Calvert-Charles-Prince George's, Maryland

PD&R

Housing Market Area
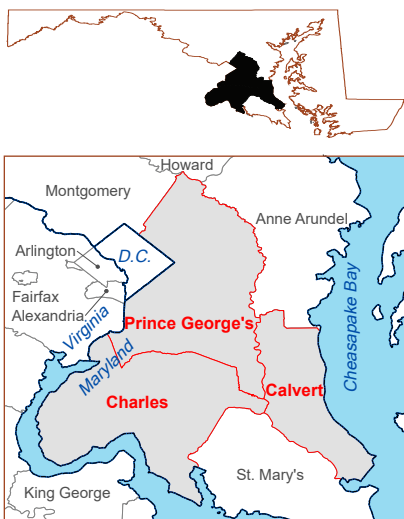
The Calvert-Charles-Prince George's Housing Market Area (HMA) includes Calvert, Charles, and Prince George's Counties in Maryland. The HMA is northeast and southeast of the District of Columbia and encompasses the easternmost portion of the greater Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA). The HMA is home to Joint Base Andrews, with 17,500 military and civilian personnel and an estimated annual economic impact of $2.3 billion.

Market Details

Summary

Economy

The economy of the Calvert-Charles-Prince George's HMA expanded from 2012 through 2017, with nonfarm payroll growth averaging 1.3 percent annually. Growth stalled, however, in the course of the past year, and payrolls declined by 1,800 jobs, or 0.4 percent, during the 12 months ending September 2018. Losses in the mining, logging, and construction and the trade sectors were primary factors in the overall decline. During the next 3 years, nonfarm payrolls are anticipated to increase by an average of 3,500 jobs, or 0.8 percent, annually.

Sales Market

The sales housing market in the HMA is balanced. The sales vacancy rate is estimated at 1.4 percent, down from 2.5 percent in 2010. The supply of existing homes available for sale was 2.6 months in September 2018, relatively unchanged from a year ago (Bright MLS, Inc.). Sales and sales prices for new and existing homes have mostly increased in the HMA since the early 2010s. The share of existing home sales in the HMA that are foreclosure and real estate owned (REO) sales, however, although down from 2010, remains more than double the national proportion. During the 3-year forecast period, demand is estimated for 6,700 new sales housing units in the HMA, a portion of which will be met by the 1,575 homes currently under construction.

Rental Market

Rental market conditions in the HMA are balanced. The overall rental vacancy rate is estimated at 5.7 percent, down from 7.6 percent in 2010. The apartment vacancy rate in the HMA was 4.2 percent during the third quarter of 2018, down from 4.8 percent a year earlier (RealPage, Inc.). During the 3-year forecast period, demand is estimated for 3,150 new rental housing units in the HMA (Table 1). The 1,925 apartment units currently under construction plus 320 units in final planning will satisfy more than 70 percent of the forecast demand.

Table 1. Housing Demand in the Calvert-Charles-Prince George's HMA During the Forecast Period

	Calvert-Charles-Prince George's HMA	
	Sales Units	Rental Units
Total Demand	6,700	3,150
Under Construction	1,575	1,925

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2018. The forecast period is October 1, 2018, to October 1, 2021.
Source: Estimates by the analyst

Economic Conditions

Economic conditions in the Calvert-Charles-Prince George's HMA strengthened for several years after the national recession but weakened slightly during the past year. The unemployment rate declined each year from 2011 through 2017, and nonfarm payrolls increased an average of 5,100 jobs, or 1.3 percent, annually from 2012 through 2017. During the 12 months ending September 2018, nonfarm payrolls in the HMA declined, however, by 1,800 jobs, or 0.4 percent, with 7 of 11 sectors reporting job losses or no change (Table 2). The decline followed a very strong gain of 9,300 jobs, or 2.3 percent, during the previous 12 months. Job declines in the mining, logging, and construction and the wholesale and retail trade sectors accounted for most of the job losses in the HMA during the past year.

The mining, logging, and construction sector declined by 2,300 jobs, or 6.3 percent, during the 12 months ending September 2018. The completion of construction activity at major energy-related projects in early 2018 and a strong decline in multifamily construction activity during the past year contributed to the decline in the sector. The construction of new natural gas liquefaction facilities at Dominion Energy Cove Point in Calvert County, an investment of more than $3 billion, was estimated to have supported 4,000 jobs in the mining, logging, and construction sector between the start of construction in October 2014 and completion in April 2018. In Prince George's County, the construction of the $825 million PSEG Keys Energy Center, a natural gas-fired power plant, was estimated to have supported 900 jobs in the sector between the start of construction in November 2015 and completion in July 2018.

The wholesale and retail trade sector is the largest private sector in the HMA, accounting for 15 percent of total nonfarm payrolls. Payrolls in the sector declined by 600, or 0.9 percent, during the 12 months ending September 2018, mostly because of a loss of 400 jobs, or 0.8 percent, in the retail trade subsector. The closure of two Toys "R" Us stores in Prince George's County and a Safeway grocery store in Charles County in the spring of 2018 contributed to the loss in the retail trade subsector.

