

Regional Affordable Housing Market and the Baltimore City Inclusionary Housing Law

Maryland ABCD Network – City Committee

Stadium Place

Friday, September 7, 2007



Baltimore Metropolitan Council

We began the decade with this news:

- ◆ One in ten persons in the Baltimore region lives below the poverty line
- ◆ The number of those in poverty declined in Baltimore City between 1990 and 2000, but increased by 21,700 in the Baltimore suburbs
- ◆ Total rental housing units increased by 2,400 in the region; Baltimore City's rental stock declined by 14,000 units between 1990 and 2000

Source: *An Analysis of Changing Demographics and Rental Housing in the Baltimore Region*, Regional Fair Housing Group, September, 2002.

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.

Housing Tenure Changes

“Despite a significant rise in the cost of home ownership, housing tenure in Maryland has shifted since 2000 with renters accounting for a smaller proportion of households. During the 2000-2005 period, Maryland gained 104,788 new households of which 92.6 percent or 97,020 families became homeowners while only 7.4 percent or 7,768 families chose renting as their housing choice. Therefore the share of renter households in all occupied units declined from 32.3 percent in 2000 to 31.0 percent in 2005.”

Maryland Rental Market

“The Maryland rental market is highly influenced by minority householders in their prime age of 45 to 64 who earn over \$75,000 a year. This demographic cohort is concentrated in the urban and suburban areas of Baltimore City, and Baltimore, Montgomery and Prince George’s counties.”

Maryland Home Ownership

“The rise in homeownership rates in Maryland since 2000 was influenced by favorable socio-demographic factors that included a noticeable growth in the number of population in their peak earning age group of 55 and older along with a significant rise in minority households

Blueprint Maryland, Volume 4, Issue 1, January-February 2007, DHCD.

Maryland Foreclosure Rates Remain Below National Average

“National delinquency and foreclosure rates have increased significantly since last year as more and more American homeowners find it difficult to pay their mortgage obligations. The proliferation of “exotic” sub-prime mortgage products, specifically adjustable rate mortgages (ARM), during the housing boom of the past six years has been a key contributor to the rise in delinquencies and foreclosures

Maryland Foreclosure Rates Remain Below National Average

“In 2006, the number of foreclosed loans grew by 23.7 percent in Maryland and by 27.8 percent in the U.S., while the corresponding foreclosure rates grew by 0.1 percent in Maryland and by 0.2 percent in the U.S. The growth of foreclosure rates in Maryland were in line with corresponding growth rate in neighboring states and the nation.

Median Housing Prices Have Doubled Since 2000

	<u>2000</u>	<u>2006</u>	<u>% change</u>
Anne Arundel County	\$156,900	\$344,000	119%
Baltimore City	\$65,000	\$140,000	115%
Baltimore County	\$119,000	\$253,000	113%
Carroll County	\$169,000	\$330,000	95%
Harford County	\$136,500	\$258,000	89%
Howard County	\$176,500	\$385,000	118%
Baltimore Region	\$128,000	\$267,750	109%

Source: Metropolitan Regional Information System, Inc

Modest Growth in Household Income

	<u>2000</u>	<u>2006</u>	<u>% change</u>
Anne Arundel County	\$61,768	\$79,160	28%
Baltimore City	\$30,078	\$36,031	20%
Baltimore County	\$50,667	\$59,995	18%
Carroll County	\$60,021	\$74,106	23%
Harford County	\$57,234	\$69,549	22%
Howard County	\$74,167	\$94,260	27%
Baltimore Region	\$49,817	\$58,729	18%

Source: Census 2000, 2006 ACS, Claritas Data.

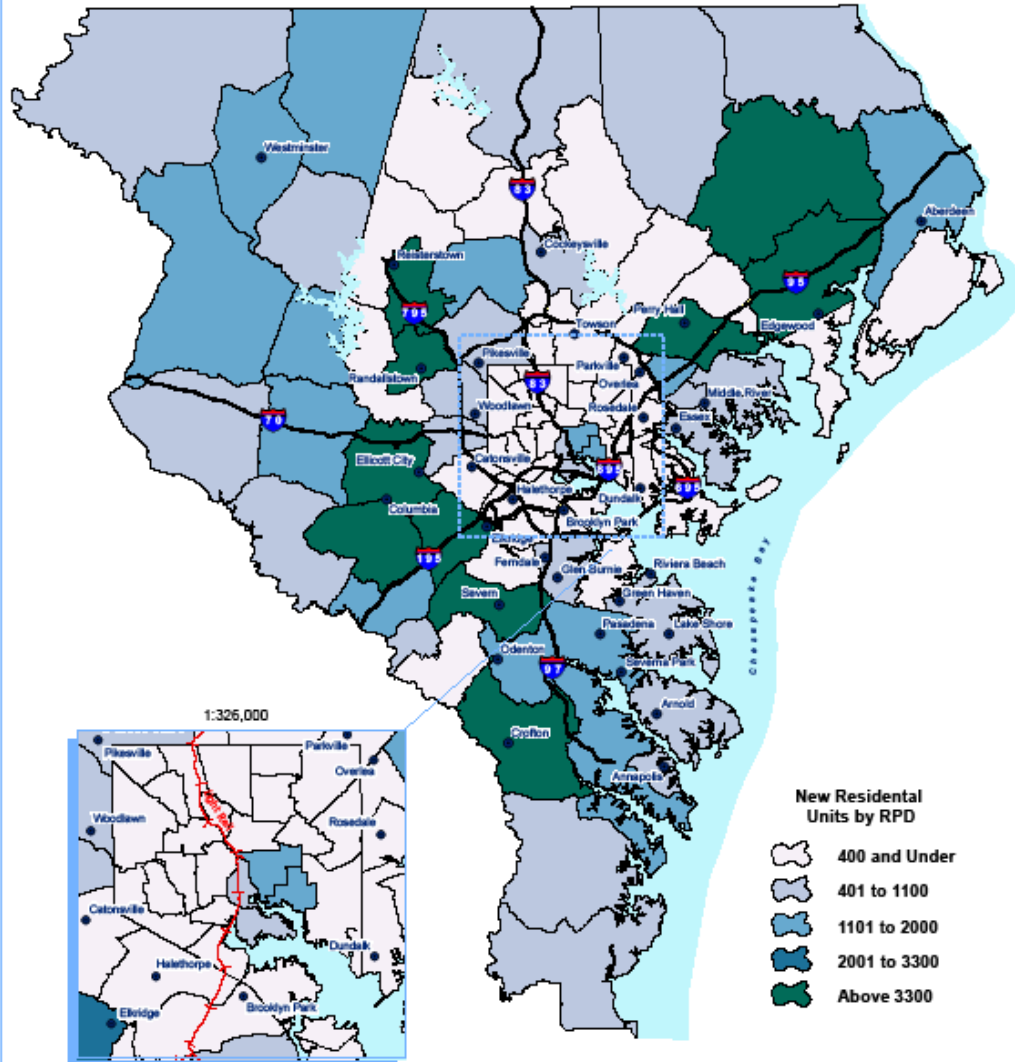
Housing Affordability Indices

February, 2007

<u>Jurisdiction</u>	<u>Repeat Buyers</u>	<u>First Time Buyers</u>
Anne Arundel County	100	65
Baltimore City	105	68
Baltimore County	109	70
Carroll County	98	64
Harford County	123	79
Howard County	108	70

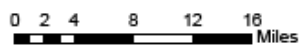
Source: Blueprint Maryland, Volume 4, Issue 4, April-May 2007, Maryland DHCD.

Number of New Residential Units By RPD from 2000 to 2007, Baltimore Region



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Prepared by
 Transportation Planning Division - Data Development Section
 Projected Coordinate System - NAD 1983 State Plane (ft)
 Data Source - SPDS at the Baltimore Metropolitan Council
 Printed - September 2007



NEW RESIDENTIAL CONSTRUCTION
Anne Arundel County
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	9,818
One Family Attached	4,000
Two Family	186
Multi-Family	4,805
Mobile Homes	135
Other Shelter	3
County Total:	18,947

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Baltimore City
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	690
One Family Attached	1,623
Two Family	46
Multi-Family	3,096
Mobile Homes	0
Other Shelter	6
County Total:	5,461

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Baltimore County
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	10,639
One Family Attached	3,225
Two Family	277
Multi-Family	5,255
Mobile Homes	1
Other Shelter	110
County Total:	19,507

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Carroll County
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	6,128
One Family Attached	515
Two Family	217
Multi-Family	571
Mobile Homes	14
Other Shelter	26
County Total:	7,471

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Harford County
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	7,576
One Family Attached	3,410
Two Family	9
Multi-Family	1,432
Mobile Homes	110
Other Shelter	4
County Total:	12,541

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Howard County
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	6,510
One Family Attached	3,133
Two Family	39
Multi-Family	3,152
Mobile Homes	100
Other Shelter	1
County Total:	12,935

Source: BMC BPDS.

NEW RESIDENTIAL CONSTRUCTION
Baltimore Region
January 2000 – June 2007

<u>Unit Type</u>	<u>Number of Units</u>
One Family Detached	41,361
One Family Attached	15,906
Two Family	774
Multi-Family	18,311
Mobile Homes	360
Other Shelter	150
Regional Total:	76,862

Source: BMC BPDS.

Percent of Persons in Poverty, 2000 and 2006

Jurisdiction	2000 Percent Persons in Poverty	2006 Percent Persons in Poverty
Anne Arundel County	5.1	4.6
Baltimore City	22.9	19.5
Baltimore County	6.5	8.4
Carroll County	3.8	3.1
Harford County	4.9	3.3
Howard County	3.9	4.2

Source: 2000 Census, SF3 and American Community Survey, 2006

Change in Median Gross Rent, 2000 and 2005

Jurisdiction	Median Gross Rent 2000	Median Gross Rent 2005	Percent Change
Anne Arundel County	798	1056	32%
Baltimore City	498	667	34%
Baltimore County	670	855	28%
Carroll County	638	742	16%
Harford County	648	797	23%
Howard County	879	1109	26%

Source: 2000 Census, SF3 and American Community Survey, 2005.

