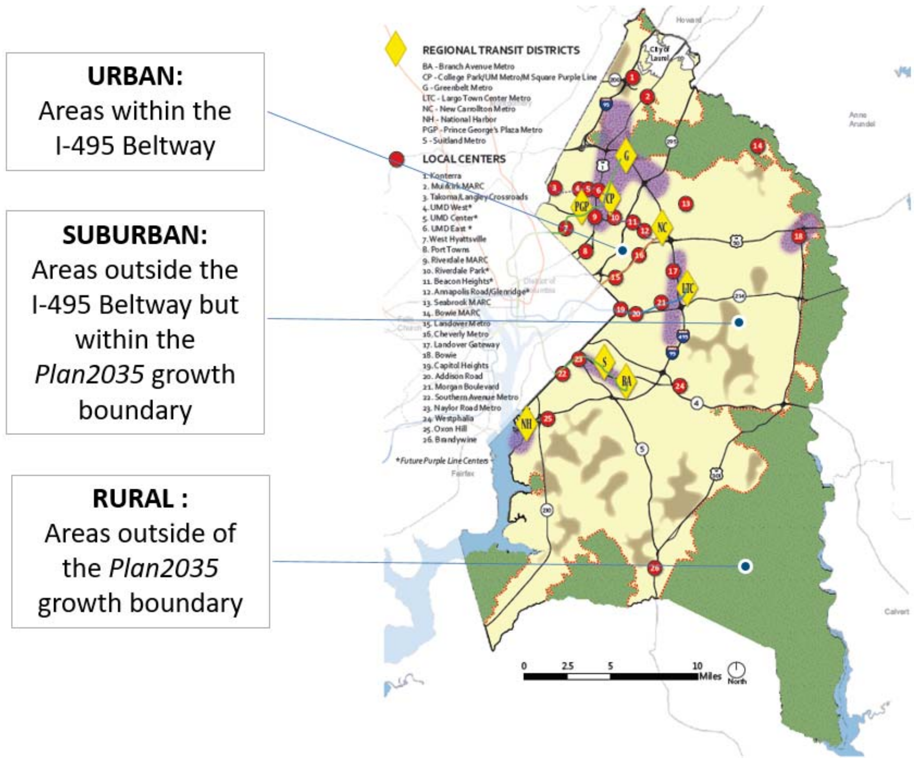
I. Overview

The Housing Needs Analysis included both existing and future conditions of housing needs and market conditions. This analysis was conducted at the following geographies: 1) countywide; 2) subareas (urban, suburban, and rural); and 3) Census Tract-level. The subareas analyzed followed those outlined in *Plan 2035* (see map below):



Additional analysis was conducted to understand key market conditions surrounding notable projects identified by the County: Konterra; Prince George's Plaza; Regional Medical Center; Suitland; Naylor Road; and Branch Avenue. For these project areas, data was analyzed for Census Tracts that fell within a ½-mile radius of each project.

This memo focuses on the key findings related to market conditions. See Section 4 for a preview of the additional content available in the Task 5 report.

II. Key Findings

Homeownership market conditions

<u>Countywide:</u>

- **Home values**. Median home values increased countywide by 30% between 2000 and 2015. Compared to adjacent jurisdictions, Prince George's County has the lowest median home value ($254,700).
- **Supply/demand**. As income increases, for-sale housing options become more limited, especially for households earning more than the area median income.

<u>Urban, suburban, and rural subareas:</u>

- **Home values**. Many homes within the county are valued much higher than the overall median home value, with most of homes within the suburban and rural subareas exceeding the medians within those subareas and becoming competitive with some neighboring jurisdictions. Homes in the urban subareas continue to lag the countywide median home value. Only a small share of homes command higher values than the county (based on median home value).
- **Supply/demand**. All urban, suburban, and rural subareas have a shortage of ownership units for households earning more than the area median income.

