



Dover-Sussex County, Delaware

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2012



Housing Market Area



The Dover-Sussex County Housing Market Area (HMA) consists of two of the three counties in Delaware, each of which comprises a submarket for purposes of this analysis. The city of Dover, which is the state capital, and Dover Air Force Base (AFB) are in the Kent County submarket. The Sussex County submarket, the largest producer of broiler chickens in the nation, includes coastal towns that draw 7 million visitors, who spend \$1.47 billion, annually.

Market Details

- Economic Conditions 2
- Population and Households 4
- Housing Market Trends 6
- Data Profiles 11

Summary

Economy

The economy of the Dover-Sussex County HMA began to expand in 2011 after 2 years of decline. Total nonfarm payrolls increased by 1,300 jobs, or 1.0 percent, to 135,100 jobs during the 12 months ending June 2012. The service-providing sectors increased by 2,450 jobs, or 2.2 percent, which more than offset the loss of 1,150 jobs, or 5.6 percent, in the goods-producing sectors. During the next 3 years, non-farm payrolls are expected to increase by 740 jobs, or 0.6 percent, annually.

Sales Market

The sales housing market in the HMA is soft but improving, with a current estimated vacancy rate of 3.2 percent. A recent increase in the number of homes sold coincided with a decrease in the average home sales price. During

the next 3 years, demand is forecast for 5,500 new homes (Table 1). A portion of the estimated 41,900 other vacant units might reenter the market to satisfy some of the demand.

Rental Market

The overall rental housing market in the HMA is soft, with an estimated vacancy rate of 11.9 percent. The presence in the Sussex County submarket of an estimated 35,000 seasonal units, or 18 percent of all housing units in the HMA, influences the rental market. The apartment market is balanced, with a vacancy rate estimated at 4.6 percent, up from 4.0 percent a year earlier. During the next 3 years, demand is forecast for 1,425 new rental units, and the 470 units under construction will satisfy a portion of that demand (Table 1).

Table 1. Housing Demand in the Dover-Sussex County HMA, 3-Year Forecast, July 1, 2012 to July 1, 2015

	Dover-Sussex County HMA		Kent County Submarket		Sussex County Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	5,500	1,420	2,750	700	2,750	720
Under Construction	1,000	470	300	240	700	230

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2012. A portion of the estimated 41,900 other vacant units in the HMA will likely satisfy some of the forecast demand. Includes an estimated demand for 300 mobile homes in the Sussex County submarket.

Source: Estimates by analyst

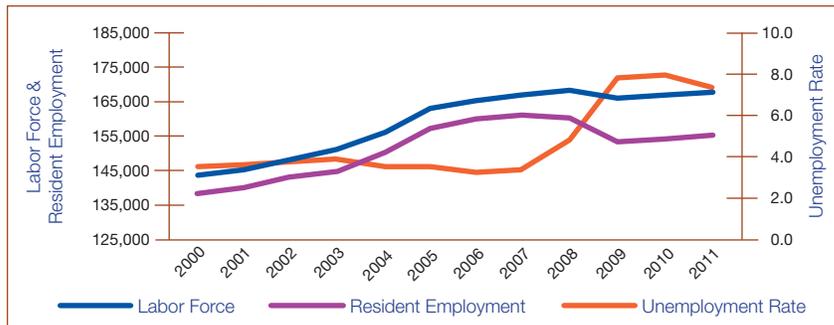
Economic Conditions

During the 12 months ending June 2012, nonfarm payrolls in the Dover-Sussex County HMA increased by 1,300 jobs, or 1.0 percent, to 135,100 jobs compared with average nonfarm payrolls during the previous 12 months. Payrolls decreased by 5,400 jobs, or 3.9 percent, from 2008 through 2010, due mostly to a 21-percent contraction in the goods-producing sectors. The loss of 3,200 jobs in the mining, logging, and construction sector accounted for nearly 60 percent of the decline in nonfarm payrolls during this period. From 2003 through 2007, nonfarm payrolls increased by an average of 3,425 jobs, or 2.7 percent, a year. The trade, transportation, and utilities sector led job growth during this period, increasing by an average of 1,150 jobs, or 4.8 percent. During the 12 months ending

June 2012, the unemployment rate averaged 7.1 percent, down from 7.5 percent during the previous 12 months. Figure 1 shows trends in the annual labor force, resident employment, and the unemployment rate from 2000 through 2011.

