



Manchester-Nashua, New Hampshire

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2014



Housing Market Area



The Manchester-Nashua Housing Market Area (HMA) is coterminous with the Manchester-Nashua, NH Metropolitan Statistical Area, which comprises Hillsborough County. Located in southern New Hampshire along the Massachusetts border, the HMA is less than 50 miles northwest of Boston. It is home to the two largest cities in northern New England—Manchester and Nashua—which have transformed from mill towns during the 19th and early 20th centuries into centers of commerce today.

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Summary

Economy

Economic conditions in the Manchester-Nashua HMA continue to improve, building on a trend that began in 2011. During the 12 months ending September 2014, nonfarm payrolls increased by 2,600 jobs, or 1.1 percent, to 230,200 jobs, compared with the number of jobs recorded during the previous 12 months. Nonfarm payrolls increased in 8 of the 10 private employment sectors, led by the professional and business services sector, which added 900 jobs, a 3.2-percent increase from a year earlier. During the 3-year forecast period, nonfarm payrolls are expected to continue to increase by an average of approximately 2,600 jobs, or 1.1 percent, annually.

Sales Market

The sales housing market in the HMA is balanced, with an estimated sales vacancy rate of 1.3 percent as of the current date, down from 1.5 percent in April 2010. During the forecast period, demand is expected for 1,900 new homes (Table 1). The 200 homes currently under construction and a portion of the estimated 5,150 other vacant units in the HMA that may reenter the sales market will satisfy some of the forecast demand.

Rental Market

The rental housing market in the HMA is balanced, with an estimated overall rental vacancy rate of 6.0 percent, down from 7.5 percent in April 2010 (Table DP-1 at the end of this report). By contrast, the apartment market is tight, with a vacancy rate of 2.9 percent during the third quarter of 2014, down from 3.3 percent a year earlier (Reis, Inc.). During the forecast period, demand is expected for 1,000 new rental units (Table 1). The 470 units currently under construction will satisfy some of the forecast demand.

Table 1. Housing Demand in the Manchester-Nashua HMA During the Forecast Period

	Manchester-Nashua HMA	
	Sales Units	Rental Units
Total demand	1,900	1,000
Under construction	200	470

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of October 1, 2014. A portion of the estimated 5,150 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is October 1, 2014, to October 1, 2017.

Source: Estimates by analyst

Economic Conditions

The combined Manchester, NH Metropolitan New England City and Town Area (NECTA) and Nashua, NH-MA NECTA Division of the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA (hereafter, the Manchester-Nashua NECTA) have a similar geography to the HMA and contain all the major employment and population centers that are in the HMA. The Manchester-Nashua NECTA is used in the discussion of nonfarm payroll jobs because the data are readily available for the NECTAs from the

U.S. Bureau of Labor Statistics. All other data relate to the Manchester-Nashua HMA.

Economic conditions have improved in the HMA since 2011, with moderate growth during the past 2 years; however, the current level of nonfarm payrolls remains 1.2 percent less than the peak level recorded during the 12 months ending September 2008. During the 12 months ending September 2014, nonfarm payrolls in the Manchester-Nashua NECTA increased by 2,600 jobs, or 1.1 percent, to 230,200 jobs compared with an increase of 2,500 jobs, or 1.1 percent, during the previous 12 months (Table 2). By comparison, from the end of 2002 through 2005, nonfarm payrolls increased by an average of more than 4,100 jobs, or 1.9 percent, annually. Growth slowed during 2006 and 2007 to an average of 950 jobs, or 0.4 percent, annually. During 2008, nonfarm payroll levels were essentially unchanged before decreasing by 9,000 and 2,600 jobs, or 3.9 and 1.2 percent, respectively, during 2009 and 2010. Since bottoming out in 2010, nonfarm payrolls have increased by 9,300 jobs—a cumulative gain of 4.2 percent. During the 12 months ending September 2014, the average unemployment rate in the HMA declined to 4.8 percent from 5.5 percent during the same period a year earlier, which was greater than the 4.5-percent statewide rate for New Hampshire but less than the 6.2-percent rate recorded in the New England region and the 6.3-percent rate recorded nationally. The average unemployment rate in the HMA remains 1.2 percentage points greater than the 3.6-percent rate recorded in 2007 and 2.2 percentage points greater than the 2.6-percent rate recorded in 2000. Figure 1 shows

