

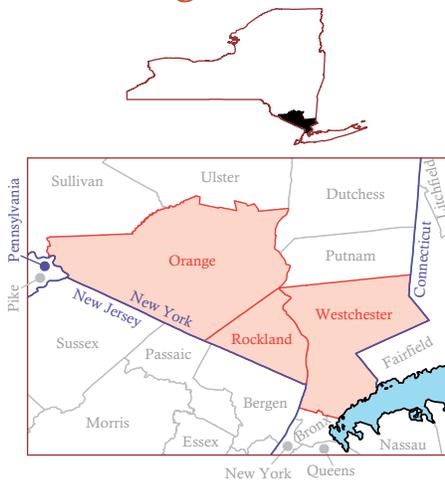


Orange-Rockland-Westchester, New York

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of November 1, 2017



Housing Market Area



The Orange-Rockland-Westchester Housing Market Area (hereafter, Westchester HMA) consists of Orange, Rockland, and Westchester Counties in New York. The HMA, which is immediately north of New York City, is part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (hereafter, New York MSA). The HMA is partially a bedroom community, with approximately 28 percent of employed residents working in other portions of the New York MSA.

Market Details

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Summary

Economy

Nonfarm payrolls in the Westchester HMA increased in each of the past 7 years. During the 12 months ending October 2017, nonfarm payrolls increased by 9,800 jobs, or 1.4 percent, to 716,800 jobs. All net gains during the past year were in the service-providing sectors, with losses in both the manufacturing and the mining, logging, and construction sectors. Gains were largest in the education and health services sector, in which sector payrolls increased by 4,900 jobs, or 3.3 percent, during the past year. During the 3-year forecast period, nonfarm payrolls are expected to grow at an average annual rate of 1.5 percent.

Sales Market

The sales housing market in the HMA is currently balanced. The estimated sales vacancy rate is 1.1 percent, down from 1.7 percent in 2010. During the next 3 years, demand is estimated for 4,125 new homes (Table 1). The 200 homes under construction and some of the estimated 19,000 other vacant units that may reenter the market will satisfy a portion of the demand.

Rental Market

The rental housing market in the HMA is currently balanced. The estimated overall rental vacancy rate is 5.3 percent, down from 6.0 percent in 2010. Conditions in the apartment market are slightly tight. The apartment vacancy rate was 3.5 percent during the third quarter of 2017, down from 5.2 percent in 2009 (Reis, Inc.). During the forecast period, demand is estimated for 3,850 new market-rate units (Table 1). The 1,900 units under construction will satisfy a portion of this demand.

Table 1. Housing Demand in the Westchester HMA* During the Forecast Period

	Westchester HMA*	
	Sales Units	Rental Units
Total demand	4,125	3,850
Under construction	200	1,900

* Orange-Rockland-Westchester HMA.
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of November 1, 2017. A portion of the estimated 19,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is November 1, 2017, to November 1, 2020.

Source: Estimates by analyst

Economic Conditions

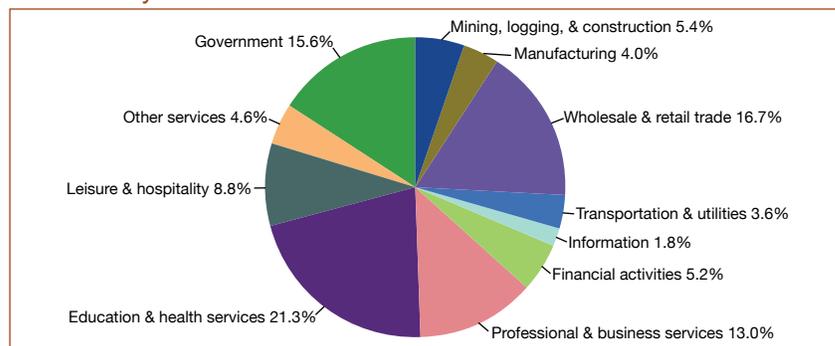
Job growth in the Westchester HMA since 2000 has been largely concentrated in the education and health services sector, which is the largest sector in the HMA with approximately 21 percent of all nonfarm payrolls (Figure 1). Since 2000, payrolls in this sector have increased by an average of 2,400 jobs, or 1.7 percent, annually, accounting for approximately 63 percent of all nonfarm payroll growth in the HMA. Although the educational services industry contributed some gains, nearly 80 percent of the sector growth was in the health care and social assistance industry, which was up by an average of 3,800 jobs, or 1.7 percent, annually. This industry includes 5 of the 10 largest

employers in the HMA, including Westchester Medical Center Health Network, the second largest employer with 7,000 total employees (Table 2). The health network is currently building a new \$230 million Ambulatory Care Pavilion that began construction in 2016 and is expected to be completed in 2018. The construction of the facility created approximately 230 jobs, and an estimated 180 new full-time jobs are expected once completed.

