

The Housing Market Implications of BRAC Activities at FGGM

On Behalf of

*Anne Arundel County/Anne Arundel
Affordable Housing Coalition*

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Primary Project Objectives

- Assess the impact of BRAC for Anne Arundel County, Howard County, and the City of Laurel on :
 - Housing Demand for owner-occupied and rental housing;
 - Housing Supply;
 - Housing Stratification by price point; &
 - Gaps in Housing Supply along multiple dimensions, including price/affordability.

Housing Demand

Employment generated by FGGM BRAC

<i>Type of job</i>	<i>Number of Jobs</i>
On-base (direct)	5,400
Contractor-tail (direct)	3,778
Indirect	2,019
Induced	4,864
Total	16,061

Location of all FGGM BRAC-related Housing Demand

<i>Jurisdiction</i>	<i>Share of direct and contractor-tail demand</i>	<i>Share of indirect and induced demand</i>	<i>Share of all housing demand</i>
Anne Arundel County	38.5%	30.8%	35.2%
Howard County	20.6%	16.5%	18.9%
Baltimore County	9.4%	13.1%	11.0%
Carroll County	7.1%	10.0%	8.3%
Baltimore City	4.1%	5.7%	4.8%
Non-Laurel Prince George's County	3.0%	4.2%	3.5%
Montgomery County	3.2%	2.6%	2.9%
Harford County	1.9%	2.7%	2.2%
The City of Laurel	1.0%	1.4%	1.2%
Other Maryland	3.9%	5.4%	4.5%
Virginia	3.6%	3.6%	3.6%
Pennsylvania	2.4%	2.4%	2.4%
Washington, D.C.	1.0%	1.4%	1.2%
West Virginia	0.1%	0.1%	0.1%
Delaware	0.0%	0.0%	0.0%

Source: FGGM data on housing location of current workers, Sage

Net increase in housing demand by jurisdiction

<i>Jurisdiction</i>	Initial Demand Housing	Steady State Housing Demand
Anne Arundel County	2,122	3,451
Howard County	1,135	1,847
Baltimore County	660	1,074
Carroll County	502	816
Baltimore City	290	471
Other Prince George's County	212	344
Montgomery County	176	286
Harford County	134	218
The City of Laurel	72	117
Other Maryland	273	444
<i>Virginia</i>	219	356
<i>Pennsylvania</i>	144	234
<i>Washington, D.C.</i>	73	118
<i>West Virginia</i>	7	12
<i>Delaware</i>	3	5
Total	6,021	9,793

Source: Sage

Net increase in housing demand by jurisdiction by owner-occupied & rented

<i>Jurisdiction</i>	<i>Initial Demand</i>		<i>Steady State</i>	
	<i>Owner</i>	<i>Renter</i>	<i>Owner</i>	<i>Renter</i>
Anne Arundel County	1,793	329	2,916	535
Howard County	908	227	1,477	369
Baltimore County	528	132	859	215
Carroll County	437	65	710	106
Baltimore City	188	101	306	165
Other Prince George's County	159	53	258	86
Montgomery County	137	39	223	63
Harford County	114	20	185	33
The City of Laurel	54	18	88	29
Other Maryland	212	61	344	100
Virginia	184	35	299	57
Pennsylvania	118	26	192	42
Washington, D.C.	63	9	103	15
West Virginia	6	1	9	2
Delaware	2	1	4	1
Total	4,903	1,118	7,974	1,819

