

Newark Housing Pulse

March 2021

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About This Project

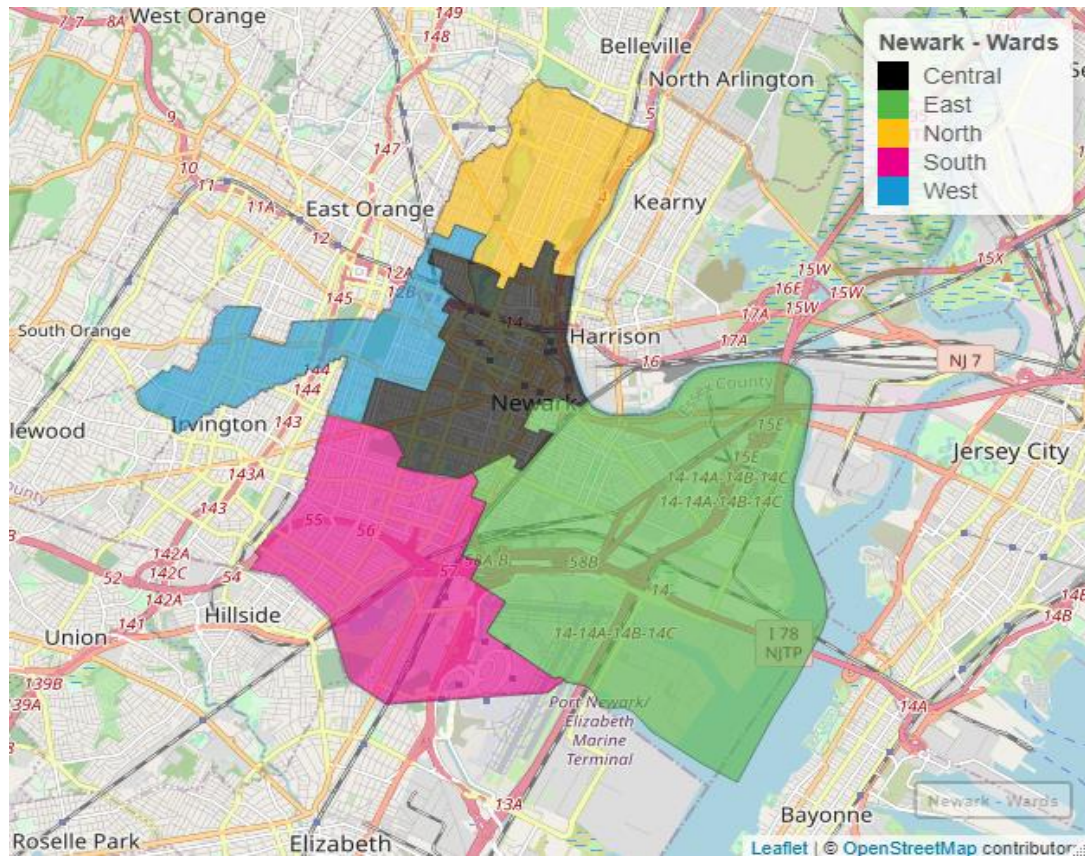
The Urban Institute's Housing Finance Policy Center is producing a series of research and convening activities to inform policies and practices for addressing housing affordability and to promote equitable access to homeownership in the Newark, New Jersey, metropolitan statistical area. In-depth data analysis of the local housing market and demographics provides insight into Newark's housing affordability challenges. This work will include research reports, data tools to support local decisionmaking, a convening of local stakeholders from the public and private sectors, and a national conference to disseminate findings and highlight policy and practice innovations from other metropolitan areas facing similar challenges.

