from prior month (seasonally adjusted)	-0.18	-0.37	0.15	0.48	0.16	0.09	
CPI % ch from prior year (seasonally adjusted)	1.48	1.11	1.39	1.76	1.96	1.52	
Jobs (seasonally adjusted level, in millions)	135.31	135.51	135.69	135.86	135.95	136.14	136.29
change from prior month (thousands)	142	199	176	172	89	193	148
% change from prior month	0.11	0.15	0.13	0.13	0.07	0.14	0.11
Resident employment (season. adj. level, in mil.)	143.29	143.58	143.90	144.06	144.29	144.17	144.30
change from prior month (thousands)	-206	293	319	160	227	-115	133
% change from prior month	0.06	0.20	0.22	0.11	0.16	-0.08	0.09
Unemployment rate (seasonally adj.)	7.6	7.5	7.6	7.6	7.4	7.3	7.2

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking):
September 2008 to September 2013
 (12-month moving total in \$ million)

September 2013 @ 6,118.1M

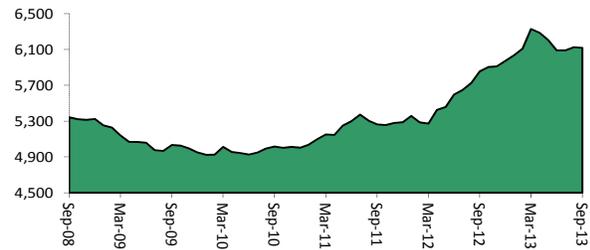


Table 23. Tax Collections (before earmarking): September 2013 (Preliminary)

Tax	Revenue (from CAFR)			Tax collections			
	FY 2010	FY 2011	FY 2012	12-month moving total	FY 2013 to date	3-month moving total	This month
Total taxes	5,005.2	5,325.3	5,861.8	6,118.1	6,118.1	2,021.2	1,250.4
1 year change	-47.0	320.1	536.5	262.8	262.8	28.3	-7.4
% change	-0.9	6.4	10.1	4.5	4.5	1.4	-0.6
Real property	1,821.5	1,715.1	1,822.0	1,901.7	1,901.7	920.8	814.7
1 year change	-1.2	-106.4	106.9	80.9	80.9	33.1	32.1
% change	-0.1	-5.8	6.2	4.4	4.4	3.7	4.1
General sales	976.7	1,014.9	1,111.0	1,133.0	1,133.0	285.5	91.9
1 year change	1.8	51.7	67.6	33.4	33.4	5.7	11.8
% change	0.3	3.9	9.5	3.0	3.0	2.0	14.8
Individual income	1,110.4	1,296.6	1,490.7	1,665.1	1,665.1	396.8	174.0
1 year change	-25.5	186.2	194.1	192.5	192.5	17.3	-1.9
% change	-2.2	16.8	15.0	13.1	13.1	4.6	-1.1
withholding	1,073.8	1,192.2	1,321.6	1,402.7	1,402.7	342.9	115.5
1 year change	52.6	118.3	129.5	97.1	97.1	21.0	1.9
% change	5.2	11.0	10.9	7.4	7.4	6.5	1.6
non-withholding	36.6	104.4	169.1	262.4	262.4	53.8	58.6
1 year change	-78.1	67.8	64.6	95.4	95.4	-3.7	-3.8
% change	-68.1	185.2	61.9	57.1	57.1	-6.4	-6.1
Corporate income	207.3	216.3	302.9	302.3	302.3	68.4	54.6
1 year change	-14.6	9.0	86.6	-2.9	-2.9	-15.0	-11.2
% change	-6.6	4.3	40.1	-0.9	-0.9	-18.0	-17.0
Unincorporated Bus.	116.4	143.4	163.0	160.4	160.4	31.5	25.1
1 year change	-3.9	27.0	19.6	1.9	1.9	7.1	-0.1
% change	-3.2	23.2	13.6	1.2	1.2	29.3	-0.2
Deed taxes*	225.6	311.2	306.6	366.2	366.2	120.8	31.4
1 year change	38.2	85.6	-4.5	68.1	68.1	30.2	13.6
% change	20.4	37.9	-1.5	22.8	22.8	33.4	75.9
Other taxes	547.3	627.8	665.5	589.4	589.4	197.5	58.6
1 year change	-43.3	80.6	37.7	-111.1	-111.1	-50.2	-51.7
% change	-7.3	14.7	6.0	-15.9	-15.9	-20.3	-46.8