Source: Sage

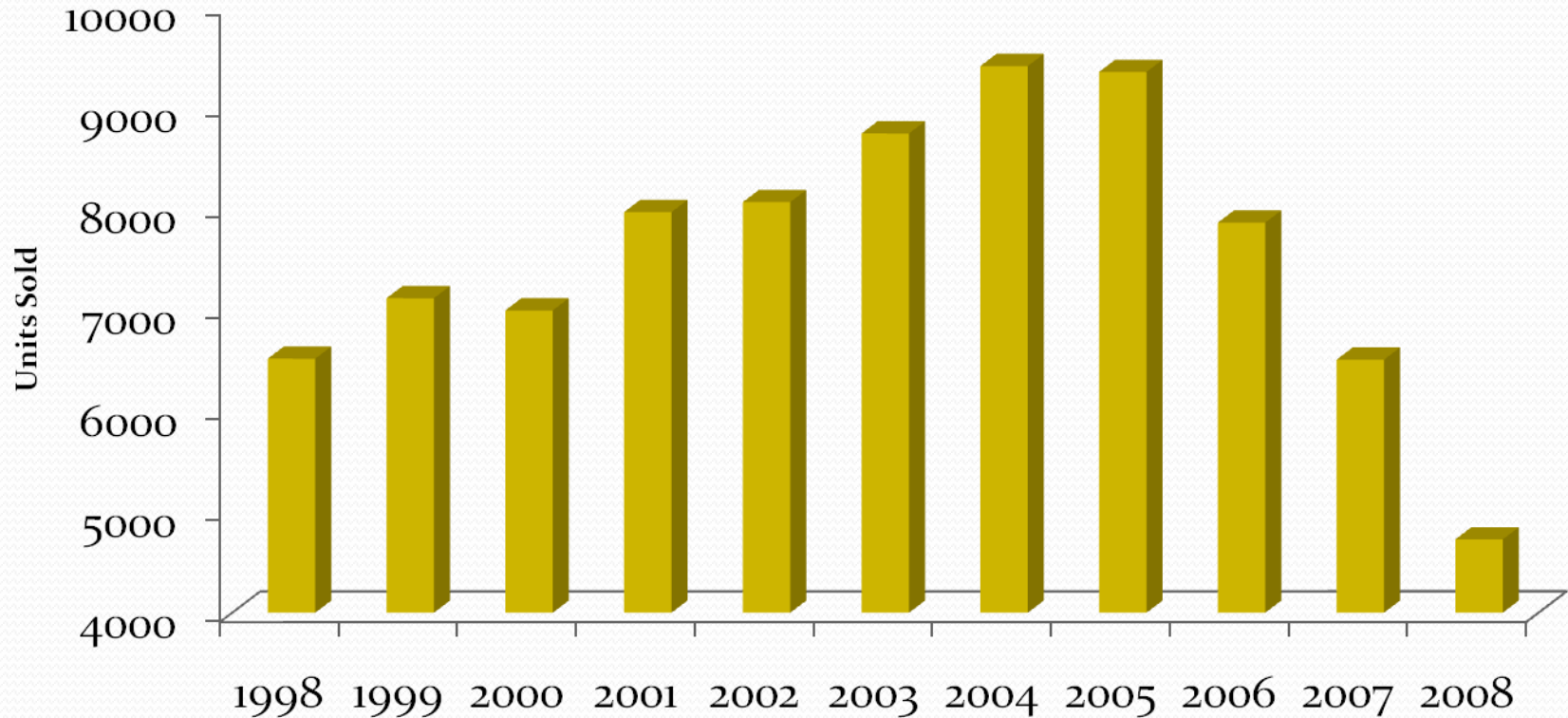
Housing Supply

Anne Arundel County Housing Stock Projections 2006-2015

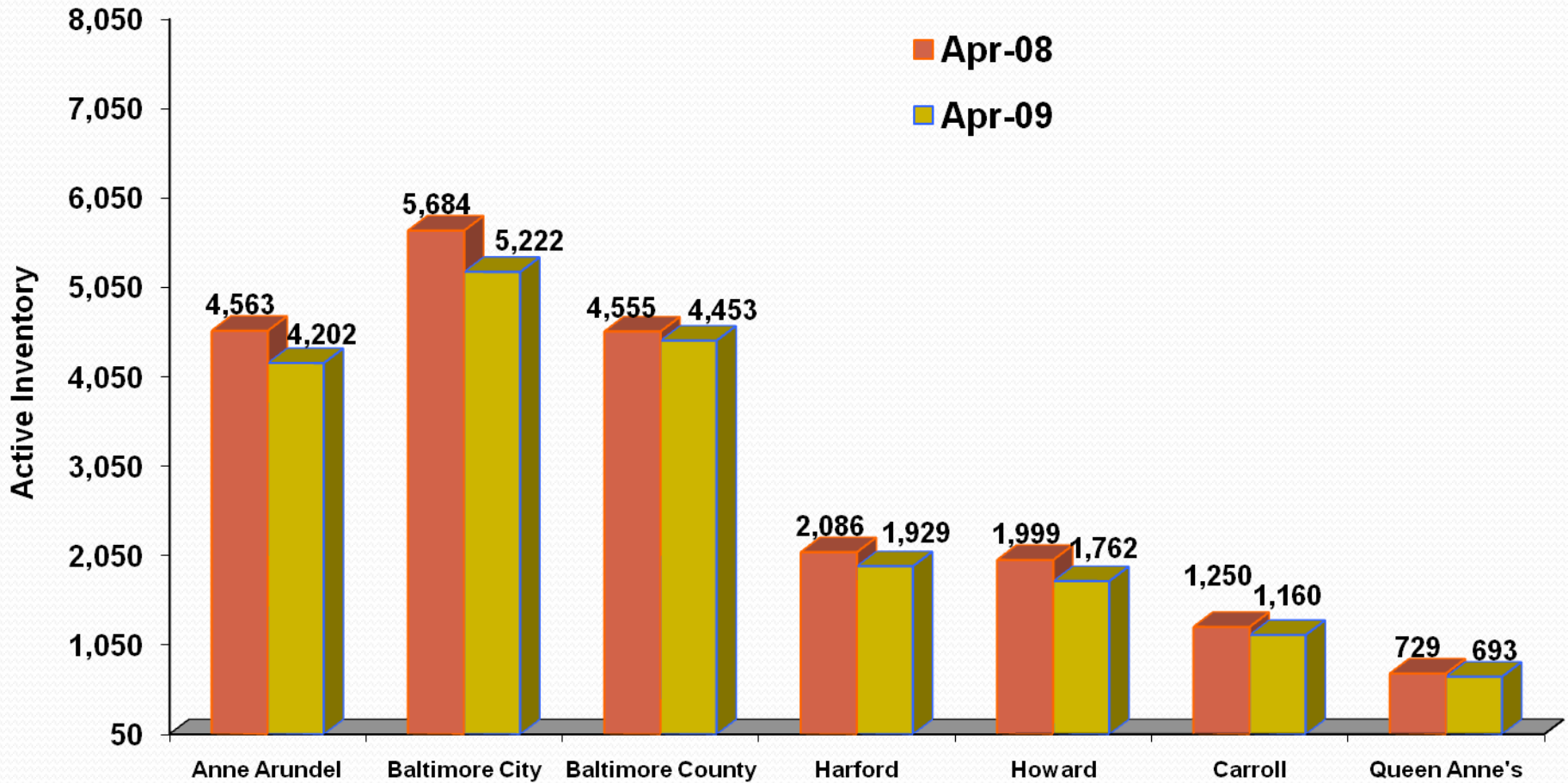
Location	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Annapolis	15,447	15,617	15,788	15,958	16,128	16,146	16,164	16,183	16,201	16,219
East	62,529	62,832	63,134	63,437	63,752	64,084	64,429	64,773	65,118	65,355
North	55,766	56,306	56,847	57,387	57,775	58,417	58,907	59,398	59,888	60,368
South	12,904	12,958	13,011	13,065	13,122	13,181	13,243	13,306	13,368	13,443
West	45,269	46,167	47,066	47,964	48,954	49,547	50,231	50,916	51,600	52,761
Ft. Meade	2,517	2,533	2,550	2,566	2,583	2,615	2,647	2,678	2,710	2,742
Total	194,432	196,414	198,395	200,377	202,314	203,990	205,622	207,253	208,885	210,888

Source: Anne Arundel County Department of Planning and Zoning

Anne Arundel County Home Sales 1998-2008



Active Housing Inventory by Baltimore MSA Jurisdiction, April 2008 vs. April 2009