Payrolls in the professional and business services and the leisure and hospitality sectors were relatively unchanged during the 12 months ending September 2018. By comparison, payrolls increased in each sector during the 12 months ending September 2017, including a gain of 4,300 jobs, or 10.5 percent, in the

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

	12 Months Ending		Absolute Change	Percent Change
	September 2017	September 2018		
Total Nonfarm Payroll Jobs	417,300	415,500	-1,800	-0.4
Goods-Producing Sectors	45,400	43,000	-2,400	-5.3
Mining, Logging, & Construction	36,400	34,100	-2,300	-6.3
Manufacturing	9,000	8,900	-100	-1.1
Service-Providing Sectors	371,900	372,500	600	0.2
Wholesale & Retail Trade	63,600	63,000	-600	-0.9
Transportation & Utilities	14,800	15,000	200	1.4
Information	4,200	4,100	-100	-2.4
Financial Activities	13,700	13,800	100	0.7
Professional & Business Services	49,700	49,700	0	0.0
Education & Health Services	43,700	44,600	900	2.1
Leisure & Hospitality	44,900	44,900	0	0.0
Other Services	28,000	27,900	-100	-0.4
Government	109,200	109,500	300	0.3

Notes: Based on 12-month averages through September 2017 and September 2018. Numbers may not add to totals due to rounding.
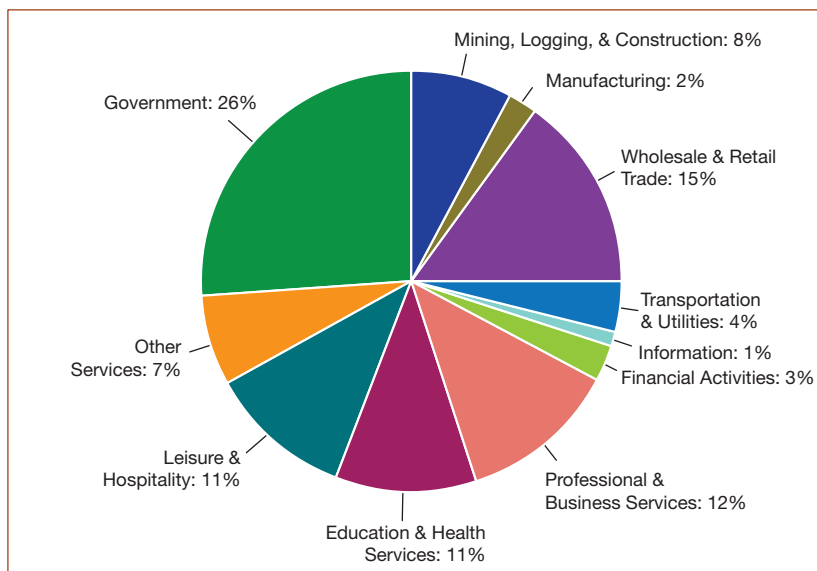
Source: U.S. Bureau of Labor Statistics

Economic Conditions *Continued*

leisure and hospitality sector. The opening of the $1.4 billion MGM National Harbor Resort in December 2016 contributed to the strong job growth in the sector during that period. A $48 million expansion was completed in July 2018 at MGM National Harbor Resort, adding additional poker tables, an off-track betting lounge, and 250 additional jobs.

Payrolls increased in four sectors during the past year, led by a gain of 900 jobs, or 2.1 percent, in the education and health services sector. Recovery Centers of America completed the expansion of an addiction treatment center in Charles County in August 2018, adding approximately 80 jobs in the sector. The transportation and utilities sector increased by 200 jobs, or 1.4 percent. The new PSEG Keys Energy Center and the facilities at Dominion Energy Cove Point added a combined 100 jobs in the transportation and utilities sector during the past year. La-Z-Boy, a furniture manufacturer, provided additional jobs in the transportation and utilities sector after relocating workers at a regional distribution center in Anne Arundel County to a new center in Prince George's County in the fall of 2018.

The government sector is the largest sector in the HMA, accounting for 26 percent of nonfarm payrolls (Figure 1). During the 12 months ending September 2018, payrolls in the government sector increased by 300 jobs, or 0.3 percent. Jobs in the state government subsector increased by 300, or 1.0 percent, whereas payrolls in the federal and local government subsectors were mostly unchanged. The University of Maryland, College Park (hereafter, UM College Park) employed 14,400 workers during the fall semester of 2018 (UM College Park Office of Institutional Research, Planning & Assessment). The University System of Maryland, which includes UM College Park, the University of Maryland University College, and Bowie State University, is the largest employer in the HMA, with approximately 20,250 employees (Table 3).

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

Notes: Based on 12-month averages through September 2018. Numbers may not add to 100 percent due to rounding.
Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Calvert-Charles-Prince George's HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University System of Maryland	Government	20,250
Joint Base Andrews	Government	17,500
United States Internal Revenue Service	Government	4,735
United States Census Bureau	Government	4,605
Naval Support Facility Indian Head	Government	3,445
NASA Goddard Space Flight Center	Government	3,000
United Parcel Service	Professional & Business Services	3,000
MGM National Harbor	Leisure & Hospitality	2,785
Marriott International	Leisure & Hospitality	2,200
Prince George's Community College	Government	2,045

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data. Employee estimates as of 2018.
Source: Maryland Department of Commerce

The HMA is home to several military facilities, the most significant of which is Joint Base Andrews in Prince George's County. As of 2012, the annual economic impact of Joint Base Andrews on the state of Maryland was estimated at $2.3 billion (Towson University Regional Economic Studies Institute; most recent data available). Joint Base Andrews is the home of Air Force One, a modified Boeing 747 aircraft that transports the President of the United States and up to 71 passengers and 30 crew members. Naval Support Facility Indian Head and Naval Support Warfare Center, each located in Charles County, have annual economic impacts on the state of Maryland of $500 million and $600 million, respectively. The number of military personnel assigned to active-duty units stationed in the HMA declined, however, from 10,050 in 2001 to 9,025 in 2017 (Bureau of Economic Analysis).

