HUD PD&R **Regional Reports**

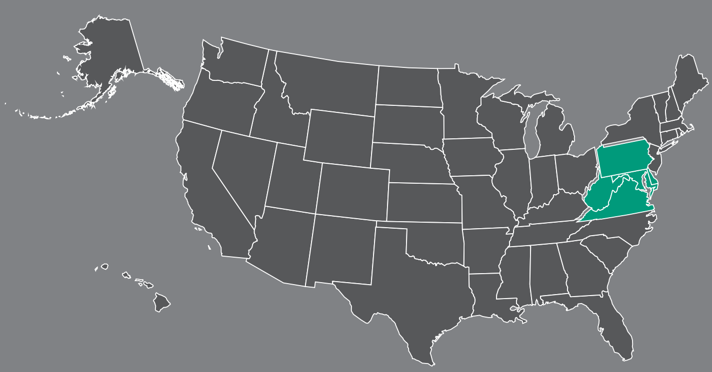
Region 3: Mid-Atlantic

Pittsburgh, Pennsylvania

Quick Facts About Region 3

- **Sales market conditions—**
  First quarter 2021: mixed (slightly tight to tight)
  Fourth quarter 2020: mixed (balanced to slightly tight)
  First quarter 2020: mixed (balanced to slightly tight)

- **Apartment market conditions—**
  First quarter 2021: mixed (soft to tight)
  Fourth quarter 2020: mixed (soft to tight)
  First quarter 2020: mixed (balanced to tight)



By Katharine Jones | 1st Quarter 2021

Overview

During the first quarter of 2021, the economy of the Mid-Atlantic region contracted on a year-over-year basis, representing the fourth consecutive quarter of nonfarm payroll losses. Economic activity in the region declined in response to interventions that were taken to slow the spread of COVID-19, including enforcing physical distancing and discouraging nonessential travel. The overall gradual reopening of businesses since the summer of 2020 had a slight positive effect on nonfarm payrolls in the Mid-Atlantic region. Nonfarm payroll jobs in the region decreased at a slower rate during the first quarter of 2021 than during the previous three quarters. Nonfarm payroll losses in Pennsylvania and Virginia accounted for more than two-thirds of total job losses in the region during the first quarter of 2021. As of March 2021, nonfarm payroll jobs were 5.7 percent below the pre-pandemic levels in February 2020 (not seasonally adjusted). Despite the economic downturn, sales housing market conditions in major metropolitan areas and divisions in the Mid-Atlantic region ranged from slightly tight to tight—which is tighter than the same quarter a year earlier. Lower levels of for-sale inventory, together with mortgage forbearances under the Coronavirus Aid, Relief, and Economic Security (CARES)

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Act, contributed to tighter sales market conditions. Overall, home sales prices rose at a faster rate than during the previous year, and the volume of sales declined, partly in response to reduced inventory. Single-family homebuilding activity increased significantly because of greater construction levels in every state in the region and the District of Columbia. Apartment market conditions generally remained unchanged or tightened slightly from a year ago in most major markets in the Mid-Atlantic region, but conditions softened in four of the markets during the first quarter of 2021. Vacancy rates declined in one-half of the major market areas, and average rents increased in six of the major market areas; by comparison, rent growth in the nation remained unchanged.

- Nonfarm payrolls declined during the first quarter of 2021 compared with a year ago, mostly due to contractions in the leisure and hospitality and the education and health services sectors in Pennsylvania and Virginia. The transportation and utilities sector was the only sector to increase year over year.
- Home sales in one-half of the markets and states in the region decreased during the 12 months ending February 2021, hampered by very low levels of for-sale inventory. The average home sales price rose in the region at a much faster pace than during the previous 12-month period.
- Multifamily construction increased in the region during the first quarter of 2021 because of greater development in four states in the region, led by surges in construction levels in Pennsylvania and Virginia. The region accounted for 10 percent of total multifamily development in the nation, up from 6 percent during the first quarter of 2020.

