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## Changes in Employment

- For all sectors, from the second quarter of 2015 to the second quarter of 2016 the County gained 3,745 private sector jobs. Health Care and Social Assistance, Professional and Technical Services, and Accommodation saw the largest increases in employment between the second quarters of 2015 and 2016. More than 62 percent of the total increase in employment in the County occurred in these three sectors.
- Two other sectors also recorded significant gains in employment during the period—Construction and Administrative and Waste Services. Together, the two sectors added 1,076 jobs, representing 29 percent of the total increase in the County.
- The Other Services, except Public Administration sector recorded the highest loss of employment in the County between the second quarter of 2015 and the second quarter of 2016. The 515 job losses accounted for 42 percent of the County's total.
- The Information sector also recorded a significant loss in employment during the period of 283 jobs representing 25 percent of the total losses in the County.

## Prince George's County Population Estimates

### Fourth Quarter 2016 Estimated Demographics

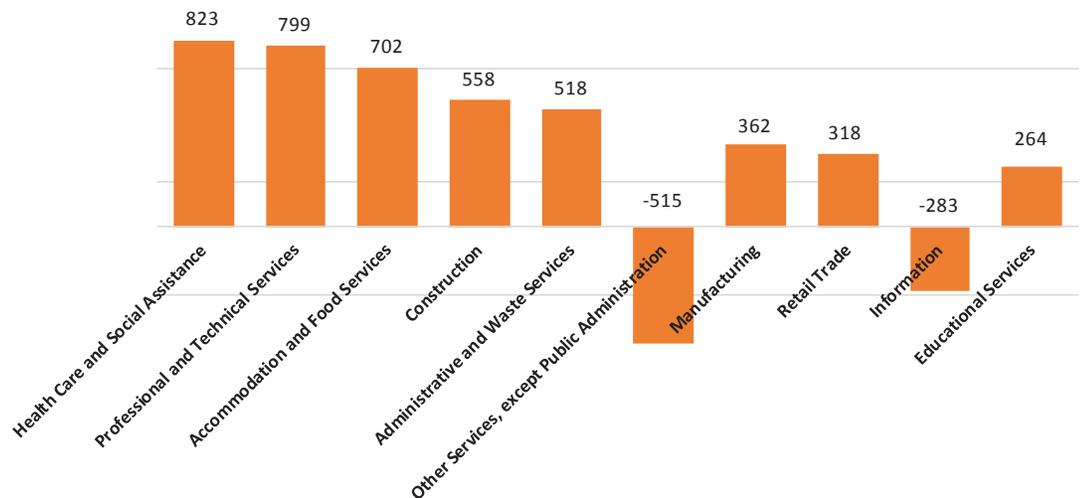
Total Population	920,272
Total Households	323,898
Median Household Income	\$79,492

### First Quarter 2017 Estimated Demographics

Total Population	922,435
Total Households	324,664
Median Household Income	\$79,469

Source: Neustar, Inc. 2017.

## Top Ten Changes in Employment 2nd Quarter 2015 to 2nd Quarter 2016



Source: United States Department of Labor Bureau of Labor Statistics.

# Employment and Wages

## EMPLOYMENT

There was a slight increase (1,909 or 0.6 percent) in the quarterly average employment between the second quarter of 2015 and the second quarter of 2016.

All of the increase occurred in the private sector while the government sector reported a loss of 610 jobs.

## PRIVATE SECTOR EMPLOYMENT

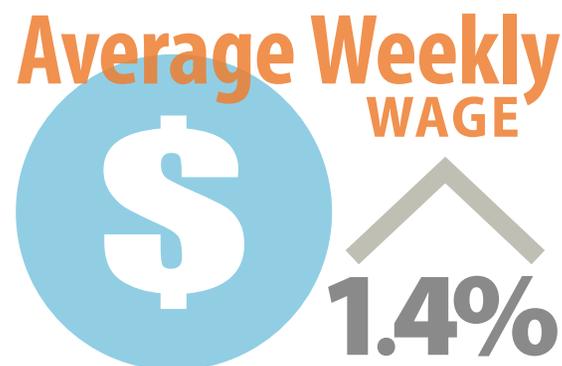
Most of the increase in private sector employment (1,554 or 62 percent) occurred in the service sector, with 965 more jobs in the private goods producing sector.

