

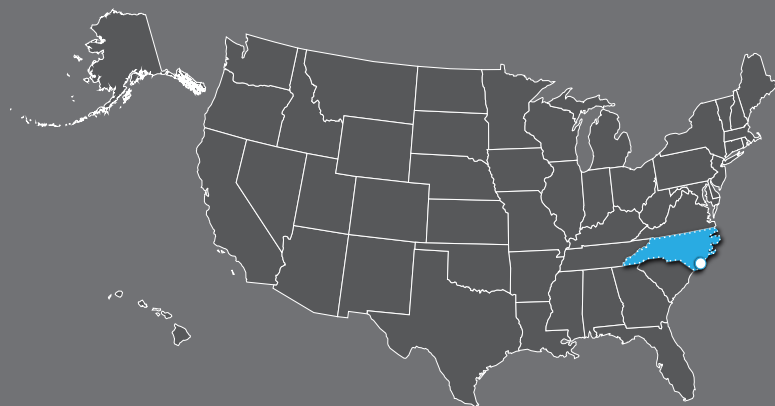
HUD PD&R Housing Market Profiles

Wilmington, North Carolina



Quick Facts About Wilmington

- **Current sales market conditions: Slightly Tight but Easing**
- **Current rental market conditions: Soft**
- **The Port of Wilmington is the largest port in North Carolina and is currently undergoing a \$22 million expansion.**



By [Alex M. Remillard](#) | As of November 1, 2024

Overview

The Wilmington, NC Metropolitan Statistical Area (hereafter, Wilmington metropolitan area) encompasses New Hanover and Pender Counties on the southeast coast of North Carolina. Downtown Wilmington and the Port of Wilmington are located along the Cape Fear River on the western border of the metropolitan area, and beach communities can be found on the intercoastal waterway and the Atlantic coast to the east. The University of North Carolina at Wilmington is in the central part of New Hanover County. Residential developments include the master-planned community Riverlights in the southern part of New Hanover County. The metropolitan area is a major hub for shipping in North Carolina and a popular tourist and retirement destination. In addition to the 31 miles of white sand beaches along the New Hanover County coast and the beaches in Pender County, including part of the 26-mile-long Topsail Island, the cultural attractions include the Cameron Art Museum, the Battleship North Carolina history museum, the Wilmington Railroad Museum, and Airlie Gardens botanical garden.

- As of November 1, 2024, the population of the metropolitan area is estimated to be 315,000, representing an average

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increase of 6,350, or 2.1 percent, annually since April 2020. By comparison, from July 2016 to April 2020, before the COVID-19 pandemic, the population increased by an average of 3,000, or 1.1 percent, annually (U.S. Census Bureau population estimates as of July 1; Census Bureau decennial census counts; estimates by the analyst).

- Population growth in the metropolitan area has come entirely from net in-migration since April 2020, averaging 6,575 people a year, up dramatically from an average of 2,775 people annually from July 2016 to April 2020. From April 2020 to

November 2024, net natural decline averaged 220 people annually, compared with a net natural increase of 220 people annually from July 2016 to April 2020.

- As of July 1, 2023, the population of New Hanover County was 238,900, up an average of 4,050, or 1.8 percent, annually from April 2020, and the population of Pender County increased by an average of 2,550, or 4.1 percent, to 68,500. By comparison, from July 2016 to April 2020, the population growth rates for New Hanover and Pender Counties were 0.9 and 1.8 percent, respectively.

Economic Conditions

The economy of the Wilmington metropolitan area is strong, but growth is moderating. As of the 3 months ending October 2024, annual payroll growth accelerated compared with a year earlier in the education and health services and the leisure and hospitality sectors, but growth slowed or was negative in 9 of the 11 nonfarm sectors. As of the 3 months ending October 2024, nonfarm payrolls averaged 150,300 jobs, up by 2,900 jobs, or 2.0 percent, from the same period a year ago, following an increase of 3,500 jobs, or 2.4 percent, the previous year.

By comparison, national payrolls as of the 3 months ending October 2024 increased 1.5 percent compared with a year before. Current nonfarm payroll levels in the metropolitan area are 17,000 jobs, or 12.8 percent, higher than during the 3 months ending October 2019, before the pandemic, compared with 5.0 percent higher for the nation.

