

HUD PD&R Regional Reports

Region 3: Mid-Atlantic

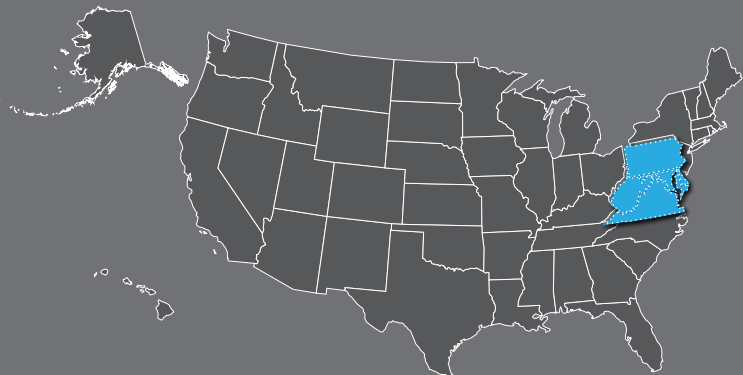


Quick Facts About Region 3

Pittsburgh, Pennsylvania

By [Patricia Moroz](#) | 4th Quarter 2025

- **Sales market conditions—**
Fourth quarter 2025: mixed (balanced to slightly tight)
Third quarter 2025: mixed (balanced to slightly tight)
Fourth quarter 2024: mixed (balanced to slightly tight)
- **Apartment market conditions—**
Fourth quarter 2025: mixed (soft to slightly tight)
Third quarter 2025: mixed (soft to slightly tight)
Fourth quarter 2024: mixed (soft to slightly tight)



Overview

Economic conditions in the Mid-Atlantic region were stable as of the fourth quarter of 2025. The education and health services sector led nonfarm payroll growth, with increases in all five states more than offsetting a decrease in the District of Columbia. Gains in the sector also offset a notable decline in the federal government subsector. In the sales market, conditions were balanced to slightly tight, unchanged compared with a year ago, and the months of supply of homes for sale were at low levels in most areas. Home sales prices increased, but more slowly than a year earlier, and home sales declined throughout the region except for modest increases in Virginia. Despite an average 5-percent increase in home prices (Redfin, a national real estate brokerage, with adjustments by the analyst), homebuilding activity decreased 12 percent in the region compared with a year earlier. Similarly, multifamily home construction declined 7 percent year over year in response to generally soft apartment market conditions in one-half of the major metropolitan areas highlighted in this report.

- Nonfarm payroll growth of 0.3 percent in the Mid-Atlantic region decelerated from a year ago as of the fourth quarter of 2025, whereas year-over-year growth rates

continued on page 2



continued from page 1

- in Pennsylvania and Delaware increased to 1.4 and 0.9 percent, respectively.
- Home sales declined 1 percent in the region, with decreases ranging from less than 1 to 4 percent in most areas, and average home price increases ranged from less than 1 to 6 percent throughout the region in 2025 (Redfin, a national real estate brokerage, with adjustments by the analyst).

- Apartment market conditions were soft or slightly soft in four of the eight metropolitan areas highlighted in this report. Average rent increases ranged from less than 1 to 4 percent in the region and were generally higher than the national average increase of 1 percent as of the fourth quarter of 2025 (CoStar Group).

Economic Conditions

The economy of the Mid-Atlantic region expanded slowly during the fourth quarter of 2025 compared with a year ago. Nonfarm payrolls increased by 46,500 jobs, or 0.3 percent, from a year earlier to nearly 15.40 million jobs as of the fourth quarter of 2025, compared with the addition of 185,800 jobs, or 1.2 percent, as of the fourth quarter of 2024. Delaware and Pennsylvania added jobs as of the fourth quarter of 2025, whereas payrolls decreased or were unchanged year over year in the remaining three states and the District of Columbia.

