BALTIMORE COUNTY FISCAL DIGEST

GENERAL FUND REVENUES & THE ECONOMY

Baltimore County, Maryland

September 1, 2015

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September 29, 2015

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 September 1, 2015. This report summarizes current economic conditions affecting the County and includes an updated FY 2015 General Fund revenue estimate and a preliminary FY 2016 General Fund revenue projection.

FY 2015 revenues are expected to total $1,819.4 million, representing an over-attainment of $35.2 million, or 2.0%, above FY 2015 budgeted revenues due primarily to continued gains in income tax and property-related transaction taxes. Anticipated FY 2015 revenues reflect growth of $330 million since FY 2010, when collections were at their recent low. During the period from FY 2010 to FY 2015, income tax revenue increased by $200.6 million, reflecting recovery in employment and personal income, and property-related transaction tax revenues increased by $31.0 million, reflecting a partial rebound from the housing bust. The County is currently projected to end FY 2015 with a General Fund Balance (Surplus) of approximately $134.6 million, with an additional $89.6 million of fund balance assigned to the FY 2016 budget for one-time expenditures. In addition to the Surplus balance, the Revenue Stabilization Reserve Account (Rainy Day account) balance is expected to total $89.3 million as of June 30, 2015. The expected Surplus balance and Rainy Day amounts together total $223.9 million, or 11.5% of the FY 2016 General Fund budget. The Surplus projection is based on the FY 2015 expenditure estimates reported in the Executive's Budget Message on April 14, 2015. It is expected that the actual year-end Surplus total for FY 2015, which should be available at the end of the year, will be higher.

The preliminary FY 2016 revenue forecast of $1,867.0 million is $47.6 million, or 2.6% above the revised FY 2015 estimate. The primary contributor to this modest growth is new revenue collected from billing for County EMS ambulatory trips, which is anticipated to total $21 million in FY 2016. Income tax revenue is expected to increase modestly due to continued gains in employment combined with anticipated wage growth. The County is likely to see its first hit to income tax collections related to the Wynne case in FY 2016, which will be more than offset by gains in withholdings. Property tax revenue, the County's largest revenue source, is expected to show modest growth due to the State's reassessment of the County's eastern region, which showed an increase of 6.4% in property value. This increase will be partially offset by an increase in Homestead Property Tax credits, but it is reflective of the County's second consecutive year of growth in its assessable base. Additionally, home sales are expected to continue to increase, fueling an increase in property-related transaction tax revenues.

The Baltimore County Economic Advisory Committee (BCEAC) did not meet in July 2015; however, several committee members provided favorable feedback on the performance of the local economy. Local residential real estate prices are rising but, in July, the portion of sales made up of distressed properties ticked up. Commercial and retail vacancy rates are low, and growth in the private sector is driving increased hiring. In addition, recent labor reports indicate that the County's unemployment rate was 5.8% in July 2015, slightly above the State's rate of 5.4%, but a significant improvement from the County's 6.6% unemployment rate last July.

We will continue to monitor economic activity and revenue collections, as well as developments with the State and federal governments. Our next meeting of the BCEAC is October 5th.

Respectfully submitted,
Lauren M. Smelkinson
Lauren M. Smelkinson, CPA
County Auditor

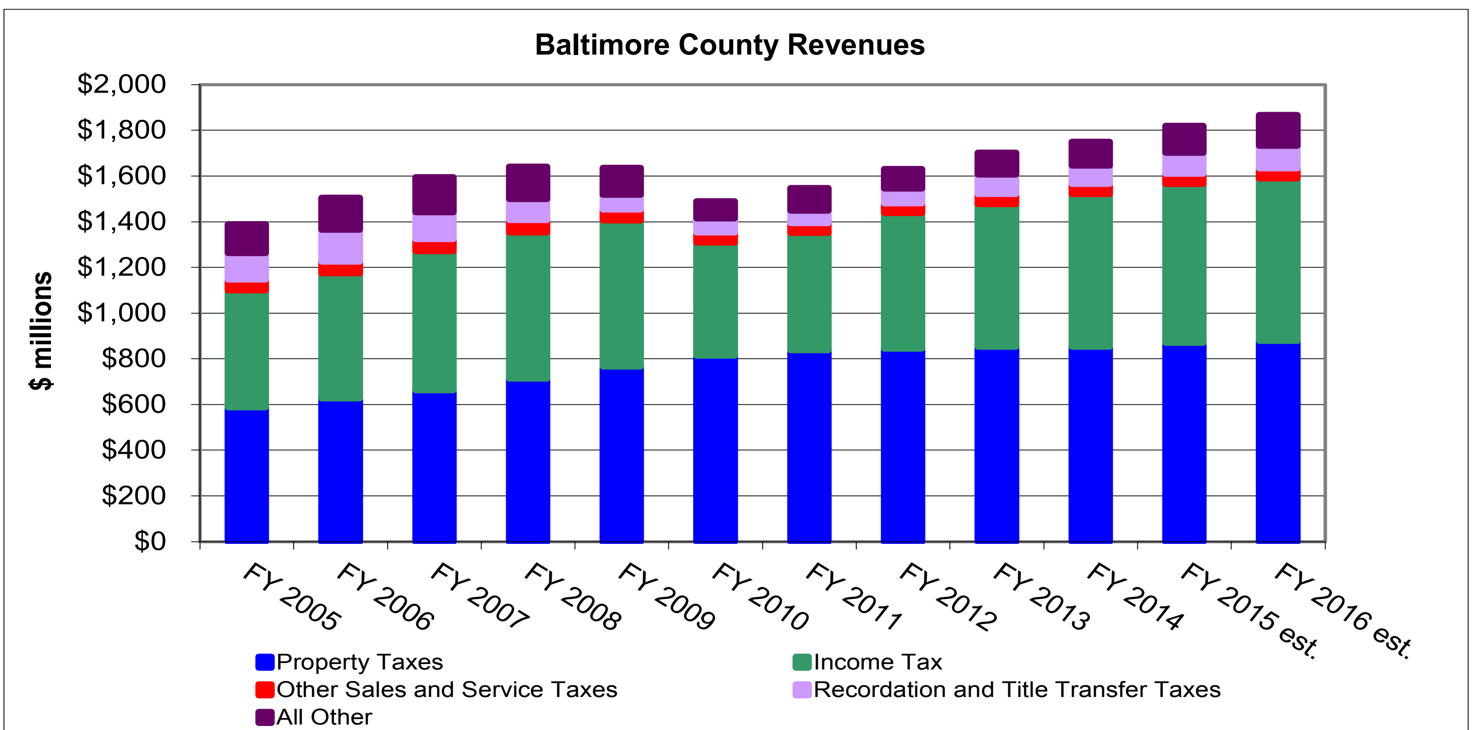
cc: Baltimore County Spending Affordability Committee; Baltimore County Economic Advisory Committee

