

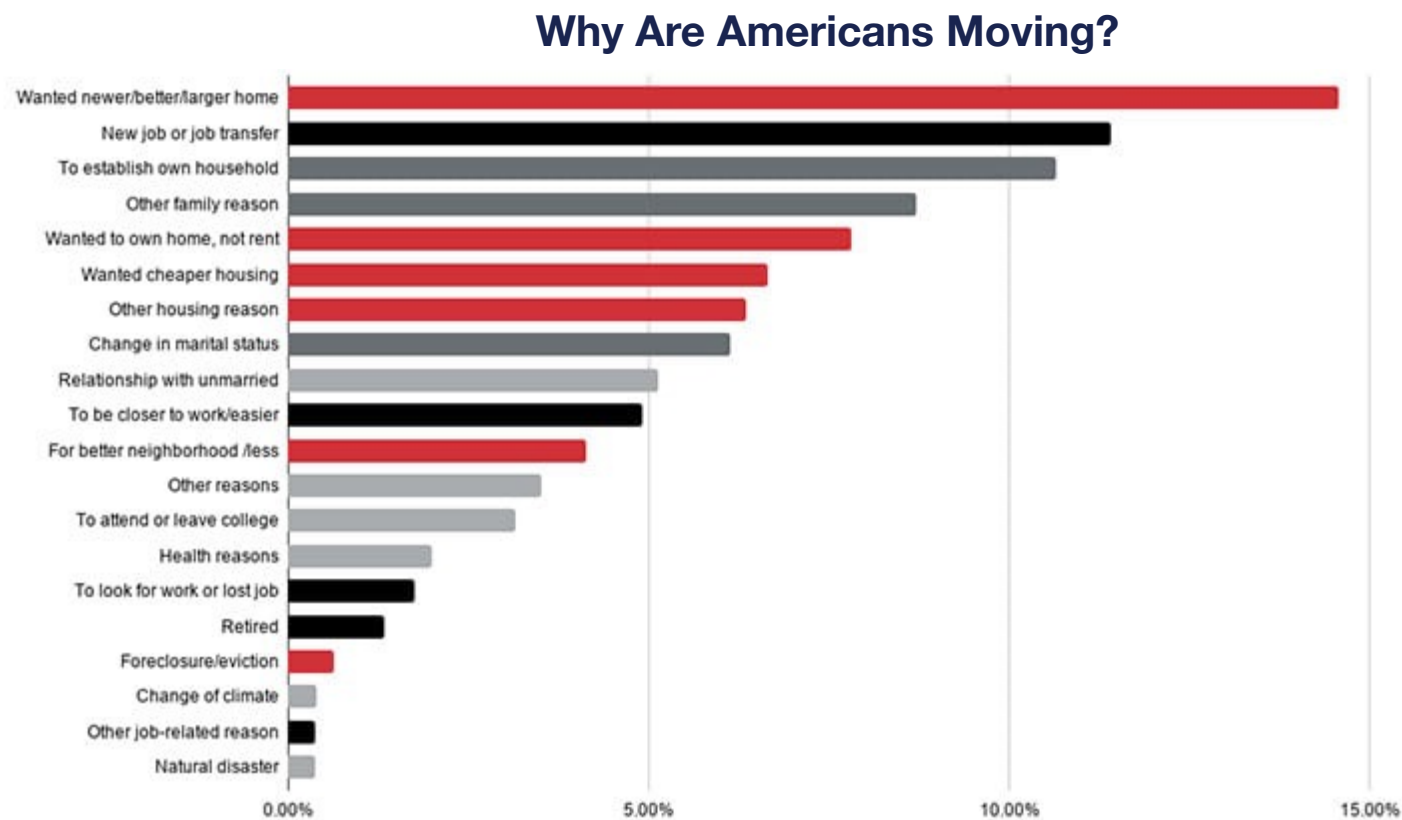
Why Housing Development?