The Capital Beltway and 15 transit stations in the HMA provide connections to major employment centers in the District of Columbia, northern Virginia, and adjacent counties in Maryland. Interstates 95 and 295 connect the northernmost portion of the HMA to Baltimore City, MD, 20 miles to the northeast. Among employed residents of the HMA, 48 percent work in the HMA, 23 percent work outside the HMA but within the greater Washington-Arlington-Alexandria, DC-VA-MD-WV MSA, and 29 percent work elsewhere. Approximately 20 percent of employed residents of the HMA, including 22 percent of employed residents in Prince George's County, work in the Baltimore-Columbia-Towson, MD MSA. Among jobs in the HMA, 33 percent are filled by residents of the HMA and 67 percent by

residents of other areas. Amazon.com, Inc. announced in November 2018 that Arlington County, Virginia, would be the home of a new headquarters campus, a $2 billion investment that is expected to create 25,000 jobs by 2034. A 2018 study estimates that approximately 6 percent of workers at the new campus will live in the HMA (The Stephen F. Fuller Institute). Because most of the buildout of the campus and job creation will occur in the mid- to late-2020s, the impact on housing demand in the HMA during the 3-year forecast period will not be significant.

Total nonfarm payrolls increased 9 percent overall from 2000 through the current date, a time that encompassed two expansionary periods. From 2001 through 2007, nonfarm payrolls increased by an average of 3,100 jobs, or 0.8 percent, annually, extending a long growth phase in the HMA that began in 1993. The overall growth from 2001 through 2007 was led by the government sector, which added an average of 1,400 jobs, or 1.5 percent, annually. Payrolls declined from 2008 through 2011 by an average of 4,500 jobs, or 1.1 percent, annually. The severest losses during the period were in the mining, logging, and construction and the wholesale and retail trade sectors, with average annual declines of 2,700 and 1,400 jobs, or 7.3 and 2.1 percent, respectively. From 2012 through 2017, total nonfarm payrolls increased by an average of 5,100 jobs, or 1.3 percent, annually. The greatest gains during the period were in the leisure and hospitality sector, which increased by an average of 1,500 jobs, or 3.8 percent, annually.

The 51-percent increase in payrolls in the leisure and hospitality sector since 2000 is the largest percentage

Economic Conditions *Continued*

gain of any sector in the HMA (Figure 2). The largest nominal increase in jobs was in the government sector, which added 17,900 jobs and, as a proportion of total nonfarm payrolls, increased from 24 percent in 2000 to 26 percent during the 12 months ending September 2018. Payrolls in the wholesale and retail trade sector have declined 7 percent since 2000 and from 18 percent of total payrolls in 2000 to 15 percent of payrolls during the 12 months ending September 2018.

The unemployment rate in the Calvert-Charles-Prince George's HMA averaged 4.3 percent during the 12 months ending September 2018, up from an average of 4.1 percent during the previous 12 months. The unemployment rate declined each year from 2011 through 2017 after peaking at 7.4 percent during 2010 (Figure 3). The unemployment rate during the 12 months ending September 2018 was slightly higher than the average of 4.0 percent during the growth period from 2001 through 2007.

Figure 2. Sector Growth in the Calvert-Charles-Prince George's HMA, Percentage Change, 2000 to Current
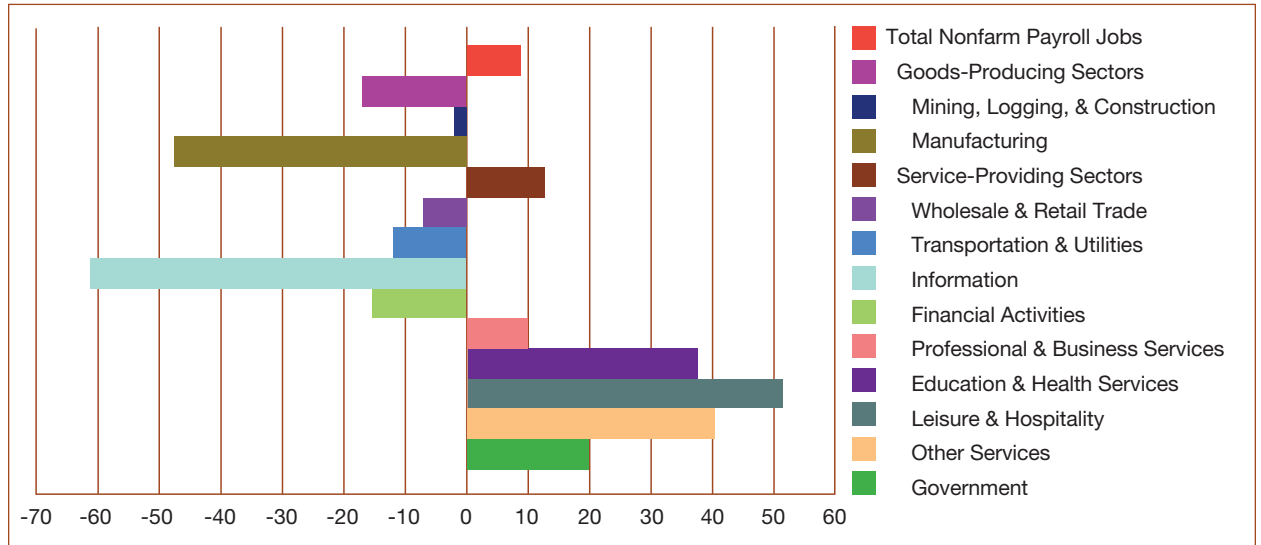
Note: Current is based on 12-month averages through September 2018.
Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Calvert-Charles-Prince George's HMA, 2000 Through 2017