REVENUE HIGHLIGHTS

Unassigned General Fund Balance (Surplus) as of June 30, 2015 is expected to total approximately $134.6 million, or 6.9% of the FY 2016 General Fund budget, based on the most recent unaudited financial records. This amount does not include $89.6 million that was assigned as a source of funding for the FY 2016 budget. In addition to the Surplus balance, the Revenue Stabilization Reserve Account (Rainy Day account) balance is expected to total $89.3 million as of June 30, 2015. The expected Surplus balance and Rainy Day amounts together total $223.9 million, or 11.5% of the FY 2016 General Fund budget. Actual Surplus totals as of June 30, 2015, which will reflect final FY 2015 revenues and expenditures, should be available by the end of the year.

FY 2015 General Fund revenues are expected to total approximately $1,819.4 million, an increase of $68.9 million, or 3.9%, over FY 2014 collections. This projection represents an over-attainment of $35.2 million, or 2.0%, over FY 2015 budgeted revenues. The projected 3.9% revenue increase in FY 2015 is primarily due to continued gains in income tax and property-related transaction tax (i.e., recordation and title transfer tax) revenues, totaling $28.4 million and $12.0 million, respectively. In addition, this increase is buoyed by new revenues collected from the County's single-stream recycling facility as well as a $6.5 million reversion from the Baltimore County Public Library's fund balance. The most striking year-to-date gain is the increase in property-related transaction tax revenues, which represents growth of 15.0% and is attributable to increased home sales, moderately rising prices, and a one-time $2 million receipt related to the transfer of the former RG Steel property in Sparrows Point. State and federal aid is expected to essentially equal budgeted levels of $43.0 million, a slight $0.5 million decrease from FY 2014 collections.

FY 2016 General Fund revenues are projected to reach $1,867.0 million, up approximately $47.6 million, or 2.6%, from the revised FY 2015 revenue estimate and up $82.8 million, or 4.6%, over budgeted FY 2015 revenues. The modest increase in FY 2016 General Fund revenues is due to the impact of a moderately expanding economy combined with new revenue collected from County emergency medical services ambulatory transports, which is estimated to total $21 million in FY 2016, according to the Office of Budget and Finance. FY 2016 income tax revenue is forecast to be 2.2% higher than FY 2015 estimated collections due to continued gains in the job market combined with anticipated modest gains in wage growth, which has been stagnant in recent years. This increase is expected to be partially offset by the County's first repayment related to the Wynne case, which is anticipated to occur during the fourth quarter of FY 2016. Property tax revenues are expected to increase slightly, by 1.0%, due to the State's recent reassessment of the County's eastern region, which showed modest growth that was partially offset by an increase in Homestead Property Tax credits. Property-related transaction tax revenues are expected to show modest gains from continued growth in both sales volume and prices, and are anticipated to total $97.9 million. The State aid reductions implemented in recent years are not expected to be compounded in FY 2016; however, the County is not expected to receive any notable increases aside from an increase of approximately $2.1 million in direct funding to Police Aid.



REVENUE FORECAST & ECONOMIC OUTLOOK

FY 2015 General Fund revenue growth, primarily attributable to gains in income tax and property-related transaction tax revenues, represents a continuation of the modest growth seen in recent years. FY 2016 revenues are expected to continue to grow, albeit more slowly, with modest growth in property, income, and property-related transaction tax revenues combined with new revenue collected from County emergency medical services ambulatory transports.