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

Note: (1) Revenue for the fiscal years shown is consistent with the CAFR for those respective years.

(2) Tax collections data subject to accounting adjustments.

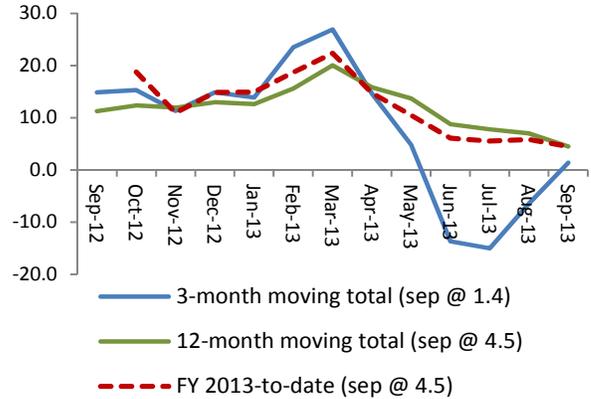
(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA

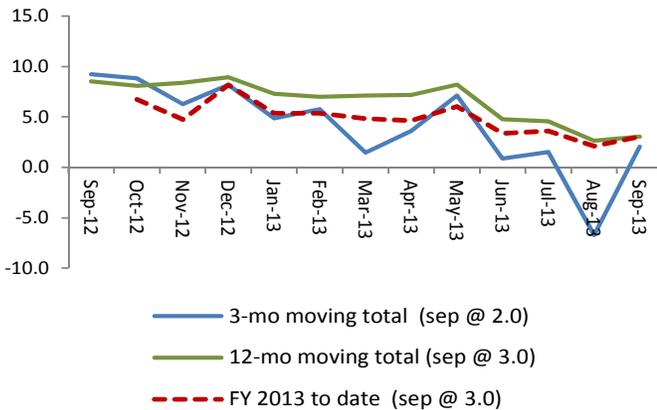
Preliminary tax collections for FY 2013 are 4.5% above FY 2012

- For FY 2013 through September preliminary tax collections (before earmarking) were \$263 million (4.5%) more than in FY 2012. Collections for the last 3 months were 1.4% above last year.
- For FY 2013, preliminary individual income tax collections are 13.1% above last year and account for about 73% of the gain in all collections over last year. Withholding in the past three months was 6.5% above a year earlier.
- Preliminary general sales collections for FY 2013 were 3.0% above last year. For the past 3 months they were 2.0% above last year.
- For FY 2013 preliminary deed tax collections were up 22.8% from the prior year; and for the past 3 months they were 33.4% above the prior year.

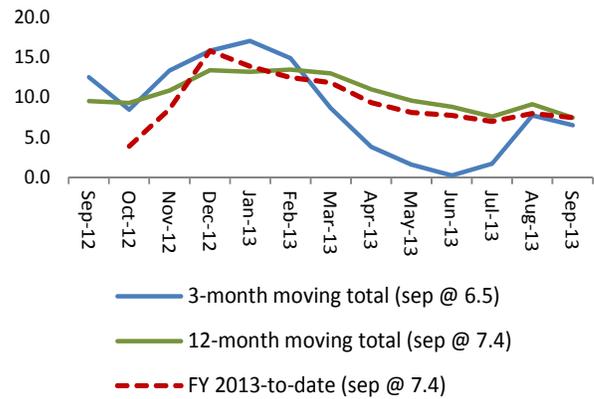
**Total tax collections (before earmarks):
September 2012 to September 2013**
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