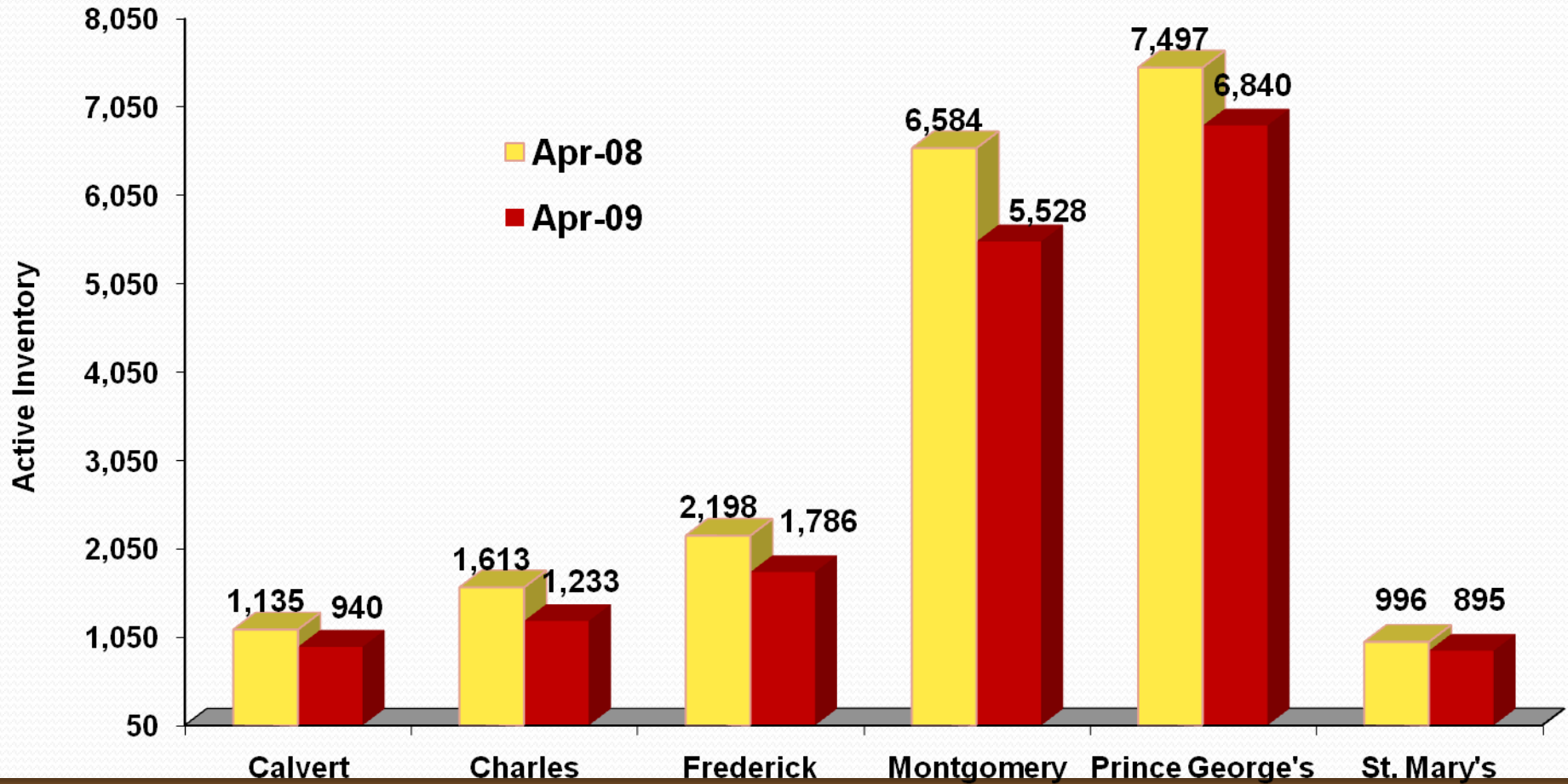


Source: Maryland Association of Realtors

Maryland = Apr. 2008: 50,048 Apr. 2009: 45,292



Active Housing Inventory by Suburban MD, April 2008 vs. April 2009



Source: Maryland Association of Realtors

Maryland = Apr. 2008: 50,048 Apr. 2009: 45,292

