

Quarterly Economic Indicators Briefing

October 2025

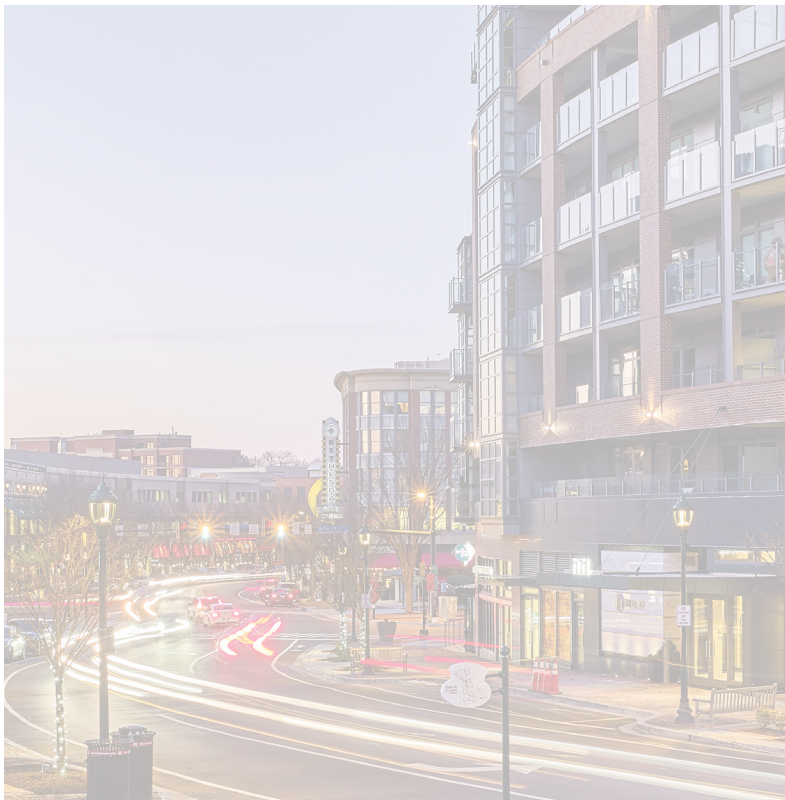


Table of Contents

Quarter-to-Quarter Summary 2

Resident Labor Force 3

Real Estate & Development 8

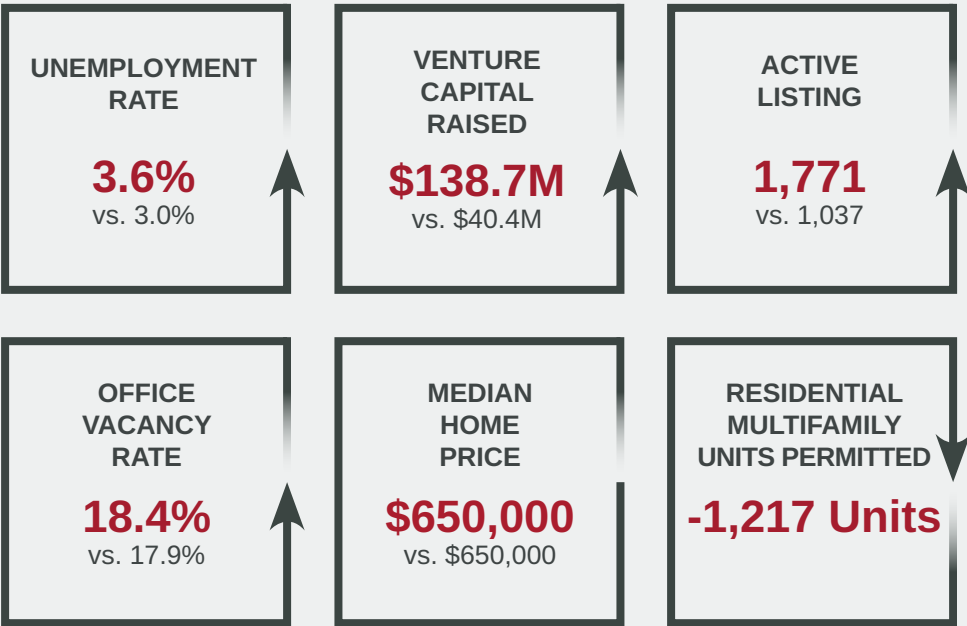
Venture Capital 12

SPECIAL SECTION: Satellite and Advanced Communications Industry in Montgomery County 13

This is the 24th 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 2025.

Quarter-to-Quarter Summary

Montgomery County, Q2 2025 vs. Q2 2024



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 3.6% in June, 0.8 percentage points below the U.S. national rate of 4.4%.
- The county's unemployment rate was 0.6 percentage points above June of last year, and 0.6 percentage points above June 2019.
- The total unemployment in the county went from 17,411 in June 2024 to 20,354 in June 2025. That is an increase of 16.9%.

Montgomery County Labor Force

	JUNE 2024	JUNE 2025	CHANGE FROM JUNE 2019	CHANGE SINCE JUNE 2024
Labor Force	574,490	568,805	-5.4%	-1.0%
Employed Residents	557,079	548,451	-6.0%	-1.5%
Unemployed Residents	17,411	20,354	13.8%	16.9%
Unemployment Rate	3.0%	3.6%	0.6%	0.6%
State of Maryland	3.4%	3.7%	0.1%	0.3%
Washington MSA	3.3%	4.0%	0.8%	0.7%
United States	4.3%	4.4%	0.6%	0.1%

U.S. Bureau of Labor Statistics, Local Area Employment and Unemployment (June 2025).

