

Montgomery County, Maryland

**STRATEGIC ADVISORY COMMITTEE
MEETING**

**RENTAL HOUSING STUDY
ANALYSIS FINDINGS**

February 22, 2016

Presented by:

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RKG Associates, Inc.



MEETING AGENDA

- Existing conditions
- Supply/demand analysis
- Affordability analysis
- Next steps

WORK COMPLETED

- Socioeconomic analysis
- Rental housing supply analysis
- Rental housing demand analysis
- Affordability analysis

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DATA UTILIZED

Source	Table	Description	Date	Data Provider
American Community Survey (ACS)	B01001	Sex by Age	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B01002	Median Age by Sex	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B01003	Total Population	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B02001	Race	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B03002	Hispanic or Latino Origin by Race	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B03003	Hispanic or Latino Origin	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B08301	Means of Transportation to Work	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B08303	Travel Time to Work	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B11001	Household Type (Including Living Alone)	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B11007	Households by Presence of People 65 Years and Over, Household Size and Household Type	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B19001	Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars)	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B19013	Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars)	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25001	Housing Units	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25003	Tenure	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25007	Tenure by Age of Householder	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25008	Total Population in Occupied Housing Units by Tenure	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25009	Tenure by Household Size	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25010	Average Household Size of Occupied Housing Units by Tenure	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25032	Tenure by Units in Structure	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25063	Gross Rent	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25068	Bedrooms by Gross Rent	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	B25118	Tenure by Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars)	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	DP04	Selected Housing Characteristics	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	S0101	Age	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	S1701	Poverty Status in the Past 12 Months	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	S1501	Educational Attainment	2005-2009, 2010-2014	United States Census Bureau
American Community Survey (ACS)	N/A	Components of Population Change	2010-2014	United States Census Bureau

Source	Table	Description	Date	Data Provider
Comprehensive Housing Affordability Strategy (CHAS)	Table 7	Renter Occupied Cost Burden by HAMFI	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 8	Renter Occupied Cost Burden by HAMFI by HAMFI Thresholds	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 9	Renter Occupied Cost Burden by Race by HAMFI Thresholds	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 12	Renter Occupied Year Structure Built	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 15C	Renter Occupied Units by HAMFI by RHUD Threshold	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 16	Renter Occupied Elderly Family by HAMFI	2008-2012	United States Department of Housing and Urban Development
Comprehensive Housing Affordability Strategy (CHAS)	Table 18C	Rent by Units in Structure by RHUD Threshold	2008-2012	United States Department of Housing and Urban Development

DATA UTILIZED

Source	Table	Description	Date	Data Provider
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Population	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Households	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Families	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Race and Ethnicity	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Average Household Size	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Owner Occupied Housing Units	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Renter Occupied Housing Units	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Median Age	2015-2020	ESRI ArcGIS
Environmental Systems Research Institute (ESRI) Demographics	Demographic and Income Profile	Median Household Income	2015-2020	ESRI ArcGIS

Source	Table	Description	Date	Data Provider
OnTheMap	Work & Home	Total Primary Jobs	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Worker Age	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Earnings	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by NAICS Industry Sector	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Worker Race	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Worker Ethnicity	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Worker Educational Attainment	2013	United States Census Bureau
OnTheMap	Work & Home	Jobs by Worker Sex	2013	United States Census Bureau
OnTheMap	Work & Home	Total Private Jobs	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Worker Age	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Earnings	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by NAICS Industry Sector	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Worker Race	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Worker Ethnicity	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Worker Educational Attainment	2013	United States Census Bureau
OnTheMap	Work & Home	Private Jobs by Worker Sex	2013	United States Census Bureau

Source	Table	Description	Date	Data Provider
Montgomery County Assessor Database	N/A	Single Family Housing	2014	Montgomery County Assessor Office
Montgomery County Assessor Database	N/A	Multi-family Housing	2014	Montgomery County Assessor Office
Montgomery County Assessor Database	N/A	Non-Owner Occupied	2014	Montgomery County Assessor Office

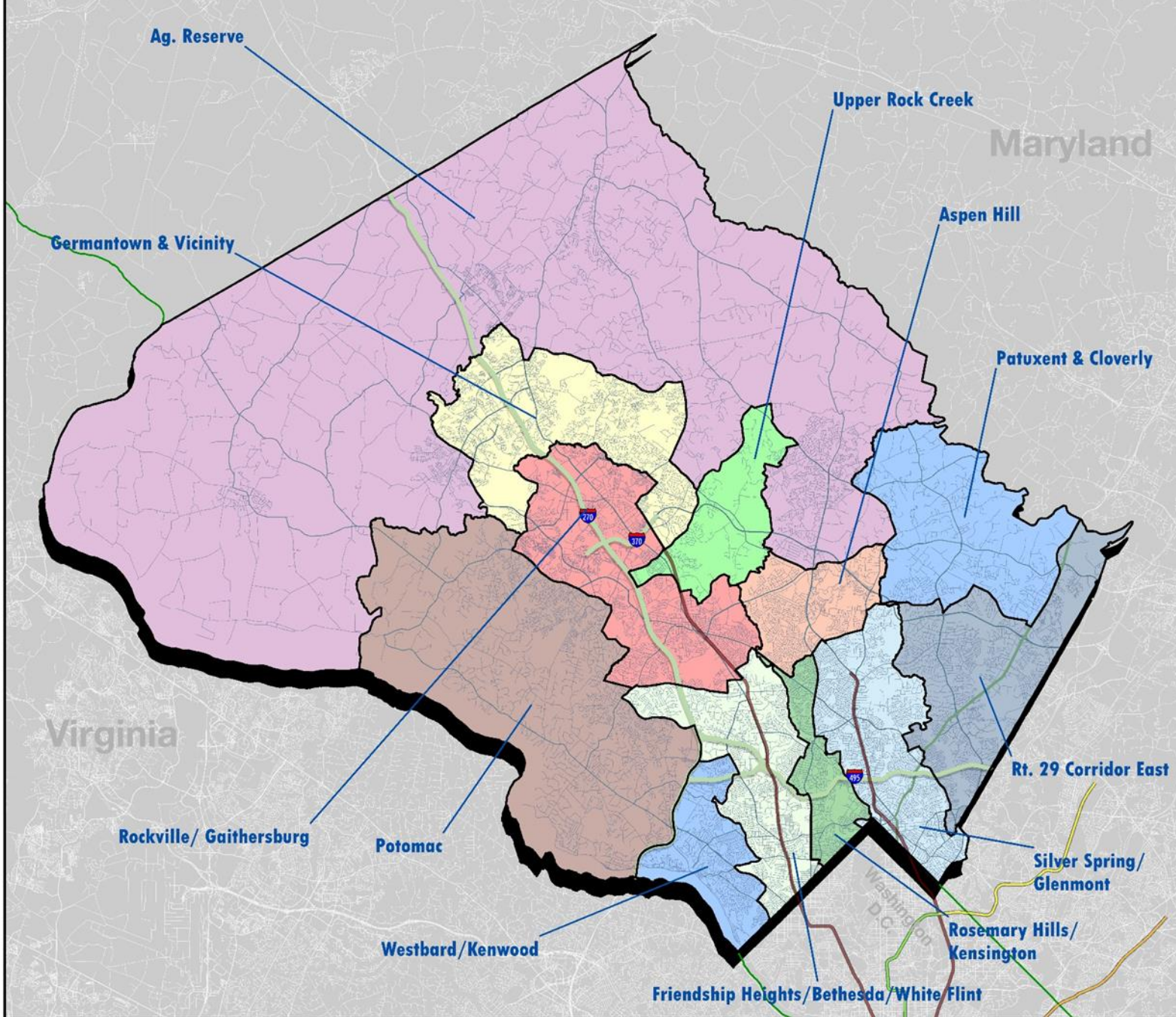
Source	Table	Description	Date	Data Provider
Rental Housing Survey	N/A	Multifamily Housing Supply	2014	Montgomery County Department of Housing and Community Affairs
Rental Housing Survey	N/A	Current Monthly Rents	2014	Montgomery County Department of Housing and Community Affairs
Rental Housing Survey	N/A	Market Units	2014	Montgomery County Department of Housing and Community Affairs
Rental Housing Survey	N/A	Subsidized Units	2014	Montgomery County Department of Housing and Community Affairs

Source	Table	Description	Date	Data Provider
Realtor	N/A	Current Rents on Conversion Units	2015	Multiple Listing Service (MLS)

DEFINITION OF TERMS

- **Affordability** – The relationship between a household's ability to pay for housing and the cost of housing; also called 'price appropriateness'
- **Ability to pay** – The maximum amount a household can spend on housing without being cost burdened
- **Cost burdened** – Relationship between household income and percent of that income being spent on housing – HUD defines cost burdened as spending more than 30% of gross income
- **Area Median Income** – HUD-defined income thresholds based on household size; pinned to certain financial programs
 - Analysis focuses on 30%, 50%, 80%, 100%, 120%
 - Thresholds are relevant to various HUD housing programs
- **Conversion Units** – Owner occupied housing units converted to rental units

Map 1



Rental Market Study Areas

Montgomery County, MD

- Rt. 29 Corridor East
- Aspen Hill
- Silver Spring/ Glenmont
- Rosemary Hills/ Kensington
- Friendship Heights/ Bethesda/ White Flint
- Westbard/ Kenwood
- Potomac
- Germantown and Vicinity
- Ag. Reserve
- Upper Rock Creek
- Patuxent and Cloverly
- Rockville/ Gaithersburg

- Interstate
- U.S. Highway
- State Route
- Neighborhood Street



This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this

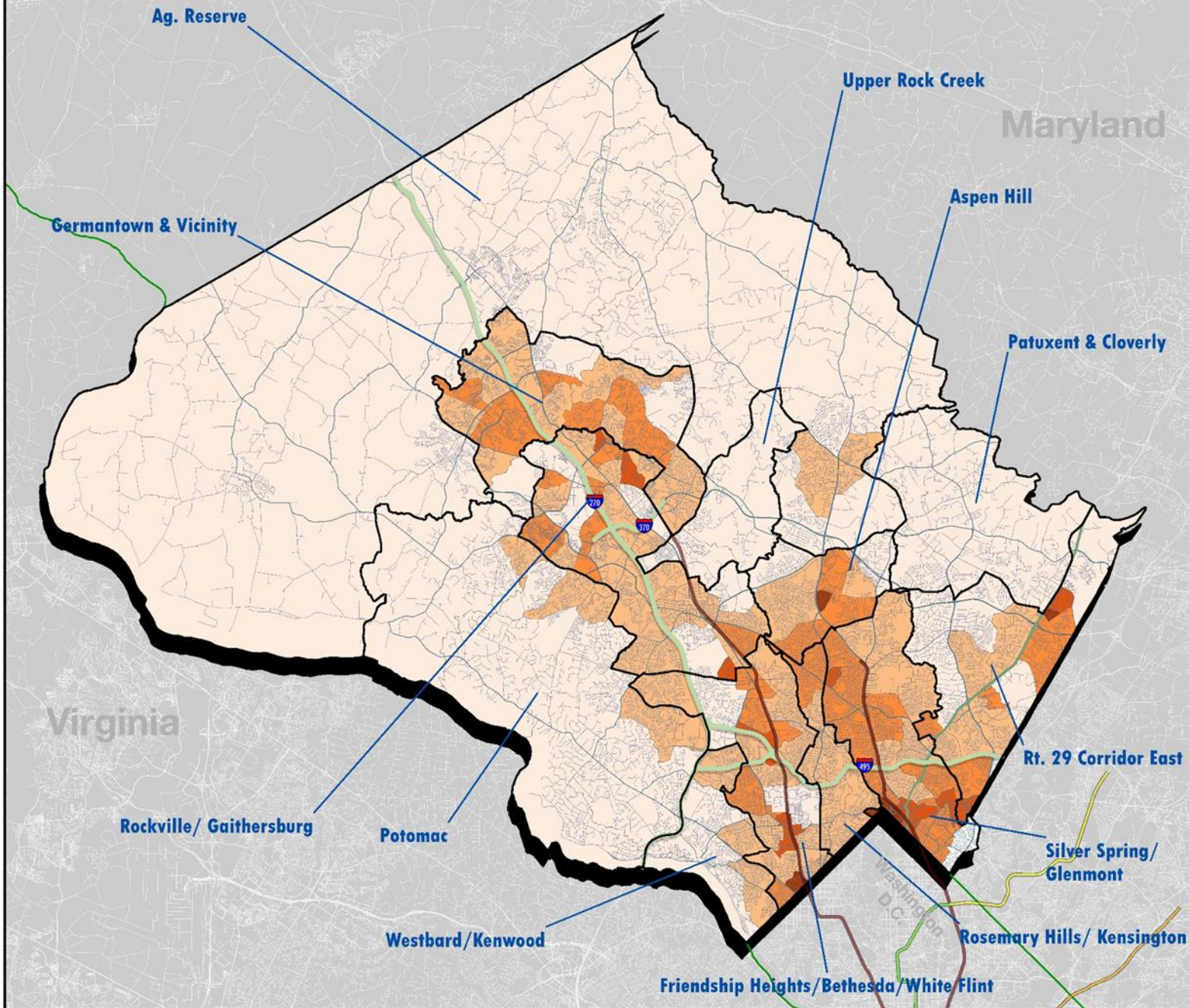
Date: 1/22/2016
Source: ACS 10-14, MCDOT



0 1/2 3 Miles

EXISTING CONDITIONS

Map 2



Population Density by Census Tract

Montgomery County, MD

58 - 3,029
3,030 - 6,295
6,296 - 11,379
11,380 - 18,755
18,756 - 33,428

Subdistrict Boundary

- Interstate
- U.S. Highway
- State Route
- Neighborhood Street

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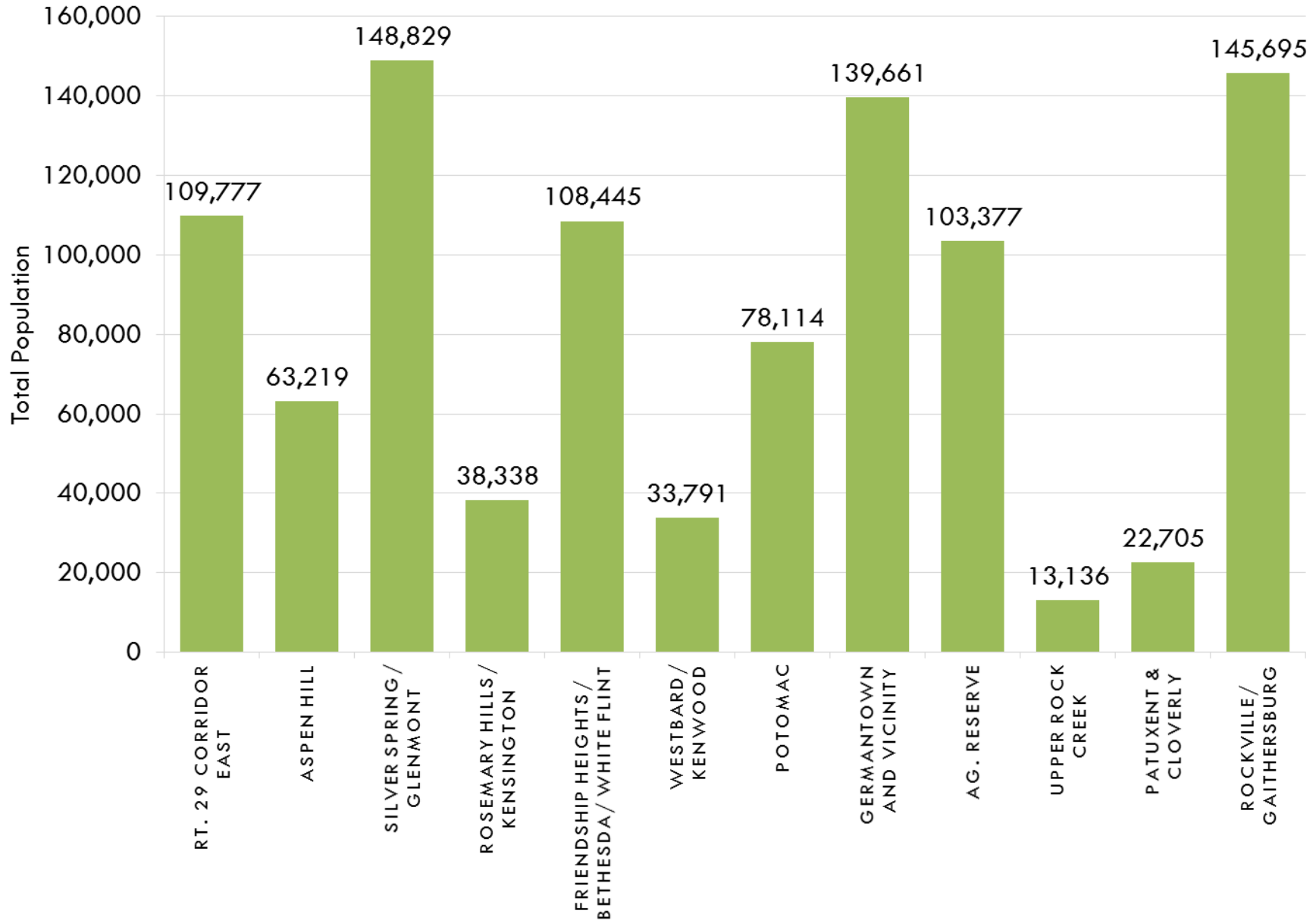
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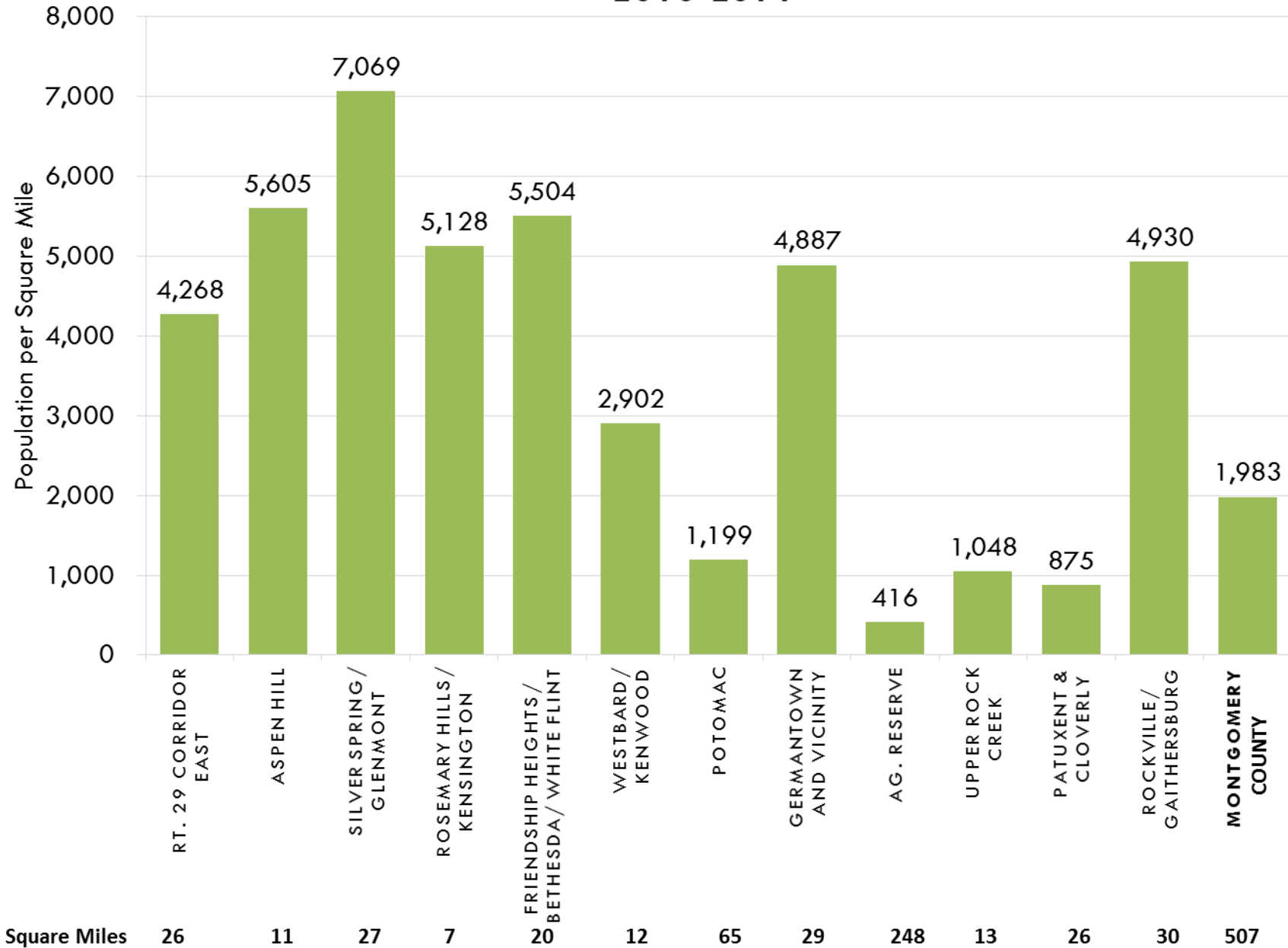


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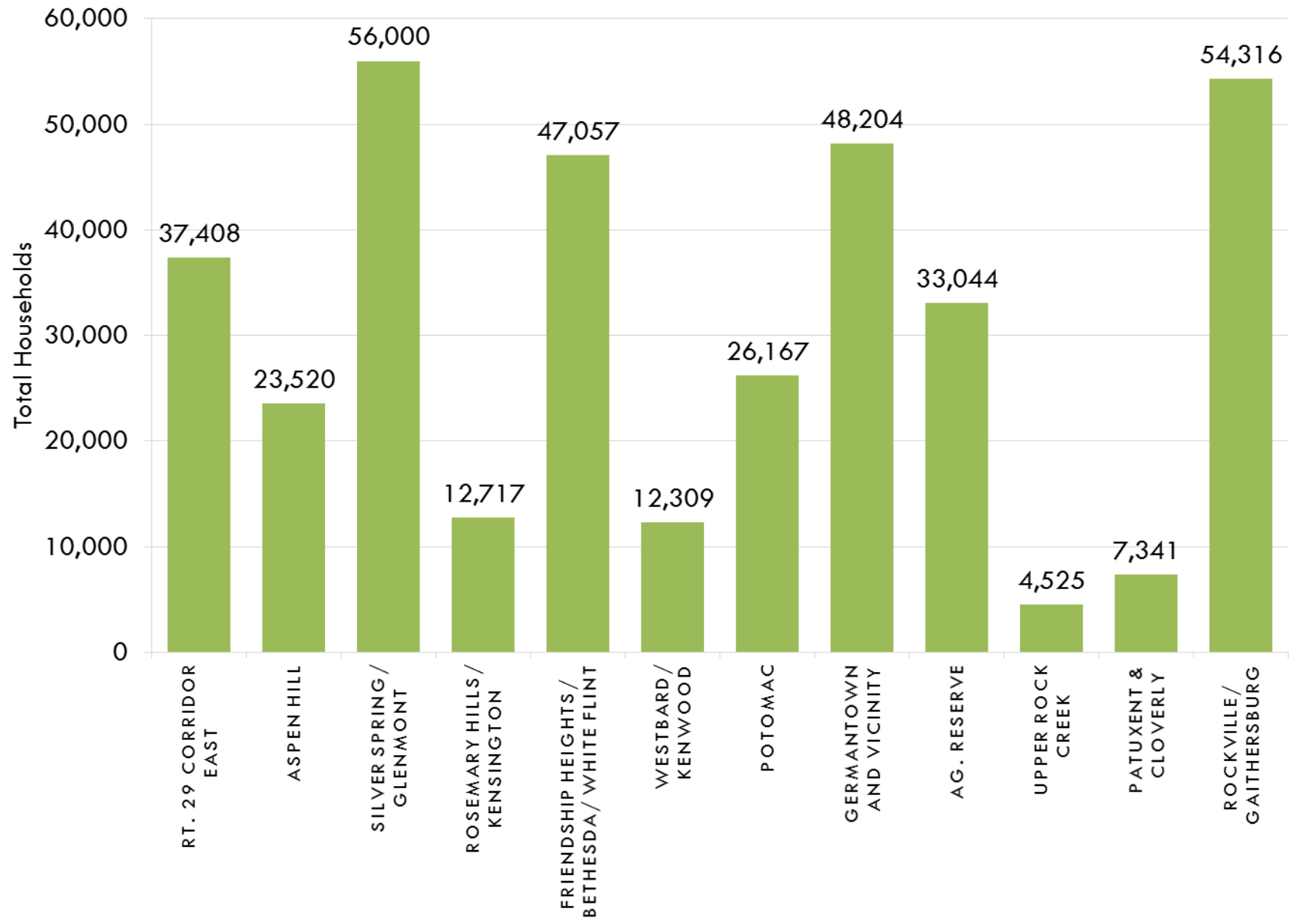
TOTAL POPULATION 2010-2014



