

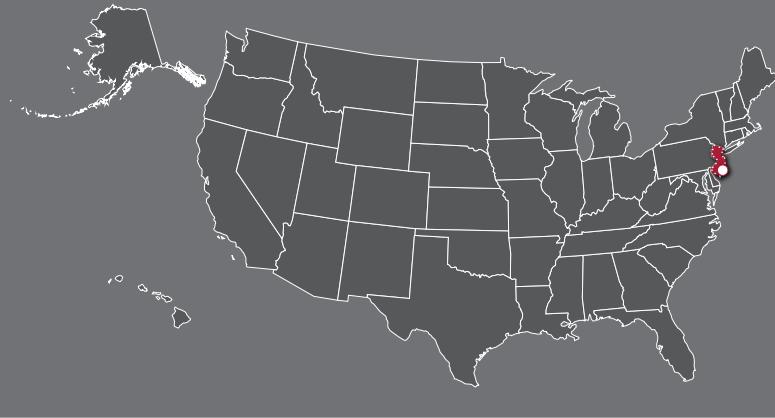
HUD PD&R Housing Market Profiles

Atlantic City-Hammonton, New Jersey



Quick Facts About Atlantic City-Hammonton

- **Current sales market conditions:** slightly tight
- **Current rental market conditions:** balanced
- **The casino industry in Atlantic City generated \$3.31 billion of revenue in 2024, a 0.5-percent decrease from 2023 (Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism 2024 Report). Net gaming revenues accounted for one-half of total industry revenue, and lodging, food and beverage, and other activities accounted for approximately 22, 17, and 11 percent, respectively.**



Atlantic City, New Jersey

By [Blandon Su](#) | As of August 1, 2025

Overview

The Atlantic City-Hammonton, NJ Metropolitan Statistical Area (hereafter, Atlantic City metropolitan area) is coterminous with Atlantic and Cape May Counties in southern New Jersey. Most of the economic activity, particularly in the leisure and hospitality sector, occurs on barrier islands that extend along the eastern coast of the metropolitan area. The principal city of the metropolitan area, Atlantic City, is on Absecon Island, and the city is the only jurisdiction in New Jersey where casinos are licensed to operate. The nine casinos in Atlantic City have a significant impact on the economy of the metropolitan area, and boardwalks with various businesses line the beaches. The economy is more diverse on the mainland, with a significant share of jobs in the government and the education and health services sectors. Most of the land in the metropolitan area is protected wetlands, where development is restricted. The land in the northern part of the metropolitan area, around the city of Hammonton, is primarily used for agriculture.

- As of August 1, 2025, the population of the metropolitan area is estimated at 374,200, reflecting an average annual increase of 1,250, or 0.3 percent, since July 2023 (U.S.

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Census Bureau population estimate as of July 1; estimate by the analyst). By comparison, the population increased by an average of 425, or 0.1 percent, annually from July 2021 to July 2023.

- Population growth has accelerated recently because of a significant increase in net in-migration and a slowdown in net natural decline. Since July 2023, net in-migration has averaged 2,075 people a year compared with 1,450 people

annually from July 2021 to July 2023, and net natural decline has averaged 825 people a year compared with 1,025 people a year from July 2021 to July 2023.

- From 2021 to 2024, all the population growth occurred in Atlantic County, where the population increased by an average of 1,375, or 0.5 percent, annually compared with the population decline of 620, or 0.6 percent, annually in Cape May County.

Economic Conditions

Economic conditions in the Atlantic City metropolitan area are weak. Jobs declined slightly during the past 12 months, a reversal from the relatively high growth rates during the recovery period following the COVID-19 pandemic-induced recession, during which job growth averaged 5.0 percent annually from 2021 to 2023. Nonfarm payrolls averaged 185,200 jobs as of the 3 months ending July 2025, representing a decrease of 600 jobs, or 0.3 percent, from the same period a year ago, when payrolls increased by 800 jobs, or 0.4 percent.

As of the 3 months ending July 2025—

- Most of the job losses occurred in the leisure and hospitality sector, the largest sector in the metropolitan area, accounting for 32 percent of all nonfarm payrolls. Sector payrolls decreased by 1,400 jobs, or 2.3 percent, from a year earlier.
- The wholesale and retail trade sector also lost jobs, decreasing by 500 jobs, or 1.9 percent, from a year earlier.