BALTIMORE CITY'S RESIDENTIAL MARKET POTENTIAL

July 30, 2024

Housing Drives Migration

1. The number #1 reason Americans move is for a **newer, better, or larger home** (*U.S. Census, 2020*)
2. “**Upgrading to a bigger or better home**” is among the top reasons residents say they might leave Baltimore City (*2023 Baltimore City Homeowner Survey*)

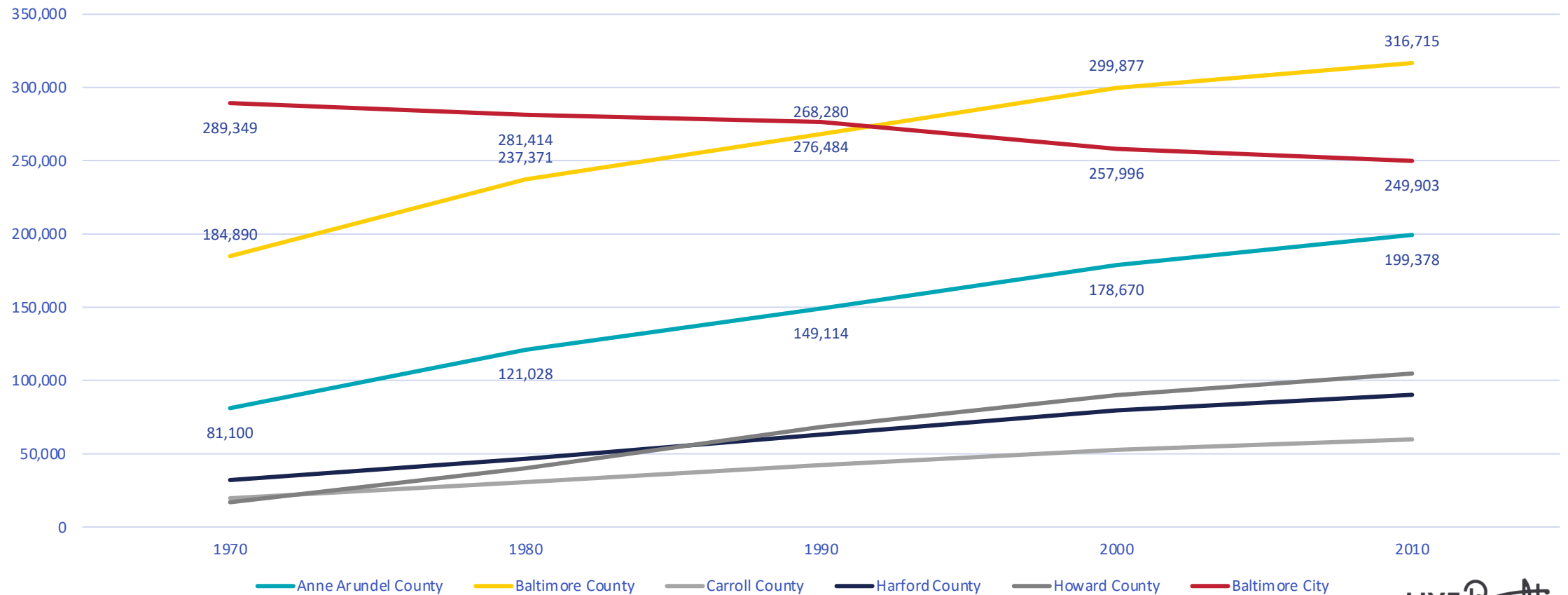


Source: U.S. Census Bureau, 2020

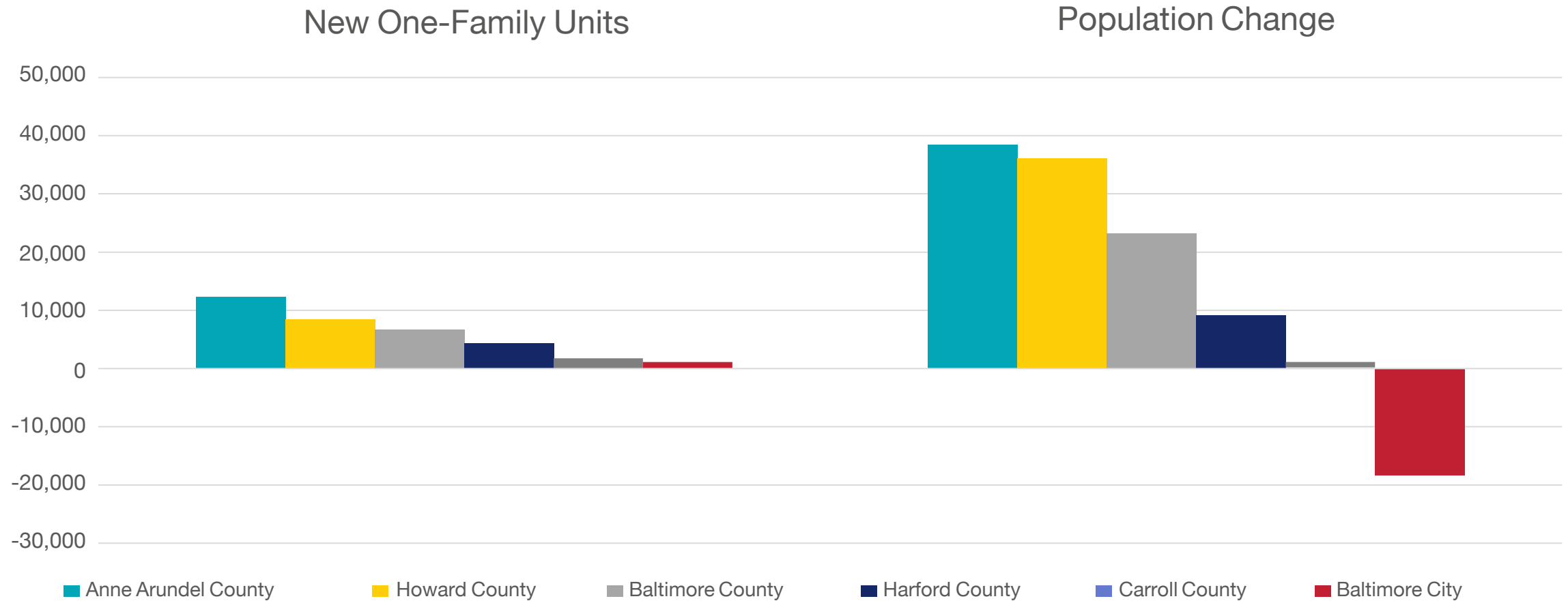
Americans Prefer New Construction

New construction buyers	2020	2021	2022	2023
Only interested in new construction	40%	32%	36%	42%
More interested in new construction, willing to consider existing homes	35%	38%	35%	36%
More interested in existing, willing to consider new construction	14%	21%	21%	13%
Only interested in existing homes	11%	9%	7%	10%
NET: Prefer new construction	75%	70%	83%	78%
NET: Prefer existing	25%	30%	17%	22%
NET: Consider new construction	89%	91%	93%	90%

