



# Howard County, Maryland *economic* **INDICATORS**

A Joint Publication of Howard County Government, Howard County EDA & the Howard County Chamber of Commerce

## September Meeting 2015

### Our Mission...

Review the most currently available economic indicators for Howard County and surrounding areas to assist in providing advance warning of possible shifts in the local economy that may be helpful in the evaluation of current and future government policies and private sector business decisions.

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### Economic Development

While HCEDA business development activity in the summer months was moderate, things are expected to pick up some in the fall. In recent news, both Tenable Network Security and Medstar Health have announced expansion plans in Howard County. Medstar Health will be one of the first tenants in the Howard Hughes Corporation's Crescent development in Downtown Columbia.

The HCEDA was awarded \$1.75 million for its Catalyst Loan Fund for FY16. The allocation represents a nearly 15% increase over last year and recognizes our successful implementation of the program.

In regards to industry, the HCEDA is witnessing a lot of distribution activity in the past quarter, especially food distribution. The business development team is also seeing an increase in industrial warehouse absorption to accommodate distribution expansion.

There are currently 42 new, expanding, or relocating businesses in the HCEDA pipeline. About one-third of the pipeline is considered active.

The Howard Tech Council held its annual End of Summer Bash at the Lakefront in Columbia across from Clyde's. Over 200 people attended the event including HCEDA staff, Council members, and many tech industry professionals.

The Maryland Center for Entrepreneurship (MCE) added new video equipment in three of its conference rooms. An MPOD player is now setup in the lobby area where visitors can view upcoming event highlights, Facebook updates, pictures from events, and more. The MCE received six inquiries in August for either resident or affiliate information.

In August, the Small Business Development Center (SBDC) has supported the start of 10 new businesses since October 2014, up from eight in July. The SBDC has generated nearly 112 new jobs and \$7.8 million in increased sales.

### **Downtown Columbia**

The HCEDA staff hosted the fourth session of Long Reach Village Center meetings. On average, over 100 members of community have attended each of the meetings.

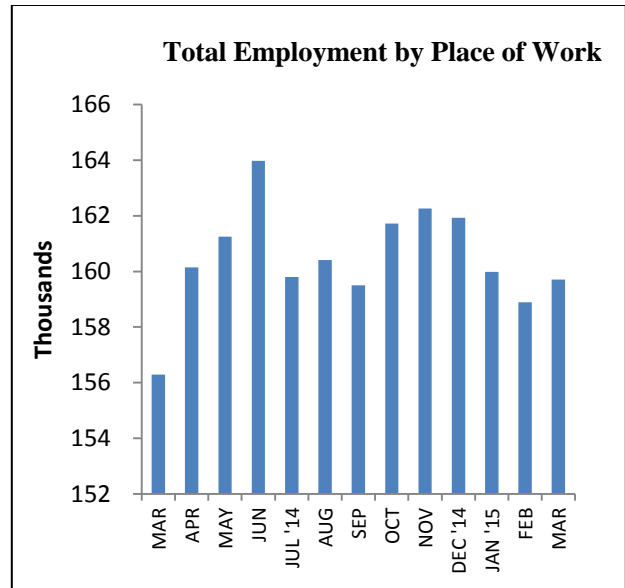
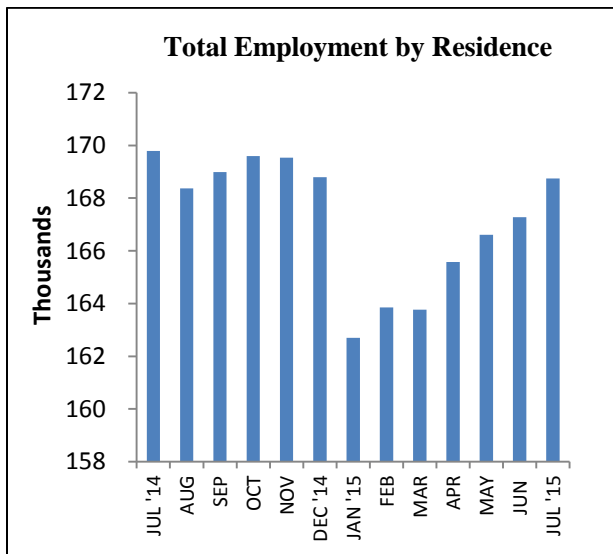
Earlier in the summer, Long Reach Village Center launched the first ever ARTreach. The event was

a tremendous success, attracting more than 1,000 people from around the community, generating more than \$2,000 in art sales and favorable publicity for the village center.

