

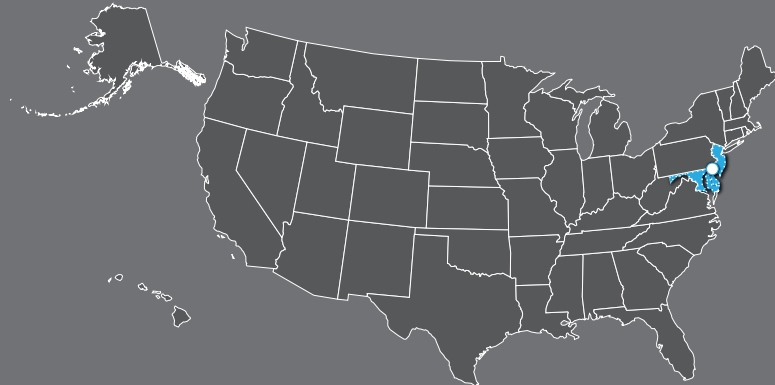
HUD PD&R Housing Market Profiles

Wilmington, Delaware-Maryland-New Jersey



Quick Facts About Wilmington

- Current sales market conditions: slightly tight
- Current apartment market conditions: balanced
- At the confluence of the Delaware and Christina Rivers, Port Wilmington, an international seaport, was completed in 1923 and supports approximately 5,900 jobs in the Mid-Atlantic region (U.S. Coast Guard Port Access Route Study, 2021).



Wilmington, Delaware

By [Mildred Jara](#) | As of December 1, 2023

Overview

The Wilmington, DE-MD-NJ Metropolitan Division (hereafter, Wilmington metropolitan division) includes New Castle County, Delaware; Cecil County, Maryland; and Salem County, New Jersey, and is part of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area. The metropolitan division is a hub for healthcare services and banking and financial services, anchored by ChristianaCare, JPMorgan Chase & Co., and Bank of America Corporation. According to the City of Wilmington, more than one-half of all Fortune 500 companies in the nation are incorporated in the city of Wilmington, mainly because of legal and tax advantages in the state of Delaware. In addition, the metropolitan division is home to the University of Delaware, a public university in the city of Newark, with 24,221 students enrolled during the fall semester of 2023 and 4,895 employees (University of Delaware Institutional Research and Effectiveness). The University of Delaware has an estimated annual economic impact of \$3.2 billion on the state of Delaware (University of Delaware Institutional Research and Effectiveness, 2022 Economic Impact Study).

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- As of December 1, 2023, the population of the metropolitan division is estimated at 749,300, reflecting an average annual increase of 2,725, or 0.4 percent, since April 2020. By comparison, the population grew at a slightly faster rate from July 2017 to April 2020, increasing by an average of 3,425, or 0.5 percent, annually.
- Since 2020, net in-migration has accounted for nearly all the population growth compared with 59 percent from 2017 to 2020. A declining birth rate resulting from an aging population and an elevated number of COVID-19-related deaths caused net natural increase to average only about 10 people a year since 2020 compared with an average of

1,400 people annually from 2017 to 2020. The median age in the metropolitan division in 2022 was 40.1 years, up from 37.7 years in 2010 (2010 and 2022 American Community Survey 1-year data).

- As of July 1, 2022, the population in New Castle, Cecil, and Salem Counties accounted for 77, 14, and 9 percent, respectively, of the total population of the metropolitan division (U.S. Census Bureau population estimates as of July 1). From April 2020 to July 2022, population growth in Cecil County was the fastest, rising an average of 0.5 percent a year, followed by New Castle and Salem Counties, which rose averages of 0.4 and 0.2 percent a year, respectively.

Economic Conditions

Economic conditions in the Wilmington metropolitan division are strong. As of the 3 months ending November 2023, nonfarm payrolls were 3.3 percent above the level as of the 3 months ending November 2019—before the economy contracted because of countermeasures taken to slow the spread of COVID-19. By comparison, as of the 3 months ending November 2023, nonfarm payrolls in the HUD-defined Mid-Atlantic region and the nation were 1.1 and 3.5 percent, respectively, above the corresponding 3-month period in 2019. Despite strong economic conditions, job growth in the metropolitan division slowed during the past year. As of the 3 months ending November 2023, nonfarm payrolls

rose year over year by 7,200 jobs, or 1.9 percent, to an average of 380,500 jobs. By comparison, as of the 3 months ending November 2022, nonfarm payrolls increased by 14,300 jobs, or 4.0 percent, from a year earlier.

