



October 2026

Housing in Maryland: Challenges and Opportunities

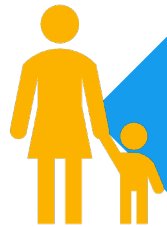


Yonah Freemark

Agenda



Housing Matters for the
Economy



Maryland's Housing Challenges

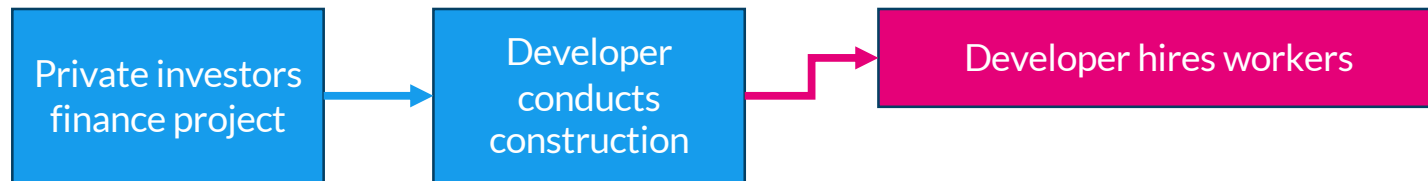


Maryland's Housing
Opportunities

Housing Matters for the Economy

Housing Construction Has Direct Benefits for Employment

Economic activity



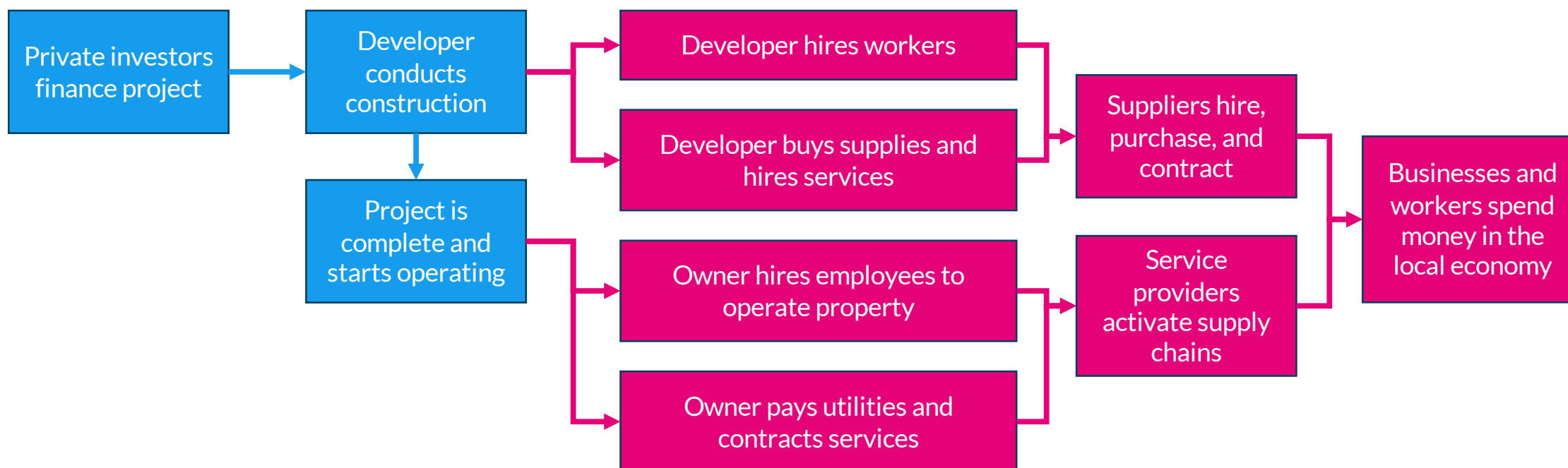
Economic impact

In Maryland, more than 150,000 people are employed in construction. Most construction occupations have median annual pay that's higher than that of workers overall.

