Montgomery Planning

MONTGOMERY COUNTY RESIDENTIAL DEVELOPMENT PIPELINE ANALYSIS

FINAL REPORT

The Planning Board will receive a briefing on the results of the Residential Pipeline Analysis Project ("Pipeline Analysis"). The project aims to share insights into the impediments keeping housing developments from moving beyond the Planning Board's approvals and ensure future policymaking accelerates delivery through the Development Pipeline to on-the-ground construction.

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Date Submitted
October 14, 2025

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Planning Board Information
MCPB
Item No. 8
October 16, 2025

ANALYSIS & KEY FINDINGS SUMMARY

Montgomery Planning conducted the Development Pipeline Analysis to better understand why many approved housing projects remain unbuilt and how the county can improve both housing delivery and the way the Pipeline is presented to the public. The first phase of the work reviewed 88 projects with a residential component on the Pipeline as of January 2025, focusing on residential developments with more than 10 unbuilt units, which accounted for 99% of all unbuilt units. This phase included a developer survey (47 responses), 14 follow-up interviews to capture barriers and market conditions, input from regulatory planners, and a review of peer jurisdiction practices.

Building on these findings, staff tested refinements to how units are categorized in the Pipeline dataset and then applied those refinements to updated September 2025 data. Rather than continuing to frame this system as a "Pipeline," which can imply a linear or guaranteed path to construction, staff recommends reframing it as a Development Tracker, a tool for monitoring all projects with Planning approvals across their development phases. The Tracker includes every project with Planning entitlements and those that have all approvals necessary to move beyond Planning. Using this approach, staff analyzed 79 residential projects with more than 10 unbuilt units, similarly accounting for 99% of all unbuilt units, looking at geographic distribution, timing of approvals, and housing type patterns.

Findings from the full analysis highlight both the barriers that stall development and the limits of the current Pipeline as a predictor of housing production:

- Recommendation to reframe the Pipeline as the Development Tracker. The term "Pipeline" implies a guaranteed path to construction, which does not reflect reality. The Development Tracker provides a more accurate representation of projects at various stages of Planning approval.
- Peer jurisdictions across the region also track unbuilt units and report similar volumes, underscoring that large pipelines are common but reflect development interest rather than guaranteed delivery.
- Developers reported compounding barriers to delivering housing: high interest rates, rising construction costs, county policies, lengthy regulatory and permitting processes, and infrastructure requirements.
- The Pipeline in its current form is often misunderstood. It records projects with early-stage Planning Board approvals, not guaranteed or imminent construction, which explains why projects often remain in the Pipeline for years even if progress is occurring.
- Estimates from September 2025 show that there are roughly 26,900 unbuilt units with initial Planning approvals and 13,200 that have all Planning approvals needed to move forward.
- Many projects hold approvals for more units than they realistically intend to build, meaning unit counts in the Pipeline often overstate what will be delivered. Preliminary Plans, or initial Planning approvals, test for the maximum densities achievable on a site, but may never be fully realized, which is why some units are never constructed.

- The Planning Board and PHP Committee provided comments and feedback on interim project findings in public briefings on September 18, 2025, and September 22, 2025, respectively.
- Based on survey and interview findings, quantitative insights, and input from the Planning Board and PHP Committee, Planning Staff has developed several policy recommendations to address concerns heard at the local level. These include improving communication around the Pipeline, streamlining regulatory processes, creating financing mechanisms, recognizing external market conditions, and implementing policy changes.

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DEVELOPMENT PIPELINE OVERVIEW

Montgomery Planning's Development Pipeline is an inventory of projects that have received certain Planning Board approvals but have not yet been built. It provides a snapshot of potential future growth but is not a real-time tracker of development activity. The Pipeline was originally created to give long-range planners a high-level understanding of potential development across the county and is currently updated on the Planning Department's website every four months.

Projects typically enter the Pipeline early in the development lifecycle. Tracked projects include Preliminary Plans, which establish subdivision approvals, and standalone Site Plans, which move forward without a parent Preliminary Plan. Earlier steps in the process—such as Sketch Plans, Natural Resource Inventories, or Forest Conservation Plans—are not tracked in the Pipeline. Residential units are categorized as single-family dwellings (detached homes and townhouses) or multifamily dwellings (two-over-twos, condos, and apartments). Approved commercial space is also tracked by type (office, retail, industrial, institutional) and square footage, along with estimated job counts.

Though the Pipeline tracks both commercial and residential projects, this analysis focuses on residential development, including mixed-use projects with a housing component, to understand barriers that prevent units from being built. The first phase of the analysis reviewed the January 2025 Pipeline, covering 88 projects with 10 or more unbuilt units, and the second phase used the September 2025 Pipeline dataset, which included 79 residential projects with 10 or more unbuilt units, both representing 99% of all unbuilt units at the time.

Projects remain in the Pipeline dataset until construction is complete or their approvals expire (sometimes after extensions). Projects face a range of obstacles, from market conditions and ownership changes to regulatory delays, policy barriers, and infrastructure challenges. This report reflects a broader effort to reconceptualize the Pipeline, not just as a single number, but as a dynamic tool that reveals both the opportunities and the barriers shaping housing delivery in Montgomery County.

PROJECT PURPOSE

The Planning Department conducted the Pipeline Analysis—a qualitative and quantitative exercise—to better understand the Pipeline and related obstacles to housing production. The project aimed to gain a deeper understanding of what hinders specific approved projects from becoming a reality and to inform policymaking to address the most pressing issues. Clearly understanding what is delaying these developments is critical to developing a more realistic view of what the Pipeline truly indicates and how the development cycle can be accelerated between the Planning Board's initial approval of a development application and the project's final delivery.

The construction of residential units in the Pipeline could be an important strategy to increase housing supply, but the opportunity varies by project stage. While all projects in the Pipeline have entitlements, only a portion are positioned to move more towards delivery. Advancing projects in the Pipeline, therefore, represents a significant opportunity to meet the county's goal of adding 31,000 housing units this decade.

At the same time, advancing projects in the Pipeline will not alone alleviate the county's housing crisis, and the county cannot rely solely on the Pipeline to meet its housing goals. Many of these units may never be built, and the county must continue its robust "more of everything" approach to housing, recommended in *Thrive Montgomery 2050*, based on on-the-ground realities. Clarity of communication around the utility and the extent to which we can rely on the Pipeline for new housing is also equally important.

This report represents the final phase of analysis. The first phase of analysis relied on outreach to developers, internal conversations, and high-level data review to better understand the Pipeline as a tool and to identify barriers preventing projects from advancing. This final phase of the analysis provides a deeper dive into the dynamic nature of the Pipeline, recognizing that the topline count of unbuilt units is only part of the story. Many units in the Pipeline are not yet close to Site Plan, and the current Pipeline does not capture the different stages of development that a project might experience throughout the process.

In summary, this project aimed to achieve two central goals:

- To clarify the purpose and realistic impact of the numbers reported through the Pipeline and enhance how we document, visualize, and report its data.
- To better understand why many residential projects remain stalled and to identify strategies that could advance these projects and support housing delivery in general.

Findings from this work will inform policy discussions, guide engagement with the development community, and support ongoing enhancements to the Pipeline's public interface. This final report builds upon feedback from both the Planning Board and the Planning, Housing, and Parks (PHP) Committee of the County Council, and upon the initial phase of the Pipeline Analysis.

CURRENT PIPELINE TRACKING PROCESS

Projects are added to the Development Pipeline dataset once a Preliminary Plan is approved by the Planning Board. While an early step in the overall development cycle, Preliminary Plans are used as the entry point because they establish buildable parcels, which are required before a building permit can be issued, and they represent the first binding approval of subdivision and overall density. In rare cases where the parcel alignment is already established and a Preliminary Plan is not necessary, projects enter the Pipeline through a standalone Site Plan approval instead.

Each Pipeline entry includes data from the Preliminary Plan: date of Planning Board approval, total approved units (broken down by multifamily and single-family), Adequate Public Facilities (APF) expiration and validity dates, plan number, and master plan area. For projects with commercial components, the Pipeline also tracks approved gross floor area by type—office, retail, industrial, and other space.

