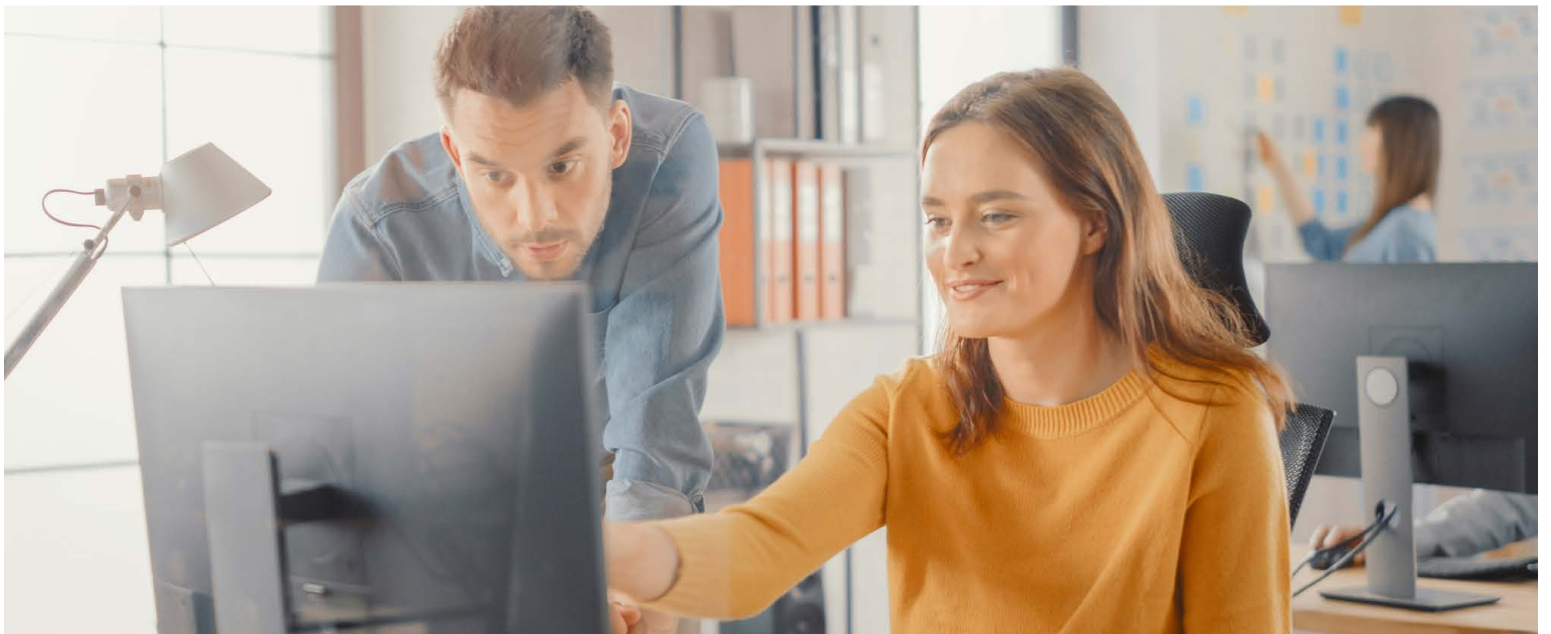




MONTGOMERY COUNTY ECONOMIC INDICATORS BRIEFING

2023 | Q4



ECONOMIC INDICATORS BRIEFING 2023 Q4

This is the 18th 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 Q4 2023.

EMPLOYMENT OVERVIEW

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

The County's 1.8% unemployment rate in December was 0.4 percentage point below September last year. Total employment is marginally below 2022. Total unemployment is about 2,000 lower than last December. However, the total labor force is more than 36,000 below the pre-pandemic level of December 2019.

This also looks at the ten fastest growing occupations in Montgomery County which come from across the wage continuum. General and operations managers and all other managers added the most jobs. Four higher-paying occupations – general and operations managers, all other managers, software developers, and project management specialists – were in the top five for growth. Restaurant cooks and preschool teachers showed the highest percentage growth in Q3 2023 among the ten highest numerical growth occupations.

RESIDENT LABOR FORCE

	Dec. 2023 (p)	Dec. 2022	Change from Dec. 2022	Change from Dec. 2019 (before pandemic)
Labor Force	541,154	543,466	-2,312	-36,147
Employment	531,387	531,664	-277	-32,680
Unemployment	9,767	11,802	-2,035	-3,467
Unemployment Rate	1.8%	2.2%	-0.4%	-0.5%

US Bureau of Labor Statistics, Local Area Employment and Unemployment (Sept. 2023)
(p) preliminary

Note: Figures are non-seasonally adjusted.