Regionwide job growth occurred in 5 of the 11 nonfarm payroll sectors as of the fourth quarter of 2025. The education and health services sector led job gains, adding 86,300 jobs, or 3.0 percent, down from 3.7 percent a year earlier. The health care and social assistance subsector accounted for 86 percent of the job growth in the sector, increasing 3.1 percent, down from 4.5 percent a year earlier. The mining, logging, and construction, the financial activities, and the leisure and hospitality sectors added 10,900, 7,600, and 7,100 jobs, increases of 1.4, 0.9, and 0.5 percent, respectively, compared with the fourth quarter of 2024.

Losses in the government and the manufacturing sectors partially offset these gains, totaling 46,700 and 8,600 jobs, or 1.9 and 0.9 percent, respectively, as of the fourth quarter of 2025 compared with a year earlier. The federal government subsector decreased substantially, by 83,100 jobs, or 12.0 percent, compared with a 1.8-percent increase a year earlier. The District of Columbia, Maryland, and Virginia combined accounted for 86 percent of the job loss in the subsector primarily because of the Deferred Resignation Program offered nationwide by federal government agencies that required the resignation or retirement of workers by December 31, 2025.

The regional unemployment rate averaged 4.0 percent as of the fourth quarter of 2025, up from 3.2 percent a year earlier. Unemployment rates rose in all areas of the region, with the largest increases in Delaware, the District of Columbia, and Maryland, rising to 5.2, 6.7, and 4.3 percent, respectively. Unemployment rates were 3.8, 3.7, and 4.5 percent in Pennsylvania, Virginia, and West Virginia, respectively.

continued on page 3

Nonfarm payroll gains in the education and health services sector more than offset job losses in six sectors in the Mid-Atlantic region as of the fourth quarter of 2025.

	Fourth Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	15,348.7	15,395.2	46.5	0.3
Goods-Producing Sectors	1,757.3	1,759.7	2.4	0.1
Mining, Logging, & Construction	770.8	781.7	10.9	1.4
Manufacturing	986.6	978.0	-8.6	-0.9
Service-Providing Sectors	13,591.4	13,635.5	44.1	0.3
Wholesale & Retail Trade	1,886.3	1,879.6	-6.7	-0.4
Transportation & Utilities	704.2	700.2	-4.0	-0.6
Information	224.4	220.0	-4.4	-2.0
Financial Activities	804.3	811.9	7.6	0.9
Professional & Business Services	2,450.5	2,449.2	-1.3	-0.1
Education & Health Services	2,877.8	2,964.1	86.3	3.0
Leisure & Hospitality	1,433.9	1,441.0	7.1	0.5
Other Services	699.4	705.5	6.1	0.9
Government	2,510.7	2,464.0	-46.7	-1.9

