

HUD PD&R Regional Reports

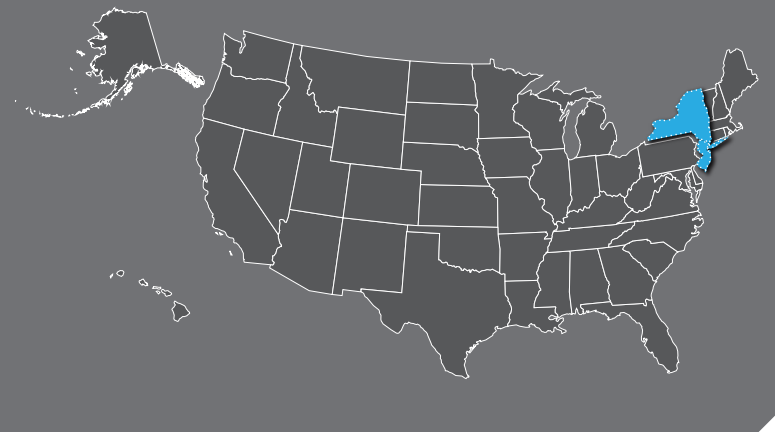
Region 2: New York/New Jersey



New York City, New York

Quick Facts About Region 2

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



By [Joseph Shinn](#) | 4th Quarter 2024

Overview

Nonfarm payrolls in the New York/New Jersey region increased as of the fourth quarter of 2024, and the economy has fully recovered from severe job losses during March and April 2020 that resulted from the COVID-19 global pandemic. As of the fourth quarter of 2024, nonfarm payrolls totaled 14.38 million jobs, which was a new high for a fourth quarter and was 231,600 jobs, or 1.6 percent, above the previous fourth quarter peak in 2019. Sales market conditions ranged from balanced to slightly tight, unchanged from the fourth quarter of 2023. Apartment market conditions ranged from slightly soft to tight, and average rents were up from a year ago in areas throughout the region. In New York City (NYC), apartment market conditions were tight, unchanged from the fourth quarter of 2023.

As of the fourth quarter of 2024 —

- Nonfarm payrolls in the region increased by 173,300 jobs, or 1.2 percent, compared with the fourth quarter of 2023, when nonfarm payrolls were up 1.5 percent from the same period a year earlier. In New York and New Jersey, nonfarm payrolls rose by 135,800 and 37,500 jobs, or 1.4 and 0.9 percent, respectively. Nonfarm payrolls in NYC were up by 85,600 jobs, or 1.8 percent.

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- Home construction activity, as measured by the number of single-family homes permitted, increased 20 percent in the region. Single-family permitting in New Jersey and New York rose 21 and 19 percent, respectively. Multifamily building activity more than doubled to 14,700 units. Multifamily construction activity more than tripled in New York and was up 52 percent in New Jersey.
- In the New York-Newark-Jersey City metropolitan area, single-family permitting was up by 530 homes, or 19 percent, compared with a 3-percent decline a year ago, and multifamily construction activity more than doubled. In NYC, 6,475 multifamily units were permitted, which is more than five times the 1,275 units permitted a year ago.

Economic Conditions

As of the fourth quarter of 2024, nonfarm payrolls in the New York/New Jersey region increased for the 15th consecutive quarter on a year-over-year basis compared with year-over-year declines in each of the previous four quarters. However, job growth slowed during the past year because jobs increased in only 5 of the 11 nonfarm payroll sectors, compared with 7 sectors adding jobs a year ago. As of the fourth quarter of 2024, nonfarm payrolls in the region averaged 14.38 million jobs, representing an increase of 173,300 jobs, or 1.2 percent, from the fourth quarter of 2023. Nonfarm payrolls were up 1.5 percent as of the fourth quarter of 2023 compared with the same period a year earlier.

As of the fourth quarter of 2024, the largest regionwide job gain was in the education and health services sector, which increased by 165,600 jobs, or 5.4 percent, from the fourth quarter of 2023. Approximately 88 percent of the net gain in the sector was in the health care and social assistance subsector, which was up by 146,200 jobs, or 6.0 percent.

