

# HUD PD&R Regional Reports

## Region 1: New England



### Quick Facts About Region 1

Portland, Maine

By [Diana Villavicencio](#) | 4th Quarter 2024

#### Sales market conditions—

Fourth quarter 2024: mixed (balanced to slightly tight)  
Third quarter 2024: mixed (balanced to slightly tight)  
Fourth quarter 2023: mixed (slightly tight)

#### Apartment market conditions—

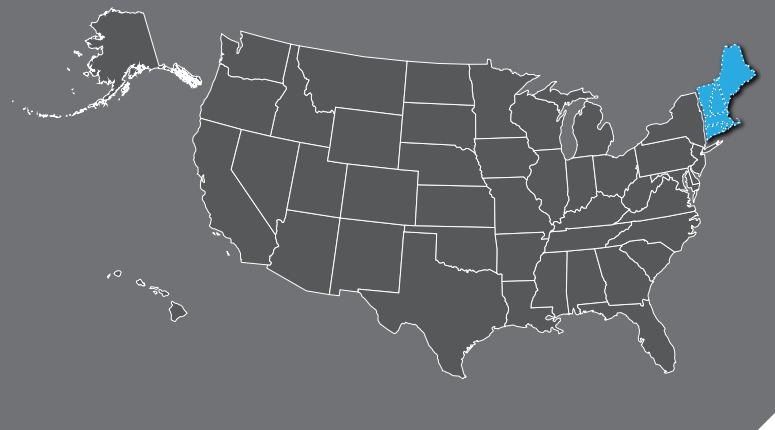
Fourth quarter 2024: mixed (slightly soft to very tight)  
Third quarter 2024: mixed (slightly soft to tight)  
Fourth quarter 2023: mixed (balanced to very tight)

### Overview

The economy in the New England region expanded as of the fourth quarter of 2024, with payrolls reaching a new fourth quarter high, but year-over-year nonfarm payroll growth decelerated from a year ago. During the past year, nonfarm payrolls rose in 7 of the 11 sectors and in all six states of the region. Home sales market conditions remained slightly tight throughout the region except in Vermont, where conditions shifted from slightly tight to balanced compared with a year ago. Although relatively high mortgage rates caused home sales to continue to fall from a year ago, the pace slowed throughout the region, and relatively low inventory levels of homes for sale contributed to faster home sales price growth in all states in the region except Vermont. Apartment market conditions in the region were mixed, ranging from slightly soft to very tight, and conditions in some areas eased slightly as of the fourth quarter of 2024 compared with a year ago.

- Year-over-year nonfarm payroll growth as of the fourth quarter of 2024 ranged from 0.7 percent in Maine and Massachusetts to 1.9 percent in New Hampshire. The education and health services, the government, and the leisure and hospitality sectors led job growth, and every

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state in the region had job gains in all three of those sectors except Connecticut, where government sector payrolls declined, and Rhode Island, where leisure and hospitality sector payrolls declined.

- During the 12 months ending November 2024, declines in home sales ranged from 2 to 9 percent in the region, and average home prices were up at least 5 percent compared with a year ago (CoreLogic, Inc., with adjustments by the

analyst). Home builders increased new home construction activity, with single-family home construction rising as of the fourth quarter of 2024.

- The apartment vacancy rate increased to 5.1 percent as of the fourth quarter of 2024 from 4.8 percent as of the fourth quarter of 2023, partly because the 18,150 new apartment units completed during 2024 exceeded the 15,650 units absorbed (CoStar Group).

## Economic Conditions

Nonfarm payrolls in the New England region increased from a year earlier as of the fourth quarter of 2024, continuing a trend of year-over-year job growth that began as of the fourth quarter of 2021, but the rate of job growth decelerated compared with a year ago. Nonfarm payrolls rose by 72,100 jobs, or 0.9 percent, to 7.70 million compared with a 1.0-percent increase a year earlier. As of the fourth quarter of 2024, the regional rate of job growth was the slowest among the 10 HUD-defined regions in the nation and lagged behind the 1.4-percent national growth rate. However, every state in the region except Vermont reached all-time high fourth quarter job levels.

Regionwide job growth occurred in 7 of the 11 nonfarm payroll sectors as of the fourth quarter of 2024. Payrolls increased by 43,600 jobs, or 2.7 percent, in the education and health services sector, the largest sector in the region, accounting for 22 percent of all jobs. Approximately 93 percent of the sector gains were in the healthcare and social assistance subsector.

