

Regional Outlook for Housing and Community Development

Building by Faith Conference

**Sponsored by Maryland Department of Housing and Community
Development**

Morgan State University

Thursday, January 19, 2006



Baltimore Metropolitan Council

Housing and the New Economy

“The booming economy lines the pockets of the rich and middle class households, which is absolutely wonderful. Their wealth is nice for them, and plenty trickles down via the taxes they pay and the jobs they create for others. But in one area of the economy, the opposite of trickle down occurs. This perverse exception is the housing market. Because the supply of well located land is more or less fixed, rising prosperity tends to drive up its price, making it harder for non-homeowners with steady incomes to afford it.”

George Ladner, Jr., *Washington Post*, June 12, 2000.

Housing Cost Burden in Maryland

“Housing cost burden, defined as the proportion of household income allocated to mortgage payment or rent, has become a serious issue in Maryland and across the country, as home prices and rental costs have steadily increased, but income levels have not kept pace”.

Blueprint Maryland, Volume 2, Issue 5, May-June 2005, Maryland Department of Housing and Community Development.

Median Housing Sale Prices Have Doubled Since 2000

	<u>2000</u>	<u>2005</u>	<u>% change</u>
Anne Arundel County	\$156,900	\$350,000	123.1%
Baltimore City	\$65,000	\$134,500	106.9%
Baltimore County	\$119,000	\$240,000	101.7%
Carroll County	\$169,000	\$349,900	107.0%
Harford County	\$136,500	\$248,000	81.7%
Howard County	\$176,500	\$379,900	115.2%
Montgomery County	\$190,000	\$449,000	136.3%
Prince George's	\$135,000	\$315,000	133.3%
Baltimore Region	\$128,000	\$255,000	99.2%

Source: Metropolitan Regional Information System, Inc, 2000 Annual Data and December 2005.

Modest Growth in Median Household Income Since 2000

	<u>2000</u>	<u>2005</u>	<u>% change</u>
Anne Arundel County	\$62,499	\$71,234	14.0%
Baltimore City	\$30,203	\$33,376	10.5%
Baltimore County	\$50,954	\$57,290	12.4%
Carroll County	\$60,502	\$66,817	13.7%
Harford County	\$57,983	\$65,038	12.2%
Howard County	\$74,356	\$84,983	14.3%
Montgomery County	\$71,551	\$82,292	15.0%
Prince George's	\$55,256	\$62,358	12.9%
Baltimore Region	\$49,818	\$57,130	14.7%

Source: Claritas Data and 2000 U.S. Census data.

Housing Affordability Deteriorates Throughout the Nation

“The cost of buying a home escalated sharply during the recent past in Maryland. From 2000 to 2004, the median price of single-family homes rose by 65.4 percent in Maryland, and by 36.6 percent in the U.S.”.

*Blueprint Maryland, Volume 2, Issue 8, August-September 2005,
Maryland Department of Housing and Community Development.*

Housing Affordability Indices

October, 2005

<u>Jurisdiction</u>	<u>Repeat Buyers</u>	<u>First Time Buyers</u>
Anne Arundel County	99	64
Baltimore City	117	75
Baltimore County	105	68
Carroll County	95	61
Harford County	120	77
Howard County	107	69
Montgomery County	86	55
Prince George's	90	58

Source: Blueprint Maryland, Volume 2, Issue 12, December-January 2006, Maryland DHCD.

Workforce Affordable Rental Housing Shortage in Maryland

“There is an acute shortage of workforce affordable rental housing for families, seniors and individuals with disabilities in Maryland. This shortage has become more concentrated among the low-income renter households despite improvements in income and housing conditions across a broad range of income groups in the past decade”.

Blueprint Maryland, Volume 2, Issue 3, May-April 2005, Maryland Department of Housing and Community Development.