Note: Figures are non-seasonally adjusted.

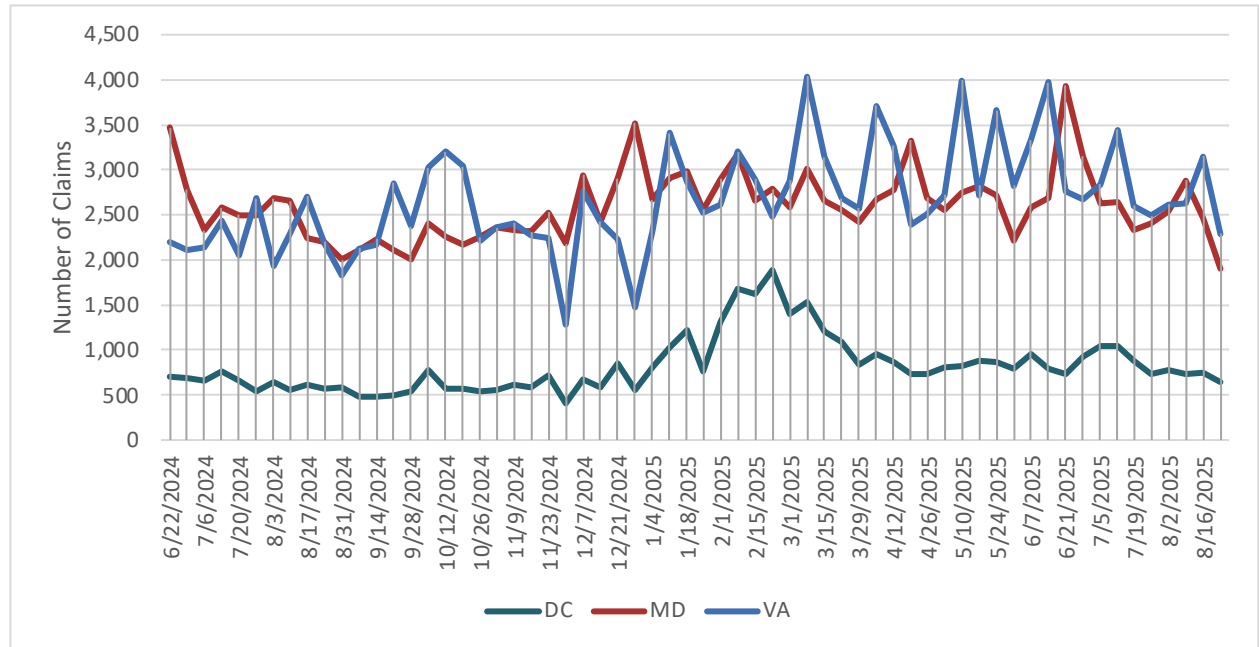
Unemployment Claims

We are tracking Unemployment Insurance claims from the US Department of Labor as an indicator of changes to economic conditions. These changes include direct impacts from cuts to federal positions, grants, and contracts since the current Presidential administration took office and indirect impacts from changes to tariff and other economic policies.

Uninsurance claims are aggregated and reported by the state in which the job was lost, so we can't say exactly how many jobs were lost in Montgomery County or how many Montgomery County residents lost jobs in nearby jurisdictions. Also, Virginia and Maryland have significant workforces outside the Washington, DC region that are less likely to be affected by Federal cuts. Still, these claims can act as important indicators of the current Federal policies' impacts on the regional economy.

