

RED CAPITAL Research

Payroll Forecast Summary

February 2010

RED CAPITAL Research employs time-series econometric models to forecast future payroll employment trends for each of the fifty metropolitan areas that we cover from a research perspective, a group we call the “**RED 50**”. Each metro forecast is derived from a unique multivariate equation with predictive economic variables and coefficients calibrated to the specific characteristics of the local employment market.

Future values for predictive independent variables are obtained from economic forecasts published by Dr. Stuart Hoffman, chief economist of PNC Financial Services Group. Dr. Hoffman typically updates his forecast monthly. His latest forecast can be obtained using the following link: (<https://www.pnc.com/webapp/unsec/NCProductsAndService.do?siteArea=/PNC/Home/About+PNC/Media+Room/Economic+Reports>).

The attached *Metropolitan Payroll Forecast Summary* provides our latest metro payroll forecasts, expressed on annual and quarterly bases, incorporating up-to-date macro economic data and PNC forecasts. **RCR** intends to update the forecasts regularly to maintain conformity with Dr. Hoffman’s latest projections and to incorporate the latest Bureau of Labor Statistics payroll data and other government economic statistics. We hope this initiative will help our readers to stay abreast of economic developments and the **RCR** view of this most critical driver of metropolitan apartment demand.

Please feel free to contact us regarding our research:

Daniel Hogan
614.857.1416
djhogan@redcapitalgroup.com

Joseph Mandeville
614-857-1418
jmmandeville@redcapitalgroup.com



FEBRUARY FORECAST DATA

	2009a	2010f	2011f
GDP	-2.4%	2.9%	3.2%
Consumption	-0.6%	1.9%	2.7%
Payroll Employment	-3.7%	-0.1%	1.6%
Fixed Investment	-18.4%	1.8%	6.9%
Nonresidential	-17.9%	0.6%	6.8%
Residential	-20.4%	5.9%	7.5%

Source: PNC Bank (January 2010)

