

Quarterly Economic Indicators Briefing

May 2026

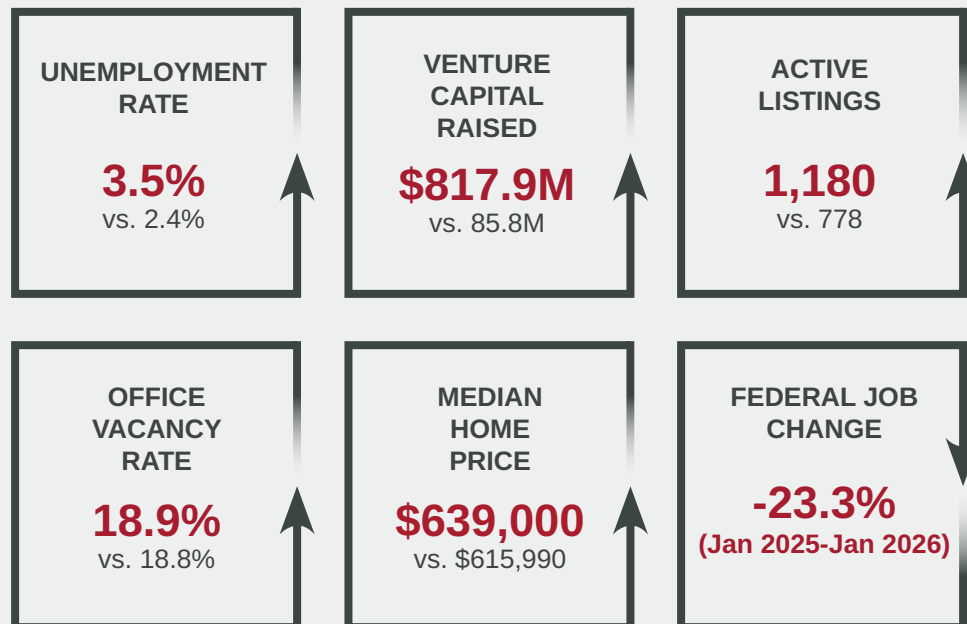


Table of Contents

Quarter-to-Quarter Summary	2	<p>This is the 26th 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 primarily explores trends observed in Q4 2025, but more recent data is included when available.</p>
Resident Labor Force	3	
Real Estate & Development	9	
Venture Capital	12	
SPECIAL SECTION: Employment by County Council District	13	

Quarter-to-Quarter Summary

Montgomery County, Q4 2025 vs. Q4 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 3.5% in December, 0.9 percentage points below the U.S. national rate of 4.4%.
- The county’s unemployment rate was 1.1 percentage points above December of last year, and 1.3 percentage points above December 2019.
- The total unemployment in the county went from 13,432 in December 2024 to 19,219 in December 2025. That is an increase of 43.1%.

Even as the number of unemployed Montgomery County residents rose substantially from December 2024 to December 2025, the unemployment rate increased by just over one percent and remains relatively low. The difference in the magnitude of change between the unemployment rate and the number of unemployed residents could be due to multiple factors.

One is that in the years following the pandemic, the unemployment rate was unsustainably low, spending the entire span from January, 2022 to April, 2025 at or below 3.1% and dropping to 1.3% in April, 2023. The labor market was so tight that even as the large Federal layoffs of 2025 were occurring, there was still room to loosen.

Also, people who lost jobs may have retired or left the area for new jobs or in search of work. The more than 11,300-person drop in the labor force over the year is evidence of this trend.

Montgomery County Labor Force

	DECEMBER 2024	DECEMBER 2025	CHANGE FROM DECEMBER 2019	CHANGE SINCE DECEMBER 2024
Labor Force	564,723	553,416	-7.6%	-2.0%
Employed Residents	551,291	534,197	-8.8%	-3.1%
Unemployed Residents	13,432	19,219	45.4%	43.1%
Unemployment Rate	2.4%	3.5%	1.3%	1.1%
State of Maryland	2.7%	3.7%	0.8%	1.0%
Washington MSA	2.7%	3.8%	1.3%	1.1%
United States	4.1%	4.4%	0.8%	0.3%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (March 2026).

Note: Figures are non-seasonally adjusted.

