

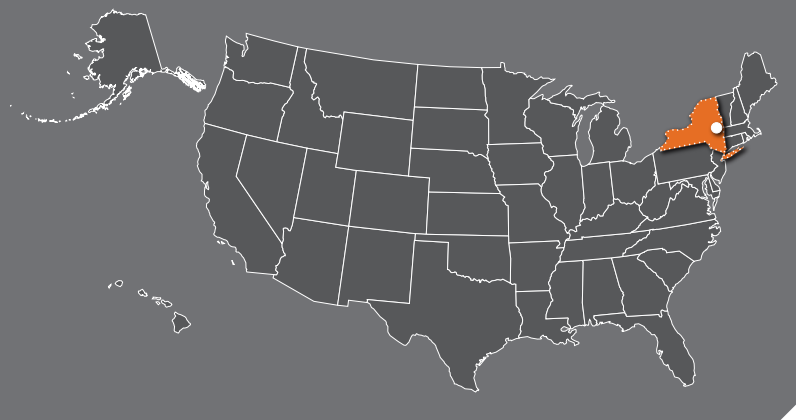
HUD PD&R Housing Market Profiles

Albany-Schenectady-Troy, New York



Quick Facts About Albany

- Current sales market conditions: tight
- Current apartment market conditions: balanced
- Albany is ranked 54th among metropolitan areas where private businesses spend more than \$1 billion annually on research and development. A total of \$1.08 billion was spent in 2021 (Capital Region Economic Development Council, 2024–2028 Strategic Plan; National Center for Science and Engineering Statistics).



Albany, New York

By [Blandon Su](#) | As of June 1, 2024

Overview

The Albany-Schenectady-Troy, NY Metropolitan Statistical Area (hereafter, Albany metropolitan area) includes Albany, Rensselaer, Saratoga, Schenectady, and Schoharie Counties in the Capital Region of New York, which encompasses the New York State capital city of Albany. The metropolitan area is along the Hudson River, the longest river in the state of New York, and is approximately 150 miles north of New York City. Historically, the economy of the metropolitan area revolved around manufacturing. Although its significance has decreased, the manufacturing of high-end electronics, renewable energy, and biotechnology products still occurs in the metropolitan area. Approximately 90 percent of nonfarm payroll jobs are in the service-providing sectors, particularly in the government and the education and health services sectors. The three largest employers—the state government, Albany Medical Health System, and St. Peter's Health Partners—are in these two largest sectors.

- As of June 1, 2024, the population of the metropolitan area is estimated at 905,700, representing an average increase of approximately 1,550, or 0.2 percent, annually since April 2020 (U.S. Census Bureau decennial census

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count; estimates by the analyst). Population growth since 2020 has been due to net in-migration, which has averaged approximately 2,075 people a year.

- From July 2015 to April 2020, the population of the metropolitan area increased by 3,000, or 0.3 percent, a year. Net in-migration accounted for 77 percent of population growth and averaged 2,300 people a year.

- Net natural change has been decreasing in the metropolitan area. From April 2010 to July 2015, net natural change averaged 1,475 people a year, and from July 2015 to April 2020, net natural change averaged 700 people a year. Since April 2020, resident deaths have been greater than resident births, and net natural decline averaged 510 people a year.

Economic Conditions

Economic conditions in the Albany metropolitan area are currently relatively strong. Nonfarm payrolls averaged 471,200 jobs during the 3 months ending May 2024, representing an increase of 7,800 jobs, or 1.7 percent, from the same period a year ago, when payrolls rose by 7,300 jobs, or 1.6 percent. By comparison, nonfarm payrolls for the nation grew 1.8 percent year over year during the 3 months ending May 2024. The economic impact of the COVID-19 pandemic was relatively severe in the metropolitan area, and the subsequent recovery took 7 months longer compared with the nation. In March and April 2020, the metropolitan area lost 67,900 jobs, or 14.5 percent of total nonfarm payrolls (monthly data, not seasonally adjusted). By comparison, nonfarm payrolls for the nation declined 13.7 percent during the same period. Before the pandemic, from 2013 through 2019, nonfarm payrolls in the metropolitan area expanded an average of 0.9 percent annually compared with average annual growth of 1.7 percent for the nation.

