

Quarterly Economic Indicators Briefing

JUNE 26, 2025

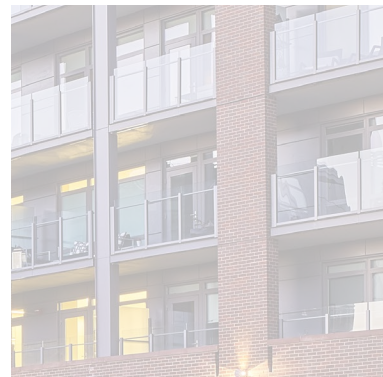
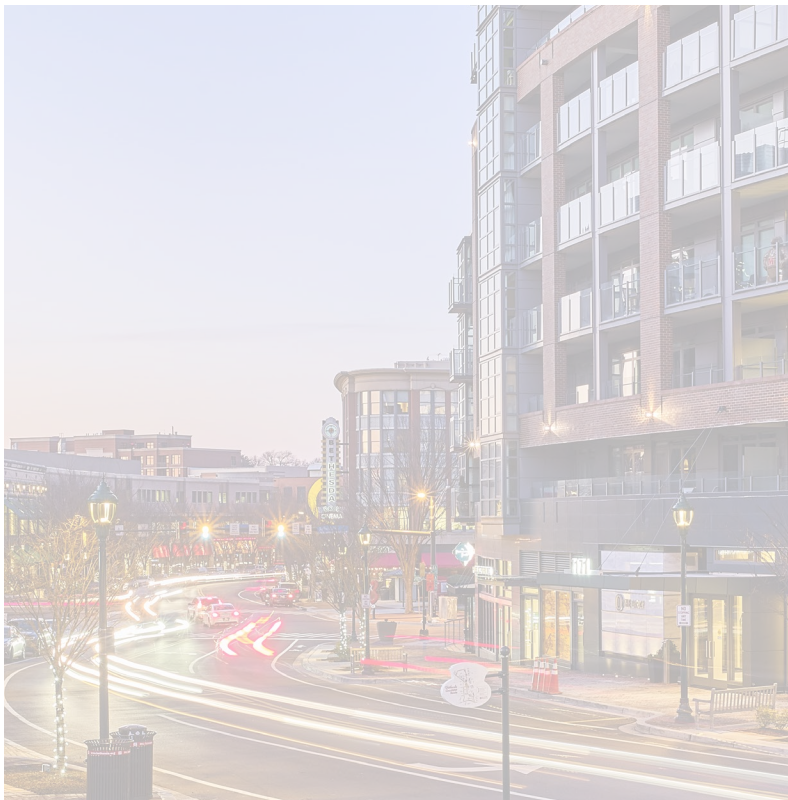


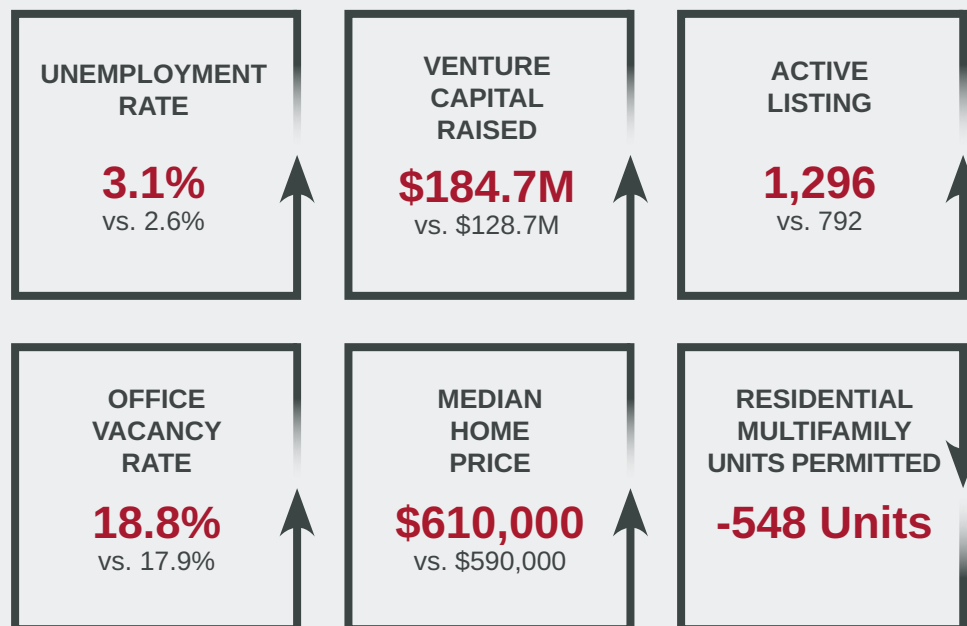
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This is the 23rd edition of the quarterly joint publication between the Montgomery County Economic Development Corporation (MCEDC) and Montgomery Planning. Each edition explores a range of indicators, including resident labor force, employment, commercial real estate and venture capital information. This briefing explores trends observed in Q1 2025.

Annual Change in Montgomery County, Md.

Q1 2025 vs. Q1 2024



Resident Labor Force

Unemployment Rate

All county-level unemployment rates are non-seasonally adjusted and must be compared with the same months in prior years.

- Montgomery County unemployment was 3.1% in March, 1.1 percentage points below the U.S. national rate of 4.2%.
- The county's unemployment rate was 0.5 percentage points above March of last year, and 0.2 percentage points above March 2019.
- The total unemployment in the county went from 14,735 in March 2024 to 17,215 in March 2025. That is an increase of 16.8%.