What's New in This Newark Housing Pulse

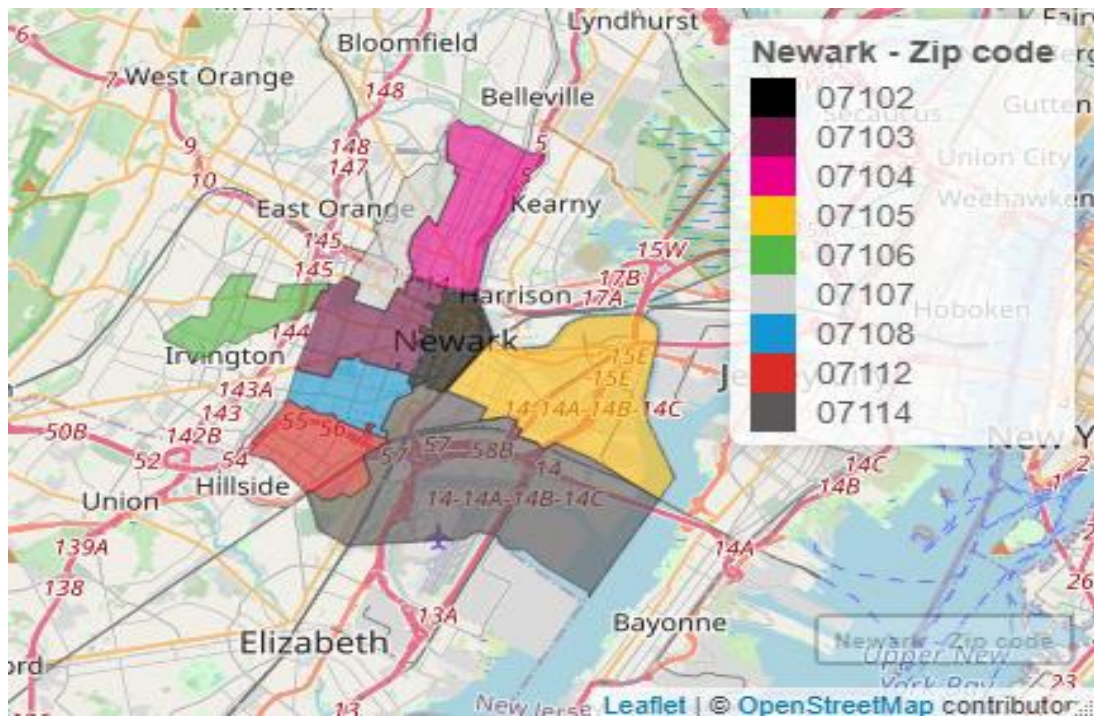
In the second iteration of the Newark Housing Pulse, we added several new indicators to provide a sharper context of the prospects for homeownership within the city amid the current recession. In addition to the market indicators presented in the [first Newark Housing Pulse](#), the second version includes data on the Newark unemployment rate, the mortgage status of homeowners, the distribution of mortgage originations, including estimates of cash sales, and the share of households with an internet subscription by income. The key findings from the added data are as follows:

- **The unemployment rate in Newark** peaked at 22.3 percent in June 2020 amid the current recession. It currently sits at 13.0 percent, well below its June peak but more than twice its March 2020 low of 6.2 percent.
- **Sixty-eight percent of Newark homeowners had a mortgage in 2019.** This share of homeowners with a mortgage exceeds the nationwide average of 62 percent.
- **Fifty-three percent of Newark homebuyers used a mortgage in 2019.** Mortgages endorsed by the Federal Housing Administration (FHA) accounted for 24 percent of home sales, double the national average. The remaining home sales, 47 percent, were bought using all cash or another option, such as seller financing.
- **In 2019, just before the current recession, 29 percent of Newark households did not have an internet subscription,** more than double the national average of 13 percent. Among Newark households earning at least \$75,000 a year, 14 percent did not have an internet subscription, more than three times the national average of 4 percent.

