

APP. 2

HAGERSTOWN CHOICE NEIGHBORHOODS MARKET STUDY





REAL ESTATE MARKET ANALYSIS
HAGERSTOWN, MD CHOICE NEIGHBORHOOD

Prepared for
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1. INTRODUCTION

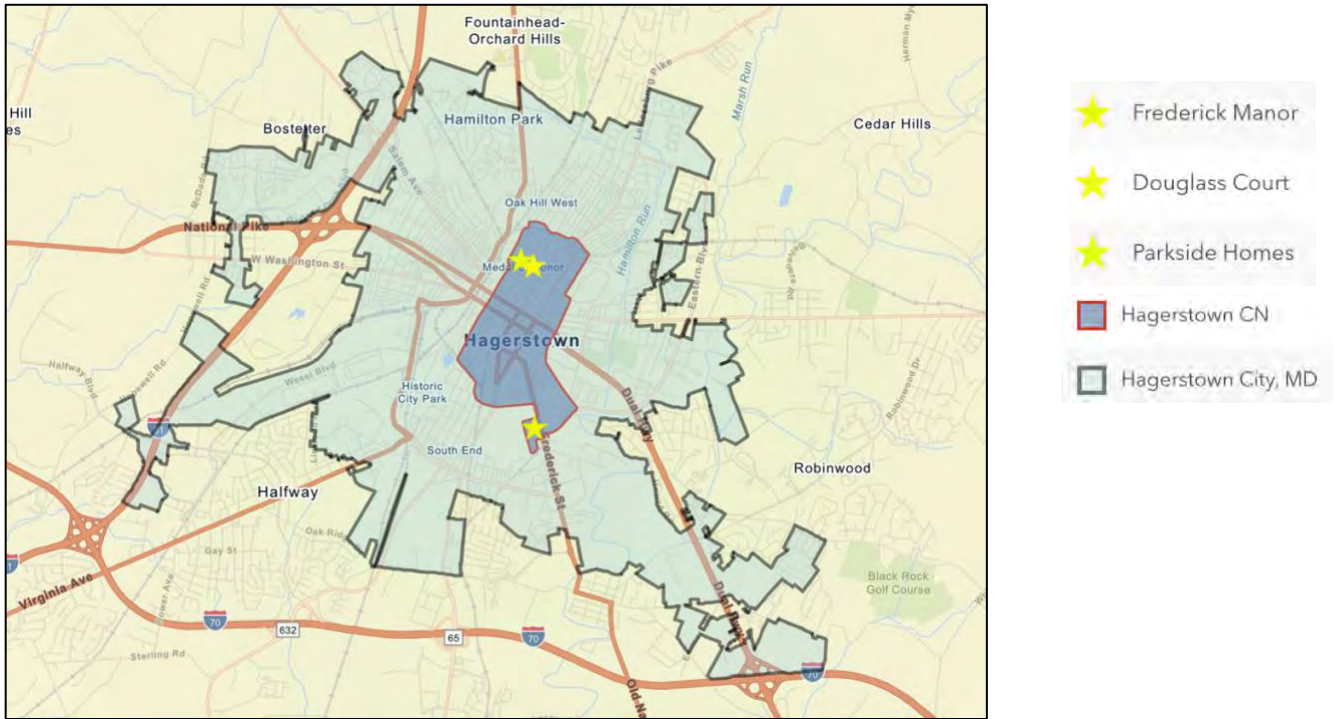
In September 2023, HUD awarded a \$500,000 Choice Neighborhoods Initiative Planning Grant to co-applicants the Hagerstown Housing Authority (“HHA”) and the City of Hagerstown (“the City”) for the transformation of downtown Hagerstown and surrounding neighborhoods. The focus of this planning effort is the redevelopment of three HHA public housing sites: Frederick Manor, Douglass Court, and Parkside Homes. The three target properties were built in the 1950s and have a total of 194 housing units. The transformation plan will seek to replace 100% of the existing units in mixed-income developments either within the Choice Neighborhood (CN) boundaries or in other areas of opportunity. The defined Choice Neighborhood (CN) is a one-square mile area surrounding downtown Hagerstown, bounded by Prospect Street to the north, Memorial Boulevard on the south, Cannon Avenue and Eastern Boulevard on the east, and Prospect Street and the rail lines on the west.

Douglass Court and Parkside Homes are located two blocks north of downtown in the Jonathan Street neighborhood. Due to changes in zoning, Jonathan Street has transitioned from a bustling commercial corridor with a history of successful black-owned businesses to a corridor plagued with high vacancies and a predominance of rental housing on the surrounding blocks. The neighborhood around Jonathan Street remains the center of Hagerstown’s African American community, but now has a disproportionate share of the city’s low-income and public housing. One goal of the Hagerstown CN Planning Grant is to re-ignite wealth generation for the community by reducing residential and commercial vacancies and by encouraging new, mixed-income residential development and retail expansion.

The neighborhood surrounding Frederick Manor has different challenges compared to Douglass Court and Parkside Homes. While still within the limits of the City of Hagerstown, it is physically separated by numerous geographic features included Rose Hill Cemetery on the west and north, and main roads (E Memorial Boulevard and Route 40) on the north and west. Frederick Manor is challenged by being disconnected from the downtown business district and located in a predominantly industrial area. The areas surrounding each of the target properties suffer from a lack of fresh food and mainstream grocery establishments.

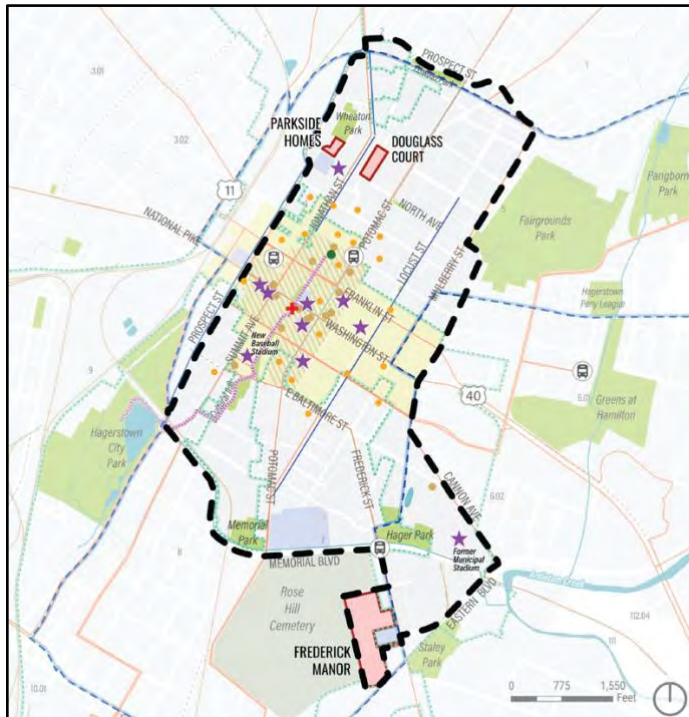
Figure 1.1 shows the boundaries of the CN within Hagerstown and the surrounding municipalities. Figure 1.2 provides a zoomed-in view of the CN with the locations of Douglass Court, Parkside Homes, and Frederick Manor indicated. A significant amount of analysis and public outreach work has been completed to date, coordinated by planning consultant Wallace Roberts & Todd, LLC (herein referred to as WRT). This market analysis documents market support for mixed-income residential development in the delineated CN.

**FIGURE 1.1
HAGERSTOWN CHOICE NEIGHBORHOOD WITHIN THE CITY OF HAGERSTOWN**



Source: RES, Esri

**FIGURE 1.2
HAGERSTOWN CHOICE NEIGHBORHOOD ZOOMED-IN VIEW**



Source: WRT

Douglass Court, Parkside Homes, and Frederick Manor: Existing Households and Wait List

- Douglass Court, one of the three target properties for the CN transformation planning effort, offers one-through 5BR apartments. It has 30 units: four 1 BR, 12 2 BR, nine 3 BR, four 4 BR, and one 5 BR. In March 2024, two units at Douglass Court were vacant, but will be leased to tenants on the HHA waiting list. A review of November 2023 Douglass Court tenant demographic data provided by HHA shows that:
 - There are a total of 81 residents living in the occupied units.
 - Douglass Court has the greatest percentage of residents under the age six, representing 35% of the residents in the community.
 - 45% of the heads of household have incomes below \$10,000.
 - 83% of Douglass Court households are headed by a female. This is the lowest percentage of female-headed households of the three target properties.
 - 41% of the heads of household are 18-24 years old, compared to 7% in Frederick Manor and 8% in Parkside Homes.
 - Over one-third of households are three-person families.
 - Douglass Court has experienced the highest level of turnover of the three target properties; nearly 50% of tenants have occupied their apartments for less than two years.
 - 10% of residents identify as Hispanic.

- Located around the corner from Douglass Court, Parkside Homes offers 39 one- through 4BR apartments: six 1BR units, 24 2BR units, five 3BR units and four 4BR units. In March 2024, one unit at Parkside Homes was vacant, but will be leased to tenants on the HHA waiting list. November 2023 tenant demographic data revealed the following:
 - There are 87 residents across the 38 occupied units at Parkside Homes (one unit is currently vacant).
 - Of the three target properties, Parkside Homes has the oldest tenant population. 31% of heads of household are over 30 years old.
 - 59% of tenants identify as Black/African-American only, compared to 45% in Douglass Court and 39% in Frederick Manor.
 - The majority of households in the community have two persons.
 - Only 5% of the heads of household earn an annual income of at least \$40,000.

- Frederick Manor is the largest of the three target housing sites in the Hagerstown CN. It has 125 units with one-to-5BR unit configurations: 20 1BR units, 51 2BR units, 40 3BR units, 12 4BR units, and two 5BR units. As of March 2024, Frederick Manor was fully occupied. Demographic data from November 2023 showed the following:
 - There were 309 residents across the units.
 - 43% of tenants identify as White only compared to 16% in Douglass Court and 20% in Parkside Homes.
 - 90% of heads household in Frederick Manor are female.
 - 19% of heads of household earn \$5,000 or less annually.

- 32% of tenant heads of household in Frederick Manor are disabled.

HHA maintains waiting lists, each for a subset of the Authority’s properties. HHA has a combined waiting list for the three targeted properties as well as 50 scattered sites in the City of Hagerstown. As of March 2024, there were 5,706 applicants on this list. HHA provided details for this waiting list information for February 2024; 1BR units have the largest number of applicants. As shown in Table 1.1, 35% of waiting list households are waiting for 1BR units. Applicants may not apply for more than one unit configuration and are therefore not double counted below.

**TABLE 1.1
HHA AGGREGATED WAITING LIST BY UNIT TYPE: FEBRUARY 2024**

Unit Type	Applicant Households
1BR	1,904
2BR	1,678
3BR	1,293
4BR	471
5BR	<u>92</u>
TOTAL	5,438

Source: HHA February 2024

Study Approach

To complete this market study RES undertook the following tasks:

- Collected and reviewed plans and background material about the neighborhood, Douglass Court, Parkside Homes, Frederick Manor, Hagerstown, and the broader region.
- Conducted a field work visit to the CN.
- Defined a primary market area (PMA) within which housing in the CN will compete for renters and purchasers.
- Collected and analyzed economic and demographic data to understand housing demand dynamics in the PMA and regional economic trends influencing the CN and PMA.
- Evaluated spending potential in basic neighborhood retail categories (fresh food, pharmacy). Collected information on traffic counts in major commercial corridors in the CN.
- Used Ribbon Data’s proprietary HISTA tabulations (Households by Income, Household Size, Housing Tenure, & Householder Age), Census data, and demographics from Claritas and Esri to prepare a housing demand analysis for the PMA.
- Surveyed existing income-restricted and market-rate housing communities and interviewed local municipal representatives to identify planned and proposed additions to regional housing supply.
- Interviewed local rental housing managers and real estate agents to obtain first-hand information on housing market trends, renter and homebuyer profiles, perceptions of the CN, and residential preferences in the broader PMA.

- Reviewed housing sales data and trends in the CN and PMA including price, unit types, and sales volume data.
- Reconciled supply and demand to identify supportable housing types and pricing with market support that could be components of a Choice Neighborhood Transformation Plan.

Limitations of the Engagement

Real Estate Strategies, Inc. has not ascertained the legal and regulatory requirements applicable to the proposed project, including state and local government regulations, permits and licenses. No effort was made to determine the possible effect on the proposed project of present or future federal, state, or local legislation or of any environmental or ecological matters.

The information contained herein is based on estimates, assumptions and other information developed from research of the market, our knowledge of the real estate industry and other factors, including certain information provided by representatives of the client. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results will vary from those described, and the variations may be material. Furthermore, RES has not evaluated management's effectiveness, nor are we responsible for future marketing efforts and other management actions upon which actual results will depend.

The information contained herein is intended for the use of the clients in developing a Choice Neighborhood Transformation Plan targeting the redevelopment of Douglass Court, Parkside Homes, Frederick Manor and the Hagerstown CN. The materials herein are based on economic conditions and supply and demand factors researched between November 2023 and May 2024.

2. THE CITY OF HAGERSTOWN AND CHOICE NEIGHBORHOOD (CN)

Location

Hagerstown, the county seat of Washington County, is the most populous city in the Maryland Panhandle. Located approximately 75 miles from both the Washington D.C. Metropolitan area and Baltimore, it is a growing residential choice for workers employed in the larger metropolitan areas to the east. Hagerstown is located in a semi-rural area of western Maryland, which is geographically more closely connected to the Greater Appalachian Valley region. Hagerstown is often referred to as the “Hub City,” as it sits at the center of major transit and commerce connection points, including Interstates 70 and 81, Hagerstown Regional Airport, and the CSX, Norfolk Southern, and the Winchester and Western Railroads. Visually the City boundaries resemble the spokes of a wheel. The city center is less than seven miles from both the West Virginia and Pennsylvania state lines and thereby draws a workforce from the tri-state region. Hagerstown extends four miles from its northernmost to southernmost boundary and around six miles from its westernmost to easternmost boundaries. The City will continue to grow as it has a history of annexations and has additional acreage currently in the approval process to be annexed.

Hagerstown is part of the Hagerstown MD-Martinsburg WV Metropolitan Statistical Area, a small MSA with a population of approximately 300,000. This MSA includes two states and three counties: Washington County, Maryland, and Berkeley and Morgan Counties in West Virginia.

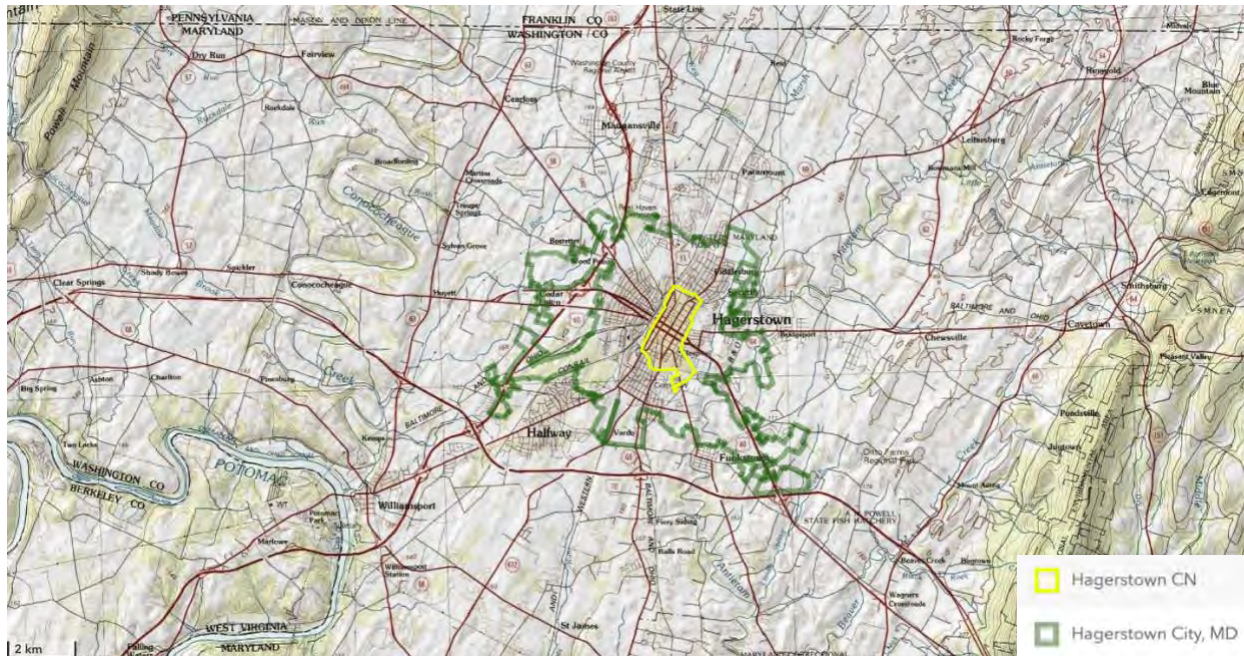
The Choice Neighborhood (herein referred to as CN) includes downtown Hagerstown as well as surrounding residential areas. As described above, the CN is a one-square mile area surrounding the business center, bounded by Prospect Street, Memorial Boulevard, Cannon Avenue and Eastern Boulevard on the east, and Prospect Street and the Rail Lines on the west. Two of the target properties (Douglass Court and Parkside Homes) are located two blocks north of downtown, and the third target property, Frederick Manor, is south of downtown. Major commercial corridors in the CN include Potomac, Franklin, and Washington Streets.

The topographic map in Figure 2.1 below shows the geographic features of the CN and how the City of Hagerstown is positioned within the larger region. Both the CN and city of Hagerstown are predominantly flat in topography and urban in character. Outside of the city of Hagerstown, the closest major elevation change is the South Mountain range, at the border of Washington and Frederick Counties and Bear Pond Mountain Range, in northwest Maryland. This topography helps to define the area within which real estate in Hagerstown draws demand.

There are a variety of land uses in the CN. The downtown is primarily commercial and includes both pedestrian- and auto-oriented design. The area to the north of downtown is residential. The southern and eastern parts of the CN include a mix of residential and industrial land uses. Apart from the three target properties, the housing stock in the CN includes a mix of other subsidized apartments, townhomes and twins, and small single-family detached homes. The majority of housing units are renter-occupied.

The CN has a large number of vacant or severely underutilized commercial properties. There are limited vacant parcels available for residential development.

FIGURE 2.1
TOPOGRAPHIC MAP



Source: RES, Esri

Historical Context

Hagerstown was originally settled by various native people groups including the Lenni Lenape and Susquehannock tribes in the 1600s. The city was later established by Jonathan Hager and named Elizabethtowne after his wife in the 1750s. It then experienced significant growth as it became a popular trading post and was renamed Hagerstown in the 1800s. With the arrival of the Baltimore and Ohio Railroads, Hagerstown became a center of trade and growing industrial businesses.

Located on the historical border between the North and the South along the Mason-Dixon Line greatly impacted both the original development of the region and the challenges Hagerstown faces today. In the early 1800s Hagerstown became both a place of significant slave trade and a passage point for enslaved individuals to attempt escape to Pennsylvania. The Underground Railroad is believed to have operated through Hagerstown and the city was a military camp for much of the Civil War. Like many southern states, Hagerstown had ordinances and laws in place to intentionally divide African-Americans from Caucasians. Jonathan Street was one of the two central markets for slave trading within the city. Jonathan Street also became a historically significant location due to uprising from the local African-American community. Following the establishment of two African-American churches along the Jonathan Street corridor, the neighborhood became the center of the African American community in Hagerstown. Over 30 properties were said to be owned by African-Americans during the mid 1800s, most of which have been demolished and redeveloped today.

Despite the Emancipation Proclamation in 1863, unwritten regulations and restrictions remained and most businesses in downtown Hagerstown prohibited African-Americans from entering. These discriminatory practices furthered the creation of a small, middle-class black business hub in the Jonathan Street corridor. By the 1960s, the City of Hagerstown had built three housing projects in the Jonathan Street community: Douglass Court, Parkside Homes, and Bethel Gardens (recapitalized through RAD PBRA conversion in 2017). Today, the Jonathan Street corridor is still the heart of the African-American community and has a disproportionate share of the city's low-income and public housing.