As of the 3 months ending November 2023—

- The professional and business services sector, the second largest sector in the metropolitan division, led the year-over-year job growth, adding 2,100 jobs, or 4.0 percent, compared with an increase of 1,200 jobs, or 2.3 percent, as of the 3 months ending November 2022. Nonfarm payrolls in the professional, scientific, and technical services and

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As of the 3 months ending November 2023, nonfarm payrolls in the Wilmington metropolitan division were up from a year ago in 7 of 11 sectors.

	3 Months Ending		Year-Over-Year Change	
	November 2022 (Thousands)	November 2023 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	373.3	380.5	7.2	1.9
Goods-Producing Sectors	35.1	37.1	2.0	5.7
Mining, Logging, & Construction	18.0	19.1	1.1	6.1
Manufacturing	17.1	18.0	0.9	5.3
Service-Providing Sectors	338.2	343.4	5.2	1.5
Wholesale & Retail Trade	46.1	45.5	-0.6	-1.3
Transportation & Utilities	32.4	31.7	-0.7	-2.2
Information	2.7	2.6	-0.1	-3.7
Financial Activities	44.5	45.4	0.9	2.0
Professional & Business Services	52.5	54.6	2.1	4.0
Education & Health Services	62.6	63.2	0.6	1.0
Leisure & Hospitality	32.5	33.9	1.4	4.3
Other Services	14.1	14.0	-0.1	-0.7
Government	50.7	52.6	1.9	3.7
Unemployment Rate	3.9%	3.8%		

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics



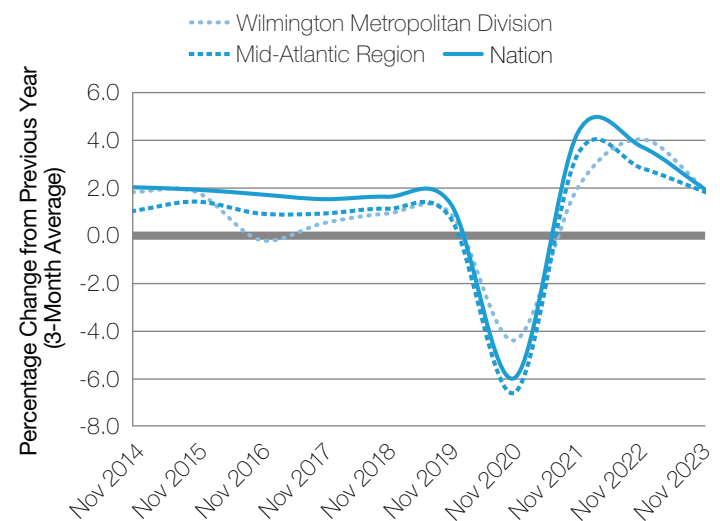
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the administrative and support and waste management and remediation services industries rose by 1,000 jobs each, or 4.2 and 4.7 percent, respectively, from the 3 months ending November 2022.

- Nonfarm payroll growth was also strong in the government sector, which rose by 1,900 jobs, or 3.7 percent, from a year ago and accounted for 26 percent of net job gains in the metropolitan division. Job growth in the federal government subsector accounted for 42 percent of gains in the sector, up by 800 jobs, or 12.8 percent, compared with an increase of 400 jobs, or 6.2 percent, as of the 3 months ending November 2022.
- Job growth in the metropolitan division slowed from a year ago largely because of losses in the transportation and utilities and the wholesale and retail trade sectors—which declined by 700 and 600 jobs, or 2.2 and 1.3 percent, respectively, from a year ago. By comparison, as of the 3 months ending November 2022, jobs in the respective sectors increased 21.2 and 1.7 percent from a year earlier.
- The unemployment rate in the metropolitan division averaged 3.8 percent, down from 3.9 percent as of the 3 months ending November 2022. By comparison, the unemployment rate in the nation averaged 3.5 percent as of the 3 months ending November 2023, up from 3.4 percent as of the same period a year earlier.