**General Sales tax collections (before earmarks):
September 2012 to September 2013**
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



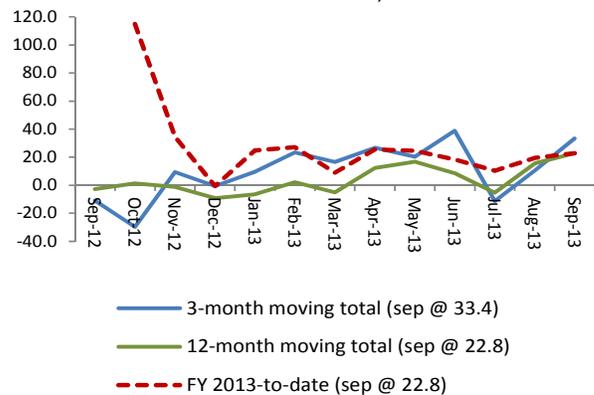
**Withholding for the Individual Income tax:
September 2012 to September 2013**
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



General Sales tax and Withholding for the Individual Income tax: September 2012 to September 2013
(% change from prior year in the 3-month moving total)



**Deed tax collections (before earmarks):
September 2012 to September 2013**
(% change from prior year: 3 months, 12 months, and FY 2013-to-date)



US economic forecasts

The October Blue Chip Indicators decreased slightly its outlook for FY 2014

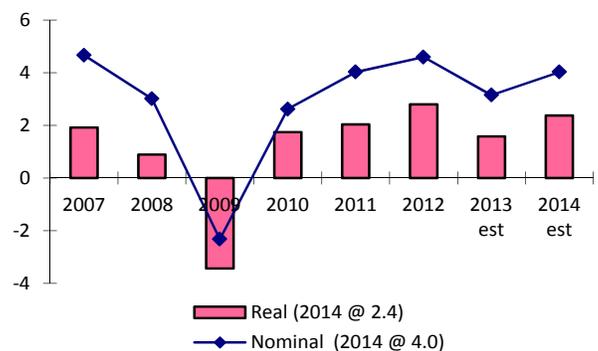
- The October Blue Chip Indicators decreased its forecast for real GDP growth in FY 2014 to 2.4%.
- The October Blue Chip Indicators forecast for inflation (CPI) remained the same for FY 2013 (1.6%) and decreased slightly for FY 2014 (to 1.7%).
- S and P 500: The range of September forecasts for the change in the last quarter of 2013 compared to the last quarter of 2012: 8.3% to 18.6%.

Table 24. Forecasts for US nominal and real GDP: FY 2012 through FY 2014 (% change from prior fiscal year)

Forecast and date	real			nominal		
	2012	2013	2014	2012	2013	2014
Congressional Budget Office						
August	2.0	0.4		3.9	2.0	
February 2013	2.3	1.5	2.1	4.2	3.1	3.8
Sep. 2013	2.3	1.5	2.1	4.2	3.1	3.8
Blue Chip						
July	2.3	1.6	2.5	4.2	3.2	4.2
August	2.8	1.5	2.4	4.6	3.1	4.1
September	2.8	1.6	2.5	4.6	3.2	4.1
October	2.8	1.6	2.4	4.6	3.2	4.0

Sources: Blue Chip Indicators and the Congressional Budget Office.