Metro Area	2009a		2010f		2011f	
Albuquerque	-11,900	-3.0%	2,500	0.7%	8,600	2.2%
Atlanta	-124,600	-5.1%	-20,700	-0.9%	53,800	2.3%
Austin	-2,200	-0.3%	14,800	2.0%	18,000	2.3%
Baltimore	-32,300	-2.5%	5,500	0.4%	16,500	1.3%
Boston	-42,600	-2.5%	4,200	0.3%	24,000	1.4%
Charlotte	-47,200	-5.5%	-300	0.0%	25,700	3.2%
Chicago	-166,100	-4.3%	-34,600	-0.9%	33,800	0.9%
Cincinnati	-36,600	-3.5%	-5,800	-0.6%	9,200	0.9%
Cleveland	-50,800	-4.7%	-15,100	-1.5%	3,900	0.4%
Columbus	-17,400	-1.8%	1,700	0.2%	15,300	1.7%
Dallas	-41,700	-2.0%	21,800	1.1%	58,400	2.8%
Denver	-47,900	-3.9%	2,000	0.2%	23,800	2.0%
Detroit	-143,100	-7.3%	-50,500	-2.8%	-15,900	-0.9%
Fort Lauderdale	-29,300	-3.7%	-3,300	-0.4%	11,300	1.5%
Fort Worth	-7,800	-0.9%	11,000	1.3%	21,000	2.4%
Houston	-59,900	-2.4%	-37,000	-1.5%	40,100	1.6%
Indianapolis	-33,300	-3.6%	-4,300	-0.5%	14,600	1.7%
Inland Empire	-71,600	-5.6%	-29,000	-2.4%	-12,600	-1.1%
Jacksonville	-23,500	-3.7%	3,700	0.6%	17,900	2.9%
Kansas City	-19,800	-2.0%	2,000	0.2%	13,400	1.3%
Las Vegas	-55,600	-6.0%	-13,500	-1.5%	5,200	0.6%
Los Angeles	-154,400	-3.7%	-36,500	-0.9%	24,700	0.6%
Louisville	-20,900	-3.3%	-1,000	-0.2%	8,400	1.4%
Miami	-33,800	-3.2%	6,700	0.7%	18,400	1.8%
Milwaukee	-43,300	-5.1%	-9,400	-1.2%	7,000	0.9%
Minneapolis	-60,600	-3.4%	-100	0.0%	26,400	1.5%
Nashville	-29,300	-3.8%	7,200	1.0%	21,300	2.9%
New York	-115,500	-2.2%	2,100	0.0%	64,400	1.3%
Norfolk	-5,900	-0.8%	5,300	0.7%	12,200	1.6%
Northern Virginia	-11,100	-0.8%	16,700	1.3%	37,000	2.8%
Oakland	-41,200	-3.9%	-14,300	-1.4%	9,100	0.9%
Orange County	-64,800	-4.3%	-20,400	-1.4%	-700	0.0%
Orlando	-51,800	-4.7%	-5,200	-0.5%	21,900	2.1%
Philadelphia	-48,100	-2.5%	-4,400	-0.2%	9,100	0.5%
Phoenix	-132,300	-6.9%	-100	0.0%	58,000	3.3%
Pittsburgh	-26,700	-2.3%	1,200	0.1%	4,300	0.4%
Portland	-50,500	-4.9%	-17,500	-1.8%	3,100	0.3%
Raleigh-Durham	-22,300	-2.8%	7,800	1.0%	17,800	2.3%
Sacramento	-43,300	-4.8%	-21,000	-2.4%	-3,700	-0.4%
Salt Lake City	-23,300	-3.7%	-2,700	-0.4%	16,200	2.6%
San Antonio	-5,500	-0.7%	8,300	1.0%	19,500	2.3%
San Diego	-47,600	-3.6%	-2,200	-0.2%	13,200	1.0%
San Francisco	-42,800	-4.3%	-17,600	-1.9%	6,500	0.7%
San Jose	-39,000	-4.3%	-4,900	-0.6%	26,500	3.1%
Seattle	-59,800	-3.4%	200	0.0%	30,500	1.8%
St. Louis	-40,100	-3.0%	-400	0.0%	9,800	0.7%
Suburban Maryland	-18,400	-1.9%	-200	0.0%	10,700	1.1%
Tampa	-54,000	-4.3%	2,000	0.2%	43,700	3.6%
Washington DC Metro	-25,800	-0.9%	29,100	1.0%	56,000	1.9%
West Palm Beach	-21,100	-3.7%	6,100	1.1%	14,100	2.6%

