

BARRIERS to APARTMENT CONSTRUCTION

BALTIMORE

BARRIERS RANKING¹

51

NEW MF DEMAND²

17.7k

HIGH RENT BURDEN³

44%

STAR SHARE⁴

31%

MEDIAN RENTAL HOUSEHOLD INCOME

\$44,790

INCOME REQUIRED FOR AVERAGE RENT⁵

\$50,800



MOST RESTRICTIVE APARTMENT CATEGORIES:



APPROVAL TIMELINE



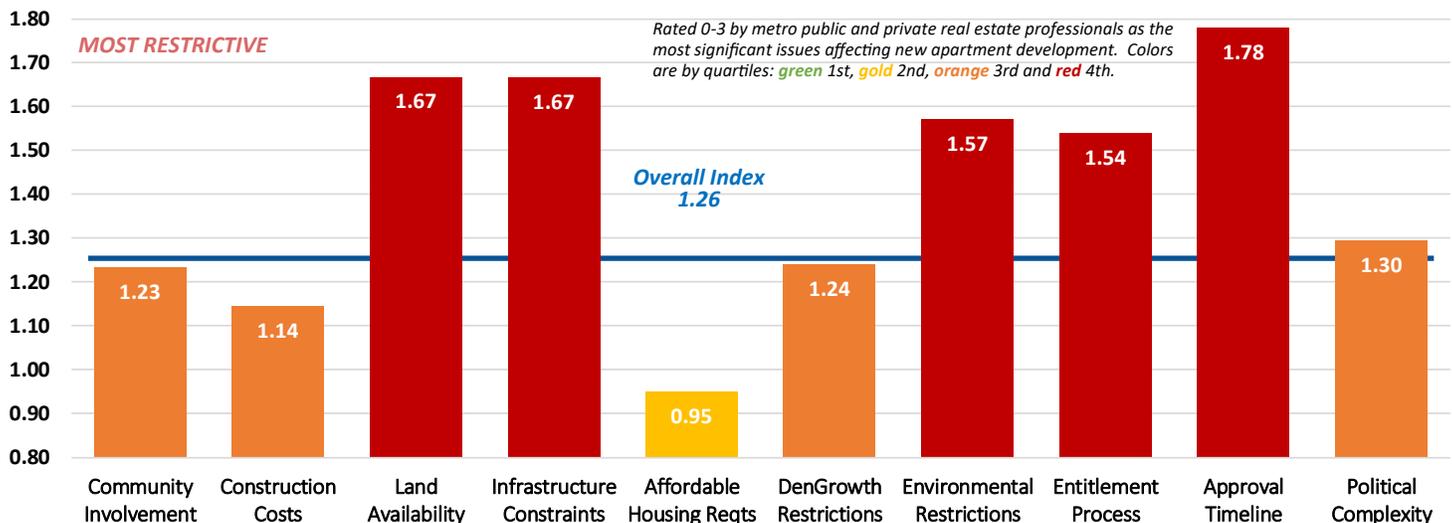
LAND AVAILABILITY



INFRASTRUCTURE CONSTRAINTS

Baltimore ranks highly restricted in the bottom fourth amid softer demand when measured against other major markets. Survey respondents cite an array of barriers that shadowed the typical barriers of cost, community opposition and politics with a higher 1.26 overall index. Land availability is expected to be restrictive, along with infrastructure constraints seen in both availability and school crowding. Environmental issues center on coastal restrictions, wetlands and mitigation. Entitlement process issues include a range of council opposition, historic district and design criteria unknowns. Yet most restrictive is the typical timelines for rezoning and discretionary use permits. Metro rental incomes trend 12% below the requirement for average market rents of \$1,270. City Council has recently passed an affordable housing trust fund using future transfer taxes with a source of income provision expected in March 2019.

Barriers to Apartment Construction Subindices



BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

DEFINITIONS and NOTES:

- BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.
- NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).
- HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.
- STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as *Second-Tier Affordable Rentals or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.
- INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.