

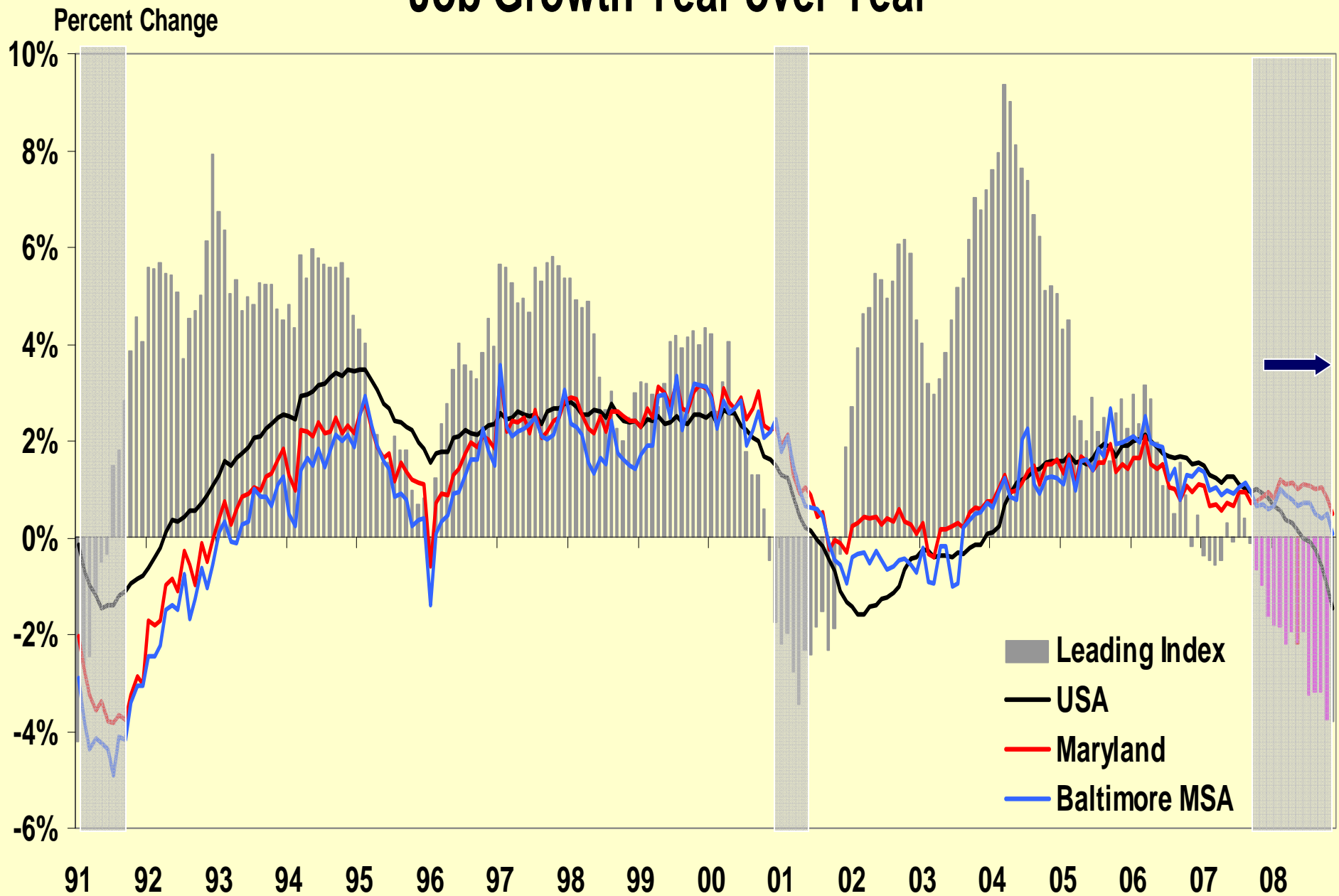


Maryland's Economy: Are We Near the Bottom?

Skip Seward Commercial Market Update
February 10, 2009

Market Economics, Inc.

