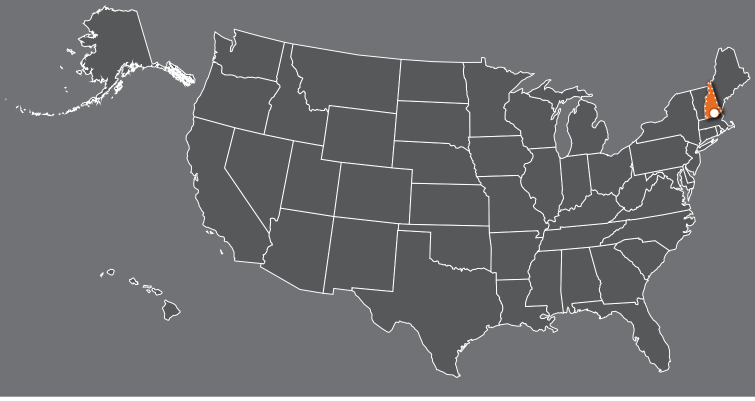
HUD PD&R Housing Market Profiles

Manchester-Nashua, New Hampshire

Manchester, New Hampshire

Quick Facts About Manchester-Nashua

- **Current sales market conditions: very tight**
- **Current apartment market conditions: balanced**
- **The metropolitan area was a textile manufacturing hub in the 19th and early 20th centuries, but the economy is now focused on advanced manufacturing, which ranges from pharmaceuticals to computer and electronic parts, fabricated metal products, and machinery, including medical devices and aerospace equipment. The manufacturing sector is interconnected with the education and health services and the professional and business services sectors. From 2017 through 2023, the U.S. Department of Defense awarded $10.8 billion to advanced manufacturing companies in the metropolitan area, or 90 percent of the defense spending on advanced manufacturing in New Hampshire (*State of New Hampshire Advanced Manufacturing*, 2024).**



By Diana Villavicencio | As of May 1, 2025

Overview

The Manchester-Nashua (hereafter, Manchester) metropolitan area, which includes Hillsborough County in southeast New Hampshire, is adjacent to the Boston metropolitan area. The economy in the metropolitan area is stable, although job growth as of the first quarter of 2025 decelerated from a year ago and lagged behind the growth in the New England region and the nation. Home sales market conditions have been very tight since at least 2020. Despite a slight increase recently, the inventory of homes for sale is low, which contributed to faster home sales price growth, but relatively high mortgage rates caused home sales to continue to fall from a year ago. Apartment market conditions in the metropolitan area were balanced, unchanged from a year ago. However, the market eased from the very tight conditions during 2021 and 2022, partly because new apartment completions have outpaced absorption, leading to rising vacancy rates and slower rent growth.

- As of May 1, 2025, the population of the metropolitan area is estimated at 432,000, reflecting an average annual increase of 2,350, or 0.6 percent, since July 2023 (U.S. Census Bureau population estimate as of July 1 and estimate by the analyst). By comparison, the population

continued on page 2

continued from page 1

increased by an average of 1,525, or 0.4 percent, annually from July 2019 to July 2023.

- Population growth has accelerated recently because a significant increase in net in-migration has offset a modest slowdown in net natural increase. Since July 2023, net in-migration has averaged 2,125 people a year compared with an average of 1,250 people annually from July 2019 to July 2023, whereas net natural increase has averaged 225 people a year, down from 275 people a year from July 2019 to July 2023.
- Net in-migration to the metropolitan area has historically primarily been from Essex, Middlesex, and Suffolk Counties in the Boston metropolitan area, with a combined net movement of approximately 3,525 people (2016–2020 American Community Survey 5-year estimates). Since 2019, this migration has been partially attributed to home prices in the Manchester metropolitan area being 48 percent less than the average home price of $697,100 in the Boston metropolitan area.

Economic Conditions

As of the first quarter of 2025, nonfarm payrolls in the Manchester metropolitan area increased from a year earlier, continuing a trend of year-over-year job growth that began as of the first quarter of 2022, following job losses from the COVID-19 pandemic. However, job growth decelerated compared with a year ago. As of the first quarter of 2025, nonfarm payrolls rose by 100 jobs, or less than 0.1 percent, slowing from an increase of 500 jobs, or 0.2 percent, a year earlier. By comparison, nonfarm payrolls in the New England region and the nation rose 0.3 and 1.3 percent, respectively, as of the first quarter of 2025, slower than the 0.8 and 1.5 percent rates a year earlier. Nonfarm payrolls in the metropolitan area averaged 206,100 jobs as of the first quarter of 2025, 1.4 percent below the previous first quarter high of 208,900 jobs in 2020.