Port Wilmington, a deepwater port in the city of Wilmington, is the largest port in North America for banana imports and a major entry point for other fresh fruit and produce. In 2021, Port Wilmington generated approximately \$436 million in business revenue in the Mid-Atlantic region, up from \$363 million in 2013 (U.S. Coast Guard Port Access Route Study, 2021; *The Maritime Executive*, May 1, 2013). The port supports jobs in the wholesale and retail trade and the transportation and utilities sectors, which combined accounted for 20 percent of nonfarm payrolls in the metropolitan division as of the 3 months ending November 2023. In December 2022, a \$480 million dredging project to deepen the main channel on the Delaware River was completed, allowing the port to receive larger vessels. In November 2023, Port Wilmington was awarded a \$50 million

As of the 3 months ending November 2023, nonfarm payroll growth in the Wilmington metropolitan division was the same as the nation and slightly faster than the Mid-Atlantic region compared with a year ago.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Wilmington Metropolitan Division

Name of Employer	Nonfarm Payroll Sector	Number of Employees
ChristianaCare	Education & Health Services	13,708
JPMorgan Chase & Co.	Financial Activities	11,500
Bank of America Corporation	Financial Activities	10,000

Note: Excludes local school districts.

Sources: ChristianaCare; City of Wilmington Office of Economic Development; Zippia, Inc.

federal grant for the construction of a container terminal, known as the Edgemoor terminal expansion project, which will allow for the handling of larger vessels and increase cargo storage capacity. The ongoing project is expected to be built in phases and create more than 1,000 jobs at the port (*Delaware Business Times*, November 2023).

Sales Market Conditions

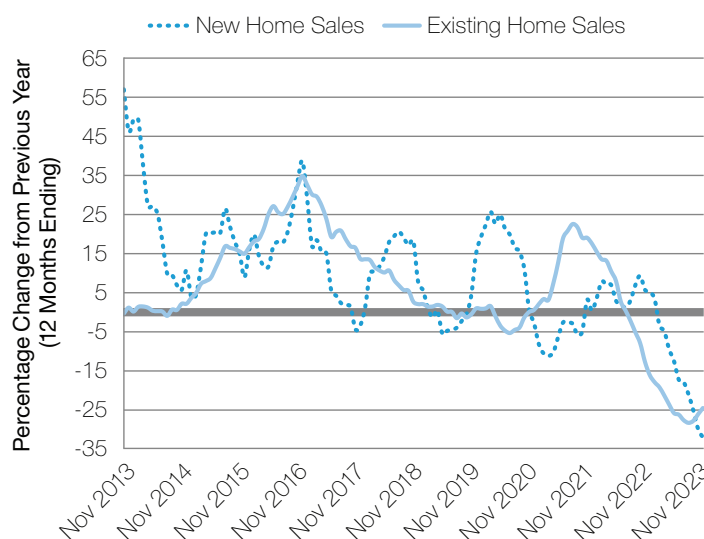
The home sales market in the Wilmington metropolitan division is slightly tight, with an estimated vacancy rate of 1.2 percent, down from 1.3 percent in April 2020. High levels of net in-migration and declining new home construction since 2021 have contributed to a decrease in the inventory of homes available for sale and tightening of the market. In November 2023, the supply of new and existing homes for sale in the metropolitan division was 1.9 months, down from 2.0 months in November 2022 (Redfin, a national real estate brokerage). The current supply is less than the 3.0 months of supply before the pandemic in November 2019 and significantly less than the previous high for November of 6.8 months in 2014. The interest rate for a 30-year fixed-rate mortgage rose to an average of 7.4 percent in November 2023, up from an average of 6.8 percent in November 2022 and 3.1 percent in November 2021 (Freddie Mac), contributing to a decline in home sales during the past 2 years. During the 12 months ending November 2023, new and existing home sales fell 25 percent from a year earlier to 10,000 compared with an 11-percent decrease during the previous 12-month period (CoreLogic, Inc.). Despite declining home sales, the low inventory of homes for sale has created upward pressure on home sales prices, which have continued increasing, albeit at a slower rate than a year ago. During the 12 months ending November 2023, the average sales price of new and existing homes rose 5 percent from a year ago to \$321,200 compared with a 12-percent increase during the 12 months ending November 2022.

The rate of seriously delinquent mortgages and real estate owned properties in the metropolitan division has generally declined since reaching a recent high of 5.2 percent in August 2020, when weak economic conditions caused by the COVID-19 pandemic made it more difficult for many homeowners to stay current on mortgage payments, leading to an increase in delinquencies (CoreLogic, Inc.). The rate was 1.4 percent as of November 2023, down from 1.8 percent in November 2022.

