

New Hampshire ECONOMIC CONDITIONS

November 2023

Foliage Train Ride PHOTO CREDIT

NH River and Foliage PHOTO CREDIT

Jackson XC Covered Bridge PHOTO CREDIT by Mark Remming

NH Road in Winter PHOTO CREDIT

New Hampshire's Housing Shortage

Driven by an increase in domestic migration, population growth in New Hampshire accelerated during the coronavirus pandemic. The influx of new residents increased demand for housing in New Hampshire, and the supply of housing has not kept up with increased demand. Along with historically low interest rates, increased demand led to a double-digit increase in median home sales price in 2020, 2021 and 2022.

As mortgage rates increased throughout 2022 and 2023, home price increases slowed but did not decline. Through September, the median single family home sale price in 2023 increased 5.4 percent compared to the same period one year earlier. Compared to the first nine months of 2019, the median sale price increased 57 percent, from \$300,000 to \$470,000.¹

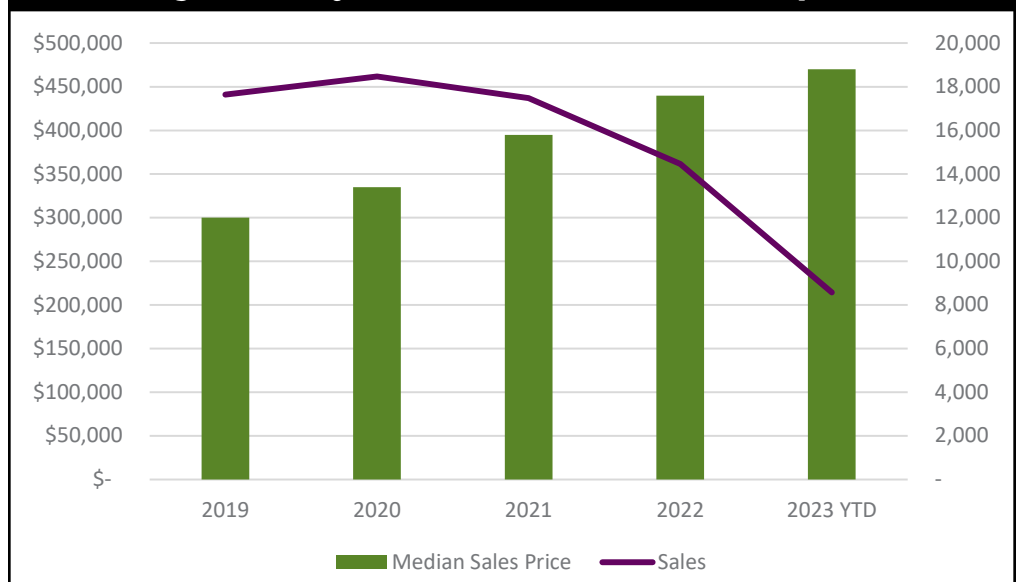
Rising sale prices and interest rates reduced the supply of homes for sale, as current homeowners have been hesitant to sell, trading an existing low interest rate mortgage for a higher rate. After increasing to nearly 18,500 sales in 2020, single family home sales fell to 14,500 in 2022, and year-to-date sales

through September 2023 were 20 percent below 2022 levels. Demand for rental housing is also high, leading to rising rents and a vacancy rate below one percent in 2021, 2022, and 2023 (supply and demand in the rental

market are considered balanced when the vacancy rate is around five percent).

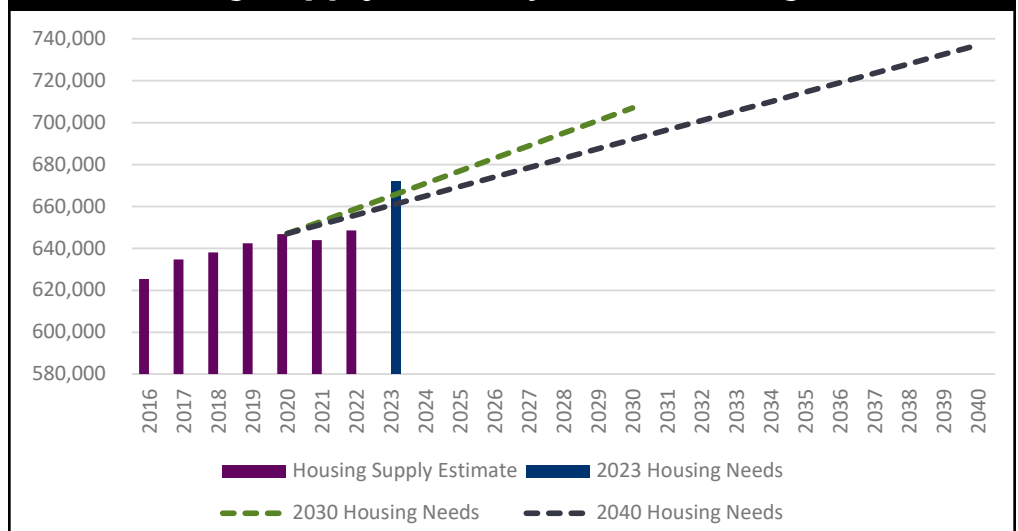
In their 2023 Housing Needs Assessment, New Hampshire Housing Finance Authority (NHHFA) estimated that New Hampshire

Single Family Home Sales in New Hampshire



Source: New Hampshire Association of Realtors, NH Monthly Indicators

Housing Supply and Projected Housing Needs



Source: U.S. Census Bureau, American Community Survey, New Hampshire Housing Finance Authority

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1 New Hampshire Association of Realtors, NH Monthly Indicators, <https://nhar-public.stats.showingtime.com/reports>.

currently needs an additional 23,500 housing units to stabilize the housing market.² To support future population growth, housing supply needs to increase by 60,000 units between 2020 and 2030, and by 90,000 units between 2020 and 2040. To reach these goals, housing supply in New Hampshire would need to increase by an average of 6,000 units per year to reach the 2030 target, and 4,500 per year to reach the 2040 target.

In addition to pandemic-era population growth, low levels of new housing construction since the Great Recession (2007 – 2009) have been a major factor in New Hampshire’s housing shortage. Although the number of building permits issued has increased almost every year since 2012, new construction fell to such low levels during the Great Recession that housing construction is still well below historic levels.³ The coronavirus pandemic also slowed new housing construction activity, although to a much lesser degree. New Hampshire averaged 4,637 building permits issued per year between 2018 and 2022, putting the state approximately

on pace to meet the NHHFA’s 2040 housing supply target. However, this is not sufficient to ease current housing market conditions, or to meet NHHFA’s 2030 housing supply target.

The number of building permits issued in 2023 is on pace to reach the highest level since before the Great Recession. Through August 2023, permits were issued for 3,333 housing units, a 17 percent increase over August 2022, and more than the first eight months of any year since 2006.

