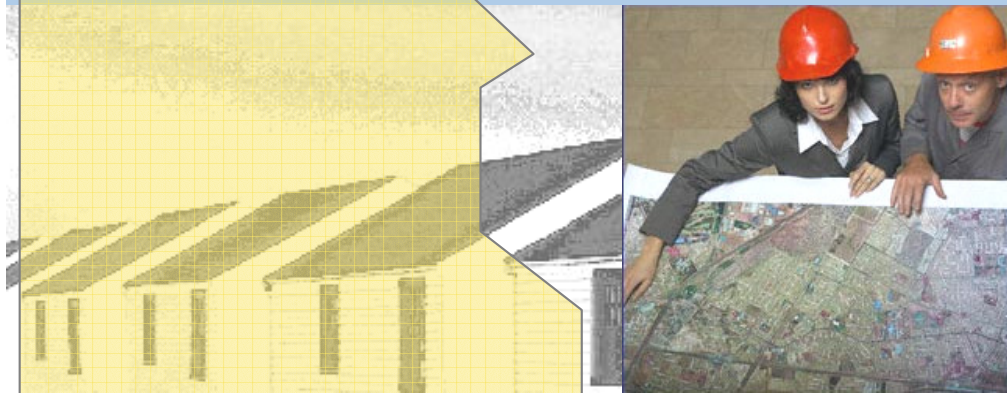


Part 1: Housing Development Context

Delaware
Statewide
Housing Needs
Assessment
2008-2012



MULLIN &
LONERGAN
ASSOCIATES
INCORPORATED

Philadelphia - Harrisburg
Pittsburgh,
Pennsylvania

This page is intentionally left blank.

Delaware

Statewide Housing Needs Assessment

PART 1: HOUSING DEVELOPMENT CONTEXT

Contents

1.	ECONOMIC TRENDS	3
A.	Employment & Unemployment.....	4
B.	Employment by Industry	7
i.	New Castle County	8
ii.	Kent County.....	10
iii.	Sussex County	11
C.	Wages.....	14
D.	Projected Employment.....	18
i.	Projections by Career Cluster.....	18
ii.	Projections by Industry	19
E.	Education & Employment.....	23
F.	Income	24
G.	Economic Development Activities	27
i.	New Castle County	27
ii.	Kent County.....	28
iii.	Sussex County	29
H.	Key Economic Trends: Summary of Findings	29
2.	POPULATION & HOUSEHOLD TRENDS.....	31
A.	Population	31
B.	Population by Age.....	32
C.	Population by Race	34
D.	Households	37
E.	Population Projections	40
F.	Housing Units.....	47
i.	Units Per Structure and Housing Types	48
ii.	Manufactured Housing	49
G.	Housing Tenure	56
H.	Vacant Housing	60
I.	Housing Values	61
J.	Gross Rents.....	64
K.	Housing Condition.....	66
i.	Age of Housing.....	66
ii.	Overcrowding & Deficient Housing.....	67
L.	Key Demographic & Housing Trends: Summary of Findings.....	69
3.	LAND USE TRENDS	71
A.	Residential Preferences	71
i.	New Castle County	73
ii.	Kent County.....	74
iii.	Sussex County	74
B.	Transportation & Commuting Patterns	75
C.	Availability of Public Infrastructure	77
i.	New Castle County	77

ii.	Kent County	80
iii.	Sussex County	81
D.	State Role in Land Use Policy & Practice	85
i.	State Agencies.....	85
ii.	Livable Delaware Advisory Council	86
iii.	Office of State Planning Coordination	86
iv.	Preliminary Land Use Service (PLUS)	86
v.	County Comprehensive Plans	87
vi.	Municipal Comprehensive Plans.....	87
vii.	The Delaware Geographic Data Committee.....	88
E.	Land Use Patterns & Housing Cost	89

Statewide Housing Needs Assessment

PART 1: HOUSING DEVELOPMENT CONTEXT

Index of Tables

Table 1-1	Comparative Economic Overview – 2005.....	4
Table 1-2	U.S. and Delaware Percent Unemployment – 1996 to 2006.....	5
Table 1-3	Average Annual Unemployment Rates – 1996 to 2006	5
Table 1-4	Unemployment Rate by Race and Persons of Hispanic Origin – 2000.....	6
Table 1-5	Percent of Jobs by Industry – 2002 and 2006.....	9
Table 1-6	Top Ten Employers by County – 2006	13
Table 1-7	Average Annual Wage (\$) by Industry – 2002 and 2006	14
Table 1-8	Mean Hourly Wage (\$) by Occupation Group – 2005.....	16
Table 1-9	Growth by Career Cluster – 2004 to 2014.....	19
Table 1-10	Industry Employment Projections and Wage Rankings	20
Table 1-11	Educational Attainment – 2005.....	23
Table 1-12	Projected Openings and Growth by Education Level – 2004 to 2014	24
Table 1-13	Household Income Ranges by County – 2005	25
Table 1-14	Median Household Income (\$) by Race and Hispanic Households – 2005	26
Table 1-15	Families and Individuals Below Poverty – 2005.....	26
Table 2-1	Population – 1900 to 2006	31
Table 2-2	Population by Age – 2000, 2005.....	33
Table 2-3	Age Distribution – 2005.....	33
Table 2-4	Population by Race and Persons of Hispanic Origin – 2000 and 2005.....	34
Table 2-5	Population by Race – 2005.....	35
Table 2-6	Foreign-born Population – 2005.....	35
Table 2-7	Citizenship Status and Year Entered U.S. of Foreign-born Population – 2005.....	36
Table 2-8	Households – 1990 to 2005.....	37
Table 2-9	Households Types – 2005	38
Table 2-10	Average Household Size – 1990 to 2005.....	38
Table 2-11	Average Household Size by Race and Hispanic Origin– 2005.....	39
Table 2-12	Population – 2000 to 2030	42
Table 2-13	Population Distribution – 2010 to 2030	42
Table 2-14	Households – 2000 to 2030.....	43
Table 2-15	Population by Race – 2005 to 2015.....	44
Table 2-16	Percent Population by Age – 2010.....	45
Table 2-17	Percent Population by Age – 2015.....	45
Table 2-18	Percent Change Population by Age– 2005 to 2015.....	46
Table 2-19	Housing Units– 1940 to 2005	48
Table 2-20	Units and Type of Structure – 2005.....	49
Table 2-21	Population in Manufactured Housing – 2005	50
Table 2-22	Average Sales Price of New Manufactured Homes, Delaware - 2000-2005	51
Table 2-23	Distribution of Manufactured Housing in Land-Lease Communities – 2005	52
Table 2-24	Percent Owner Occupied Units – 1940 to 2005.....	56
Table 2-25	Housing Tenure and Vacant Units – 2005.....	57
Table 2-26	Housing Tenure by Age of Householder – 2005	58
Table 2-27	Housing Tenure by Race of Householder and Hispanic Households – 2005.....	58
Table 2-28	Housing Tenure by Household Type – 2005.....	59

Table 2-29	Vacant Units – 2005	60
Table 2-30	Housing Values by County – 2005.....	63
Table 2-31	Gross Rents by County – 2005	64
Table 2-32	Year Structure Built – 2005.....	66
Table 2-33	Units Lacking Complete Plumbing, Lacking Complete Kitchen, and Crowded – 2005.....	68
Table 3-1	Housing Type Statewide – 2001 to June 2007	71
Table 3-2	Housing Type by County – 2001 to 2006.....	72
Table 3-3	Commuting to Work – 2005.....	76

INTRODUCTION

The following provides background for considering Delaware's housing needs. It lays the groundwork for subsequent analysis in the *Housing Needs Assessment* by profiling key economic, demographic, and land use trends and patterns occurring in Delaware, and, as such, establishes the development context that impacts housing in the state.

The information describing development context is not an inclusive list of factors that impact housing location, but rather serves to compare and contrast the differences between New Castle, Kent and Sussex County. These characteristics, particularly the fluctuation of employment and wage growth and income, are what ultimately drive housing demand.

As an overview, the 2006 population estimates prepared by the U.S. Census Bureau rank Delaware's July 1, 2006 population of 853,476 as 45th in size among other states. The concentration of that population varies through the counties.

The most populous and urban county is New Castle County in the north. Occupying about a fifth of the state, New Castle County has the smallest land area comprising 426 square miles. Sussex County, the most rural, is

ABOUT THE DATA

Much of the data presented in Part 1 of the *Housing Needs Assessment* is drawn from the U.S. Census Bureau's 2000 Census and 2005 American Community Survey (ACS). Secondary data regarding population projections, employment and wages, and other housing statistics are largely excerpted from various of Delaware's State-level agencies or consortia.

Different data sets can produce inconsistent results when measuring the same variables. This is typically the result of differing research methods, not error. In this report, wherever such discrepancies may lead to confusion, disclaimers are placed within the text for clarification. As an example, inconsistencies often arise between the 2000 Census and the ACS. Whereas the decennial census draws data from mail surveys sent to 100 percent of households, the ACS uses a smaller size from which extrapolations produce state, county, and local-level data.

Income and housing value measures also vary depending on the source. Although the U.S. Department of Housing and Urban Development (HUD) generates household income and housing value statistics that are considered the standards of the affordable housing industry, those statistics are not always consistent with Census Bureau reports. HUD Area Median Income and Fair Market Rent data will be main sources in subsequent sections of the *Housing Needs Assessment*. Within Part 1, however, the Census numbers provide the most extensive source of measurement.

the southernmost of the three. It is 938 square miles, and covers nearly half the state's land area. In between is Kent County, with 591 square miles, covering about 30 percent of the state's territory.

There are 57 incorporated municipalities in Delaware, with populations ranging from 100 to 73,500 persons. There are 13 incorporated areas in New Castle County, 18 in Kent County, 24 in Sussex County, and two municipal areas that cross county boundaries.

Delaware's largest city is the City of Wilmington in New Castle County with an estimated 2006 population of 72,112. Wilmington has long been a center of banking, commerce, industry, and the performing arts. The City of Dover, the capitol of Delaware, is centrally located in the state. Dover is approximately 90 miles south of Philadelphia and 90 miles east of Washington, D.C., providing convenient access to the two major population centers. While the population of the City of Dover (just over 32,000 in 2000) is significantly less than that of Wilmington, it is much larger geographically encompassing over twenty-two square miles.

1. ECONOMIC TRENDS

Delaware boasts a financially solid and diverse business economy with a concentration of companies in the automobile, chemistry, financial services and insurance, life science and biotech, tourism, agriculture, and corporate legal services markets.

- Agriculture: In addition to a thriving poultry industry and cash crops including corn and soybeans, agriculture is closely tied with one of the fastest growing areas of the new economy, biotechnology.
- Bioscience and Pharmaceuticals: Delaware has the second highest concentration of scientists and engineers in the U.S. The region is home to more than 100 bioscience companies, including industry leaders such as Agilent Technologies, AstraZeneca, DuPont, Dade Behring, W.L. Gore and Associates, Schering-Plough Corporation, and Syngenta.
- Financial Services: Because of the Financial Center Development Act, Delaware has one of the largest concentrations of banking operations in the Mid-Atlantic region. Among the institutions are Bank of America, Chase, and Discover Bank, three of the country's largest credit card banks, as well as ING DIRECT and Juniper Bank, pioneers of online banking.
- Information Technology: Because Delaware's diverse industry base depends heavily on information technology, the state also is home to many IT businesses. In addition, Delaware is ranked among the top five states in the nation when it comes to the number of patents issued per 100,000.

Jobs, wages and benefits derived from employers within these categories shape the economies of Delaware and its communities. As such, the growth trends of these industries directly impact housing markets because of the relationship between job location, income and housing choice. The following discussion of trends and projections in occupations and employment provides a basis for discussion of the ability of households to afford housing, which will impact housing choice and demand in Delaware.

A. EMPLOYMENT & UNEMPLOYMENT

New Castle County has the largest labor force and the most number of jobs as indicated by employment. The total wages column shows that higher wage jobs are in New Castle County than in Kent County and Sussex County. Table 1-1 provides an overview of the population, labor force and employment characteristics of the State of Delaware and its three counties.

**Table 1-1
Comparative Economic Overview – 2005**

	Population	Labor Force	Employed	Unemployed	Unemployment Rate	Total Wages
New Castle	523,852	274,200	261,731	12,469	4.5	\$14,431,444,238
% of State	62	63	62	68		77.5
Kent	141,022	72,854	70,184	2,670	3.7	\$2,059,904,961
% of State	17	17	17	14		11.1
Sussex	175,818	90,948	87,615	3,333	3.7	\$2,134,359,007
% of State	21	21	21	18		11.5
DELAWARE	840,692	438,002	419,530	18,472	4.2	\$18,625,708,206

Source: Delaware Population Consortium, Bureau of Labor Statistics

Delaware's economy overall continues to experience job growth. The Delaware Economic Development Office's *Comprehensive Economic Development Strategy* (CEDS), prepared in 2005, reports that between 1990 and 2004, Delaware added 77,000 jobs. All major industries experienced positive employment growth except for manufacturing.

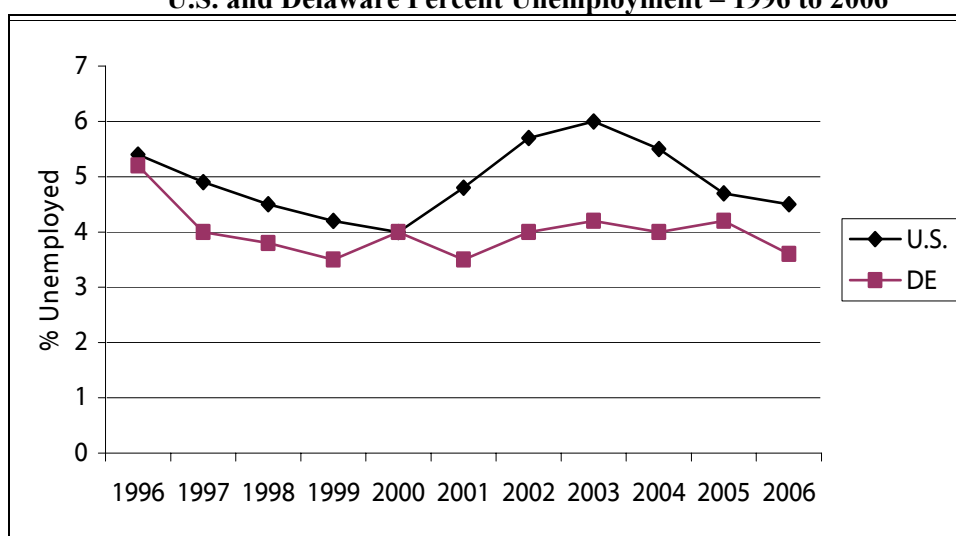
According to the CEDS, in 1977, the state's largest industry was manufacturing, which accounted for 34 percent of total state product. The single largest manufacturing output industry in the state was chemicals production, which accounted for 16 percent of total Gross State Product (the total value of goods and services produced in the state-GSP). By 2002, manufacturing's share had receded from 34 percent to 9 percent. Simultaneously, financial, insurance, and real estate's (FIRE) share of GSP grew rapidly to 44 percent -- making it the largest segment of the state's economy.

Employment expansion and contraction are normal cycles. The period 1990 to 2004 was not one of unbroken job growth. During the recessions of 1990-91 and 2001, job growth stalled and turned negative in a number of industries in Delaware. Trade, transportation, and utilities industries lost jobs in 1991, 1992, and 2001. Professional and business services shed almost 5,000 jobs between 2000 and 2004. Manufacturing and the information sector each recorded double-digit negative growth between 2000 and 2004. Payrolls declined in 2001 and 2002 and zero growth was experienced in 2003.

At present, the CEDS reports that Delaware’s job growth is again positive. Employment growth returned in 2004 with 10,000 jobs added. The number of jobs in the state has now surpassed its pre-recession level.

Despite weakness due to recession in the early 2000s, the Delaware Department of Labor Office of Occupational & Labor Market Information (OOLMI) reports that unemployment in the state has consistently remained below the national level. As shown in Table 1-2, over the last ten years, the state’s unemployment rate has been consistently lower than the rate nation-wide. The margin between the state unemployment rate and the nation-wide rate over this period has been as great as 1.7 percent in 2002 and as small as 0.0 percent in 2000.

Table 1-2
U.S. and Delaware Percent Unemployment – 1996 to 2006



Source: Delaware Department of Labor, OOLMI: “Local Area Unemployment Statistics”

As shown in Table 1-3, from 1996 to 2006, annual average unemployment rates in the three counties in Delaware were consistent with or below the unemployment averages of the U.S.

Table 1-3
Average Annual Unemployment Rates – 1996 to 2006

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
U.S.	5.4	4.9	4.5	4.2	4.0	4.8	5.7	6.0	5.5	4.7	4.5
DE	5.2	4.0	3.8	3.5	4.0*	3.5	4.0	4.2	4.0	4.2	3.6
New Castle	5.4	4.1	3.7	3.2	3.8	3.4	4.1	4.4	4.3	4.5	3.3
Kent	5.1	4.5	4.2	3.8	4.2	3.7	3.9	4.2	3.5	3.7	2.9
Sussex	4.5	4.0	3.9	4.3	4.4	3.9	3.6	3.6	3.6	3.7	3.0

Source: Delaware Department of Labor, OOLMI: “Local Area Unemployment Statistics”

Employment volatility for Delaware is highly related to employment volatility at the national level. This means that the state’s employment is relatively sensitive to national economic fluctuations.

Table 1-4 shows the unemployment rate for the civilian labor force in Delaware and the counties by race and sex as reported by the U.S. Census. The 2005 American Community Survey (ACS) does not provide an update of this data. As shown in the table, in 2000, the rate of unemployment is higher among blacks and other races than among whites and Asian and Pacific Islanders. The unemployment rate is also high among persons of Hispanic origin. Higher rates of unemployment among the state’s minority population contribute to lower rates of homeownership among minority households than among white households.

**Table 1-4
Unemployment Rate by Race and Persons of Hispanic Origin – 2000**

	DELAWARE			New Castle County			Kent County			Sussex County		
	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female	Both Sexes	Male	Female
All persons	5.2*	5.3	5.0	5.2	5.6	4.7	5.6	5.6	5.6	4.9	4.5	5.4
White	3.9	4.2	3.7	4.0	4.5	3.4	3.8	3.5	4.0	4.0	3.7	4.4
Black	9.8	10.6	9.0	9.4	10.4	8.6	12.0	14.3	9.8	8.7	7.7	9.7
American Indian	6.7	5.0	8.4	5.7	3.4	8.2	7.0	7.3	6.6	7.5	4.3	10.5
Asian, Pacific Islander	4.9	4.0	5.9	4.8	4.0	5.9	5.4	2.1	7.7	4.6	8.0	2.0
Other Race	8.5	7.7	9.7	8.5	8.4	8.7	7.3	3.5	12.9	9.0	7.4	12.7
2+ Races	10.5	10.0	11.0	10.8	11.0	10.6	10.8	8.1	13.1	8.9	8.1	9.7
Hispanic Origin	8.9	8.4	9.7	9.2	9.1	9.4	8.3	8.7	7.8	8.1	6.1	12.9

Source: U.S. Census Bureau

* The discrepancy between the OOLMI 2000 unemployment rate for the State of Delaware (Table 1-3) and the 2000 Census unemployment rate for Delaware, all-persons, both sexes (Table 1-4) is attributed to differing data collection methods and analysis techniques used by the sources.

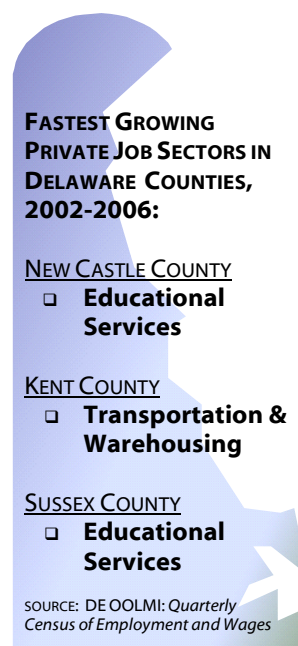
B. EMPLOYMENT BY INDUSTRY

The *Comprehensive Economic Development Strategy (CEDS)*, completed in the late summer of 2006, reports that Delaware's employment is more heavily concentrated than the nation in three industries: construction (7 percent of total employment versus 6 percent nationally), financial activities (13 percent of total employment versus 7 percent nationally), and professional and business services (17 percent versus 15 percent nationally).

The CEDS identifies the following strategic economic clusters as target industries for growth in Delaware: financial services and insurance, life science and biotechnology (including agriculture), automobile manufacturing, chemical manufacturing, and tourism. Each of these clusters vary in size relative to the state's economy as a whole. However, the purpose of the CEDS is to identify those sectors where Delaware has comparative advantages and to enact policies and incentives that will help them to grow. The hope is that, over the long-term, investments in these industries today will lead to sustainable job growth and prosperity in the future.

The payoff from the comprehensive strategy will not be known in full for some time. Meanwhile, below are highlights of recent dynamics in each of the individual target areas as well as other employment sectors.

- The chemical industry, finance and insurance, and life sciences clusters have been shedding jobs. The average annual pay for these positions is high (approximately \$70,000 average annual salary), hence the CEDS emphasis on these industries for future growth.
- Finance and insurance, which is far and away Delaware's largest industry in terms of contribution to GSP, account for 31.4 percent of the state's GSP in 2002. Job growth in this industry essentially came to a halt, however, in 1999 and has turned negative, due primarily to consolidation among credit card banks.
- Positive employment growth is being recorded in transportation equipment manufacturing (autos), with an average wage of \$65,296, and leisure and hospitality with an average wage of \$16,209. Auto manufacturing employment, however, remains below its previous high. (Subsequent to the CEDS analysis, the Chrysler Group announced the downsizing of its Newark assembly plant in 2007 with no future production planned beyond 2009. At the time of the announcement, the plant employed 2,100 people.)



- Outside of the CEDS economic clusters, trade, transportation, utilities, and educational and health services are among the primary drivers of job growth in Delaware. The average annual pay, however, falls below the salaries of Delaware's strategic economic clusters. The average annual pay for trade, transportation, and utilities is \$32,174 and that of educational and health services is \$38,697. Therefore, while there is positive job growth in the economy, lower paying jobs are increasing at higher rates than higher paying jobs.
- OOLMI reports that the majority of jobs in Delaware (70 percent) do not require formal education beyond high school. The majority of jobs where only a high school education is required are relatively low-paying. OOLMI reports that it is common for some jobholders to have more than the required level of education and for some employers to give preference to candidates with more education, even when it is not necessarily required. These jobholders do not earn salaries in line with their education, which may limit their housing choices. They are also displacing lower skill workers.

Table 1-5 shows the percent change in the number of jobs in each of the counties. The table also identifies the share of total county jobs each industry represented in 2002 and 2006. Industries noted for current and projected growth are bold faced. Below is a review of changes in jobs and employment by industry as reported by the CEDS and OOLMI in Delaware's counties, after which is Table 1-6 showing the top 10 employers by county.

i. New Castle County

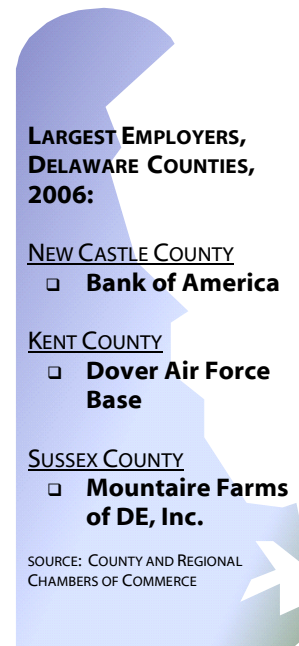
- In 2002 there were 272,586 persons employed in New Castle County providing 71.5 percent of the total employment (by place of residence) in Delaware. The OOLMI reports that by 2006 the number of persons employed in New Castle County increased by 3.9 percent to 283,295 with 67.7 percent of the total employment in Delaware.
- Between 2001 and 2004, New Castle County lost about 1,800 jobs. Among the industries losing jobs were manufacturing, trade, transportation and utilities, information, financial activities, and other services. Employment growth in leisure and hospitality and education and health services partially offset the losses.
- Recent job growth has turned positive; however, by the end of 2005 the number of jobs is still less than the pre-recession level.
- The employment base has shifted away from manufacturing towards finance and services. In 1970, 28 percent of the county's employment was in manufacturing. By 2000, this figure had fallen to 12 percent. Simultaneously, the share of total employment in finance increased from 7 percent in 1970 to 18 percent in 2000. Service industries rose from 18 percent in 1970 to 31 percent in 2000.