Job Growth Year over Year

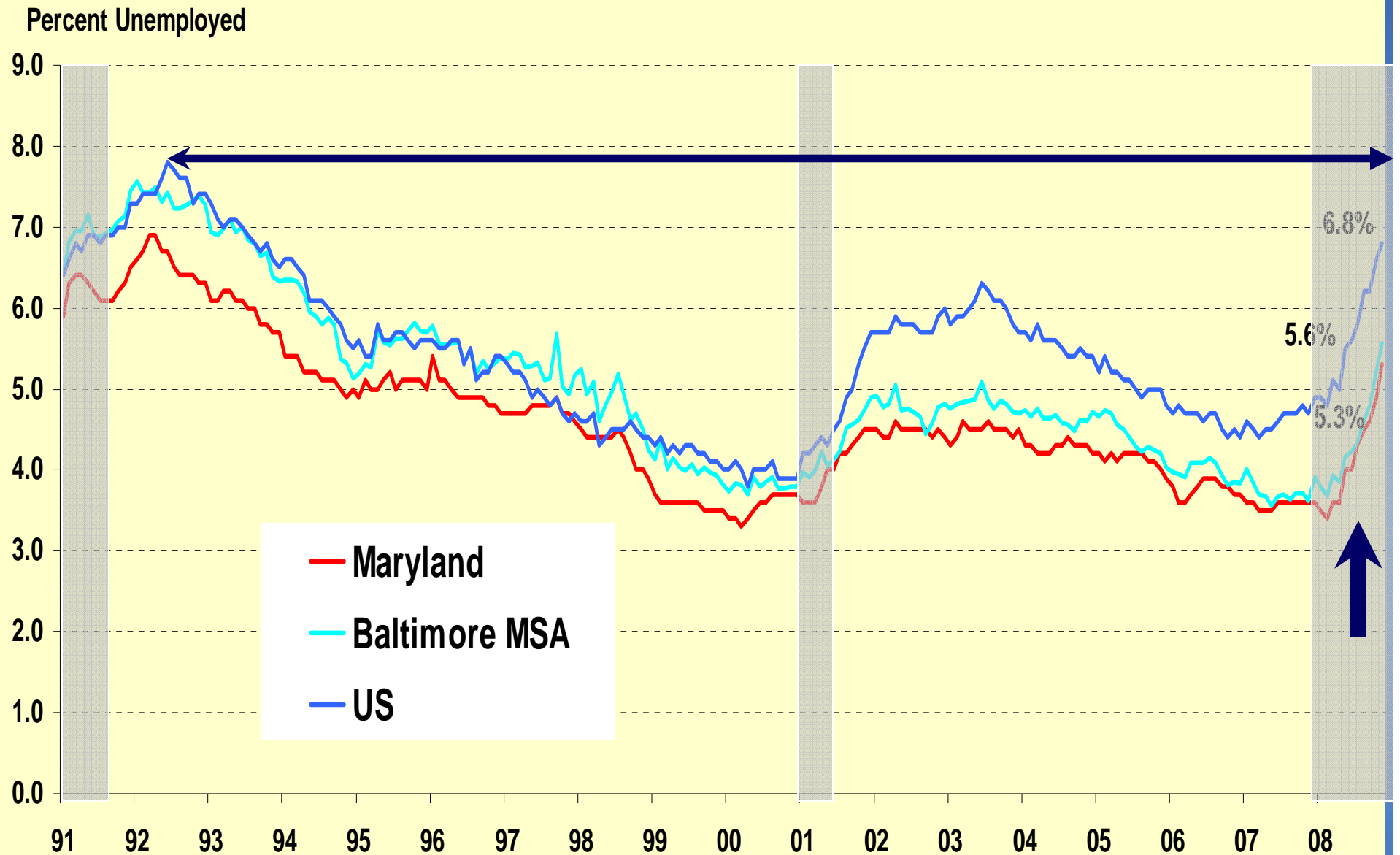


Source: Conference Board, U.S. Dept. of Labor, Market Economics, 2009

Length of the Business Cycle

- 1929 Recession – 43 Months from peak of August 1929 thru trough of March 1933
- 1981 Recession – 16 Months from peak of July 1981 thru trough of November 1992
- 1990 Recession – 8 Months from peak of July 1990 thru trough of March 1991
- 2001 Recession – 8 Months from peak of March 2001 thru trough of November 2001
- 2007 Recession - ***13 Months and Counting***

Unemployment Rate Shows A Rise



Source: U.S. Dept. of Labor, 2009

How Did We Get Here?

- Job Growth that Slowed
- Rising Unemployment
- Slowing Residential Housing Market – Driven by Unstained Housing Prices