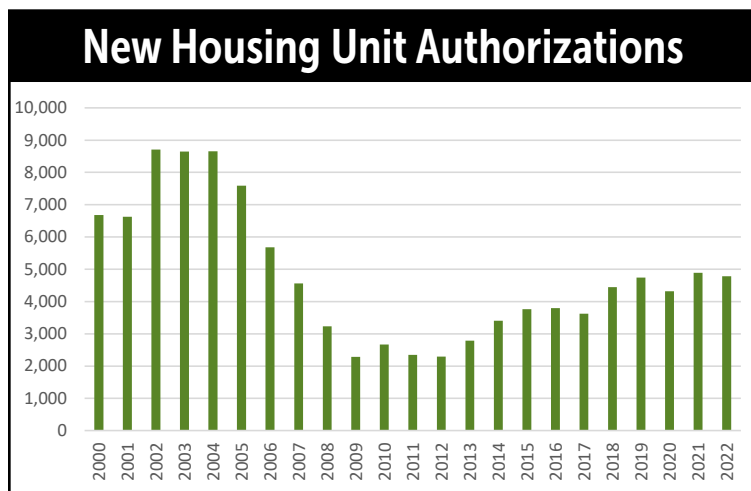
Multifamily Housing

Nearly two-thirds of housing in New Hampshire is single-family detached homes. These houses tend to be more expensive than other housing types, and require larger plots of land, making building them a relatively inefficient way to increase housing supply. The NHHFA’s 2023 Statewide Housing Needs Assessment included a number of recommendations to increase the rate of residential construction in New Hampshire. Most of NHHFA’s recommendations encourage higher-density housing, including policies encouraging accessory dwelling units, two-to-four-unit multifamily housing, and conversion of vacant office space to residential use.⁴

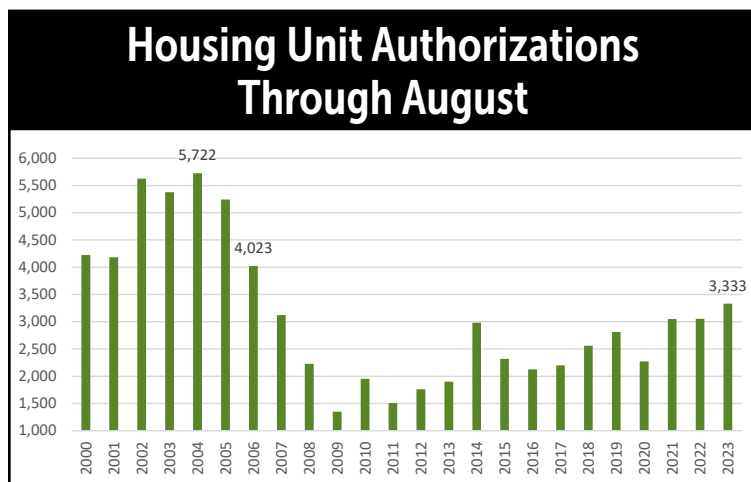
While any new housing built in New Hampshire will increase the housing supply, multifamily units (as well as single-family attached units such as duplexes and townhouses) can be built more cost-effectively than single-family detached units; building more multifamily units will increase not just the overall housing supply, but the state’s very limited supply of affordable housing.

Although single-family units remain the most common type of new housing built in New Hampshire, the share of permits issued for multifamily units has increased steadily in recent years. Since 2014, more than one-third of building permits issued have been for multifamily units, approximately twice the percentage of permits issued for multifamily units during the early 2000s housing boom. The total number of building permits remains well below the number issued during the early 2000s but more permits for multifamily units were issued between 2018 and 2022 (8,139 units) than between 2002 and 2006 (7,668 units), the peak of the housing boom.

Building permits for multifamily units were concentrated in more densely populated areas of the state. Between 2018 and 2022, more than 40 percent of building permits in Hillsborough, Rockingham and Strafford Counties were for multifamily units. In more rural Carroll, Coös, and Sullivan Counties, fewer than ten percent of building permits were for multifamily housing.

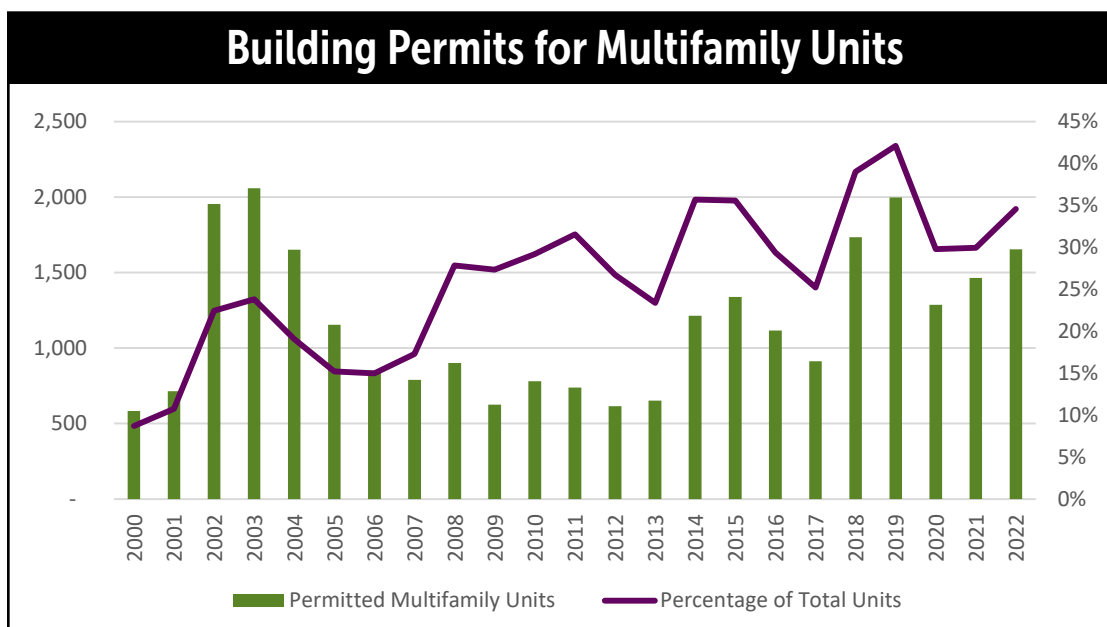


Source: U.S. Census Bureau, Building Permits Survey



Source: U.S. Census Bureau, Building Permits Survey

2 New Hampshire Housing Finance Authority, 2023 New Hampshire Statewide Housing Needs Assessment, p. 2. <https://www.nhhfa.org/wp-content/uploads/2023/04/2023-NH-Statewide-Housing-Needs-Assessment.pdf>
 3 Edward Pinto, “Where Will We Live?” (Presented at New Hampshire Housing Finance Authority’s 2023 Housing and Economy Conference, Manchester, NH, October 4, 2023).
 4 New Hampshire Housing Finance Authority, op. cit., p. 8.