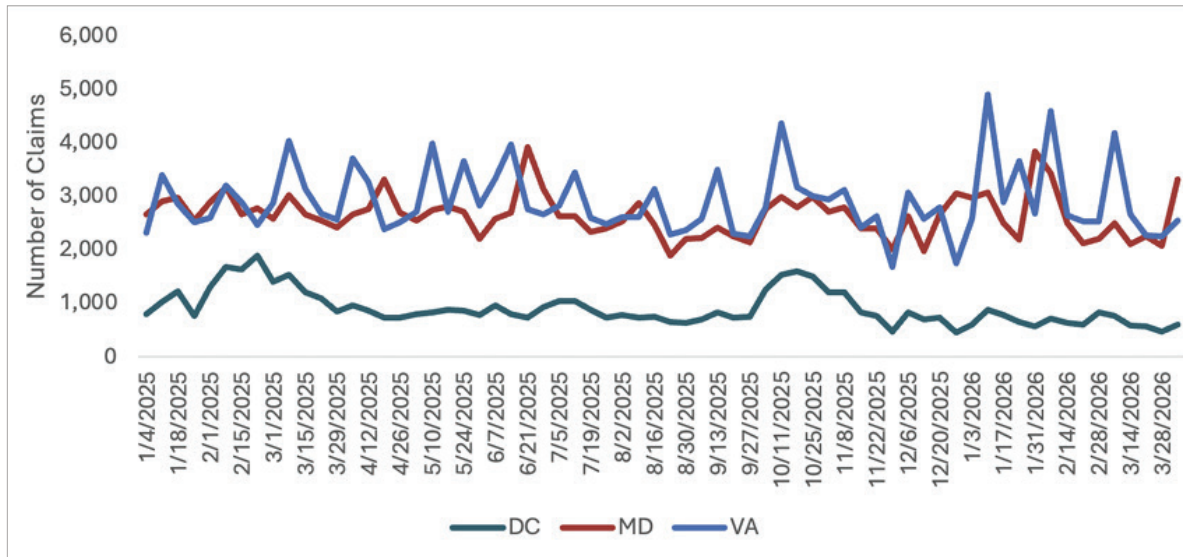
Unemployment Claims

Through the first 14 weeks of 2026, initial unemployment claims were down significantly in Washington, DC but remained near their 2025 levels in Maryland and Virginia. This period includes the first round of Federal government layoffs in 2025 that disproportionately affected workers whose jobs were in Washington, DC.

Continuing claims for the period are also down by over 1,000 per week for Washington, DC relative to 2025, while for Maryland they are up by over 1,000 and in Virginia they are up by over 3,000 per week. People in specific fields like international development were [hit especially hard](#) by government layoffs, and Washington, DC’s resident unemployment rate in December, 2025 was the highest in the nation at 6.7%.

While the county’s employment outlook is concerning, the regional economy has to some extent been able to absorb the drastic Federal cuts in 2025. Initial and continuing unemployment claims in Washington, DC, are on average lower through the first weeks of 2026 than they were through 2025, and the unemployment rates of the Washington, DC metro area, the State of Maryland, and Montgomery County—despite rising at a faster rate—still remain below that of the nation (see Resident Labor Force section).

