

HUD PD&R Regional Reports

Region 3: Mid-Atlantic



Washington, D.C.

By [Mildred Jara](#) | 4th Quarter 2024

Quick Facts About Region 3

Sales market conditions—

Fourth quarter 2024: mixed (balanced to slightly tight)

Third quarter 2024: mixed (balanced to slightly tight)

Fourth quarter 2023: mixed (balanced to slightly tight)

Apartment market conditions—

Fourth quarter 2024: mixed (soft to slightly tight)

Third quarter 2024: mixed (soft to slightly tight)

Fourth quarter 2023: mixed (soft to slightly tight)

Overview

Economic conditions in the Mid-Atlantic region strengthened as of the fourth quarter of 2024, with a faster pace of job growth compared with a year ago, in contrast to the national trend of slowing payroll growth. As of the fourth quarter of 2024, nonfarm payrolls in the region rose 1.5 percent year over year, accelerating slightly from 1.4 percent as of the fourth quarter of 2023. Job growth in the region outpaced the 1.4-percent payroll growth nationally as of the fourth quarter of 2024, which slowed from 1.9 percent a year ago. Sales market conditions in the region were mixed, ranging from balanced to slightly tight, unchanged from conditions a year ago. Regionwide, home sales declined during the 12 months ending November 2024, although at a slower rate compared with a year ago, and the average home sales price increased, accelerating from the 12 months ending November 2023 (CoreLogic, Inc.). Apartment market conditions in the region were mixed as of the fourth quarter of 2024, ranging from soft to slightly tight, with vacancy rates increasing in four of the eight metropolitan areas highlighted in this report (CoStar Group).

continued on page 2



continued from page 1

- Unemployment rates in the region ranged from 2.8 percent in Virginia to 5.1 percent in the District of Columbia as of the fourth quarter of 2024. By comparison, the rate for the nation was 3.9 percent.
- Home sales in the region fell 7 percent to 414,700 homes sold during the 12 months ending November 2024, slowing from a 21-percent decline a year ago, and the average home price rose 8 percent to \$387,100, accelerating

from a 1-percent increase during the 12 months ending November 2023 (CoreLogic, Inc.).

- Apartment market conditions were soft or slightly soft in five of the eight metropolitan areas highlighted in this report. Year-over-year increases in average rents ranged from 2 to 3 percent throughout the region as of the fourth quarter of 2024, faster than the national average increase of 1 percent (CoStar Group).

Economic Conditions

As of the fourth quarter of 2024, the economy in the Mid-Atlantic region expanded from a year ago. Nonfarm payrolls averaged 15.35 million jobs, reflecting an increase of 226,500 jobs, or 1.5 percent, from the fourth quarter of 2023, when payroll growth was slightly slower, rising 1.4 percent from a year earlier. Regional job growth as of the fourth quarter of 2024 outpaced the 1.4-percent year-over-year job gains nationally, which slowed from 1.9 percent a year earlier. Nonfarm payrolls regionwide as of the fourth quarter of 2024 were 2.0 percent higher than the level as of the fourth quarter of 2019, before the COVID-19 pandemic. Payrolls in Virginia, Delaware, Pennsylvania, and West Virginia surpassed prepandemic levels by 4.4, 4.2, 2.1, and 0.8 percent, respectively, as of the fourth quarter of 2024. Jobs in the District of Columbia and Maryland, however, were 2.8 and 0.3 percent, respectively, below prepandemic levels.

Seven of the 11 nonfarm payroll sectors in the region added jobs during the past year. The largest and fastest gains

occurred in the education and health services and the leisure and hospitality sectors, increasing by 96,100 and 41,000 jobs, or 3.5 and 2.9 percent, respectively, from the fourth quarter of 2023. These sectors accounted for a combined 61 percent of total job additions in the region. Job gains in the education and health services sector occurred in every state in the region, with growth ranging from 0.6 percent in the District of Columbia to 4.3 percent in Maryland. Jobs in the leisure and hospitality sector increased in all but one state in the region, ranging from a 1.0-percent increase in Maryland to a 5.0-percent rise in Pennsylvania. The 1.6-percent decline in leisure and hospitality jobs in Delaware partially offset overall sector job growth in the region. The wholesale and retail trade sector lost the most jobs as of the fourth quarter of 2024, declining by 4,600 jobs, or 0.2 percent, compared with the fourth quarter of 2023, when payrolls in the sector were relatively unchanged from a year earlier. The largest declines in the sector were in Virginia and West Virginia, where job losses totaled 2,400 and 2,000, or

continued on page 3

Job growth in the Mid-Atlantic region as of the fourth quarter of 2024 accelerated from 1.4 percent growth a year ago.

