



Maryland Housing Needs Assessment Update

A shared framework for the Maryland Department of
Housing and Community Development and local partners

Executive Summary

Summer 2025

Prepared by the National Center for Smart Growth
www.umdsmartgrowth.org



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PROJECT TEAM

**Nicholas Finio, Ph.D. Casey Dawkins, Ph.D. Kathryn Howell, Ph.D.
Wideleine Desir. Sophie McManus. Rebecca Garman. Caila Prendergast.
Cole Shultz. Alex McRoberts. Sarah Kamei Hoffman.**

For more information about this study contact Nicholas Finio, Ph.D. at nfinio@umd.edu.



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Nicholas Finio, Ph.D.
Casey Dawkins, Ph.D.
Kathryn Howell, Ph.D.
Wideleine Desir
Sophie McManus
Rebecca Garman
Caila Prendergast
Cole Shultz
Alex McRoberts
Sarah Kamei Hoffman

In the 2020 Maryland State Housing Needs Assessment, the National Center for Smart Growth identified a gap of 85,000 homes for households earning less than 30% of Area Median Income (AMI). The report argued that “without further acceleration to create and preserve deeply affordable units, this shortage [would] worsen.” As anticipated, four years later, housing costs in Maryland have continued to rise, and more Maryland residents are struggling to afford homes, especially the state’s most vulnerable. Indeed, the gap for extremely low-income households has grown to 132,000 homes. This update to the 2020 Maryland Housing Needs Assessment explains how the lack of affordable housing in all geographic regions of the state is placing an increasing burden on both renters and owners. Maryland’s cost burden for renters has grown markedly in the last two decades, rising from 33% to 44% between 2000 and 2017, and to 46% by 2022. This burden of increasing housing cost is felt across all geographic regions, with the highest percentage of cost-burdened¹ renters living on the Eastern Shore. However, while these impacts are felt across incomes and communities, older adults, and low and moderate-income renters who are at increasing risk of homelessness, with rising rents, are most impacted.

While the reasons for this continued rising burden of cost are myriad, and in some cases due to national and global macroeconomic factors, Maryland risks becoming a victim of its own success. Maryland communities continue to be in high demand across the

¹ Cost-burdened is defined as paying more than 30% of one’s gross income on housing costs.

region, but the state does not currently have enough housing to accommodate both existing needs and new population growth in demand across the housing continuum. As a result, Maryland will need approximately 590,186 new units to accommodate the projected growth of 252,498 new households through 2045. Yet the pace of construction over the last two decades has been too slow to accommodate this many households. If growth patterns continue based on the current distribution of housing, Maryland will not have enough appropriately zoned land to house these additional residents in dense suburban and multifamily or mixed-use style developments in the State's most desirable, employment-rich areas. This update to the 2020 Maryland Housing Needs Assessment reveals how increasing demographic pressure and a lack of land zoned for denser housing types puts Maryland at risk - the housing crisis, left unattended, will continue to worsen, and the burdens of housing cost, limited supply and instability, are disproportionately

borne by Maryland's Black and Hispanic residents.

Despite the State's strong economic recovery from COVID-19, many residents, particularly the state's 723,096 renter households, are struggling with sharply rising housing costs. These costs are exacerbated by a limited supply of land for new multifamily construction. A mismatch between the gross acres needed for growth and the zoned capacity to accommodate growth has created an oversupply of land zoned for low-density development and an undersupply of land zoned for higher-density development. While Maryland has more than enough land to accommodate single-family housing unit growth through the year 2045, the state currently has a shortage of land to accommodate high-density housing developed at densities of 10 units per acre or more. Along with mismatches in zoning, low or no income growth for renters, and limited funding for the preservation and