Investment in Housing Activates the Economy

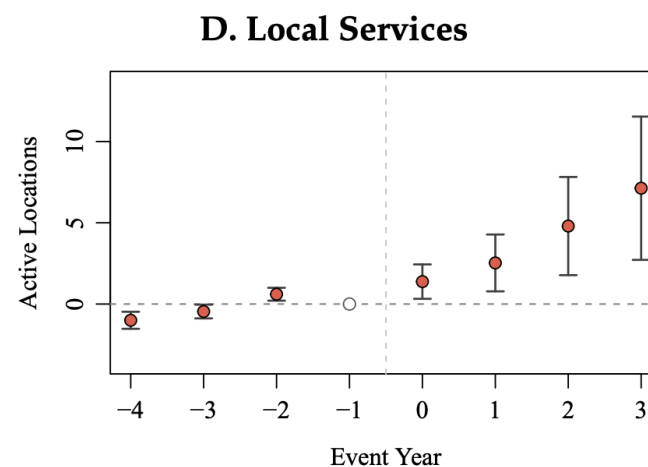
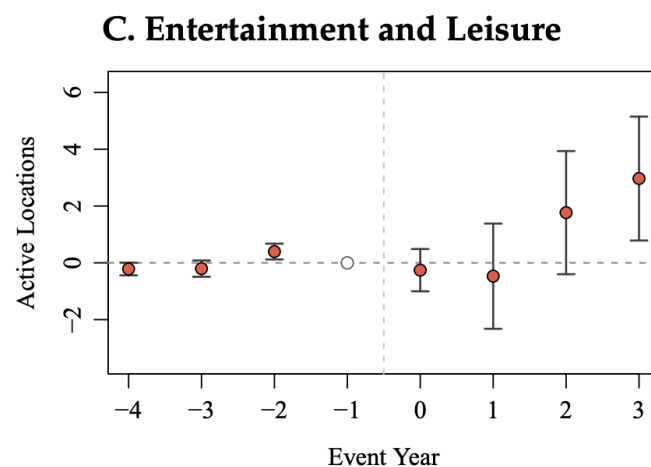
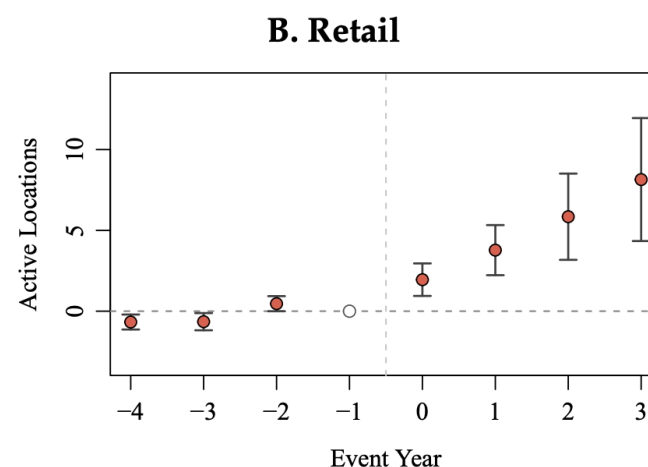
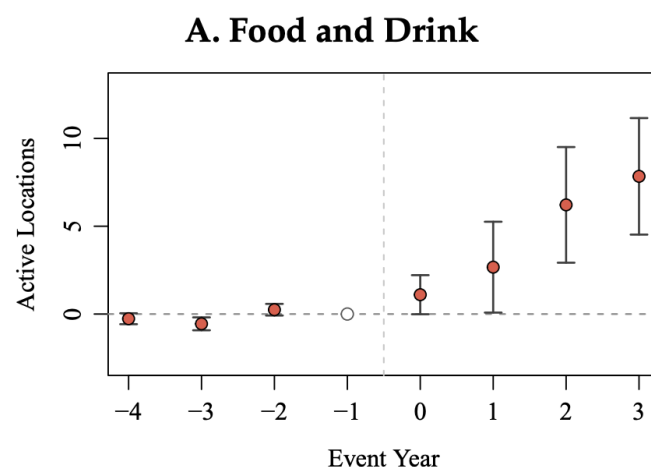
Economic activity

Economic impact



Every home sale is associated with \$127,000 in total economic impact.

What Does the Economic Impact of Housing Look Like?