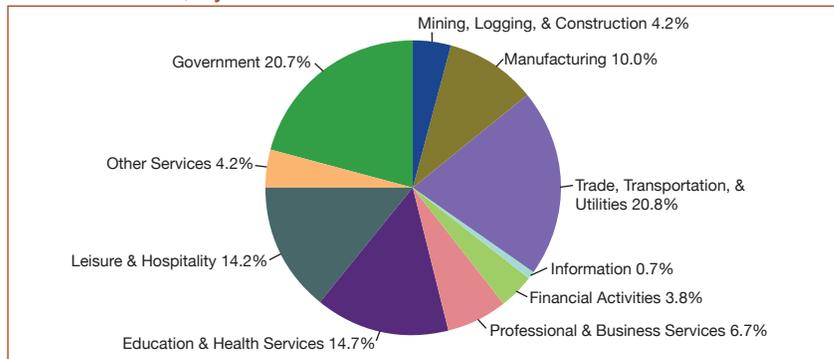
The HMA includes Dover, the state capital, and the government sector accounts for 21 percent of total nonfarm payroll jobs (Figure 2). According to the Delaware Office of Management and Budget, approximately 11,350 state government workers are employed in the Kent County submarket. This total includes workers at Delaware Technical and Community College, with 970 employees and 8,075 students enrolled at two locations in the HMA, and Delaware State University in the city of Dover, with 920 employees and 4,175 students enrolled. According to statistics from the Defense Manpower Data Center of the Department of Defense, the number of active-duty military and civilian employees at Dover AFB, in the Kent County submarket, has been stable since 2000. With approximately 5,400 military personnel and 990 civilian employees, Dover AFB currently has an economic impact of more than \$460 million a year on the area within 50 miles of its location, according to the Dover AFB Finance Department.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Dover-Sussex County HMA, 2000 Through 2011



Source: Delaware Office of Occupational and Labor Market Information

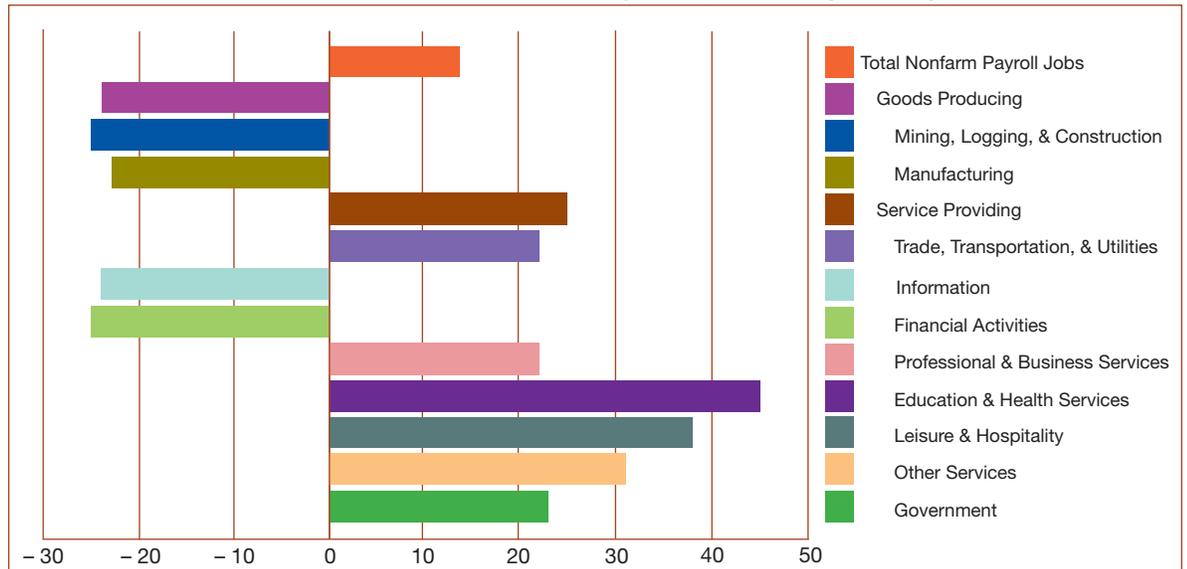
Figure 2. Current Nonfarm Payroll Jobs in the Dover-Sussex County HMA, by Sector



Note: Based on 12-month averages through June 2012.

Source: Delaware Office of Occupational and Labor Market Information

The education and health services sector has been the fastest growing sector in the HMA since 2001 (Figure 3). During the 12 months ending June 2012, payrolls in the education and health services sector increased by 850 jobs, or 4.5 percent (Table 2). Bayhealth Medical Center, with two hospitals and 2,860 employees in the HMA, opened a \$147 million emergency and trauma unit and integrated

Figure 3. Sector Growth in the Dover-Sussex County HMA, Percentage Change, 2001 to Current

Note: Current is based on 12-month averages through June 2012.

Source: Delaware Office of Occupational and Labor Market Information

cancer center in the city of Dover in early 2012, adding approximately 100 jobs.