Source: U.S. Bureau of Labor Statistics

Economic Conditions *Continued*
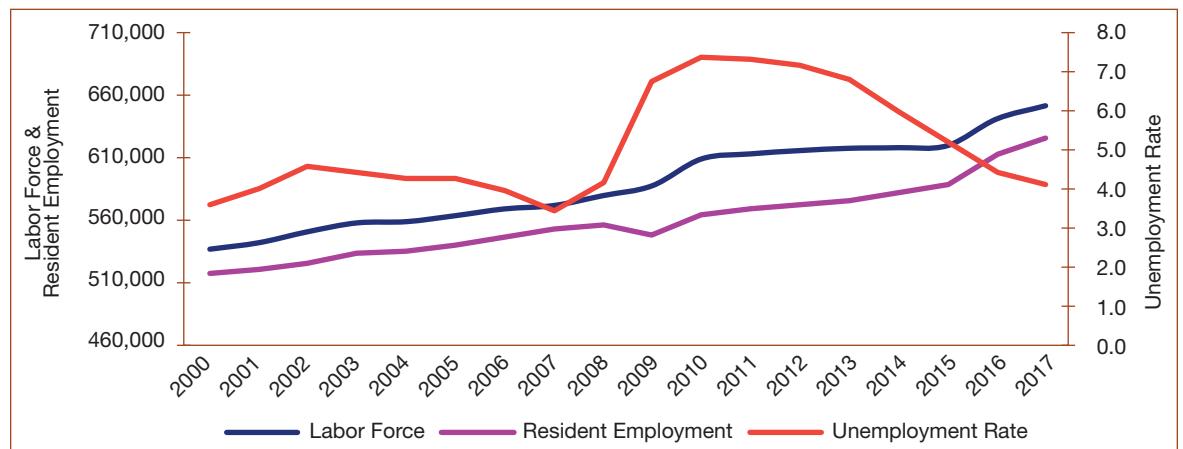
During the next 3 years, nonfarm payrolls in the Calvert-Charles-Prince George's HMA are anticipated to increase by an average of 3,500 jobs, or 0.8 percent, annually. Job growth is expected to accelerate slightly in later parts of the forecast period to coincide with the completion of a few significant projects that are currently underway. The new headquarters for the U.S. Citizenship and Immigration Services agency is expected to be complete in 2020, adding an estimated 3,700 employees to the federal government subsector.

The $543 million University of Maryland Capital Region Medical Center is expected to be complete in 2021, adding an undetermined number of jobs in the education and health services sector. Finally, the construction of the $5.6 billion Purple Line, a 16-mile light rail line that will connect existing transit stations in Prince George's County to stations in Montgomery County, began in mid-2017 and is expected to add jobs in the mining, logging, and construction sector as development activity intensifies through completion in 2021.

Population and Households

The population of the Calvert-Charles-Prince George's HMA is estimated at nearly 1.17 million as of October 1, 2018. Since 2014, the population has increased by an average of 5,250, or 0.5 percent, annually (Census Bureau population estimates as of July 1). The level of growth during that period, however, was less than one-half the average annual increase of 10,800, or 1.0 percent, from 2008 to 2014. Net in-migration averaged 2,650 people annually and was 25 percent of population growth from 2008 to 2014, but

net out-migration since 2014 contributed to the more recent slowdown in population growth. Since 2014, net out-migration has averaged 1,350 people annually, in part because of an increase in the number of people moving to Anne Arundel and Howard Counties, which are part of the Baltimore-Columbia-Towson, MD MSA, directly north of the HMA. Net natural increase (resident births minus resident deaths) has averaged 6,600 people annually since 2014. Population growth in the HMA from 2000 to the current date was mainly due to net natural increase. Net natural increase averaged 8,725 people annually, or 86 percent of population growth, from 2000 to 2010 and 7,350 people annually, or 89 percent of growth, from 2010 through the current date (Figure 4).

The highest levels of population growth in the HMA since 2000 were from 2000 to 2005, when population increased by an average of 15,500, or 1.5 percent, annually. Strong levels of single-family home construction activity, the continuation of a long period of economic expansion, and the

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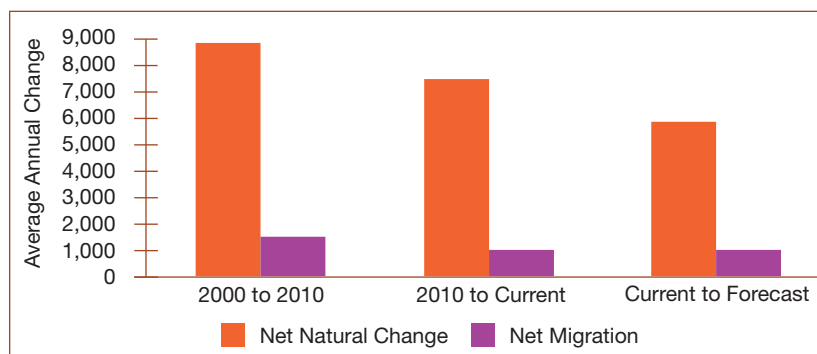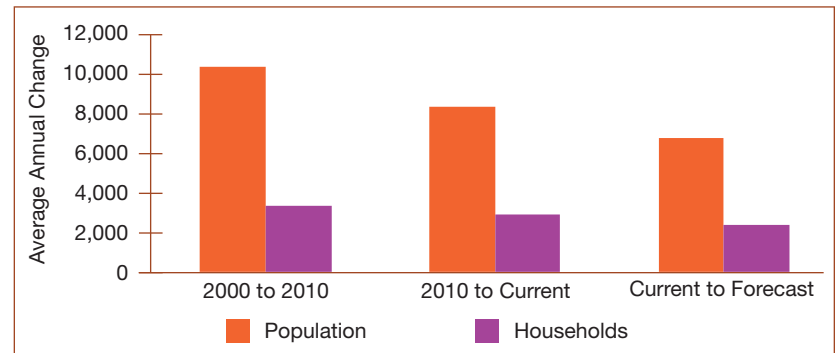

