

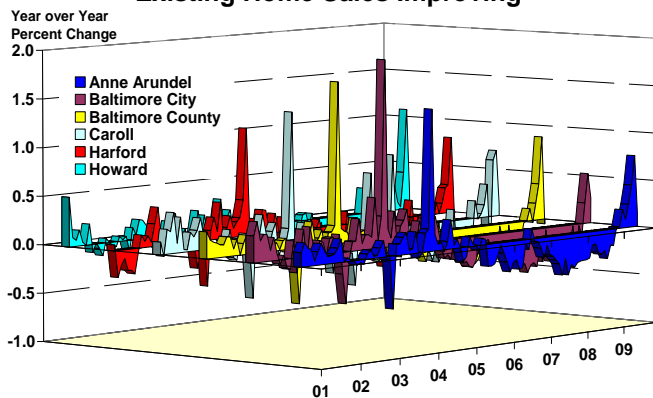
# Baltimore Metropolitan Housing Market Outlook

## MARKET-ECONOMICS

**Baltimore Metropolitan Housing — Existing home sales improved in September through November stimulated by Federal Tax Credit — inventory remains high.**

- Baltimore metropolitan existing home sales surged in the fourth quarter of 2009 — up by 39.5 % year over year. Queen Anne's County lead the growth followed by Howard County — up by 81.4% and 48.7 % respectively.
- This surge was helped by “first time homebuyers” taking advantage of the federal tax credit. The surge was noted in November — up by 76.9% year-over-year, only to return to a still positive growth of 11.1% in December

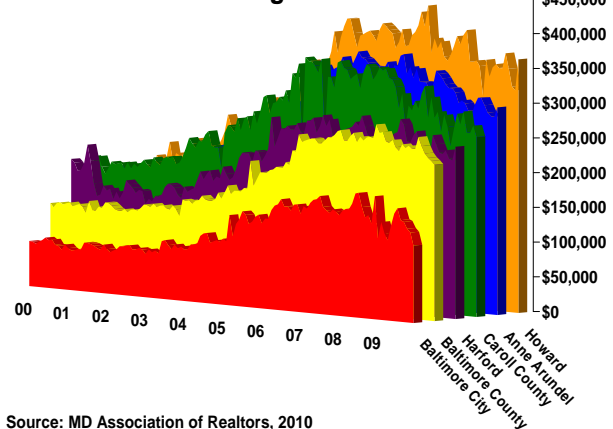
### Existing Home Sales Improving



Source: Maryland Association of Realtors, 2010

- Existing median home prices continue to moderate. The average median existing home price in the Baltimore metropolitan area was \$260,004 in December 2009 — down by 1.5% from previous year.
- Existing median home prices have started to firm up in Baltimore County, up by 5.6% in December from a year ago. However, existing median home prices in remainder of the metropolitan still are down. Creating an opportunity for first time home buyers with excellent credit.

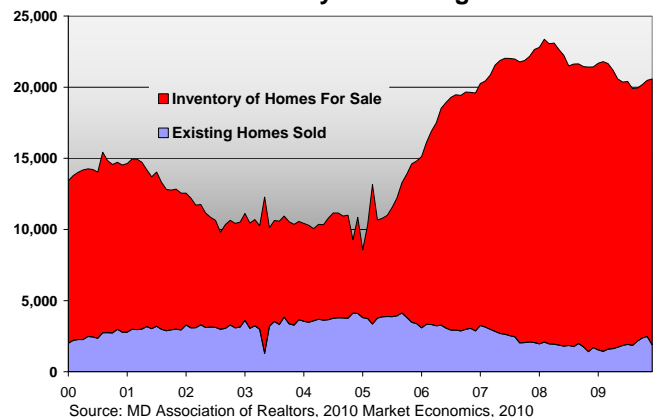
### Median Housing Prices Moderate



Source: MD Association of Realtors, 2010

- The inventory of unsold homes holds remains high as foreclosures continue to push up the number of homes for sale on the market. Tighter credit requirements even for FHA and VA financing makes it difficult for homebuyers with lower credit scores.