	Fourth Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	15,119.3	15,345.8	226.5	1.5
Goods-Producing Sectors	1,760.6	1,773.1	12.5	0.7
Mining, Logging, & Construction	763.1	776.9	13.8	1.8
Manufacturing	997.6	996.2	-1.4	-0.1
Service-Providing Sectors	13,358.6	13,572.7	214.1	1.6
Wholesale & Retail Trade	1,887.3	1,882.7	-4.6	-0.2
Transportation & Utilities	683.2	693.8	10.6	1.6
Information	227.2	226.2	-1.0	-0.4
Financial Activities	805.0	804.0	-1.0	-0.1
Professional & Business Services	2,436.8	2,457.4	20.6	0.8
Education & Health Services	2,766.0	2,862.1	96.1	3.5
Leisure & Hospitality	1,422.3	1,463.3	41.0	2.9
Other Services	674.4	690.0	15.6	2.3
Government	2,456.5	2,493.2	36.7	1.5

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

Source: U.S. Bureau of Labor Statistics



continued from page 2

0.5 and 2.2 percent, respectively. Increases in Maryland and the District of Columbia of 600 and 400 jobs, or 0.2 and 1.1 percent, respectively, from a year ago offset some of the losses in the wholesale and retail trade sector in the other states in the region.

As of the fourth quarter of 2024, the unemployment rate in the region averaged 3.2 percent, increasing from 2.9 percent as of the fourth quarter of 2023. The regionwide unemployment rate was lower than the national rate of 3.9 percent, which was up from 3.5 percent a year earlier. Unemployment rates increased in three of the six areas in the region, ranging from a 0.3-percentage point increase in the District of Columbia—which had the highest unemployment rate in the region, at 5.1 percent—to a 1.0-percentage point increase in Maryland to 3.1 percent. Unemployment rates declined in Delaware and West Virginia, to respective averages of 3.2 and 3.6 percent, down from 3.7 and 3.8 percent as of the fourth quarter of 2023. Virginia had the lowest unemployment rate in the region as of the fourth quarter of 2024, averaging 2.8 percent, unchanged from a year ago.

