

HUD PD&R Regional Reports

Region 4: Southeast/Caribbean



Quick Facts About Region 4

Atlanta, Georgia

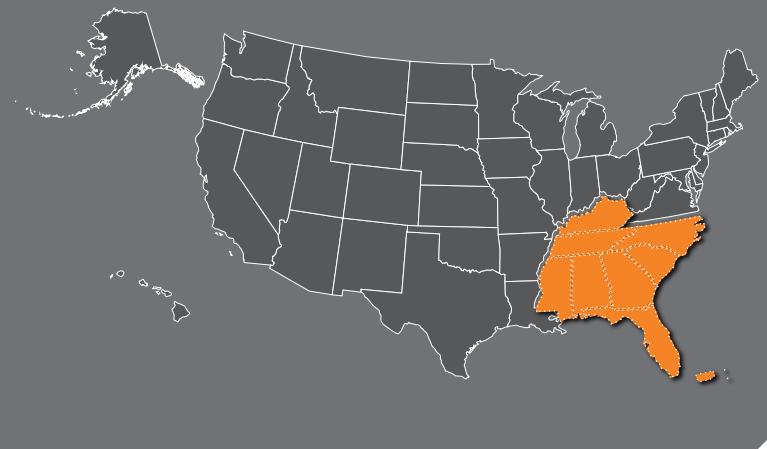
By [Tammy Fayed](#) | 2nd Quarter 2025

Sales market conditions—

Second quarter 2025: balanced
First quarter 2025: balanced
Second quarter 2024: mixed (balanced to slightly tight)

Apartment market conditions—

Second quarter 2025: mixed (balanced to soft)
First quarter 2025: mixed (balanced to soft)
Second quarter 2024: mixed (balanced to soft)



Overview

Nonfarm payrolls in the Southeast/Caribbean region averaged 32.46 million jobs as of the second quarter of 2025, an increase of 407,200 jobs, or 1.3 percent, from the second quarter of 2024. Job growth slowed from 512,300 jobs, or 1.6 percent, a year earlier. The number of jobs increased in every state in the region and Puerto Rico, but payrolls declined in the U.S. Virgin Islands. Sales market conditions in the region were balanced, with declining sales and increasing home sales prices in every state in the region. During the 12 months ending May 2025, 1.28 million new and existing homes were sold in the region, down 10 percent from a year ago after a 10-percent decline during the previous 12 months (Cotality, with adjustments by the analyst). Despite declining sales, the average price of a home increased 4 percent regionwide to \$393,300. As of the second quarter of 2025, the number of single-family homes permitted in the region decreased 9 percent year over year. The number of units permitted declined in every state in the region except Kentucky, which had a 6-percent increase. Apartment market conditions in the region were mixed, with soft conditions in seven of the eight markets highlighted in this report. Only Miami was balanced, with a vacancy rate of 7.1 percent (CoStar

continued on page 2



continued from page 1

Group). The average regional apartment rent was virtually unchanged from a year earlier at \$1,631.

- Home sales decreases in the region ranged from 6 percent in Tennessee to 12 percent in Mississippi and South Carolina (Cotality, with adjustments by the analyst). Kentucky had the highest increase in the average price of a home, at 9 percent, reaching \$239,700, the lowest statewide average price in the region.

- Apartment vacancy and rent trends were mixed among the markets highlighted in this report, with increasing vacancy rates in four of the eight markets and decreasing average rents in four of the eight markets. As of the second quarter of 2025, the Louisville market had the largest change in the vacancy rate, increasing from 7.6 to 8.9 percent year over year. The Jackson market had the largest rent change, with a 3-percent increase to \$1,175.