Share of Renter Households Spending 30 Percent or More of Income for Renter Costs, 2000 and 2005

Jurisdiction	% Renter HH Spending 30%+ of Income, 2000	% Renter HH Spending 30%+ of Income, 2005
Anne Arundel County	30	44
Baltimore City	40	52
Baltimore County	34	45
Carroll County	36	32
Harford County	29	41
Howard County	33	39

Source: 2000 Census, SF3 and American Community Survey, 2005

Share of Owner Households Spending 30 Percent or More of Income for Owner Costs, 2000 and 2005

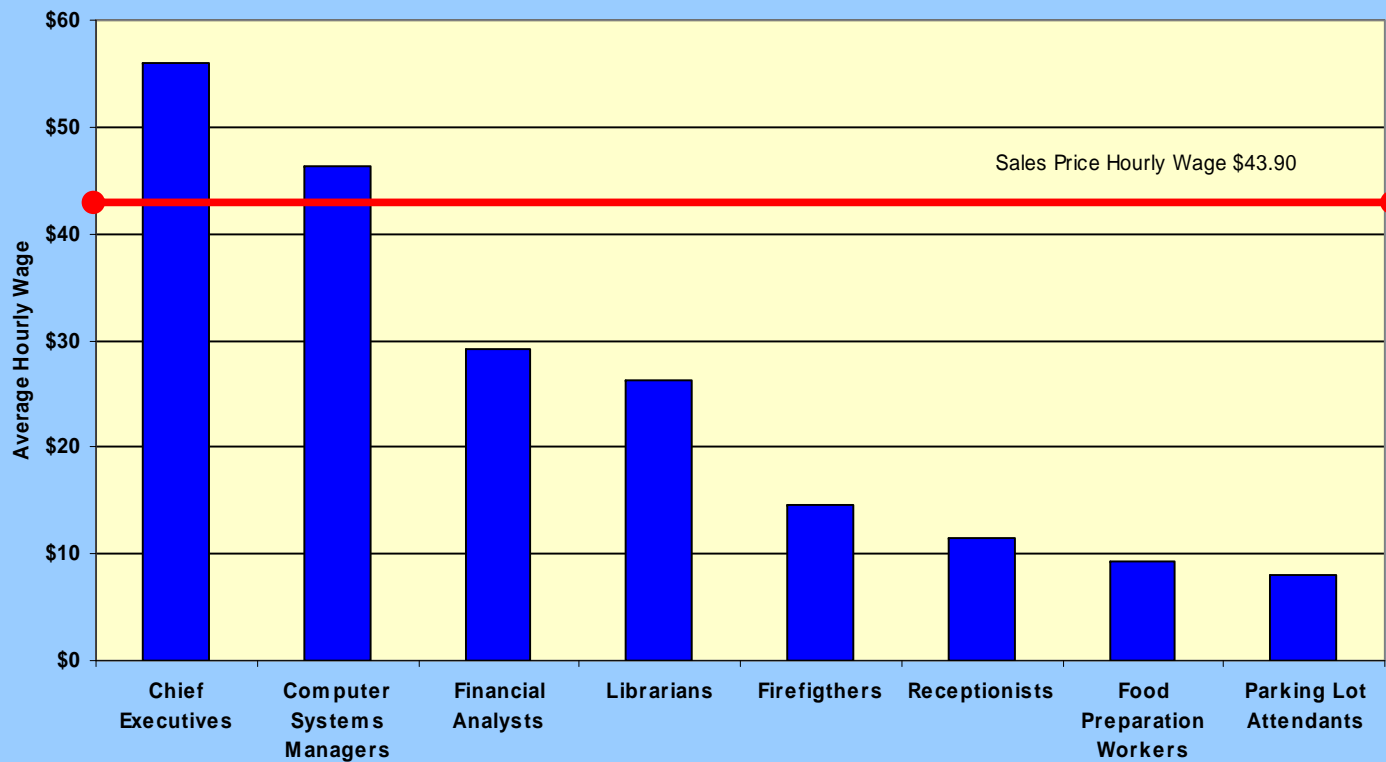
Jurisdiction	% Owner HH Spending 30%+ of Income, 2000	% Owner HH Spending 30%+ of Income, 2005
Anne Arundel County	23	26
Baltimore City	27	31
Baltimore County	20	24
Carroll County	22	24
Harford County	20	23
Howard County	22	23

Source: 2000 Census, SF3 and American Community Survey, 2005

NUMBER OF HOUSEHOLDS BELOW MEDIAN SALES PRICE BY INCOME CLASS BALTIMORE REGION, 2006

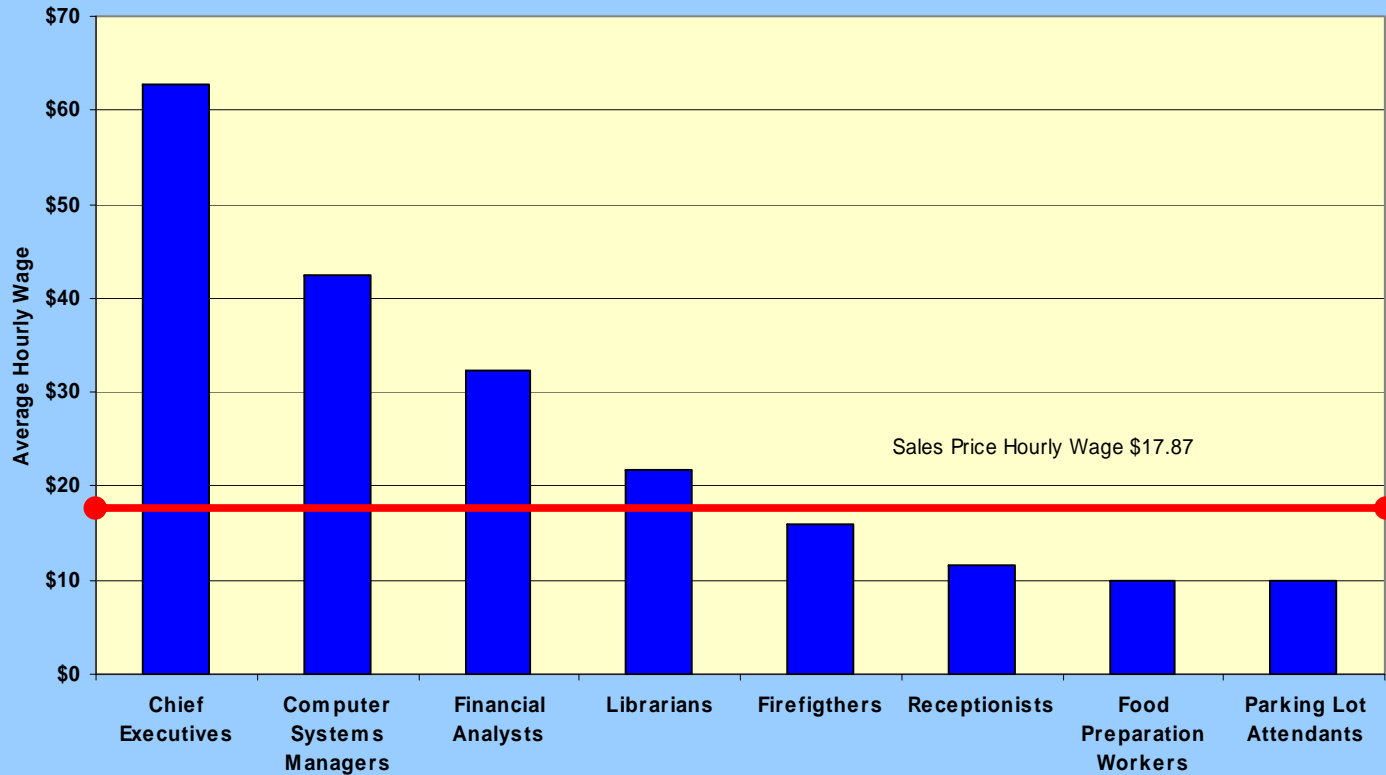
Household Income Class	Anne Arundel	Baltimore City	Baltimore County	Carroll County	Harford County	Howard County	Baltimore Region
Less than \$15,000	10,425	61,457	26,215	3,261	5,392	4,140	110,890
\$15,000-\$24,999	10,467	36,017	27,498	3,918	5,650	3,812	87,362
\$25,000-\$34,999	13,519	32,590	32,198	4,392	7,137	5,443	62,689
\$35,000-\$49,999	24,089	5,814	49,047	7,211	12,397	10,249	102,993
\$50,000-\$74,999	39,880		46,334	13,214	14,658	18,204	59,890
\$75,000-\$99,999	21,647			5,525		16,422	
\$100,000-\$149,000						905	
Total Households below Needed Median Income	120,027	97,474	181,292	37,521	45,234	59,175	423,824
Total 2006 Households	191,128	256,508	318,087	60,113	89,454	98,939	1,014,229
Median Household Income Needed to Meet Median Sales Price Mortgage	\$91,308	\$37,161	\$67,154	\$87,592	\$68,481	\$102,190	\$71,069
Percent of Households Below Needed Median Income Value	62.8%	38.0%	57.0%	62.4%	50.6%	59.8%	41.8%
2006 Median Housing Sales Price	\$344,000	\$140,000	\$253,000	\$330,000	\$258,000	\$385,000	\$267,750
2006 Median Income	\$73,235	\$34,445	\$58,837	\$71,331	\$67,378	\$86,603	\$58,729
<i>Mortgage = Monthly P & I only based on 5.75% fixed rate mortgage for 30 years. Using US HUD criteria of no more than 30% of gross income for housing costs.</i>							
<i>Source: HSH Financial Publisher, Payments Calculator September 2007.</i>							
<i>Source: Income data - Claritas.</i>							
<i>Source: Housing sales data from MRIS.</i>							

2006 Average Hourly Wage: Anne Arundel County



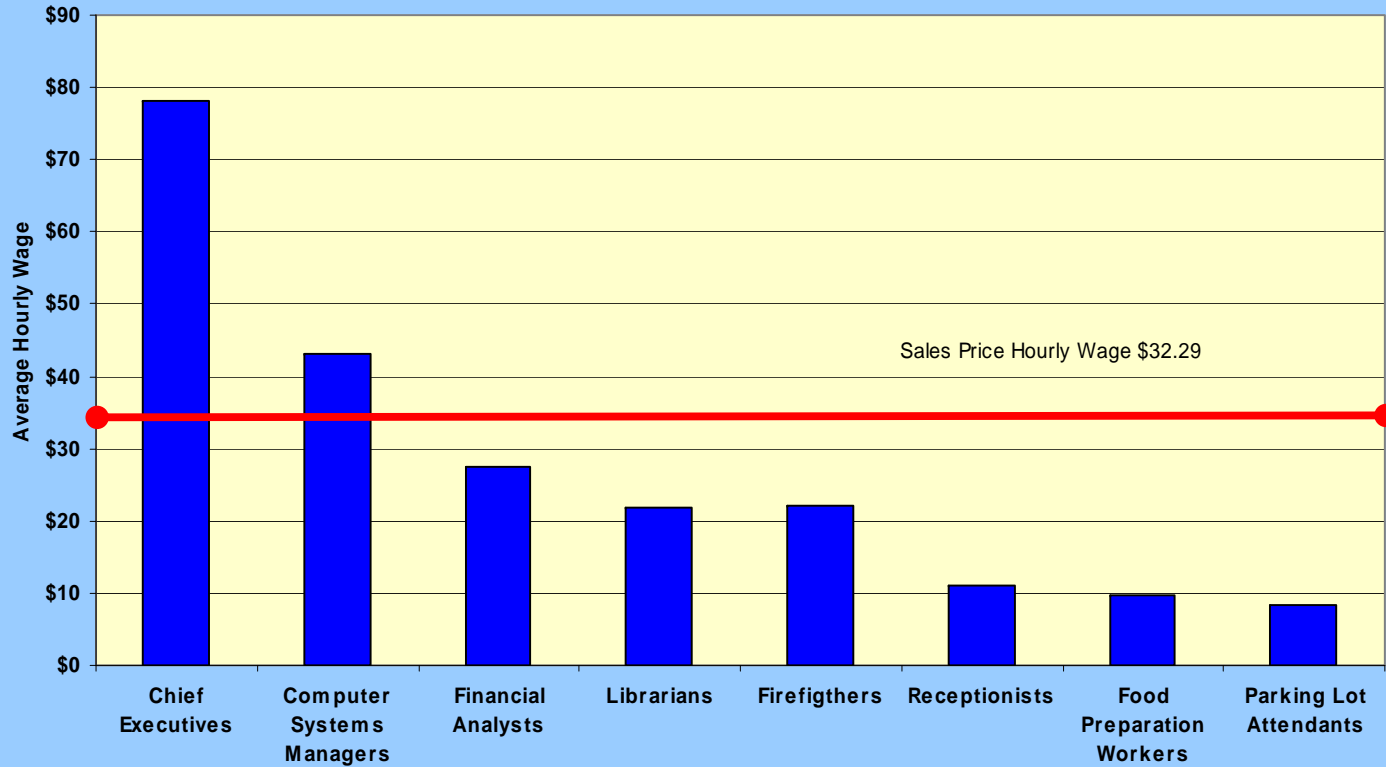
Source: Maryland Department of Labor, Licensing, and Regulation website, 2007.