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2007 to FY 2014 (% change from the prior year; Oct. 2013 estimate)



S and P 500 stock index actual and alternative forecasts: 2006.4 to 2014.4 (September forecasts; value of index)

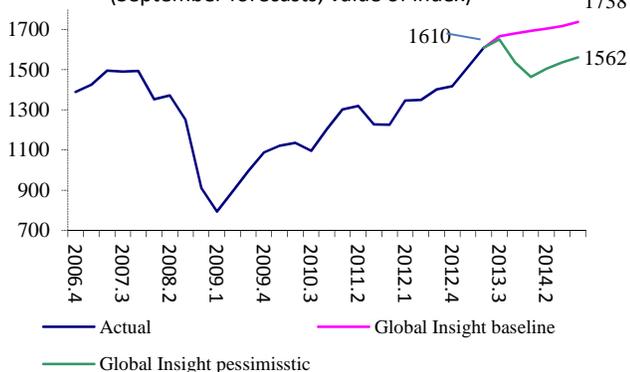


Table 25. Forecasts for S and P 500: 2012.4 to 2014.4

Forecast date	% change from prior year			% change from prior year		
	2012.4	2013.4	2014.4	2012.4	2013.4	2014.4
Global Insight: baseline						
June	15.7	14.4	3.6	15.7	-1.0	7.6
July	15.7	15.5	4.7	15.7	0.0	8.7
August	15.7	19.3	3.3	15.7	7.2	3.4
September	15.7	18.6	3.4	15.7	8.3	1.7
Economy.com baseline						
June	15.7	12.9	2.4	15.7	9.5	1.2
July	15.7	13.7	-0.2	15.7	10.5	0.9
August	15.7	13.7	-0.2	15.7	13.7	-4.4
September	15.7	16.8	-0.6	15.7	16.8	-4.7

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

Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2012 to FY 2014

Forecast date	CPI			10 yr Treasury rate		
	2012	2013	2014	2012	2013	2014
Jul	2.5	1.6	1.7	1.9	2.0	2.7
Aug	2.5	1.6	1.7	1.9	2.1	2.9
Sep	2.5	1.6	1.8	1.9	2.1	3.0
Oct	2.5	1.6	1.7	1.9	2.1	3.0

Source: Blue Chip Indicators

September forecasts for DC by IHS Global Insight and Moody's Economy.com did not change much

The biggest changes in September are (1) modest cuts in FY 2014 income earned in DC and for DC residents in all forecasts, and (2) reduction in employment estimates in the Economy.com forecasts.

- **Employment:** The range of change in wage and salary employment for FY 2013 is 3,242 to 4,243; and for FY 2014: -1371 to 6,920.
- **Unemployment:** . The unemployment rate forecast range for FY 2013 is 8.5%. For FY 2014 the range is 8.3% to 8.9%.
- **Wages earned in DC:** The range in growth from the prior year: 1.0% to 1.9% in FY 2013, picking up to 1.7% to 4.6% in FY 2014.
- **Wages earned by DC residents:** The range in growth from the prior year: -0.8% to 1.8% in FY 2013, and -4.1% to 3.5% in FY 2014. Both forecasts still anticipate that the growth in resident wages in FY 2013 and FY 2014 will be lower than those for growth in wages earned in DC, a reversal of recent trends.

Table 27. Jobs in DC: forecasts for FY 2012 to FY 2014

(amount of change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jun	6,659	5,929	8,681	6,658	5,671	5,974	6,658	4,887	4,663	6,658	4,625	-668
Jul	6,659	4,307	6,964	6,658	4,155	4,466	6,658	4,963	5,548	6,658	4,719	484
Aug	6,659	4,331	7,015	6,658	4,139	4,475	6,658	4,341	5,380	6,658	4,291	2,167
Sep	6,659	4,243	6,920	6,658	4,189	4,294	6,658	3,290	2,063	6,658	3,242	-1,371

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

Table 28. Unemployment rate in DC FY 2012 to FY 2014

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jun	9.3	8.5	8.4	9.3	8.6	8.8	9.3	8.5	8.3	9.3	8.6	9.9
Jul	9.3	8.5	8.4	9.3	8.5	8.8	9.3	8.4	8.2	9.3	8.5	9.8
Aug	9.3	8.5	8.5	9.3	8.5	8.8	9.3	8.5	8.3	9.3	8.5	8.9
Sep	9.3	8.5	8.4	9.3	8.5	8.7	9.3	8.5	8.3	9.3	8.5	8.9

