

5. HOUSING

Introduction

Housing is a basic human need that plays an important role in developing and maintaining sustainable communities. Thus, the availability of high-quality and affordable housing is important to Worcester County's long-term economic and community/neighborhood vitality.

Worcester County presents a diverse and evolving housing landscape shaped by its unique coastal geography, seasonal tourism economy, and demographic composition. The county encompasses both densely developed resort communities along the Atlantic coast and more rural inland areas characterized by agricultural land use and small towns. Housing demand is influenced by a combination of year-round residents, seasonal workers, retirees, and second-home owners, producing notable variations in affordability, availability, and housing type. As a result, the local housing market must balance the pressures of tourism-driven demand with the needs of permanent residents, particularly in terms of workforce and affordable housing options.

The northern/coastal part of Worcester County is marked by higher home values, a large share of second-homes or vacation properties, and strong seasonal rental pressures. By contrast, the southern/inland part has a more stable resident-housing orientation, somewhat better relative affordability, and fewer of the short-term/vacation dynamics. These differences shape everything from occupancy rates and housing type mix to affordability and local housing policy needs.

By encouraging residents to take pride of ownership in the wellbeing of their homes and neighborhood communities, Worcester County can create and reinforce a strong sense of place by providing for a variety of housing choices that support and enhance community character, identity, and civic pride.

Housing opportunities for owner- and renter-occupied units can be expanded through the implementation of effective planning policies that provide a variety of housing opportunities for people of all ages, races, incomes, and abilities. Because housing is one of the most important expenditures for American households, the availability of affordable housing is a major factor in the sustainability of the local economy and the quality of life of residents.

For these reasons, planning for housing is one of the County's most important tasks. This importance is reinforced by recent State of Maryland requirements for a Housing Element that addresses affordable and workforce housing through House Bill (HB) 1045, adopted in 2019, and through HB 90 on Affirmatively Furthering Fair Housing, adopted in 2021 and which took effect as of January 1, 2023.

Much of the data included in this chapter was collected from the U.S. Census Bureau. Beginning with the 2010 Decennial Census, the Census Bureau stopped distributing the traditional "long form" survey that historically provided enhanced data. These included detailed housing statistics (unit makeup, year built, value), social statistics (educational attainment, veteran status, disability status), and economic data (e.g., employment, occupation, income, poverty status). These summary files were replaced by American Community Survey (ACS) data, which are available in five-year estimates. Data was also

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included from the 2025 Worcester County Housing Study,¹ which provides a comprehensive evaluation of current housing conditions, affordability, and future needs across the county.

Through this chapter, Worcester County affirms its responsibilities to plan for affordable and workforce housing. The County also affirms its commitment to further fair housing through the goals, objectives, implementation strategies and actions of this Housing Element and Comprehensive Plan.

Goals and Objectives

All Worcester County residents should be able to live in comfortable, safe, and affordable housing. The following goals, objectives, and action items have been identified to help advance the housing policy for the County:

- 1. Support a variety of safe, quality housing choices that are affordable and accessible to households of all ages and abilities, including multi-family and mixed-use housing.**
 - *Action Item 5.1.1:* Support various housing options for individuals and families of different socioeconomic levels, life stages, and physical needs.
 - *Action Item 5.1.2:* Support opportunities to increase the housing supply for the senior population, including developments that support aging in place.
- 2. Support the ability of residents to remain in Worcester County by maintaining a range of housing options, including affordable and workforce housing.**
- 3. Identify, evaluate, and analyze current and future housing needs and trends.**
 - *Action Item 5.3.1:* Create a housing inventory of existing conditions that includes, but is not limited to, housing condition, age, cost, size, type, tenure, and vacancy rate.
 - *Action Item 5.3.2:* Continue to track and monitor building permits issued for new residential projects and housing renovations.
 - *Action Item 5.3.3:* Continue coordinating with the Maryland Department of Planning on the development of MDP's ongoing Statewide Building Permit Reporting System so that local building permit data are compatible with the new MDP tool(s) and the output from the tool(s) can be used for local analysis.
 - *Action item 5.3.4:* Reduce the cost of constructing new homes by streamlining infrastructure delivery, modernizing compliance requirements, and improving regulatory efficiency, while introducing targeted incentives to accelerate housing development and increase overall supply.
- 4. Identify incentives for the improvement or redevelopment of housing.**
 - *Action Item 5.4.1:* Utilize programs offered by the Maryland Department of Housing and Community Development to help homeowners maintain and improve their housing conditions.
 - *Action Item 5.4.2:* Explore applying for State Community Legacy funds to fund a residential renovation and/or façade improvement program.

¹ [link to study]

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- *Action Item 5.4.3:* Identify grants and other funding opportunities to assist low to moderate income residents to support improvements in their homes.
 - *Action Item 5.4.4:* Engage nonprofit organizations to assist in the rehabilitation of dilapidated or older housing stock.
- 5. Identify substandard dwellings and develop a plan of action to improve them.**
- *Action Item 5.5.1:* Prioritize targeted rehabilitation should in southern communities, where aging, lower-quality housing is most concentrated as identified by the Worcester County Housing Study 2025.
 - *Action Item 5.5.2:* Review the Property Maintenance Standards for rental housing, also known as the Worcester County Rental Housing Code, and amend the minimum standards if warranted.
 - *Action Item 5.5.3:* Explore establishing a rental inspection component to the existing rental licensing program to ensure rental housing units meet Property Maintenance Standards.
 - *Action Item 5.5.4:* Consider adopting the International Property Maintenance Code to address blighted and vacant housing and property and building maintenance issues.
 - *Action Item 5.5.5:* Encourage efforts to maintain the quality and appearance of residential neighborhoods to improve the quality of life and retain property values.
- 6. Identify opportunities to provide equity in housing and affordable housing opportunities in the County.**
- *Action Item 5.6.1:* Work to ensure that a diversity of housing types, both rental and ownership opportunities, are available to serve all ages and income levels.
 - *Action Item 5.6.2:* Provide information on Maryland's Department of Housing and Community Development homebuyer programs to first-time home buyers to attract homeowners of all ages.
 - *Action Item 5.6.3:* Explore opportunities to preserve historical and architectural character and promote the rehabilitation and re-use of existing structures, where feasible.
 - *Action Item 5.6.4:* Support affordable housing opportunities that are accessible to the entire population, without compromising the quality of residential neighborhoods.
 - *Action Item 5.6.5:* Support housing projects that provide a mix of housing to serve a mix of income levels and integrating traditional market housing with affordable housing opportunities.
- 7. Continue to identify opportunities to provide housing to support County workforce needs.**
- *Action Item 5.7.1:* Work closely with existing employers and new commercial and industrial developments to identify the workforce needs and housing available for employees.
 - *Action Item 5.7.2:* Share information with local businesses about the types of housing available in the County.
- 8. Take steps to affirmatively further fair housing throughout the County.**

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- *Action Item 5.8.1:* Coordinate with the Maryland Department of Planning and the Maryland Department of Housing and Community Development to complete the required Fair Housing Assessment upon the issuance of guidance from State agencies.
- *Action Item 5.8.2:* Implement the action items from this assessment upon its completion.

9. Collaborate with local agencies to address homelessness and under-housing in the County.

Guiding Principles and Legislation

The housing vision found in Maryland’s Land Use Article §3-114 recommends providing a range of housing densities, types, and sizes for citizens of all ages and incomes. This vision sets the baseline for the County to provide sufficient, affordable workforce housing along with a full range of housing options that meet the needs of all citizens. This vision is supplemented by requirements identified in HB 1045, which emphasizes adequately providing local, affordable workforce housing. These guidelines are the basis for the housing information and analysis presented in this chapter.

Fair Housing Act

The *Fair Housing Act* is a federal law that protects people from discrimination when they are renting, buying, securing financing for housing, or engaging in other housing related activities. The prohibitions specifically cover discrimination because of race, color, national origin, religion, sex, disability, and the presence of children. The Act covers most housing. In very rare circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family houses sold or rented by the owner without the use of an agent, and housing operated by religious organizations and private clubs that limit occupancy to members.

Land Use Article

The *Maryland Land Use Article §3-114* describes the requirements for a comprehensive plan’s housing element. It requires that, among other components, the element addresses the need for affordable housing, including workforce housing and low-income housing. In this context, low-income housing is housing that is affordable for a household with an annual income that is below 60 percent of Area Median Income (AMI). Workforce housing includes rental housing that is affordable for a household with an annual income that is 50-100 percent of AMI, homeownership housing that is affordable to a household with annual income that is 60-120 percent of AMI, or in recognized Maryland Mortgage Program target areas, affordable to a household with an annual income that is 60-150 percent of AMI.