2006 Average Hourly Wage: Baltimore City



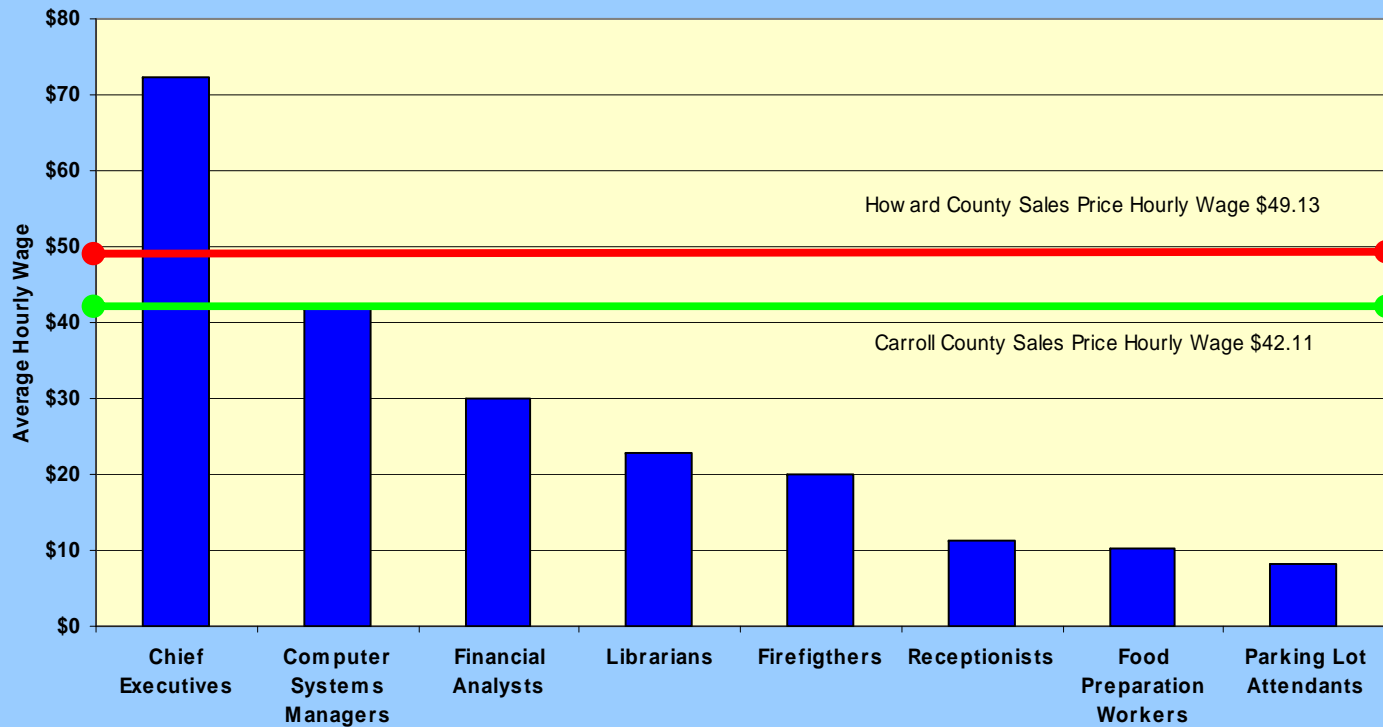
Source: Maryland Department of Labor, Licensing, and Regulation website, 2007.

2006 Average Hourly Wage: Baltimore County



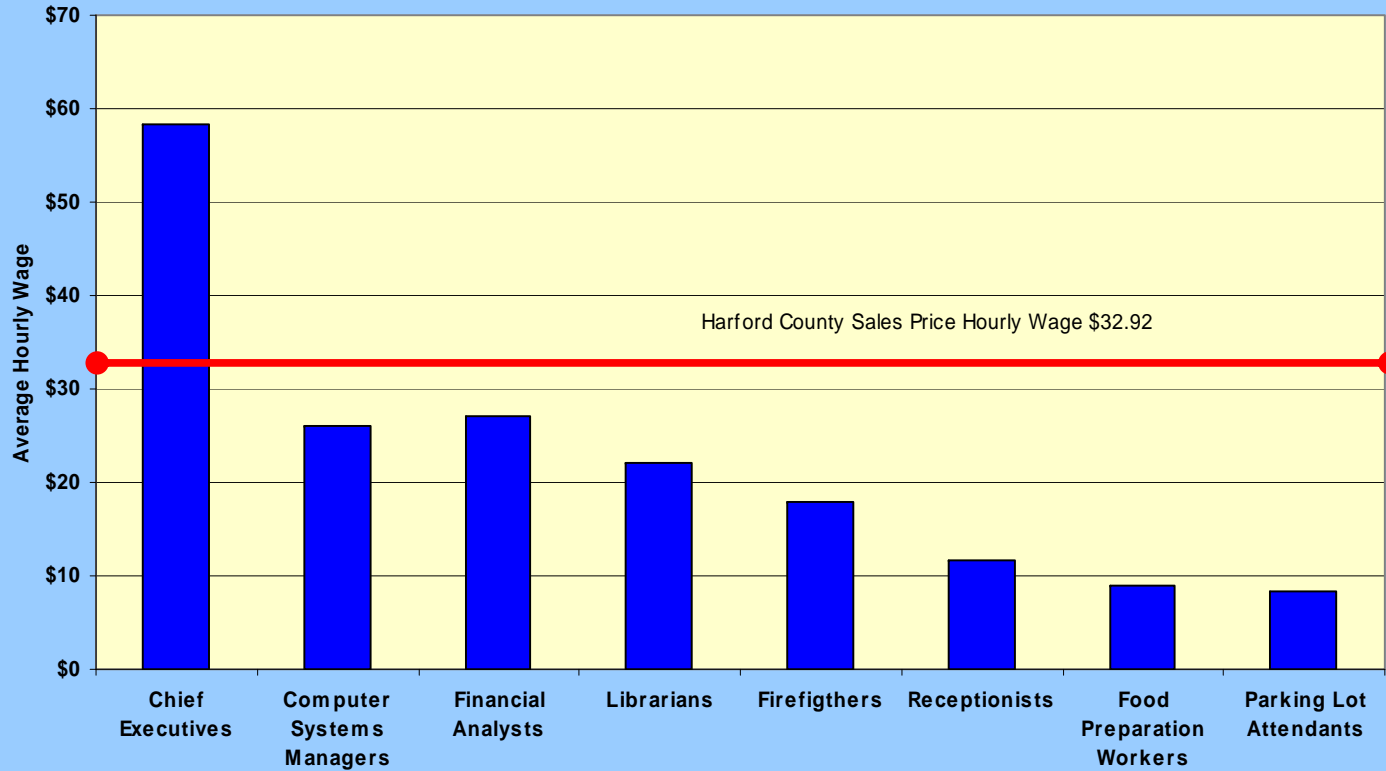
Source: Maryland Department of Labor, Licensing, and Regulation website, 2007.

2006 Average Hourly Wage: Carroll/Howard Counties



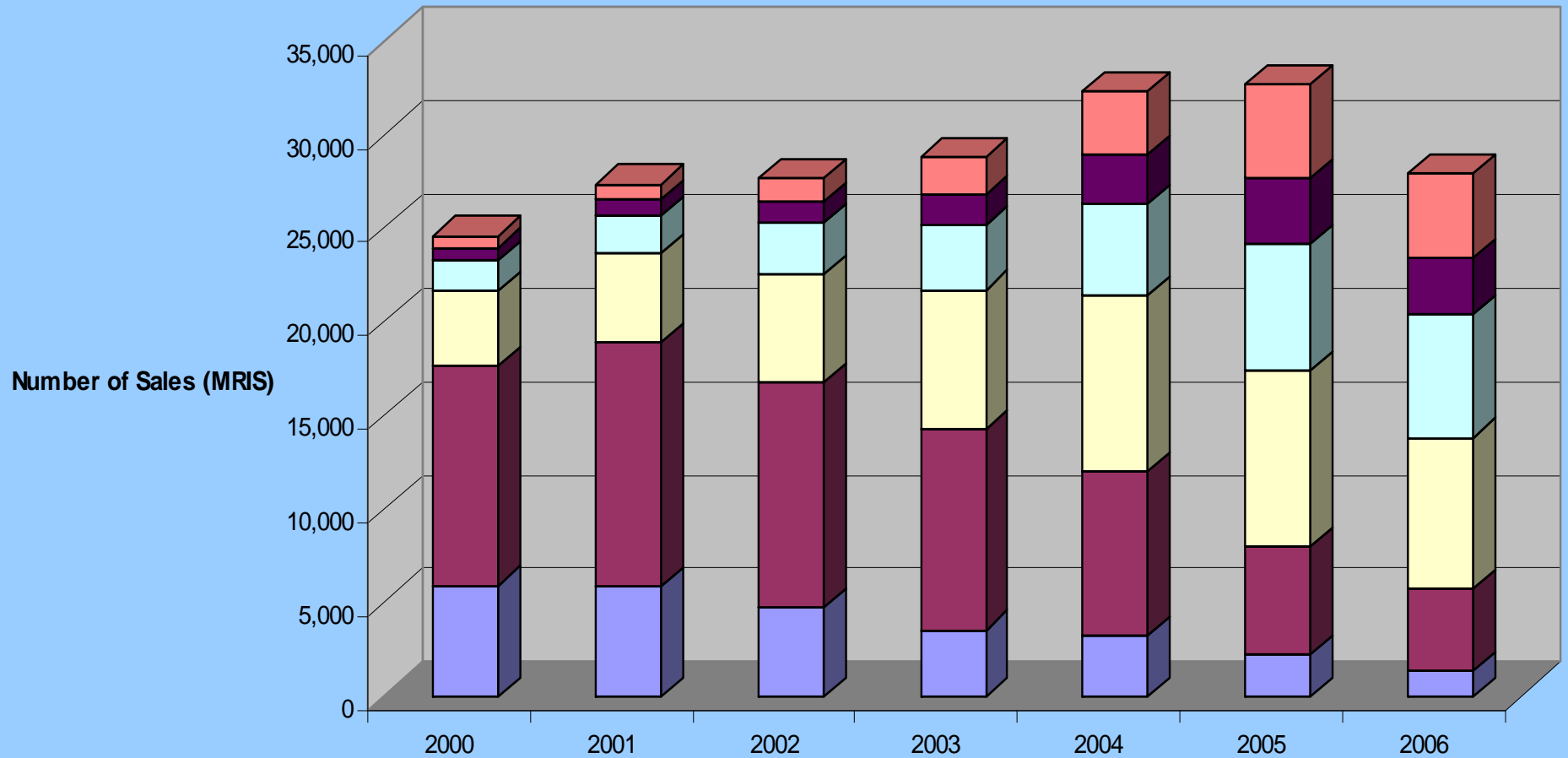
Source: Maryland Department of Labor, Licensing, and Regulation website, 2007.