TOTAL POPULATION DENSITY PER SQUARE MILE 2010-2014

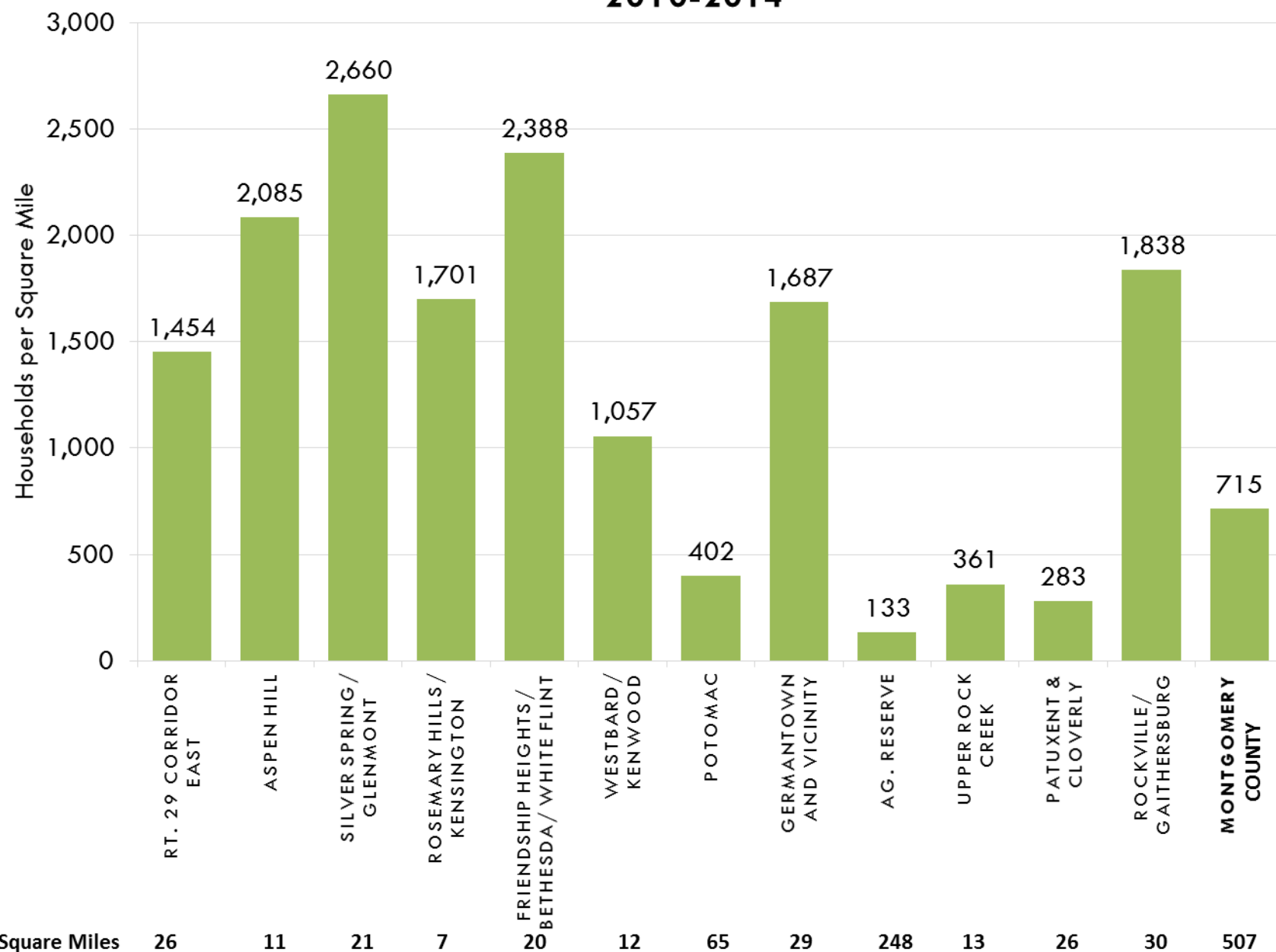


**TOTAL HOUSEHOLDS
2010-2014**

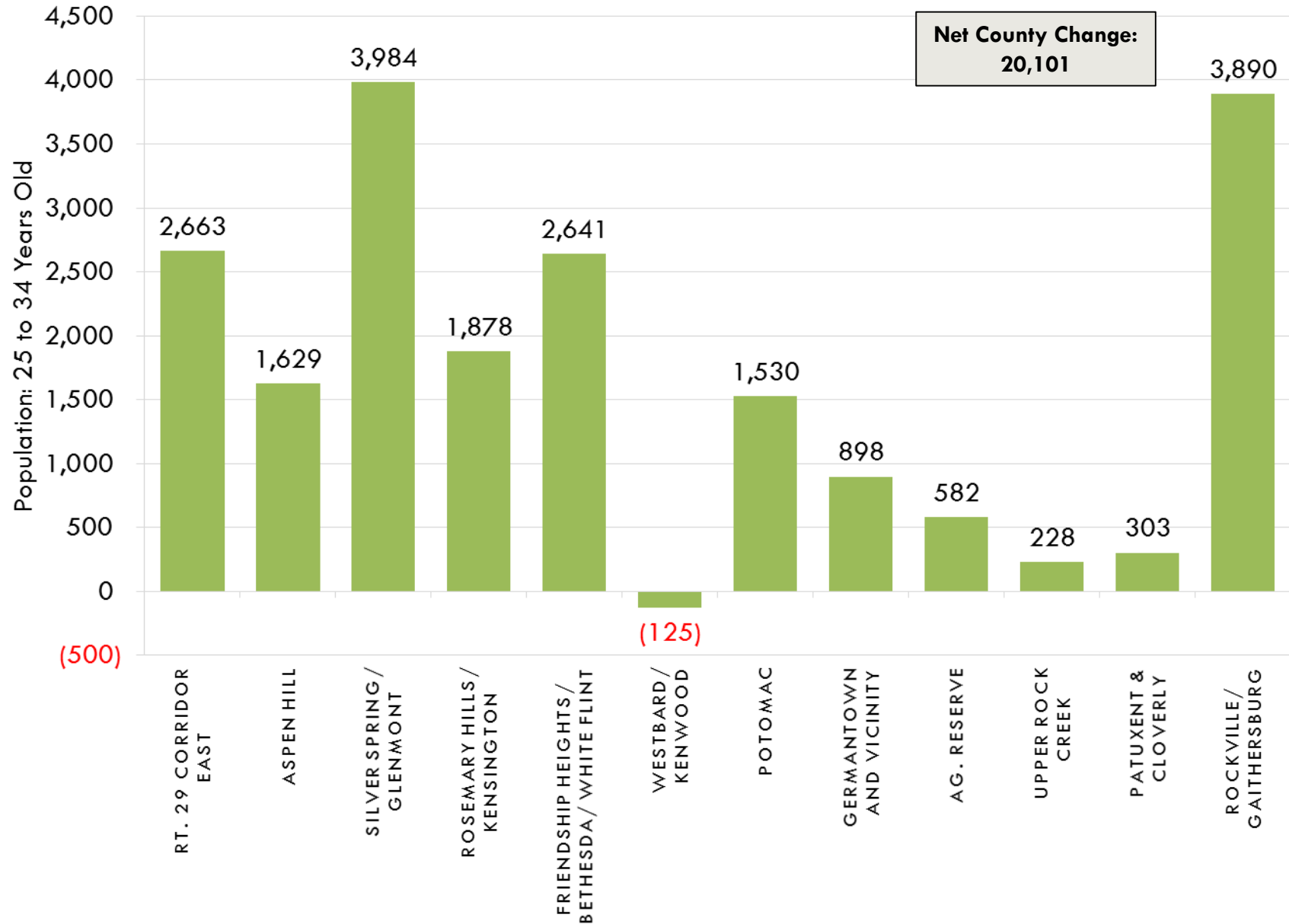


Source: ACS 2010-2014

TOTAL HOUSEHOLD DENSITY PER SQUARE MILE 2010-2014

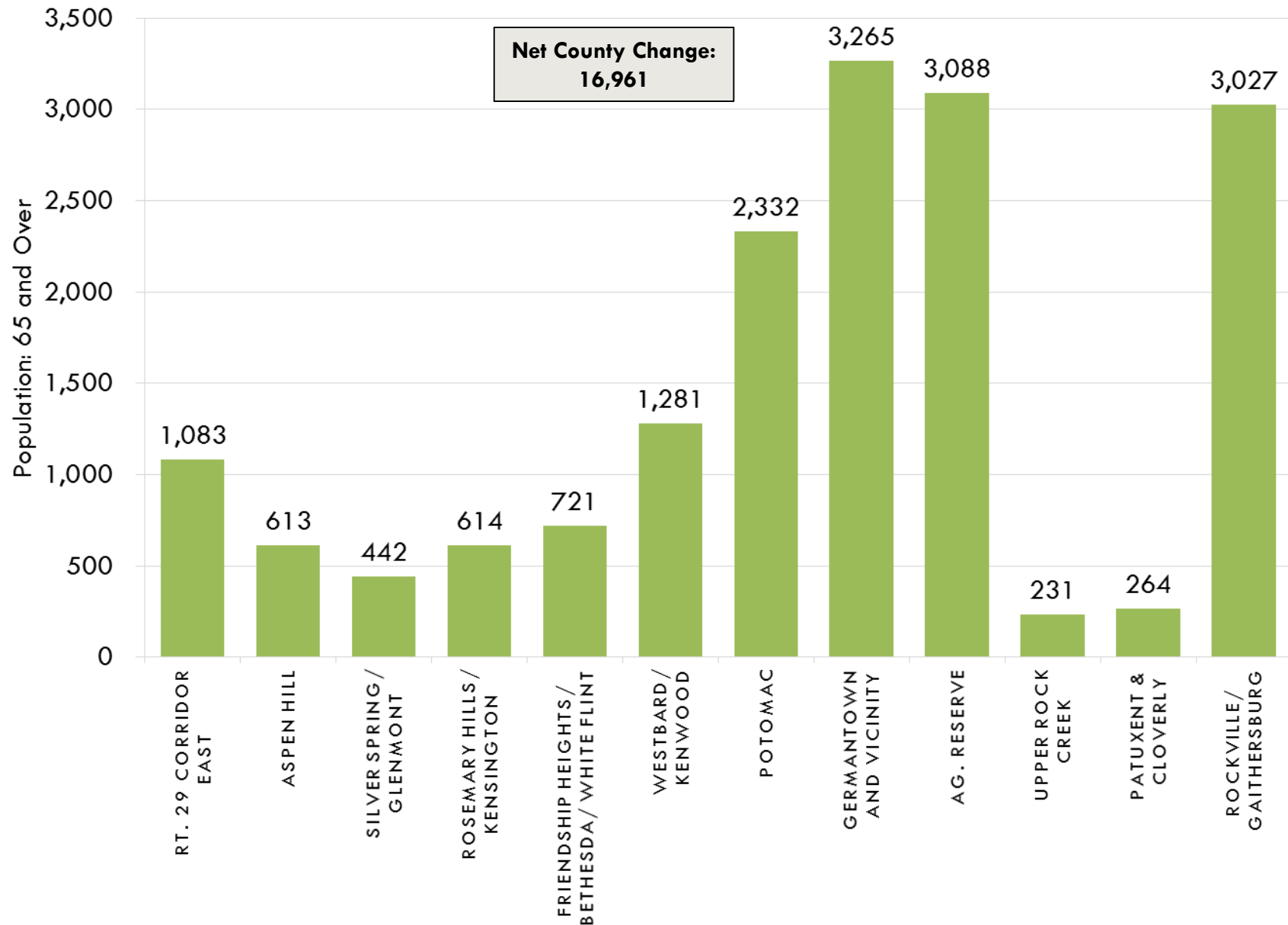


POPULATION CHANGE: 25 TO 34 YEARS OLD 2005-2009, 2010-2014



POPULATION CHANGE: 65 AND OVER

2005-2009, 2010-2014



SENIOR HOUSEHOLDS AS A SHARE OF ALL HOUSEHOLDS 2010-2014

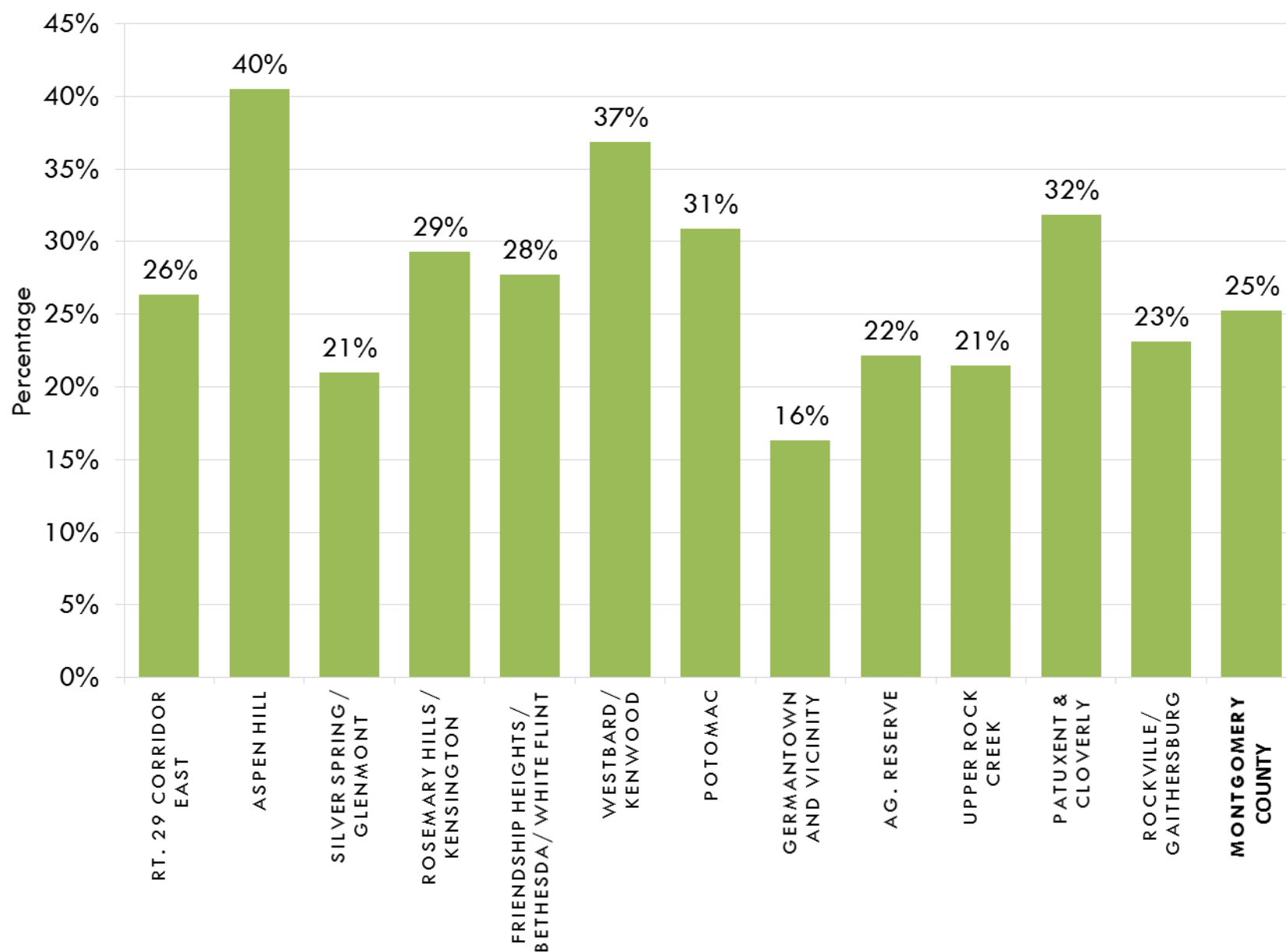
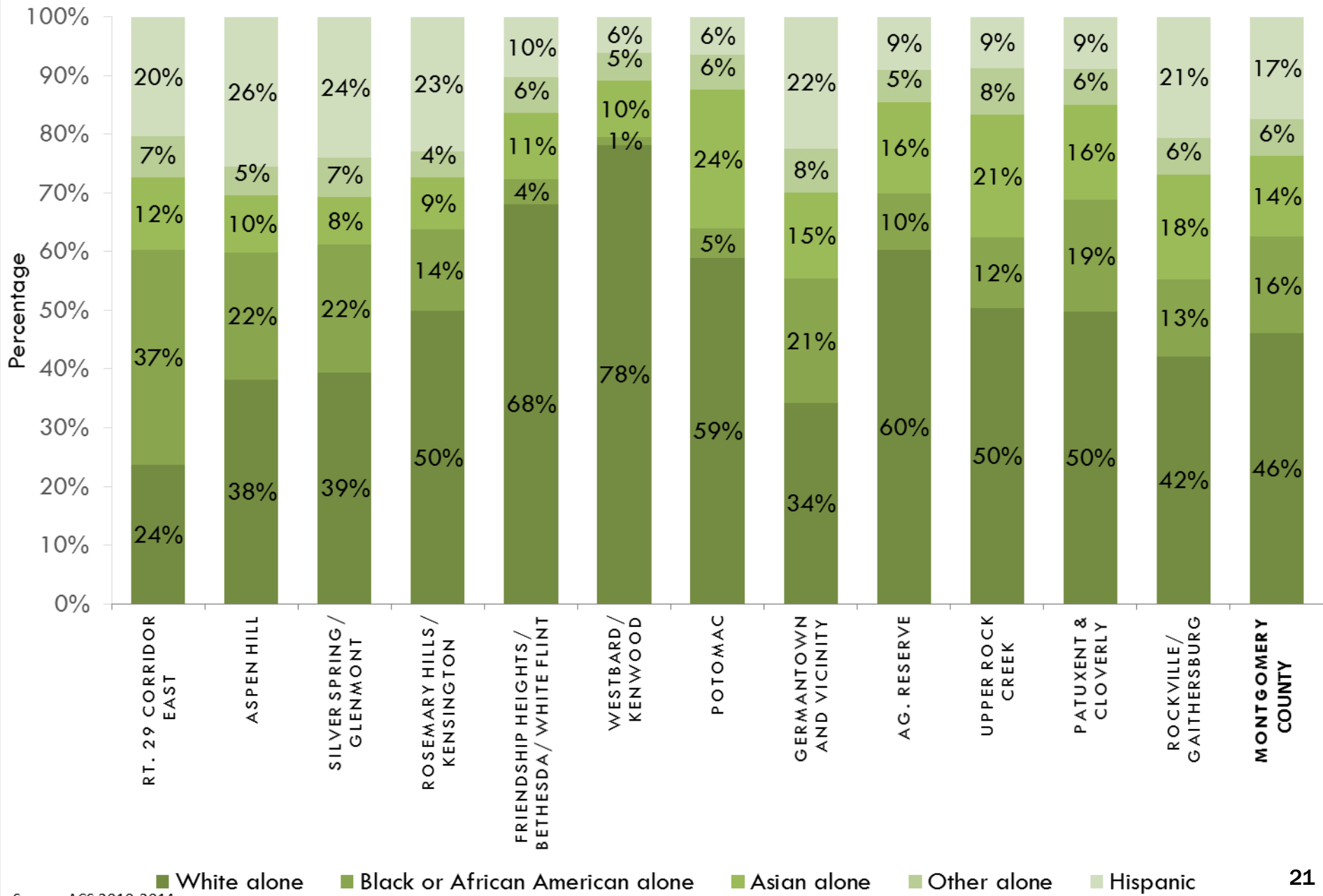


