COMPREHENSIVE HOUSING MARKET ANALYSIS

Camden, New Jersey

PD&R

Housing Market Area

The Camden Housing Market Area (HMA) is coterminous with the Camden, NJ Metropolitan Division in South New Jersey and comprises Burlington, Camden, and Gloucester Counties. The HMA is a largely suburban community and is a regional hub for healthcare services and higher education in South New Jersey. The city of Camden is the most populous of the 101 townships, boroughs, and cities in the HMA but represents only 6 percent of its population.

Market Details

Summary

Economy

Although payrolls are still below their 2006 peak, job growth in the Camden HMA since 2015 has been strong. During the 12 months ending April 2017, nonfarm payrolls in the HMA increased by 12,900 jobs, or 2.5 percent. State-based incentives established in 2013 engendered strong job growth in the manufacturing and the transportation and utilities sectors and significant commercial construction activity in the city of Camden. Job gains are expected to continue during the 3-year forecast period, albeit at a more modest pace of 7,900 jobs, or 1.5 percent, annually.

Sales Market

The sales housing market in the HMA is slightly soft, with an estimated vacancy rate of 1.3 percent. Existing home sales have increased since 2012, but high levels of foreclosures in the HMA have contributed to declines in average sales prices and have limited growth in single-family home construction activity. During the forecast period, demand is expected for 2,675 new homes (Table 1). The 300 homes currently under construction and a portion of the 22,950 other vacant homes that may reenter the market likely will satisfy part of the forecast demand.

Rental Market

The overall rental housing market in the HMA is slightly soft, with an estimated vacancy rate of 7.3 percent, down from 8.6 percent in April 2010. Despite relatively high levels of apartment construction activity since 2013, the apartment market is balanced, with a vacancy rate of 4.7 percent as of the first quarter of 2017 (Axiometrics, Inc.). During the forecast period, demand is expected for 2,725 new market-rate rental units (Table 1). The 770 apartments under construction will satisfy some of the forecast demand.

Table 1. Housing Demand in the Camden HMA During the Forecast Period

	Camden HMA	
	Sales Units	Rental Units
Total demand	2,675	2,725
Under construction	300	770

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, 2017. A portion of the estimated 22,950 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2017, to May 1, 2020.
Source: Estimates by analyst

Economic Conditions

Total nonfarm payrolls in the Camden HMA have increased since 2012. As of the 12 months ending April 2017, payrolls were only 5,500 jobs below their peak in 2006, and 86 percent of the nearly 40,000 jobs lost from 2007 through 2011 had been recouped. During the 12 months ending April 2017, total nonfarm payrolls in the HMA averaged 536,000 jobs, an increase of 12,900 jobs, or 2.5 percent, from the average during the previous 12 months (Table 2). Job growth in the HMA was particularly strong from 2015 through the current date, with an average annual gain of 12,300 jobs, or 2.4 percent. Growth since 2015 has been significantly faster than the average annual addition of 1,900 jobs, or 0.4 percent, from 2012 through 2014, and was nearly twice the rate of expansion in the early 2000s. From 2001 through 2006, nonfarm payrolls increased by an average of 6,800 jobs, or 1.3 percent, annually. Jobs increased in 9 of 11 sectors but declined in the manufacturing and the transportation and utilities sectors. Total nonfarm payrolls declined from 2007 through 2011 by an average of 8,000 jobs, or 1.5 percent, annually.

The education and health services sector continued to increase during this period, although most other sectors declined. The strong growth in jobs from 2015 through the current date was, in part, an effect of the New Jersey Economic Opportunity Act of 2013 that provided incentives for commercial investment in select industries, including logistics and manufacturing, and targeted low-income areas in the state, including the city of Camden (Camden County).

The largest percentage gain during the 12 months ending April 2017 was in the transportation and utilities sector, which increased 14.7 percent, or by 2,900 jobs. The sector benefited from the substantial growth in e-commerce, in which online sales, valued at $105.7 billion in the United States as of the first quarter of 2017, have grown 15 percent annually since the first quarter of 2010 (U.S. Census Bureau). The growth in e-commerce has prompted retailers to build warehouses near major population centers to fulfill demand from online sales. Amazon.com, Inc., leased an order fulfillment center in Florence Township (Burlington County) in late 2016, adding more than 500 jobs to the transportation and utilities sector. Another distribution facility was completed in Logan Township (Gloucester County) in December 2016 and was fully leased to XPO Logistics, Inc., adding as many as 500 jobs to the sector (Colliers International).

