

D.C. Economic Indicators

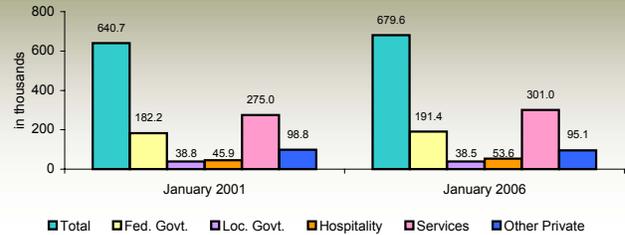
January 2006 Volume 6, Number 4

Labor & Industry

Jobs in D.C. for Jan. 2006 up 9,300 (1.4%) from 1 year ago

District resident employment for Jan. 2006 up 1,500 (0.6%) from 1 year ago

District Employment by Major Sector
January 2001 vs. January 2006



Labor Market ('000s): January 2006^a

| | D.C. | | Metro area | |
|------------------------------------|-------|-----------|------------|-----------|
| | Level | 1 yr. ch. | Level | 1 yr. ch. |
| Employed residents | 274.8 | 1.5 | 2,807.2 | 74.7 |
| Labor force | 290.7 | -3.2 | 2,897.1 | 59.8 |
| Total wage and salary employment | 679.6 | 9.3 | 2,915.1 | 66.9 |
| Federal government | 191.4 | -1.8 | 337.9 | -1.4 |
| Local government | 38.5 | 0.0 | 293.1 | 6.8 |
| Leisure & hospitality | 53.6 | 3.1 | 240.4 | 7.5 |
| Trade | 22.5 | 0.5 | 341.8 | 6.1 |
| Services | 301.0 | 7.4 | 1,127.8 | 38.8 |
| Other private | 72.6 | 0.1 | 574.1 | 9.1 |
| Unemployed | 15.8 | -4.8 | 89.9 | -15.0 |
| New unempl. claims (state program) | 1.4 | 0.0 | | |

Private Employment ('000s): January 2006

| | Level | 1 yr. change | |
|--------------------------|--------------|--------------|------------|
| | | Amt. | % |
| Manufacturing | 2.0 | -0.2 | -9.1 |
| Construction | 12.0 | -0.3 | -2.4 |
| Wholesale trade | 4.6 | 0.0 | 0.0 |
| Retail trade | 17.9 | 0.5 | 2.9 |
| Utilities & transport. | 5.4 | 0.1 | 1.9 |
| Publishing & other info. | 22.8 | 0.0 | 0.0 |
| Finance & insurance | 18.9 | 0.0 | 0.0 |
| Real estate | 11.5 | 0.5 | 4.5 |
| Legal services | 34.6 | 0.5 | 1.5 |
| Other profess. serv. | 65.9 | 2.1 | 3.3 |
| Empl. Serv. (incl. temp) | 12.6 | 1.1 | 9.6 |
| Mgmt. & oth. bus serv. | 35.2 | 0.4 | 1.1 |
| Education | 41.8 | 1.4 | 3.5 |
| Health care | 53.2 | 2.0 | 3.9 |
| Organizations | 51.0 | 0.2 | 0.4 |
| Accommodations | 15.0 | 0.0 | 0.0 |
| Food service | 32.3 | 2.3 | 7.7 |
| Amuse. & recreation | 6.3 | 0.8 | 14.5 |
| Other services | 6.7 | -0.3 | -4.3 |
| Total | 449.7 | 11.1 | 2.5 |

Sources: U.S. Bureau of Labor Statistics (BLS) & D.C. Dept. of Employment Services (DOES)

^a preliminary, not seasonally adjusted

D.C. Hotel Industry^b

| Jan. 2006 | Amt. | 1 yr. ch. |
|----------------------|----------|-----------|
| Occupancy Rate | 52.2% | -2.3 |
| Avg. Daily Room Rate | \$167.06 | -\$19.25 |
| # Available Rooms | 26,391 | 77 |
| Room Sales (\$M) | \$71.4 | -\$11.4 |

Airport Passengers^c

| Jan. 2006 | Amt. ('000) | 1 yr. % ch. |
|--------------|----------------|-------------------------|
| Reagan | 1,277.5 | 10.0 |
| Dulles | 1,678.8 | -16.4 |
| BWI | 1,473.9 | 1.3 |
| Total | 4,430.2 | -4.2^d |

^b Source: Smith Travel Research

^c Source: Metropolitan Washington Airports Authority & Maryland Aviation Administration Authority

^d weighted average

Source: BLS. Details may not add to total due to rounding.