Hagerstown experienced numerous distinct waves of economic development. One of the first was in creation and expansion of railroad lines, encouraging in-migration from Hispanic immigrants. Another period of strong economic development and job growth began in the 1930s with the relocation of Fairchild Aircraft to the region. At the height of its local employment, the company employed up to 80% of Hagerstown's workforce. During the 1900s the economy was primarily industrial, focused on manufacturing of aircrafts, trucks, and automobiles. Recently, the economy has diversified following the movement of e-commerce and warehousing businesses to Hagerstown during the COVID-19 pandemic. Due to the City's central location at the intersection of Interstate-81 and Interstate-70, warehouses have been rapidly built in Hagerstown resulting in rapid job growth throughout the larger region. Manufacturing remains a major economic catalyst for the region with Hitachi Rail announcing a new factory set to open in 2024 creating an estimated 1,300 new jobs.

Public Transit and Accessibility

The Washington County Transit Department (WCT) operates all public transportation throughout Hagerstown and the County. WCT runs eight bus routes that connect downtown Hagerstown to surrounding municipalities (including Funkstown, Halfway, Long Meadow, Maugansville, Robinwood, Smithsburg, and Williamsport) and to the Premium Outlets and Valley Mall. All routes connect through the CN, so residents at the three target properties have access to many destinations in the County. There are two stops on one bus route that are in close walking distance to Frederick Manor, on the south side of the CN. This bus route goes between Funkstown, East Hagerstown (with a stop at Martin's Grocery Store), and downtown Hagerstown; it would require passengers traveling elsewhere to transfer lines in downtown Hagerstown. There are a few routes within walking distance of Douglass Court and Parkside Homes including the Maugansville Route, which connects downtown Hagerstown to various stops to the north. The Maugansville Route goes through some of the major regional employers including the newest Amazon warehouse on Crayton Boulevard. Residents at Douglass Court and Parkside Homes also have access to the Premium Outlet loop, which runs South between the CN, Washington County Technical School, Hagerstown Premium Outlets, and the Walmart Supercenter, located just South of I-70.

The County estimates that there are over 500,000 passenger trips annually. The 2024 rates are \$1.25 per ride for adults and between \$0.60 and \$0.95 for seniors 60 and older. Unlimited ride cards and stored ride cards are available to purchase at a discounted rate. WCT also provides special transportation for elderly and disabled residents who are unable to access the fixed-route service through a ride assist voucher program, funded through the Statewide Special Transportation Assistance Program (SSTAP).

Interviews with local real estate agents revealed one challenge in the County at large is insufficient public transportation routes connecting residents *outside* of the CN to major area employers and amenities. To address this deficit, the Community Action Council of Washington County has run the Community Action Transit Program (CAT) since 2009. As part of this program, the Hopewell Express line offers free transportation services between 22 private industries in the region. CAT also offers free medical transport and additional free transportation options for the elderly, low-income, and individuals with disabilities.

Hagerstown does not have any commuter rail lines within the city. The closest commuter railroad to Hagerstown, Maryland is the MARC Train (Maryland Area Regional Commuter), which operates a commuter rail service (the Brunswick Line) from Martinsburg, West Virginia to Washington, D.C. The line runs through several key stations, including Harpers Ferry, West Virginia; Brunswick, Maryland; and Frederick, Maryland (via a branch line). The closest station is approximately 25 miles from Hagerstown in West Virginia. The closest Amtrak station to the City of Hagerstown is also located in Martinsburg, West Virginia.

Public Services

Because Hagerstown is the County seat, there are numerous public services within the CN/downtown area. The Washington County government buildings as well as Department of Social Services, Chamber of Commerce, and various employment agencies are within the CN boundaries. There is a United States Post Office located in downtown Hagerstown at 44 West Franklin Street. The Hagerstown Community Rescue Service and Fire Department are both located within the CN boundaries. The Washington County Free Library is located just south of the core of downtown Hagerstown, positioned equidistant between both Frederick Manor and the other two property sites. The library is considered a major asset in the community, undergoing a \$24 M full renovation in 2013. There are no public safety facilities within the CN boundaries; the nearest Hagerstown Police Department station is located just outside of the CN on N. Burhans Boulevard.

Shopping and Services

There are limited retail options in the CN and no full-service supermarket. There are a few stores in the neighborhood that stock a limited selection of groceries:

- La Bodega Market and Spickler's Market are both less than a half-mile from Parkside Homes and Douglass Court and would be accessible by bike or on foot. These are typical urban convenience stores that sell limited fresh and refrigerated products.
- Dollar General is near Frederick Manor but is located on a busy road. This store does not offer any fresh produce or meat but does offer household items and pantry-stable groceries.

The closest full-service grocery store is Aldi on Dual Highway, 0.6 miles from Frederick Manor and close to a mile from the other two target properties. Despite the reasonably close distance it would not be a safe journey for residents on foot. Residents walking to Aldi would have to cross several busy roads. Lidl and Weiss Markets are located 2-3 blocks east of Aldi.

Horizon Goodwill Industries (HGI) has been operating a small grocery store at the CW Brooks building, one of the designated Elderly and/or Disabled HHA buildings in the CN. Known as the Horizon Corner Market, it is open six days a week and offers residents and the surrounding community groceries, milk, eggs, toiletries, and basic medicines at affordable prices. Additionally, Horizon Goodwill has partnered with the HHA to offer another small grocery mart at the Walnut Towers elderly and/or disabled housing complex, located at 8 South Walnut Street. It will be opening in mid 2024. A new full-service grocery store is under construction in the CN at 200 North Prospect Street, operated by Horizon Goodwill Industries (HGI). This initiative is part of a broader effort to address the area's designation as a "food desert," providing residents with better access to fresh food and household staples. The store is expected to alleviate the challenges faced by many downtown residents in obtaining healthy food items.

There are no chain pharmacies in the CN, but there are several that are within walking distance (less than one mile) of all three target properties. CVS at 34 N Cannon Avenue is a half-mile walk from Douglass Court through predominantly residential streets. It is less than three-quarters of a mile from the other two target properties. Additionally, there is a Walgreens Pharmacy two blocks from the CVS. There is an additional CVS to the 0.5 miles southwest of Frederick Manor on East Wilson Boulevard.

There are numerous major retailers within a close drive of the three target properties, but not within the CN. Most of these are accessible by bus from downtown Hagerstown. The Centre at Hagerstown, located 1.5 mile west of the CN, has various national retailers including Walmart, Dick's, PetSmart, Home Depot, and numerous chain restaurants. Valley Mall, located approximately two miles southwest of downtown Hagerstown has Target, Hobby Lobby, Lowe's Home Improvement, Ross, Petco, Olive Garden, Mission BBQ, and a few hotels. There are minimal services suitable for residents living in the CN outside of the F & M Trust Bank located at 83 W. Washington Street, some small boutique stores, a few laundromats, and one salon in downtown Hagerstown.

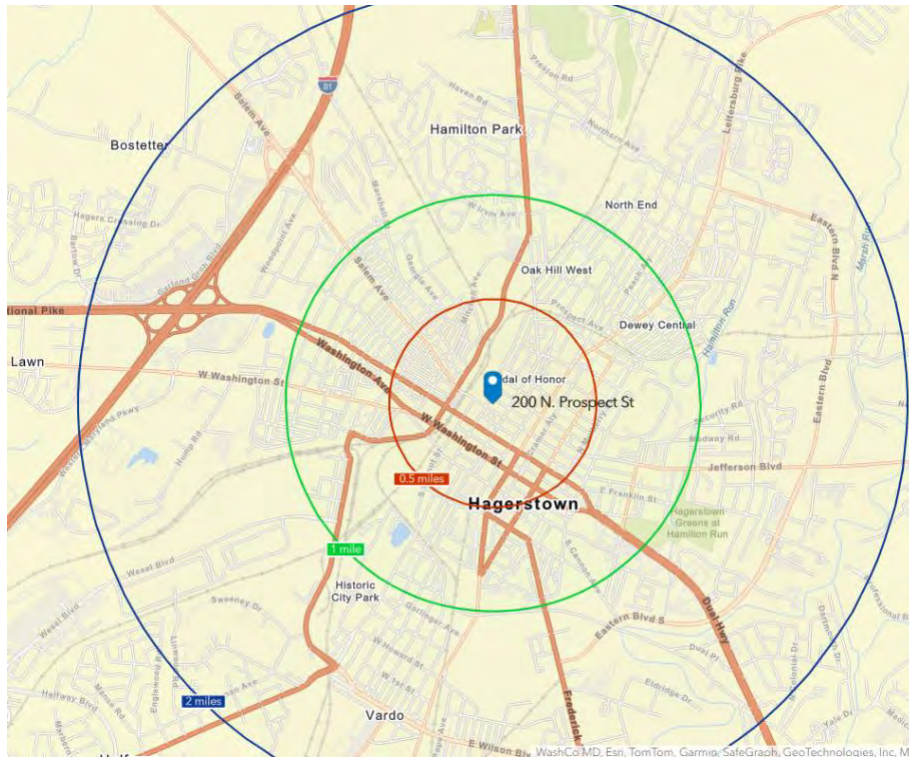
Neighborhood Retail Expenditure Potential

A typical trade area for full-service supermarkets in auto-oriented locations is a 1-2 radius. The entire CN is within the trade areas of the cluster of chain grocery stores (Aldi, Lidl, and Weiss) on Dual Highway. The presence of these three large stores could deter another chain supermarket from considering a location in the CN. Many households in the CN walk or rely on public transportation, so access to fresh food closer to their homes is a priority. The 8,000 SF Goodwill grocery store being developed at 200 N. Prospect Street seeks to address this need.

Data service Esri reports that households living within 0.5 miles of the planned store spend an average of \$8.9 million annually on "food at home". This radius reflects walking distance from this location. These purchases could be made at a variety of establishment types (grocery stores, farmer's markets, Walmart, Target, etc.), but capturing even 25% of this total should help to support the planned store. Additional demand would be generated by the nearly 4,700 employees working within the 0.5-mile radius as well as individuals arriving by bus at the Washington County Transit Center one block away. The map in Figure

2.2 shows trade area radii around 200 N. Prospect Street. Franklin Manor sits slightly more than one mile from the planned store, but is on a bus line that travels to the Transit Center.

FIGURE 2.2
TRADE AREA RADII AROUND THE PLANNED GOODWILL FOOD STORE



Source: RES, Esri

Education

The Hagerstown schools are part of the larger Washington County Public School district, which includes Hagerstown and all county municipalities. The district serves nearly 25,000 students in 46 schools, including 25 elementary schools, seven middle schools, and nine high schools. In addition, there are several notable magnet, charter, and technical schools that have excellent reputations. According to the Maryland State Department of Education Annual Report, over 50% of Washington County students are economically disadvantaged and eligible for free or reduced-price lunch. There was insufficient data to determine the percentage of the County student population that speaks English as a second language.

There are a few schools located within the CN. The Barbara Ingram School for the Arts is a well-regarded and highly competitive public magnet school, located in the downtown business district. It serves approximately 340 students in grades 9-12 and is near Douglass Court and Parkside Homes. The school offers specialized programs in dance, music, theatre, and visual arts and has a reputation of high academic achievement and nearly 100% graduation rate. Bester Elementary is a newer Title I public elementary school, built in 2014 and located 0.25 miles from Frederick Manor. It serves nearly 500 students in grades pre-K through 5th grade. St. Mary Catholic School is a Blue Ribbon Private Catholic School that has been

operating in downtown Hagerstown for nearly 150 years. It currently serves 187 students in grades Pre-K through 8th grade.

Interviews with area real estate professionals revealed that there are limited childcare options for infants and pre-school age children in the CN. There are two preschool options within the can boundaries. One preschool is the Hagerstown Children's School, located at 22 N Mulberry Street. It is a small school, enrolling around 100 students annually. Serving children ages two through kindergarten, the Montessori-based curriculum focuses on self-directed learning, creativity, and critical thinking. It is open for before and after childcare from 7 AM to 5:30 PM. Head Start has a location in the MLK center in the CN that serves 112 children, age birth to five years old. Interviews exposed public concern for overcrowding in schools given the rapid increase in both employment and new residents to the greater Hagerstown area.

Recreation and Entertainment

Downtown Hagerstown has had an influx of public and private investment in recreation and entertainment over the past ten years. Since 2015, over \$80 M has been invested in downtown, fueling significant growth in diverse businesses and the market-rate and high-end rental market. Another \$70 million of projects and investments has been planned, according to the City's Department of Community and Economic Development.

Some of the recent investments in arts, recreation, sports, and entertainment include:

- \$12.6 M in public funding for a new parking garage to accommodate the growing arts, business and entertainment offerings in downtown. The new garage will have nearly 400 spaces over five levels and will open in 2024.
- \$1.8+ M to expand the Cultural Trail downtown and create a pedestrian-oriented plaza. The Cultural Trail runs from City Park, just outside of the CN, to Franklin Street, a hub for restaurants in the CN.
- Having recently opened in 2024, \$90 M of public and private investment was used for Downtown Hagerstown Multi-Use Sports Facility for the Atlantic "Flying Boxcars" Team, a professional baseball team.
- With over \$1 M in private investment, Hub City Brewing Company has been redeveloping the former Market House building on W. Church Street into a brewery, distillery, cidery, and performance venue.

Major planned projects include:

- \$18 M Fine Arts Museum Expansion starting construction in 2025.
- \$25 M publicly-funded Field House beginning construction in 2025 to recreate a 114,000 SF sports facility and two turf fields.
- The future Doleman Black Heritage Museum is a planned \$23 M project that will include a museum, research library, and exhibition space. The museum is located around the corner from both Parkside Homes and Douglass Court.

- The \$11 M “Holly Project” will redevelop a vacant building on Washington Street into a mixed-use development with 7,000 square feet for restaurant/commercial use on the first floor and 42 or more luxury apartments above.

Other cultural and entertainment assets in the CN include the Washington County Playhouse, The Maryland Theatre, and Robert W. Johnson Community Center, located adjacent to the Parkside Homes Community. The historic Maryland Theatre hosts a variety of performances including concerts, films, and theatrical productions throughout the year and is one of the City’s main tourist attractions. An expansion was completed in 2019 to create a cocktail lounge, rehearsal stage, ballroom, and more. The Maryland International Film Festival is held annually in Hagerstown, bringing in over 100 films and hosting visitors from around the world.

The Robert W. Johnson Community Center has been a neighborhood asset for under 100 years. Originally built as a school for African American Children in the late 1800s, it was converted to a YMCA in 1947. It has been offering the community a variety of programs and activities to support youth and families including after-school programs, homework assistance, and art classes since the 1980s. During the summer, the center runs camps that offer STEM (Science, Technology, Engineering, and Mathematics) classes, arts, and sports programs.

The CN has several small parks and designated spaces for outdoor recreation. Wheaton Park is located across from Parkside Homes and features basketball courts, playgrounds, and pavilions. It was recently renovated. Bloom Park is a smaller park also located on the northern side of the CN, one block from Douglass Court. Hager Park and Memorial Park are both located on the southern side of the CN and are within walking distance of Frederick Manor. Hager Park offers a small playground and walking paths. Memorial Park was built in 2014 to honor citizens who have made positive contributions to the history and development of Hagerstown.

There are several places of worship in the CN, many of which support the neighborhood’s residents and revitalization efforts. Houses of worship within the CN include St. John’s Episcopal Church, the largest Episcopal Church in Washington County. Second Christian Church is located adjacent to Douglass Court. Other places of worship in walking distance to the northern target properties include Hagerstown Bible Church Bridge of Life Church, Congregation B'nai Abraham, and the Islamic Center of Hagerstown.

Health Care

Meritus Health is the largest health care provider in Western Maryland, serving also the Eastern panhandle of West Virginia and Southern Pennsylvania. It is a major regional employer, with approximately 3,000 employees including 500 medical staff members. Meritus operates a full-service hospital in southeastern Hagerstown, that opened in 2010, replacing the former Washington County Hospital. It currently has 327 beds and is a teaching hospital, operating as a clinical training site for the Meritus Family Medical Residency Program. The hospital has received awards for its surgical care and

gynecologic practice and is known for specialized units such as the John R. Marsh Cancer Center and the Center for Clinical Research.

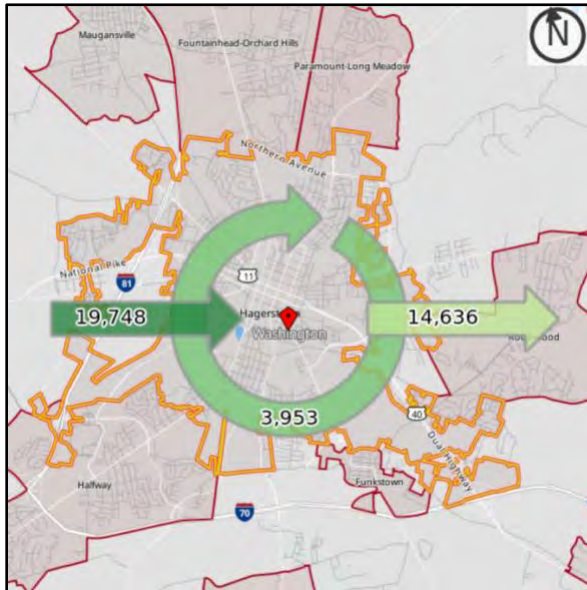
Aside from the main hospital, Meritus Health has a network of 20 medical practices throughout western Maryland, many of which are in Hagerstown. Meritus Family Medicine is located on Walnut Street in the CN in the H.W. Murphy Community Health Center. The practice is open five days a week from 7:30 AM to 5 PM and offers primary care services to all ages as well as vaccines, acute and chronic disease management, and preventative screening tests. Meritus has another primary care location four blocks from Douglass Court and Parkside Homes at 200 N Prospect Street. It has more limited hours, open Monday, Wednesday, and Friday from 8 AM to 3 PM. While there are no primary care practices within walking distance of Frederick Manor, Meritus has a pediatric practice located a quarter mile north of Frederick Manor at 330 Mill Street. There are no dentist practices or eye care centers within the CN boundaries. The CN is lacking urgent care facilities within its boundaries or easily accessible by public transportation. UNI Urgent Care has three locations in Hagerstown, all over two miles away. The centers provide primary care, onsite labs, and x-rays and are open seven days a week. MedExpress also operates an urgent care at 1741 Dual Highway, open seven days a week from 8 AM to 8 PM. As described above, there are multiple pharmacies in close proximity to the CN.

Meritus Health is expanding its footprint in the Hagerstown area within the year. In 2025, the Meritus School of Osteopathic Medicine will be opening in Hagerstown, with an expected 720 students and 80 faculty members. The students will be phased into the school over the span of a few years, with the first two years beginning with around 250 students without families living in new student housing on campus. The student population will slowly expand in subsequent years as Meritus opens additional housing.

Commuting Patterns

The US Census Bureau OnTheMap (OTM) application provides data on commuting patterns between US geographies. The latest data set (2021) shows that there are 19,748 workers that are employed in the City of Hagerstown, but live elsewhere, compared to 14,636 workers who live in Hagerstown, but work outside of the city. An estimated 3,953 workers both live and work in the City of Hagerstown boundaries. This worker inflow and outflow is depicted in Figure 2.3 below.