## TOTAL WAGES

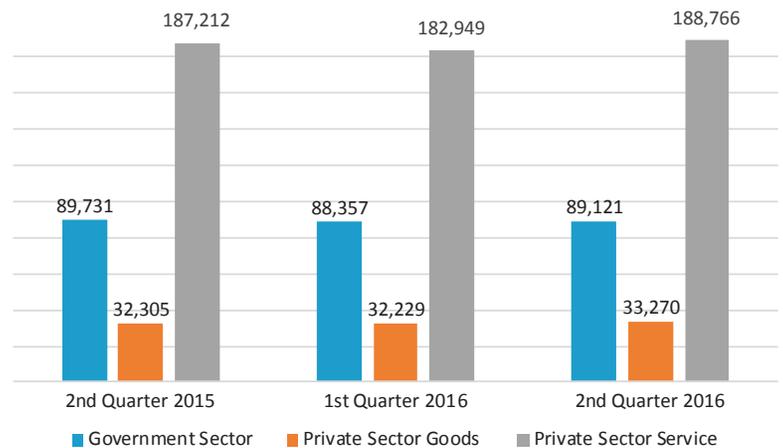
Overall, total wages in the County during the second quarter of 2016 were \$4,128 million, which was 2.5 percent higher than the second quarter of 2015. The government sector experienced a decrease of \$2 million, representing 0.1 percent decrease in total wages. The private service sector, saw an increase of \$76.5 million (3.7 percent). Total wages in the private goods sector showed strong growth increasing by \$25.5 million (5.1 percent). All references are between second quarter 2016 and second quarter 2015.

## AVERAGE WAGE PER WORKER

Overall, the average weekly wage per worker in the County increased by 1.4 percent from the second quarter of 2015 to the second quarter of 2016. The largest increase of \$25 occurred in the private sector goods industries followed closely by an increase of \$24 in the private service sector. There was a modest drop of \$2 in the average weekly wage of government sector workers during the period.

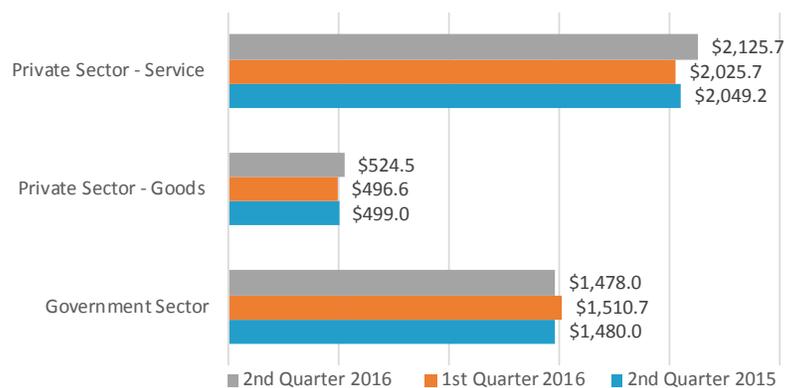


## 2nd Quarter Average Employment



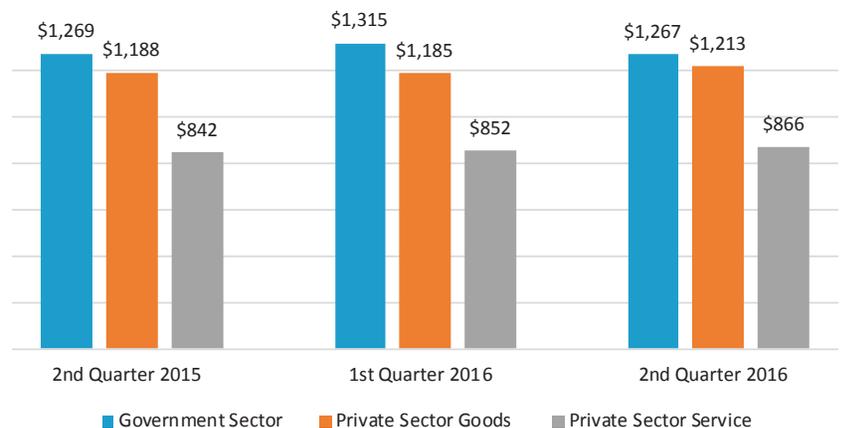
Source: Maryland DLLR.

## 2nd Quarter Total Wages (in millions)



Source: Maryland DLLR.