Economic Conditions

Nonfarm payroll jobs in the Mid-Atlantic region decreased during the first quarter of 2021 relative to a year ago, continuing a period of economic weakness that began in the second quarter of 2020. Nonfarm payrolls in the region averaged approximately 13.85 million jobs during the first quarter of 2021, declining year-over-year by 901,600 jobs, or 6.1 percent. The rate was more severe than the national rate of 5.4 percent during the same period but slower than the 12.5-, 7.7-, and 6.6-percent declines in the region during the second, third, and fourth quarters of 2020, respectively. The loss of nonfarm payrolls in the region contrasts with the moderate growth that prevailed from the second quarter of 2010 through the first quarter of 2020, when year-over-year job growth averaged 0.7 percent. Job losses in the region occurred in all but one of the nonfarm payroll sectors during the first quarter of 2021, with the greatest declines in those sectors that rely heavily on nonessential, in-person interactions because of countermeasures to slow the spread of COVID-19. As a result, the leisure and hospitality sector contracted the most. Regionwide job losses in leisure and hospitality were led by Pennsylvania and Virginia, accounting for a combined 64 percent of the sector decline. In Pennsylvania, Aramark laid off more than 3,300 workers at various education and entertainment venues throughout the state since March 2020, citing remote schooling and lack of large-scale events and attributing the layoffs to impacts from the pandemic. The layoffs are expected to be temporary. In addition, numerous hotels and restaurants laid off thousands of workers, and although many workers have returned as businesses reopened and travel increased since mid- to late-2020, most staffing levels are reduced to accommodate capacity limitations and lower levels of visitors.

The transportation and utilities sector was the only sector to add jobs regionwide, partly offsetting total losses; the sector increased by 11,100 jobs, or 1.8 percent, during the first quarter of 2021, compared with a year earlier. The sector increased in Delaware, Maryland, Pennsylvania, and Virginia, offsetting continued losses in West Virginia and the District of Columbia. As consumers avoided or were restricted from entering many businesses during the early stages of the pandemic in 2020, demand for delivery services surged as people relied increasingly on online food and retail purchases. In Pennsylvania, the courier and messenger industry increased by 10,500 workers, or 27.0 percent, during the first quarter of 2021, compared with the same period in 2020, which was largely before the impacts of the pandemic were seen in nonfarm payroll data. In the Philadelphia area, Amazon.com, Inc. nearly doubled the number of distribution warehouses in 2020 to 57 buildings and added same-day delivery of certain items in March of that same year. Other industries within the sector were severely impacted by the pandemic, however. In contrast to the gains in the courier and messenger industry, the air transport industry in Pennsylvania shed 4,500 jobs, or 32.8 percent, as air travel, especially international air travel, plummeted in 2020.

The average unemployment rate in the region rose to 6.7 percent during the first quarter of 2021, up from 4.2 percent a year earlier and higher than the national rate of 6.5 percent and the 6.3-percent rate for the region during the previous quarter. Every state in the region and the District of Columbia had an increase in the unemployment rate year over year. Virginia had the lowest unemployment rate in the region, at 5.4 percent—up 2.7 percentage points, followed by Maryland

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The transportation and utilities sector was the only sector in the Mid-Atlantic region to add jobs during the first quarter of 2021.

	First Quarter		Year-Over-Year Change	
	2020 (Thousands)	2021 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	14,752.0	13,850.4	-901.6	-6.1
Goods-Producing Sectors	1,725.4	1,653.3	-72.1	-4.2
Mining, Logging, & Construction	729.7	704.5	-25.2	-3.5
Manufacturing	995.7	948.8	-46.9	-4.7
Service-Providing Sectors	13,026.6	12,197.1	-829.5	-6.4
Wholesale & Retail Trade	1,867.1	1,803.2	-63.9	-3.4
Transportation & Utilities	604.8	615.9	11.1	1.8
Information	224.5	204.6	-19.9	-8.9
Financial Activities	791.9	765.5	-26.4	-3.3
Professional & Business Services	2,322.6	2,253.7	-68.9	-3.0
Education & Health Services	2,692.9	2,549.4	-143.5	-5.3
Leisure & Hospitality	1,405.4	1,060.1	-345.3	-24.6
Other Services	686.6	611.7	-74.9	-10.9
Government	2,430.7	2,333.1	-97.6	-4.0

