

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



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

Contents

Wage and salary employment ...2
Sectors of the DC economy3
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
Hospitality10
US economy and inflation11
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

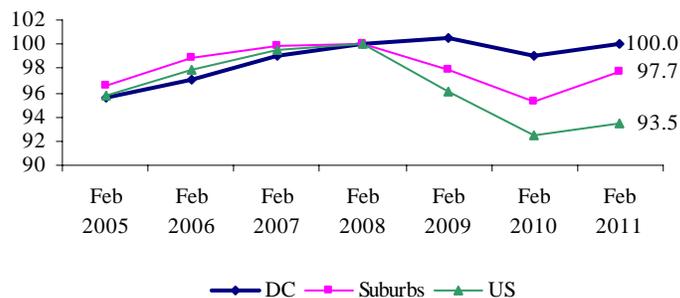
DC's private sector employment at pre-recession level

Gains in health, education, and food services over past 3 years offset declines in other sectors

Private sector employment in DC was growing at about the same pace as the DC suburbs and the US as a whole before the recession began in Dec. 2007. Private sector employment then fell immediately in the suburbs and the US, but not until a year later in DC. DC's private sector employment is now virtually the same as the pre-recession peak, but the suburbs and the US are still down 2.3% and 6.5%, respectively. (Private sector employment is measured here by the February 3-month average; the recession began in the February 2008 period.)

Over the six years from 2005 to 2011, a period chosen to include the 3 years prior to the recession and the 3 years after the recession began, DC's private sector showed a net gain of 20,300 jobs—about equal to the entire net gain in the suburbs. Meanwhile, the US as a whole lost 2.6 million net jobs. In the most recent year, from 2010 to 2011, a year when the national economic recovery began to gain strength, private sector growth in both the suburbs and the US outpaced DC. *(continued on p. 17)*

**Employment in DC, the DC area suburbs, and the US
in the 3-month period ending February: 2005 to 2011**
(Index number: 2008 = 100)



Change in private sector employment in DC, DC suburbs, and the US: selected periods February 2005 to February 2011

Jurisdiction	Feb. 2008 to Feb. 2011		Feb. 2005 to Feb. 2011		Feb. 2010 to Feb. 2011	
	change	%	change	%	change	%
DC	-100	0.0	20,300	4.6	4,367	1.0
DC suburbs	-43,489	-2.3	20,611	1.1	46,011	2.6
US	-7,434,667	-6.5	-2,623,000	-2.4	1,263,667	1.2

Source: BLS. Data are 3-month averages for the period ending February for total private sector wage and salary employment.

Wage and salary employment

DC suburban jobs now growing at a faster rate than in DC

- The February 3-month moving average for wage and salary employment in DC was up 9,300 (1.3%) from a year earlier.
- Private sector jobs were up by 4,367 (1.0%) in February (3-month moving average). The public sector was up 5,500 (2.7%).
- DC's job increase for the 3-month period ending February accounted for about 19.9% of the 46,833 gain for the whole Washington metropolitan area.
- Suburban Washington employment was up 1.7% in February (3-mo. moving average) 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: February 2009 to February 2011

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

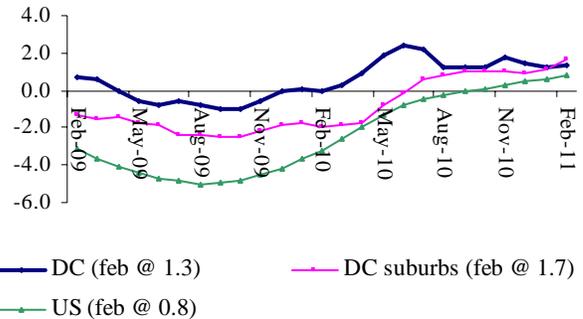


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: February 2011

Jurisdiction	FY 2008	FY 2009	FY 2010	12-mo avg	3-mo moving average	This month
District of Columbia	702,775	701,742	708,408	712,583	709,167	708,800
1 year change	11,067	-1,033	6,667	10,983	9,300	13,200
% change	1.6	-0.1	1.0	1.6	1.3	1.9
Washington metro area	3,005,692	2,966,558	2,956,700	2,973,925	2,962,000	2,951,400
1 year change	21,575	-39,133	-9,858	26,417	46,833	74,600
% change	0.7	-1.3	-0.3	0.9	1.6	2.6
Washington suburbs (% ch)	0.5	-1.7	-0.7	0.7	1.7	2.8
US (% ch)	0.1	-3.8	-1.9	-0.1	0.8	1.0

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

Table 2. Federal government and private sector wage and salary employment in DC: February 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	210,058	210,667	210,200
1 year change	1,825	5,283	9,708	8,150	5,500	4,600
% change	1.0	2.7	4.9	4.0	2.7	2.2
Private sector	468,458	463,050	463,858	466,133	463,433	463,800
1 year change	7,475	-5,408	808	5,950	4,367	8,900
% change	1.6	-1.2	0.2	1.3	1.0	2.0

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

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

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

Source: BLS seasonally adjusted. February is preliminary

Sectors of the economy

The federal government still accounted for a majority of the job growth over last year. Education and temporary employment led private sector gains.

- In February, education led private sector growth with a 3,133 (6.4%) gain over the previous year as measured by 3-month moving averages

- Other private industries showing gains over the year include employment services (1,933), non-legal professional and technical services (1,033), food services (967), health (633), and construction (367).

- Industry sectors losing jobs include organizations (-1,167), finance (-967), other business services (-900), retail trade (-533), legal services (-333), and accommodations (-333).

- Local government declined by 567.

