

# Quarterly Economic Indicators Briefing

RELEASED OCTOBER 7, 2024



MONTGOMERY COUNTY  
ECONOMIC DEVELOPMENT  
CORPORATION MARYLAND



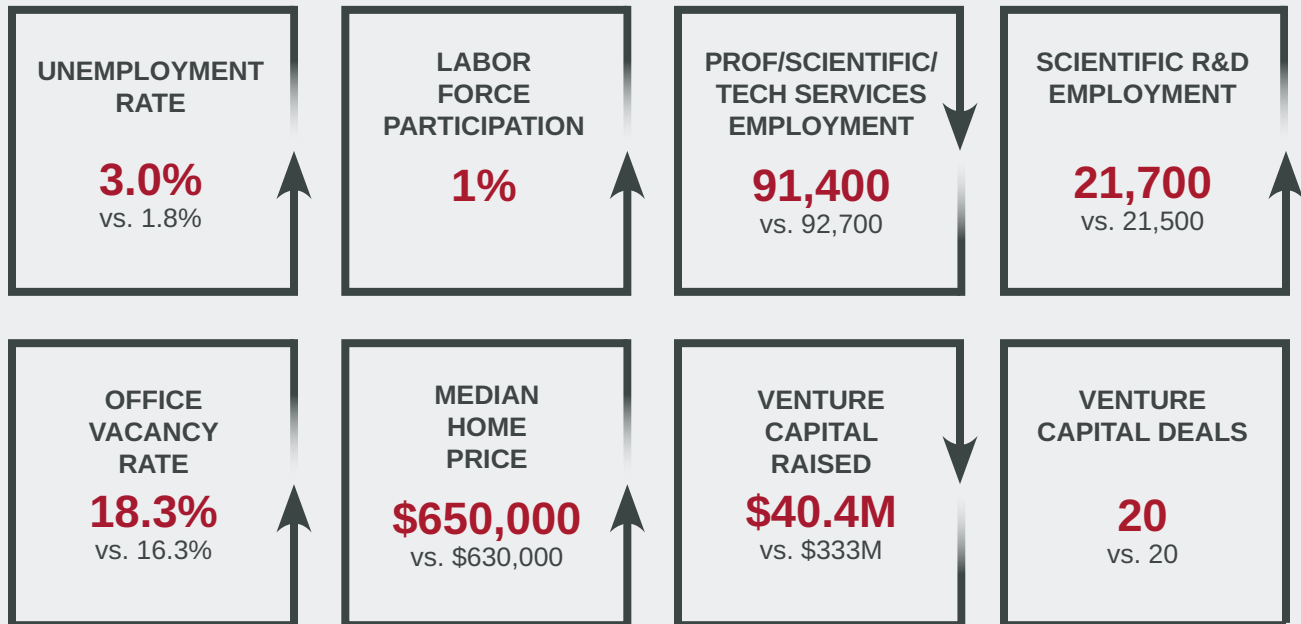
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This is the 20th edition of the quarterly joint publication between the Montgomery County Economic Development Corporation (MCEDC) and Montgomery Planning. Each edition explores a range of indicators, including resident labor force, employment, commercial real estate, and venture capital information. This briefing explores trends observed in Q2 2024.

## Annual Change in Montgomery County, Md.

Q2 2024 vs. Q2 2023



# 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 3.0% in June, 1.1 percentage points below the U.S. national rate.
- The county's unemployment rate was 1.2 percentage points above June of last year, and 0.1 percentage points below June 2019.
- The total unemployment in the county went from 9,989 in June 2023 to 16,499 in June 2024. That is an increase of 65%. The unemployment rate is only 3%, which is still significantly below the national unemployment rate of 4%.

### Montgomery County Labor Force

	JUNE 2024	JUNE 2023	CHANGE FROM JUNE 2023	CHANGE FROM 2019
<b>Labor Force</b>	557,840	552,219	1.0%	-4.0%
<b>Employment</b>	541,341	542,230	-0.2%	-3.9%
<b>Unemployment</b>	16,499	9,989	65.2%	-8.0%
<b>Unemployment Rate</b>	3.0%	1.8%	1.2%	-0.1%
<b>State of Maryland</b>	2.8%	1.9%	0.9%	-0.5%
<b>Washington MSA</b>	3.3%	2.7%	0.5%	0.1%
<b>United States</b>	4.1%	3.6%	0.5%	0.5%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (June 2024).

