

Quarterly Economic Indicators Briefing

January 2026

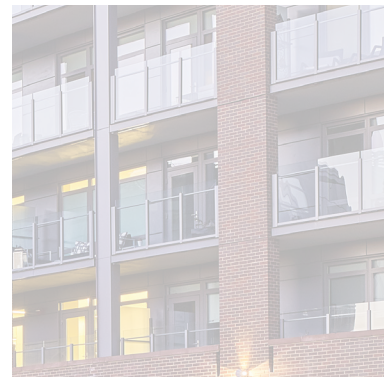
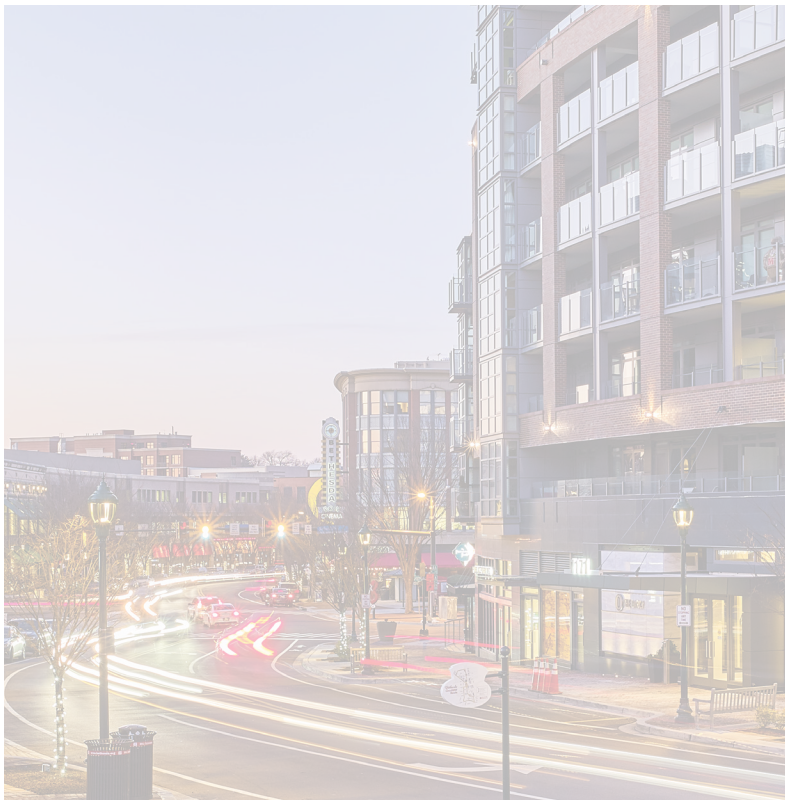


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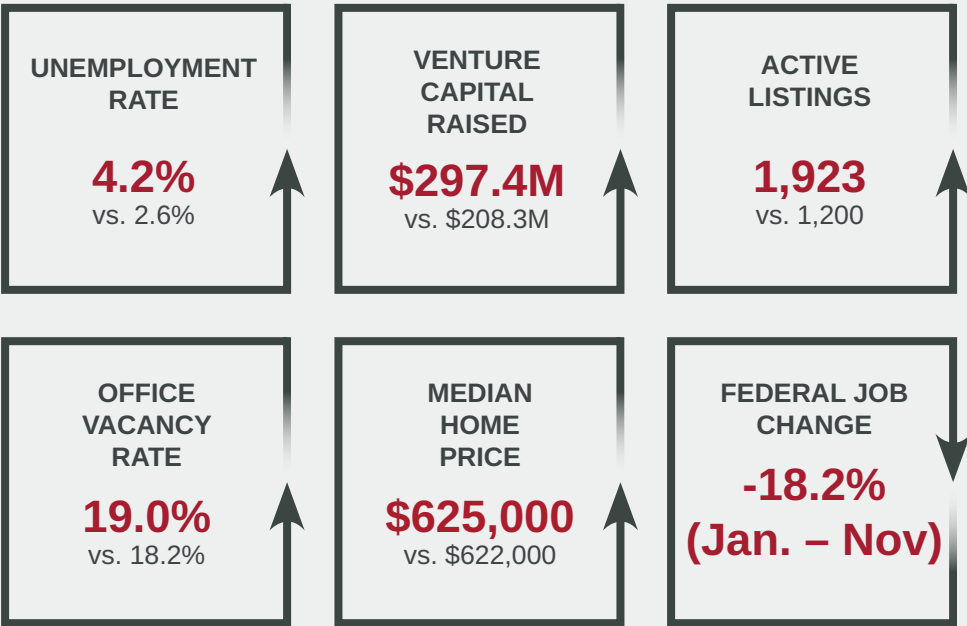
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This is the 25th edition of the quarterly joint publication between the Montgomery County Economic Development Corporation (MCEDC) and Montgomery Planning. Each edition explores a range of indicators, including resident labor force, employment, commercial real estate and venture capital information. This briefing explores trends observed in Q3 2025.