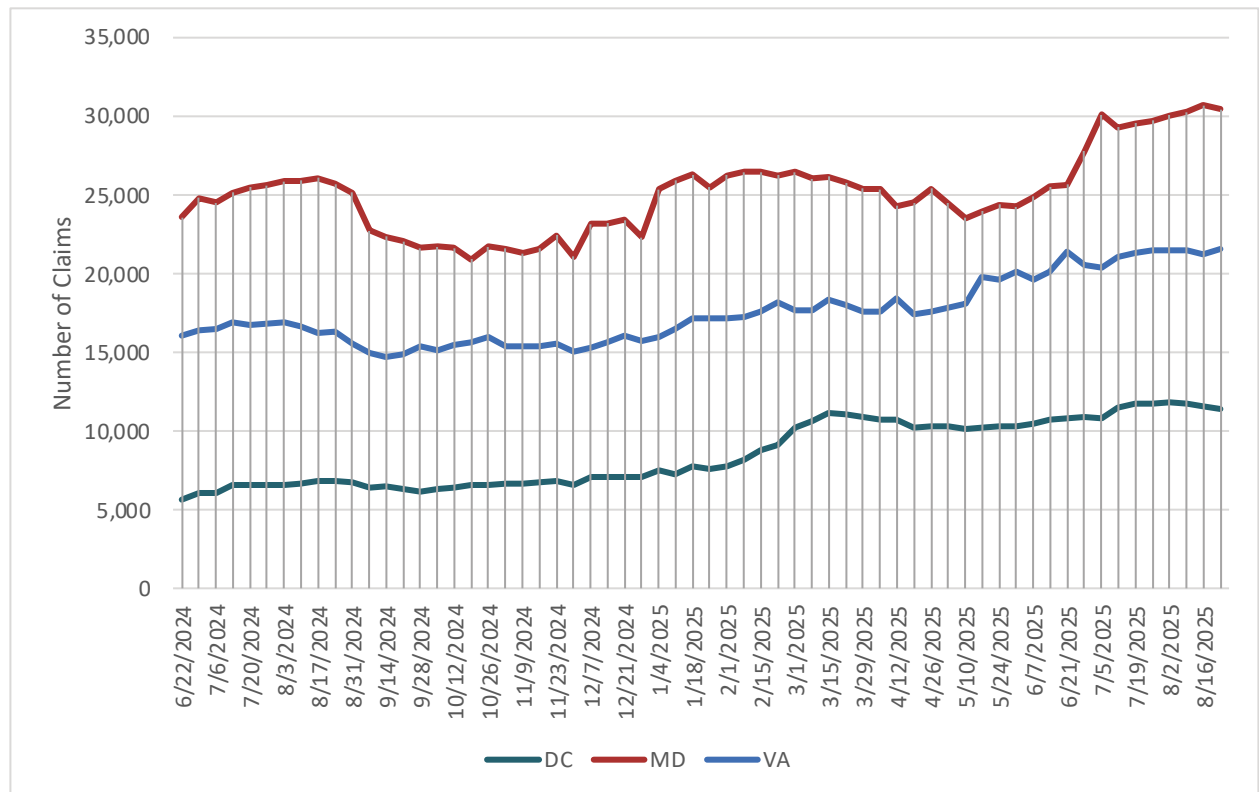
Initial claims in Washington, DC, Maryland, and Virginia remain slightly elevated in 2025 compared to 2024, and the upward trend is clearer and smoother for continuing claims. While the Washington DC region has experienced outsized exposure to Federal government cuts—the spike in initial claims throughout February 2025 is emblematic of this exposure—the nationwide economy has also seen rising unemployment during this time. For reference, the Bureau of Labor Statistics shows [a five percent increase in unemployed people \(332,000\) in the U.S. from February 2025 to August 2025](#). Federal cuts continue to impact the Washington DC area, but the general weakening of the labor market may also be contributing.

Chart 1: New Unemployment Claims in Washington, D.C., Maryland and Virginia



Source: United States Department of Labor

Chart 2: Continuing Unemployment Claims in Washington, D.C., Maryland and Virginia



Source: United States Department of Labor

Federal Job Losses in the Region

The Bureau of Labor Statistics estimates federal employment for Metropolitan Divisions, which are groups of jurisdictions within Metropolitan Statistical Areas (MSA). The Washington, DC MSA has three Metropolitan Divisions:

- Washington DC-MD division: District of Columbia; Prince George's and Charles Counties, MD
- Arlington-Alexandria-Reston VA division: Arlington, Fairfax, Prince William, Fauquier, Spotsylvania, Culpepper, Warren, Rappahanock, and Madison Counties, VA; Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park Cities, VA; Jefferson County, WV
- Frederick-Gaithersburg-Bethesda MD division: Frederick and Montgomery Counties, MD

Of the estimated 24,900 jobs the Washington DC MSA lost from January to August (August estimates are preliminary), the Washington DC-MD division accounted for the most (11,100). The Frederick-Gaithersburg-Bethesda division, which contains Frederick and Montgomery Counties, lost 5,700 jobs, the fewest of the three divisions. However, this division's 10% decline was the steepest of the three relative to January employment levels. These data represent jobs where they are located, not where the employees live.

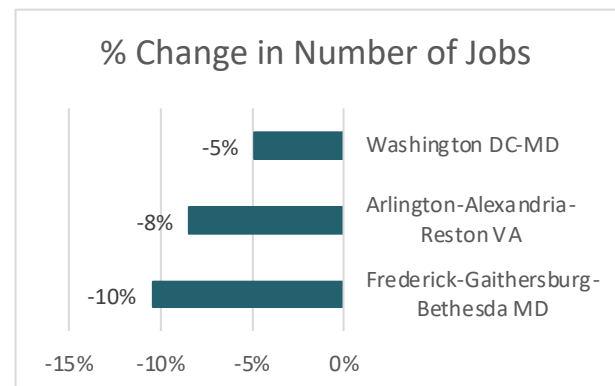
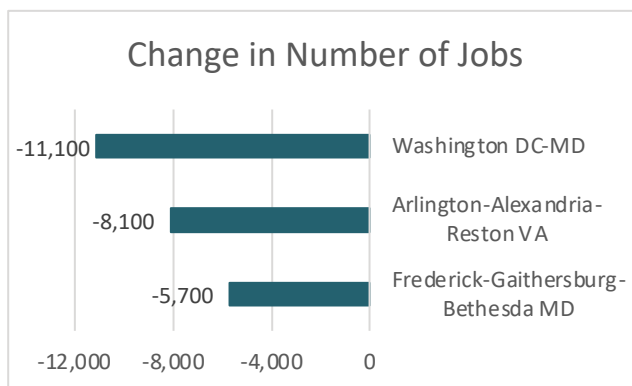
Federal Employment Change January to August 2025 in Washington DC Region and Metropolitan Divisions