Note: Figures are non-seasonally adjusted.

## Employment by Major Industry

### Jobs by Industry in Montgomery & Frederick Counties

EMPLOYMENT IN SELECT INDUSTRIES	JUNE 2024	JUNE 2023	CHANGE FROM JUNE 2023	CHANGE FROM 2019
<b>Total Employees</b>	605,100	604,200	0.1%	-1.0%
<b>Professional/Scientific/Tech Services</b>	91,400	92,700	-1.4%	7.2%
<b>Systems Design &amp; Services</b>	27,500	28,100	-2.1%	7.4%
<b>Scientific R&amp;D</b>	21,700	21,500	0.9%	18.6%
<b>Health Care &amp; Social Assistance</b>	84,400	81,300	3.8%	3.7%
<b>Retail</b>	55,100	55,900	-1.4%	-3.8%
<b>Leisure &amp; Hospitality</b>	55,800	56,100	-0.5%	-7.6%
<b>Accommodation &amp; Food Services</b>	44,200	44,800	-1.3%	-8.5%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (June 2024).

Note: Figures are non-seasonally adjusted.

### Life Sciences Subsector

Montgomery County accounts for 49% of all life science employees in the state of Maryland. The number employed was 3.2% below 2022, while decreasing 0.3% in the state of Maryland. Scientific R&D has been growing rapidly around the country since July 2019 (17.2%, compared to 6.3% in Montgomery County).

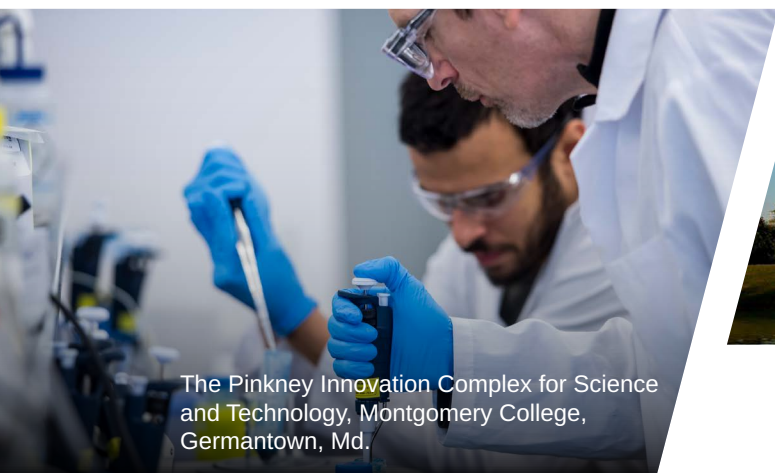
	Q4 2023	Q4 2022	Q4 2019	CHANGE SINCE Q4 2022	CHANGE SINCE Q4 2019
<b>Montgomery County</b>	52,430	54,151	49,325	-3.2%	6.3%
<b>State of Maryland</b>	106,696	106,987	97,904	-0.3%	9.0%
<b>Washington MSA</b>	99,214	100,019	88,536	-0.8%	12.1%
<b>United States</b>	2,370,302	2,324,440	2,022,909	2.0%	17.2%

Source: Bureau of Labor Statistics. Accessed in June 2024.

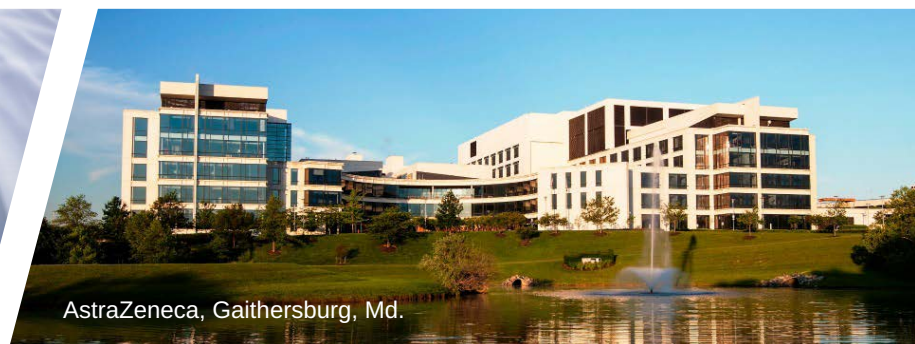
\* Figures are non-seasonally adjusted; \*\* Regardless of where job is located