Inversed

Initial Claims for Unemployment

Moving Average

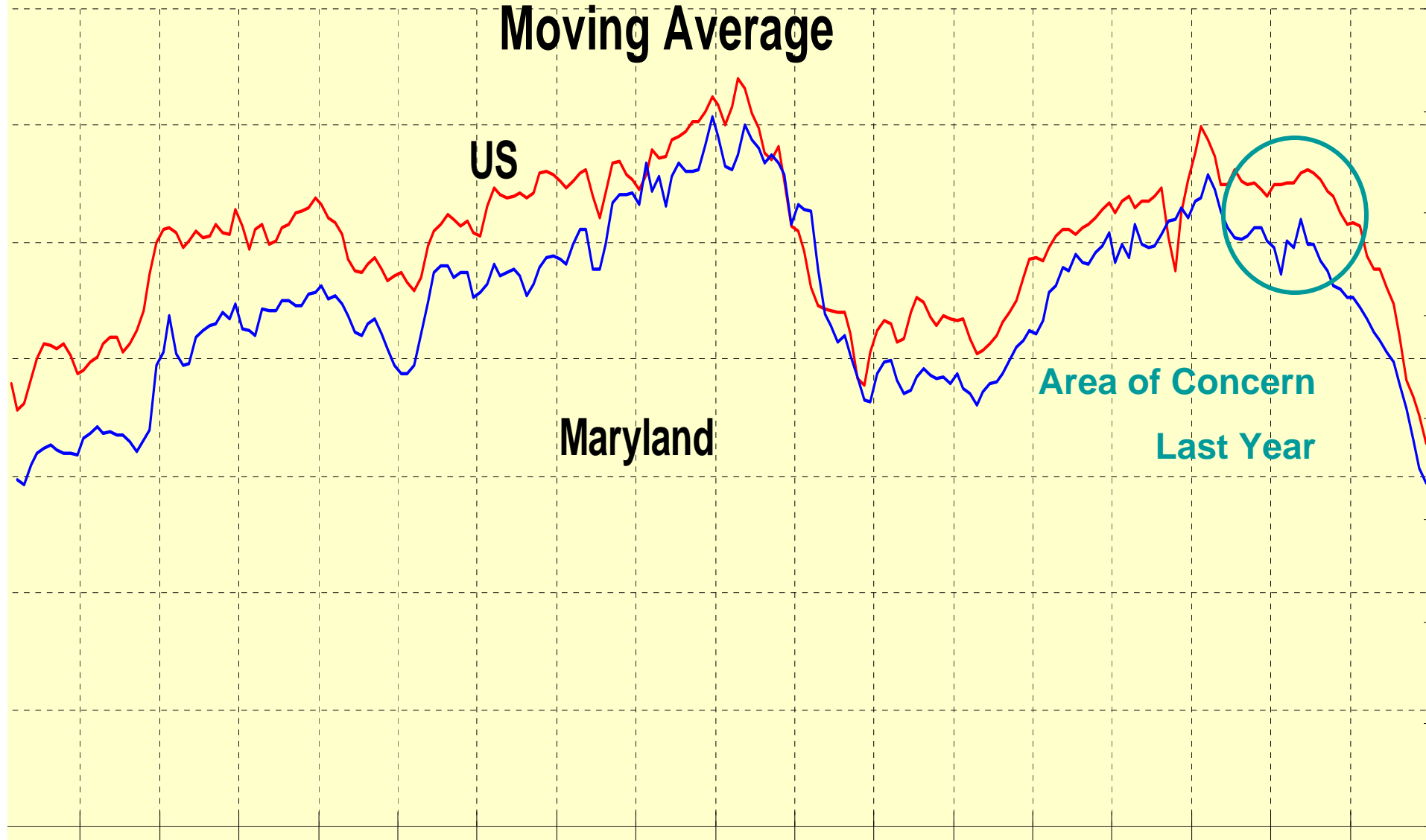
US

Maryland

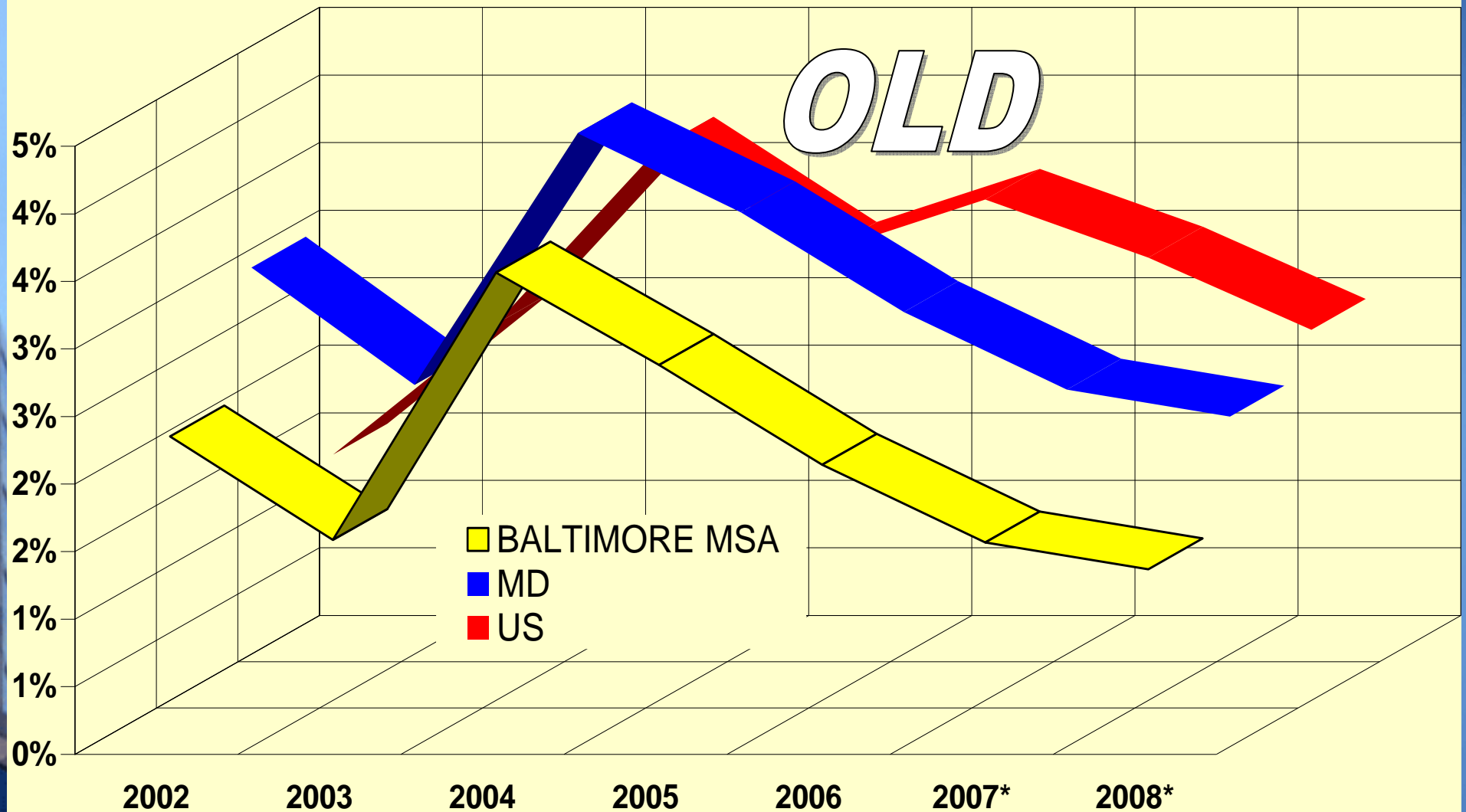
Area of Concern
Last Year

1 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09