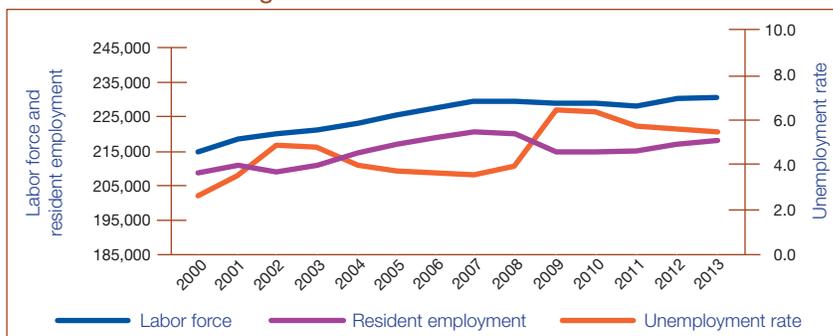
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Manchester-Nashua HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	September 2013	September 2014		
Total nonfarm payroll jobs	227,600	230,200	2,600	1.1
Goods-producing sectors	36,500	36,600	100	0.3
Mining, logging, & construction	8,700	9,200	500	5.7
Manufacturing	27,800	27,300	-500	-1.8
Service-providing sectors	191,100	193,700	2,600	1.4
Wholesale & retail trade	42,900	43,700	800	1.9
Transportation & utilities	6,300	6,400	100	1.6
Information	5,100	5,000	-100	-2.0
Financial activities	15,100	15,200	100	0.7
Professional & business services	28,400	29,300	900	3.2
Education & health services	38,500	39,200	700	1.8
Leisure & hospitality	19,800	20,000	200	1.0
Other services	9,900	10,200	300	3.0
Government	25,000	24,800	-200	-0.8

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through September 2013 and September 2014. Nonfarm payroll jobs data are for the combined Manchester, NH Metropolitan New England City and Town Area (NECTA) and Nashua, NH-MA NECTA Division of the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Manchester-Nashua HMA, 2000 Through 2013



Source: U.S. Bureau of Labor Statistics

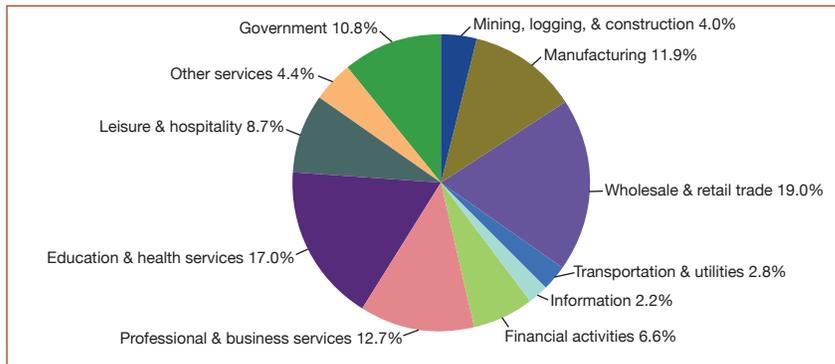
trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2013.

During the 12 months ending September 2014, nonfarm payroll levels increased in all private employment sectors, except for the manufacturing and information sectors. The professional and businesses services sector led the gains, adding 900 jobs, a 3.2-percent increase. The mining, logging, and construction sector, in part because

of increased multifamily building activity, was the fastest growing sector (on a percentage basis), adding 500 jobs—a 5.7-percent gain. As local, state, and national economies continued to improve, the retail trade subsector, which added 800 jobs, an increase of 2.4 percent, benefited.