Payrolls in the government sector increased by 13,800 jobs, or 1.3 percent. Growth occurred across all three subsectors—federal, state, and local government—but was strongest in the local government subsector, which accounted for 63 percent of the government jobs added. The leisure and hospitality sector increased by 12,500 jobs, or 1.7 percent, from a year earlier. The accommodation and food services industry accounted for the entirety of the sector gains, partly because of increased tourism in the region. As of the fourth quarter of 2024, the average regional hotel occupancy rate was 61.1 percent, up slightly from 60.9 percent as of the fourth quarter of 2023 (CoStar Group). In addition, during the recent quarter, nine new hotels, with approximately 600 rooms combined, opened throughout the region (McGraw-Hill Construction Pipeline database). Despite the continued broad-based job growth, the education and health services, the government, the mining, logging, and construction, the professional and business services, the transportation and

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**Nonfarm payroll growth in the New England region as of the fourth quarter of 2024 was slower than the national rate of 1.4 percent.**

	Fourth Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	7,631.3	7,703.4	72.1	0.9
Goods-Producing Sectors	935.4	935.0	-0.4	0.0
Mining, Logging, & Construction	348.3	352.1	3.8	1.1
Manufacturing	587.1	582.9	-4.2	-0.7
Service-Providing Sectors	6,695.9	6,768.4	72.5	1.1
Wholesale & Retail Trade	1,022.5	1,018.6	-3.9	-0.4
Transportation & Utilities	250.2	250.2	0.0	0.0
Information	154.6	149.8	-4.8	-3.1
Financial Activities	464.3	467.2	2.9	0.6
Professional & Business Services	1,131.1	1,136.6	5.5	0.5
Education & Health Services	1,644.8	1,688.4	43.6	2.7
Leisure & Hospitality	723.0	735.5	12.5	1.7
Other Services	280.2	283.1	2.9	1.0
Government	1,025.2	1,039.0	13.8	1.3

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

Source: U.S. Bureau of Labor Statistics



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utilities, and the financial activities sectors were the only sectors that surpassed payroll levels as of the fourth quarter of 2019, the most recent comparable quarter before the COVID-19 pandemic.

The unemployment rate in the region averaged 3.4 percent as of the fourth quarter of 2024, up from 3.2 percent a year earlier but below the current 3.9-percent rate for the nation. The regional unemployment rate increased during the past year because labor force growth of 1.9 percent outpaced a 1.7-percent rise in resident employment. Unemployment rates rose in four New England states, led by a 1.0-percentage point increase in Rhode Island, where the 4.3-percent rate was the highest statewide rate in the region and the ninth highest in the nation. By comparison, Vermont had the third lowest unemployment rate in the nation at 2.3 percent, following only South Dakota and North Dakota, but the rate was up from 2.0 percent a year earlier. The unemployment rate was unchanged at 3.3 percent in Maine and declined to 2.6 percent from 4.0 percent in Connecticut.

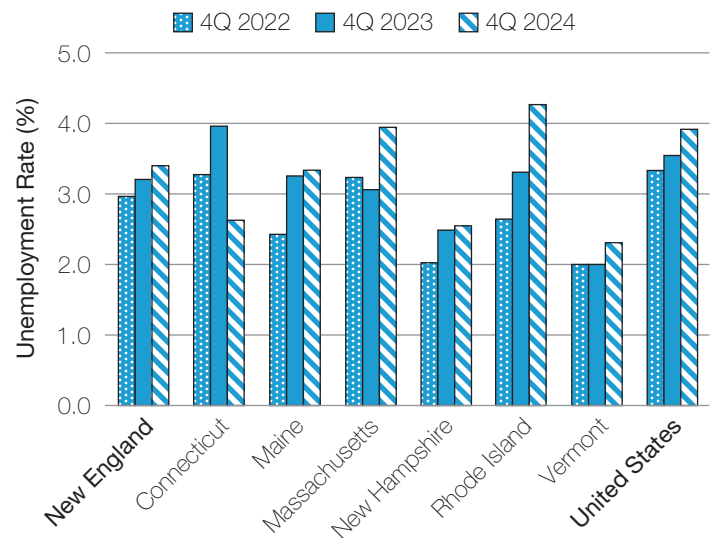
As of the fourth quarter of 2024 —

- Year-over-year job growth in the region was fastest in New Hampshire, where nonfarm payrolls rose 1.9 percent to 719,200 jobs compared with a 1.6-percent increase a year earlier. The education and health services, the government, and the wholesale and retail trade sectors added the most jobs during the past quarter. The leisure and hospitality sector added the sixth most number of jobs, up by 900, compared with the third most regionwide.
- In Vermont, jobs rose at a 1.7-percent rate from a year ago to 317,900, faster than the 1.1-percent rate a year earlier. The government, the education and health services, the professional and business services, and the leisure and hospitality sectors added the most jobs in the state.
- Nonfarm payrolls in Rhode Island rose 1.5 percent to 517,100 jobs, faster than the 0.9-percent increase as of the fourth quarter of 2023. The education and health services sector added the most jobs, accounting for 46 percent of net job growth, and the professional and business services and the government sectors added the second and third most number of jobs, accounting

for 29 and 18 percent of net job growth, respectively. However, the leisure and hospitality sector lost 1,600 jobs.

- In Connecticut, nonfarm payrolls rose 0.8 percent to 1.73 million jobs, slowing from a 1.3-percent increase a year earlier. Six sectors contributed to statewide net job growth, including the education and health services and the leisure and hospitality sectors, which added a combined 15,300 jobs, whereas the government sector lost 100 jobs.
- The slowest year-over-year job growth rates in the region occurred in Maine and Massachusetts, where jobs rose at annual rates of 0.7 percent each to 657,500 and 3.76 million, respectively, compared with 1.5- and 0.6-percent increases as of the fourth quarter of 2023. Although the same three sectors leading regionwide growth led job growth in both states, the education and health services sector added the most jobs in Massachusetts, and the government sector added the most jobs in Maine.

**As of the fourth quarter of 2024, the unemployment rate increased in five states of the New England region, and the rates in four states were below the national average.**



4Q = fourth quarter.  
Source: U.S. Bureau of Labor Statistics

## Sales Market Conditions

Home sales market conditions ranged from balanced to slightly tight throughout the New England region, and conditions eased in several markets compared with a year ago. Because the home mortgage interest rate increased compared with corresponding periods in the previous 2 years, home sales continued to decline regionwide, albeit at a slower pace than the previous year. As of

the last week of December 2024, the average 30-year fixed-rate mortgage interest rate was 6.9 percent, up from 6.6 and 6.4 percent as of the last weeks of December 2023 and 2022, respectively (Freddie Mac). High mortgage rates have deterred many potential sellers from listing their homes if a subsequent purchase would require financing at higher interest rates,

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restricting the supply of for-sale housing. The regionwide for-sale inventory decreased to 1.5 months of supply as of December 2024 from 1.6 months as of December 2023 and was below the 2.5 months of inventory nationwide (Redfin, a national real estate brokerage). The for-sale inventory in New England has been historically low compared with the nation. Market conditions remained slightly tight in states throughout the region except in Vermont, where conditions shifted from slightly tight to balanced. In Connecticut, the months of supply declined the most, down from 1.9 months in December 2023 to 1.6 months in December 2024. The inventory declined from 1.7 to 1.6 months of supply in New Hampshire and from 1.6 to 1.5 months in Rhode Island. Massachusetts had 1.3 months of supply, unchanged from a year earlier. The months of supply rose from 1.8 to 2.1 months in Maine and from 2.4 to 3.0 months in Vermont, the highest in the region.

Regionwide, home sales were down 7 percent during the 12 months ending November 2024 compared with a 25-percent reduction a year earlier (CoreLogic, Inc., with adjustments by the analyst). Home sales were down in all states in the region, ranging from a 2-percent reduction in Vermont to a 9-percent decrease in Connecticut, where home sales fell to the lowest November level since 2012. Home sales decreased in all eight major metropolitan areas highlighted in this report. Among the metropolitan areas, the lowest rate of decline in sales of 1 percent occurred in the Burlington metropolitan area, and the greatest rate of 16 percent occurred in the Manchester metropolitan area. By comparison, home sales were down 7 percent nationwide during the past year.

Regionwide, home sales prices rose 8 percent to \$562,700 during the 12 months ending November 2024 compared with a 3-percent increase a year earlier (CoreLogic, Inc., with adjustments by the analyst). Average home prices rose in all six New England states, ranging from 5 percent in Vermont to 12 percent each in New Hampshire and Rhode Island, and price growth accelerated from a year ago in all states except Vermont. Average home prices rose in all eight major metropolitan areas highlighted in this report. Home price increases ranged from 4 percent in the Burlington and Portland metropolitan areas, the only two metropolitan areas in which price growth slowed from a year earlier, to 19 percent in the Manchester metropolitan area. Nationwide, the average home price rose 7 percent to \$430,700 during the past year.

The relatively limited for-sale inventory and rapid home price growth in the region have contributed to increased homebuilding activity, as measured by the number of single-family homes permitted, as of the fourth quarter of 2024 compared with a year ago. The level of construction was the highest during any fourth quarter since 2008.

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

- Homebuilding activity in the region totaled 4,025 homes permitted, up 5 percent from the fourth quarter of 2023, when permitting decreased 1 percent from a year earlier. By comparison, the number of single-family homes permitted nationally rose 2 percent as of the fourth quarter of 2024 after a 25-percent increase a year earlier.

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**During the 12 months ending November 2024, home sales fell on an annual basis throughout the New England region but at a slower rate than a year ago.**

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Connecticut (N&E)	November	43,000	39,100	-9	AVG	445,500	495,100	11
Bridgeport, CT (N&E)	November	10,550	9,475	-10	AVG	751,600	831,500	11
Hartford, CT (N&E)	November	14,750	13,800	-6	AVG	340,200	380,600	12
Maine (N&E)	November	20,550	19,600	-5	AVG	368,900	389,400	6
Portland, ME (N&E)	November	7,875	7,325	-7	AVG	507,800	528,900	4
Massachusetts (N&E)	November	76,250	71,450	-6	AVG	663,200	706,200	6
Boston, MA (N&E)	November	50,300	47,600	-5	AVG	752,600	797,600	6
Worcester, MA-CT (N&E)	November	11,700	10,900	-7	AVG	431,700	465,700	8
New Hampshire (N&E)	November	18,950	17,450	-8	AVG	413,700	464,100	12
Manchester, NH (N&E)	November	4,625	3,875	-16	AVG	400,000	475,200	19
Rhode Island (N&E)	November	12,200	11,650	-5	AVG	474,800	530,200	12
Providence, RI-MA (N&E)	November	18,100	16,900	-7	AVG	471,400	523,400	11
Vermont (E)	November	11,250	11,000	-2	AVG	355,200	373,800	5
Burlington, VT (E)	November	3,125	3,100	-1	AVG	420,300	437,300	4

AVG = average. E = existing. N&E = new and existing.

Notes: All figures are rounded. Includes new and existing single-family homes, townhomes, and condominiums.

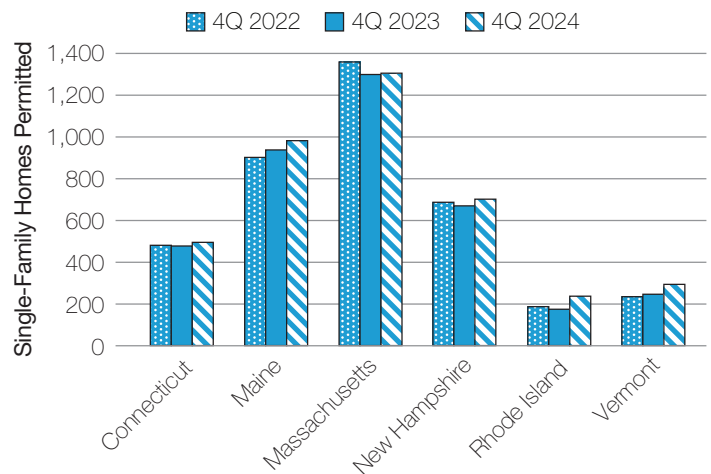
Source: CoreLogic, Inc., with adjustments by the analyst



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- Homebuilding activity in Rhode Island rose by 65 homes, or 36 percent, including an increase of 60 homes in the Providence metropolitan area. Single-family home permitting in Vermont and Maine increased by 45 homes each, or 19 and 5 percent, respectively, including respective net increases of 40 and 50 homes in the Burlington and the Portland metropolitan areas.
- In New Hampshire, single-family home permitting increased by 30 homes, or 5 percent, and the Manchester metropolitan area accounted for one-half of the net increase, up by 15 homes, or 12 percent. In Connecticut, single-family home permitting rose by 15 homes, or 4 percent.
- Homebuilding activity in Massachusetts was relatively unchanged from a year ago, with 1,300 homes accounting for nearly one-third of the homebuilding activity in the region. Homebuilding activity in the Boston metropolitan area decreased 1 percent from the previous year to 850 homes.

**New home construction rose in the New England region as of the fourth quarter of 2024 because permitting increased in five states.**



4Q = fourth quarter.  
 Note: Based on preliminary data.  
 Source: U.S. Census Bureau, Building Permits Survey

## Apartment Market Conditions

As of the fourth quarter of 2024, apartment market conditions in the New England region ranged from slightly soft to very tight. Conditions eased slightly at the regionwide level from a year ago because new apartment completions were 16 percent above apartment absorption during 2024 (CoStar Group). Approximately 18,150 apartment units were completed in the region during 2024, the highest annual total since 2000. The eight major metropolitan areas highlighted in this report accounted for 81 percent of all the units completed in the region during the past year.

Apartment vacancy rates increased in four of the six states and in six of the eight major metropolitan areas in the region as of the fourth quarter of 2024 compared with a year ago, but market conditions were unchanged in all but three areas. Despite widespread increases, vacancy rates throughout the region were below the national rate of 8.1 percent (CoStar Group). Vacancy rates rose the most in Connecticut and in the Worcester, Hartford, and Manchester metropolitan areas, increasing at least 1.0 percentage point in each. Those increases resulted from combined apartment deliveries rising 48 percent from a year ago and absorption increasing only 14 percent. However, conditions in these areas remained balanced. The year-over-year vacancy rates in Vermont and in the Burlington metropolitan area rose 0.4 and 0.6 percentage point to 2.2 and 2.1 percent, respectively, but market conditions continued to be very tight during each fourth quarter since 2021 because statewide apartment unit absorption was 13 percent higher than new unit deliveries. The vacancy rate also rose 0.4 percentage point in the Bridgeport metropolitan

area. At 7.0 percent, market conditions shifted to slightly soft from balanced a year ago. Vacancy rates in the metropolitan area have increased during each fourth quarter since 2022 because combined unit deliveries exceeded unit absorption by 34 percent during those 3 years. Vacancy rates rose only 0.1 percentage point in Massachusetts and New Hampshire, where balanced apartment market conditions persisted, and in the Providence metropolitan area, where tight conditions continued.

Vacancy rates elsewhere in the region decreased from a year ago. In Rhode Island, where the vacancy rate declined 0.1 percentage point, market conditions stayed tight. In the Boston metropolitan area, where the vacancy rate decreased 0.2 percentage point, market conditions were balanced. Vacancy rates decreased in 17 of the 31 CoStar Group-defined market areas in the Boston metropolitan area, partly because apartment absorption rose 7 percent, whereas completions declined 19 percent from a year earlier. With 7,050 new units completed during 2024, the Boston metropolitan area accounted for 39 percent of all new apartment units completed in the region during the year, down from 51 percent a year earlier. The largest year-over-year apartment vacancy rate decrease was in the Alewife market area, where the rate declined from 13.4 to 7.3 percent as of the fourth quarter of 2024. That decrease was partly due to the number of units absorbed rising 68 percent and no new units being delivered in the past year. By comparison, market conditions shifted from balanced to slightly tight in Maine and the Portland metropolitan area, where the apartment vacancy rates declined 1.6 and 2.5

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Apartment market conditions ranged from slightly soft to very tight in the New England region as of the fourth quarter of 2024, and vacancy rates were below the 8.1-percent rate for the nation.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		4Q 2023 (%)	4Q 2024 (%)	Percentage Point Change	4Q 2023 (\$)	4Q 2024 (\$)	Percent Change
Connecticut	Balanced	4.7	5.8	1.1	1,926	1,997	4
Bridgeport, CT	Slightly Soft	6.6	7.0	0.4	2,632	2,734	4
Hartford, CT	Balanced	4.4	5.4	1.0	1,656	1,720	4
Maine	Slightly Tight	5.3	3.7	-1.6	1,665	1,722	3
Portland, ME	Slightly Tight	6.4	3.9	-2.5	1,834	1,902	4
Massachusetts	Balanced	5.1	5.2	0.1	2,636	2,697	2
Boston, MA-NH	Balanced	5.6	5.4	-0.2	2,799	2,861	2
Worcester, MA-CT	Balanced	4.5	5.6	1.1	1,909	1,956	2
New Hampshire	Balanced	4.7	4.8	0.1	1,946	1,988	2
Manchester, NH	Balanced	4.0	5.0	1.0	2,026	2,060	2
Rhode Island	Tight	3.7	3.6	-0.1	1,893	1,963	4
Providence, RI-MA	Tight	3.4	3.5	0.1	1,877	1,958	4
Vermont	Very Tight	1.8	2.2	0.4	1,776	1,812	2
Burlington, VT	Very Tight	1.5	2.1	0.6	1,849	1,887	2

4Q = fourth quarter.

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

percentage points, respectively. The significant decline in the rate in the metropolitan area resulted from a combination of new apartment completions returning to fourth quarter historical levels following the highest level of unit deliveries in 2023 and a 14-percent rise in unit absorption from a year ago.

As of the fourth quarter of 2024, growth in average monthly rents in all the states and eight major metropolitan areas highlighted in this report exceeded the 1-percent increase nationwide (CoStar Group). Growth in average rents ranged from 2 percent in Massachusetts, New Hampshire, Vermont, and the four major metropolitan areas in those states to 4 percent in Connecticut, Rhode Island, and the three corresponding major metropolitan areas. The average rent in the Portland metropolitan area also grew 4 percent and exceeded the 3-percent growth rate in the state. Average rents nationwide were higher than the \$1,731 average for the nation, with the exceptions of the Hartford metropolitan area and Maine, where rents averaged \$1,720 and \$1,722, respectively. By comparison, the Bridgeport and the Boston metropolitan areas had the second highest and highest average rents in the region and the seventh and sixth highest among metropolitan areas in the nation at \$2,734 and \$2,861, respectively. In the Boston metropolitan area, the average rents rose in 29 of the 31 market areas at rates ranging from 1 to 5 percent, including a 2-percent increase in the Alewife market area to \$3,296.

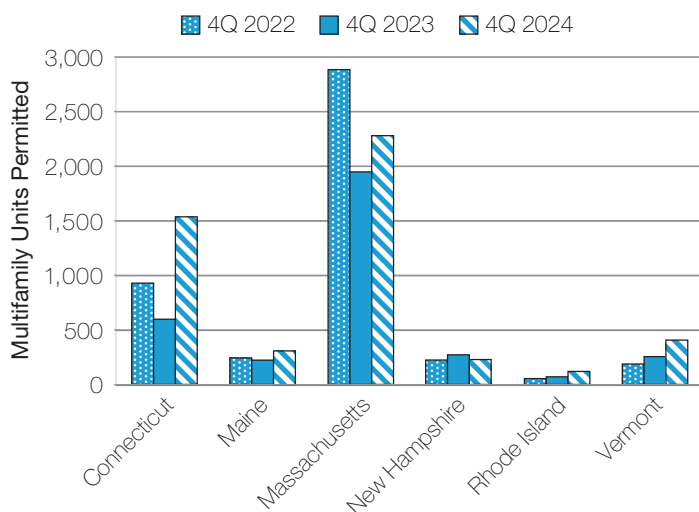
Multifamily building activity, as measured by the number of units permitted, increased in the region as of the fourth quarter of 2024 from the same period a year earlier to the highest fourth quarter level since 2005. Higher permitting occurred in five of the six states in the region.

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

- The number of multifamily units permitted in the region totaled 4,900, reflecting a 44-percent increase from a year earlier, following a 25-percent year-over-year decline as of the fourth quarter of 2023. Nationally, multifamily construction decreased 1 percent year over year as of the fourth quarter of 2024, following a 21-percent decrease during the previous year.

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### Multifamily construction rose as of the fourth quarter of 2024 from a year ago in all states in the New England region except in New Hampshire.



4Q = fourth quarter.

Note: Based on preliminary data.

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



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- In Connecticut, multifamily permitting increased by 940 units, or more than two times the number of units permitted as of the fourth quarter of 2023. In Massachusetts, multifamily construction rose by 330 units to 2,275, partly because permitting was up by 460 units in the Worcester metropolitan area, which more than offset a 400-unit decline in the Boston metropolitan area.
- In Vermont, multifamily permitting increased by 150 units, or 57 percent, to 410 units, despite a 110-unit decline in the Burlington metropolitan area. Multifamily permitting in Maine and Rhode Island was up by 80 and 45 units, respectively, including a 70-unit increase in the Portland metropolitan area and a 150-unit increase in the Providence metropolitan area.
- In New Hampshire, multifamily permitting declined by 40 units to 240. In the Manchester metropolitan area, however, multifamily permitting rose by 20 units during the fourth quarter of 2024.



## 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. A property is stabilized once it reaches a 90-percent occupancy rate or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
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 resales, short sales, and real estate owned sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.

### B. Notes on Geography

1.	The metropolitan statistical area 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.
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