Recent Legislative Changes

Recent legislative changes have addressed housing in Maryland, especially House Bill 1045, enacted in 2019 to require Housing Elements in comprehensive plans, and House Bill 90, enacted in 2021, regarding Fair Housing.

HB 90 required that the Maryland Department of Housing and Community Development (DHCD) submit a report on fair housing to the Governor and General Assembly by December 1, 2023, and every five years thereafter. The house bill mandates that DHCD complete this report in consultation with local

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governments and housing authorities in Maryland and develop a template that these partners can use to gather and present data on fair housing within their own jurisdictions.

HB 90 defines affirmatively furthering fair housing as, “taking meaningful actions to:

- Overcome patterns of segregation;
- Foster inclusive communities free from barriers that restrict access to housing and opportunity based on protected characteristics;
- Address significant disparities in housing needs and access to opportunity;
- Replace segregated living patterns with truly integrated and balanced living patterns; and
- Foster and maintain compliance with civil rights and fair housing laws.”

This Housing Element has been developed considering these legislative changes and requirements.

Housing Inventory

This section presents data analysis related to housing in Worcester County. The primary source of information was the US Census Bureau and some information has also been included from the Worcester County Housing Study 2025.

Housing Units

According to the 2020 Census, there are 56,263 housing units in the County. Compared to the 2010 Census, which listed 55,749 housing units, the County added only 514 units, or about one percent. This was below Maryland’s growth rate of 6 percent. Some of the common reasons for the lack of new construction of new houses are reported as over-regulation and infrastructure costs. According to the Worcester County Housing Study 2025, the County faces an estimated shortage of 1,518 owner units and 558 rental units and this need is likely to increase in accordance with anticipated population growth.

Table 5-1, Housing Units shows the number of housing units and percent change from 2000 through 2023. It should be noted that the County’s housing inventory did increase by 18 percent in the 2010s, outpacing the State as a whole (at 11 percent).

Table 5-1: Housing Units

Year	Worcester County		Maryland	
	Total Housing Units	% change	Total Housing Units	% change
2000	47,360		2,145,283	
2010	55,749	18%	2,378,814	11%
2020	56,263	1%	2,530,844	6%
2023	56,585	1%	2,588,337	2%

Source: U.S. Decennial Census (2000-2020) and 2023 ACS 5-year estimates

Housing Types

Worcester County offers a variety of housing unit types, including mobile homes, detached single-family dwellings, attached single-family dwellings, apartments, duplexes, townhouses, and multi-family

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dwelling. Most of the housing units have their own unique architectural style and range in age from newly constructed to more than 100 years old.

Table 5-2, Housing Types provides the types of housing within the County in the years 2000, 2010, and 2020. The breakdown of units shown in this table may vary based on the respondent’s knowledge of housing types. Detached single-family housing units continue to be the predominant housing type within Worcester County, at 71.3 percent of the County’s total occupied housing units.

Table 5-2: Housing Types

Housing Type	2000		2010		2020		Change	
	#	%	#	%	#	%	2000-2010	2010-2020
Single Family, detached	14,160	71.9	15,896	72.2	16,146	71.3	12%	2%
Single Family, attached	681	3.5	1,497	6.8	1,450	6.4	120%	-3%
2 units	477	2.4	264	1.2	405	1.8	-45%	53%
3 or 4 units	543	2.8	440	2	691	3	-19%	57%
5 to 9 units	835	4.2	903	4.1	929	4.1	8%	3%
10 or more units	1,536	7.8	1,717	7.8	1,634	7.2	12%	-5%
Mobile home or other type of housing	1,462	7.4	1,299	5.9	1,406	6.2	-11%	8%
Total Occupied housing units	19,694		22,016		22,661			

Source: 2020 & 2010 ACS 5-year estimates, 2000 Decennial Census

Occupancy and Tenure

One of the fundamental choices people make about their living situation is whether to rent or buy a home. Homeownership is valued as a long-term investment strategy, while renting affords more flexibility and can appeal to those who do not want to be tied to a specific location. Sometimes, the desire to own a home is constrained by personal finances or life situations, and so renting may be the only choice available at that time.

National trends have demonstrated changes in home buying patterns, as young adults wait longer to purchase their first homes, sometimes as a function of affordability and price. There is also a national trend toward increased mobility and a desire for flexibility in housing options that favors renting among certain populations. A recent period of very low interest rates during the COVID-19 pandemic enabled many homeowners to refinance their homes. A subsequent rise in interest rates has resulted in many of these homeowners remaining in their residences, which in turn has diminished the housing supply in some areas, and especially for younger families looking for larger homes to start or expand their families.

Figure 5-1, Occupancy Rates in Eastern Shore counties and **Table 5-3, Comparison of Occupancy Rates in Eastern Shore Counties** compares the proportion of owner-occupied units, renter-occupied units, and vacant units in the County with those of the State, and other counties on the Eastern Shore. Worcester County exhibits a comparatively high rate of vacant housing largely due to its strong reliance on seasonal

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and tourism-based economies. The County’s coastal communities, particularly Ocean City and Ocean Pines, serve as major vacation and second-home destinations, leading to a substantial share of dwellings that remain unoccupied for much of the year. Many of these properties are owned by non-residents who use them only seasonally or as investment rentals, contributing to elevated vacancy rates in off-peak months. Additionally, the county’s housing stock has expanded in response to tourism and retirement migration, outpacing year-round population growth and further amplifying seasonal vacancy. Unlike neighboring inland counties where the housing market is driven primarily by permanent residents and commuting populations, Worcester’s market is more cyclical, reflecting the rhythms of tourism and recreation rather than stable residential occupancy patterns.

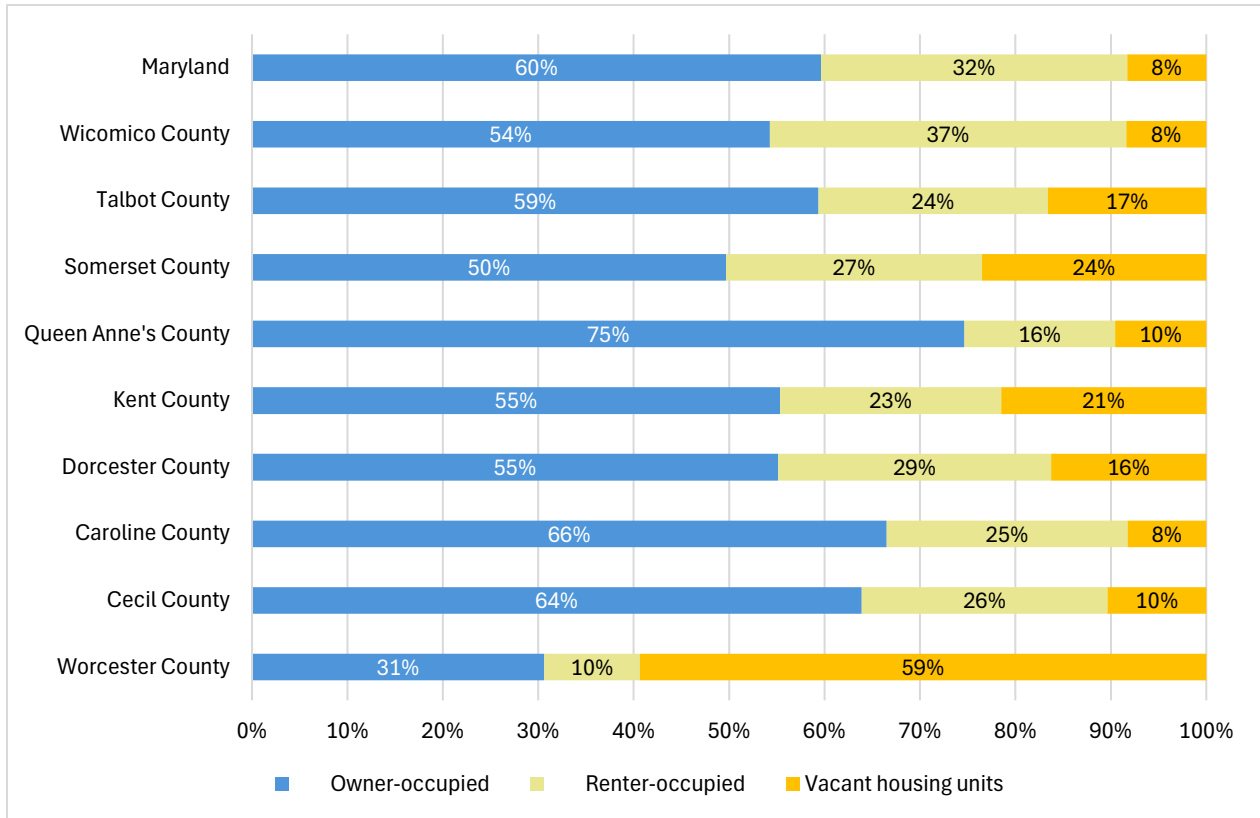
Table 5-3: Comparison of Occupancy Rates in Eastern Shore Counties

