

prince george's

Pulse

CONTENTS

Employment and Wages ..... 2

Employment  
Private Sector Employment  
Total Wages  
Average Wage Per Worker  
Business Establishments

Real Estate..... 4

Housing Market  
Median Home Sales Price  
Housing Market Transactions  
Foreclosure Events  
Increase in Median Sale Prices  
Rents for Multifamily Units

Commercial Market  
Volume of Industrial Space  
Vacancies  
Net Absorption (Space Leased)  
Rental Rates

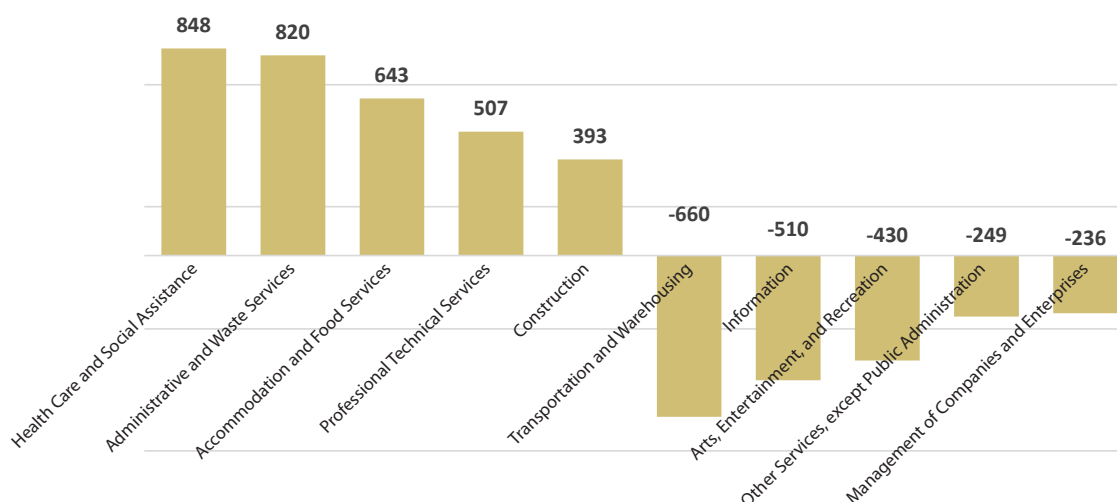
County Revenues ..... 7

Sales and Use Taxes  
Changes in Revenues

Changes in Employment

- For all private sectors, from the fourth quarter of 2014 to the fourth quarter of 2015, the County gained 1,955 private sector jobs. Health Care and Social Assistance, Administrative and Waste Services, and Accommodation and Food Services saw the largest increases in employment between the fourth quarters of 2014 and 2015. More than 54 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—Professional and Technical Services and Construction. Together, the two sectors added 900 jobs, representing 21 percent of the total increase in the County.
- The Transportation and Warehousing sector recorded the highest loss of employment in the County between the fourth quarter of 2014 and the fourth quarter of 2015. The 660 job losses accounted for 29 percent of the County’s total.
- Information and Arts, Entertainment, and Recreation sectors also recorded significant losses in employment during the period—510 and 430 jobs respectively—representing 22 percent and 19 percent of the total losses in the County.

Top Ten Changes in Employment  
4th Quarter 2014 to 4th Quarter 2015



Prince George's County  
Population Estimates

2015 Estimated  
Population by Gender

Male	434,002
Female	468,301
Total	902,303

2014 Estimated  
Population by Gender

Male	428,505
Female	463,333
Total	891,838

Source: The Nielsen Company, 2016.

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

## Employment and Wages

### EMPLOYMENT

There was a very slight increase (2,038 or 0.6 percent) in the quarterly average employment between the fourth quarter of 2014 and the fourth quarter of 2015.

Eighty-four percent (1,708) of the increase in employment occurred in the private sector, and the remaining 330 was in the public sector.

### PRIVATE SECTOR EMPLOYMENT

Most of the increase in private sector employment (1,023 or 60 percent) occurred in the service sector, with 685 more jobs in the private goods producing sector.

