

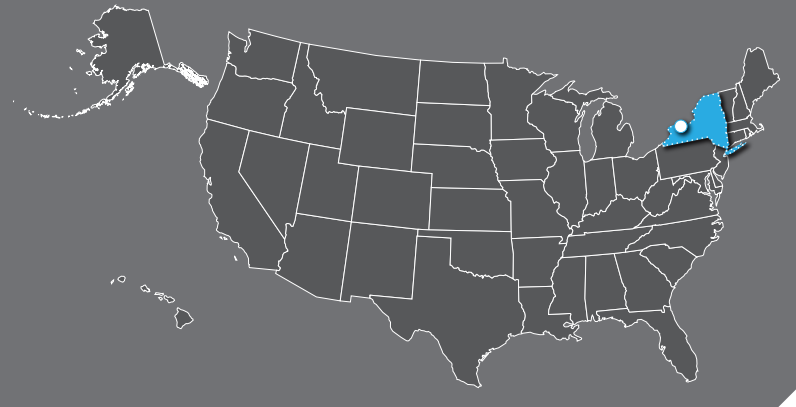
# HUD PD&R Housing Market Profiles

## Rochester, New York



### Quick Facts About Rochester

- Current sales market conditions: tight
- Current apartment market conditions: balanced
- Situated on the south shore of Lake Ontario in Upstate New York, the city of Rochester is the third-most populous city in New York, with a population of 209,352 as of July 1, 2022 (U.S. Census Bureau population estimates as of July 1). The city of Rochester is home to the University of Rochester and the Rochester Institute of Technology, with total undergraduate and graduate enrollments on their main campuses at 12,179 and 16,948 students, respectively, during the fall of 2023 (University of Rochester and Rochester Institute of Technology Institutional Research, 2023).



By [Mildred Jara](#) | As of January 1, 2024

### Overview

The Rochester, NY Metropolitan Statistical Area (hereafter, Rochester metropolitan area) is located between the cities of Buffalo and Syracuse in Upstate New York and includes Livingston, Monroe, Ontario, Orleans, Wayne, and Yates Counties. The metropolitan area historically has been a hub for manufacturing—home to notable companies such as Eastman Kodak Company and Xerox Holdings Corporation. The metropolitan area is also a center for higher education and healthcare services, anchored by the University of Rochester and Rochester Regional Health, the largest employers in the metropolitan area with a combined 49,237 employees (Greater Rochester Enterprise, April 2023). The University of Rochester had an estimated annual economic impact of \$4.7 billion in the state of New York in 2019 (University of Rochester News Center, 2021). Rochester Institute of Technology, a private university with 4,189 employees as of the fall of 2023, also contributes to the economic growth of the metropolitan area (Rochester Institute of Technology Institutional Research). Tourism is a significant industry, partly due to the location of the metropolitan area in the Finger Lakes region, which is recognized for wine production and outdoor recreational areas. The Finger Lakes region is the largest wine-producing region in the eastern United States, with

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more than 130 wineries (Finger Lakes Regional Tourism Council, 2024). The economic impact of visitor spending in the Finger Lakes region was approximately \$4 billion in 2022, up from \$3.3 billion in 2019 (Visit Rochester, 2019 and 2022 Annual Reports).

- As of January 1, 2024, the population of the metropolitan area is estimated at 1.08 million, reflecting an average annual decline of 2,975, or 0.3 percent, since April 2020. By comparison, the population in the metropolitan area grew slowly from July 2013 to April 2020, increasing by an average of 630, or 0.1 percent, annually.
- Since 2020, higher levels of net out-migration coupled with net natural decline—averaging 2,725 and 250 people a

year, respectively—have contributed to the population loss. By comparison, from 2013 to 2020, net natural increase averaged 1,325 people annually, accounting for all the population growth because net out-migration averaged 695 people a year.