Near notable projects:

- **Home values**. Near notable projects, Konterra has the highest median home values and Suitland has the lowest.
- **Supply/demand**. Near Naylor Road and Suitland, there are more homeownership options for lower income households, whereas the highest shares of homeownership options for households earning above the area median income are near Konterra and Regional Medical Center.

Rental market conditions

Countywide:

- **Rents.** The median rent in Prince George's County median rose by 29% between 2000 and 2015, while some adjacent jurisdictions showed slightly higher increases (Anne Arundel County [38%] and Calvert County [37%]) and DC showed significantly higher increases (58%). In 2015, Prince George's County had the lowest median gross rent ($1,294) compared to adjacent jurisdictions.
- **Supply/demand.** Most of the county's rental supply is priced for households earning between 31-80% AMI. The county has fewer rental units for households earning above 80% AMI and below 30% AMI.

Urban, suburban, and rural areas:

- **Rents.** Rents in suburban and rural subareas command higher rents overall, many of which exceed their subarea's and the county's overall median rents. Some rents within the urban subarea are also higher than the county (but overall the subarea's median rent is lower than the county's median rent).
- **Supply/demand.** Today, most of the units for the lowest income levels—where a supply gap exists—is within the urban subarea; this subarea also has a shortage of rental units for households earning above 80% AMI. The suburban subarea lacks rental housing for households at all income levels other than 50-80% AMI, while the rural subarea lacks units for households earning the lowest (below 30% AMI) and highest (above 80% AMI) incomes.

Near notable projects:

- **Rents.** Regional Medical Center has the highest median rents and Naylor Road has the lowest.
- **Supply/demand.** Both Naylor Road and Suitland have a shortage of affordable rental units for those earning 31-80% AMI—which deviates from the county-level finding.

Past & projected growth

Past growth:

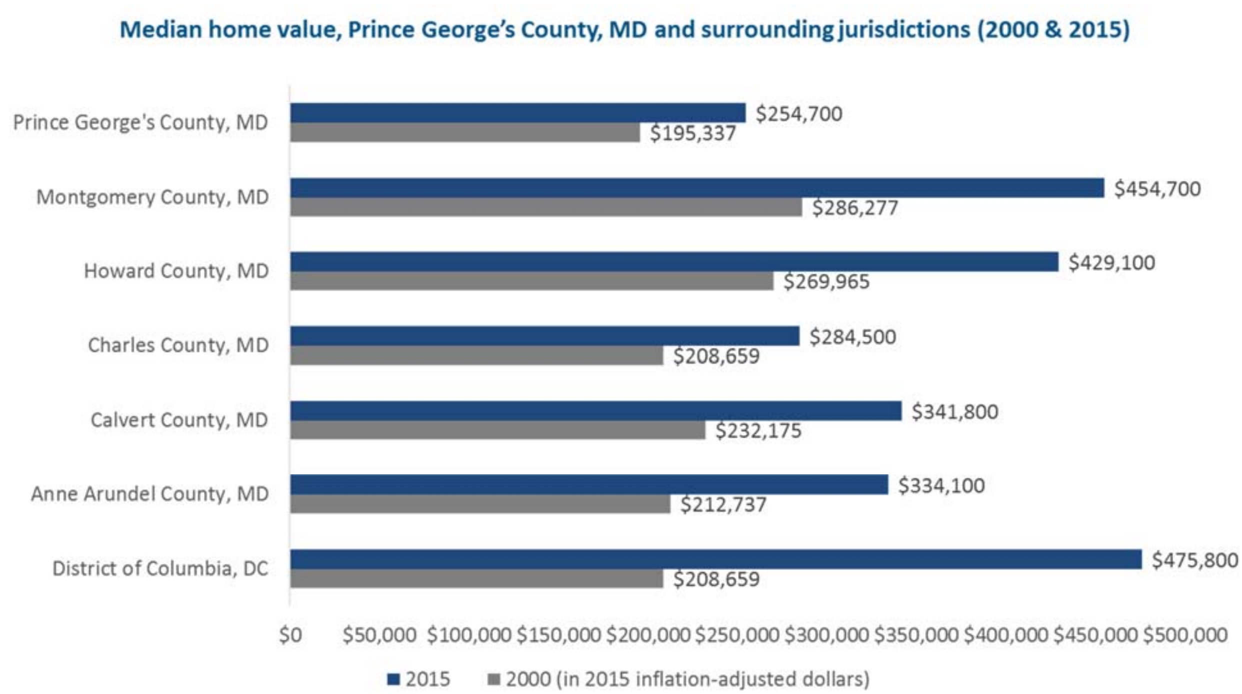
- The number of single-family homes continues to increase in the county, particularly since 2010 and outside the Beltway.
- Consistent with the national trend, Prince George's County's building permits peaked in 2005, followed by a sharp decline until 2010. Recent trends in new construction are largely driven by single-unit building construction.
- While the County has created policy goals to direct more growth to its urban subarea (Developed Tier in *Plan 2035*), most growth continues to occur in the suburban subarea (Developing Tier in *Plan 2035*).