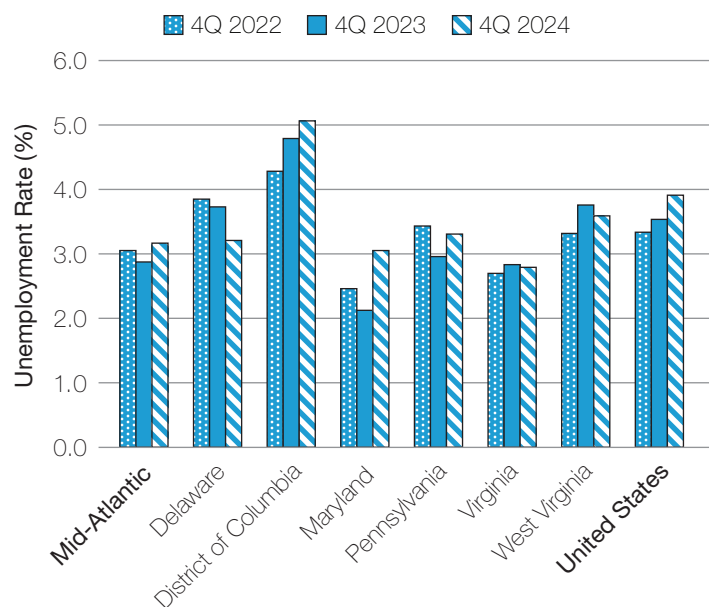
As of the fourth quarter of 2024—

- Pennsylvania and Virginia had the highest rates of job growth in the region, rising 1.7 percent each, or by 103,900 and 72,600 jobs, compared with growth of 1.4 and 1.8 percent a year ago, respectively. The education and health services sector led payroll growth in both states, increasing by 50,400 and 18,000 jobs, or 3.7 and 3.0 percent, from a year ago and accounting for 49 and 25 percent of the job growth in Pennsylvania and Virginia, respectively.
- The second fastest rate of growth in the region was in the District of Columbia, where nonfarm payrolls rose 1.4 percent, or by 11,000 jobs, year over year, accelerating from a 0.7-percent rate of growth as of the fourth quarter of 2023. The professional and business services and the other services sectors led job gains, increasing by 4,900 and 3,500 jobs, or 2.8 and 5.1 percent, respectively, from a year earlier.
- In Maryland, nonfarm payroll growth accelerated from a year ago, increasing by 33,800 jobs, or 1.2 percent, compared with a 0.7-percent rate of growth as of the fourth quarter

of 2023. Job gains were greatest in the education and health services sector, and 59 percent of the 20,200 jobs added in the sector were in the Baltimore-Columbia-Towson (hereafter, Baltimore) metropolitan area.

- Nonfarm payrolls in Delaware rose by 2,700 jobs, or 0.5 percent, year over year to 490,300 jobs, compared with an increase of 7,900 jobs, or 1.6 percent, as of the fourth quarter of 2023. The government and the mining, logging, and construction sectors led payroll growth, up by 1,900 and 1,100 jobs, or 2.6 and 4.6 percent, from a year ago.
- Job growth in West Virginia was the slowest in the region, rising 0.4 percent, or by 2,700 jobs, decelerating from a 2.0-percent year-over-year increase as of the fourth quarter of 2023. Five of the 11 sectors added jobs, with the largest additions in the education and health services and the leisure and hospitality sectors, which were up by 5,700 and 1,000 jobs, or 4.2 and 1.4 percent, respectively, from a year ago.

As of the fourth quarter of 2024, the unemployment rate in the Mid-Atlantic region was lower than the national rate.



4Q = fourth quarter.

Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

As of the fourth quarter of 2024, home sales market conditions in the Mid-Atlantic region were mixed, ranging from balanced to slightly tight, similar to conditions as of the fourth quarter of 2023. The inventory of homes for sale in the region declined to 2.0 months of supply as of December 2024, down from 2.6 months in December 2023 (Redfin, a national real estate brokerage, with adjustments by the analyst). The supply of homes for sale in the region was lower than in the nation, which had a 2.5-month supply in December 2024, down from 2.7 months a year earlier. Inventories of homes for sale were relatively low as of December 2024 across all states in the region and the District of Columbia. Inventories fell in West Virginia, Pennsylvania, and Virginia to 2.7, 2.2, and 1.6 months, respectively, in December 2024. By comparison, in the District of Columbia, Delaware, and Maryland, months of supply increased to 4.4, 2.7, and 1.8 months, respectively, in December 2024.

Relatively low levels of for-sale inventory and lower mortgage interest rates compared with a year ago contributed to accelerating home price growth. The 30-year fixed mortgage rate in the United States averaged 6.6 percent during the fourth quarter of 2024, down from an average of 7.3 percent in the fourth quarter of 2023 (Freddie Mac). Home prices rose 8 percent to \$387,100 during the 12 months ending November 2024, up from a 1-percent increase during the previous 12 months (CoreLogic, Inc.). Average home prices were up in all states in the region and the District of Columbia during the past 12 months, ranging from a 4-percent increase to an average of \$815,800 in the District of Columbia to a

13-percent rise in West Virginia to an average of \$204,200. In Maryland and Pennsylvania, average home prices increased 7 percent, accelerating from respective price increases of 1 and 3 percent a year earlier. Average home prices in Virginia and Delaware rose by respective averages of 9 and 8 percent, up from 3 and 6 percent during the 12 months ending November 2023. Average home prices rose in all highlighted areas in this report, ranging from 5 percent in the Washington-Arlington-Alexandria metropolitan division to 10 percent in the Richmond metropolitan area.

Home sales fell 7 percent regionwide during the 12 months ending November 2024 to 414,700 sales, decelerating from a 21-percent decrease a year earlier (CoreLogic, Inc.). The most recent regionwide decline in home sales was equal to the rate of decline nationally. Home sales fell in all states in the region and the District of Columbia, ranging from a 5-percent decline in Pennsylvania to a 15-percent decrease in West Virginia. Declines in home sales in the featured areas of this report ranged from 3 percent in the Pittsburgh metropolitan area and the Philadelphia metropolitan division to 8 percent in the Dover metropolitan area, compared with declines ranging from 8 percent in the Morgantown metropolitan area to 26 percent in the Silver Spring-Frederick-Rockville metropolitan division during the 12 months ending November 2023.