One exception was relatively rural Grafton County, where 46 percent of building permits issued between 2018 and 2022 were for multifamily units. More than two-thirds of multifamily housing permits in Grafton County were issued in Lebanon, the largest municipality in the county. Outside of Lebanon, multifamily housing permits accounted for just 22 percent of total housing permits.

Effects of the Housing Shortage on New Hampshire Households

The U.S. Department of Housing and Urban Development (HUD) considers households that spend more than 30 percent of their income on housing to be cost-burdened. Cost-burdened households have less to spend on other goods and services, including necessities like food and medical care.

Low housing supply and high prices cause some higher-income households to delay buying a home and continue to rent, reducing the supply of available rental units for renters with lower incomes. According to the NHHFA, 30 percent of renter households (mostly higher-income households) spent less than 20 percent of their income on housing costs between 2016 and 2020.⁵ While not all of these households have delayed buying a home, a large number of higher-income renters renting relatively inexpensive units further limits the supply of available housing affordable to lower-income residents.

While residents of all income levels can be affected by high housing costs, low-income households are most likely to be affected. Finding affordable housing is particularly difficult for low-income households, making them more likely to

become cost-burdened by housing or rent units that are in poor condition. In addition, Cities with high housing costs generally have higher rates of homelessness than lower-cost cities, and homelessness rises when rents rise.⁶

Demographic and Population Challenges

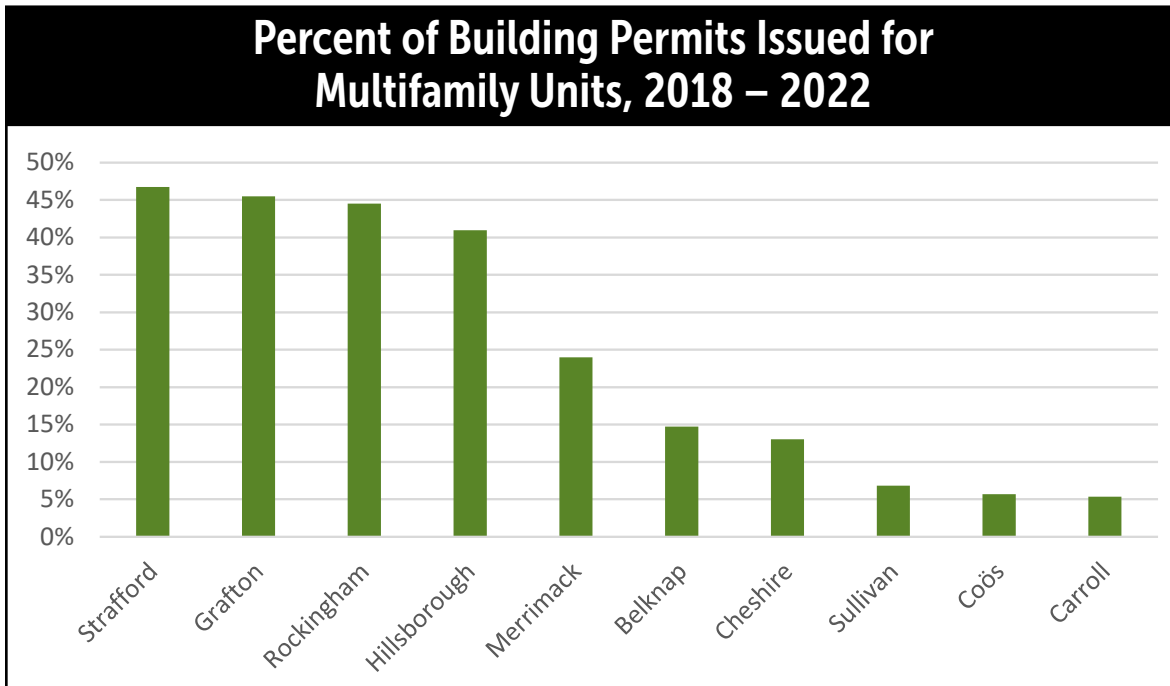
New Hampshire's housing shortage could affect another challenge facing the state. In 2022, the two largest age cohorts in New Hampshire (approximately 220,000 residents) were age 55 to 59 and age 60 to 64. Over the next ten years, these residents will reach retirement age, and many will leave the labor force. A declining labor force and growing senior population can increase financial burdens on state and local governments, which provide services for the senior population. To maintain or increase the size of its labor force, New Hampshire will require continued positive net migration, and will need an adequate supply of housing to accommodate new residents.

In recent years, migrants to New Hampshire from other states tended to be relatively young with higher levels of educational attainment. During the pandemic, many came from metro areas in the northeast with higher population densities and with high costs of living. Even with recent housing price increases, New Hampshire remains less expensive compared to those markets. While these in-migrants may not be deterred by high prices, a limited supply of housing for sale could slow the flow of migrants into New Hampshire. High prices and limited supply could also lead to an increase in out-migration, causing current residents, particularly middle- or low-income residents, to relocate to areas with lower cost-of-living.

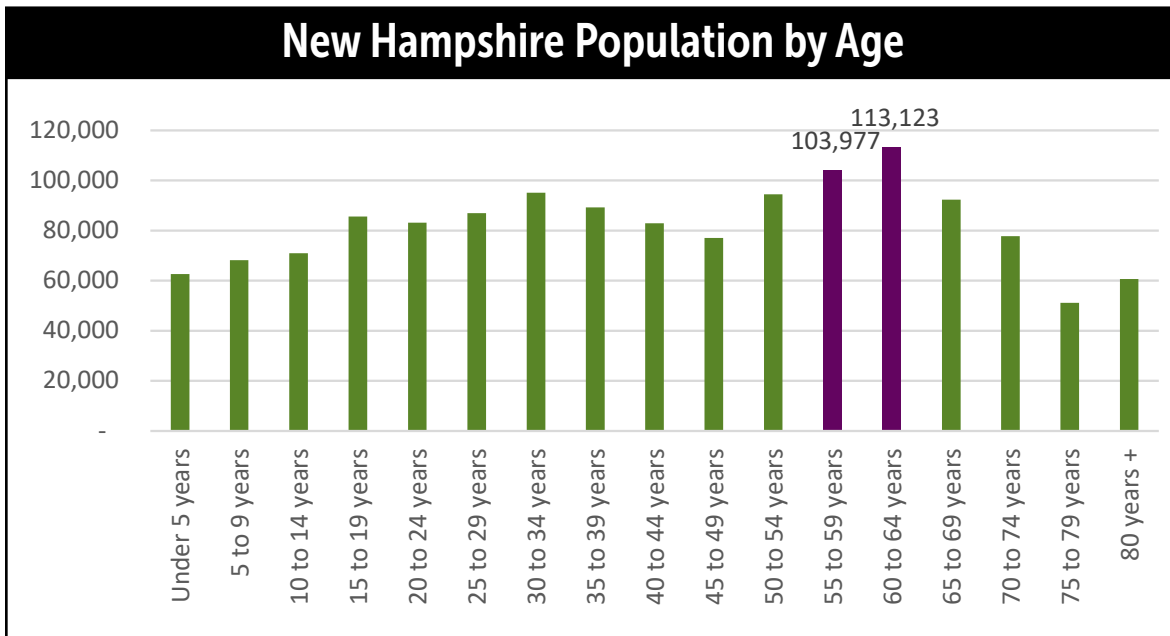
– Greg David, Economist

⁵ New Hampshire Housing Finance Authority, op. cit., p. 39.

