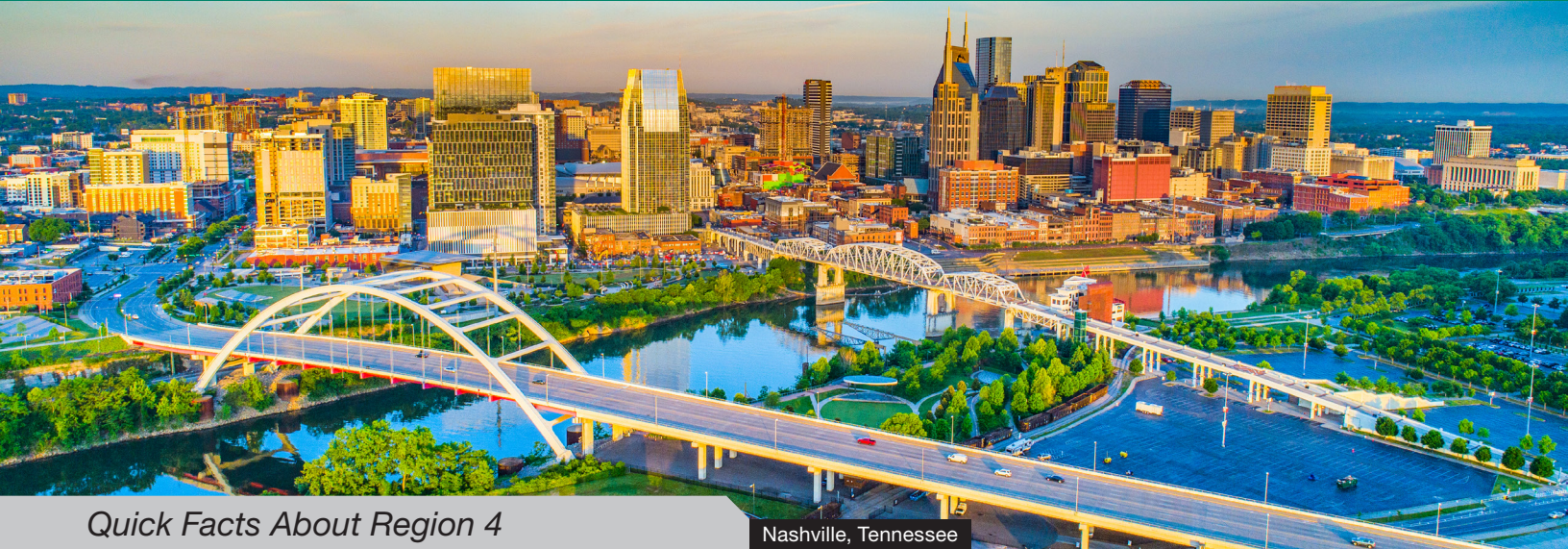


HUD PD&R Regional Reports

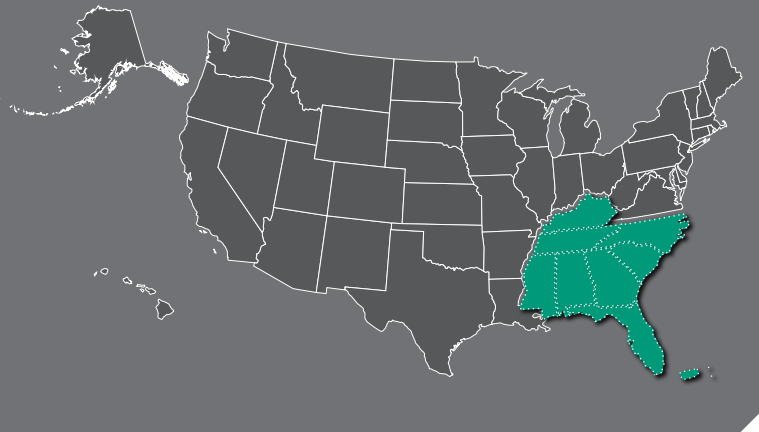
Region 4: Southeast/Caribbean



Nashville, Tennessee

Quick Facts About Region 4

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



By [Tammy Fayed](#) | 1st Quarter 2024

Overview

Employment growth in the Southeast/Caribbean region slowed during the past year, but economic conditions remained strong. Nonfarm payrolls averaged nearly 31.77 million jobs as of the first quarter of 2024, an increase of 504,700 jobs, or 1.6 percent, from a year earlier. By comparison, payrolls increased by 1.06 million jobs, or 3.5 percent, as of the first quarter of 2023. As of the first quarter of 2024, the education and health services sector led job growth with an increase of 185,000 jobs, or 4.3 percent. Jobs increased in every state in the region and in Puerto Rico but declined less than 1 percent in the U.S. Virgin Islands. Population growth for the region averaged 1.1 percent from 2022 to 2023, unchanged from the previous 12 months (U.S. Census Bureau population estimates as of July 1). Sales market conditions were mixed, ranging from balanced to slightly tight. New and existing home sales fell 17 percent regionwide to approximately 1.42 million homes, and the average home sales price increased 4 percent to \$370,700 (CoreLogic, Inc., with adjustments by the analyst). Apartment market conditions in the region were mixed, ranging from balanced to soft. The apartment vacancy rate for the region increased from

continued on page 2



continued from page 1

8.8 percent as of the first quarter of 2023 to 10.5 percent as of the first quarter of 2024 (CoStar Group).

- The population increased in every state in the region, ranging from less than 1 percent in Mississippi to 1.7 percent in South Carolina, but declined less than 1 percent in Puerto Rico (Census Bureau population estimates as of July 1).
- Home sales decreased more than 10 percent in each of the eight states in the region during the 12 months ending February 2024 (CoreLogic, Inc., with adjustments by the

analyst). Georgia had the largest decline at 21 percent. In Florida, 527,300 homes were sold, the largest number of homes sold in the region, but sales were down 14 percent from the previous 12 months.