METROPOLITAN DIVISION	FEDERAL EMPLOYMENT, JANUARY 2025	FEDERAL EMPLOYMENT	CHANGE FROM JUNE 2019	CHANGE SINCE JUNE 2025
Washington DC-MD	227,800	216,700	-11,100	-5%
Arlington-Alexandria-Reston VA	96,000	87,900	-8,100	-8%
Frederick-Gaithersburg-Bethesda MD	54,500	48,800	-5,700	-10%
Total (Washington DC MSA)	378,300	353,400	-24,900	-7%

*August employment estimates are preliminary

Data: Bureau of Labor Statistics, [Current Employment Statistics State and Metro Area series](#), not seasonally adjusted

Federal Job Losses in Washington DC MSA Metropolitan Divisions, January to August, 2025



*August employment estimates are preliminary

Data: Bureau of Labor Statistics, [Current Employment Statistics State and Metro Area series](#)

Employment by Major Industry

Jobs by Industry in Montgomery & Frederick Counties

EMPLOYMENT IN SELECT INDUSTRIES	JUNE 2024	JUNE 2025	CHANGE FROM JUNE 2019	CHANGE SINCE JUNE 2024
Total Employees	615,000	607,900	-0.9%	-1.2%
Professional/Scientific/Tech Services	88,600	86,200	1.1%	-2.7%
Systems Design & Services	26,000	24,800	-3.1%	-4.6%
Scientific R&D	20,400	19,700	7.7%	-3.4%
Education and Health Services	104,200	105,000	8.0%	0.8%
Health Care & Social Assistance	87,400	89,900	10.4%	2.9%
Retail	56,600	56,400	-1.6%	-0.4%
Manufacturing	20,500	20,500	7.9%	0.0%
Trade, Transportation and Utilities	76,800	76,000	-1.8%	-1.0%
Information	12,800	13,000	6.6%	1.6%
Financial Activities	36,500	37,000	-4.6%	1.4%
Other Services	26,200	27,100	-4.9%	3.4%
Government	116,100	113,000	2.8%	-2.7%
Mining, Logging and Construction	32,600	31,700	-11.5%	-2.8%
Leisure & Hospitality	56,500	56,100	-7.1%	-0.7%
Accommodation & Food Services	44,300	44,200	-8.5%	-0.2%

Bureau of Labor Statistic. Accessed August 2025. The latest data available via JobsEQ refers to Q1 2025. Note: Figures are non-seasonally adjusted.

Advanced Technology Snapshot Subsector

The Advanced Technology sector is a tracked sector by MCEDC, and an important component of Montgomery County's economy. It includes digital information technology, software, and engineering services. The number employed was 1.9% below Q1 2024, while decreased 2.2% in Maryland. Employment growth in the Advanced Technology subsector in Q1 2025 in Montgomery County was outpaced by employment growth in the sector in the United States over the last year (0.5%, compared to -1.9% in Montgomery County).

	Q1 2019	Q1 2024	Q1 2025	CHANGE SINCE Q1 2019	CHANGE SINCE Q1 2024
Montgomery County	30,222	28,843	28,297	-6.4%	-1.9%
State of Maryland	129,791	138,263	135,219	4.2%	-2.2%
Washington MSA	249,970	250,460	250,029	0.0%	-0.2%
United States	4,392,571	5,171,595	5,198,276	18.3%	0.5%

Bureau of Labor Statistic. Accessed August 2025. The latest data available via JobsEQ refers to Q1 2025.

* Figures are non-seasonally adjusted

Advanced Technology – Breakdown of Employment by Tracked NAICS Codes with Over 1,000 Employees, Q4 2024

NAICS	INDUSTRY	EMPLOYMENT
541512	Computer Systems Design Services	11,018
541511	Custom Computer Programming Services	5,959
541330	Engineering Services	5,470
513210	Software Publishers	2,056
518210	Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	1,483
541519	Other Computer Related Services	1,368
541513	Computer Facilities Management Services	137

Based on "Adv. Technology" NAICS occupations as tracked by MCEDC.



Real Estate & Development

This section details Q2 2025 trends in the real estate sector for office, retail and Flex—from the CoStar database.

Vacancy Rates and Rent

Real Estate Indicators

		Q2 2024	Q2 2025	CHANGE SINCE Q2 2024
Office	Gross Rent per sq. ft.	\$31.84	\$32.29	1.4%
	Vacancy	17.9%	18.4%	0.5%
Retail	Gross Rent per sq. ft.	\$33.40	\$36.18	8.3%
	Vacancy	5.7%	6.0%	0.3%
Flex	Gross Rent per sq. ft.	\$25.53	\$24.59	-3.7%
	Vacancy	9.0%	10.5%	1.5%

CoStar data compiled by MCEDC.

At 18.4%, office vacancy rates in Q2 were 0.5 percentage points above last year (17.9%).

Retail vacancies in Q2 were 0.3 percentage points higher than they were the previous year. Retail rents were \$36.18 in the second quarter, for a YOY percentage point increase of 8.3%.