Ward-Defined Districts in Newark



Zip Code-Defined Districts in Newark



1. Homeownership



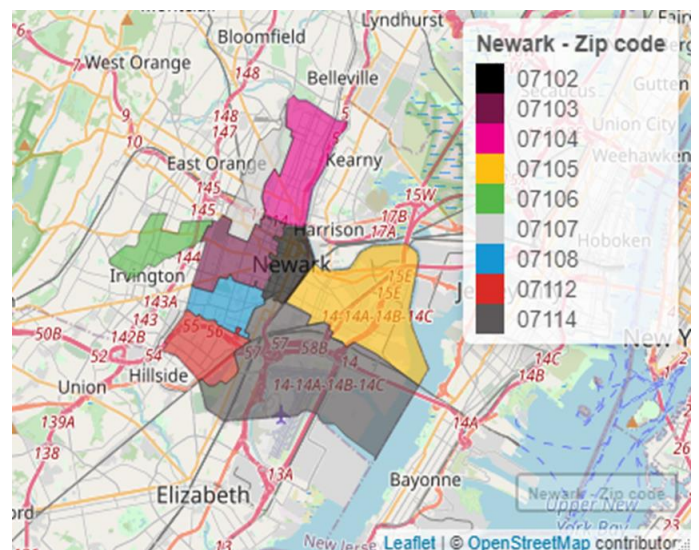
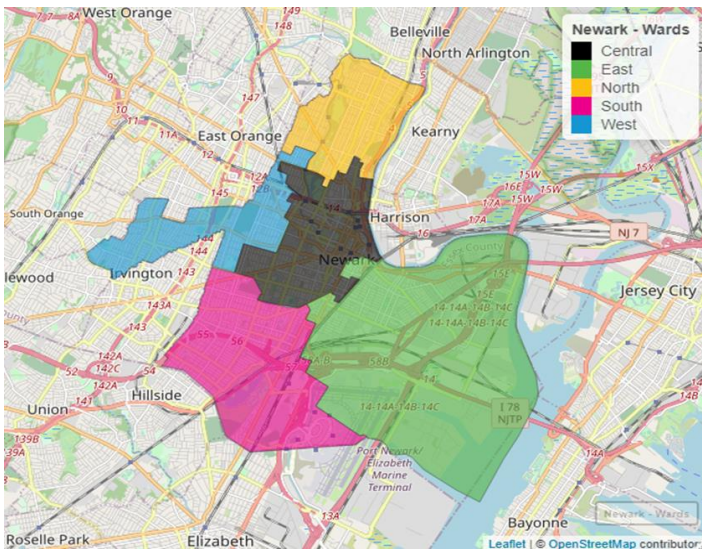
Monkey Business Images/Shutterstock.

Newark's Homeownership Rate Is Low

Newark's homeownership rate is low. In 2019, 24 percent of households were homeowners. The homeownership rate in broader Essex County (including Newark) is 20 percentage points higher than in Newark. The homeownership rate in New Jersey, and in the country as a whole, is 39 and 40 percentage points higher than that of Newark. Newark's homeownership rate is also below that of similar cities, both sister cities within New Jersey and comparable cities around the country.

Newark's low homeownership rate holds across white, Black, and Hispanic households. Although the white homeownership rate is above both the Black and Hispanic rates, the difference is considerably smaller than in the US overall. All three groups in Newark have homeownership rates well below those in comparable areas in New Jersey (with one exception: the Hispanic homeownership rate in Newark is comparable with that of Jersey City and Trenton).

Across Newark, the homeownership rate is lowest in zip codes 07102, 07108, and 07114 and highest in 07106. The Black homeownership rate is also highest in 07106, while the Hispanic homeownership rate is highest in 07104. The white homeownership rate is highest in 07107.



Homeownership Rates, by Race or Ethnicity, 2019

| | Overall | Black | Hispanic | White |
|--------------------------------------|---------|-------|----------|-------|
| Newark | 24% | 23% | 24% | 27% |
| Broader geographic areas | | | | |
| United States | 64% | 42% | 48% | 72% |
| New Jersey | 63% | 38% | 39% | 76% |
| Essex County | 44% | 29% | 32% | 67% |
| Comparable cities | | | | |
| Baltimore, MD | 48% | 42% | 37% | 61% |
| Flint, MI | 59% | 53% | 40% | 69% |
| Oakland, CA | 41% | 34% | 32% | 52% |
| Other New Jersey cities | | | | |
| Camden | 39% | 40% | 37% | 54% |
| Jersey City | 31% | 30% | 25% | 34% |
| Trenton | 31% | 31% | 25% | 39% |
| Populated zip codes in Newark | | | | |
| 07102 | 8% | 5% | 13% | 10% |
| 07103 | 23% | 23% | 18% | 29% |
| 07104 | 23% | 13% | 26% | 31% |
| 07105 | 22% | 3% | 18% | 30% |
| 07106 | 32% | 34% | 25% | 21% |
| 07107 | 22% | 18% | 20% | 44% |
| 07108 | 16% | 17% | 14% | 14% |
| 07112 | 27% | 27% | 23% | 24% |
| 07114 | 16% | 11% | 15% | 19% |

Source: American Community Survey.