Notes: The current date is October 1, 2018. The forecast date is October 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

addition in 2001 of four new transit stations to the Washington Metropolitan Area Transit Authority Green Line contributed to strong levels of net in-migration in the early 2000s. From 2000 to 2005, net in-migration averaged 6,800 people annually and accounted for 44 percent of population growth. Population growth fell significantly, however, from 2005 to 2008, to an average increase of 1,200 people, or 0.1 percent, annually. Lower levels of in-migration from the District of Columbia and Fairfax County, Virginia to the HMA contributed to an average annual net out-migration of 7,850 people from 2005 to 2008 (Missouri State Data Center IRS Migration Profile).

The number of households in the Calvert-Charles-Prince George's HMA has increased by an average of 2,875, or 0.7 percent, annually since 2010 (Figure 5). By comparison, households increased by an average of 3,250, or 0.9 percent, annually, from 2000 to 2010. Of the estimated 410,600 households in the HMA, 65.9 percent, or 270,600, are owner households (Figure 6). The homeownership rate is down slightly from 66.6 percent in 2010 because of relatively strong renter household growth during the period. Renter households accounted for 21 percent of total household growth in the HMA from 2000 to 2010 but 45 percent of household

Figure 5. Population and Household Growth in the Calvert-Charles-Prince George's HMA, 2000 to Forecast

Notes: The current date is October 1, 2018. The forecast date is October 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 6. Number of Households by Tenure in the Calvert-Charles-Prince George's HMA, 2000 to Current
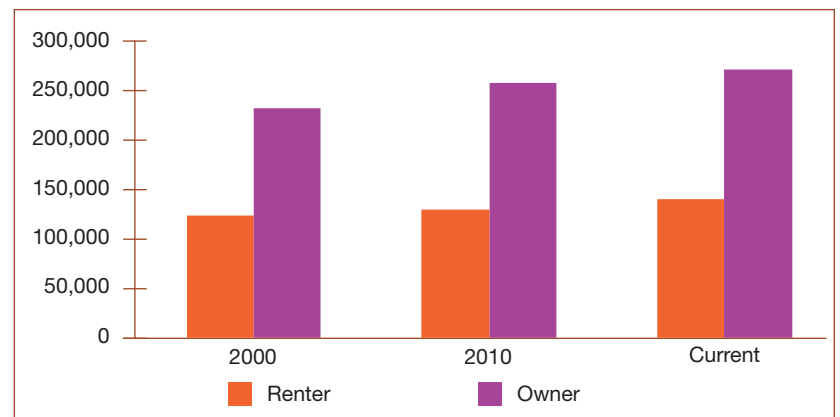
Note: The current date is October 1, 2018.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

growth from 2010 through the current date. Table DP-1 at the end of this report provides more information on population and households in the HMA.

Growth in enrollment at UM College Park has contributed to population growth in the HMA. UM College Park is in Prince George's County and is the 32nd largest 4-year, public college or university in the nation in terms of total enrollment (National Center for Education Statistics; ranked by fall 2016 enrollment data). As of the fall of 2018, 41,200 undergraduate and graduate students were enrolled at UM College Park, an increase of 8,000 students since the fall of 2000. Nearly one-half of this increase in enrollment occurred during the past 5 years. From the fall semesters of 2014 to 2018, total enrollment at UM College Park increased by an average of 790, or 2.0 percent, annually. Total student enrollment at Bowie State University, also in Prince George's County, was 6,320 as of the fall of

2018, an increase of 1,625 students since the fall of 2000. After remaining essentially unchanged for more than a decade, enrollment at Bowie State University increased annually by an average of 300, or 5.2 percent, from the fall semesters of 2016 to 2018. During the next 3 years, enrollments at UM College Park and Bowie State University are expected to increase annually by averages of 1.5 and 1.3 percent, respectively (Maryland Higher Education Commission).

During the 3-year forecast period, population growth in the Calvert-Charles-Prince George's HMA is expected to increase modestly from the rate of growth since 2014 to an average annual gain of 6,675 people, or 0.6 percent. Net in-migration is anticipated to average 920 people annually. The number of households is expected to increase by an average of 2,325, or 0.6 percent, annually during the next 3 years. Renter households are expected to account for 53 percent of the growth in total households.

Housing Market Trends

Sales Market

The sales housing market in the Calvert-Charles-Prince George's HMA is currently balanced. The sales vacancy rate is estimated at 1.4 percent, down from 2.5 percent in 2010. The supply of existing homes available for sale was 2.6 months as of September 2018, up slightly from 2.5 months a year earlier but down significantly from 7.7 months as of April 2010 (Bright MLS, Inc.). The supply of new homes was 7.2 months during the third quarter of 2018, down from 7.3 months during the third quarter of 2017 (Metrostudy, A Hanley Wood Company).

