

# APPENDIX 2: REAL ESTATE ANALYSIS

## INTRODUCTION

This chapter details the real estate market forces that are shaping Upper Marlboro's development environment, as well as the demand for commercial, office, and residential real estate in the town. The real estate market analysis reflects the most current market conditions and includes an analysis of development trends, absorption trends, future growth projections, and real estate sales. In addition, the consultants conducted interviews with real estate professionals in order to understand the nuances of the Upper Marlboro market and to gain an "in the field" perspective on real estate trends in and around the region.

The general purpose of this analysis is to provide a better sense of the competitive market and how Upper Marlboro fits within that regional marketplace. The analysis will provide town leaders with a sense of the town's market opportunities in market segments such as residential, commercial, and office. A separate analysis of retail market opportunities is included in a separate chapter.

## SUMMARY OF MAJOR FINDINGS AND CONCLUSIONS

■ In terms of development distribution, Upper Marlboro is primarily residential in nature. Approximately 60.4 acres, or roughly 61.0 percent of all acreage (excluding tax exempt parcels). in Upper Marlboro are classified

as residential (including vacant residential land).

- Residential and commercial development in Upper Marlboro has been very slow in recent years. Only four parcels identified as rural zone/farm land use have been developed since 1997. There has been no commercial or office development since 1997.
- Residential development in the surrounding region has been more active than in Upper Marlboro. Parcels identified as single-family residential have seen increased development since 1997. Over the past ten years, 835 parcels were developed, which is equivalent to 35.8 percent of the total developed parcels in the area.
- Commercial development has been more active in the surrounding area than in Upper Marlboro. There were eight commercial parcels that have been developed since 1997. There were a cluster of developments along US 301, near the intersection of Pennsylvania Avenue.
- According to real estate interviews, the housing market in Upper Marlboro has mirrored the recent national and regional downturn. In particular, demand for single-family homes has slowed. More people are currently interested in renting a home than in owning. Many, who would ordinarily be interested in owning their own home, do not have the finances to buy a house. The types of people interested in renting include families and young individuals who are just starting

out, municipal employees, as well as blue collar workers.

- Single-family homes for sale in Upper Marlboro spent an average of 118 days on the market before selling. However, town homes spent an average of only 18 days on the market. This indicates that there is a demand for higher density housing in Upper Marlboro.
- According to real estate professionals, newer homes sell faster and for higher values than older homes. However, Upper Marlboro's housing stock is primarily older homes, and there have been no recent sales of homes built within the last five years. The older housing stock may be a contributing factor for the comparatively long time homes spend on the market. It is reasonable to assume, all things being equal, that if new housing stock were introduced into the market, it would obtain a higher sale value and spend less days on the market.
- Commercial sales activity in Upper Marlboro has been slow. There were four arms-length commercial sales in Upper Marlboro that occurred since 2002. The sales are all located on Elm Street or Main Street in the town core. Two of the sales were retail uses and two of the sales were office uses. However, one of the retail sales was for the Judge's Chambers restaurant, which is now vacant.
- The lack of retail establishments in the Town core is partly due to declining building conditions. Current building conditions have also resulted in lower rents, which have

resulted in the proliferation of bail bondsmen looking for lower cost rental space. Some real estate professionals indicated that new buildings and infill development in the downtown need to occur before a greater mix of retail establishments will be attracted to Upper Marlboro as a place to do business.

## METHODOLOGY

The consultant team obtained real property assessment records for Upper Marlboro and the surrounding area from Prince George's County Office of the Assessor. This inventory included information for 432 commercial/office, exempt, and residential parcels in Upper Marlboro and 4,760 commercial/office, exempt, and residential properties in the surrounding area. For the purposes of this analysis, the surrounding area is defined as the five-mile radius ring surrounding downtown Upper Marlboro. In order to assess development trends, the parcels were arranged by land use.

Typically, the consultant team separates retail/service and office land uses for analysis. This is done because office and retail/service properties usually have different end-users and varying prices per square foot. However, the property database provided by the county for this study categorized office and retail land uses together and did not separate out the uses. As such, the consultant supplemented the database with an "in-field" analysis of operating and vacant retail/service and office buildings within Upper Marlboro. The field analysis includes information on the types businesses operating within commercial buildings, as well as other information such as the estimated square footage of the businesses. The result is a

development analysis that provides a good sense of the commercial and office real estate market.

It is important to note that the database provided by Prince George's County Office of the Assessor has some limitations for an analysis of this type. Where parcel records had incomplete data fields, the consultant team attempted to calculate or estimate the appropriate value (if possible) based on the average value of similar properties. Consequently, the data presented in this chapter does not reflect exact conditions, but is considered quite accurate and suitable for the purpose of identifying general land use trends and growth patterns in the town and surrounding areas.

## DEVELOPMENT PROFILE

It is necessary to understand the character and uses of the land before analyzing development trends, making growth projections, and predicting future absorption rates. The development profile is an overview of both residential and commercial land uses in Upper Marlboro and the surrounding region.

### UPPER MARLBORO DEVELOPMENT PROFILE

■ **Residential Development Profile:** In terms of development distribution, Upper Marlboro is primarily residential in nature. Approximately 60.4 acres, or roughly 61.0 percent of all acreage (excluding exempt parcels) in Upper Marlboro is identified for residential purposes (including vacant residential land). These properties contribute more than \$52.1 million to Upper Marlboro's real property tax base, or 76.9 percent of the county's current taxable property value.



Existing Businesses along Main Street



Financial Institution in the Town Core on Main Street



Existing Retails along Main Street



Existing Professional Services on Main Street



Existing Bail Bond Offices on Main Street



Existing Restaurant and Coffee Shop on Main Street

Of the total acreage, 78.4 percent is developed (Figure 2-1). The majority of parcels are designated as having a single-family residential land use (34.7 percent). There are also 54 parcels that have rural zone/farm uses, and many of these properties have single-family homes on them. These properties make up 28.8 percent of the total acreage in Upper Marlboro.

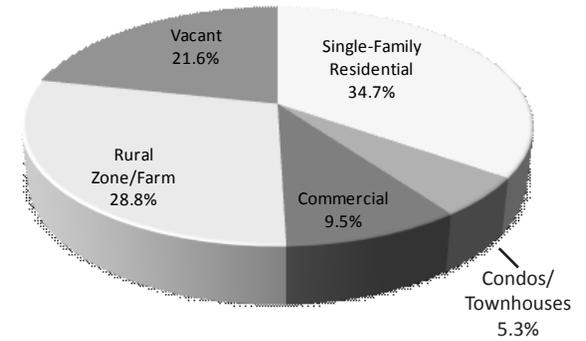
In terms of higher density housing, there are 132 townhomes and 4 condominium buildings and no apartment buildings in Upper Marlboro. Although townhouses and condos make up a comparatively small amount of the total acreage (5.3 percent), they comprise 27.5 percent of the total residential building square footage in the town (Figure 2-2).

■ Commercial Development Profile

Commercial and office properties comprise 9.5 percent of the total land acres (excluding exempt parcels) in Upper Marlboro. However, commercial properties contribute almost \$14.8 million to Upper Marlboro's real property tax base. This figure represents about 22.0 percent of the county's current taxable property value.

