M E M O R A N D U M

June 4, 2020

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: **Montgomery County Housing Needs Assessment**

PURPOSE: Presentation and Discussion

Expected to Attend:

Casey Anderson, Chair, Montgomery County Planning Board
Gwen Wright, Planning Director, Montgomery County Planning Department
Lisa Govoni, Housing Policy Coordinator, Montgomery County Planning Department

At this session, the PHED Committee will receive an overview presentation of the Montgomery County Housing Needs Assessment. The Planning Department contracted with HR&A and LSA Planning in Winter 2019 to complete this study which is part of the County's update of its General Plan and Subdivision Staging policy. It will also be used as a basis for ongoing work to increase the amount of housing, and particularly affordable housing, in accordance with the goals adopted by the Council of Governments and supported by the County Council.

Presentation slides are attached.

The Planning Board was briefed on the study and its findings at its April 2, 2020 meeting. In the memo to the Planning Board for that briefing, Ms. Govoni and members of the Planning Staff provided the following summary information:

The Housing Needs Assessment has two components: an analysis of current demographic, economic and housing market conditions in the county, as well as a detailed household and housing demand forecast for the county up to 2045.

Key findings from the Housing Needs Assessment's demographic, economic, and housing market conditions include:

Household Growth:
- The region has added over 150,000 households since 2010. Montgomery County captured 5 percent of that growth, having one of the lowest growth rates in the region.
- Montgomery County is aging. Since 2010, the population growth has been concentrated in the 55+ age group, with a net loss in the 35-54 age group.

Education:
- Population growth has been largely concentrated in people with a bachelor's degree or higher.
- While population growth is concentrated in people with a bachelor's degree or greater, all other jurisdictions in the region experienced a greater increase.
- Compared to other jurisdictions, there has been relatively small growth in population with a bachelor's degree or greater, within the region, it still holds one of the highest shares of growth in the region.

Wage Growth:
- Household growth has been concentrated in households earning more than $75,000.
- One out of every 2 new households is low-income (earning under $50,000 a year), which means the county is capturing an outsized share of low-income households.
- Montgomery County is experiencing a decline in households earning less than $35,000.
- The county's capture of the region's households earning $100,000 to $150,000 is the second highest in the region.
- The income needed to afford the median priced home is rising faster than the median household income.

Job Growth:
- Job growth has lagged in the region and the nation.
- Average wages are higher than in the nation, but slightly lower than in the region.
- Both before and after the recession, the county largely added jobs in Health Care, Government, Food Services, Professional Services, and Education.
- The post-recession job growth has largely been driven by macroeconomic growth and industry strength, not by regional competitiveness.

Housing Tenure:
- Renters are more likely to move around than owners, particularly those with lower incomes.
- The homeownership rate has fallen across incomes since 2010.
- While the net number of homeowners with higher incomes still grew, there was a net loss in lower-income homeowners between 2010 and 2018.
- Unaffordability of ownership has also likely driven Montgomery County's loss in households headed by people age 35 to 54.

Housing Supply:
- Between 2014 and 2018, housing supply tightened rapidly for households earning less than 80 percent area median income (AMI).
- Every submarket in Montgomery County faces a supply gap for households earning up to 60 percent AMI.
- Submarkets with relatively affordable stock have also faced the most significant pricing pressure, leading to the loss of affordably priced units.
- Fourteen (14) percent of renter households are in "overcrowded" housing arrangements (compared to 5 percent of owners).
- Thirty-two (32) percent of owner households are over-housed (compared to 3 percent of renters).
- "Over-housed" owners tend to live in less dense areas. Many of these households are aging.
- The income needed to afford the median-priced home is rising faster than the median household income. In 2018, the household income required to afford the median home was $125,621, which is above the 2018 median household income of $108,188.

Link to the Planning Department website for the Housing Needs Assessment:

https://montgomeryplanning.org/planning/housing/housing-needs-assessment/

The following is the link to the April 2, 2020 presentation to the Planning Board:

https://montgomeryplanning.org/wp-content/uploads/2020/04/MoCo-HNA-Planning-Board-Presentation-200402-for-website.pdf

How does Montgomery County define affordable housing?

As a reminder, in Montgomery County, affordable housing generally falls into four categories. These categories have been used by the Planning Department in the development of master plans and by the Council in approving plans.

Income-Restricted Affordable Housing: A moderately priced dwelling unit (MPDU) is built under a government regulation or a binding agreement that requires the unit to be affordable to households at or below the income eligibility for the MPDU program. Under this program, income requirements are usually 65 percent of area median income (AMI) for garden apartments, and 70 percent (AMI) for high-rise apartments.

Income-Restricted Workforce Housing: Chapter 25B of the Montgomery County Code defines housing that is affordable to households earning up to 120 percent of AMI or less as workforce housing. Income-restricted workforce housing is bound by government regulation and workforce housing is negotiated on a project-by-project basis. When a master plan refers to workforce housing as a part of its affordable housing goals or requirements, household incomes are limited to 100 percent of area median income. Workforce housing rents must be 20 percent lower than market rents.

Market-rate Affordable Housing: Market-rate affordable dwelling units rent at prices affordable to households earning no more than 80 percent of area median income, based on unit and household sizes. These units are typically found in older buildings and their rents are lower than the median rent for the planning area. Market-rate affordable dwelling units are not income-restricted by government regulation and not defined in the Montgomery County Code.

Rent-Restricted Affordable Housing: This term is not currently defined in the Montgomery County Code or commonly used but describes housing where rent increases are limited, and no income tests are required for the tenants. The preservation of market-rate affordable housing may require an agreement that both establishes the baseline rent (priced to be affordable at 80 percent of AMI) and rent restrictions (such as requiring a rent increase only according to the voluntary rent guideline).

MONTGOMERY COUNTY
HOUSING NEEDS ASSESSMENT

JUNE 2020

M-NCPPC

HR&A
Analyze. Advise. Act.

LSA

Agenda

- Background
- Population Growth
- Future Population Growth
- Income
  - Future Income
- Housing Trends
  - Supply/Demand Analysis
  - Subsidized Units
  - Naturally Occurring Affordable Housing
  - Homeownership
  - Tenure Differences
- Jobs

PICTURE THIS:

Housing as a right with more affordable, attainable housing options.

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Let's Plan Our Future. Together.

ThriveMontgomery.com

Background

Past County Studies

Rental Housing Study
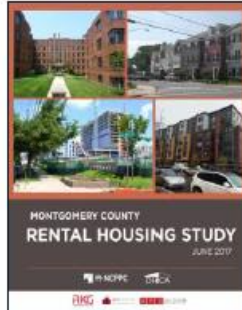
Older Adults
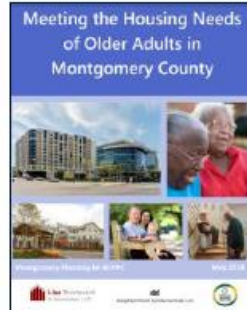
ADUs

Missing Middle

Demographic, Housing, Economic Trends

Past Regional Studies

MWCOG Regional Housing Needs
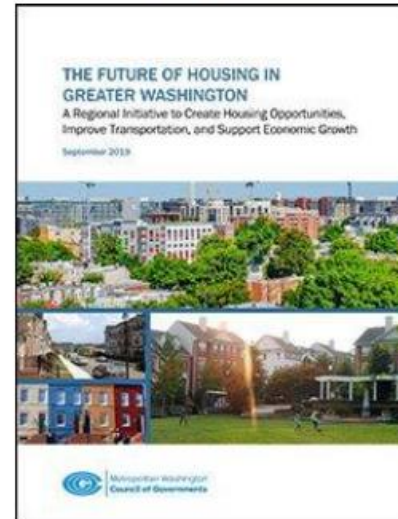
Ongoing County Efforts

Housing Affordability Preservation Study

Thrive Montgomery 2050 General Plan

Subdivision Staging Policy Update

The Housing Needs Assessment recognizes and builds upon several past and ongoing studies.

