

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

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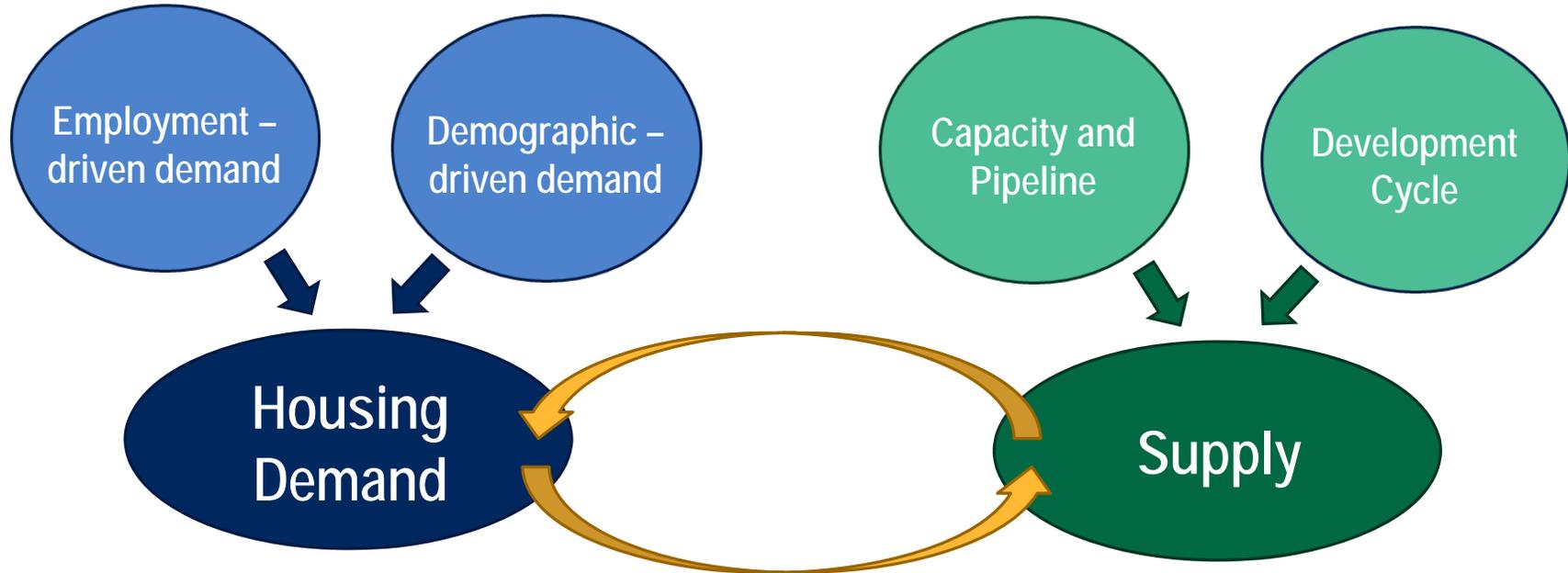
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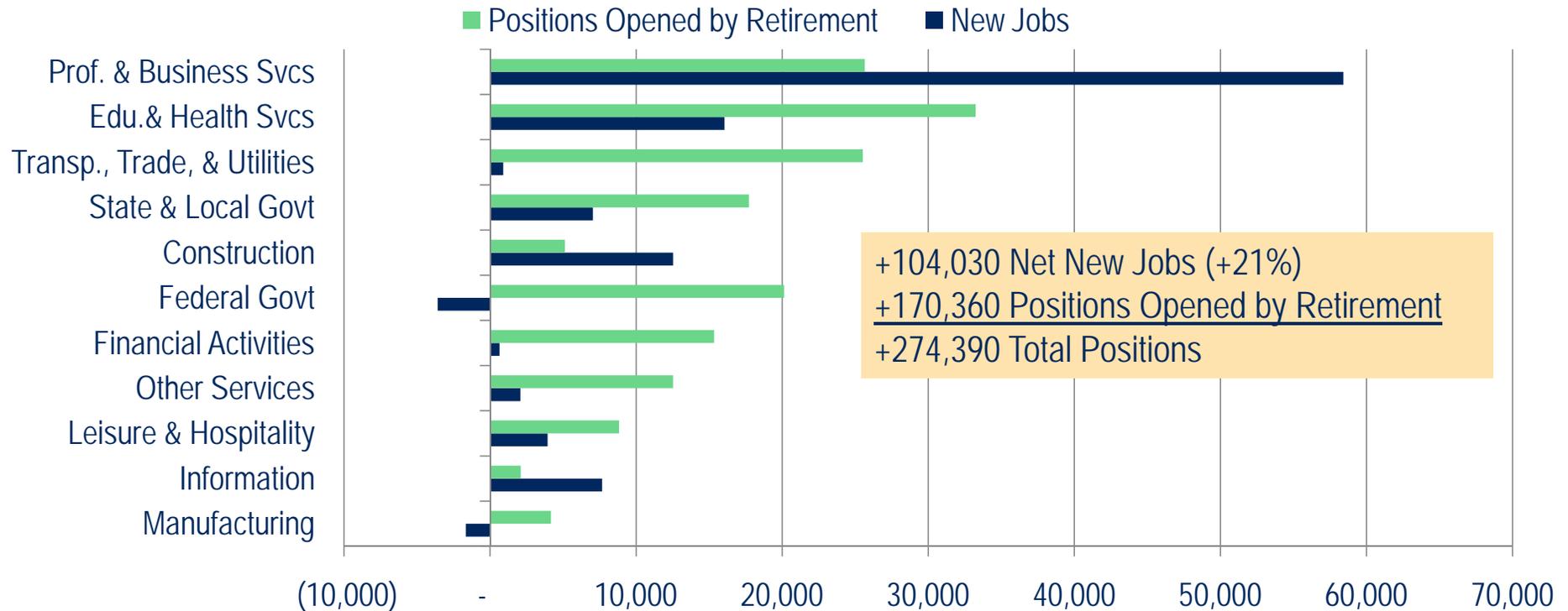
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What is a Housing Forecast?