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

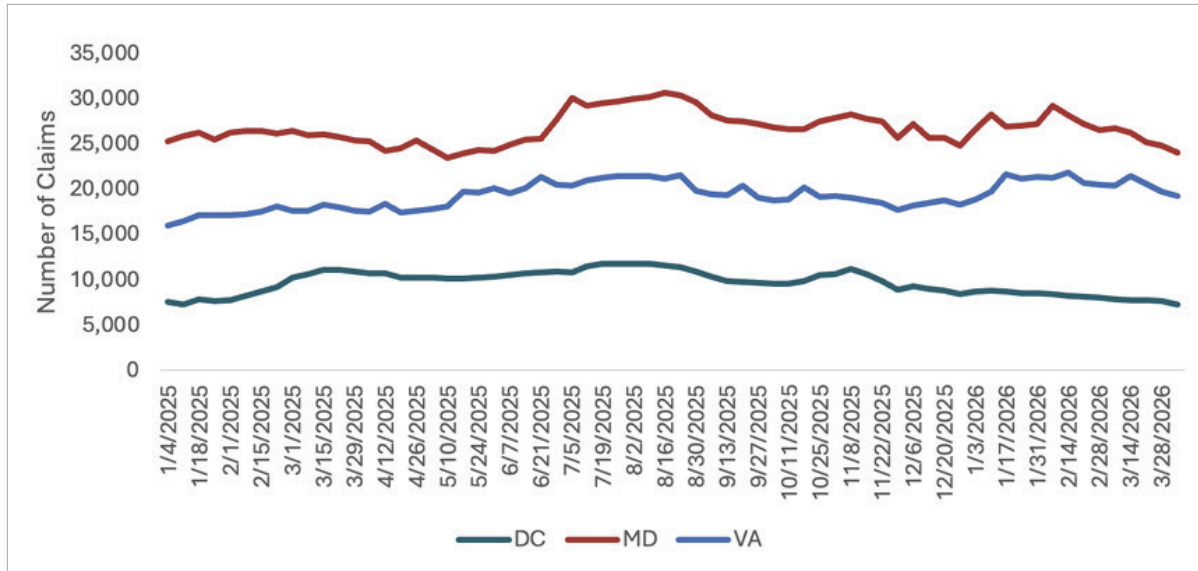


Average Weekly Initial Claims through first 14 weeks of year, 2025 versus 2026 by Region

STATE	2025	2026	CHANGE	% CHANGE
Washington, DC	1,242	660	-582	-47%
Maryland	2,753	2,652	-101	-4%
Virginia	2,951	3,070	119	4%

Source: United States Department of Labor; Job losses recorded at place of employment

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



Average Weekly Continued Claims through first 14 weeks of year, 2025 versus 2026

STATE	2025	2026	CHANGE	% CHANGE
Washington, DC	9,224	8,162	-1,062	-12%
Maryland	25,744	26,791	1,047	4%
Virginia	17,434	20,644	3,211	18%

Source: United States Department of Labor; Job losses recorded at place of employment

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 62,100 jobs the Washington, DC MSA lost from January to January (January estimates are preliminary), the Washington, DC-MD division accounted for the most (32,400). The Frederick-Gaithersburg-Bethesda division, which contains Frederick and Montgomery Counties, lost 12,700 jobs, the fewest of the three divisions. However, this division’s 23.3% 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 2025 to January 2026 in Washington DC Region and Metropolitan Divisions

METROPOLITAN DIVISION	FEDERAL EMPLOYMENT JANUARY 2025	FEDERAL EMPLOYMENT JANUARY 2026	CHANGE FROM JANUARY 2025	CHANGE SINCE JANUARY 2025
Washington, DC-MD	226,400	194,000	-32,400	-14.3%
Arlington-Alexandria-Reston VA	95,000	78,000	-17,000	-17.9%
Frederick-Gaithersburg-Bethesda MD	54,400	41,700	-12,700	-23.3%
Total (Washington DC MSA)	375,800	313,700	-62,100	-16.5%

Employment by Major Industry

Jobs by Industry in Montgomery & Frederick Counties

EMPLOYMENT IN SELECT INDUSTRIES	DECEMBER 2024	DECEMBER 2025	CHANGE FROM DECEMBER 2019	CHANGE SINCE DECEMBER 2024
Total Employees	613,300	602,900	-1.0%	-1.7%
Professional/Scientific/Tech Services	89,400	85,300	0.6%	-4.6%
Systems Design & Services	25,700	24,300	-2.4%	-5.4%
Scientific R&D	20,300	19,400	4.9%	-4.4%
Education and Health Services	105,100	108,000	10.0%	2.8%
Health Care & Social Assistance	89,000	91,600	11.4%	2.9%
Retail	59,200	57,700	-2.7%	-2.5%
Manufacturing	20,600	20,500	9.6%	-0.5%
Trade, Transportation and Utilities	79,600	77,500	-3.6%	-2.6%
Information	13,200	12,700	6.7%	-3.8%
Financial Activities	37,000	36,400	-6.2%	-1.6%
Other Services	26,800	26,400	-4.0%	-1.5%
Government	118,200	110,200	0.0%	-6.8%
Mining, Logging and Construction	31,800	31,600	-9.7%	-0.6%
Leisure & Hospitality	49,300	52,300	-6.4%	6.1%
Accommodation & Food Services	40,300	42,700	-9.5%	6.0%

Bureau of Labor Statistic. Accessed March 2026

Note: Figures are non-seasonally adjusted.

