

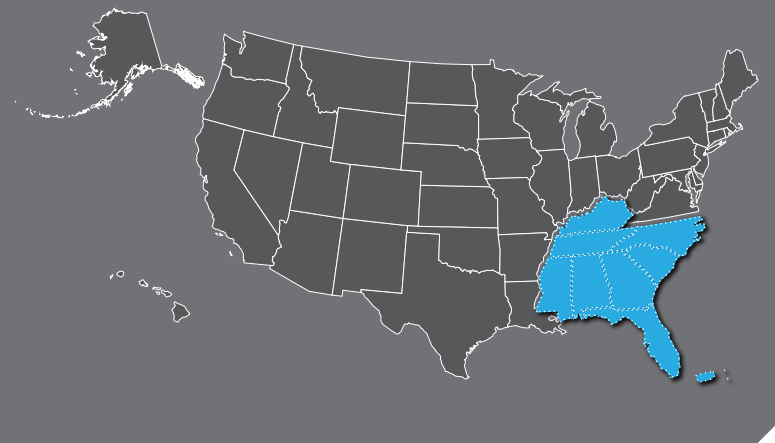
# HUD PD&R Regional Reports

## Region 4: Southeast/Caribbean



### Quick Facts About Region 4

- Sales market conditions—**  
Fourth quarter 2024: balanced  
Third quarter 2024: mixed (balanced to slightly tight)  
Fourth quarter 2023: mixed (balanced to slightly tight)
- Apartment market conditions—**  
Fourth quarter 2024: mixed (balanced to soft)  
Third quarter 2024: mixed (balanced to soft)  
Fourth quarter 2023: mixed (balanced to soft)



Birmingham, Alabama

By [T. Michael Miller](#) | 4th Quarter 2024

### Overview

The economy in the Southeast/Caribbean region continued to strengthen during the fourth quarter of 2024, although the rate of job growth slowed from the previous year. The largest statewide job gain as of the fourth quarter of 2024 was in Florida, and the fastest rate of job growth occurred in South Carolina. Despite recent job growth in the region, labor force growth outpaced employment growth in seven of the eight states in the region and contributed to increasing unemployment rates; resident employment increased in every state except Florida. Sales market conditions in the region were balanced. However, conditions eased in most markets because declining sales demand, partly caused by elevated mortgage interest rates, contributed to a 9-percent reduction in new and existing home sales during the 12 months ending November 2024 (CoreLogic, Inc., with adjustments by the analyst). The for-sale home inventory, measured as months of supply, in the region rose, and the average home sales price increased 5 percent. Apartment market conditions in the region ranged from balanced to soft. Apartment vacancy rates increased in six of the eight markets in the region highlighted in this report, partly because a significant number of new units were completed and in lease up. Rising vacancy rates contributed to rent declines in four of the

continued on page 2



PD&R

continued from page 1

eight markets, although the average apartment rents increased at least 2 percent in three other markets, exceeding the 1-percent average rent increase nationwide (CoStar Group).

- Unemployment rates in the region ranged from 3.2 percent in Alabama to 5.5 percent in Puerto Rico during the fourth quarter of 2024. Six of the eight states in the region had lower unemployment rates than the 3.9-percent average for the nation.

- During the 12 months ending November 2024, approximately 1.32 million new and existing homes were sold in the region, and the average home price rose to \$386,300.
- Among the apartment markets in the region highlighted in this report, Miami had the lowest vacancy rate of 6.0 percent and the highest average monthly rent of \$2,391 as of the fourth quarter of 2024.

## Economic Conditions

Hurricanes Helene and Milton made landfall on the Gulf Coast of Florida on September 26, 2024, and October 9, 2024, respectively, causing wind damage and significant flooding in the Southeast/Caribbean region. Hurricane Helene traveled north and impacted multiple states in the region, including Florida, Georgia, North Carolina, South Carolina, and Tennessee. Hurricane Milton primarily damaged Florida, especially the Gulf Coast, and created dozens of tornados on the southeast coast. Resident employment data for the fourth quarter of 2024 include temporary job losses that resulted from these natural disasters.