Percent of Families in Poverty, 2000 and 2004

Jurisdiction	2000 Percent Families in Poverty	2004 Percent Families in Poverty
Anne Arundel County	3.6	4.9
Baltimore City	18.8	19.3
Baltimore County	4.5	4.2
Howard County	2.5	4.0
Montgomery County	5.7	2.5
Prince George's	9.0	4.2

Source: 2000 Census, SF3 and American Community Survey, 2004

Change in Median Gross Rent, 2000 and 2004

Jurisdiction	Median Gross Rent 2000	Median Gross Rent 2004	Percent Change
Anne Arundel County	\$798	\$881	10%
Baltimore City	\$498	\$799	60%
Baltimore County	\$670	\$638	-5%
Howard County	\$879	\$1,097	25%
Montgomery County	\$914	\$1,134	24%
Prince George's	\$737	\$899	22%

Source: 2000 Census, SF3 and American Community Survey, 2004.

Share of Renter Households Spending 30 Percent or More of Income for Renter Costs, 2000 and 2004

Jurisdiction	% Renter HH Spending 30%+ of Income, 2000	% Renter HH Spending 30%+ of Income, 2004
Anne Arundel County	30	44
Baltimore City	40	47
Baltimore County	34	44
Howard County	33	41
Montgomery County	35	40
Prince George's	34	37

Source: 2000 Census, SF3 and American Community Survey, 2004

Share of Owner Households Spending 30 Percent or More of Income for Owner Costs, 2000 and 2004

Jurisdiction	% Owner HH Spending 30%+ of Income, 2000	% Owner HH Spending 30%+ of Income, 2004
Anne Arundel County	23	24
Baltimore City	27	32
Baltimore County	20	22
Howard County	22	21
Montgomery County	22	23
Prince George's	28	29

Source: 2000 Census, SF3 and American Community Survey, 2004

NUMBER OF HOUSEHOLDS BELOW MEDIAN SALES PRICE BY INCOME CLASS BALTIMORE REGION, 2005

Household Income Class	Anne Arundel	Baltimore City	Baltimore County	Carroll County	Harford County	Howard County	Baltimore Region
Less than \$15,000	10,914	61,981	27,321	3,473	5,661	4,289	113,639
\$15,000-\$24,999	10,980	35,756	28,399	4,098	6,000	3,971	89,204
\$25,000-\$34,999	13,977	22,369	32,973	4,495	7,424	5,611	86,849
\$35,000-\$49,999	24,745		49,459	7,387	12,670	10,456	104,717
\$50,000-\$74,999	40,289		18,979	13,489	7,366	18,379	98,502
\$75,000-\$99,999	10,189			3,372		10,479	24,040
Total Households below Needed Median Income	111,094	120,106	157,131	36,314	39,121	53,185	516,951
Total 2005 Households	189,672	248,826	315,836	59,212	88,125	98,489	1,000,160
Median Household Income Needed to Meet Median Sales Price Mortgage	\$83,937	\$32,256	\$57,557	\$83,913	\$59,476	\$91,108	\$61,154
Percent of Households Below Needed Median Income Value	58.6%	48.3%	49.8%	61.3%	44.4%	54.0%	51.7%
December 2005 Median Housing Sales Price	\$350,000	\$134,500	\$240,000	\$349,900	\$248,000	\$379,900	\$255,000
2005 Median Income	\$71,234	\$33,376	\$57,290	\$68,817	\$65,038	\$84,983	\$57,130
Hourly Wage Needed	\$40.35	\$15.51	\$27.67	\$40.34	\$28.59	\$43.80	\$29.40

