

RED CAPITAL Research

Payroll Forecast Summary

May 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 Richard DeKaser, chief economist of Woodley Park Research. Mr. DeKaser typically updates his forecast monthly. His latest forecast can be obtained using the following link: (<http://www.woodleyparkresearch.com>).

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 Woodley Park forecasts. **RCR** intends to update the forecasts regularly to maintain conformity with Mr. DeKaser’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



MAY FORECAST DATA

	2010f	2011f	2012f
GDP	3.5%	3.5%	3.6%
Consumption	2.8%	3.4%	2.9%
Payroll Employment	-0.3%	2.3%	3.1%
Fixed Investment	3.5%	11.5%	13.7%
Nonresidential	4.0%	8.6%	11.3%
Residential	1.8%	22.4%	21.6%

Source: Woodley Park Research (May 2010)

Metro Area	2010f		2011f		2012f	
Albuquerque	-3,100	-0.8%	7,100	1.9%	11,700	3.0%
Atlanta	-26,500	-1.1%	73,300	3.2%	116,900	4.9%
Austin	8,000	1.1%	21,800	2.9%	32,100	4.2%
Baltimore	-6,600	-0.5%	16,700	1.3%	26,800	2.1%
Boston	-7,400	-0.5%	31,900	2.0%	46,800	2.8%
Charlotte	-600	-0.1%	27,100	3.4%	35,500	4.2%
Chicago	-56,500	-1.5%	48,500	1.3%	93,400	2.5%
Cincinnati	-6,100	-0.6%	18,300	1.8%	22,200	2.2%
Cleveland	-10,600	-1.0%	10,500	1.0%	20,700	2.0%
Columbus	-6,000	-0.7%	17,100	1.9%	23,300	2.5%
Dallas	12,100	0.6%	73,000	3.6%	95,900	4.6%
Denver	-19,700	-1.7%	22,700	1.9%	43,600	3.7%
Detroit	-45,900	-2.5%	5,400	0.3%	14,900	0.8%
Fort Lauderdale	-11,100	-1.5%	11,800	1.6%	23,900	3.2%
Fort Worth	0	0.0%	22,400	2.7%	31,100	3.6%
Houston	-22,700	-0.9%	56,900	2.3%	79,900	3.2%
Indianapolis	-5,700	-0.6%	20,400	2.4%	30,200	3.4%
Inland Empire	-34,700	-2.9%	-1,600	-0.1%	13,000	1.1%
Jacksonville	-900	-0.2%	18,300	3.1%	26,000	4.2%
Kansas City	-11,100	-1.1%	13,400	1.4%	23,200	2.4%
Las Vegas	-30,500	-3.6%	8,600	1.1%	18,500	2.3%
Los Angeles	-43,200	-1.1%	56,900	1.5%	99,000	2.5%
Louisville	-4,200	-0.7%	9,500	1.6%	14,000	2.3%
Miami	-5,900	-0.6%	24,700	2.5%	37,700	3.7%
Milwaukee	-10,800	-1.3%	10,900	1.4%	17,000	2.1%
Minneapolis	-12,300	-0.7%	40,400	2.4%	53,300	3.1%
Nashville	1,100	0.1%	28,600	3.9%	30,400	4.0%
New York ¹	-20,900	-0.6%	40,900	1.1%	71,100	1.9%
Norfolk	-100	0.0%	14,800	2.0%	18,900	2.5%
Northern Virginia	11,800	0.9%	40,700	3.1%	49,800	3.7%
Oakland	-21,900	-2.2%	9,700	1.0%	15,400	1.6%
Orange County	-18,600	-1.3%	15,900	1.1%	31,500	2.2%
Orlando	-13,300	-1.3%	18,900	1.9%	36,500	3.5%
Philadelphia	-16,600	-0.9%	18,100	1.0%	24,700	1.3%
Phoenix	-21,800	-1.2%	29,200	1.7%	36,900	2.1%
Pittsburgh	-3,200	-0.3%	11,800	1.1%	15,100	1.3%
Portland	-13,600	-1.4%	19,400	2.0%	32,400	3.3%
Raleigh-Durham	1,600	0.2%	17,600	2.3%	28,200	3.5%
Sacramento	-17,500	-2.1%	5,000	0.6%	12,700	1.5%
Salt Lake City	-8,500	-1.4%	12,900	2.2%	23,900	3.9%
San Antonio	-1,700	-0.2%	19,700	2.4%	29,800	3.6%
San Diego	-15,500	-1.3%	16,900	1.4%	34,300	2.8%
San Francisco	-14,800	-1.6%	26,900	2.9%	36,300	3.8%
San Jose	4,800	0.6%	34,000	4.0%	38,900	4.4%
Seattle	-22,500	-1.4%	37,700	2.3%	65,300	3.9%
St. Louis	-10,800	-0.8%	17,800	1.4%	26,400	2.0%
Suburban Maryland	-4,900	-0.5%	11,500	1.2%	16,500	1.7%
Tampa	-11,100	-0.9%	34,300	2.9%	44,600	3.7%
Washington DC Metro	17,300	0.6%	71,900	2.4%	81,800	2.7%
West Palm Beach	-8,600	-1.6%	12,600	2.4%	19,500	3.7%

