

## MARYLAND

### April Summary

Maryland's economy advanced at a modest pace in recent months, with gains in employment, but continued signs of weakness in housing.

In labor markets, Maryland added 4,300 jobs in February for its fifth consecutive month of job gains. Over the past year, payroll employment in the state has increased 1.2 percent – the state's largest year-over-year percent increase since June of 2006. Job gains were spread across sectors, with the government and construction sectors accounting for the bulk of the growth.

On the real estate front, residential permitting activity in Maryland was up 11.2 percent in February – by far the largest increase in building permits among Fifth District jurisdictions. Nonetheless, permitting activity in the state was down sharply since February of 2007. In addition, existing home sales in Maryland fell 13.3 percent during the fourth quarter, marking the third consecutive quarter of decline. Home prices were also down in the final three months of 2007. Maryland home prices slipped 0.2 percent in the fourth quarter, compared to a District-wide decline of 0.1 percent and a national increase of 0.1 percent.

Turning to households, Maryland's unemployment rate inched down 0.1 percentage points to 3.4 percent in February, leaving Maryland with the lowest jobless rate among Fifth District jurisdictions. On a less positive note, mortgage delinquencies were up in the state both in the fourth quarter and over the past year, and income growth in the state eased to its slowest rate in two years.

Economic conditions were not uniform across metro areas, however. February payrolls were up in the Baltimore metro area, down in Hagerstown, and unchanged in the Bethesda area. Permitting activity was generally down in the state's major metro areas during February, while home prices were mixed. The Bethesda and Cumberland metro areas both saw fourth quarter decreases in home prices, while home prices in the Baltimore and Hagerstown metro areas were up slightly. In commercial markets, the Baltimore area saw both office and industrial vacancies increase over the course of 2007.

### A Closer Look at...Personal Income

**Current Real Total Income (in millions):** \$220,451

**Current Real Per Capita Income:** \$39,005

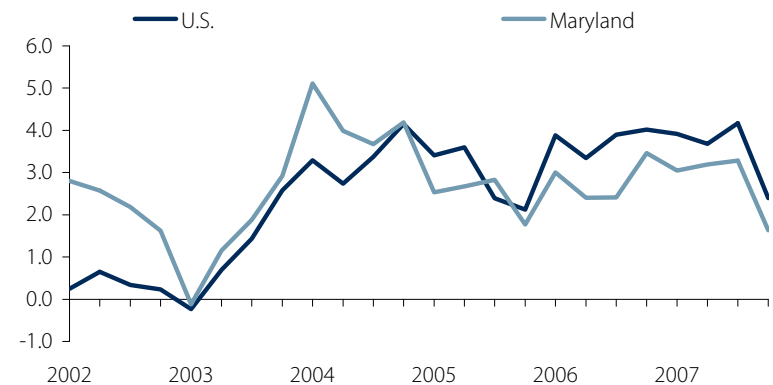
**Change in Total Income from Last Quarter:** 0.0%

**Change in Total Income from a Year Ago:** 1.6%

**Largest Quarterly Increase:** The first quarter of 2000 when personal income grew 2.7%

**Largest Year-over-Year Increase:** The third quarter of 2000 when personal income grew 6.8%

Maryland Real Personal Income  
Year-over-Year Percent Change through 4Q:07



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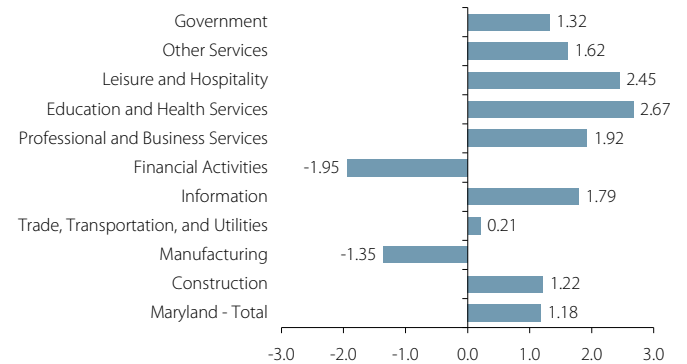
### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	February	137,993.0	-0.05	0.63
Fifth District - Total	February	14,002.5	-0.01	1.03
Maryland - Total	February	2,630.3	0.16	1.18
Construction	February	191.1	0.63	1.22
Manufacturing	February	131.1	0.08	-1.35
Trade, Transportation, and Utilities	February	478.2	-0.10	0.21
Information	February	51.1	0.20	1.79
Financial Activities	February	156.1	-0.13	-1.95
Professional and Business Services	February	402.5	0.22	1.92
Education and Health Services	February	380.3	0.26	2.67
Leisure and Hospitality	February	238.5	0.13	2.45
Other Services	February	119.3	0.17	1.62
Government	February	482.1	0.25	1.32
Baltimore-Towson MSA - Total	February	1,305.4	0.42	0.96
Bethesda-Frederick MSA - Total	February	568.1	0.00	0.23
Cumberland MSA - Total	February	--	--	--
Hagerstown MSA - Total	February	100.6	-0.40	0.10