Housing Demand in Montgomery: 2015 - 2040

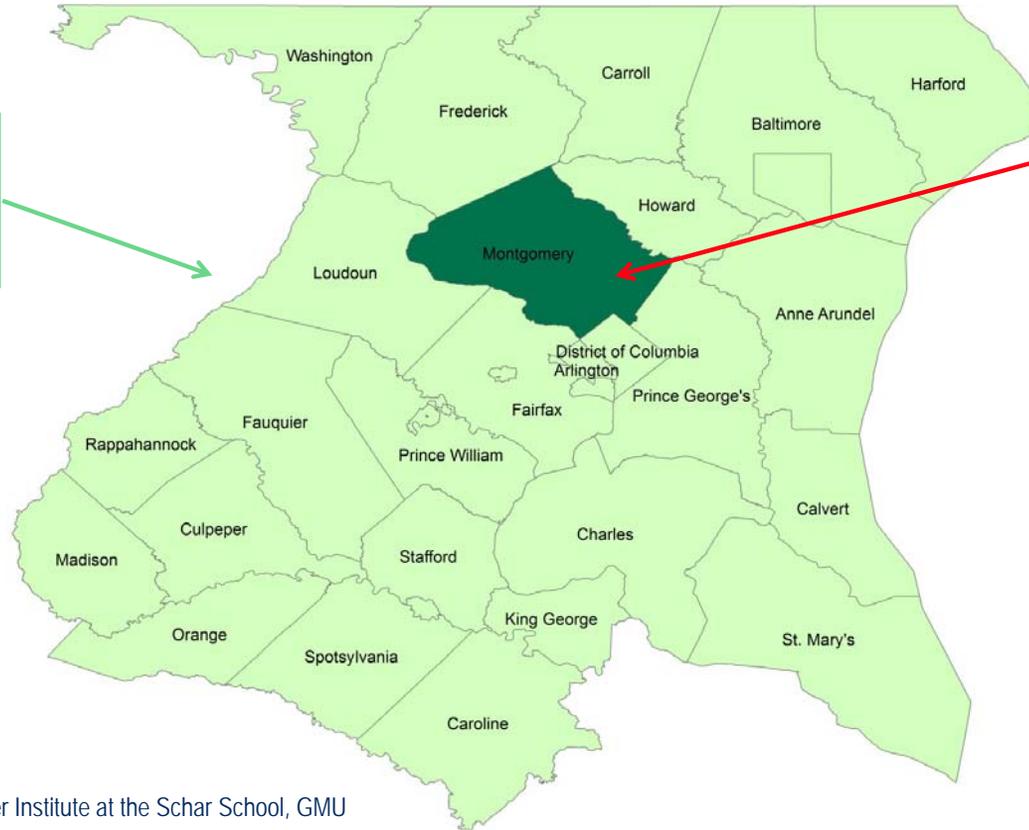
Job Growth Montgomery County 2015-2040



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

Job Growth → Households