The manufacturing sector increased by 1,000 jobs, or 2.8 percent, during the 12 months ending April 2017. Despite a 31-percent decline in the manufacturing sector since 2000, the sector has been adding jobs in the HMA since 2015. Holtec International,

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

	12 Months Ending		Absolute Change	Percent Change
	April 2016	April 2017		
Total nonfarm payroll jobs	523,100	536,000	12,900	2.5
Goods-producing sectors	58,400	59,900	1,500	2.6
Mining, logging, & construction	22,200	22,600	400	1.8
Manufacturing	36,200	37,200	1,000	2.8
Service-providing sectors	464,700	476,200	11,500	2.5
Wholesale & retail trade	96,800	97,900	1,100	1.1
Transportation & utilities	19,700	22,600	2,900	14.7
Information	7,000	6,800	– 200	– 2.9
Financial activities	29,000	30,400	1,400	4.8
Professional & business services	77,500	78,400	900	1.2
Education & health services	92,400	95,400	3,000	3.2
Leisure & hospitality	45,300	47,000	1,700	3.8
Other services	18,400	18,500	100	0.5
Government	78,600	79,200	600	0.8

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through April 2016 and April 2017.
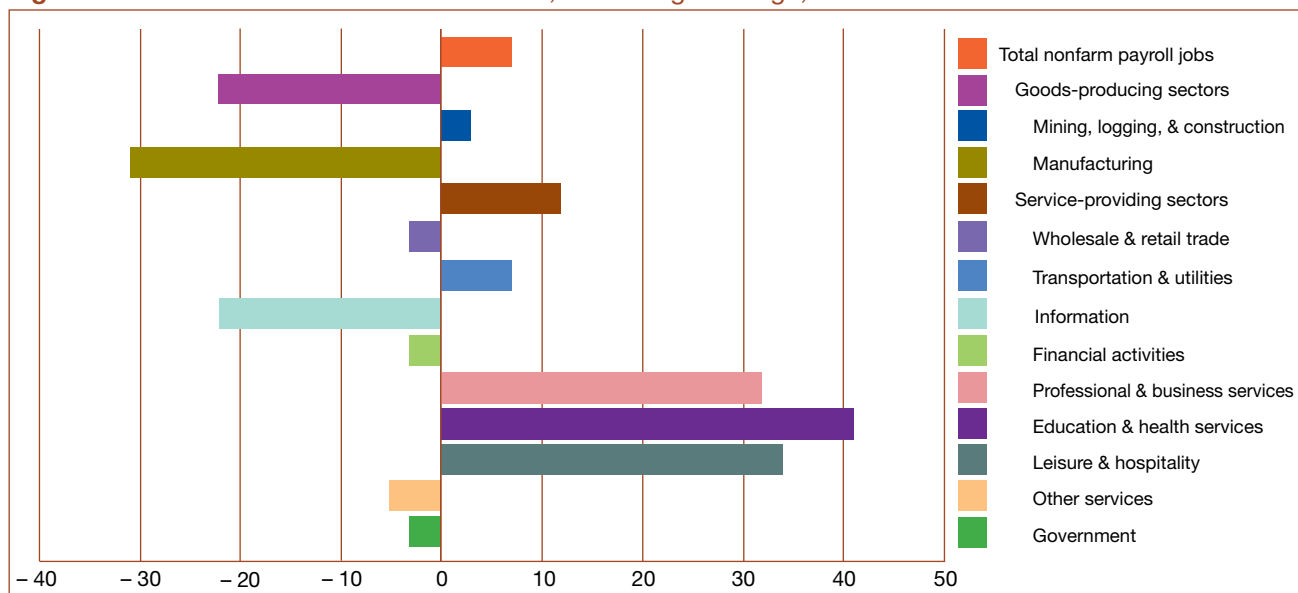Source: U.S. Bureau of Labor Statistics

a supplier of industrial equipment to the energy industry, added 240 jobs in the manufacturing sector at a newly constructed, $300 million technology campus in the city of Camden. The investment includes a technology center and a manufacturing plant and may add up to several hundred more manufacturing jobs, as production expands through 2020. One of the largest manufacturers in the HMA is Lockheed Martin Corporation, whose facility in Moorestown Township (Burlington County) employs about 3,450 workers. Nearly 70 percent of the growth in manufacturing in the past year was in nondurable goods industries. Liscio's Italian Bakery, Inc., opened a new food production facility in Glassboro Borough (Gloucester County) in June 2016, adding 70 jobs.

The education and health services sector led job growth during the 12 months ending April 2017 with an increase of 3,000 jobs, or 3.2 percent. Most of this growth was in the healthcare and social assistance industry, which added 2,500 jobs, or 3.0 percent. From 2000 through the current date,

the number of jobs in the education and health services sector increased 41 percent (Figure 1), more than any other sector, and nearly all the gain was in the healthcare and social assistance industry. Penn Medicine, a medical affiliate of the University of Pennsylvania in the city of Philadelphia, opened an outpatient healthcare center in Cherry Hill Township (Camden County) in October 2016, adding jobs to the education and health services sector. An estimate of the number of full-time jobs added at the new facility is unavailable.

The wholesale and retail trade sector is the largest in the HMA and accounts for more than 18 percent of total nonfarm payrolls (Figure 2). Despite an overall 3-percent decline from 2000 through the current date, jobs in the trade sector have increased since 2014, mostly because of gains in the retail trade subsector. Gloucester Premium Outlets opened in August 2015 in Gloucester Township (Camden County), adding 800 jobs to the retail trade subsector. The wholesale and retail trade sector increased by 1,100

Figure 1. Sector Growth in the Camden HMA, Percentage Change, 2000 to Current

Note: Current is based on 12-month averages through April 2017.
Source: U.S. Bureau of Labor Statistics

