

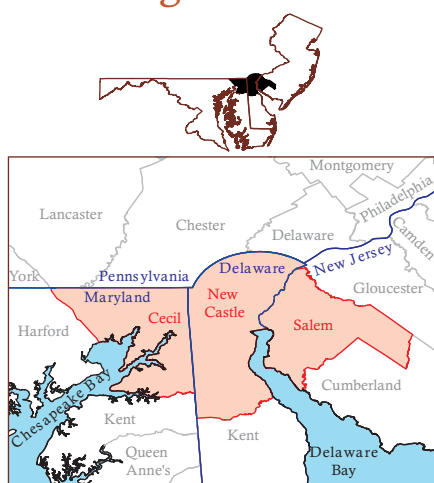


# Wilmington, Delaware-Maryland-New Jersey

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of May 1, 2015

PD&R

## Housing Market Area



The Wilmington Housing Market Area (HMA) is coterminous with the Wilmington, DE-MD-NJ Metropolitan Division. The HMA consists of three counties in the southernmost portion of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area—New Castle County, Delaware; Cecil County, Maryland; and Salem County, New Jersey. The HMA is recognized nationally as a center for banking and financial services and is a regional hub for healthcare and logistics services.

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## Summary

### Economy

Economic conditions in the Wilmington HMA have strengthened since the end of 2010. During the 12 months ending April 2015, nonfarm payrolls increased by 5,200 jobs, or 1.5 percent. The financial activities, education and health services, and transportation and utilities sectors combined accounted for nearly 80 percent of the overall growth. During the next 3 years, nonfarm payrolls are expected to increase by 3,850 jobs, or 1.1 percent, annually.

### Sales Market

The sales housing market in the HMA is currently balanced. The sales vacancy rate is estimated at 1.4 percent, down from 1.8 percent in 2010. During the next 3 years, demand is expected for 2,900 new single-family homes, townhomes, and condominiums (Table 1). The 600 homes under construction and the 10,500 other vacant units that may reenter the market will satisfy some of the demand.

### Rental Market

The rental housing market in the HMA is currently balanced. The overall rental vacancy rate is estimated at 7.5 percent, down from 9.4 percent in 2010. The apartment market is also balanced, with a vacancy rate of 5.4 percent during the first quarter of 2015. During the next 3 years, demand is estimated for 2,000 new market-rate rental units (Table 1). The 940 apartments under construction and an additional 230 apartments expected to begin construction by the end of 2015 will satisfy nearly 60 percent of the demand.

**Table 1. Housing Demand in the Wilmington HMA During the Forecast Period**

	Wilmington HMA	
	Sales Units	Rental Units
Total demand	2,900	2,000
Under construction	600	940

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2015. A portion of the estimated 10,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2015, to May 1, 2018.*

*Source: Estimates by analyst*

# Economic Conditions

Economic conditions in the Wilmington HMA have strengthened since the end of a local economic downturn in 2011. During the 12 months ending April 2015, nonfarm payrolls increased by 5,200 jobs, or 1.5 percent (Table 2). By comparison, nonfarm payrolls increased by 7,800 jobs, or 2.3 percent, during the previous 12 months. As of April 2015, the economy has regained nearly 80 percent of the 23,400 jobs lost during the contraction from the end of 2007 through 2010. In addition to job growth in the HMA, economic expansion in southeastern Pennsylvania and northeastern Maryland increased

resident employment in the HMA, resulting in a decline in the unemployment rate from an average of 8.8 percent during 2010 to 5.9 percent during 2014 (Figure 1). During the 12 months ending April 2015, the unemployment rate averaged 5.5 percent, down from 6.6 percent a year earlier.

The current number of jobs in the HMA is not much different from the number of jobs in 2000; however, during the interim, the economy had periods of expansion and contraction. From the end of 2000 through 2003, nonfarm payrolls declined by an average of 3,400 jobs, or 1.0 percent, annually. The most job losses occurred in the manufacturing and the professional and business services sectors, which declined annually by averages of 2,000 and 1,600 jobs, or 6.8 and 2.8 percent, respectively. From 2004 through 2007, the economy expanded by an average of 3,100 jobs, or 0.9 percent, annually. The education and health services sector added an average of 1,700 jobs, an increase of 3.8 percent, annually and accounted for 55 percent of overall growth during this period. From the end of 2007 through 2010, payrolls declined rapidly, by 7,800 jobs, or 2.3 percent, annually because of the effects of the national recession. The professional and business services sector declined by an average of 2,200 jobs, or 4.1 percent, and the wholesale and retail trade sector declined by an average of 2,000 jobs, or 4.0 percent, annually. In 2009, the manufacturing sector declined by 3,300 jobs, or 14.5 percent, mostly because of the closure of automotive assembly plants for General Motors Company and Chrysler Corporation in New Castle County, which affected approximately 2,000 workers combined. From 2011 through the current date, job growth

