



Monthly Trends Report

April 2016

PA HOUSING MARKET SOLID

The Pennsylvania Association of Realtors (PAR) publishes quarterly data on home prices and sales completed by realtors in the Commonwealth.¹ The data do not provide coverage of all home sales (e.g., sales completed by homeowners), but they do capture the majority of home sales and provide useful information regarding the current state of the housing market.

The PAR data reveal very strong growth in home sales for 2013 (12.5%), followed by weakness in 2014 (0.6%) and another strong year in 2015 (10.6%). (See table.) Although home sales grew dramatically last year, the increase in the average price of homes sold was modest (1.6%). These trends are broadly similar to those at the national level. Data from the National Association of Realtors show a reduction in single-family home sales in 2014 (-3.1%) followed by a solid year in 2015 (7.0%).² For the U.S., the average price of a single family home sold increased by 4.0% in 2014 and 4.6% in 2015. Although Pennsylvania home sales were considerably stronger in 2015, the average price increase was much lower. For the first quarter of 2016, data from PAR reveal continued strength for Pennsylvania, as sales increased by 9.8% and average prices increased by 1.2% on a year-over-year basis.

Pennsylvania Home Sales				
	Completed Sales		Average Sales Price	
	Number	Growth	Price	Growth
Annual				
2012	102,769	n.a.	\$198,208	n.a.
2013	115,566	12.5%	\$204,807	3.3%
2014	116,262	0.6%	\$207,222	1.2%
2015	128,594	10.6%	\$210,593	1.6%
Quarterly				
2015 Q2	36,403	11.8%	\$216,322	3.3%
2015 Q3	39,116	13.3%	\$218,186	1.0%
2015 Q4	32,166	6.9%	\$203,340	0.7%
2016 Q1	25,334	9.8%	\$194,797	1.2%

Source: Pennsylvania Association of Realtors.

GENERAL FUND SNAPSHOT

The Commonwealth collected \$3.66 billion in General Fund revenues for April, a decrease of \$347.9 million (8.7%) compared to April 2015. Fiscal year-to-date revenues were \$25.90 billion, an increase of \$181.1 million (0.7%) from the prior year.

	General Fund	Tax Revenue	Non-Tax Revenue
Apr-16	\$3,656	\$3,422	\$235
Growth	-8.7%	-3.8%	-47.3%
FYTD	\$25,897	\$25,322	\$574
Growth	0.7%	2.5%	-42.9%

Dollar amounts are in millions.

The Commonwealth levies a tax of 1.0% on the final transaction price of all home and business sales. This realty transfer tax also provides a real-time measure of the state of the housing market, though there is typically a lag of one or two months' time between buyer engagement, the actual closing of a sale, and the collection and remittance of tax. Revenues this fiscal year have been much stronger than last year, but the gains are moderating. The first quarter of 2016 was 13.5% higher than the prior year, while April 2016 only gained 0.5% over the prior year. May and June revenues will provide important insights into the Pennsylvania housing market, because the active period for home sales typically begins in the second quarter.

¹ Pennsylvania Association of Realtors, "Pennsylvania Q4-2015 Statewide Report," January 2016, and "Pennsylvania Q1-2016 Statewide Report," March 2016. Data include residential single-family homes, townhouses, and condominiums.

² National Association of Realtors, "Existing-Home Sales," April 2016. Data include only single-family homes.

MONTHLY ECONOMIC INDICATORS

	United States				Pennsylvania			
	Jan-16	Feb-16	Mar-16	Apr-16	Jan-16	Feb-16	Mar-16	Apr-16
Unemployment Rate ¹	4.9%	4.9%	5.0%	n.a.	4.6%	4.6%	4.9%	n.a.
Net Job Gains (000s) ²	168.0	245.0	215.0	n.a.	40.9	45.2	57.4	n.a.
Average Gasoline Price ³	\$1.95	\$1.76	\$1.97	\$2.11	\$2.01	\$1.84	\$1.94	\$2.13
Consumer Price Index ⁴	1.4%	1.0%	0.9%	n.a.	0.0%	0.3%	0.3%	n.a.
Retail Sales ⁵	2.4%	3.1%	2.8%	n.a.	3.9%	4.4%	5.9%	3.9%
Consumer Sentiment Index ⁶	92.0	91.7	91.0	89.0	n.a.	n.a.	n.a.	n.a.
New Building Permits ⁷	11.5%	12.3%	15.1%	n.a.	-3.1%	10.4%	25.9%	n.a.