As of the 3 months ending October 2024 —

- The education and health services sector was the largest and fastest growing payroll sector in the metropolitan area, increasing by 1,500 jobs, or 6.0 percent, from the same period a year before. The recent increase is partly due to a \$28 million expansion at MedNorth Health Center and hiring in advance of the scheduled opening of Novant Health Scotts Hill Medical Plaza in December 2024.
- The second largest payroll sector, the leisure and hospitality sector, increased by 800 jobs, or 3.7 percent, from a year earlier, stronger than the 500-job, or 2.5-percent, increase a year earlier. The recent growth was partly due to increased tourism and visitor spending.

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As of the 3 months ending October 2024, nonfarm payrolls increased in 6 out of 11 sectors in the Wilmington metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	October 2023 (Thousands)	October 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	147.4	150.3	2.9	2.0
Goods-Producing Sectors	17.8	18.0	0.2	1.1
Mining, Logging, & Construction	11.1	11.4	0.3	2.7
Manufacturing	6.6	6.6	0.0	0.0
Service-Providing Sectors	129.7	132.3	2.6	2.0
Wholesale & Retail Trade	22.5	22.4	-0.1	-0.4
Transportation & Utilities	4.4	4.3	-0.1	-2.3
Information	2.4	2.4	0.0	0.0
Financial Activities	7.9	7.9	0.0	0.0
Professional & Business Services	19.9	20.1	0.2	1.0
Education & Health Services	24.8	26.3	1.5	6.0
Leisure & Hospitality	21.8	22.6	0.8	3.7
Other Services	7.2	7.3	0.1	1.4
Government	18.7	19.0	0.3	1.6
Unemployment Rate	3.2%	3.1%		

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

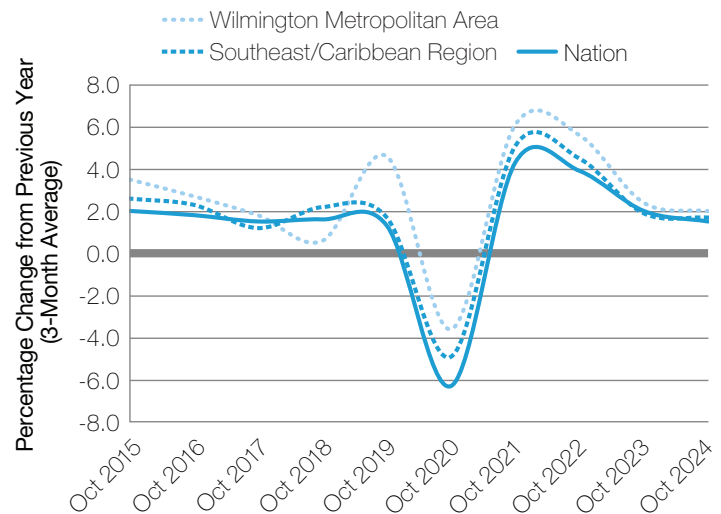


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- Nonfarm payrolls in both the transportation and utilities and the wholesale and retail trade sectors declined by 100 jobs compared with a year earlier, representing respective decreases of 2.3 and 0.4 percent. Payrolls in the manufacturing, the information, and the financial activities sectors remained unchanged from the 3 months ending October 2023.
- The unemployment rate averaged 3.1 percent, down slightly from 3.2 percent a year ago and from 3.4 percent during the 3 months ending October 2019. By comparison, the national unemployment rate averaged 4.1 percent during the 3 months ending October 2024, up from 3.7 percent a year earlier.

The Port of Wilmington and Wilmington International Airport (ILM) contribute substantially to the economy despite making up a relatively small proportion of payrolls in the metropolitan area. The 284-acre Port of Wilmington facility includes 1 million square feet of covered storage and offers an on-dock connection to CSX Transportation rail service. An ongoing project to deepen the port is expected to be complete in 2025. The direct economic impact of the Port of Wilmington on North Carolina is estimated at \$7.3 billion, which is concentrated in the southeastern portion of the state (North Carolina State University, 2018). The Port of Wilmington was also estimated to have generated \$192.5 million in property taxes and directly supported 41,200 jobs throughout the state. The North Carolina Department of Transportation estimated that ILM had an economic impact of \$3.3 billion on the state during 2023. The airport generated \$192.3 million in local and state taxes and supported 20,900 jobs throughout the state. During 2023, 1.32 million passengers moved through ILM, representing a 21-percent increase from the previous high in 2022 (ILM). In addition, the number of seats on flights allocated to ILM by airlines increased 23 percent during 2023 compared with an average increase of 10 percent for the nation, making ILM the fourth fastest growing airport in the country. The increase in airport traffic was partly due to increased tourism to

Job growth in the Wilmington metropolitan area has exceeded the regional and national rates for the past 6 years.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Wilmington Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
New Hanover Regional Medical Center	Education & Health Services	7,000+
University of North Carolina Wilmington	Government	1,000+
New Hanover County	Government	1,000+

Note: Excludes local school districts.