As of the 3 months ending May 2024—

- The leisure and hospitality sector was the fastest growing sector in the metropolitan area. The number of jobs in the sector increased by 3,500, or 9.5 percent, from a year earlier. The accommodation and food services industry, which makes up 86 percent of the leisure and hospitality sector, added 2,500 jobs from a year earlier.
- The government sector, the largest sector in the metropolitan area, with 22 percent of all nonfarm payrolls, was the second fastest growing sector in the metropolitan area. The sector increased by 3,000 jobs, or 3.0 percent, from a year earlier. The largest employer in the metropolitan area is the state of New York, with 51,500 employees.
- Losses in 3 sectors partially offset gains in 8 of 11 sectors, with the fastest rate of decline in the transportation and utilities sector, decreasing by 700 jobs, or 4.0 percent,

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Eight nonfarm payroll sectors added jobs in the Albany metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	May 2023 (Thousands)	May 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	463.4	471.2	7.8	1.7
Goods-Producing Sectors	47.8	48.3	0.5	1.0
Mining, Logging, & Construction	20.1	20.5	0.4	2.0
Manufacturing	27.7	27.8	0.1	0.4
Service-Providing Sectors	415.6	422.9	7.3	1.8
Wholesale & Retail Trade	59.4	59.5	0.1	0.2
Transportation & Utilities	17.4	16.7	-0.7	-4.0
Information	7.9	7.6	-0.3	-3.8
Financial Activities	24.5	24.6	0.1	0.4
Professional & Business Services	60.1	59.0	-1.1	-1.8
Education & Health Services	91.5	94.1	2.6	2.8
Leisure & Hospitality	36.7	40.2	3.5	9.5
Other Services	17.3	17.5	0.2	1.2
Government	100.7	103.7	3.0	3.0
Unemployment Rate	2.8%	3.5%		

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

Source: U.S. Bureau of Labor Statistics



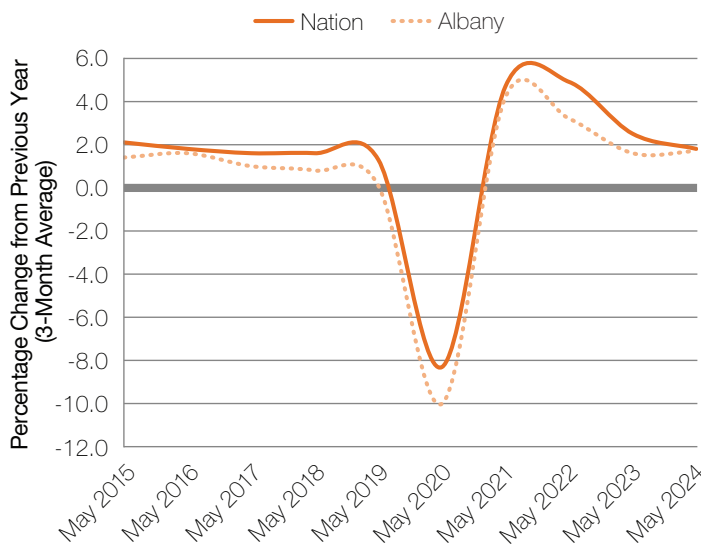
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following a decline of 65 jobs a year earlier. In 2023, 2,744 cargo aircraft operations occurred, representing an 18-percent decrease from 2022 (Albany County Airport Authority, *Annual Comprehensive Financial Report*).

- The unemployment rate averaged 3.5 percent, up from 2.8 percent a year ago. By comparison, the national unemployment rate averaged 3.4 percent, down from 3.7 percent a year ago.

