BALTIMORE COUNTY FISCAL DIGEST

GENERAL FUND REVENUES & THE ECONOMY

Baltimore County, Maryland

November 30, 2013

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December 20, 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 November 30, 2013. This report summarizes current economic conditions affecting the County and includes updated final (unaudited) FY 2013 General Fund revenues as well as a revised FY 2014 General Fund revenue projection.

FY 2013 (unaudited) revenues totaled approximately $1,701.9 million, an increase of $71.9 million, or 4.4%, over FY 2012 revenues. These collections reflect an increase of $94.0 million, or 5.8%, from the original budget estimate. This increase was primarily driven by higher-than-anticipated income tax revenue, a result of both strong quarterly distributions fueled by capital gains and large reconciling payments from prior tax years. Another significant source of growth was property-related transaction tax (i.e., title transfer and recordation) revenues, which, driven by an increase in the number of homes sold in the County, surged by $19.7 million, or 30.8%.

In FY 2014, General Fund revenues are expected to reach $1,759.3 million, an increase of $57.4 million, or 3.4%, over the prior year and $74.3 million, or 4.4%, above current year budgeted revenues. As in FY 2013, the primary drivers are income tax and property-related transaction tax revenues. This additional revenue should allow the County to meet its FY 2014 budget with current year revenues without drawing on surplus funds. By June 30, 2014, the Unassigned General Fund Balance (Surplus) is projected to be $369.3 million, including $85.2 million in the Revenue Stabilization Reserve Account (Rainy Day account). This total represents an increase of $74.4 million over the (unaudited) June 30, 2013 Surplus of $294.9 million.

Even though County revenues continue to recover and the Surplus is at its highest level ever, there remains a great deal of concern about the future. Property taxes, the County's largest revenue source, have been flat for several years and are projected to remain flat for several more years. Direct State Aid to the County has increased after years of significant reductions, but it remains a fraction of what it was before the recession. Income tax and property-related transaction tax revenues have exceeded expectations, but there is a sense that much of this growth is either one-time or subject to wide fluctuations from year to year. This uncertainty has restrained the County's budget for the past few years, as COLAs have been non-existent, the school system has been funded at maintenance of effort, and new spending has largely been directed to one-time expenditures for capital projects.

This same uncertainty is also prevalent in the local economy, and it appears to be throttling growth. At the October meeting of the Baltimore County Economic Advisory Committee (BCEAC), members questioned the optimistic economic indicators. Personal income is growing, housing is rebounding, and interest rates are low, but the consensus of the Committee was that expansion in this economy is risky and any significant hiring or new job creation is unlikely.

Looking forward, however, the County Executive announced plans for a one-time bonus of 3.0% in FY 2015 and a 3.0% COLA in FY 2016. The BCEAC's economist believes the local economy is poised for stronger growth beginning in FY 2015. His forecast for personal income growth for that year is 5.01%, followed by increases of 5.18% and 5.25% in FY 2016 and FY 2017, respectively. His forecast presumes the federal government will reach some type of a budget compromise and avoid default.

We will continue to monitor economic activity and revenue collections, as well as the federal budget deliberations and the Maryland General Assembly 2014 session. Our next update will include a preliminary revenue forecast for FY 2015 and will coincide with the Spending Affordability Committee's annual report.

