
Montgomery County, Maryland

ECONOMIC INDICATORS

Metropolitan Washington Council of Governments

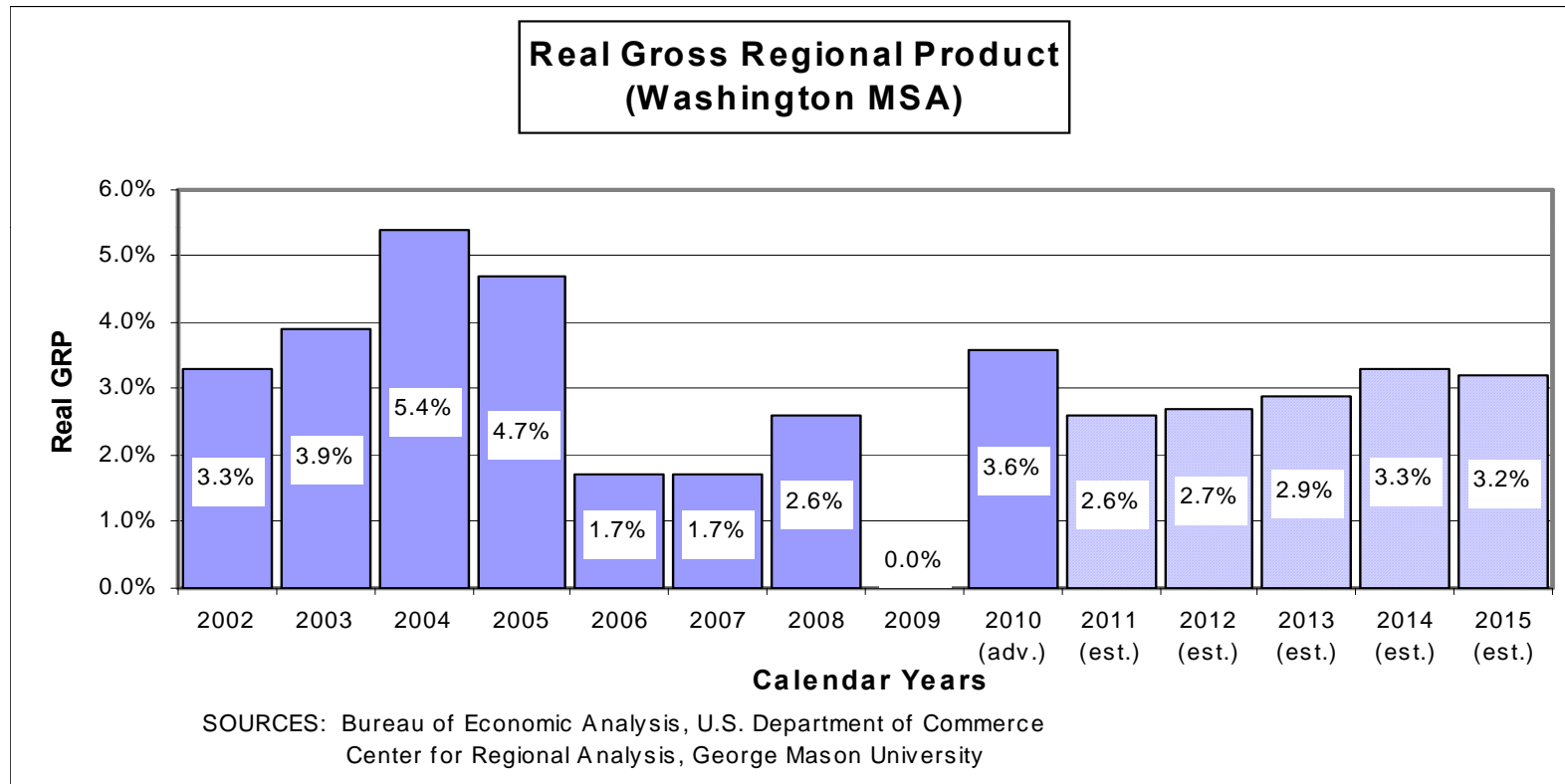
Department of Finance



June 5, 2012

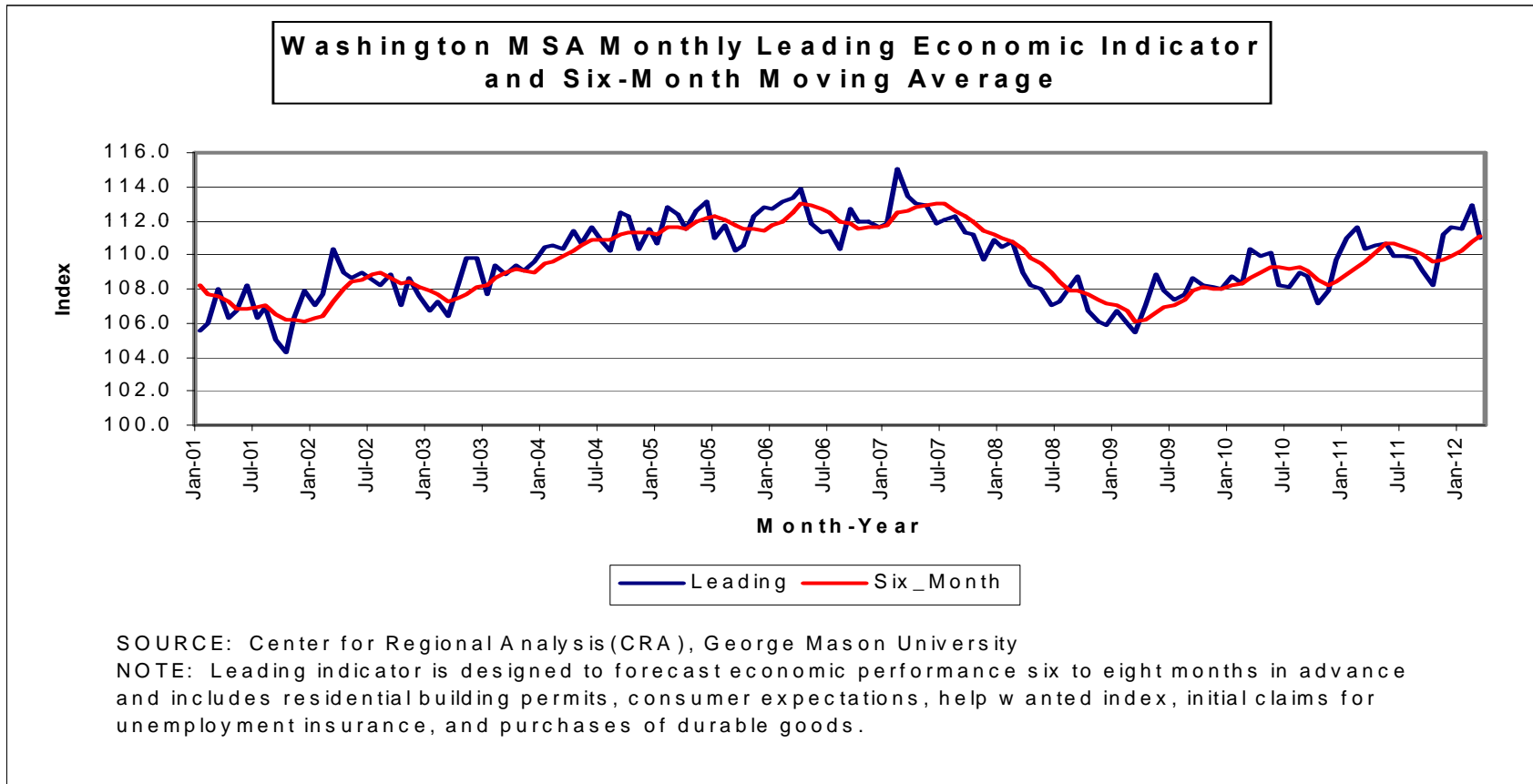
Regional Economic Indicators

Growth rate in real gross regional product decelerated in 2011. According to the Center for Regional Analysis, growth in real GRP in the Washington area decelerated significantly in 2011. CRA estimates a gradual increase in real GRP through 2014.



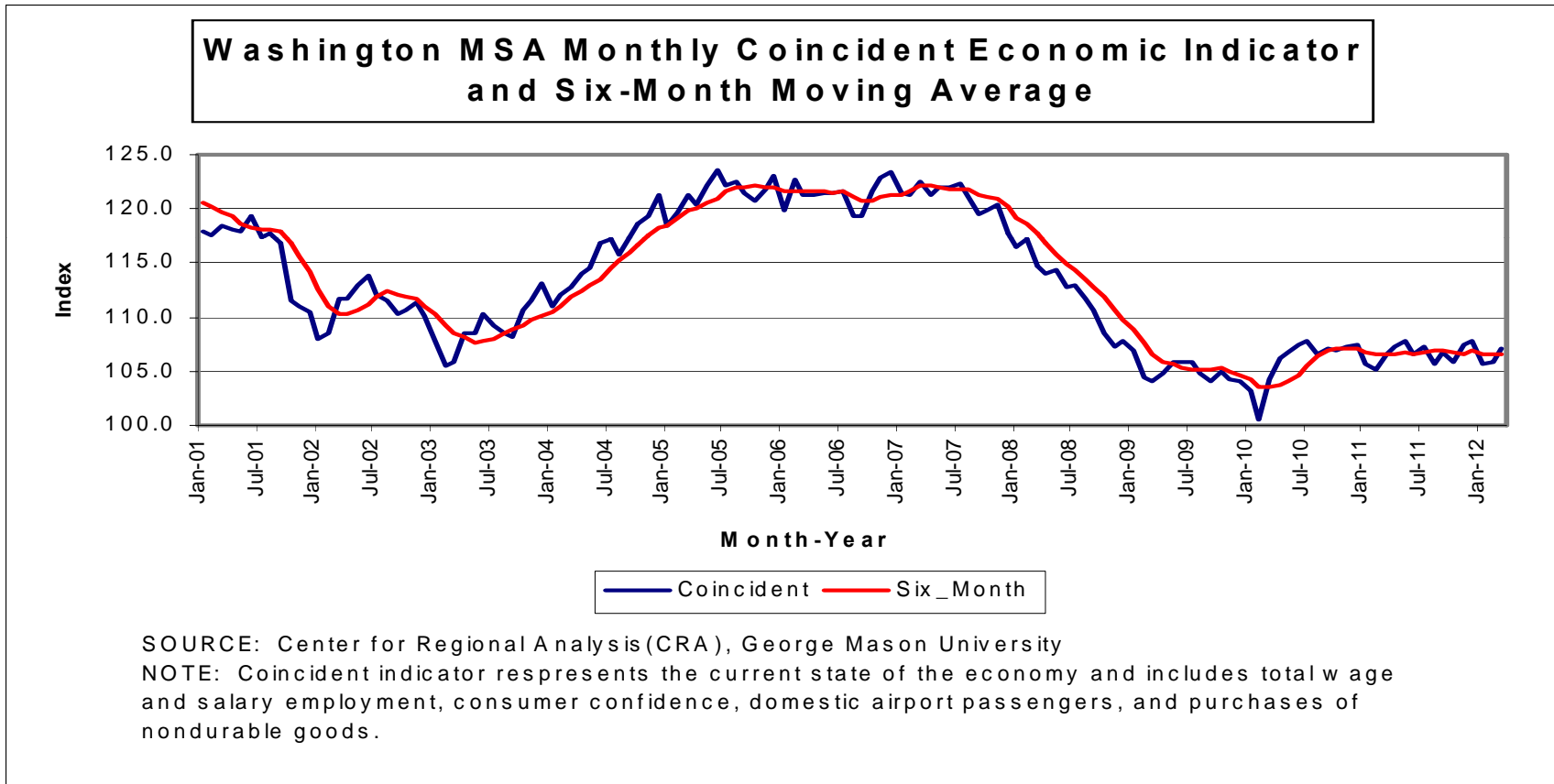
Based on a six-month moving average, the leading economic indicator for the Washington metropolitan area has increased five consecutive months.

