National
COMPREHENSIVE HOUSING MARKET ANALYSIS

U.S. Department of Housing and Urban Development, Office of Policy Development and Research
As of January 1, 2024
Executive Summary

This report presents an analysis of the economic conditions, demographic trends, and housing markets in the United States from 2010 through the end of 2023. The analysis uses a methodology developed by HUD’s Economic and Market Analysis Division (EMAD) as described in detail here. In EMAD methodology, the ideal production level during the forecast period is one that brings the sales and rental markets into balance. Although supply and demand are dynamic across these tenure types, the methodology bifurcates sales and rental markets so that EMAD economists can provide forecasts of rental demand to the Federal Housing Administration (FHA) for their work in reviewing applications for mortgage insurance on rental properties. This report discusses select data for the 10 HUD regions defined in the “Terminology Definitions and Notes” section at the end of the report.

Tools and Resources

Find interim updates for the United States, and select subnational geographies, at PD&R’s Market-at-a-Glance tool. Additional data for the United States can be found in the supplemental tables for this report. For information on HUD-supported activity throughout the country, see the Community Assessment Reporting Tool.
Market Qualifiers

Economy

**Strong:** During 2023, nonfarm payrolls increased by 3.57 million jobs, or 2.3 percent, compared with 2022.

In 2023, the national economy continued to expand after transitioning from a period of recovery in 2022. Job gains continued at a slower pace of 2.3 percent during 2023 compared with the increase of 4.3 percent, or 6.29 million jobs, during 2022. Despite the slowdown during the past year, job growth remained elevated compared with the average increase of 1.6 percent a year from 2011 through 2019. Annual growth in real gross domestic product (GDP) was strong during the fourth quarter of 2023, whereas the rate of inflation slowed significantly during 2023. During the next 3 years, nonfarm payrolls are expected to increase an average of 1.5 percent a year.

Sales Market

**Slightly Tight:** Home sales declined in 2023 as higher mortgage rates lessened the demand for sales housing.

The national sales market became slightly tight in 2023 after being tight during the previous 2 years. The supply of existing homes for sale increased from 2.7 months in 2022 to 3.1 months in 2023, and the inventory of existing homes for sale increased 4 percent during the same period (National Association of REALTORS® [NAR]). Year over year, total home sales were down 16 percent (NAR; Census Bureau/HUD). Despite the decline in home sales, the median sales price for existing homes increased 1 percent. The median price for new home sales decreased 7 percent. During the next 3 years, demand is estimated for 3.23 million sales units. The 613,700 units already under construction will meet a portion of that demand.

Rental Market

**Soft:** The average apartment vacancy rate is at its highest level in more than 20 years.

The national rental housing market is soft, with an estimated 8.9-percent vacancy rate, up from 7.5 percent in 2020. The apartment market, which makes up more than one-half of the rental supply in the nation, is also soft, with a 7.5-percent vacancy rate in 2023, up from 6.5 percent in 2022 (CoStar Group). The average effective rent for apartments increased 1 percent in the past year to $1,646. By comparison, rent growth averaged 7 percent a year during the previous 2 years. The number of rental units permitted was at record highs in the 2 years following the pandemic and has contributed to an excess in the supply of rental units. Demand for rental units during the next 3 years is estimated at 515,300 units. The 632,800 rental units already under construction will satisfy all of that demand.

**TABLE OF CONTENTS**

Economic Conditions 4
Population and Households 11
Home Sales Market 14
Rental Market 20
Terminology Definitions and Notes 24

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3-Year Housing Demand Forecast

<table>
<thead>
<tr>
<th></th>
<th>Sales Units</th>
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<tr>
<td><strong>Nation</strong></td>
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<tr>
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<td><strong>Under Construction</strong></td>
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<td>632,800</td>
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Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst
Economic Conditions

Largest Sector: Education and Health Services

As of 2023, the number of jobs in the U.S. economy surpassed the prepandemic level in almost every sector and subsector.

Long-Term Economic Trends

Although the Great Recession officially lasted from December 2007 through June 2009, the U.S. economy continued to lose jobs through 2010. The economy then underwent a lengthy recovery that lasted through 2014, followed by an expansion through 2019. With the impact of the COVID-19 pandemic and the countermeasures implemented to contain the spread of the virus, the economy lost a significant number of jobs in early 2020. As vaccines for COVID-19 became widely available and most of the countermeasures were lifted, the economy gained jobs in 2021. During 2022, nonfarm payrolls increased significantly, and the average number of jobs surpassed the average level of jobs in 2019, the last year before the pandemic. Recovery transitioned to growth during 2022. Although job growth slowed in 2023 compared with 2022, the rate remained elevated relative to the 2011-through-2019 period. Figure 1 shows the national 12-month average of nonfarm payrolls from December 2010 through December 2023.

Current Conditions

Strong job growth continued during 2023 but at a slower pace than during the previous year. Total nonfarm payrolls increased 2.3 percent during 2023, or by 3.57 million jobs, following a gain of 4.3 percent during 2022 (Table 1). The total number of jobs averaged 156.14 million during 2023. The number of jobs during 2023 was above the 2019 prepandemic levels for every sector and subsector, with the exceptions of the other services sector (down 0.5 percent) and the retail trade and local government subsectors (both down 0.2 percent). The leisure and hospitality sector had the same number of jobs during 2023 as in 2019. Sectors with the largest percentage gains relative to their 2019 totals include the transportation and utilities sector (up 16.9 percent), the professional and business services sector (up 7.5 percent), and the information sector (up 7.0 percent).
For the third consecutive year, the leisure and hospitality sector had the fastest pace of job gains in the country, adding 751,000 jobs, or 4.7 percent, during 2023. The accommodation and food services industry accounted for nearly 80 percent of the increase in jobs as restaurants, bars, hotels, and vacation destinations continued to move toward their prepandemic staffing levels. The largest number of jobs were added in the education and health services sector, up by nearly 1.04 million, or 4.3 percent, from a year ago. The education and health services sector is the largest sector in the country, accounting for 16 percent of all jobs (Figure 2), and it was the only sector besides the government sector to have a faster rate of growth during 2023 than in 2022. In 2023, the growth rate in the education and health services sector accelerated for the third consecutive year. The healthcare and social assistance industries accounted for 87 percent of the job gains during 2023 and represent 85 percent of the total jobs in the sector. Other sectors with notable gains include the government sector, up by 552,000 jobs, or 2.5 percent, and the mining, logging, and construction sector, up by 253,000 jobs, or 3.0 percent.