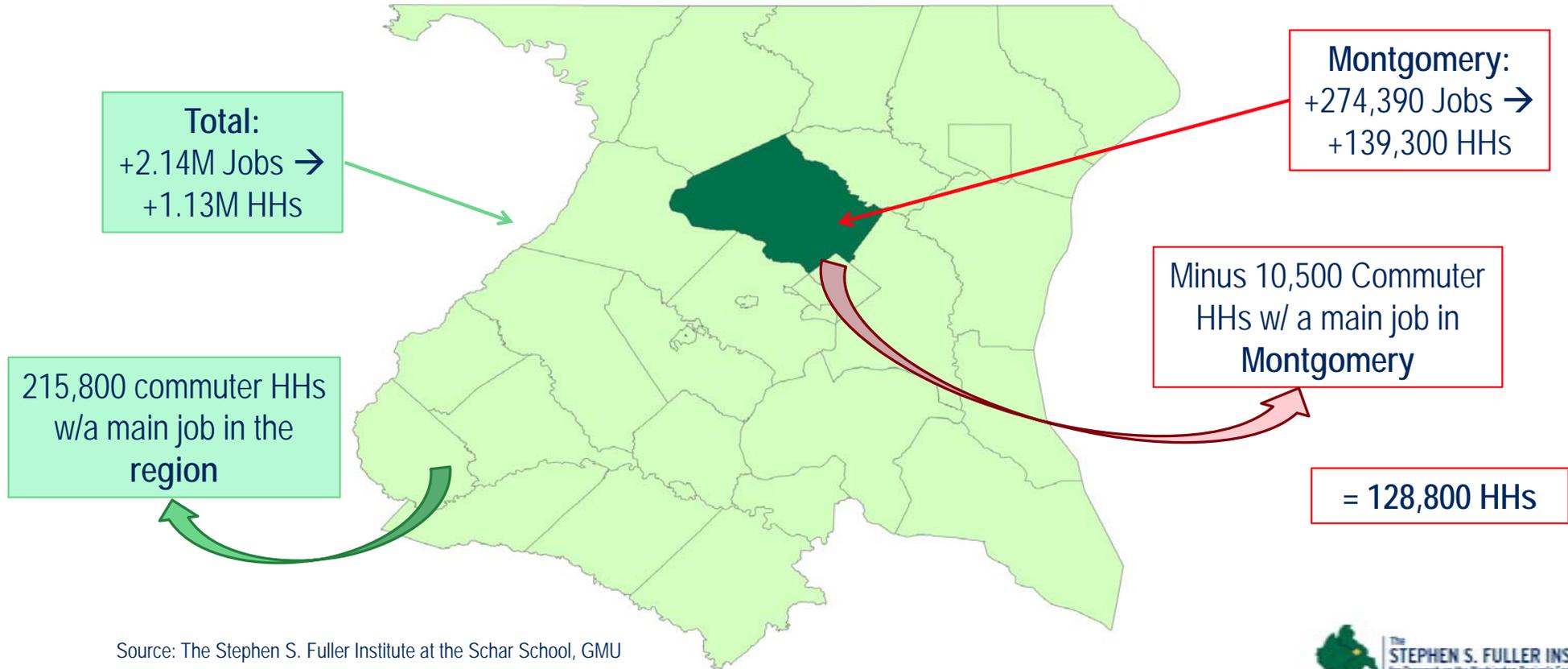
Total:
+2.14M Jobs →
+1.13M HHs



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

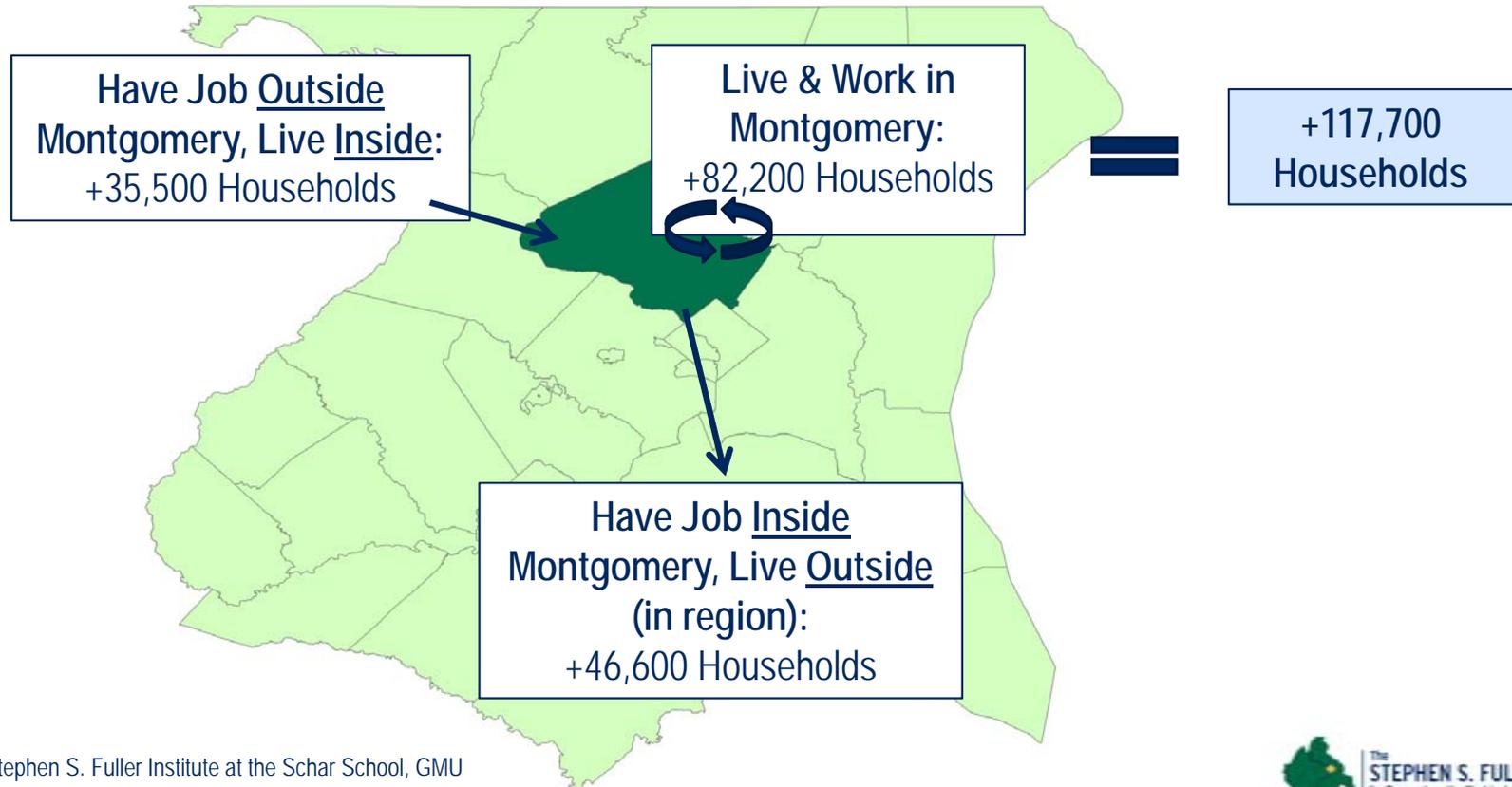
Source: The Stephen S. Fuller Institute at the Schar School, GMU