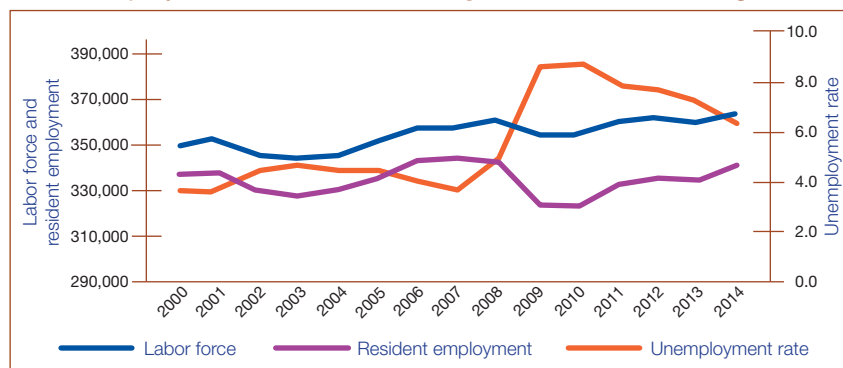
**Table 2. 12-Month Average Nonfarm Payroll Jobs in the Wilmington HMA, by Sector**

	12 Months Ending		Absolute Change	Percent Change
	April 2014	April 2015		
Total nonfarm payroll jobs	344,100	349,300	5,200	1.5
Goods-producing sectors	33,700	33,800	100	0.3
Mining, logging, & construction	15,400	15,900	500	3.2
Manufacturing	18,200	17,900	-300	-1.6
Service-providing sectors	310,400	315,500	5,100	1.6
Wholesale & retail trade	46,600	46,300	-300	-0.6
Transportation & utilities	16,100	17,300	1,200	7.5
Information	4,300	4,100	-200	-4.7
Financial activities	40,700	42,200	1,500	3.7
Professional & business services	52,200	53,100	900	1.7
Education & health services	57,900	59,200	1,300	2.2
Leisure & hospitality	32,300	32,800	500	1.5
Other services	13,900	13,800	-100	-0.7
Government	46,400	46,800	400	0.9

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through April 2014 and April 2015.

Source: U.S. Bureau of Labor Statistics

**Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Wilmington HMA, 2000 Through 2014**



Source: U.S. Bureau of Labor Statistics

averaged 4,750 jobs, or 1.4 percent, annually. The education and health services and the professional and business services sectors combined accounted for approximately one-half of the job growth during this period and annually increased by an average of 1,375 and 1,025 jobs, or 2.5 and 2.0 percent, respectively.

The HMA is recognized nationally as a center for banking and financial services. The financial activities sector comprises approximately 12 percent of nonfarm payroll jobs in the HMA compared with a 6-percent share of jobs nationally. The financial activities sector increased by 1,500 jobs, or 3.7 percent, during the 12 months ending April 2015. The two largest banks in the United States are significant contributors to the economy of the HMA. Bank of America Corporation is the third largest employer in the HMA, with 7,100 workers (Table 3). JPMorgan Chase & Co., with consumer lending and credit card services divisions and a large data processing center in the HMA, has added 1,100 jobs since March 2014 and is the fourth largest employer in the HMA. Navient Corporation, a student loan servicing company, opened its corporate headquarters in the city of Wilmington in February 2015, with

plans to add 150 jobs to the financial activities sector by the end of 2016.

The education and health services sector is the largest sector in the Wilmington HMA, accounting for nearly 17 percent of nonfarm payrolls jobs. During the 12 months ending April 2015, the sector added 1,300 jobs, a 2.2-percent increase. Christiana Care Health System, the largest employer in the HMA with 10,400 workers, completed a \$210 million renovation and expansion of its Wilmington Hospital campus in early 2015. The Alfred I. duPont Hospital for Children completed a \$270 million expansion in November 2014, which included a larger emergency department and a new five-story patient care building. (Precise figures for the number of jobs these expansions will add to the sector are not available.) Since 2000, the education and health services sector has increased 52 percent, the most of any sector in the HMA and an average annual gain of 1,300 jobs (Figure 2). The University of Delaware, the largest employer in the government sector, has an annual economic impact, through the purchases of goods and services by the university and its employees, students, visitors, and alumni, of \$5.37 billion within New Castle County (Center for Applied Business & Economic Research, University of Delaware, as of 2013).

