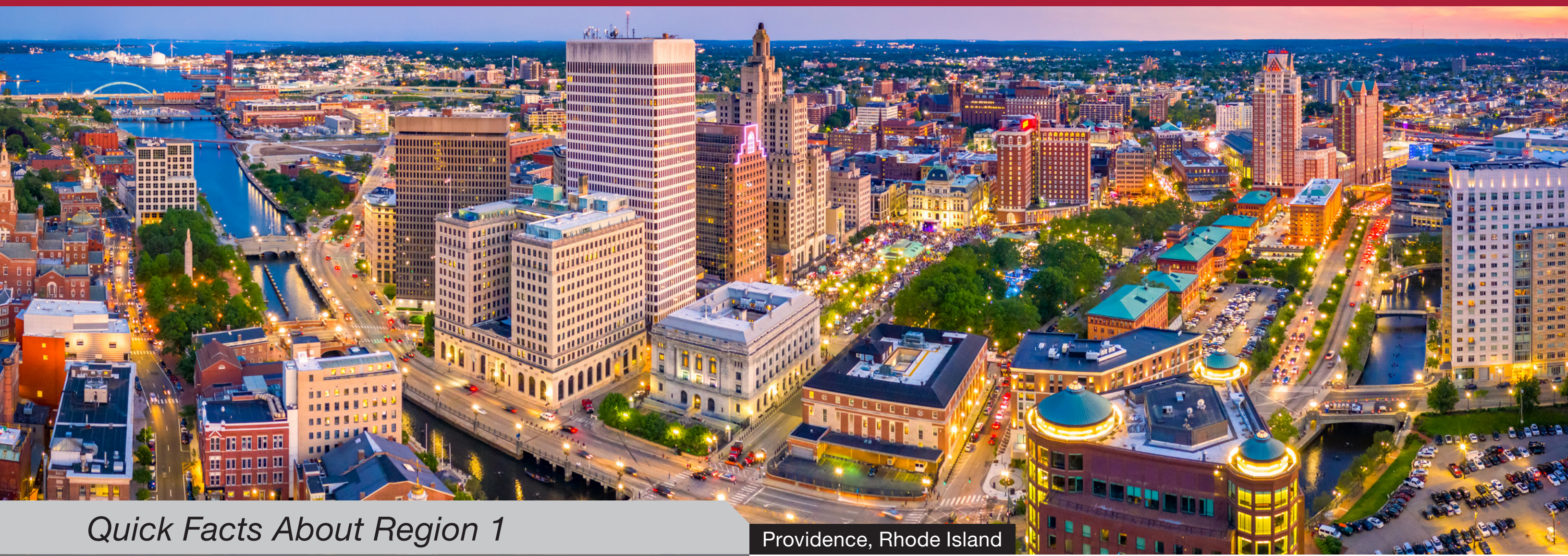
HUD PD&R Regional Reports

Region 1: New England

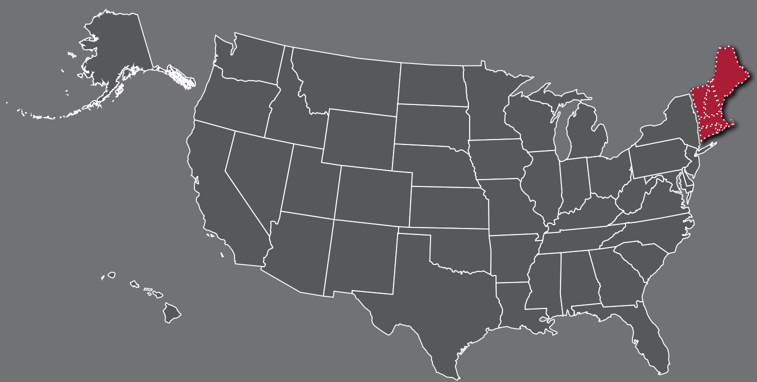


Providence, Rhode Island

Quick Facts About Region 1

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

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



By Mildred Jara | 3rd Quarter 2025

Overview

Economic growth in the New England region was sluggish as of the third quarter of 2025. The regional rate of job growth was the slowest among the 10 HUD-defined regions in the nation and lagged the 0.8-percent national growth rate. As of the third quarter of 2025, nonfarm payrolls in the region rose 0.3 percent year over year, unchanged from the 0.3-percent rate of growth a year earlier. Sales market conditions throughout the region were mixed, ranging from balanced to slightly tight, the same as conditions a year ago. Regionwide, home sales rose year over year during the 12 months ending September 2025, a reversal from the decline in home sales a year ago, and home sales price growth was strong, unchanged from a year earlier (Cotality, with adjustments by the analyst). Apartment market conditions in the region were mixed as of the third quarter of 2025, ranging from slightly soft to tight, with vacancy rates increasing in five of the eight metropolitan areas highlighted in this report (CoStar Group).

- As of the third quarter of 2025, average unemployment rates in all states in the region except Massachusetts were below the 4.5-percent national rate, ranging from 2.5 percent

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in Vermont to 4.3 percent in Rhode Island. In Massachusetts, the average unemployment rate was 4.7 percent.

- Home sales in the region rose 4 percent during the 12 months ending September 2025, compared with a 9-percent decline a year ago (Cotality, with adjustments by the analyst). The average home price rose 7 percent, unchanged from a 7-percent increase during the 12 months ending September 2024.
- Apartment market conditions were balanced in six of the eight metropolitan areas highlighted in this report. As of the third quarter of 2025, year-over-year growth of average rents ranged from an increase of less than 1 percent in the Burlington metropolitan area to a 4-percent increase in the Providence metropolitan area (CoStar Group).

Economic Conditions