Quarter-to-Quarter Summary

Montgomery County, Q3 2025 vs. Q3 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 4.2% in September, 0.1 percentage points below the U.S. national rate of 4.3%.
- The county's unemployment rate was 1.6 percentage points above September of last year, and 1.8 percentage points above September 2019.
- The total unemployment in the county went from 15,074 in September 2024 to 23,553 in September 2025. That is an increase of 56.2%.

Montgomery County Labor Force

	SEPTEMBER 2024	SEPTEMBER 2025	CHANGE FROM SEPTEMBER 2019	CHANGE SINCE SEPTEMBER 2024
Labor Force	570,296	565,901	-5.6%	-0.8%
Employed Residents	555,222	542,348	-7.3%	-2.3%
Unemployed Residents	15,074	23,553	63.7%	56.2%
Unemployment Rate	2.6%	4.2%	1.8%	1.6%
State of Maryland	2.9%	4.3%	1.3%	1.4%
Washington MSA	3.0%	4.1%	1.3%	1.1%
United States	3.9%	4.3%	1.0%	0.4%

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

Note: Figures are non-seasonally adjusted.

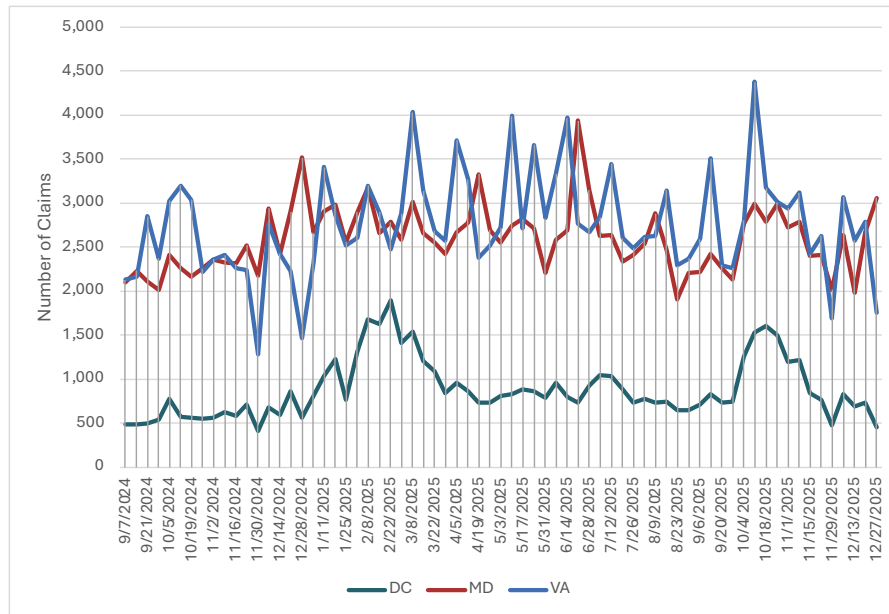
Unemployment Claims

Initial unemployment claims in Maryland, Washington DC, and Virginia closed out 2025 with lower volumes than what was seen at the opening of the year, but initial claims in the last quarter of 2025 (September through December) remained slightly higher on a weekly average basis than the last quarter of 2024 for all jurisdictions. For example, Maryland averaged 2,634 initial claims per week the last three months of 2025 and 2,505 claims per week the last three months of 2024.

Continuing claims remain elevated, suggesting many formerly employed people are still looking for work, but they are also down from their peak earlier in 2025.

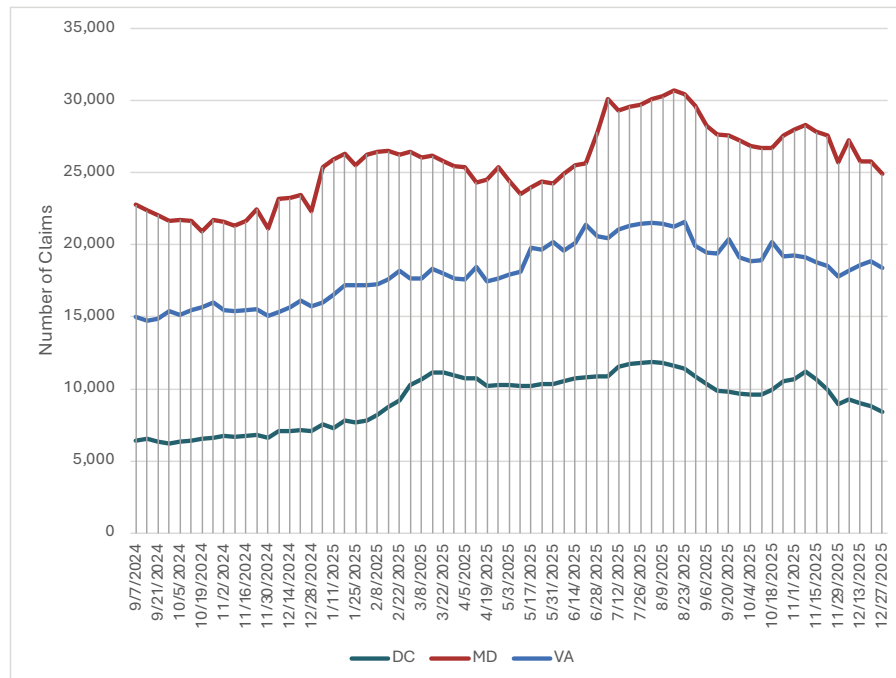
While unemployment rate data at the top of this page represents employment status of people where they live, Unemployment Insurance (UI) claims reflect total, all sector jobs lost at the place of employment by state. On the following page (5), Federal job losses through November 2025 are reported at the place of employment at the sub-state level.