Economic Conditions

Nonfarm payroll growth in the Southeast/Caribbean region was slightly higher during the second quarter of 2025 than the national job growth rate but lower than a year earlier. As of the second quarter of 2025, nonfarm payrolls increased by 407,200 jobs, or 1.3 percent, to 32.46 million jobs compared with an increase of 512,300 jobs, or 1.6 percent, as of the second quarter of 2024. By comparison, national job growth averaged 1.1 percent as of the second quarter of 2025 compared with a 1.4-percent increase a year earlier. Job gains in Florida accounted for 34 percent of regional growth, and gains in North and South Carolina combined made up an additional 36 percent. Jobs increased in 10 of the 11 nonfarm payroll sectors in the region; only the manufacturing sector fell—by 8,300 jobs, or 0.3 percent. By comparison, three sectors had job losses nationwide. The education and health services, the government, and the professional and business services sectors had the largest regional sector gains, adding 136,500, 70,300, and 52,000 jobs, or 3.0, 1.5, and 1.1 percent, respectively. Gains in the state and local government subsectors

made up 95 percent of the job growth in the government sector. Growth in the education and health services and the government sectors decreased from 184,600 and 129,800 jobs, or 4.2 and 2.9 percent, a year ago; however, the professional and business services sector regained more than the 35,900 jobs, or 0.8 percent, lost a year ago. All the states in the region and Puerto Rico added jobs as of the second quarter of 2025. The U.S. Virgin Islands lost 500 jobs, or 1.4 percent, from the second quarter of 2024 compared with a gain of 100 jobs, or 0.3 percent, a year earlier. Job growth in the region ranged from 0.4 percent in Georgia to 3.0 percent in South Carolina.

As of the second quarter of 2025, the unemployment rate in the region rose to 3.7 percent from 3.5 percent as of the second quarter of 2024 because labor force growth of 0.6 percent was slightly higher than resident employment growth of 0.4 percent. The unemployment rates increased year over year in six of the eight states in the region, but declined in

continued on page 3

Nonfarm payrolls in the Southeast/Caribbean region increased in every sector except manufacturing, which declined 0.3 percent.

	Second Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	32,055.5	32,462.7	407.2	1.3
Goods-Producing Sectors	4,501.9	4,523.1	21.2	0.5
Mining, Logging, & Construction	1,775.7	1,805.1	29.4	1.7
Manufacturing	2,726.2	2,717.9	-8.3	-0.3
Service-Providing Sectors	27,553.6	27,939.6	386.0	1.4
Wholesale & Retail Trade	4,806.3	4,854.4	48.1	1.0
Transportation & Utilities	1,541.6	1,547.6	6.0	0.4
Information	511.7	512.1	0.4	0.1
Financial Activities	1,886.2	1,897.8	11.6	0.6
Professional & Business Services	4,631.1	4,683.1	52.0	1.1
Education & Health Services	4,567.0	4,703.5	136.5	3.0
Leisure & Hospitality	3,753.5	3,792.0	38.5	1.0
Other Services	1,210.3	1,232.9	22.6	1.9
Government	4,645.8	4,716.1	70.3	1.5

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

Source: U.S. Bureau of Labor Statistics



continued from page 2

Georgia, Kentucky, and Puerto Rico, where the rates fell from 3.5, 4.8, and 5.6 percent, respectively, in the second quarter of 2024 to 3.4, 4.5, and 5.4 percent in the second quarter of 2025. Puerto Rico had the highest unemployment rate in the region, and Kentucky had the highest statewide rate. The 2.9-percent rate in Alabama was the lowest rate in the region. By comparison, the national unemployment rate of 4.1 percent was up from 3.8 percent a year ago and was higher than every state in the region except Kentucky.