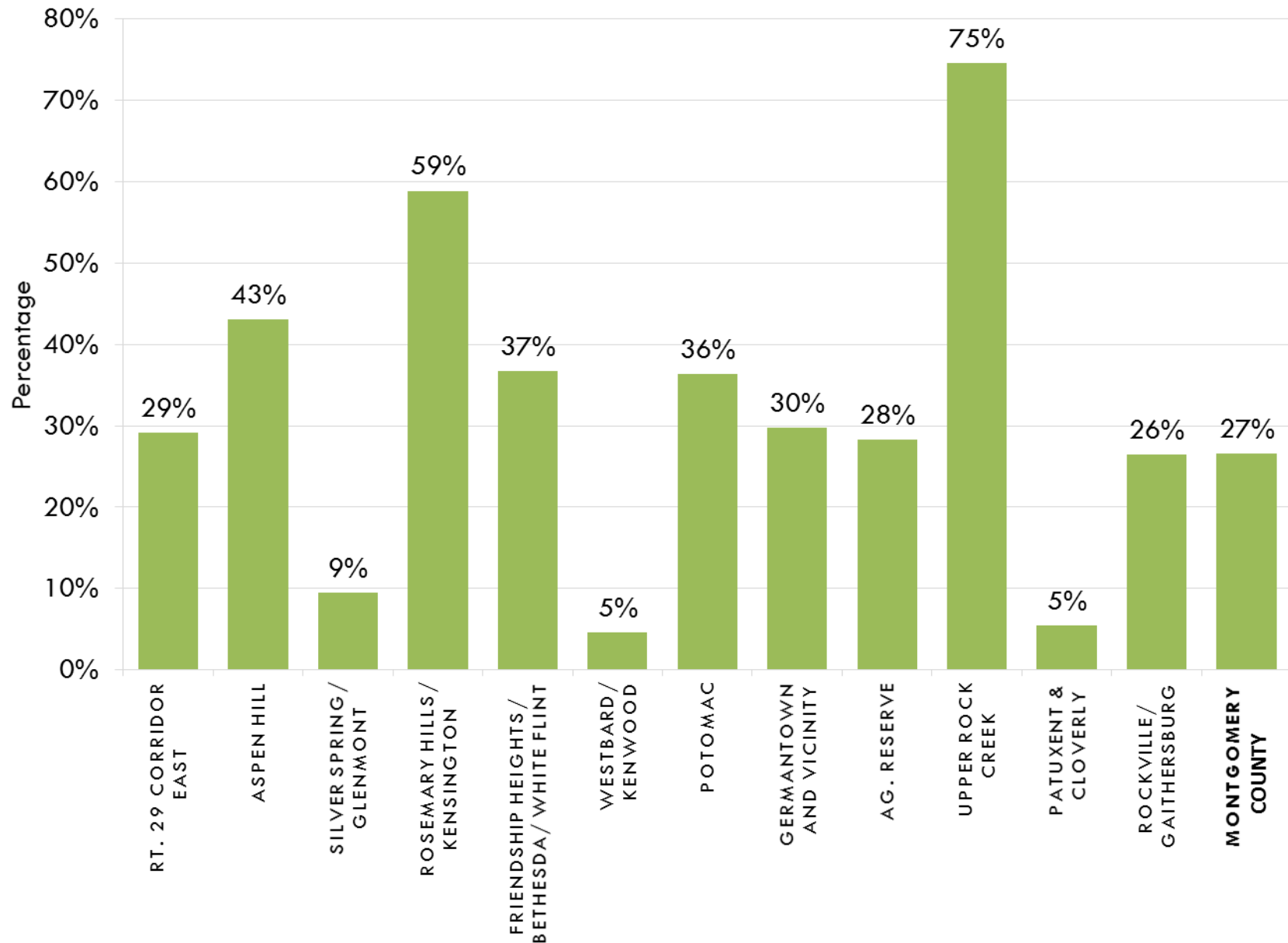
Figure 8

RACIAL AND ETHNIC COMPOSITION 2010-2014

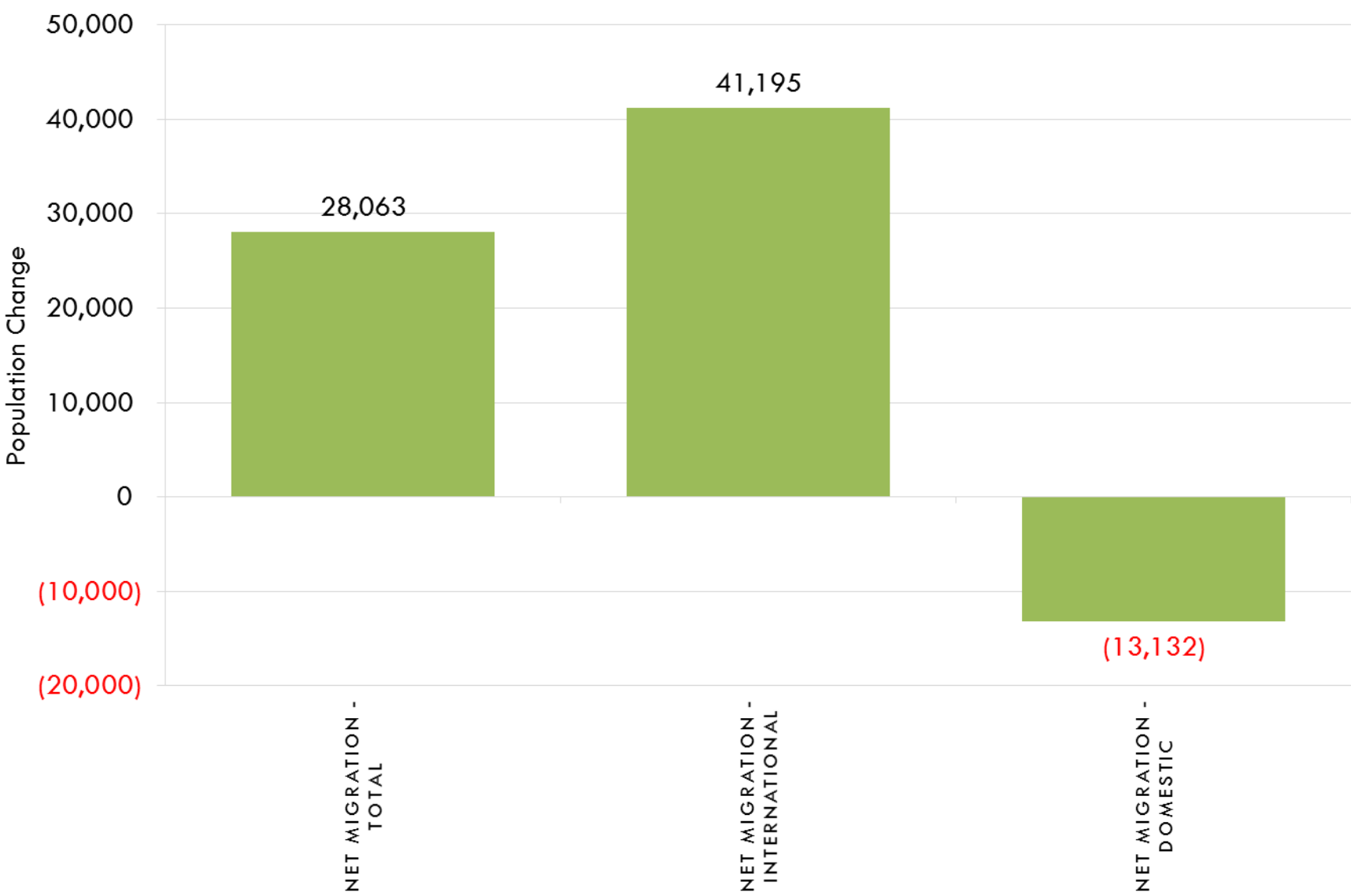


Source: ACS 2010-2014

PERCENT CHANGE IN HISPANIC/LATINO POPULATION 2005-2009, 2010-2014



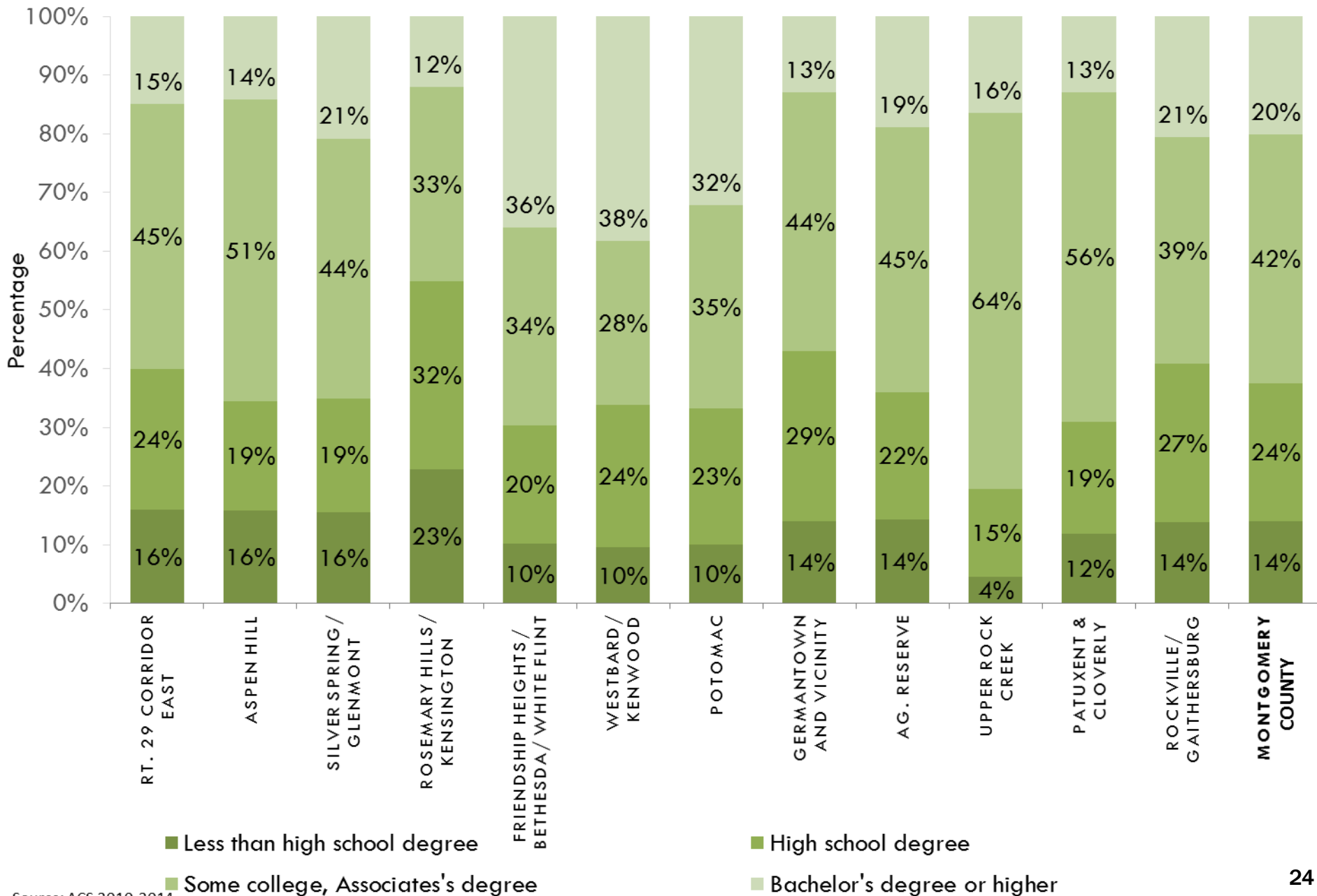
NET TOTAL MIGRATION, MONTGOMERY COUNTY 2010-2014



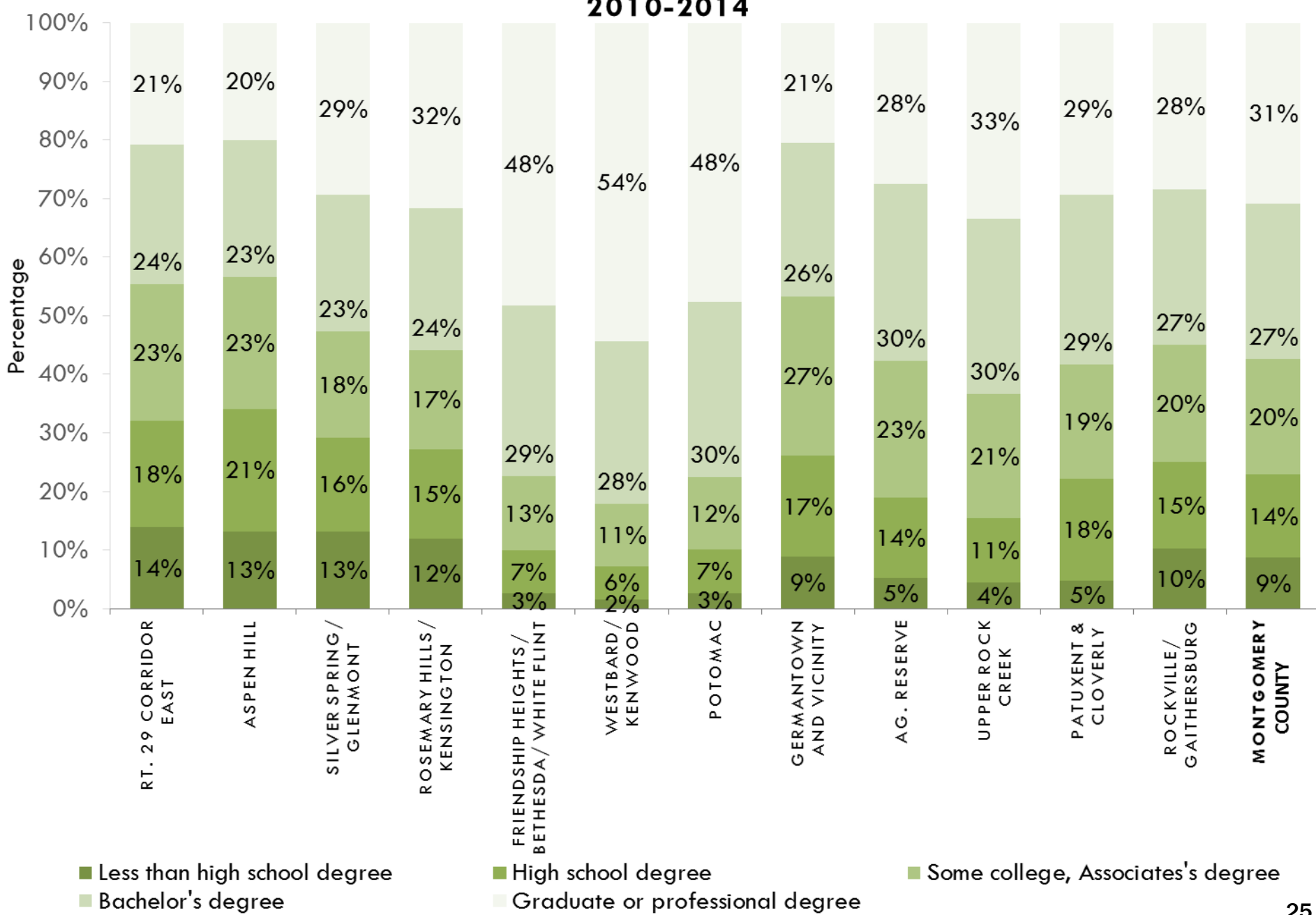
Source: Components of Population Change ACS 2010-2014

EDUCATION ATTAINMENT: POPULATION 18 TO 24 YEARS OLD 2010-2014

Figure 11

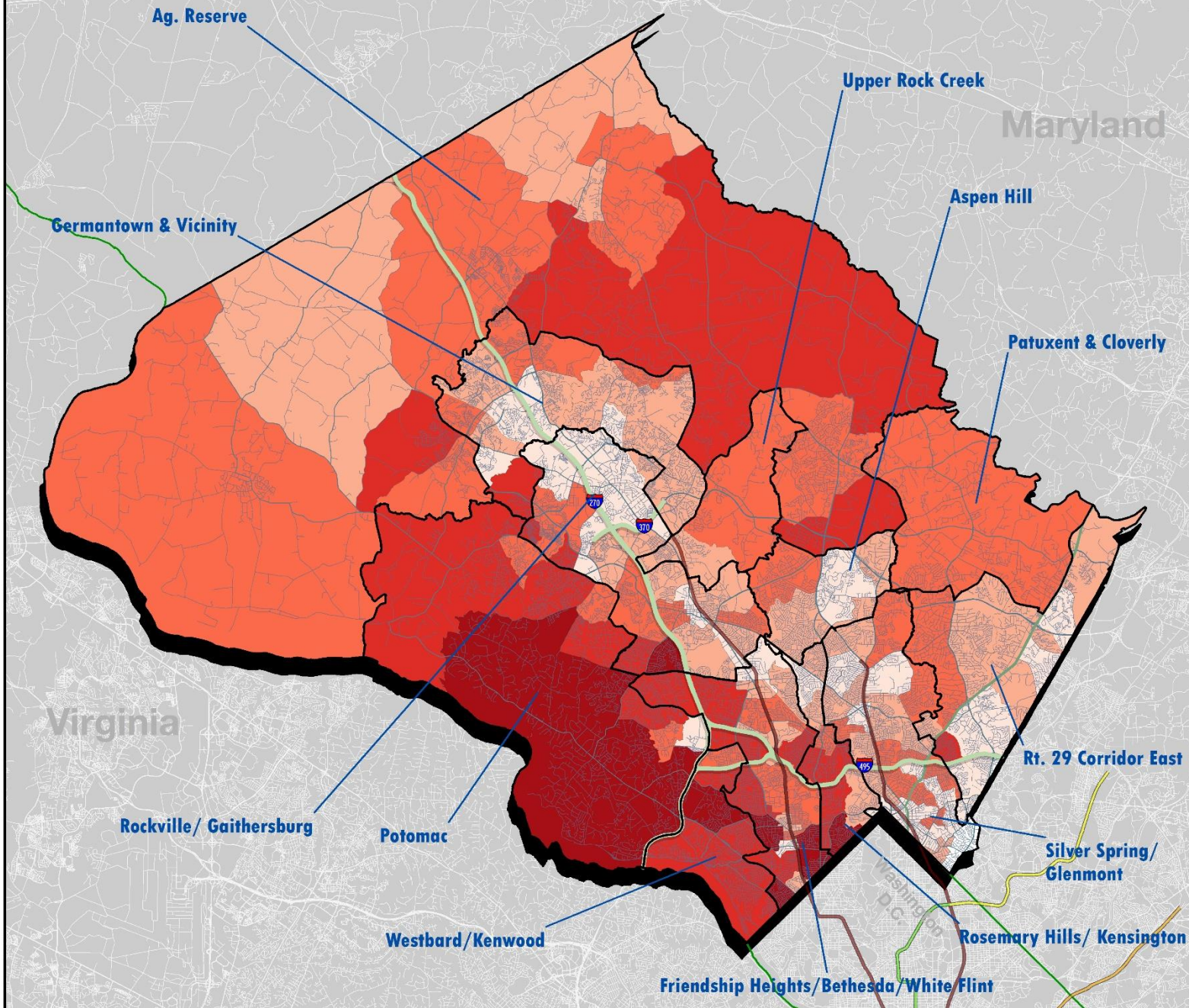


EDUCATION ATTAINMENT: POPULATION 25 YEARS AND OVER
2010-2014



Source: ACS 2010-2014

Map 3



Median Income by Census Tract

Montgomery County, MD

	\$45,887 - \$75,272
	\$75,272 - \$105,865
	\$105,865 - \$143,788
	\$143,788 - \$195,341
	\$195,341 - \$250,000

Subdistrict Boundary

- Interstate
- U.S. Highway
- State Route
- Neighborhood Street

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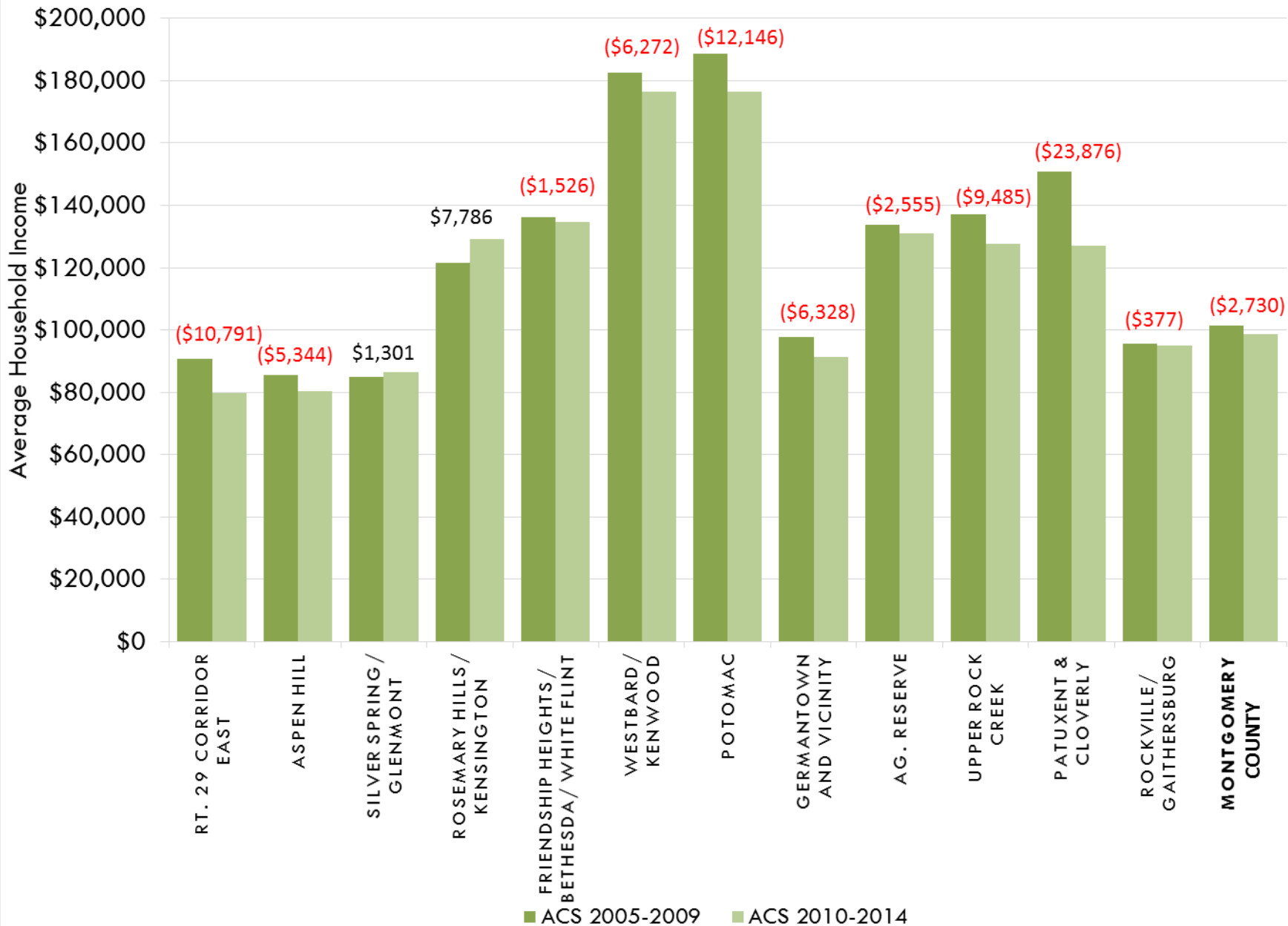
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Date: 2/21/2016
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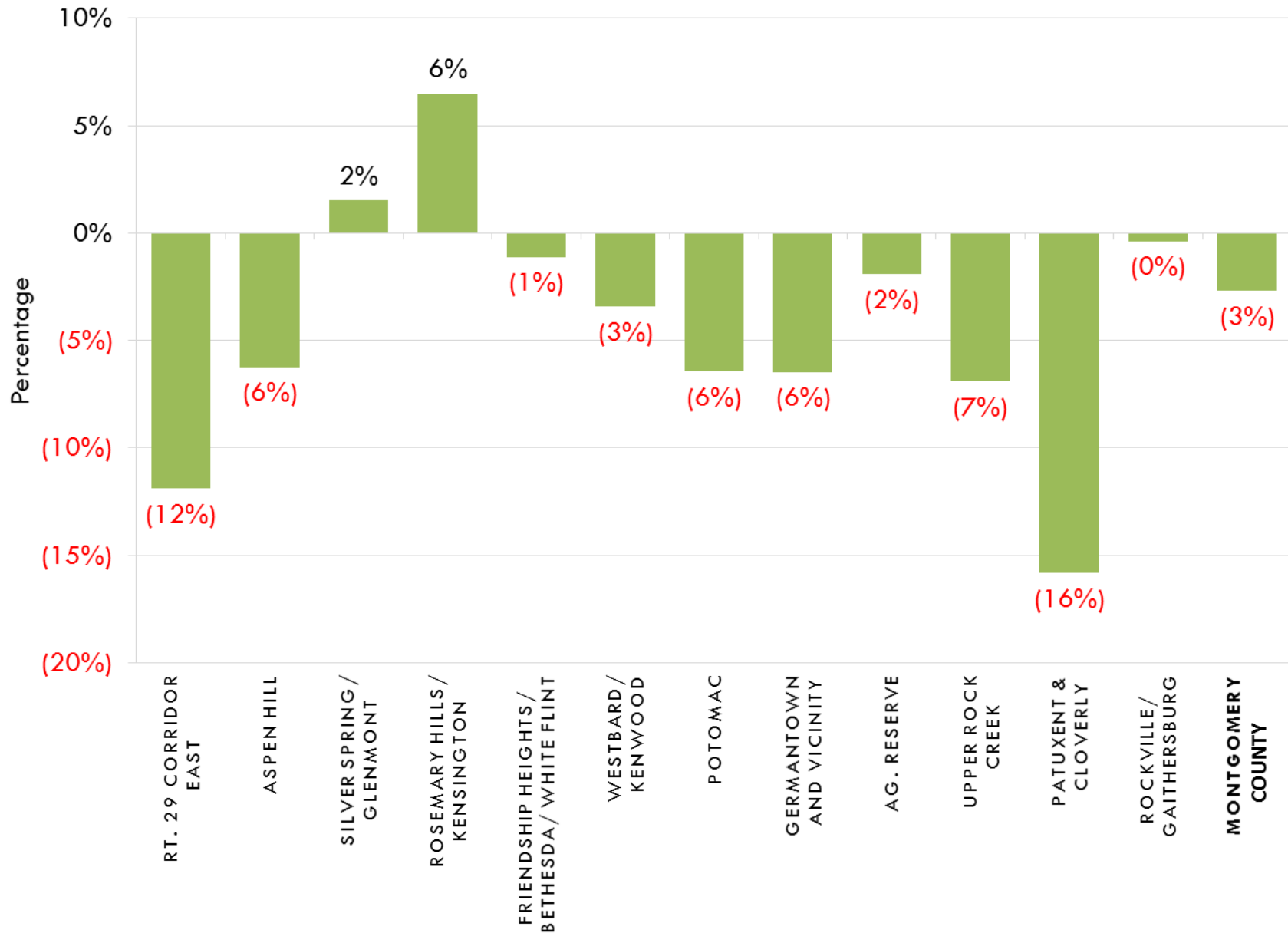