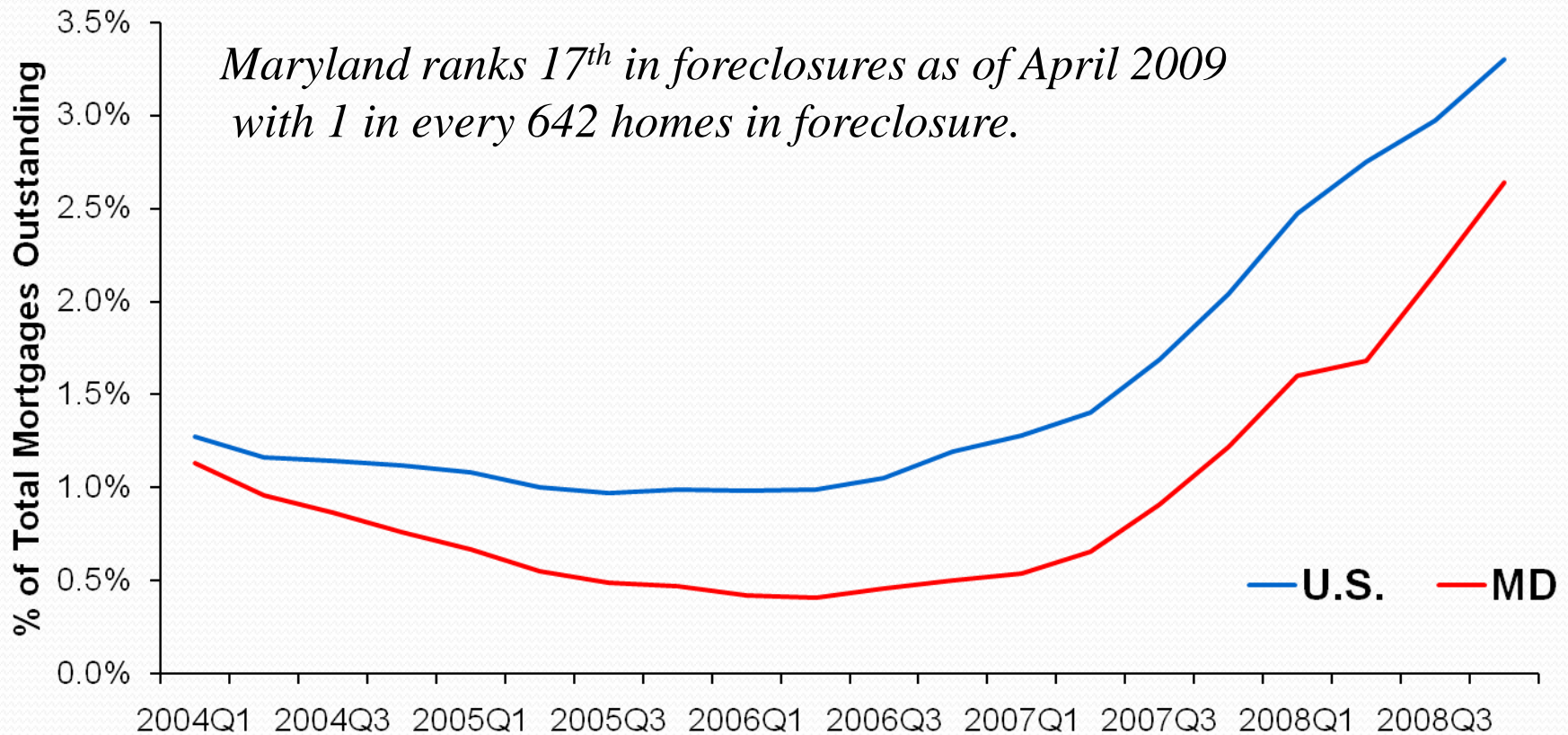
MD County Housing Inventory, Apr. 2009

County	Months	County	Months
Garrett	45	Washington	15
Kent	37	Charles	14
Caroline	36	Harford	14
Somerset	33	St. Mary's	14
Talbot	33	Baltimore City	13
Dorchester	33	Anne Arundel	12
Worcester	29	Carroll	10
Queen Anne's	29	Baltimore County	10