Montgomery County Labor Force

	MARCH 2024	MARCH 2025	CHANGE FROM MARCH 2019	CHANGE SINCE MARCH 2025
Labor Force	570,967	564,046	-4.8%	-1.2%
Employed Residents	556,232	546,831	-5.0%	-1.7%
Unemployed Residents	14,735	17,215	1.3%	16.8%
Unemployment Rate	2.6%	3.1%	0.2%	0.5%
State of Maryland	2.9%	3.2%	-0.4%	0.3%
Washington MSA	2.9%	3.5%	0.4%	0.6%
United States	3.9%	4.2%	0.4%	0.3%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (March 2025).

Note: Figures are non-seasonally adjusted.

Unemployment Claims

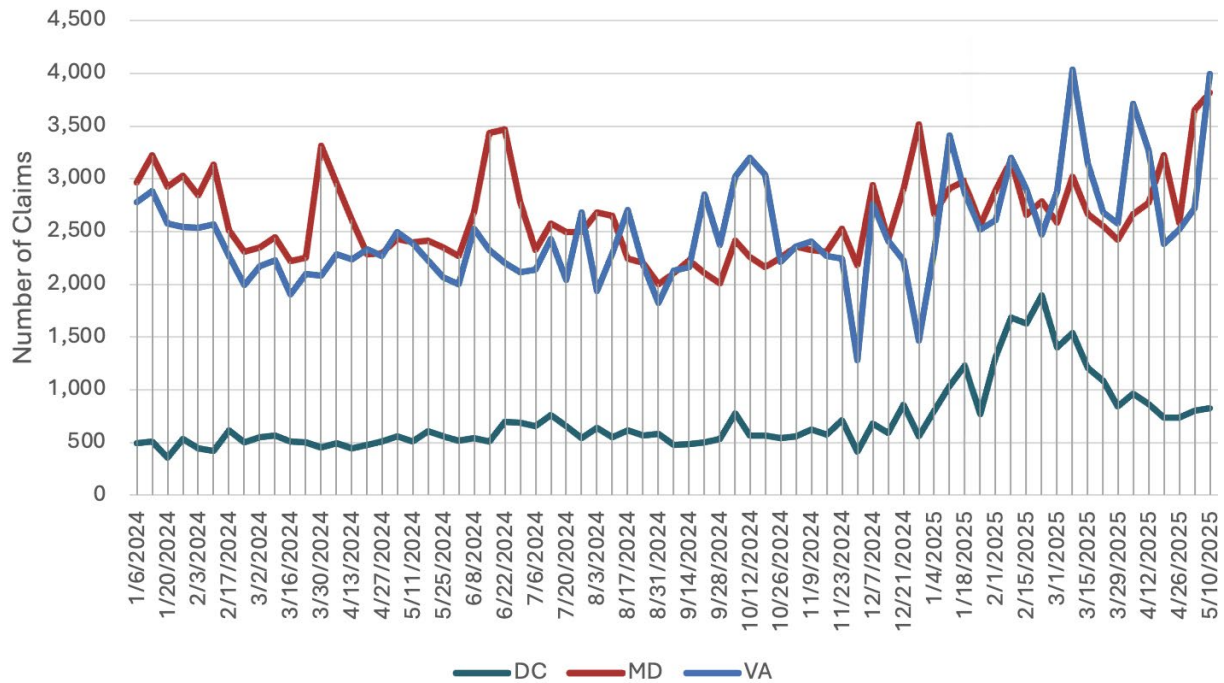
We are tracking Unemployment Insurance claims from the U.S. Department of Labor as an indicator of cuts to the Federal workforce, grants, and contracts since the current Presidential administration took office.

Unemployment insurance claims are aggregated and reported by the state in which the job was lost, making it impossible to determine exactly how many jobs were lost in Montgomery County or how many Montgomery County residents lost jobs in nearby jurisdictions. Also, Virginia and Maryland have diversified economies that extend beyond the Capital Beltway but also have significant exposure to Federal workforce cuts. Still, these claims can act as leading indicators of the current Federal policies' impacts on the regional economy.

While initial claims ([Chart 1](#)) filed when a worker is first dislocated from a job are spiky from week to week, increases in numbers and volatility first became apparent between mid-November 2024 and mid-January 2025, roughly the period between the election on Nov. 5 and the inauguration on Jan. 20. Since the inauguration, initial claims have remained elevated compared to the previous year. Maryland's "floor" for initial claims was about 2,000 throughout 2024 but has not dropped below about 2,500 in 2025 through the first two weeks of May. Initial claims in Washington, D.C. saw the highest relative increase but fell sharply through March.