County Name		Occupied housing units	Owner-occupied	Renter-occupied	Vacant housing units	Total housing units
Worcester County	#	22,871	17,241	5,630	33,392	56,263
	%	41	75	25	59	
Cecil County	#	39,398	28,076	11,322	4,543	43,941
	%	90	71	29	10	
Caroline County	#	12,327	8,933	3,394	1,107	13,434
	%	92	73	28	8	
Dorchester County	#	13,721	9,033	4,688	2,662	16,383
	%	84	66	34	16	
Kent County	#	8,075	5,694	2,381	2,211	10,286
	%	79	71	30	22	
Queen Anne's County	#	19,240	15,885	3,355	2,034	21,274
	%	90	83	17	10	
Somerset County	#	8,334	5,412	2,922	2,561	10,895
	%	77	65	35	24	
Talbot County	#	16,296	11,598	4,698	3,242	19,538
	%	83	71	29	17	
Wicomico County	#	40,018	23,705	16,313	3,664	43,682
	%	92	59	41	8	
Maryland	#	2,321,208	1,509,586	811,622	209,636	2,530,844
	%	92	65	35	8	

Source: 2020 Decennial Census

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Figure 5-1: Comparison of Occupancy Rates in Eastern Shore counties



Source: 2020 Decennial Census

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Housing Features

The most common housing unit size in the County (**See Table 5-4, Number of Rooms**) is four-room housing units (11,536 units or 20.5%), whereas the most common size in the Maryland is nine or more rooms (537,777 units or 21.2 percent, respectively). While these figures do not directly address square footage, it can be inferred that housing units in Worcester County are, on average, smaller than those found within the State as a whole.

Table 5-4: Number of Rooms (2022)

Rooms	Worcester County		Maryland	
	#	%	#	%
1 room	1,287	2.3	45,860	1.8
2 rooms	3,461	6.1	59,065	2.3
3 rooms	9,365	16.6	194,941	7.7
4 rooms	11,536	20.5	320,051	12.6
5 rooms	9,525	16.9	342,112	13.5
6 rooms	8,299	14.7	413,488	16.3
7 rooms	5,116	9.1	328,089	13
8 rooms	3,850	6.8	289,692	11.4
9 rooms or more	3,960	7	537,777	21.2
Median rooms	4.8		6.2	
Total housing units	56,399		2,531,075	

Source: 2022 ACS 5-year estimates

Table 5-5, Number of Bedrooms shows the number of bedroom housing units in Worcester County in 2020. The County has mostly two- and three-bedroom housing units (17,357 units or 30.8 percent and 23,397 units or 41.5 percent, respectively), while one-bedroom and studio (or no bedroom) units are limited (5,642 units or 10.0 percent and 1,287 units or 2.3 percent, respectively).

People wishing to downsize or those just starting out in the housing market have some opportunities, but larger homes (or those with a greater number of bedrooms) predominate. This is one factor that may affect the long-term ability of individuals and families to age in place, among other housing considerations, and points to the need for the County to encourage a variety of housing choices as the County continues to develop and the housing stock expands.

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Table 5-5: Number of Bedrooms

Bedrooms	Worcester County		Maryland	
	#	%	#	%
No bedroom	1,287	2.3	50,741	2
1 bedroom	5,642	10	258,561	10.2
2 bedrooms	17,357	30.8	538,014	21.3
3 bedrooms	23,397	41.5	918,751	36.3
4 bedrooms	7,318	13	560,103	22.1
5 or more bedrooms	1,398	2.5	204,905	8.1
Total housing units	56,399		2,531,075	

Source: 2022 ACS 5-year estimates

Households

According to the U.S. Census Bureau, “A family is a group of two people or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.” A non-family household, by contrast, is either a person living alone or with one or more other householders unrelated to any of the other persons in the home.

Table 5-6, Average Household and Family Size, shows that households in Worcester County are smaller, generally, than those of Maryland as a whole. This may reflect the number of retirees and the fewer number of family-occupied homes in the County, and the older average age of the County’s population.

Table 5-6: Average Household and Family Size

Jurisdiction	Worcester County	Maryland
Average household size of owner-occupied unit	2.24	2.72
Average household size of renter-occupied unit	2.17	2.36
Average household size	2.22	2.6
Average family size	2.76	3.21

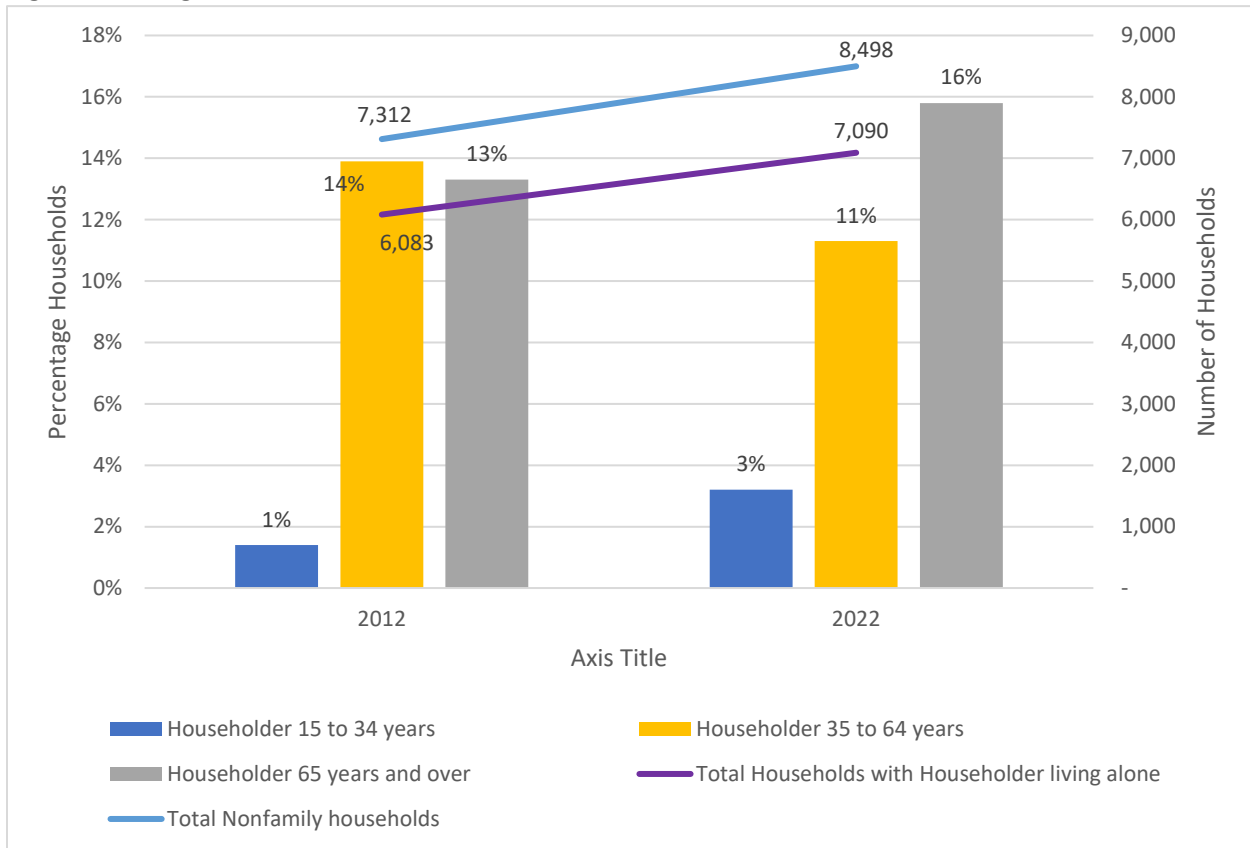
Source: 2022 ACS 5-year estimates

The number of single person households has increased over time with the highest proportion of households having a householder over the age of 65 years (**See Figure 5-2, Single Person Households**). The total number of nonfamily households has remained higher than total households with householder living alone. The data suggests that alternative housing types are likely to be in demand as people age and household sizes decrease (**See Figure 5-3, Household Size**). There are also potential public health implications of older residents living alone. There are specific housing factors that the County may need to consider given the high number of older residents:

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- The members of this age cohort are more likely to be homeowners, but they may struggle with upkeep of their homes and may be looking to downsize in the future.
- Senior housing options should include smaller independent living units, ‘granny pods’ or mother-in-law suites, residential care homes, respite services, assisted living and memory care facilities, and retirement communities.
- Due to a strong desire among this group to age-in-place as people become physically limited, they may need housing modifications (e.g., bathroom grab-bars, roll-in showers, ramps) to support the ability to live in existing housing units.