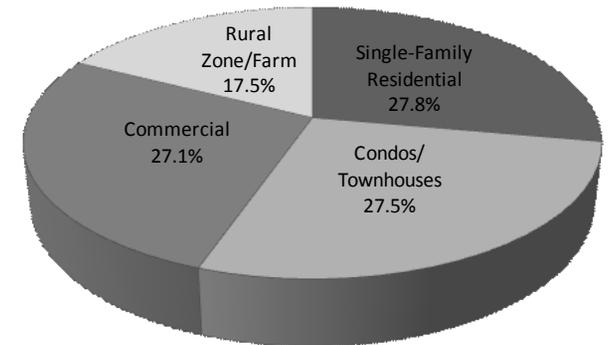
As mentioned previously, commercial and office parcels are combined as one land use. However, the field inventory conducted indicates that the majority of building square feet on commercial parcels is being used as offices by lawyers (22.8 percent) and bail bondsmen (13.7 percent) (Figure 2-3). Approximately 10.5 percent of the total commercial square footage is occupied by banks and another 12.9 percent is being used for professional services such as title companies and land surveyors. Only 17.8 percent of space is currently used for retail-

**FIGURE 2-1:**  
Upper Marlboro Land Use; by Land Area (2008)



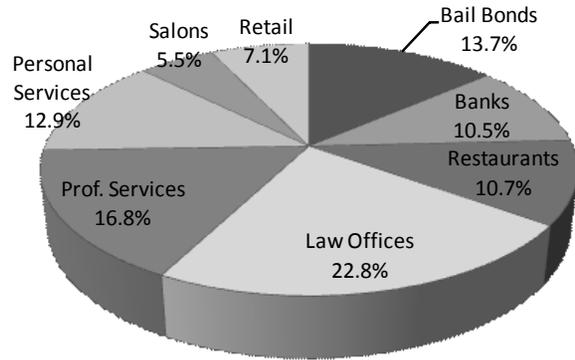
Source: Prince George's County Office of the Assessor and RKG Associates, Inc, 2008

**FIGURE 2-2:**  
Upper Marlboro Land Use; by Building Square Footage (2008)



Source: Prince George's County Office of the Assessor and RKG Associates, Inc, 2008

**FIGURE 2-3:**  
Business Mix, Downtown Upper Marlboro



Source: RKG Associates, Inc, 2008

oriented establishments such as restaurants, convenience stores, and jewelry stores.

It should also be noted that Upper Marlboro is the county seat for Prince George’s County. As such, a large amount of land and building space is being utilized for county offices. The court houses in Upper Marlboro are also both county- and federal-owned properties that are exempt from property taxes. There are approximately 145.5 acres, or 59.5 percent, of the total acres in Upper Marlboro classified as “tax exempt.” However, some of the tax exempt properties also represent opportunities for new commercial or residential uses. The potential for other uses in some of the parcels that are currently identified as exempt is presented in the final master plan.

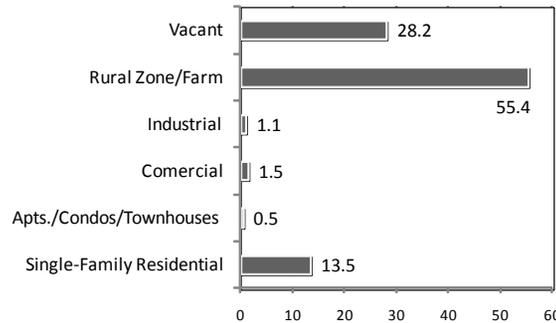
**SURROUNDING REGION DEVELOPMENT PROFILE**

■ Residential Development Profile

The five-mile area surrounding Upper Marlboro is primarily rural in nature.

Approximately 6,613 acres, or 55.1 percent, of the total acreage is designated as having a rural/farm land use, and another 1,681 acres, or roughly 14.0 percent of all acreage (excluding exempt parcels), in the surrounding region is identified for residential purposes (Figure 2-4).

**FIGURE 2-4:**  
Five-Mile Surrounding Area Land Use by Percentage of Land Area; 2008



TOTAL ACRES=11,995

Source: Prince George’s County Office of the Assessor  
RKG Associates, Inc, 2008

Together, rural and farm land uses and residential properties comprise 69.1 percent of the total land use acreage. It should also be noted that there is a large amount of vacant residential land in the surrounding area (3,330 acres). The vacant residential land comprises 27.8 percent of the total land use acreage.

In terms of higher density housing, there are 991 town homes, 116 condos, and 2 apartment buildings located within the surrounding five-mile region. Although town houses, condos, and apartments make-up a comparatively small amount of the total residential acreage (0.5 percent), they comprise 20.0 percent of



Prince George’s County Administration Building



Prince George’s County Courthouse



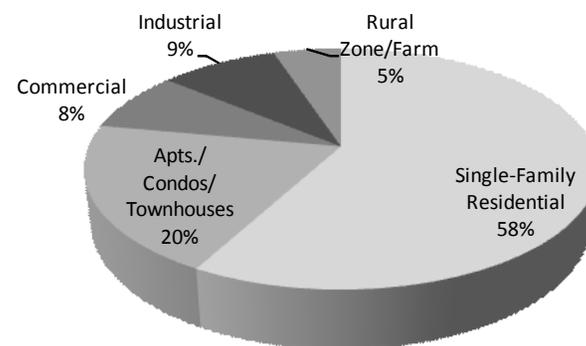
Prince George’s County Board of Education Building

the total building square footage (Figure 2-5). Comparatively, rural/farm land uses comprise 55.1 percent of the total acreage and only 5.1 percent of the total building square footage. This indicates a large amount of the rural/farm land in the surrounding area is being used as farm land, as opposed to single-family housing.

#### ■ Commercial Development Profile

Only 1.5 percent of the total acreage and 8.1 percent of the total building square footage is identified as having a commercial land use in the surrounding five-mile area. The majority of commercial establishments are clustered in three locations. There is a cluster of retail/service businesses located at the Marlboro Village Shopping Center, located just north of downtown. This shopping center contains about 20 small retail and service businesses such as a nail salon, cleaners, and coffee shop. There are also a few office spaces located on the second story of the shopping complex. A grocery store previously anchored this shopping center; however, at the time of this analysis the space was vacant. Another cluster of establishments occurs along Old Marlboro Pike between the Upper Marlboro downtown and US 301. There are a few fast-food eating establishments and car repair/automotive facilities located along this corridor. Lastly, there are a few retail establishments located along US 301. In particular, there is a cluster of retail establishments located near the Home Depot at the intersection of Pennsylvania Avenue and US 301. Another cluster of establishments is located just south of this intersection on either side of US 301. There are two small shopping centers at this location, one anchored by a Giant grocery store and one anchored by a Safeway grocery store.