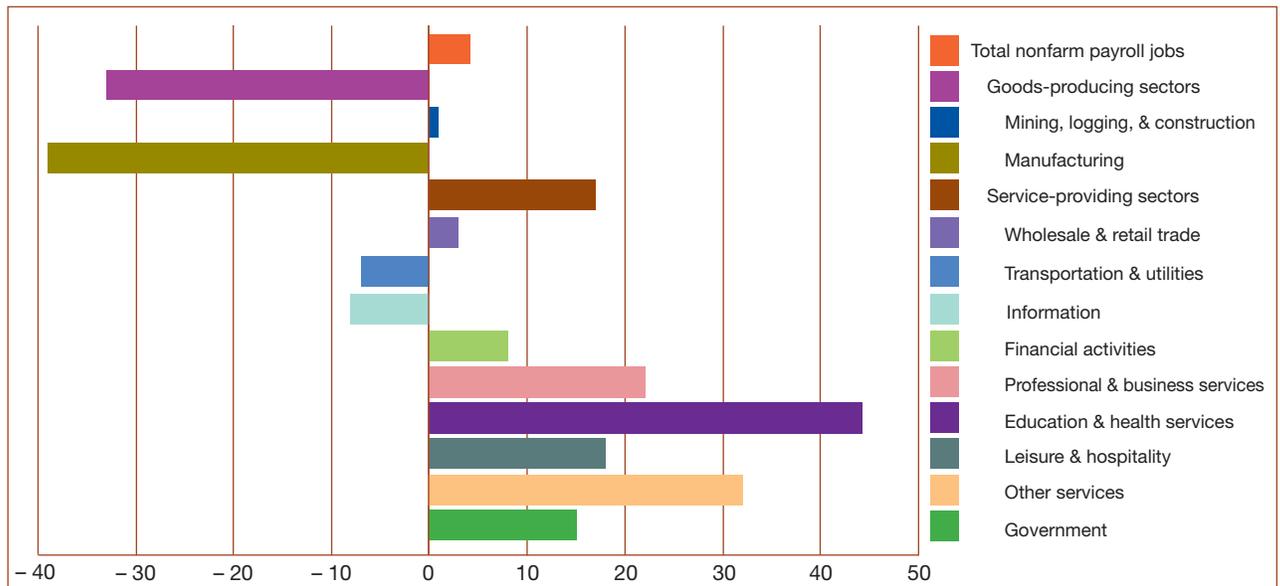
The education and health services sector, which accounts for 17.0 percent of all nonfarm payrolls in the Manchester-Nashua NECTA, is the second largest employment sector in the NECTA, after the wholesale and retail trade sector (Figure 2), and has been the fastest growing sector since 2000 (Figure 3). The education and health services sector has added jobs every year since 2000 (the analysis in this report considers activity only since 2000). From the end of 2003 through 2008, the sector expanded by 4,500 jobs, reflecting an average annual increase of 2.9 percent, and accounted for nearly one-half of the net job gains in the NECTA during the period. During 2009, a year when no other private sector gained

Figure 2. Current Nonfarm Payroll Jobs in the Manchester-Nashua HMA, by Sector



Notes: Percentages may not add to 100% because of rounding. Based on 12-month averages through September 2014. Nonfarm payroll jobs data are for the combined Manchester, NH Metropolitan New England City and Town Area (NECTA) and Nashua, NH-MA NECTA Division of the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA.
Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Manchester-Nashua HMA, Percentage Change, 2000 to Current



Notes: Current is based on 12-month averages through September 2014. Nonfarm payroll jobs data are for the combined Manchester, NH Metropolitan New England City and Town Area (NECTA) and Nashua, NH-MA NECTA Division of the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA.
Source: U.S. Bureau of Labor Statistics

jobs in the NECTA, the education and health services sector added 1,100 jobs, a 3.2-percent increase. Although sector growth has slowed somewhat since 2010, during the 12 months ending September 2014, the education and health services sector added 700 jobs—a 1.8-percent gain. The sector contains four of the six largest employers in the Manchester-Nashua HMA, including Elliot Health System and Southern New Hampshire Medical Center, which employ 3,375 and 2,175 workers, respectively (Table 3).

In contrast with the education and health services sector, the manufacturing sector has been a drag on the local economy during most years since 2000. During the 12 months ending September 2014, the manufacturing sector accounted for 11.9 percent of nonfarm payrolls, down from 20.5 percent in 2000. Each year since 2000, except for 2004 and 2011, the number of nonfarm payroll jobs in the manufacturing sector decreased in the NECTA. From 2000 through 2013, the number of manufacturing jobs in the NECTA

decreased 39 percent, a decline that was 3 percentage points more than in the New England region. Job losses in the manufacturing sector continued in the NECTA during the 12 months ending September 2014, a period when the number of nonfarm payroll jobs in the sector declined by 500, or 1.8 percent, from the previous 12 months. Despite the job losses in the manufacturing sector, the second largest employer in the HMA is part of that sector; BAE Systems, Inc., a national defense contractor, employs 4,325 workers in the HMA (Table 3). The company's Electronic Systems Unit, headquartered in Nashua, manufactures mission-critical electronic systems, including flight and engine controls, electronic warfare systems, and night vision systems. In 2011 (the most recent data available at the time of this writing), BAE Systems reported an annual economic impact of \$586 million in New Hampshire.