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

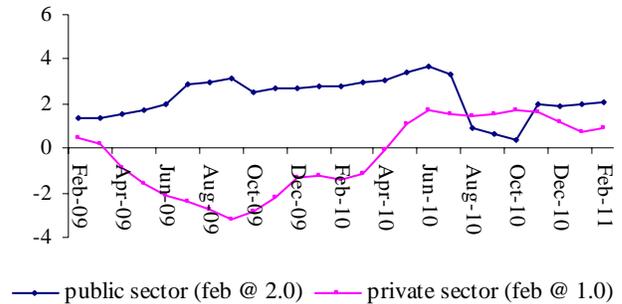


Table 4. Wage and salary employment located in DC: February 2011

Industry sector	3-month moving average				12-month moving avg: % change	Sector % of all DC jobs, Feb 2011	DC % in Feb 2011 of all sector jobs in:	
	Feb 2010	Feb 2011	1 year change				metro area	US
			Amount	%				
Federal government	205,167	210,667	5,500	2.7	4.0	29.7	55.3	7.42
Local government	35,633	35,067	-567	-1.6	-7.9	4.9	11.3	0.18
Legal services	32,700	32,367	-333	-1.0	-3.5	4.6	na	2.91
Other Professional and technical	67,767	68,800	1,033	1.5	2.4	9.7	21.8	1.09
Employment services	10,867	12,800	1,933	17.8	14.0	1.8	33.2	0.44
Other Business services	35,200	34,300	-900	-2.6	-0.3	4.8	19.3	0.54
Information	18,467	18,700	233	1.3	-1.1	2.6	23.9	0.69
Finance	26,900	25,933	-967	-3.6	-1.7	3.7	17.8	0.34
Organizations	57,400	56,233	-1,167	-2.0	-0.4	7.9	35.5	1.89
Education	48,600	51,733	3,133	6.4	4.2	7.3	51.6	1.58
Health	59,233	59,867	633	1.1	3.2	8.4	22.8	0.36
Food service	35,567	36,533	967	2.7	3.2	5.2	20.2	0.40
Accommodations	14,933	14,600	-333	-2.2	0.4	2.1	38.7	0.87
Amusement and recreation	6,367	6,767	400	6.3	2.3	1.0	19.8	0.41
Retail trade	18,200	17,667	-533	-2.9	2.1	2.5	6.8	0.12
Wholesale trade	4,600	4,700	100	2.2	2.2	0.7	7.3	0.09
Construction	9,900	10,267	367	3.7	-4.6	1.4	7.5	0.19
Personal and miscellaneous services	7,033	6,833	-200	-2.8	0.6	1.0	na	0.29
Other private	5,333	5,333	0	0.0	-5.4	0.8	4.8	0.03
Total	699,867	709,167	9,300	1.3	1.6	100.0	23.9	0.55
<i>Public sector</i>	<i>240,800</i>	<i>245,733</i>	<i>4,933</i>	<i>2.0</i>	<i>2.1</i>	<i>34.7</i>	<i>35.6</i>	<i>1.09</i>
<i>Private sector</i>	<i>459,067</i>	<i>463,433</i>	<i>4,367</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>191,900</i>	<i>192,900</i>	<i>1,000</i>	<i>0.5</i>	<i>0.6</i>	<i>27.2</i>	<i>21.3</i>	<i>0.89</i>
<i>Education, health, and organizations</i>	<i>165,233</i>	<i>167,833</i>	<i>2,600</i>	<i>1.6</i>	<i>2.2</i>	<i>23.7</i>	<i>31.0</i>	<i>0.56</i>
<i>Hospitality and trade</i>	<i>79,667</i>	<i>80,267</i>	<i>600</i>	<i>0.8</i>	<i>2.3</i>	<i>11.3</i>	<i>13.9</i>	<i>0.25</i>
<i>Other private sector</i>	<i>22,267</i>	<i>22,433</i>	<i>167</i>	<i>0.7</i>	<i>-3.3</i>	<i>3.2</i>	<i>9.0</i>	<i>0.09</i>

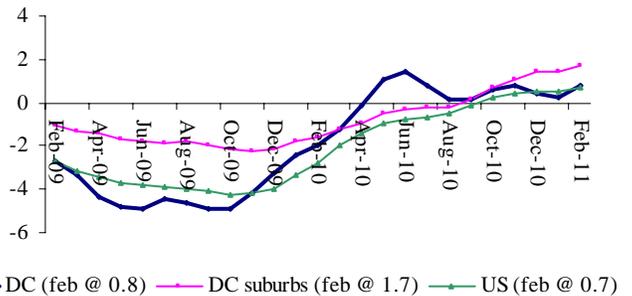
Source: BLS. not seasonally adjusted. na=not available; for the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment

In February, resident employment and the labor force grew, and the unemployment rate declined.

- In February DC resident employment was up 2,480 (0.8%) from a year earlier (3-month moving average).
- DC's labor force was down 856 (-0.3%) in February compared to a year earlier (3-month moving average), and the number unemployed declined almost 10%.
- In February the unemployment rate (seasonally adjusted) declined to 9.5%.
- Initial unemployment insurance claims jumped 55.2% over last year for the 3-months ending February.

Resident employment in DC, the DC suburbs, and the US: February 2009 to February 2011
(% change from prior year in 3-month moving average)



Jobs located in DC and DC resident employment:

February 2009 to February 2011

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

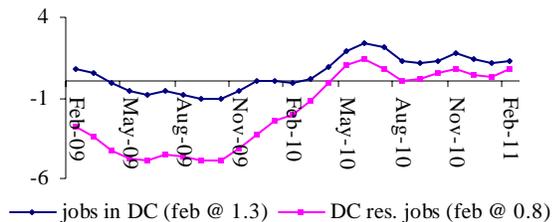


Table 5. Unemployment rates for DC, metro area, and US: February 2011

(percent of labor force)

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Feb 2010	Feb 2011	Feb 2010	Feb 2011
US	10.4	9.5	9.7	8.9
DC metro area	6.9	5.9	na	na
DC	10.6	9.5	10.3	9.5
DC suburbs	6.5	5.4	na	na

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

Table 6. Resident employment and unemployment: February 2011

Indicator	FY 2008	FY 2009	FY 2010	12-month moving avg	3-month moving average	This month
DC Labor force						
Resident employment	314,290	302,525	300,332	301,202	299,580	303,174
1 year change	5,054	-11,766	-2,193	2,042	2,480	5,426
% change	1.6	-3.7	-0.7	0.7	0.8	1.8
Labor Force	334,303	332,138	334,068	333,708	331,367	334,822
1 year change	7,283	-2,165	1,929	1,588	-856	1,945
% change	2.2	-0.6	0.6	0.5	-0.3	0.6
Unemployed	20,013	29,614	33,736	32,506	31,788	31,648
1 year change	2,229	9,600	4,122	-454	-3,335	-3,481
% change	12.5	48.0	13.9	-1.4	-9.5	-9.9
Unemployment rate	6.0	8.9	10.1	9.7	9.6	9.5
DC Unemployment insurance (state program)						
Initial claims (monthly avg.)	1,515	2,203	1,799	2,001	2,708	1,574
1 year change	213	688	-404	-41	964	361
% change	16.4	45.4	-18.3	-2.0	55.2	29.8
Weeks compensated (mo. avg.)	34,738	54,474	53,592	48,977	47,023	45,565
1 year change	8,170	19,736	-881	-11,071	-12,051	-4,798
% change	30.8	56.8	-1.6	-18.4	-20.4	-9.5

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

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

Indicator	Sep	Oct	Nov	Dec	Jan	Feb
DC Resident employment	299,276	299,071	299,052	299,272	300,571	302,680
change from prior month	-383	-205	-19	220	1,299	2,109
% change from prior month	-0.1	-0.1	0.0	0.1	0.4	0.7
DC Unemployment rate (%)	9.7	9.7	9.7	9.6	9.6	9.5

Source: BLS seasonally adjusted. February 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)

