

HUD PD&R Regional Reports

Region 1: New England



Quick Facts About Region 1

Burlington, Vermont

By [Diana Villavicencio](#) | 1st Quarter 2024

Overview

As of the first quarter of 2024, year-over-year nonfarm payroll growth in the New England region decelerated compared with a year ago, but payrolls reached an all-time first quarter high. Nonfarm payrolls in the region rose in 7 of 11 sectors and in all six states as of the first quarter of 2024. Population growth in the region accelerated to 0.3 percent from 2022 to 2023 compared with growth of 0.1 percent from 2021 to 2022. Despite continued job gains, home sales markets eased from tight conditions a year ago, similar to the rest of the nation, but were unchanged from the previous quarter. During the past year, home sales declined sharply, and average sales prices rose at slowing rates. Elevated mortgage interest rates contributed to the slower price growth and declining sales, and relatively low levels of available inventory exacerbated the drop in sales. Apartment market conditions in the region ranged from slightly soft to very tight, and conditions eased from a year ago in seven of the eight largest metropolitan areas in the region.

- Year-over-year nonfarm payroll growth as of the first quarter of 2024 ranged from 0.7 percent in Massachusetts to 1.8 percent in Rhode Island. The education and health

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services, the government, the other services, and the leisure and hospitality sectors led job growth in the region. Connecticut, Massachusetts, and New Hampshire had job gains in all four of those sectors.

- During the 12 months ending February 2024, regionwide home sales decreased 22 percent compared with a year ago, higher than the 19-percent decline nationwide, and average home sales prices were up 5 and 2 percent, respectively, in the region and the nation (CoreLogic, Inc., with adjustments

by the analyst). New home construction, as measured by the number of single-family homes permitted, rose in the region and the nation compared with a year earlier.

- Apartment vacancy rates rose compared with a year ago in seven of the eight metropolitan areas in the region cited in this report as of the first quarter of 2024, partly because new apartment completions exceeded apartment absorption. However, average rents increased in all eight markets from a year earlier.

Economic Conditions

Nonfarm payrolls in the New England region increased from a year earlier as of the first quarter of 2024, but the rate of job growth decelerated. As of the first quarter of 2024, nonfarm payrolls rose by 70,800 jobs, or 1.0 percent, to 7.50 million, slowing from a 2.2-percent increase 1 year earlier. The regional rate of job growth as of the first quarter of 2024 was the second slowest among the 10 HUD-defined regions, lagging behind the 1.8-percent national growth rate. Despite the recent slowdown, nonfarm payrolls in the region were 0.8 percent above the previous first quarter peak during 2020, before the most significant impacts of the COVID-19 pandemic. All states in the region except Vermont had more jobs as of the first quarter of 2024 compared with the first quarter of 2020. Nationwide, jobs were 4.0 percent higher than the level during the first quarter of 2020.

Regionwide job growth occurred in 7 of the 11 nonfarm payroll sectors as of the first quarter of 2024. Payrolls increased by 50,600 jobs, or 3.2 percent, in the education and health services

sector, the largest sector in the region, accounting for 22 percent of all jobs. Approximately 83 percent of the gains in the sector were in the healthcare and social assistance subsector. Payrolls in the government sector increased by 15,700 jobs, or 1.6 percent. Growth occurred across the government subsectors but was strongest in the state and local government subsectors, which accounted for 49 and 34 percent, respectively, of sector growth. In 2023, state and local governments began receiving Coronavirus State and Local Fiscal Recovery Funds, part of the American Rescue Plan Act. The other services and the leisure and hospitality sectors increased by 8,400 and 8,300 jobs, or 3.1 and 1.2 percent, respectively, from 1 year earlier. Approximately 46 percent of job growth in the other services sector was attributed to hiring in the religious, grantmaking, civic, professional, and similar organizations industry in Connecticut and Massachusetts. Approximately 90 percent of the gains in the leisure and hospitality sector were in the arts, entertainment, and

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Nonfarm payrolls in the New England region rose in 7 of the 11 sectors as of the first quarter of 2024.