- Average rent for the region fell 1 percent to \$1,566 as of the first quarter of 2024. Rents were down in the Atlanta, Charlotte, and Nashville markets because of soft market conditions but were up or unchanged in the remaining five markets highlighted in this report (CoStar Group).

Economic Conditions

As of the first quarter of 2024, economic conditions were strong in the Southeast/Caribbean region, but job growth was less than one-half the number of jobs added a year earlier. Nonfarm payrolls increased by 504,700 jobs, or 1.6 percent, from a year earlier to nearly 31.77 million jobs. By comparison, payrolls increased by 1.06 million jobs, or 3.5 percent, from the first quarter of 2022 to the first quarter of 2023. Every state and territory in the region gained jobs as of the first quarter of 2024 except the U.S. Virgin Islands, which lost 300 jobs, or 0.8 percent. Payrolls in the territory were 11 percent below the number of jobs as of the first quarter of 2020, before the most significant impacts of the COVID-19 pandemic. Regionwide nonfarm payrolls as of the first quarter of 2024 were 7 percent above the number of jobs as of the first quarter of 2020, and all states in the region and Puerto Rico had recovered the number of jobs lost as a result of the pandemic. Gains in the remaining

states and in Puerto Rico as of the first quarter of 2024 ranged from 0.2 percent in Tennessee to 2.8 percent in South Carolina from a year earlier. The largest regional sector gains were in the education and health services and the government sectors, which added 185,000 and 105,500 jobs, or 4.3 and 2.3 percent, respectively. More than 50 percent of the gains in the government sector, or 56,600 jobs, were in the local government subsector. The leisure and hospitality sector increased 2.7 percent, or by 96,600 jobs, which were relatively well distributed among the states and territories in the region, with Florida accounting for the largest share of the growth at 38 percent. Three of the 11 payroll sectors in the region declined from a year ago. The information, the professional and business services, and the transportation and utilities sectors fell by 30,600, 20,300, and 13,400 jobs, or 5.7, 0.4, and 0.9 percent, respectively, compared with gains of 4.8, 3.0, and 1.4 percent a year ago.

continued on page 3

The number of nonfarm payroll jobs in the Southeast/Caribbean region increased in 8 of 11 sectors as of the first quarter of 2024 compared with a year ago.