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

Source: U.S. Bureau of Labor Statistics

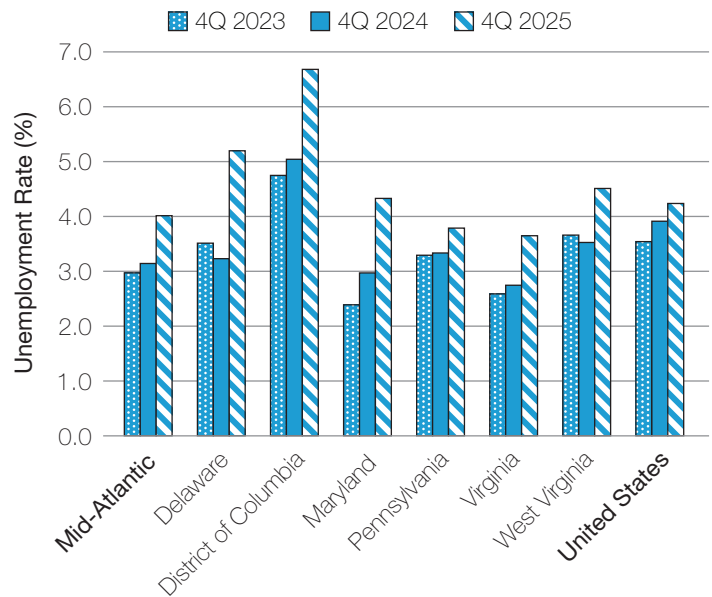


continued from page 2

As of the fourth quarter of 2025—

- Pennsylvania added the most jobs and had the fastest year-over-year rate of job growth in the region, up by 85,600 jobs, or 1.4 percent, with increases in 8 of the 11 nonfarm payroll sectors. The education and health services sector led growth, increasing by 49,100 jobs, or 3.5 percent, followed by the professional and business services and the leisure and hospitality sectors, with gains of 15,100 and 12,200 jobs, or 1.8 and 2.2 percent, respectively.
- In Delaware, payrolls increased by 4,500 jobs, or 0.9 percent, compared with an increase of 0.6 percent a year earlier; the addition of 2,900 jobs in the education and health services sector more than offset an 800-job loss in the goods-producing sectors. In Virginia, the number of nonfarm payroll jobs was unchanged, compared with an increase of 68,700 jobs, or 1.6 percent, a year earlier.
- In Maryland and West Virginia, payrolls decreased by 10,400 and 2,100 jobs, or 0.4 and 0.3 percent, respectively. The government sector declined significantly in each state, by 11,000 jobs, or 2.0 percent, in Maryland and by 1,500 jobs, or 1.0 percent, in West Virginia.
- In the District of Columbia, the number of jobs fell by 31,200, or 4.0 percent; the government sector accounted for nearly 80 percent of the net decline. The federal government subsector decreased by 24,900 jobs, or 12.8 percent, compared with an increase of 2,200 jobs, or 1.2 percent, a year earlier.

As of the fourth quarter of 2025, the unemployment rate increased in all areas of the Mid-Atlantic region.



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

Sales Market Conditions

Sales market conditions in the Mid-Atlantic region were mixed, ranging from balanced to slightly tight as of the fourth quarter of 2025, unchanged from a year earlier. Conditions were balanced in the District of Columbia and slightly tight in the five states in the region as of the fourth quarter of 2025. As of December 2025, the inventory of homes for sale in the region increased slightly to 2.4 months of supply, up from 2.3 months a year earlier (Redfin, a national real estate brokerage). The months of supply rose the most in Maryland, from 2.0 to 2.5 months, and increased slightly in Virginia and West Virginia to 2.0 and 3.1 months, respectively. In Pennsylvania, Delaware, and the District of Columbia, the months of supply decreased slightly to 2.4, 2.9, and 4.6 months, respectively. By comparison, the months of supply in the nation rose slightly, from 3.4 to 3.5 months.

During 2025, home sales decreased 1 percent in the region to nearly 376,800, following a 2-percent increase a year earlier and equal to the annual change in the nation (Redfin, a national real estate brokerage, with adjustments by the analyst). During 2025, home sales declines ranged from less than 1 percent in

Pennsylvania to 4 percent each in Maryland and West Virginia, whereas sales rose less than 1 percent in Virginia. Home sales declined from approximately 1 to 4 percent in most of the metropolitan areas cited in this report, but increased 1 percent each in the Richmond and Virginia Beach-Chesapeake-Norfolk (hereafter, Virginia Beach) metropolitan areas.

Home prices in the region averaged \$444,600 during 2025, a 5-percent increase from a year earlier, slightly higher than the 4-percent national increase but slower than the 8-percent gain in the region in 2024. Average home prices increased in all states in the region and in the District of Columbia during 2025. Home prices increased 5 percent each in Delaware, Pennsylvania, and Virginia to \$468,000, \$350,500, and \$534,300, respectively, compared with gains of 6, 8, and 8 percent a year earlier. In Maryland and West Virginia, the average home price increased 4 percent each to \$486,800 and \$263,400, respectively, slower than the respective 7- and 11 percent increases a year earlier. The average home price in the District of Columbia rose 2 percent to \$909,600, the highest price in the region, a

continued on page 4



continued from page 3

Home sales prices increased throughout the Mid-Atlantic region during 2025, but home sales declined in most areas.