**Table 1-5
Percent of Jobs by Industry – 2002 and 2006**

Industry	% Change in Number of Jobs by Industry, by County			% of Total Jobs by Industry (2002 and 2006) by County					
	New Castle	Kent	Sussex	New Castle		Kent		Sussex	
				2002	2006	2002	2006	2002	2006
Agriculture, forestry, fishing and hunting	(10.6)	47.3	11.1	0.1	0.08	0.5	0.6	1.1	1.0
Utilities	(4.2)	0.0	(100.0)	0.6	0.6	0.2	0.0	0.6	0.0
Construction	17.2	40.4	50.8	5.9	6.6	5.2	5.8	7.3	8.8
Manufacturing	(25.5)	(32.7)	6.7	8.5	6.1	10.6	5.7	19.5	16.8
Wholesale trade	13.5	37.1	19.2	3.4	3.8	2.5	2.7	2.0	1.9
Retail trade	0.9	31.7	12.4	11.8	11.4	13.6	14.4	17.2	15.6
Transportation and warehousing	3.3	97.9	32.1	2.1	2.1	2.5	4.0	2.2	2.4
Information	16.5	6.9	(3.7)	2.4	1.9	1.3	1.1	0.9	0.7
Finance and insurance	15.3	9.7	3.6	10.3	11.4	4.1	3.6	4.5	3.8
Real estate and rental and leasing	(5.6)	14.4	82.1	1.5	1.3	1.0	0.9	2.1	3.1
Professional and technical services	(0.8)	31.6	39.8	8.4	8.0	2.4	2.5	2.1	2.3
Management of companies and enterprises	(31.5)	18.4	(76.5)	6.3	4.2	0.2	0.2	1.3	0.2
Administrative and waste services	0.9	(10.5)	33.6	6.3	6.1	4.5	3.4	3.5	3.8
Educational services	47.7	(18.6)	166.7	0.9	1.3	1.0	0.7	0.1	0.3
Health care and social assistance	12.9	29.9	20.4	10.6	11.6	10.3	10.7	11.5	11.2
Arts, entertainment, and recreation	19.1	91.7	76.5	1.7	1.9	3.1	4.8	0.9	1.3
Accommodation and food services	15.8	17.2	58.5	6.0	6.7	7.8	7.3	10.1	13.2
Other services, except public administration	11.3	18.7	37.9	3.0	3.3	2.8	2.7	2.9	3.3
Federal Government	106.5	24.2	211.4	0.5	1.1	2.9	2.9	0.3	0.8
State Government	20.8	55.5	21.7	4.7	5.3	14.6	18.2	2.4	2.3
Local Government	7.9	6.9	17.1	5.0	5.2	8.9	7.8	7.5	7.2
Total Industries	3.9	24.6	24.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Delaware Department of Labor, OOLMI: "Quarterly Census of Employment & Wages"

- Finance and financial services has surpassed chemicals as the single-largest industry employing over 16,000 workers. Nevertheless, the chemical industry remains an important part of the economy. Recent acquisitions and mergers among financial service companies casts doubt over the future of employment in the industry in the state.
- Employment is more heavily concentrated than the nation in two industries: financial activities (15 percent of total employment versus 7.3 percent nationally), professional and business services (21 percent of total private employment versus 15 percent nationally).
- Employment volatility is highly related to employment volatility at the national level. This implies that the county's employment is relatively sensitive to national economic fluctuations.
- The Bureau of Economic Analysis (BEA) reports that per capita personal income is \$38,636, compared to \$34,199 for the state and \$31,472 for the nation.



ii. **Kent County**

- In 2002, 50,194 persons worked in Kent County. The number of persons employed in 2006 increased by about 24.5 percent to 62,545.
- After a period of stagnation in the early 2000s, job growth is again positive. The weakness took the form of flat payroll growth between 1999 and 2000, which included the 2001 recession. Positive growth returned in mid-2002, and about 10,000 jobs have been added from January 2000 through the end of 2005. Kent County weathered the recession with little net job losses and has posted strong growth in the post-recession period.
- The employment base has shifted away from heavy manufacturing towards services. In 1970, 20 percent of the county's employment was in manufacturing. By 2000, this figure had fallen to 9 percent. Simultaneously, the share of total employment in services rose from 11 percent in 1970 to 25 percent in 2000. Government employment's share of total employment fell from 37 percent in 1970 to 28 percent in 2000.
- All major industries experienced positive employment growth between 1993 and 2005, except for manufacturing (negative growth)

and information (flat growth). Among the fastest growing industries are educational and health services, financial activities, trade, transportation and utilities, and leisure and hospitality. Leisure and hospitality industries posted the fastest growth, 66 percent, or 2,900 jobs. The next fastest growth industry was educational and health services. Financial activities grew 56 percent. Manufacturing posted negative growth of 22 percent during the period. This equates to approximately one in every four manufacturing jobs in 1993 being eliminated by 2005.

- Employment in Kent County is more heavily concentrated than the nation in four industries: construction (7 percent of total employment versus 6 percent nationally), trade, transportation and utilities (25 percent of total private employment versus 23 percent nationally), educational and health services (15 percent of total private employment versus 14 percent nationally), and leisure and hospitality industries (16 percent of total private employment versus 11 percent nationally).
- Employment volatility is somewhat highly related to employment volatility at the national level. This implies that the county's employment is relatively sensitive to national economic fluctuations.
- Agriculture comprises 721 farms with 185,000 total acres. The number of farms is falling, but slowly. Farm employment is relatively steady. As of 2005 about 1,500 jobs are in agriculture, below the high of 2,000 in 1970, but up from the 1990 figure of 1,264.
- Per capita personal income is \$26,438 (BEA), compared to \$34,199 for the state and \$31,472 for the nation.

iii. **Sussex County**

- 58,468 persons worked in Sussex County in 2002. The number of persons employed in 2006 increased by 24 percent to 72,516. Sussex County's share of the employed persons in the state increased from about 15 percent in 2002 to over 17 percent in 2006.
- Growth in the number of employed persons has outpaced the nation since 1990. Resident employment is 37 percent higher now than in 1990, compared to a 17 percent increase for the nation.
- The employment base has shifted away from heavy manufacturing towards finance and services. In 1970, 27 percent of the county's employment was in manufacturing. By 2000, this figure had fallen to 14 percent. Simultaneously, the share of employment in finance rose from 6 percent in 1970 to 11 percent in 2000. From 1970 to 2000, employment in service industries rose from 14 percent to 24 percent.

- The largest industry is tourism. The tourism industry encompasses retail trade and leisure and hospitality industries. Leisure and hospitality alone comprises over 16 percent of the private employment. Retail trade comprises 18 percent of private employment.
- Agriculture remains a vital part of the economy, although its role is diminishing. Sussex County still boasts the largest number of farms in the state with about 1,300, though this number has decreased sharply (24 percent) since 1987. The average farm size is growing (216 acres), and the total farming acreage is still high at 284,000, which is down just 10 percent since 1987. Farm employment is also trending downward; which is a reflection of both a reduction in the number of farms and increased automation of farming activities.
- The market value of agricultural products sold is \$462 million, of which \$389 million are poultry and their products. The value of broiler and other meat-type chickens sold is \$224 million. The county's manufacturing centers around food processing, which is tied to the poultry industry and textiles.
- Employment volatility is not highly related to employment volatility at the national level. This implies that the county's employment is relatively insensitive to national economic fluctuations.
- Per capita personal income is \$26,832 (BEA), compared to \$34,199 for the state and \$31,472 for the nation.

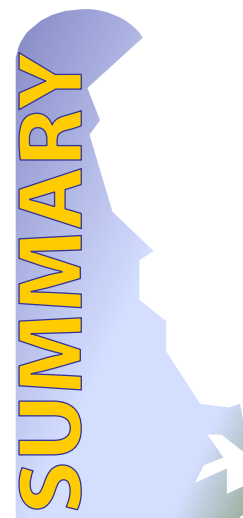
**Table 1-6
Top Ten Employers by County – 2006**

New Castle County			Kent County			Sussex County		
Employer & # of Employees	Type	Employer & # of Employees	Type	Employer & # of Employees	Type	Employer & # of Employees	Type	
Bank of America	9,100	commercial banking	Dover Air Force Base	8,600	military	Mountaire Farms of DE	3,500	poultry processing
E. I. Dupont Nemours	8,800	corporate subsidiary, regional offices	Bayhealth Medical Center	2,500	medical services	Perdue Products, Inc.	2,700	poultry processing
Christiana Care Health Services	7,200	general medical & surgical hospital	Delaware State University	1,200	education	Bayhealth Medical Center	2,700	medical services
Astra-Zeneca	4,700	corporate subsidiary, regional offices	Dover Downs	1,200	gambling/ harness racing	Discover Bank	2,400	banking
Alfred I Dupont Inst.	2,700	general medical & surgical hospital	Playtex Products	1,100	personal care	Beebe Hospital	1,400	medical services
Bank One Delaware	2,400	credit card issuing	Kraft Foods	800	food products	Allen Family Foods, Inc.	1,200	poultry processing
GM Corp.	2,400	auto manufacturer	Client Logic	800	catalog fulfillment	Food Lion, Inc.	900	retail super market
Chrysler Corp.	2,200	auto manufacturer	Bank of America	600	credit card services	Nanticoke Memorial Hospital	900	medical services
Happy Harry, Inc.	2,100	drug stores	Aetna U.S. Healthcare	500	insurance	DuPont Seaford Plant	800	chemical manufacturer
Wilmington Trust Company	1,900	commercial banking	Silver Lake Center	200	eldercare	Allfirst Bank	500	bank services

Source: New Castle County Delaware Chamber of Commerce, Central Delaware Chamber of Commerce, Greater Delmar Chamber of Commerce

**1.1 / ECONOMIC TRENDS
A & B. EMPLOYMENT**

- ❑ Delaware’s present overall job market comprises a diversity of economic sectors, many of which are growing but at varying rates.
- ❑ One time dominance of the chemicals manufacturing industry has given way to other sectors, particularly financial services, in recent decades. Unemployment is low relative to the nation as a whole, but varies in its persistence among racial groups and geographic areas.
- ❑ The shift from manufacturing to service sectors has occurred in each of Delaware’s three counties. Although manufacturing is still one of the largest employment sectors in each county, its relative share of total jobs has dropped significantly.
- ❑ In recent statistics, small but fast-growing sectors have included transportation and warehousing, real estate services, educational services, recreation, and hotel/accommodation and food services.



C. WAGES

Table 1-7 reports the average annual wage by industry for each county. Table 1-7 also reports the 2002 average annual wage when adjusted for inflation to 2006. Shaded rows indicate industries that employment projections indicate will be fast growing from 2004-2014, according to the OOLMI *Delaware 2014* projections.

Table 1-7
Average Annual Wage (\$) by Industry – 2002 and 2006

Industry	New Castle County		Kent County		Sussex County	
	2002*	2006	2002*	2006	2002*	2006
Agriculture, forestry, fishing and hunting	21,912	26,652	32,613	28,180	29,465	31,572
Mining	n/a	51,940	n/a	n/a	n/a	n/a
Utilities	107,230	81,908	81,653	n/a	71,280	n/a
Construction	46,515	47,528	35,460	38,580	30,353	35,328
Manufacturing	77,568	69,064	44,461	43,872	31,447	32,140
Wholesale trade	69,571	84,288	41,578	40,312	37,133	38,720
Retail trade	25,056	25,144	24,832	23,836	22,872	24,952
Transportation and warehousing	39,075	38,732	27,505	30,152	33,021	34,676
Information	58,539	52,692	42,694	44,772	37,156	37,112
Finance and insurance	80,245	83,716	37,443	45,228	39,380	38,248
Real estate and rental and leasing	40,833	39,808	23,734	29,032	33,393	30,548
Professional and technical services	90,385	72,992	35,761	45,148	37,089	41,444
Mgmt of companies and enterprises	107,777	77,896	67,786	56,784	35,573	49,388
Administrative and waste services	25,343	31,448	18,396	22,996		20,212
Educational services	33,940	34,920	28,536	33,424	25,114	17,432
Health care and social assistance	41,075	45,920	32,994	30,204	35,156	37,224
Arts, entertainment, and recreation	25,034	22,536	23,895	15,892	19,432	16,356
Accommodation and food services	16,006	16,328	13,001	12,504	13,934	14,320
Other services, except public administration	27,644	27,660	22,096	22,700	21,814	21,800
Federal Government	63,817	53,612	46,726	52,620	30,348	43,924
State Government	46,933	45,032	33,730	40,396	34,734	28,684
Local Government	43,991	44,948	33,703	38,084	39,116	36,056
Total Industries	54,000	50,324	31,487	32,692	29,281	29,664

Source: Delaware Department of Labor, OOLMI, "Quarterly Census of Employment & Wages"
*inflation adjusted

In its *Quarterly Census of Employment and Wages*, OOLMI reports that the average annual wage in Delaware increased from \$39,630 in 2002 to \$46,261 in 2006. In 2002 and 2006, the highest average annual wages by industry were paid in New Castle County. Those sectors that employment projections indicate will be fast growing (see Section D below) are shaded. Among most industries, the average annual wages kept pace with or exceeded inflation. In New Castle County, however, the total for all industries did not keep pace with inflation. This results from declines in professional and technical services and management of companies and enterprises, which are high paying industries.

As of 2006, the OOLMI reports that the statewide mean hourly wage was \$18.88 varying from \$8.66 per hour for entry level employees to \$23.99 for those with experience.

- The highest hourly wages are paid in New Castle County where the mean hourly wage is \$20.46 varying from \$9.27 for entry level employees to \$26.06 for those with experience.
- In Kent County the mean hourly wage is \$16.28. Mean hourly wage for entry level employees is \$8.23 and \$20.31 for those with experience.
- In Sussex County the mean hourly wage is \$14.57, varying from \$7.79 for entry level employees to \$17.95 for those with experience.

Beyond Wages: Delaware Job Benefits, which was prepared by the OOLMI, estimates that about 6,700 workers at private firms were paid the minimum wage in 2005. This represents 1.9 percent of the total private covered workforce, and is a substantial decline from the 3 percent of private-firm workers that was found in 2001.

Given that the state minimum wage increased to \$6.15 in October of 2000 and remained there until January 2007, it should not be a surprise that the number of workers at the minimum declined. As inflation gradually erodes the real value of a nominally fixed wage, it becomes less binding and labor markets set wages above it on their own. In real terms, it takes \$7.17 an hour in 2005 to equal the buying power \$6.15 had in October 2000. In 2006, the General Assembly voted to incrementally increase the state minimum wage to \$7.15 an hour. The first increase, to \$6.65, took effect January 1, 2007 and the second increase, to \$7.15, will take effect January 1, 2008.

Only three industries average greater than 1 percent of their workforces at the minimum wage: administrative support and waste management and remediation services, at 1.2 percent; real estate and rental and leasing, at 6.1 percent, and accommodation and food services, at 12.6 percent.

Table 1-8 provides a review of mean hourly wage by occupation group by county in Delaware. The table also shows the percentage of the workforce employed in the occupation.

**Table 1-8
Mean Hourly Wage (\$) by Occupation Group – 2005**

Occupation	New Castle County		Kent County		Sussex County	
	Mean Hourly Wage (\$)	% of Estimated Employment	Mean Hourly Wage (\$)	% of Estimated Employment	Mean Hourly Wage (\$)	% of Estimated Employment
Architecture & Engineering	34.18	1.7	27.93	1.7	23.07	0.9
Arts, Design, Entertainment, Sports, & Media	20.2	1.3	16.59	0.8	15.18	0.7
Bldg. & Grounds, Cleaning & Maintenance	11.03	3.4	10.4	3.3	10.39	4.3
Business & Financial Operations	28.94	6.2	22.52	4	21.96	2.1
Community & Social Services	18.44	1.4	18.06	1.8	17.82	1.4
Computer & Mathematical	31.98	3.2	26.79	1.3	26.21	0.5
Construction & Extraction	19.69	5	17.26	4.8	15.62	6.5
Education, Training & Library	22.02	4.5	19.98	7.4	20.5	5.2
Farming, Fishing & Forestry	14.29	0.04	15.54	0.2	10.66	0.8
Food Preparation & Serving	9.37	7.1	9.02	10	8.93	11.4
Health Practitioners	30.77	5.2	29.92	3.8	25.88	5.6
Healthcare Support	12.46	2.3	12.57	2	11.88	2.1
Installation & Repair	19.86	3.5	17.87	4.6	16.04	4.2
Legal	45.04	1.2	27.72	0.7	25.25	0.6
Life, Physical & Social Service	31.28	1.9	22.4	0.9	25.07	0.3
Management	46.48	5	35.26	3.9	34.93	2.8
Office & Administrative Support	15.33	21.7	13.31	17.6	13	15.5
Personal Care	11.56	2	10.72	2.2	10.88	1.8
Production	18.87	5.1	13.59	6	10.47	14
Protective Service	16.42	1.6	16.37	3.5	15.62	1.9
Sales	16.54	11.2	13.25	12.5	13.13	11.7
Transportation & Material Moving	14.71	5.5	12.61	7	11.78	5.7
Total	20.46	100.0	16.28	100.0	14.57	100.0

Source: Delaware Department of Labor, OOLMI, "Delaware Wages, 2005"

Benefits can be worth up to about one-third the amount of an employee's compensation. Reductions in employer-sponsored benefits result in households paying out-of-pocket for critical expenses such as health insurance. As households pay for more of their benefits, their ability to pay for housing is diminished.

During the second half of June 2005, OOLMI distributed surveys to employers regarding benefits. *Beyond Wages: Delaware Job Benefits*, which was published in June 2006, is the fourth survey of benefits and conditions of employment in Delaware; the first three were conducted in 1997, 1999, and 2001. The survey was mailed to 1,443 private employers in the state randomly selected from a stratified sample. Half of the state's private workforce is employed at firms included in the survey. The survey responses therefore represent a broad cross section of employers by size, industry and geography.

With a four-year period between surveys, the latest finds many significant changes since 2001, almost all in the direction of fewer employee benefits. Major findings are as follows.

- There has been a clear decline in benefits offered by Delaware employers since 2001 in all major benefits categories: health care, paid time off, and retirement.
- 60 percent of the state's private employers offer health care benefits. Most firms that offer health care benefits offer only one type of plan. Preferred Provider Organization (PPO) plans are most common.
- Approximately 88 percent of the private workforce works at firms where health care benefits are offered, down from 93 percent in 2001.
- Firms with 50 or more workers almost universally provide health care benefits (only 5 percent of them do not). Nearly 60 percent of Delaware's total private workforce is at firms of this size.
- Among firms with fewer than 50 workers, 58 percent make health care benefits available.
- 85 percent of large firms (100 or more workers) have at least one type of retirement plan in place for full-time workers.
- 56 percent of the firms with fewer than 100 workers have at least one type of retirement plan in place for full-time workers.
- 37 percent of the firms with fewer than 10 workers have at least one type of retirement plan in place for full-time workers.
- There has been a decline in the number of workers being paid the minimum wage of nearly 50 percent since 2001. The state's minimum wage was raised to \$6.65 in January, 2007 and will increase to \$7.15 in 2008.
- 23 percent of the jobs at private employers in Delaware are part-time. These jobs provide fewer benefits than similar full-time positions. 16

percent of those working part-time said they would prefer to be working full-time.

- College tuition assistance has declined as a benefit, especially in New Castle County.

D. PROJECTED EMPLOYMENT

In its publication *Delaware 2014*, the Delaware Department of Labor, Office of Occupational and Labor Market Information (OOLMI) presents employment projections by specific occupations, career clusters and industries for 2004-2014.

i. Projections by Career Cluster

The OOLMI presents occupation projections grouped by career cluster. The US Department of Education developed 16 career clusters as a way to link school and work, helping students to choose a curriculum that is best suited to their career plans.

For each occupation, OOLMI provides the forecasted average annual growth rate from 2004 to 2014,* average annual openings due to growth, average annual openings due to net replacement of workers (the total expected job openings per average year is the sum of the growth and replacement), and the estimated 2005 average annual wage. As shown in Table 1-9, the business management and administration cluster is expected to generate the most job openings (more than 28,000).

Average wage among jobs in business management and administration is ranked 9th out of the 16 career clusters. Science, technology, engineering, and mathematics is the highest paying cluster but ranks 14th out of 16 in total openings through 2014. In fact, four of the top five career clusters in average wage rank at 10th and below in total openings through 2014.

Hospitality and tourism has the lowest average wage and is projected to have the third highest number of job openings through 2014. Marketing, sales, service, which ranks 14 in average wage, is projected to have the second highest number of job openings through 2014.

* *Delaware 2014*, DE Department of Labor, Office of Occupational and Labor Market Information, April 2007.

**Table 1-9
Growth by Career Cluster – 2004 to 2014**

Career Cluster	2005		2004 to 2014				
	Average Wage (\$)	Rank	Total Openings	Rank	Percent Total Openings	New Jobs	Annual % Growth
Business Management, Administration	40,724	9	28,070	1	17.9	10,720	1.0
Marketing, Sales, Service	31,723	14	26,550	2	16.9	7,020	1.0
Hospitality and Tourism	21,051	16	23,730	3	15.1	7,600	1.6
Health Science	51,815	4	13,470	4	8.6	8,060	2.4
Architecture, Construction	41,503	7	10,230	5	6.5	4,460	1.5
Transportation, Distribution and Logistics	32,811	13	9,940	6	6.3	3,350	1.1
Education and Training	43,784	6	8,320	7	5.3	3,890	1.7
Manufacturing	35,333	12	8,230	8	5.2	1,430	0.1
Finance	39,318	10	7,420	9	4.7	2,450	0.8
Information Technology	64,307	2	4,960	10	3.2	3,170	2.1
Law, Public Safety and Security	55,207	3	4,020	11	2.6	1,540	1.2
Human Services	35,447	11	3,790	12	2.4	1,840	1.8
Agriculture, Food, Natural Resources	27,968	15	2,890	13	1.8	860	0.9
Science, Technology, Engineering and Mathematics	73,151	1	2,400	14	1.5	790	1.1
Arts, A/V Technology, Communications	41,049	8	2,110	15	1.3	800	1.2
Government and Public Adm.	48,561	5	770	16	0.5	350	1.6

Source: Delaware Department of Labor, OOLMI: "Delaware 2014"

ii. **Projections by Industry**

Total employment in Delaware is projected by the OOLMI to increase by 58,100 jobs from 2004 to 2014, which is equivalent to an average annual growth rate of 1.2 percent. This is a slowing of job growth from the previous 10-year period, when 60,970 jobs were added at an annual growth rate of 1.5 percent. The expected slowdown in job growth is consistent with the decrease in population growth projected by the Delaware Population Consortium (DPC). The slower growth is spread across the majority of industries, with only transportation and warehousing and management of companies and enterprises expected to grow at faster rates over the coming decade. The number of jobs in manufacturing is actually expected to shrink, not grow, but at a slower rate than it declined from 1992 to 2002.

Table 1-10 below shows the industry projections for 2014. It is followed by a review of the projected job changes per leading growth sectors. The review also considers the impact on wages from the shift in jobs by industry.

(Tables 1-7 and 1-8 earlier in the document highlight these industries as well.)

Table 1-10
Industry Employment Projections and Wage Rankings

Industry	Ranking: New Jobs 2004-14	2004	2014	Change in Jobs	Percent Annual Job Growth (%)	Ranking: 2006 Avg Wage	2006 Average Annual Wage (\$)
Health care and social assistance	1	47,500	58,000	10,500	2.0	13	43,828
Retail trade	2	52,500	59,300	6,800	1.2	20	25,012
Accommodation and food services	3	31,300	36,500	5,200	1.6	22	16,183
Educational services	4	28,600	33,300	4,700	1.5	16	36,012
Professional and technical services	5	27,000	31,000	4,000	1.4	4	73,734
Construction	6	26,400	30,300	3,900	1.4	9	45,993
Administrative and waste services	7	22,700	26,400	3,700	1.5	18	29,306
Finance and insurance	8	38,300	41,600	3,300	0.8	1	84,603
Other services, except public administration	9	17,900	21,100	3,200	1.7	19	26,528
State Government	10	15,800	18,500	2,700	1.6	10	45,946
Management of companies and enterprises	11	12,500	14,500	2,000	1.5	3	77,448
Arts, entertainment, and recreation	12	8,900	10,700	1,800	1.9	21	21,689
Wholesale trade	13	14,800	16,600	1,800	1.2	5	71,950
Transportation and warehousing	14	13,600	14,900	1,300	0.9	15	36,495
Local Government	15	6,900	8,000	1,100	1.5	11	45,510
Information	16	7,100	8,100	1,000	1.4	7	53,777
Real estate and rental and leasing	17	6,600	7,400	800	1.1	14	38,388
Federal Government	18	5,400	5,800	400	0.7	8	51,821
Agriculture, forestry, fishing and hunting	19	4,500	4,500	0	0.0	12	31,203
Mining	20	100	100	0	0.0	17	44,835
Utilities	21	2,200	2,000	(200)	(0.8)	2	83,776
Manufacturing	22	34,600	31,400	(3,200)	(1.0)	6	54,107

Source: Delaware Department of Labor, OOLMI, "Quarterly Census of Employment & Wages"

- Health care and social assistance: Jobs in these professions are projected to grow the fastest through 2014 in total number of jobs and on a percentage basis. This is the second-largest of Delaware's industry sectors, behind retail trade. Average wages in health care and social assistance are slightly below the state average, so the large increase in employment should have little impact on average wages in Delaware.
- Retail trade: The retail sector is projected to provide the second highest total of net new jobs. The average wage in retail trade is quite low, at just 55 percent of the state's overall average wage, but the retail sector is expected to add the most jobs motor vehicle and parts dealers, has an average wage close to the overall state average.
- Accommodation and food services: This category is expected to add almost 5,000 jobs by 2014, the third highest total, with almost all of that gain expected in food services. While it is part of the state's lowest paying industry, tips are not included in the official figures, so the average worker makes out better than it appears from the data.
- Arts, entertainment, and recreation: A broad category, this sector is projected to be the second fastest growing industry on a percentage basis, although increase in the number of jobs will slow considerably. Much of the employment growth in this industry was driven by the introduction of slot machines at the state's horse racing tracks. Growth at such a rapid rate is unlikely to continue.
- Construction: Construction is expected to slow after a period of rapid growth. The majority of the jobs will be specialty trade contractors or heavy and civil engineering construction. Construction pays wages right around the overall state average.
- Finance and insurance: Delaware's largest industry in terms of contribution to Gross State Product (GSP) is projected to grow at a much slower pace over through 2014 than it has over the previous 20 years. Job growth in this industry peaked in 1999 and has turned negative recently, due primarily to consolidation among credit card banks. While the consolidation is expected to continue, it is projected that modest job growth will return in the next decade, although at a slower rate than the state average.