During the 12 months ending November 2023—

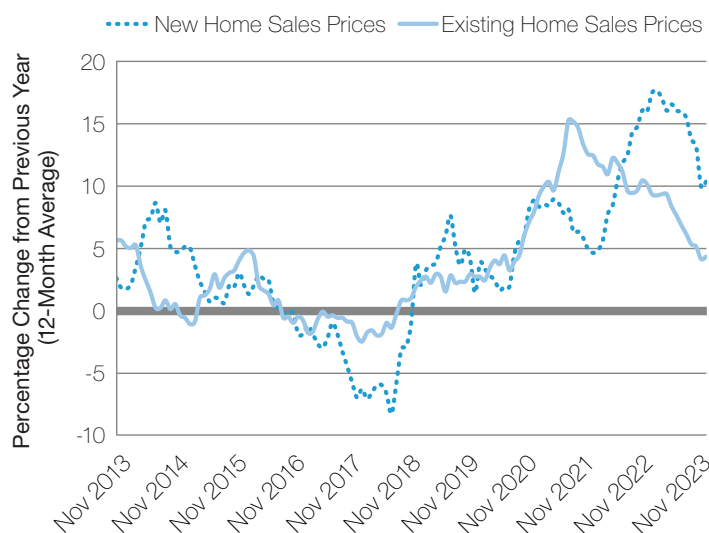
- Existing home sales in the metropolitan division fell nearly 25 percent year over year to 9,075 compared with a 13-percent decline during the 12 months ending November 2022 (CoreLogic, Inc.). Resale sales accounted for 98 percent of existing home sales during the 12 months ending November 2023; the remaining 2 percent were distressed sales. The share of distressed sales was unchanged from the 12 months ending November 2022.
- The average sales price for existing homes rose 4 percent from a year earlier to \$301,700, decelerating from a 10-percent increase during the previous 12 months.

New and existing home sales in the Wilmington metropolitan division declined substantially during the 12 months ending November 2023.



Note: Sales are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

New and existing home sales price growth in the Wilmington metropolitan division slowed during the 12 months ending November 2023 compared with a year earlier.



Note: Prices are for single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc.

Although the rate of price growth slowed compared with the 10-percent average annual increase during the previous 3 years, it is above the 2-percent average annual increase during 2018 and 2019.

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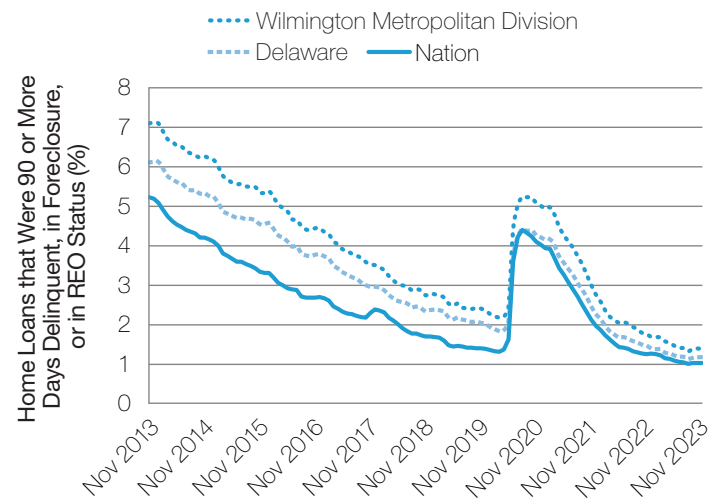
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- Approximately 960 new homes sold, representing a 32-percent decrease from the previous 12-month period. By comparison, during the 12 months ending November 2022, new home sales increased 5 percent from a year earlier.
- The average sales price for new homes was \$506,600, reflecting a 10-percent increase compared with the 12 months ending November 2022, when the average home price rose 16 percent from a year earlier.

New homebuilding activity, as measured by the number of single-family homes permitted, fell during the most recent 12 months, corresponding with the sharp decline in home sales during the past year, mainly attributable to increasing mortgage interest rates.