Recent retail store closures in the metropolitan area include Walgreens Boots Alliance, Inc. in Pleasantville and several stores in the Hamilton Mall in the city of Mays Landing.

- The education and health services sector added the most jobs, up by 800 jobs, or 3.1 percent, from a year earlier. The increase is partially due to the completion of a \$75 million expansion at the AtlantiCare Health System, Inc. campus in Galloway Township in May 2025.
- The unemployment rate averaged 6.3 percent, up from 5.6 percent during the 3 months ending July 2024. By comparison, the national unemployment rate averaged 4.3 percent, up from 4.2 percent a year ago.

The casino hotel industry accounts for 34 percent of all jobs in the leisure and hospitality sector. Borgata Hotel Casino & Spa is the second largest employer in the metropolitan area

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Four nonfarm payroll sectors added jobs in the Atlantic City metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	July 2024 (Thousands)	July 2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	185.8	185.2	-0.6	-0.3
Goods-Producing Sectors	12.6	12.5	-0.1	-0.8
Mining, Logging, & Construction	8.7	8.8	0.1	1.1
Manufacturing	3.9	3.7	-0.2	-5.1
Service-Providing Sectors	173.2	172.7	-0.5	-0.3
Wholesale & Retail Trade	26.5	26.0	-0.5	-1.9
Transportation & Utilities	3.2	3.2	0.0	0.0
Information	0.7	0.6	-0.1	-14.3
Financial Activities	6.0	6.0	0.0	0.0
Professional & Business Services	15.5	15.4	-0.1	-0.6
Education & Health Services	26.1	26.9	0.8	3.1
Leisure & Hospitality	60.5	59.1	-1.4	-2.3
Other Services	6.7	6.8	0.1	1.5
Government	28.0	28.7	0.7	2.5
Unemployment Rate	5.6%	6.3%		

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

Source: U.S. Bureau of Labor Statistics



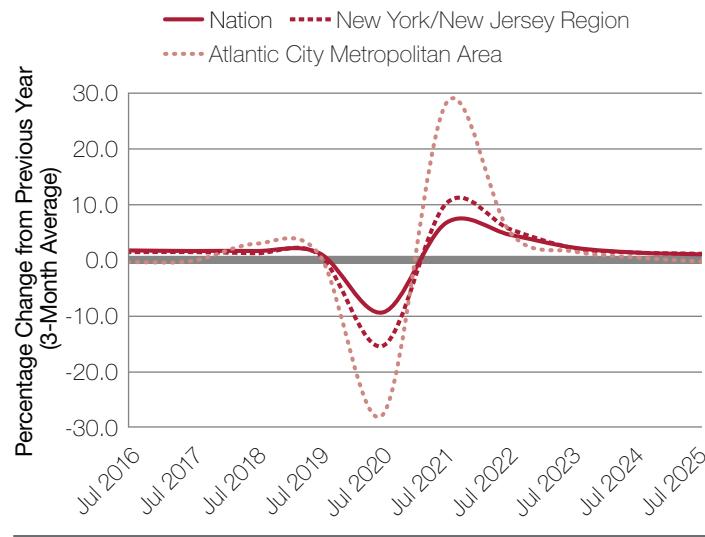
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and the largest casino, with 4,457 employees. During the 3 months ending July 2025, the industry decreased by 800 jobs, or 3.5 percent, from a year earlier. In the surrounding states of Pennsylvania, Maryland, and New York, seven, five, and six new casinos, respectively, have opened since 2010, creating competition and weakening the economic niche that Atlantic City once filled. The rise of online sports gambling has also contributed to increased competition and job losses in the metropolitan area. The education and health services and the government sectors are the second and third largest job sectors, each accounting for 15 percent of nonfarm payrolls. AtlantiCare Health System, Inc., part of the education and health services sector, is the largest private employer in the metropolitan area, with 6,692 employees in 2024. Construction of a new inpatient rehabilitation hospital next to the Galloway Township campus is underway and expected to open in the first half of 2026. The government sector contributes stability to the economy in the metropolitan area. The Federal Aviation Administration's William J. Hughes Technical Center for Advanced Aerospace in Egg Harbor Township features state-of-the-art laboratories focused on research and development for the national airspace system. In the city of Cape May, the U.S. Coast Guard Training Center is the only entry point and training center for new Coast Guard-enlisted personnel. Stockton University, a public institution with its main campus in Galloway Township, is a major employer in the metropolitan area, with 1,563 employees in 2023 (Integrated Postsecondary Education Data System). In contrast to the national trend of decreasing student enrollment, enrollment at Stockton University has increased 4 percent since 2013 to 8,788 students during the fall semester of 2023 due to the opening of a new campus in Atlantic City in 2018.