### Life Sciences – Breakdown of Employment by Industry Sector (NAICS Code)

NAICS	INDUSTRY	EMPLOYMENT
923120	Administration of Public Health Programs	28,618
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	7,936
541714	Research and Development in Biotechnology (except Nanobiotechnology)	7,124
325411	Medicinal and Botanical Manufacturing	2,115
325414	Biological Product (except Diagnostic) Manufacturing	1,937
325413	In-Vitro Diagnostic Substance Manufacturing	1,593
621511	Medical Laboratories	1,150
621512	Diagnostic Imaging Centers	620
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	553
325412	Pharmaceutical Preparation Manufacturing	447
541713	Research and Development in Nanotechnology	84
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	30
339112	Surgical and Medical Instrument Manufacturing	23



The Pinkney Innovation Complex for Science and Technology, Montgomery College, Germantown, Md.



AstraZeneca, Gaithersburg, Md.

# Real Estate & Development

The section below details Q2 2024 trends in the real estate sector—office, retail, and multi-family—from the CoStar database.

## Vacancy Rates and Rent

### Real Estate Indicators

		Q2 2024	Q2 2023	YOY
Office Real Estate	Gross Rent per sq. ft.	\$32.35	\$31.76	\$0.59
	Vacancy	18.3%	16.3%	2.0%
	Availability Rate	22.7%	20.4%	2.3%
Retail	Gross Rent per sq. ft.	\$33.90	\$34.92	-\$1.02
	Vacancy	5.70%	5.82%	-0.12%
	Availability Rate	4.84%	5.60%	-0.76%

CoStar reports pulled by MCEDC.

At 18.3%, office vacancy rates in Q2 were 2.0 percentage points above last year (16.3%).

Retail vacancies in Q2 were 0.12 percentage points lower than they were the previous year. Retail rents were \$33.90 in the second quarter, for a YOY percentage point decrease of 3.0%.

**Office Vacancies:** Montgomery County’s office vacancy rate was lower than in Arlington or Fairfax counties in Q2 2024. However, since Q2 2019, office vacancies have increased more in Montgomery County than other major jurisdictions.

### Office Real Estate Vacancy Rate Trends Comparison

	Q2 2024	Q2 2023	YOY CHANGE FROM 2023-2024	Q2 2019	YOY CHANGE FROM 2019-2024
Montgomery County	18.3%	16.3%	2.0%	12.0%	6.3%
Prince George's County	11.3%	11.2%	0.1%	12.4%	-1.1%
District of Columbia	17.6%	16.5%	1.1%	11.1%	6.5%
Arlington County	23.7%	21.5%	2.2%	17.7%	6.0%
Alexandria City	16.9%	16.7%	0.2%	15.3%	1.6%
Fairfax County	19.3%	18.0%	1.3%	15.2%	4.1%
State of Maryland	12.6%	12.1%	0.5%	10.4%	2.2%
Washington MSA	17.0%	15.8%	1.2%	12.7%	4.3%

Source: CoStar

## Housing Indicators

### Home Sales Update

	Q2 2024	Q2 2023	YOY
Median Sold Price	\$650,00	\$630,000	3.2%
Closed Home Sales	957	1,041	-8.1%
Active Listings	1,037	794	30.1%
Average Sold Price to Listing Price Ratio	101.6%	101.8%	-0.2%

GCAAR Monthly Market Report.

Note: Data are for all housing sale types, not inflation adjusted.

**Active Listings:** This indicator shows the number of homes on the market for sale in the month of June 2024, with the change from June 2023. June 2024 showed more active listings (up 30.1%) than June 2023.

**Average Sales Price to List Price Ratio:** This indicator shows the ratio of the sold price to the listing price. A ratio of 100% means that the price of the home sold for was the same as the listing price. This decreased slightly (0.2%) from last June to 101.6%.

### Multi-Family Update

		Q2 2024	Q2 2023	YOY
Multi-Family Rentals	Effective Gross Rent per Unit	\$2,141	\$2,083	\$58
	Vacancy	6.1%	5.8%	0.3%

CoStar reports pulled by MCEDC.