### TOTAL WAGES

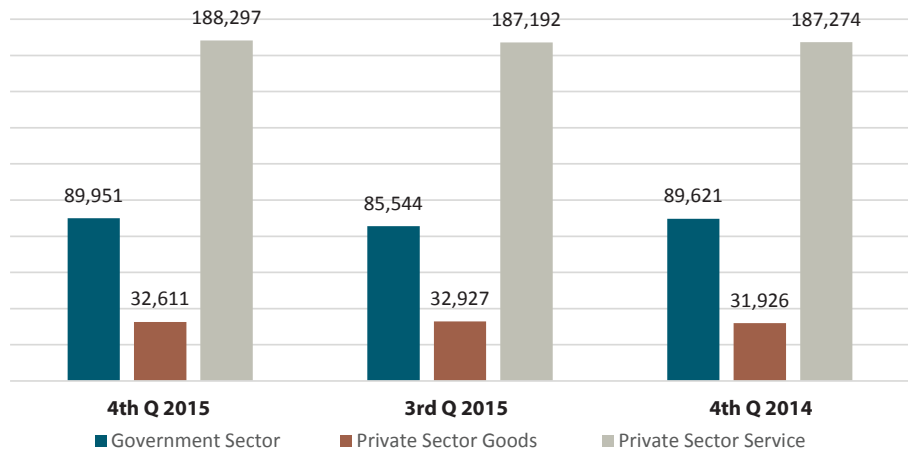
Overall, total wages in the County during the fourth quarter of 2015 was \$4,353.3 million, which was 4 percent higher than the fourth quarter of 2014. The largest increase (\$100.8 million, representing 4.6 percent) occurred in the private service sector, followed by \$35.6 million (2.5 percent) in the public sector. Total wages in the private goods sector increased by \$32.9 million (6.0 percent).

### AVERAGE WAGE PER WORKER

Overall, the average weekly wage per worker in the County increased by 2.6 percent from the fourth quarter of 2014 to the fourth quarter of 2015. There were increases in all three sectors. The highest increase (4.1 percent) occurred for workers in the private service sector, followed by 3.8 percent for those in the private goods sector, and 0.2 percent in the public sector.

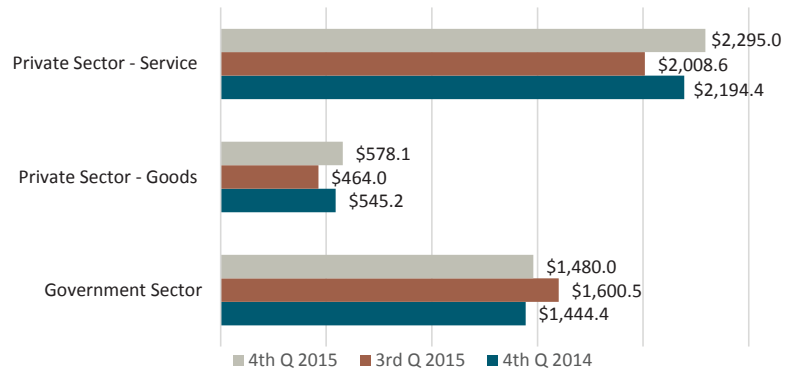
**NOTE: Totals may vary due to rounding of numbers.**

### 4th Quarter Average Employment



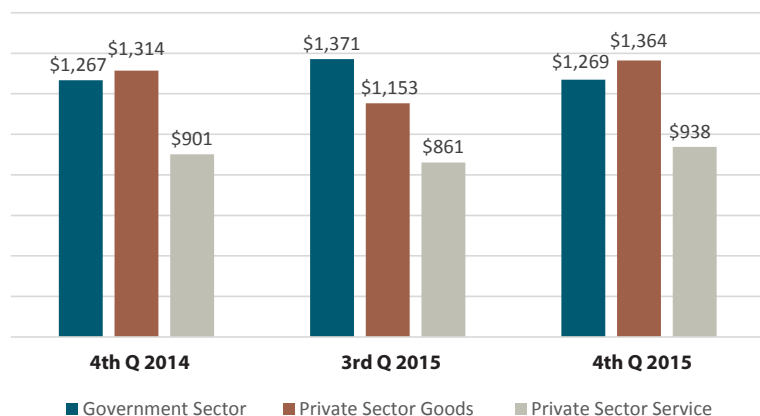
Source: United States Department of Labor, Bureau of Labor Statistics.