QUARTERLY ECONOMIC INDICATORS

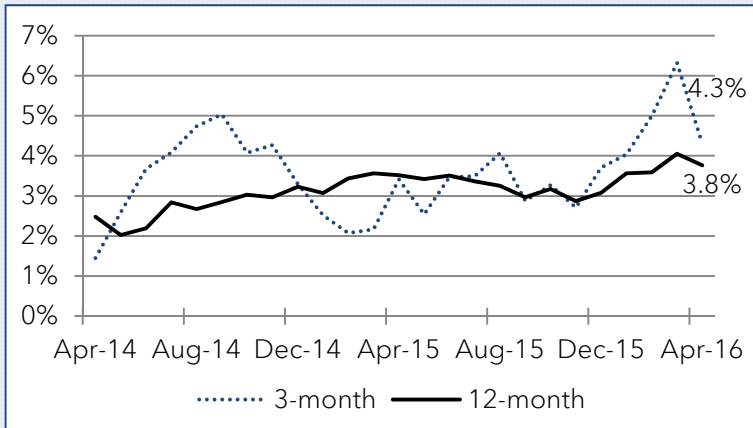
	United States				Pennsylvania			
	2015.2	2015.3	2015.4	2016.1	2015.2	2015.3	2015.4	2016.1
Gross Domestic Product ⁸	3.9%	2.0%	1.4%	0.5%	4.1%	2.5%	n.a.	n.a.
Personal Income ⁹	4.5%	4.5%	4.0%	4.1%	3.3%	3.4%	3.0%	n.a.
Completed Home Sales ¹⁰	8.2%	8.3%	2.0%	5.6%	11.8%	13.3%	6.9%	9.8%
FHFA House Price Index ¹¹	5.6%	5.7%	5.8%	n.a.	2.2%	2.5%	3.1%	n.a.
Student Loan Debt ¹²	\$4,480	\$4,480	\$4,600	n.a.	\$5,180	\$5,170	\$5,310	n.a.
Industrial Electricity Sales ¹³	-3.6%	-3.8%	-5.3%	n.a.	-1.6%	-1.2%	-4.5%	n.a.

Notes:

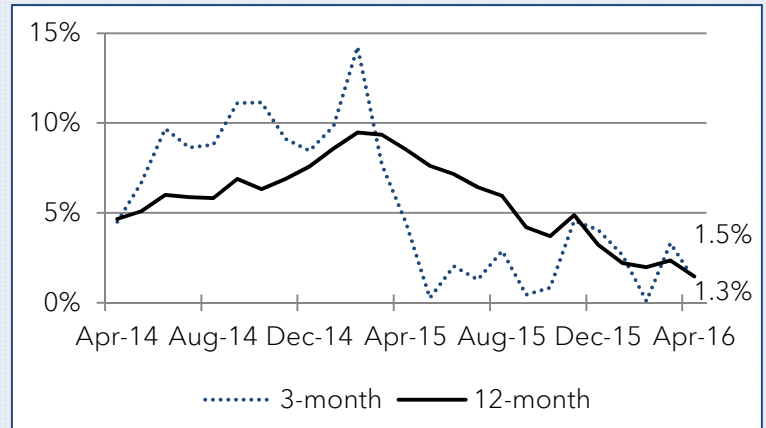
1. Source: U.S. Bureau of Labor Statistics—Survey of Households.
2. U.S.: Increase in payroll employment compared to the previous month. PA: Average year-over-year increase in payroll employment based on latest three months of data. Source: U.S. Bureau of Labor Statistics—Survey of Establishments.
3. Average price for one gallon of regular gasoline. Source: U.S. Energy Information Administration.
4. Annual change in average price level for U.S. and PA-NJ-DE-MD. Data for PA-NJ-DE-MD only published on a bi-monthly basis. For non-release months, values are an interpolation. Source: U.S. Bureau of Labor Statistics.
5. U.S.: Annual growth rate of advance retail sales based on latest three months of data. Includes purchases of gas and motor vehicles. Excludes services. Source: U.S. Dept. of Commerce. PA: Annual growth rate of sales tax revenues based on latest three months of data. Excludes transfers to or from the Enhanced Revenue Collection Account. Source: PA Dept. of Revenue.
6. A diffusion index that reflects consumer optimism. Source: UM—Survey of Consumers.
7. Annual growth of new, privately owned single-housing units authorized for construction based on latest three month of data. Source: U.S. Census Bureau.
8. The quarterly, annualized real growth rate of the economy. Excludes inflation. Source: U.S. Bureau of Economic Analysis.
9. The annual growth rate of personal income. Includes any inflationary gains. Source: U.S. Bureau of Economic Analysis.
10. The annual growth rate of sales of existing single-family properties, townhomes and condominiums. (PA data contain some new properties.) Sources: National Association of Realtors and PA Association of Realtors.
11. The annual growth rate of an index that measures the average price change of residential homes with mortgages purchased or securitized by Fannie Mae or Freddie Mac. Source: Federal Housing Finance Agency.
12. Per capita levels. Levels represent total student loan debt divided by number of consumers with a credit report. For Q4 2014, Pennsylvania has 10.7 million consumers (includes children). Source: Federal Reserve Bank of New York.
13. The annual growth rate in megawatt-hours of electricity sold to industrial customers. Source: U.S. EIA.