¹New York refers to the five boroughs of New York City. Previously, New York included the entire New York-White Plains-Wayne NY-NJ Metropolitan Division.

Table 3: Metropolitan Payroll Growth Quarterly Forecasts																								
Metro Area	2010 Q1		2010 Q2		2010 Q3		2010 Q4		2011 Q1		2011 Q2		2011 Q3		2011 Q4		2012 Q1		2012 Q2		2012 Q3		2012 Q4	
Albuquerque	-8,100	-2.1%	-4,400	-1.2%	-700	-0.2%	900	0.2%	3,900	1.1%	5,700	1.5%	8,300	2.2%	10,500	2.7%	11,400	3.0%	11,600	3.1%	11,800	3.1%	11,900	3.0%
Atlanta	-84,100	-3.6%	-43,400	-1.9%	-6,600	-0.3%	27,900	1.2%	50,000	2.2%	61,800	2.7%	81,000	3.5%	100,600	4.2%	112,100	4.9%	117,000	5.0%	119,000	5.0%	119,700	4.8%
Austin	-5,000	-0.7%	4,300	0.6%	13,700	1.9%	19,100	2.5%	18,800	2.6%	20,200	2.7%	22,700	3.0%	25,600	3.3%	29,000	3.9%	30,900	4.0%	33,400	4.3%	35,100	4.4%
Baltimore	-31,300	-2.5%	-7,400	-0.6%	1,400	0.1%	10,700	0.8%	13,700	1.1%	12,600	1.0%	18,500	1.5%	21,900	1.7%	24,500	2.0%	26,300	2.0%	28,200	2.2%	28,000	2.1%
Boston	-38,300	-2.3%	-10,000	-0.6%	4,000	0.2%	14,700	0.9%	23,300	1.5%	27,400	1.7%	35,000	2.1%	42,100	2.5%	45,900	2.8%	47,300	2.8%	46,700	2.8%	47,100	2.7%
Charlotte	-26,000	-3.2%	-2,600	-0.3%	8,900	1.1%	17,100	2.1%	25,400	3.3%	25,000	3.1%	27,700	3.4%	30,500	3.6%	32,800	4.1%	34,900	4.2%	36,400	4.4%	37,700	4.3%
Chicago	-133,800	-3.7%	-62,800	-1.7%	-27,000	-0.7%	-2,400	-0.1%	20,300	0.6%	32,900	0.9%	61,600	1.7%	79,100	2.1%	87,900	2.5%	93,300	2.6%	94,600	2.6%	97,900	2.6%
Cincinnati	-27,000	-2.7%	-9,800	-1.0%	1,700	0.2%	10,600	1.0%	14,300	1.5%	16,200	1.6%	20,400	2.0%	22,200	2.2%	22,900	2.3%	22,500	2.2%	22,000	2.2%	21,700	2.1%
Cleveland	-35,600	-3.5%	-8,800	-0.9%	-1,100	-0.1%	3,200	0.3%	6,000	0.6%	5,900	0.6%	12,300	1.2%	17,900	1.7%	20,900	2.1%	21,600	2.1%	20,400	2.0%	20,100	1.9%
Columbus	-25,800	-2.9%	-9,000	-1.0%	1,000	0.1%	9,900	1.1%	13,800	1.6%	14,700	1.6%	18,600	2.0%	21,400	2.3%	22,700	2.6%	23,600	2.6%	23,400	2.5%	23,800	2.5%
Dallas	-34,800	-1.8%	5,700	0.3%	31,400	1.6%	46,200	2.3%	59,100	3.0%	65,500	3.3%	78,600	3.9%	88,800	4.3%	94,700	4.7%	95,800	4.7%	96,100	4.6%	96,900	4.5%