As of the first quarter of 2025—

- Jobs increased or were unchanged from a year ago in 5 of the 11 nonfarm sectors in the metropolitan area. By comparison, 6 sectors contributed to job growth as of the first quarter of 2024.
- Payrolls in the professional and business services sector increased at the fastest rate, up 3.1 percent, or by 900 jobs, compared with a 1.5-percent decrease the previous year. The sector has added the second most jobs since 1991, partly because Manchester Millyard, once a textile mill in downtown Manchester, has attracted numerous technology and biotechnology companies since the 1980s, particularly in the regenerative medicine industry, leading to the nickname "Silicon Millyard."

continued on page 3

As of the first quarter of 2025, year-over-year job growth occurred in 3 of the 11 nonfarm payroll sectors in the Manchester metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	March 2024 (Thousands)	March 2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	206.0	206.1	0.1	0.0
Goods-Producing Sectors	34.3	33.5	-0.8	-2.3
Mining, Logging, & Construction	8.9	8.6	-0.3	-3.4
Manufacturing	25.4	24.9	-0.5	-2.0
Service-Providing Sectors	171.7	172.5	0.8	0.5
Wholesale & Retail Trade	31.4	31.3	-0.1	-0.3
Transportation & Utilities	4.7	4.7	0.0	0.0
Information	5.1	4.9	-0.2	-3.9
Financial Activities	11.7	11.7	0.0	0.0
Professional & Business Services	28.6	29.5	0.9	3.1
Education & Health Services	41.0	42.0	1.0	2.4
Leisure & Hospitality	18.8	18.0	-0.8	-4.3
Other Services	8.0	7.9	-0.1	-1.3
Government	22.3	22.6	0.3	1.3
Unemployment Rate	2.9%	3.8%		

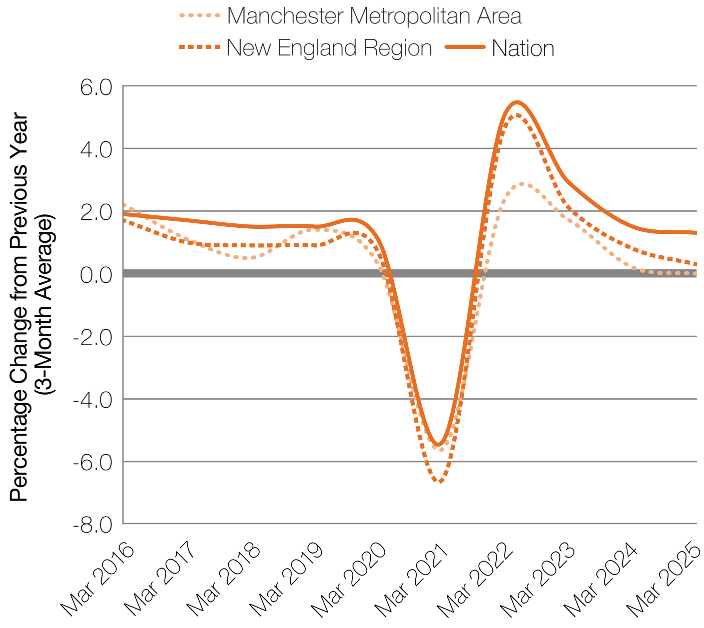
Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

continued from page 2

- The manufacturing sector lost 500 jobs, or 2.0 percent, accelerating from a 300-job, or 1.3-percent, decline a year earlier. Despite the declines, job additions are anticipated in the sector, partly because BAE Systems plc—a manufacturer of high-tech defense, security, and aerospace products—was awarded up to $35.5 million in late 2023 from the U.S. Department of Commerce to quadruple production of semiconductor chips used in F-35 fighter jets and commercial satellites, which is expected to create 24 jobs by 2028.
- The unemployment rate averaged 3.8 percent, up from 2.9 percent a year earlier but below the rates in the New England region and the nation of 4.5 and 4.4 percent, respectively. The rise in the unemployment rate during the past year occurred because labor force growth of 1.3 percent outpaced a 0.4-percent rise in resident employment.