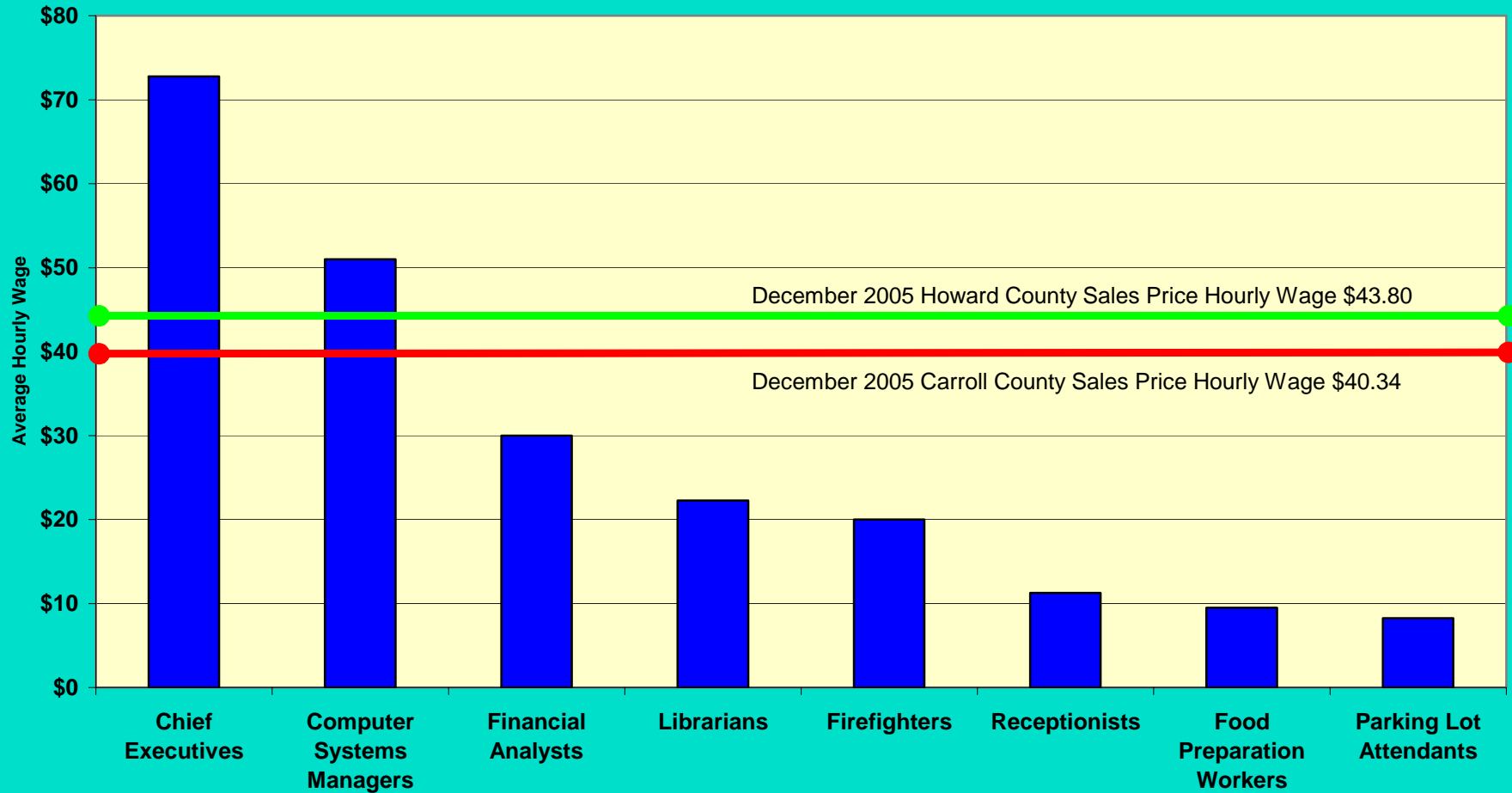
Mortgage = Monthly P & I only based on 6.00% fixed rate mortgage for 30 years. Using US HUD criteria of no more than 30% of gross income for housing costs.

Source: Clarksville Mortgage Corp. Standard Mortgage Calculator, January 18, 2006.

Source: Income data - Claritas.