Multi-family rent rose by 2.8% YOY, with the vacancy rate at 6.1%, 0.3% above Q2 2023.



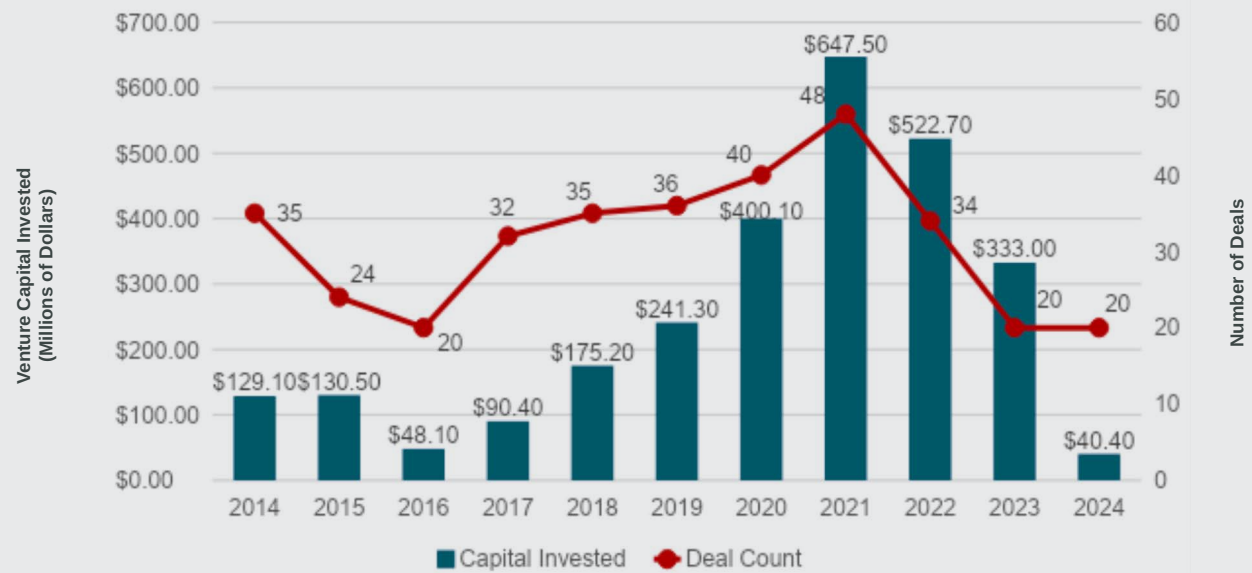
Rio Lakefront, Gaithersburg, Md.

# Venture Capital

## Investment

This reports second quarter venture capital trends from 2016-2024. 2Q 2024 venture capital investment was \$40.02 million over 20 deals, both the lowest over the period, reflecting the impact of higher interest rate, and the national VC market having the lowest run rate since 2015.

Montgomery County Venture Capital Invested and Deals: Q2 2014-2024



PitchBook

The largest deals in 2Q 2024 were Coign (\$13.7 million), which is a credit card service provider, and The Freedonia Group (\$9.77 million), an international industrial sector research group. Together, these accounted for about one in every two dollars invested in 2Q 2024.

### Largest Venture Capital Deals in MoCo in Q2 2024

COMPANY	DEAL DATE	DEAL SIZE (MILLIONS)	INDUSTRY
Coign	04/16/2024	\$13.70	Consumer Finance
The Freedonia Group	06/03/2024	\$9.77	Media and Information Services
Garden for Wildlife	04/29/2024	\$5.22	Horticulture/Ecommerce
Immunomic Therapeutics	04/10/2024	\$3.00	Drug Discovery
Amplex Therapeutics	05/19/2024	\$2.00	Biotechnology

PitchBook

# Population Rebound in Montgomery County, Md.

The U.S. Census Bureau released new population estimates for counties and metropolitan areas in March 2024. Montgomery County, along with the Washington, DC region and the state of Maryland, is regaining the population it lost during the height of the COVID-19 pandemic. This article describes the trends driving these recent changes.

## Montgomery County's Population in 2023

Montgomery County's estimated population as of July 1, 2023, was 1,058,474 people, an increase of 5,407 people (0.51%) from July 1, 2022 ([Figure 1](#)). While this figure is still nearly 3,600 residents lower than the April 1, 2020 (Census Day) estimate of 1,062,065, it represents a partial recovery from the decline that took place between 2020 and 2022.