Work in the Region, Live Outside



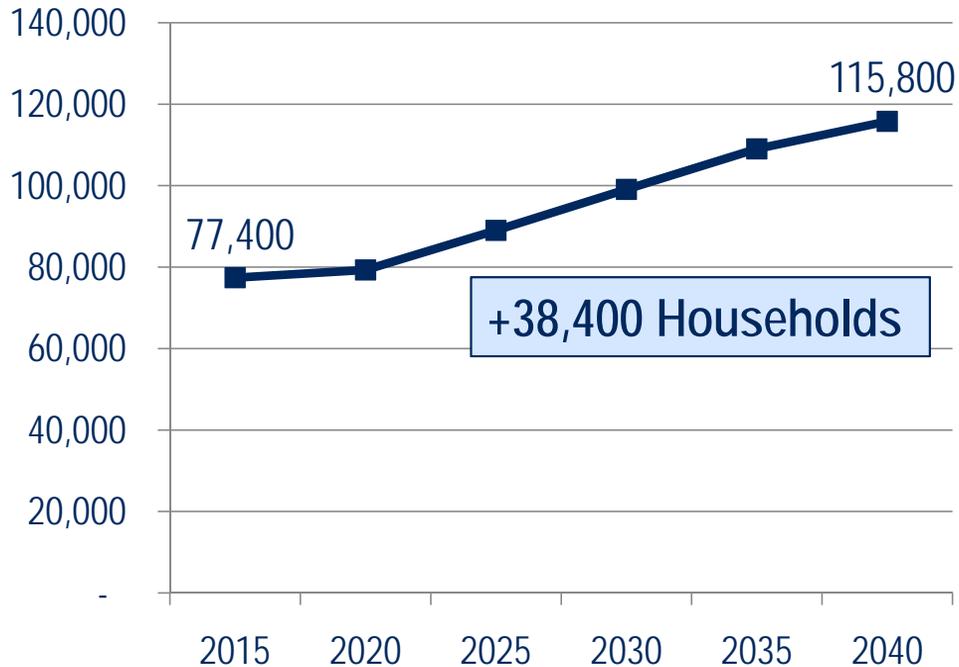
Source: The Stephen S. Fuller Institute at the Schar School, GMU

Intra-Regional Commuting Profiles → Demand from New Worker Households



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

Demand from “Non-Working” Households, Montgomery County



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

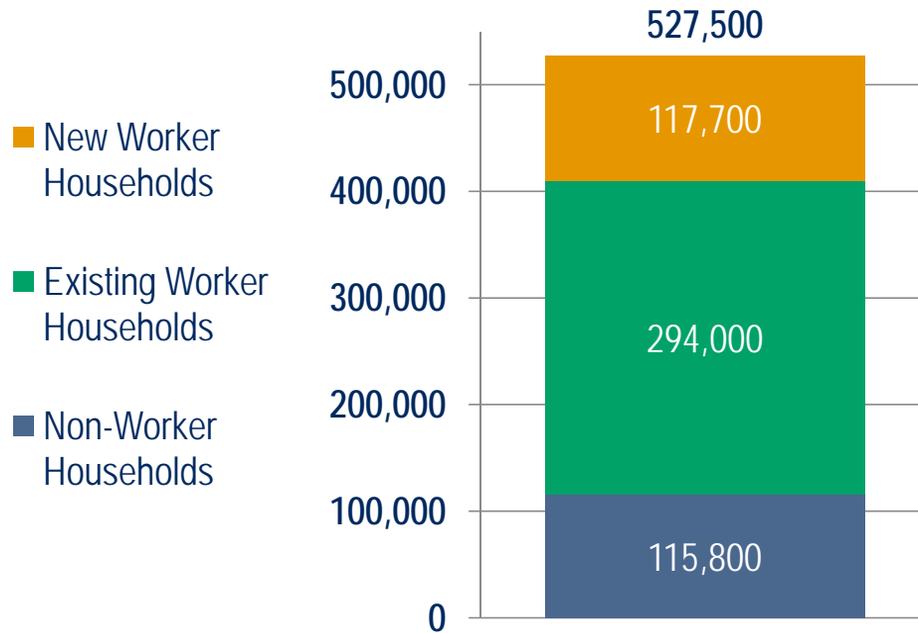
Source: U.S. Census Bureau (American Community Survey); The Stephen S. Fuller Institute at the Schar School, GMU