TEN HIGHEST GROWTH OCCUPATIONS IN MONTGOMERY COUNTY IN 2023 Q3

Occupation Group	Employment Q3 2023	1-Year Change	% Change	Annual Mean Wage
General and Operations Managers	13,793	493	3.7%	\$156,500
Managers, all other	8,052	323	4.2%	\$155,100
Personal Care Aides	7,167	242	3.5%	\$35,000
Software Developers	6,727	240	3.7%	\$147,500
Project Management Specialists	5,491	239	4.6%	\$120,800
Restaurant Cooks	3,119	205	7.0%	\$40,500
Janitors and Cleaners	9,807	189	2.0%	\$38,500
Waiters and Waitresses	5,004	178	3.7%	\$44,700
Preschool Teachers	2,163	144	7.2%	\$48,200
Supervisors, Food, Prep. And Servers	3,062	133	4.5%	\$51,300

JobsEQ; Q2 2023 (Q43 2023 NA at time of publication)

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 a bit less than 3,000 jobs since December of last year, a 0.5% increase. The important professional, scientific and technical services sector decreased slightly compared to YOY last year, but has increased 7.5% since December 2019. Systems design and services is 2.1% below December 2022, but up 10.4% since December 2019. Scientific research and development is up 0.5% YOY and 16.2% since December 2019.

ECONOMIC INDICATORS BRIEFING 2023 Q4

Additionally, the health care and social assistance sector gained 5.9% YOY and is now above December 2019. Leisure and hospitality declined overall since December 2022 (-0.8), with the loss concentrated in accommodation and food services (-2.1, or 1,000 employed).

Retail sector jobs have increased slightly YOY (0.7%).

JOBS BY INDUSTRY IN MONTGOMERY & FREDERICK COUNTIES

Employment in Select Industries	Dec. 2019	Dec. 2022	Dec. 2023	% Change Dec. 2019	% Change Dec. 2022
Total Employees	606,400	595,800	598,600	-1.3%	0.5%
Professional/Scientific/Tech Services	84,800	92,000	91,200	7.5%	-0.9%
Systems Design & Services	24,900	28,100	27,500	10.4%	-2.1%
Scientific R&D	18,500	21,400	21,500	16.2%	0.5%
Health Care & Social Assistance	82,200	78,400	83,000	1.0%	5.9%
Retail	59,300	57,000	57,400	-3.2%	0.7%
Leisure & Hospitality	55,900	49,600	49,200	-12.0%	-0.8%
Accommodation and Food Services	47,200	41,700	40,700	-13.8%	-2.4%

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

Note: Figures are non-seasonally adjusted.

REAL ESTATE AND DEVELOPMENT

REAL ESTATE AND DEVELOPMENT

		Q4 2022	Q4 2023	YOY
Office Real Estate	Gross Rent per sq. ft.	\$30.70	\$31.49	\$0.79
	Vacancy	16.8%	17.8%	1.0%
	Availability Rate	20.1%	21.2%	1.1%
Retail	Gross Rent per sq. ft.	\$31.61	\$34.30	\$2.69
	Vacancy	5.4%	6.0%	0.6%
	Availability Rate	5.3%	5.3%	0.0%
Multi-Family Rentals	Effective Gross Rent per Unit	\$1,948	\$2,023	\$75
	Vacancy	5.5%	6.4%	0.9%

CoStar reports pulled by MCEDC

At 17.8%, **office** vacancy rates in Q4 were one percentage point above last year (16.8%).

Retail vacancies in Q4 were 0.6 percentage points higher than they were the previous year. Retail rents, after falling below \$30 per square foot in 2020 and early 2021, were \$34.30 in the fourth quarter, for a YOY percentage point increase of 8.5%.

Multi-family rent rose by 3.8% YOY, with the vacancy rate at 6.4%, 0.9% above Q4 2022.

HOMES SALES

HOME SALES UPDATE

	Dec. 2022	Dec. 2023	YOY
Median Sold Price	\$530,000	\$554,000	4.5%
Closed Home Sales	669	600	-10.3%
Active Listings	763	631	-17.3%
Average Sold Price to Listing Price Ratio	99.9%	99.3%	-0.6%

GCAAR Monthly Market Reports

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 December 2023, with the change from December 2022. December 2023 showed fewer active listings (down 17%) than December 2022.