	First Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	31,261.3	31,766.0	504.7	1.6
Goods-Producing Sectors	4,377.4	4,446.3	68.9	1.6
Mining, Logging, & Construction	1,669.0	1,723.9	54.9	3.3
Manufacturing	2,708.4	2,722.4	14.0	0.5
Service-Providing Sectors	26,884.0	27,319.7	435.7	1.6
Wholesale & Retail Trade	4,746.6	4,809.1	62.5	1.3
Transportation & Utilities	1,550.8	1,537.4	-13.4	-0.9
Information	533.8	503.2	-30.6	-5.7
Financial Activities	1,852.2	1,870.1	17.9	1.0
Professional & Business Services	4,653.3	4,633.0	-20.3	-0.4
Education & Health Services	4,322.5	4,507.5	185.0	4.3
Leisure & Hospitality	3,530.0	3,626.6	96.6	2.7
Other Services	1,163.4	1,195.8	32.4	2.8
Government	4,531.5	4,637.0	105.5	2.3

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

Source: U.S. Bureau of Labor Statistics



continued from page 2

Unemployment rates in the region were low, but the rates rose in four of the eight states. The unemployment rate increased to 3.5 percent as of the first quarter of 2024 from 3.3 percent a year ago because the labor force growth of 1.5 percent exceeded employment growth of 1.3 percent. By comparison, the unemployment rate for the nation was 4.1 percent as of the first quarter of 2024, up from 3.8 percent a year earlier. Kentucky had the highest unemployment rate among the states in the region at 5.0 percent, an increase from 4.5 percent a year earlier. Rates also increased in Alabama, Florida, and South Carolina from 2.5, 2.7, and 3.3 percent, respectively, during the first quarter of 2023 to 3.3, 3.2, and 3.5 percent during the first quarter of 2024. Mississippi had the largest rate decline, from 3.3 to 2.9 percent, the lowest rate in the region. In Puerto Rico, the unemployment rate decreased slightly from 5.8 to 5.7 percent.

As of the first quarter of 2024—

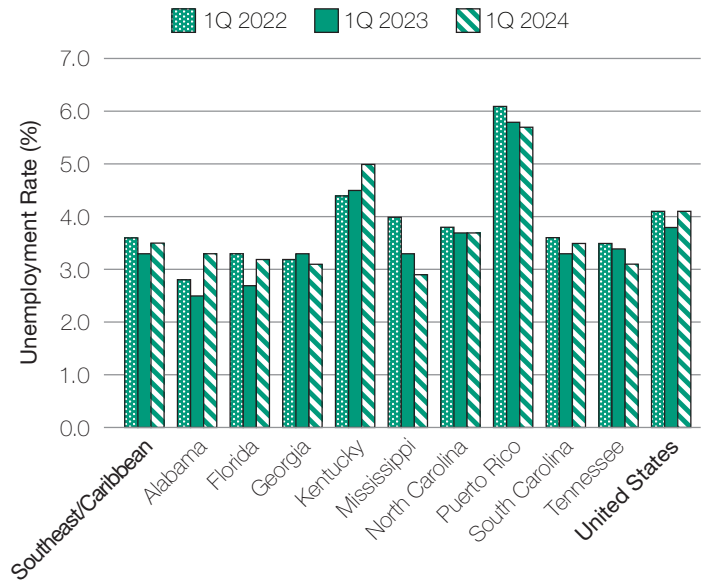
- Nonfarm payrolls in Florida increased by 225,900 jobs, or 2.3 percent, to 9.90 million jobs and accounted for 45 percent of the regional increase from a year earlier. The education and health services and the leisure and hospitality sectors increased by 59,600 and 36,500 jobs, or 4.1 and 2.8 percent, and accounted for a combined 43 percent of the payroll growth in the state. Leisure and hospitality sector jobs increased at a strong pace despite a decline in the number of visitors to Florida in 2023. Approximately 135 million people visited Florida during 2023, 2 percent fewer than in 2022 but 3 percent higher than in 2019, before the pandemic (VISIT FLORIDA®).
- South Carolina had the fastest rate of growth in the region at 2.8 percent, or an increase of 64,500 jobs, followed by Puerto Rico with a gain of 2.6 percent, or 24,400 jobs. In South Carolina, the education and health services sector increased by more jobs than any other sector, with the addition of 17,700 jobs, or 6.4 percent, whereas growth in Puerto Rico was highest in the leisure and hospitality sector, with a gain of 7,900 jobs, or 8.7 percent.