Figure 2. Current Nonfarm Payroll Jobs in the Camden HMA, by Sector
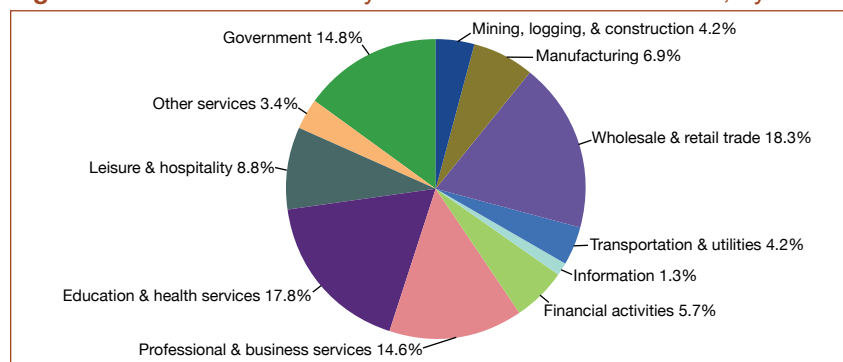
Note: Based on 12-month averages through April 2017.
Source: U.S. Bureau of Labor Statistics

jobs, or 1.1 percent, during the 12 months ending April 2017. Partially offsetting this gain was the closure in March 2017 of two Macy's department stores in the HMA, with nearly 200 employees combined; these stores are two of the dozens of stores that the company is closing nationwide.

The government sector increased by 600 jobs, or 0.8 percent, during the 12 months ending April 2017. Jobs in the government sector as a whole— including local, state, and federal subsectors—declined 3 percent from 2000 through the current date, and also during the current period of economic expansion that began in 2012. The state government subsector increased, however, by an average of 400 jobs, or 3.0 percent, annually, from 2012 through the current date. Part of this growth was new faculty at Rowan University, a public university with multiple locations in the HMA, including a main campus in Glassboro Borough. In October 2016, Rowan University had approximately 1,575 instructional faculty and an enrollment of 17,350 full- and part-time students, up from 1,125 faculty and 12,200 students in October 2012 (Rowan University Office of Institutional Effectiveness, Research and Planning). Rowan University has an annual economic impact of $1.23 billion and supports 9,200 jobs in the State of New Jersey (Econsult Solutions). Joint Base McGuire-Dix-Lakehurst is a multiservice military base, spanning portions of Burlington and Ocean Counties, and is one of the largest employers in the HMA (Table 3). The annual economic impact of the base on the state of New Jersey was estimated at $2.94 billion, based on expenditures in 2010 (Rutgers Economic Advisory Service).

The mining, logging, and construction sector increased by 400 jobs, or 1.8 percent, during the 12 months ending April 2017. Jobs in this sector declined strongly from 2007 through 2011 as single-family homebuilding activity in the HMA plummeted in the late 2000s. However, a significant

Table 3. Major Employers in the Camden HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Cooper University Health Care	Education & health services	5,000+
Joint Base McGuire-Dix-Lakehurst	Government	5,000+
Virtua Health, Inc.	Education & health services	5,000+
American Water Works Company, Inc.	Transportation & utilities	1,000–4,999
Bancroft Brain Injury Services	Education & health services	1,000–4,999
Burlington Coat Factory	Wholesale & retail trade	1,000–4,999
Campbell Soup Company	Manufacturing	1,000–4,999
Lockheed Martin Corporation	Manufacturing	1,000–4,999
PHH Mortgage Corporation	Financial activities	1,000–4,999
Rowan University	Government	1,000–4,999

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data. A portion of the personnel and employees at Joint Base McGuire-Dix-Lakehurst are in adjacent Ocean County.
Source: InfoUSA

Economic Conditions *Continued*

increase in commercial construction activity in the HMA in recent years prompted strong job growth in the sector; jobs in the mining, logging, and construction sector increased by an average 900 jobs, or 4.3 percent, annually, from 2015 through the current date. The construction of the technology campus for Holtec International that began July 2015 on the waterfront in the city of Camden created an estimated 1,150 construction jobs. The ongoing construction of the new headquarters for American Water Works Company, Inc., another waterfront development that began in March 2017, was estimated to create 1,500 construction jobs through completion in 2019. Institutional investment also bolstered job growth in the mining, logging, and construction sector. The new $145 million dormitory at Rowan University created an estimated 380 construction jobs from its groundbreaking in early 2015 through completion in September 2016.

Labor market conditions in the HMA improved in recent years because of job growth in the HMA and in nearby areas, particularly the city of Philadelphia. The unemployment rate has declined since peaking at 10.1 percent during 2010 (Figure 3). The decline in the rate through 2014 was entirely due to a contraction in the labor force, as workers retired or moved to areas of stronger job growth. However,

the greater factor in the decline since 2015 has been strong increases in resident employment that more than doubled the modest increases in labor force. About 11 percent of working residents of the HMA commute to jobs in the city of Philadelphia, where nonfarm payrolls expanded 2.1 percent annually from 2015 through the current date, contributing to resident employment growth in the HMA. During the 12 months ending April 2017, the unemployment rate in the HMA averaged 4.7 percent, down from an average of 5.5 percent during the previous 12 months.

During the 3-year forecast period, nonfarm payrolls are expected to increase annually by an average of 7,900 jobs, or 1.5 percent. Payrolls are expected to reach a new peak for the HMA by the end of the first year and to continue to increase in years following. This economic growth should bolster stronger population growth in the HMA, which has largely stalled since April 2010.