($ Millions) Revenue Source	Actual FY 2014	FY13-14 Change	Est. FY 2015	FY14-15 Change	Est. FY 2016	FY15-16 Change
Property Taxes	$ 853.3	-0.1%	$ 870.0	2.0%	$ 878.8	1.0%
Income Tax	667.9	7.0%	696.3	4.3%	711.6	2.2%
Sales & Service Taxes	44.4	-0.2%	44.4	0.0%	44.4	0.0%
Recordation Tax	26.4	-13.7%	29.0	9.8%	31.2	7.6%
Title Transfer Tax	53.6	1.1%	63.0	17.5%	66.7	5.9%
Intergovernmental	43.5	15.4%	43.0	-1.1%	45.5	5.8%
All Other	61.4	5.9%	73.7	20.0%	88.8	20.5%
Total Revenue	$ 1,750.5	2.9%	$ 1,819.4	3.9%	$ 1,867.0	2.6%

The Baltimore County Economic Advisory Committee (BCEAC) did not hold a meeting in July; however, the comments submitted by members expressed a favorable view of the local economy. Members reported that companies are experiencing continued growth in 2015, with increased demand driving hiring and facilities expansion. Further, members reported that commercial and retail vacancy rates are low, and noted positive signs regarding manufacturing. However, members noted that employers continue to struggle to find qualified candidates for high-skilled, well-paying job openings. Committee members also provided a number of economic insights to explain recent data, as follows:

- **Recent reports indicate that the region is seeing some wage growth, asset prices are up, and interest rates remain relatively low,** which should increase consumers' confidence regarding both the present state of the economy and the future economic outlook. Consumer confidence is critical to the economy because the consumer accounts for approximately two-thirds of total economic activity, and it is widely understood that in the present economic climate the consumer must be the driving force behind national economic growth. The Committee's commercial real estate representative noted at the April meeting that retailers must continually adjust their strategies to address public perception and keep up with consumers' demands.

- **The County's unemployment rate is falling but remains higher than the State average.** The Committee's workforce development representative stated at the April meeting that it has been difficult to connect unemployed workers to available jobs despite paid job training programs in high-demand fields. It was noted that many unemployed workers have barriers to employment that are difficult to address, such as prior convictions and failure to pass drug screenings.

- **The Committee's residential real estate representative reported that the County's residential real estate market has performed well in recent months and growth has begun to accelerate on the east and west sides.** During July, home sales were up 27.0%, sales volume rose 21.9%, and pending sales were up 11.1% in the County over the prior year. The County's months of inventory (absorption rate) of homes for sale has fallen to 3.3 months, but the $1 million and up market is keeping that number higher than it could be. It was noted that distressed properties remain a significant issue in the County, with the number of distressed sales rising 40.7% from a year earlier in July 2015; however, their percentage of total sales only rose 2.2% over the same period. A high volume of distressed properties drags down median sales prices, especially now that short sales have largely been replaced by foreclosures, which on average sell for a much lower price. County property-related transaction tax revenues showed strong growth in FY 2015 due to high sales volume, and this growth is expected to continue, though at a slower pace, in FY 2016.

NATIONAL ECONOMIC INDICATORS

In 2015:Q2, the U.S. economy grew at an annualized rate of 3.7%.

Real U.S. Gross Domestic Product (GDP) in 2015:Q2 increased at an annualized rate of 3.7% according to data released August 27, 2015. 2015:Q2's performance is an acceleration from an increase of 0.6% in 2015:Q1, and marked a better performance than economists originally anticipated. The major factor contributing to the acceleration in 2015:Q2 was gross private domestic investment, which increased by 5.2%. Residential investment led the way with a 7.8% increase, while nonresidential investment, particularly intellectual property products (research and development), also posted strong increases of 3.2% and 8.6%, respectively. In addition, the national trade deficit slightly shrunk, with exports of goods and services growing by 5.2%, offsetting lesser growth in imports of 2.8% during the same period. Further, state and local governments boosted their spending in 2015:Q2, posting an annualized increase of 4.3%. For all of 2014, real GDP grew by 2.4%, an acceleration from the 1.5% growth experienced in 2013 and exceeding the 10-year average growth of 1.5%. The August 2015 release of the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters* projects real GDP growth of 2.3% for all of 2015, followed by a slight acceleration to 2.8% in 2016. The *Survey of Professional Forecasters* projects GDP growth to remain below 3.0% for the foreseeable future; despite holding steady, the GDP growth rate remains below pre-recession levels of 3.8% and 3.3% in 2004 and 2005, respectively.