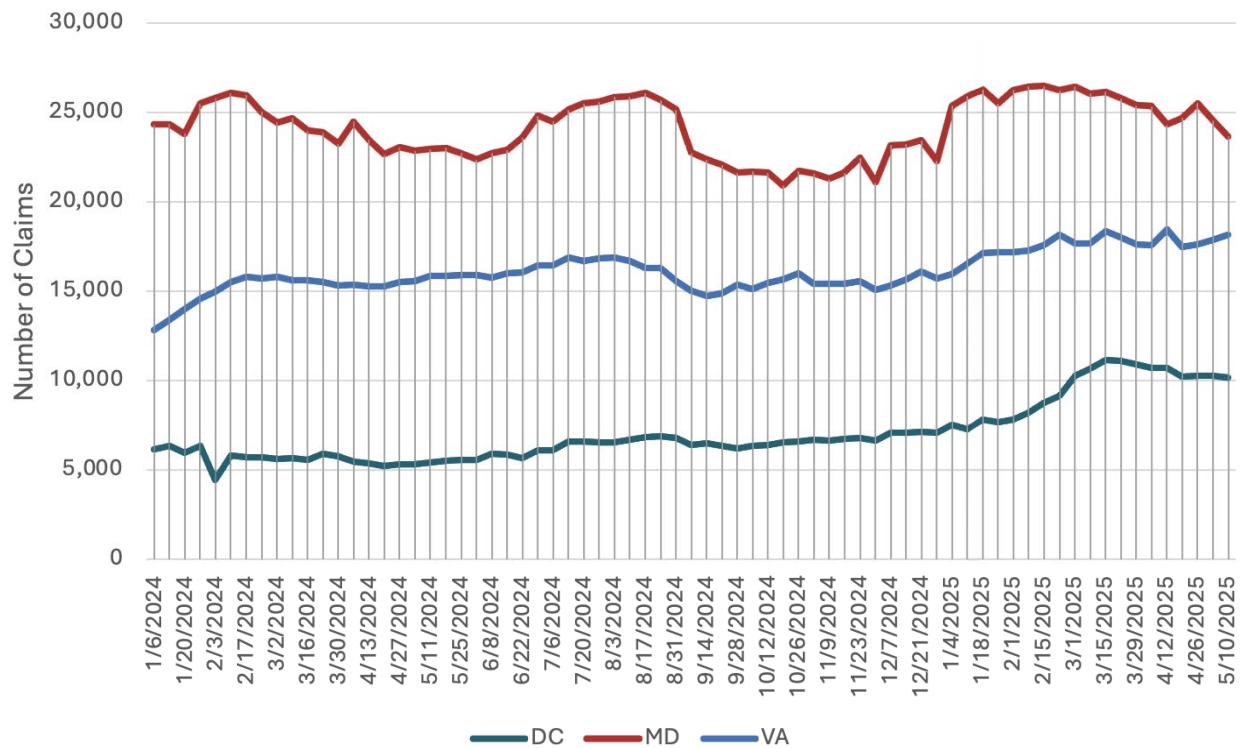
Continuing claims ([Chart 2](#)) by workers who remain unemployed also rose slightly in all three jurisdictions from November 2024 to January 2025. They remain elevated compared to 2024 for Washington, D.C. and Virginia, but Maryland continuing claims are in line with 2024 levels and have been trending down since mid-February.

Chart 1: New Unemployment Claims in Washington, D.C., Maryland and Virginia



Source: United States Department of Labor

Chart 2: Continuing Unemployment Claims in Washington, D.C., Maryland and Virginia



Source: United States Department of Labor

Employment by Major Industry

Jobs by Industry in Montgomery & Frederick Counties

EMPLOYMENT IN SELECT INDUSTRIES	MARCH 2024	MARCH 2025	CHANGE FROM MARCH 2019	CHANGE SINCE MARCH 2024
Total Employees	610,000	604,300	0.7%	-0.9%
Professional/Scientific/Tech Services	90,500	87,300	3.1%	-3.5%
Systems Design & Services	26,700	25,200	-0.8%	-5.6%
Scientific R&D	20,800	19,900	8.7%	-4.3%
Education and Health Services	102,600	105,500	9.3%	2.8%
Health Care & Social Assistance	86,100	89,500	11.2%	3.9%
Retail	55,700	56,100	-0.4%	0.7%
Manufacturing	20,500	20,600	10.8%	0.5%
Trade, Transportation and Utilities	76,200	75,700	-0.4%	-0.7%
Information	13,100	12,700	3.3%	-3.1%
Financial Activities	36,600	36,500	-3.9%	-0.3%
Other Services	26,600	26,400	-4.7%	-0.8%
Government	116,500	117,500	6.9%	0.9%
Mining, Logging and Construction	32,200	30,900	-11.2%	-4.0%
Leisure & Hospitality	51,500	48,700	-11.0%	-5.4%
Accommodation & Food Services	42,700	39,500	-14.1%	-7.5%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (March 2025).

Note: Figures are non-seasonally adjusted.

Life Sciences Subsector

The Life Sciences sector is an important component of Montgomery County's economy. It includes life science research, pharmaceuticals and laboratories. Montgomery County accounts for nearly half of all life science employment in Maryland. The number employed was 1.5% below Q4 2023, while increasing 0.6% in Maryland. Employment growth in the Life Sciences subsector in Q4 2024 in Montgomery County outpaced employment growth in the sector in the United States over the last year (0.7%, compared to -1.5% in Montgomery County).

	Q4 2019	Q4 2023	Q4 2024	CHANGE SINCE Q4 2019	CHANGE SINCE Q4 2023
Montgomery County	49,326	52,251	51,490	4.4%	-1.5%
State of Maryland	97,927	106,659	107,344	9.6%	0.6%
Washington MSA	88,552	99,078	98,493	11.2%	-0.6%
United States	2,022,908	2,372,159	2,388,523	18.1%	0.7%

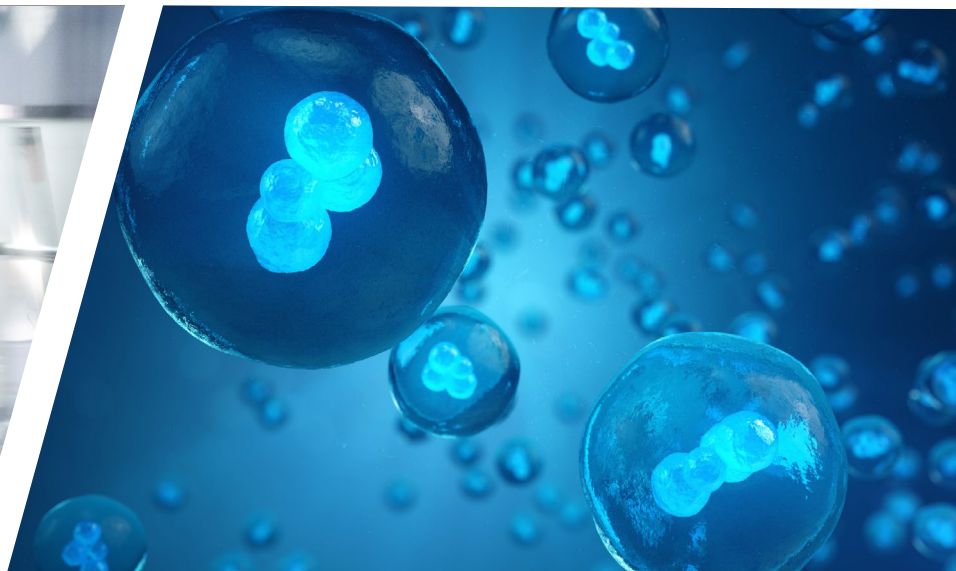
Bureau of Labor Statistics. Accessed in May 2025.