During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 2,600 jobs, or 1.1 percent, with moderate job growth throughout the period. The Manchester-Nashua NECTA should regain all the net jobs lost during the Great Recession by the end of 2015. Although the manufacturing sector is expected to continue to be a drag on the local economy, job gains are expected in most other private employment sectors during the next 3 years, with the strongest gains expected in the education and health services and the professional and business services sectors.

Table 3. Major Employers in the Manchester-Nashua HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fidelity Investments	Financial activities	6,000
BAE Systems, Inc.	Manufacturing	4,325
Elliot Health System	Education & health services	3,375
Southern New Hampshire Medical Center	Education & health services	2,175
Catholic Medical Center	Education & health services	2,100
St. Joseph Hospital	Education & health services	1,925
Public Service of New Hampshire (PSNH)	Transportation & utilities	1,500
FairPoint Communications, Inc.	Information	1,300
TD Bank, N.A.	Financial activities	1,100
PC Communications, Inc.	Information	1,075

Note: Excludes local school districts.

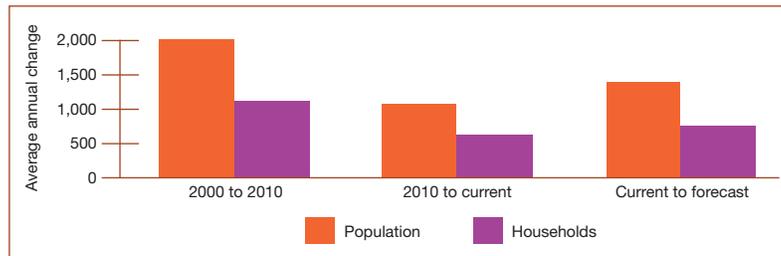
Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau

Population and Households

As of October 1, 2014, the estimated population of the Manchester-Nashua HMA was 405,400, reflecting an average annual increase of 1,050, or 0.3 percent, since April 2010 compared with an average annual increase of 2,000, or 0.5 percent, during the previous 10 years (Figure 4). The HMA, which is coterminous with Hillsborough County, the most populous county in New Hampshire, contains approximately 30 percent of the entire population of New Hampshire. The cities of Manchester and Nashua, with populations of slightly more than 110,000 and 87,000, respectively, are the largest cities in northern New England (2013 American Community Survey 1-Year Estimates). In the HMA, net natural increase (resident births minus resident deaths) has accounted for all the net population gain since 2000 (Figure 5).

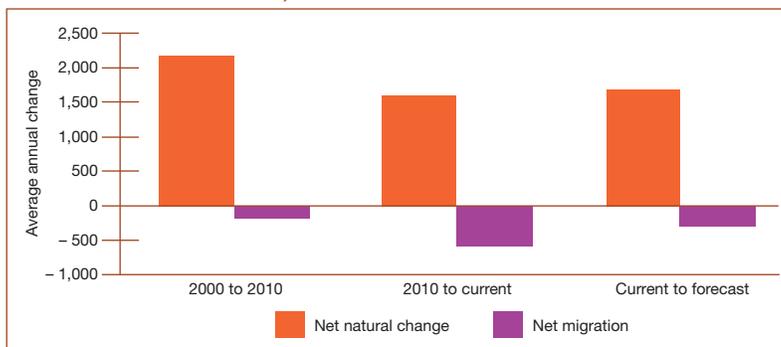
Population growth and migration into and out of the HMA have been affected not only by local economic conditions but also by the comparative home sales prices in neighboring areas, especially Middlesex County in Massachusetts. From 2000 through 2011, residents from Middlesex County represented 18 percent of all in-migration to the HMA, the largest percentage of any county in the nation—only one other county represented more than 10 percent of all in-migration to the HMA (Internal Revenue Service). Middlesex County, which is between the HMA and Boston, is an area where average home sales prices are markedly higher than those in the HMA. From 2000 through 2005, a period when overall nonfarm payrolls increased in the Manchester-Nashua NECTA and home sales prices generally increased throughout the nation, the population of the HMA increased at an average annual rate of 2,850, with net in-migration averaging 550 people annually (Census Bureau, July 1 estimates). During the same years, net migration from Middlesex County to the HMA exceeded the overall net in-migration to the HMA, averaging 2,250 people a year (Internal Revenue Service). As demand for sales housing increased throughout the country and housing became less affordable, more residents of Middlesex County migrated into the HMA to purchase lower cost homes. During the period, the average home sales price in Middlesex County was 77 percent greater than in the HMA (CoreLogic, Inc.). By contrast, from 2006 through 2011, a period when overall nonfarm payrolls decreased in the NECTA and home sales prices generally declined throughout the nation, population gains in the HMA slowed to an average annual rate of