The Pipeline is currently updated three times per year by Planning Staff to incorporate newly approved projects. Planning Staff work with Montgomery Planning's Forest Conservation Inspectors to track construction progress on site visits as part of their enforcement responsibilities. Inspectors report the number of units completed after each inspection, and updated numbers are included in the next iteration of the Pipeline data release.

Projects are removed from the Pipeline when they are fully complete or when their APF approval or overall validity expires. APF approvals—required to ensure that adequate schools, transportation, and other public facilities are in place to support development—are valid for a set period but can be extended directly by the Planning Board or County Council under certain conditions. For example, the County Council approved blanket APF extensions for projects in the county to help the real estate sector's recovery from the Great Recession. APF expiration can also be extended by an approval of a development amendment to the original approval.

When a project is amended, its Pipeline entry is updated to reflect the most current approval, including revised APF dates, unit counts, or square footage. Earlier approvals are replaced, so the Pipeline always represents the latest status of a project. Since the Pipeline reflects approvals rather than guaranteed construction, this analysis seeks to better understand how those approved projects can be nudged to the finish line to deliver actual housing.

APPROACH AND METHODOLOGY

This analysis emphasized not only data refinement and contextualization but also rethinking how the Pipeline information is structured, interpreted, and communicated. The goal was to move beyond a simple count of approved units and capture the nuance of how projects progress, or stall, after approval. To do this, staff drew on multiple sources and perspectives:

- **Developer survey:** Distributed to 88 projects with 10 or more unbuilt units (representing 99% of the January 2025 Pipeline total), designed with the Communications team and administered via SurveyMonkey. The survey captured both closed-ended responses on project stage and barriers, and open-ended feedback on challenges and market conditions. Participation was encouraged through reminder emails and direct outreach, resulting in responses from just over half of eligible projects.
- **Follow-up interviews:** Conducted with a subset of survey respondents to clarify responses and explore barriers in more detail. These interviews provided critical context for understanding financial, regulatory, and market conditions affecting development decisions.
- **Internal regulatory planner discussions:** For projects that did not respond, feedback from regulatory staff helped fill gaps and confirm project status, based on their direct experience reviewing applications and maintaining communication with developers.
- **Pipeline data collection practices:** Staff coordinated with colleagues responsible for data entry, inspection reports, and ongoing quality control of the Pipeline dataset. These conversations highlighted where lag, gaps, or inconsistencies occur, and how tracking processes shape what the public sees in the published dataset.
- **Quantitative snapshot of approved and unbuilt units:** Planning Staff conducted a quantitative analysis of 79 residential projects with more than 10 unbuilt units, using updated Pipeline data from September 2025. The analysis examined approved and unbuilt unit counts to understand how projects are distributed across the county, how long they remain in the Pipeline, and what forms of housing they represent.
- **Peer jurisdiction analysis:** Staff reviewed 11 jurisdictions to identify how each defines a development pipeline, what terminology and categories they use, how often they update their data, and what visualization tools they provide to the public. Follow-up meetings with four of these jurisdictions provided additional detail on data management and lessons learned.

Together, these efforts revealed that the Pipeline is more complex than current reporting suggests. By layering survey and interview feedback, internal staff expertise, and external comparisons onto the baseline dataset, Planning Staff identified ways to better represent stages of development, distinguish between active and stalled projects, and communicate more transparently about the Pipeline’s limitations.

QUESTIONNAIRE AND INTERVIEW RESULTS

TAKEAWAYS FROM QUESTIONNAIRE

Forty-seven responses were received to the Pipeline Questionnaire. Of these, forty-three submitted valid data on thirty-eight unique projects; where multiple responses were received for a single project, data were consolidated. Six respondent projects have since exited the Pipeline and are not included. As such, our analysis of the Pipeline Questionnaire is based on thirty-two respondent projects.

Respondent projects represent 32 of the 79 projects (40.5%) in the September 2025 Pipeline study set, but account for 21,529 approved units (53% of total) and 11,444 unbuilt units (43% of total) in the Pipeline study set. Of these respondents, 21 projects (approximately 66%) are actively advancing, representing 5,919 unbuilt units, while 11 projects (approximately 34%) are not advancing, representing 5,525 unbuilt units.

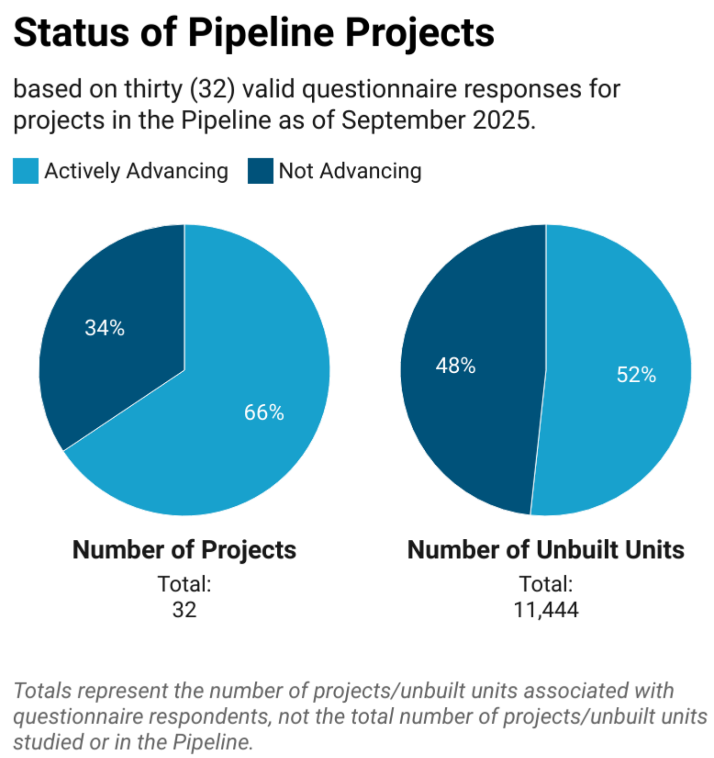


Figure 1: Status of Pipeline Projects, per Questionnaire responses

The questionnaire responses indicated that while most projects are actively advancing, many are doing so cautiously, and only a plurality of all respondents (41%) is committing all necessary resources to advance the project. Nearly half of respondents' projects are inactive or receiving only minimal resources. The most frequently cited impediments to project completion were financial infeasibility, construction cost increases, and local policy constraints—particularly rent stabilization. A few respondents are pursuing amendments to existing entitlements.

Among actively advancing projects, most are far along in the development process, with several in the construction documents phase or under construction. Of the 21 projects identified as active, 13 indicated full resource commitment and are categorized as “Full Speed Ahead”, accounting for 62% of active respondent projects.

There is no clear pattern in the “stall-out” stages, with responses evenly distributed across entitlement, design development, and permitting phases.