### 4th Quarter Total Wages ( in millions)



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

### Average Weekly Wage per Worker

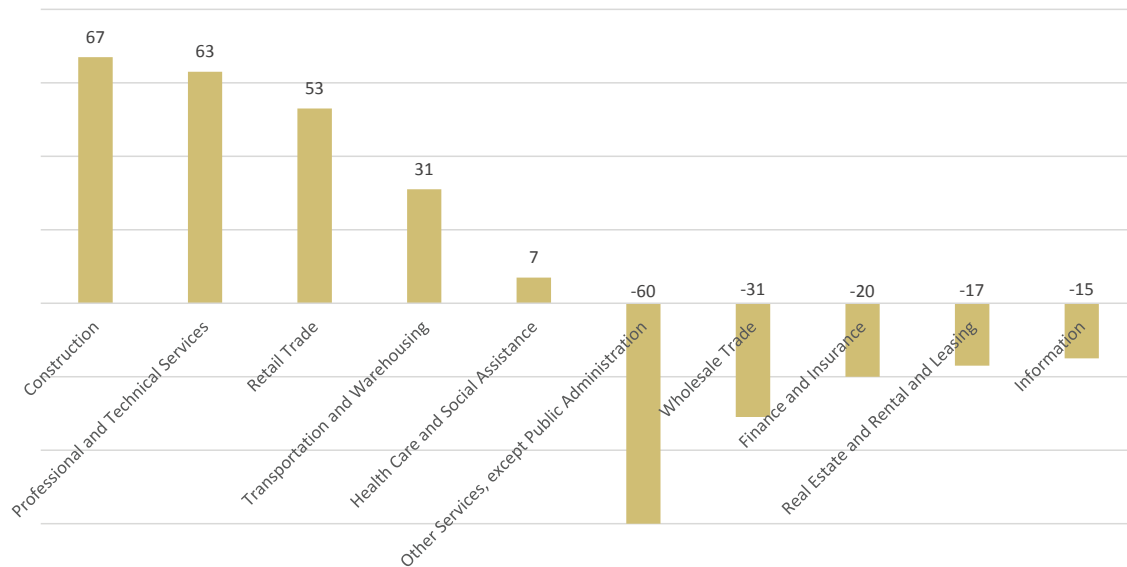


Source: United States Department of Labor Bureau of Labor Statistics.

## BUSINESS ESTABLISHMENTS

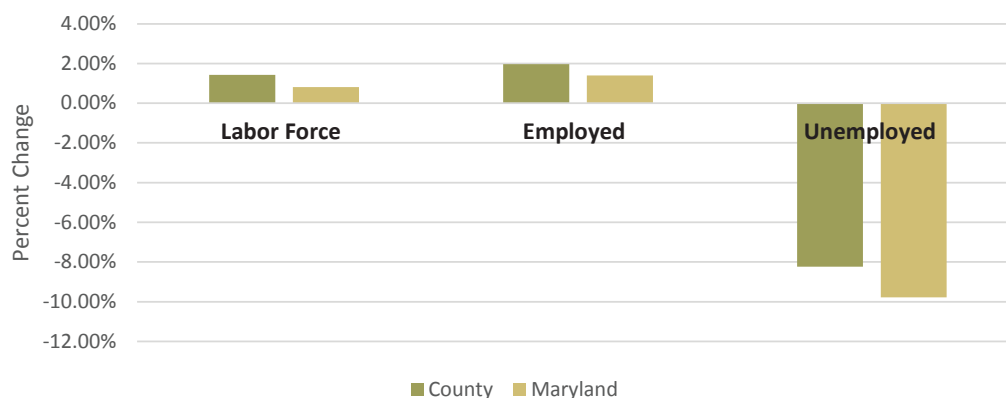
Between the fourth quarter of 2014 and the fourth quarter of 2015, there were increases in business establishments in some sectors and decreases in others. The highest increases occurred in Construction with 67 establishments and Professional and Technical Services with 63. Three other sectors recorded modest increases—Retail Trade (53), Transportation and Warehousing (31), and Health Care and Social Assistance (7). The highest losses of establishments occurred in Other Services (-60), Wholesale Trade (-31), Finance and Insurance (-20), Real Estate and Rental and Leasing (-17), and Information (-15).

**Top Ten Changes in Establishments 4th Quarter 2014 to 4th Quarter 2015**



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

**Percent Change in Labor Force, Employed, and Unemployed 4th Quarter 2014 to Fourth Quarter 2015**



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

From the fourth quarter of 2014 to the fourth quarter of 2015 the County's labor force grew by 1.43 percent compared to the state's 0.81 percent. The number of employed residents in the County also grew faster than the state at 1.97 percent versus 1.4 percent. Both the County and the state saw significant declines in the number of unemployed persons.



## Real Estate

### HOUSING MARKET

#### Median Home Sales Price

The median sales price for all homes sold during the fourth quarter of 2015 in Prince George's County was \$251,900, reflecting a 5 percent increase over the median sales price of \$240,000 during the fourth quarter of 2014. The largest percentage increase in price was for single-family attached units at 12.8 percent.