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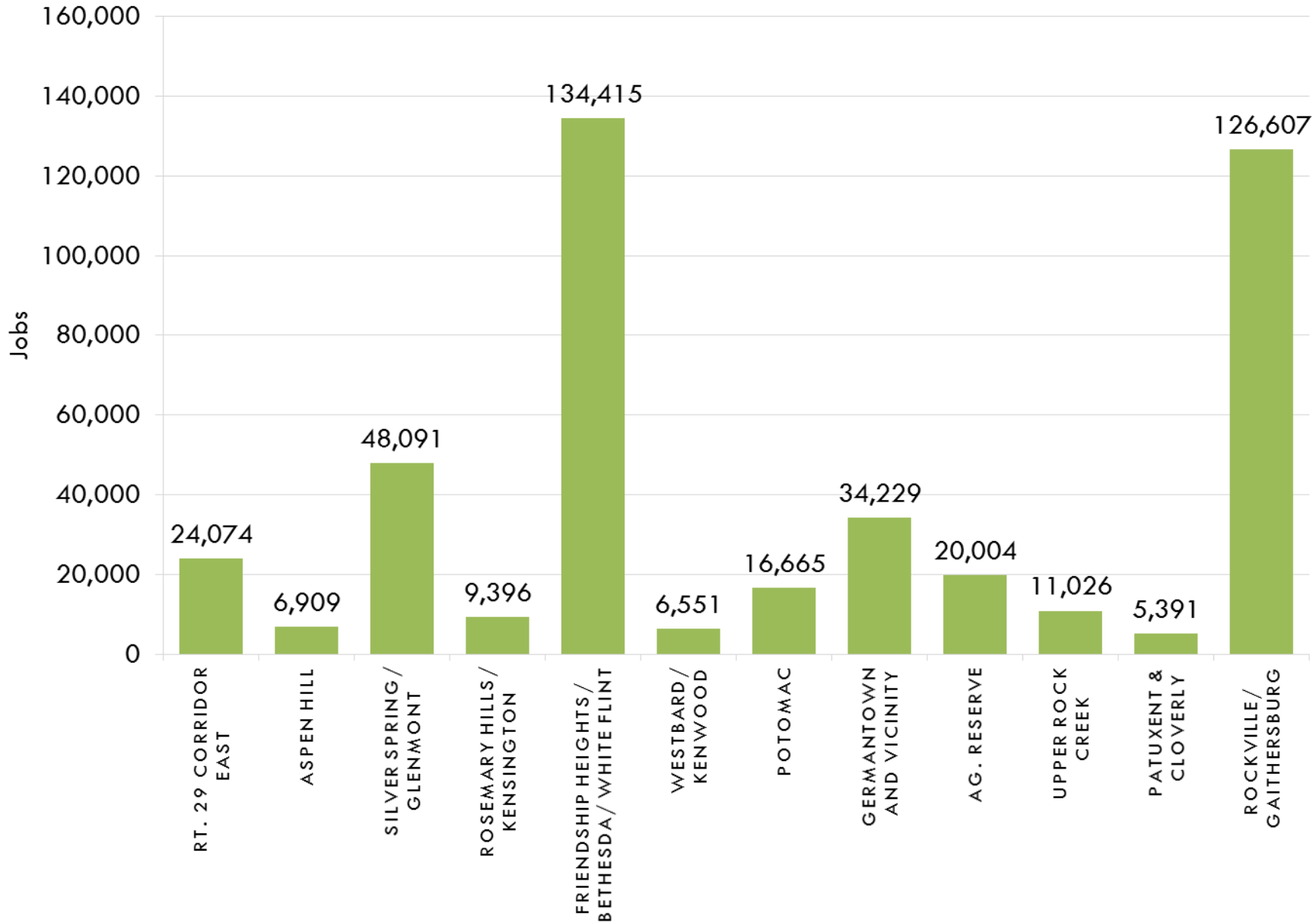
AVERAGE HOUSEHOLD INCOME (ADJUSTED TO 2014 DOLLARS) 2005-2009, 2010-2014



AVERAGE HOUSEHOLD INCOME (ADJUSTED TO 2014 DOLLARS) PERCENT CHANGE 2005-2009, 2010-2014



TOTAL AT PLACE EMPLOYMENT BY SUBAREA 2013

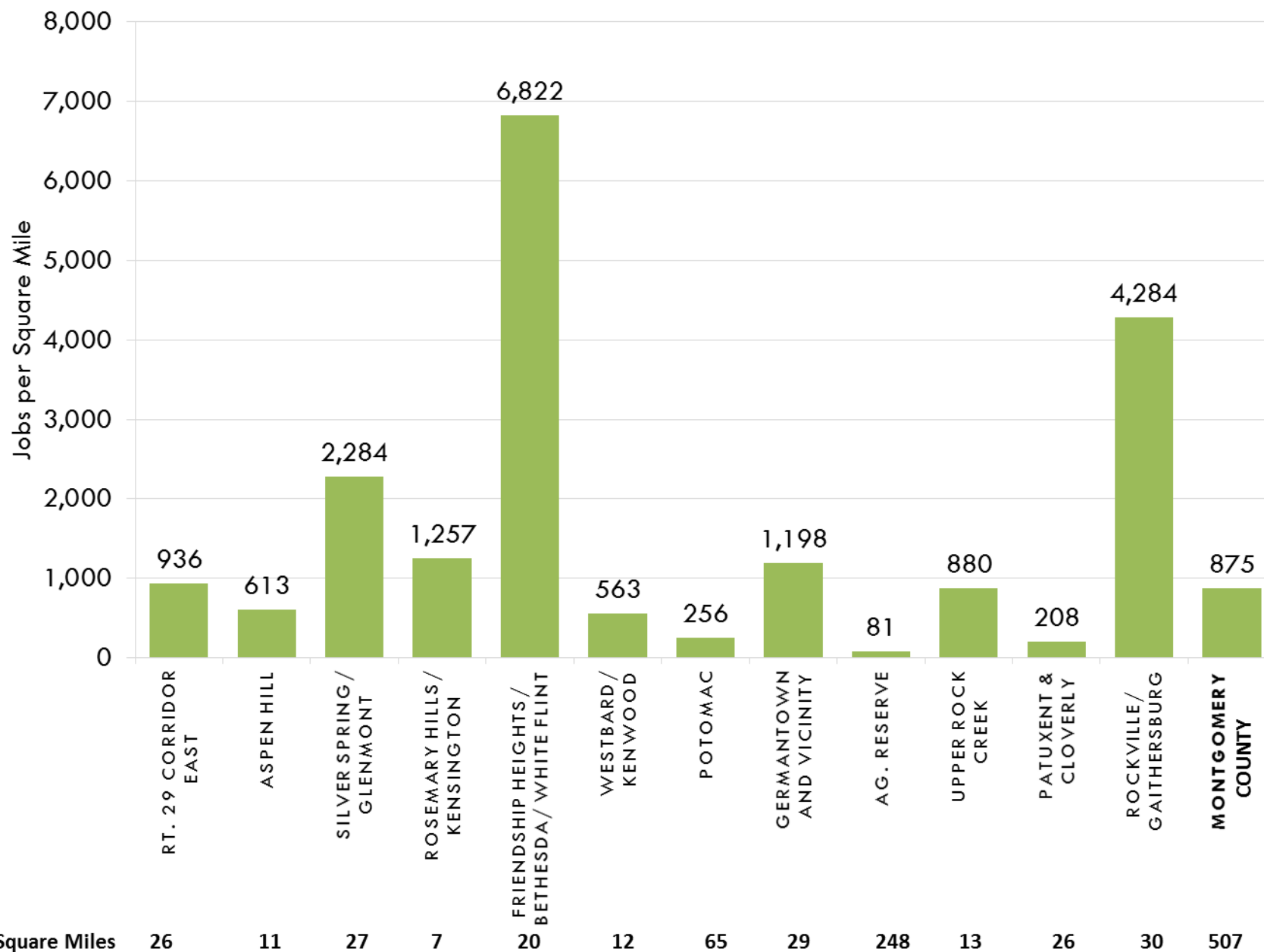


Note: Total at place employment encompasses all employment sectors, including public administration

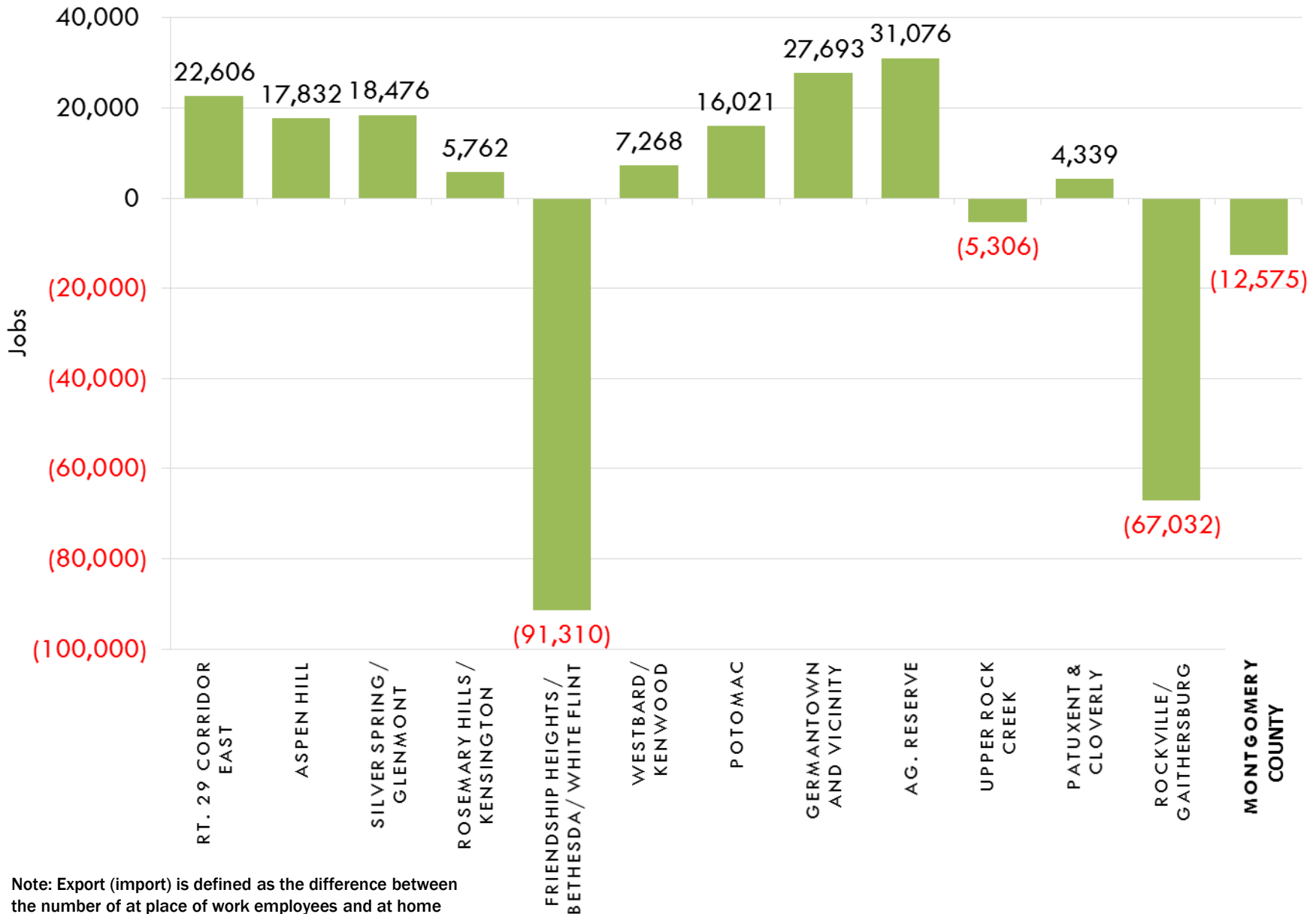
Source: OnTheMap 2013

TOTAL AT PLACE EMPLOYMENT DENSITY BY SUBAREA PER SQ. MI. 2013

Figure 16



TOTAL EMPLOYMENT EXPORT (IMPORT) BY SUBAREA 2013



Note: Export (import) is defined as the difference between the number of at place of work employees and at home work employees

Source: OnTheMap 2013

KEY FINDINGS

- **Population and households data indicate urban/rural dichotomy in development patterns**
 - Development more intense inside ICC and along I-270
 - Inner Beltway “suburban communities” not so suburban
- **Settlement patterns defined by preference, income**
 - Younger persons clustering near transit areas
 - Seniors seeking more affluent, suburban locations
- **County population diverse and still diversifying**
 - Foreign born residents make up substantial portion of County growth
 - County is a ‘majority minority’ community
 - Hispanic population increased nearly 38,000 people from 2009-2014, a percent increase of 27%
 - Concentrated growth in most affordable/transit-focused areas

KEY FINDINGS

- **Strong correlation between education and income**
 - Comparatively high attainment in every subarea (driving costs)
 - Most expensive areas of County have highest education levels
- **Real household income has not kept pace with Consumer Price Index**
 - Income in County has gone down, on average
 - Only two subareas experienced real income growth 2009-2014
 - Impacts affordability for the lowest incomes the most
- **I-270 corridor is the employment center for the County**
 - More than 271,000 from Friendship Heights to Gaithersburg
 - Glenmont line substantially less employment
 - Government jobs substantial part of County employment
 - Almost 60,000 jobs on I-270 corridor
 - Employment centers import almost 160,000 workers each day (opportunity)

AFFORDABILITY ANALYSIS

AFFORDABILITY ANALYSIS

HUD HOUSEHOLD INCOME THRESHOLDS

Income Bands	Persons in Household		
	2	3	4
Extremely Low (30%) Income Limits	\$25,700	\$28,900	\$32,100
Very Low (50%) Income Limits	\$42,800	\$48,150	\$53,500
Low (80%) Income Limits	\$54,800	\$61,650	\$68,500
100% AMI	\$85,600	\$96,300	<i>\$107,000</i>
120% AMI	\$102,720	\$115,560	\$128,400

Source: HUD AMI 2014, DHCA, RKG

Note: U.S. Housing and Urban Development (HUD) defines area median income (AMI) as the 100% median for a four person household. For metropolitan Washington DC (including Montgomery County) it is \$107,000. The analysis uses three person thresholds to reflect the median household size for Montgomery County renter households.

AFFORDABILITY ANALYSIS

CORRESPONDING RENT THRESHOLDS

Income Bands	Persons in Household		
	2	3	4
Extremely Low (30%) Income Limits	\$643	\$723	\$803
Very Low (50%) Income Limits	\$1,070	\$1,204	\$1,338
Low (80%) Income Limits	\$1,370	\$1,541	\$1,713
100% AMI	\$2,140	\$2,408	\$2,675
120% AMI	\$2,568	\$2,889	\$3,210

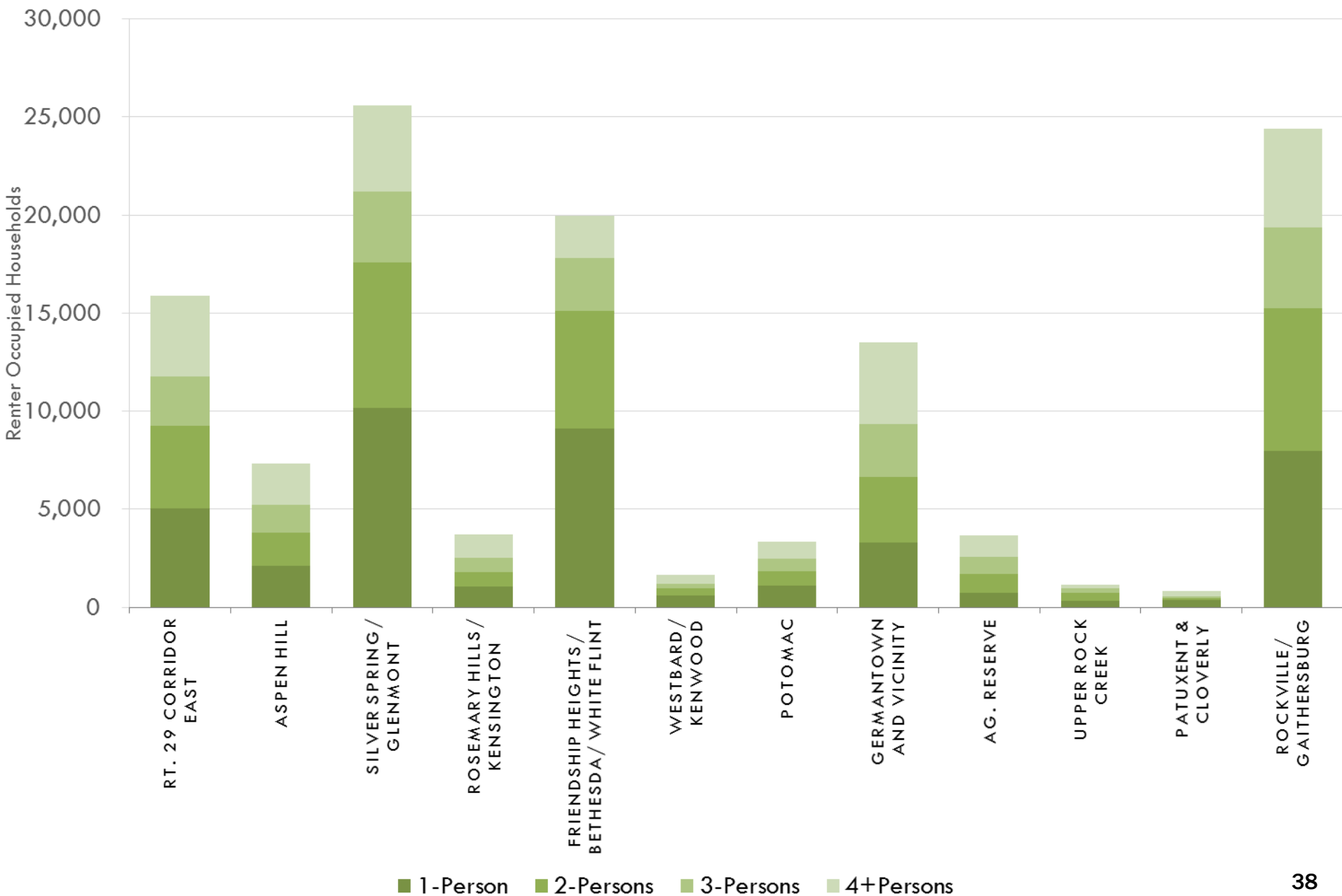
Source: HUD AMI 2014, DHCA, RKG

Note: Rent thresholds are calculated as 30% of gross income. The County's Moderately Priced Dwelling Unit (MPDU) thresholds are established at 65% of the HUD median for a four person household, which is close to the 80% of AMI for a three person household.