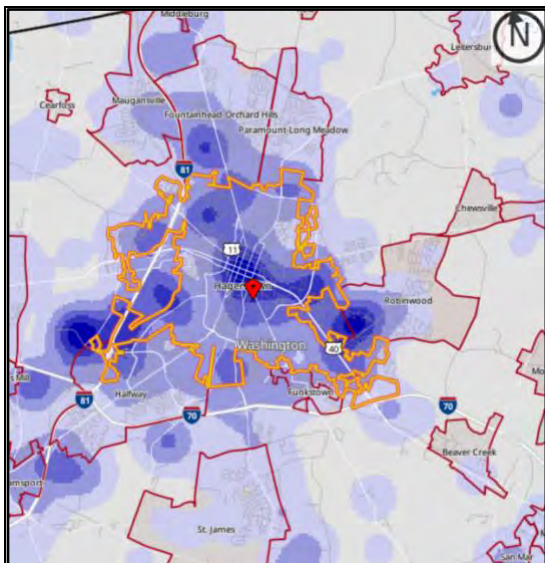
**FIGURE 2.3
WORKER FLOWS IN, OUT, AND WITHIN THE CITY OF HAGERSTOWN**



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination, 2021 data

Out of the of the 18,589 jobs¹ held by Hagerstown residents, 48.2% are within 10 miles of employees’ homes. As shown in the heat map in Figure 2.3, many Hagerstown residents are employed along the I-81 corridor, to the west and southwest of the City and within downtown Hagerstown. There is also a dense pocket of employment at Meritus Medical Center to the east of I-40.

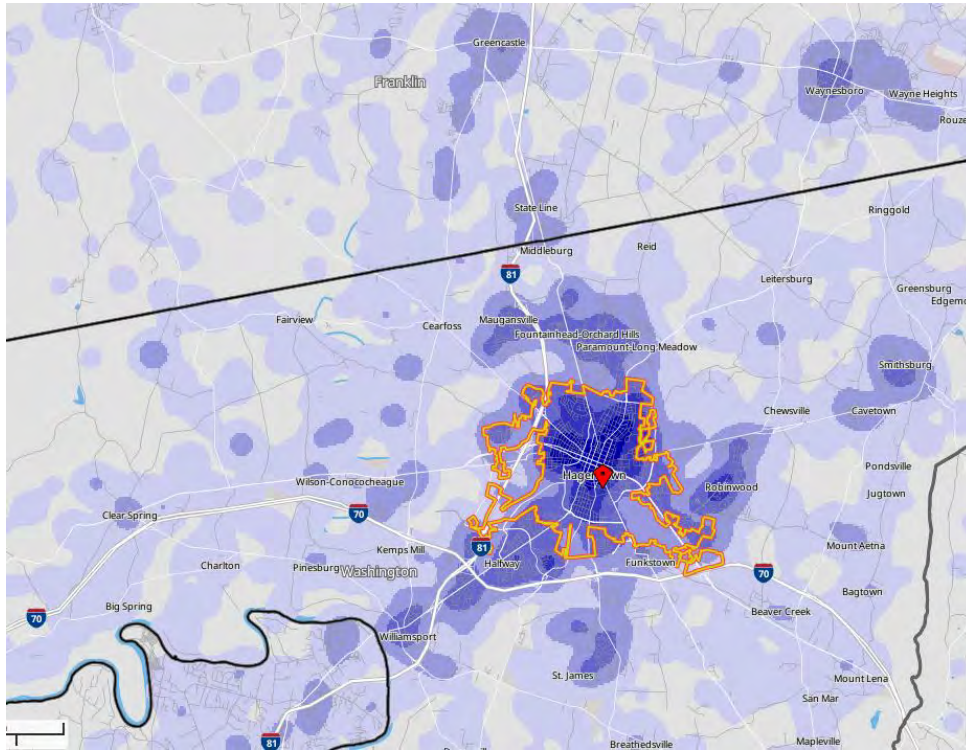
**FIGURE 2.4
HAGERSTOWN RESIDENTS: PLACES OF EMPLOYMENT**



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination, 2021 Data

¹ The OTM data reflect all jobs held by Hagerstown residents. Some residents may have multiple jobs.

FIGURE 2.5
WORKERS EMPLOYED IN HAGERSTOWN; PLACES OF RESIDENCE, 2021



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination, 2021 Data

Of the 23,701 persons working within Hagerstown city limits, nearly 35% live in zip codes 21740 and 21742, the two zip codes that encompass the entire city of Hagerstown and extend north to the Pennsylvania border. The next frequent home areas for individuals working in Hagerstown are zip code 21795 (part of the PMA, to the southwest of Hagerstown) and zip code 17225, which is in Franklin County, Pennsylvania, north of Hagerstown. The map in Figure 2.5 shows these patterns; the darker colors show concentrations of workers who commute to jobs in Hagerstown.

Employment and Labor Force

CN residents have access to varied employment opportunities throughout the city and the greater PMA. A few major employers are located within walking distance of all three target properties. Jamison Door Company was founded in the CN more than a century ago and is now the largest manufacturer of specialty and temperature-controlled doors in North America. The business has now has numerous locations, but its headquarters remains in Hagerstown. It is one of the major employers for residents of the CN and recently added jobs with a commitment to hire neighborhood residents. Another growing employer in walking distance to CN residents is Goodwill, which is opening a full-service grocery store on Prospect Street in late 2024 or early 2025. As stated previously, residents of the CN without a personal vehicle can utilize the eight public bus routes that connect downtown Hagerstown to some of the major County employers, or CAT's Hopewell Express line, which provides free transportation services between 22 private industries in the region.

RES analyzed Bureau of Labor Force Statistics from the last ten years to identify trends in the labor market for Washington County as compared to the State of Maryland overall. The average annual employment rates for the last ten years of available data are presented below in Table 2.1. Overall Washington County's unemployment rates have mirrored the statewide trends, though they have historically been slightly higher. From 2014 to 2019, there was a steady drop in unemployment rates in both geographic areas, reflecting improving economic conditions. In 2019, both regions were at the lowest unemployment rate of the previous six years, at 3.6% for the State and 3.7% for the County. Similar to national trends, there was a significant increase in unemployment in 2020 due to the economic impacts of the COVID-19 pandemic. The state of Maryland and Washington County recovered quickly however, dropping the unemployment rate at least 1.5 percentage points from 2020 to 2021, indicating a resilient economy overall and strong local job market in the County. In 2022, Washington County had an annual average rate of 3.1%, nearly one percentage point lower than the state overall, reflecting the economic boom the county was experiencing due to growth in the warehousing industry along the I-81 and I-70 corridors.

TABLE 2.1
AVERAGE ANNUAL UNEMPLOYMENT RATES, WASHINGTON COUNTY VS. STATE OF MARYLAND, 2014-2023

Year	Washington County Annual Average	Maryland Annual Average
2014	6.4%	5.9%
2015	5.5%	5.1%
2016	5.0%	4.3%
2017	4.5%	4.1%
2018	4.3%	3.9%
2019	3.7%	3.6%
2020	6.6%	6.5%
2021	4.9%	5.0%
2022	3.1%	4.0%
2023	2.3%	2.1%

Source: U.S. Bureau of Labor Statistics

According to an interview with the Washington County Department of Business and Economic Development (WBED), Hagerstown had accelerated job growth during the COVID pandemic, when consumers embraced ecommerce. Hagerstown became a key location for new warehouse development. The City sits at the intersection of I-81 and I-70, allowing trucks to reach two-thirds of the continental United States within one day with team-driven trucking. Builders were constructing warehousing facilities without having tenants secured because they were so confident in the region’s future growth. According to the WCBED, 90% of new positions post-COVID have been in logistics. These are primarily entry-level positions with wages in the \$15-\$25/hour range.

Additional interviews with the Community Action Council (CAC), Chamber of Commerce, and the Greater Hagerstown Committee (GHC), and data from the U.S. Bureau of Labor Statistics (BLS) document greater regional employment growth since 2020 and that job growth is projected to continue. According to a June 2023 GHC presentation, the region is positioned to experience robust job growth over the next few years, with an estimated 13,000 new jobs in the larger area based on existing projects in the development pipeline. 6,000 of those new jobs are predicted to be in Washington County. Most of the new positions are along the I-81 corridor and are in the warehousing sector, including Hitachi Rail, Amazon, and Volvo. Most of these positions pay a maximum of \$25/hour. There is also major employment expansion in the biosciences field in Frederick County, which could result in additional housing demand in Washington County. According to the Herald Mail, Meritus' new medical school is estimated to have a regional economic impact of \$268 million from 2023 to 2026 and create 1,595 jobs.² According to the GHC, the new labor force is primarily coming from the east; Washington County has neutral or minor net losses in labor migration to the south and north. Overall, there are more jobs than residents able to fill them. Various businesses that have announced their relocation to the greater Hagerstown region, including:

- Conair
 - 700 new, full-time jobs expected
 - opening future largest Distribution Center in the State
 - packing, warehousing, inventory, and receiving jobs
 - expected salary range: \$19-\$24/hour³
- Amazon
 - 500+ new jobs
 - opened and/or expanded several warehouse and distribution centers in Hagerstown
 - Distribution Center Associates expected salary: maximum of \$19.75/hour⁴
- Hitachi Rail
 - 1,300 new jobs (460 on-site in Washington County)
 - \$70 M train factory, storage facility, and test track on 41-acre site in Washington County
 - jobs include: Facility Personnel, Mechanical Assembly Technicians, and Operations Engineers
 - salaries not yet posted
- Webstaurant Store LLC
 - 300+ new employees
 - expect to open in third quarter 2024
 - new distribution center at the Currwood Logistics Center in Hagerstown
 - expected Distribution positions salary range: \$18.50-\$22.50/hour⁵
- Johnson Development Associates (JDA)
 - will be announcing a lease with a national tenant
 - operations expected to begin in September

² [Meritus holds ceremony for medical school in Hagerstown area \(heraldmillmedia.com\)](https://www.heraldmillmedia.com)

³ www.indeed.com

⁴ [Hagerstown, MD Amazon Jobs - Hiring Now!](https://www.indeed.com)

⁵ <https://www.webstaurantstore.com/>

The U.S. Bureau of Labor Statistics releases quarterly employment data by industry sector by County. Table 2.2 below shows the employment distribution and percentage of total employment in Washington County for the third quarter of 2023. The same data is included from the third quarter of 2020 to demonstrate the change in employment since COVID. The data revealed that there was a 5.5% growth in total employment in the three years, or 3,265 jobs, with job growth in nearly every sector except Financial Activities. The greatest percent increase was in Natural Resources and Mining, Information, and “Other Services.” The largest industry sector in the county in 2023 Q3 was Trade, Transportation, and Utilities with 16,509 jobs in the County, at 26.5% of non-farm employment.

**TABLE 2.2
EMPLOYMENT DISTRIBUTION BY INDUSTRY SECTOR IN WASHINGTON COUNTY, 2020 Q3 AND 2023 Q3**

QCEW Employment Washington County	2020 Q3	Percentage of Total		2023 Q3	Percentage of Total Employment 2023 Q3	% Change from 2020 Q3 to 2023 Q3
		Employment 2020 Q2	2023 Q3			
Federal Government	563	1.0%	620	1.0%	10.1%	
State Government	1,742	2.9%	1,770	2.8%	1.6%	
Local Government	5,115	8.7%	5,462	8.8%	6.8%	
Natural resources and mining	195	0.3%	255	0.4%	30.8%	
Construction	2,941	5.0%	3,130	5.0%	6.4%	
Manufacturing	5,872	9.9%	6,680	10.7%	13.8%	
Trade, transportation, and utilities	16,225	27.4%	16,509	26.5%	1.8%	
Information	562	1.0%	709	1.1%	26.2%	
Financial activities	3,719	6.3%	2,987	4.8%	-19.7%	
Professional and business services	5,694	9.6%	5,449	8.7%	-4.3%	
Education and health services	9,565	16.2%	10,088	16.2%	5.5%	
Leisure and hospitality	5,400	9.1%	6,127	9.8%	13.5%	
Other services	1,530	2.6%	2,602	4.2%	70.1%	
Total, All Industries	59,124	100%	62,389	100%	5.5%	

Source: RES, Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics

Table 2.3 on the below lists the top 10 employers in Washington County (by number of employees). Washington County Public Schools leads the list with more than 3,800 full-time positions and over 1,200 in temporary and substitute positions. Meritus Health is the second largest employer, with over 3,200 employees and employment will increase further with the establishment of the new medical school.

**TABLE 2.3
TOP 10 EMPLOYERS IN WASHINGTON COUNTY, MD**

1. Washington County Public Schools
2. Meritus Health
3. Volvo Group
4. Amazon
5. Fiserv
6. Maryland State Correctional Complex
7. Washington County government
8. The Bowman Group
9. FedEx Ground
10. Hagerstown Community College

Source: Maryland Department of Labor, 2023

3. RESIDENTIAL PRIMARY MARKET AREA DEMOGRAPHIC CHARACTERISTICS

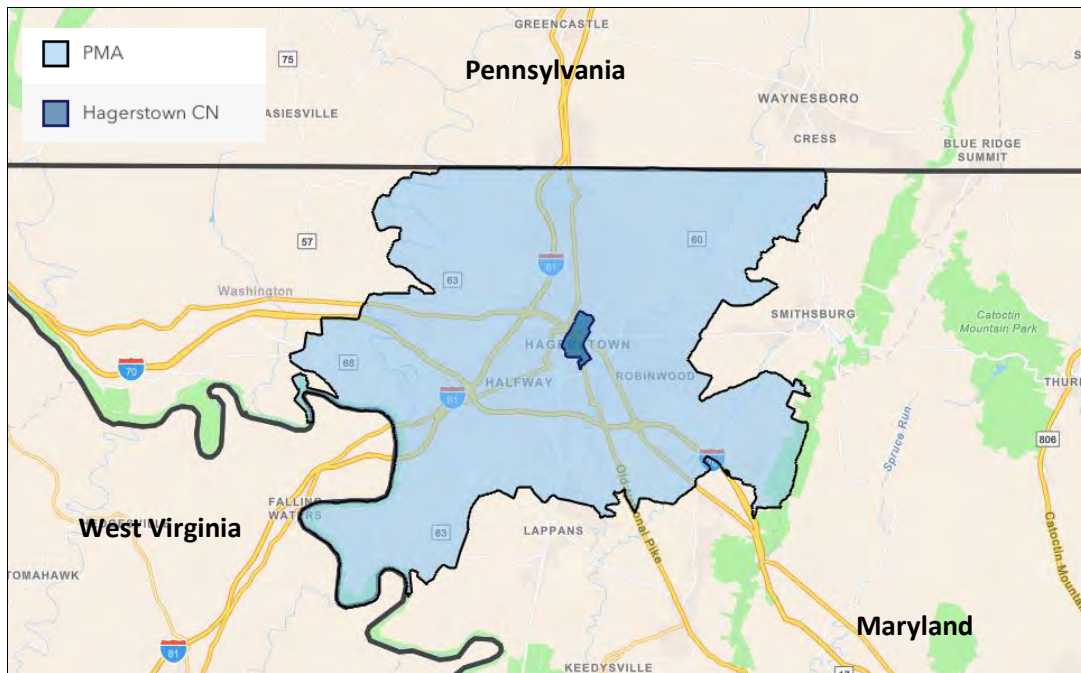
Market Area Definition

A Primary Market Area (PMA) is the area within which new housing in the Hagerstown Choice Neighborhood (CN) will compete for tenants or buyers. The PMA is defined by zip codes and includes the urban and suburban parts of Washington County including the entire City of Hagerstown and the towns of Williamsport, Maugansville, and Funkstown. The market area is based on demographic and economic trends, school district boundaries, topography, road networks, access to employment, and discussions with local real estate professionals who understand typical commuting trends and housing preferences in the market area. The PMA includes the five zip codes listed in Table 3.1. Figure 3.1 below shows the boundaries of the PMA and the location of the CN.

TABLE 3.1
PMA ZIP CODES

- 21734
- 21740
- 21742
- 21767
- 21795

FIGURE 3.1
PRIMARY MARKET AREA



Economic and Demographic Characteristics

The tables below provide a demographic overview of the PMA in comparison to Washington County (the County) as a whole. Current-year estimates and five-year projections are from demographic data vendor Claritas. CN data is from the latest 2023 Census data release and Esri and was prepared by WRT. Data for the CN itself is provided in the text but not presented in tables.

Population

Between 2010 and 2020, the PMA population increased an estimated 8.3%. Washington County’s population grew at a slower rate during this timeframe, experiencing an 4.9% increase. Both geographic areas are projected to continue to gain residents over the next five years. RES estimates that Claritas population growth estimates for the PMA are conservative as they are based primarily on historical trends and may not fully reflect the significant job growth (and subsequent residential growth) that has occurred since 2020 and is projected to continue. According to Esri and U.S. Census Data, the CN had an estimated population of 8,935 in 2023, up slightly from 8,459 in 2010. The CN population is projected to be stable through 2028 with an estimated 9,060 residents. This estimate does not consider the impact of implementation of a Choice Neighborhoods Transformation Plan.

**TABLE 3.2
POPULATION TRENDS**

Primary Market Area			
Total Population			
Census 2010	102,660		
Census 2020	111,212		
Current Year Estimates 2024	112,948		
Five-Year Projections 2029	115,948		
Change 2010 - 2020	8,552	8.3%	
Estimated Change 2020 - 2024	1,736	1.6%	
Projected Change 2024 - 2029	3,000	2.7%	

Washington County			
Total Population			
Census 2010	147,430		
Census 2020	154,705		
Current Year Estimates 2024	156,548		
Five-Year Projections 2029	160,044		
Change 2010 - 2020	7,275	4.9%	
Estimated Change 2020 - 2024	1,843	1.2%	
Projected Change 2024 - 2029	3,496	2.2%	

Sources: US Census; Claritas; Ribbon Demographics

Households

Household counts in both the PMA and Washington County increased from 2010 to 2020. The PMA increased at a higher rate, compared to Washington County. Estimates for 2024 and projections for 2029 suggest that both geographies will continue to gain households, but at very similar rates. Average

household size was stable in both geographic areas in the PMA from 2010 to 2020 and it is expected to have little change over the next five years. The average household size for the CN has historically been lower than the PMA and Washington County. It is expected to remain about the same—2.16 persons – through 2028. Esri estimates that approximately 4,040 households reside in the CN.

**TABLE 3.3
HOUSEHOLD GROWTH TRENDS AND AVERAGE HOUSEHOLD SIZE**

Primary Market Area			
Total Households			
Census 2010	40,006		
Census 2020	43,019		
Current Year Estimates 2024	43,648		
Five-Year Projections 2029	44,777		
Change 2010 - 2020	3,013	7.5%	
Estimated Change 2020 - 2024	629	1.5%	
Projected Change 2024 - 2029	1,129	2.6%	
Average Household Size 2010	2.44		
Average Household Size 2020	2.47		
Average Household Size 2024	2.47		
Average Household Size 2029	2.47		

Washington County			
Total Households			
Census 2010	55,687		
Census 2020	58,640		
Current Year Estimates 2024	59,352		
Five-Year Projections 2029	60,708		
Change 2010 - 2020	2,953	5.3%	
Estimated Change 2020 - 2024	712	1.2%	
Projected Change 2024 - 2029	1,356	2.3%	
Average Household Size 2010	2.50		
Average Household Size 2020	2.50		
Average Household Size 2024	2.50		
Average Household Size 2029	2.50		

Sources: US Census; Claritas; Ribbon Demographics

Population Age

The PMA and Washington County have similar population age distributions and projections. The PMA’s overall population has been consistently younger than the County population since 2020. The 2024 median age estimate in the PMA is 40.5, versus 41.5 in the County. 2029 projections indicate that the gap between the PMA and Washington County will continue, although the median ages in both geographies are projected to increase slightly. According to 2024 estimates, seniors aged 55 and above represent 32.5% of the PMA population, versus 33.6% of the County’s population. As shown in Table 3.4, the 65 and older age cohorts in both the PMA and the County has grown since 2020, and this upward trend is expected to continue over the next five years. There is not projected to be any other significant change in any age cohorts over the next five years. According to Esri and US Census Data, the median age in the

CN is younger than both comparison geographies. In 2010 it was 36.4; in 2023 the estimated median age increased to 38.4. 2028 projections suggested the CN median age will stay flat.

