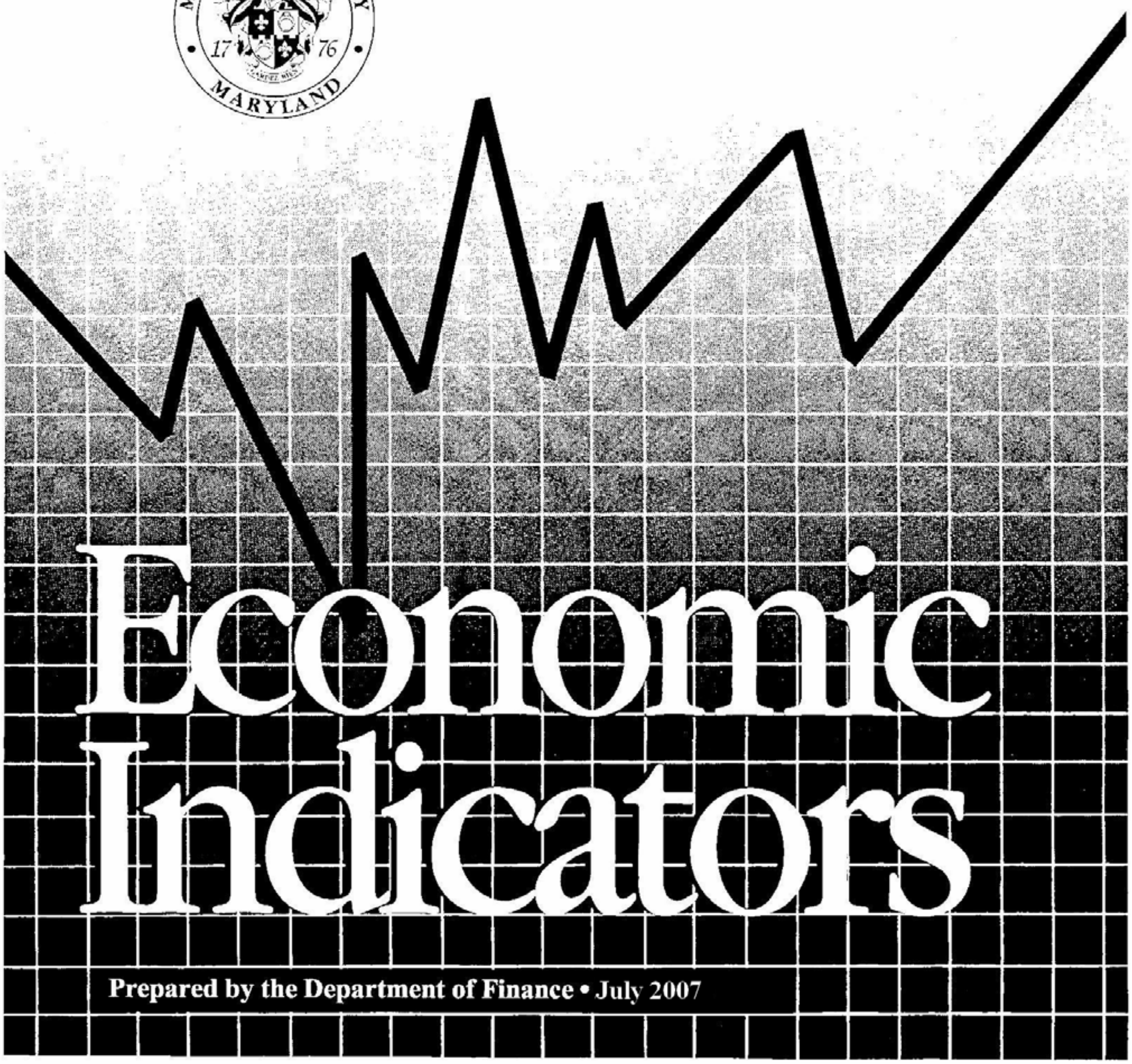

Economic Indicators

Prepared by the Department of Finance • July 2007

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The purpose of this report is to keep policy makers apprised of changes in the national and local economies that the Montgomery County Department of Finance believes may impact current and/or future revenues and expenditures.