Source: North Carolina Department of Commerce

the metropolitan area. The tourism industry had an estimated economic impact of \$1.3 billion during 2023, up 6 percent from 2022 (Visit North Carolina). Visitors to the metropolitan area accounted for about 4 percent of all tourism spending in North Carolina during 2023, supporting an estimated 7,800 jobs and generating \$49.4 million in local taxes.

Sales Market Conditions

The home sales market in the Wilmington metropolitan area is slightly tight but easing, with an estimated vacancy rate of 1.3 percent as of November 1, 2024, down from 1.8 percent in April 2020. Total home sales were increasing before the pandemic then grew rapidly through 2021, when mortgage interest rates remained very low. When mortgage rates increased during 2022, home sales demand began to decline because of the increasing cost of homeownership and fewer qualified homebuyers. The interest rate for a 30-year fixed-rate mortgage averaged 6.4 percent during October 2024, down from 7.6

percent a year earlier but well above the October low of 2.8 percent in 2020 (Freddie Mac). Home sales have continued to decline since 2022 because of slowing net in-migration to the metropolitan area. The 1,400 homes listed for sale in October 2024 represented 2.8 months of inventory, up from a 2.0-month supply a year before (Redfin, a national real estate brokerage, with adjustments by the analyst). By comparison, when the market was very tight as of October 2022, the 990 homes for sale in the metropolitan area represented a 1.2-month supply.

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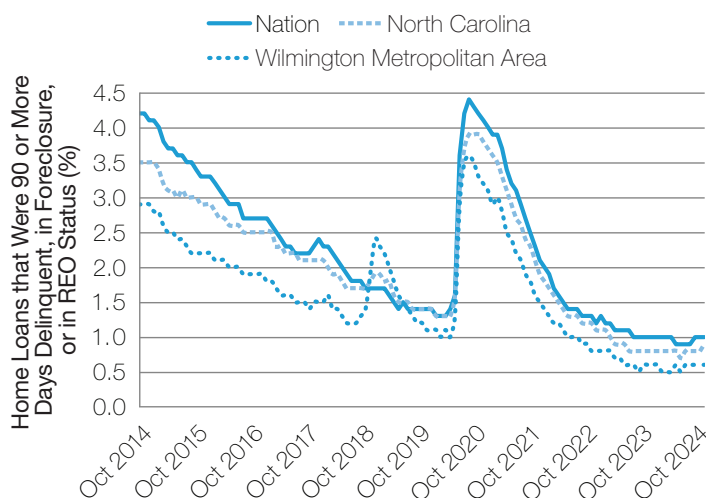
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The share of mortgages in the metropolitan area that were seriously delinquent or in real estate owned (REO) status was 0.6 percent as of October 2024, unchanged from a year ago and below the respective rates of 1.0 and 0.9 percent for the nation and North Carolina (CoreLogic, Inc.). By comparison, the share of mortgages that were seriously delinquent or in REO status in the metropolitan area reached a recent October high of 3.3 percent in 2020, during the pandemic, when delinquencies increased and a large number of mortgages were in forbearance.

During the 12 months ending October 2024 —

- Approximately 680 new homes were sold in the metropolitan area, down by 420 homes, or 38 percent, from the previous 12 months. By comparison, during the 12 months ending October 2021, the number of new home sales increased by 220 homes, or 15 percent, to 1,675, the highest number of new home sales during a 12-month period ending October in the past decade (CoreLogic, Inc., with adjustments by the analyst).
- Existing home sales decreased by 250 homes, or 4 percent, from the previous 12 months to 5,400, the lowest number of existing home sales during a 12-month period ending October since 2014. By comparison, the number of existing home sales declined by 2,550 homes, or 31 percent, during the 12 months ending October 2023.
- The average new home sales price increased by \$34,500, or 7 percent, to \$536,900, following an 18-percent increase during the previous 12 months. The average existing home price increased by \$47,050, or 10 percent, to \$501,000 compared with a 9-percent increase a year earlier.

