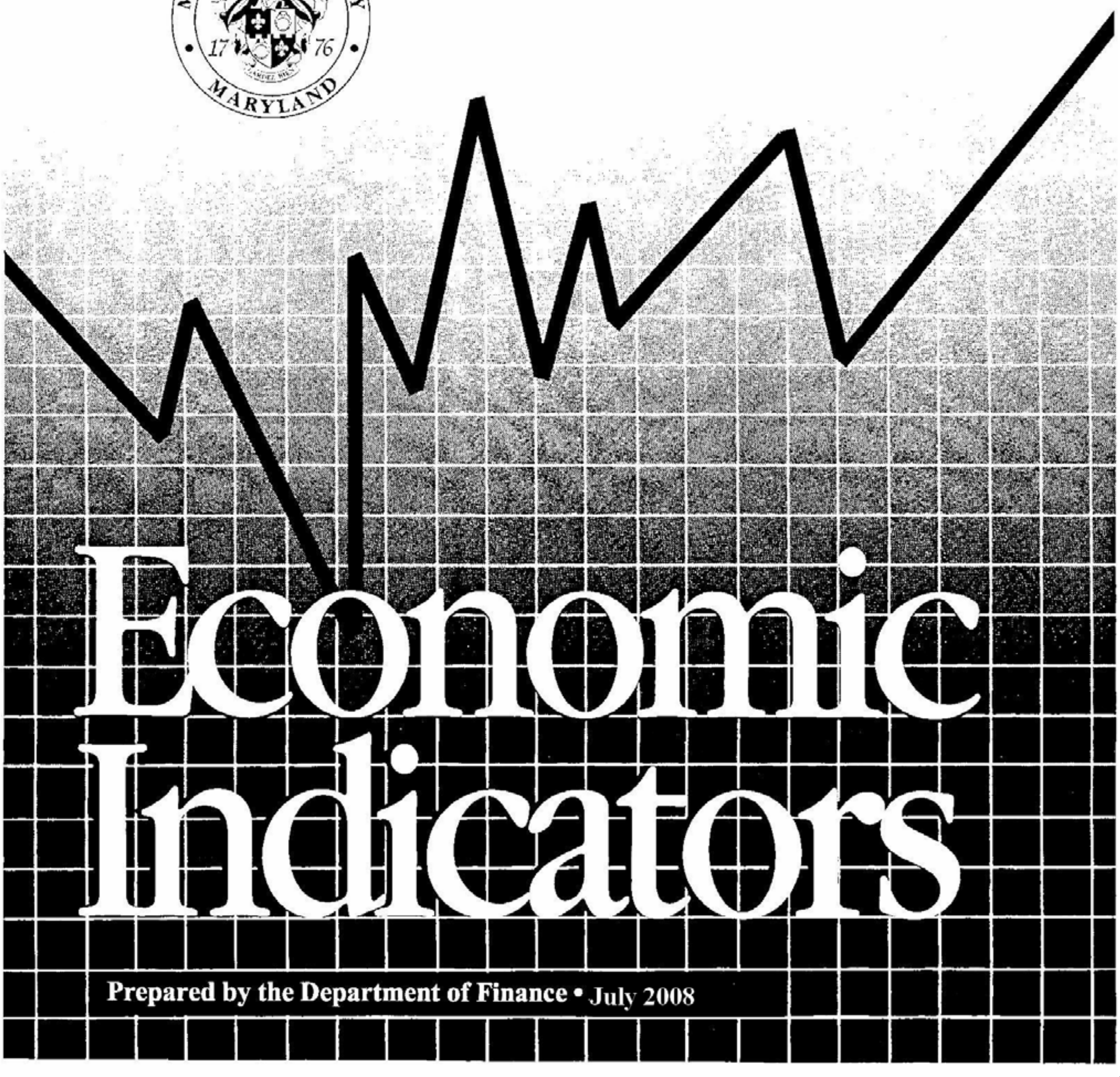

Economic Indicators

Prepared by the Department of Finance • July 2008

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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

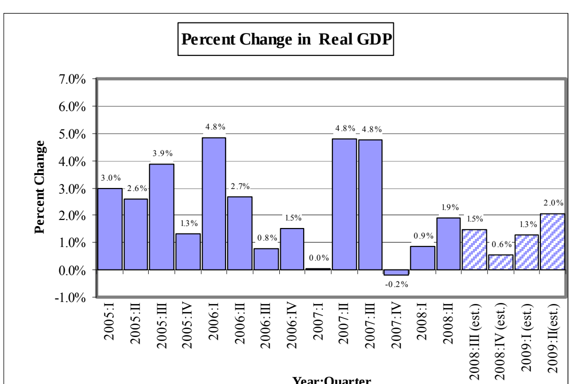
For questions regarding this report, please contact:

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, gross domestic product (GDP) grew at a 1.9 percent seasonally adjusted annual rate during the second quarter − that increase followed a 0.9 percent increase during the first quarter and 0.2 percent decline during the fourth quarter of last year. Those growth rates followed rates of 4.8 percent for the second and third quarters of 2007. Based on the recent *Wall Street Journal* survey of fifty economists conducted in July, economic growth during the third and fourth quarters of this year are expected to increase 1.5 percent, and 0.6 percent respectively. However, the survey was conducted prior to the release of the advance estimate by BEA. The economists surveyed also put the odds of a recession at 63.0 percent up slightly from the 60.8 percent probability in the June survey and 62.7 percent in the May survey. Data obtained from the New York Federal Reserve Bank puts the probability of a recession at 26.0 percent in its June estimate, down from 41.0 percent in its March estimate. The probability obtained by the New York Federal Reserve Bank is based on the spread between the 10-year Treasury bond and the 3-month Treasury bill rates.

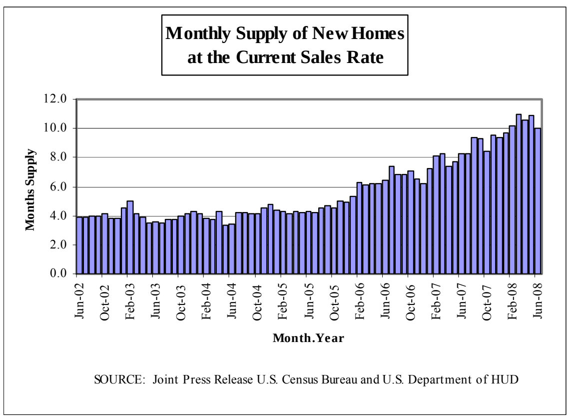


SOURCES: Bureau of Economic Analysis, U.S. Dept. of Commerce.
Estimates from *Wall Street Journal* Survey conducted July 2008.
NOTE: Percent changes are at annual rates.

However, the National Bureau of Economic Research's (NBER) Business Dating Committee is responsible for maintaining the chronology of the national business cycle. As such, the committee determines when a recession begins and ends by placing particular emphasis on four variables: real personal income less transfer payments, payroll employment, industrial production, and the volume of sales of the manufacturing and wholesale retail sectors adjusted for price changes. Based on data from the Conference Board, only one variable, payroll employment, experienced consistent declines between January and June, but industrial production, personal income, and volume of sales did not.

Business capital spending as measured by new orders for nondefense capital goods excluding aircraft increased 3.6 percent during the first half of this year (1.5% adjusted for inflation) compared to the same period last year, well above the 2.0 percent decline between January – June 2006 and January – June 2007. While the financial media has debated whether the economy is in a recession, the data about new orders suggests that businesses are optimistic that it has been avoided to date. Case in point, during the last recession, new orders declined nearly 17 percent between April and November 2001 (dates of the last recession as determined by NBER) compared to April and November 2000.

Homebuilding continued to contract for the tenth consecutive quarter (↓15.6%) albeit at a slower rate compared to the previous three quarters. The continued decline in residential construction is reflected in the historically high inventories of both existing and new homes for sale. According to the latest data from the National Association of Realtors, total housing inventory of existing homes for sale decreased 2.6 percent in June to nearly an 11.1-month supply. That level of inventory of homes for sale is one percentage point above the June '07 – May '08 monthly average (10.1-month supply). According to the Census Bureau and the U.S. Department of Housing and Urban Development, the inventory of new homes for sale represented a supply of 10 months at the rate of current sales, slightly higher than the June '07 – May '08 monthly average of 9.6 months.



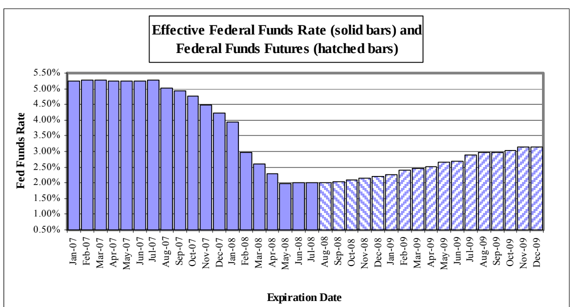
Not surprisingly fewer homes are being built which will adjust this excess inventory. While housing permits were up 11.6 percent in June, from the previous month, at a seasonally adjusted rate, they were 23.9 percent below June 2007. For the first six months of this year, privately-owned housing units that were issued permits averaged 1,003,000 at a seasonally adjusted rate. That number was down 34.5 percent compared to the same period last year and 50.9 percent below the same six-month period in 2006. Housing starts also increased in June with the number of starts up 9.1 percent in June, at a seasonally adjusted annual rate, from the previous month but down 26.9 percent since June 2007. During the first half of this year, average monthly housing starts, at a seasonally adjusted annual rate, were down 29.0 percent compared to the same period last year and down 48.0 percent compared to January-June 2006.