Despite the contraction in total nonfarm payrolls during 2008 and 2009, payrolls in the leisure and hospitality sector increased at a rate of 1.2 percent compared with the rate of 2.0 percent during the 2003-through-2007 period. During the 12 months ending June

2012, payrolls in the leisure and hospitality sector increased by 1,000 jobs, or 5.5 percent, compared with an increase of 1,100 jobs, or 6.2 percent, during the previous 12 months. According to the Delaware Tourism Office, 7 million tourists visit Sussex County submarket destinations such as Lewes and Rehoboth Beach each year. According to D.K. Shifflet & Associates Ltd., tourism expenditures in 2010 totaled \$1.47 billion and supported 15,000 jobs in the submarket. Dover Downs and Harrington Raceway & Casino in the Kent County submarket employ a combined 2,000 workers. Despite adding table games in 2010, casinos in the HMA experience significant out-of-state competition—including a \$500 million casino in Hanover, Maryland, which opened in June 2012—that will likely affect future revenues.

Manufacturing sector employment has declined 23 percent since 2001. During the 12 months ending June 2012, payrolls in the manufacturing

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Dover-Sussex County HMA, by Sector

	12 Months Ending June 2011	12 Months Ending June 2012	Percent Change
Total Nonfarm Payroll Jobs	133,800	135,100	1.0
Goods Producing	20,350	19,200	-5.6
Mining, Logging, & Construction	6,175	5,650	-8.5
Manufacturing	14,150	13,500	-4.5
Service Providing	113,500	116,000	2.2
Trade, Transportation, & Utilities	27,800	28,100	1.1
Information	1,000	990	-0.8
Financial Activities	5,300	5,100	-3.8
Professional & Business Services	8,950	9,050	1.2
Education & Health Services	19,000	19,850	4.5
Leisure & Hospitality	18,200	19,200	5.5
Other Services	5,500	5,625	2.3
Government	27,700	28,050	1.2

Notes: Based on 12-month averages through June 2011 and June 2012. Numbers may not add to totals because of rounding.

Source: Delaware Office of Occupational and Labor Market Information

sector decreased by 650 jobs, or 4.5 percent, less than the loss of 800 jobs, or 5.3 percent, during the previous 12 months. Food manufacturing is a specialty industry in the Sussex County

submarket, which is the largest producer of broiler chickens in the nation. Perdue® Farms, Inc., and Mountaire Farms are major employers in this sector (Table 3). Sea Watch International, Ltd., a supplier of canned and frozen clams based in the submarket, added 80 jobs in August 2011 and will add 50 jobs in 2012 as a result of a \$4 million expansion.

During the 3-year forecast period, total nonfarm payrolls are expected to increase by an average of 740 jobs, or 0.6 percent, annually. The education and health services, leisure and hospitality, and professional and business services sectors are expected to lead growth during the forecast period.

Table 3. Major Employers in the Dover-Sussex County HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Delaware	Government	9,950
Dover Air Force Base	Government	4,450
Bayhealth Medical Center	Education & Health Services	2,860
Beebe Medical Center	Education & Health Services	2,000
Dover Downs, Inc.	Leisure & Hospitality	1,530
Perdue® Farms, Inc.	Manufacturing	1,275
Mountaire Farms	Manufacturing	1,000
Delaware Technical and Community College	Government	970
Delaware State University	Government	920
Wal-Mart Distribution Center	Trade, Transportation, & Utilities	700

Notes: Excludes local school districts. Based on 2010 data.

Sources: Kent Economic Partnership; Sussex County Economic Development Office

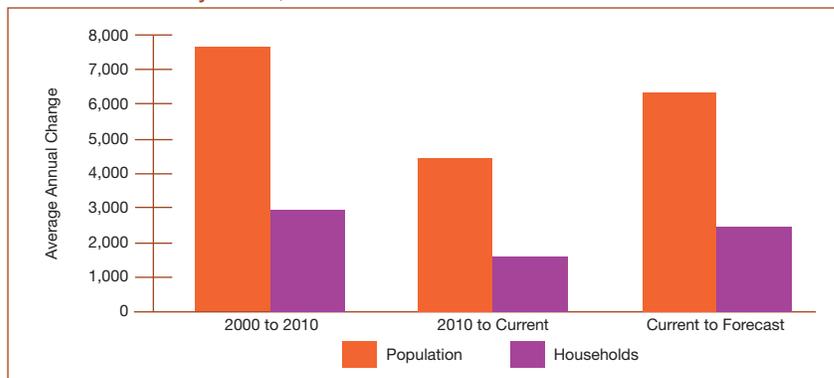
Population and Households

The population of the Dover-Sussex County HMA currently is estimated at 369,400, an average annual increase of 4,425 people, or 1.2 percent, since 2010. From July 2003 through July 2008, annual population growth averaged 9,325 people, or 2.9 percent, during a period of strong job growth. From July 2008 through April

2010, annual population growth slowed to 5,450 people, or 1.6 percent, because of job losses in 2008 and 2009. Figure 4 shows population and household growth in the HMA from 2000 through the forecast period.