Metro Area	Table 3: Metropolitan Payroll Growth Quarterly Forecasts																							
	2009 Q1		2009 Q2		2009 Q3		2009 Q4		2010 Q1		2010 Q2		2010 Q3		2010 Q4		2011 Q1		2011 Q2		2011 Q3		2011 Q4	
Albuquerque	-6,700	-1.7%	-12,700	-3.2%	-14,300	-3.6%	-14,000	-3.5%	-3,300	-0.9%	1,900	0.5%	5,000	1.3%	6,500	1.7%	7,200	1.9%	8,200	2.1%	9,100	2.4%	9,900	2.5%
Atlanta	-108,700	-4.5%	-132,700	-5.4%	-139,700	-5.7%	-117,300	-4.7%	-67,500	-2.9%	-31,000	-1.3%	-2,600	-0.1%	18,200	0.8%	30,500	1.4%	52,500	2.3%	63,100	2.7%	69,200	2.9%
Austin	2,000	0.3%	-2,000	-0.3%	-5,300	-0.7%	-3,300	-0.4%	7,200	1.0%	14,600	1.9%	18,300	2.4%	18,900	2.5%	16,800	2.2%	16,500	2.1%	18,400	2.4%	20,300	2.6%
Baltimore	-31,300	-2.4%	-35,700	-2.7%	-35,700	-2.7%	-26,300	-2.0%	-6,800	-0.5%	4,000	0.3%	10,900	0.8%	14,100	1.1%	14,000	1.1%	16,800	1.3%	16,500	1.3%	18,600	1.4%
Boston	-36,300	-2.2%	-45,300	-2.7%	-49,000	-2.9%	-39,700	-2.3%	-12,300	-0.8%	2,800	0.2%	9,900	0.6%	16,300	1.0%	19,400	1.2%	23,100	1.4%	26,000	1.6%	27,600	1.6%
Charlotte	-44,700	-5.3%	-52,700	-6.1%	-50,300	-5.9%	-41,000	-4.7%	-20,400	-2.5%	-1,500	-0.2%	8,500	1.1%	12,300	1.5%	25,900	3.3%	24,600	3.1%	25,500	3.1%	26,700	3.1%
Chicago	-126,000	-3.3%	-179,000	-4.6%	-189,700	-4.9%	-169,700	-4.3%	-103,300	-2.8%	-44,200	-1.2%	-4,300	-0.1%	13,500	0.4%	23,700	0.7%	32,300	0.9%	37,300	1.0%	42,100	1.1%
Cincinnati	-27,300	-2.7%	-41,000	-3.9%	-42,000	-4.0%	-36,000	-3.4%	-20,900	-2.1%	-7,700	-0.8%	100	0.0%	5,400	0.5%	7,600	0.8%	8,900	0.9%	9,900	1.0%	10,400	1.0%
Cleveland	-41,700	-4.0%	-55,300	-5.1%	-59,000	-5.5%	-47,000	-4.4%	-29,900	-2.9%	-15,900	-1.6%	-9,400	-0.9%	-5,400	-0.5%	1,100	0.1%	2,200	0.2%	4,900	0.5%	7,200	0.7%
Columbus	-17,300	-1.9%	-18,700	-2.0%	-18,700	-2.0%	-15,000	-1.6%	-9,100	-1.0%	-1,500	-0.2%	5,600	0.6%	11,900	1.3%	13,300	1.5%	15,700	1.7%	16,200	1.7%	15,900	1.7%
Dallas	-24,700	-1.2%	-47,700	-2.3%	-49,300	-2.4%	-45,000	-2.1%	-13,200	-0.7%	17,300	0.9%	36,300	1.8%	46,800	2.3%	52,700	2.6%	57,300	2.8%	60,200	2.9%	63,200	3.0%
Denver	-39,000	-3.2%	-53,000	-4.3%	-56,000	-4.5%	-43,700	-3.5%	-18,300	-1.6%	-100	0.0%	10,100	0.8%	16,200	1.3%	19,200	1.7%	23,200	1.9%	25,300	2.1%	27,500	2.2%
Detroit	-139,700	-7.2%	-158,700	-8.0%	-147,700	-7.6%	-126,300	-6.4%	-82,800	-4.6%	-52,600	-2.9%	-40,600	-2.2%	-25,900	-1.4%	-18,800	-1.1%	-16,900	-1.0%	-14,300	-0.8%	-13,800	-0.8%