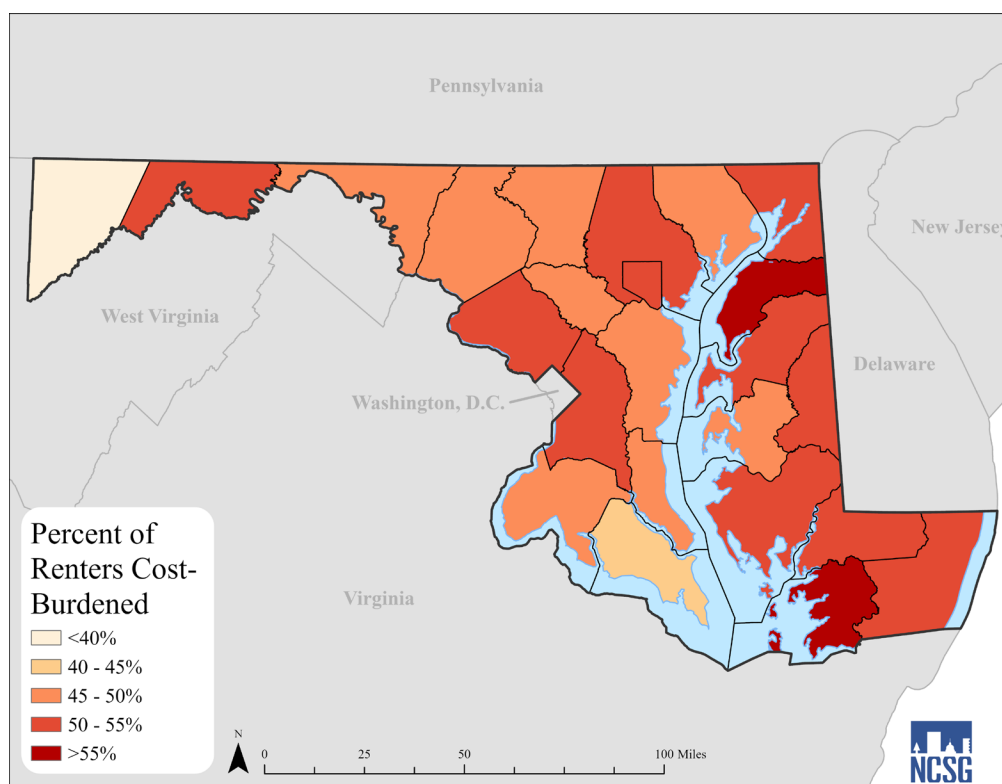


Figure i. Percent of Renters who are Cost Burdened. Source: NCSG Analysis of 2022 ACS 5-year estimates

production of deeply affordable housing have also contributed to increased housing cost burdens.

Highlights from the full report include:

Housing Demand

- **The cost burden of housing is hitting minority communities hardest.** In 2022, 45.5% of renters were cost-burdened statewide, and this figure was 49% for Black households. At the same time, renter incomes were flat or fell across much of the state.
- **Low-income older renters face elevated levels of housing cost burden (55%), compared to only 12% of older adult homeowners.** A significant majority of older adults in Maryland are homeowners: 77% of older adults aged 65+ owned their homes in Maryland in 2022, whereas only 23% of older adult households rent.
- **Maryland's older adult population constitutes a significant share of the state's overall population and is expected to grow in the coming decades.** In 2022, approximately 986,154 people, or 16% of Maryland's total population, were older adults aged 65 years and above. By 2040, the share of the older adult population is expected to constitute 21% of the state's population.
- **The disabled population in Maryland is growing, with 21% of households in the State including at least one person with a disability.** There are 5,306 subsidized accessible rental homes available in the State, but there are 82,656 renter households that earn below 30% of AMI and include at least one disabled household member.

