

Delaware State Housing Authority

# 2023 Housing Needs Assessment

PRESENTED BY

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# Agenda

- Introduce housing policy concepts
- Discuss community engagement findings
- Discuss housing market analysis findings
- Provide projected housing needs
- Take questions and provide answers

# How to Use the Delaware 2023 Housing Needs Assessment

- 1) **Inform policymaking** to ensure that federal and state policies result in meaningful solutions to housing needs;
- 2) **Advocate for increased funding** to respond to housing challenges;
- 3) **Examine the adequacy** of current and planned housing programs; and
- 4) **Understand inequities** in how different types of Delawareans experience the housing market.

# Housing Policy Concepts

# Cost Burden

## Federal definition of affordability

- 1) Housing costs are “affordable” if they do not exceed 30% of household’s gross monthly income
- 2) “Costs” include basic utilities, mortgage insurance, HOA fees, and property taxes



Households paying more than 30% for housing are “cost burdened”



Households paying more than 50% for housing are “severely cost burdened”

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50% of Delaware renters (50,000 renters) and 20% of owners (59,000 owners) are cost burdened.

8% of Delawareans are living out of their cars, couch surfing, or temporarily living with friends or family.

# Area Median Income (AMI )

2-person AMI	Delaware	New Castle County	Sussex County	Kent County
30% AMI	\$19,920	\$22,680	\$18,030	\$16,560
50% AMI	\$33,200	\$37,800	\$30,050	\$27,600
60% AMI	\$39,840	\$45,360	\$36,060	\$33,120
80% AMI	\$53,120	\$60,480	\$48,080	\$44,160
100% AMI	\$66,400	\$75,600	\$60,100	\$55,200
120% AMI	\$79,680	\$90,720	\$72,120	\$66,240

# Why Housing Instability is Bad Economic Policy

- Low income renters who experience eviction have increased risks of homelessness, reduced earnings, and challenges accessing credit;
- Low income homeowners cannot make needed improvements to preserve the condition of their homes and enable them to age in place;
- Moderate income renters have difficulty achieving ownership and passing on wealth to their families; and
- Existing businesses, particularly health care entities and businesses that support tourism, cannot find workers and maintain standard operating hours.