Real GDP increased at a seasonally adjusted annual rate of 3.2 percent during the fourth quarter of 2023, compared with 2.6 percent a year ago. The current rate is above the longer-term average of 3.0 percent since 1960 (U.S. Bureau of Economic Analysis). Real GDP has increased for 6 consecutive quarters after declining by 2.0 and 0.6 percent during the first and second quarters of 2022, respectively.

The rate of inflation slowed significantly during 2023 compared with the previous 2 years. During 2021 and 2022, the year-over-year rate of inflation...
averaged 4.2 and 6.5 percent, respectively (Personal Consumption Expenditures Index, Bureau of Economic Analysis via Federal Reserve Bank of St. Louis). The rate of inflation declined to 3.7 percent during 2023, remaining higher than the 2.0-percent target rate for the Federal Reserve System (the Fed). In an effort to reduce the high inflation of the past 3 years, the Fed raised the effective federal funds rate from 0.08 percent at the beginning of 2022 to 5.33 percent by August of 2023. The rate remained unchanged through the end of the year. The higher interest rate has made new loans, including mortgages, more expensive.

Current Conditions—Regional Nonfarm Payrolls

The number of jobs increased in all 10 HUD regions during 2023, ranging from 1.7 percent in the Great Lakes region to 3.2 percent in the Southwest region (Map 1). The leisure and hospitality sector was the fastest growing sector in the United States during 2023, a trend that was mirrored in nearly every region. In 7 of the 10 HUD regions, the highest rate of nonfarm payroll growth occurred in the leisure and hospitality sector. The exceptions were in the New England and the Southeast/Caribbean regions, which were led by the education and health services sector with rates of 3.2 and 5.3 percent, respectively, and the Southwest region, which was led by the mining, logging, and construction sector at 5.3 percent. The rates of growth in the leisure and hospitality sector ranged from 3.1 percent, or 22,300 jobs, in New England to 5.9 percent, or 73,100 jobs, in New York/New Jersey. The largest numerical gain in the number of jobs in the leisure and hospitality sector was 161,400, or 4.8 percent, in the Southeast/Caribbean region, followed closely by 155,700 jobs, or 5.7 percent, in the Pacific region. The education and health services sector increased 5.3 percent in the New York/New Jersey region, similar to the Southeast/Caribbean region. The lowest rate of gain in this sector occurred in the Rocky Mountain region, up 2.7 percent.

Map 1. Nonfarm Payroll Growth by HUD Region, 2022–23

Source: U.S. Bureau of Labor Statistics
Nonfarm payrolls in four of the HUD regions grew at a rate equal to or above the national rate of 2.3 percent during 2023. Growth was led by a gain of 3.2 percent, or 615,200 jobs, in the Southwest region. In addition to the gain of 5.3 percent, or 72,700 jobs, in the mining, logging, and construction sector, the next two fastest growing sectors in the region were education and health services at 4.6 percent, or 125,200 jobs, and leisure and hospitality at 4.2 percent, or 83,700 jobs. Jobs increased 2.7 percent in the Northwest region, where 179,100 jobs were added to the economy. The leisure and hospitality sector was up 5.1 percent, or by 33,100 jobs, followed by a 5.0-percent gain in the education and health services sector with the addition of 49,600 jobs. The Southeast/Caribbean region was close behind with a growth rate of 2.6 percent, or 786,500 jobs. The 5.3-percent gain in the education and health services sector represented an increase of 215,400 jobs. Growth in the Pacific region matched the national gain at 2.3 percent, with 519,800 jobs added. In addition to the aforementioned job growth in the leisure and hospitality sector, the education and health services sector grew 5.2 percent, or by 190,300 jobs.

Nonfarm payrolls in the remaining six regions grew at rates below the national average, ranging from 1.7 percent in the Great Lakes region to 2.0 percent in the New England, New York/New Jersey, and Mid-Atlantic regions. The New England region added 146,700 jobs during 2023. The education and health services sector led the rates of growth in New England, up 3.2 percent, or by 49,500 jobs. The New York/New Jersey and the Mid-Atlantic regions added 268,600 and 298,400 jobs, respectively. The New York/New Jersey and Mid-Atlantic regions were both led by the leisure and hospitality sector, up 5.9 percent, or by 73,100 jobs, and 4.6 percent, or by 62,400 jobs, respectively. Similarly in both regions, the education and health services sector had the second highest rate of growth at 5.3 percent in the New York/New Jersey region, with 153,400 jobs added, and 3.7 percent in the Mid-Atlantic region, reflecting an increase of 97,200 jobs. Payrolls in the Rocky Mountain region grew 1.9 percent, or by 120,800 jobs, during 2023. The mining and logging subsector grew 7.5 percent, or by 5,300 jobs. The rate of job growth in the Great Plains region was 1.8 percent, with 123,800 jobs, led by a 4.3-percent increase, or 28,200 jobs, in the leisure and hospitality sector. The Great Lakes region added 429,200 jobs during 2023. In addition to the 4.5-percent growth, or 105,000 jobs added to the leisure and hospitality sector, the mining, logging, and construction sector had the second highest rate of growth at 3.7 percent, or 40,500 jobs.