As of the fourth quarter of 2024, nonfarm payrolls in the Southeast/Caribbean region averaged 32.43 million jobs, representing an increase of 476,000 jobs, or 1.5 percent, and slowing from a year-over-year increase of 583,600 jobs, or 1.9 percent, as of the fourth quarter of 2023. Each state in the region added jobs during the past year, ranging from a 1.1-percent increase in Georgia to a 2.6-percent rise in South Carolina. Nonfarm payrolls also rose by 14,200 jobs, or

1.5 percent, in Puerto Rico but were unchanged in the U.S. Virgin Islands from the fourth quarter of 2023. All nonfarm payroll sectors except the manufacturing and the information sectors added jobs in the region during the past year. The largest gains were in the education and health services and the government sectors, which added 169,000 and 82,700 jobs, or 3.8 and 1.8 percent, respectively. Two-thirds of the gain in the government sector, or 55,000 jobs, was in the local government subsector. The leisure and hospitality sector increased by 74,600 jobs, or 2.1 percent, and sector payrolls were up in all the states in the region and in Puerto Rico, with Florida, Georgia, and North Carolina accounting for the largest shares of the net growth at 26, 24, and 23 percent, respectively. Partially offsetting job gains, the manufacturing and the information sectors fell by 8,900 and 1,900 jobs, or 0.3 and 0.4 percent, respectively.

The unemployment rate for the region averaged 3.7 percent during the fourth quarter of 2024, up from the 3.2-percent rate during the fourth quarter of 2023. The unemployment rates

continued on page 3

**The number of nonfarm payroll jobs in the Southeast/Caribbean region increased in 9 of the 11 sectors as of the fourth quarter of 2024.**

	Fourth Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	31,955.5	32,431.5	476.0	1.5
Goods-Producing Sectors	4,458.1	4,511.3	53.2	1.2
Mining, Logging, & Construction	1,733.6	1,795.7	62.1	3.6
Manufacturing	2,724.5	2,715.6	-8.9	-0.3
Service-Providing Sectors	27,497.4	27,920.2	422.8	1.5
Wholesale & Retail Trade	4,874.3	4,902.4	28.1	0.6
Transportation & Utilities	1,589.9	1,594.5	4.6	0.3
Information	507.3	505.4	-1.9	-0.4
Financial Activities	1,883.9	1,887.9	4.0	0.2
Professional & Business Services	4,683.4	4,716.5	33.1	0.7
Education & Health Services	4,505.7	4,674.7	169.0	3.8
Leisure & Hospitality	3,624.4	3,699.0	74.6	2.1
Other Services	1,190.4	1,219.0	28.6	2.4
Government	4,638.2	4,720.9	82.7	1.8

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

Source: U.S. Bureau of Labor Statistics



continued from page 2

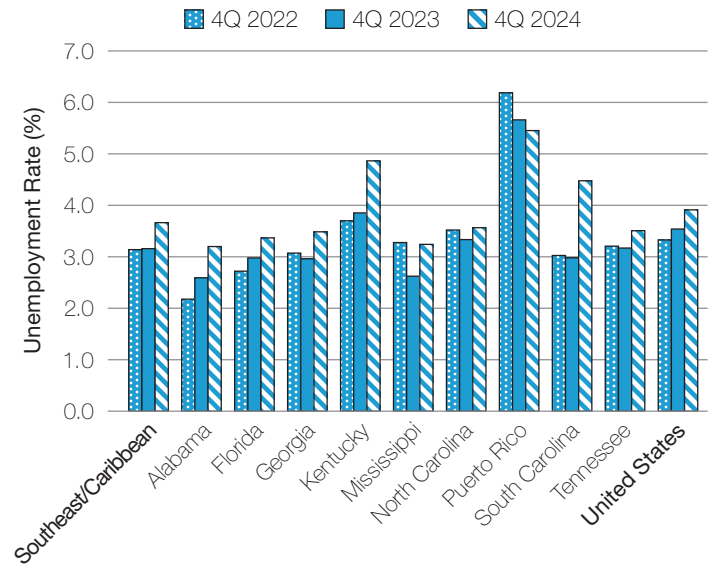
increased in each of the eight states but declined in Puerto Rico from 5.7 percent to 5.5 percent. The largest percentage-point increase was in South Carolina, where the rate rose from 3.0 to 4.5 percent. Unemployment rates in the remaining seven states in the region during the fourth quarter of 2024 ranged from 3.2 percent in Alabama to 4.9 percent in Kentucky. By comparison, the national unemployment rate was 3.9 percent during the fourth quarter of 2024, up from 3.6 percent a year ago.