Nonfarm payrolls in the New England region increased as of the third quarter of 2025, continuing the year-over-year job growth that began as of the second quarter of 2021; job growth, however, was relatively slow. As of the third quarter of 2025, nonfarm payrolls in the region averaged 7.68 million jobs, reflecting an increase of 25,200 jobs, or 0.3 percent, from the third quarter of 2024, when payrolls were also up 0.3 percent from a year earlier. Regional job growth as of the third quarter of 2025 was outpaced by faster rates of job gains across all 10 HUD-defined regions and lagged the 0.8-percent year-over-year job gains nationally, which slowed from 1.3 percent a year earlier.

Eight of the 11 nonfarm payroll sectors in the region added jobs during the past year. The education and health services sector had the largest gain, rising by 15,500 jobs, or 0.9 percent, compared with the third quarter of 2024, when gains in the sector were faster, up 2.3 percent year over year. The sector accounted for 62 percent of regionwide net job gains during the past 12 months. Jobs in the education and health services sector increased in every state in the region as of the third quarter of 2025, with growth ranging from 0.3 percent in Maine to 4.8 percent in New Hampshire. The fastest—and second largest—job gains in the region occurred in the transportation and utilities sector, which added 7,500 jobs, or 3.2 percent, year over year, accelerating from 1.0-percent growth as of the third quarter of 2024. Payrolls in the sector rose in every state in the region as of the third quarter of 2025, except for Maine, with a 5.5-percent decline. The decrease in Maine partially offset sector job growth, which ranged from 0.4 percent in Vermont to 9.5 percent in Rhode Island. Partially offsetting job gains in the region, the wholesale and retail trade sector lost the most jobs as of the third quarter of 2025, falling by 9,000 jobs, or 0.9 percent, compared with the third quarter of 2024, when payrolls in the sector declined 0.7 percent year over year. Approximately 80 percent of job losses in the sector were concentrated in the

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As of the third quarter of 2025, 8 of the 11 nonfarm payroll sectors contributed to year-over-year job growth in the New England region.

	Third Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	7,653.6	7,678.8	25.2	0.3
Goods-Producing Sectors	933.5	926.6	-6.9	-0.7
Mining, Logging, & Construction	357.3	356.0	-1.3	-0.4
Manufacturing	576.2	570.6	-5.6	-1.0
Service-Providing Sectors	6,720.1	6,752.2	32.1	0.5
Wholesale & Retail Trade	1,008.6	999.6	-9.0	-0.9
Transportation & Utilities	235.7	243.2	7.5	3.2
Information	153.0	153.3	0.3	0.2
Financial Activities	460.2	464.9	4.7	1.0
Professional & Business Services	1,140.7	1,141.7	1.0	0.1
Education & Health Services	1,633.2	1,648.7	15.5	0.9
Leisure & Hospitality	819.1	825.4	6.3	0.8
Other Services	288.9	292.8	3.9	1.3
Government	980.9	982.5	1.6	0.2