Population

Population growth in the Southeast/Caribbean region from 2022 to 2023 was relatively consistent with recent trends. The population increased by approximately 824,400, or 1.1 percent, compared with an increase of 815,100, or 1.1 percent, from 2021 to 2022 (Census Bureau population estimates as of July 1). By comparison, the population of the nation increased 0.5 percent from 2022 to 2023 and 0.4 percent from 2021 to 2022. The population increased in every state in the region from 2022 to 2023 but declined by approximately 14,400, or 0.4 percent, in Puerto Rico, less than the decline of 42,600, or 1.3 percent, from 2021 to 2022. Nearly all the population growth in the region

- In North Carolina and Georgia, the number of jobs increased by 70,300 and 52,100, or 1.4 and 1.1 percent, respectively, compared with gains of 172,700 and 148,100 jobs, or 3.7 and 3.1 percent, a year earlier. Jobs in Alabama increased by 36,800, or 1.7 percent, down from 62,600, or 3.0 percent, as of the first quarter of 2023.
- The slowest growth in the region occurred in Kentucky, Mississippi, and Tennessee, where payrolls increased less than 1 percent from a year earlier. Jobs in Kentucky, Mississippi, and Tennessee increased by 17,700, 5,600, and 7,600, or 0.9, 0.5, and 0.2 percent, respectively, during the period.

The unemployment rate decreased or was unchanged in five of the nine states and territories in the Southeast/Caribbean region as of the first quarter of 2024 compared with a year ago.



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

was a result of net in-migration. Net natural change was positive for the first time since the onset of the COVID-19 pandemic but only totaled approximately 11,350 people, or 1 percent of the population growth, compared with net natural decline of nearly 74,500 people from 2021 to 2022.

From 2022 to 2023—

- Population growth in Florida accounted for 44 percent of the regionwide growth compared with 51 percent from 2021 to 2022. The population increased by 365,200, or 1.6 percent, compared with 414,800, or 1.9 percent, from 2021 to 2022

continued on page 4



continued from page 3

and represented the highest number of people added among the states in the region. All the growth was a result of net in-migration.

- Population growth exceeded the national average in six of the eight states in the region, including North Carolina and Georgia, where the population increased by approximately 139,500 and 116,100, or 1.3 and 1.1 percent, respectively. The two states had the largest net natural increases in the region, with 12,650 and 27,800 people added, respectively.

- South Carolina had the fastest rate of growth in the region at 1.7 percent, representing an increase of 90,600 people. In Tennessee and Alabama, the population increased by approximately 77,500 and 34,550, or 1.1 and 0.7 percent, respectively.
- Kentucky and Mississippi were the only states in the region in which the population increased at rates below the national rate, rising by 14,600 and 760, or 0.3 and less than 0.1 percent, respectively.

The population rose in every state in the Southeast/Caribbean region from 2022 to 2023 but declined in Puerto Rico.

	Population Estimate (as of July 1)			Percentage Change	
	2021	2022	2023	2021 to 2022	2022 to 2023
United States	332,048,977	333,271,411	334,914,895	0.4	0.5
Southeast/Caribbean	71,116,005	71,931,074	72,755,491	1.1	1.1
Alabama	5,050,380	5,073,903	5,108,468	0.5	0.7
Florida	21,830,708	22,245,521	22,610,726	1.9	1.6
Georgia	10,790,385	10,913,150	11,029,227	1.1	1.1
Kentucky	4,507,600	4,511,563	4,526,154	0.1	0.3
Mississippi	2,949,582	2,938,928	2,939,690	-0.4	0.0
North Carolina	10,567,100	10,695,965	10,835,491	1.2	1.3
South Carolina	5,193,848	5,282,955	5,373,555	1.7	1.7
Tennessee	6,963,709	7,048,976	7,126,489	1.2	1.1
Puerto Rico	3,262,693	3,220,113	3,205,691	-1.3	-0.4

Source: U.S. Census Bureau

Sales Market Conditions

During the first quarter of 2024, home sales market conditions in the Southeast/Caribbean region were mixed, ranging from balanced to slightly tight. Higher home mortgage interest rates compared with rates in the past decade continued to limit home sales in the region. As of March 28, 2024, the average 30-year fixed-rate mortgage interest rate was 6.79 percent compared with 6.32 percent as of March 30, 2023, and 4.67 percent as of March 31, 2022 (Freddie Mac). During February 2024, the supply of homes for sale increased to 3.6 months from 2.3 months a year earlier (CoreLogic, Inc.). By comparison, 2.9 months of supply were available for sale nationwide, up from 2.3 months a year ago. The months of supply rose in every state in the region and ranged from 2.0 months in Kentucky to 4.8 months in Florida, up from 1.5 and 3.0 months a year earlier, respectively. Alabama had the largest increase in the region at 1.9 months, reaching 4.0 months of available supply.