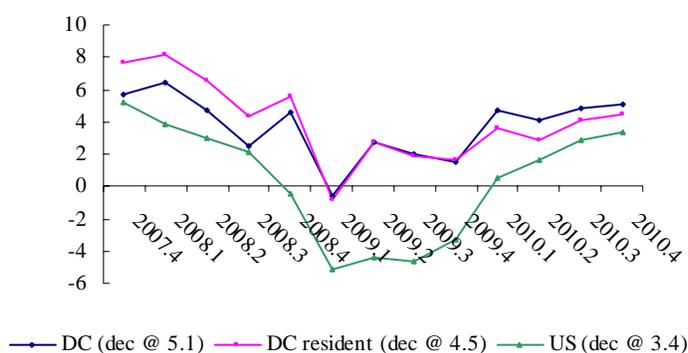


Table 8. DC Wages and Personal Income: December 2010
(\$ billion at seasonally adjusted annual rates unless otherwise noted)

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

March sales were lower for both single family and for condo units

●The March 3-month moving average of single family home sales was down 4.7% from a year earlier, but the average selling price was 10.0% higher.

●March condominium sales (3-mo. average) were 14.7 % below a year earlier; average selling prices were -0.8% lower.

●March median prices (CY to date) were up 15.4% for single family units, and 2.9% for condominiums.

●For the 3-month period ending March, the total value of all home sales was 3.1% less than a year earlier.

●March foreclosure actions in DC continue to be down sharply—87.8% for the 3-month period ending March.

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

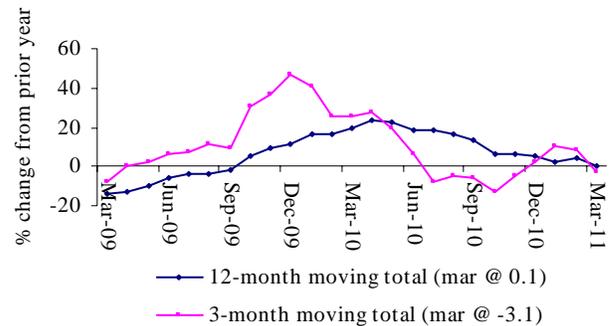


Table 9. D.C. Residential Real Estate Indicators: March 2011

Indicator	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (contracts)							
Single family	3,873	3,267	3,821	4,543	4,438	1,039	416
1 year change	-402	-606	554	722	-60	-51	-77
% change	-9.4	-15.6	17.0	18.9	-1.3	-4.7	-15.6
Condo	4,147	2,979	2,935	3,222	2,941	718	303
1 year change	195	-1,168	-44	287	-491	-124	-90
% change	4.9	-28.2	-1.5	9.8	-14.3	-14.7	-22.9
Total	8,020	6,246	6,756	7,765	7,379	1,757	719
1 year change	-207	-1,774	510	1,009	-551	-175	-167
% change	-2.5	-22.1	8.2	14.9	-6.9	-9.1	-18.8
Average prices of units that sold*							
Single family (\$)	668,630	672,101	563,553	544,322	575,982	536,369	566,219
1 year change	10,015	3,471	-108,548	-19,231	36,926	48,721	85,122
% change	1.5	0.5	-16.2	-3.4	6.9	10.0	17.7
Condo (\$)	406,926	411,270	407,613	415,229	425,259	405,676	405,102
1 year change	-9,127	4,344	-3,657	7,617	23,891	-3,194	-26,132
% change	-2.2	1.1	-0.9	1.9	6.0	-0.8	-6.1
Total value of all sales	4,277.1	3,420.9	3,349.7	3,810.7	3,806.9	848.6	358.3
1 year change	-182.7	-856.2	-71.2	461.0	4.7	-27.2	-48.4
% change	-2.5	-22.1	-2.1	13.8	0.1	-3.1	-11.9
Ratio: active inventory to sales							
Single family	4.1	6.0	5.2	3.4	3.5	3.4	2.8
Condo	3.9	5.7	5.7	4.6	5.0	4.6	3.8
Foreclosure actions**							
	392	3,282	2,883	2,722	1,989	64	23
1 year change	273	2,890	-399	-161	-835	-462	-133
% change	229.4	737.2	-12.2	-5.6	-29.6	-87.8	-85.3

Median prices, CY to date in Mar. 2011: single family \$386,500 (15.4% 1 yr ch); condo \$360,000 (2.9% 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.

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.

- For the 3 month period ending March sales of houses below \$300,000 fell 18.2%, and those more than \$1 million increased 18.3%, 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 December quarter, apartment occupancy rose 1,062 (1.3%) and rents rose 3.7% 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)

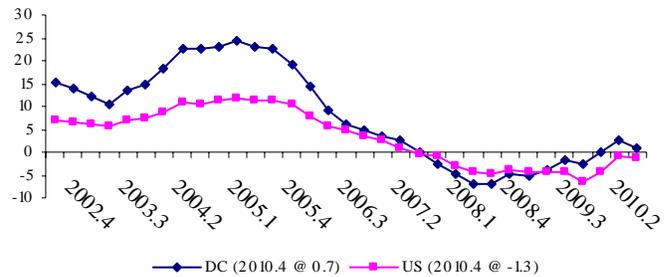


Table 10. D.C. Single family home sales contracts, \$300,000 or less and \$1 million or more: March 2011

Category of contract price	FY 2007	FY 2008	FY 2009	FY 2010	12-mo moving total or average	3-mo moving total or average	This month
\$300,000 or less	738	748	1,433	1,731	1,644	414	153
1 year change	-34	10	685	298	-112	-92	-56
% change	-4.4	1.4	91.6	20.8	-6.4	-18.2	-26.8
percent of all sales	19.1	22.9	37.5	38.1	37.0	39.8	36.8
\$1 million or more	423	436	341	475	480	110	51
1 year change	-69	13	-95	134	66	17	-1
% change	-14.0	3.1	-21.8	39.3	15.9	18.3	-1.9
percent of all sales	10.9	13.3	8.9	10.5	10.8	10.6	12.3

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	
% change from prior year in value of index										
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. Apartment units in DC: December 31, 2010

Indicator	Sep. 30 2007	Sep. 30 2008	Sep. 30 2009	Sep. 30 2010	Latest Q (December 2010)		
					amount	1 Q ch	% ch
Inventory	84,186	85,427	87,090	87,970	88,360	390	0.4
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	83,477	512	0.6
1 year change	175	702	443	1,001	1,062		
% change	0.2	0.9	0.5	1.2	1.3		
Vacant units	3,367	3,906	5,126	5,005	4,883	-122	-2.4
1 year change	87	539	1,220	-121	-490		
% change	2.7	16.0	31.2	-2.4	-9.1		
% of inventory	4.0	4.6	5.9	5.7	5.5		
Average effective monthly rent	\$1,288	\$1,340	\$1,342	\$1,380	\$1,403	\$23	1.6
% change from 1 year	8.1	4.0	0.1	2.8	3.7		

Source: Reis. Includes units in private sector buildings with 40+ units. Condominium conversions are not in inventory.