**TABLE 3.4
POPULATION DISTRIBUTION BY AGE**

Primary Market Area							
Population By Age							
	Census 2020		2024 Estimates		2029 Projections		
0 to 4 Years	6,310	5.7%	6,328	5.6%	6,475	5.6%	
5 to 9 Years	6,952	6.3%	6,539	5.8%	6,505	5.6%	
10 to 14 Years	7,183	6.5%	7,056	6.2%	6,648	5.7%	
15 to 17 Years	4,430	4.0%	4,333	3.8%	4,351	3.8%	
18 to 20 Years	3,924	3.5%	4,463	4.0%	4,574	3.9%	
21 to 24 Years	5,258	4.7%	5,752	5.1%	6,190	5.3%	
25 to 34 Years	14,436	13.0%	14,216	12.6%	14,699	12.7%	
35 to 44 Years	13,709	12.3%	14,155	12.5%	14,448	12.5%	
45 to 54 Years	14,172	12.7%	13,358	11.8%	13,417	11.6%	
55 to 64 Years	14,884	13.4%	14,845	13.1%	13,879	12.0%	
65 to 74 Years	11,114	10.0%	12,111	10.7%	13,360	11.5%	
75 to 84 Years	5,957	5.4%	6,768	6.0%	8,174	7.0%	
85 Years and Up	2,883	2.6%	3,024	2.7%	3,228	2.8%	
<i>Median Age (Years)</i>	<i>40.2</i>		<i>40.5</i>		<i>40.9</i>		

Washington County							
Population By Age							
	Census 2020		2024 Estimates		2029 Projections		
0 to 4 Years	8,181	5.3%	8,285	5.3%	8,522	5.3%	
5 to 9 Years	9,280	6.0%	8,547	5.5%	8,475	5.3%	
10 to 14 Years	9,866	6.4%	9,535	6.1%	8,754	5.5%	
15 to 17 Years	6,235	4.0%	6,006	3.8%	5,911	3.7%	
18 to 20 Years	5,451	3.5%	6,167	3.9%	6,242	3.9%	
21 to 24 Years	7,131	4.6%	8,030	5.1%	8,644	5.4%	
25 to 34 Years	19,445	12.6%	19,133	12.2%	20,258	12.7%	
35 to 44 Years	18,863	12.2%	19,278	12.3%	19,410	12.1%	
45 to 54 Years	20,436	13.2%	19,046	12.2%	18,586	11.6%	
55 to 64 Years	21,847	14.1%	21,742	13.9%	20,340	12.7%	
65 to 74 Years	15,908	10.3%	17,357	11.1%	19,180	12.0%	
75 to 84 Years	8,387	5.4%	9,575	6.1%	11,570	7.2%	
85 Years and Up	3,675	2.4%	3,847	2.5%	4,152	2.6%	
<i>Median Age (Years)</i>	<i>41.2</i>		<i>41.5</i>		<i>41.8</i>		

Sources: Census; Claritas; Ribbon Demographics

Housing Tenure Trends

Table 3.5 presents data on household tenure trends in the PMA and Washington County. According to trends from 2020 to 2024, both geographic areas have remained the same in their split between renters and owners. The County has a stronger owner-occupant market (64.3% of households) as compared to the PMA (58.3%). This breakdown is projected to remain stable in both geographies over the next five years. Data from the 2023 Esri/Census Data indicate that in the CN 67.7% of households are *renter-occupied*.

**TABLE 3.5
HOUSEHOLD TENURE TRENDS**

Primary Market Area		
Households by Tenure		
2020 Owner	25,090	58.3%
2020 Renter	17,929	41.7%
2024 Owner	25,441	58.3%
2024 Renter	18,207	41.7%
2029 Owner	26,082	58.2%
2029 Renter	18,695	41.8%

Washington County		
Households by Tenure		
2020 Owner	37,729	64.3%
2020 Renter	20,911	35.7%
2024 Owner	38,146	64.3%
2024 Renter	21,206	35.7%
2029 Owner	38,963	64.2%
2029 Renter	21,745	35.8%

Sources: Census; Claritas; Ribbon Demographics

Household Income

Table 3.6 provides the estimated 2024 distribution of households by income in the PMA and Washington County. The estimated 2024 median PMA household income is \$64,120; this is 8% lower than the County’s median of \$69,790. The gap in median incomes is expected to shrink slightly in the next five years with the County’s median incomes projected to increase 7.5% and the PMA expected to increase 8.0% to \$69,265. According to estimates from 2024, over 40% of households in the PMA have annual incomes below \$50,000 versus around 36% of households in the County. Esri data indicate that the CN has an estimated 2023 median household income of \$23,108 reflecting the concentration of extremely low-income households living in subsidized housing in the neighborhood.

TABLE 3.6
2024 HOUSEHOLD INCOME DISTRIBUTION

Primary Market Area				
Households by Income				
	2024 Estimates		2029 Projections	
Less than \$15,000	4,976	11.4%	4,685	10.5%
\$15,000 - \$24,999	3,899	8.9%	3,765	8.4%
\$25,000 - \$34,999	3,594	8.2%	3,328	7.4%
\$35,000 - \$49,999	5,167	11.8%	4,989	11.1%
\$50,000 - \$74,999	7,415	17.0%	7,295	16.3%
\$75,000 - \$99,999	5,392	12.4%	5,528	12.3%
\$100,000 - \$124,999	4,102	9.4%	4,291	9.6%
\$125,000 - \$149,999	2,904	6.7%	3,247	7.3%
\$150,000 - \$199,999	3,096	7.1%	3,555	7.9%
\$200,000 - \$249,999	1,414	3.2%	1,837	4.1%
\$250,000 - \$499,999	1,214	2.8%	1,594	3.6%
\$500,000 and up	475	1.1%	663	1.5%
<i>Median Income</i>	<i>\$64,120</i>		<i>\$69,265</i>	

Washington County				
Households by Income				
	2024 Estimates		2029 Projections	
Less than \$15,000	6,188	10.4%	5,815	9.6%
\$15,000 - \$24,999	4,588	7.7%	4,456	7.3%
\$25,000 - \$34,999	4,423	7.5%	4,065	6.7%
\$35,000 - \$49,999	6,568	11.1%	6,273	10.3%
\$50,000 - \$74,999	9,996	16.8%	9,724	16.0%
\$75,000 - \$99,999	7,402	12.5%	7,531	12.4%
\$100,000 - \$124,999	5,957	10.0%	6,080	10.0%
\$125,000 - \$149,999	4,561	7.7%	4,844	8.0%
\$150,000 - \$199,999	4,817	8.1%	5,528	9.1%
\$200,000 - \$249,999	2,170	3.7%	2,844	4.7%
\$250,000 - \$499,999	1,958	3.3%	2,517	4.1%
\$500,000 and up	724	1.2%	1,031	1.7%
<i>Median Income</i>	<i>\$69,780</i>		<i>\$75,070</i>	

Sources: US Census; Claritas; Ribbon Demographics

Households by Race and Hispanic Origin

Table 3.7 shows the distribution of households by race and Hispanic ethnicity in the PMA and Washington County. The population in both the County and the PMA is majority White, but the PMA is more racially and ethnically diverse. 2029 projections suggest that both geographies will become more diverse with each minority group increasing in its percentage of the total population over the five-year period. In the PMA the percentage of the population that identifies Hispanic/Latino is expected to grow from 8% in 2020 to 13.5% in 2029. 2023 Esri data show that nearly 25% of the CN’s population identifies as being Black/African American alone, approximately double the percentage in the County.

**TABLE 3.7
HOUSEHOLDS BY RACE AND HISPANIC ORIGIN**

Primary Market Area							
Population By Race and Ethnicity							
	Census 2020		2024 Estimates		2029 Projections		
White Alone	79,426	71.4%	76,240	67.5%	72,287	62.3%	
Black/African American Alone	15,385	13.8%	17,448	15.4%	20,366	17.6%	
American Indian/Alaskan Native Alone	350	0.3%	420	0.4%	502	0.4%	
Asian Alone	2,751	2.5%	2,969	2.6%	3,292	2.8%	
Native Hawaiian/Pacific Islander Alone	66	0.1%	77	0.1%	96	0.1%	
Some Other Race Alone	4,083	3.7%	5,174	4.6%	6,708	5.8%	
Two or More Races	9,151	8.2%	10,620	9.4%	12,697	11.0%	
Hispanic/Latino	8,910	8.0%	11,718	10.4%	15,644	13.5%	

Washington County							
Population By Race and Ethnicity							
	Census 2020		2024 Estimates		2029 Projections		
White Alone	117,465	75.9%	113,796	72.7%	109,430	68.4%	
Black/African American Alone	17,691	11.4%	19,788	12.6%	22,802	14.2%	
American Indian/Alaskan Native Alone	465	0.3%	542	0.3%	649	0.4%	
Asian Alone	3,109	2.0%	3,358	2.1%	3,723	2.3%	
Native Hawaiian/Pacific Islander Alone	89	0.1%	106	0.1%	129	0.1%	
Some Other Race Alone	4,605	3.0%	5,817	3.7%	7,523	4.7%	
Two or More Races	11,281	7.3%	13,141	8.4%	15,788	9.9%	
Hispanic/Latino	10,289	6.7%	13,528	8.6%	18,081	11.3%	

Sources: US Census; Claritas; Ribbon Demographic

4. PMA HOUSING SUPPLY CONDITIONS

Tenure and Occupancy Characteristics

Claritas estimates that there are a total of 47,506 housing units in the PMA in 2024. Of these, 8.1% are vacant. 58.3% of the PMA’s occupied housing units are estimated to be owner-occupied and 41.7% are renter-occupied. Washington County has a similar residential vacancy rate at 8.2%; 35.7% of the County’s occupied households are renters. 2023 Esri data reveals the CN has a substantially higher residential vacancy rate at 14.6%. Of the estimated 4,021 occupied housing units in 2023, 2,722, or 68% were renter-occupied.

**TABLE 4.1
HOUSING UNITS: OCCUPANCY AND TENURE 2024**

Primary Market Area Housing Unit Summary Current Year Estimates - 2024			Washington County Housing Unit Summary Current Year Estimates - 2024		
	Number	Percent		Number	Percent
Housing Units	47,506	100.0%	Housing Units	64,651	100.0%
Vacant Housing Units	3,858	8.1%	Vacant Housing Units	5,299	8.2%
Renter-Occupied	18,207	41.7%	Renter-Occupied	21,206	35.7%
Owner-Occupied	<u>25,441</u>	<u>58.3%</u>	Owner-Occupied	<u>38,146</u>	<u>64.3%</u>
Total Occupied:	43,648	100.0%	Total Occupied:	59,352	100.0%

Source: Ribbon Demographics; Claritas

Residential Structure Types and Age

Table 4.2 provides data on the distribution of the residential inventory by structure type in the comparison geographies. Single-family dwellings are the predominant housing type in both the PMA (71.6%) and Washington County (76.8%). The County’s housing supply is 61.4% single-family detached homes, while this housing type is 52.5% of the PMA residential inventory. The next most prevalent housing type in the PMA is one-unit attached homes (19.1%), followed by multi-family dwellings with 5-19 units (12.7%). Large multi-family dwellings (50 or more units) are atypical in this region, representing only 2.4% of the housing stock. The County encompasses more rural and exurban areas than the PMA and has a greater percentage of both detached homes and mobile homes, but relatively fewer multi-family properties. The most common residential structures in the CN are single-family attached homes, representing 26% of housing units according to 2023 Esri data.

Data in Table 4.3 indicates that new additions to the housing stock in both the PMA and Washington County are limited. In the PMA less than 6.9% of inventory was built in 2010 or later. Approximately one in five housing units in the PMA and in the County were constructed before 1940. According to the 2023 Esri data, the CN has an older housing supply, with nearly 50% of homes being constructed prior to 1940. Only 5.1% of CN housing units were built after 2010.

TABLE 4.2
HOUSING UNITS BY STRUCTURE TYPE: 2024 ESTIMATES

Primary Market Area		
Housing Units by Units in Structure		
Current Year Estimates - 2024		
Unit	Number	Percent
1 Unit Detached	24,935	52.5%
1 Unit Attached	9,066	19.1%
2 Units	1,626	3.4%
3 to 4 Units	2,154	4.5%
5 to 19 Units	6,054	12.7%
20 to 49 Units	1,119	2.4%
50 or More Units	1,143	2.4%
Mobile Home	1,409	3.0%
Other	0	0.0%
Total:	47,506	100.0%

Source: Ribbon Demographics; Claritas

Washington County		
Housing Units by Units in Structure		
Current Year Estimates - 2024		
Unit	Number	Percent
1 Unit Detached	39,699	61.4%
1 Unit Attached	9,978	15.4%
2 Units	1,887	2.9%
3 to 4 Units	2,362	3.7%
5 to 19 Units	6,309	9.8%
20 to 49 Units	1,144	1.8%
50 or More Units	1,143	1.8%
Mobile Home	2,129	3.3%
Other	0	0.0%
Total:	64,651	100.0%

Source: Ribbon Demographics; Claritas

TABLE 4.3
HOUSING UNITS BY YEAR STRUCTURE BUILT: 2024 ESTIMATES

Primary Market Area		
Housing Units by Year Structure Built		
Current Year Estimates - 2024		
Year	Number	Percent
2020 or Later	851	1.8%
2010 - 2019	2,431	5.1%
2000 - 2009	6,160	13.0%
1990 - 1999	5,396	11.4%
1980 - 1989	5,180	10.9%
1970 - 1979	5,608	11.8%
1960 - 1969	4,687	9.9%
1950 - 1959	5,778	12.2%
1940 - 1949	2,192	4.6%
1939 or Earlier	9,223	19.4%
Total:	47,506	100.0%

Source: Ribbon Demographics; Claritas

Washington County		
Housing Units by Year Structure Built		
Current Year Estimates - 2024		
Year	Number	Percent
2020 or Later	1,020	1.6%
2010 - 2019	3,109	4.8%
2000 - 2009	8,407	13.0%
1990 - 1999	8,104	12.5%
1980 - 1989	7,695	11.9%
1970 - 1979	7,830	12.1%
1960 - 1969	6,023	9.3%
1950 - 1959	6,932	10.7%
1940 - 1949	2,689	4.2%
1939 or Earlier	12,842	19.9%
Total:	64,651	100.0%

Source: Ribbon Demographics; Claritas

Rental Housing Supply

Income-Restricted General Occupancy Rental Housing

RES identified 2,483 existing income-restricted units in 24 complexes for either family/general occupancy or elderly/disabled occupancy in the PMA. 47% of these units are public housing, all of which are operated by HHA. Of the 2,483 total units, 1,490 (60%) are for family/general occupancy. A summary of these general occupancy/family affordable properties is provided in Table 4.5.

**TABLE 4.5
INCOME RESTRICTED FAMILY/GENERAL OCCUPANCY UNITS: PMA**

Property Name/Address	Affordable Units	Style	Unit Types (BR/BA)	Unit Sizes (SF)	Rents	Utilities Included in Rent	Occupancy/Waiting List	Details/Other
General Occupancy LIHTC								
Gateway Crossing 700 Lanvale Street Hagerstown, MD 21740	140	2003-2007 2-story twins	1 BR/1 BA (2) 2 BR/1.5 BA (50) 3 BR/1.5 BA (88)	774 1062 1174	50% AMI: \$755 50% AMI: \$891 (18); 60% AMI: \$1,097 (16) 50% AMI: \$1,038 (38); 60% AMI: \$1,276 (24)	Trash	99.3% 695 applicants (combined with Gateway Crossing PH units)	refrigerator, range, dishwasher, air conditioning, W/D hookups; Hope VI revitalization of former Westview Homes; 44 of 140 units have PBVs, 2 market rate, 60 homeownership units; community center; gymnasium; computer labs; Head Start
Hopewell Station 11341 Cici Way Hagerstown, MD 21740	60	2018 3-story garden style	1 BR/1 BA 2 BR/2 BA 3 BR/2 BA	814-874 1,019 1,165-1,224	Most units subsidized \$1,172 (60% AMI) \$1,439 (60% AMI)	WST	100% 1 year+ waiting list	computer lab; fitness center; community room and kitchen; fire pit; a few units that are paying maximum rent and 811
Subtotal: Existing General Occupancy LIHTC Units	200							
Subsidized General Occupancy Rentals								
Bethel Gardens 356 Henry Avenue Hagerstown, MD 21740	94	1975 2-story garden style	0 BR/1 BA 1 BR/1 BA 2 BR/1-1.5 BA 3 BR/1.5 BA	UNK	1 BR/1 BA: \$796 Other units Rent Subsidized	WST Gas	98%* 12-18 month waiting list	refrigerator, range, air conditioning; 4 community laundry rooms; community center and police substation on site; renovated in 2017; 89 units PBV, 2, 1-BR fixed rents; 2 HCV; RAD/PBV
Washington Gardens 1000 Security Road Hagerstown, MD 21740	100	1982 2-story garden style and townhomes	1 BR/1 BA 2 BR/1 BA 3 BR/1.5 BA 4 BR/2 BA	483 904 994 1,438	Rent Subsidized	WST	96% multi-year long waiting list	refrigerator, range, air conditioning; central laundry room; basketball court; community room with kitchen; playground; renovated in 2006; acquisition & rehab LIHTC from 2006
Hopewell Manor 11220 Pepperbush Circle Hagerstown, MD 21740	64	1983 2-story garden style	1 BR/1 BA 2 BR/1 BA	820 920	Rent Subsidized	WST	100% 1 year+ waiting list	refrigerator, range, central laundry room, outdated
Greenside Apartments 14036 Village Mall Drive Hagerstown, MD 21740	100	1975 2-story garden style	1 BR/1 BA (76) 2 BR/1 BA (16) 3 BR/1 BA (8)	705 855 1,020	Rent Subsidized	WST	100% multi-year waiting list	refrigerator, range, air-conditioning, central laundry room; outdated; used to be fixed rent, now PBV
Scattered Sites Washington County	30	single-family homes	3 BR/1 BA 4 BR/1 BA	UNK	Rent Subsidized	No utilities included	UNK	HCV program
Tanglewood Court Apartments 11217 Tanglewood Court Hagerstown, MD 21740	17	1971 3-story walkup	1 BR/1 BA	UNK	\$742 for some units Rent Subsidized for other units	Water Trash	UNK	refrigerator, range, window A/C, community laundry room, some units subsidized, Section 8 vouchers accepted
Valley Meadow Townhomes (aka Halfway Manor) 11201 Scarlet Oak Dr Hagerstown, MD 21740	100	1971 2-story garden style	3 BR/1.5 BA 4 BR/1.5 BA	1,237 1,278	Rent Subsidized	Gas WST	100% 12-18+ month waiting list	refrigerator, range, community laundry room, playground, previously a tax credit property from 1989; formerly called Halfway Manor; Income-restricted
Subtotal: Existing Subsidized General Occupancy Rental Units	505							