Projected growth:

- Projections prepared by the University of Maryland suggest the county could add more than 36,000 households by 2040.
- Based on feedback gathered about impacts of the updated zoning code, developers see more potential for growth in attached, single-family development and in the urban subarea than past trends may suggest.
- Developers shared that they see the best potential for this growth in Established Communities (as defined by *Plan 2035*) to a higher extent and less development in Regional Transit Districts (as defined by *Plan 2035*).

III. Supporting figures

Homeownership market conditions



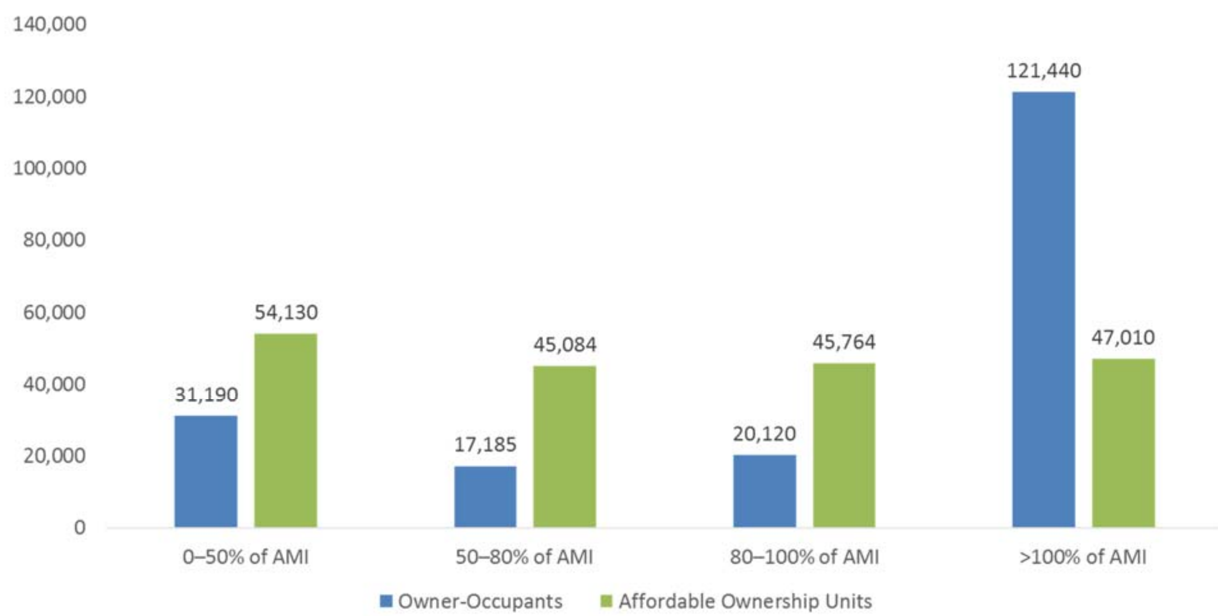
Sources: 2000 U.S. Census; 2010-2015 American Community Survey 5-Year Estimates