Additional significant gains occurred in the government and the leisure and hospitality sectors, which increased by 28,800 and 11,100 jobs, or 1.4 and 0.8 percent, respectively. Approximately 78 percent of the net increase in the government sector was in the local government subsector, which was up by 22,400 jobs, or 1.5 percent. The rise in the leisure and hospitality sector was partially due to increased tourism in the region. As of the fourth quarter of 2024, the average regional hotel occupancy rate was 69.3 percent, up from 68.1 percent as of the fourth quarter of 2023 (CoStar Group).

Losses in six sectors, led by the information and the wholesale and retail trade sectors, which declined by 16,300 and 7,800 jobs, or 4.6 and 0.4 percent, respectively, partially offset gains. Approximately 37 percent of the net decrease in the information sector was in the telecommunications industry, which declined by 6,100 jobs, or 10.7 percent. In the wholesale and retail trade sector, the net loss was concentrated in the retail trade subsector, which declined by 9,300 jobs, or 0.7 percent.

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As of the fourth quarter of 2024, nonfarm payrolls increased in the New York/New Jersey region, with gains in five sectors more than offsetting losses in the other six sectors.

	Fourth Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	14,211.1	14,384.4	173.3	1.2
Goods-Producing Sectors	1,243.1	1,233.2	-9.9	-0.8
Mining, Logging, & Construction	565.2	560.5	-4.7	-0.8
Manufacturing	677.9	672.7	-5.2	-0.8
Service-Providing Sectors	12,968.0	13,151.2	183.2	1.4
Wholesale & Retail Trade	1,825.9	1,818.1	-7.8	-0.4
Transportation & Utilities	611.6	616.4	4.8	0.8
Information	353.0	336.7	-16.3	-4.6
Financial Activities	1,020.1	1,017.8	-2.3	-0.2
Professional & Business Services	2,134.6	2,128.8	-5.8	-0.3
Education & Health Services	3,054.7	3,220.3	165.6	5.4
Leisure & Hospitality	1,315.6	1,326.7	11.1	0.8
Other Services	562.9	568.0	5.1	0.9
Government	2,089.6	2,118.4	28.8	1.4

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

Source: U.S. Bureau of Labor Statistics



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As of the fourth quarter of 2024, the unemployment rate in the region averaged 4.2 percent, down from the 4.4-percent rate as of the fourth quarter of 2023. The lower rate was due to a 0.7-percent decline in the labor force, which outpaced the 0.5-percent decrease in resident employment. The decline in the unemployment rate in the region is in contrast to a rise in the nation, which increased from 3.5 percent as of the fourth quarter of 2023 to 3.9 percent as of the fourth quarter of 2024. As of the fourth quarter of 2024, the unemployment rates in New Jersey and New York averaged 4.2 and 4.1 percent, down from 4.5 and 4.3 percent, respectively, a year ago.