Housing Demand Montgomery County, 2040

	2015	2015-2040 Increase	2040
Worker Households	294,000	117,700	411,700
Non-Worker Households	77,400	38,400	115,800
Total	371,400	156,100	527,500

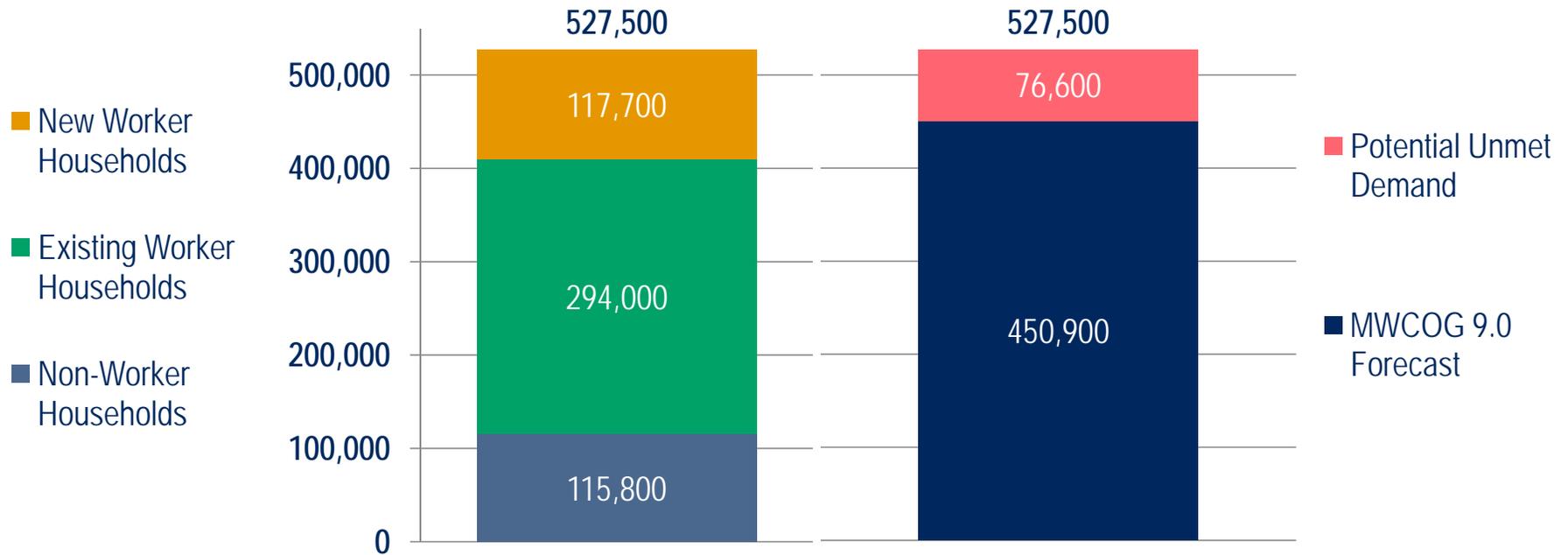
Source: The Stephen S. Fuller Institute at the Schar School, GMU