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

Federal Job Losses in the Region

The Bureau of Labor Statistics estimates federal employment for Metropolitan Divisions, which are groups of jurisdictions within Metropolitan Statistical Areas (MSA). The Washington, DC MSA has three Metropolitan Divisions:

- Washington DC-MD division: District of Columbia; Prince George's and Charles Counties, MD
- Arlington-Alexandria-Reston VA division: Arlington, Fairfax, Prince William, Fauquier, Spotsylvania, Culpepper, Warren, Rappahanock, and Madison Counties, VA; Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park Cities, VA; Jefferson County, WV
- Frederick-Gaithersburg-Bethesda MD division: Frederick and Montgomery Counties, MD

Of the estimated 51,200 Federal jobs the Washington DC MSA lost from January to November (November estimates are preliminary), the Washington DC-MD division accounted for the most (28,100). The Frederick-Gaithersburg-Bethesda division, which contains Frederick and Montgomery Counties, lost 9,900 jobs, the fewest of the three divisions. However, this division's 18.2% decline was the steepest of the three relative to January employment levels. These data represent jobs where they are located, not where the employees live.

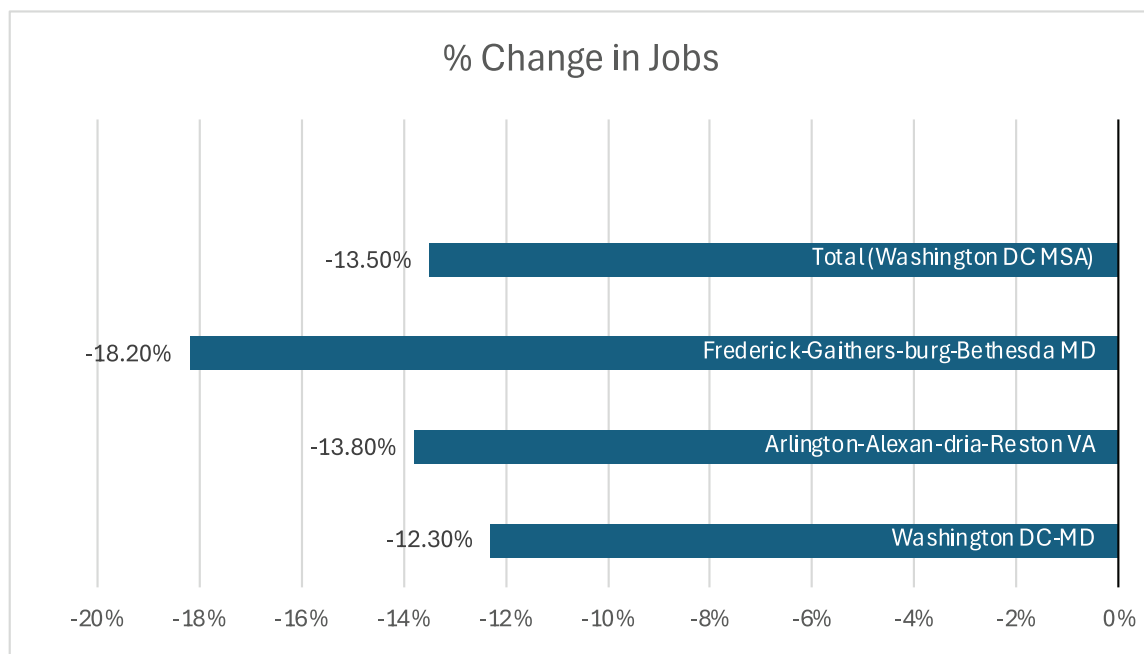
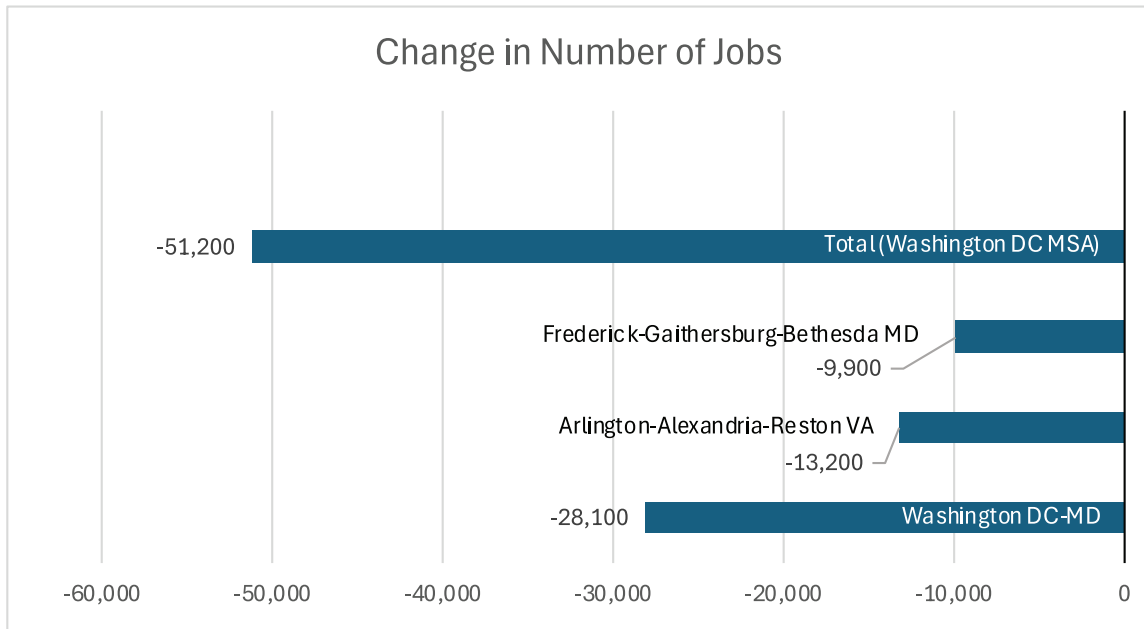
Federal Employment Change January to November 2025 in Washington DC Region and Metropolitan Divisions