# Community Engagement Findings



# Resident Survey Responses

## RESIDENT SURVEY BY THE NUMBERS

### NUMBER OF SURVEY RESPONDENTS



### HOUSEHOLDS WITH CHILDREN UNDER 18



### SINGLE PARENTS



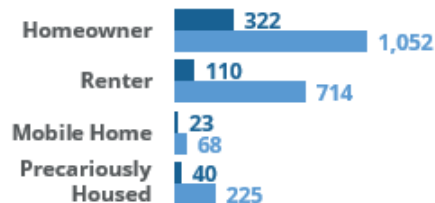
### HOUSEHOLDS WITH A DISABILITY



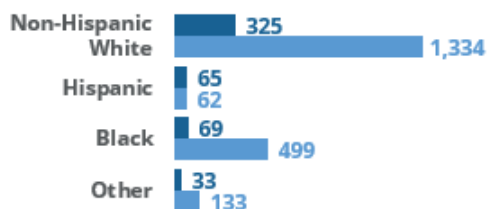
### HOUSEHOLDS OVER 65



### HOUSING STATUS



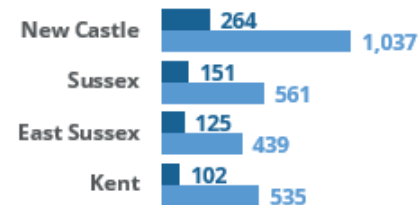
### RACE/ETHNICITY



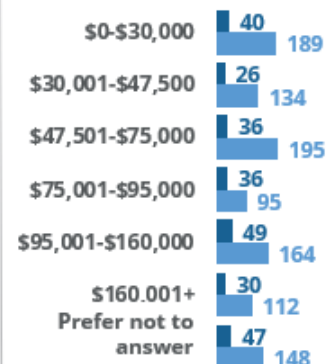
■ Random

■ Snowball

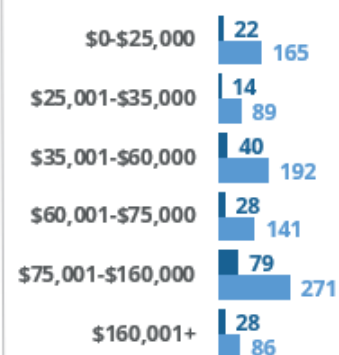
### WHERE RESPONDENTS LIVE



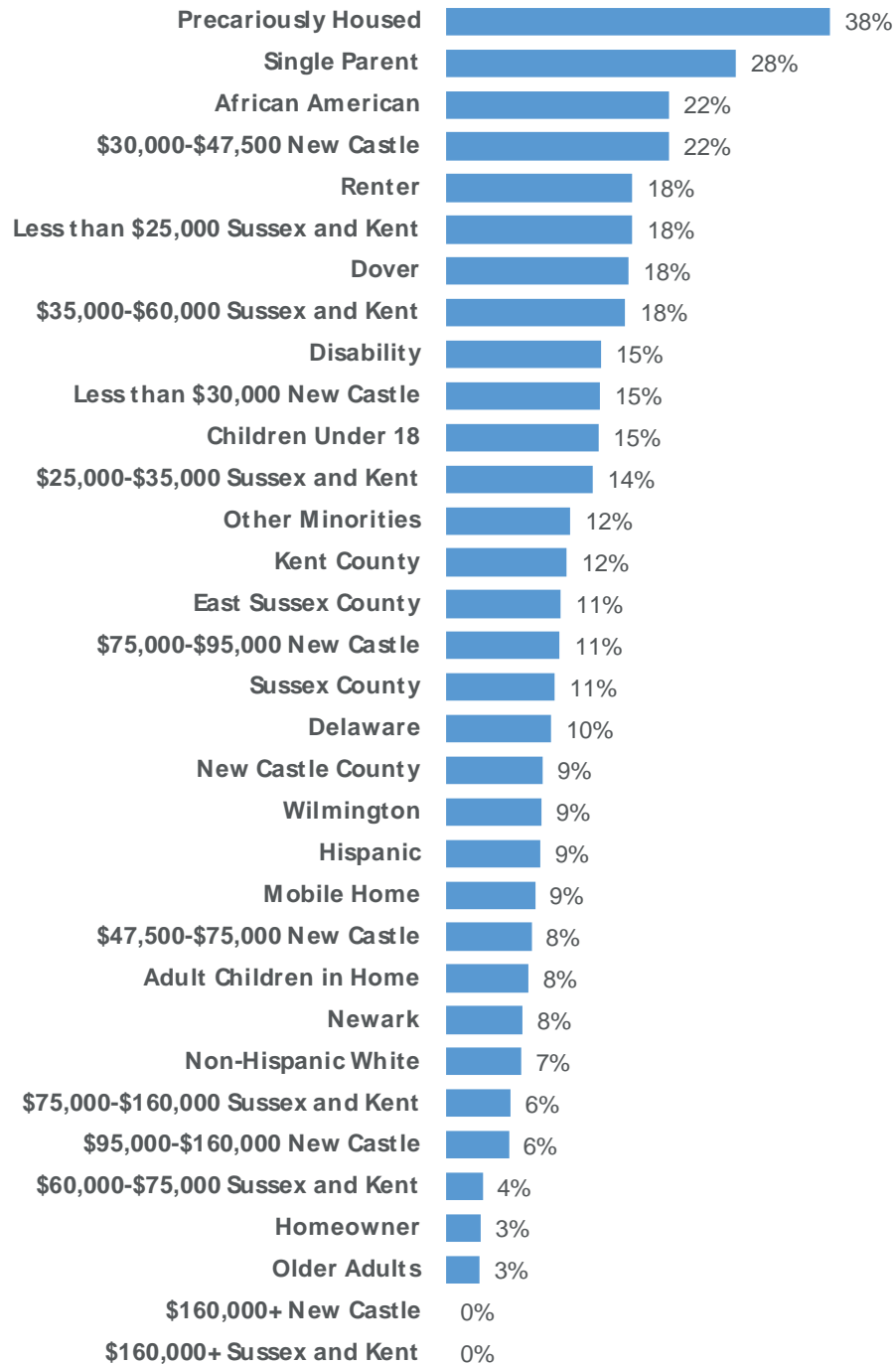
### HOUSEHOLD INCOME - NEW CASTLE



### HOUSEHOLD INCOME - SUSSEX & KENT



# Involuntarily Displaced in Past 5 Years



## Differences in Housing Market Experience and Needs

**Renters are 5x more likely than owners to report living in housing that is in poor or fair condition.** Rates are highest for single parents (20%), households with a disabled member (20%), and Black households (18%).

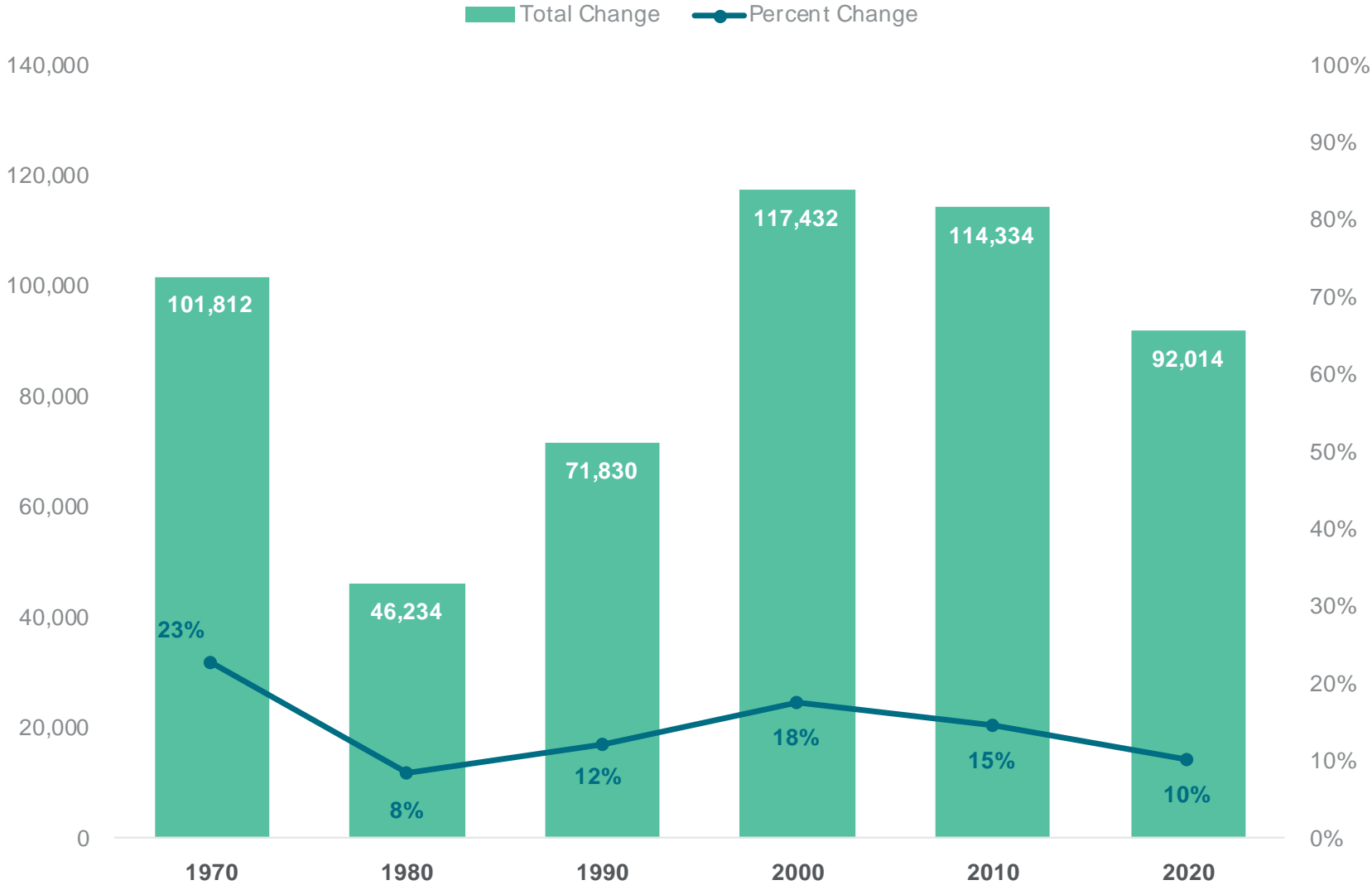
To avoid risking displacement, some demographic groups are reluctant to report condition issues to their landlord: **33% of Hispanic and 25% of Black renters are worried their rent will increase if they submit a maintenance request,** compared to 11% of White renters.