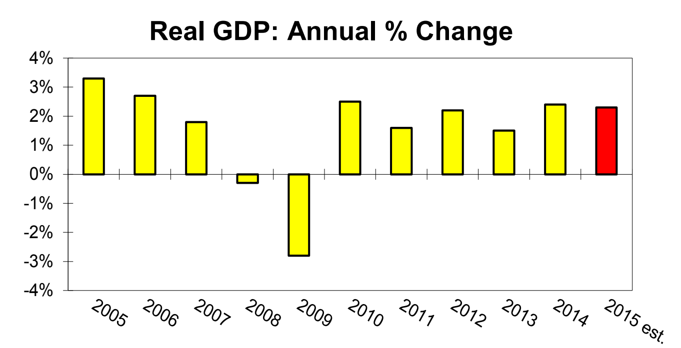
After growing by 2.4% in 2014, real GDP is projected to slightly decelerate to 2.3% in 2015, followed by an increase of 2.8% in 2016.

Real consumer spending grew at an annualized rate of 3.1% in 2015:Q2.

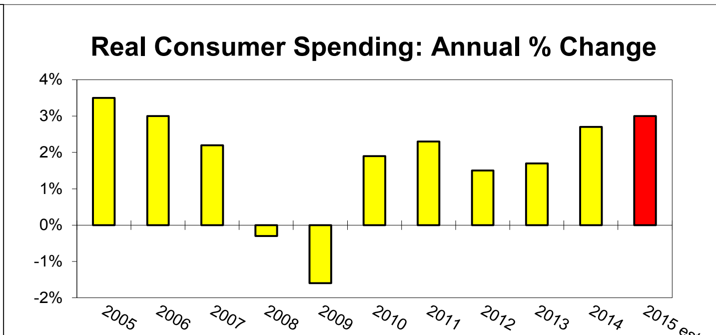
Real consumer spending, which accounts for roughly two-thirds of all U.S. economic activity, continues to show positive growth, increasing by 2.7% for all of 2014, the fifth consecutive yearly increase following two consecutive decreases. Consumer spending accelerated during 2015:Q2, increasing at an annualized rate of 3.1% following an increase of 1.8% in 2015:Q1. During 2015:Q2, consumer spending on durable and non-durable goods saw strong increases of 8.2% and 4.1%, accelerations from 2.0% and 0.7% increases during 2015:Q1, respectively. Over the same period, growth in consumer spending on services decelerated slightly from 2.1% to 2.0%. The *Survey of Professional Forecasters* projects that consumer spending will increase by 3.0% for all of 2015 and 2016.

Consumer confidence increased in August following a sharp decrease in July.

Consumer confidence, based on a survey of 5,000 U.S. households by The Conference Board (a well-known economic research organization), rebounded in August following a sharp decrease in July, with the "Expectations Index" responsible for a majority of the increase and the "Present Situation Index" also posting a strong gain. The Conference Board noted, "Consumers' assessment of current conditions was considerably more upbeat, primarily due to a more favorable appraisal of the labor market." The Board further reported that "[t]he uncertainty expressed last month about the short-term outlook has dissipated and consumers are once again feeling optimistic about the near future. Income expectations, however, were little improved."



Estimate Source: *Survey of Professional Forecasters*, August 2015



Estimate Source: *Survey of Professional Forecasters*, August 2015

The Federal Reserve's Federal Open Market Committee (FOMC) held interest rate targets between 0% and 0.25% at its July 29, 2015 meeting.

Interest rate targets were maintained between 0% and 0.25% at the July 29, 2015 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 the Committee sees "progress, both realized and expected, towards its objective of maximum employment and 2.0% inflation." The FOMC stated that "economic activity has been expanding moderately in recent months" and added that "the labor market continued to improve, with solid job gains and declining unemployment." Further, the FOMC noted that while household spending and the housing sector continue to improve, growth in business fixed investment and net exports remain slow. The FOMC advised that "with appropriate policy accommodation, economic activity will expand at a moderate pace, with labor market indicators continuing to move toward levels the Committee judges consistent with its dual mandate." Short-term inflation is expected to remain low, but should rise toward 2.0% in the medium term, as falling energy and import prices stabilize. The FOMC stated that it "anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen some further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term."

The FOMC expects inflation to rise gradually over the medium term, and advises that "with appropriate policy accommodation" moderate economic growth is expected.

INTEREST RATE CHANGE FROM JULY 2014 TO JULY 2015

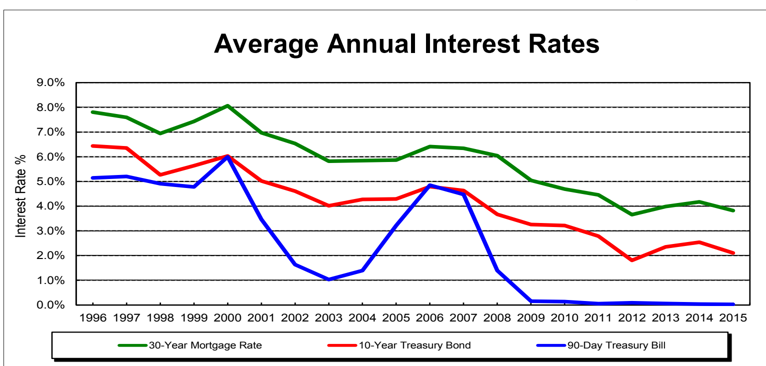
	Basis Points*
90-Day Treasury Bills	0
10-Year Treasury Bonds	-22
30-Year Conventional Mortgage	-8

