

## FAIRLAND AND BRIGGS CHANEY HOUSING MARKET ASSESSMENT



# Fairland and Briggs Chaney

## MASTER PLAN

### Description

BAE Urban Economics will present the draft Fairland and Briggs Chaney Housing Market Study report. The report includes a review of demographic and economic conditions, housing stock, the housing real estate market, and housing affordability in the area. It also includes a set of recommendations to support housing affordability in the Fairland and Briggs Chaney area.

<b>lg</b>	Lisa Govoni, Planner IV, <a href="mailto:lisa.govoni@montgomeryplanning.org">lisa.govoni@montgomeryplanning.org</a> , 301-650-5624
<b>BA</b>	Bilal Ali, Planner III, <a href="mailto:bilal.ali@montgomeryplanning.org">bilal.ali@montgomeryplanning.org</a> . 301-495-1328
<b>MJ</b>	Molline Jackson, Planner III, <a href="mailto:molline.jackson@montgomeryplanning.org">molline.jackson@montgomeryplanning.org</a> , 301-495-4573
<b>CL</b>	Clark Larson, AICP, Planner III, <a href="mailto:clark.larson@montgomeryplanning.org">clark.larson@montgomeryplanning.org</a> , 301-495-1331
<b>DZ</b>	Donnell Zeigler, Upcounty Planning Supervisor, <a href="mailto:donnell.zeigler@montgomeryplanning.org">donnell.zeigler@montgomeryplanning.org</a> , 301-495-4511
<b>PB</b>	Patrick Butler, Division Chief, Upcounty, <a href="mailto:patrick.butler@montgomeryplanning.org">patrick.butler@montgomeryplanning.org</a> , 301-495-4561

## SUMMARY

BAE Urban Economics was engaged by the Montgomery County Planning Department to prepare a Housing Market Assessment for the Fairland and Briggs Chaney Master Plan. The market assessment includes an analysis of existing demographic, economic, and real estate market conditions, as well as an evaluation of housing affordability.

The report also estimates the existing and future demand for affordable housing and provides a description of potential opportunity sites to build new housing and meet that demand. Overall, this study finds that there is an affordable housing gap in Fairland and Briggs Chaney Master Plan area. Data and discussions with real estate brokers and developers suggest that market conditions could support more housing development. However, this would require more available, developable sites and a streamlined entitlements process.

## MASTER PLAN INFORMATION

### Master Plan

Fairland and Briggs Chaney Housing Market Assessment,  
in support of the Fairland and Briggs Chaney Master Plan

### Lead Planner

Lisa Govoni

### Staff Contact

[Lisa.govoni@montgomeryplanning.org](mailto:Lisa.govoni@montgomeryplanning.org)

301-650-5624

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### Planning Division

Countywide Planning & Policy,  
Upcounty Division

### Planning Board Information

MCPB

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## SUMMARY OF FINDINGS

### EXISTING CONDITIONS

An overview of existing conditions as presented in the Fairland and Briggs Chaney Housing Market Assessment include:

- Population and Households
  - Population growth in the Master Plan Area and Fairland Study Area was 0.2 percent on an average annual basis between 2010 and 2021, lagging Montgomery County’s average annual population growth of 0.6 percent. (**Note:** Please see the draft report for an explanation of the distinction between the Master Plan Area and Study Area.)
  - This limited growth in both the Master Plan Area and Fairland Study Area relates to the lack of new development in the area.
- Household Composition
  - Despite the net decrease in households in the Master Plan Area between 2010 and 2021, there was a small net gain of non-family households in the Master Plan Area.
  - Similarly, although there was limited overall household growth in the Fairland Study Area, there was a net decline of 30 family households, meaning growth only reflects the growth in non-family households.
    - This is somewhat consistent with trends in Montgomery County, which experienced a 10.8 percent increase in non-family households, compared to a 4.9 percent increase in family households between 2010 and 2021.
- Household Tenure
  - There was a small net gain of 46 owner-occupied households in the Master Plan Area. These trends contrast with observations of household tenure in the county, where

renter-occupied households grew by 13 percent between 2010 and 2021, compared to just 3.7 percent growth in owner-occupied households.

- Age Distribution
  - The age distribution in the Fairland Study Area and Montgomery County are comparable. Children under 18 comprise just over one-fifth of the population in both geographies, while the 18 to 24 age group is the smallest, representing just 8.1 percent of the Fairland Study Area population and 7.3 percent of the Montgomery County population.
  - By contrast, the Master Plan Area is relatively young, with a median age of 32.6 years. While the Master Plan Area accounts for 43.9 percent of Fairland’s population, it accounts for a disproportionately high share of Fairland residents in every age group from children under 18 to adults aged between 45 and 54 years.
- Racial and Ethnic Distribution
  - In Montgomery County, as of 2021, no single racial or ethnic group comprises a majority of the population.
    - Countywide, the largest racial or ethnic group is Non-Hispanic White, which accounts for 41 percent of the population, although this represents a 10.9 percent decline since 2010.
  - The largest racial or ethnic group in the Fairland Study Area, by contrast, is Black/African American, accounting for 47.9 percent of the population.
  - The Master Plan Area is majority Black/African American (59.1 percent), which helps to explain the relatively low rate of growth in this group compared to Fairland and the county.
  - The growth in Hispanic or Latino residents in the Master Plan Area is relatively significant, with a 19 percent increase since 2010, particularly in comparison to the low overall (population?) growth rate. However, this rate lags growth in this ethnic group in the Fairland Study Area (23.8 percent total) and the county overall (32.1 percent total). There was a net decrease in non-Hispanic White residents in all three geographies, including a 27.9 percent decline in the Master Plan Area.
- Educational Attainment
  - Montgomery County has a highly educated population, with over 90 percent of residents over 25 years of age holding a high school diploma, and 60 percent of the population holding a bachelor’s degree or higher. The rate of high school graduates is in fact marginally higher in both the Master Plan Area (95.2 percent) and Fairland overall (93.0 percent). Although the Master Plan Area and Fairland Study Area have lower rates of residents with a bachelor’s degree compared to the county at 45 and 49 percent, respectively, over 55 percent of residents have an associate degree or higher.
- Income Distribution
  - The median household income in Montgomery County is \$110,387, compared to \$78,428 in the Master Plan Area and \$88,161 in the Fairland Study Area overall.