METROPOLITAN DIVISION	FEDERAL EMPLOYMENT, JANUARY 2025	FEDERAL EMPLOYMENT NOVEMBER 2025	CHANGE FROM JANUARY 2025	CHANGE SINCE JANUARY 2025
Washington DC-MD	227,800	199,700	28,100	-12.3%
Arlington-Alexandria-Reston VA	96,000	82,800	13,200	-13.8%
Frederick-Gaithersburg-Bethesda MD	54,500	44,600	9,900	-18.2%
Total (Washington DC MSA)	378,300	327,100	51,200	-13.5%

*November employment estimates are preliminary

Data: Bureau of Labor Statistics, [Current Employment Statistics State and Metro Area series](#), not seasonally adjusted

Federal Job Losses in Washington DC MSA Metropolitan Divisions, January to November, 2025



*November employment estimates are preliminary

Data: Bureau of Labor Statistics, [Current Employment Statistics State and Metro Area series](#)

Employment by Major Industry

Jobs by Industry in Montgomery & Frederick Counties

EMPLOYMENT IN SELECT INDUSTRIES	JUNE 2024	JUNE 2025	CHANGE FROM JUNE 2019	CHANGE SINCE JUNE 2024
Total Employees	611,500	607,900	0.5%	-0.6%
Professional/Scientific/Tech Services	88,000	86,200	2.3%	-2.0%
Systems Design & Services	25,400	24,600	-2.0%	-3.1%
Scientific R&D	20,100	19,700	8.2%	-2.0%
Education and Health Services	103,400	107,100	10.8%	3.6%
Health Care & Social Assistance	87,400	91,100	11.9%	4.2%
Retail	56,000	55,700	-0.9%	-0.5%
Manufacturing	20,700	20,400	7.9%	-1.4%
Trade, Transportation and Utilities	75,700	75,200	-1.8%	-0.7%
Information	13,000	12,800	10.3%	-1.5%
Financial Activities	36,700	36,500	-5.4%	-0.5%
Other Services	26,600	27,000	-1.1%	1.5%
Government	117,400	113,100	2.3%	-3.7%
Mining, Logging and Construction	32,900	31,800	-10.2%	-3.3%
Leisure & Hospitality	52,900	54,100	-3.7%	2.3%
Accommodation & Food Services	42,900	44,100	-5.4%	2.8%

Bureau of Labor Statistic. Accessed January 2026

Note: Figures are non-seasonally adjusted.

Satellite and Advanced Communications Industry Snapshot Subsector

The Satellite and Advanced Communications sector is a tracked sector by MCEDC, and an important component of Montgomery County's economy. It includes wired telecommunications, navigation equipment, and satellite services. The number employed was 9.1% above Q1 2024, while decreased 1.1% in Maryland. Employment growth in the Satellite and Advanced Communications subsector in Q1 2025 in Montgomery County outpaced by employment growth in the sector in the United States over the last year (-3.8%, compared to 9.1% in Montgomery County).