Montgomery County has positive but decelerating population and household growth

Population Growth Rate, 2011 - 2018
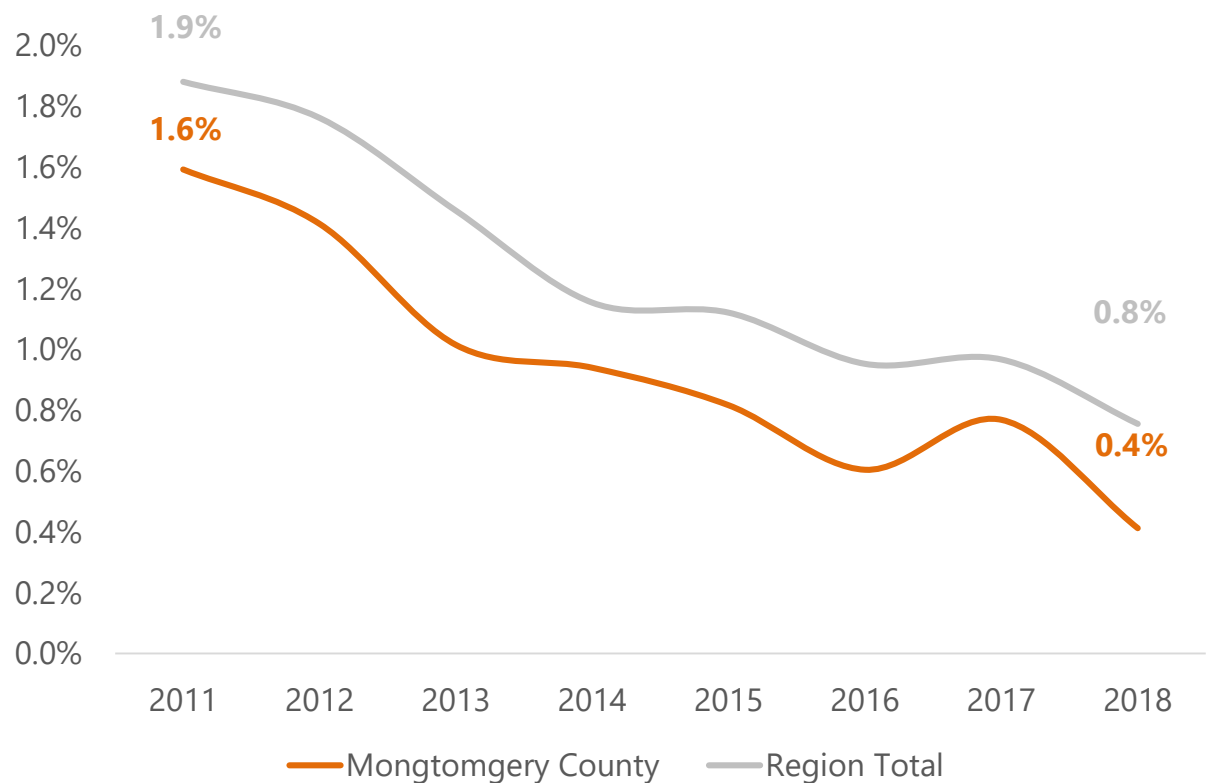
Number of Households, 2010-2018
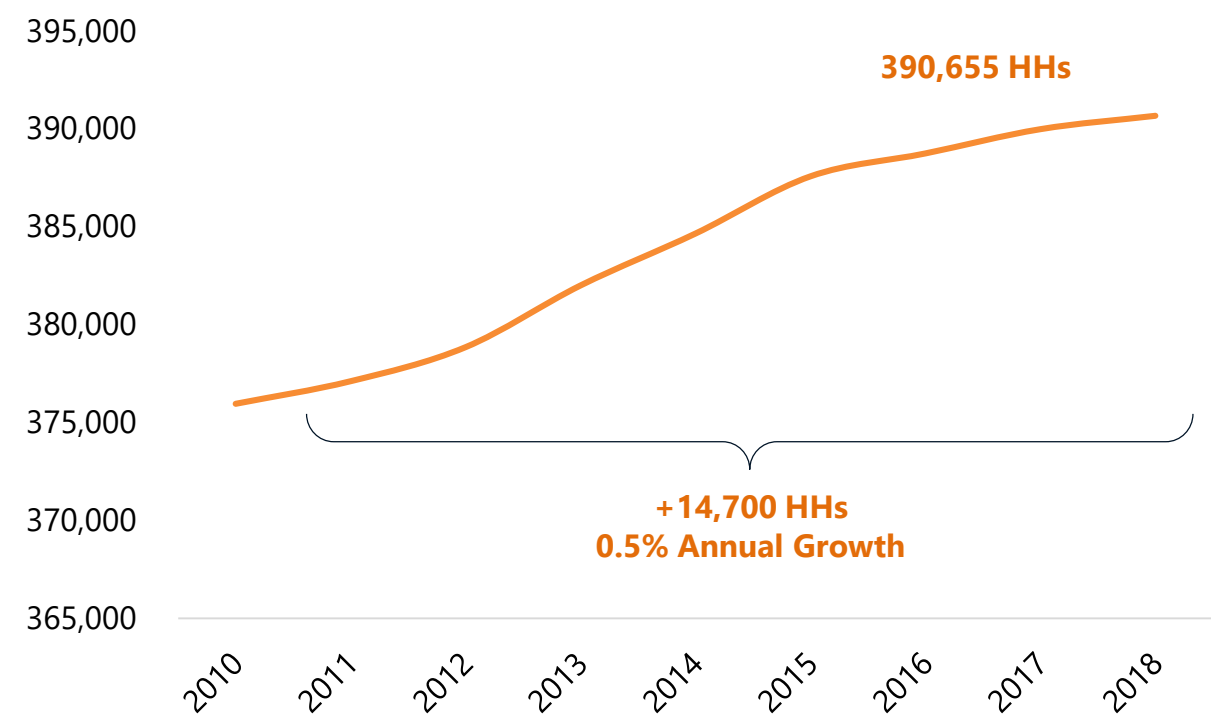
Source: 2009-2018 ACS 1-Year Estimates, Montgomery County Population Division

Regionally, Montgomery County has low capture of household growth

▪ Since 2010, the region has added roughly 150,000 households. Montgomery County captured 5% of that growth, a share similar to that of Fairfax County.

Household Growth, 2010 – 2018
Ranked by largest to smallest percent change in households

	Percent Change in Households	Share of Regional Change in Households
Loudoun County	30%	19%
Arlington County	18%	10%
Frederick County	14%	7%
DC	14%	21%
Charles County	13%	4%
Alexandria City	11%	5%
Howard County	11%	7%
Price William County	10%	8%
Prince George's County	5%	8%
Montgomery County	**2%**	**5%**
Fairfax County	2%	4%

Share of Regional Change indicates each jurisdiction's capture of total regional growth.
Percent change indicates growth rate within each jurisdiction.

Source: Montgomery County Housing Needs Assessment; 2010 and 2018 ACS 1-Year Estimates

New Households and Units

The housing need forecasts produced for Montgomery County account for both demographic trends and future economic growth in Montgomery County and the greater Washington DC region. This methodology more directly takes into account shifts in the structure of the economy as well as commuting patterns throughout the region.

Several inputs drive these housing forecasts:

- **Forecasts of job growth by sector** for Montgomery County and the rest of the Washington DC region, plus Howard County, Maryland are derived from projections by industry sector from Woods & Poole and the Bureau of Labor Statistics. **These forecasts have been adjusted to take into account the expected 2020 economic recession.**

- **Age distribution** of new workers.

- **Distribution of wages** of jobs by industry sector.

- **Household types**, including the number of adults and children and the number of workers per households.

- **Assumptions about tenure** (i.e. owner/renter) **and housing type** (i.e. single-family/multifamily) by household income and household type.

Montgomery County expected to add over 60,000 households by 2040

- Between 2020 and 2040, Montgomery County is expected to need to add 63,031 new households, both working and non-working households, specifically new residents.

- Given the average annual production of 2,577 new units from 2015-2019, we are likely producing less housing than what is suggested by the employment-driven housing demand forecasts.

- Over the 2020 to 2040 period, forecast assumptions suggest that Montgomery County will need to add the following types of housing units to accommodate the forecasted households:

Housing Forecasts by Type and Tenure, 2020-2040 (%)

Category	Percentage
Single-Family Owner	13.50%
Multifamily Owner	27.40%
Single-Family Renter	4.40%
Multifamily Renter	54.80%

Multifamily includes townhomes, duplexes, apartments and condominiums.

Montgomery County Housing Needs Assessment| 7

Source: LSA, U.S. Census Bureau
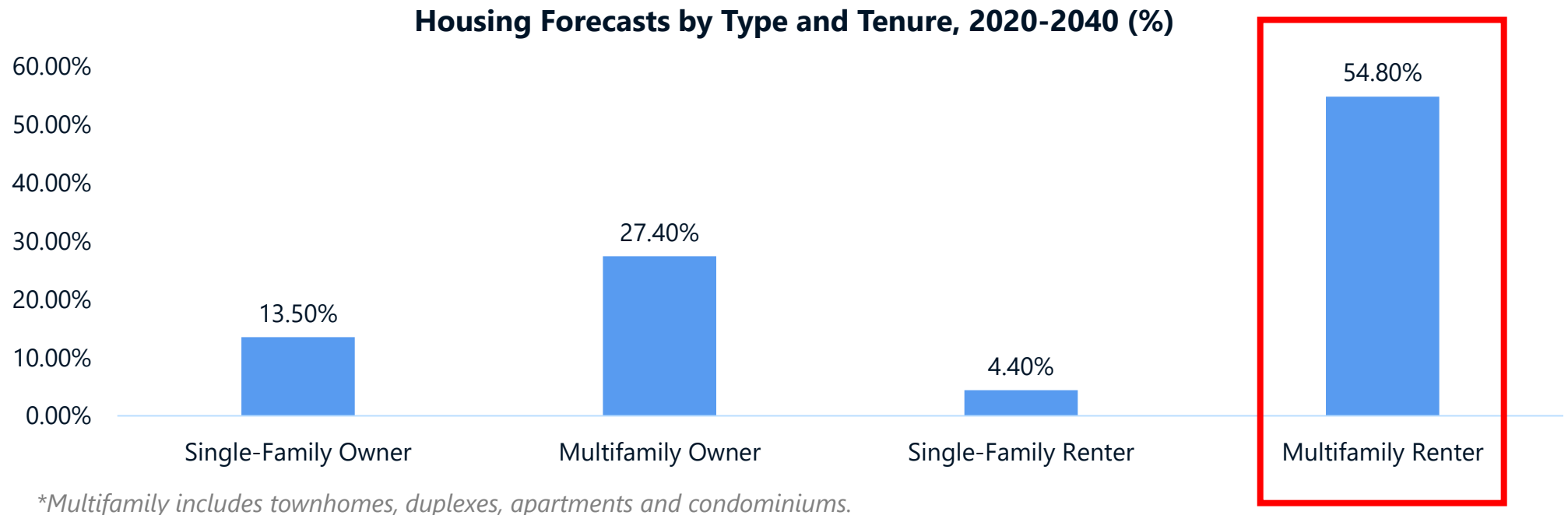
"Barbell" growth in low- and high-income households

- Since 2010, household growth in Montgomery County has been concentrated in households the lowest and highest end of the income distribution.

- These trends could be due to various factors, including existing households increasing their income or lower income households moving to the county.