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

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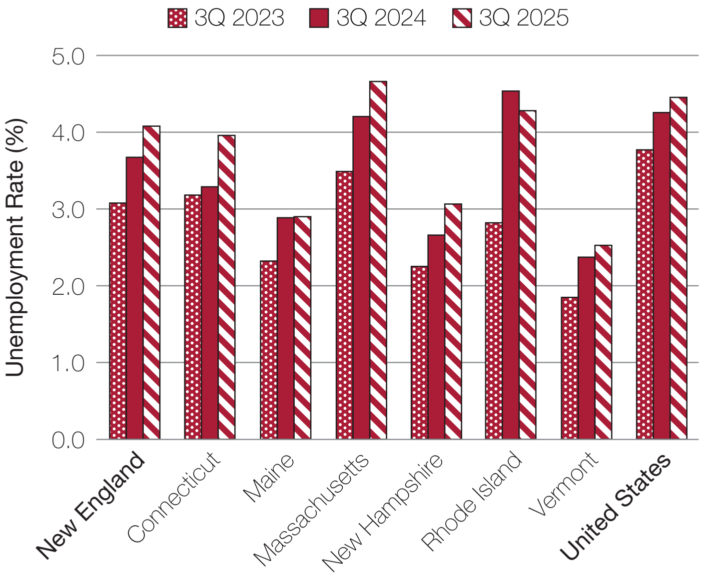
retail trade subsector. Declines in the wholesale and retail trade sector occurred in five of the six states in the region, with the most significant decreases in Massachusetts, where job losses totaled 4,000, or 0.9 percent, from a year earlier. Vermont was the only state to add jobs, up by 400 jobs, or 0.9 percent, from a year ago.

As of the third quarter of 2025, the unemployment rate in the region averaged 4.1 percent, increasing from 3.7 percent a year earlier. The regionwide unemployment rate was lower than the national rate of 4.5 percent, which rose from 4.3 percent as of the third quarter of 2024. Unemployment rates increased in four of the six states in the region, with the largest percentage increase in Connecticut, where the rate rose 0.7 percentage point to 4.0 percent as of the third quarter of 2025. The rate in Massachusetts was the highest in the region at 4.7 percent, up from 4.2 percent as of the third quarter of 2024. In New Hampshire and Vermont, the respective unemployment rates rose to 3.1 and 2.5 percent, from 2.7 and 2.4 percent a year ago. The 2.9-percent unemployment rate in Maine was unchanged from a year earlier, whereas in Rhode Island, the unemployment rate declined from 4.5 to 4.3 percent as of the third quarter of 2025.

As of the third quarter of 2025—

- Year-over-year job growth in the region was the fastest in Vermont, up 1.0 percent to 314,300 jobs, accelerating from a 0.7-percent increase a year earlier. Job growth occurred in 7 of the 11 sectors, with the largest increases in the professional and business services, the education and health services, and the leisure and hospitality sectors, accounting for a combined 94 percent of net job growth in the state.
- In Connecticut and Rhode Island, year-over-year job gains moderated, rising by 9,900 and 3,200 jobs, to 1.72 million and 518,200 jobs, respectively, compared with increases of 10,400 and 4,500 jobs as of the third quarter of 2024. The education and health services sector led payroll growth in Connecticut, increasing by 4,000 jobs, or 1.1 percent, from a year ago, whereas the professional and business services sector added the most jobs in Rhode Island, up by 2,000 jobs, or 2.9 percent, compared with the third quarter of 2024.
- Nonfarm payrolls in Massachusetts rose by 6,400 jobs, or 0.2 percent, year over year to 3.75 million jobs, a reversal from a loss of 5,600 jobs, or 0.1 percent, as of the third quarter of 2024. Seven of the 11 sectors added jobs, with the largest gains in the transportation and utilities and the leisure and hospitality sectors, which were up by 5,900 and 4,400 jobs, or 5.4 and 1.1 percent, respectively, from a year ago.
- In New Hampshire, nonfarm payrolls grew by 5,200 jobs, or 0.7 percent, year over year to 711,900 jobs, following a gain of 4,900 jobs, or 0.7 percent, as of the third quarter of 2024. Six of the 11 sectors added jobs, with the strongest gains in the education and health services and the professional and business services sectors, which rose by 6,000 and 2,700 jobs, or 4.8 and 2.7 percent, respectively. Those gains more than offset job losses in the leisure and hospitality sector, which decreased by 1,900 jobs, or 2.3 percent, from a year ago.
- Job losses occurred in Maine, where payrolls fell by 2,800 jobs, or 0.4 percent, to 671,200 jobs, a reversal from the 0.8-percent year-over-year increase as of the third quarter of 2024. Seven of the 11 sectors contributed to job losses in the state, including the wholesale and retail trade sector, which decreased the most, falling by 1,100 jobs, whereas the education and health services and the government sectors added a combined 800 jobs.