Sales of existing homes dropped to a 4.86 million unit annual rate in June, which was 2.6 percent below May sales and 15.5 percent below June 2007 sales. Given that the housing market has entered its historically peak selling season, the decline in June portends weak sales through the remainder of the peak May – August period. In fact, June sales were below the monthly September '07 – April '08 average of 4.98 million units – a historically low seasonal selling period. However, the median price for an existing home increased 3.5 percent in June over the previous month but was 6.1 percent below the same month last year. The average price increased 1.9 percent in June but was down 6.8 percent compared to June 2007.

Because of the turmoil in the housing market, particularly with the subprime mortgage crisis creating a credit crisis that started last summer, the Federal Open Market Committee (FOMC) of the Federal Reserve (Fed) began aggressive rate cuts last September. Since that time, the FOMC has cut the target rate on federal funds from 5.25 percent to 2.00 with most of those cuts (125 basis points (bps)) coming within an eight day period in January, followed by a 75 basis-point cut in March, and a 25 basis-point cut in April. At its meeting on August 5, the FOMC decided to keep its target for the federal funds rate at 2 percent. While some economists expect further easing by the FOMC through the remainder of the year, the futures market for 30-day federal funds does not. The federal funds futures market anticipates that the FOMC has ended its rate cutting policy at 2 percent and does not expect a rate hike until the December meeting of the FOMC at the earliest. The anticipated pause is attributed to two factors:

the uncertainty with the inflation outlook due to high energy and commodity prices and possibly an easing but not necessarily the end of the credit crisis with financial markets remaining "under considerable stress."

The preferred measure of inflation by the Fed, the price index for personal consumption expenditures (PCE) excluding food and energy, i.e., "core" PCE inflation, increased 2.3 percent in June over June 2007, and has been above the Fed's target of 2.0 percent since October of last year. While the year-over-year change in the index remains above the target, the Fed estimates that the core inflation rate for 2008 will be between 2.2 and 2.4 percent and decline to 2.0-2.2 percent in 2009. Those estimates appear in the Fed's *Monetary Policy Report to the Congress*, July 15, 2008. Unless the core rate shows appreciable increases through the remainder of 2008, it is unlikely that the Fed through the FOMC will raise the federal funds target rate this year.



SOURCES: Federal Reserve Bank of St. Louis (solid bars) and the Chicago Board of Trade (hatched bars) as of August 5, 2008 (p.m.)

The minutes of the FOMC meeting on June 24-25 reveal that most of the participants viewed the financial markets "as remaining under considerable stress" and also repeated in the Fed's press release on August 5. The availability of liquidity by the Fed and the decline in the term spreads in interbank funding, though elevated by historical standards, helped improve the functioning of financial markets. However the participants expressed concerns that the financial markets remain fragile and further adverse financial market developments still pose downside risks to the overall economy. Adverse financial risks include or have included a myriad of consumer loans such as subprime, Alt-A, and other home mortgages; credit cards; personal and car loans; and home equity lines of credit. For example, since the bailout of Bear Stearns in mid-March, the spread or gap between the daily three-month London Inter-Bank Offered Rate (LIBOR) and the effective fed funds rate averaged 66 basis points − at least 50 basis points above the pre-August '07 historical average. Former Fed Chairman Alan Greenspan writes in the *Financial Times* (August 5) that "the London Interbank Offered Rate spreads on overnight index swaps and credit default swaps (CDSs) of financial institutions have not returned to the modest pre-crisis levels." The biggest reason for this divergence is the credit/liquidity crisis.

In the same issue of the *Financial Times*, Greenspan warned that more banks and financial institutions could be "bailed" out. According to a study undertaken by Bianco Research and reported in the August 4 edition of the *Wall Street Journal*, banks have lost roughly $480 billion in the past year but raised only $345 billion in new capital. Assuming banks are not overcapitalized, i.e., no excess capital, the difference is $135 billion. With leverage, that deficiency in capital translates into $1.9 trillion, or 13.3 percent of GDP, in lending capacity.

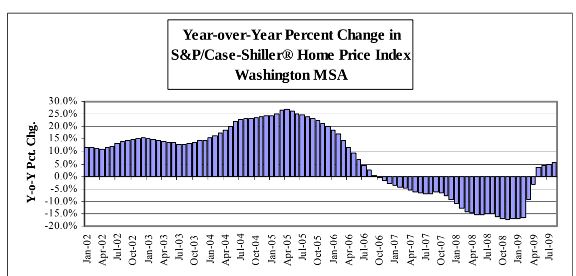
Since the start of the year, the stock market has been a tale of two tapes. Up to March 10, the S&P 500 index declined 13.3 percent. Since that time, the index decreased 1.0 percent for the week ending August 1st. For the entire year, the S&P 500 index has declined 14.2 percent. At that rate, the index could decrease by 22.8 percent by yearend − the largest decline since 2002 (↓23.4%). That trend is also reflected in the Dow Jones Industrial Average (↓11.5% versus ↓3.5%). Only the NASDAQ (↑6.5%) and Russell 2000 (↑11.2%) indices experienced increases since March 10. However, since the peak in the DJIA, NASDAQ, and S&P 500 indices in early October 2007, all three indices have declined by at least 19 percent and are at least 3.4-5.9 percent below their 65-day moving averages. Both indicators suggest that all three major indices remain at or near a bull-market mode.