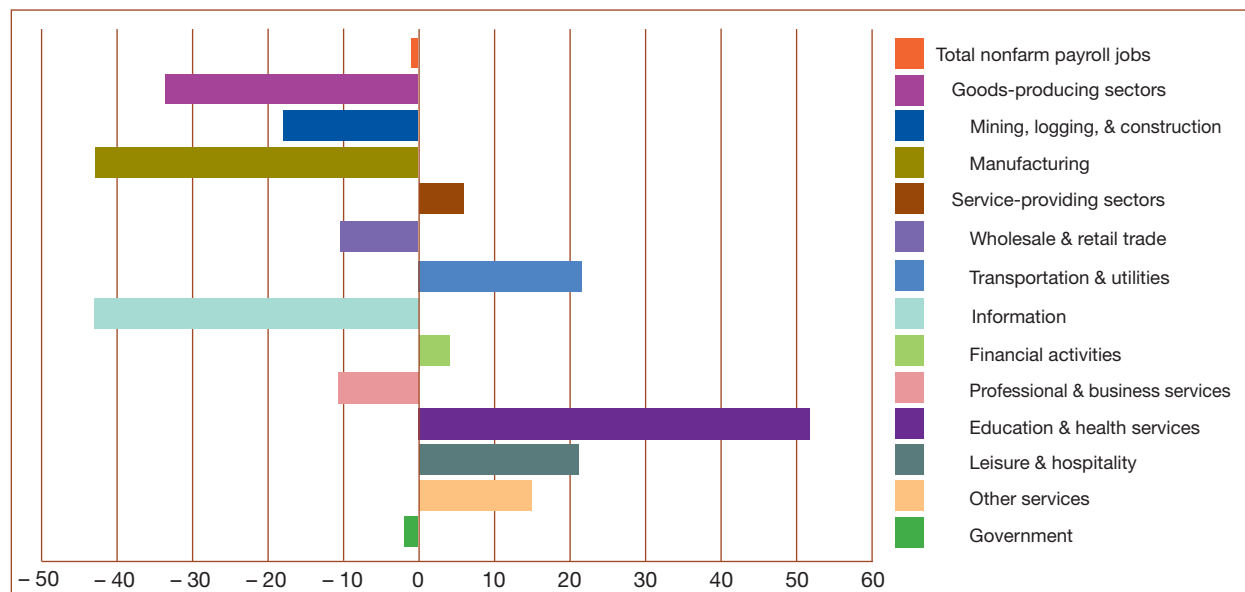
The transportation and utilities sector added the third greatest number of jobs during the current 12 months. The sector increased by 1,200 jobs, or 7.5 percent, during the 12 months ending April 2015. An order fulfillment center for Amazon.com, Inc., opened in New Castle County in October 2012, adding 850 jobs to the sector initially and 3,500 seasonal hires each year since

**Table 3. Major Employers in the Wilmington HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Christiana Care Health System	Education & health services	10,400
E. I. du Pont de Nemours & Co.	Professional & business services	8,100
Bank of America Corporation	Financial activities	7,100
JPMorgan Chase & Co.	Financial activities	6,000
AstraZeneca Pharmaceuticals	Professional & business services	4,500
University of Delaware	Government	4,050
Alfred I. duPont Hospital for Children	Education & health services	2,825
W.L. Gore & Associates, Inc.	Manufacturing	2,375
Delaware YMCA	Leisure & hospitality	2,300
M&T Bank Corporation	Financial activities	2,200

*Note: Excludes local school districts.*

*Source: Moody's Analytics*

**Figure 2. Sector Growth in the Wilmington HMA, Percentage Change, 2000 to Current**


Note: Current is based on 12-month averages through April 2015.

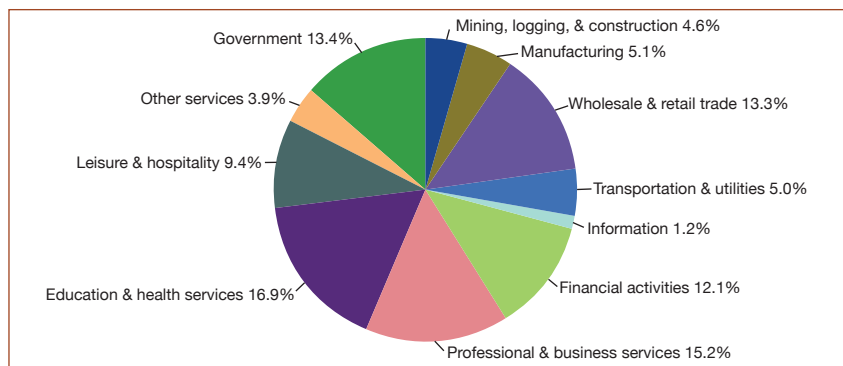
Source: U.S. Bureau of Labor Statistics

opening. The construction of a distribution center for discount retailer Five Below, which began in Salem County in September 2014, is expected to add 100 jobs to the sector during the next few years. The construction of a \$675 million natural gas-powered generation facility in Cecil County began in November 2014 and is expected to add 30 jobs to the transportation and utilities sector upon completion in 2017.