Adjusted General Fund Revenue Collections^a

| | year-to-date % change | |
|--|-----------------------------|-----------------------------|
| | FY 2006 (Oct 05- Jan 06) | FY 2005 (Oct 04- Jan 05) |
| Property Taxes | *** | *** |
| General Sales ^b | 9.7 | 15.4 |
| Individual Income | 7.5 | 7.7 |
| Business Income | *** | *** |
| Utilities | -2.2 | 0.0 |
| Deed Transfer | -6.4 | 0.0 |
| All Other Taxes | 9.5 | -11.1 |
| Total Tax Collections | 7.9 | 8.4 |
| Addenda: | | |
| Indiv. inc. tax withholding for D.C. residents | 10.1 | 3.8 |
| Sales tax on hotels and restaurants allocated to Convention Center | 30.9 | 11.7 |

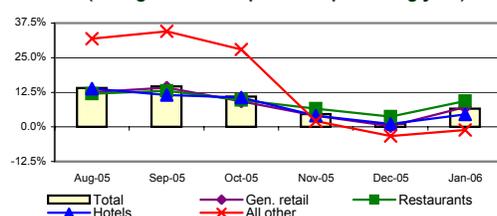
Source: D.C. Office of Tax and Revenue and Office of Revenue Analysis

Revenue

FY 2006 (Oct. - Jan.) Individual income tax collections up 7.5% from 1 year ago

FY 2006 (Oct. - Jan.) General Sales tax collections up 9.7% from 1 year ago

Sale Tax Collections for the Preceding Six Months
(% chg from same period of preceding year)



^a Cash collection growth rates for some taxes may not necessarily reflect annual revenue growth for budget purposes due to accounting adjustments. Growth rates in some taxes reflect legislated changes in tax rates.

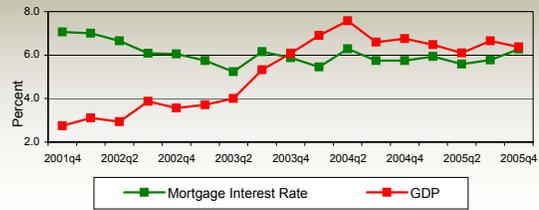
^b Includes sales taxes allocated to the Convention Center.

*** Not meaningful due to payment timing or processing factors.

People & Economy

- ➔ D.C. unemployment rate for Jan.: 5.4%, down from 5.9% last month & down from 7.1% 1 yr ago
- ➔ Estimated D.C. population for 2005: 550,521, down 0.7% from 2004 & down 3.3% from 2001

% chg in GDP from Same Period of Previous Year and 30-yr Mortgage Interest Rate by Quarter