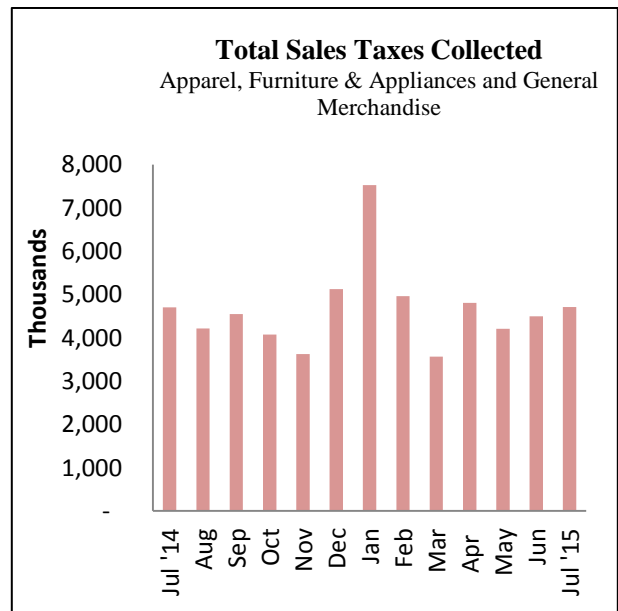
In July, a meeting was held between The Mall in Columbia General Manager and the Howard County Department of Transportation Administrator to negotiate a new site for a Regional Transit Authority bus hub at the Mall. As a result of the meeting, it was determined that a new location will accommodate a new electric bus charger

Ideas are being reviewed for HCEDA involvement in coordinating a meeting of major landholders in Columbia Gateway to work with the County and Columbia Association to improve the office park.

### Employment



### Sales Tax



It should be noted sales tax revenues are not returned to the county as direct revenue. They are an indicator of discretionary spending in the county as reported by local businesses to the State of Maryland.

## Residential Real Estate

Housing industry experts are reporting that the local market value for homes is slowly going up. Higher priced homes – over \$1 million – are taking over a year to absorb.

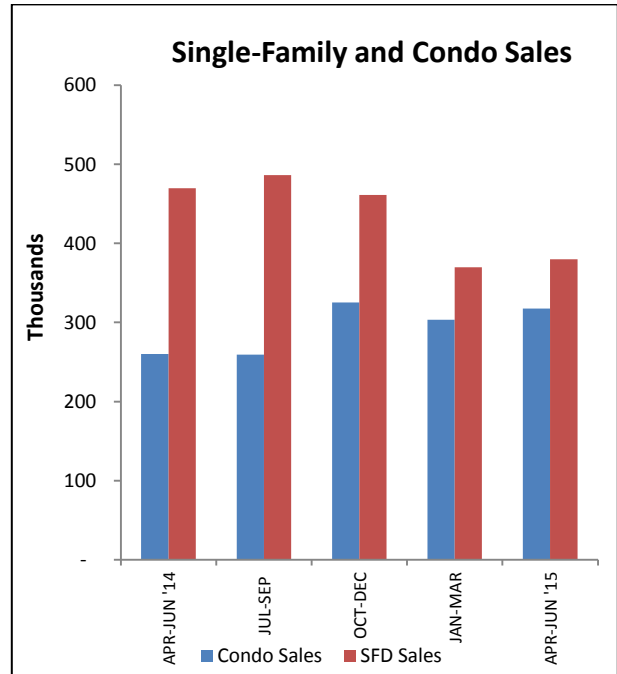
Millennials make up a third of the latest homebuyers and want a home that is move-in ready.