* Figures are non-seasonally adjusted; ** Regardless of where job is located

Life Sciences – Breakdown of Employment by Tracked NAICS Codes with Over 1,000 Employees, Q4 2024

NAICS	INDUSTRY	EMPLOYMENT
923120	Administration of Public Health Programs	28,599
541715	Research and Development in the Physical, Engineering and Life Sciences (except Nanotechnology and Biotechnology)	7,451
541714	Research and Development in Biotechnology (except Nanobiotechnology)	6,755
325411	Medicinal and Botanical Manufacturing	2,503
325414	Biological Product (except Diagnostic) Manufacturing	1,864
325413	In-Vitro Diagnostic Substance Manufacturing	1,579
621511	Medical Laboratories	1,095

Based on "Life Sciences" NAICS occupations as tracked by MCEDC.



Real Estate & Development

This section details Q1 2025 trends in the real estate sector for office, retail and multi-family—from the CoStar database.

Vacancy Rates and Rent

Real Estate Indicators

		Q1 2024	Q1 2025	CHANGE SINCE Q1 2024
Office	Gross Rent per sq. ft.	\$31.70	\$32.28	1.8%
	Vacancy	17.9%	18.8%	0.9%
Retail	Gross Rent per sq. ft.	\$33.90	\$34.98	3.2%
	Vacancy	5.9%	6.3%	0.4%
Flex	Gross Rent per sq. ft.	\$25.35	\$23.68	-7.1%
	Vacancy	8.9%	10.2%	1.3%

CoStar data compiled by MCEDC.

At 18.8%, office vacancy rates in Q1 were 0.9 percentage points above last year (17.9%).

Retail vacancies in Q1 were 0.4 percentage points higher than they were the previous year. Retail rents were \$34.98 in the first quarter, for a YOY percentage point increase of 3.2%.

Office Vacancies: Montgomery County's office vacancy rate was lower than in Arlington or Fairfax counties in Q1 2025. However, since Q1 2019, office vacancies have increased more in Montgomery County than most other major jurisdictions.

Office Real Estate Vacancy Rate Trends Comparison

OFFICE REAL ESTATE	Q1 2019	Q1 2024	Q1 2025	CHANGE SINCE Q1 2019	CHANGE SINCE Q1 2024
Montgomery County	11.2%	17.9%	18.8%	7.6%	0.9%
Prince George's County	13.0%	11.5%	12.9%	-0.1%	1.4%
District of Columbia	11.2%	17.0%	17.0%	5.8%	0.0%
Arlington County	17.3%	22.8%	24.5%	7.2%	1.7%
Alexandria City	15.6%	22.5%	22.0%	6.4%	-0.5%
Fairfax County	15.5%	19.1%	19.5%	4.0%	0.4%
State of Maryland	10.1%	12.5%	13.1%	3.0%	0.6%
Washington MSA	12.8%	16.5%	17.22%	4.4%	0.7%

CoStar data compiled by MCEDC.

Housing Indicators

Home Sales

Through the first quarter of 2025 the for-sale housing market remained tight. Average sold prices were up slightly over the first quarter of 2024, and the total number of units sold was nearly identical in the two quarters. The average sold-to-list price ratio dropped slightly but is still right around 100%.

Home Sales Indicators

HOME TYPE	METRIC	Q1 2024	Q1 2025	% CHANGE
All Homes	Average Sold Price	\$ 703,713	\$ 740,444	5.2%
	Median Sold Price	\$ 556,500	\$ 600,000	7.8%
	Average Sold Price to Original Listing Price Ratio	100.6%	99.8%	-0.8%
	Units Sold	1,732	1,741	0.5%
	Active Listings	792	1,296	63.6%
Attached Homes (Condos, Duplexes, Townhomes)	Attached Average Sold Price	\$ 454,761	\$ 459,058	0.9%
	Attached Units Sold	921	908	-1.4%
Detached Homes	Detached Average Sold Price	\$ 987,833	\$ 1,047,534	6.0%
	Detached Units Sold	811	833	2.7%

BrightMLS

Multi-Family Update

		Q1 2024	Q1 2025	CHANGE SINCE Q1 2024
Multi-Family Rentals	Effective Gross Rent per Unit	\$2,093	\$2,131	1.8%
	Vacancy	6.3%	7.0%	0.7%

CoStar data compiled by MCEDC.