The percentage of seriously delinquent mortgages and real estate owned (REO) properties declined from 1.4 percent in February 2023 to 1.1 percent in February 2024, compared with a decrease from 1.2 to 1.0 percent nationwide. The percentage

of seriously delinquent mortgages and REO properties fell in every state in the region and ranged from rates of 0.8 percent in North Carolina to 2.0 percent in Mississippi. The rates in each of the eight states were near their respective record lows.

The number of new and existing home sales in the region continued to decline during the past 12 months, a trend that began in mid-2022 as mortgage interest rates began to rise. The number of homes sold fell 17 percent regionwide to approximately 1.42 million homes during the 12 months ending February 2024 after decreasing 18 percent a year earlier (CoreLogic, Inc., with adjustments by the analyst). The average price of a home in the region increased 4 percent to \$370,700, significantly slower than the 12-percent increase a year earlier. Home sales were down in every state in the region but declined the most in Georgia, where sales fell 21 percent to 198,900, slightly lower than the 22-percent decline a year earlier. In Florida, home sales decreased 14 percent to 527,300, the largest number of sales in the region. Home sales in Tennessee and Kentucky decreased 17 percent to 144,000 and 79,500 homes, respectively, and were 18 percent lower

continued on page 5



continued from page 4

Home sales decreased in every state in the Southeast/Caribbean region during the 12 months ending February 2024, whereas average home sales prices increased in every state but Alabama and Mississippi.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Southeast/Caribbean Region (N&E)	February	1,699,500	1,416,000	-17	AVG	\$356,300	\$370,700	4
Alabama (N&E)	February	127,100	106,200	-16	AVG	\$238,800	\$237,800	0
Florida (N&E)	February	615,700	527,300	-14	AVG	\$434,000	\$456,400	5
Georgia (N&E)	February	250,200	198,900	-21	AVG	\$335,400	\$348,000	4
Kentucky (N&E)	February	95,400	79,500	-17	AVG	\$214,400	\$216,600	1
Mississippi (N&E)	February	39,800	34,600	-13	AVG	\$257,500	\$256,000	-1
North Carolina (N&E)	February	258,700	212,600	-18	AVG	\$345,800	\$359,800	4
South Carolina (N&E)	February	138,500	112,900	-18	AVG	\$338,400	\$349,000	3
Tennessee (N&E)	February	174,100	144,000	-17	AVG	\$327,300	\$332,200	1

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

Note: Data for Mississippi exclude Hinds County, the most populous county in the Jackson metropolitan area.

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

in North Carolina and South Carolina at 212,600 and 112,900 homes. The lowest percentage declines were in Mississippi and Alabama, where the number of homes sold decreased 13 and 16 percent to 34,600 and 106,200, respectively. Average home sales prices were up in six of the eight states in the region during the 12 months ending February 2024 but declined 1 percent in Mississippi and less than 1 percent in Alabama to \$256,000 and \$237,800, respectively. Home price increases ranged from 1 percent in Kentucky, with an average price of \$216,600, to 5 percent in Florida, reaching \$456,400. In North Carolina and Georgia, average home prices increased 4 percent to \$359,800 and \$348,000, respectively, and the average price increased 1 percent in Tennessee to \$332,200.

Despite slowing home sales in every state in the region, the number of single-family homes permitted was up in every state in the region as builders responded to high home prices and the low inventory of available homes for sale.

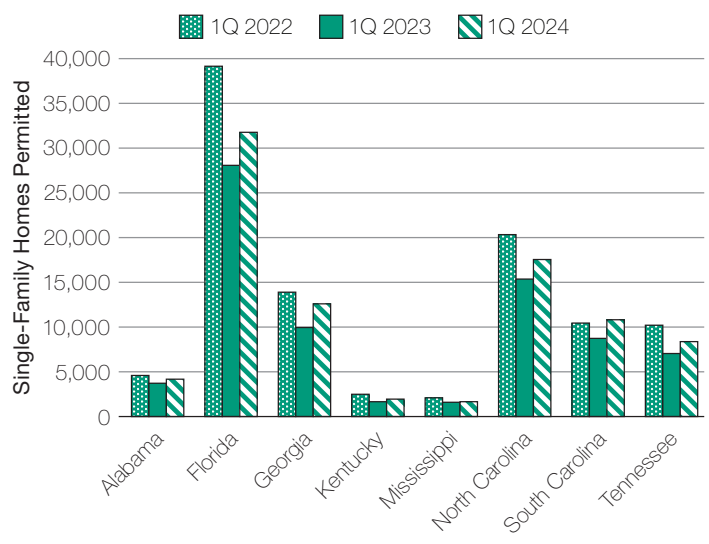
As of the first quarter of 2024 (preliminary data)—

