COMPREHENSIVE HOUSING MARKET ANALYSIS

Calvert-Charles-Prince George's, Maryland

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of June 1, 2023

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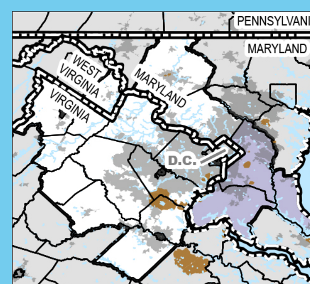
Executive Summary

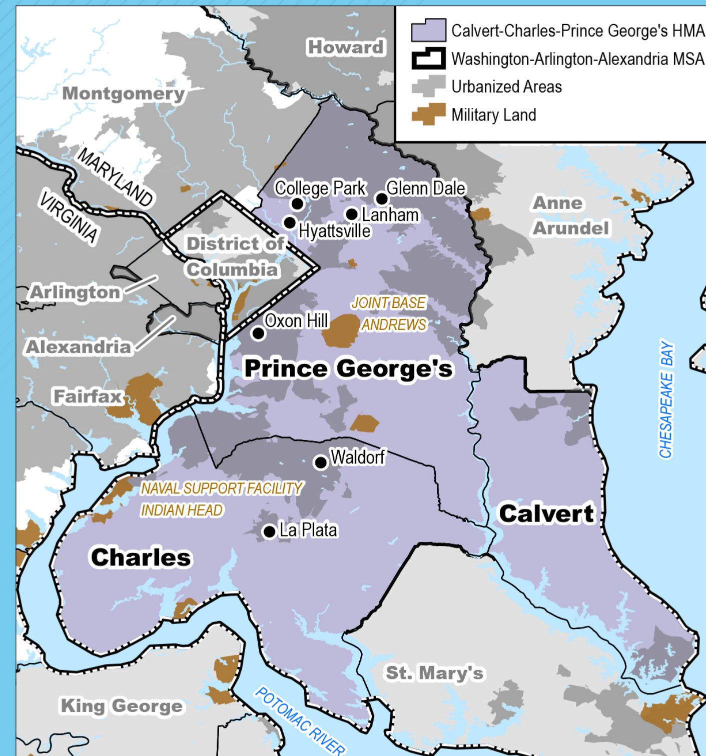
Housing Market Area Description

The Calvert-Charles-Prince George's Housing Market Area (HMA) includes Calvert, Charles, and Prince George's Counties in Maryland. The HMA is coterminous with the Maryland portion of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division, which is part of the larger metropolitan statistical area (MSA) of the same name. The HMA is home to two military installations—Joint Base Andrews and Naval Support Facility Indian Head—which have a combined employment of nearly 20,800.

The current population of the HMA is estimated at 1.21 million.

The HMA is home to three universities that are part of the University System of Maryland—Bowie State University; University of Maryland, College Park; and University of Maryland Global Campus—which enroll approximately 102,900 students and employ 20,650 workers.





Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Improving: During the 12 months ending May 2023, nonfarm payrolls averaged 409,800, representing an increase of 6,200 jobs, or 1.5 percent, compared with the 12 months ending May 2022.

Nonfarm payrolls in the Calvert-Charles-Prince George's HMA increased during the past year as the economy continued to recover from severe job losses that occurred during March and April 2020 due to the COVID-19 pandemic. As of May 2023, approximately 93 percent of the jobs lost during March and April 2020 had been recovered (monthly data, not seasonally adjusted). During the past year, nonfarm payrolls were up in 6 of 11 sectors, led by the government sector, which increased by 4,500 jobs, or 4.0 percent. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.5 percent annually.

Sales Market

Slightly Tight, but Easing: In May 2023, the HMA had 1.2 months of available for-sale housing inventory, up from a 0.8-month inventory in May 2022.

The current sales vacancy rate in the HMA is estimated at 1.1 percent, down from the 2.5-percent rate in 2010 and the 1.3-percent rate in 2020. During the 12 months ending May 2023, new and existing home sales declined 29 percent compared with an average annual 10-percent increase during the previous 2 years (Bright MLS, Inc.). During the past year, the average sales price of new and existing homes was up 3 percent to $431,200, an all-time high. During the next 3 years, demand is estimated for 4,825 new homes. The 900 homes under construction will satisfy a portion of that demand.

Rental Market

Slightly Soft: The overall rental vacancy rate is estimated at 7.9 percent, up from 7.6 percent in 2010 and 5.8 percent in 2020.

Conditions in the apartment market are also slightly soft compared with balanced conditions during the previous 10 years. As of the second quarter of 2023, the apartment vacancy rate was 8.2 percent, up from 5.8 percent as of the second quarter of 2022, and the average apartment rent rose less than 1 percent to $1,694 (CoStar Group). After adjusting for demand that will be satisfied by the current excess supply of rental units and the conversion of some sales units to the rental market, no additional demand is estimated for new rental units during the forecast period. Currently, 4,800 rental units are under construction in the HMA, which will likely cause the market to further soften as they become available.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Calvert-Charles-Prince George's HMA	Total Demand	4,825	No Units
	Under Construction	900	4,800

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2023. The forecast period is June 1, 2020, to June 1, 2026.
Source: Estimates by the analyst

Economic Conditions

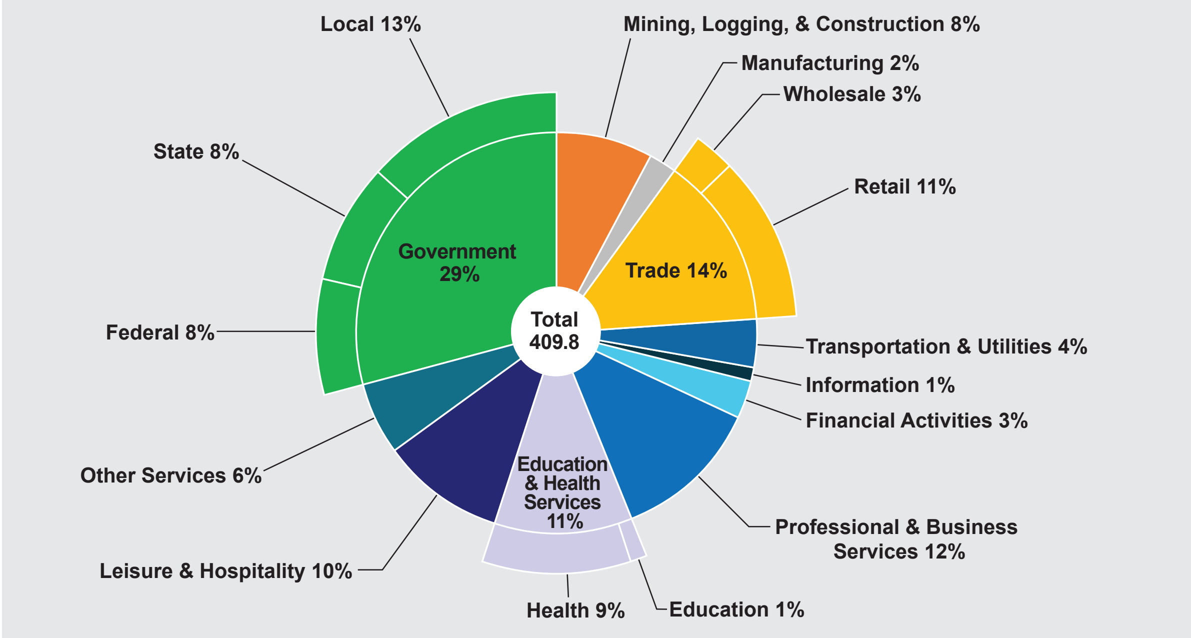
Largest Sector: Government

Nonfarm payrolls in the Calvert-Charles-Prince George's HMA increased during the past year, with gains in 6 of 11 sectors, led by the government sector.