**Home improvements are needed by 40% of mobile home occupants,** 29% of homeowners, and 18% of renters who have a household member with a disability.

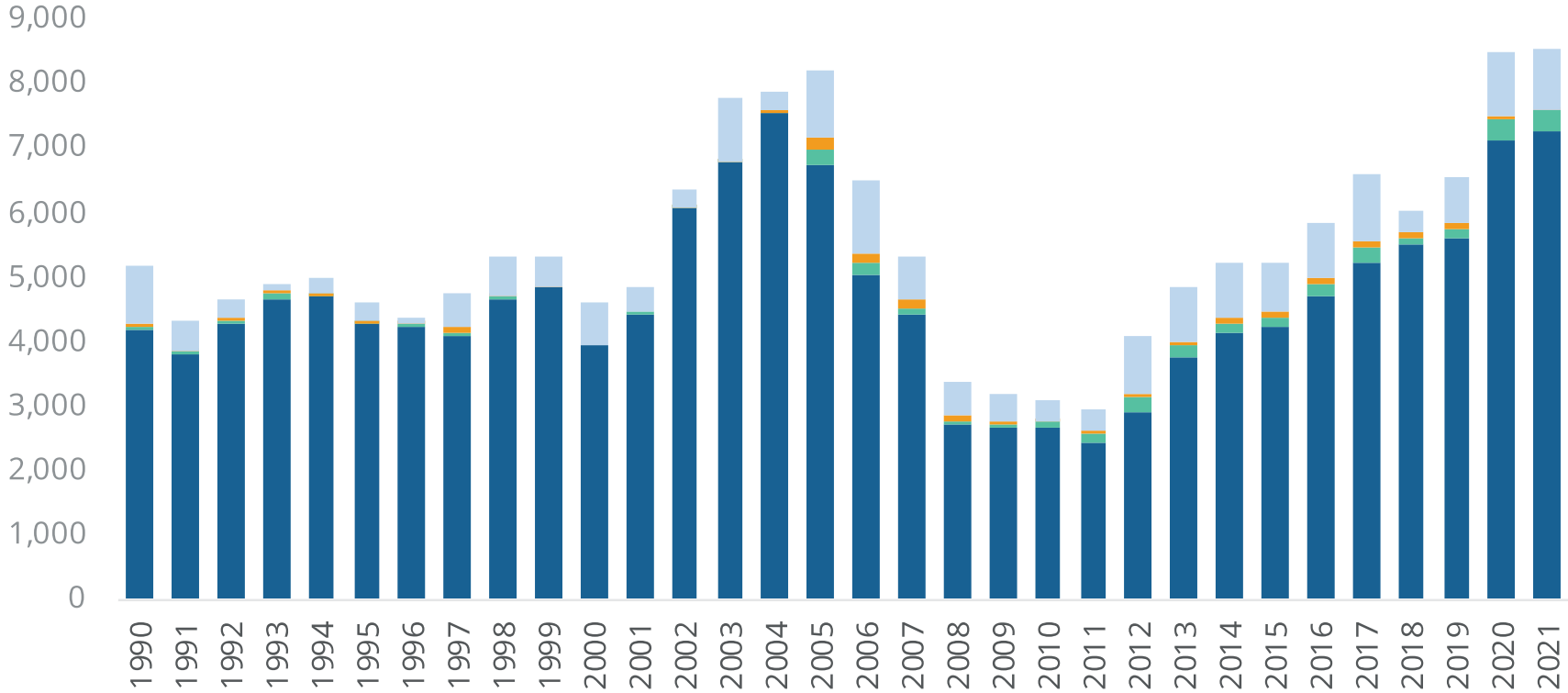
**Government-backed mortgages are important for many non-White households to attain homeownership:** 58% of Black households and 41% of Hispanic households utilized government-backed mortgages. Bad or low credit is a major barrier for homeownership and contributes to housing instability among families.