At 42,000 jobs, the education and health services sector accounts for 20 percent of all nonfarm payroll jobs in the metropolitan area, surpassing the manufacturing sector as the largest payroll sector as of the first quarter of 2006. Except in 2010 following the Great Recession and in 2021 during the COVID-19 pandemic, the sector has steadily expanded since 1991, ultimately adding the most jobs of any sector. As of the first quarter of 2025, sector payrolls increased by 1,000, or 2.4 percent, accelerating from 0.7-percent growth a year earlier. It was the only sector to reach a new first quarter high in 2025. Sector gains as of the first quarter of 2025 were entirely in the healthcare and social assistance subsector. With 32,200 jobs, the subsector accounted for 77 percent of jobs in the sector, and the three largest employers in the metropolitan area are healthcare providers. The Advanced Regenerative Manufacturing Institute (ARMI) in the Manchester Millyard supports collaboration between healthcare providers, educational institutions, and firms engaged in research, development, and advanced manufacturing. ARMI manufactures cells, tissues, and organs for regenerative therapies and is sponsored through Department of Defense grants.

Nonfarm payroll growth in the Manchester metropolitan area has been slower than in the New England region and the nation since the first quarter of 2022.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Manchester Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Southern New Hampshire Medical Center	Education & Health Services	1,000 to 4,999
Elliot Hospital	Education & Health Services	1,000 to 4,999
Southern New Hampshire Health Emergency Department	Education & Health Services	1,000 to 4,999

Note: Excludes local school districts.
Source: State of New Hampshire Employment Security

Sales Market Conditions

The home sales market in the Manchester metropolitan area is very tight, with an estimated vacancy rate of 0.6 percent as of May 1, 2025—down slightly from 0.7 percent in April 2020, when conditions were also very tight. Despite a slight dip in mortgage rates in the past year, persistent rates above 6.0 percent since late 2022 and rising home sales prices contributed to a continued decline in home sales. At the same time, a decline in home construction contributed to persistently low levels of inventory. As of the last week of April 2025, the 30-year, fixed-rate mortgage interest rate averaged 6.8 percent, down slightly from 7.2 percent as of the last week of April 2024 but above the low of 3.0 percent as of the corresponding week in April 2021 (Freddie Mac). The inventory of homes for sale in the metropolitan area increased to 1.5 months of supply as of April 2025 from 1.2 months as of April 2024 but was below the 3.7 months nationwide (Redfin, a national real estate brokerage).

As of February 2025, the percentage of home loans in the metropolitan area that were seriously delinquent or had transitioned into real estate owned status was unchanged from a year ago at 0.6 percent (Cotality). The current rate is below the rates in the New England region and the nation of 0.9 and 1.1 percent, respectively.

continued on page 4

continued from page 3

During the 12 months ending February 2025—

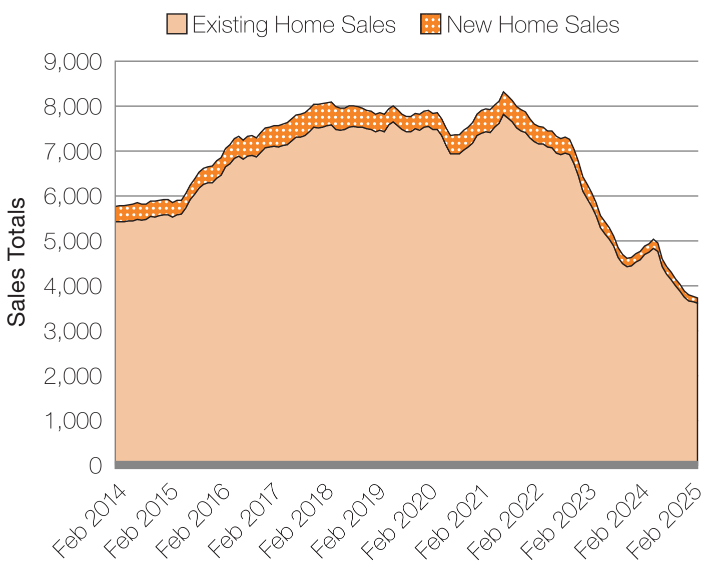
- Home sales declined by 1,150, or 24 percent, from a year earlier to approximately 3,725 homes—the lowest level in more than 20 years (Cotality, with adjustments by the analyst). This decline was faster than the 20-percent average decrease during the corresponding periods in 2023 and 2024 and contrasts with the 1-percent increase in 2021.
- The average price for a home was $476,800, reflecting a 9-percent year-over-year gain compared with 7-percent average annual increases during the corresponding periods in 2023 and 2024 (Cotality, with adjustments by the analyst). However, home price growth since 2023 has been below the 14-percent average annual increases during the corresponding periods in 2021 and 2022, when interest rates were low.
- The decline in home sales reflected decreases of 1,075 and 75 in existing and new home sales, respectively, to 3,600 and 125 homes. The average price for an existing home was $474,300, up 10 percent from $429,600 a year earlier, and the average new home price of $555,200 was down 10 percent from $616,400 a year earlier, when new home prices during a 12-month period ending in February peaked.