As of the fourth quarter of 2024—

- In four of the eight states in the region and in Puerto Rico, the rate of job growth met or exceeded the 1.4-percent increase in the nation. Nonfarm payrolls in South Carolina rose by 61,100 jobs, or 2.6 percent, and included respective increases of 12,800, 6,600, and 4,200 jobs, or 3.0, 1.5, and 0.9 percent, in the Charleston, Columbia, and Greenville metropolitan areas.
- Nonfarm payrolls averaged 10.06 million jobs in Florida, representing an increase of 141,100 jobs, or 1.4 percent, from a year ago. The Miami, Orlando, Tampa, and Jacksonville metropolitan areas accounted for a combined 56 percent of the statewide increase in nonfarm payrolls during the past year.
- In Alabama, payrolls increased by 39,900 jobs, or 1.8 percent, and 31 percent of the increase occurred in the Birmingham and Huntsville metropolitan areas, where nonfarm payrolls rose by 6,300 and 6,000 jobs, or 1.1 and 2.1 percent, respectively.

- In North Carolina, Tennessee, and Mississippi, payrolls increased by 79,000, 44,100, and 15,000 jobs, or 1.6, 1.3, and 1.3 percent, respectively.
- The slowest rates of growth in the region were in Kentucky and Georgia, where nonfarm payrolls rose 1.2 and 1.1 percent, or by 25,400 and 56,300 jobs, respectively.

**The unemployment rate increased in eight of the nine states and territories in the Southeast/Caribbean region as of the fourth quarter of 2024.**



4Q = fourth quarter.  
Source: U.S. Bureau of Labor Statistics

## Sales Market Conditions

Home sales market conditions in the Southeast/Caribbean region were balanced during the fourth quarter of 2024 but eased throughout much of the region during the past year. Diminished sales demand due to elevated mortgage interest rates led to an increase in for-sale inventory, but home prices rose in all states in the region. Home sales declined significantly in each of the eight states in the region during the 12 months ending November 2024. The inventory of homes available for sale in the region represented 4.6 months of supply in December 2024, up from 3.5 months a year ago (CoreLogic, Inc.). The increase in months of supply was a result of both an increase in the number of for-sale homes and a decline in home sales activity. The current monthly inventory in the region was higher than the 3.3 months of supply in the nation and represents the highest December figure in the region since 2016. The months of supply of available for-sale inventory was at, or higher than, the average in the nation in seven of the eight states in the region compared with six of the eight states a year

ago. For-sale inventory increased in all eight states in the region, with supply increasing by 1 month or more in Alabama, Florida, Georgia, and Tennessee. The 2.8-month supply of available homes in North Carolina was the lowest figure in the region but was up from a 2.1-month supply a year ago.

New and existing home sales in the region declined to approximately 1.32 million homes during the 12 months ending November 2024, down 9 percent from the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). The number of homes sold decreased at least 6 percent in each of the eight states in the region, with the fastest declines in South Carolina, Mississippi, and Florida, where home sales were down 14, 13, and 11 percent, respectively, from a year ago to 101,600, 32,300, and 482,400. Average prices for new and existing homes increased throughout the region during the past year, but price growth slowed from a year ago in six of the eight states in the region because of easing sales