This report is also available through the Internet on the Montgomery County Web Page: http://www.montgomerycountymd.gov

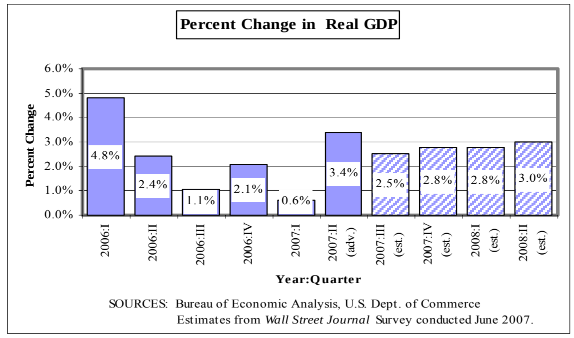
For questions regarding this report, please contact:

David Platt
Chief Economist
Montgomery County Department of Finance
255 Rockville Pike, Suite L-15
Rockville, Maryland 20850

Phone: (240) 777-8866
Fax: (240) 777-8954
Email: David.Platt@montgomerycountymd.gov

NATIONAL ECONOMY

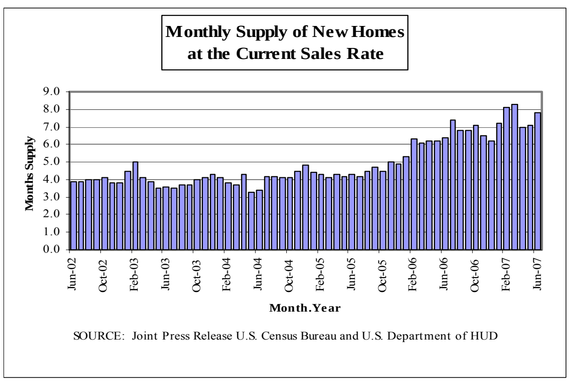
According to the advance estimate from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce, the U.S. economy grew at a 3.4 percent seasonally adjusted annual rate during the second quarter of 2007 − the highest quarterly rate since the first quarter of 2006 (4.8%) and slightly above the *Wall Street Journal's (WSJ)* June economic survey. The increase reflected strong non-residential construction (↑22.1%), federal spending primarily from national defense (↑9.5% − the strongest rate since the fourth quarter of last year) and exports (6.4%). Residential investment, i.e., homebuilding, continued to contract for the seventh consecutive quarter albeit at a slower rate compared to the previous three quarters. On a full year basis (fourth quarter over the fourth quarter for the preceding year), real GDP increased 2.9 and 2.6 percent in 2005 and 2006, respectively. According to the June survey of economists by the *WSJ*, real GDP is expected to increase 2.3 percent in 2007 and 2.9 percent in 2008 on a full-year basis. Both estimates suggest that the national economy will experience a below average performance the remainder of the year but grow in 2008 to a rate comparable to 2005. However, in recent testimony before Congress, Federal Reserve Board Chairman (Fed) Bernanke stated "U.S. economic growth has proceeded during the past year at a pace more consistent with sustainable expansion … despite the downshift in growth." He attributed the slowdown in economic growth to the ongoing adjustment in the housing sector. Overall, the Fed Chairman expects the U.S. economy to expand at a moderate pace over the second half of 2007 and strengthen slightly in 2008 − a rate close to the economy's underlying trend. In the Fed's Monetary Policy Report to Congress, the participants of the Federal Open Market Committee (FOMC) forecast an increase between 2.25 to 2.50 percent in real GDP over the four quarters of 2007 and between 2.50 to 2.75 percent in 2008.



Residential construction activity continued to remain "soft" during the first half of this year. Residential fixed investment declined 16.3 percent and 9.3 percent during the first and second quarters, respectively. Those decreases follow declines of 20.4 percent in the third quarter and 17.2 percent in the fourth quarter of last year. Since homebuilders continue to face weak demand, the inventory of unsold new homes continues to increase. Sales of new single-family houses in June were at an annual rate of 834,000 which was 22.3 percent below June 2006. The estimate of new homes for sale in June represented a supply of 7.8 months at the current sales rate. When compared to the three-month moving average pace of sales between 1997 and 2005, the supply of unsold new homes in June 2007 was 78.1 percent above the highest three-month average during that nine-year period.

To adjust for this excess inventory, the number of privately-owned residential building permits averaged at an annual rate of 1.5 million units during the first six months of this year, a decrease of 26 percent from the same period last year. The number of housing starts during the first half of this year also averaged 1.5 million units − 26.7 percent below the same period last year.

Sales of existing homes dropped to a 5.75 million unit annual rate in June, which was 3.8 percent below May sales and 11.4 percent below June 2006. June sales were at their lowest level since November 2002. However, the median price for an existing home increased 3.3 percent in June and was 0.3 above the same month last year. For the first six months of this year, average median prices were essentially unchanged compared to the same period last year. The supply of unsold existing homes held steady at 8.8 months at the current sales pace.