Figure 4. Population and Household Growth in the Manchester-Nashua HMA, 2000 to Forecast



Notes: The current date is October 1, 2014. The forecast date is October 1, 2017. Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Manchester-Nashua HMA, 2000 to Forecast



Notes: The current date is October 1, 2014. The forecast date is October 1, 2017. Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

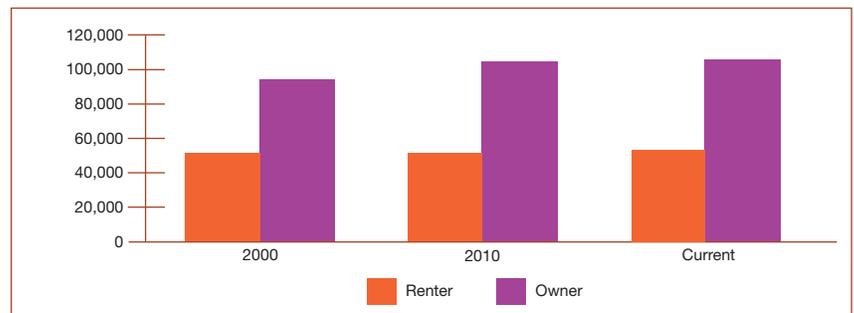
less than 750 people, with net out-migration averaging 1,075 people annually (Census Bureau, July 1 estimates). During the same years, net migration from Middlesex County to the HMA decreased substantially, to an average annual rate of 750 people (Internal Revenue Service). As demand for sales housing decreased throughout the country and housing became more affordable, fewer residents of Middlesex County migrated into the HMA to take advantage of lower cost housing options. In recent years, nonfarm payroll growth in the NECTA was moderate and home sales prices began to increase. Since July 2011, net out-migration from the HMA has decreased to an estimated 430 people a year (statistics regarding migration between the HMA and Middlesex County during the period were not available at the time of this writing).

Net out-migration has led to decreased household formation, and tight mortgage lending standards have contributed to renters forming more new households than owners in recent years. The HMA currently has an estimated 158,150 households, reflecting an

average annual increase of 600 households, or 0.4 percent, since April 2010 compared with the increase of 1,100 households, or 0.7 percent, annually during the previous 10 years. Since April 2010, nearly 70 percent of new households formed in the HMA have been renters compared with 7 percent of new households formed from 2000 to 2010. Owners currently constitute an estimated 66.3 percent of all households, down from 66.9 percent in the 2010 Census, but up from 64.9 percent in the 2000 Census. Figure 6 shows the number of households by tenure in the HMA since 2000.

During the 3-year forecast period, the population and number of households in the HMA are expected to continue to increase. The HMA population is expected to increase by an average of 1,375, or 0.3 percent, annually to reach 409,500 by October 1, 2017. The number of households in the HMA is expected to grow by 750, or 0.5 percent, annually during the forecast period, to 160,400 households. Approximately 35 percent of new households formed during the forecast period are expected to be renter households.

Figure 6. Number of Households by Tenure in the Manchester-Nashua HMA, 2000 to Current



Note: The current date is October 1, 2014.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

Despite the slow rate of owner household formation since 2010, the sales housing market in the Manchester-Nashua HMA is balanced, in part because the economy has continued to improve and additions to sales housing inventory have been somewhat limited in recent years. As of October 1, 2014, the sales vacancy rate was estimated at 1.3 percent, down from the 1.5-percent rate in April 2010 but up from the 0.5-percent rate recorded during the tight market in April 2000.

Home sales (including single-family homes, townhomes, and condominiums) and sales prices stabilized somewhat in 2012, but they remain well below the peak levels recorded during the 2000s. During the 12 months ending September 2014, new and existing home sales totaled 5,550, a 1-percent decline from the 5,625 home sales recorded during the previous 12 months (CoreLogic, Inc.). By comparison, an average of 8,425 homes sold annually from 2001 through 2006. Home sales decreased to 6,150 in 2007. From 2008 through 2010, a period that included the national recession and an economic downturn in the HMA and that led to substantially tightened mortgage lending standards, average annual home sales declined to 4,650, before bottoming out at 4,400 homes sold in 2011. During the 12 months ending September 2014, the average sales price for homes was \$223,400, a 4-percent increase from \$214,200 during the previous 12 months. Average sales prices peaked at \$255,900 from 2005 through 2008 and declined to \$206,100 from 2009 through 2012, before increasing to \$217,900 during 2013.