	12 Months Ending	Number of Homes Sold				Price		
		2024	2025	Percent Change	Average	2024 (\$)	2025 (\$)	Percent Change
Delaware	December	16,600	16,500	-1	AVG	\$444,600	\$468,000	5
Dover, DE	December	2,650	2,550	-4	AVG	\$341,400	\$342,800	<1
District of Columbia	December	7,425	7,250	-2	AVG	\$887,700	\$909,600	2
Washington-Arlington-Alexandria, DC-VA-MD-WV	December	76,200	74,100	-3	AVG	\$677,500	\$705,600	4
Maryland	December	81,200	78,350	-4	AVG	\$468,500	\$486,800	4
Baltimore-Columbia-Towson, MD	December	39,600	38,750	-2	AVG	\$423,300	\$443,700	5
Pennsylvania	December	149,500	149,000	<-1	AVG	\$332,600	\$350,500	5
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	December	75,600	75,500	<-1	AVG	\$416,900	\$438,900	5
Pittsburgh, PA	December	28,400	28,200	-1	AVG	\$273,100	\$288,300	6
Virginia	December	109,500	109,700	<-1	AVG	\$510,900	\$534,300	5
Richmond, VA	December	19,300	19,500	1	AVG	\$436,600	\$448,900	3
Virginia Beach-Chesapeake-Norfolk, VA-NC	December	28,750	29,100	1	AVG	\$403,300	\$422,000	5
West Virginia	December	16,550	15,950	-4	AVG	\$252,500	\$263,400	4
Morgantown, WV	December	1,700	1,675	-1	AVG	\$320,700	\$326,200	2

AVG = average.

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

Source: Redfin, a national real estate brokerage

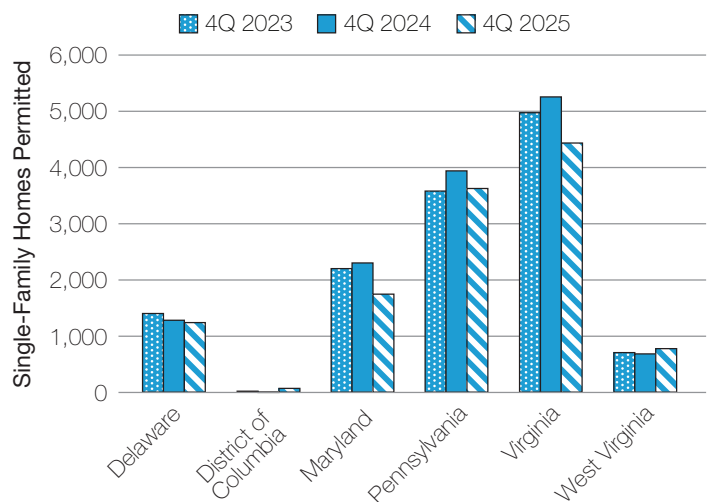
moderation from the 7-percent gain during 2024. Average home prices increased in all metropolitan areas cited in this report, ranging from less than 1 percent in the Dover metropolitan area to 6 percent in the Pittsburgh metropolitan area.

The share of seriously delinquent mortgages and real estate owned properties was 1.2 percent in November 2025, unchanged from November 2024 and down from 1.7 percent in November 2019 (Cotality). The rate in the region was slightly higher than the national rate of 1.1 percent in November 2025, unchanged from a year earlier and down from 1.4 percent in November 2019. Regionwide, the rates ranged from 0.8 percent in Virginia to 1.5 percent each in Maryland and the District of Columbia. Compared with a year ago, rates were mostly unchanged aside from a slight increase in Delaware and a small decline in West Virginia to 1.2 percent each. The rates in Virginia and Pennsylvania were unchanged, at 0.8 and 1.3 percent, respectively.

As of the fourth quarter of 2025 (preliminary data)—

- Homebuilding activity in the region totaled approximately 11,950 homes, a 12-percent decrease from the fourth quarter of 2024, when home construction increased 4 percent from a year earlier. Single-family home permitting decreased in four states.
- Virginia and Maryland had the most significant declines, down by 830 and 560 homes, or 16 and 24 percent, to 4,450 and 1,750 homes permitted, respectively. In the Washington-Arlington-Alexandria (hereafter, Washington) metropolitan area, decreases of 480 and 270 homes, or

Homebuilding activity was down in the Mid-Atlantic region as of the fourth quarter of 2025, with the largest decreases in Maryland and Virginia.



4Q = fourth quarter.