REGIONAL ECONOMY

According to the latest report from the Center for Regional Analysis (CRA), George Mason University, "the Washington area economy in May reflected many of the problems that have contributed to the slowdown in the national economy", albeit with less severe consequences. While the national economy has lost jobs over the past year (July '07 to July '08), the area's economy continues to add jobs – an increase of 25,300 jobs (June '07 – June '08). While the unemployment rate at the national level reached 5.7 percent (not seasonally adjusted) in June, the region's unemployment rate was almost two full percentage points lower (3.9%). However, there are indications that the local economy remains weak. Among those indicators are consumer confidence and home prices.

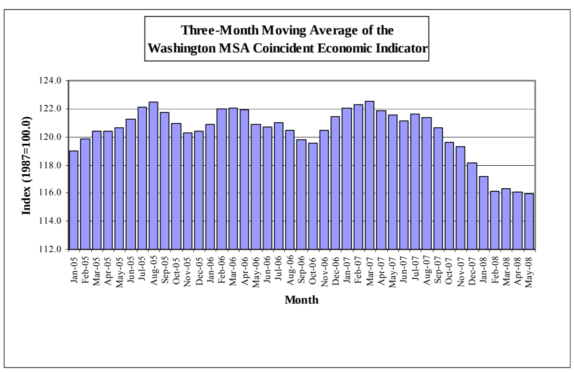
While consumer confidence increased in July (↑3.9%), the January-July average remained 43.3 percent below the same period last year. If consumer confidence does not improve, consumers will be reluctant to spend and invest, particularly on purchases of durable goods. While purchases of non-durable goods increased 7.1 percent during the first five months of this year compared to the same period last year, purchases of durable goods increased a meager 1.7 percent over the same comparative period. While the effects of 2008 tax rebate may have increased sales of durable goods according to a study by Christian Broda (University of Chicago) and Jonathan Parker (Northwestern University), their findings underscore the effects of the economic stimulus package in stabilizing consumer spending. However, further declines in consumer confidence during the year could have a deleterious effect on consumer spending particularly on durable goods.

The second indicator reflecting a weakness in the region's economy is home prices. Home prices in the region continue to weaken since May 2006. Based on the S&P/Case-Shiller® Home Price Index for the Washington region, monthly prices have steadily declined such that the May index, the latest available to date, was 15.4 percent below May 2007 and 20.6 percent below the May 2006 peak. According to futures traded on the Chicago Mercantile Exchange, regional home prices may decline an additional 12.8 percent by February of next year bringing the total decline in home prices of 30.8 percent since the May 2006.



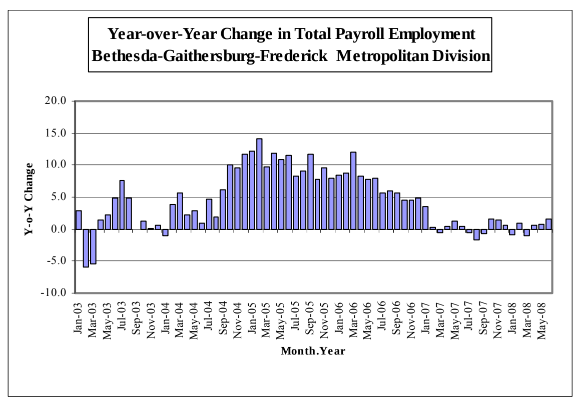
NOTE: S&P/Case-Shiller price index is a registered trademark of Standard and Poor's. Data from April 2008 to May 2009 extrapolated from Chicago Mercantile Exchange futures data.

The Washington Leading Index, which forecasts the performance of the regional economy six to eight months ahead, decreased 0.6 percent in May. This was the third consecutive monthly decrease and has declined 3.4 percent in the past twelve months. The performance of four of the index's five components contributed to its decline in May: a decline in purchases of durable goods, an increase in initial claims for unemployment insurance, a decrease in consumer expectations, and a decline in total residential building permits. The other indicator, the Help Wanted Index, was unchanged. According to CRA, this performance of the index suggests that the Washington area economy "points to slower growth with no expectation of the economy growing until the spring of 2009." The keys to the region's economy are consumer spending, particularly purchases of durable goods, and employment.



The coincident index, which measures the current state of the region's economy, increased 0.9 percent in May, which followed two consecutive monthly decreases (↓0.3% in March, ↓1.0% in April). The May gains were attributed to: an increase in domestic passenger travel at Reagan National and Dulles International Airports, an increase in purchases of non-durable goods and an increase in payroll employment. However, the index declined 4.3 percent over the past year (May 2007 to May 2008).