Respectfully submitted,

Lauren M. Smelkinson

Lauren M. Smelkinson, CPA
County Auditor

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

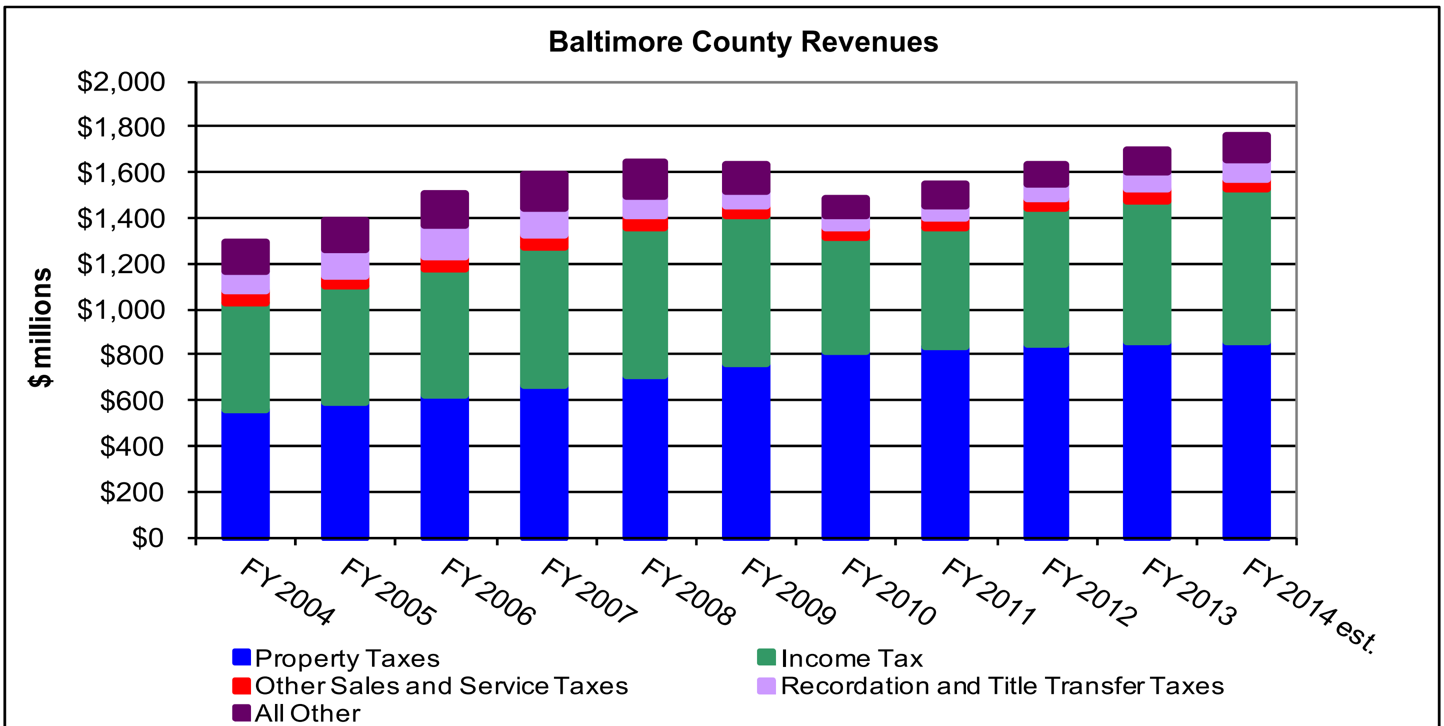
REVENUE HIGHLIGHTS

Unassigned General Fund Balance (Surplus) as of June 30, 2013 totaled $209.9 million, or 12.2% of the FY 2014 General Fund budget, based on the most recent unaudited financial records. 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 totaled $85.0 million as of June 30, 2013. The expected Surplus balance and Rainy Day amounts together total $294.9 million, or 17.1% of the FY 2014 General Fund budget. Audited Surplus figures as of June 30, 2013 should be available by late December.

FY 2013 County General Fund revenues totaled approximately $1,701.9 million, an increase of $71.9 million, or 4.4%, over FY 2012 collections. This projection represents an increase of $94.0 million, or 5.8%, over original FY 2013 budgeted revenues. The unbudgeted revenues in FY 2013 were primarily due to strong quarterly income tax distributions (fueled by capital gains) and large reconciling distributions (which grew for the third consecutive year due to low estimated quarterly income tax remittances). Overall, income tax revenue grew by $30.9 million, or 5.2%, over FY 2012. The other source of revenue growth was from property-related transaction tax (i.e., title transfer and recordation) revenues, which driven by an increase in the number of homes sold in the County, grew by $19.7 million, or 30.8%, over the prior-year level.

FY 2013 General Fund revenues were 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 assessments. Property tax revenues grew by only 1.0% in FY 2013. 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 to slow property tax revenue growth, 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 $1,759.3 million, up approximately $57.4 million, or 3.4%, from FY 2013 revenue totals and $74.3 million, or 4.4%, over FY 2014 budgeted revenues. The projected 3.4% revenue increase in FY 2014 primarily reflects the collection of a reconciling income tax distribution in November that was $29.1 million higher than in the previous year. In addition, the quarterly distribution of income tax withholdings and estimated payments also came in higher than expected, showing 4.8% growth. While a large portion of the growth in income tax revenue is likely one-time, a significant component is likely ongoing, a result of the economic recovery. Property tax revenues in FY 2014 are once again expected to be flat due to falling assessments. Property-related transaction tax collections are expected to show continued growth due to increased home sales, but revenue growth will be far more modest than what occurred in FY 2013. 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. This forecast of revenues and State aid does not assume another federal government shut down or any additional, significant reductions in federal spending.



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, with flat property tax revenues.

($ Millions) Revenue Source	Actual FY 2012	FY11-12 Change	Unaudited FY 2013	FY12-13 Change	Est. FY 2014	FY13-14 Change
Property Taxes	$ 845.2	1.0%	$ 853.9	1.0%	$ 854.0	0.0%
Income Tax	593.2	15.3%	624.1	5.2%	672.8	7.8%
Sales & Service Taxes	43.3	0.5%	44.5	2.8%	44.5	0.0%
Recordation Tax	20.4	11.5%	30.6	50.0%	32.0	4.6%
Title Transfer Tax	43.5	21.8%	53.0	21.8%	56.0	5.7%
Intergovernmental	31.5	-7.9%	37.7	19.7%	42.2	11.9%
All Other	52.9	-18.4%	58.1	9.8%	57.8	-0.5%
Total Revenue	$ 1,630.0	5.3%	$ 1,701.9	4.4%	$ 1,759.3	3.4%