Sales Market Conditions

The sales housing market in the Atlantic City metropolitan area is slightly tight. The sales vacancy rate is estimated at 1.9 percent, down from 2.0 percent as of April 2020. As of July 2025, the metropolitan area had 5.0 months of available for-sale housing inventory, up from 4.7 months as of July 2024 and 3.5 months as of July 2023 (Redfin, a national real estate brokerage, with adjustments by the analyst). A total of 6,750 new and existing homes sold during the 12 months ending June 2025, down 12 percent from the previous 12 months (Cotality, with adjustments by the analyst). Mortgage interest rates consistently above 6.0 percent since late 2022 and rising home sales prices have contributed to declines in home sales. As of the last week of July 2025, the average interest rate for a 30-year, fixed-rate mortgage was 6.6 percent, higher than the 2.8-percent average as of the corresponding week in July 2021

Nonfarm payroll losses during 2020 were more severe in the Atlantic City metropolitan area than in the region and the nation, but the subsequent recovery was faster.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Atlantic City Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
AtlantiCare Health System, Inc.	Education & Health Services	6,692
Borgata Hotel Casino & Spa	Leisure & Hospitality	4,457
William J. Hughes Technical Center for Advanced Aerospace	Government	3,000

Note: Excludes local school districts.

Sources: Tax Form 990 ProPublica 2023; State of New Jersey Division of Gaming Enforcement Quarterly Financial Reports, December 2024; Federal Aviation Administration

(Freddie Mac), when the low rate contributed to a very tight sales housing market. During the 12 months ending June 2025, the average home price increased 17 percent from a year earlier to \$671,900 (Cotality). By comparison, year-over-year home price growth was 8 percent during the 12 months ending June 2024.

- During the 12 months ending June 2025, existing home sales totaled 6,500, reflecting a 12-percent decrease from a year earlier. The average existing home price rose 16 percent to \$642,800 during the 12 months ending June 2025.
- During the 12 months ending June 2025, new home sales increased 9 percent to 240 homes sold. The average price for a new home was \$1.16 million, up 7 percent from \$1.09 million a year earlier.

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- The percentage of seriously delinquent mortgages and real estate owned properties in the metropolitan area was 1.1 percent in June 2025, higher than the 1.0-percent rate in June 2024 but less than the 1.4-percent rate in June 2023 (Cotability). The rate for the metropolitan area as of June 2025 was above the 1.0-percent rate for both the nation and the state of New Jersey.

Sales construction activity in the metropolitan area—as measured by the number of single-family homes, townhomes,

New home sales in the Atlantic City metropolitan area increased during the past year, whereas existing home sales declined.



Note: Sales are for single-family homes, townhomes, and condominiums.

Source: Cotability, with adjustments by the analyst

Prices for both new and existing homes in the Atlantic City metropolitan area generally increased during the past 2 years.



Note: Sales prices are for single-family homes, townhomes, and condominiums.

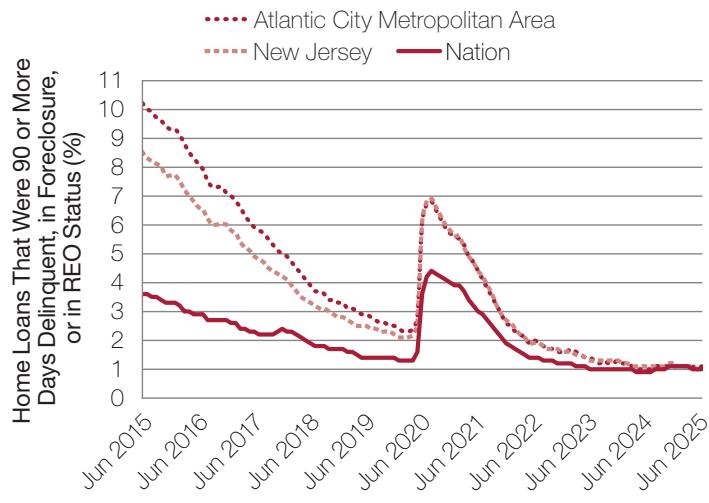
Source: Cotability, with adjustments by the analyst

and condominium units permitted—increased during the past 12 months but is down from its recent peak in 2021, when market conditions were very tight.