As stated previously, 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 had the lowest unemployment rate (3.9%) in June and the fourth largest employment increase among the 310 metropolitan areas (+25,300). The Bethesda-Gaithersburg-Frederick metro division continued to report the lowest jobless rate of 3.3 percent among the 34 metropolitan divisions. However, that low unemployment rate did not translate into job growth. In fact, fiscal year (FY) 2008, average monthly payroll employment stood at 576,900 compared to an average of 576,700 during FY2007 − an increase of slightly more than 200 jobs compared to 21,900 for the other jurisdictions in the metropolitan region. Essentially there was no job growth over the past year in Montgomery and Frederick counties.

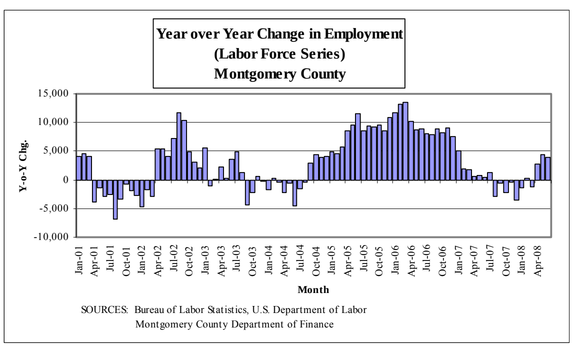


MONTGOMERY COUNTY ECONOMIC INDICATORS

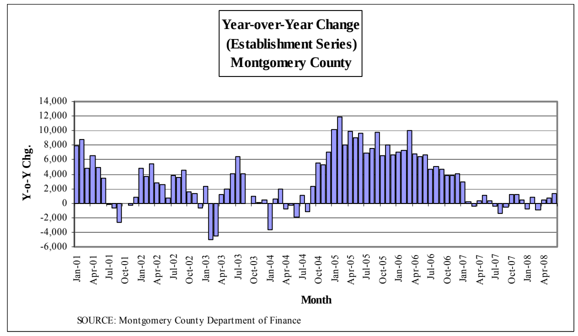
Montgomery County experienced weak economic performance during FY2008. The primary reasons for the County's weak performance were modest growth in employment based on the labor force (resident employment) series and little growth based on the establishment (payroll) series, a continuation in the decline of home sales and the buildup of inventory-to-sales ratio, weak construction in residential properties, weak consumer spending particularly for purchases of durable goods, and a dramatic increase in consumer prices.

Employment Situation

Based on data from the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics, (BLS) U.S. Department of Labor, resident employment (labor force series) in Montgomery County increased by 3,900 in June compared to June 2007. However, over the twelve month period ending in June (FY2008) total resident employment averaged approximately 499,050 per month. That average was the same as the July 2006 to June 2007 (FY2007) monthly average of 499,000.



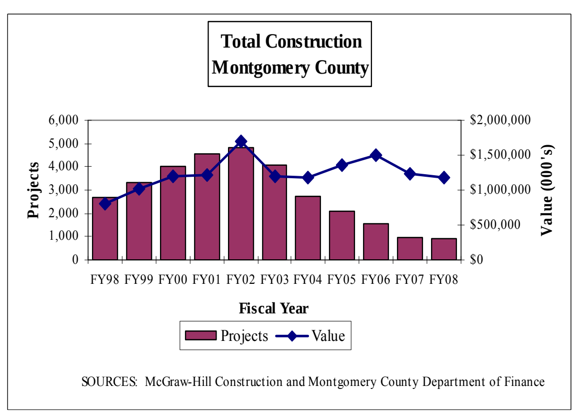
Payroll employment is derived by the Department of Finance (Treasury Division) using BLS and DLLR data. The County's total payroll employment increased by 1,600 (↑0.3%) during the twelve month period ending in June. Throughout FY2008, the monthly average of payroll employment experienced very little growth in the County. Employment stood at a monthly average of 481,300 jobs compared to 481,100 jobs during FY2007. With both resident and payroll employment indicating little or no growth, any increase in income tax revenues during this fiscal year and into next fiscal year will be based on growth in wages and salaries rather than employment or no "real" or inflation adjusted growth.



While the employment situation remains weak in terms of growth, the unemployment rate of 3.3 percent in June remains one of the lowest in the State (4.3%). Only Howard County, at 3.2 percent, had a lower unemployment rate.

Construction Activity

Construction activity experienced mixed results during FY2008. While the total number of projects decreased (↓6.3%), the total value added was also down (↓4.1%). The decrease in additional value was attributed to significant decline in the value of residential construction (↓21.7%), offset by an increase in the value of non-residential construction (↑14.5%).