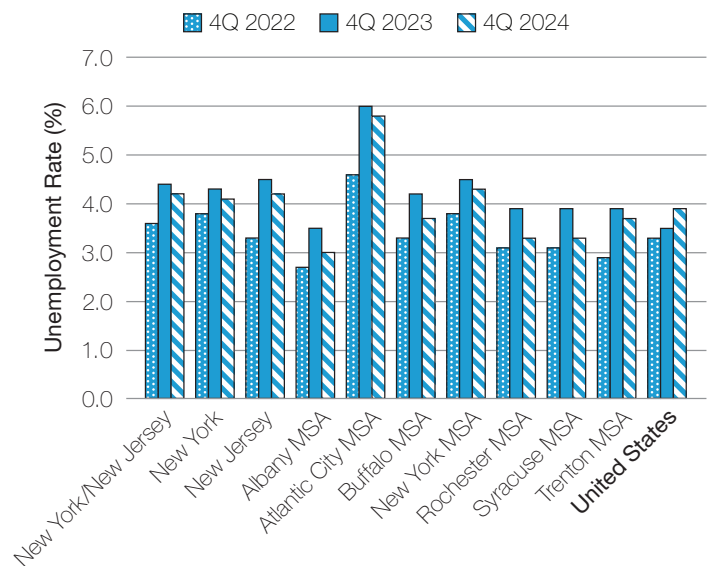
As of the fourth quarter of 2024—

- Nonfarm payrolls in New York increased by 135,800 jobs, or 1.4 percent, compared with the fourth quarter of 2023, when nonfarm payrolls were up 1.3 percent from the same period a year earlier. During the past year, approximately 89 percent of the net increase was in the education and health services sector, which was up by 120,900 jobs, or 5.3 percent.
- In NYC, nonfarm payrolls were up by 85,600 jobs, or 1.8 percent, compared with an increase of 50,100 jobs, or 1.1 percent, a year ago. The faster rate of job growth during the past year was partially due to a stronger gain in the education and health services sector, which was up by 83,700 jobs, or 6.9 percent, compared with a 5.3-percent increase a year ago.
- Nonfarm payrolls increased throughout Upstate New York, led by gains in the Rochester and Syracuse metropolitan areas, rising by 8,500 and 4,600 jobs, or 1.6 and 1.4 percent, respectively. In the Albany and Buffalo metropolitan areas, nonfarm payrolls were up by 3,800 and 3,300 jobs, or 0.8 and 0.6 percent, respectively, from the fourth quarter of 2023.
- In New Jersey, nonfarm payrolls increased by 37,500 jobs, or 0.9 percent, compared with the fourth quarter of 2023,

when nonfarm payrolls rose by 78,100 jobs, or 1.8 percent, from the same period a year earlier. In the Newark and Camden metropolitan divisions, nonfarm payrolls were up by 12,200 and 9,900 jobs, or 1.0 and 1.7 percent, respectively.

- Nonfarm payroll growth in New Jersey slowed during the past year, partially because of declines in the professional and business services and the leisure and hospitality sectors, which decreased by 9,000 and 4,700 jobs, respectively, or 1.2 percent in both sectors. By comparison, nonfarm payrolls in those sectors increased as of the fourth quarter of 2023 by 700 and 15,100 jobs, or 0.1 and 4.0 percent, respectively, from the same period a year earlier.

As of the fourth quarter of 2024, unemployment rates were down in both New York and New Jersey from the fourth quarter of 2023.



4Q = fourth quarter.

Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

Sales market conditions in the New York/New Jersey region ranged from balanced to slightly tight as of the fourth quarter of 2024, unchanged from the same period a year ago. Similar to the rest of the nation, home sales generally declined in the region during the past 3 years because of mortgage rates rising sharply during 2022 and 2023 and staying elevated during 2024. During 2024, the average interest rate of a 30-year fixed-rate mortgage was 6.7 percent, down slightly from 6.8 percent a year ago but significantly higher than the average 3.1-percent rate during 2020 and 2021 (Freddie Mac).

In New York, sales market conditions were slightly tight in most areas. In December 2024, New York had 2.6 months

of available for-sale housing inventory, down slightly from 2.7 months of inventory a year ago. The home sales price was 0.9 percent on average above the listing price compared with 0.8 percent above the listing price in December 2023 (New York State Association of REALTORS®, Inc.). During 2024, existing home sales in New York declined by 2,800 homes, or 3 percent, to 103,500 homes sold. By comparison, existing home sales declined an average of 16 percent annually during the previous 2 years, compared with an 18-percent increase during 2021. During 2024, the average price of existing homes in New York increased 6 percent to \$548,600, compared with a 2-percent decrease a year ago.

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Home sales were down in New York and New Jersey during the past year, but average home sales prices were up in both states.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average or Median	2023 (\$)	2024 (\$)	Percent Change
New York (E)*, **	December	106,300	103,500	-3	AVG	515,300	548,600	6
New York City (N&E)**	December	38,800	39,200	1	AVG	1,311,900	1,308,400	0
Albany MSA (N&E)**	December	10,750	10,400	-3	AVG	328,500	358,200	9
Buffalo MSA (E)**	December	9,275	9,225	-1	AVG	272,900	291,800	7
Rochester MSA (E)**	December	12,500	12,450	0	AVG	254,900	269,500	6
New Jersey (E)***	December	55,900	55,750	0	AVG	638,300	700,000	10
Northern New Jersey (E)***	December	20,550	20,550	0	MED	368,000–690,000	405,000–755,000	NA
Central New Jersey (E)***, ****	December	9,700	9,700	0	MED	435,000–635,000	485,000–719,000	NA
Southern New Jersey (E)***	December	25,650	25,500	-1	MED	210,000–670,000	270,000–730,000	NA

AVG = average. E = existing. MED = median. MSA = metropolitan statistical area. NA = not available. N&E = new and existing.

Notes: *Excludes parts of New York City. **Includes single-family homes, townhomes, and condominiums. ***Includes only single-family homes. ****Includes Hunterdon, Mercer, Middlesex, and Somerset Counties.