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 31.15 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)

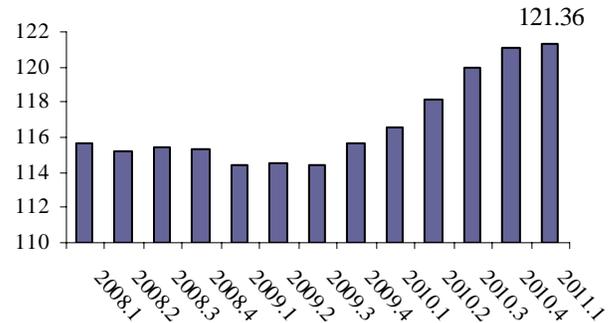


Table 13. Commercial office space in DC: March 31, 2011

(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	
DC area vacancy rates (with sublet)							
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

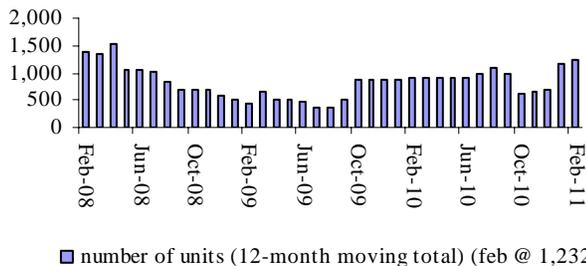
Source: Delta Associates. Rent is for full service (including operating expenses and taxes), less concessions (free rent, etc.)

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.

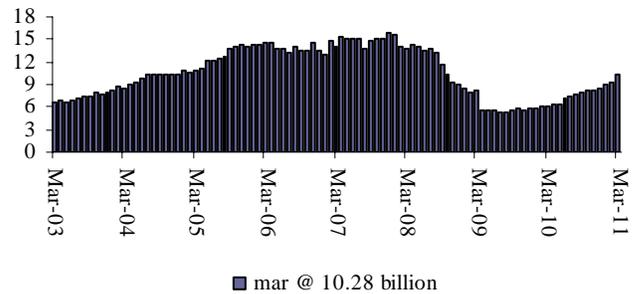
- In the 3-month period ending in February, 636 building permits were issued in DC, a 1,198% one-year increase.
- Delta Associates expects DC's vacancy rate (including sublet) to fall (to 8.1%) over the next two years as new demand slightly outpaces additional supply.

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



■ number of units (12-month moving total) (feb @ 1,232)

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



- Reis expects 3,003 new apartment units to be added to inventory in CY 2011 and CY 2012, and occupancy to grow by 4,055.

- The value of property transferred in the 3 months ending March was 135% higher than a year earlier.

Table 15. Housing unit building permits issued in DC: February 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	1,232	636	81
change from 1 year ago	-211	-1,506	-191	487	340	587	76
% change from 1 year	-8.8	-68.6	-27.7	97.6	38.1	1,198.0	1,520.0

Source: Census Bureau (permits issued during period)

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

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

Source: Delta Associates msf = million square feet

Table 17 DC market rate apartment units: 2006 to 2015

CY	Inventory	1 yr ch	% vacant	Occupied	1 yr ch
2006	84,150	427	4.0	80,751	221
2007	84,618	468	3.9	81,284	533
2008	86,583	1,965	4.8	82,465	1,181
2009	87,788	1,205	6.1	82,415	-50
2010	88,360	572	5.5	83,477	1,062
2011 est	88,847	487	4.7	84,678	1,201
2012 est	91,363	2,516	4.2	87,532	2,854
2013 est	92,735	1,372	3.6	89,407	1,875
2014 est	93,874	1,139	3.1	90,987	1,580
2015 est	95,386	1,512	3.6	91,961	974

Source: Reis (see note in table 12)

Table 18. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: March 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	10,279.5	2,969.9	1,636.1
change from one year ago (\$M)	1,403.7	-3,307.6	-5,936.1	2,323.1	4,140.3	1,705.9	1,130.4
% change from 1 year ago	10.5	-22.3	-51.5	41.5	67.4	135.0	223.5

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

Demand for hotel rooms continues to be strong.

● In February the 3-month moving total for hotel room-days sold was 5.3% higher than a year earlier, and the average room rate was 1.9% higher, leading to a 7.3% gain in room revenue.

● Employment in food services was 2.7% higher for the 3-month period ending February; hotel and retail employment declined.

● In the 3 months ending February, airline traffic into the DC area was up 8.4% from a year earlier. Reagan National Airport's gain was 12.0%.