Change in Number of Households by Income Bracket, 2010-2018

2018 inflation-adjusted dollars
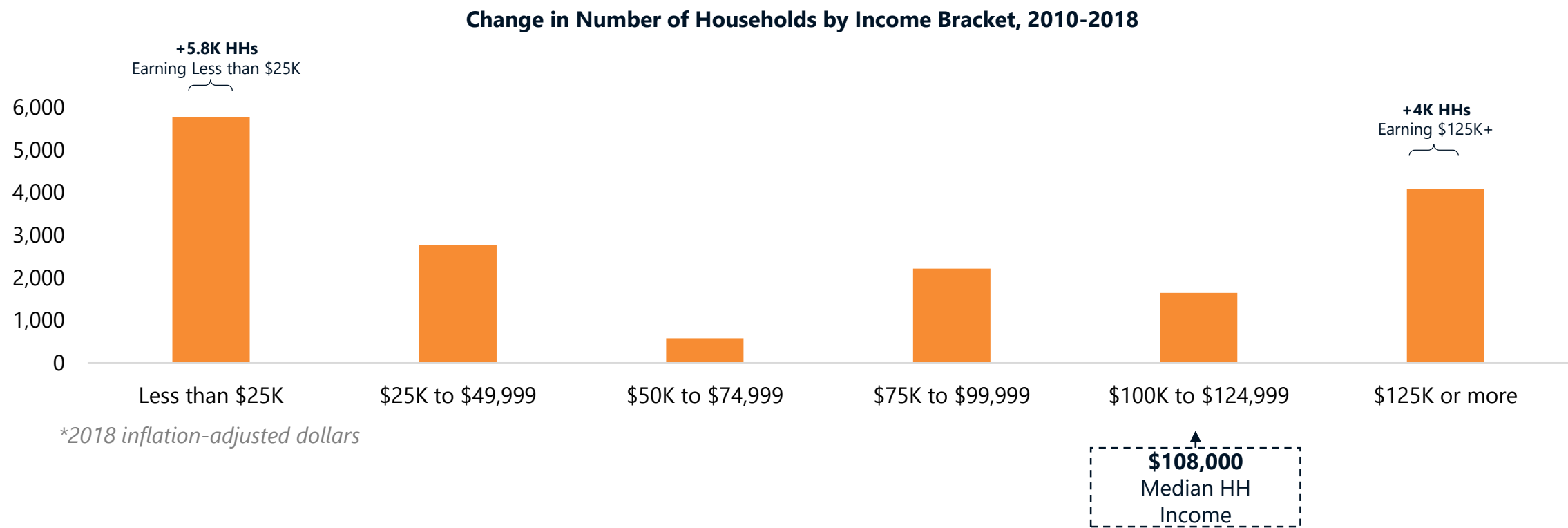
Source: 2010, 2018 ACS 5-Year Estimates

1 in 2 new households in Montgomery County are low-income (<$50K)

- Since 2010, about half of all new households earn less than $50K annually.
- While in 2018, households earning less than $50K comprised of just less than a third of total households, this group has been growing the most rapidly over the past decade.
  - This indicates that while high income households remain the largest group in, there is an increasing need for affordable housing to accompany the County's shifting demographics.

Net New Households, 2000 - 2018

2018 inflation-adjusted dollars

Legend: ■ Less than $25K ■ $25K to $49,999 ■ $50K to $74,999 ■ $75K to $99,999 ■ $100K to $124,999 ■ $125K or more

2010 - 2018 Distribution   2018 Distribution
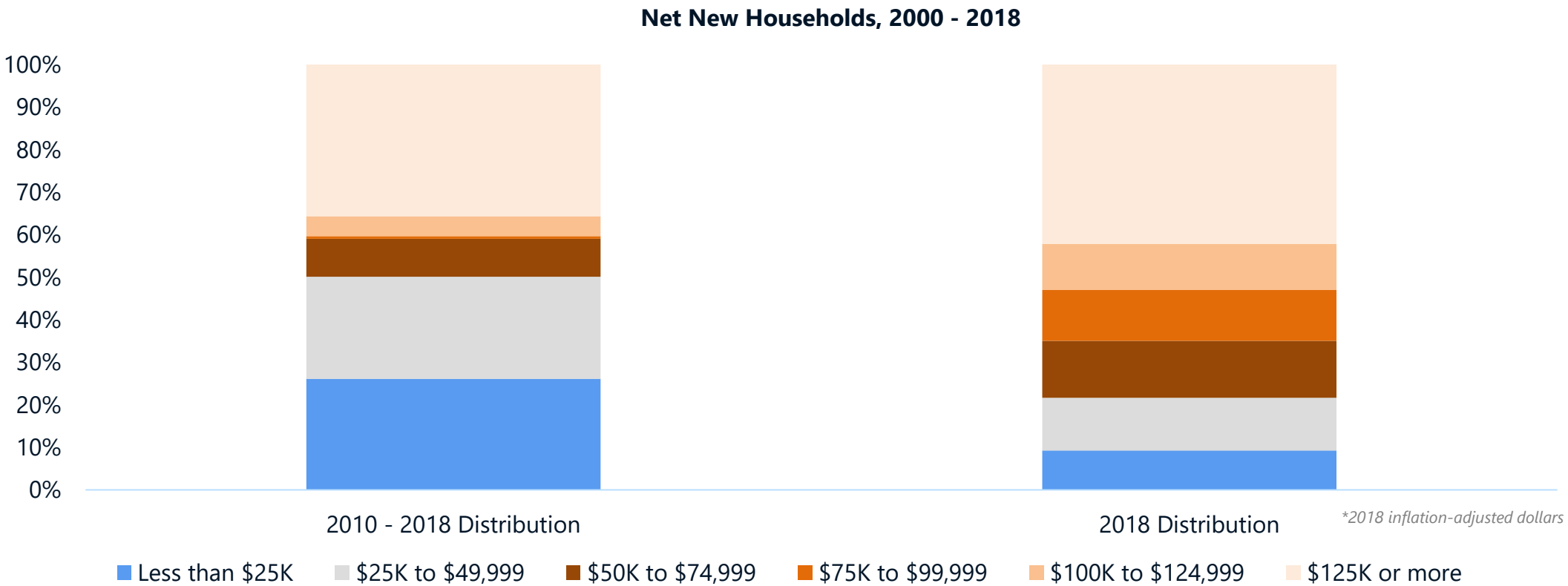
Montgomery County capturing an outsized share of low-income (<$50K) HHs

▪ Only large county in region for which this is true—Fairfax and Prince George's are adding low-income households at a lower proportion to their existing shares. D.C. is actively losing low-income residents—likely displacing them into these adjacent counties.

Share of Total Households in the Region, 2018

18% Montgomery County	
Rest of Region:	
Fairfax County	19%
Prince George's County	15%
District of Columbia	14%
Prince William County	7%
Loudoun County	6%
Howard County	5%
Arlington County	5%
Frederick County	4%
Alexandria city County	3%
Charles County	3%

Share of Low-Income Households in the Region, 2018

17% Montgomery County	
Rest of Region:	
Fairfax County	14%
Prince George's County	18%
District of Columbia	21%
Prince William County	6%
Loudoun County	4%
Howard County	4%
Arlington County	4%
Frederick County	5%
Alexandria city County	4%
Charles County	3%

Share of Net New Low-Income Households in the Region, 2010-2018

20% Montgomery County	
Rest of Region:	
Fairfax County	15%
Prince George's County	14%
District of Columbia	-8%
Prince William County	14%
Loudoun County	12%
Howard County	8%
Arlington County	3%
Frederick County	10%
Alexandria city County	4%
Charles County	9%
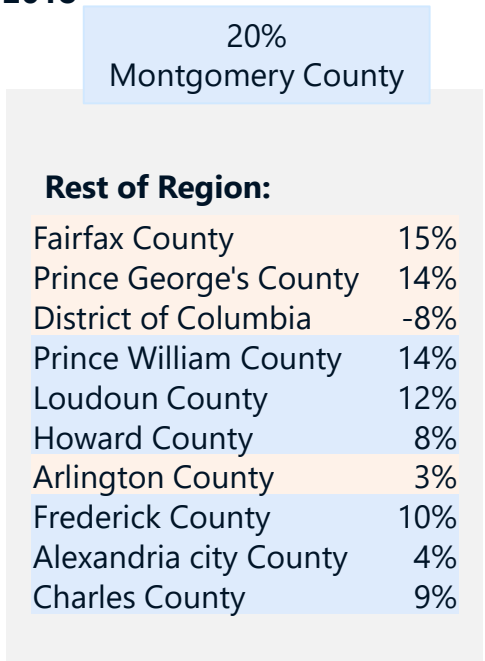
Lower Share	Greater Share

Source: 2010, 2018 ACS 5-Year Estimates   *2018 inflation-adjusted dollars

We expect this "barbell income growth" to continue - county is expected to gain low- and high-income households

- Based on the wages of new jobs and the number of workers per household, along with the incomes of non-working households, it is expected that the greatest shares of new households over the 2020 to 2040 period will have incomes between $25,000 and $49,999 (26.6%) and $125,000 and over (23.9%).