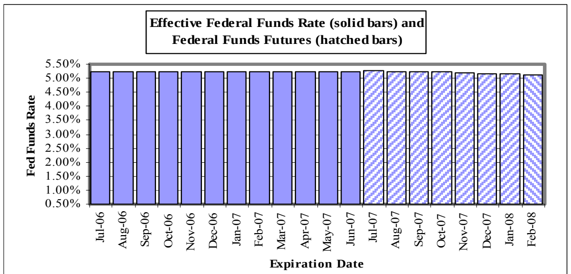


The National Association of Realtors (NAR) describes the market for existing homes as one of giving potential homebuyers mixed signals thereby causing some hesitation. Even though general buying conditions are favorable for the long-term home buyers, NAR suggests that some buyers are waiting for further stability in the market before making a commitment. While home sales were at their lowest level in nearly four and half years, NAR contends there are two "bright" spots in the June data − a decline in housing inventory and a modest gain in prices.

NAR's July forecast expects home prices to recover in 2008. Prices for existing homes are expected to increase 1.8 percent and prices for new homes up 2.2 percent. Sales of existing homes are expected to pick up late this year and increase 4.2 percent in 2008. New-home sales are expected to increase a modest 1.4 percent.

In his testimony before Congress, Fed Chairman Bernanke stated that the financial markets have remained supportive of economic growth. However, he emphasized that conditions in the subprime mortgage sector have deteriorated significantly. In his previous speeches and comments, Mr. Bernanke remained optimistic that the effects of the subprime market would remain "contained" within the housing finance sector. However, during his latest testimony, he stated that the Fed has "also sensed increased concerns among investors about credit risk on some other types of financial instruments." He also stated that losses from mortgages could total between $50 and $100 billion. The fallout from the collapse of two Bear Stearns' hedge funds, which included subprime mortgage-related assets, has carried over to other bond instruments. Credit spreads on lower-quality corporate debt have widened and terms for some leveraged business loans have tightened. While this widening of the spread directly affects the corporate bond market, it also affects the recent wave of merger and acquisition activity that has fueled the stock market, causing the stock market to experience significant volatility during the latter part of July.

On June 28th, the FOMC kept the target rate for federal funds at 5.25 percent. This was the eighth consecutive meeting since June 2006 in which the FOMC did not change the target rate. However as in the recent past, inflation remains their primary concern. According to the minutes of that meeting, the members agreed that "while measures of core inflation had improved lately", they were concerned that sustained moderation of inflation remained in doubt and that certain levels of resource utilization, i.e., high industrial capacity utilization and low unemployment rate, had the potential to fuel inflation. The position among the members that the risk that inflation would fail to moderate as expected remained their predominant concern. Because of that concern, the Federal Funds futures market is pricing no change in the federal funds rate until next year.



SOURCE: Federal Reserve Bank of St. Louis (solid bars) and the Chicago Board of Trade (hatched bars) as of April 23, 2007

As measured by the price index for personal consumption expenditures excluding food and energy (core PCE), the preferred inflation measure of the FOMC, it grew 1.9 percent from May 2006 to May 2007. That rate is the third consecutive decline since February's 2.4 percent. The County's Finance Department (Finance) estimates that the year-over-year rate for June remained at 1.9 percent. While the "core" PCE has been at or below its upper target range of 2.0 percent for the past three months, the members have doubts about such moderation. Until future inflation data relieve such doubt, the FOMC remains committed to keeping inflationary expectations in check. As such, Finance agrees with the futures market that the federal funds rate will remain at 5.25 percent for the remainder of the year.

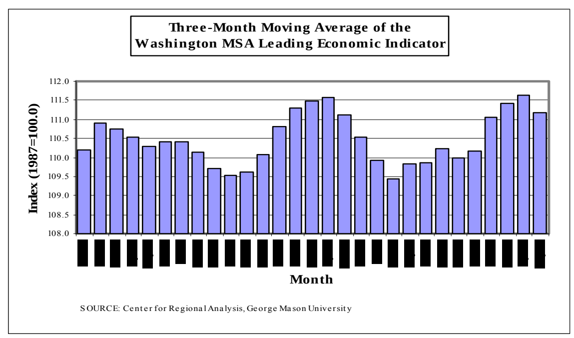
While the stock market experienced one of its strongest quarterly performances during the second quarter of this year and the fact that three of the four indices (Dow Jones Industrial Average, the Standard and Poor's 500, and the Russell 2000) reached all time highs in late July, the stock market is "climbing a wall of worry." According to the *WSJ*, the market will keep climbing if specific worries are held in check. Those worries include high-risk investments such as securities linked to subprime mortgages, global growth, inflation, the weak dollar, and liquidity. In recent weeks, the dollar has been trading around a record low against the euro and a 26-year low against the British pound. According to a report by Bespoke Investment Group, companies with concentrated overseas operations have posted solid earnings growth so far this year. S&P 500 stocks with more than 50 percent of their revenue from overseas gained 19 percent during the second quarter compared with just 8 percent for companies with less than half of their revenues from outside the U.S. According to Bill Gross of Pimco, the effects of the subprime mortgage market spreading to high-yield bonds, a major source of funding for leveraged buyouts, could affect future lending and companies' ability to undertake large acquisitions.