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 decreased slightly (0.6%) from last December to 99.3%

Closed Home Sales: This indicator shows the number of homes sold in the months of December 2023 and December 2022. There were 10% fewer closings in December 2023 than in December 2022.

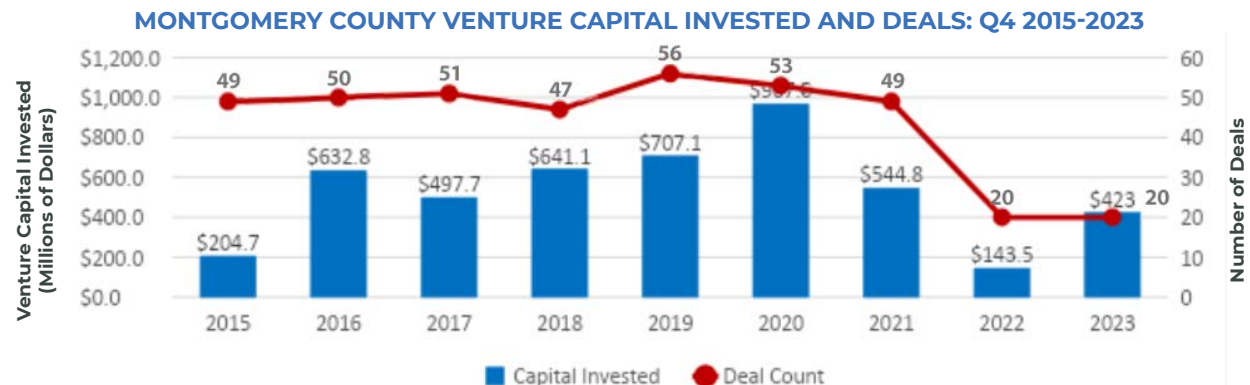
Median sold price increased about five percent YOY.

ECONOMIC INDICATORS BRIEFING 2023 Q4

VENTURE CAPITAL

Investment

This reports fourth quarter venture capital trends from 2015-2023. Q4 2023 venture capital investment was \$423.0 million. Q4 2023 and 2022 saw the fewest number of deals and the lowest amount invested in the 2015-2023 period, reflecting the impact of higher interest rates.



Pitchbook

The largest deal in 2023 was X-energy, a developer of advanced fuel technology for clean energy generation, which accounted for 56% of the total. StaynTouch, developer of a hotel management system, received \$48 million and Qu, an operator of a system to assist in the management of multi-unit restaurants, received \$42 million.

LARGEST VENTURE CAPITAL DEALS IN MOCO IN Q4 2023

Company	Deal Date	Deal Size (Millions)	Industry
X-energy	12/5/2023	\$235.0	Alternative Energy Equip.
StaynTouch	12/12/2023	\$48.0	Business Prod. Software
Qu	11/15/2024	\$42.0	Business Prod. Software
DEKA Biosciences	12/8/2023	\$29.9	Drug Discovery
Origin	10/17/2023	\$16.0	Electronics (B2C)

With the X-energy investment accounting for 56% of total invested, alternative energy systems had by far the largest investment, with the two business productivity software companies accounting for almost all the \$93.5 million invested in that sector in Q4 2023.

VENTURE CAPITAL ACTIVITY IN MOCO IN Q4 2023 BY INDUSTRY

Industry	Total Capital Invested (Millions)	Number of Deals
Alternative Energy Equipment	\$235.0	1
Business Prod. Software	\$93.5	5
Media and Info. Services	\$45.0	3
Biotechnology	\$31.9	3
Drug Discovery	\$31.9	3
Total Investment	\$437.3	15

Pitchbook

ECONOMIC INDICATORS BRIEFING 2023 Q4

U.S. CENSUS KEY DEMOGRAPHICS

This edition reports 2022 demographic estimates for Montgomery County, released by the Census in September 2023, and compares the findings to the State of Maryland, the Washington metropolitan area, and the U.S.