Unemployment Rate (SA)	February 08	January 08	February 07
United States	4.8	4.9	4.5
Fifth District	4.3	4.4	4.1
Maryland	3.4	3.5	3.6
Baltimore-Towson MSA	3.9	4.0	4.3
Bethesda-Frederick MSA	2.8	2.9	3.1
Cumberland MSA	6.0	6.0	6.9
Hagerstown MSA	5.3	4.9	5.2

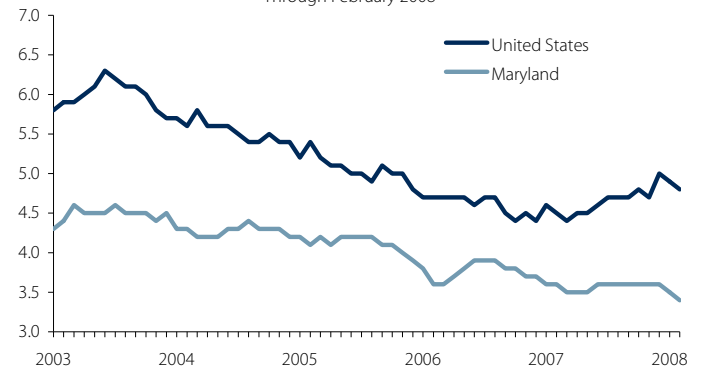
### Maryland Payroll Employment Performance

Year-over-Year Percent Change through February 2008



### Maryland Unemployment Rate

Through February 2008



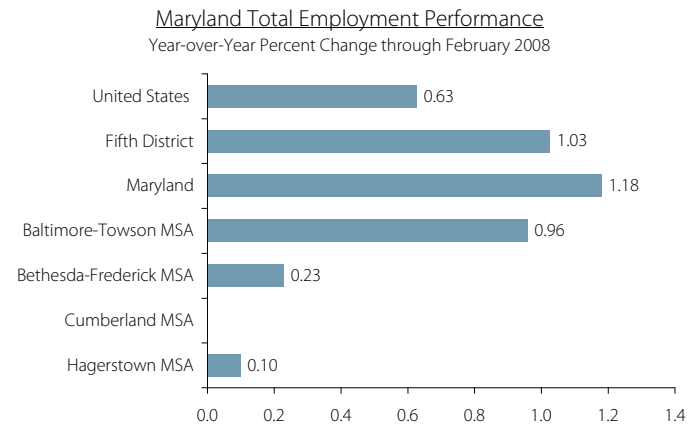
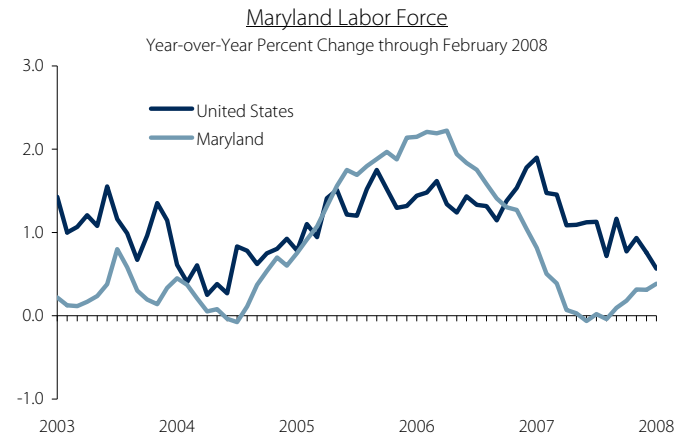
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### Labor Market Conditions

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	February	153,374	-0.29	0.42
Fifth District	February	14,888	-0.19	0.77
Maryland	February	2,993	0.13	0.66
Baltimore-Towson MSA	February	1,393	-0.11	-0.10
Bethesda-Frederick MSA	February	632	-0.24	-1.70
Cumberland MSA	February	49	0.41	-1.01
Hagerstown MSA	February	121	0.08	-0.98