**FIGURE 2-5:**  
Five-Mile Surrounding Area Land Use by Building Square Footage; 2008



TOTAL SF=8,544,409

Source: Prince George's County Office of the Assessor  
RKG Associates, Inc, 2008

## DEVELOPMENT TRENDS

### UPPER MARLBORO

#### ■ Residential Development Trends

Residential development in Upper Marlboro has been very slow in recent years. Only four parcels identified as rural zone/farmland use have been developed since 1997 (Table 2-1). Although these parcels are identified as a farm land use, the two parcels developed from 2002 to present contain single-family homes. The slow residential development is largely attributable to the lack of developable land in Upper Marlboro. However, there are a few sites that could be developed for residential purposes, including the Smith/Clagett site. This site is located just west of downtown and will be discussed in further detail in the Growth Trends and Proposed Units section.

There are no apartment buildings in Upper Marlboro, however, there are 132 parcels identified as townhouses and 4 parcels identified as condominiums. The townhouses are located just north of the office park. The four parcels identified as condos are actually office condos at the location of the office park and are currently occupied as office uses.

#### ■ Commercial and Office Development Trends

As mentioned previously, the retail/service and office uses have been combined in the assessor's database. As such it is difficult to separate the office and retail/service uses. However, trends indicate that there has been no commercial or office development since 1997.

Although the downtown is relatively built-out, there is room for infill commercial and/or office development and redevelopment of some parcels. There are a few parcels at Main Street and Elm Street that would be ideal for infill development. There are also potential infill development sites located in front of the County Administration Building and near the fire station along Judge's Drive. The potential infill and redevelopment sites for commercial or office uses are presented in the final master plan recommendations in this report.

### SURROUNDING REGION

#### ■ Residential Development Trends

Residential development in the surrounding region has been more active than in Upper Marlboro. Parcels identified as single-family residential have experienced increased development activity since 1997. Over the past ten years, 835 parcels have been developed, which is equivalent to 35.8 percent of the total developed parcels in the surrounding

**TABLE 2-1:**

Development Trends Town of Upper Marlboro

Land Use	Count	Acreage	Building SF	Land AV	Building AV	Total AV	Building Ave. Value/SF	Land Ave. Value/Acre	FAR
<b>PRE-1997</b>									
Single-Family Residential	125	34.1	159,033	\$7,238,630	\$15,423,160	\$22,661,790	\$86.98	\$210,705	0.11
Apartments	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Town Houses	132	5.0	153,684	\$5,940,000	\$12,050,570	\$17,990,570	\$78.41	\$1,160,844	0.70
Condos - Commercial	4	0.2	3,821	\$139,200	\$271,400	\$410,600	\$74.95	\$877,827	0.40
Commercial	35	9.4	155,089	\$6,374,900	\$8,410,000	\$14,784,900	\$54.23	\$661,196	0.38
Industrial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Rural Zone/Farm	50	26.3	90,267	\$3,983,380	\$5,550,230	\$9,533,610	\$81.49	\$151,473	0.08
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>346</b>	<b>75</b>	<b>581,894</b>	<b>23,876,110</b>	<b>41,705,360</b>	<b>\$65,381,470</b>	<b>\$74.25</b>	<b>\$314,649</b>	<b>0.17</b>
<b>1997 TO 2001</b>									
Single-Family Residential	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Apartments	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Town Houses	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Condos - Commercial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Commercial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Industrial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Rural Zone/Farm	2	0.4	2,460	\$141,010	\$171,000	\$312,010	\$69.51	\$336,058	0.13
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>2</b>	<b>0</b>	<b>2,460</b>	<b>141,010</b>	<b>171,000</b>	<b>\$312,010</b>	<b>\$69.51</b>	<b>\$336,058</b>	<b>0.13</b>
<b>2002 TO PRESENT</b>									
Single-Family Residential	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Apartments	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Town Houses	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Condos - Commercial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Commercial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Industrial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Rural Zone/Farm	2	1.8	7,121	\$152,380	\$563,030	\$715,410	\$79.07	\$84,806	0.09
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>2</b>	<b>2</b>	<b>7,121</b>	<b>152,380</b>	<b>563,030</b>	<b>\$715,410</b>	<b>\$79.07</b>	<b>\$84,806</b>	<b>0.09</b>

Source: Prince George's County Office of the Assessor RKG Associates, Inc, 2008

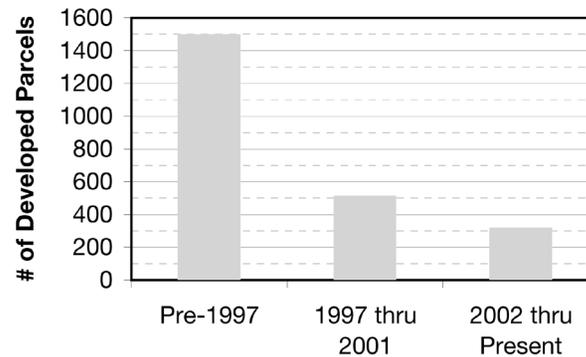
area. There were 320 parcels developed in the last five years (Figure 2-6). It should be noted that the surrounding area has a significantly larger amount of buildable and vacant land than in Upper Marlboro. The surrounding five-mile area is very rural in nature, and the large amounts of developable land have been seen by developers as attractive locations for residential housing, especially higher-end estate housing.

There was also moderate townhouse and condominium development from 1997 to 2001 (Table 2-1). There were 122 parcels identified as townhouses and 31 parcels identified as condos developed during this period. In addition, there is one apartment building that was built from 1997 to 2001. It is located off of John Rogers Boulevard near the Marlborough Village Shopping Center. The apartment building built previous to 1997 is also located in this area. There has been no higher density housing development in the last five years. Interviews with real estate professionals indicate that in recent years developers have been more interested in building single-family and estate homes, rather than town houses or condominiums.

■ Retail/Service and Office Development Trends

Commercial development has been more active in the surrounding area than in Upper Marlboro; however, development activity remains relatively low. Only eight commercial parcels have been developed over the last ten years. The two most recently developed parcels were the Home Depot site, located just north of the US 301 and Pennsylvania Avenue intersection, and a day care facility located on Brown Station Road, less than a mile north

**FIGURE 2-6:** Single-Family Development Activity; Five-Mile Surrounding Area

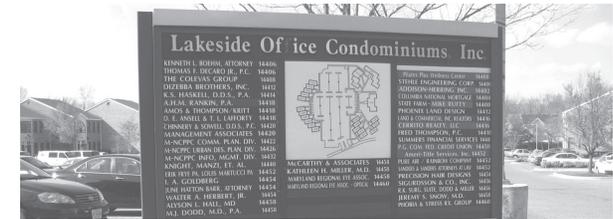


Source: Prince George's County Office of the Assessor  
RKG Associates, Inc, 2008

of the Marlboro Village Shopping Center. Of the parcels developed from 1997 to 2001, the majority are located along US 301, near the Home Depot site, and also just south of the US 301 and Pennsylvania Avenue intersection near the Safeway and Giant grocery store shopping centers. In addition, the parcels developed from 1997 to 2001 include the Marlboro Village Shopping Center. According to local real estate professionals, office space in the five-mile surrounding area is limited. All of the commercial development that occurred in the last ten years is retail/service oriented.