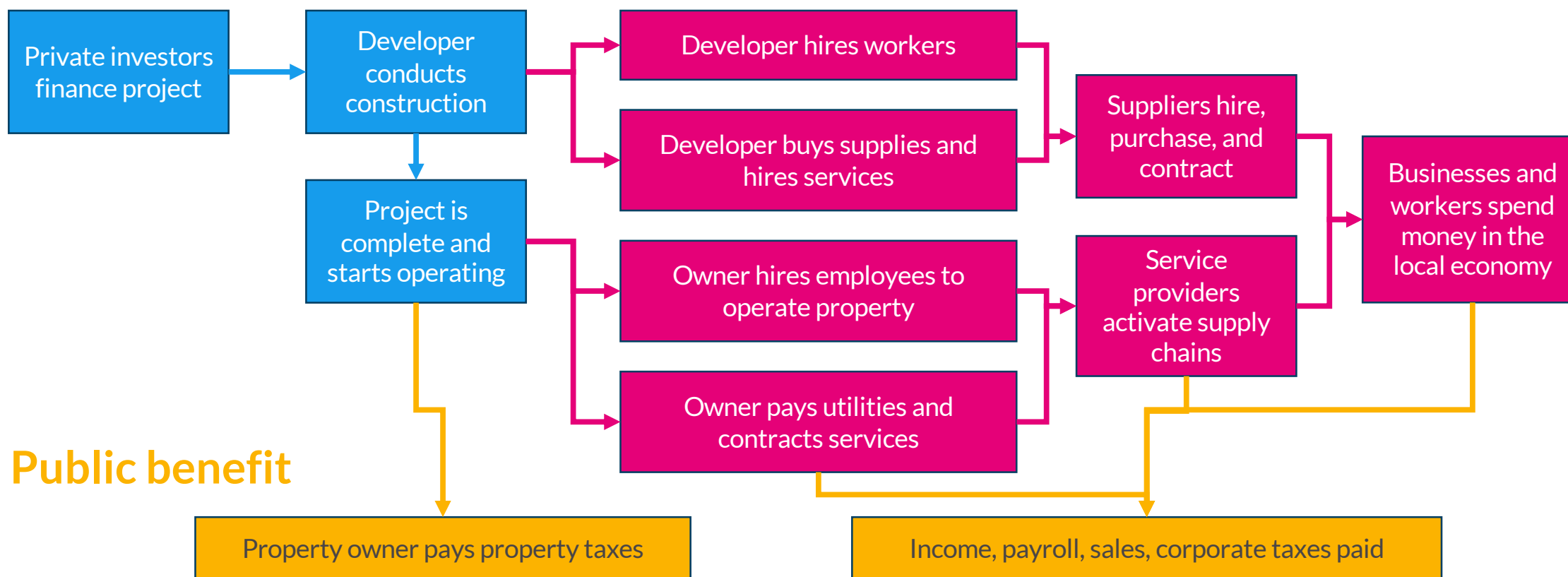


In the years following the opening of new mixed-use housing complexes, restaurant, retail, entertainment, and service options expand in the surrounding neighborhoods.