	First Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	7,433.0	7,503.8	70.8	1.0
Goods-Producing Sectors	910.1	906.8	-3.3	-0.4
Mining, Logging, & Construction	320.9	322.5	1.6	0.5
Manufacturing	589.2	584.3	-4.9	-0.8
Service-Providing Sectors	6,522.9	6,597.0	74.1	1.1
Wholesale & Retail Trade	1,005.2	999.9	-5.3	-0.5
Transportation & Utilities	234.6	237.5	2.9	1.2
Information	159.3	151.8	-7.5	-4.7
Financial Activities	459.7	461.0	1.3	0.3
Professional & Business Services	1,111.0	1,110.9	-0.1	0.0
Education & Health Services	1,594.8	1,645.4	50.6	3.2
Leisure & Hospitality	686.3	694.6	8.3	1.2
Other Services	271.0	279.4	8.4	3.1
Government	1,000.9	1,016.6	15.7	1.6

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

Source: U.S. Bureau of Labor Statistics



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recreation industry. As of the first quarter of 2024, the education and health services, the professional and business services, the mining, logging, and construction, and the transportation and utilities sectors were the only sectors that surpassed their payroll levels during the first quarter of 2020.

The unemployment rate in the region averaged 3.8 percent as of the first quarter of 2024, up from 3.6 percent a year earlier but below the current 4.1-percent rate for the nation. The regionwide unemployment rate increased during the past year because the labor force growth rate of 1.4 percent outpaced a 1.1-percent rise in resident employment. Unemployment rates rose in five of the six New England states. Vermont had the second lowest unemployment rate in the nation at 2.5 percent, following only South Dakota, whereas the 4.8-percent rates in Connecticut and Rhode Island were the highest statewide rates in the region and the 10th and 11th highest in the nation, respectively.

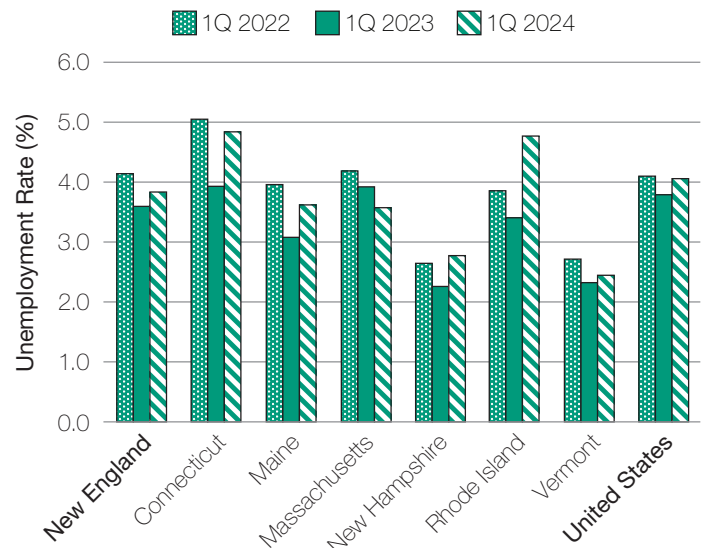
As of the first quarter of 2024—

- The fastest year-over-year rate of job growth in the region occurred in Rhode Island, where nonfarm payrolls rose 1.8 percent to 501,000 jobs compared with a 2.5-percent increase a year earlier. The education and health services, the professional and business services, and the leisure and hospitality sectors added the most jobs, accounting for a combined 91 percent of net job growth.
- Job rates rose at 1.4 and 1.2 percent from a year ago in New Hampshire and Maine to 698,500 and 637,400 jobs, respectively, compared with increases of 2.5 and 2.4 percent a year earlier. The education and health services, the government, and the professional and business services sectors added the most jobs of any sector in both states.
- In Connecticut, jobs rose 1.0 percent from a year ago to approximately 1.68 million, slower than the 2.0-percent rate of growth a year earlier. The education and health services sector added the most jobs and accounted for 61 percent of net job growth in the state, whereas the transportation and

utilities sector added the second most jobs and accounted for 18 percent of statewide net job growth.

- Nonfarm payrolls in Vermont rose 0.8 percent to 311,100, slower than the 2.8-percent increase as of the first quarter of 2023. Seven sectors contributed to statewide net job growth, including the government sector, which added 1,400 jobs, the most for any sector.
- The slowest year-over-year rate of job growth in the region occurred in Massachusetts, where nonfarm payrolls rose 0.7 percent to approximately 3.67 million jobs compared with an increase of 2.1 percent a year earlier. Losses in five sectors partially offset job gains in six nonfarm payroll sectors, including the education and health services sector, which added 21,700 jobs.

