

HUD PD&R Regional Reports

Region 4: Southeast/Caribbean



Quick Facts About Region 4

Nashville, Tennessee

By [Tammy Fayed](#) | 1st Quarter 2025

Overview

Nonfarm payrolls in the Southeast/Caribbean region grew by 351,300 jobs, or 1.1 percent, year over year as of the first quarter of 2025, slowing from an increase of 558,500 jobs, or 1.8 percent, a year earlier. Payrolls were up in every state in the region and Puerto Rico, with increases ranging from 0.4 to 2.2 percent. Payrolls declined by 600 jobs, or 1.7 percent, in the U.S. Virgin Islands. From 2023 to 2024, the population of the region increased 1.4 percent to 74.30 million, slightly less than the increase of 1.5 percent from 2022 to 2023 but stronger than the 1.0-percent increase for the nation (U.S. Census Bureau population estimates as of July 1). Sales market conditions in the region were balanced, with declining sales and increasing home prices. Approximately 1.24 million new and existing homes were sold regionwide during the 12 months ending February 2025, down 9 percent from the previous 12 months (Cotality, with adjustments by the analyst). However, the average price of a home increased 6 percent regionwide to \$391,800. The number of single-family homes permitted in the region decreased 6 percent year over year as of the first quarter of 2025, largely because of an 8-percent decline in Florida. Conditions in apartment markets in the region ranged from balanced to soft,

continued on page 2



PD&R

continued from page 1

with soft conditions in seven of the eight markets highlighted in this report. The average rent regionwide was virtually unchanged from a year earlier at \$1,625 (CoStar Group).

- The population growth of 467,300 people in Florida accounted for 47 percent of the regional growth. The population increased in seven of eight states in the region but was virtually unchanged in Mississippi and Puerto Rico and declined less than 1 percent in the U.S. Virgin Islands (Census Bureau population estimates as of July 1).
- Home sales decreased in every state in the region, ranging from a 4-percent decline in Tennessee to a 21-percent decline

in Alabama (Cotality, with adjustments by the analyst). The average price of a home was up in every state in the region, however, ranging from 3 percent in Mississippi to 8 percent in Kentucky, North Carolina, and South Carolina.

- The highest apartment vacancy rate among the markets highlighted in this report was in Charlotte, at 13.0 percent, and the lowest was 6.1 percent in Miami (CoStar Group). Apartment rent trends were mixed, with modest decreases of 1 percent in some market areas and modest increases, ranging from 1 to 3 percent, in others.

Economic Conditions

Economic conditions in the Southeast/Caribbean region were stable as of the first quarter of 2025, but regional job growth slowed from a year earlier. Nonfarm payrolls averaged 32.17 million jobs, an increase of 351,300 jobs, or 1.1 percent, from a year earlier, less than the year-over-year increase of 558,500 jobs, or 1.8 percent, as of the first quarter of 2024. By comparison, nonfarm payrolls in the nation increased 1.3 percent as of the first quarter of 2025. The largest increases in the region were the education and health services and the government sectors, which added 130,300 and 80,100 jobs, or 2.9 and 1.7 percent, respectively. Gains in Florida, Georgia, and North Carolina accounted for 71 percent of the regional payroll increase in the education and health services sector. The government sector in the region primarily added jobs in

the state and local government subsectors, which made up 81 percent of the growth in the sector. The construction subsector added 39,600 jobs, or 2.3 percent, partly a result of increased multifamily housing construction in the region. But growth was down from the gain of 73,600 jobs, or 4.6 percent, a year ago. The manufacturing and the information sectors lost 8,600 and 3,100 jobs, or 0.3 and 0.6 percent, year over year and were the only nonfarm payroll sectors in the region with job losses. Nonfarm payrolls increased in every state in the region and in Puerto Rico but declined by 600 jobs, or 1.7 percent, in the U.S. Virgin Islands. Job growth rates among states in the region ranged from 0.4 percent in Tennessee to 2.2 percent in South Carolina.

continued on page 3

Nonfarm payrolls in the Southeast/Caribbean region increased in 9 of the 11 sectors but declined in the manufacturing and the information sectors.