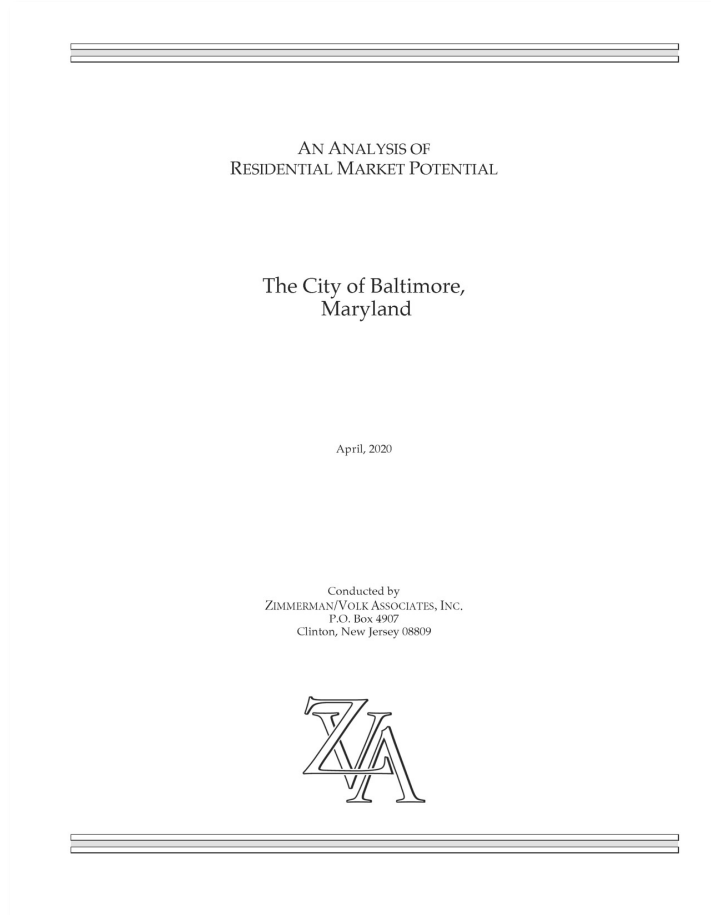
Regional Household Change



Development & Population



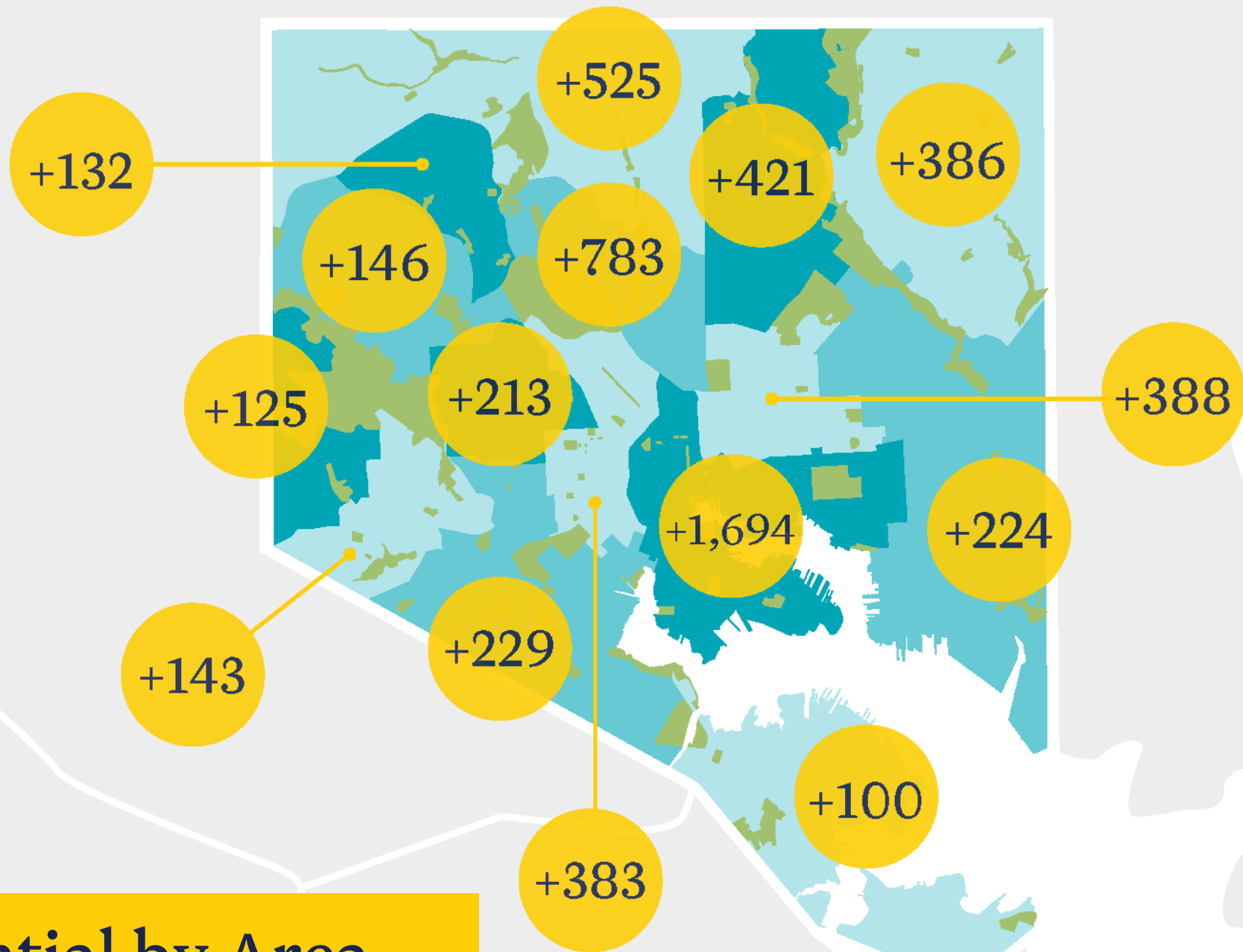
Market Potential



- 44,335 households have the potential to rent or purchase within the City of Baltimore each year.
- 15-20% of potential renters and 7.5-10% of potential homebuyers are only interested in new construction

Market Potential

- Between 5,300 and 7,100 households would rent or buy new or significantly renovated homes each year over the next five years if such homes were added to the City's housing stock. (*Zimmerman/Volk Associates Inc., 2020*)
- These would be in addition to those households renting or buying units now.



Potential by Area

Market Potential

Annual Market Potential

	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>	<i>Subtotal</i>
<i>Multi-Family For-Rent:</i>	6,586	5,206	2,976	3,143	8,341	26,252
<i>Multi-Family For-Sale:</i>	647	566	343	377	1,107	3,040
<i>Single-Family Attached For-Sale:</i>	1,911	1,642	958	1,024	2,747	8,282
<i>Single-Family Detached For-Sale:</i>	1,111	1,154	764	864	2,868	6,761
<i>Total:</i>	10,255	8,568	5,041	5,408	15,063	44,335
<i>Percent:</i>	23.1%	19.3%	11.4%	12.2%	34.0%	100.0%

Market Potential: Multi-Family Rental