Home construction activity, as measured by the number of single-family homes permitted, has been relatively low since 2022 compared with the period from 2016 through 2021, despite persistently very tight sales market conditions and higher net in-migration.

- As of the 12 months ending March 2025, the number of single-family homes permitted decreased 13 percent to 480 compared with the 550 homes permitted a year earlier (preliminary data). The cities of Manchester and Nashua accounted for a combined 31 percent of permitting activity in the metropolitan area during the 12 months ending March 2025.

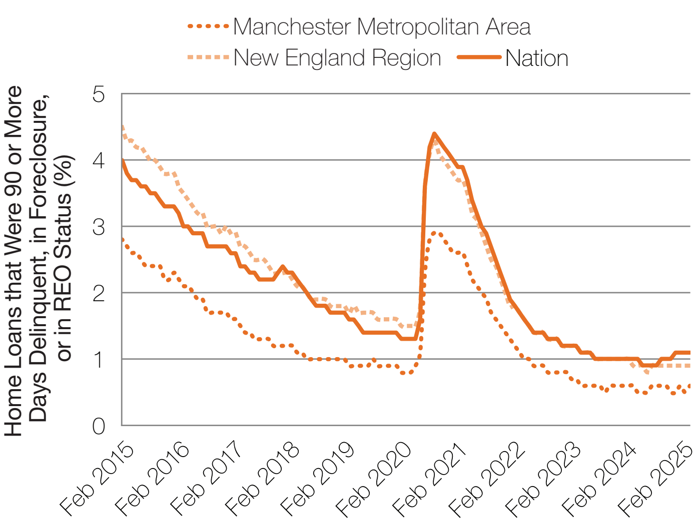
continued on page 5

Home sales in the Manchester metropolitan area declined to the lowest level in more than 20 years.



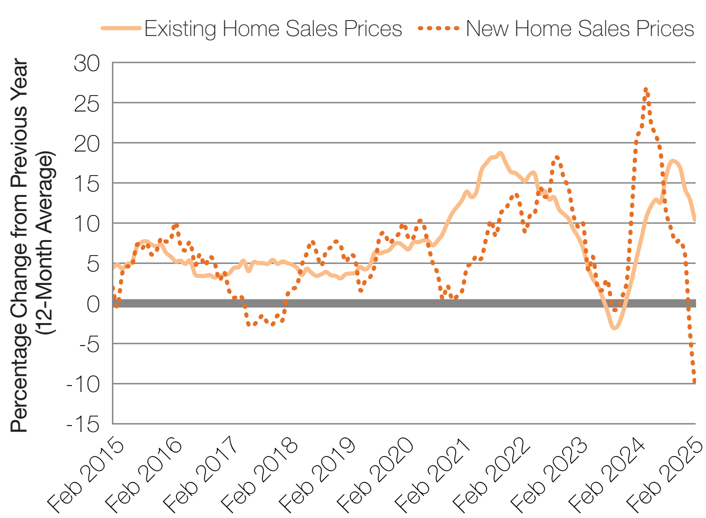
Note: Sales are for single-family homes, townhomes, and condominiums.
Source: Cotality, with adjustments by the analyst

The share of seriously delinquent home loans and properties in REO status in the Manchester metropolitan area has been consistently below the national and regionwide rates since 2015.



REO = real estate owned.
Source: Cotality

In the Manchester metropolitan area, existing home sales prices increased during the 12 months ending February 2024, contrasting with a price decline for new homes.