Primary Local Economic Factors

The government sector is the largest nonfarm payroll sector in the HMA and accounts for 29 percent of all nonfarm payroll jobs (Figure 1). The HMA is home to two military installations—Joint Base Andrews and Naval Support Facility Indian Head—the second and sixth largest employers in the HMA, with 17,500 and 3,275 employees, respectively (Table 1). Approximately 64 percent of the employees at these bases are active-duty military personnel who are not included in the nonfarm payroll data. However, the remaining 36 percent of the employees are civilian government workers who are included in the data. Joint Base Andrews was established in 2009 when Andrews Air Force Base and Naval Air Facility Washington were merged because of the 2005 Base Closure and Realignment Commission (BRAC) activities. In addition, as a result of BRAC activities, employment at the installation more than doubled from 2008 to 2013 (FY 2013 Economic Impact Analysis of Maryland's Military Installations).

Figure 1. Share of Nonfarm Payroll Jobs in the Calvert-Charles-Prince George's HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through March 2023.
Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Calvert-Charles-Prince George's HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University System of Maryland	Government	20,650
Joint Base Andrews	Government	17,500
Internal Revenue Service	Government	4,725
U.S. Census Bureau	Government	4,600
Washington Metropolitan Area Transit Authority	Government	3,550
Naval Support Facility Indian Head	Government	3,275
Goddard Space Flight Center	Government	3,000
United Parcel Service of America, Inc.	Transportation & Utilities	3,000
Prince George's Community College	Government	2,050
MGM National Harbor Hotel & Casino	Leisure & Hospitality	2,000

Notes: Excludes local school districts. Count for the University System of Maryland includes employees from Bowie State University; University of Maryland, College Park; and University of Maryland Global Campus. Data include military personnel, who are generally not included in nonfarm payroll survey data. Counts for federal and military facilities exclude contractors.
Source: Maryland Department of Commerce

Higher education also contributes to the local economy. The HMA is home to four public colleges and universities with approximately 113,500 students as of 2021 (University System of Maryland, National Center for Educational Statistics). From 2019 through 2021, total enrollment at these schools declined an average of 2 percent annually, compared with an average annual 3-percent increase from 2010 through 2018. Three of the four schools—Bowie State University; University of Maryland, College Park; and University of Maryland Global Campus—are part of the University System of Maryland. A combined 20,650 workers are employed at these schools, making the University System of Maryland the largest employer in the HMA.

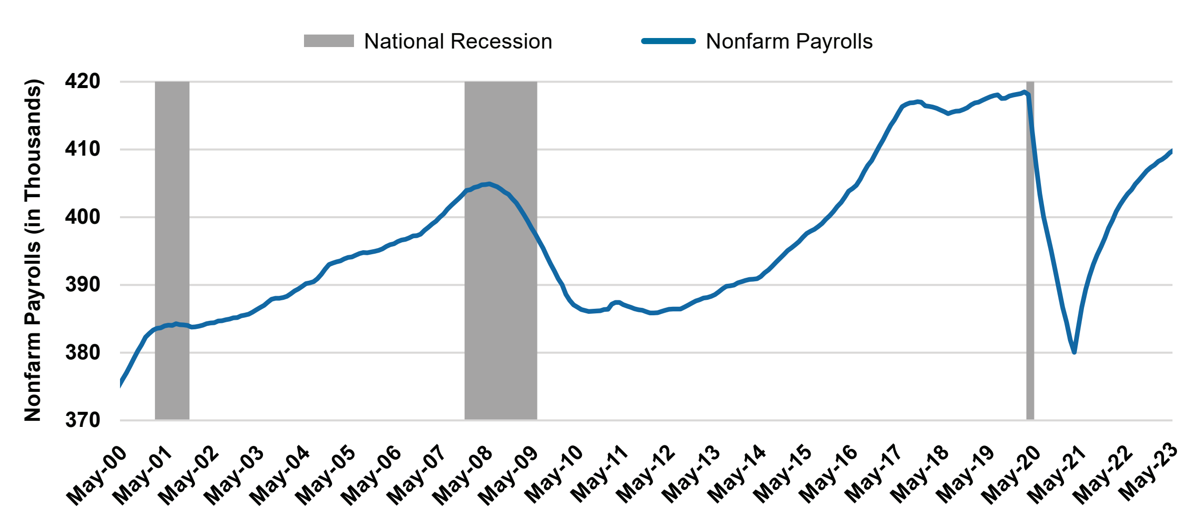
Before the pandemic, nonfarm payroll growth was strongest in the leisure and hospitality sector during much of the 2010s. The strong growth in the sector was largely due to the development of the National Harbor mixed-use community near the Potomac River in the census-designated Oxon Hill area. The community, which opened in 2008 with the completion of the Gaylord National Resort and Convention Center, is home to 160 stores, 40 restaurants, a casino, nearly 2,000 hotel rooms, and more than 2,000 residents.

Economic Periods of Significance

A Period of Strong Economic Growth: 2001 Through 2007

Nonfarm payrolls in the HMA increased at a relatively strong pace compared with the nation from 2001 through 2007. During the 7-year period, nonfarm payrolls were up by an average of 3,100 jobs, or 0.8 percent, annually. By comparison, nonfarm payrolls for the nation were up an average of 0.6 percent annually. The largest gains in the HMA were in the government and the mining, logging, and construction sectors, which increased annually by averages of 1,400 and 1,000 jobs, or 1.5 and 2.5 percent, respectively. Losses in the information and manufacturing sectors—which declined annually by an average of 600 jobs each, or 6.7 and 4.1 percent, respectively—partially offset these gains. Figure 2 shows the 12-month average nonfarm payrolls in the HMA since 2000.

Figure 2. 12-Month Average Nonfarm Payrolls in the Calvert-Charles-Prince George's HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

The Effect of the Great Recession: 2008 Through 2011

As with the rest of the nation, the Great Recession, which occurred nationally from December 2007 to June 2009, affected the HMA, with job losses each year from 2008 through 2011. During the 4-year period, nonfarm payrolls declined by an average of 4,500 jobs, or 1.1 percent, annually. The largest decreases were in the mining, logging, and construction and the wholesale and retail trade sectors, which declined annually by averages of 2,700 and 1,300 jobs, or 7.3 and 2.1 percent, respectively. Gains in the government and the education and health services sectors—which were up by averages of 800 and 700 jobs, or 0.7 and 1.7 percent, annually, respectively—partially offset these losses. The BRAC-related job growth at Joint Base Andrews partially contributed to job gains in the government sector.

Economic Recovery and Expansion: 2012 Through 2019

The economy of the HMA recovered from the Great Recession from 2012 through 2016 and expanded from 2017 through 2019, reaching a peak of 418,100 jobs during 2019. During the 8-year period, nonfarm payrolls were up by an average of 4,000 jobs, or 1.0 percent, annually. Nonfarm payrolls were up or relatively unchanged in 9 of 11 sectors, led by the leisure and hospitality sector, which increased by an average of 1,200 jobs, or 3.0 percent, annually. Job growth in the sector was partially due to the opening of MGM National Harbor Hotel & Casino in 2016. The hotel and casino, which currently has approximately 2,000 employees, is part of the larger National Harbor development. Additional gains were in the other services, the education and health services, and the government sectors, which increased annually by an average of 700 jobs each, or 2.6, 1.6, and 0.7 percent, respectively.

Job Losses During the COVID-19 Pandemic: 2020

Interventions taken in mid-March 2020 to slow the spread of COVID-19, including social distancing and discouraging nonessential travel, caused nonfarm payrolls in the HMA to decline by 61,600 jobs, or 14.7 percent (not seasonally adjusted) during March and April 2020. Although the economy of the HMA started recovering in May 2020, the average level of nonfarm payrolls for the entire year stayed relatively low. During 2020, the average level of nonfarm payrolls was down by 31,400 jobs, or 7.5 percent, compared with 2019. The most affected sectors were those heavily reliant on tourism and those dependent on in-person interactions. During 2020, approximately one-third of the jobs lost in the HMA were in the leisure and hospitality sector, which decreased by 10,500 jobs, or 23.0 percent. Approximately 87 percent of the decline in the sector was in the accommodation and food services industry, which was down by 9,100 jobs, or 22.3 percent. Losses in the industry were largely attributed to statewide restrictions on indoor dining capacities at restaurants and bars. Additional significant losses during 2020 were in the wholesale and retail trade and the education and health services sectors, which declined by 4,900 and 4,300 jobs, or 8.0 and 9.4 percent, respectively.