Jobs in the manufacturing sector account for 5 percent of nonfarm payrolls in the HMA (Figure 3). The

sector declined by 300 jobs, or 1.6 percent, during the 12 months ending April 2015. The closure of Ardagh Glass, a maker of glass containers in Salem County, resulted in a loss of 290 manufacturing jobs in October 2014; however, investments in emerging industries of medical device and biotechnology manufacturing are expected to add hundreds of jobs in the HMA during the next 3 years. Terumo Cardiovascular Group and Terumo Medical Corporation, in Cecil County, are adding production lines and are expected to add a combined 300 jobs to the manufacturing sector by the end of 2015. CD Diagnostics, a manufacturer of medical diagnostic products, expanded to a new location in New Castle County in May 2014 and is expected to add 170 jobs through 2016. In addition, two manufacturers intend to relocate operations from the Baltimore area to New Castle County, adding 300 manufacturing jobs in the HMA by early 2016.

During the next 3 years, nonfarm payrolls in the HMA are expected to

**Figure 3. Current Nonfarm Payroll Jobs in the Wilmington HMA, by Sector**


Note: Based on 12-month averages through April 2015

Source: U.S. Bureau of Labor Statistics



increase by an average of 3,850 jobs, or 1.1 percent, annually. Job growth is expected to slow modestly each year of the 3-year forecast period, which continues the slowdown in growth that occurred from the 12 months ending April 2014 to the 12 months ending April 2015. The education and health services sector is expected to lead growth during the forecast period, partly because of the additional space at Wilmington Hospital

and Alfred I. duPont Hospital for Children as described previously. National retailers such as Nordstrom, Inc., Saks Fifth Avenue, and REI (or Recreational Equipment, Inc.) are expected to open new locations at Christiana Fashion Center in New Castle County in late 2015, adding jobs to the wholesale and retail trade sector and to overall job growth during the first year of the forecast period.

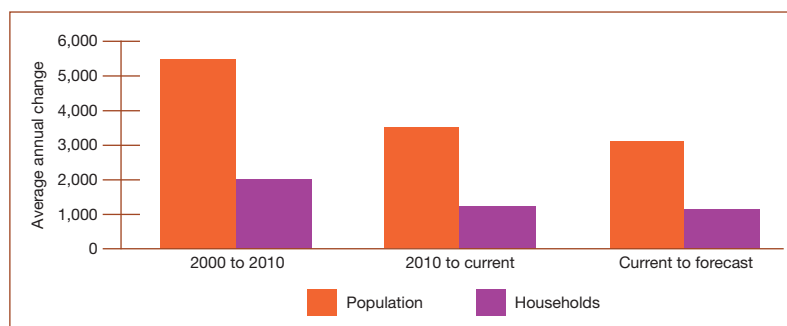
## Population and Households

The population of the Wilmington HMA is currently estimated at 723,500. Since 2010, population growth in the HMA has averaged 3,500 people, or 0.5 percent, annually (Figure 4). Since 2000, population growth was greatest from April 2000 to July 2005 at an average annual increase of 6,675 people, or 1.0 percent. During this period, net in-migration averaged 3,200 people annually, which contributed to a relatively high level of single-family construction activity in the HMA from 2000 through 2004. Annual population growth subsequently fell to an average of 4,225 people, or 0.6 percent, from July 2005 to April 2010,

because of a decline in net in-migration to an average of 610 people annually. The decline in the rate of growth was partially because of a 90-percent loss of jobs in the transportation equipment manufacturing industry in New Castle County from the end of 2006 through 2010, particularly the closure of two large automotive assembly plants in 2009 as mentioned previously.

Approximately 75 percent of population growth since 2010 was because of net natural change (resident births minus resident deaths), which has averaged 2,625 people annually. Net in-migration, which has averaged 875 people annually, accounted for the remaining 25 percent (Figure 5). About 30 percent of migration into the HMA is from the Philadelphia and Baltimore areas because of relatively lower housing prices and because the HMA is within commuting distance of each of these employment centers (2008–2012 American Community Survey 5-year data). About 60 percent of residents living in the HMA commute to jobs in the Philadelphia and Baltimore areas (U.S. Census Bureau Longitudinal-Employer Household Dynamics Program, 2013 data).

**Figure 4. Population and Household Growth in the Wilmington HMA, 2000 to Forecast**



Notes: The current date is May 1, 2015. The forecast date is May 1, 2018.