Unemployment rates rose in five New England region states as of the first quarter of 2024, and the regional rate was below the national average.



1Q = first quarter.

Source: U.S. Bureau of Labor Statistics

Population

Population growth in the New England region accelerated from 2022 to 2023 compared with growth from 2021 to 2022, but the increase was not as strong as growth for the entire nation, partially because of comparatively lower economic growth regionwide. From 2022 to 2023, the regionwide population grew by approximately 39,050, or 0.3 percent, to nearly 15.16 million as of July 1, 2023, whereas the population grew by 14,650, or 0.1 percent, from 2021 to 2022 (U.S. 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. During the most recent period, the region had the fourth slowest growth rate among the 10 HUD regions.

All six New England states added population, however, and the growth was the result of net in-migration, all which was international. As of July 1, 2023, the region accounted for nearly 5 percent of the national population, identical to the ratio in 2022.

During the 12 months ending July 1, 2023—

- Massachusetts and Connecticut had the largest population gains in the region, increasing by 18,650 and 8,475, or 0.3 and 0.2 percent, respectively, to 7.00 and 3.62 million, because both net in-migration and net natural increase contributed to population growth. By comparison, from 2021 to 2022, the

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population declined 0.1 percent in Massachusetts, whereas the population rose 0.1 percent in Connecticut.

- The population in Maine totaled 1.40 million, up 0.5 percent, the fastest rate of growth in the region but slower than the 0.8-percent growth rate from 2021 to 2022. The rate of growth slowed from the previous period because lower net natural decline was not enough to offset a slowdown in net in-migration.
- The population in New Hampshire and Rhode Island rose 0.2 percent each, or by 3,050 and 2,125, respectively, to 1.40

and 1.10 million compared with a respective increase of 0.8 percent and a decline of 0.3 percent 1 year earlier. Net in-migration more than offset net natural decline in both states.

- Vermont was the second least populous state in the nation, following only Wyoming, with a population of approximately 647,500. From 2022 to 2023, the population increased by 350, or 0.1 percent, following a less-than-20-person increase during the previous year, with net in-migration contributing to all growth during the two periods.

The New England region added approximately 39,050 new residents from 2022 to 2023, higher than the number added from 2021 to 2022.

	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
New England Region	15,106,108	15,120,739	15,159,777	0.1	0.3
Connecticut	3,603,691	3,608,706	3,617,176	0.1	0.2
Maine	1,378,787	1,389,338	1,395,722	0.8	0.5
Massachusetts	6,991,951	6,982,740	7,001,399	-0.1	0.3
New Hampshire	1,387,494	1,399,003	1,402,054	0.8	0.2
Rhode Island	1,097,092	1,093,842	1,095,962	-0.3	0.2
Vermont	647,093	647,110	647,464	0.0	0.1

Source: U.S. Census Bureau

Sales Market Conditions

Home sales market conditions were slightly tight throughout the New England region compared with tight conditions a year earlier, but conditions were unchanged from the previous quarter. Conditions eased in the past year because of significant declines in home sales, largely in response to a continued increase in mortgage interest rates. As of the 12 months ending March 2024, the interest rate for a 30-year fixed-rate mortgage averaged 6.9 percent, up from 6.0 percent 1 year earlier (Freddie Mac). Rising interest rates also contributed to a limited number of homes listed for sale because homeowners with current mortgages at low rates are reluctant to sell their homes if a subsequent purchase requires financing at a higher mortgage rate. The inventory of homes for sale in the region is low, although the supply of for-sale inventory, measured as months of supply at the current sales rate, increased to 1.3 months in March 2024, up from 1.0 month in March 2023 (CoreLogic, Inc.). Nationally, the supply of homes for sale rose to 2.9 months from 2.1 months a year earlier. Vermont and Maine had the highest months of supply in the region at 2.1 and 2.0 months, respectively, up from 1.1 and 0.9 months in March 2023. Rhode Island had 1.4 months of supply, up from 1.2 months a year earlier, whereas New Hampshire had 1.3 months of supply, up from 0.8 month a year earlier. The supply in Massachusetts rose slightly, from 1.1 to 1.2 months of inventory.