continued on page 4



continued from page 3

Home sales decreased in every state in the Southeast/Caribbean region during the past 12 months, whereas average home sales prices increased in every state.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Southeast/Caribbean Region (N&E)	November	1,458,400	1,320,600	-9	AVG	367,200	386,300	5
Alabama (N&E)	November	105,800	96,600	-9	AVG	236,000	241,200	2
Florida (N&E)	November	543,100	482,400	-11	AVG	450,400	468,700	4
Georgia (N&E)	November	204,900	191,200	-7	AVG	343,800	370,600	8
Kentucky (N&E)	November	79,650	74,050	-7	AVG	216,800	230,200	6
Mississippi (N&E)	November	37,000	32,300	-13	AVG	258,500	263,000	2
North Carolina (N&E)	November	222,000	204,500	-8	AVG	355,500	382,500	8
South Carolina (N&E)	November	118,500	101,600	-14	AVG	347,200	371,400	7
Tennessee (N&E)	November	147,400	138,000	-6	AVG	329,200	350,400	6

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

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

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

demand. The average new and existing home price in the region increased 5 percent to \$386,300 during the 12 months ending November 2024. By comparison, the average price rose 5 and 14 percent during the corresponding periods in 2023 and 2022, respectively. Prices increased the least from a year ago in Mississippi and Alabama, with increases of 2 percent each to \$263,000 and \$241,200, respectively. The highest percentage increases were 8 percent each in North Carolina and Georgia; the respective average home prices in those states were \$382,500 and \$370,600.

Recent extreme weather events in the region contributed to a slight increase in rates of seriously delinquent mortgages in four of the eight states during the past year. As of November 2024, 1.2 percent of home loans in the region were seriously delinquent or had transitioned into real estate owned (REO) status, up slightly from 1.1 percent in November 2023 (CoreLogic, Inc.). The regionwide rate was the fourth highest of the 10 HUD-defined regions in the nation but only slightly higher than the national rate of 1.0 percent in November 2024. Rates of seriously delinquent mortgages and REO properties in the region ranged from 0.9 percent in North Carolina and Tennessee to 2.1 percent in Mississippi in November 2024. A significant reduction in the number of properties in foreclosure and REO status in the region during the past year was offset by a significant increase in seriously delinquent home loans, primarily in Florida, Georgia, and North Carolina. The number of seriously delinquent home loans in the region increased 8 percent to 95,500 during November 2024, whereas the number of foreclosures fell 14 percent to 18,300, and the number of REO properties fell 13 percent to 1,900.

As of the fourth quarter of 2024, the Southeast/Caribbean region was the only HUD region in the country with a decline

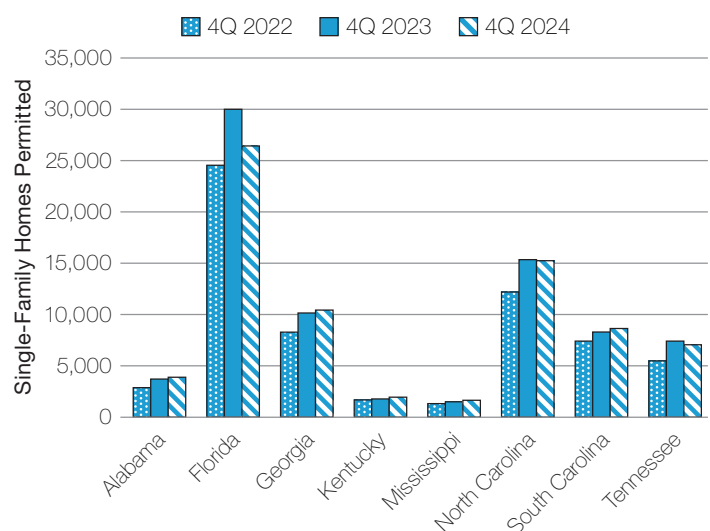
in the number of single-family homes permitted from a year ago. The number of homes permitted in the region was down primarily due to a large decrease in Florida exceeding slight gains in five of the seven remaining states in the region.

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

- The permitting of 75,500 single-family homes in the region was down 4 percent from 78,500 homes a year ago but 18 percent above the total of 64,150 homes as of the fourth quarter of 2022.

continued on page 5

Single-family permitting rose in five of the eight states in the Southeast/Caribbean region as of the fourth quarter of 2024 after increasing in every state a year earlier.