## Where Did Our Growth Come From?

Population change consists of three major components:

- **Natural increase:** The number of births minus the number of deaths in Montgomery County.
- **Net domestic migration:** The number of persons moving into Montgomery County from other U.S. locations minus the number of persons leaving the county for other U.S. locations.
- **Net international migration:** The number of persons moving into Montgomery County from locations outside the United States minus the number of persons moving out to locations abroad.

For the net migration components, a positive number means that more people moved into the county than moved out, and a negative number means the opposite.

[Figure 2](#) breaks down the yearly population change into its components to explain the county's most recent population increase, and [Figure 3](#) shows the yearly change in the county's population. From 2022 to 2023, the county lost 11,153 persons through net domestic migration (as shown by the gray bars in [Figure 2](#)) and gained 11,191 residents through net international migration (as shown by the red bars). These latest numbers show international and domestic migration balancing each other out. In contrast, the previous two years had many more people moving out of the county than moved in. The blue bars in [Figure 2](#) also show that the county had a natural increase of 5,297 from 2022 to 2023.

In the previous two years, the natural increase was lower due to more deaths, and the increase did not offset the larger numbers of people moving away.

## How Does This Latest Growth Compare with Recent Trends?

Historically, migration has had a major impact on the county's population growth. Typically, migration from abroad makes up for population loss from domestic migration, and both fluctuate due to broader conditions. For example, a strong national economy with competitive job opportunities in places with a lower cost of living can draw people away from the county and the DC region. Conversely, during national economic downturns, the county benefits from the DC region's stronger job market due to its large federal government presence. County residents ages 55 to 74 have historically higher out-migration rates; many in this age group are likely recent retirees who are moving away to live in areas with a lower cost of living. International migration into the county is contingent on national immigration policy, world politics, and global economic cycles and tends to be less tied to national or local economic conditions.

[Figure 2](#) shows that net domestic out-migration picked up through the 2010s as the national economy improved after the Great Recession of 2008 and as the leading edge of the baby boom generation reached retirement age. Lower migration levels from abroad in the late 2010s are tied to changes in national immigration policy that led to fewer immigrants entering the United States. The increase in domestic out-migration during the 2010s contributed to declining yearly population growth that became more severe later in the decade, when the county also received fewer international migrants ([Figure 3](#)).

When the COVID-19 pandemic began in 2020, it disrupted migration trends. Despite a global recession, domestic out-migration accelerated as a large part of the workforce rapidly transitioned to remote work, which allowed people to relocate. On top of that, pandemic-related restrictions on international travel temporarily slowed foreign migration. These factors contributed to the county's population loss from 2020 to 2022, the first one since 1980.

Data from 2023 indicates a mixed picture regarding current migration trends. As the national economy recovered, domestic out-migration remained high, which may



indicate that there were better employment opportunities elsewhere. Some out-migration likely also included retirees leaving, a trend that is expected to continue as the county's population ages. However, more residents may have chosen to stay as employers restricted their ability to work remotely, and housing in other places became less affordable. Reduced travel restrictions, further changes to immigration policy, and recent geopolitical events in other countries meant that the county again received more international migrants.