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

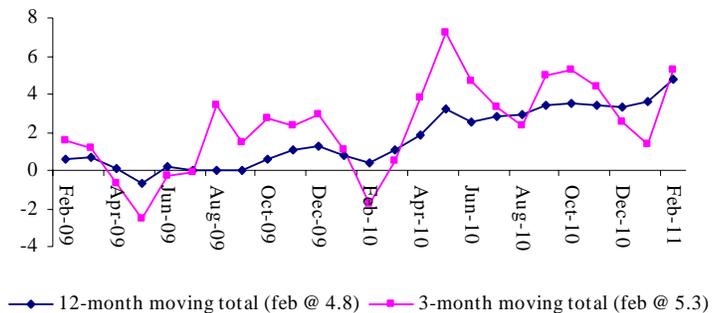


Table 19. Hospitality Industry: February 2011

Indicator	Units	date	FY 2008	FY 2009	FY 2010	12-mo total or average*	3-month moving total or average*	This month
Hotel stays								
Hotel room-days sold	('M)	feb	7.125	7.123	7.367	7.473	1.406	0.530
1 yr ch			0.044	-0.003	0.244	0.341	0.070	0.060
1 yr % ch			0.6	0.0	3.4	4.8	5.3	12.8
Average room rate	\$	feb	208.99	203.16	199.26	202.05	180.58	191.46
1 yr ch			10.55	-5.83	-3.91	10.23	3.37	2.40
1 yr % ch			5.3	-2.8	-1.9	5.3	1.9	1.3
Occupancy rate (average)	%	feb	74.2	73.1	73.7	74.7	57.0	69.0
1 yr ch			0.6	-1.1	0.6	2.8	2.8	7.8
1 yr % ch			0.9	-1.5	0.9	4.0	5.2	12.7
Room revenue	(\$M)	feb	1,489.1	1,447.0	1,467.9	1510.0	253.9	101.5
1 yr ch			83.8	-42.0	20.8	141.9	17.2	12.7
1 yr % ch			6.0	-2.8	1.4	10.4	7.3	14.3
Airline passengers								
DCA	1 yr % ch	feb	-3.2	-2.9	0.5	5.9	12.0	22.2
IAD	1 yr % ch	feb	-2.3	-4.4	1.2	3.8	5.5	13.6
BWI	1 yr % ch	feb	0.0	-3.3	4.6	6.2	8.7	20.7
Total	1 yr % ch	feb	-1.8	-3.6	2.1	5.2	8.4	18.4
Convention Center Transfer								
	\$ M	feb	91.5	90.4	94.1	95.5	18.2	5.2
1 yr ch			8.2	-1.0	3.7	6.7	-0.3	0.3
1 yr % ch			9.8	-1.1	4.0	7.5	-1.6	5.7
Employment								
Accommodations	level ('000)	feb	15.2	15.0	15.3	15.1	14.6	14.4
1 yr ch			-0.3	-0.2	0.3	0.1	-0.3	-0.3
1 yr % ch			-2.2	-1.2	1.9	0.4	-2.2	-2.0
Food and bev	level ('000)	feb	35.4	35.9	37.1	37.4	36.5	35.9
1 yr ch			2.0	0.5	1.2	1.2	1.0	0.9
1 yr % ch			5.8	1.4	3.3	3.2	2.7	2.6
Arts and entertain.	level ('000)	feb	6.9	7.1	6.9	7.1	6.8	6.7
1 yr ch			0.9	0.2	-0.1	0.2	0.4	0.3
1 yr % ch			14.8	2.7	-2.0	2.3	6.3	4.7
Retail	level ('000)	feb	18.4	17.8	18.3	18.1	17.7	17.1
1 yr ch			0.3	-0.6	0.5	0.4	-0.5	-0.4
1 yr % ch			1.6	-3.5	3.0	2.1	-2.9	-2.3

* 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 December quarter, the level of GDP surpassed the prior peak. The stock market declined slightly in March, job growth picked up, and inflation rose

- Expansion has begun: in the December quarter the level of real GDP passed the prior peak of June 2008.
- US employment (seasonally adjusted) increased by 216,000 in March, the 6th month to month gain in a row.
- The US unemployment rate (seasonally adjusted) fell to 8.8% in March.
- In March, the S and P 500 index lost 1.3% from February, the first decline in 8 months.
- In March the CPI was 2.7% greater than a year earlier.

Quarterly change in US Real and Nominal GDP: 2008.4 to 2010.4

(% change from the previous quarter at annual rates)

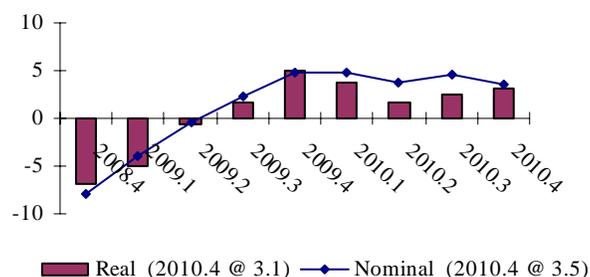


Table 20. US GDP, Income, corporate profits, and inflation: 2010.4 and March 2011
(percent change from same period of prior year unless noted)

Indicator	Date of latest indicator		FY 2007	FY 2008	FY 2009	FY 2010		12-mo avg	2010.4	Mar 2011
US GDP real	4th Q 2010	1 yr % ch	2.0	1.3	-3.4	2.2		2.9	2.8	
US GDP nominal	4th Q 2010	1 yr % ch	5.0	3.6	-2.1	2.9		3.8	4.2	
US Personal income	4th Q 2010	1 yr % ch	6.1	5.0	-1.1	1.8		3.1	4.0	
US wages	4th Q 2010	1 yr % ch	6.2	3.5	-3.6	0.4		2.1	3.4	
Corporate profits	4th Q 2010	1 yr % ch	-3.2	-10.6	-16.5	35.4		29.2	18.3	
S and P stock index	mar		14.1	-5.7	-34.3	23.7		18.1	10.6	13.2
US CPI	mar	1 yr % ch	2.3	4.4	-0.3	1.7		1.6	1.5	2.7
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 March 25, 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: 2009.2 to 2010.4

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

Indicator	units	Calendar year Quarter						
		2009.2	2009.3	2009.4	2010.1	2010.2	2010.3	2010.4
US GDP real	% ch from prior Q at saar	-0.7	1.6	5.0	3.7	1.7	2.6	3.1
US GDP nominal	% ch from prior Q at saar	-0.4	2.3	4.7	4.8	3.7	4.6	3.5
Wages and salaries	% ch from prior Q at saar	1.8	-1.5	1.3	0.4	6.2	3.4	3.3
Personal income	% ch from prior Q at saar	3.6	-1.3	2.5	3.6	5.4	2.5	4.1

Note: GDP=Gross Domestic Product saar=seasonally adjusted at annual rate Source: BEA, updated on March 25, 2011

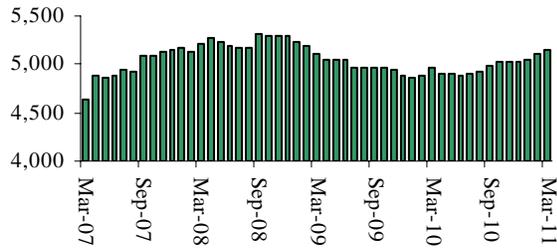
Table 22. Monthly change in selected US Indicators: September 2010 to March 2011

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar
S and P stock index (level)	1122	1172	1199	1242	1283	1321	1304
% change from prior month	3.2	4.4	2.3	3.6	3.3	3.0	-1.3
% change from 1 year ago	7.4	9.7	10.2	11.8	14.2	21.3	13.2
10 yr. Treasury Interest rate (level)	2.64	2.51	2.74	3.28	3.37	3.55	3.40
CPI % ch from prior month (seasonally adjusted)	0.16	0.25	0.12	0.43	0.40	0.55	0.55
CPI % ch from prior year (seasonally adjusted)	1.1	1.2	1.1	1.4	1.7	2.2	2.7
Jobs (seasonally adjusted level, in millions)	129.84	130.02	130.11	130.26	130.33	130.52	130.74
change from prior month (thousands)	-29	171	93	152	68	194	216
% change from prior month	0.0	0.1	0.1	0.1	0.1	0.1	0.2
Resident employment (season. adj. level, in millions)	139.38	139.08	138.91	139.21	139.32	139.57	139.86
change from prior month (thousands)	111	-294	-175	297	117	250	291
% change from prior month	0.1	-0.2	-0.1	0.2	0.1	0.2	0.2
Unemployment rate (seasonally adj.)	9.6	9.7	9.8	9.4	9.0	8.9	8.8

Source: BLS and Yahoo! Finance.