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

Table 29. Wages earned in DC FY 2012 to FY 2014

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jun	2.1	-0.8	3.5	2.1	-0.9	2.2	2.1	1.7	4.7	2.1	1.6	3.2
Jul	2.1	0.6	3.7	2.1	0.5	2.5	2.1	1.7	4.8	2.1	1.6	3.4
Aug	2.1	0.9	3.6	2.1	0.7	2.4	2.1	2.1	4.8	2.1	2.1	4.1
Sep	2.1	1.0	2.9	2.1	1.0	1.7	2.1	1.9	4.6	2.1	1.9	3.5

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

Table 30. DC resident wages FY 2012 to FY 2014

(percent change from prior year)

Date of estimate	Global Insight: baseline			Global Insight: pessimistic			Economy.com: baseline			Economy.com: pessimistic		
	2012	2013	2014	2012	2013	2014	2012	2013	2014	2012	2013	2014
Jun	3.2	-5.5	0.5	3.2	-5.8	-2.4	3.2	1.2	3.7	3.2	1.2	2.6
Jul	3.3	-1.8	1.7	3.3	-2.1	-1.1	3.2	1.2	3.9	3.2	1.1	2.9
Aug	3.3	-1.2	1.5	3.3	-1.4	-1.2	3.3	2.0	4.0	3.3	2.0	3.4
Sep	3.3	-0.7	-1.4	3.3	-0.8	-4.1	3.3	1.8	3.5	3.3	1.7	2.7

Note: Estimated by ORA; assumes wage and salary supplements are the same % for DC resident wages as for wages earned in DC.

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

DC revenue estimate

The September revenue estimate adds to revenue growth in FY 2013 and FY 2014

• Anticipated tax revenue growth of \$253.9 million in FY 2013 and \$157.2 million in FY 2014 (gains of 4.3% and 2.6%, respectively) are significantly lower than that which occurred in FY 2012 (\$528.0 million and 9.9%). This reflects one-time increases in FY 2012, slowing employment growth in DC, and allowances for the impact of a sequester or other cutbacks in federal spending.

• The individual income tax accounts for about 64% of growth in FY 2013, and real property accounts for 73% of the growth in FY 2014.

• As a share of DC Personal Income, tax collections in FY 2013 and FY 2014 are slightly higher than in FY 2012.

Table 31. DC Tax Revenue (before earmarks) for FY 2012 through FY 2014: September 2013 revenue estimate

Tax	FY level (\$ million)			Change from prior year (\$ M)			% change from prior year		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
Real property	1,822.0	1,889.8	2,004.8	106.9	67.7	115.1	6.2	3.7	6.1
Deed taxes	306.6	346.6	315.4	-4.5	40.0	-31.2	-1.5	13.0	-9.0
General sales	1,111.0	1,138.2	1,145.2	96.1	27.1	7.0	9.5	2.4	0.6
Individual income	1,490.7	1,653.6	1,687.0	194.1	162.9	33.5	15.0	10.9	2.0
Withholding	1,321.6	1,415.6	1,450.8	129.5	94.0	35.2	10.9	7.1	2.5
non-withholding	169.1	238.0	236.3	64.6	68.9	-1.7	61.9	40.8	-0.7
Business income	465.9	475.8	490.5	106.2	9.9	14.7	29.5	2.1	3.1
Other	657.0	603.3	621.4	29.2	-53.7	18.1	4.6	-8.2	3.0
Total	5,853.3	6,107.2	6,264.4	528.0	253.9	157.2	9.9	4.3	2.6

Source: ORA. Sep. 30, 2013 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. FY 2012 is from the FY 2012 CAFR

Table 32. DC labor market assumptions: FY 2012 to FY 2014

item	2012	2013	2014
Wage and salary employment	730,025	733,690	737,181
1 year change	6,658	3,665	3,491
% change	0.9	0.5	0.5
DC resident employment	323,512	338,569	341,163
1 year change	11,396	15,057	2,594
% change	3.7	4.7	0.8
Unemployment rate	9.3	8.5	8.8