The Baltimore County Economic Advisory Committee (BCEAC) expressed mixed sentiments with respect to the local economic recovery at its October 2013 meeting, noting that some sectors are currently performing well while others continue to struggle. The Committee observed that the local residential real estate market continues to show signs of improvement, retail vacancy rates are on the decline in some areas, and manufacturers that export are performing well. 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 expressed mixed sentiments and uncertainty in its outlook for 2014. Members' near-term outlook reflects the following factors:

- **Recent retail reports indicate that consumers are showing an increased willingness to spend.** Nationally, consumers' discretionary spending, which is spending on things consumers want rather than things they need such as housing or food, increased 34.2% from October 2012 to October 2013. Consumer confidence is critical to the economy because the consumer accounts for approximately two-thirds of total economic activity. The Committee's retail representative reported strong luxury sales in jewelry and women's accessories, particularly among customers in their 50's and 60's. Younger jewelry customers, however, have not returned as expected.

- **The County's unemployment rate remains higher than both the State and national averages, and more than 11,700 jobs located in the County were lost during the first quarter of 2013.** The Committee's employment representative noted that conversion of temporary workers to full-time workers, which previously was increasing, has now completely stopped. The Committee's economic consultant noted that the effect of federal funding reductions on employment in the County has been limited, although the uncertainty surrounding the federal government is likely subduing job growth.

- **Local residential real estate prices are slowly rising,** and the Committee's residential real estate representative reported that sales prices for foreclosed and short-sale properties are now closer to market value than in recent months. It was noted that while the characteristics of market activity are very different around the County, overall home sales have increased. However, high-end market activity remains sluggish. The number of pending sales in October 2013 was ahead of closed sales for October 2012, and in September 2013, 142 more homes were sold in the County than in September 2012. Residential construction has also been on the rise, though not as significantly as in other counties, and it was noted that the County may have less available developable land than other jurisdictions. 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 in FY 2014.

NATIONAL ECONOMIC INDICATORS

In 2013:Q3, the U.S. economy grew at an annualized rate of 2.8%.

After growing by 2.8% in 2012, real GDP growth is projected to decelerate to 1.5% in 2013, followed by an acceleration in 2014.

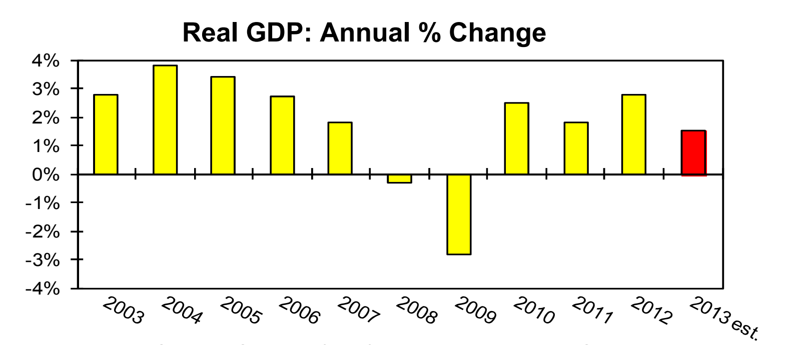
Real U.S. Gross Domestic Product (GDP) in 2013:Q3 increased at an annualized rate of 2.8%. This quarter's performance represents a continuing acceleration from the 2013:Q2 and 2013:Q1 annualized increases of 2.5% and 1.1%, respectively. The major factor contributing to the acceleration in 2013:Q3 was an increase in gross private domestic investment, primarily nonresidential structures and residential investment, which increased 12.3% and 14.6%, respectively. Due to the continuing effects of the federal sequestration, federal government consumption expenditures continued to damper the pace of overall economic recovery. This quarter's federal spending decrease of 1.7% was the fourth consecutive quarterly decrease, however, it was substantially less severe for the second consecutive quarter than the decreases in 2013:Q1 and 2012:Q4 of 8.4% and 13.9%, respectively. For all of 2012, real GDP grew by 2.8%, an acceleration from the 1.8% growth experienced in 2011 and exceeding the 10-year average growth of 1.9%. The October 2013 release of the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters* projected real GDP growth to 1.5% for all of 2013, followed by an acceleration of the estimate for growth in 2014 to 2.6%. Despite many positive economic signs and a surging, record-high stock market, economists project GDP growth to remain tepid, with sub-3.0% growth through 2016.

Real consumer spending grew at an annualized rate of 1.5% in 2013:Q3.