Life Sciences Industry Snapshot Subsector

The Life Sciences sector is a tracked sector by MCEDC, and an important component of Montgomery County's economy. The number employed was 2.1 below Q3 2024, while decreased 0.6% in Maryland. Employment growth in the Life Sciences subsector in Q3 2025 in Montgomery County was outpaced by employment growth in the sector in the United States over the last year (0.4%, compared to -2.1% in Montgomery County).

	Q3 2019	Q3 2024	Q3 2025	CHANGE SINCE Q3 2019	CHANGE SINCE Q3 2024
Montgomery County	19,387	23,031	22,542	16.3%	-2.1%
State of Maryland	55,260	64,413	64,027	15.9%	-0.6%
Washington MSA	50,794	60,404	60,556	19.2%	0.3%
United States	1,738,481	2,096,163	2,103,730	21.0%	0.4%

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

* Figures are non-seasonally adjusted

Life Sciences – Breakdown of Employment by Top 4 Tracked NAICS Codes, Q3 2025

NAICS	INDUSTRY	EMPLOYMENT
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	7,518
541714	Research and Development in Biotechnology (except Nanobiotechnology)	6,326
325413	In-Vitro Diagnostic Substance Manufacturing	2,858
325414	Biological Product (except Diagnostic) Manufacturing	1,727

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



Real Estate & Development

This section details Q4 2025 trends in the real estate sector for office, retail and flex—from the CoStar database.

Vacancy Rates and Rent

Real Estate Indicators

		Q4 2024	Q4 2025	CHANGE SINCE Q4 2024
Office	Gross Rent per sq. ft.	\$31.87	\$32.41	1.7%
	Vacancy	18.8%	18.9%	0.1%
Retail	Gross Rent per sq. ft.	\$32.70	\$32.40	-0.9%
	Vacancy	5.8%	4.6%	-0.8%
Flex	Gross Rent per sq. ft.	\$23.42	\$21.99	-6.1%
	Vacancy	9.4%	10.4%	1.0%

CoStar data compiled by MCEDC.

At 18.8%, office vacancy rates in Q4 were 0.1 percentage points above last year (18.9%).

Retail vacancies in Q4 were 0.9 percentage point lower than they were the previous year. Retail rents were \$32.40 in the fourth quarter, for a YOY percentage point decrease of 0.8%.

Office Vacancies: Montgomery County's office vacancy rate was lower than in Arlington or Fairfax counties in Q4 2025. However, since Q4 2019, office vacancies have increased more in Montgomery County than most other major jurisdictions.

Office Real Estate Vacancy Rate Trends Comparison

OFFICE REAL ESTATE	Q4 2019	Q4 2024	Q4 2025	CHANGE SINCE Q4 2019	CHANGE SINCE Q4 2024
Montgomery County	11.8%	18.8%	18.9%	7.1%	0.1%
Prince George's County	12.3%	13.6%	14.5%	2.2%	0.9%
District of Columbia	11.4%	17.5%	18.6%	7.4%	1.1%
Arlington County	15.4%	23.3%	23.7%	8.3%	0.4%
Alexandria City	15.2%	17.2%	20.2%	2.0%	5.0%
Fairfax County	14.8%	18.9%	19.5%	4.7%	0.6%
State of Maryland	10.7%	13.4%	13.7%	3.0%	0.3%
Washington MSA	12.6%	17.1%	17.7%	5.1%	0.6%

CoStar data compiled by MCEDC.

Housing Indicators

Home Sales

The residential real estate market closed out 2025 without deviating significantly from year-long trends. Year-over-year sold prices increased at rates slightly faster than Q3 increases, but also only slightly faster than inflation. The sold-to-list price ratio declined slightly from Q4 2024. However, despite another significant increase in active listings, from 778 in Q4 2024 to 1,180 in Q4 2025, the number of detached units sold barely budged and the number of attached units sold declined from the previous year. The for-sale housing market continues to be stuck with limited activity, ceding little ground to buyers.

This contrasts with the weaker for-rent (multifamily) market where rent decreased in nominal terms from Q4 2024 to Q4 2025, highlighting segmentation between the two markets.