2006 Average Hourly Wage: Cecil/Harford Counties



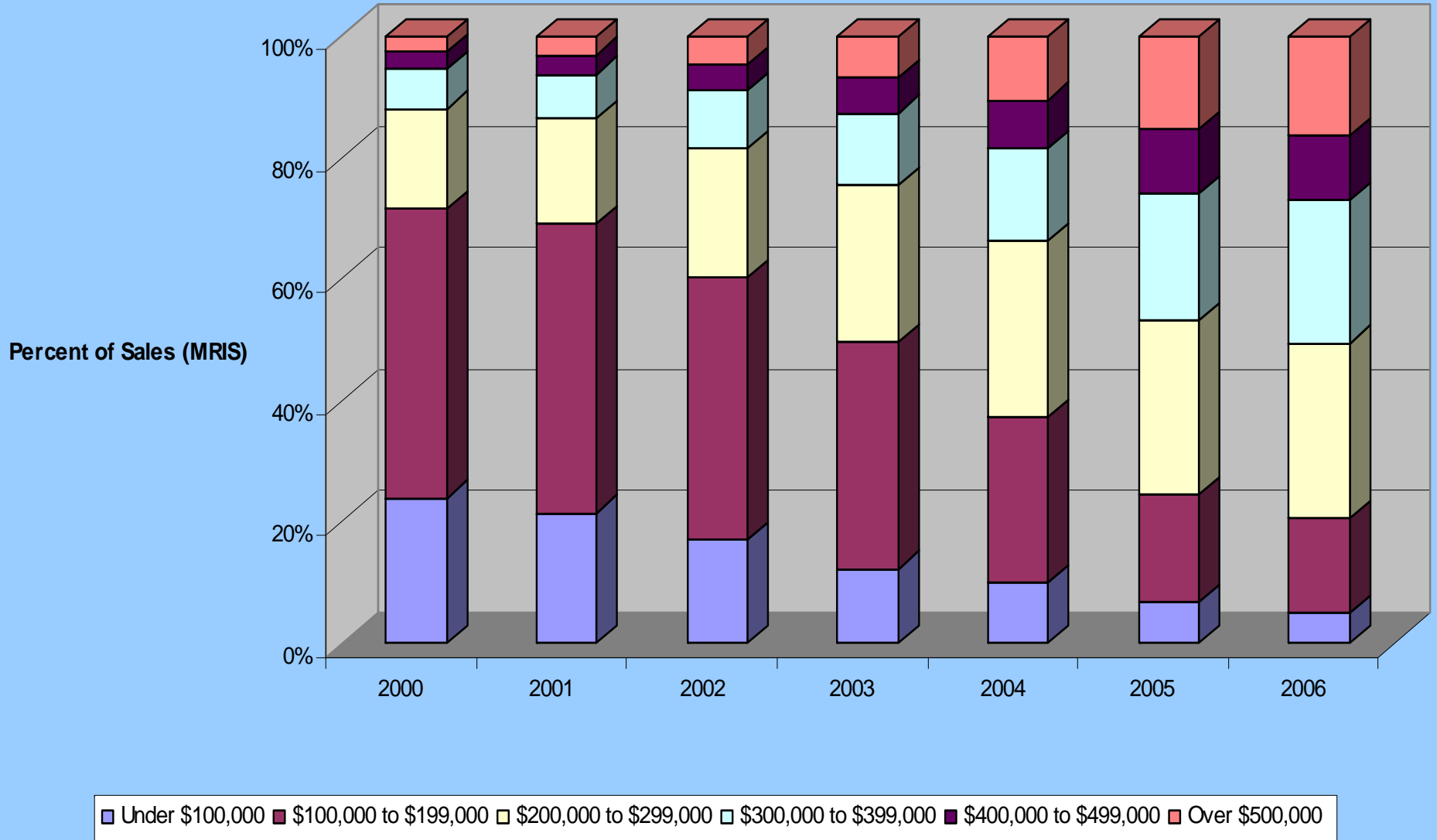
Source: Maryland Department of Labor, Licensing, and Regulation website, 2007.

**SINGLE-FAMILY HOUSING SALES
2000 - 2006
Baltimore Region**

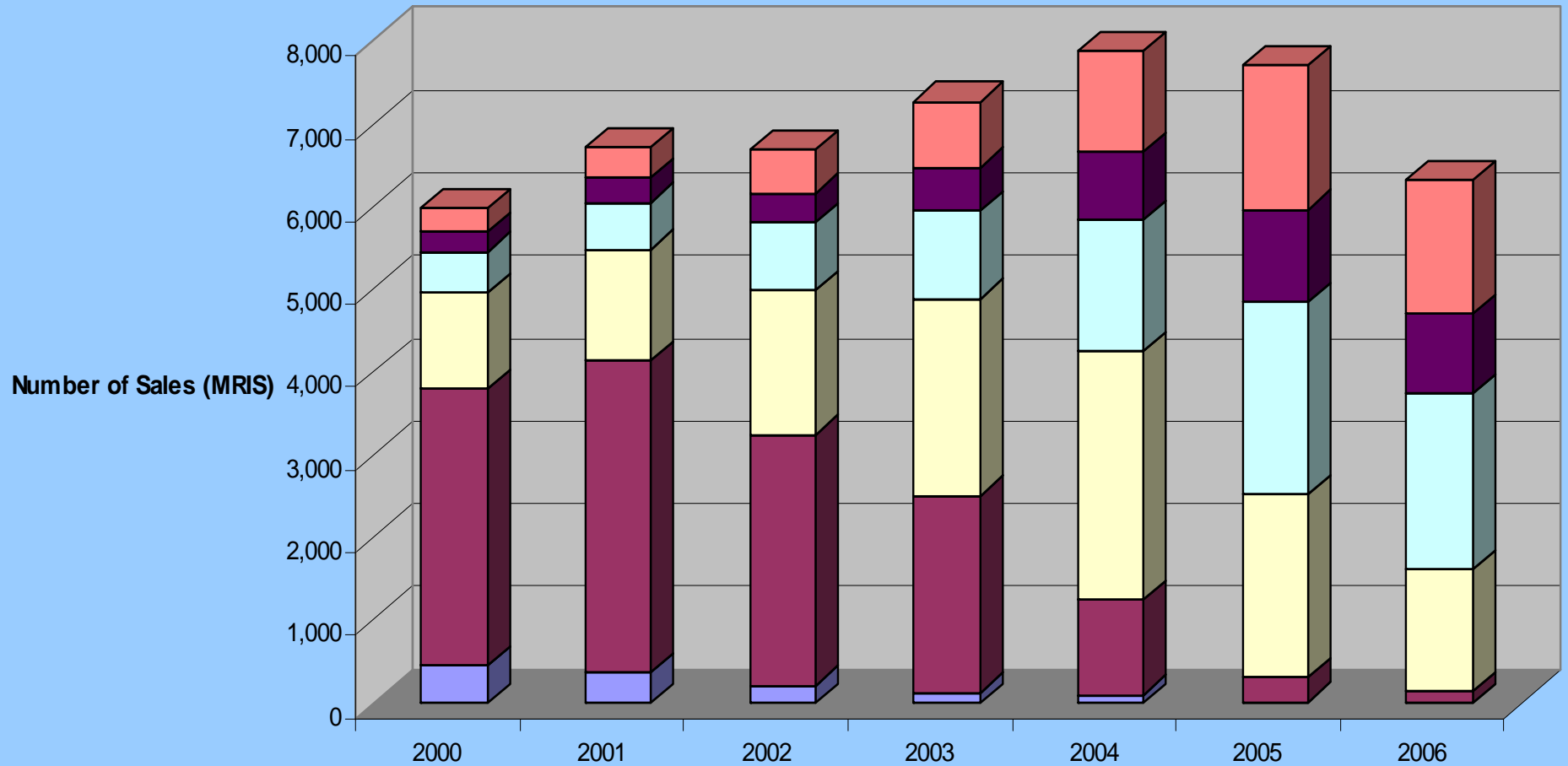


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SINGLE-FAMILY HOME SALES
2000 - 2006
Baltimore Region