Among 32 valid responses to anticipated construction start timelines:

- **Construction is underway for 11 projects**
- **Nine projects** reported an **unknown start date**
- **Five projects** anticipate starting **within one year**
- **Five projects** anticipate starting in **one to three years**
- **Two projects** expect to begin in **more than three years**

Respondents most frequently requested support from:

- Montgomery Planning (14 mentions)
- Department of Permitting Services (DPS) (nine mentions)
- DHCA, WSSC, and MCDOT (four to five mentions each)

Requests focused on:

- Expedited review timelines
- Improved interagency coordination
- Financial support for infrastructure and affordable housing

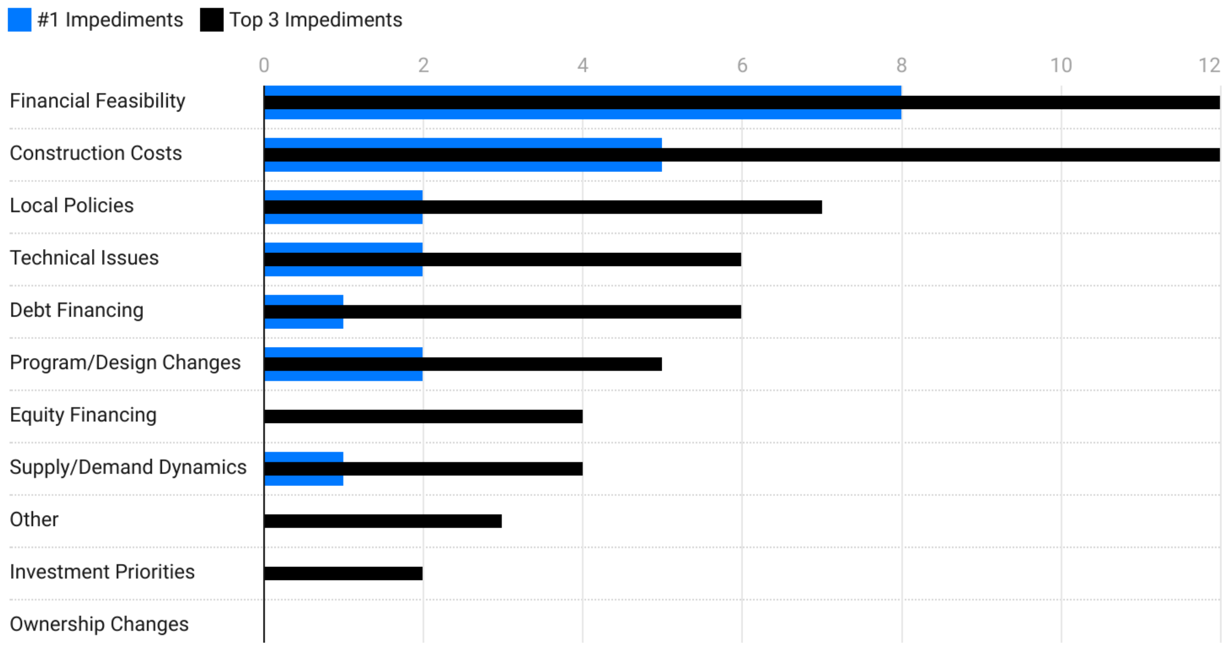
Only seven of the 32 valid project respondents anticipate filing amendments to existing entitlements, of which only one indicated consideration to reduce residential density.

The questionnaire gathered responses on impediments to project completion. Ten options were listed, along with an “Other” selection, and respondents were asked to rank each impediment 1-10 in order of importance; if an impediment did not impact the project, respondents could submit N/A responses. The options were selected based on Montgomery Planning staff’s knowledge of market conditions and feedback from regulatory review staff.

Twenty-three respondents submitted impediment rankings. The chart below shows the results of the impediment ranking responses. For clarity, impediment category names have been shortened in the chart; the exact language presented in the questionnaire is shown below the chart.

Top Impediments to Project Completion

Out of 23 participating respondents, the following impediments were cited as critical barriers to project completion



Totals represent the number of questionnaire respondents ranking each impediment as a top barrier to completion of their project(s).

As Shown in Chart	**As Presented in Questionnaire**
Construction Costs	Construction Cost Increases
Financial Feasibility	Pro Forma No Longer Financially Feasible (cap rate expansion, rents, operating expenses, etc.)
Local Policies	Local Policies – specify in box below
Technical Issues	Technical Property-Specific Issues (unexpected construction costs, etc.)
Debt Financing	Unable to Obtain Debt Financing
Equity Financing	Unable to Obtain Equity Financing
Program/Design Changes	Evaluating programmatic changes (amendments to approved product type(s), etc.)
Supply/Demand Dynamics	Concerns About Oversupply or Lack of Demand
Investment Priorities	Change in investment priorities
Ownership Changes	Change in ownership

TAKEAWAYS FROM INTERVIEWS

Sixteen interviews were conducted with project developers and/or stakeholders to gather deeper insights into questionnaire responses. Interviews were conducted with developers/stakeholders of both market-rate and non-market projects, as well as both multifamily and single-family projects. As such, each impediment may not be relevant to all interviewees due to the nature of their project type.

Several interviewees expressed that it is common for projects to be approved for more units than they intend to build or can physically build. Given that Preliminary Plan approvals are among the earliest stages of a project and occur before detailed design, the approved units represent a maximum number. Within that envelope, issues related to site design, building design, final unit mix, and other programmatic decisions often result in fewer units built than approved, even for projects that proceed to successful completion. While this natural attrition in unit count likely represents a small percentage of unbuilt units for individual projects, the total number in aggregate could be significant.

Most unbuilt units in the Pipeline, however, are associated with projects that have stalled or faced delays. Impediments to project completion fall into three categories: Market-Based, Policy-Based, and Project-Based. Often, a stalled project faces multiple impediments that have a compounding effect, making it difficult for the project to progress.

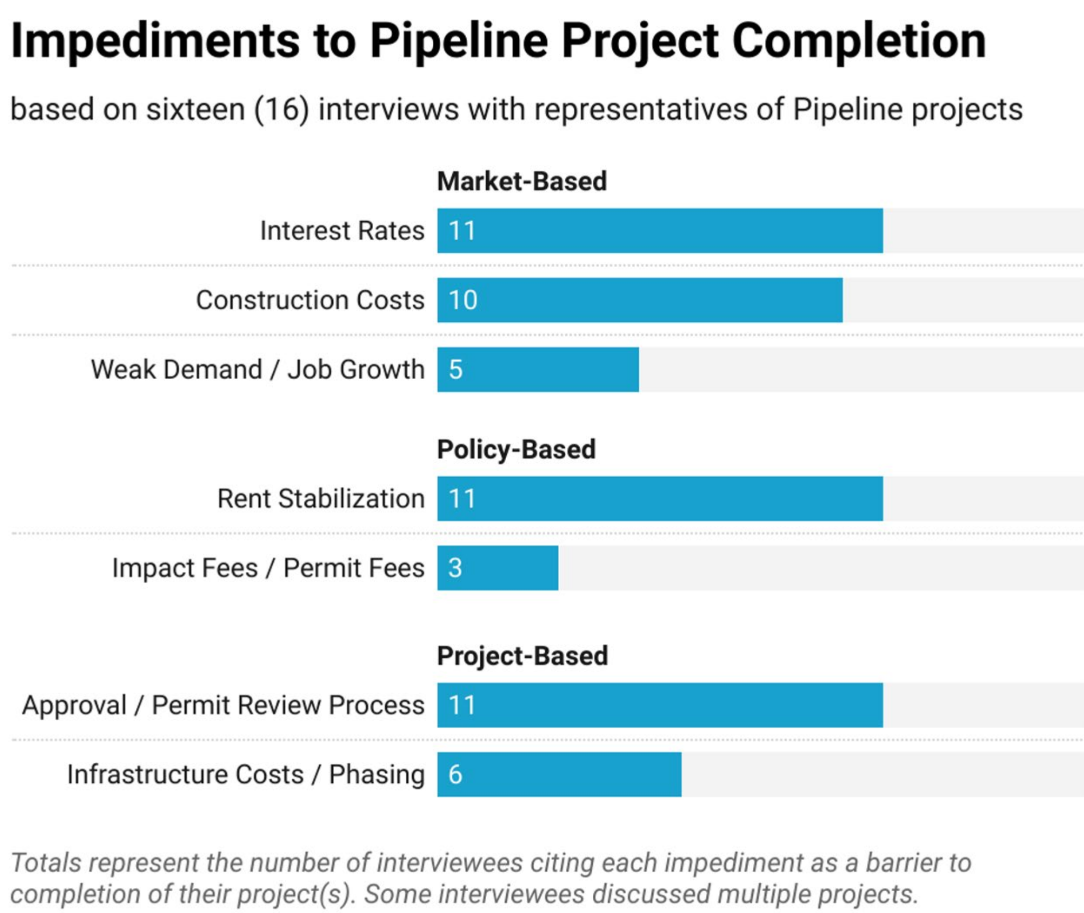


Figure 2: Impediments to Pipeline Project Completion

Market-Based Impediments

The most consistent feedback from interviews is that market conditions for new multifamily construction are as challenging as any in recent years. Interest rate and construction cost increases, tepid demand, unfavorable debt-to-equity terms, and rising operating costs have combined to create widespread financing gaps. Most interviewees with stalled projects cited financial feasibility as the chief impediment, while most interviewees with advancing projects expressed doubts that they would be able to finance and complete the project under current market conditions.