Regionwide home sales declined 22 percent during the 12 months ending February 2024 to 178,000 homes (CoreLogic, Inc., with adjustments by the analyst). This recent regional decline accelerated following a 16-percent drop during the 12 months ending February 2023 and was more significant than the 19-percent nationwide rate of decline during the past year. Home sales were down in all states in the region, ranging from a 17-percent reduction in Maine to a 28-percent decline in New Hampshire. Home sales decreased in all eight major metropolitan areas highlighted in this report. Among the metropolitan areas, the lowest rate of sales decline, 21 percent, occurred in the Burlington metropolitan area, and the greatest decrease, 27 percent, occurred in the Portland metropolitan area.

Home sales prices rose 5 percent in the region during the 12 months ending February 2024 to an average of \$525,900, but this rate of growth was slower than in the previous 12 months, when prices increased 6 percent (CoreLogic, Inc., with adjustments by the analyst). Nationwide, sale prices rose 2 percent to \$407,000, slower than the 6-percent gain during the preceding year. Average home sales prices rose in all six New England states, ranging from 4 percent in Massachusetts and Vermont to 8 percent in Rhode Island. Average home sales prices rose in the eight major metropolitan areas highlighted in this

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Home sales declined at least 17 percent in each of the six states in the New England region during the 12 months ending February 2024, whereas average home sales prices rose at least 4 percent in every state in the region.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Connecticut (N&E)	February	53,700	41,200	-23	AVG	427,800	455,400	6
Bridgeport, CT (N&E)	February	13,650	10,050	-26	AVG	723,500	766,600	6
Hartford, CT (N&E)	February	18,200	14,250	-22	AVG	321,000	349,400	9
Maine (N&E)	February	25,650	21,350	-17	AVG	349,500	367,100	5
Portland, ME (N&E)	February	10,650	7,725	-27	AVG	479,700	507,600	6
Massachusetts (N&E)	February	94,250	73,650	-22	AVG	647,900	672,300	4
Boston, MA (N&E)	February	63,250	48,300	-24	AVG	739,300	765,300	4
Worcester, MA-CT (N&E)	February	14,500	11,300	-22	AVG	406,500	439,400	8
New Hampshire (N&E)	February	25,600	18,450	-28	AVG	403,300	424,000	5
Manchester, NH (N&E)	February	6,075	4,625	-24	AVG	399,900	429,500	7
Rhode Island (N&E)	February	15,000	11,750	-22	AVG	455,000	491,500	8
Providence, RI-MA (N&E)	February	22,300	17,400	-22	AVG	452,600	486,100	7
Vermont (E)	February	14,300	11,550	-19	AVG	328,500	343,200	4
Burlington, VT (E)	February	4,025	3,175	-21	AVG	388,700	412,800	6

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

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

report. The price increases ranged from 4 percent in the Boston metropolitan area to 9 percent in the Hartford metropolitan area.

As of February 2024, 0.9 percent of home loans in the region were seriously delinquent or in real estate owned (REO) status, down from 1.2 percent in February 2023 (CoreLogic, Inc.). The current rate in the region is just below the 1.0-percent rate nationwide and is the fifth lowest of the 10 HUD regions. Rates of seriously delinquent mortgages and REO properties in the region ranged from a low of 0.5 percent in New Hampshire to 1.2 percent in Connecticut and Maine.

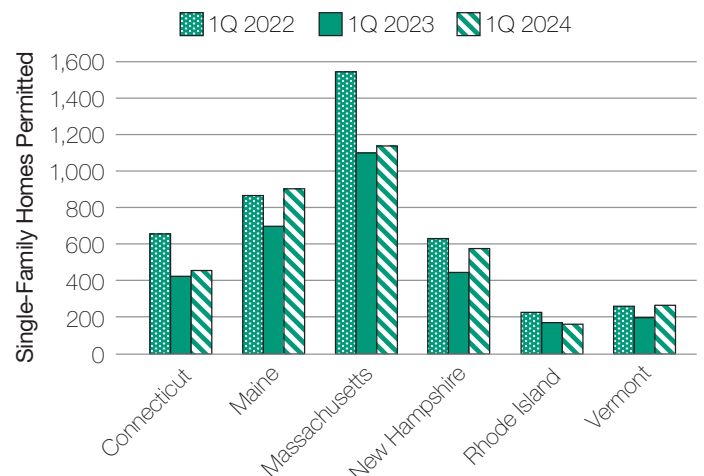
Homebuilding activity in the region increased as of the first quarter of 2024 compared with a year ago in response to continued low levels of available inventory, and the level of single-family home permitting was the second highest first quarter level in the region since 2010.

