

Montgomery Officials Fear Steady Loss Of Rentals

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More than 10 percent of Montgomery County's 70,000 rental apartments could be converted to condominiums within five years, officials project, a trend that could displace residents and eventually worsen a shortage of affordable housing.

In another sign that the area's real estate boom is continuing, Montgomery landlords are in the process of converting 4,000 rental units to condominiums — a number that could double in five years, Elizabeth Davison, director of the county's Department of Housing and Community Affairs, said yesterday.

"We are going to be quickly running out of rental units," Davison told a Montgomery County Council committee. "We know it's going to be a major tightening of the rental market, and we know a lot of people's lives are going to be disrupted because they are going to have to move."

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Apartments' Shift To Condos Worries Montgomery Officials

APARTMENTS, *From B1*

That is mirroring a trend across the Washington region, where 14,500 apartments became condos last year, according to Delta Associates, a real estate consulting firm. This year's total is expected to far surpass that, officials say.

In Montgomery, where the rental vacancy rate is low — about 5 percent — county leaders are trying to determine whether the conversions will further strain their efforts to provide affordable housing.

"Do these people have a place to go?" asked council member Steven A. Silverman (D-At Large), chairman of the Planning, Housing and Economic Development Committee, which held yesterday's hearing. "Are they going to be forced out of Montgomery County?"

So far, Davison said, the conversions appear to be happening fastest in apartments at the upper end of the rental market, where residents are better equipped to find other housing.

As of last week, the owners of 19 apartment buildings had notified the county that a condo-conversion process was underway. In most of those buildings, one-bedroom apartments rent from \$1,000 to \$2,000 a month.

But with the pace of conversions expected to accelerate in the next two to three years, county leaders say it is only a matter of time before some lower-income residents are faced with a choice: Move or try to buy a unit they can't afford.

In Montgomery, 10,000 residents are on a waiting list for Section 8 housing vouchers, which provide federal money to subsidize rents. And with the median price of a single-family home in Montgomery at \$392,000 — and \$415,000 for a new townhouse — many middle-income families are

also squeezed out of the county's housing market.

Several council members said yesterday that they hope to work on legislation this fall to make it easier to preserve rental units for lower-income residents.

Under current law, the owner of an apartment building must give tenants or the county the first chance to buy the building before putting it up for sale. County Executive Douglas M. Duncan (D) is considering creating a fund to help purchase some of the buildings that house low- and middle-income residents, spokesman David Weaver said.

But civic activists said they are skeptical about officials' efforts because the politicians' campaigns have been heavily subsidized by the development community.

"Unfortunately, I don't think there's going to be a rush to protect our citizens from condo conversion," said Jim Humphrey, chairman of the Montgomery County Civic Federation's Planning and Land Use Committee.

The debate over conversions comes as county leaders try to salvage the integrity of Montgomery's efforts to build affordable housing.

Since the 1970s, Montgomery has required that about 12 percent of new housing units — rental and owner-occupied — be set aside for those with moderate incomes.

The program was once considered a nationwide model, but in recent months there have been questions about whether some developers — including those behind Clarkburg Town Center — were building them on time.

Under the system outlined yesterday, the county Planning Board, housing agency and Department of Permitting Services will work together to guarantee that affordable units are completed on schedule.