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BALTIMORE COUNTY FISCAL DIGEST

GENERAL FUND REVENUES & THE ECONOMY

Baltimore County, Maryland

January 14, 2025

ELIZABETH J. IRWIN
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OFFICE OF THE COUNTY AUDITOR

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January 31, 2025

Honorable Members of the Baltimore County Council:

I hereby submit the Baltimore County Fiscal Digest of General Fund Revenues and The Economy as of January 14, 2025. This report provides audited FY 2024 revenue totals and updated projections for FY 2025 revenues, as well as a summary of economic conditions affecting the County. Encouragingly, FY 2024 revenues again vastly outperformed expectations, and as of this writing, FY 2025 revenues are coming in higher than the FY 2025 budget anticipated. This report utilizes the October 2024 report from Sage Policy Group, Inc. (the Spending Affordability Committee's economic consultant). While Sage's January 2025 report has now become available, its future forecasts do not vary significantly from those in its October report.

Audited FY 2024 General Fund revenues (for the fiscal year ending June 30, 2024) totaled approximately $2,690.7 million, an increase of approximately $74.8 million, or 2.9%, over FY 2023 collections. This growth was attributable to subdued but still strong income tax collections, strong growth in property tax collections, and continued growth in the County's investment income. Offsetting these increases were continued declines in recordation and title transfer taxes, as well as the one-time nature of a $25 million transfer-in from BCPS in FY 2023. The Surplus as of June 30, 2024 totals $419.6 million, not including an additional $254.4 million in the Rainy Day account.

FY 2025 General Fund revenues are projected to total $2,744.2 million, reflecting an increase of $53.5 million, or 2.0%, over audited FY 2024 revenues. In addition, this projection is $169.6 million, or 6.6%, more than original FY 2025 budgeted revenues. The anticipated increase in FY 2025 General Fund revenues is primarily attributable to a forecasted steady increase in property tax revenues, along with diminished but still positive growth in income tax collections. Property-related transaction tax revenues are projected to remain flat from FY 2024 to

FY 2025, following two consecutive years of declines, while certain lesser-magnitude revenues, including investment income, are expected to decline slightly.

At its recent meeting, the Baltimore County Economic Advisory Committee expressed expectations that the economy could soften in the near term. We will continue to monitor economic activity, revenue collections, and State and federal developments, and we will provide our next update as part of the Spending Affordability Committee report next month.

Respectfully submitted,

Elizabeth J. Irwin
Acting County Auditor

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

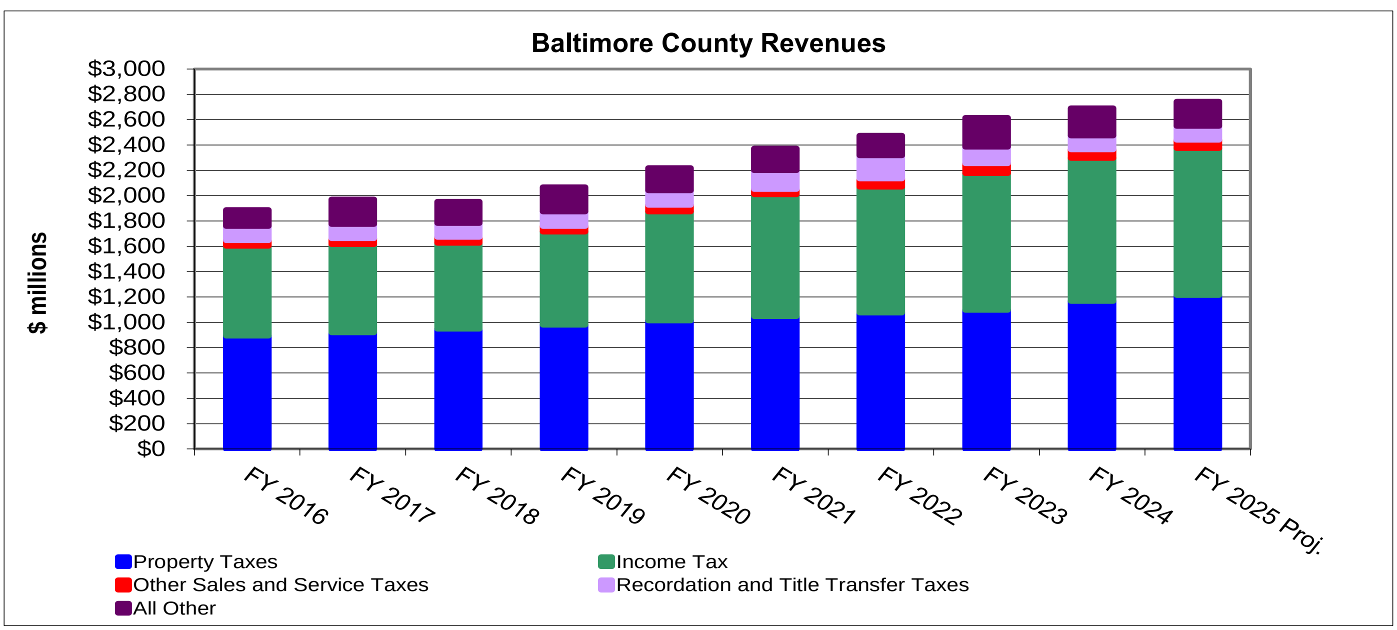
REVENUE HIGHLIGHTS

The Unassigned General Fund Balance (Surplus) as of June 30, 2024 totaled $419.6 million, or 16.5% of FY 2025 budgeted General Fund revenues. In addition to the Surplus Balance, the Revenue Stabilization Reserve Account (Rainy Day account) totaled $254.4 million as of June 30, 2024. The Surplus balance and Rainy Day amounts together totaled $674.1 million, or 26.5% of FY 2025 budgeted General Fund revenues.