**ABSORPTION TRENDS**

Absorption rates specifically measure the rate at which total occupied building square footage changes over a period of time. The consultants conducted interviews with real estate professionals to obtain a sense of the



Existing Office Condominiums on Old Mill Road



Development at the Corner of Main and Elm Streets



Potential Infill Development Site on Main Street

**TABLE 2-2:**

Development Trends

Regional/Competitive Market; Five-Mile Radius Less Upper Marlboro

Land Use	Count	Acreage	Building SF	Land AV	Building AV	Total AV	Building Avg Value/SF	Land Ave. Value/Acre	FAR
<b>PRE-1997</b>									
Single-Family Residential	1,498	968.6	2,505,808	\$104,981,980	\$268,062,800	\$373,044,780	\$106.98	\$108,387	0.06
Apartments	1	8.3	147,395	\$829,500	\$13,877,400	\$14,706,900	\$94.15	\$100,159	0.41
Town Houses	869	34.3	1,059,207	\$55,710,000	\$110,380,890	\$166,090,890	\$104.21	\$1,622,670	0.71
Condos - Residential	85	6.9	120,394	\$3,240,750	\$9,750,660	\$12,991,410	\$80.99	\$469,524	0.40
Commercial	39	135.2	377,085	\$25,197,200	\$23,409,600	\$48,606,800	\$62.08	\$186,313	0.06
Industrial	29	115.5	730,117	\$16,127,500	\$24,044,200	\$40,171,700	\$32.93	\$139,599	0.15
Rural Zone/Farm	291	6,558.6	379,369	\$27,288,256	\$37,319,216	\$64,607,472	\$98.37	\$4,161	0.00
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>2,812</b>	<b>7,827</b>	<b>5,319,375</b>	<b>233,375,186</b>	<b>486,844,766</b>	<b>\$720,219,952</b>	<b>\$91.52</b>	<b>\$29,815</b>	<b>0.02</b>
<b>1997 TO 2001</b>									
Single-Family Residential	515	248.1	1,275,190	\$37,212,980	\$139,742,270	\$176,955,250	\$109.59	\$150,015	0.12
Apartments	1	6.7	196,469	\$724,100	\$18,468,100	\$19,192,200	\$94.00	\$108,734	0.68
Town Houses	122	4.0	138,628	\$7,351,700	\$15,932,020	\$23,283,720	\$114.93	\$1,847,718	0.80
Condos - Residential	31	2.0	45,455	\$1,257,000	\$4,091,350	\$5,348,350	\$90.01	\$634,717	0.53
Commercial	6	30.5	183,740	\$6,788,000	\$18,926,600	\$25,714,600	\$103.01	\$222,565	0.14
Industrial	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Rural Zone/Farm	2	4.2	4,422	\$189,150	\$502,050	\$691,200	\$113.53	\$44,642	0.02
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>677</b>	<b>295</b>	<b>1,843,904</b>	<b>53,522,930</b>	<b>197,662,390</b>	<b>\$251,185,320</b>	<b>\$107.20</b>	<b>\$181,178</b>	<b>0.14</b>
<b>2002 TO PRESENT</b>									
Single-Family Residential	320	402.4	1,174,422	\$32,561,260	\$132,481,270	\$165,042,530	\$112.81	\$80,911	0.07
Apartments	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Town Houses	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Condos - Residential	0	0.0	0	\$0	\$0	\$0	n/a	n/a	n/a
Commercial	2	15.0	129,299	\$5,688,200	\$8,403,300	\$14,091,500	\$64.99	\$378,545	0.20
Industrial	1	3.4	27,200	\$880,700	\$1,321,800	\$2,202,500	\$48.60	\$261,335	0.19
Rural Zone/Farm	11	50.4	50,209	\$1,253,350	\$6,759,970	\$8,013,320	\$134.64	\$24,885	0.02
Vacant - Residential	-	-	-	-	-	-	-	-	-
Vacant - Non-residential	-	-	-	-	-	-	-	-	-
<b>Sub-Total</b>	<b>334</b>	<b>471</b>	<b>1,381,130</b>	<b>40,383,510</b>	<b>148,966,340</b>	<b>\$189,349,850</b>	<b>\$107.86</b>	<b>\$85,705</b>	<b>0.07</b>

Source: Prince George's County Office of the Real Estate Assessor and RKG Associates, Inc, 2008

relative space that does exist gets absorbed into the market fairly quickly. Commercial real estate professionals indicate that commercial spaces generally stay on the market anywhere from two to six months. It is important to note that once the new courthouses are constructed, it is expected that both commercial and office absorption will increase in Upper Marlboro. The increased foot traffic will help make Upper Marlboro a more attractive location for retail/service establishments.

#### ■ Office Absorption

The presence of the county seat in Upper Marlboro makes the office spaces particularly attractive to lawyers, title search firms, and absorption rates of Upper Marlboro and the surrounding five-mile area. For the residential analysis, Multiple Listing Service (MLS) data, which includes the average days homes spend on the market, was analyzed to provide the best sense of the current residential market.

### UPPER MARLBORO

#### ■ Residential Absorption

According to interviews, the housing market in Upper Marlboro has mirrored the recent national and regional downturn. In particular, demand for single-family homes has slowed. Interviews with real estate professionals indicated that single-family homes currently stay on the market for 100 to 150 days. However, there has been slightly higher demand for town homes. It is estimated town homes stay on the market between 90 to 100 days.

Residential listings were also obtained from the Multiple Listing Service (MLS) for those homes that sold from 2005 through 2007. The MLS data confirms information learned from

**TABLE 2-3:**

MLS Residential Sales Data  
Upper Marlboro; 2005-2007

Type	Count	Average Asking Price	Average Closing Price	Avg. DOM	Sales To Value Ratio
<b>2005</b>					
Single Family	8	\$273,288	\$271,181	20	0.992
Town Homes	11	\$191,345	\$192,182	7	1.004
<b>2006</b>					
Single Family	9	\$331,511	\$323,503	97	0.976
Town Homes	7	\$241,464	\$243,429	10	1.008
<b>2007</b>					
Single Family	7	\$326,641	\$318,471	118	0.975
Town Homes	7	\$252,686	\$252,700	18	1.000

Source: Metropolitan Regional Information Systems, Inc, and RKG Associates, Inc, 2008

the interviews with real estate professionals and shows that single-family homes spent an average of 118 days on the market (Table 2-3). However, town homes spent an average of only 18 days on the market. This indicates that there is a demand for higher density housing in Upper Marlboro.

An analysis of trends indicates homes have spent an increasing amount of average days on the market since 2005, which provides further evidence that the housing market is slowing. However, it is important to note that this is likely a short-term trend. Once the housing market corrects itself from the recent national and regional down turn, it can be safely assumed that the market will also recover in Upper Marlboro.

Real estate professionals report that more people are currently interested in renting a home than in owning. Many who would ordinarily be interested in owning their own home do not currently have the finances to buy a house. Types of people interested in renting



Single-family and Estate Homes Trends in the Surrounding Region



Commercial Development along US 301



The Marlboro Village Shopping Center on Marlboro Pike

include families and young individuals who are just starting out, municipal employees, as well as blue collar workers. Those rentals that are priced lower are absorbed quicker into the market than more expensive rentals. It has also been noted that rentals near the downtown and the jail go quickly, as many people equate the military and government presence with safety and low crime rates.