### Baltimore Metro Inventory of Existing Home for Sale

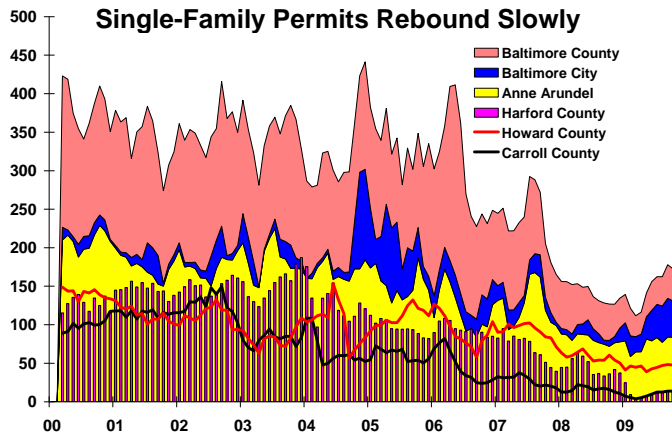


Source: MD Association of Realtors, 2010 Market Economics, 2010

**Housing construction activity is showing signs of bottoming out with a small up tick beginning.**

- New single-family housing permits show a slow recovery after bottoming in March 2009. Baltimore City and Queen Anne County are showing a pickup in new permit activity — nearly tripling and doubling activity from a year ago. Baltimore County is just beginning to show positive growth — up by 23.3 percent in the fourth quarter of 2009. Anne Arundel County continues with steady growth — up by 11.5 percent.

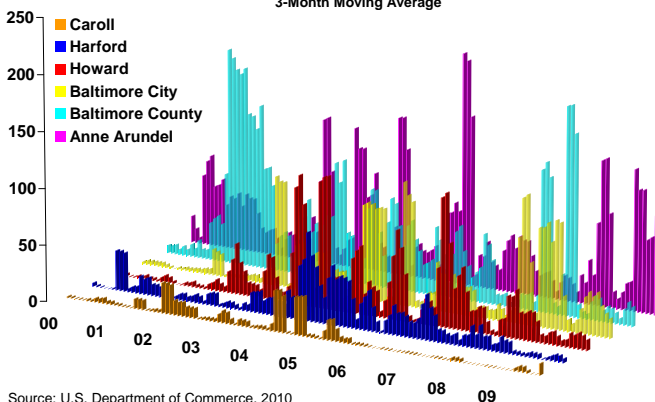
### Single-Family Permits Rebound Slowly



- In the metropolitan area, multifamily construction is up by 83.1% from a year ago. This coming after significant declines in 2008. Anne Arundel County is showing a modest growth in new construction — up annually by 20.9% in 2009. Despite the small volume multiple family permits tripled in Carroll County over the previous year.

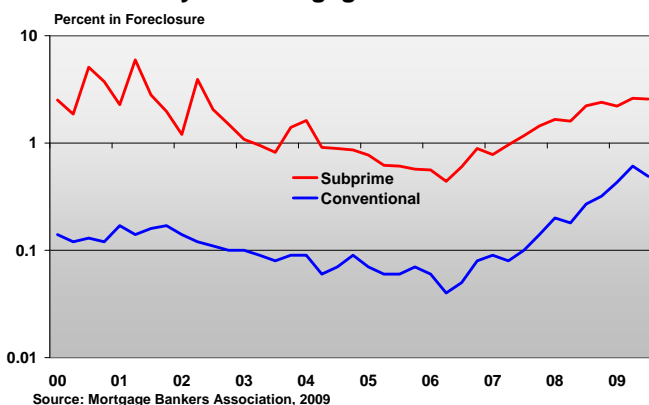
### Multifamily Permits Show Little Strength

3-Month Moving Average



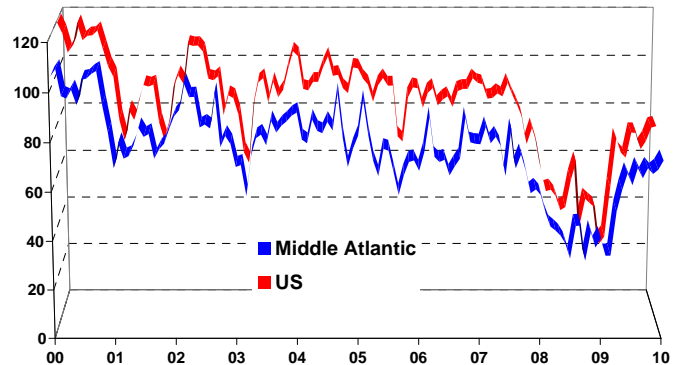
- Mortgage foreclosure rates for both conventional and subprime are peaking. Examining the percentage of mortgage foreclosure started in the third quarter show a slowing

### Maryland Mortgage Foreclosure Rate



- Consumer confidence is up over the last three months despite high, but steady unemployment rate of 7.7% for the metropolitan area. The winter rise in gasoline prices had some concern that inflation would appear to dampen consumer enthusiasm.