The metropolitan area is a technology hub for semiconductor, software, life science, and clean energy industries. It is home to 23 higher education institutions and other private research institutions—notably the Albany NanoTech Complex, University

The Albany metropolitan area lost jobs at a faster rate than the nation during the early stages of the pandemic and recovered at a slower pace.



Source: U.S. Bureau of Labor Statistics

at Albany, Rensselaer Polytechnic Institute, GE Global Research, Albany Medical Center, and the Albany College of Pharmacy and Health Sciences. The largest private employer in the metropolitan area is the Albany Medical Health System, which has 16,000 employees and had a \$4.27 billion economic impact on the region in 2022 (The Healthcare Association of New York State). Albany has become a significant beneficiary of federal (CHIPS and Science Act) and state (Green CHIPS Program) legislation targeted at improving the semiconductor industry in the nation. In December 2023, a \$9 billion partnership between IBM, Micron Technology, Inc., Applied Materials, Inc., Tokyo Electron Ltd., and others, along with an additional \$1 billion investment from the state, was announced to construct a High NA Extreme Ultraviolet Lithography Center at the Albany NanoTech Complex. This project is expected to create 700 new permanent jobs when complete. In February 2024, GlobalFoundries Inc. announced that it would invest \$11.6 billion to expand its semiconductor manufacturing in the metropolitan area. The federal government awarded an additional \$1.5 billion of funding, and the state of New York plans to fund \$600 million. This expansion is expected to create 1,500 jobs when complete. The timeframe in which these new jobs are expected to materialize is unknown.

Largest Employers in the Albany Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of New York	Government	51,500
Albany Medical Health System	Education & Health Services	16,000
St. Peter's Health Partners	Education & Health Services	11,000

Note: Excludes local school districts.

Sources: St. Louis FRED; *Albany Business Review*

Sales Market Conditions

Sales housing market conditions in the Albany metropolitan area are tight. The sales vacancy rate is currently estimated at 1.4 percent, down from 1.5 percent as of April 2020. As of May 2024, the metropolitan area had 1.8 months of available for-sale housing inventory, the same as a year earlier (Redfin, a national real estate brokerage). By comparison, the area had 3.4 months of supply in May 2019, the most recent comparable period before the pandemic. Although the market remains tight, rising interest rates have led to significantly decreased home sales demand. The average 30-year fixed-rate mortgage was 7.0 percent during the last week of May 2024, up from 6.8 percent in May 2023 and 5.1 percent in May 2022 (Freddie Mac). During the 12 months ending May 2024, total home sales decreased 23 percent to 10,100

homes sold compared with a 17-percent decline a year ago, and the average home sales price increased 10 percent to \$323,600 (CoreLogic, Inc., with adjustments by the analyst). By comparison, year-over-year home price growth was 3 percent a year ago.

- During the 12 months ending May 2024, existing home sales totaled 9,700, reflecting a 23-percent decrease from the 12 months ending May 2023. The average existing home price rose 10 percent during the past year to \$313,500.
- New home sales declined 39 percent to 420 homes sold during the 12 months ending May 2024, whereas the average new home price increased 8 percent to \$554,700 compared with the previous 12 months.