The education and health services sector likely will lead job growth in the HMA during the forecast period, in part, because of large-scale capital improvements by major healthcare providers in the HMA. Kennedy University Hospital undertook a $250 million renovation of its medical campus in Cherry Hill Township. The first phase began in April 2015 and includes a new Outpatient Pavilion that is expected to be complete in late May 2017. The second phase will include a new inpatient tower and is expected to begin in late 2017 and finish in 2019. An estimate of the number of full-time jobs added through this renovation is unavailable. In addition, BAYADA Home Health Care plans to consolidate several existing offices

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Camden HMA, 2000 Through 2016
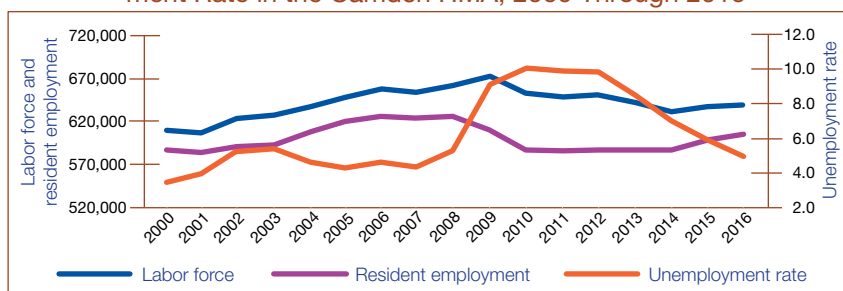
Source: U.S. Bureau of Labor Statistics

into a single location in Pennsauken Township (Camden County), adding 160 jobs to the education and health services sector in late 2019.

The transportation and utilities sector likely will continue to add jobs during the forecast period as new warehouses are constructed. Construction on a new warehouse facility and headquarters for Quality Packaging Specialists International, LLC began in August 2016 in Florence Township and is expected to add 220 jobs to the transportation and utilities sector on completion in mid-2017. In addition, Amazon.com announced plans in April 2017 to construct a new order-fulfillment center in Logan Township to expand an existing sortation facility that opened in 2014, adding a currently unannounced number of jobs to the sector. Jobs in the wholesale and retail trade sector are likely to increase modestly during the forecast period. EMR Eastern, LLC, a metal recycling firm, is planning a $148 million

expansion in the city of Camden to include new office and warehouse space, adding an estimated 285 jobs to the sector on completion in September 2018.

Two other planned investments have implications for growth in multiple sectors during the forecast period. The Paulsboro Marine Terminal opened in Gloucester County in March 2017, and an expansion is planned for the cargo facility that would nearly triple its current capacity, directly support job gains in the transportation and utilities sector, and indirectly support job growth in the manufacturing sector. Finally, plans were announced in March 2017 for a $245 million, 18-story office building along the waterfront in the city of Camden that will house offices for an insurance brokerage, a logistics company, and a real estate development firm, adding 200 new permanent jobs to various sectors and creating 680 construction jobs through completion in mid-2019.

Population and Households

As of May 1, 2017, the population of the Camden HMA is estimated at 1.25 million. The population remained relatively unchanged from April 2010 to the current date, with an average annual increase of only 190 people, or less than 0.1 percent (Figure 4). By comparison, the population increased by an average of 8,725, or 0.7 percent, annually, from April 2000 to July 2006 (U.S. Census Bureau decennial census, population estimates as of July 1), then slowed to an average increase of 2,425, or 0.2 percent, annually, from July 2007 to April 2010.

Slowed population growth since the late 2000s has been primarily because of net out-migration. From April 2000 to July 2006, net in-migration averaged 4,200 people annually. Net in-migration progressively slowed within this period, however, partially because of less migration into the area from the city of Philadelphia. The city of Philadelphia enacted real estate tax abatements for newly constructed homes in the late 1990s, prompting residents to remain in the city rather than migrating to surrounding suburbs, including the HMA.

Population and Households *Continued*

Figure 4. Population and Household Growth in the Camden HMA, 2000 to Forecast
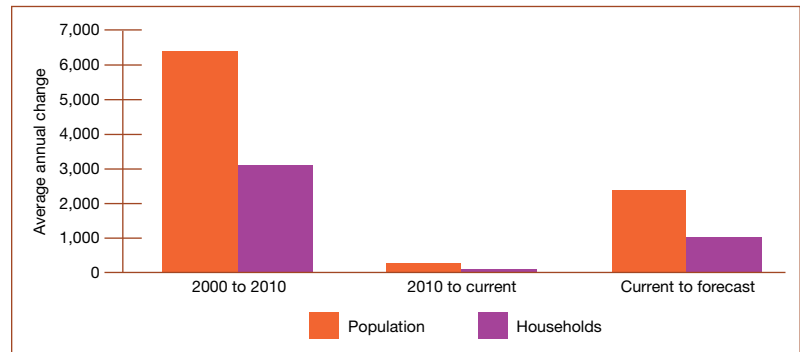
Notes: *The current date is May 1, 2017. The forecast date is May 1, 2020.*
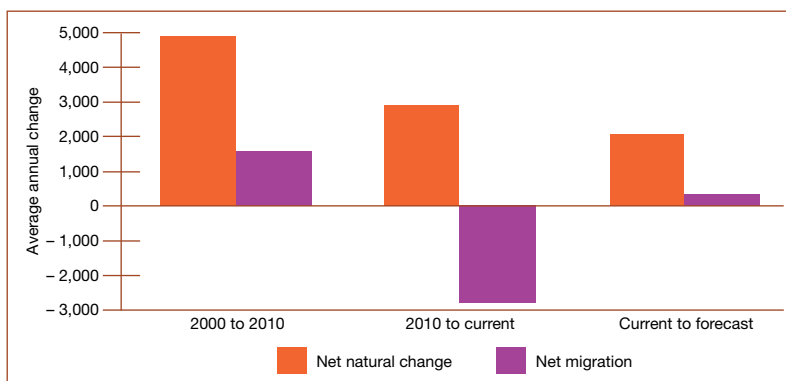Sources: *2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst*