**DELAWARE'S
LOWER PAYING
JOBS WILL BE
INCREASING AT
HIGHER RATES.**

\$15,529 = AVERAGE
ANNUAL PAY IN SUSSEX
COUNTY FOR JOBS IN
FAST GROWING
"ACCOMMODATIONS
AND FOOD SERVICES"
SECTOR.

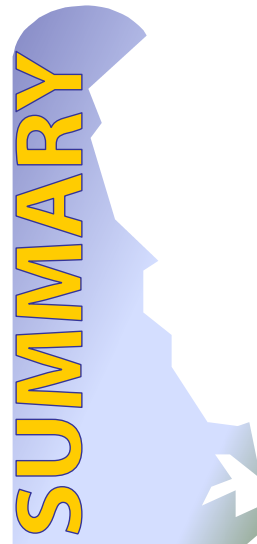
SOURCE: DE, OOLMI: *Quarterly
Census of Employment & Wages*

- **Professional, scientific, and technical services:** Another broad category, these professions are projected to grow 1.4 percent per year, which is higher than the state average rate of 1.2 percent per year. This category includes legal services, accounting services, advertising, computer services, and scientific research.
- **Educational services:** Education is projected to grow only about half as fast as it did during the past ten years. This industry, which includes elementary and secondary schools, colleges and universities, and business and trade schools, is largely driven by demographics. Its slower growth reflects the projected slower increase in Delaware's school age population over the next ten years. Educational services fall into the category of middle to lower paying industries; the \$36,012 average pay in 2006 ranks it 16 out of 22, according to OOLMI data.
- **Manufacturing:** Projected continued decline in this sector means the loss of relatively high paying jobs, as manufacturing's average wage of \$54,107 ranked it 6th highest in 2006. The job declines are projected to be spread out across most of the industry's sub-sectors.
- **Agriculture, forestry, fishing, and hunting:** The exact number of workers in this category is not easy to estimate. Employment estimates show 1.8 percent of Delaware's total employment in agriculture, forestry, fishing, and hunting. Employment is projected to remain the same.

1.1 / ECONOMIC TRENDS

C & D. WAGES AND EMPLOYMENT PROJECTIONS

- ❑ **A widening gap between high salary and low wage jobs is a likely outcome of the future depicted by employment projections for 2012.**
- ❑ **The highest growth in total number of jobs is projected to occur in health care, retail trade and accommodation/food services. Compared to current average wages, with the exception of management, earnings in these growth sectors are below \$50,000/year; many are below \$40,000.**
- ❑ **The decline in employer-provided benefits is another facet to examine in considering employee compensation. As more health care costs are passed on to employees, their household budgets will have to absorb the added expense.**
- ❑ **If wages and salaries are not growing at the same pace as health care costs, other aspects of the household budget (e.g. food, transportation, and housing costs) will face cuts in order to make up the difference.**



E. EDUCATION & EMPLOYMENT

An educated workforce supports economic development. Decisions by employers regarding where to locate are based, in part, on the availability of a workforce. Since those jobs that are more likely to pay higher wages typically require a higher level of skills than lesser paying jobs, the availability of an educated workforce will attract businesses offering higher salaries. In turn, the higher skilled workers who earn a higher wage will have more housing options.

The 2000 Census reported the following about the educational attainment of Delaware's population.

- Statewide, over 14 percent of persons age 25 and over lack a high school diploma. While OOLMI projects that the majority of the jobs created in the state through 2014 will not require formal education, the jobs will be low pay and offer the fewest benefits. This will limit the ability of those without a high school diploma to obtain safe, decent housing. The highest percentage of those without a high school diploma is in Sussex County.
- Statewide, 34 percent of the population age 25 and over have a college degree.

Table 1-11 provides a review of the educational attainment among Delaware's population age 25 and over.

Table 1-11
Educational Attainment – 2005

	DELAWARE		New Castle County	Kent County	Sussex County
	Total	Percent	Percent	Percent	Percent
No High School diploma	79,327	14.4	12.2	16.9	18.6
High School Graduate (includes equivalency)	181,831	33.0	30.6	38.2	35.7
Some College, no Degree	99,866	18.1	17.7	21.2	17.0
Associate Degree	38,176	6.9	7.2	6.1	6.8
Bachelor Degree	90,574	16.4	19.1	10.3	13.6
Graduate or Professional Degree	61,305	11.2	13.2	7.3	8.3
Total	551,079	100.0	100.0	100.0	100.0

Source: U.S. Census Bureau, 2005 American Community Survey

Of the new jobs projected by 2014, nearly 60 percent will require only short-term or moderate-term on-the-job training. Most of the high-paying jobs, however, will require education beyond high school. This means that most of the jobs created in Delaware will be pay at a lower rate. Table 1-12 below shows projected job openings and growth by educational level per the OOLMI 2014 employment projections discussed above.

**Table 1-12
Projected Openings and Growth by Education Level – 2004 to 2014**

	Total Openings 2004 - 2014	Percent of Total Openings	Number of New Jobs	Annual Percent Growth	2005 Average Annual Pay
First professional degree	1,700	1.1	855	1.4	128,068
Doctoral degree	497	0.3	261	2.3	58,506
Master's degree	2,548	1.6	1,292	1.9	53,217
Bachelor's or higher degree, plus work experience	7,061	4.4	3,479	1.7	88,198
Bachelors degree	19,601	12.3	10,208	1.9	57,701
Associate degree	7,172	4.5	4,266	2.4	52,113
Postsecondary vocational training	8,331	5.2	3,838	1.6	33,465
Work experience in a related occupation	9,247	5.8	3,326	1.1	50,300
Long-term on-the-job training	9,546	6.0	3,967	1.5	40,434
Moderate-term on-the-job training	24,198	15.2	7,317	0.9	34,676
Short-term on-the-job training	69,209	43.5	16,790	1.0	22,877

Source: Delaware Department of Labor, OOLMI: "Delaware 2014"

F. INCOME

The 2005 ACS reports that statewide the median household income in Delaware in inflation adjusted dollars was \$52,499, up 10.8 percent from \$47,381 in 2000.

The ACS reports the following regarding median household income among the three counties in Delaware in 2005.

- In New Castle County, the inflation adjusted median household income was \$59,270, up 13 percent from \$52,419 in 2000.
- The inflation adjusted median household income in Kent County was \$48,288, up 17.9 percent from \$40,950 in 2000.
- In Sussex County, the inflation adjusted median household income was \$44,942, an increase of 14.6 percent from \$39,208 in 2000.

NOTE ABOUT THE DATA

In Part 2 of the Housing Needs Assessment, affordability analysis is based on HUD-generated median family income, MFI, for each county. The MFI is useful when considering housing affordability because it directly relates to HUD housing assistance benchmarks.

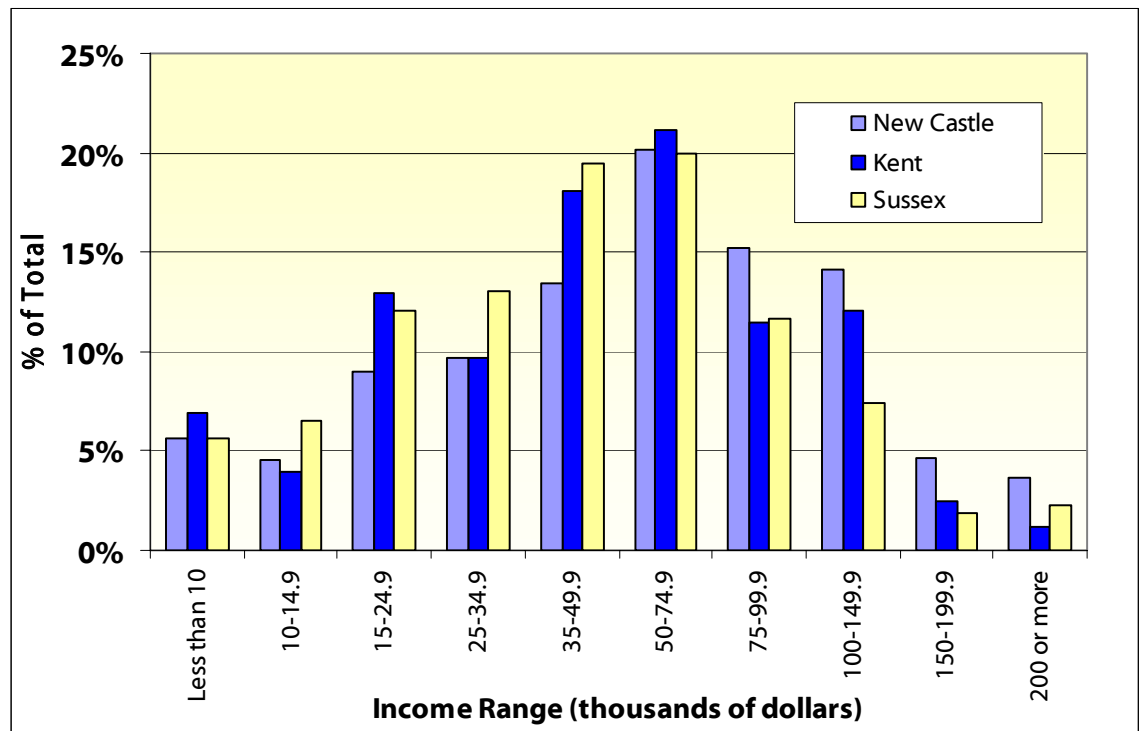
However, HUD's MFI is based on a family-household of four individuals. In order to find a statistic that represents all households statewide, the Census median household income is used below.

In 2005, 20 percent of the households in Delaware had annual incomes between \$50,000 and \$74,999, making that income category the largest. Low-income households are those earning at or below 80 percent of the median. Using ACS data to consider total low-income households, the following is found:

- Statewide, about 119,600 households, or about 37 percent, are low-income, with median annual income at or below \$41,119, which is 80 percent of the median income of \$52,499.
- New Castle County has the largest percentage of low-income households at about 40 percent, with about 78,000 of the 193,255 households with median income at or below \$47,416.
- In Kent County, there are about 21,300 households, or about 39 percent, with income below \$38,626 which is 80 percent of the median.
- Sussex County has the smallest percentage of its households classified as low-income, with just 20 percent of the households earning less than \$35,954, which is 80 percent of the median income of \$44,942.

Table 1-13 presents a percentage of households by income in 2005.

Table 1-13
Household Income Ranges by County – 2005



Source: U.S. Census Bureau, 2005 American Community Survey

As shown in Table 1-14 below, by race, Asian households have the highest median income statewide at \$76,149 followed by white households at \$55,427. Median household income among Asian and white households is higher than the

statewide median. Black, other race, and two or more race households all have median income that is below the statewide median. Hispanic households also have median income that is lower than among all households. This contributes to lower homeownership rates among minority households in Delaware.

**Table 1-14
Median Household Income (\$) by Race and Hispanic Households – 2005**

	DELAWARE	New Castle County	Kent County	Sussex County
White	55,427	62,852	50,722	45,535
Black	40,553	41,555	35,888	39,099
Asian	76,149	80,058	48,370	50,398
Other Race	44,466	41,449	58,054	45,427
Two or More Races	50,155	50,569	43,227	58,136
Hispanic Origin	43,547	45,388	31,554	45,509
All	52,499	59,270	48,282	44,942

Source: U.S. Census Bureau, 2005 American Community Survey

The 2005 ACS reports that, statewide, there were 85,076 persons below the poverty level representing 9.2 percent of the population for whom poverty is determined. Delaware’s population of persons below the poverty level increased by about 22 percent from 69,901 in 2000. (The 2005 poverty threshold used by the Census was approximately \$9,975 annual income for an individual; approximately \$19,800 for a family of four.)

Table 1-15 provides a review of the poverty level status of families and individuals in Delaware in 2005. The table shows that, among female headed households, poverty is very high. Statewide, about 24 percent of female headed households are below poverty. In Kent County, over one-third of the female headed families are below poverty.

**Table 1-15
Families and Individuals Below Poverty – 2005**

	Delaware		New Castle County		Kent County		Sussex County	
	Total	%	Total	%	Total	%	Total	%
Families	23,068	7.6	13,721	7.1	3,059	7.9	6,288	8.9
Families With Children Under Age 18	12,469	12.5	6,977	11.0	2,363	12.5	3,156	17.6
Female Headed Families	10,176	23.9	5,553	20.7	2,488	33.5	2,135	25.8
Individuals	85,076	10.4	51,032	10.1	15,002	10.7	19,042	11.0
18 and over	56,984	9.2	34,780	9.1	9,901	9.5	12,303	9.0
65 and over	7,696	7.2	3,716	6.5	1,907	11.4	2,073	6.3

Source: U.S. Census Bureau, 2005 American Community Survey

1.1 / ECONOMIC TRENDS

E & F. EDUCATION AND INCOME

- ❑ Fourteen percent of Delawareans aged 25 or older lack a high school diploma. Meanwhile, 34 percent have college degrees. Although the majority of Delaware's jobs (70 percent) do not require a formal education beyond high school (and that percentage is projected to drop only slightly over the next 12 years), such jobs typically pay less.
- ❑ Following the earlier review of wages and employment projections, there will likely be jobs for the less educated population. In fact, over 40 percent of projected job openings by 2014 will require only short-term, on the job training. These same types of jobs currently pay on average less than \$25,000 per year.
- ❑ Statewide, in 2005, over one-third of Delaware households had incomes below 80 percent of the ACS reported median (\$52,499) and would therefore be considered among the lower-income categories most often used to calculate housing assistance for state and federal programs.
- ❑ New Castle County had the highest rate of lower income households, closely followed by Kent and then Sussex Counties.

SUMMARY

G. ECONOMIC DEVELOPMENT ACTIVITIES

Economic development will spur job growth and support households in securing decent housing.

i. New Castle County

The 2007 New Castle County *Comprehensive Plan*, notes that the county's business mix is increasingly diverse, resulting in an economy that is less reliant on any one industry and better able to weather economic fluctuations. The county's employment base is less dependent on manufacturing and is shifting increasingly towards a service-based economy. The education and health services sector and the leisure and hospitality industry are expected to have the greatest economic growth during the period. While the trend is towards a service-based economy, the retention and recruitment of high-wage manufacturing jobs will help to maintain diversity in the economic base.

The county's growth management strategy encourages the most efficient use of New Castle's limited land resources in order to accommodate employment growth and strengthen the tax base. At the same time, county policies recognize the need to protect natural resources and improve

environmental quality, provide adequate public facilities and services, and assure appropriate planning for community services. In addition to the redevelopment of existing properties and neighborhoods, county policies also recognize that commercial development will occur on green field sites, resulting in increased pressure on natural resources and environmental quality, infrastructure and services. A balance must be struck to ensure a healthy economic and natural environment that will continue to attract employers and workers.

Given employment projections for 2030, New Castle County estimates that roughly 3,000 acres of non-residentially zoned land will be necessary to accommodate nearly 37 million square feet of commercial, office and industrial growth. Ideally, much of this growth will not occur on undeveloped sites, but on existing underdeveloped or brownfield properties. Under the current growth management strategy, the county has more than sufficient amounts of acreage zoned to accommodate the projected employment growth through 2030. More than 32,000 acres of land are zoned for non-residential uses, with approximately 11,000 (34 percent) of that acreage undeveloped.

New Castle County plans call for actively promoting and encouraging the redevelopment of existing properties. The County supports redevelopment projects that provide increased capital investment to underused areas to enable them to return to productive, safe, and economically viable communities. Recent estimates by the County's Department of Land Use indicate that approximately 66 percent of the non-residentially zoned county lands are improved, or partially improved with existing structures. Much of the developed non-residential land remains underdeveloped, as those sites with existing structures are not always developed to the maximum extent allowed by the county's Unified Development Code.

ii. Kent County

Kent County's most recent *Comprehensive Plan* was completed in 2002. The County is preparing an update of the document for completion in 2008. The *Comprehensive Plan* notes that it has an inventory of more than 1,000 acres of industrially zoned land. The industrially zoned land is located throughout Kent County and is owned by a mix of private individuals and public entities. The inventory of industrial land is projected to be sufficient for at least the next 20 years.

Kent County's economic development efforts are executed in close cooperation with the Delaware Economic Development Office (DEDO). The DEDO, with its comprehensive marketing efforts, financial programs, workforce training, research, and other resources, is the lead agency in bringing in new capital investment and employment. Targeted industries include structural metals; industrial electronics; industrial and analytical instruments; health, diagnostics, and treatment instruments; production

machinery; general industrial machinery components; and, adhesives, sealants, and miscellaneous chemical preparations. Dover and Smyrna have instituted successful Main Street programs, which have renewed investment and interest in their downtowns. The City of Dover also has a Downtown Development Corporation.

The Kent County *Comprehensive Plan* indicated there is a growing back-office industry presence. The back-office industry has located in Kent County, with much of it coming from companies in New Castle County because of lower costs. In the southern part of Kent County, there have been sporadic efforts to recruit more retirees to take advantage of the lower cost of living.

iii. Sussex County

The Sussex County *Comprehensive Plan* was completed in 2003. An update is in progress for completion in 2008. It expressed the concern for the need to broaden the economic and employment activities in Sussex County through encouraging existing industries to expand and new businesses to locate in the county. Based on a study by the Delaware Development Office, it was recommended that the primary recruiting efforts target industries including structural metal products; industrial electronics; industrial and analytical instruments; health, diagnostic, and treatment instruments; production machinery; general industrial machinery components; and adhesives, sealants, and miscellaneous chemical preparations.

Sussex County maintains an Economic Development Office with the responsibility for promoting, expanding, and diversifying the economic and employment base of the county.

H. KEY ECONOMIC TRENDS: SUMMARY OF FINDINGS

- Delaware's economy is diversified and well positioned for continued growth in most of its major industry divisions.
- Projections are that the greatest growth in jobs in the state will occur among the lowest wage industries including Retail Trade, Administrative and Waste Services, and Accommodation and Food Services.
- The top three industries for new job creation between 2004 and 2014 (health care, retail, and accommodation/food services) were ranked 13th, 20th and 22nd respectively in terms of 2006 average wages.
- High wage jobs in finance and insurance and scientific research are projected to grow at a slower pace over the next 10 years. This will tend to reduce overall wage levels in the state.
- Among most industries, the average annual wages kept pace with or exceeded inflation during the first half of the 2000s. In New Castle County, however, the total for all industries did not keep pace with

inflation due to declines in persons employed in higher-wage industries including Professional and Technical Services and Management of Companies and Enterprises. (The rapid increase in housing values during the first years of the 2000s, greatly exceeded the cost of living and reduced the ability of households to afford housing.)

- Seventy percent of the jobs in Delaware do not require formal education beyond high school. This proportion is expected to drop slightly with more of the jobs created in Delaware requiring more education and training. These jobs are low-paying and the gap between high-paying and low-paying jobs is likely to widen.
- Much of workforce in Delaware is highly educated, supporting its ability to remain employed and housed. However, persons without an education and technical skills will be vulnerable to chronic housing problems.
- As labor force participation has increased and the proportion of working people in a household increased, median income in Delaware grew. Typically, income rises with age. Since the population in Delaware is getting older and approaching its peak earning years, it would be expected that household incomes will continue to rise.
- On the other hand, the shift of lower-skilled, higher-wage jobs out of manufacturing sectors to lower-skilled, lower-wage jobs in service-oriented sectors could act as a drag on median income. The changing demographic and economic characteristics of the state will impact the ability of the households in Delaware to house themselves.
- OOLMI's publication *Beyond Wages: Delaware Job Benefits* (June 2006) notes that "There has been a clear decline in benefits offered by Delaware employers since 2001 in all major benefits categories." Reduced benefits or lack of benefits, particularly health insurance, reduces disposable income that is available for housing, putting households at a greater risk of experiencing a housing problem.
- Overall, the proportion of the population in Delaware that is employed has been rising. Beginning in the 1960s, the rise was largely because of the increased rate among females. That source of new labor market entrants is gradually diminishing. Increases in labor force participation during the 1990s were almost solely due to greater participation by minorities.

2. POPULATION & HOUSEHOLD TRENDS

Demographic trends are important to the understanding of the housing market in that variables such as an expanding population, decreasing household size, new household formation, and immigration determine housing demand. The following section examines basic population trends up to the present as well as population projections into the future. Part 2 of the *Housing Needs Assessment* examines household growth projections to 2012 and the resulting housing demand forecast.

A. POPULATION

The population in Delaware increased every decade from 1900 to 2000. The percent change varied by location in the state. For example, the population of New Castle County increased consistently over the century. Meanwhile, during the early part of the 20th Century the population in Kent County and Sussex County decreased. In the latter half, the rate of population increase was higher in Kent County and Sussex County than in New Castle County.

Table 2-1 provides a review of population in Delaware by county from 1900 to 2006. Estimates prepared by the Delaware Population Consortium (DPC) indicate that the state's population continued to grow during the first years of the 2000s. The population pattern of faster growth in Kent and Sussex Counties continues in the 2000s. While the majority of the state's population continues to reside in New Castle County, the county's share of the state's population continues to decline.

Table 2-1
Population – 1900 to 2006

Year	DELAWARE		New Castle County		Kent County		Sussex County	
	Pop.	% Change	Pop.	% Change	Pop.	% Change	Pop.	% Change
1900	184,735		109,697		32,762		42,276	
1910	202,322	9.5	123,188	12.2	32,721	(0.1)	46,413	9.8
1920	223,003	10.2	148,239	20.3	31,023	(5.2)	43,741	(5.8)
1930	238,380	6.8	161,032	8.6	31,841	2.6	45,507	4.0
1940	266,505	11.8	179,562	11.5	34,441	8.2	52,502	15.4
1950	318,085	19.4	218,879	21.9	37,870	10.0	61,336	16.8
1960	446,292	40.3	307,446	40.5	65,651	73.3	73,195	19.3
1970	548,104	22.8	385,856	25.5	81,892	24.7	80,356	9.8
1980	594,338	8.4	398,115	3.2	98,219	19.9	98,004	22.0
1990	666,168	12.0	441,946	11.0	110,993	13.0	113,229	15.5
2000	783,600	17.6	500,265	13.2	126,697	14.1	156,638	38.3
2006	854,977	9.1	527,027	5.3	147,675	16.6	180,275	15.1

Source: U.S. Census Bureau, Delaware Population Consortium

In 1980, 67 percent of Delaware's population lived in New Castle County and the remaining third of the population was evenly split between Kent and Sussex Counties. As of 2006, 61.6 percent of the population is in New Castle County, 17.3 percent resides in Kent County, and 21.1 percent is in Sussex County. The October 2006 DPC population estimate is 854,977, while the U.S. Census Bureau July 1, 2006 population estimate is 853,476.

B. POPULATION BY AGE

The 2005 ACS reports that, statewide, the median age of the population is 37.9 years, up from 36 years as reported by the 2000 Census.

- The state's oldest population is in Sussex County, where the median age of the population is 42.4 years old, up from 41.1 in 2000.
- Kent County, where the median age is 35.7 years old, has the youngest population. Kent County's median age increased from 34.4 years old in 2000.
- The median age of the population in New Castle County is 37 years old, up from 35 years old in 2000.

The following provides a review of the population by age in Delaware and the change in population by age as recorded by the 2000 Census and the 2005 ACS.

- The population of children, consisting of persons age 19 and under, includes 212,892 persons, which is 26 percent of the population. From 2000 to 2005, the population of children decreased by about 4,600 or 2.1 percent. The population of children is the only age group that recorded a decrease in total population from 2000 to 2005.
- There are 162,159 persons age 20 to 34, which is 19.8 percent of the population. While the number of young adults increased by 1.7 percent from 159,412 in 2000, the percentage of the total population declined from 20.3 percent in 2000.
- The 246,655 persons age 35 to 54 represent 30.1 percent of the population up from 29.8 percent in 2000 when there were 233,342 middle-aged adults.
- The greatest increase is among persons age 55 to 64. In 2000, there were 71,711 persons age 55 to 64. Persons aged 55 to 64 increased by 25.6 percent to 90,900.
- The young elderly, consisting of persons age 65 to 74 increased by 3.2 percent from 56,733 in 2000 to 58,556 in 2005.
- There was also a substantial increase in persons age 75 and over. In 2000 there were 44,973 persons age 75 and over, which was 5.7 percent of the population. Persons age 75 and over increased by 7.3 percent to 48,235 and constitutes 6 percent of the population.

Table 2-2 compares 2000 and 2005 population by age categories.