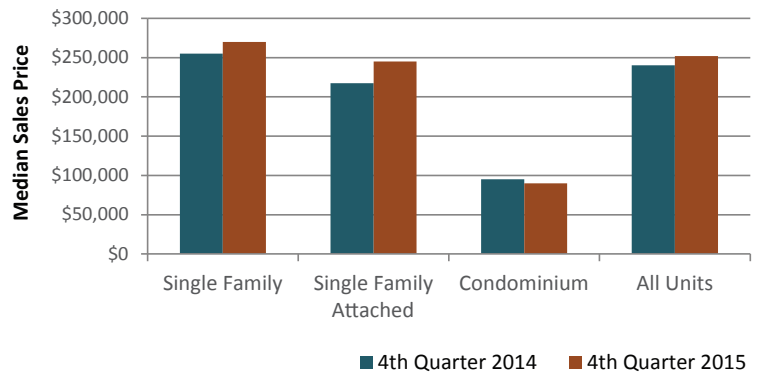
#### Housing Market Transactions

The total number of all units sold increased from 3,152 units in the fourth quarter of 2014 to 3,318 units in the fourth quarter of 2015. The increase was mostly due to a greater number of regular resales. Regular resales at 1,574 units made up 49.9 percent of all unit sales in the fourth quarter of 2014, and increased to 53.5 percent (1,775 units) in the fourth quarter of 2015. New units sold also increased from 385 in the fourth quarter of 2014 to 435 in the fourth quarter of 2015. Real Estate Owned (REO) sales saw a 1.5 percent increase in the number of units sold from 572 in the fourth quarter of 2014 to 651 for the same quarter in 2015. Foreclosure sales declined over the period from 621 to 475 units.

#### Foreclosure Events

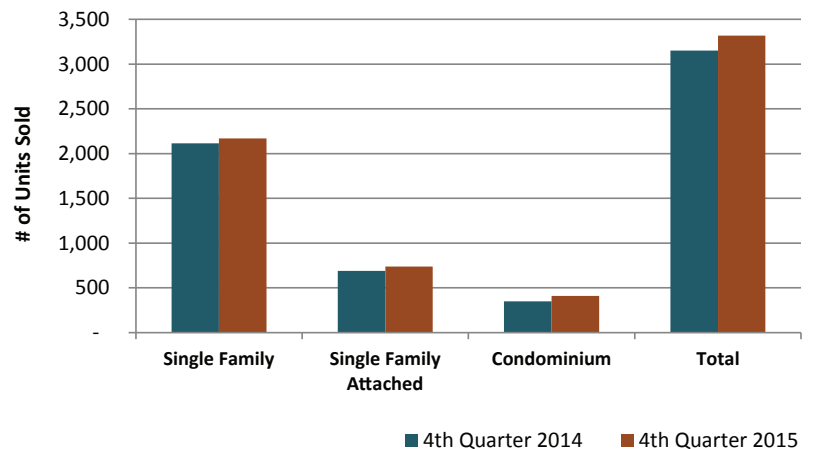
The total of foreclosure events held steady from the previous quarter. The number of events in the first quarter of 2016 was 2,741, 326 higher than the 2,415 recorded in the first quarter of 2015. While Notice of Default and Notices of Sales declined 8.8 percent and 9.7 percent respectively from the first quarter of 2015 to the first quarter of 2016, REO Purchases increased by 100.6 percent from 357 to 716.

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



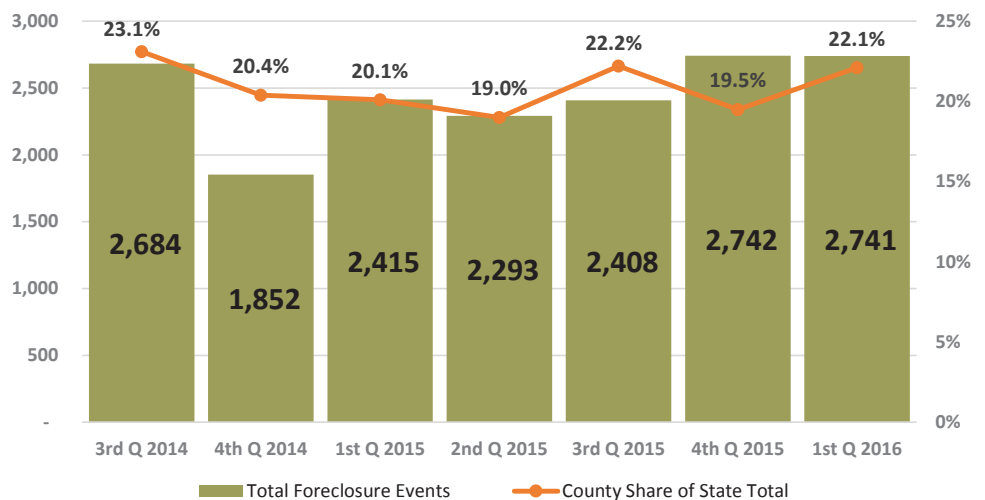
Source: Metrostudy, [www.metrostudy.com](http://www.metrostudy.com).