Household Forecasts by Household Income, 2020-2040

Income Range	Households	Percent of Total
Less than $25,000	4,399	7%
$25,000 to $49,999	16,739	27%
$50,000 to $74,999	10,324	16%
$75,000 to $99,999	10,939	17%
$100,000 to $124,999	5,588	9%
$125,000 and higher	15,042	24%

Households   Percent of Total
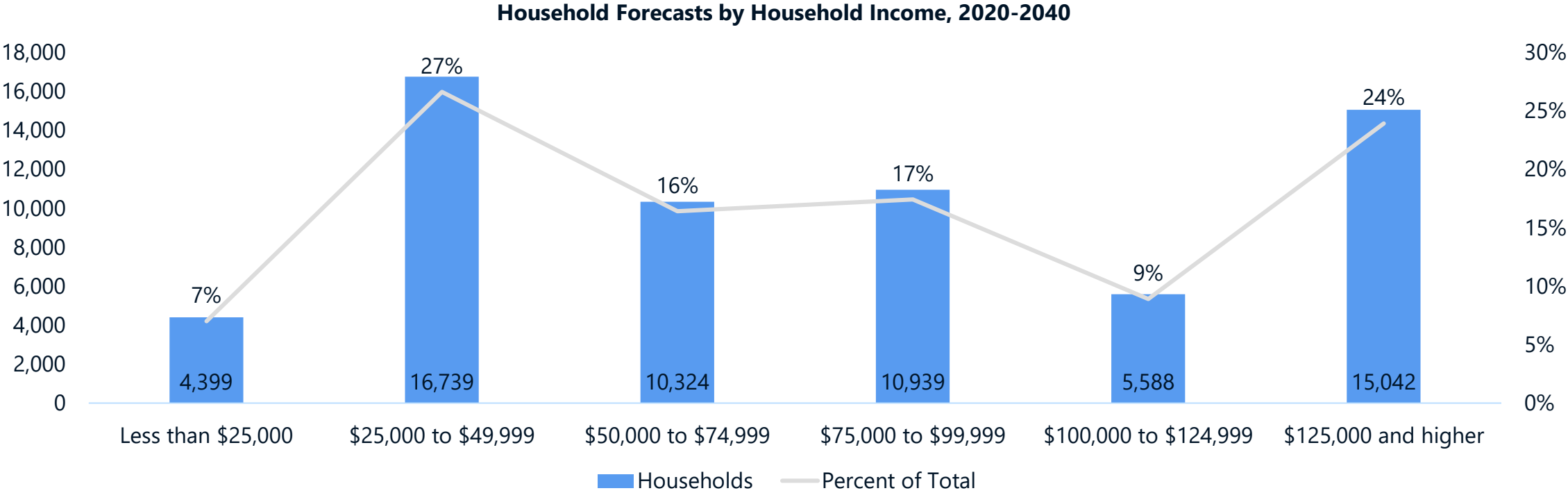
A third of households will have incomes at 100% AMI

- Estimates of new households by income as a percentage of area median income (AMI) were also forecasted for the 2020 to 2040 period by comparing the forecasted household incomes and household sizes to the FY2019 HUD Income Limits.

- Based on these forecasts, more than a third (33.7%) of new households in Montgomery County over the 2020 to 2040 period will have incomes of 100% of the area median income or above.

- It is expected that 9.3% of new households will be extremely low-income households, with incomes below 30% of AMI, and another 16.6% of households will have incomes between 30 and 50% of AMI.

Household Forecasts by Household Income as a Percent of AMI, 2020-2040

	2020 to 2025	2025 to 2030	2030 to 2035	2035 to 2040	2020 to 2040
<30% AMI	1,323	1,675	1,524	1,364	5,887
30-50% AMI	2,336	3,018	2,737	2,379	10,470
50-65% AMI	2,165	2,796	2,512	2,164	9,638
65-80% AMI	1,413	1,767	1,630	1,442	6,252
80-100% AMI	2,168	2,747	2,483	2,144	9,541
100%+ AMI	4,911	5,976	5,463	4,893	21,243
Total	14,317	17,979	16,350	14,386	63,031

Household Forecasts by Household Income, 2020-2040 (%)

	2020 to 2025	2025 to 2030	2030 to 2035	2035 to 2040	2020 to 2040
<30% AMI	9.2%	9.3%	9.3%	9.5%	9.3%
30-50% AMI	16.3%	16.8%	16.7%	16.5%	16.6%
50-65% AMI	15.1%	15.6%	15.4%	15.0%	15.3%
65-80% AMI	9.9%	9.8%	10.0%	10.0%	9.9%
80-100% AMI	15.1%	15.3%	15.2%	14.9%	15.1%
100%+ AMI	34.3%	33.2%	33.4%	34.0%	33.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: LSA, Woods & Poole, U.S. Census Bureau, U.S. Bureau of Labor Statistics, U.S. Department of Housing and Urban Development

Urban Institute Comparison

- Direct comparisons between the current household forecasts and the Urban Institute forecasts are not possible because of the way in which the income categories were defined. The below provides a very rough comparison to demonstrate that the current forecasts suggest much higher growth in higher income households in the County than do the Urban Institute forecasts

Comparison of Current Forecasts and Urban Institute Forecasts
(*Approximate* shares in each income category)

	Current Forecasts	Urban Institute
Lowest (<30% AMI)	9%	24%
Low (30-50% AMI)	17%	21%
Low-Middle (50-65% AMI)	15%	15%
Middle-High (65% - 100% AMI)	25%	21%
High (100% AMI+)	34%	20%
Total	100%	100%

Source: LSA, U.S. Census Bureau

Cost-burdened households increasing, despite falling share

- The barbell income growth helps to explain why even though the number of housing cost-burdened renters has increased, the percentage of renter households that are cost burdened has decreased over the same period.

Number of Housing Cost-Burdened Renter Households, 2010-2018

Percentage of Renter Households that are Cost-Burdened, 2010-2018
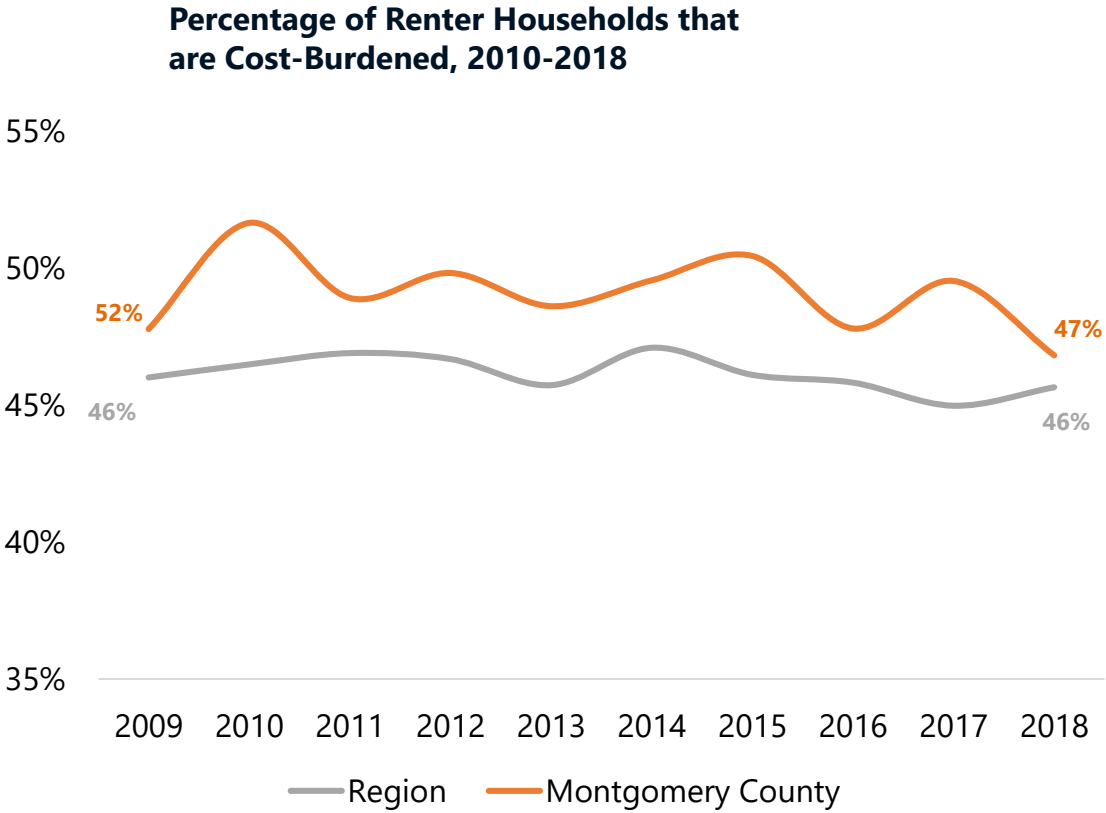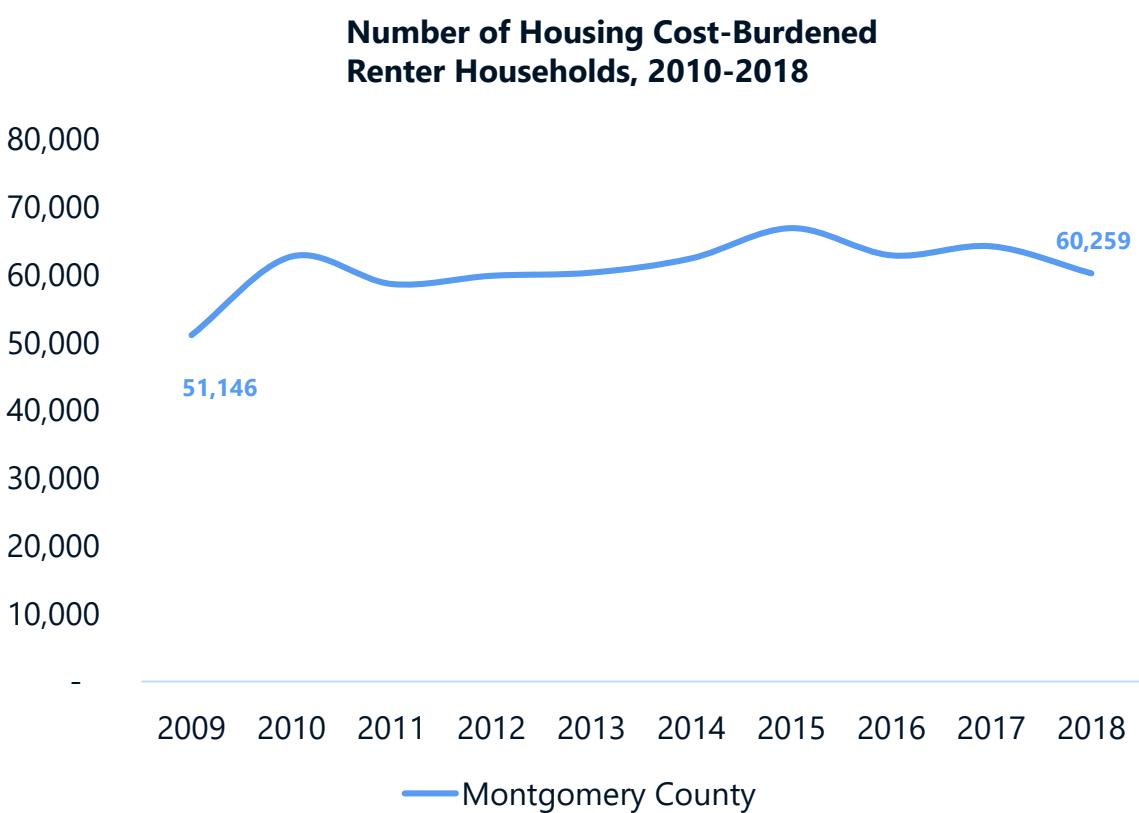
Assumes a cost burden threshold of spending 30% of gross income on housing.