All states in the New England region except Massachusetts had lower unemployment rates than the nation as of the third quarter of 2025.



3Q = third quarter.
Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

As of the third quarter of 2025, sales market conditions in the New England region were mixed, ranging from balanced to slightly tight, the same as conditions as of the third quarter of 2024. Strong housing demand coupled with falling mortgage interest rates contributed to an increase in home sales during the past year. The rate for a 30-year, fixed-rate mortgage averaged 6.7 percent during the 12 months ending September 2025, down from the 6.9-percent average during the 12 months ending September 2024 (Freddie Mac). New home construction increased during the past year, contributing to a rise in the inventory of homes for sale in the region. The regionwide for-sale inventory increased to 2.9 months of supply as of September 2025, up from 2.7 months in September 2024 (Redfin, a national real estate brokerage, with adjustments by the analyst). Market conditions were slightly tight in all states throughout the region except in Vermont and Maine, where conditions were balanced. In Vermont and Maine, the months of supply were the highest in the region at 5.3 and 3.3 months, up from 4.7 and 2.8 months, respectively, as of September 2024. New Hampshire and Massachusetts had 3.1 and 2.7 months of supply, respectively, in September 2025, up from 2.6 and 2.5 months a year earlier. The inventory was unchanged from a year ago in Rhode Island at 2.4 months of supply, whereas in Connecticut, the supply declined slightly from 2.7 months in September 2024 to 2.6 months in September 2025.

Unlike the nation overall, the number of homes sold throughout the region increased during the past year. During the 12 months ending September 2025, the number of home sales in the region rose 4 percent, whereas home sales in the nation declined 3 percent from a year earlier (Cotality, with adjustments by the analyst). Home sales rose in all states in the region except Maine, where home sales fell 1 percent to 20,050 homes sold during the 12 months ending September 2025. Increases in home sales during the past 12 months ranged from a 3-percent rise in Connecticut to a 7-percent increase in Rhode Island. Average home prices rose throughout the region, and the rate of growth was faster than the national rate. The average home price in the region during the 12 months ending September 2025 increased 7 percent from a year earlier. By comparison, nationally, the average home price rose 5 percent during the past year. Average home price increases among the states in the region ranged from a 4-percent increase in Vermont to $386,400 to a 9-percent rise in Maine to $426,700.

Home sales rose in all eight metropolitan areas cited in this report during the past year. Year-over-year increases ranged from 1 percent in the Bridgeport and the Hartford metropolitan areas to 13 percent in the Portland metropolitan area. Average home prices also rose in all eight metropolitan areas during the past 12 months, ranging from increases of 5 percent each in the Boston, the Burlington, and the Portland metropolitan areas to 9 percent in the Bridgeport metropolitan area, where home prices were the highest among all eight metropolitan areas cited in this report, at $895,400.

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Home sales and home sales prices increased across all the large metropolitan areas in the New England region during the 12 months ending September 2025.