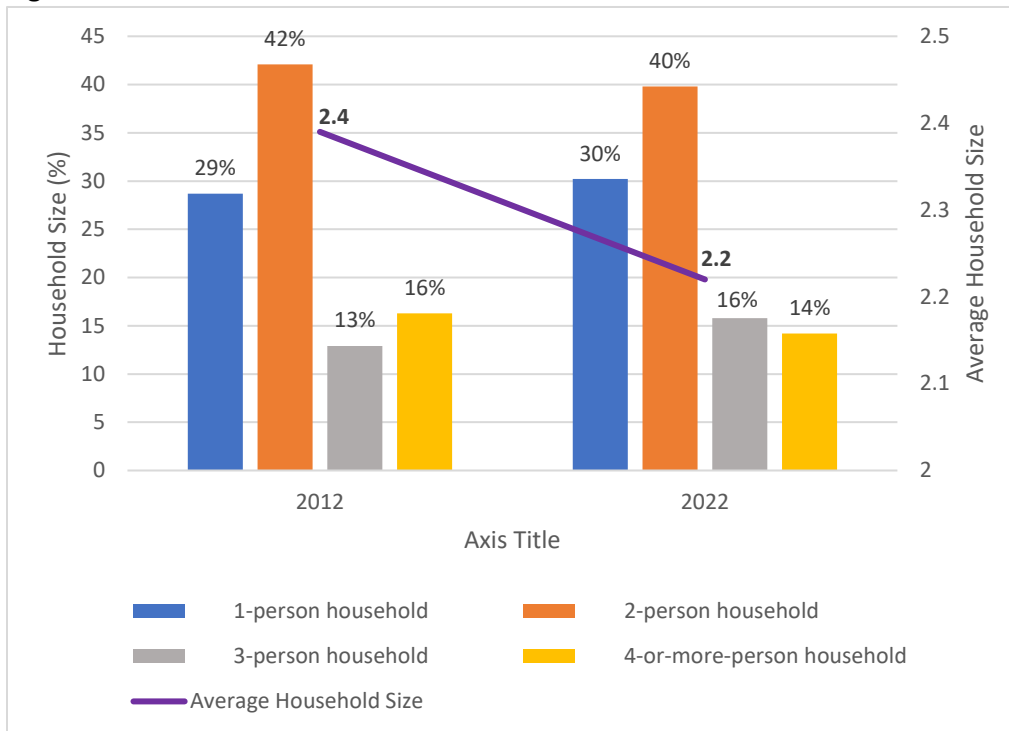
Figure 5-2: Single Person Households



Source: ACS 5-year estimates

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Figure 5-3: Household Size



Source: ACS 5-year estimates

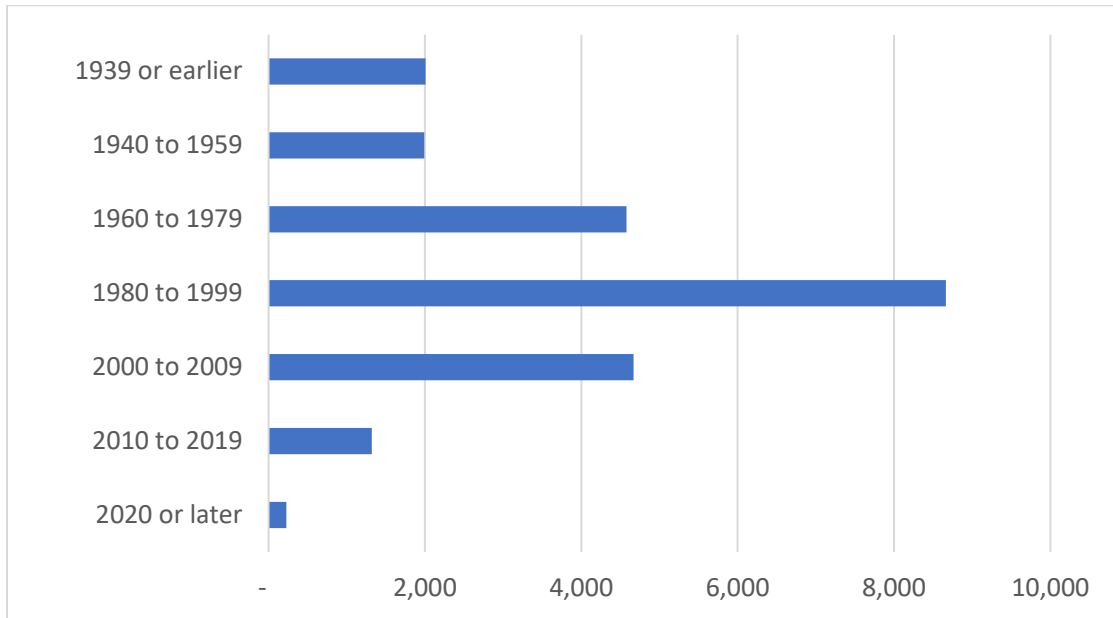
Housing Age and Conditions

The median year housing structures were built can be an indicator of the condition and livability of the housing stock. Older buildings typically require a greater degree of upkeep and maintenance. While numerous factors influence the cost to maintain homes, older structures typically cost more to rehabilitate than new construction and have a greater chance of deteriorating and being neglected or even abandoned.

Figure 5-4, Housing Age shows the age of housing in Worcester County. It shows that the County experienced a large housing boom between 1980 and 1999, with slightly smaller, but still significant, numbers of houses built between 1960 and 1979, and between 2000 and 2009, but much less housing unit growth since 2009.

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Figure 5-4: Housing Age



Source: 2022 ACS 5-year Estimates

Table 5-7, Housing Age, compares these numbers to the State as a whole. As in Worcester County, the largest numbers of units, within these timeframes, were also built in Maryland between 1980 and 1999, representing two decades of robust growth in the State.

Table 5-7: Housing Age

Year Structure Built	Worcester County	Maryland
2020 or later	229	9,304
2010 to 2019	1,320	172,622
2000 to 2009	4,667	266,892
1980 to 1999	8,664	680,507
1960 to 1979	4,578	581,466
1940 to 1959	1,990	375,039
1939 or earlier	2,009	232,294

Source: 2022 ACS 5-year Estimates

Value and Affordability

Housing costs often account for a significant portion of a household budget and can affect the lives of residents in a variety of ways. Homeowners who want to build equity would like to see the value of their investment increase to maximize their financial outcomes. Renters, on the other hand, may see their expenses rise over time as rents increase. Whether homeowner or renter, households that struggle to

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afford housing costs find themselves in unstable positions that can affect their quality of life. Municipalities and counties also have a stake in the cost and value of housing within their borders as it can affect the community's overall economic health.

Over the years, the County has encountered an increasing gap between household incomes and housing costs/values. This is a regional and national trend that most jurisdictions are experiencing. Between 2000 and 2010, the median house value in Worcester County increased sharply from \$121,500 to \$289,100, but then decreased slightly in 2020 to \$267,400. A similar pattern can be seen for the State with overall higher values than the County (**See Figure 5-5, Median Housing Values**).