Source: 2010-2018 ACS 1-Year Estimates

In 2014, the county faced a gap of about 6,000 units for households earning up to 60% of AMI.

Gap

(21,680)

(26,260)

5,730

24,580

27,370

19,300

Legend: ■ Demand ■ Supply

	Demand	Supply
Up to 30%	28,841	7,163
Up to 50%	47,225	20,964
Up to 65%	64,623	70,355
Up to 80%	75,526	100,101
Up to 100%	90,625	117,999
Up to 120%	103,657	122,961

There is only one 30% AMI unit for every four households who need one

There is only one 50% AMI unit for every two households who need one

Source: 2014 and 2018 PUMS
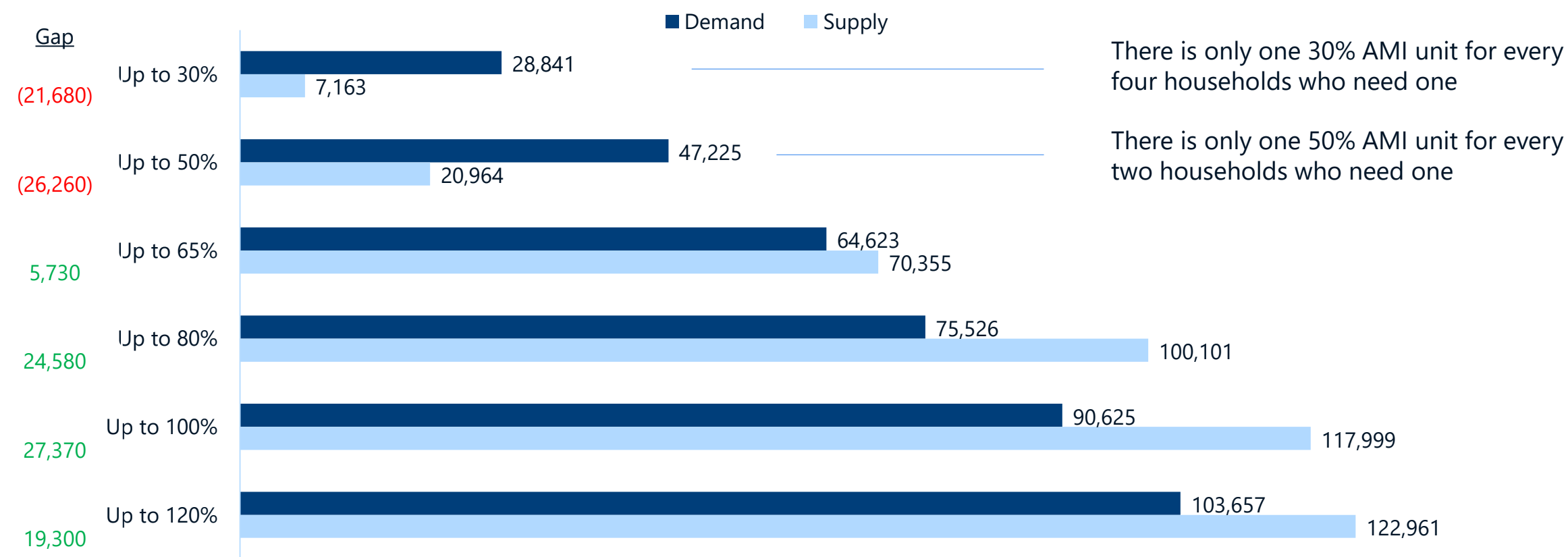
Between 2014 and 2018, the housing gap worsened for households earning up to 65% AMI

Gap

(23,030)   Up to 30%   Demand 30,888 / Supply 7,856

(24,590)   Up to 50%   Demand 49,675 / Supply 25,081

810   Up to 65%   Demand 64,453 / Supply 65,262

27,800   Up to 80%   Demand 72,890 / Supply 100,689

30,750   Up to 100%   Demand 87,715 / Supply 118,460

23,410   Up to 120%   Demand 101,996 / Supply 125,403

These households without a unit are occupying units unaffordable to them

The 5,700-unit surplus at 65% AMI has receded to 800 units by 2018 —there will be a gap at 65% if trends continue

Surplus >80% similar to other counties' surplus

Source: 2014 and 2018 PUMS

Deed restricted units make up over 40% of Montgomery County's units under 65% AMI

Total Multifamily (5+ units) (DHCA):
97,600 units

65% AMI+
53,700 units

<65% AMI
43,900 units

Deed-Restricted
18,000 units

NOAH
25,900 units

Source: ACS 2018 1-year, Montgomery County Department of Housing and Community Affairs
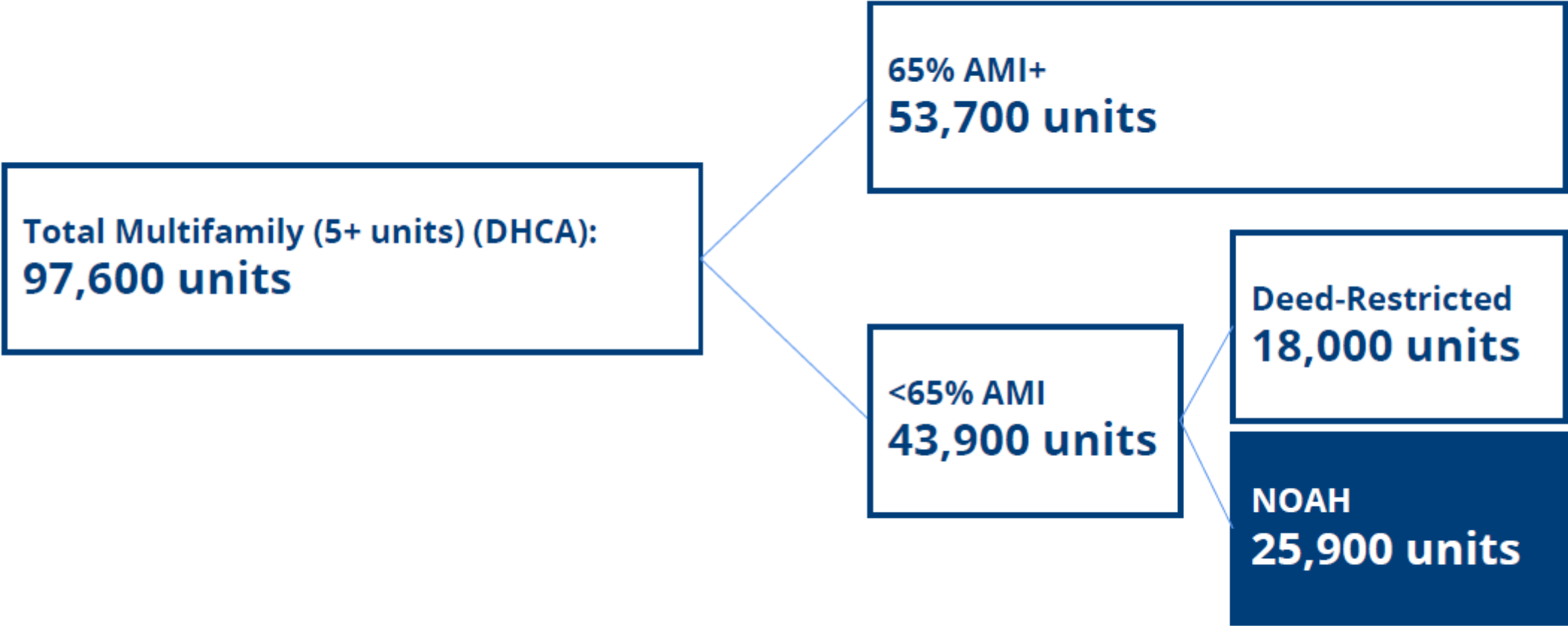
The County has been building subsidized housing faster than units being lost.

- Most of the units being lost are Section 8 units within larger market market-rate properties, while most being built currently are MPDUs.