Job growth in the healthcare and social assistance industry was especially strong during the past 3 years. Since 2015, nonfarm payrolls in this industry have increased by an average of 4,900 jobs, or 4.3 percent, annually compared with an average of 1,300 jobs, or 1.3 percent, added annually from 2000 through 2014. The increased job growth is attributed to the additional use of medical services due to more residents having health insurance. In 2015, 92.3 percent of residents in the HMA were insured, up from 88.6 percent in 2013 (Census Bureau, Small Area Health Insurance Estimates).

In the leisure and hospitality sector, payrolls are up 40 percent from 2000, which is the largest percentage increase of all economic sectors (Figure 2). Job growth in the sector has been especially strong since 2010. During this period, payrolls were up by an average of 1,500 jobs, or 2.7 percent, compared with payrolls increasing by an average of 800 jobs, or 1.7 percent, from 2000 through 2009. The recent surge in job growth is partially attributed to increased tourism into the HMA in response to improving economic conditions nationwide. During 2016, tourism spending and the number of jobs supported by

Figure 1. Current Nonfarm Payroll Jobs in the Westchester HMA,* by Sector



* Orange-Rockland-Westchester HMA.

Note: Based on 12-month averages through October 2017.

Source: U.S. Bureau of Labor Statistics

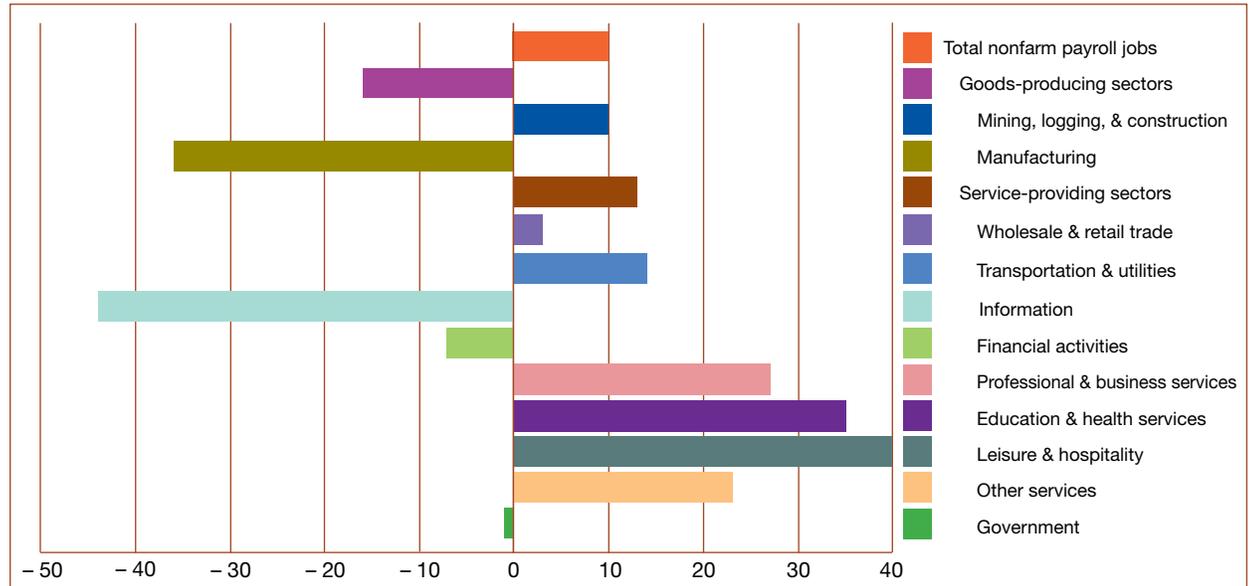
Table 2. Major Employers in the Westchester HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
International Business Machines Corporation	Professional & business services	7,550
Westchester Medical Center Health Network	Education & health services	7,000
MasterCard	Financial activities	6,700
United States Military Academy	Government	4,000
New York Medical College	Education & health services	3,775
PepsiCo, Inc.	Wholesale & retail trade	3,000
Orange Regional Medical Center	Education & health services	2,525
White Plains Hospital	Education & health services	2,300
St. John's Riverside Hospital	Education & health services	2,225
Nyack Hospital	Education & health services	1,925

* Orange-Rockland-Westchester HMA.

Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data.

Sources: Westchester County Business Journal, Orange County Partnership; estimates by analyst

Figure 2. Sector Growth in the Westchester HMA,* Percentage Change, 2000 to Current

* Orange-Rockland-Westchester HMA.

Note: Current is based on 12-month averages through October 2017.

Source: U.S. Bureau of Labor Statistics

tourism totaled \$2.77 billion and 42,150 jobs, up 10 and 5 percent respectively compared with 2012 (Tourism Economics).