- As of July 1, 2022, approximately 70 percent of the population in the metropolitan area lived in Monroe County, which includes the city of Rochester, and nearly 10 percent resided in Ontario County (U.S. Census Bureau population estimates as of July 1). The remaining 20 percent of the metropolitan area population resided in Livingston, Orleans, Wayne, and Yates Counties.

## Economic Conditions

The economy in the Rochester metropolitan area is recovering from the 2020 downturn caused by countermeasures taken to slow the spread of COVID-19. As of the fourth quarter of 2023, nonfarm payrolls are 2.9 percent below the 2019 prepandemic fourth quarter levels. Despite a recovering economy, job growth in the metropolitan area slowed during the past year when nonfarm payrolls rose year over year by 2,600 jobs, or 0.5 percent, to 530,100 jobs as of the fourth quarter of 2023. By comparison, as of the fourth quarter of 2022, nonfarm payrolls increased by 7,900 jobs, or 1.5 percent, from a year earlier.

As of the fourth quarter of 2023—

- The education and health services sector, the largest nonfarm payroll sector in the metropolitan area, had the

strongest year-over-year job gains, up by 7,000 jobs, or 5.3 percent, compared with an increase of 1,700 jobs, or 1.3 percent, as of the fourth quarter of 2022. In February 2023, 200 new jobs were added when the \$227 million ambulatory surgery center at the University of Rochester Medicine Orthopaedics and Physical Performance Center in the town of Henrietta was completed.

- In the government, the wholesale and retail trade, and the other services sectors, jobs rose by 1,600, 500, and 300, or 2.1, 0.7, and 1.7 percent, respectively, from a year ago and contributed to the overall job growth in the metropolitan area, despite the remaining seven nonfarm payroll sectors losing jobs. The U.S. Postal Service held two job fairs in

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**As of the fourth quarter of 2023, 4 of the 11 nonfarm payroll sectors in the Rochester metropolitan area added jobs compared with a year ago.**

	Fourth Quarter		Year-Over-Year Change	
	2022 (Thousands)	2023 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	527.5	530.1	2.6	0.5
Goods-Producing Sectors	79.8	78.7	-1.1	-1.4
Mining, Logging, & Construction	24.2	23.6	-0.6	-2.5
Manufacturing	55.6	55.2	-0.4	-0.7
Service-Providing Sectors	447.7	451.3	3.6	0.8
Wholesale & Retail Trade	67.7	68.2	0.5	0.7
Transportation & Utilities	14.8	14.5	-0.3	-2.0
Information	6.1	5.8	-0.3	-4.9
Financial Activities	22.7	22.6	-0.1	-0.4
Professional & Business Services	65.9	62.8	-3.1	-4.7
Education & Health Services	132.2	139.2	7.0	5.3
Leisure & Hospitality	44.0	41.8	-2.2	-5.0
Other Services	18.0	18.3	0.3	1.7
Government	76.5	78.1	1.6	2.1
<b>Unemployment Rate</b>	3.0%	3.8%		

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

Source: U.S. Bureau of Labor Statistics

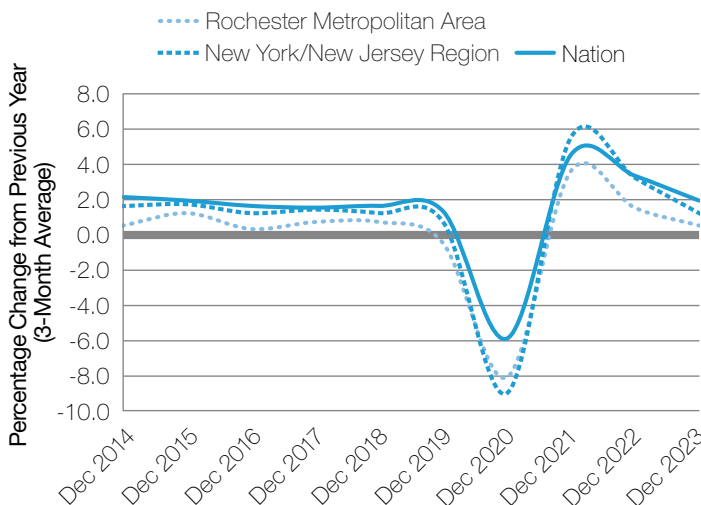


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the city of Rochester in August 2023, contributing to job additions in the government sector during 2023.