Comparison of median home value, Prince George's County, MD (2015)

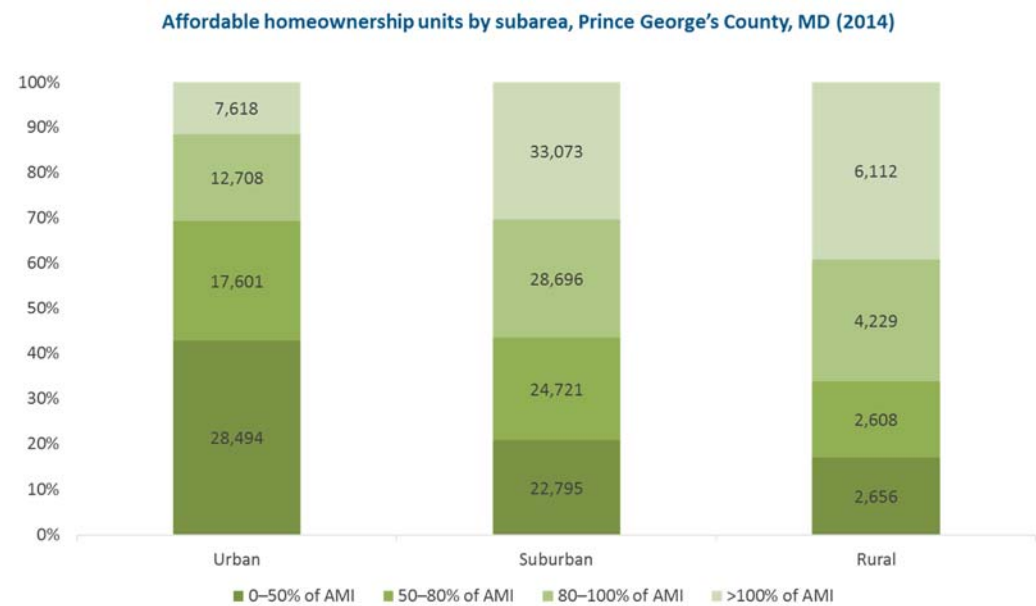
Geography	Median Values	Percent of Tracts above County median home value
County	$ 254,700	-
Subareas		
Urban	$ 211,507	16%
Suburban	$ 276,378	63%
Rural	$ 314,257	79%

Source: 2010-2015 American Community Survey 5-Year Estimates

Affordable homeownership units, Prince George's County, MD (2014)