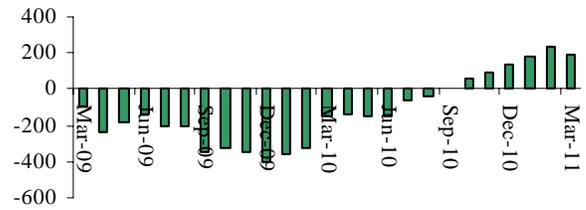
DC tax collections

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



■ sept 2008 (peak) @ \$5,315 mar 2011 @ \$5,153

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



■ mar @ 188

Table 23. Tax Collections (before earmarking): March 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	5,152.7	2,100.4	1,320.0	770.8
1 year change	615.1	229.7	-344.5	7.0	187.8	175.2	123.7	41.5
% change	13.8	4.5	-6.5	0.1	3.8	9.1	10.3	5.7
Real property	1,443.7	1,684.8	1,798.7	1,835.0	1,857.6	573.4	525.8	501.5
1 year change	296.1	241.2	113.9	36.3	-66.6	22.6	10.2	-8.2
% change	25.8	16.7	6.8	2.0	-3.5	4.1	2.0	-1.6
General sales	958.8	1,011.6	963.5	965.3	1,011.6	491.3	234.5	79.6
1 year change	62.0	52.8	-48.1	1.8	88.7	46.3	25.5	17.4
% change	6.9	5.5	-4.8	0.2	9.6	10.4	12.2	28.0
Individual income	1,313.1	1,353.2	1,127.2	1,107.1	1,156.3	546.1	264.2	43.1
1 year change	80.7	40.1	-226.0	-20.1	44.2	49.2	27.2	-3.3
% change	6.5	3.1	-16.7	-1.8	4.0	9.9	11.5	-7.2
withholding	974.8	1,004.2	1,021.2	1,070.6	1,129.7	593.7	314.7	97.1
1 year change	4.2	29.5	17.0	49.4	97.2	59.0	33.5	10.3
% change	0.4	3.0	1.7	4.8	9.4	11.0	11.9	11.8
non-withholding	338.3	349.0	106.0	36.5	26.6	-47.6	-50.4	-54.0
1 year change	76.5	10.7	-243.0	-69.5	-53.0	-9.9	-6.3	-13.6
% change	29.2	3.2	-69.6	-65.6	-66.5	nm	nm	nm
Corporate income	250.7	289.8	220.7	207.9	199.1	107.3	58.9	50.3
1 year change	30.9	39.1	-69.2	-12.8	-17.2	-8.8	-5.4	-5.2
% change	14.1	15.6	-23.9	-5.8	-8.0	-7.6	-8.4	-9.4
Unincorporated Bus.	166.4	128.9	121.3	120.7	108.8	35.2	12.8	0.6
1 year change	25.5	-37.5	-7.6	-0.6	-22.1	-11.8	-3.8	-10.3
% change	18.1	-22.5	-5.9	-0.5	-16.9	-25.2	-23.0	-94.9
Deed taxes*	442.0	323.2	187.4	224.2	259.9	122.8	80.0	24.8
1 year change	81.7	-118.8	-135.8	36.8	78.4	35.7	28.7	11.3
% change	22.7	-26.9	-42.0	19.6	43.2	41.0	56.0	84.3
Other taxes	510.5	523.3	551.7	517.4	559.4	224.3	143.9	71.0
1 year change	38.0	12.8	28.4	-34.3	82.5	42.0	41.3	39.8
% change	8.0	2.5	5.4	-6.2	17.3	23.0	40.3	127.1

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. Amounts accounted for as tax collections in this table may vary from payments to Recorder of Deeds due to processing and timing effects.

Source: OCFO/OTR and OCFO/ORA

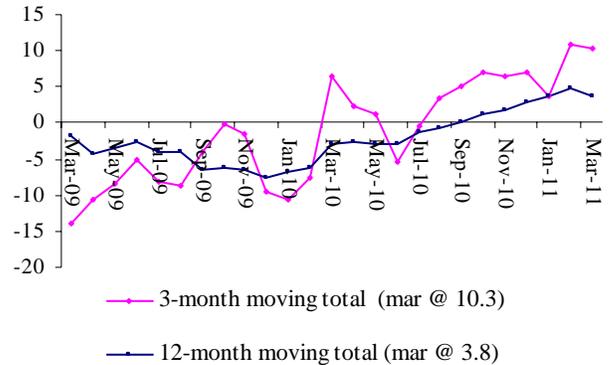
DC tax collections

Tax collections continue to rise

- For the 12-month period ending in March, tax collections (before earmarking) were \$188 million (3.8%) more than a year earlier.
- General sales and withholding for the individual income tax have played a large role in the collections rebound. FY 2011 to date, sales taxes were up 10.4% and withholding 11.0%. Gains for the last 3 months were 12.2% and 11.9%, respectively.
- For the fiscal year through March, the non-withholding part of the Individual Income tax, a primary source of revenue decline since the recession began, remained below the comparable period of FY 2010.
- Deed tax payments to the DC Recorder of Deeds for transfers, recordation, and economic interest were up 137.4% for the 3 months ending March.

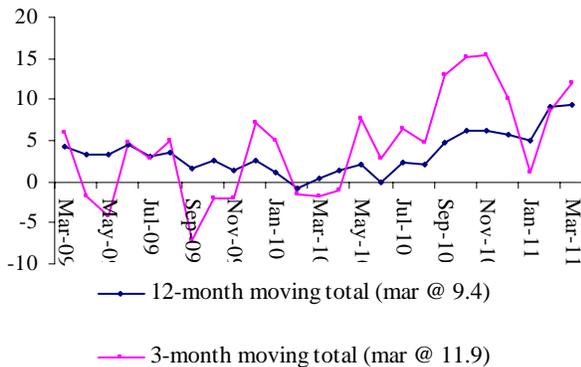
**DC Tax Collections (before earmarking):
March 2009 to March 2011**

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



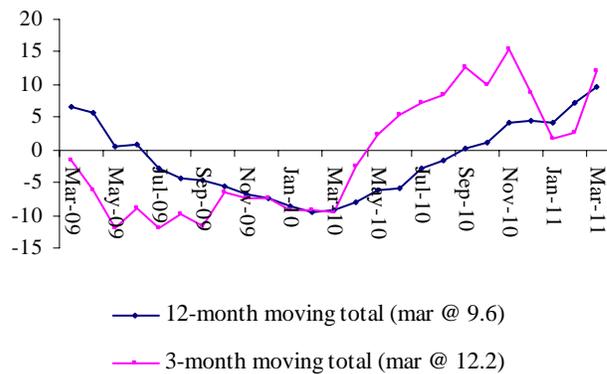
Withholding collections: Mar. 2009 to Mar. 2011

