

## MARYLAND

### October Summary

Economic conditions in Maryland were mixed in recent months, with continued sluggishness in labor markets, but some improvement in residential real estate.

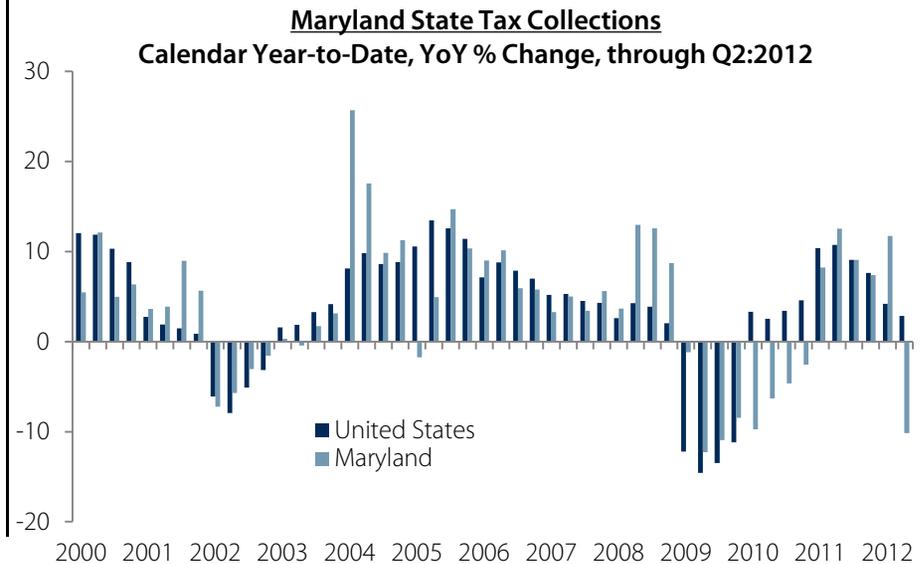
**Labor Markets:** Firms in Maryland added 1,400 jobs to the economy in August—an improvement from the losses of the last five months, but still only a 0.1 percent employment gain. Most of the month's gains were in local government, which added 6,700 jobs in August. Maryland continued its year-over-year job gain, growing 0.9 percent (24,000 jobs) since August 2011. Over the year, the largest absolute gains were in the professional and business services industry, whose firms added 14,000 jobs (3.5 percent). Although employment activity at the metro level varied in August, all of the major metro areas in the state reported payroll expansion over the year.

**Household Conditions:** The unemployment rate in Maryland edged up from 7.0 percent in July to 7.1 percent in August, marking its highest point in almost one year. In addition to an increase in the number of unemployed in the state, the civilian labor force posted its largest absolute decline since January of 2007. Maryland households were boosted by a 0.7 percent rise in real personal income in the second quarter, though the increase was less than the 1.0 percent income expansion in the first quarter. Over the year, Maryland households reported a 2.0 percent growth in real income. The 90+ day delinquency rate in Maryland dropped to 3.8 percent in the second quarter from 4.7 percent in the first quarter. This drop coincided with a sharp jump in the number of foreclosures started in Maryland in the second quarter. The decline in 90+ day delinquency rates was apparent in both the prime and subprime mortgage markets.

**Housing Markets:** Reports on housing in Maryland were relatively upbeat. New residential permit levels were up 7.8 percent in August, although the state issued 3.8 percent fewer permits than in August 2011. Housing starts were also up in the month (2.7 percent) but down over the year (9.4 percent). According to CoreLogic Information Solutions, house prices rose 1.4 percent in July for a fifth straight month of increase, resulting in a 2.3 percent year-over-year appreciation. July marked a fifth straight month of year-over-year increase as well, after almost five years of consecutive year-over-year depreciation. House prices also rose across the state's metro areas, although reports on permitting activity were more downbeat.