Source: 2010-2014 HUD Comprehensive Housing Affordability Strategy

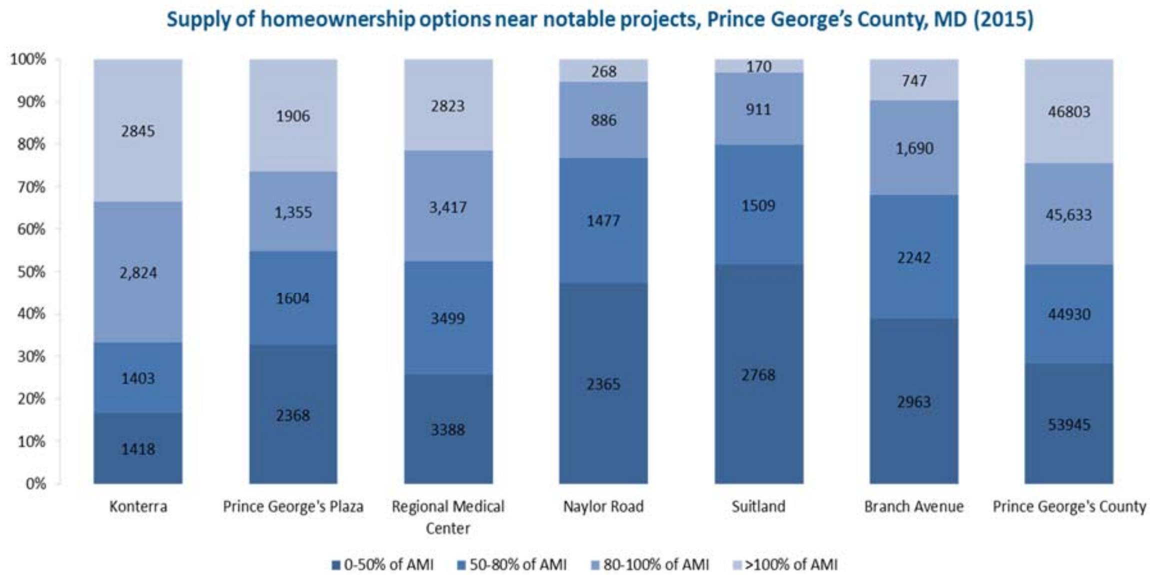


Source: 2010-2014 HUD Comprehensive Housing Affordability Strategy

Comparison of median home values around notable projects, Prince George's County, MD (2015)

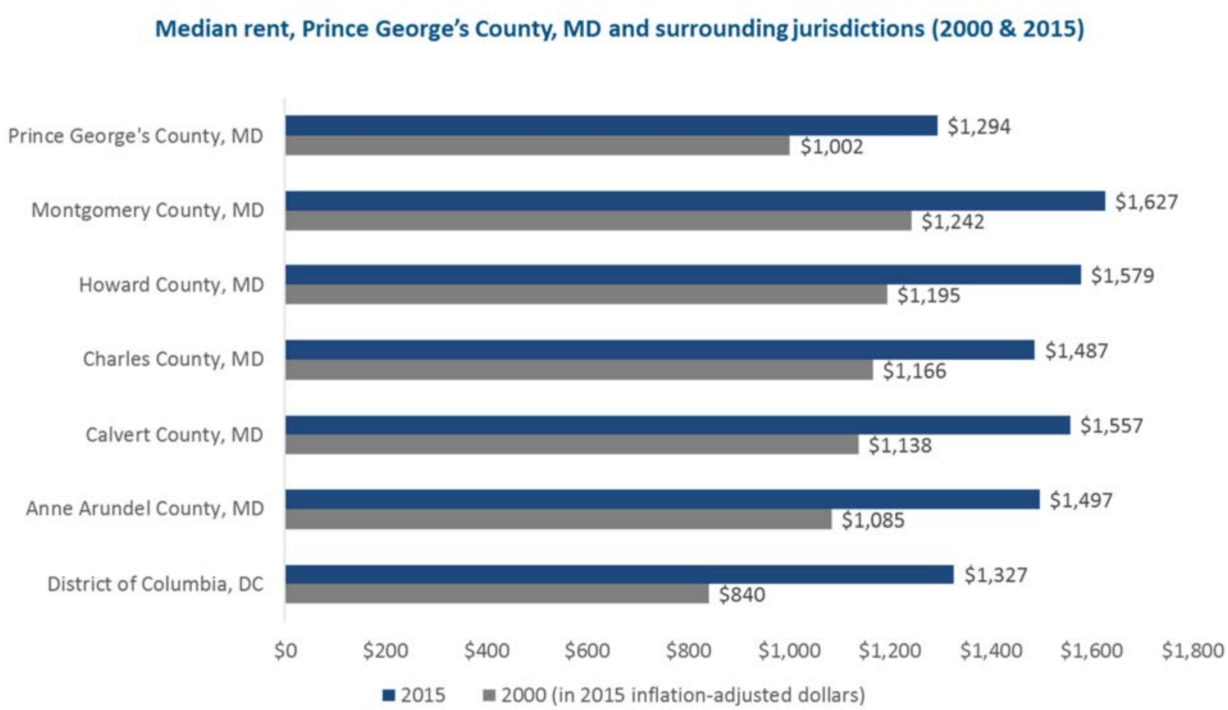
	Konterra	Prince George's Plaza	Regional Medical Center	Naylor Road	Suitland	Branch Avenue	Prince George's County
Median home values ($)	304,450	258,618	248,167	187,113	185,500	208,678	248,412
Percent of Tracts above County median home value	83.3	45.5	33.3	0	0	22.2	-