SELECT GENERAL FUND TAX REVENUES - ANNUAL GROWTH RATES

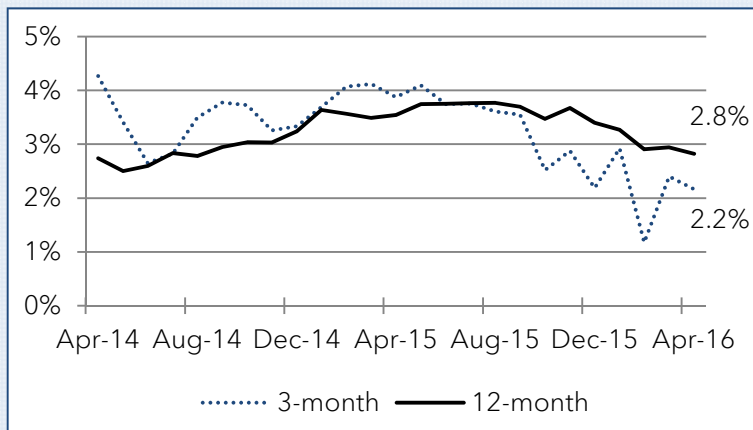
Sales and Use Tax – Non-Motor



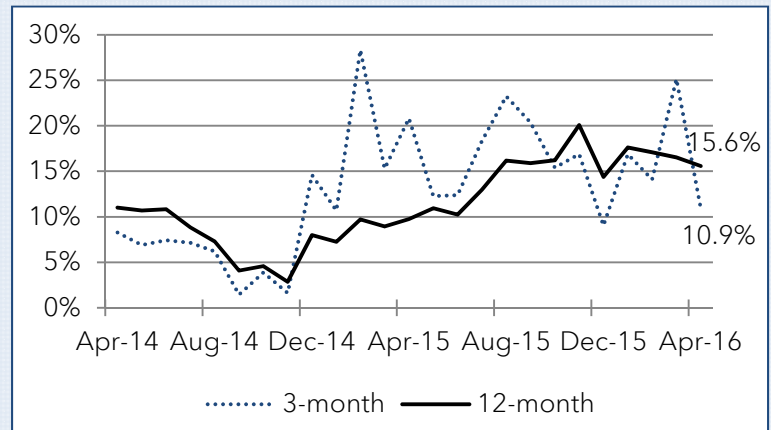
Sales and Use Tax – Motor



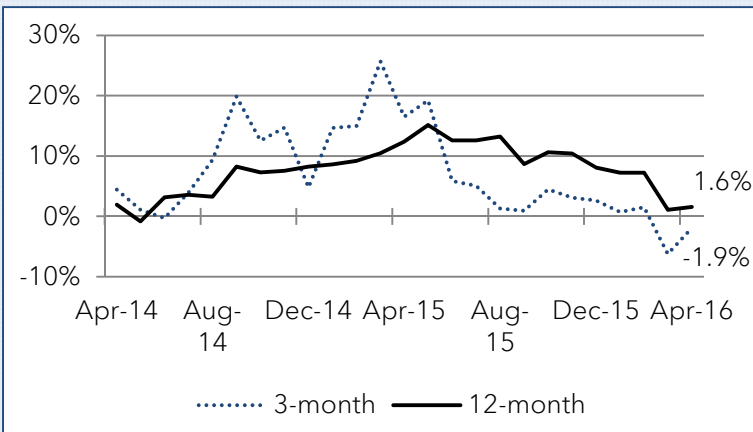
Personal Income Tax – Withholding



Realty Transfer Tax



Corporate Net Income Tax



Technical Notes (for revenue graphs and table on next page):

- ↳ Transfers from the General Fund to the Enhanced Revenue Collection Account were \$53.1 million and included: \$13.2 million from CNIT; \$9.1 million from Inheritance; \$13.4 million from SUT; and \$17.0 million from PIT.
- ↳ Monthly personal income tax withholding collections declined compared to April 2015 because (1) a due date for weekly filers that occurred in March this year fell in April last year and (2) a due date for quarterly filers that occurred in April last year fell in May this year.
- ↳ Escheat revenues were affected by a 2014 statutory change.