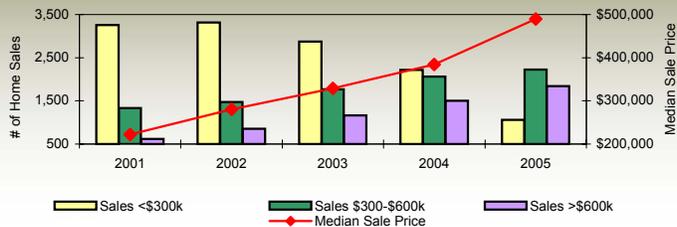
| U.S. GDP | | % change for yr. ending | | CPI | | % change for yr. ending | | D.C. Population | | |
|--|------------------|-------------------------|------------------------|--------------------------------------|-----|-------------------------|-----------|---|-----------|-----------|
| Source: BEA | | 4 th Q 2005 | 3 rd Q 2005 | Source: BLS | | Jan. 2006 | Nov. 2005 | Source: Census | Level | 1 yr. ch. |
| Nominal | 6.4 [†] | 6.7 | | U.S. | 4.0 | 3.5 | | Estimate for: | | |
| Real | 3.2 [†] | 3.6 | | D.C./Balt. metro area | 4.1 | 3.7 | | July 1, 2001 | 569,321 | (1,724) |
| Personal Income^a | | % change for yr. ending | | Unemployment Rate^c | | Source: BLS | | July 1, 2002 | | |
| Source: BEA | | 3 rd Q 2005 | 2 nd Q 2005 | Source: BLS | | Jan. 2006 | Dec. 2005 | July 1, 2003 | | |
| Total Personal Income | 5.6 | 6.1 | | U.S. | 4.7 | 4.9 | | July 1, 2004 | | |
| U.S. | 6.6 | 6.9 | | D.C. | 5.4 | 5.9 [†] | | July 1, 2005 | | |
| D.C. | | | | | | | | Components of Change from April 1, 2000 | | |
| Wage & Salary Portion of Personal Income | | | | Interest Rates | | National Average | | Natural | | |
| U.S. | 5.9 | 6.7 | | Source: Federal Reserve | | Jan. 2006 | Dec. 2005 | Deaths | 30,109 | 12,393 |
| Earned in D.C. | 5.2 | 5.3 | | 1-yr. Treasury | | 4.4 | 4.4 | Net Migr. | Net Int'l | 20,618 |
| Earned by D.C. res ^d | 6.0 | 6.3 | | Conv. Home Mortgage | | 6.2 | 6.3 | Net Dom. | (53,550) | (32,932) |
| | | | | | | | | Net Change ^d | | |
| | | | | | | | | (21,538) | | |

^a Nominal ^b estimated ^c seasonally adjusted ^d Includes federal resident employee movement (military/civilian) and the statistical residual

Housing & Office Space

- ➔ 11,257 new condos likely within next 36 months, up 114.7% from 1 year ago
- ➔ 3,297 new class A apts. likely within next 36 months, down 22.8% from 1 year ago

DC's Single-Family Housing Market Annual Median Price & Sales by Price Range



| Housing Sales | | | D.C. Housing Permits Issued | | | D.C. Commercial Office Space | | |
|---------------------------|------------------------|-------------|---|------------------------|-----------|-------------------------------|------------------------|------------|
| Source: MRIS ^a | | | Source: U.S. Census Bureau | 4 Qs ending | | Source: Delta Associates | | |
| | 4 Qs ending | 1 yr. % ch. | | 4 th Q 2005 | 1 yr. ch. | | | |
| Completed contracts | 4 th Q 2005 | | Total housing units | 2,294 | 917 | Vacancy Rate (%) | 4 th Q 2005 | 1 qtr. ch. |
| Single family | 5,123 | -11.4 | Single family | 123 | -103 | Excl. sublet space | 5.1 | -0.1 |
| Condo/Co-op | 4,413 | 10.5 | Multifamily (units) | 2,171 | 1,020 | Incl. sublet space | 6.0 | -0.1 |
| | | | Class A Apt.^d and Condominium Units | | | | | |
| Prices (\$000) | 4 th Q 2005 | 1 yr. % ch. | Source: Delta Associates | 4 th Q 2005 | 1 yr. ch. | Inventory Status ^e | 4 th Q 2005 | 1 qtr. ch. |
| Single family | | | Units under construction | | | Total inventory | 113.7 | 0.2 |
| Median ^b | \$490.0 | 27.6 | Rental apartments | 1,465 | -1,627 | Leased space ^f | 107.9 | 0.3 |
| Average ^c | \$619.9 | 21.8 | Condominiums | 5,243 | 2,829 | Occupied space ^g | 106.9 | 0.3 |
| Condo/Co-op | | | Other units likely within 36 months | | | Under construction | | |
| Median ^b | \$375.0 | 15.4 | Rental apartments | 1,832 | 654 | or renovation | 7.8 | -0.2 |
| Average ^c | \$423.7 | 17.8 | Condominiums | 6,014 | 3,185 | | | |

^a Metropolitan Regional Information System as reported by the Greater Capital Area Association of Realtors ^b Median for Dec. ^c 4th quarter average ^d Investment grade units, as defined by Delta ^e In million square feet ^f Calculated from vac. rate excl. sublet ^g Calculated from vac. rate incl. sublet