Source: U.S. Dept. of Labor, Market Economics, 2009

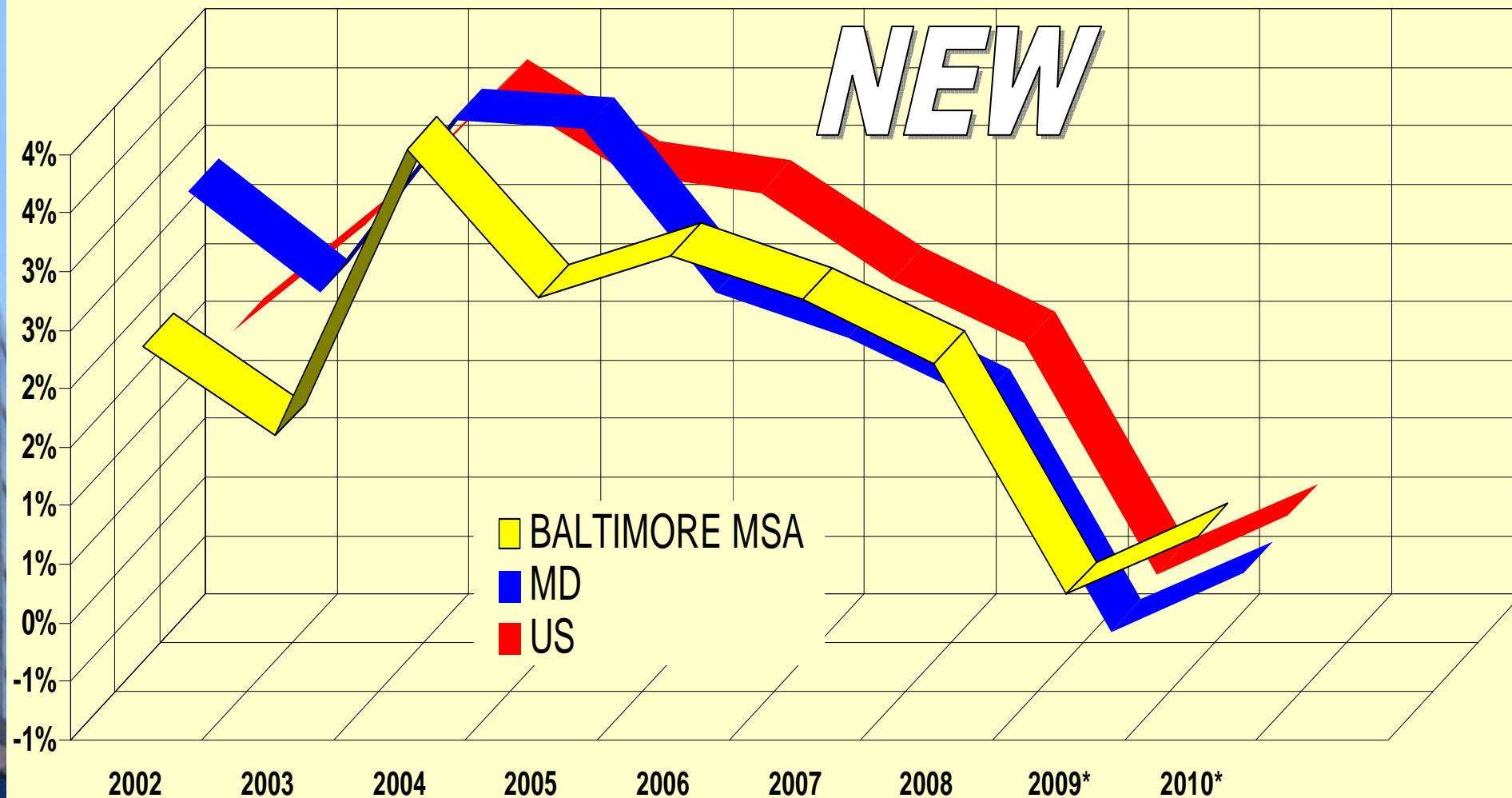


Maryland Gross Domestic Product Slowing



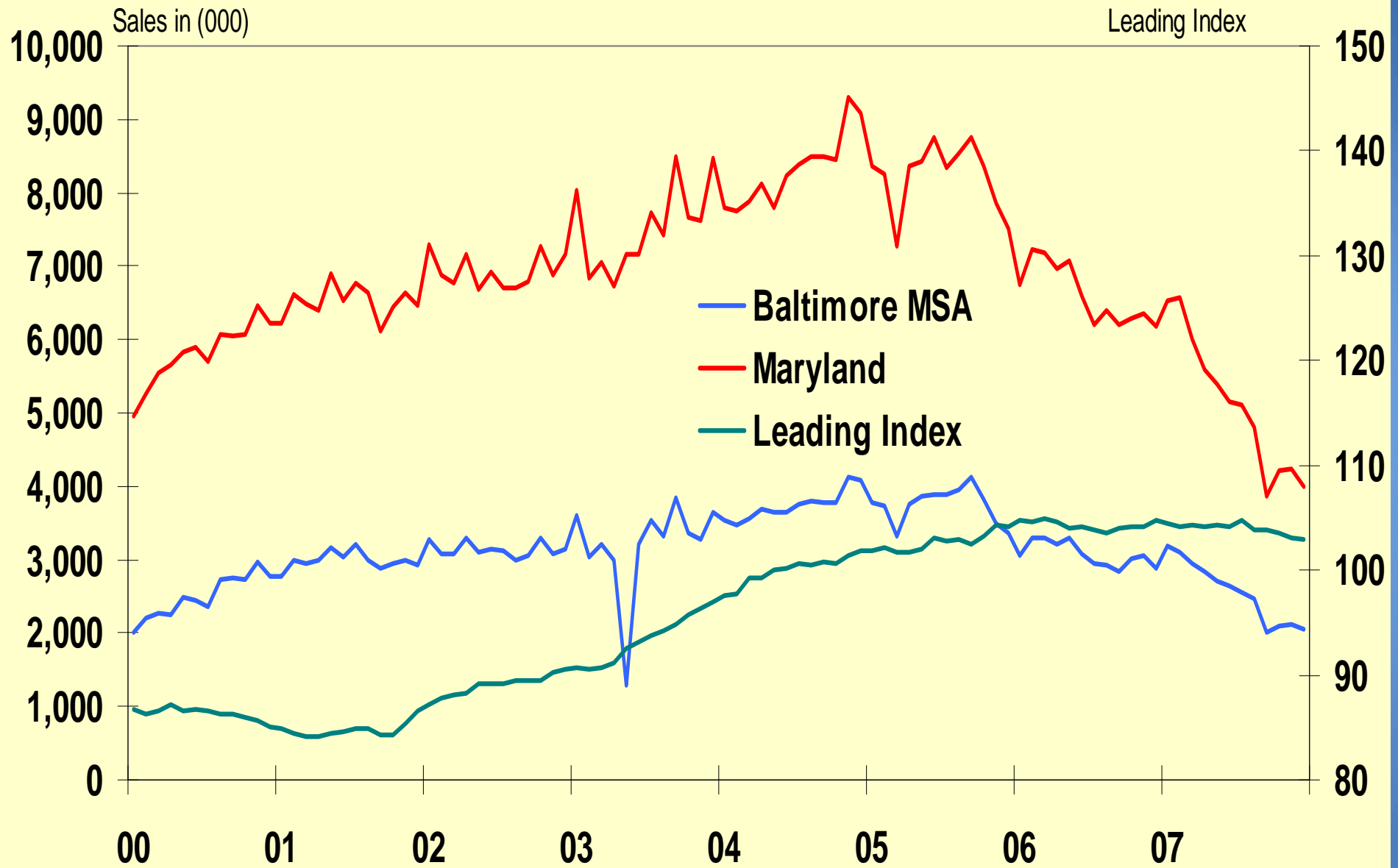
Source: Bureau of Economic Analysis, Market-Economics, 2008