Source: ORA September 2013 revenue estimate

Table 33. DC Income and stock market assumptions: FY 2012 to FY 2014 (% change from prior year)

item	2012	2013	2014
Wages and salaries earned in DC	2.1	0.7	1.8
Wages and salaries earned by DC residents	3.3	3.1	2.1
DC Personal income	3.9	3.5	2.8
S and P 500 stock index	15.7	7.2	3.4

Source: ORA September 2013 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 2006 to FY 2015

item	2006	2007	2008	2009	2010	2011	2012	2013 est	2014 est	2015 est
Tax revenue (\$ million)										
Level	4,516	5,155	5,325	5,052	5,005	5,325	5,853	6,107	6,264	6,435
Change from prior year	267	638	170	-273	-47	320	528	254	157	171
Percent change from prior year										
Tax revenue	6.3	14.1	3.3	-5.1	-0.9	6.4	9.9	4.3	2.6	2.7
Personal Income	8.2	8.1	9.6	0.4	4.1	6.8	3.9	3.5	2.8	3.5
Tax revenue as percent of Personal Income	13.3	14.0	13.2	12.5	11.9	11.8	12.5	12.6	12.6	12.5

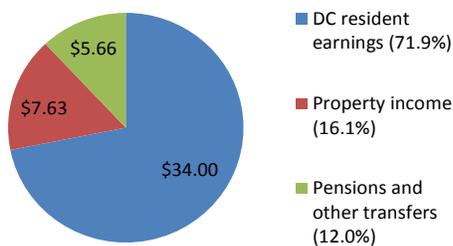
Source: ORA. September 2013 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

Property income. Property income accounted for 16.1% of DC Personal Income in 2012. From 2001 to 2012 property income was also the slowest growing DC Income component, modestly outpacing the US average (57.6% v. 51.6%). Property income grew in DC at about the same pace as earnings until 2008. With the US recession, property income declined 17.5% by 2010, but it grew rapidly from 2010 to 2012 (when it was the fastest growing component of Personal Income) to again reach the level of 2008.

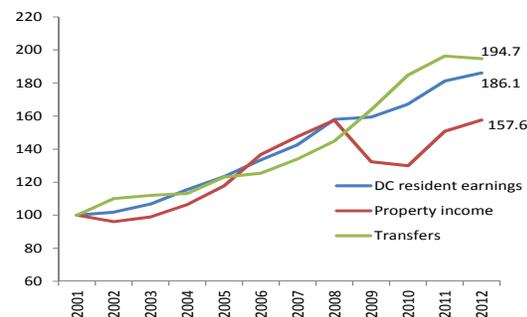
Transfer payments. This is the smallest of the three components of DC Personal Income, accounting for 12.0% in 2012. It was, however, the fastest growing component in both DC and the US from 2001 to 2012—94.7% v. 98.5%. The growth of transfer payments accelerated during the recession, and about 55% of the increase in transfers from 2008 to 2010 were accounted for by Unemployment Insurance and Medicaid.

The November Trend report will look at other aspects of the earnings and transfer payments components of DC Personal Income.
—Stephen Swaim, Office of Revenue Analysis

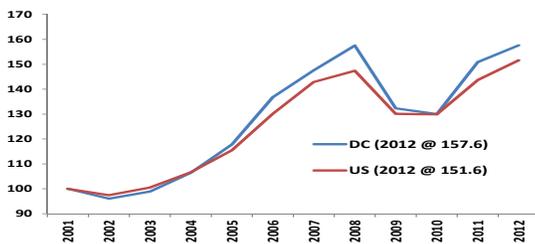
DC Personal Income components in 2012 (\$B)