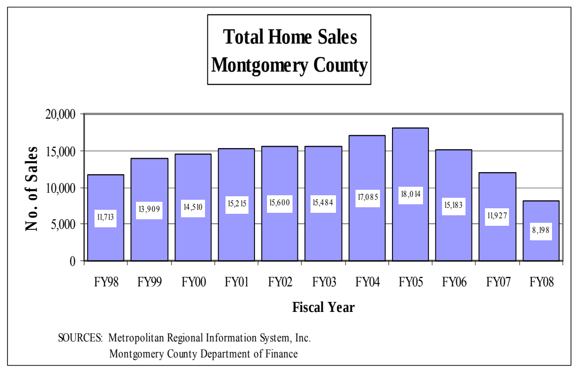
The number of non-residential construction projects was down 14.2 percent during FY2008 compared to the same period last year. While the number of non-residential construction projects decreased during this period, the total amount of additional value increased. The major contributor to that increase was commercial construction (↑11.9%), led by warehouses (↑52.6%), office and bank buildings (↑32.7%), and the garage and service stations (↑32.2%). Construction of other non-residential properties experienced dramatic volatility from year to year based on a comparison of the past six years. For example, the value of new construction for education and science facilities was up 52.0 percent during FY2008. That percent change followed a decline of 60.7 percent the previous year, and a decrease of 23.0 percent for FY2006 and an increase of 41.2 percent for FY2005

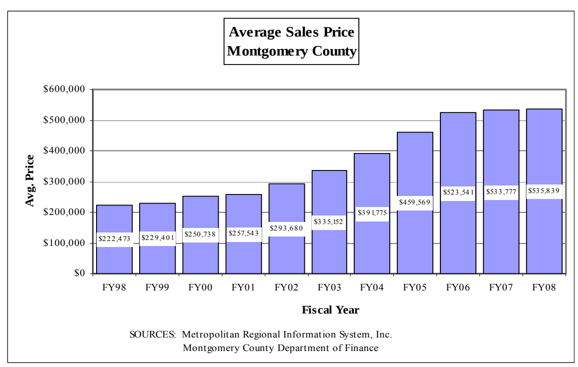
Residential Real Estate

Led by the decline in the building of new single-family units, overall residential construction continued to decrease during fiscal year 2008 in response to the correction in the real estate market that began in the summer of 2005. Construction of new single-family units declined 20.9 percent, although, construction of condominium units increased (↑16.3%). Even though construction of condominium units reached over 1,800 units in FY2008, the overall added value of new residential construction declined 21.7 percent, attributed to the dramatic decline in the added value of single-family homes (↓34.1%). While the County continues to add residential property to its property tax base, it has been doing so at a decreasing rate since 2005, the peak of the housing boom.

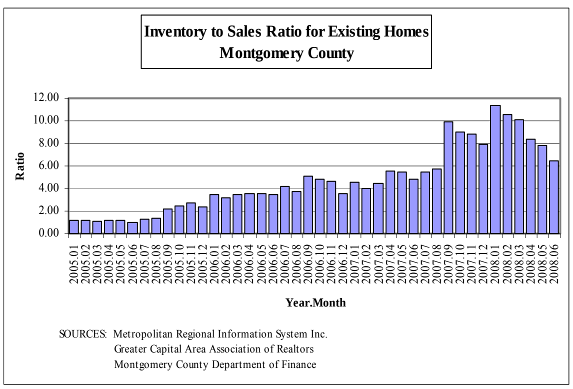
At the same time that the number of total residential construction starts declined during FY2008, the number of units authorized, i.e., permitted, has decreased 54.8 percent during this period based on data from the Census Bureau. The number of permitted units decreased from 3,200 during the July-June 2007 period to nearly 1,800 units for the same period this fiscal year.

During FY2008, home sales declined 31.3 percent, which followed a 21.4 percent decline during the previous fiscal year. However, average home prices were up a meager 0.4 percent in FY2008 which followed increases of 13.9 percent and 2.0 percent during the same periods in FY2006 and FY2007, respectively.





The significant contraction in sales is reflected in the dramatic increase in inventory-to-sales ratio. From June 2005 to January of this year, the ratio steadily increased from 0.98 to 11.4. However, that ratio has steadily declined from its peak to a ratio of 6.4 in June. This means that for every six to seven homes listed on the market in June, there was one buyer. In January, for every eleven to twelve homes listed, there was only one buyer. While there has been a significant decline in the ratio since January, it remains well above the June 2007 inventory-to-sales ratio of 4.8 and suggests that monthly home sales will continue to decline compared to the same month the previous year. Although a lower ratio can be an indicator of a strong market, the recent decline is more likely due to residents withdrawing their homes for sale from the market as opposed to an up tick in demand.