# **Housing Market Analysis Findings**

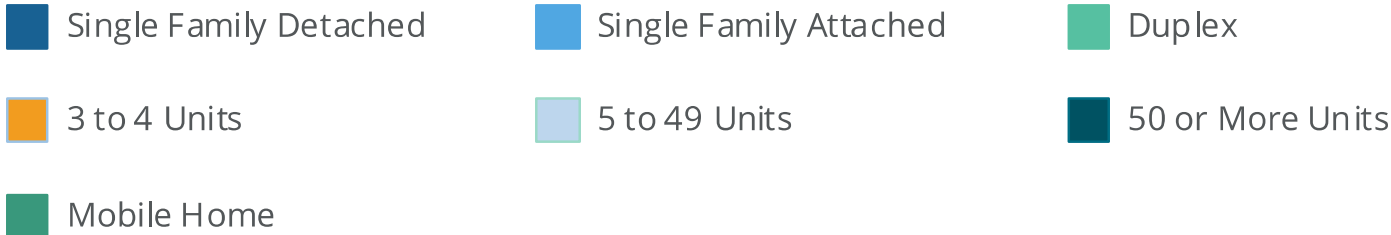
# Population Growth



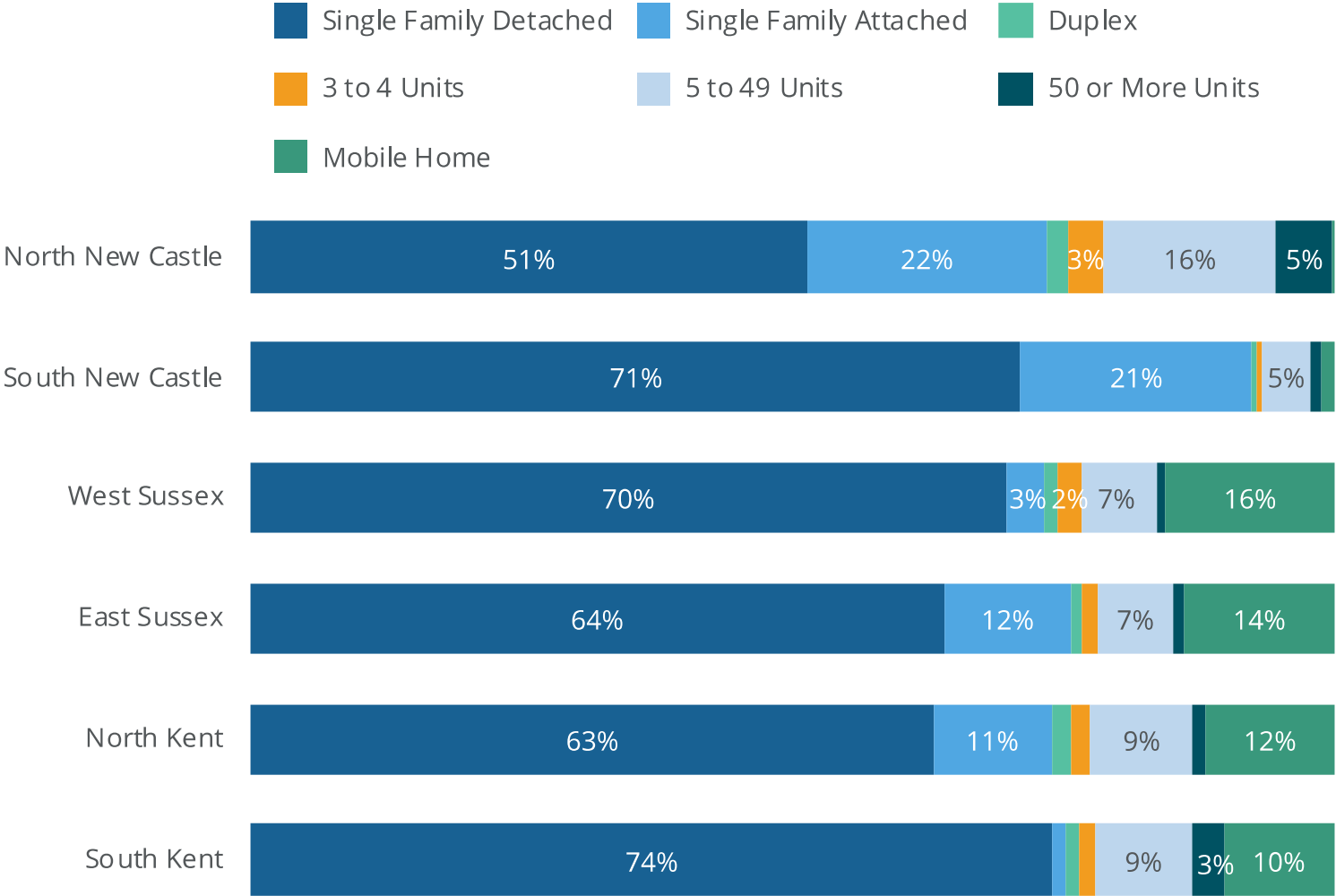
# Building Permits, 2000-2021



# Housing Unit Types, 2010 and 2021