Source: 2010-2015 American Community Survey 5-Year Estimates



Source: 2010-2015 American Community Survey 5-Year Estimates

Rental market conditions



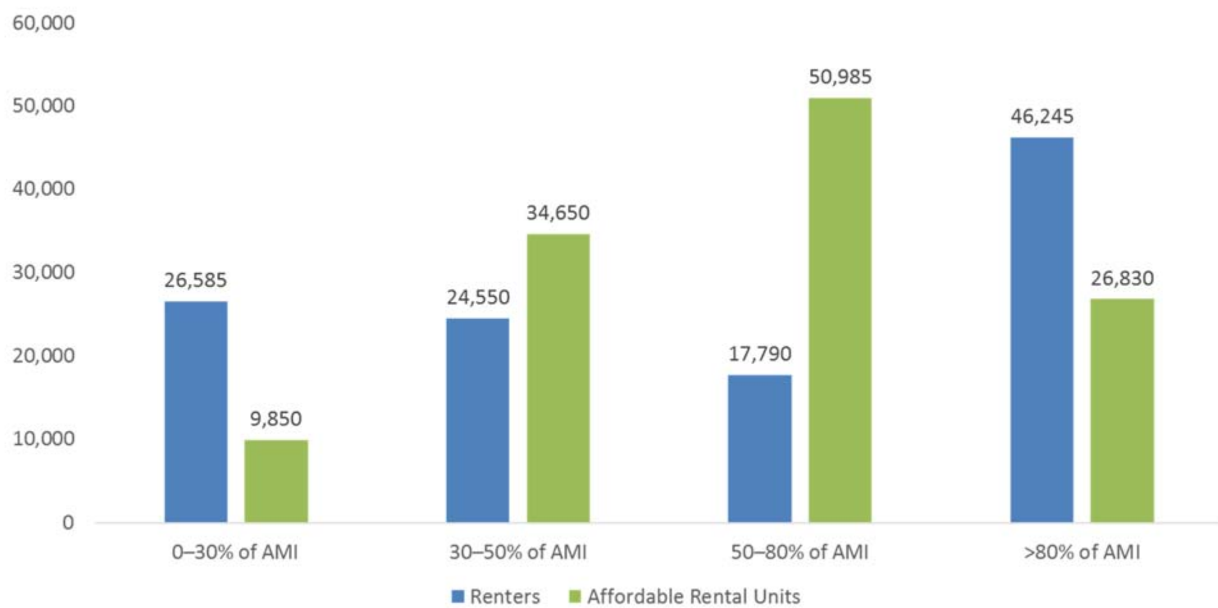
Sources: 2000 U.S. Census; 2010-2015 American Community Survey 5-Year Estimates

Comparison of median rent, Prince George's County, MD (2015)