FY 2023 General Fund revenues totaled $2,615.9 million, up approximately $140.4 million, or 5.7%, from FY 2022 revenues. This experience yielded a surplus of approximately $119.8 million, or 4.8%, over FY 2023 budgeted revenues. The strength in General Fund revenues was driven by income tax collections, which increased by $84.3 million, or 8.5%, in FY 2023. Income tax growth reflects various factors, including inflation-affected wage growth and (often less predictable) labor force participation changes. Further driving FY 2023 revenue growth was the County's investment income, which grew dramatically from $1.2 million in FY 2022 to $35.8 million in FY 2023 due to an elevated fund balance as well as interest rate increases. These rate increases, however, led to high mortgage interest rates, which resulted in fewer potential homebuyers who could afford to shoulder home payments; as a result, property-related transaction tax revenues decreased by $52.3 million, or 28.6%, from FY 2022 collections. Total FY 2023 revenue growth also reflected the underlying steady performance of property taxes, which increased by $23.0 million, or 2.1%.

FY 2024 General Fund revenues (based on audited financial records) totaled approximately $2,690.7 million, an increase of approximately $74.8 million, or 2.9%, over FY 2023 revenues. This experience yielded a surplus of approximately $146.5 million, or 5.8%, over FY 2024 budgeted revenues, reflecting an upward revision of $9.3 million from our prior estimate. Varying factors that drove FY 2023 income tax revenue growth moderated in FY 2024, resulting in a subdued, though still solid, increase of $51.9 million, or 4.8%, in FY 2024 collections. The elimination of the one-time transfer of $25 million from the Baltimore County Public Schools fund balance to the County's General Fund in FY 2023 also contributed to the moderation in FY 2024 revenue growth. Sustained inflation constrained household incomes throughout the fiscal year, while measures to reduce the pace of inflation continued to yield high mortgage interest rates. As a result, FY 2024 recordation and title transfer tax revenues declined by $20.6 million, or 15.8%, to $109.7 million. Property tax revenues showed strong growth in FY 2024, increasing by an estimated $68.3 million, or 6.2%, due in part to the State's January 2023 reassessment of the County's central region.

FY 2025 General Fund revenues are projected to total $2,744.2 million, reflecting an increase of $53.5 million, or 2.0%, over FY 2024 revenues. In addition, this total represents an increase of $169.6 million, or 6.6%, over original FY 2025 budgeted revenues. The anticipated increase in FY 2025 General Fund revenues over FY 2024 collections is primarily attributable to a forecasted steady increase in property tax revenues of $48.6 million, or 4.2%, due in part to the State's January 2024 reassessment of the County's eastern region. Income tax revenue growth is expected to slow in FY 2025 due to varying factors related to the State's distribution pattern as well as the moderation of inflation-driven wage growth, with anticipated growth of 2.6%, or $29.3 million. Property-related transaction tax revenues are projected to remain flat from FY 2024 to FY 2025, following two consecutive years of declines, as buyers become accustomed to higher home prices and mortgage rates level off.



REVENUE FORECAST & ECONOMIC OUTLOOK

The FY 2024 General Fund revenue increase resulted primarily from strong growth in property tax collections as well as increased income tax collections. Property-related transaction tax revenues continued to decline in FY 2024 due to elevated mortgage interest rates.

The FY 2025 forecast reflects a moderate increase, largely due to continued steady performance in property tax collections along with subdued but still positive growth in income tax collections. Meanwhile, property-related transaction tax revenues are expected to level off following two years of declines.

Revenue Source ($ Millions)	Actual FY 2023	FY22-23 Change	Actual FY 2024	FY23-24 Change	Forecast FY 2025	FY24-25 Change
Property Taxes	$ 1,098.2	2.1%	$ 1,166.5	6.2%	$ 1,215.1	4.2%
Income Tax	1,079.2	8.5%	1,131.1	4.8%	1,160.4	2.6%
Title Transfer Tax	88.9	-28.4%	76.6	-13.8%	76.6	0.0%
Recordation Tax	41.4	-29.2%	33.1	-20.0%	33.1	0.0%
Sales & Service Taxes	78.0	20.4%	66.6	-14.6%	66.0	-0.9%
Intergovernmental	56.4	27.9%	57.9	2.7%	55.4	-4.3%
All Other	173.8	52.6%	158.9	-8.6%	137.6	-13.4%
Total Revenue	$ 2,615.9	5.7%	$ 2,690.7	2.9%	$ 2,744.2	2.0%

At the January 14, 2025 meeting of the **Baltimore County Economic Advisory Committee (BCEAC)**, the Committee's Chairman noted that he no longer holds his prior expectations of a recession occurring in the near term, but does expect the economy to soften. The Chairman noted that while the forecast indicates growth in 2025, there are risks, including increased inflation, sustained elevated interest rates, and the possibility of falling asset prices. The Chairman noted that the County's labor force as a percentage of the total Maryland labor force has been declining (a very slow decline since 2015), and stood at 14% in 2024. The Chairman also noted that the County's tight housing market has an impact on employment; and as he previously observed, declines in the labor force and a tight housing market could translate into decreased or slower-growing income, transfer, recordation, and property tax collections for the County. The Chairman also emphasized that the President-elect is proposing several policies that could have an inflationary impact (e.g., eliminating income taxes on Social Security benefits and on tips, imposing tariffs). Members' near-term outlook for the local economy additionally reflects the following factors:

- **A diminished labor force may constrain the County's ability to fill local employers' job openings**. While the Baltimore-Columbia-Towson Metropolitan Statistical Area (MSA) has continued to post low rates of unemployment, it experienced just 1.2% employment growth (17.5 thousand jobs) from February 2020 to November 2024, the fifth weakest performance among the 25 largest U.S. metropolitan areas. The Committee noted that because of the flexibility of remote and work-from-home policies, many workers are "ungrounded" and have the mobility to relocate to other regions. The Committee's Chairman noted that low housing supply makes it difficult for the County to capture economic growth and welcome new workers into the County.