However, the index remains two points (↓1.7%) below its peak on July 2007.

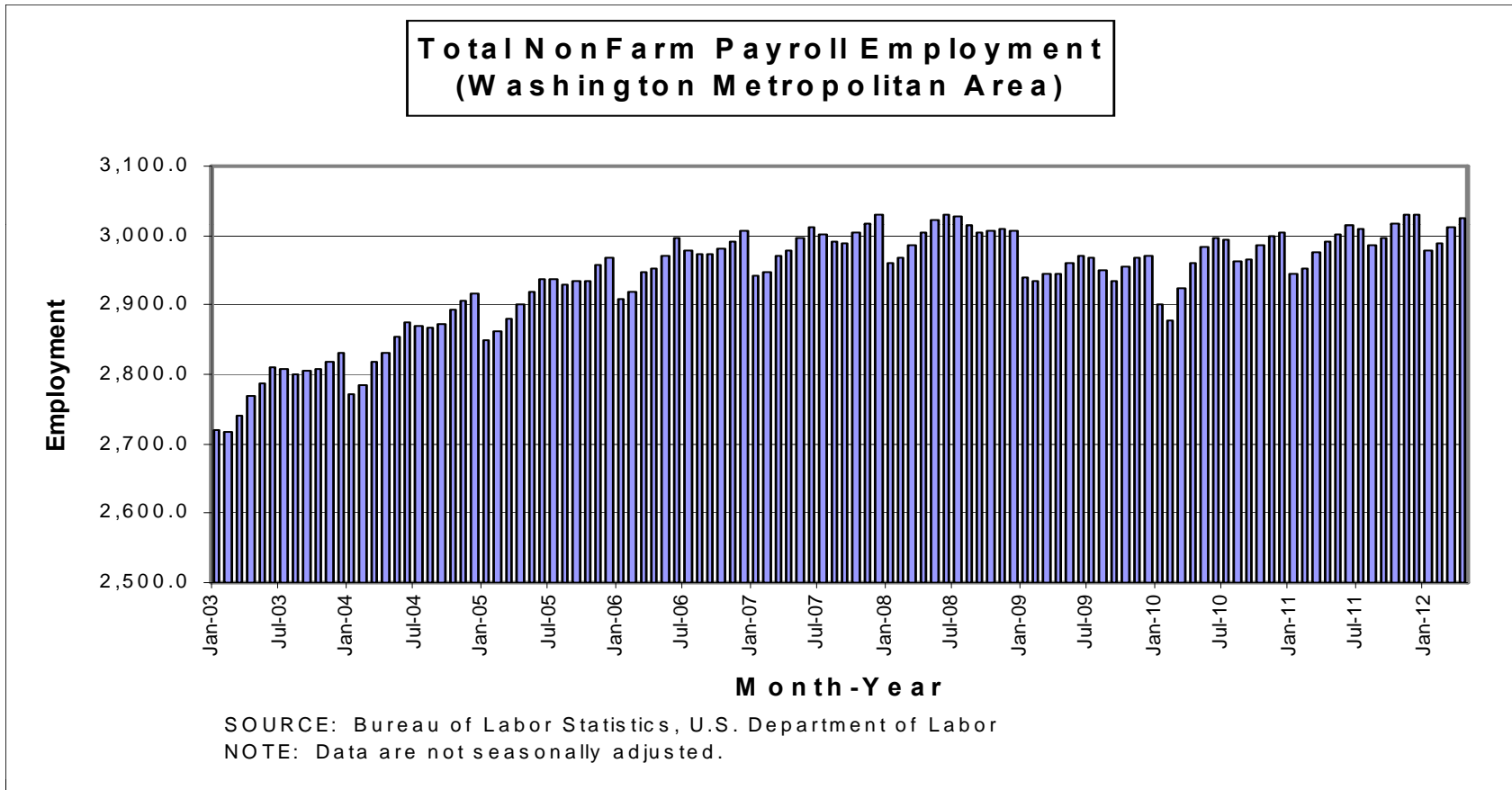


Based on a six-month moving average, the coincident economic indicator for the Washington metropolitan area has remained constant since January 2010.

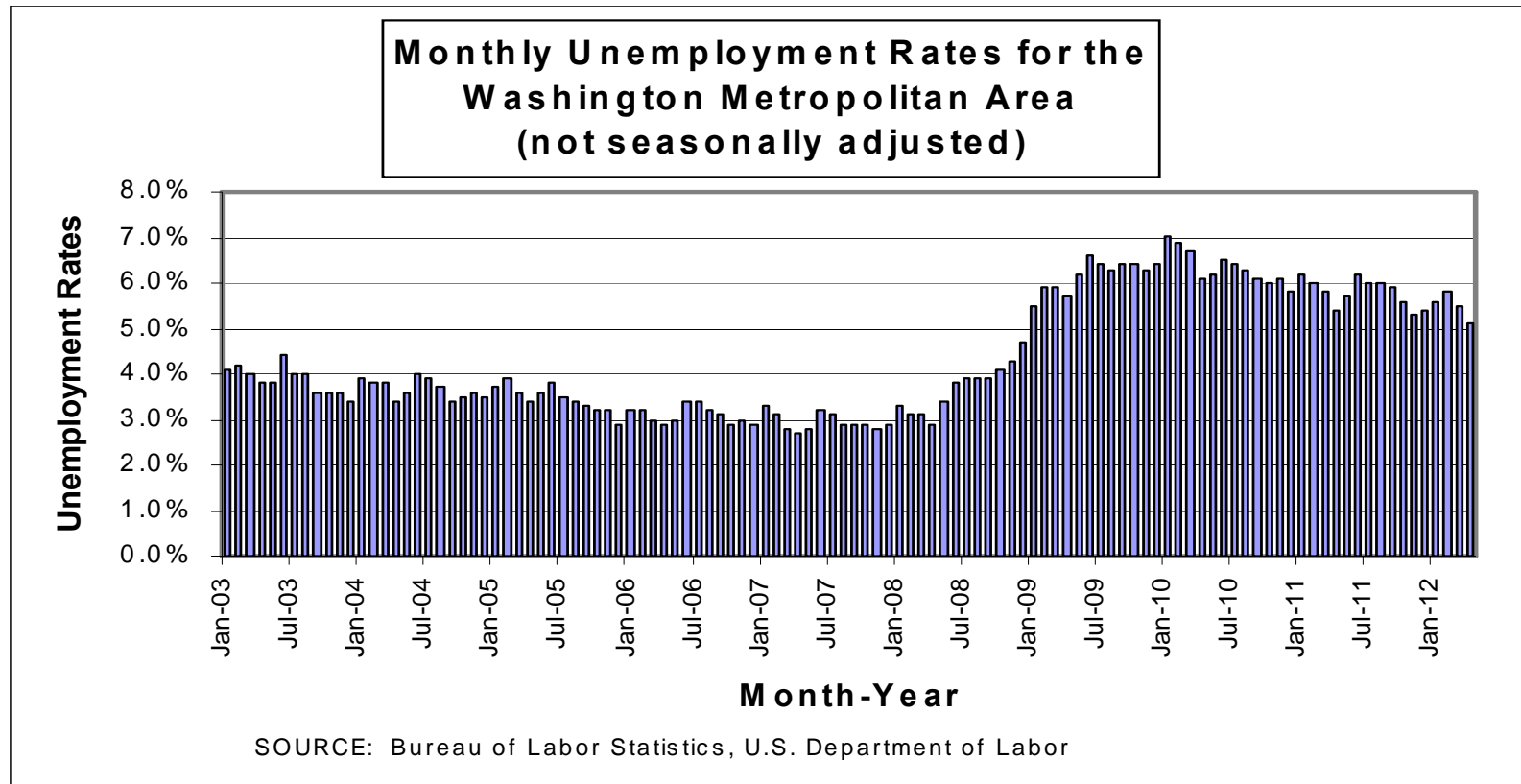
The index remains 12.7% below its peak on March 2007.



Metropolitan employment exceeded 3 million in April.
Employment increased 1.1 percent in 2011 (+32,600) from 2010 but remained 7,700 below its peak of slightly over 3 million in 2008.