As of the second quarter of 2025—

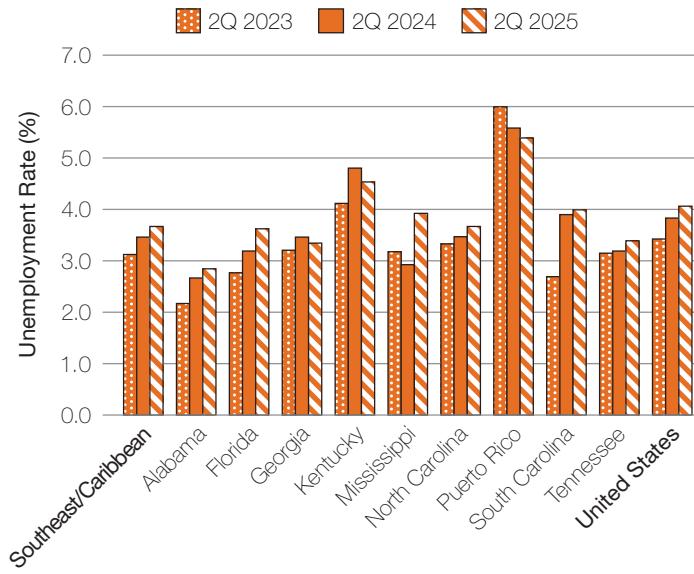
- South Carolina, Kentucky, and Mississippi were the only states in the region to add more jobs than a year ago. Jobs in the respective states increased by 70,400, 22,700, and 16,400, or 3.0, 1.1, and 1.4 percent, compared with increases of 52,000, 22,500, and 4,900 jobs, or 2.3, 1.1, and 0.4 percent, a year earlier.
- Job growth of 13,200, or 1.4 percent, in Puerto Rico also exceeded the 12,400 jobs, or 1.3 percent, added a year ago. The largest sector gains in the territory came from the leisure and hospitality and the education and health services sectors, which increased by 3,400 and 3,200 jobs, or 3.5 and 2.6 percent, respectively, as of the second quarter of 2025.
- Florida added the most jobs in the region, with an increase of 138,100 jobs, or 1.4 percent, down from 181,100 jobs, or 1.9 percent, as of the second quarter of 2024. The education and health services sector contributed 45,700 jobs, or 33 percent, of statewide growth, the largest sector share.
- In North Carolina, nonfarm payrolls increased by 75,500 jobs, or 1.5 percent, down from 83,500 jobs, or 1.7 percent, a year earlier. The Charlotte and Raleigh metropolitan areas combined accounted for 60 percent of the statewide gain as of the second quarter of 2025.

Sales Market Conditions

As of the second quarter of 2025, sales markets in the Southeast/Caribbean region were balanced, but home sales decreased in every state in the region, partly because of mortgage interest rates, which have been elevated since 2022. The average interest rate for a 30-year, fixed-rate mortgage was 6.82 percent in June 2025, down from 6.92 percent a year earlier but up from a June low of 2.91 percent in 2020 (Freddie Mac). The inventory of homes for sale in the region increased to 5.3 months of supply in May 2025, one of the highest rates among the 10 HUD regions. By comparison, 4.2 and 2.7 months of inventory were available in May 2024 and May 2023, respectively. Each state in the region had a supply of homes that increased from a year ago and was higher than the national supply of 2.9 months in May 2025, with the highest inventory in Florida

- Tennessee and Georgia added 25,600 and 20,600 jobs, or 0.8 and 0.4 percent, respectively, compared with 50,300 and 72,700 jobs, or 1.5 percent each, as of the second quarter of 2024. Tennessee had job losses in 4 of the 11 payroll sectors, and Georgia had losses in 6 of the 11 sectors, tempering gains in the remaining sectors.
- Jobs in Alabama increased by 25,200, or 1.1 percent, down from 32,700 jobs, or 1.5 percent, a year earlier. The Huntsville and the Mobile metropolitan areas combined accounted for 44 percent of the statewide increase.

The unemployment rate increased slightly in the Southeast/Caribbean region as of the second quarter of 2025 because labor force growth exceeded resident employment growth.



2Q = second quarter.

Source: U.S. Bureau of Labor Statistics

at 6.8 months. The inventories in the remaining seven states in the region were below 5.0 months in May 2025, ranging from 3.5 months each in Kentucky and North Carolina to 4.9 months in South Carolina (Cotability). Regionwide, the inventory of homes for sale in May 2025 increased 16 percent from May 2024, whereas the number of homes sold during the 12 months ending May 2025 fell 10 percent, causing the months of inventory to rise.

The number of new and existing homes sold in the region decreased by 146,200 homes, or 10 percent, during the 12 months ending May 2025 to 1.28 million, following a 10-percent decline during the previous 12 months (Cotability, with adjustments by the analyst). Home sales fell 10 percent or more in six of the eight states in the region during the past 12 months.

continued on page 4

continued from page 3

During the 12 months ending May 2025, the number of homes sold was down 10 percent or more in six of the eight states in the Southeast/Caribbean region, whereas average home sales prices were up in every state.