Since early March, the volatility index reached its highest point during the last full week in July, and there has been an increase in risk aversion among investors. Because of that increase, the stock market experienced one of its largest weekly declines for the week ending July 27. After reaching all time highs the previous week, the Dow Jones Industrial Average experienced its largest one-week decline (↓4.2%) since the week ending March 28, 2003 (↓4.4%) and the S&P 500 declined 4.9 percent − its largest one-week drop since September 9, 2002 (↓5.0%). Leading stocks from technology, financial, materials, and retail sectors fell in rapid volume. The put/call ratios and short interest levels were at near record highs suggesting that fear rather than market fundamentals is the catalyst for the market correction. The increase in volatility coupled with the effects of the subprime market spreading to other fixed-income instruments suggests that the stock market may experience uncertainty, i.e., volatility, through the summer.

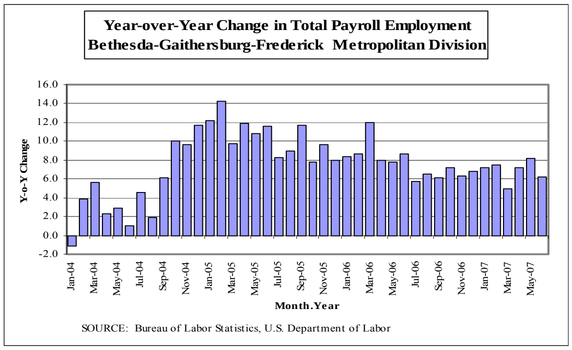
REGIONAL ECONOMY

According to the latest report from the Center for Regional Analysis (CRA), George Mason University, the Washington Leading Index, which forecasts the performance of the regional economy six to eight months ahead, increased 0.12 percent in May, which followed two monthly decreases. For the twelve-month period ending in May, the leading index increased 0.82 percent and only 0.6 percent based on a three-month moving average. The three-month increase in the moving average is only the second such increase in six months which suggests that the leading index has been flat for the past year. Of the five components that comprise the index, only one, total residential building permits, registered an increase. The other four − help wanted index, purchases of durable goods, initial claims for unemployment insurance, and consumer expectations − all decreased.

The coincident index, which measures the current state of the region's economy, increased 0.16 percent in May and 0.75 percent for the twelve-month period. Two of the four components contributed to the May increase − wage and salary employment and consumer confidence. Domestic passenger value and purchases of nondurable goods declined in May. The region's economy continues to generate jobs, but the cost and availability of housing offsets this growth. With a tight labor market and the high cost of housing in the region, both factors have fueled wage inflation. According to CRA's latest report, "the performance of the region's economy over the remainder of the year will be determined by the speed at which the housing market achieves equilibrium, i.e., inventory decreases, and the abatement of energy prices thereby freeing up consumer spending. CRA estimates that the inventory problems in housing will take longer to correct than energy prices. As the expected demand for energy, i.e., gasoline, declines in late August, gasoline prices are expected to decline such that consumer spending should increase and propel the regional economy higher over the third and fourth quarters.

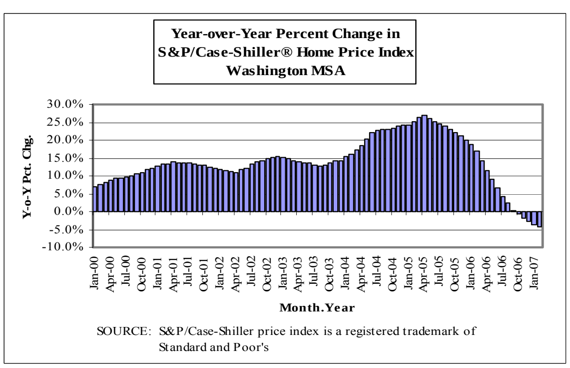


The Washington metropolitan area continues to have one of the lowest unemployment rates in the country. Of the 49 metropolitan areas with a population of more than one million in 2000, the Washington region ranked fourth with an unemployment rate of 2.9 percent just behind Richmond's 2.8 percent. The region's economy added 45,200 jobs during the twelve-month period ending in June. For the same twelve-month period, the Bethesda-Gaithersburg-Frederick metropolitan division added nearly 6,200 jobs and had an unemployment rate of 2.7 percent − the lowest rate among thirty-four metropolitan divisions.