- **The County's housing market activity remains low, as months of elevated mortgage interest rates have impacted housing affordability and have led homebuyers to take a more cautious approach in managing costs.** While there was an expectation that mortgage rates would decrease, rates have actually increased since September, leading to a withdrawal of many prospective homebuyers from the market. The Committee noted that many homeowners are effectively "locked into" their existing low-rate mortgages, leaving millennials with limited options for purchasing a home and causing many to choose to rent housing instead. Committee members suggested that an increased housing inventory would invigorate the real estate market and economy at large.

Committee members have acknowledged that concerns about building activity, the workforce, and the housing market extend to the State economy and are not unique to Baltimore County.

NATIONAL ECONOMIC INDICATORS

The U.S. economy continues to expand, with real GDP growing at an annualized rate of 3.1% in 2024:Q3.

Expansion of the U.S. economy continued as real U.S. Gross Domestic Product (GDP) grew at an annualized rate of 3.1% in 2024:Q3 after accelerating from 1.6% in 2024:Q1 to 3.0% in 2024:Q2. 2024:Q3 saw a deceleration in gross private domestic investment, which rose by 0.8% after increasing by 8.3% in 2024:Q2, due to declines in residential investment (4.3% decrease) and nonresidential investment in structures (5.0% decrease). Offsetting the decrease in residential and nonresidential investments was a 5.1% increase in government consumption expenditures, primarily driven by increased federal spending on national defense. Despite significant acceleration in export growth, the international trade deficit widened slightly and remained a net negative drag on GDP. The August 2024 release of the Federal Reserve Bank of Philadelphia's *Survey of Professional Forecasters* projected annual real GDP to grow by 2.6% for CY 2024, followed by a deceleration to 1.9% growth for CY 2025; actual GDP data during the fall were more positive than expected, causing economists to make minor revisions to their predictions. The November 2024 survey showed a slightly more optimistic forecast of 2.7% growth for CY 2024, and 2.2% growth for CY 2025.

As of November, economists were expecting GDP to grow by 2.7% for CY 2024, followed by a deceleration to 2.2% growth for CY 2025.

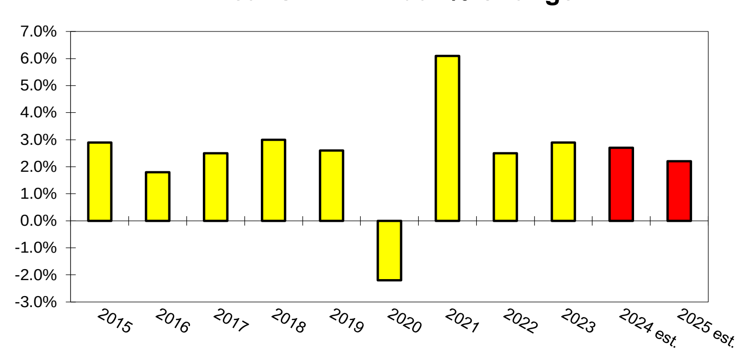
Real consumer spending accelerated during 2024:Q3, following a modest increase in 2024:Q2.

Real consumer spending, which accounts for roughly two-thirds of all U.S. economic activity, accelerated to 3.7% growth during 2024:Q3, up from 2.8% growth in 2024:Q2. Demand for durable goods continued its growth, accelerating from 5.5% in Q2 to 7.6% in Q3. Demand for nondurable goods also grew, accelerating from 1.7% to 4.6%. Growth in spending on services, such as housing and utilities, health care, and financial services and insurance, was stable, increasing by 0.1 percentage point to 2.8%. The November 2024 *Survey of Professional Forecasters* projected that consumer spending would grow by 2.7% for CY 2024 and continue to show growth of 2.4% for CY 2025.

Consumer confidence increased slightly in November 2024, driven primarily by a rise in consumers' assessment of current business and labor market conditions.

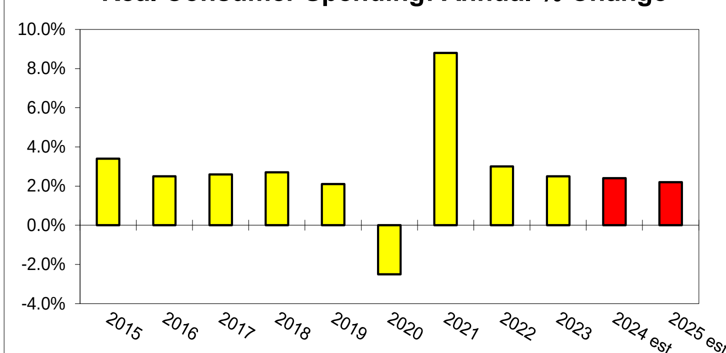
Consumer confidence, based on a survey of 5,000 U.S. households by The Conference Board (a well-known economic research organization), increased slightly in November 2024, marking two consecutive months of increasing consumer confidence. A rise in the "Present Situation Index" (based on consumers' assessment of current business and labor market conditions) mainly drove this increase. The "Expectations Index" also saw a slight increase, now standing well above the threshold that usually signals a recession ahead. The Conference Board reported that "November's increase was mainly driven by more positive consumer assessments of the present situation, particularly regarding the labor market. Compared to October, consumers were also substantially more optimistic about future job availability, which reached its highest level in almost three years." Further, The Conference Board noted that "[t]he proportion of consumers anticipating a recession over the next 12 months fell further in November and was the lowest since we first asked the question in July 2022."