Net in-migration has averaged 3,250 people a year, or more than 70 percent of population growth, since 2010 (Figure 5). Net in-migration peaked at an average annual rate of 8,125 people, or 85 percent of overall population growth, from 2003 through 2007. In-migration from the adjacent states of Maryland, New Jersey, and Pennsylvania accounted for approximately 55 percent of total in-migration during this period, according to data from the Internal Revenue Service. Net natural change (resident births minus resident deaths) has averaged an increase of 1,175 people a year since

Figure 4. Population and Household Growth in the Dover-Sussex County HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

2010, less than the average of 1,325 people a year from 2000 to 2010. The Kent County submarket accounted for more than 75 percent of net natural increase in the HMA during this period because of the greater proportion of retirees in the Sussex County submarket.

An estimated 166,900 people reside in the Kent County submarket. Annual population growth averaged 3,550 people, or 2.5 percent, during the 2000s but has slowed to 2,050 people, or 1.2 percent, since 2010 because of decreased net in-migration. Among the colleges and universities in the submarket are Wesley College, which currently enrolls 2,100 students, and Delaware State University, which increased its enrollment from 3,100 in 2000 to 4,175 in 2011.

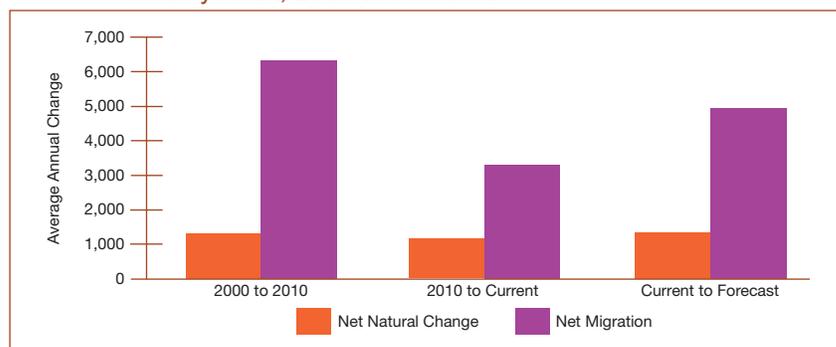
An estimated 202,500 people reside in the Sussex County submarket. Since 2010, population growth has averaged 2,375 people, or 1.2 percent, a year compared with an average annual increase of 4,050 people, or 2.3 percent, from 2000 to 2010. Because the submarket is a retirement destination, 26 percent of its residents were age 62 or older in 2010, up from 22 percent

in 2000. The proportion of residents age 62 or older in the Kent County submarket was 17 percent in 2010. New residents are attracted to the Sussex County submarket for its waterfront locations; nearly 75 percent of population growth during the 2000s occurred in areas east of U.S. Route 113, which roughly bisects the submarket into western and eastern halves.

An estimated 143,200 households reside in the HMA, with 81,600 in the Sussex County submarket and 61,600 in the Kent County submarket. Since 2010, the number of households has increased by 1,575, or 1.1 percent, a year compared with an increase of 2,975, or 2.4 percent, a year from 2000 to 2010. Weaker local economic conditions and the difficulty retirees face in selling their current homes before moving to the HMA contributed to the decline in household growth. Tables DP-1, DP-2, and DP-3 at the end of this report provide detailed information about population and household growth in the HMA and the two submarkets.

As the economy improves, the number of households in the HMA is expected to increase by 2,400, or 1.6 percent, a year to 150,400 households by 2015, the end of the 3-year forecast period. The population of the Kent County submarket is expected to increase annually by 2,975 people, or 1.7 percent, and the number of households by 1,100, or 1.8 percent. In the Sussex County submarket, the population is expected to increase annually by 3,375 people, or 1.6 percent, and the number of households by 1,300, or 1.6 percent.

Figure 5. Components of Population Change in the Dover-Sussex County HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Housing Market Trends

Sales Market—Kent County Submarket

The sales housing market in the Kent County submarket is soft, with an estimated vacancy rate of 2.2 percent. According to TREND MLS, 1,325 new and existing single-family homes sold during the 12 months ending June 2012, up more than 20 percent compared with sales during the previous 12 months but down 17 percent compared with the average number sold annually from 2006 through 2009. The number of owner households increased by an average of 1,000 a year during the 2000s, but the increase has slowed to 510 owner households annually since 2010 (Figure 6). Sales prices averaged \$176,800 during the 12 months ending June 2012, down more than 5 percent compared with the average sales price during the previous 12-month period and down

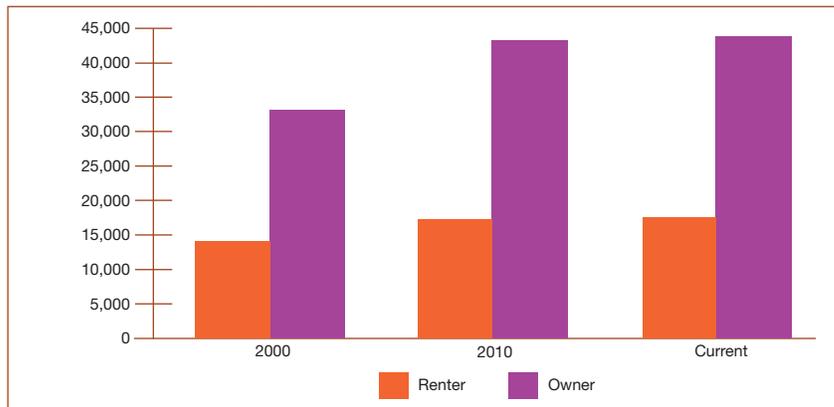
24 percent compared with the average sales price from 2006 through 2009. As of June 2012, the inventory of unsold homes in the submarket was an 11-month supply, down from more than a 16-month supply a year earlier.