Maryland Gross Domestic Product Slowing



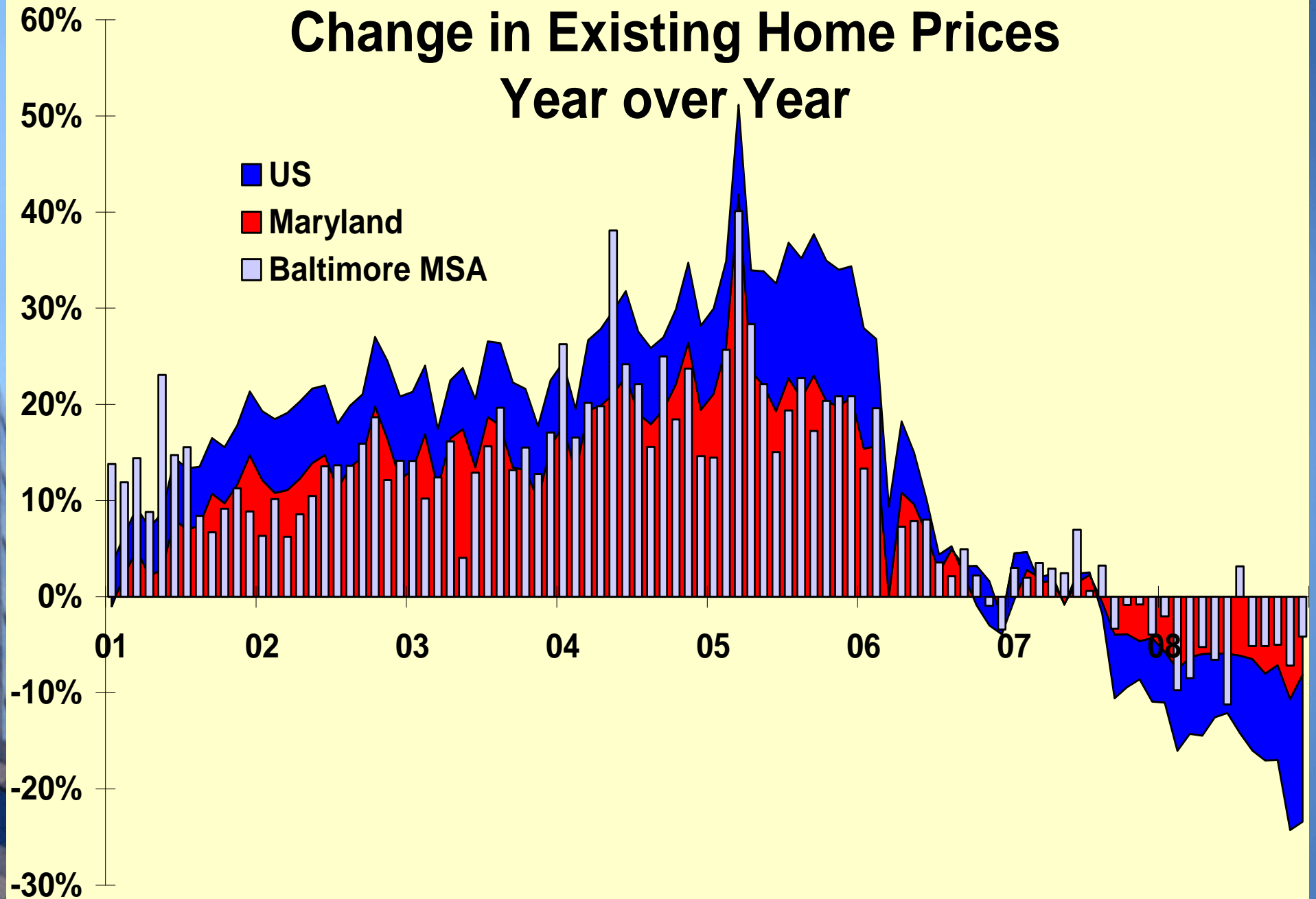
Source: Bureau of Economic Analysis, Market Economics, 2009

Existing Home Sales Leading Index Downward



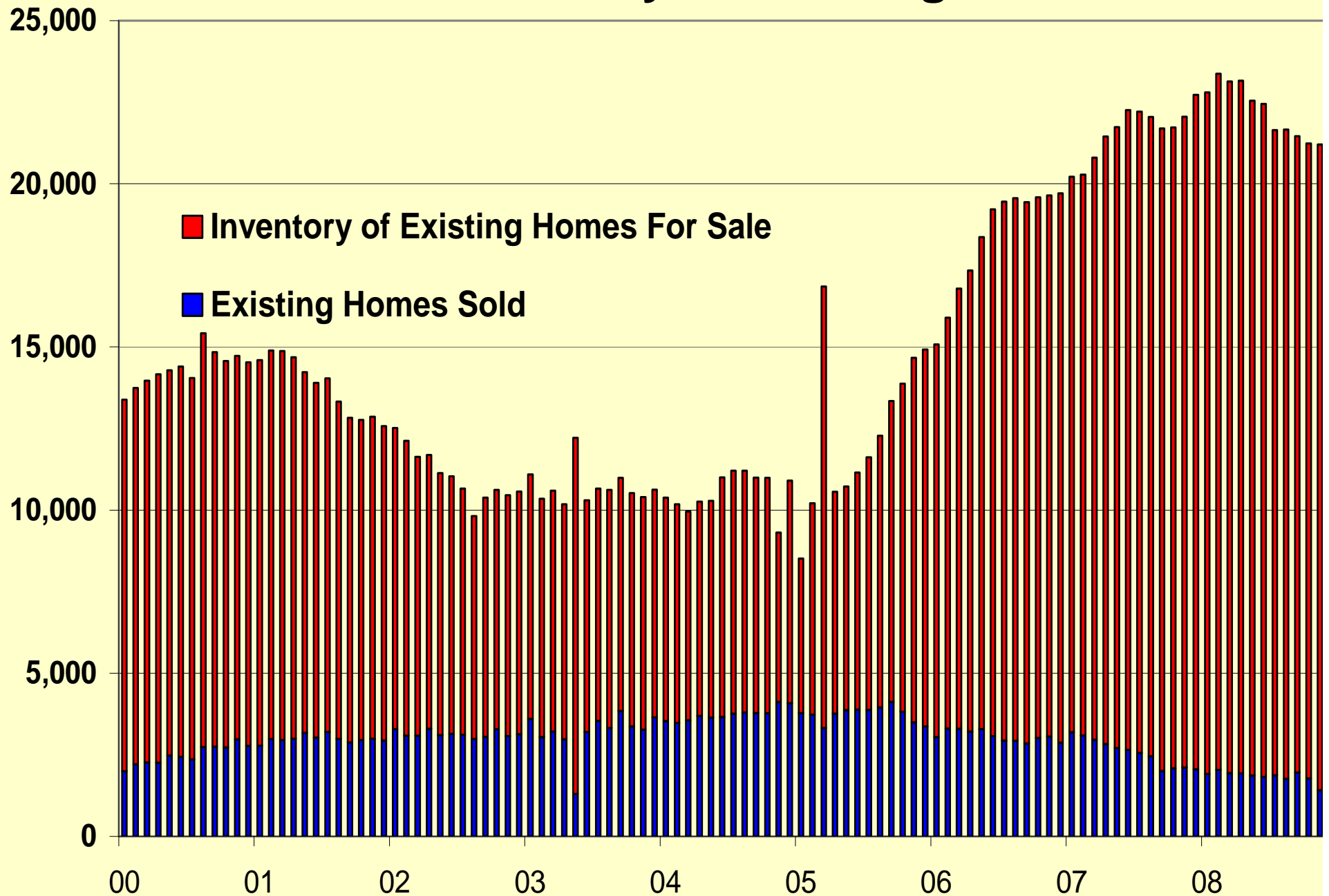
Source: Conference Board, Md. Realtors, Market-Economics, 2009

