



Rental Housing Market Study Update

Lg

Lisa Govoni, Planner, Research and Special Projects, lisa.govoni@montgomeryplanning.org, 301-650-5624

RR

Roberto Ruiz, Manager, Research and Special Projects, roberto.ruiz@montgomeryplanning.org, 301.650-5618

Em

Caroline McCarthy, Chief, Research and Special Projects, caroline.mccarthy@montgomeryplanning.org, 301-495-4506

Completed: 7/6/2016

Representatives from RKG Associates will provide an interim briefing on the countywide Rental Housing Market Study that they are conducting on behalf of the Montgomery County Planning Department and the Montgomery County Department of Housing and Community Affairs.

Overview

Recognizing the importance of rental housing to the future of the County, a comprehensive two-year Rental Housing Study was approved as a joint effort in the FY2015 work programs for the Montgomery County Planning Department and the Montgomery County Department of Housing and Community Affairs (DHCA). An Interdepartmental Project Management Team and a Technical Advisory Committee have been working closely with the consultant. The purposes of the study are multifaceted with an overarching goal to identify Montgomery County's rental housing issues and needs, and offer holistic and sustainable approaches to meeting them. The study consists of four phases:

- Phase 1: A comprehensive data collection and analysis of rental market trends in Montgomery County, including detailed assessments of neighborhood level conditions and rental affordability.
- Phase 2: An assessment of state and local policies and a national scan of best practices to identify ones that could be applicable in Montgomery County.
- Phase 3: An assessment of the financial feasibility and cost/benefit of various options to identify trade-offs in potential policy recommendations.
- Phase 4: The development of recommendations, drafting of final report, and presentation of final report.

This presentation presents and overview of the findings from the comprehensive data collection and analysis of rental market trends in the County. The consultant found that rental housing accounts for 30 percent of all units in Montgomery County and are concentrated on Metro lines and employment centers. The County has an older rental housing supply with only 14 percent constructed since 2000 (55 percent build prior to 1980). The age of the housing supply has helped create a "natural" affordability, with a large supply of units affordable to households earning between 50 percent and 100 percent of

AMI. The rental market supply is unbalanced at lowest/highest end of market. The market is short about 20,000 rental units for households earning under 30 percent of AMI, and 13,000 for households earning over 120 percent of AMI. Approximately 50 percent of all renter households in Montgomery County are cost burdened with the cost burdening is much greater for lower incomes with 80 percent of households earning below 30 percent of AMI cost burdened.

The Rental Housing Study project was envisioned to take approximately 24 months to complete. The data collection, background research, neighborhood assessment, interviews and focus groups are complete, and RKG Associates and the Project Management Team are currently exploring approaches in other jurisdictions and analyzing best practices in rental housing policy. The project is expected to be complete by December 2016 with a final report completed by March 2017.

CM/RR/LG/aj