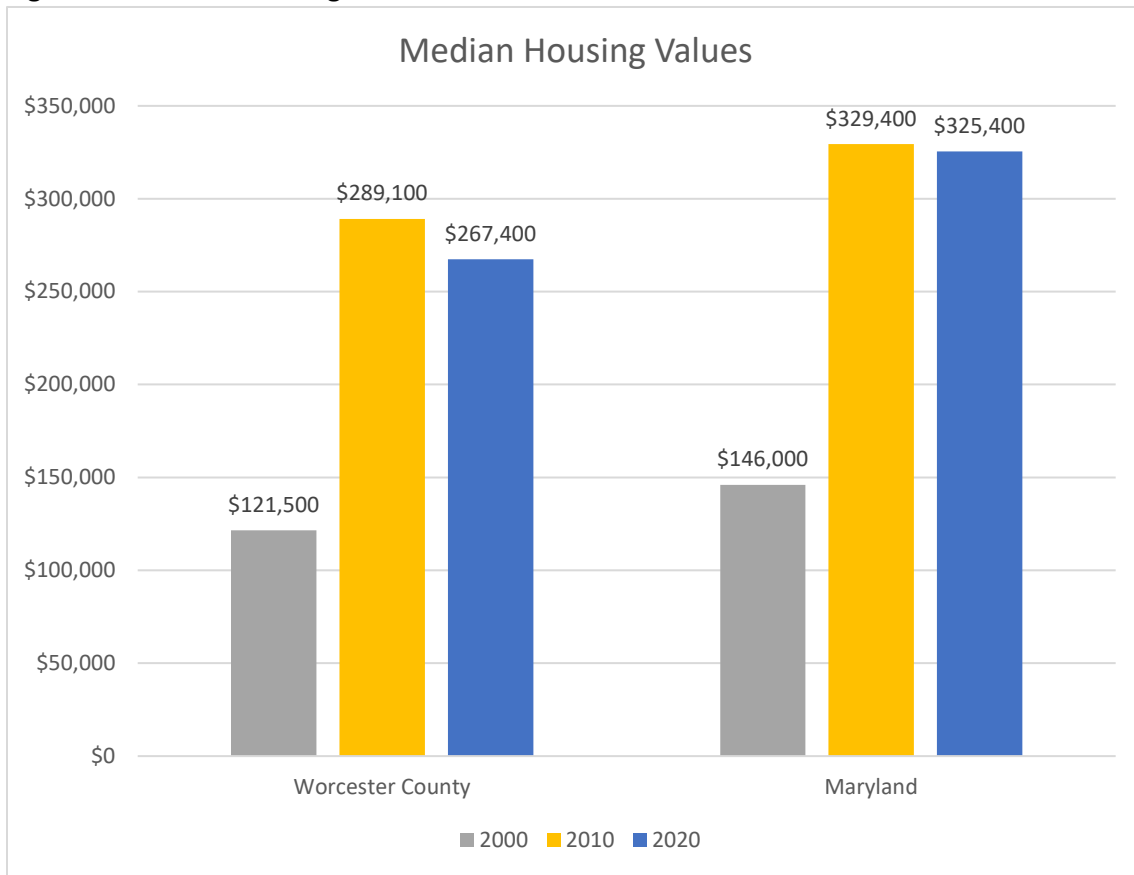
In contrast, the median rental values have seen a steady increase from 2000 to 2020 in both the County and the State, with the values in the state being higher (**See Figure 5-6, Median Rental Values**). The rise in these housing values overtime has created affordability issues since the incomes have not increased proportionally. The median household income increased from \$40,650 in 2000 to \$65,396 in 2020 which is an increase of 61% in 20 years, however, the median housing values have increase by 120% (\$121,500 to \$267,400) during the same period (**See Figure 5-7, Median Household Income and Home Value**). The county's median household income is \$24,667 less than the median household income for the State (\$87,063). The major push that leads to increase in prices is the lack of affordable housing options since realtors and developers are more focused on seasonal homes instead of creating diverse housing availability for people with different income levels.

Data from the Worcester County Housing Study 2025 corroborates these findings. The report states that rents across Worcester County have climbed in real terms over the past year. The Zillow Observed Rent Index (ZORI), a measure that tracks trends in listed rents for available rental units, was \$1,966 in May 2024 and rose steadily to \$2,273 by April 2025—an inflation-adjusted increase of more than 15 percent. Although the index declined slightly to \$2,228 in May 2025, rents remain significantly higher than one year earlier. Consistent with the HUD guidelines, a household would need to earn at least \$99,960 annually to keep combined rent and utilities below 30% of income – given the average monthly utility costs of \$271². However, the most recent data indicate that the median renter household in Worcester County earns about \$46,000 which is why rents are increasingly unaffordable. The report also indicates that affordability is an issue for mortgaged homeowners, where 31% of mortgaged homeowners spent 30% or more of their household income on total ownership costs, including mortgage payments, property taxes, insurance, and HOA fees. Cost burdens were much less for homeowners without a mortgage. For more details on affordability and cost burdened homeowners and renters, the report can be reviewed online at [\[.....\]](#)

² Utility costs were estimated using Five-Year 2023 Public Use Microdata Sample (PUMS) data from the U.S. Census Bureau. Matrix filtered the data to include only renter households in the region and calculated average monthly utility expenditures, including electricity, gas, water, and other fuels. These estimates were then adjusted to 2025 dollars using the Consumer Price Index (CPI) for Fuels and Utilities for U.S. Cities, published by the U.S. Bureau of Labor Statistics.

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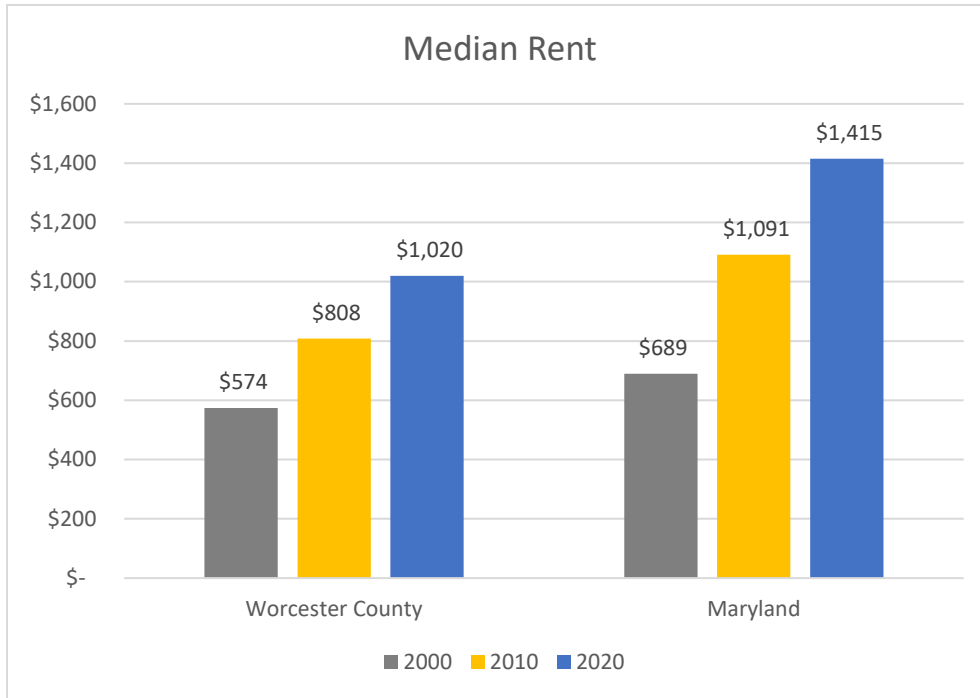
Figure 5-5: Median Housing Values