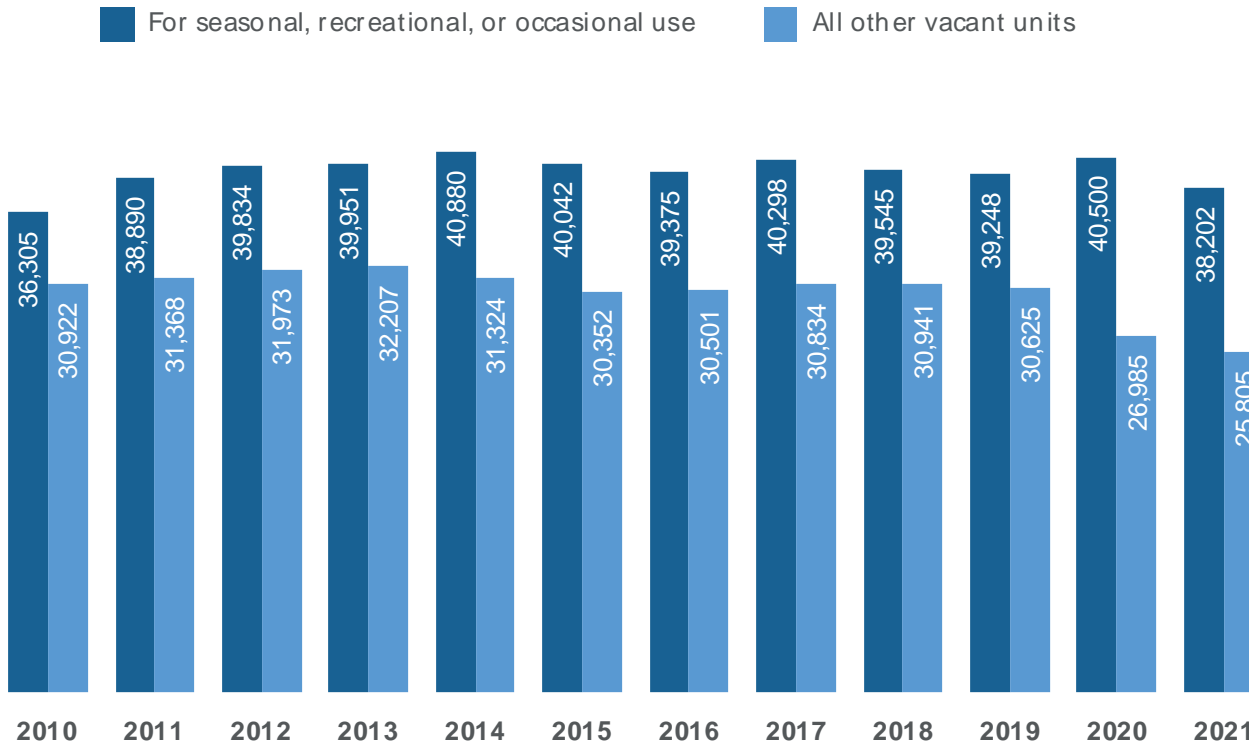


# Housing Unit Types by Housing Market 2021





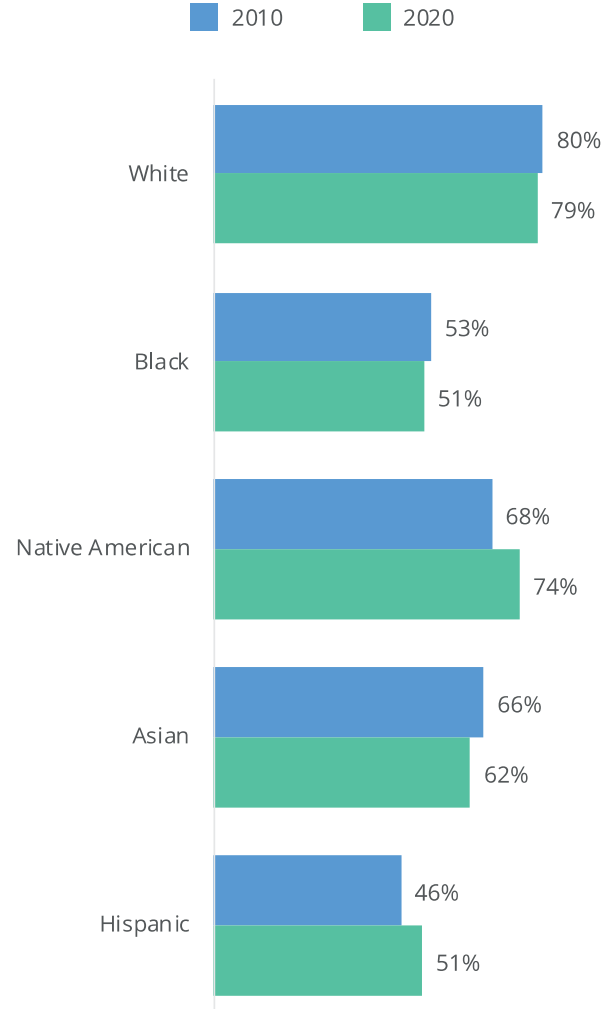
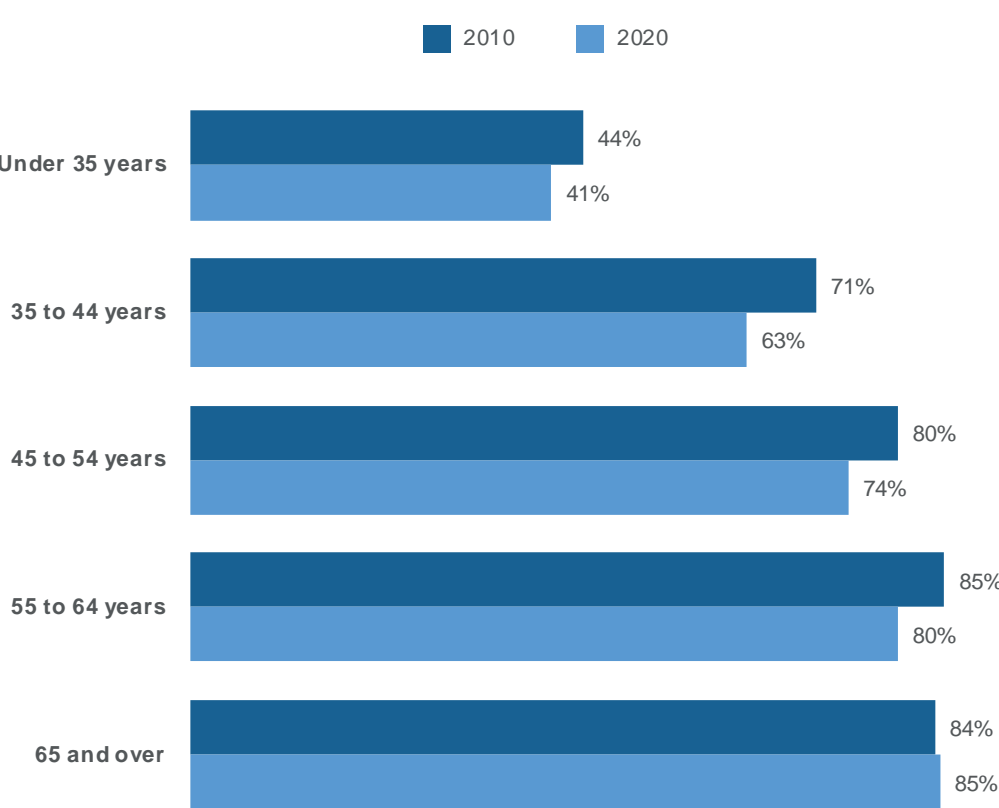
# Vacant Units, Delaware 2010-2021