Housing Supply

- The state's lowest-income renter households - those earning between 0–30% of AMI or 30–50% of AMI--face significant housing gaps. For every 1,000 renter households in those groups, 610 and 394 affordable homes are missing, respectively.
- Renter households earning 50–80% of AMI also face a significant gap--there are 541 missing affordable homes for every 1,000 households in this group.
- Homeownership is out of reach for an increasing share of moderate-income households. In the year 2000, close to 75% of households in Maryland could afford the median-valued home. By 2022, that share had dropped to only 49%.
- Aspiring homeowner households in Maryland earning less than 120% of AMI face large shortages of available affordable homes. For every 1,000 homeowner households in the 80–100% AMI band, for example, there are 817 missing homes at that level of affordability.
- There are more low-income seniors than available subsidized housing for seniors. There are more than 30,000 subsidized homes for seniors in Maryland, but 109,469 senior households earn less than 80% of AMI (and over 62,000 of those households earn under 30% of AMI).
- There is a strong preference among older adults to remain in their homes and communities. Roughly 75% of people aged 50 and older said that they wished to remain in their homes as they aged. However, 89.9% live in a single-family home that may need retrofits.

Introduction

In 2024, the National Center for Smart Growth (NCSG) at the University of Maryland, College Park partnered with the Maryland Department of Housing and Community Development (DHCD) to conduct an update to the 2020 Maryland Housing Needs Assessment (HNA). This update was designed to focus on three primary issue areas of key importance to DHCD: (1) housing affordability gaps for various populations, (2) the connections between housing costs, land use, and regulation, and (3) housing needs for seniors. For each of these three key issues, NCSG provided more comprehensive or updated data to the 2020 HNA or added entirely new analysis that was not covered in the 2020 report.

Each key issue utilized a variety of disparate data sources to answer research questions. Broadly, this report relies primarily on publicly accessible data sources, like the 2020 HNA. The most commonly referenced sources for various tables and figures include census micro-data via the Census Integrated Public Use Microdata Series (IPUMS), HUD's Comprehensive Housing Affordability Strategy (CHAS) data, recent Census American Community Survey (ACS) 1-year and 5-year sample data, and Census American Housing Survey (AHS) data. In this update, NCSG used the most recently available public data set, which is generally for 2022 or 2023, with the exception of the AHS, which only has state-level data available for 2021. NCSG also relied on internal data from HUD and DHCD to describe the supply of subsidized homes for a variety of populations. Throughout the report, tables and figures are annotated with their source.

This assessment is structured as follows:

- This executive summary synthesizes and discusses key findings across the three reports, by reviewing and discussing key issues impacting the state of Maryland, detailing how housing problems vulnerable populations face in Maryland are interrelated with housing affordability issues for all Marylanders. The following three reports cover the separate key issues.
- The first report, *Analysis of Housing Production and Zoning Capacity*, analyzes the regulatory landscape within Maryland, recent trends in housing production, and the capacity of zoning to accommodate the state's projected housing growth to the year 2045.
- In the second report, *Housing Gaps*, analyzes the challenge of housing affordability in Maryland for all residents, with a special focus on vulnerable populations.
- The third report, *Housing Needs of Older Adults*, analyzes housing needs and trends for Maryland's older adult population.

Maryland's Housing Needs in Context

The Maryland 2020 Housing Needs Assessment (HNA), which was written before and during the beginning of the COVID-19 pandemic, highlighted how housing costs in Maryland were becoming burdensome for most residents, especially the state's most vulnerable. Research for that process, combined with engagement with key housing stakeholders from across the state, highlighted two critical priority needs that were emphasized throughout the report. First, all regions of the state needed more homes for low-income households, particularly extremely- and very-low-income households (0-30% AMI and 30% to 50% AMI, respectively). Second, all regions of the State needed additional affordable and market-rate housing to keep pace with projected population growth.

This 2024-2025 update to the 2020 HNA has highlighted that these two priority needs remain of deep concern in Maryland. This analysis brought together data across two related but distinct areas: gaps in the availability of affordable housing and housing needs for older adults. Across each of these areas, the first priority need (additional homes for low-income households) remains deeply felt. The second priority need (a lack of adequate construction of affordable and market-rate housing) impacts households up and down the income spectrum and will remain an obstacle to an undersupply of affordable housing without systemic change.

