County has added ~42,000 renter households since 1990.

- **1990:** 68% Owner-occupied, 32% Renter-occupied
- **2000:** 69% Owner-occupied, 31% Renter-occupied
- **2010:** 68% Owner-occupied, 32% Renter-occupied
- **2021:** 65% Owner-occupied, 35% Renter-occupied

Tenure by Age

- 15 to 24 years: 5%
- 25 to 34 years: 25%
- 35 to 44 years: 23%
- 45 to 54 years: 18%
- 55 to 59 years: 7%
- 60 to 64 years: 6%
- 65 to 74 years: 8%
- 75 to 84 years: 4%
- 85 years and over: 4%

70% of renters are over age 35, 46% of renters are over age 45.
While 35% of all county households are renter households, disparities exist by race and ethnicity.

### Renter Households by Race or Ethnicity

<table>
<thead>
<tr>
<th>Race or Ethnicity</th>
<th>2010</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>White Alone (Not Hispanic or Latino)</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>40%</td>
<td>45%</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Other Race</td>
<td>46%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: 2010 and 2021 5-year ACS estimates
• 88% of owner households live in single-unit detached or attached structures, compared to only 24% of renters.
- Median year owner households moved into unit: 2006
- Median year renter households moved into unit: 2017

### Year Householder Moved Into Unit by Tenure

<table>
<thead>
<tr>
<th>Year Moved Into Unit</th>
<th>Owner-occupied</th>
<th>Renter-occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989 or earlier</td>
<td>16%</td>
<td>1%</td>
</tr>
<tr>
<td>1990 to 1999</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td>2000 to 2009</td>
<td>28%</td>
<td>10%</td>
</tr>
<tr>
<td>2010 to 2014</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>2015 to 2018</td>
<td>18%</td>
<td>50%</td>
</tr>
<tr>
<td>2019 or later</td>
<td>5%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Year Structure Built for Renter-Occupied Housing

- Median year structure built for renter-occupied units: 1983.
- 46% of rental housing built before 1980.
Tenure by Median Income

- Owner-occupied: $150,775
- Renter-occupied: $72,005

Source: 2017 – 2021 5-year ACS estimates
Tenure by Income Ranges

```
<table>
<thead>
<tr>
<th>Income Range</th>
<th>Renter-occupied</th>
<th>Owner-occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50,000</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>18%</td>
<td>50%</td>
</tr>
<tr>
<td>$150,000 or more</td>
<td>16%</td>
<td>19%</td>
</tr>
</tbody>
</table>
```

Source: 2017 – 2021 5-year ACS estimates
The percent of renter households spending >30% of their income on housing costs has remained around 50% of total renter households since 2010.
Cost-burdening is defined as spending >30% of income on housing.

Severely cost-burdening is defined as spending >50% of income on housing.

Source: 2015–2019 HUD CHAS Data
About CoStar Rent Data

• The data on the subsequent slides come from CoStar, which provides data and analytics on real estate markets.

• The market rents reported by CoStar represent **current** asking rents of **available units**.

• This data **does not** include in-place/renewal rents.

• What this means:
  
  • If an existing tenant receives a rent renewal with an increase and accepts that increase, that information **is not** included in what CoStar reports
  
  • If an existing tenant receives a rent renewal and chooses to vacate, the current asking rent for a new lease for that unit **is** included in the rent information CoStar reports.

• Additionally, CoStar tries to capture any specials or concessions, but they only focus on free months or reduced rents.

• CoStar data speaks to market trends and not necessarily the experience of every renter.
• 10-year rent growth average of 2.1%
• The county experienced declining rent growth in 2020, high rent growth in 2021, but mostly came back in line with past trends in 2022.
• Concession rate is low (was 0.7% in 2022).
Market Rent Per Unit & Y/Y Rent Growth – Inflation Adjusted

After adjusting for inflation, 10-year rent growth average of -0.5%
Average Asking Rent/SF by Submarket (2022)

- Montgomery County, MD: $2.11
- North Bethesda: $2.42
- Bethesda: $2.90
- Silver Spring: $2.32
- Wheaton-Glenmont: $1.98
- Germantown: $1.87
- Gaithersburg: $2.07

Overview of Rental Housing in Montgomery County, MD
Overview of Rental Housing in Montgomery County, MD
Average Asking Rent/SF by Jurisdiction (2022)

- Montgomery County, MD: $2.11
- Washington, DC: $2.81
- Fairfax County, VA: $2.21
- Prince George's County, MD: $1.87
- Arlington County, VA: $2.68

Overview of Rental Housing in Montgomery County, MD
Overview of Rental Housing in Montgomery County, MD

Y/Y Rent Growth by Submarket

Montgomery County, MD | Washington, DC | Fairfax County, VA | Prince George's County | Arlington County, VA
--- | --- | --- | --- | ---
2019 | 2020 | 2021 | 2022 | 2020
-1.8% | 9.0% | 2.4% | 2.2% | 2.1% | 1.9% | 10.7% | 3.9% | 2.6% | 2.2% | 5.9% | 2.0% | 1.6% | 3.4% | 11.7% | -7.5%
0% | 5% | 10% | 15%