- Job growth in the metropolitan area slowed from a year ago largely due to an elevated number of job losses in the professional and business services and the leisure and hospitality sectors—which declined by 3,100 and 2,200 jobs, or 4.7 and 5.0 percent, respectively, from a year ago. By comparison, as of the fourth quarter of 2022, jobs in the respective sectors increased 2.1 and 5.2 percent from a year earlier.
- The unemployment rate in the metropolitan area averaged 3.8 percent, up from 3.0 percent as of the fourth quarter of 2022. By comparison, the unemployment rate in the nation averaged 3.5 percent, up from 3.3 percent as of the fourth quarter of 2022.

**As of the fourth quarter of 2023, year-over-year nonfarm payroll growth in the Rochester metropolitan area was slower than in the nation and the New York/New Jersey region.**



Source: U.S. Bureau of Labor Statistics

Despite job losses in the manufacturing sector during the past 4 decades, the sector remains an important component of the economy. As of the fourth quarter of 2023, the manufacturing sector accounted for 10 percent of nonfarm payrolls in the Rochester metropolitan area. In October 2023, the Buffalo-Rochester-Syracuse region was awarded a federal Tech Hub designation as a part of the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act to bolster domestic semiconductor chip manufacturing and strengthen the semiconductor supply chain. This designation is expected to promote job growth in the metropolitan area, particularly in the manufacturing sector; attract new companies; and increase the training of the local workforce. In 2023, Corning Incorporated, which produces glass for the microchip industry, invested \$139 million in production facilities in Monroe County, adding more than 270 new jobs. In November 2023, JCS Process & Control Systems, a food and beverage manufacturer and consulting company, announced plans to expand an existing facility in the town of Brighton in Monroe County, which is expected to create more than 30 new jobs. In addition, UltraPhil, a subsidiary of JCS Process & Control Systems, is expected to build a research and development center in downtown Rochester at the recently redeveloped Sibley Square, which will create new products and packing technologies for beverage companies and is expected to be complete by July 2025.

### Largest Employers in the Rochester Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of Rochester	Education & Health Services	31,940
Rochester Regional Health	Education & Health Services	17,297
Wegmans Food Markets, Inc.	Wholesale & Retail Trade	15,000

Note: Excludes local school districts.

Source: Greater Rochester Enterprise, April 2023

## Sales Market Conditions

Sales housing market conditions in the Rochester metropolitan area are tight, with an estimated vacancy rate of 1.0 percent, unchanged from April 2020. In December 2023, the supply of new and existing homes for sale in the metropolitan area was low, at 0.8 months of inventory, down from 0.9 months in December 2022 (Redfin, a national real estate brokerage). The current supply is less than the 1.5-month supply before the pandemic in December 2019 and significantly lower than the previous 6.4-month December high in 2012. The interest rate for a 30-year fixed-rate mortgage averaged 6.8 percent in December 2023, up from an average of 6.4 percent in

December 2022 and 3.1 percent in December 2021, contributing to large declines in home sales during the past 2 years (Freddie Mac). During 2023, new and existing home sales fell 19 percent from a year earlier, following a 4-percent decrease in 2022 and relatively unchanged home sales during 2021 (CoreLogic, Inc.). Despite declining home sales, the inventory of homes for sale remained low, creating strong upward pressure on home sales prices. During 2023, the average sales price of new and existing homes rose 8 percent from a year ago to \$236,700, matching the rate of growth during 2022.