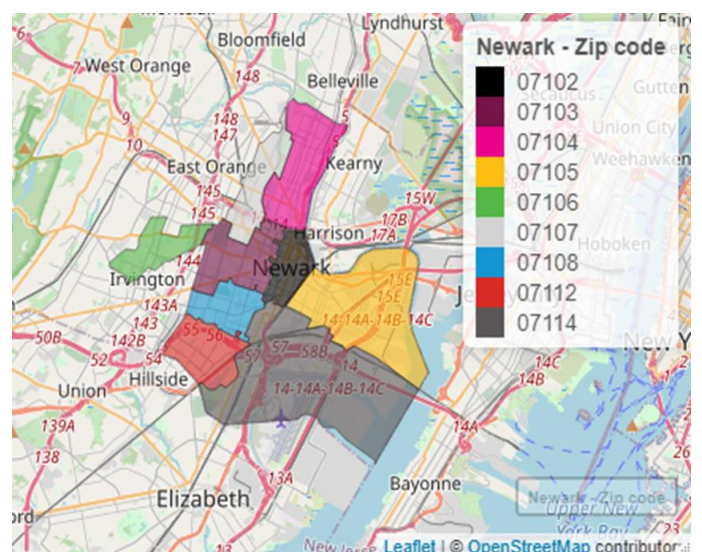
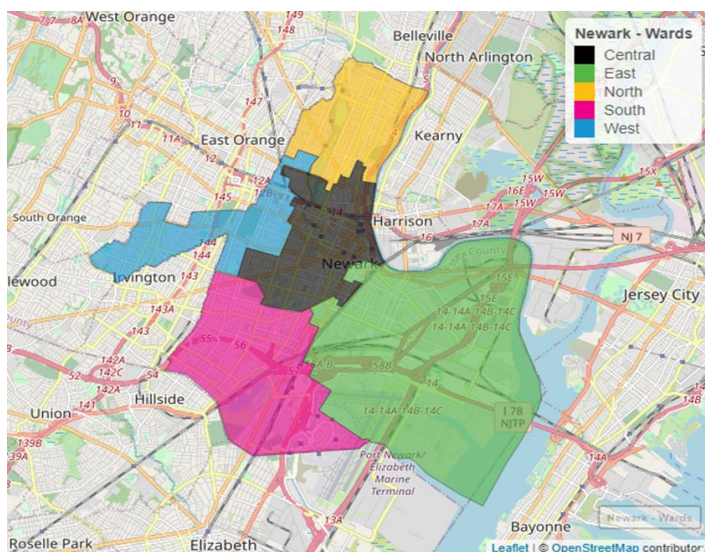
Most Newark Homeowners Have a Mortgage

Most Newark homeowners have a mortgage. Of the estimated 23,634 homeowners in Newark in 2019, 68 percent, or 16,869, had a mortgage. The remaining 32 percent, or 7,765, did not have a mortgage. Homeowners with a mortgage typically have more expensive homes, but they also have higher incomes than homeowners without a mortgage. Amid the current recession, mortgage delinquency has risen, but forbearance has helped homeowners keep their homes.

Homeowners in Newark are slightly more likely to have a mortgage than the national average, 62 percent, and the statewide average, 66 percent, but their share is consistent with the share of homeowners with a mortgage across Essex County more generally.

In relation to selected comparison cities, the share of homeowners with a mortgage in Newark is greater than in low-cost areas, such as Trenton, New Jersey; Camden, New Jersey; and Flint, Michigan, who sit at 61 percent, 48 percent, and 40 percent, respectively. But it is less than in higher-cost areas, such as Jersey City, New Jersey, and Oakland, California. The share of homeowners with a mortgage in Newark is equal to that of Baltimore, Maryland.

Across Newark, the share of homeowners with a mortgage is significantly below the citywide average in zip code 07105 while it is above average in all other zip codes within the city. Homeowners living in zip code 07103 are most likely to have a mortgage.



Homeowners Mortgage Status, 2019

| | Homeowners with a mortgage | Homeowners with no mortgage | Share with a mortgage | Share with no mortgage |
|--------------------------------------|----------------------------|-----------------------------|-----------------------|------------------------|
| Newark | 16,869 | 7,765 | 68% | 32% |
| Broader geographic areas | | | | |
| United States | 48,603,972 | 30,120,890 | 62% | 38% |
| New Jersey | 1,366,281 | 715,517 | 66% | 34% |
| Essex County | 90,727 | 40,911 | 69% | 31% |
| Comparable cities | | | | |
| Baltimore, MD | 78,152 | 37,372 | 68% | 32% |
| Flint, MI | 9,460 | 14,307 | 40% | 60% |
| Oakland, CA | 50,606 | 18,950 | 73% | 27% |
| Other New Jersey cities | | | | |
| Jersey City | 24,300 | 9,214 | 73% | 27% |
| Trenton | 5,308 | 3,363 | 61% | 39% |
| Camden | 4,578 | 4,908 | 48% | 52% |
| Populated zip codes in Newark | | | | |
| 07102 | 331 | 114 | 74% | 26% |
| 07103 | 2,085 | 626 | 77% | 23% |
| 07104 | 3,120 | 1,199 | 72% | 28% |
| 07105 | 2,179 | 1,594 | 58% | 42% |
| 07106 | 2,680 | 970 | 73% | 27% |
| 07107 | 2,110 | 738 | 74% | 26% |
| 07108 | 1,006 | 440 | 70% | 30% |
| 07112 | 1,817 | 773 | 70% | 30% |
| 07114 | 384 | 154 | 71% | 29% |