TABLE 4.5 (CONTINUED)
INCOME RESTRICTED FAMILY/GENERAL OCCUPANCY UNITS: PMA

<u>Other Affordable General Occupancy Rental Units^</u>									
The Meadows Apartments 1681 Langley Drive Hagerstown, MD 21740	72	1984	1 BR/1 BA (18) 2 BR/2 BA (54)	975 1,225	\$1,000 \$1,250	WST	97.2%	refrigerator, range, dishwasher, in-unit washer and dryer, air conditioning; outdated; 1 BR minimum income: \$3,000/month; 2-BR minimum income: \$3,750	
Colonial Manor Townhomes 1681 Langley Drive Hagerstown, MD 21740	72	1974	2 BR/1.5 BA (36) 3/1.5 BR (36)	1,000 1,100	\$1,375 \$1,500	WST	98.6%	refrigerator, range, dishwasher, in-unit washer and dryer; outdated; 1 BR minimum income: \$4,125/month; 2-BR minimum income: \$4,500/month	
Subtotal: Other Affordable General Occupancy Rental Units	144								
<u>General Occupancy Public Housing</u>									
Parkside Homes (Subject Property) W. North Ave/Suman Ave Hagerstown, MD 21740	39	1951	1 BR/1 BA (6) 2 BR/1 BA (24) 3 BR/1 BA (5) 4 BR/1 BA (4)	557 1,257 1,437 1,922	Rent Subsidized	WST Gas	97.4%* 5,706 applicants on combined waitlist with Frederick, Douglass, & Scattered Sites	refrigerator, range, air conditioning, washer/dryer hookups, front/rear fenced yards, unfinished basement in some units; community center, playground	
Frederick Manor (Subject Property) 218 Taylor Avenue Hagerstown, MD 21740	125	1958	1 BR/1 BA (20) 2 BR/1 BA (51) 3 BR/1 BA (40) 4 BR/1 BA (12) 5 BR/1 BA (2)	601 826 1,026 1,264 1,413	Rent Subsidized	WST Gas	100% 5,706 applicants on combined waitlist for Parkside, Douglass, & Scattered Sites	refrigerator, range, washer/dryer hookups, front/rear yards; community center, playground, gymnasium leased by the Boys & Girls Club	
Douglass Court (Subject Property) 415 Park Place Hagerstown, MD 21740	30	1958	1 BR/1 BA (4) 2 BR/1 BA (12) 3 BR/1 BA (9) 4 BR/1 BA (4) 5 BR/1 BA (1)	594 825 1,027 1,264 1,444	Rent Subsidized	WST Gas	93.3%* 5,706 applicants on combined waitlist for Parkside, Frederick, & Scattered Sites	refrigerator, range, air conditioning, washer/dryer hookups, front/rear yards, storage units; community room, playground	
Gateway Crossing 700 Lanvale Street Hagerstown, MD 21740	150	2003-2007	1 BR/1 BA (32) 2 BR/1.5 BA (51) 3 BR/1.5 BA (56) 4 BR/1.5 BA (11)	774 1000 1174 1198	Rent Subsidized	Trash	99.3% 695 applicants (combined with Gateway Crossing tax credit units)	refrigerator, range, A/C, dishwasher; W/D hookups; community center; gymnasium; commercial kitchen; computer labs; Head Start; Hope VI revitalization of former Westview Homes; also have 140 tax credit, 2 market rate, 60 homeownership units	
McCleary Hill Phase I Insurance Way/Calcite Dr./Fluorite Dr. Hagerstown, MD 21740	61	2020	1 BR/1 BA (7) 2 BR/1.5 BA (28) 3 BR/2 BA (23) 4 BR/2 BA (3)	775 888-946 1,124-1,190 1,312	Rent Subsidized	WST	100% 5,945 applicants (combined with McCleary Hill Phase 2)	refrigerator, range, dishwasher, A/C, W/D hookups, yard; community laundry room; central park; playground; also have 7, 2-BR, 888 SF market rate units in Phase I; replacement units for Noland Village; 30% (11) & 40% AMI (50); RAD on all units	
McCleary Hill Phase II Insurance Way/Calcite Dr./Fluorite Dr. Hagerstown, MD 21740	70	2021	1 BR/1 BA (11) 2 BR/1.5 BA (31) 3 BR/2 BA (25) 4 BR/2 BA (3)	758 926 1,156 1,450	Rent Subsidized	WST	100% 5,945 applicants (combined with McCleary Hill Phase 1)	refrigerator, range, dishwasher, W/D hookups, A/C, yard; community laundry room; central park; playground; 9, 2-BR, 926 SF market rate units in Phase II; replacement units for Noland Village; 30% (62) & 50% (8) AMI; RAD on all units	

TABLE 4.5 (CONTINUED)

INCOME RESTRICTED FAMILY/GENERAL OCCUPANCY UNITS: PMA

<u>General Occupancy Public Housing</u>									
Noland Village	116	1972	2 BR/1 BA	877	Rent Subsidized	WST	98%*	refrigerator, range, W/D hookups; yard; outside storage unit;	
1000 Noland Drive		2-story	3 BR/1 BA	1,072		Gas	88 on waitlist	community center; Head Start program; playground; mostly 2-	
Hagerstown, MD 21740		townhomes	4 BR/1 BA	1,282				BR units; will be renovating 80 units and demolishing 36 units	
			5 BR/2 BA	1,627				in future phases	
Scattered Sites	50	1980	2 BR/1 BA (40)	922-1,026	Rent Subsidized	Sewer & Trash	96%*	refrigerator, range, yard, washer/dryer hookups; pay overage	
N Jonathan St/East Ave/Mitchell Ave		2-story	3 BR/1 BA (10)	1,077-1,219			5,706 applicants on combined	fee on water, electric, and gas	
Hagerstown, MD 21740		duplex					waitlist with Frederick, Douglass, &		
							Parkside		
Subtotal: General Occupancy Public Housing	641								
<u>Planned/Proposed Affordable Family Housing</u>									
Martin Heights "McCleary Hill Phase III"***	80	N/A	2 BR/2 BA (30)	896	LIHTC, RAD, and PBV	N/A	N/A	All 60% AMI; will include homeownership units and market	
Noland Drive			3 BR/2 BA (40)	1,062	on 77 units			rate rentals; former Nolan Village location; represent the 80	
Hagerstown, MD 21740			4 BR/2 BA (7)	1,198				units that will be demolished and rebuilt	
			5 BR/2 BA (3)	1,512					
Martin Heights "McCleary Hill Phase IV"***	36	N/A	1 BR/1 BA (18)	774	LIHTC, and RAD	N/A	N/A	All 60% AMI; will include homeownership units and 12 market	
Noland Drive			2 BR/2 BA (15)	1,000				rate rentals; former Nolan Village location	
Hagerstown, MD 21740			3 BR/2 BA (15)	1,174					
Subtotal: Planned/Proposed Affordable Family Housing	116								
TOTAL EXISTING AND PLANNED AFFORDABLE HOUSING UNITS	1,490								

Source: RES, interviews and internet research from March-June 2024

*turnover vacancy

**replacement so does not count as additional units in total count

UNK = Unknown PBV = Project-Based Vouchers

WST = water sewer trash

^ = properties are privately owned with rents kept intentionally affordable for 50-60% AMI households; no maximum incomes; section 8 accepted

While many of the 24 affordable rental communities in the PMA are LIHTC properties, most of them have subsidies on all units. Only two of the LIHTC properties have units that do *not* have subsidies and charge fixed rents.

- The larger community, Gateway Crossing, was part of the greater HOPE VI revitalization of Westview Homes and is located just outside the CN. The Gateway Crossing development had multiple phases built between 2003 and 2007 that included 140 tax credit units, two market-rate rentals, 150 public housing replacement units, and 60 homeownership units. 44 of the 140 LIHTC units at Gateway Crossing have Project Based Voucher (PBV) rent subsidies. The LIHTC units are over 99% occupied with a waiting list of nearly 700 applicants. Two-thirds of the apartments are 3BR unit configurations and most of the remaining are 2BR units. All LIHTC units include a refrigerator, range, dishwasher, air conditioning, and washer/dryer hookups. The neighborhood has a community center, gymnasium, and computer lab.
- Hopewell Station is a 60-unit garden-style LIHTC complex built in 2018 in West Hagerstown with 1BE, 2BR, and 3BR apartments. While most units are subsidized, there are a few 2BR and 3BR units charging fixed rents. The rents for these apartments are close to the maximum 60% AMI rents, based on 2024 LIHTC program rent limits. The community is completely occupied with a waiting list over one-year long. Community amenities include a computer lab, gymnasium, community room and kitchen, and fire pit.

The PMA has six HUD income-restricted general occupancy properties that are not public housing; one of these communities (Bethel Gardens) is located within the CN. The communities either have PBVs or accept housing choice vouchers (HCVs). Both options allow tenant households to pay 30% of their income for housing related expenses. The occupancy rates for these five properties are 96% or higher; property managers indicated that any vacancies were a result of turnover lag, rather than an indication of soft market demand. All five communities include a refrigerator and range in the units and do not offer either in-unit washers and dryers or hookups. Instead, each property offers a central laundry room on-site.

Two properties within the PMA set rents intentionally low for individuals and families in the 60% to 80% AMI income brackets. These communities accept Section 8 vouchers on some of the units. The developments are not updated, but include a washer and dryer and dishwasher within individual units. Both properties maintain occupancy rates of 97% and higher and have short or no waiting lists.

The PMA has seven public housing developments for general occupancy/family housing—including the three target properties-- and a collection of 50 scattered sites, totaling 641 units. All seven public housing developments reported over 93% occupancy, with all unoccupied units attributed to turnover vacancy. Most income-restricted apartments complexes include water, sewer, and trash in the rent and some also include gas. Tenants pay for electricity and, often, gas separately.

Income- and Age-Restricted Rental Housing

As shown in Table 4.6, there are an additional 993 income- and age-restricted elderly and/or disabled units in nine properties in the PMA most of which were built from the late 1960s to the mid-1980s. All the elderly and/or disabled affordable properties have unit-based rent subsidies on 100% of units. These properties have several different age restrictions: 50 and older, 55 and older, and 62 and older and also rent units to disabled tenants of any age. All the buildings are over 96% occupied with all vacancies attributed to turnover vacancy instead of market weakness. While all elderly and/or disabled properties surveyed have waitlists, the lengths are shorter than those properties intended for general occupancy/families. Five of the PMA elderly and/or disabled properties are located in CN:

- Alexander House and Elizabeth Court Apartments are subsidized high-rise elevator buildings with primarily 1BR units.
- C.W. Brooks and Potomac Towers North and South are public housing.

Francis Murphy Senior Apartments in East Hagerstown is the only newer property, constructed in 2004. This property offers a laundry room on each floor, dishwashers in individual units, and various community amenities including a walking trail, fitness center, barber, and a community room with kitchen and library. Both C.W. Brooks and Walnut Towers have small grocery stores for tenants located within the building as a result of a partnership between HHA and Goodwill.

**TABLE 4.6
INCOME-RESTRICTED ELDERLY AND/OR DISABLED UNITS: PMA**

Project Name/Address	Total Affordable Units	Style	Unit Types (BR/BA)	Unit Sizes (\$F)	Rents	Utilities Included in Rent	Occupancy/Waiting List	Details/Other
Subsidized Affordable Elderly/Disabled Rentals								
Alexander House 7 East Washington Street Hagerstown, MD 21740	94	1928 10-story elevator	0 BR/1 BA 1 BR/1 BA	396 504	Rent Subsidized	Gas WST	96.8%* Studio (6-9 months) 1-BR (1+ year)	refrigerator, range, air conditioning, community laundry room, clubhouse, lounge, renovated in 2023; former hotel converted to senior units in 1978; tax credit and PBV on all units, 62+
Elizabeth Court Apartments 55 East Washington Street Hagerstown, MD 21740	110	1984 11-story elevator	1 BR/1 BA	500	Rent Subsidized	WST	100% waitlist 3-6 months	refrigerator, range, community laundry room, community room, library, gazebo; PBV, 55+
Stoncroft Apartments 11400 Stoncroft Court Hagerstown, MD 21742	105	1981 3-story garden style	1 BR/1 BA	500	Rent Subsidized	All utilities included	98%* 1+ year waiting list	refrigerator, range, community laundry room, community room; Market rent (top rent they can charge) is \$930, 55+
Parkview Knoll 219 Otho Holland Drive Williamsport, MD 21795	28	1984 1-story townhomes	1 BR/1 BA	UNK	Rent Subsidized	Water Trash	UNK	refrigerator, range, patio, community laundry room, meeting space, community room with complete kitchen, 62+
Francis Murphy Senior Apartments 20014 Rosebank Way Hagerstown, MD 21742	120	2004 3-story elevator	1 BR/1 BA 2 BR/1 BA	UNK	Rent Subsidized	UNK	UNK	refrigerator, range, dishwasher; laundry room on each floor, fitness center, walking trail, community room with kitchen, library, community barber; Robinwood Med. Center across street
Subtotal: Existing Subsidized Elderly/Disabled Units	457							
Public Housing								
C.W. Brooks 45 West Baltimore Street Hagerstown, MD 21740	60	2011 4-story elevator	1 BR/1 BA (60)	625	Rent Subsidized	WST	96.7%* 131 on waitlist	refrigerator, range, dishwasher; community laundry room; grocery store on site
Potomac Towers North 11 West Baltimore Street Hagerstown, MD 21740	200	1973 14-story elevator	0 BR/1 BA (124) 1 BR/1 BA (72) 2 BR/1 BA (4)	421 543 843	Rent Subsidized	All Utilities Included	98.5%* 18 on combined waitlist with Potomac Towers South	refrigerator, range; balcony; community laundry room; community room; resident activities; small charge for air conditioning and cable, 50+
Potomac Towers South 11 West Baltimore Street Hagerstown, MD 21740	126	1985 8-story elevator	1 BR/1 BA (122) 2 BR/1 BA (4)	575-622 813	Rent Subsidized	All Utilities Included	97.6%* 18 on combined waitlist with Potomac Towers North	refrigerator, range; balcony; community laundry room; community room; resident activities; small charge for air conditioning and cable, 50+
Walnut Towers 11-12 South Walnut Street Hagerstown, MD 21740	150	1968 3 and 8-story elevator	0 BR/1 BA (75) 1 BR/1 BA (74) 2 BR/1 BA (1)	411 610 1,021	Rent Subsidized	All Utilities Included	98.6%* 413 on waitlist	refrigerator, range; balcony; community laundry room; community room; resident activities; noon meal, 50+
Subtotal: Existing Elderly/Disabled Public Housing	536							
TOTAL EXISTING AND PLANNED ELDERLY/DISABLED HOUSING UNITS	993							

Source: RES, interviews and internet research from March-June 2024

*turnover vacancy

UNK = Unknown PBV = Project-Based Vouchers

WST = water sewer trash

Market-Rate Rental Housing

The PMA has over 3,000 market-rate rental units in multi-family buildings. There are also hundreds of rental units in duplexes and converted single-family homes within the PMA. RES surveyed all multifamily rental properties within the CN boundaries and all apartment complexes within the PMA built within the last 25 years.

RES identified three new (or recently gut-renovated) multifamily apartment complexes in the PMA; two of them are located in the CN:

- The Aria is a historic building in downtown Hagerstown originally built in 1898. It was gut-renovated in 2023 and converted into 37 1BR, 2BR, and 3BR apartments with unique layouts and configurations. Although units are available to any qualified applicant, units are specifically targeted to students. The apartments include a refrigerator, range, and dishwasher and offer washers and dryers available to rent for an additional fee.
- The Updegraff is a similar building to The Aria as it is historic (built in 1882) and was entirely renovated and converted to apartments in 2024. Leasing began in the spring of 2024 and the units are considered “luxury” and priced well above other PMA rental apartments. Most units are 1BR and all include custom lighting, full kitchen, a washer and dryer, stainless steel appliances, and quartz countertops. While the apartments are smaller than most same-configuration units in the PMA, they are the most expensive. 1BR rents are between \$1,460 and \$1,860. 2BR rents start at \$2,300.

The last new apartment complex in the PMA is Burhans Village. Built in 2023, it is located just west of the CN boundaries. All units are townhomes with three bedrooms and two bathrooms. The prices are higher than all other 3BR comparables in the PMA, ranging from \$1,669 to \$2,045. Tenants have the option to rent a washer, dryer, and refrigerator for an extra fee. Interviews with local representatives revealed that the complex has experienced numerous evictions, despite being open for less than a year, due to tenants moving in and then not being able to afford the rents.

RES examined 10 other apartment complexes within the PMA, concentrating on properties built within the last 25 years. There is a great diversity of finishes and updates between the apartment complexes and a subsequently wide rent range, with newer apartment complexes charging much higher rents. All apartments include a refrigerator, range, and dishwasher. Eight of the 10 complexes include either an in-unit washer and dryer or washer/dryer hookups. Most of the communities have additional amenities including playgrounds, fitness centers, clubhouses, pools, and dog parks. A few communities advertise to college students specifically, highlighting individual locking doors and an on-site business center.

Typical unit configurations in market-rate properties include 1BR, 2BR, and 3BR apartments. Two complexes surveyed have a few studio units. No market-rate multifamily properties offer 4BR apartments. Across market rate apartment complexes in the PMA, 2BR/2BA and 3BR/2BA configurations are the most common and the most in demand, according to interviews with property managers. Rents and square

footage vary considerably. According to rental market trends on zumper.com, rents for all unit types in the city of Hagerstown have increased 8% over the past twelve months, versus only a 1% increase in neighboring Frederick, Maryland. According to a data report from GHC, 1BR rents in Greater Hagerstown have increased from around \$350 in 2019 to an average of \$1,000 in 2023. Monthly asking rent ranges and unit size across all apartment complexes RES surveyed (predominantly newer developments) are summarized below:

TABLE 4.6
MARKET-RATE RENTAL PROPERTIES RENT RANGE: PMA

Unit Configuration	Smallest Unit Size	Largest Unit Size	Lowest Asking Rent	Highest Asking Rent
0 BR / 1 BA	400 SF	400 SF	\$1,008	\$1,008
1 BR / 1 BA	530 SF	1,020 SF	\$850	\$1,860
2 BR / 1-2 BA	803 SF	1,576 SF	\$1,153	\$2,625
3 BR / 1.5-2 BA	1,098 SF	2,700 SF	\$1,300	\$2,045

Source: RES; Data from interviews and internet research April 2024-May 2024

Market-rate multifamily rents typically include water, sewer, and trash removal. The properties in downtown Hagerstown do not include any utilities. Occupancy rates of the properties that have reached stabilized occupancy ranged between 96% and 100%. All property managers interviewed agree that the demand for apartments is steady and consistent, with both 2BR and 3BR units being the most in-demand configurations. Property managers noted that Hagerstown’s proximity to colleges and post-secondary schools as well as rapidly expanding job market help to maintain consistent occupancy in PMA apartment complexes. A full list of the 13 market-rate properties surveyed is provided in Table 4.7.

While there are no 4BR units available to rent in PMA multifamily apartment buildings, there were three 4BR single-family homes listed for rent at Apartments.com as of May 22nd, 2024. These properties ranged greatly in price, from \$1,250 for a small, attached home in downtown Hagerstown, to \$2,650 for a large, single-family home in Maugansville.

