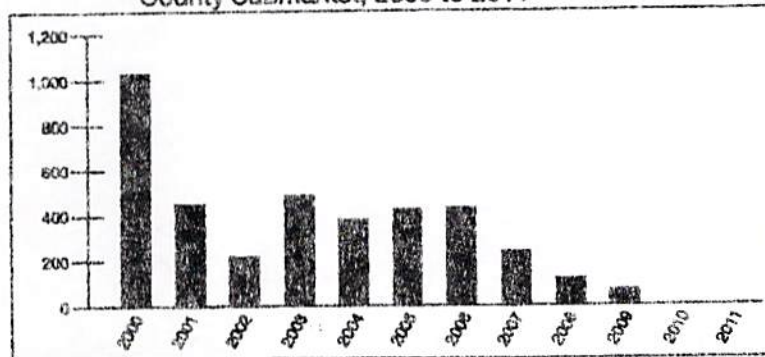


Multifamily construction, as measured by the number of units permitted, has been minimal in the Delaware County submarket since 2000, and the development that did occur was concentrated in the early part of the decade. Multifamily units permitted averaged 390 annually from 2001 through 2005, then dropped to an average of 220 annually from 2006 through 2009. For the 12 months ending March 2010, approximately 55 multifamily units were

permitted in the submarket, according to preliminary estimates, and no units were permitted for the 12 months ending March 2011. From 2000 through 2009, approximately 58 percent of multifamily units permitted in the submarket were for owner occupancy, and the overall homeownership rate rose from 80 percent in 2000 to a current rate of 82 percent. See Figure 14 for multifamily units permitted from 2000 to the current date.

Figure 14. Multifamily Building Permits Issued in the Delaware County Submarket, 2000 to 2011



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

Demand is estimated for an additional 800 new market-rate rental units in the submarket through the 3-year forecast period. With no units currently under construction, the 7.6-percent vacancy rate, as of April 1, 2011, is expected to decline during the forecast period. Table 6 provides an estimate of the noncumulative distribution of demand during the forecast period for new market-rate rental housing by rent level and the number of bedrooms.

Table 6. Estimated Demand for New Market-Rate Rental Housing in the Delaware County Submarket, April 1, 2011 to April 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
600 to 799	60	700 to 899	160	800 to 999	70
800 to 999	30	900 to 1,099	80	1,000 to 1,199	50
1,000 to 1,199	30	1,100 to 1,299	60	1,200 to 1,399	50
1,200 to 1,399	30	1,300 to 1,499	60	1,400 to 1,599	35
1,400 or more	0	1,500 or more	40	1,600 or more	35
Total	150	Total	400	Total	240

Source: Estimates by analyst

Sales Market—Remainder Counties Submarket

The sales housing market in the Remainder Counties submarket is soft but showing signs of stabilizing. According to Hanley Wood, LLC, approximately 7,725 homes were sold in the submarket during the 12 months ending March 2011, down 1 percent from the 7,825 homes sold

during the 12 months ending March 2010. The current sales total of 7,725 is approximately 31 percent below the 11,150 homes sold each year, on average, from 2005 through 2007. Home sales prices, which averaged \$151,800 for the 3 years from 2005 through 2007, declined 12 percent