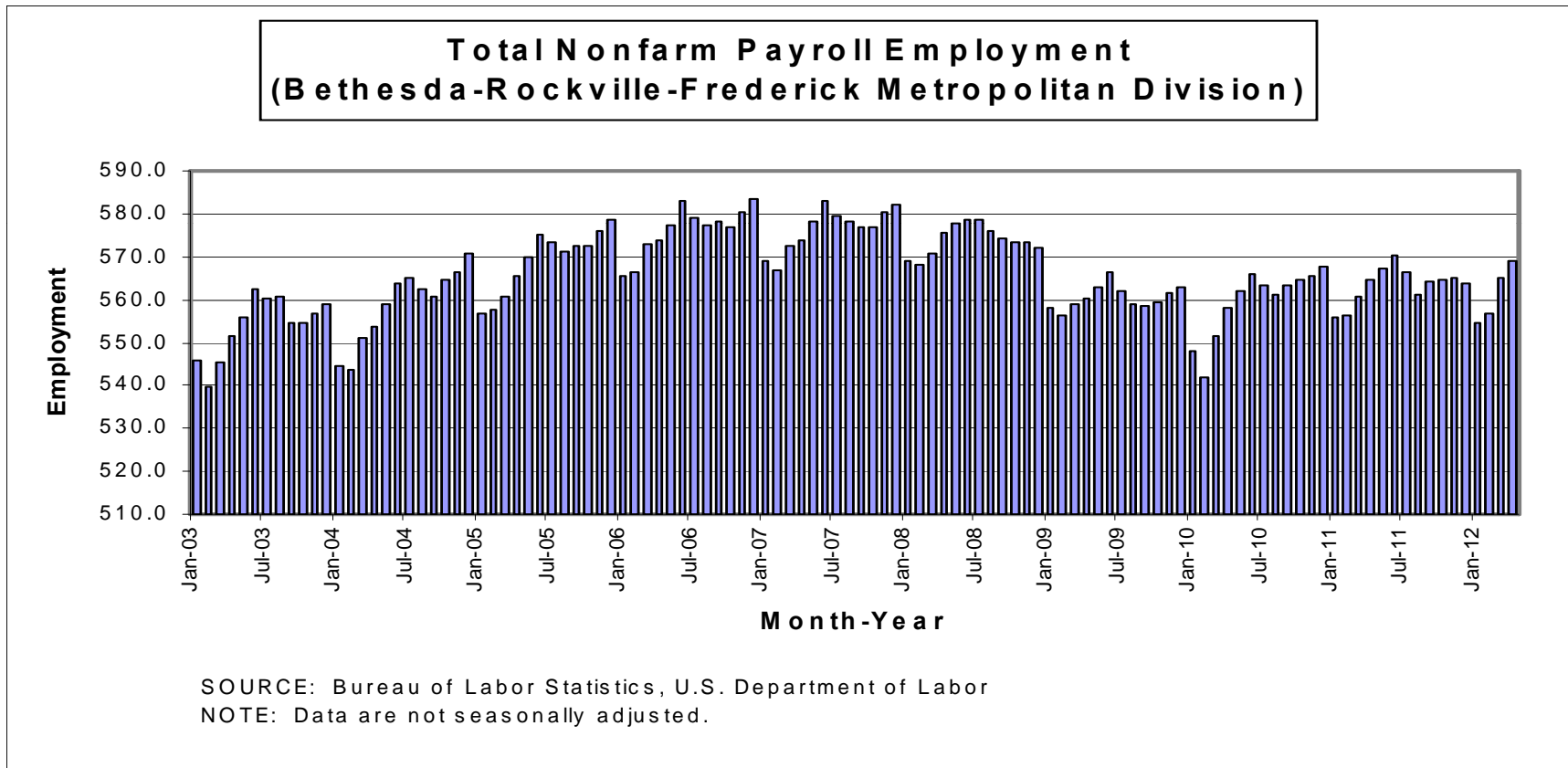


The region's unemployment rate stood at 5.1 percent in April.
The unemployment rate increased from approximately 3.0 percent in 2007 to a peak of 6.3 percent in 2010. In 2011, the unemployment rate declined to 5.8 percent but remains at least two percentage points above the 2006-2007 period.



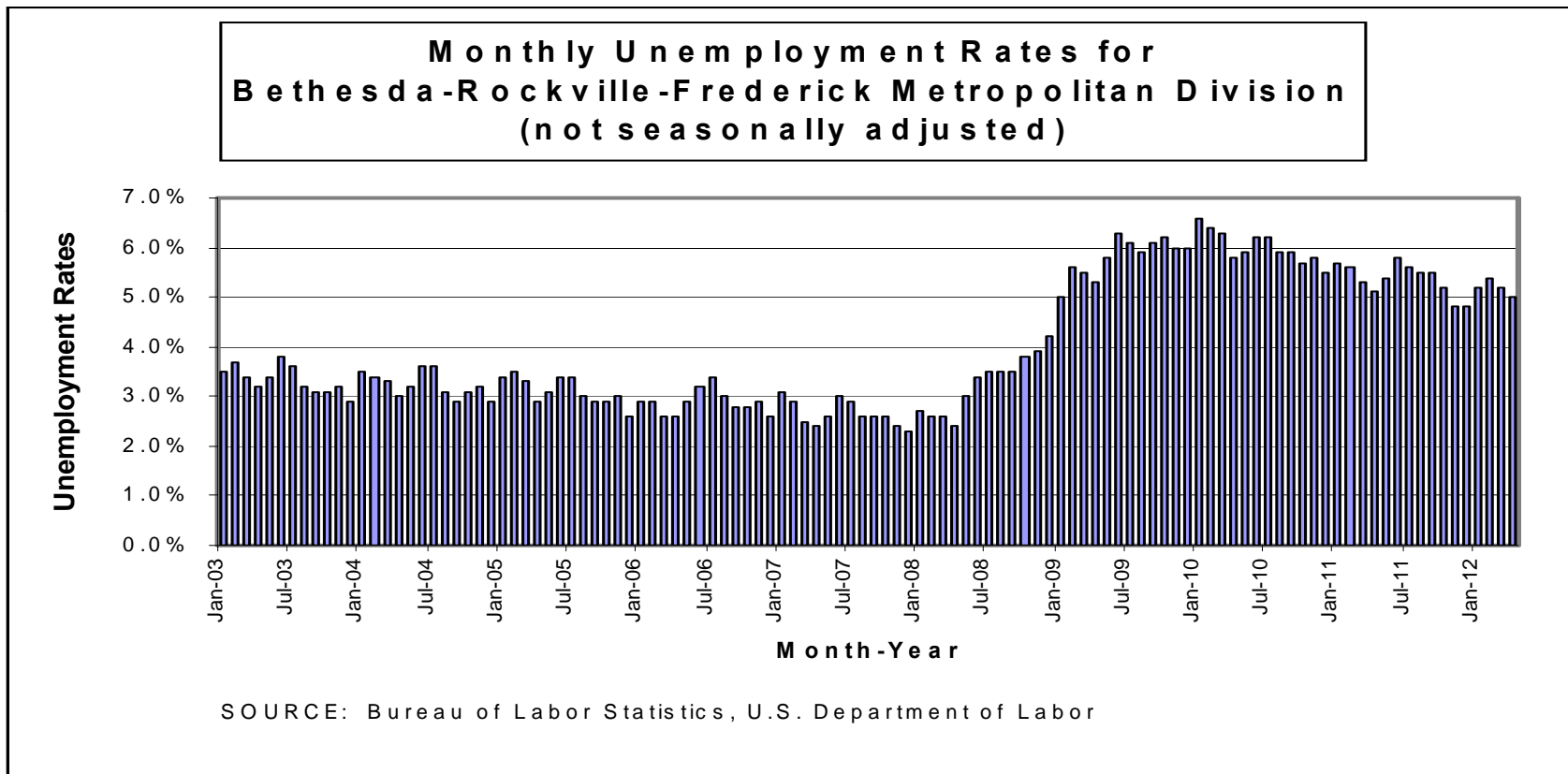
Employment for the Bethesda-Rockville-Frederick metropolitan division reached nearly 570,000 in April.

Employment increased 0.7 percent in 2011 (+3,800) from 2010 but remained below its peak of nearly 577,000 in 2007.

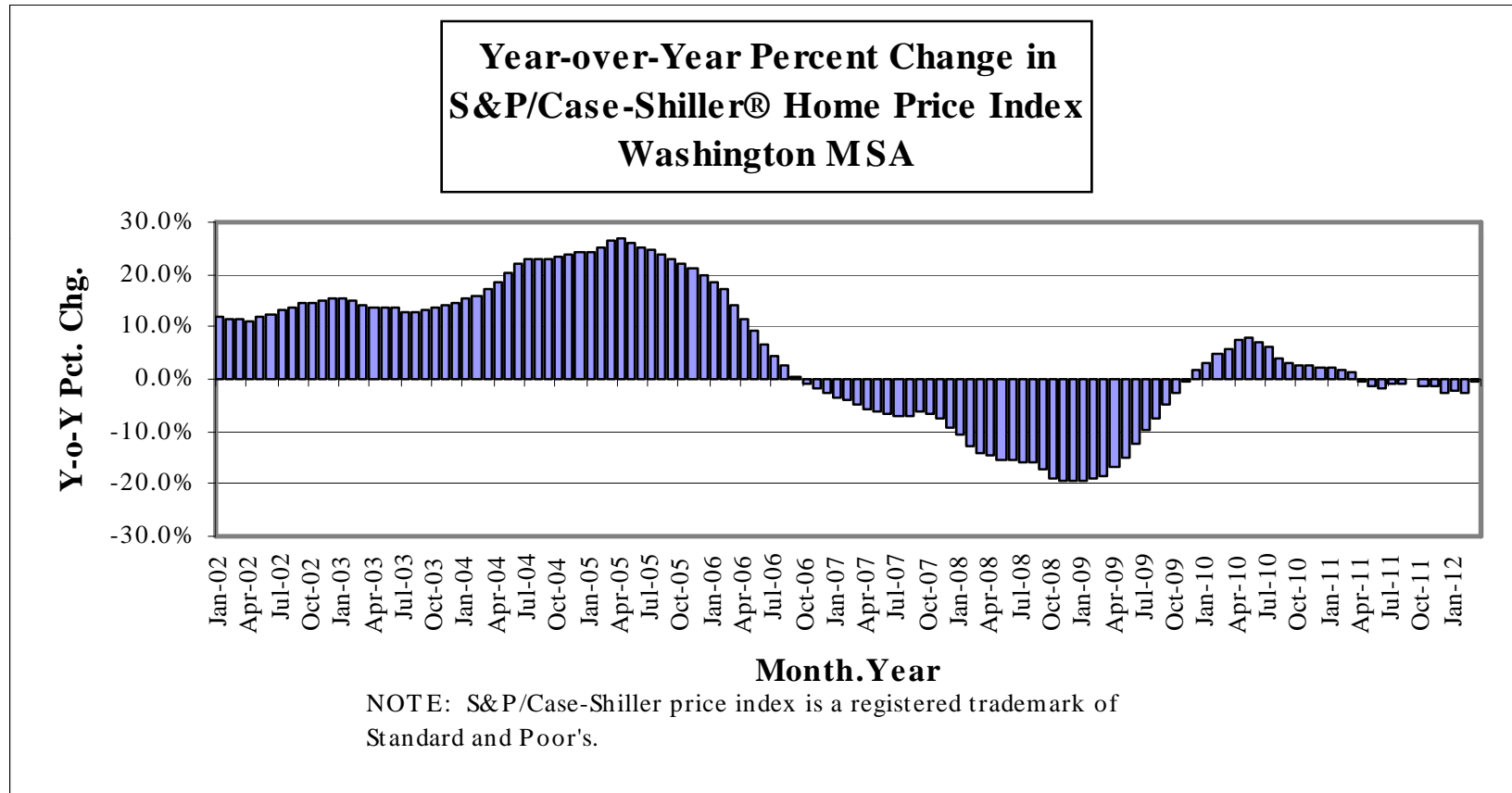


The unemployment rate for the B-R-F metropolitan division stood at 5.0 percent in April.

The unemployment rate increased from 2.7 percent in 2007 to a peak of 6.0 percent in 2010. In 2011, the unemployment rate declined to 5.3 percent but remained at least two percentage points above the 2006-2007 period.