Economic Recovery: 2021 and 2022

Economic conditions in the HMA started to recover during 2021 and 2022 as the restrictions to slow the spread of COVID-19 were completely phased out. However, job growth was slower than in the nation. During the 2-year period, nonfarm payrolls in the HMA increased by an average of 10,500 jobs, or 2.7 percent, annually, compared with an average annual 3.6-percent rise nationwide. In the HMA, gains were largest in the government, the leisure and hospitality, and the professional and business services sectors, which increased by averages of 3,500, 2,800, and 2,400 jobs, or 3.2, 7.5, and 5.2 percent, annually, respectively. Approximately 49 percent of the job gains in the government sector were in the federal government subsector, which increased by an average of 1,700 jobs, or 5.4 percent, annually. In the leisure and hospitality sector, increasing tourism to the HMA, which had declined significantly during the early stages of the COVID-19 pandemic, partially contributed to gains. During 2022, the average occupancy rate at hotels was 60.2 percent, up significantly from the average rate of 41.8 percent during 2020 (CoStar Group). Losses in the manufacturing and the mining, logging, and construction sectors—which declined annually by averages of 300 and 100 jobs, or 3.0 and 0.5 percent, respectively—partially offset these gains.

Current Conditions—Nonfarm Payrolls

Nonfarm payrolls in the HMA continued to increase during the past year, but the economy still has not fully recovered from the jobs lost during March and April 2020, which is partially attributed to recent job decreases in the transportation and utilities and the wholesale and retail trade sectors. During the 12 months ending May 2023, nonfarm payrolls in the HMA were up by 6,200 jobs, or 1.5 percent (Table 2). As of May 2023, the level of payrolls was approximately 4,600 jobs, or 1.1 percent, below the February 2020 level before the COVID-19 global pandemic (monthly data, not seasonally adjusted). By comparison, the level of nonfarm payrolls nationwide is 3.5 percent above the February 2020 level.

During the 12 months ending May 2023, nonfarm payrolls in the HMA were up in 6 of 11 nonfarm payroll sectors, led by the government sector, which increased by 4,500 jobs, or 4.0 percent. Approximately 87 percent of the gains in the sector were in the state government and the local government subsectors, which increased by 2,700 and 1,200 jobs, or 9.4 and 2.3 percent, respectively. Additional gains were in the education and health services and the professional and business services sectors, which increased by 1,800 and 1,500 jobs, or 4.3 and 3.0 percent, respectively.

Of the five sectors that lost jobs during the past year, the largest declines were in the transportation and utilities and the wholesale and retail trade sectors, which decreased by 1,000 and 900 jobs, or 5.8 and 1.5 percent, respectively. In the transportation and utilities sector, Whole Foods Market, Inc. closed a food distribution center in the HMA in 2023, resulting in 65 jobs lost. In the wholesale and retail trade sector, losses were concentrated in the retail trade subsector, which declined by 1,000 jobs, or 2.1 percent. Target Corporation closed a store in the HMA in May 2023, resulting in approximately 50 jobs lost in the retail trade subsector.

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Calvert-Charles-Prince George's HMA, by Sector

	12 Months Ending May 2022	12 Months Ending May 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**403.6**	**409.8**	**6.2**	**1.5**
Goods-Producing Sectors	41.2	40.6	-0.6	-1.5
Mining, Logging, & Construction	33.2	32.9	-0.3	-0.9
Manufacturing	8.0	7.7	-0.3	-3.8
Service-Providing Sectors	362.4	369.2	6.8	1.9
Wholesale & Retail Trade	58.8	57.9	-0.9	-1.5
Transportation & Utilities	17.2	16.2	-1.0	-5.8
Information	3.2	3.4	0.2	6.3
Financial Activities	12.8	13.3	0.5	3.9
Professional & Business Services	49.7	51.2	1.5	3.0
Education & Health Services	41.7	43.5	1.8	4.3
Leisure & Hospitality	39.9	40.3	0.4	1.0
Other Services	26.1	25.9	-0.2	-0.8
Government	113.0	117.5	4.5	4.0

Notes: Based on 12-month averages through May 2022 and May 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

Current Conditions—Unemployment

Because of resident employment gains, the unemployment rate in the HMA declined during the past 2 years. During the 12 months ending May 2023, the unemployment rate in the HMA averaged 3.0 percent (Figure 3), down from 4.8 percent during the 12 months ending May 2022 and significantly less than the 8.4-percent rate during the 12 months ending March 2020, which was the highest annual average rate since at least 2000. The decline in the unemployment rate during the past year was due to a 1.9-percent increase in resident employment and a 0.1-percent decline in the labor force. The current unemployment rate in the HMA is slightly higher than the 2.9-percent rate in the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA but is lower than the 3.6-percent national rate.

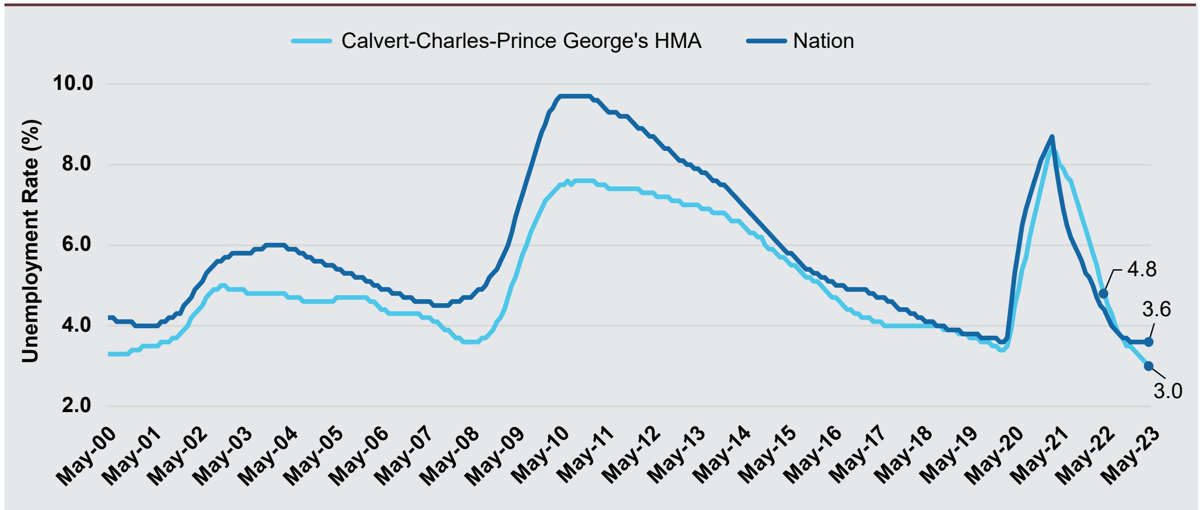
Commuting Patterns

Many residents of the HMA work in other parts of the Washington-Arlington-Alexandria MSA, especially in the District of Columbia. During 2020, approximately one-half of the working residents in the HMA, or approximately 253,900 residents, worked in other portions of the Washington-Arlington-Alexandria MSA, including 138,100 residents, or 27 percent, who worked in the District of Columbia (U.S. Census Bureau, OnTheMap). By comparison, only 30 percent of the working residents in the HMA, or 153,200 residents, held employment in the HMA.

Forecast

During the 3-year forecast period, the economy of the HMA is expected to continue to expand. Nonfarm payrolls are projected to increase an average of 1.5 percent annually during the next 3 years. Similar to recent trends, job growth is expected to be strongest in the government sector. The Internal Revenue Service, which currently employs 4,725 employees in the HMA, is likely to contribute to job gains as part of the upcoming hiring of 20,000 new workers nationwide during the next 2 years. In addition, Amazon.com, Inc. is building a distribution center in Prince George's County, which is expected to be complete by the end of 2023 and will add an unspecified number of jobs in the transportation and utilities sector. Additional gains are also anticipated in the federal government subsector in portions of the Washington-Arlington-Alexandria MSA located outside the HMA as federal agencies fill positions that have become vacant in recent years, and it is expected that some of these jobs will be filled by residents of the HMA.