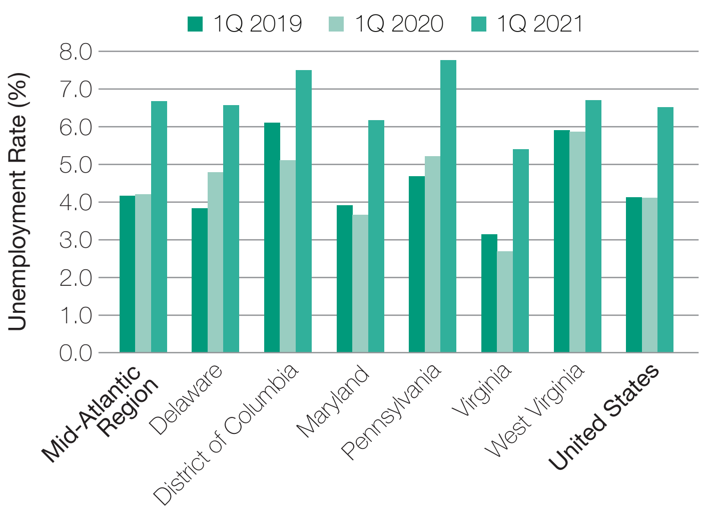
Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

at 6.2 percent. Delaware, the District of Columbia, Pennsylvania, and West Virginia all had unemployment rates that exceeded the national rate, at 6.6 percent, 7.5 percent, 7.8 percent, and 6.7 percent, respectively.

During the first quarter of 2021—

- Pennsylvania and Virginia lost 426,000 and 197,700 jobs, or 7.1 and 4.9 percent, respectively. The leisure and hospitality sector accounted for the greatest share and fastest rate of job losses in both states, where sector payrolls in Pennsylvania and Virginia were down by 139,200 and 83,300 jobs, respectively, or 25.5 and 20.9 percent.
- Nonfarm payrolls in the District of Columbia and Maryland decreased by 70,600 and 146,300 jobs, or 8.8 and 5.4 percent, respectively. Job losses in the leisure and hospitality sector contributed to 43 percent of the decline in Maryland and 58 percent of the decrease in the District of Columbia, which is a top tourist destination in the nation. Tourism to the District of Columbia was estimated to have decreased more than 50 percent from 2019 to 2020 as a result of the countermeasures to combat the COVID-19 pandemic, with expected recovery largely dependent upon vaccine availability (Destination DC).
- In Delaware and West Virginia, nonfarm payrolls declined by 23,100 and 37,900 jobs, or 5.0 and 5.4 percent, respectively. Those respective decreases were led by the leisure and hospitality sector, accounting for 38 percent of job losses in Delaware and 28 percent in West Virginia.

The unemployment rate rose in all the states and the District of Columbia in the Mid-Atlantic region during the first quarter of 2021.



1Q = first quarter.
Source: U.S. Bureau of Labor Statistics

Population

The population in the Mid-Atlantic region increased at an average annual rate of 0.5 percent from 2010 to 2020, or by 145,500, to more than 31.28 million. This increase is slower than the 0.7-percent growth rate for the nation (U.S. Census Bureau decennial census counts as of April 1). The rate of population growth in the region was also slower than the 0.7-percent average annual growth rate that prevailed in the region during the 2000-to-2010 decade. The lower growth rate was mostly due to population declines in West Virginia and substantially slower growth in Delaware and Virginia. Pennsylvania is the most populous state in the region, with 13.00 million people, which accounts for nearly 42 percent of the population in the region. More than one-half of the population growth in the region resulted from net natural change (resident birth minus resident deaths; Intercensal population estimates as of July 1).