Change in Existing Home Prices Year over Year



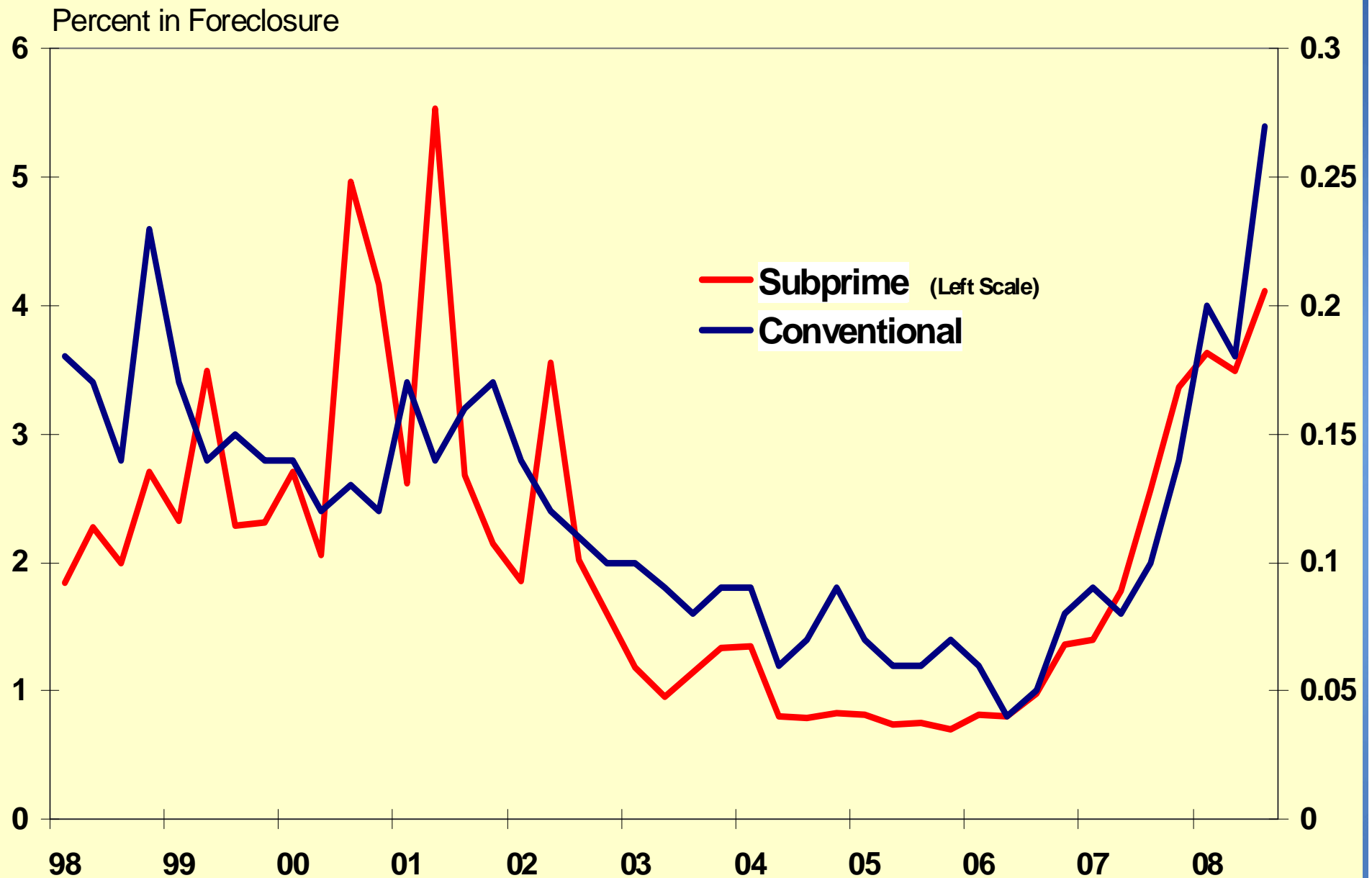
Source: National Association Realtors, MD. Association of Realtors, Market Economics, 2009

Baltimore Metro Inventory of Existing Home for Sale



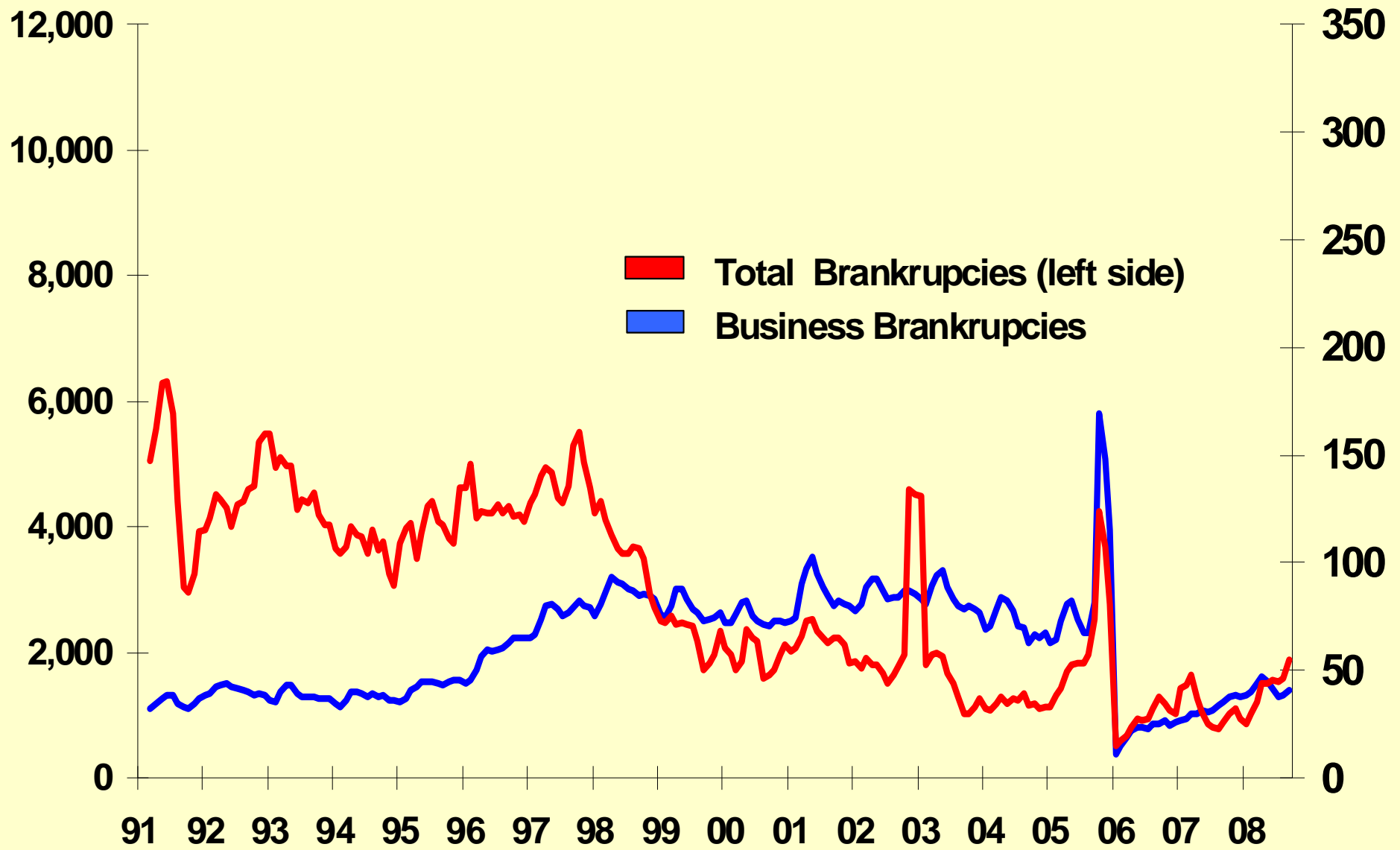
Source: MD Association of Realtors, 2009 Market Economics, 2009