Interest Rates: Cited in 11 interviews

- Rapid rise in interest rates increases the cost of capital, reduces property values and yield spreads due to capitalization rate expansion, and disadvantages real estate relative to less risky investment alternatives.

Construction Costs: Cited in 10 interviews

- While most interviewees noted that construction cost increases have leveled off over the past ~24 months, the rapid surge in materials and labor pricing from 2020-2023 has not reversed. Recent uncertainty related to tariff impacts on construction material prices were also cited.
- Concrete construction (typically >7 stories) is viewed as particularly challenging in the current market and cost environment.

Weak Demand/Job Growth: Cited in five interviews

- Interviewees noted a lack of job growth in Montgomery County relative to competitive regional jurisdictions; expectations for tepid economic growth lead to higher capitalization rates and lower yield spreads in Montgomery County compared to Northern Virginia.
- Limited growth in well-paying jobs dampens population growth and housing demand, slowing residential project delivery. Although Montgomery County has long been characterized by cross-jurisdictional commuting, most employed residents now both live and work within the county. This shift, combined with the changing composition of new housing—where multifamily units make up roughly 90% of the unbuilt pipeline—further emphasizes the jobs-housing connection. These multifamily units primarily serve younger, smaller households that prioritize proximity to employment and amenities, as consistently shown in the National Center for Smart Growth's Maryland Commuter Survey.
- While interviewees believe there is demand for rental housing in Montgomery County, the cost structure of new development has restricted supply to the high end of the market.

Policy-Based Impediments

Interviewees cited several local policies as barriers to project completion. By far the most common policy barrier mentioned was the rent stabilization regulation passed in 2023, which became effective on July 23, 2024. While many projects with unbuilt units in the Pipeline predate the regulation, interviewees cite a broader chilling effect on construction financing. Additionally, financing is typically closed after all approvals are complete, so some projects that entered the Pipeline prior to the regulation may now be impacted. While several other local policies—including the cost and timing of impact fees and permit fees—were mentioned by interviewees as impediments, none received the near-unanimous attention given to the rent stabilization regulation.

Rent Stabilization: Cited in 11 interviews

- Interviewees stated a lack of permanent exemptions for new construction results in negative impacts on potential exit values as purchasers "price in" the future applicability of the policy.
- Interviewees highlighted vacancy control, a provision that limits the ability for landlords to increase rents on a unit upon tenant turnover, as a problematic element of the policy. Respondents noted vacancy control is "atypical nationally" and imposes "a different level of control" by shifting from a tenant-based protection to a unit- or property-level restriction.
- Most interviewees cited political risk and perception as the key challenge of the policy. While views are mixed about the direct financial impact of the policy on multifamily rental operations, interviewees overwhelmingly cited "headline effects" and a countywide "redlining" by capital allocators due to perceptions of a hostile climate for investment and the potential for additional negative policies during the life of their investment.

Impact Fees / Permit Fees: Cited in three interviews

- Interviewees consistently noted fee schedules in Montgomery County are among the highest, if not the highest, in the region.
- No clear consensus emerged on the severity of impediment or policy solutions; most respondents view fees as part of the "cost of doing business" and focused on procedural aspects (such as the timing of payment) rather than overall levels.

<u>Project-Based Impediments</u>

Real estate development is a challenging and risky endeavor. Many projects face unexpected impediments to completion that are unique to the project; these are categorized as project-based impediments. While some project-based impediments, such as approval/permit review processes, can be improved by local government agencies, others (such as the phasing of infrastructure delivery) reflect the inherent complexity of development. A strong majority of interviewees encountered delays during approval/permit review processes or expressed frustration that the length of these processes increases the risk that a project will encounter other risks to completion prior to full approval.

Approval/Permit Review Processes: Cited in 11 interviews

- **Department of Permitting Services:** project sponsors cited slow permit issuance and review processes, with multiple projects reporting 6 to 12-month delays; conflicting interpretations of code and a lack of detailed comments earlier in the permit review process.

- **Montgomery Planning:** project sponsors consistently described Site Plan/sketch plan approval processes as the longest in the region at 12 to18 months; while Planning Staff were praised for collaboration and professionalism, sponsors noted a lack of coordination with other agencies, introduction of new comments late in the process, and a lack of clear expectations for features not explicitly outlined in the code.

Infrastructure Costs/Phasing: Cited in six interviews

- The cost and/or complexity of infrastructure delivery was frequently cited as a factor in stalled projects.
- Some projects run into unexpected infrastructure burdens; stormwater management requirements were cited by multiple interviewees as unusually onerous in the county.

Other projects are stalled due to the delayed delivery of planned County capital improvement projects or the interaction of market forces rendering certain project components infeasible, while the remainder of the project cannot support the full cost of infrastructure.

PEER JURISDICTION FINDINGS

Montgomery County is not unique in having approved but unbuilt units in its Development Pipeline. Numerous other jurisdictions track and report on this potential development and have created resources to keep residents, developers, and policymakers informed on residential and commercial growth. While there are slight variations in how jurisdictions calculate their Pipeline, the table below presents a best guess comparison of units in the Pipeline using a similar definition as Montgomery County. As seen in Table 1, other jurisdictions have a comparable, and oftentimes larger, number of approved but unbuilt units in their Pipeline. While the jurisdictions vary in size and population, Montgomery County has 2.88 unbuilt units per 100 residents compared with 7.45 units in the City of Frederick and 6.21 units in Arlington County.

Table 1: Peer Jurisdiction Pipeline Review Findings

Name of Jurisdiction	Number of Approved and Unbuilt Units	Unbuilt Units per 100 Residents	Date of Data
Montgomery County, MD	*26,900**	*2.88*	*September 2025*
City of Frederick, MD	6,673	7.45	October 2025
Arlington County, VA	14,823	6.21	June 2025
Fairfax County, VA	28,572	2.48	December 2019
Washington, D.C.	40,269	5.84	December 2024
Prince George’s County, MD	48,542	5.02	August 2024

* *This number represents the number of unbuilt units in the entire Development Tracker.*

At times, a large Pipeline number can indicate a stalled development environment; however, in other cases, it can represent the constant movement of projects entering and exiting the Pipeline. Issued building permits can provide further insight into what is actually getting built in a particular jurisdiction. While neighboring areas have a comparable, if not larger, number of units in their Pipeline, these jurisdictions have all issued more multifamily building permits than Montgomery County in 2025 so far. For instance, we see a similar number of approved but unbuilt units in Fairfax County as in Montgomery County, but a far greater number of multifamily building permits issued in Fairfax County recently – over 1,700 permits issued

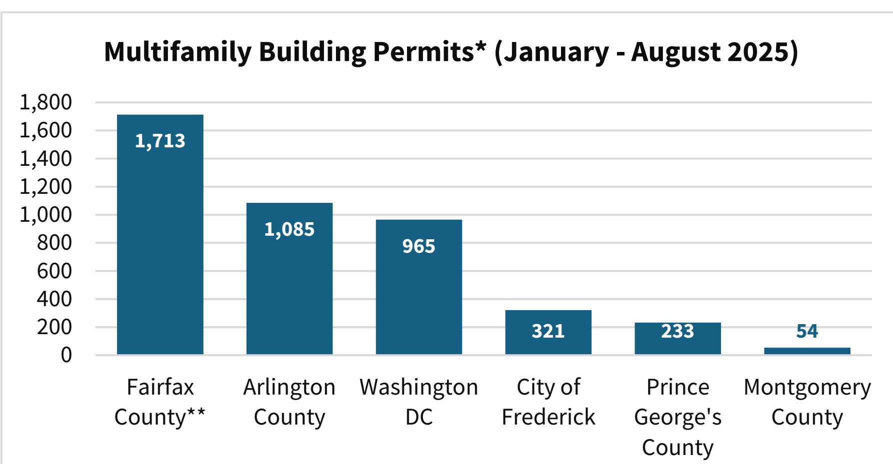


Figure 3: Multifamily Building Permits Across Neighboring Jurisdictions, January – August 2025.
** Multifamily buildings include structures with three or more units in a single property.*
*** Includes Fairfax City and Falls Church City.*
Source: *U.S. Census Building Permits Survey, January – August 2025; Reported records.*

since January 2025, compared with 54 units in buildings with three or more units in Montgomery County (see Figure 3). Notably, all 54 building permits are for units in two-over-two structures. While there has been a regional decline in multifamily building permits over the past few years (see Figure 4), Montgomery County has experienced a greater decline than its neighbors, with a particularly low number of multifamily building permits in 2025 YTD.