## Second Quarter 2016 Average Weekly Wage per Worker

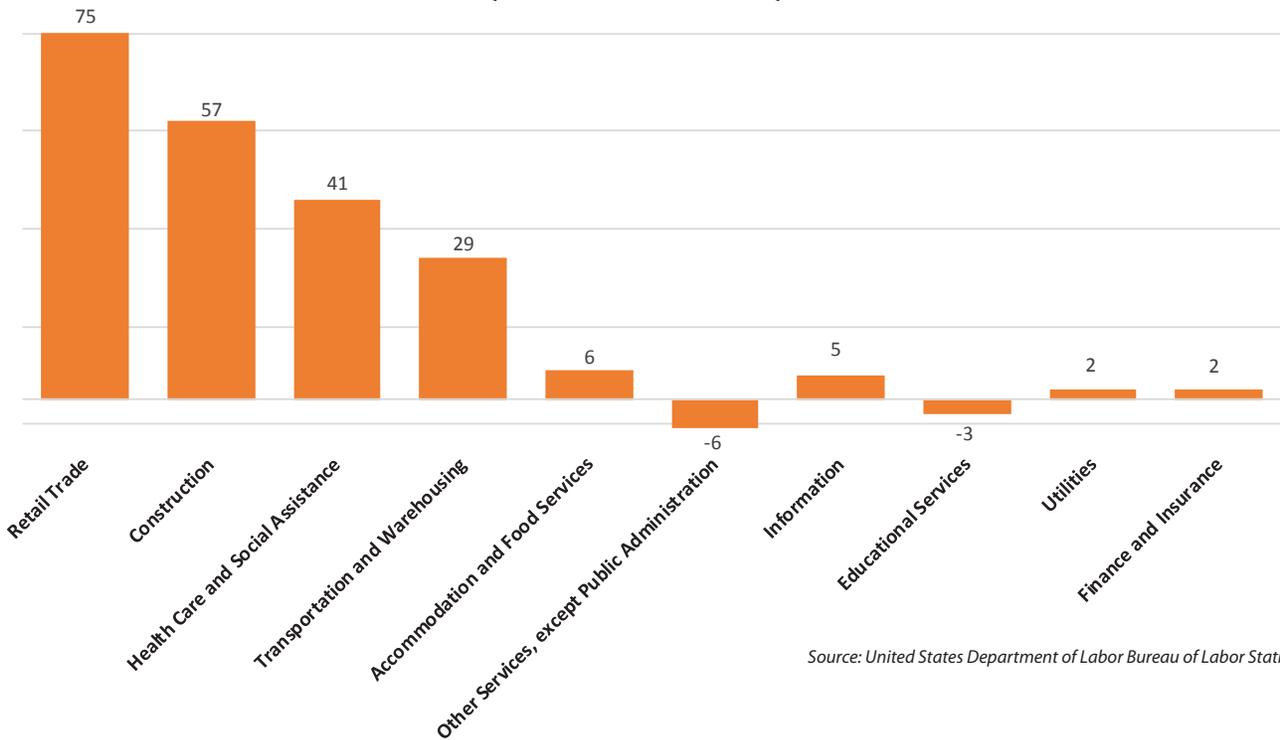


Source: United States Department of Labor, Bureau of Labor Statistics.

## BUSINESS ESTABLISHMENTS

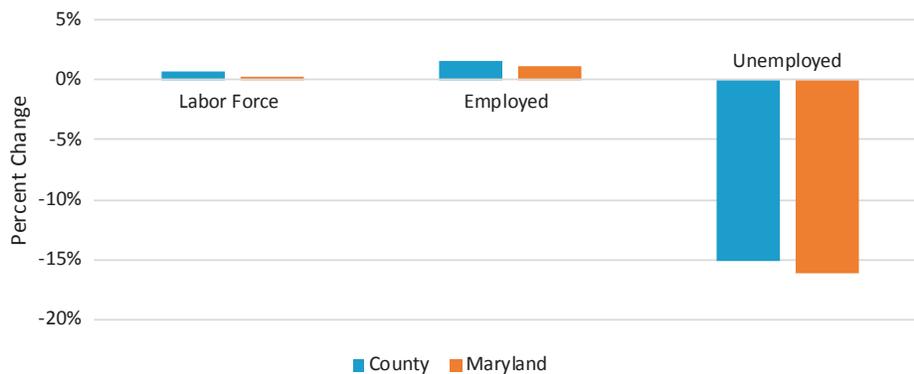
Between the second quarter of 2015 and the second quarter of 2016, there were increases in business establishments in some sectors and slight decreases in others. The highest increases occurred in Retail Trade with 75 establishments followed by Construction (57), Health Care and Social Assistance (41), and Transportation and Warehousing (29). Four other sectors recorded small increases—Accommodation and Food Services (6), Information (5), Utilities (2) and Finance and Insurance (2). The highest losses of establishments occurred in Other Services (-6) and Educational Services (-3).

**Top Ten Changes in Establishments  
2nd Quarter 2015 to 2nd Quarter 2016**



Source: United States Department of Labor Bureau of Labor Statistics.

**Percent Change in Labor Force, Employed, and  
Unemployed 2nd Quarter 2015 to 2nd Quarter 2016**



Source: United States Department of Labor, Bureau of Labor Statistics.