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

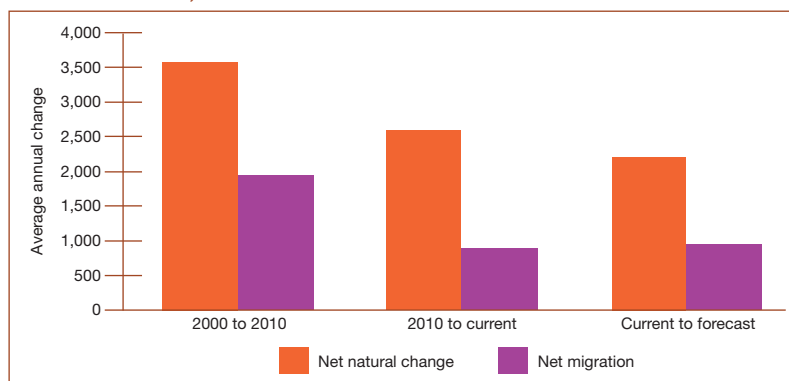
A major contributor to overall population growth in the HMA from 2000 to the current date was an increase in residents ages 55 and older. From 2000 to 2010, the population of residents ages 55 and older increased annually by an average of 4,025, or 2.7 percent, compared with an average annual increase in population of 5,525, or 0.8 percent. From 2010 to July 2014 (the most recent data available), the population of residents ages 55 and older increased by an average of 5,425, or 3.0 percent, annually (U.S. Census Bureau). Older residents

moving into the HMA are attracted by the rural nature of Cecil and Salem Counties, where 40 to 50 percent of land area is farmland, and to New Castle County because of a tax exemption on Social Security benefits, among other tax advantages, in the state of Delaware. Because 80 percent of older adult households are owner households (2013 American Community Survey 1-year data), growth in this population is contributing to the increase in home sales and homebuilding activity in the HMA.

An estimated 271,650 households currently reside in the HMA, an average annual gain of 1,350, or 0.5 percent, since 2010 (Table DP-1 at the end of the report). By comparison, from 2000 to 2010, when population growth was stronger, the number of households increased by an average of 2,025, or 0.8 percent, annually. Nearly 70 percent of household growth since 2010 was in renter households, up from 37 percent during the 2000s, which contributed to a decline in the rental vacancy rate in the HMA since 2010. The number of owner households is currently estimated at 188,700, and the homeownership rate is estimated at 69.5 percent (Figure 6).

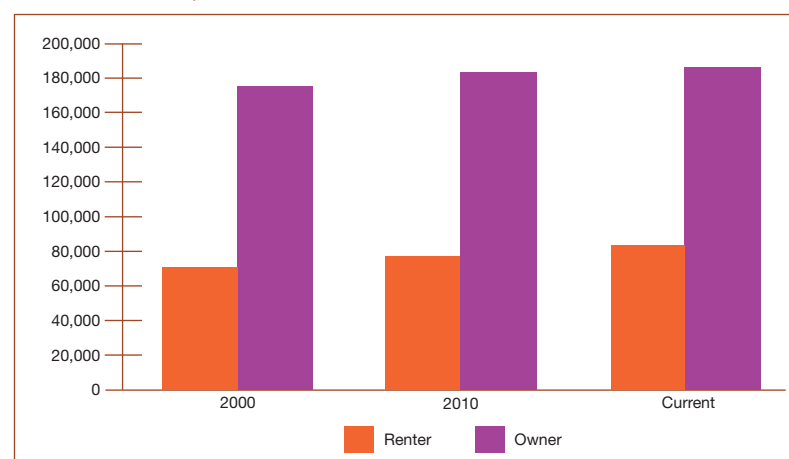
During the next 3 years, the population of the HMA is expected to increase by 3,200, or 0.4 percent, annually. Net in-migration is expected to increase slightly, to an average of 900 people annually. Net natural change is anticipated to decline to an average of 2,300 people annually during the 3-year forecast period because of a trend that began in the late 2000s of fewer births in the HMA. The rate of household growth is expected to remain at an average of 0.5 percent annually, to 275,400 by the end of the forecast period.

**Figure 5. Components of Population Change in the Wilmington HMA, 2000 to Forecast**



Notes: The current date is May 1, 2015. The forecast date is May 1, 2018.  
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6. Number of Households by Tenure in the Wilmington HMA, 2000 to Current**



Note: The current date is May 1, 2015.  
Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

# Housing Market Trends

## Sales Market

The sales housing market in the Wilmington HMA is currently balanced. The sales vacancy rate declined from 1.8 percent in 2010 to a current estimate of 1.4 percent. The decline reflects increasing home sales and a low level of homebuilding activity in the HMA, which was constrained by a relatively high number of foreclosures and an increased preference for renting.

During the 12 months ending April 2015, sales of existing single-family homes, townhomes, and condominiums (hereafter, existing homes) totaled 7,525 homes sold, an increase of 3 percent from the previous 12 months (Metrostudy, A Hanley Wood Company). Existing home sales peaked during 2005, at 12,300 homes sold. Because of slowing population growth and the economic contraction in the late 2000s, existing home sales declined by an average of 1,200 homes, or 12 percent, annually from 2006 through 2010, to a low of 6,250 existing homes sold during 2010. With the return of job growth in 2011, existing home sales increased by an average of 270 homes, or 4 percent, annually from 2011 through 2014.