The market for new home sales has been slower to recover than the

market for existing home sales in the HMA. During the 12 months ending September 2014, new home sales totaled 300, down slightly from 310 new homes sold during the same period a year earlier, and accounted for 5 percent of all home sales. By comparison, from 2004 through 2005, the peak period for new home sales in the HMA, an average of 1,025 new homes sold annually, accounting for 10 percent of all home sales. New home sales decreased precipitously, averaging 640 new homes sold annually during 2006 and 2007 and 330 new homes sold annually from 2008 through 2010. During 2011, new home sales bottomed out at 190 homes, before increasing to 250 homes during 2012 and 320 homes during 2013. During the 12 months ending September 2014, the average new home sales price increased 2 percent to \$305,500 compared with sales prices during the same period a year earlier.

The improvement in sales market conditions in the HMA can be partially attributed to the decrease in the rates of seriously delinquent and real estate owned (REO) loans, underwater mortgages, and distressed sales. As of September 2014, 3.2 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status, down from 3.8 percent a year earlier (Black Knight Financial Services, Inc.). By comparison, as of September 2014, the percent of home loans that were seriously delinquent or had transitioned into REO status was 3.5 percent for New Hampshire, 5.5 percent for the New England region, and 4.7 percent for the United States. During September 2014, the

Housing Market Trends

Sales Market *Continued*

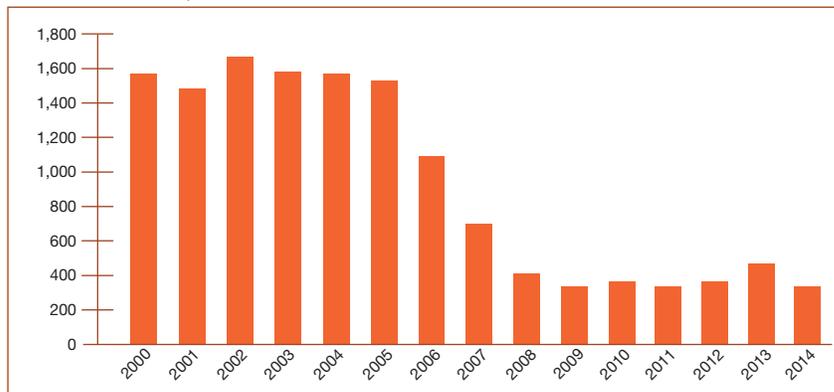
percentage of underwater mortgages in the HMA was estimated at 13 percent, down from 16 percent a year earlier, and compared with an 11-percent statewide rate and a 10-percent national rate (CoreLogic, Inc.). Distressed sales—that is, REO and short sales—comprised an estimated 18 percent of existing home sales in the HMA during the 12 months ending September 2014, down from 25 percent a year earlier and compared with statewide and national rates of 15 percent each.

Despite positive traction in the economy and the sales market, single-family

homebuilding activity, as measured by the number of homes permitted, has remained at a historically low level since 2008. During the 12 months ending September 2014, the number of single-family homes permitted increased slightly to 450 compared with the 430 homes permitted during the previous 12 months (preliminary data). By comparison, during the peak period from 2000 through 2005, the number of homes permitted averaged 1,575 annually. Single-family homebuilding activity decreased precipitously from 2006 through 2011, averaging 890 homes permitted annually during 2006 and 2007 and 370 homes permitted annually from 2008 through 2010. Single-family permitting bottomed out at 330 homes during 2011 (the lowest level in more than 20 years), before increasing to 370 homes during 2012 and 470 homes during 2013. No large market-rate, single-family home developments are currently under construction in the HMA. Figure 7 shows the number of single-family homes permitted in the HMA from 2000 to the current date.

During the 3-year forecast period, demand is expected for 1,900 new homes (Table 1). The 200 homes currently under construction will meet part of the demand. Demand is estimated to be strongest during the third year of the forecast period and for single-family homes priced from \$250,000 to \$349,999 (Table 4). An estimated 5,150 other vacant units are currently in the inventory, a portion of which may reenter the sales market and satisfy some of the forecast demand.

Figure 7. Single-Family Homes Permitted in the Manchester-Nashua HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through September 2014.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Manchester-Nashua HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
200,000	249,999	200	10.5
250,000	299,999	400	21.1
300,000	349,999	450	23.7
350,000	399,999	300	15.8
400,000	449,999	250	13.2
450,000	499,999	150	7.9
500,000	699,999	100	5.3
700,000	and higher	50	2.6

Notes: The 200 homes currently under construction and a portion of the estimated 5,150 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is October 1, 2014, to October 1, 2017.