**Current Conditions—Unemployment**

During 2023, the unemployment rate averaged 3.6 percent, unchanged from a year ago. The 12-month average unemployment rate previously peaked at 9.7 percent during 2010, but it declined steadily through 2019, reaching a prepandemic average low of 3.6 percent during the 12 months ending February 2020. As a result of the COVID-19 recession, the unemployment rate rose to a high of 8.7 percent during the 12 months ending March 2021. The number of unemployed people rose from an average of 6.00 million in 2019 to an average of 12.95 million in 2020, the highest yearly total since an average of 13.75 million people were unemployed in 2011. During 2021, the number of unemployed people declined to an average of 8.62 million and further declined to an average of 6.00 million during 2022. The number of unemployed rose slightly during 2023 to 6.08 million. Large fluctuations in the labor force have also occurred in the past couple of years. During 2020, the labor force declined by 2.80 million from 2019. Approximately 462,000 people returned to the labor force in 2021. During 2022 and 2023, the labor force increased by 3.08 million and 2.83 million people, respectively, to an average of 167.12 million in 2023, the largest ever in the history of the country. Figure 3 shows the 12-month average unemployment rate in the nation from December 2010 through 2023.
Economic Periods of Significance

2011 Through 2016: Recovery and Expansion

Job losses from the Great Recession ended in 2010, and annual job gains resumed in 2011. The economy did not fully recover all of the jobs lost from 2008 through 2010 until 2014. Job gains occurred every year from 2011 through 2019; however, job growth was strongest through 2016. From 2011 through 2016, nonfarm payrolls increased by an average of 2.33 million jobs, or 1.7 percent, annually. Every sector except for the government sector added jobs during that period. The professional and business services sector led growth, with an average gain of 557,300 jobs, or 3.1 percent, a year. The leisure and hospitality and the education and health services sectors each increased by an average of more than 400,000 jobs, or 3.1 and 2.1 percent, a year, respectively. The construction subsector was slower to recover, but by 2014 and 2015, the subsector was averaging gains of 5.0 percent, or 303,000 jobs, a year.

2017 Through 2019: Continued Growth

Job growth slowed slightly from 2017 through 2019, averaging gains of 2.19 million jobs annually, or 1.5-percent growth. Growth slowed partially because of fewer available workers; the nation had a historically low unemployment rate, averaging 4.0 percent during the period, and some job openings were difficult to fill. Every sector added jobs during the 3 years except the wholesale and retail trade sector, which declined by an average of 38,700 jobs, or 0.2 percent annually, partly because shopping at brick-and-mortar stores continued to lose popularity compared to online shopping. Average annual losses of 72,600, or 0.5 percent, in the retail trade subsector more than offset the average annual increase of 33,900, or 0.6 percent, in the wholesale trade subsector. The education and health services, the professional and business services, and the leisure and hospitality sectors led gains during the period—up by average annual rates of 2.2, 1.9, and 1.9 percent, or 508,000, 388,700, and 308,700 jobs, respectively. The fastest rate of growth was in the transportation and utilities sector, up 3.8 percent,
or 218,000 jobs, a year, followed by the mining, logging, and construction sector, up 3.6 percent, or 274,700 jobs. The transportation and utilities sector has been the fastest growing sector since the end of 2010, with a total gain of 53.5 percent through 2023, also primarily because of the increase in e-commerce (Figure 4).

2020: COVID-19 and the Recession

Every nonfarm payroll sector declined during 2020 as countermeasures designed to reduce the spread of COVID-19 were put in place. Although the recession only lasted during March and April, the impacts were significant. Nonfarm payrolls declined by 8.72 million, or 5.8 percent, during 2020. Approximately 39 percent of the total losses during the year were in the leisure and hospitality sector, which was down 3.44 million jobs, or 20.7 percent. This sector had the most job losses because of the closure or limited in-person availability of many restaurants and bars; reduced travel impacting hotels and places of recreation also contributed to losses in this sector. Within the sector, the accommodation and food services industry accounted for 80 percent of all the sector losses, with a decline of 2.80 million jobs. Although the leisure and hospitality sector accounted for 11 percent of all jobs in the nation during 2019, the sector accounted for only 9 percent of all jobs during 2020. The professional and business services sector was down by 958,000 jobs, or 4.5 percent. The education and health services sector lost 888,000 jobs, or 3.7 percent, with many nonessential services and surgeries canceled. The retail trade subsector lost 750,200 jobs, or 4.8 percent, with numerous stores facing temporary (or, in some cases, permanent) closures. Manufacturing sector jobs were down 5.1 percent, or by 650,000 jobs. The government sector also had significant declines of 627,000 jobs, or 2.8 percent, with all the losses at the state and local levels, whereas the federal subsector added 99,000 jobs, or 3.5 percent.

2021 and 2022: The Recovery

The recovery began in May 2020 after 2 months of extraordinary job losses in March and April. During 2021, total nonfarm payrolls increased 2.9 percent, or by 4.10 million jobs, and then rose by 4.3 percent, or 6.29 million jobs, during 2022. The largest gain during the 2-year period occurred in the leisure and hospitality sector, which increased by an average of 1.34 million jobs, or 9.7 percent, annually. Nearly 80 percent of the job gains in the sector were in the accommodation and food services industry as people returned to their prepandemic lifestyles, including eating at restaurants and resuming travel. The professional and business services sector added an average of 1.10 million jobs, or 5.3 percent, a year as many companies resumed
in-person work, resulting in a greater demand for support services. The second fastest rate of growth during the 2-year period occurred in the transportation and utilities sector, averaging an increase of 8.0 percent, or 511,100 jobs, each year. Included in this sector are distribution centers, which grew in number and size to support an increase in e-commerce that accelerated in response to the pandemic. Year-over-year e-commerce sales were up 47 percent as of the first quarter of 2021 (U.S. Census Bureau News, Quarterly Retail E-Commerce Sales, U.S. Department of Commerce, May 19, 2022). Gains in e-commerce have continued but at more subdued rates of 11 percent as of the third quarter of 2022 and 8 percent as of the third quarter of 2023. By the third quarter of 2023, e-commerce sales accounted for 16 percent of all retail sales, up from 12 percent in the fourth quarter of 2019.