During the 12 months ending April 2015, existing home sales prices in the HMA averaged \$218,200, up 1 percent from the average during the previous 12 months. The average existing home sales price peaked in 2007, at \$243,400, and then declined an average of 3 percent annually to \$204,600 during 2012, because of an increase in distress-related sales. The yearly increase in sales from 2011 through 2014 supported a 3-percent average annual gain in existing home sales prices during 2013 and 2014.

Sales of foreclosed and real estate owned (REO) homes more than tripled from 2005 through 2011 because of the effects of the national housing crisis. In 2005, distress-related sales totaled 770 homes and were 6 percent of all existing home sales. In 2011, distress-related sales totaled 2,800 homes and were 44 percent of all existing home sales.

Foreclosures and REO sales accounted for 34 percent of existing homes sold during the 12 months ending April 2015, unchanged from the previous 12 months. Foreclosure and REO sales will likely decline during the 3-year forecast period with improving mortgage loan performance. As of April 2015, the percentage of home loans that were 90 or more days delinquent, were in foreclosure, or had transitioned into REO status in the HMA was 6.1 percent, down from 7.1 percent a year earlier and a peak of 8.5 percent in March 2013 (Black Knight Financial Services, Inc.).

During the 12 months ending April 2015, 950 new single-family homes, townhomes, and condominiums (hereafter, new homes) sold in the HMA, down 12 percent from the number sold a year earlier (Metrostudy, A Hanley Wood Company). New home sales were relatively high from 2000 through 2005 because of strong population growth. From 2000 through 2005, new home sales averaged 2,200 sales annually (CoreLogic, Inc., with adjustments by the analyst). Coinciding with the fall in existing home sales, new home sales declined an average of 14 percent annually from 2006 through 2011, reaching a low of 700 new

## Housing Market Trends

### Sales Market *Continued*

homes sold during 2011 (Metrostudy, A Hanley Wood Company). New home sales recovered with the improvement in economic conditions from 2012 through 2014, and increased an average of 14 percent annually. Condominiums accounted for only 6 percent of new homes sold in the HMA from 2005 through 2014. During the 12 months ending April 2015, the average new home sales price rose 7 percent, to \$363,600, compared with the average price during the previous 12 months. In 2000, the average new home sales price was \$183,100, but the average doubled to \$367,600 in 2006, reflecting an average annual gain of 12 percent (CoreLogic, Inc., with adjustments by the analyst). New home sales prices subsequently declined in most years from 2007 through 2012, to an average of \$314,600 (Metrostudy, A Hanley Wood Company). During 2013 and 2014, new home sales prices increased an average of 5 percent annually.

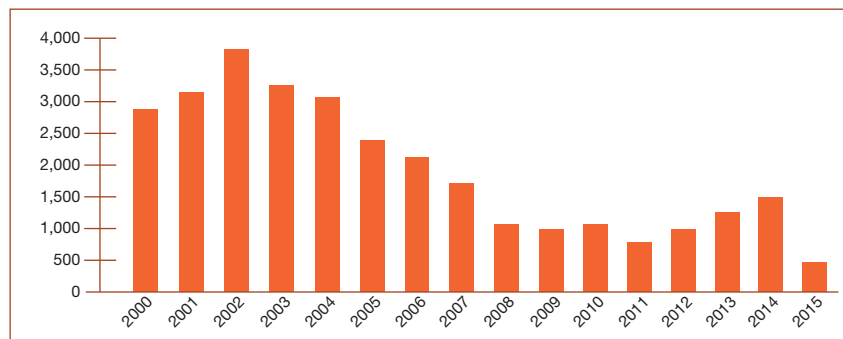
Single-family homebuilding activity, as measured by the number of single-family homes permitted, was strongest in the Wilmington HMA from 2000 through 2004 when an average of 3,225 homes were permitted annually (Figure 7). Homebuilding activity

peaked in 2002, partly because of the completion in 2003 of Delaware State Route 1, a limited-access highway that shortened the commute between southern New Castle County and employment centers in the cities of Wilmington and Philadelphia. Construction activity declined an average of 17 percent, or by 330 homes, annually from 2005 through 2011 because of slowing population growth and declining home sales. Increasing new home sales and improving economic conditions contributed to higher levels of homebuilding activity each year from 2012 through 2014, as permitting increased by an average of 240 homes, or 25 percent, annually. During the 12 months ending April 2015, 1,450 single-family homes were permitted up 30 percent from the number permitted during the previous 12 months (preliminary data).