RENTAL HOUSING DEMAND ANALYSIS

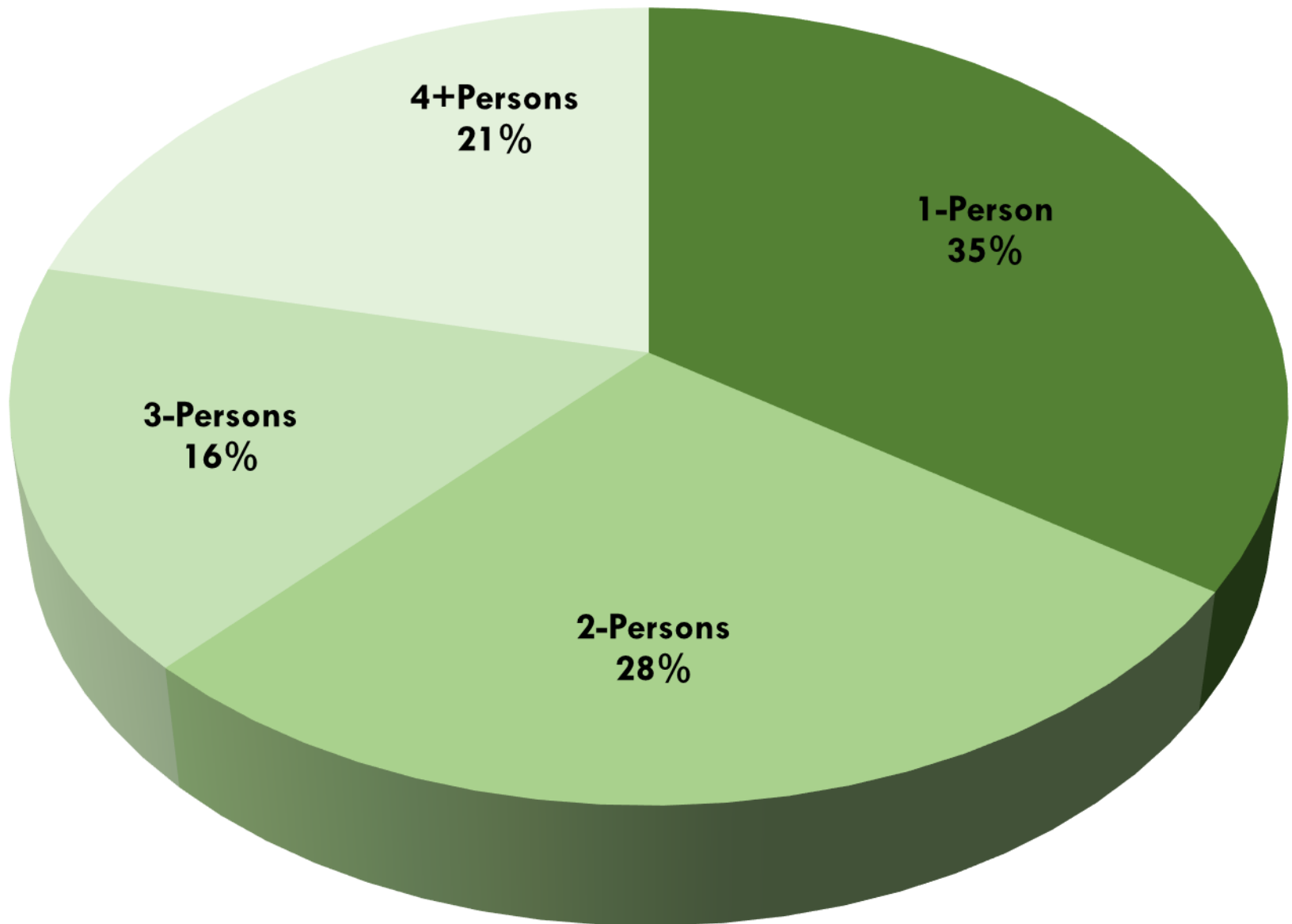
RENTER OCCUPIED HOUSEHOLDS, BY HOUSEHOLD SIZE 2010-2014

Figure 18

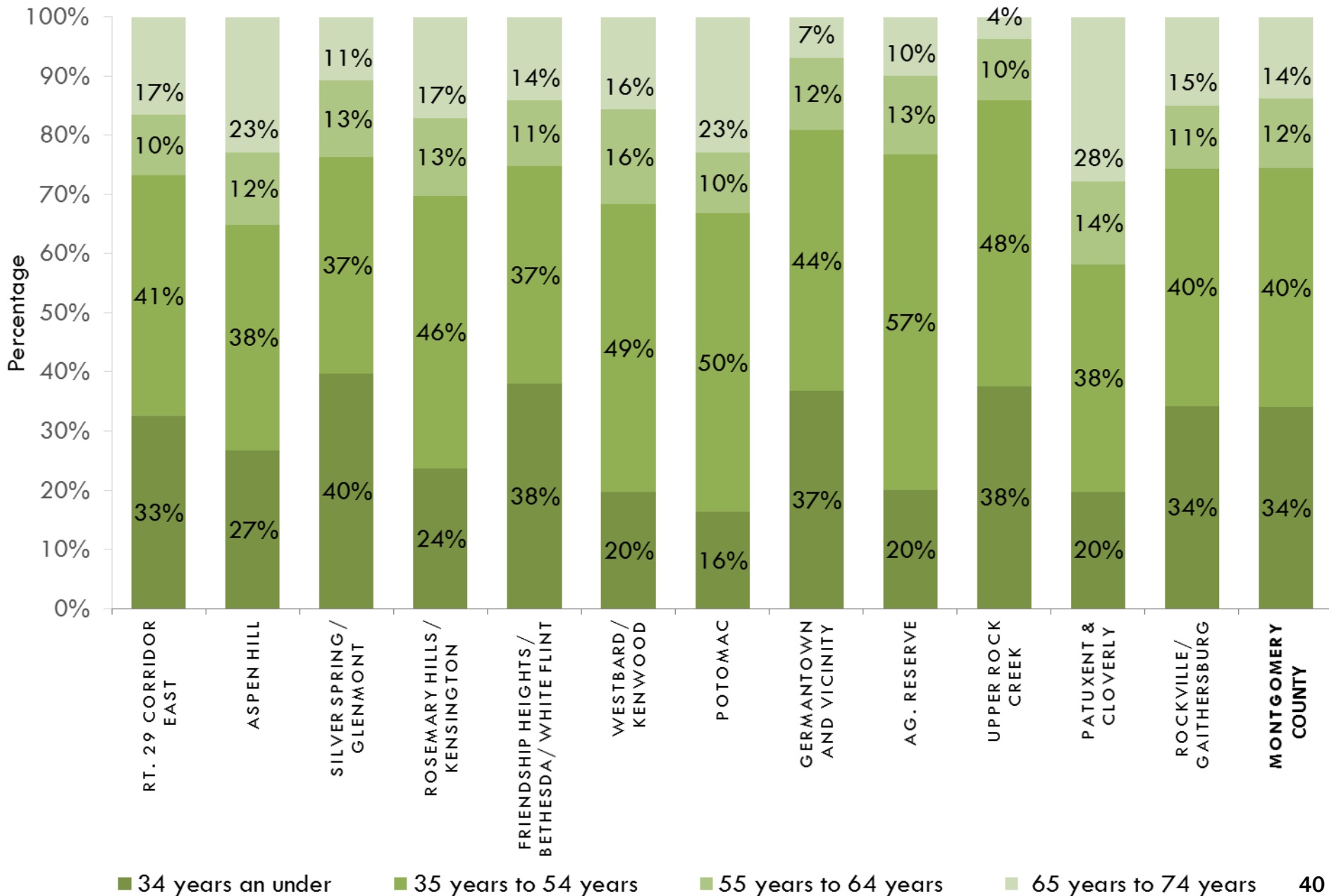


**RENTER OCCUPIED HOUSEHOLDS, BY HOUSEHOLD SIZE
MONTGOMERY COUNTY
2010-2014**

Figure 19

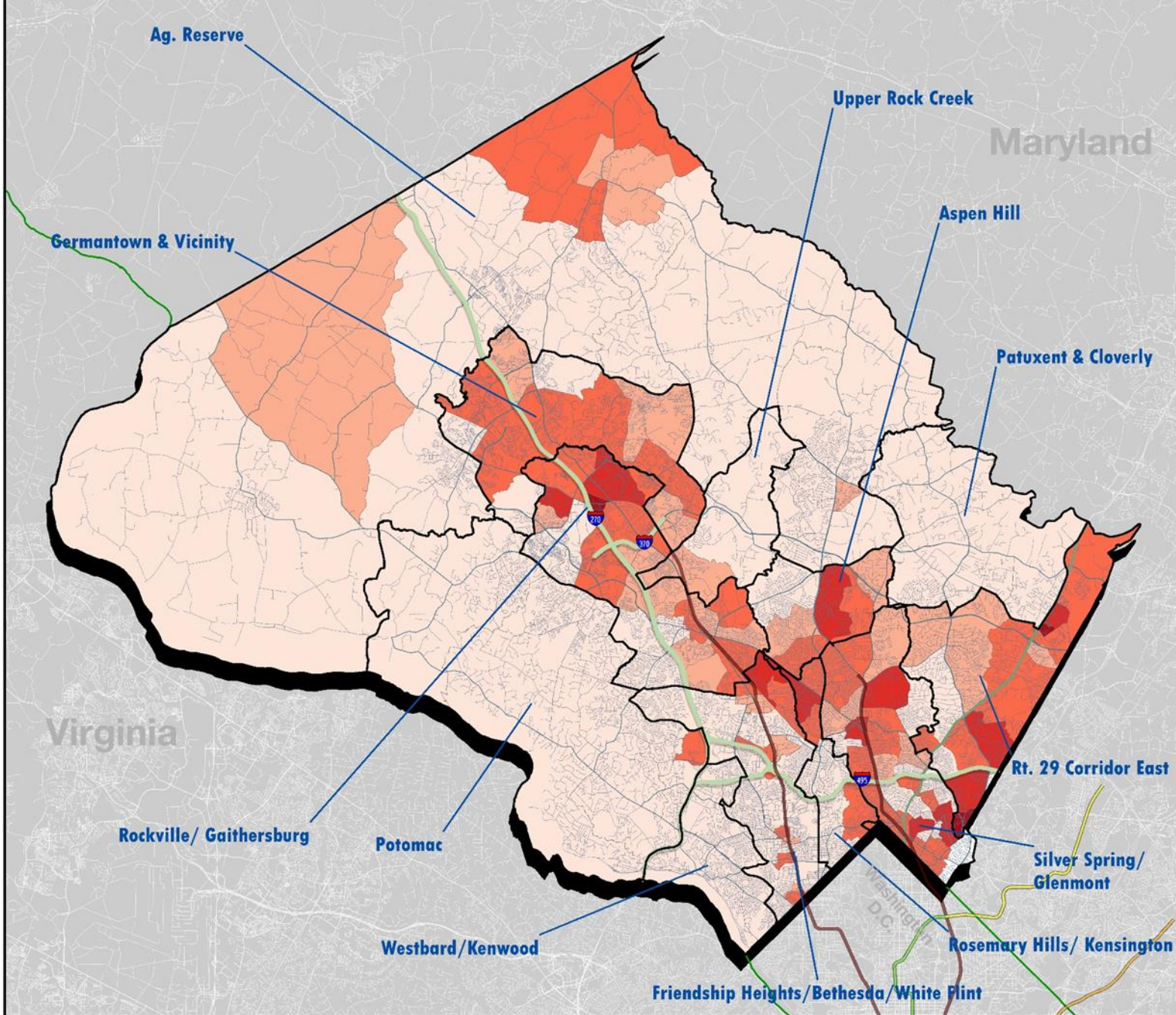


RENTER OCCUPIED HOUSING BY AGE OF HOUSEHOLDER 2010-2014



Source: ACS 2010-2014

Map 4



RKG
ASSOCIATES INC.



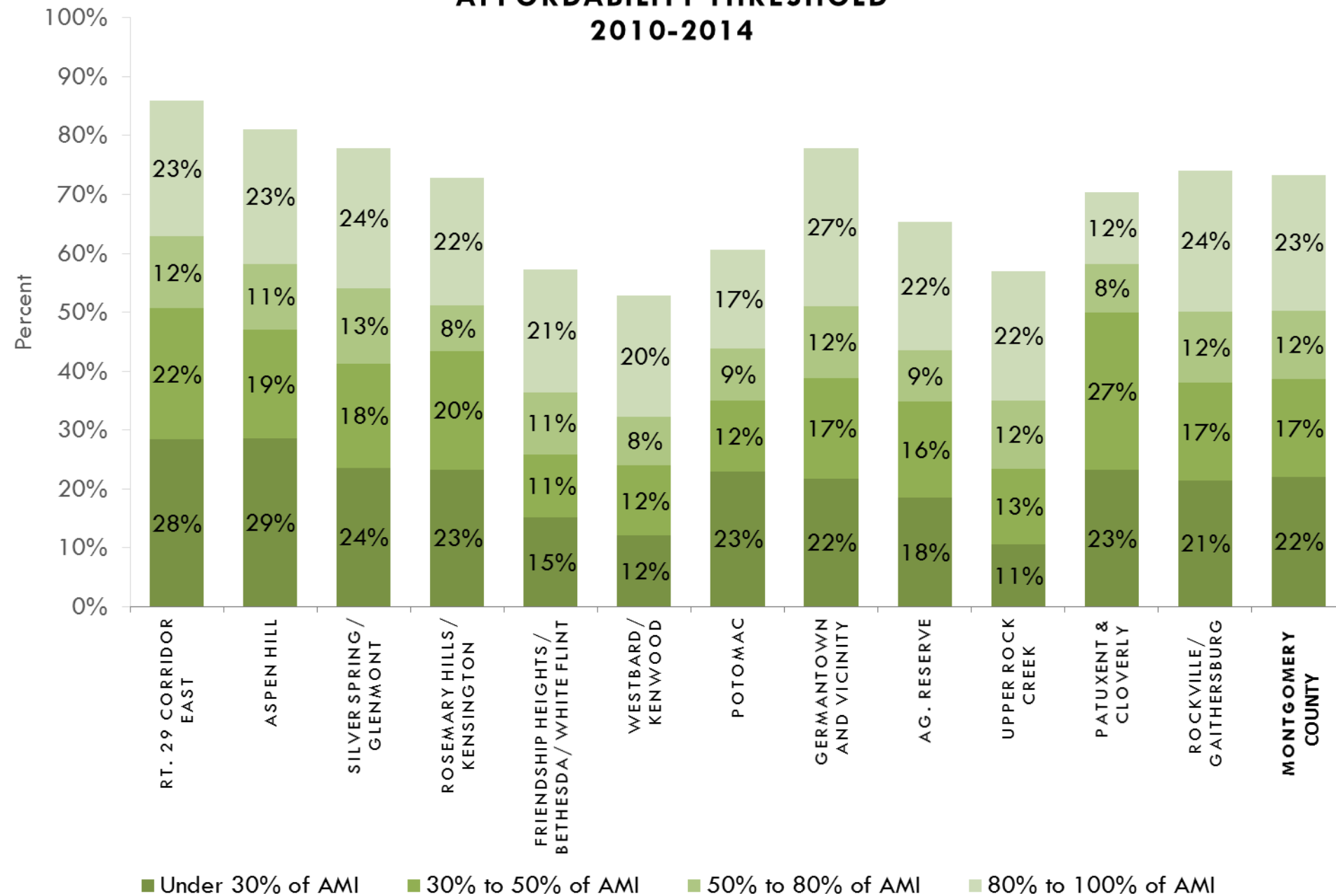
This map is for general planning purposes only. The data used to create the map are not adequate for making legal or zoning boundary determinations or delineating natural resource areas. Exercise caution when interpreting the information on this map.

Date: 1/22/2016
Source: ACS 10-14, MCDOT



0 1/2 3 Miles

RENTER HOUSEHOLDS EARNING BELOW MEDIAN INCOME, BY AFFORDABILITY THRESHOLD 2010-2014



KEY FINDINGS

■ Renter population more diverse than many other communities

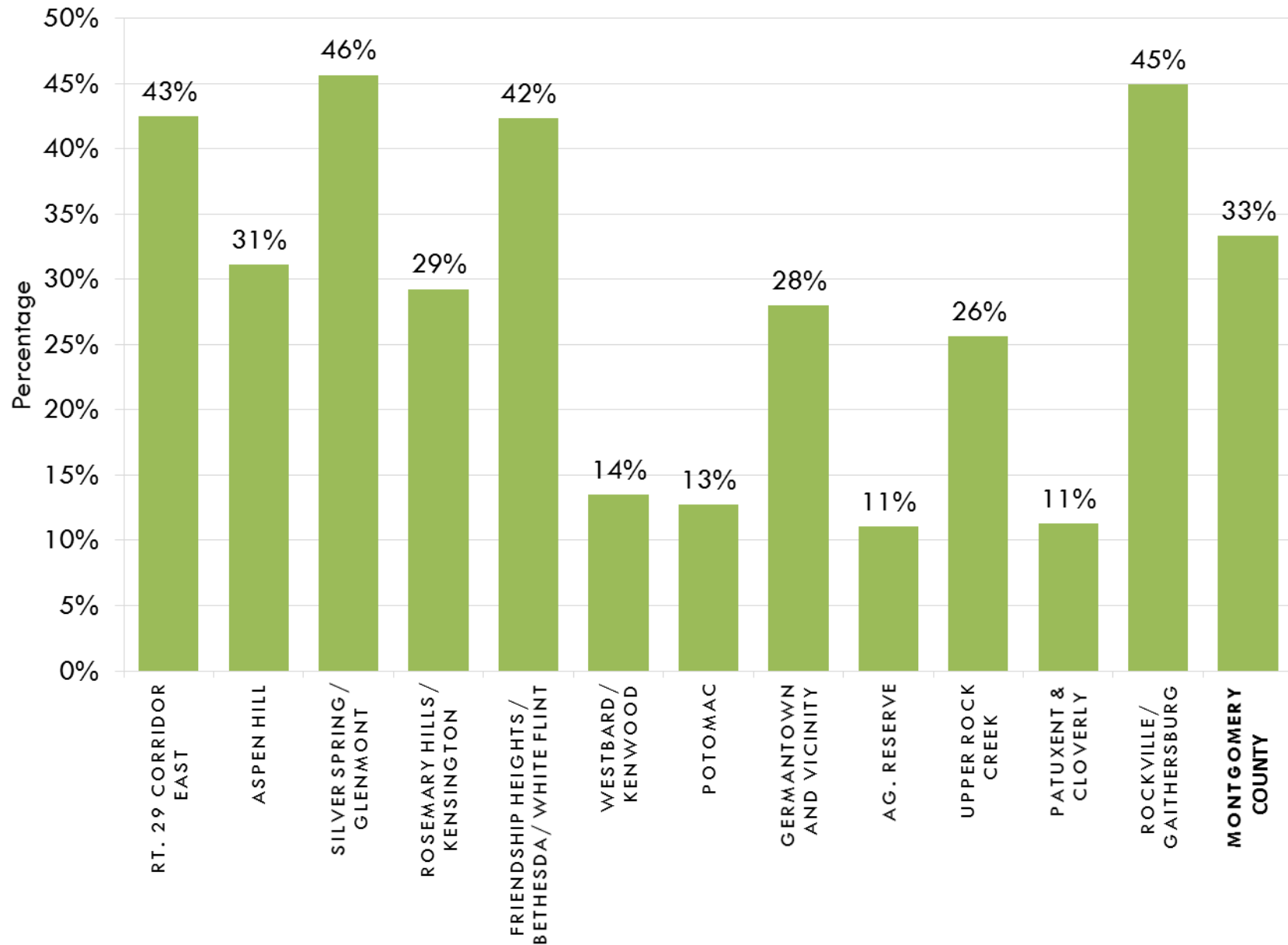
- 37% of rental households have 3+ persons
 - Influenced by mix of units by bedroom count
 - Transient nature of County/region (NIH, Federal government) increases renter demand from traditional ownership households
 - Contributes to conversion levels
- About 66% of renters over 35-years old
 - Active adult (55+) makes up 25%

■ Renter households more diverse income levels than owners

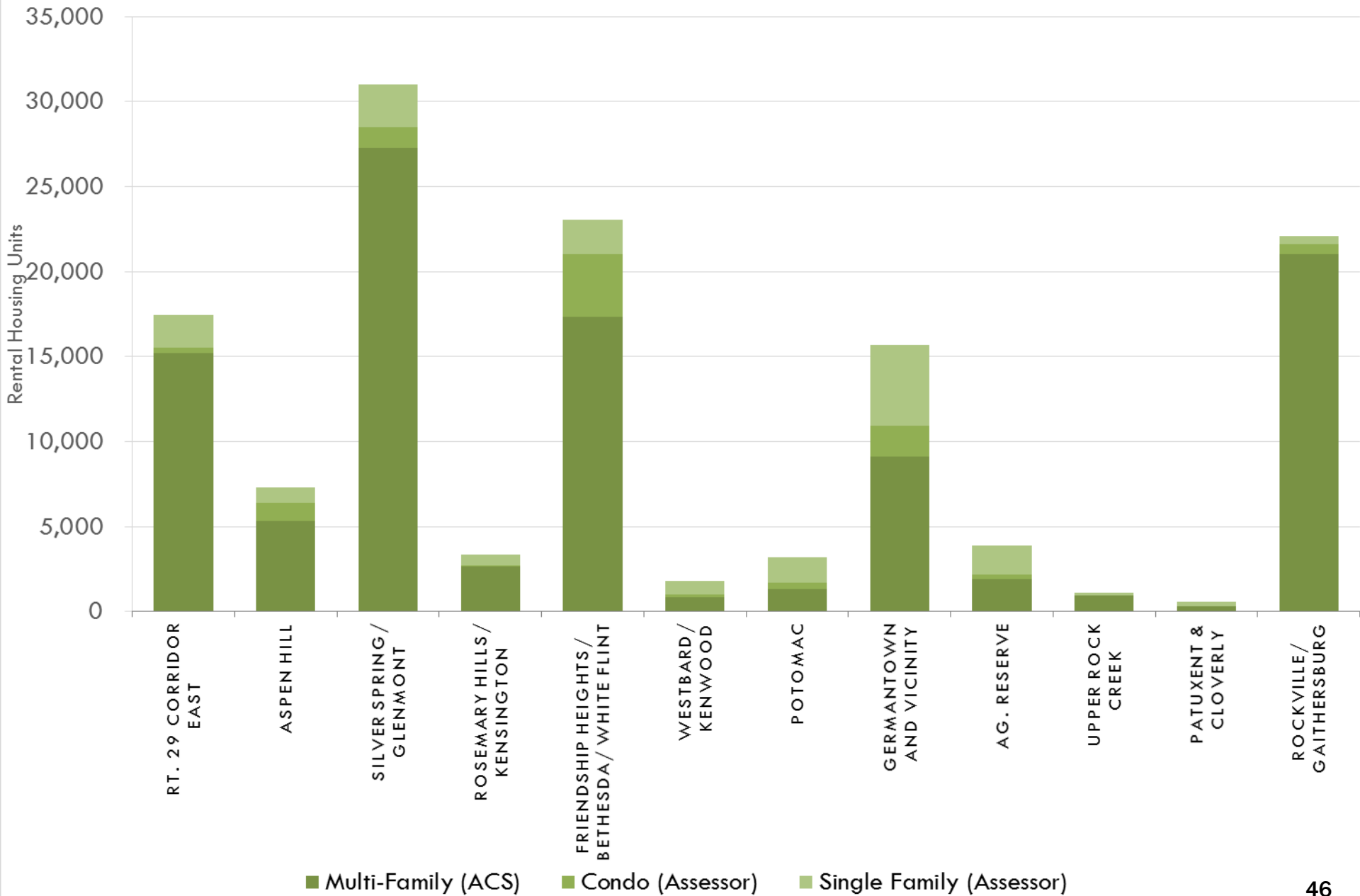
- More than 50% of renter households earn less than 100% of AMI
 - Some subareas have concentrations over 80% of low/moderate income HHs
- Households earning below 50% of AMI account for 38% of demand
 - 46,845 renter households