The share of seriously delinquent mortgages and real estate owned properties was 1.1 percent in November 2024, down from 1.2 percent in November 2023 and below the 1.7-percent prepandemic rate in November 2019 (CoreLogic, Inc.). By

continued on page 5

Average home sales prices increased throughout the Mid-Atlantic region during the 12 months ending November 2024, whereas home sales declined.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Baltimore-Columbia-Towson, MD; MSA	November	42,400	39,350	-7	AVG	372,700	405,900	9
Dover, DE; MSA	November	3,125	2,875	-8	AVG	318,100	337,700	6
Morgantown, WV; MSA	November	1,850	1,775	-4	AVG	254,700	274,500	8
Pittsburgh, PA; MSA	November	30,750	29,750	-3	AVG	241,400	257,800	7
Richmond, VA; MSA	November	21,750	20,850	-4	AVG	381,300	418,800	10
Virginia Beach-Norfolk-Newport News, VA-NC; MSA	November	30,050	28,500	-5	AVG	373,100	394,700	6
Philadelphia, PA; Metro. Div.	November	27,350	26,400	-3	AVG	298,700	316,000	6
Montgomery-Bucks-Chester Counties, PA; Metro. Div.	November	24,500	23,350	-5	AVG	503,800	537,900	7
Wilmington, DE-MD-NJ; Metro. Div.	November	10,400	9,700	-7	AVG	318,500	347,800	9
Washington-Arlington-Alexandria, DC-VA-MD-WV; Metro. Div.	November	63,100	59,700	-5	AVG	624,100	657,900	5
Silver Spring-Frederick-Rockville, MD; Metro. Div.	November	15,900	14,950	-6	AVG	627,300	666,500	6

AVG = average. Metro. Div. = metropolitan division. MSA = metropolitan statistical area.

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

Source: CoreLogic, Inc.



continued from page 4

comparison, the national rate was slightly lower than in the region at 1.0 percent in November 2024, unchanged from 1.0 percent a year earlier but below the 1.4-percent rate in November 2019. Regionwide, the rates ranged from 0.8 percent in Virginia to 1.4 percent in the District of Columbia, with declines during the past year in Maryland and Pennsylvania and unchanged rates from a year ago in Delaware, the District of Columbia, and West Virginia. Virginia was the only state with an increase in the share of seriously delinquent mortgages and real estate owned properties as of November 2024, up 0.1 percentage point from a year earlier.

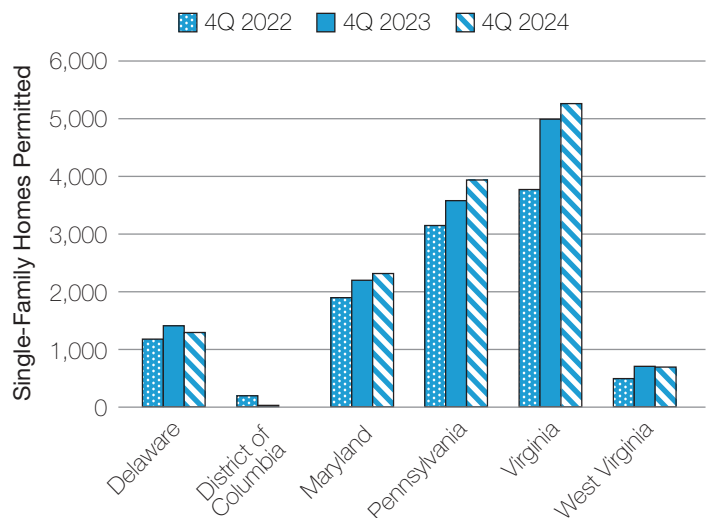
As of the fourth quarter of 2024, homebuilding activity in the region, as measured by the number of single-family homes permitted, increased by 580 homes, or 4 percent, from the fourth quarter of 2023 to 13,550 homes, compared with a 2-percent increase nationally (preliminary data).