### Consumer Confidence Returns

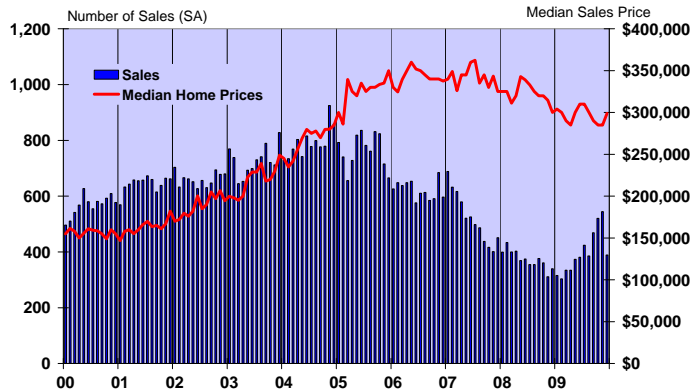


### Housing Outlook shows a slow recovery buoyed by rising consumer confidence.

- The Baltimore metropolitan area is starting to show a slow recovery in the housing market. The inventory of unsold homes remains a drag on the housing market. Stronger home sales at the end of 2009 will have a second rebound in March-April 2010.
- Baltimore City and Baltimore County will continue to experience stronger home sales activity as result of affordable housing inventory. Harford County will show steady improvement with the BRAC transfers once the housing market improves in Northern New Jersey.
- Queen Anne's County remains steady performer providing a number of townhomes for baby boomers who are looking to retire and yet be accessible to the metropolitan areas. Howard County will recover as it remains one of the premium locations in the region.

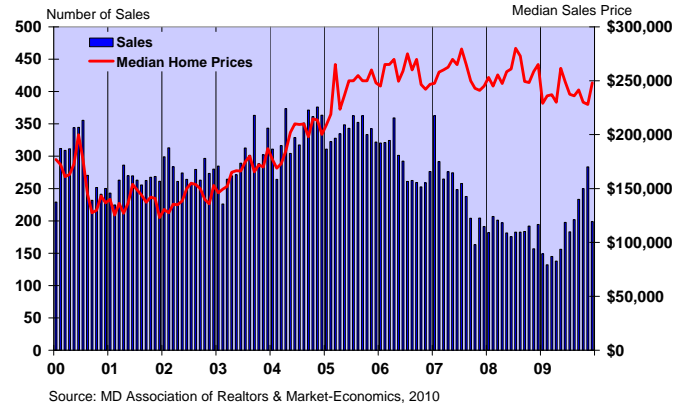
Prepared by: Market-Economics, Inc.  
 Dr. Joseph E. Cater, III, Chief Economist/  
 President  
[DrCater@Market-Economics.com](mailto:DrCater@Market-Economics.com)  
<http://www.Market-Economics.com>  
 (410)-626-1413

### Anne Arundel County Home Sales



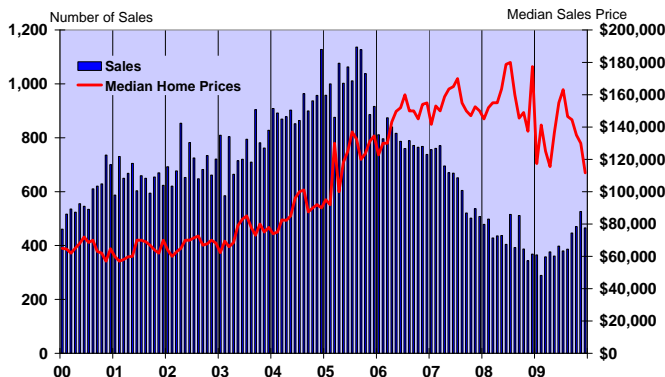
Source: MD Association of Realtors & Market-Economics, 2010

### Harford County Home Sales



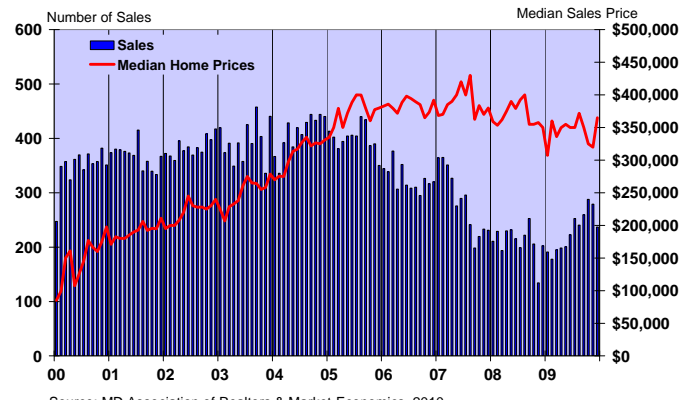
Source: MD Association of Realtors & Market-Economics, 2010