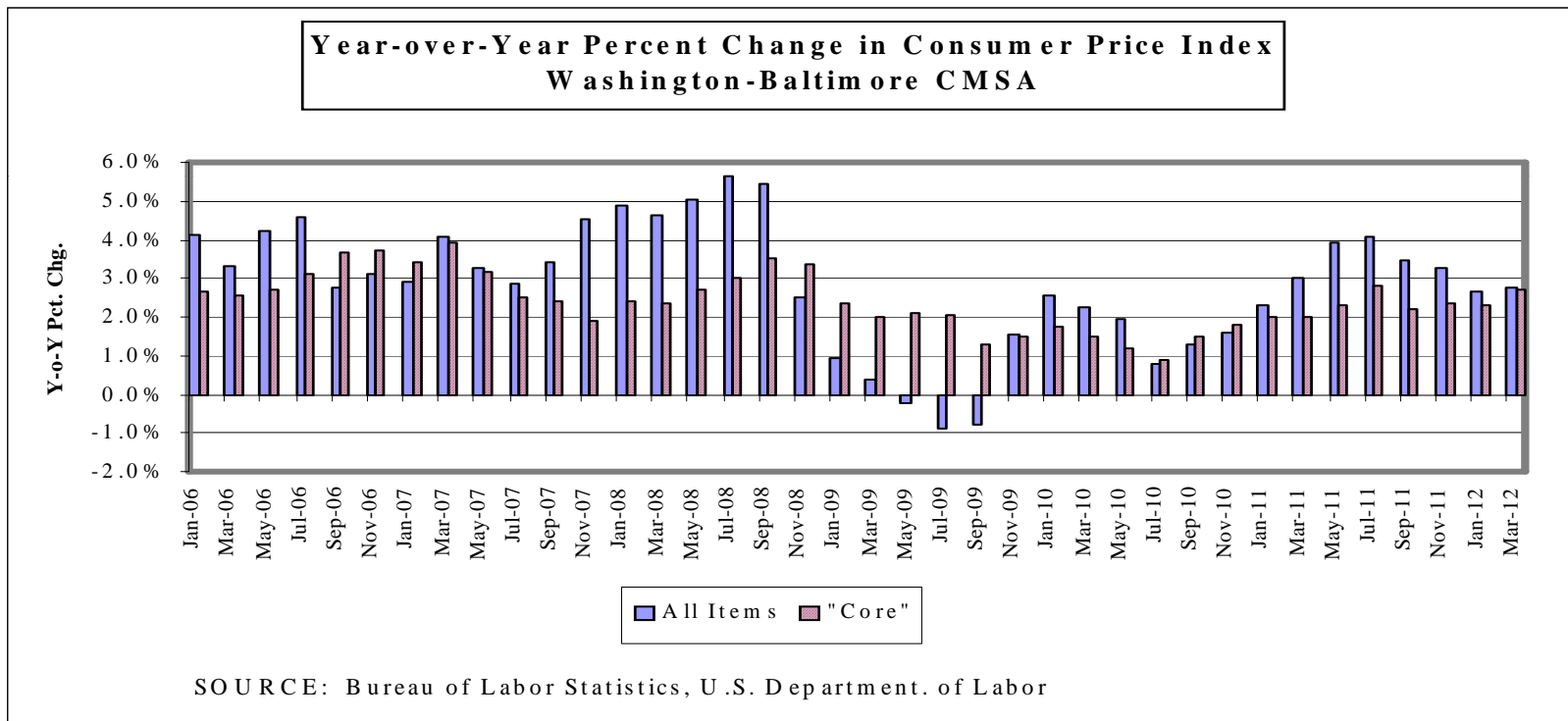


As measured by the S&P500 Case-Shiller Home Price Index®, monthly home prices for the Washington metropolitan area have decreased 1.3 percent on average during the past year. As of March, the index remained nearly 30 percent below its peak on May 2006.



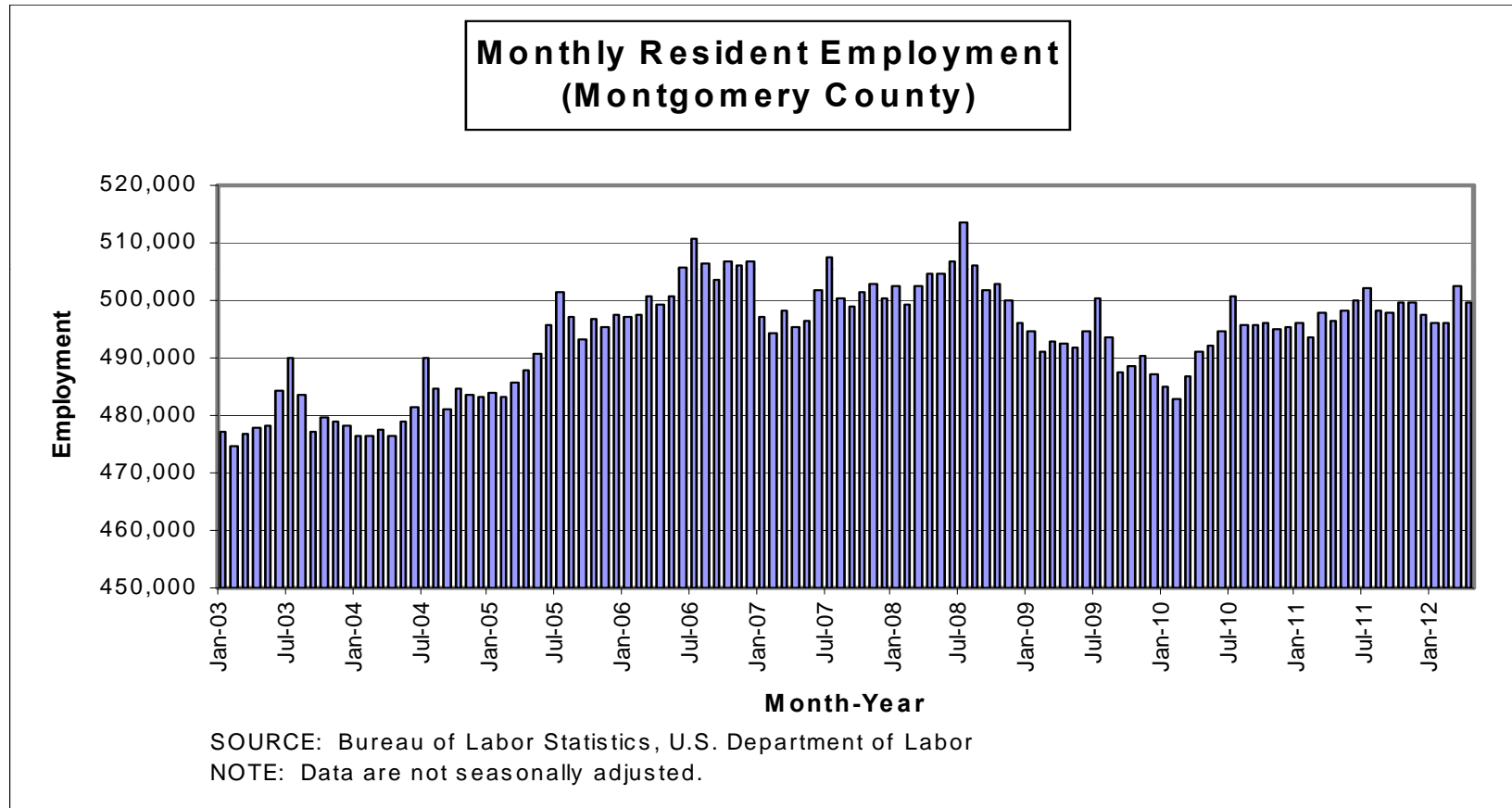
The consumer price index (CPI) has decelerated in 2012.

Overall for the Washington-Baltimore consolidated region the CPI increased 2.8 percent in March '12 compared to March '11. For the calendar year 2011, the index increased 3.4 percent compared to 1.7 percent in 2010.



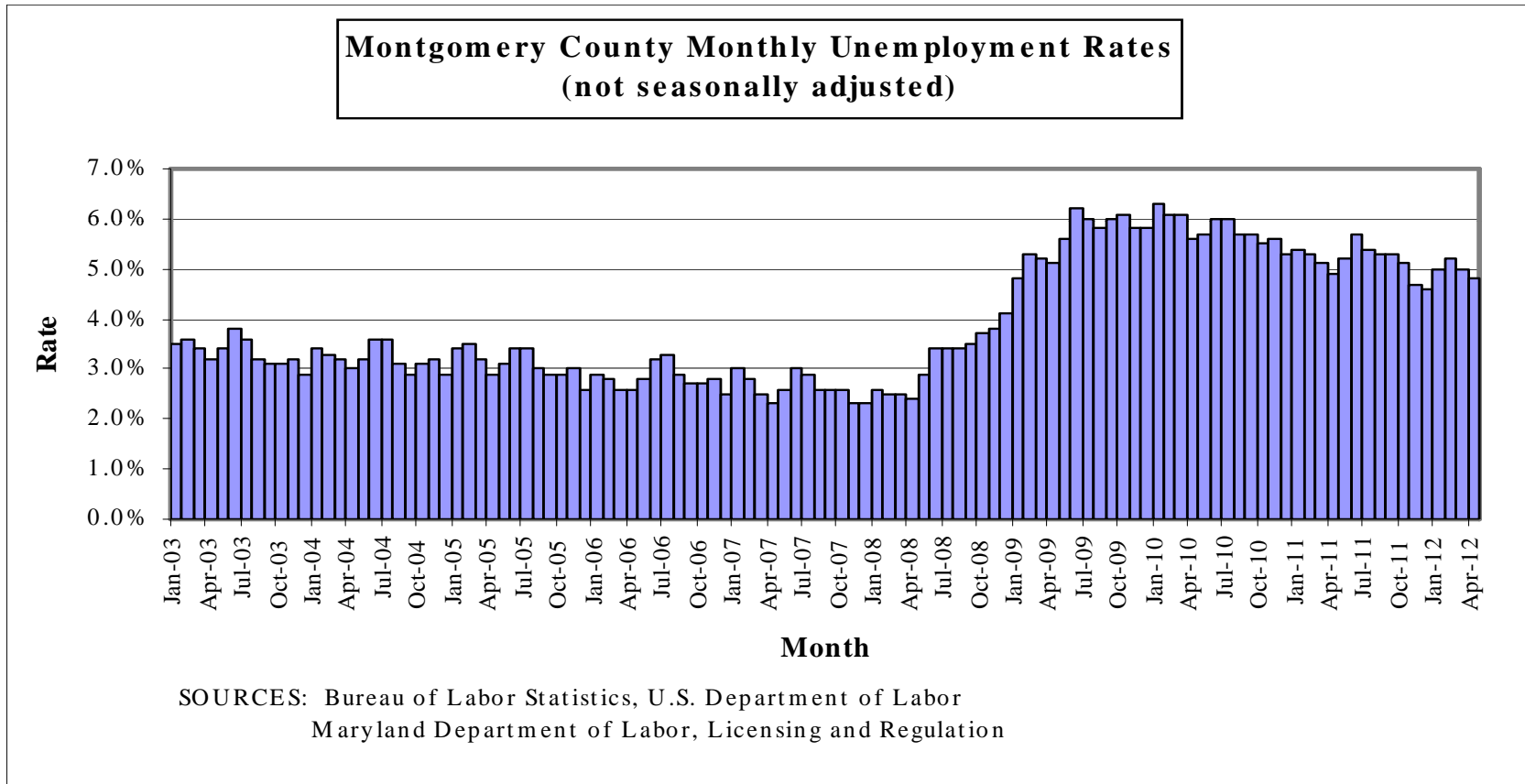
Montgomery County Economic Indicators

Resident employment in Montgomery County stood at nearly 500,000 in April – an increase of 3,400 from April 2011. However, April’s employment is 5,000 below the level in April 2008.