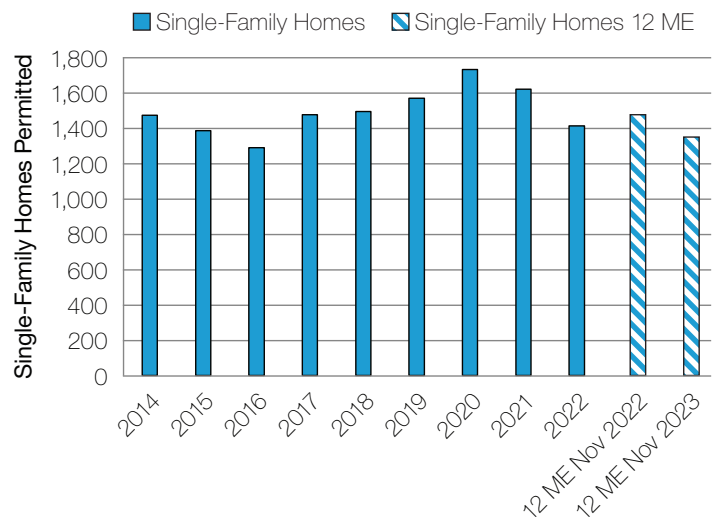
- Approximately 1,350 single-family homes were permitted during the 12 months ending November 2023, reflecting an 8-percent decline from approximately 1,475 homes permitted during the 12 months ending November 2022 (preliminary data, with adjustments by the analyst).
- New home construction in the metropolitan division was relatively steady from 2014 through 2019, when home sales market conditions were balanced, averaging 1,450 homes permitted annually before increasing to 1,725 homes permitted in 2020 and declining to an average of 1,525 homes permitted annually during 2021 and 2022. The rise in new home construction during 2020 was largely due to strong net in-migration following the onset of the pandemic. However, despite continued high levels of net in-migration, construction has slowed since 2021, partly because of supply chain constraints and building material shortages coupled with the sharp increase in mortgage interest rates beginning in 2022.
- Approximately 75 percent of all single-family homes permitted in the metropolitan division during the 12 months ending November 2023 were in New Castle County. In the town of Middletown in New Castle County, Copperleaf, a single-family home community, began construction during the summer of 2022, with completion expected in the next 2 years. It is expected to have 153 homes at buildout ranging from 2,682 to 3,461 square feet, with prices ranging from \$644,900 to approximately \$729,500.

The rate of seriously delinquent mortgages and REO properties in the Wilmington metropolitan division was higher than the rates in the nation and Delaware during the past decade.



REO = real estate owned.
Source: CoreLogic, Inc.

Single-family permitting in the Wilmington metropolitan division slowed during the 12 months ending November 2023.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

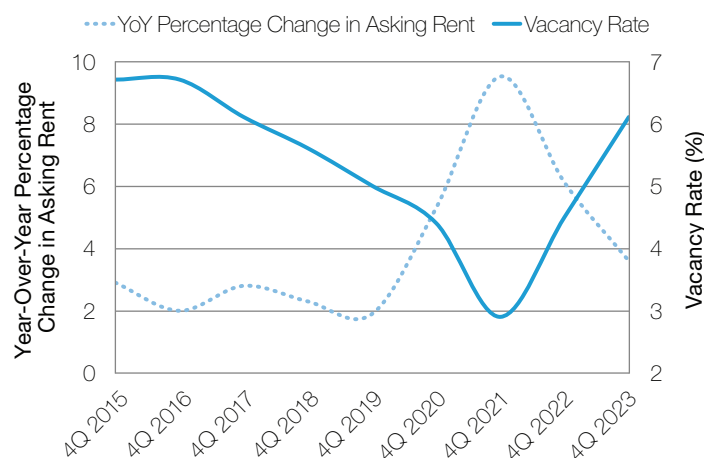
Apartment Market Conditions

Apartment market conditions in the Wilmington metropolitan division are balanced as of the fourth quarter of 2023 compared with slightly tight conditions a year ago and tight conditions as of the fourth quarter of 2021. Market conditions eased during the past 2 years, partly because of an increase in the number of new apartment units completed and a decline in the number of units absorbed. As of the fourth quarter of 2023, the apartment vacancy rate in the metropolitan division was 6.1 percent, up from 4.5 percent as of the fourth quarter of 2022 (CoStar Group). During the same period, the average asking rent in the metropolitan division was \$1,540, reflecting a 4-percent increase from the same period a year ago compared with a 6-percent year-over-year increase as of the fourth quarter of 2022. Average vacancy rates rose in both CoStar Group-defined market areas that make up New Castle County but declined in the Cecil and Salem County market areas compared with a year ago, whereas rent growth slowed in all the market areas in the metropolitan division.