Home Sales Indicators

HOME TYPE	METRIC	Q4 2024	Q4 2025	% CHANGE
All Homes	Average Sold Price	\$741,641	\$775,341	4.5%
	Median Sold Price	\$610,000	\$630,000	3.3%
	Average Sold Price to Original Listing Price Ratio	99.6%	97.5%	-2.1%
	Units Sold	2,377	2,390	0.5%
	Active Listings	778	1,180	51.7%
Attached Homes (Condos, Duplexes, Townhomes)	Attached Average Sold Price	\$ 491,947	\$ 506,904	+3.0%
	Attached Units Sold	1,186	1,145	-3.5%
Detached Homes	Detached Average Sold Price	\$991,124	\$1,021,788	3.1%
	Detached Units Sold	1,191	1,245	4.5%

BrightMLS

Multi-Family Update

	Q4 2024	Q4 2025	CHANGE SINCE Q4 2024	
Multi-Family Rentals	Effective Gross Rent per Unit	\$2,086	\$2,082	-0.2%
	Vacancy	7.2%	7.3%	0.1%

CoStar data compiled by MCEDC.

Multi-family rent decreased by 0.2% YOY, with the vacancy rate at 7.3%, 0.1% above Q4 2025.

Residential Building Permits

This issue includes building permit data through the end of the March 31, 2026.

The fourth quarter of 2025 had the most multifamily building permits (518) issued since the second quarter of 2024. The 1,055 multifamily units permitted in Q1 are distributed as follows:

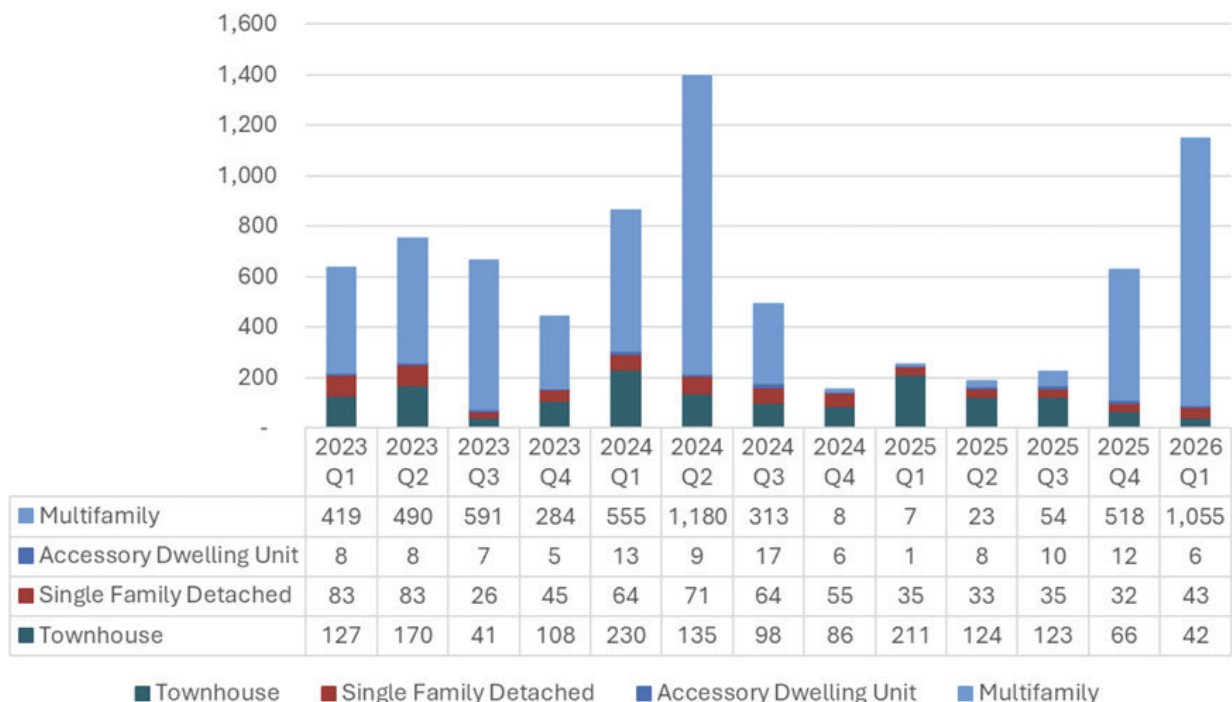
The largest project, [The Sage](#) is a Housing Opportunities Commission project with 413 units, 123 of which are income-restricted. It received a \$35 million construction loan from the Housing Production Fund and \$5 million in Montgomery County Green Bank financing. The Sage will also include a public library.