Wicomico	23	Frederick	9
Cecil	21	Howard	9
Calvert	16	Allegany	8
Prince George's (inc. Laurel)	16	Montgomery	8

Source: Maryland Association of Realtors

• *MD ≈ 13 months*

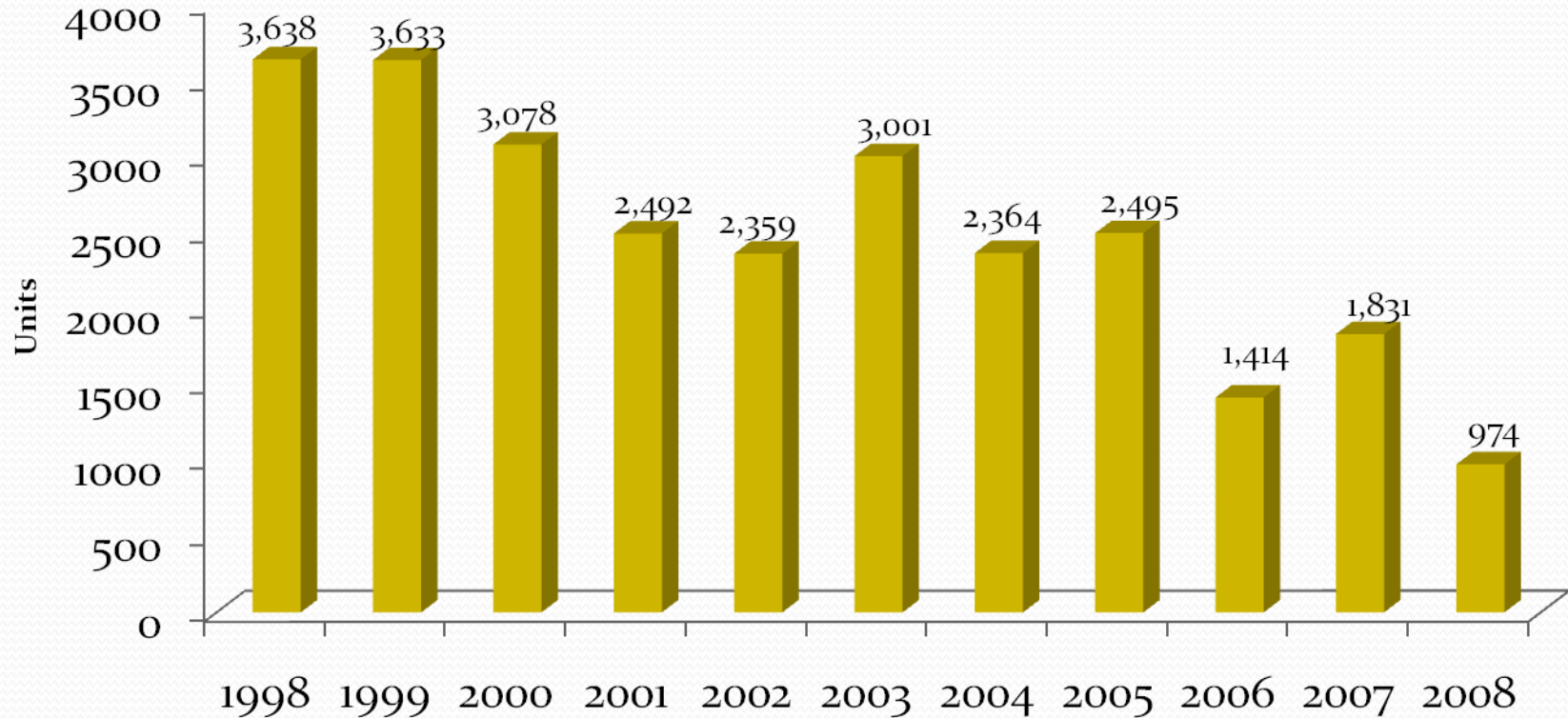
Residential Mortgages in Foreclosure United States vs. Maryland