Figure 3. 12-Month Average Unemployment Rate in the Calvert-Charles-Prince George's HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Population and Households

Current Population: 1.21 Million

The population of the Calvert-Charles-Prince George's HMA has declined since 2020 because of strong net out-migration.

Population Trends

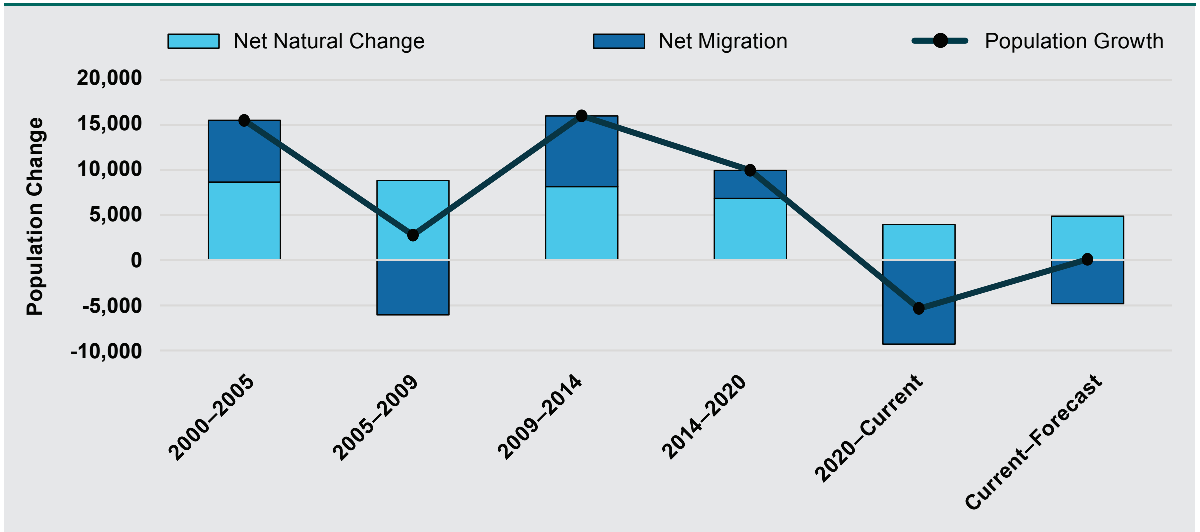
As of June 1, 2023, the population of the HMA is estimated at 1.21 million, representing an average annual increase of approximately 8,425, or 0.7 percent, since 2010, compared with an average annual gain of 10,200, or 1.0 percent, from 2000 to 2010 (Table 3). From 2000 to 2005, the population increased by an average of 15,500, or 1.5 percent, annually, and net in-migration averaged 6,825 people annually (Figure 4). People moving into the HMA in response to expansions of Washington Metropolitan Area Transit Authority (known as Metro) Blue and Green Lines, which made travel into the District of Columbia easier, partially contributed to the strong net in-migration during the period. Population growth slowed to an average of 2,775 people, or 0.3 percent, annually from 2005 to 2009 because of strong net out-migration, which averaged 6,050 people annually. The District of Columbia attracted more residents by redeveloping different parts of the city and making those areas more desirable, partially contributing to the strong net out-migration during this period.

Table 3. Calvert-Charles-Prince George's HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	1,098,708	1,210,000	1,210,000
	Average Annual Change	10,200	8,425	100
	Percentage Change	1.0	0.7	0.0
		2010	Current	Forecast
Household Quick Facts	Households	386,129	438,100	440,600
	Average Annual Change	3,250	3,950	830
	Percentage Change	0.9	1.0	0.2

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (June 1, 2023) to June 1, 2026.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Calvert-Charles-Prince George's HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (June 1, 2023) to June 1, 2026.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Commercial and residential redevelopment occurred along the Metro Green Line in the HMA during the late 2000s and early 2010s in addition to the development of the National Harbor mixed-use community. Because of these redevelopments, the HMA attracted a larger portion of residents moving into the Washington-Arlington-Alexandria MSA, resulting in net in-migration each year from 2009 to 2020. From 2009 to 2014, net in-migration averaged 7,850 people annually, and the population increased by an average of 16,000, or 1.4 percent, annually. However, similar to the rest of the Washington-Arlington-Alexandria MSA, net in-migration decreased to an average of 3,125 people annually from 2014 to 2020, causing population growth to slow to an average of 9,975 people, or 0.8 percent, annually.

Since 2020, net out-migration has averaged 9,300 people annually, causing the population to decline by an average of 5,350, or 0.4 percent, annually. Employers, including the federal government, expanded their work-from-home policies, partially contributing to the strong net out-migration. These new policies resulted in fewer people moving into the HMA for work, and more people, primarily larger sized families, relocated from the HMA to more suburban areas, where housing options are more affordable.

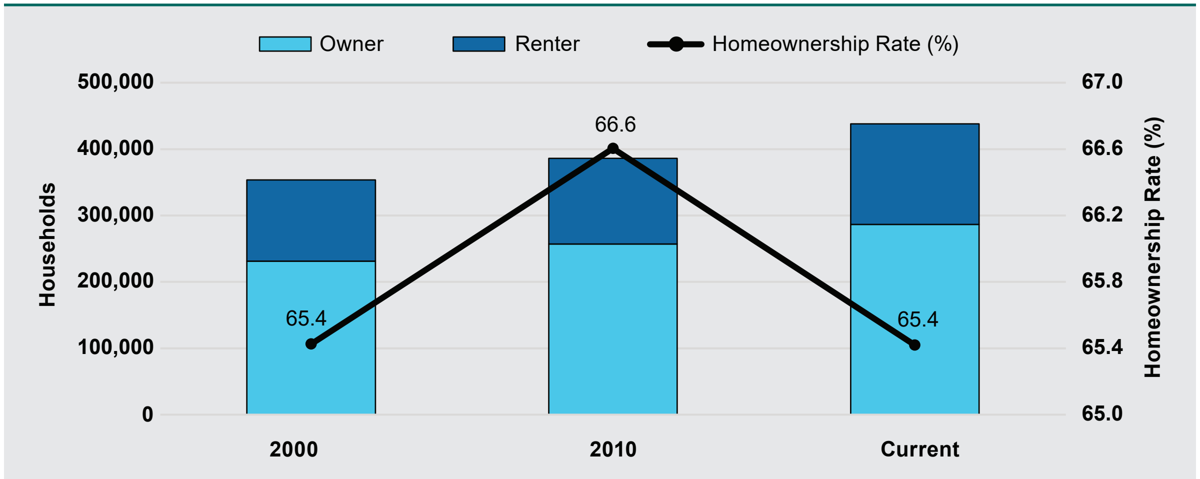
Net Natural Change

Net natural change in the HMA was relatively steady from 2010 to 2016, averaging 8,000 people annually before slowing each year from 2016 to 2021. From 2016 to 2020, net natural change slowed to an average of 6,325 annually because of increasing resident deaths and decreasing resident births. From 2020 to 2021, net natural change slowed further to an average of 2,875 annually. The accelerated rate of decline during this period was largely due to COVID-19-related deaths. However, as more residents received the COVID-19 vaccine, the number of deaths attributed to COVID-19 has declined significantly since July 2021, causing net natural change to increase to an estimated average of 4,675 people annually.

Household Trends

Household growth trends in the Calvert-Charles-Prince George's HMA have been similar to population growth trends. An estimated 438,100 households currently reside in the HMA, representing an average annual increase of 3,950 households, or 1.0 percent, since 2010. By comparison, the number of households was up by an average of 3,250 households, or 0.9 percent, annually from 2000 to 2010. Since 2010, the number of renter households has increased an average of 1.2 percent annually, compared with an average annual 0.8-percent rise in the number of owner households. Because of the faster growth rate of renter households, the homeownership rate in the HMA declined from 66.6 percent in 2010 to a current estimate of 65.4 percent (Figure 5).