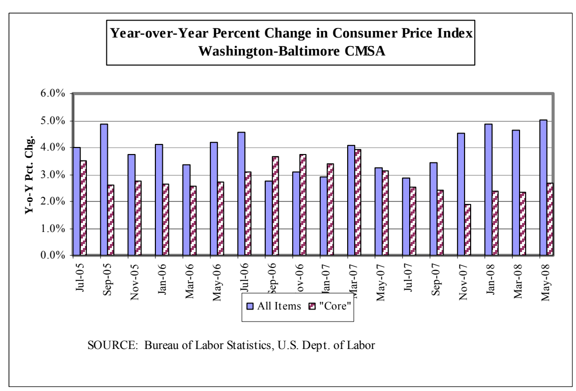
Retail Sales

Using sales tax receipts as a measure of retail sales activity in the County, the growth in sales of durable and nondurable goods were down 1.7 percent (adjusted for the rate increase) during the first five months of this calendar year compared to the same period in 2007. Purchases of nondurable goods, which include food and beverage, apparel, general merchandise, and utilities and transportation, increased 3.6 percent during this period while sales of durable goods were down 10.8 percent.

Purchases of utilities and transportation (↑6.5%), food and beverages (↑4.6%), and general merchandise (↑4.2%) led sales of nondurable goods. Purchases of building and industrial supplies (↓14.1%), furniture and appliances (↓10.8%) and automotive (↓4.4%) also declined.

Consumer Prices and Inflation

As measured by the Consumer Price Index for All Urban Consumers (CPI-U), inflation in the Washington-Baltimore region increased 5.0 percent on a year-over-year basis in May, i.e., May 2008 over May 2007, and significantly above the year-over-year national average in May (4.2%). That increase in the region's index was the largest since the 4.9 percent year-over-year increase in January of this year and the largest ever recorded since the index was developed in November 1996. Consumer prices excluding food and energy purchases were also up 2.7 percent in the region (on a year-over-year basis), which was slightly above the increase for the nation (↑2.3%) over the same May 2007-to-May 2008 period.



METROPOLITAN AREA OFFICE MARKET

Direct Office Vacancy Rate by Jurisdiction and Class, 2008:2Q

Jurisdiction	Class A	Class B	Class C	Total
Loudon	20.69%	12.76%	8.28%	16.79%
Fairfax	11.89%	11.88%	5.46%	11.65%
Frederick	3.76%	12.80%	8.25%	9.24%
Alexandria/Arlington	8.29%	6.18%	5.05%	7.21%
Montgomery	***8.90%***	***8.50%***	***7.70%***	***8.61%***
District of Columbia	8.25%	4.52%	5.55%	6.79%
Prince George's	22.58%	13.70%	6.98%	15.79%
Metropolitan Area	10.37%	8.57%	6.20%	9.37%

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

Jurisdiction	Class A	Class B	Class C	Total
Loudoun	1,588,858	800,132	46,453	2,435,443
Fairfax	8,028,400	4,620,995	216,614	12,866,009
Frederick	77,244	440,090	80,756	598,090
Alexandria/Arlington	2,516,406	1,295,570	266,744	4,078,720
Montgomery	***2,734,424***	***2,328,066***	***506,153***	*5,568,643*
District of Columbia	6,359,518	1,975,333	604,405	8,939,256
Prince George's	1,928,581	1,608,091	265,255	3,801,927
Region	23,233,431	13,068,277	1,986,380	38,288,088

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

Jurisdiction	Class A	Class B	Class C	Total
Loudoun	7,678,215	6,270,633	560,763	14,509,611
Fairfax	67,532,840	38,895,245	3,968,028	110,396,113
Frederick	2,055,134	3,439,322	978,594	6,473,050
Alexandria/Arlington	30,341,096	20,969,783	5,283,763	56,594,642
Montgomery	*30,719,300*	*27,391,538*	*6,569,927*	*64,680,765*
District of Columbia	77,086,339	43,699,612	10,894,300	131,680,251
Prince George's	8,540,995	11,741,572	3,801,698	24,084,265
Region	223,953,919	152,407,705	32,057,073	408,418,697

Share of Office Space Inventory by Jurisdiction and Class

Jurisdiction	Class A	Class B	Class C	Total
Loudon	52.9%	43.2%	3.9%	100.0%
Fairfax	61.2%	35.2%	3.6%	100.0%
Frederick	31.7%	53.1%	15.1%	100.0%
Alexandria/Arlington	53.6%	37.1%	9.3%	100.0%
Montgomery	***47.5%***	***42.3%***	***10.2%***	***100.0%***
District of Columbia	58.5%	33.2%	8.3%	100.0%
Prince George's	35.5%	48.8%	15.8%	100.0%
Metropolitan Area	54.8%	37.3%	7.8%	100.0%

Share of Total Regional Vacant Office Space by Jurisdiction and Class

Jurisdiction	Class A	Class B	Class C	Total
Loudon	6.8%	6.1%	2.3%	6.4%
Fairfax	34.6%	35.4%	10.9%	33.6%
Frederick	0.3%	3.4%	4.1%	1.6%
Alexandria/Arlington	10.8%	9.9%	13.4%	10.7%
Montgomery	***11.8%***	***17.8%***	***25.5%***	***14.5%***
District of Columbia	27.4%	15.1%	30.4%	23.3%
Prince George's	8.3%	12.3%	13.4%	9.9%
Total	*100.0%*	*100.0%*	*100.0%*	*100.0%*