Maryland Mortgage Foreclosure Rate



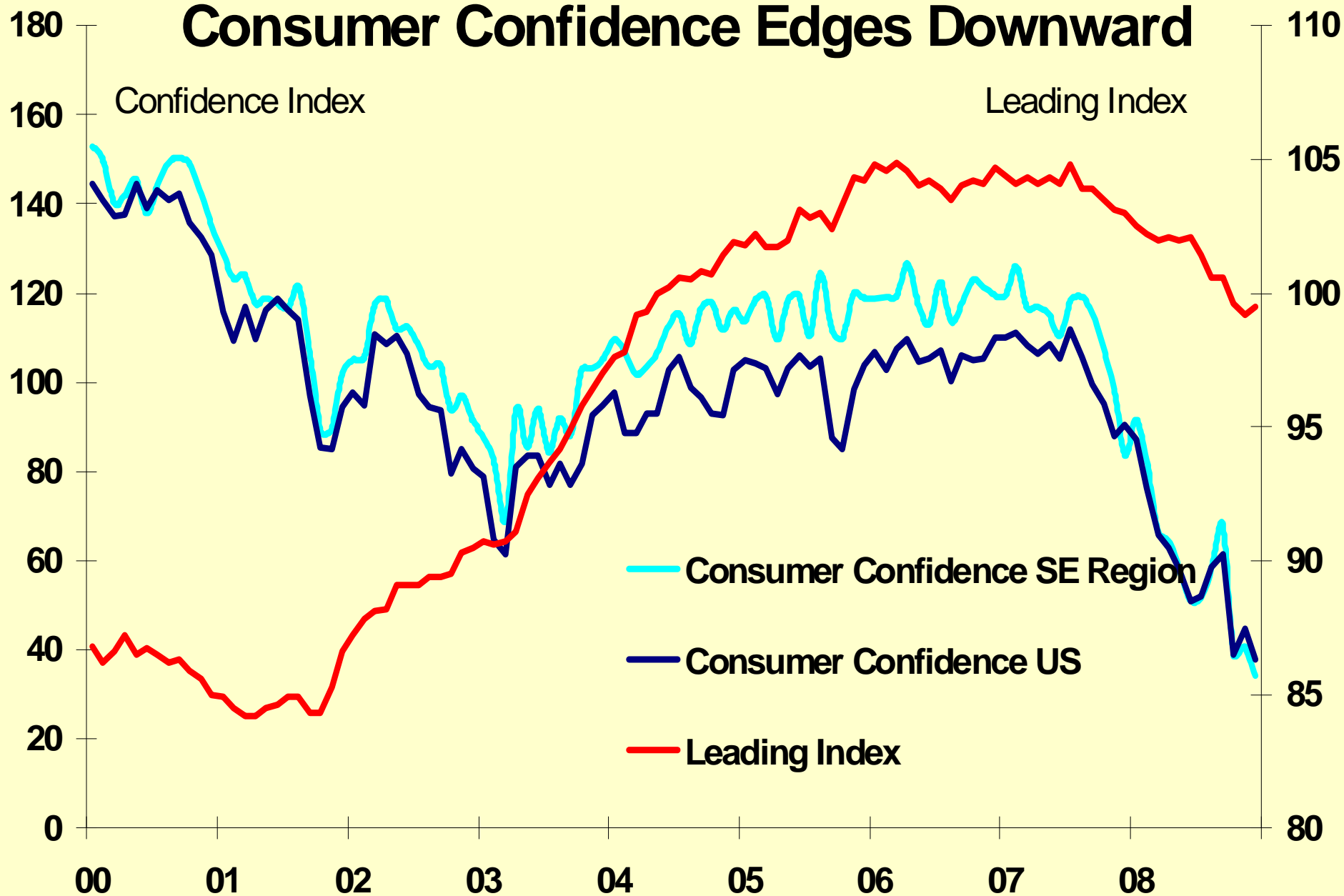
Source: Mortgage Bankers Association, 2008