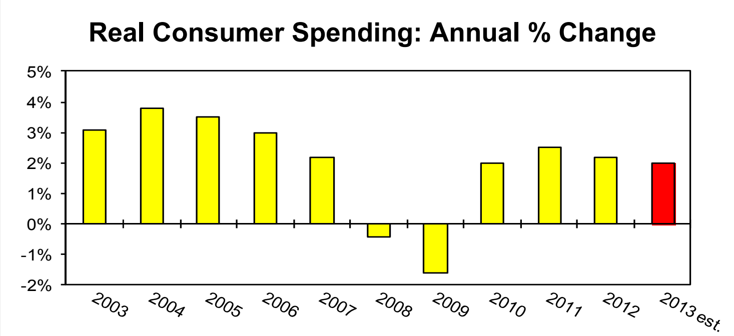
Real consumer spending, which accounts for roughly two-thirds of all U.S. economic activity, continues to show positive growth, increasing 2.2% for all of 2012, the third consecutive yearly increase following two consecutive decreases. Consumer spending slowed slightly during 2013:Q3, increasing at an annualized rate of 1.5% following an increase of 1.8% in 2013:Q2. From 2013:Q2 to 2013:Q3, consumer spending on durable goods continued to show a strong increase, accelerating from 6.2% to 7.8%. Over the same period, growth in consumer spending on non-durable goods accelerated from 1.6% to 2.7%, while consumer spending on services continued to decelerate, slowing from 1.2% to 0.1%. The *Survey of Professional Forecasters* projects that consumer spending will increase by 2.0% for all of 2013.

Consumer confidence decreased sharply in October followed by a moderate decrease in November.

Consumer confidence, based on a survey of 5,000 U.S. households by The Conference Board (a well-known economic research organization), decreased sharply in October followed by a moderate decrease in November, with both the "Present Situation Index" and "Expectations Index" decreasing. Uncertainty regarding federal fiscal policy continues to damper consumers' outlook. The Conference Board noted that "Sentiment regarding current conditions was mixed....However, these sentiments did not carry over into the short-term outlook." The Board further reported that for the long-term, "consumers expressed greater concern about future job and earning prospects, but remain neutral about economic conditions." The Board expressed concern regarding the upcoming holiday shopping season.



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



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

The Federal Reserve's Federal Open Market Committee (FOMC) held interest rate targets between 0% and 0.25% at its October 30, 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 October 30, 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 is expected to remain in place until unemployment falls below 6.5% or until long-term inflation exceeds 2.5%. The FOMC stated that the economy has continued to expand at a moderate pace, and noted that while labor market conditions, household spending, and business investment have shown further improvement, the unemployment rate remains elevated, recovery in the housing sector has slowed, and fiscal policy continues to restrain economic growth. Additionally, the FOMC "sees the downside risks to the outlook for the economy and labor market as having diminished, on net, since last fall." 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% objective.

INTEREST RATE CHANGE FROM OCTOBER 2012 TO OCTOBER 2013

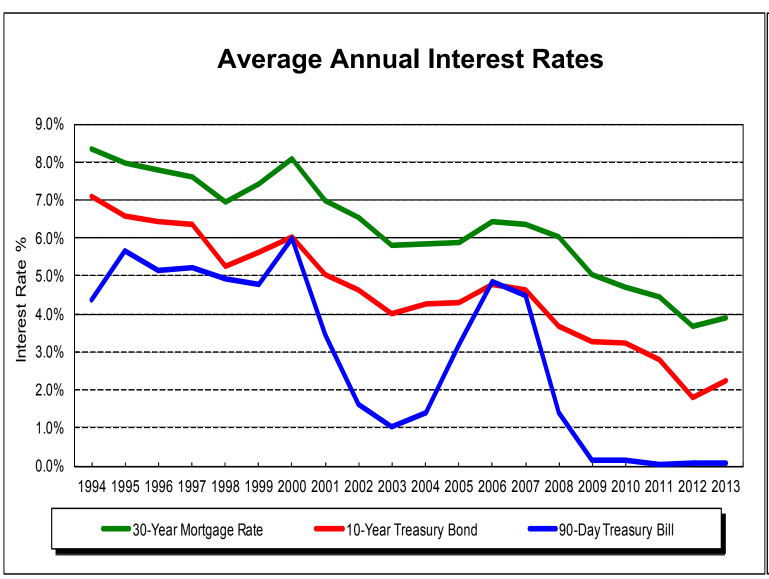
	Basis Points*
90-Day Treasury Bills	-5
10-Year Treasury Bonds	87
30-Year Conventional Mortgage	81

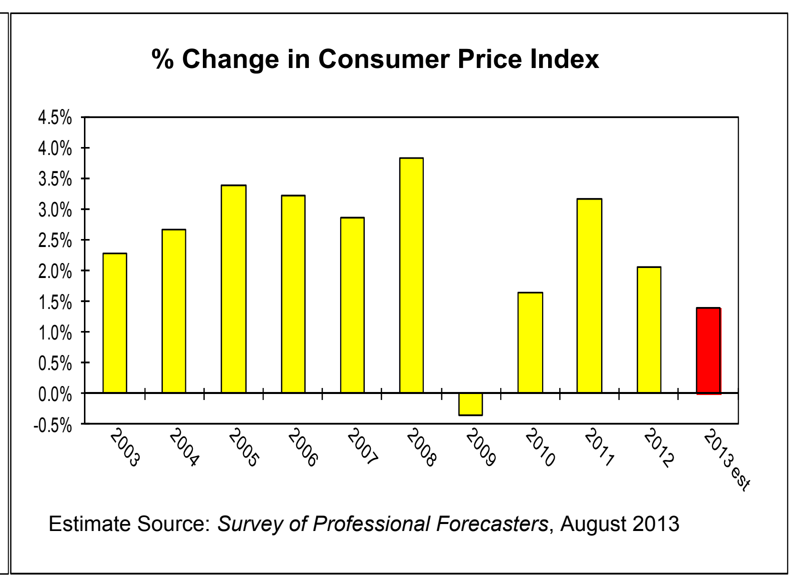
* A basis point is equal to .01 percentage point.

