






**Housing Needs Assessment**

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**Description**

Representatives from HR&A and LSA Planning will provide a briefing on the Montgomery County Housing Needs Assessment. The Housing Needs Assessment aims to serve as a vital part of the county’s update of its General Plan and Subdivision Staging policy, as it will create the foundation for policy and goals by analyzing current housing conditions and affordability, and forecasting future household growth and household characteristics, while identifying the county’s housing needs.

**Summary**

**Background/Analysis**

The Housing Needs Assessment provides the background necessary to develop a comprehensive housing policy that meets the needs of current and future residents. The Housing Needs Assessment will help inform an updated set of housing principles, goals, targets, strategies, and priorities to be adopted via the General Plan, Thrive Montgomery 2050, the 2020 update of the Subdivision Staging Policy and future county housing policy initiatives.

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 out 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 6 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 in 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.
  - While comparatively 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.
  - Montgomery County is experiencing a decline in households earning less than \$35,000.
  - Meanwhile, 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 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 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.
- 14 percent of renter households are in “overcrowded” housing arrangements (compared to 5 percent of owners).
- 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 consultants will also present the results of a detailed household and housing demand forecast for the county out to 2045. This forecast and additional findings will be available on our website at:

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