Maryland Bankrupcies



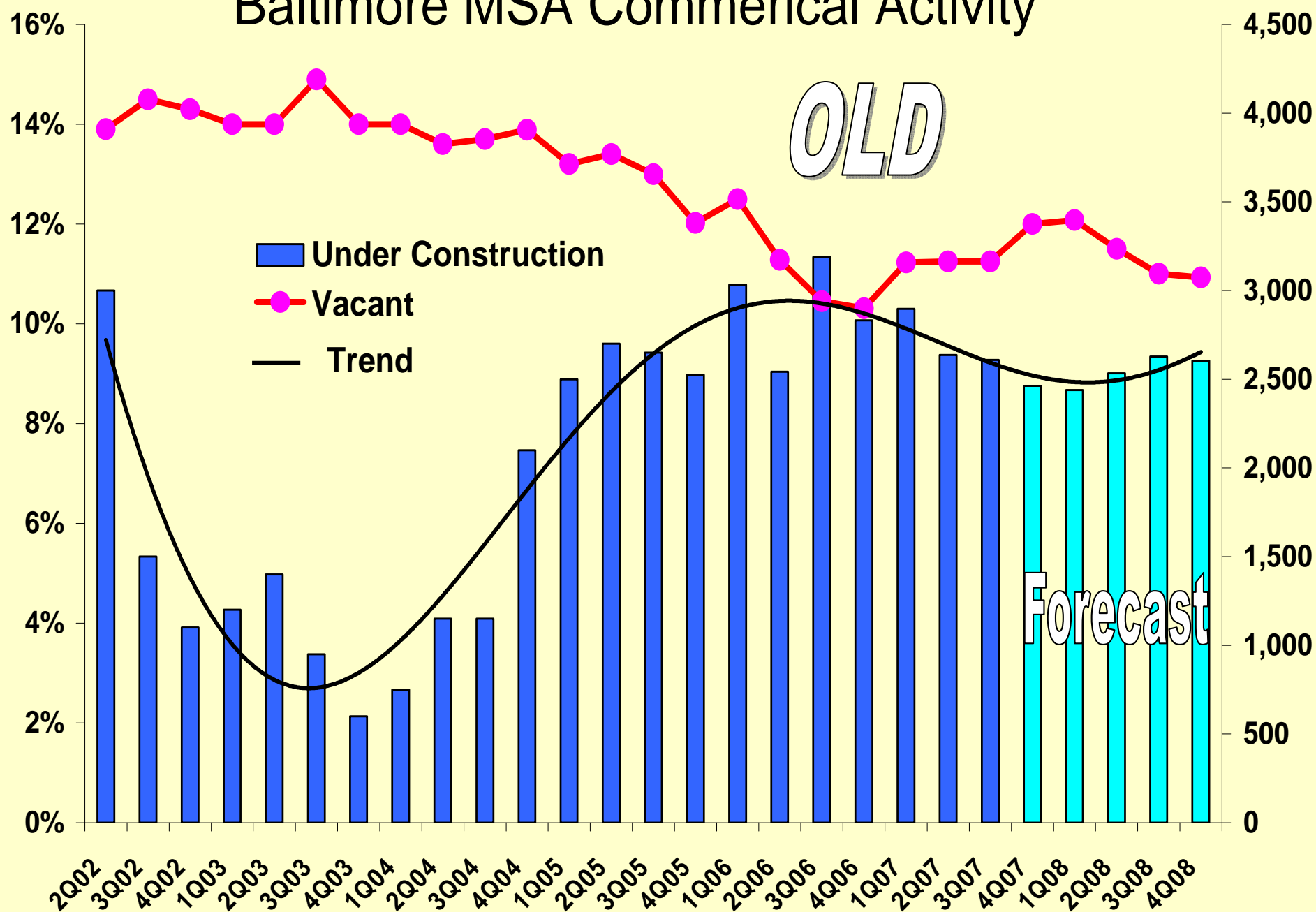
Source: Administrative Office of US Courts, 2009

Consumer Confidence Edges Downward



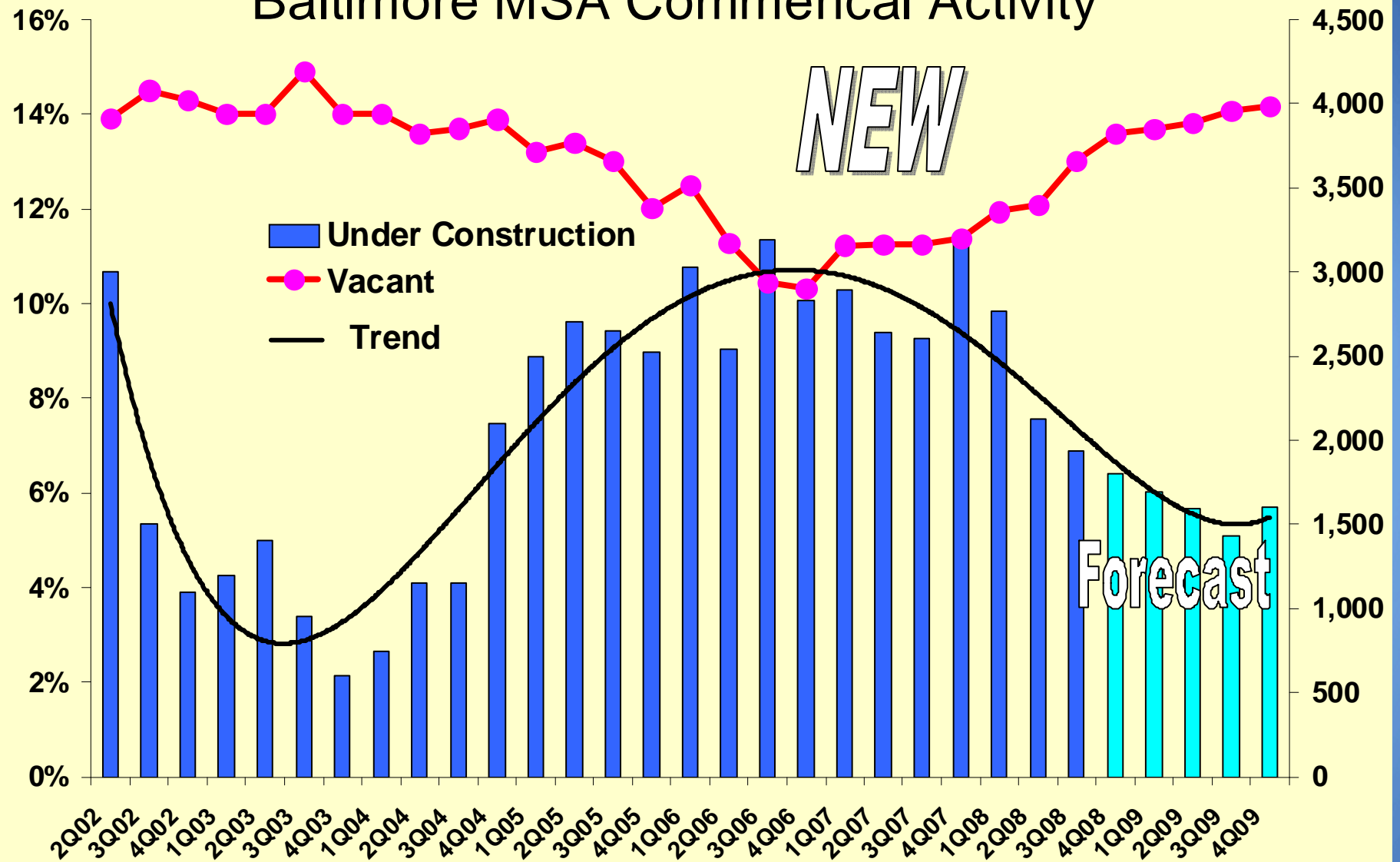
Source: Conference Board, 2008

Baltimore MSA Commerical Activity



Source: CB Richard Ellis, Forecast Market-Economics, 2008

Baltimore MSA Commercial Activity



Source: CB Richard Ellis, Forecast Market Economics, 2009

Commercial Real Estate Cycle In Baltimore Metro Market Area



Prepared by: Market Economics Dr. Joseph E. Cater, Chief Economist

Market Economics, Inc.

Driving to New Markets



New Demographics



Real Estate Market Studies



Dr. Joseph E. Cater, III President /Chief Economist

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