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 October 2012 to October 2013, consumer inflation was 1.0%. Inflation is forecast at 1.4% and 2.0% for CY 2013 and CY 2014, respectively.

Inflation, as measured by the Consumer Price Index-All Urban Consumers (CPI-U), was 1.0% over the October 2012 to October 2013 period. This modest price growth is largely driven by an increase in apparel costs. Core inflation (which excludes food and energy inflation) was 1.7% over the October 2012 to October 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 1.4%, followed by 2.0% for CY 2014, according to the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters*, August 2013. The *Survey* projects that annual inflation will average 2.2% over the 2013 to 2022 period, after an actual increase of 2.5% over the 2003 to 2012 period.





LOCAL ECONOMIC PERSPECTIVE

EMPLOYMENT

County employment has surpassed pre-recession levels and continues to outpace the State's growth rate; however, year-over-year employment decreased in October 2013.

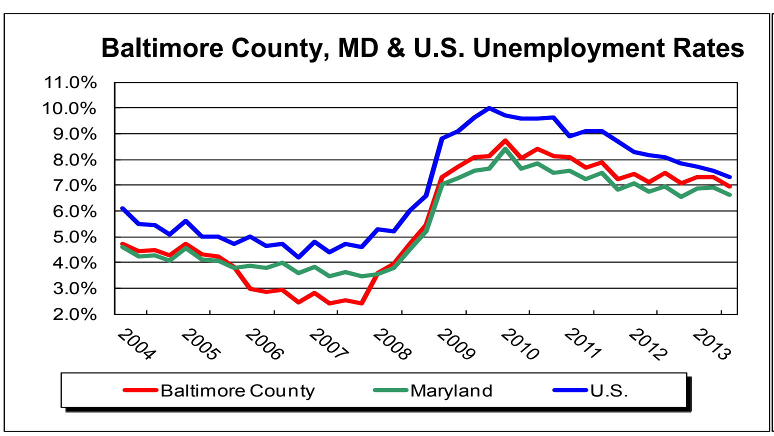
Employment, as measured by place of residence, decreased in October 2013 on a year-over-year basis in both Baltimore County and Maryland. Over the October 2012 to October 2013 period, Baltimore County residential employment decreased by 3,941 persons, or 0.9%, while Maryland residential employment decreased by 37,261 persons, or 1.3%. The decreases likely reflect effects from the partial government shutdown that occurred during the month. October 2013 also marked the 1st decrease after 43 consecutive months of year-over-year employment gains in Baltimore County. County employment has surpassed pre-recession levels; however, additional employment growth is needed to address the stubborn problem of the long-term unemployed (those jobless for 27 weeks or more).

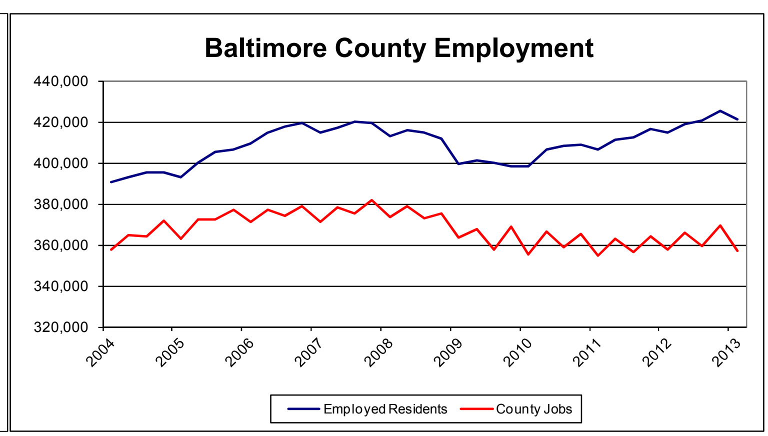
The number of County jobs decreased by 0.1% over the 2012:Q1 to 2013:Q1 period, while County employer payrolls rose 0.1%.