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



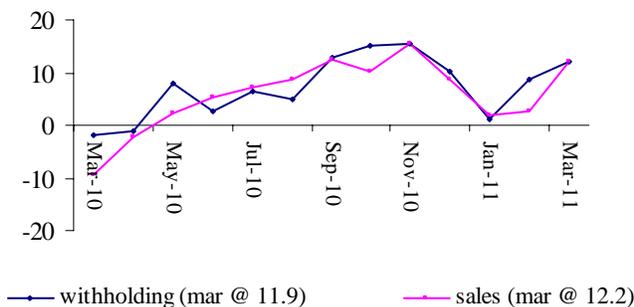
Sales tax collections: Mar. 2009 to Mar. 2011

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



**Collections for the General Sales tax and
Individual Income tax withholding: Mar. 2010 to
Mar. 2011**

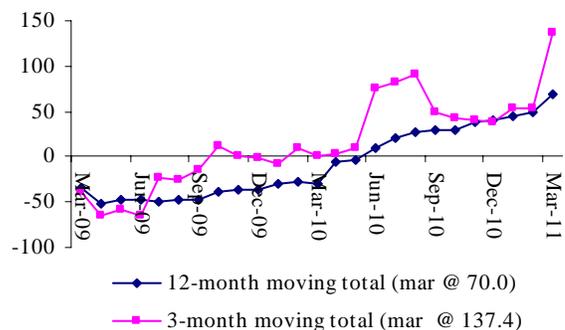
(% change in 3-month moving total)



**Payments to DC Recorder of Deeds for
recordation, transfer, and economic interest
taxes:**

March 2009 to March 2011

(% change 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 April Blue Chip Indicators forecast for real GDP in FY 2011 decreased slightly. Growth in real GDP is now forecast to be 2.8% in FY 2011 and 3.2% in FY 2012.

•For the third month in a row, Blue Chip raised its estimate for inflation in FY 2011 and FY 2012 (to 2.35 in both years). The forecast for the interest rate on 10 year Treasury securities did not change.

•Global Insight raised its baseline stock market forecasts for 2011, and lowered its pessimistic one. Economy.com raised its 2011 forecast. The range in the forecasts for 2011 is from -0.5% to +13.4%.

Table 24. Forecasts for US nominal and real GDP:

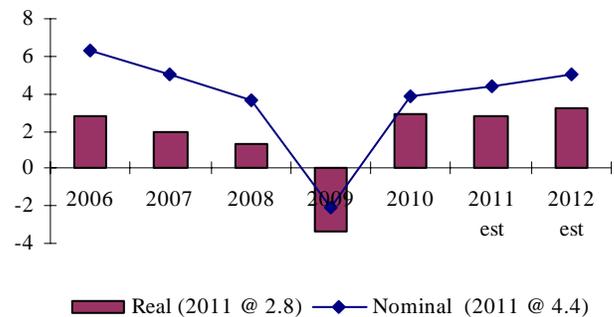
FY 2010 through FY 2012 (% change from prior fiscal year)

Forecast and date	2010	2011	2012	2010	2011	2012
	real			nominal		
Congressional Budget Office						
August	2.4	2.3	2.9	3.1	3.3	4.1
January	2.2	2.5	3.2	2.9	3.6	4.4
Blue Chip						
January	2.2	3.0	3.3	2.9	4.6	4.9
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

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; Apr. 2011 estimate)



S and P 500 stock index: Mar. 2005 to Mar. 2011

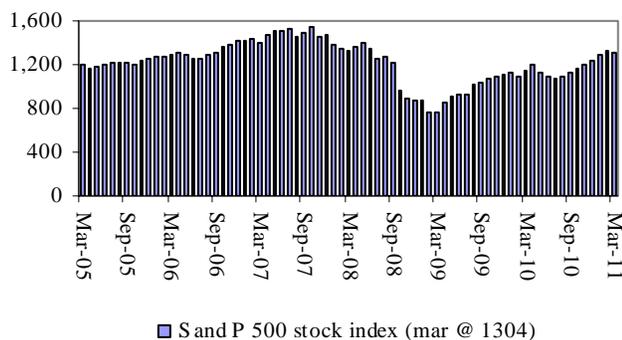


Table 25. Forecasts for S and P 500: 2010.4 to 2012.4

(% change from prior fiscal year)

Forecast date	2010.4	2011.4	2012.4	2010.4	2011.4	2012.4
	% change from prior year			% change from prior year		
	Global Insight: baseline			Global Insight: pessimistic		
Dec	9.0	4.5	7.6	8.4	-5.0	10.7
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
	Economy.com baseline			Economy.com pessimistic		
Dec	9.4	8.9	4.2	-2.4	11.1	14.4
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

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

Table 26. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2010 to FY 2012

(% change from prior fiscal year)

Forecast date	2010	2011	2012	2010	2011	2012
	CPI			10-yr Treasury interest rate		
Jan	1.7	1.5	1.8	3.4	3.3	4.1
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

DC economic forecasts

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

• **Employment:** Both forecasts significantly reduced their estimates for DC job growth in FY 2011. The forecasts anticipate job growth of 8,016 to 10,354 in FY 2011, and another 5,140 to 11,521 in FY 2012.

• **Unemployment:** Slight reduction in unemployment forecasts. The range in rates is from 9.1% to 9.8% for FY 2011, and 8.3% to 11.8% in 2012.

• **Wages earned in DC:** Expectations for the baseline in FY 2011 cut back slightly, while the pessimistic forecast was raised a bit. Growth rate ranges: 4.4% to 5.7% in FY 2011; 4.2% 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 9.1% to 10.7%. For FY 2012 the range is from 7.3% to 9.1%.

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		
dec	6,183	10,241	10,859		6,183	8,886	6,873		6,183	6,513	4,423		6,183	617	2,859
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

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		
dec	10.9	9.4	8.5		10.9	9.4	8.6		10.9	10.3	10.1		10.9	11.6	12.4
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

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		
dec	3.2	4.6	5.1		3.0	2.5	3.3		3.6	4.9	4.8		3.6	3.6	3.1
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

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		
dec	2.8	8.6	8.7		2.8	7.4	7.0		3.6	8.2	8.8		3.6	7.2	7.6
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

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
Tax revenue (\$ million)										
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
Percent change from prior year										
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
Tax revenue as percent of Personal Income										
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.

Private sector employment, continued from p. 1

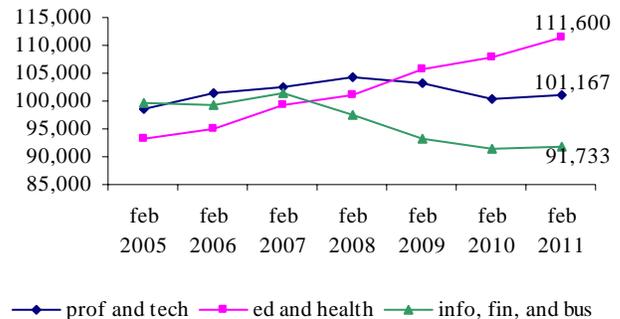
Over the period from 2005 to 2011, education and health rose in importance for the District's economy, adding 18,333 jobs (a 19.6% gain) to reach a level of 111,600. The gain in this sector, together with the growth in food services, is the reason DC's private sector suffered virtually no net loss in the 3 years since the recession began.