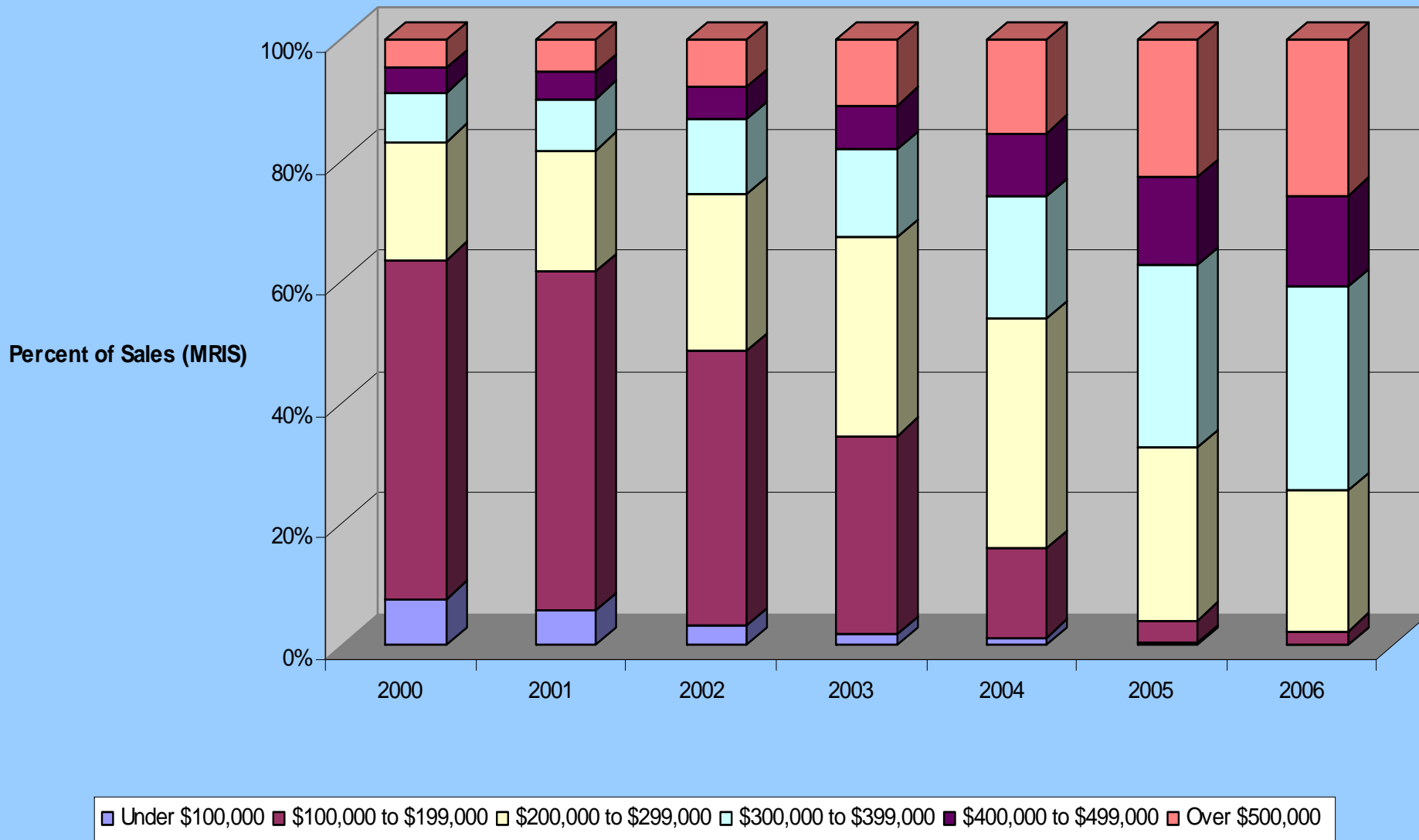


**SINGLE-FAMILY HOME SALES
2000 - 2006
Anne Arundel County**

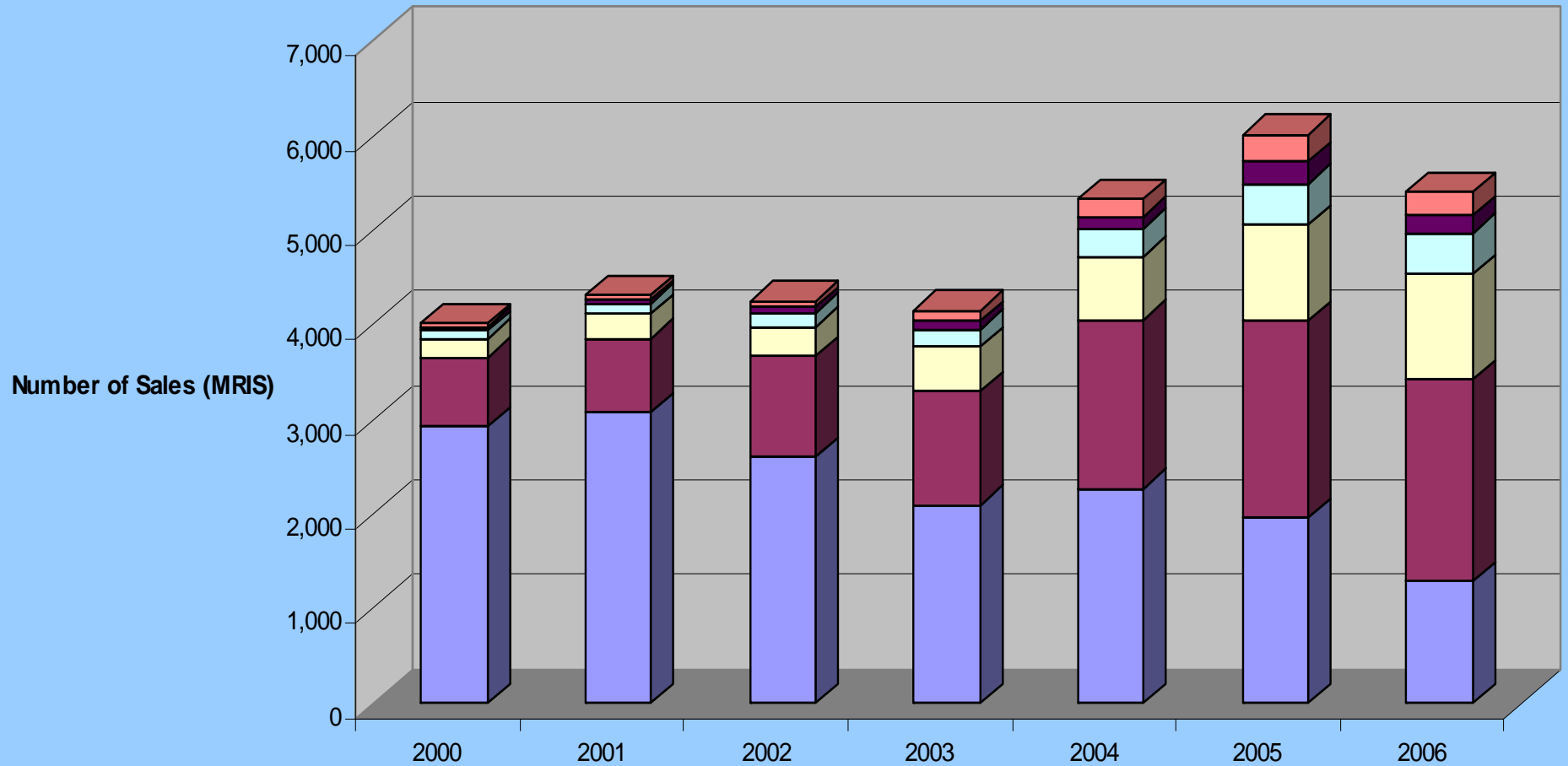


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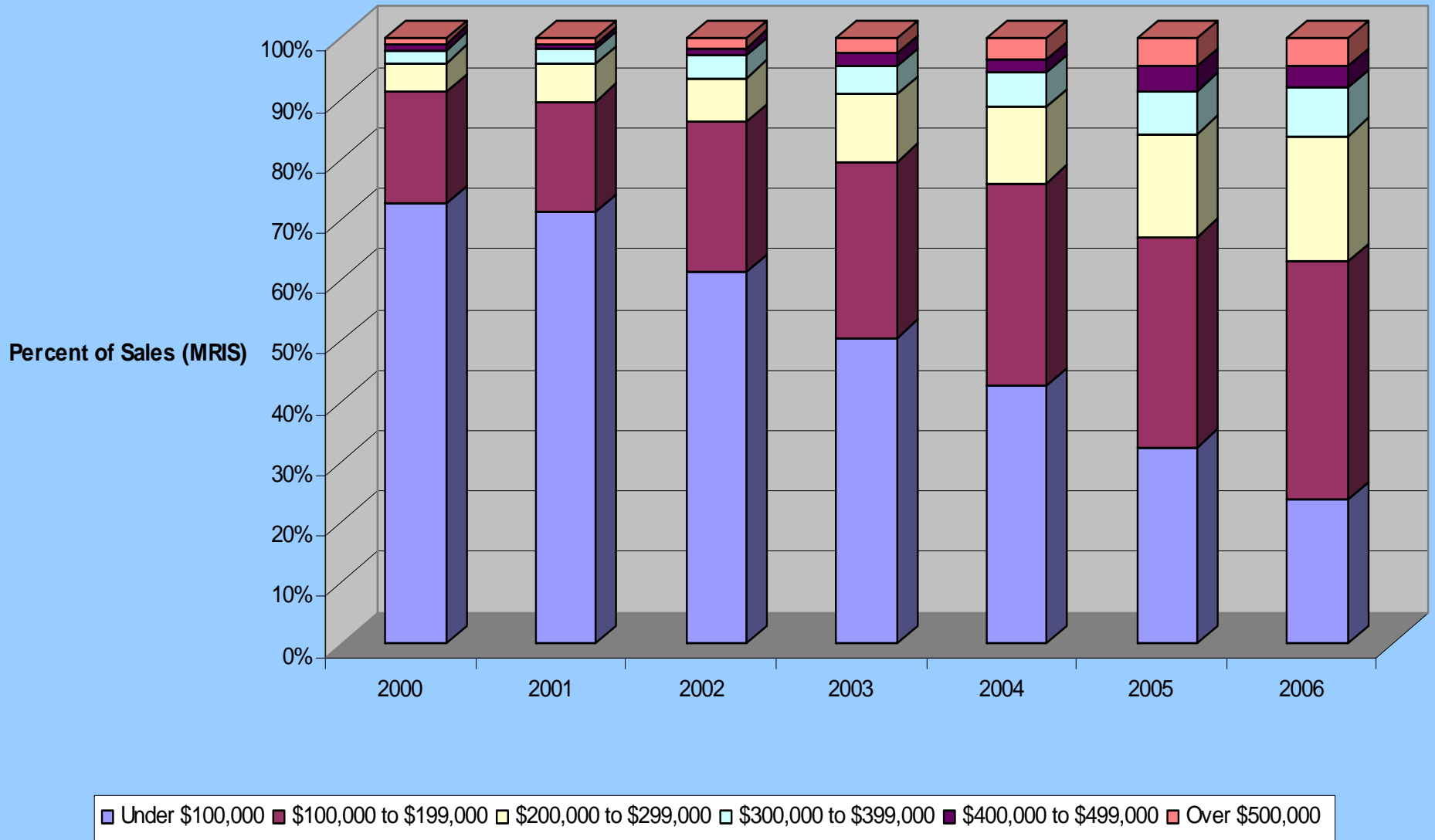


SINGLE-FAMILY HOME SALES
2000 - 2006
Baltimore City

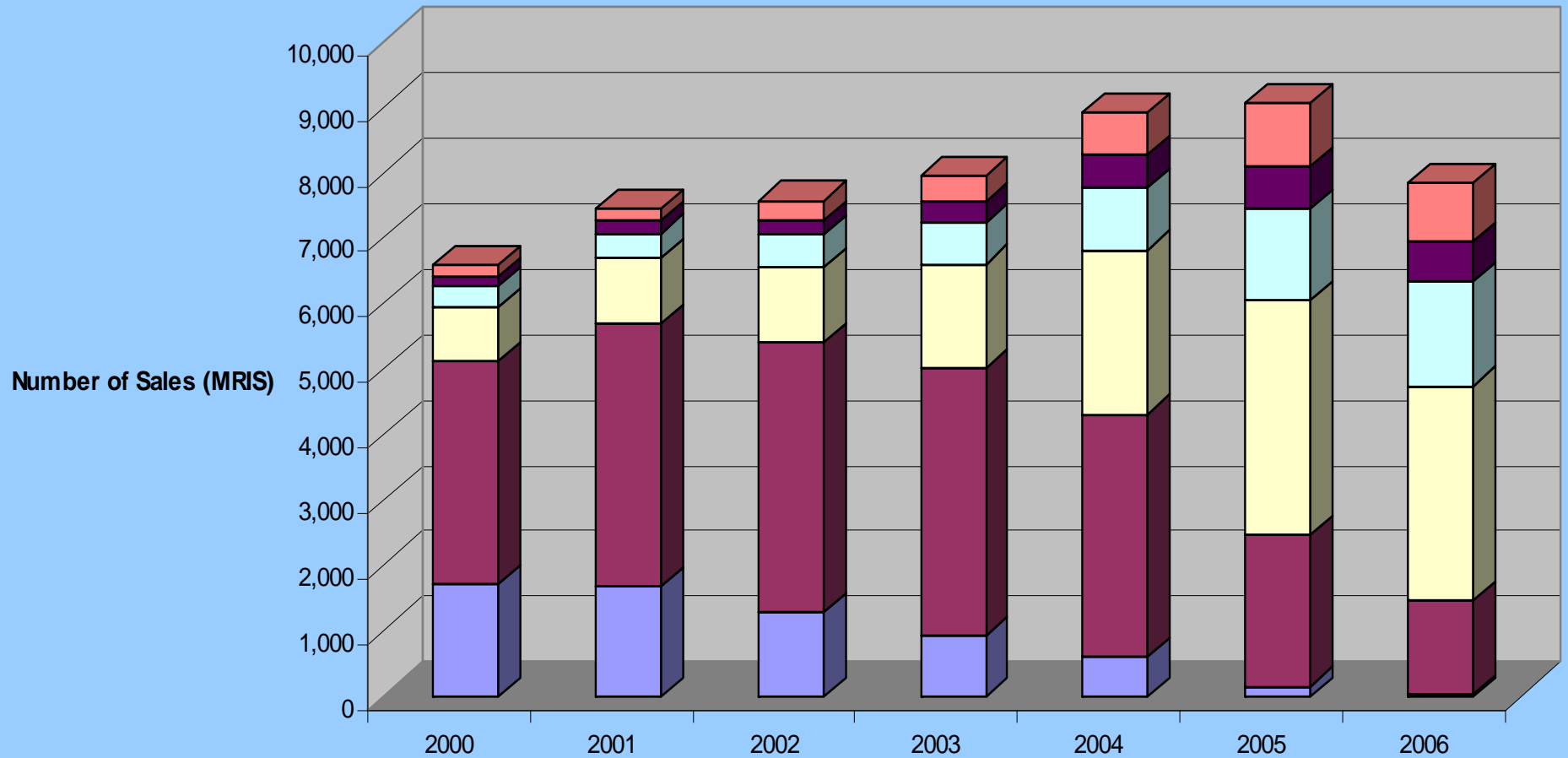


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**SINGLE-FAMILY HOME SALES
2000 - 2006
Baltimore City**