- Approximately 1,175 homes were permitted during the 12 months ending June 2025, up 18 percent from the 1,000 homes permitted during the previous 12-month period (preliminary data, with adjustments by the analyst).

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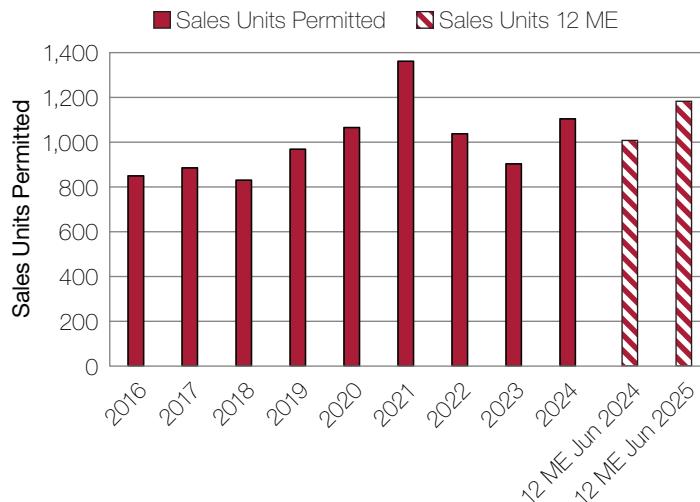
Before 2020, the rate of seriously delinquent home loans and REO properties in the Atlantic City metropolitan area was higher than in the state of New Jersey and the nation.



REO = real estate owned.

Source: Cotability

The number of sales units permitted in the Atlantic City metropolitan area increased during the past year but is less than during the peak permitting year of 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



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- From 2016 through 2020, sales construction activity averaged 920 homes annually. Sales construction activity surged in 2021, when 1,350 homes were permitted, before declining to an average of 1,020 homes annually from 2022 through 2024.
- Since 2020, approximately 57 percent of single-family home construction has occurred in Cape May County, where

demand for new construction was higher. The remaining 43 percent was in Atlantic County.

- A notable recent development in Egg Harbor Township is Tides at Ocean Club, a 26-unit townhome community. The townhomes are 1,500 square feet in size, with prices starting at nearly \$340,000.

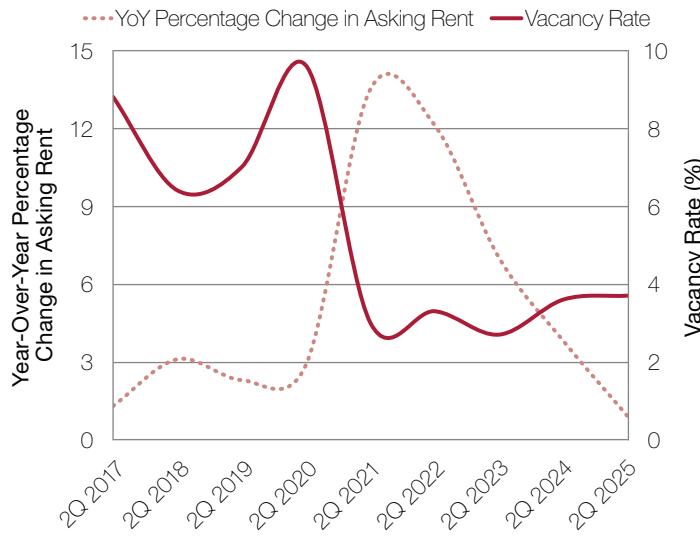
Rental Market Conditions

Rental market conditions in the Atlantic City metropolitan area are balanced. As of August 1, 2025, the overall rental vacancy rate is estimated at 11.0 percent, down from 11.8 percent during April 2020, when the market was slightly soft. The overall rental vacancy rate is elevated because the area includes many seasonal rental units not used for year-round occupancy. The rental market tightened after the onset of the pandemic because of increased net in-migration and a decline in rental construction activity. Although apartment vacancy rates have been low since the second quarter of 2021, average apartment rent growth slowed in the past 3 years. In 2024, units in structures with five or more units, including apartments, accounted for 47 percent of occupied rental units (American Community Survey 1-year data). A significant share of rental units in the metropolitan area are in structures with two to four units, accounting for 25 percent of occupied rental units in 2024, higher than the 17-percent share nationally.