In this synthesis of our analysis across the tasks, we emphasize the following points:

- The pace of housing construction in Maryland has struggled to keep pace with the growing need at all levels of affordability.
- The unmet need in housing construction, coupled with macroeconomic trends, has downstream effects on housing affordability for all residents, but

particularly for the most vulnerable.

- Despite success in reducing homelessness, on any given night, the state's most vulnerable population faces a severe shortage of affordable housing when exiting homelessness, and an increasing demand for services.
- The state's older population will continue to grow and, due to fixed incomes and other constraints, will continue to feel the effects of the increasing price of housing disproportionately.
- Given expected population growth, the state's current zoning of available land for housing development cannot meet expected demand, especially for sorely needed higher-density housing.

The 2020 HNA highlighted that the pace of housing construction - both multifamily and single-family - had diminished over a long-term trend since the year 2000. While much of this could be attributed to the financial crisis of 2007-2009, only marginal increases occurred in housing construction by the year 2020. These increases still left annual completions of housing units well below the pre-crisis trend. NCSG's analysis of current housing construction trends in this report shows that this has continued. Aside from a brief positive turn for multifamily housing during the low-interest rate period of early 2022, the pace of permitting for construction has been essentially flat (Figure ii). Given current high interest rates and a lack of supply of appropriately-zoned land for in-demand multifamily affordable housing in the state's dense areas, this trend can be expected to continue.

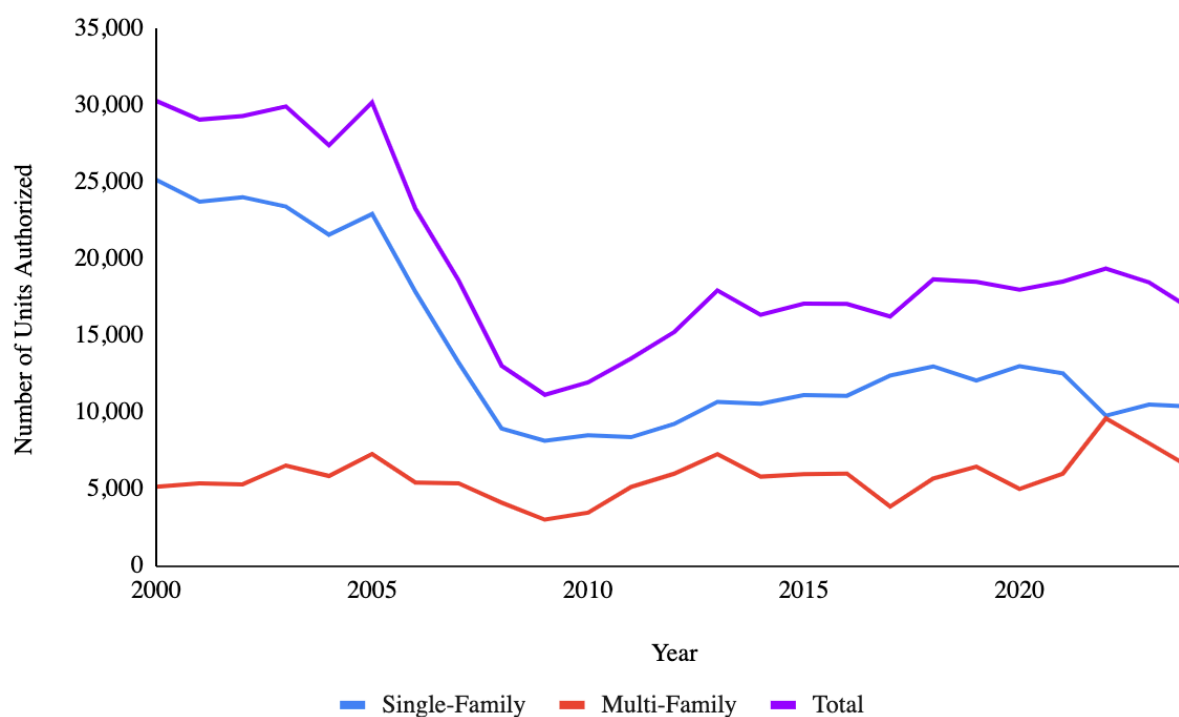


Figure ii. Residential Units Authorized for Construction in Maryland, 2000–2024
Source: Maryland Department of Planning State Data and Analysis Center