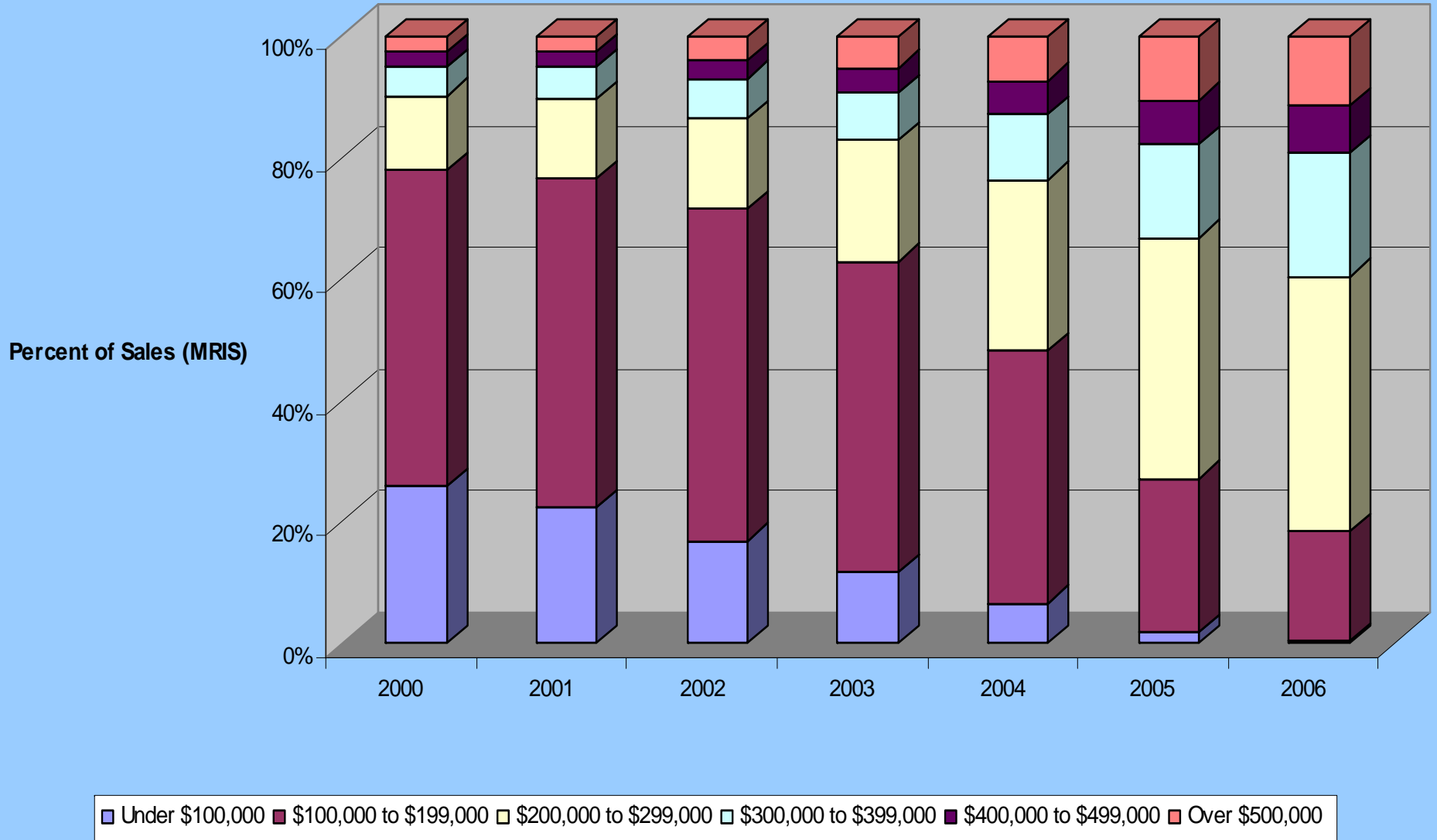


**SINGLE-FAMILY HOME SALES
2000 - 2006
Baltimore County**

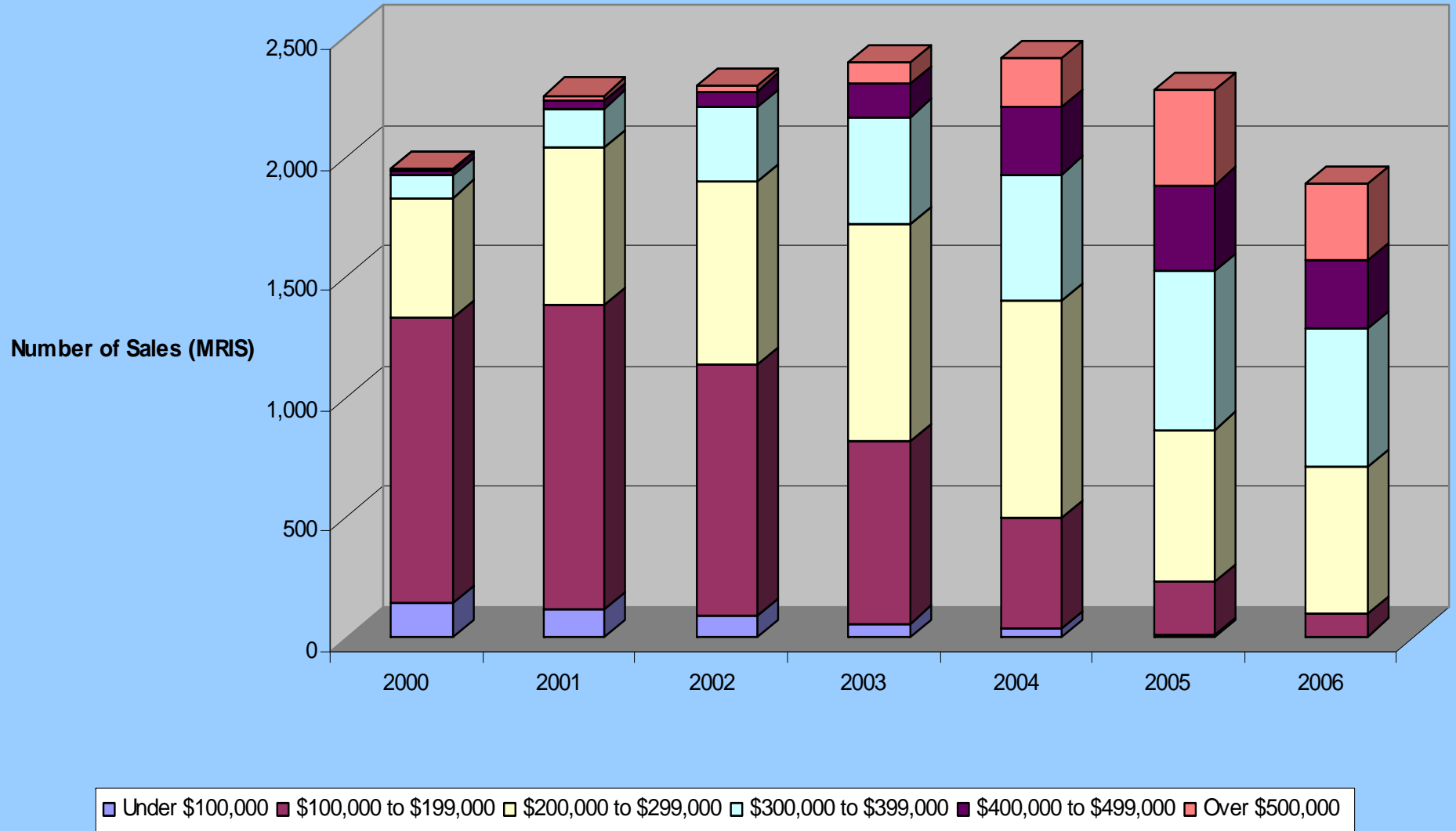


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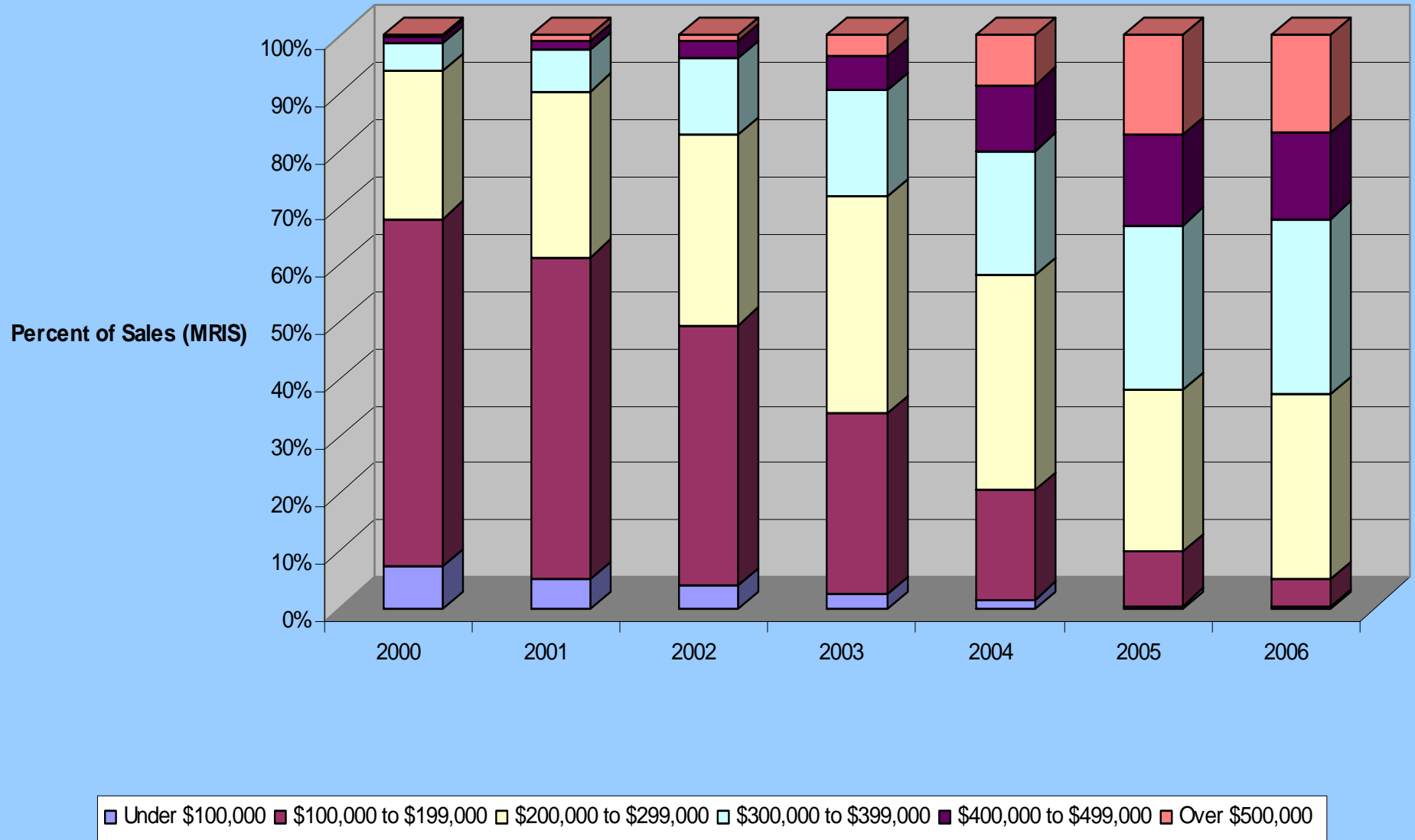
SINGLE-FAMILY HOME SALES
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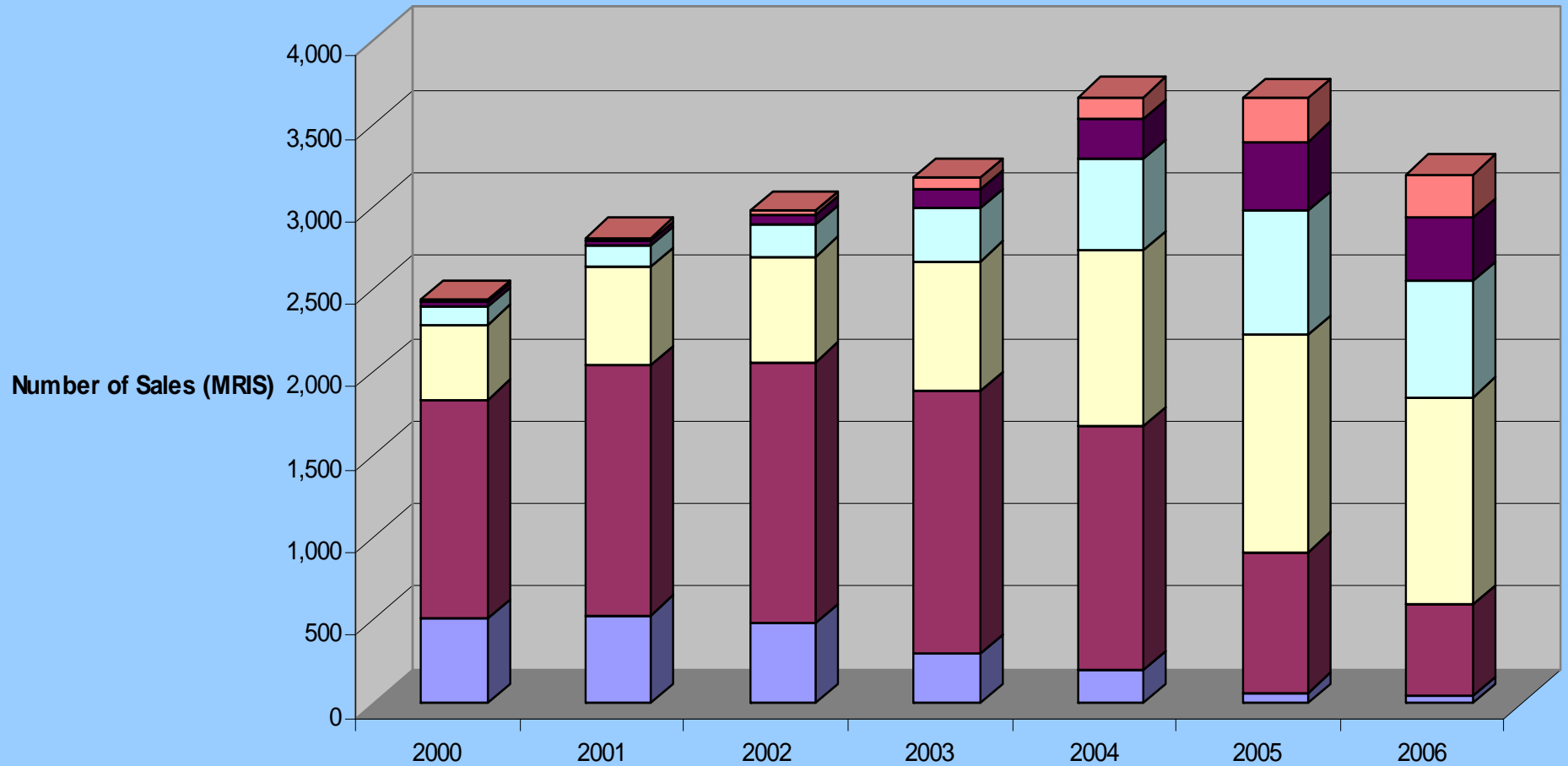
SINGLE-FAMILY HOME SALES
2000 - 2006
Carroll County



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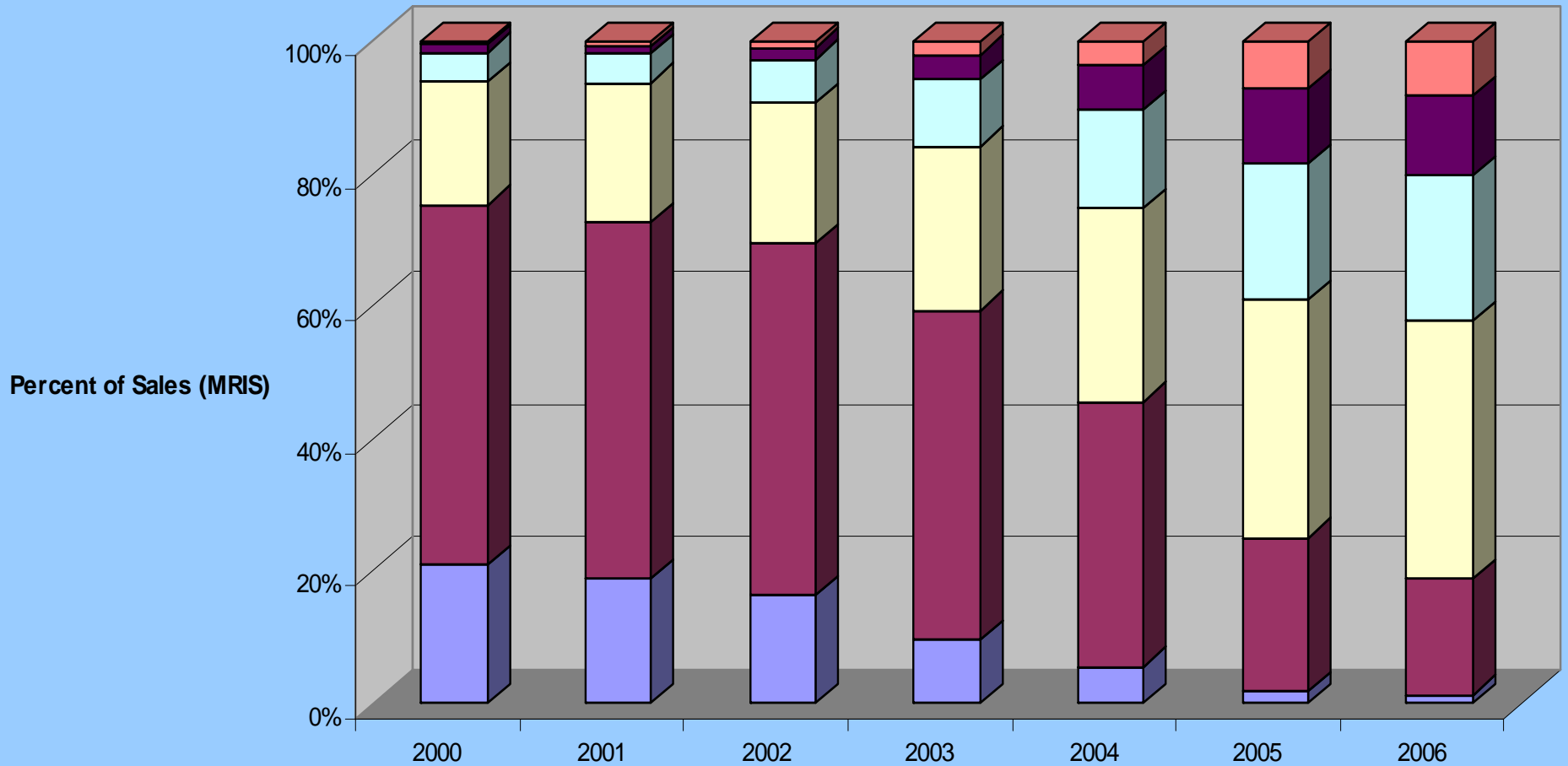


SINGLE-FAMILY HOME SALES
2000 - 2006
Harford County



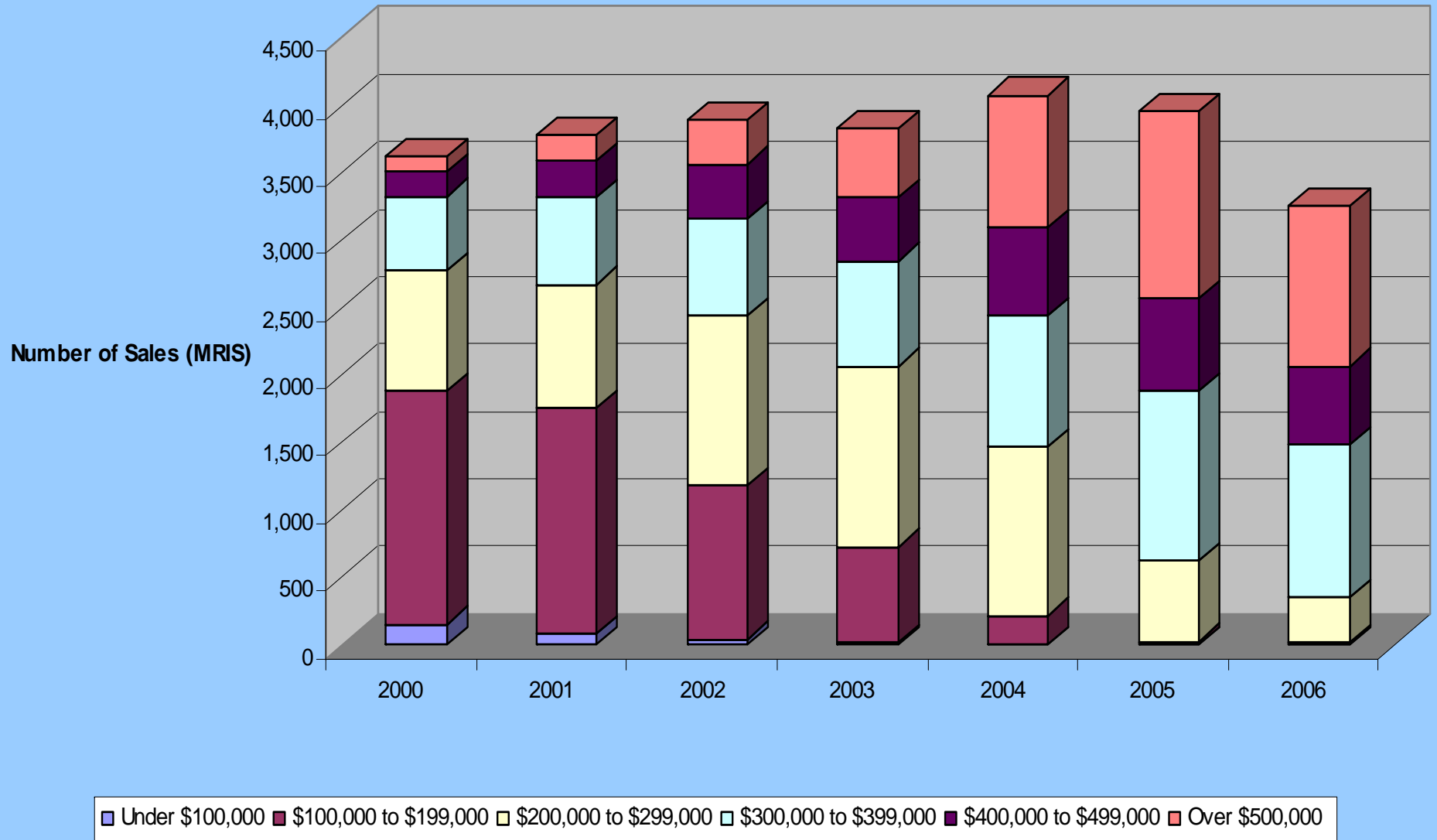
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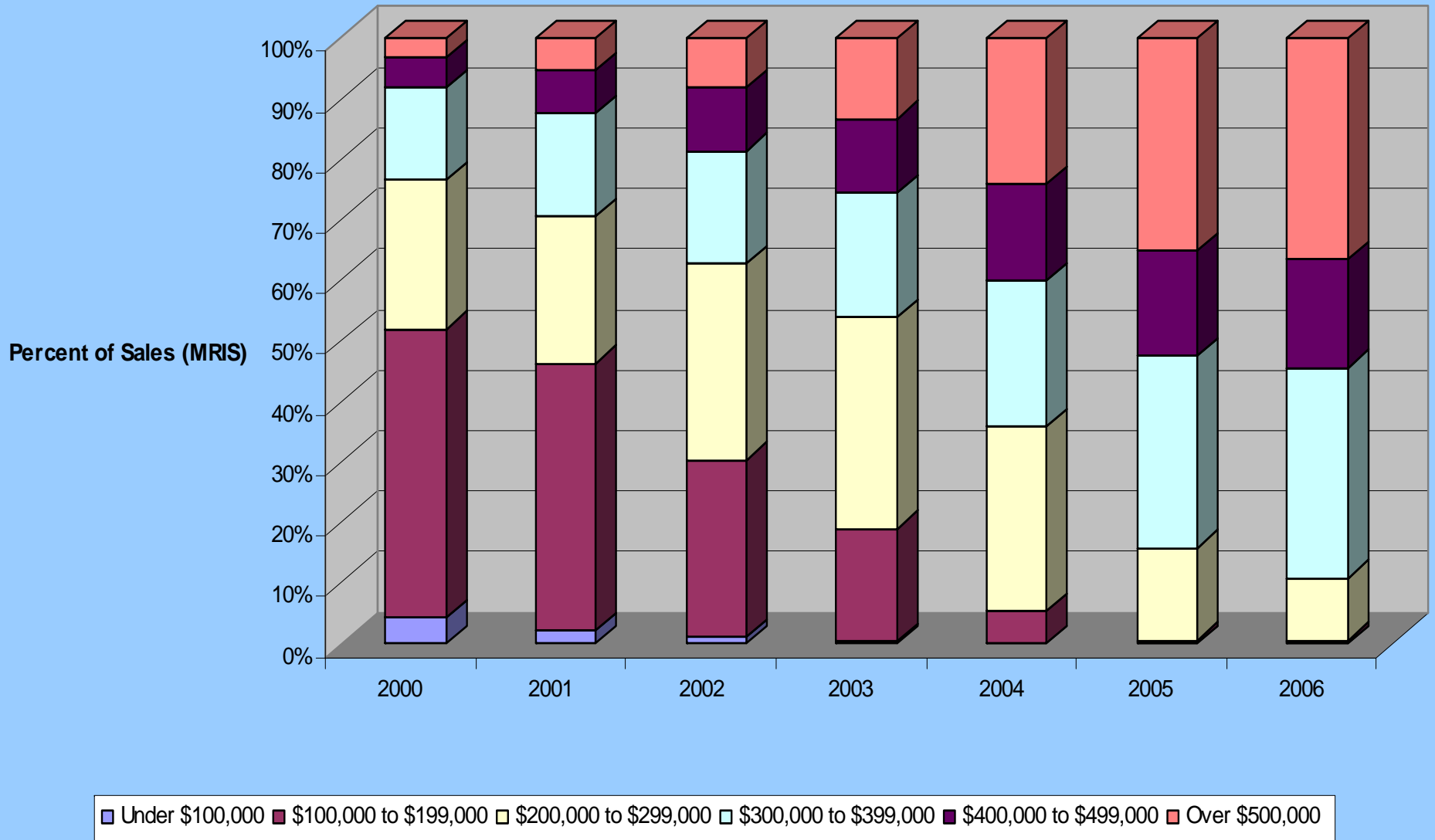


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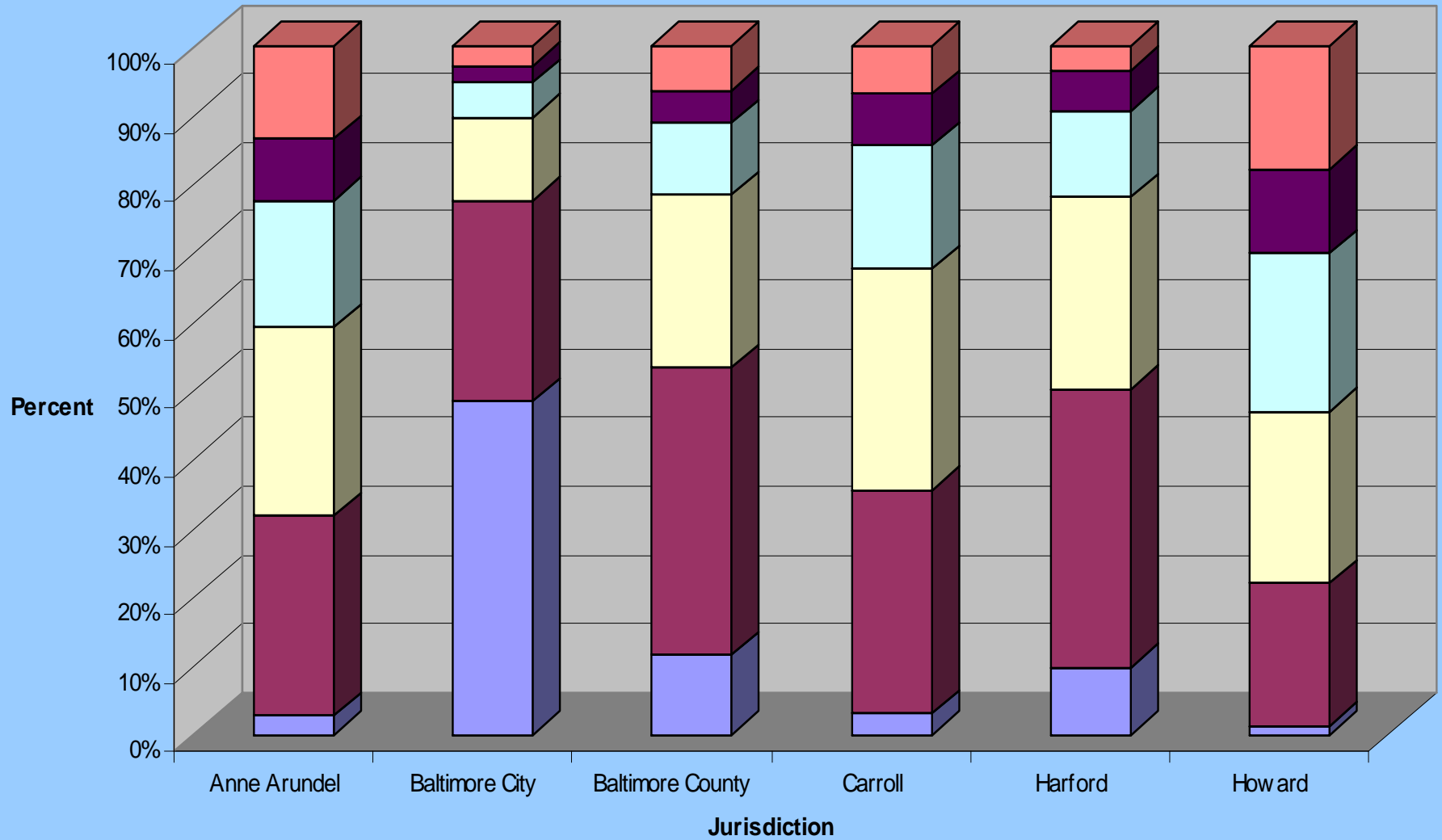
SINGLE-FAMILY HOME SALES
2000 - 2006
Howard County



SINGLE-FAMILY HOME SALES
2000 - 2006
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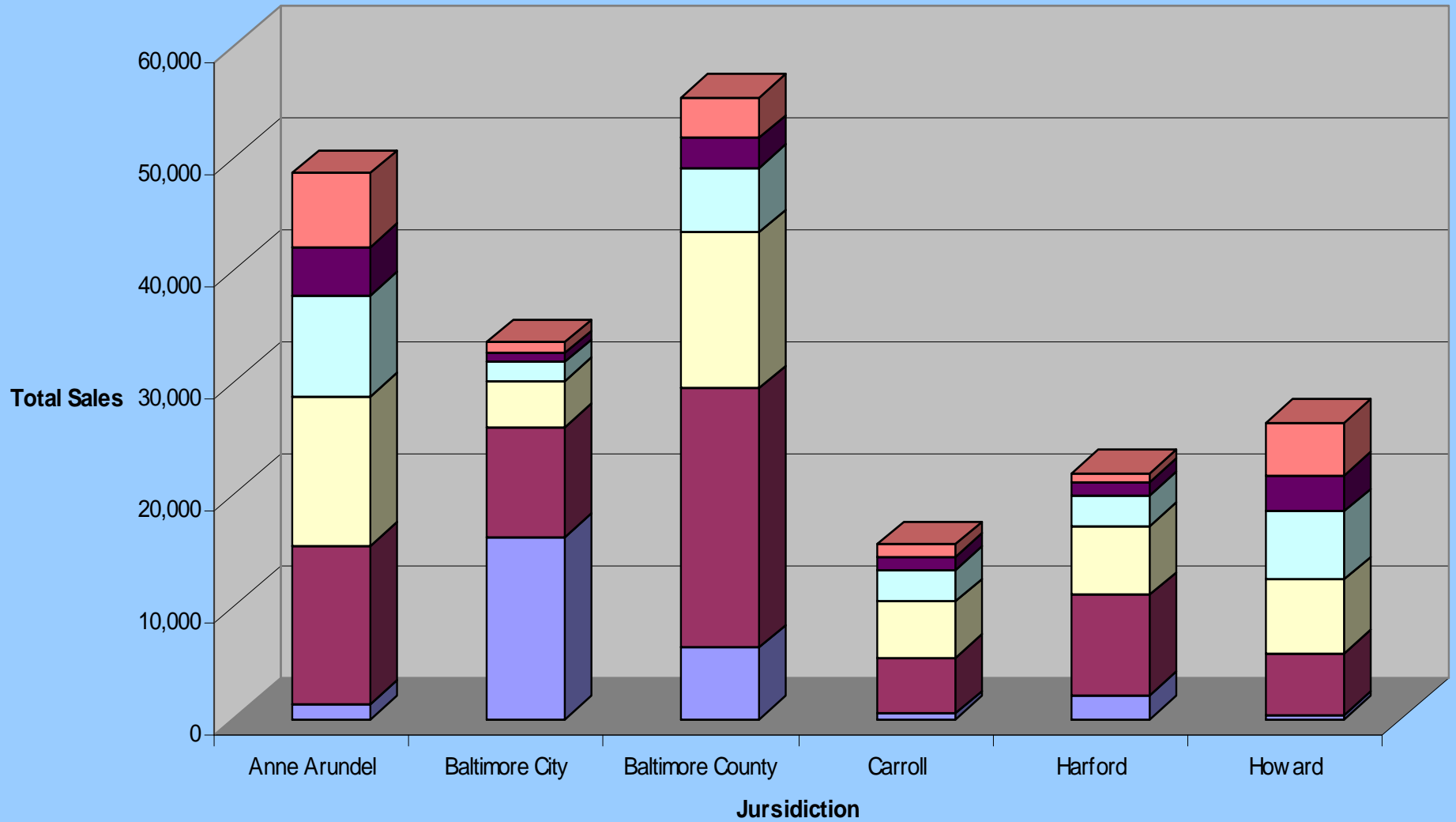


SINGLE FAMILY HOME SALES
2000 to 2006
Baltimore Region Total



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Workforce Housing Issues

- ◆ Potential Job/Worker Imbalance Looming
- ◆ High projected household and employment growth
- ◆ Mismatch between existing resident's occupations and projected occupation mix
- ◆ Mismatch between housing type mix and occupation/income capacity to live in the current housing offerings
- ◆ Increased commuting and longer commutes for all types of workers

Factors That Compound the Problem of Providing “Affordable Housing” for those in poverty

- ◆ Neighborhood conditions
- ◆ Concentrated poverty
- ◆ Segregation (racial, economic)
- ◆ Sustainable employment
- ◆ Adequate transportation
- ◆ Quality child care
- ◆ Subsidized units’ location in poor areas

THE END

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Thank you from the BMC.