Net Change in Subsidized Rental Housing 2000 – 2019

Legend: Built, Lost, Net

5,387 units built

502 units lost
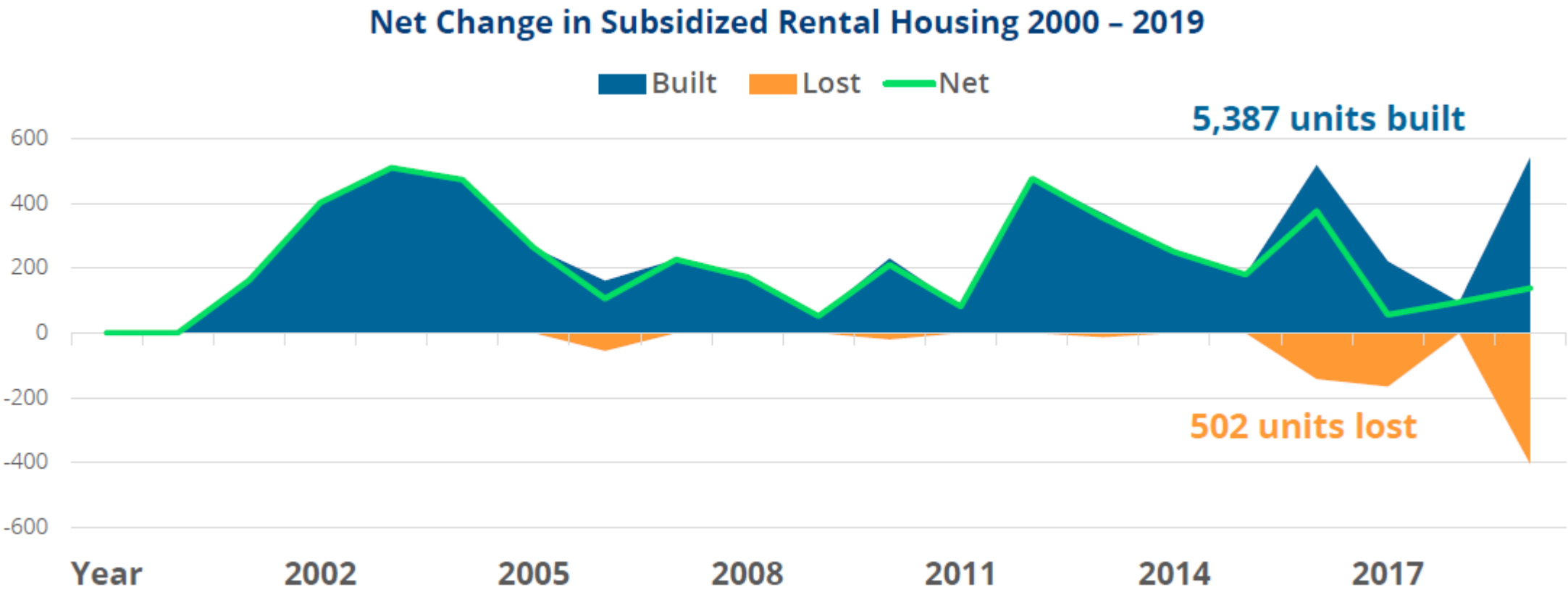
Source: ACS 2018 1-year, Montgomery County Department of Housing and Community Affairs

LIHTC has produced 32% of all of the County's existing units

- Since 2000, MPDUs have produced more than 1,200 more units than LIHTC

Multifamily Units by Program

Source: DHCA, NHPD, HUD, MD Dept. of Assessments and Taxation, Montgomery County Property Tax Records

Source: ACS 2018 1-year, Montgomery County Department of Housing and Community Affairs
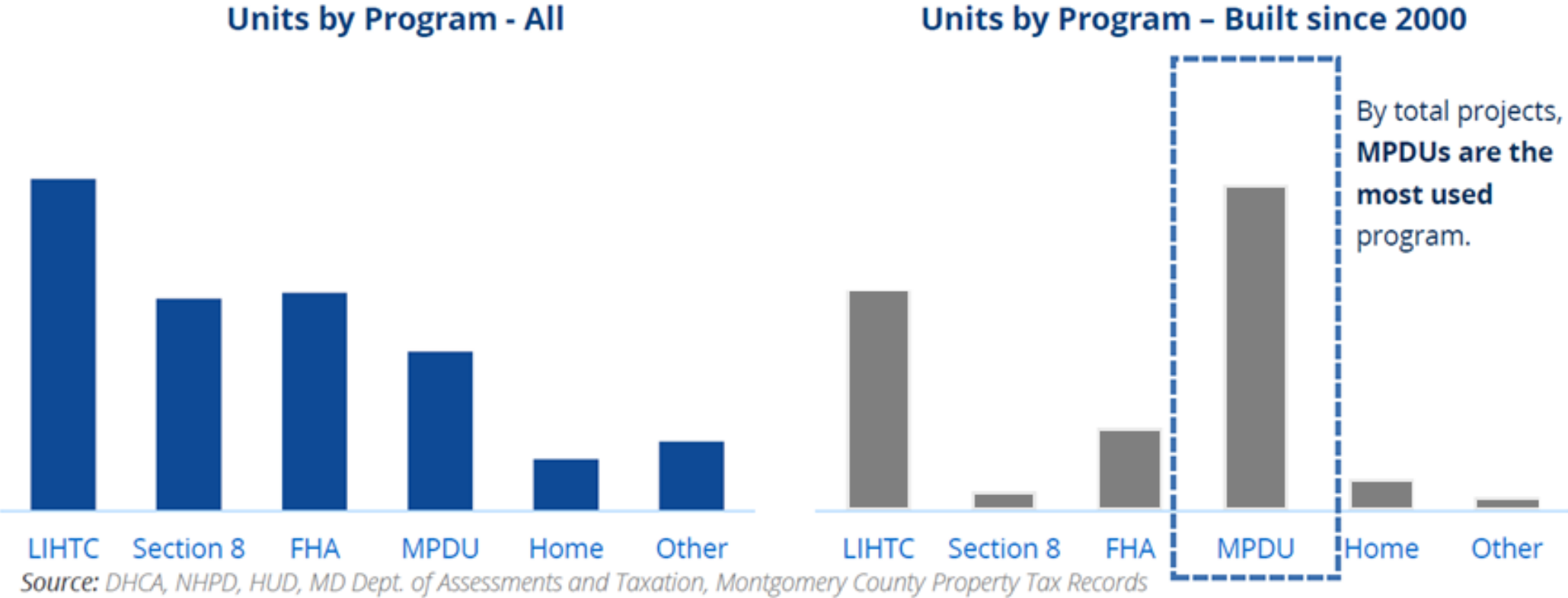
Potential loss of NOAH (Naturally Occurring Affordable Housing) between 7,000 – 11,000 units by 2030 without intervention

- Most of the units at risk-of being lost are in older (before 1970) and smaller (less than 50 units) buildings

Properties classified as NOAH 2000 – 2030 (forecast)

Source: ACS 2018 1-year, Montgomery County Department of Housing and Community Affairs
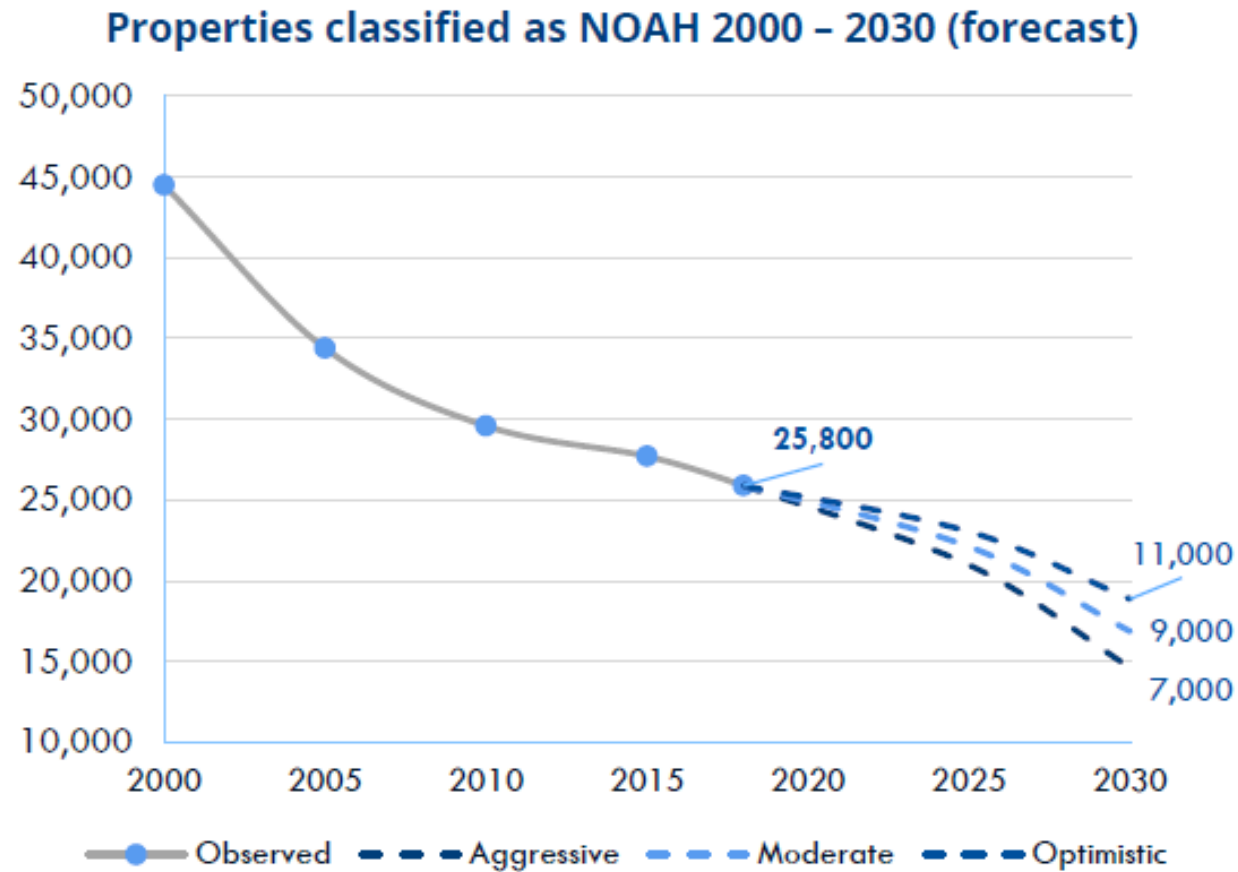
Limited new construction creates supply constraints