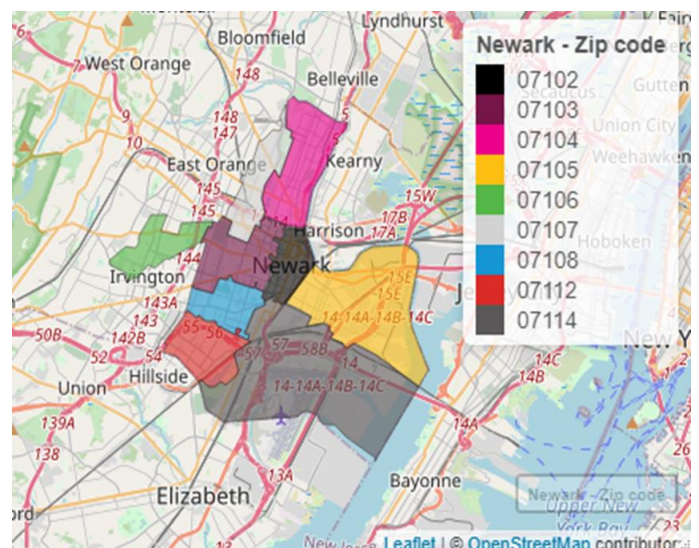
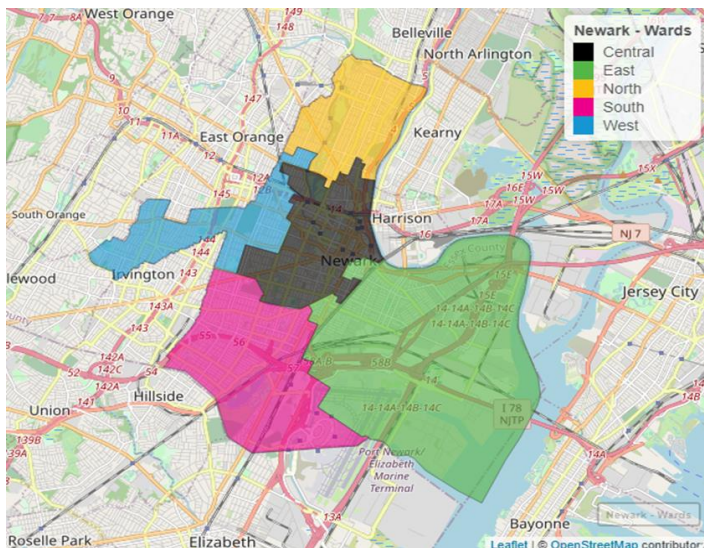
Source: American Community Survey.

Home Sales Have Risen in Newark but Remain Below Their Housing Boom Peak

The pace of home sales in Newark has increased in recent years, largely bolstered by resales, as has been the case in the US as a whole (home sales data for 2020 cover the first half of 2020). Like the rest of the nation, and in other comparable cities, the total number of sales remains below the levels reached during the housing boom.