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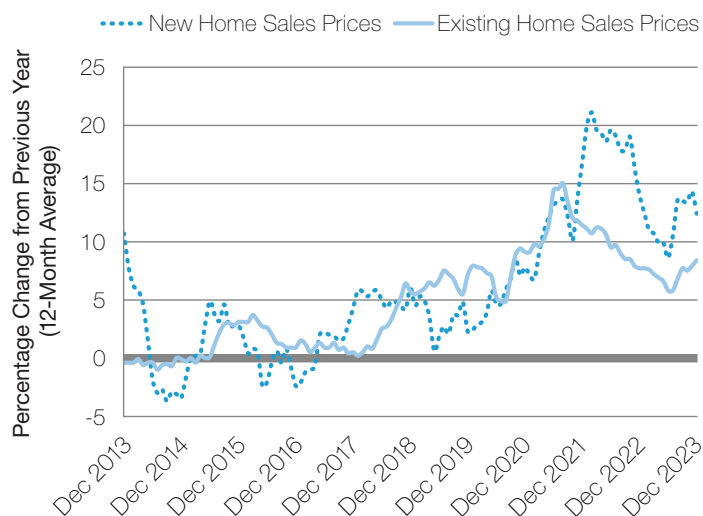
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As of December 2023, 1.1 percent of home loans in the metropolitan area were seriously delinquent or had transitioned into real estate owned (REO) status, down from 1.4 percent in December 2022 (CoreLogic, Inc.). The rate of seriously delinquent mortgages and REO properties in the metropolitan area reached a recent high of 4.1 percent in August 2020, when the economic contraction caused by the COVID-19 pandemic made it more difficult for many homeowners to stay current on mortgage payments, leading to an increase in delinquencies.

During 2023—

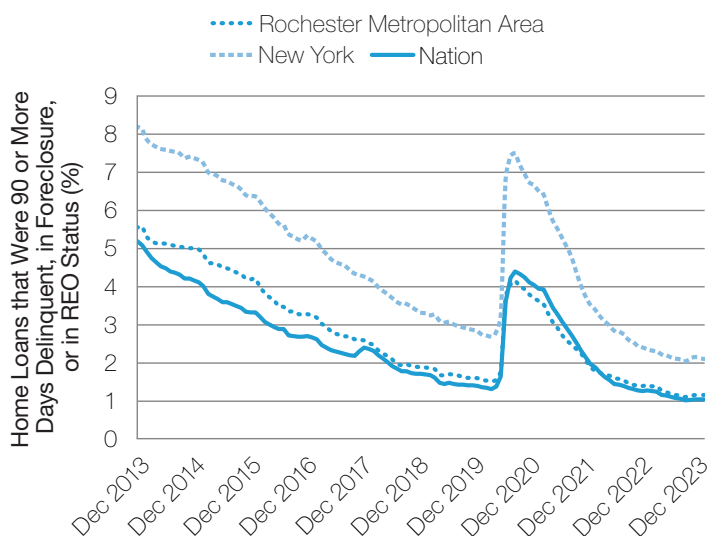
- Existing home sales in the metropolitan area declined 18 percent year over year to 13,100, following a 4-percent decline during 2022 (CoreLogic, Inc.). Resales accounted for 98 percent of existing home sales during 2023, and the remaining 2 percent were distressed sales, the respective proportions unchanged from a year ago.
- Approximately 370 new homes sold, reflecting a 26-percent decline from the nearly 500 new homes sold in 2022. During 2022, new home sales fell 8 percent from a year earlier.
- The average sales price for existing homes rose 8 percent from a year earlier to \$230,700, relatively unchanged from the increase of nearly 8 percent during 2022. The rate of price growth during the past 2 years slowed compared with the 10-percent average annual increases during 2020 and 2021 but is above the 6-percent average annual increases during 2018 and 2019.

During 2023, new home sales price growth in the Rochester metropolitan area slowed from a year ago, whereas existing home sales price growth remained relatively unchanged compared with a year earlier.