From the second quarter of 2015 to the second quarter of 2016 the County's labor force grew by 3,754 (0.77 percent) to 493,675 persons. The number of employed residents in the County also grew faster than the state at 1.65 percent versus 1.14 percent. The number of employed persons grew by 7,662 from 463,969 in the second quarter of 2015 to 471,631 in the second quarter of 2016. Both the County and the state saw significant declines in the number of unemployed persons. The number of unemployed persons in the County declined by 3,907 persons from 25,952 to 22,045 during the period.



**HOUSING MARKET**

Median Home Sales Price

The median sales price for all homes sold during the second quarter of 2016 in Prince George's County was \$250,000, reflecting a 2 percent increase over the median sales price of \$245,000 during the second quarter of 2015. Single-family detached units saw the largest increase in price at 6.9 percent, followed by single-family attached 3 percent and condominium units 0.9 percent.

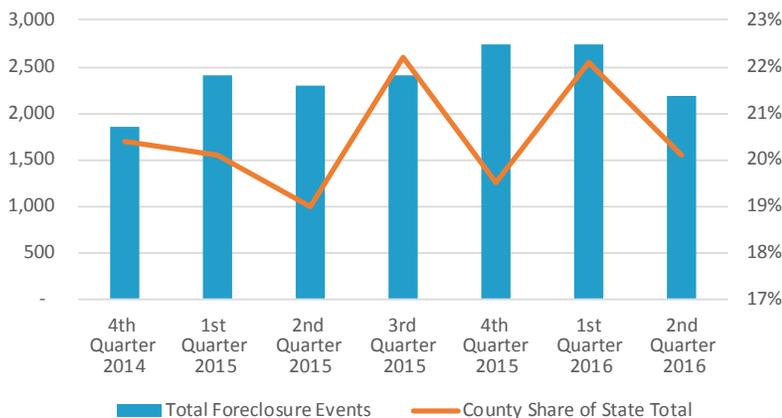
Housing Market Transactions

The total number of all units sold increased from 3,269 units in the second quarter of 2015 to 3,439 units in the second quarter of 2016. The increase was due to a greater number of regular resale sales and REO sales. Regular resale sales jumped from 1,817 units for the second quarter of 2015 to 1,992 units in the second quarter of 2016 (9.6 percent). REO sales increased from 733 in the second quarter of 2015 to 815 for the second quarter of 2016 (11.2 percent). New units sold saw a decline with 304 in the second quarter of 2015 to 293 in the second quarter of 2016. Foreclosure sales decreased over the period from 415 to 339 units and their percentage of all transactions declined from 12.7 percent to 9.9 percent.

Foreclosure Events

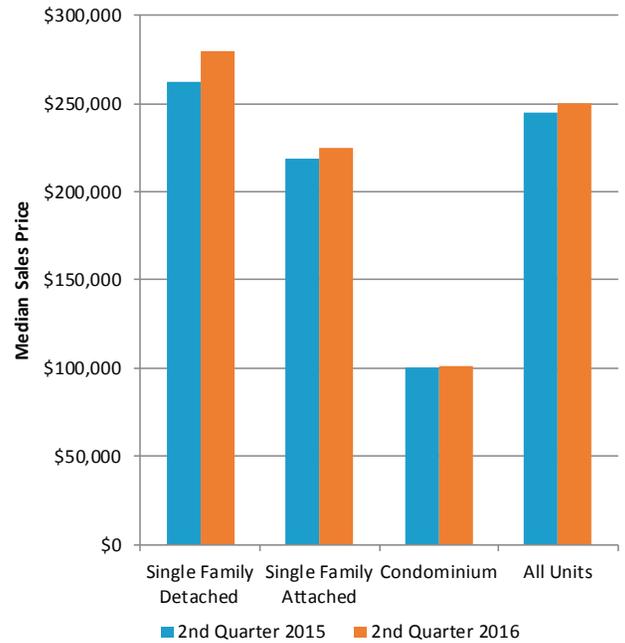
The total of foreclosure events held steady from the previous quarter. The number of events in the second quarter of 2016 was 2,182, 111 lower than the 2,293 recorded in the second quarter of 2015. While Notice of Default and Notices of Sales declined 9.4 percent and 2.7 percent respectively from the second quarter of 2015 to the second quarter of 2016, lender purchases (REO) decreased by 2 percent from 651 to 638.

