



## **Statement in Support of Council Bill 2-25, Taxation – Payments in Lieu of Taxes – Affordable Housing**

March 11, 2025

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a non-profit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following statement in strong support of Council Bill 2-25.

Council Bill 2-25 establishes a payment in lieu of taxes (PILOT) program for the conversion of commercial office properties with at least a 50% vacancy rate to residential uses. This policy targets properties that are currently underutilized, while supporting the county's housing supply targets. AOBA supports efforts to combat the county's declining office market, which is suffering from rising vacancy rates related to increased telework and hybrid work schedules.

Despite being in desirable, amenity-rich areas near transit, many Montgomery County commercial office properties continue to see their values decline from pre-pandemic highs. Attached to this testimony is a graphic illustrating the state of the office market in the county. Furthermore, the federal government's recent cancelation of commercial leases and expected listing of federal office properties for sale will only exacerbate this trend.<sup>1</sup>

While we support Council Bill 2-2025, AOBA notes the targeted approach of this policy should not be paid for by the very industry that it is aimed to incentivize. Placing any additional financial burdens on commercial property owners to pay for incentives aimed at creating affordable housing would be counterproductive to the policy goal.

For these reasons, AOBA urges the Council to enact Bill 2-2025. For more information, please contact Brian Anleu at [banleu@aoba-metro.org](mailto:banleu@aoba-metro.org).

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<sup>1</sup> <https://www.npr.org/2025/03/08/nx-s1-5321323/trump-doge-gsa-federal-buildings>

# STATE OF THE OFFICE MARKET MONTGOMERY COUNTY, MD



APARTMENT AND OFFICE  
BUILDING ASSOCIATION  
OF METROPOLITAN  
WASHINGTON

*7500 Old Georgetown Road  
Bethesda*



Sold in 2024 for **\$30 million**  
**Down 78%** from its  
high of \$133.8M

*1801 Rockville Pike  
Rockville*



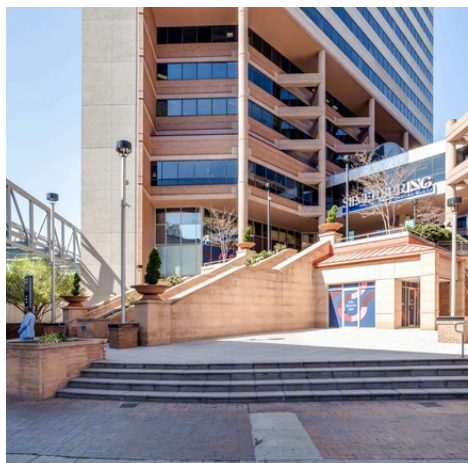
Sold in 2024 for **\$14 million 30%**  
**below** its 2024 assessed  
value of **\$22 million**

*1 Inventa Place  
Silver Spring*



Sold in 2018 for **\$70 million**  
Assessed at **\$51 million** in 2025

*8403 Colesville Road  
Silver Spring*



Assessed at **\$84 million** in 2025  
**Down from \$98 million** in 2022

*8484 Georgia Ave, 1010 &  
1100 Wayne Ave  
Silver Spring*



Assessed at **\$25-\$35 million** in 2025  
**Down \$10 million** from 2019

*121 Rockville Pike  
Rockville*



Auctioned for **\$10 million** in 2024  
**60% below** its **\$26 million**  
assessed value

Sources: CoStar & SDAT