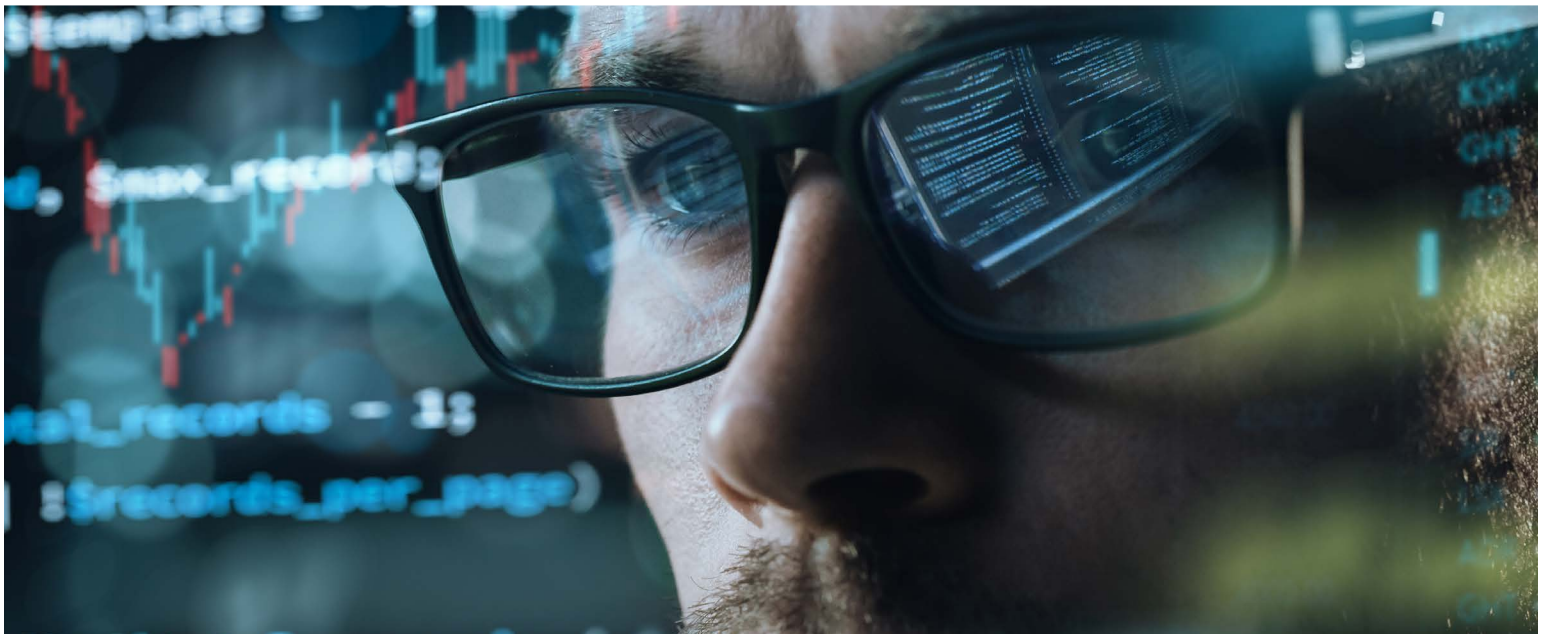




MONTGOMERY COUNTY ECONOMIC INDICATORS BRIEFING

2022 | Q3



ECONOMIC INDICATORS BRIEFING 2022 Q3

This is the 13th edition of the quarterly joint publication between the Montgomery County Economic Development Corporation and Montgomery Planning. Each edition explores a range of indicators, including resident labor force, employment, commercial real estate, and venture capital information. This briefing explores trends observed in Q3 2022.

EMPLOYMENT OVERVIEW

This section focuses on Montgomery County labor force participation regardless of where the job is located.

RESIDENT LABOR FORCE¹

	September 2022	September 2021	Change from September 2021	Change from September 2019 (before pandemic)
Labor Force	546,400	546,313	87	-32,800
Employment	527,762	518,575	9,187	-36,081
Unemployment	18,638	27,738	-9,100	2,436
Unemployment Rate	3.4%	5.1%	-1.7%	0.6%

Note: BLS county figures were statistically adjusted in April 2022 and should not be compared to prior releases of this report. Figures are non-seasonally adjusted.

Total employment has continued to make strides since September 2021. Total employment grew by more than 9,000 and unemployment is 1.7 percentage points lower. Still, the county's total labor force remains smaller than it was in September 2019, prior to the pandemic.

This edition also looks at the **twenty fastest growing occupations in Montgomery County by major industry sector**. These come from across the wage continuum. Software developers and waiters and waitresses in the food service industry added the most jobs. Three higher-paying occupations—software developers, project management specialists, and general and operations managers—were in the top ten for growth. The highest percentage increases among the top twenty were among restaurant and bar occupations—bartenders, cooks, servers, and restaurant hosts and hostesses—as the food serving sector continues to recover.

TWENTY HIGHEST GROWTH OCCUPATIONS IN MONTGOMERY COUNTY IN 2022 Q2²

Occupation Group	Employment Q2 2022	1-Year Change	% Change	Annual Mean 2021 Wage
Software Developers	8,620	980	12.8%	\$132,800
Waiters and Waitresses	5,097	917	21.9%	\$36,200
Fast Food/Counter Workers	8,553	699	8.9%	\$30,000
Restaurant Cooks	3,046	634	26.3%	\$35,400
Project Management Specialists	5,704	590	11.5%	\$114,800
General and Operations Managers	10,652	589	5.9%	\$146,800
Personal Care Aides	7,202	554	8.3%	\$30,900
Business Operations Specialists	7,861	512	7.0%	\$98,300
Food Prep. And Serving Supervisors	3,017	382	14.5%	\$46,000
Retail Salespersons	10,295	341	3.4%	\$35,400
Preschool Teachers	2,018	296	17.2%	\$44,300
Bartenders	1,225	283	30.0%	\$39,400
Elementary School Teachers	5,067	270	5.6%	\$89,100
School Bus Drivers	2,545	265	11.6%	\$49,800
Managers (Other)	3,647	258	7.6%	\$143,700
Child Care Workers	4,516	255	6.0%	\$33,600
Software Quality Assurance Analysts	2,357	254	12.1%	\$105,700
Teaching Assistants	3,705	254	7.4%	\$41,000
Shuttle Drivers, Chauffeurs	1,302	204	18.6%	\$37,900
Restaurant Hosts and Hostesses	1,000	198	24.7%	\$30,900

Note: Q2 2022 (Q3 NA at time of publication).

¹ US Bureau of Labor Statistics, Local Area Employment and Unemployment; ² JobsEQ; Q2 2022 (Q3 NA at time of publication)

ECONOMIC INDICATORS BRIEFING 2022 Q3

EMPLOYMENT BY MAJOR INDUSTRY SECTOR

This section focuses on employment in significant industry sectors, regardless of employees' county of residence.

Montgomery and Frederick Counties have gained about 16,000 jobs since September of last year, a 2.8% increase. The total labor force remains slightly behind September 2019 (pre-pandemic) primarily due to changes in the leisure and hospitality sector. Nonetheless, the county's **important professional, scientific and technical services sector has seen gains** from both YOY last year (2,300 jobs, or 2.7%) and September 2019 (up 4.7%). An important area of gain has been scientific research and development, which is up 2.5% YOY and 12.6% since June 2019.

Additionally, the leisure and hospitality sector continued recent YOY gains (7.4%). Much of this sector is comprised of food services and drinking places, which gained 2,300 jobs YOY (7.4%). Nonetheless, leisure and hospitality is about 11% below the comparable month of September 2019, pre-pandemic.

Retail sector jobs are up 3.7% from last year and are a projected 500 below September 2019.

JOBS BY INDUSTRY IN MONTGOMERY & FREDERICK COUNTIES³

Employment in Select Industries	Sept. 2019	Sept. 2021	Sept. 2022	% Change Since Sept. 2019	% Change Since Sept. 2021
Total Employees	601,600	576,900	592,800	-1.5%	2.8%
Professional/Scientific/Tech Services	84,300	86,000	88,300	4.7%	2.7%
Systems Design & Services	25,100	25,600	25,500	1.6%	-0.4%
Scientific R&D	18,200	20,000	20,500	12.6%	2.5%
Health Care & Social Assistance	81,700	75,900	79,900	-2.2%	5.3%
Retail	56,200	53,800	55,800	-0.7%	3.7%
Leisure & Hospitality	56,500	47,000	50,500	-10.6%	7.4%
Food Services & Drinking Places	46,600	39,000	41,300	-11.4%	5.9%

Note: BLS county figures are non-seasonally adjusted.

REAL ESTATE AND DEVELOPMENT⁴

REAL ESTATE

Office Real Estate	Q3 2021	Q3 2022	YOY
Gross Rent per sq. ft.	\$30.17	\$30.84	\$0.67
Vacancy	16.0%	17.2%	1.2%
Availability Rate	18.8%	20.2%	1.4%

Montgomery County, in line with the continuing national work-at-home trends, continues to experience increasing office vacancy rates, reaching 17.2% in Q3, an increase of 1.2 percentage points YOY.

RETAIL

	Q3 2021	Q3 2022	YOY
Gross Rent per sq. ft.	\$29.86	\$31.16	\$1.30
Vacancy	6.4%	5.8%	-0.6%
Availability Rate	7.0%	5.4%	-1.6%

Retail vacancies were a 0.6 percentage point lower than in the previous year. Retail rents, after falling below \$30 per square foot during the pandemic, continued to be above that level in the third quarter at \$31.16, for a YOY increase of 4.4%.

MULTI-FAMILY RENTALS⁴

	Q3 2021	Q3 2022	YOY
Effective Gross Rent per Unit	\$1,870	\$1,963	\$93
Vacancy	4.8%	5.0%	0.2%

Effective gross rent is \$93 above the level in the third quarter of last year, a YOY increase of 5.0%. The vacancy rate was 5.0%.

³ U.S. Bureau of Labor Statistics, CES (State and Metro)

⁴ CoStar reports pulled by MCEDC

ECONOMIC INDICATORS BRIEFING 2022 Q3

HOME SALES

HOME SALES UPDATE⁵

	September 2021	September 2022	YOY
Median Sold Price	\$510,000	\$525,000	2.9%
Closed Home Sales	1,127	934	-26.0%
Active Listings	1,512	1,259	-16.7%
Average Sold Price to Listing Price Ratio	100.2%	98.8%	-1.4%

Note: data are for all housing sale types, not inflation adjusted.

- **Active Listings:** This indicator shows the number of homes on the market for sale in the month of June 2022, with the change from September 2021. September 2022 had fewer active listings (-16.7%) than September 2021.
- **Average Sales Price to List Price Ratio:** This indicator shows the ratio of the sold price to the listing price. A ratio of 100% means that the price of the home sold for was the same as the listing price. This fell slightly (-1.4%) from last September, and is now under 100% (98.8%).
- **Closed Home Sales:** This indicator shows the number of homes sold in the months of September 2022 and September 2021. There were 26% fewer closings in September 2022 than in September 2021..

BUILDING PERMITS

Single-unit permits issued in Q3 2022 were less than half the total in Q3 last year, coinciding with the rise of mortgage interest rates since then.

Multi-unit permits are less consistent than single family permits because a few very large products can inflate the tally of units for a quarter. Still, permitted units were higher in Q3 2022 than in the third quarter of 2021.

The third quarter of 2019 saw the most permitted commercial building units and space out of the last four Q3s. About 175,000 square feet of space was permitted in third quarter 2022 with 11 permitted projects.

BUILDING PERMITS ISSUED⁶

Permit Type	Q3 2019	Q3 2020	Q3 2021	Q3 2022
Single Unit	240	232	261	121
Duplex	1	0	0	6
Multi-Unit (numbers of units)	52	1	184	573
Commercial Building Permits	49	16	20	11
Commercial Building Permits Sq. Feet	257,533	212,861	33,675	175,366

4 CoStar reports pulled by MCEDC

5 GCAAR Monthly Market Reports

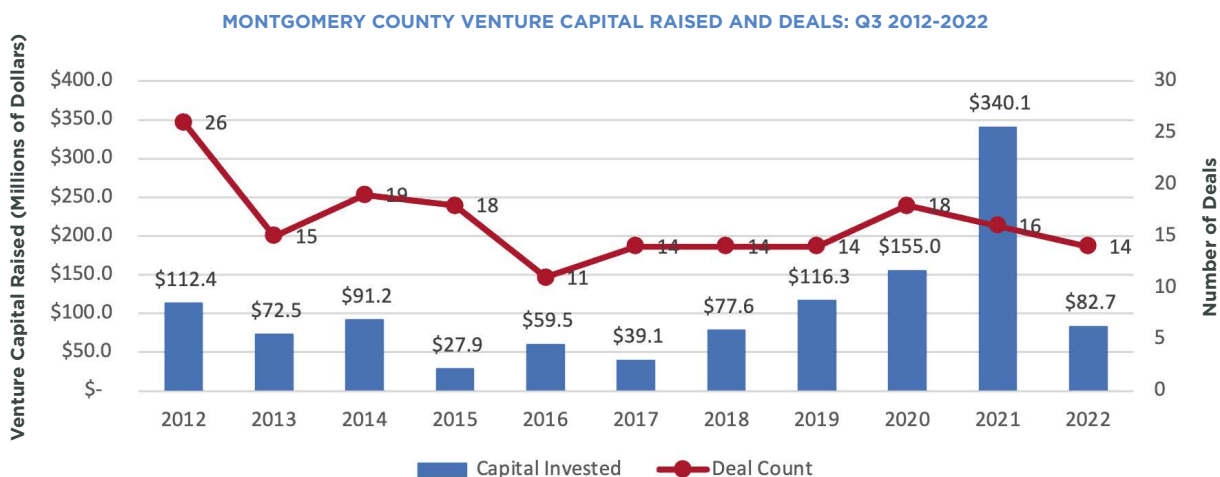
6 Department of Permitting Services, pulled by Montgomery Planning

ECONOMIC INDICATORS BRIEFING 2022 Q3

VENTURE CAPITAL

Investment⁷

Third quarter 2022 venture capital investment was more typical of the years prior to the pandemic.



The third quarter was dominated by The Collage Group, (a developer of marketing technology) and Eat the Change, a provider of nutrient-dense, sustainable food products. Together, these accounted for nearly half of third quarter venture capital deals.

LARGEST VENTURE CAPITAL DEALS IN MOCO IN Q3 2022

Company	Deal Date	Deal Size (Millions)	Industry
The Collage Group	9/2/2022	\$25.5	Media and Info. Services (B2B)
Eat the Change	8/4/2022	\$14.5	Food Products
Circlein	7/1/2022	\$12.1	Educational Software
Dwellwell Analytics	8/1/2022	\$11.0	Consumer Prod. and Ser. (B2C)
Future	9/21/2022	\$5.3	Information Technology

VENTURE CAPITAL ACTIVITY IN MOCO IN Q3 2022 BY INDUSTRY

Industry	Total Capital Invested (Millions)	Number of Deals
Media and Info. Services (B2B)	\$25.5	1
Food Products	\$14.5	1
Educational Training Services (B2C)	\$13.8	3
Non-Financial B2C Services	\$11.3	2
Business Productivity Software	\$5.3	1
Other Industries	\$12.3	6
Total Investment	\$82.7	14

⁷ Pitchbook

ECONOMIC INDICATORS BRIEFING 2022 Q3

U.S. CENSUS KEY DEMOGRAPHICS⁸

This edition reports 2021 demographic estimates for Montgomery County, released by the Census in September 2022, and compares to the State of Maryland, the Washington metropolitan area, and the U.S. Census Bureau.

One-third of Montgomery County’s population is foreign-born, twice the rate in the United States and ten percentage points higher than the Washington metropolitan area. Forty four percent use a language other than English in their household, double the proportion in the United States.

Nearly six in ten residents (58 percent) identify as races other than white alone, including two or more races. One in six (16 percent) Montgomery County residents are Asian alone, five percentage points above the Washington metropolitan figure. The proportion of Black/African-American alone residents (19 percent) is ten percentage points below the State of Maryland and about six points below the Washington metro area. Montgomery County has a higher proportion of Hispanic residents (20 percent) relative to the Washington metro area (17 percent) and is one percentage point above the U.S. average.

Compared to the Washington metropolitan area, **Montgomery County has a higher median income (\$112,654)**, higher shares of those with bachelor’s degrees or higher (61 percent) and graduate or professional degrees (34 percent). Its share of never married adults is four percentage points below the DC metro area.

2021 CENSUS/ACS COMPARISONS

	Montgomery County	State of Maryland	Wash. Metro (MSA)	United States
Total Population	1,054,827	6,165,129	6,358,652	331,893,745
Foreign Born	32.9%	15.9%	23.0%	13.6%
Use Language Other Than English in HH (5+)	43.7%	20.4%	29.5%	21.6%
Race and Ethnicity				
One Race	89.4%	92.0%	88.6%	87.4%
White Alone	42.1%	49.0%	44.6%	61.2%
Black/African-American Alone	18.8%	29.4%	24.5%	12.1%
Asian Alone	15.6%	6.6%	10.6%	5.8%
2+ Races	10.6%	8.0%	11.4%	12.6%
Race Other Than White Alone	57.9%	51.0%	55.4%	38.8%
Ancestry				
Hispanic/Latino	20.1%	11.1%	16.7%	18.8%
Age				
Median	40.0	39.3	37.9	38.8
Household Income				
Mean HHI	\$157,161	\$120,603	\$142,604	\$99,688
Median HHI	\$112,654	\$90,203	\$110,355	\$69,717
Education (25+)				
Bachelor’s Degree+	60.9%	42.6%	53.4%	35.0%
Graduate or Professional Degree	33.8%	20.2%	26.8%	13.8%
Marital Status				
Now Married	53.4%	47.5%	48.7%	48.0%
Never Married	32.8%	35.6%	36.8%	34.2%
Divorced or Separated	9.3%	11.6%	10.3%	12.3%
Widowed	4.5%	5.4%	4.2%	5.5%

⁸ U.S. Census/ACS 2021 (1-Year)



Montgomery
Planning

montgomeryplanning.org



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION MARYLAND

thinkmoco.com

ABOUT MONTGOMERY PLANNING

Montgomery Planning helps to improve quality of life by conserving and enhancing the natural and built environments for current and future generations. The Planning Department creates great communities by developing master plans, reviewing applications for development and analyzing various types of information to help public officials plan for Montgomery County's future. Each community within Montgomery County has a master plan that creates a comprehensive view of land use trends and future development.

ABOUT MCEDC

The Montgomery County Economic Development Corporation (MCEDC) is a nonprofit organization created in 2016 to help promote economic development in Montgomery County. A public/private partnership, MCEDC helps to accelerate business growth and retention in Montgomery County. The team connects business decision makers to market intelligence, promotes the County as a prime business location for companies of all sizes to thrive and identifies available incentives and top talent.

Questions? Email [Michael Mitchell](mailto:michael@thinkmoco.com) (michael@thinkmoco.com)
or [Ben Kraft](mailto:benjamin.kraft@montgomeryplanning.org) (benjamin.kraft@montgomeryplanning.org)