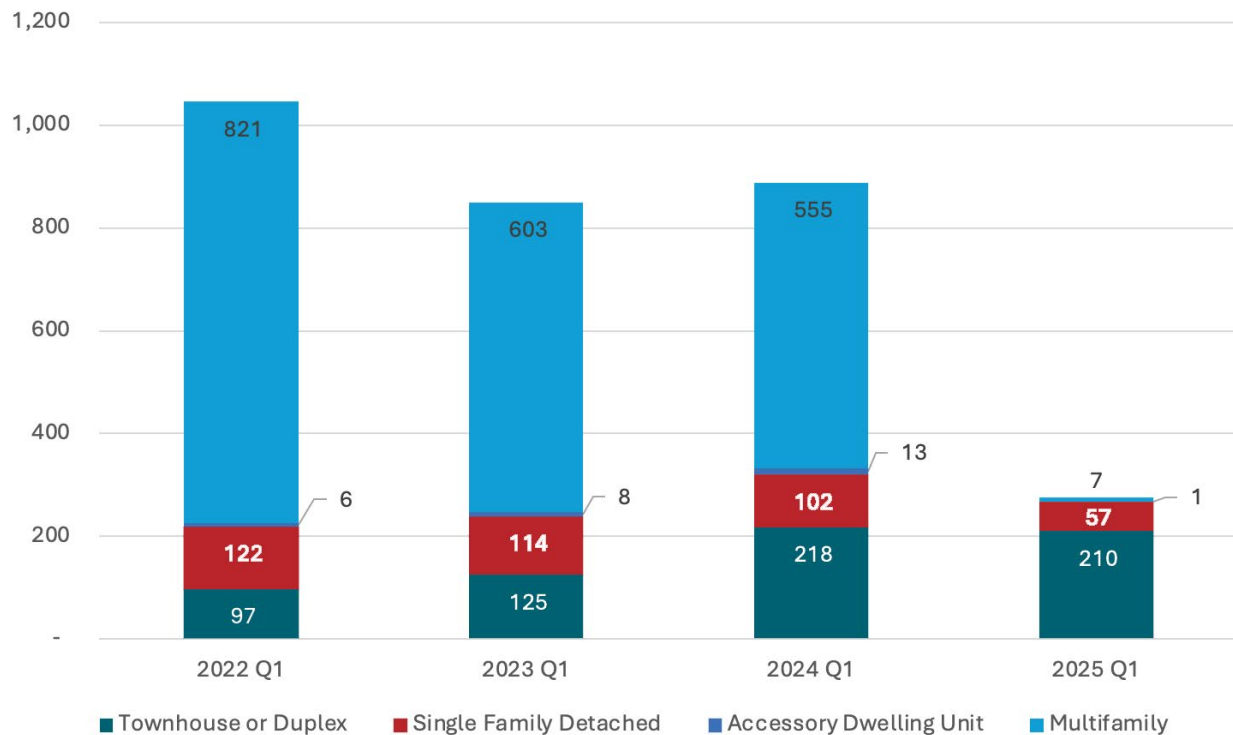
Multi-family rent rose by 1.8% YOY, with the vacancy rate at 7.0%, 0.7% above Q1 2025.

Residential Building Permits

Permits for townhouses and duplexes (210) in the first quarter of 2025 were close to their first quarter levels from 2024, but detached family homes (57) were permitted at about half of the typical first quarter volume of the last three years.

Multifamily permitting can be volatile from quarter to quarter and year to year, but this quarter's seven units permitted is the lowest multifamily quarterly volume in the dataset we currently use, which goes back to 2019. The next lowest quarter was the previous quarter (fourth quarter of 2024, with eight permits), meaning that only 15 multifamily units were permitted in the six-month period from October 2024 to March 2025. The continuance of this slow pace for another quarter or two could indicate significant challenges in the multifamily market.

First Quarter Residential Building Permits by Type, 2022 to 2025

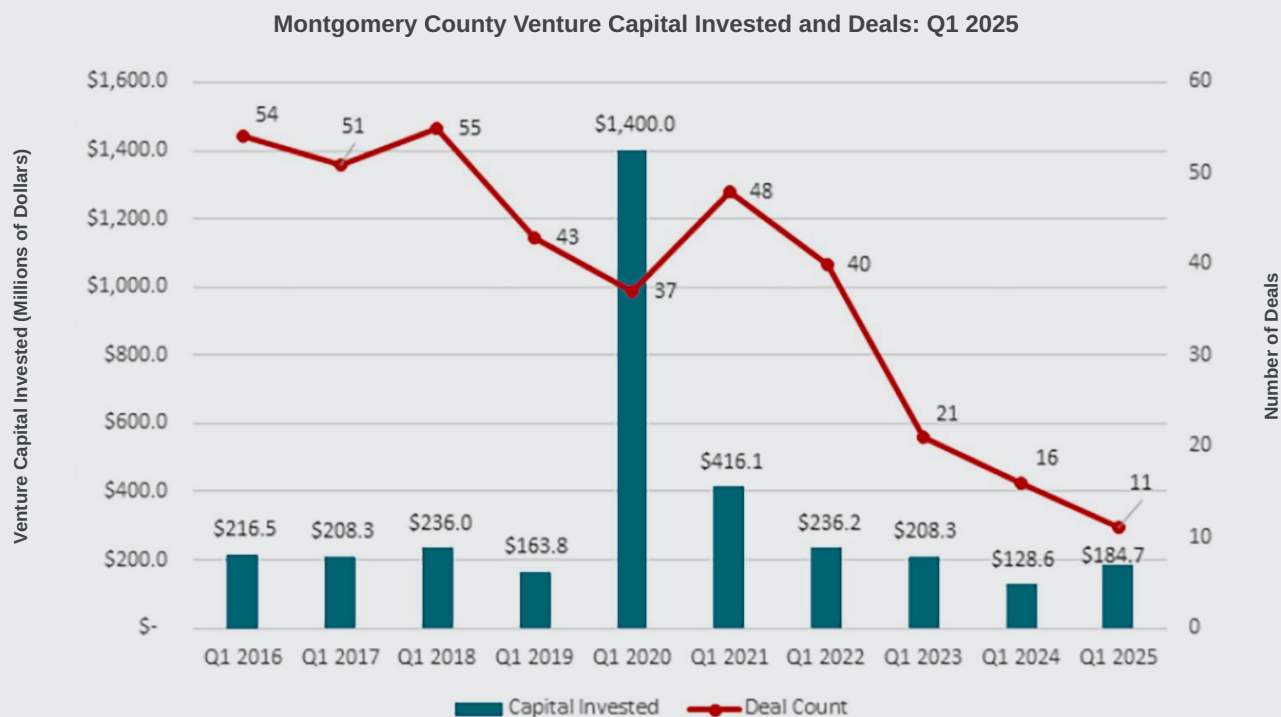


Montgomery County Department of Permitting Services, tabulated by Montgomery Planning

Venture Capital

Investment

This reports first quarter venture capital trends from 2016-2025. Q1 2025 venture capital investment was \$184.7 million over 11 deals reflecting the impact of interest rates decreasing the overall number of deals, and the significance of investment into X-energy.