Note: Prices are for single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc.

The rate of seriously delinquent mortgages and REO properties in the Rochester metropolitan area in December 2023 was lower than the rate in New York but slightly higher than the national rate.

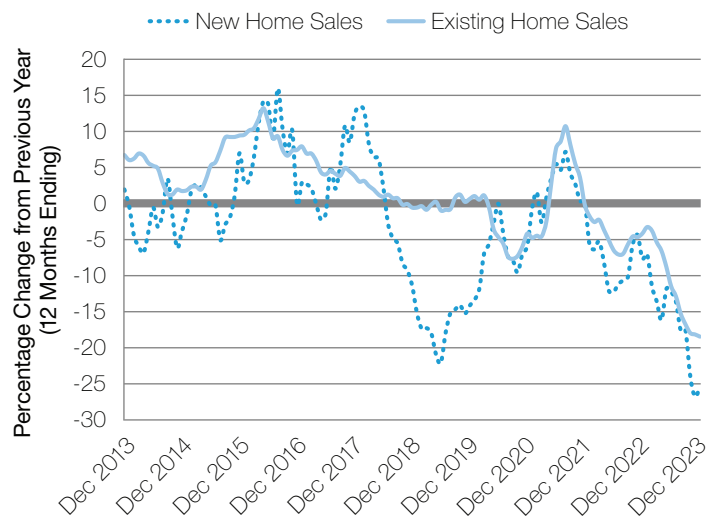


REO = real estate owned.  
Source: CoreLogic, Inc.

- The average sales price for new homes was \$455,000, representing a 12-percent increase compared with 2022, when the average new home price rose 14 percent from a year earlier. Prices for new homes increased nearly 17 percent in 2021.

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During 2023, new and existing home sales in the Rochester metropolitan area declined substantially.



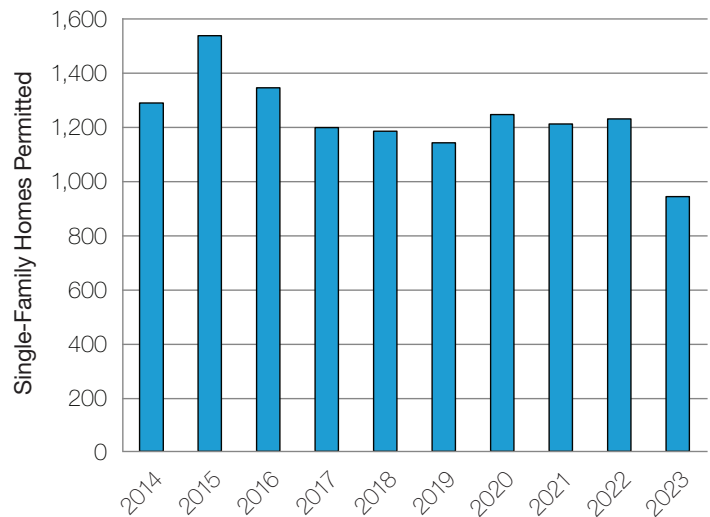
Note: Sales are for single-family homes, townhomes, and condominiums.  
Source: CoreLogic, Inc.

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Homebuilding activity, as measured by the number of single-family homes permitted, fell during the past year, corresponding with the large decline in home sales, partly attributable to rising mortgage interest rates.

- During 2023, single-family home permitting totaled 940 homes, reflecting a 23-percent decline from approximately 1,225 homes permitted during 2022 (preliminary data, with adjustments by the analyst).
- From 2014 through 2016, new home construction in the metropolitan area was relatively high, averaging 1,400 homes annually. New home production declined to an average of 1,175 homes annually from 2017 through 2019, partly because of slower economic growth. Construction increased slightly to 1,225 homes annually from 2020 through 2022, despite the economic contraction in 2020 coupled with declining population since April 2020.
- Approximately 48 percent of all single-family homes permitted in the metropolitan area during 2023 were in Monroe County, and 22 percent were in Ontario County. Regency Park, a single-family home community in the city of Rochester, is under construction and expected to have 162 three-, four-, and five-bedroom homes, ranging from 1,607 to 3,264 square feet, with prices starting at \$334,900 at buildout; 130 of the homes are complete and sold, with the remaining 32 homes to be built during a future phase.