Real GDP: Annual % Change



Estimate Source: *Survey of Professional Forecasters*, November 2024

Real Consumer Spending: Annual % Change



Estimate Source: *Survey of Professional Forecasters*, November 2024

At its December 17-18, 2024 meeting, the FOMC lowered the target range for the federal funds rate to 4.25% to 4.50%. The FOMC advised that "[i]nflation has made progress toward the Committee's 2 percent objective but remains somewhat elevated."

The Federal Reserve's Federal Open Market Committee (FOMC) lowered the **target interest rate** to the 4.25% to 4.5% range at its December 17-18, 2024 meeting, marking the FOMC's third rate cut in 2024. The FOMC stated that "[r]ecent indicators suggest that economic activity has continued to expand at a solid pace. Since earlier in the year, labor market conditions have generally eased, and the unemployment rate has moved up but remains low. Inflation has made progress toward the Committee's 2 percent objective but remains somewhat elevated." Further, the FOMC advised that "[t]he Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run." The FOMC also advised that "[t]he economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate."

INTEREST RATE CHANGE FROM DECEMBER 2023 TO DECEMBER 2024

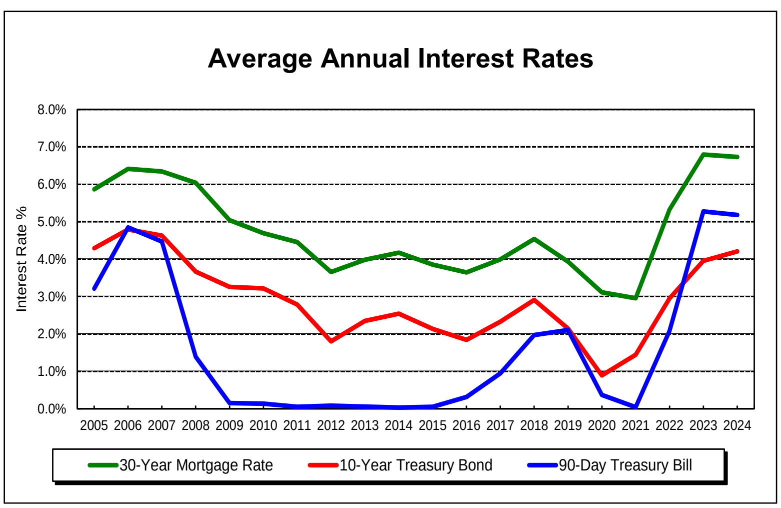
	Basis Points*
90-Day Treasury Bills	-105
10-Year Treasury Bonds	37
30-Year Conventional Mortgage	-11

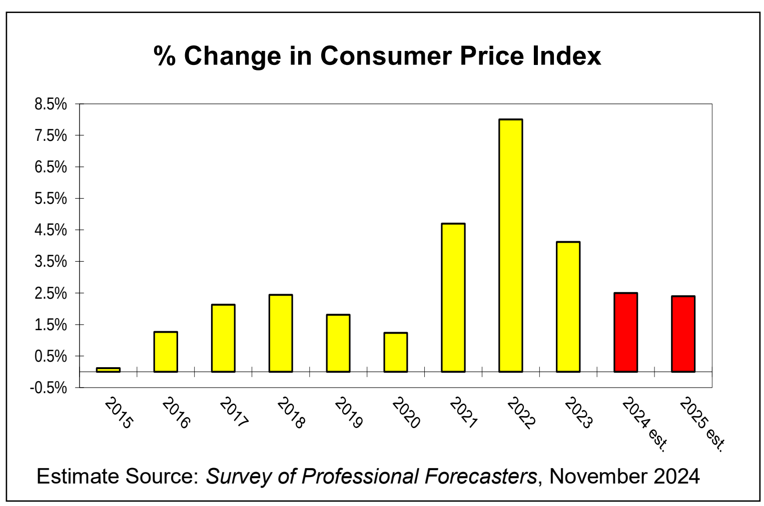
* A basis point is equal to .01 percentage point.

Short-term interest rates are unlikely to see another decrease until the middle of CY 2025, due in part to forecasts of inflation stubbornly sticking above the Federal Reserve's 2% target at 2.5% in the new year. Fixed income markets also expect a second rate cut sometime in the second half of the year, with the possibility of a third. However, there remains a large amount of uncertainty about the economic policies that the new federal administration will implement, including the possibility of retaliatory tariffs. The FOMC is attentive to risk and uncertainty and has signaled that it will refrain from rate cuts if inflation trends upwards.

Consumer inflation rose slightly to 2.7% year-over-year in November 2024 and is projected to average 2.5% during CY 2024, before inflation expectations decline to 2.4% in CY 2025.

Inflation, as measured by the Consumer Price Index-All Urban Consumers (CPI-U), has slightly increased to 2.7% as of November 2024, after reaching a low of 2.4% in September 2024. The most recent 6 months have seen average inflation of 2.7%, down from 3.3% over the same period in CY 2023, marking significant improvement. The annualized price growth in November 2024 was driven primarily by shelter and hospital services, which increased 4.7% and 3.8% respectively, while gasoline fell 8.1%. Core inflation (which excludes food and energy inflation) increased by 3.3% from November 2023 to November 2024. Growth in the CPI-U is expected to average 2.5% in CY 2024 before slightly declining to 2.4% in CY 2025, according to the Federal Reserve Bank of Philadelphia's November 2024 *Survey of Professional Forecasters*. The *Survey* projects that annual inflation will average 2.2% over the 2024 to 2033 period, compared to an actual average increase of 2.7% over the 2014 to 2023 period.