Denver	-43,200	-3.7%	-24,000	-2.0%	-11,500	-1.0%	-200	0.0%	10,700	0.9%	17,300	1.5%	27,300	2.3%	35,500	3.0%	40,500	3.5%	43,100	3.7%	44,900	3.7%	45,800	3.7%
Detroit	-86,700	-4.8%	-45,700	-2.5%	-33,700	-1.9%	-17,500	-1.0%	-5,300	-0.3%	-1,600	-0.1%	10,700	0.6%	17,800	1.0%	16,300	1.0%	14,800	0.8%	14,100	0.8%	14,500	0.8%
Fort Lauderdale	-28,200	-3.8%	-12,400	-1.7%	-5,300	-0.7%	1,500	0.2%	5,300	0.7%	8,600	1.2%	14,700	2.0%	18,800	2.5%	22,000	3.1%	23,400	3.2%	24,800	3.4%	25,200	3.3%
Fort Worth	-17,700	-2.1%	-2,300	-0.3%	6,900	0.8%	13,200	1.6%	17,800	2.2%	19,900	2.4%	24,100	2.9%	27,600	3.2%	29,800	3.6%	31,000	3.6%	31,800	3.7%	32,000	3.6%
Houston	-76,400	-3.1%	-32,200	-1.3%	-4,200	-0.2%	22,100	0.9%	42,000	1.7%	49,500	2.0%	63,000	2.6%	73,100	2.9%	80,100	3.3%	81,500	3.3%	80,800	3.2%	77,100	3.0%
Indianapolis	-27,700	-3.2%	-7,400	-0.8%	1,900	0.2%	10,500	1.2%	15,800	1.9%	16,900	1.9%	22,700	2.6%	26,300	2.9%	29,500	3.5%	30,600	3.5%	30,300	3.4%	30,200	3.3%
Inland Empire	-60,700	-5.1%	-36,200	-3.1%	-25,500	-2.2%	-16,500	-1.4%	-9,800	-0.9%	-6,100	-0.5%	1,500	0.1%	8,000	0.7%	13,200	1.2%	13,400	1.2%	14,000	1.2%	11,600	1.0%
Jacksonville	-15,200	-2.5%	-2,800	-0.5%	3,900	0.7%	10,500	1.7%	12,900	2.2%	15,800	2.7%	20,600	3.5%	23,900	3.9%	25,600	4.3%	26,100	4.3%	26,200	4.2%	26,200	4.1%
Kansas City	-28,800	-3.0%	-14,000	-1.4%	-4,400	-0.5%	2,900	0.3%	9,200	1.0%	10,700	1.1%	15,100	1.6%	18,600	1.9%	20,700	2.2%	22,600	2.3%	24,200	2.4%	25,000	2.5%
Las Vegas	-53,500	-6.3%	-31,300	-3.7%	-20,900	-2.5%	-16,200	-1.9%	-5,200	-0.7%	3,600	0.4%	13,200	1.6%	22,600	2.7%	23,500	3.0%	20,100	2.5%	16,700	2.0%	13,700	1.6%
Los Angeles	-135,700	-3.5%	-54,500	-1.4%	-6,100	-0.2%	23,400	0.6%	34,400	0.9%	45,800	1.2%	65,100	1.7%	82,200	2.1%	94,100	2.5%	98,200	2.5%	101,200	2.6%	102,400	2.5%
Louisville	-13,000	-2.2%	-5,000	-0.8%	-1,100	-0.2%	2,300	0.4%	6,800	1.2%	7,700	1.3%	10,900	1.8%	12,400	2.0%	13,400	2.3%	13,500	2.2%	14,100	2.3%	15,000	2.4%
Miami	-26,100	-2.6%	-8,000	-0.8%	1,000	0.1%	9,400	0.9%	16,500	1.7%	20,600	2.1%	28,100	2.8%	33,700	3.3%	37,900	3.8%	38,100	3.8%	38,600	3.8%	36,100	3.4%