PitchBook, 2025

The largest deal in Q1 2025 was the updated additional investment into the original \$500 million investment in the X-energy in 2024, increasing by \$182 million, to a total of \$682.42 million, representing the majority of investment in this period.

Largest Venture Capital Deals in MoCo in Q1 2025

COMPANY	DEAL DATE	DEAL SIZE (MILLIONS)	INDUSTRY
X-energy	1/24/2025	(Additional \$182)	Nuclear Energy
Emerald Intel	2/25/2025	\$1.6	SAAS
Biotech Social	1/16/2025	\$0.28	Fintech/Life Sciences
NextGlass	1/31/2025	\$0.26	Building Products
Ibex Biosciences	2/20/2025	\$0.07	Drug Discovery

PitchBook, 2025

Manufacturing and Land Use in Montgomery County

This special section examines the land use and economic characteristics of Montgomery County's manufacturing sector with the goal of clarifying the locations and typologies of buildings and sites that help make the sector competitive.

While Montgomery County has not traditionally been known as a manufacturing powerhouse, manufacturing is an important contributor to the county's economy. Most of the county's current manufacturing activity is considered "advanced," in high-tech fields like biotechnology and aerospace communications. There is no single definition of advanced manufacturing, but according to [Manufacturing.gov](https://www.manufacturing.gov/), it involves "use of innovative technologies to create existing products and the creation of new products. Advanced manufacturing can include production activities that depend on information, automation, computation, software, sensing and networking."

Many modern manufacturing facilities conduct research and development (R&D) activities at the same site, where manufacturing takes place because the two processes are tightly linked in high-tech industries.

As such, most of Montgomery County's manufacturing activity, in terms of business establishments, employment and wages, happens in newer facilities outside the Capital Beltway and in commercial zones that are not exclusively industrial. Smaller-scale manufacturing, often of food and beverages and goods for local distribution, tends to happen in older, smaller spaces where non-manufacturing industrial uses are more common. Examples of non-manufacturing industrial uses include auto-repair and offices, warehouses and workshops for building trades.

Manufacturing and Land Use Overview

In the second quarter of 2023, Montgomery County's manufacturing sector included an estimated¹

- 412 establishments
- total quarterly wages of over \$309 million
- 9,745 employees
- 1,230 acres of land

Three broad zoning families in the [County Code](#) permit some type of manufacturing activity:

1. The **Commercial Residential family**: Permits development that combines commercial and residential uses in various ways; includes Commercial Residential, Commercial Residential Town and Commercial Residential Neighborhood zones.
2. The **Employment family**: Older category built around office and research & development employment, now allows for commercial-residential mixed-use; being phased out in master plans in favor of Commercial-Residential. Employment-Office (EOF) and Life Science Center (LSC) are the most common subcategories.
3. The **Industrial family**: Allows industrial and some other commercial uses, but no residential; includes sub-categories of Industrial Light (IL), Industrial Medium (IM) and Industrial Heavy (IH).

Table 1: Montgomery County Manufacturing Inventory by Zoning Family

ZONE	EMPLOYMENT	ESTABLISHMENTS	TOTAL ANNUAL WAGE*
Employment	4,138	79	\$ 591,274,636
Commercial Residential	3,828	217	\$ 461,384,344
Industrial	185	12	\$ 183,517,892
Total	9,745	412	\$ 1,236,176,872

Business, Employment, and Wage Data: MDOL QCEW 2023, 2nd quarter

Zoning data: Montgomery Planning

*Wage data is missing for one establishment that is included in the establishment and employment totals. Total wages are reported quarterly and annualized for display in table.

¹ The summary only looks at manufacturing in unincorporated Montgomery County, where the Maryland National Capital Park and Planning Commission has zoning authority. Thus, it does not include the estimated 282 manufacturing establishments and 6,855 manufacturing employees in Rockville and Gaithersburg.

Table 2: Montgomery County Manufacturing Acreage and Wage and Employment Density by Zone

ZONE	ACRES**	MFG EMPLOYMENT PER ACRE**	TOTAL ANNUAL MFG WAGES* PER ACRE**
Employment	369	11	\$ 1,601,030
Commercial Residential	495	8	\$ 931,481
Industrial	366	5	\$ 501,766
Average	1,230	8	\$ 1,009,485

Business, Employment, and Wage Data: MDOL QCEW 2023, 2nd quarter

Acreage data: Maryland State Department of Assessment and Taxation (SDAT) extracted May 2025

*Wage data is missing for one establishment that is included in the establishment and employment totals. Total wages are reported quarterly and annualized for display in table.

**Acres of parcels on which manufacturing facilities are located

The employment zoning categories contain more manufacturing jobs and higher total wages than any of the county's other commercial zones ([Table 1](#)). With only 369 acres of manufacturing activity, the employment zones are the most manufacturing-dense zones, with 11 manufacturing employees per acre and over \$1.6 million in total annual wages per acre (Table 2). These zones also have some of the largest establishments, such as Hughes Network Systems, the largest manufacturing facility in the county with nearly 1,500 employees.