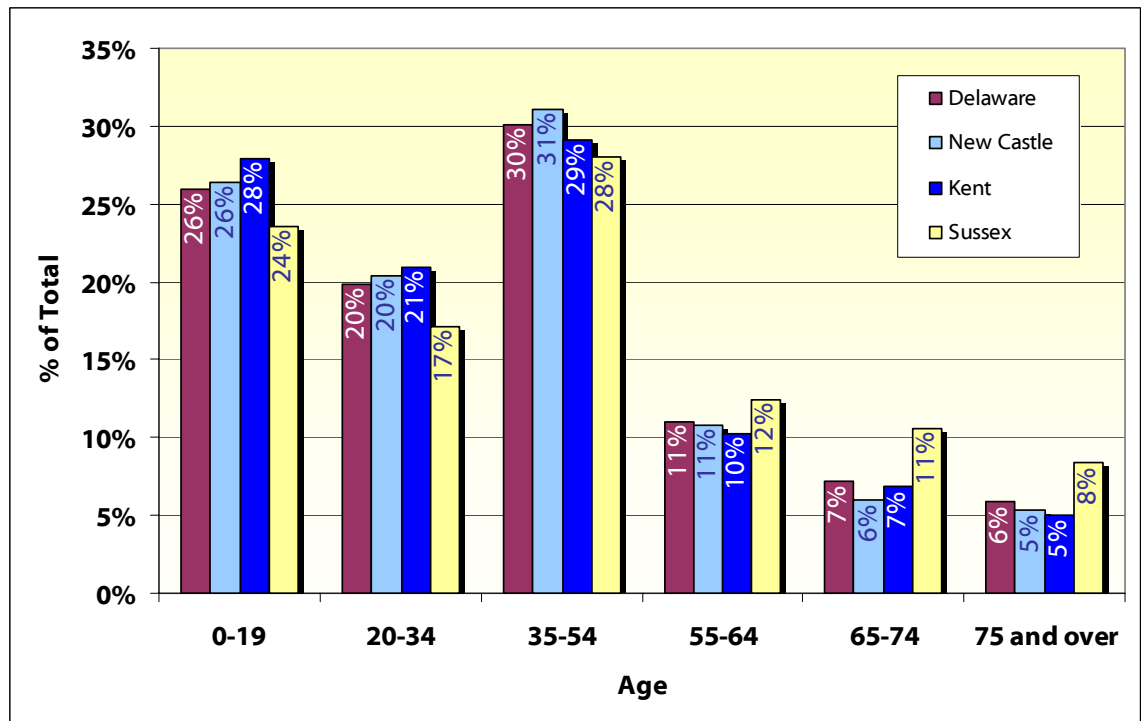
**Table 2-2
Population by Age – 2000, 2005**

	DELAWARE		New Castle County		Kent County		Sussex County	
	2000	2005	2000	2005	2000	2005	2000	2005
19 years and under	217,483	212,892	140,804	133,157	38,747	39,077	38,699	40,658
20 – 34	159,412	162,159	109,368	103,294	25,770	29,290	25,637	29,575
35 – 54	233,342	246,655	150,498	157,295	36,365	40,834	44,737	48,526
55 – 64	71,711	90,090	41,692	54,359	11,014	14,278	18,813	21,453
65 – 74	56,733	58,556	30,904	30,536	8,420	9,735	17,091	18,285
75 years and above	44,973	48,235	26,999	26,630	6,381	6,991	11,931	14,614

Source: U.S. Census Bureau, Census 2000, 2005 American Community Survey

Table 2-3 provides a review of the age distribution of the population as recorded by the 2005 ACS in Delaware and in each of the counties.

**Table 2-3
Age Distribution – 2005**



Source: U.S. Census Bureau, 2005 American Community Survey

C. POPULATION BY RACE

As shown in Table 2-4, from 2000 to 2005, the state’s population by race changed as follows.

- The white population increased by 17,529 or 3 percent. It decreased, however, from 74.6 percent of the total population to 73.6 percent. In 1990, 79.4 percent of the population was white.
- The black population increased by 14,229 or 9.6 percent.
- The American Indian population decreased by 1,055 or 33.9 percent.
- The Asian, Pacific Islander population increased by 6,058 or 37 percent.
- The population of persons of other races increased by 508 or 3.1 percent.
- The population of persons of two or more races decreased by 2,282 or 15.9 percent.
- From 2000 to 2005, the minority population increased from 25.4 percent of the population to 26.4 percent.
- In 2000, 37,321 persons of Hispanic origin resided in Delaware, making up 4.8 percent of the population. As of 2005, 50,218 persons of Hispanic origin reside in the state, representing 6.1 percent of the population. In 1990, just 2.3 percent of the state’s population was persons of Hispanic origin. From 2000 to 2005 the Hispanic population increased by 12,897 persons or 34.6 percent.

**Table 2-4
Population by Race and Persons of Hispanic Origin – 2000 and 2005**

	White		Minority						Total Population	Hispanic Origin (Any Race)	
	Total	% of Population	Black	Am. Ind. Eskimo	Asian, Pacific Islander	Other	Two or More	% of Population		Total	% of Total
2000	584,684	74.6	148,823	3,111	16,388	16,241	14,353	25.4	783,600	37,321	4.8
2005	602,213	73.6	163,052	2,056	22,446	16,749	12,071	26.4	818,587	50,218	6.1

Source: U.S. Census Bureau, Census 2000, 2005 American Community Survey

Sussex County continues to have a greater percentage white population, but it also has the greatest percentage of persons of Hispanic origin. The Hispanic population migrates to the county to work in the low skill low wage agriculture and poultry industries. New Castle County is the state's most diverse county by race. Table 2-5 provides an overview of population by race and persons of Hispanic origin by county in 2005.

**Table 2-5
Population by Race – 2005**

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
White	602,213	73.6	358,064	70.8	102,886	73.4	141,263	81.6
Black	163,052	19.9	112,742	22.3	27,851	19.8	22,459	13.1
American Indian, Alaska Native	2,056	0.3	803	0.2	516	0.4	737	0.4
Asian, Pacific Islander	22,446	2.7	18,579	3.7	2,400	1.7	1,467	0.8
Some Other Race	16,749	2.0	10,127	2.0	1,556	1.1	5,066	2.9
Two or More Races	12,071	1.5	4,956	1.0	4,996	3.6	2,119	1.2
Total	818,587	100.0	505,271	100.0	140,205	100.0	173,111	100.0
Hispanic Origin, Any Race	50,218	6.1	17,909	3.5	5,361	3.8	10,251	5.9

Source: U.S. Census Bureau, 2005 American Community Survey

The 2005 ACS reports that 7.7 percent of Delaware's population is from outside the U.S. and Puerto Rico, U.S. Island areas, or born abroad to an American parent. As shown in Table 2-6, New Castle County has the largest foreign-born population.

**Table 2-6
Foreign-born Population – 2005**

	DELAWARE		New Castle		Kent		Sussex	
	Persons	% of Total	Persons	% of Total	Persons	% of Total	Persons	% of Total
Total population	818,587	100.0	505,271	100.0	140,205	100.0	173,111	100.0
Foreign born	62,867	7.7	46,636	9.2	5,915	4.2	10,316	6.0

Source: U.S. Census Bureau, 2005 American Community Survey

As shown in Table 2-7, 60 percent of Delaware’s foreign-born population are not U.S. citizens and almost one-third entered the U.S. since 2000. Due to language barriers and lower employment skills, many recent immigrants need assistance with finding and maintaining decent housing. Newer immigrants often support families living abroad, which further limits their income for housing. Generally, the longer persons are in the U.S., the more assimilated they become, developing language and job skills that allow them to afford safe, decent housing.

**Table 2-7
Citizenship Status and Year Entered U.S. of Foreign-born Population – 2005**

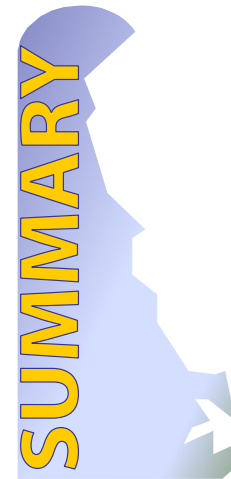
	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	% of Foreign-born	Total	% of Foreign-born	Total	% of Foreign-born	Total	% of Foreign-born
Naturalized U.S. citizen	24,931	39.7	17,406	37.3	3,120	52.7	4,405	42.7
Not a U.S. citizen	37,936	60.3	29,230	62.7	2,795	47.3	5,911	57.3
Foreign-born population	62,867	100.0	46,636	100.0	5,915	100.0	10,316	100.0
Entered 2000 or later	20,138	32.0	17,043	36.5	894	17.8	2,201	21.3
Entered before 2000	42,729	68.0	29,593	63.5	5,021	82.2	8,115	78.7

Source: U.S. Census Bureau, 2005 American Community Survey

1.2 / POPULATION AND HOUSING TRENDS

A-C. POPULATION, RACE & AGE

- ❑ **Delawareans numbered 854,977 people in 2006, an increase of over 9 percent since 2000. In 2000, New Castle County was home to over two-thirds of the state. Although the northernmost county’s population did grow between 2000 and 2006, its rate of growth was less than that of Kent and Sussex Counties to the south; its share of total population fell to just over 60 percent as of 2006.**
- ❑ **Sussex County’s median age of 42.4 years makes it the oldest of the three counties. The 2005 median age statewide increased to 37.9 years from 36 years in 2000. The greatest increase among age groups was that of persons aged 55 to 64.**
- ❑ **The percentage of total Delawareans who were minorities grew to over 26 percent by 2005, with New Castle County being the more racially diverse county. Statewide, the fastest growing minority group between 2000 and 2005 was Asian/Pacific Islanders who grew by 37 percent; however, they still numbered less than 5 percent of the total population. Hispanics made up 6.1 percent of the population in 2005, up from 4.8 percent in 2000 and 2.3 percent in 1990.**
- ❑ **While Sussex County is home to the greatest percentage of Whites, it is also home to the greatest percentage of residents of Hispanic origin. Sussex receives the largest share of Hispanic migrant workers who work in the county’s farms. One-third of Delaware’s foreign-born population entered the United States after 2000.**



D. HOUSEHOLDS

The Census Bureau defines households as all persons who occupy a housing unit. Persons not living in households are classified as living in group quarters. From 1990 to 2005, households in Delaware increased by 70,477 or 28.5 percent. In that time, population increased by 28.3 percent.

Table 2-8
Households – 1990 to 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total Households	Percent Change	Total Households	Percent Change	Total Households	Percent Change	Total Households	Percent Change
1990	247,163		164,104		39,576		43,483	
2000	298,755	20.9	188,974	15.2	47,199	19.3	62,582	43.9
2005	317,640	6.3	193,255	2.3	53,731	13.8	70,654	12.9

Source: U.S. Census Bureau

Households are classified by type according to the sex of the householder and the presence of relatives. Examples include: married-couple family; male householder, no wife present; female householder, no husband present; spouse (husband/wife); child; and other relatives.

The Census defines a family as a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of the family. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

About two-thirds of the Delaware's households are family households. Half of those households consist of married couples and about 21 percent have children. About 26 percent of the households are headed by a single individual (male householder, no wife present, female householder, no husband present, householder living alone).

The growth in households headed by an individual creates the need for smaller units and units that are affordable to households with just one income. Household types are important in determining the housing size.

Table 2-9 provides an overview of the types of households in Delaware.

**Table 2-9
Households Types – 2005**

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
TOTAL HOUSEHOLDS	317,640		193,255		53,731		70,654	
Family households (families)	216,182	68.1	129,634	67.1	38,719	72.1	47,829	67.7
With own children under 18 years	100,262	31.6	63,426	32.8	18,903	35.2	17,933	25.4
Married-couple families	159,638	50.3	94,947	49.1	28,696	53.4	35,995	50.9
With own children under 18 years	65,537	20.6	42,549	22.0	12,002	22.3	10,986	15.5
Male householder, no wife present	14,012	4.4	7,859	4.1	2,595	4.8	3,558	5.0
With own children under 18 years	6,858	2.2	3,982	2.1	1,509	2.8	1,367	1.9
Female householder, no husband present	42,532	13.4	26,828	13.9	7,428	13.8	8,276	11.7
With own children under 18 years	27,867	8.8	16,895	8.7	5,392	10.4	5,580	7.9
Nonfamily households	101,458	31.9	63,621	32.9	15,012	27.9	22,825	32.3
Householder living alone	81,364	25.6	49,726	25.7	12,476	23.3	19,162	27.1
65 years and over	28,740	9.0	16,661	8.6	4,152	7.7	7,927	11.2

Source: U.S. Census Bureau, 2005 American Community Survey

Table 2-10 shows the average household size in Delaware and the three counties from 1990 to 2005. The table shows that after decreasing during the 1990s, household size in Delaware increased during the first years of the 2000s. The increase is due to an increase in household size in New Castle County. Household size in Kent and Sussex Counties did not change from 2000 to 2005.

**Table 2-10
Average Household Size – 1990 to 2005**

	1990	2000	Percent Change	2005	Percent Change
DELAWARE	2.61	2.54	(2.7)	2.58	1.6
New Castle County	2.61	2.56	(1.9)	2.61	2.0
Kent County	2.70	2.61	(3.3)	2.61	0.0
Sussex County	2.54	2.45	(3.5)	2.45	0.0

Source: U.S. Census Bureau

Table 2-11 shows average household size by race and Hispanic origin. Because neither the ACS nor the DPC updates the information, the data from the 2000 Census is used. It is expected that the trend with larger household size among minority and Hispanic headed households is still valid. A review of the 2005 ACS for median age by race and persons of Hispanic origin shows that the state's minority population is younger than the white population. By race, median age is 40.6 years for whites, 32.1 years for blacks, 33 years for Asians, and 27 years for other races. The median age for persons of Hispanic origin is 26.3.

The younger age of the minority population results in higher birth rates than among white households resulting in larger household sizes as noted by the 2000 Census. The continued increase in Delaware's minority population as a percentage of the state's total population in combination with its lower median age supports the slowing in the decline in the average household size as noted by the 2005 ACS.

Table 2-11
Average Household Size by Race and Hispanic Origin– 2005

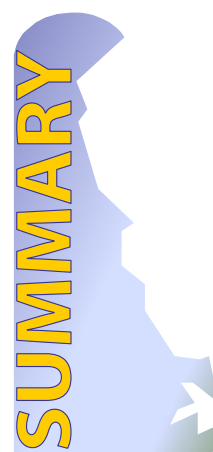
	Delaware	New Castle County	Kent County	Sussex County
White	2.46	2.48	2.56	2.35
Black	2.73	2.71	2.74	2.83
American Indian, Alaska Native	2.63	2.65	2.59	2.65
Asian, Pacific Islander	2.85	2.83	2.87	3.16
Some Other Race	3.81	3.75	3.21	4.41
Two or More Races	2.89	2.84	2.82	3.19
Hispanic Origin, Any Race	3.63	3.58	3.11	4.20

Source: U.S. Census Bureau, 2005 American Community Survey

1.2 / POPULATION AND HOUSING TRENDS

D. HOUSEHOLDS

- **Between 1990 and 2005, while Delaware's total population increased by 28.3 percent, its number of households increased by 28.5 percent. Smaller average household sizes, and more single person households results in the faster rate of household growth.**
- **In 2005, nearly 26 percent of households were headed by a single individual. Minorities, the faster growing segment of the population, on average tend toward larger family household sizes. Their growth slowed the decline of household size slightly between 2000 and 2005. However, household size in 2005 was still smaller than it was in 1990.**



E. POPULATION PROJECTIONS

The future population, both total population and the age of the future population, impacts housing demand. The location of where the future population will reside also influences the housing market in Delaware. In October 2006, the DPC prepared population projections for Delaware. The projections show that while the state's population will continue to increase, the rate of the increase will slow from previous years. The DPC projects that Delaware's population will increase by 27.5 percent from 2005 to 2030 versus an increase of 43 percent from 1970 to 2000.

- The greatest percent increase in population among the counties is projected for Sussex County. The DPC projects that the population will increase 46.3 percent. In 2030, 24.2 percent of the state's population will reside in Sussex County.
- The largest total population increase is projected in New Castle County with a total of 96,072 additional residents. By 2030 it is projected, however, that just 57.6 percent of the state's population will reside in New Castle County.
- In 2030, 18.5 percent of the state's population will live in Kent County.

The DPC reports that population change over time has two components: natural change and migration.

- Natural change is the growth of the population resulting from more births than deaths.
- Migration is the net sum of the number of persons who move into an area minus the number of people who moved out during the same period.

Of the two components of population change, natural increase is the more predictable and stable because birth and death rates are a function of the age distribution of the existing population. Migration is based on some condition that attracts persons to an area such as job opportunities for working age people or the living environment, which is often an attraction for retirees. Thus, migration projections are tied to projections about the state of the economy.

The population resulting from migration will need housing upon arrival. The type and location of the housing needed by migrants is determined by the age and income of the migrant population, location choices related to their job, and desire to be near services such as transportation and schools or other amenities. The population resulting from natural increase will need decent safe housing suited to their location preferences and household circumstances as they reach household formation age.

- The October 2006 DPC projections find that migration to Delaware is projected to account for an increasing share of the population growth, much of which will be accounted for by migration to Sussex County.

- From 2010 to 2015, migration into Delaware will comprise about 62 percent of the state's new population. The population migrating to Delaware will need housing units.
- From 2015 to 2020, the proportion of population growth contributed by migrants will increase to about 69 percent.
- From 2010 to 2030, there will be 138,050 new migrants to Delaware. Natural increase will provide 62,521 people from 2010 to 2030.
- The majority of the migrants to Delaware will be moving to Sussex County, which will account for 64.4 percent of all migrants to Delaware or 88,978 people.
- By 2010, deaths will exceed births in Sussex County. The result is that from 2010 to 2030 the natural increase in Sussex County will be negative with migration providing all of the County's new population. The number of people migrating to Sussex County will peak in 2020 then decline by 2025 as the population growth slows. DPC projects that at the peak, 18,406, persons will migrate to Sussex County from 2015 to 2020. From 2020 to 2025, there will be 17,176 migrants to the county.
- From 2010 to 2030, there will be 25,202 migrants to Kent County, which is 55.3 percent of the county's population increase. While total migration to the county will decrease, its share of the change in population will increase. From 2005 to 2010, 49 percent of Kent County's population change will be due to migration. From 2025 to 2030, two-thirds of the change will be from migration.
- From 2010 to 2030, 23,871 persons, or just 30.5 percent of the change, will migrate to New Castle County. From 2005 to 2010, migration will account for 5,453 new residents, or 27.5 percent of the change in population. From 2025 to 2030, the 4,193 persons moving to the county will make up 37 percent of the population change.

Table 2-12 shows the October 2006 DPC Annual Population Projections for Delaware. From 2005 to 2030, Sussex County will be the fastest growing county increasing by 46.3 percent from 173,111 to 253,226, followed by a 35.2 percent increase in Kent County from 140,205 to 189,536. New Castle County will experience the slowest population growth, with a projected increase of 19 percent, from 505,271 to 601,343.

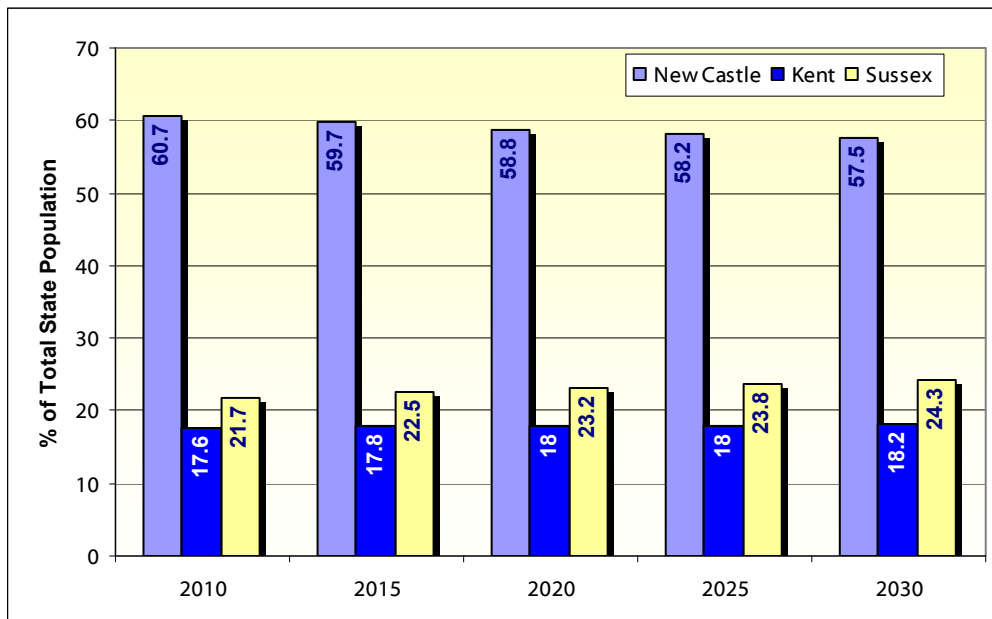
**Table 2-12
Population – 2000 to 2030**

Year	DELAWARE		New Castle County		Kent County		Sussex County	
	Population	% Change	Population	% Change	Population	% Change	Population	% Change
2000	783,600		500,265		126,697		156,638	
2005	818,587	4.7	505,271	1.0	140,205	10.7	173,111	10.5
2010	894,743	9.3	542,818	7.4	157,503	12.3	194,422	12.3
2015	939,185	5.0	560,980	3.3	167,094	6.1	211,111	8.6
2020	979,253	4.3	576,679	2.8	175,816	5.2	226,758	7.4
2025	1,014,207	3.6	589,999	2.3	183,037	4.1	241,171	6.4
2030	1,044,105	2.9	601,343	1.9	189,536	3.6	253,226	5.0

Source: U.S. Census Bureau, Delaware Population Consortium

Through 2030, the DPC projects that an increasing percentage of the state’s population will reside in Sussex County. Table 2-13 illustrates the distribution of the population among the three counties through 2030.

**Table 2-13
Population Distribution – 2010 to 2030**



Source: Delaware Population Consortium

The DPC projects that, while Delaware’s population will increase by 32.8 percent from 2000 to 2030, the number of households will increase by 38.7 percent. In other words, for every 1 percent increase in the population, there will be a 1.2 percent increase in households in Delaware. The following describes changes in households in Delaware’s counties from 2000 to 2030.

- The increase in the number of households will be greatest in Sussex County, where household will increase by 66.2 percent versus a 60.8 percent increase in population. For every 1 percent increase in population, the county will have a 1.1 percent increase in households.
- In Kent County, households will increase by 57.9 percent versus a population increase of 49.1 percent. For every 1 percent increase in population, households will increase by 1.2 percent.
- Households in New Castle County will increase by 24.7 percent versus a 19.8 percent increase in the population. For every 1 percent increase in population, households will increase by 1.2 percent.
- The higher rate of household formation will mean continued, if not increasing, development pressures, as new households will prefer suburban locations (assuming present trends continue). As the availability of the closer in and the most easily developed land in suburban areas decreases, developers will look for redevelopment opportunities in the central cities and inner-ring suburbs.

The number of households increasing in relation to the population reflects a continued decline in the number of persons per household and indicates a change in the composition of households. Households containing both a husband and wife are declining in relation to non-family households and households with a single parent. The trend has important implications for housing, particularly for those headed by a single parent. Single parent households, particularly female-headed households, will have less income than husband and wife households, impacting their ability to house themselves. Additionally, the combination of increasing population in Sussex County along with decreasing household size will result in continued need for new housing. Table 2-14 presents change in households from 2000 to 2030.

Table 2-14
Households – 2000 to 2030

Year	Delaware		New Castle County		Kent County		Sussex County	
	Households	% Change	Households	% Change	Households	% Change	Households	% Change
2000	298,755		188,974		47,199		62,582	
2005	317,640	6.3	193,255	2.3	53,731	13.8	70,654	12.9
2010	346,992	9.2	206,484	6.8	60,126	11.9	80,382	13.8
2015	367,590	5.9	215,596	4.4	64,475	7.2	87,519	8.9
2020	386,579	5.2	223,799	3.8	68,509	6.3	94,271	7.7
2025	403,228	4.3	231,012	3.2	71,887	4.9	100,329	6.4
2030	416,294	4.4	236,830	2.5	74,714	3.9	104,750	4.4

Source: U.S. Census Bureau, Delaware Population Consortium

Table 2-15 provides a review of the percentage of population by race for the state and the three counties through 2015. The table shows that, in 2005, 73.6 percent of Delaware’s population was white, 19.9 percent was black, and the remaining residents consisted of nonwhites, including Asians.

**Table 2-15
Population by Race – 2005 to 2015**

	DELAWARE			New Castle County			Kent County			Sussex County		
	% 2005	% 2010	% 2015	% 2005	% 2010	% 2015	% 2005	% 2010	% 2015	% 2005	% 2010	% 2015
White	73.6	74.7	73.9	70.8	71.7	70.6	73.4	74.0	73.5	81.6	83.4	82.8
Black	19.9	21.7	22.3	22.3	23.9	24.7	19.8	23.3	23.7	13.1	14.5	14.6
All Other Races	6.5	3.6	3.8	6.9	4.4	4.7	6.8	2.7	2.8	5.3	2.1	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Census Bureau, Delaware Population Consortium

The DPC projects that from 2000 to 2030, Delaware’s white population will increase by 23.8 percent to 751,915. Whites will comprise 72 percent of the population in 2030. From 2000, the black population in Delaware is projected to increase by about 57 percent to 248,035 and make up 23.5 percent of the population in 2030. The remaining minority population is projected to increase 107 percent from 2000 to 2030 and will comprise 4.2 percent of the population. Persons of Hispanic origin are not included as a separate group in the projections prepared by the DPC.

- Among the three counties, the DPC projects that Sussex County’s black population will be the most constant. In 2000, 82.9 percent of the population was white and 15.5 percent was black. By 2030, 81.4 percent of the population will be white and 14.9 percent will be black. Because much of the population increase in Sussex County is projected to occur as a result of migration, the DPC projects that the county’s white population will also increase at a rate proportionate to the black population.
- The population in New Castle County will continue to become increasingly diverse. In 2000, 75.8 percent of the population was white and 21.1 percent was black. By 2030, 67.9 percent of the population will be white and 21.1 percent will be black. The DPC projects that virtually all of the increase in the black population will be in the suburbs. The black population of the City of Wilmington is anticipated to increase only slightly.
- Kent County’s population will also diversify, but not to the same extent as in New Castle County. In 2000, 75.6 percent of the population was white and 21.7 percent was black. By 2030, 72.6 percent will be white and 24.6 percent will be black.

Table 2-16 and Table 2-17 show the distribution of the state’s population by age among the counties in 2010 and 2015. The most significant change will occur in the age distribution in Sussex County. In 2010, about one-third of the county’s population will be 50 and over. In 2015, about 47 percent will be age 50 and over. In New Castle and Kent Counties, the change will be incremental but consistent with current patterns.