The wholesale and retail trade sector in the HMA was historically stronger than in the rest of the nation, but competition from online retailers in recent years resulted in weak job growth in the sector. Since 2013, nonfarm payrolls in the sector have increased by an average of 700 jobs, or 0.6 percent, annually compared with growth from 2010 through 2012 that averaged 2,100 jobs, or 1.9 percent. By comparison, nationwide payroll growth in the sector has averaged 1.2 percent since 2013, up from average annual growth of 0.7 percent from 2010 through 2012. During 2017, Sears and J.C. Penney Company, Inc. closed retail stores in the HMA, resulting in nearly 190 total jobs lost.

Economic conditions in the HMA have fluctuated since 2004 with periods of job gains and losses. From 2004 through 2007, economic conditions in

the HMA improved, but job growth was slower than in the nation. During the 4-year period, nonfarm payrolls in the HMA increased by an average of 6,900 jobs, or 1.0 percent, annually. By comparison, nonfarm payrolls nationwide were up an average of 1.4 percent annually during the same period. Within the HMA, job gains were largest in the education and health services, the professional and business services, and the mining, logging, and construction sectors, which increased by an average of 2,300, 1,400, and 1,200 jobs, or 1.9, 1.8, and 3.2 percent, respectively. Losses in the manufacturing sector, which was down by an average of 700 jobs, or 1.8 percent, annually, partially offset these gains.

From 2008 through 2010, nonfarm payrolls in the HMA declined, but job losses were less severe than in the rest of the nation. During the 3-year period, nonfarm payrolls in the HMA declined by an average of 8,300 jobs, or 1.2 percent, annually compared with 1.9 percent nationally. More

than one-half of these losses were in the mining, logging, and construction and the manufacturing sectors, which annually declined by an average of 3,200 and 1,400 jobs, or 8.6 and 4.1 percent, respectively. A slowdown in homebuilding activity largely contributed to losses in the mining, logging, and construction sector. In the manufacturing sector, losses include more than 500 jobs at Pfizer Inc. as part of restructuring after merging with Wyeth Pharmaceuticals. Gains in the education and health services and the leisure and hospitality sectors, which increased by 2,400 and 900 jobs, or 1.9 and 1.8 percent, respectively, partially offset these losses.

Economic conditions improved at a moderate pace from 2011 through 2016, but job growth was slower than the nation. During the 6-year period, nonfarm payrolls increased by an average of 7,800 jobs, or 1.1 percent, annually. By comparison, national payrolls increased an average of 1.7 percent annually. Nearly 85 percent of the net job gains in the HMA were in the education and health services,

the professional and business services, and the leisure and hospitality sectors, which annually increased by averages of 2,800, 2,000, and 1,800 jobs, or 2.0, 2.4, and 3.1 percent, respectively. In the education and health services sector, Crystal Run Healthcare, a multispecialty medical group, opened a new facility in 2015, resulting in approximately 250 new jobs.

Job growth continued at a steady pace during the past year. During the 12 months ending October 2017, nonfarm payrolls increased by 9,800 jobs, or 1.4 percent (Table 3). Gains continued to be largest in the education and health services and the professional and business services sectors, which increased by 4,900 and 3,300 jobs, or 3.3 and 3.7 percent, respectively. Losses in the mining, logging, and construction and the manufacturing sectors, which decreased by 1,200 and 700 jobs, or 3.0 and 2.4 percent, respectively, partially offset these gains. Declines in the manufacturing sector include nearly 240 jobs lost when Teva Pharmaceutical Industries Ltd. closed a manufacturing facility in the town of Haverstraw.

During the 12 months ending October 2017, the unemployment rate in the HMA averaged 4.3 percent, up slightly from 4.2 percent during the same period a year earlier but down from the average 7.2-percent rate from 2009 through 2012. The current rate is lower than the statewide and nationwide rates of 4.6 and 4.5 percent respectively. Figure 3 shows trends in the labor force, resident employment, and unemployment rates in the HMA from 2000 through 2016.