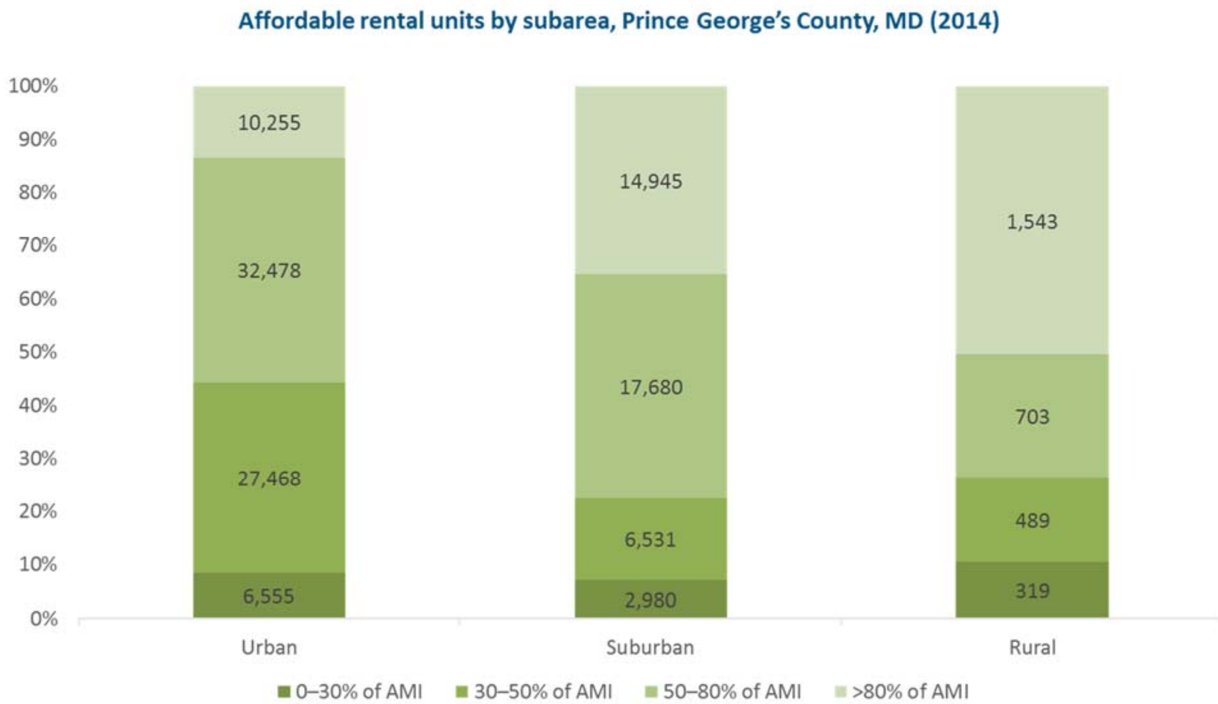
Geography	Median gross rent	Percent of Tracts above County median gross rent
County	$ 1,294	-
Subareas		
Urban	$ 1,288	34%
Suburban	$ 1,736	84%
Rural	$ 1,655	83%

Source: 2010-2015 American Community Survey 5-Year Estimates

Affordable rental units, Prince George's County, MD (2014)