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	February	1,388,337	-32.71	6.63
Fifth District	February	131,299	-39.93	12.67
Maryland	February	18,888	-31.26	6.61



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Household Conditions

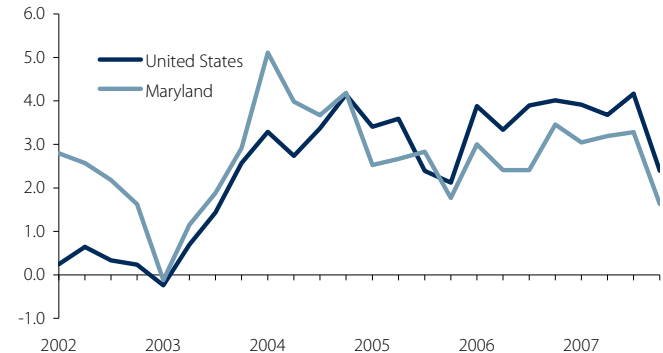
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	4Q:07	9,944,623	-0.18	2.40
Fifth District	4Q:07	945,875	-0.02	2.09
Maryland	4Q:07	220,451	-0.05	1.63

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2007	75.8	---	---
Bethesda-Frederick MSA	2007	101.1	---	---
Cumberland MSA	2007	46.6	---	---
Hagerstown MSA	2007	57.9	---	---

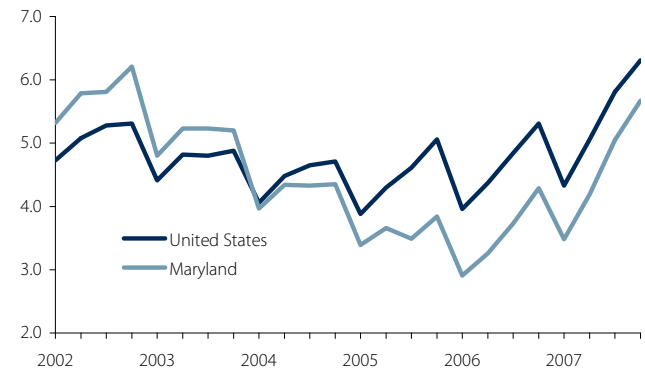
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	3Q:07	211,742	3.93	27.66
Fifth District	3Q:07	16,198	6.95	26.46
Maryland	3Q:07	3,544	15.44	45.07

Mortgage Delinquencies (% Delinquent)	4Q:07	3Q:07	4Q:06
<b>United States</b>			
All Mortgages	6.31	5.81	5.31
Conventional	3.55	3.25	2.79
Subprime	18.82	16.68	14.27
<b>Maryland</b>			
All Mortgages	5.67	5.05	4.29
Conventional	3.07	2.64	2.20
Subprime	19.79	16.96	12.39

Maryland Real Personal Income  
Year-over-Year Percent Change through 4Q:07



Maryland Mortgage Delinquencies - All  
Percent Delinquent through 4Q:07

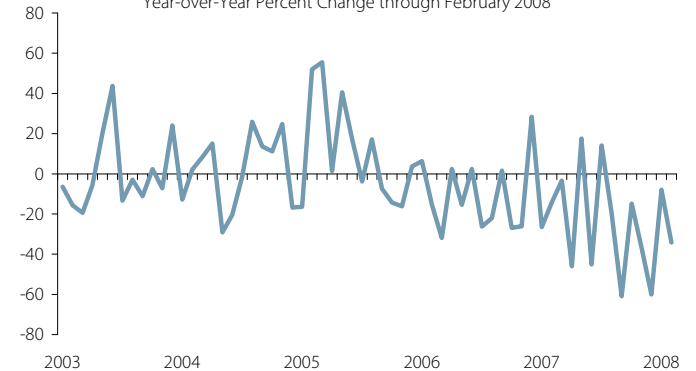


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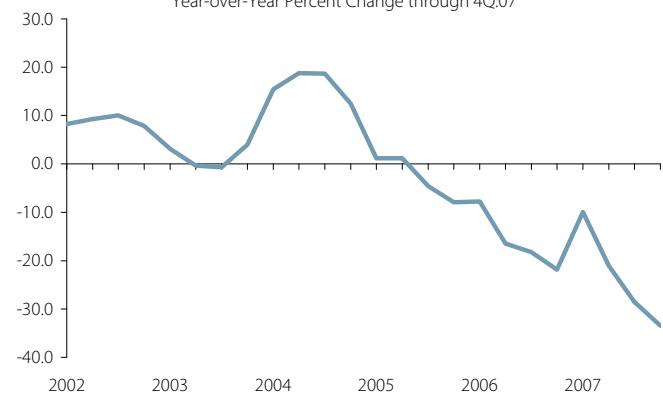
### Real Estate Conditions