State	Max # of Dwelling Units/ Net Acre (County Avg.)	Zoning Allows 40-Unit, 2-Story Apts. on Vacant 5-Acre Parcel (% of Counties)	Inclusionary Zoning Reqs. (% of Counties)	Urban Containment Policies (% of Counties)	APFOs (% of Counties)	Zoning Restrictiveness Index (City/Town Avg.)
MD	3.90	0.90	0.44	0.89	0.89	2.05
VA	2.71	0.73	0.05	0.62	0.10	1.68
DC	5.00	1.00	1.00	0.00	0.00	1.85

Table i. Local Land Use Practices in Maryland, Virginia, & D.C.
Sources: 2019 National Longitudinal Land Use Survey and 2023 National Zoning and Land Use Database

Why is housing production so constrained in Maryland? Compared to its neighbors, especially Virginia, Maryland localities tend to have regulations and land development policies that make housing more difficult to construct. As shown in Table i, which is discussed further in the Analysis of Housing Production and Zoning Capacity report, Maryland has higher allowed densities on average, but policies like inclusionary zoning, urban containment, APFOs, and strict zoning create trade-offs that can make housing construction more difficult.

NCSG's analysis, further detailed in the Analysis of Housing Production and Zoning Capacity report, shows that it is unlikely these trends will abate, due to the limited supply of land zoned for multifamily residential construction. This analysis details the supply of land needed to provide enough housing, assuming current density levels remain constant, for all new households in the State by the year 2045. These constraints are

present in the State's denser and suburban counties. The shortages are most felt for medium-density suburban land that supports single-family home development, and higher-density land that can support townhouse, apartment, and mixed-use development.

Without a steady supply of adequate home construction, higher-income households compete for what limited new construction comes onto the market, increasing prices. Today, only about 50% of Maryland households can potentially afford to own the average-valued home in Maryland, which is down from 75% of households in the year 2000. Senior households - which will make up more than a third of Maryland's population by 2040 - express strong preferences for remaining in their homes as they age. This preference to remain in place will further constrain the availability of homes on the market, likely contributing to higher home prices.