	First Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	31,821.5	32,172.8	351.3	1.1
Goods-Producing Sectors	4,461.7	4,492.1	30.4	0.7
Mining, Logging, & Construction	1,742.0	1,781.0	39.0	2.2
Manufacturing	2,719.7	2,711.1	-8.6	-0.3
Service-Providing Sectors	27,359.8	27,680.7	320.9	1.2
Wholesale & Retail Trade	4,795.4	4,826.3	30.9	0.6
Transportation & Utilities	1,553.4	1,569.6	16.2	1.0
Information	514.7	511.6	-3.1	-0.6
Financial Activities	1,870.7	1,887.3	16.6	0.9
Professional & Business Services	4,605.7	4,612.0	6.3	0.1
Education & Health Services	4,538.6	4,668.9	130.3	2.9
Leisure & Hospitality	3,621.9	3,641.9	20.0	0.6
Other Services	1,194.5	1,218.1	23.6	2.0
Government	4,664.9	4,745.0	80.1	1.7

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

Source: U.S. Bureau of Labor Statistics



continued from page 2

The unemployment rate in the region increased from 3.5 percent as of the first quarter of 2024 to 3.9 percent as of the first quarter of 2025. Labor force growth of 0.9 percent outpaced resident employment growth of 0.6 percent, causing the unemployment rate to rise. The unemployment rates increased year over year in all the states in the region and, in the first quarter of 2025, ranged from 3.4 percent in Alabama to 5.5 percent in Kentucky. In Puerto Rico, the unemployment rate declined from 5.8 to 5.3 percent year over year, the only decrease in the region. Mississippi had the largest unemployment rate increase in the region, from 2.8 to 3.9 percent.

