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BALTIMORE COUNTY FISCAL DIGEST

GENERAL FUND REVENUES & THE ECONOMY

Baltimore County, Maryland

August 1, 2013

BALTIMORE COUNTY, MARYLAND

OFFICE OF THE COUNTY AUDITOR

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August 13, 2013

Honorable Members of the Baltimore County Council

Ladies and Gentlemen:

I hereby submit the Baltimore County Fiscal Digest of General Fund Revenues and the Economy as of August 1, 2013. This report summarizes current economic conditions affecting the County and includes an updated FY 2013 General Fund revenue estimate and FY 2014 General Fund revenue projection.

The County is expected to end FY 2013 with a General Fund Balance (Surplus) of approximately $193.0 million, which is $7.3 million more than what the County had available at the end of FY 2012. This amount is in addition to the $39.5 million that was assigned as a source of funding for the FY 2014 budget. In addition to the Surplus balance, the Revenue Stabilization Reserve Account (Rainy Day account) balance is expected to total $85.0 million as of June 30, 2013. The expected Surplus balance and Rainy Day amounts together total $278.0 million, or 16.1% of the FY 2014 General Fund budget. The Surplus number is preliminary and conservatively estimated based on the FY 2013 expenditure estimates reported in the Executive's Budget Message on April 15, 2013. The actual year-end Surplus total for FY 2013 should be available by early fall.

The Surplus growth is largely attributable to rebounding revenues, particularly income tax and property-related transaction (title transfer and recordation) taxes. Overall, revenues are expected to be $82.1 million (5.1%) above the original FY 2013 budget and $60.0 million (3.7%) higher than FY 2012 actual collections. Income tax revenue has increased $25.9 million (4.4%) over the prior year, a sign of continued slow but steady economic recovery. Property-related transaction taxes have grown by $19.4 million (30.4%) as home sales and to a lesser extent home prices continue to emerge from the housing bust.

The preliminary FY 2014 revenue forecast of $1,707.6 million is $17.6 million, or 1.0% above the FY 2013 estimate. Property tax revenues, the County's largest revenue source, are expected to be flat, a result of falling assessments combined with the decline in the number of residential properties receiving Homestead tax credits. Income tax revenue is expected to continue to have moderate growth from withholding and estimated payments due to the continued economic recovery; however, overall growth will be nearly flat due an expected reduction in reconciling distributions from prior years. Property-related transaction taxes are expected to continue to grow along with the housing market's recovery, but the projection is for the growth to be more moderate at 5.0% as opposed to the double digit increases over the past few years. Finally, State aid will increase primarily due to the restoration of a police aid grant; however, the bulk of the State aid reductions enacted during the Great Recession will continue.

The data presented in this report, along with the opinions expressed at the July 2013 meeting of the Baltimore County Economic Advisory Committee (BCEAC), are largely optimistic. It finally appears that the economy has largely recovered from the Great Recession, even as the official recession concluded in June 2009. Personal income is growing. Jobs are being added. Houses are selling, and prices are starting to rise. Inflation is a non-factor. New construction is taking place throughout the County, particularly in Towson and Owings Mills. Even the closing of the Sparrows Point Steel Mill is opening up new opportunities, such as the possible expansion of the Port of Baltimore. The optimism, however, remains guarded. The impact of the federal sequestration remains unknown. Temporary workers and overtime are often favored over hiring new full-time employees. Furthermore, the term "new normal" has become a mainstay at BCEAC meetings. Expectations have largely been diminished in regards to the economy. Economic growth that a few years ago would have been considered weak is now viewed more favorably. While the economy is growing, there is little sentiment at this point that the levels of growth achieved before the recession will return.

We will continue to monitor economic activity and revenue collections, particularly income tax distributions and property-related transaction tax collections, as well as the action of the State and federal governments. Our next update will include final revenue figures for FY 2013 along with a revised FY 2014 forecast and will follow the October meeting of the BCEAC.