### A Closer Look at... State Tax Collections

- State Tax Collections in Q2-2012:** \$4,099,914,000
- Year-to-Date State Tax Collections in Q2-2012:** \$7,496,709,000
- Change from Q2-2011:** -10.1 percent (-\$846,210,000)
- State Tax Collections in 2011:** \$16,186,145,000
- Change from 2010:** 7.4 percent (\$1,111,906,000)
- Largest Year-over-Year (Year-to-Date) Increase:** 25.7 percent in Q1:2004
- Largest Year-over-Year (Year-to-Date) Decrease:** -12.3 percent in Q2:2009
- Largest Sources of Tax Collections (2011):**
  - Individual Income Tax--41.7 percent
  - General Sales Tax--24.4 percent
  - Other Sales Tax--7.1 percent



# SNAPSHOT

# A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

October 2012

FEDERAL RESERVE BANK OF RICHMOND

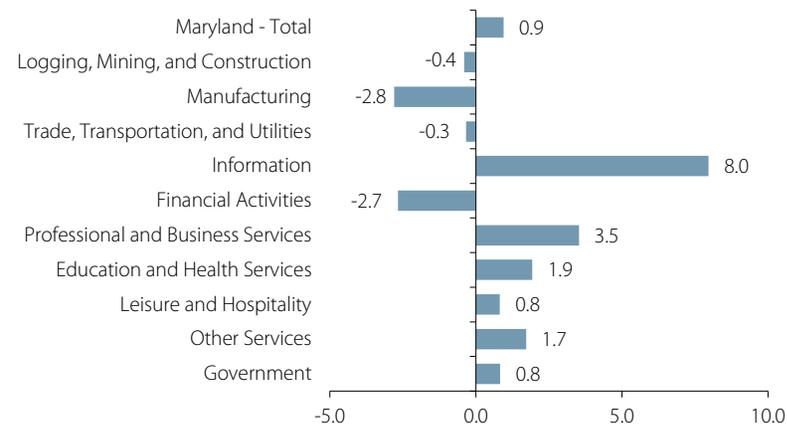
## MARYLAND

### Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	August	133,300.0	0.07	1.37
Fifth District - Total	August	13,558.4	-0.22	0.74
Maryland - Total	August	2,570.3	0.05	0.94
Logging, Mining, and Construction	August	145.9	-0.07	-0.41
Manufacturing	August	110.9	-0.09	-2.80
Trade, Transportation, and Utilities	August	440.8	-0.16	-0.34
Information	August	42.0	-1.64	7.97
Financial Activities	August	138.6	-1.00	-2.67
Professional and Business Services	August	411.3	0.29	3.52
Education and Health Services	August	417.3	-0.52	1.93
Leisure and Hospitality	August	233.7	0.43	0.82
Other Services	August	118.0	0.43	1.72
Government	August	511.8	0.77	0.83
Baltimore-Towson MSA - Total	August	1,296.5	0.35	0.46
Bethesda-Frederick Metro Div. - Total	August	569.1	-0.12	1.44
Cumberland MSA - Total	August	41.7	0.97	1.96
Hagerstown MSA - Total	August	101.1	2.02	3.06
Salisbury MSA - Total	August	52.4	-0.95	0.00

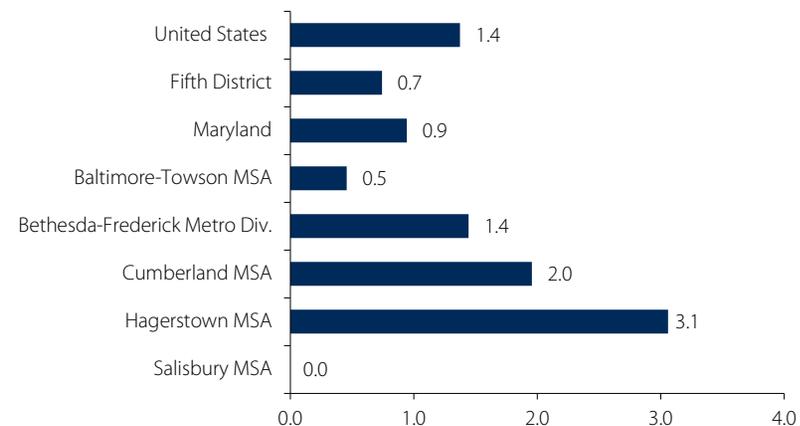
### Maryland Payroll Employment Performance

Year-over-Year Percent Change through August 2012



### Maryland Total Employment Performance

Year-over-Year Percent Change through August 2012



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#### Labor Market Conditions

Unemployment Rate (SA)	August 12	July 12	August 11
United States	8.1	8.3	9.1
Fifth District	8.0	7.9	8.6
Maryland	7.1	7.0	7.2
Baltimore-Towson MSA	7.3	7.3	7.5
Bethesda-Frederick Metro Div.	5.2	5.2	5.4
Cumberland MSA	8.1	8.0	8.3
Hagerstown MSA	8.0	8.0	9.0
Salisbury MSA	8.9	8.9	9.4