⁶ Alex Horowitz, Chase Hatchett & Adam Staveski, "How Housing Costs Drive Levels of Homelessness," Pew Charitable Trusts, August 22, 2023. <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/08/22/how-housing-costs-drive-levels-of-homelessness>.



Source: U.S. Census Bureau, Building Permits Survey



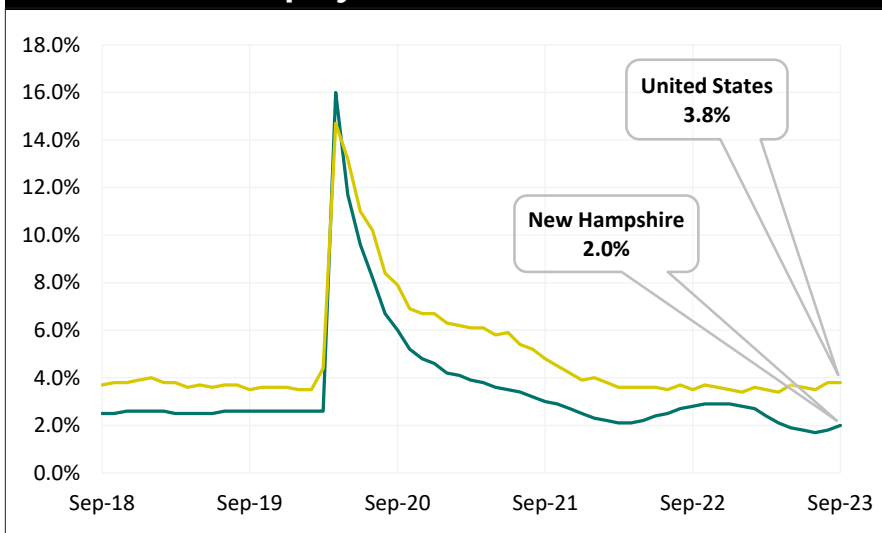
Source: U.S. Census Bureau, American Community Survey

SEASONALLY ADJUSTED ESTIMATES

Unemployment Estimates by Region

Seasonally Adjusted	Sept-23	Aug-23	Sept-22
United States	3.8%	3.8%	3.5%
Northeast	3.6%	3.5%	3.8%
New England	2.7%	2.7%	3.5%
Connecticut	3.5%	3.5%	4.0%
Maine	2.7%	2.5%	3.0%
Massachusetts	2.6%	2.6%	3.7%
New Hampshire	2.0%	1.8%	2.8%
Rhode Island	2.6%	2.7%	3.4%
Vermont	1.9%	1.8%	3.0%
Mid Atlantic	3.9%	3.8%	3.9%
New Jersey	4.4%	4.2%	3.2%
New York	4.0%	3.9%	4.0%
Pennsylvania	3.4%	3.5%	4.3%

**Local Area Unemployment Statistics (LAUS)
Unemployment Rate, NH and US**



Current Employment Statistics (CES) by Place of Establishment

	Number of Jobs			Change From Previous	
	Sep-23	Aug-23	Sep-22	Month	Year
Total Nonfarm	701,600	699,000	690,700	2,600	10,900
Total Private	614,100	611,700	604,100	2,400	10,000
Mining and Logging	900	1,000	1,000	-100	-100
Construction	31,400	31,400	30,200	0	1,200
Manufacturing	72,100	71,500	70,600	600	1,500
Durable Goods	53,800	53,400	52,700	400	1,100
Non-Durable Goods	18,300	18,100	17,900	200	400
Trade, Transportation, and Utilities	141,100	139,900	139,600	1,200	1,500
Wholesale Trade	32,700	32,600	31,800	100	900
Retail Trade	90,500	90,100	89,500	400	1,000
Transportation, Warehousing, and Utilities	17,900	17,200	18,300	700	-400
Information	11,500	11,600	11,900	-100	-400
Financial Activities	34,400	34,200	34,500	200	-100
Financial and Insurance	27,300	27,100	27,400	200	-100
Real Estate and Rental and Leasing	7,100	7,100	7,100	0	0
Professional and Business Services	103,200	102,400	97,200	800	6,000
Professional, Scientific, and Technical Services	50,600	50,900	47,500	-300	3,100
Management of Companies and Enterprises	10,900	10,900	10,700	0	200
Administrative and Support and Waste Management and Remediation Services	41,700	40,600	39,000	1,100	2,700
Education and Health Services	125,500	126,400	123,400	-900	2,100
Educational Services	31,400	31,300	30,500	100	900
Health Care and Social Assistance	94,100	95,100	92,900	-1,000	1,200
Leisure and Hospitality	69,700	69,000	71,200	700	-1,500
Arts, Entertainment, and Recreation	11,500	11,500	12,700	0	-1,200
Accommodation and Food Services	58,200	57,500	58,500	700	-300
Other Services	24,300	24,300	24,500	0	-200
Government	87,500	87,300	86,600	200	900
Federal Government	8,800	8,800	8,500	0	300
State Government	21,900	22,000	21,900	-100	0
Local Government	56,800	56,500	56,200	300	600

Current month is preliminary; past months are revised

Prior data and area data are available on our website at: www.nhes.nh.gov/elmi/statistics/ces-htm

NOT SEASONALLY ADJUSTED ESTIMATES BY PLACE OF RESIDENCE

Labor Force Estimates

New Hampshire	Sep-23	Aug-23	Sep-22
Total Civilian Labor Force	757,980	759,230	767,500
Employed	739,620	741,460	747,660
Unemployed	18,360	17,770	19,840
Unemployment Rate	2.4%	2.3%	2.6%

United States (# in thousands)	Sep-23	Aug-23	Sep-22
Total Civilian Labor Force	167,718	168,049	164,463
Employed	161,669	161,427	159,003
Unemployed	6,049	6,623	5,460
Unemployment Rate	3.6%	3.9%	3.3%