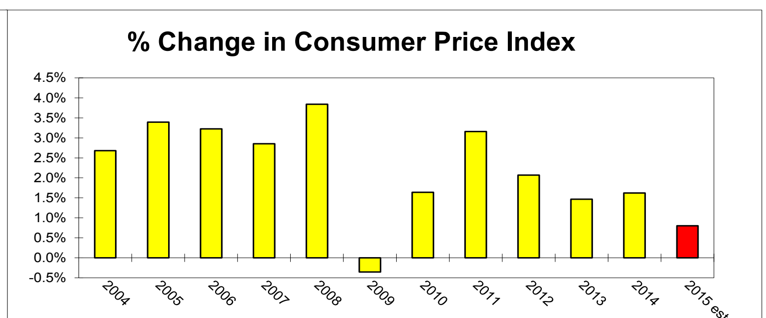
* A basis point is equal to .01 percentage point.

Short-term interest rates are likely to stay near 0%. While the FOMC has not given an exact timeframe, it is widely anticipated that a rate increase will come before the end of the year, provided long-term inflation expectations remain stable.

From July 2014 to July 2015, consumer inflation slightly increased by 0.2% and is forecast at 0.8% and 2.1% for CY 2015 and CY 2016, respectively.

Inflation, as measured by the Consumer Price Index-All Urban Consumers (CPI-U), has essentially been non-existent during CY 2015, most recently posting an increase of 0.2% from July 2014 to July 2015. The low inflation is largely being driven by consistently low fuel prices, which have posted year-over-year decreases in each of the last twelve months. These decreases are partially offset by increases in medical care and medical care services. Core inflation (which excludes food and energy inflation) was 1.8% from July 2014 to July 2015. For CY 2014 the CPI-U increased by 1.6%, following an increase of 1.5% in CY 2013. The current year-over-year inflation CPI-U forecast for CY 2015 is 0.8%, followed by 2.1% for CY 2016, according to the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters*, August 2015. The *Survey* projects that annual inflation will average 2.2% over the 2015 to 2024 period, after an average actual increase of 2.3% over the 2005 to 2014 period.





Estimate Source: *Survey of Professional Forecasters*, August 2015

LOCAL ECONOMIC PERSPECTIVE

EMPLOYMENT

Continuing the trend of impressive employment gains during CY 2015, County year-over-year employment rose in July 2015.

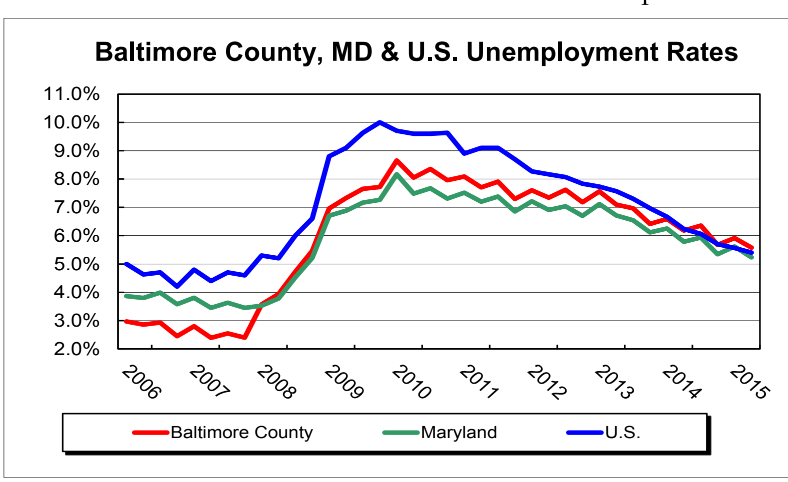
Employment, as measured by place of residence, rose in Baltimore County in July 2015 compared to a year earlier, continuing solid year-over-year growth in the first half of 2015. Over the July 2014 to July 2015 period, Baltimore County residential employment increased by 8,885 persons, or 2.1%, while Maryland residential employment grew by 52,259 persons, or 1.8%. After a relatively slow year of employment growth in the County during CY 2014, growth has strengthened in CY 2015, with all but one month posting year-over-year employment increases greater than 4,700 persons, or 1.1%. Additionally, employment growth in the County has slightly outpaced growth at the State level on a year-over-year basis during 2015. The current rate of employment growth is a positive sign; such growth is needed to support the County's economy and to continue to keep pace with population growth.

