EXECUTIVE SUMMARY

Frederick County Maryland is in a transition, much like the rest of the State of Maryland and the Country. This analysis highlights the opportunity to look back 25 years, coinciding with the 1990 Census, and more locally the initiation of the County’s Adequate Public Facilities Ordinance (APFO), and its effects over time. Moving forward through the implementation of the APFO, market and economical shifts, as documented in the 2000 and 2010 Census; and looking forward over the next 25 years with the projected demographic remix provides insight into the future of Frederick County. Key data will be presented in a semi-annual update to the FCBIA General Membership.

Key Long-Term Takeaways

- The next 25 years will be nothing like the last 25 years.
- The divergence of Demographics, Economics and Politics will create issues and opportunities that the Community will have to undertake that have never been experienced before in our lifetimes.
- The rate of change, choice, and ‘change of choice’ by future generations are reshaping our Communities, and driving our economies.
- The County cannot move forward on the policies and programs of the 1990’s and 2000’s in such a dynamic marketplace with the demographic changes taking place.

Key Six-Month Trends (January 2014 – June 2014)

- Countywide 770 New Residential Building Permit Issued for Construction, 463 for Occupancy. Represents an 8% increase over the same time period last year (January-June 2013).
- 60% of the 770 Units issued within the City of Frederick. A 10% increase over the same time period last year (January-June 2013).
- $5,288,470 collected in School Impact Fees, $393,129 in Library Impact Fees.
- June Labor Force: 128,262 Employment: 121,275
A LOOK BACK

- Single Family Detached experienced a 30 Year low for the 6th year in a row. Less than 500 SFD/Year
- 10 Year Dwelling Unit High: 1985 – 1994  2,130 DU/Year Avg.
- 20 Year Dwelling Unit High: 1986 – 2005  2,075 DU/Year Avg.

WELL PLANNED

- Nearly 14,000 of the 16,500 parcels developed within the PFA, excluding comment areas which are PFA Eligible.
- Ranked 7th in Average Smallest Acres per parcel and 8th in % Acres Developed in PFA Statewide.
**FUTURE NEEDS**

- 37,775 Dwelling Units over 25 years equates to 1,511 Dwellings Per Year
- The above assumes no Market Factor or Under-Build rate. Zoned densities are often not attained by builders due to various factors, therefore requiring additional approved land and dwellings to accommodate future needs. The Maryland Department of Planning has historically used a 75% maximum capacity. Likewise, 20% is often used for land consumption and conversion. As an example, a conservative 10% market factor, would project the 25 year need up to 41,555 DU’s, or 1,662/Year.
- As residential demand is largely dependent on future employment growth and market factors, the year-over-year absorption of dwelling unit by type will vary.

**CURRENT PIPELINE**

- **Today**
  - 89,392 Households
  - 94,085 Dwelling Units
  - equates to a 4.9% vacancy Rate

- **2040**
  - MDP Projects 126,100 Households (+36,325)
  - using a conservative 4% Vacancy Rate
  - 37,775 Dwelling Units Needed

- 37,775 Dwelling Units over 25 years equates to 1,511 Dwellings Per Year
- The above assumes no Market Factor or Under-Build rate. Zoned densities are often not attained by builders due to various factors, therefore requiring additional approved land and dwellings to accommodate future needs. The Maryland Department of Planning has historically used a 75% maximum capacity. Likewise, 20% is often used for land consumption and conversion. As an example, a conservative 10% market factor, would project the 25 year need up to 41,555 DU’s, or 1,662/Year.
- As residential demand is largely dependent on future employment growth and market factors, the year-over-year absorption of dwelling unit by type will vary.

**CURRENT PIPELINE**

- **4,796**
  - Future Planned
  - Pending Approval
  - Needs Zoning/APFO

- **17,742**
  - APFO Approved
  - Significant Infrastructure Improvements limits development staging and recordation

- **4,286**
  - Recorded Lots/DU
  - 40% Are Legacy Lots Minor Subdivisions, and may never be developed

- **22,028 are APFO Pipeline Approved**, yet many can not come to market due to phasing and development infrastructure limitations such as new interchanges or other planned phasing limitations.
- Approximately 40% or 8,700 units are within municipalities (primarily Brunswick and Frederick).
- 20% -30% of the “Recorded Lots” may never be built upon, and are legacy lots in the available lots listing.
- Future Pipeline Housing Mix: 50% SingleFamily Detached  30% Townhomes  20% Multi-Family
- 25% of the current housing stock is over 50 years old….by 2040, 40% will be over 50 years, and include everything built prior to 1990…and over 11,000 units will be 100 years old.
• At 1,500 DU/Year we have @ 15 years of APFO Pipeline Approved Lots

• 1,662 Dwelling Units Per Year for the next 25 years is needed to accommodate projected population growth and changing demographics in Frederick County, with market factor adjustments.