4Q = fourth quarter.

Note: Based on preliminary data.

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

continued from page 4

- Florida, Tennessee, and North Carolina accounted for 65 percent of single-family permitting in the region and all the declines; the 26,450, 7,075, and 15,300 homes permitted in those states were down by 3,625, 360, and 95, or 12, 5, and 1 percent, respectively, from a year ago. Those declines followed respective increases of 22, 35, and 26 percent as of the fourth quarter of 2023.
- South Carolina and Georgia had the largest increases in the number of homes permitted in the region, at 330 and 240 homes, or 4 and 2 percent, to reach 8,675 and 10,450 homes,

respectively. Most of the metropolitan areas in South Carolina had a moderate increase in single-family permitting; the increase in Georgia was due to 190 and 100 additional homes in the Savannah and Atlanta metropolitan areas, respectively.

- The number of single-family homes permitted in Kentucky and Mississippi increased 11 and 10 percent, respectively, to 2,000 and 1,700, the fastest rates of increase in the region. Single-family home permitting in Alabama rose 4 percent to 3,925 homes.

## Apartment Market Conditions

Apartment market conditions were mixed in the Southeast/Caribbean region as of the fourth quarter of 2024, ranging from balanced to soft. Average rents rose in five of the markets highlighted in this report, and, because of a large number of units recently completed, vacancy rates increased in six of the markets compared with a year ago. The apartment vacancy rate for the region was 11.0 percent as of the fourth quarter of 2024, up from 10.4 percent as of the fourth quarter of 2023 (CoStar Group). More than 37,300 units were completed during the fourth quarter of 2024. Even though completions are down 23 percent compared with the previous 7 quarters, completions remain elevated compared with any quarter before 2023, and an additional 207,900 units are under construction. Conditions were soft in six of the eight markets highlighted in this report and slightly soft in the Louisville market. Only the Miami market remained balanced among the eight highlighted markets, with a vacancy rate of 6.0 percent compared with 5.6 percent a year earlier. The highest vacancy rates were in the Charlotte and Atlanta markets, where vacancy rates increased from 11.7 and 12.1 percent, respectively, as of the fourth quarter of

2023 to 12.7 and 12.4 percent as of the fourth quarter of 2024. The apartment vacancy rate in the Nashville market increased to 11.7 percent from 11.4 percent a year ago, and the rate in the Birmingham market declined to 11.5 percent from 12.0 percent a year ago. During the past 12 months, apartment completions were up in all but the Birmingham market, where completions declined 40 percent compared with a year earlier, and absorption more than doubled, exceeding completions during the period. In the past year, 25,200, 16,650, and 13,100 units were completed in the Atlanta, Charlotte, and Nashville markets, whereas 20,400, 12,450, and 11,150 units were absorbed, respectively. Respective vacancy rates in the Columbia and Louisville markets increased from 8.5 and 6.9 percent as of the fourth quarter of 2023 to 9.8 and 8.4 percent as of the fourth quarter of 2024.

Average apartment rent declined 2 percent to \$1,633 in the Atlanta market, and rents in both the Nashville and Charlotte markets fell 1 percent to \$1,682 and \$1,616, respectively. Rent growth exceeded the nationwide 1-percent increase in four of the eight highlighted markets in the region. The average rents in the

continued on page 6

**As of the fourth quarter of 2024, apartment vacancy rates increased in six of the eight highlighted markets in the Southeast/Caribbean region.**

	Market Condition	Vacancy Rate			Average Monthly Rent		
		4Q 2023 (%)	4Q 2024 (%)	Percentage Point Change	4Q 2023 (\$)	4Q 2024 (\$)	Percent Change
Southeast/Caribbean Region	Mixed (Balanced to Soft)	10.4	11.0	0.6	1,626	1,624	0
Atlanta, GA	Soft	12.1	12.4	0.3	1,660	1,633	-2
Birmingham, AL	Soft	12.0	11.5	-0.5	1,221	1,235	1
Charlotte, NC	Soft	11.7	12.7	1.0	1,628	1,616	-1
Columbia, SC	Soft	8.5	9.8	1.4	1,288	1,319	2
Jackson, MS	Soft	15.3	10.9	-4.4	1,306	1,339	2
Louisville, KY	Slightly Soft	6.9	8.4	1.6	1,174	1,203	2
Miami, FL	Balanced	5.6	6.0	0.4	2,350	2,391	2
Nashville, TN	Soft	11.4	11.7	0.3	1,694	1,682	-1

4Q = fourth quarter.