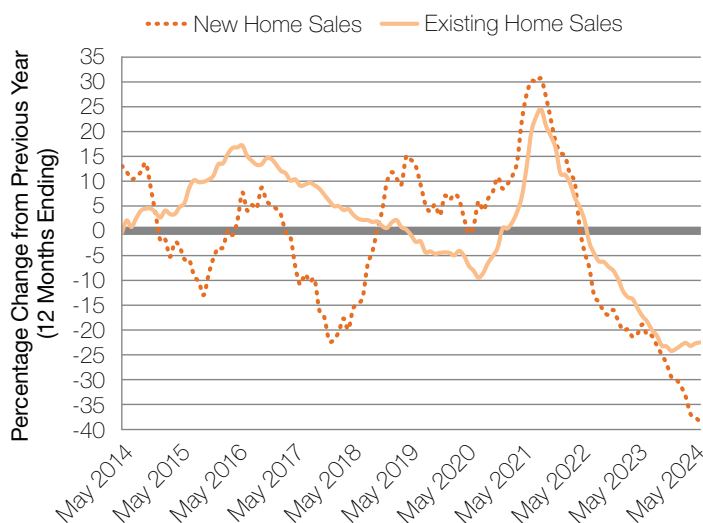
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- The percentage of seriously delinquent mortgages and real estate owned properties in the metropolitan area was 1.5 percent in May 2024, down from 1.6 percent in May 2023 and 2.2 percent in May 2022 (CoreLogic, Inc.). The May 2024 rate for the metropolitan area was below the 1.8-percent rate for the state of New York but higher than the 0.9-percent rate for the nation.

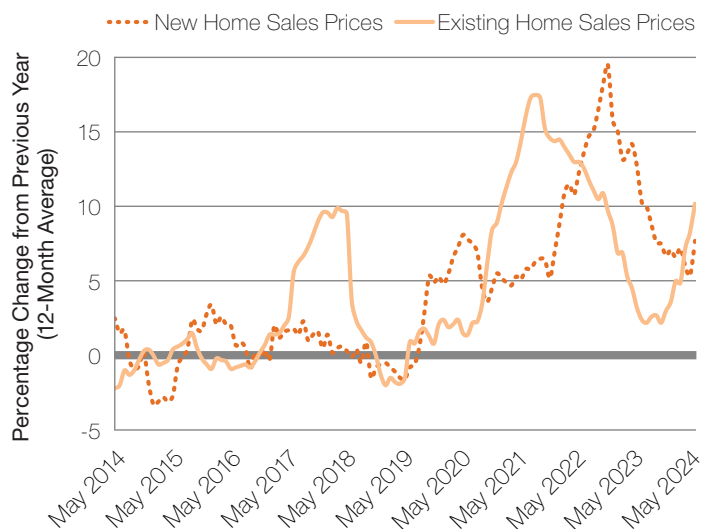
New single-family home construction activity, as measured by the number of homes permitted, increased in the past

New and existing home sales in the Albany metropolitan area have been declining for the past 2 years.



Note: Data include new and existing single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

Prices for both new and existing homes in the Albany metropolitan area increased in the last year.



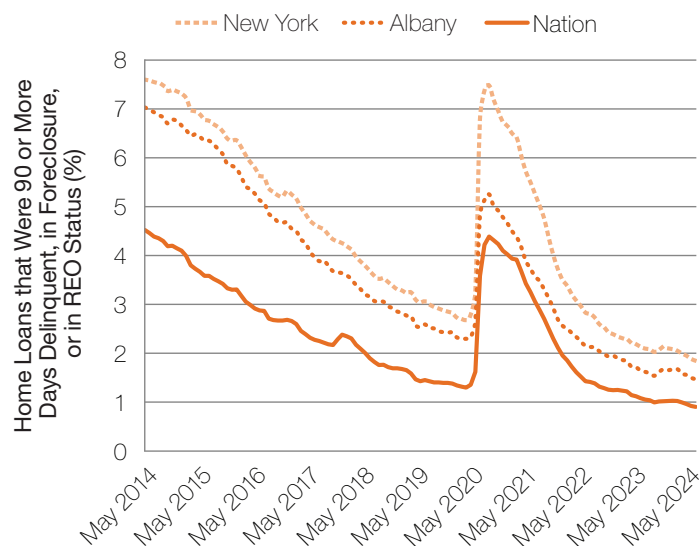
Note: Data include new and existing single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

12 months as market conditions remain tight following decreases in permitting activity in 2022 and 2023.

- Approximately 1,050 single-family homes were permitted during the 12 months ending May 2024, up 5 percent from the previous year, when 1,000 homes were permitted (preliminary data, with adjustments by the analyst).