Milwaukee	-32,300	-4.0%	-13,700	-1.7%	-1,800	-0.2%	4,500	0.6%	8,000	1.0%	8,900	1.1%	12,300	1.5%	14,400	1.8%	15,900	2.0%	16,400	2.0%	17,300	2.1%	18,200	2.2%
Minneapolis	-53,200	-3.1%	-19,200	-1.1%	4,200	0.2%	19,200	1.1%	30,300	1.8%	36,300	2.1%	44,300	2.6%	50,600	2.9%	53,300	3.2%	53,500	3.1%	52,700	3.0%	53,800	3.0%
Nashville	-20,300	-2.8%	-2,900	-0.4%	9,800	1.4%	17,700	2.4%	26,200	3.7%	27,800	3.9%	30,000	4.1%	30,300	4.0%	31,700	4.4%	30,400	4.1%	30,700	4.0%	29,000	3.7%
New York	-79,600	-2.2%	-20,500	-0.6%	-10,700	-0.3%	27,100	0.7%	25,500	0.7%	30,100	0.8%	53,400	1.5%	54,400	1.5%	63,900	1.8%	70,200	1.9%	74,000	2.0%	76,200	2.0%
Norfolk	-12,100	-1.6%	-2,700	-0.4%	6,000	0.8%	8,300	1.1%	12,400	1.7%	13,800	1.8%	15,100	2.0%	17,800	2.4%	18,400	2.5%	18,900	2.5%	19,400	2.5%	18,900	2.4%
Northern Virginia	-10,000	-0.8%	11,400	0.9%	19,700	1.5%	26,000	2.0%	35,300	2.8%	35,400	2.7%	43,500	3.3%	48,700	3.7%	49,900	3.8%	50,700	3.8%	50,000	3.7%	48,700	3.5%
Oakland	-44,800	-4.5%	-27,700	-2.8%	-11,800	-1.2%	-3,200	-0.3%	4,400	0.5%	9,400	1.0%	11,600	1.2%	13,600	1.4%	15,600	1.6%	14,300	1.5%	15,500	1.6%	16,400	1.6%
Orange County	-54,800	-3.9%	-21,400	-1.5%	-3,100	-0.2%	5,100	0.4%	7,900	0.6%	12,100	0.9%	18,800	1.4%	24,500	1.7%	29,900	2.2%	31,000	2.2%	30,300	2.2%	34,800	2.4%
Orlando	-36,200	-3.5%	-17,100	-1.7%	-3,700	-0.4%	3,800	0.4%	10,200	1.0%	14,900	1.5%	22,400	2.2%	28,000	2.7%	33,400	3.3%	35,300	3.5%	38,800	3.7%	38,700	3.6%
Philadelphia	-51,400	-2.8%	-20,900	-1.1%	-3,300	-0.2%	9,200	0.5%	15,300	0.8%	15,200	0.8%	20,600	1.1%	21,400	1.1%	20,400	1.1%	21,600	1.2%	26,000	1.4%	30,700	1.6%
Phoenix	-74,200	-4.2%	-25,000	-1.4%	-500	0.0%	12,600	0.7%	22,500	1.3%	24,300	1.4%	32,900	1.9%	37,200	2.0%	37,400	2.2%	36,400	2.1%	36,200	2.0%	37,700	2.0%
Pittsburgh	-18,800	-1.7%	-4,000	-0.4%	2,900	0.3%	7,200	0.6%	11,500	1.1%	9,600	0.9%	12,800	1.1%	13,200	1.2%	12,900	1.2%	13,900	1.2%	15,300	1.4%	18,300	1.6%
Portland	-36,200	-3.7%	-17,400	-1.8%	-4,900	-0.5%	4,000	0.4%	11,000	1.2%	15,900	1.7%	22,300	2.3%	28,400	2.9%	31,600	3.3%	33,200	3.4%	32,200	3.3%	32,600	3.2%