Source: Estimates by analyst

Rental Market

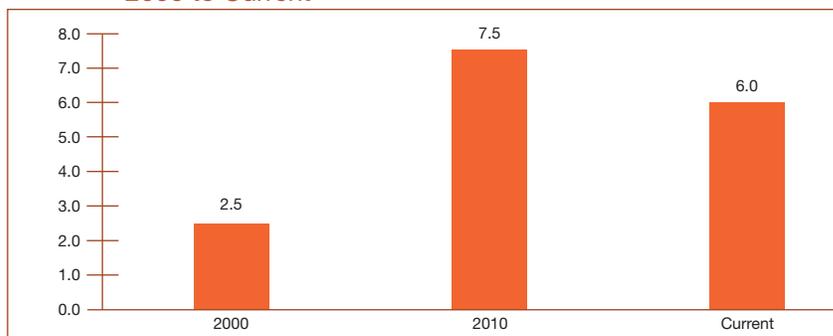
Overall rental housing market conditions in the Manchester-Nashua HMA are balanced. As of October 1, 2014, the rental vacancy rate was 6.0 percent, down from 7.5 percent in April 2010, but up from 2.5 percent in April 2000, a period when rental markets were tight throughout most of New England (Figure 8).

In contrast with the overall rental market conditions, the apartment market for more traditional apartments or for market-rate rental complexes consisting of 40 or more units is tight. During the third quarter of 2014, the apartment vacancy rate in the HMA decreased to 2.9 percent from 3.3 percent during the same period a year earlier, and it was down from the 3.8-percent rate in 2010 (Reis, Inc.). The apartment vacancy rate in the HMA has been less than 4.0 percent for 17 consecutive quarters. During the third quarter of 2014, it was less than the 3.4-percent rate in the Northeastern United States and the 4.2-percent rate nationwide. The significant difference between vacancy rates for the overall rental market and vacancy rates for the apartment market stems from the above-average proportion of rental units that are more than 70 years old. Nearly 30 percent of all renter-occupied units in the

Manchester-Nashua HMA were built before 1940 compared with a nationwide rate of 15 percent (2013 American Community Survey 1-Year Estimates). The older rental units, which by and large are not included in the apartment market data, are usually smaller multi-family units that tend to be lower quality housing options and, in general, have higher vacancy rates than do more traditional apartment complexes. During the third quarter of 2014, the average monthly asking rent in the HMA increased 4 percent, to \$1,185, compared with the average rent during the third quarter of 2013 (Reis, Inc.). The 4-percent average rent increase from the third quarter of 2013 in the HMA was the largest of any metropolitan area that was covered by Reis, Inc., in the New England region, aside from the Boston metropolitan area. The average monthly asking rents in the HMA for studio, one-bedroom, two-bedroom, and three-bedroom units were \$769, \$1,028, \$1,245, and \$1,406, respectively. For apartments built since 2009, the average rent was \$1,768.

Rental market conditions in the city of Manchester are tight, while conditions in the city of Nashua are very tight. In April 2014 (the most recent data available at the time of this writing), the rental vacancy rate for two-bedroom units (the most prominent type of rental unit in the HMA) was 3.3 percent in Manchester, down from 3.7 percent a year earlier (New Hampshire Housing Finance Authority, annual housing). The rental vacancy rate for two-bedroom units in Nashua was 1.2 percent, down from 1.6 percent in April 2013. Results from the annual housing surveys have shown that the rental vacancy rate for two-bedroom

Figure 8. Rental Vacancy Rates in the Manchester-Nashua HMA, 2000 to Current



Note: The current date is October 1, 2014.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

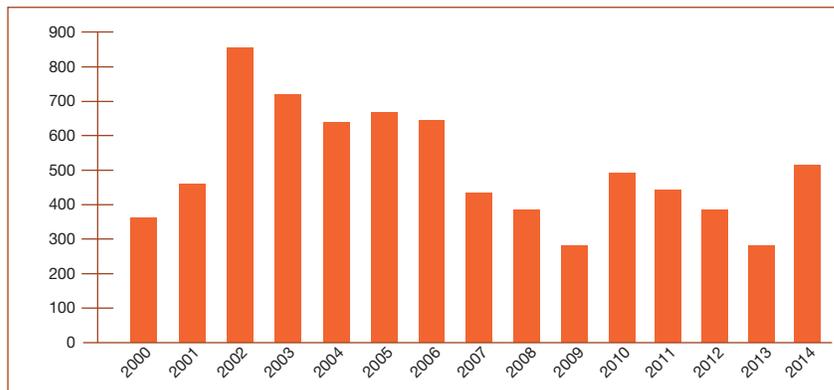
units in Nashua was 2.0 percent or less in 17 of the past 20 years. In April 2014, the median monthly gross rent for two-bedroom units increased 6 and 2 percent to \$1,099 and \$1,222, respectively, in Manchester and Nashua from a year earlier.