From 2005 through 2009, approximately 4,425 people moved into the HMA from the city of Philadelphia, down significantly from the 24,300 people from 1996 through 2000 (U.S. Census Bureau). The economic contraction that began in the HMA during 2007 exacerbated this trend, and net out-migration averaged 2,900 people annually from July 2006 to April 2010. Net out-migration has averaged 2,725 people, annually, since April 2010, although a decline in the number of births also contributed to the slow population growth (Figure 5). Net natural change (resident births minus resident deaths) averaged 4,825 people from April 2000 to April 2010, then fell to an average of 2,925 people annually from April 2010 to the current date.

Growth in the population of residents ages 45 to 64 was particularly slow from April 2010 to the current date. This age cohort increased by an average of 8,375 from April 2000 to April 2010 (overall population growth was a net increase of only 6,375 annually because of declines in other age groups). However, the cohort increased by only 310, annually, from April 2010 to July 2016, partially as a consequence of weak economic conditions in the early 2010s. About 81 percent of householders in the HMA ages 45 to 64 are homeowners (2011–2015 American Community Survey [ACS] 5-year data), and the slow growth in this age group weakened demand for homes and restrained homebuilding activity in recent years.

An estimated 461,900 households reside in the HMA as of May 1, 2017. From April 2010 to the current date, the number of households remained relatively unchanged, increasing by an average of 45, or less than 0.1 percent, compared with an average annual increase of 3,075, or 0.7 percent, from April 2000 to April 2010. A rise in

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

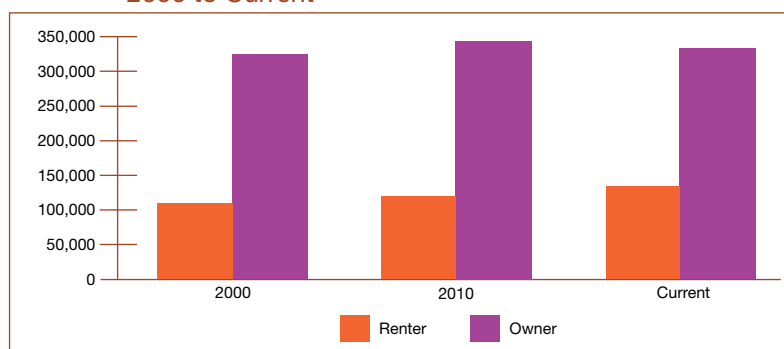Notes: *The current date is May 1, 2017. The forecast date is May 1, 2020.*
Sources: *2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst*

foreclosures has contributed to a decline in the number of owner households since April 2010. The number of owner households is currently estimated at 331,400, or 71.7 percent of total households, down from 343,536 owner households and 74.4 percent of total households as of April 2010 (Figure 6). Renter households, meanwhile, more than offset the decline in owner

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

Note: The current date is May 1, 2017.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

households, leading to the slight net gain in households from April 2010 to the current date and generating strong apartment demand in the HMA in recent years. Table DP-1 at the end of this report displays additional economic, demographic, and housing data for the HMA.

During the 3-year forecast period, the growth in population and households is expected to strengthen because of continued economic growth. Population is expected to increase by an average of 2,325, or 0.2 percent, annually, and the number of households is expected to increase by an average of 930, or 0.2 percent, annually. In-migration is expected to surpass out-migration in later years of the forecast, resulting in an average annual net in-migration of 450 people during the forecast period.

Housing Market Trends

Sales Market

The sales housing market in the Camden HMA is currently slightly soft, with an estimated vacancy rate of 1.3 percent, down from 1.6 percent in April 2010. As of April 2017, a 5.7-month supply of existing homes was available for sale, down from 7.5 months a year earlier and 12.6 months in April 2010 (TREND MLS). The level of foreclosed homes in the HMA remained high and contributed to declines in both the average existing-home sales price and homebuilding activity in the most recent 12-month period.