Note: Prices are for single-family homes, townhomes, and condominiums.
Source: Cotality, with adjustments by the analyst

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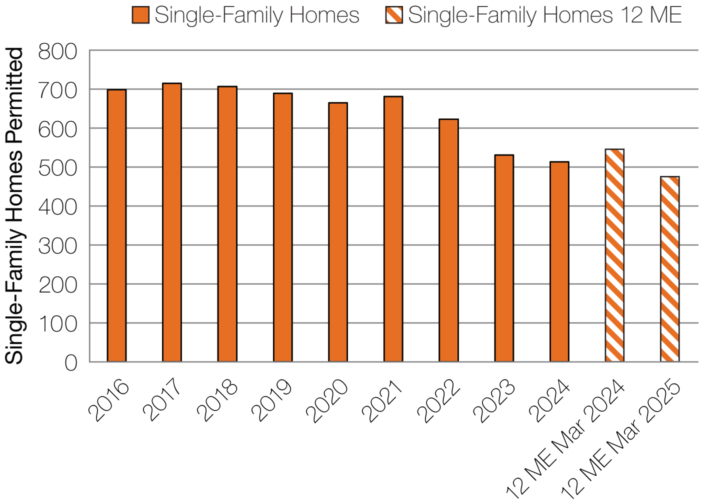
- Single-family home permitting activity reached a recent high of 720 homes in 2017 and subsequently declined to an average of 690 homes from 2018 through 2021. From 2022 through 2024, permitting declined an average of 11 percent a year to 510 homes.
- From 2016 through 2024, 44 percent of new home construction was in the cities of Manchester and Nashua and the towns of Hudson and Pelham, where residents benefit from a relatively short commute to the Boston metropolitan area.
- Construction in the town of Hudson includes Nadeau Village, a community of 15 duplex homes providing multigenerational housing that features a primary home with an attached smaller secondary home. The homes range from 5,600 to 7,174 square feet at prices from $900,000 to $1.40 million. Two homes remain for sale.

Single-family home permitting in the Manchester metropolitan area since 2022 has been below the levels during the previous 6 years.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data; data since 2024—preliminary data

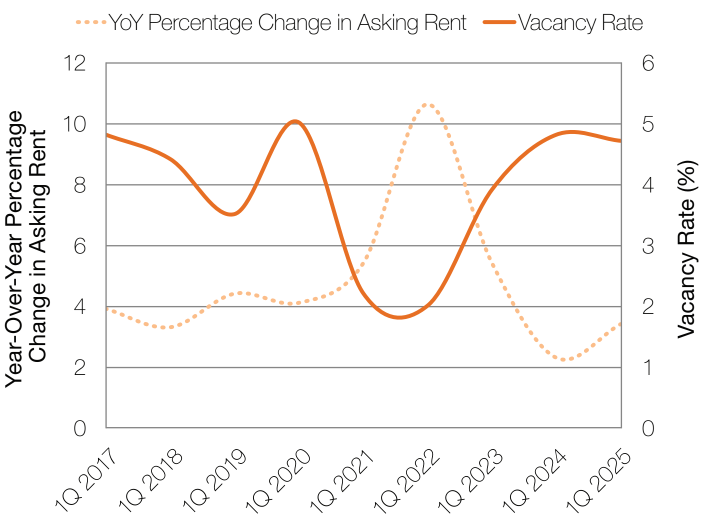
Apartment Market Conditions

Apartment market conditions in the Manchester metropolitan area were balanced as of the first quarter of 2025, unchanged from a year earlier. Conditions have eased from the first quarters of 2021 and 2022, when conditions were very tight, and from 2023, when conditions were tight. The easing occurred because new apartment deliveries outpaced absorption, resulting in higher vacancy rates and slower rent growth. From April 2022 through March 2025, approximately 2,425 new units were completed, 42 percent more than the number absorbed, whereas absorption was nearly four times higher than completions from April 2020 through March 2022 (CoStar Group). Despite lagging completions since April 2022, absorption has been comparatively strong—higher than any 3-year period since 2000.