	12 Months Ending	Number of Homes Sold			Price		
		2024	2025	Percent Change	Average	2024 (\$)	2025 (\$)
Southeast/Caribbean Region (N&E)	May	1,430,300	1,284,100	-10	AVG	378,000	393,300
Alabama (N&E)	May	104,600	94,500	-10	AVG	238,800	249,500
Florida (N&E)	May	526,700	466,800	-11	AVG	463,500	471,800
Georgia (N&E)	May	202,400	181,700	-10	AVG	356,900	377,100
Kentucky (N&E)	May	78,000	70,500	-10	AVG	220,800	239,700
Mississippi (N&E)	May	37,900	33,400	-12	AVG	261,100	270,400
North Carolina (N&E)	May	218,400	197,700	-9	AVG	369,600	392,200
South Carolina (N&E)	May	116,200	102,600	-12	AVG	356,900	385,900
Tennessee (N&E)	May	146,100	136,900	-6	AVG	339,300	359,400

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

Approximately 466,800 homes were sold in Florida, a decrease of 11 percent, or 59,900 homes, the largest numerical decline in the region. Mississippi and South Carolina had the largest percentage declines, with the number of homes sold in each state falling 12 percent to 33,400 and 102,600, respectively. Home sales decreased 10 percent in Alabama, Georgia, and Kentucky, with 94,500, 181,700, and 70,500 homes sold, respectively. Tennessee and North Carolina had the lowest percentage declines in home sales, 6 and 9 percent, respectively, reaching 136,900 and 197,700 homes. Regionwide, the average sales price of a home was up 4 percent from a year ago to \$393,300 compared with a 6-percent increase during the previous 12 months. Average home prices were up in each state in the region, ranging from 2 percent in Florida to 9 percent in Kentucky, to \$471,800 and \$239,700, respectively. Average home prices rose 8 percent in South Carolina to \$385,900, despite one of the highest percentage declines in home sales in the region. Home prices increased 6 percent each in Georgia, North Carolina, and Tennessee to \$377,100, \$392,200, and \$359,400, respectively. Home prices also increased 6 percent during the previous 12 months in Georgia and North Carolina, but growth accelerated slightly from 4 percent in Tennessee compared with a year earlier. Home prices in Alabama and Mississippi averaged \$249,500 and \$270,400, both 4 percent higher than a year ago.

The regional percentage of seriously delinquent home mortgages and real estate owned (REO) properties increased slightly from 1.0 percent in May 2024 to 1.2 percent in May 2025. By comparison, the national rate decreased slightly from 1.2 to 1.0 percent. The statewide delinquency rates in the region increased slightly or were unchanged, with every state below 2.0 percent. North Carolina and Tennessee had the lowest rates, at 0.9 percent each, and Mississippi had the highest rate of 1.8 percent. The remaining five states in the region had delinquency rates ranging from 1.0 to 1.4 percent.

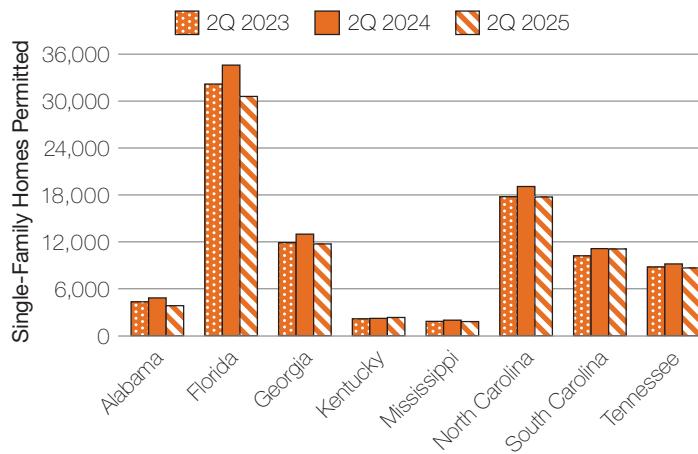
Declines in home sales in the region contributed to a decrease in the number of homes permitted regionwide during the second quarter of 2025. The regional number of single-family homes permitted fell by 8,275 homes, or 9 percent, from a year earlier to approximately 88,450, after an 8-percent year-over-year increase as of the second quarter of 2024. Single-family home permitting fell in seven of the eight states in the region, compared with increases in every state as of the second quarter of 2024.

As of the second quarter of 2025—

- Florida permitted 30,650 single-family homes, a decrease of 4,050 homes, or 12 percent, the largest decline in the region. Florida accounted for nearly one-half of the regional decrease.

continued on page 5

As of the second quarter of 2025, the number of single-family homes permitted decreased in every state in the Southeast/Caribbean region except Kentucky, where the number of units permitted rose 6 percent.