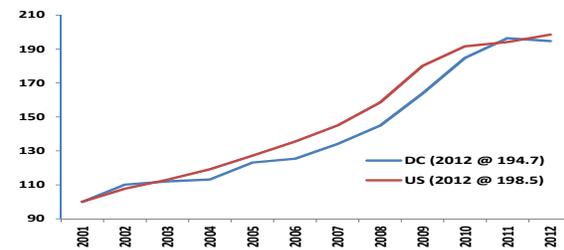
Components of DC Personal Income: 2001 to 2012 (Index numbers: 2001 = 100)



DC and US Property Income: 2001 to 2012 (2001 = 100)



DC and US Transfers: 2001 to 2012 (2001 = 100)



DC and US Personal Income in 2012: level and change from 2001 to 2012

Income component	Personal Income in 2012				Change from 2001 to 2012					
	Amount (\$ million)		Percent of total		Amount (\$M)		Percent change		Percent of total ch.	
	DC	US	DC	US	DC	US	DC	US	DC	US
Earnings	33,996	8,875,621	71.9	64.6	15,731	2,726,504	86.1	44.3	74.0	57.5
Property	7,630	2,495,206	16.1	18.2	2,789	849,008	57.6	51.6	13.1	17.9
Transfers	5,655	2,358,236	12.0	17.2	2,751	1,170,163	94.7	98.5	12.9	24.7
Total	47,281	13,729,063	100.0	100.0	21,270	4,745,675	81.8	52.8	100.0	100.0

Source: US Bureau of Economic Analysis

Change in Personal Income in DC and the US: two-year periods from 2006 to 2012

Income component	District of Columbia						US		
	Amount of change (\$M) from:			Percent change from:			Percent change from:		
	2006 to 2008	2008 to 2010	2010 to 2012	2006 to 2008	2008 to 2010	2010 to 2012	2006 to 2008	2008 to 2010	2010 to 2012
	2008	2010	2012	2008	2010	2012	2008	2010	2012
Earnings	4,504	1,682	3,446	18.5	5.8	11.3	6.5	-1.4	10.8
Property	1,001	-1,331	1,337	15.1	-17.5	21.3	13.2	-11.8	16.7
Transfers	566	1,158	288	15.5	27.5	5.4	17.0	20.9	3.6
total	6,072	1,510	5,071	17.5	3.7	12.0	9.3	0.0	10.5

Addendum: Earnings by all in DC

2006 to 2008	2008 to 2010	2010 to 2012	2008	2010	2012
7,132	3,646	5,027	11.9	5.4	7.1

ORA Reports and Documents

From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements 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 subcategories of "Reports and Publications" and "Budget and Revenue."

Recent ORA reports:

Revised Revenue estimates for FY 2013 to FY 2017, September 30, 2013. Quarterly revenue estimate shows differences from the prior estimate, describes economic assumptions and changes in each tax, and contains details of each tax and of key economic variables.

Briefing documents. A series with information related to DC's economy and taxes.

DC Tax Facts, 2013. Details on all DC taxes.

Tax Rates and Tax Burdens 2011 Nationwide. This annual publication compares DC tax rates and 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 2011 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

About this report.

District of Columbia Economic and Revenue Trends is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date (the October report has mostly July and August 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 *Budget and Revenue/Economy/ 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	November 22
D.C. Personal Income	BEA	2013.2	December 19
D.C. Tax Collections	OTR/ORA	September	November 15
D.C. Housing Sales	MRIS*	September	c October 10
D.C. Commercial Office Building data	Delta Associates	2013.3	c January 1
DC Apartment data	Reis, inc	2013.2	c November
D.C. Hotel stay information	Smith Travel Research	July	c. September 30
Consumer Price Index	BLS	August	October 30
U.S. Jobs and Labor Force	BLS	August and September	November 8
U.S. GDP and Personal Income	BEA	2013.2	November 7
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 25
Moody's Economy.com D.C. forecast	Economy.com	September	c. October 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	October	November 10

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

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

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

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