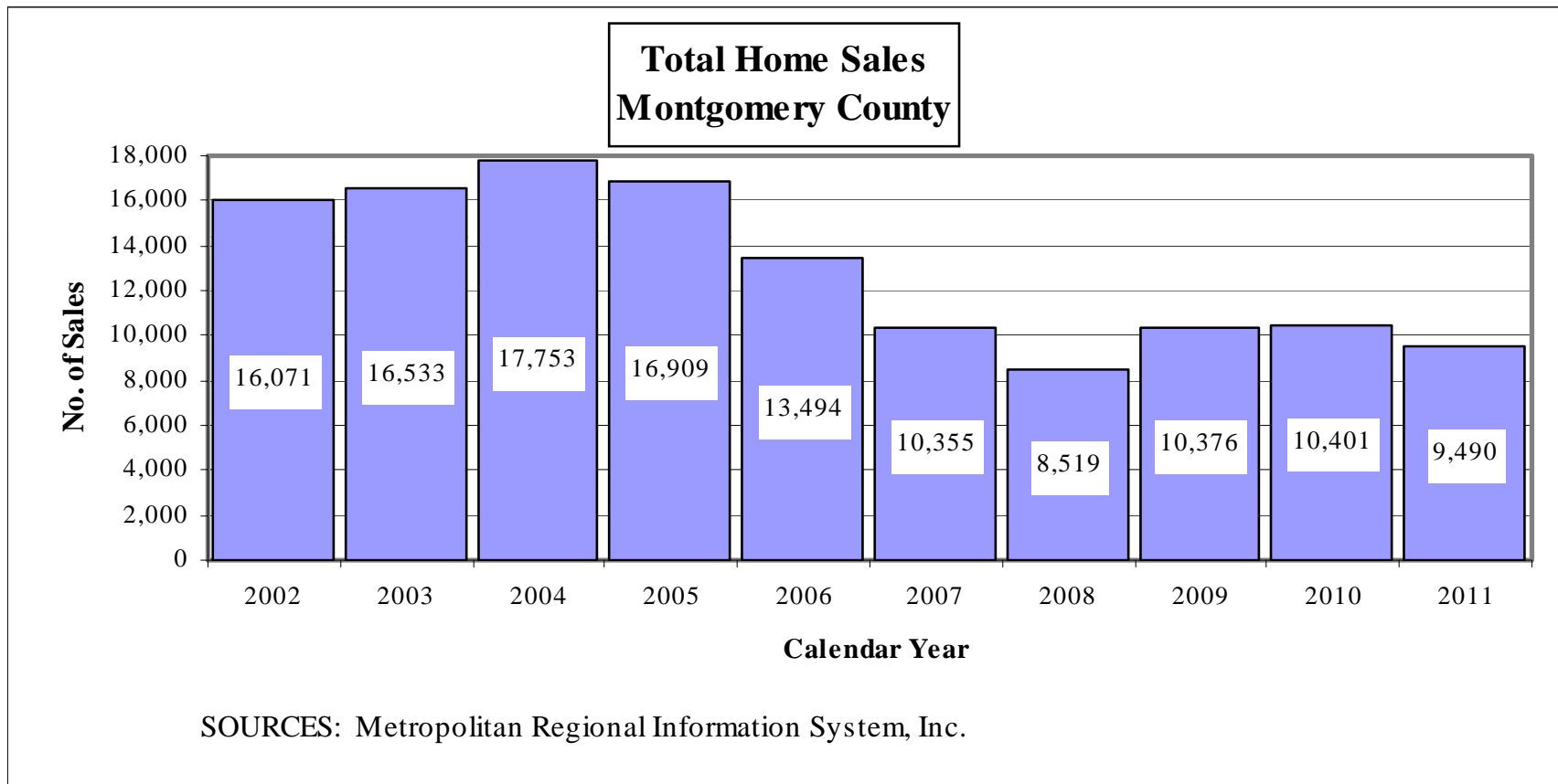
The unemployment rate for Montgomery County was 4.8 percent in April – down slightly from 4.9 percent a year ago.

The unemployment rate increased from an average of 2.6 percent during the 2005-2007 period to a peak of 5.8 percent in 2010. By 2011, rate declined to 5.6 percent.



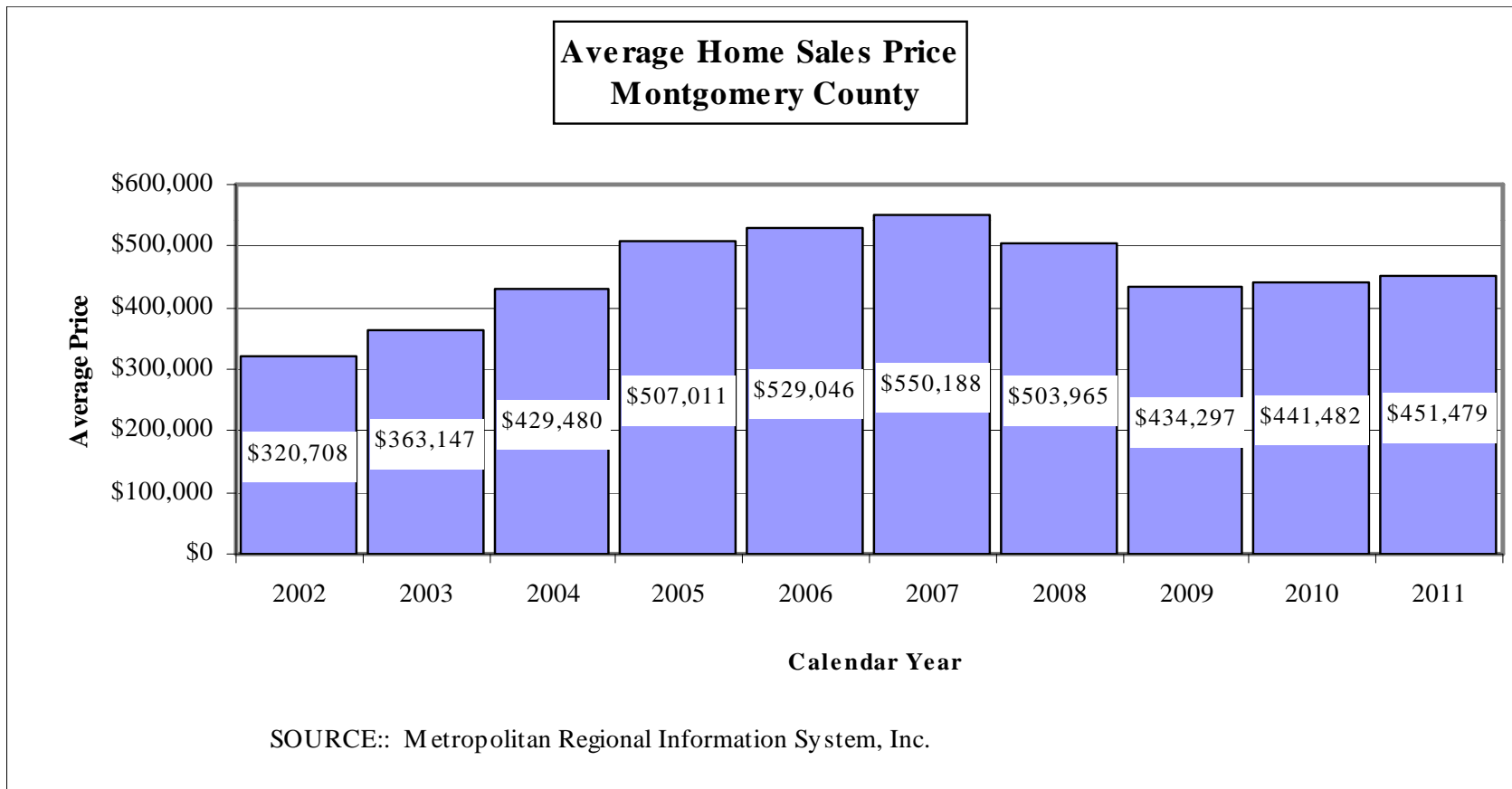
Home sales were down in 2011.

Total sales of existing homes decreased 8.8 percent in 2011 compared to an increase of 0.2 percent in 2010. Most of that increase in 2010 occurred during the first half of the calendar year.



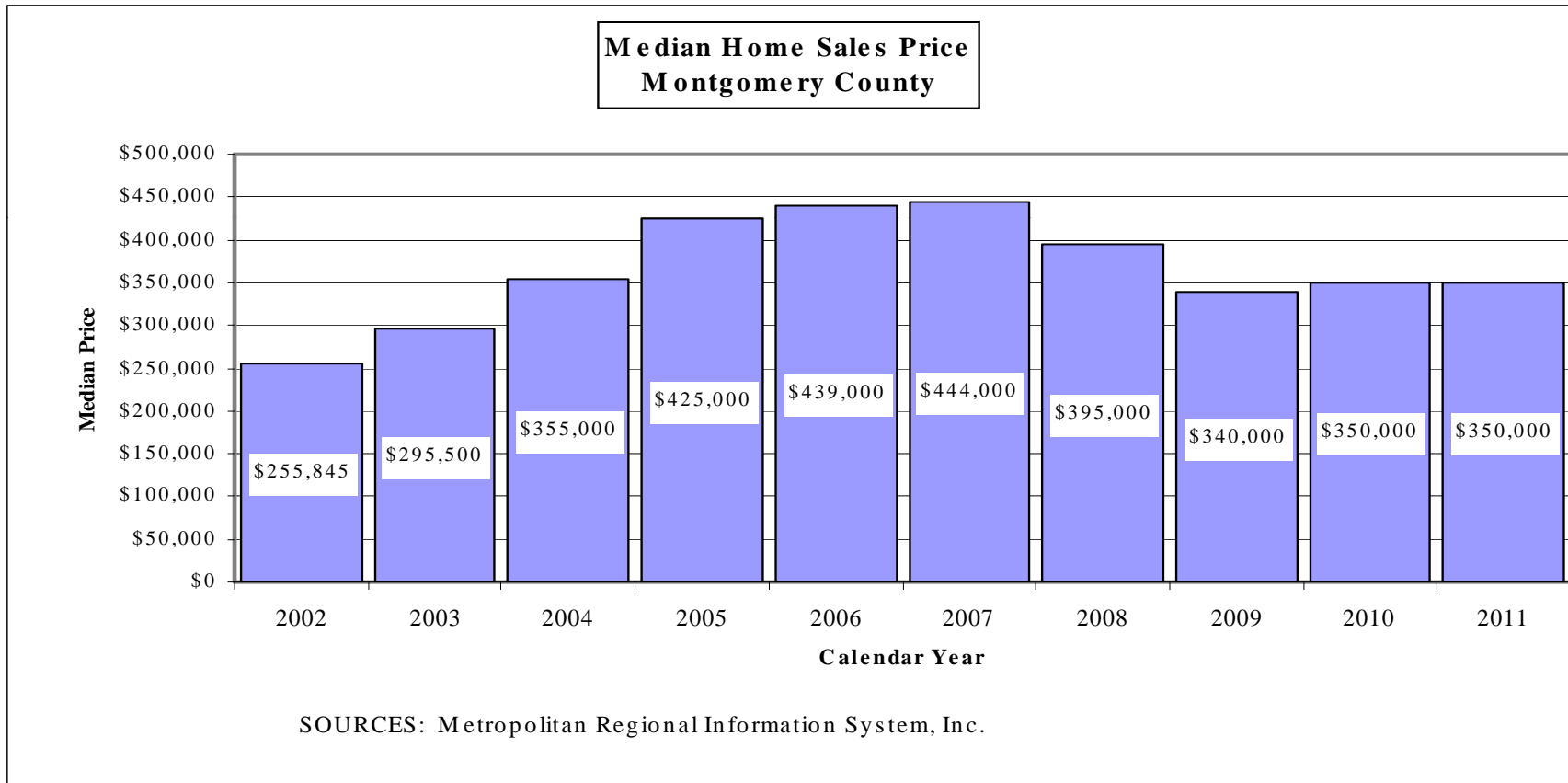
Average home sales prices were up in 2011.