From 2010 to 2020—

- West Virginia was the only state in the region in which the population declined, reversing an earlier trend of growth. From 2000 to 2010, the population increased an average of 0.2 percent annually but then declined an average of 0.3 percent annually from 2010 to 2020 to a population of 1.79 million. In response to weaker economic conditions, many people left the state during the past decade in search of better job opportunities.
- In Delaware, the population increased an average of 1.0 percent annually, to 989,948 people, considerably slower than the average annual increase of 1.4 percent from 2000 to 2010. Approximately three-fourths of the population growth in the state is a result of net in-migration (Intercensal population estimates as of July 1).
- The population in Virginia increased an average of 0.8 percent annually to a population of 8.63 million, which was slower than the average annual rate of 1.2 percent from 2000 to 2010. Despite the slowdown, Virginia accounted for the plurality of growth in the region; the population gains in the 2010-to-2020 decade averaged nearly 63,050 a year and accounted for 43 percent of total population growth in the region, down from 46 percent of total population growth from 2000 to 2010.
- The District of Columbia had the fastest population growth in the region and was the only area in the region in which the growth rate accelerated from the previous decade. From 2000 to 2010, the population in the District of Columbia increased an average of 0.5 percent annually, and the rate more than doubled to average 1.4 percent annually from 2010 to 2020, to 689,545 people. More than one-half of the population increase resulted from net migration into the area (Intercensal population estimates as of July 1).
- Population growth in Maryland and Pennsylvania slowed slightly from the previous decade. Population growth in Maryland slowed from an average of 0.9 percent a year from 2000 to 2010 to an average of 0.7 percent annually from 2010 to 2020 to a population of 6.18 million. In Pennsylvania, the population increased from 2000 to 2010 by an average of nearly 42,150 a year, or 0.3 percent, and then slowed slightly to an average annual increase of 30,050, or 0.2 percent, from 2010 to 2020.

Population growth in the Mid-Atlantic region slowed down from 2010 to 2020, compared with the previous decade.

	Population (as of April 1)			Average Annual Percentage Change	
	2000	2010	2020	2000 to 2010	2010 to 2020
United States	285,230,516	312,471,327	334,735,155	0.9%	0.7%
Mid-Atlantic Region	27,820,058	29,829,606	31,284,526	0.7%	0.5%
Delaware	783,600	897,934	989,948	1.4%	1.0%
District of Columbia	572,059	601,723	689,545	0.5%	1.4%
Maryland	5,296,486	5,773,552	6,177,224	0.9%	0.7%
Pennsylvania	12,281,054	12,702,379	13,002,700	0.3%	0.2%
Virginia	7,078,515	8,001,024	8,631,393	1.2%	0.8%
West Virginia	1,808,344	1,852,994	1,793,716	0.2%	-0.3%

Note: Data for the United States include Puerto Rico.
Source: U.S. Census Bureau

Sales Market Conditions

Sales housing market conditions ranged from slightly tight to tight in the Mid-Atlantic region during the first quarter of 2021, which tightened from the balanced to slightly tight conditions throughout the region during the first quarter of 2020. Markets tightened in many areas due to a low supply of homes on the market and mortgage forbearances under the CARES Act,

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despite the contraction in the economy. The inventory of homes available for sale in the Mid-Atlantic region declined 12 percent during the 12 months ending February 2021 to an average of 129,900 homes, similar to the national decline of 13 percent during the same period and much faster than the 4 percent decline that occurred during the 12 months ending February 2020 (CoreLogic, Inc.). All states in the region, the District of Columbia, and the nation had fewer than 2 months of supply as of February 2021. In response to reduced inventory, the volume of home sales decreased, whereas home sales prices rose at a faster rate than during the 12 months ending February 2020. The average home sales price (which includes new and existing single-family homes, townhomes, and condominiums) in the region increased 10 percent, to $333,400, during the 12 months ending February 2021—up from a 2-percent gain during the previous 12-month period (Zonda). Part of the sharp decrease in inventory occurred because physical distancing orders caused some sellers to take their homes off the market or postpone listing their homes; in addition, forbearance and foreclosure prevention measures through the CARES Act allowed some households who had fallen behind on mortgage payments to stay in their homes when they may have otherwise been forced to sell. Average home sales prices increased during the 12 months ending February 2021 in all five states of the region and the District of Columbia. The District of Columbia had the highest average home price in the region, at $713,700, and the average home price increased 8 percent during the 12 months ending February 2021. Overall, average home prices rose strongly in all metropolitan areas and divisions cited in this report, ranging from a 7-percent increase in Dover to a 17-percent increase in Virginia Beach.

The number of homes sold in the Mid-Atlantic region decreased 5 percent during the 12 months ending February 2021, reversing a 6-percent increase during the previous year (Zonda). During the 12 months ending February 2021, home sales declined by the greatest number and at the fastest rate in Pennsylvania, down by 19,675 homes, or 11 percent, accounting for 77 percent of the regionwide decrease in sales. The decline in sales in both the Philadelphia and Pittsburgh metropolitan areas accounted for a large proportion of the overall decreased sales in the state. Home sales also declined at a fast pace in Maryland, down 8 percent, more than one-half of which was because of a 13-percent decrease in home sales in the Baltimore metropolitan area. A 5-percent decline in sales in the Washington-Arlington-Alexandria metropolitan area, which includes the District of Columbia and portions of three states in the region, was partly offset by an 8-percent increase in sales in the District of Columbia. In Virginia, home sales increased slightly from a year ago, as growth in the Virginia Beach metropolitan area was largely offset by declines throughout the remainder of the state. West Virginia home sales increased 9 percent, supported partly by a 13-percent increase in home sales in the Morgantown metropolitan area. Delaware also had increased sales, up 5 percent from a year ago; the 11-percent increase in the Dover metropolitan area accounted for 40 percent of the net gain in Delaware.

The number of distressed home sales (real estate owned [REO] and short sales) in the region declined during the past year, in part because stable sales market conditions led to fewer of those properties in the for-sale inventory, and also because some properties where owners may have fallen behind on payments were otherwise eligible for forbearance relief under the CARES Act. Distressed home sales fell 40 percent during the 12 months ending February 2021, whereas the number of foreclosures fell 34 percent (CoreLogic, Inc.). The percentage of seriously delinquent mortgage loans (90 or more

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Home prices increased in all major markets in the Mid-Atlantic region during the 12 months ending February 2021, whereas home sales decreased in all but three of those areas.

		Number of Homes Sold			Price			
	12 Months Ending	2020	2021	Percent Change	Average	2020 ($)	2021 ($)	Percent Change
Morgantown	February	1,600	1,800	13	AVG	227,100	247,800	9
Dover	February	3,150	3,500	11	AVG	236,650	253,900	7
Baltimore	February	49,450	43,250	-13	AVG	322,500	362,500	12
Philadelphia	February	87,550	80,300	-8	AVG	284,800	319,000	12
Pittsburgh	February	32,200	22,550	-30	AVG	212,000	231,700	9
Richmond	February	21,800	19,930	-9	AVG	291,800	315,000	8
Virginia Beach	February	28,600	30,700	7	AVG	274,500	322,400	17
Washington-Arlington-Alexandria	February	89,300	85,150	-5	AVG	505,200	554,100	10

AVG = average.
Notes: All figures are rounded. Data include new and existing single-family homes, townhomes, and condominiums.
Source: Zonda