TABLE 4.7
MARKET-RATE RENTAL PROPERTIES: PMA

Project Name/Address	Total MR	District	Year Built/ Style	Unit Types (BR/BA)	Unit Sizes (SF)	Monthly Rent	Utilities Included	Occupancy Rate	Amenities/Comments
Burhans Village 511 N Burhans Blvd Hagerstown, MD 21742	54	West Hagerstown	2023 2-story townhomes	3 BR/2 BA	1,253	\$1,669-\$2,045	None	UNK	range, dishwasher, granite countertops, option to add refrigerator and in-unit W/D, running a 2-months free special on a signed one-year lease; private patio
Woodbridge Brandywine Apartments 11512 Selema Drive Hagerstown, MD 21742	574	East Hagerstown	1980 3-story garden style and townhomes	1 BR/1 BA 2 BR/1 BA 2 BR/2 BA 3 BR/2 BA 3 BR/2 BA townhome	643-770 880-1,000 921-1,184 1,098-1,500 1,400-2,700	\$1,207-\$1,302 \$1,153-\$1,372 \$1,390-\$1,440 \$1,414-\$1,505 \$1,612-\$1,813	WST	99%	refrigerator, range, dishwasher, W/D hookups in some units; community laundry room; fitness center, garages in some townhome units; playground; accept Section 8 vouchers on all units
The Updegraff 51 W Washington Street Hagerstown, MD 21740	21	Downtown/CN elevator	1882 renovated 2024 4-story elevator	0 BR/1 BA (4) 1 BR/1 BA (13) 2 BR/1 BA (4)	UNK 530-675 840-960	UNK \$1,460-\$1,860 \$2,300-\$2,625	None	19%*	Leasing began in 2024; original hardwoods; custom lighting; refrigerator, range, dishwasher, microwave, in-unit W/D, SS appliances; quartz countertops
Park Plaza Apartments 401 Highland Avenue Hagerstown, MD 21740	32	City Park	1900 3-story restored factory	1 BR/1 BA 2 BR/2.5 BA	666 1,470	\$850 UNK	WST	100%	refrigerator, range, dishwasher, microwave, community laundry room; no section 8 allowed
Milestone Garden Apartments 12 Oaktree Lane Williamsport, MD 21795	168	Williamsport	1972 3-story garden style	1 BR/1 BA 2 BR/2 BA	811-918 1,049-1,179	\$1,215-\$1,300 \$1,450-\$1,550	Trash	UNK	refrigerator, range, dishwasher, microwave; laundry room in each building; dog park; pool; playground; grilling station
Parkview Place Apartments 507 Lynnehaven Drive Hagerstown, MD 21742	194	East Hagerstown	2001 3-story walkup	0 BR/1 BA 1 BR/1 BA 2 BR/2 BA 3 BR/2 BA	400 800 976 1,204	\$1,008 \$1,230 \$1,365-\$1,405 \$1,498	WST	97.9%	refrigerator, range, dishwasher, microwave, W/D hookups, playground, picnic area
Pangborn Heights Apartments 502 Lynnehaven Drive Hagerstown, MD 21742	60	East Hagerstown	1990 3-story walkup	3 BR/2 BA	1,200	\$1,375	WST	100%	refrigerator, range, dishwasher, in-unit W/D; playground, minimum household income \$49,000
Rosewood Village 11211 John F Kennedy Drive Hagerstown, MD 21742	234	East Hagerstown	2003 3-story walkup and townhomes	2 BR/2 BA 3 BR/2.5 BA	1,176-1,475 1,760-2,200	\$1,250-\$1,525 \$1,750-\$1,848	WST	96.2%	refrigerator, range, dishwasher, microwave, in-unit W/D or hookups, fitness center, pool, playground
The Reserve at Collegiate Acres 18303 Buckeye Circle Hagerstown, MD 21740	212	North Hagerstown	2016 3-story walkup	1 BR/1 BA 2 BR/2 BA 3 BR/2 BA	848-1,020 1,148-1,380 1,300-1,411	\$1,525-\$1,675 \$1,750-\$1,950 \$1,850-\$1,925	WST	99.5%	refrigerator, range, dishwasher, microwave, in-unit W/D, balcony or patio, fitness center, pool, playground, clubhouse, movie theatre, business center
Brookmeade Apartments 10701 Brookmeade Circle Williamsport, MD 21795	120	Williamsport	2008 3-story walkup	3 BR/2 BA	1,364	\$1,545-\$1,645	Trash	UNK	refrigerator, range, dishwasher, W/D hookups, playground, dog run
Cortland Apartments 12806 Little Elliott Drive Hagerstown, MD 21742	432	North Hagerstown	2009 3-story garden style	3 BR/2 BA	1,485	\$1,300-\$1,400	Trash	UNK	refrigerator, range, dishwasher, W/D hookups, playground, fitness center, pool, clubhouse, marketed to students
Seneca Ridge 18307 Ashley Court Hagerstown, MD 21740	119	Maugansville	2017 3-story walkup	2 BR/2 BA 3 BR/2 BA	1,320-1,576 1,576	\$1,250-\$1,500 \$1,450-\$1,550	Trash	100%	refrigerator, range, dishwasher, microwave, W/D hookups, balcony or patio, playground
The Aria 92 W Washington Street Hagerstown, MD 21740	37	Downtown/CN	1898 renovated 2023 4-story elevator	1 BR/1 BA 2 BR/1.5 BA 2 BR/2 BA 3 BR/1.5 BA	741 1,027 803-811 1,415	\$1,335 \$1,500 \$1,445-\$1,450 \$1,695	None	90%	refrigerator, range, dishwasher, W/D hookups, individual washers and dryers available to rent; updated; marketed and rented to students primarily

Source: RES, interviews and internet research from March-June 2024

*turnover vacancy

UNK = Unknown PBV = Project-Based Vouchers

WST = water sewer trash

LIHTC Rental Housing in the Surrounding Region

RES interviewed leasing agents, property managers, real estate professionals, developers, city and county employees, and regional economic development experts in the tri-state area to gain a deeper understanding of the housing market in the surrounding region. The shared sentiment is that employment has boomed in Hagerstown since 2020, resulting in pent-up demand for housing, driving prices up for both for-sale and rental properties. Hagerstown is an attractive location for individuals and families living in both bordering states who want to relocate to be closer to employment. Hagerstown has also recently been attracting in-migration from Frederick and eastern Maryland drawn by more affordable home prices.

Hagerstown and the broader PMA overall have struggled to keep up within increasing housing demand from low- and moderate-income households. Policy makers have focused on maintaining affordability for extremely low-income households by layering unit-based subsidies on LIHTC properties. This has resulted in many low- and moderate-income families with limited housing options within Hagerstown now moving outside of the PMA for affordable housing options, including Frederick, Maryland, Waynesboro, PA, and Martinsburg, WV. All three of these geographic areas have new LIHTC properties charging fixed rents with no additional unit-based subsidy. RES examined new LIHTC properties in all three regional sub-market areas to understand supply and demand in the regional housing market and the demand for mixed-income apartments. All property managers interviewed agreed that they receive applications from both existing Hagerstown residents and individuals working in Hagerstown looking for new, affordable housing options.

- RES interviewed property managers at six newer LIHTC apartment complexes in Frederick, Maryland. Five of the properties are general occupancy and one is restricted to seniors ages 62 and older. All property managers agreed that there is continuous demand for all unit configurations and all AMI levels. Applicants are both regional and national, with most applicants coming from Washington and Frederick counties, followed by the Washington D.C. and Baltimore metropolitan areas, and New York City. Some property managers noted that 2BR unit configurations were the most requested unit size. Most apartments come with full kitchens including a refrigerator, range, dishwasher, and microwave. Five of the properties include a full-size washer and dryer in every unit, one property had hookups for tenants to bring their own appliances, and one complex only had a community laundry room.

Property managers who were present during initial lease-up noted that the properties were completely leased within three months and had lengthy waiting lists before tenants first moved in. Most of the properties maintain waitlists still, with the newest property, 520 North Market Street Apartments, holding a waitlist an estimated 5-7 years in length. None of the properties are charging the maximum allowable LIHTC rents. The properties serve a range of income brackets, from 30% AMI to 60% AMI. Two of the properties also have market-rate (unrestricted) units with rents between the maximum 50% and 60% AMI rents for 1BR and 2BR units and around the 40% AMI maximum rent for 3BR units.

- Waynesboro, Pennsylvania is located ten miles from downtown Hagerstown. The city has three LIHTC properties, all built within the last ten years and managed by Luminest Community Development Corporation (Luminest). Two of the properties are for families and one is targeted to seniors aged 62 and older and householders with disabilities. All units include dishwashers and a full-size washer and dryer. The communities are energy efficient and have community rooms. According to a leasing manager for Luminest, the Waynesboro properties are all fully leased with multi-year waiting lists. The 1BR senior units and 2BR general occupancy townhomes are the most requested floorplans. Most applicants are from Maryland and Pennsylvania. Luminest occasionally receives applications from West Virginia residents looking for newer housing options. The leasing manager explained that they receive the most applications from future tenants in the 30-40% AMI income brackets. While maximum AMI rents have increased, Luminest has opted not to raise rents over the last three years to keep prices affordable for tenants.
- Martinsburg, West Virginia has numerous operating LIHTC properties within the city boundaries. Most of them were developed as acquisition/rehab deals, as compared to Frederick and Waynesboro, where the LIHTC allocations were predominantly for new construction properties. Similar to Hagerstown, many of the rents are layered with PBVs, so the rents are subsidized. RES identified five LIHTC properties—all built between 1992 and 2015--that charge tenants fixed rents based on AMI level. Four of the properties are for general occupancy and one is restricted to seniors ages 62 and older. The developments are a mix of single-story cottage homes, garden-style apartments, and high-rise buildings. Likely because the properties in Martinsburg are older than developments in the other two geographic areas, none of the apartments include in-unit washers and dryers. Two complexes have hookups for these appliances, and the remaining four have a community laundry room. Four properties have only 60% AMI units. Martin's Landing/Timberleaf Estates development has units available for both 50% and 60% AMI levels. Like the LIHTC communities in Waynesboro, the LIHTC apartments in Martinsburg charge substantially less than maximum LIHTC rents. Interviews revealed that there is a regional disconnect between the household incomes for many working households in the market area and the rents being charged in market-rate buildings; most of the LIHTC properties in Martinsburg have decided to not increase rents since COVID. All five properties are 98% occupied or higher with waiting lists. Any vacancies are attributed to turnover vacancy. Information on newer LIHTC developments in Frederick, Waynesboro, and Martinsburg are detailed in Table 4.8 below.

TABLE 4.8

LIHTC GENERAL RENTAL HOUSING IN THE SUBMARKETS: FREDERICK, MD, WAYNESBORO, PA, AND MARTINSBURG, WV

Property Name/Address	Affordable Units	Year in Service/Style	Unit Types (BR/BA)	Unit Sizes (SF)	Rents	Utilities Included in Rent	Occupancy/Waiting List	Housing Type	Amenities/Comments
Frederick, MD LIHTC Developments									
Sinclair Way 16 Steiner Way Frederick, MD 21701	63	2017 3-story townhomes	1 BR/1 BA 2 BR/1.5 BA 3 BR/2.5 BA	600-1,283 720-1,164 1,164-1,838	\$1,100 (40%); \$1,319 (50%); \$1,381 (60%) \$918 (30%); \$1,247 (40%); \$1,419 (50%); \$1,623 (60%) \$1,052 (30%); \$1,431 (40%); \$1,772 (50%); \$1,808 (60%)	WST	95.8%* Short waiting list	General/Family	refrigerator, range, dishwasher; community laundry room; fitness center; computer lab; 8 market rate units in addition; 1-BR market rate: \$1,587; 2-BR market rate: \$1,712; 3-BR market rate: \$1,882
Overlook at Avalon 1369 Hampshire Drive Frederick, MD 21702	114	2017 3-story townhomes	3 BR/2 BA 3 BR/3 BA 4 BR/3 BA	1,251-1,372 1,569 1,717	\$2,070 (60%) \$1,759 (50% HC); \$2,120 (60%) \$2,371 (60%)	WST	91.2% no waiting list	General/Family	refrigerator, range, dishwasher, washer/dryer in unit, garage; all units leased within 3 month period
The Fred Apartment Homes 402 Harlan Way Frederick, MD 21702	240	2017 4-story walkup	1 BR/1 BA 2 BR/2 BA 3 BR/3 BA	811 1,045-1,064 1,248	\$1,574 (60%) \$1,874 (60%) \$2,159 (60%)	Trash	97.5%* waiting list for 1-BR only	General/Family	refrigerator, range, dishwasher, microwave, washer/dryer in unit, pool, fitness center, business center, playground, car charging station
Sharpe Square 820 Motter Avenue Frederick, MD 21701	86	2020 4-story elevator	1 BR/1 BA (58) 2 BR/1 BA (28)	633-690 884-890	\$1,412 (AMI unknown) \$1,675 (AMI unknown)	Water Sewer	98.8%*	Senior 62+	refrigerator, range, dishwasher, microwave, W/D hookups, community laundry room, fitness center, clubhouse
Orchard Park at Ballenger Run Apartments 5234 Black Locust Dr Frederick, MD 21703	210	2019 4-story elevator	1 BR/1 BA 2 BR/2 BA 3 BR/2 BA	765 969 1,291	\$999 (50%); \$1,269-\$1,289 (60%) \$1,249 (50%); \$1,349-\$1,409 (60%) \$1,399 (50%); \$1,659 (60%)	Trash	100% 1+ year waiting list	General/Family	refrigerator, range, dishwasher, microwave, in-unit W/D, patio or deck; pool, fitness center, business center, playground, Energy Star rated
520 North Market Apartments 520 N. Market Street Frederick, MD 21701	53	2019 3-story elevator	1 BR/1 BA (21) 2 BR/1 BA (26) 3 BR/2 BA (6)	655-755 850-930 1,298	\$742 (40%); \$970 (50%) \$871 (40%); \$1,119-\$1,141 (50%) \$1,003 (40%); \$1,288 (50%)	WST	100% 5-7 year waiting list	General/Family	refrigerator, range, in-unit W/D; parking garage; fitness center; computer lab; community room; rooftop patio; also have 6 market rate apartments (1 BR: \$1,248; 2-BR: \$1,428, 3-BR: \$1,567) and 30% AMI units with vouchers

TABLE 4.8 (CONTINUED)

LIHTC GENERAL RENTAL HOUSING IN THE SUBMARKETS: FREDERICK, MD, WAYNESBORO, PA, AND MARTINSBURG, WV

Property Name/Address	Affordable Units	Year in Service/Style	Unit Types (BR/BA)	Unit Sizes (SF)	Rents	Utilities Included in Rent	Occupancy/Waiting List	Housing Type	Amenities/Comments
<u>Waynesboro, PA LIHTC Developments</u>									
Valley Terrace 525 W. Tenth Street Waynesboro, PA 17268	22	2005 2-story townhomes	2BR/1.5 BA (14) 3 BR/1.5 BA (8)	UNK UNK	\$522 (40%); \$623 (50%); \$681 (60%) \$784 (50%); \$877 (60%)	WST	100% multi-year waitlist	General/Family	refrigerator, range, dishwasher, in-unit washer/dryer, yard, patio, shed, community room
Wayne Gardens 901 Wayne Gardens Court Waynesboro, PA 17268	40	2017 3-story elevator	1 BR/1 BA (35) 2 BR/1 BA (5)	UNK UNK	\$612 (50%); \$630 (60%) \$802 (60%)	WST	100% multi-year waitlist	Senior/Disabled 62+	refrigerator, range, dishwasher, in-unit washer/dryer, energy efficient, community room
Mount Vernon Terrace 716 Fairview Avenue Waynesboro, PA 17268	64	2019 garden style and townhomes	1 BR/1 BA (6) 2 BR/1 BA (42) 3 BR/2 BA (16)	UNK UNK UNK	\$616 (50%) \$726 (50%); \$762 (60%) \$937 (60%)	WST	100% multi-year waitlist	General/Family	refrigerator, range, dishwasher, in-unit W/D, energy efficient, playground, gym, basketball court, com room, Head Start, originally constructed for Veterans but completely remodeled in 2019 with LIHTC funds; PBV on some units
<u>Martinsburg, WV LIHTC Developments</u>									
Cottages of Martinsburg 17 Cottage Road Martinsburg, WV 25404	120	1997 single story cottage homes	2 BR/1 BA (120)	981	\$1,018 (60%) \$1,181 (60%)	WST	100% Closed waiting list because too long	General/Family	refrigerator, range, dishwasher, W/D hookups, garage playground, clubhouse, dog park
Washington Mews 216 Forbes Drive Martinsburg, WV 25401	50	1999 2-story garden style	1 BR/1 BA (45) 2 BR/1 BA (5)	672 970	\$695 (50%); \$849 (60%) \$828 (50%); \$1,013 (60%)	WST	100% Do not keep a waitlist	General/Family	refrigerator, range, dishwasher, patio, playground, clubhouse, community laundry room
Martin's Landing Apartment Homes and Timberleaf Estates 2101 Martins Landing Circle Martinsburg, WV 25401	257	2015 3-story walkup	2 BR/2 BA (102) 3 BR/2 BA (101) 4 BR/2 BA (54)	990 1,189 1,343-1,365	\$1,025 (60%) \$1,172 (60%) \$1,286 (60%)	WST	98%* 6-9 month waiting list	General/Family	refrigerator, range, dishwasher, W/D hookups; fitness center, racquetball court, pool, clubhouse, playground; 2-BR most popular unit configuration
Lindsey Terrace Apartments 11 Advantage Drive Martinsburg, WV 25404	40	1992 3-story garden-style	1 BR/1 BA 2 BR/1 BA	UNK UNK	\$750 (60% AMI) \$860 (60% AMI)	WST	100% 2-4 months waiting list	General/Family	refrigerator, range, community laundry room, playground
Senior Terrace Apartments (Senior Tower) 200 East Stephen Street Martinsburg, WV 25401	91	2011 high-rise elevator	1 BR/1 BA (91)	506	\$825 rent subsidized	WST	UNK	Senior 62+	refrigerator, range, dishwasher, community laundry room, 2011 acquisition and rehab, also have 2 MR units

Source: RES, interviews and internet research from March-June 2024

*turnover vacancy

UNK = Unknown PBV = Project-Based Vouchers

WST = water sewer trash

Market-Rate Sales Housing

RES analysts reviewed the home sales trends in the CN and the five- zip code PMA. In the six-month period between September 6, 2023 and March 6, 2024, there were 18 residential sales in the CN. Six of the 18 sales were for multifamily properties. Table 4.9 below provides general information on sales trends in the CN during this period, looking only at the twelve single-family home sales. All but one of the properties were twin homes; the other was a single-family detached home. Three of the sales were purchased by investors, meaning the property was marketed specifically to investors because it was inhabitable at time of sale and needed substantial work. One of those sales required cash-only financing. Four of the properties underwent a complete renovation and were sold at a much higher price per square foot (\$131/SF) compared to the average below (\$102/SF). Two of the properties were sold as part of the City of Hagerstown’s Homeownership Program, in which the City purchases vacant, blighted properties and renovates them to be sold at appraised value. Buyers must be first-time purchasers (or have not purchased a home in 3+ years) with household incomes at 80% AMI or lower. As show in Figure 4.1 below, most of the sales were along the East side of the CN, between Locust Street and Cannon Avenue.

TABLE 4.9
CN RESIDENTIAL SALES MARKET TRENDS: SEPTEMBER 6, 2023-MARCH 6, 2024

Highest Final List Price	\$254,900
Lowest Final List Price	\$59,950
Average List Price	\$174,841
Highest Sales Price	\$260,000
Lowest Sales Price	\$65,000
Average Sales Price	\$171,375
Average SF	1,675
Average Sales Price/SF	\$102
Average Bedrooms	3.4
Average Bathrooms	1.9
Average Year Built	1904
Average Days on Market	63

Source: RES

FIGURE 4.1
CN RESIDENTIAL SALES SEPTEMBER 6, 2023 THROUGH MARCH 6, 2024



Sources: RES; Realtor.com; accessed March 6, 2024

RES analyzed the most recent home sales trends for both the City of Hagerstown (which includes part of two of the zip codes in the PMA) and the PMA overall. According to data compiled by the National Association of Realtors and reported on Realtor.com, there were 217 residential home sales in the PMA (excluding multi-family sales and vacant lots) from April 2023 to April 2024. Sales that did not involve a real estate broker are not included. Overall trends are presented in Table 4.9.

In both 2023 and 2024, asking prices were higher than sale prices in the City of Hagerstown. The median list price dropped 5.5% from April 2023 to April 2024, while sales prices remained flat during this time. All four geographies analyzed show that properties were priced substantially higher than what they actually were selling for in April 2023; the median sales price in zip code 21795 was nearly \$100,000 less (or 29% less) than median list price. Sales prices were still generally less than list prices in April 2024 in the four geographic areas, but the gap between list and sales price narrowed. Zip code 21795, which is the Williamsport area to the west of Hagerstown, had a tremendous increase in sales price between April 2023 and April 2024, increasing 53.3%. The median days on market for the regions analyzed ranged from 26 to 43 days.