The Howard County rental market remains strong, but experts say that nothing is available for under \$1,000 a month.

Coming in October, new regulations will be in effect that will impact lenders and title companies.

Condo sales are on the rise and single-family dwellings are finally seeing an uptick in the second quarter of 2015 after a constant year-long decline. The difference between condo and single-family dwelling sales is shrinking.

Note (below): Current quarter averages may not include all necessary months because of lag in data availability

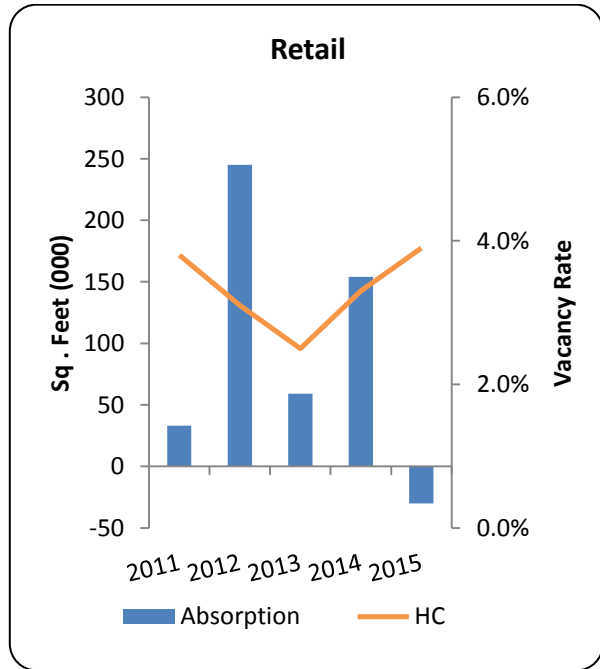
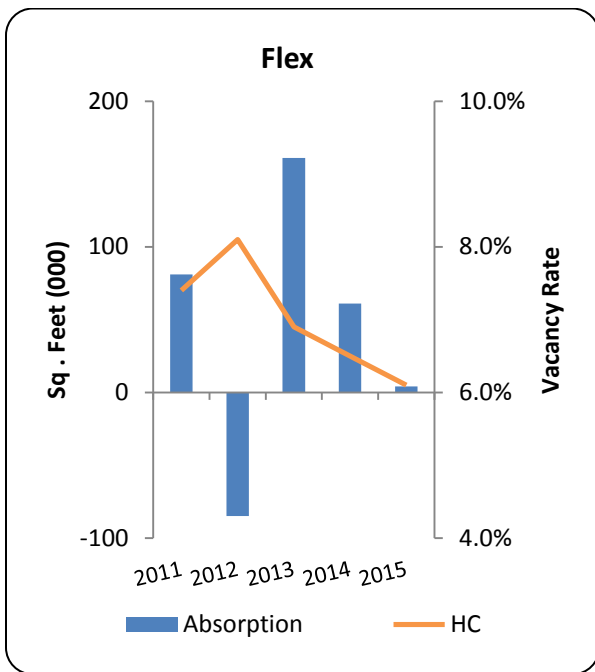
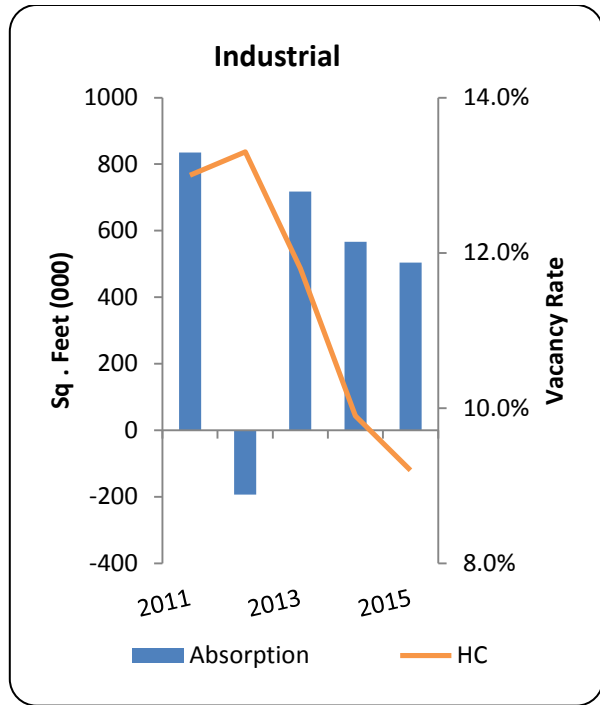
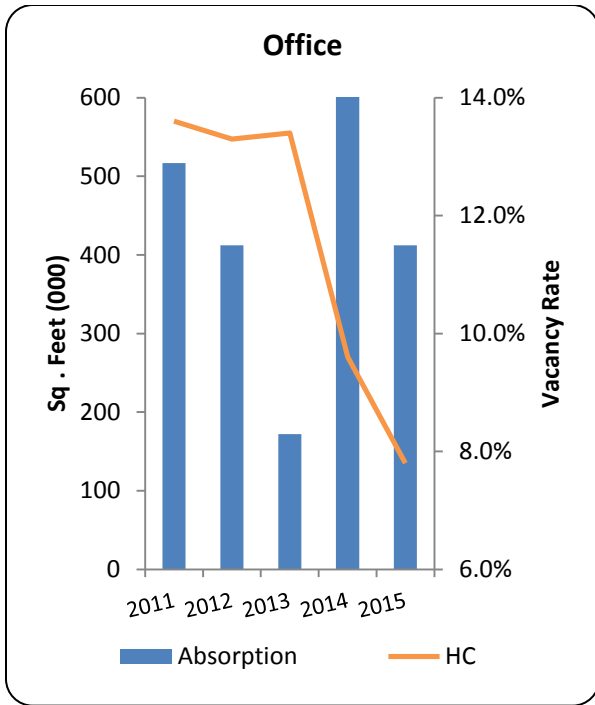