Sources: Buffalo Niagara Association of REALTORS®; New Jersey Association of REALTORS®; New York State Association of REALTORS®, Inc.; Redfin, a national real estate brokerage

Home sales were down throughout Upstate New York, led by a decrease of 350 homes, or 3 percent, in the Albany metropolitan area (Redfin, a national real estate brokerage). Home sales in the Buffalo and Rochester metropolitan areas both declined by 50 homes, or 1 and less than 1 percent, respectively (Buffalo Niagara Association of REALTORS®; Redfin, a national real estate brokerage). However, average home prices in the Albany, Buffalo, and Rochester metropolitan areas rose 9, 7, and 6 percent during the past year to \$358,200, \$291,800, and \$269,500, respectively.

Sales market conditions in NYC—which includes the boroughs of the Bronx, Brooklyn, Manhattan, and Staten Island—are currently balanced, unchanged from a year ago. In December 2024, NYC had 5.5 months of available for-sale housing inventory, down from 6.0 months of inventory a year ago (Redfin, a national real estate brokerage). During 2024, approximately 39,200 new and existing homes were sold in NYC, representing an increase of 400 homes, or 1 percent, compared with 2023, when home sales were down 27 percent from 2022. During the past year, home sales rose in three of the five boroughs, led by an 8-percent increase in Staten Island. In Manhattan, home sales were relatively unchanged from a 28-percent decrease a year ago. The average price of new and existing homes in NYC declined less than 1 percent to \$1.31 million, compared with a 1-percent decrease a year ago. The average home price was up in four of five boroughs, led by the Bronx, where the average home price rose 8 percent. In Manhattan, the average home price declined 5 percent, compared with an average annual 4-percent increase during 2022 and 2023.

Sales market conditions in New Jersey are currently slightly tight, unchanged compared with the fourth quarter of 2023.

In December 2024, New Jersey had 2.5 months of housing inventory available for sale, down from 2.8 months in December 2023 (New Jersey Association of REALTORS®). During 2024, approximately 55,750 existing homes were sold in New Jersey, representing a decrease of 150 homes, or less than 1 percent, from 2023. By comparison, home sales declined an average of 21 percent annually during 2022 and 2023. During the past year, home sales were down 1 percent in southern New Jersey but unchanged in both central New Jersey and northern New Jersey. During 2024, the average price of an existing home in New Jersey rose 10 percent to \$700,000.

In November 2024, 1.5 percent of home loans in the region were seriously delinquent or had transitioned into real estate owned status, down from 1.8 percent in November 2023 (CoreLogic, Inc.). Despite the decline, the regionwide rate is above the 1.0-percent nationwide rate and is the highest of the 10 HUD-defined regions. In New York and New Jersey, the rates were 1.8 and 1.2 percent, down from 2.1 and 1.3 percent, respectively, a year earlier.

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

- In response to sales market conditions staying slightly tight in most of the region, homebuilding activity increased 20 percent to 6,350 homes permitted, the highest level of construction activity for the fourth quarter in more than 15 years. The rate of increase during the past year is the strongest of the 10 HUD regions. The rate increased 2 percent nationwide.
- In New Jersey, home construction activity increased by 650 homes, or 21 percent, from the fourth quarter of 2023, when

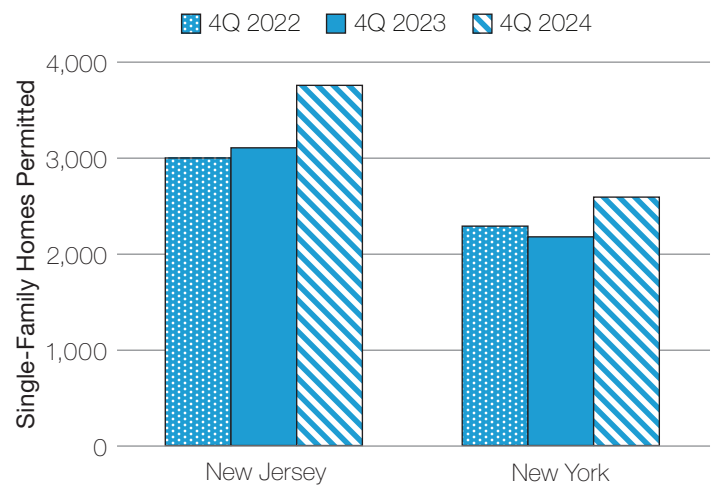
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homebuilding activity rose 3 percent from the same period a year earlier. During the past year, homebuilding activity was up in 17 of 21 counties, led by Mercer County, where the number of homes permitted more than tripled from 80 homes permitted as of the fourth quarter of 2023 to 300 homes permitted as of the fourth quarter of 2024.