Residential Building Permits and Population, 2000 - 2018
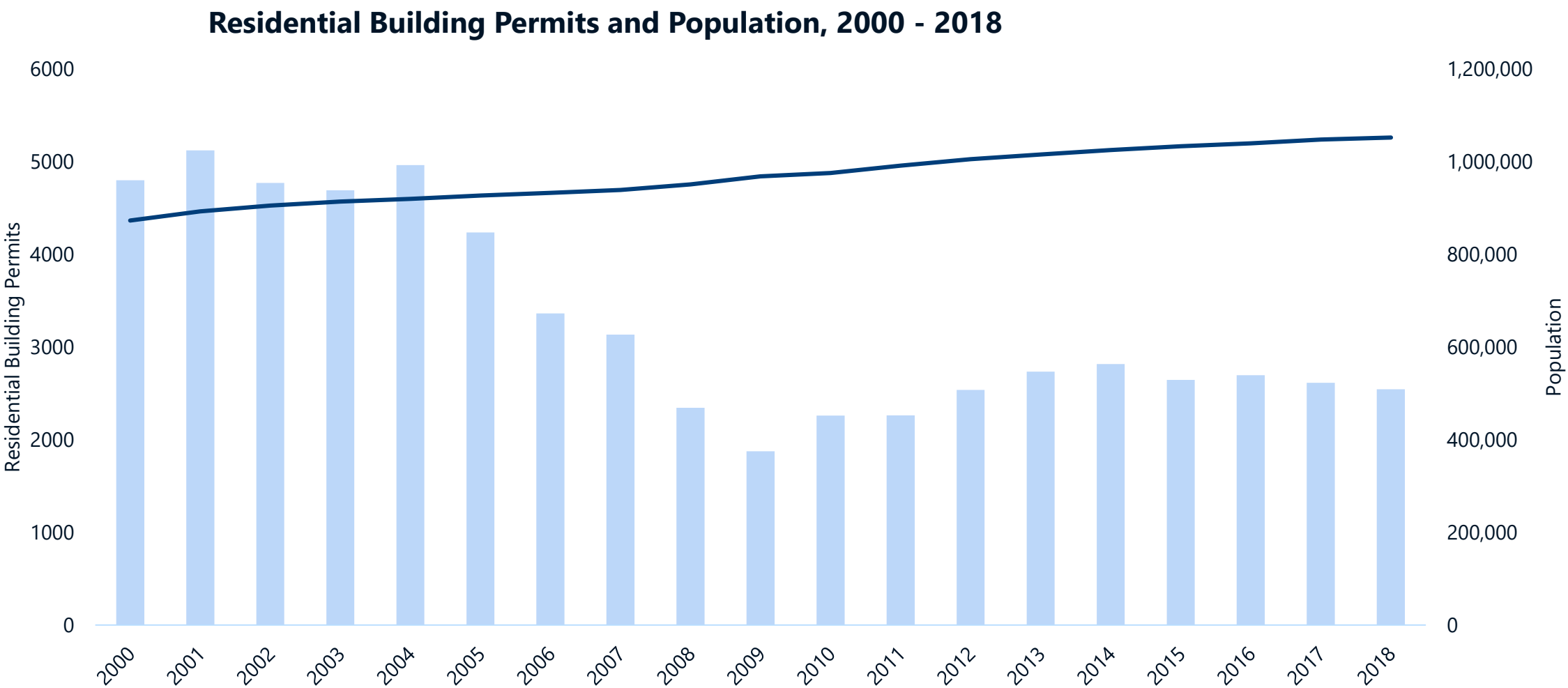
Source: U.S. Census Building Permit Survey, Montgomery County, Population Division

Access to homeownership one of the biggest ways to build wealth, but owning unaffordable to median HH

Homeownership Affordability, 2010 - 2018

Household Income Required to Afford the Median Home Value — $125,621

Actual Median Household income — $108,188

30-Year Fixed Rate Mortgage

*2018 inflation-adjusted dollars

Source: Montgomery County Housing Needs Assessment, Zillow, Federal Reserve Economic Data
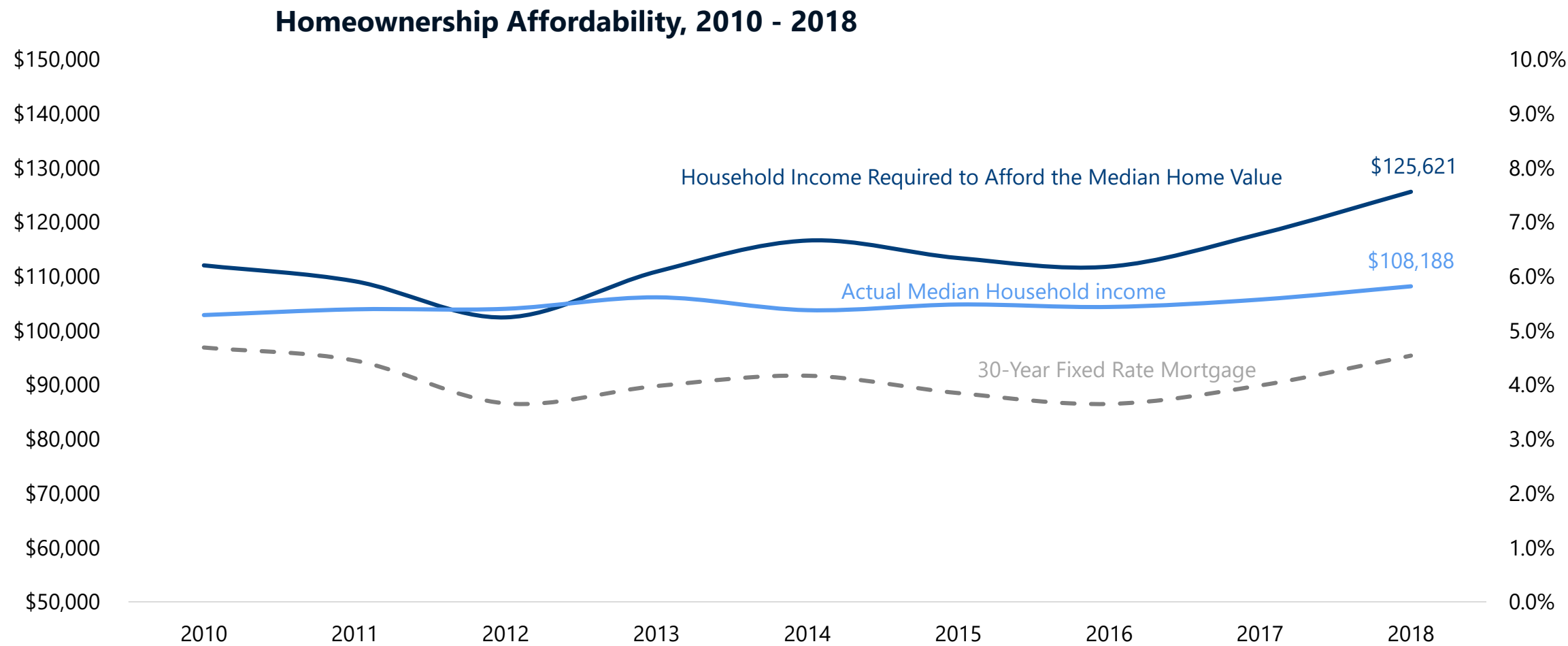
Only Household Income $150K+ segment adding owners on net, post-recession

- $150K is just under 120% AMI for a household of 4. Ownership for households earning below that has not recovered since the last recession.

Change in Number of Owner-Occupied Housing Units by Household Income

	2000 – 2010	2010 – 2018
Less than $25K	4,619	-725
$25 to 50K	10,331	-5,167
$50 to 75K	7,858	-6,574
$75 to 100K	2,632	-5,378
$100 to $150K	4,228	-6,528
$150K+	-7,861	21,820

Renter households more mobile, especially if lower-income

▪ This reflects both the types of households the county has been adding, and turnover trends typical of the tenure type.

Years Lived in Unit by Household Income and Tenure, 2018

■ Less than 2 years ■ 2 to 4 years ■ 5 to 9 years ■ 10 years or more

Owners

Income	Less than 2 years	2 to 4 years	5 to 9 years	10 years or more
Less than $35K	8%	3%	24%	65%
$35K to $49,999	7%	8%	21%	63%
$50K to $74,999	10%	13%	15%	63%
$75K to $99,999	11%	12%	12%	65%
$100K or more	9%	14%	18%	59%

Renters

Income	Less than 2 years	2 to 4 years	5 to 9 years	10 years or more
Less than $35K	52%	21%	7%	20%
$35K to $49,999	37%	39%	13%	12%
$50K to $74,999	30%	44%	18%	8%
$75K to $99,999	37%	14%	15%	34%
$100K or more	40%	30%	21%	9%