	Q1 2019	Q1 2024	Q1 2025	CHANGE SINCE Q1 2019	CHANGE SINCE Q1 2024
Montgomery County	5,764	4,286	4,676	-18.9%	9.1%
State of Maryland	28,045	27,438	27,131	-3.3%	-1.1%
Washington MSA	24,797	17,507	17,500	-29.4%	0.0%
United States	1,149,072	1,038,538	998,912	-13.1%	-3.8%

Bureau of Labor Statistic. Accessed January 2026. The latest data available via JobsEQ refers to Q1 2025.

* Figures are non-seasonally adjusted

Advanced Satellite and Advanced Communications – Breakdown of Employment by Tracked NAICS Codes, Q1 2025

NAICS	INDUSTRY	EMPLOYMENT
5171	Wired and Wireless Telecommunications (except Satellite)	2,587
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	1,284
3346	Manufacturing and Reproducing Magnetic and Optical Media	776
5174	Satellite Telecommunications	30

Based on "Satellite and Advanced Communications" NAICS occupations as tracked by MCEDC.



Real Estate & Development

This section details Q3 2025 trends in the real estate sector for office, retail and Flex—from the CoStar database.

Vacancy Rates and Rent

Real Estate Indicators

		Q3 2024	Q3 2025	CHANGE SINCE Q3 2024
Office	Gross Rent per sq. ft.	\$31.89	\$32.19	0.9%
	Vacancy	18.2%	19.0%	0.8%
Retail	Gross Rent per sq. ft.	\$33.56	\$33.73	0.5%
	Vacancy	5.7%	4.7%	-1.0%
Flex	Gross Rent per sq. ft.	\$24.61	\$22.34	-9.2%
	Vacancy	9.1%	10.7%	1.6%

CoStar data compiled by MCEDC.

At 19.0%, office vacancy rates in Q3 were 0.9 percentage points above last year (18.2%).

Retail vacancies in Q3 were 1.0 percentage point lower than they were the previous year. Retail rents were \$33.73 in the third quarter, for a YOY percentage point increase of 0.5%.

Office Vacancies: Montgomery County's office vacancy rate was lower than in Arlington or Fairfax counties in Q2 2025. However, since Q2 2019, office vacancies have increased more in Montgomery County than most other major jurisdictions.

Office Real Estate Vacancy Rate Trends Comparison

OFFICE REAL ESTATE	Q3 2019	Q3 2024	Q3 2025	CHANGE SINCE Q3 2019	CHANGE SINCE Q3 2024
Montgomery County	11.8%	18.2%	19.0%	7.2%	0.8%
Prince George's County	12.3%	12.3%	13.8%	0.0%	1.5%
District of Columbia	11.2%	17.8%	17.8%	6.2%	0.0%
Arlington County	16.4%	22.7%	23.6%	7.2%	0.9%
Alexandria City	15.4%	20.5%	20.3%	4.9%	-0.2%
Fairfax County	14.8%	19.3%	19.6%	4.8%	0.3%
State of Maryland	10.6%	13.1%	13.6%	3.0%	0.5%
Washington MSA	12.5%	17.2%	17.5%	5.0%	0.3%

CoStar data compiled by MCEDC.

Housing Indicators

Home Sales

Year-over-year home sales trends have not changed much throughout 2025. Average and median sold prices for all units continued to climb compared to the previous year's third quarter, but average prices for detached units saw a slight decrease. The third quarter of 2025 continues the trend from the previous two quarters of more than a 60% year-over-year increase in active listings. However, the 1.7% increase in the number of units sold remains modest in comparison. Overall, the residential for-sale market is characterized by modest price growth (except for attached homes) accompanied by modest increases in sales volumes even as active listings continue to increase.

Home Sales Indicators

HOME TYPE	METRIC	Q3 2024	Q3 2025	% CHANGE
All Homes	Average Sold Price	\$ 759,511	\$ 765,262	0.78%
	Median Sold Price	\$ 622,000	\$ 625,000	0.45%
	Average Sold Price to Original Listing Price Ratio	100.6%	97.9%	-2.67%
	Units Sold	2,554	2,598	1.7%
	Active Listings	1,200	1,923	60.3%
Attached Homes (Condos, Duplexes, Townhomes)	Attached Average Sold Price	\$ 476,660	\$ 474,611	-0.4%
	Attached Units Sold	1,200	1,206	0.5%
Detached Homes	Detached Average Sold Price	\$ 1,011,219	\$ 1,017,392	0.6%
	Detached Units Sold	1,352	1,392	3.0%

BrightMLS

Multi-Family Update

		Q3 2024	Q3 2025	CHANGE SINCE Q3 2024
Multi-Family Rentals	Effective Gross Rent per Unit	\$2,098	\$2,103	0.2%
	Vacancy	6.7%	7.3%	0.6%

CoStar data compiled by MCEDC.