Note: The chart represents the annual rent growth for different submarkets in Montgomery County, MD, Washington, DC, Fairfax County, VA, Prince George's County, and Arlington County, VA, with data recorded from 2019 to 2022.
Average Asking Rent/SF by Building Class (2022)

- Montgomery County, MD: $2.11
- Class A: $2.49
- Class B: $2.02
- Class C: $1.86
Y/Y Rent Growth by Building Class

<table>
<thead>
<tr>
<th>Montgomery County, MD</th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.7%</td>
<td>10.1%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2020</td>
<td>1.1%</td>
<td>3.0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2021</td>
<td>1.3%</td>
<td>1.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>2022</td>
<td>9.0%</td>
<td>9.2%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Annual Rent Growth

- Class A
  - 2019: 1.7%
  - 2020: 1.1%
  - 2021: 1.3%
  - 2022: 9.0%

- Class B
  - 2019: 2.4%
  - 2020: 1.6%
  - 2021: 1.1%
  - 2022: 9.2%

- Class C
  - 2019: 2.4%
  - 2020: 3.0%
  - 2021: 1.6%
  - 2022: 6.9%
• 10-year vacancy rate low in 2021 (sub-5 percent).
• Generally, a vacancy rate between 5-7% is desired.
• Too low of a vacancy rate is indicative of a supply constrained market.
Housing Resources

• Addressing the housing affordability gap blog:
  • https://montgomeryplanning.org/blog-design/2022/09/addressing-the-housing-affordability-gap/

• Parking lots to livable spaces: Infill development and its impact on housing in Montgomery County
Thank you!

• Contact, Lisa Govoni, Housing Planner IV, Countywide Planning & Policy Division

• Lisa.Govoni@montgomeryplanning.org

• (301) 650 – 5624
ADDITIONAL SLIDES
---|---|---|---|---|---|---|---
-1.6% | -1.3% | 2.0% | 2.5% | 2.7% | 1.1% | 1.3% | 1.3% | 3.2% | 3.2% | 2.0% | 2.0% | 2.0% | 2.0%
5.7% | 4.3% | 5.4% | 2.0% | 2.7% | 3.3% | 3.8% | 4.7% | 10.8% | 10.4% | 2.0% | 0.2% | 0.2% | 0.2%

Rent Growth by Year Built
Average Asking Rent/SF by Year Built (2022)

- Before 1950: $1.97
- 1950-1959: $2.06
- 1960-1969: $1.91
- 1970-1979: $1.76
- 1980-1989: $1.93
- 1990-1999: $2.15
- 2000-2009: $2.32
- 2010-2019: $2.48
- 2020 - Current: $2.84
Average Asking Rent by Year Built (2022)

<table>
<thead>
<tr>
<th>Year Built</th>
<th>Average Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1950</td>
<td>$1,499</td>
</tr>
<tr>
<td>1950-1959</td>
<td>$1,941</td>
</tr>
<tr>
<td>1960-1969</td>
<td>$1,584</td>
</tr>
<tr>
<td>1970-1979</td>
<td>$1,622</td>
</tr>
<tr>
<td>1980-1989</td>
<td>$1,799</td>
</tr>
<tr>
<td>1990-1999</td>
<td>$2,119</td>
</tr>
<tr>
<td>2000-2009</td>
<td>$2,216</td>
</tr>
<tr>
<td>2010-2019</td>
<td>$2,203</td>
</tr>
<tr>
<td>2020 -Current</td>
<td>$2,664</td>
</tr>
</tbody>
</table>
Average Asking Rent by Submarket (2022)

- Montgomery County, MD: $1,939
- North Bethesda: $2,348
- Bethesda: $2,597
- Silver Spring: $1,995
- Germantown: $1,756
- Gaithersburg: $1,899
- Wheaton-Glenmont: $1,847
Overview of Rental Housing in Montgomery County, MD

Average Asking Rent by Jurisdiction (2022)

- Montgomery County, MD: $1,939
- Washington, DC: $2,119
- Fairfax County, VA: $2,019
- Prince George's County, MD: $1,620
- Arlington County, VA: $2,295

[Bar chart showing the average asking rent for each jurisdiction]
Average Asking Rent by Building Class (2022)

- Montgomery County, MD: $1,939
- Class A: $2,353
- Class B: $1,872
- Class C: $1,629
Overview of Rental Housing in Montgomery County, MD

Bedroom Mix by Year Built (Rental Units Only)

- Studio
- 1-Bed
- 2-Beds
- 3-Beds
- 4-Beds

Montgomery County, MD (all years)

- Before 1949
- 1950-1959
- 1960-1969
- 1970-1979
- 1980-1989
- 1990-1999
- 2000-2009
- 2010-2019

- 100%
- 90%
- 80%
- 70%
- 60%
- 50%
- 40%
- 30%
- 20%
- 10%
- 0%