**Quarterly Foreclosure Events in Prince George's County**



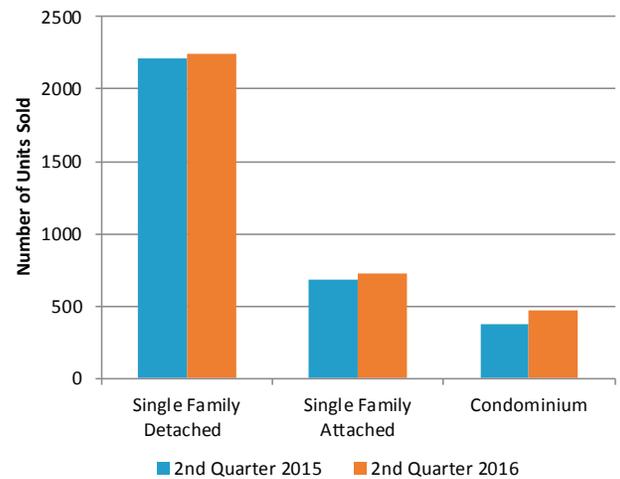
Source: RealtyTrac, Maryland Department of Housing and Community Development, HERO.

**Change in Median Sales Price by Unit Type**



Source: Metrostudy, www.metrostudy.com.

**Number of Units Sold by Type**



Source: Metrostudy, www.metrostudy.com.



**REO Properties** are properties that have gone through the foreclosure process and failed to sell at auction and are therefore owned by the bank or lender.

### Increase in Median Sale Prices

The median sale prices for new and regular resale of single-family detached housing units increased by 3.6 percent and 6.9 percent respectively. The largest increase in median sale price (11.9 percent) occurred for REO Condominium sales. Single-family attached median sales price for new units saw a decline of 0.9 percent but regular resales jumped 5.3 percent. The largest decline in median sales price (2.4 percent) was for regular resale Condominiums.

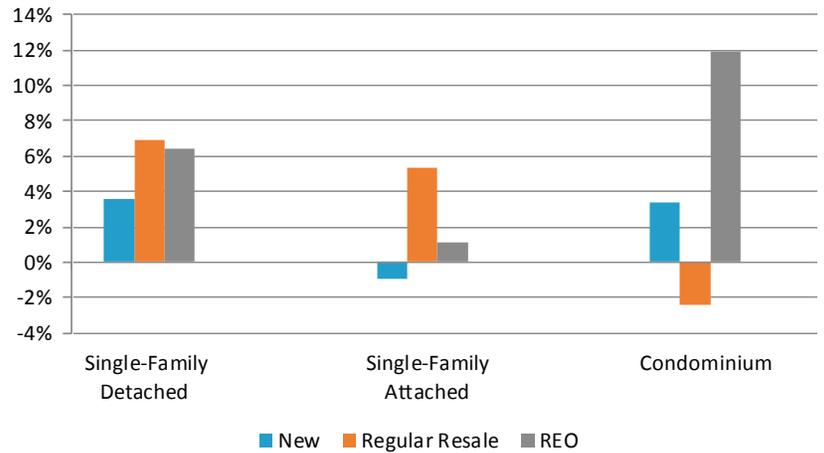
### Rents for Multifamily Units

The average asking rent for multifamily units increased by \$44 (3.5 percent) between the second quarter of 2015 and the second quarter of 2016. The County offers some of the more affordable rents in the region with average rents for a studio apartment \$400 less than the region. The average rent in the County was \$316 less than the region for a one-bedroom apartment, \$310 less for a two-bedroom, and \$268 less for a three-bedroom apartment.

### Multifamily Units Under Construction

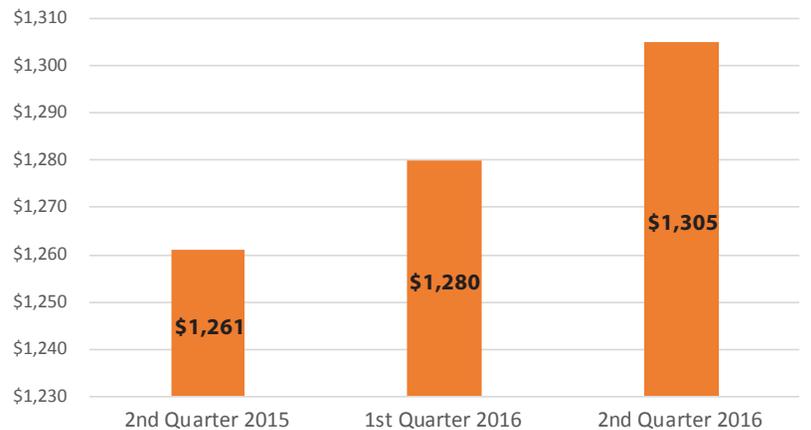
The number of multifamily units under construction in the County decreased from 2,548 units in the second quarter of 2015 to 1,155 units in the second quarter of 2016. Deliveries jumped significantly from 460 in the second quarter of 2015 to 857 in the second quarter of 2016.