As of the second quarter of 2025—

- The apartment market in the metropolitan area is slightly tight, with a vacancy rate of 3.7 percent, up slightly from 3.6 percent a year earlier (CoStar Group). By comparison, second quarter vacancy rates ranged from 2.7 to 3.3 percent from 2021 through 2023, when apartment market conditions were tight.
- The average monthly apartment rent was \$1,723, up 1 percent from the same quarter a year earlier. Year-over-year rent growth peaked at 13 percent as of the second quarter of 2021 and has slowed since.
- The average rents for studio and one-, two-, and three-bedroom apartments in the metropolitan area were \$1,152, \$1,451, \$1,868, and \$2,421, respectively.
- Nearly 91 percent of the surveyed apartment inventory in the metropolitan area is in Atlantic County. In Cape May County, the apartment vacancy rate and average monthly asking rent were 1.4 percent and \$1,275, respectively, compared with 1.5 percent and \$1,258 during the same quarter a year earlier.

Despite low vacancy rates, year-over-year rent growth in the Atlantic City metropolitan area has declined since the second quarter of 2022.



2Q = second quarter. YoY = year-over-year.

Source: CoStar Group

Rental construction activity—as measured by the number of rental units permitted and estimates by the analyst—has been at lower levels since 2020 but has generally trended upward since 2021.

- Rental permitting during the 12 months ending June 2025 increased by 230 units, or 88 percent, from the previous year to 490 units (preliminary data, with adjustments by the analyst).
- Rental permitting averaged 730 units annually from 2016 through 2019, decreasing to an average of 260 units permitted annually from 2020 through 2023. At the start of the pandemic, the state of New Jersey paused all nonessential construction, which affected project timelines and created uncertainty, causing some developments to be canceled or delayed.

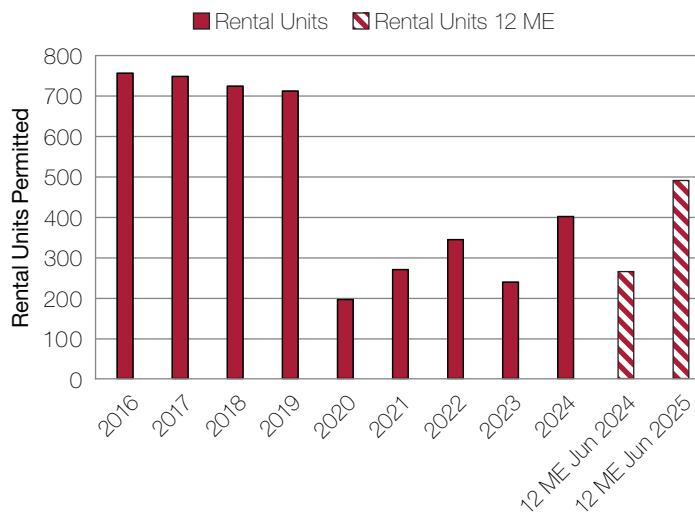
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- Recent rental permitting in the metropolitan area for units in structures with two to four units has increased. Since 2020, units in structures with two to four units have accounted for 44 percent of all rental permitting.
- Since 2020, rental permitting has been concentrated in Atlantic City, Ocean City, Galloway Township, and Wildwood City. These areas accounted for 24, 17, 17, and 16 percent of all rental permitting in the metropolitan area.
- The 120-unit Raven's Nest apartment community opened in Galloway Township in December 2023. Rents for one- and two-bedroom units are currently \$2,025 and \$2,422, respectively.

Rental permitting in the Atlantic City metropolitan area has been lower since 2020 than from 2016 through 2019.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

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 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.
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 Decline	Resident deaths are greater than resident births.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
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 July 21, 2023.
2. Since July 21, 2023, Cape May County has been included in the Atlantic City-Hammonton, NJ Metropolitan Statistical Area.