Sales of existing homes in the HMA have increased since 2012. During the

12 months ending April 2017, existing home sales (including single-family homes, townhomes, and condominiums) totaled 23,450, up 14 percent from 20,650 sales during the previous 12 months (Metrostudy, A Hanley Wood Company). By comparison, existing home sales totaled 25,150 during 2005 (the earliest data available), before declining an average of 16 percent annually from 2006 through 2011, to a level of 8,825, and increasing an average of 22 percent annually from 2012 through 2015, to 19,300 homes sold. Most of the increase since 2012 has been because of an increase in homes sold through

foreclosure and sales of real estate owned (REO) homes. Sales of REO homes rose from 970 and 11 percent of total existing home sales during 2011 to 4,225 and 19 percent of total existing home sales during the 12 months ending April 2017. Because sales prices for REO homes in the HMA are typically 45 percent less than sales prices for regular resales, the rise in sales of REO homes contributed to declines in average existing home sales prices. During the 12 months ending April 2017, sales prices for existing homes sold in the HMA averaged $196,700, down 4 percent from the average during the previous 12 months. By comparison, existing-home sales prices averaged $222,800 during 2005, peaked at $234,500 during 2006, then declined an average of 1 percent annually to $206,000 for homes sold during 2015.

The foreclosure process in New Jersey is one of the longest in the nation, at an average of 1,383 days, compared with 803 days nationally (ATTOM Data Solutions, as of the fourth quarter of 2016). For this reason, the level of seriously delinquent mortgages (loans 90 or more days delinquent or in foreclosure) or that had transitioned to REO status peaked much later and remains higher in the HMA than in the nation. The national rate reached a high of 8.6 percent in January 2010, whereas the rate for the HMA peaked at 12.8 percent in January 2013 (CoreLogic, Inc.). As of March 2017, 7.0 percent of mortgages in the HMA were seriously delinquent or in REO status, down from 9.1 percent a year earlier (CoreLogic, Inc.). By comparison, rates for New Jersey and the nation during March 2017 were 5.3 and 2.4 percent, respectively. The rate for New Jersey was lower, in

part, because of low rates of serious delinquency in parts of Northern New Jersey, including Hunterdon, Morris, and Somerset Counties, where unemployment rates are lower than in the Camden HMA.

The new homes sales market is balanced, although the pace of closings recently slowed. The supply of new homes (including single-family homes and townhomes under construction, finished but vacant homes, and built as model homes) was 7.8 months, as of the first quarter 2017, up from 7.1 months a year earlier (Metrostudy, A Hanley Wood Company). Observed closings fell 14 percent from 950 during the 12 months ending March 2016 to 820 during the 12 months ending March 2017. The widening gap between the average existing-home sales price and the average new home sales price contributed to the decline. After peaking at $394,300 during 2007, the average new home sales price reached a low of $290,700 during 2012, and then, increased an average of 5 percent annually from 2013 through 2015. During the 12 months ending April 2017, sales prices for new homes sold in the HMA averaged $346,500, unchanged from the average during the previous 12 months. Compared with existing-home sales prices, new home sales prices were 76 percent greater during the 12 months ending April 2017, up from 70 percent during the previous 12 months and up from a premium of 40 percent during 2012.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, has increased modestly since the beginning of the economic recovery in 2012 and is well below the volume of activity during the early 2000s. From 2000 through

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2005, an average of 4,325 homes were permitted annually (Figure 7). With slowing population growth and job losses, construction activity fell precipitously starting in 2006 to a low of 1,025 homes permitted during 2011. Homebuilding activity increased during 4 of the next 5 years, to nearly 1,400 homes permitted during 2016. During the 12 months ending April 2017, 1,225 single-family homes were permitted in the HMA, down 9 percent from 1,350 homes permitted during the previous 12 months (preliminary data).

As of the first quarter of 2017, 86 subdivisions were actively marketed in the HMA. Homebuilding activity occurs throughout the area but is

concentrated in Glassboro Borough, Medford Township (Burlington County), and in Marlton, a Census-designated place in Evesham Township. In Glassboro Borough, The Village Grande at Camelot is a community planned for 440 single-family homes for active adults, 370 of which have been built since construction began in 2005. During the first quarter of 2017, the subdivision accounted for about 10 percent of the observed closings in the HMA, the most of any subdivision, in part, because of a 5-year tax abatement on home purchases. Construction on the third section of The Village Grande at Camelot began in mid-2016 and is planned for 60 homes priced from $237,990 to $273,990. In Marlton, Hayvervill at Evesham is under construction, with 40 single-family homes priced from $550,990 to $609,990.

During the 3-year forecast period, demand is expected for 2,675 new single-family homes, townhomes, and condominiums (Table 1). Demand is estimated to be strongest in later years as the inventory of foreclosed homes further recedes. The 300 homes currently under construction will satisfy a portion of the demand. In addition, the number of other vacant homes in the HMA is estimated to have increased significantly since April 2010, partially because of foreclosures and net out-migration. Some of the estimated 22,950 other vacant homes may reenter the market and could satisfy an additional portion of the forecast demand. Demand for new homes is expected to start at $160,000 and be strongest for new homes priced from $200,000 to $399,999 (Table 4).