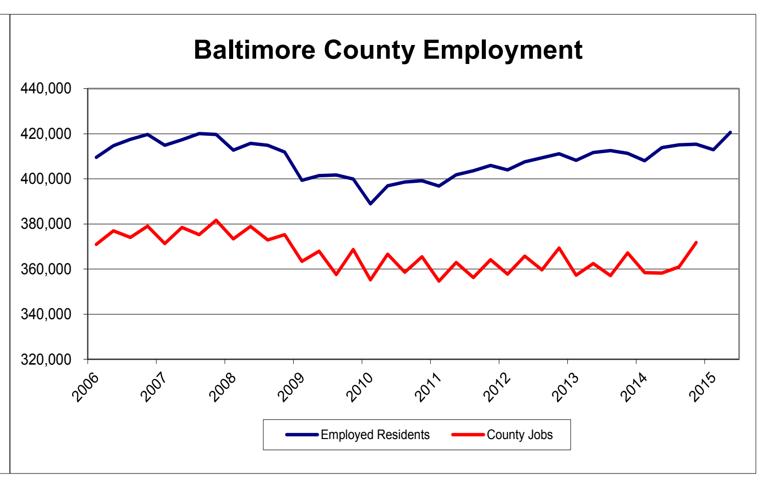
The number of County jobs increased by 1.3% over the 2013:Q4 to 2014:Q4 period, while County employer payrolls rose 4.8%. Positive job growth is anticipated for the remainder of 2015.

Jobs data, as measured by place of work, show that from 2013:Q4 to 2014:Q4, the number of jobs in both Maryland and Baltimore County increased by 1.3%, as Maryland and Baltimore County employers added an estimated 33,062 and 4,592 positions, respectively. Payrolls rose 5.1% at the State level and 4.8% in Baltimore County. Nationally, non-farm payrolls increased by approximately 3.0 million jobs, or 2.2%, from 2014:Q2 to 2015:Q2. The pace of national job growth has slowed some in recent months, with the nation adding an average of 201,800 jobs per month in 2015:Q2, down from an average of 259,400 jobs per month in 2015:Q1. Sage Policy Group, Inc. (the Spending Affordability Committee's economic consultant) predicts job growth of 1.8% and 1.1% in the County and Maryland, respectively, in CY 2015, with both forecasts falling short of anticipated national job growth of 2.0%. The County-level and State forecasts exceed anticipated CY 2015 County and State population growth of 0.5% and 0.3%, respectively.

The County's July 2015 unemployment rate was 5.8%, down from 6.6% a year earlier, due exclusively to an increase in the number of residents employed.

The unemployment rate among County residents was 5.8% in July 2015, down from 6.6% a year earlier, but above the State rate of 5.4%. In addition to the year-over-year increase in employed residents, the County labor force has grown in recent months, adding 5,418 workers from July 2014 to July 2015. The falling County unemployment rate, which considers both an expanding labor force and number of employed residents, is a positive sign for the local economy. As of July 2015, 14 of the 24 local jurisdictions in Maryland had a lower unemployment rate than Baltimore County. Nationally, the seasonally adjusted unemployment rate was 5.3% in July 2015, down from the July 2014 rate of 6.2% and the lowest national unemployment rate since April 2008.





PERSONAL INCOME

The Spending Affordability Committee's economic consultant recently estimated that County personal income growth was 3.71% in FY 2015 and predicted it will be 4.61% and 4.98% in FY 2016 and FY 2017, respectively.

Sage Policy Group, Inc. (Sage), the Spending Affordability Committee's economic consultant, estimates in its July 2015 report that Baltimore County's personal income (PI) increased by 3.71% in FY 2015 and by 1.74% in FY 2014, following an actual increase of 2.90% in FY 2013. Sage estimates that Maryland's PI increased by 3.83% in FY 2015, an acceleration from its actual growth of 1.57% in FY 2014. Longer term, Sage expects FY 2016 PI growth in Baltimore County to be 4.61%, which, while reflecting anticipated continued improvement, is 126 basis points below the County's 10-year high growth of 5.87%, which occurred in FY 2006. Sage forecasts 4.86% PI growth in Maryland in FY 2016. For FY 2017, Sage forecasts growth of 4.98% in Baltimore County and 5.14% in Maryland.

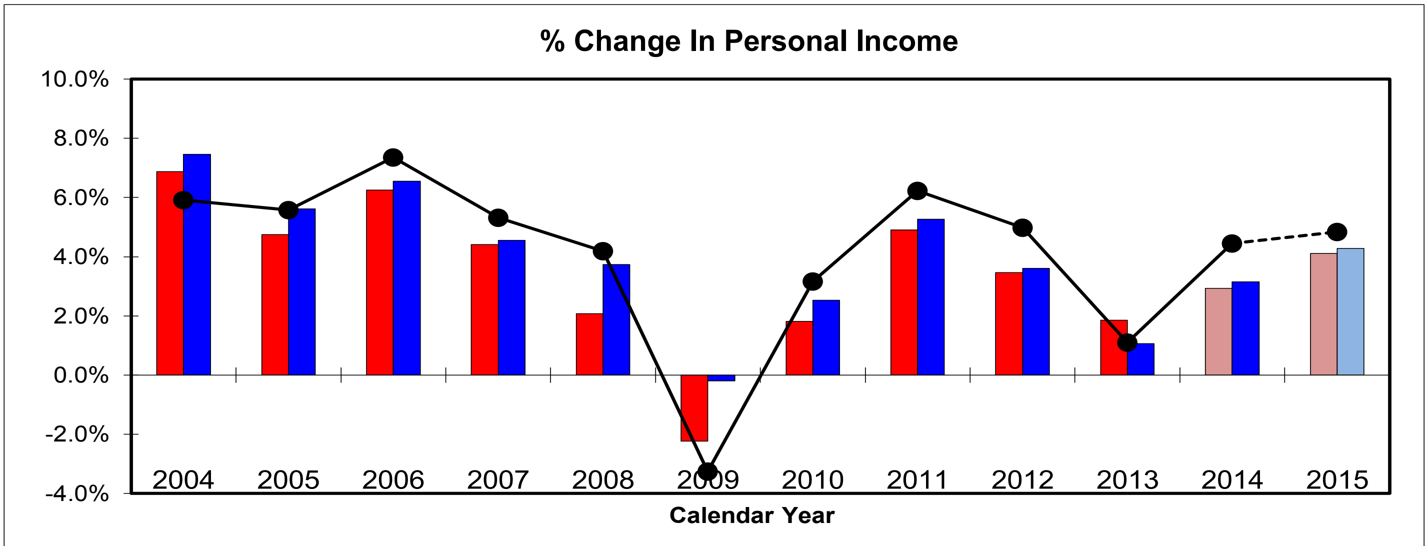
Over the last decade, personal income growth in the County has lagged growth at both the state and national levels.