While the sales of existing homes in the County decreased in 2011, the average sales price increased 2.3 percent, which followed a decrease of 13.8 percent (2009) and a modest increase of 1.7 percent (2010).

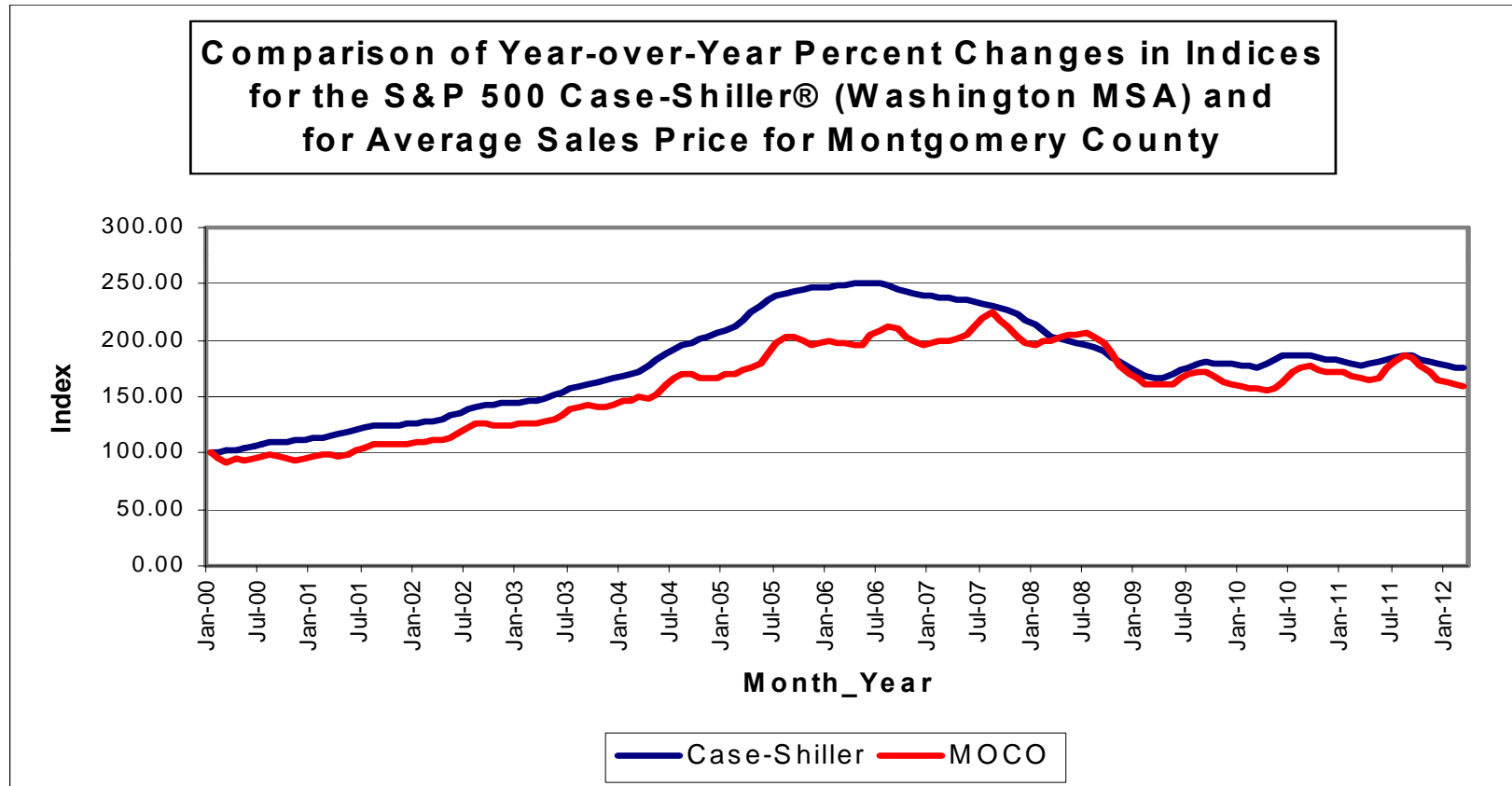


Median home sales prices were flat in 2011.

While the average sales price for an existing home in the County increased in 2011, the median sales price remained flat, which followed a decrease of 13.9 percent (2009) and an increase of 2.9 percent (2010).

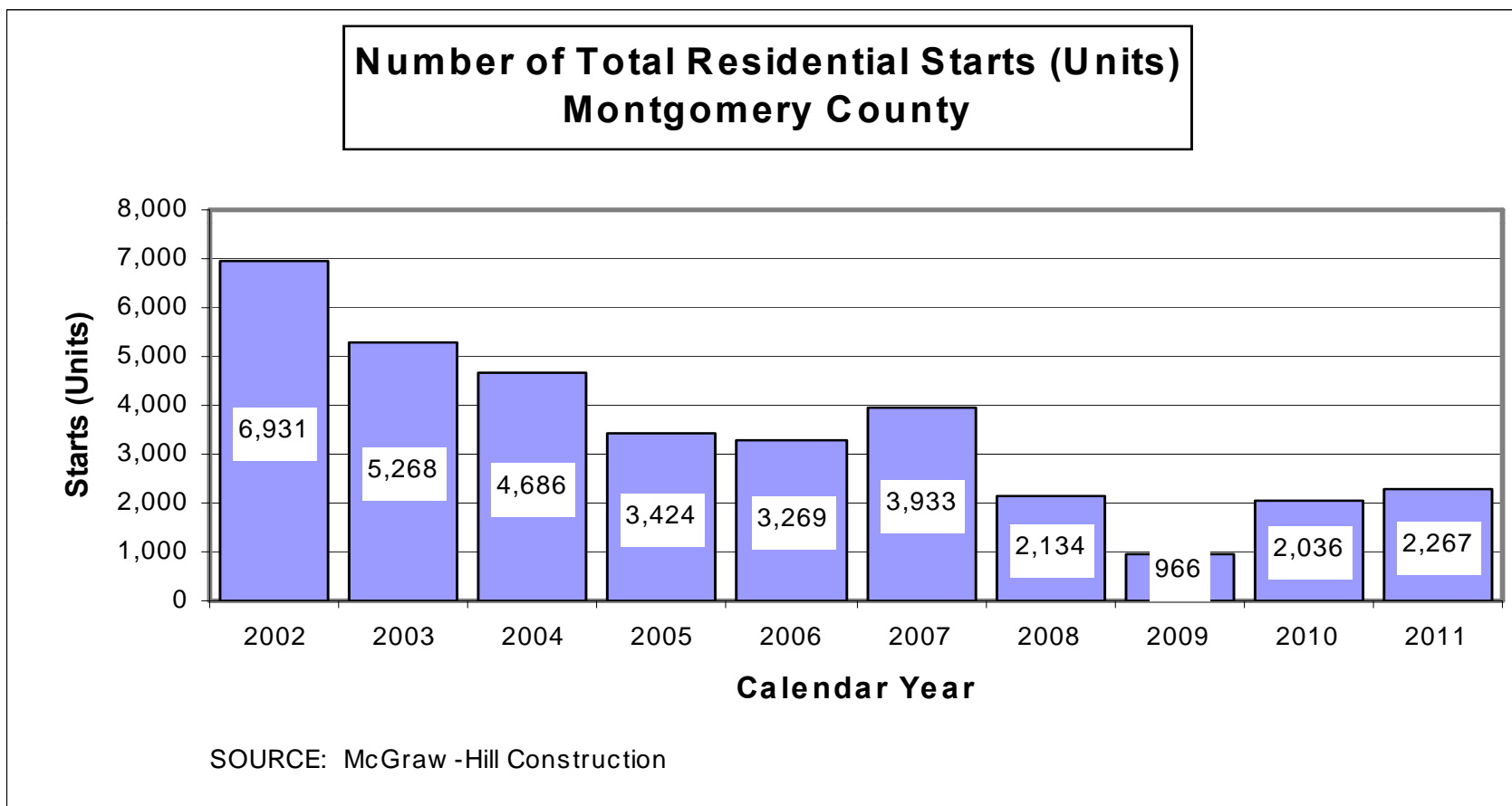


In the first quarter, monthly home prices in Montgomery County declined 4.7 percent compared to the same period last year. The S&P Case-Shiller Home Price Index® for the Washington metropolitan area declined nearly 2.0 percent in the first quarter compared to last year.



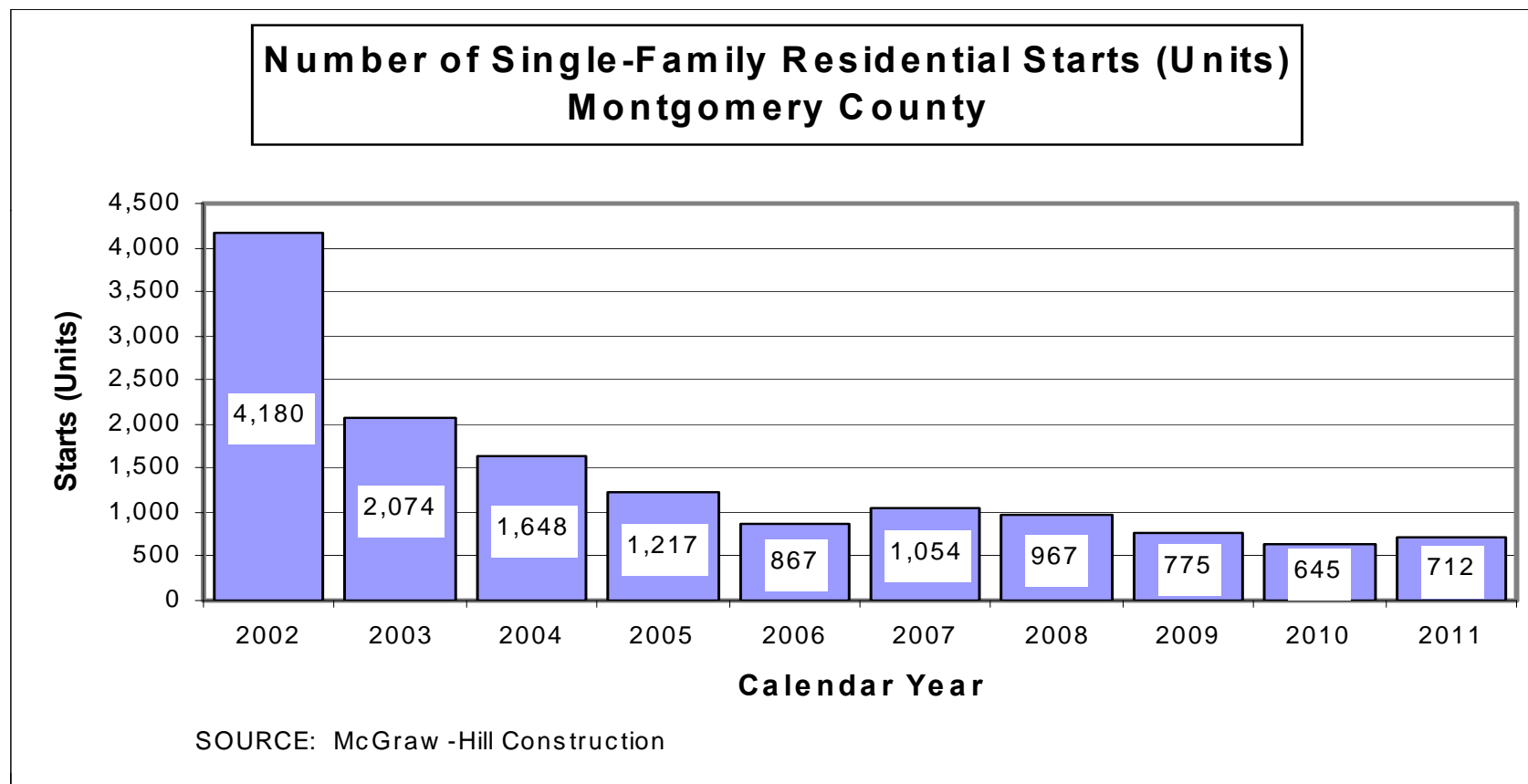
Residential construction down significantly from 2007.