As of the fourth quarter of 2023—

- The apartment vacancy rate in the Upper New Castle County market area—which includes the University of Delaware and the cities of Wilmington, Newark, and New Castle—was 6.6 percent, up from 4.5 percent as of the fourth quarter of 2022 (CoStar Group). The average rent rose 3 percent to \$1,491 compared with a 6-percent increase as of the fourth quarter of 2022.
- The apartment vacancy rate was lower in the Southern New Castle County market area at 5.5 percent, up from 4.3 percent a year earlier, and the average rent grew 6 percent to \$1,691—the highest average apartment rent in all the

The apartment vacancy rate increased as of the fourth quarter of 2023 from a year earlier, and growth in the average rent slowed.



4Q = fourth quarter. YoY = year-over-year.

Source: CoStar Group

market areas in the metropolitan division. By comparison, as of the fourth quarter of 2022, the average rent in the market area rose 7 percent from a year earlier.

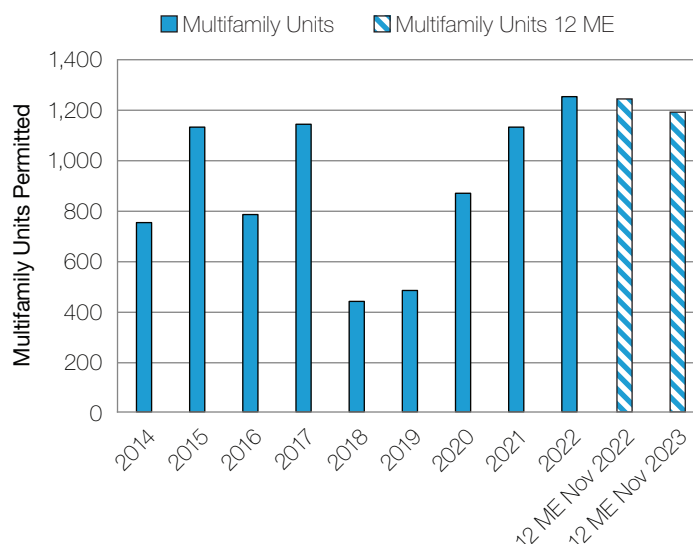
- In the Salem County market area, the average vacancy rate fell to 5.6 percent from 6.3 percent as of the fourth quarter of 2022, and the average apartment rent was \$1,276, reflecting a 3-percent increase from a year ago. By comparison, as of the fourth quarter of 2022, the average rent rose 4 percent from the previous year.
- Apartment market conditions in the Cecil County market area are slightly tight, with an average vacancy rate of 4.3 percent, the lowest vacancy rate of all the market areas that make up the metropolitan division, down from 5.1 percent as of the fourth quarter of 2022. Despite the low vacancy rate, the average rent was up only 1 percent from a year ago to \$1,561 compared with a 6-percent increase as of the fourth quarter of 2022.

Multifamily construction in the metropolitan division, as measured by the number of units permitted, declined during the past year, partly because of easing apartment market conditions.

- During the 12 months ending November 2023, approximately 1,200 multifamily units were permitted, down 4 percent compared with the number of units permitted during the same period a year earlier (preliminary data, with adjustments by the analyst).

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Multifamily building activity in the Wilmington metropolitan division declined during the past 12 months after increasing every year from 2019 through 2022.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- Multifamily construction averaged approximately 950 units permitted annually from 2014 through 2017 but fell to an average of 460 units a year during 2018 and 2019 before increasing to an average of 1,075 units permitted from 2020 through 2022.
- The Nest Newark apartment development in the city of Newark is expected to be complete by the summer of 2024 and will consist of 56 four-bedroom, two-bathroom units, with rents starting at \$3,450 for each unit. The units will be targeted to students, and the mixed-use building will include ground-floor retail space.
- Compass at the Grove, a 306-unit luxury apartment community in the city of Newark, was completed in 2022. It has studio and one-, two-, and three-bedroom units ranging from 513 to 1,599 square feet, with rents starting at \$1,925, \$1,999, \$2,650, and \$3,550, respectively.

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area and metropolitan division definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The Mid-Atlantic region includes Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia.