

HUD PD&R Regional Reports

Region 2: New York/New Jersey

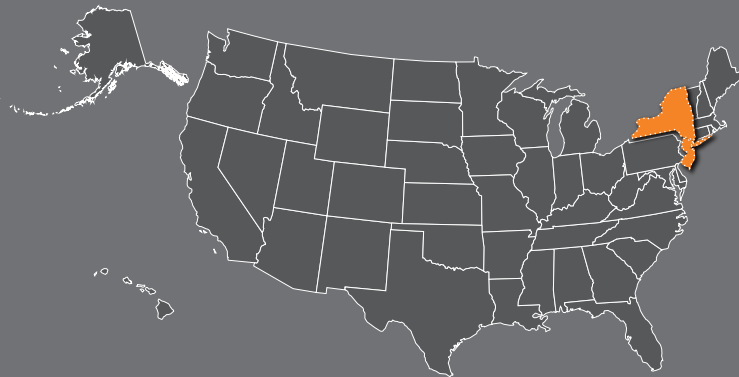


Quick Facts About Region 2

Rochester, New York

By [Joseph Shinn](#) | 2nd Quarter 2024

- Sales market conditions—**
Second quarter 2024: mixed (balanced to slightly tight)
First quarter 2024: mixed (balanced to slightly tight)
Second quarter 2023: mixed (balanced to slightly tight)
- Apartment market conditions—**
Second quarter 2024: mixed (slightly soft to tight)
First quarter 2024: mixed (soft to tight)
Second quarter 2023: mixed (balanced to tight)



Overview

Nonfarm payrolls in the New York/New Jersey region increased as of the second quarter of 2024, and the economy has fully recovered from severe job losses during March and April 2020 that resulted from the COVID-19 global pandemic. As of the second quarter of 2024, nonfarm payrolls in the region totaled 14.29 million jobs, which was a new high for a second quarter. That total was 265,400 jobs, or 1.9 percent, above the previous second quarter peak in 2019. Sales market conditions ranged from balanced to slightly tight, unchanged compared with the second quarter of 2023. Apartment market conditions ranged from slightly soft to tight, but average rents were up from a year ago in areas throughout the region. In New York City (NYC), apartment market conditions were tight, unchanged compared with the second quarter of 2023.

As of the second quarter of 2024—

- Nonfarm payrolls in the region were up by 229,100 jobs, or 1.6 percent, compared with the second quarter of 2023. In New York and New Jersey, nonfarm payrolls increased

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by 159,700 and 69,400 jobs, respectively, or 1.6 percent in both states; nonfarm payrolls in NYC rose by 65,000 jobs, or 1.4 percent.

- Homebuilding activity, as measured by the number of single-family homes permitted, increased 15 percent in the region; in New Jersey and New York, single-family construction rose 24 and 4 percent, respectively. Multifamily building activity

was up 27 percent in the region; an increase in New York more than offset a decrease in New Jersey.

- In the New York-Newark-Jersey City metropolitan area, single-family permitting activity rose by 500 homes, or 15 percent, to 3,750 homes permitted. Multifamily construction activity in the metropolitan area increased 33 percent compared with a 46-percent decline a year ago.

Economic Conditions

As of the second quarter of 2024, nonfarm payrolls in the New York/New Jersey region increased for the 13th consecutive quarter on a year-over-year basis compared with year-over-year declines in each of the 4 quarters ending March 2021. However, job growth slowed during the past year because of declines in 4 of 11 nonfarm payroll sectors. As of the second quarter of 2024, nonfarm payrolls in the region averaged 14.29 million jobs, representing an increase of 229,100 jobs, or 1.6 percent, from the second quarter of 2023. By comparison, the second quarter year-over-year job growth averaged 6.6 percent during the previous 3 years.

Nearly two-thirds of the net job gains in the region as of the second quarter of 2024 were in the education and health services sector, which was up by 151,200 jobs, or 5.1 percent, compared with the second quarter of 2023. Approximately 97 percent of the net gain was in the healthcare and social assistance subsector, which increased by 147,400 jobs, or 6.3 percent. Significant job gains also occurred in the government and the leisure and hospitality sectors, which

rose by 45,200 and 43,400 jobs, or 2.2 and 3.3 percent, respectively. In the government sector, all three subsectors—local, state, and federal government—had gains, with increases of 34,800, 8,400, and 2,000 jobs, or 2.3, 2.2, and 1.2 percent, respectively. The rise in the leisure and hospitality sector was partially due to increased tourism in the region. As of the second quarter of 2024, the average regional hotel occupancy rate was 72.6 percent, up from 70.4 percent as of the second quarter of 2023 (CoStar Group).

Losses in the information and the wholesale and retail trade sectors—which declined by 18,400 and 12,100 jobs, or 5.0 and 0.7 percent, respectively—partially offset gains. The *Courier-Post*, a newspaper in southern New Jersey, laid off approximately 140 employees during the past year, contributing to the decrease in the information sector. The wholesale and retail trade sector had losses in both the retail trade and the wholesale trade subsectors, which were down by 10,700 and 1,400 jobs, or 0.8 and 0.3 percent, respectively.

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As of the second quarter of 2024, nonfarm payrolls increased in the New York/New Jersey region, with gains in seven sectors more than offsetting losses in the other four sectors.

	Second Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	14,059.2	14,288.3	229.1	1.6
Goods-Producing Sectors	1,247.5	1,240.7	-6.8	-0.5
Mining, Logging, & Construction	570.1	566.9	-3.2	-0.6
Manufacturing	677.4	673.8	-3.6	-0.5
Service-Providing Sectors	12,811.7	13,047.7	236.0	1.8
Wholesale & Retail Trade	1,807.7	1,795.6	-12.1	-0.7
Transportation & Utilities	578.9	588.7	9.8	1.7
Information	366.3	347.9	-18.4	-5.0
Financial Activities	1,013.4	1,015.0	1.6	0.2
Professional & Business Services	2,120.0	2,128.7	8.7	0.4
Education & Health Services	2,969.2	3,120.4	151.2	5.1
Leisure & Hospitality	1,332.8	1,376.2	43.4	3.3
Other Services	560.8	567.3	6.5	1.2
Government	2,062.7	2,107.9	45.2	2.2

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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As of the second quarter of 2024, the unemployment rate in the region averaged 4.2 percent, up from the 4.0-percent rate as of the second quarter of 2023. The higher rate was due to a 0.3-percent decline in resident employment compared with the labor force being relatively unchanged. As of the second quarter of 2024, the unemployment rates in New Jersey and New York averaged 4.5 and 4.1 percent, up from 4.2 and 3.9 percent, respectively, a year ago. The current unemployment rate in the region is higher than the 3.8-percent rate nationwide.

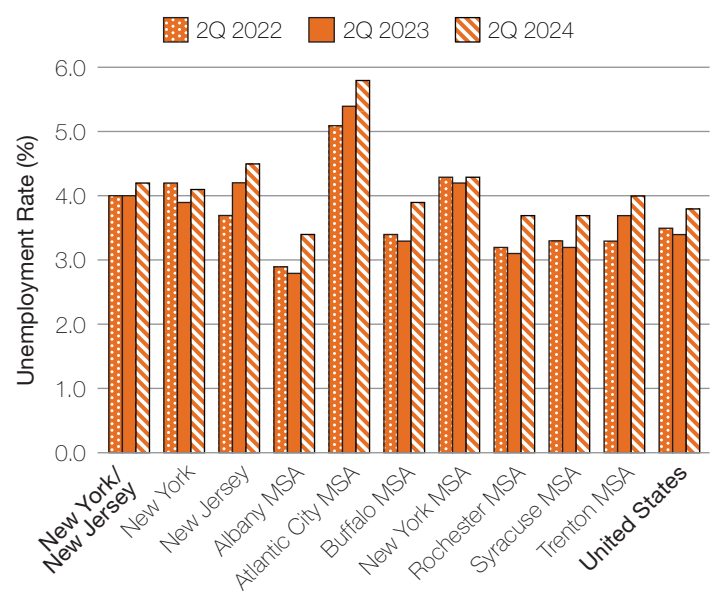
As of the second quarter of 2024 —

- Nonfarm payrolls in New York increased by 159,700 jobs, or 1.6 percent, compared with the second quarter of 2023, when nonfarm payrolls were up 2.4 percent from a year earlier. Nonfarm payrolls rose in 7 of 11 sectors, led by the education and health services and the government sectors, which were up by 114,000 and 36,500 jobs, or 5.1 and 2.5 percent, respectively.
- In NYC, nonfarm payrolls were up by 65,000 jobs, or 1.4 percent, compared with the second quarter of 2023. The largest gain was in the education and health services sector, which increased by 78,400 jobs, or 6.7 percent.
- Nonfarm payrolls were up throughout upstate New York, led by gains in the Buffalo and Rochester metropolitan areas, where nonfarm payrolls rose by 10,500 and 10,300 jobs, or 1.9 and 2.0 percent, respectively. In the Albany and Syracuse metropolitan areas, nonfarm payrolls increased by 7,900 and 7,700 jobs, or 1.7 and 2.5 percent, respectively.
- Nonfarm payrolls in New Jersey increased by 69,400 jobs, or 1.6 percent, compared with a 2.0-percent rise during the same period a year ago. More than one-half of the statewide job gains were in the Newark and Camden metropolitan

divisions, which increased by 21,900 and 13,100 jobs, or 1.7 and 2.3 percent, respectively.

- In New Jersey, nonfarm payrolls rose in 8 of 11 sectors, led by the education and health services, the leisure and hospitality, and the government sectors, which were up by 37,200, 8,900, and 8,700 jobs, or 4.9, 2.2, and 1.4 percent, respectively. Losses in the information and the manufacturing sectors—which decreased by 3,000 and 1,500 jobs, or 3.9 and 0.6 percent, respectively—partially offset these gains.

As of the second quarter of 2024, unemployment rates in New York and New Jersey were up compared with a year ago.



2Q = second quarter. MSA = metropolitan statistical area. Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

Sales market conditions in the New York/New Jersey region ranged from balanced to slightly tight as of the second quarter of 2024, unchanged from the same period a year ago. Similar to the rest of the nation, sales market conditions in the region eased during the past 2 years, reflected in significant decreases in home sales, largely in response to a sharp increase in mortgage interest rates. During the 12 months ending June 2024, rates for 30-year fixed-rate mortgages nationwide averaged 7.0 percent, up from 6.3 percent a year ago and significantly higher than the average rate of 3.1 percent during the same periods in 2021 and 2022 (Freddie Mac). Despite easing market conditions, sales markets in most of the region are still slightly tight because of low levels of for-sale housing inventory. The limited number of homes for sale is largely attributed to homeowners with mortgages being

reluctant to sell their homes because of the higher interest rate when financing a subsequent home purchase relative to their current mortgage. Since the start of 2023, an average of approximately 22,250 homes were listed for sale monthly in the region, down 19 percent from the average of approximately 27,450 homes a month during 2021 and 2022 (Redfin, a national real estate brokerage).

In New York, sales market conditions were slightly tight in most areas. In June 2024, New York had 3.1 months of for-sale housing inventory available, unchanged from a year ago, and the home sales price was, on average, 3.3 percent above the listing price, compared with the sales price being 2.8 percent higher in June 2023 (New York State Association of REALTORS®, Inc.).

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During the 12 months ending June 2024, existing home sales in New York declined by 14,600 homes, or 12 percent, to 103,500 homes sold. Home sales have declined an average of 14 percent annually since 2022, compared with an 18-percent rise during 2021. During the past year, the average sales price of existing homes in New York increased 3 percent to \$527,100, compared with a 1-percent decrease a year ago.

Home sales were down throughout upstate New York, led by decreases of 1,450 and 1,200 homes, or 12 and 9 percent, in the Albany and Rochester metropolitan areas, respectively (Redfin, a national real estate brokerage). Home sales in the Buffalo metropolitan area were down by 550 homes, or 6 percent (Buffalo Niagara Association of REALTORS®). However, during the past year, the average sales prices in the Albany, Rochester, and Buffalo metropolitan areas increased 9, 8, and 5 percent to \$342,200, \$258,300, and \$277,900, respectively.

Sales market conditions in NYC—which includes the Bronx, Brooklyn, Manhattan, Queens, and Staten Island boroughs—are currently balanced, unchanged from a year ago. During the 12 months ending June 2024, approximately 37,900 new and existing homes were sold in NYC, representing a decrease of 4,850 homes, or 11 percent (Redfin, a national real estate brokerage). Home sales have declined an average of 20 percent annually during the past 2 years, and home sales are currently at the lowest level in more than 10 years. During the past year, home sales were down significantly in all five boroughs, ranging from a 9-percent decrease in Queens to a 13-percent decline in Manhattan. In response to a significant decline in home sales demand, the average home price in NYC decreased 1 percent to \$1.30 million, the only area in the state highlighted in this report with a price decline.