Home prices in the region have weakened dramatically since May of last year. Based on the S&P/Case-Shiller® Home Price Index for the Washington region, monthly prices have steadily declined such that the April index, the latest available to date, was 5.7 percent below the peak May 2006 index. According to futures traded on the Chicago Mercantile Exchange, price declines will continue through the first quarter of next year.

WSJ reports the percentage increase in housing inventory was up 11 percent from a year ago for the Washington region. That increase was the second lowest increase among 26 comparable regions. The lowest increase occurred in the New York metropolitan area. Two regions, Boston (↓16.0%) and Denver (↓5.0%), experienced a decline in housing inventory.



The continued decline in home prices coupled with the number of non-traditional mortgages issued in 2005 and 2006 could increase the foreclosure rate for subprime loans in the metropolitan area. According to the *Washington Post*, the foreclosure rate in Montgomery County has tripled during the past year. However, the foreclosure rates in Northern Virginia are much worse. In Fairfax County, the rate has quadrupled, and in Loudon County, it has increased tenfold. Hoping to slow the pace of foreclosures, the *WSJ* reports that six states, including Maryland, are establishing funds to help homeowners with high-risk subprime mortgages refinance to more-affordable loans. Those six states are expected to invest a total of more than $500 million in that effort. According to *WSJ*, some of the programs will be similar to existing government-lending programs, in which the state extends mortgages to homeowners and then sells those home loans to some government sponsored enterprises such as Fannie Mae and Freddie Mac. On June 13, Governor O'Malley announced the creation of the Maryland Homeownership Preservation Task Force to help prevent home foreclosures.

MONTGOMERY COUNTY ECONOMIC INDICATORS

Montgomery County experienced mixed economic results during the first six-months of this calendar year. The primary reasons for the County's mixed performance were a continuation in the contraction of the growth in condominium starts, a dramatic decline in home sales, and dramatic slowdown in consumer spending.

A number of economic indicators for the County experienced either modest or significant improvement during the first half of this year. The indicator that exhibited significant growth was residential permits − both single-family and multi-family units. Payroll employment exhibited modest growth over the most recent twelve-month period, but employment by place of residence grew only 600 between June 2006 and June 2007.

Employment Situation

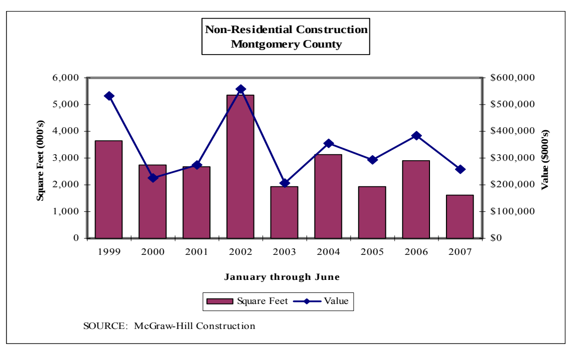
Based on data derived by the Treasury, the County's total payroll employment grew by 5,200 (↑1.1%) during the twelve-month period ending June 2007. While payroll employment made modest gains during this period, data from the labor force series reported that employment based on place of residence rather than place of employment grew 0.1 percent between June 2006 and June 2007, or nearly 600 employed − the smallest year-over-year gain since February 1997. Even with the very modest growth in resident employment, the unemployment rate for the County still remained below the State's average. As of June, the County's rate at 3.2 percent was nearly a full percentage point below the State's rate (4.0%).

Construction Activity

Residential construction activity experienced mixed results in the County during the past six months. While the number of projects increased, which was attributed to an increase in single-family units, the value added was down significantly. Non-residential construction starts, especially new commercial properties, have declined significantly so far this year.

The number of non-residential construction projects was up 20 percent during the first six months compared to the same period last year. However, the value of new non-residential construction declined by 33 percent. Construction of new single-family homes was up 14.6 percent, but condominium construction was down 12.8 percent. With existing home sales and condominium construction declining and price increases decelerating, the residential real estate market continues to experience a correction that began in the summer of 2005.

While the number of non-residential construction projects increased during the first half of this year, the total amount of additional square footage (↓44.3%) and additional value (↓32.6%) declined. The major contributor to the decline in non-residential construction was commercial construction, led by the office and banking sector. Additions of square footage for commercial property were down 49.2 percent during the first half of this year compared to the same period last year and additional value declined 24.5 percent. Office and bank building properties experienced the most dramatic turnaround to date. Additions to square footage were down 87.5 percent and followed a twenty-two fold increase for the same six-month period in 2006. Construction of office and bank building properties experienced dramatic volatility from year to year based on a comparison of January-June activity for the past eight years.