- Single-family permit activity in New York increased by 410 homes, or 19 percent, compared with a 5-percent decline a year ago. Single-family home permitting rose throughout Upstate New York, led by an increase of 110 homes, or 45 percent, in the Albany metropolitan area.
- In the New York-Newark-Jersey City metropolitan area, single-family home permitting was up by 530 homes, or 19 percent, compared with the fourth quarter of 2023, when homebuilding activity was down 3 percent from the same period a year earlier. In the New York-Jersey City-White Plains and the Newark metropolitan divisions, the number of homes permitted increased by 350 and 140 homes, or 19 and 28 percent, respectively.

As of the fourth quarter of 2024, homebuilding activity increased in the New York/New Jersey region, with gains in both states.



4Q = fourth quarter.

Note: Based on preliminary data.

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

Apartment Market Conditions

Apartment market conditions in the major metropolitan areas in the New York/New Jersey region ranged from slightly soft to tight as of the fourth quarter of 2024, unchanged from the fourth quarter of 2023. Apartment market conditions in New York ranged from slightly soft to tight. Conditions in Upstate New York ranged from balanced to slightly soft. The apartment markets in the Albany and Rochester metropolitan areas remained balanced, unchanged from the fourth quarter of 2023. As of the fourth quarter of 2024, the apartment vacancy rates in these metropolitan areas averaged 4.8 and 4.4 percent, compared with 4.7 and 5.0 percent, respectively, as of the same period a year ago (CoStar Group). Conditions in the Syracuse and Buffalo metropolitan areas were slightly soft, unchanged from a year ago, with respective vacancy rates of 6.0 and 5.2 percent, compared with 5.6 and 5.4 percent as of the fourth quarter of 2023. Average rents were up throughout Upstate New York, led by increases of 4 percent each in the Buffalo, Rochester, and Syracuse metropolitan areas.

In NYC, conditions were tight, unchanged from a year ago. Unlike the rest of the region, apartment market conditions have stayed tight since 2022 because of continued strong absorption of apartment units. Since 2022, an average of 14,850 apartment units have been absorbed annually. Absorption during this period was up 8 percent from the average of 13,750 units absorbed annually from 2016 through 2021 and is more than double the average of 6,925 units absorbed annually from 2010 through

2015. As of the fourth quarter of 2024, the apartment vacancy rate in NYC was 2.3 percent, up slightly from the 2.2-percent rate a year ago, and the average rent increased 2 percent to \$3,587. On Long Island, conditions were slightly soft, unchanged from the fourth quarter of 2023. As of the fourth quarter of 2024, the apartment vacancy rate was 5.2 percent, down from 6.0 percent a year ago, and the average rent increased 1 percent to \$2,897. The average apartment vacancy rate on Long Island declined during the past year because of a combination of absorption of apartments accelerating 77 percent to 1,275 units and the number of market-rate apartments being completed slowing 48 percent to 950 new units.

In New Jersey, apartment market conditions were balanced in all areas cited in this report. Conditions in northern New Jersey remained balanced, unchanged from the fourth quarter of 2023. As of the fourth quarter of 2024, the apartment vacancy rate was 4.9 percent, up slightly from 4.8 percent a year ago, and the average rent rose 2 percent to \$2,518. Conditions were also balanced in the Atlantic City metropolitan area, with a 3.9-percent vacancy rate, down from 4.3 percent a year ago, and the average rent increased 4 percent to \$1,696. In the Trenton metropolitan area, conditions were balanced, compared with slightly tight conditions a year ago, and the vacancy rate increased from 3.8 percent as of the fourth quarter of 2023 to 4.2 percent as of the fourth quarter of 2024. Conditions eased during the past 2 years because the average of approximately