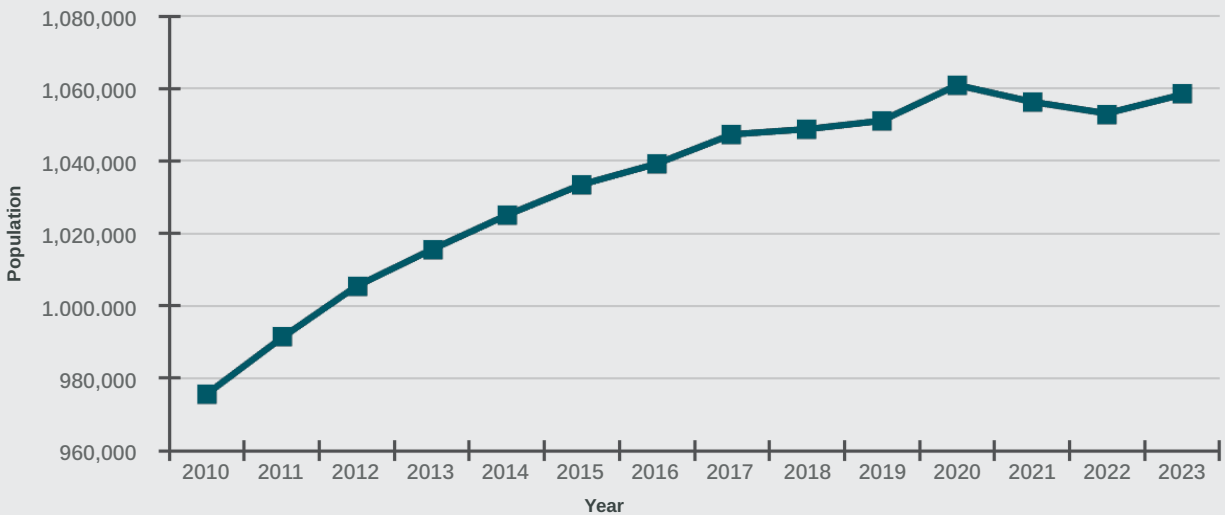
Finally, population growth due to natural increase has shrunk over time. In line with national trends that predate the pandemic, the county has had fewer births and more deaths, which are related to delayed childbearing among younger adults and an aging population. High death rates and fewer childbirths during the pandemic temporarily reduced the natural population increase even further.

However, the pandemic's effects on the number of births and deaths were never as large as its effects on migration and quickly diminished as vaccines became widely available and the economy improved. Overall, trends in natural increase have been more stable than migration trends.

### Looking Ahead

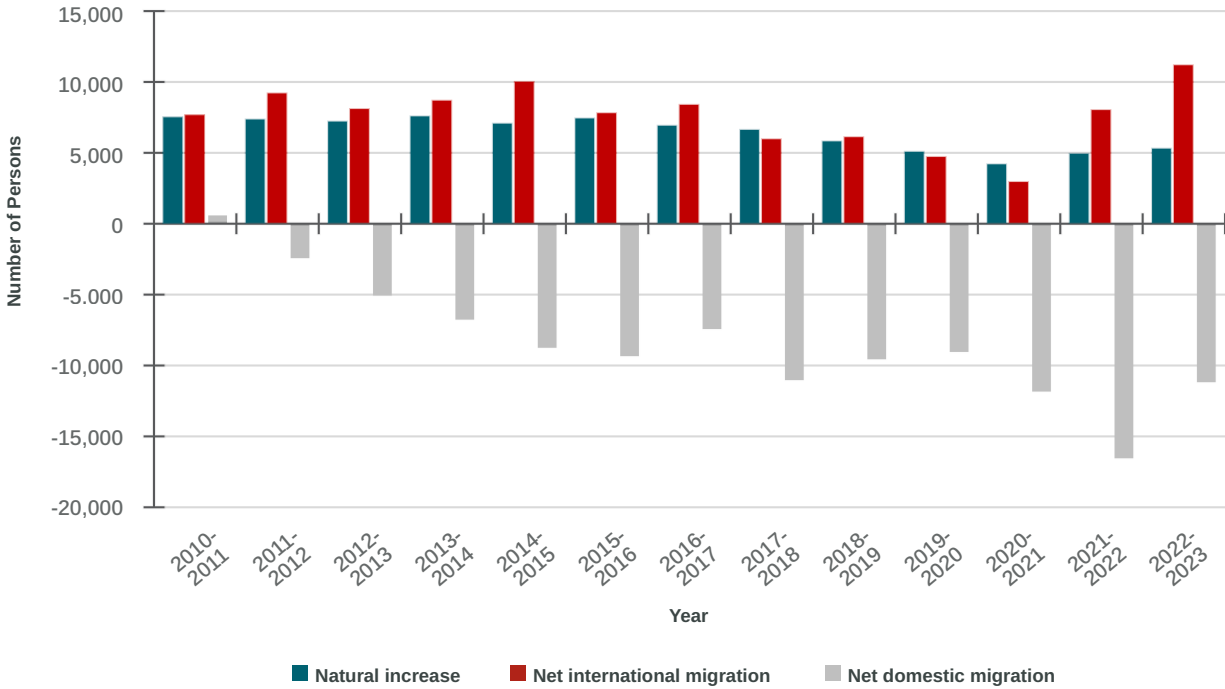
This most recent population rebound provides some optimism that Montgomery County will continue to grow and be an attractive destination for current and new residents. The county's expected future growth reflects its current status as a populous, maturing suburb in one of the largest job centers in the nation. This growth will require more efficient use of land through infill development and redevelopment, as well as [inclusive growth through more abundant, affordable housing](#) for households of all incomes.