1 in 7 renter households are overcrowded

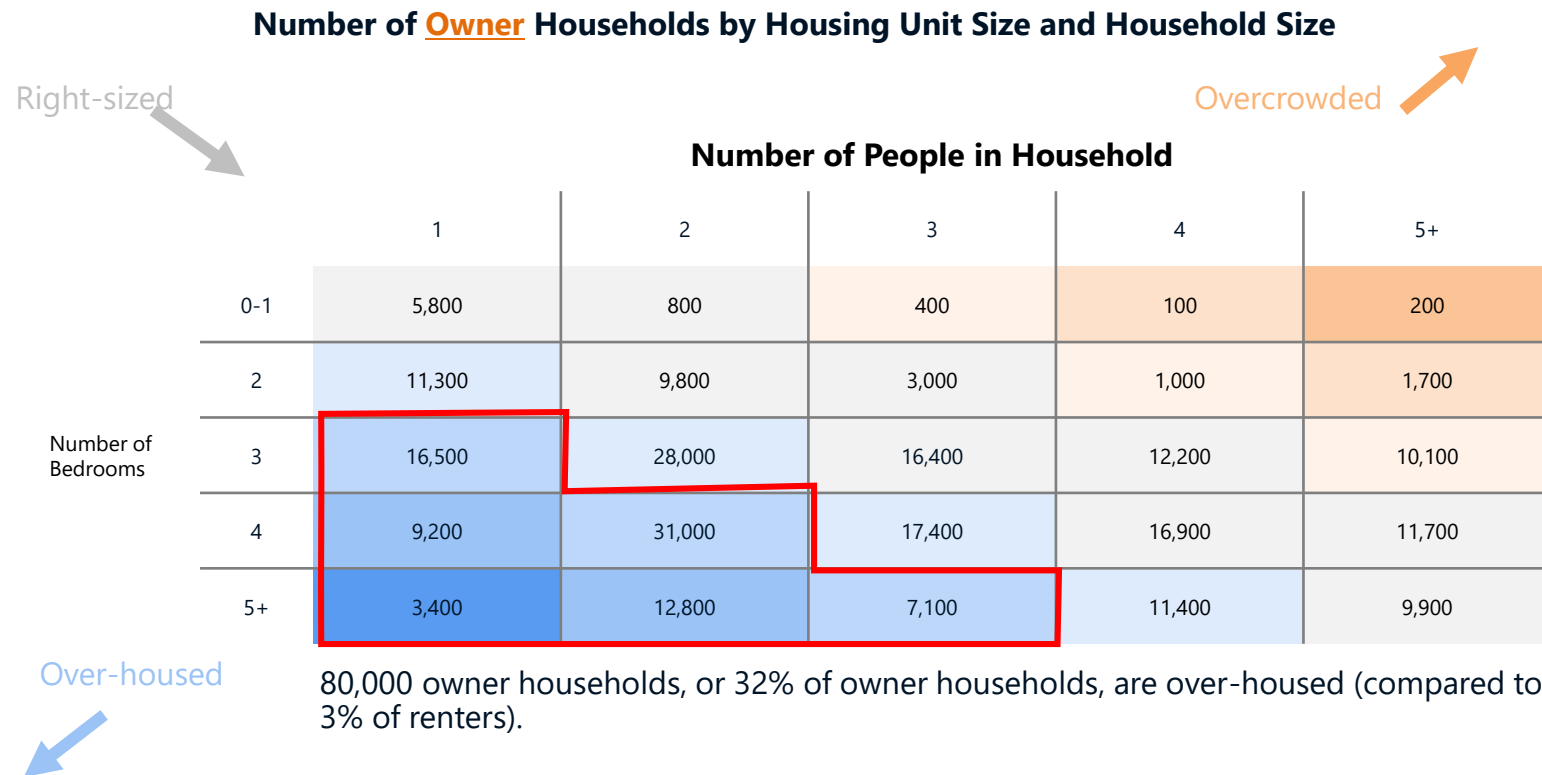- Income, not family need, drives access to unit size.
- On the extremes, large low-income households are squeezed in small units, and small high-income households can access and occupy large units.

Number of <u>Renter</u> Households by Housing Unit Size and Household Size

Right-sized

Overcrowded

Number of People in Household

Number of Bedrooms	1	2	3	4	5+
0-1	32,200	11,000	2,300	400	400
2	11,300	17,500	9,900	7,500	3,500
3	1,300	3,800	5,200	6,000	1,500
4	300	900	1,400	1,100	1,100
5+	200	0	500	500	300

Over-housed

15,600 renter households, or 14% of renter households, are in "overcrowded" housing arrangements (compared to 5% of owners).

1 in 3 owner households are over-housed

- "Over-housing" driven by low density, aging, and/or wealth

Number of <u>Owner</u> Households by Housing Unit Size and Household Size

Right-sized

Overcrowded

Number of People in Household

		1	2	3	4	5+
	0-1	5,800	800	400	100	200
	2	11,300	9,800	3,000	1,000	1,700
Number of Bedrooms	3	16,500	28,000	16,400	12,200	10,100
	4	9,200	31,000	17,400	16,900	11,700
	5+	3,400	12,800	7,100	11,400	9,900

Over-housed

80,000 owner households, or 32% of owner households, are over-housed (compared to 3% of renters).

Source: 2018 PUMS

The post-recession job growth has largely been driven by macroeconomic growth and industry strength, not by regional competitiveness.

Shift-Share Breakdown, 2008 - 2018

Rank	Industry	Total Shift	Ind. Mix Effect	Nat'l Growth Effect	Competitive Effect
1	Health Care	10,981	3,987	7,747	-754
2	Food Services	5,478	3,397	4,011	-1,930
3	Government	5,326	-12,728	12,286	5,768
4	Professional Services	4,621	6,840	9,203	-11,423
5	Educational Services	2,494	445	1,504	544
6	Arts	2,099	761	1,090	248
7	Transportation and Warehousing	1,908	1,051	728	129
8	Administrative Services	1,632	3,090	4,339	-5,797
9	Other Services	1,438	-3,192	4,647	-18
10	Construction	1,212	2,824	3,631	-5,243
11	Real Estate	780	145	1,713	-1,079
12	Manufacturing	273	-403	1,677	-1,001
13	Utilities	142	-54	61	135
14	Retail Trade	84	-2,191	5,955	-3,680
15	Management	20	996	965	-1,941
16	Unclassified Industry	0	0	0	0
17	Mining and Energy	-315	-38	48	-325
18	Agriculture	-323	-71	105	-357
19	Wholesale Trade	-1,903	-652	1,244	-2,495
20	Finance	-2,693	-782	2,872	-4,783
21	Information	-2,741	-1,165	1,813	-3,389

Source: Emsi

The post-recession job growth has largely been driven by macroeconomic growth and industry strength, not by regional competitiveness.

Industry Typologies per Shift-Share Breakdown, 2008 - 2018

Growing, due to Strong Industry Strong National Economy Strong Regional Competitiveness	Growing, due to Strong Industry Strong National Economy Despite Poor Regional Competitiveness	Shrinking, due to Weak Industry Poor Regional Competitiveness Despite Strong National Economy
Transportation and Warehousing Arts Educational Services	Management Real Estate Construction Administrative Services Professional Services Food Services Health Care	Information Finance Wholesale Trade Agriculture Mining and Energy

Growing, due to Strong National Economy Strong Regional Competitiveness Despite Weak Industry	Growing, due to Strong National Economy Despite Weak Industry Despite Poor Regional Competitiveness
Utilities Government	Retail Trade Manufacturing Other Services

MONTGOMERY COUNTY

Housing Needs Assessment's
KEY FINDINGS

MONTGOMERY COUNTY CAPTURED 5 PERCENT OF GROWTH
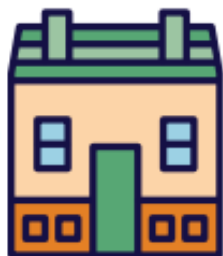
The region has added over 150,000 households since 2010. Montgomery County captured 5 percent of that growth, having one of the lowest growth rates in the region.

MONTGOMERY COUNTY IS AGING

Montgomery County is aging. Since 2010, the population growth has been concentrated in the 55+ age group, with a net loss in the 35-54 age group.

MONTGOMERY COUNTY'S HOUSEHOLD GROWTH HAS BEEN CONCENTRATED IN HOUSEHOLDS AT THE LOWEST (UNDER $25K A YEAR) & HIGHEST (OVER $125K A YEAR) OF THE INCOME DISTRIBUTION

1 out of 2 new households to Montgomery County is earning below $50K a year.

These trends imply that the future housing supply should contain market-rate housing, but there is an increasing need for affordable units.

RENTERS ARE MORE LIKELY TO MOVE AROUND

Renters are more likely to move around than owners, particularly those with lower incomes.

The HOMEOWNERSHIP RATE HAS FALLEN

The homeownership rate has fallen across incomes since 2010. While the net number of homeowners with higher incomes still grew, there was a net loss in lower-income homeowners between 2010 and 2018.

The income needed to afford the median priced home is rising faster than the median household income. In 2018, the household income required to afford the median home value was $125,621 and the 2018 median household income was $108,188.

HOUSEHOLDS AT 65% AREA MEDIAN INCOME ($70,000 FOR A FAMILY OF FOUR)

HAD A SURPLUS OF 5,700 HOUSING UNITS IN 2014, BUT HAD ONLY 800 SURPLUS UNITS IN 2018.

EVERY SUBMARKET IN MONTGOMERY COUNTY FACES A SUPPLY GAP FOR HOUSEHOLDS EARNING UP TO 50% AMI

IN 2018, 50% AMI WAS AROUND $60,000 FOR A FAMILY OF FOUR

14% OF RENTER HOUSEHOLDS ARE "OVERCROWDED"
(compared to 5% of owners)

32% OF OWNER HOUSEHOLDS ARE OVER HOUSED
(compared to 3% of renters)

MONTGOMERY COUNTY IS PROJECTED TO ADD OVER 60,000 NEW HOUSEHOLDS BY 2040, BOTH WORKING & NON-WORKING HOUSEHOLDS SPECIFICALLY NEW RESIDENTS WHO ARE SENIORS OR PERSONS WITH DISABILITIES

HOUSEHOLDS WITH INCOMES UNDER $50,000 & HOUSEHOLDS WITH INCOMES OVER $125,000 WILL MAKE UP THE GREATEST SHARES OF NEW HOUSEHOLDS OVER THE NEXT 20 YEARS

IT IS PROJECTED THAT MORE THAN 50% OF NEW HOUSING NEEDED OVER THE NEXT 20 YEARS WILL BE MULTI-FAMILY RENTAL HOUSING

Next Steps

- Final deliverable of Housing Needs Assessment expected - 6/11

- Thrive 2050 Planning Board Draft Goals, Policies and Actions - 6/11

- Subdivision Staging Policy Public Hearing - 6/11

- Housing Day –Twitter Town Hall and Happy Hour with Chair Anderson – 6/24

- Preservation of Affordable Housing Study – Under Review

THE RENT IS TOO #$!% HIGH!
LET'S COME UP WITH THE ANSWERS TOGETHER AT THRIVEMONTGOMERY.COM

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MONTGOMERY 2050
Let's Plan Our Future. Together.

Resources

- Housing Needs Assessment website:
- https://montgomeryplanning.org/planning/housing/housing-needs-assessment/

- Thrive Montgomery 2050 website:
- https://montgomeryplanning.org/planning/master-plan-list/general-plans/thrive-montgomery-2050/

- 2020 Subdivision Staging Policy Update:
- https://montgomeryplanning.org/planning/functional-planning/subdivision-staging-policy/

- Staff contact:
- Lisa.Govoni@montgomeryplanning.org
- (301) 650-5624

PICTURE THIS:

Housing as a right with more affordable, attainable housing options.

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