[Seabury at Springvale Terrace](#) will redevelop an existing affordable senior housing facility and expand it to 236 units, all of which will be income-restricted at various levels, up to a maximum of 80% Area Median Income. The project received a \$32.4 million Housing Initiative Fund loan. This project amounts to a net increase of 90 units since the existing facility had 146 units.

However, Q1 2026 did see—according to available financing information—the first conventionally financed market-rate project permitted since Q2 2024, Democracy Center in the Rockledge area.

The remaining 20 multifamily units are two-over-two condos and small miscellaneous projects.

Townhouse permitting has trended downward for four consecutive quarters. In Q1 2026, townhouses were permitted at 20% of their levels a year prior (Q1 2025).



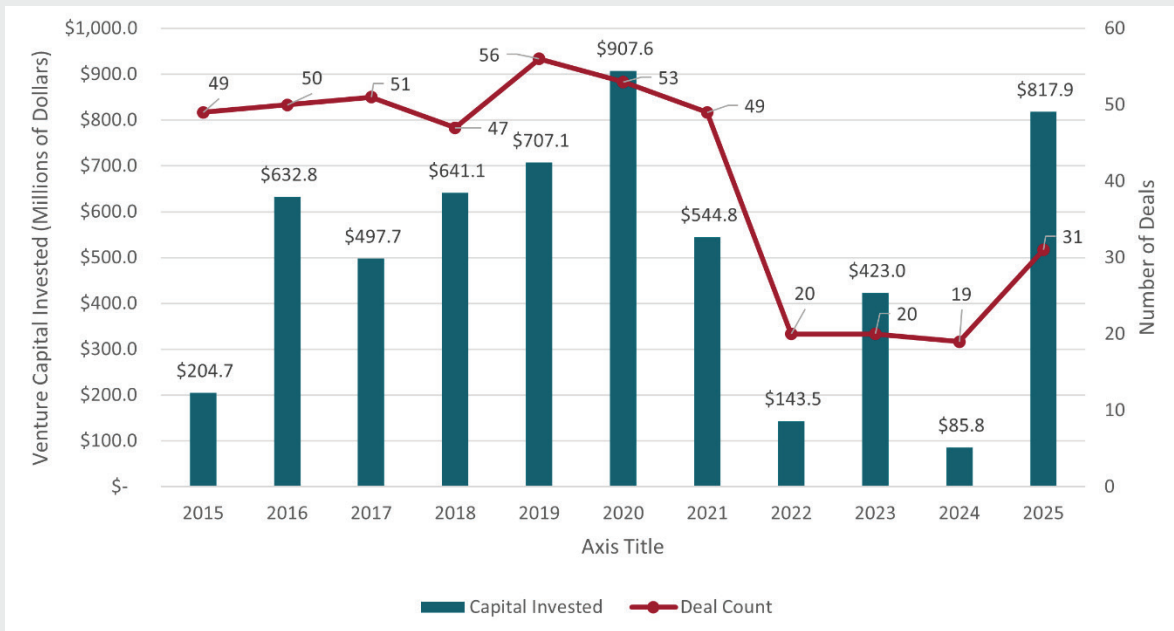
Source: Montgomery County Department of Permitting Services, tabulated by Montgomery Planning 4/17/26; data subject to revision

Venture Capital

Investment

This reports fourth quarter venture capital trends from 2015-2025. Q4 2025 venture capital investment was \$817.86 million over 31 deals reflecting a strong rebound from last year.

Montgomery County Venture Capital Invested and Deals: Q4 2025



The largest deal in Q4 2025 were X-Energy (\$700 million) and SciNeuro Pharmaceuticals (\$53 million) which is a drug discovery company.