The nation's nominal household wealth grew by 2.0% from 2014:Q4 to 2015:Q1 and increased 5.1% during CY 2014.

Over the 2003 to 2012 period, national PI increased 46.6%, a similar pace to Maryland PI growth of 46.3% and faster than Baltimore County PI growth of 36.9%. The most recent quarterly reading for Maryland shows that PI increased by 1.0% from 2014:Q4 to 2015:Q1, slightly greater than the national PI increase of 0.8% over the same period. (County data are reported annually.) Nationally, in 2015:Q2, wages and salaries comprised 50.7% of PI, equal to their composition in 2014:Q2. Old-age/disability/health insurance benefits, which now make up 13.3% of PI, have seen an increase of 6.1% since 2014:Q2. Meanwhile, unemployment benefits decreased 8.1% over the same time period and represents only 0.2% of PI, presumably an encouraging sign for employment and the economy. The Federal Reserve reported that nominal household wealth grew by 2.0% from 2014:Q4 to 2015:Q1 and increased 5.1% during CY 2014, although a majority of this increase comes from gains in the stock market which, prior to its recent correction, had been running near record-high levels during CY 2015.

The County's Spending Affordability Committee recommended a spending growth limit of 3.50% for FY 2016.

For FY 2016, the County's Spending Affordability Committee recommended a maximum spending growth rate of 3.50% based on a 5-year average of Sage's January 2015 estimates/forecasts of annual County PI growth for FY 2012 to FY 2016. Sage's July 2015 forecasts of annual County PI growth for FY 2017 and FY 2018 are 4.98% and 4.92%, respectively. Based solely on these forecasted rates and the estimated growth in prior years, the projected maximum spending growth recommendation would be 3.59% for FY 2017 and 3.99% for FY 2018.



Estimate source: Sage Policy Group, July 2015

EXISTING HOME SALES

In July 2015, the number of existing home sales totaled 1,062, an increase of 27.0% from a year earlier.

The median price of existing homes sold in Baltimore County in July 2015 was $225,000, slightly below July 2014.

Existing home sales in Baltimore County totaled 8,822 units in FY 2015, 15.7% above FY 2014 sales. Year-over-year home sales showed exceptional growth during FY 2015, posting increases greater than 11% in nine of the twelve months; however, price growth has lagged well behind sales growth. In July 2015, 1,062 homes were sold, an increase of 226, or 27.0%, from July 2014, and an increase of 17 over June 2015. The median price of an existing home sold in July 2015 was $225,000, down 1.2% from July 2014. At the same time, the active inventory in July 2015 increased 7.2% from July 2014. In August 2015, the BCEAC residential real estate representative reported mostly positive news for the local housing market. He noted that the east and west sides of the County continue to recover, posting year-over-year sales increases in July of 30.3% and 37.9%, respectively, while the central area posted a sales increase of 13.0%. He reported that the absorption rate (i.e., "months of inventory") for July 2015 remains strong at 3.3 months.

The number of pending home sales in July 2015 increased by 11.1% from a year earlier.