Fort Lauderdale	-34,700	-4.4%	-33,300	-4.2%	-26,000	-3.3%	-23,000	-2.9%	-14,800	-2.0%	-5,100	-0.7%	900	0.1%	5,800	0.8%	8,400	1.1%	10,400	1.4%	12,200	1.6%	14,100	1.8%
Fort Worth	-1,300	-0.2%	-10,700	-1.2%	-12,000	-1.4%	-7,300	-0.8%	700	0.1%	10,100	1.2%	15,300	1.8%	18,200	2.1%	19,500	2.3%	20,800	2.4%	21,600	2.5%	22,200	2.5%
Houston	-30,000	-1.1%	-62,300	-2.5%	-85,700	-3.4%	-88,700	-3.4%	-78,800	-3.2%	-48,800	-2.0%	-20,400	-0.8%	100	0.0%	20,700	0.9%	38,000	1.6%	46,600	1.9%	55,200	2.2%
Indianapolis	-24,700	-2.8%	-35,300	-3.8%	-38,000	-4.1%	-35,300	-3.8%	-20,300	-2.3%	-7,100	-0.8%	1,400	0.2%	8,800	1.0%	11,700	1.4%	13,800	1.6%	15,800	1.8%	17,000	1.9%
Inland Empire	-80,000	-6.3%	-78,000	-6.1%	-71,700	-5.7%	-56,700	-4.4%	-40,000	-3.4%	-28,700	-2.4%	-24,400	-2.0%	-22,700	-1.9%	-17,700	-1.5%	-14,400	-1.2%	-11,000	-0.9%	-7,400	-0.6%
Jacksonville	-25,000	-4.0%	-26,300	-4.1%	-23,700	-3.8%	-19,000	-3.0%	-6,700	-1.1%	1,800	0.3%	6,900	1.1%	12,800	2.1%	14,600	2.4%	17,200	2.8%	19,800	3.2%	20,000	3.2%
Kansas City	-10,700	-1.1%	-20,700	-2.0%	-24,000	-2.4%	-24,000	-2.3%	-9,600	-1.0%	500	0.1%	6,700	0.7%	10,600	1.1%	12,400	1.3%	13,000	1.3%	13,500	1.3%	14,800	1.5%
Las Vegas	-43,000	-4.7%	-58,000	-6.2%	-59,700	-6.5%	-61,700	-6.6%	-38,000	-4.3%	-14,300	-1.6%	-5,200	-0.6%	3,600	0.4%	3,000	0.4%	5,000	0.6%	6,200	0.7%	6,700	0.8%
Los Angeles	-132,700	-3.2%	-178,300	-4.3%	-170,300	-4.2%	-136,300	-3.3%	-81,400	-2.1%	-41,000	-1.3%	-23,100	-0.6%	-500	0.0%	11,600	0.3%	30,500	0.8%	27,600	0.7%	28,900	0.7%
Louisville	-17,700	-2.9%	-25,700	-4.1%	-24,300	-3.9%	-16,000	-2.5%	-6,600	-1.1%	-1,100	-0.2%	900	0.1%	2,900	0.5%	7,000	1.2%	8,100	1.3%	8,800	1.5%	9,600	1.6%
Miami	-39,700	-3.7%	-41,000	-3.9%	-30,700	-2.9%	-24,000	-2.2%	-4,100	-0.4%	6,600	0.6%	10,900	1.1%	13,500	1.3%	15,200	1.5%	17,600	1.7%	19,400	1.9%	21,300	2.0%
Milwaukee	-30,000	-3.6%	-45,700	-5.3%	-48,300	-5.6%	-49,300	-5.7%	-30,500	-3.7%	-12,000	-1.5%	-900	-0.1%	5,900	0.7%	5,700	0.7%	6,400	0.8%	7,600	0.9%	8,400	1.0%
Minneapolis	-55,000	-3.1%	-62,700	-3.5%	-69,300	-3.9%	-55,300	-3.1%	-24,400	-1.4%	-4,900	-0.3%	10,400	0.6%	18,400	1.0%	22,400	1.3%	25,900	1.5%	27,900	1.6%	29,600	1.7%
Nashville	-26,000	-3.5%	-30,000	-4.0%	-33,000	-4.3%	-28,000	-3.6%	-9,700	-1.3%	2,700	0.4%	15,000	2.0%	20,700	2.8%	21,800	3.1%	21,500	2.9%	20,700	2.8%	21,000	2.7%
New York	-103,000	-2.0%	-129,300	-2.5%	-106,300	-2.0%	-123,300	-2.3%	-52,700	-1.0%	-6,500	-0.1%	19,900	0.4%	47,800	0.9%	52,400	1.0%	61,900	1.2%	69,500	1.4%	73,600	1.4%