Jobs data (by place of work) show that from 2012:Q1 to 2013:Q1, the number of jobs in Maryland increased by 0.9% and the number of jobs in Baltimore County decreased by 0.1%, as Baltimore County employers shed approximately 516 positions. Payrolls rose 0.1% in Baltimore County and 0.4% at the State level. Nationally, non-farm payrolls increased by approximately 2.2 million jobs, or 1.7%, from 2012:Q3 to 2013:Q3. The pace of job growth has modestly increased in recent months, with the nation adding an average of 163,300 jobs per month in 2013:Q3, down from an average of 182,000 jobs per month in 2013:Q2. Sage Policy Group, Inc. (the Spending Affordability Committee's economic consultant) predicts job growth of 0.6% and 1.5% in the County and Maryland, respectively, in CY 2013, which is below anticipated national job growth of 1.6%. These forecasts slightly exceed anticipated CY 2013 population growth of 0.5% and 0.6% in the County and Maryland, respectively, which is a modestly positive sign for the regional economy.

The County's October 2013 unemployment rate was 6.9%, which is higher than the State unemployment rate but below the national rate.

The unemployment rate among County residents was 6.9% in October 2013, down from 7.1% a year earlier but higher than the current State rate of 6.7%. The decreased unemployment rate for the County is attributable to a decline in the labor force, which from October 2012 to October 2013 fell 5,222, more than the 2,199 residents who were removed from employment rolls over that same time period. As of July 2013, the County had the 15th lowest unemployment rate among the 24 local jurisdictions in Maryland. Excluding Baltimore City, the October 2013 Towson MSA unemployment rate was 6.3%. Nationally, the seasonally adjusted unemployment rate was 7.3% in October 2013, down from the October 2012 rate of 7.9%. In October, BCEAC members noted that County employment is mostly holding steady and that effects from federal spending cuts seem to be limited. However, businesses still appear to be hesitant to increase staffing due to uncertainty over federal fiscal policy, and converting temporary positions to full-time has stalled.





PERSONAL INCOME

The Spending Affordability Committee's economic consultant currently projects that County personal income growth was 2.75% in FY 2013, will be 3.53% in FY 2014, and will be 5.01% in FY 2015.

Sage Policy Group, Inc. (Sage), the Spending Affordability Committee's economic consultant, predicts in its October 2013 report that Baltimore County's personal income (PI) will increase by 3.53% in FY 2014. Further, Sage estimates that the County's PI grew 2.75% in FY 2013. These rates represent a deceleration from the FY 2012 estimated growth rate of 4.04%. Maryland's PI is forecast to increase by 3.71% in FY 2014, an acceleration from its estimated growth of 2.73% in FY 2013 and 18 basis points above the forecast for the County. Longer term, PI growth in Baltimore County is expected to be 5.01% in FY 2015, which, while reflecting anticipated notable improvement, is significantly less than the 6.75% growth achieved in FY 2007. PI in Maryland is expected to grow by 5.10% in FY 2015.

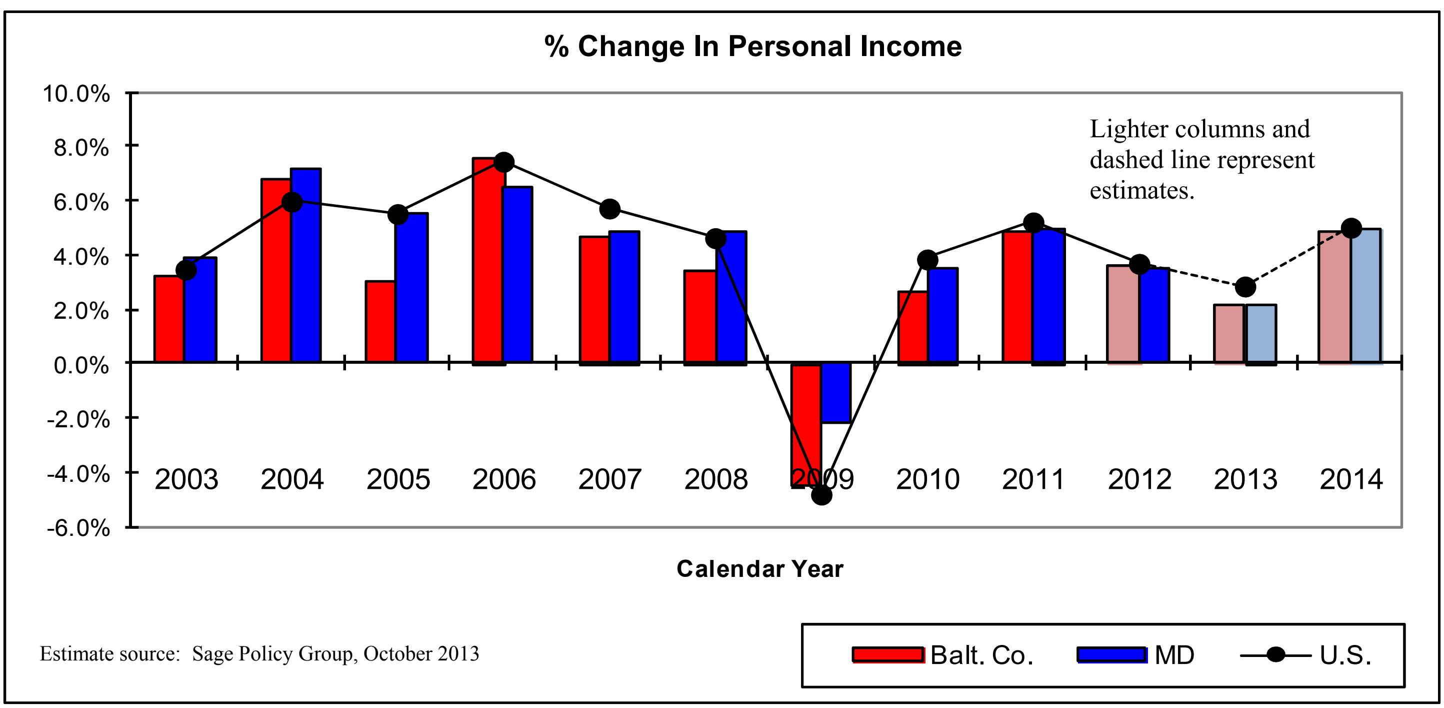
Over the last decade, personal income growth in the County has lagged growth at both the state and national levels.