Respectfully submitted,

Lauren M. Smelkinson

Lauren M. Smelkinson, CPA
County Auditor

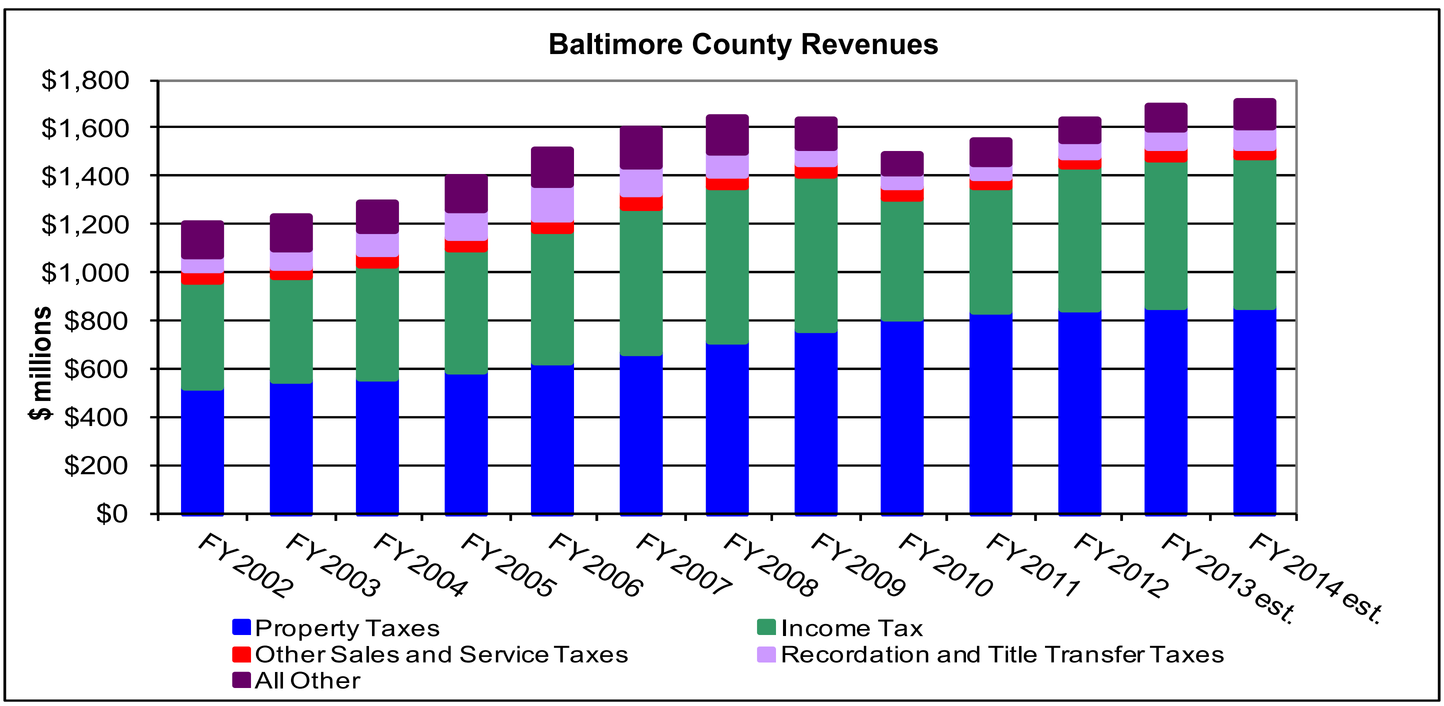
cc: Baltimore County Spending Affordability Committee; Baltimore County Economic Advisory Committee

REVENUE HIGHLIGHTS

Unassigned General Fund Balance (Surplus) as of June 30, 2013 is expected to total approximately $193.0 million, based on current FY 2013 revenue projections and the FY 2013 expenditure estimates reported in the Executive's Budget Message on April 15, 2013. This amount does not include $39.5 million that was assigned as a source of funding for the FY 2014 budget. In addition to the Surplus balance, the Revenue Stabilization Reserve Account (Rainy Day account) balance is expected to total $85.0 million as of June 30, 2013. The expected Surplus balance and Rainy Day amounts together total $278.0 million, or 16.1% of the FY 2014 General Fund budget. Actual Surplus totals as of June 30, 2013, which will reflect final FY 2013 revenues and expenditures, should be available by early fall.

FY 2013 County General Fund revenues are expected to total approximately $1,690.0 million, an increase of $60.0 million, or 3.7%, over FY 2012 collections. This projection represents an increase of $82.1 million, or 5.1%, over original FY 2013 budgeted revenues. The projected revenue increase in FY 2013 primarily reflects higher-than-anticipated growth in income tax and property-related transaction tax (i.e., title transfer and recordation) revenues. FY 2013 income tax collections, which will be final after the State distributes the final reconciliation of second quarter withholdings and estimated payments in late August, are expected to increase by $25.9 million, or 4.4%, over FY 2012 collections, reflecting the continued slow but steady economic recovery in the County. Recent increases in the number of homes sold in the County have caused FY 2013 property-related transaction tax revenues to grow by $19.4 million, or 30.4%. FY 2013 General Fund revenues are also influenced by a significant slowdown in property tax revenue growth resulting from the fact that the annual 4% growth limit pursuant to the local Homestead Property Tax Credit Program has caught up with declining assessed values. This subdued growth creates a challenge for the County because in recent years property tax revenues have comprised more than 50% of the County's General Fund budget. In addition, the State aid reductions enacted in recent years continued in FY 2013 due to the State's budgetary challenges.

FY 2014 General Fund revenues are projected to reach $1,707.6 million, up approximately $17.6 million, or 1.0%, from the revised FY 2013 revenue estimate and $99.7 million, or 6.2%, over budgeted FY 2013 revenues. The projected slight increase from FY 2013 primarily reflects an anticipated deceleration in income tax revenue growth. Income taxes paid for the current tax year are expected to increase based on the continued economic recovery; however, total income tax revenues in FY 2014 are expected to be nearly flat because higher-than-average reconciling distributions received in FY 2013 are not expected to be repeated in FY 2014. In addition, property tax revenues are expected to be flat due to falling assessments combined with the last lingering positive effects of existing Homestead property tax credits. Property-related transaction tax revenues are expected to show modest gains based on the expectation that sales volume will continue to recover in FY 2014. The State aid reductions implemented in recent years are generally expected to continue in FY 2014; however, $3.6 million in police aid is expected to be restored and the General Fund will continue to receive an additional $3 million intended to partially offset teachers' pension costs.