■ Retail/Service Absorption

As stated previously, there is a limited amount of retail/service space in Upper Marlboro. Most of the nonresidential space in the town is currently used as government facilities or office space by lawyers and bail bondsmen. However, according to interviews, the retail space that does exist gets absorbed into the market fairly quickly. Commercial real estate professionals indicate that commercial spaces generally stay on the market anywhere from two to six months. It is important to note that once the new courthouses are constructed, it is expected that both commercial and office absorption will increase in Upper Marlboro. The increased foot traffic will help make Upper Marlboro a more attractive location for retail/service establishments.

■ Office Absorption

The presence of the county seat in Upper Marlboro makes the office spaces particularly attractive to lawyers, title search firms, and bail bondsmen. As such, office space in Upper Marlboro is usually filled in a timely manner. However, it has been noted through public meetings and interviews with the community that additional bail bondsmen in the town are not desirable, as they take away space that could be used for retail/service establishments. Key investments in the town

core, as well as upgrading the quality of building conditions, will help to diversify the mix of businesses.

**SURROUNDING REGION**

■ Residential Absorption

Single-family residential absorption in the surrounding area is generally the same as in Upper Marlboro (Table 2-4). Single-family homes spent an average of 112 days on the market in 2007, as compared to 118 days on the market in Upper Marlboro. However, townhomes did have a longer absorption in the surrounding area and stayed on the market for 56 days, more than triple the average days on market in Upper Marlboro.

Although the consultant team was only able to obtain MLS data for the surrounding two-mile area, local realtors report that sales activity has been increasing in the larger five-mile area surrounding the town. Particularly, the area near the US 301 and Pennsylvania Avenue intersection is experiencing a high level of single-family sales activity. However, the types of housing getting absorbed into the market in this area are higher-end estate-style housing, rather than townhouses or smaller

single-family homes. There has also been some recent commercial development along US 301, which has increased the attractiveness of this location as a place to live. Realtors project that the US 301 and Pennsylvania Avenue corridor may see a boom in housing development over the next five years. If new housing was constructed and improvements were made to the downtown, it is likely that Upper Marlboro could improve its ability to capture a portion of the future sales occurring in the surrounding area.

Similar to Upper Marlboro, townhomes and condominiums had much shorter average days on the market than single-family homes. This is an important finding, as it indicates that higher-density housing is currently in demand and sells more quickly than higher priced single-family homes.

■ Commercial and Office Absorption

There is not a large amount of commercial or office properties in the surrounding five-mile area. As such, it was difficult for real estate professionals to provide exact absorption rates for these land uses. Office properties, in particular, are not prevalent in this area. However, it was estimated that commercial properties stay on the market anywhere from 6 to 12 months. There has been some recent commercial development along US 301, including a Home Depot, which has helped increase the absorption rate. This area was noted as a growing commercial corridor.

**PRINCE GEORGE'S COUNTY MARKET ANALYSIS**

Real estate investment decisions are not made in a vacuum. Investors need to consider the greater market trends when making a decision

**TABLE 2-4:**

MLS Residential Sales Data  
Two-Mile Surrounding Area (Less Upper Marlboro);2007

Type	Count	Average Asking Price	Average Closing Price	Avg. DOM	Sale/Value Ratio
Single Family	31	\$433,113	\$424,765	112	0.981
Condo	33	\$226,324	\$226,260	37	1.000
Town House	138	\$298,053	\$296,392	56	0.994

Source: Metropolitan Regional Information Systems, Inc, and RKG Associates, Inc, 2008

to act on a particular site. They must consider factors such as the strength of the overall market, competitive projects, and location when deciding on whether to pursue a development project. To this end, it is important to understand both the local and regional commercial and office market when determining the market strength of Upper Marlboro.

According to a report by Staubach DTZ, a leading real estate expert, office demand in Prince George's County was light at the end of 2007. In addition, office lease rates remained flat (\$23.08/SF). Prince George's County led the region with a vacancy rate of 14.0 percent, which is the result of the light demand and marginal increases in Montgomery (8.8 percent) and Frederick (7.6 percent). However, there were some large leases in Prince George's County, including Comcast taking over 92,000 square feet in Largo and SGT acquiring 41,500 square feet in Lanham. Although the office market has been relatively stagnant in Prince George County, this does not necessarily reflect trends in Upper Marlboro. The location of the county seat in Upper Marlboro, in addition to the location of the federal courthouses, helps to keep a high demand for office space in the town.

Some parts of the county, such as Laurel, are seeing some of the lowest vacancy rates in the region (7.7 percent). In addition, leases are being signed in Bowie for some of the largest speculative space in the county, at rates in the low \$30s per square foot. However, the county still struggles with perceptions of urban issues such as crime, quality of schools, and housing conditions that the surrounding counties such as Montgomery and Anne Arundel do not have.

These perceptions may be influencing not only the county market activity as a whole, but also the activity within the local study areas. It will be crucial for Upper Marlboro to invest in aesthetic and business improvements in the town core to help make the town an attractive ideal location for commercial businesses.

## SALES TRENDS

### METHODOLOGY

Recent sales data were analyzed from the Multiple Listing Service (MLS) to reveal residential sales activity. This data includes information for Upper Marlboro, as well as the two-mile area surrounding the town. The MLS data provides information such as the type of house, asking price, closing price, and days on the market of residential homes. Quite often a value gap is created between the asking price of property and the closing price, due to supply and demand factors. To this end, the consultant team analyzed recent residential sales data in order to contrast current asking prices against actual sales prices. Variation in price above or below current asking prices is the "sales to value ratio" and could signify "hot" or "cold" market conditions.

MLS data is not readily available for commercial properties, and as such the consultant used county assessment data provided to analyze commercial sales trends. Property assessments in Maryland are required to represent 100 percent of current market value as determined by the taxing jurisdiction. While real property assessments are intended to reflect current market values, external market forces are constantly influencing the value of real estate. Therefore the sales to value ratio for the

commercial sales trends includes analysis of the assessed value of the property as compared to the actual sales price.

In order to assess commercial and office sales trends for Upper Marlboro, the consultant team sorted the commercial sales database and kept only those properties with complete sales information such as assessed value, sale value, year sold, and acreage. The consultant further narrowed down the parcels to those that were sold in the past four years in order to rule out sales information that was not reflective of current pricing.

### RESIDENTIAL SALES TRENDS

#### ■ Upper Marlboro

There has been a recent down turn in sales activity in the national and regional markets, and Upper Marlboro has mirrored these trends. Sales activity in Upper Marlboro has decreased 26.3 percent since 2005 (Table 2-5). In addition, homes have experienced longer stays on the market, with single family homes increasing by 98 average days on the market, and town homes increasing by 11 average days on the market.