Raleigh-Durham	-13,600	-1.8%	-200	0.0%	8,600	1.1%	11,600	1.5%	13,900	1.8%	15,600	2.0%	18,600	2.4%	22,200	2.8%	24,700	3.2%	27,400	3.5%	29,500	3.7%	31,100	3.8%
Sacramento	-32,600	-3.8%	-21,800	-2.5%	-11,300	-1.3%	-4,400	-0.5%	-1,100	-0.1%	2,800	0.3%	7,500	0.9%	10,800	1.3%	12,500	1.5%	12,800	1.5%	12,700	1.5%	12,900	1.5%
Salt Lake City	-24,000	-4.0%	-9,800	-1.6%	-2,800	-0.5%	2,600	0.4%	9,500	1.6%	10,100	1.7%	14,400	2.4%	17,500	2.8%	22,000	3.7%	23,500	3.9%	24,700	4.0%	25,400	4.0%
San Antonio	-15,100	-1.9%	-4,700	-0.6%	4,300	0.5%	8,800	1.1%	14,700	1.8%	18,000	2.2%	20,800	2.5%	25,400	3.1%	28,400	3.5%	29,600	3.6%	30,400	3.6%	30,700	3.6%
San Diego	-41,600	-3.3%	-17,600	-1.4%	-5,800	-0.5%	2,800	0.2%	9,300	0.8%	12,400	1.0%	19,800	1.6%	26,100	2.1%	31,300	2.6%	32,100	2.6%	37,100	3.0%	36,900	2.9%
San Francisco	-43,900	-4.7%	-21,700	-2.3%	-4,000	-0.4%	10,400	1.1%	16,900	1.9%	24,700	2.7%	30,500	3.3%	35,700	3.8%	38,700	4.2%	38,600	4.1%	35,400	3.7%	32,500	3.3%
San Jose	-33,700	-3.9%	5,400	0.6%	21,300	2.5%	26,100	3.0%	28,700	3.5%	32,100	3.8%	34,800	4.0%	40,400	4.6%	40,900	4.8%	41,500	4.7%	37,200	4.1%	36,000	3.9%
Seattle	-64,800	-3.9%	-28,100	-1.7%	-5,700	-0.3%	8,500	0.5%	20,800	1.3%	30,600	1.9%	43,700	2.7%	55,900	3.3%	62,400	3.9%	65,300	4.0%	66,500	4.0%	66,800	3.8%
St. Louis	-30,100	-2.3%	-8,100	-0.6%	-4,600	-0.4%	-400	0.0%	10,000	0.8%	11,700	0.9%	21,700	1.7%	28,000	2.1%	28,800	2.3%	27,200	2.1%	25,300	1.9%	24,400	1.8%
Suburban Maryland	-18,200	-1.9%	-6,500	-0.7%	0	0.0%	5,100	0.5%	7,900	0.9%	9,000	1.0%	13,400	1.4%	15,600	1.6%	16,200	1.7%	16,400	1.7%	16,500	1.7%	16,700	1.7%
Tampa	-36,000	-3.0%	-14,300	-1.2%	-2,400	-0.2%	8,600	0.7%	19,700	1.7%	28,800	2.5%	40,000	3.4%	48,600	4.1%	50,100	4.3%	46,800	3.9%	42,600	3.5%	38,700	3.1%
Washington DC Metro	-25,800	-0.9%	11,700	0.4%	31,600	1.1%	51,800	1.7%	63,300	2.2%	67,000	2.3%	77,600	2.6%	79,800	2.6%	82,400	2.8%	82,300	2.7%	82,200	2.7%	80,500	2.6%
West Palm Beach	-22,500	-4.2%	-9,900	-1.9%	-4,100	-0.8%	2,100	0.4%	7,100	1.4%	9,800	1.9%	15,100	3.0%	18,400	3.5%	19,700	3.8%	19,600	3.7%	19,500	3.7%	19,300	3.5%

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