Investment Results in Substantial Public Benefit

Economic activity

Economic impact



Maryland's Housing Challenges

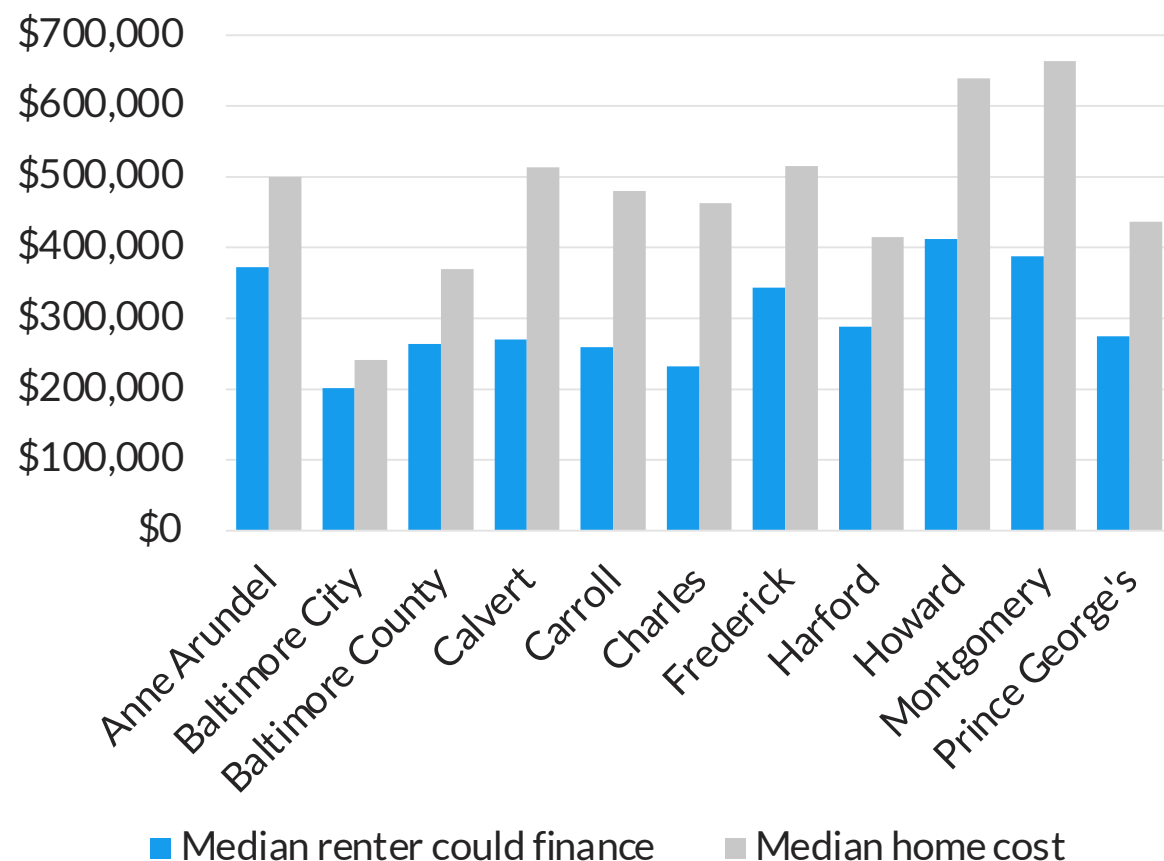
Many Essential Workers Can't Afford to Buy in Maryland

Typical person or household	Median income	Could finance, at 10% down
Preschool teacher	\$44,222	\$184,158
Firefighter	\$65,393	\$272,322
Social worker	\$65,773	\$273,904

The median home in Maryland costs about \$460,000, far too much for many families who would like to live here.

Median home values in Maryland have increased by 70% since 2000, adjusted for inflation.

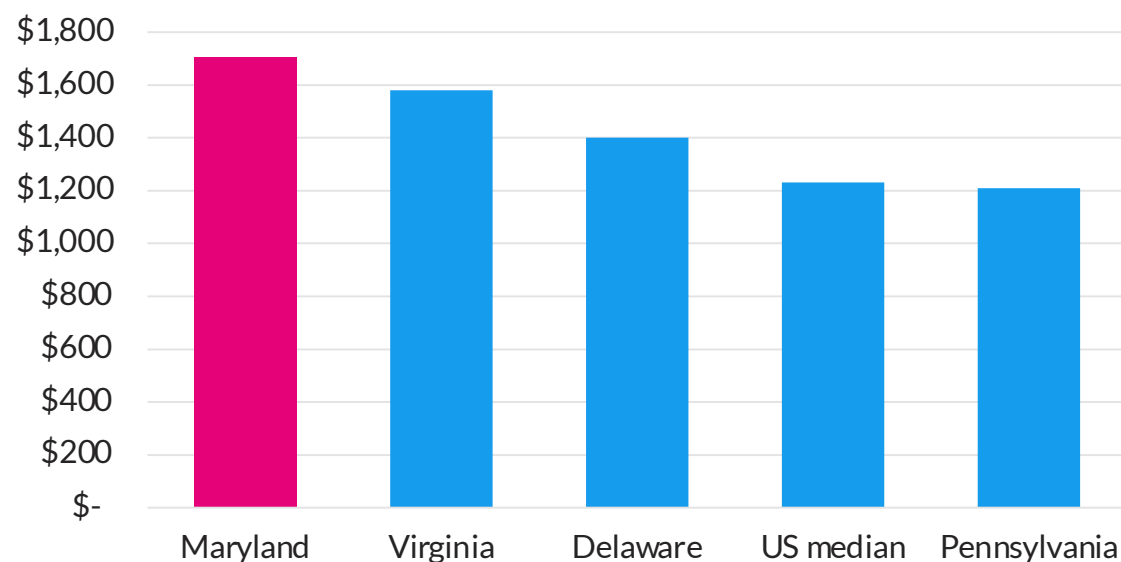
Throughout the State, Renters Can't Afford to Buy a Home