**TABLE 2-5:**

MLS Data Upper Marlboro; 2005-2007

Type	Count	Average Asking Price	Average Closing Price	Avg. DOM	Sales To Value Ratio
<b>2005</b>					
Single Family	8	\$273,288	\$271,181	20	0.992
Town Homes	11	\$191,345	\$192,182	7	1.004
<b>2006</b>					
Single Family	9	\$331,511	\$323,503	97	0.976
Town Homes	7	\$241,464	\$243,429	10	1.008
<b>2007</b>					
Single Family	7	\$326,641	\$318,471	118	0.975
Town Homes	7	\$252,686	\$252,700	18	1.000

Source: Metropolitan Regional Information Systems, Inc, and RKG Associates, Inc, 2008

Although there has been less sales activity in recent years, the sales to value ratio has remained relatively constant. Interesting to note, townhomes have a stronger sales to value ratio than single-family homes. Townhomes are more affordable and appeal to a wider market than single-family homes. With a limited supply of townhouses Upper Marlboro, the actual closing price often exceeds the asking price. With the recent local and national housing market down turn, more people are looking to buy less expensive homes, including townhomes and condos. This indicates that there is a market for higher density housing in Upper Marlboro.

According to interviews with real estate professionals, newer homes sell faster and for higher values than older homes. However, Upper Marlboro's housing stock is primarily older homes, and in fact there were no recent sales of homes that were built within the last five years. The older housing stock may be a primary factor for the comparatively long time homes spend on the market. It is reasonable to assume, all things being equal, that if new housing stock were introduced into the market, it would obtain a higher sale value and spend less days on the market.

#### ■ Surrounding Two-Mile Area

Similar to Upper Marlboro, there were more sales of townhouses (138) and condos (33) than single-family homes (31) (Table 2-6). Anecdotal data from real estate professionals indicate that sales of single-family homes have slowed in recent years. According to one real estate expert, sales are down about 20 percent in the past year alone.

Realtors also report that single-family homes in Upper Marlboro are more affordable than

homes in the surrounding areas. The MLS data supports this finding, as the average sale price of a single-family home in Upper Marlboro was \$114,662 less, on average, than in the surrounding area. Townhomes also sold for a higher sale price in the surrounding area (\$298,053) than in Upper Marlboro (\$252,700).

It should be noted that the homes in the two-mile area were built more recently than homes in Upper Marlboro. In Upper Marlboro, all but one single-family home and no townhouses that recently sold were built after 1997; whereas in the surrounding area there were 15 sales of single-family homes and 31 sales of townhomes that were built after 1997. Newer homes usually contain amenities such as newer appliances, modern building materials, are in better condition, and are generally bigger in size than older homes. These main factors contribute to the higher value of the homes in the surrounding area, and it is reasonable to assume that if new housing stock were introduced in Upper Marlboro, it would see similar, if not greater, sale prices.

### COMMERCIAL AND OFFICE SALES TRENDS

#### ■ Upper Marlboro

Commercial sales activity in Upper Marlboro has been slow. There were four arms-length commercial sales in Upper Marlboro that occurred since 2002 (Table 2-7). The sales are all located on Elm Street or Main Street in the town core. Two of the sales were retail uses and two of the sales were office uses. However, one of the retail sales was for the Judge's Chambers restaurant, which is now vacant.



Homes Currently on Sale in the Market



Homes Currently on Sale in the Market



New Estate Homes Development within the Surrounding Area

Although there has not been a lot of retail activity in the recent past, the sale-to-value ratio is above one, indicating a strong market. It has been noted in interviews that the quality of many of the retail and office spaces are in poor condition. If new retail and office space were constructed, it is reasonable to assume it would attract more business establishments to the area.

#### ■ Surrounding Region

Commercial sales in the surrounding region have also been slow (Table 2-8). However, there has been a cluster of sales on US 301 near the intersection with Pennsylvania Avenue. There was also a sale near the Marlboro Village Shopping Center, one sale near MD 202, and one sale near the intersection of Pennsylvania Avenue and Ritchie Marlboro Road. It is difficult to determine which of these sales was office related and which were retail sales. However, it can be safely assumed that the majority of sales, especially those near US 301, are retail oriented. The Home Depot, in particular, has attracted additional retail-oriented businesses to this area.

There is a lower sale-to-value ratio in the surrounding five-mile area than in Upper Marlboro. However, if the Home Depot sale was taken out of the analysis, the sales-to-value ratio would increase to 1.01. According to interviews with real estate professionals, the sale of the Home Depot was a land sale and not a building sale. Therefore, the assessed value reflects the value of the parcel with building improvements, which were not included in the final sale price. Regardless, US 301 has seen increased activity in recent years, and real estate professionals indicate this trend is projected to continue into the

**TABLE 2-6:**

MLS Residential Sales Data Two-Mile Surrounding Area (Less Upper Marlboro); 2007

Type	Count	Average Asking Price	Average Closing Price	Avg. DOM	Sale/Value Ratio
Single Family	31	\$433,113	\$424,765	112	0.981
Condo	33	\$226,324	\$226,260	37	1.000
Town House	138	\$298,053	\$296,392	56	0.994

Source: Metropolitan Regional Information Systems, Inc, and RKG Associates, Inc, 2008

**TABLE 2-7:**

Arms-Length Property Sales Analysis, Commercial Upper Marlboro; Sales Occurring Between 2002 to Present

	Sale Count	Sales Price	Assessed Value	Sales Price	Ave. Assessed Value	Price/Value Sales Ratio
Commercial	4	\$1,465,000	\$1,375,700	\$366,250	\$343,925	1.06

Source: Prince George's County Office of the Assessor and RKG Associates, Inc, 2008

**TABLE 2-8:**

Arms-Length Property Sales Analysis, Commercial, Regional/Competitive Market (Five-Mile Radius Less Upper Marlboro); Sales Occurring Between 2002 to Present

	Sale Count	Sales Price	Assessed Value	Ave. Sales Price	Ave. Assessed Value	Price/Value Sales Ratio
Commercial	8	\$37,152,355	\$44,071,600	\$4,644,044	\$5,508,950	0.843

Source: Prince George's County Office of the Assessor and RKG Associates, Inc, 2008

future. It may be possible for Upper Marlboro to capture some of the future commercial sales in this area, provided new retail and office space is constructed and competitively priced with those in the surrounding area.

## GROWTH TRENDS AND PROJECTED UNITS

### SURROUNDING AREA RESIDENTIAL DEVELOPMENT

A subdivision application database was obtained from The Maryland-National Capital Parks and Planning Commission (M-NCPPC). This database includes subdivision application information such as location of subdivisions, number of units, and status of applications in all of Prince George's County since the year 2000. The consultant then narrowed the database to those applications that were submitted within the five-mile surrounding area of Upper Marlboro.

The area surrounding Upper Marlboro is experiencing increased growth pressures as evidenced by the increased volume of subdivision applications. In total, there have been 735 new residential units approved and permitted since 2000 (Table 2-9). Beech Tree Village is a particularly large subdivision, which has been approved and will add 274 units to the county. This subdivision is located at the intersection of US 301 and Leeland Road. The Perrywood subdivision also has received permits to add a large number of units (324) within close proximity to Upper Marlboro. This subdivision is located at the intersection of MD 202 and Largo Road.