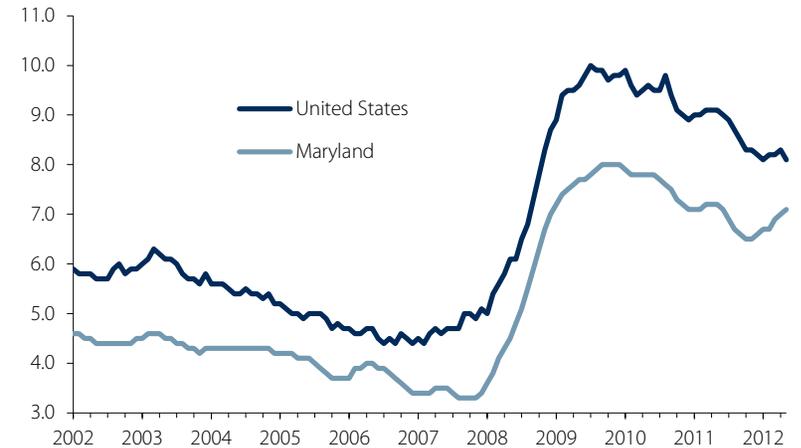
  

Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	154,645	-0.24	0.63
Fifth District	August	15,325	-0.22	-0.07
Maryland	August	3,072	-0.21	0.05
Baltimore-Towson MSA	August	1,440	-0.15	-0.02
Bethesda-Frederick Metro Div.	August	658	-0.12	0.95
Cumberland MSA	August	52	-0.19	0.98
Hagerstown MSA	August	123	0.49	0.66
Salisbury MSA	August	64	-0.47	0.16

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	1,368,004	-18.97	-14.08
Fifth District	August	128,338	-16.84	-8.36
Maryland	August	24,738	-9.34	-13.28

Maryland Unemployment Rate  
Through August 2012



Maryland Labor Force  
Year-over-Year Percent Change through August 2012



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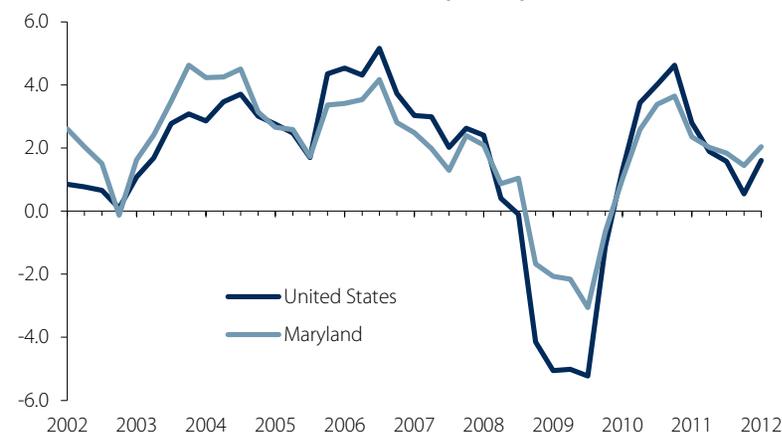
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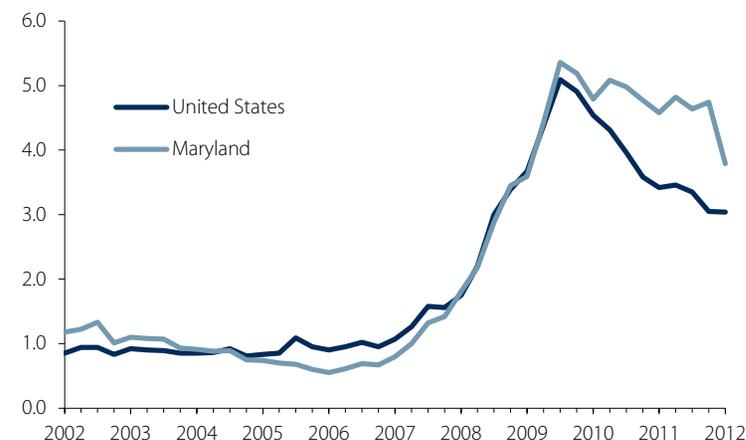
#### Household Conditions

Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q2:12	11,574,853	0.83	1.61
Fifth District	Q2:12	1,145,462	0.81	1.76
Maryland	Q2:12	264,657	0.71	2.05
Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	2012	85.6	---	1.30
Bethesda-Frederick Metro Div.	2012	113.4	---	1.34
Cumberland MSA	2012	53.0	---	1.34
Hagerstown MSA	2012	67.7	---	4.15
Salisbury MSA	2012	64.4	---	1.42
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:12	315,319	1.07	-14.55
Fifth District	Q2:12	21,961	-4.43	-10.77
Maryland	Q2:12	6,100	-0.65	-10.87
Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:12	Q1:12	Q2:11	
<b>United States</b>				
All Mortgages	3.04	3.05	3.42	
Prime	1.86	1.83	2.21	
Subprime	9.16	9.13	11.26	
<b>Maryland</b>				
All Mortgages	3.79	4.74	4.58	
Prime	2.17	3.16	3.05	
Subprime	11.32	13.29	15.33	

Maryland Real Personal Income  
Year-over-Year Percent Change through Q2:12



Maryland Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:12





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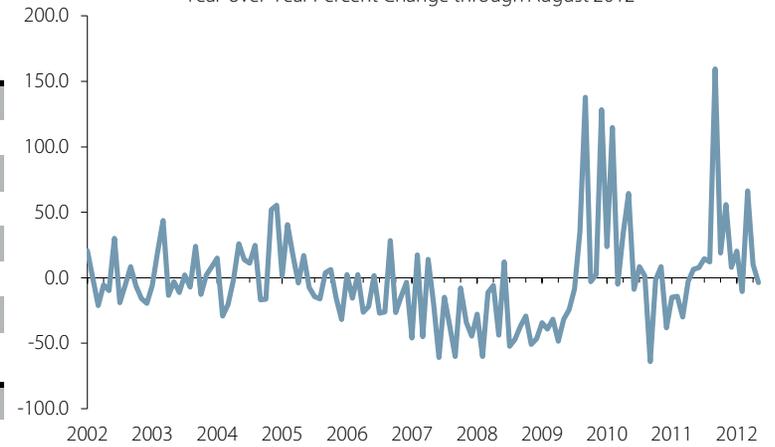
#### Real Estate Conditions

Total Private Building Permits (NSA)	Period	Level	MoM % Change	YoY % Change
United States	August	77,745	7.90	27.57
Fifth District	August	9,626	-7.08	14.36
Maryland	August	1,296	7.82	-3.79
Baltimore-Towson MSA	August	441	-15.36	-30.55
Cumberland MSA	August	3	-75.00	-25.00
Hagerstown	August	72	-5.26	12.50
Salisbury MSA	August	6	200.00	-25.00

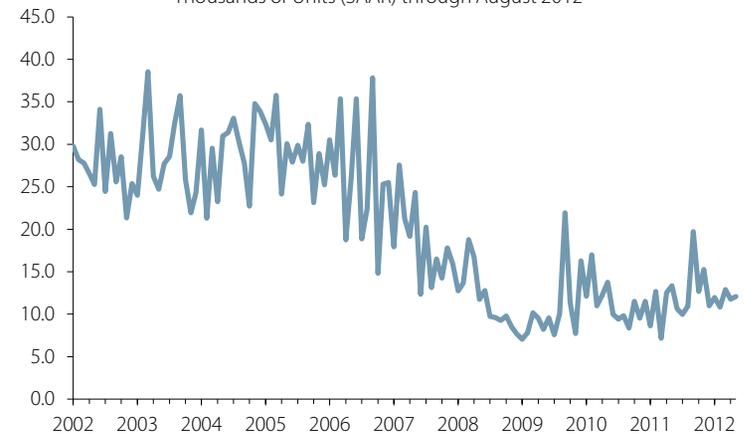
  

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	August	750.0	2.32	29.09
Fifth District	August	89.7	-11.45	7.55
Maryland	August	89.7	-11.45	7.55

Maryland Building Permits  
Year-over-Year Percent Change through August 2012



Maryland Housing Starts  
Thousands of Units (SAAR) through August 2012



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### Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	July	146	1.26	3.79
Fifth District	July	170	1.30	3.38
Maryland	July	178	1.37	2.27
Baltimore-Towson MSA	July	179	0.90	1.63
Bethesda-Frederick Metro Div.	July	190	0.55	2.18
Cumberland MSA	July	190	1.37	2.27
Hagerstown MSA	July	135	1.37	2.27
Salisbury MSA	July	147	1.37	1.37

Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	Q2:12	255	16.92	8.65
Cumberland MSA	Q2:12	103	20.97	14.75
Hagerstown MSA	Q2:12	135	9.06	-3.02

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Baltimore-Towson MSA	Q2:12	235	5.38	4.44
Bethesda-Frederick Metro Div.	Q2:12	341	11.80	10.00
Cumberland MSA	Q2:12	96	20.00	0.00
Hagerstown MSA	Q2:12	144	-0.69	5.88
Salisbury MSA	Q2:12	135	-20.59	-2.17

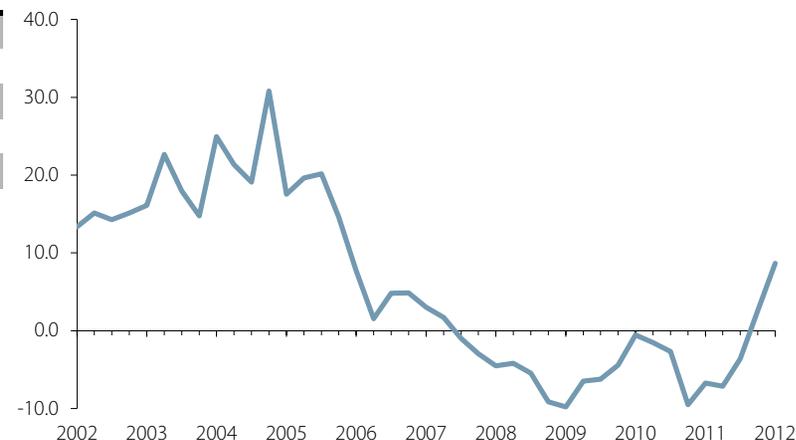
Maryland House Price Index (CoreLogic)

Year-over-Year Percent Change through July 2012



Baltimore-Towson MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:12



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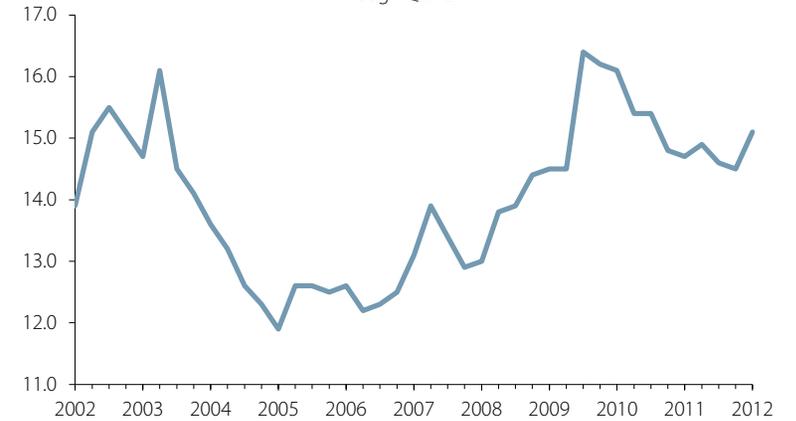
### MARYLAND

#### Real Estate Conditions

Housing Opportunity Index (%)	Q2:12	Q1:12	Q2:11
Baltimore-Towson MSA	78.2	77.8	75.7
Bethesda-Frederick Metro Div.	73.5	76.0	72.7
Cumberland MSA	94.2	99.0	90.4
Hagerstown MSA	90.3	90.4	88.6
Salisbury MSA	93.3	71.7	85.0
Commercial Vacancy Rates (%)	Q2:2012	Q1:12	Q2:11
<b>Office Vacancies</b>			
Baltimore-Towson MSA	15.1	14.5	14.7
Suburban Maryland (Washington, D.C. MSA)	---	---	15.0
<b>Industrial Vacancies</b>			
Baltimore-Towson MSA	14.8	15.1	15.6
Suburban Maryland (Washington, D.C. MSA)	15.6	16.2	16.8
<b>Retail Vacancies</b>			
Baltimore-Towson MSA	8.0	7.9	7.8

Baltimore-Towson MSA Office Vacancy Rate

Through Q2:12



Baltimore-Towson MSA Industrial Vacancy Rate

Through Q2:12