#### Number of Units Sold by Type



Source: Metrostudy, [www.metrostudy.com](http://www.metrostudy.com).

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



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

## Increase in Median Sale Prices

The median sale prices for new and regular resale of single-family housing units increased by 12.8 percent and 6.8 percent respectively, while those of REO properties increased by 5.2 percent. The largest increase in median sale price (19 percent) occurred for REO condominium sales. Regular resales for single-family attached units had the second largest increase in median sale price at 15.5 percent.

## Rents for Multifamily Units

The average asking rent for multifamily units increased by \$71 (5.9 percent) between the fourth quarter of 2014 and the fourth quarter of 2015. The County offers some of the more affordable rents in the region with average rents for a studio apartment \$429 less than the region average. The average rent in the County was \$314 less than the region average for a one bedroom apartment, \$304 less for a two bedroom, and \$276 less for a three bedroom apartment.

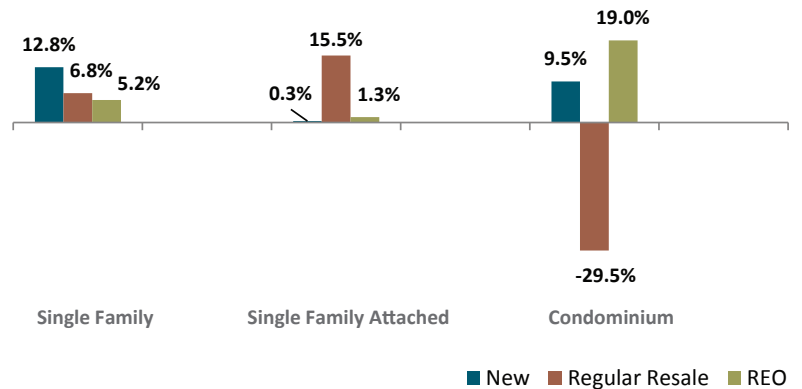
**REO properties are properties that have gone through the foreclosure process and failed to sell at auction and are therefore owned by the bank or lender.**

## Multifamily Units Under Construction

The number of multifamily units under construction in the County increased significantly from 2,109 units in the fourth quarter of 2014 to 3,490 units in the fourth quarter of 2015.