In each of the state's large counties, there's a big gap between how much the median renter could finance and the median home cost.

Housing in Maryland is Particularly Expensive for Renters

Median rent in Maryland is almost 40% higher than the median among US states, and substantially higher than many surrounding states.



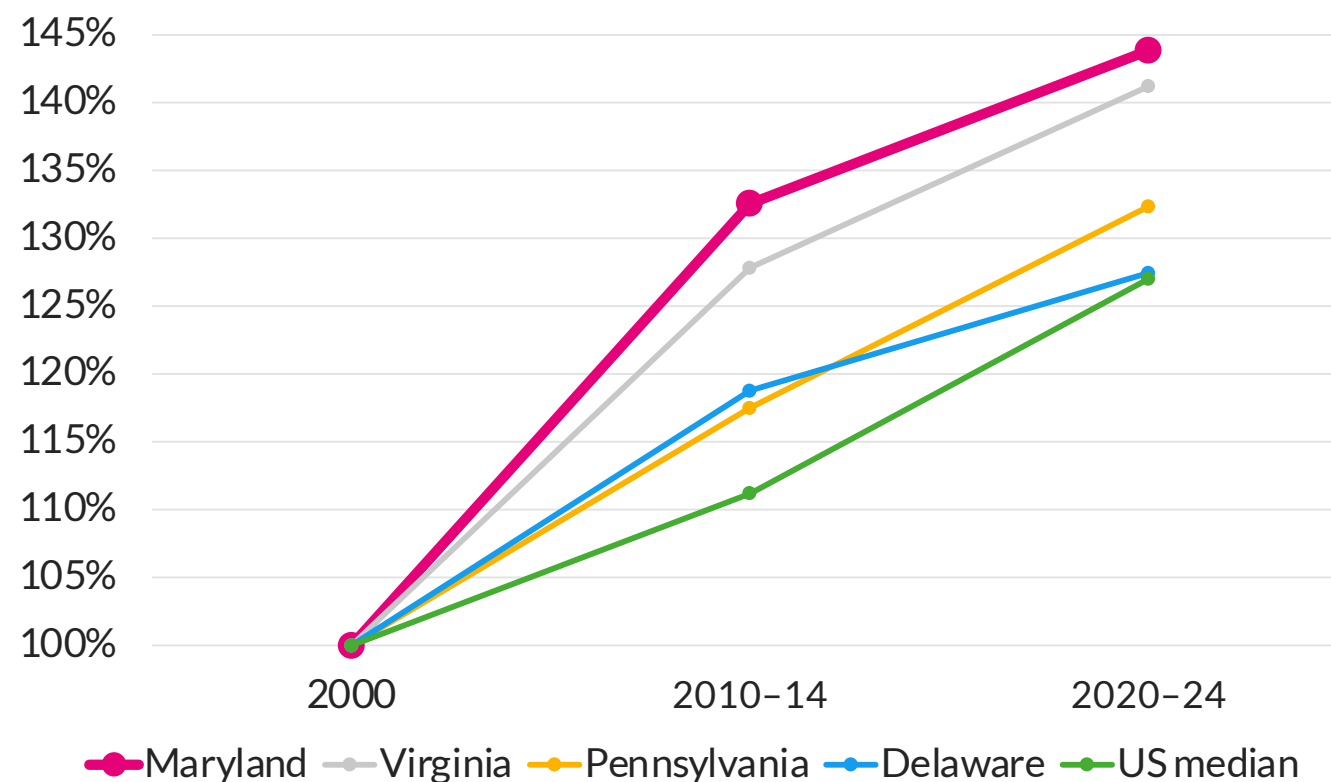
States ranked by median rent, 2020–24

1. California: \$2,036
2. Hawaii: \$1,971
3. Massachusetts: \$1,762
4. Colorado: \$1,761
5. Washington: \$1,760
6. New Jersey: \$1,720
- 7. Maryland: \$1,705**
- ...
11. Virginia: \$1,579
- ...
19. Delaware: \$1,401
- ...
27. Pennsylvania: \$1,209

Rent's Been Increasing Faster in Maryland Than Elsewhere

Adjusted for inflation, rent in Maryland has risen by almost 50% since 2000. That's the 9th highest increase among US states and the highest in the Mid-Atlantic. 21% of poverty in Maryland can be attributed to high housing costs.

Change in median rent from 2000



Very Low-Income Renters Are Particularly Squeezed

201,000 renter households in Maryland with extremely low incomes

69,000 affordable rental homes

132,000 households struggling to find a home they can afford

51% of Maryland renters pay more than 30% of their incomes to rent.
26% pay more than 50% of their incomes to rent.

Maryland Housing Construction is Steadily Declining

Housing units permitted, Maryland, previous 12 months