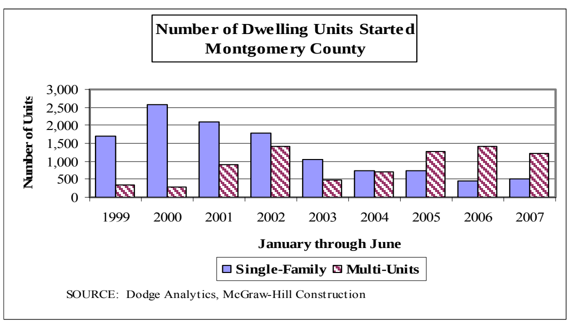


The office vacancy rate for Class A property in the County was 6.7 percent during the second quarter of this year. That rate represents a slight increase compared to 6.6 percent in March and 6.1 percent in

December of last year. However, since March 2005, the vacancy rate for Class A property has declined 3.6 percentage points. Excluding Frederick County, Montgomery County had the lowest rate amongst the other jurisdictions in the region.

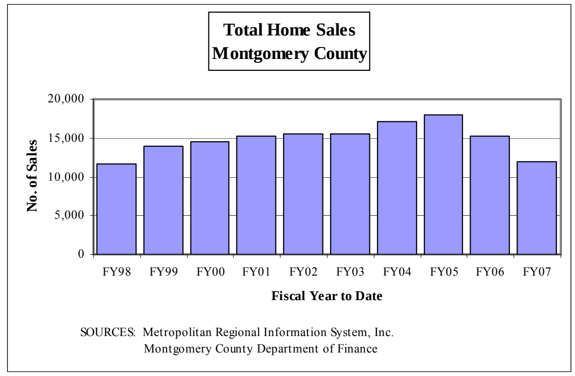
Residential Real Estate

Led by the decline in the building of new condominium units, overall residential construction continued to decrease during the first half of 2007 in response to the correction in the real estate market that began in summer of 2005. While the number of new residential projects has increased (↑7.6%), it is attributed to the 14.6 percent growth in single-family starts. The number of condominiums units started during the first half of this year declined nearly 13 percent compared to the same period last year. As a result, the total value of new construction has decreased nearly 28 percent so far this year.

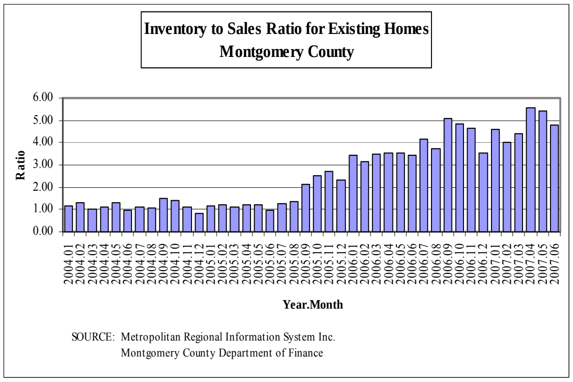


While the number of total residential construction starts declined during the first half of this year, the number of units authorized, i.e., permitted, has increased 49.2 percent based on data from the Census Bureau. The number of permitted units increased from 1,700 during the January-June 2006 period to over 2,500 units for the first half of this year. Both single-family (↑47.3%) and multi-family units (↑51.6%) have increased significantly do date.

Home sales declined 21.4 percent in FY07, which followed a 15.7 percent decrease in FY06. However, average home prices were up 2.0 percent this past fiscal year which followed increases of 17.3 percent and 13.9 percent in FY05 and FY06, respectively.



The significant contraction in sales is reflected in the dramatic increase in inventory-to-sales ratio. From June 2005 to June 2007, the ratio steadily increased from 0.98 to 4.81. This means that in June 2005 for every home listed on the market, there was one buyer. In June 2007, for every five homes listed, there was only one buyer. Such a high ratio suggests that buyers are not in a rush to purchase a home and reflects the hesitation noted by NAR. That fact may be attributed to an affordability issue; the potential buyer is anticipating a decline in prices, or the restrictions on lending caused by the subprime and foreclosure problems. As a result, even though thirty-year fixed rate mortgages are 6.69 percent as of July 26, potential home buyers are still anticipating further corrections in home prices and are sitting on the sidelines.



As stated earlier, the *Washington Post* reported that the foreclosure rate in Montgomery County tripled during the past year. Maryland's Department of Labor, Licensing and Regulation (DLLR) reports there were more foreclosures during the first quarter of this year than all of 2006. If that rate continues, according to DLLR, there could be a 900 percent increase in all of 2007 and 2008. In the second quarter of 2006, there were 49 foreclosures. By the second quarter of 2007, there were 717 foreclosures, a nearly fifteen-fold increase.