Housing Demand Montgomery County, 2040



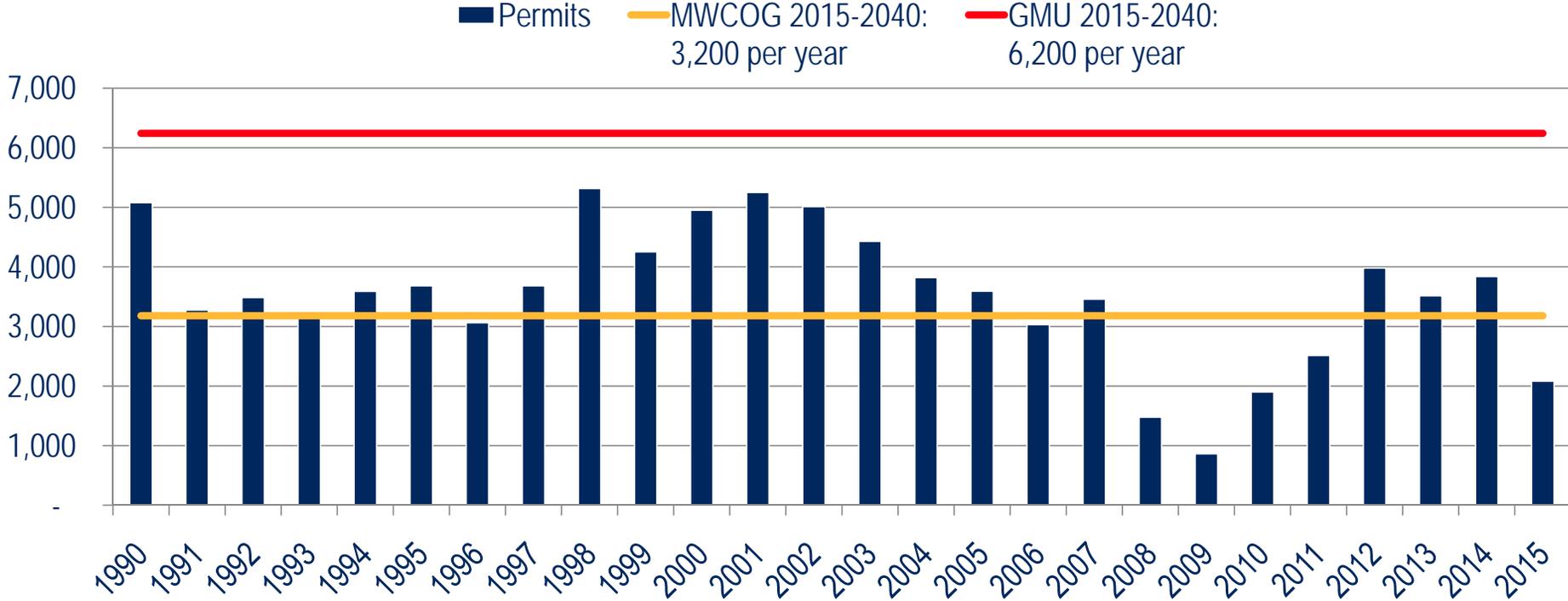
Source: Metropolitan Washington Council of Governments; The Stephen S. Fuller Institute at the Schar School, GMU

Housing Demand and Supply Montgomery County, 2040



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

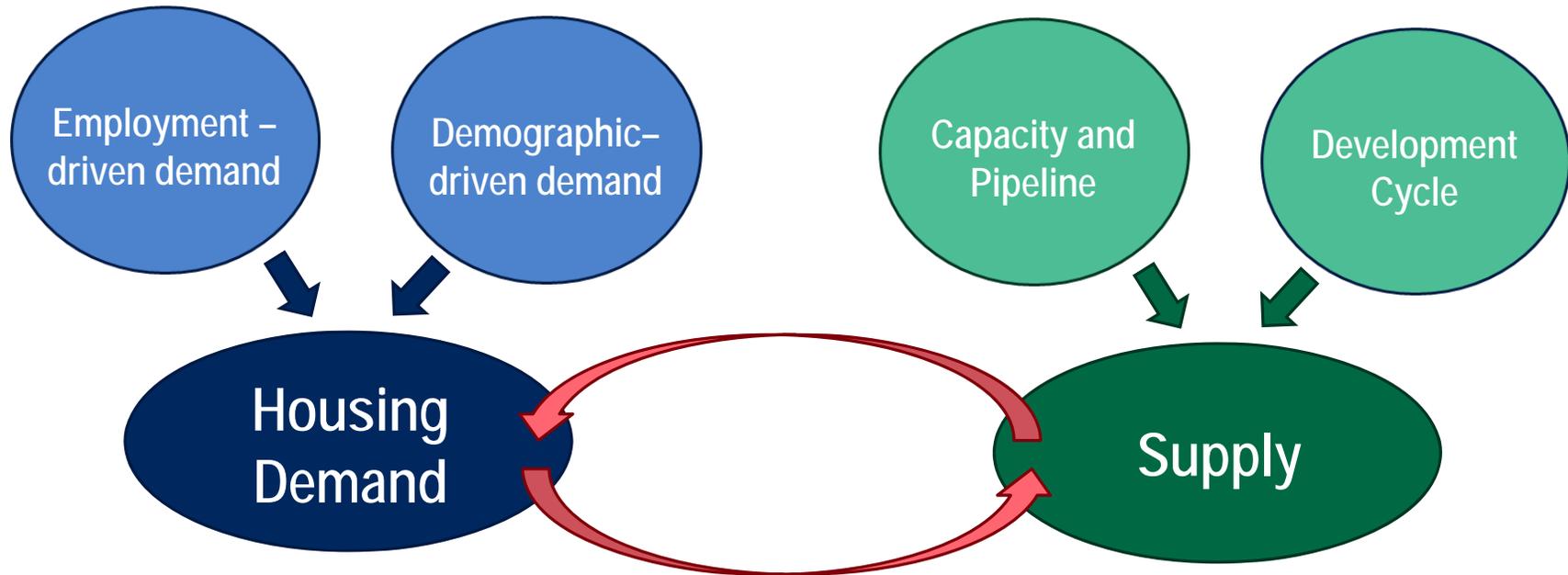
Historic Housing Supply vs. Likely Demand



Sources: U.S. Census Bureau; The Stephen S. Fuller Institute at the Schar School, GMU

What Does this Difference Mean?