Unemployment Rates by Area

Counties	Sep-23	Aug-23	Sep-22
Belknap	2.4%	2.2%	2.6%
Carroll	2.6%	2.3%	2.7%
Cheshire	2.6%	2.6%	2.7%
Coös	2.6%	2.7%	3.4%
Grafton	2.4%	2.2%	2.5%
Hillsborough	2.5%	2.4%	2.6%
Merrimack	2.3%	2.1%	2.4%
Rockingham	2.4%	2.4%	2.6%
Strafford	2.4%	2.3%	2.5%
Sullivan	2.2%	2.0%	2.5%

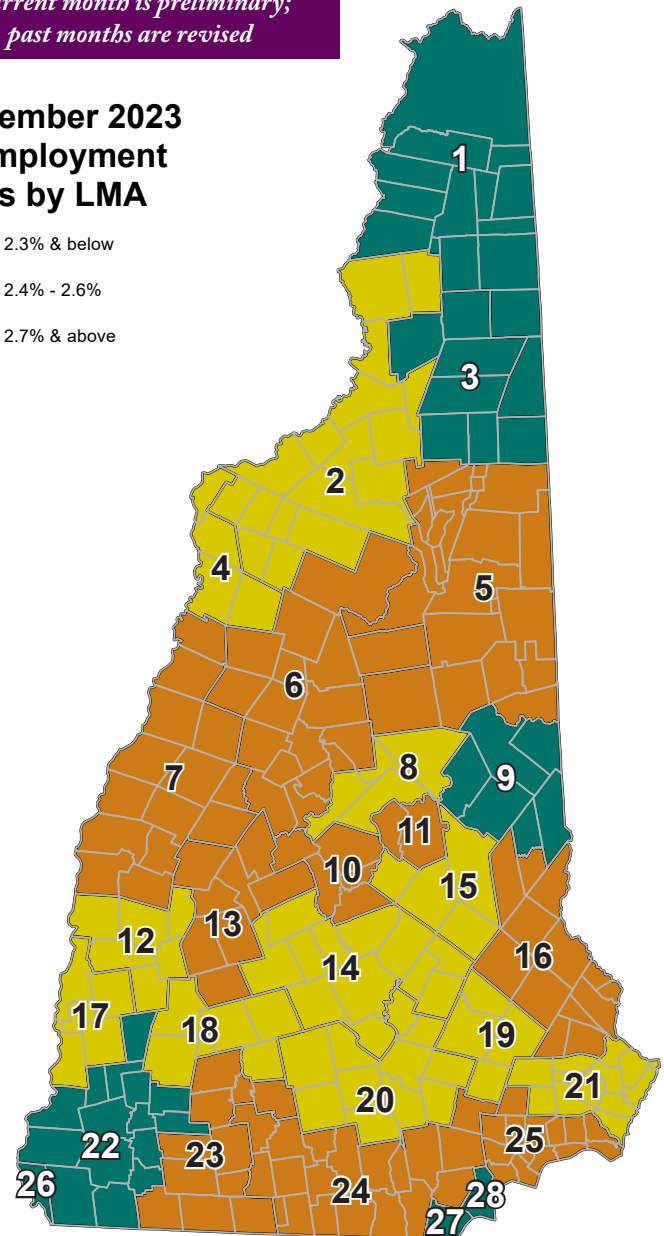
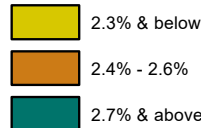
Map Key	Labor Market Areas	Sep-23	Aug-23	Sep-22
1	Colebrook, NH-VT LMA, NH Portion	2.7%	3.3%	4.5%
2	Littleton, NH-VT LMA, NH Portion	2.1%	2.1%	2.4%
3	Berlin NH Micropolitan NECTA	3.0%	3.0%	3.6%
4	Haverhill, NH LMA	2.3%	2.4%	2.9%
5	Conway, NH-ME LMA, NH Portion	2.5%	2.2%	2.6%
6	Plymouth, NH LMA	2.4%	2.2%	2.4%
7	Lebanon, NH-VT Micropolitan NECTA, NH Portion	2.4%	2.1%	2.5%
8	Meredith, NH LMA	2.3%	2.2%	2.4%
9	Wolfeboro, NH LMA	2.7%	2.4%	2.9%
10	Franklin, NH LMA	2.4%	2.3%	2.6%
11	Laconia, NH Micropolitan NECTA	2.6%	2.3%	2.7%
12	Expanded Claremont, NH estimating area	2.2%	2.0%	2.5%
13	New London, NH LMA	2.6%	2.3%	2.6%
14	Concord, NH Micropolitan NECTA	2.2%	2.1%	2.4%
15	Belmont, NH LMA	2.3%	2.2%	2.5%
16	Dover-Durham, NH-ME Metropolitan NECTA, NH Portion	2.4%	2.3%	2.5%
17	Charlestown, NH LMA	2.2%	2.1%	2.5%
18	Hillsborough, NH LMA	2.3%	2.3%	2.6%
19	Raymond, NH LMA	2.1%	2.1%	2.4%
20	Manchester, NH Metropolitan NECTA	2.3%	2.2%	2.5%
21	Portsmouth, NH-ME Metropolitan NECTA, NH Portion	2.2%	2.0%	2.3%
22	Keene, NH Micropolitan NECTA	2.7%	2.6%	2.8%
23	Peterborough, NH LMA	2.5%	2.5%	2.6%
24	Nashua, NH-MA NECTA Division, NH Portion	2.5%	2.5%	2.7%
25	Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division	2.6%	2.7%	2.8%
26	Hinsdale Town, NH Portion, Brattleboro, VT-NH LMA	2.8%	3.3%	3.1%
27	Pelham Town, NH Portion, Lowell-Billerica-Chelmsford, MA-NH NECTA Division	3.0%	3.2%	3.3%
28	Salem Town, NH Portion, Lawrence-Methuen-Salem, MA-NH NECTA Division	2.8%	2.9%	3.1%

Unemployment Rates by Region

Not Seasonally Adjusted	Sept-23	Aug-23	Sept-22
United States	3.6%	3.9%	3.3%
Northeast	3.5%	4.1%	3.4%
New England	2.6%	2.9%	3.3%
Connecticut	3.0%	3.5%	3.6%
Maine	2.5%	2.5%	2.4%
Massachusetts	2.5%	2.9%	3.5%
New Hampshire	2.4%	2.3%	2.6%
Rhode Island	2.3%	3.1%	2.9%
Vermont	2.0%	2.2%	2.7%
Mid Atlantic	3.8%	4.5%	3.5%
New Jersey	4.6%	5.1%	2.8%
New York	4.0%	4.4%	3.6%
Pennsylvania	3.1%	4.3%	3.9%