Source: Mortgage Bankers Association

2008Q4: US Foreclosure Rate: 3.30%, 2009Q1=3.85%
2008Q4: MD Foreclosure Rate: 2.64%

Anne Arundel County Housing Permits 1998-2008



Housing Stratification

Net increase in housing demand by jurisdiction due to BRAC

<i>Jurisdiction</i>	<i>Estimated net housing demand (households)</i>	
	<i>Initial Demand</i>	<i>Steady State</i>
Anne Arundel County	2,122	3,451
Howard County	1,135	1,847
Laurel (Prince George's County)	72	117
Other areas	2,691	4,378
Total	6,021	9,793

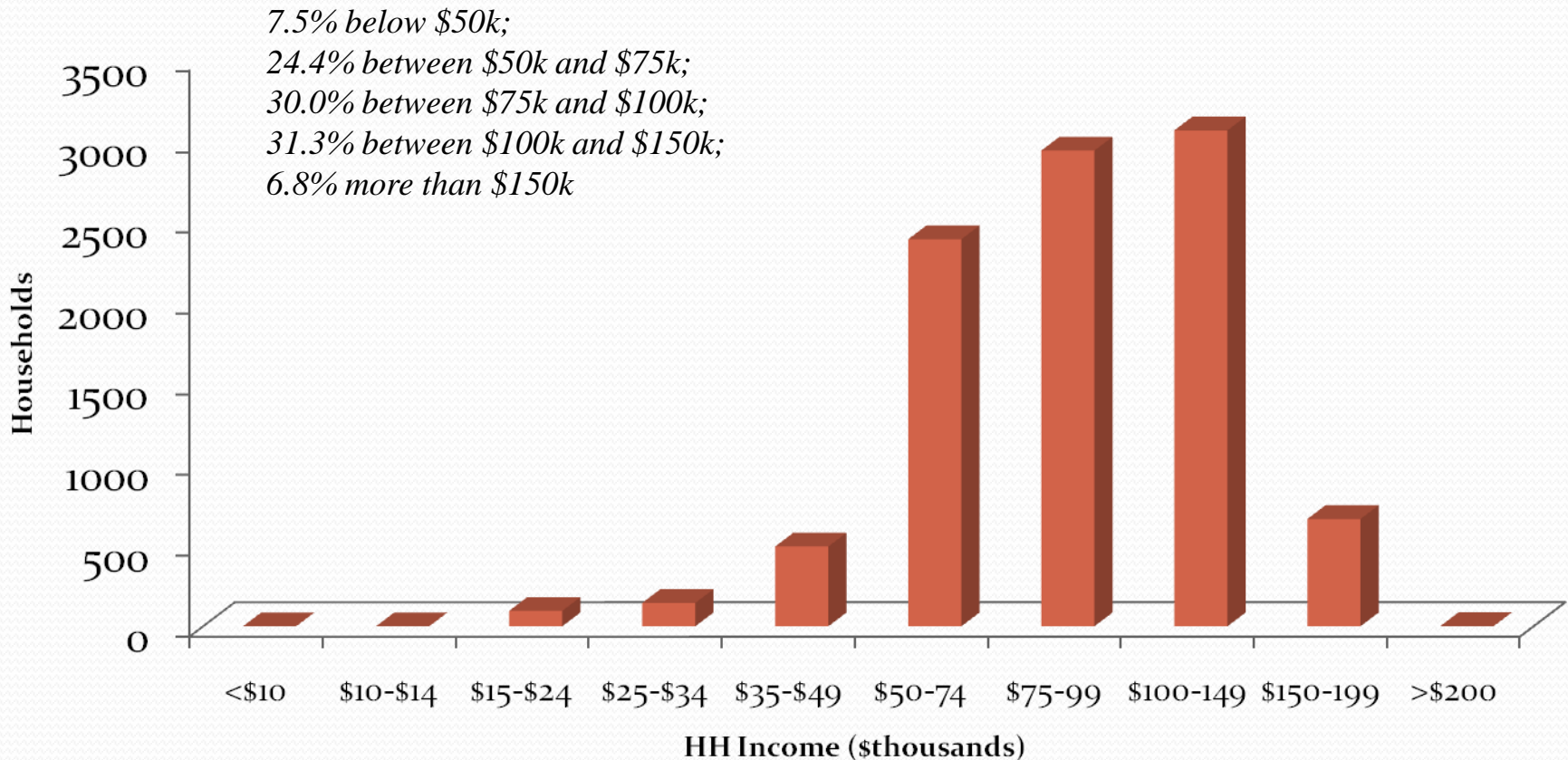
Source: Sage

Distribution of net new BRAC-related housing demand by household income

<i>Household income bracket</i>	<i>Total households</i>		<i>Share of total</i>
	<i>Initial demand</i>	<i>Steady state</i>	
Less than \$10,000	0	0	0.0%
\$10,000 to \$14,999	0	0	0.0%
\$15,000 to \$24,999	58	95	1.0%
\$25,000 to \$34,999	88	144	1.5%
\$35,000 to \$49,999	303	493	5.0%
\$50,000 to \$74,999	1,470	2,392	24.4%
\$75,000 to \$99,999	1,808	2,940	30.0%
\$100,000 to \$149,999	1,885	3,065	31.3%
\$150,000 to \$199,999	408	663	6.8%
\$200,000 or more	1	1	0.0%
Total	6,021	9,793	100.0%

Source: Sage

Distribution of net new BRAC-related housing demand by household income



Source: Sage

Housing demand by household income bracket by jurisdiction

<i>Household income bracket</i>	<i>Initial demand</i>			<i>Steady state</i>		
	Anne Arundel	Howard	Laurel	Anne Arundel	Howard	Laurel
\$20,000 to \$29,000	34	18	2	55	29	3
\$30,000 to \$39,999	75	40	3	122	65	4
\$40,000 to \$49,999	43	23	2	69	37	3
\$50,000 to \$59,999	188	101	8	306	164	13
\$60,000 to \$69,999	216	115	9	351	188	15
\$70,000 to \$79,999	200	107	8	326	174	14
\$80,000 to \$89,999	78	42	3	127	68	6
\$90,000 to \$99,999	423	226	12	688	368	20
\$100,000 to \$124,999	466	249	14	759	406	22
\$125,000 to \$149,999	242	129	6	393	210	10
\$150,000 to \$174,999	147	79	4	239	128	6
\$175,000 to \$199,999	10	5	0	16	8	0
\$200,000 or more	0	0	0	0	0	0
Total	2,122	1,135	72	3,451	1,847	117

Source: Sage

Housing Gap

Historic Housing Availability, 2000 and 2005-2007

<i>Factor</i>	<i>Anne Arundel County</i>	<i>Howard County</i>	<i>City of Laurel</i>
Housing stock, 2000	186,937	92,818	9,548
Total households, 2000	178,670	90,043	8,931
Housing stock as share of total households, 2000	104.6%	103.1%	106.9%
Housing stock, 2005-2007	194,432	101,441	11,544
Unconstrained demand, 2005-2007	198,808	110,936	9,924
Housing stock as share of unconstrained demand, 2005-2007	97.3%	91.4%	116.3%

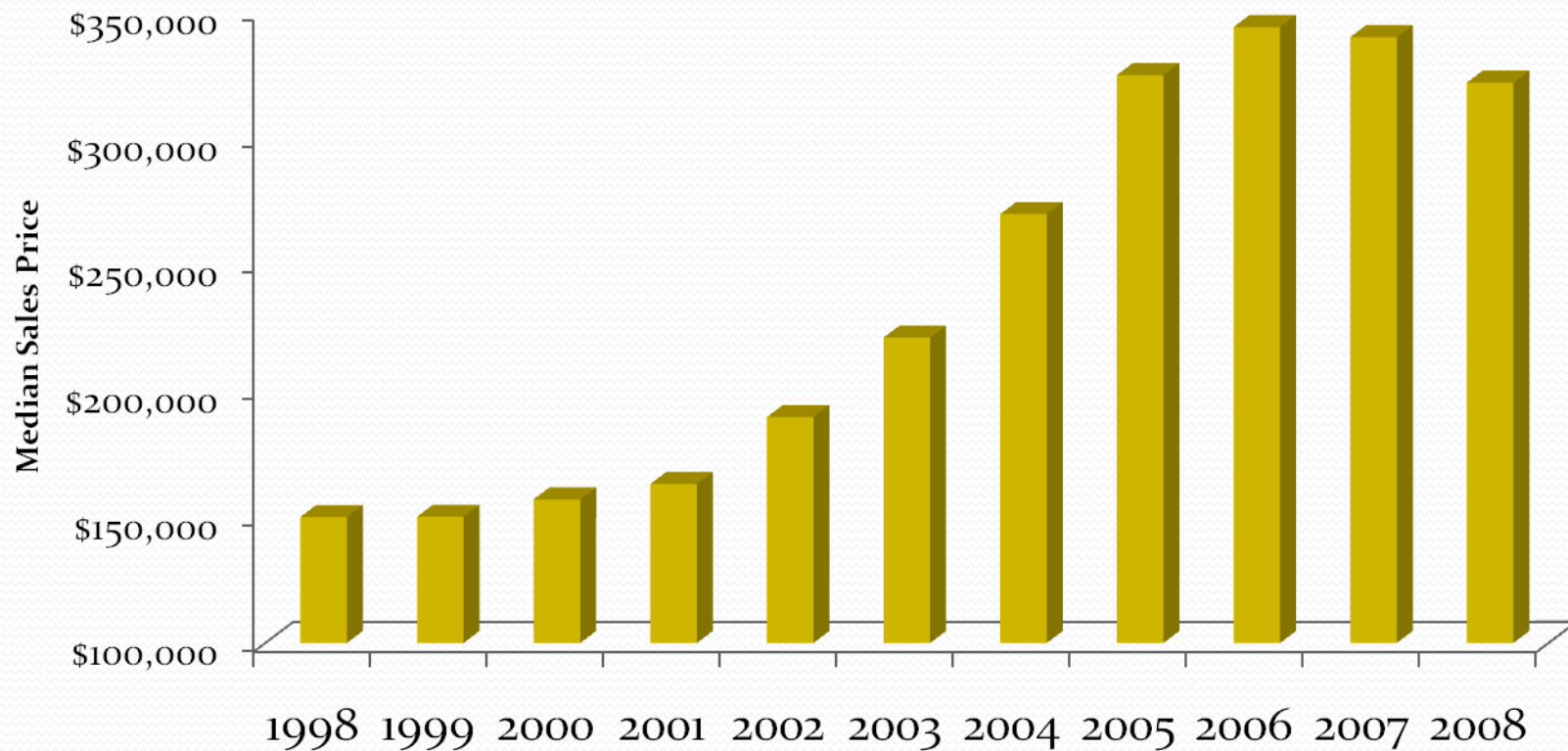
Source: U.S. Census, Anne Arundel County, Howard County, City of Laurel, Sage

Future Housing Availability (est.), 2010 and 2015

<i>Factor</i>	<i>Anne Arundel County</i>	<i>Howard County</i>	<i>City of Laurel</i>
Housing stock, 2010	202,314	108,716	12,807
Non-BRAC households, 2010	209,367	121,376	11,981
BRAC households, 2010	2,122	1,135	72
Unconstrained demand, 2010	211,489	122,511	12,053
Housing stock as share of unconstrained demand, 2010	95.7%	88.7%	106.3%
Housing stock, 2015	210,888	117,741	14,277
Non-BRAC households, 2015	220,138	130,872	12,878
BRAC households, 2015	3,451	1,847	117
Unconstrained demand, 2015	223,589	132,719	12,995
Housing stock as share of unconstrained demand , 2015	94.3%	88.7%	109.9%

Source: U.S. Census, Anne Arundel County, Howard County, City of Laurel, Sage

Anne Arundel County Median Home Sale Prices 1998-2008



Steady state BRAC demand by 2015: households earning less than \$80,000

	<i>Anne Arundel</i>	<i>Howard</i>	<i>Total</i>
Constrained demand	1,229	657	1,886
Displaced demand	527	282	810
Total unconstrained demand	1,756	939	2,696

Roughly 30 percent of demand in these counties will be displaced due to lack of affordability.

Strategies for Affordable Housing

- Expand the availability of sites;
- Change Land Use Policies;
- Funding Strategies; and
- Empower Residents.

Conclusions

- Despite the ongoing and historic downturn in housing activity, BRAC implementation will lead to a surplus of demand in both Anne Arundel and Howard counties, though not in the City of Laurel – this has much to do with the lack of new construction in recent years;
- Affordability, or the lack thereof, will become even more of an issue for households earning less than \$80k per year – historically, public policymakers have induced people to endure lengthy commutes; &
- BRAC-related demand creates opportunities to do things differently, including more aggressive transit-oriented development and denser communities.