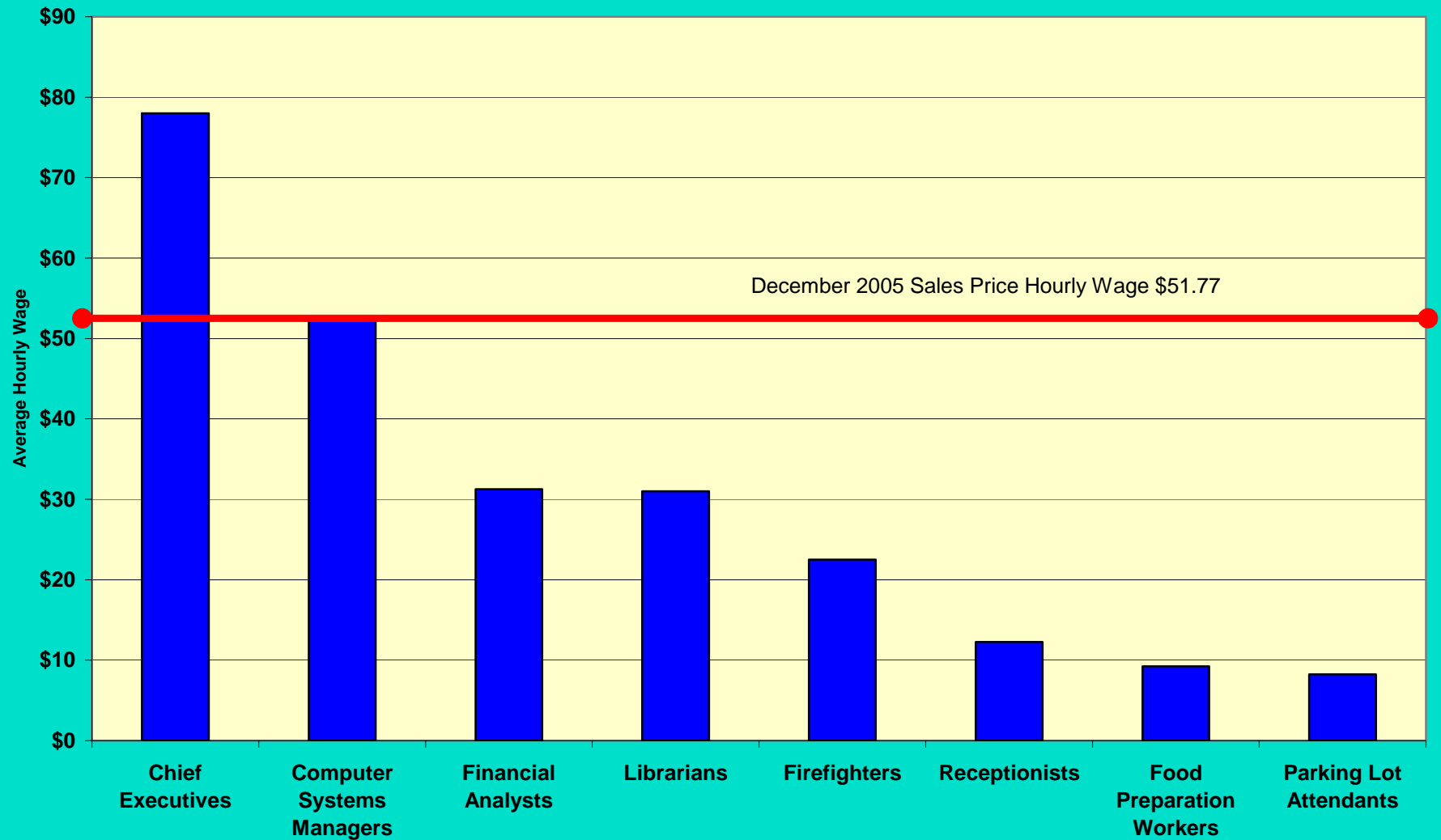
Source: Housing sales data from MRIS.