RENTAL HOUSING SUPPLY ANALYSIS

PERCENT OF HOUSING UNITS RENTER OCCUPIED 2010-2014

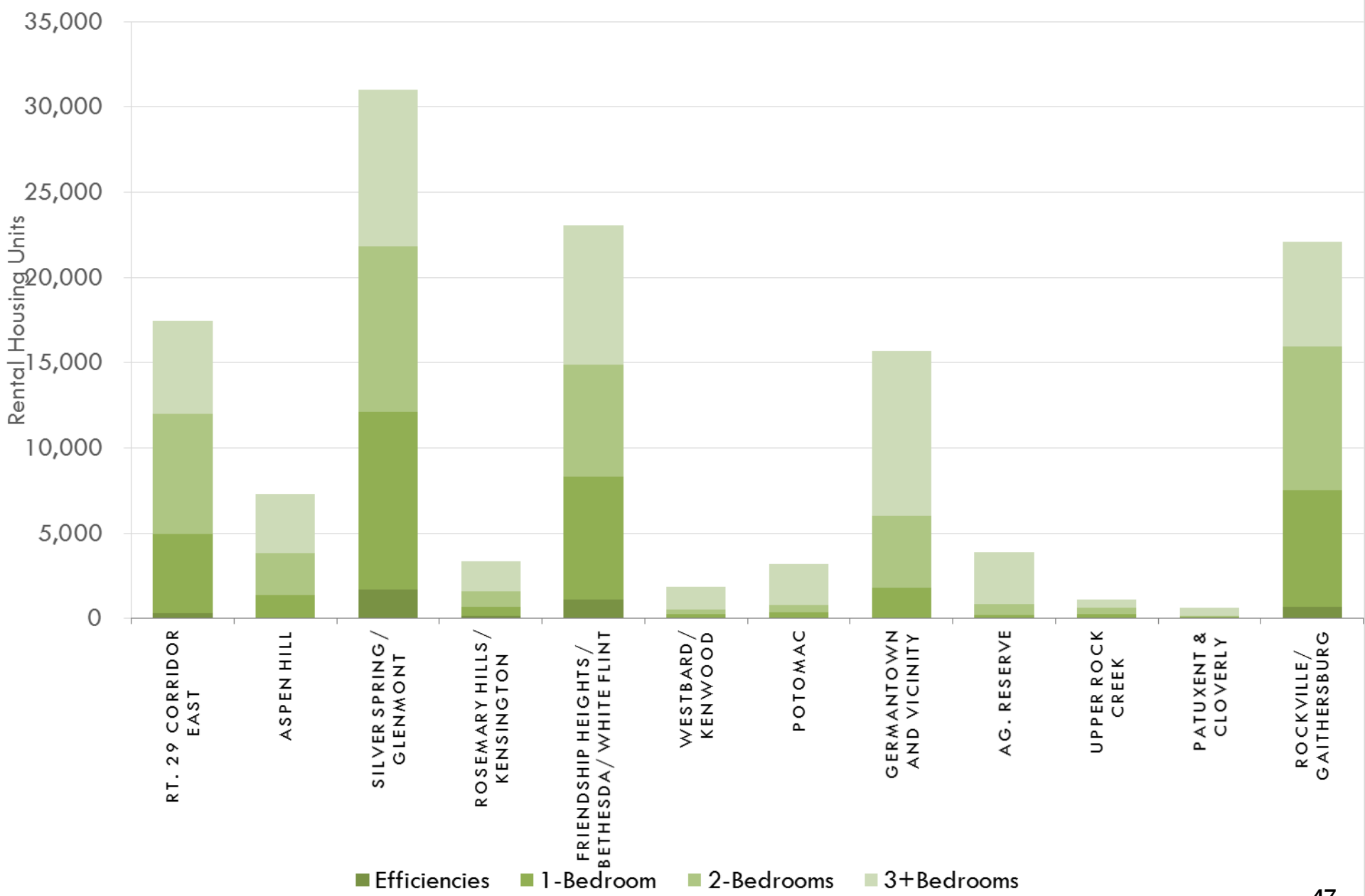


RENTAL HOUSING UNITS, BY TYPE 2014



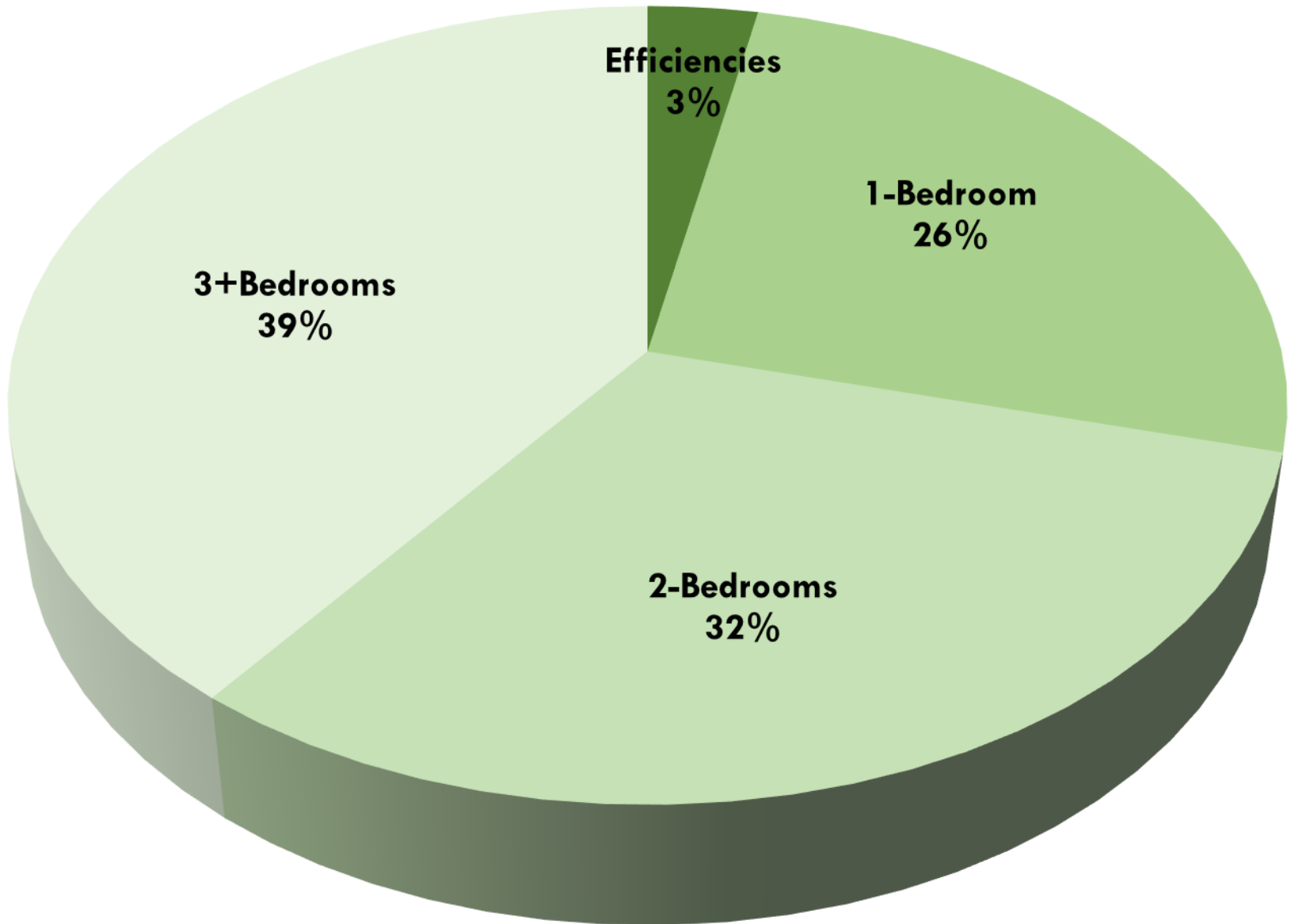
Source: 2014 County Assessment, 2014 County Rental Survey, ACS 2010-2014

RENTAL HOUSING UNITS, BY BEDROOM COUNT 2014

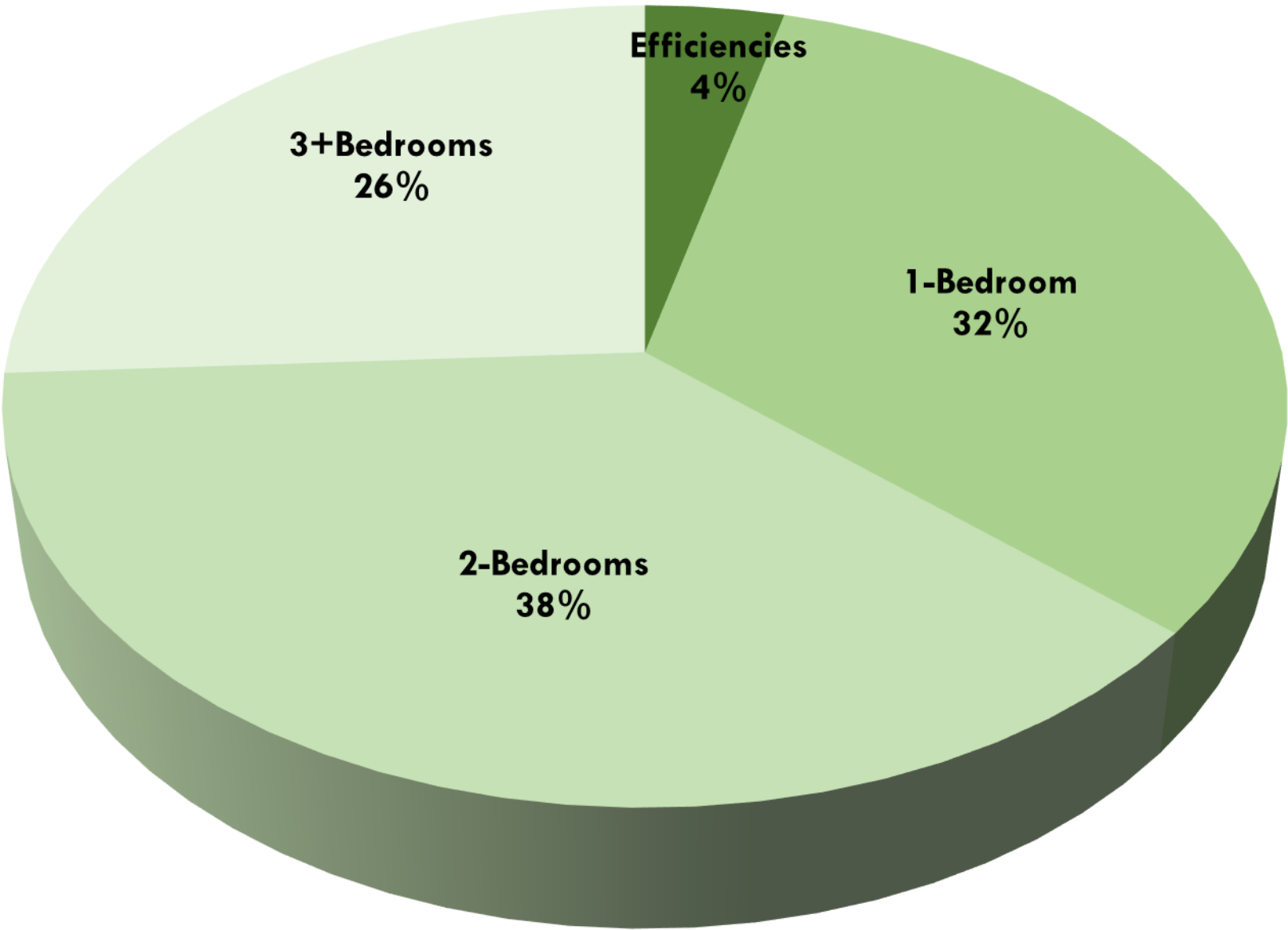


Source: 2014 County Assessment, 2014 County Rental Survey, ACS 2010-2014

RENTAL HOUSING UNITS, BY BEDROOM COUNT
ALL RENTAL UNITS
2014

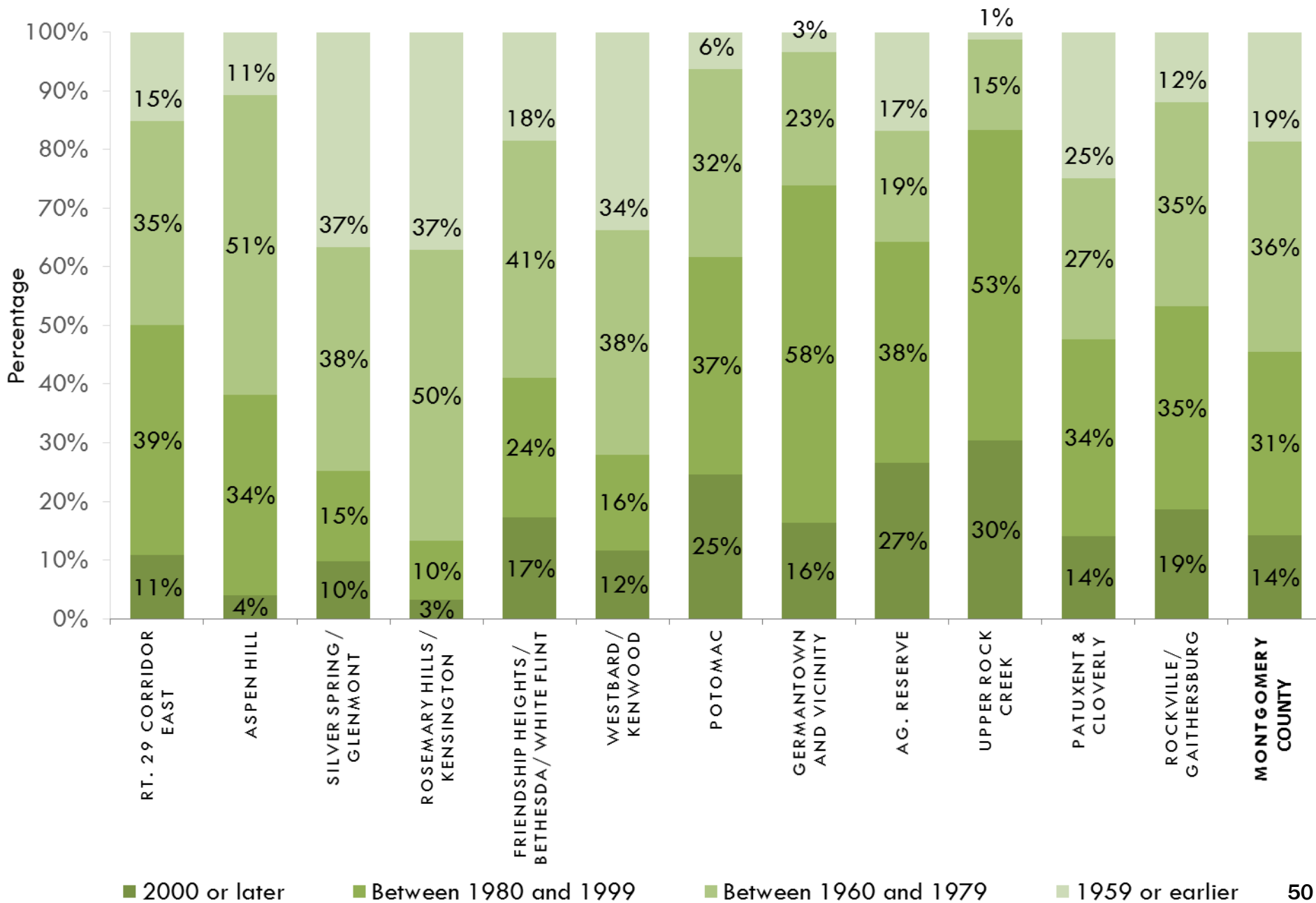


**RENTAL HOUSING UNITS, BY BEDROOM COUNT
APARTMENTS ONLY
2014**



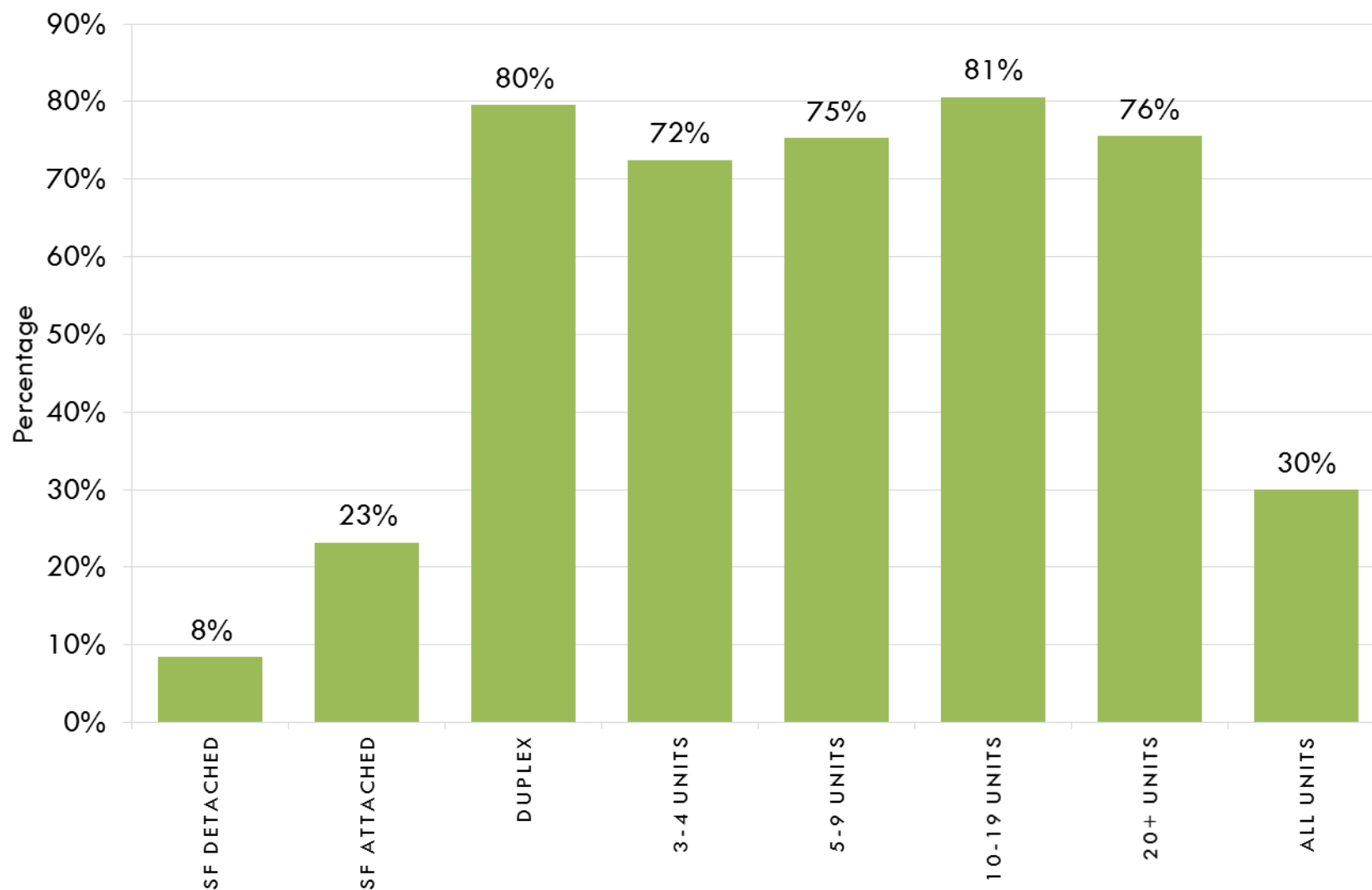
Source: 2014 County Assessment, 2014 County Rental Survey, ACS 2010-2014

YEAR BUILT **2008-2012**



PERCENT OF EACH UNIT TYPE BEING USED AS RENTAL HOUSING 2014

Figure 28



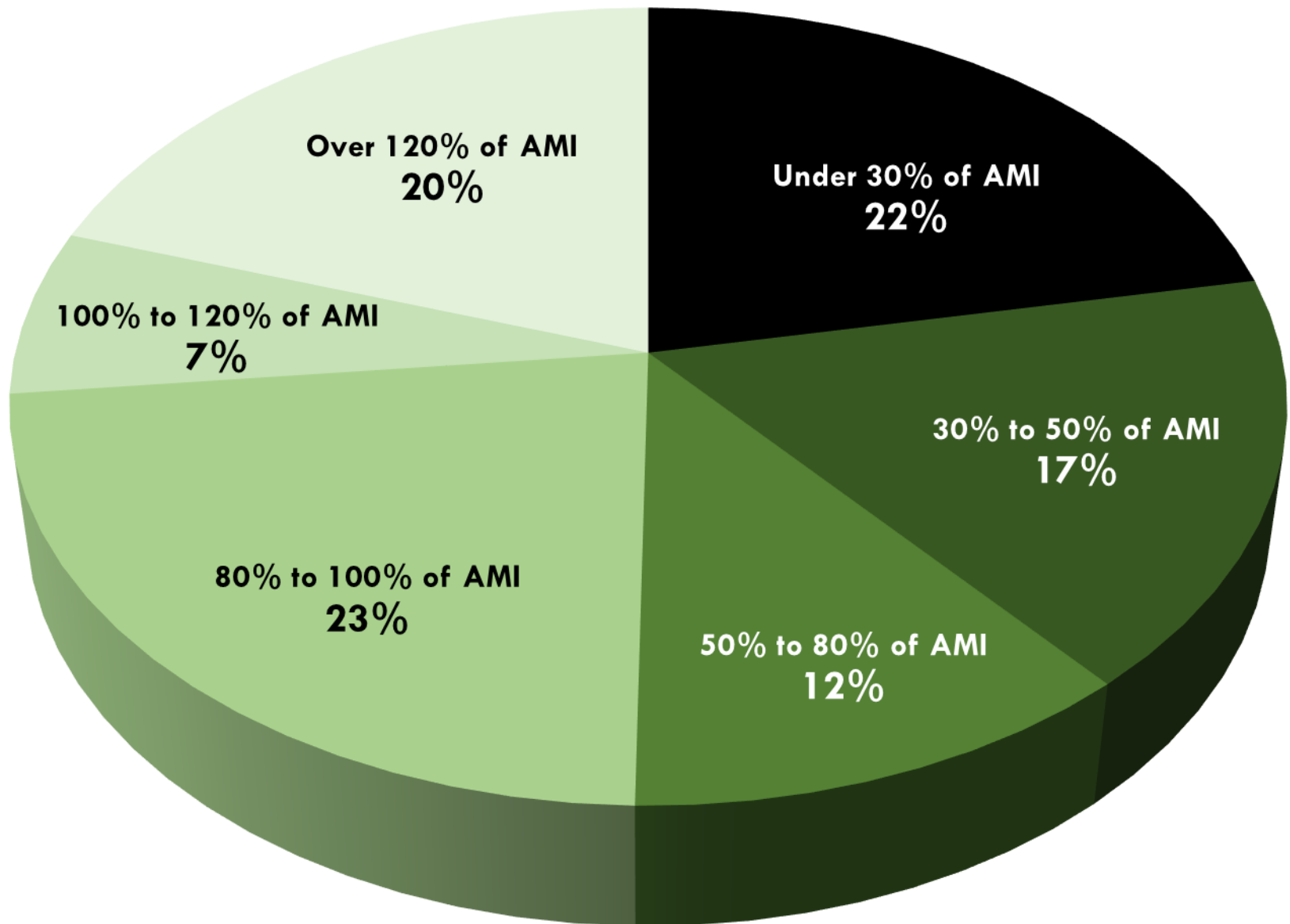
KEY FINDINGS

- **Rental housing accounts for 30% all units in County**
 - Concentrated on Metro lines and employment centers
 - Conversions highest in older, inner-Beltway and high employment areas
 - Glenmont subarea high concentration away from employment
- **Employment/transit corridors have greatest conversion supply**
 - Silver Spring/Glenmont and Friendship Heights/Bethesda/White Flint lines
 - Germantown has affordable conversion concentration (townhomes)
- **County rental supply has high concentrations of large units**
 - Almost 40% are 3+ bedroom units (conversions)
 - More than 25% with only apartments
 - Concentrated in older properties
 - Only 14% of County supply constructed since 2000
 - 55% built prior to 1980
 - Existing resident displacement concern if redevelopment becomes precedent approach