Market Capture Target Groups for Multi-Family For Rent *City of Baltimore, Maryland*

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	MARKET CAPTURE
Less than \$500	8,198	1,228 to 1,639
\$500–\$750	4,527	679 to 905
\$750–\$1,000	2,870	431 to 574
\$1,000–\$1,250	2,351	353 to 470
\$1,250–\$1,500	1,743	261 to 349
\$1,500–\$1,750	1,330	200 to 266
\$1,750–\$2,000	1,844	277 to 369
\$2,000–\$2,250	1,401	210 to 280
\$2,250–\$2,500	893	134 to 179
\$2,500–\$2,750	484	73 to 97
\$2,750 and up	<u>611</u>	<u>92</u> to <u>122</u>
Total:	26,252	3,938 to 5,250

Market Potential: Multi-Family Sale

Market Capture Target Groups for Multi-Family For Sale *City of Baltimore, Maryland*

PRICE RANGE	HOUSEHOLDS PER YEAR	NEW/RENOVATED MARKET CAPTURE		
Under \$100,000	543	40	to	54
\$100,000–\$150,000	438	33	to	44
\$150,000–\$200,000	435	33	to	43
\$200,000–\$250,000	477	35	to	48
\$250,000–\$300,000	334	25	to	33
\$300,000–\$350,000	279	21	to	28
\$350,000–\$400,000	169	13	to	17
\$400,000–\$450,000	113	8	to	11
\$450,000–\$500,000	100	8	to	10
\$500,000–\$550,000	76	6	to	8
\$550,000 and up	<u>76</u>	<u>6</u>	to	<u>8</u>
Total:	3,040	228	to	304

Market Potential: Attached Sale

Market Capture Target Groups for Single-Family Attached For Sale *City of Baltimore, Maryland*

