

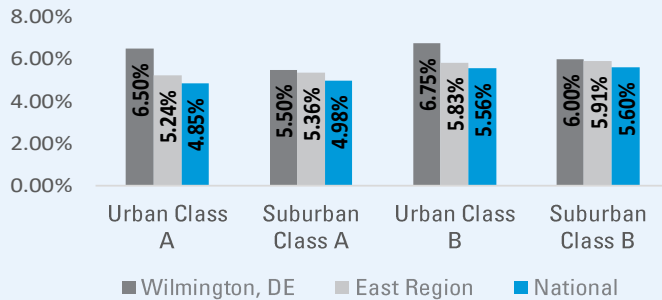
## 2023 WILMINGTON, DE MULTIFAMILY ANNUAL REPORT

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### Cap Rate Indicator (Y/Y)

	Class A	Class B
Going In Cap Rate (%)	▲	▲

### Going In Cap Rate Comparisons (%)



### Change In Value Next 12 Months

▲2%-2.9%

Urban Class A

▲2%-2.9%

Suburban Class A

▲2%-2.9%

Urban Class B

▲2%-2.9%

Suburban Class B

### Forecasts

#### Wilmington, DE 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady	Remain Steady	Remain Steady	Remain Steady
Discount Rate	Remain Steady	Remain Steady	Remain Steady	Remain Steady
Reversion Rate	Remain Steady	Remain Steady	Remain Steady	Remain Steady
Market Rent Change	+2.00%	+2.00%	+2.00%	+2.00%
Expense Rate Change	+2.00%	+2.00%	+2.00%	+2.00%
Years to Balance	3			

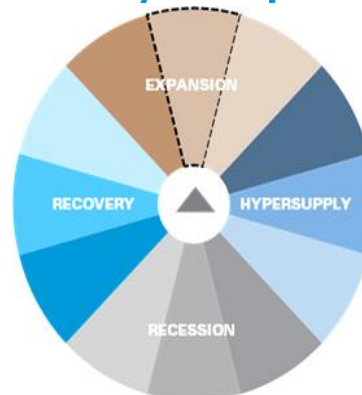
#### Wilmington, DE 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Change in Value	▲2%-2.9%	▲2%-2.9%	▲2%-2.9%	▲2%-2.9%

### Wilmington, DE Multifamily Market Overview

The multifamily market in Wilmington and New Castle County is on a positive trajectory. Rental trends continue to increase by approximately near double digits over the previous 12 months bringing the base asking rent to \$1,500 +/- per unit. An uptick in rental rates along with a low vacancy rate has ignited a spark towards new development in the market. Tenants are looking to lease up units with higher square footage and better amenities. One project under contract in Wilmington is a 208-unit apartment complex scheduled to open in the fall. Local contractor Buccini/Pollin are leading the development of the complex set to include three total buildings, a swimming pool, outdoor patio space, and courtyard. In addition to the new construction, Central New Jersey Investor Central Management purchased two apartment complexes in Wilmington. The 156-unit Reserve at Mill Creek was acquired for \$18.3 million and the Crossings at Limestone, a 136-unit complex, transferred for \$19.8 million. Despite being a relatively smaller market, Wilmington and Upper New Castle County have absorbed over 600+ units in the trailing 12-months. Although most of this activity is seeming to move out of the downtown Wilmington area, city wage taxes, mergers, regulation, and pandemic mandates have shifted the abundant banking industry to relocate or downsize operations. This may cause repercussions in the multifamily market. Barclays just announced a plan to transfer 500 jobs from the area to their northern New Jersey office. Despite these changes, northern neighborhoods between Philadelphia and Wilmington along with Newark have seen yearly growth in rent and jobs over the last decade. Neighborhoods outside the city limits continue to keep the apartment market strong amidst sustained appeal.

### Market Cycle: Expansion Stage 2



- High Absorption
- Decreasing Vacancy Rates
- Med/High Rental Rate Growth
- Moderate/High New Construction
- Moderate/High Employment Growth

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