ANALYSIS RESULTS

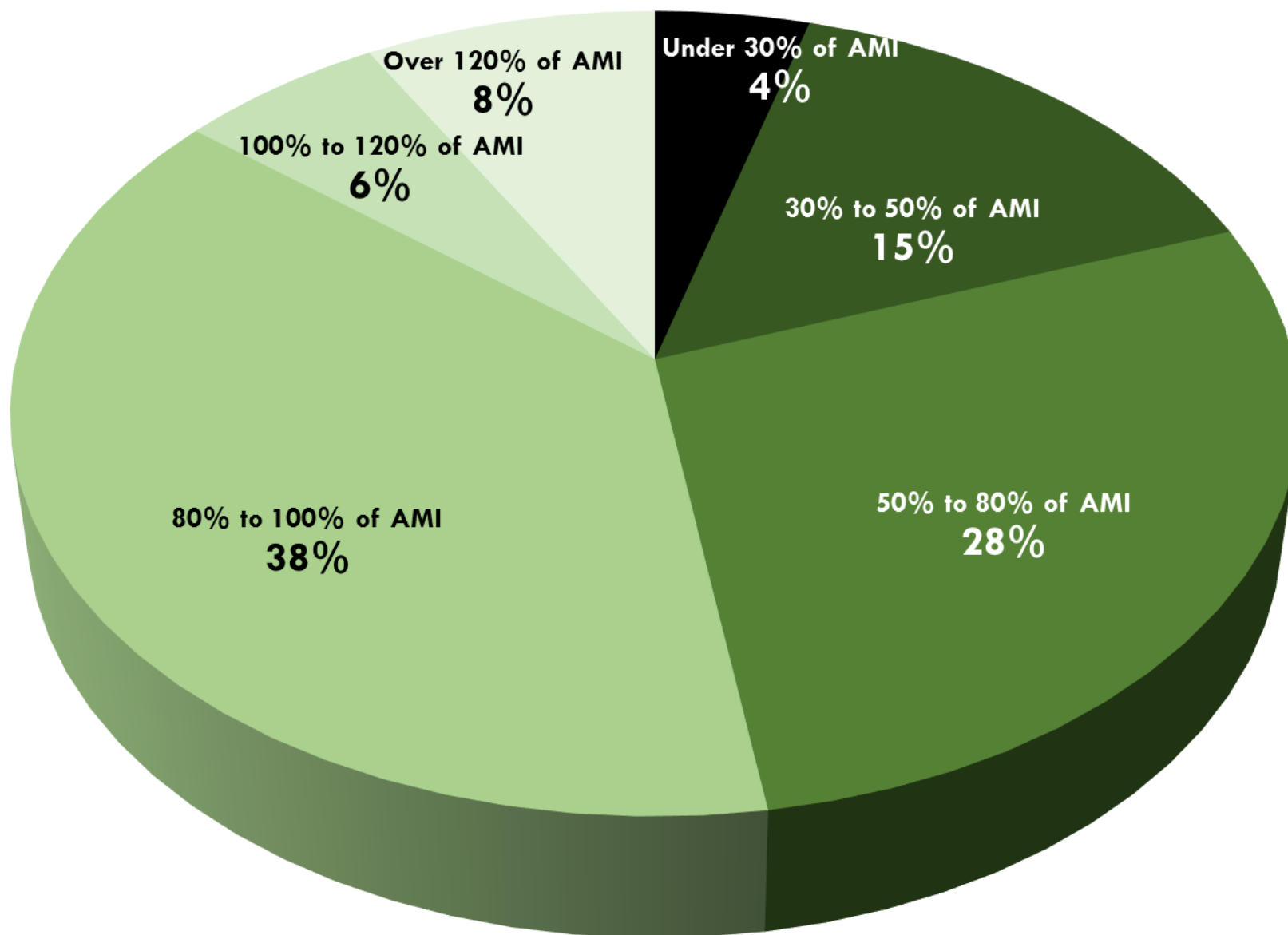
RENTAL HOUSING DEMAND, BY AFFORDABILITY THRESHOLD 2010-2014

Figure 29

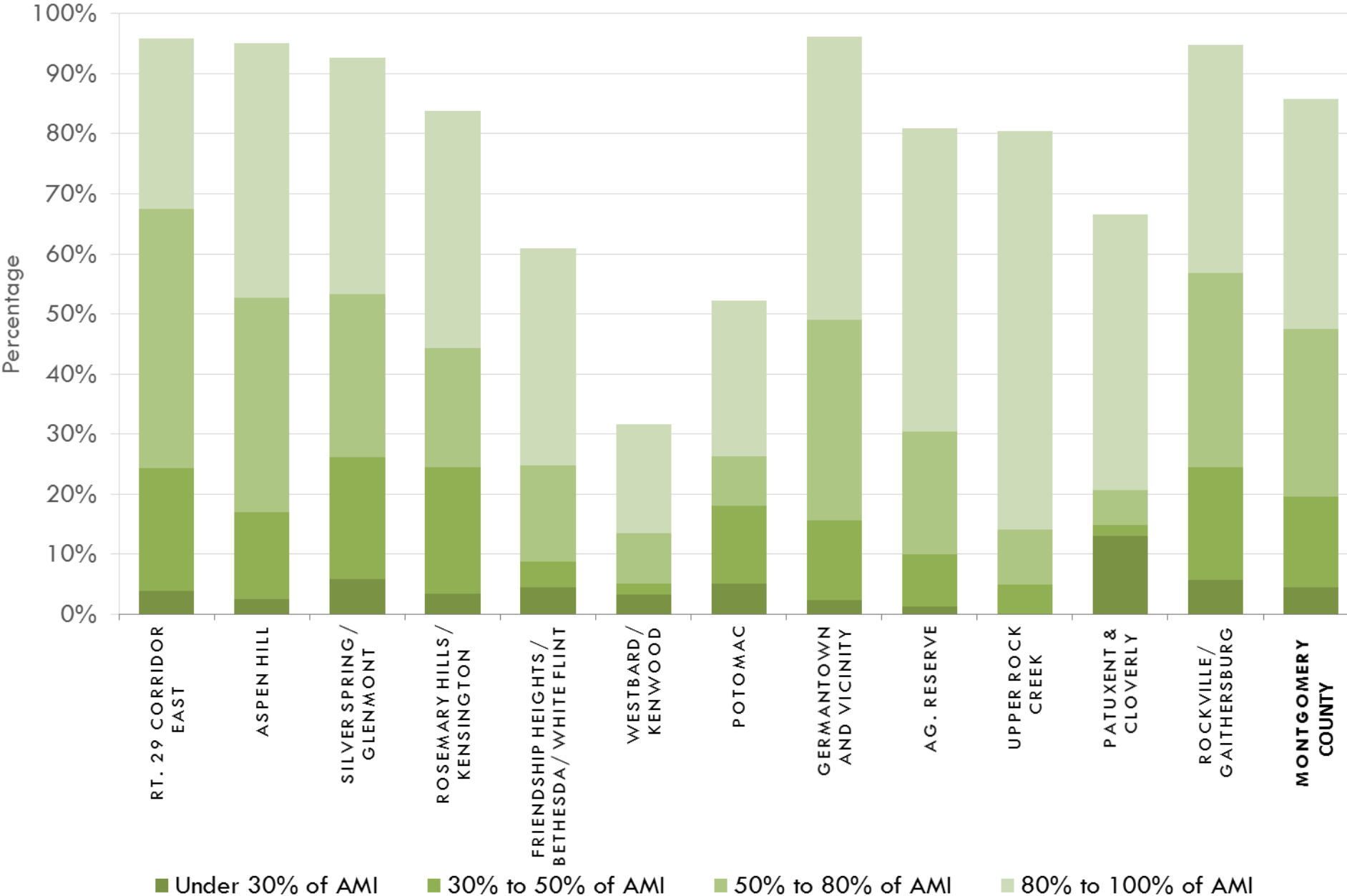


RENTAL HOUSING SUPPLY, BY AFFORDABILITY THRESHOLD 2014

Figure 30

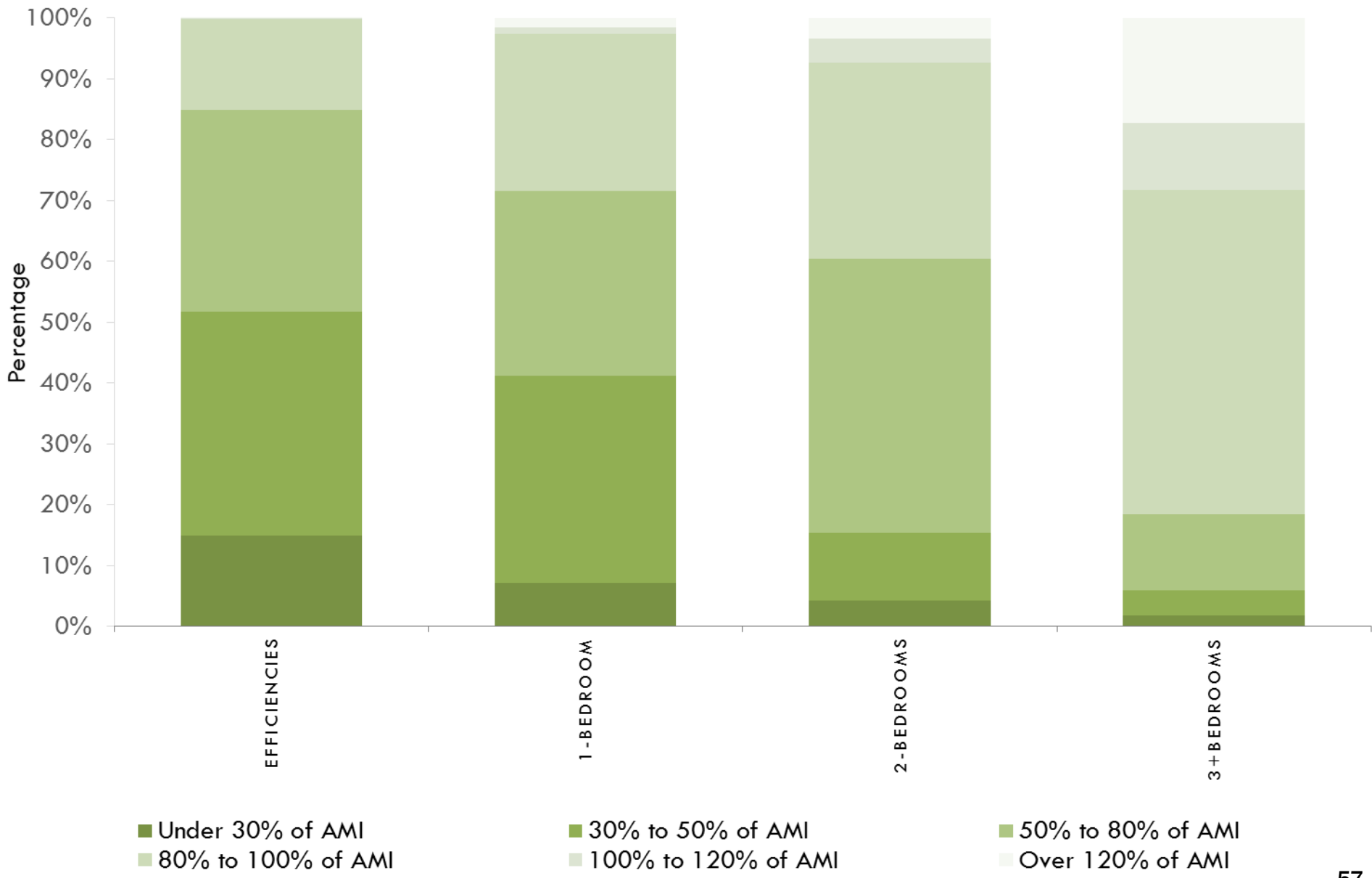


RENTAL HOUSING AFFORDABILITY, BY INCOME THRESHOLD 2014



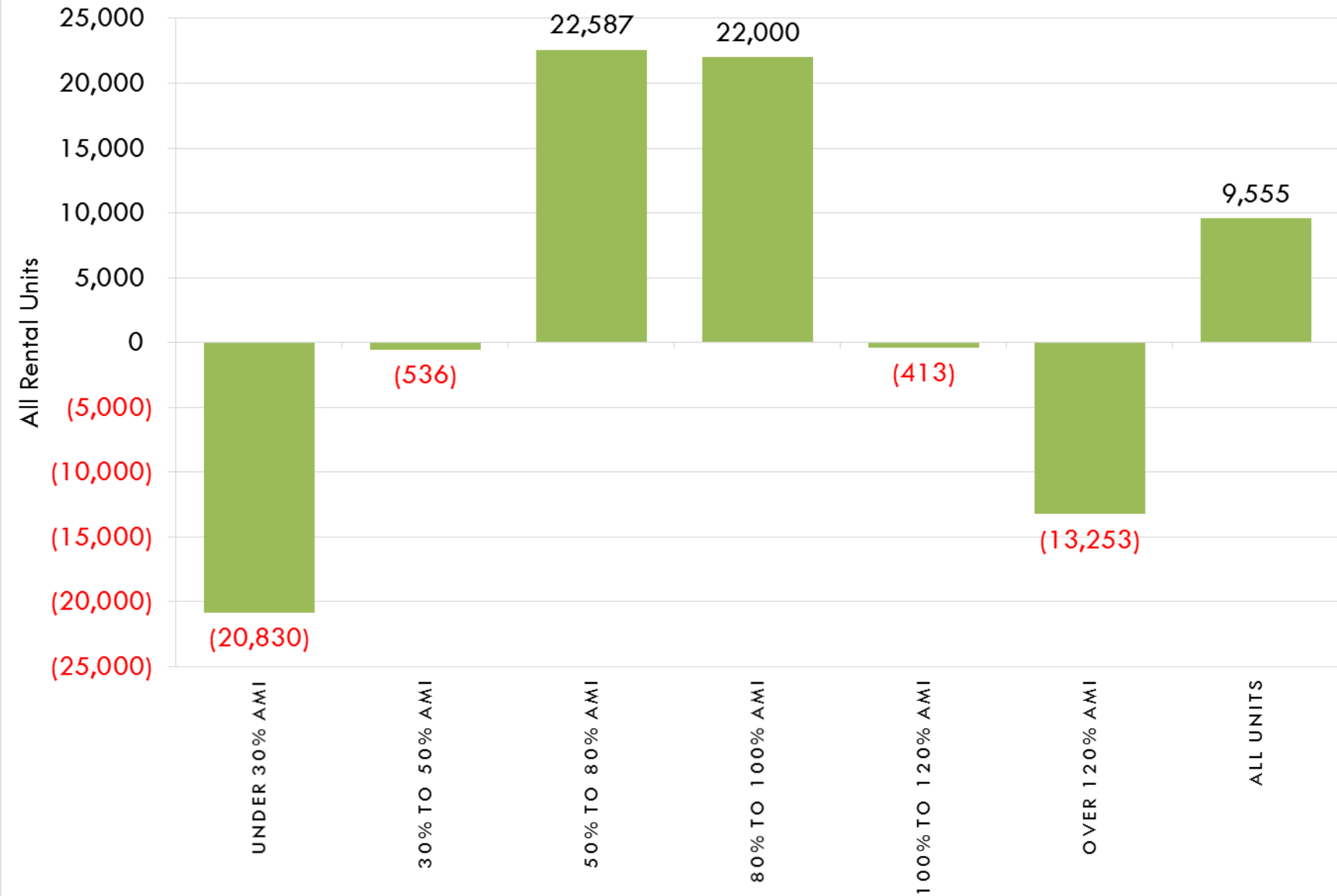
Source: 2014 County Assessment, 2014 County Rental Survey, ACS 2010-2014

AFFORDABILITY BY BEDROOM COUNT
3-PERSON INCOME THRESHOLDS
2014

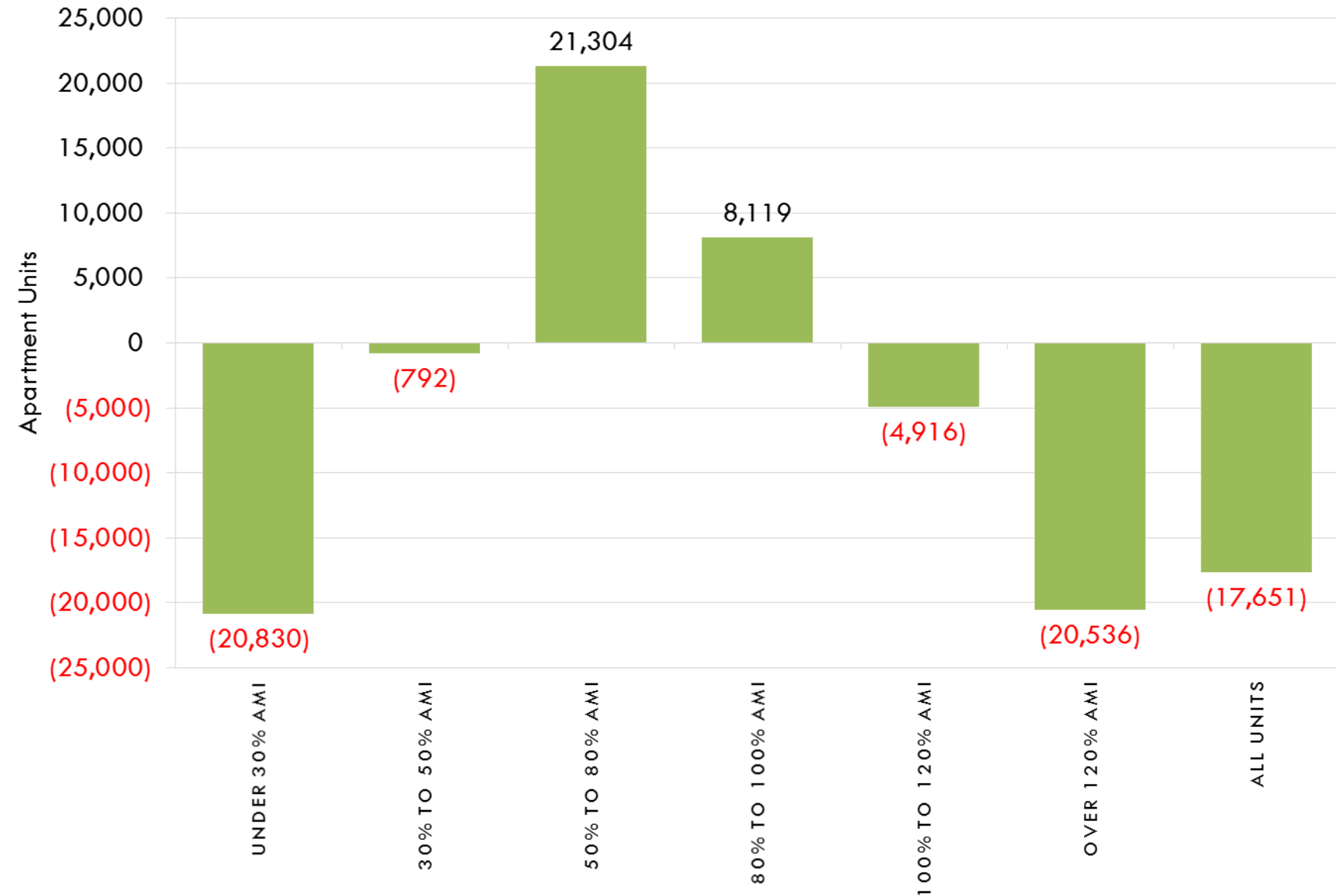


Source: 2014 County Assessment, 2014 County Rental Survey, ACS 2010-2014

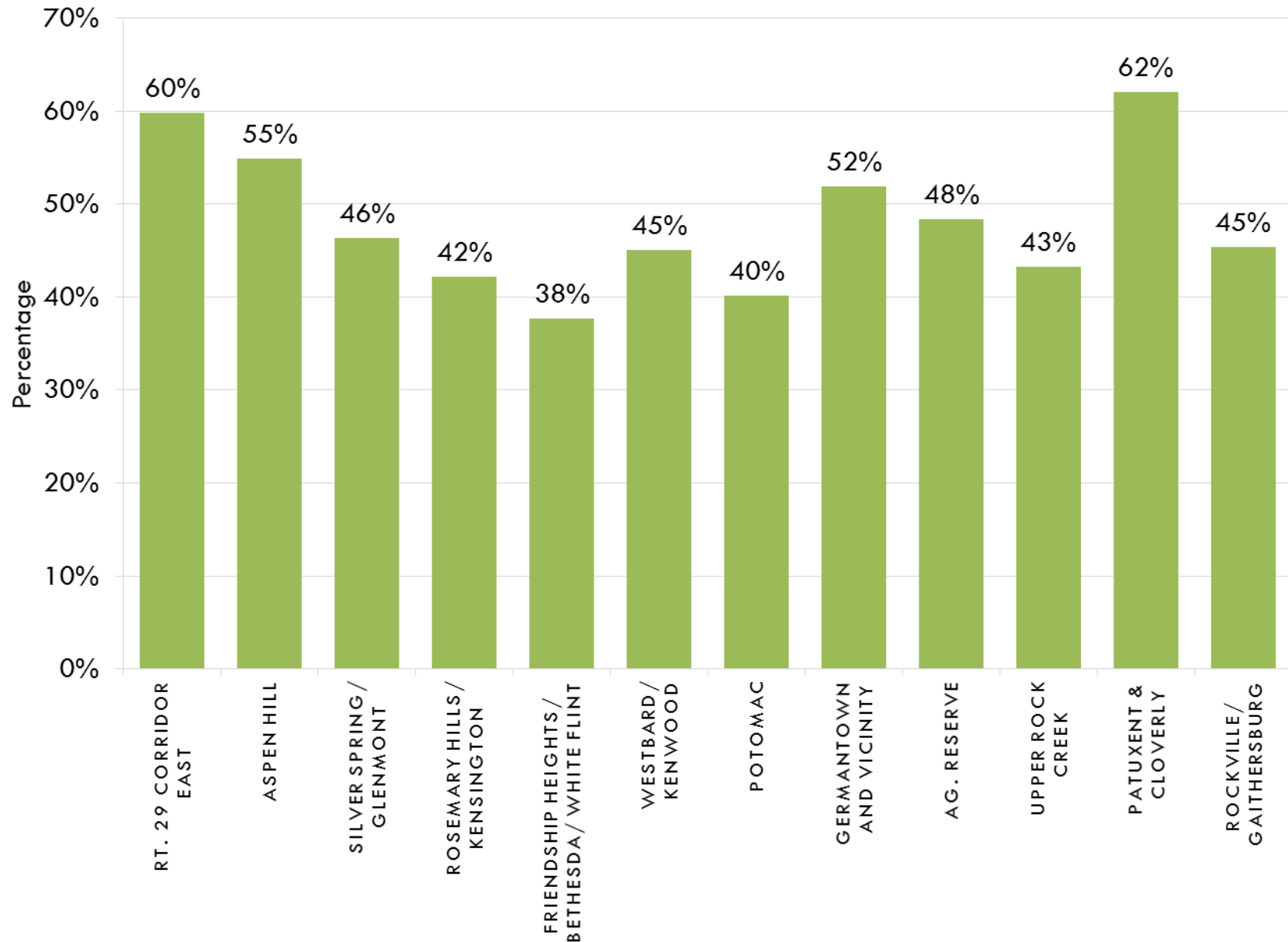
SUPPLY/DEMAND EQUILIBRIUM ALL RENTAL UNITS 2014