Total residential construction declined steadily from 2007 to 2009 attributed to the steady decrease in construction of single-family homes and a significant decrease in multi-family units in 2009. Since 2009, the increase was attributed solely to starts of multi-family units.



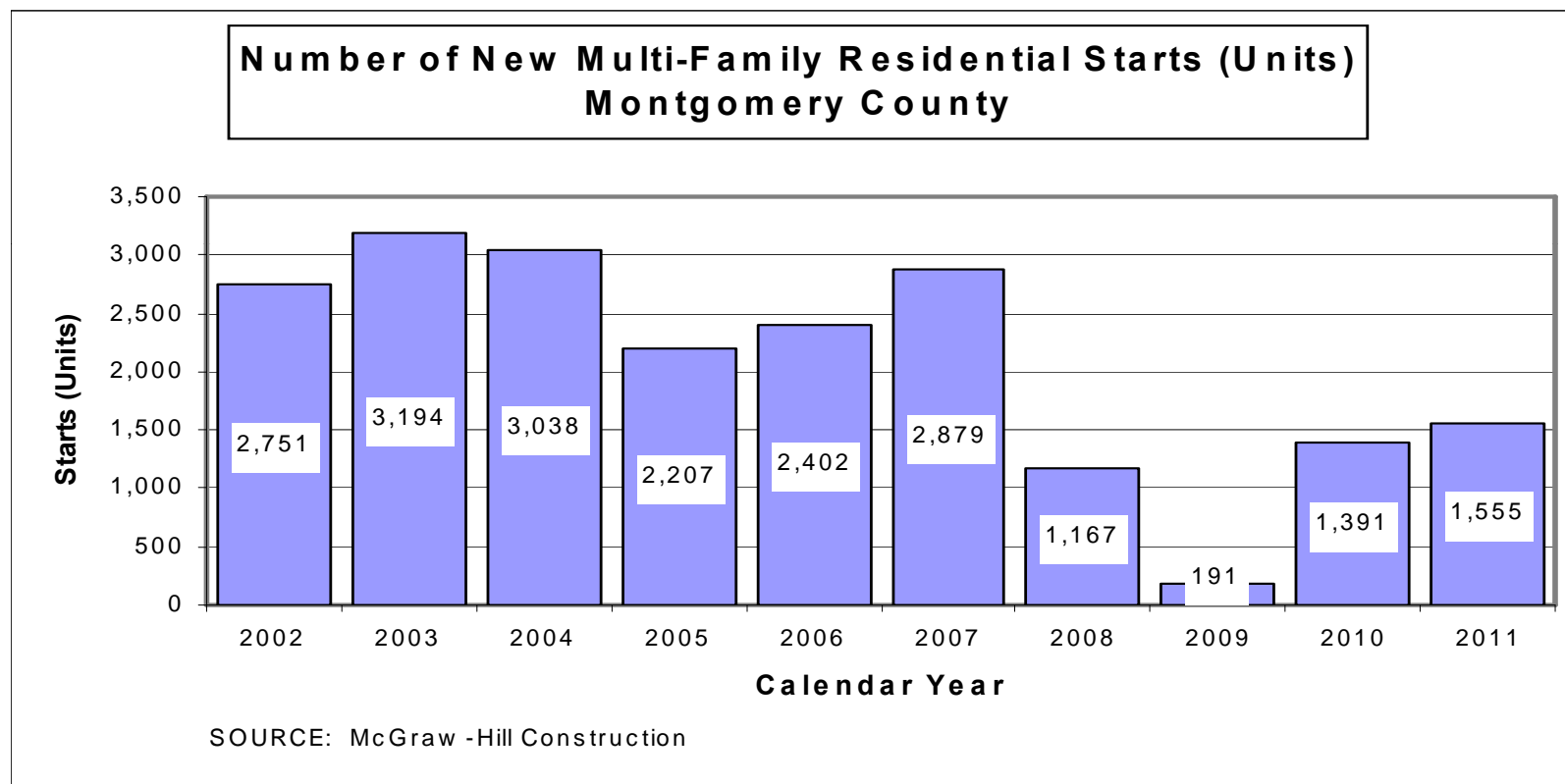
Single-family construction down significantly from 2002.

Since 2002, the construction of new single-family homes declined steadily from nearly 4,200 units to less than 715 units in 2011. Since 2006, annual construction of single-family homes was at or below 1,000 units per year.



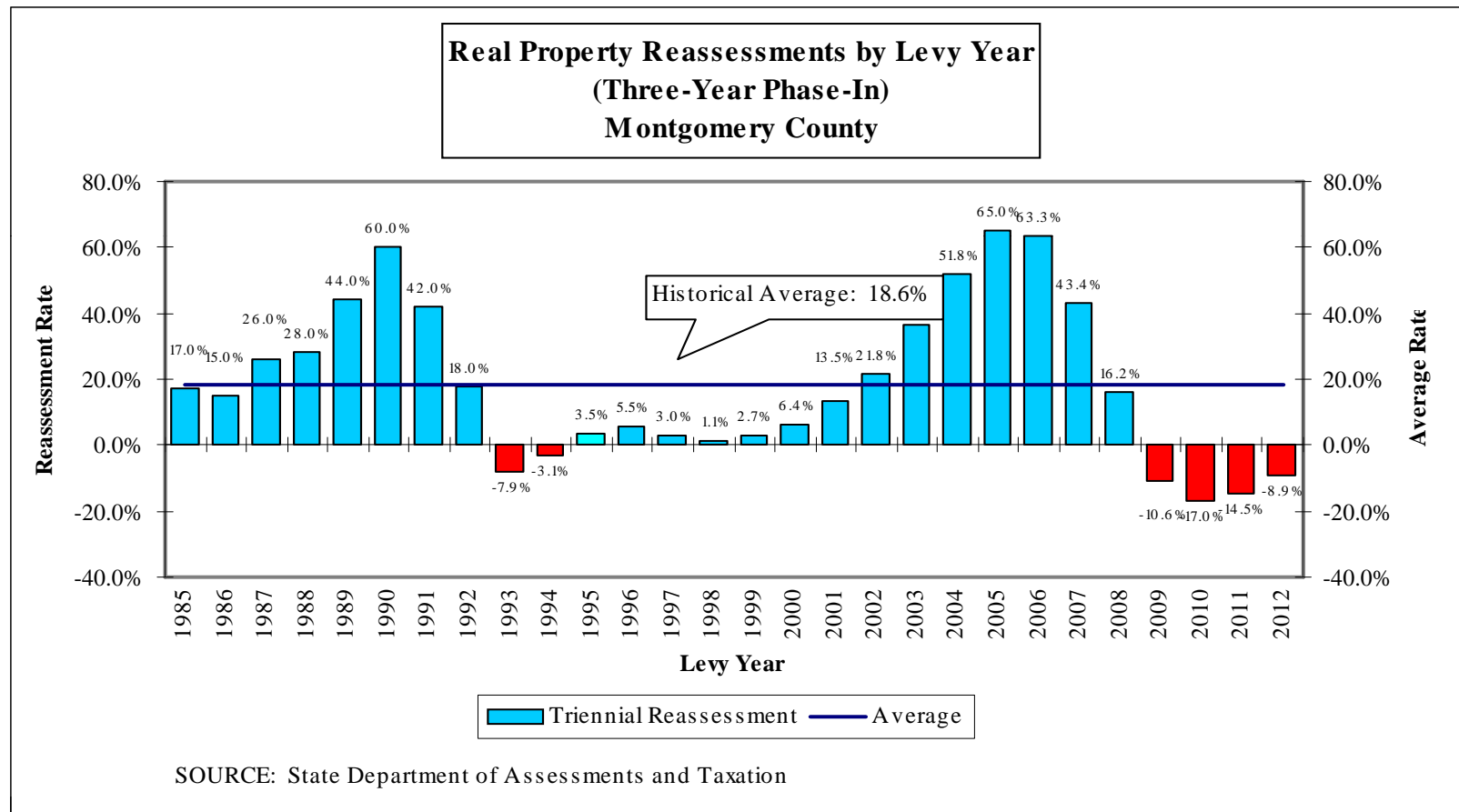
Construction of multi-family units was up in 2011.

From 2002 to 2007, the construction of multi-family units averaged nearly 2,750 units per year. With the housing crash, construction declined significantly from 2007 to 2009. Since that time, construction rebounded but not to the level experienced between 2002 and 2007.