Multifamily building activity, as measured by the number of multifamily units permitted, decreased in 2013 before increasing in the HMA during 2014 but, otherwise, has remained relatively consistent since 2007 (Figure 9). During the 12 months ending September 2014, the number of multifamily units permitted increased to 540 compared with the 380 units permitted during the previous 12 months (preliminary data). By comparison, during the peak period from 2002 through 2006, multifamily permitting activity averaged

710 units a year. From 2007 through 2012, multifamily building activity decreased to an average of 410 units permitted annually. Despite improving economic conditions, permitting levels decreased further to 280 units permitted in 2013 (the lowest level since 1999) before increasing to 520 units permitted during the first nine months of 2014. The largest apartment development currently under construction in the HMA is Tara Heights, a 400-acre master-planned luxury apartment community in the city of Nashua. The first two phases of the \$90 million development opened in May 2013 and August 2014, with 180 and 144 apartment units, respectively. The third and largest phase, which is currently under construction, is expected to add 240 apartment units to the market by July 2015. Rents range from \$1,155 to \$1,367 for one-bedroom units and from \$1,533 to \$1,655 for two-bedroom units.

During the 3-year forecast period, steady demand is expected for 1,000 new rental units in the Manchester-Nashua HMA (Table 1). Demand is expected to be strongest for two-bedroom units, with monthly rents ranging from \$1,400 to \$1,799 (Table 5). The 470 new rental units currently under construction will likely satisfy part of the demand.

Figure 9. Multifamily Units Permitted in the Manchester-Nashua HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through September 2014.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Manchester-Nashua HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
900 to 1,099	40	1,000 to 1,199	120	1,200 to 1,399	90	1,500 to 1,699	15
1,100 or more	10	1,200 to 1,399	120	1,400 to 1,599	210	1,700 to 1,899	15
		1,400 or more	60	1,600 to 1,799	180	1,900 or more	20
				1,800 or more	120		
Total	50	Total	300	Total	600	Total	50

Notes: Numbers may not add to totals because of rounding. The 470 units currently under construction will likely satisfy some of the estimated demand. The forecast period is October 1, 2014, to October 1, 2017.
Source: Estimates by analyst

Data Profile

Table DP-1. Manchester-Nashua HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	208,988	214,161	220,200	0.2	0.7
Unemployment rate	2.6%	6.4%	4.8%		
Nonfarm payroll jobs	220,400	220,900	230,200	0.0	1.1
Total population	380,841	400,721	405,400	0.5	0.3
Total households	144,455	155,466	158,150	0.7	0.4
Owner households	93,748	103,951	104,800	1.0	0.2
Percent owner	64.9%	66.9%	66.3%		
Renter households	50,707	51,515	53,350	0.2	0.8
Percent renter	35.1%	33.1%	33.7%		
Total housing units	149,961	166,053	168,200	1.0	0.3
Owner vacancy rate	0.5%	1.5%	1.3%		
Rental vacancy rate	2.5%	7.5%	6.0%		
Median Family Income	\$62,363	\$76,870	\$80,983	2.1	1.3

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through September 2014. Median Family Incomes are for 1999, 2009, and 2013. Nonfarm payroll jobs data are for the combined Manchester, NH Metropolitan New England City and Town Area (NECTA) and Nashua, NH-MA NECTA Division of the Boston-Cambridge-Quincy, MA-NH Metropolitan NECTA.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 10/1/2014—Analyst’s estimates
 Forecast period: 10/1/2014–10/1/2017—
 Analyst’s estimates

The metropolitan statistical area and New England City and Town Area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated December 1, 2009, and do not reflect changes defined by the OMB Bulletin dated February 28, 2013.

Demand: 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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, 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.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.gov/publications/pdf/CMARtables_Manchester-NashuaNH_15.pdf.

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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.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. 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.

For additional reports on other market areas, please go to www.huduser.gov/portal/ushmc/chma_archive.html.