Median Sales Price Percent Change by Transaction and Unit Type from 2nd Quarter 2015 to 2nd Quarter 2016



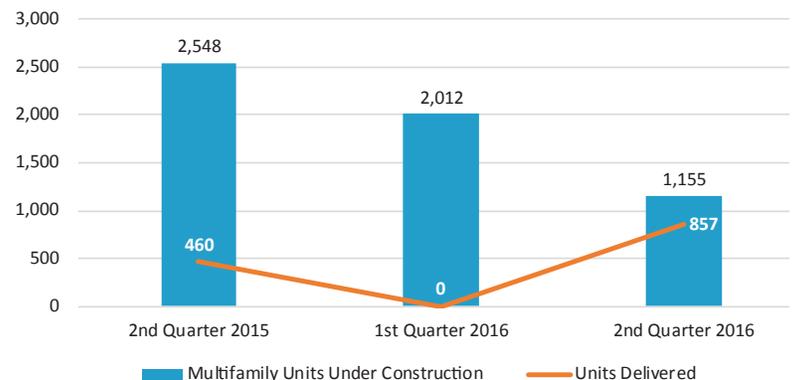
Source: Metrostudy, www.metrostudy.com.

Asking Rent Per Unit



Source: Metrostudy, www.metrostudy.com.

Multifamily Units Under Construction and Delivered



Source: CoStar.



## COMMERCIAL MARKET

### Volume of Industrial Space

The County is a regional leader in terms of the volume of industrial space of all classes. The existing Rentable Building Area (RBA) of industrial space of all classes during the first quarter of 2016 (51,549,430 square feet) represented 30.3 percent of the total for the Washington D.C. Metropolitan Region. The County added 854,121 square feet of industrial space from the second quarter of 2015 to the second quarter of 2016.

### Vacancies

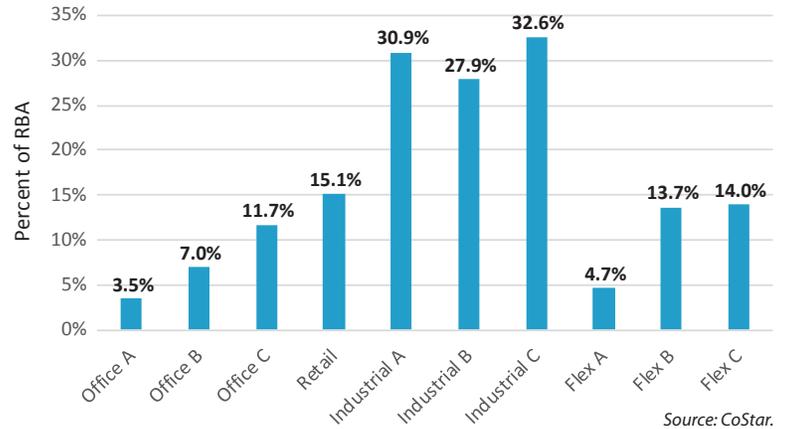
There was a slight decline in the Class A Office market conditions in the County, but also an improvement for Class B. The vacancy rate for Class A Office increased by 0.6 percent while that for Class B decreased by 1.7 percent. At the same time, the vacancy rate for Class A and Class B Office space in the region declined by 0.1 percent, and 0.2 percent respectively.

The vacancy rate for Class A and Class C Flex space in the County decreased significantly respectively by 5.7 percent and 3.1 percent during the period. Even though the vacancy rate for Class A Industrial space increased by 8 percent in the County during the period, it also increased by 8.9 percent for the region. The County experienced a decrease in vacancies for Class B Industrial (1.2 percent), Class B Flex (1.7 percent) and Class C Industrial space (0.6 percent). Note that a decline in vacancies is a positive development.