Table 2-16
Percent Population by Age – 2010

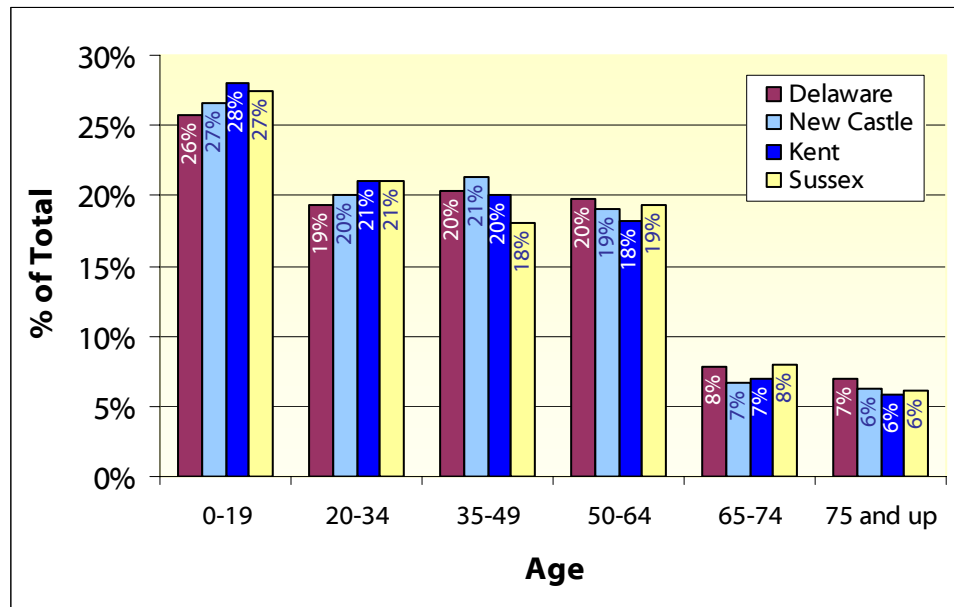
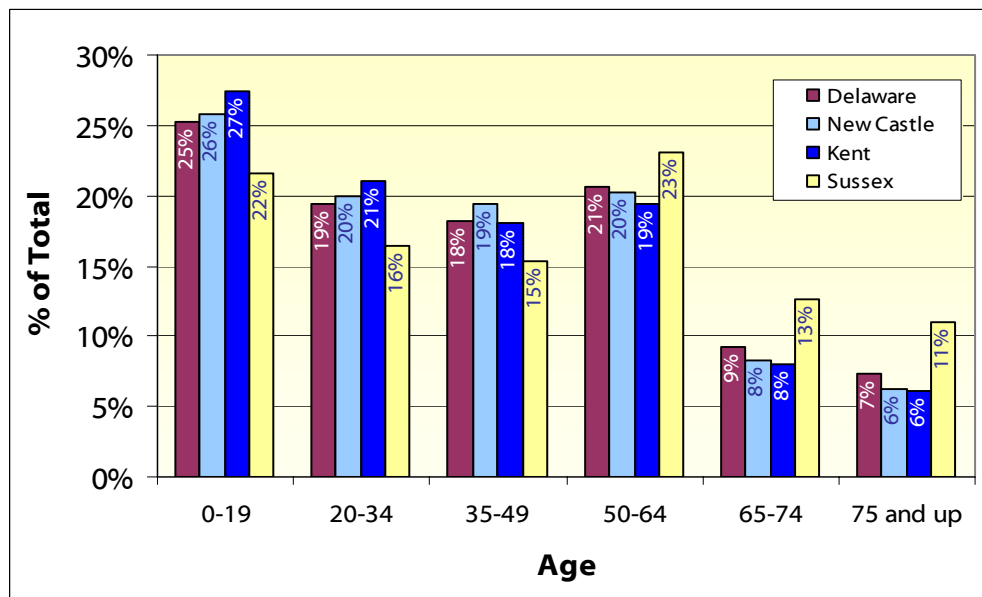


Table 2-17
Percent Population by Age – 2015



Source: Delaware Population Consortium

Table 2-18 below shows the projected percentage changes in age from 2005 to 2010 and from 2010 to 2015 for Delaware and by county.

Table 2-18
Percent Change Population by Age– 2005 to 2015

	DELAWARE		New Castle County		Kent County		Sussex County	
	% Change		% Change		% Change		% Change	
Age	2005-2010	2010-2015	2005-2010	2010-2015	2005-2010	2010-2015	2005-2010	2010-2015
0-19	8.6	2.2	8.5	0.3	12.8	3.8	4.9	7.0
20-34	6.6	5.2	5.8	2.5	12.8	6.7	3.1	13.5
35-49	(4.6)	(6.1)	(5.2)	(5.9)	(1.9)	(4.7)	(5.1)	(8.1)
50-64	21.1	10.3	15.6	9.3	25.2	13.4	33.0	10.9
65-74	18.4	24.8	19.6	27.9	12.3	21.9	20.5	21.1
75 and up	29.7	9.4	24.5	5.8	31.5	10.2	38.4	14.8
Total Change	9.3	5.0	7.4	3.3	12.3	6.1	12.3	8.6

Source: U.S. Census Bureau, Delaware Population Consortium

Statewide, the percent change by age from 2005 to 2010 and from 2010 to 2015 is projected as follows.

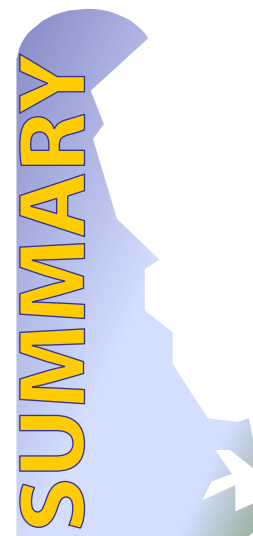
- There will be a decrease among persons age 35 to 49. This age group consists of move-up buyers moving from their first home to a larger more expensive unit.
- While children age 19 and under will increase, the rate of growth will decrease after 2010. This could result in less demand among move-up buyers as the smaller percent increase in children will decrease demand for larger homes.
- Similarly, while the percent of young adults age 20 to 34 will increase, the percent increase will be less after 2010. This could lead to less demand for rental units and homes for first-time buyers.
- There will be a significant increase among adults age 50 to 64, but the percent increase declines after 2010. This age group consists of move-up buyers, including some who move to age-restricted retirement communities. This age group also supports home renovation as they fix-up homes they have owned for a long-time, often using their equity.
- There will be consistently large increases in the elderly, including persons age 65 to 74 and those age 75 and over. The increase among the elderly will support the need for a restructured senior service delivery system, with an emphasis on personal care and assistance with daily living for the elderly. As Baby Boomers age and families grow smaller, there will be more older people who need support and assistance and fewer family

members to fill the traditional role of providing needed care. The elderly who are able to live independently will also support the rental market as some will prefer to rent than to remain in owner units that require maintenance.

1.2 / POPULATION AND HOUSING TRENDS

E. POPULATION PROJECTIONS

- **Delaware Population Consortium projections indicate the state's population will increase by 32.8 percent over the 30 years between 2000 and 2030. In the 30 years between 1970 and 2000, the population increased by 43 percent. Between 2005 and 2030, the highest growth years are projected between 2005 and 2010.**
- **At the county level, Sussex County is projected to grow the most - nearly doubling in population by 2030 (i.e. growth of over 46 percent). While migration is projected to outpace natural growth as a driving force behind all of Delaware's population gains, Sussex County will be particularly impacted. Sussex County will receive nearly two-thirds of the 138,050 arrivals between 2010 and 2030.**
- **The 32.8 percent population growth will be exceeded by the 38.7 percent household growth. For every 1 percent increase in population, there will be a 1.2 percent increase in households. (See discussion in previous section regarding household size and growth.)**



F. HOUSING UNITS

Since 1940, housing units in Delaware increased by about 80 percent. During the first years of the 2000s, units in the state increased by 9.3 percent. From 2000 to 2005, households in the state increased by 6.3 percent. The following is a comparison of the increase in households and housing units by county from 2000 to 2005.

- In New Castle County, households increased by 2.3 percent, and housing units increased by 5 percent.
- In Kent County, households increased by 13.8 percent, and housing units increased by 15.2 percent.
- Households increased by 12.9 percent in Sussex County, and housing units increased by 15.1 percent.

The increase in housing units at a greater percentage than in households ensures units are available to satisfy demand and may help eliminate excessive cost increases due to the lack of available units.

Table 2-19 provides a review of the total housing units in Delaware and the counties and the percent change in housing units from 1940 to 2005.

Table 2-19
Housing Units– 1940 to 2005

Year	DELAWARE		New Castle County		Kent County		Sussex County	
	Housing Units	% Change	Housing Units	% Change	Housing Units	% Change	Housing Units	% Change
1940	75,567		47,588		10,362		17,617	
1950	97,013	28.4	62,901	32.2	12,242	18.1	21,870	24.1
1960	143,725	48.2	94,688	50.5	19,915	62.7	29,122	33.2
1970	180,233	25.4	120,704	27.4	25,242	26.7	34,287	17.7
1980	238,611	32.4	148,563	23.1	35,354	40.1	54,694	59.5
1990	289,919	21.5	173,560	16.8	42,160	19.3	74,253	35.8
2000	343,072	18.3	199,521	15.0	50,481	19.7	93,070	25.3
2005	374,872	9.3	209,592	5.0	58,161	15.2	107,119	15.1

Source: U.S. Census Bureau

i. Units Per Structure and Housing Types

The availability of a variety of housing types allows for people of various ages, incomes, and household styles to reside in the community. The 2005 ACS for Delaware reports the following.

- Statewide, about 70 percent of the housing units are single-family dwellings; this was also reported by the 2000 Census.
- Units in multi-family structures make up 18.4 percent of the housing stock versus 18.7 percent in 2000. About 72 percent of the multi-family housing units are in New Castle County, and 19 percent are in Sussex County.
- Manufactured homes make up 11.2 percent of the housing stock, consistent with the percentage in 2000. 62.2 percent of the manufactured homes are in Sussex County and 24.4 percent are in Kent County (manufactured housing is discussed separately in its own section further below).

Despite demographic trends that might indicate growing demand for higher density housing (namely an increasingly older population and smaller household sizes), Table 2-20 illustrates that the rate of single-family dwellings still far exceeds that of multi-family structures. This is consistent with national policies and cultural tendencies that emphasize single-family housing as integral to the American dream. The preference for detached single-family housing in particular is both reflected in and stimulated by market availability and many local land use policies that promote the housing style over higher-density, multifamily dwellings.

Table 2-20
Units and Type of Structure – 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Housing Units	% of Total	Housing Units	% of Total	Housing Units	% of Total	Housing Units	% of Total
Single-family	263,326	70.3	154,631	73.8	40,998	70.5	67,697	63.2
Multi-family	69,058	18.4	49,013	23.4	6,872	11.8	13,173	12.3
Manufactured Homes	42,122	11.2	5,621	2.7	10,291	17.7	26,210	24.5
Other	366	0.1	327	0.2	0	0.0	39	0.03
Total	374,872	100.0	209,592	100.1	58,161	100.0	107,119	100.03

Source: U.S. Census Bureau, 2005 American Community Survey

It can be expected that, for the near term, higher income households and younger family households will continue to opt for areas where single-family dwellings predominate. That said, in light of growing concerns over rapid land consumption and concomitant environmental impacts, the long-term sustainability of lower-density development is increasingly questioned.

Although multi-family housing does not yet make up a majority of housing, there are sub-markets for whom communities could prioritize making multi-family dwellings (rental or condominium) available. For example, it is expected that the majority of the increasing elderly population will tend to remain in their single-family housing until circumstances (economic or health-related) require them to move. But the elderly that do move to multi-family housing often prefer to remain in their communities, making the availability of multi-family housing important to sustaining the elderly population.

At the other end, younger households that are just forming often opt for multi-family housing. The availability of quality multi-unit developments may be influential to attracting those younger households to a community. It is worth noting that younger households are important to the local economy. They create jobs, fill jobs of retiring workers, and purchase local goods and services with disposable income not yet budgeted for costs associated with raising children.

ii. Manufactured Housing

Manufactured homes are a popular and affordable source of housing in Delaware, particularly in Kent and Sussex Counties. Statewide, manufactured homes comprise approximately 11 percent of the total housing stock. In Kent County, manufactured homes comprise 17.7 percent of the housing stock and house 17.6 percent of the population. In Sussex County, manufactured homes comprise 24.5 percent of the total housing stock and house 20 percent of the county's population. There, manufactured housing communities are also popular for second and vacation homes.

The terms “manufactured home” and “manufactured housing” are used to refer to all factory-built homes that are built and transported on a metal chassis. This encompasses what are commonly called, in popular language, mobile homes and trailers. Modular homes, often confused with manufactured homes, are factory-built to state and local building codes, almost always placed on permanent foundations on private property, and are titled as real property. Modular homes are not addressed in this discussion.

**Table 2-21
Population in Manufactured Housing – 2005**

	Population in Manufactured and Mobile Homes	% of Total Population
DELAWARE	72,212	8.82%
Kent County	24,687	17.61%
New Castle County	12,479	2.47%
Sussex County	35,046	20.24%

Source: U.S. Census Bureau, 2005 American Community Survey

Some points from the 2000 Census:

- Over 40 percent (41.5 percent) of the state’s manufactured housing is occupied by persons age 55 and over.
- Statewide, 64 percent of manufactured homes are occupied by 1 or 2-person households. Only 8 percent of manufactured homes are occupied by households with five or more persons.*

The average cost per square foot for a new manufactured home is less than half that of a site-built home. As of 2005, the national average cost per square foot for a new manufactured home was \$39.06 compared to a cost of \$90.63 for a new site-built home.† Nationally, the average sales price for new manufactured homes in 2006 was \$67,400; \$35,900 for a single-section home and \$70,800 for a double-section home.‡ In Delaware, the 2005 average sales price was \$84,200, higher than neighboring states and suggesting that few new single-section units are being sold.

Manufactured homes make a large contribution to the stock of affordable housing. From 1997-1999, two-thirds of the units added to the nation’s stock of affordable housing were manufactured homes. Between 1993 and 1999, 23 percent of the growth in homeownership among very low-income families was due to manufactured housing. Manufactured homes accounted

* Both of these figures are percentages of occupied manufactured homes (28,520 in 2000), not the total stock (38,281 in 2000).

† The cost of land is excluded in both cases. Typical installation costs are included in the average for a manufactured home. Manufactured Housing Institute (2006). *Understanding Today’s Manufactured Housing*.

‡ U.S. Census Bureau (2007). *Manufactured Housing at a Glance*. <http://www.census.gov/const/www/mhsindex.html>

for approximately 17 percent of the growth of the homeownership rate overall during that period.*

Table 2-22 shows data related to average sales prices for new manufactured housing units in Delaware.

Table 2-22
Average Sales Price of New Manufactured Homes, Delaware - 2000-2005

	All Units (includes homes with more than 2 sections)	Single-Section	Double-Section
2000	\$47,700	(S)	\$57,900
2001	\$48,600	(S)	\$57,800
2002	\$53,000	(S)	\$55,400
2003	\$59,200	(S)	\$60,000
2004	\$59,900	36,200	\$63,000
2005	\$84,200	(S)	\$83,700

Source: U.S. Census Bureau, from a survey sponsored by HUD

(S) = Suppressed to avoid disclosing data for individual dealers; data are included in higher level estimates

Misunderstanding and stereotypes cloud discussions of appreciation of manufactured housing. It is commonly believed that manufactured homes never experience positive appreciation. Improvements in quality and construction have made today's manufactured housing highly durable, high quality homes. Studies have found that appreciation of manufactured homes packaged with owned land is statistically in line with the site built market, suggesting that issues with appreciation are more linked to the insecure form of tenure and the value of land than the manufactured home product itself.†

Manufactured homes are built to a federal, rather than local, building code established in 1976 and administered by HUD. By 2007, many pre-1976 homes have outlived their serviceable life. 36 percent of manufactured homes in Delaware were built and sited before 1979.‡ In some rural areas, abandoned and substandard mobile homes abound.

The classification of new manufactured homes as personal property is a source of ongoing problems for buyers and owners. Buyers of manufactured homes that will be placed on leased land and thus remain titled as personal property can not access traditional mortgage financing for their home, but instead access only a personal property loan, similar to car loan. Rates on these loans are generally much higher than mortgage rates.

* Apgar, W., Calder, A., Collins, M., & Duda, M. (2002). *An Examination of Manufactured Housing As a Community- and Asset-Building Strategy*. Neighborhood Reinvestment Corporation in collaboration with Joint Center for Housing Studies of Harvard University.

† Jewell, K. *Manufactured Housing Appreciation: Stereotypes and Data*. Consumers Union Southwest Regional Office, 2003.

‡ The time periods used by the Census overlap the 1976 HUD code. For statistics from the Census, 1979 is the closest cutoff point to 1976.

Homes can also be placed in leased-land communities, also called manufactured housing communities and “trailer parks.” These communities can be small clusters of 10-15 older homes or huge communities comprising thousands of homes with resort amenities. The heaviest concentration of land-lease communities is in Sussex County. Table 2-23 shows the distribution of manufactured housing communities and units located in land-lease sites.

Table 2-23
Distribution of Manufactured Housing in Land-Lease Communities – 2005

	DELAWARE	New Castle County	Kent County	Sussex County
Communities	157	26	46	85
Total Units	21,500	4,483	4,236	12,781

Source: Arnold, Michael. Valuing the Delaware Manufactured Home Relocation Trust Fund. Delaware Manufactured Housing Relocation Authority, 2005. Cited in Maddin, Stephanie. Manufactured Housing in Delaware. MA Thesis. University of Delaware, 2006.

Despite the common understanding of manufactured homes as “mobile,” only a tiny percentage of homes are moved after they are installed. The process is expensive, and it is difficult to find a new location for existing homes. Many communities are either full or will only accept new homes, and few, if any, new manufactured housing communities are being created in Delaware. This follows a national trend: as of 2005, approximately two-thirds of new manufactured homes are placed on private property rather than in leased-land communities.* Large up-front costs for site preparation such as well and septic can also be prohibitive to moving a home to a piece of land owned fee-simple by the homeowner.

For these reasons, owners of manufactured homes on leased land are vulnerable to rent increases and park closures. Several manufactured housing communities have closed in recent years, particularly in Sussex and Kent Counties. There are two main sources of pressure on communities:

In smaller, older communities, water and septic systems may be failing and require replacement. The older homes, lower-income households, and lower profitability of the community make these investments difficult for community owners. Facing large environmental fines, in many cases, it is easier for the owner to simply close the community.

In communities near resort areas (much of Eastern Sussex County), high land values and higher potential profitability from other land uses has made parks vulnerable to either significant rent increases reflecting the area’s resort status or sale of the community for eventual closure and change of land use to more profitable resort residential uses.

* *Manufactured Housing Institute (2006). Understanding Today’s Manufactured Housing.*

Comprehensive rewriting of the landlord-tenant code for manufactured housing communities resulted in the Manufactured Home Owners and Community Owners Act in 2003. In addition to its coverage of landlord-tenant issues, the Act also established the Delaware Manufactured Home Relocation Authority and Trust Fund. The Authority operates as a non-compensated Board of Directors appointed by the Governor from among community owners and residents to administer the Delaware Manufactured Home Relocation Trust Fund. The Act requires an assessment of \$3.00 per month per leased lot, \$1.50 of which to be paid by the community owner and the other half to be paid by the homeowner.

Funds from the Trust Fund are available as relocation assistance to homeowner-tenants of leased-land communities being closed. Homeowners are eligible to be reimbursed for up to \$4,000 in relocation costs for a single-section home and \$8,000 for a multi-section home. If their home is judged to be non-relocatable, the homeowner can receive an abandonment payment of \$1,500 for a single-section home or \$2,500 for a multi-section home. Assistance to community owners with removal and disposal costs for abandoned or non-relocatable homes is also available through the Trust Fund.

The Delaware State Code does not prohibit manufactured housing, nor does it afford municipalities the right to do so. Municipalities, however, do exclude manufactured housing in their comprehensive plans or create bureaucratic policies that dissuade a land owner from locating manufactured housing in their municipalities. Most manufactured housing in Delaware is located outside of cities and towns.

In 2005, the Delaware Manufactured Housing Installation Act was adopted in response to a directive to all states from HUD. A lack of enforceable standards for installation has long been problematic for manufactured homes. The Act establishes a Board to license installers of manufactured housing in Delaware. It also requires that installations be performed by a licensed installer and inspected by a Board-certified inspector.

In 2006, the Delaware State Housing Authority conducted a review of manufactured housing to consider state housing policy for this type of housing. The report identified seven core issues related to manufactured housing. In most areas, the challenges derive from the unique ownership situation of the many manufactured homeowners whose homes are located in land-lease communities. Issues and potential responses noted in the report include:

- Displacement of Residents. Displacement of residents due to community closure is a primary concern. Potential solutions include: a) development of resident cooperatives to pursue community ownership; b) promotion and marketing of DNREC loan programs for septic and water rehabilitation for community owners; c) extending

funds provided by the Relocation Trust Authority to residents of communities closed due to infrastructure failure; d) requiring periodic environmental checks of infrastructure systems.

- Lot Rent Predictability and Affordability. Lot rents are a contentious issue in some manufactured home communities, especially those near the resort areas. The current MH Landlord Tenant Code has a minimum lease length requirement of only one year, although many communities do have longer lease terms. Potential solutions include increasing the minimum lease agreement term to allow for regular and predictable increases in rent and expanding the recently created “hardship” program designed by the First State Manufactured Housing Association (which is currently voluntary and has limited eligibility).
- Dispute Resolution. Legal disputes between tenants and landlords in manufactured housing communities, can be long and contentious. Prolonged legal engagement is not a feasible form of dispute resolution for many residents. Possible solutions include utilizing the arbitration provisions already in existence through the Delaware Attorney General’s Office, and increasing the Office’s investigative resources.
- Manufactured Home Loan Default. The necessary use of personal loans with higher interest rates, less consumer protection, and less oversight of underwriting for purchase of manufactured homes to be placed on leased land has led to high default and foreclosure rates in the industry, approximately 12 percent. Possible solutions include a) requiring MH lenders to complete Lenders Best Practices Certification through Manufactured Housing Institute and adopt standards; b) establish a period of time for buyers of manufactured housing to reconsider their purchase without penalty and; c) expand consumer education.
- Consumer Protection. Despite industry standards, some consumer protection issues do remain in the retailing of manufactured homes and management of some manufactured home communities. Possible solutions include a) requiring retailers to comply with Retailers Voluntary Standards of Practice from the Manufactured Housing Institute (MHI); and b) requiring manufactured home community managers to completed Accredited Community Management certification through the MHI.
- Administrative and Regulatory Consistency. Regulations for manufactured housing, particularly the process of surrendering title to have a home declared real estate, vary in all three counties. There is also no central statewide depository of information about manufactured housing and manufactured housing communities.

Information and responsibility is spread across the Division of Motor Vehicles, Department of Natural Resources and Environmental Control (DNREC), Division of Revenue, and others. Possible solutions include: a) creating a statewide uniform policy for surrendering a certificate of title; b) creating a central depository for manufactured housing data in a State agency.

- Not in My Backyard (NIMBY). Outdated concerns based upon stereotypes fuel hostility against manufactured housing as a desirable housing choice. Manufactured homes are excluded from many municipalities. Possible solutions include: a) education of public officials, residents, and community organizations on manufactured housing; b) exploring partnerships to conduct demonstration projects on energy and technology in manufactured housing; c) through improved oversight and enforcement, require declining land-lease communities to make improvements.

Helping residents of manufactured housing communities to form cooperatives to become joint owners of their land-lease communities is a viable alternative that can alleviate many of the issues encountered in land-lease ownership situations. This strategy has proved effective in several states. In some states with highly developed technical assistance, financing, and support systems for homeowners, dozens of parks have been transferred to cooperative ownership, many of which may otherwise have been closed and residents displaced. Some key factors in supporting the development of manufactured home community cooperatives include:

- Securing a “right of first refusal” for community residents which would afford residents a set time period following notice of an owner’s intent to sell to form a cooperative, pursue financing, and match the prospective buyer’s offer.
- Development of initial and long-term technical assistance programs to support residents.
- Development of sources of financing, both lending and grants, to supplement other sources (USDA, national cooperative lenders), both for community purchase money as well as infrastructure improvements.

From the perspective of trends in housing, key points on manufactured housing include:

- Manufactured housing is an important and widely-used source of affordable homeownership for thousands of low and moderate income households in Delaware.
- A cluster of issues surrounding the titling and lending for manufactured homes lead to ongoing challenges for manufactured

homebuyers and owners and threaten the affordability of manufactured homes as affordable housing options for buyers.

- Very few new leased-land manufactured housing communities are being created in Delaware, but thousands of households still own homes in existing land-lease communities. The basic nature of this arrangement leaves homeowners vulnerable to unaffordable rent increases, park closure due to infrastructure failure or change of land use and potential loss of their investment and affordable housing.

G. HOUSING TENURE

Homeownership is widely held to promote family stability, improved property maintenance, improved residential satisfaction, and increased civic participation. The rate of homeownership continues to increase in Delaware. As shown in Table 2-24, the rate of homeownership in Delaware increased significantly during the second half of the 20th Century. The ACS reports that 72.4 percent of the occupied units in Delaware are owner occupied similar to the 2000 rate of 72.3 percent. The rate of homeownership in Delaware exceeds the rate nation-wide.