Over the 2001 to 2011 period, PI in Maryland increased at a faster pace than national PI, with total increases of 51.7% in Maryland and 45.9% nationally, while PI in Baltimore County lagged, with an increase of 40.3%. The most recent quarterly reading for Maryland shows that PI increased by 1.0% from 2013:Q1 to 2013:Q2, which is equal to the national PI increase of 1.0% over the same period. (County data are reported annually.) Nationally, in 2013:Q3, wages and salaries comprised 50.3% of PI. Old-age/disability/health insurance benefits, which now make up 12.9% of PI, have seen an increase of 5.0% since 2012:Q3. Meanwhile, unemployment benefits have decreased 21.0% over the same time period and now represent 0.4% of PI. The Federal Reserve reported that nominal household wealth increased by 1.8% in 2013:Q2, and is at its highest point ever, fueled by the ongoing stock market rally and the continued housing recovery.

The nation's nominal household wealth increased by 1.8% in 2013:Q2, and is at its highest point ever.

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 October 2013 forecasts of annual County PI growth for FY 2015 and FY 2016 are 5.01% and 5.18%, respectively. Based solely on these forecasted rates and the estimated growth in prior years, the projected maximum spending growth recommendation would be 3.98% for FY 2015 and 4.1% for FY 2016.

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



EXISTING HOME SALES

In October 2013, the number of existing Baltimore County homes sold increased by 14.5% from a year earlier.

The median price of existing homes sold in Baltimore County decreased 2.5% between October 2012 and October 2013.

Existing home sales in Baltimore County totaled 7,213 units in FY 2013, 10.3% above FY 2012 sales. Home sales have recently begun to slow month-over-month but continue to show strong year-over-year growth, with the number of homes sold in October 2013 up 14.5% from a year earlier to 639 units. The median price of an existing home in October 2013 was $197,000, down 2.5% from October 2012. At the same time, the active inventory in October 2013 fell just 0.1% from October 2012. The BCEAC residential real estate representative reported in October that the market has shown continued improvement, the absorption rate (i.e., "months of inventory") continued to fall to 78, and sales volume is likely to continue to increase in CY 2014. Additionally, 26% of closings in October were cash transactions, which indicates the investment market is growing, and lot sales and new home construction are beginning to accelerate.

October 2013 pending home sales were up 0.7% compared to a year earlier.