**Forecast**

During the next 3 years, nonfarm payroll jobs are anticipated to grow at an average of 1.5 percent annually. Growth is anticipated to be slightly lower in year 1, with higher rates of growth expected in years 2 and 3. Strong gains in the leisure and hospitality sector in recent years are not expected to continue, and the sector is anticipated to resume a more historical growth trend after having recovered the jobs lost from the impacts of the COVID-19 pandemic. Growth in education and health services is likely to continue to be strong as the population continues to age, increasing the demand for health care.
Population and Households

Current Population: 336.11 million

Since 2021, the rate of population growth has nearly returned to the prepandemic rate that occurred from 2016 to 2020.

Population Trends

From 2010 to 2016 population growth averaged 2.52 million, or 0.8 percent, a year. Net in-migration averaged 1.15 million people a year, accounting for 46 percent of population growth, while net natural change averaged 1.37 million people a year, or 54 percent of population growth (Census Bureau decennial census counts and population estimates as of July 1). Population growth slowed to an average annual rate of 0.6 percent, or 1.86 million people, from 2016 to 2020. During this period, net in-migration slowed to an average of 867,700 people a year and accounted for 47 percent of the population gains, and net natural change declined to an average of 990,300 people, or 53 percent of the growth. The COVID-19 pandemic led to a considerable slowdown in net natural change and net in-migration, which was affected by policies restricting immigration to the United States. From 2020 to 2021, the population increased at an average annual rate of 0.1 percent, or 479,800. Net in-migration declined to an average of 329,300 annually, and net natural change decreased to an average of 150,500 annually, largely because of the significant increase in COVID-19-related deaths. Since 2021, population growth has averaged 0.5 percent, or nearly 1.63 million people, a year, with net in-migration averaging 1.19 million and net natural change averaging 431,000.

International Migration

When examining the country of origin for immigration to the United States, the largest percentage of immigrants during 2022 came from India and Mexico, with each country accounting for 12 percent of total immigration, followed by China at 6 percent (Department of Homeland Security, Office of Immigration Statistics). Mexico accounted for 14 percent of immigration from 2010 to 2021. India accounted for 6 percent of all immigration from 2010 to 2020 but accounted for 12 percent in 2021. China accounted for 7 percent of immigration from 2010 to 2019 and 6 percent during 2020 and 2021. During 2022, approximately 7 percent of immigrants to the U.S. came from Europe, down from 8 percent in 2021 and 10 percent in 2020. Approximately 37 percent of all immigrants came from Asia during 2022, down slightly from 38 percent a year ago. Immigrants from South America accounted for 8 percent of all immigrants during 2022, down from 9 percent in 2021. Similarly, immigrants from Africa also accounted for 8 percent of immigrants, down from 9 percent in 2021. Immigrants from the Caribbean accounted for 9 percent of immigration in 2022, down from 10 percent a year ago.

Age Cohort Trends

The median age in the United States in 2022 was 39.0 years, up from 37.2 years in 2010. The youngest cohort, representing people under 20 years of age, has declined from 27 percent of the population in 2010 to 24 percent in 2022 (American Community Survey [ACS] 1-year data). The 40-to-64-year-old age cohort also declined during the same period from 33 percent to 31 percent, whereas the 20-to-39-year-old age cohort remained unchanged at 27 percent of the population. The only age cohort to increase was the 65 and older cohort; as the baby boom generation has aged, the 65 and older cohort has grown substantially. In 2010, this age group made up 13 percent of the total population, but by 2022 it had grown to 17 percent of the population. That increase helps explain the steady growth in healthcare-related jobs throughout the country because this age group tends to be a major consumer of health services. Figure 5 shows the population by age range in the United States for 2010 and 2022.
Recent Regional Population Trends
From 2022 to 2023, the population increased in 8 of the 10 HUD regions. Map 2 shows the population growth rates by region. The national population increased 0.5 percent during that period. The highest rate of growth among the HUD regions occurred in the Southeast/Caribbean and Southwest regions, each at 1.2 percent, followed by the Rocky Mountain region at 0.8 percent. The rate of population growth was 0.3 percent each in the New England, Great Plains, and Northwest regions. The population in the Mid-Atlantic region was up 0.2 percent, and the Great Lakes region grew 0.1 percent. In the Pacific region, the population remained relatively unchanged, whereas the population declined in the New York/New Jersey region by 0.2 percent.

Household Trends
The number of households in the United States is currently estimated at 130.54 million, representing an average annual increase of 0.8 percent, or 991,800 households, since 2020. From 2010 to 2020, the number of households increased at the same pace of 0.8 percent, or 1.01 million households, a year.

Since 2020, owner and renter households have each increased an average of 0.8 percent a year, compared with respective average annual rates of 0.5 and 1.4 percent from 2010 to 2020. Renting became more common in the years after the Great Recession, and the homeownership rate declined.
The homeownership rate in the country is currently estimated at 63.1 percent, unchanged from 2020 but down from 65.1 percent in 2010. Currently, an estimated 82.36 million owner households and 48.18 million renter households reside in the United States. Figure 6 shows the homeownership rate and households by tenure for 2010, 2020, and the current date.

**Figure 6. Households by Tenure and Homeownership Rate in the Nation**

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<th>Year</th>
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<th>Renter</th>
<th>Homeownership Rate</th>
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<td>65.1</td>
<td>67.5</td>
<td>67.5</td>
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<tr>
<td>2020</td>
<td>63.1</td>
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<td>65.5</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Average Annual Change</th>
<th>Percentage Change</th>
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<td>2020</td>
<td>331,449,281</td>
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<td>0.7</td>
</tr>
<tr>
<td>Current</td>
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<td>Forecast</td>
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**Forecast**

During the 3-year forecast period, the population is expected to increase at an average annual rate of 0.6 percent, or approximately 1.94 million people. Net natural change and net-in migration are expected to average 750,000 and 1.19 million people a year, respectively. The population is expected to total 341.93 million by the end of the forecast period (Table 2). Figure 7 shows the components of population change from 2010 through the forecast period. During the next 3 years, households are expected to increase by an average of 1.05 million, or 0.8 percent, annually.
Home Sales Market

Market Conditions: Slightly Tight

In 2023, the supply of existing homes for sale increased to 3.1 months, the highest level since 2020 (NAR).