		Number of Homes Sold			Price			
	12 Months Ending	2024	2025	Percent Change	Average	2024 ($)	2025 ($)	Percent Change
Connecticut (N&E)	September	37,750	38,950	3	AVG	490,600	528,500	8
Bridgeport, CT (N&E)	September	9,550	9,675	1	AVG	819,700	895,400	9
Hartford, CT (N&E)	September	14,800	14,900	1	AVG	381,500	410,600	8
Maine (N&E)	September	20,300	20,050	-1	AVG	391,100	426,700	9
Portland, ME (N&E)	September	7,850	8,875	13	AVG	535,600	560,400	5
Massachusetts (N&E)	September	71,500	75,200	5	AVG	704,300	743,400	6
Boston, MA (N&E)	September	47,400	50,150	6	AVG	798,100	839,600	5
Worcester, MA-CT (N&E)	September	9,850	10,150	3	AVG	480,600	508,800	6
New Hampshire (N&E)	September	17,450	18,450	6	AVG	459,800	497,800	8
Manchester, NH (N&E)	September	4,150	4,600	11	AVG	468,000	507,100	8
Rhode Island (N&E)	September	11,550	12,350	7	AVG	521,700	565,000	8
Providence, RI-MA (N&E)	September	16,850	17,900	6	AVG	517,300	556,100	8
Vermont (E)	September	11,250	11,650	4	AVG	370,200	386,400	4
Burlington, VT (E)	September	3,150	3,250	3	AVG	437,700	461,100	5

AVG = average. E = existing. N&E = new and existing.
Source: Cotality, with adjustments by the analyst

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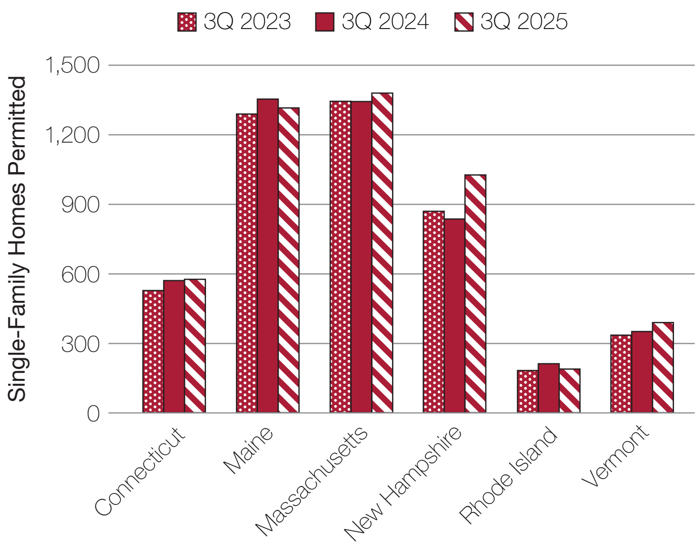
The share of seriously delinquent mortgages and real estate owned properties in the region was 0.8 percent in September 2025, down slightly from 0.9 percent in September 2024 (Cotality). By comparison, the national rate was 1.0 percent in September 2025, unchanged from a year ago. Regionwide, the rates ranged from 0.5 percent in New Hampshire to 1.0 percent in Connecticut and Maine. Rates declined during the past year in all states in the region except Rhode Island, where the rate was unchanged from September 2024 at 0.9 percent.

As of the third quarter of 2025, homebuilding activity in the region, as measured by the number of single-family homes permitted, increased by 210 homes, or 4 percent, to 4,900 homes, compared with a 3-percent increase as of the third quarter of 2024 (preliminary data). Single-family home permitting increased in four of the six states in the region.

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

- The largest and fastest year-over-year increase in single-family home construction activity in the region was in New Hampshire, up by 190 homes, or 23 percent, from the third quarter of 2024, when single-family home permitting declined 4 percent compared with a year earlier. An increase of 250 homes permitted in Rockingham County contributed to the overall rise in the state, despite a decline of 20 homes in Hillsborough County, which is coterminous with the Manchester metropolitan area.
- A total of 1,375 homes were permitted in Massachusetts, reflecting a 3-percent year-over-year increase, compared with a less than 1-percent decline as of the third quarter of 2024. An increase of nearly 130 homes permitted in the Massachusetts portion of the Boston metropolitan area more than offset a decline of 35 homes permitted in the Worcester metropolitan area.
- Single-family home permitting in Vermont rose year over year, up by 35 homes, or 10 percent, from a year ago, including an increase of 20 homes permitted in the Burlington metropolitan area. In Connecticut, single-family permitting rose 1 percent from a year ago to 580 homes permitted, including a 59-percent increase in the number of homes permitted in the Greater Bridgeport Planning Region, which is part of the Bridgeport metropolitan area.
- New home construction in Maine declined by 40 homes, or 3 percent, year over year to 1,325 homes, despite an increase of 35 homes permitted in Cumberland County. Homebuilding also declined in Rhode Island, falling 10 percent year over year to 190 homes permitted, including declines in 3 of the 5 counties in the state.