REVENUE FORECAST & ECONOMIC OUTLOOK

FY 2013 General Fund revenue growth represents a continued rebound from the pronounced decline in FY 2010 resulting from gains in both the employment and housing markets. FY 2014 revenues are expected to continue to grow, albeit more slowly, despite flat property tax revenues.

($ Millions) Revenue Source	Actual FY 2012	FY11-12 Change	Est. FY 2013	FY12-13 Change	Est. FY 2014	FY13-14 Change
Property Taxes	$ 845.2	1.0%	$ 854.0	1.0%	$ 854.0	0.0%
Income Tax	593.2	15.3%	619.1	4.4%	624.1	0.8%
Sales & Service Taxes	43.3	0.5%	42.1	-2.8%	42.1	0.0%
Recordation Tax	20.4	11.5%	30.6	50.0%	32.1	5.0%
Title Transfer Tax	43.5	21.8%	52.7	21.1%	55.3	5.0%
Intergovernmental	31.5	-7.9%	37.0	17.5%	42.2	14.0%
All Other	52.9	-18.4%	54.5	3.0%	57.8	6.0%
Total Revenue	$ 1,630.0	5.3%	$ 1,690.0	3.7%	$ 1,707.6	1.0%

The Baltimore County Economic Advisory Committee (BCEAC) was generally positive with respect to the local economic recovery at its July 2013 meeting, noting that many sectors are currently performing well. The Committee observed that the local residential real estate market continues to show signs of improvement, there is a steady stream of companies looking to locate in the County, and retail vacancy rates are on the decline. On the other hand, many local businesses are holding back on expansion and hiring plans due to uncertainties regarding both the economic climate and the federal fiscal policy outlook and are instead utilizing temporary workers and overtime. Looking forward, the Committee is more cautious, noting that the anticipated reductions to federal government spending as a result of the sequestration have not been fully implemented, and these reductions as well as recent tax and fee increases at all levels of governments could significantly impact the region. Members' near-term outlook also reflects the following factors:

- **The local manufacturing sector is seeing slow, steady growth**, particularly among businesses that export. In addition, there is some enthusiasm surrounding the possibility of off-shore wind energy production and the corresponding local manufacturing jobs that could be created to meet the demand for turbine parts, which could be shipped directly from the Port of Baltimore. However, for now, many companies remain conservative and are hesitant to hire additional employees.

- While the County's unemployment rate remains high, **there has been steady growth in the number of County residents who are working.** In addition, it was noted that some local companies are hiring, and there is optimism surrounding the new construction taking place in Towson and Owings Mills and the work related to the Virginia tunnel project taking place at the Sparrows Point Shipyard and Industrial Park. The future of the Sparrows Point steel mill property, particularly as it relates to the expansion of the Port of Baltimore, was also mentioned as a potential source of future job growth.

- **Local residential real estate prices are slowly rising** due to a decline in inventory levels that has resulted from year-over-year increases in home sales in recent months. However, the high volume of distressed sales continues to hold prices down in some neighborhoods, indicating that the housing market recovery remains uneven. It was noted that contract activity in the County was up in June, and that 110 of the 894 contracts were short sales. The short sale process remains long and difficult, with a success rate of just 60% to 65%. Due to the increased number of residential real estate transactions in the region, County property-related transaction tax revenues grew in FY 2012 for the first time since FY 2006. This trend continued in FY 2013 and is expected to continue at least to some degree in FY 2014.

NATIONAL ECONOMIC INDICATORS

In 2013:Q2, the U.S. economy grew at an annualized rate of 1.7%.

Real U.S. Gross Domestic Product (GDP) in 2013:Q2 increased at an annualized rate of 1.7%. This quarter's performance represents an acceleration from the 2013:Q1 and 2012:Q4 annualized increases of 1.1% and 0.1%, respectively. The major factor contributing to the acceleration in 2013:Q2 was an increase in gross private domestic investment, primarily residential investment, which increased 13.4%. Due to the continuing effects of the federal sequestration, government consumption expenditures, specifically national defense spending, continued to damper the pace of overall economic recovery. This quarter's decrease, however, was substantially less severe than the decreases in 2013:Q1 and 2012:Q4 of 11.2% and 21.6%, respectively. For all of 2012, real GDP grew by 2.8%, an acceleration from the 1.8% growth experienced in 2011 and slightly exceeding the 10-year average growth of 1.7%. The May 2013 release of the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters* projected real GDP growth of 2.0% for all of 2013, a slight uptick from the February 2013 forecast, followed by an unchanged estimate for growth in 2014 of 2.8%. Despite many positive economic signs and the fact that the recession concluded in June 2009, as defined by the National Bureau of Economic Research, economists project GDP growth for the next five quarters to remain tepid.