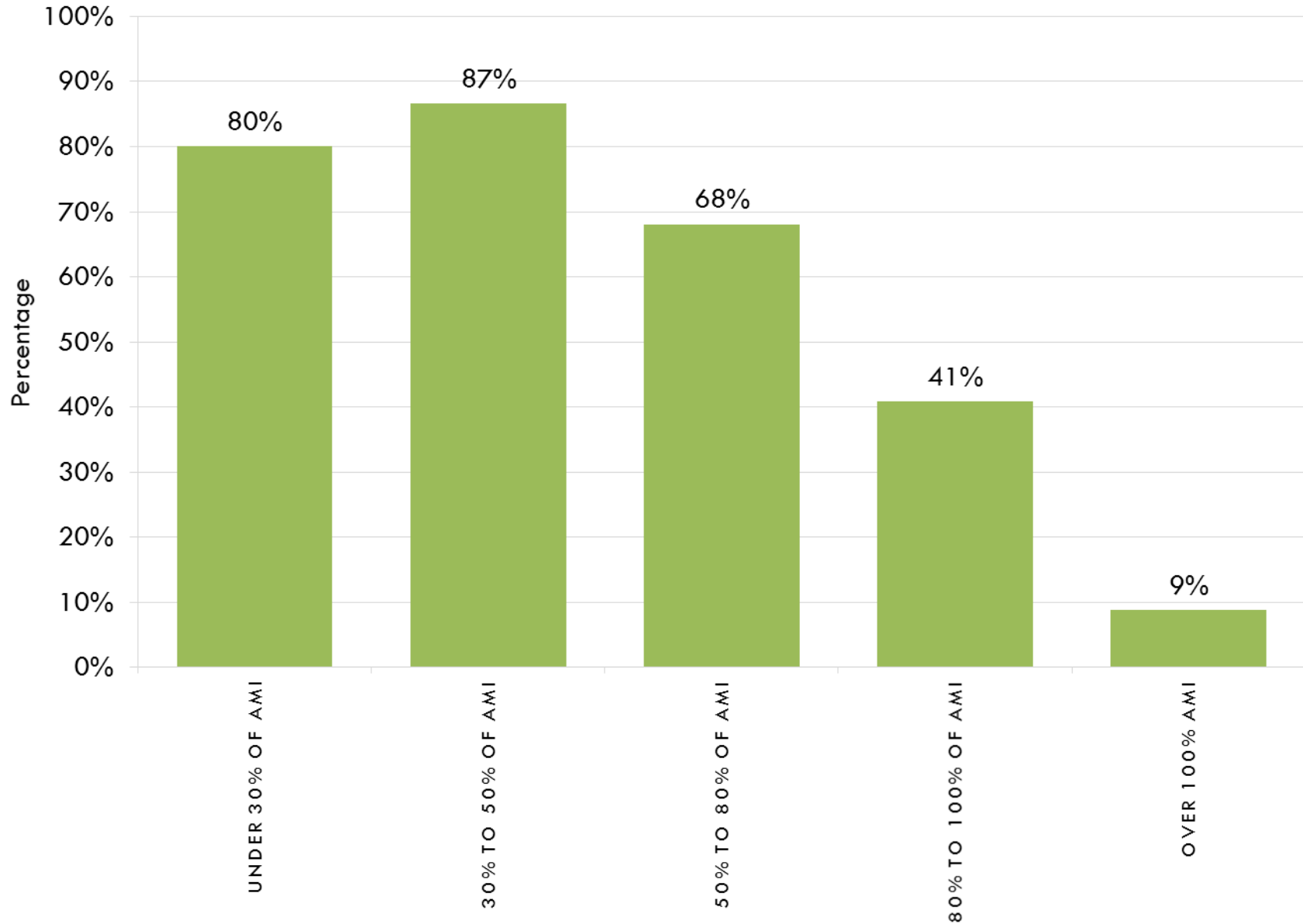
SUPPLY/DEMAND EQUILIBRIUM APARTMENT UNITS ONLY 2014



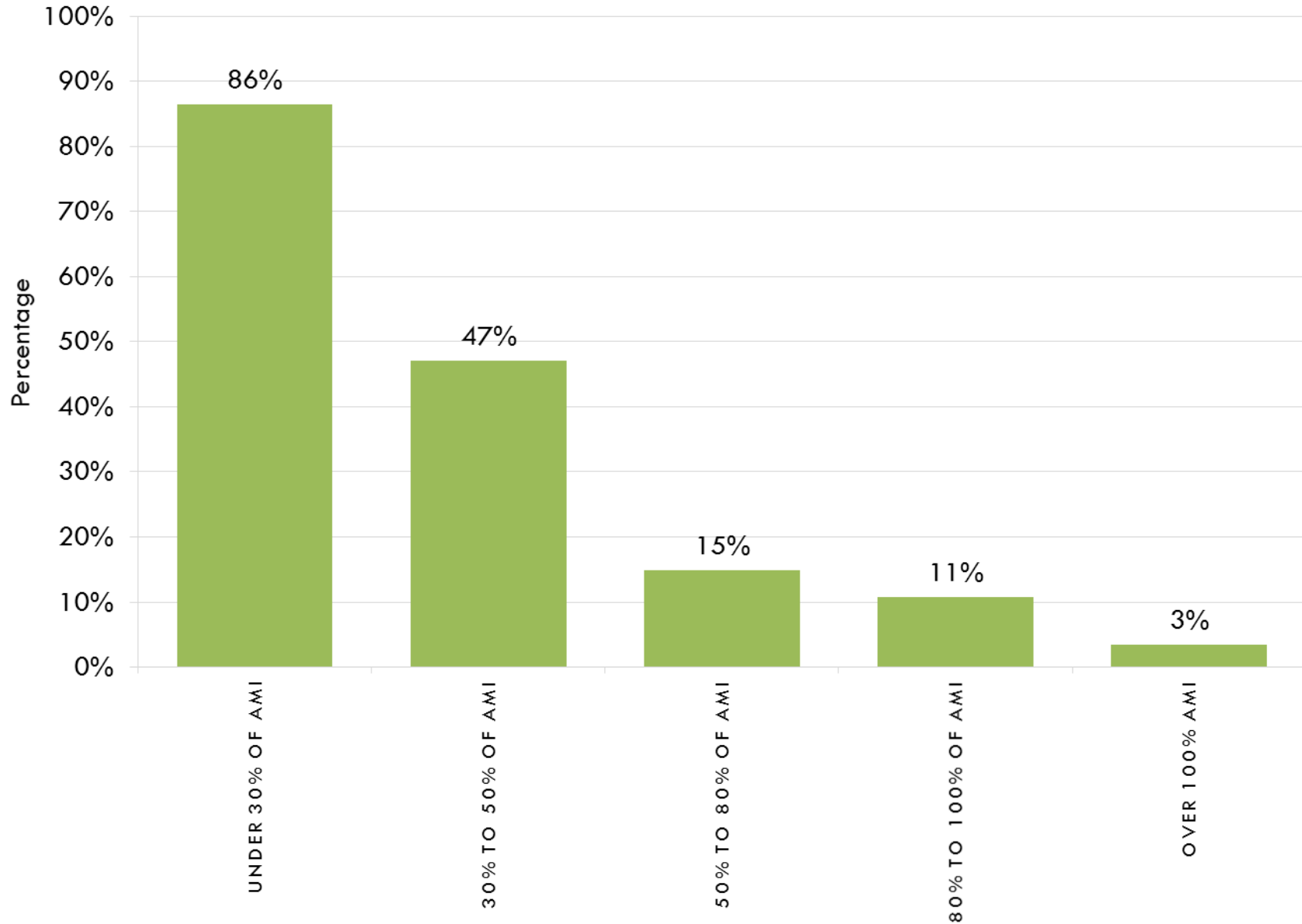
SHARE OF RENTER HOUSEHOLDS COST BURDENED, BY SUBAREA 2008-2012



COST BURDENED RENTER HOUSEHOLDS, BY AFFORDABILITY THRESHOLD 2008-2012

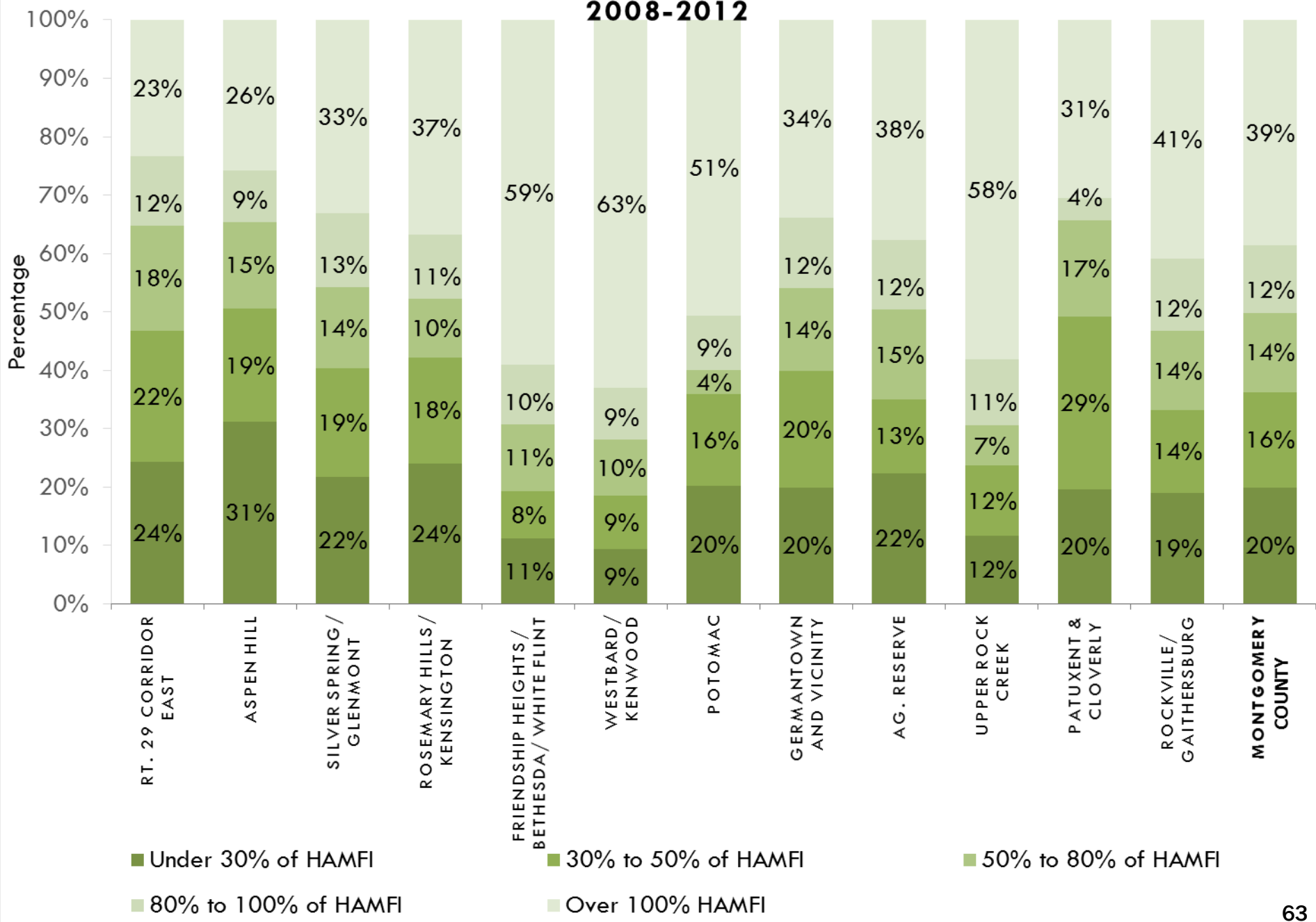


SHARE OF RENTER HOUSEHOLDS COST BURDENED BY MORE THAN 50% OF GROSS INCOME 2008-2012



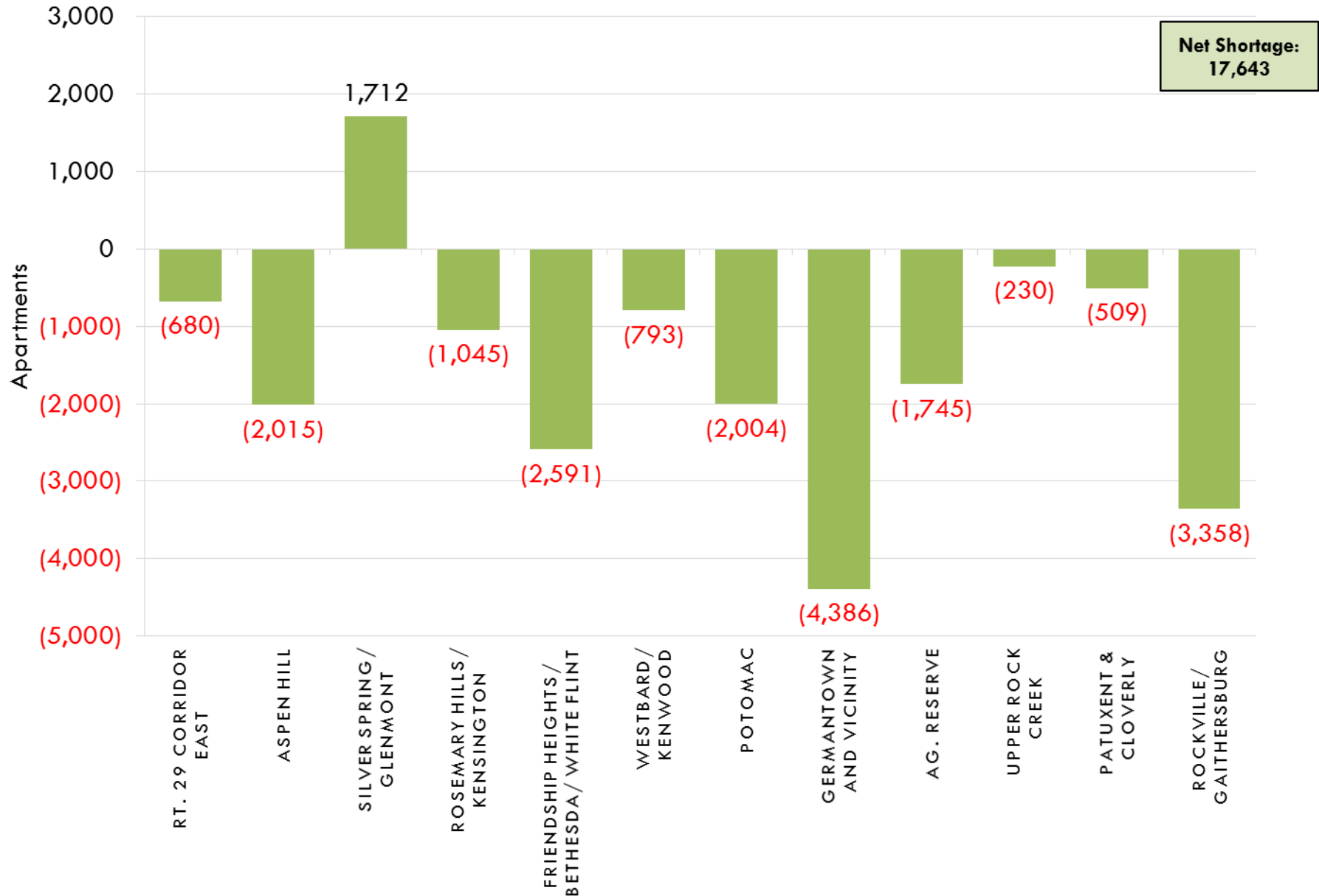
COST BURDEN FOR ALL RENTER OCCUPIED HOUSEHOLD TYPES

2008-2012

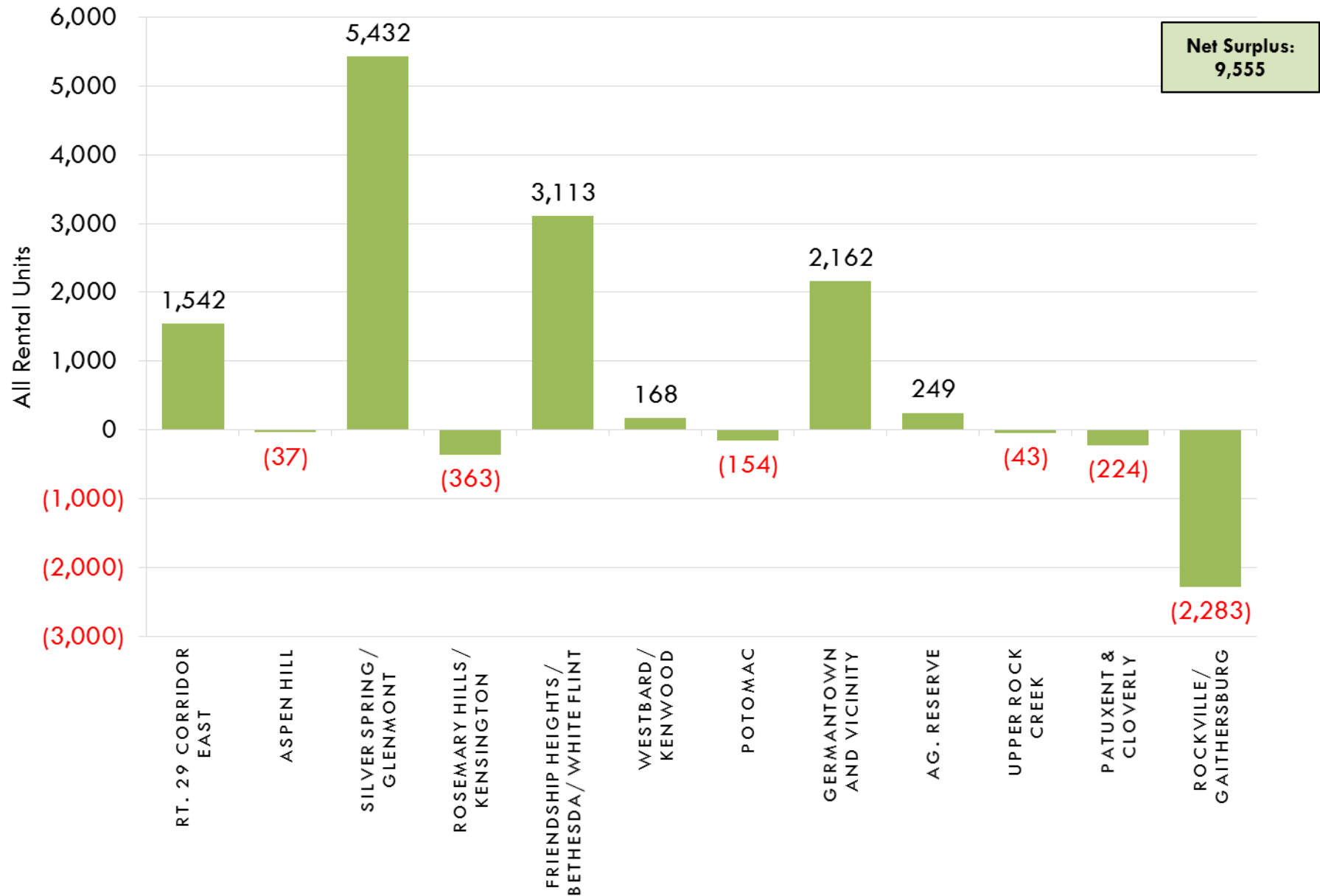


Source: CHAS 2008-2012

SUBAREA SUPPLY/DEMAND EQUILIBRIUM APARTMENTS ONLY 2014



SUBAREA SUPPLY/DEMAND EQUILIBRIUM ALL RENTAL UNITS 2014



KEY FINDINGS

- **Households at the lowest incomes are the least served**
 - 38% of renter households earn under 50% of AMI
 - 19% of rental units affordable under 50% of AMI
- **Units affordable from 30% to 80% of AMI, concentrated inside ICC and along I-270**
 - Sizeable supply from 50% to 80% Countywide
- **Affordability greatest in smaller units**
 - Factor of size more than anything
 - Only meets needs of specific households (no one over 2 persons)
 - Only ~12% of larger (3+ bedroom) units are affordable below 80% of AMI

KEY FINDINGS

- **Market unbalanced at lowest/highest end of market**
 - Under 30% of AMI households are short 20,830 units
 - Over 120% of AMI households are short 13,253 units
- **Concentration of units between 50% and 100% of AMI**
 - Testament to inclusionary zoning requirements
 - Age of housing also large influence
 - Great for households seeking to minimize cost
- **Preference needs to be considered**
 - Not all households seek to maximize ability to pay (high end)
 - Building 13,000 high-end units will serve new residents as well as existing
 - Housing/transportation costs linked in Metro area
 - Joint costs may be balanced (45% of gross income), but skewed to housing

KEY FINDINGS

- **Approximately 50% of all renter households cost burdened**
 - Share by subarea varies, but no less than 37% in Friendship Heights
- **Cost burdening much greater for lower incomes**
 - 80% of households earning below 30% of AMI
 - 87% of households earning between 30% and 50% of AMI
 - Impacted by presence of income-controlled housing
 - In contrast, only 9% of those earning over 100% of AMI
 - “Excessive” burdening also concentrated among the most vulnerable

KEY FINDINGS

- **Montgomery County rental base provides diverse offerings**
 - Age of supply creates “natural” affordability
 - Age also provides diverse unit size supply
 - Transient nature of region/employment enhances conversion market
- **However, market forces eroding “naturally affordable” base**
 - Unbalanced supply/demand driving up costs
 - Loss of real income due to downturn
 - Demand from outside Montgomery County, Metro region
- **New development will be necessary to meet need of existing/growing unmet demand (affordably)**
 - Employment centers, transportation corridors
- **Rehabilitation/preservation equally(more) important**
 - Protection of 3+ bedroom apartment units

POTENTIAL MARKET CONSIDERATIONS

- **Ownership conversions provide a major resource for renters**
 - Removing conversions has dramatic impact on balance
 - Net shortage of 17,651 units based on demand
 - Units almost exclusively concentrated in 80% and above groups
 - Large share of the 3+ bedroom rental units
 - Silver Spring/Glenmont only subarea where apartments exceed total demand
- **Economic expansion will erode conversion supply**
 - Market forces will make selling to owners more lucrative than maintaining as a rental
 - The loss of conversions will disproportionately displace higher income households
 - Downward pressure on market = higher prices
 - Lack of suitable supply will force existing residents to leave County

POTENTIAL MARKET CONSIDERATIONS

- **Purple Line connection east-west may change rental market equilibrium**
 - Direct impact – Redevelopment that will occur around new stations
 - Demolition/repositioning of market rate affordable units
 - Replacement with higher-end, smaller units
 - Indirect impact – Silver Spring/Glenmont rentals will have better connectivity to Friendship Heights/Bethesda/White Flint line employment
 - Drive up pricing for naturally affordable units
- **County rental market driven, in part, by Federal spending**
 - Direct impact – NIH, NIST...
 - Changes in programmatic spending/focus could affect market
 - Indirect impact – Federal government generates transient demand
 - From representatives to their support staff
 - Demand across all income spectrums
 - Part of conversion market

NEXT STEPS

NEXT STEPS

- Interview and stakeholder outreach
- Typology analysis (APD)
- Financial feasibility model (RKG)
- Policy analysis (CHP)
- Strategy Formulation