Current Conditions

The national home sales market became slightly tight in 2023 as higher mortgage rates lowered the demand for sales housing and relieved some of the tightness that had been present in the market a year ago. The sales vacancy rate is estimated at 1.5 percent, on par with the vacancy rate in 2020. In the past year, the supply of existing homes for sale increased from 2.7 months in 2022 to 3.1 months in 2023 (NAR). The inventory of existing homes for sale also continued to increase from the recent low of 880,000 reached in December 2021; since then, the inventory of homes for sale increased 14 percent to 1.0 million in December 2023. In 2023, new home sales were up 4 percent, and existing home sales declined 19 percent compared with 2022 (Census Bureau/HUD; NAR). During the same period, the median sales price for a new home decreased 7 percent, and the median sales price for an existing home increased 1 percent (Table 3).

Most existing home sales transactions in the United States are financed (71 percent in December 2023 [NAR]), and as such, mortgage rates have a considerable influence on housing market conditions. After years of historical lows, mortgage rates have increased in the past 2 years to their highest level in more than 2 decades. The annual average interest rate for a 30-year fixed-rate mortgage was 6.81 percent in 2023, up from 5.34 percent in 2022 and 2.96 percent in 2021 (Freddie Mac; Figure 8). The rapid rise in interest rates, coupled with high home price growth in the past few years, has resulted in what Freddie Mac calls the mortgage-rate lock-in effect, in which would-be sellers are holding onto homes financed with low mortgage rates longer than they would if current mortgage rates were not so high.

<table>
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<tr>
<th>Home Sales Quick Facts</th>
<th>2022</th>
<th>2023</th>
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<tbody>
<tr>
<td>Months of Inventory</td>
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<td>3.1</td>
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<td>Existing Home Sales</td>
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<td>4,090,000</td>
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<td>1-Year Change</td>
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<tr>
<td>New Home Sales</td>
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<td>668,000</td>
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<td>1-Year Change</td>
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<td>New Home Sales Price</td>
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<td>1-Year Change</td>
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<tr>
<td>Mortgage Delinquency Rate</td>
<td>1.3%</td>
<td>1.0%</td>
</tr>
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</table>

Notes: Months of supply, home sales, and prices are for the year shown; mortgage delinquency data are as of December of the year shown. Prices shown are the median for the year.

Sources: National Association of REALTORS®, Census Bureau/HUD; CoreLogic, Inc.

Figure 8. Annual Average 30-Year Fixed Mortgage Rate in the Nation

Source: Freddie Mac
Seriously Delinquent Mortgages and REO Properties

The percentage of seriously delinquent mortgages and real estate owned (REO) properties declined steadily through the 2010s before spiking at the start of the COVID-19 pandemic in 2020 and subsequently dropping to low levels in 2023. In January 2010, the share of seriously delinquent mortgages and REO properties was extremely high, at 8.6 percent, because the sales market was still reeling from the housing crisis of the late 2000s. As the housing market recovered, mortgage delinquencies dropped, reaching a low of 1.3 percent in February 2020. The severe economic shock that the nation went through at the beginning of the pandemic led to a rapid increase in the percentage of seriously delinquent mortgages and REO properties. The share of mortgages in this category peaked at 4.4 percent in August 2020 and has subsequently declined to 1.0 percent in December 2023 (CoreLogic, Inc.; Figure 9).

The substantial increase in the rate of seriously delinquent mortgages and REO properties in 2020 was due entirely to increases in mortgages that were 90 or more days delinquent and not increases in foreclosures and REO properties. In August 2020, the number of mortgages that were 90 or more days delinquent was up 342 percent year over year, whereas foreclosures and REO properties were down 24 and 51 percent, respectively. Under the Coronavirus Aid, Relief, and Economic Security Act passed in March 2020, homeowners with federally backed mortgages were able to receive forbearance if the pandemic caused them to experience financial hardship. This concession prevented many mortgages held by this group of homeowners from moving into foreclosure or REO status.

Current Regional Highlights

The sales housing markets in the 10 HUD regions had mixed conditions during the fourth quarter of 2023, ranging from slightly tight to slightly soft. The New England region was slightly tight, the Great Lakes region was slightly soft, and the remaining HUD regions had balanced or mixed conditions. The state-level changes in the CoreLogic, Inc. home price index (HPI) for repeat sales show that the rapid price growth of the past few years has moderated in most states. From December 2022 to December 2023, the mode change for states was 7 percent for the HPI for repeat sales, with eight states recording this rate of price growth. Home price growth was led by states in the northeast, with Rhode Island, Connecticut, New Jersey, and New Hampshire all registering double-digit increases from...
December 2022 to December 2023. There were no states with a decline in home prices, but prices were unchanged in Montana and Texas. Five states had price increases of only 1 percent (Louisiana, Hawaii, New York, Idaho, and Utah). For additional home sales market data by HUD region, visit the regional housing market information page on the PD&R U.S. Housing Market Conditions website: https://www.huduser.gov/portal/ushmc/home.html#regional_map.

**Home Sales Trends: 2010 to Current**

In the early 2010s, home sales were still low from the effects of the national housing crisis during the previous decade before trending upward through 2021. In 2011, existing home sales increased 2 percent compared with 2010 to 4.26 million homes sold, and new home sales decreased 5 percent to 306,000 homes sold (Census Bureau/HUD; NAR; Figure 10). During the next 2 years, home sales recovered rapidly, with existing home sales increasing an average of 9 percent annually and new home sales increasing an average of 18 percent annually. Mortgage rates increased in 2014, and existing home sales declined 3 percent before increasing an average of 4 percent a year from 2015 through 2017. Another 3-percent decline in existing home sales occurred in 2018 as mortgage rates increased again, and the number of existing homes sold was unchanged in 2019. In contrast, new home sales increased every year from 2014 through 2019 at an average rate of 8 percent. In 2020, new and existing home sales increased 20 and 6 percent, respectively. Existing home sales continued to increase in 2021 at a rate of 9 percent, whereas new home sales declined 6 percent that year. The increase in mortgage rates that began in 2022 had a marked effect on home sales. From 2022 through 2023, new and existing home sales dropped precipitously, declining by averages of 7 and 18 percent a year, respectively.