Figure 5. Households by Tenure and Homeownership Rate in Calvert-Charles-Prince George's HMA



Note: The current date is June 1, 2023.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Student Households

Of the four colleges and universities in the HMA, Bowie State University and University of Maryland, College Park offer on-campus housing. Approximately 42 percent of college students in the HMA, or 47,600 enrollees, attend one of these two schools. Enrollment has been relatively unchanged since 2019, compared with an average annual 1-percent increase from 2010 through 2019. Approximately 27 percent of the students enrolled at these schools are housed in on-campus dormitories. Of the remaining students, approximately 90 percent reside in the HMA, and student households account for an estimated 7 percent of all renter households.

Military Households

Approximately 6,775 active-duty military personnel are employed at Joint Base Andrews and Naval Support Facility Indian Head. Approximately 7 percent of all military personnel at these installations reside in on-base dormitories. Of the remaining personnel, an estimated 90 percent reside in the HMA. Military households account for approximately 1 percent of all households.

Forecast

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 100, or less than 0.1 percent, annually. The population is estimated to be little changed during the next 3 years because gains from net natural increase are expected to be offset by net out-migration, which is estimated to continue in response to the expanded work-from-home policies. The number of households is expected to increase during the forecast period, rising by an average of 830, or 0.2 percent, annually to 440,600 households by June 1, 2026. Household growth is expected to exceed population growth during the next 3 years, partially because of strong growth of smaller sized households more than offsetting declines of larger sized households as families move to more suburban areas.

Home Sales Market

Market Conditions: Slightly Tight, but Easing

New and existing home sales in the Calvert-Charles-Prince George's HMA decreased significantly during the past year, compared with strong gains during 2020 and 2021.

Current Conditions

The sales housing market in the HMA is currently slightly tight compared with tight conditions during 2020 and 2021. The vacancy rate is estimated at 1.1 percent (Table 4), down from 2.5 percent in 2010 and 1.3 percent in 2020. In May 2023, the HMA had 1.2 months of available for-sale housing inventory, up from a 0.8-month inventory in May 2022 (Bright MLS, Inc.). Sales market conditions were balanced from 2000 through 2005. However, conditions transitioned to soft from 2006 through 2008 in response to strong net out-migration and the housing market crisis, and they stayed soft from 2009 through 2011. Because of improving economic conditions and strong net in-migration, sales market conditions transitioned to slightly tight from 2012 through 2014 and stayed slightly tight from 2015 through 2019. Sales market conditions tightened further during 2020 and 2021, largely because of a surge in homebuying in response to low mortgage interest rates. However, the interest rate has increased significantly since 2022, causing home sales to plummet and sales market conditions to ease. In May 2023, the average interest rate for 30-year fixed-rate mortgages was 6.7 percent, up from 5.2 percent in May 2022 and more than double the average 3.0-percent rate during 2020 and 2021 (Freddie Mac). By comparison, from 2015 through 2019, the average annual rate ranged from a low of 3.7 percent in 2016 to a high of 4.5 percent in 2018.

Table 4. Home Sales Quick Facts in the Calvert-Charles-Prince George's HMA

Home Sales Quick Facts		Calvert-Charles-Prince George's HMA	Nation
	Vacancy Rate	1.1%	NA
	Months of Inventory	1.2	2.2
	Total Home Sales	12,450	7,615,000
	1-Year Change	-29%	-23%
	New Home Sales Price	$571,900	$554,200
	1-Year Change	6%	5%
	Existing Home Sales Price	$414,700	$463,300
	1-Year Change	1%	0%
	Mortgage Delinquency Rate	2.5%	1.1%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2023 and include single-family homes, townhomes, and condominiums; months of inventory data are as of May 2023; and mortgage delinquency rates are as of April 2023. The current date is June 1, 2023.
Sources: Vacancy rate—estimates by the analyst; months of inventory and home sales—Bright MLS, Inc.; home sales prices—Redfin, a national real estate brokerage; national months of inventory—CoreLogic, Inc.; national home sales and prices—Redfin, a national real estate brokerage

Seriously Delinquent Mortgages and Real Estate Owned Properties

In April 2023, 2.5 percent of home loans in the Calvert-Charles-Prince George's HMA were seriously delinquent or in real estate owned (REO) status, down from 3.3 percent in April 2022 (CoreLogic, Inc.). The rate increased from 3.0 percent in March 2020 to 8.7 percent in September 2020 because the number of home loans that were 90 or more days delinquent nearly quadrupled, largely attributed to households unable to make mortgage payments because of elevated unemployment rates. With the continued addition of jobs and the declining unemployment rate, more households caught up on payments. As a result, the number of home loans that are 90 or more days delinquent has declined 75 percent since September 2020, and the rate of homes that are seriously delinquent or in REO status has declined or been relatively unchanged in each of the past 31 months. The current rate of home loans that are seriously delinquent or in REO status in the HMA is higher than the 1.1-percent rates in both the Washington-Arlington-Alexandria MSA and the nation.

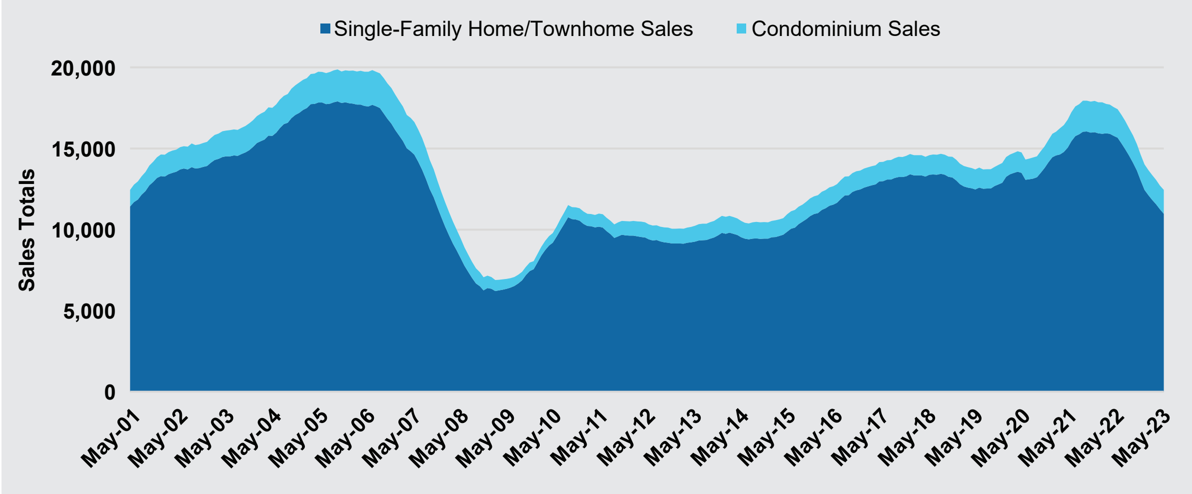
Single-Family Home and Townhome Sales

In response to rising interest rates, sales of new and existing single-family homes and townhomes declined significantly during the past year, compared with strong increases during 2020 and 2021. During the 12 months ending May 2023, approximately 10,950 new and existing single-family homes and townhomes were sold, representing a decrease of 4,700 homes, or 30 percent, compared with the previous 12-month period (Bright MLS, Inc.). By comparison, home sales rose an average of 10 percent annually during 2020 and 2021, which was double the average annual 5-percent increase from 2013 through 2019. The current level of sales is at the lowest level since 2015, but it is still 15 percent higher than the average of 9,525 homes sold annually from 2011 through 2014, when home sales were low following the Great Recession. Figure 6 shows the 12-month sales totals by unit type in the HMA since 2001, and Figure 7 shows the share of home sales by price range during the 12 months ending May 2023.