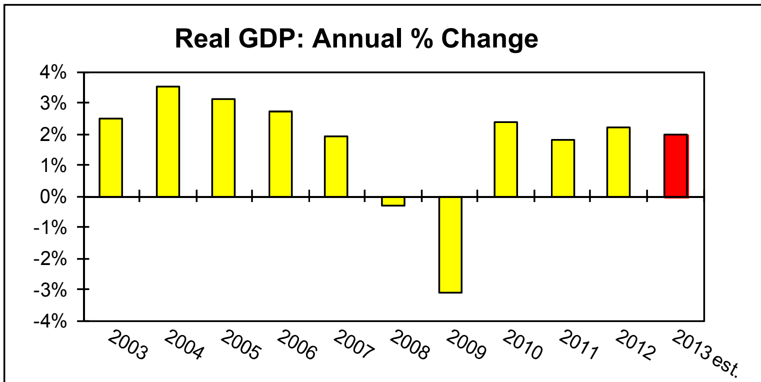
After growing by 2.8% in 2012, real GDP growth is projected to decelerate to 2.0% in 2013, followed by a slight acceleration in 2014.

Real consumer spending grew at an annualized rate of 1.8% in 2013:Q2.

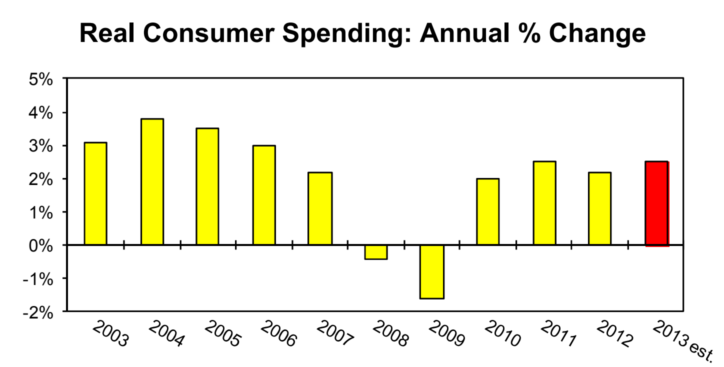
Real consumer spending, which accounts for roughly two-thirds of all U.S. economic activity, continues to show positive growth, increasing 2.2% for all of 2012, the third consecutive yearly increase following two consecutive decreases. Consumer spending increased at an annualized rate of 1.8% during 2013:Q2 following an increase of 2.3% in 2013:Q1. From 2013:Q1 to 2013:Q2, consumer spending on durable goods continued to show a strong increase, accelerating from 5.8% to 6.5%. Over the same period, growth in consumer spending on non-durable goods and services moderately decelerated from 2.7% to 2.0%, and 1.5% to 0.9%, respectively, but remains in positive territory. The *Survey of Professional Forecasters* projects consumer spending to increase by 2.5% for all of 2013.

Consumer confidence decreased slightly in July following increases in the three preceding months.

Consumer confidence, based on a survey of 5,000 U.S. households by The Conference Board (a well-known economic research organization), decreased slightly in July following increases in April, May, and June, with the "Expectations Index" responsible for all of the decrease. The Conference Board noted that the decrease was "precipitated by a weakening in consumers' economic and job expectations." The Board further reported that in spite of the decrease, "confidence remains well above the levels of a year ago" and added that "consumers' assessment of current conditions continues to gain ground and... indications are that the economy is strengthening and may even gain some momentum in the months ahead."



Estimate Source: *Survey of Professional Forecasters*, May 2013



Estimate Source: *Survey of Professional Forecasters*, May 2013

The Federal Reserve's Federal Open Market Committee (FOMC) held interest rate targets between 0% and 0.25% at its July 31, 2013 meeting.

The FOMC expects long-term inflation to remain stable, and advises that "with appropriate policy accommodation" moderate economic growth is expected. The FOMC believes that federal fiscal policy is restraining growth.

Interest rate targets were maintained between 0% and 0.25% at the July 31, 2013 meeting of the Federal Reserve's Federal Open Market Committee (FOMC). The current interest rate target range, which has been in place since the FOMC's December 2008 meeting, is the lowest since the FOMC's 1954 inception, and will likely remain in place until unemployment falls below 6.5% or until long-term inflation exceeds 2.5%. The FOMC believes that the economy "expanded at a modest pace" during the first half of the year, and noted that while the labor market and housing sector continued to improve, the unemployment rate remains elevated, mortgage rates have risen somewhat, and fiscal policy is restraining economic growth. Additionally, strains in global financial markets have eased somewhat, but downside risks to the national economy remain. The FOMC advised that "with appropriate policy accommodation, economic growth will pick up...and the unemployment rate will gradually decline...." Long-term inflation expectations remain stable, but short-term inflation continues to be somewhat below the FOMC's 2 percent objective.

INTEREST RATE CHANGE FROM JUNE 2012 TO JUNE 2013

	Basis Points*
90-Day Treasury Bills	-4
10-Year Treasury Bonds	68
30-Year Conventional Mortgage	39

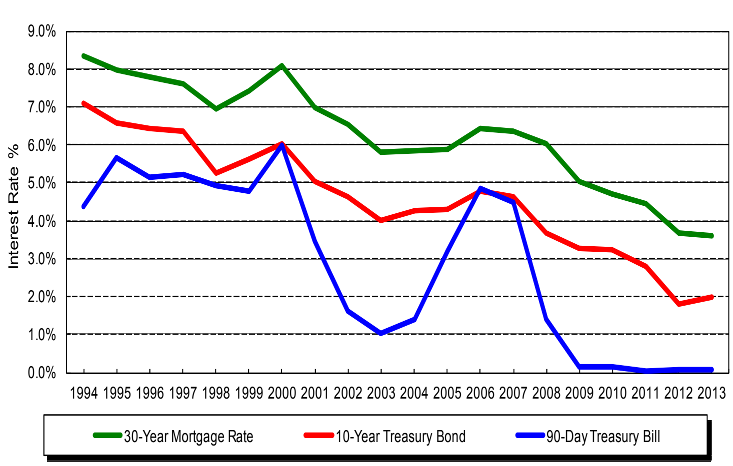
* A basis point is equal to .01 percentage point.