PRICE RANGE	HOUSEHOLDS PER YEAR	NEW/RENOVATED MARKET CAPTURE
Under 100,000	1,887	140 to 189
\$100,000–\$150,000	1,200	90 to 120
\$150,000–\$200,000	1,283	94 to 128
\$200,000–\$250,000	834	63 to 83
\$250,000–\$300,000	683	51 to 68
\$300,000–\$350,000	678	51 to 68
\$350,000–\$400,000	584	44 to 58
\$400,000–\$450,000	325	24 to 33
\$450,000–\$500,000	424	32 to 42
\$500,000–\$550,000	168	13 to 17
\$550,000 and up	<u>216</u>	<u>16</u> to <u>22</u>
Total:	8,282	618 to 828

Market Potential: Detached Sale

Market Capture Target Groups for Single-Family Detached For Sale *City of Baltimore, Maryland*

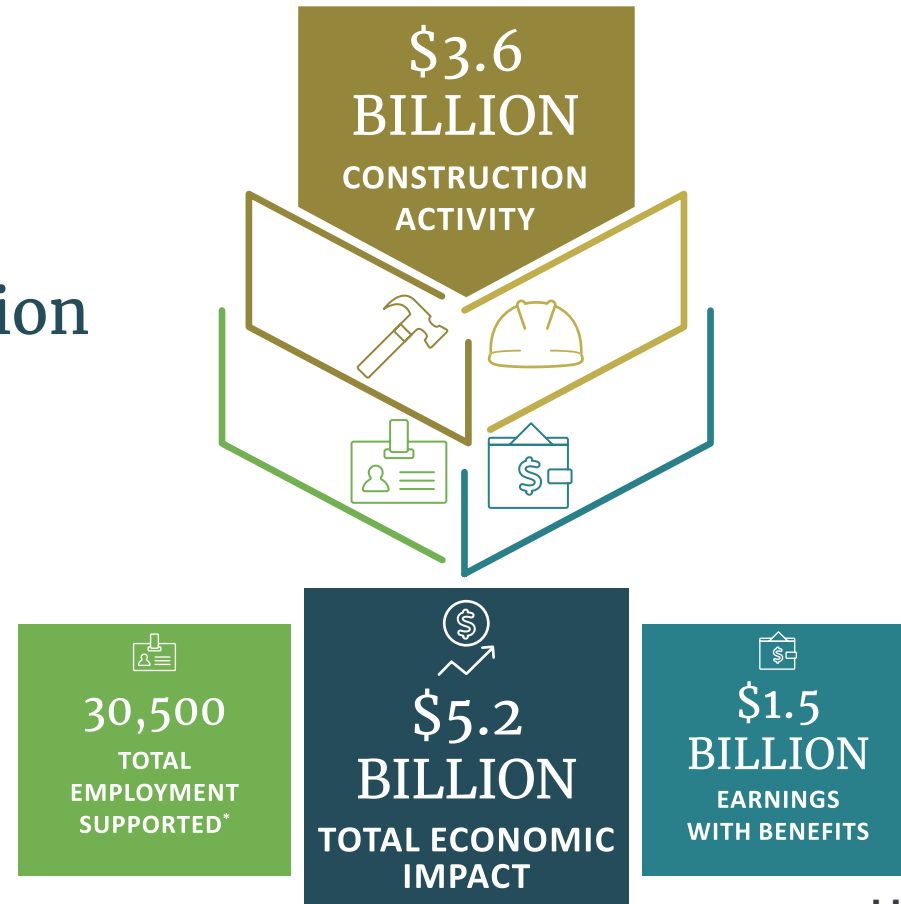
PRICE RANGE	HOUSEHOLDS PER YEAR	NEW/RENOVATED MARKET CAPTURE
Under \$100,000	994	75 to 99
\$100,000–\$150,000	990	74 to 99
\$150,000–\$200,000	910	68 to 91
\$200,000–\$250,000	683	52 to 68
\$250,000–\$300,000	507	38 to 51
\$300,000–\$350,000	486	36 to 49
\$350,000–\$400,000	449	34 to 45
\$400,000–\$450,000	444	33 to 44
\$450,000–\$500,000	339	25 to 34
\$500,000–\$550,000	318	24 to 32
\$550,000 and up	<u>641</u>	<u>48</u> to <u>64</u>
Total:	6,761	507 to 676