**Home Sales Price Trends: 2010 to Current**

Sales prices for new and existing homes have generally trended upward since 2010, with more rapid price growth in the 2 years after the onset of the COVID-19 pandemic (Figure 11). In 2011, while the housing market was still soft from the Great Recession, the median sales price for new homes increased...
2 percent to $227,200, and the median sales price for existing homes decreased 4 percent compared with the previous year to $166,100 (Census Bureau/HUD; NAR). Price growth was relatively steady in the years that followed. From 2012 through 2020, the median sales price for new homes increased an average of 4 percent a year, and the median sales price for existing homes increased an average of 7 percent a year. As the housing market tightened in the wake of the COVID-19 pandemic, home price growth accelerated. From 2021 through 2022, the median price for new and existing home sales increased 17 and 14 percent a year, respectively. In 2023, the housing market eased, and year-over-year price growth decelerated to 1 percent for existing home sales, whereas the median price for new home sales declined 7 percent. During 2023, the plurality of new and existing homes sold were priced between $200,000 and $399,999 (Figure 12).

Sales Construction
As the housing market absorbed an excess supply of sales inventory in the early 2010s, sales construction, as measured by the number of sales units permitted, declined 5 percent in 2011 before increasing each year through 2021 (Figure 13). From 2012 through 2019, the number of sales units permitted increased an average of 9 percent a year to approximately 913,900 units. During the next 2 years, sales construction accelerated, increasing an average of 13 percent a year to
nearly 1.18 million units permitted in 2021. As higher mortgage rates led to a decrease in home sales in 2022, the number of sales units permitted also declined. Sales construction declined 11 percent in 2022 and a further 8 percent in 2023 to 965,900 units permitted.

**Housing Affordability: Sales**
The affordability of owning a home in the United States varies significantly depending on geography, but homeownership in general has become less affordable during the past 10 years. The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the United States, which represents the share of homes sold that would have been affordable to a family earning the median income, was 37.7 during the fourth quarter of 2023, down from 75.6 during the fourth quarter of 2012 (Figure 14). The HOI declined by 0.4 percentage point in the past year, reflecting a slowdown in the decline from the previous year when the HOI declined by 16.1 percentage points.

First-time homebuyers face many affordability challenges when it comes to purchasing a home, regardless of where they live. For the nation, homeownership has become less affordable for households in the 25-to-44-year-old age cohort, a prime group for first-time homebuyers. The homeownership rate for this age cohort declined from 53 percent in 2010 to 48 percent in 2020. The HUD First-Time Homebuyer Affordability

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**Figure 13. Annual Sales Permitting Activity in the Nation**

- Single-Family Homes/Townhomes
- Condominiums

Sources: U.S. Census Bureau, Building Permits Survey; 2000–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

**Figure 14. NAHB/Wells Fargo Housing Opportunity Index for the Nation**

NAHB = National Association of Home Builders. 4Q = fourth quarter.
Source: NAHB/Wells Fargo
Index measures the median household income for householders aged 25 to 44 relative to the income needed to purchase a 25th percentile-priced home. After peaking in 2012 at 2.3, the index averaged 1.9 from 2013 through 2016 (Figure 15). Since then, the index has declined, with a slight increase to 1.8 in 2019 due to low interest rates and increased household income. Calculating the 2020 index is not possible because of data limitations with the 2020 ACS; however, 2021 data show a decline in the HUD First-Time Homebuyer Affordability Index, partly because of the strong home price increases since 2019. Housing affordability for first-time homebuyers in 2022 likely declined further because of higher interest rates and home prices.

Forecast
During the forecast period, home sales demand is expected to be relatively strong. Demand is expected for 3.23 million sales units during the 3-year forecast period (Table 4). This level of demand is on par with average annual construction levels from the past few years but below the recent peak in production that occurred in 2021. More than one-half of the demand during the first year will be met by units already under construction. Given the current economic and demographic forecast, the number of homes demanded should be relatively constant through the next 3 years. The home sales market is highly sensitive to changes in mortgage rates, and further increases would lessen the demand for sales housing, whereas a decline would increase the demand for sales housing. Unforeseen changes in various other factors may also change future demand for sales housing. Rental housing and households doubling up are the most common substitutes for sales housing and the relative advantages of those options also has an influence on sales demand.
## Rental Market

**Market Conditions: Soft**

Year over year, apartment rent growth slowed to 1 percent in 2023—a stark contrast to average annual rent growth of 7 percent during the previous 2 years.

### Current Conditions and Recent Trends

The national rental market is soft, with an estimated vacancy rate of 8.9 percent—up from 7.5 percent in 2020 (Table 5). The current estimated rental vacancy rate is slightly below the 9.2-percent rate in 2010, when the market was also soft. The market has softened in the past year largely because apartment completions significantly outpaced absorption, which also put downward pressure on rent growth. In 2023, the average monthly effective rent for apartment units increased 1 percent from a year earlier, and the average apartment vacancy rate increased 1.0 percentage point to 7.5 percent (CoStar Group). By comparison, the vacancy rate averaged 5.7 percent in 2021 and 2022, when absorption and rent growth were at record-high levels. Rents for new tenant leases were down year over year during the fourth quarter of 2023, as indicated by the new tenant rent index, which decreased for the first time since 2010 (Bureau of Labor Statistics). New tenants are subject to current market conditions more than existing tenants who are already under contract because new tenant leases are a chance for property owners to set rents that reflect the current environment, which eased considerably during the past year. Concessions have also increased in the past 2 years as the market softened. During the fourth quarter of 2023, the concession rate was 1.1 percent, up from a recent low of 0.6 percent in the third quarter of 2021 (CoStar Group).

Nationwide, the majority of the rental supply consists of apartments. In 2022, 64 percent of occupied rental units were in multifamily structures with two or more units, most of which were apartment properties (ACS 1-year data). Attached and detached single-family homes are also an important source of rental supply in the nation, with 31 percent of renters residing in that type of unit as of 2022.