Total Private Building Permits	Period	Level	MoM % Change	YoY % Change
United States	February	73,386	-3.35	-33.22
Fifth District	February	11,477	-6.76	-27.00
Maryland	February	1,238	11.23	-34.18
Baltimore-Towson MSA	February	280	-55.97	-48.24
Cumberland MSA	February	6	-14.29	-14.29
Hagerstown	February	119	-20.13	-6.30
Total Private Housing Starts	Period	Level (000s)	MoM % Change	YoY % Change
United States	February	1,065.0	-0.56	-28.38
Fifth District	February	157.9	3.22	-25.63
Maryland	February	17.0	23.14	-32.95
Existing Home Sales	Period	Level (000s)	QoQ % Change	YoY % Change
United States	4Q:07	4,957.0	-8.54	-20.85
Fifth District	4Q:07	476.8	-9.28	-19.57
Maryland	4Q:07	67.6	-13.33	-33.46
Average Monthly Inventory	Period	Level	MoM % Change	YoY % Change
Baltimore-Towson MSA	March	16,150	-0.33	16.66
Median Asking Price	Period	Level (\$)	MoM % Change	YoY % Change
Baltimore-Towson MSA	March	299,900	0.46	-9.10
Median Home Sales Price - NAR	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	4Q:07	275	-5.59	-1.01
Cumberland MSA	4Q:07	117	8.26	18.98
Hagerstown MSA	4Q:07	192	-7.82	-10.19

Maryland Building Permits  
Year-over-Year Percent Change through February 2008



Maryland Existing Home Sales  
Year-over-Year Percent Change through 4Q:07

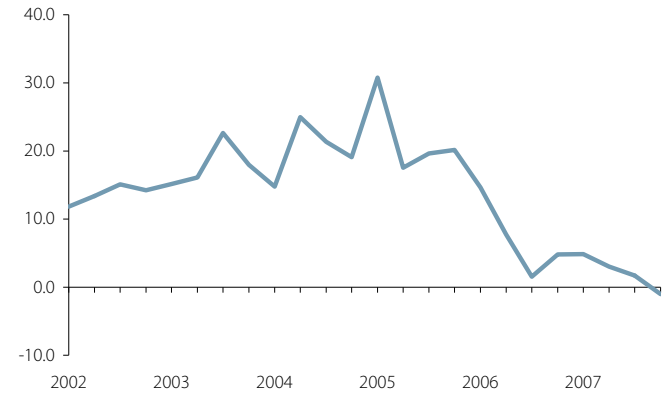


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Real Estate Conditions

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	4Q:07	266	-1.12	-1.12
Bethesda-Frederick MSA	4Q:07	---	---	---
Cumberland MSA	4Q:07	100	5.26	11.11
Hagerstown MSA	4Q:07	205	-10.48	-13.14
House Price Index (1980=100)	Period	Level	QoQ % Change	YoY % Change
United States	4Q:07	390	0.09	0.84
Fifth District	4Q:07	397	3.22	1.01
Maryland	4Q:07	542	-0.18	0.80
Baltimore-Towson MSA (1995=100)	4Q:07	261	0.14	1.97
Bethesda-Frederick MSA (1995=100)	4Q:07	260	-0.53	-2.65
Cumberland MSA (1995=100)	4Q:07	190	-0.59	9.62
Hagerstown MSA (1995=100)	4Q:07	237	0.06	-1.93
Housing Opportunity Index <sup>2</sup> (%)	4Q:07	3Q:07	4Q:06	
Baltimore-Towson MSA	47.8	45.4	44.1	
Bethesda-Frederick Metro Division	44.0	31.4	37.6	
Cumberland MSA	80.7	82.5	86.0	
Hagerstown MSA	49.0	37.1	38.7	
Commercial Vacancy Rates (%)	4Q:07	3Q:07	4Q:06	
Office Vacancies	Baltimore	12.3	12.1	11.4
Industrial Vacancies	Baltimore	14.4	14.6	12.3

Baltimore-Towson MSA Median Home Sales Price (NAR)  
Year-over-Year Percent Change through 4Q:07



Baltimore-Towson MSA Office Vacancy Rate  
Through 4Q:07