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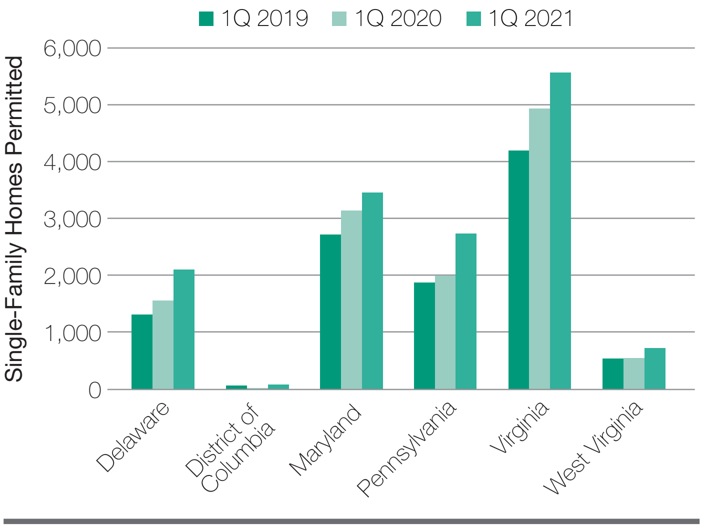
days delinquent or in foreclosure) and REO properties in the region increased, however, to 4.2 percent in February 2021, up from 1.6 percent in February 2020, reflecting an increase in the number of loans in forbearance as weakened economic conditions during the COVID-19 pandemic made it more difficult for some homeowners to stay current on their mortgage payments. Approximately 140,000 home loans in the region were 90 or more days delinquent as of February 2021, up sharply from 39,300 a year earlier. As of January 2021, 215,800 home loans in the region, or 5.9 percent, were in forbearance. The percentage of seriously delinquent mortgage loans and REO properties was highest in Maryland and the District of Columbia, at 5.4 and 4.7 percent, respectively. The regional rate partly reflects a lower rate of 3.5 percent in Virginia; all the other states in the region each averaged rates of 4.1 percent.

During the first quarter of 2021 (preliminary data)—

- In response to low levels of inventory and relatively strong sales market conditions, single-family homebuilding activity, as measured by the number of homes permitted, increased 20 percent in the Mid-Atlantic region from a year ago to 14,650 homes. Homebuilding in the nation rose 26 percent.
- A combined 57 percent of the increase in homebuilding in the region occurred in the states of Pennsylvania and Virginia, where single-family home construction was up by 730 and 630 homes, or 36 and 13 percent, respectively. Homebuilding activity increased by 520 homes, or 30 percent, in the portion of the Philadelphia metropolitan area in Pennsylvania and by 100 homes, or 37 percent, in the Pittsburgh metropolitan area; combined, this accounted for 85 percent of statewide construction. In the Richmond and Virginia Beach metropolitan areas, single-family permitting was up 43 and 10 percent, respectively, accounting for all of the net increase in Virginia.
- The number of single-family homes permitted increased in Delaware and Maryland by 540 and 320 homes, or 35 and 10 percent, respectively. More than three-fourths of the net increase in Delaware occurred in Sussex County, which is part of the Salisbury MD-DE metropolitan area; in the Dover metropolitan area, single-family home construction increased by nearly 50 units, or 12 percent. Approximately 46 percent of the increase in Maryland occurred in the Baltimore metropolitan area, where permitting was up by 150 homes or 12 percent.
- Single-family homebuilding in West Virginia increased by 170 homes, or 31 percent, whereas it increased from 20 homes to 80 homes in the District of Columbia. Greater single-family home construction occurred in the Washington-Arlington-Alexandria metropolitan area—which was up by 300 homes, or 9 percent—and most of which occurred outside of the District of Columbia. The 31-percent increase in West Virginia occurred outside of Morgantown, where development was virtually unchanged.

Homebuilding activity increased in the Mid-Atlantic region during the first quarter of 2021 because of greater construction levels in every state in the region and the District of Columbia.



1Q = first quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

Apartment market conditions in the major market areas in the Mid-Atlantic region ranged from soft to tight during the first quarter of 2021, compared with balanced to tight conditions during the same quarter of 2020. Market areas within the D.C. metropolitan area were the only major areas in which market conditions softened from a year earlier. Apartment vacancy rates decreased in one-half of the major market areas cited in this report, whereas rents increased in all but four. Vacancy rates for five of the largest areas in the region were at or below the national rate of 4.5 percent during the first quarter of 2021 (RealPage, Inc.). Aside from the areas within the Washington-Arlington-Alexandria metropolitan area, average rents increased from 1 to 8 percent in all other major market areas in the region; the average rent for the nation remained unchanged, at $1,441.