### Current Regional Highlights

Apartment market conditions throughout the 10 HUD regions were mixed during the fourth quarter of 2023, but 9 of the regions had some soft markets. The only region to tighten in the past year was New England, which had a mix of balanced to very tight markets during the fourth quarter of 2023. Apartment markets in the New England region had some of the highest year-over-year rent growth in the country from the fourth quarter of 2022 to the fourth quarter of 2023; the average effective rent increased 5, 5, and 4 percent in Worcester, Massachusetts, Providence, Rhode Island, and Springfield, Massachusetts, respectively (CoStar Group). However, nearly one-half of the markets nationwide with a population greater

### Table 5. Rental and Apartment Market Quick Facts for the Nation

<table>
<thead>
<tr>
<th>Rental Market Quick Facts</th>
<th>2020 (%)</th>
<th>Current (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Vacancy Rate</td>
<td>7.5</td>
<td>8.9</td>
</tr>
<tr>
<td>Occupied Rental Units by Structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Family Attached &amp; Detached</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Multifamily (2–4 Units)</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Multifamily (5+ Units)</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Other (Including Mobile Homes)</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Apartment Market Quick Facts</th>
<th>2023</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment Vacancy Rate</td>
<td>7.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$1,646</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Notes:** The current date is January 1, 2024. Percentages may not add to 100 due to rounding.

**Sources:** 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group.

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**Rental Market**

**National Comprehensive Housing Market Analysis as of January 1, 2024**

**U.S. Department of Housing and Urban Development, Office of Policy Development and Research**
than 500,000 had a decline in rent or growth of less than 1 percent. The 10 markets with the largest rent declines were all in the south—with 6 of those in Florida, which had some of the largest rent increases in the nation from 2020 to 2021. From the fourth quarter of 2020 to the fourth quarter of 2021, apartment markets nationwide tightened considerably, and double-digit rent increases were widespread. Additional apartment market data by HUD region are available at the regional housing market information page on the PD&R U.S. Housing Market Conditions website: [https://www.huduser.gov/portal/ushmc/home.html#regional_map](https://www.huduser.gov/portal/ushmc/home.html#regional_map).

**Apartment Vacancy Rates and Rents Since 2010**

From 2010 through 2022, the national apartment market tightened before softening in 2023 because of record-high levels of new apartment completions. The apartment vacancy rate for the nation was 71 percent in 2010 before decreasing to 6.2 percent in 2013 (CoStar Group; Figure 16). During this period, the average monthly effective apartment rent increased 2 percent a year. The rental market was relatively balanced for the next 2 years, with the vacancy rate staying around 6.2 percent and the average rent increasing 3 percent a year. From 2016 through 2020, rent growth returned to 2 percent a year, and the average vacancy rate trended upward to 6.7 percent. In 2021, the apartment market tightened substantially, with the average apartment vacancy rate dropping to 5.0 percent—the lowest annual rate since before 2000. At the same time, the average apartment rent increased 11 percent. This trend accelerated a building boom of rental units that was already underway. The number of apartments under construction was up 17 percent year over year in 2021 and increased another 33 percent in 2022. As the supply began to increase in 2022, the market eased, and the average apartment vacancy rate increased 1.5 percentage points to 6.5 percent compared with 2021. During the same period, the average effective rent increased 4 percent. Despite absorption more than doubling from 2022 through 2023, the apartment market has softened because of the large number of apartment units being completed.

**Rental Construction**

Rental building activity (see rental construction), as measured by the number of rental units permitted, has grown steadily since 2010. From 2011 through 2015, the number of rental units permitted increased an average of 26 percent a year to approximately 421,100 (Figure 17). For the next 5 years, the pace of rental
construction was fairly steady, averaging 429,400 units a year. As the rental market tightened and rents rose rapidly in 2021, the number of rental units permitted increased an average of 19 percent a year to a peak of 616,800 in 2022. Because of this rapid increase in production, the rental market softened, and the number of rental units permitted in 2023 declined 18 percent to 504,700. Despite this recent decline, rental production remains at high levels when compared with the 2010s.

**Housing Affordability: Rental**

Rental affordability across the nation increased through the 2010s, with the median income for renter households increasing at a faster rate than the median gross rent by the end of the decade. From 2011 to 2019, the median income for renter households increased 38 percent, whereas the median gross rent increased 28 percent. As a result, the HUD Gross Rent Affordability Index for the nation—a measure of median renter household income relative to qualifying income for the median-priced rental unit—increased from 88.8 in 2011 to 96.8 in 2019 (Figure 18). Since 2019, rental affordability has declined because income growth has been less than the increase in the median gross rent. From 2019 to 2022, the median income for renter households increased 16 percent, while the median gross rent increased 19 percent. During this period, the Gross Rent Affordability Index declined from 96.8 to 94.6—the lowest the index has been since 2015.

Figure 17. Annual Rental Permitting Activity in the Nation

Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey, 2000–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

Figure 18. Gross Rent Affordability Index for the Nation

Notes: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available.
Source: American Community Survey 1-year data
Many renter households in the United States face some degree of cost burden, meaning that they pay more than 30 percent of their income on rent. During the 2016-through-2020 period, an estimated 21.6 percent of all renter households in the nation had moderate to high cost burdens, spending between 31 and 50 percent of their income on rent, whereas 22.0 percent were severely cost-burdened, spending more than 50 percent of income toward rent (Table 6). Very low-income renter households face significantly higher cost burdens. For renter households with incomes less than 50 percent of the Area Median Family Income, 27.1 percent experienced moderate to high cost burden, and 47.9 percent were severely cost-burdened.

Income-eligible residents may qualify for project-based rental assistance or housing choice vouchers (HCV) through their local public housing authority (PHA). Nationwide, PHAs administered approximately 2.4 million HCVs in 2023, representing an increase of nearly 18 percent from 2010 (HUD Picture of Subsidized Households). The average monthly subsidy has increased 9.2 percent since 2010, whereas the average monthly tenant contribution has decreased 1.2 percent (Table 7). Despite 4.6 million American households receiving rental assistance, funding limitations prevent three out of four eligible households from receiving housing assistance.