Office Vacancies: Montgomery County's office vacancy rate was lower than in Arlington or Fairfax counties in Q2 2025. However, since Q2 2019, office vacancies have increased more in Montgomery County than most other major jurisdictions.

Office Real Estate Vacancy Rate Trends Comparison

OFFICE REAL ESTATE	Q2 2019	Q2 2024	Q2 2025	CHANGE SINCE Q2 2019	CHANGE SINCE Q2 2024
Montgomery County	11.8%	17.9%	18.4%	6.6%	0.5%
Prince George's County	12.5%	11.4%	13.0%	0.5%	1.6%
District of Columbia	11.1%	17.6%	17.6%	6.5%	0.0%
Arlington County	16.9%	20.9%	22.2%	5.3%	1.3%
Alexandria City	15.3%	16.9%	20.5%	5.2%	3.6%
Fairfax County	14.9%	19.0%	19.4%	4.5%	0.4%
State of Maryland	10.5%	12.9%	13.5%	3.0%	0.6%
Washington MSA	12.6%	16.8%	17.3%	4.7%	0.5%

CoStar data compiled by MCEDC.

Housing Indicators

Home Sales

Signals in the for-sale housing market were mixed in the second quarter of 2025. Average sold prices continued to climb for both attached and detached units, but the median sold price for all homes remained unchanged at \$650,000 from a year ago. The year-over-year number of active listings increased significantly the last two quarters indicating rising levels of inventory, but the number of sales was down about two percent in Q2. While these trends could signal an inflection point and a long-awaited loosening of the for-sale housing market, they also may be symptoms of the weakening economy and the related regional fallout of widespread cuts to the Federal workforce.

Home Sales Indicators

HOME TYPE	METRIC	Q2 2024	Q1 2025	% CHANGE
All Homes	Average Sold Price	\$ 799,486	\$ 823,916	3.1%
	Median Sold Price	\$ 650,000	\$ 650,000	0.0%
	Average Sold Price to Original Listing Price Ratio	102.5%	99.8%	-2.7%
	Units Sold	2,893	2,837	-1.9%
	Active Listings	1,037	1,771	70.8%
Attached Homes (Condos, Duplexes, Townhomes)	Attached Average Sold Price	\$ 463,444	\$ 483,092	4.2%
	Attached Units Sold	1,269	1,249	-1.6%
Detached Homes	Detached Average Sold Price	\$ 1,062,267	\$ 1,092,698	2.9%
	Detached Units Sold	1,623	1,587	-2.2%

BrightMLS

Multi-Family Update

		Q2 2024	Q2 2025	CHANGE SINCE Q2 2024
Multi-Family Rentals	Effective Gross Rent per Unit	\$2,130	\$2,150	0.9%
	Vacancy	6.3%	7.3%	1.0%

CoStar data compiled by MCEDC.

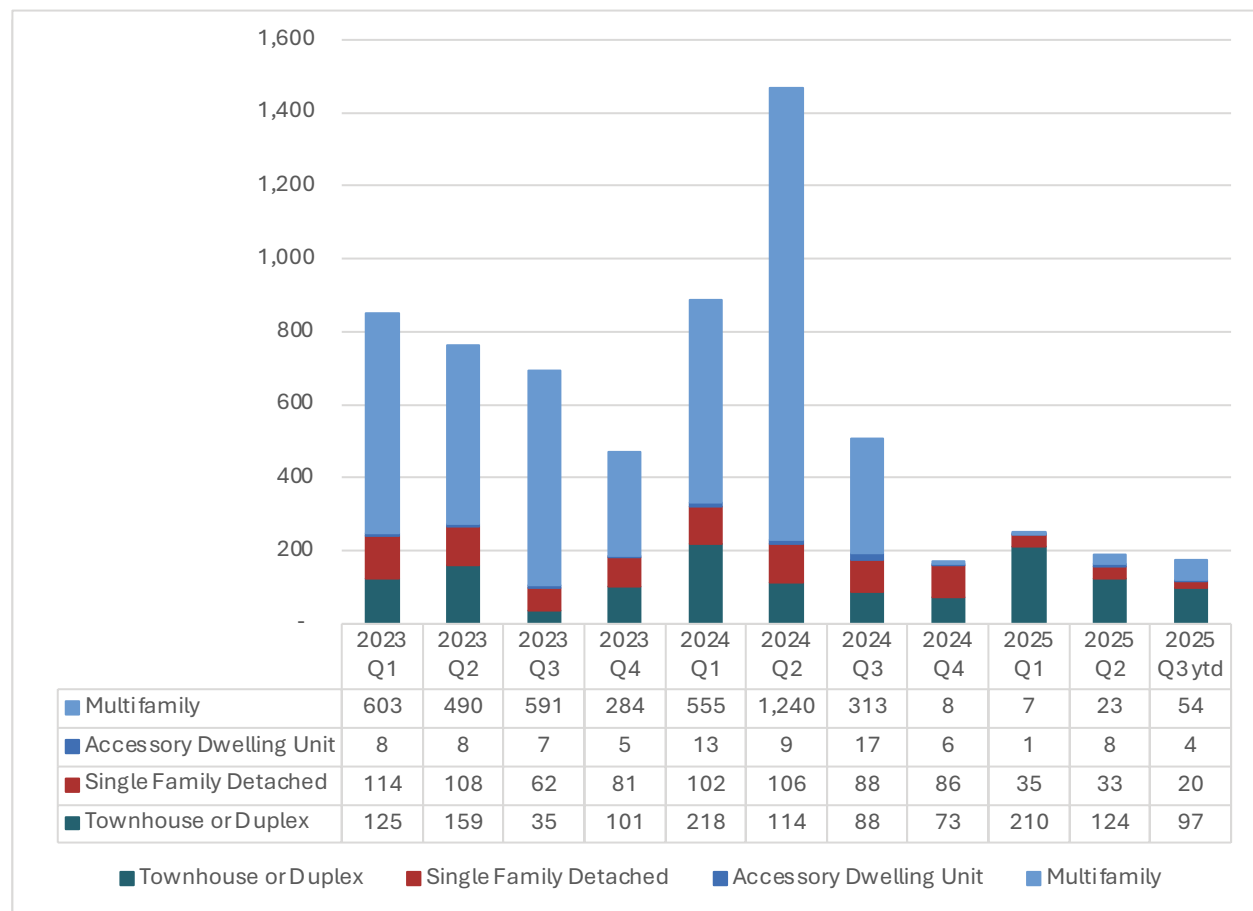
Multi-family rent rose by 0.9% YOY, with the vacancy rate at 7.3%, 1.0% above Q2 2025.