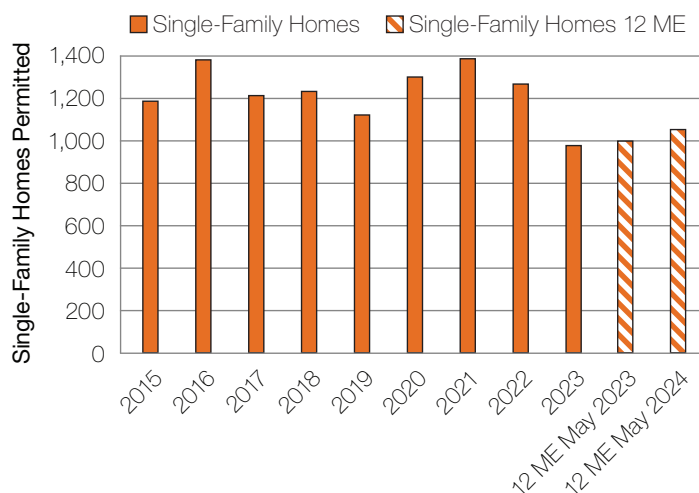
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The rate of seriously delinquent home loans and REO properties declined in the Albany metropolitan area from a year ago but was higher than the rate for the nation.



REO = real estate owned. Source: CoreLogic, Inc.

The number of single-family homes permitted in the Albany metropolitan area increased during the most recent 12 months.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- From 2015 through 2019, single-family home construction averaged 1,225 homes permitted annually, a figure that increased to an average of 1,325 homes permitted annually from 2020 to 2022.
- The majority of single-family homes permitted in the 12 months ending May 2024 were in Saratoga County, accounting for 57 percent of single-family permitting.
- Twenty percent of single-family homes were permitted in Albany County, 11 percent in Rensselaer County, 7 percent in Schenectady County, and 5 percent in Schoharie County.
- Construction on Grande Highlands, a single-family home community in Saratoga County, began in July 2022. Currently, 19 units have been completed, with 18 more underway, and home prices start at \$749,000.

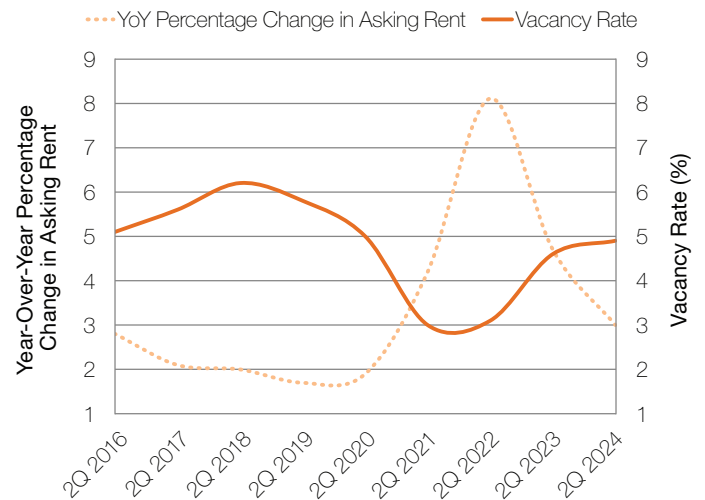
Apartment Market Conditions

Apartment market conditions are balanced in the Albany metropolitan area. A surge in the number of newly constructed apartment units coming online in the past 24 months has led to a relatively high number of units currently in lease up, but a relatively high absorption rate has kept the market in balance. The apartment vacancy rate averaged 4.9 percent as of the second quarter of 2024, up from 4.6 percent a year earlier and 3.1 percent as of the second quarter of 2022 (CoStar Group). From 2021 through 2023, an average of 1,200 new apartment units entered the market compared with an average of 1,025 new units entering the market annually from 2016 through 2020. The average rent as of the second quarter of 2024 was \$1,558, up 4 percent from a year earlier. From 2016 to 2021, second quarter rent growth averaged 2 percent annually before rising 8 percent in 2022, when apartment market conditions were tight.

