

COMMERCIAL REAL ESTATE REPORT Q4 2023

Dover, DE Metro Area

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Demographics and Economy

Demographics

1.5%	26.0%	-0.8%	Net Migration in Delaware
population growth (2022)	share of renters (2022)	renter household formation (2022)	12,597 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	15,047 (2022)

Economy

7.3%	2,500	3.5%	-9.1%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$38,070	4.8%	7.0%	International Migration in Delaware
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	2,277 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	2,378 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	5,793	293,280	1.2%	\$23	6.4%
2022 Q4	13,285	50,470	4.0%	\$23	11.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	5,412,887	0	5,200	\$0.00M	10.8%
2022 Q4	5,407,687	0	0	\$5.39M	10.1%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	-39	81	3.6%	\$1,541	\$1,532	5.3%
2022 Q4	-3	82	6.1%	\$1,488	\$1,473	5.9%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	5,300	0	54	6.4%		
2022 Q4	5,246	0	162	5.9%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-11,641	57,226	3.6%	\$17	2.6%
2022 Q4	24,367	41,694	3.2%	\$16	2.9%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	10,617,932	7.5%	\$2.77M	\$128	
2022 Q4	10,590,924	7.5%	\$6.77M	\$147	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-48,260	-23,715	6.1%	\$8	3.7%
2022 Q4	-7,526	463,877	8.6%	\$7	3.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	9,379,451	0	-5,226	7.8%	\$0.30M
2022 Q4	9,384,677	0	280,797	7.2%	\$0.00M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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