Sales of existing homes— which include regular resales, foreclosures, REO, and short sales—generally increased in the HMA each year from 2013 through 2017 but declined slightly during the past year. During the 12 months ending September 2018, 18,700 existing single-family homes, townhomes, and condominiums sold in the HMA, down 3 percent from 19,350 homes sold during the previous 12 months (Metrostudy, A Hanley Wood Company). Existing home sales fell rapidly, by an average of 27 percent annually, from 2006 through 2008, in part because

of net out-migration. Existing home sales increased an average of 23 percent annually from 2009 through 2010 because of an increase in distressed sales (foreclosures, REO, and short sales). After peaking in 2010, distressed sales declined through 2012, causing an average annual 13-percent decline in total existing home sales in the HMA from 2011 through 2012. From 2013 through 2017, existing home sales increased an average of 9 percent annually because of a rise in regular resales, which increased an average of 14 percent annually.

At their peak in 2010, distressed sales totaled 11,150 and composed 67 percent of existing homes sold in the HMA. Mortgage delinquency in the HMA also peaked in 2010. In February 2010, 15.1 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status (CoreLogic, Inc.). The rate in the HMA was significantly higher than the national rate, which peaked that same month at 8.6 percent. By comparison, the lowest year-end rate in the HMA was in December 2005, at 1.4 percent, which was slightly less than the national rate of 1.8 percent. Distressed sales remained elevated after 2010, composing more than 40 percent of existing home sales in the HMA each year from 2011 through 2016 (Metrostudy, A Hanley Wood Company). Distressed sales and mortgage delinquency have declined in recent years, however. During the 12 months ending September 2018, 26 percent of existing home sales in the HMA were distressed sales, down from 28 percent during the previous 12 months but significantly higher than the national proportion of 10 percent. As of September 2018, 3.9 percent of home loans in the HMA were seriously delinquent

or had transitioned into REO status, down from 4.9 percent a year earlier but higher than the national rate of 1.8 percent (CoreLogic, Inc.).

Existing home sales prices in the HMA have been increasing since 2012. During the 12 months ending September 2018, the average existing home sales price was $281,300, up 5 percent from the average price during the previous 12 months (Metrostudy, A Hanley Wood Company). The average sales price decreased an average of 9 percent annually from $336,400 during 2005 to $195,300 during 2011, in part because of the rise in distressed sales, which tend to sell at a significant discount. The average sales price of an REO home in the HMA is typically 35 percent less than the average sales price for regular existing home sales. Supported by strengthening economic conditions, the average existing home sales price increased an average of 6 percent annually from 2012 through 2017.

New home sales in the HMA have been increasing since 2012. During the 12 months ending September 2018, 2,425 new single-family homes, townhomes, and condominiums sold in the HMA, up 8 percent from the number sold during the previous 12 months (Metrostudy, A Hanley Wood Company). The number of new homes sold during the past year was 43 percent greater than the 1,700 homes sold during 2011, which was the lowest annual total in the HMA during the past 10 years. The average new home sales price has been increasing since 2011; it was $462,200 during the 12 months ending September 2018, up 2 percent from the average price during the previous 12 months and 21 percent higher than the average of $383,400 during 2010, which was the lowest

Housing Market Trends
Sales Market *Continued*

annual average in the HMA during the past decade. Nearly two-thirds of new home sales in the HMA during the 12 months ending September 2018 ranged in price from $300,000 to $499,999.

Homebuilding activity, as measured by the number of single-family homes permitted, has generally increased in the HMA during the past 8 years. During the 12 months ending September 2018, 2,850 single-family homes were permitted in the HMA, up 5 percent from the number permitted during the previous 12 months (preliminary data). Since 2000, the period of greatest homebuilding activity in the HMA was from 2000 through 2006, when an average of 4,650 single-family homes were permitted each year (Figure 7). The subsequent period of net out-migration

and job losses in the late 2000s contributed to a slowdown in homebuilding activity, to an average of 1,950 homes permitted annually from 2007 through 2014. Supported by improving sales market conditions, activity increased to an average of 2,650 single-family homes permitted annually from 2015 through 2017.

Currently, 150 subdivisions are marketing in the HMA. Three subdivisions had 90 or more closings and together accounted for about 10 percent of all home closings during the past 12 months (Metrostudy, A Hanley Wood Company). Gleneagles South is within a master-planned community in Charles County known as St. Charles. About one-half of the 780 single-family homes planned for Gleneagles South have been built since marketing began in early 2013, and home prices currently range from $380,000 to $481,000. Parkside at Westphalia is under construction in Prince George's County, with current prices for single-family homes and townhomes ranging from $319,000 to $431,000. Fairwood is also under construction in Prince George's County, with prices for single-family homes ranging from $480,000 to $633,000. Nearly 74 percent of the 370 homes planned at Fairwood have been built since marketing began in mid-2014.

During the 3-year forecast period, demand is estimated for 6,700 new sales housing units in the Calvert-Charles-Prince George's HMA (Table 1). Demand is expected to be relatively constant each year. The 1,575 single-family homes, townhomes, and condominiums currently under construction will satisfy some of the demand. An estimated one-half of the demand will be for homes priced between $300,000 and $499,999 (Table 4).