Conditions are soft in the Kent County submarket because of an increased number of distressed properties and distressed home sales. Sales of foreclosed or REO (Real Estate Owned) homes increased from 45 percent of total sales during the 12 months ending May 2011 to nearly 55 percent of sales during the 12 months ending May 2012, according to Hanley Wood, LLC. According to LPS Applied Analytics, as of June 2012, 7.4 percent of total loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 6.6 percent a year earlier.

The decreased growth in the number of owner households is restraining homebuilding activity in the submarket. According to preliminary data, permits were issued for 600 single-family homes during the 12 months ending June 2012, a slight decline from 620 permits issued during the previous 12 months (Figure 7). Single-family home permitting peaked in 2004 at 2,075 homes then declined each year through 2011. A typical price for a new, three-bedroom, single-family home in the submarket is \$260,000, according to Hanley Wood, LLC.

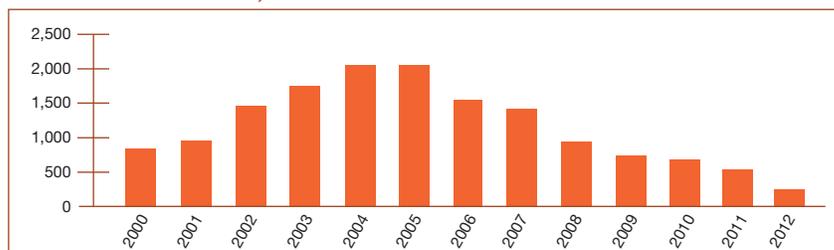
During the 3-year forecast period, demand is forecast for 2,750 new market-rate homes in the Kent County submarket (Table 1). The 300 homes currently under construction and a portion of the 2,400 other vacant units that might reenter the market will

Figure 6. Number of Households by Tenure in the Kent County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 7. Single-Family Building Permits Issued in the Kent County Submarket, 2000 to 2012



Notes: Includes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Sales Market—Kent County Submarket *Continued*

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Kent County Submarket, July 1, 2012 to July 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	199,999	410	15.0
200,000	249,999	690	25.0
250,000	299,999	690	25.0
300,000	349,999	550	20.0
350,000	399,999	280	10.0
400,000	and higher	140	5.0

Note: The 300 homes currently under construction and a portion of the estimated 2,400 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

satisfy some of the forecast demand, which is expected to remain level each year. Table 4 illustrates the estimated demand for new homes by price range in the submarket during the forecast period.

Rental Market—Kent County Submarket

The rental housing market in the Kent County submarket is slightly soft, with an overall vacancy rate currently estimated at 8.0 percent (Figure 8). According to 2006–2010 American Community Survey 5-year estimates, approximately 55 percent of renter households live in single-family homes or mobile homes, unchanged from 2000. Based on data from the Delaware State Housing Authority, U.S. Department of Agriculture, and Axiometrics Inc., the apartment market is balanced, with a vacancy rate currently estimated at 4.8 percent, down slightly from 5.0 percent a year earlier.

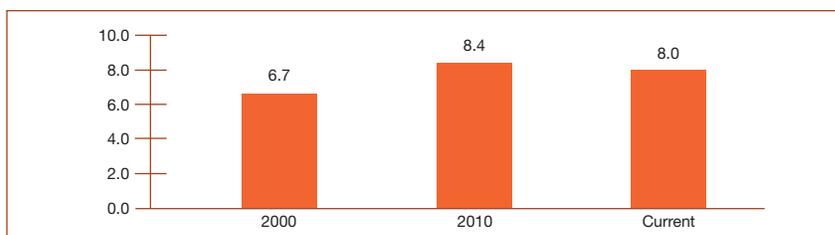
Based on annual surveys conducted by the Dover AFB housing office, the average rent for one-bedroom apartments in the submarket during 2011 declined 5 percent, to \$890, compared with the average rent a year earlier,

and the average rent for two-bedroom apartments increased 1 percent, to \$1,075. The average rent for two-bedroom townhomes declined 3 percent, to \$1,225, and the average rent for three-bedroom townhomes was unchanged at \$1,575.

Approximately 65 percent of the military personnel stationed at Dover AFB live in off-base housing, comprising an estimated 800 renter households, or approximately 5 percent of total renter households in the Kent County submarket. Military families also have the option to rent at Eagle Heights, an on-base community of 981 two- to five-bedroom homes, which was 98 percent occupied as of January 2012. Approximately 45 percent of students at Delaware State University, an estimated 630 renter households, and 30 percent of students at Wesley College, an estimated 200 renter households, live off campus.