Figure 7. Single-Family Homes Permitted in the Camden HMA, 2000 to Current
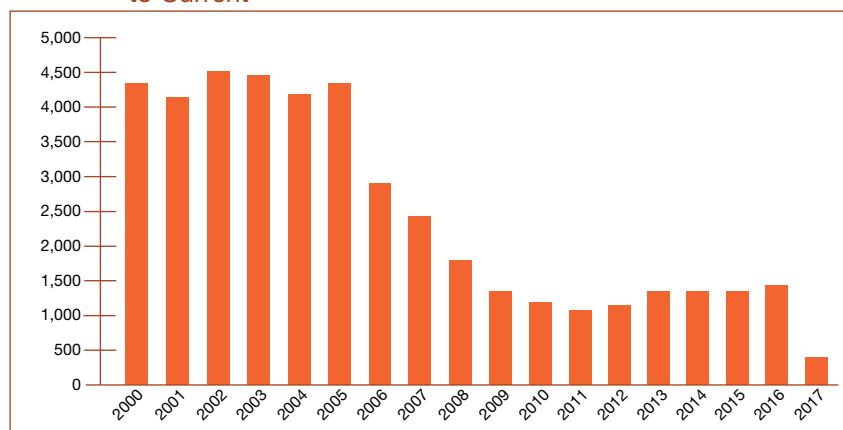
Notes: Includes townhomes. Current includes data through April 2017.
Source: U.S. Census Bureau, Building Permits Survey; estimates by analyst

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

Price Range ($)		Units of Demand	Percent of Total
From	To		
160,000	199,999	270	10.0
200,000	299,999	800	30.0
300,000	399,999	800	30.0
400,000	499,999	670	25.0
500,000	and higher	130	5.0

Notes: The 300 homes currently under construction and a portion of the estimated 22,950 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2017, to May 1, 2020.
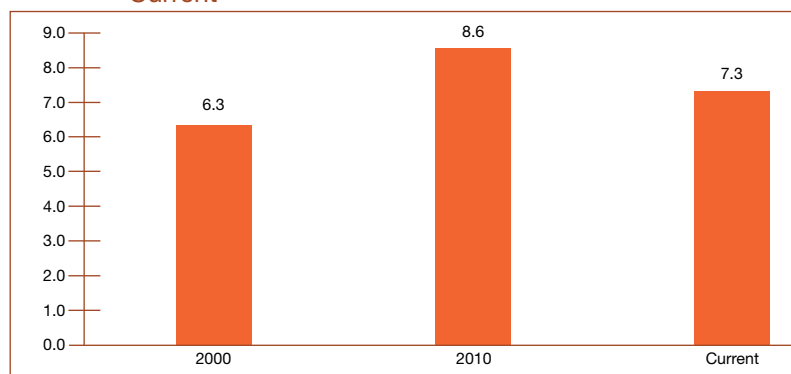Source: Estimates by analyst

Rental Market

The overall rental housing market in the Camden HMA is slightly soft, with an estimated vacancy rate of 7.3 percent, down from 8.6 percent in April 2010 (Figure 8). Rental demand from former homeowners or doubled-up households contributed to the decline in the overall rental vacancy rate. Nearly 30 percent of households that moved into rental units in 2014 or 2015 in the Philadelphia metropolitan area moved from owner-occupied housing units, higher than the national proportion of 22 percent (2015 American Housing Survey data; data specific to the Camden HMA are unavailable). This shift in tenure was likely a consequence of mortgage delinquency and foreclosures in the HMA that peaked in early 2013, as detailed previously. Approximately one-third of renter households live in single-family homes (2015 ACS 1-year data). As a result of soft sales market conditions in the early 2010s, single-family homes increasingly shifted to the rental market, comprising 20 percent of the vacant, for-rent stock in 2010 and 24 percent in 2015 (2010 and 2015 ACS 1-year data).

The apartment market is balanced, with a vacancy rate of 4.7 percent as of the first quarter of 2017, down slightly from 4.8 percent a year earlier (Axiometrics, Inc.). Despite a relatively high level of apartment construction activity since 2013, strong renter household growth has contributed to year-over-year declines in the apartment vacancy rate in most quarters since the first quarter of 2012, when the rate was 7.3 percent. The average asking rent was $1,191 during the first quarter of 2017, up 2 percent from a year earlier. The asking rent increased an average of 2 percent annually from the first quarters of 2012 through 2017.

Off-campus college students comprise about 7 percent of the renter population in the HMA (2015 ACS 1-year data). At Rowan University, with a total enrollment of 17,350 students, 62 percent of undergraduate students lived off campus in October 2016. This share was down slightly from 63 percent a year earlier, in part, because of the opening in September 2016 of Holly Pointe Commons, a dormitory with 1,415 beds. Total enrollment at Rowan University increased by an average of 1,300 students annually from October 2013 to October 2016. Enrollment growth is expected to average 1,100 students annually through October 2023, increasing the presence of off-campus college students in the rental market. Rutgers University-Camden in the city of Camden had an enrollment of 6,475 full- and part-time students as of October 2016, up by 320 students from October 2010 (Rutgers University Office of Institutional Research). More than 90 percent of students at Rutgers University-Camden live off campus, and no plans exist to build new dormitories on campus until at least 2024.

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

Note: The current date is May 1, 2017.

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

Multifamily construction activity, as measured by the number of units permitted, was relatively strong from 2013 from 2016, with an average of 1,450 multifamily units permitted. This number was up from both the average of 880 units from 2007 through 2012 and the average of 850 units from 2000 through 2006 (Figure 9). Apartments comprised 98 percent of multifamily units permitted in the HMA from 2013 through 2016, up from 86 percent of units permitted from 2000 through 2006. The pace of multifamily construction activity slowed during the past 12-month period. During the 12 months ending April 2017, 1,025 multifamily units were permitted, down 32 percent from 1,500 units permitted during the previous 12 months (preliminary data).

