Anatomy of a Housing Shortage: Sources of Housing Demand and Likely Supply in Montgomery County

Jeannette Chapman
Deputy Director and Senior Research Associate
Stephen S. Fuller Institute
Schar School of Policy and Government, George Mason University

What is a Housing Forecast?

Employment – driven demand
Demographic – driven demand
Capacity and Pipeline
Development Cycle

Housing Demand
Supply
Housing Demand in Montgomery: 2015 - 2040

Job Growth
Montgomery County 2015-2040

+104,030 Net New Jobs (+21%)
+170,360 Positions Opened by Retirement
+274,390 Total Positions

Source: IHS Economics; The Stephen S. Fuller Institute at the Schar School, GMU
Job Growth → Households

Total:
+2.14M Jobs →
+1.13M HHs

Montgomery:
+274,390 Jobs →
+139,300 HHs

Source: The Stephen S. Fuller Institute at the Schar School, GMU

Work in the Region, Live Outside

Total:
+2.14M Jobs →
+1.13M HHs

Montgomery:
+274,390 Jobs →
+139,300 HHs

Minus 10,500 Commuter HHs w/ a main job in Montgomery
= 128,800 HHs

215,800 commuter HHs w/ a main job in the region

Source: The Stephen S. Fuller Institute at the Schar School, GMU
Intra-Regional Commuting Profiles →
Demand from New Worker Households

- Have Job Outside Montgomery, Live Inside:
  +35,500 Households

- Live & Work in Montgomery:
  +82,200 Households

- Have Job Inside Montgomery, Live Outside (in region):
  +46,600 Households

+117,700 Households

Demand from “Non-Working” Households, Montgomery County

- Retirees
- Students
- Interns, Volunteers
- Some Self-Employed

Source: U.S. Census Bureau (American Community Survey); The Stephen S. Fuller Institute at the Schar School, GMU
## Housing Demand
### Montgomery County, 2040

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2015-2040 Increase</th>
<th>2040</th>
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<tbody>
<tr>
<td>Worker Households</td>
<td>294,000</td>
<td>117,700</td>
<td>411,700</td>
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<tr>
<td>Non-Worker Households</td>
<td>77,400</td>
<td>38,400</td>
<td>115,800</td>
</tr>
<tr>
<td>Total</td>
<td>371,400</td>
<td>156,100</td>
<td>527,500</td>
</tr>
</tbody>
</table>

Source: The Stephen S. Fuller Institute at the Schar School, GMU

### Housing Demand
### Montgomery County, 2040

![Chart showing housing demand](chart.png)

Source: Metropolitan Washington Council of Governments; The Stephen S. Fuller Institute at the Schar School, GMU
Housing Demand and Supply
Montgomery County, 2040

New Worker Households
Existing Worker Households
Non-Worker Households

Source: Metropolitan Washington Council of Governments; The Stephen S. Fuller Institute at the Schar School, GMU

Historic Housing Supply vs. Likely Demand

Sources: U.S. Census Bureau; The Stephen S. Fuller Institute at the Schar School, GMU
What Does this Difference Mean?

Housing Forecast

- Employment-driven demand
- Demographic-driven demand
- Capacity and Pipeline
- Development Cycle

Housing Demand

Supply
Housing Demand: Changes to Key Assumptions?

- Local and Regional Employment Growth
- Commuting Patterns
- Housing Preferences
- Other assumptions: age, wages, and household composition of future workers; in- and out-migration rates; retirement rates

What Is Unmet Demand?
Median Gross Rent
Montgomery County

Average Sales Price
Existing Homes, Montgomery County

Sources: U.S. Census Bureau (American Community Survey and Decennial Census); The Stephen S. Fuller Institute at the Schar School, GMU

Sources: Metropolitan Regional Information Systems (MRIS); The Stephen S. Fuller Institute at the Schar School, GMU
Montgomery County Workers by Commute Time
Job located in Montgomery County

Sources: U.S. Census Bureau (American Community Survey); The Stephen S. Fuller Institute at the Schar School, GMU

Questions?

jchapm13@gmu.edu
sfullerinstitute.gmu.edu