Multifamily construction activity increased during the 12 months ending June 2012, when 210 units were permitted compared with the 150 units permitted during the previous 12 months, based on preliminary data (Figure 9). An average of 190

Figure 8. Rental Vacancy Rates in the Kent County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

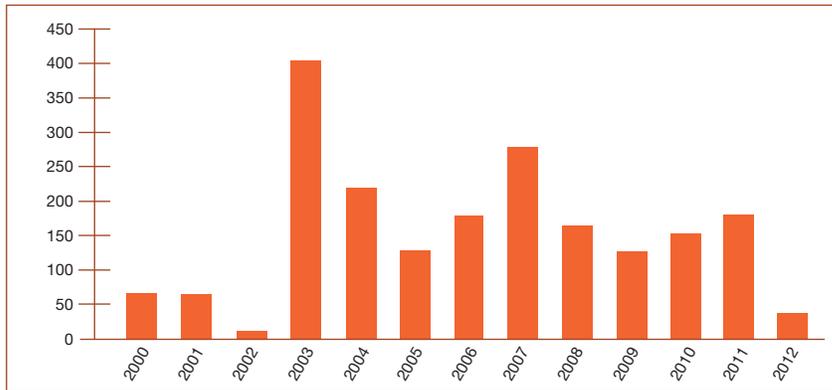
Rental Market—Kent County Submarket *Continued*

multifamily units was permitted annually from 2006 through 2009. Recent completions include 168 units at Village at Blue Hen, in the city of Dover, with asking rents of \$975, \$1,085, and \$1,250 for one-, two-, and three-bedroom apartments, respectively.

Sites under construction include Bayard Plaza, a 48-unit, low-income housing tax credit development in the city of Dover that is expected to open by the end of 2012. Proposed rents range from \$320 to \$595, and the units will be marketed to families earning less than 60 percent of the Area Median Income.

During the 3-year forecast period, demand is estimated for 700 new market-rate rental units in the Kent County submarket (Table 1). The 240 units currently under construction will meet approximately one-third of this demand. Rents for new, market-rate one-, two-, and three-bedroom apartments are estimated to start at \$850, \$950, and \$1,150, respectively (Table 5).

Figure 9. Multifamily Building Permits Issued in the Kent County Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Kent County Submarket, July 1, 2012 to July 1, 2015

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
850 to 1,049	140	950 to 1,149	290	1,150 to 1,349	40
1,050 or more	45	1,150 to 1,349	110	1,350 or more	30
		1,350 or more	45		
Total	180	Total	450	Total	70

Notes: Numbers may not add to totals because of rounding. The 240 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Sales Market—Sussex County Submarket

The sales housing market in the Sussex County submarket is soft, with an estimated vacancy rate of 3.8 percent. According to the Sussex County Association of REALTORS®, 2,075 new and existing homes sold during the 12 months ending June 2012, up 18 percent compared with sales during the previous 12 months but unchanged compared with the average number sold each year from 2006 through 2009. Existing home sales peaked at 3,600

homes sold in 2004, declined nearly 50 percent to 1,850 homes sold in 2009, and improved to 2,275 homes sold during 2011. New home sales peaked at 1,275 homes sold in 2005 but declined nearly 75 percent to 330 homes sold during 2011. The number of owner households in the submarket increased by an average of 1,175 each year during the 2000s, but growth declined to 870 households a year since 2010 (Figure 10). According to

Housing Market Trends

Sales Market—Sussex County Submarket *Continued*

LPS Applied Analytics, as of June 2012, 6.0 percent of total loans in the submarket were 90 or more days delinquent, were in foreclosure, or transitioned into REO, up from 5.6 percent a year earlier.

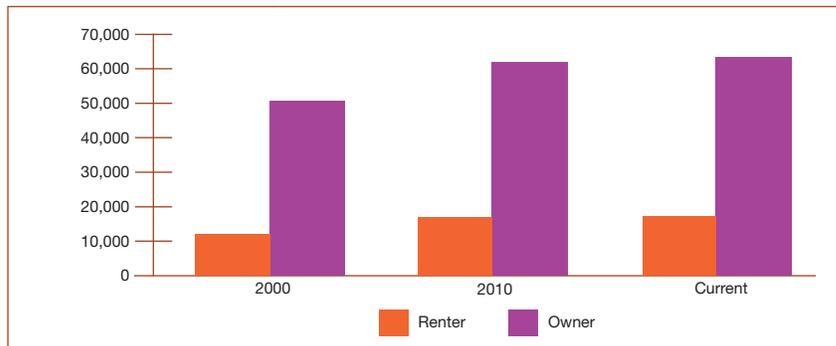
Sales prices in the Sussex County submarket vary significantly between homes sold near the waterfront and homes sold in the remainder of the submarket. According to Hanley Wood, LLC, near the Coastal Highway, the average sales price of nondistressed new and existing homes sold during the 12 months ending April 2012 was \$417,100 compared with an average of \$255,300 for nondistressed homes sold in the central and western parts

of the submarket. For the submarket as a whole, the average sales price for all new and existing homes during the 12 months ending June 2012 was \$311,900, down 9 percent compared with the average sales price a year earlier and down 12 percent compared with the average sales price from 2006 through 2009, according to the Sussex County Association of REALTORS®.