More than one-third of Montgomery County's population is foreign-born, more than twice the rate in the State of Maryland and ten percentage points higher than in the Washington metropolitan area. Forty three percent use a language other than English in their household, about 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. Nearly one in six (15 percent) Montgomery County residents are Asian alone, four percentage points above the Washington metropolitan figure. The proportion of Black/African-American alone residents (19 percent) is 11 percentage points below the State of Maryland and 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 (\$118,323), higher shares of those with bachelor's degrees or higher (61 percent) and graduate or professional degrees (33 percent). Its share of never married adults is three percentage points below the DC metro area.

2022 CENSUS/ACS COMPARISONS

	Montgomery County	State of Maryland	Washington Metro (MSA)	United States
Total Population	1,052,521	6,164,660	6,373,829	333,287,000
Foreign Born	34.1%	15.3%	24.1%	13.9%
Use Language Other Than English in HH (5+)	43.2%	20.7%	30.8%	22.0%
Race and Ethnicity				
One Race	89.1%	91.8%	88.8%	87.5%
White Alone	42.3%	48.4%	44.0%	60.9%
Black/African-American Alone	18.5%	29.6%	24.5%	12.2%
Asian Alone	15.4%	6.7%	10.9%	6.1%
Other	12.5%	6.8%	8.8%	7.3%
2+ Races	10.9%	8.2%	11.2%	12.5%
Race Other Than White Alone	57.7%	51.6%	56.0%	39.1%
Ancestry				
Hispanic/Latino	20.3%	11.4%	17.0%	19.1%
Age				
Median	40.3	39.7	38.2	39.0
Household Income				
Mean HHI	\$164,430	\$125,876	\$154,235	\$105,555
Median HHI	\$118,323	\$94,991	\$117,432	\$74,755
Education (25+)				
Bachelor's Degree+	60.9%	43.8%	54.5%	35.7%
Graduate or Professional Degree	33.2%	20.6%	27.2%	14.0%
Marital Status				
Now Married	51.8%	47.3%	48.6%	44.3%
Never Married	33.6%	35.8%	36.8%	38.3%
Divorced or Separated	10.2%	11.6%	10.4%	11.0%
Widowed	4.5%	5.4%	4.2%	5.5%

ECONOMIC INDICATORS BRIEFING 2023 Q4

U.S. Census/ACS 2022 (1-Year)

U.S. CENSUS 2020-2023 POPULATION TRENDS

The U.S. Census released updated county population trends in March 2023 (2023 county demographics will be released in September). The estimates are based on July 1 of each year.

Montgomery County had a net loss of 7,837 residents between 2020 and 2022, but added 5,407 from 2022 to 2023, a one-year gain of 0.5%. However, the county remains about 2,500 below the July 1, 2020 estimate. Other counties experienced a higher proportional loss since 2020: Prince George's (-1.9%), Fairfax (-0.6%), Arlington (-2.0%), and Alexandria (-2.5%). The District of Columbia added about 9,000 residents between 2022 and 2023, virtually all of its 2023 gain of 1.2%.

Frederick County, MD continued its rapid growth over the 2020-2023 period, adding more than 20,000 residents, an increase over the period of 7.0%. Similarly, Loudoun County added more than 13,500 residents (3.1%).

Following recent trends, the state of Maryland experienced stagnant growth over the period, adding fewer than 7,000 statewide (0.1%). The state of Virginia added nearly 80,000 residents (0.9%).

The Washington Post, reporting a Brookings Institution analysis of the trends, notes that "the D.C. region was insulated some from its population loss by having a higher birth rate than death rate and seeing an influx of immigrants to several of its counties, and that "Montgomery and Prince George's counties in Maryland; Fairfax County in Virginia; and the District of Columbia were in the top 1 percent of U.S. counties for net international migration for the 2022 to 2023 year."

CENSUS 2020-2023 POPULATION TRENDS

Major DC Area Jurisdictions, as of July 1

	2020	2021	2022	2023	Change 2020-2023
Washington MSA	6,060,311	6,258,549	6,265,891	6,304,975	3.9%
District of Columbia	670,839	669,037	670,949	678,972	1.2%
State of Maryland	6,173,689	6,175,045	6,163,981	6,180,253	0.1%
Montgomery	1,060,904	1,056,193	1,053,067	1,058,454	-0.2%
Prince George's	965,365	956,451	946,980	947,430	-1.9%
Frederick	272,986	280,647	287,540	293,591	7.0%
Howard	332,814	335,328	335,366	336,001	0.9%
State of Virginia	8,637,193	8,657,348	8,678,099	8,715,698	0.9%
Alexandria	159,139	155,105	155,045	155,230	-2.5%
Arlington	238,814	233,436	233,178	234,162	-2.0%
Fairfax	1,148,827	1,142,203	1,139,309	1,141,878	-0.6%
Loudoun	422,705	428,764	432,792	436,347	3.1%
Prince William	482,834	485,352	487,012	489,240	1.3%