During the 3-year forecast period, nonfarm payrolls are estimated to increase by an average of 10,800 jobs,

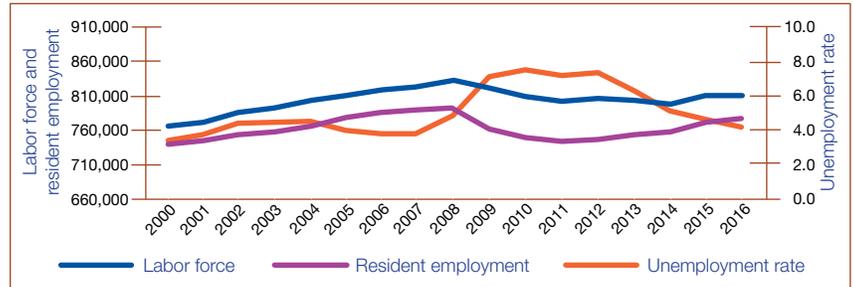
Table 3. 12-Month Average Nonfarm Payroll Jobs in the Westchester HMA,* by Sector

	12 Months Ending		Absolute Change	Percent Change
	October 2016	October 2017		
Total nonfarm payroll jobs	707,000	716,800	9,800	1.4
Goods-producing sectors	69,600	67,600	-2,000	-2.9
Mining, logging, & construction	39,800	38,600	-1,200	-3.0
Manufacturing	29,700	29,000	-700	-2.4
Service-providing sectors	637,500	649,200	11,700	1.8
Wholesale & retail trade	118,100	119,600	1,500	1.3
Transportation & utilities	25,200	25,500	300	1.2
Information	13,100	12,800	-300	-2.3
Financial activities	37,300	37,400	100	0.3
Professional & business services	90,000	93,300	3,300	3.7
Education & health services	148,100	153,000	4,900	3.3
Leisure & hospitality	63,700	63,200	-500	-0.8
Other services	31,700	32,800	1,100	3.5
Government	110,300	111,600	1,300	1.2

* Orange-Rockland-Westchester HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through October 2016 and October 2017.

Source: U.S. Bureau of Labor Statistics

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Westchester HMA,* 2000 Through 2016

* Orange-Rockland-Westchester HMA.

Source: U.S. Bureau of Labor Statistics

or 1.5 percent, annually, and growth is expected to be relatively steady during all 3 years. Gains are expected to continue to be strongest in the education and health services sector with additional gains in the leisure and hospitality sector, especially during the third year of the forecast period. Expected additions include approximately 590 new jobs when Shrub Oak International School, a private school

for young adults with autism, opens in fall 2018. In the leisure and hospitality sector, Merlin Entertainments recently announced construction plans for Legoland® New York, which will be a theme park in Orange County. Approximately 800 temporary jobs are expected during construction, and an estimated 1,300 permanent jobs are expected once the theme park is completed in early 2020.

Population and Households

As of November 1, 2017, the estimated population of the Westchester HMA is 1.69 million, up by an average of 7,175, or 0.4 percent, annually since April 2010 (Census Bureau decennial census counts). The strength of the local economy relative to the national economy has affected population trends since 2000 but in countercyclical patterns. During periods when nationwide job growth was stronger than job growth in the HMA, net out-migration from the HMA occurred, whereas slight net in-migration accompanied years of weak nationwide conditions. This trend, which was especially notable in recent years, is partially attributed to

families moving to parts of the region and nation with better job opportunities and more affordable housing options. From 2011 to 2016, the number of family households decreased by an average of 2,175, or 0.5 percent, annually compared with an average increase in nonfamily households of 5,175, or 1.3 percent, annually from 2008 to 2011 (American Community Survey [ACS]).

From 2003 to 2008, the population of the HMA increased by an average of 4,475, or 0.3 percent, annually (Census Bureau population estimates as of July 1). The slow rate of growth was because strong net out-migration,

Population and Households *Continued*

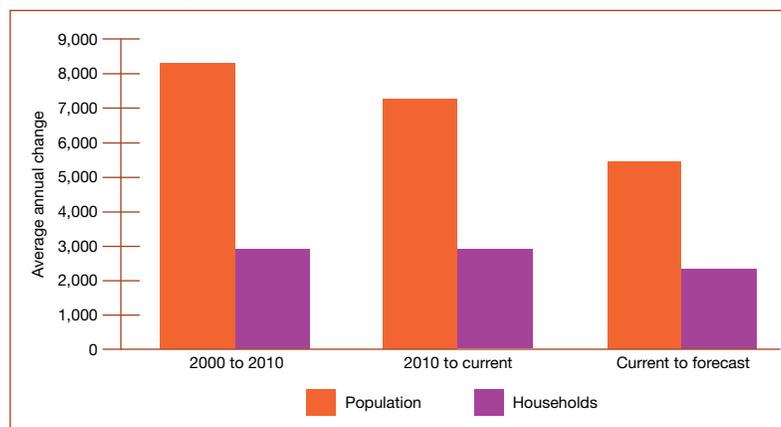
which averaged 6,075 annually, partially offset gains from net natural change (resident births minus resident deaths) that averaged 10,550 annually. As a result of the relatively weaker economic conditions elsewhere in the nation because of the Great Recession, out-migration slowed from 2008 to 2011, resulting in net in-migration each year. During the 3-year period, net in-migration averaged 1,975 annually, resulting in population growth increasing to an average of 11,350 people, or 0.7 percent. Since

2011, weak job growth in the HMA relative to the nation has caused population growth to slow because of net out-migration. Growth slowed to an average of 6,450 people, or 0.4 percent, annually because of net out-migration, which averaged 2,050 people annually. Out-migration in recent years was especially notable to portions of New York State outside the HMA and the adjacent states of New Jersey and Connecticut. During the 5-year period from 2011 to 2015, out-migration to these regions accounted for approximately 56 percent of all out-migration from the HMA (2011–2015 ACS 5-year data). Figure 4 shows population and household growth in the HMA, and Figure 5 shows the components of population change in the HMA, from 2000 to the forecast date.

An estimated 593,200 households currently reside in the HMA. Since 2010, the number of households has increased by an average of 2,750, or 0.5 percent, annually, similar to household growth from 2000 to 2010 that averaged 2,775, or 0.5 percent, annually. Since 2010, nearly 60 percent of household growth has been in renter households, compared with less than 16 percent of household growth from 2000 to 2010. This trend is partially attributed to young professionals residing in the HMA, largely in Westchester County, choosing to rent rather than own because of high home sales prices and tighter lending standards. Figure 6 illustrates the number of households by tenure in the HMA from 2000 to the current date.

During the 3-year forecast period, steadily improving economic conditions nationwide are expected to pull residents from the HMA, resulting in continued net out-migration. As a

Figure 4. Population and Household Growth in the Westchester HMA,* 2000 to Forecast

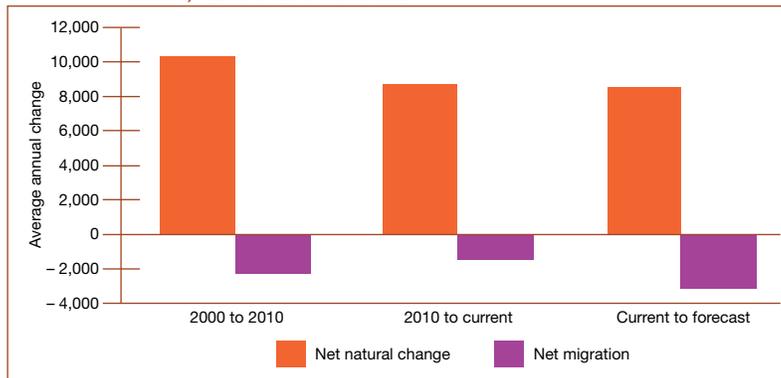


* Orange-Rockland-Westchester HMA.

Notes: The current date is November 1, 2017. The forecast date is November 1, 2020.

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

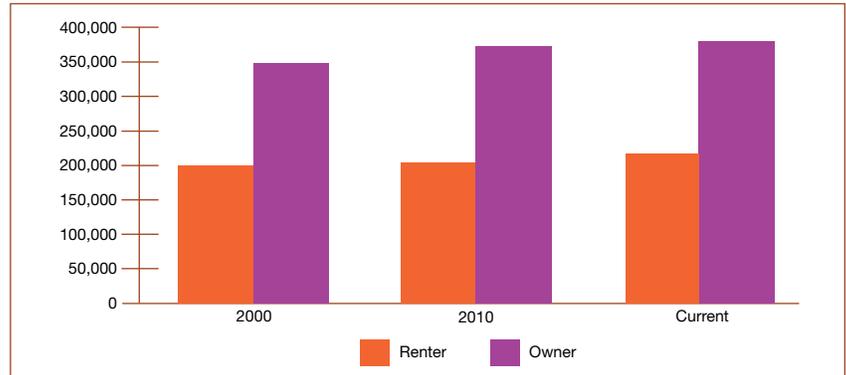
Figure 5. Components of Population Change in the Westchester HMA,* 2000 to Forecast



* Orange-Rockland-Westchester HMA.

Notes: The current date is November 1, 2017. The forecast date is November 1, 2020.

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

Figure 6. Number of Households by Tenure in the Westchester HMA,* 2000 to Current

* Orange-Rockland-Westchester HMA.

Note: The current date is November 1, 2017.

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

result, population growth is estimated to continue to be slow, averaging 0.3 percent, or 5,325 people, annually.

Households are estimated to increase during the forecast period by an average of 2,275, or 0.4 percent, annually.

Housing Market Trends

Sales Market

The sales housing market in the Westchester HMA is currently balanced. The current sales vacancy rate is estimated at 1.1 percent, down from 1.7 percent in 2010 (Table DP-1 at the end of this report). During the third quarter of 2017, the HMA had 4.3 months of available existing inventory, down slightly from 4.9 months of inventory during the third quarter of 2016 and from 7.3 months of inventory during the first quarter of 2013 (Hudson Gateway Association of Realtors®, Inc.).