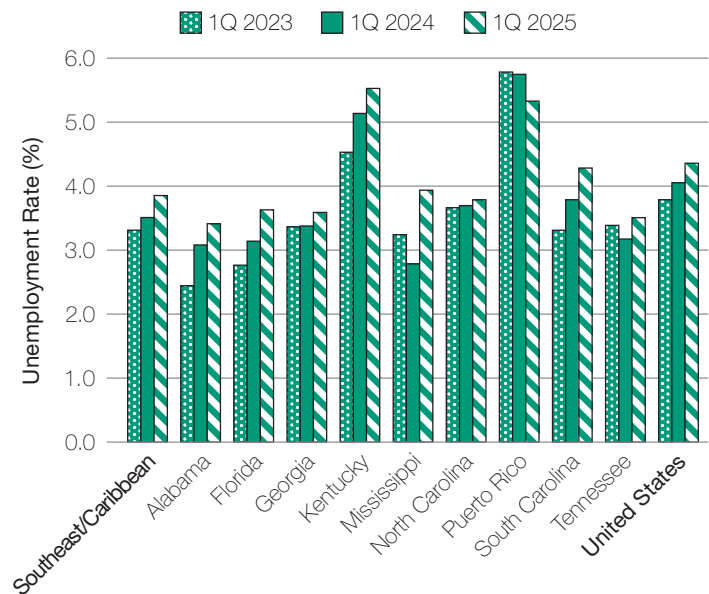
As of the first quarter of 2025—

- Nonfarm payrolls in South Carolina and Mississippi increased by 51,700 and 14,300 jobs, or 2.2 and 1.2 percent, respectively, from the first quarter of 2024, compared with 48,100 and 4,900 jobs, or 2.1 and 0.4 percent, added a year earlier. South Carolina and Mississippi were the only states in the region with faster growth than a year ago.
- Florida added the most jobs in the region, increasing by 138,100, or 1.4 percent, and accounted for 39 percent of regional payroll growth compared with 41 percent as of the first quarter of 2024. Payroll growth in the state was down from 231,600 jobs, or 2.4 percent, as of the first quarter of 2024, partly because of slower growth in the leisure and hospitality sector, which added 5,200 jobs, or 0.4 percent, compared with 40,700 jobs, or 3.1 percent, a year earlier.
- In North Carolina and Georgia, nonfarm payrolls increased by 66,200 and 27,500 jobs, or 1.3 and 0.6 percent. Gains of 21,200 and 25,700 jobs in the education and health services sector in the respective states offset losses of 8,100 and 3,400 jobs in the manufacturing sector.
- Nonfarm payrolls increased 1.0 percent in both Alabama and Puerto Rico, or by 22,400 and 9,600 jobs, respectively.

Growth was down from 35,600 jobs, or 1.7 percent, in Alabama and 17,200 jobs, or 1.8 percent, in Puerto Rico from a year earlier.

- Tennessee and Kentucky added 12,900 and 9,200 jobs, or 0.4 and 0.5 percent, respectively, the lowest rates of growth in the region. In Tennessee, growth in the education and health services sector of 1,800 jobs, or 0.4 percent, was less than the increase of 23,700 jobs, or 5.1 percent, as of the first quarter of 2024, contributing to slower overall job growth. In Kentucky, job losses in 6 of the 11 nonfarm payroll sectors partially offset growth in the other 5 sectors.

The unemployment rate increased in every state in the Southeast/Caribbean region but decreased in Puerto Rico as of the first quarter of 2025.



1Q = first quarter.
Source: U.S. Bureau of Labor Statistics

Population

Population growth in the Southeast/Caribbean region from 2023 to 2024 slowed slightly compared with a year earlier. The population in the region increased by approximately 996,000, or 1.4 percent, to 74.30 million compared with an increase of 1.07 million, or 1.5 percent, from 2022 to 2023 (Census Bureau population estimates as of July 1). By comparison, the population increased 1.0 percent nationwide from 2023 to 2024, up from 0.8 percent a year ago. Net in-migration accounted for nearly all the growth in the region from 2023 to 2024, similar to the previous year. Net natural increase totaled approximately 16,100 people, up from 13,300 people a year earlier after 3 years of net natural decline from 2020 to 2022

because of COVID-19 impacts. Population growth from 2023 to 2024 slowed in every state in the region except Kentucky, where the net natural decline was less than during the previous year. In Puerto Rico, the population was virtually unchanged, compared with a 0.5-percent decline a year earlier, and in the U.S. Virgin Islands, the population decreased 0.5 percent, the same rate of decline a year earlier.

From 2023 to 2024—

- Florida had the largest population increase and the fastest growth rate in the region at 467,300 people, or 2.0 percent, down from a rise of 2.3 percent a year earlier. All the growth

continued on page 4

continued from page 3

in the state was a result of net in-migration, but the net natural decline of approximately 7,325 people was the largest among states in the region.

- North Carolina and Georgia had the second and third largest population increases, at approximately 164,800 and 116,400, or 1.5 and 1.1 percent, respectively. The net natural change was positive in both states and accounted for 8 and 24 percent of respective population gains, the highest shares in the region.
- The fastest rate of population growth in the region after Florida was in South Carolina, which increased by 91,000 people, or

1.7 percent, down from 1.9 percent a year earlier. In Tennessee, the population increased by 79,400, or 1.1 percent, compared with an increase of 1.2 percent a year earlier, and net natural increase accounted for 4 percent of the growth, the only other state in the region with net natural increase.

- The population increased 0.8 percent, or by 40,000 and 37,800, respectively, in Alabama and Kentucky; the rate of growth was unchanged in Alabama but up from 0.7 percent a year earlier in Kentucky. The population was virtually unchanged in Mississippi from 2023 to 2024 and from 2022 to 2023.

Population growth in the Southeast/Caribbean region slowed slightly from 2023 to 2024, but the growth rate remained higher than the national rate of 1.0 percent.

	Population Estimate (as of July 1)			Percentage Change	
	2022	2023	2024	2022 to 2023	2023 to 2024
United States	334,017,321	336,806,231	340,110,988	0.8	1.0
Southeast/Caribbean Region	72,234,965	73,306,772	74,302,486	1.5	1.4
Alabama	5,076,181	5,117,673	5,157,699	0.8	0.8
Florida	22,379,312	22,904,868	23,372,215	2.3	2.0
Georgia	10,931,805	11,064,432	11,180,878	1.2	1.1
Kentucky	4,519,233	4,550,595	4,588,372	0.7	0.8
Mississippi	2,941,939	2,943,172	2,943,045	0.0	0.0
North Carolina	10,710,793	10,881,189	11,046,024	1.6	1.5
South Carolina	5,287,935	5,387,830	5,478,831	1.9	1.7
Tennessee	7,062,217	7,148,304	7,227,750	1.2	1.1
Puerto Rico	3,220,137	3,203,792	3,203,295	-0.5	0.0
U.S. Virgin Islands	105,413	104,917	104,377	-0.5	-0.5

Source: U.S. Census Bureau

Sales Market Conditions

Sales markets in the Southeast/Caribbean region were balanced as of the first quarter of 2025. Home sales in the region continued to fall, and the average home price and months of supply of homes for sale continued to rise, a combination of trends that began in 2023. Home sales declined despite a slight decrease in mortgage interest rates in the past year; the average interest rate for a 30-year fixed-rate mortgage was 6.65 percent as of the last week of March 2025, down from 6.79 percent a year earlier but up from 6.32 percent as of the last week of March 2023 (Freddie Mac). The inventory of homes for sale in the region increased to 5.0 months in February 2025 from 3.8 months in February 2024 and 2.6 months in February 2023 (Cotality). Nationally, the supply of homes increased to 2.9 months in February 2025 from 2.3 months a year ago. The increase in months of supply in the region was because of an increase in the inventory of homes available for sale and a decrease in home sales. The

months of supply increased from a year ago in every state in the region and, in February 2025, ranged from 2.8 months in North Carolina to 7.0 months in Florida.

The number of new and existing homes sold in the region declined 9 percent during the 12 months ending February 2025 to 1.24 million (Cotality, with adjustments by the analyst). The average price of a home was up 6 percent from a year ago to \$391,800. Home sales were down in every state in the region, ranging from a 4-percent decline in Tennessee, where 140,100 homes sold, to a 21-percent decline in Alabama, where 10,500 homes sold. Home sales fell 10 percent or more in Florida, Mississippi, and South Carolina to 483,800, 36,600, and 104,500 homes, respectively. In Georgia, Kentucky, and North Carolina, 188,500, 73,600, and 204,600 homes sold, reflecting more moderate declines of 8, 7, and 7 percent, respectively. The

continued on page 5

continued from page 4

The number of homes sold was down and average home prices were up in every state in the Southeast/Caribbean region during the 12 months ending February 2025.

	12 Months Ending	Number of Homes Sold				Price		
		2024	2025	Percent Change	Average	2024 (\$)	2025 (\$)	Percent Change
Southeast/Caribbean Region (N&E)	February	1,363,200	1,242,200	-9	AVG	\$371,300	\$391,800	6
Alabama (N&E)	February	13,300	10,500	-21	AVG	\$352,100	\$365,800	4
Florida (N&E)	February	538,300	483,800	-10	AVG	\$455,900	\$474,700	4
Georgia (N&E)	February	204,200	188,500	-8	AVG	\$349,300	\$375,400	7
Kentucky (N&E)	February	79,100	73,600	-7	AVG	\$217,300	\$234,100	8
Mississippi (N&E)	February	41,300	36,600	-11	AVG	\$257,100	\$264,500	3
North Carolina (N&E)	February	221,000	204,600	-7	AVG	\$361,000	\$388,900	8
South Carolina (N&E)	February	119,500	104,500	-13	AVG	\$350,700	\$379,700	8
Tennessee (N&E)	February	146,500	140,100	-4	AVG	\$332,700	\$355,800	7

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

Note: Data for Mississippi exclude Hinds County, the most populous county in the Jackson metropolitan area.