- Resident Employment
  - The Master Plan Area has 8,959 employed residents, accounting for 47.2 percent of resident employment in the Fairland Study Area. The Healthcare/Social Assistance industry is the largest employer of Master Plan Area and Fairland Study Area residents, representing 24.0 and 21.1 percent of resident employment, respectively.
- Employment by Industry
  - The top three industries providing jobs in the Master Plan Area (Other Services, Retail Trade, and Admin/Support/Waste Management Services) account for 76.7 percent of total jobs, with no other industry providing more than five percent.
- Major Employers
  - The top three employers in the Master Plan Area are all affiliated with the Seventh Day Adventist World Headquarters, while the remaining top employers reflect the auto dealerships and schools in the area. In addition to these employers, the Fairland Study Area also includes the Adventist Healthcare Hospital (White Oak), which has 1,600 employees.
- Commuting Patterns
  - The distribution of where workers live is similar for the Master Plan Area and Fairland Study Area, with 26.7 percent of Master Plan Area workers and 31.7 percent of Fairland workers residing in Montgomery County.
  - A relatively large share of workers commuting to the Fairland areas also live in Prince George's, Anne Arundel and Howard counties compared to workers in Montgomery County overall, as Fairland Study Area and the Master Plan Area are close to these neighboring counties.

## HOUSING STOCK

- Housing Units and Vacancy
  - The Master Plan Area has an estimated 6,931 housing units, of which 7.9 percent are vacant. By comparison, of the 15,089 housing units in the Study Area, 5.7 percent are vacant, which is consistent with the 5.3 percent vacancy rate in Montgomery County.
- Year Built
  - The vast majority (85 percent) of the development in the Master Plan Area occurred between 1970 and 1999, with over half of the housing units constructed between 1980 and 1989. Just under 48 percent of housing units in Fairland were built in the 1980s.
- Units in Structure
  - Fairland has a disproportionately high share of housing units in multifamily structures compared to Montgomery County, with the vast majority located in the Master Plan Area. In Fairland, 42.4 percent of housing units are in multifamily

structures, and multifamily structures account for 70 percent of the housing units in the Master Plan Area.

- Multifamily Rentals
  - Average asking rent as of Q1 2022 in the Master Plan Area is \$1,679, lagging the \$1,993 rent in Montgomery County. In fact, average asking rents increased at a slower rate between Q1 2021 and Q1 2022 in the Master Plan Area (7.7 percent) compared to the county (10.2 percent).
  - This discrepancy in rents likely reflects the location and quality of the units, as the vacancy rate in the Master Plan Area of 3.9 percent would indicate strong demand and is in fact lower than the 4.9 vacancy rate in Montgomery County.

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## HOUSING AFFORDABILITY

- Households by Tenure and Income Level
  - As in most jurisdictions, larger percentages of renter-occupied households are in lower income categories.
  - In the Master Plan Area, 53.1 percent of renter-occupied households earn less than 80 percent of the Area Median Income (AMI), compared to just 16.7 percent of owner-occupied households. By comparison, 62.6 percent of Master Plan Area owner households earn more than 120 percent of AMI.
- Housing Cost Burden
  - In line with national trends, lower-income households in the Master Plan Area have higher rates of housing cost burdens than higher-income households. Similarly, renter-occupied households tend to have a higher share of cost burdens than owner-occupied households.
- Existing Affordability Gap
  - Approximately 86.3 percent of the existing cost-burdened households in the Fairland Study Area earn less than 80 percent of AMI, while 9.7 percent of cost-burdened households earn between 80 and 120 percent of AMI.

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## POLICY RECOMMENDATIONS

The study includes several recommendations that may help support increased housing development in the Master Plan Area. These recommendations include streamlining the entitlement process for development, increasing the supply of developable land for multifamily housing, donating land for housing development, and developing publicly owned sites.

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## OPPORTUNITY SITES

This study also provides an overview of opportunity sites for new development. These sites were chosen based on consultation with Montgomery County Planning staff and will be considered for future housing development to implement the Master Plan's recommendations. These sites include:

- Publicly-Owned Sites
  - Right-of-Way sites: Two Park and Ride locations (Old Columbia Pike/Tech Road and Greencastle Road/Turbridge Road) and one vacant lot (Old Columbia Pike/Fairland Drive)
  - East County Recreation Center / East County Regional Services Center / Briggs Chaney BRT & Park and Ride property (3310 Gateshead Manor Way)
- Privately-Owned Sites
  - Montgomery County Auto Sales Park (3101-3171 Automobile Boulevard)
  - Verizon properties (13100 Columbia Pike and 13101 Columbia Pike)
  - Briggs Chaney Marketplace (13807 Outlet Drive)
  - Harkins Group office building property (12301 Old Columbia Pike)