Sales prices for new townhomes in the HMA typically start at \$180,000. In Cecil County, Charlestown Crossing is planned for 174 three-bedroom townhomes currently starting at \$194,990, and 48 townhomes have been built since construction began in late 2010 (Metrostudy, A Hanley Wood Company). Sales prices for new single-family homes typically start at \$250,000. In New Castle County, Four Seasons at Silver Maple is an age-restricted subdivision planned for 300 single-family homes currently starting at \$282,400. Because of the significant growth in the population ages 55 and older, nearly 60 percent of the homes planned at Four Seasons at Silver Maple have been built since construction began in mid-2011.

Major subdivisions in planning in the HMA include Whitehall, a master-planned town of nearly 3,800 homes

**Figure 7.** Single-Family Homes Permitted in the Wilmington HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through April 2015.

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



## Housing Market Trends

### Sales Market *Continued*

in seven neighborhoods in southern New Castle County. A groundbreaking for Whitehall was held in November 2014, and full buildout is expected to take 25 years. Sales prices in the first neighborhood of 500

homes range from \$289,900 for three-bedroom townhomes to \$504,900 for four-bedroom single-family homes.

During the next 3 years, demand is expected for 2,900 new single-family homes, townhomes, and condominiums (Table 1). Demand is expected to be stronger in the first year because of higher anticipated job growth and then to decline in later years as growth slows. Nearly one-half of the demand is anticipated for homes priced from \$250,000 to \$350,000 (Table 4). The 600 homes under construction and a portion of the 10,500 other vacant units that may reenter the market will satisfy some of the demand.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Wilmington HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
180,000	199,999	140	5.0
200,000	249,999	430	15.0
250,000	299,999	650	22.5
300,000	349,999	650	22.5
350,000	399,999	720	25.0
400,000	and higher	290	10.0

*Notes: The 600 homes currently under construction and a portion of the estimated 10,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2015, to May 1, 2018.*

*Source: Estimates by analyst*

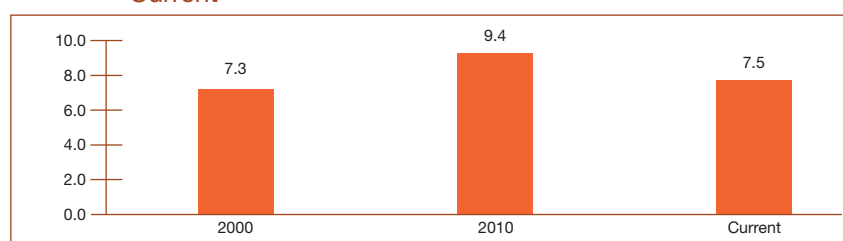
## Rental Market

The rental housing market in the Wilmington HMA is currently balanced. An increase in foreclosures and relatively weak economic conditions have contributed to an increased level of growth in renter households in the HMA since 2010, reducing the overall rental vacancy rate from 9.4 percent in 2010 to a current estimate of 7.5 percent (Figure 8). The apartment market is also balanced, with a vacancy rate of 5.4 percent during the first quarter of 2015, up slightly from 5.3 percent a year earlier but down from 6.4 percent during the first quarter of 2010 (MPF Research). In the MPF Research-defined Newark

market area in New Castle County, the vacancy rate was 5.4 percent during the first quarter of 2015, up from 4.6 percent a year earlier because of the completion of 410 apartment units in the market area in mid-2014, a relatively high number for the Newark area.

Apartment rents in the HMA averaged \$1,044 during the first quarter of 2015, up nearly 3 percent compared with the average a year earlier (MPF Research). Rents for studio, one-bedroom, two-bedroom, and three-bedroom apartments average \$770, \$910, \$1,075, and \$1,475, respectively. Annual rent growth in the HMA averaged nearly 3 percent from the first quarter of 2010 through the first quarter of 2015. In the Newark area, the average apartment rent increased nearly 5 percent, to \$1,070, from the first quarter of 2014 through the first quarter of 2015. Rent growth was greater in the Newark area than in the HMA overall because of strong enrollment growth at the University

**Figure 8.** Rental Vacancy Rates in the Wilmington HMA, 2000 to Current



*Note: The current date is May 1, 2015.*

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

## Housing Market Trends

Rental Market *Continued*

of Delaware, where 19,600 full-time students were enrolled as of the fall semester of 2014. From the fall of 2013 to the fall of 2014, full-time student enrollment increased by 750 students, more than double the average annual increase of 330 students from the fall of 2010 through the fall of 2013. Approximately 55 percent of undergraduate students and virtually all graduate students live off campus, representing approximately 2,725 renter households.