Sales market conditions in the HMA were balanced from 2000 through 2002 but transitioned to soft conditions from 2003 through 2008 because of high levels of single-family construction activity and strong net out-migration. From 2009 through 2011, conditions remained soft because of

weak economic conditions and tighter lending standards. Since 2012, however, the sales market has transitioned into balanced conditions, because improving economic conditions in the HMA enabled more residents to purchase a home.

During the 12 months ending August 2017, approximately 13,500 new and existing single-family homes, townhomes, and condominiums sold, representing an increase of 1,225 homes sold, or 10 percent, from the 12 months ending August 2016 (CoreLogic, Inc., with adjustments by the analyst). Steadily improving economic conditions in the HMA led to home sales increasing an average of 9 percent annually during the past 5 years, and the current level of sales is up 53 percent compared with the 8,800 homes sold during 2012. Sales

Housing Market Trends

Sales Market *Continued*

activity, however, is still down 39 percent from the average of 22,250 homes sold annually from 2000 through 2005, when sales levels were at their highest because of lenient borrowing requirements.

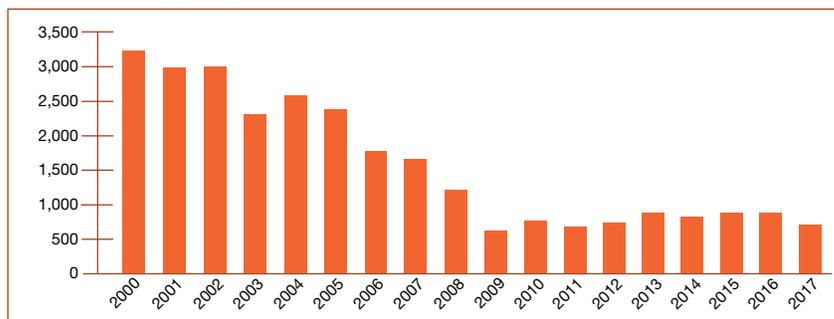
During the 12 months ending August 2017, the average sales price of new and existing single-family homes, townhomes, and condominiums decreased 1 percent to \$419,000. The average sales price decreased an average of 3 percent annually during the past 6 years despite increases in each county in the HMA. Prices declined in recent years, because a larger portion of all sales were in the more affordable counties of Orange and Rockland, where the combined average sales price was 59 percent lower than in Westchester County during the past year. Since 2012, nearly two-thirds of all home sales in the HMA have been in Orange and Rockland Counties. By comparison, from 2005 through 2008 when the average sales price in the HMA was at a peak level of \$542,800, approximately one-half of home sales were in Orange and Rockland County.

The rate of seriously delinquent loans (loans that are 90 or more days delinquent or in foreclosure) and real estate owned (REO) properties in the

HMA did not reach the same peaks as the rest of the nation during the housing crisis, but rates declined more slowly in the HMA and state. These trends are, in part, because New York is a judicial foreclosure state in which the average length of the foreclosure process is longer than in states with a nonjudicial foreclosure process. In September 2017, 4.1 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 5.1 percent in September 2016 and a peak of 8.2 percent in February 2013 (CoreLogic, Inc.). The current rate in the HMA is slightly lower than the statewide rate of 4.9 percent but higher than the national rate of 2.2 percent. The peak rate in the HMA, however, was lower than both the statewide and nationwide peaks of 8.6 percent each in January 2013 and February 2010 respectively.

Single-family homebuilding activity, as measured by the number of homes permitted, increased during the past 5 years. Recent levels, however, are well below those from the early to mid-2000s, which is partially attributed to a lack of developable land in Westchester County. From 2000 through 2005, an average of 2,750 homes were permitted annually (Figure 7). Homebuilding activity decreased to an average of 1,550 annually from 2006 through 2008 in response to rising sales vacancy rates from net out-migration. Activity further declined to an average of 690 homes permitted annually from 2009 through 2012 because of low levels of sales activity. Increased sales activity partially contributed to construction activity increasing to an average of 860 homes permitted annually from 2013 through 2016. During the 12

Figure 7. Single-Family Homes Permitted in the Westchester HMA,* 2000 to Current



* Orange-Rockland-Westchester HMA.

Notes: Includes townhomes. Current includes data through October 2017.

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

Housing Market Trends

Sales Market *Continued*

months ending October 2017, approximately 670 homes were permitted, up 11 percent from the previous 12-month period (preliminary data).