Current month is preliminary; past months are revised

September 2023 Unemployment Rates by LMA



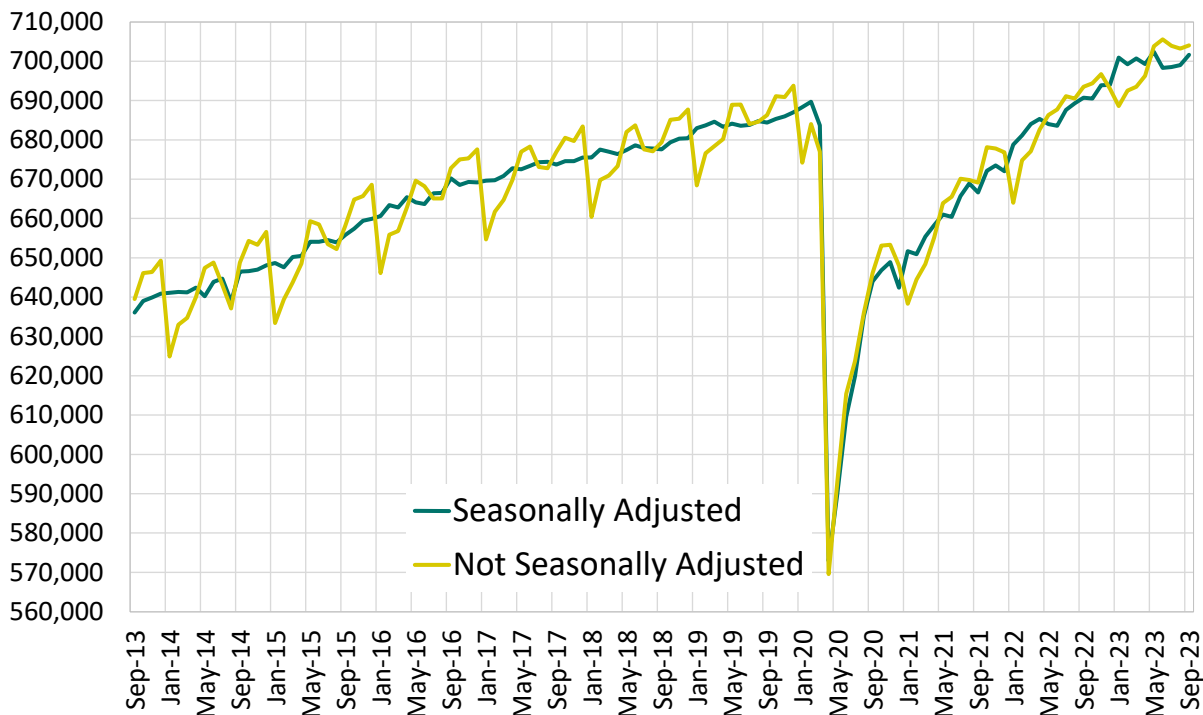
MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

**New Hampshire Nonfarm Employment Statewide
Not Seasonally Adjusted**

*Current month
is preliminary;
past months
are revised*

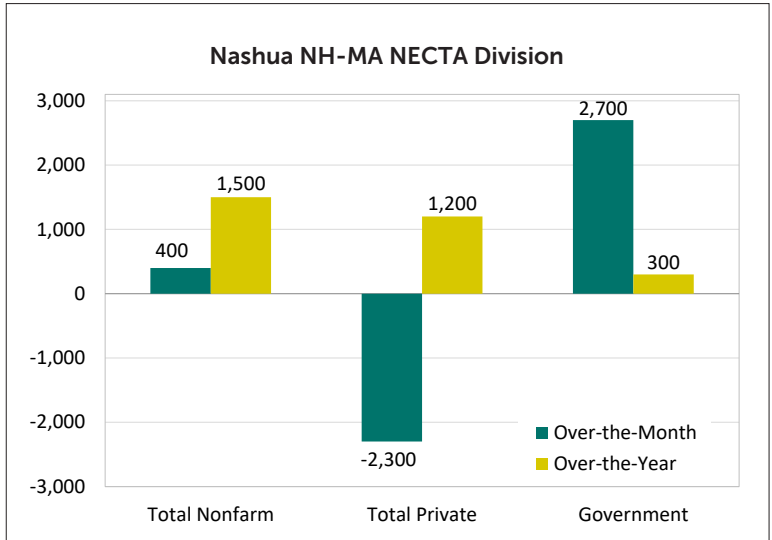
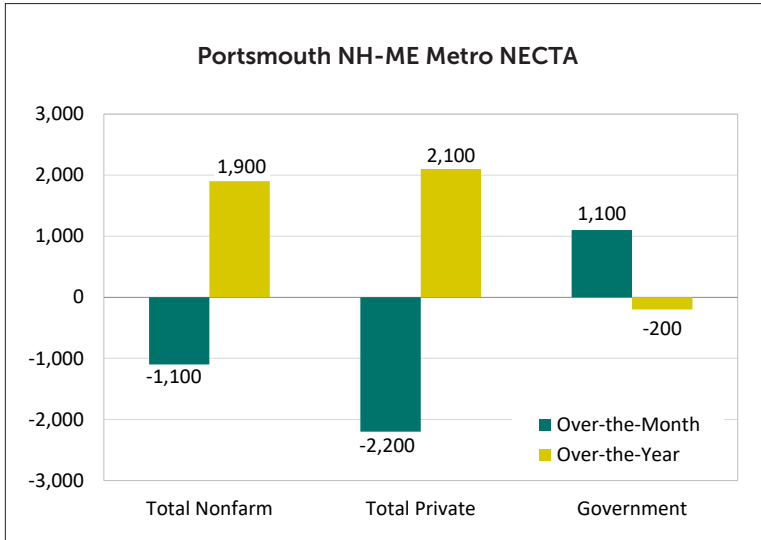
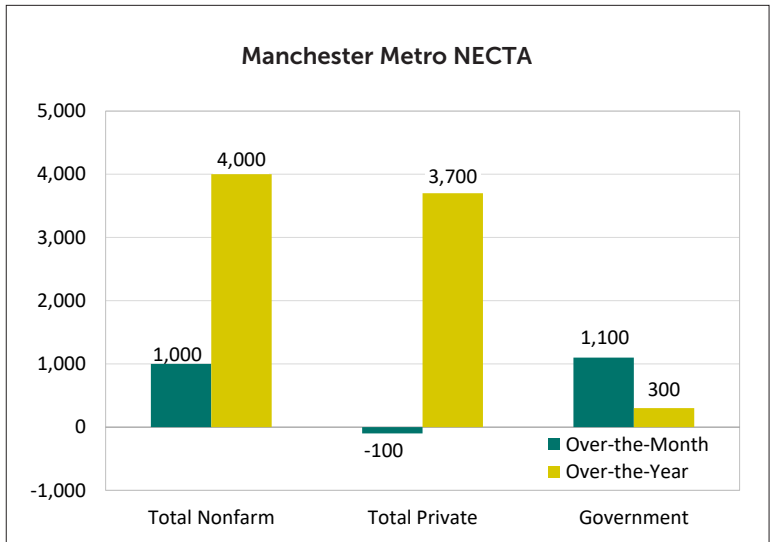
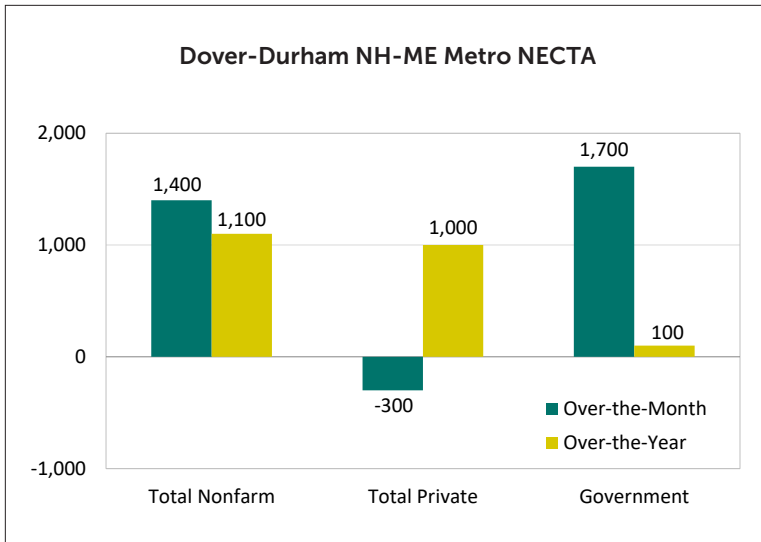
	Number of Jobs			Change From Previous	
	Sep-23	Aug-23	Sep-22	Month	Year
Total Nonfarm	704,000	703,200	693,500	800	10,500
Total Private	614,600	625,000	605,400	-10,400	9,200
Mining and Logging	900	1,000	1,000	-100	-100
Construction	32,100	32,600	31,100	-500	1,000
Manufacturing	72,000	72,000	70,400	0	1,600
Durable Goods	53,700	53,700	52,500	0	1,200
Non-Durable Goods	18,300	18,300	17,900	0	400
Trade, Transportation, and Utilities	139,700	140,600	138,000	-900	1,700
Wholesale Trade	32,600	33,000	31,600	-400	1,000
Retail Trade	89,100	90,800	88,200	-1,700	900
Transportation, Warehousing, and Utilities	18,000	16,800	18,200	1,200	-200
Information	11,400	11,600	11,800	-200	-400
Financial Activities	34,400	34,600	34,400	-200	0
Professional and Business Services	102,900	103,600	97,500	-700	5,400
Education and Health Services	124,900	124,100	123,400	800	1,500
Leisure and Hospitality	71,800	80,000	73,200	-8,200	-1,400
Other Services	24,500	24,900	24,600	-400	-100
Government	89,400	78,200	88,100	11,200	1,300
Federal Government	8,800	8,800	8,500	0	300
State Government	22,400	20,100	22,500	2,300	-100
Local Government	58,200	49,300	57,100	8,900	1,100