Source: 2020 and 2010 ACS 5-year estimates, 2000 Decennial Census

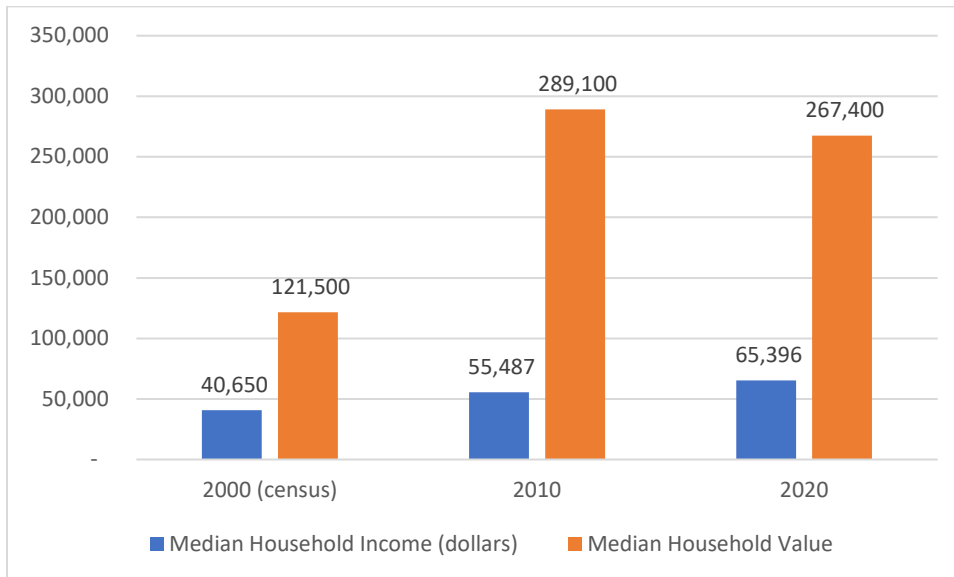
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Figure 5-6: Median Rental Values



Source: 2020 and 2010 ACS 5-year estimates, 2000 Decennial Census

Figure 5-7: Median Household Income and Home Value



Source: ACS 5-year estimates

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Affordable and Workforce Housing

The U.S. Department of Housing and Urban Development (HUD) defines housing as affordable if the cost of occupying the house does not consume more than 30 percent of the household’s income. HUD defines housing costs as contract rent plus utilities for renter, and monthly payment (mortgage, taxes, and insurance) for owners.

According to HUD, affordable housing is determined based on the Area Median Income (AMI). For homeowners, affordable housing costs do not exceed 30 percent of the yearly income for those who earn 80 percent or less of the AMI. For renters, affordable housing costs do not exceed 30 percent of the yearly income for those who earn 60 percent or less of the AMI. Workforce housing is generally thought of as housing affordable to essential public- and service-sector employees such as teachers, fire fighters, and nurses. It is defined here as housing affordable to households with incomes up to 120 percent of AMI.

Income limits are calculated for metropolitan areas and non-metropolitan counties in the country using the Fair Market Rent (FMR) area definitions used in the Section 8 program, based on HUD estimates of median family income, with adjustments for family size. **Table 5-8: HUD FY24 Income Limits Summary** shows the income limits for different family sizes.

Table 5-8: HUD FY24 Income Limits Summary

FY 2024 Income Limit Area	Median Family Income	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Worcester County, MD HUD Metro FMR Area	\$103,400	Very Low (50%) Income Limits (\$)	36,200	41,400	46,550	51,700	55,850	60,000	64,150	68,250
		Extremely Low- Income Limits (\$) *	21,700	24,800	27,900	31,200	36,580	41,960	47,340	52,720
		Low (80%) Income Limits (\$)	57,900	66,200	74,450	82,700	89,350	95,950	102,550	109,200

Source: HUD FY 2024 Section 8 Income Limits

NOTE: Worcester County is part of the Worcester County, MD HUD Metro FMR Area, so all information presented here applies to all of the Worcester County, MD HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Worcester County, MD HUD Metro FMR Area.

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The Worcester County, MD HUD Metro FMR Area contains the following areas: Worcester County, MD;

** The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low income limits may equal the very low (50%) income limits. Income Limit areas are based on FY 2024 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2024 Fair Market Rent documentation system.*

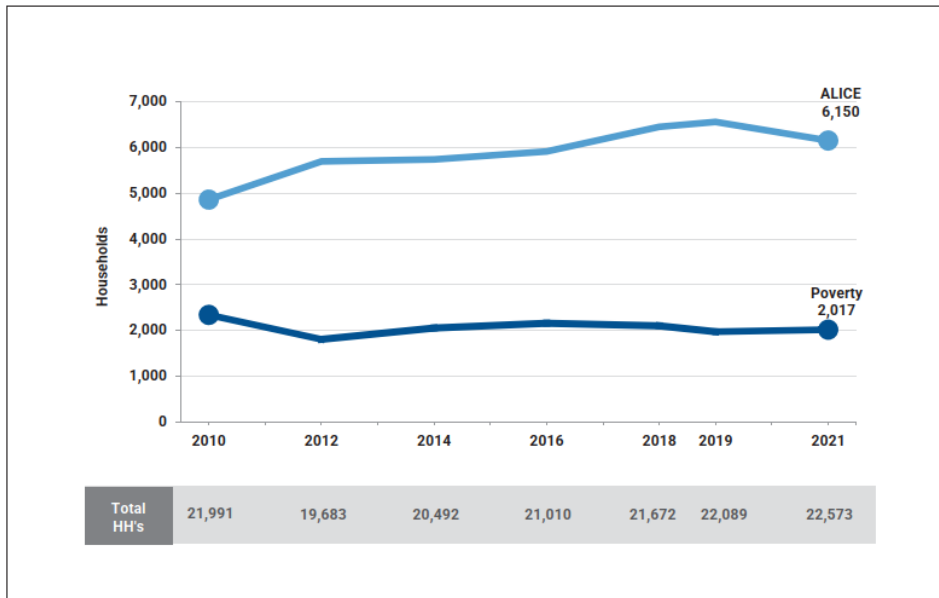
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ALICE 2023 Report shows the affordability statistics based on the ALICE threshold. ALICE is an acronym for Asset Limited, Income Constrained, Employed. These are households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county (the ALICE Threshold). Households below the ALICE Threshold, ALICE households plus those in poverty, can't afford the essentials.

Figure 5-8: Households by Income below is taken from the ALICE Report 2023 to show the affordability in Worcester. As of 2021, more than 6,000 households are below the ALICE threshold in Worcester.

Figure 5-8: Households by Income

Households by Income, Worcester County, 2010–2021



Note: See an interactive version of this data at UnitedForALICE.org/Maryland.

Sources: ALICE Threshold, 2010–2021; American Community Survey, 2010–2021

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Workforce Housing

Workforce housing is housing affordable to households earning between 60-120 percent of AMI. Workforce housing targets middle-income workers, which includes professions such as police officers, firefighters, teachers, healthcare workers, and retail workers. Those who need workforce housing may not always qualify for subsidized housing programs such as the Low-Income Housing Tax Credit (LIHTC) program or the Housing Choice Vouchers program (formerly known as Section 8).

From the 1940s to the 1990s, housing was generally affordable to many middle-income workers due to wages remaining relatively consistent with costs of living. During the late 1990s and early 2000s, incomes began to lag behind rising costs of living, and housing supply for middle-income workers grew stagnant, causing an acute need for workforce housing. Because affordable housing programs focused on serving households making 60 percent or lower of AMI, middle-income workers were left with fewer housing options.

Federal programs through HUD or state governments are predominantly focused on supporting people that make less than 60 percent of AMI. The workforce housing target of 60-120 percent of AMI is an income stratum that is largely unserved and unaddressed by both federal and state programs aside from FHA loans. Affordable housing for the working and middle classes is largely left to individual municipalities and counties to deal with. Families that fall into this income category have found it increasingly difficult to purchase a home that is located in the area where they work, and that provides for the needs of their household. In response, many families have found housing that is significantly further away from their place of employment. This results in increased commute times, greater reliance on transportation infrastructure, less free time, and ultimately lower quality of life.

The success of Ocean City as a tourism destination drives strong demand for seasonal workforce housing in Ocean City and the surrounding unincorporated areas. The influx of tourists and temporary residents during the summer months drives significant competition for short-term accommodations, prompting increased development of vacation rentals and second homes. This concentrated demand has placed upward pressure on housing prices and availability not only within Ocean City but also in surrounding unincorporated areas such as West Ocean City, Berlin, and Ocean Pines. As more of the local housing stock is directed toward seasonal or investment use, the supply of affordable, year-round residences has become increasingly constrained. This dynamic contributes to a growing shortage of workforce housing, particularly for employees in the hospitality, service, and retail sectors who sustain the local tourism economy. Consequently, many workers face long commutes or must seek housing outside the county, posing challenges for both economic stability and community sustainability.

Attainable Housing

According to a report by the Urban Land Institute on Attainable Housing³, an additional area for discussion related to the country's housing affordability challenge is the near disappearance, in most areas, of modestly priced, new for-sale homes – which could be referred to as attainable housing. The

³ Attainable Housing: Challenges, Perceptions, and Solutions (<https://www.rclco.com/wp-content/uploads/2019/04/Attainable-Housing3-Challenges-Perceptions-and-Solutions-ULI-Terwilliger.pdf>)

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report defines attainable housing as nonsubsidized, for-sale housing that is affordable to households with incomes between 80-120 percent of the area median income.