Sales market conditions in New Jersey are currently slightly tight, unchanged compared with the second quarter of 2023. In June 2024, New Jersey had 3.2 months of for-sale housing inventory available, up from 2.9 months of inventory in June 2023, and the average number of days a home was on the market was 29, representing a 9-percent decrease from 32 days a year ago (New Jersey Association of REALTORS®). During the 12 months ending June 2024, approximately 54,000 existing homes were sold in New Jersey, representing a decrease of 9,900 homes, or 15 percent, compared with the 12 months ending June 2023. Home sales have declined an average of 18 percent annually since 2022 compared with an average annual 5-percent rise during 2020 and 2021. During the past year, home sales were down significantly throughout the state, ranging from a 15-percent decrease in southern New Jersey to 16-percent declines in central and northern New Jersey. During the 12 months ending June 2024, the average sales price of existing homes in New Jersey rose 11 percent to \$671,700.

In May 2024, 1.5 percent of home loans in the region were seriously delinquent or had transitioned into real estate owned (REO) status, down from 1.8 percent in May 2023 (CoreLogic, Inc.). The current rate of home loans in the region that are seriously delinquent or in REO status is the highest of the 10 HUD-defined regions in the nation and higher than the 0.9-percent rate nationwide. However, the 0.3-percentage point decline during the past year was the largest among the 10 regions. In New York and New Jersey, the rates were 1.8 and 1.1 percent, down from 2.1 and 1.4 percent, respectively, a year ago.

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Home sales were down throughout the New York/New Jersey region during the past year, but average home sales prices were up in both states.

	12 Months Ending	Number of Homes Sold			Average or Median	Price		
		2023	2024	Percent Change		2023 (\$)	2024 (\$)	Percent Change
New York (E)*, **	June	118,100	103,500	-12	AVG	513,700	527,100	3
New York City (N&E)**	June	42,750	37,900	-11	AVG	1,302,900	1,296,000	-1
Albany MSA (N&E)**	June	11,950	10,500	-12	AVG	314,400	342,200	9
Buffalo MSA (E)**	June	9,750	9,200	-6	AVG	265,700	277,900	5
Rochester MSA (E)**	June	13,650	12,450	-9	AVG	239,000	258,300	8
New Jersey (E)***	June	63,900	54,000	-15	AVG	605,200	671,700	11
Northern New Jersey (E)****	June	23,700	19,950	-16	MED	383,500-720,000	410,000-861,000	NA
Central New Jersey (E)****, *****	June	11,250	9,400	-16	MED	450,000-735,600	540,000-830,000	NA
Southern New Jersey (E)****	June	28,950	24,650	-15	MED	237,500-690,000	268,900-763,000	NA

AVG = average. E = existing. MED = median. MSA = metropolitan statistical area. NA = not available. N&E = new and existing.

Notes: *Excludes parts of New York City. **Includes single-family homes, townhomes, and condominiums. ***Includes only single-family homes. ****Includes Hunterdon, Mercer, Middlesex, and Somerset Counties.

Sources: Buffalo Niagara Association of REALTORS®; New Jersey Association of REALTORS®; New York State Association of REALTORS®, Inc.; Redfin, a national real estate brokerage



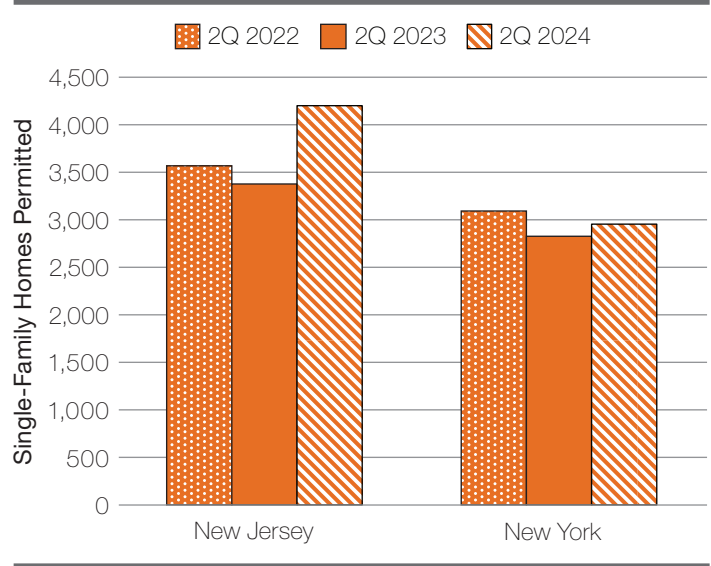
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As of the second quarter of 2024—