Note: Three and twelve-month annual growth rates are rolling averages relative to the previous fiscal year.

Pennsylvania General Fund Revenues Summary

Revenue Source	Apr 2016	Apr 2015	Apr 2014	FYTD 2015-16	FYTD 2014-15	FYTD 2013-14	Apr 2016 Growth	FYTD Growth
Total General Fund	\$3,656.4	\$4,004.3	\$3,416.7	\$25,896.6	\$25,715.5	\$23,926.8	-8.7%	0.7%
Total Tax Revenue	3,421.7	3,558.5	3,281.2	25,322.2	24,710.0	23,486.3	-3.8	2.5
Total Corporation Taxes	481.9	443.0	443.4	4,496.0	4,433.3	4,250.3	8.8	1.4
Accelerated Deposits	5.3	-2.1	-2.6	7.2	21.6	4.2	-352.3	-66.7
Corporate Net Income	386.9	361.2	336.9	2,254.1	2,259.4	1,983.1	7.1	-0.2
Capital Stock & Fran.	27.2	37.9	41.7	139.2	187.6	269.8	-28.2	-25.8
Gross Receipts	6.5	1.5	4.8	1,293.5	1,239.5	1,256.4	327.1	4.4
Utility Property	19.9	8.2	18.6	22.7	10.3	20.9	141.7	120.1
Insurance Premium	34.0	33.0	34.9	449.3	427.6	431.9	2.9	5.1
Financial Institution	2.1	2.7	5.1	326.9	283.6	275.5	-23.8	15.3
Other Sel. Business	0.1	0.5	3.9	3.2	3.7	8.4	-86.0	-14.4
Total Consumption Taxes	952.3	936.2	900.4	9,147.0	8,877.0	8,575.4	1.7	3.0
Sales and Use - Total	842.2	827.7	796.4	8,085.7	7,818.7	7,485.4	1.8	3.4
Non-Motor	729.0	704.2	674.1	6,983.8	6,730.1	6,479.6	3.5	3.8
Motor Vehicle	113.2	123.5	122.2	1,102.0	1,088.5	1,005.8	-8.3	1.2
Cigarette	79.8	79.7	76.7	748.7	758.6	801.7	0.1	-1.3
Malt Beverage	2.1	2.2	2.0	20.5	19.9	20.7	-5.1	3.3
Liquor	28.2	26.6	25.2	292.0	279.8	267.8	6.3	4.4
Total Other Taxes	1,987.4	2,179.3	1,937.4	11,679.3	11,399.7	10,660.6	-8.8	2.5
Personal Income - Total	1,878.4	2,054.3	1,826.0	10,473.5	10,168.8	9,616.0	-8.6	3.0
Withholding	728.6	830.1	795.9	7,846.7	7,662.2	7,379.8	-12.2	2.4
Quarterly	298.0	289.8	258.7	1,457.9	1,288.6	1,193.8	2.8	13.1
Annual	851.8	934.3	771.5	1,169.0	1,218.0	1,042.4	-8.8	-4.0
Realty Transfer	32.8	32.6	29.2	389.2	335.0	305.5	0.5	16.2
Inheritance	67.2	92.4	73.4	769.6	831.8	706.7	-27.3	-7.5
Table Games	10.1	7.7	7.3	84.9	79.3	74.6	30.6	7.1
Minor and Repealed	-1.0	-7.7	1.5	-38.0	-15.2	-42.1	-86.6	149.3
Total Non-Tax Revenue	234.7	445.8	135.5	574.4	1,005.5	440.4	-47.3	-42.9
Liquor Store Profits	0.0	0.0	0.0	75.0	80.0	80.0	n.a.	-6.3
Lic, Fees & Misc.	226.5	438.8	129.4	425.4	855.0	287.7	-48.4	-50.2
Licenses and Fees	11.7	24.6	20.0	110.9	107.2	104.6	-52.3	3.4
Miscellaneous	214.8	414.3	109.4	314.6	747.8	183.1	-48.2	-57.9
Treasury	1.1	0.3	0.2	10.9	7.2	6.9	308.0	51.1
Escheats	193.1	407.4	100.3	223.4	457.7	103.6	-52.6	-51.2
Other Miscellaneous	20.5	6.6	8.8	80.2	282.9	72.6	212.5	-71.6
Fines, Pen & Int. - Total	8.2	6.9	6.1	74.0	70.5	72.7	18.3	4.9

Note: Dollar amounts in \$ millions. Growth rates computed from the same time period from the previous year.