In addition to the permitted units, there have been 611 units approved, but not permitted. These applications have not finished the entire round of permitting, and may or may not be built depending on the final decisions of the Planning Board. The largest of the approved applications is the Locust Hill subdivision (554). This subdivision is located at the intersection

of Leeland Road and Oak Grove Road, close to Largo.

Finally, there are proposed subdivision applications which were submitted in the last year and have not yet been approved or permitted at the time of this analysis. However, the proposed subdivision applications provide a sense of what the future demand and strength of the housing market may be in the next few years. Currently, there are two proposed subdivision applications. The Forest Hills application, if approved, could add another 166 units to the area and is located along MD 202, just south of Kent Drive.

The data show that development activity within the five-mile surrounding area has been strong, and the number of approved and proposed applications indicates that this trend will continue into the foreseeable future. The two main pockets of growth in the surrounding area are occurring along US 301 and also near MD 202, approximately half-way between Upper Marlboro and Largo. The large amount of development occurring near Upper Marlboro presents an opportunity for the town to capture some of this growth. However, it will be crucial to develop new housing stock that can compete with the new development occurring in the surrounding area. The following section presents opportunities and estimates of the potential number of units that can be added to Upper Marlboro in order to strengthen the existing tax base in the town.



Judge's Chambers Restaurant Vacant Retail Building for Sale



Commercial Sales in the Town Core



Office Sales Near the Marlboro Village Shopping Center

## POTENTIAL RESIDENTIAL UNITS

### ■ Single-Family Units

Although the amount of developable land in Upper Marlboro is limited, there are a few key sites that have potential for single-family residential infill, as shown in Map 1. One primary site is the Smith/Claggett site located just west of downtown. It is estimated that 36 to 41 single-family units could be built on this property. Other sites that could be developed as single family residential include:

- ◇ Three homes on the site adjacent to the Old Marlborough Academy
- ◇ Two single-family units on Pratt Street (at the northeastern edge of town)
- ◇ Thirty to 55 units at the Sasscer Farm property, located at the very western edge of town. It should be noted that only a small portion of this property is within the Upper Marlboro boundaries.

In total, there is the potential for 71 to 101 single-family units in Upper Marlboro on existing infill development sites.

### ■ Townhouse/Apartment/Condominium Units

In addition to single-family development, there may be potential for townhouse/apartment/condominium-style apartments in the town core. It is estimated that 21 to 171 units could be added to the town core in select parcels on Main Street, Water Street, and the eastern portion of town along Judges Drive and Pratt Street. The majority of townhouse/apartment/condominium units would be located above new ground floor retail and office space.

There is also developer interest to turn the Old Marlborough Academy into an active

**TABLE 2-9:**

Permitted, Approved and Proposed Subdivision Applications Five-Mile Competitive Area; 2000 to Present

	Unit Count	Average Build. Value	Average Land Value	Average Prop. Value	Gross Prop. Value
<b>PERMITTED</b>					
A.O. Dill Farm	3	1,291,200	\$430,400	\$1,721,600	\$5,164,800
Beacon Hill	14	\$450,000	\$150,000	\$600,000	\$8,400,000
Beech Tree Village	274	\$500,000	\$166,667	\$666,667	\$182,666,667
Brock Hills	10	\$350,000	\$87,500	\$437,500	\$4,375,000
Croom Station	25	\$575,000	\$191,667	\$766,667	\$19,166,667
Fox Chase	19	\$308,000	\$102,667	\$410,667	\$7,802,667
Hilltop Way Estates	1	\$539,000	\$179,667	\$718,667	\$718,667
Ellerslie	34	\$625,000	\$208,333	\$833,333	\$28,333,333
Perrywood	324	\$350,000	\$87,500	\$437,500	\$141,750,000
Rose Hill	10	\$500,000	\$166,667	\$666,667	\$6,666,667
Wortz and Weeks	2	N/A	N/A	N/A	N/A
South Weston	19	\$800,000	\$266,667	\$1,066,667	\$20,266,667
<b>TOTAL</b>	<b>735</b>	<b>-</b>	<b>-</b>	<b>\$578,654.60</b>	<b>\$425,311,133</b>
<b>APPROVED</b>					
Locust Hill	554	-	-	-	-
Stratford	23	-	-	-	-
Christy Claggett	20	-	-	-	-
McDermott	14	-	-	-	-
<b>TOTAL</b>	<b>611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROPOSED (2007)</b>					
Forrest Hills	116	-	-	-	-
Depot Lane Propert	1	-	-	-	-
<b>TOTAL</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>1,463</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: Activity Development Monitoring System, and RKG Associates, Inc, 2008

adult condo housing development, which could add as many 200 units to the town. However, these units were not included in the development scenarios. The consultant learned, through the public participation process, that the community would prefer the Old Marlborough Academy remain in civic use. However, it should be noted that there is interest from developers for this type of

housing, and the eastern side of town along Judge's Drive and Pratt Street may be a more appropriate location.

It should be noted that the counts for both single-family and multifamily units reflect the development scenarios included in the vision plan. These scenarios are intended to be illustrative of the density and design standards created throughout this planning

process. These strategies are not absolute. The ultimate design and count of the various redevelopment sites will be determined by physical, market-based, and regulatory factors. However, the consultant believes these development strategies are realistic expectations for future development that meet the goals put forth by the community.

## KEY DEVELOPMENT INTERVIEWS

To obtain insight into the current real estate market in Upper Marlboro, a series of interviews were conducted with industry professionals. Real estate brokers that specialize in retail, office, and residential space were contacted. This section highlights the trends and specific remarks that were made concerning Upper Marlboro and summarizes the most significant findings.

It is important to note that these interviews were conducted with assurances of confidentiality. The consultants asked the respondents to be “as frank and honest” as they felt comfortable regarding the Town of Upper Marlboro. The comments contained in this section represent the ideas and opinions of those people interviewed and may or may not reflect actual conditions or circumstances. However, it is the consultant’s opinion that the findings presented below reflect either perceived or real conditions affecting the Upper Marlboro real estate market. To the extent that perceptions shape the actions and decisions of key development players in the town, their inclusion in this report is considered important.

Any negative observations or comments contained in this section are included for

informative or constructive purposes only, and are not included to disparage the town.

## RESIDENTIAL INTERVIEWS

### ■ Market Performance

The housing stock in Upper Marlboro is very limited. As such, those interviewed had a difficult time extracting residential trends specific to Upper Marlboro as opposed to the surrounding five-mile area. Regardless, the interviews provide a good sense of residential market performance in the immediate area.

Real estate professionals indicated housing trends in Upper Marlboro and the surrounding area generally follow national trends. The housing market has slowed both nationally as well as locally. According to one real estate expert, residential sales are down about 20 percent in the past year alone. However, demand for new homes has been stable. The surrounding five-mile area is currently seeing an increased amount of new development, especially large estate-style, single-family homes. In Upper Marlboro, there has been little new development in the past ten years, and all of the recent sales have been resales of older homes. All things being equal, it is reasonable to assume the housing market in Upper Marlboro would improve with the development of new homes of varying types.