Condominium Sales

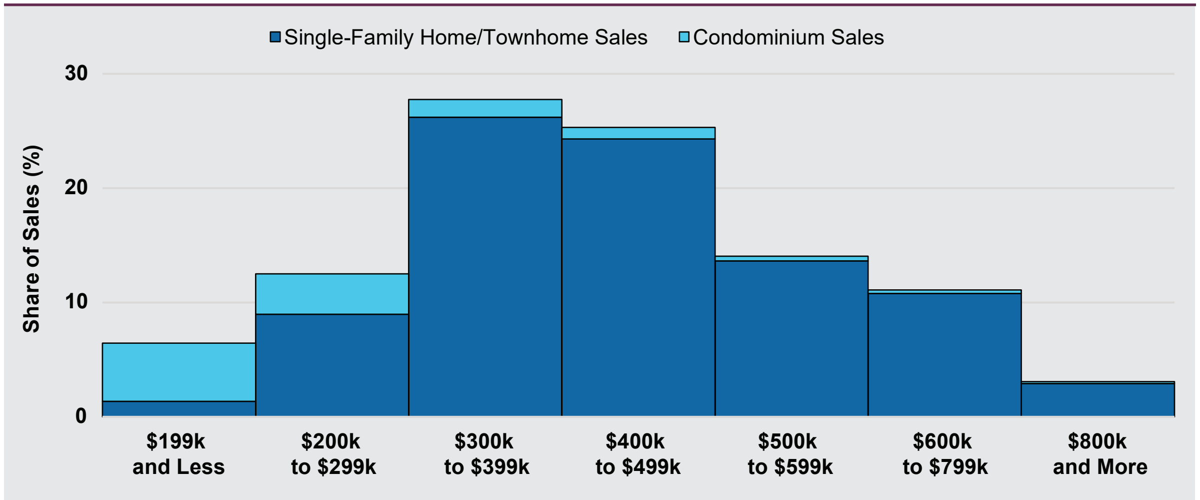
Sales of new and existing condominiums have declined since 2022, but sales are still elevated relative to prepandemic levels. During the

Figure 6. 12-Month Sales Totals by Type in the Calvert-Charles-Prince George's HMA



Source: Bright MLS, Inc.

Figure 7. Share of Overall Sales by Price Range During the 12 Months Ending March 2023 in the Calvert-Charles-Prince George's HMA



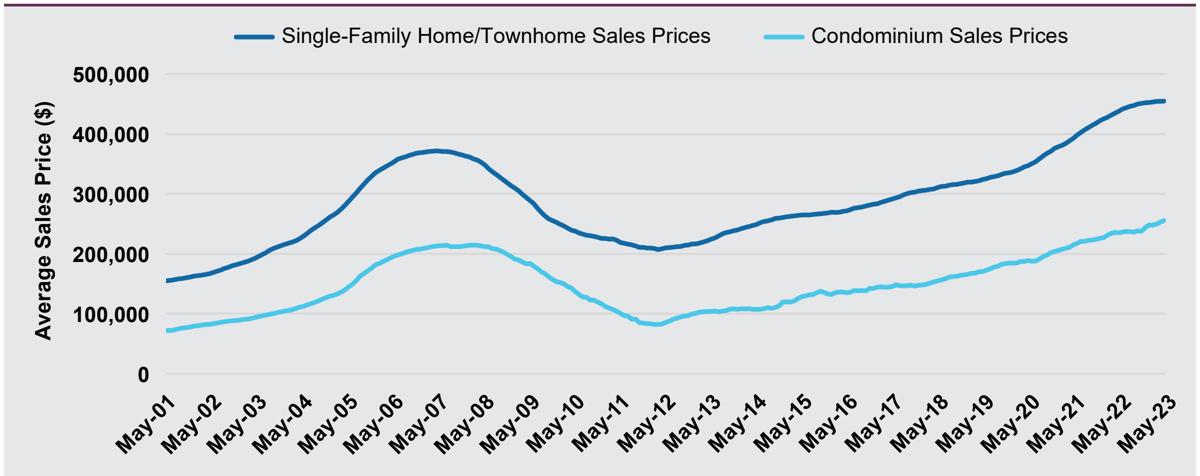
Source: Bright MLS, Inc.

12 months ending May 2023, approximately 1,475 new and existing condominiums sold, down by 280 units, or 16 percent, compared with the 12 months ending May 2022, when condominium sales declined 2 percent (Bright MLS, Inc.). Since 2022, condominium sales have declined an average of 17 percent annually, compared with an average annual increase of 25 percent during 2020 and 2021. Despite the recent decline, the current level of sales is still up 20 percent from the average of 1,225 condominiums sold annually from 2016 through 2019 and is more than double the 570 condominiums sold during 2009, the lowest level of sales since 2000.

Sales Prices

The average sales price of new and existing single-family homes and townhomes has increased in each of the past 11 years, and the current price is at an all-time high. However, in response to a strong decrease in the number of homes sold because of higher interest rates, the average sales price rose at the slowest pace in 7 years. During the 12 months ending May 2023, the average sales price of new and existing single-family homes and townhomes was $454,800, up 4 percent compared with the 12 months ending May 2022, when the average price rose 12 percent. By comparison, the average sales price increased an average of 12 percent annually during 2020 and 2021, which was double the average annual 6-percent increase from 2013 through 2019.

Figure 8. 12-Month Average Sales Price by Type of Sale in the Calvert-Charles-Prince George's HMA



Source: Bright MLS, Inc.

The average sales price of new and existing condominiums has increased at a strong pace since 2012. During the 12 months ending May 2023, the average sales price of new and existing condominiums was $255,500, up 9 percent compared with the same period a year earlier. The average sales price has increased an average of 10 percent annually since 2012, compared with an average annual 21-percent decline from 2008 through 2011. The current price is at an all-time high and is more than three times the average price of $83,400 during 2011, which was the lowest price since 2002. Figure 8 shows the 12-month average sales price by unit type in the HMA since 2001.

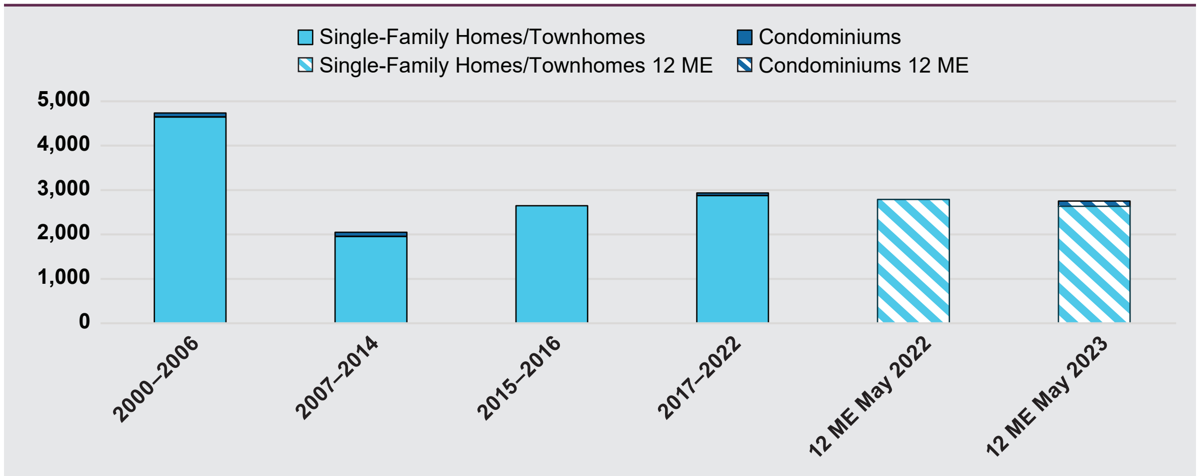
Sales Construction Activity

In response to low levels of available for-sale housing inventory, sales construction activity, as measured by the number of single-family homes, townhomes, and condominiums permitted (see building permits), has been strong during the past 8 years, especially during the past 6 years. From 2017 through 2022, an average of 2,925 sales units were permitted annually (Figure 9). Sales permitting activity during the period was up 10 percent, compared with the average of 2,650 sales units permitted annually during 2015 and 2016, and it was 44-percent higher than the average of 2,025 sales units permitted annually from 2007 through 2014. During the 12 months ending May 2023, approximately 2,750 sales units were permitted, down 1 percent compared with the 12 months ending May 2022 (preliminary data, with adjustments by the analyst). Since 2009, approximately 1 percent of all sales units permitted have been condominium units, down significantly from 9 percent of all sales units permitted from 2005 through 2008.