September 2005 Average Hourly Wage: Carroll/Howard Counties

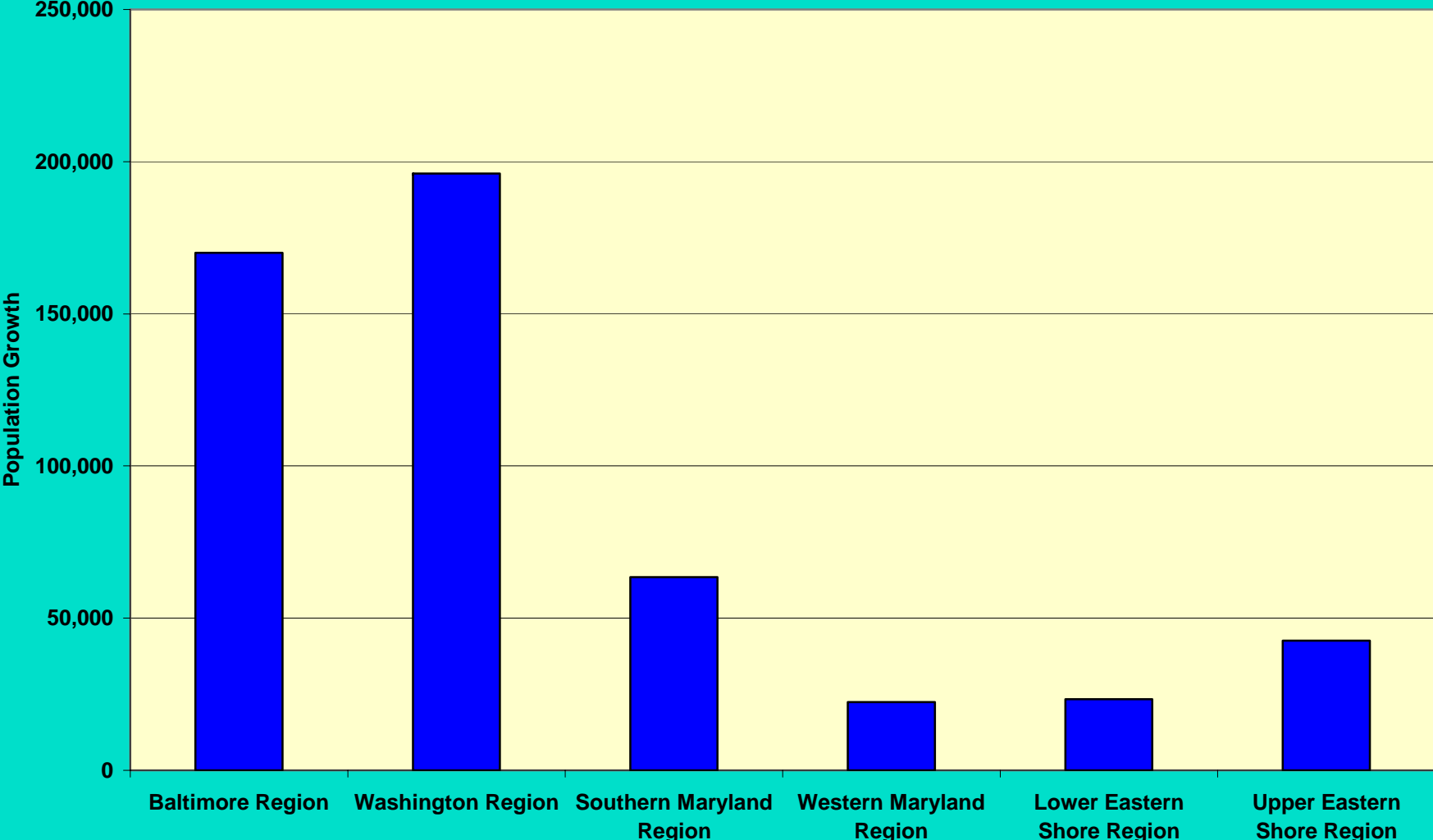


Source: Maryland Department of Labor, Licensing, and Regulation website, 2006.

