



MONTGOMERY COUNTY ECONOMIC INDICATORS BRIEFING

2022 | Q2



ECONOMIC INDICATORS BRIEFING 2022 Q2

This is the twelfth edition of the quarterly joint publication between the Montgomery County Economic Development Corporation 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 2022.

EMPLOYMENT OVERVIEW

This section focuses on Montgomery County labor force participation regardless of where the job is located.

RESIDENT LABOR FORCE¹

	June 2022	June 2021	Change from June 2021	Change from June 2019 (before pandemic)
Labor Force	561,952	552,540	9,412	-16,474
Employment	537,426	516,832	20,594	-23,046
Unemployment	24,526	35,708	-11,182	6,472
Unemployment Rate	4.4%	6.5%	-2.1%	1.3%

Note: BLS county figures were statistically adjusted in April 2022 and should not be compared to prior releases of this report. Figures are non-seasonally adjusted.

Total employment has continued to make strides since June 2021. Total employment grew by more than 9,000 and unemployment is more than two percentage points lower. Still, the county's total labor force and employment remains smaller than it was in June 2019, prior to the pandemic.

This edition also looks at the twenty fastest growing occupations in Montgomery County. These come from across the wage continuum. Waiters and waitresses and retail salespersons added the most jobs. Four higher-paying occupations—software developers, general and operations managers, project management specialists, and business operations specialists—were in the top ten for growth. The highest percentage increases among the top twenty were among restaurant and bar occupations—bartenders, cooks, and servers—and also among exercise trainers and fitness instructors.

TWENTY HIGHEST GROWTH OCCUPATIONS IN MONTGOMERY COUNTY IN 2022 Q1²

Occupation Group	Employment Q1 2022	1-Year Change	% Change	Annual Mean 2021 Wage
Waiters and Waitresses	4,832	1,060	28.1%	\$36,200
Retail Salespersons	10,491	1,044	11.1%	\$35,400
Software Developers	8,494	1,011	13.5%	\$132,800
Fast Food/Counter Workers	8,393	881	11.7%	\$30,000
Restaurant Cooks	2,891	712	32.6%	\$35,400
General and Operations Managers	10,607	661	6.6%	\$146,800
Project Management Specialists	5,682	612	12.1%	\$114,800
Personal Care Aides	7,126	562	9.1%	\$30,900
Business Operations Specialists	7,795	569	7.9%	\$98,300
Food Prep. And Serving Supervisors	2,930	439	17.6%	\$46,000
Cashiers	8,875	415	4.9%	\$30,600
Bartenders	1,167	330	39.4%	\$39,400
Managers	3,651	286	8.5%	\$143,700
Child Care Workers	4,448	271	6.5%	\$33,600
Retail Sales Supervisors	4,142	266	6.8%	\$57,100
Hairdressers, Hairstylists	1,824	261	16.7%	\$46,600

¹ US Bureau of Labor Statistics, Local Area Employment and Unemployment

² JobsEQ; Q1 2022 (Q2 NA at time of publication)

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Software Quality Assurance Analysts	2,323	254	12.3%	\$105,700
School Bus Drivers	2,507	252	11.2%	\$49,800
Exercise Trainers, Group Fitness Instructors	1,167	243	26.3%	\$50,000
Shuttle Drivers, Chauffeurs	1,325	236	21.7%	\$37,900

Note: Q1 2022 (Q2 NA at time of publication).

EMPLOYMENT BY MAJOR INDUSTRY SECTOR

This section focuses on employment in significant industry sectors, regardless of employees' county of residence.

Montgomery and Frederick Counties have gained 29,000 jobs since June of last year, a 3.3% increase. The total labor force remains slightly behind June 2019 (pre-pandemic) primarily due to changes in the leisure and hospitality sector. Nonetheless, the county's important professional, scientific and technical services sector has seen gains from both YOY last year (2,400 jobs, or 2.8%) and June 2019 (up 3.8%). An important area of gain has been scientific research and development, which is up 3.5% YOY and 12.6% since June 2019.

Additionally, the leisure and hospitality sector continued recent YOY gains (11.2%). Much of this sector is comprised of food services and drinking places, which gained 3,000 jobs YOY (7.9%). Nonetheless, Leisure and Hospitality is about 15% below the comparable month of June 2019, pre-pandemic.

Retail sector jobs are up slightly from last year.

JOBS BY INDUSTRY IN MONTGOMERY & FREDERICK COUNTIES³

Employment in Select Industries	June 2022	June 2021	June 2019	% Change June 2021	% Change from June 2019
Total Employees	594,800	575,800	610,500	3.3%	-2.6%
Professional/Scientific/Tech Services	88,500	86,100	85,300	2.8%	3.8%
Systems Design & Services	25,800	25,600	25,600	0.8%	0.8%
Scientific R&D	20,600	19,900	18,300	3.5%	12.6%
Health Care & Social Assistance	81,000	76,700	81,500	5.6%	-0.6%
Retail	55,500	54,900	57,300	1.1%	-3.1%
Leisure & Hospitality	51,600	46,400	60,800	11.2%	-15.1%
Food Services & Drinking Places	41,100	38,100	48,300	7.9%	-14.9%

Note: BLS county figures were statistically adjusted in April 2022 and should not be compared to prior releases of this report. Figures are non-seasonally adjusted.