### Single-family home permitting in the Rochester metropolitan area slowed during the past year.

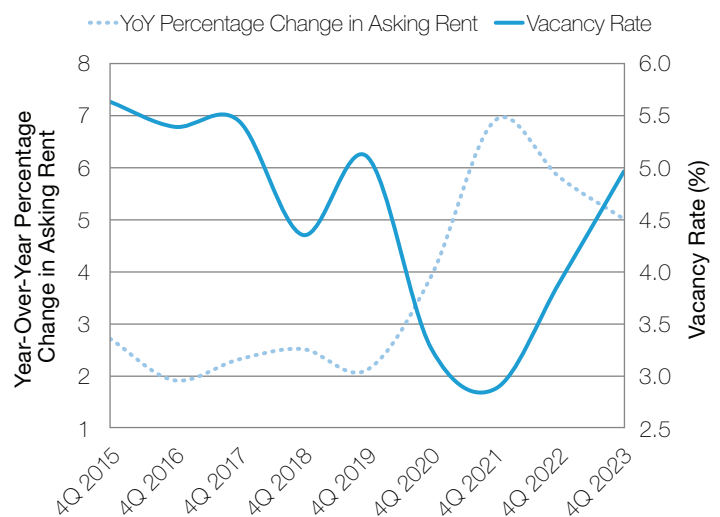


Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

## Apartment Market Conditions

Apartment market conditions in the Rochester metropolitan area are balanced as of the fourth quarter of 2023, compared with slightly tight conditions a year ago and tight conditions as of the fourth quarter of 2021. Market conditions eased during the past 2 years, partly due to new supply entering the market outpacing the absorption of apartment units. During 2022 and 2023, more than 1,850 apartment units were completed, whereas approximately 610 were absorbed (CoStar Group). As of the fourth quarter of 2023, the apartment vacancy rate in the metropolitan area was 5.0 percent, up from 3.9 percent as of the fourth quarter of 2022 and 2.9 percent as of the fourth quarter of 2021. During the fourth quarter of 2023, the average asking rent in the metropolitan area was \$1,358, reflecting a 5-percent increase from the same period a year ago and slowing from a 6-percent year-over-year increase as of the fourth quarter of 2022. Apartment vacancy rates rose during the fourth quarter of 2023 in 12 of the 13 CoStar Group-defined market areas that make up the metropolitan area, compared with the fourth quarter of 2022; however, the average apartment rents rose in all 13 market areas.

As of the fourth quarter of 2023, the apartment vacancy rate in the Rochester metropolitan area increased from a year earlier, and growth in the average rent decelerated.



4Q = fourth quarter. YoY = year-over-year.  
Source: CoStar Group

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As of the fourth quarter of 2023—