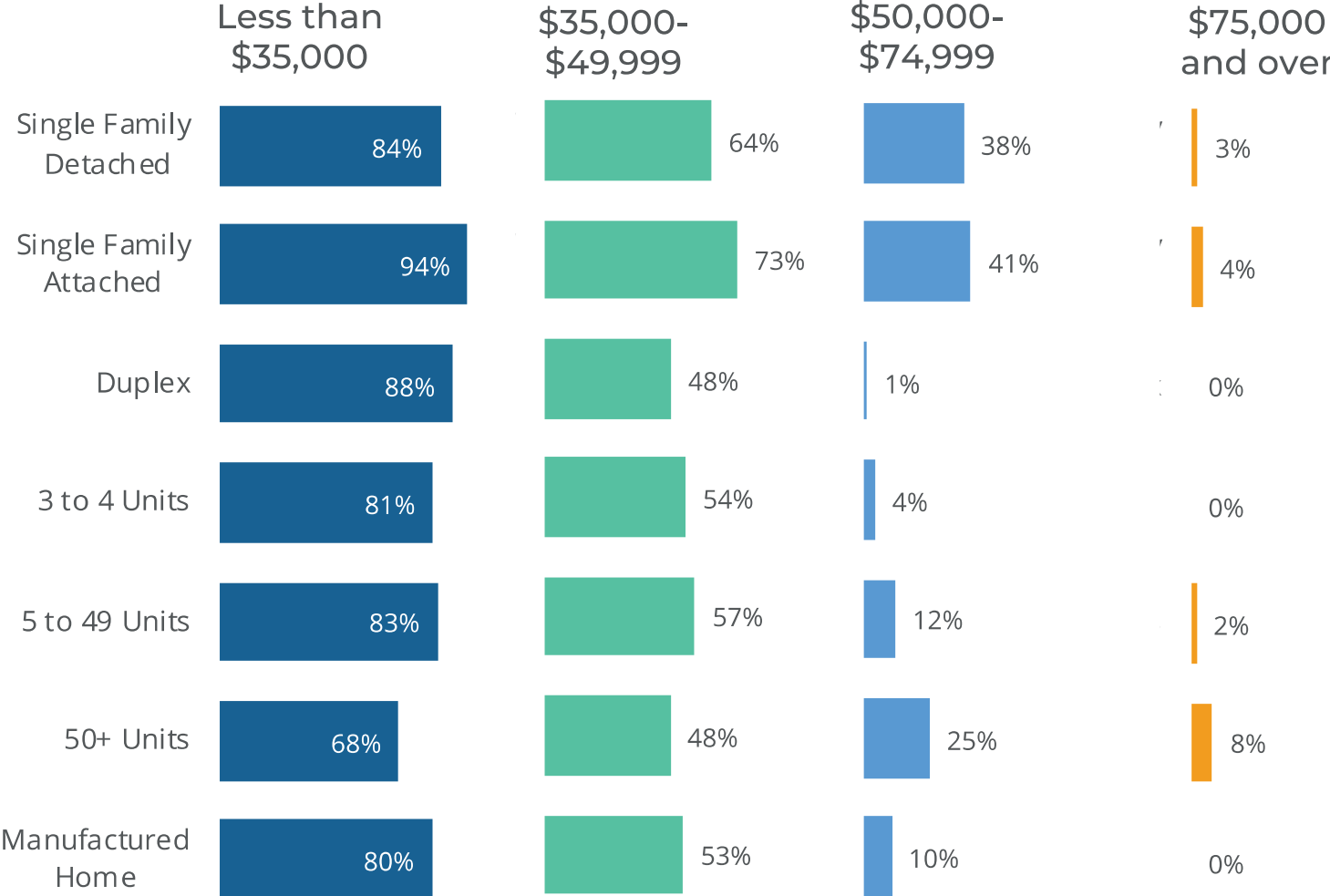
Seasonal/vacation use homes = 8.5% of the state's total housing stock. This compares to:

- Units for rent = 1.5%
- Units for sale = 1.5%
- Affordable rentals = 3%

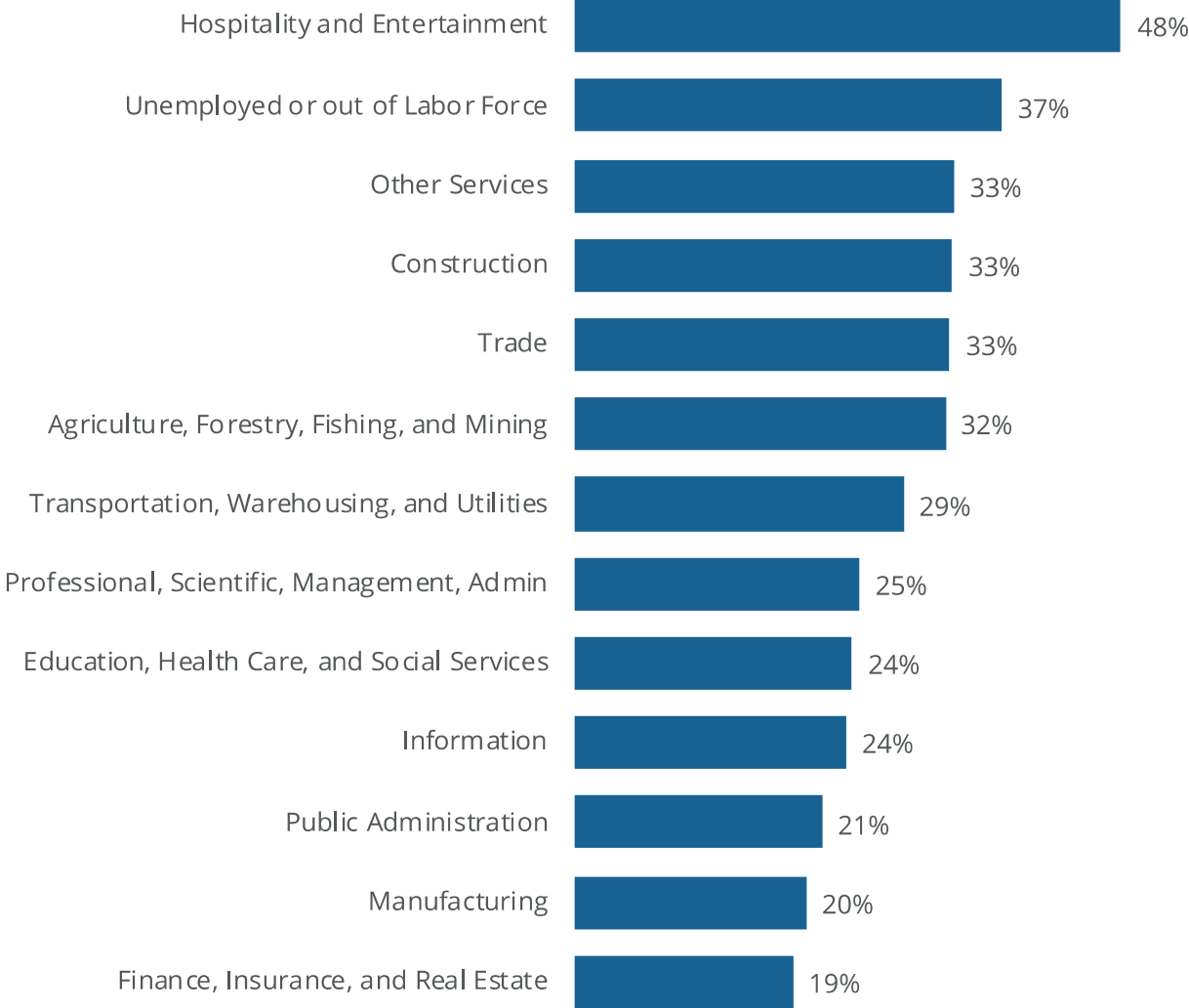
# Homeownership and Disparities by Age and Race/Ethnicity, 2010 and 2020