REAL ESTATE AND DEVELOPMENT⁴

REAL ESTATE

Office Real Estate	Q2 2022	Q2 2021	YOY
Gross Rent per sq. ft.	\$30.43	\$30.25	\$0.18
Vacancy	16.3%	15.5%	0.8%
Availability Rate	19.4%	18.9%	0.5%

RETAIL

	Q2 2022	Q2 2021	YOY
Gross Rent per sq. ft.	\$31.39	\$29.70	\$1.69
Vacancy	6.4%	5.4%	1.0%
Availability Rate	6.3%	5.9%	0.4%

Montgomery County, in line with the continuing national work-at-home trends, continues to experience increasing office vacancy rates, reaching 16.3% in Q2, an increase of 0.8 percentage points YOY. However, rents per square foot have increased.

Retail vacancies were one percentage point higher than they were the previous year. Retail rents, after falling below \$30 per square foot during the pandemic, rose above that level in the second quarter to \$31.39, for a YOY increase of 5.7%.

³ U.S. Bureau of Labor Statistics, CES (State and Metro)

⁴ CoStar reports pulled by MCEDC

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MULTI-FAMILY RENTALS⁴

	Q2 2022	Q2 2021	YOY
Effective Gross Rent per Unit	\$1,977	\$1,815	\$162
Vacancy	4.2%	5.6%	-1.4%

Effective gross rent for apartments in multifamily buildings are \$162 above the level in the second quarter of last year, a YOY increase of 8.9%, with the vacancy rate falling to 4.2%.

HOMES SALES

HOME SALES UPDATE⁵

	June 2022	June 2021	YOY
Median Sold Price	\$600,000	\$555,000	8.1%
Closed Home Sales	1,348	1,706	-21.0%
Active Listings	1,177	1,218	-3.4%
Average Sold Price to Listing Price Ratio	102.9%	103.5%	-0.6%

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 2022, with the change from June 2021. June 2022 had slightly fewer active listings (3.4%) than June 2021.
- **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 fell slightly (-0.6%) from last June.
- **Closed Home Sales:** This indicator shows the number of homes sold in the months of March 2022 and March 2021. There were 21% fewer closings in June 2022 than in June 2021.

BUILDING PERMITS

Single-family permits issued in Q2 2022 were less than half the total in Q2 last year, coinciding with the rise of mortgage interest rates since then.

Multi-family permits are less consistent than single family permits because a few very large products can inflate the tally of units for a quarter. Still, overall permitted units were much lower in Q2 2022 than in the second quarters of both 2021 and 2019.

The second quarter of 2019 saw by far the most permitted commercial space out of the last four Q2s. While far less than the second quarter of 2019, commercial space was much higher than the second quarters of 2020 and 2021.

BUILDING PERMITS ISSUED⁶

Permit Type	Q2 2022	Q2 2021	Q2 2020	Q2 2019
Single-Family Permits Issued	173	388	250	310
Duplex Permits Issued	0	0	0	0
Multi-Family Permits Issued (numbers represent units)	111	405	89	649
Commercial Building Permits Issued	12	38	13	40
Commercial Building Permits Sq. Feet	438,017	54,826	59,279	2,012,927

4 CoStar reports pulled by MCEDC

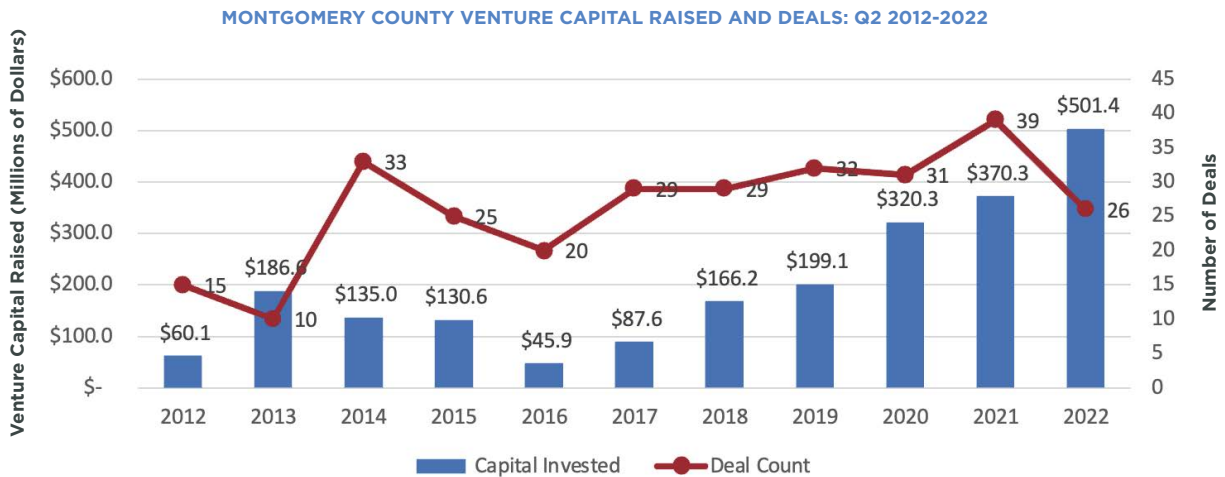
5 GCAAR Monthly Market Reports

6 Department of Permitting Services, pulled by Montgomery Planning

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VENTURE CAPITAL

Investment⁷



Second quarter 2022 was the strongest in the past decade for venture capital investment, followed by the second quarters of 2021 and 2020.