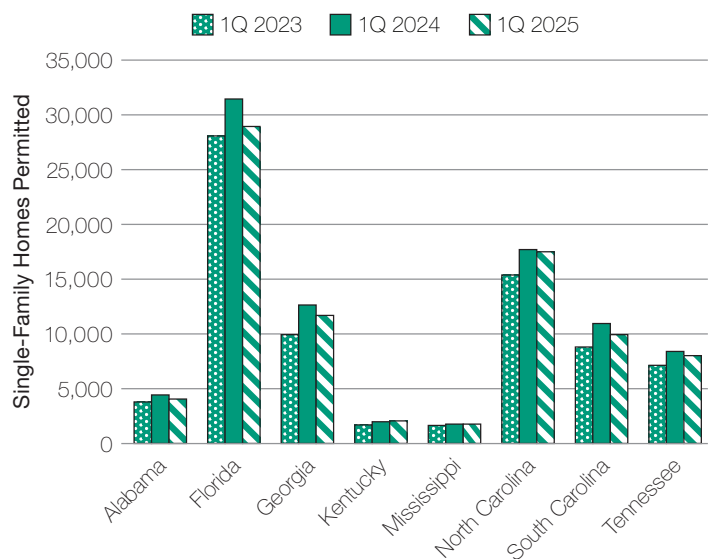
Source: Cotality, with adjustments by the analyst

average price of a home increased from a year earlier in every state in the region during the 12 months ending February 2025, with the smallest increase of 3 percent in Mississippi to \$264,500. Average home prices increased 8 percent in Kentucky, North Carolina, and South Carolina, the fastest rates in the region, to reach \$234,100, \$388,900, and \$379,700, respectively. In Alabama and Florida, average home prices increased 4 percent each to \$365,800 and \$474,000, respectively, whereas in Georgia and Tennessee, the average prices increased 7 percent each to \$375,400 and \$355,800, respectively.

Although the percentage of serious delinquent home mortgages and real estate owned (REO) properties increased in February 2025 from a year earlier, the rate remains relatively low for the region and for all the states in the region. Regionwide, 1.4 percent of homes were seriously delinquent or in REO status, up from 1.1 percent in February 2024. By comparison, the rate fell slightly for the nation to 1.0 percent in February 2025 from 1.2 percent a year earlier. Mississippi had the highest rate in the region at 2.1 percent, and the remaining states had rates ranging from 1.0 percent in North Carolina and Tennessee to 1.7 percent in Florida.

In response to lower home sales in the region, builders reduced the number of homes permitted during the first quarter of 2025. The number of single-family homes permitted regionwide decreased by 5,350 homes, or 6 percent, from a year earlier to 83,950, following a 17-percent year-over-year increase as of the first quarter of 2024. Single-family permitting was down in six of the eight states in the region, contrasting with increases in every state as of the first quarter of 2024.

The number of single-family homes permitted in the Southeast/Caribbean region was down 6 percent as of the first quarter of 2025 but was up slightly in Kentucky and Mississippi.



1Q = first quarter.

Note: Based on preliminary data.

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

As of the first quarter of 2025—

- Florida had the highest number of single-family homes permitted in the region at 28,950 but also had the largest year-over-year decline in permitting, with approximately 2,525, or 8-percent, fewer homes. Florida accounted for 47 percent of the regional decrease.

continued on page 6

continued from page 5

- The number of homes permitted in Georgia and Alabama also fell 8 percent to approximately 11,700 and 4,050 homes, respectively. In Tennessee, 8,000 single-family homes were permitted, down 5 percent from a year earlier.
- South Carolina had the fastest statewide rate of decrease in homes permitted, with a 9-percent reduction to 9,900

homes. The 17,500 homes permitted in North Carolina represented a decrease of 210 homes, or 1 percent—the smallest numerical and percentage decrease in the region.