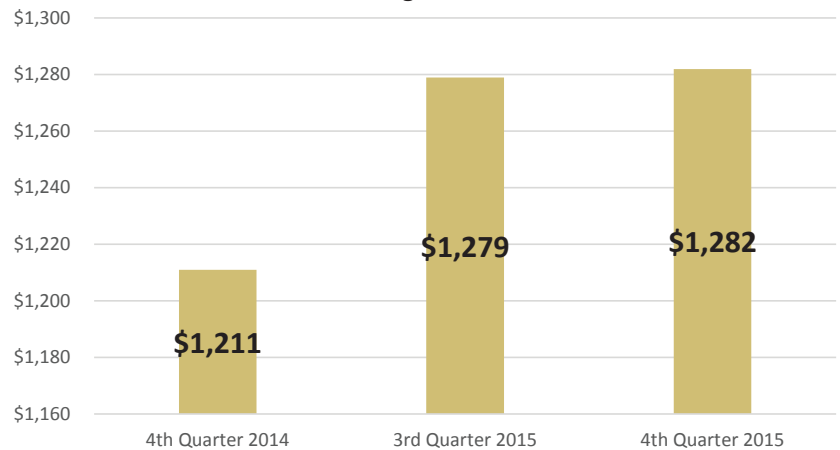


**Median Sales Price Percent Change by Transaction and Unit Type from 4th Quarter 2014 to 4th Quarter 2015**



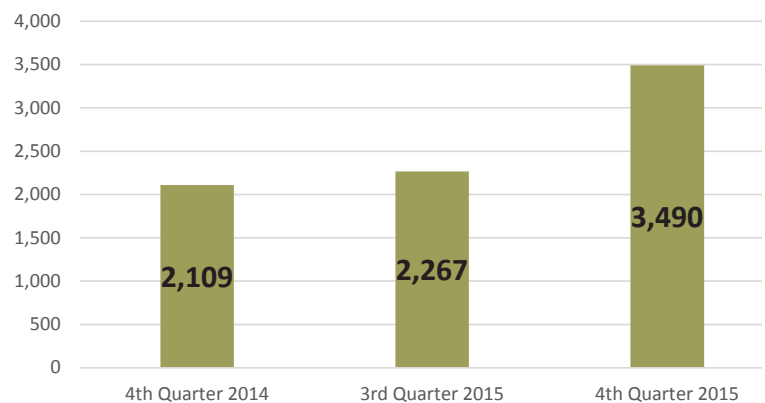
Source: Metrostudy, [www.metrostudy.com](http://www.metrostudy.com).

**Asking Rent Per Unit**



Source: CoStar.

**Multifamily Units Under Construction**



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 fourth quarter of 2015 (49,815,202 square feet) represented 30 percent of the total for the Washington, D.C. Metropolitan Region.

### Vacancies

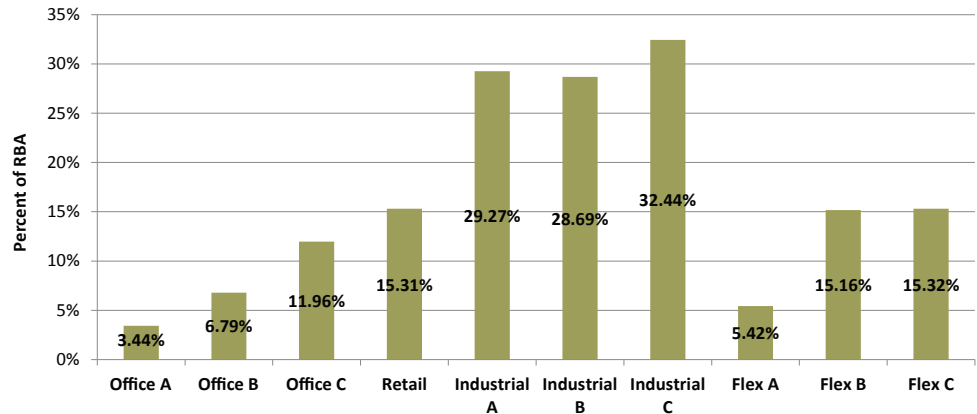
There was a very slight decline in the Class A Office market conditions in the County, but also a slight improvement for Class B. The vacancy rate for Class A Office increased by 0.1 percent, while that for Class B decreased by 1 percent. At the same time, the vacancy rate for Class A Office space in the region also declined by 0.1 percent, and 0.5 percent for Class B.

The vacancy rate for Class A Flex space in the County increased significantly by 11.8 percent during the period. Even though the vacancy rate for Class A Industrial space increased by 9.5 percent in the County during the period, it also increased by 3 percent for the region. The County experienced the largest decrease in vacancies for Class C Flex (3.1 percent), Class B Flex (2.9 percent), and Class B industrial space (2.7 percent). Note that a decline in vacancies is a positive development.

### Net Absorption

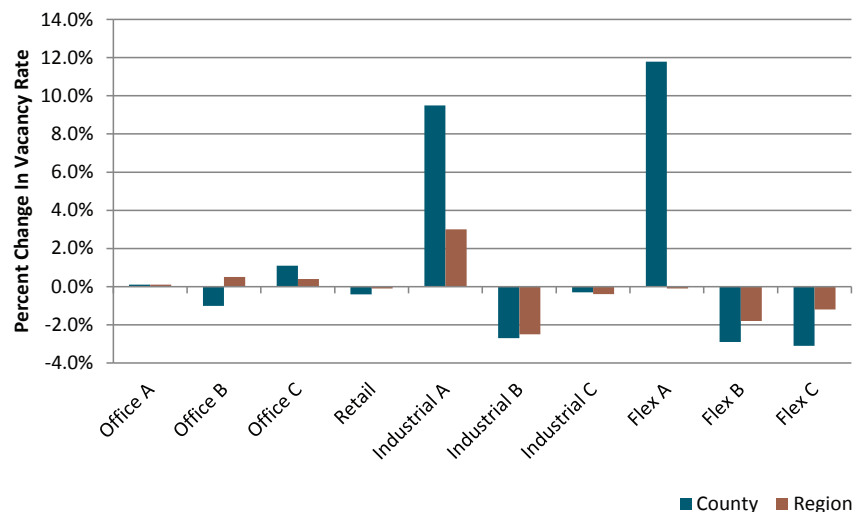
Net absorption is the amount of space occupied at the end of a period minus the amount occupied at the beginning of that period, that is, the space vacated during the period. For the fourth quarter of 2015, Class B Industrial, Retail, Class B Office, and Class A Industrial experienced the best conditions regarding total net absorption. Class A Office, Class C Office, Class C Industrial, and Class B Flex experienced negative net absorption for the period. 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, 2015