Housing Forecast

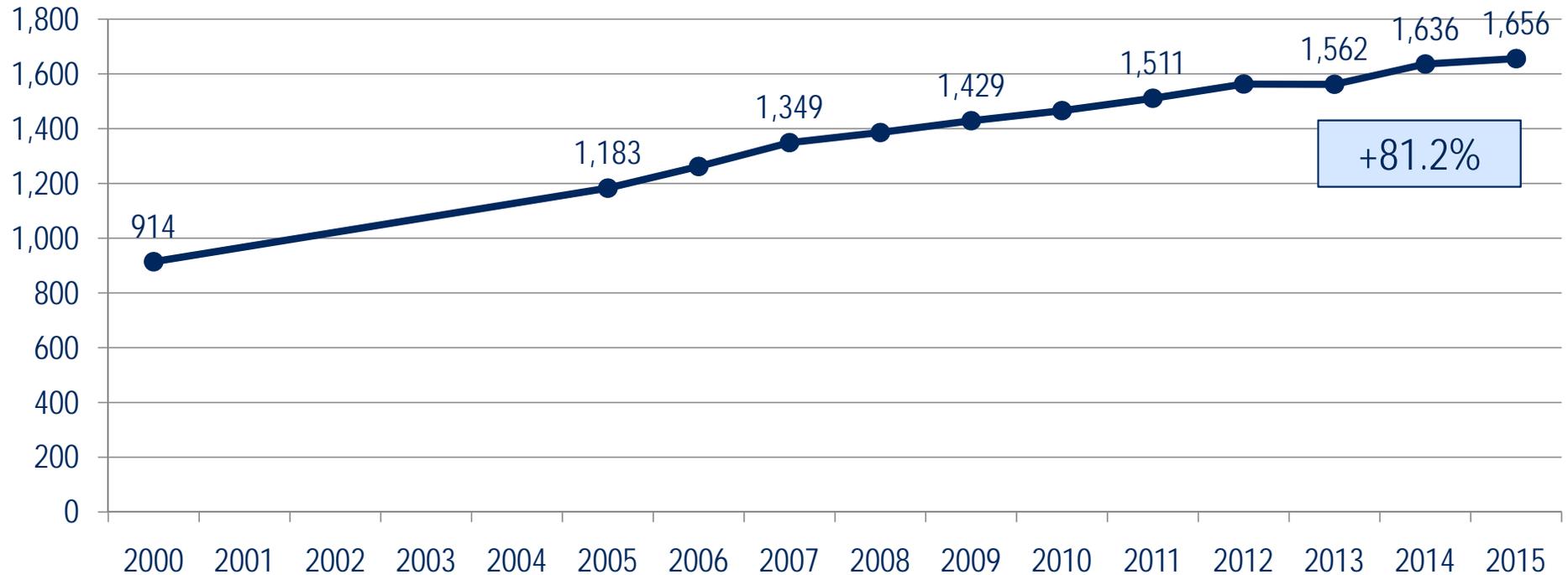


Housing Demand: Changes to Key Assumptions?

- 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

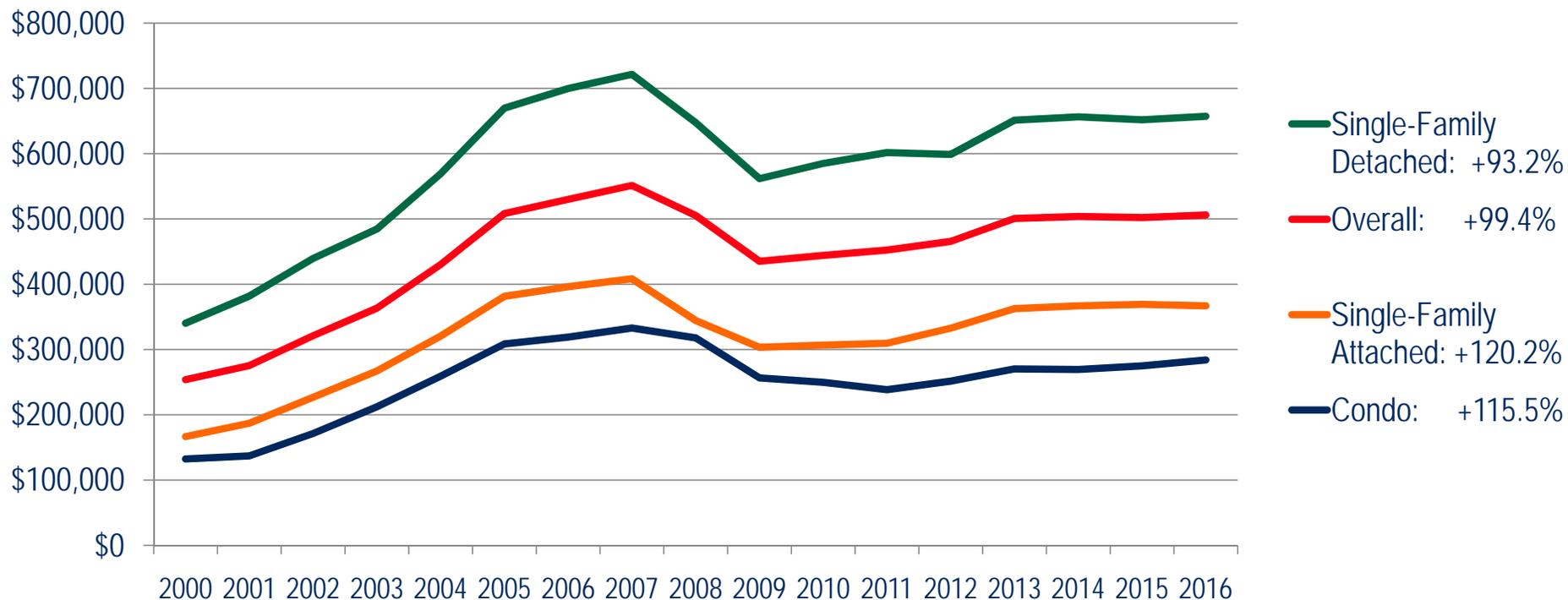
What Is Unmet Demand?