2Q = second quarter.

Note: Based on preliminary data.

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

continued from page 4

- The number of homes permitted in Alabama and Georgia fell 21 and 10 percent to 3,925 and 11,800 homes, respectively. The two states were the only states besides Florida with double-digit percentage declines compared with a year earlier.
- In North Carolina, Tennessee, and Mississippi, 17,850, 8,750, and 1,900 homes were permitted, representing declines of 7, 6, and 9 percent, respectively, from the second quarter of 2024.

- The number of homes permitted in South Carolina was virtually unchanged at 11,200, following a 9-percent increase as of the second quarter of 2024.
- The number of single-family homes permitted in Kentucky increased 6 percent year over year to 2,425 homes. Kentucky was the only state in the region with a statewide increase.

Apartment Market Conditions

Apartment market conditions in the Southeast/Caribbean region were mixed as of the second quarter of 2025, ranging from balanced to soft. The regional apartment vacancy rate was 10.9 percent, unchanged from a year ago. The regional vacancy rate has been elevated for the past 3 years because the large number of completions has exceeded absorption, but excess completions are declining. During the 12 months ending June 2025, approximately 23,000 more units were completed than absorbed, but excess completions were down from 73,000 and 116,000 units during the 12 months ending June 2024 and 2023, respectively. The second quarter difference between the overall apartment vacancy rate and the vacancy rate for properties that have reached stabilized occupancy has begun to narrow after reaching a high as of the second quarter of 2024. As of the second quarter of 2025, the overall and stabilized regional apartment vacancy rates were 10.9 and 7.9 percent, respectively, a 3.0-percentage-point difference, down from a high of 3.3 percentage points as of the second quarter of 2024. The number of units under construction has also declined from a high of more than 343,000 units as of the second quarter of 2023 to more than 275,000 units as of the second quarter of 2024 and 190,000 units as of the second quarter of 2025.

Seven of the eight apartment markets highlighted in this report were soft as of the second quarter of 2025, and the vacancy rates exceeded 11 percent in five of the eight markets. Vacancy trends were mixed among the markets, with rising vacancy rates in four markets and declining vacancy rates in four markets. Miami was the only market in the region that was balanced, with an apartment vacancy rate of 7.1 percent, up from 6.2 percent as of the second quarter of 2024. The Birmingham market had the highest vacancy rate in the region at 13.1 percent, up from 12.6 percent a year ago. The respective vacancy rates in the Atlanta and the Charlotte markets were 12.1 and 12.6 percent; the rate was down from 12.6 percent a year earlier in the Atlanta market but up from 12.1 percent in the Charlotte market. The rates in the Columbia and the Jackson markets were each down 0.6 percentage point to 10.0 and 11.7 percent, respectively. The Louisville market had the largest year-over-year increase in the vacancy rate, from 7.6 to 8.9 percent. The vacancy rate declined the most in the Nashville market, from 12.4 to 11.5 percent. The vacancy rate in Nashville increased during the previous 3 years because of the large number of units completed. The number of units under construction in the Nashville market is elevated but

continued on page 6

Because of soft market conditions in the second quarter of 2025, average apartment rents fell 1 percent in three of the eight highlighted markets in the Southeast/Caribbean region.

Market Condition	Vacancy Rate			Average Monthly Rent		
	2Q 2024 (%)	2Q 2025 (%)	Percentage Point Change	2Q 2024 (\$)	2Q 2025 (\$)	Percent Change
Southeast/Caribbean Region	Mixed (Balanced to Soft)	10.9	10.9	0	1,635	1,631
Atlanta, GA	Soft	12.6	12.1	-0.5	1,678	1,663
Birmingham, AL	Soft	12.6	13.1	0.5	1,271	1,270
Charlotte, NC	Soft	12.1	12.6	0.5	1,663	1,645
Columbia, SC	Soft	10.6	10.0	-0.6	1,319	1,346
Jackson, MS	Soft	12.3	11.7	-0.6	1,140	1,175
Louisville, KY	Soft	7.6	8.9	1.3	1,223	1,238
Miami, FL	Balanced	6.2	7.1	0.9	2,411	2,451
Nashville, TN	Soft	12.4	11.5	-0.9	1,737	1,722

2Q = second 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 5

has slowly declined from a second quarter high of 23,000 units in 2022 to 13,000 units in 2025.