TABLE 4.9**PMA NEIGHBORHOOD REAL ESTATE TRENDS: APRIL 2023 TO APRIL 2024**

Neighborhood/ Zip Code	Median List Price April 2023	Median List Price April 2024	Year-over-year change in List Price	Median Sales Price April 2023	Median Sales Price April 2024	Year-over-year change in Sales Price	Median Days on Market
City of Hagerstown (includes some of zip code 21740 & 21742)	\$349,000	\$329,900	-5.5%	\$302,500	\$301,000	-0.3%	31
21740	\$339,900	\$310,630	-8.6%	\$270,000	\$290,000	7.4%	33
21795	\$339,990	\$369,900	8.8%	\$243,000	\$372,450	53.3%	43
21767	N/A	N/A	N/A	N/A	N/A	N/A	N/A
21742	\$372,450	\$375,000	0.7%	\$329,500	\$312,000	-5.3%	26
21734	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: RES; www.realtor.com

As of May 26, 2024 on Realtor.com, there were 383 residential listings within the boundaries of the PMA. Over half of the listings (193) were pending or under contract. Trends for the 190 **active listings** in the PMA include:

- Approximately 2/3 of the listings were single-family *detached* homes.
- Over 25% of the listings were single family *attached* homes.
- The remaining properties were a mix of farms, mobile homes, and multi-family homes.
- The PMA has a variety of ages and styles of properties.
- There were over 50 vacant lot listings, ranging from small residential-zoned properties to a 125-acre lot listed for \$12.5M.
- There were no foreclosures listed.
- Buyers looking for affordable homeownership opportunities can purchase a mobile home (not updated) for under \$100,000.
- There were a variety of move-in ready attached homes priced in the mid \$100,000s that have between two and four bedrooms.
- The condominium market is limited with fewer than five condominium buildings in the market area.
- Residential properties in livable condition ranged in price from \$50,000 for a mobile home, to \$110,000 for an older townhome, to \$2.5 M for a 4BR, 8,000 SF single-family home.
- There were 44 new construction homes listed for sale in the PMA. Information on these new subdivisions is summarized in Table 4.10 below. In total in the eight communities, at least 1,593 new homes are planned. Two of the eight new construction communities are age-restricted (55+). Prices for new senior housing ranged from the mid-\$300,000s to \$500,000. Five communities were for general occupancy and were a mix of attached and detached single-family homes. Prices started in the lower \$400,000s for four of the subdivisions. Kilpatrick Woods is a subdivision of manufactured homes located less than a quarter mile west of the CN. While advertised as workforce housing, most floorplans are priced in the mid \$300,000s, just slightly under the other five market-rate new construction neighborhoods. The homes in Kilpatrick Woods are significantly smaller than other properties in the PMA. Kilpatrick Woods sales began in late 2023, and sales pace has been approximately one home a month.

**TABLE 4.10
NEW CONSTRUCTION NEIGHBORHOODS IN THE PMA**

Community Name	Location	Buyers	Property Types	Builder	Number of Properties Planned	Square Footage	Lowest Price	Highest Price	Amenities/Other Details
Westfields	South Hagerstown	General Occupancy	Single-Family Detached Homes and Duplexes	DRB Homes and Ausherman Properties	800	1,800+	\$400,000	Unknown	pool, walking trail, tennis and basketball courts, playground
The Village at Freedom Hills	Maugansville	55+	Single-Family Attached Homes	Admar Custom Homes	66	1,350-1,760	\$360,000	\$400,000	construction began in 2007, but still new homes still available
Gaver Meadows	Funkstown	General Occupancy	Single-Family Detached Homes	Ryan Homes	150	1,400-2,500	Mid \$400,000s	Mid \$500,000s	3-5 bedrooms, units includes all appliances plus washer & dryer
Courtland Villas	North Hagerstown	General Occupancy	Single-Family Attached and Detached Homes	Manor House Builders	Unknown	~2,100 SF	\$425,000	\$499,900	2-5 bedrooms, construction from 2005-2023
Elmwood Farm	Williamsport	General Occupancy	Single-Family Detached Homes	Richmond American Homes	170	Unknown	Mid \$600,000+	\$700,000s	primarily 4 bedroom/3 bathroom units; 2-car garages; construction began in 2024
Rosehill Manor	North Hagerstown	55+	Duplexes	DRB Homes	144	1,570+	\$343,000	\$500,000	2-3 bedrooms, construction started in 2024
Paradise Heights	North Hagerstown	General Occupancy	Single-Family Detached Homes	Manor House Builders	22	1,800-3,000	\$420,000	\$600,000	construction began in 2022
Kilpatrick Woods	Just West of CN	Workforce Housing	Manufactured Single-Family Homes	EquityPlus	241	1,100-1,500	\$282,000	\$376,000	zero-energy homes; targeted to buyers around 100% AMI

Realtor, Property Manager, and Developer Interviews

RES interviewed local real estate agents, property managers, and developers regarding market trends, opportunities, and challenges in the CN, Washington County, and the PMA. The real estate agents interviewed are all actively involved with buying and selling properties in the PMA. All agents interviewed live within the PMA and/or have an office located in the PMA. Similarly, property managers and developers interviewed all are currently working on projects or at properties within the market area. The following were major themes identified from interviews conducted in March 2024:

Choice Neighborhood

- The Choice Neighborhood is oversaturated with “government housing”. The predominance of income-restricted, dated housing complexes has resulted in a negative perception of the CN from residents. By slowly introducing more mixed-income and market-rate apartments, this perception should fade with time.
- Despite some negative perceptions of downtown Hagerstown, the rental market in the CN remains strong due to:
 - rising home prices forcing potential buyers into rental properties
 - rapid local job boom in the warehousing industry causing an influx of low-to-moderate income individuals and families looking for housing
- 1BR, 2BR, and 3BR rental properties are in the highest demand
- Most rental inventory is either: subsidized housing; new, luxury apartments; or student housing. There is a missing middle-income rental market in the CN.

- CN *tenants* are most often:
 - local employees who work downtown in construction, cleaning, restaurants, and other local businesses
 - college students
 - employees in the warehousing sector
- CN *buyers* tend to be:
 - investors purchasing a fixer-upper to flip and resell or rent
 - first-time homebuyers. One agent stated, “19 out of 20 times the buyers in downtown Hagerstown are first-time homebuyers.”
 - local low-to-moderate income buyers who work in downtown Hagerstown or warehouse industries in PMA
- The CN is suffering from a growing homelessness population, high number of commercial and residential vacancies, and crime.
 - According to an interview with the Community Action Council, Hagerstown experienced a 69% increase in homelessness since July 2023.
 - In a March 2024 interview, the director of CASA in Washington County reported a 50-60% increase in requests for shelter since COVID.
- A major draw to the CN for interested renters and buyers is the recent expansion and investment in theatre, arts, sports, and entertainment downtown.
- The Barbara Ingram School for the Arts attracts small families to move to the CN.
- There is little opportunity for homeownership within the CN as most of the existing stock is occupied by renters or purchased by investors. As noted earlier, most housing units are currently renter-occupied.
- To achieve long-term sustainability and attract buyers, Hagerstown needs to add new retail and commercial businesses to expand its existing limited commercial supply. More specifically, interviewees agreed the neighborhood needs a full-service grocery store, a financial institution, and additional family entertainment options to boost the attractiveness of the CN. Some interviewees also noted the need for additional daycare facilities within the CN.
- New rental units in the CN should be targeted primarily as workforce housing. Quality units that are more affordable than the rest of the newer rental housing stock in the PMA but serve households with incomes higher than those living in subsidized housing will help to bring a greater mix of income levels to the area, which will in turn stabilize the neighborhood and attract additional retail and market rate for-sale housing development.

Washington County

- There are a number of draws to Washington County:
 - The cost of living is more affordable than neighboring Frederick County
 - Hagerstown has Blue Ribbon Schools, so families prefer to stay in the area as opposed to surrounding municipalities
 - The proximity to major employers along the I-70 and I-81 corridor.

- Agents suggest that there is not enough inventory for smaller families or singles/couples to buy a home. The relatively large size of both new and existing stock contributes leads to higher sales price. According to one local nonprofit interviewed there is a “very sizable housing crisis in Washington County as a whole” because of the gap between Washington County home prices and wages.
- The sales market is strong. Homes are selling quickly with multiple offers; there is not enough product to satisfy demand. Washington County is a sellers’ market. The number of annual active listings in Washington County has been diminishing since 2019, demonstrating the need for additional inventory in the market.
- Most Hagerstown residents can no longer afford to buy in the county. The home prices are too high for the local salaries. Even homes considered “workforce housing” are only affordable to buyers moving from outside the area including those who commute further east where salaries are higher.
- Washington County residents who are in the low- and moderate-income brackets have no available inventory to purchase and often are priced out of rental properties as well. Residents are looking for housing in West Virginia out of necessity, not desire.
- Habitat of Humanity of Washington County is struggling to stick to its own income guidelines, which target buyers under 60% AMI level. Their homes are appraising in the lower \$300s and buyers in Habitat’s target AMI range are unable to afford them.
- Some agents noted that Hagerstown (and Washington County) is historically underfunded by the state due to its relatively low population, which impacts the City and County’s ability to secure necessary investment to build appropriate infrastructure for the rapid population increase that is occurring.
- All agents interviewed agreed that the sales market in the City of Hagerstown and Washington County is the strongest it has been in years, and that there are not enough listings on the market to keep up with demand.
- Representatives interviewed agree that development of new affordable housing without unit-based subsidies has been a low priority throughout the County, as efforts have been made to keep housing affordable for extremely-low-income households. This has led to pent-up demand for all rental unit configurations for middle-income individuals and families.

PMA

- There is a strong demand throughout the entire area for new construction; there is a subsequent disconnect between the new home prices and the incomes of a large segment of the buyer pool. Most local buyers cannot afford new home prices in the PMA.
- Historically, buyers have not wanted to cross state lines, especially between Maryland and West Virginia. With the lack of housing inventory in western Maryland, buyers are starting to loosen that preference and look in the larger tri-state area for available homes.
- The region has experienced strong job growth in the past five years, which has spurred public and private investment. The PMA is known for low unemployment rates, high-rated schools, and a top quality of life. Residents want to remain in the PMA.

- Numerous agents identified the need for accessible affordable housing for both seniors and families. Two local shelters revealed that they mostly serve disabled individuals, most of whom have vouchers but cannot find a unit due to limited accessible housing options throughout the region. HHA echoed this sentiment as well, also noting little turnover in their elderly and/or disabled buildings and extensive waitlists for 1BR accessible units.
- The greatest need in the for-sale housing market in the PMA is new homes for small families. Agents recommend building more 3BR/2BA single-family homes targeted towards middle-incomes levels.

5. HOUSING DEMAND

Demand for new or substantially rehabilitated housing in a market area is a function of household growth, the need to replace housing units that are damaged, deteriorated and/or obsolete, household age and income patterns, and the degree of housing cost burden for existing residents.

Demand Generated by Household Growth

As presented in Table 3.1, Ribbon Demographics/Claritas projections suggest that the PMA will gain 1,129 households over the next five years, including 471 new rental households and 658 new owner households. Projected forward over a seven-year Choice Neighborhoods implementation period, renter household demand from household growth in the PMA would total an estimated 659 units and homeownership demand from household growth would total an estimated 921 units. Given the recent rate of employment growth since COVID, RES estimates the household growth projections above are conservative.

Replacement Demand

Additional demand for new or substantially renovated housing units will be generated by the need to replace older housing units that are deteriorated, obsolete or lost from the inventory. To calculate replacement demand, RES used HUD's Components of Inventory Change (CINCH) data set, which provides data on the percentage of housing stock lost from inventory due to factors such as fire, disaster, deteriorated condition, and conversion to non-residential use. For the U.S. overall, the most recent CINCH data (2015-2017) indicate that an average of 0.8% of the nation's housing stock is lost each year, including 0.5% of occupied units.

RES applied the 0.5 % occupied housing replacement factor to the number of renter- occupied units in the PMA in 2024: 18,207 units. This calculation produces an annual PMA rental replacement demand of 91 housing units: 455 rental units over five years or 637 rental units over the course of a seven-year Choice redevelopment program. These figures would include replacement of the 194 total units at Douglass Court, Parkside Homes, and Frederick Manor.

Gross Rental Demand and Capture Rate

Together, demand from household growth and replacement demand total gross PMA rental demand of 926 units over five years or 1,296 units over seven years. The CN encompasses downtown Hagerstown with its robust educational, entertainment, and recreational opportunities as well as access to transit links to employment in surrounding areas. It is reasonable to assume that that the CN could capture at least one third of the gross rental demand for a **seven-year Choice Neighborhoods development program of 400 to 450 mixed-income rental units.**

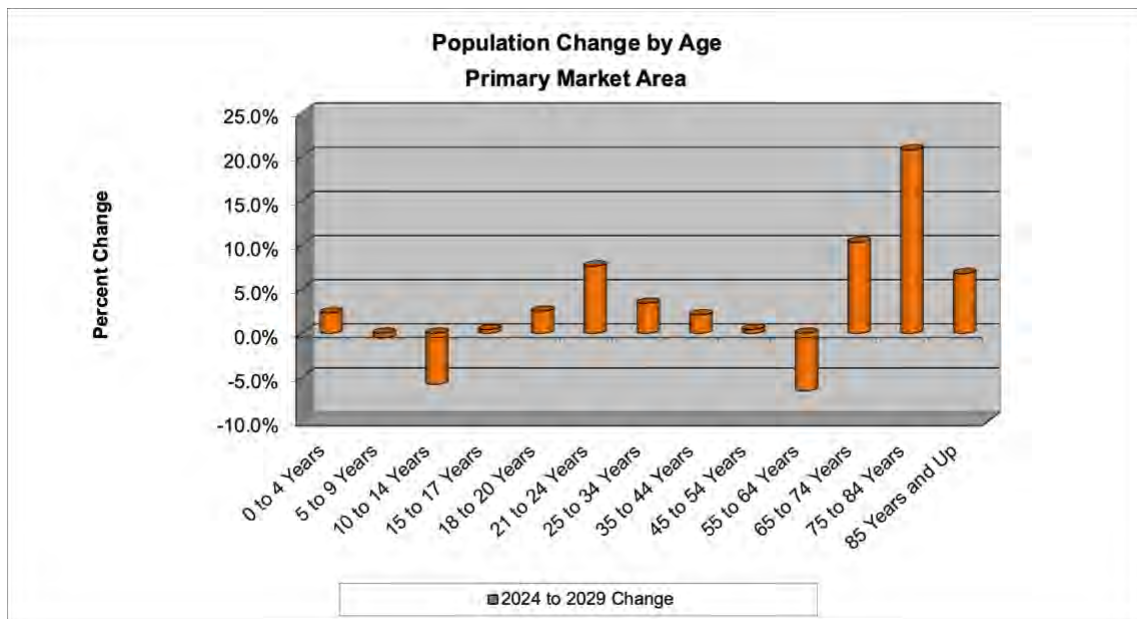
Typically, deteriorated owner-occupied units are either renovated by new buyers or become part of a market area's rental stock. Therefore, RES generally looks at homeownership demand generated by household growth alone—921 households over seven years. Because the CN encompasses the commercial core of Hagerstown and is a higher density area, the capture rate for for-sale units would be

significantly lower than for rental units. This is particularly true given the affordability challenges facing new home purchasers overall, and low- moderate-income buyers specifically. For the CN, a 5% capture of demand from household growth would be appropriately conservative for a **seven-year Choice Neighborhoods development program of 45 to 50 homeownership units.**

Demand by Household Income, Size, Tenure and Age

Shifting household age patterns in a housing market area influence relative demand for the type and size of housing units. Figure 5.1 shows the projected PMA household change by age cohort between 2024 and 2029. Estimates below show that the number of PMA households headed by persons ages 65+ is expected to increase significantly while the greatest household count decline is expected in the 10-14 and 55-64 age cohorts.

**FIGURE 5.1
PMA HOUSEHOLD CHANGE BY AGE COHORT: 2024-2029**



Sources: Claritas, Ribbon Demographics

The aging of the Baby Boom generation is reflected in the concentration of growth in the 65+ age cohorts. The 25-34 age cohort is a key first-time homebuyer demographic, which is expected to grow between 2024 and 2029.

Ribbon Demographics, in partnership with demographic data vendor Claritas, has developed proprietary tabulations of households by household income, size, tenure, and age (HISTA Tabulations). These data are particularly useful in identifying the number, type, and price level of housing units that can be supported in a market area. Tabulations are provided separately for owner and renter households, working age (15-61) and senior (62+) households, and for household sizes ranging from 1 to 6+ persons.

RES has used the HISTA data to analyze demand at different income levels separately for renter households headed by an individual younger than 62 and for households with the householder 62 and older, the standard HUD minimum age to occupy senior housing. Renter households headed by individuals ages 15 to 61 (“non-senior” or “working age” households) typically occupy family or general occupancy housing units.

TABLE 5.1
PMA RENTER HOUSEHOLDS BY INCOME AND SIZE: 2024 ESTIMATES

Renter Households							
Ages <62							
Year 2024 Estimates							
	1-Pers HH	2-Pers HH	3-Pers HH	4-Pers HH	5-Pers Estimates*	6+-Pers Estimates*	Total
\$0-10,000	802	332	191	160	30	15	1,530
\$10,000-20,000	863	374	492	82	116	73	2,000
\$20,000-30,000	434	439	326	96	83	49	1,427
\$30,000-40,000	547	467	193	222	57	42	1,528
\$40,000-50,000	425	334	256	173	52	23	1,263
\$50,000-60,000	188	165	129	156	104	72	814
\$60,000-75,000	342	474	192	154	113	87	1,362
\$75,000-100,000	275	450	236	253	193	140	1,547
\$100,000-125,000	40	249	209	131	60	40	729
\$125,000-150,000	33	165	59	47	139	101	544
\$150,000-200,000	47	60	64	11	28	18	228
\$200,000+	<u>57</u>	<u>47</u>	<u>32</u>	<u>102</u>	<u>20</u>	<u>0</u>	<u>258</u>
Total	4,053	3,556	2,379	1,587	995	660	13,230

Renter Households							
Ages 62+ Years							
Year 2024 Estimates							
	1-Pers HH	2-Pers HH	3-Pers HH	4-Pers HH	5-Pers Estimates*	6+-Pers Estimates*	Total
\$0-10,000	366	145	5	1	3	1	521
\$10,000-20,000	1,002	125	7	0	3	0	1,137
\$20,000-30,000	377	194	70	1	17	10	669
\$30,000-40,000	255	239	17	1	8	5	525
\$40,000-50,000	134	100	5	0	4	0	243
\$50,000-60,000	212	98	21	0	4	0	335
\$60,000-75,000	162	73	18	17	4	0	274
\$75,000-100,000	238	94	16	27	7	1	383
\$100,000-125,000	144	121	5	9	3	2	284
\$125,000-150,000	123	74	7	5	5	0	214
\$150,000-200,000	110	38	7	1	2	0	158
\$200,000+	<u>102</u>	<u>74</u>	<u>6</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>187</u>
Total	3,225	1,375	184	65	62	19	4,930

Sources: Claritas, Ribbon Demographics

* Estimates based on household size ratios; not cross tabulated data

As shown in Table 5.1, there were an estimated 13,230 working age renter households and 4,930 senior renter households in the PMA in 2024. The HISTA tabulations allow analysis of the number of households in a market area by AMI level. Although the estimates focus on renter households, the HISTA data helps to quantify the number of higher-income renter households who may be the target market for first-time

buyer homeownership units. For reference Table 5.2 provides the FY2024 HUD maximum income limits for Washington County, MD by AMI level.

TABLE 5.2
FY2024 HUD INCOME LIMITS: WASHINGTON COUNTY, MD

	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
20 % AMI	\$12,740	\$14,560	\$16,380	\$18,180	\$19,640	\$21,100	\$22,560	\$24,000
30 % AMI	\$19,110	\$21,840	\$24,570	\$27,270	\$29,460	\$31,650	\$33,840	\$36,000
40 % AMI	\$25,480	\$29,120	\$32,760	\$36,360	\$39,280	\$42,200	\$45,120	\$48,000
50 % AMI	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000
60 % AMI	\$38,220	\$43,680	\$49,140	\$54,540	\$58,920	\$63,300	\$67,680	\$72,000
70 % AMI	\$44,590	\$50,960	\$57,330	\$63,630	\$68,740	\$73,850	\$78,960	\$84,000
80 % AMI	\$50,960	\$58,240	\$65,520	\$72,720	\$78,560	\$84,400	\$90,240	\$96,000
100 % AMI	\$63,700	\$72,800	\$81,900	\$90,900	\$98,200	\$105,500	\$112,800	\$120,000
120 % AMI	\$76,440	\$87,360	\$98,280	\$109,080	\$117,840	\$126,600	\$135,360	\$144,000

Source: HUD FY 2024 MTSP limits (HUDUser.org); RES
AMI=Area Median income

PMA Renter Households Age 15-61 by AMI Level and Unit Size

Table 5.3 below provides the AMI level distribution of working age renter households in the PMA. An estimated 7,247 PMA households younger than 62 had incomes below 60% AMI in 2024. These households are the primary targets for income-restricted affordable rental housing. Households with incomes below 30% AMI generally require tenant vouchers or unit-based rent subsidies to afford safe and decent housing. There are an estimated 3,887 PMA non-senior households in this lowest income band.