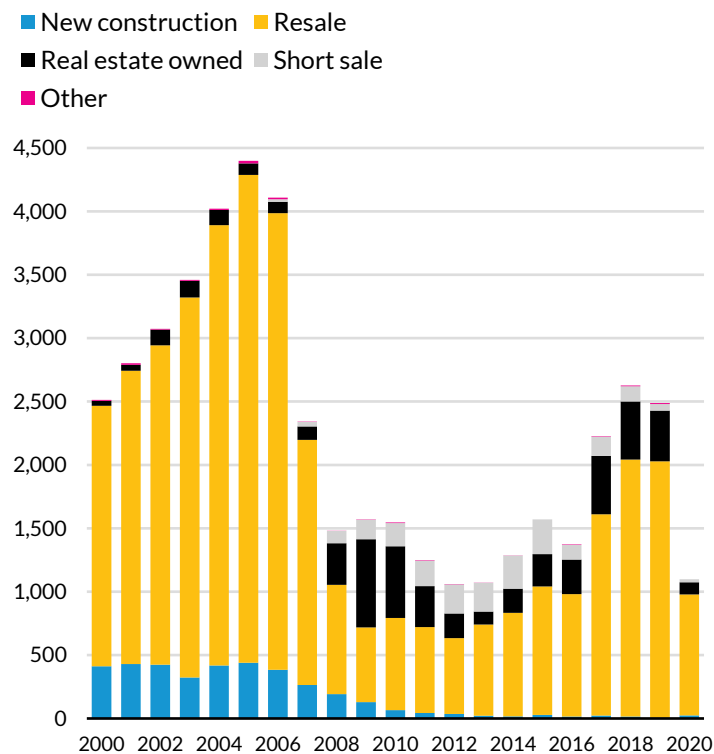
But the similarities end there. Real-estate-owned (REO) sales in Newark are the second-largest contributor to total home sales, reflecting the long pipeline of foreclosures from the Great Recession. Sales of new construction in Newark remain negligible. In contrast, for the United States as a whole, new construction is the second-largest contributor to total home sales. The number of REO sales nationwide has declined significantly since the Great Recession, even as total homes sales have increased since the depths of the housing crisis. Before the Great Recession, sales of new construction in Newark were a significant component of total home sales. We have also included a category of “other home sales,” which include the home sales that are not accounted for by REOs, short sales, or resales. Other home sales include non-arms-length home sales, such as intrafamily transactions.

Across Newark, sales in 2019, the latest complete year of data, were greatest in zip codes 07106, 07112, and 07103. The strongest sales growth over the broader economic expansion, from 2011 to 2019, took place in zip codes 07106 (up 258 percent), 07112 (up 127 percent), and 07108 (up 123 percent). The smallest growth over this period took place in zip codes 07102 (up 14 percent), 07105 (up 30 percent), and 07114 (up 54 percent).