The average regional asking rent was virtually unchanged from the second quarters of 2024 and 2023 at \$1,631. Average apartment rents in the region increased in four highlighted markets and were unchanged or down in four highlighted markets as of the second quarter of 2025. Average rents decreased 1 percent from a year ago in the Atlanta, the Charlotte, and the Nashville markets to \$1,663, \$1,645, and \$1,722, respectively, after falling 2, 1, and 1 percent as of the second quarter of 2024. Apartment construction in Atlanta, Charlotte, and Nashville has been elevated during the past 3 to 4 years, leading to more competitive conditions and putting downward pressure on rents. Rents averaged \$1,175 in the Jackson market, a 3-percent increase and the fastest rent growth in the region. Although the Jackson market had limited apartment construction in the past 4 years, and rents have increased rapidly, the market is soft, with one of the highest vacancy rates in the region at 11.7 percent. Average rents in the Columbia and the Miami markets increased 2 percent each to \$1,346 and \$2,451, respectively, after increasing 3 and 2 percent a year ago. The average rent increased 1 percent to \$1,238 from a year ago in the Louisville market and was virtually unchanged in the Birmingham market at \$1,270, despite increases in the vacancy rates in both markets.

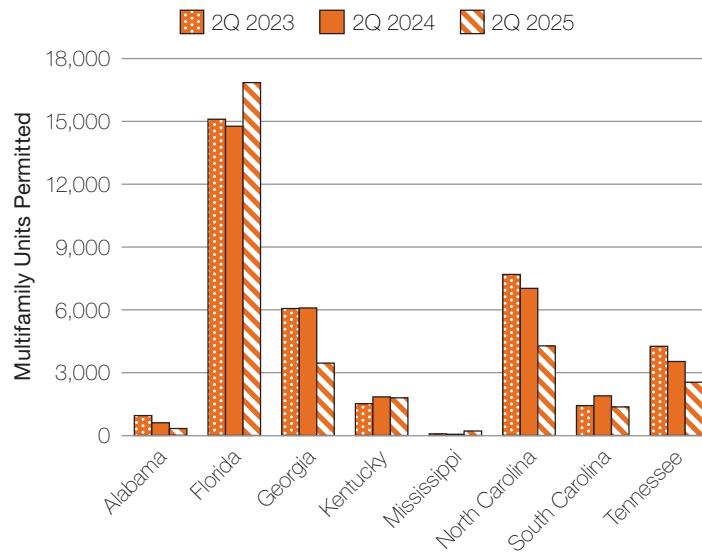
Because of softening apartment market conditions in the Southeast/Caribbean region, the number of multifamily units permitted in the region fell 14 percent as of the second quarter of 2025 to approximately 31,050 units, following a 3-percent year-over-year decline as of the second quarter of 2024. The number of multifamily units permitted as of the second quarter of 2025 decreased in six of the eight states in the region but increased in Florida and Mississippi.

As of the second quarter of 2025—

- North Carolina and Georgia had the largest declines in multifamily units permitted, with the number of multifamily units falling by approximately 2,750 and 2,650 units, or 39 and 43 percent, respectively, to 4,300 and 3,475 units.

- Tennessee and South Carolina also had significant declines of 1,000 and 530 units, or 28 percent each, reaching 2,575 and 1,400 units, respectively. The number of units permitted in Alabama and Kentucky decreased 44 and 3 percent, respectively, to 360 and 1,825 units.
- Florida had the largest increase in multifamily permitting in the region, with an increase of approximately 2,075 units, or 14 percent, from the second quarter of 2024, reaching 16,850. By contrast, the number of multifamily units permitted in the state decreased 2 percent from the second quarter of 2023 to the second quarter of 2024.
- The number of multifamily units permitted more than doubled in Mississippi to 240 units after falling 12 percent the previous year.

As of the second quarter of 2025, the number of multifamily units permitted declined in six of the eight states in the Southeast/Caribbean region but increased in Florida and Mississippi.



2Q = second 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.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once it has reached an occupancy rate of 90 percent 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 because of a lack of available data.