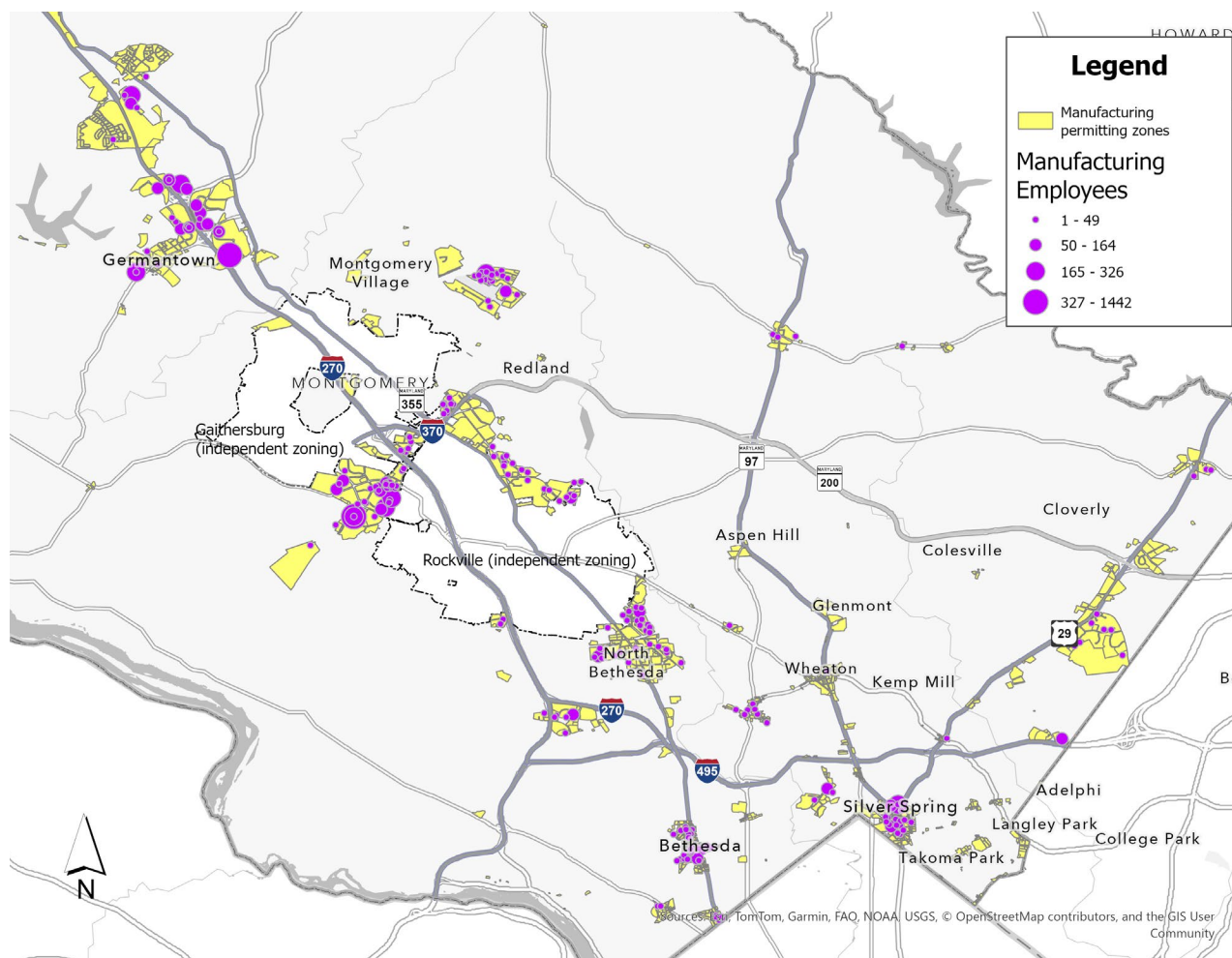
The Commercial Residential zoning family accommodates the most manufacturing activity by area, with 495 acres dedicated to manufacturing (Table 2). However, with its wide variety of permitted combinations of commercial and residential land, not all these zones can accommodate manufacturing.

Although manufacturing is an industrial activity, the county's zoning categories dedicated to industrial uses do not have much manufacturing activity in them. Rather, [these zones mostly accommodate other industrial uses like auto-repair and the building trades which are better suited to the older building stock](#) (see the "Age of Manufacturing Building Stock" section). Out of the county's approximately 1,230 total acres of land with manufacturing activity on it, only 366 acres (30%) are in the county's industrial zones.