Multi-family rent rose by 0.2% YOY, with the vacancy rate at 7.3%, 0.6% above Q2 2025.

Residential Building Permits

This issue includes building permit data through the end of the end of 2025.^[1]

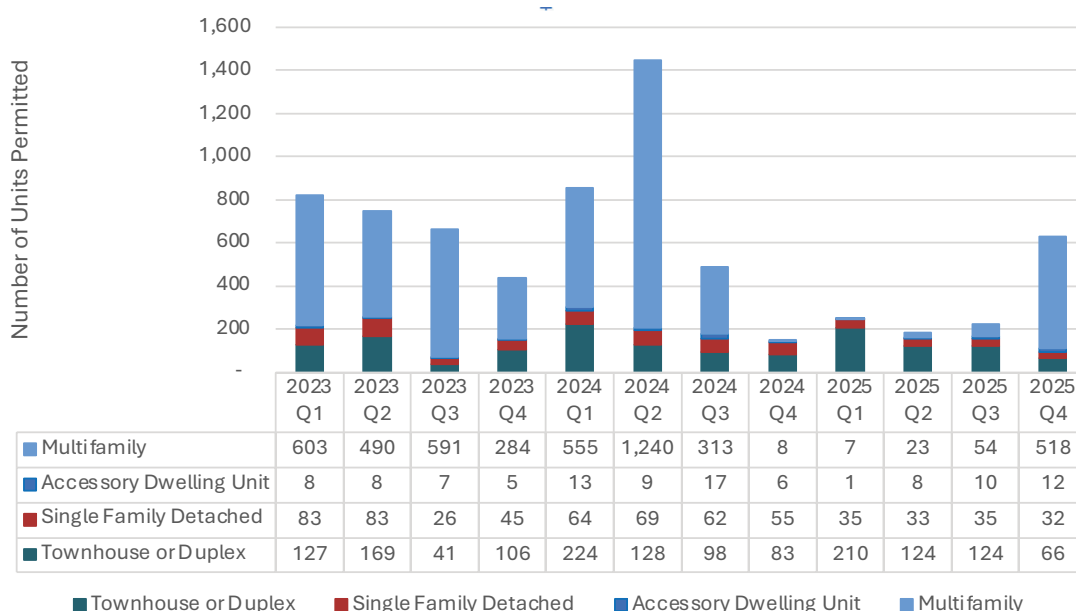
The fourth quarter of 2025 saw an increase in the number of permits for units in multifamily buildings with the addition of 518 units. The bulk of these were in two buildings: [North Bethesda Market II](#) with 268 units, almost all of which will be affordable and the conversion of the former Hotel Silver Spring at 8727 Colesville Road into a residential building with 227 units, of which half will be affordable to residents earning up to 60% of area median income.

While these projects will provide significant and much-needed additions to the county's affordable housing supply, they do not indicate a strengthening multi-family market. This is because both projects offer high levels of affordability by accessing unconventional sources of capital not available to traditional market-rate projects. According to the Montgomery County Department of Housing and Community Affairs (DHCA) [Affordable Housing Pipeline Report – FY26 First Quarter Update](#), both projects use the county's [affordable housing payment in lieu of property taxes \(PILOT\) program](#). Additionally, NOBE II uses the county's [Housing Initiative Fund](#), and 8727 Colesville is accessing social impact capital according to [a statement](#) by the developer.

The remaining units were 10 two-over-two units in an ongoing project and the build out of 13 housing units in underutilized space of an existing complex.

The number of Townhouse units (66) was much lower compared to previous quarters in 2025, while the number of accessory dwelling units and single family detached units stayed roughly the same.

Residential Building Permits by Type, January 1, 2022 to December 31, 2025



Source: Montgomery County Department of Permitting Services, tabulated by Montgomery Planning 1/12/26; data subject to revision

