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ECONOMIC PROGRESS REPORT SHOWS A NEW GREATER BALTIMORE

Economic Alliance Report Measures How Greater Baltimore Market Stacks Up Nationwide

BALTIMORE, MD (11/16/07) – Greater Baltimore has become one of the strongest performing metro area economies in the nation, according to a report on the regional economy released last evening by the Economic Alliance of Greater Baltimore at their Annual Meeting. The report benchmarks the region against the top US metros, showing its economic growth and evolution over the past seven years, and is designed to provide a comprehensive overview of Greater Baltimore's assets and position in the US economy, and to educate both the regional and national business community to make them aware of where Greater Baltimore stands in 2007.

"This report reveals what many folks working in the Greater Baltimore market already know," said Brad McDearman, creator of the report and Executive Vice President of the Economic Alliance. "We have a new set of peer cities, and the economic drivers that used to be the heartbeat of this region have changed. Our ability to continue to adapt and embrace these changes will dictate our economic health, and this report gives us a clear picture of how we've gotten to this point."

Some key findings of the report include:

- Among the 25 largest US metro areas, Greater Baltimore ranks 1st for per capita income growth from 2000 to 2005, at over 24 percent;
- Among the 25 largest US metro areas, Greater Baltimore ranks 8th for employment growth from 2000 to 2006, and 7th for lowest unemployment rate in 2006;
- 25% of the area's total office space was added between 2000 to 2006. Even with this massive addition (15 million sq. ft.), the vacancy rate fell from 18.1 percent in 2002 to 14.2 percent in 2006;
- Home prices increased 83% between 2000 and 2006, ranking it 10th among the 25 largest US metros. For the first half of 2007, at a time when most major markets are getting hit hard by the housing slump, Greater Baltimore has one of the lowest foreclosure rates among the top 25 US benchmarks.

While Greater Baltimore has enjoyed a strong growth period, other metros have struggled. Detroit, Cleveland, and Pittsburgh experienced stagnation or losses in both employment and population. Previously booming markets such as Seattle, Denver, and Chicago have been relatively stagnant since 2000.

Greater Baltimore made the transition from an industrial to a more knowledge-based economy years ago. However, the region is now starting to achieve very high levels of performance even as compared to other established knowledge-based metro areas.

"Considering the region's recent dynamic growth, from expanding suburban towns to the rebirth of downtown, there was a need to compile up-to-date information on this strong growth period", says McDearman. "This report helps to bring the region up to speed on where we really stand, what has led to our recent success, and how we should be defining ourselves now. We are

hopeful that this will help support our local businesses, universities, government agencies, and non-profit organizations in achieving their missions.”

Reasons for the region’s economic growth include:

- Highly educated population, ranking 10th for college education attainment and 5th for advanced degrees awarded, among the top 25 US metros;
- Growth out of nearby Greater Washington, which has enjoyed an economic boom based on post 9-11 defense and IT investment;
- The resurgence of downtown, with the city center ranking 8th nationally for population and high income households, and an Inner Harbor area that has seen over \$7 billion in new investment in recent years;
- Growth of our economic anchors, including over \$8 billion in development and thousands of new jobs resulting from current expansions at Johns Hopkins, the UMB campus and biopark, BWI, the Port of Baltimore, NSA/Fort Meade and Aberdeen Proving Ground;

“Long gone are the days when economies are measured and understood based on manufacturing employment, the number of large corporate headquarters, and rapid population growth,” says McDearman. “Regional economies like Greater Baltimore that are sustained by highly educated residents, entrepreneurship, company innovation, creativity and quality of place are positioned to realize the greatest economic success.”

Starting today, the report will be available for download at the Economic Alliance’s website, www.GreaterBaltimore.org.

About the Economic Alliance of Greater Baltimore

The Economic Alliance of Greater Baltimore is the public/private partnership that unites business, government and educational institutions to market Greater Baltimore as a highly desirable region for new business growth and investment. For more information go to www.greaterbaltimore.org