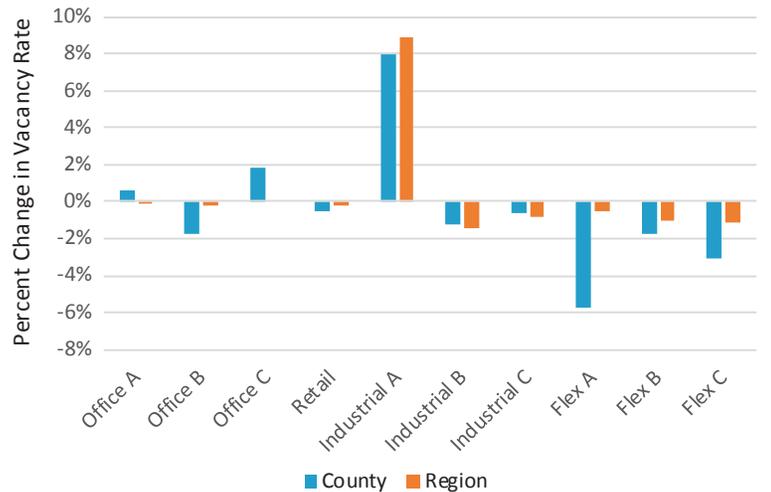
### Net Absorption

Net absorption is the amount of space occupied at the end of a period minus the amount occupied at the beginning of that period, that is, the space vacated during the period. For the second quarter of 2016, Class A Industrial, Retail, Class B Office, and Class B Flex experienced total net absorption of more than 60,000 square feet. Class C Office and Class B Industrial experienced negative net absorption above 40,000 square feet for the second quarter of 2016. Negative net absorption indicates that a larger volume of space was vacated than leased for the period.

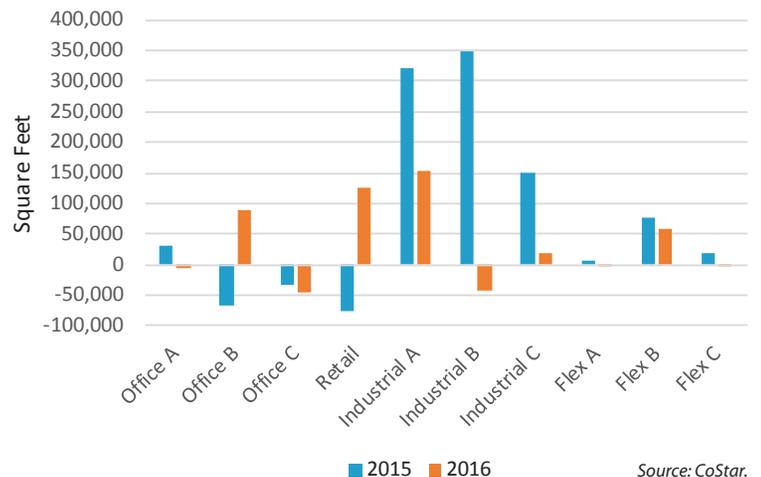
Percent of Region's Commercial Real Estate in Prince George's County, 2nd Quarter 2016



Change in Vacancy Rates 2nd Quarter 2015 Versus 2nd Quarter 2016



Total Net Absorption 2nd Quarter 2015 Versus 2nd Quarter 2016

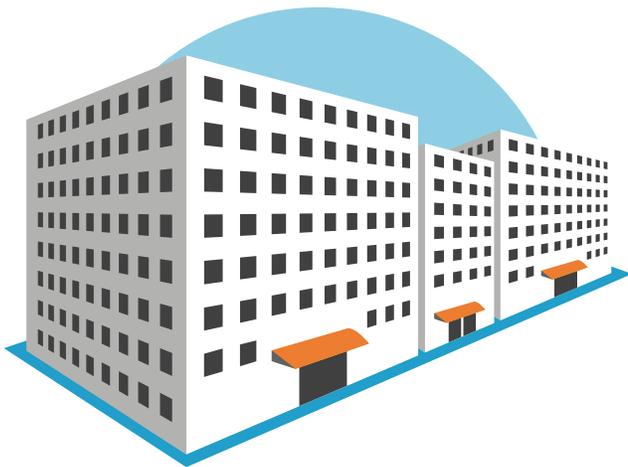


## Rental Rates

During the second quarter of 2016, the average rent per square foot for all types of commercial space was lower in the County compared to the region. The rental rates for Office space were 29.8 percent lower than the region, Retail was 19.5 percent lower, Industrial was 11.9 percent lower, and Flex was 20.8 percent lower than the region.

## Changes in Rental Rates

All classes of office space saw modest increases in rents from the second quarter of 2015 to the second quarter of 2016. Class A Office space experienced the largest increase of 6.2 percent. For the same period Retail jumped 5.6 percent and all classes of Industrial space saw increases with Class A Industrial space leading the way with an increase of 12.8 percent. Rental rates for Flex were mixed with Class B and Class C space gaining 2.2 and 2.7 percent, respectively, while Class A Flex space rental rates declined by 3 percent.