Residential Building Permits

This issue includes the most up-to-date permitting data available, which extends through August 31, 2025, two-thirds of the way through the third quarter. Permitting activity remains slow, and the only multifamily permits in this span was 54 units that are part of the 55+ Village at Cabin Branch project.

Similarly, the 38 total multifamily units permitted in the fourth quarter of 2024 through the second quarter of 2025 are “two-over-twos,” which are for-sale units, similar to townhomes but counted as multifamily because they fall under commercial building codes.

Residential Building Permits by Type, January 1, 2022 to August 31, 2025

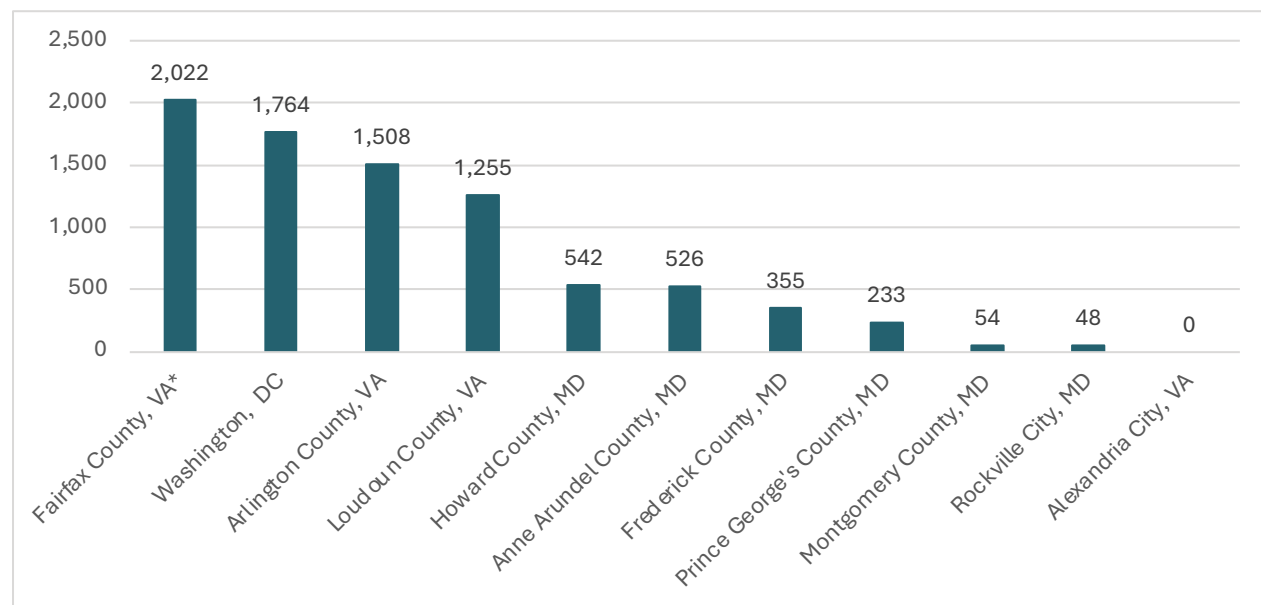


Source: Montgomery County Department of Permitting Services, tabulated by Montgomery Planning 9/15/25; data subject to revision

Multifamily Building Permits in the Washington DC Region

According to the US Census Building Permit Survey, most jurisdictions in the region have permitted more multifamily units than Montgomery County from October 1, 2024 through August 31, 2025, with Fairfax County, VA leading the way. Census Building Permit data should be interpreted cautiously because they are reported to the Census Bureau by permitting jurisdictions, and not all jurisdictions report permits consistently.

Multifamily Building Permits in Major Washington DC Region Jurisdictions from Oct. 1, 2024 to August 31, 2025



*Includes Fairfax City and Falls Church City

Except for the City of Rockville, permit data are from [US Census Building Permit Survey](#), reported data only, compiled by Montgomery Planning; these data are subject to revision and differ slightly from Planning permitting data due to differences in building-type classifications. Rockville data from [City of Rockville Residential Development Trends](#).