The second quarter was dominated by Robotic Research (a developer of robotic technology to ensure the safety, security and effectiveness of transportation and mission-critical operations) and Aledade, operator of an accountable care organization intended to offer policies and discussion regarding Medicare shared savings plans.

LARGEST VENTURE CAPITAL DEALS IN MOCO IN Q2 2022

Company	Deal Date	Deal Size (Millions)	Industry
Robotic Research	4/1/2022	\$243.0	Business Productivity Software
Aledade	6/6/2022	\$123.0	Managed Care
Adaptive Phage Therapeutics	4/4/2022	\$61.0	Drug Discovery
The Collage Group	6/29/2022	\$25.0	Media and Info. Services (B2B)
Bearn	4/1/2022	\$20.0	Business Productivity Software

The Robotic Research deal represented nearly all of the Business Productivity Software category in Q2 2022, and accounted for 48% of the 26 deals in Q2.

VENTURE CAPITAL ACTIVITY IN MOCO IN Q2 2022 BY INDUSTRY

Industry	Total Capital Invested (Millions)	Number of Deals
Business Productivity Software	\$243,000,000	2
Managed Care	\$123,000,000	1
Drug Discovery	\$61,000,000	1
Media and Info. Services (B2B)	\$25,000,000	1
Health Care Tech. Systems	\$20,000,000	1
Other Industries	\$29,400,000	20
Grand Total	\$501,400,000	26

⁷ Pitchbook

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LABOR FORCE PARTICIPATION AND UNEMPLOYMENT BY GENDER AND RACE U.S., JUNE 2019-2022⁸

This edition overviews the U.S. employment rates (percentage of employed to total age 16+ population), and the unemployment rates from June 2019 through June 2022 by gender, race, and ethnicity. These indicators are only available for the United States and not at the state or county levels.

By June 2020, shortly after the onset of the pandemic, employment rates among African-American, Hispanic/Latino, and Asian population groups, which compose a majority of Montgomery County’s population, had fallen at rates ahead of the general age 16+ population. These had rebounded by June 2021, especially among the Asian population, but remained below pre-pandemic. Similarly, while the national unemployment rate increased by 7.4 percentage points from June 2019 to June 2020, it had increased by 9.4 percentage points among African-Americans, by 10.1 percentage points among Hispanic/Latino groups, and by 11.6 percentage points among Asian groups.

By June of this year, employment rates among African-American and Hispanic/Latino groups were either very close to, at, or above June 2019 levels. However, the employment rate among all U.S. age 16+ remained 0.8 percentage points below June 2019. Unemployment among all U.S. adults 16+ was the same as in June 2019, indicating that a portion of all U.S. age 16+ were no longer in the workforce.

EMPLOYMENT TO AGE 16+ POPULATION RATIO

	All U.S.	Women	Black/ African American	Black/African American Women	Hispanic/ Latino	Hispanic/ Latino Women	Asian	Asian Women
2022	60.1	54.4	58.9	56.1	63.8	54.3	62.7	56.7
2021	58.3	52.8	56.2	53.8	60.8	51.5	60.0	53.7
2020	54.9	49.4	51.1	49.9	56.2	48.1	53.3	46.7
2019	60.9	55.1	58.5	56.7	63.8	54.4	62.6	56.3

UNEMPLOYMENT RATE

	All U.S.	All Women	Black/ African American	Black/African American Women	Hispanic/ Latino	Hispanic/ Latino Women	Asian	Asian Women
2022	3.8%	4.0%	6.1%	6.1%	4.4%	5.3%	3.2%	3.2%
2021	6.1%	6.1%	9.4%	9.0%	7.3%	8.6%	5.9%	5.5%
2020	11.2%	12.0%	15.5%	14.6%	14.5%	16.1%	13.9%	15.0%
2019	3.8%	4.0%	6.1%	6.1%	4.4%	5.1%	2.3%	2.1%

⁸ BLS CES June 2019-2022. Non-seasonally adjusted.



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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 MCEDC

The Montgomery County Economic Development Corporation (MCEDC) is a nonprofit organization created in 2016 to help promote economic development in Montgomery County. A public/private partnership, MCEDC helps to accelerate business growth and retention in Montgomery County. The team connects business decision makers to market intelligence, promotes the County as a prime business location for companies of all sizes to thrive and identifies available incentives and top talent.

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