New home starts, like home sales, have rebounded in the Sussex County submarket during the past 2 years after slowing from the peak years for homebuilding activity from 2002 through 2006. According to preliminary data, permits were issued for 1,400 single-family homes during the 12 months ending June 2012, up 14 percent compared with the number of homes permitted during the previous 12 months (Figure 11). Homebuilding activity peaked in 2004 at 3,475 single-family, detached homes permitted, declined each year through 2008, and averaged 1,325 homes permitted from 2009 through 2011. Typical prices for new, three-bedroom homes are \$310,000 for a detached home and \$280,000 for a townhome, according to Hanley Wood, LLC.

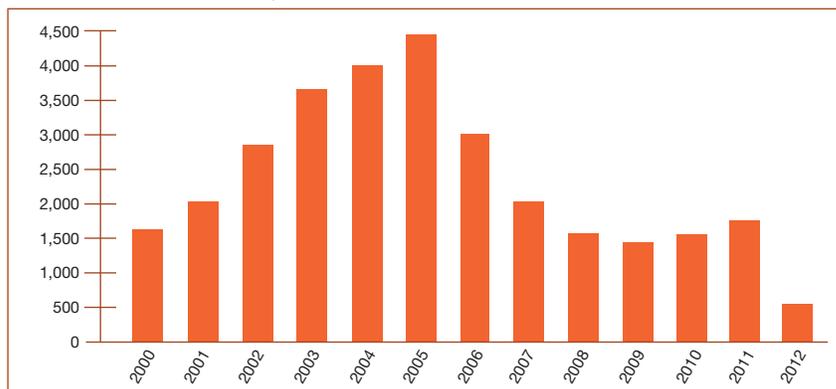
During the 3-year forecast period, demand is estimated for 2,450 new market-rate homes and 300 mobile homes in the Sussex County submarket (Table 1). The 700 homes currently under construction and a portion of the 39,500 other vacant units in the submarket that might reenter the market will satisfy some of the forecast demand, which is expected to remain level each year. Table 6 presents the estimated demand for new homes by price range in the submarket during the forecast period.

Figure 10. Number of Households by Tenure in the Sussex County Submarket, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 11. Single-Family Building Permits Issued in the Sussex County Submarket, 2000 to 2012



Notes: Excludes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Sussex County Submarket, July 1, 2012 to July 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	199,999	370	15.0
200,000	249,999	370	15.0
250,000	299,999	490	20.0
300,000	349,999	490	20.0
350,000	399,999	370	15.0
400,000	499,999	250	10.0
500,000	and higher	120	5.0

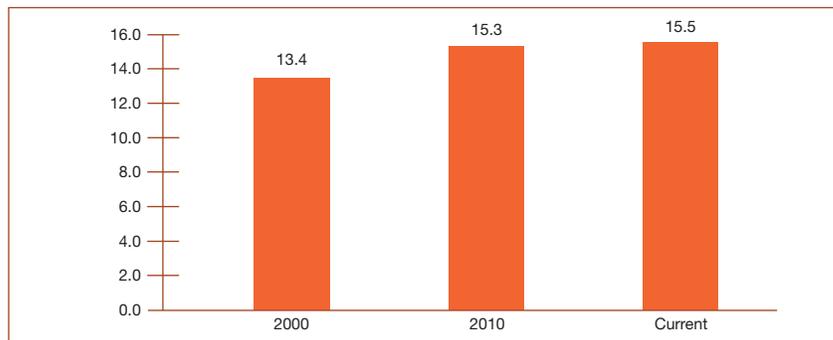
Notes: The 700 homes currently under construction and a portion of the estimated 39,500 other vacant units in the submarket will likely satisfy some of the forecast demand. Excludes mobile homes.

Source: Estimates by analyst

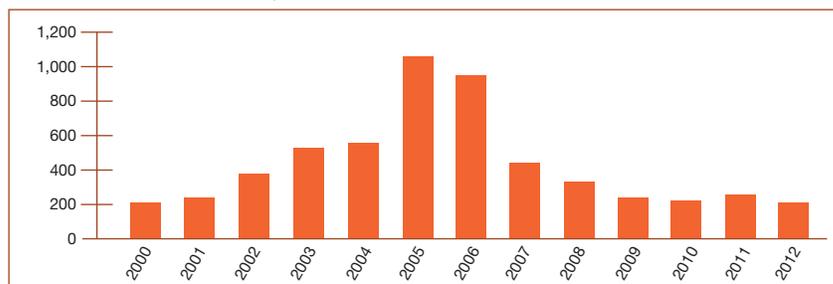
Rental Market—Sussex County Submarket

The overall rental housing market in the Sussex County submarket is soft, with an estimated vacancy rate of 15.5 percent (Figure 12), although the estimated 35,000 seasonal housing units in the submarket elevate this rate. The revenue generated from tourists who rent these units totaled

approximately \$870 million in 2010, according to estimates by D.K. Shifflet & Associates Ltd. According to data from the Delaware State Housing Authority and U.S. Department of Agriculture, the apartment market in the submarket is balanced, with a vacancy rate currently estimated at 4.4 percent, up from 2.9 percent a year ago.