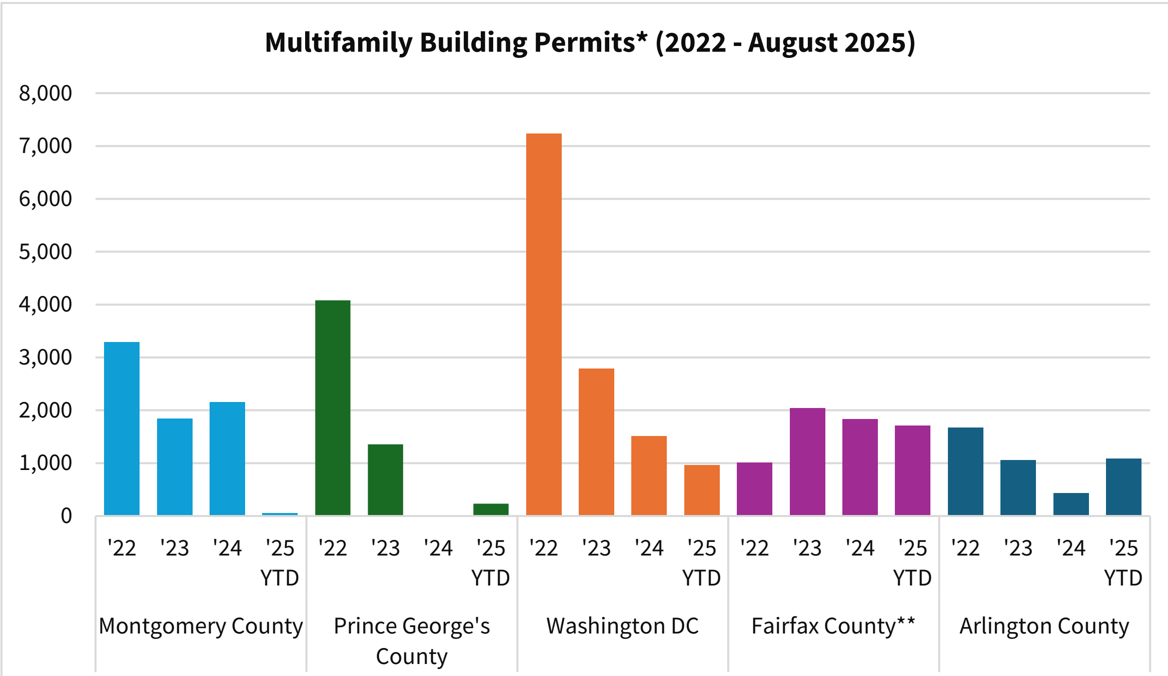


Figure 4: Trends in Multifamily Building Permits, 2022 – August 2025.
**Multifamily buildings include structures with three or more units in a single property.*
***Includes Fairfax City and Falls Church City.*
***Source**: U.S. Census Building Permits Survey, January 2022 – August 2025; Reported records.*

TERMINOLOGY

In researching other jurisdictions' development tracking databases, it's apparent that there is no standardized terminology or definition for what constitutes a "Pipeline." While some jurisdictions, such as Prince George's County and the City of Frederick, use the term "Development Pipeline," Washington, D.C., and Arlington County manage their development through a "Development Tracker" or "Development Reports." Unlike Montgomery County's Pipeline, which only removes projects once they are built, many of these other databases follow a project through its entire lifecycle, from initial approvals through completion. Given each jurisdiction's unique development review process, project status is indicated at varying stages.

Most jurisdictions' development databases include both residential and non-residential projects. The trackers that only have residential data are largely focused on affordable housing and are generally managed by the Housing Departments in these jurisdictions.

DATA AND TRACKING

Many jurisdiction websites do not provide clear information on their data collection methodology; therefore, it was challenging to determine how and with what cadence development data are gathered and updated. Conversations with San Francisco and Arlington County planners highlighted the use of permit data as their primary source, but they also cited the need to rigorously quality check the permit data to ensure accuracy before publishing. Prince George's County, on the other hand, uses online tools such as high-definition aerial imagery, county GIS layers, SDAT, CoStar, and Census data to track buildouts. There was also variation in how often jurisdictions update and publish their data, mostly ranging from quarterly to every six months to annually.

COMMUNICATIONS AND VISUALIZATION

Most jurisdictions have an interactive dashboard to communicate information about their development activity to the public, which allows residents, developers, and policymakers to engage directly with the data. The ESRI platform is commonly used, with products including ArcGIS dashboards, ArcGIS StoryMaps, and ArcGIS web maps. Another frequently used software is PowerBI, which specializes in interactive dashboard visualization. The raw data are often available on an Open Data Portal to download as an Excel spreadsheet or PDF.

In addition to dashboards, some jurisdictions publish regular reports, ranging from one-page infographic summaries to detailed annual reports. For example, Arlington County produces annual development highlights, quarterly development tracking reports, and major corridors development summaries to present the same data to distinct audiences.

While the jurisdiction websites and dashboards provide an introductory overview of the data, many lack in-depth FAQs or further context on how to interpret the data. Given the technical nature of the development review process, some databases included accompanying data dictionaries and metadata as an additional resource.

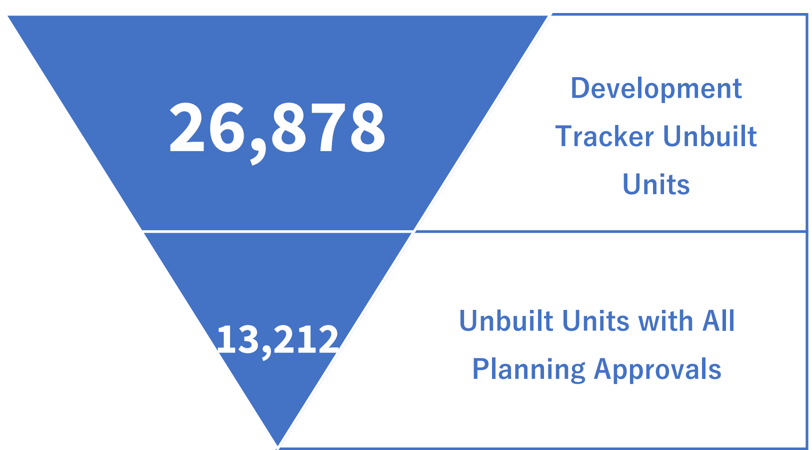
DEVELOPMENT TRACKER: A NEW APPROACH

Based on survey results, interviews, peer jurisdiction research, and internal staff discussions, Planning Staff identified opportunities to improve how we define and communicate about development status. Rather than thinking of it as a Pipeline, which can imply a linear or guaranteed path to construction, we're reframing it as a Development Tracker—a tool for monitoring all projects with Planning approvals across their development phases. Planning Staff sees this reframing as a way to improve transparency around project readiness and better reflect the realities of the development process.