September 2005 Average Hourly Wage: Montgomery County

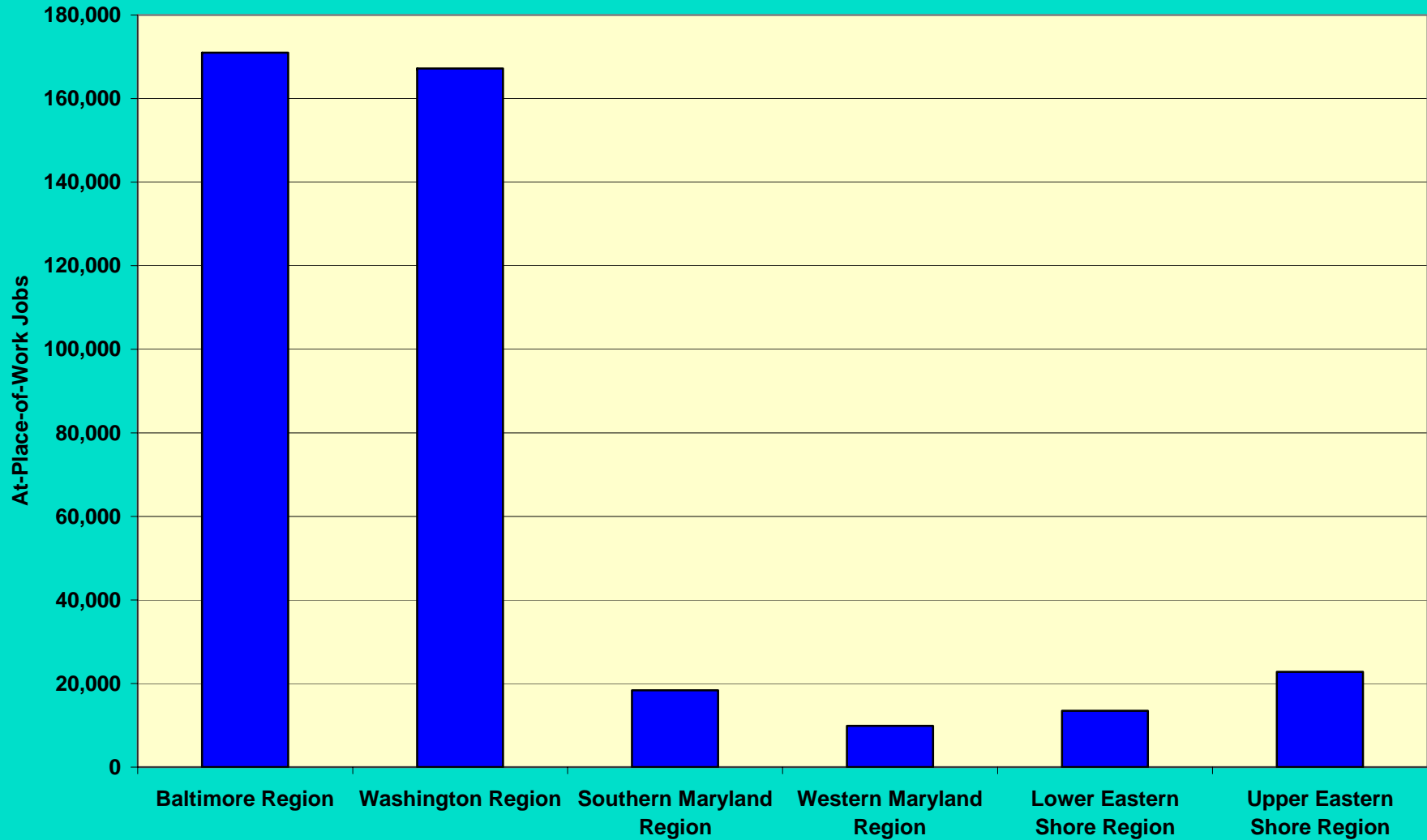


Population Growth in Maryland by Region, 2005-2015



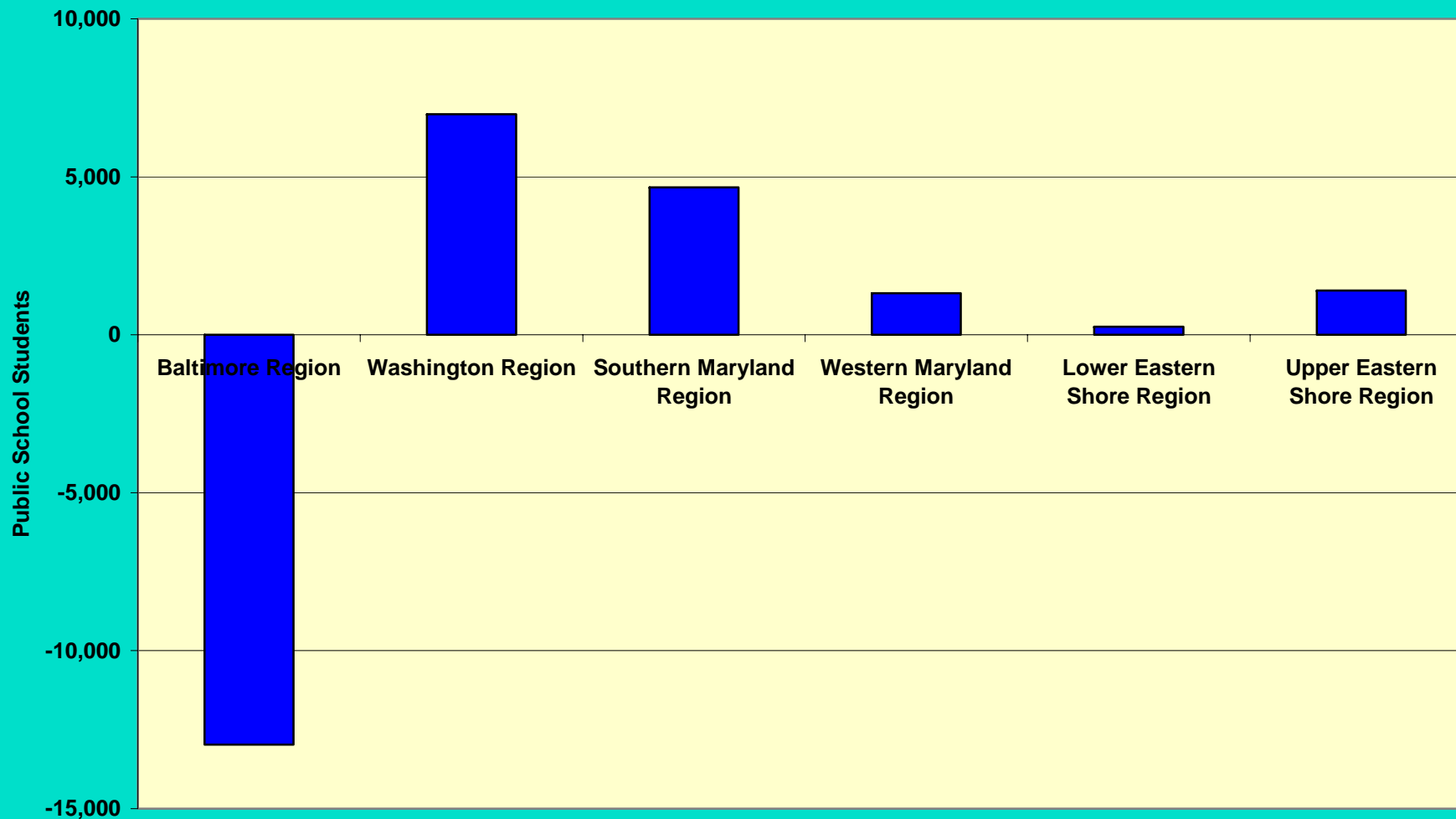
Source: Maryland Department of Planning.

Job Growth in Maryland by Region, 2005-2015



Source: Maryland Department of Planning.

Public School Enrollment Growth in Maryland by Region, 2005-2014



Source: Maryland Department of Planning

Top 20 Occupation Projections, 2002-2012

- ◆ Cashiers
- ◆ Retail Salespersons
- ◆ Food Preparation & Serving Workers
- ◆ Waiters and Waitresses
- ◆ General and Operations Managers
- ◆ Registered Nurses
- ◆ Janitors and Cleaners
- ◆ Office Clerks, General
- ◆ Laborers & Freight, Stock & Material Movers
- ◆ Receptionists and Information Clerks

Top 20 Occupation Projections, 2002-2012

- ◆ Security Guards
- ◆ Stock Clerks and Order Fillers
- ◆ Customer Service Representatives
- ◆ Sales Representatives, Wholesale and Mfg.
- ◆ Landscaping and Groundskeeping
- ◆ Elementary School Teachers
- ◆ Secretaries, except Legal, Medical & Executive
- ◆ First Line Supervisors/Managers – Retail Sales
- ◆ Teacher Assistants
- ◆ Executive Secretaries & Administrative Assistants

Vibrant and Emerging Opportunities in Maryland

- ◆ Health Care
- ◆ Biotechnology
- ◆ Retail/Service
- ◆ Freight/Goods Movement
- ◆ Homeland Security/BRAC
- ◆ Tourism/Hospitality
- ◆ Elder Care
- ◆ Transportation Services/Para transit
- ◆ Communications
- ◆ Education/Skills Training

THE END

www.baltometro.org

Thank you from the BMC.