• If included all of the Comprehensive Planned Land in the County and Municipalities, the available pipeline could accommodate growth to 2033-2037 depending on market absorption.

• If markets absorbed at historical rates (20-40 year avg), Frederick County would have APFO Pipeline of:
  o 11 years supply of Single Family Detached
  o 18 years supply of Townhomes
  o 17 years supply of Multi-Family

• A December 2013 George Mason University analysis ‘Housing the Regional Workforce’ indicated, over the next 20 years, to house just the Frederick County workforce, the County will need:
  ▪ Just over 16,000 single family units, and
  ▪ Over 6,400 multi-family units.
SCHOOL ENROLLMENT

- **ES Peak Year 1992**: 1990-1994 over 400 ES students/year, since then only 3 years >300 students.
- **MS Peak Year 2001**: 9 of first 11 years over 200 MS students/year, 7 of 11 last years are negative.
- **HS Peak Year 2004**: 6 of last 7 years negative HS enrollment

- 1990 - 2000 = 3.28% Annual Growth Rate
- 2004 - 2014 = 0.42% Annual Growth Rate
- 2013 - 2023 = 0.59% Annual Growth Rate *Projected*
Elementary Schools
Under 80% Capacity

Over Capacity

2015-2020 CIP Investments

Middle Schools
Under 80% Capacity

High Schools
Under 80% Capacity

Elementary Schools

Under 80% Capacity

Over Capacity

2015-2020 CIP Investments
**CHANGING DEMOGRAPHIC**

### Trends

- Nationally, 10K people a day from now until 2030 turn 65 years old each day.
- Nationally, in 1960 72% of Adults Aged 18 and older were married, in 2011 it was 51% and declining.
- Nationally, in 1960 59% of adults aged 18-29 were married, today just 20% of that age group is married.
- The nuclear family as a share of all households in Maryland has dropped from 47.5% in 1970 to 20.4% in 2010. MDP estimates for Frederick is 26.8%.
- In 2010 single-parent families with own children comprised 32.5% of Maryland households with children under 18, up from 30.3% in 2000 and 12.8% in 1970.
- Statewide, in 1990 over 43% of the total population comprised the working population, today it’s just over 30% and projected to remain under 33% through 2040.
- In 1970 nearly 30% of the total state population was school aged, in 200 it dropped to just under 23% and is currently near 20% and projected to drop below 18% in 2025, and remain under 20% through 2040.
- The change in Frederick County household size from 2.69 to a projected 2.59 in 2040 is the equivalent today of needing an additional 3,814 dwelling units, another Villages of Urbana to house the current population.

### Takeaways

- Over the last five-years, the County has experienced the lowest number of building permits in 40 years.
- The pipeline of available lots can accommodate the short-term need. Longer term, the availability of housing choice and opportunities are still limited.
- A healthy & diverse pipeline of available lots that will accommodate housing choices by market area is a positive element in attracting future employers and their workforce to the County.
- With selected key programmed investments in our schools, the capacity utilization at each school level is projected to be at or below 90% through the year 2020.
- Enrollment Growth in our schools has declined from over 3.25% in the 1990’s and early 2000’s to under 0.5% over the last decade.
- The ‘Demographic Remix’ occurring in the county will require continued community planning efforts to respond to changes and capitalize on opportunities to house our future workforce.

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**Data and Analysis** prepared from multiple sources including but not limited to:
- US Census
- Maryland Department of Planning
- Maryland Department of Health and Mental Hygiene
- Frederick County Government Reports & Projects
- Frederick County Public Schools Educational Facilities Master Plan and Reports
- PEW Research Center
- George Mason University Center for Regional Analysis
- Real Estate Business Intelligence, MRIS Data