Note: Based on preliminary data.

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

45 and 20 percent, occurred in the Virginia and Maryland portions of the metropolitan area, respectively.

- In Pennsylvania and Delaware, homebuilding activity decreased by 300 and 40 homes, or 8 and 3 percent, to 3,650 and 1,250 homes, respectively. In the Lancaster and Harrisburg, Pennsylvania metropolitan areas, permitting declined by 60 and 50 homes, or 23 and 33 percent, respectively, and all the net decrease in Delaware occurred in Sussex County.

continued on page 5



continued from page 4

- By contrast, in West Virginia, permitting increased by 90 homes, or 13 percent, to 790 homes; construction increased by 100 homes, or 23 percent, in the West Virginia portion of the Hagerstown-Martinsburg, MD-WV (hereafter,

Hagerstown) metropolitan area. In the District of Columbia, 80 homes were permitted, a significant increase from 10 and 30 homes permitted during the fourth quarters of 2024 and 2023, respectively.

Apartment Market Conditions

Apartment market conditions in the major metropolitan areas in the Mid-Atlantic region ranged from soft to slightly tight as of the fourth quarter of 2025, mostly unchanged from a year ago. In the Washington metropolitan area, conditions softened further because absorption of newly completed units slowed. In the Virginia Beach metropolitan area, conditions improved and became balanced because of fewer units entering the market. Apartment vacancy rates rose in six of the eight metropolitan areas cited in this report, and rent increases averaged 1 percent, down from an average of 3 percent a year earlier. By comparison, in the nation, the average rent rose less than 1 percent to \$1,757 (CoStar Group).

Conditions were soft or slightly soft in four of the eight metropolitan areas cited in this report as of the fourth quarter of 2025. Conditions softened the most in the Washington metropolitan area, with the largest increase in the vacancy rate of nearly 1 percentage point, rising from 7.8 to 8.6 percent; the average rent decreased 1 percent to \$2,233, compared with a 3-percent increase a year earlier. Despite a 32-percent decline in the number of units completed in 2025 compared with 2024, net absorption of units decreased 48 percent. In the Richmond metropolitan area, conditions were soft for the third consecutive year; the vacancy rate rose slightly from 8.8 to 8.9 percent, and the average rent rose 1 percent to \$1,574, compared with a 3-percent year-over-year increase as of the fourth quarter of 2024. Completions rose 20 percent, and absorption decreased 10 percent in 2025 compared with a year ago. Conditions

were slightly soft in the Baltimore and Philadelphia metropolitan areas, where vacancy rates were 7.6 and 7.3 percent compared with 7.5 and 7.9 percent a year earlier, and the average rent increased 1 percent each to \$1,715 and \$1,821, respectively. Completions decreased significantly in each area in 2025 compared with 2024; in the Baltimore metropolitan area, completions fell 60 percent, and in the Philadelphia metropolitan area, completions declined 44 percent, although absorption also decreased 62 and 15 percent in the respective areas.

Conditions were balanced or slightly tight in the remaining four of the eight areas highlighted in this report. In the Virginia Beach metropolitan area, conditions were balanced compared with slightly soft a year earlier; the vacancy rate decreased from 6.9 to 6.2 percent as of the fourth quarter of 2025, and the average rent increased 4 percent to \$1,587. Completions declined 65 percent in 2025, and absorption decreased only 12 percent compared with 2024. In the Pittsburgh metropolitan area, conditions were balanced; the vacancy rate rose from 6.0 to 6.7 percent as of the fourth quarter of 2025, and the average rent rose 2 percent to \$1,405 compared with a year ago. The increase in the vacancy rate was partially due to a 21-percent increase in apartment completions in 2025. In the Dover and Morgantown metropolitan areas, conditions were slightly tight, similar to a year ago, with vacancy rates of 4.1 and 4.3 percent, and the average rent increased 2 and less than 1 percent to \$1,673 and \$1,092, respectively, from a year earlier.