- In response to continued low levels of available for-sale housing, single-family homebuilding activity in the region rose by 930 homes, or 15 percent, to 7,150 homes, which was the highest second quarter level of construction activity in more than 15 years. By comparison, as of the second quarter of 2023, single-family construction activity was down 7 percent from a year earlier.
- In New Jersey, homebuilding activity increased by 810 homes, or 24 percent, compared with the second quarter of 2023, when single-family home construction activity was down 5 percent from a year earlier. During the past year, homebuilding activity was up in 12 of 21 counties, led by Hudson County, where the number of single-family homes permitted as of the second quarter of 2024 was more than nine times the number permitted during the same period a year ago.
- Single-family homebuilding activity in New York increased by 120 homes, or 4 percent, to 2,950 homes, compared with a decline of 260 homes, or 8 percent, a year ago. Construction activity in the Syracuse, Rochester, and Buffalo metropolitan areas was up 8, 7, and 4 percent to 160, 300, and 230 homes, respectively, compared with the second quarter of 2023.
- In the New York-Newark-Jersey City metropolitan area, single-family home permitting was up by 500 homes, or 15 percent, compared with the second quarter of 2023,

when homebuilding activity declined by 190 homes, or 6 percent, from a year earlier. Approximately 82 percent of the net increase in the metropolitan area during the past year was in the New York-Jersey City-White Plains metropolitan division, where single-family home construction activity rose by 410 homes, or 19 percent.

As of the second quarter of 2024, single-family homebuilding activity increased in the New York/New Jersey region, with gains in both states.



2Q = second quarter.
 Note: Based on preliminary data.
 Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

Apartment market conditions in the major metropolitan areas in the New York/New Jersey region ranged from slightly soft to tight as of the second quarter of 2024. Conditions generally eased throughout the region during the past 2 years because of a slowdown in apartment absorption and a rise in the number of new apartment units coming on line. Since 2022, an average of 31,400 apartment units have been absorbed annually in the region, down 11 percent compared with the number of units absorbed annually during 2020 and 2021, whereas the number of newly completed apartment units has averaged 36,900 annually since 2022, representing a 23-percent increase compared with 2020 and 2021 (CoStar Group).

Apartment market conditions in New York ranged from slightly soft to tight compared with conditions ranging from balanced to tight as of the second quarter of 2023. Conditions were balanced throughout the upstate New York areas cited in this report. In the Syracuse, Rochester, and Buffalo metropolitan areas, the vacancy rates were 5.1, 5.1, and 4.6 percent as of the second quarter of 2024, up from 4.9, 4.4, and 3.7 percent,

respectively, during the same period a year ago. The Rochester and Buffalo markets eased from slightly tight conditions a year ago. In the Albany metropolitan area, the vacancy rate was 4.1 percent, down from 4.5 percent a year ago. Average apartment rents were up throughout upstate New York, ranging from a 3-percent increase in the Albany metropolitan area to a 5-percent rise in the Syracuse metropolitan area.

In NYC, conditions were tight, unchanged from a year ago. Unlike the rest of the region, apartment market conditions in NYC have stayed tight during the past 2.5 years because of continued strong absorption of apartment units. Since 2022, an average of approximately 13,850 apartment units have been absorbed each year, up 43 percent compared with the average of 9,700 units absorbed annually during 2020 and 2021. As of the second quarter of 2024, the apartment vacancy rate in NYC was 2.1 percent, down slightly from 2.2 percent a year ago, and the average rent increased 2 percent to \$3,531. On Long Island, conditions transitioned from balanced to slightly soft during the past year, and the apartment vacancy rate

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Apartment vacancy rates were up or largely unchanged in most areas in the New York/New Jersey region as of the second quarter of 2024, but average rents increased in all areas.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		2Q 2023 (%)	2Q 2024 (%)	Percentage Point Change	2Q 2023 (\$)	2Q 2024 (\$)	Percent Change
Albany	Balanced	4.5	4.1	-0.4	1,534	1,581	3
Atlantic City	Slightly Tight	2.7	3.6	0.9	1,593	1,663	4
Buffalo	Balanced	3.7	4.6	0.9	1,233	1,284	4
Long Island	Slightly Soft	4.2	5.8	1.6	2,829	2,876	2
New York City	Tight	2.2	2.1	-0.1	3,459	3,531	2
Northern New Jersey	Balanced	4.7	4.7	0.0	2,423	2,489	3
Rochester	Balanced	4.4	5.1	0.7	1,349	1,399	4
Syracuse	Balanced	4.9	5.1	0.2	1,212	1,272	5
Trenton	Slightly Tight	2.6	3.3	0.7	2,065	2,104	2

2Q = second quarter.