New Construction

Recent construction activity has occurred throughout the HMA and has generally been for single-family homes and townhomes, although some construction has been for condominium units. Recent activity includes Fairways at Glenn Dale Estates, a single-family home community in the census-designated Glenn Dale area of Prince George's County. The first 2 of the planned 215 homes were completed in early 2023, and an additional 29 are currently under construction, with the remaining homes expected to be built as they are sold. Prices for the three- and four-bedroom homes in this community start at $689,000 and $709,000. Vista Gardens West is a townhome community that is currently under construction in the census-designated area of Lanham in Prince George's County. Nearly 70 percent of the 166 planned townhomes in this community have been built since late 2019, and the rest are expected to be complete within the next 2 years. Prices for the three- and four-bedroom townhomes in this community start at $490,500 and $525,000, respectively. In Charles County, Normandy Farms is a single-family home community that is currently under construction in the town of La Plata. Approximately three-fourths of the 110 planned homes in this community have been built, with the remaining homes expected to be complete within the next 3 years. Prices for the three- and four-bedroom homes in this community start at $559,900 and $564,900, respectively.

Figure 9. Annual Sales Permitting Activity in the Calvert-Charles-Prince George's HMA



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

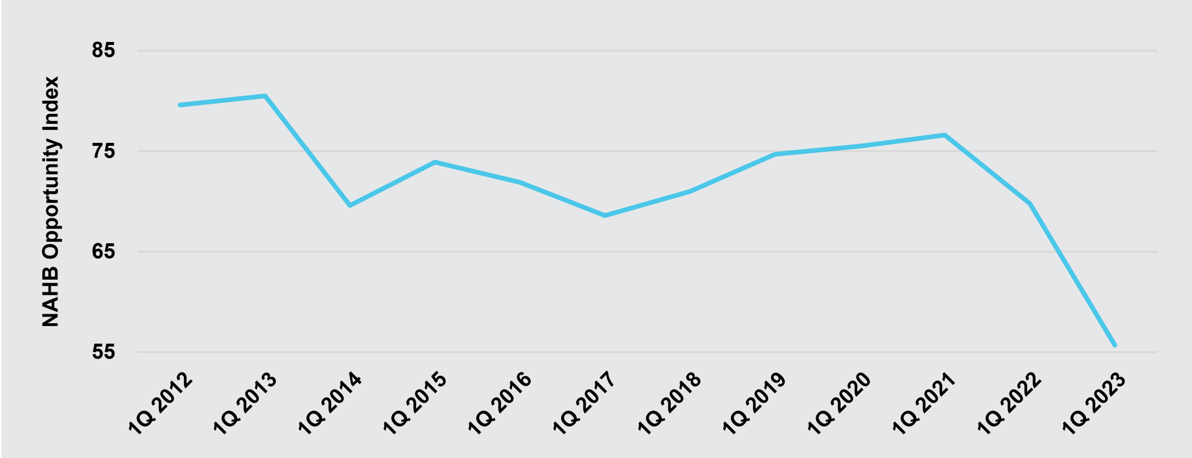
Housing Affordability

Homeownership in the HMA is generally expensive, and the affordability of owning a home declined significantly during the past 2 years because of a strong rise in mortgage interest rates. In the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division, the median income and median sales price increased an average of 11 percent annually during the past 2 years (National Association of Home Builders [NAHB]). However, the average interest rate for a 30-year fixed-rate mortgage increased from 2.9 percent during the first quarter of 2021 to 6.4 percent during the first quarter of 2023, causing the monthly cost of owning a recently purchased home to increase at a faster pace than monthly income. The NAHB/Wells Fargo Housing Opportunity Index for the metropolitan division, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 55.7 during the first quarter of 2023, down significantly from 69.8 during the first quarter of 2022 and well below the index of 76.6 during the first quarter of 2021, the highest first quarter value since 2014 (Figure 10).

Forecast

During the 3-year forecast period, demand is estimated for 4,825 new homes (Table 5). The 900 homes under construction will satisfy some of that demand. Demand is expected to accelerate each year of the forecast period as economic conditions continue to improve.

Figure 10. Calvert-Charles-Prince George's HMA Housing Opportunity Index



1Q = first quarter. NAHB = National Association of Home Builders.
Source: NAHB/Wells Fargo

Table 5. Demand for New Sales Units in the Calvert-Charles-Prince George's HMA During the Forecast Period

	Sales Units
Demand	4,825 Units
Under Construction	900 Units

Note: The forecast period is from June 1, 2023, to June 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft

Conditions in the rental market in the Calvert-Charles-Prince George's HMA have softened during the past year compared with balanced conditions during the previous 7 years.

Current Conditions and Recent Trends

The rental housing market in the HMA is currently slightly soft. The overall vacancy rate is estimated at 7.9 percent, up from 7.6 percent in 2010 and 5.8 percent in 2020 (Table 6). Conditions in the rental market were generally balanced from 2000 through 2005 but transitioned to slightly soft from 2006 through 2009 because of strong net out-migration. Conditions transitioned back to balanced from 2010 through 2014, largely due to strong net in-migration, and conditions remained balanced from 2015 through 2020 as net in-migration continued. Despite strong out-migration, rental market conditions stayed in balance during 2020 and 2021, partially attributed to state and federal eviction protection policies during the COVID-19 pandemic in addition to economic impact payments, allowing households to form at a faster pace. However, rental market conditions softened during the past year, which is largely attributed to a combination of strong net out-migration, the lifting of eviction protection policies, and the elimination of economic impact payments.

Table 6. Rental and Apartment Market Quick Facts in the Calvert-Charles-Prince George's HMA

		2010 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	7.6	7.9
		2006–2010 (%)	**2017–2021 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	25	27
	Multifamily (2–4 Units)	6	6
	Multifamily (5+ Units)	68	67
	Other (Including Mobile Homes)	1	0

		2Q 2023	YoY Change
Apartment Market Quick Facts	**Apartment Vacancy Rate**	8.2	2.4
	Average Rent	$1,694	1%
	Studio	$1,356	2%
	One-Bedroom	$1,521	1%
	Two-Bedroom	$1,765	1%
	Three-Bedroom	$2,111	0%

2Q = second quarter. YoY = year-over-year.
Notes: The current date is June 1, 2023. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2006–2010 and 2017–2021 American Community Survey 5-year data; apartment data—CoStar Group

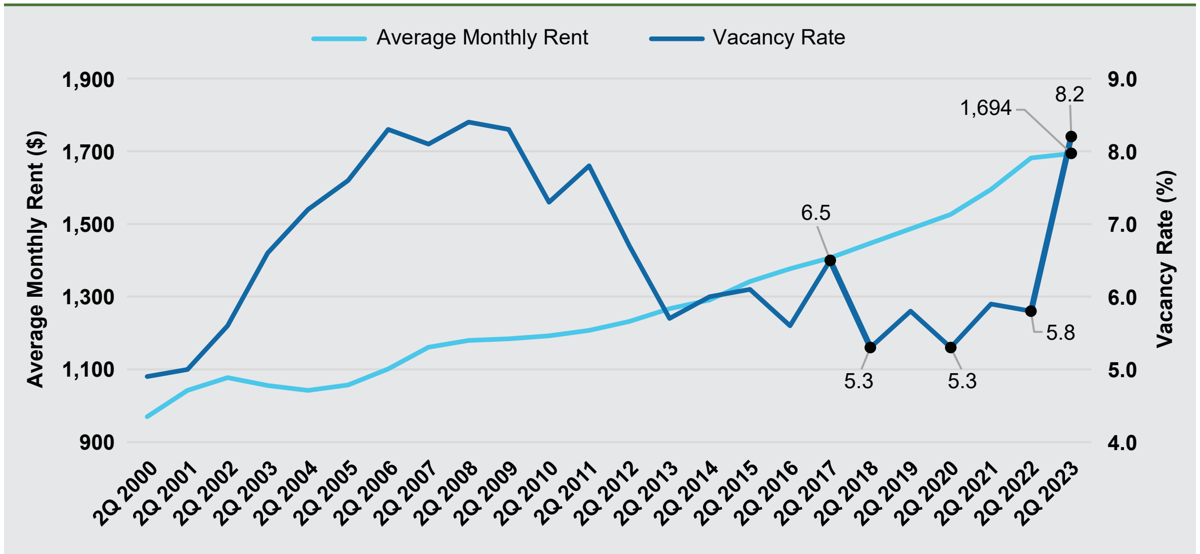
During the 5-year period from 2017 through 2021, approximately 27 percent of all renter households lived in single-family homes, up slightly from 25 percent during the 5-year period from 2006 through 2010 (American Community Survey 5-year data). In addition, 6 percent of renter households lived in structures with two to four units, unchanged from 2006 through 2010. Multifamily buildings with five or more units, typically apartments, accounted for 67 percent of all occupied rental units from 2017 through 2021, down slightly from 68 percent from 2006 through 2010.