As of the third quarter of 2025, single-family home permitting in the New England region rose year over year, with increases in four of the six states.



3Q = third quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

Apartment market conditions in the New England region ranged from slightly soft to tight as of the third quarter of 2025, similar to conditions in the region a year ago. Apartment vacancy rates increased in five of the eight metropolitan areas highlighted in this report during the past year, mainly because of many new apartment completions, which outpaced absorption. Despite widespread increases, vacancy rates throughout the region were below the national rate of 8.3 percent (CoStar Group). As of the third quarter of 2025, average apartment rents increased in all eight metropolitan areas, but rent growth was slower or relatively unchanged from rent growth a year ago.

As of the third quarter of 2025, vacancy rates rose the most in the Boston, the Burlington, and the Providence metropolitan areas, increasing by at least 1.0 percentage point from a year earlier (CoStar Group). The vacancy rates rose because the combined units delivered increased 32 percent from a year ago, whereas the combined units absorbed declined 19 percent. Balanced apartment conditions in the Boston metropolitan area were unchanged from a year ago, with a vacancy rate of 6.4 percent as of the third quarter of 2025, up from 5.3 percent a year earlier. Conditions in the Burlington and the Providence metropolitan areas were slightly tight and balanced,

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respectively, with vacancy rates of 3.7 and 4.0 percent, both easing from tight conditions a year ago, when vacancy rates were 2.4 and 3.0 percent, respectively. Elsewhere in the region, market conditions were unchanged from a year ago. Year-over-year vacancy rate increases in the Hartford and the Portland metropolitan areas were 0.5 and 0.2 percentage point, respectively, and market conditions in both areas continued to be balanced, with vacancy rates of 5.4 and 4.5 percent, respectively. In the Manchester and the Worcester metropolitan areas, market conditions stayed balanced, with respective vacancy rates of 4.0 and 4.6 percent, down from 5.2 and 6.2 percent a year ago. The declines in the vacancy rates occurred because absorption outpaced completions by 43 percent in the Manchester metropolitan area, and in the Worcester metropolitan area, the number of units absorbed more than doubled the number of units completed. Conditions continued to be slightly soft in the Bridgeport metropolitan area, where the vacancy rate was 7.3 percent as of the third quarter of 2025, down from 7.6 percent a year ago.

As of the third quarter of 2025, average monthly rents in all eight major metropolitan areas highlighted in this report rose from a year ago and exceeded the $1,768 average for the nation (CoStar Group). Growth in average rents ranged from less than 1 percent in the Burlington metropolitan area to 4 percent in the Providence metropolitan area, where rents rose to $1,941 and $2,029, respectively, but slowed from 3-percent and 5-percent growth as of the third quarter of 2024. Similar to the nation, rents rose 1 percent year over year in the Boston and the Manchester metropolitan areas to respective averages of $2,920—the highest average rent among the metropolitan areas cited in this report—and $2,081, both slowing from 3-percent growth a year ago. The $1,785 average rent in the Hartford metropolitan area was the lowest of the eight metropolitan areas highlighted in this report and was up 3 percent from the third quarter of 2024, when rents rose 5 percent from a year earlier. Relatively strong rent growth also occurred in the Portland and the Worcester metropolitan areas, where rents increased 3 percent each as of the third quarter of 2025 to $1,973 and $2,075, respectively, both unchanged from 3-percent growth a year earlier. The Bridgeport metropolitan area had the second highest rent in the region at $2,821, up 2 percent from the third quarter of 2024, when rents rose 3 percent.

Multifamily building activity in the New England region, as measured by the number of multifamily units permitted, rose as of the third quarter of 2025, with increases in all states in the region except New Hampshire.