Figure 12. Rental Vacancy Rates in the Sussex County Submarket, 2000 to Current

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the Sussex County Submarket, 2000 to 2012

Notes: Includes townhomes. Includes data through June 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

According to preliminary data, 330 multifamily units were permitted in the Sussex County submarket during the 12 months ending June 2012, a 16-percent increase compared with the number of units permitted during the previous 12 months. Multifamily building activity peaked from 2003 through 2007, when an average of 710 units was permitted each year (Figure 13). According to local sources, approximately 75 percent of the multifamily units permitted in the submarket from 2000 to July 1, 2012, were townhomes and condominiums. Apartments currently under construction include approximately 190 units at The Villages of Stoney Brook, in Seaford. The first 24-unit building at this site will open in July 2012, and all units are expected to be complete by February 2013. Rents for the one-, two-, and three-bedroom apartments range from \$860 to \$1,260.

Housing Market Trends

Rental Market—Sussex County Submarket *Continued*

During the 3-year forecast period, demand is estimated for 720 new market-rate rental units in the Sussex County submarket (Table 1). The 230 units currently under construction

will meet more than 30 percent of this demand. Table 7 shows the estimated demand for new market-rate rental housing in the submarket by rent level and number of bedrooms.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Sussex County Submarket, July 1, 2012 to July 1, 2015

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
850 to 1,049	150	1,000 to 1,199	180	1,200 to 1,399	110
1,050 or more	50	1,200 to 1,399	70	1,400 to 1,599	85
		1,400 or more	30	1,600 to 1,799	25
				1,800 or more	25
Total	210	Total	280	Total	240

Notes: Numbers may not add to totals because of rounding. The 230 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profiles

Table DP-1. Dover-Sussex County HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	138,947	154,239	157,000	1.0	1.2
Unemployment Rate	3.5%	8.0%	7.1%		
Nonfarm Payroll Jobs	118,100	133,400	135,100	1.2	0.8
Total Population	283,335	359,455	369,400	2.4	1.2
Total Households	109,801	139,646	143,200	2.4	1.1
Owner Households	83,524	105,399	107,900	2.4	1.0
Percent Owner	76.1%	75.5%	75.3%		
Renter Households	26,277	34,247	35,350	2.7	1.4
Percent Renter	23.9%	24.5%	24.7%		
Total Housing Units	143,551	188,374	193,400	2.8	1.2
Owner Vacancy Rate	1.9%	3.3%	3.2%		
Rental Vacancy Rate	9.9%	12.0%	11.9%		
Median Family Income	\$45,250	\$62,600	\$62,000	3.3	-1.0

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2012. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Kent County Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	126,697	162,310	166,900	2.5	1.2
Total Households	47,224	60,278	61,600	2.5	1.0
Owner Households	33,040	43,046	43,950	2.7	0.9
Percent Owner	70.0%	71.4%	71.3%		
Rental Households	14,184	17,232	17,650	2.0	1.1
Percent Renter	30.0%	28.6%	28.7%		
Total Housing Units	50,481	65,338	66,550	2.6	0.8
Owner Vacancy Rate	1.6%	2.6%	2.2%		
Rental Vacancy Rate	6.7%	8.4%	8.0%		
Median Family Income	\$47,500	\$59,750	\$63,950	2.3	7.0

Notes: Numbers may not add to totals because of rounding. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Sussex County Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Population	156,638	197,145	202,500	2.3	1.2
Total Households	62,577	79,368	81,600	2.4	1.2
Owner Households	50,484	62,353	63,900	2.1	1.1
Percent Owner	80.7%	78.6%	78.3%		
Rental Households	12,093	17,015	17,700	3.5	1.8
Percent Renter	19.3%	21.4%	21.7%		
Total Housing Units	93,070	123,036	126,800	2.8	1.3
Owner Vacancy Rate	2.1%	3.8%	3.8%		
Rental Vacancy Rate	13.4%	15.3%	15.5%		
Median Family Income	\$43,500	\$58,750	\$54,050	3.1	- 8.0

Notes: Numbers may not add to totals because of rounding. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 7/1/2012—Analyst’s estimates
Forecast period: 7/1/2012–7/1/2015—Analyst’s estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_Dover-SussexCountyDE_13.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.