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

- Homebuilding activity in the region, as measured by the number of single-family homes permitted, totaled 3,525 homes, up 15 percent from the first quarter of 2023 and following a 27-percent decrease a year earlier. By comparison, the number of single-family homes permitted nationally rose 23 percent as of the first quarter of 2024 after a 31-percent decrease a year earlier.
- Single-family home permitting in Maine was up by 210 homes, or 29 percent, to 910 homes, and permitting rose 20 percent in the Portland metropolitan area. Homebuilding activity in New Hampshire increased by 130 homes, or 29 percent, from a year ago, with the largest increase in Rockingham County, which is part of the New Hampshire portion of the Boston metropolitan area.

- Single-family home permitting in Vermont rose by 70 homes, or 35 percent, with a 12-percent increase in the Burlington metropolitan area. Homebuilding activity in Massachusetts and Connecticut rose by 40 and 30 homes, or 4 and 7 percent, respectively, with increases in 8 of the 14 counties in Massachusetts, including 2 in the Boston metropolitan area, and in five of the nine planning regions in Connecticut.
- In Rhode Island, single-family permitting decreased by 10 homes, or 5 percent, from a year ago, decreasing in two of the five counties.

The number of single-family homes permitted increased in all but one of the six states in the New England region as of the first quarter of 2024.



1Q = first quarter.

Note: Based on preliminary data.

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

Apartment Market Conditions

Apartment market conditions ranged from slightly soft to very tight in the eight major metropolitan areas referenced in this report as of the first quarter of 2024. Despite continued economic growth throughout the New England region, market conditions eased from a year ago because apartment absorption was 20 percent less than new apartment completions during the 12 months ending March 2024 (CoStar Group). The number of apartment units completed in the region during the 12 months ending March 2024 totaled approximately 15,300, the third highest level since the 12 months ending March 2001. Units completed in the eight largest metropolitan areas accounted for 88 percent of all the units completed in the region during the period, down from 89 percent during the 12 months ending March 2023.

Apartment vacancy rates increased in seven of the metropolitan areas as of the first quarter of 2024 compared with a year ago, but the vacancy rates for all eight major metropolitan areas in the region were below the national rate of 7.8 percent (CoStar Group). The largest increases in vacancy rates occurred in the Portland and Worcester metropolitan areas, where the rates rose 3.2 and 1.9 percentage points to 6.3 and 5.4 percent, respectively, partly because apartment deliveries were more than double and triple apartment absorption in the respective metropolitan areas as of the 12 months ending March 2024. The apartment vacancy rate rose 0.6 percentage point to 3.3 percent in the Providence metropolitan area and increased 0.4 percentage point each to 4.2 and 5.6 percent, respectively, in the Manchester and the Boston metropolitan areas. Vacancy rates increased in 17 of the 31 CoStar Group-defined market areas (hereafter, market areas) in the Boston metropolitan area, partly because apartment completions were approximately 24 percent higher than apartment absorption during the 12 months ending March 2024. With 7,625 new units completed during the

12 months ending March 2024, the Boston metropolitan area accounted for 50 percent of all new apartment units completed in the region during the period, down from 55 percent a year earlier. The largest apartment vacancy rate increase in the metropolitan area was in the Roxbury/Dorchester market area, where the rate rose from 6.2 to 12.9 percent as of the first quarter of 2024, partly because 830 units were completed in the past 12 months, significantly more than the approximately 50 units completed 1 year earlier, and absorption was significantly low. Elsewhere in the region, the apartment vacancy rate rose 0.3 percentage point to 4.7 percent in the Hartford metropolitan area and 0.1 percentage point to 2.1 percent in the Burlington metropolitan area, which was the lowest rate in the region and the 10th lowest vacancy rate among metropolitan areas in the nation. Although the vacancy rate declined 1.9 percentage points in the Bridgeport metropolitan area, the 5.9-percent rate was among the highest in the region.

As of the first quarter of 2024, the growth in average monthly rents in all eight major metropolitan areas highlighted in this report matched or exceeded the 1-percent increase nationwide (CoStar Group). Average rents in seven of the metropolitan areas were higher than the \$1,688 average for the nation, except in the Hartford metropolitan area, where the rent averaged \$1,631. The Boston metropolitan area had the highest rents in the region and the fifth highest among metropolitan areas in the nation at \$2,815. The average rent rose in 29 of the 31 market areas in the Boston metropolitan area at rates ranging from less than 1 percent to 5 percent, including a 1-percent increase in the Roxbury/Dorchester market area to \$2,697. Throughout the region, average rent growth ranged from 1 percent in the Manchester and Portland metropolitan areas to 5 percent in the Burlington metropolitan area.