The number of housing units permitted in Maryland has been declining since 2021, and construction levels today are far lower than they were before the Great Recession. Maryland needs 590,000 new units by 2045, twice what it's currently building.

Economic Forces Shaping Today's Housing Market

- Construction costs that are increasing faster than the economy overall—which is, itself, inflating quickly!
- Household earnings that aren't keeping up with inflation in the economy.
- High costs of debt—like for home mortgages—that aren't coming down anytime soon.
- Challenges attracting investment to neighborhoods that suffer from entrenched poverty.

Impact Fees Weigh Down Projects, Adding to Costs

Total fees per unit, 2025, example counties

County	Single-family unit	Multifamily unit
Anne Arundel	Up to \$22,950	Up to \$22,950
Calvert	\$12,950	\$7,750
Charles	\$21,351	\$18,868
Frederick	\$18,851	\$9,368
Montgomery	Up to \$56,274	Up to \$32,833
Prince George's	Up to \$30,180	Up to \$30,180

Impact and other fees can increase the cost of housing projects by 10% or more, reducing project feasibility.

Summarizing the State's Key Housing Challenges

Housing costs a lot, particularly for renters and for low-income families.

Housing costs are increasing more rapidly than in other states.

Construction rates are declining, even when people need more homes.

Leading to...

Outmigration:
Negative net domestic loss.

A severe mismatch between jobs and housing.