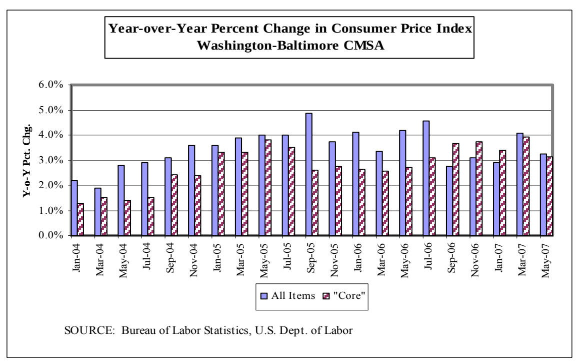
Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, the growth in sales of durable and nondurable goods were up 0.5 percent during the first five months of 2007 compared to the same period in FY06. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, increased 3.4 percent during this period while sales of durable goods were down 7.9 percent.

Purchases of energy products (↑7.8%) and apparel (↑5.0%) led sales of nondurable goods. Purchases of building and industrial supplies (↓16.4%) and furniture and appliances (↓8.0%) reflected the continued slowdown in the housing market. By contrast; purchases of hardware, machinery, and equipment were up 2.4 percent and automotive sales were up 4.2 percent.

Consumer Prices and Inflation

As measured by the Consumer Price Index for All Urban Consumers (CPI-U), inflation in the Washington-Baltimore region increased 3.2 percent over the twelve-month period ending in May. That rate was well above the national average of 2.7 but a significant deceleration of 4.1 percent in March and well below the 4.2 percent last May. Consumer prices excluding food and energy purchases were also up 3.2 percent in the region, compared to 2.2 percent for the nation over the same May 2006-to-May 2007 period.



METROPOLITAN AREA OFFICE MARKET

Office Vacancy Rate by Jurisdiction and Class, 2007:2Q

Jurisdiction	Class A	Class B	Class C	Total
Loudon	11.25%	16.04%	5.55%	13.16%
Fairfax	7.93%	10.93%	9.06%	8.98%
Frederick	1.84%	10.73%	10.60%	7.74%
Alexandria/Arlington	9.64%	8.48%	5.51%	8.81%
Montgomery	***6.68%***	***8.65%***	***8.16%***	***7.67%***
District of Columbia	7.74%	5.06%	3.45%	6.45%
Prince George's	19.04%	10.60%	5.51%	13.11%
Metropolitan Area	8.45%	8.60%	5.76%	8.30%

Vacant Office Space Inventory by Jurisdiction and Class (sq.ft.)

Jurisdiction	Class A	Class B	Class C	Total
Loudoun	744,272	949,932	32,810	1,727,014
Fairfax	5,043,022	3,718,597	255,699	9,017,318
Frederick	38,196	348,772	91,199	478,167
Alexandria/Arlington	2,792,073	1,784,236	285,693	4,862,002
Montgomery	***1,983,433***	***2,336,539***	***501,013***	*4,820,985*
District of Columbia	5,630,637	2,162,843	387,394	8,180,874
Prince George's	1,767,320	1,183,042	196,396	3,146,758
Region	17,998,953	12,483,961	1,750,204	32,233,118

Office Space Inventory by Jurisdiction and Class (sq.ft.)

Jurisdiction	Class A	Class B	Class C	Total
Loudoun	6,613,709	5,920,554	590,819	13,125,082
Fairfax	63,622,906	34,026,868	2,821,118	100,470,892
Frederick	2,070,620	3,249,508	860,080	6,180,208
Alexandria/Arlington	28,955,013	21,044,790	5,186,842	55,186,645
Montgomery	*29,677,046*	*27,008,646*	*6,141,058*	*62,826,750*
District of Columbia	72,723,295	42,780,242	11,239,301	126,742,838
Prince George's	9,281,401	11,161,740	3,567,389	24,010,530
Region	212,943,990	145,192,348	30,406,607	388,542,945

Share of Office Space Inventory by Jurisdiction and Class

Jurisdiction	Class A	Class B	Class C	Total
Loudon	50.4%	45.1%	4.5%	100.0%
Fairfax	63.3%	33.9%	2.8%	100.0%
Frederick	33.5%	52.6%	13.9%	100.0%
Alexandria/Arlington	52.5%	38.1%	9.4%	100.0%
Montgomery	***47.2%***	***43.0%***	***9.8%***	***100.0%***
District of Columbia	57.4%	33.8%	8.9%	100.0%
Prince George's	38.7%	46.5%	14.9%	100.0%
Metropolitan Area	54.8%	37.4%	7.8%	100.0%