- Across the 12 CoStar Group-defined market areas (hereafter, market areas), the Outer Albany County market area, which is all of Albany County outside Albany City, has the largest inventory of apartment units, accounting for 25 percent of all apartment units in the metropolitan area. The 6-percent year-over-year rent growth in the market area was the largest of all market areas in the metropolitan area, increasing to \$1,834 as of the second quarter of 2024.
- The Saratoga Springs market area has historically had the highest rent, averaging \$2,156 as of the second quarter of 2024. However, the market area had the slowest year-over-year rent growth of approximately 1 percent compared with the second quarter of 2023.
- Most of the apartment development in the metropolitan area is in Albany City, which has 46 percent of all units under construction. Approximately one-third of the construction in Albany City is occurring in the Downtown Albany market area.
- Across the other market areas, apartment vacancy rates ranged from a low of 0.5 percent in the Schoharie County market area to a high of 8.1 percent in the Rensselaer County market area.

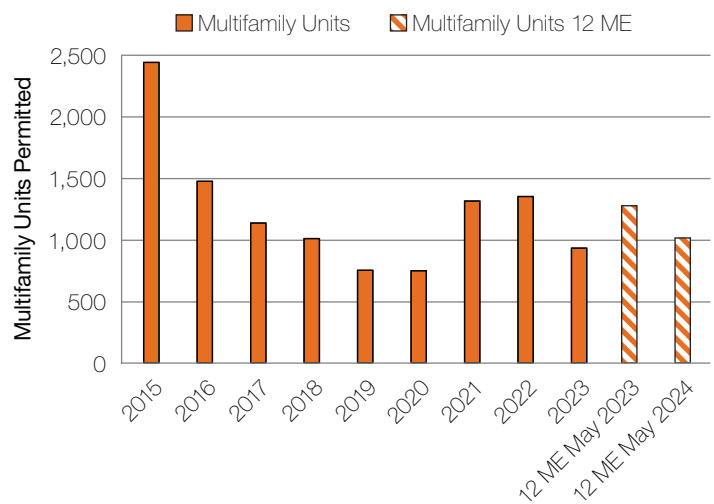
Multifamily construction activity, as measured by the number of multifamily units permitted, decreased sharply in 2023, when apartment market conditions became balanced.

Apartment market conditions in the Albany metropolitan area eased as rent growth slowed during the past year.



2Q = second quarter. YoY = year-over-year.
Source: CoStar Group

The number of multifamily units permitted in the Albany metropolitan area decreased during the 12 months ending May 2024.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- During the 12 months ending May 2024, 1,025 multifamily units were permitted, down 20 percent from the 1,275 units permitted during the 12 months ending May 2023 (preliminary data, with adjustments by the analyst).
- From 2017 through 2020, multifamily construction averaged 910 units permitted annually, a figure that increased to an average of 1,200 units permitted annually from 2021 through 2023.
- A recently completed apartment property in the metropolitan area is the 24-unit The Flats at Crossgates, which opened in April 2024 in the city of Albany. Current rents for one- and two-bedroom units are \$2,344 and \$2,445, respectively.
- In the city of Troy, construction began in April 2023 on the 90-unit Riverstone Apartments, which is expected to be complete by September 2024. The announced rents for the one-, two-, and three-bedroom units are \$2,148, \$3,420, and \$3,400, respectively.

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Net Natural Decline	Resident deaths are greater than resident births.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

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 April 10, 2018.
2.	The New York/New Jersey HUD-defined region includes New York and New Jersey.
3.	The Capital Region of New York includes the counties of Albany, Schenectady, Rensselaer, Saratoga, Greene, Schoharie, Warren, and Columbia.