Short-term interest rates are likely to stay near 0%. Weak economic conditions such as a persistently high unemployment rate, combined with a subdued inflation outlook, will likely warrant exceptionally low levels for the federal funds rate until employment or inflationary targets have been reached; it is not expected that such targets will be reached until at least late CY 2014.

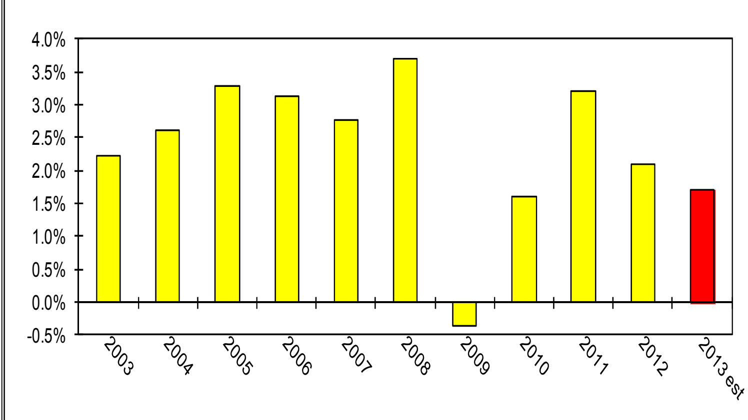
From June 2012 to June 2013, consumer inflation was 1.8%. Inflation is forecast at 1.7% and 2.2% for CY 2013 and CY 2014, respectively.

Inflation, as measured by the Consumer Price Index-All Urban Consumers (CPI-U), was 1.8% over the June 2012 to June 2013 period. This price growth is largely driven by increases in medical care and medical care service costs. Core inflation (which excludes food and energy inflation) was 1.6% over the June 2012 to June 2013 period. For CY 2012 the CPI-U increased by 2.1%, following an increase of 3.2% in CY 2011. The current year-over-year inflation CPI-U forecast for CY 2013 is 1.7%, followed by 2.2% for CY 2014, according to the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters*, May 2013. The *Survey* projects that annual inflation will average 2.3% over the 2013 to 2022 period.

Average Annual Interest Rates



% Change in Consumer Price Index



Estimate Source: *Survey of Professional Forecasters*, May 2013

LOCAL ECONOMIC PERSPECTIVE

EMPLOYMENT

County employment has reached pre-recession levels and, while not increasing at a rapid pace, is significantly outpacing the State's growth rate.

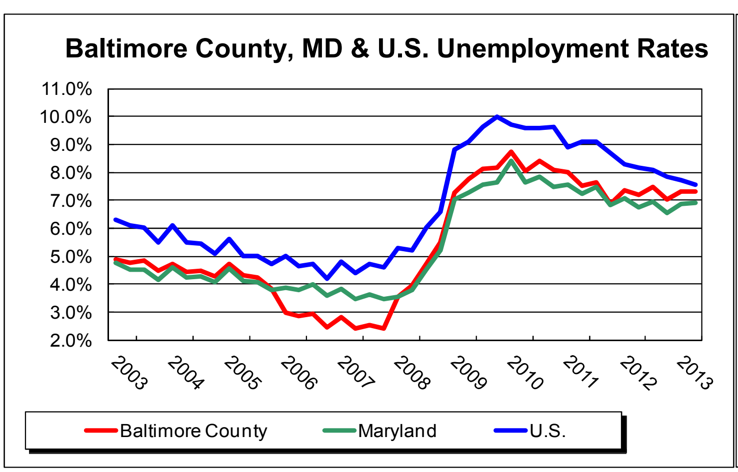
Employment, as measured by place of residence, continues to increase on a year-over-year basis in both Baltimore County and Maryland. The County's employment growth, however, is significantly outpacing the State's growth due to the greater dependence of other local economies on the federal government. Over the June 2012 to June 2013 period, Baltimore County residential employment increased by 11,498 persons, or 2.8%, while Maryland residential employment increased by 5,644 persons, or 0.2%. June 2013 marked the 40th consecutive month of year-over-year employment gains in Baltimore County, and County employment has reached pre-recession levels. Still, additional employment growth is needed to address the stubborn problem of the long-term unemployed, those jobless for 27 weeks or more, whose numbers remain high despite overall increases in employment.