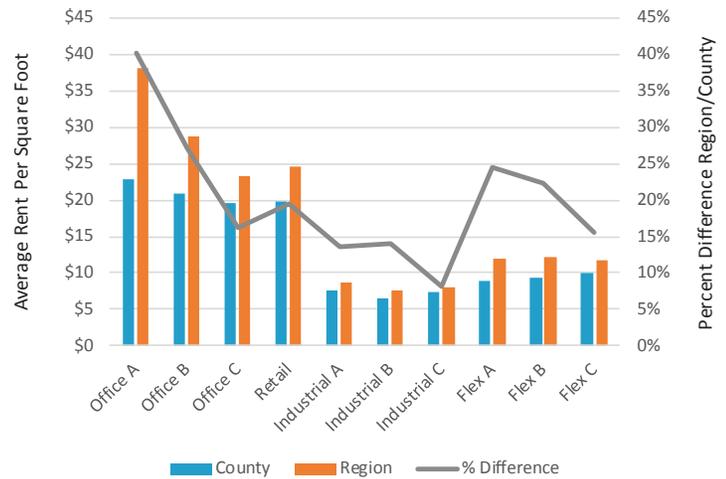
## County Revenues

### CHANGES IN REVENUES

There was an overall increase in local taxes from \$1.44 billion in FY 2014 to \$1.51 billion in FY 2015, reflecting a 4.9 percent increase. The two dominant sources of local taxes—property taxes and income taxes—accounted for 84.0 percent of all local taxes in FY 2015.

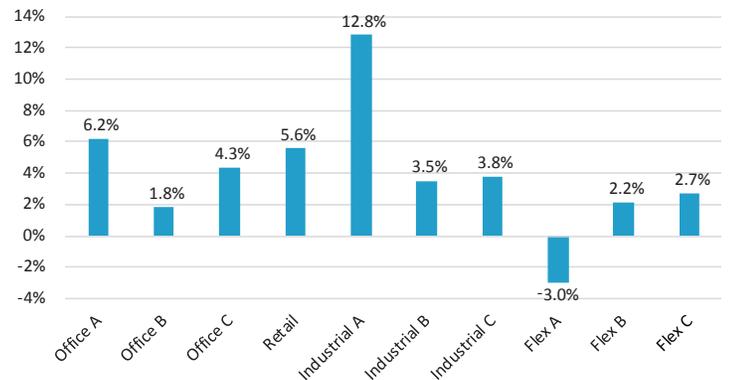
By far, property taxes have been the leading source of revenues in the County, generating \$705.1 million in FY 2014, and \$720.9 million in FY 2015. From FY 2014 to FY 2015, there were increases in all the four revenue sources. The most noticeable expansion came from Other Revenues (34.3 percent), followed by Other Taxes (9.7 percent), Income Taxes (6.1 percent) and Property Taxes (2.2 percent).

## Rental Rate Comparison Prince George's County Versus Washington Region 2nd Quarter 2016



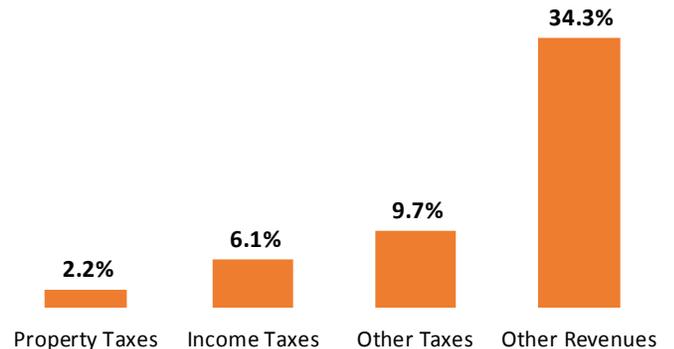
Source: CoStar.

## Prince George's County Percent Change in Rental Rates 2nd Quarter 2015 Verses 2nd Quarter 2016



Source: CoStar.

## Change in County Source Revenues FY 2014 Actual to FY 2015 Actual



Source: Prince George's County FY 2017 Budget.

## Endnotes

### Office Classifications

**Class A Office:** In general, a Class A building is an extremely desirable, investment-grade property with the highest quality construction and workmanship, materials and systems, significant architectural features, the highest quality finish and trim, abundant amenities, and first rate maintenance and management. It is normally occupied by prestigious tenants with above average rental rates and in an excellent location with exceptional accessibility.

**Class B Office:** A Class B building offers more utilitarian space without special attractions. It will typically have ordinary architectural design and structural features, with average interior finish, systems, floor plans, and overall condition. It will typically not have the abundant amenities and location that a Class A building will have.

**Class C Office:** A functionally or economically obsolete building is one that does not offer a viable alternative for space and does not “compete” with others of similar type for occupancy by businesses seeking a location for operations. These buildings will usually have externally visible physical or structural features as well as internal ones that render it undesirable to be leased and therefore not competitive with any other properties in the market.

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