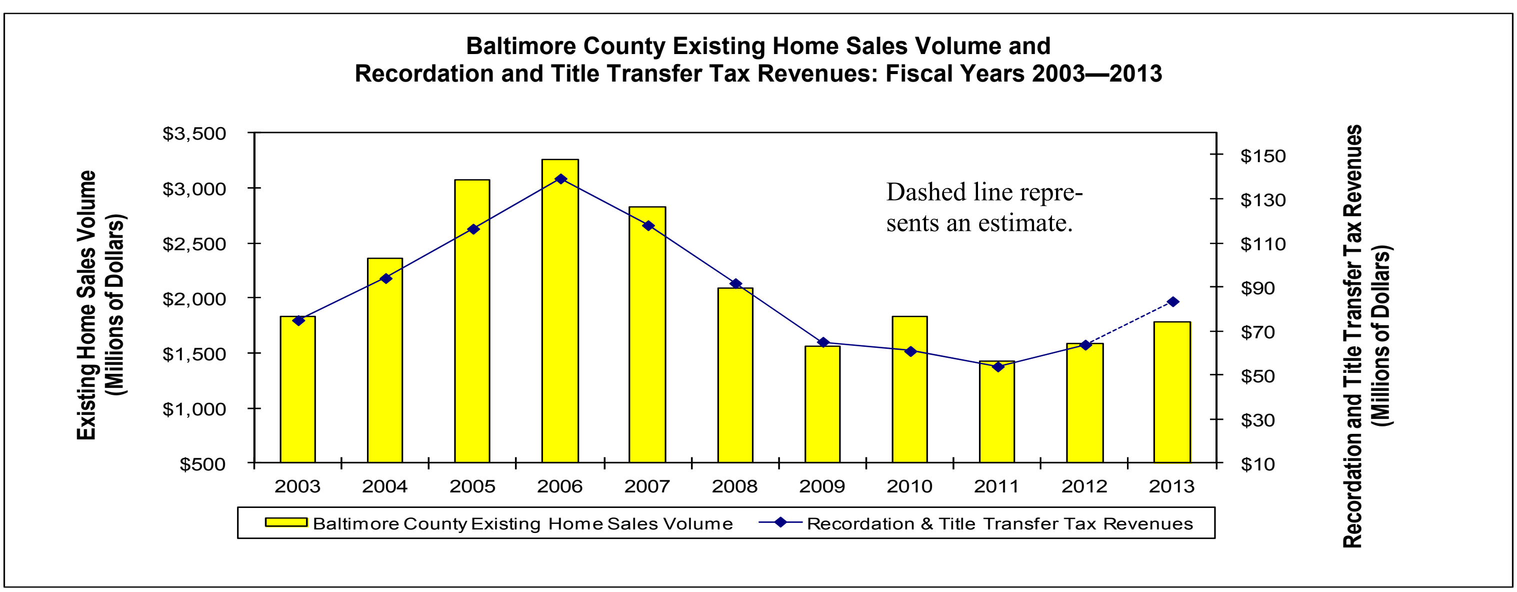
Pending existing home sales in October 2013 totaled 745, up 5 units, or 0.7%, from October 2012 following a 14.8% increase in September 2013. However, the residential real estate representative noted that many pending sales continue to be distressed, threatening their ability to reach closing.

Reflecting higher mortgage interest rates, the monthly mortgage payment for a median-priced County home sold increased 7.6% in October 2013 versus October 2012.

Mortgage interest rates (for 30-year conventional mortgages) in October 2013 were 4.19%, up 81 basis points from October 2012 when rates were 3.38%. Over this same period, as noted, the median price of an existing home sold in Baltimore County decreased 2.5%, compared to an increase of 1.1% for Maryland. The monthly payment for the median-priced Baltimore County home (financed with a 30-year conventional mortgage loan) was $962 in October 2013, an increase from the October 2012 level of $894 (principal and interest only), due to an increase in mortgage interest rates that more than offset the small drop 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 30.8%, following growth of 18.3% in FY 2012. Growth is projected to continue in FY 2014, albeit at a slower pace.

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 unaudited data, FY 2013 property-related transaction tax revenues totaled $83.6 million, up 30.8% 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 5.3% to $88.0 million.



CONSTRUCTION

The total value of construction permits issued in 2013:Q2 increased 71.8% 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:Q2 totaled $202.7 million, $84.7 million, or 71.8%, above 2012:Q2, the best quarterly performance since 2010:Q1 when permit values increased 77.9% above 2009:Q1. The 2013:Q2 permit valuation follows a year-over-year increase of 36.0% in 2013:Q1. New residential construction surged to $55.6 million in 2013:Q2, increasing 24.6% from 2012:Q2. New non-residential construction reached $21.9 million in 2013:Q2, an increase of $18.7 million, or 581.6%, from 2012:Q2. Nine new non-residential construction permits valued at or above $350,000 were issued in the County in 2013:Q2, including permits for the new movie theater parking garage in Towson valued at $13.0 million, an athletic club in Rossville valued at $2.5 million, and a religious assembly hall in Randallstown valued at $1.7 million.

Additions, alterations, and repairs activity in 2013:Q2 rose 78.4% from a year earlier to $125.1 million.

Additions, alterations, and repairs (AAR) activity in 2013:Q2 totaled $125.1 million, up $55.0 million, or 78.4%, from 2012:Q2 and 17.7% above the average of 2nd quarter activity over the last 7 years. The total value of residential AAR permits rose 12.9% from 2012:Q2 to 2013:Q2, and the value of non-residential AAR permits rose 99.0% over the same period.

In 2013:Q2, the total number of new residential building permits increased 16.6% compared to a year earlier, and the dollar value of these permits increased 24.6%.

New residential building permit data show that the total number of permits issued in 2013:Q2 increased 16.6% from the number issued in 2012:Q2. Multi-family unit permits increased from 54 to 96, while single-family unit permits increased from 235 to 241. The total dollar value of the new residential building permits issued in 2013:Q2 increased $11.0 million, or 24.6%, from 2012:Q2 values, following a 84.4% year-over-year increase in 2013:Q1. The increase in permit values and number of permits issued is indicative of a recovering housing market. The value of new residential building permits in 2013:Q2 is above the 7-year average of 2nd quarter activity.

Construction employment represented 5.9% of County jobs in 2013:Q1.

Construction employment represented 5.9% of County jobs and had an average wage rate 14.8% above the County average in 2013:Q1 (the most recent data available). Construction activity continues to support high quality jobs.