- Kentucky and Mississippi were the only states in the region with more homes permitted than a year earlier, with increases of 4 and 1 percent to 2,050 and 1,775 homes, respectively.

Apartment Market Conditions

Apartment market conditions in the Southeast/Caribbean region were mixed as of the first quarter of 2025, ranging from balanced to soft. The apartment vacancy rate for the region overall was 11.0 percent, up from 10.5 percent as of the first quarter of 2024 (CoStar Group). The vacancy rate has risen in the region in the past 3 years because the large number of apartment completions exceeded the number of units absorbed. In 2021, the number of newly completed units exceeded 100,000 in the region for the first time since at least 2000, and completions have remained elevated since 2021. During the 12 months ending March 2025, more than 206,000 units were completed regionwide, whereas approximately 164,000 units were absorbed. Previously, approximately 188,000 and 138,000 units were completed during the 12-month periods ending March 2024 and March 2023, respectively, compared with 109,000 and 32,000 units absorbed. The vacancy rate began rising in 2023, and the gap between the overall apartment vacancy rate and the rate for properties that have reached stabilized occupancy has widened. As of the first quarter of 2022, the overall apartment vacancy rate was 6.1 percent, and the stabilized vacancy rate was 4.9 percent, a 1.2-percentage-point difference, but as of the first quarter of 2025, the overall and stabilized rates of 11.0 and 7.9 percent, respectively, were 3.1 percentage points apart, reflecting the much larger number of units in lease up.

Seven of the eight apartment markets highlighted in this report were soft as of the first quarter of 2025, and the vacancy rates exceeded 11 percent in five of the eight markets. Miami was the only market in the region to remain balanced, with an apartment vacancy rate of 6.1 percent, which was up from 5.5 percent a year ago. The vacancy rates declined slightly in the Birmingham and Nashville markets, from 12.1 and 11.7 percent, respectively, as of the first quarter of 2024 to 11.8 and 11.5 percent as of the first quarter of 2025. The Charlotte market had the highest vacancy rate in the region at 13.0 percent, up from 12.2 percent a year ago. In the Atlanta and Jackson markets, the respective vacancy rates of 12.4 and 12.9 percent were up slightly from 12.2 and 12.8 percent a year ago. Vacancy rates increased to 9.7 and 8.7 percent in the Columbia and Louisville markets, respectively, from 9.5 and 7.3 percent a year ago.

Apartment rent trends in the region were mixed, with modest gains in some markets and modest declines in others. Regionwide, the average asking rent was virtually unchanged at \$1,625 as of the first quarter of 2025 compared with a decline of less than 1 percent a year ago. Average asking rents decreased 1 percent year over year in the Atlanta and Nashville markets to \$1,656 and \$1,708, respectively, after falling 2 and 1 percent a year ago. Apartment completions in the two markets have been elevated in the past 3 years, with the number of units exceeding absorption

continued on page 7

Apartment vacancy rates exceeded 11 percent in five of the eight highlighted markets in the Southeast/Caribbean region as of the first quarter of 2025.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		1Q 2024 (%)	1Q 2025 (%)	Percentage Point Change	1Q 2024 (\$)	1Q 2025 (\$)	Percent Change
Southeast/Caribbean Region	Mixed (Balanced to Soft)	10.5	11.0	0.5	1,623	1,625	0
Atlanta, GA	Soft	12.2	12.4	0.2	1,675	1,656	-1
Birmingham, AL	Soft	12.1	11.8	-0.3	1,247	1,257	1
Charlotte, NC	Soft	12.2	13.0	0.8	1,646	1,645	0
Columbia, SC	Soft	9.5	9.7	0.2	1,310	1,342	2
Jackson, MS	Soft	12.8	12.9	0.1	1,126	1,157	3
Louisville, KY	Soft	7.3	8.7	1.4	1,206	1,221	1
Miami, FL	Balanced	5.5	6.1	0.6	2,397	2,434	2
Nashville, TN	Soft	11.7	11.5	-0.2	1,719	1,708	-1

1Q = first quarter.