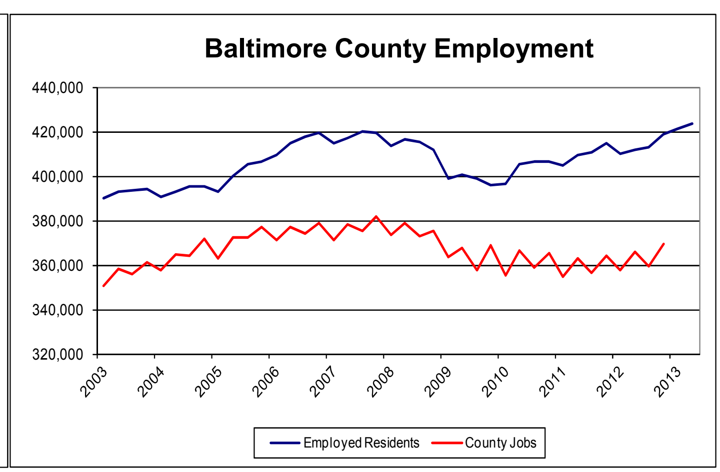
The number of County jobs increased by 1.4% over the 2011:Q4 to 2012:Q4 period, while County employer payrolls rose 4.1%.

Jobs data (by place of work) show that from 2011:Q4 to 2012:Q4, the number of jobs in Maryland increased by 1.3% and jobs in Baltimore County increased by 1.4% as Baltimore County employers added approximately 5,200 positions. Payrolls rose 4.1% in Baltimore County and 4.0% at the State level. Nationally, non-farm payrolls increased by approximately 2.2 million jobs, or 1.6%, from 2012:Q2 to 2013:Q2. The pace of job growth has decreased in recent months, with the nation adding an average of 188,000 jobs per month in 2013:Q2, down from an average of 207,000 jobs per month in 2013:Q1. At this rate of monthly job gains, it will take another 11 months to replace the jobs lost during the recession. Sage Policy Group, Inc. (the Spending Affordability Committee's economic consultant) predicts job growth of 1.6% and 1.5% in the County and Maryland, respectively, in CY 2013. These forecasts exceed anticipated CY 2013 population growth of 0.5% in both the County and Maryland, which is a positive sign for the regional economy.

The County's June 2013 unemployment rate was 7.8%, which is higher than both the State and national unemployment rates.

The unemployment rate among County residents was 7.8% in June 2013, up from 7.6% a year earlier and higher than the current State rate of 7.5%. The increased unemployment rate for the County is attributable to growth in the labor force, which from June 2012 to June 2013 grew by 4,972, exceeding the 3,612 residents who were added to employment rolls over that same time period. As of May 2013, the County had the 14th lowest unemployment rate among the 24 local jurisdictions in Maryland. Nationally, the seasonally adjusted unemployment rate was 7.6% in June 2013, down from the June 2012 rate of 8.2%. In July, BCEAC members noted that County employment numbers are consistently rising and that there is a steady stream of companies looking to locate in the County. However, members also observed that many employers remain hesitant to add permanent positions.





PERSONAL INCOME

The Spending Affordability Committee's economic consultant currently projects that County personal income growth was 4.04% in FY 2012 and will slow to 2.92% in FY 2013 before accelerating to 4.09% in FY 2014.

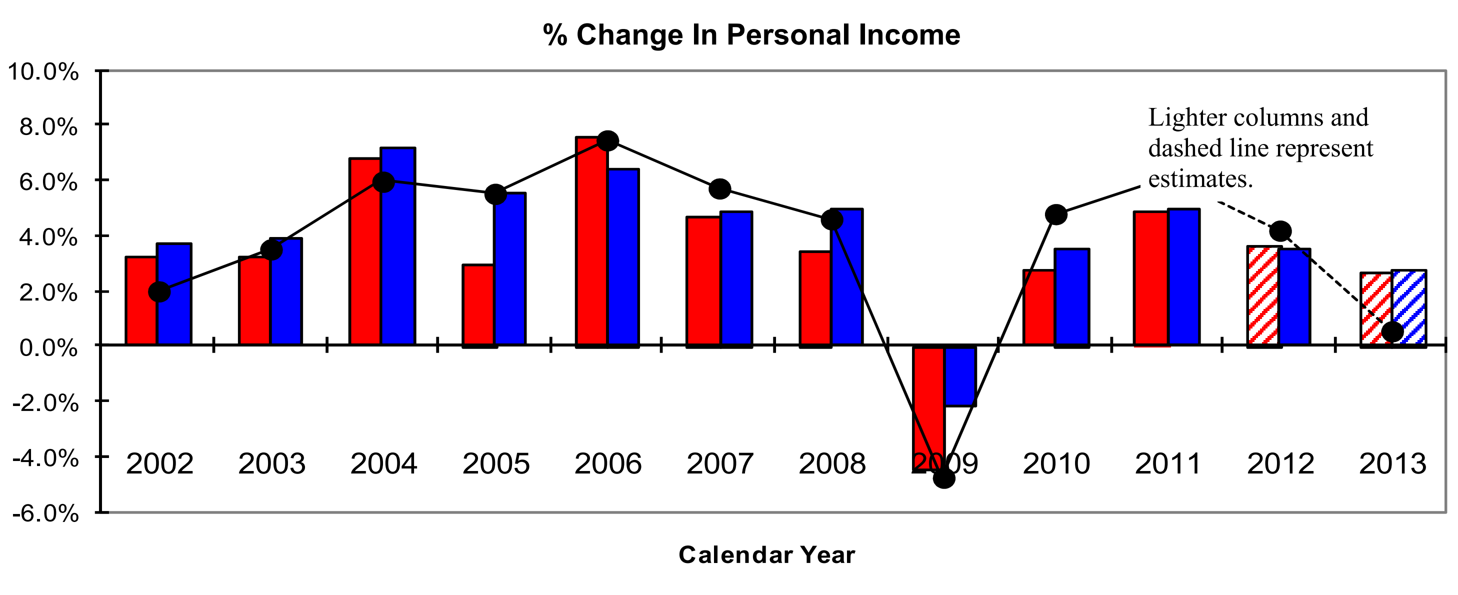
Sage Policy Group, Inc. (Sage), the Spending Affordability Committee's economic consultant, predicts in its July 2013 report that Baltimore County's personal income (PI) has increased by 2.92% in FY 2013. Further, Sage estimates that the County's PI grew 4.04% in FY 2012. These rates represent a deceleration from the FY 2011 actual growth rate of 4.56%. Maryland's PI is forecast to increase by 2.91% in FY 2013, a deceleration from its actual growth of 4.04% in FY 2012. Longer term, PI growth in Baltimore County is expected to be 4.09% in FY 2014, which, while reflecting anticipated continued improvement, is significantly less than the 6.75% growth achieved in FY 2007. PI in Maryland is expected to grow by 4.26% in FY 2014.