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



continued from page 5

Miami, Jackson, Columbia, and Louisville markets rose 2 percent each to \$2,391, \$1,339, \$1,319, and \$1,203, respectively.

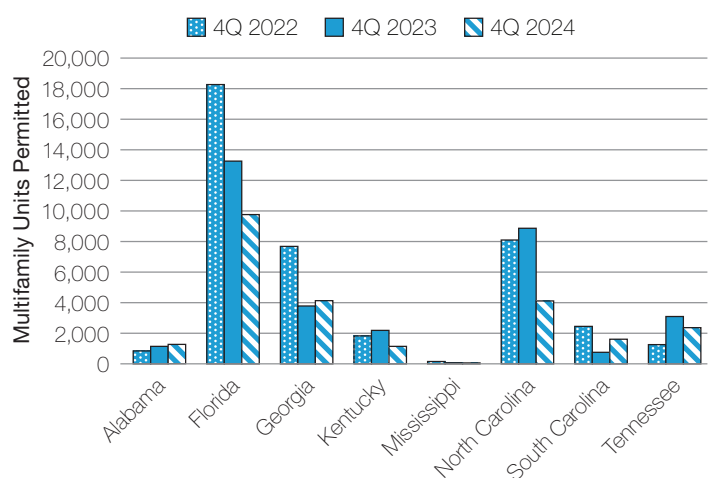
Multifamily permitting in the region decreased from a year earlier, led by declines in Kentucky, Florida, and North Carolina that were partially offset by increases in Alabama, Georgia, and South Carolina. A total of 24,700 multifamily units were permitted in the region as of the fourth quarter of 2024, reflecting a decrease of 8,725 units, or 26 percent, from a year earlier. Multifamily permitting was down more than 18 percent as of the fourth quarter of 2023 compared with the fourth quarter of 2022, largely because of a steep decline in construction in Florida and Georgia.

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

- The fastest rates of decline in multifamily permitting in the region were in North Carolina and Kentucky, where the number of units permitted fell 53 and 48 percent to 4,150 and 1,150, respectively. The 470 units permitted in the Raleigh market, down from 3,425 units permitted a year ago, accounted for 71 percent of the net decline statewide.
- A total of 2,400 multifamily units were permitted in Tennessee, down 23 percent from a year ago. The sharp decline in the state was primarily due to decreases of 50 and 17 percent to 400 and 1,125 units permitted in the Knoxville and Nashville markets, respectively.
- The number of units permitted in Florida fell to 9,800, down by 3,500 units, or 26 percent, from a year ago. Hurricane Milton moved through the Tampa and North Port markets, where respective 91- and 58-percent decreases in multifamily permitting from 2,850 and 1,775 to 250 and 750 units accounted for all the net decrease in Florida.

- The number of units permitted in South Carolina increased to 1,650 from 800 units a year ago. Increases in the Hilton Head Island, Charleston, and Greenville markets of 280, 180, and 60 units accounted for 61 percent of the net increase in South Carolina.
- In Alabama and Georgia, the number of units permitted increased 11 and 9 percent to 1,300 and 4,175 units, respectively. The 3,175 units permitted in the Atlanta market, up from 2,375 units permitted a year ago, accounted for all of the net increase in Georgia.

**Multifamily permitting declined in five of the eight states in the Southeast/Caribbean region as of the fourth quarter of 2024, with significant decreases in Florida and North Carolina.**



4Q = fourth quarter.

Note: Based on preliminary data.

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

## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up. A property is stabilized once the occupancy rate has reached 90 percent or more or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
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 April 10, 2018.
----	---