Recent construction activity has largely been concentrated in Orange and Rockland Counties because of a lack of developable land in Westchester County. Current development includes Forest Ridge in the city of Newburgh in Orange County. Nearly one-half of the 45 planned single-family homes at the community have been completed since 2014, and the remaining homes are expected to be constructed during the next 3 years. Prices for these three- and four-bedroom homes start at \$389,900 and \$424,900 respectively. In the hamlet

of Pine Bush in Orange County, the final six townhomes are currently being constructed at Bonivista Village. Approximately 95 homes have been completed since 1997, and prices for the recently completed one- and two-bedroom townhomes start at \$194,500 and \$204,500 respectively. Construction in Westchester County includes Toll Brothers at Valeria, a townhome community in the town of Cortlandt. Approximately one-third of the 147 planned homes have been completed since 2015, and prices range from \$557,000 to \$681,000 for these newly constructed two-bedroom, two-bathroom townhomes.

During the 3-year forecast period, demand is estimated for 4,125 new single-family homes, townhomes, and condominiums (Table 1). The 200 homes under construction and a portion of the estimated 19,000 other vacant homes that may reenter the market will satisfy some of the demand. Demand is expected to be relatively steady during all 3 years. New home prices are expected to start at \$200,000 for townhomes and \$300,000 for single-family homes; 45 percent of all demand is estimated to be for homes priced from \$300,000 to \$499,999 (Table 4).

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

Price Range (\$)		Units of Demand	Percent of Total
From	To		
200,000	299,999	830	20.0
300,000	399,999	1,025	25.0
400,000	499,999	830	20.0
500,000	599,999	410	10.0
600,000	699,999	410	10.0
700,000	799,999	410	10.0
800,000	and higher	210	5.0

* Orange-Rockland-Westchester HMA.

Notes: The 200 homes currently under construction and a portion of the estimated 19,000 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is November 1, 2017, to November 1, 2020.

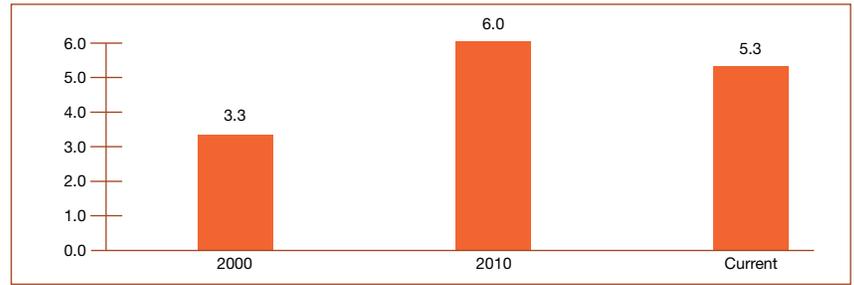
Source: Estimates by analyst

Rental Market

The rental housing market, including apartment units and single-family rental homes, in the Westchester HMA is currently balanced. In 2016, 49 percent of all rental units were in structures with four or fewer units, up from approximately 48 percent of all rental units in 2010 (ACS 1-year data). The overall rental vacancy rate is estimated at 5.3 percent, down from 6.0 percent in 2010 (Figure 8). Rental

market conditions were slightly tight from 2000 through 2003 but transitioned to slightly soft from 2004 through 2007 because of high levels of apartment construction activity and net out-migration. As a result of limited construction activity, the rental market transitioned to balanced from 2008 through 2010, and conditions have remained balanced since 2011, as construction of new

Figure 8. Rental Vacancy Rates in the Westchester HMA,* 2000 to Current



* Orange-Rockland-Westchester HMA.

Note: The current date is November 1, 2017.

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

apartment units and the conversion of owner-occupied units to rentals have kept up with increasing demand for rentals.

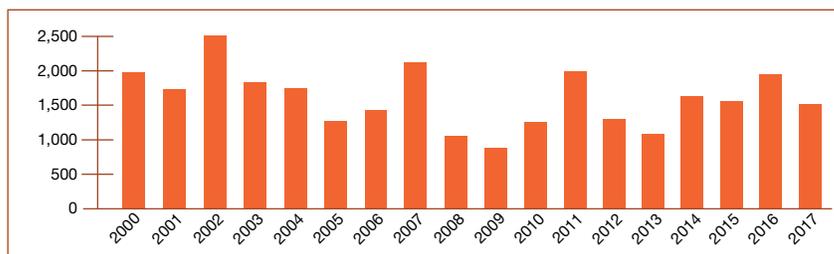
Conditions in the apartment market are currently slightly tight compared with slightly soft conditions in 2010. During the third quarter of 2017, the apartment vacancy rate was 3.5 percent (Reis, Inc.). The current vacancy rate is up slightly from 3.2 percent during the third quarter of 2016 but down from the 5.2-percent rate in 2009. Vacancy rates are down compared with 2009, largely because young professionals chose to rent apartments as opposed to purchasing homes because of high housing prices in Westchester County, where housing demand by this group is strongest because it is closest to New York City. During the third quarter of 2017, the average asking rent was

\$2,146, relatively unchanged compared with the third quarter of 2016. By comparison, during corresponding periods from 2010 through 2016, average asking rents increased an average of 3 percent annually because of tightening market conditions.