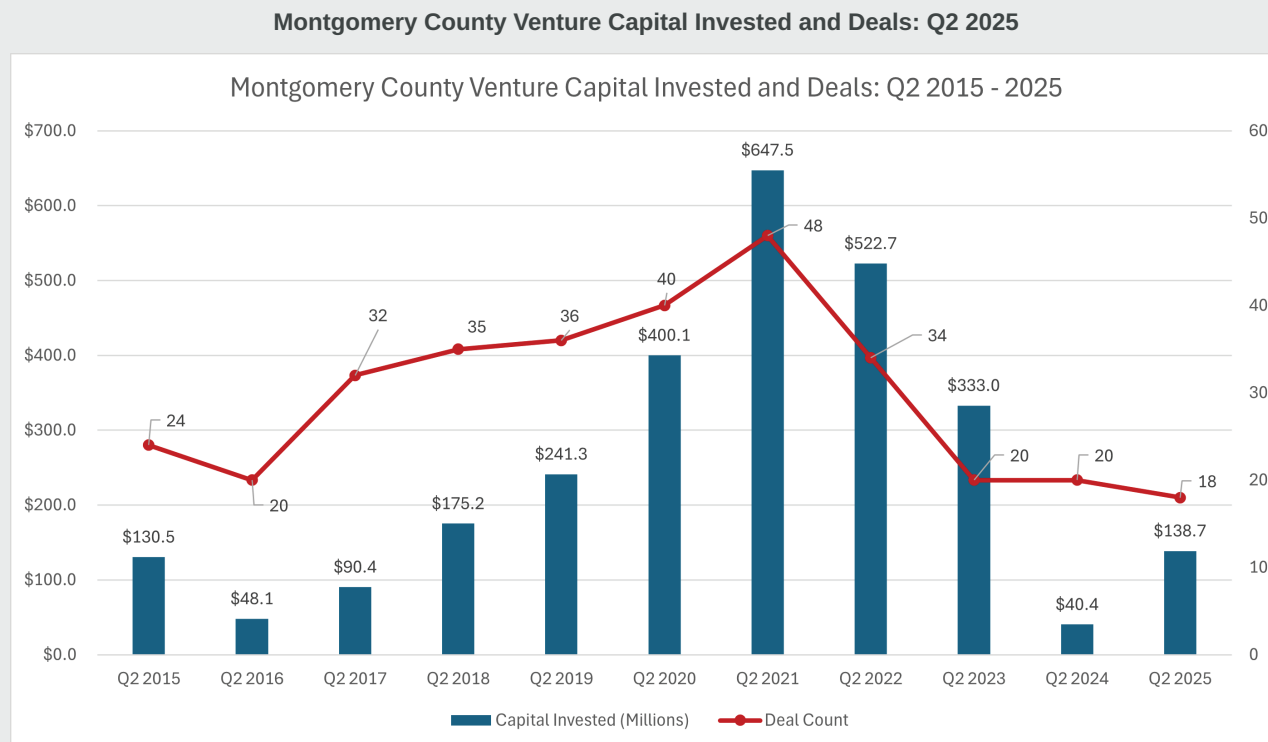
For context, national multifamily building trends have been mixed through 2024 and 2025. The National Apartment Association notes that in the first half of 2025, building completions remained strong, but [“the rental housing industry is seeing the slowest pace of multifamily starts since November 2024, despite strong long-term rental demand.”](#) They also note that the Washington, DC market was one of the slower markets for permitting in the US from May 2024 to May 2025, and that interest rates, construction costs, and uncertainty were all contributing to the slowdown in permitting.

While it is still too early for the effects of the [Federal Reserve's quarter-point lowering of the federal funds rate in September](#) to materialize, lower interest rates generally make conditions more favorable for construction.

Venture Capital

Investment

This reports second quarter venture capital trends from 2015-2025. Q2 2025 venture capital investment was \$138.7 million over 18 deals reflecting the impact of interest rates decreasing the overall number of deals, but a strong rebound from last year.



The largest deal in Q2 2025 were Quantum Space (\$57 million) which is a space platform, and AuthMind (\$19.3 million) a cybersecurity company.

Largest Venture Capital Deals in MoCo in Q2 2025

COMPANY	DEAL DATE	DEAL SIZE (MILLIONS)	INDUSTRY
Quantum Space	6/06/2025	\$57.0	Aerospace
AuthMind	4/22/2025	\$19.3	Cybersecurity
Remedy Plan Therapeutics	5/13/2025	\$18.0	Drug Discovery
BluebriX	6/25/2025	\$15.0	Health Tech
CERTIFY Health	4/25/2025	\$10.0	Health Tech