The percentage of home loans that are 90 or more days delinquent, in foreclosure, or in REO status in the Wilmington metropolitan area has been below the national and regional averages since 2020.

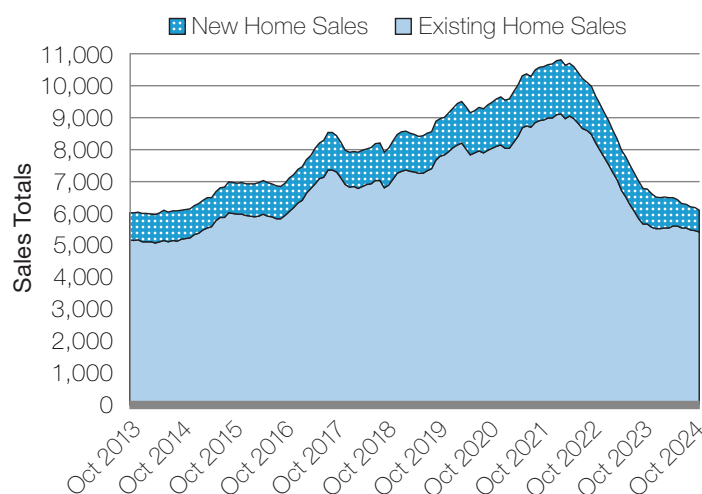


REO = real estate owned.
Source: CoreLogic, Inc.

- New and existing home sales in New Hanover County accounted for 78 percent of all homes sold in the metropolitan area, or 4,750 homes, down 6 percent from the previous 12 months. The average home price in New Hanover County reached \$528,200, up 11 percent from a year earlier. In Pender County, home sales decreased 22 percent to 1,325 homes sold, and the average home price increased approximately 1 percent to \$422,800.

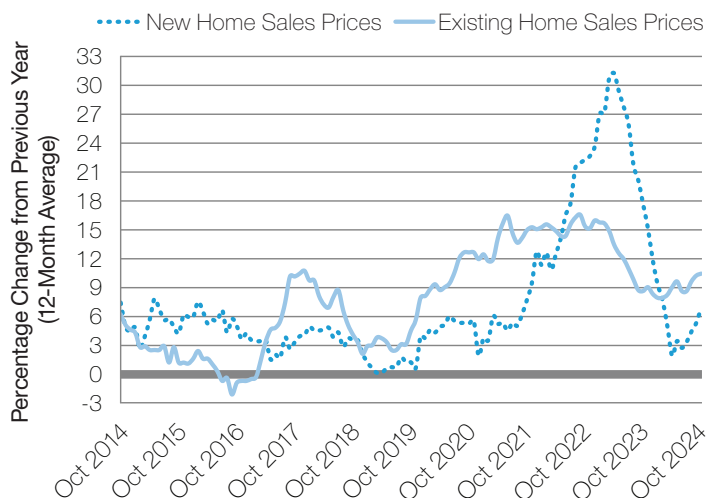
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During the 12 months ending October 2024, home sales in the Wilmington metropolitan area reached the lowest point in the past 10 years.



Note: Includes single-family, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

Existing and new sales prices in the Wilmington metropolitan area continued to increase during the past 12 months but at a slower rate than the recent respective highs in 2022 and 2023.



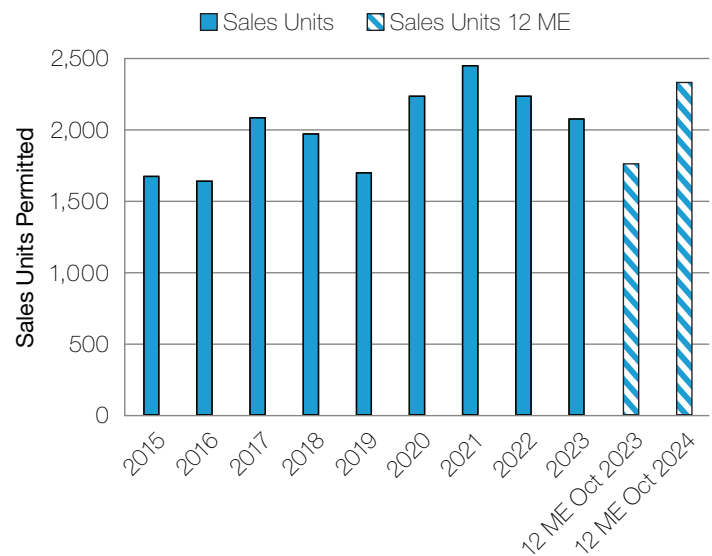
Note: Includes single-family, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