LARGEST VENTURE CAPITAL DEALS IN MOCO IN Q4 2025

COMPANY	DEAL DATE	DEAL SIZE (MILLIONS)	INDUSTRY
X-energy	21-Nov-2025	\$700.00	Alternative Energy Equipment
SciNeuro Pharmaceuticals	04-Dec-2025	\$53.00	Drug Discovery
AccufyDx	02-Oct-2025	\$20.00	Biotechnology
Aradigm	09-Dec-2025	\$20.00	Biotechnology
CellPhire Therapeutics	11-Dec-2025	\$5.00	Drug Discovery

PitchBook, 2025

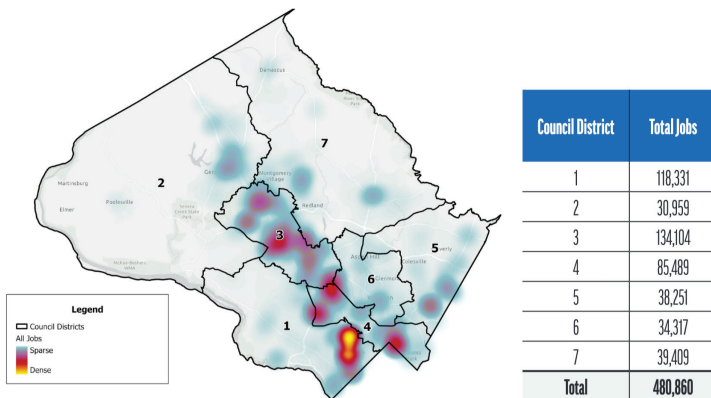
Special Section: Employment by County Council District

Montgomery Planning created a quick reference document showing the number and geographic distribution of jobs across County Council Districts in various industrial sectors using data from the Maryland Department of Labor, Quarterly Census of Employment and Wages from Q2 2024 (the most recent available in a geocoded format).

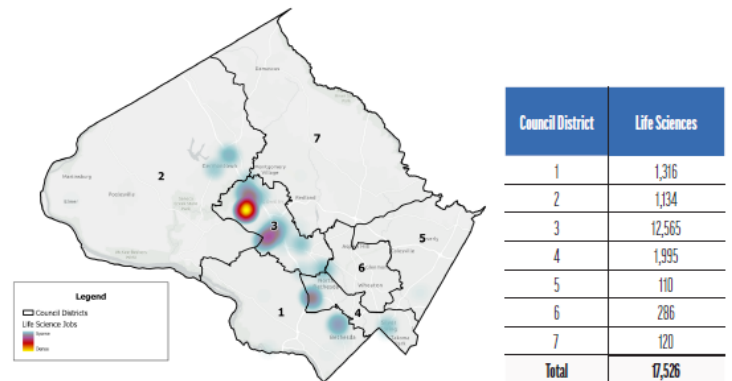
Council District 3 has the most jobs at about 134,000, followed by Districts 1 and 4. The other districts are more residential and have between 30,000 and 40,000 jobs each. Employment in industries such as retail are spread evenly across the county's commercial centers, but jobs in industries like life sciences and advanced manufacturing are more concentrated in a few job centers.

The maps show job densities in the form of heat maps because the underlying employment data are subject to confidentiality agreements, preventing exact locations from being shown. Although these employment numbers have changed from the 2024 values, these maps and tables are still generally representative of countywide employment distribution. Montgomery Planning continues to maintain and update employment information as it becomes available.

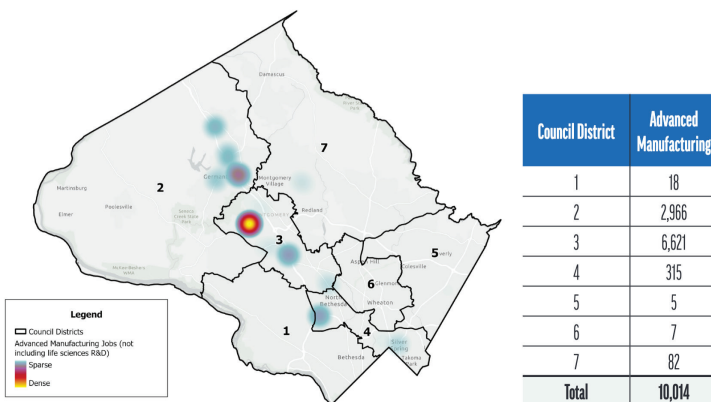
Map 1: Total Job Distribution, All Jobs - Public and Private Sectors



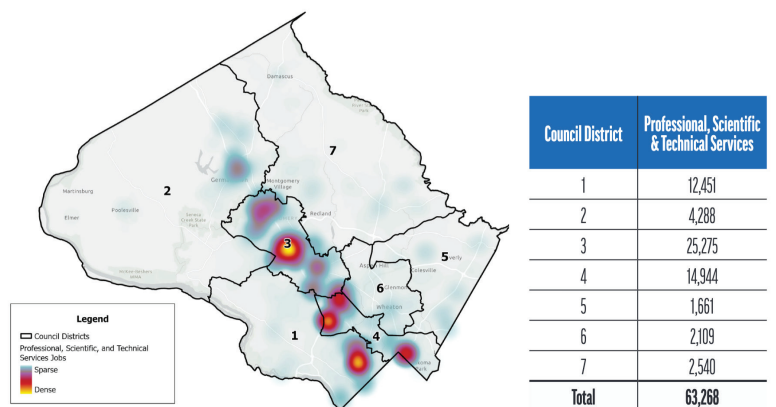
Map 2: Life Sciences Job Distribution



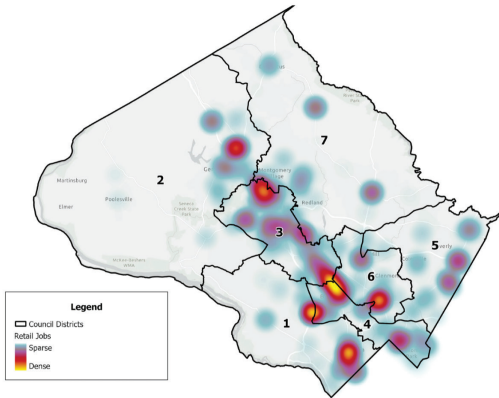
Map 3: Advanced Manufacturing Job Distribution



Map 4: Professional, Scientific & Technical Services Job Distribution

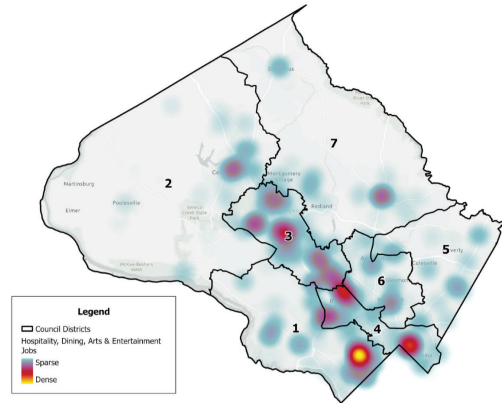


Map 5: Retail Job Distribution



Council District	Retail
1	1,352
2	7,066
3	25,807
4	2,625
5	120
6	300
7	284
Total	37,554

Map 6: Hospitality, Dining, Arts, & Entertainment Job Distribution



Council District	Hospitality, Dining, Arts, & Entertainment Jobs
1	1,334
2	4,100
3	19,186
4	2,310
5	115
6	293
7	202
Total	27,540

Data & Sources

Map 1, All Jobs: QCEW Microdata from MDOL, 2024 Quarter 2, private sector, USPS, and some local government; Federal jobs from Montgomery Planning Federal Employment Survey, January 2025; County and M-NCPPC employment from organization provided in 2021

Map 2, Life Sciences: QCEW Microdata from MDOL, 2024 Quarter 2, private sector only; NAICS codes 541713, 541714, 541715, & 3254

Map 3, Advanced Manufacturing: QCEW Microdata from MDOL, 2024 Quarter 2, private sector only; NAICS codes 3254 & 334

Map 4, Professional, Scientific & Technical Services: QCEW Microdata from MDOL, 2024 Quarter 2, private sector only; NAICS code 54

Map 5, Retail: QCEW Microdata from MDOL, 2024 Quarter 2, private sector only; NAICS codes 44 & 45

Map 6, Hospitality, Dining, Arts & Entertainment: QCEW Microdata from MDOL, 2024 Quarter 2, private sector only; NAICS codes 71 & 72

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.

Questions? Email Westley Sturhan (westley@thinkmoco.com)
or Ben Kraft, PhD (benjamin.kraft@montgomeryplanning.org)