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As of the fourth quarter of 2024, apartment market conditions ranged from slightly soft to tight in the New York/New Jersey region, and average rents were up in all areas.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		4Q 2023 (%)	4Q 2024 (%)	Percentage Point Change	4Q 2023 (\$)	4Q 2024 (\$)	Percent Change
Albany	Balanced	4.7	4.8	0.1	1,550	1,594	3
Atlantic City	Balanced	4.3	3.9	-0.4	1,626	1,696	4
Buffalo	Slightly Soft	5.4	5.2	-0.2	1,271	1,320	4
Long Island	Slightly Soft	6.0	5.2	-0.8	2,860	2,897	1
New York City	Tight	2.2	2.3	0.1	3,530	3,587	2
Northern New Jersey	Balanced	4.8	4.9	0.1	2,461	2,518	2
Rochester	Balanced	5.0	4.4	-0.6	1,380	1,436	4
Syracuse	Slightly Soft	5.6	6.0	0.4	1,259	1,307	4
Trenton	Balanced	3.8	4.2	0.4	2,089	2,158	3

4Q = fourth quarter.

Note: Data are for market-rate and mixed market-rate (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

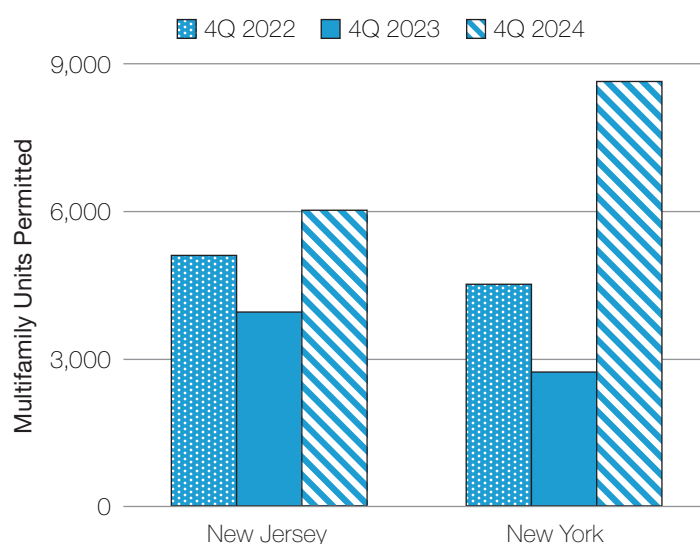
140 apartment units being absorbed annually was slower than the average of 280 new apartments being completed annually. As of the fourth quarter of 2024, the average apartment rent in the metropolitan area was \$2,158, up 3 percent from the fourth quarter of 2023.

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

- Multifamily building activity in the region, as measured by the number of multifamily units permitted, more than doubled to nearly 14,700 units, compared with a 31-percent decline during the same period a year ago. By comparison, multifamily permitting activity nationwide declined 1 percent from the fourth quarter of 2023.
- In response to a new statewide tax-incentive program to encourage affordable housing development that became effective in April 2024, multifamily building activity in New York more than tripled to 8,650 units permitted compared with the fourth quarter of 2023, when multifamily permitting declined 40 percent from the same period a year earlier. Multifamily construction activity was up throughout Upstate New York, led by the Syracuse metropolitan area, where multifamily permitting rose from 5 units permitted as of the fourth quarter of 2023 to 250 units permitted as of the fourth quarter of 2024.
- In New Jersey, multifamily construction activity increased by 2,075 units, or 52 percent, to 6,025 units permitted. By comparison, fourth quarter multifamily building activity declined an average of 26 percent annually during the previous 2 years.
- In the New York-Newark-Jersey City metropolitan area, multifamily construction activity more than doubled to

12,050 units permitted compared with a 31-percent decline a year ago. In response to continued tight apartment market conditions and the new statewide tax-incentive program, multifamily construction activity in NYC surged from 1,275 units permitted as of the fourth quarter of 2023 to 6,475 units as of the fourth quarter of 2024, which was the highest level of permitting activity for a fourth quarter in 5 years.

As of the fourth quarter of 2024, multifamily construction activity surged in the New York/New Jersey region, with strong gains in both states.



4Q = fourth 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. A property is stabilized once it reaches a 90-percent occupancy rate or more or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes regular resales, short sales, and real estate owned 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.
2.	Upstate New York refers to the portions of the state excluding the New York-Newark-Jersey City, NY-NJ-PA metropolitan area.