The Development Tracker ("The Tracker") organizes data differently than the Pipeline, which tracked projects once a Preliminary Plan was approved or when projects entered through a standalone Site Plan or Administrative Subdivision approval. The Tracker still includes all these approvals, with entry based on established Adequate Public Facility requirements from any Planning approval—this most often occurs at the Preliminary Plan stage. What's new is that within this broader set, we now identify a smaller subset of units that have secured *all* necessary approvals from the Planning Board, Planning Director, or other applicable regulatory authority and are ready to proceed toward permitting. For phased projects, this readiness applies only to the approved phases with Site Plan approvals. This subset also includes standalone Site Plans, administrative subdivisions, by-right projects that go directly to permitting, and projects with approved Expedited Approval Plans.

Even projects with all Planning approvals are not guaranteed to move directly into construction. After approvals, developers must secure financing, complete engineering and construction documents, record plats, and coordinate with multiple agencies before entering the permitting stage. Building permits and related approvals are then issued before construction can begin.

As of September 2025, the Development Tracker monitors an estimated 26,900 approved and unbuilt units. Approximately 13,200 unbuilt units have received all Planning approvals and are positioned to advance toward permitting. While these numbers help convey scale, they should not be interpreted as a simple progression. The units with all Planning approvals represent a subset of the larger total but the remainder does not form a clean or consistent category of units with "some but not all" approvals. Approvals occur at different stages and are tracked in separate datasets that do not align one-to-one. For example, a Preliminary Plan may cover thousands of units, while Site Plans often come in smaller phases and may include fewer units than originally approved in the Preliminary Plan. Some projects have multiple Site Plans, and others only have approvals for part of their project.



The relationship is best understood at the project level, where each project may have between 0% and 100% of its Preliminary Plan units holding all Planning approvals. Figure 5 illustrates this complexity for a single multiphase project. While only a portion of the original Preliminary Plan units have all necessary Planning approvals and are ready to proceed beyond Planning, this pattern was anticipated for this project. The project has an APF validity period of 15 years, with the original plan projected completion by 2034. Despite significant changes in economic and development conditions during that time, the project remains largely aligned with its original timeline, even with multiple approvals and phased implementation.

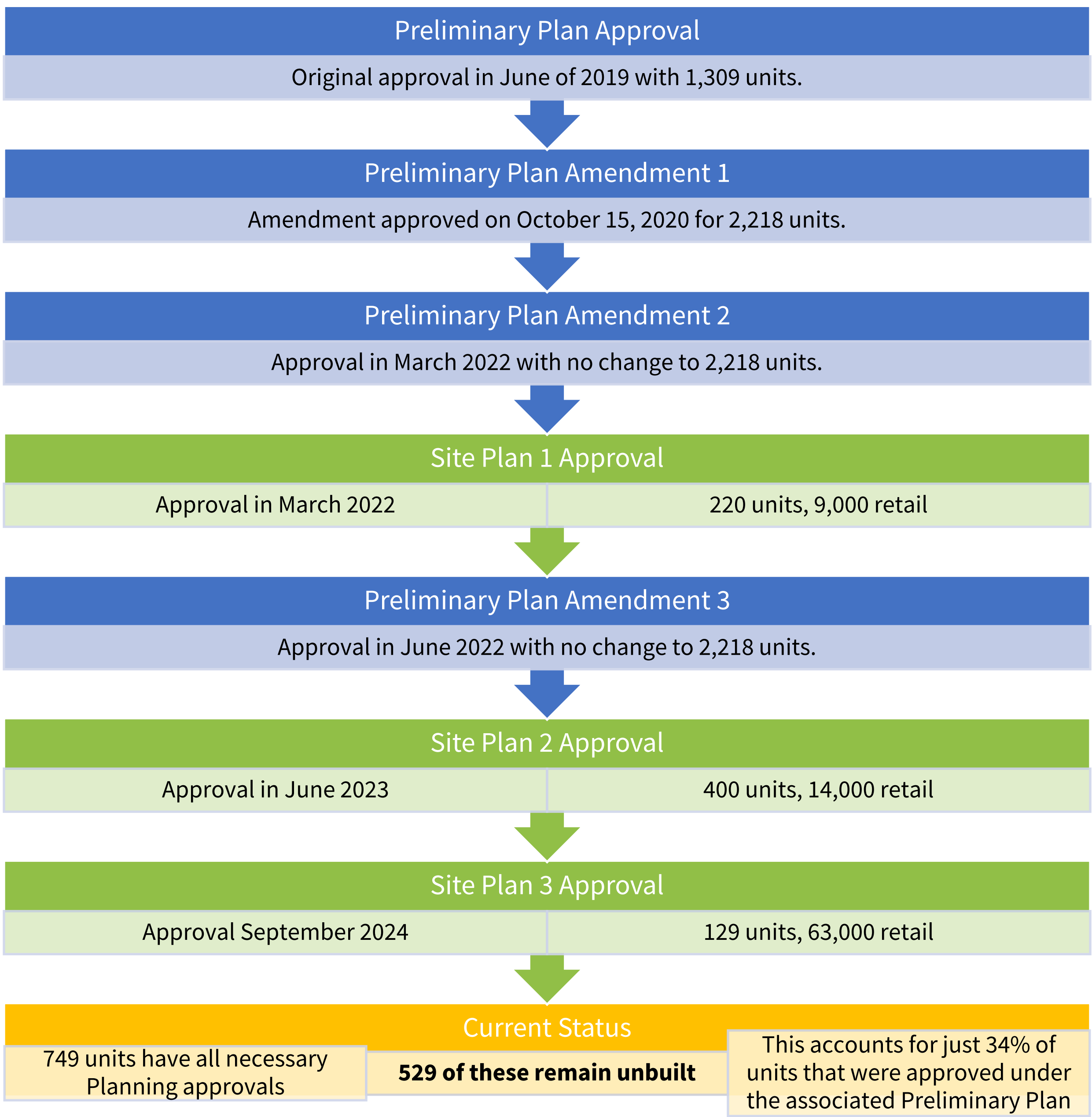


Figure 5: Example of Approval Process for a Single Project

DEVELOPMENT TRACKER OVERVIEW

The Development Tracker represents the broadest view of development activity, and mirrors what has historically been presented as the Pipeline. These projects have secured at least one Planning Board approval, oftentimes Preliminary Plan approval, that established adequate public facility requirements, but in many cases, additional approvals, such as Site Plans, are still required before they have received all the necessary approvals from the Planning Department.

Using the September 2025 data and looking only at projects with 10 or more unbuilt units, this group includes approximately 26,900[1] unbuilt units across 79 projects, with 3,137 single-family units (detached homes and townhouses) and 23,741 multi-family units (apartments and two-over-two units). Single-family projects, which are built in phases, tend to show partial progress even while other portions remain unbuilt. Multi-family projects, by contrast, deliver the entire building all at once, at which point they leave the Pipeline altogether. This difference in how progress registers help explain why single-family units with initial approvals generally show higher rates of visible advancement on the Tracker than multifamily projects (Figure 6).

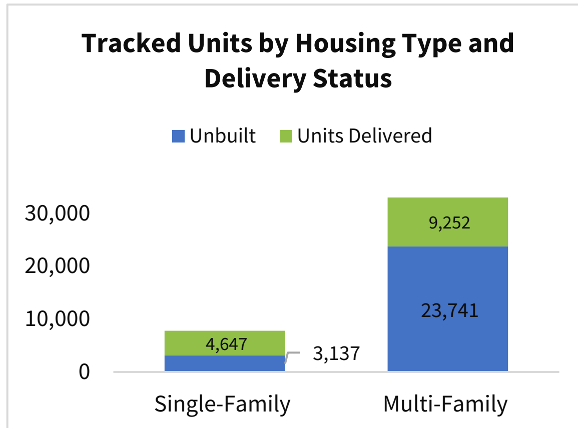


Figure 6 6: Progress on Residential Units with Initial Approvals by Housing Type

Most projects in the Development Tracker are relatively recent—nearly 80% received Planning entitlements within the last five years but may still require additional steps before permitting. Almost half of all projects have had at least one amendment, and more than a quarter changed their total unit counts through this process. These changes resulted in net increases of 163 single-family detached units, 445 single-family attached units, and 1,266 multifamily units. These adjustments can occur in the early stages of the development process, causing unit counts and project specifics to evolve as projects move towards receiving all the necessary approvals. Patterns in amendments vary widely.