Notes: Regional data are statewide data; data reported for individual markets are for metropolitan areas. The vacancy rates and average monthly rents are for market-rate and mixed (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



continued from page 6

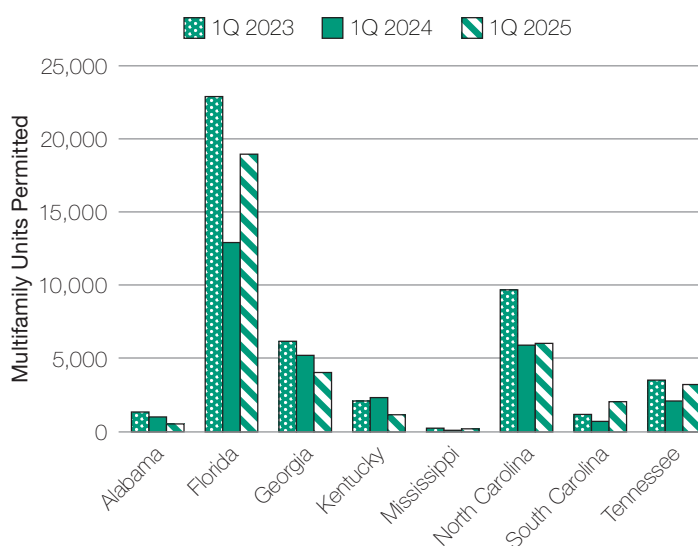
every year, putting downward pressure on rents. The Jackson market had the fastest rent growth in the region at 3 percent, reaching \$1,157 despite a high vacancy rate. Average rents increased 2 percent each in the Columbia and Miami markets to reach \$1,342 and \$2,434, respectively, and rents increased 1 percent each in the Birmingham and Louisville markets to \$1,257 and \$1,221. The average rent was virtually unchanged from a year ago in the Charlotte market at \$1,645.

Despite soft apartment conditions in many markets in the region, the number of multifamily units permitted in the region increased year over year as of the first quarter of 2025, partially rebounding from a steep decline a year earlier. Approximately 36,200 multifamily units were permitted, 19 percent higher than a year earlier but 23 percent less than the 47,250 units permitted in the first quarter of 2023. The number of units permitted increased from a year ago in five of the eight states in the region but declined in three.

As of the first quarter of 2025—

- The largest increase in multifamily permitting in the region was in Florida, where 6,025 more units were permitted than a year ago, bringing the number of multifamily units permitted to nearly 19,000. By comparison, the number of multifamily units permitted fell by approximately 9,975, or 44 percent, as of the first quarter of 2024.
- In South Carolina, multifamily permitting nearly tripled to 2,025 units from 710 units as of the first quarter of 2024. Permitting in Mississippi increased by 60 units, or 61 percent, to 160.
- The smallest percentage increase occurred in North Carolina, where the number of multifamily units increased by 130, or 2 percent, to 6,075 units.
- In Tennessee, the number of multifamily units permitted increased 53 percent to 3,250 units, only 8 percent less than the 3,500 units in the first quarter of 2023.
- The number of multifamily units permitted in Georgia and Kentucky decreased by approximately 1,200 and 1,175 units, or 23 and 50 percent, respectively, from a year earlier, to 4,050 and 1,150 units. Alabama had a decrease of 480 units, or 47 percent, to 540 units.

The number of multifamily units permitted in the Southeast/Caribbean region increased 19 percent as of the first quarter of 2025, largely due to a 47-percent increase from a year earlier in Florida.



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 (REO) sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once it reaches a 90-percent occupancy rate 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

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
2.	Puerto Rico and the U.S. Virgin Islands are part of the HUD Southeast/Caribbean region, but the analysis on these territories is limited due to a lack of available data.