Note: Data are for market-rate and mixed market-rate (combined market-rate and affordable) general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.

Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—CoStar Group

increased from 4.2 percent as of the second quarter of 2023 to 5.8 percent as of the second quarter of 2024. Conditions on Long Island eased during the past year primarily because of a surge in apartment completions. During the 12 months ending June 2024, approximately 2,375 new apartment units came on line, more than two and one-half times the average of 880 units completed during the previous 2 years. As of the second quarter of 2024, the average apartment rent on Long Island increased 2 percent to \$2,876.

In New Jersey, conditions ranged from balanced to slightly tight. Conditions in northern New Jersey were balanced, unchanged from a year ago. As of the second quarter of 2024, the average apartment vacancy rate in northern New Jersey was 4.7 percent, unchanged compared with the second quarter of 2023, and the average apartment rent rose 3 percent to \$2,489. In the Atlantic City and Trenton metropolitan areas, conditions were slightly tight compared with tight conditions a year ago, with vacancy rates of 3.6 and 3.3 percent, up from 2.7 and 2.6 percent a year ago, respectively. Conditions eased in both metropolitan areas during the past year partially because of a slowdown in apartment absorption. During the 12 months ending June 2024, apartment absorption in the Atlantic City metropolitan area declined 73 percent to 25 units absorbed, whereas the number of units absorbed in the Trenton metropolitan area slowed 56 percent to 85 units absorbed. As of the second quarter of 2024, the average apartment rents in the Atlantic City and Trenton metropolitan areas increased 4 and 2 percent to \$1,663 and \$2,104, respectively.

As of the second quarter of 2024 (preliminary data)—

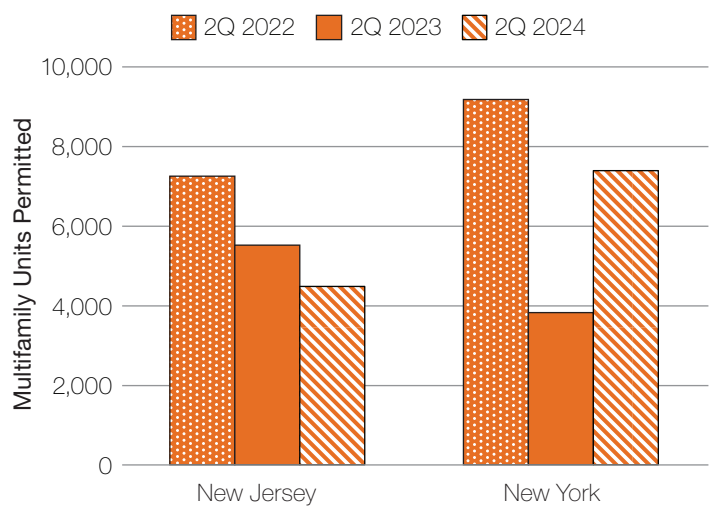
- Multifamily building activity in the region, as measured by the number of multifamily units permitted, increased from the second quarter of 2023 by 2,525, or 27 percent, to

11,875 units. By comparison, as of the second quarter of 2023, multifamily construction activity was down 43 percent from the same period a year earlier.

- In response to a new statewide tax-incentive program to encourage affordable housing development that became effective in April 2024, multifamily building activity in New York surged by 3,575, or 93 percent, to 7,400 units. In upstate New York, multifamily construction activity in the Buffalo and Syracuse metropolitan areas increased 65 and 80 percent to 200 and 30 units, respectively.

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As of the second quarter of 2024, multifamily building activity increased in the New York/New Jersey region, with a gain in New York more than offsetting a decline in New Jersey.



2Q = second quarter.

Note: Based on preliminary data.

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



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- In New Jersey, multifamily building activity declined by 1,050 units, or 19 percent, to 4,475 units. Multifamily permitting in New Jersey has declined an average of 15 percent annually during the second quarters of the past 2 years, and the current level is the lowest for a second quarter in more than 5 years.
- In the New York-Newark-Jersey City metropolitan area, multifamily building activity increased by 2,500 units, or 33 percent, to 10,050 units, compared with a 46-percent decline during the same period a year ago. In NYC, multifamily construction activity nearly tripled to 5,600 units, which was the highest second quarter level since 2016.



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes regular resales, short sales, and real estate owned sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once the occupancy rate has reached 90 percent or more or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.

B. Notes on Geography

- The metropolitan statistical area and metropolitan division definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.