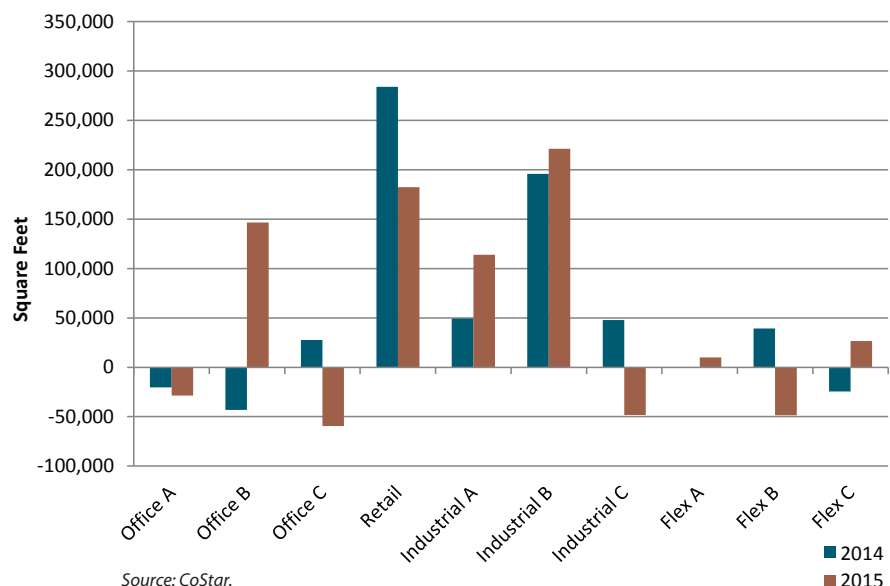
Source: CoStar.

Change in Vacancy Rates  
4th Quarter 2014 Versus 4th Quarter 2015



Source: CoStar.

Total Net Absorption  
4th Quarter 2014 Versus 4th Quarter 2015



Source: CoStar.

## Rental Rates

During the fourth quarter of 2015, 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 was 38.8 percent lower than the region, retail was 20.9 percent lower, Industrial was 11.9 percent lower, and Flex was 13.3 percent lower than the region.

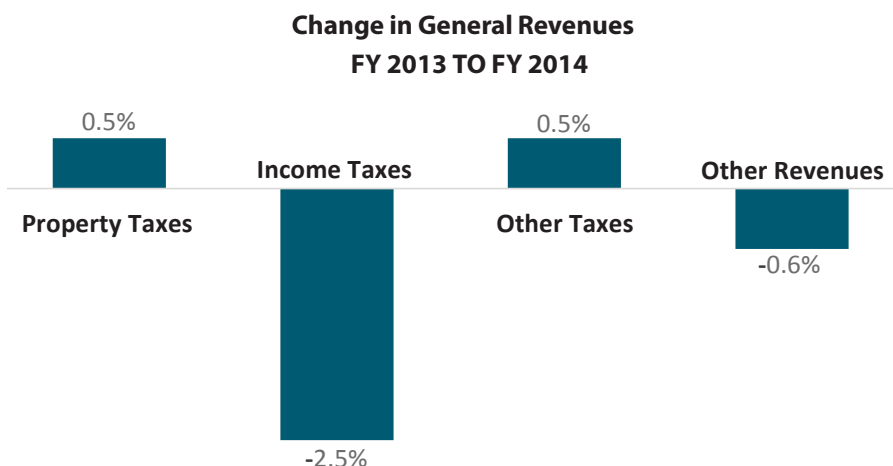
## County Revenues

### SALES AND USE TAXES

Sales and use taxes<sup>1</sup> collected during the second quarter of 2014 amounted to \$126.6 million, representing a 2.9 percent increase over the second quarter of 2013, when they totaled \$123.1 million. The increase in the County was still lower than the State of Maryland.