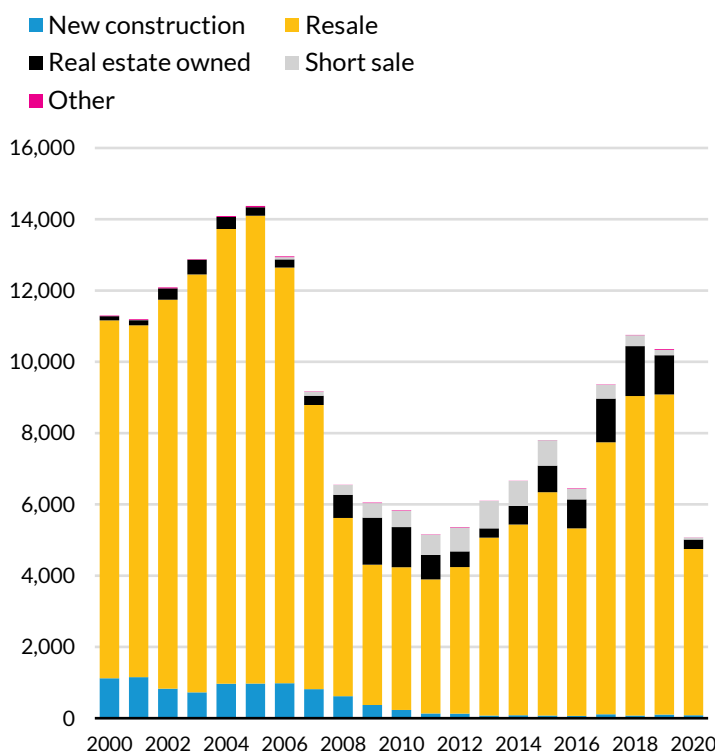


Housing Sales, by Transaction Type, in Broader Geographic Areas

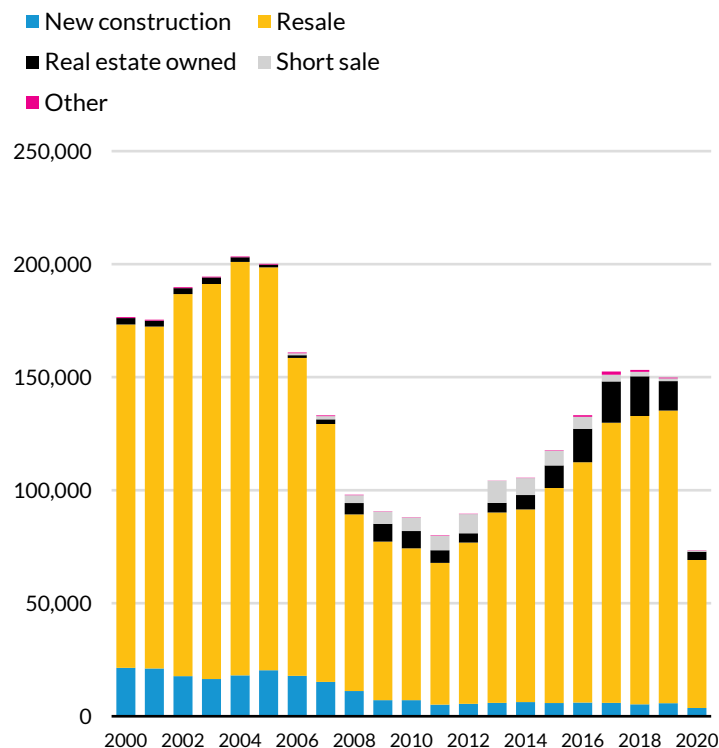
Newark



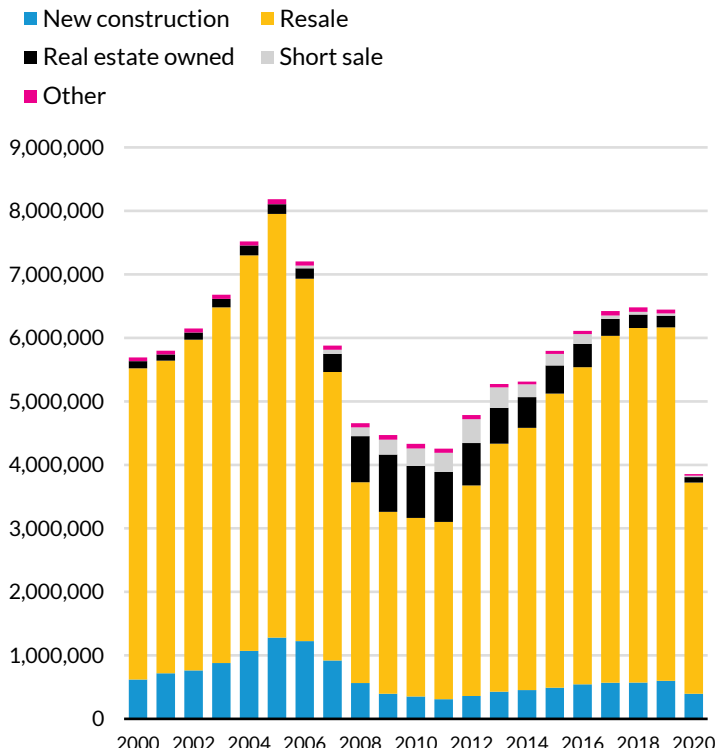
Essex County



New Jersey



United States

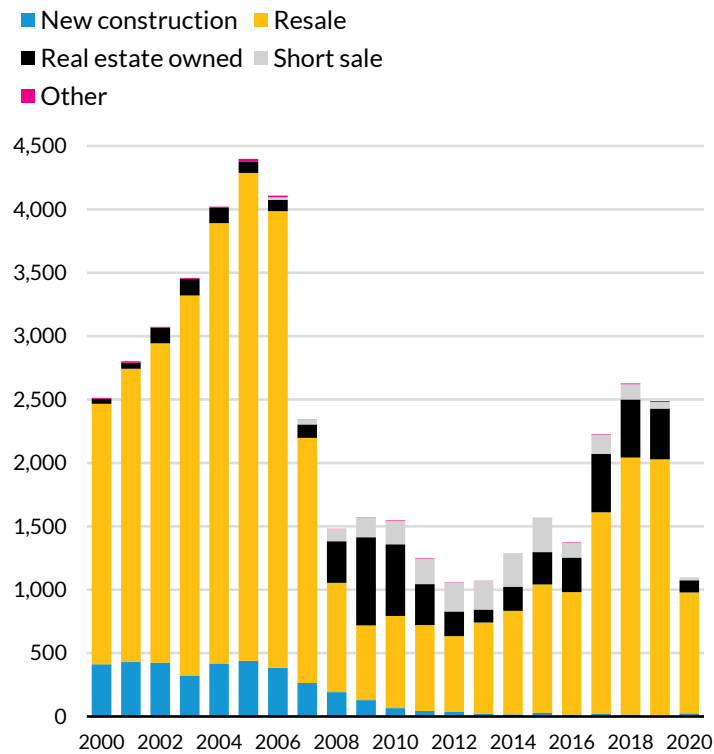


Source: CoreLogic.