# Differences in Cost Burden by Unit Type

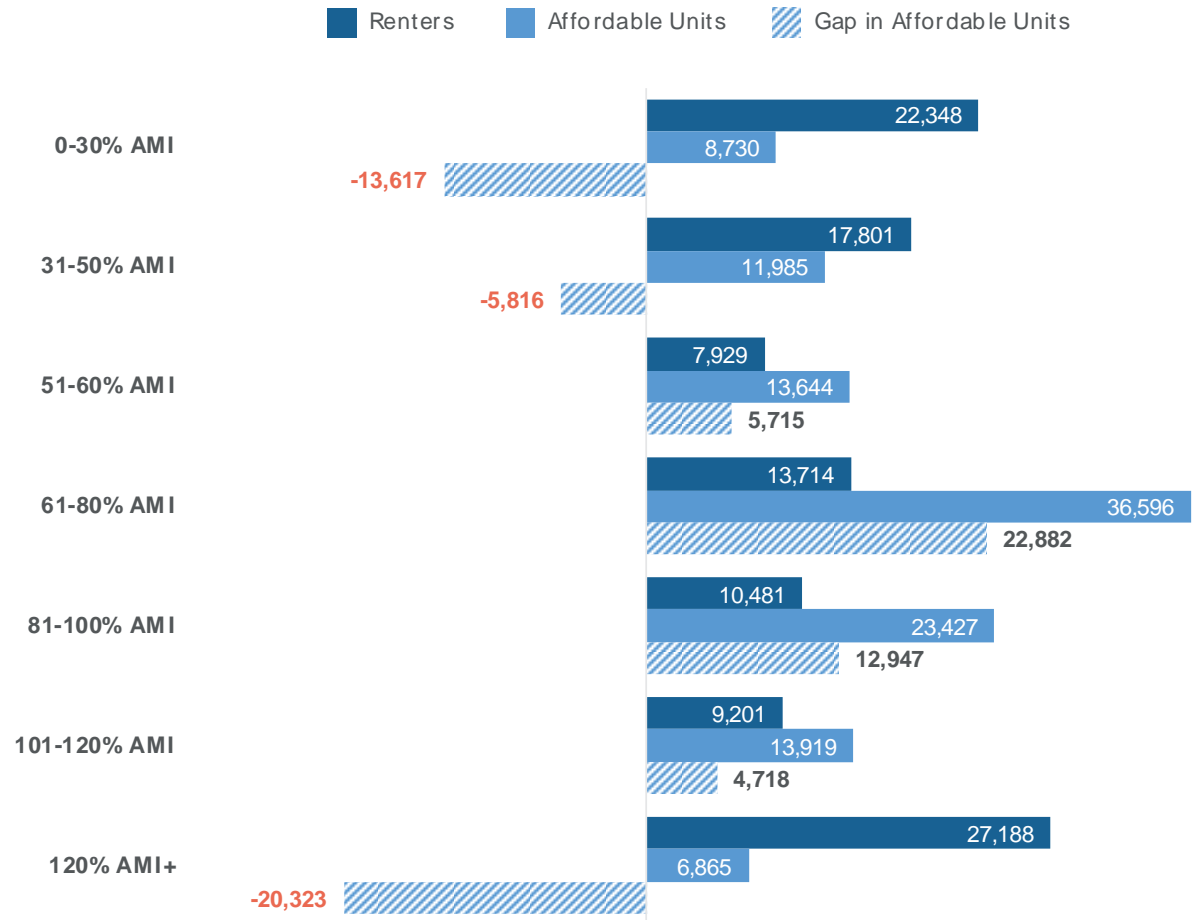


# Differences in Cost Burden by Industry



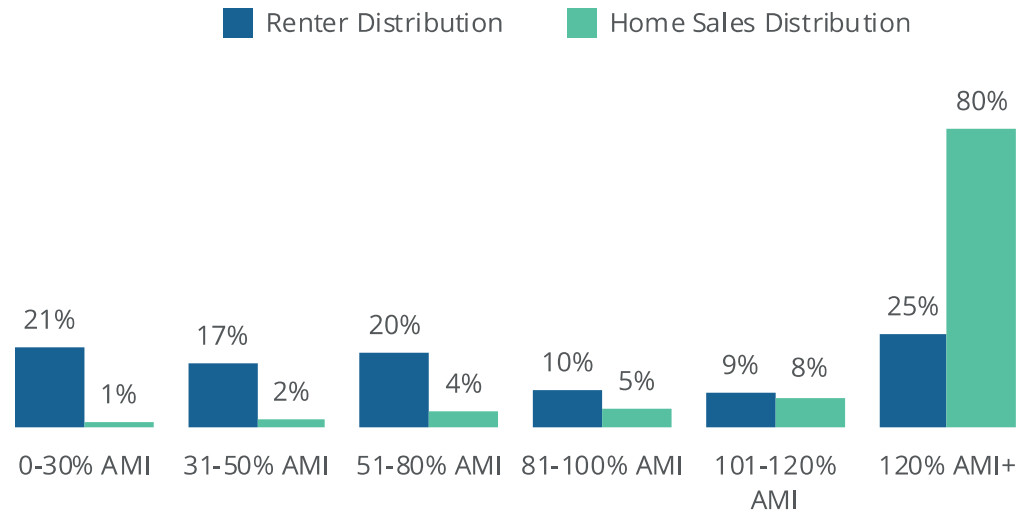
# Housing Needs and Projections

# Rental Gap



There are currently 13,617 too few rental units for the state's extremely low income households (<30% AMI) and 5,816 too few rental units for 31-50% AMI households. In addition, high income renters "rent down" and crowd out middle income affordable units.