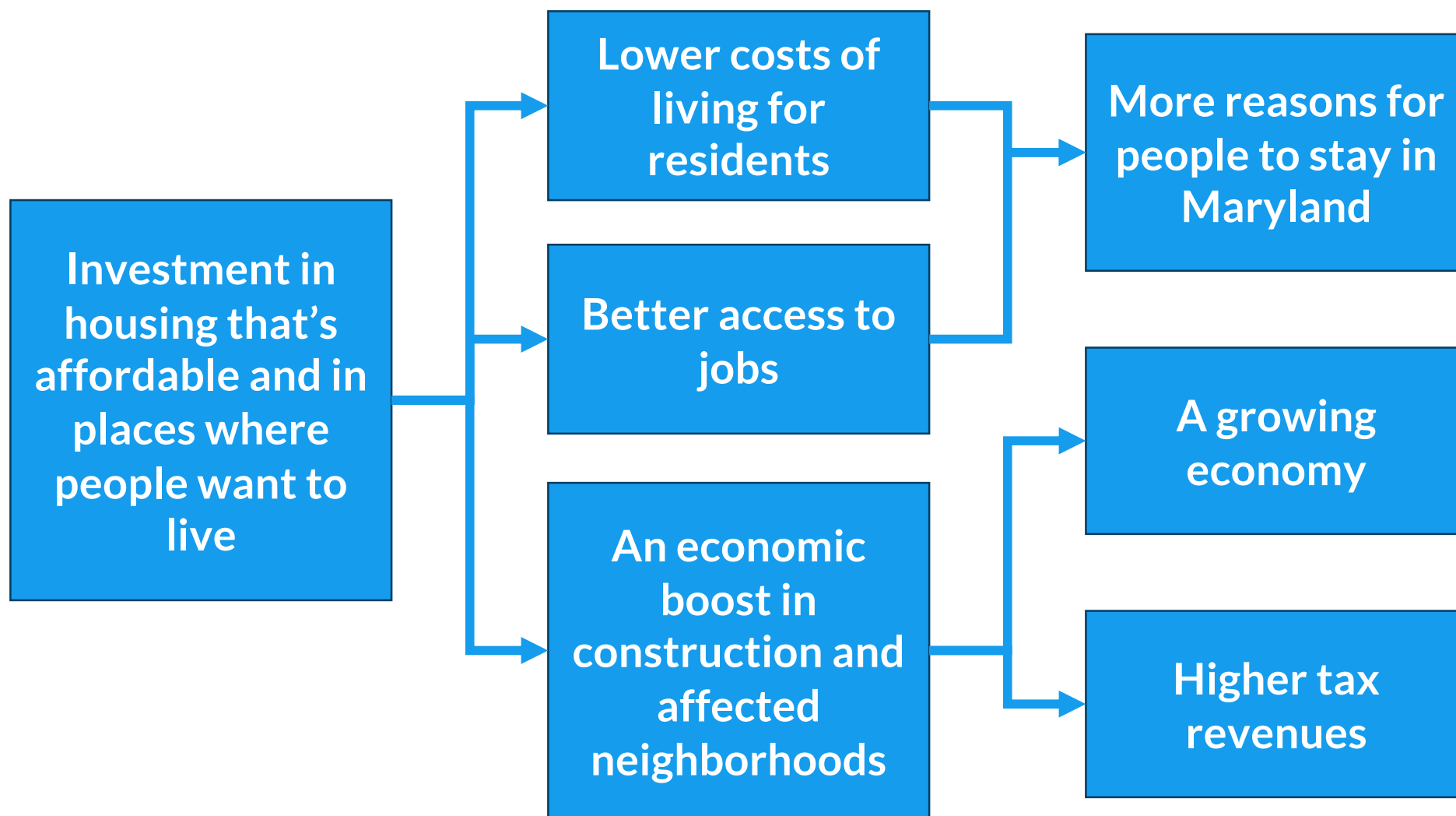
A shortage of adequate homes to meet peoples' needs.

Maryland's Housing Opportunities

Making Housing the Center of the Conversation

Stakeholders throughout the state need to prioritize housing as an opportunity to improve people's lives and build the economy.

Investment in Housing Can Change People's Lives



How Can We Get There? Make Regulatory Changes

- Too much of Maryland is currently zoned to make it impossible to build multifamily homes. Even in places where apartments are allowed, fees and other restrictions make construction challenging.
- Economic actors in the state need to push for regulatory change that make housing more possible.
- That sort of regulatory change could mean preempting counties and localities to require allowances for apartments and eliminating parking requirements.

How Can We Get There? Focus on the Right Places

- Encouraging development through transit-oriented development (TOD) can help maximize construction in places where people have access to affordable transportation.
- The state of Maryland made major progress in 2026 through HB 894, which prioritizes projects in TOD areas. This is combined with the state's efforts to develop public land.
- TOD can also help regenerate neighborhoods that have suffered from years of under-investment.

How Can We Get There? Invest in Who Needs Help

- Households with low and moderate incomes in Maryland are struggling most to afford housing throughout the state.
- They're either struggling with rent burdens... or finding opportunities to live elsewhere, reducing the state's economy.
- These families need assistance, whether through project-based affordable housing development, rent vouchers, anti-displacement supports, and more.

Thanks!

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