Figure 7. Single-Family Homes Permitted in the Calvert-Charles-Prince George's HMA, 2000 to Current
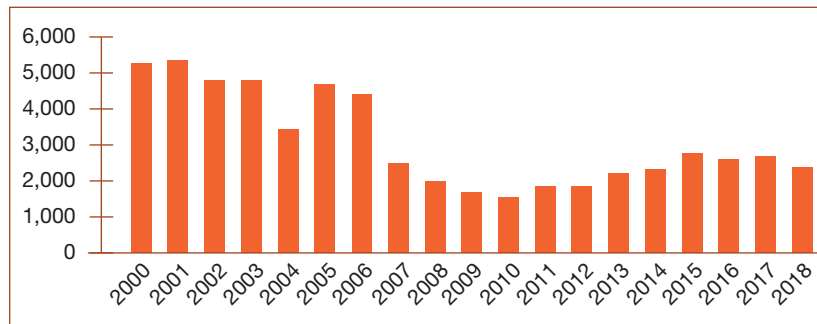
Notes: Includes townhomes. Current includes data through September 2018.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2017 final data and analyst estimates; 2018 preliminary data and analyst estimates

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Calvert-Charles-Prince George's HMA During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
300,000	399,999	1,000	15.0
400,000	499,999	2,350	35.0
500,000	599,999	2,000	30.0
600,000	699,999	670	10.0
700,000	and Higher	670	10.0

Notes: Numbers may not add to totals due to rounding. The 1,575 homes currently under construction in the HMA will likely satisfy some of the forecast demand.
Source: Estimates by the analyst

Rental Market

Rental market conditions in the Calvert-Charles-Prince George's HMA are balanced. The overall rental vacancy rate, including single-family homes, apartments, and mobile homes, is estimated at 5.7 percent, down from 7.6 percent in 2010 (Figure 8). Approximately 31 percent of renter households in the HMA live in single-family homes, townhomes, or mobile homes (2013–2017 American Community Survey [ACS] 5-year data), up from 25 percent in 2000. In Calvert and Charles Counties, more than 61 percent of renter households live in single-family homes, townhomes, or mobile homes, whereas only 26 percent of renter households in the more urbanized Prince George's County live in such structures.

The apartment vacancy rate in the HMA was 4.2 percent during the third quarter of 2018, down from 4.8 percent a year earlier and among the lowest vacancy rates since the first quarter of 2010, when the apartment vacancy rate was 6.0 percent (RealPage, Inc.). Apartment vacancy rates within the HMA during the third quarter of 2018 ranged from 2.9 percent in the Hyattsville/Riverdale market area to 5.4 percent in the College Park/Greenbelt area. Compared with the third quarter of 2017, apartment vacancy rates declined in all six market areas in the HMA.

The effective rent in the HMA averaged $1,425 during the third quarter of 2018 (RealPage, Inc.). Monthly rents ranged from $1,371 in the Hyattsville/ Riverdale and the South Prince George's County/St. Charles market areas to $1,561 in the College Park/Greenbelt market area. Rent increases ranged from 2 to 3 percent in five of the six market areas in the HMA from the third quarter of 2017 to the third quarter of 2018. Growth in the effective rent was stronger, at 4 percent, in the Suitland/District Heights/Capitol Heights market area, a geographically compact region in Prince George's County between the District of Columbia and the Capital Beltway. Due to a limited amount of buildable land in this area, rehabilitation of older apartment properties has been more common than new construction; approximately one-third of the apartment properties in the Suitland/District Heights/ Capitol Heights area have been renovated in the past 5 years. The recapitalization efforts contributed to the relatively stronger year-over-year increase in the effective rent during the third quarter of 2018.

The off-campus student housing market near UM College Park is tight, with a vacancy rate for properties within one-half mile of campus of 0.2 percent as of October 2018, unchanged from a year earlier (Axiometrics, a RealPage Company). The effective rent per bed was $1,013 as of October 2018, up 4 percent from a year earlier. Slightly less than 60 percent of undergraduate students at UM College Park—and all graduate students—currently live off campus. These students, plus off-campus students enrolled at

Figure 8. Rental Vacancy Rates in the Calvert-Charles-Prince George's HMA, 2000 to Current
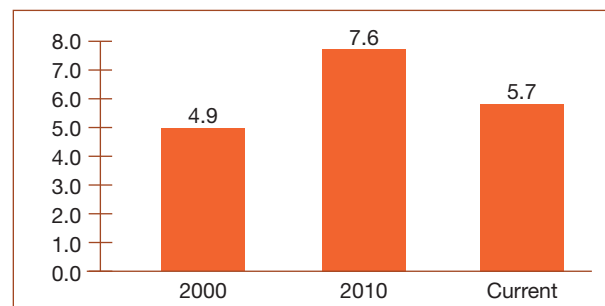
Note: The current date is October 1, 2018.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Housing Market Trends
### Rental Market *Continued*

other post-secondary schools in the HMA, such as Bowie State University, represent approximately 9 percent of renter households in the HMA (2013–2017 ACS 5-year data). A new, 900-bed residence hall is expected to be complete at UM College Park by the end of 2020, and approximately 100 beds are expected to be demolished. Enrollment growth, however, is expected to exceed the net increase in dormitory beds added during the forecast period, resulting in an increase in student renter households in the HMA during the next 3 years.

Apartment properties that achieved stabilized occupancy during 2018 in the HMA include Evolution at Towne Centre Laurel, with 320 market-rate units in the Laurel/Beltsville market area and rents for one- and two-bedroom apartments starting at $1,640 and $1,830, respectively. Phase I of The Remy was completed in late 2018, with 348 market-rate units in the Landover/Bowie market area and rents for one- and two-bedroom units starting at $1,596 and $1,960, respectively. Between the start of leasing for each property in mid-2017 and stabilization in late 2018, an average of 16 units a month were leased at Evolution at Towne Centre Laurel, and an average of 18 units a month were leased at The Remy Phase I (Delta Associates).