Housing prices have accelerated rapidly, partly as a result of limited new supply. The lack of overall supply, and the very low rate of growth in new construction at attainable price points, has led to significant challenges among many young adult households, and others with moderate incomes, who are looking to become homeowners. According to the 2020 Maryland Housing Needs Assessment & 10 year Strategic Plan⁴, Worcester's share represented less than 1% of total statewide housing funding, with only 2% of all subsidized units located in the county. The majority of state-supported activity focused on single-family loans and neighborhood revitalization, with limited funding for multifamily construction, a gap that constrains the development of affordable rental options. This pattern of funding distribution contributes to the county's ongoing affordability challenges, where 34% of households are cost-burdened⁵, paying more than 30% of income toward housing. The relatively low per-household funding levels highlight the limited capacity of existing state resources to address affordability needs in Worcester. Strengthening investment in multifamily development and rental assistance would be essential to improving housing accessibility for lower-income residents and ensuring a more equitable distribution of resources across the county.

Developers and builders are seeing housing demand shift because of the rise of small households. This trend has negative implications for the availability of smaller homes at attainable price points. The size of the traditional family household has been declining and the proportion of smaller households is increasing. Factors contributing to these trends include delaying marriage until later in life; birthing fewer children; having both partners in the workforce; greater rates of divorce; later-in-life remarriages; healthy life spans and longevity; and increased rates of aging in place. The County also experiences a notable influx of retirees who frequently purchase second homes before relocating. Despite the shifts in household size, new construction has continued to focus on delivering larger homes with more bedrooms. This results in gaps between the needs and demands of residents and the supply of appropriate housing.

To successfully bridge this gap, attainable housing developments should focus on:

- **Smaller Homes**— Homes with less than 1,400 square feet offer first-time homebuyers, downsizers, and small households of any age and income level alternative housing options.
- **Value Housing**—Many homebuilders are introducing models to specifically address attainable housing. These scaled-down models often offer greater simplicity in terms of option packages and structural components, thereby enabling the homebuilder to deliver products more cost-effectively which can increase the supply of attainable housing.
- **Missing-Middle Housing**—This strategy provides housing options at densities between single-family homes and mid-rise communities whose scale would be compatible (e.g., duplexes, triplexes, courtyard buildings, bungalow courts, live-work buildings). The scale of these buildings

⁴ <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

⁵ Maryland Housing Needs Assessment & 10-Year Strategic Plan (2020), Page 165

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can be attractive, especially when higher density, multi-unit attached housing is often perceived as being of less value than traditional single-family homes.

- **Cluster Housing**—Detached cluster homes allow for higher densities than traditional single-family homes but create the traditional feel associated with single-family developments often desired by homebuyers.

Housing Pipeline

The County's demographics, and how they may affect future aspirations, are significant considerations in the development of a housing strategy. As the population continues to age, the need for a variety of housing types for those over 65 is growing. Demand for large, four-bedroom suburban homes may not be desirable for this age group, given cost, maintenance, and transportation considerations. Likewise, the millennial and younger generations have yet to demonstrate the same commitment to and ability to access homeownership and a suburban lifestyle as the generations preceding them, with many looking for more town-centered locations with less dependence on automobile-based transportation options.

How future housing projects will meet this need is yet to be determined. Gathering and analyzing housing data can help the County monitor its progress and adjust housing policies as appropriate. Data and mapping tools are becoming both more sophisticated and easier to implement and use. Building permit data is useful in tracking residential projects and also in determining infrastructure planning needs. The Maryland Department of Planning is developing a Statewide Building Permit Reporting System to identify the location and to quantify the amount of residential development activity. Permit data will be collected through counties and municipalities. The County should ensure that its reporting is consistent with the needs of this project, as the data collected can be used by the County to undertake more detailed analysis of housing trends and also as a tool for its public facility planning.

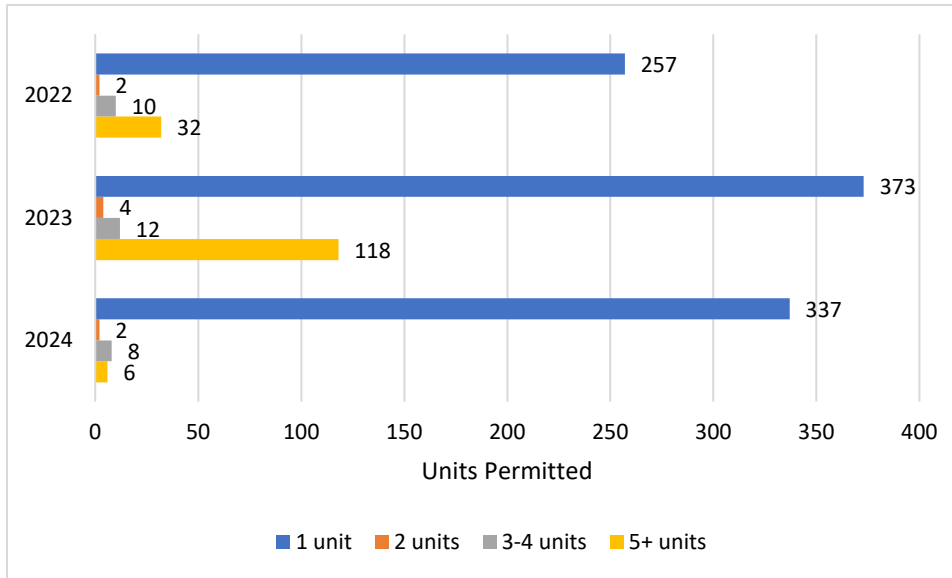
Coordinating with the State on the development of these tools may enable the County to implement these tools more easily. As data from these analyses becomes available, the County can coordinate with elected officials and regional organizations to identify housing needs, including the need for housing for all age groups.

Housing Permits

The 2025 Worcester County Housing Study reports the residential permitting trends by building size in Worcester County between 2022 and 2024, see **Figure 5-9: Housing Units Permitted across Worcester County, 2022-2024**. The figure provides a snapshot of the development pipeline, denoting the number of new housing units authorized for construction each year. Unsurprisingly, single-family homes consistently accounted for most permitted units, making up 85 percent of all units in 2022 (257 units), 74 percent in 2023 (373 units), and 95 percent in 2024 (337 units). While there was an uptake in permits for five or more units in 2023, which made up almost a quarter of that year's total, permits for duplexes and multifamily remained low overall.

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Figure 5-9: Housing Units Permitted across Worcester County, 2022-2024



Source: U.S. Census Building Permits Survey; Matrix Design Group Inc. (Worcester County Housing Study 2025)

Note: The unit of analysis is the number of housing units permitted. Estimates are reported values, not imputed values.

Substandard Housing

The 2025 Worcester County Housing Study finds that substandard housing remains a significant issue, especially in the county’s southern and inland areas, such as Pocomoke City, Snow Hill, and nearby unincorporated communities. The report’s analysis, which combines census tract data with parcel-level construction and age information, reveals clusters of older, lower-quality homes that are more vulnerable to deterioration, code violations, and health hazards. Many of these homes were built before 1970 and often rely on non-standard heating fuels like bottled gas or kerosene, indicating limited access to modern utilities and higher safety risks. In contrast, northern coastal communities such as Ocean City and Ocean Pines generally report newer, better-quality housing. The study emphasizes that addressing substandard conditions will require targeted rehabilitation programs, code enforcement, and modernization efforts, particularly in high-need southern areas to preserve affordable housing and improve living standards.

Homelessness

Like most of the United States, Worcester County and its surrounding region has also been facing the issue of homelessness. According to the Point-In-Time (PIT) count, which gives a snapshot of the sheltered and unsheltered homeless population on a single night in the month of January each year, 653,104 people – or about 20 of every 10,000 people in the United States – experienced homelessness

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across the United States in 2023⁶. This is the highest number of people reported as experiencing homelessness on a single night since PIT count reporting began in 2007⁷.

The PIT count in Wicomico, Somerset and Worcester Counties in Maryland⁸ indicate that a total of 87 persons from households with children and 242 adults from households without children experienced homelessness. The data shows that majority of the people experiencing homelessness are Black/African Americans. Amongst the households with children, 61 out of the total 87 people were aged under 18 years. In contrast, majority of the people in households without children were aged above 55 years (101 adults).