- Approximately 89,150 single-family homes were permitted in the region, an increase of 16 percent from a year earlier. By comparison, the number of homes permitted fell 26 percent from the first quarter of 2022 to the first quarter of 2023.
- Georgia and South Carolina had the fastest gain in the number of homes permitted at 27 and 23 percent, respectively, to approximately 12,600 and 10,850 homes. The Atlanta metropolitan area accounted for 62 percent of the statewide increase in Georgia, whereas 52 percent of the increase in South Carolina was from combined increases in the Charleston and Greenville metropolitan areas.
- Florida permitted the most homes of any state in the region at approximately 31,750 homes, up 13 percent from a year

earlier, and 56 percent of the increase occurred in the combined Jacksonville, North Port, and Tampa metropolitan areas.

- The number of homes permitted in Alabama and North Carolina increased 12 and 14 percent, respectively, to approximately 4,225 and 17,550 homes, and the number of homes permitted increased 18 and 19 percent in Tennessee and Kentucky to 8,375 and 2,025, respectively. The smallest increase in the number and percentage of homes permitted was in Mississippi, where 1,725 homes were permitted, an increase of 80 homes, or 5 percent.

The number of single-family homes permitted rose in every state in the Southeast/Caribbean region from a year ago during the first quarter of 2024 after double-digit percentage declines a year earlier.



1Q = first quarter.

Note: Based on preliminary data.

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



Apartment Market Conditions

Apartment market conditions were mixed in the Southeast/Caribbean region during the first quarter of 2024, ranging from balanced to soft. Conditions softened in most of the markets highlighted in this report because of the large number of recently completed units. The apartment vacancy rate for the region was 10.5 percent as of the first quarter of 2024, up from 8.8 percent as of the first quarter of 2023 (CoStar Group). As of the first quarter of 2024, more than 49,400 units were completed, the highest number for a first quarter in more than 20 years, and an additional 275,600 units were under construction. Conditions were soft in six of the eight areas highlighted in this report. Only the Louisville and Miami markets remained balanced among the eight highlighted markets, with vacancy rates of 6.8 and 5.5 percent, respectively, compared with 7.2 and 5.3 percent a year earlier. The highest vacancy rate was in the Jackson market, where the vacancy rate increased from 11.9 percent as of the first quarter of 2023 to 13.0 percent as of the first quarter of 2024 despite limited apartment completions during the past year. Apartment vacancy rates increased to 12.2 and 12.0 percent as of the first quarter of 2024 in the Atlanta and Nashville metropolitan areas from 9.9 and 10.3 percent a year ago. Atlanta had the largest increase in the rate among the highlighted areas in this report. The number of multifamily units permitted in the Atlanta and Nashville markets has been elevated in recent years and reached a recent high of approximately 21,500 units in Atlanta in 2022 and 14,800 units in Nashville in 2021. As units have been completed, the vacancy rates have increased rapidly. Approximately 24,000 units were completed in the Atlanta

market in the past year, whereas 10,000 units were absorbed, and 12,500 units were completed in the Nashville market, but 8,400 units were absorbed. Vacancy rates in the Birmingham and Charlotte markets increased from 10.7 and 10.0 percent, respectively, as of the first quarter of 2023 to 11.3 and 11.9 percent as of the first quarter of 2024. The vacancy rate in the Columbia market was unchanged at 8.8 percent.

As apartment market conditions in the region softened, rents declined in some areas. The average rent in the region was down 1 percent to \$1,566 as of the first quarter of 2024 compared with a 3-percent increase as of the first quarter of 2023. Average rents were lower than a year ago in the Atlanta, Charlotte, and Nashville markets, the three areas with the highest vacancy rate increases in the past year; rents in the three areas fell 3, 2, and 2 percent, respectively, to \$1,617, \$1,572, and \$1,652. Balanced conditions in the Louisville and Miami markets led to respective rent increases of 4 and 2 percent to \$1,172 and \$2,324, the highest rent in the region. Average rents in the Jackson market rose 3 percent to \$1,119 despite the highest vacancy rate among the markets highlighted in this report. In Columbia, rents averaged \$1,272, up 3 percent from a year ago, and the average rent was virtually unchanged in the Birmingham market from a year ago at \$1,203.