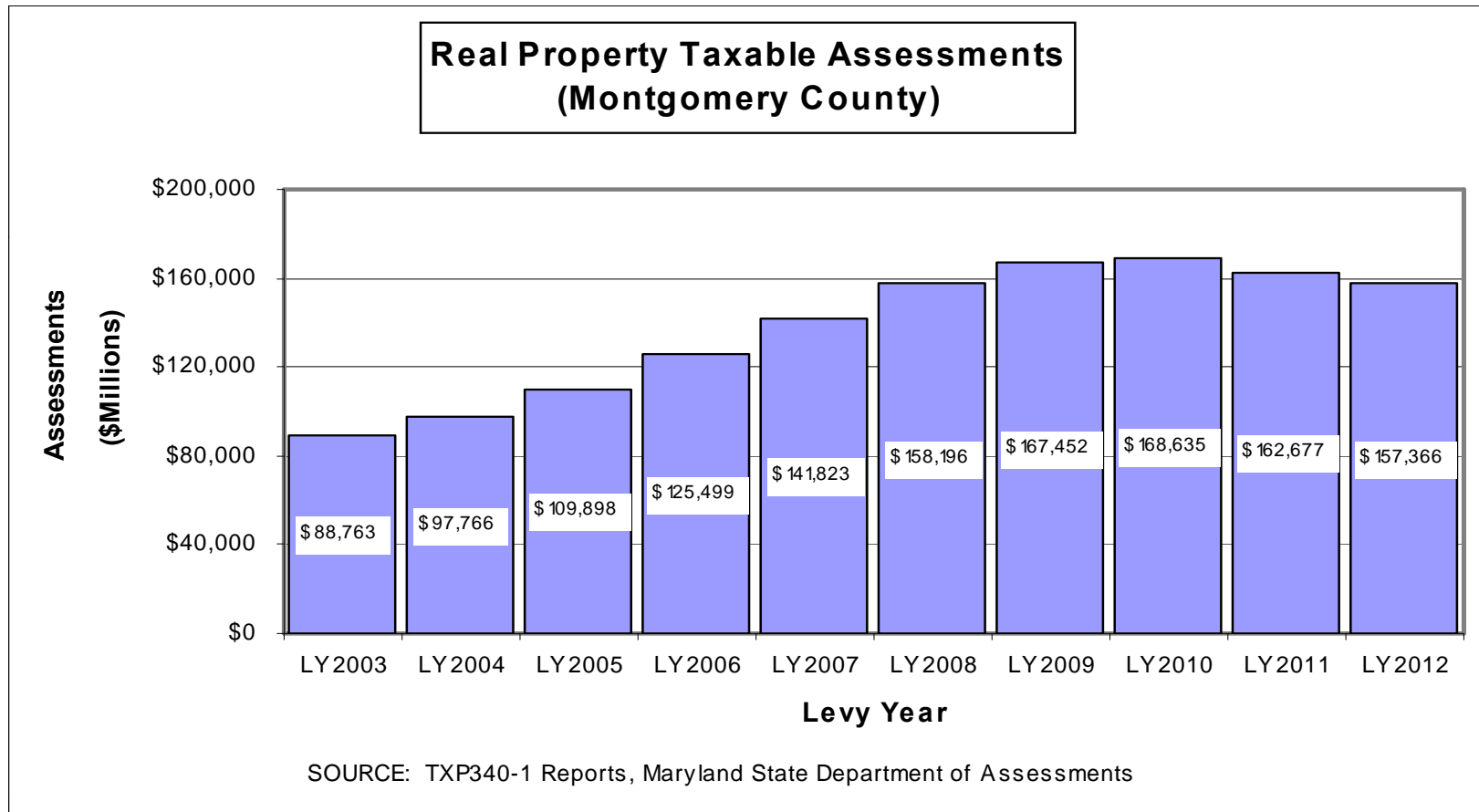
Property Reassessments Declined Four Years in a Row

Reassessments for Group 3 declined 8.9 percent effective for FY13 (Levy Year 2012). This four-year decline is the first such decline in over twenty-eight years.



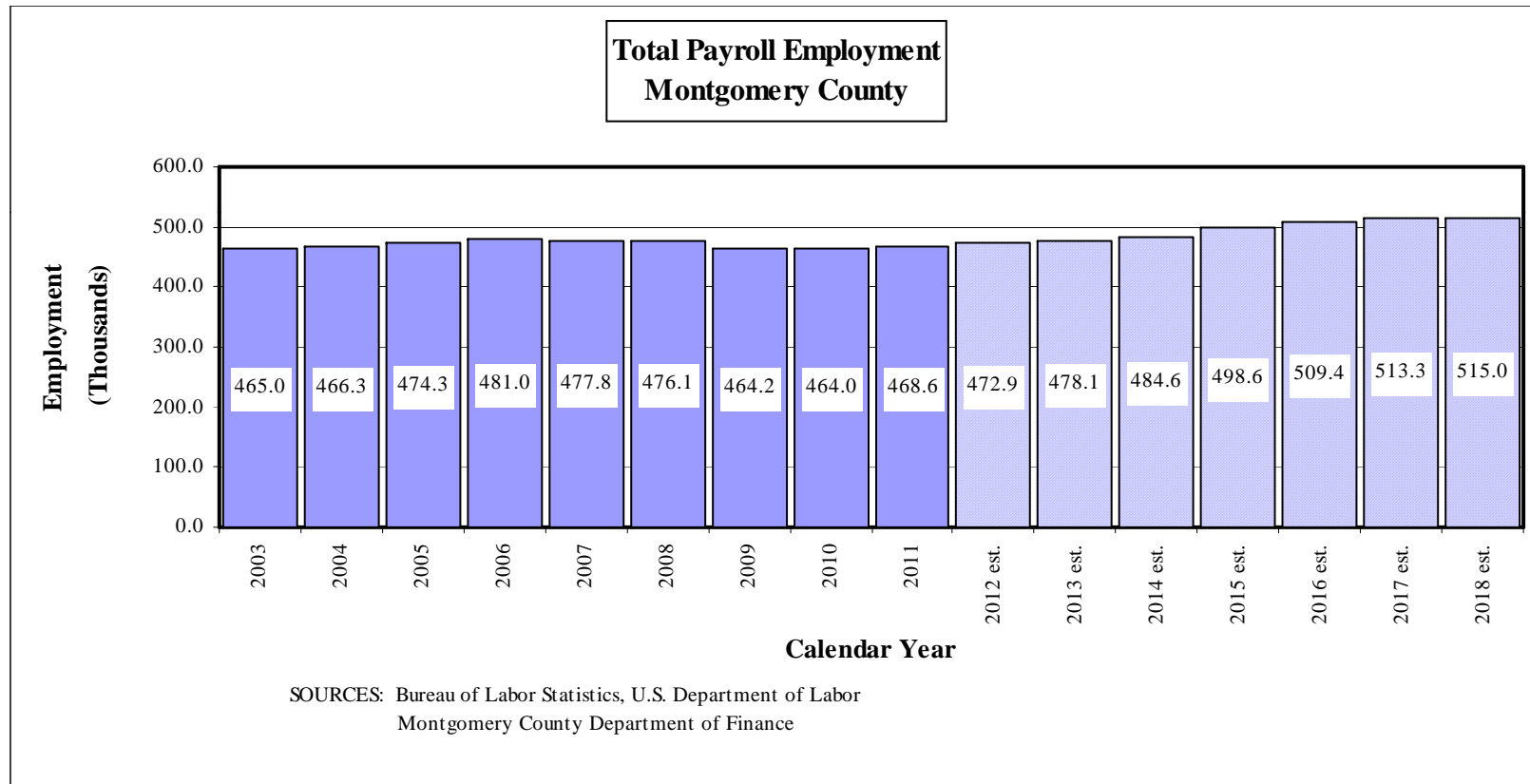
Total Taxable Assessments Declined in Levy Year 2011 and 2012

Data from the Maryland Department of Assessments and Taxation show that taxable assessments have declined a total of \$11.3 billion over the past two years. This is the largest two-year decline in the past twenty-eight fiscal years. This dramatic decline is a result of the decreases in the reassessment rates for residential properties over the past four years.

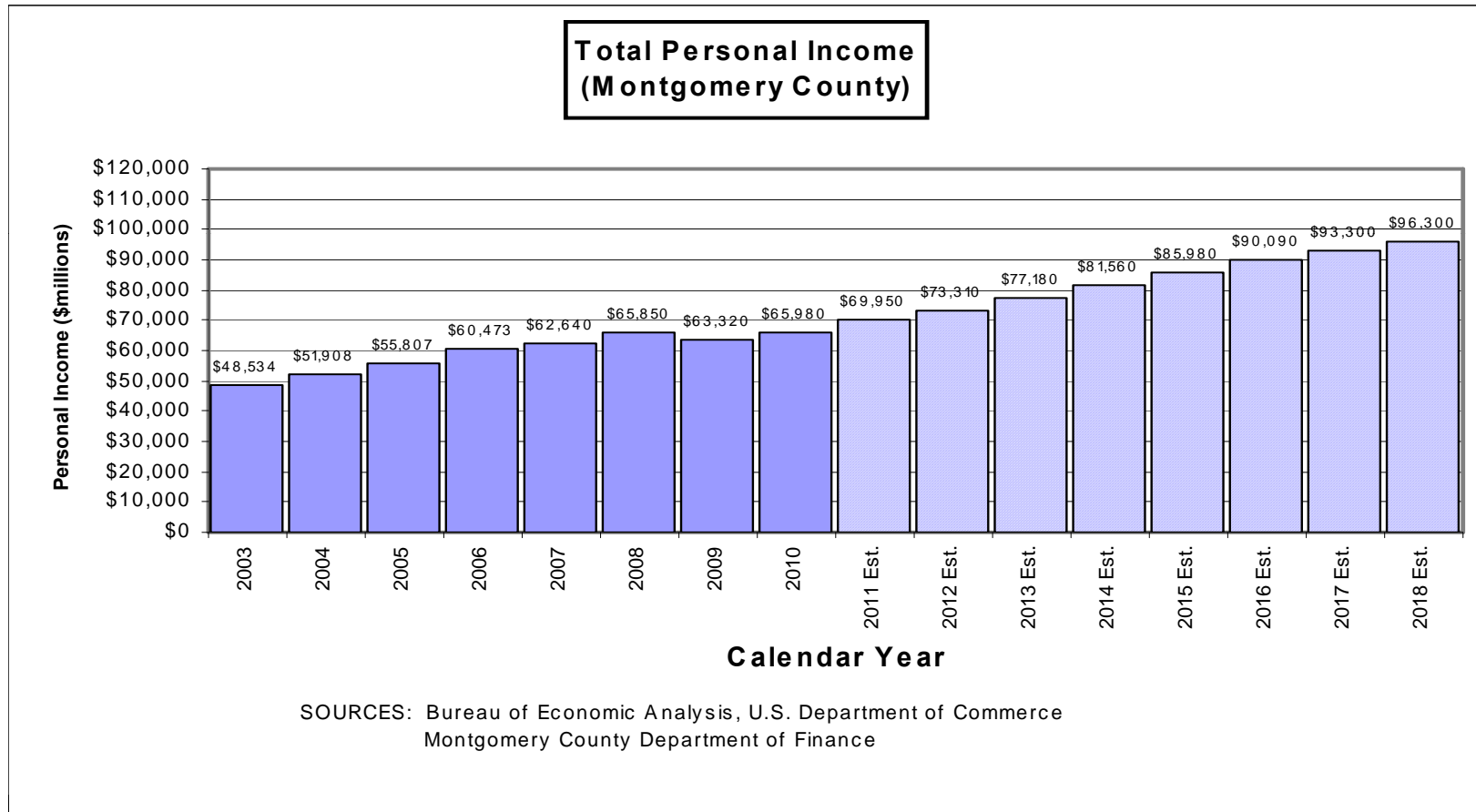


**MONTGOMERY COUNTY
ECONOMIC ASSUMPTIONS
CY2011 – CY2018**

The Department of Finance assumes that payroll employment will increase at an average annual rate of 1.3 percent from CY2011 to CY2018 with most of that increase occurring between CY2015 and CY2016.



Finance assumes that total personal income for Montgomery County will increase at an average annual rate of 4.6 percent from CY2010 to CY2018.



Finance also assumes that wage and salary income for Montgomery County will increase at an average annual rate of 4.2 percent from CY2010 to CY2018.