Location of Montgomery County Manufacturing

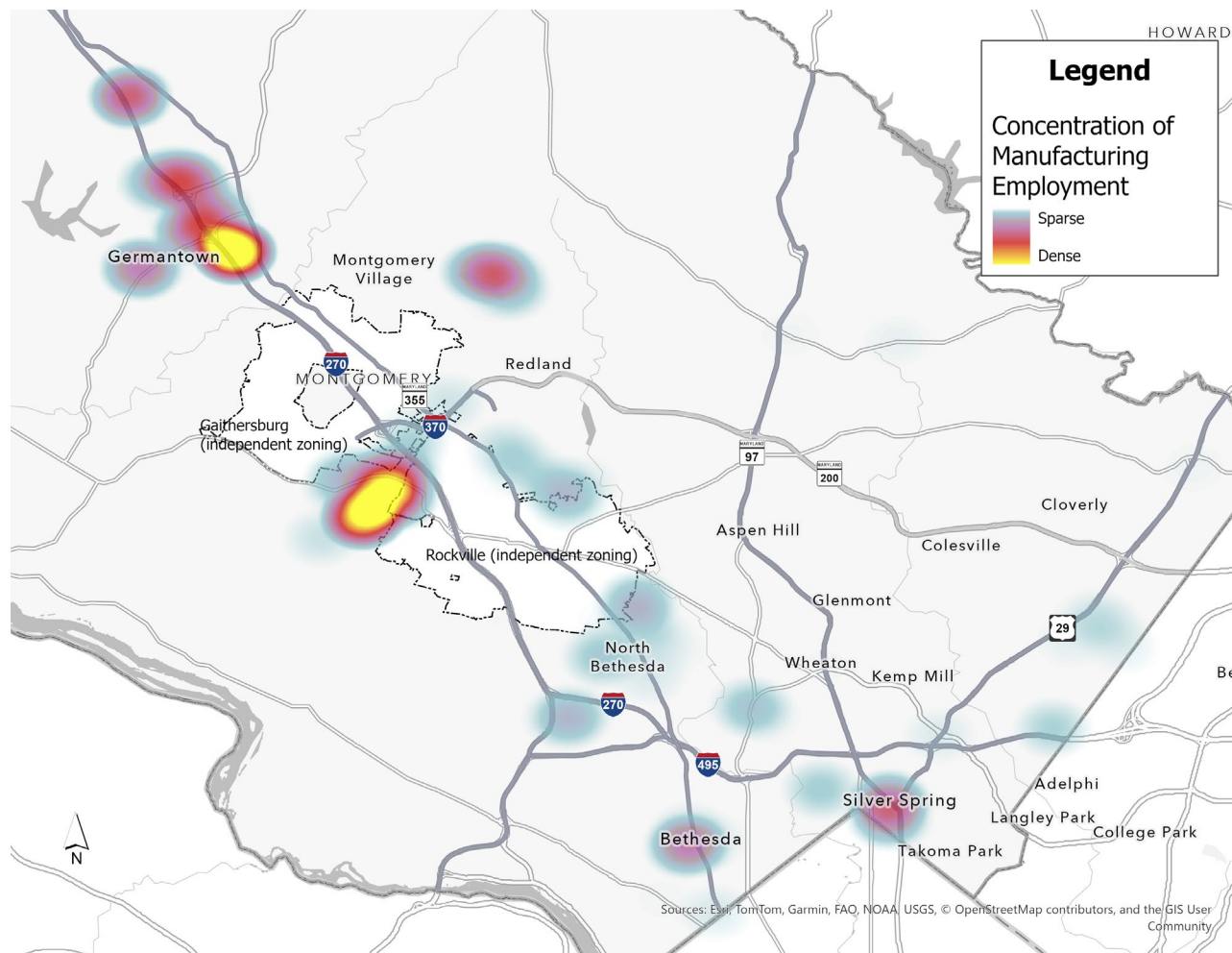
Manufacturing in Montgomery County is present throughout its commercial zones ([Figure 1](#)), but it is most heavily concentrated where the most manufacturing-dense zoning is, which is generally along I-270 in the Life Sciences Center and the Germantown-Clarksburg Corridor ([Figure 2](#)). The yellow areas of dense manufacturing employment in [Figure 1](#) are where almost all of Montgomery County's biotechnology and aerospace manufacturing facilities are located.

Figure 1: Manufacturing-Permitting Zones and Manufacturing Employment in Montgomery County



Business, Employment, and Wage Data: MDOL QCEW 2023, 2nd quarter
Zoning Data: Montgomery Planning

Figure 2: Manufacturing Employment Concentration in Montgomery County



Employment Data: MDOL QCEW 2023, 2nd quarter

Age of Manufacturing Building Stock

Montgomery County's main manufacturing sectors tend to occupy newer buildings than other common industrial sectors occupy. Table 3 shows that buildings for R&D (NAICS code 54) and high-tech manufacturing businesses (NAICS codes 32 and 33) in Montgomery County tend to be built more recently than buildings for other major industrial sectors and local-serving manufacturing of lower value goods (NAICS 31).

Table 3: Average Ages of Manufacturing and Industrial Buildings in Montgomery County

TYPE OF ACTIVITY	NAICS CODE ²	DESCRIPTION	AVERAGE YEAR BUILT
Advanced Manufacturing	54	Scientific R&D	1985
	33	Metals, Machinery and Electronics Manufacturing	1985
	32	Wood, Paper, Mineral, Chemical Products and Pharmaceuticals	1983
Other Industrial	81	Auto and Other Equipment/ Machinery Repair	1981
	42	Wholesale Trade	1980
	48	Air, Rail and Trucking Transportation	1979
	23	Construction and Trades	1979
Non-durable Manufacturing	31	Food, Beverage and Apparel Manufacturing	1977
Other Industrial	21	Mining, Quarrying and Oil and Gas Extraction	1972

Business Data: MDOL QCEW 2023, 2nd quarter

Year-built Data: Maryland State Department of Assessment and Taxation (SDAT)

The commercial zones along I-270 became advanced manufacturing hubs because they had the combination of land, parcels and zoning to accommodate the increasingly large sites modern manufacturing facilities need. However, an average year-built of 1985 suggests that the county will continue to need newer additions to its existing industrial stock to accommodate a 21st century manufacturing industry.

Montgomery County has a strong talent base of scientists, engineers and technicians to attract further advanced manufacturing investment in biotechnology and aerospace but should ensure that it has enough sites to meet the growing need for large manufacturing businesses.

About the Data

Manufacturing employment and establishment data come from Quarterly Census of Employment and Wages microdata from the Maryland Department of Labor from the second quarter of 2023 and used by Montgomery Planning under a confidentiality agreement. Sectors with NAICS codes 541713, 541714, 541715 (shown in the table as "54") indicate scientific R&D and were included as manufacturing in this study because most of these establishments conduct R&D in the life sciences, which has land use needs that are similar to those of advanced manufacturing. Some may also manufacture products on site.

Land use and zoning data are from Montgomery County Planning and the Maryland State Department of Assessment and Taxation (SDAT).

² North American Industrial Classification System codes. The table shows highly generalized groupings; Not all establishments in the 33 and 32 NAICS categories are advanced, but most in Montgomery County are.

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 MONTGOMERY COUNTY ECONOMIC DEVELOPMENT CORPORATION

The Montgomery County Economic Development Corporation serves as the official economic development entity for Montgomery County, Maryland to accelerate business development, attraction, retention and expansion in key industry sectors while advancing equitable and inclusive economic growth. It operates as a 501(c)(3) nonprofit public-private partnership and is funded by Montgomery County.

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