It is important to note that there is currently an unmet demand for rental units in Upper Marlboro. Many of those moving to Upper Marlboro cannot afford to buy a house, and as such the demand for rentals has increased. A typical three-bedroom, single-family home generally rents for \$1,900 to \$2,500 and a three-bedroom townhome rents for about \$2,000.



Potential Single-Family Residential Infill at Smith/Claggett Site



Potential Mixed-Use with Residential in the Town Core



The Old Marlborough Academy

## ■ Investment Climate

It is generally believed that without viable retail establishments in the town, residential investment will remain flat. However, investment in the surrounding area will likely increase, as both the housing market recovers from the current slump and more retail investment continues to come into the area, particularly along Pennsylvania Avenue and US 301.

It has also been indicated that residential activity will increase over the next five years due to the presence of Andrews Air Force Base. Andrews Air Force Base is the home of the U.S. presidential air craft, Air Force One. This base is expected to remain through any BRAC changes and may even expand. There are currently large tracts of land located near the base which have excellent interstate and highway access. This area has seen increased residential development in recent years. However, as these parcels become developed, it is expected that demand will start to increase further north on the undeveloped parcels in and surrounding Upper Marlboro.

## ■ Strengths and Weaknesses

The lack of retail in Upper Marlboro has been noted as a weakness. However, new retail development occurring around Upper Marlboro is beginning to attract new residential growth, as retail offerings become more accessible to new residents. According to interviews, more high-end retail and establishments that are open later hours could bolster interest in housing.

The lack of available land on which to build new housing is also seen as a weakness in

Upper Marlboro. Most of the sales in town have been resales of older homes, which typically do not sell as quickly as new homes. However, interviews with real estate professionals indicate that there is an opportunity on some parcels in Upper Marlboro to build new housing, as discussed in the Development Opportunities section.

The location of Upper Marlboro to government uses is a strength of the residential market. Those working for the county and wishing to be close to their place of work may see Upper Marlboro as an attractive location. In addition, the affordability of townhomes and rental units are attracting people to the town. Upper Marlboro needs to continue to offer rental units in order to build upon its strength as an affordable residential area.

## ■ Development Opportunities

Although the existing housing stock is limited, there are specific sites in town that could be developed for residential purposes. The Smith/Claggett site, in particular, was mentioned as an ideal site for single-family homes. Other sites mentioned in interviews with real estate professionals as ideal for residential development include the vacant site next to the Old Marlborough Academy and infill residential development in the town core.

It was noted through interviews that the demand for rental housing is increasing in Upper Marlboro. Real estate professionals indicated there may be room for additional apartments and rental units in the town core, particularly on the second story of retail and office establishments.

## OFFICE/COMMERCIAL INTERVIEWS

### ■ Market Performance

The office market has a much larger presence than the retail market in Upper Marlboro, primarily due to the location of the County Administration Building and the courthouses. Lawyers, title companies, and bail bondsmen tend to dominate the nongovernmental uses in the town. Absorption of space was noted to be fairly strong, and lease rates are generally between \$15 and \$20/square foot. Those buildings that are in better condition are able to charge lease rates closer to \$20/square foot.

Interviews with real estate professionals and business owners themselves indicated that retail market performance has been slow. During the past few months Upper Marlboro experienced the closing of one restaurant establishment, the Judge's Chamber, and it was also indicated through interviews that other retail businesses may be forced to close in the near future due to lack of business. However, it is expected that once the courthouse renovations are complete, business should pick up in the town core.

The lack of retail establishments in the downtown is partly due to declining building conditions. Poor building conditions have also led to the proliferation of bail bondsmen, as they have been attracted to the close proximity to the courts. Some real estate professionals indicated that new buildings and infill development in the downtown need to occur before a greater mix of retail establishments will be attracted to Upper Marlboro as a place to do business.

## ■ Investment Climate

As mentioned previously, the demand for office space is relatively high in Upper Marlboro. The location of office space in proximity to the courthouses has made Upper Marlboro an attractive location for both lawyers and bail bondsmen. However, it has been mentioned in interviews with community members that this type of user, especially bail bondsmen, are not viewed as desirable ground-floor tenants in the downtown. Office uses do not attract the same foot traffic as retail uses in a downtown setting. This lack of street-level pedestrian activity gives the downtown a “dead” appearance during normal business hours. It was noted that new building space or major building renovations would help attract different types of tenants looking for a unique and quaint downtown setting for their business.

In terms of retail space, it was noted that investment has been flat. It was also revealed that investment will remain flat until key improvements are made in the downtown, such as improved signage, streetscape improvements (e.g., roads, sidewalks, street furniture, etc.) and new retail infill.

## ■ Strengths and Weaknesses

The lease rates for both office and commercial space ranges between \$15 and \$20/square feet. This is relatively strong considering the small size of the town. The presence of the county seat in Upper Marlboro, as well as the courthouses, helps to lend a stability to the office market.

However, according to interviews with real estate professionals and business owners, the main weakness lies in the mix of businesses in the town core. As mentioned previously,

the large presence of bail bondsmen has been seen by many as an undesirable use of the town’s nongovernmental space.

The town aesthetics have also been noted as a major weakness. Community members, real estate professionals, and business owners have all mentioned the lack aesthetics and beautification investment in the downtown. Downtown retailers typically are attracted to unique storefronts that have character and are located in visually appealing areas. The lack of aesthetic improvements in the downtown is hindering the potential for a better mix of business establishments.

## ■ Opportunities

Although retail investment has been slow in Upper Marlboro, there is a real opportunity to increase activity and attract more retailers to the town core. Key investments that can help boost retail activity include construction of new, high-quality retail space and improvement of the town aesthetics. Examples of aesthetic improvements include burying or relocating overhead power lines, repairing sidewalks, and adding more street trees and benches to the downtown. It is also believed that adding another parking garage to the town may be necessary to help facilitate retail businesses locating to the area. It has been noted a public/private partnership will be crucial in implementing this type of development.

## IMPLICATIONS

■ Residential—Current market indicators suggest that Upper Marlboro could support additional residential development, mostly on selected infill sites. The lack of housing diversity in town has created a pent-up

demand for more affordable and higher density housing types such as townhouses, condominiums, and rental apartments, which are in low supply. The town’s ability to attract young families and retain empty-nester households, is in part dependent on its ability to provide a variety of housing types that appeal to people at different stages of life and at different income levels.

■ Retail/Service—With new residential development projected to occur in areas surrounding Upper Marlboro, there is an opportunity for downtown to capture greater sales from a growing consumer base. In order to achieve this, downtown needs to be repositioned to provide a different visitor experience; one catering to niche retail, dining, and the personal service needs of daytime employees and a growing number of households living within five miles of downtown.

■ Office—Upper Marlboro should remain a strong office market with the presence of county government and the courts. This will also create the demand for other associated office uses, with many being attracted to various storefronts and offices in the downtown district. However, the presence of ground-floor offices on Main Street can have a negative effect on the creation of a vibrant pedestrian environment downtown. In order to attract retail and service businesses back to Main Street storefronts, there needs to be a better business mix that encourages shoppers, diners, window shoppers, and office workers.