Total Nonfarm Employment Trend Through September 2023

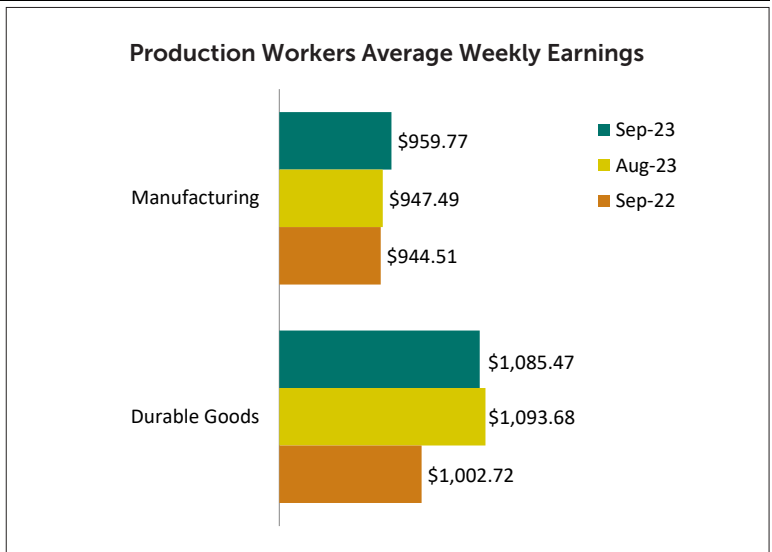
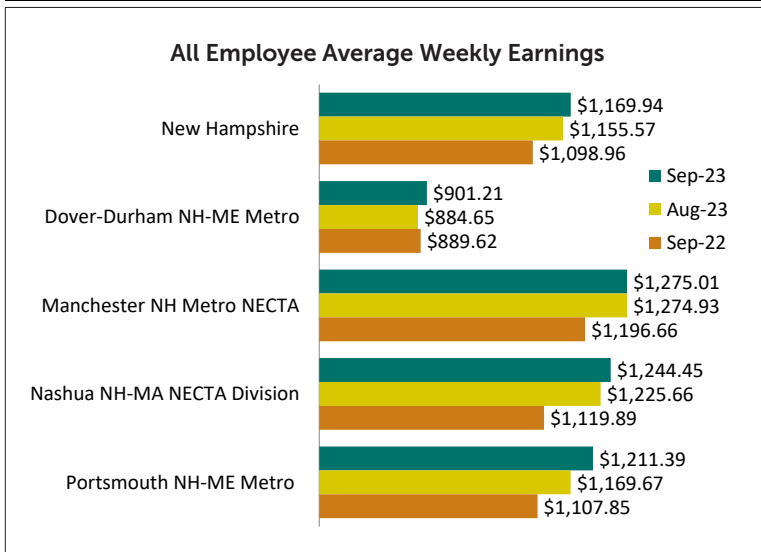


MONTHLY ESTIMATES BY PLACE OF ESTABLISHMENT

Nonfarm Employment by Metropolitan Statistical Areas - September 2023



Total Private Average Weekly Earnings Data



Sector data for the four areas and hours earnings data are available on our website: www.nhes.nh.gov/elmi/statistics/ces-data.htm

MONTHLY ANALYSIS OF CURRENT EMPLOYMENT STATISTICS (CES)

Seasonally Adjusted

Total nonfarm employment increased to 701,600 jobs in September, based on preliminary seasonally adjusted estimates. This was an increase of 2,400 non-farm private industry jobs and 200 government jobs over the month. Five private industry supersectors experienced over-the-month employment gains and three supersectors experienced losses, while both construction and other services were unchanged. Seasonally adjusted over-the-month changes reflect the number of jobs that are not attributable to a regular seasonal pattern of employment variability.