It should be noted, however, that this data only captures one night in January in a given year, therefore it may not be comparable to the average numbers or trends over the year.

Table 5-9: PIT Count Experiencing Homelessness in 2023 in Wicomico, Somerset and Worcester Counties

	Overall	Females	Males	Black/African American	Chronically Homeless	Adults with Serious Mental Illness
Adults and Children	87	51	36	71	0	--
Adults only	242	89	150	121	70	53

Source: 2023 Point-in-Time Count MD-513 Wicomico, Somerset, Worcester Counties CoC

The primary contributing factors of homelessness are a combination of low wages and a lack of available, affordable, or adequate housing. Low income relative to cost of living, disabling conditions, domestic violence, and sudden income loss are common issues that result in individuals losing housing. Coupled with rising unemployment and loss of incomes, the historical drivers of homelessness were exacerbated by the COVID-19 pandemic. States and the Federal government responded with a number of new policies and programs to prevent or delay eviction which was helpful in the short run. Since the COVID-19 emergency has ended, most of these programs have been discontinued, making housing affordability a continued issue that has been a major cause of homelessness.

Worcester County’s agencies work together to address homelessness, but they all agree that finding affordable housing is a major challenge. This issue makes provider agencies jobs harder. Most people experiencing homelessness need services in the northern part of the county, especially in Berlin or Ocean City areas.

Affordable housing is often available during the off-season months (October through April). However, during the tourist season, apartments can cost \$700 to \$1,000 more per month. This increase can lead to homelessness or raise the risk of losing housing starting May 1, when higher rental rates apply. Winter rental housing is not always available, but when the season starts after three months, prices for

⁶ This count does not include people served in rapid rehousing, permanent supportive housing, or other permanent housing programs, which comprise 60 percent of the national inventory as reported in the 2023 Housing Inventory Count.

⁷ 2023 Annual Homeless Assessment Report (AHAR to Congress)

⁸ 2023 Point-in-Time Count MD-513 Wicomico, Somerset, Worcester Counties CoC

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winter rentals increase. As a result, some individuals who cannot afford these higher prices end up returning to the streets.

Employment opportunities in Worcester County vary greatly. In the Ocean City area, many jobs come with seasonal tourism during the summer months. These jobs are usually not long-term since businesses cut back after the tourist season ends. During the off-season, Worcester County has one of the highest unemployment rates in Maryland. This can lead to housing instability, as people may not earn enough to support themselves and their families.

Worcester County also lacks primary care providers, dentists, pediatricians, and psychiatrists. Telepsychiatry has helped some, but it does not fully meet the demand for psychiatric services. Public transportation is another significant issue. Shore Transit connects towns like Berlin, Ocean City, Pocomoke, Salisbury, and Snow Hill, but its schedule is limited and often inconvenient for medical appointments. Using public transportation can also create financial strain, as costs are charged per person and per ride, with extra fees for transfers. After the tourist season, bus services are reduced even more.

Some specialized behavioral health services available in urban areas are not offered in Worcester County. Tidal Health Regional Medical Center, located in Wicomico County, is the only provider of adult inpatient mental health services. Crisis beds and partial hospitalization programs are available in neighboring counties but not in Worcester County. There is a continuous need for crisis beds and peer support for people with mental illness.

The Worcester County Homeless Outreach Team (HOT) initiated its coordinated outreach efforts in May 2018 to connect individuals experiencing homelessness to vital services. Outreach activities in the rural regions of Worcester County present significant challenges due to the transient nature of homelessness. The team is comprised of approximately 22 members from various agencies throughout the county, collaboratively providing support to homeless individuals encountered during their outreach efforts. The team convenes approximately twice monthly, designating one meeting for street outreach activities.

The data that is being collected is Point in time (PIT), explained earlier, which can refer to a time metric, a count of people experiencing homelessness, or a general phrase that means at a specific moment in time. A PIT report provides a snapshot of data at a specific time.

Local Resources

Diakonia is actively serving the Tri-County Lower Eastern Shore Region. In the Summer of 2023, Diakonia piloted a New Rapid Response Team that responds to calls from the community and emergency dispatch regarding complaints/concerns of potentially homeless persons. Over the course of the year, Diakonia received almost 250 calls, averaging 1 person every other day. Plans to build 42 affordable housing units to help mitigate the housing shortage on the Lower Eastern Shore.

Other resources for people experiencing homelessness in Worcester County include the following:

- Homeless Alliance for the Lower Shore (HALS)- Tri County Resource guides.
Offers emergency shelter, rental assistance, and case management. You can call (410) 219-0923 to assess the eligibility and availability of beds.
- 211 Maryland
Call 2-1-1 to connect with community resources to help with food, utility assistance, and other financial needs. 211 is available 24/7.

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- Local shelters in Worcester County:
 - Christian Shelter: Located at 334 Barclay Street, Salisbury, MD 21804. Their phone number is (410) 749-5673.
 - Samaritan Ministries, Inc. Located at PO Box 661, 814 4th Street, Pocomoke, MD 21851. Their phone number is (410) 957-4310.
 - Diakonia, Inc. Located at 12747 Old Bridge Road, Ocean City, MD 21842. Their phone number is (410) 213-0923.
 - HALO Shelter for Women and Children

Housing Resources

Listed below are some of the current housing resources that operate within Maryland. These programs provide support for many of the goals established in this plan and are resources that should continue to be leveraged by the County and residents to facilitate the improvement of housing supply, affordability, and access.

Housing Choice Vouchers Program (formerly Section 8)

Multifamily federally funded, tenant-based vouchers According to the DHCD website, “the Housing Choice Voucher Program (HCVP) is a federally funded, locally administered rental assistance program that subsidizes the rent of lower-income families, the elderly, and disabled to afford decent, safe housing in the private market using federal funds. The Maryland Department of Housing and Community Development administers the program in parts of the Eastern Shore and Western Maryland including Allegany County (including the City of Cumberland), Caroline County, Dorchester County, Frederick County, Garrett County, Kent County, Somerset County, Talbot County, Wicomico County and Worcester County.

Maryland Housing Authority

Maryland Housing Authority is a government-run organization that provides housing help in certain areas. Residents who qualify can get access to affordable public housing, housing project assistance, or subsidized housing within the County.

Maryland Mortgage Program

The Maryland Mortgage Program (MMP) helps homebuyers achieve homeownership through a range of loan programs that make purchasing and owning a home more affordable. MMP home loans are available as either Government or Conventional insured loans. Government loans can be guaranteed by the Federal Housing Administration (FHA), the U.S. Department of Veterans Affairs (VA), or the U.S. Department of Agriculture/Rural Housing Service (USDA/RHS).

MMP has a dual track product line that includes loan products for first-time homebuyers and the flexible products that include assistance for down payments and closing costs. The program also offers some specialty loans for specific types of borrowers (with student debt or purchasing in a particular location). Product enhancements may also be available (special assistance grants or mortgage credit certificates).

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Maryland Housing Toolbox

This toolbox was developed from the Maryland Department of Housing and Community Development's Housing Needs Assessment. It is a downloadable spreadsheet that includes approximately 70 housing-related actions. Each action has an overview, implementation considerations, and beneficiaries. This toolbox was developed to help communities shape housing framework and future policies.

Local Resources

Worcester County typically receives grant funding of \$300,000 every two years through the Community Development Block Grant (CDBG) program, administered through the Maryland Department of Housing and Community Development (DHCD). These funds enable Worcester County to provide grants to support rehabilitation activities to approximately 12 to 15 low- to moderate-income homeowners living in substandard housing units. Grant funds are supplemented through the Special Loans Program offered by DHCD; additionally, the county partners with Shore Up! Inc. to cover the cost of weatherization and other energy saving measures. Referrals are made to Chesapeake Housing Mission for the construction of handicap accessible ramps where these are needed.

Through DHCD's Operation Rebuild, the County is assisting in the replacement of 10 dwelling units as of 2024. This program assists owner-occupied single-family homeowners by providing low interest loans to replace their substandard home with one that meets current building codes and standards.

In 2024, Worcester County received a \$50,000 grant from DHCD to update the 2004 Housing Study and Affordable Housing Report. It is intended to provide recommendations that will allow the County to develop a housing program to improve existing housing stock and target areas identified therein, so that funds can be used for the highest and best use to provide a greater supply of affordable housing.