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

- Approximately 60 percent of the increase in single-family home permitting in the region occurred in Pennsylvania, where permitting totaled approximately 3,950 homes, increasing by 350 homes, or 10 percent, from the fourth quarter of 2023, when permitting rose by 430 homes, or 14 percent, from a year earlier. The Chambersburg-Waynesboro and Lancaster metropolitan areas accounted for 64 percent of the net increase in single-family permitting in the state.
- Homebuilding activity increased in Virginia and Maryland, where single-family permitting rose by 290 and 100 homes, or 6 and 5 percent, to 5,275 and 2,325 homes, respectively, compared with increases of 32 and 17 percent as of the fourth quarter of 2023. In Virginia, gains of 70 and 30 homes occurred in the Staunton-Waynesboro and Virginia Beach-Norfolk-Newport News (hereafter, Virginia Beach) metropolitan areas, respectively, more than offsetting the decline of 20 homes in the Richmond metropolitan area.

- Homebuilding activity in Delaware and West Virginia declined by 120 and 20 homes, or 8 and 3 percent, to 1,300 and 700 homes, respectively, from a year ago. By contrast, single-family home permitting in Delaware and West Virginia increased 20 and 44 percent, respectively, as of the fourth quarter of 2023.
- Single-family home permitting fell in the District of Columbia to 10 homes permitted, compared with 35 homes a year ago. Single-family permitting in the District of Columbia has fallen significantly from the 25-year recent high of 200 homes permitted as of the fourth quarter of 2022.

Single-family home permitting increased year over year in the Mid-Atlantic region as of the fourth quarter of 2024, with increases in Maryland, Pennsylvania, and Virginia offsetting declines in Delaware, the District of Columbia, and West Virginia.



4Q = fourth quarter.

Note: Based on preliminary data.

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

Apartment Market Conditions

Apartment market conditions in the Mid-Atlantic region ranged from soft to slightly tight as of the fourth quarter of 2024, similar to conditions a year ago. Apartment vacancy rates declined during the past year in three of the eight metropolitan areas highlighted in this report. Average apartment rents increased in all eight markets, with rent growth averaging 3 percent in all highlighted areas except in the Philadelphia-Camden-Wilmington (hereafter, Philadelphia) metropolitan area, where rents rose 2 percent (CoStar Group). In all highlighted areas, recent rent growth was similar to the rate of growth a year ago.

As of the fourth quarter of 2024, conditions were soft or slightly soft in five of the eight metropolitan areas cited in this report.

In the Richmond metropolitan area, conditions were soft but improving, with a vacancy rate of 8.6 percent, down from 9.7 percent as of the fourth quarter of 2023 because 3,325 units were absorbed during the past year, outpacing the 2,400 units completed. Conditions in the Baltimore and Washington-Arlington-Alexandria metropolitan areas were slightly soft, unchanged from a year ago. Both metropolitan areas had vacancy rates of 7.5 percent, increasing from 7.1 percent in both areas as of the fourth quarter of 2023. The average rent rose 3 percent to \$1,695 in the Baltimore metropolitan area and to \$2,231 in the Washington-Arlington-Alexandria metropolitan area, the highest among the highlighted areas. Conditions in the

continued on page 6

continued from page 5

Average rents increased throughout the major metropolitan areas in the Mid-Atlantic region as of the fourth quarter of 2024.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		4Q 2023 (%)	4Q 2024 (%)	Percentage Point Change	4Q 2023 (\$)	4Q 2024 (\$)	Percent Change
Baltimore-Columbia-Towson, MD; MSA	Slightly Soft	7.1	7.5	0.4	1,651	1,695	3
Dover, DE; MSA	Slightly Tight	3.9	3.2	-0.7	1,532	1,577	3
Morgantown, WV; MSA	Slightly Tight	6.7	3.3	-3.4	1,025	1,057	3
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; MSA	Slightly Soft	7.3	7.7	0.4	1,746	1,780	2
Pittsburgh, PA; MSA	Balanced	6.1	6.1	0.0	1,315	1,350	3
Richmond, VA; MSA	Soft	9.7	8.6	-1.1	1,488	1,531	3
Virginia Beach-Norfolk-Newport News, VA-NC; MSA	Slightly Soft	6.3	7.0	0.7	1,476	1,518	3
Washington-Arlington-Alexandria, DC-VA-MD-WV; MSA	Slightly Soft	7.1	7.5	0.4	2,168	2,231	3

4Q = fourth quarter. MSA = metropolitan statistical area.

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

Philadelphia and Virginia Beach metropolitan areas were also slightly soft as of the fourth quarter of 2024, compared with balanced conditions a year ago. In the Philadelphia metropolitan area, the vacancy rate rose from 7.3 to 7.7 percent as of the fourth quarter of 2024, partly because the number of units recently completed outpaced absorption. The vacancy rate in the Virginia Beach metropolitan area rose from 6.3 to 7.0 percent because absorption of nearly 1,875 units during the past year was outpaced by the completion of approximately 3,075 units.

The Pittsburgh metropolitan area was the only major metropolitan area in the region with balanced apartment market conditions as of the fourth quarter of 2024. The vacancy rate was 6.1 percent, unchanged from a year ago. Apartment market conditions in the Morgantown metropolitan area tightened from balanced conditions a year ago, when the vacancy rate was 6.7 percent, to slightly tight conditions as of the fourth quarter of 2024, with a vacancy rate of 3.3 percent. Absorption outpaced completions by 220 units during the past year, contributing to the decline in the vacancy rate. Slightly tight conditions continued from a year ago in the Dover metropolitan area, where the vacancy rate was 3.2 percent, down from 3.9 percent a year ago. The decline was due to absorption that was 15 percent greater than the number of units completed in the past year.

Multifamily building activity in the Mid-Atlantic region, as measured by the number of multifamily units permitted, declined in Delaware, Maryland, Pennsylvania, and Virginia as of the fourth quarter of 2024 from the same period a year earlier.

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

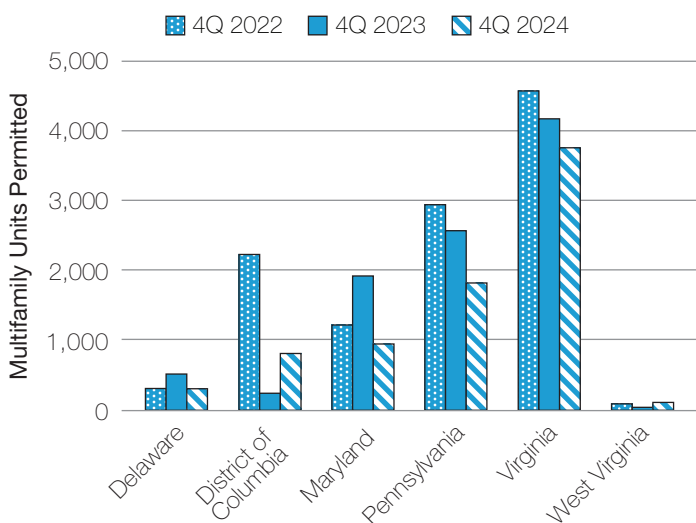
- Approximately 7,800 multifamily units were permitted in the region, reflecting an 18-percent decline from the fourth quarter of 2023, when multifamily permitting decreased

17 percent from a year earlier. By comparison, the decline in multifamily construction nationwide was slower, falling 1 percent year over year as of the fourth quarter of 2024, following a 21-percent decrease a year earlier.

- The largest decline in multifamily units permitted was in Maryland, which fell by 970 units, or 50 percent, from a year ago to 960 units, accounting for approximately 57 percent of the net decline in multifamily permitting in the region. By contrast, multifamily permitting in Maryland increased 57 percent as of the fourth quarter of 2023 compared with a year earlier.

continued on page 7

Multifamily permitting fell throughout most of the Mid-Atlantic region as of the fourth quarter of 2024.



4Q = fourth quarter.

Note: Based on preliminary data.

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

continued from page 5

- The number of multifamily units permitted in Pennsylvania, Virginia, and Delaware declined by 740, 420, and 210 units, or 29, 10, and 40 percent, to 1,825, 3,750, and 320 units, respectively. Permitting declined by nearly 420 units, or 88 percent, in the Lancaster metropolitan area, accounting for 57 percent of the net decline in Pennsylvania, and by 390 units, or 21 percent, in the Richmond metropolitan area, accounting for 93 percent of the net decline in Virginia.
- In the District of Columbia and West Virginia, the number of multifamily units permitted rose by 570 and 70 units to 830 and 120 units respectively. By contrast, multifamily permitting declined 89 and 51 percent respectively as of the fourth quarter of 2023.

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 has reached an occupancy rate of 90 percent 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.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	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.
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