### Baltimore City Home Sales



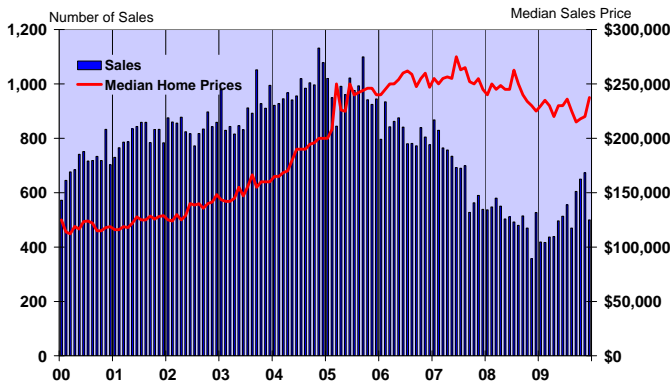
Source: MD Association of Realtors & Market-Economics, 2010

### Howard County Home Sales



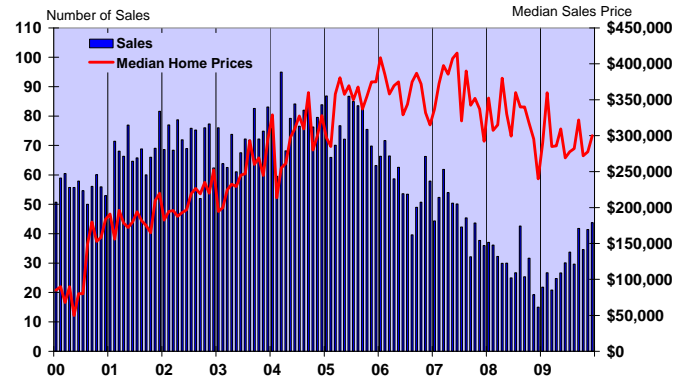
Source: MD Association of Realtors & Market-Economics, 2010

### Baltimore County Home Sales



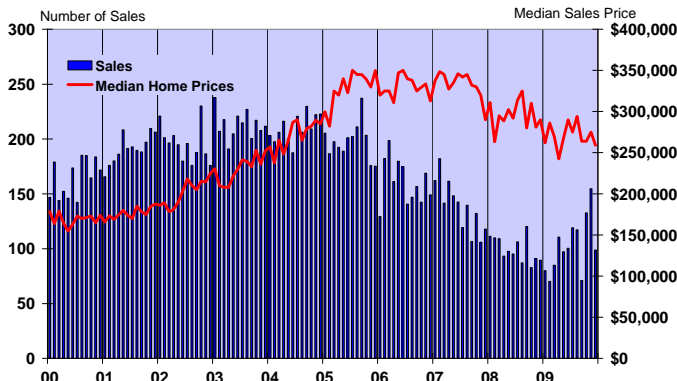
Source: MD Association of Realtors & Market-Economics, 2010

### Queen Anne's County Home Sales



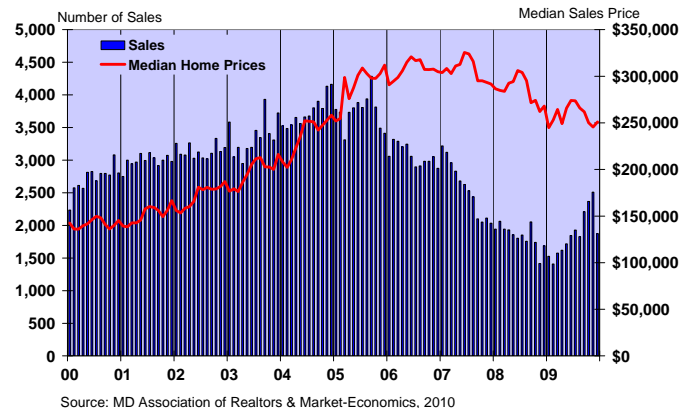
Source: MD Association of Realtors & Market-Economics, 2010

### Carroll County Home Sales



Source: MD Association of Realtors & Market-Economics, 2010

### Baltimore Metropolitan Area Home Sales



Source: MD Association of Realtors & Market-Economics, 2010