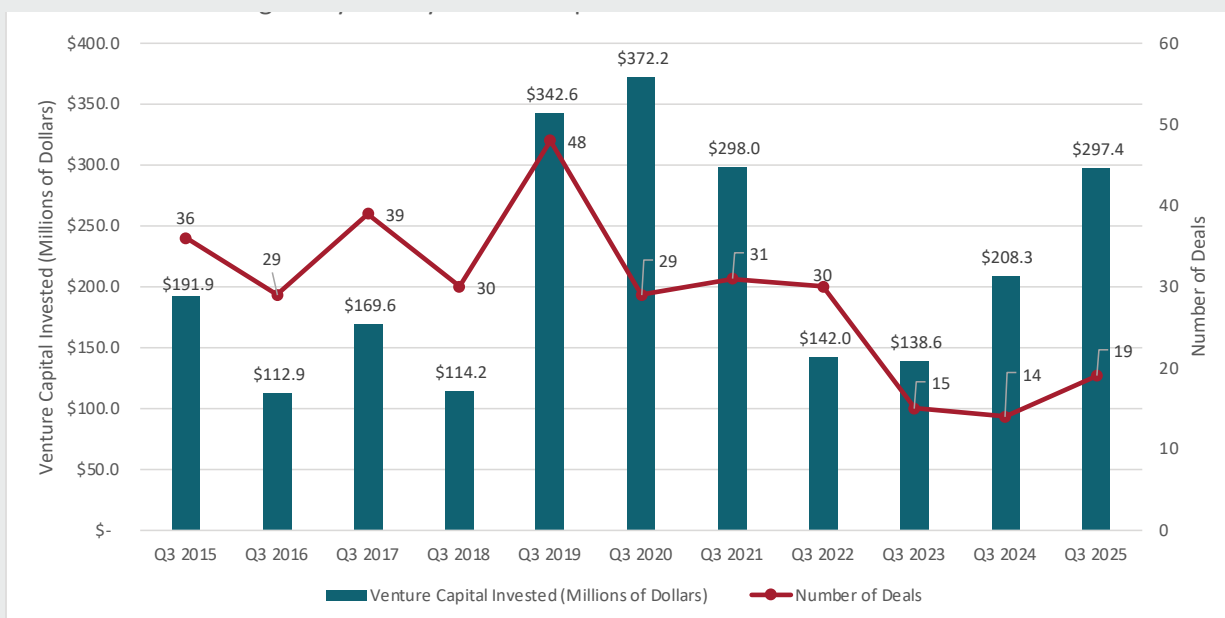
[1] Due to an ongoing quality control process, some of the permit totals for some building types prior to 2024 do not match the totals shown in previous issues of the Quarterly Indicators. However, multifamily permit totals have not been revised from issue to issue. As noted in the previous two issues (first and second quarters of 2025), all multifamily permits from Q4 2024 to the end of August 2025 had been some combination of for-sale and two-over-two (vertically stacked townhomes) housing, which are permitted as multifamily even though they are not traditional for-rent apartment buildings

Venture Capital

Investment

This reports second quarter venture capital trends from 2015-2025. Q3 2025 venture capital investment was \$297.4 million over 19 deals reflecting the impact of interest rates decreasing the overall number of deals, but a strong rebound from last year.

Montgomery County Venture Capital Invested and Deals: Q3 2025



The largest deal in Q3 2025 were Forterra (\$238 million) which is a robotics and defense company, and OncoC4 (\$50 million) a drug discovery company.

Largest Venture Capital Deals in MoCo in Q3 2025

COMPANY	DEAL DATE	DEAL SIZE (MILLIONS)	INDUSTRY
Forterra	8/21/2025	\$238.00	Robotics/Defense
OncoC4	9/30/2025	\$50.00	Drug Discovery
VerImmune	7/9/2025	\$4.50	Drug Discovery
Saffron Tech	8/14/2025	\$2.10	AgTech
SurgiQuality	9/4/2025	\$1.24	Health Tech

PitchBook, 2025

Montgomery Planning's Office Building Vacancy Dashboard

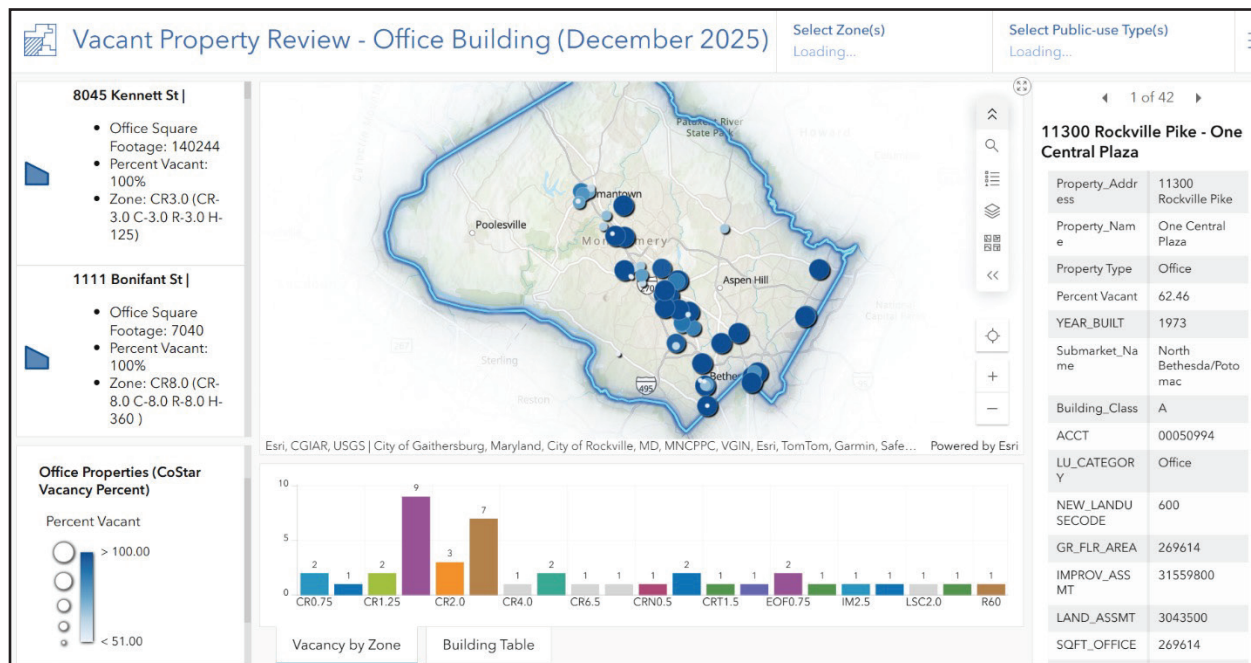
The Montgomery Planning, Research and Strategic Projects Division first developed this [dashboard of highly vacant office buildings](#) in March 2025 and updated it in December 2025. The purpose of the map is to help planners, policymakers, and the public visualize the distribution of highly vacant space in buildings larger than 3,000 square feet across the county. The map was created with data from Costar and with the Maryland State Department of Assessment and Taxation (SDAT). It was updated in December 2025. At the time the data was obtained, 64 properties had vacancy rates greater than 50 percent.