Table 2-24
Percent Owner Occupied Units – 1940 to 2005

	1940	1950	1960	1970	1980	1990	2000	2005
U.S.	43.6	55.0	61.9	62.9	64.4	64.2	66.2	66.9
Delaware	47.1	58.9	66.9	68.0	69.1	70.2	72.3	72.4

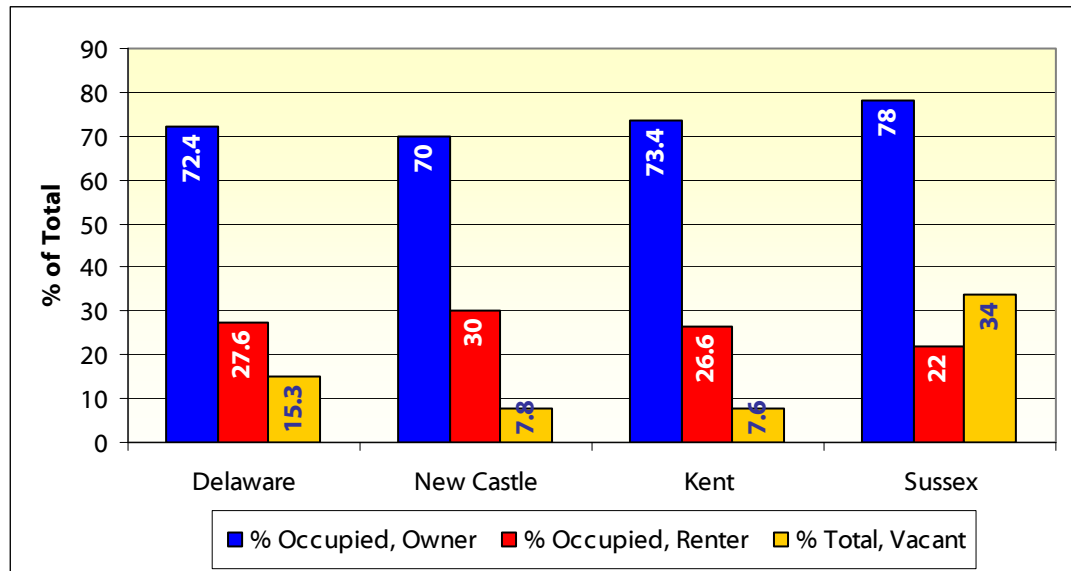
Source: U.S. Census Bureau

From 2000 to 2005, the statewide vacancy rate increased from 12.9 percent to 15.3 percent. By county the vacancy rates increased in New Castle County from 5.3 percent to 7.8 percent, in Kent County from 6.5 percent to 7.6 percent, and Sussex County from 32.8 percent to 34 percent.

- The rate of homeownership is highest in Sussex County. The older population in Sussex County supports the higher rate of homeownership. The county's rate of homeownership declined from 80.7 percent in 2000 to 78 percent in 2005.
- New Castle County, which has highest incomes, but also the most racially diverse population, has the lowest rate of homeownership at 70 percent. The rate of homeownership is unchanged from 2005.
- From 2000 to 2005, the rate of homeownership in Kent County increased from 70 percent to 73.6 percent. Kent County has the largest percentage of households ages 20 to 34. As these households have children they are buying homes.

Table 2-25 shows the occupancy and tenure characteristics of Delaware’s housing stock, both statewide and by county, as recorded by the 2005 ACS.

**Table 2-25
Housing Tenure and Vacant Units – 2005**



Source: U.S. Census Bureau, 2005 American Community Survey

The overall pattern of homeownership in Delaware is that the youngest households are predominately renters. As they age into their 30s, the tenure rate is more evenly distributed between owners and renters. Middle-aged households are predominately owners. The majority of the elderly are also homeowners, but at a lower rate than middle-aged households. The rate of homeownership among households age 65 and over does not decrease significantly until households are age 85 and over.

Since 2000, the percent of the state’s younger households (age 15 to 34) who own their units have decreased. Among those aged 15 to 24, the rate went from 21.6 percent to 20 percent. Among householders age 25 to 34, the rate changed from 53.5 percent to 52.2 percent. This is a result of decreased homeownership among younger households in New Castle County. In Kent and Sussex Counties, the rate of homeownership among younger households increased since 2000.

The rate of homeownership among middle aged households (age 35 to 64) remained largely unchanged since 2000.

Among households age 65 to 74, the rate of homeownership increased from 86.6 percent to 87.3 percent and among those ages 75 to 84, homeownership increased from 81.2 percent to 83.5 percent. Among elderly households over age 85, the rate of homeownership remained the same since 2000.

Table 2-26 presents tenure by the age of the householder.

**Table 2-26
Housing Tenure by Age of Householder – 2005**

Age of Householder	DELAWARE		New Castle County		Kent County		Sussex County	
	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
15 to 24	20.0	80.0	10.5	89.5	27.3	72.7	39.4	60.6
25 to 34	52.2	47.8	48.6	51.4	61.0	39.0	56.2	43.8
35 to 44	72.2	27.8	75.1	24.9	71.4	28.6	63.6	36.4
45 to 54	80.9	19.1	79.7	20.3	79.3	20.7	86.4	13.6
55 to 59	82.2	17.8	80.3	19.7	83.0	17.0	86.5	13.5
60 to 64	87.2	12.8	83.4	16.6	90.2	9.8	94.1	5.9
65 to 74	87.3	12.7	82.2	17.8	88.5	11.5	95.5	4.5
75 to 84	83.5	16.5	80.4	19.6	80.3	19.7	91.0	9.0
85 and over	67.7	32.3	58.1	41.9	75.1	24.9	79.8	20.2
All Households	72.4	27.6	70.0	30.0	73.4	26.6	78.0	22.0

Source: U.S. Census Bureau, 2005 American Community Survey

By race, white households own their units at a greater rate than all households in the state. The rate of homeownership among white and black households has remained unchanged since 2000. Table 2-27 shows tenure by race and Hispanic households in Delaware.

**Table 2-27
Housing Tenure by Race of Householder and Hispanic Households – 2005**

Race of Householder	DELAWARE		New Castle County		Kent County		Sussex County	
	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
White	78.2	21.8	77.2	22.8	76.3	23.7	81.4	18.6
Black	50.7	49.3	46.9	53.1	57.6	42.4	61.8	38.2
American Indian, Alaska Native	67.5	32.5	NR	NR	NR	NR	NR	NR
Asian, Pacific Islander	67.6	32.4	64.6	35.4	90.0	10.0	72.3	27.7
Some Other Race	48.1	51.9	56.8	43.2	NR	NR	11.9	88.1
Two or More Races	62.5	37.5	59.3	40.7	60.8	39.2	NR	NR
All Households	72.4	27.6	69.9	30.1	73.4	26.6	78.3	21.7
Hispanic Households	41.0	59.0	41.8	58.2	49.8	50.2	30.3	69.7

Source: U.S. Census Bureau, 2005 American Community Survey

NR – not reported due to small sample size.

Since 2000 there has been an increase in homeownership among minority households except black households. Homeownership among Asian households

increased from 52.3 percent to 67.5 percent, among some other race households from 39 percent to 48.1 percent, and for two or more race households from 50.6 percent to 62.5 percent.

Of note, the rate of homeownership among Hispanic households has decreased from 41.8 percent in 2000 to 41 percent in 2005.

By household type, married couple families own their homes at the highest rate at 86.2 percent. Male headed households and non-family households have similar rates of homeownership. Female headed households have the lowest rate of homeownership in Delaware.

Table 2-28
Housing Tenure by Household Type – 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Households	Percent of Households	Households	Percent of Households	Households	Percent of Households	Households	Percent of Households
MARRIED- COUPLE FAMILY Household Units	159,638	100.0	94,947	100.0	28,696	100.0	35,995	100.0
Owner-occupied	137,742	86.2	81,284	85.6	24,750	86.2	31,708	88.1
Renter-occupied	21,896	13.8	13,663	14.4	3,946	13.8	4,287	11.9
MALE HOUSEHOLDER No Wife Present	14,012	100.0	7,859	100.0	2,595	100.0	3,558	100.0
Owner-occupied	8,668	61.9	5,159	65.6	1,250	48.2	2,259	63.5
Renter-occupied	5,344	38.1	2,700	34.4	1,345	51.8	1,299	36.5
FEMALE HOUSEHOLDER No Husband Present	42,532	100.0	26,828	100.0	7,428	100.0	8,276	100.0
Owner-occupied	21,608	50.8	13,015	48.5	4,105	55.3	4,488	54.2
Renter-occupied	20,924	49.2	13,813	51.5	3,323	44.7	3,788	45.8
NON-FAMILY HOUSEHOLDS	101,458	100.0	63,621	100.0	15,012	100.0	22,825	100.0
Owner-occupied	61,842	61.0	35,812	56.3	9,351	62.3	16,679	73.1
Renter-occupied	39,616	39.0	27,809	43.7	5,661	37.7	6,146	26.9

Source: U.S. Census Bureau, 2005 American Community Survey

H. VACANT HOUSING

The 2005 ACS reports 57,232 vacant units, which is 15.3 percent of the housing units. In 2000, about 13 percent of the housing units were vacant. 30,640 of the vacant units, or 53.5 percent, are held for seasonal, recreational, or occasional use. Deducting out the vacant units held for seasonal use reduces the state's vacancy rate to 7.1 percent.

As shown in Table 2-29 below, from 2000 to 2005, the number of vacant units increased in all counties.

Table 2-29
Vacant Units – 2005

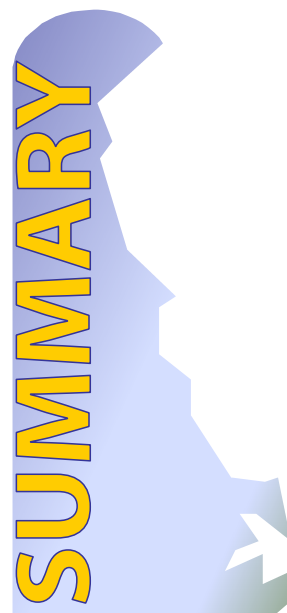
	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
For Rent	9,013	15.7	6,099	37.3	1,064	24.0	1,850	5.1
Rented or Sold, Not Occupied	2,032	3.6	1,003	6.1	630	14.2	399	1.1
For Sale Only	3,616	6.3	1,203	7.4	122	2.8	2,291	6.4
Sold, not occupied	1,637	2.9	1,348	8.4	164	3.7	125	0.3
Seasonal, Recreational, Occasional	30,640	53.5	1,198	7.3	100	2.3	29,342	80.4
For Migrant Worker	0	0.0	0	0.0	0	0.0	0	0.0
Other	10,294	18.0	5,486	33.5	2,350	53.0	2,458	6.7
Total	57,232	100.0	16,337	100.0	4,430	100.0	36,465	100.0

Source: U.S. Census Bureau, 2005 American Community Survey

- In Sussex County, about one-third of the housing units were counted by the 2000 Census as vacant, of which 83 percent were for seasonal use. As of 2005, the vacancy rate is 34 percent, of which 80.5 percent are for seasonal use. The increase in vacant units is among units classified as other vacant.
- In New Castle County the vacancy rate increased from 5.3 percent to 7.8 percent. Much of the increase is among units for rent and other vacant units.
- Kent County's 2000 vacancy rate was 6.5 percent. The 2005 vacancy rate is 7.6 percent. The increase is among other vacant units.

1.2 / POPULATION AND HOUSING TRENDS
F-H. HOUSING UNITS, TENURE & VACANCY

- ❑ **During the first years of the 2000s, Delaware increased its supply of housing units by over 9 percent but its number of households by only a little over 6 percent. Both Sussex and Kent Counties increased their housing units by roughly 15 percent; New Castle County by 5 percent.**
- ❑ **Statewide, 70 percent of housing units are single-family homes. Units in multi-family buildings comprise over 18 percent of the housing stock, and manufactured housing comprise 11 percent.**
- ❑ **The majority of manufactured housing is located in Sussex County, where it is an affordable alternative for many retirees. There are significant issues related to the regulation of manufactured housing and the leased land upon which many of the units are placed.**
- ❑ **In Delaware, the rate of homeownership (72.4 percent) exceeds the national average. Renters are most often households in their twenties and thirties. Among minorities, however, the rate of homeownership is also lower. African American households own their homes at a rate of roughly 50 percent.**
- ❑ **The 2005 ACS reports a statewide vacancy rate of over 15 percent. Over one-third of vacancies were in Sussex County. However, over 80 percent of Sussex County's vacant units were classified as seasonal vacancies, i.e. vacation homes .**



I. HOUSING VALUES

Housing values and preliminary affordability issues are identified below. These same topics are explored in more depth in subsequent parts of the *Housing Needs Assessment*.

The Federal Housing Finance Board reports that, between 1995 and 2006, median home sale prices in Delaware appreciated by 177 percent, the fastest rate in the nation during that time period.* The rapid appreciation in values has outpaced the rate of inflation.

The 2005 ACS reports that the median value in Delaware was \$203,800, an increase of 67 percent since 2000, when the Census reported a median value of \$122,000. Had median value increased at the rate of inflation, in 2005 (using the Consumer Price Index) it would be \$138,366. Since 2000, units valued under \$100,000 decreased from about 36 percent of the units to just 17 percent of the

* Federal Housing Finance Board, *Monthly Survey of Rates and Terms on Conventional Single-family Non-farm Mortgage Loans*. Periodic Summary Tables – Table 36: Median Price of Single-family Homes by State. Washington, D.C., 2007.

units. Units valued at \$500,000 or more increased from 1.4 percent to 6.6 percent.

Using the general standard that households are able to afford a home that is three times their annual income, households need an annual income of \$67,933 to purchase a median value home in Delaware. The 2005 ACS reports that median household income in Delaware was \$52,499. (As noted earlier in the discussion of income and households, the HUD-generated median family income, MFI, is a different measure. It is calculated annually to establish median income for a family of four living in a particular metropolitan market area. The MFI is typically higher than the median income of all households, family and non-family. MFI is used in the housing demand discussion in Part 2 of the *Housing Needs Assessment*.)

Based on the statewide household median income, low-income households, whose annual income is up to \$41,999 (80 percent of median) can afford units up to about \$126,000, or about 24 percent of the owner occupied units. Households with income up to 120 percent of median (\$62,999) can afford units up to about \$189,000 or about 45 percent of the owner occupied units.

- By county, the highest median housing value is \$218,400 in New Castle County. Since 2000, median value has increased 64.3 percent from \$132,900. Had median value increased at the rate of inflation, the median value in 2005 would be \$150,728. Households need an annual income of \$72,800 to purchase a median value home.
- The 2005 ACS reports that median income in New Castle County was \$59,270. Low-income households, whose annual income is up to \$47,416 (80 percent of median) can afford units up to about \$142,248, or about 22 percent of the owner occupied units. Households with income up to 120 percent of median (\$71,124) can afford units up to about \$214,000 or about 47 percent of the owner occupied units.
- The median housing value in Kent County is \$159,900, an increase of 54.8 percent from \$103,300 in 2000. Had median value increased at the rate of inflation, the median value in 2005 would be \$117,157. Households need an annual income of \$53,300 to purchase a median value home.
- The 2005 ACS reports that median income in Kent County was \$48,288. Low-income households, whose annual income is up to \$38,630 (80 percent of median) can afford units up to about \$116,000, or about 32 percent of the owner occupied units. Households with income up to 120 percent of median (\$57,946) can afford units up to about \$174,000 or about 55 percent of the owner occupied units.
- The median value in Sussex County increased by 104 percent from \$99,700 in 2000 to \$203,400 in 2005. Had median value increased at the rate of inflation, the median value in 2005 would be \$113,074. Households need an annual income of \$67,800 to purchase a median value home.

- The 2005 ACS reports that median income in Sussex County was the lowest among the three counties at \$44,942. Low-income households, whose annual income is up to \$35,954 (80 percent of median) can afford units up to about \$108,000, or about 27 percent of the owner occupied units. Households with income up to 120 percent of median (\$53,930) can afford units up to about \$162,000 or about 40 percent of the owner occupied units.

Table 2-30 presents information about housing values in Delaware.

Table 2-30
Housing Values by County* – 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Less than \$50,000	16,792	7.3	4,750	3.5	5,388	13.7	6,654	12.1
\$50,000 to \$99,999	21,703	9.4	10,374	7.7	4,444	11.3	6,885	12.5
\$100,000 to \$149,999	32,185	14.0	16,895	12.5	8,307	21.0	6,983	12.7
\$150,000 to \$199,999	41,490	18.1	27,137	20.1	7,875	20.0	6,478	11.7
\$200,000 to \$299,999	56,296	24.5	35,878	26.5	8,018	20.3	12,400	22.4
\$300,000 to \$499,999	47,392	20.6	33,961	25.1	4,519	11.4	8,912	16.2
\$500,000 to \$999,999	11,495	5.0	5,465	4.0	857	2.2	5,173	9.4
\$1,000,000 or more	2,507	1.1	810	0.6	48	0.1	1,649	3.0
Total Units	229,860	100.0	135,270	100.0	39,456	100.0	55,134	100.0
Median Value (\$)	203,800		218,400		159,900		203,400	

Source: U.S. Census Bureau, 2005 American Community Survey

Households whose incomes fall between 30 percent and 115 percent of the area median are finding it increasingly difficult to afford purchasing (or renting) decent housing priced at market values. In subsequent parts of the *Housing Needs Assessment*, an analysis of values relative to income and the resulting affordability gaps is presented.

* ACS Housing Value: Due to the nature of the data, whereby owners self-report the presumed value of housing units, under-valuing may occur relative to values derived from property sales or assessments.

J. GROSS RENTS

The 2005 ACS reports that median gross rent is \$793 per month, an increase of 24.1 percent since 2000, when the Census reported a median gross rent of \$639 per month. Had median gross rent increased at the rate of inflation, it would be \$724 in 2005. Since 2000, units with gross rent of less than \$500 per month decreased from about 25 percent of the units to just 6 percent of the units. Units with gross rent at or more than \$1,000 per month increased from about 9 percent to about 24 percent.

Using the general standard that renter households are able to spend up to 30 percent of their gross income on rent, households need an annual income of \$31,720 to pay median gross rent in Delaware. The 2005 ACS reports that median income in Delaware is \$52,499. (See note above about median *family* income.) Low-income households, whose annual income is up to \$41,999 (80 percent of median) can afford units up to about \$1,050, per month or about 86 percent of the renter occupied units. Households with income up to 120 percent of median (\$62,999) can afford monthly rent up to about \$1,600. Just 1.9 percent of the units in Delaware have a median gross rent of more than \$1,500 per month.

HOUSING WAGE

FAIR MARKET RENT FOR 2-BR APT IN DELAWARE:

\$848

HOURLY WAGE NEEDED TO AFFORD 2-BR APT IN DELAWARE:

\$16.31

SOURCE: NATIONAL LOW-INCOME
HOUSING COALITION, 2006 OUT-
OF-REACH REPORT

**Table 2-31
Gross Rents by County – 2005**

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Less than \$200	2,399	2.7	1,385	2.4	509	3.6	505	3.3
\$200 to \$299	3,136	3.6	2,187	3.8	608	4.3	341	2.2
\$300 to \$499	6,740	7.7	2,539	4.4	1,466	10.3	2,735	17.6
\$500 to \$749	23,246	26.5	14,366	24.8	4,270	29.9	4,610	29.7
\$750 to \$999	26,700	30.4	19,666	33.9	4,003	28.0	3,031	19.5
\$1,000 to \$1,499	16,832	19.1	12,463	21.5	2,091	14.6	2,278	14.7
\$1,500 or more	3,041	3.5	2,490	4.3	390	2.7	161	1.0
No cash rent	5,686	6.5	2,889	4.9	938	6.6	1,859	12.0
Total Units	87,780	100.0	57,985	100.0	14,275	100.0	15,520	100.0
Median Rent (\$)	793		832		741		671	

Source: U.S. Census Bureau, 2005 American Community Survey

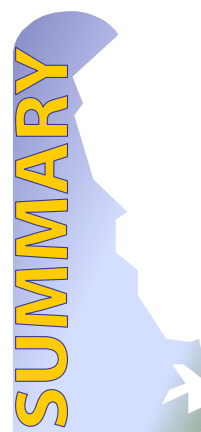
- By county, the highest median gross rent is in New Castle County at \$832 per month. Since 2000, median gross rent increased by 24.2 percent from \$670 per month. Had median gross increased at the rate of inflation, it

- would be \$760 in 2005. Households need an annual income of \$33,280 to rent a median priced rental unit.
- The 2005 ACS reports that median income in New Castle County was \$59,270. Low-income households, whose annual income is up to \$47,416 (80 percent of median) can afford monthly rents up to about \$1,185, or about 89 percent of the renter occupied units. Households with income up to 120 percent of median (\$71,124) can afford monthly rents up to about \$1,780. Just 4.3 percent of the units have a median gross rent of more than \$1,500 per month.
 - The median gross rent in Kent County is \$741 per month, an increase of 29.3 percent from \$573 per month in 2000. Had median gross increased at the rate of inflation, it would be \$650 in 2005. Households need an annual income of \$29,640 to rent a median priced rental unit.
 - The 2005 ACS reports that median income in Kent County was \$48,288. Low-income households, whose annual income is up to \$38,630 (80 percent of median) can afford to rent units up to about \$966, or about 76 percent of the renter occupied units. Households with income up to 120 percent of median (\$57,946) can afford to rent units up to about \$1,449 per month. Just 2.7 percent of the units have a median gross rent of more than \$1,500 per month.
 - The median gross rent in Sussex County increased by 32.3 percent from \$507 per month in 2000 to \$671 per month in 2005. Had median gross increased at the rate of inflation, it would be \$575 in 2005. Households need an annual income of \$26,840 to rent a median priced rental unit.
 - The 2005 ACS reports that median income in Sussex County was \$44,942. Low-income households, whose annual income is up to \$35,954 (80 percent of median) can afford to rent units up to about \$900, or about 80 percent of the renter occupied units. Households with income up to 120 percent of median (\$53,930) can afford units up to about \$1,348 per month or about 85 percent of the renter occupied units.

1.2 / POPULATION AND HOUSING TRENDS

I & J. HOUSING VALUES & COSTS

- ❑ **The median value of an owner-occupied home in Delaware in 2005 was \$203,800. Had this value increased at the rate of inflation since 2000, it would have increased to only \$138,366. The dramatic rise in home prices is not unique to Delaware. A median-priced Delaware house would be considered affordable to a household earning \$67,933 per year. Yet, in 2005, the median household income was only \$52,499.**
- ❑ **While New Castle County has the highest median home value (\$218,400), Sussex County's home value increase between 2000 and 2005 was the fastest: over 100 percent.**
- ❑ **Statewide, the median gross rent reported by the 2005 ACS was \$793 per month. Had gross rent's increase between 2000 and 2005 been on pace with inflation, the 2005 value would be only \$724 per month. The highest median gross rent was in New Castle County, \$832 per month.**



K. HOUSING CONDITION

This section provides an overview of housing conditions in Delaware using Census data chosen to indicate deficiencies in the housing stock. (NOTE: Part 3 of the *Housing Needs Assessment* provides a more thorough review of housing conditions in Delaware based on an update of field surveys performed in 2002 and 2003.)

i. Age of Housing

Age is used to show the time the unit has been in the inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 40 years old or over used as the threshold. As shown in Table 2-32, the 2005 ACS reports that, statewide, 27 percent of units were constructed prior to 1960.

**Table 2-32
Year Structure Built – 2005**

	DELAWARE		New Castle County		Kent County		Sussex County	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
2000 or later	39,698	10.6	15,381	7.3	8,948	15.4	15,369	14.3
1990 to 1999	64,890	17.3	29,313	14.0	10,690	18.4	24,887	23.3
1980 to 1989	62,767	16.7	30,763	14.7	8,237	14.2	23,767	22.2
1970 to 1979	50,689	13.5	25,030	11.9	9,378	16.1	16,281	15.2
1960 to 1969	54,193	14.5	37,564	17.9	8,030	13.7	8,599	8.0
1940 to 1959	62,801	16.8	46,305	22.1	7,187	12.4	9,309	8.7
1939 or earlier	39,834	10.6	25,236	12.1	5,691	9.8	8,907	8.3
Total	374,872	100.0	209,592	100.0	58,161	100.0	107,119	100.0

Source: U.S. Census Bureau, 2005 American Community Survey

- From 2000 to 2005, 39,698 units were added to the housing stock and there are about 1,100 fewer units constructed before 1960. In 2000, 30.2 percent of the units were 40 years old or older.
- In New Castle County, 34 percent of the housing units were constructed prior to 1960, down from 37 percent in 2000. About 70 percent of the housing units in Delaware that are 40 years old and older are in New Castle County. From 2000 to 2005, units constructed prior to 1960 declined by 2.3 percent, or about 1,700 units. Because it has the slowest growth rate, just 7.3 percent of the housing was completed from 2000 to 2005.
- In Kent County, 22.1 percent of the housing was constructed prior to 1960. In 2000, 25 percent was constructed prior to 1960. From 2000 to 2005, units constructed prior to 1960 declined by 2.2 percent or

about 300 units. Between 2000 and 2005, 15.4 percent of the housing was built.

- 17 percent of the housing in Sussex County was constructed before 1960, down from 19 percent in 2000. From 2000 to 2005, units constructed prior to 1960 decreased by 1.5 percent or 291 units. Between 2000 and 2005, 14.3 percent of the housing units were constructed.

Many older units are well-maintained. Older units, however, have a greater need for maintenance, including replacement of expensive building systems. Because of neglect, it is likely that some of the older units in Delaware are no longer habitable. Newer housing units that have bigger rooms and modern amenities generally have higher sales values reflecting a preference for newer units. Newer housing is more expensive and less affordable by low-income households. Areas with a variety of new housing types are more attractive to new households.

ii. **Overcrowding & Deficient Housing**

An additional variable used to identify housing condition is crowding, which is directly related to the wear and tear sustained by the structure. As the rule of thumb, the value of more than one person per room (1.01) is used as the threshold for defining living conditions as substandard.