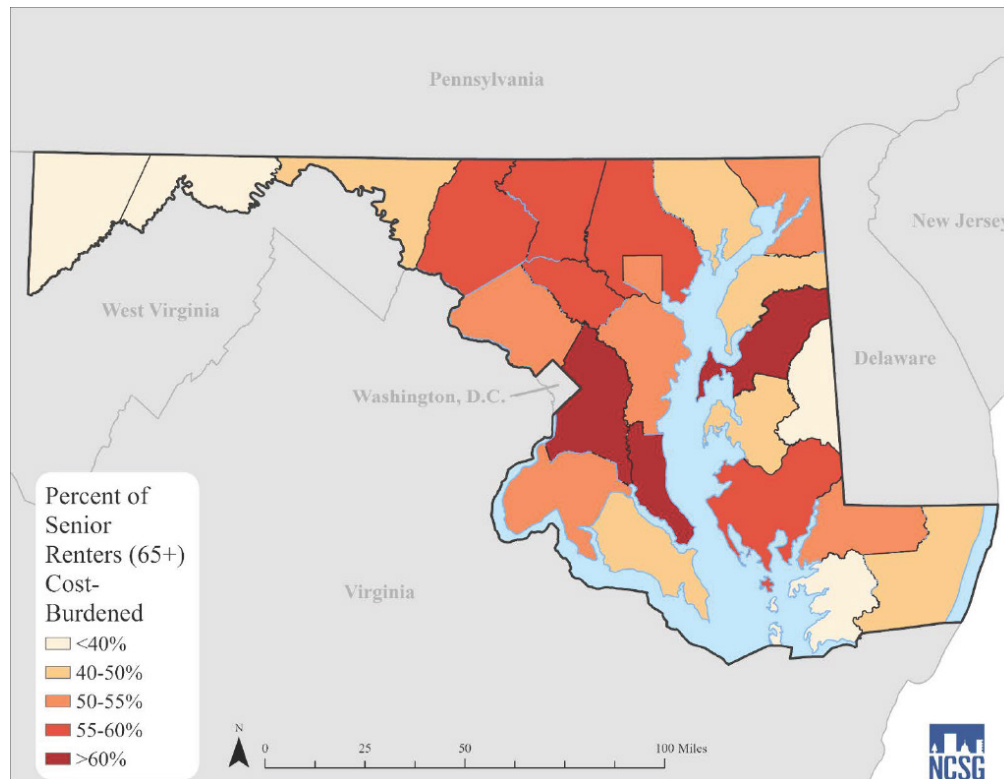


Figure iii. Percentage of Senior Renters (65+ years) Experiencing Housing Cost Burden by County.
Source: NCSG Analysis of 2022 ACS 5-year estimates.

Moderate and low-income households have even fewer options, pushing them into housing that should have been available for households with even less income, as shown by the analysis in the second report, Housing Gaps. Accordingly, Figure i illustrates that the cost burden for renters is high irrespective of geography across the state. Renters face high rates of cost burden because there is not enough housing affordable to them in various income categories, as shown in Table ii. This is also true irrespective of geography. For every 1000 extremely low-income households, there are 610 missing affordable homes.

Table ii further illustrates how this shortage remains present at low and moderate income levels. Renters who cannot find available units at 50-80% of AMI will have to look for cheaper rents, crowding out households at lower income levels, or spend a larger portion of their incomes on housing. These shortages place pressure on the State's most vulnerable populations, as shown in Figure iii for older adults. Senior renters in Maryland face a higher level of cost burden than the overall renter population (55% versus 50% in 2022). The state's population will continue to age, placing more pressure on the limited stock of subsidized homes available to older adults: roughly 31,000 homes versus over 62,000 extremely low-income renters.

County/PUMA	Extremely Low-Income (0-30% AMI)	Very Low-Income (30-50%)	Low-Income (50-80% AMI)
Anne Arundel	-636	-613	-214
Baltimore County	-749	-506	-548
Baltimore City	-515	-342	-654
Calvert	-672	-324	-328
Carroll	-522	-440	-812
Cecil	-706	-106	-387
Charles	-222	-456	-640
Frederick	-573	-504	-431
Harford	-583	-556	-601
Howard	-767	-763	-252
Montgomery	-762	-447	-449
Prince George's	-772	-168	-697
St. Mary's	-483	-780	-439
Combined County PUMA			
Western Maryland	-163	-445	-783
Upper Eastern Shore	-153	-408	-635
Lower Eastern Shore	-576	-258	-283
Statewide	-610	-394	-541

Table ii. Rental Shortages per 1,000 Households.
Source: NCSG analysis of 2022 ACS microdata from IPUMS.

Improving Housing Options for Marylanders

In order for Maryland to make progress on providing affordable, stable housing for all of its residents, significant progress must be made across several fronts. First, housing production must increase, in tandem with an upzoning of land in localities where housing is most desirable. Given projected shortages of land zoned for denser housing types, especially at moderate and high densities, housing will likely continue to become more expensive. Second, production of protected affordable homes, especially for the most vulnerable (older adults and extremely low-income renters), must increase, coupled with preservation of existing affordable housing. With prices likely to continue to increase in the short term, the state's most vulnerable will continue to be at risk of housing instability, highlighting the importance of no net loss of the existing supply. Third, the state must continue to double down on progress toward providing supportive housing to those experiencing homelessness, given that this population faces more challenges than ever in obtaining stable, affordable housing after exiting the care system.