Figure 1: Montgomery County's Population 2010 to 2023 (as of July 1 of each year)



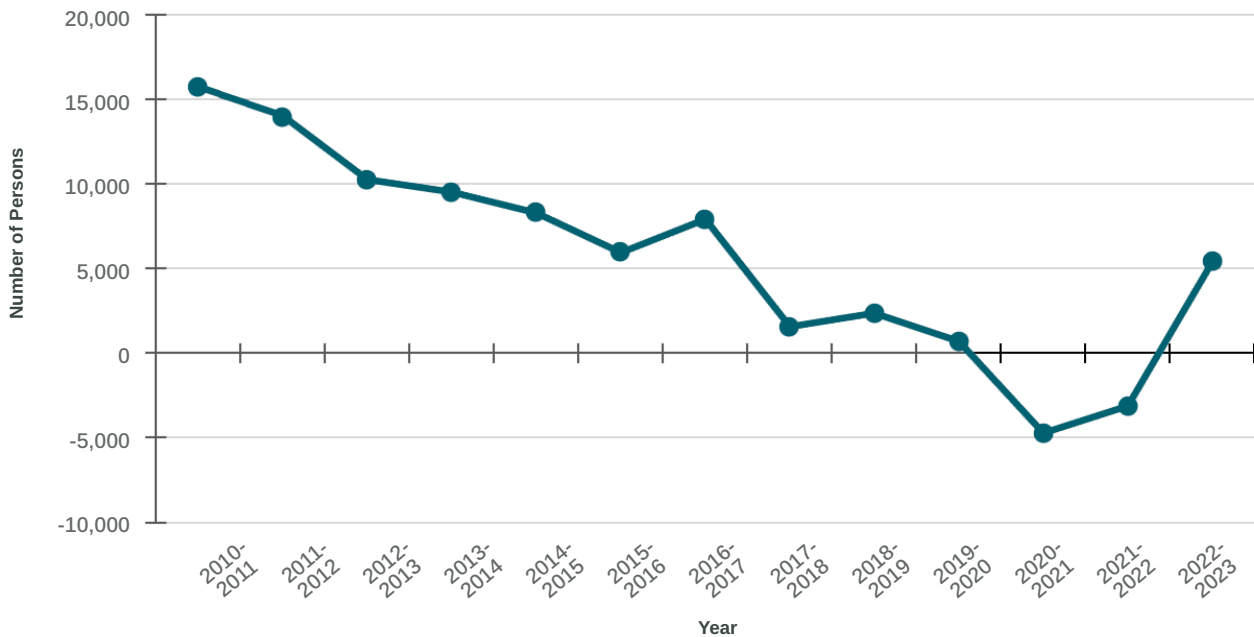
Note: Data for 2010 to 2019 are from the Vintage 2020 series. Data for 2020 to 2023 are from the Vintage 2023 series and uses the 2020 Census results as the base for estimates for these years. Vintage 2023 series data may differ from data in previously published vintages.

Figure 2: Population change (number of persons) for Montgomery County by component, 2010 to 2023



Note: Figures for annual change are based on population estimates as of July 1 of each year. Data for 2010-2011 to 2019-2020 are from the Vintage 2020 series. Data for 2020-2021 to 2022-2023 are from the Vintage 2023 series and may differ from data in previously published vintages.

Figure 3: Annual change in Montgomery County's population, 2010 to 2023



Note: Figures for annual change are based on population estimates as of July 1 of each year. Data for 2010-2011 to 2019-2020 are from the Vintage 2020 series. Data for 2020-2021 to 2022-2023 are from the Vintage 2023 series and may differ from data in previously published vintages.

## 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

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.

Montgomery County Economic Development Corporation operates as a 501(c)(3) nonprofit public-private partnership and is funded by Montgomery County. We are dedicated to attracting, retaining and expanding businesses within key industries to Montgomery County, Md.

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