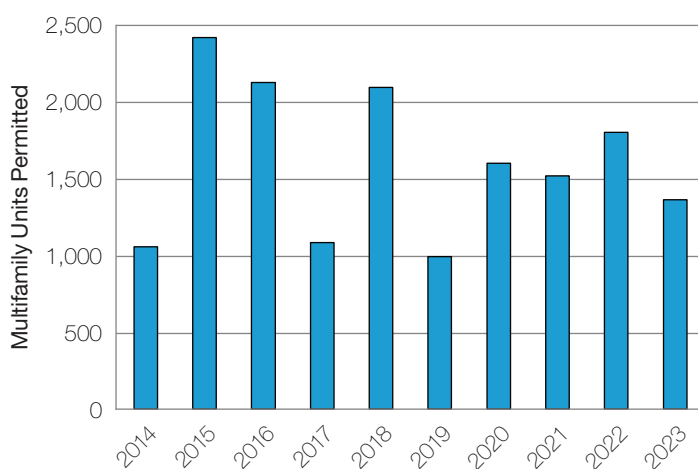
- Market conditions varied from tight to slightly soft across the metropolitan area, with vacancy rates ranging from 2.4 percent in the Orleans County market area to 8.4 percent in the South Monroe County market area—the location of Rochester Institute of Technology (CoStar Group).
- The only market area with a decreasing year-over-year vacancy rate was the Brighton/Fairport market area in southeast Monroe County, with an 8.1-percent vacancy rate as of the fourth quarter of 2023, down from 10.6 percent a year earlier, which was the highest vacancy rate in the metropolitan area as of the fourth quarter of 2022.
- Average apartment rent growth ranged from a modest 1-percent increase in the Brockport market area to an 8-percent increase in the Greece/Northwest Monroe County market area. The highest average apartment rent was in the Victor/Farmington market area at \$1,682, up 6 percent from \$1,586 as of the fourth quarter of 2022, despite having the second highest vacancy rate in the metropolitan area, averaging 8.1 percent. The lowest average rent was in the Orleans County market area at \$725, up 6 percent from \$683 as of the fourth quarter of 2022.
- In the Downtown Rochester market area, where the University of Rochester is located, the vacancy rate was 5.3 percent as of the fourth quarter of 2023, up from 4.6 percent a year earlier. The average rent was \$1,350 as of the fourth quarter of 2023, up 3 percent from a year earlier.

Multifamily construction in the metropolitan area, as measured by the number of units permitted, declined during 2023, partly because of easing apartment market conditions.

- During 2023, approximately 1,350 multifamily units were permitted, down 24 percent compared with the number of units permitted during 2022 (preliminary data, with adjustments by the analyst).

- Multifamily permitting fluctuated from 2014 through 2019, averaging 1,625 units a year and ranging from a high of nearly 2,425 units in 2015 to a low of 990 units in 2019. Multifamily permitting averaged 1,625 units a year from 2020 through 2022.
- In the town of Henrietta, Marketplace Senior Apartments—a four-story development with 150 age- and income-restricted units—is under construction near the Marketplace Mall shopping center. When complete, by the summer of 2024, the units will be restricted to households aged 55 or older with incomes at or below 60 percent of the Area Median Income.
- Champion Reserve Townhomes, a 70-unit apartment community in the town of Victor, is under construction, with expected completion in early 2024. When complete, monthly rents are expected to range from \$2,900 to \$3,725 for two-bedroom units and from \$3,100 to \$3,975 for three-bedroom units.

**Multifamily building activity in the Rochester metropolitan area declined during 2023, partly due to an increasing vacancy rate and slowing average rent growth.**



Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

## Terminology Definitions and Notes

### A. Definitions

<b>Apartment Vacancy Rate/Average Monthly Rent</b>	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.
<b>Buffalo-Rochester-Syracuse region</b>	An area in Upstate New York that includes the Buffalo-Cheektowaga, NY, the Syracuse, NY, and the Rochester, NY Metropolitan Statistical Areas.
<b>Building Permits</b>	Building permits do not necessarily reflect all residential building activity that occurs in a housing market area. 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.
<b>Distressed Sales</b>	Short sales and real estate owned (REO) sales.
<b>Existing Home Sales</b>	Includes resale sales, short sales, and REO sales.
<b>Finger Lakes region</b>	An area of New York that includes 11 long, narrow lakes that run north to south, 6 of which are in the Rochester metropolitan area.
<b>Home Sales/Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.
<b>Net Natural Decline</b>	Resident deaths are greater than resident births.
<b>Net Natural Increase</b>	Resident births are greater than resident deaths.
<b>Resales</b>	These 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.
<b>Seriously Delinquent Mortgages</b>	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.
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