Multifamily building activity, as measured by the number of units permitted, has been strong since 2011. From 2000 through 2007, an average of 1,825 units were permitted annually (Figure 9). Rising apartment vacancy rates resulted in construction activity slowing to an average of 1,050 units permitted annually from 2008 through 2010. From 2011 through 2016, permitting activity increased to an average of 1,575 units permitted, which is attributed to tightening apartment market conditions. During the 12 months ending October 2017, approximately 1,650 units were permitted, down 12 percent compared with the number of units permitted during the previous 12-month period (preliminary data). Since 2009, approximately 2 percent of all multifamily units permitted have been for condominiums compared with 12 percent of all units permitted from 2000 through 2008.

Recent apartment construction activity in the HMA has been largely concentrated near transit stations with

Figure 9. Multifamily Units Permitted in the Westchester HMA,* 2000 to Current



* Orange-Rockland-Westchester HMA.

Notes: Excludes townhomes. Current includes data through October 2017.

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

service to New York City. In the city of Yonkers in Westchester County, construction included 330 units at River Tides at Greystone, which was completed in early 2017. Rents for these studio, one-, two-, and three-bedroom units start at \$1,700, \$2,200, \$2,700, and \$4,500 respectively. In Orange County, the second phase of 202 units at Southgate Middletown in the city of Middletown is currently under way and expected to be complete in mid-2018. The first phase, which contains 108 units, was completed in late 2016, and rents for these one- and two-bedroom units start at \$1,625 and \$1,850 respectively.

The HMA is home to 16 colleges and universities that house students. The total enrollment at these schools is approximately 60,000 students, down approximately 5 percent compared with 2011 (*Westchester County Business Journal*; analyst estimates). Approximately 24 percent of currently enrolled students are housed in on-campus dormitories. Of the remaining students, an estimated

90 percent reside within the HMA, and student households account for approximately 6 percent of all renter households. Two buildings with approximately 750 new beds were recently constructed on the Pleasantville Campus of Pace University in Westchester County, which helped alleviate tight apartment conditions near the university; the two buildings were completed during 2015 and 2016.

During the 3-year forecast period, demand is expected for 3,850 new market-rate rental units (Table 1). The 1,900 units under construction will satisfy a portion of the demand. Demand is expected to be relatively steady throughout the forecast period, and new supply should be targeted to become available during the second and third years, because the units under construction will satisfy all demand during the first year. Table 5 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the HMA.

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

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand	Monthly Rent (\$)	Units of Demand
1,500 to 1,699	260	1,700 to 1,899	290	3,500 to 3,699	20
1,700 to 1,899	170	1,900 to 2,099	190	3,700 to 3,899	40
1,900 to 2,099	170	2,100 to 2,299	95	3,900 to 4,099	30
2,100 to 2,299	170	2,300 to 2,499	190	4,100 to 4,299	20
2,300 to 2,499	260	2,500 to 2,699	290	4,300 to 4,499	40
2,500 or more	690	2,700 or more	870	4,500 or more	50
Total	1,725	Total	1,925	Total	190

* Orange-Rockland-Westchester HMA.

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 1,900 units currently under construction will likely satisfy some of the estimated demand. The forecast period is November 1, 2017, to November 1, 2020.

Source: Estimates by analyst

Data Profile

Table DP-1. Westchester HMA* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	740,479	749,110	777,000	0.1	0.5
Unemployment rate	3.4%	7.5%	4.3%		
Nonfarm payroll jobs	652,400	661,800	716,800	0.1	1.2
Total population	1,551,579	1,633,613	1,688,000	0.5	0.4
Total households	544,605	572,399	593,200	0.5	0.5
Owner households	346,056	369,450	377,900	0.7	0.3
Percent owner	63.5%	64.5%	63.7%		
Renter households	198,549	202,949	215,300	0.2	0.8
Percent renter	36.5%	35.5%	36.3%		
Total housing units	567,172	611,903	628,500	0.8	0.4
Owner vacancy rate	1.0%	1.7%	1.1%		
Rental vacancy rate	3.3%	6.0%	5.3%		

* Orange-Rockland-Westchester HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through October 2017. The current date is November 1, 2017.

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: 11/1/2017—Estimates by the analyst
 Forecast period: 11/1/2017–11/1/2020—
 Estimates by the analyst

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in 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 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.

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 huduser.gov/publications/pdf/CMARtables_Orange_Rockland_WestchesterNY_18.pdf.

Contact Information

Joseph Shinn, Economist
 Philadelphia HUD Regional Office
 215-430-6683
joseph.j.shinn@hud.gov

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 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.

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