

# Montgomery County Developers Call For More Focus On Job Creation, Housing

May 23, 2022 | Jacob Wallace, Bisnow Washington, D.C. (<https://www.bisnow.com/author/jacob-wallace-533636>) (<mailto:jacob.wallace@bisnow.com>)

As Montgomery County (<https://www.bisnow.com/tags/montgomery-county>)'s public leaders prepare for the implementation of the county's first new general plan in nearly three decades, developers say they are missing one big thing to encourage development.

"This is a great county with great raw materials with a great residential base, [but] not a great job base," Federal Realty Investment Trust (<https://www.bisnow.com/tags/federal-realty-investment-trust>) CEO Don Wood (<https://www.bisnow.com/tags/don-wood>) said at *Bisnow's* Future of Montgomery County event on May 17. "Jobs, jobs, jobs."



Wood was joined by leaders of Foulger-Pratt (<https://www.bisnow.com/tags/foulger-pratt>), Stonebridge (<https://www.bisnow.com/tags/stonebridge>) and Bozzuto (<https://www.bisnow.com/tags/bozzuto>) on a panel to discuss what Montgomery County needs to support additional development.

One of the issues that the county's Thrive 2050 plan acknowledged was job growth. In an analysis comparing Montgomery County to 20 other counties of a similar size, the county found that the total number of jobs in the county grew by just 5% between 2004 and 2019, while its peers grew jobs by an average of 21%.

Meanwhile, over 80% of the county's land is already in use, more than a third by single-family homes. To entice more workers and build more affordability into the county's housing stock, the Thrive 2050 plan acknowledges that redevelopment of already occupied space is a must.

But the county's path to attracting new users for its space is uncertain. It has historically bet heavily on life sciences as a means to spur job growth, but even that sector has met its fair share of challenges, County Executive Marc Elrich previously acknowledged (<https://www.bisnow.com/washington-dc/news/life-sciences/elrich-montgomery-county-working-on-really-bad-rep-for-life-sciences-development-112895>).

Wood said Federal Realty has had great success in building life sciences buildings outside Boston, but he questioned the willingness of large corporations to pay the same rates in a county with low growth but high rents in its more urban submarkets.

"Life sciences in my view is not the magic elixir for Montgomery County," Wood said. "If that's all we're counting on, we're leaving a lot on the table."

Foulger-Pratt Chairman Bryant Foulger (<https://www.bisnow.com/tags/bryant-foulger>) pointed to Astra-Zeneca's recent 570K SF build-to-suit deal (<https://www.bisnow.com/boston/news/life-sciences/astrazeneca-partnering-with-boston-properties-on-new-570k-sf-lab-facility-in-kendall-square-112836>) in Massachusetts' Kendall Square (<https://www.bisnow.com/tags/kendall-square>) as a sign of a healthy life sciences market by contrast, saying the pharmaceutical giant was willing to pay over \$100 per SF for the space.

"Why are they doing that?" Foulger asked on stage. "Because they have a workforce there that is almost unparalleled."

The county acknowledged the need to grow other sectors alongside life sciences in a workforce development plan (<http://worksourcemontgomery.com/wp-content/uploads/2022/01/2020-2024-Montgomery-County-Local-Workforce-Plan.pdf>) for 2020 through 2024. The document identifies cybersecurity, hospitality and construction alongside other industries like life sciences, biotechnology and healthcare as key job growth areas for the county.

Developers believe that by doubling down on workforce development and marketing those efforts to large corporations, they can entice employers to the area and grow the demand for office, residential and retail spaces alike.



"We don't have the job creation that we need to sustain the tax base that we want to provide the housing and other things that we need," EYA (<https://www.bisnow.com/tags/eya>) Chief Acquisitions Officer Aakash Thakkar (<https://www.bisnow.com/tags/aakash-thakkar>) said.

In turn, those incoming workers will need new and more kinds of housing when they arrive in Montgomery County, said Carrie Sanders, division chief for mid-county planning for Montgomery County.

Sanders said the county expects its population to grow by 200,000 people over the next 25 to 30 years, and officials want to build more "missing middle" housing like duplexes and triplexes along transit corridors to absorb those workers.

"What we see is a supply and demand issue," Sanders said. "We have not enough housing supply, and that is all types of housing."

Thakkar believes that building new housing with a combination of market-rate and affordable housing will help support the county's goals. He points to The Lindley, a 200-unit development in the Chevy Chase Lake (<https://www.bisnow.com/tags/chevy-chase-lake>) development completed in 2019, as an example of that process working successfully.

The project received Housing Opportunities Commission (<https://www.bisnow.com/tags/housing-opportunities-commission>) funding from the county on one hand, but Thakkar said its market-rate apartment units, plus the additional 62 townhomes on the property, will help grow the county's tax base.

"Whether it's library sites, public sites or even private sites ... Those are the types of things that I think we're going to have to do and keep doing in order to address that demand," Thakkar said.

By increasing the tax base, Thakkar and others believe the county can reinvest more funding into affordable development, another big priority identified by Thrive 2050.

The county is already taking steps to ramp up its affordable housing, said Artie Harris, vice president of real estate at the Montgomery Housing Partnership (<https://www.bisnow.com/tags/montgomery-housing-partnership>).

He pointed to the 18 county-owned sites (<https://www.montgomerycountymd.gov/DGS/OPD/AffordableHousing.html>) that Montgomery County is pitching for redevelopment as a starting point, along with its program to offer a payment-in-lieu-of-taxes program for buildings that reserve at least half of their units for those earning 60% or less of area median income, as signs that leadership was taking development more seriously.

“I think it's a big priority now,” Harris said. “We're all hoping to see that it does spur development of affordable housing.”

*Contact Jacob Wallace at [jacob.wallace@bisnow.com](mailto:jacob.wallace@bisnow.com) (<mailto:jacob.wallace@bisnow.com>)*

See Also: NFL's Washington Commanders Pay \$100M For Possible Stadium Site In Virginia (</washington-dc/news/mixed-use/washington-commanders-reportedly-spend-100m-for-possible-stadium-site-in-woodbridge-virginia-113138>)

Related Topics: Bryant Foulger (<https://www.bisnow.com/tags/bryant-foulger>), Foulger-Pratt (<https://www.bisnow.com/tags/foulger-pratt>), Don Wood (<https://www.bisnow.com/tags/don-wood>), EYA (<https://www.bisnow.com/tags/eya>), Aakash Thakkar (<https://www.bisnow.com/tags/aakash-thakkar>), Federal Realty Trust (<https://www.bisnow.com/tags/federal-realty-trust>), Montgomery Housing Partnership (<https://www.bisnow.com/tags/montgomery-housing-partnership>), Montgomery County, Maryland (<https://www.bisnow.com/tags/montgomery-county,-maryland>), Artie Harris (<https://www.bisnow.com/tags/artie-harris>), Thrive 2050 (<https://www.bisnow.com/tags/thrive-2050>), Carrie Sanders (<https://www.bisnow.com/tags/carrie-sanders>)