In the United States, approximately 582,500 people were homeless in 2022, and 40 percent were unsheltered homeless (2022 Point-in-Time Count). The two states with the highest populations, California and New York, accounted for 42 percent of the homeless population in the nation. Although 67 percent of the homeless population in California were unsheltered, only 5 percent of the homeless population in New York were unsheltered. The low rate of unsheltered homeless in New York state can be largely attributed to the “right to shelter” protections in New York City, which have been in place since 1981. The future of “right to shelter” is in question as the city struggles to deal with an influx of migrants to the city in recent years. New York City does not make data on asylum seekers public; however, the city reports opening 135 emergency shelters between June 2022 and May 2023 to address the asylum-seeker crisis (New York City Comptroller).

### Table 6. Percentage of Cost Burdened Renter Households by Income, 2016–2020

<table>
<thead>
<tr>
<th>Renter Households with Income &lt;50% HAMFI</th>
<th>Moderate to High Cost Burden: 31–50 Percent of Income Toward Housing Costs</th>
<th>Severe Cost Burden: 51 Percent or More of Income Toward Housing Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27.1</td>
<td>47.9</td>
</tr>
<tr>
<td>Total Renter Households</td>
<td>21.6</td>
<td>22.0</td>
</tr>
</tbody>
</table>

HAMFI = HUD Area Median Family Income.
Source: Consolidated Planning/CHAS Data, American Community Survey 5-year estimates

### Table 7. National Picture of Subsidized Households, 2023

<table>
<thead>
<tr>
<th>Total Assisted Households (2023)</th>
<th>4,569,973</th>
<th>3.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Voucher Households (2023)</td>
<td>2,404,197</td>
<td>17.9%</td>
</tr>
<tr>
<td>Average HCV Tenant Monthly Contribution</td>
<td>$450</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Average Monthly HUD Subsidy</td>
<td>$1,068</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

HCV = Housing Choice Voucher.
Note: Dollar changes are inflation-adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).
Source: HUD Picture of Subsidized Households

### Forecast

During the 3-year forecast period, the net demand for new rental units is estimated at 515,300 nationwide as the market works to absorb excess vacancies (Table 8). This level of demand is much lower than the pace of rental construction during the past several years. The 632,800 rental units already under construction will satisfy all of the estimated demand during the forecast period. Demand is expected to remain relatively constant during the 3-year period, given the economic and demographic outlook presented in this report. A continued rise in mortgage interest rates would likely result in increased rental demand, whereas a drop in mortgage rates would incentivize a portion of renters to become homeowners. Future rental demand also relies on rent costs. If soft market conditions persist and rents decline, this would likely create new renter households as they decouple from a doubled up household.

<table>
<thead>
<tr>
<th>Demand</th>
<th>515,300 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Construction</td>
<td>632,800 Units</td>
</tr>
</tbody>
</table>

Note: The forecast period is January 1, 2024, to January 1, 2027.
Source: Estimates by the analyst
## Terminology Definitions and Notes

### A. Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absorption</td>
<td>The net change, positive or negative, in the number of occupied units in a given geographic range.</td>
</tr>
<tr>
<td>Apartment Vacancy Rate/Average Monthly Rent</td>
<td>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.</td>
</tr>
<tr>
<td>Building Permits (Rental/Sales Construction)</td>
<td>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.</td>
</tr>
<tr>
<td>Cost Burdened</td>
<td>Spending more than 30 percent of household income on housing costs. Moderate to high-cost burden refers to households spending 31 to 50 percent of income on housing costs. Severe cost burden refers to households spending 51 percent or more of income on housing costs.</td>
</tr>
<tr>
<td>Demand</td>
<td>The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.</td>
</tr>
<tr>
<td>Effective Rent</td>
<td>The cost to rent an apartment, less concessions.</td>
</tr>
<tr>
<td>Forecast Period</td>
<td>January 1, 2024–January 1, 2027—Estimates by the analyst.</td>
</tr>
<tr>
<td>Home Sales/Home Sales Prices</td>
<td>Includes single-family home, townhome, and condominium sales.</td>
</tr>
</tbody>
</table>
Terminology Definitions and Notes

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Natural Change</td>
<td>Resident births minus resident deaths.</td>
</tr>
<tr>
<td>Other Vacant Units</td>
<td>In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.</td>
</tr>
<tr>
<td>Rental Market/Rental Vacancy Rate</td>
<td>Includes apartments and other rental units such as single-family, multifamily, and mobile homes.</td>
</tr>
<tr>
<td>Seriously Delinquent Mortgages</td>
<td>Mortgages 90 or more days delinquent or in foreclosure.</td>
</tr>
<tr>
<td>Stabilized</td>
<td>A property is stabilized once a 90 percent or above occupancy rate is reached, or at least 18 months pass since the property was changed from under construction to existing on the CoStar Group website.</td>
</tr>
</tbody>
</table>

B. Notes on Geography

1. Puerto Rico, U.S. Virgin Islands, and Guam are served by HUD programs but are not included in this analysis due to data limitations.

2. HUD is organized into 10 regions:
   - New England (Region I): Connecticut, Vermont, Massachusetts, Maine, New Hampshire, Rhode Island
   - New York/New Jersey (Region II): New York, New Jersey
   - Mid-Atlantic (Region III): Pennsylvania, Virginia, West Virginia, Maryland, Delaware, Washington, D.C.
   - Southeast/Caribbean (Region IV): Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, U.S. Virgin Islands
   - Great Lakes (Region V): Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin
   - Southwest (Region VI): Arkansas, Louisiana, New Mexico, Oklahoma, Texas
   - Great Plains (Region VII): Kansas, Iowa, Missouri, Nebraska
   - Rocky Mountain (Region VIII): Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
   - Pacific (Region IX): California, Arizona, Hawaii, Nevada
   - Northwest (Region X): Washington, Alaska, Idaho, Oregon
C. Additional Notes

1. The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.

2. This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

3. The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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