## Residential and Commercial Construction

Residential construction had a strong first quarter, slower second quarter. Things are beginning to pick up in third quarter.

Residential construction experts say that it is taking approximately five to seven months following a contract for a home to be delivered.

Data gathered from CoStar Group's aggregate absorption report shows a positive net in the second quarter of 2015 for office, flex, and industrial space in Howard County. Vacancy also continues to decline in the aforementioned spaces.



Note (above): The vacancy rate does not reflect pre-leased new construction

## Contracting

Cyber is the key focus: training, workforce, and funding. The military is looking for certification programs that younger military members can enroll in that local colleges and universities are offering.

## Federal Reserve

Consumer spending is good, they are de-leveraging their balance sheets -- saving and taking on less debt. Housing and labor market numbers are strong. The latest Federal Reserve report listed that approximately 173,000 jobs were added this past month. Weakness in the economy can be observed when looking at business investment (intellectual property, structures, & equipment).

## Service Industries

### Finance

Cutbacks on non-personnel costs and initiatives have led to expenditure savings. On the revenue side, property and transfer taxes are generally healthy, presenting moderate to strong growth. Planning for FY16 will begin in

### Retail

There is growing interest for retailers to occupy the bottom floor of a residential development or office building. In the food and beverage industry, while sales remain high, a difference is being seen

apparent between healthy and unhealthy products. Gas sales are up about 20% in volume and 12% in sales. Commodity pricing is stable.

## Chamber of Commerce

On September 10 the Chamber hosted its Cyber 6.0 Conference at the JHU/APL Kossiakoff Center. This year's theme was "Migration to the Cloud". Breakout sessions included but were not limited to topics covering migration of critical infrastructure to the cloud, health IT, and mobile IT. Cyber 7.0 will be in June 2016.

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**Questions or suggestions?** Telephone: 410-313-6500

Thank you for your review of this publication.