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Construction of sales housing in the metropolitan area, as measured by the number of single-family homes, townhomes, and condominiums permitted, increased during the early stages of the pandemic and reached a recent high in 2021. When home sales demand weakened during 2022 and 2023, the number of new sales units permitted also declined but remained above prepandemic levels. During the 12 months ending October 2024, however, sales housing construction increased significantly despite the continued decline in new home sales.

- During the 12 months ending October 2024, approximately 2,325 sales units were permitted in the metropolitan area, an increase of 570 units, or 32 percent, from the previous 12 months (preliminary data, with adjustments by the analyst).
- Approximately 2,450 sales units were permitted during 2021, up by 210 units, or 10 percent, from 2020 and a recent high number of units permitted (annual data, with adjustments by the analyst).
- New Hanover County accounted for approximately 1,350, or 58 percent, of the sales units permitted in the metropolitan area during the 12 months ending October 2024, up by 230 units, or 20 percent, from the previous 12 months. Approximately 980 sales units were permitted in Pender County, representing a 340-unit, or 54-percent, increase from the 12 months ending October 2023.
- Riverlights is a mixed-use development in New Hanover County that includes three subdivisions, with 29 completed

After declining during 2022 and 2023, construction of sales units in the Wilmington metropolitan area increased during the 12 months ending October 2024.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

homes and 68 lots available for sale out of an estimated 1,400 homes at buildout. Nine home builders offer single-family homes or townhomes ranging from \$379,900 for a two-bedroom, 1,550-square-foot townhome to \$1,819,750 for a four-bedroom, 3,575-square-foot single-family home.

Rental Market Conditions

Rental market conditions in the Wilmington metropolitan area are currently soft, with an estimated rental vacancy rate of 13.2 percent as of November 1, 2024, up from 11.2 percent in April 2020. The rental market tightened after the onset of the pandemic, when net in-migration increased significantly and contributed to a dramatic increase in apartment absorption. The strong absorption of units during 2021 outpaced rental construction deliveries, leading to a decline in apartment vacancy rates and a rapid increase in the average apartment rent. Apartment absorption remained strong from early 2023 through the third quarter of 2024, but the number of new units that came online during the past 2 years is nearly twice the number of apartment units absorbed. As a result, apartment vacancy rates have increased significantly, and the average rent has declined.

As of the third quarter of 2024 —

- The apartment market in the metropolitan area was very soft, reaching the highest vacancy rate in the past 20 years of 11.8 percent (CoStar Group). By comparison,

the apartment vacancy rate was 5.9 percent as of the third quarter of 2019, before the pandemic, and reached the lowest point in the past 20 years of 3.9 percent during the third quarter of 2021.

- The average monthly apartment rent declined less than 1 percent to \$1,518 from the third quarter of 2023, following a 2-percent decline during the previous year. By comparison, the average apartment rent reached a third quarter high of \$1,543 in 2022, representing an 11-percent increase from the year before.
- The average rents for studio and one-, two-, and three-bedroom apartments were \$1,195, \$1,338, \$1,591, and \$1,845, respectively. From the third quarters of 2023 to 2024, the changes in average rent ranged from a 2-percent decrease for a one-bedroom apartment to a 2-percent increase for a three-bedroom apartment.
- New Hanover County accounted for approximately 92 percent of the apartment units in the metropolitan