LOCAL ECONOMIC PERSPECTIVE

EMPLOYMENT

County year-over-year employment grew just 0.1% from 2023:Q3 to 2024:Q3, and County residential employment remains 3.4% below the February 2020 pre-pandemic employment level.

Employment (measured by place of residence) showed minor growth (0.1%) in the County in 2024:Q3 compared to 2023Q:3. This tepid growth follows a similar pattern of cooling during the third quarter of CY 2023. Over the October 2023 to October 2024 period, Baltimore County residential employment increased by 1,455 persons, or 0.3%; during the November 2023 to November 2024 period, Maryland residential employment experienced a decline, decreasing by 15,143 persons, or 0.5%. Additionally, while the gap between current and pre-pandemic employment had been closing, County and State employment remain 15,358 (3.4%) and 137,509 (4.2%) persons, respectively, below February 2020 pre-pandemic residential employment levels.

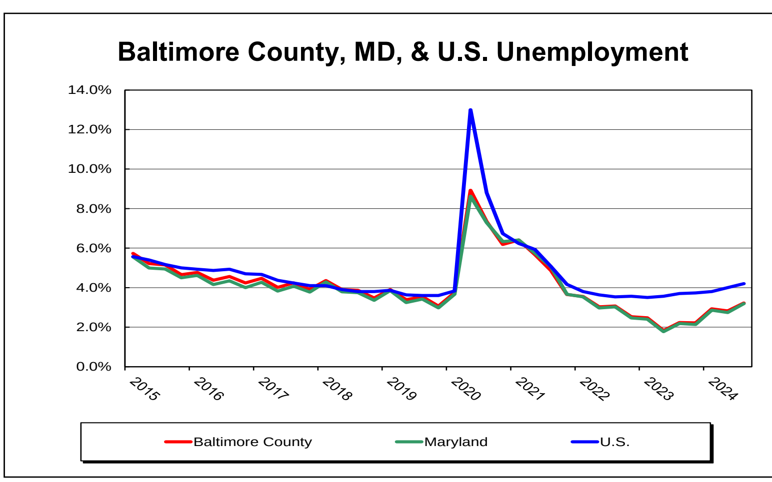
The County's October 2024 unemployment rate was 3.1%, up from 2.4% a year earlier.

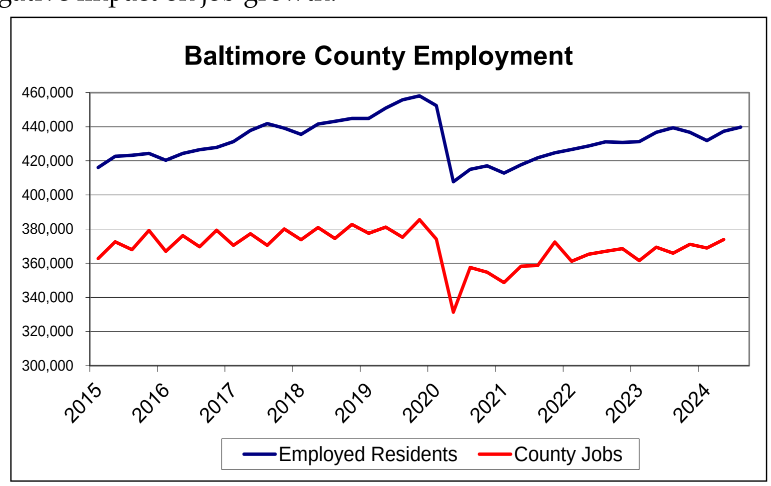
Employment growth that outpaces growth in the labor force drives down the **unemployment rate**. The unemployment rate among County residents was 3.1% in October 2024 – the same as the State's unemployment rate during the same period, and up from 2.4% a year earlier. The rising unemployment rate has coincided with a modest increase in the County's labor force. In October 2024, the County's labor force increased by 5,067 workers, or 1.1%, over the prior year but remained 17,656 workers, or 3.8%, below its pre-pandemic size. As of October 2024, 13 jurisdictions in Maryland had a lower unemployment rate than Baltimore County, while one (Cecil County) had the same rate as the County and another nine had unemployment rates above 3.1%. Nationally, the seasonally adjusted unemployment rate was 4.2% in November 2024, up from 3.7% in November 2023.

The number of jobs located in Baltimore County increased by 1.2% from 2023:Q2 to 2024:Q2.

Sage Policy Group has predicted job growth of 0.5% in Baltimore County during CY 2024, followed by a slightly improved 0.9% job growth in CY 2025.

The timeliness of jobs data (measured by place of work) greatly lags the availability of resident employment data. The Maryland Department of Labor jobs data show that from 2023:Q2 to 2024:Q2, the number of jobs in the County increased by 4,444, or 1.2%, while Maryland added 45,718 jobs, a 1.7% increase. Nationally, non-farm payrolls increased by approximately 2.3 million jobs, or 1.4%, from November 2023 to November 2024. In its October 2024 report, Sage Policy Group, Inc. (the Spending Affordability Committee's economic consultant) predicted job growth of 0.5% and 0.6% in the County and Maryland, respectively, in CY 2024 compared to anticipated national job growth of 1.6%. The report predicted slightly better job growth of 0.9% and 0.8% job growth in the County and Maryland, respectively, in CY 2025, as the economy navigates lower interest rates and inflation. According to Sage, the County experienced a 0.2% decline in population during CY 2023, while Maryland experienced a 0.2% increase. Both jurisdictions, however, are expected to grow in CY 2024. The report also cautioned that lag effects from past rising interest rates, paired with the transition of a new president and Congress, could have a net negative impact on job growth.





PERSONAL INCOME

Sage recently forecasted that County personal income will increase by 4.79% in FY 2025, following of 5.87% estimated growth in FY 2024.

Sage Policy Group, Inc. (Sage), projected in its October 2024 report that Baltimore County's personal income (PI) will increase by 4.79% in FY 2025, up from the predicted growth of 4.36% in its July 2024 report. The October forecast anticipates earlier increases of 5.87% in FY 2024 and 4.88% in FY 2023. Looking forward, as of October, Sage had revised its previous forecast of a recession and reported a positive economic outlook. However, Sage's report anticipates that PI growth in the County will continue to slow in FY 2026 (4.18%). Sage's Maryland outlook for FY 2025 and FY 2026 (4.85% and 4.19% growth, respectively) is slightly above the County forecast, but shows a similar pattern of slowing starting in FY 2023 and continuing through FY 2026.

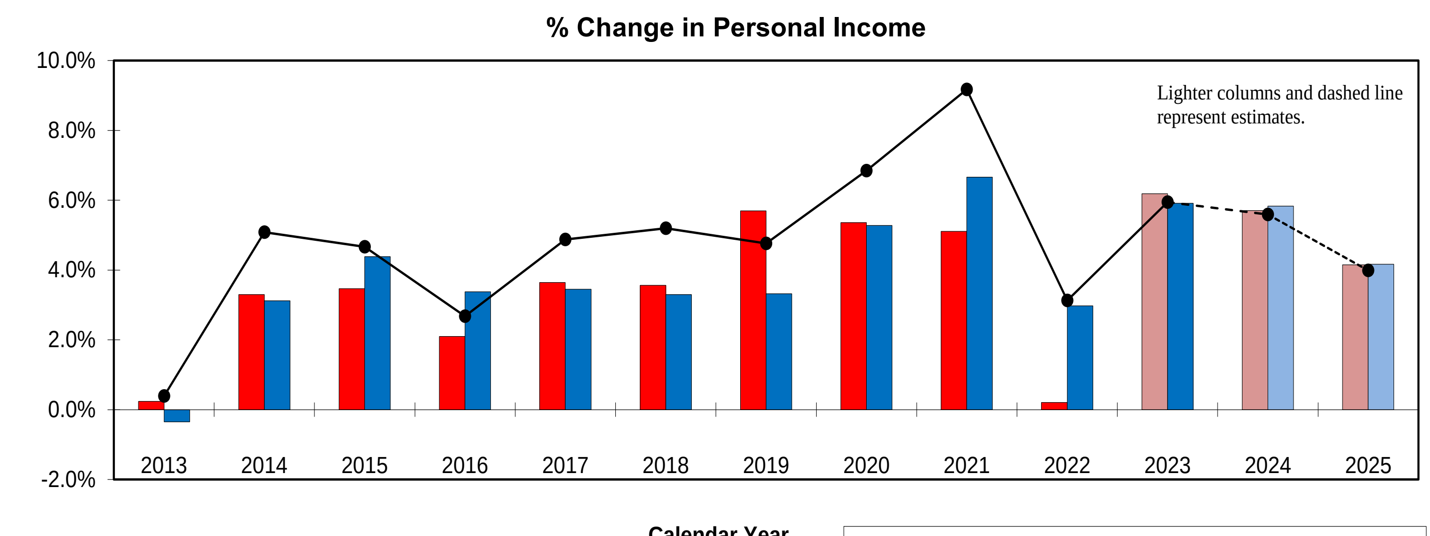
Over the last decade, personal income growth in the County has lagged growth at the national level but exceeded growth at the State level.

Over the 2013 to 2022 10-year period, national PI advanced 57.0%, exceeding both Maryland and Baltimore County PI growth of 37.4% and 42.1%, respectively. (During the 2003 to 2012 decade, national and local PI grew 47.5% and 33.6%, respectively, and then accelerated in the following decade, whereas State PI grew 43.7% and then slowed slightly in the subsequent decade.) In 2024:Q3, nationally, wages and salaries comprised 50.3% of PI, similar to their share in 2023:Q3 (50.2%). Preliminary data reveal that at the national level, wage rates continue to rise modestly, with private average hourly wages most recently increasing to $35.61 in November 2024, up 4.0% from a year earlier. During 2024:Q2, average weekly wages for the Baltimore County workforce totaled $1,251, up 3.0% from 2023:Q2, but still below both the national and State averages of $1,384 and $1,387, respectively. According to the Federal Reserve, nationally, nominal total household wealth increased by 2.9% from 2024:Q2 to 2024:Q3, following a 1.7% increase from 2024:Q1 to 2024:Q2. From 2023:Q3 to 2024:Q3, nominal household wealth has shown strong growth, increasing by 11.4%.

The nation's nominal household wealth increased by 2.9% from 2024:Q2 to 2024:Q3, following a 1.7% increase from 2024:Q1 to 2024:Q2.

For FY 2025, the County's Spending Affordability Committee had recommended a maximum spending growth rate of 4.36%.

For FY 2025, the County's Spending Affordability Committee, which convened in January 2024, recommended a maximum spending growth rate of 4.36%, based on a blended average of County PI forecasts by Sage and Moody's Analytics. According to Sage's October 2024 forecast, County PI is expected to grow 4.79% in FY 2025, and for FY 2026, County PI growth is forecasted at 4.18%, generating a PI growth average from FY 2022 to FY 2026 of 3.98%. The Spending Affordability Committee will review the most current forecasts and release a maximum spending growth recommendation for FY 2026 by its statutory deadline of February 15, 2025.



Estimate Souce: *Sage Policy Group, October 2024*

EXISTING HOME SALES

In FY 2024, the number of existing home sales totaled 8,070 units, a decrease of 11.2% from a year earlier.

Existing home sales in Baltimore County totaled 8,070 units in FY 2024, representing an 11.2% decline from FY 2023 sales. This decline is primarily attributable to the Federal Reserve's actions to keep interest rate targets unchanged from the FOMC's July 2023 meeting until the September 2024 meeting, when the FOMC decided to lower the target range for the federal funds rate by a ½ percentage point. The effects of the interest rate environment on Baltimore County's housing market appear to be cooling somewhat – evidenced by increases in home sales and declines in the "homes for sale" inventory over the last few months. In November 2024, 706 units were sold in the County, an increase of 63, or 9.8%, from November 2023, while the median price of an existing home sold increased by 11.0%, from $335,000 to $372,000. Additionally, the more volatile average sales price rose by 10.1%, from $386,184 to $425,309, over the same period. The active inventory in Baltimore County in November 2024 fell by 176, from 1,235 units to 1,059 units, reflecting a decline of 14.2% from November 2023.

The median price of existing homes sold in Baltimore County in November 2024 was $372,000, an increase of 11.0% over November 2023.

The number of pending home sales in November 2024 totaled 680 units, an increase of 15.6% from a year earlier.

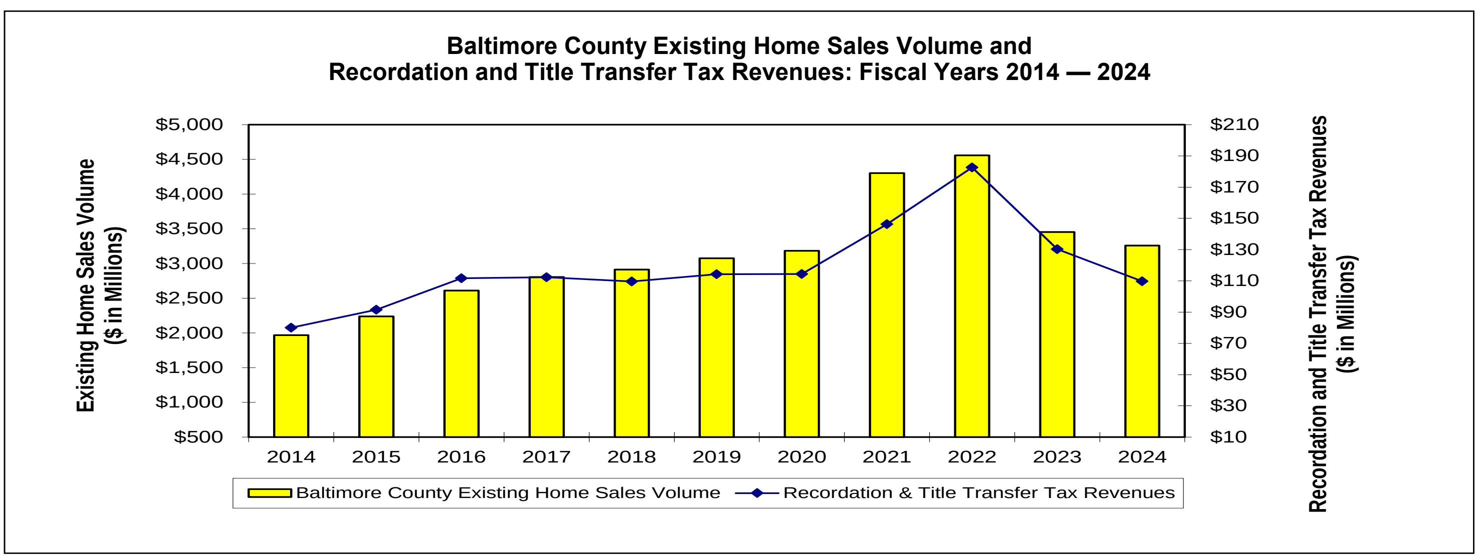
Pending existing home sales in November 2024 totaled 680 units, an increase of 92, or 15.6%, from November 2023, following a 21% year-over-year increase in October 2024. The County's "months of inventory" (i.e., the time needed to sell the entire inventory of homes at the current sales pace) was 1.5 in November 2024, down from 1.7 in November 2023. These data, in conjunction with the FOMC's decision at the December 17-18, 2024 meeting to lower the federal funds target rate to a target range of 4.25% to 4.50%, suggest that home sales could improve marginally in the coming months.

Reflecting higher median sales prices and slightly lower interest rates, the monthly mortgage payment for a median-priced County home increased 4.2% in November 2024 compared to November 2023.

Mortgage interest rates for a 30-year conventional mortgage were 6.81% in November 2024, down 63 basis points from November 2023 when rates were 7.44%. The monthly payment for a median-priced Baltimore County home financed with a 30-year conventional mortgage loan (principal and interest only, assuming a 20% down payment) was $1,942 in November 2024, a 4.2% increase over the November 2023 level of $1,863, reflecting a considerable increase in sales prices and marginally lower interest rates (as noted, the November median home price increased from $335,000 in 2023 to $372,000 in 2024).

Property-related transaction tax revenues totaled $109.7 million in FY 2024, a 15.8% decrease from FY 2023 collections.

Property-related transaction tax revenues (recordation and title transfer tax revenues) totaled approximately $109.7 million in FY 2024, a decrease of 15.8% from FY 2023 collections of $130.3 million, correlating fairly closely with the 11.2% decline in home sales over the same period. Accordingly, there is the potential for these revenues to level off in FY 2025 as interest rates decline slightly, giving buyers more flexibility and possibly leading to an uptick in mortgage refinancing activity. Refinancing activity has been suppressed in recent years due to elevated interest rates.



CONSTRUCTION

Baltimore County issued construction permits valued at $385.9 million in 2024:Q3.

The construction industry is continuing to rebound after the pandemic. According to U.S. Census Bureau estimates, nationwide construction spending during the first ten months of CY 2024 showed strong gains compared to the same period in 2023, increasing from $1,693.2 billion to $1,814.8 billion, or 7.2% (± 1.2%). Those figures are well above the $1,230.8 billion for the same period in 2020 when the country was in the depths of the pandemic. Locally, according to data reported by the Baltimore Metropolitan Council (a nonprofit organization that promotes regional planning efforts), the value of construction permits issued in Baltimore County in 2024:Q3 totaled $385.9 million. This valuation is $83.7 million, or 17.8%, below 2023:Q3 but $32.8 million, or 9.3%, above the 7-year average of 3rd quarter activity. Baltimore County construction spending has nearly doubled since 2020, with the valuation of construction permits in 2024:Q3 being $190.3 million, or 97.3%, above the 3rd quarter activity during the height of the pandemic. Details of 2024:Q3 permit valuations/issuance by permit type are as follows.[1]

New non-residential construction permits were valued at $122.7 million, an amount that is $69.1 million, or 129.0%, above the 7-year average of 3rd quarter activity.

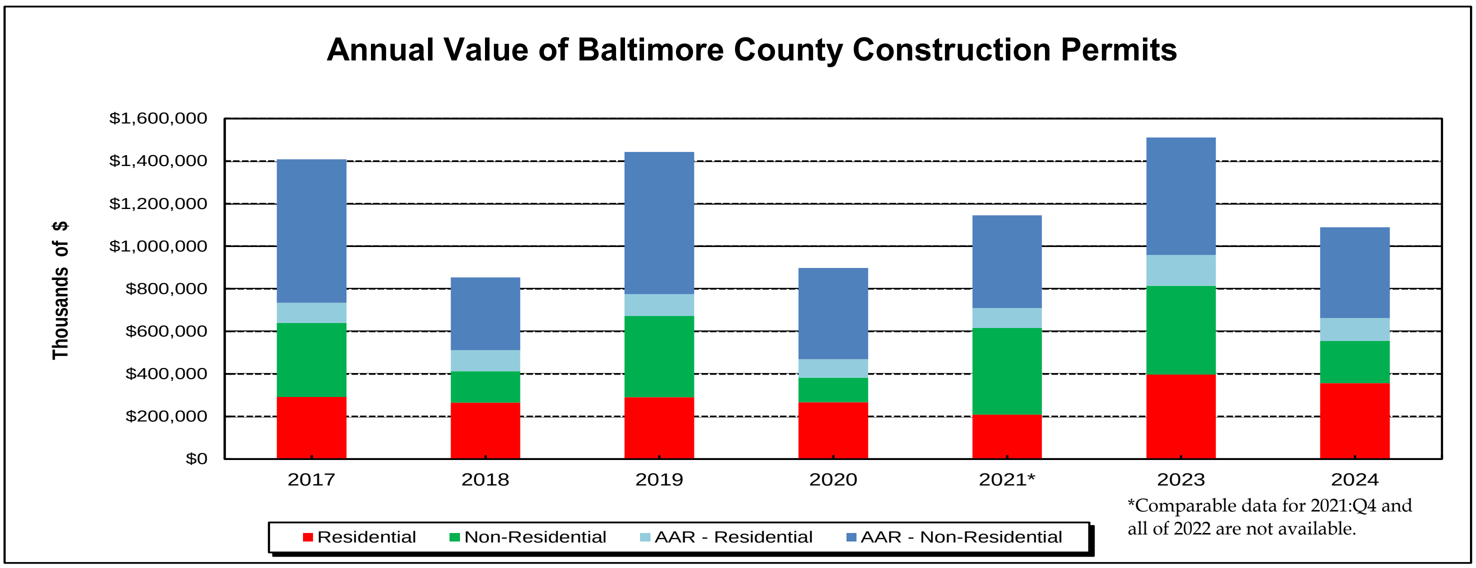
A total of 313 **new residential** building permits were issued, including 229 single-family and 84 multi-family unit permits. The value of new residential building permits issued totaled $104.1 million and was 12.7% above the 7-year average of 3rd quarter activity.

Additions, alterations, and repairs (AAR) permit values totaled $159.1 million, or 23.2% below the 7-year average of 3rd quarter activity.

In 2024:Q2, construction employment represented 7.7% of County jobs, down from 7.9% in 2023:Q2.

Construction employment has remained relatively steady for the past year. There was a slight decrease in construction employment during 2024:Q2, and the sector now represents 7.7% of County jobs, down from 7.9% in 2023:Q2. This contraction in performance runs counter to the year-over-year increase of 1,819 jobs, or 0.6% employment growth, experienced by the County across all industries during the same quarter (2024:Q2). Average weekly County construction wages were mostly flat from 2023:Q2 to 2024:Q2, rising just $12, or 0.8%, to $1,534, which was 22.6% above the County average wage and higher than the State and national averages across the industry ($1,518 and $1,486, respectively). However, six Maryland jurisdictions had higher average weekly construction wages in 2024:Q2: Anne Arundel, Howard, Montgomery, Prince George's, and Queen Anne's Counties and Baltimore City.

(1) *Note: The 7-year average referenced in this section excludes 2022 due to the unavailability of certain building permit information for several quarters beginning in 2021:Q4.*



*Comparable data for 2021:Q4 and all of 2022 are not available.