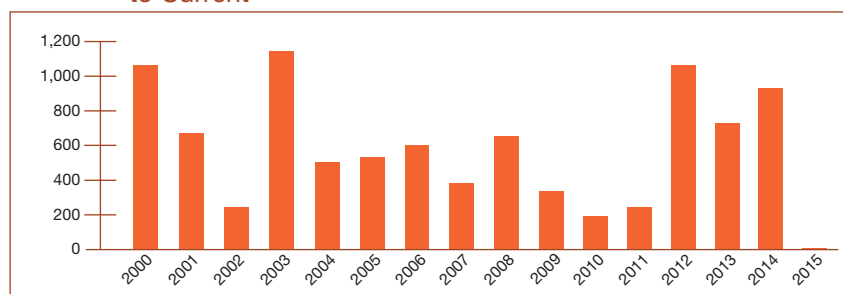
Multifamily construction activity, as measured by the number of multifamily units permitted, surged during the 2012-through-2014 period, to an average of 910 units annually (Figure 9). The weakened economy from 2008 through 2011 delayed the start of several large apartment communities, but led to a peak in multifamily construction activity in 2012. In addition, military-related construction activity and job growth at Aberdeen Proving Ground, in nearby Harford County, Maryland, contributed to the increase in apartment construction activity in the HMA during 2012. By comparison, an average of 360 multifamily units were permitted annually from 2008 through 2011, and an average of 640 units were permitted annually from

2000 through 2007. Condominiums represented 8 percent of multifamily units permitted from 2000 through 2007 but less than 1 percent of units permitted from 2008 through 2014. Apartments recently completed in the HMA include 116 units at The Residences at Harlan Flats in the city of Wilmington, with one- and two-bedroom units starting at \$1,465 and \$1,910, respectively. Since the community opened in January 2015, 40 percent of the units have been leased.

During the 12 months ending April 2015, 670 multifamily units were permitted in the Wilmington HMA, up 150 units, or 29 percent, from the number permitted during the previous 12 months (preliminary data). Apartments currently under construction include several redevelopments in older, urbanized areas in New Castle County. The Reserve at Darley Green is under construction in Claymont, with 145 apartments starting at \$1,270 for one-bedroom units expected to be complete by the end of 2015. The redevelopment of a portion of Newark Shopping Center into 220 apartments is expected to be complete in April 2016.

During the next 3 years, demand is estimated for 2,000 new market-rate rental units in the HMA (Table 1). The 940 apartments under construction and an additional 230 units expected to begin construction by the end of 2015 are expected to satisfy approximately 80 percent of demand during the next 2 years, therefore most new rental units should come on the market after April 2017. Table 5 illustrates the estimated demand for new market-rate rental units by number of bedrooms and rent level.

**Figure 9.** Multifamily Units Permitted in the Wilmington HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through April 2015.

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

## Housing Market Trends

### Rental Market *Continued*

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Wilmington HMA During the Forecast Period

Zero Bedrooms		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	Monthly Gross Rent (\$)	Units of Demand
700 to 899	70	1,000 to 1,199	490	1,150 to 1,349	770	1,425 to 1,624	210
900 or more	10	1,200 to 1,399	110	1,350 to 1,549	160	1,625 or more	35
		1,400 or more	60	1,550 or more	80		
Total	80	Total	660	Total	1,025	Total	240

Notes: Numbers may not add to totals because of rounding. The 940 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2015, to May 1, 2018.

Source: Estimates by analyst

## Data Profile

**Table DP-1.** Wilmington HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	335,145	324,447	348,600	-0.3	1.7
Unemployment rate	3.6%	8.8%	5.5%		
Nonfarm payroll jobs	349,700	328,700	349,300	-0.6	1.4
Total population	650,501	705,670	723,500	0.8	0.5
Total households	244,453	264,808	271,650	0.8	0.5
Owner households	173,642	186,439	188,700	0.7	0.2
Percent owner	71.0%	70.4%	69.5%		
Renter households	70,811	78,369	82,950	1.0	1.1
Percent renter	29.0%	29.6%	30.5%		
Total housing units	260,140	286,031	291,500	1.0	0.4
Owner vacancy rate	1.3%	1.8%	1.4%		
Rental vacancy rate	7.3%	9.4%	7.5%		
Median Family Income	\$58,760	\$78,300	\$81,100	2.9	0.9

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through April 2015. Median Family Incomes are for 1999, 2009, and 2013. The current date is May 1, 2015.

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: 5/1/2015—Analyst's estimates  
 Forecast period: 5/1/2015–5/1/2018—Analyst's estimates

The metropolitan division and metropolitan statistical area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**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 [huduser.gov/publications/pdf/CMARtables\\_WilmingtonDE-MD-NJ\\_15.pdf](http://huduser.gov/publications/pdf/CMARtables_WilmingtonDE-MD-NJ_15.pdf).

## Contact Information

Benjamin B. Houck, Economist  
 Philadelphia HUD Regional Office  
 215-430-6678  
[benjamin.b.houck@hud.gov](mailto:benjamin.b.houck@hud.gov)

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 [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).