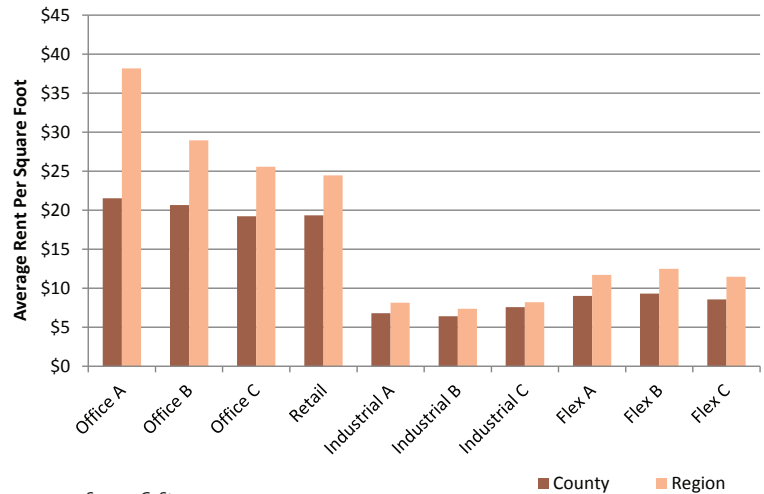
### CHANGES IN REVENUES

There was an overall increase in local taxes from \$1.54 billion in FY 2011 to \$1.61 billion in FY 2015, reflecting a 4.2 percent increase. The two dominant sources of local taxes—property taxes and income taxes—accounted for 86.7 percent of all local taxes in FY 2015. By far, property taxes have been the leading source of revenue in the County, generating \$726.9 million in FY 2011, and \$969.7 million in FY 2015. Data from the County's FY 2014 Budget show that from FY 2013 to FY 2014, while totals of property and other taxes each increased by 0.5 percent, income taxes declined by 2.5 percent, and other taxes declined by 0.6 percent. In FY 2015, property taxes represented 56.9 percent of all local taxes. Income taxes are also a major revenue source, representing 29.8 percent of the total. There was a \$52.2 million (11.5 percent) increase in income taxes from FY 2011 to FY 2015.

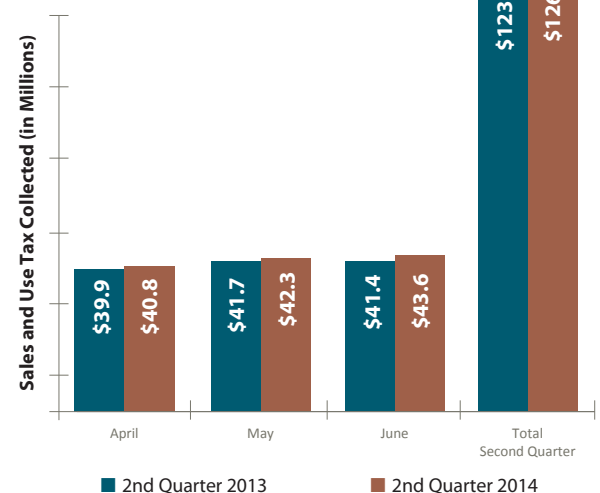


Source: Prince George's County FY 2014 Budget.

### Rental Rate Comparison Prince George's County Versus Washington Region 4th Quarter 2015

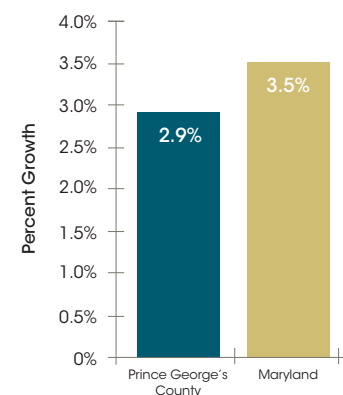


### Sales and Use Tax Comparison 2nd Quarters 2013 and 2014



Source: Comptroller of Maryland, 2015.

### Quarter Sales and Use Tax Growth in Prince George's County Compared to the State—2013/2014



Source: Prince George's County FY 2014 Budget.



## Endnotes

<sup>1</sup> Use Tax: The use tax is imposed on consumers of tangible personal property that is used or consumed. Use taxes are also used to help defray the cost of public services associated with particular types of personal property. The purpose of a use tax is to help recoup the cost of public services directly related to the use of certain types of personal property. The most common use taxes are assessed on motor vehicle and boat licenses. User fees are also charged for docking privileges in airports and harbors.

### 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 excellent locations 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 Class C building is generally one that is functionally or economically obsolete 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 other properties in the market.



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