Professional and technical employment, which accounted for 101,167 jobs in 2011, changed relatively little over the past 6 years. The combination of information, finance, and business services, which accounted for 91,733 jobs in 2011, lost 7,867 jobs (a 7.8% decline) from 2005 to 2011.

In the 6 years from 2005 to 2011, the DC suburbs gained almost 50,000 professional and technical jobs, but lost 38,122 in construction. —Stephen Swaim, ORA

Level of DC employment in (1) professional and technical services, (2) education and health, and (3) information, finance, and business services: 2005 to 2011

(3-month average for period ending February)

**Change in private sector employment in DC and the DC suburbs: selected periods February 2005 to February 2011**

Sector	Feb. 2008 to Feb. 2011		Feb. 2005 to Feb. 2011		Feb. 2010 to Feb. 2011	
	DC	Suburbs	DC	Suburbs	DC	Suburbs
Professional and technical ser.	-3,000	16,867	2,433	49,733	700	6,233
Education and health	10,467	19,244	18,333	16,056	3,767	6,444
Information, finance, business ser.	-5,767	-20,400	-7,867	-22,100	300	8,033
Retail, food ser., and accomodations	1,667	-5,711	5,767	3,889	100	18,456
Organizations	-233	-2,422	4,933	9,078	-1,167	-522
Construction	-2,400	-35,622	-2,200	-38,122	367	2,678
All other	-833	-15,444	-1,100	2,078	300	4,689
Total private	-100	-43,489	20,300	20,611	4,367	46,011

Source: BLS. Data are 3-month averages for the period ending February for total private sector wage and salary employment.

Private sector jobs in DC, DC suburbs, and the US: February 2005 to February 2011 (selected years)

Jurisdiction	Level				ch. 2005 to 2008		ch. 2008 to 2011		ch. 2005 to 2011		ch. 2010 to 2011	
	Feb. 2005	Feb. 2008	Feb. 2010	Feb. 2011	#	%	#	%	#	%	#	%
DC ('000)	443.1	463.5	459.1	463.4	20.4	4.6	-0.1	0.0	20.3	4.6	4.4	1.0
DC suburbs ('000)	1,802.2	1,866.3	1,776.8	1,822.8	64.1	3.6	-43.5	-2.3	20.6	1.1	46.0	2.6
US (million)	109.6	114.4	105.8	107.0	4.8	4.4	-7.4	-6.5	-2.6	-2.4	1.3	1.2

Source: BLS. Data are 3-month averages for the period ending February for total private sector wage and salary employment.

Private sector jobs in DC by sector: February 2005 to February 2011 (selected years)

Sector	Level ('000)				ch. 2005 to 2008		ch. 2008 to 2011		ch. 2005 to 2011		ch. 2010 to 2011	
	Feb. 2005	Feb. 2008	Feb. 2010	Feb. 2011	#	%	#	%	#	%	#	%
Prof. and tech.	98.7	104.2	100.5	101.2	5.4	5.5	-3.0	-2.9	2.4	2.5	0.7	0.7
Employment ser.	11.6	12.9	10.9	12.8	1.3	11.2	-0.1	-0.8	1.2	10.3	1.9	17.8
Other business	34.9	34.9	35.2	34.3	-0.1	-0.2	-0.6	-1.6	-0.6	-1.8	-0.9	-2.6
Finance	30.2	28.5	26.9	25.9	-1.7	-5.6	-2.6	-9.1	-4.3	-14.2	-1.0	-3.6
Information	22.8	21.2	18.5	18.7	-1.6	-7.2	-2.5	-11.8	-4.1	-18.1	0.2	1.3
Health	51.5	54.6	59.2	59.9	3.1	6.0	5.3	9.7	8.4	16.2	0.6	1.1
Education	41.8	46.6	48.6	51.7	4.8	11.5	5.2	11.1	10.0	23.9	3.1	6.4
Organizations	51.3	56.5	57.4	56.2	5.2	10.1	-0.2	-0.4	4.9	9.6	-1.2	-2.0
Food services	30.3	33.8	35.6	36.5	3.5	11.5	2.7	8.0	6.2	20.4	1.0	2.7
Accomodations	15.1	14.9	14.9	14.6	-0.2	-1.1	-0.3	-2.0	-0.5	-3.1	-0.3	-2.2
Retail trade	17.6	18.4	18.2	17.7	0.8	4.3	-0.7	-4.0	0.0	0.2	-0.5	-2.9
Construction	12.5	12.7	9.9	10.3	0.2	1.6	-2.4	-18.9	-2.2	-17.6	0.4	3.7
subtotal	418.4	439.1	435.7	439.8	20.7	4.9	0.7	0.2	21.4	5.1	4.1	0.9
All other	24.7	24.5	23.3	23.6	-0.3	-1.1	-0.8	-3.4	-1.1	-4.4	0.3	1.3
Total	443.1	463.5	459.1	463.4	20.4	4.6	-0.1	0.0	20.3	4.6	4.4	1.0

Source: BLS. Data are 3-month averages for the period ending February for total private sector wage and salary employment.

ORA Reports and Documents

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

Recent ORA reports:

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

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

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

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

About this report.

District of Columbia Economic and Revenue Trends is generally issued about the third week every month. Employment and most other DC information reported on a monthly basis is from one or two months prior to the *Trends* date (the April report has mostly February and March data). Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Economic Trends, Monthly Review*).

Table 35. Information sources

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	February	April 19, 2011
D.C. Personal Income	BEA	2010.4	June 22
D.C. Tax Collections	OTR/ORA	March	May 16
D.C. Housing Sales	GCAAR*	March	c May10
D.C. Commercial Office Building data	Delta Associates	2011.1	c July 10
DC Apartment data	Reis, inc	2010.4	c April 10
D.C. Hotel stay information	Smith Travel Research	February	c. May 1
Consumer Price Index	BLS	February and March	May 13
U.S. Jobs and Labor Force	BLS	February and March	May 6
U.S. GDP and Personal Income	BEA	2010.4	April 26
S and P 500 Stock Index	Financial press	March	May 1
Interest rate on 10-Year Treasury Securities	Financial press	February	May 1
HIS Global Insight D.C. forecast	Global Insight	February	c. April 20
Moody's Economy.com D.C. forecast	Economy.com	February	c. April 20
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	March	May10

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

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

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

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