Continued modest personal income growth is projected, with improved growth expected in FY 2015.

Over the 2002 to 2012 period, PI in Maryland increased at a similar pace as national PI, with total increases of 51.5% and 51.7%, respectively, while PI in Baltimore County lagged, with an increase of 40.9%. The most recent quarterly reading for Maryland shows that PI decreased by 0.86% from 2012:Q4 to 2013:Q1, which is a lesser decline than the national PI decrease of 1.1% over the same period. (County data are reported annually.) Nationally, in 2013:Q1, wages and salaries comprised 50.5% of PI. Old-age/disability/health insurance benefits, which now make up 13.5% of PI, have seen an increase of 4.3% since 2012:Q1. Meanwhile, unemployment benefits have decreased 23.7% over the same time period and now represent 0.5% of PI. The Federal Reserve has suggested that nominal household wealth is at its highest point ever, however, personal income growth is still expected to increase modestly in FY 2013 and FY 2014, with accelerated growth going into FY 2015.

The County's Spending Affordability Committee recommended a spending growth limit of 3.07% for FY 2014.

For FY 2014, the County's Spending Affordability Committee recommended a maximum spending growth rate of 3.07% based on a 5-year average of Sage's January 2013 estimates of annual County PI growth for FY 2010 to FY 2014. Sage's July 2013 forecasts of annual County PI growth for FY 2014 and FY 2015 are 4.09% and 4.96%, respectively. Based solely on these forecasted rates and the estimated growth in prior years, the projected maximum spending growth recommendation would be 4.11% for FY 2015 and 4.24% for FY 2016.



Estimate source: Sage Policy Group, July 2013

EXISTING HOME SALES

In June 2013, the number of existing Baltimore County homes increased by 13.8% from a year earlier.

Existing home sales in Baltimore County totaled 7,213 units in FY 2013, 10.3% above FY 2012 sales. Home sales are showing strong year-over-year growth again, with the number of homes sold in June 2013 up 13.8% from a year earlier to 843 units. These increases come after slight decreases in March 2013 and February 2013, which ended a run of 19 consecutive monthly year-over-year increases. The median price of an existing home in June 2013 was $225,000, up 7.7% from June 2012. At the same time, the active inventory in June 2013 fell 11.3% from June 2012. The BCEAC residential real estate representative reported in July that the market has shown accelerated improvement, the absorption rate (i.e., "months of inventory") fell to its lowest level since June 2006, and sales volume is likely to continue to increase in CY 2013. However, a large number of distressed properties remain on the market and could hinder the pace of recovery.

The median price of existing homes sold in Baltimore County increased 7.7% between June 2012 and June 2013.

June 2013 pending home sales were up 16.2% compared to a year earlier.

Pending existing home sales in June 2013 totaled 894, up 117 units, or 15.1%, from June 2012, following a 16.2% increase in May 2013. However, the residential real estate representative noted that a large number of pending sales continue to be distressed, threatening their ability to reach closing.