## Comparison of Renters and Affordable For Sale Homes by AMI, Delaware, 2022

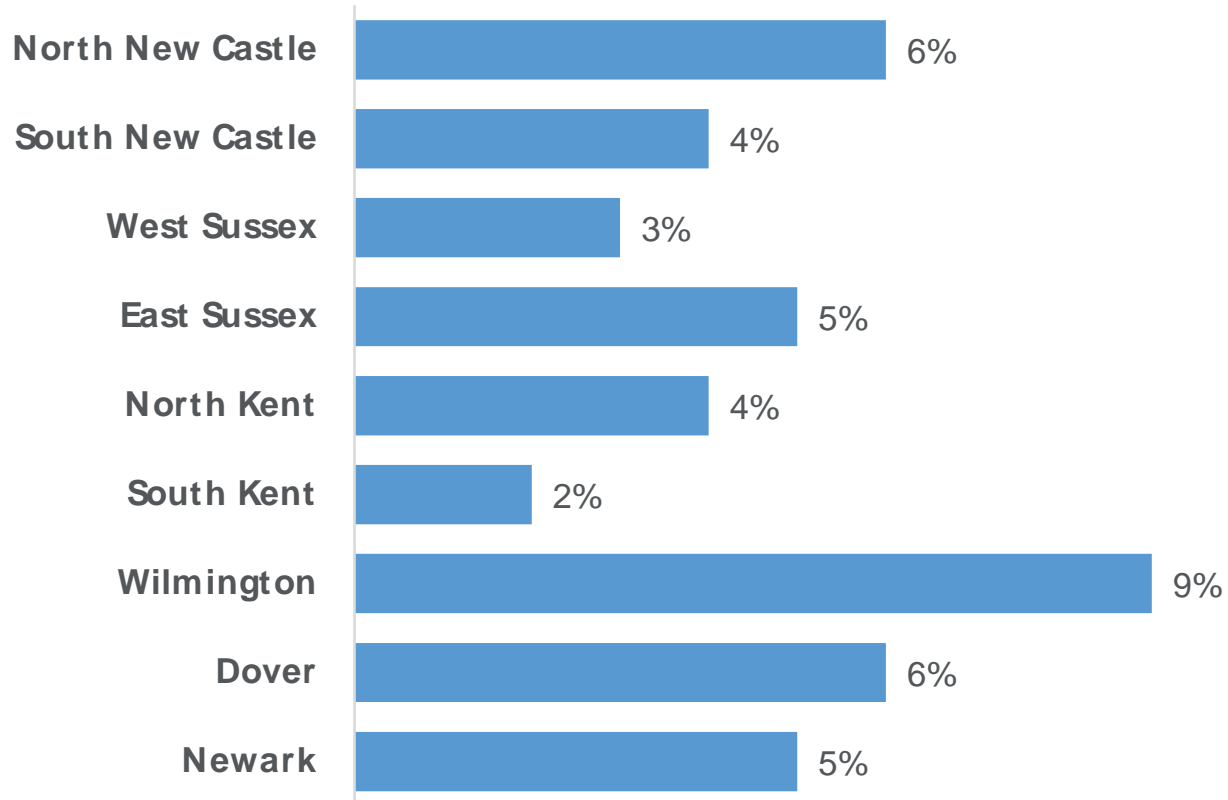


Homebuying is challenging until a household earns 120% of the AMI and more, or \$80,000 and above. 75% of Delaware renters have incomes of less than 120% of the AMI and just 20% of homes for sale are affordable to them

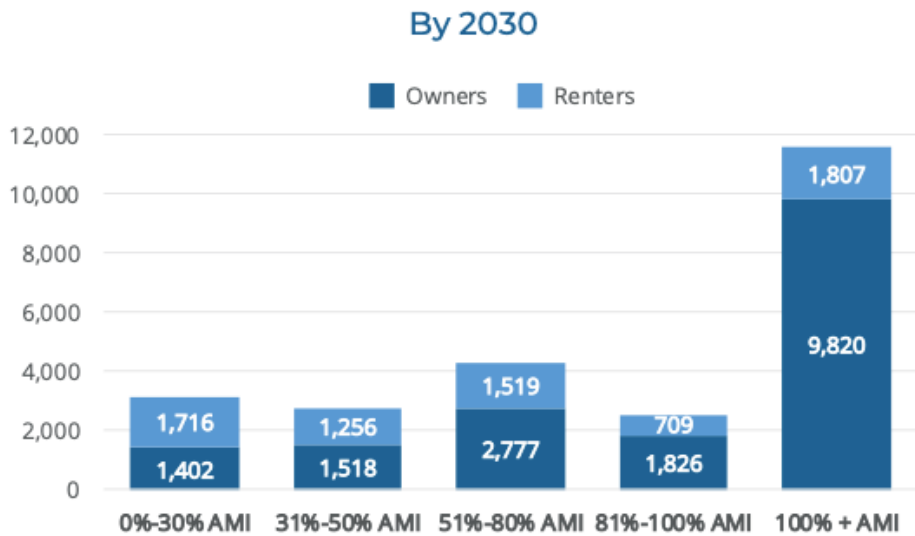
# Homeownership Gap



## Share of Affordable Home Purchases to Renters with Income between 50% and 100% AMI, by Housing Market Area, 2022







Note: → Holds latest CHAS tenure and income distribution constant.

Source: → Delaware Population Consortium, HUD CHAS 2019 estimates, and Root Policy Research.

	Total	Occupancy Type	
		Resident Units	Seasonal Units
<i>Units Needed by 2025:</i>			
Delaware	16,269	13,428	2,841
New Castle	3,000	2,993	7
Sussex	9,320	6,525	2,795
Kent	3,949	3,910	39
<i>Units Needed by 2030:</i>			
Delaware	30,231	24,349	5,882
New Castle	4,030	4,016	14
Sussex	19,180	13,392	5,788
Kent	7,021	6,941	80

# Housing Units needed by 2030



**Thank you.**

Questions and answers