Conditions are also slightly soft in the apartment market. As of the second quarter of 2023, the apartment vacancy rate was 8.2 percent, up significantly from 5.8 percent as of the second quarter of 2022 and the highest second quarter rate since 2010 (CoStar Group; Figure 11). Conditions in the apartment market were generally balanced from 2013 through mid-2022, and second quarter vacancy rates ranged from lows of 5.3 percent in 2018 and 2020 to a high of 6.5 percent in 2017. However, the vacancy rate increased 2.4 percentage points during the past year due to negative gross absorption of CoStar Group-covered units. During the 12 months ending June 2023, the number of occupied CoStar Group-covered units declined by approximately 1,575, compared with an average increase of 1,000 units annually during the previous 16 years.

As of the second quarter of 2023, vacancy rates were up in seven of eight CoStar Group-defined market areas (hereafter, market areas) that make up the HMA, led by a 4.2-percentage-point increase to 11.3 percent in the Branch Avenue market area. In the Hyattsville market area, where University of Maryland, College Park and four stops on the Metro Green Line are located, the vacancy rate rose from 3.7 percent as of the second quarter of 2022 to 5.9 percent as of the second quarter of 2023. The rise in the vacancy rate during the past year in this market area was due to a combination of approximately 370 apartment units being completed and total occupancy in apartment units covered by CoStar Group declining by 150.

In response to a sharp increase in the vacancy rate during the past year, the average apartment rent in the Calvert-Charles-Prince George's HMA rose at the slowest pace in 13 years. As of the second quarter of 2023, apartment rents averaged $1,694, reflecting an increase of less than 1 percent from a year ago. By comparison, rent was up an average of 3 percent annually from 2010 through 2021. Average rents were up in six of eight market areas in the HMA from a year ago, led by the Calvert County and Hyattsville market areas, where rents increased 4 and 3 percent to $1,602 and $1,705, respectively. Average rents declined in two market areas—Capitol Heights/Largo and Branch Avenue—down 3 and 2 percent, respectively.

Figure 11. Apartment Rents and Vacancy Rates in the Calvert-Charles-Prince George's HMA



2Q = second quarter.
Source: CoStar Group

Rental Construction Activity

In response to the strong absorption pace of newly constructed apartments, rental construction activity, as measured by the number of rental units permitted, has been strong since 2012. In addition, builders have responded to high levels of apartment absorption during 2020 and 2021, with notably elevated permitting levels since 2022. From 2000 through 2005, an average of 500 rental units were permitted annually (Figure 12). Rental permitting activity accelerated to an average of 1,200 units permitted annually from 2006 through 2009, largely because of residential redevelopment along the Metro Green Line, before slowing to an average of 310 rental units permitted annually during 2010 and 2011. Rental permitting activity increased to an average of 1,325 units permitted annually from 2012 through 2021 and further rose to 3,400 units permitted during 2022. During the 12 months ending May 2023, approximately 3,925 new rental units were permitted, up 76 percent compared with the same period a year earlier (preliminary data, with adjustments by the analyst).

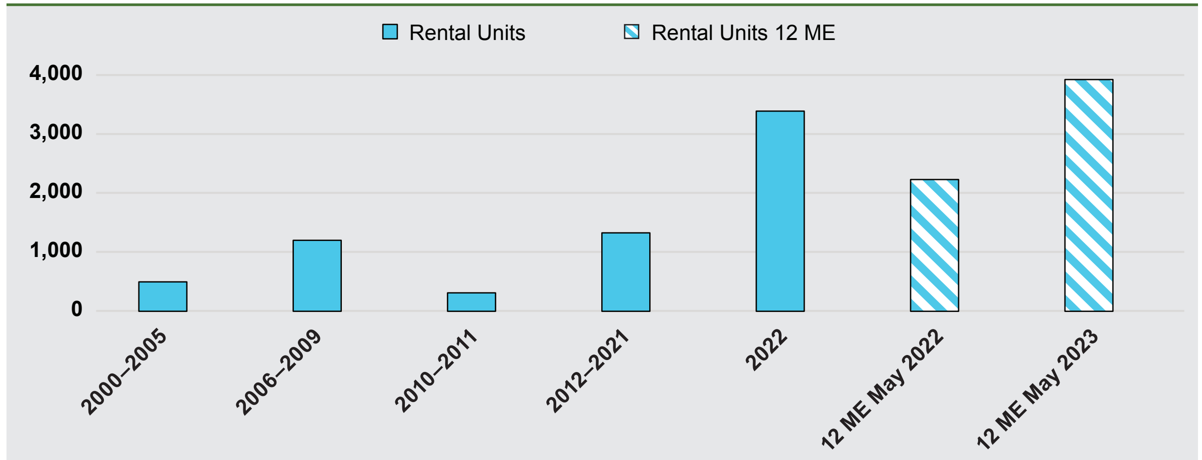
New Construction

Recent construction activity in the HMA has been largely concentrated near Metro stations in Prince George's County. Recent activity includes the 393-unit Aster apartment community, which was completed in mid-2022 in the Hyattsville market area. Rents for the studio, one-bedroom, two-bedroom, and three-bedroom units in this community start at $1,950, $2,175, $2,850, and $3,500, respectively. In the North Prince George's County market area, the 164-unit Woodmore Grand apartment community was completed in early 2023. Rents for the one- and two-bedroom units in this community start at $2,000 and $2,700, respectively. In Charles County, recent construction includes Brookestone Townhomes, an 88-unit rental community completed in 2022 in the census-designated Waldorf area. All rental units in this community have three bedrooms, and rents range from $2,975 to $3,550.

Student Housing

The HMA contains two universities that house students, and an estimated 10,400 student renter households reside off campus, accounting for approximately 7 percent of all renter households. Construction of the privately owned Tempo near University of Maryland, College Park was completed in mid-2022. The furnished units are rented by the bedroom, and rents start at $1,875 for one-bedroom units, $1,500 per bedroom for two-bedroom units, $1,300 per bedroom for three-bedroom units, and $970 per bedroom for four-bedroom units.

Figure 12. Annual Rental Permitting Activity in the Calvert-Charles-Prince George's HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Forecast

After adjusting for demand that the current excess supply of rental units and the conversion of some sales units to the rental market will satisfy, no additional demand is estimated for new rental units during the 3-year forecast period (Table 7). Currently, 4,800 rental units are under construction in the HMA, which will likely cause the market to further soften as they become available.

Table 7. Demand for New Rental Units in the Calvert-Charles-Prince George's HMA During the Forecast

	Rental Units
Demand	No Units
Under Construction	4,800 Units

Note: The forecast period is June 1, 2023, to June 1, 2026.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in a housing market area (HMA). Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Forecast Period	6/1/2023–6/1/2026—Estimates by the analyst.
Great Recession	The Great Recession occurred nationally from December 2007 to June 2009.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.
Rental Market	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area and metropolitan division definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division includes all counties in the HMA, in addition to the District of Columbia, 11 counties (Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren), and 6 independent cities (Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park) in Virginia, and Jefferson County in West Virginia.
3.	The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area is made up of all counties and independent cities in the metropolitan division of the same name in addition to the counties of Frederick and Montgomery in Maryland.

C. Additional Notes

1.	The National Association of Home Builders Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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