Trade, transportation, and utilities employment increased by 1,200 in September, after the seasonal adjustment. The professional and business services supersector expanded payrolls by 800 over the month while leisure and hospitality added 700 jobs. Manufacturing employment increased by 600 in September and financial activities added 200 positions. The information and mining and logging supersectors each lost 100 jobs in September. Private education and health services employment contracted by 900 over the month, after the seasonal adjustment.

Total nonfarm employment in September 2023 was 11,900 jobs above the pre-pandemic level in February 2020. Employment in professional and business services was 18,100 above the pre-pandemic level, while leisure and hospitality employment was 4,700 jobs below the February 2020 level.

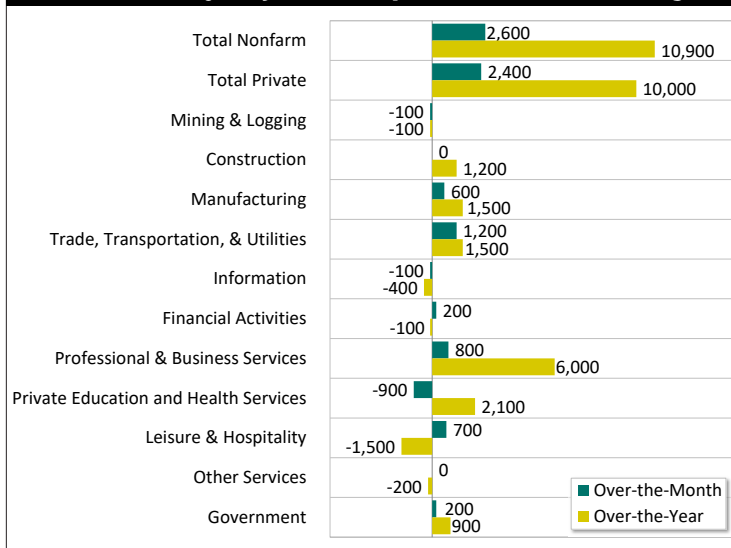
Not Seasonally Adjusted

Preliminary unadjusted estimates for September 2023 indicate that total nonfarm employment increased by 10,500 jobs since September 2022. Five private industry supersectors experienced over the year employment gains and four experienced over-the-year losses. Employment in the financial activities supersector was unchanged from September 2022, while government employment increased by 1,300 over the year.

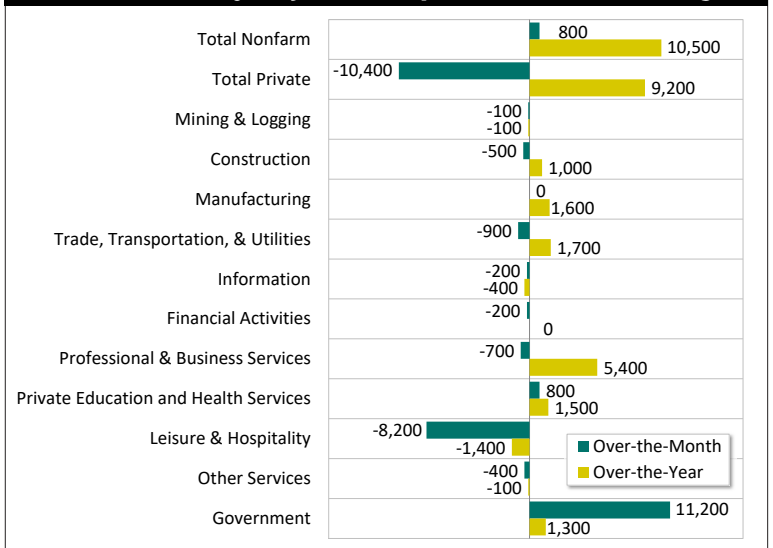
Professional and business services experienced the largest increase, with 5,400 more positions than in September 2022. Trade, transportation, and utilities expanded payrolls by 1,700 over the year, while manufacturing added 1,600 jobs. The private education and health services supersector added 1,500 positions and construction employment increased by 1,000. Leisure and hospitality contracted by 1,400 positions from September 2022 to September 2023. Employment in the information supersector was 400 less than a year earlier. Employment in both the mining and logging and other services supersectors declined by 100 over the year.

– Robert Cote, Research Analyst

Seasonally Adjusted September 2023 Change



Not Seasonally Adjusted September 2023 Change

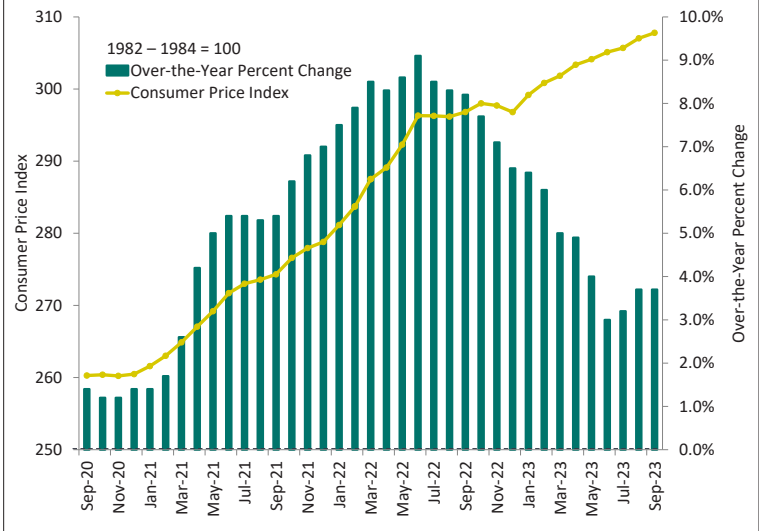


Consumer Price Index

United States, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Sep-23	Aug-23	Sep-22	Month	Year
307.789	307.026	296.808	0.2%	3.7%

Northeast, All Urban Consumers Not Seasonally Adjusted (CPI-U) (1982-1984=100)				
			Change From Previous	
Sep-23	Aug-23	Sep-22	Month	Year
316.373	315.441	307.152	0.3%	3.0%

Consumer Price Index United States, All Urban Consumers



Unemployment Compensation Claims Activity

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
Initial Claims	1,974	1,623	2,335	1,762	1,942	1,429
Continued Weeks Claimed	9,869	10,014	10,266	14,088	12,937	9,899
Average payment for a week of unemployment	\$363.49	\$362.04	\$367.12	\$343.32	\$344.36	\$377.95

New Hampshire Economic Conditions is published monthly in coordination with the Bureau of Labor Statistics and the Employment Training Administration of the U.S. Department of Labor.

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