SELECTED ECONOMIC INDICATORS	Reporting Period	Current Period	Prior Year's Period	Year To-Date 2008	Year To-Date 2007	Annual 2007
Leading Indicators						
National	June '08	-0.1%		-2.0%		-1.7%
Washington MSA (1)	May '08	-0.6%		-2.6%		-0.4%
Coincident Indicators						
National	June '08	0.1%		0.6%		1.1%
Washington MSA (1)	Apr. '08	0.9%		-4.8%		-4.8%
Consumer Confidence Index						
National	July '08	1.8%		-40.5%		-17.6%
South Atlantic Region	June '08	3.9%		-43.3%		-29.9%
Consumer Sentiment (University of Michigan)	July '08	8.5%		-26.9%		-17.7%
Consumer Price Index						
All Items (nsa)						
National	June '08	5.0%		4.2%		2.8%
Washington - Baltimore CMSA	May '08	5.0%		4.8%		3.6%
Core CPI (nsa)						
National	June '08	2.4%		2.3%		2.3%
Washington - Baltimore CMSA	May '08	2.7%		2.5%		2.8%
Retail Trade						
National (sales - nsa)	June '08	1.0%		3.1%		4.1%
Washington MSA (sales - nsa)	May '08	5.1%		5.1%		3.9%
Maryland (sales tax)(2)	May '08	-3.2%		-2.5%		1.6%
Montgomery County (sales tax)(2)	Apr. '08	-1.4%		-1.4%		0.1%
Employment						
National (labor force data - nsa)	July '08	146,867,000	147,315,000	145,661,000	145,644,000	146,047,000
- Percent Change		-0.3%		0.0%		1.1%
Bethesda-Federick-Gaithersburg (establish.)	June '08	585,200	574,500	574,100	572,200	576,700
- Percent Change		1.9%		0.3%		0.1%
Montgomery County (labor force data)	May '08	504,673	500,747	498,396	496,862	498,279
- Percent Change		0.8%		0.3%		0.0%
Montgomery County (QCEW)(1)	Dec. '07	466,724	472,756	459,313	464,833	459,313
- Percent Change		-1.3%		-1.2%		1.3%
Unemployment						
National (nsa)	July '08	6.0%	4.9%	5.4%	4.7%	4.6%
Maryland (nsa)	June '08	4.3%	3.7%	3.7%	3.7%	3.6%
Montgomery County (nsa)	June '08	3.3%	3.0%	2.8%	2.7%	2.7%
Construction						
Construction Starts - Montgomery County						
Total ($ thousands)	June '08	$52,006	$113,615	$499,478	$622,231	$1,343,352
- Percent Change		-54.2%		-19.7%		-6.2%
Residential ($ thousands)	June '08	$19,121	$79,022	$235,573	$349,901	$668,329
- Percent Change		-75.8%		-32.7%		-6.8%
Non-Residential ($ thousands)	June '08	$32,885	$34,593	$263,905	$272,330	$675,023
- Percent Change		-4.9%		-3.1%		-5.5%
Building Permits (Residential)						
National	June '08	108,093	131,908	521,364	767,239	1,380,470
- Percent Change		-18.1%		-32.0%		-24.9%
Maryland	June '08	1,654	1,862	8,143	11,804	19,940
- Percent Change		-11.2%		-31.0%		-14.3%
Montgomery County	June '08	128	458	861	2,539	3,459
- Percent Change		-72.1%		-66.1%		14.1%
Building Permits (Non-Residential)						
Montgomery County	June '08	173	160	981	825	1,661
- Percent Change		8.1%		18.9%		-6.4%
Real Estate						
National						
Sales (saar)	June '08	4,860,000	5,750,000	4,933,300	6,116,700	5,652,000
- Percent Change		-15.5%		-19.3%		-12.8%
Median Price	June '08	$215,100	$229,000	$203,300	$218,900	$219,000
- Percent Change		-6.1%		-7.1%		-1.3%
Montgomery County						
Sales	June '08	909	1,136	3,841	5,567	10,360
- Percent Change		-20.0%		-31.0%		-23.4%
Average Price	June '08	$560,605	$584,878	$530,401	$543,556	$550,210
- Percent Change		-4.2%		-2.4%		3.9%
Median Price	June '08	$445,000	$470,000	$416,833	$443,250	$444,000
- Percent Change		-5.3%		-6.0%		1.1%
Average Days on the Market	June '08	87	69	108	85	84

NOTES:

(nsa): not seasonally adjusted
(p): preliminary
(1): Annual data are for 2006
(2): Data adjusted for rate increase