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As of the first quarter of 2024, apartment vacancy rates increased in all but one of the eight major metropolitan areas in the New England region, and average rents rose in every metropolitan area.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		1Q 2023 (%)	1Q 2024 (%)	Percentage Point Change	1Q 2023 (\$)	1Q 2024 (\$)	Percent Change
Boston, MA-NH	Balanced	5.2	5.6	0.4	2,756	2,815	2
Bridgeport, CT	Balanced	7.8	5.9	-1.9	2,589	2,652	2
Burlington, VT	Very Tight	2.0	2.1	0.1	1,749	1,844	5
Hartford, CT	Balanced	4.4	4.7	0.3	1,563	1,631	4
Manchester, NH	Tight	3.8	4.2	0.4	1,940	1,967	1
Portland, ME	Slightly Soft	3.1	6.3	3.2	1,790	1,813	1
Providence, RI-MA	Tight	2.7	3.3	0.6	1,784	1,863	4
Worcester, MA-CT	Balanced	3.5	5.4	1.9	1,882	1,924	2

1Q = first quarter.

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



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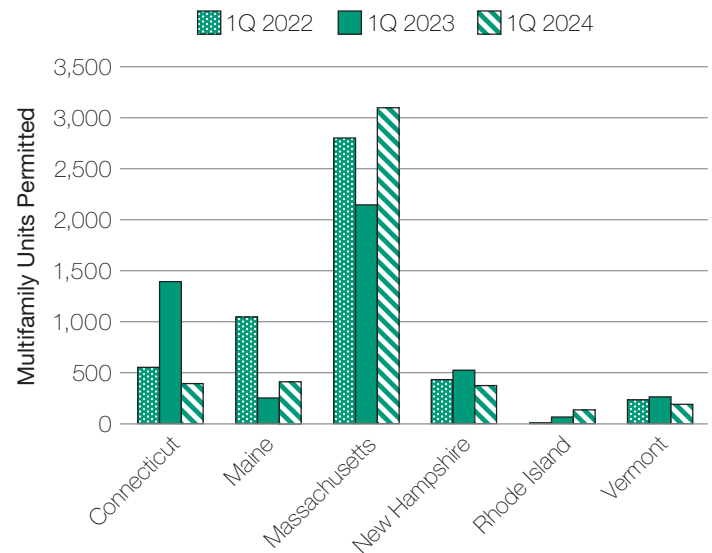
Multifamily building activity, as measured by the number of units permitted, decreased in the region as of the first quarter of 2024 from the same period 1 year earlier, partly because of rising vacancy rates, with lower permitting occurring in one-half of the states in the region.

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

- The number of multifamily units permitted in the region totaled 4,600, reflecting a 1-percent decrease from a year earlier after an 8-percent decrease as of the first quarter of 2023. Nationally, multifamily construction declined 24 percent year over year as of the first quarter of 2024 following a 2-percent decrease during the previous year.
- Multifamily permitting in Connecticut declined by 1,000 units, or 72 percent, to 390 units, and permitting decreased in five of the nine planning regions in the state. In New Hampshire and Vermont, multifamily permitting declined by 150 and 80 units to 380 and 190 units, respectively, and permitting decreased 56 and 60 percent in the Manchester and the Burlington metropolitan areas, respectively.
- Multifamily construction doubled in Rhode Island to 140 units and rose 59 percent in Maine to 410 units because of increased permitting in 2 of the 5 counties in Rhode Island and in 9 of the 16 counties in Maine, including in Sagadahoc and York Counties, which are part of the Portland metropolitan area.
- In Massachusetts, multifamily permitting rose 44 percent from 1 year earlier to 3,100 units, with the largest increase occurring

in the Massachusetts portion of the Boston metropolitan area, where a combined increase of 1,100 units in Middlesex, Plymouth, and Suffolk Counties more than offset a combined decline of 540 units in Essex and Norfolk Counties.

As of the first quarter of 2024, the number of multifamily units permitted fell in one-half of the states in the New England region, with the largest decline occurring in Connecticut.



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 sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once a 90-percent or higher 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.