Share of Total Regional Vacant Office Space by Jurisdiction and Class

Jurisdiction	Class A	Class B	Class C	Total
Loudon	4.1%	7.6%	1.9%	5.4%
Fairfax	28.0%	29.8%	14.6%	28.0%
Frederick	0.2%	2.8%	5.2%	1.5%
Alexandria/Arlington	15.5%	14.3%	16.3%	15.1%
Montgomery	***11.0%***	***18.7%***	***28.6%***	***15.0%***
District of Columbia	31.3%	17.3%	22.1%	25.4%
Prince George's	9.8%	9.5%	11.2%	9.8%
Total	*100.0%*	*100.0%*	*100.0%*	*100.0%*

SELECTED ECONOMIC INDICATORS	Reporting Period	Current Period	Prior Year's Period	Year To-Date 2007	Year To-Date 2006	2006
Leading Indicators						
National	June '07	-0.3%		-0.3%		0.1%
Washington MSA	May '07	0.1%		0.0%		-0.6%
Coincident Indicators						
National	June '07	0.2%		1.8%		2.2%
Washington MSA	May '07	0.2%		0.8%		0.4%
Consumer Confidence Index						
National	June '07	-4.2%		1.8%		6.0%
South Atlantic Region	June '07	-5.2%		-1.4%		0.7%
Consumer Sentiment (University of Michigan)	July '07	6.0%		4.1%		0.2%
Consumer Price Index						
All Items (nsa)						
National	June '07	2.7%		2.5%		3.2%
Washington - Baltimore CMSA	May '07	3.2%		3.5%		3.6%
Core CPI (nsa)						
National	June '07	2.2%		2.5%		2.5%
Washington - Baltimore CMSA	May '07	3.2%		3.5%		3.1%
Retail Trade						
National (sales - nsa)	June '07	3.2%		4.0%		5.9%
Washington MSA (sales - nsa)	May '07	3.7%		3.5%		5.9%
Maryland (sales tax)	May '07	2.8%		1.6%		4.9%
Montgomery County (sales tax)	May '07	0.4%		0.5%		3.5%
Employment						
National (labor force data - nsa)	June '07	146,958,000	145,216,000	145,366,000	143,152,000	144,427,000
- Percent Change		1.2%		1.5%		1.9%
Bethesda-Federick-Gaithersburg (establish.)	June '07	590,100	583,900	580,100	573,300	576,900
- Percent Change		1.1%		1.2%		1.4%
Montgomery County (labor force data)	June '07	507,560	506,960	505,465	500,242	504,751
- Percent Change		0.1%		1.0%		2.6%
Montgomery County (QCEW)	Dec. '06	472,756	467,977	464,833	458,668	464,833
- Percent Change		1.0%				1.3%
Unemployment						
National (nsa)	June '07	4.7%	4.8%	4.6%	4.8%	4.6%
Maryland (nsa)	June '07	4.0%	4.1%	3.8%	3.9%	3.9%
Montgomery County (nsa)	June '07	3.2%	3.1%	2.8%	2.8%	2.9%
Construction						
Construction Starts - Montgomery County						
Total ($ thousands)	June '07	$83,975	$207,815	$578,658	$826,369	$1,360,774
- Percent Change		-59.6%		-30.0%		-0.5%
Residential ($ thousands)	June '07	$49,267	$152,008	$320,146	$443,021	$657,118
- Percent Change		-67.6%		-27.7%		-15.3%
Non-Residential ($ thousands)	June '07	$34,708	$55,807	$258,512	$383,348	$703,656
- Percent Change		-37.8%		-32.6%		19.0%
Building Permits (Residential)						
National	May '07	131,908	180,178	767,239	1,029,805	1,838,903
- Percent Change		-26.8%		-25.5%		-14.7%
Maryland	June '07	1,862	3,392	11,804	14,869	23,262
- Percent Change		-45.1%		-20.6%		-22.9%
Montgomery County	June '07	458	339	2,539	1,702	3,031
- Percent Change		35.1%		49.2%		-15.6%
Building Permits (Non-Residential)						
Montgomery County	June '07	160	211	825	968	1,775
- Percent Change		-24.2%		-14.8%		-17.6%
Real Estate						
National						
Sales (saar)	June '07	5,750,000	6,490,000	6,170,000	6,750,000	6,478,000
- Percent Change		-11.4%		-8.6%		-8.5%
Median Price	June '07	$230,100	$229,300	$220,000	$220,000	$221,900
- Percent Change		0.3%		0.0%		1.0%
Montgomery County						
Sales	June '07	1,136	1,406	5,567	6,604	13,523
- Percent Change		-19.2%		-15.7%		-20.5%
Average Price	June '07	$584,878	$572,978	$543,556	$523,201	$529,511
- Percent Change		2.1%		3.9%		4.4%
Median Price	June '07	$470,000	$467,000	$443,250	$435,125	$439,000
- Percent Change		0.6%		1.9%		3.3%
Average Days on the Market	June '07	69	44	85	49	57

NOTES:
(nsa): not seasonally adjusted