As of the first quarter of 2025—

- The apartment vacancy rate was 4.7 percent, down slightly from 4.8 percent as of the first quarter of 2024 but up from the 3.9-percent rate as of the first quarter of 2023 (CoStar Group). Vacancy rates since 2023 have been notably higher than the 2.2 and 2.0 percent rates as of the first quarters of 2021 and 2022, respectively—the lowest first quarter rates in more than 20 years.
- Among the four CoStar Group-defined market areas that make up the metropolitan area, apartment vacancy rates in the Nashua and the Outlying Hillsborough County market areas were down 1.4 and 0.9 percentage points, respectively, to 3.7 and 5.6 percent, and increased 0.4 and 0.8 percentage point to 3.1 and 5.1 percent, respectively, in the Milford and the Manchester market areas. The large decrease in the Nashua market area occurred partly because the absorption of units

Vacancy rates in the Manchester metropolitan area have been higher since 2023, and rent growth has decelerated significantly.



1Q = first quarter. YoY = year-over-year.
Source: CoStar Group

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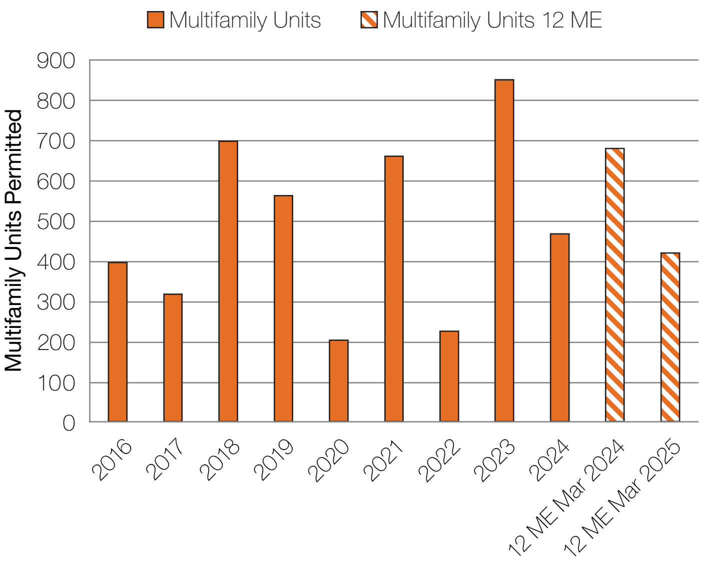
increased nearly threefold, whereas new unit completions were down 40 percent from a year earlier.

- The average rent in the metropolitan area rose 3 percent year over year to $2,102, the third highest rent for any metropolitan area in the New England region, following only the Boston and Bridgeport metropolitan areas. Rent growth in the metropolitan area accelerated from a 2-percent increase a year earlier but slowed from the average annual 7-percent increase from the first quarters of 2021 to 2023 (CoStar Group).
- Apartment rents rose in the four market areas of the metropolitan area, ranging from a nearly 2-percent increase in the Outlying Hillsborough County market area, reaching $2,283, to a 5-percent increase in the Nashua market area, totaling $2,225. The two market areas have the highest rents in the metropolitan area.

Multifamily permitting in the metropolitan area peaked in 2023 but has subsequently slowed in response to easing apartment market conditions.

- During the 12 months ending March 2025, approximately 420 multifamily units were permitted, down 38 percent from the 680 units permitted during the same period a year earlier (preliminary data). Permitting during the past 12 months was concentrated in the cities of Manchester and Nashua, accounting for a combined 87 percent of the metropolitan area total.
- In 2016 and 2017, an average of 360 units were permitted annually in the metropolitan area, increasing to an average of 630 units annually during 2018 and 2019. Permitting averaged 360 units a year from 2020 through 2022 and rose significantly to 850 units in 2023 before declining to 470 units in 2024.
- During the period from 2016 through 2024, the cities of Manchester and Nashua accounted for 16 and 19 percent, respectively, of multifamily permitting in the metropolitan area, whereas the town of Merrimack in the Outlying Hillsborough County market area accounted for 36 percent. The relatively high proportion of permitting in the town was partly attributed to the construction of the 224-unit Slate at Merrimack and the 232-unit The Edgebrook Residences, market-rate apartment communities completed respectively in 2023 and 2022.
- The market-rate 52-unit Trade Center Apartments, a conversion of a former office building, is in development in downtown Manchester. When complete in the summer of 2025, the studio and one- and two-bedroom apartments will have rents starting at $1,635, $1,835, and $2,310, respectively.

Multifamily construction activity in the Manchester metropolitan area increased to a relatively high level in 2023 and has since declined.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2016–23—final data; data since 2024—preliminary data

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 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 resales, short sales, and real estate owned sales. Resales are home closings with no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party. Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
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 July 21, 2023.
2.	The New England region includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.