The highest increase in the average rent in the Mid-Atlantic region was the 8-percent gain in the Dover metropolitan area, which also had the lowest vacancy rate in the region during the

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first quarter of 2021, at 1.6 percent, followed by Virginia Beach, with a vacancy rate of 2.5 percent. Rents increased at a fast pace in both the Richmond and Virginia Beach metropolitan areas, up 7 and 5 percent, respectively. In the remaining areas outside the Washington-Arlington-Alexandria metropolitan area, the average rent rose moderately—1 to 3 percent. In the Washington-Arlington-Alexandria metropolitan area, rents declined for the four areas cited in this report, ranging from 4 to 11 percent, and vacancy rate increases ranged from 0.6 to 4.4 percentage points, as market conditions transitioned from generally tight conditions a year ago to soft or slightly soft. The Central D.C. market area softened the most, with a 9-percent decline in rents and a 4.4-percentage point increase in the vacancy rate, to 8.6 percent, as job losses restricted demand for newer luxury units. A similar situation occurred in the North Arlington area, where the rents decreased 11 percent, and the vacancy rate increased from 3.8 to 6.5 percent. For context, the average rents in the Central D.C. and North Arlington market areas increased 3 and 4 percent, respectively, from the first quarter of 2019 to 2020. Concessions as a percentage of asking rent increased in all areas cited in this report except for Dover and Virginia Beach, ranging from a 0.9-percentage point increase in Baltimore to 6.9 percentage points in Central D.C. Concession amounts ranged from nothing in Dover to 10.4 percent of the average asking rent in the Central D.C. market area. Concessions also generally rose in the nation, increasing by an average of 3.0 percentage points.

The number of apartment developments in the pipeline is up a total of 4 percent in the Baltimore, Philadelphia, and Washington-Arlington-Alexandria metropolitan areas during the first quarter of 2021, compared with a year earlier. The increase in the Washington-Arlington-Alexandria metropolitan area is primarily due to an increase in Northern Virginia. The number of multifamily units in planning in the Baltimore metropolitan area during the first quarter of 2021 totaled 8,175 units—a number that includes units in all stages of planning, some of which may drop out before reaching the construction phase—and is down 20 percent from a year ago (Delta Associates). In the city of Philadelphia, where more than 50 percent of the Philadelphia metropolitan area apartment development has occurred since 2018, units in planning increased 6 percent, to 11,425 units, from a year ago. The number of units in planning in the Washington-Arlington-Alexandria metropolitan area totaled 80,050 units as of the first quarter of 2021—up 8 percent from 73,950 units during the first quarter of 2020. A strong increase in Northern Virginia, where the pipeline increased 18 percent to 45,325 units from a year ago, more than offset declines elsewhere in the metropolitan area. The District of Columbia accounted for 21 percent, or 16,975 units, of the total pipeline in the Washington-Arlington-Alexandria metropolitan area—down 14 percent from 19,700 units a year ago. Developments in the pipeline encompass those in all stages of planning—from developments that are moving toward final approvals and that may begin construction within the next 36 months to those in the conceptual stage that may take several years to come to market.