- The 2005 ACS reports that, statewide, there are 6,272 units with more than one person per room, which is 2 percent of the occupied housing. Overcrowded units declined by 32.5 percent from 2000 when there were 8,309 units with more than one person per room (2.8 percent of the occupied units).
- Since 2000, crowding has declined substantially in New Castle and Kent Counties. The 2005 ACS reports 3,654 crowded units in New Castle County down from 5,273 in 2000 and 878 crowded units in Kent County, down from 1,262 in 2000. Crowded units in Sussex County decreased by 34 from 1,774 in 2000 to 1,740 in 2005.

Exclusive use of plumbing is identified as a variable, with the sharing of facilities between households used as an index of deficient housing conditions.

- The 2005 ACS reports that statewide, 1,261 units, or 0.3 percent of the total units, lack complete plumbing. Units lacking complete plumbing increased by 142 units or 12.7 percent from 1,119 housing units in 2000.
- The majority of the additional units that lack complete plumbing are in New Castle County. In 2000, there were 605 units that lacked complete plumbing. The ACS reports that 729 units in New Castle County lack complete plumbing. Units lacking complete plumbing in

Kent County increased from 147 in 2000 to 219 in 2005. In Sussex County there are 313 units lacking complete plumbing, down from 367 in 2000.

Exclusive use of a kitchen is also identified as a variable, with lack of a kitchen or the sharing of facilities between households used as an index of deficient housing conditions. The 2005 ACS reports that 999 of the housing units or 0.2 percent of the total units in Delaware lack a complete kitchen.

Table 2-33 provides an overview of the Census indicators of housing deficiency. (Although compelling and useful as snapshots over time, ACS data in this category have a high margin of error due to small sampling size.)

Table 2-33
Units Lacking Complete Plumbing, Lacking Complete Kitchen, and Crowded – 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Total Units	374,872	100.0	209,592	100.0	58,161	100.0	107,119	100.0
Lack Complete Plumbing	1,261	0.3	729	0.3	219	0.4	313	0.3
Lack Complete Kitchen	999	0.2	486	0.2	198	0.4	315	0.3
Occupied Housing	317,640	84.7	193,255	92.2	53,731	92.4	70,654	66.0
Crowded*	6,272	2.0	3,654	1.9	878	1.6	1,740	2.5

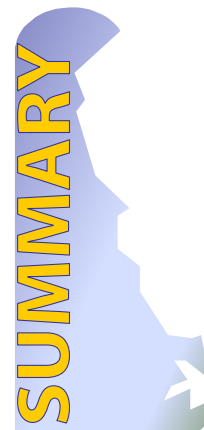
Source: U.S. Census Bureau, 2005 American Community Survey

* - percent is calculated based on occupied housing

1.2 / POPULATION AND HOUSING TRENDS

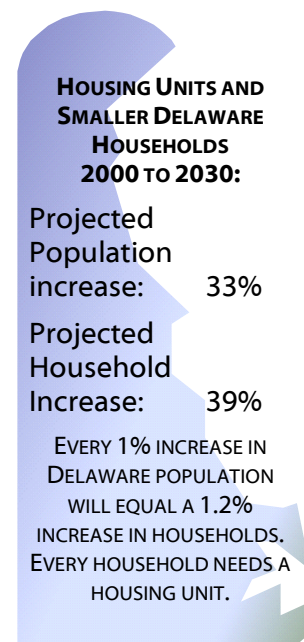
K. HOUSING CONDITIONS

- ❑ **Age is a primary indicator of housing conditions. There is a widely accepted positive relationship between the rate of units aged 40-years and older and the rate of disrepair.**
- ❑ **Statewide, 27 percent of all housing units were constructed prior to 1960. This is a lesser percentage than in 2000.**
- ❑ **Overcrowding and lack of plumbing are the other data reported by the Census. The Census ACS reports a decline in overcrowding between 2000 and 2005 and a minimal (within the margin of error) increase in units lacking complete plumbing.**



L. KEY DEMOGRAPHIC & HOUSING TRENDS: SUMMARY OF FINDINGS

- The aging of the state’s population is a double-edged sword with regard to homeownership. In the short term, more people are entering age groups where homeownership is more likely. That means homeownership in Delaware may increase a few percentage points in the coming years just because of demographic changes. In the long term, the younger age cohorts will not grow. The 20 to 34 year old age group is projected to remain at about 19 percent in 2010 and 2015. However, because this age group has a high rate of household formation, the most growth in households will occur in this age range. (This is discussed further in Part 2 in relation to household growth and housing demand projections.)
- Due to the aging of the Baby Boom generation, Delaware’s older middle-aged population and its elderly population are projected to have the greatest increases. This will potentially increase the demand for retirement communities (e.g., coastal and golf course condominiums), elderly housing apartments, and retirement manufactured home communities.
- In 2010, 34.5 percent of the population will be age 50 and over, and, by 2015, 37.2 percent will be age 50 and over. There are three distinct housing needs among this age group. The “young” elderly, those entering pre-retirement or early retirement years, are ages 55 to 65. The young elderly are often in the market for a smaller home, perhaps near a recreation area. The second group of elderly comprises those 65 to 75 who are living in the homes usually selected in the pre-retirement period. Finally, there are those in the 75 to 85 age group who may be widowed, whose health is frailer, and who seek a supported environment. The elderly over 85 are often very frail and in need of more extensive care.
- Household size in Delaware and the three counties has decreased over the past several decades. The baby-boom population is now fully absorbed in the housing market in Delaware, and is being followed by the baby bust generation, the product of very low birth rates in the late 1960s and 1970s. Household size in Delaware is projected to continue to decrease. The reduction in household size will not, however, be as dramatic as the decrease over the last two decades, thus reducing natural household increase in Delaware due to the diversification of the population by minority households who are younger and have higher birth rates.



- The above trend will, however, be countered to an extent. In the next decade, the Baby Boom's "Echo" will come to maturity and launch into the housing market in Delaware. The DPC projects continued migration of households to Delaware, particularly to Sussex County. The two factors will lead to an increase in household growth in Delaware, though not to levels reached in previous decades. It is projected that for every one percent increase in the population, there will be a 1.2 percent increase in households in Delaware, resulting from smaller household sizes.
- The structure of households is changing in Delaware. Today, the proportion of households headed by a single adult is 43 percent, up from 12 percent in the 1950s. The continued change in household composition in Delaware, with a continued increase in smaller households and households headed by a single parent, has a significant impact on housing.
- Traditionally, there has been an enormous difference in the poverty rates of households with children under the age of 17 that are female-headed as compared to households that are male-headed or married couples. The increase of single person households, particularly those that are female-headed, means a greater proportion of the households and the children are at risk of growing up in poverty and will potentially experience housing problems.
- Housing costs (sale prices and gross rents) have increased at a pace well above the rate of inflation. In particular, the escalation of owner housing costs in the state during the first years of the 2000s has made it much harder for households to afford to purchase a home.
- The 2005 ACS reports that 72.4 percent of the occupied units in the state are owner-occupied. The rate of homeownership in Delaware exceeds the rate nation-wide. There were significant increases among homeownership by minority households. Innovative financing alternatives have undoubtedly enabled many low-wealth and low-income households to become homeowners in recent years in Delaware, supporting the continued increase in homeownership in the state. Also, there are initiatives underway by the Federal government to increase homeownership among minority households, which will support the continued increase in homeownership in the state.
- Manufactured homes are an affordable path to homeownership for low-income households in Delaware. They are, however, a misunderstood segment of the housing industry. Manufactured homes are also subject to unique conditions that make them vulnerable to being lost from the market.

3. LAND USE TRENDS

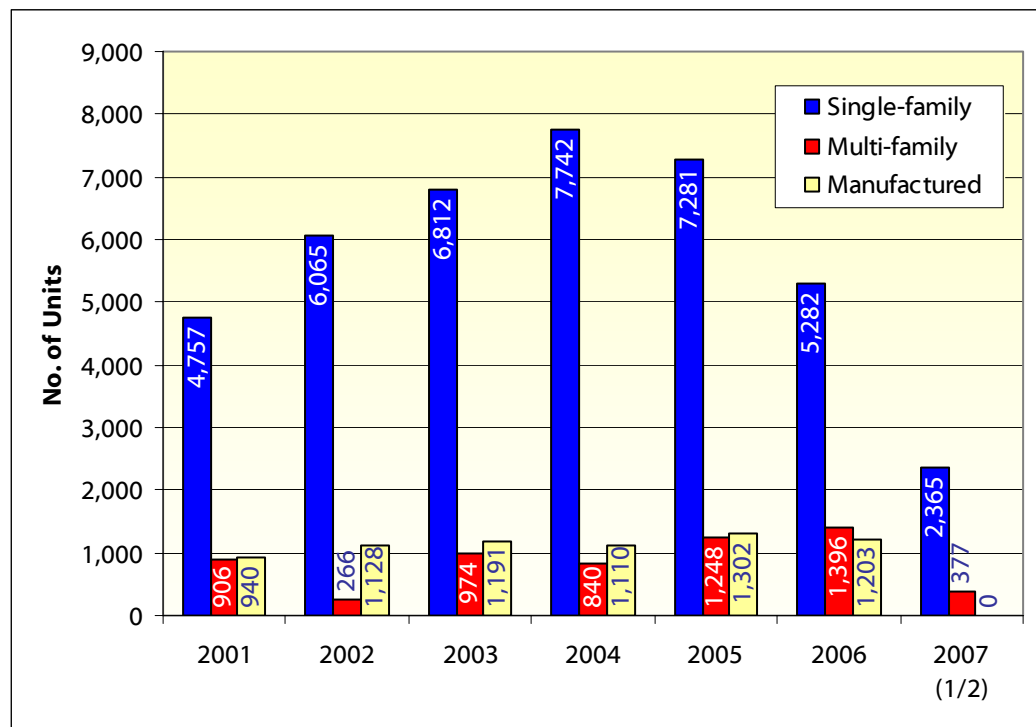
A. RESIDENTIAL PREFERENCES

DSHA prepares *Housing Production In Delaware*, which provides a profile of housing activity in Delaware for the year. The information provides a gauge of household preferences as building permits represent a response to market demand through development of units.

From 2001 to 2006, building permits were authorized for 43,569 housing units in Delaware and 6,874 manufactured homes were placed in the state, adding 50,443 units. (Note: Prior to 2003, DSHA used its own direct surveys of municipalities to collect this data. In 2003, the agency began using Census building permit data for reporting on annual unit production. Any discrepancy between data is likely attributable to this change in data collection methods.)

Between 2001 and 2006, of the 50,443 units reported by DSHA's *Housing Production In Delaware* report, 75 percent of building permits (37,939) were issued for single family units; 11 percent (5,630) were for multi-family units. The remaining 13 percent of units comprise manufactured homes. The chart below shows the relative share of each type and includes data through June 2007

Table 3-1
Housing Type Statewide – 2001 to June 2007



Source: Delaware State Housing Authority, *Housing Production In Delaware*

Housing Production In Delaware shows that, by county, residential preference is for single family. The report defines single-family units as one-family, freestanding structures, condominiums, townhouses or row houses intended to be sold. Multi-family units are defined as five or more units in the same building sharing a common area of land.

In Sussex County, just 7.5 percent of the building permits issued from 2001 to 2005 were for multi-family units. Table 3-2 provides a profile of housing activity in Delaware by county.

**Table 3-2
Housing Type by County – 2001 to 2006**

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Single family	37,939	87.1%	11,700	82.8%	9,786	89.3%	16,453	89.0%
Multi-family	5,630	12.9%	2,431	17.2%	1,167	10.7%	2,032	11.0%
Total	43,569	100	14,131	100	10,953	100	18,485	100

Source: Delaware State Housing Authority, *Housing Production In Delaware*

New Castle County reports that in 1974, the top three land uses were agricultural (45 percent), forest (25 percent), and residential (13 percent). By 2002, the residential proportion had risen to 28 percent, still less than agriculture’s 29 percent, but more than the 15 percent remaining forest cover. It should be noted, however, that as the technical quality of aerial photography and computers for analyzing the data has improved, so has the accuracy of the land cover information. Some of the variations in land cover may be due to an enhanced ability to discern one use from another. New Castle County’s *Comprehensive Plan* reports that its future land use map has resulted in a growth pattern that may be difficult to sustain, does not make the most efficient use of resources, and places significant pressures on many protected resource areas.

Sussex County reports that land used for residences increased from 46,254 acres to 56,661 acres during the 1990s. The Office of State Planning Coordination PLUS review shows that from 2000 to 2005, over 10,000 acres of land in Sussex County was rezoned from agricultural use to residential uses. Sussex County’s commercial land use has also rapidly expanded, particularly along the major highways outside of town centers.

There is no information regarding the land absorption rates in Kent County. A review of information from the Office of State Planning Coordination’s PLUS review shows that from 2001 to 2005, about 1,700 acres in Kent County were rezoned from non-residential use, primarily agriculture, to residential use.

The following provides an overview of development trends in Delaware by county based on observations provided by the DPC and consideration of historic trends.

i. New Castle County

The historic pattern of a central city experiencing population loss to growing surrounding suburbs has and is changing dramatically. Although the City of Wilmington is projected to grow slightly, the City will be surrounded by four types of suburban areas.

- The City of Wilmington and the older suburbs - a region of stability and decline. Although Wilmington is projected to post a slight overall gain in population, persons residing in the City are projected to continue moving to the suburbs. The areas to the immediate north and south of the City will lose population or stabilize.
- West-Central New Castle County - a region of increasing stability. The areas that suburbanized from the 1960s to the 1990s are projected to experience declining growth rates. The growth rates of the inner ring older suburbs in central and western New Castle County are projected to decline because of an aging population and empty nesting. Also, the land of the area is reaching its holding capacity for new development.
- The Greater Newark area – a region of stability and major employment center. This area is located on the west edge of New Castle County, centered on the City of Newark. As a major employment center with the University of Delaware and manufacturing plants for automobiles and various chemical plants, Newark has extended its suburbs west beyond the Delaware state line into eastern Cecil County, Maryland. Although anticipated to continue growing, the growth rate of the area is decreasing.
- Southern region of high suburban growth, as seen currently in the Middletown area which has increased by 64 percent between 2000 and 2006 alone. There will be continued suburbanization in southern New Castle County. The rapid growth is projected from US 40 to the Chesapeake and Delaware Canal and south of the Chesapeake and Delaware Canal. The suburbanization of the southern portion of New Castle County represents the progression of development further out of the traditional growth center of the county rather than the migration of new households.

ii. Kent County

Kent County will retain its historical and geographical structure of a single urban center consisting of the City of Dover and the Dover metropolitan area, surrounded by a suburban and agricultural periphery. SR 1, also known as the Route 13 by-pass, opened in Kent County in 1993 and is now complete through the county. The result of the opening of SR 1 is that it makes it possible to live in Kent County and easily commute to the City of Wilmington and points north. Residential construction has increased and is expected to continue as a result of the expanded commuter shed that resulted from the construction of SR 1.

Kent County is the connector between New Castle County and Sussex County. The construction of SR 1, the major north-southeast state highway, and increased traffic on US 13, which also runs through Kent County from the north to the southwest, are forming a development corridor in the county of an inverted “Y” centered on the City of Dover.

The geographic pattern of population change will be one of more rapidly growing northern and southern areas bracketing the more slowly growing, but much larger, Dover metropolitan area. Suburbanization will continue to move primarily west of the metropolitan area and north and south along the major highways.

The northern portion will continue to have a higher rate of growth because of the easy commuting time from both the City of Dover and the City of Wilmington, and adjacent to the high growth area of southern New Castle County. The southern portion remains rural and is projected to see an increase of dispersed residential development.

iii. Sussex County

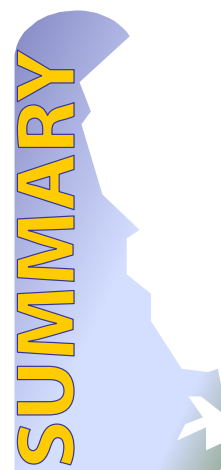
Sussex County will continue to lose its rural agricultural character as both the eastern and western sections experience rapid, but different types of growth.

Eastern Sussex County has become urbanized along the spine of SR 1 due to an influx of pre-retirees and retirees who have added year-round residents to the Coastal Resort Area. The western portion of Sussex County experiences growth tied to the agriculture and agricultural processing industries. Although western Sussex County will remain predominantly agricultural, its rural landscape will be overlaid by dispersed residential development and bisected by highway-oriented commercial development. Land development in eastern Sussex County to accommodate the retirees will continue to displace poorer residents to the western part of the county. Western Sussex County will also continue to attract a younger Hispanic population drawn to employment opportunities in the poultry processing industry.

1.3 / LAND USE TRENDS & PATTERNS

A. RESIDENTIAL PREFERENCES

- ❑ **Over three-quarters of building permits issued in Delaware from 2001 to 2005 were for construction of single-family homes. Ten percent were for multi-family units and 13.3 percent for manufactured homes.**
- ❑ **In 1974, New Castle County counted 13 percent of its land as residential use. By 2002, residential land consumption had grown to 28 percent, reflecting the national trend for decentralization of communities and low-density development on former agricultural or undeveloped land.**
- ❑ **New Castle County's fastest residential growth is projected to occur in its southern municipalities from US40 to the Chesapeake and Delaware Canal. Kent County's high residential growth area is projected to be its northern portion where commuting to and from both Wilmington and Dover is easiest. Sussex County is developing fastest to the east in its coastal resort areas.**



B. TRANSPORTATION & COMMUTING PATTERNS

Delaware's location at the center of the East Coast of the U.S. provides excellent access to jobs and markets. Modern highways, railroads, airports, ports, and public transit systems in the state facilitate the movement of products and people.

The major north-south highway along the Eastern Seaboard is Interstate 95. Delaware's direct access to I-95 provides fast and efficient access to jobs. Intercity passenger rail service is provided by Amtrak, offering both high-speed Northeast Corridor and long-distance trains. Local and commuter services are provided by the Southeastern Pennsylvania Transportation Authority (SEPTA) under contract to the Delaware Transit Corporation.

The Delaware Transit Corporation, operating as DART First State, is a division of the Delaware Department of Transportation (DelDOT) and, as such, provides a full range of fixed bus routes, paratransit, commuter rail, and related services. DART provides local fixed route bus service throughout the state, operating 68 routes reaching most all of Delaware. All DART buses are wheelchair accessible and bike rack equipped. DART First State provides statewide door-to-door bus service for individuals who are unable to use fixed route bus service due to age or disability.

To increase opportunities for carpooling, RideShare Delaware matches commuters through a database. The database is open to anyone who lives or works in Delaware.

Housing and transportation costs consume a large share of the household budget. A review in 28 metropolitan areas, *A Heavy Load, The Combined Transportation and Housing Costs of Working Families**, prepared in October 2006 by the Center for Housing Policy, found that, for households of all income levels, 27 percent of income goes for housing alone and another one-fifth goes to the cost of getting around. Together, these items account for almost 48 percent of household income. Working families with incomes between \$20,000 and \$50,000 spend a similar percentage of income on housing; however, their transportation costs consume almost 30 percent of their income. Households that are able to reduce their transportation costs are better able to expand their housing opportunities.

Table 3-3 presents information regarding to commuting to work patterns by Delaware’s workforce. The state’s workforce overwhelmingly relies on private vehicles. Additionally, they travel to work alone. Very few workers use public transit. The mean travel time to work is 23.7 minutes. The work day has changed from an eight hour day from 9:00 am to 5:00 pm to a 24-hour day. Jobs have moved out of the concentrated central cities to the sprawling suburbs. Public transit has had a difficult time responding to this changed work pattern. To reduce transportation costs, and thereby expand household’s housing budgets, communities need to ensure opportunities for jobs in various locations that can be served by public transit. Likewise, public transit needs to become more flexible.

Table 3-3
Commuting to Work – 2005

	DELAWARE		New Castle County		Kent County		Sussex County	
	Total	% of Total	Total	% of Total	Total	% of Total	Total	% of Total
Drove alone	318,734	80.3	203,944	80.8	54,461	81.5	60,329	77.4
Carpooled	42,058	10.6	26,122	10.4	7,212	10.8	8,724	11.2
Public transportation	8,588	2.3	6,906	2.7	786	1.2	896	1.1
Walked	7,159	1.7	4,703	1.9	1,023	1.5	1,433	1.9
Other means	5,942	1.5	2,421	1.0	956	1.4	2,565	3.3
Worked at home	14,552	3.6	8,159	3.2	2,411	3.6	3,982	5.1
Total	397,033	100.0	252,255	100.0	66,849	100.0	77,929	100.0
Mean travel time to work (minutes)	23.7		24.1		23.6		22.7	

Source: U.S. Census Bureau American Community Survey

The *Comprehensive Economic Development Strategy* reports the following regarding commuting patterns in Delaware.

- Almost two-thirds of the state’s employed persons work in New Castle County. Net commuting for New Castle County is +25,508. This reflects the commuting patterns wherein fewer New Castle County residents leave

* Center for Housing Policy, October 2006.

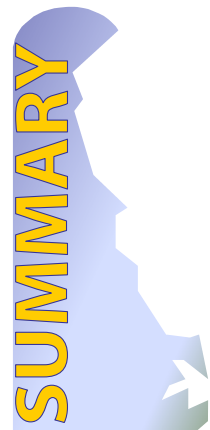
the county for their work than non-New Castle County residents enter the county for work. Over time, this is expected to increase.

- Net commuting for Kent County is minus 728. This reflects the commuting patterns wherein more Kent County residents leave the county for their work than non- Kent County residents enter for work. This figure is expected to increase over time.
- Net commuting for Sussex County is minus 7,291. This reflects the commuting patterns wherein more Sussex residents leave the county for their work than non-Sussex residents enter for work. This figure is expected to increase over time.

1.3 / LAND USE TRENDS & PATTERNS

B. TRANSPORTATION & COMMUTING

- ❑ **A national study by the Center for Housing Policy finds that households at all income levels spend one-fifth of their incomes for transportation costs. Working families whose incomes fell between \$20,000 and \$50,000 tend to spend closer to 30 percent of their income on transportation, in addition to the nearly 30 percent they spend on housing.**
- ❑ **80 percent of Delaware’s commuters drive to work alone in their own vehicles. Sufficient public transit is not available for most Delawareans to get from home to multiple destinations at various times during the day.**
- ❑ **Almost two-thirds of the state’s employed persons work in New Castle County. Net daily commuting there equals over 25,000 trips.**



C. AVAILABILITY OF PUBLIC INFRASTRUCTURE

This section includes a review of the availability of sanitary sewer and water services in Delaware.

i. **New Castle County**

New Castle County’s 2007 *Comprehensive Plan* provides a review of water and sanitary sewer systems. The county’s sanitary sewer infrastructure is comprised of a series of gravity fed sewer pipes, pumping stations, force mains, and sewage treatment and disposal facilities.

North of the Chesapeake & Delaware Canal, the majority of the generated sewage within the Sewer Service Area is conveyed to the Wilmington Wastewater Treatment Plant. The City of Wilmington operates the treatment plant. New Castle County operates a relatively small wastewater treatment plant in Delaware City.

In northern New Castle County there are areas that have extremely limited or no remaining available sewer capacity to allow further development to tie into the system. In these areas, any property owner desiring to develop their land must establish an on-site sewage disposal facility, provide rehabilitation repairs or upgrades to segments of the system that create the loss of capacity; or defer their construction until capacity in the public system becomes available. The county is committed to a program for adding capacity to accommodate the projected growth within the sewer service areas.

South of the C & D Canal, the Sewer Service Area is comprised of five areas, one of which is not served by any existing sewer infrastructure. The other four have operational sewer treatment and disposal facilities; one privately owned, one in the Town of Middletown, and two controlled by New Castle County. The only privately run sewer system in the county is the spray irrigation facility within the residential subdivision of Lea Eara Farms serving homes south of the C & D Canal east of Route 896/301. Middletown has its own sewer treatment plant. The largest county-owned system in Southern New Castle County is Water Farm #1, east of Odessa.

The provision of public sewerage serving subdivisions and land development proposals within the Southern New Castle County Growth Area is given the highest priority for authorization to connect to a public sewer system. The county's objective is to facilitate the provision of public sewerage to properties within the New Development Area (currently without sewer facilities) with conveyance of sewage to treatment and disposal facilities in Middletown and Water Farm #1 as a short term plan with the eventual long term solution being the public sewerage of the entire Southern Sewer service area after the infrastructure is in place.

Both residential and non-residential land uses in unincorporated New Castle County, located beyond the boundaries of the Sewer Service Areas, rely on the disposal of wastewater on their own properties via on-site septic systems or other on-site facilities approved by the Delaware Department of Natural Resources and Environmental Control (DNREC).

The majority of residents and businesses that are connected to the county's public sewer system do not experience problems, although a small number of sewer-related problems do infrequently occur. The County's Department of Special Services sometimes encounters problems in certain areas with sewers during wet weather events. New Castle County's objective is to undertake all possible solutions to prevent such problems from occurring in the future.

Wherever financially and physically possible, New Castle County accepts communities' petitions to have the county facilitate a septic elimination project, relieving homeowners of their problematic septic systems and eliminating adverse environmental impacts of failing septic systems. There

are thousands of households in New Castle County on septic systems, and conversion of all to sewers would be prohibitively expensive. As funding permits, the county seeks to conduct septic elimination projects that prioritize communities with failing systems with potential negative environmental impacts.

A priority of the county is to make public services, including public sewer capacity, available to properties that can be revitalized.

In New Castle County, 75 percent of the drinking water is obtained from surface water sources and 25 percent from groundwater. The many uses of water are similar throughout the county regardless of geographic location, although southern New Castle County uses significantly more water for agricultural irrigation while the northern areas have more commercial and industrial users. South of the C & D Canal, all of the water is drawn from public and private wells. DNREC and the Delaware Division of Public Health regulate which water supplier provides water service to specific areas as well as how much water is permitted to be drawn from the various water supply sources.