Norfolk	-5,300	-0.7%	-6,700	-0.9%	-8,000	-1.0%	-3,700	-0.5%	900	0.1%	4,600	0.6%	7,700	1.0%	8,000	1.0%	11,100	1.5%	12,400	1.6%	12,400	1.6%	13,100	1.7%
Northern Virginia	-13,000	-1.0%	-13,700	-1.0%	-13,300	-1.0%	-4,300	-0.3%	7,100	0.6%	13,700	1.1%	20,600	1.6%	25,200	1.9%	30,300	2.4%	35,400	2.7%	39,900	3.0%	42,500	3.2%
Oakland	-41,000	-3.9%	-45,300	-4.3%	-44,000	-4.2%	-34,300	-3.2%	-26,300	-2.6%	-15,700	-1.6%	-9,800	-1.0%	-5,500	-0.5%	5,400	0.6%	9,000	0.9%	10,900	1.1%	11,000	1.1%
Orange County	-70,700	-4.7%	-72,300	-4.8%	-65,000	-4.3%	-51,300	-3.4%	-35,000	-2.4%	-23,200	-1.6%	-14,000	-1.0%	-9,300	-0.6%	-4,100	-0.3%	0	0.0%	-700	0.0%	1,900	0.1%
Orlando	-55,000	-5.0%	-56,700	-5.2%	-53,300	-4.9%	-42,300	-3.8%	-22,200	-2.1%	-8,000	-0.8%	2,200	0.2%	7,300	0.7%	13,100	1.3%	19,500	1.9%	24,900	2.4%	30,000	2.8%
Philadelphia	-32,300	-1.7%	-53,700	-2.8%	-55,700	-2.9%	-50,700	-2.6%	-28,800	-1.5%	-7,600	-0.4%	6,600	0.4%	12,500	0.7%	10,400	0.6%	9,000	0.5%	8,300	0.4%	8,600	0.5%
Phoenix	-132,300	-6.9%	-138,300	-7.2%	-147,700	-7.8%	-111,000	-5.7%	-40,600	-2.3%	-8,900	-0.5%	18,400	1.0%	30,800	1.7%	44,100	2.5%	55,500	3.1%	63,300	3.6%	69,000	3.7%
Pittsburgh	-15,700	-1.4%	-30,300	-2.6%	-33,700	-2.9%	-27,000	-2.3%	-11,300	-1.0%	1,600	0.1%	7,200	0.6%	7,400	0.7%	5,100	0.5%	3,700	0.3%	3,400	0.3%	4,900	0.4%
Portland	-36,000	-3.5%	-53,300	-5.2%	-61,000	-5.9%	-51,700	-4.9%	-37,100	-3.8%	-18,300	-1.9%	-9,100	-0.9%	-5,400	-0.5%	-1,500	-0.2%	2,600	0.3%	5,000	0.5%	6,200	0.6%
Raleigh-Durham	-18,700	-2.4%	-24,000	-3.0%	-26,700	-3.3%	-20,000	-2.4%	-3,300	-0.4%	8,200	1.1%	12,500	1.6%	14,000	1.8%	14,100	1.8%	16,800	2.1%	18,500	2.3%	21,600	2.7%
Sacramento	-40,300	-4.5%	-45,300	-5.0%	-43,700	-4.8%	-43,700	-4.8%	-34,200	-4.0%	-24,300	-2.8%	-15,900	-1.8%	-9,400	-1.1%	-6,200	-0.8%	-4,500	-0.5%	-2,600	-0.3%	-1,300	-0.2%
Salt Lake City	-13,700	-2.2%	-22,700	-3.6%	-29,000	-4.5%	-28,000	-4.3%	-16,400	-2.7%	-6,600	-1.1%	3,200	0.5%	9,100	1.5%	12,400	2.1%	15,700	2.6%	17,200	2.8%	19,400	3.1%
San Antonio	-700	-0.1%	-5,700	-0.7%	-8,000	-1.0%	-7,700	-0.9%	-1,400	-0.2%	6,900	0.8%	12,000	1.4%	15,700	1.9%	17,800	2.2%	19,300	2.3%	20,100	2.4%	20,600	2.4%
San Diego	-37,300	-2.9%	-50,300	-3.8%	-56,700	-4.3%	-46,000	-3.5%	-20,400	-1.6%	-3,500	-0.3%	5,800	0.5%	9,400	0.7%	10,600	0.9%	11,600	0.9%	13,400	1.1%	17,100	1.3%
San Francisco	-29,700	-3.0%	-45,700	-4.6%	-49,700	-5.0%	-46,300	-4.6%	-33,200	-3.5%	-19,100	-2.0%	-11,900	-1.3%	-6,300	-0.7%	-200	0.0%	6,700	0.7%	8,500	0.9%	11,100	1.2%