continued on page 6

As of the fourth quarter of 2025, vacancy rates increased, and average rent growth slowed from a year ago in most major metropolitan areas in the Mid-Atlantic region.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		4Q 2024 (%)	4Q 2025 (%)	Percentage Point Change	4Q 2024 (\$)	4Q 2025 (\$)	Percent Change
Baltimore-Columbia-Towson, MD	Slightly Soft	7.5	7.6	0.1	1,697	1,715	1
Dover, DE	Slightly Tight	3.4	4.1	0.7	1,635	1,673	2
Morgantown, WV	Slightly Tight	3.8	4.3	0.5	1,087	1,092	<1
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Slightly Soft	7.9	7.3	-0.6	1,795	1,821	1
Pittsburgh, PA	Balanced	6.0	6.7	0.7	1,378	1,405	2
Richmond, VA	Soft	8.8	8.9	0.1	1,552	1,574	1
Virginia Beach-Norfolk-Newport News, VA-NC	Balanced	6.9	6.2	-0.7	1,529	1,587	4
Washington-Arlington-Alexandria, DC-VA-MD-WV	Soft	7.8	8.6	0.8	2,241	2,223	-1

4Q = fourth quarter.

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

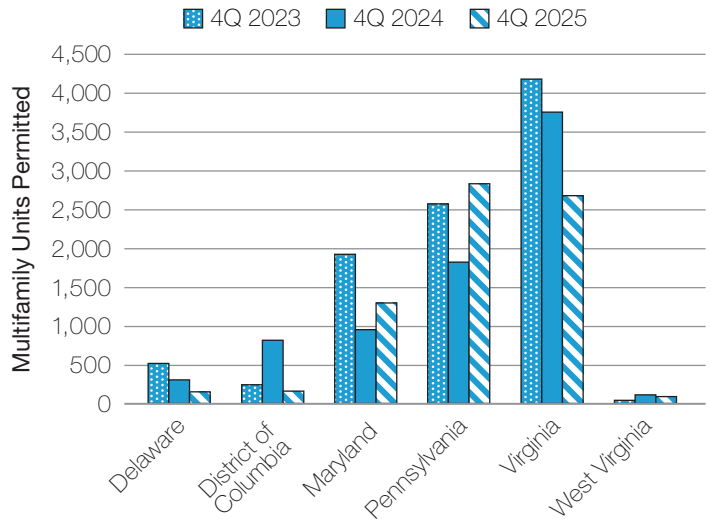


continued from page 5

As of the fourth quarter of 2025 (preliminary data)—

- The number of multifamily units permitted in the region declined 7 percent from a year earlier to approximately 7,250 units, following an 18-percent decrease as of the fourth quarter of 2024. Only Maryland and Pennsylvania had higher multifamily permitting activity year over year.
- Multifamily permitting decreased the most in Virginia, down by 1,075 units, or 29 percent, from a year ago to 2,675 units; a 640-unit, or 92 percent, decline in the Virginia Beach metropolitan area accounted for the largest share of the decrease in the state, followed by a 560-unit, or 42 percent, decrease in the Virginia portion of the Washington metropolitan area.
- The number of multifamily units permitted decreased in the District of Columbia, Delaware, and West Virginia by 660, 160, and 20 units, or 80, 50, and 17 percent, to 170, 160, and 100 units, respectively. Permitting declined in all 3 counties in Delaware, and in West Virginia, declines of 65 units, or 77 percent, each occurred in both Jefferson County, which is part of the Washington metropolitan area, and in the West Virginia portion of the Hagerstown metropolitan area from a year earlier.
- By contrast, multifamily permitting increased in Pennsylvania and Maryland by 1,000 and 340 units, or 55 and 36 percent, to 2,825 and 1,300 units, respectively. Permitting rose by

Multifamily permitting declined in the Mid-Atlantic region as of the fourth quarter of 2025, despite increases in Maryland and Pennsylvania.



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

650 units, or 75 percent, in the Pennsylvania portion of the Philadelphia metropolitan area, and in the Washington metropolitan area, Montgomery County added 520 units, an increase from no units permitted a year earlier.



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.
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 definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
----	--

C. Additional Notes

1.	BLS data include EMAD estimates for data missing as a result of a lapse in appropriations.
----	--