During the first quarter of 2021 (preliminary data)—

- Multifamily construction activity, as measured by the number of multifamily units permitted, nearly doubled, increasing 91 percent, or by 5,950 units, in the Mid-Atlantic region, following an 11-percent decrease during the first quarter

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Apartment vacancy rates decreased in one-half of the major market areas, and average rents increased in six areas in the Mid-Atlantic region during the first quarter of 2021.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		1Q 2020 (%)	1Q 2021 (%)	Percentage Point Change	1Q 2020 ($)	1Q 2021 ($)	Percent Change
Dover	Tight	2.8	1.6	-1.2	1,133	1,222	8
Baltimore	Slightly Tight	5.0	4.1	-0.9	1,366	1,412	3
Philadelphia	Tight	3.7	3.4	-0.3	1,404	1,438	2
Pittsburgh	Balanced	3.5	5.3	1.8	1,197	1,206	1
Richmond	Tight	4.3	4.0	-0.3	1,125	1,209	7
Virginia Beach	Tight	3.8	2.5	-1.3	1,118	1,179	5
Washington-Arlington-Alexandria	Slightly Soft	4.1	5.4	1.3	1,833	1,763	-4
Washington, D.C.—Central D.C.	Soft	4.2	8.6	4.4	2,542	2,312	-9
Washington, D.C.—Downtown Silver Spring	Slightly Soft	4.6	5.3	0.6	1,924	1,833	-5
Washington, D.C.—North Arlington	Soft	3.8	6.5	2.7	2,430	2,154	-11

1Q = first quarter. D.C. = District of Columbia.
Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—RealPage, Inc.

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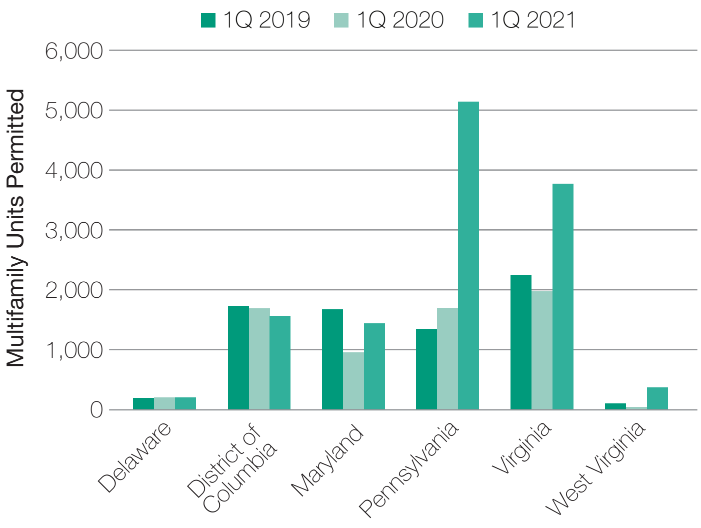
of 2020. Developments began to move forward after being delayed in the second and third quarters of 2020 due to difficulties in obtaining financing during the periods of extreme job losses and general uncertainty that resulted from the pandemic.

- In response to generally soft market conditions in the D.C. market areas, builders slowed multifamily construction in the District of Columbia by 110 units permitted, or 7 percent; the number of units permitted remained relatively unchanged in Delaware at 200 units. Permitting in the Washington-Arlington-Alexandria metropolitan area nearly doubled to 5,175 units; all of the increase was outside the District of Columbia.
- Permitting in Pennsylvania and Virginia accounted for 71 percent of regionwide multifamily permitting; permitting in each state increased by 3,450 and 1,800 units, or 204 and 91 percent, respectively. Activity in the portion of the Philadelphia metropolitan area that is in Pennsylvania increased by 3,575 units, or more than 200 percent, which more than offset the 140-unit, or 39-percent, decline in the Pittsburgh metropolitan area. Building activity in the Richmond and Virginia Beach metropolitan areas were up by 110 and 90 units, or 18 and 35 percent, respectively.
- In Maryland and West Virginia, multifamily permitting increased from a year earlier to 1,450 and 360 units, respectively. In the Baltimore metropolitan area, permitting increased 9 percent from a year earlier to 680 units, which was 47 percent of statewide permits. In West Virginia, all multifamily construction activity occurred outside of the Morgantown metropolitan area, where no units were permitted, unchanged from a year earlier.

Multifamily construction activity increased in the Mid-Atlantic region during the first quarter of 2021, primarily because of sharp increases in Pennsylvania and Virginia.



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