Recently completed apartments in the HMA include Essex Chase, with 252 market-rate units in Glassboro Borough that opened in phases from October 2015 through December 2016. Occupancy at Essex Chase is currently 97 percent, and rents for two-bedroom units start at $1,525. Taylor Woods is a 312-unit apartment community in Winslow Township (Camden County) that also began leasing units in 2015. Nearly all available units at Taylor Woods are leased, whereas the final 48 units, some of which are preleased, are still under construction and are expected to be

complete in late May 2017. Roger's Walk Phase III was completed in April 2017 in Mount Laurel Township (Burlington County), with rents for the 112 one- and two-bedroom apartments starting at $1,635 and $2,200, respectively.

Apartment units permitted during the past year include a mix of subsidized and market-rate units. The Residences at Centerville began construction in November 2016 in the city of Camden and is expected to be complete in October 2017. The property will be an age-restricted and subsidized apartment community of 50 units and is part of the redevelopment of a public housing site built in 1941. A second phase of 176 income-restricted townhomes currently in planning will complete the redevelopment. In addition, a $13.2 million Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development awarded in December 2016 will finance community facilities and services. Market-rate apartments permitted during the 12 months ending April 2017 include Jackie's Crossing and Main Street Apartments in Evesham Township, with 55 and 24 units, respectively, expected to be complete in the third quarter of 2017. Rents for Main Street Apartments start at $1,400 and $1,750 for one- and two-bedroom apartments, respectively. In Gloucester County, construction on several mixed-use buildings with 1,134 student beds and 37 market-rate apartments began in May 2016, adjacent to the campus of Rowan University, and are expected to be complete by October 2018. Rents for the market-rate units, collectively called Park Place North, are not yet determined.

Figure 9. Multifamily Units Permitted in the Camden HMA, 2000 to Current
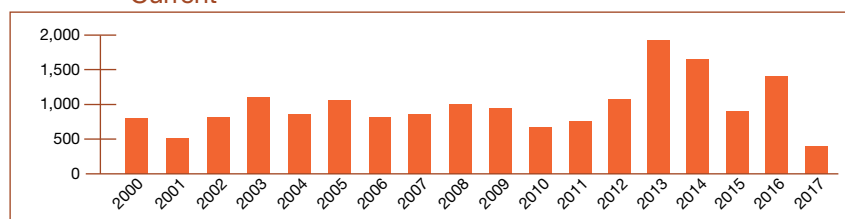
Notes: Excludes townhomes. Current includes data through April 2017.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Camden, NJ • COMPREHENSIVE HOUSING MARKET ANALYSIS

Apartments in planning that are likely to be built during the next 3 years include approximately 130 market-rate units on the waterfront in the city of Camden. Construction is expected to begin on the completion of the new headquarters for American Water Works Company, Inc. Redevelopments of two shopping centers into mixed-use properties are also planned. The construction of The Residences at Renaissance Square, with 338 units at the former Tri-Towne Plaza in Evesham Township, is expected to begin in late 2017. Rents for the market-rate one- and two-bedroom units are expected to start at $1,500 and $2,000, respectively. Also, at the former Pennsauken Mart in Pennsauken Township, the construction of the 240-unit Haddon Point is expected to begin in mid-2017 and to be complete by 2019.

During the 3-year forecast period, demand is expected for 2,725 new market-rate rental units. The 770 apartment units currently under construction will satisfy a portion of this demand. The 710 market-rate units described previously that are likely to begin construction in the near future will satisfy an additional portion of the demand. Demand is expected to be highest in early years and to taper during the forecast as sales market conditions improve. Table 5 illustrates the estimated demand for new market-rate rental housing by number of bedrooms and rent level.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Camden 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
1,175 or more	140	1,400 to 1599	680	1,525 to 1,724	430	2,100 or more	140
		1,600 or more	680	1,725 to 1,924	430		
				1,925 or more	220		
Total	140	Total	1,350	Total	1,075	Total	140

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 770 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2017, to May 1, 2020.
Source: Estimates by analyst

Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	587,985	587,878	611,100	0.0	0.6
Unemployment rate	3.6%	10.1%	4.7%		
Nonfarm payroll jobs	500,800	506,200	536,000	0.1	0.9
Total population	1,186,999	1,250,679	1,252,000	0.5	0.0
Total households	430,832	461,569	461,900	0.7	0.0
Owner households	322,060	343,536	331,400	0.6	– 0.5
Percent owner	74.8%	74.4%	71.7%		
Renter households	108,772	118,033	130,500	0.8	1.4
Percent renter	25.2%	25.6%	28.3%		
Total housing units	456,044	490,354	499,500	0.7	0.3
Owner vacancy rate	1.5%	1.6%	1.3%		
Rental vacancy rate	6.3%	8.6%	7.3%		
Median Family Income	$58,760	$78,300	$81,100	2.9	0.6

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through April 2017. Median Family Incomes are for 1999, 2009, and 2015. The current date is May 1, 2017.

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: 5/1/2017—Estimates by the analyst
Forecast period: 5/1/2017–5/1/2020—Estimates
  by the analyst

The metropolitan division definition in this report is 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 this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), 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_CamdenNJ_17.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 the Economic and Market Analysis Division within HUD. 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.