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

- Approximately 5,800 multifamily units were permitted in the region, reflecting an increase of 1,150 units, or 25 percent, from the third quarter of 2024, when multifamily permitting rose by 1,025 units, or 28 percent, from a year earlier. Permitting rose the most in Connecticut, up by 460 units, or 36 percent, to 1,750 units, with the Greater Bridgeport Planning Region accounting for 49 percent of the net increase in the state.

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As of the third quarter of 2025, apartment vacancy rates increased in five of the eight major metropolitan areas in the New England region.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		3Q 2024 (%)	3Q 2025 (%)	Percentage Point Change	3Q 2024 ($)	3Q 2025 ($)	Percent Change
Connecticut	Balanced	5.6	5.9	0.3	2,033	2,073	2
Bridgeport, CT	Slightly Soft	7.6	7.3	-0.3	2,772	2,821	2
Hartford, CT	Balanced	4.9	5.4	0.5	1,738	1,785	3
Maine	Balanced	3.8	4.4	0.6	1,733	1,785	3
Portland, ME	Balanced	4.3	4.5	0.2	1,909	1,973	3
Massachusetts	Balanced	3.5	4.4	0.9	1,841	1,887	2
Boston, MA-NH	Balanced	5.3	6.4	1.1	2,895	2,920	1
Worcester, MA-CT	Balanced	6.2	4.6	-1.6	2,021	2,075	3
New Hampshire	Balanced	4.8	4.7	-0.1	2,028	2,064	2
Manchester, NH	Balanced	5.2	4.0	-1.2	2,058	2,081	1
Rhode Island	Balanced	3.2	4.5	1.3	1,960	2,032	4
Providence, RI-MA	Balanced	3.0	4.0	1.0	1,957	2,029	4
Vermont	Tight	2.8	3.3	0.5	1,852	1,862	1
Burlington, VT	Slightly Tight	2.4	3.7	1.3	1,932	1,941	<1

3Q = third quarter.
Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—CoStar Group

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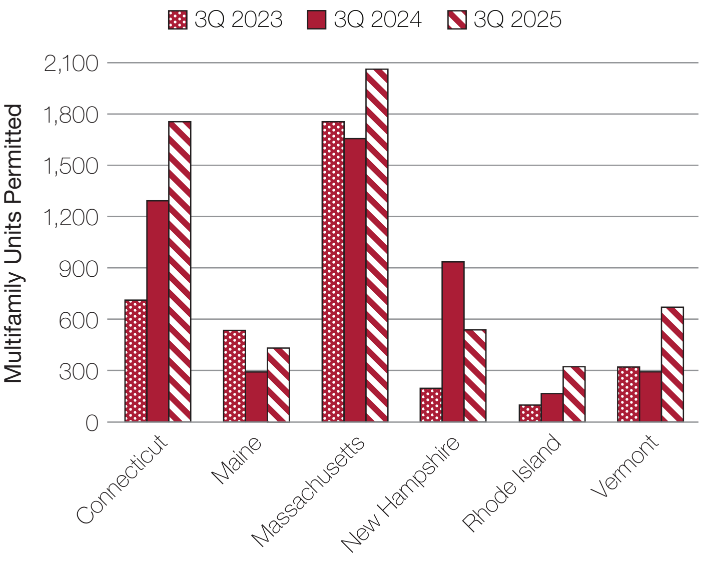
- Multifamily permitting also increased in Massachusetts and Vermont, up by 410 and 380 units to 2,075 and 670 units permitted, respectively. Strong increases in permitting in the Burlington and the Worcester metropolitan areas, where permitting rose by 360 and 250 units, respectively, contributed to the net increases in the respective states.
- In Maine, multifamily permitting rose by 140 units, or 47 percent, from a year ago, largely because of the 130-unit increase in permitting in the Portland metropolitan area. The number of multifamily units permitted in Rhode Island rose by 160 units to 330 units, including a combined increase of 140 units permitted in Kent and Providence Counties.
- New Hampshire was the only state in the region where multifamily permitting declined, falling by 400 units to 540 units permitted, following a 740-unit increase as of the third quarter of 2024. A combined decrease of 550 units permitted in Rockingham and Strafford Counties, which are part of the Boston metropolitan area, partly contributed to the decline in permitting in the state.

As of the third quarter of 2025, multifamily permitting increased in all states in the New England region except for New Hampshire.



3Q = third 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 the occupancy rate has reached 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 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.