PitchBook, 2025

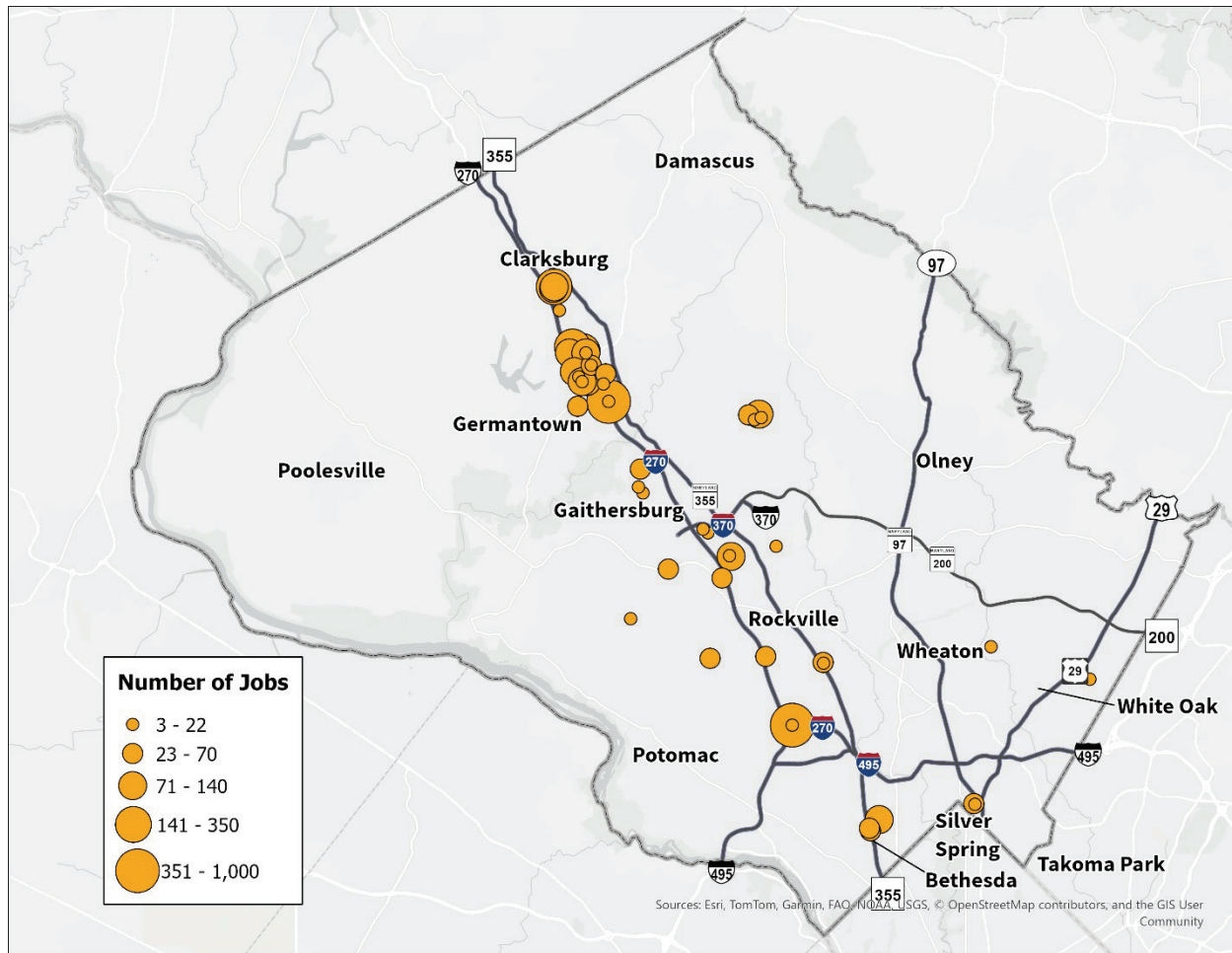
Satellite and Advanced Communications Industry

The previous issue of the Economic Indicators Report (Q1 2025) highlighted Montgomery County's highly competitive Satellite and Advanced Communications industry because it plays a key role in the county's advanced manufacturing ecosystem. In this issue, we look at the industry more generally.

With a legacy extending back to COMSAT laboratories in Clarksburg, Montgomery County boasts a diverse cluster of firms producing cutting edge hardware, infrastructure, and network technologies for space-based and terrestrial communications networks. [The CEO of one recent addition to the cluster, Intellian, calls Montgomery County the “heart of ‘Satellite Valley’”](#) (Intellian press release, April 26, 2023).

Montgomery County's Satellite and Advanced Communications Industry has an estimated 5,500 employees in 54 establishments throughout the county. The sector's core industries are classified as Navigational, Measuring, Electromedical, and Control Instruments Manufacturing (NAICS 3345) and Manufacturing and Reproducing Magnetic and Optical Media (NAICS 3346), and it extends to related research and development classifications and aerospace firms like Northrup Grumman and Lockheed Martin. The industry is most concentrated along I-270 in Germantown and Clarksburg, as the map shows.

Montgomery County Satellite and Advanced Communications Industry



Source: Data Axle analyzed and mapped by Montgomery Planning (September 2025)

One example of the recent impact of this sector is the opening of Intellian's U.S. Advanced Development Center in Rockville at 2600 Tower Oaks Blvd, placing the company squarely in the region's satellite and space-tech cluster. Opened in March 2023, the Rockville site is Intellian's first U.S.-based R&D hub focused on advancing flat-panel antennas and user terminals. Intellian—a Korean-headquartered company—committed \$100 million to the Maryland operation and planned to scale the local team to 70+ engineers and specialists.

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

The 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. It operates as a 501(c)(3) nonprofit public-private partnership and is funded by Montgomery County.

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