Median Gross Rent Montgomery County



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

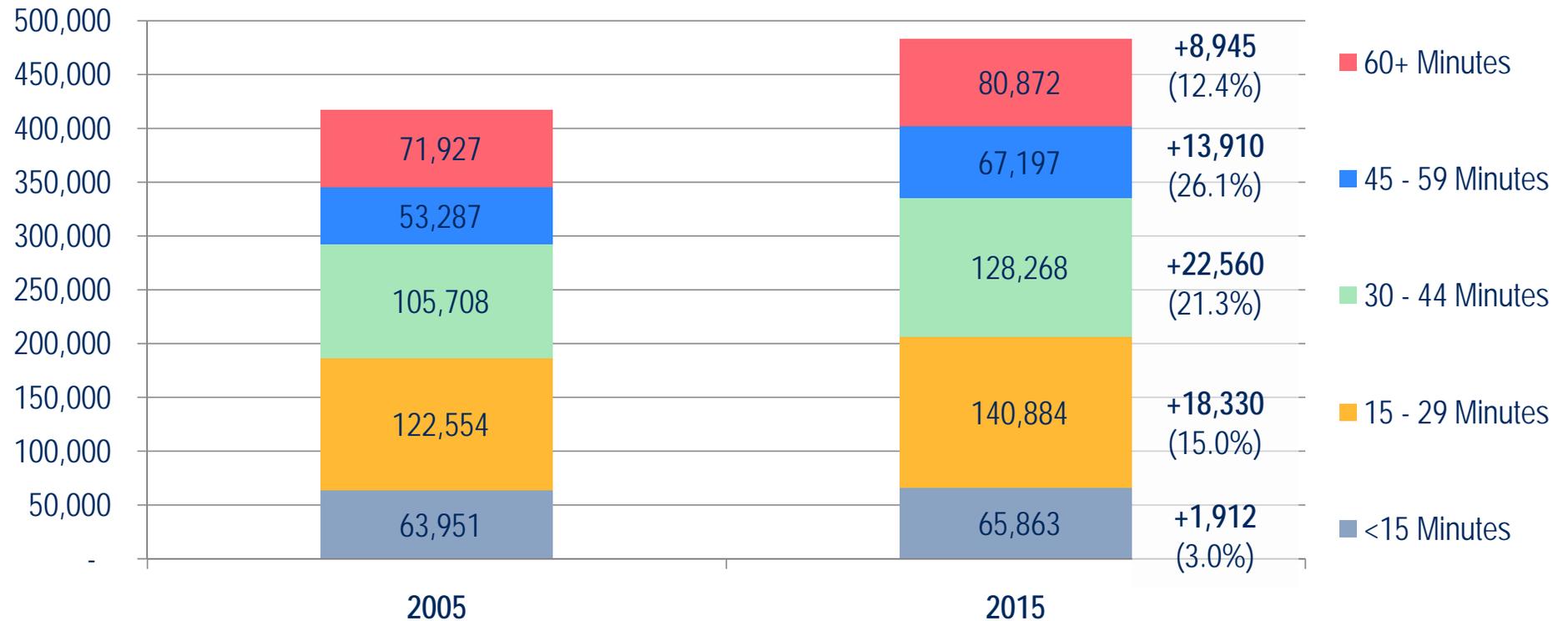
Average Sales Price Existing Homes, Montgomery County



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?

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Methodology Overview

How do GMU's forecasts differ?

	<u>2013 Model</u>	<u>2015 Model</u>
Source of Demand:	-Net new payroll jobs	<ul style="list-style-type: none"> - Net new payroll jobs; - Jobs vacated by retirees; - Existing workforce; - Households w/out a payroll job (retirees, students and self-employment)
Supply Constraint?	No	Yes, MWCOG 8.4 Forecasts
Forecast Period:	2012 - 2032	2013 - 2023
Main Research Question:	How much more housing should the region build to meet demand?	What investments need to be made to house the future households living in the region?

Employment-Driven Portion of Housing Demand



Demographic-Driven Portion of Housing Demand