TABLE 5.3
2024 RENTER HOUSEHOLDS AGES 15-61 BY AMI LEVEL: PMA

Income Range (AMI)	Households	
	Number	Percent
0 - 30% AMI	3,887	29.4%
30 - 50% AMI	2,193	16.6%
50 - 60% AMI	1,167	8.8%
60 - 80% AMI	1,597	12.1%
80 -120% AMI	2,261	17.1%
120% AMI +	2,125	16.1%
Totals	13,230	100.0%

Source: Claritas; Ribbon Demographics; RES

Nearly 2,200 households have incomes between 30% and 50% AMI and would be prospective tenants for general occupancy LIHTC units, potentially without rent subsidies. An estimated 1,167 working age renter households have incomes between 50% and 60% AMI, also within the LIHTC eligibility range. Nearly 1,600 renter households are estimated to have incomes between 60% and 80% AMI and could be targets for affordable homeownership programs. If deeper subsidies are available, households at 50% AMI could also be targeted for affordable homeownership. Renter households with incomes between 80% and 120%

AMI are the likely profile of first-time home purchasers of homes without income restrictions.

Table 5.4 presents estimates of the unit sizes required by PMA households in each income band. The HISTA model has been set to create a split between studio and 1BR units that assigns 75% of one-person households to 1BR units and the balance to studio apartments. Typically, one-person households strongly prefer apartments with a separate bedroom if they can afford the rent (this is particularly true of senior households).

**TABLE 5.4
UNIT SIZE REQUIREMENTS FOR PMA RENTER HOUSEHOLDS AGE 15-61**

	0 - 30% AMI		30 - 50% AMI		50 - 60% AMI		60 - 80% AMI		80 -120% AMI		120% AMI +		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Studio	397	10.2%	153	7.0%	87	7.5%	135	8.5%	132	5.8%	109	5.1%	1,013	7.7%
One Bedroom	1,585	40.8%	788	35.9%	407	34.8%	579	36.2%	759	33.6%	701	33.0%	4,818	36.4%
Two Bedroom	841	21.6%	560	25.5%	265	22.7%	306	19.2%	566	25.0%	589	27.7%	3,126	23.6%
Three Bedroom	820	21.1%	529	24.1%	292	25.0%	392	24.6%	570	25.2%	526	24.7%	3,129	23.7%
Four Bedroom	245	6.3%	163	7.5%	116	10.0%	185	11.6%	234	10.4%	200	9.4%	1,144	8.6%
Total:	3,887	100.0%	2,193	100.0%	1,167	100.0%	1,597	100.0%	2,261	100.0%	2,125	100.0%	13,230	100.0%

Source: Claritas; Ribbon Demographics; RES

The incomes bands between 0% and 80% AMI are the key demand pools for affordable rental housing.

- An estimated 3,887 non-senior households in the PMA have incomes below 30% AMI and 51% of these households could occupy small units—studios or 1BR apartments. 21.6% of these extremely low-income households would require a 2BR unit and more than 27% require units with three bedrooms or more.
- Households with incomes in the 30 to 50% AMI and 50-60% AMI bands are the target tenants for LIHTC housing without subsidy. The greatest percentage of households (42.9%) in the 30-50% AMI band require studio/1BR units, followed by 2BR units at more than 25.5% of households. One out of every four households with incomes in the 30-50%, 50-60%, and 60-80% AMI bands require 3BR units.

PMA Renter Households Age 62+ by AMI Level and Unit Size

Table 5.5 provides estimates of the number of PMA senior (age 62+) renter households by AMI range. A total of 2,855 PMA senior households are renters with incomes below 60% AMI. An estimated 33.8% of PMA senior renters have incomes below 30% AMI.

**TABLE 5.5
2024 RENTER HOUSEHOLDS AGES 62+ BY AMI LEVEL**

Income Range (AMI)	Households	
	Number	Percent
0 - 30% AMI	1,664	33.8%
30 - 50% AMI	898	18.2%
50 - 60% AMI	293	5.9%
60 - 80% AMI	392	8.0%
80 -120% AMI	574	11.6%
120% AMI +	1,109	22.5%
Totals	4,930	100.0%

Source: Claritas; Ribbon Demographics; RES

**TABLE 5.6
UNIT SIZE REQUIREMENTS FOR PMA RENTER HOUSEHOLDS AGE 62+**

	0 - 30% AMI		30 - 50% AMI		50 - 60% AMI		60 - 80% AMI		80 -120% AMI		120% AMI +		TOTAL	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Studio	320	19.2%	128	14.3%	41	13.8%	50	12.7%	92	16.0%	176	15.9%	806	16.4%
One Bedroom	1,112	66.8%	541	60.2%	183	62.5%	222	56.6%	344	59.9%	705	63.6%	3,106	63.0%
Two Bedroom	175	10.5%	184	20.4%	63	21.6%	87	22.3%	85	14.8%	192	17.3%	786	15.9%
Three Bedroom	41	2.5%	38	4.3%	5	1.6%	28	7.1%	42	7.4%	30	2.7%	185	3.7%
Four Bedroom	16	1.0%	7	0.8%	1	0.4%	5	1.2%	11	1.9%	6	0.5%	47	0.9%
Total:	1,664	100.0%	898	100.0%	293	100.0%	392	100.0%	574	100.0%	1,109	100.0%	4,930	100.0%

Source: Claritas; Ribbon Demographics; RES

Almost 80% of PMA senior households could occupy small units (studios or 1BR apartments). Despite the HISTA model’s distribution of PMA small households between studio (25%) and 1BR units (75%), seniors often consider studio units undesirable because they have accumulated furniture and possessions that may not be accommodated in a smaller space. This is compounded in instances where households have rent subsidy based on their income. For the subsidized one-person renter household, the costs of renting a studio and a 1BR apartment are identical. Demand for affordable senior units with two bedrooms is far lower than for smaller units; demand for units with three or four bedrooms would typically be accommodated in properties for general occupancy.

Reconciling Renter Demand and Income-Restricted Supply

Table 5.3 provides 2024 estimates of PMA renter households ages 15 to 61 by income band. An estimated 7,247 households in this age cohort have incomes below 60% AMI (typically, the highest income band in LIHTC housing). Of these, 3,887 households are estimated to have incomes below 30% AMI. There are an estimated 1,490 existing income-restricted or other affordable family/general occupancy rental apartment units in the PMA. The current supply of income-restricted affordable units for families/general

occupancy represents 38% of the pool of working-age renter households with incomes below 30% AMI and only 20.6% of income-eligible (below 60% AMI) PMA working-age renter households.

Table 5.5 identifies an estimated 2,855 PMA renter households age 62+ with incomes ranging from 0-60% AMI, including 1,664 households with income below 30% AMI. The supply of PMA age- and income-restricted rental housing totals 993 units. There are no additional senior units in the development pipeline. The current age-restricted affordable housing inventory of 993 units represents less than 60% of the demand from senior households with incomes below 30% AMI and 34.8% of total income-eligible (below 60%) senior renter households. Many senior properties in the PMA accept non-elderly disabled people, which further reduces the number of units available for seniors 62+. Additional accessible housing has been identified as an unmet need in this market.

For-Sale Housing Demand

Although the analysis above is focused on rental demand, there are 4,386 existing PMA working age renter households with incomes above 80% AMI. Another 1,597 working age renter households have incomes between 60% and 80% AMI. These figures suggest adequate demand to include a mixed-income homeownership component in the CN housing strategy. The large number of higher-income renter households reflects the current lack of sufficient housing options for purchase in Hagerstown and the surrounding market area.

The homeownership rate in the PMA overall is over 58%, but only 32.3% in the CN. Creating new homeownership opportunities could be a catalyst for revitalization in the CN. New homes would be appealing to local first-time buyers as well as working-age households moving to the area in response to new employment opportunities. Renovation of existing structures in the CN could also be an option for creating new affordable home ownership for first-time homebuyers.

6. HOUSING DEVELOPMENT OPPORTUNITIES AND RECOMMENDATIONS

Market support for new residential development in the Hagerstown CN will be determined in part by the supply and demand dynamics presented in this report. The broader economic, location, and social context will also influence the approach to and successful absorption of new mixed-income housing in this community. Key considerations leading to the recommended CN development program are summarized below.

Strengths:

- Strong population, household, and employment growth trends are driving demand for residential development.
- Road and transit access from the CN to employment, shopping, and services throughout Hagerstown.
- Numerous well-maintained parks and recreational space within the community.
- Recent growth and investment in theatre, arts, sports, and entertainment in Hagerstown (specifically the CN). This will be a draw to the area for renters and buyers of all income levels.
- Churches, nonprofits, and CDCs within walking distance of the target properties provide community assistance to neighborhood residents.
- Over \$80M of public and private investment in recreational and entertainment assets in Hagerstown over the past ten years has fueled significant growth in diverse types of businesses and the downtown residential rental market. Another \$70M of projects and investments are in the pipeline.
- The location of Washington County within commuting distance of both the D.C. Metropolitan area and Baltimore. As home prices in and around Hagerstown are lower than those larger metropolitan communities to the east, the region will continue to attract homebuyers from a wide geographic area.
- There is a strong sense of community from residents who have lived in the neighborhood for decades and have a desire to remain.
- Washington County schools are well regarded. The schools within the CN are particularly highly ranked. Bester Elementary School is the newest public school in Hagerstown and located near Frederick Manor. The Barbara Ingram School for the Arts is located within walking distance of Douglass Court and Parkside Homes and is a highly competitive magnet school with nearly 100% graduation rate.

Weaknesses:

- Frederick Manor is disconnected from the downtown business district and located in a predominantly industrial area. Low population density in the surrounding area means that retail and service providers would prefer a Dual Highway location.
- Lack of fresh food in the areas immediately surrounding each of the three target properties.
- Many vacant or severely underutilized commercial properties in the CN. While adaptive reuse opportunities exist, there are limited vacant parcels available for new residential development in some areas of the CN.

- Certain critical community amenities are missing in close proximity to the target properties including a financial institution, doctors' offices, sufficient childcare facilities, and urgent care.
- Limited availability of affordable workforce housing units (without project-based subsidy).
- Limited affordable homeownership options. Inventory in good condition is unaffordable. For less expensive properties, homebuyers are competing with investors who can make cash purchases.

Opportunities:

- Hagerstown's central location at the intersection of I-81 and I-70, should ensure long term economic stability and job retention in the greater PMA and continued growth in warehousing and logistics. The Choice housing strategy should include housing options affordable to households employed in this sector.
- The Jonathan Street corridor remains the heart of the African-American community and has many long-time residents with a strong desire for community revitalization. This neighborhood energy, combined with public and private investment, will help with long-term stability and growth in the CN.
- Horizon Goodwill Industries (HGI) will open a new full-service grocery store at 200 North Prospect Street in the CN. This venture will help alleviate the challenges faced by many downtown residents in obtaining healthy food items.
- Growing arts, culture, and sports entertainment in and continued public and private investment will fuel mixed-income housing growth in a community that has historically had a disproportionate amount of low-income and public housing.
- There is current market demand for LIHTC housing without unit-based subsidy throughout the greater western Maryland/southern Pennsylvania/eastern West Virginia market. Interviews with property managers at 14 LIHTC properties throughout this region showed high occupancies and long waitlists for most unit configurations at all properties. This suggests that demand for LIHTC housing without subsidies in the CN and greater Hagerstown area would be high.
- There was strong demand from qualified buyers purchasing properties through the City of Hagerstown's Homeownership Program (for households with income below 80% AMI). The household income data presented in this report and the success of this program to date demonstrate demand for additional affordable for-sale properties in Hagerstown targeted to first-time homebuyers.
- The high cost of area homes as well as post-pandemic employment growth is supporting a strong rental market in downtown Hagerstown. The rental inventory in the CN is limited to subsidized, luxury, and student housing. There is a missing middle-income rental market in the CN that could be addressed with new product as part of the Choice Neighborhood housing program.
- Households new to the area are not as influenced by historic perceptions of a neighborhood as long-time residents and will be target renters/buyers for new residential products in the CN.
- Local agents agreed that buyers have a strong desire to remain in Hagerstown due primarily to proximity to employment and quality schools. If new affordable homes are built, there would be many qualified, interested buyers.

Threats:

- Failure to address the challenges of homelessness and crime downtown could slow the absorption of market rate units.
- Lack of sufficient housing options will slow the labor force growth in Hagerstown and impact the community's successful economic development efforts.

Recommended Development Program

RES identified market support for 400-450 units of mixed income rental housing and 45-50 units of affordable homeownership targeted to first-time homebuyers. Table 5.7 on the following page summarizes the recommended components for a 400 rental unit/50 homeownership unit mixed-income Choice Neighborhood housing strategy with a seven-year implementation timeframe. Tables 5.8 and 5.9 provide preliminary recommendations about unit sizes and rents/sales prices. The following bullets outline some of the issues considered in formulating the recommended development program:

- Replacement housing is shown for the 194 public housing units at the three target properties based on the current unit distribution by bedroom size. The unit breakdown does not consider any cases of over- or under-housing of current resident households.
- There are an estimated 23 senior or near senior households in the three target properties. Creating a separate accessible age-restricted building as part of the development program could be an option to accommodate these residents, and PMA seniors. Interviews with property managers of affordable developments as well as CN residents noted a demand for senior-specific affordable rental housing. Over one-third of the 62+ renters in the PMA are in the below 30% AMI income bracket and all age-restricted buildings in the PMA are 100% rent subsidized.
- The data considered in the Demand chapter of this report show that 1BR units are in demand by both working age and senior households, however, RES identified several factors that would support a focus on construction of additional 2BR and 3 BR units in the CN:
 - Interviews with regional LIHTC properties in Maryland, Pennsylvania, and West Virginia revealed that two- and three-bedroom unit configurations were the most popular, with the longest waitlists for two-bedroom units.
 - Bester Elementary School, St. Mary Catholic School, and The Barbara Ingram School of the Arts are highly regarded schools in the CN, adding to the appeal for families with young children to move to the CN, as compared to other neighborhoods.
 - The growth in arts, entertainment, and sports within the CN will increase the neighborhood's appeal for younger households and families.
- There are nearly 1,600 working-age renter households in the PMA with incomes between 60-80% AMI. These would be prime renters for new workforce (60-80% AMI) housing or affordable homeownership in the CN. RES recommends pricing new workforce rental housing around the 60% AMI maximum rent level, maintain affordability for 60-80% renters looking for new rental product.
- RES recommends developing at least 50 new income-restricted for-sale homes targeted to first-time homebuyers. RES recommends new for-sale properties to be a mix of 2-3BR/1.5-2.5BA homes, priced from \$188,000 to \$225,000. These prices are above the recent average sales price

for the neighborhood, competitive with other income-restricted home sales in the CN, and below current average home prices in the PMA. Most funding programs that support homeownership have an income limit at the 80% AMI maximum. If units could be offered to households with incomes up to 100% AMI, this would broaden the buyer pool and reduce subsidy needed to keep the units affordable for first-time homebuyers. RES also recommends that a small number of units be targeted to households with incomes below 60% AMI—the level that Habitat for Humanity currently targets in Hagerstown.

- The CN includes many areas of well-preserved and historic homes. New home development should be located close to existing single-family homeowners to achieve maximum success in resale. The City should consider utilizing the former Meritus Hospital sites on E. Antietam Street for new homeownership units.
- The coordinated neighborhood improvement approach championed by the Choice Neighborhoods Initiative can quickly signal neighborhood change to prospective renters and homebuyers. New income-restricted housing units in the CN will ensure long term housing affordability in the neighborhood as housing targeted to higher income households is created.
- To achieve long-term vitality in the CN and attract moderate-income renters and buyers, efforts should be made to incorporate additional childcare facilities near new mixed-income developments.
- The Goodwill grocery store will be an important asset for residents of the CN as well as workers and transit riders. Every effort should be directed to help this initiative succeed.
- There is a pressing need for additional ADA accessible housing units for both seniors and working-age households in the PMA. Redevelopment of the target properties creates a fresh opportunity to incorporate accessibility into the mixed-income residential program.

**TABLE 5.7
PRELIMINARY DEVELOPMENT PROGRAM SUMMARY: 400 RENTAL UNITS; 50 HOME OWNERSHIP UNITS**

Unit Type	Type	Tenure	Public Housing Replacement*	Additional LIHTC (40-60% AMI)	60-80%AMI**	Total	%
General Occupancy Rental							
1 BR/1 BA	Flat	Rental	7	74	6	87	19.3%
2 BR/1 or 2 BA	Townhouse/Flat	Rental	87	35	12	134	29.8%
3 BR/2 or 2.5 BA	Townhouse/ADA Flat	Rental	54	30	12	96	21.3%
4 BR/2 or 2.5 BA	Townhouse	Rental	20	--	--	20	4.4%
5 BR/2 or 2.5 BA	Townhouse	Rental	3	--	--	3	0.7%
Age-Restricted Rental***							
1 BR/1 BA flat (senior)	Flat	Rental	23	37		60	13.3%
Total Rental Units			194	176	30	400	
2 BR/1.5 BA	Single-family attached	For sale	0	5	20	25	5.6%
3-BR/1.5-2.5 BA	Single-family attached	For sale	0	5	20	25	5.6%
Total For-Sale Units			0	10	40	50	
			194	186	70	450	100.0%
			43%	41%	16%	100%	

* Assumes that senior tenants in target properties are relocated to a new age restricted property.

** 60-80% AMI: Rentals would be unrestricted, but this is the expected AMI level for targeted households. For homeownership units 80% AMI would be the typical maximum income for affordable units. 10 homeownership units could be offered below 60% AMI if sufficient subsidy is available.

***Demand exists across a range of product types in this market. Units shown as age-restricted rental could also be developed as general occupancy units.

Source: RES

**TABLE 5.8
PRELIMINARY DEVELOPMENT PROGRAM RENTAL UNIT RECOMMENDATIONS**

Unit Type	Building Type	Unit Size	50% AMI Rent Recommendation	60% AMI Rent Recommendation	Unrestricted Rent Recommendation	50% AMI Maximum LIHTC Rent*	60% AMI Maximum LIHTC Rent*	2024 Fair Market Rent (FMR)*
1 BR/1 BA	Multifamily	750 SF	\$775	\$925	\$1,000	\$853	\$1,023	\$932
2 BR/1 BA	Multifamily or Townhouse	875-950 SF	\$900	\$1,100	\$1,250	\$1,023	\$1,228	\$1,225
3 BR/2 or 2.5 BA	Multifamily or Townhouse	1,000-1,200 SF	\$1,075	\$1,275	\$1,400	\$1,181	\$1,418	\$1,713
4 BR/2.5 BA **	Townhouse	1,350 SF	--	--	--	\$1,318	\$1,582	\$1,889
5 BR/2.5 BA**	Townhouse	1,500 SF	--	--	--	\$1,455	\$1,746	\$2,172

Source: RES

*LIHTC maximum rents and FMRs are gross rents (tenant rent plus tenant-paid utilities)

** All 4BR and 5BR units would be public housing replacement units--contract rents to be determined

**TABLE 5.9
PRELIMINARY DEVELOPMENT PROGRAM SALES PRICE RECOMMENDATIONS**

Unit Type	Building Type	Unit Size	List Price Recommendation	List Price/SF
2 BR/1.5 BA	Single-family attached	1,500 SF	\$188,000	\$125/SF
3-BR/1.5-2.5 BA	Single-family attached or detached	1,800 SF	\$225,000	\$125/SF

Source: RES