Multifamily construction activity in the HMA, as measured by the number of multifamily units permitted, has generally declined from a recent peak during 2015. During the 12 months ending September 2018, 590 multifamily units were permitted in the HMA, down 67 percent from 1,775 units permitted during the previous 12 months (preliminary data, with adjustments by the analyst). The number of units permitted during the past year was relatively low but slightly higher than the 2000-through-2003 period, when an average of 480 units were permitted annually (Figure 9). Multifamily construction activity increased to an average of 1,725 units permitted from 2004 through 2007, in part, because of greater condominium construction activity. An average of 400 condominium units were permitted annually from 2004 through 2007, up from an average of 120 condominium units permitted annually from 2000 through 2003. Despite relatively strong population growth, worsening economic conditions in the late 2000s contributed to a slowdown in multifamily construction activity from 2008 through 2013, when an average of 740 units were permitted annually. Strong renter household growth contributed to an increase in multifamily construction activity from 2014 through 2017, to an average of 1,750 units permitted. Condominiums represented only 4 percent of multifamily units permitted from 2014 through 2017, compared with 23 percent of units permitted from 2004 through 2007.

Approximately 1,925 apartment units are currently under construction in the HMA. Market-rate properties under construction include Lync at Alterra, with 329 units in the Hyattsville/Riverdale area of Prince George's County and rents for one-, two-, and three-bedroom units starting at

Figure 9. Multifamily Units Permitted in the Calvert-Charles-Prince George's HMA, 2000 to Current
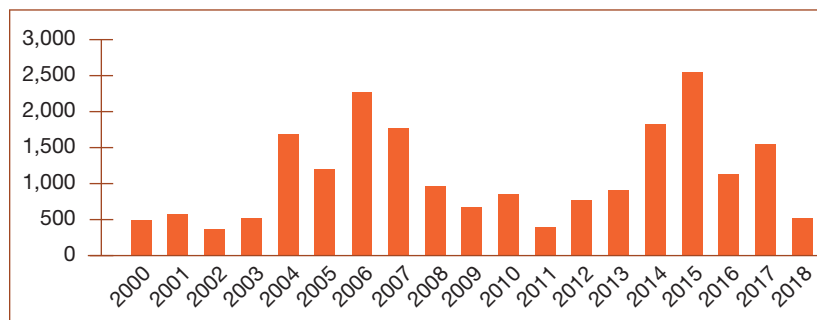
Notes: Excludes townhomes. Current includes data through September 2018.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2017 final data and analyst estimates; 2018 preliminary data and analyst estimates

Housing Market Trends
Rental Market *Continued*

approximately $1,650, $2,000, and $2,625, respectively. Beechtree Apartments is underway in Calvert County, with 249 units and rents for one-, two-, and three-bedroom units starting at approximately $1,375, $1,650, and $1,900, respectively. In Charles County, the third and final phase of Adams Crossing Apartments will add 48 income-restricted units to the existing 264-unit property, with rents for the new units at $1,440 and $1,567 for two- and three-bedroom apartments, respectively. Each of these properties, as well as the majority of apartments currently under construction in the HMA, are expected to be complete during the first year of the forecast period.

During the 3-year forecast period, demand is estimated for 3,150 new rental housing units in the Calvert-Charles-Prince George's HMA (Table 1). Demand is expected to be fairly constant each year during the forecast period. The 1,925 apartment units currently under construction plus an additional 320 units in final planning will satisfy more than 70 percent of the forecast demand. Table 5 illustrates the estimated demand for new market-rate rental units in the HMA by unit type and rent level.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Calvert-Charles-Prince George's HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent ($)	Units of Demand	Monthly Rent ($)	Units of Demand	Monthly Rent ($)	Units of Demand	Monthly Rent ($)	Units of Demand
1,375 to 1,574	160	1,600 to 1,799	1,000	1,800 to 1,999	760	2,400 or More	320
1,575 or More	160	1,800 or More	250	2,000 to 2,199	380		
				2,200 or More	130		
Total	320	Total	1,250	Total	1,250	Total	320

Notes: Monthly rent does not include utilities or concessions. Numbers may not add to totals due to rounding. The 1,925 units currently under construction will likely satisfy some of the estimated demand.

Source: Estimates by the analyst

Data Profile

Table DP-1. Calvert-Charles-Prince George's HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	515,619	560,992	617,500	0.8	1.2
Unemployment Rate (%)	3.6	7.4	4.3		
Total Nonfarm Payroll Jobs	382,300	386,400	415,600	0.1	0.9
Total Population	996,624	1,098,708	1,169,000	1.0	0.7
Total Households	353,725	386,129	410,600	0.9	0.7
Owner Households	231,427	257,180	270,600	1.1	0.6
Percent Owner (%)	65.4	66.6	65.9		
Renter Households	122,298	128,949	140,000	0.5	1.0
Percent Renter (%)	34.6	33.4	34.1		
Total Housing Units	373,857	416,925	436,000	1.1	0.5
Sales Vacancy Rate (%)	2.1	2.5	1.4		
Rental Vacancy Rate (%)	4.9	7.6	5.7		
Median Family Income	$78,900	$102,700	$117,200	2.7	1.5

Notes: Median Family Incomes are for 1999, 2009, and 2018. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2018.

Sources: Estimates by the analyst; U.S. Census Bureau; U.S. Department of Housing and Urban Development

Terminology Definitions and Notes

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 10/1/2018—Estimates by the analyst

Forecast period: 10/1/2018–10/1/2021—Estimates by the analyst

The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

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.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an 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.

For additional data pertaining to the housing market for this HMA, go to https://www.huduser.gov/portal/publications/pdf/CMARtables_CalvertMD_18.pdf

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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.

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.