For orientation in using the web map application, the left sidebar lists the office properties which can be selected by clicking on them. Upon selection, an icon will show up at the location of the property in the center map. Alternately, clicking on a point in the map will bring up a property's attribution table in the right sidebar. At a closer-in map scale, the point will be replaced by the shape of the parcel it represents. The bottom is a bar graph describing the zone and frequency of properties based on how far in or out the map is zoomed.

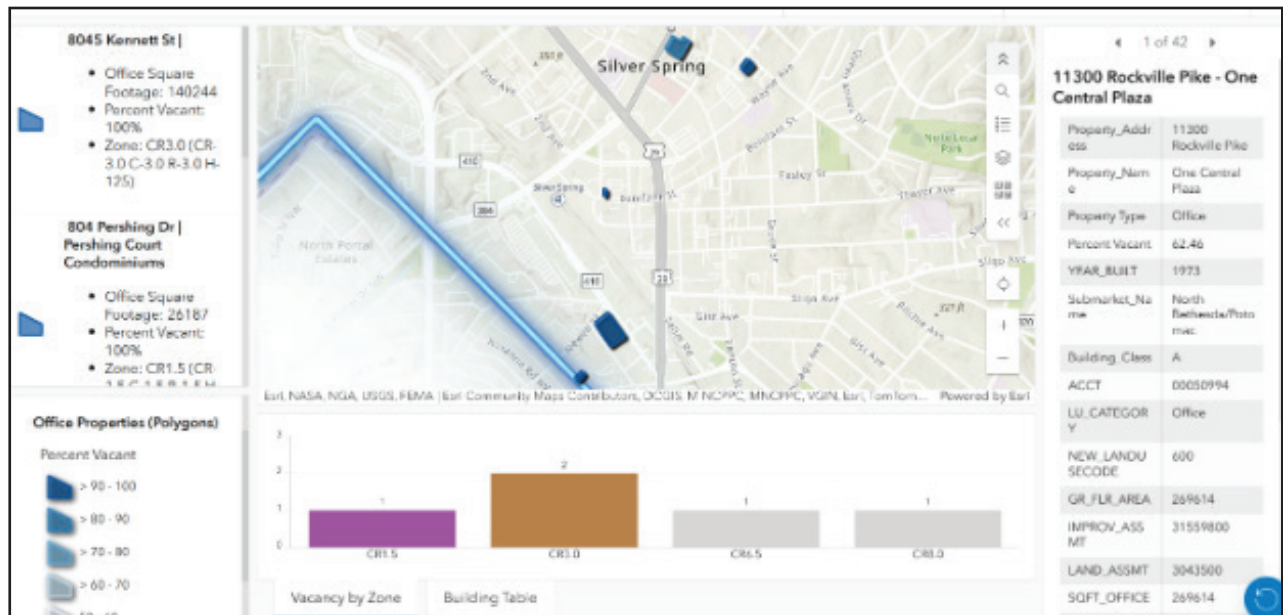
The tool works best as a guide for further analysis and research. Reasons for an individual office buildings' vacancy rates at any point in time can vary. For example, a new building may have high vacancy because lease-up can take time after construction, while high vacancy in an older building may be due to obsolescence. Still, some inferences can be made from geographical patterns: most notably, vacancy has not spared any of the county's main office clusters. High vacancy rates are concentrated not only in downtown Silver Spring and Bethesda, but also in areas such as Rock Spring, North Bethesda, downtown Rockville, and Germantown.

Link to map:

[Office Building Vacancy Dashboard and Map](#)



Screenshots from the Office Vacancy Dashboard and Map



Screenshots from the Office Vacancy Dashboard and Map

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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