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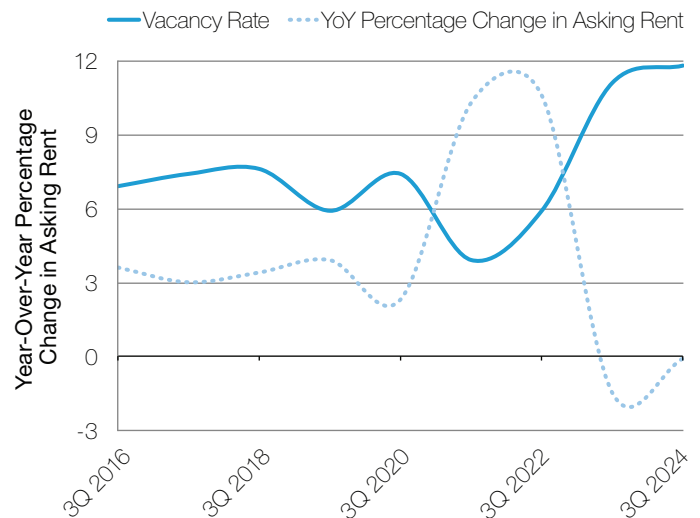
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area and had a vacancy rate of 10.1 percent, with an average apartment rent of \$1,492. The apartment market in Pender County was more volatile, with a vacancy rate of 30.1 percent and average apartment rent of \$1,820. The smaller inventory of units in the county meant that completion of new units had a large impact on the market.

Rental construction in the metropolitan area, as measured by the number of rental units permitted, reached a recent high in 2019 after damage from Hurricane Florence—which made landfall near Wilmington in September 2018—led to extensive rebuilding. During the pandemic, rental permitting remained above predisaster levels and increased each year through early 2023 because builders were responding to tight market conditions. However, rental permitting has slowed since the second half of 2023, when deliveries increased significantly, including some units that started construction near the beginning of the pandemic.

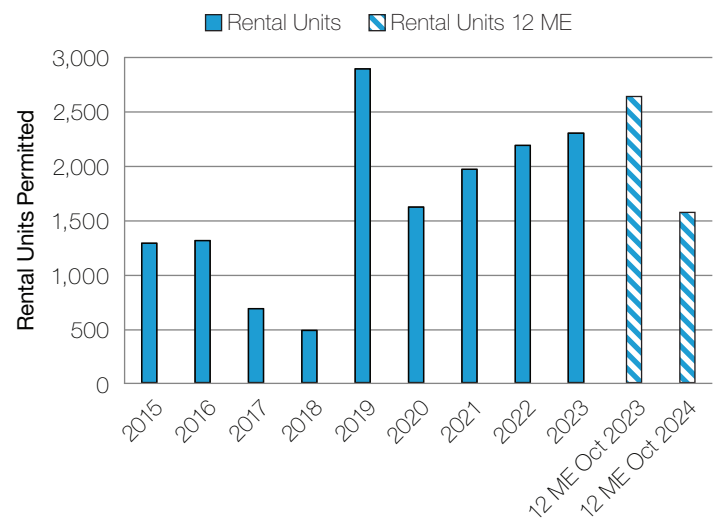
- During the 12 months ending October 2024, the number of rental units permitted in the metropolitan area declined by 1,075, or 40 percent, from the previous 12 months to 1,575 units (preliminary data, with adjustments by the analyst).
- Damage to residential buildings from Hurricane Florence led to a large wave of rental construction during 2019. Despite low levels of population growth, 2,900 units were permitted during 2019 compared with an average of 580 units permitted during 2017 and 2018.
- As of November 1, 2024, the city of Wilmington accounted for an estimated 84 percent of the total apartment units under construction in the metropolitan area, or 2,100 units. The remaining 400 units under construction were in the city of Hampstead in Pender County.
- Among recently completed developments in the metropolitan area, the largest is Argento at Riverlights, which was completed in mid-2024, with approximately 290 units. The development offers one-, two-, and three-bedroom apartments with rents starting at \$1,374, \$1,599, and \$2,325, respectively.
- Hawthorne at Hampstead is the largest recently completed development in Pender County, offering a mix of apartment units and single-family built-for-rent homes. Apartment units at Hawthorne at Hampstead range from \$1,468 for a one-bedroom unit to \$2,193 for a three-bedroom unit, and the detached homes range from \$2,353 for a three-bedroom cottage to \$2,750 for a four-bedroom cottage.

As of the third quarter of 2024, the average apartment rent in the Wilmington metropolitan area continued to decline as the apartment vacancy rate reached a recent high.



3Q = third quarter. YoY = year-over-year.
Source: CoStar Group

Rental unit construction in the Wilmington metropolitan area was increasing throughout the pandemic but slowed during the 12 months ending October 2024.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
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. A property is stabilized once it reaches a 90-percent occupancy rate or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
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.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
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 definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The HUD Southeast/Caribbean region includes Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and the U.S. Virgin Islands.