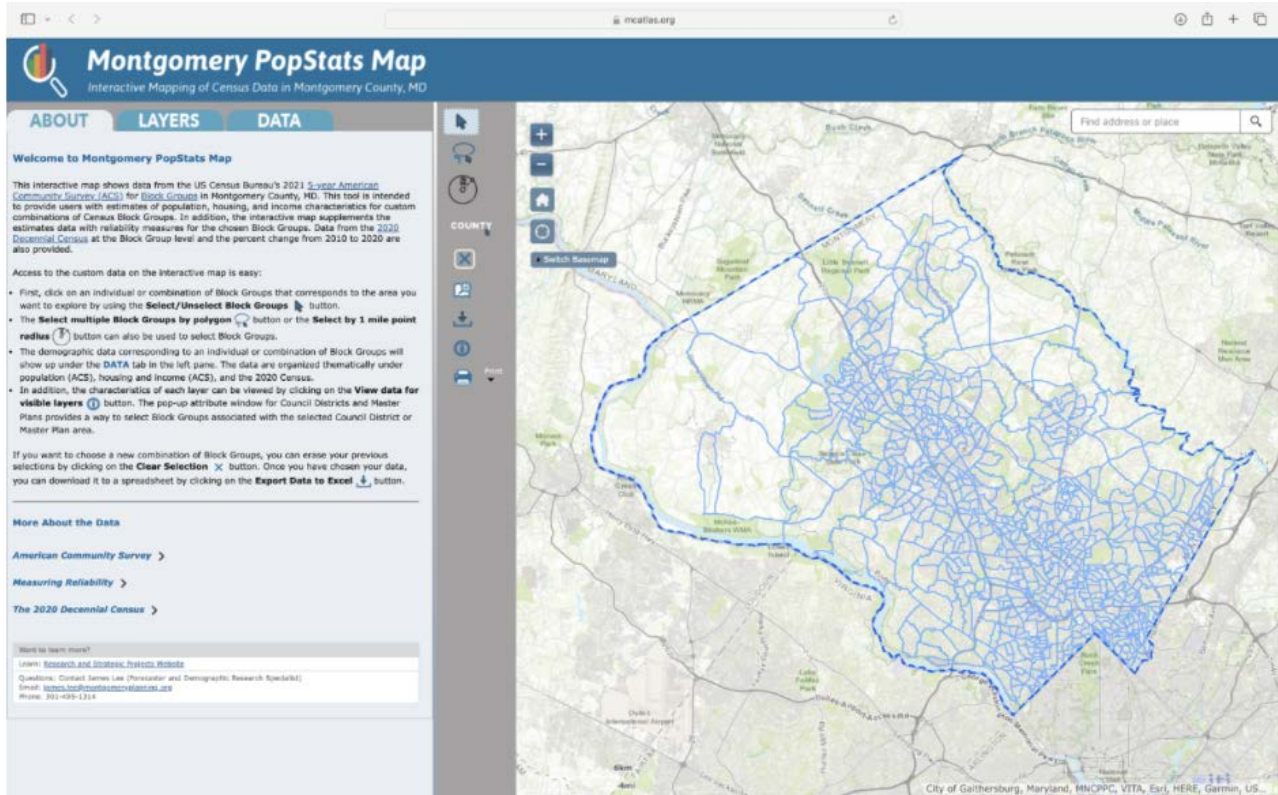
U.S. Census 2023 estimates (released March 2024)

[Population rebound from pandemic continues in D.C. region, data show](#)

ECONOMIC INDICATORS BRIEFING 2023 Q4

MONTGOMERY POPSTATS

Montgomery Planning recently published an [interactive map](#) showing data from the U.S. Census Bureau's 2021 American Community Survey (ACS) 5-Year Data for Block Groups in Montgomery County, MD. This tool is intended to provide users with estimates of population, housing, and income characteristics for custom combinations of Census Block Groups. In addition, the interactive map provides reliability measures for the chosen Block Groups, helping users understand if the sample sizes are large enough to be reliable. The tool also shows Block Group data from the 2020 Census and the percent change from 2010 to 2020.





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)