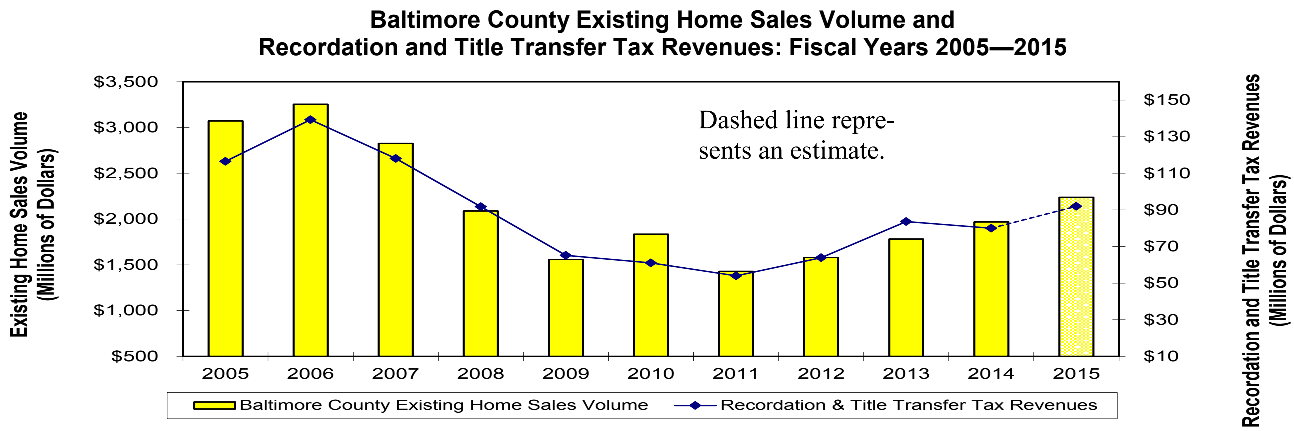
Pending existing home sales in July 2015 totaled 1,110, an increase of 111, or 11.1%, over the total in July 2014, following a 27.7% year-over-year increase in June 2015. The BCEAC residential real estate representative reported that the distressed sales component of the market is recovering, noting that foreclosure starts were down 15% statewide in July. Distressed sales were up 40.7% Countywide in July over the prior year; however; their percentage of total sales only ticked up 2.2%.

Reflecting slightly lower mortgage interest rates, the monthly mortgage payment for a median-priced County home decreased 2.1% in July 2015 compared to July 2014.

Mortgage interest rates (for 30-year conventional mortgages) in July 2015 were 4.05%, down 8 basis points from July 2014 when rates were 4.13%. Over this same period, the median price of an existing home sold in Baltimore County decreased 1.2%, compared to a decrease of 0.3% for Maryland. The monthly payment for a median-priced Baltimore County home (financed with a 30-year conventional mortgage loan) was $1,081 in July 2015, a decrease from the July 2014 level of $1,104 (principal and interest only), due primarily to the decrease in mortgage interest rates. Mortgage rates are anticipated to increase slightly over the remainder of CY 2015.

Property-related transaction tax revenues are expected to grow by 15.0% in FY 2015 and by 6.4% in FY 2016.

Property-related transaction tax revenues (recordation and title transfer tax revenues) totaled $80.0 million in FY 2014, a decrease of 4.3% from FY 2013 collections, and 42.6% lower than peak collection levels experienced in FY 2006. FY 2015 property-related transaction tax revenues are expected to total $92.0 million, up 15.0% from FY 2014 levels. These revenues are expected to continue to grow during FY 2016 to $97.9 million, or by 6.4%, largely due to continued demand in the housing market coupled with modest home prices and mortgage interest rates.



CONSTRUCTION

The total value of construction permits issued in 2015:Q1 was $109.0 million, 2.9% above 2014:Q1.

Construction is among the most volatile components of the County's economy. Construction permits issued in Baltimore County in 2015:Q1 totaled $109.0 million, $3.1 million, or 2.9%, above 2014:Q1. The 2015:Q1 total value, however, represents a decrease of 43.1% from 2014:Q4. This permit valuation is also 25.4% below the 7-year average of 1st quarter activity. New residential construction permits were valued at $33.8 million in 2015:Q1, up $8.2 million, or 31.9% from 2014:Q1. New non-residential construction permits were valued at $8.1 million in 2015:Q1, a decrease of $3.8 million, or 32.3%, from 2014:Q1. Two new non-residential construction permits valued at or above $250,000 were issued in the County in 2015:Q1, including permits for an office/warehouse building valued at $2.5 million in Chase/Bowley's Quarters and the County's new animal shelter in Jacksonville valued at $5.0 million.

In 2015:Q1, the total number and dollar value of new residential building permits increased 54.7% and 31.9%, respectively, compared to a year earlier.

New residential building permit data show that the total number of permits issued in 2015:Q1 increased 54.7% from the number issued in 2014:Q1. 27 multi-family unit permits were issued in 2015:Q1, compared to 0 during 2014:Q1, while single-family unit permits increased from 139 to 188 over the same period. The total dollar value of the new residential building permits issued in 2015:Q1 increased $8.2 million, or 31.9%, from 2014:Q1 values, following a 35.3% year-over-year increase in 2014:Q4. The value of new residential building permits in 2015:Q1 is 1.6% below the 7-year average of 1st quarter activity.

Additions, alterations, and repairs activity in 2015:Q1 fell 1.9% from a year earlier to $67.1 million.

Additions, alterations, and repairs (AAR) activity in 2015:Q1 totaled $67.1 million, down $1.3 million, or 1.9%, from 2014:Q1 and 25.1% below the 7-year average of 1st quarter activity. The total value of residential AAR permits increased 18.5% from 2014:Q1 to 2015:Q1, and the value of non-residential AAR permits decreased 7.3% over the same period.

Construction employment represented 6.0% of County jobs in 2014:Q4.

Construction employment represented 6.0% of County jobs and had an average wage rate 19.3% above the County average in 2014:Q4 (the most recent data available).