[1] Previous phases of this project utilized a previous iteration of the development tracker, which tracked roughly 29,000 unbuilt units. The number has been updated to reflect the latest totals. Units fall off the development tracker due to being built, APF expiration, amendments that reduce unit counts, and data corrections.

Some projects increased density, others reduced unit counts or shifted between housing types, and some made no changes beyond requesting extensions. For example:

- 4 Bethesda Metro Center was originally approved as a commercial-only project but later added 479 residential units while reducing commercial square footage in a later amendment.
- Linthicum West reallocated 221 single-family detached units to single-family attached units, resulting in 32 detached and 221 attached units.
- Century Technology Campus introduced residential uses and expanded commercial density into a formerly nonresidential project to better align with master plan recommendations.

Collectively, these examples underscore the dynamic nature of development projects and why unit counts in the Tracker should not be viewed as static or guaranteed. Amendments reflect market conditions, design refinements, and policy alignment, illustrating that development is an iterative process rather than a fixed path.

UNITS WITH ALL PLANNING APPROVALS

There are 13,200 unbuilt units that have all the necessary Planning approvals. These units are spread across 65 projects in the Tracker. Fifteen of these projects have been approved for fewer units than initially proposed, registering about 10,300 units less than when they initially entered the Tracker. This could reflect design adjustments or downsizing at later stages, or it may indicate that additional phases have not yet been brought forward. The remaining projects have final approvals that match their initial approved totals.

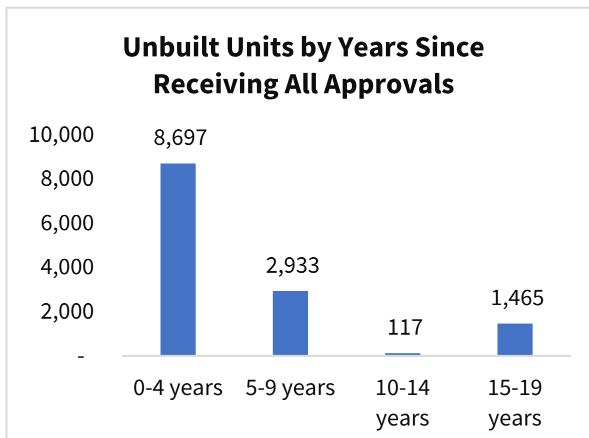


Figure 7: Unbuilt Units by Years Since Receiving All Approvals

Most units with all Planning approvals are relatively recent—66% of unbuilt units were approved within the last five years (Figure 7). Very few unbuilt units with all approvals older than ten years remain active, suggesting that older projects either advance to completion, fall off the Tracker, are reconfigured through amendments, or, in the case of GEICO, are still in the initial approval stage.

Unbuilt units are concentrated in mid-to-large projects (Figure 8). The smallest group (10–150 units) is the most common (24 projects) yet totals only 1,774 unbuilt units. Mid-sized projects (151–450 units) contain about 5,707 unbuilt units across 23 projects. Larger projects (451+ units) are fewer (18 projects) but collectively hold a comparable ~5,731 unbuilt units, with the very largest projects (750+ units) accounting for 2,800 unbuilt units on their own.

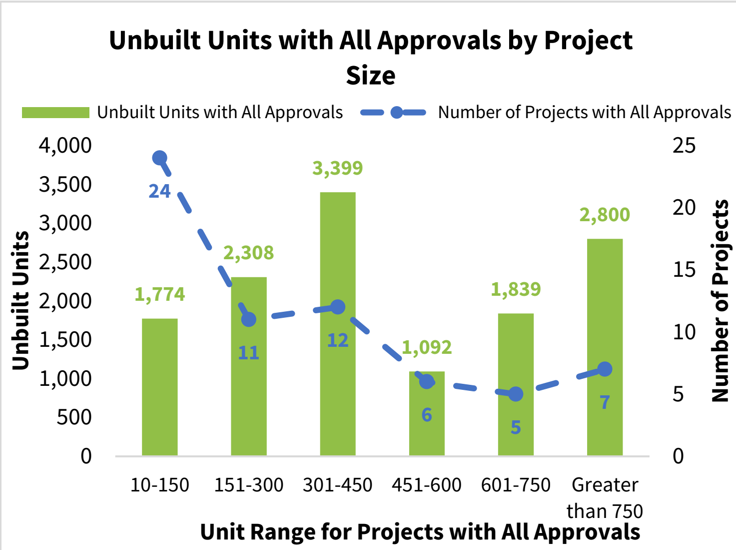


Figure 8 8: Unbuilt Units with All Approvals by Project Size

In Clarksburg, Potomac, Goshen, and several smaller areas, 100 percent of units on the Development Tracker have all Planning approvals (Figure 9). By contrast, in Silver Spring and Kensington/Wheaton, less than half (46% and 54%, respectively) of units on the Development Tracker have all Planning approvals, indicating many projects remain in earlier stages. Bethesda/Chevy Chase and Germantown fall in the middle, with around three-quarters of units in the Development Tracker having received all Planning approvals. North Bethesda, despite its large volume of projects, shows about 65% translation into having all approvals.

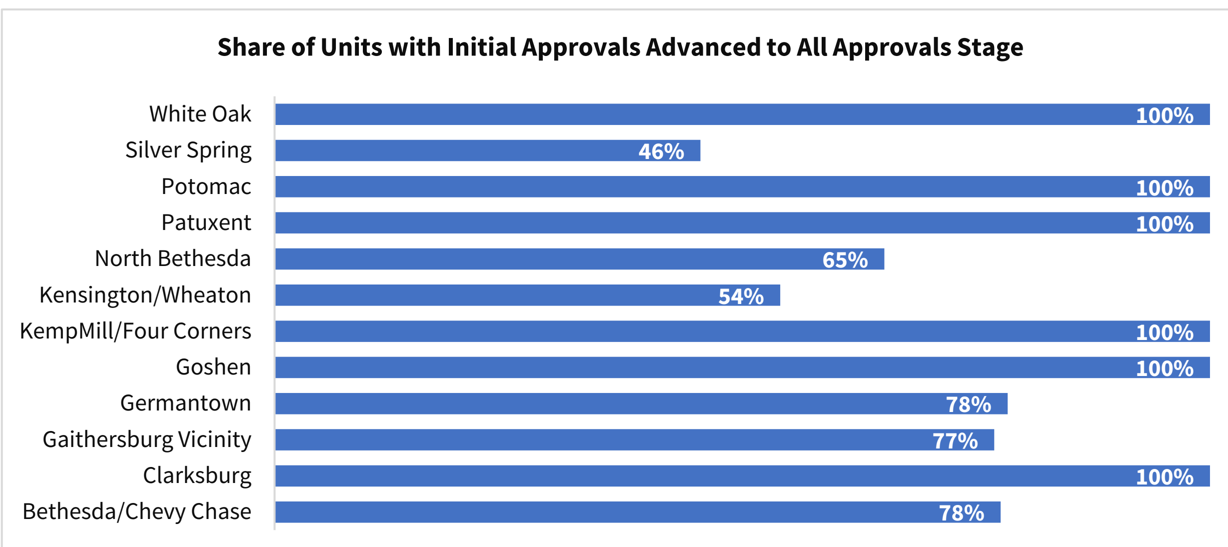


Figure 9: Share of Units Advanced to All Approvals Stage

POLICY RECOMMENDATIONS

These policy recommendations attempt to respond to the recurring themes mentioned throughout the survey and interviews. While respondents mentioned impediments at the national and regional level, including high interest rates, increasing construction costs, and uncertainty about the job market, especially at the federal level, Planning Staff's policy recommendations generally focus on recommendations that address issues at the county level, given that local policymakers can do little to influence national or region-wide trends.