Source: 2010-2014 HUD Comprehensive Housing Affordability Strategy

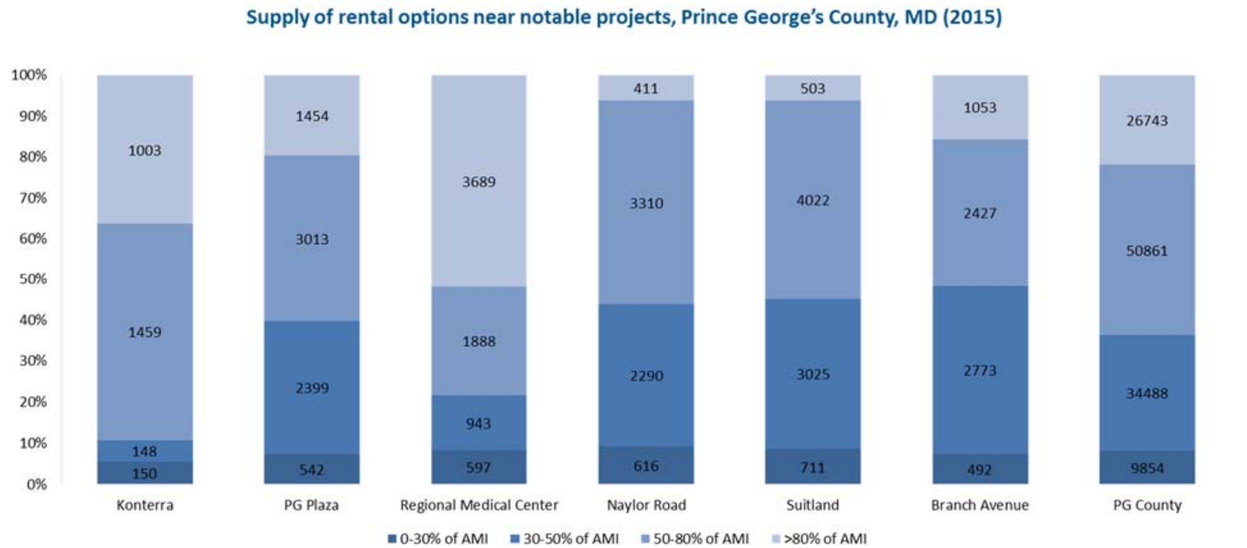


Source: 2010-2014 HUD Comprehensive Housing Affordability Strategy

Comparison of median gross rents near notable projects, Prince George's County, MD (2015)

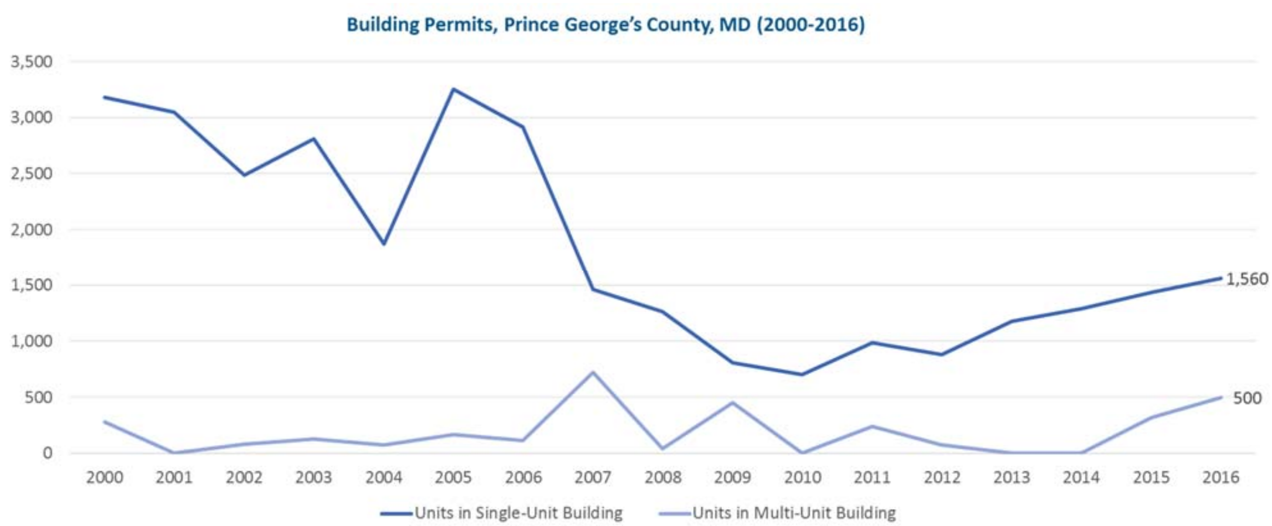
	Konterra	Prince George's Plaza	Regional Medical Center	Naylor Road	Suitland	Branch Avenue	Prince George's County
Median gross rent ($)	1,514	1,364	1,757	1,204	1,219	1,400	1,514
Percent of Tracts above County median gross rent	33.3	27.3	75.0	0	11.1	22.2	-

Source: 2010-2015 American Community Survey 5-Year Estimates



Source: 2010-2015 American Community Survey 5-Year Estimates

Past and projected growth



Source: Census Building Permits Survey

IV. Preview of Full Task 5 Report

The full Task 5 report will be released as part of the final Comprehensive Housing Strategy document. The Task 5 report will include:

- Countywide existing conditions analysis (including demographics, housing tenure and stock, market conditions, subsidized housing supply, and spatial trends at the Census Tract-level).
- Subarea existing conditions analysis, including urban, suburban, and rural subareas and around notable projects (including demographics, housing tenure and stock, market conditions, and subsidized housing supply).
- Comparative analysis of countywide and subarea future housing projections (including SILO-based projections, market-based projections incorporating regional developers' feedback, and a comparison to past projections).