San Jose	-28,700	-3.2%	-40,300	-4.4%	-45,700	-5.0%	-41,300	-4.5%	-17,900	-2.1%	-5,900	-0.7%	-2,500	-0.3%	6,600	0.7%	15,100	1.8%	23,500	2.7%	31,600	3.6%	35,600	4.0%
Seattle	-47,000	-2.8%	-64,000	-3.7%	-71,700	-4.1%	-56,700	-3.2%	-27,100	-1.6%	-2,400	-0.1%	11,500	0.7%	18,800	1.1%	23,300	1.4%	29,000	1.7%	33,000	2.0%	36,800	2.1%
St. Louis	-30,300	-2.3%	-44,000	-3.2%	-48,300	-3.6%	-37,700	-2.7%	-14,900	-1.1%	-2,300	-0.2%	6,900	0.5%	8,500	0.6%	9,800	0.8%	10,300	0.8%	8,700	0.7%	10,400	0.8%
Suburban Maryland	-13,300	-1.4%	-22,300	-2.3%	-21,700	-2.2%	-16,300	-1.7%	-10,200	-1.1%	-1,700	-0.2%	3,400	0.4%	7,800	0.8%	9,000	1.0%	10,600	1.1%	11,500	1.2%	11,700	1.2%
Tampa	-51,000	-4.0%	-53,700	-4.2%	-57,000	-4.6%	-54,300	-4.3%	-26,200	-2.2%	-3,200	-0.3%	12,100	1.0%	25,100	2.1%	43,600	3.7%	45,100	3.7%	44,000	3.7%	42,000	3.4%
Washington DC Metro	-10,700	-0.4%	-36,000	-1.2%	-36,300	-1.2%	-20,300	-0.7%	2,900	0.1%	22,800	0.8%	40,900	1.4%	49,900	1.7%	53,700	1.8%	56,900	1.9%	56,200	1.9%	57,200	1.9%
West Palm Beach	-24,000	-4.2%	-25,000	-4.4%	-20,000	-3.6%	-15,300	-2.7%	-100	0.0%	6,000	1.1%	8,300	1.6%	10,200	1.9%	12,700	2.3%	14,000	2.6%	14,300	2.6%	15,300	2.7%

Disclaimer: The information contained in this report was prepared for general information purposes only and is not intended as legal, tax, accounting or financial advice, or recommendations to buy or sell currencies or securities or to engage in any specific transactions. Information has been gathered from third party sources and has not been independently verified or accepted by The PNC Financial Services Group, Inc. PNC makes no representations or warranties as to the accuracy or completeness of the information, assumptions, analyses or conclusions presented in the report. PNC cannot be held responsible for any errors or misrepresentations contained in the report or in the information gathered from third party sources. Under no circumstances should any information contained herein be used or considered as an offer or a solicitation of an offer to participate in any particular transaction or strategy. Any reliance upon this information is solely and exclusively at your own risk. Please consult your own counsel, accountant or other advisor regarding your specific situation. Any views expressed herein are subject to change without notice due to market conditions and other factors.