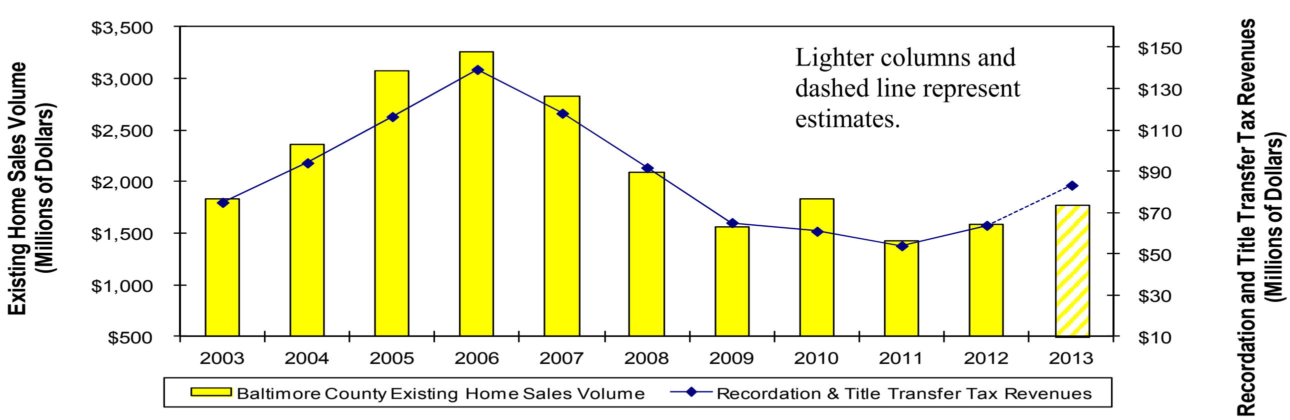
Reflecting higher mortgage interest rates and higher prices, the monthly mortgage payment for a median-priced County home sold increased 12.9% in June 2013 versus June 2012.

Mortgage interest rates (for 30-year conventional mortgages) in June 2013 were 4.07%, up 39 basis points from June 2012 when rates were 3.68%. Over this same period, as noted, the median price of an existing home sold in Baltimore County rose 7.7%, compared to an increase of 5.9% for Maryland. The monthly payment for the median-priced Baltimore County home (financed with a 30-year conventional mortgage loan) was $1,083 in June 2013, an increase from the June 2012 level of $960 (principal and interest only), due to an increase in mortgage interest rates combined with an increase in median prices. Mortgage rates are expected to increase modestly over the remainder of CY 2013.

Property-related transaction tax revenues continued to rebound in FY 2013 with an estimated increase of 30.4%, following growth of 18.3% in FY 2012. Growth is projected to continue, albeit at a slower pace, in FY 2014.

Property-related transaction tax revenues (recordation and title transfer tax revenues) totaled $63.9 million in FY 2012, an increase of 18.3% from FY 2011 collections, but 54.1% lower than peak collection levels experienced in FY 2006. Based on preliminary data, FY 2013 property-related transaction tax revenues are expected to total $83.3 million, up 30.4% from FY 2012 levels, reflecting increased transaction activity at slightly higher prices. These revenues are expected to increase again in FY 2014, largely due to a continued recovery in sales volume, with a projected increase of 5.0% to $87.4 million.

Baltimore County Existing Home Sales Volume and Recordation and Title Transfer Tax Revenues: Fiscal Years 2003—2013



CONSTRUCTION

The total value of construction permits issued in 2013:Q1 increased 36.0% from a year earlier, the best quarterly performance since 2010:Q1.

Construction is among the most volatile components of the County's economy. Construction permits issued in Baltimore County in 2013:Q1 totaled $165.4 million, $43.8 million, or 36.0%, above 2012:Q1, the best quarterly performance since 2010:Q1 when permit values increased 77.9%. The 2013:Q1 permit valuation follows a year-over-year increase of 9.6% in 2012:Q4. New residential construction surged to $48.0 million, increasing 84.4% from 2012:Q1 to 2013:Q1. New non-residential construction reached $23.4 million, an increase of $2.3 million, or 10.7%, from 2012:Q1. Four new non-residential construction permits valued at or above $250,000 were issued in the County in 2013:Q1, including permits for the new movie theater complex in Towson valued at $12.0 million, an 86-unit senior housing facility in Rossville valued at $7.85 million, an office building in Rossville valued at $3.0 million, and an office building in Perry Hall-White Marsh valued at $332,000. All four of these permits are for taxable properties.

Additions, alterations, and repairs activity in 2013:Q1 rose 26.3% from a year earlier to $94.0 million.

Additions, alterations, and repairs (AAR) activity in 2013:Q1 totaled $94.0 million, up $19.6 million, or 26.3%, from 2012:Q1 and 1.4% above the average of 1st quarter activity over the last 7 years. The total value of residential AAR permits rose 16.1% from 2012:Q1 to 2013:Q1, and the value of non-residential AAR permits rose 29.0% over the same period.

In 2013:Q1, the total number of new residential building permits increased 160.3% compared to a year earlier, and the dollar value of these permits increased 84.4%.

New residential building permit data show that the total number of permits issued in 2013:Q1 increased 160.3% from the number issued in 2012:Q1. Multi-family unit permits increased from 0 to 192, while single-family unit permits increased from 136 to 162. The total dollar value of the new residential building permits issued in 2013:Q1 increased $21.9 million, or 84.4%, from 2012:Q1 values, following a 122.6% year-over-year increase in 2012:Q4. The increase in permit values and number of permits issued is indicative of a recovering housing market; however, the value of new residential building permits in 2013:Q1 remains below the 7-year average of 1st quarter activity.

Construction employment represented 6.1% of County jobs in 2012:Q4.

Construction employment represented 6.1% of County jobs and had an average wage rate 26.6% above the County average in 2012:Q4 (the most recent data available). Construction activity continues to support high quality jobs.