The policy recommendations outlined below aim to address the compounding impediments hindering housing production in the county. There's not one reason why projects are not moving forward, and some projects will potentially require multiple interventions to be able to make the project feasible. Recommendations also include ideas for improving communication around the Pipeline.

Clearly communicate the purpose of the Pipeline and improve ways to document and visualize the projects:

1. **Examine the Pipeline on a recurring basis:** Planning Staff notes that while the Pipeline Analysis exercise was a resource-intensive endeavor, its results have proved fruitful and have helped Planning Staff better understand the development conditions of the county. Planning Staff should replicate this effort on a recurring basis to help with data maintenance, provide valuable market and policy insights, and ultimately help increase housing production. Planning Staff recommends a Pipeline Analysis quadrennially, like the Growth and Infrastructure Policy.

2. **Streamline the process of obtaining and updating the Pipeline data:** Montgomery County currently relies on field observations for construction updates, but other methods should be integrated, too. This includes coordination with the Department of Permitting Services (DPS) for building permit data, check-ins with the Planning Department's regulatory planners, and aerial imagery to verify buildouts. Making those who do hands-on work a more integral part of the process would be helpful to streamline the process.

3. **Publish findings more frequently in user-friendly formats:** Create one-pagers and an interactive dashboard on the Pipeline or add additional information to the Quarterly Economic Indicators about the Pipeline. Relatedly, there should be an exploration of providing data on the dashboard on a more real-time basis. This will help frame the utility of the Pipeline while also sharing relevant information about the Pipeline with the public. This should be balanced with ensuring that the data is quality-controlled to ensure accuracy.

4. **Provide a more precise and fuller picture of a project's lifecycle:** Include more nuanced project tracking in the Pipeline dashboard, i.e., including when a project is under construction, etc. Such an approach would provide a more realistic view of which projects will actually be built.

a. **Crosslinking information across DPS and Planning:** Explore ways to crosslink information across DPS and Planning platforms to make it easier for residents to follow the full lifecycle of a project, from planning approvals to permitting. This makes it easier for residents to follow the lifecycle of a plan, and this would help make it clear when the respective department's processes begin and end.

5. **Rename the Development Pipeline to Development Tracker:** Renaming the "Development Pipeline" to "Development Tracker" is a simpler, cleaner way to share information related to approved and progressing development projects.

Comprehensively streamline all steps of the regulatory process, from the Planning Board's initial approval to the final Use and Occupancy permit:

6. **Planning Department's Regulatory Review:** Respondents noted the generally long and complex regulatory process as a deterrent to new development, which also adds cost and time to a project and contributes to a project's infeasibility. While Montgomery Planning has worked at the state and county levels in recent years to make the regulatory process more efficient and streamlined, the Planning Staff should continue to examine its own internal processes and external coordination to help projects move through the process more quickly.

7. **Expedited Review:** While there are several existing expedited reviews in the county (i.e., Mixed-Income Housing Communities, BioHealth Priority Campuses, Signature Business Headquarters, and Commercial to Residential Reconstruction), there should be considerations for modifications to the qualification criteria so that more projects qualify and can benefit from an expedited review. Increasing the number of future projects that benefit from expedited review will result in cost savings for those projects that make it easier for them to pencil and therefore advance from the Pipeline. While expedited reviews are a great way to streamline the regulatory process, they are staff-intensive for all agencies. Cost savings for the expedited timeline need to be weighed against the likely need for additional staff and resources. Planning Staff recommends adding 4% LIHTC projects to the criteria for Mixed-Income Housing Communities and removing the size requirement.

8. **DPS Permitting:** Some respondents noted that permit delays are common. The Department of Permitting Services should continue to evaluate the causes of delays and find ways to accelerate the permitting process.

9. **Development Approvals Specialist:** Create a Planning Staff position with a primary job function to track projects in the Pipeline after the Planning Board's approvals and work with developers and implementation agencies to ensure they advance to construction in a timely manner.

Strategically help close the financing gap for large scale projects that would deliver housing from the Pipeline where it is most needed in the county:

10. **Impact Taxes:** The comparatively high impact taxes were noted as a deterrent to development in the county. The County Council is currently convening an Infrastructure Funding Workgroup to holistically look at how the county funds infrastructure. In coordination with the Workgroup and its efforts, the county should identify ways to reduce the financial burden that the high impact taxes impose, especially for Pipeline projects that could deliver large amounts of approved housing in transit-served locations.
    a. While Planning Staff do not want to get in front of the work that the Infrastructure Workgroup is completing, there may be some benefit to using impact taxes to incentivize projects off the pipeline. For example, projects that get to permit within 6 months could receive a 50% reduction of impact taxes, projects that get to permit within one year could get a 25% reduction of impact taxes, etc.

11. **Financial Incentives:** In recent years, the county has approved the use of financial incentives such as Payment in Lieu of Taxes (PILOTs) to support the progress of certain projects. The county should continue to utilize these incentives to help get projects built. There may also be broader applications of these financial incentives, like PILOTs and Tax Increment Financing (TIFs), beyond the current use. These could be employed in the county for large, multi-phase projects with significant infrastructure needs to provide financial incentives that make the initial phases financially viable.

Recognize broader market conditions and incentivize projects that create long term jobs in addition to housing:

12. **Job Growth:** While there is noted concern about the federal employment landscape from the interviewees, many interviewees also expressed concern about Montgomery County's weak job growth, especially compared to Northern Virginia. When few new, well-paying jobs are added to a local jurisdiction annually, it lowers the anticipated population growth and demand for new housing, thereby slowing the delivery of residential projects. While the County Council has done a lot of work in pursuing programs and policies to spur job growth, there should be consideration of zoning tools that could help spur job growth. For example, additional and smaller projects that include high-paying job creating uses could be incentivized through density bonuses, expedited reviews, and reduced payments similar to the Signature Business Headquarters review process.

Recalibrate the rent stabilization regulations to help advance projects out of the Pipeline:

13. **Rent stabilization:** Rent stabilization was identified as a major obstacle by survey respondents and interviewees. While many Pipeline projects predate the rent stabilization law, and the rent stabilization law is fairly new, its impacts seem to be having a chilling effect on the multifamily market.

    Currently, projects that have been built in the last 23 years are exempt from rent stabilization. Converting to a specific date (instead of a rolling date) for the new construction exemption would add more certainty and confidence for investors. Planning Staff suggests this could be changed to exempt all projects built after 2002.

ATTACHMENTS

Attachment 1: Copy of SurveyMonkey Survey sent to developers

APPENDIX I: PLANNING AREA TABLES

Projects with All Planning Approvals by Planning Area

Planning Area	Number of Projects with All Approvals	Final Approved Unit Count	Total Units Delivered	Units Delivered (%)
Bethesda/Chevy Chase	15	3,170	132	4%
Clarksburg	6	4,725	3,627	77%
Gaithersburg Vicinity	3	2,669	2,561	96%
Germantown	6	1,829	955	52%
Goshen	1	44	-	0%
Kemp Mill/Four Corners	1	15	1	7%
Kensington/Wheaton	4	1,262	477	38%
North Bethesda	18	7,222	2,844	39%
Patuxent	1	29	-	0%
Potomac	2	780	1	0.1%
Silver Spring	7	2,654	956	36%
White Oak	1	463	96	21%

Projects with All Planning Approvals by Planning Area and Housing Type

Planning Area	Total Single-Family Units Delivered	Single-Family Units Delivered (%)	Total Multi-Family Units Delivered	Multi-Family Units Delivered (%)
Bethesda/Chevy Chase	249	71%	132	6%
Clarksburg	3,639	80%	3,627	79%
Gaithersburg Vicinity	1,257	90%	2,561	100%
Germantown	487	27%	955	61%
Goshen	44	0%	-	-
Kemp Mill/Four Corners	-	-	1	-
Kensington/Wheaton	256	88%	477	26%
North Bethesda	716	54%	2,844	37%
Patuxent	23	0%	-	0%
Potomac	-	-	1	0%
Silver Spring	-	-	956	36%
White Oak	-	-	96	21%