As of the first quarter of 2024, 29,450 multifamily units were permitted in the region, a 38-percent decline from a year earlier compared with a 23-percent increase as of the first quarter of 2023. The number of units permitted was down more than 10 percent in each of the eight states in the region.

continued on page 7

As of the first quarter of 2024, apartment vacancy rates increased in six of the eight highlighted markets in the Southeast/Caribbean region compared with a year ago; in Columbia, the rate was unchanged, and in Louisville, the rate declined.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		1Q 2023 (%)	1Q 2024 (%)	Percentage Point Change	1Q 2023 (\$)	1Q 2024 (\$)	Percent Change
Southeast/Caribbean Region	Mixed (Balanced to Soft)	8.8	10.5	1.7	1,580	1,566	-1
Atlanta, GA	Soft	9.9	12.2	2.3	1,661	1,617	-3
Birmingham, AL	Soft	10.7	11.3	0.6	1,207	1,203	0
Charlotte, NC	Soft	10.0	11.9	1.9	1,606	1,572	-2
Columbia, SC	Soft	8.8	8.8	0.0	1,239	1,272	3
Jackson, MS	Soft	11.9	13.0	1.1	1,083	1,119	3
Louisville, KY	Balanced	7.2	6.8	-0.4	1,127	1,172	4
Miami, FL	Balanced	5.3	5.5	0.2	2,279	2,324	2
Nashville, TN	Soft	10.3	12.0	1.7	1,685	1,652	-2

1Q = first quarter.

Notes: Regional data are statewide data; data reported for individual markets are for metropolitan areas. The vacancy rates and average monthly rents are for market-rate and mixed (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

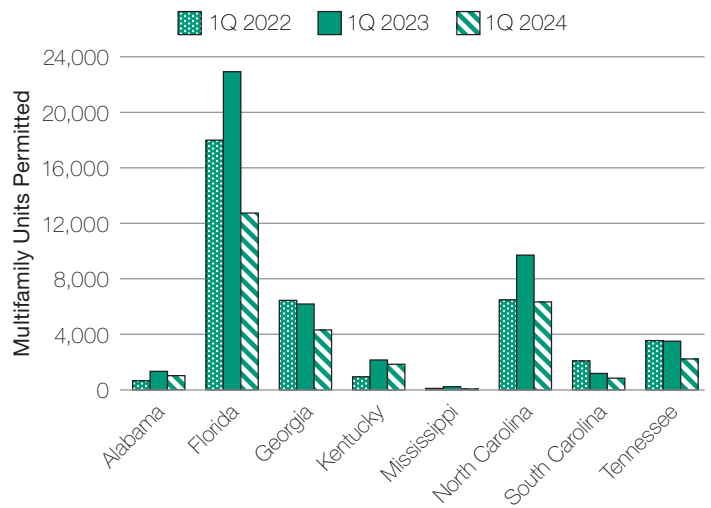


continued from page 6

As of the first quarter of 2024—

- Approximately 12,750 multifamily units were permitted in Florida, the largest number among the states in the region and a 44-percent decrease from a year earlier. Declines in the Jacksonville and Miami metropolitan areas accounted for 54 percent of the statewide decrease.
- North Carolina and Georgia permitted the largest number of units after Florida at approximately 6,325 and 4,325 units, respectively, but were 35 and 30 percent less than a year ago. The Atlanta metropolitan area represented 90 percent of the statewide decrease in Georgia, and the declines in the Charlotte and Raleigh metropolitan areas exceeded the decrease for the state of North Carolina as a whole.
- A 48-percent drop in the number of units permitted in Nashville accounted for 97 percent of the decrease in Tennessee, where the number of units permitted fell 37 percent to 2,225.
- The number of units permitted in Kentucky, South Carolina, and Mississippi fell 14, 28, and 58 percent to approximately 1,850, 860, and 100 units, respectively.

Multifamily units permitted declined in all the states in the Southeast/Caribbean region during the first quarter of 2024 relative to a year ago as market conditions softened.



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



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 resales, short sales, and real estate owned (REO) sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Resales	These 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.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once a 90-percent or above occupancy rate is reached, 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 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.