Economic Implications



Five-Year Cumulative Economic Impact to City Economy from Construction

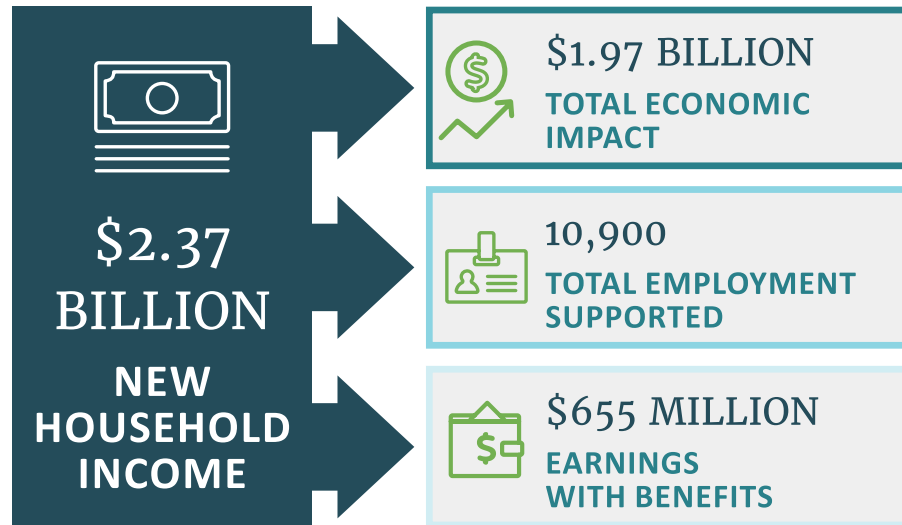
“New residents stimulate housing demand, increasing construction activity, and generating a ripple effect of dollars circulating through the City of Baltimore.”



Economic Implications



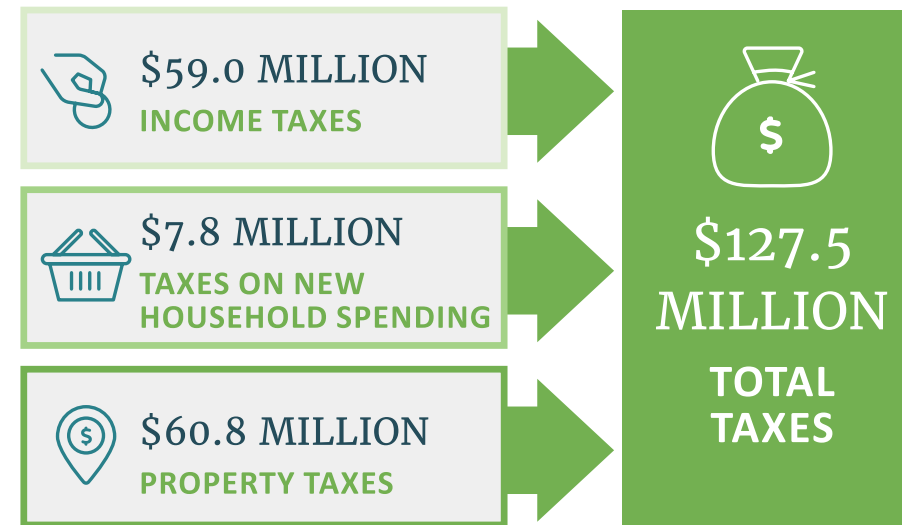
Annual Impacts to City Economy from
New Household Spending
(after five years)



New household income means new disposable income spent in the City generating increased economic impact in Baltimore.



Annual Tax Revenue Gains to City
from New Households
(after five years)



New households mean new City tax revenue from income, property, and newly generated spending activity.

Economic Implications

\$2.347 Billion
Equity Fund

Thank you.

@LiveBaltimore



I  city
life.®