The Delaware Water Supply Coordinating Council (WSSCC) has issued two reports describing the water supply and demand projections for northern New Castle County (March 8, 2006) and for southern New Castle County (June 30, 2006).

The report for northern New Castle County includes statistics supporting the conclusion that a healthy surplus of water supply is available and will remain available to meet the peak demands for drought conditions through 2020 and beyond. The water supply and demand projections take into consideration the several recently completed projects that have increased the water supply capacity and reflect the population projections from the DPC. The water supply storage capacity in northern New Castle County has recently been substantially increased to a point where a surplus of water quantity is anticipated to be available to support the demand well into the future.

The report for southern New Castle County concludes that water supplies will be sufficient to serve the increasing demand at least through 2030 based on conservative projections. This anticipates a reduction in agricultural irrigation needs with an increase in use by the growing population. The report makes a number of recommendations to ensure that the supply stays ahead of demand. With the implementation of several changes in procedures at the state level, the demand is expected to be comfortably met in the foreseeable future. The storage capacity in the southern part of the county is also believed to be adequate.

ii. Kent County

The 2002 *Comprehensive Plan* reports that the Kent County Regional Wastewater System was designed to provide a single treatment plant to serve the majority of the county. The Kent County Regional Wastewater System provides a trunk collection system to collect sewage from the many subsystems in existence and planned. The Regional Wastewater System offers the opportunity for a sewage disposal system to be incorporated in unincorporated areas of the county not having a wastewater system. Kent County manages the collection, conveyance, and treatment of wastewater through a system of sewer districts encompassing a combination of smaller municipalities that either lack their own sewer authorities or had a sewer collection and treatment plant prior to the initiation of the county system and major residential subdivisions in the unincorporated areas of Kent County. Contract users include the municipalities of Smyrna, Clayton, Dover, Camden, Wyoming, and Milford, and independent industrial, institutional, and residential users.

In 2000, Kent County revised its *Long Range Wastewater Management Plan*. The revision served to provide a plan to meet the needs of county residents, businesses, and industries in existing and proposed future service areas through 2020. The recommendations of the *Long Range Wastewater Management Plan* will optimize the efficiency of the existing sanitary sewer system rather than increasing the capacity of the system.

Kent County's policy on the provision of sanitary sewer service is to provide the service in areas of the growth zone wherever economically feasible. Areas outside of the growth zone are considered for sanitary sewer service only when there are environmental health concerns for existing development.

Areas outside of Kent County's or the City of Harrington's sanitary sewer systems have on-site wastewater treatment and disposal systems. The DNREC regulates the design, installation, and operation of on-site wastewater treatment and disposal systems. The DNREC regulations require that those individual lots with on-site septic systems include a 100 percent replacement area for the subsurface disposal system. The replacement area is tested along with the primary area to determine feasibility and size and is restricted from uses other than on-site disposal. The requirement may increase the minimum lot area, which can add to the cost of housing.

Because of the unsuitability of soils in certain parts of Kent County, problems with rising water tables, and the frequency rate for failing septic systems, the DNREC has tried to encourage the use of community septic systems. The Kent County Regional Planning Commission is hesitant to endorse the use of community septic systems because of the concern over ownership and maintenance along with the issue of who is liable to replace a failed community septic system. The issue of community septic systems is a

major concern of developers in areas not served by the county's sanitary sewer system.

The Kent County *Comprehensive Plan* reports that about half of the households in the county rely on individual on-lot wells for their water supply. The abundance of water from shallow aquifers makes it easy and relatively inexpensive to obtain water in Kent County. According to the State of Delaware *Source Water Assessment Plan* completed in 1999, Kent County contained 158 community public water systems (CPWS), which consists of public-owned water purveyors, investor-owned purveyors, and privately-owned purveyors. Growth in accordance with the General Land Use Plan of the Kent County *Comprehensive Plan* will necessitate additional infrastructure to provide water, although there is no concern with water supply. Kent County reports that the configuration of the General Land Use Plan, concentrating most development in and around existing urban areas, lends itself well to providing public water systems for virtually all urban development in the future. Individual well systems will still be required in rural areas of Kent County; however, the problems and inconveniences associated with the individual wells provide adequate justification for planned development of public water systems where urban densities are planned.

Wastewater Facility Needs 2004 – 2009 reported by the State of Delaware Wastewater Facilities Advisory Council in Kent County are as follows:

- Town of Hartly – provide sanitary sewers throughout the community.
- Town of Smyrna - provide sanitary sewers in the Spruance City enclave, rehabilitate the Greens Branch PS and Green Meadows and Carter Road LSSs, inspect and rehabilitate manholes throughout the Town, replace sanitary sewers in the historic district, replace sanitary sewers in North Street in conjunction with the replacement of other infrastructure.

iii. **Sussex County**

Sixty percent of Sussex County residents rely on individual on-site septic systems. The 2003 *Comprehensive Plan* reports that Sussex County has made significant progress in providing central wastewater service in the developed areas. Onsite wastewater systems failures continue to occur both in isolated cases involving single homes and in subdivisions or small communities where a number of systems experience chronic operational problems.

All of the coastal towns and much of the inland bay area have access to central wastewater services. Sussex County operates four of the treatment plants including 1) the South Coastal Regional Wastewater Plant serving Bethany, South Bethany, Ocean View, Fenwick Island, and the inland bay areas around Little Assawoman and proposed to serve Millville; 2) the

Inland Bays Regional Wastewater Plant serving Long Neck and proposed to be expanded to serve Oak Orchard; 3) the Wolfe Neck Wastewater Plant serving West Rehoboth; and 4) the Piney Neck Regional Wastewater Plant serving Frankford and Dagsboro. Municipalities in Sussex County providing wastewater treatment include Georgetown, which will also provide service to Ellendale, Rehoboth Beach, which also serves Dewey Beach and Henlopen Acres, Millsboro, Seaford, Laurel, Delmar, Bridgeville, which also serves Greenwood, and Selbyville.

The *Comprehensive Plan* reports that the treatment capacity of the South Coastal Regional Wastewater Plant is approaching its peak treatment capacity. Sussex County has initiated a study to increase the capacity and to revise the service area of the South Coastal Regional Wastewater Plant to make it compatible with the environmentally sensitive developing area. The *Comprehensive Plan* Draft also notes the need to evaluate the service area for the Inland Bays Regional Wastewater Plant.

A *Wastewater Facilities Assessment* completed in 1995 identifies communities in Sussex County with the greatest need for public wastewater systems. The communities in need of public wastewater systems included Ellendale, Delmar, Frankford, Oceanview, and the Town of Slaughter Beach. Communities of medium need were located around the inland bays including Milton, Broadkill, Coverdale Crossroads, and southeast of Milford. The western portion of Sussex County was identified as an area of least need for public wastewater treatment plants because the soils are suitable for on-site systems.

Many of Sussex County's residents are served by public water systems. The major systems are owned and operated by municipalities or franchised water service systems. Additionally there are over 400 small public systems serving 25 or more dwelling units or commercial businesses.

Sussex County's *Comprehensive Plan* did not raise concerns with the availability of wastewater or water services to support projected development.

Wastewater Facility Needs 2004 – 2009 reported by the State of Delaware Wastewater Facilities Advisory Council in Sussex County are as follows

- Purchase additional land to allow the expansion of the treatment facilities serving Oak Orchard and Long Neck.
- Construct new transmission facilities between Fenwick Island SSD and South Coastal Regional Wastewater Facility.
- Millville and North Millville Phase I – provide wastewater collection and transmission system to eliminate 1,200 existing septic systems and prevent 2,300 additional systems.

- Millville and North Millville Phase II – provide wastewater collection and transmission system to eliminate 189 existing septic systems and prevent 2,215 additional systems.
- Millville and North Millville Phase III – provide wastewater collection and transmission system to eliminate 764 existing septic systems and prevent 839 additional systems.
- Provide additional treatment capacity at the Wolfe Neck waste water treatment plant to meet current and future wastewater needs.
- Acquisition of land for wastewater disposal to provide for anticipated growth due to Dagsboro providing public water.
- Upgrade force main, pump stations, head works, and land disposal facilities
- City of Lewes – construct facilities to eliminate wastewater discharge to the Lewes & Rehoboth Canal and upgrade and expand waste water treatment plant from 0.75 to 1.5 mgd.
- City of Rehoboth - construct ocean outfall to eliminate the City's effluent discharge to the Lewes & Rehoboth canal.
- Town of Georgetown - upgrade force main, pump stations, head works, and land disposal facilities.

The Delaware Department of Natural Resources and Environmental Control (DNREC) is crafting a pollution control program particularly for the Inland Bays watersheds in eastern Sussex County. Pollution of the inland bays from wastewater is a serious and growing concern, especially as the population of this area has increased significantly in recent years. The program itself was introduced in spring 2007, with public hearings in summer 2007.

The goal of the program will be to reduce pollution resulting from wastewater in the inland bays. Aging, outdated septic systems are a primary concern in this area. The proposed program would require the inspection of all septic systems within the targeted area. It would also require upgrading or replacement of systems not meeting pollution control standards. Of the approximately 18,200 septic systems in the area, over 10,000 septic systems were permitted prior to 1986. Many of these older systems will likely to need rehabilitation or replacement.

The high cost of septic system replacement will be a difficult burden for low and moderate income households. A Steering Committee is working to identify sources of funding and financing to assist low-income households in meeting these requirements.

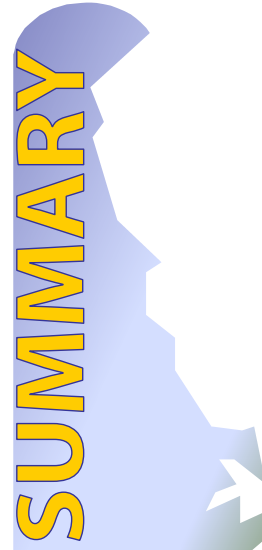
The requirement will also apply to large septic systems serving multiple households, as in leased-land manufactured housing communities. The need

for replacement of infrastructure such as wastewater treatment systems has been a common cause of closure of smaller, older land-lease communities in Sussex and Kent Counties for several years. Large-scale inspection of systems will surely result in identifying more systems that require replacement. Upgrades or replacement of these systems may be beyond the level of investment some owners are willing or able to make in the community, and it is possible that it could lead to closure of more of these smaller communities of older manufactured and mobile homes, an important if imperfect affordable housing resource in rural Sussex County.

1.3 / LAND USE TRENDS & PATTERNS

C. AVAILABILITY OF PUBLIC INFRASTRUCTURE

- In northern New Castle County, there are areas that have extremely limited or no remaining sewer capacity. Meanwhile, south of the C&D canal, provision of public sewerage is a priority for the designated New Development Area. Countywide, water supplies are sufficient to serve increasing demand at least through 2030.**
- In Kent County, the Regional Wastewater System offers sewage systems to incorporated and unincorporated areas not having their own wastewater systems. County policy emphasizes adding service to areas within designated growth zones. Due to unsuitable soils and rising water tables, there is a high rate of septic system failure in parts of the County. Meanwhile, about one-half of all households in the County rely on individual on-lot wells for their water supply.**
- Sixty percent of Sussex County residents rely on individual on-site septic systems. Coastal towns and much of the inland bay area have access to centralized wastewater systems. Meanwhile, many of Sussex County residents are served by public water systems.**



D. STATE ROLE IN LAND USE POLICY & PRACTICE

The State of Delaware has a stake in how and where growth occurs. Unlike most other states, the state itself provides most services and infrastructure throughout the state including social services, prisons, roads and transit, the largest police force in the state, approximately 70 percent of school funding, 50 percent of library construction funding, and 60 percent of paramedic funding. However, land use decisions are made at the local level.

To make best use of the state's natural and fiscal resources, Governor Minner established her Livable Delaware Agenda in 2001, and has used it to coordinate state agency planning, resource management, and investments in order to support growth where it is appropriate and planned for, and discourage growth in inappropriate locations. The *Guiding Principles of Livable Delaware* include:



- Guide Growth to Areas That Are Most Prepared to Accept it in Terms of Infrastructure and Thoughtful Planning
- Preserve Farmland and Open Space
- Promote Infill and Redevelopment
- Facilitate Attractive, Affordable Housing
- Protect Quality of Life While Slowing Sprawl

The Governor facilitates the Guiding Principles for Livable Delaware through mechanisms highlighted below.

Strategies for State Policies and Spending: the Livable Delaware Agenda centers on the “Strategies for State Policies and Spending” document, first developed in 1999 and comprehensively updated in 2004. It sets forth the state's interests and concerns about the extent and pattern of development. The Strategies link specific state agency planning activities in a shared vision and provide important guidance to county and local governments for their planning efforts. The Strategies provide a framework for more efficient and orderly allocation of state infrastructure funds.

i. **State Agencies**

In September 2004, Governor Minner signed Executive Order #59 directing state agencies to use the *Strategies* to help guide their efforts to implement the Livable Delaware Agenda. All of DSHA's policies and programs have been reviewed and modified, where appropriate, to support the *Strategies*.

ii. Livable Delaware Advisory Council

Generally known as the Council, the Livable Delaware Advisory Council was established (29 Del. Code '9102) by the General Assembly as part of the 2001 Livable Delaware legislative agenda. It has wide membership and meets on a regular basis to help guide the Livable Delaware Agenda.

iii. Office of State Planning Coordination

The mission of this Office is to continually improve the coordination and effectiveness of land use decisions made by state, county, and municipal governments while building and maintaining a high quality of life in the State of Delaware. The Office meets its mission through:

- Effective coordination of state, county, and local planning efforts;
- Coordinating state agency review of major land use change proposals prior to submission to local governments;
- Research, analysis, and dissemination of information concerning land use planning;
- Aiding the effort of the state to meet the information needs of state agencies and local governments, especially in the realm of spatial data and Geographic Information Systems (GIS);
- Provides staffing to the Livable Delaware Advisory Council;
- Provides a voice in public policy discussion with a circuit rider planner for each county. State planners provide leadership and support activities for a broad-based public effort to identify and develop strategies to address growth and economic development issues.

iv. Preliminary Land Use Service (PLUS)

PLUS is a statutory state-local review and comment process addressing changes to comprehensive plans, rezonings, site plan reviews, and other land use actions. PLUS is the primary mechanism through which the state communicates its concerns and recommendations to county and local governments on land development issues. The Office of State Planning Coordination conducts the PLUS reviews. Examples of projects that undergo the PLUS review process include the following.

- Major residential subdivisions with internal road networks and more than 50 units.
- Any non-residential subdivision involving structures or buildings with a total floor area exceeding 50,000 square feet.
- Annexations inconsistent with the local jurisdiction's comprehensive plan as certified under Title 29, §9103.

- Applications for rezoning if not in compliance with the local jurisdiction’s comprehensive plan as certified under Title 29, §9103.
- County and municipal comprehensive plans as required by Titles 9 and 22 of the Delaware Code.

v. County Comprehensive Plans

The Quality of Life Act, originally enacted in 1988, and as amended in 1995, provides for integration of county planning efforts with the preparation of state development, investment, and facilities plans, including requirements for coordination and consistency with various state plans. A key requirement of the Act is that the state “shall provide to the county for use in the comprehensive planning process state land use and development goals and policies...” (§2657(b); §4957(b); and §6957(b)). This information was not available to the counties in 1997, or, at least, not in a single, concise form. The *Strategies*, when adopted in December 1999 and updated in 2004, met that requirement. Specifically, while not intended to prohibit development nor limit local authorities control over land use, they are to be a critical component of the information to be considered for county comprehensive plan implementation and revision processes required by the Act.

In 2001, Governor Minner signed HB255 (Chapter 91, Title 22, Delaware Code) adding a comprehensive plan certification procedure through the Governors Advisory Council on Planning Coordination and ultimately through the Governor to ensure the county planning efforts are in line with state efforts. All three counties had plans adopted and certified in 2002 and are currently working to update those plans by 2007.



vi. Municipal Comprehensive Plans

The municipal planning enabling statute (Chapter 7, Title 22, Delaware Code, as amended) was substantially revised in 1996 and 2001 to provide greater guidance to municipalities regarding their planning efforts and to more closely connect planning to municipal land development controls, especially zoning. The statute sets forth required and optional plan elements, including housing, with differing levels of analysis required depending on the population of the community. A key provision deals with the need for coordination between municipalities and counties for areas adjacent to communities, which might develop outside the municipality or

eventually be annexed. Additional changes were made to the statute in 2001, linking annexation to comprehensive plans, requiring that zoning conform to comprehensive plan within 18 months, and giving comprehensive plans the force of law. Additionally, HB 255 created a State certification process for comprehensive plans.

In 2001, the General Assembly approved a funding source for Livable Delaware Planning Grants. These grants are awarded to local governments for any planning activities that help bring them into compliance with HB255. These grants are matching grants of up to \$10,000 and are administered through the Office of State Planning Coordination. To date, the State has awarded 55 grants, totaling \$510,628.08 to local jurisdictions.

In addition to the grants, technical assistance is also provided to municipalities updating their comprehensive plans. Since 1995, the Office of State Planning Coordination has been engaged in a partnership with the Institute for Public Administration at the University of Delaware to provide technical assistance to municipalities for comprehensive planning, development review standards and processes, updating of land development regulations, training for municipal officials, and general research on planning issues. The Center for Historic Architecture and Design at the University of Delaware has also been involved in broader-scale planning, research, and development of local design guidelines. In addition, the Office of State Planning employs one circuit rider planner for each county to help the local jurisdictions with planning issues.

vii. The Delaware Geographic Data Committee

The Office of State Planning Coordination provides lead staff for and oversees the management of two cooperative efforts to improve the quality of, and the sharing of, several forms of data essential to governance and the provision of public services at the local, county, state, and federal levels.

The Delaware Geographic Data Committee includes representatives from all levels of government, the academic sector, and the private sector. The DGDC, as it has become known, was established by the Delaware General Assembly in 1998 in response to the findings of a group of citizens and governmental representatives seeking ways to do a better job of sharing data and information about Delaware, its economy, and the people who live in the First State. This group determined that the state should concentrate on ensuring that decision-makers at all levels of government have access to useful information, based on accurate data, especially the spatially-referenced data now widely used in Geographic Information Systems (GIS).

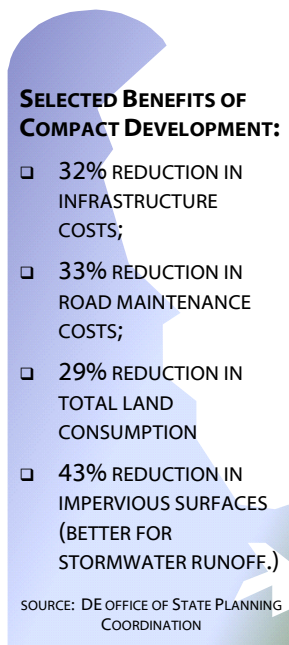
The DGDC was charged with finding ways to make sure that all state, county and local planners have access to useful, easily accessible, and relevant geographically referenced data. The DGDC also functions as Delaware's representative to the Federal Geographic Data Committee, which performs a similar function at the national level.

As of January 1, 2006, the Office of State Planning Coordination has also taken over the management of the Census State Data Center, which had been housed in the Delaware Economic Development Office. The State Data Center is part of a federal/state partnership in which the states and the US Census Bureau work together to plan for, carry out, and disseminate data from, the Decennial Census. The State Data Centers provide subject matter expertise within each state and can provide local knowledge and liaison for the Census Bureau as it works with state and local agencies.

E. LAND USE PATTERNS & HOUSING COST

Perhaps the most important local decisions that impact the need for infrastructure provision are those pertaining to land use. In particular, local land use decisions determine the location, character, and intensity of development. These development decisions influence the need for infrastructure. In 2004, the Office of State Planning Coordination published *Directing Growth* to support its Livable Delaware Strategies: The Strategies For State Policies And Spending. Part 5 of *Directing Growth*, “Improving Housing Choice” includes an overview of sprawl development, which continues as the predominant housing pattern, in comparison to compact development. The report cites reduced costs due to compact development. *Improving Housing Choice* distinguishes the development patterns as follows.

- Sprawl type of development is “leapfrog development”, which has the tendency to skip over previously developed locations to favor areas at a greater distance from existing population and infrastructure centers. It tends to be low density; usually no more than four units per acre. Sprawl development is often characterized by separated land use, with considerable distance between residential, shopping, and employment centers. This requires a car to be used for travel to work and shopping. Sprawl developments often have wide streets and few, if any, sidewalks. Also, the street pattern offers few entrance and exit choices from the development. Cul-de-sacs tend to restrict traffic flow and limit entrance onto main roads to only a few locations.



- Compact development has the tendency to locate in approved growth areas contiguous to either a town or previously developed area. Density levels for compact development tend to be higher than that of sprawl development; usually 5 to 7 dwelling units per acre, or more. Compact development typically includes an integrated pedestrian and bike network, newer streets interconnected with existing streets, intermingling of

residential and commercial uses, and the inclusion of parks or open space networks within developments. The positive impacts of compact development include a more diverse range of transportation options, a more economical extension of public services and utilities, and the location near existing developed areas and higher densities enable natural qualities and agricultural areas to be preserved and protected.

Improving Housing Choice notes that development patterns have an impact on infrastructure costs, private housing costs, land consumption, public sector costs and revenues, vehicle use, water quality, and public safety. There is a significant difference between the impacts created by sprawl and compact development.

The cost to provide infrastructure (sewer, water, school, and roads) decreases as the density of development increases. *Improving Housing Choice* notes that compact development can save an average of 31.8 percent through reduced infrastructure costs. Compact development is located closer to existing infrastructure and takes place at higher densities than sprawl development does so compact development will require fewer pipes in the ground and therefore cost less than sprawl development. Developers often pick up a significant portion of the cost for sewer and water capital expenditures, which is passed on to the buyer.

The expense to operate and maintain a sewer or water system has a larger affect on taxpayers than the cost to invest in new infrastructure. As the number of connections per mile increases, the cost of water and sewer service decreases. Higher population and employment density is correlated with lower wastewater conveyance costs. As lot size increases and the distance from the water or sewer plant increases, the cost to provide water and sewer increases. Sewer and water operating costs are less for compact development than they are for sprawl development.

The pattern of development does not change the number of children living in an area. *Improving Housing Choice* finds, however, there is a modest, average school cost savings of up to 5.9 percent for compact development. School costs will go down as growth is directed (compact growth) to areas with excess school capacity. Transportation costs would also decrease because students live closer to schools. Road costs for maintenance and new construction reported a savings of 32.6 percent with compact development over that spent on sprawl development.

Private housing costs in compact development can be reduced an average of 15.6 percent when compared with sprawl development. Sprawl development uses more land with its larger lot sizes and more remote locations when compared with compact development. An average total land savings of 29.3 percent comes with using compact development over sprawl development.

Compact development saves an average of 31.9 percent agricultural land, and 42.4 percent for fragile environmental land. The land savings has benefits such as protection of scenic vistas, preserved character of rural areas, and supporting the economic viability of active farm operations. Compact development protects the

viability of agricultural uses and encourages the integration of residential, agricultural, and commercial uses, which promotes the fiscal health of the jurisdictions.

There are public sector costs and revenue benefits associated with compact development. Examples include less expensive infrastructure, less expensive operating costs, and promoting fiscally beneficial integration of land uses. *Improving Housing Choice* notes that a 32.5 percent more positive cost/revenue ratio for jurisdictions using compact growth. Nearly a third less monetary support from taxes and fees is required by compact growth.

The pattern of development can influence how frequently people need to use vehicles for daily tasks. Sprawl development is often distant from existing employment and business districts making the car the only way to go from place to place. Compact development tends to place residential uses in the vicinity of commercial uses so that a short car ride is plausible. Through the provision of pedestrian and bike networks, compact development tends to make walking or bicycling a more attractive option. Compact development can result in 16.6 percent less vehicle miles traveled than sprawl development.

Water quality is also impacted through the imposition of impervious surface cover on undeveloped land. Increased impervious surface cover causes most stormwater to runoff quickly into stormwater drains rather than draining naturally and being filtered by the soil on its way to streams and rivers. The effects of this disruption of nature's drainage system are more frequent floods and droughts, erosion of streambanks due to increased runoff, and pollutants introduced by the non-filtered water. Sprawl development creates significantly more impervious surface cover than compact development does. Sprawl development tends to have more and wider roads than typically found in compact development. Compact development can result in an average of 42.9 percent less impervious surface cover.

Improving Housing Choice reports that anecdotal evidence exists for public safety response times, but not many systematic studies have been done. EMS calls from compact development areas were, on average, responded to in approximately 27 percent less time. Evidence suggests that a compact development pattern allows for more efficient provision of public safety services than sprawl development does.

The long-term cost of development includes operating and public service costs that must be borne by all of a jurisdiction's residents, not simply new arrivals. Evidence has shown that sprawl development has fiscal and public service impacts that can lead to a choice between the thinning of services and the raising of taxes. These characteristics tend to worsen the fiscal position of state and local governments and force the choice between the lowering service standards and the raising of taxes to maintain existing standards.

Delaware's physical landscape contains bustling urban environments, small towns, rural and agricultural areas, and pristine wetlands. Residents of Delaware are also fortunate to live in a state that has been fiscally well-managed. This enables taxes in Delaware to be relatively low. In 2003, only New Hampshire and Alaska had lower state and local tax burdens than Delaware. To preserve Delaware's sound fiscal situation and environmentally diverse landscape, the state needs a development pattern that efficiently uses public infrastructure and minimizes consumption of undeveloped land. The research provides strong evidence that a compact development pattern is well suited to maintaining Delaware's fiscal health and preserving the many characteristics that make Delaware a worthwhile place to live and work.