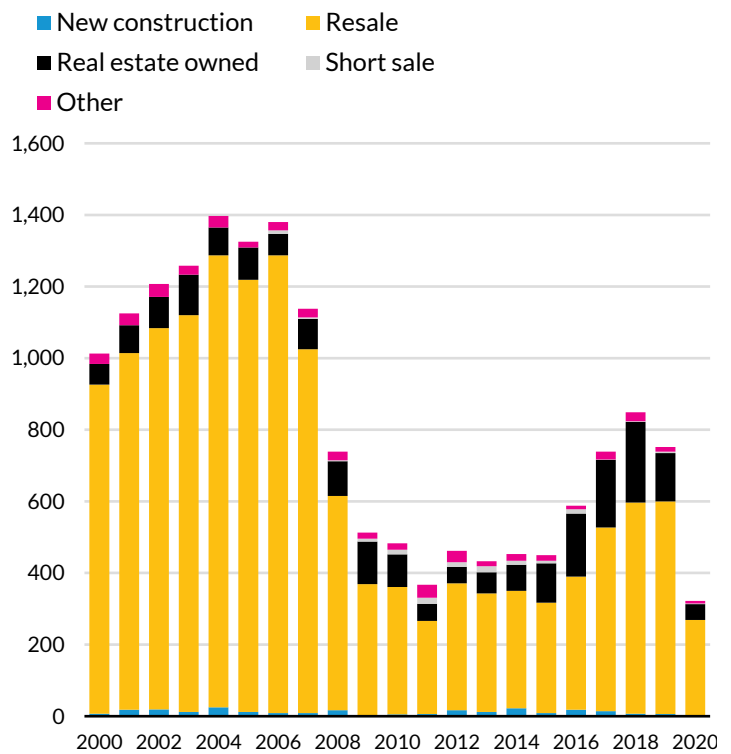
Note: Pay attention to the y-axis values when comparing areas.

Housing Sales, by Transaction Type, in Other New Jersey Cities

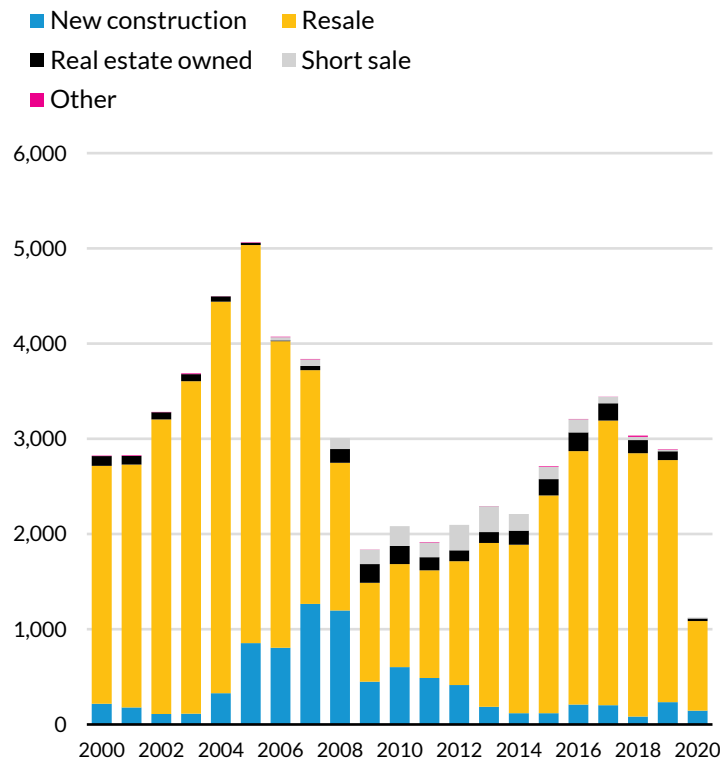
Newark



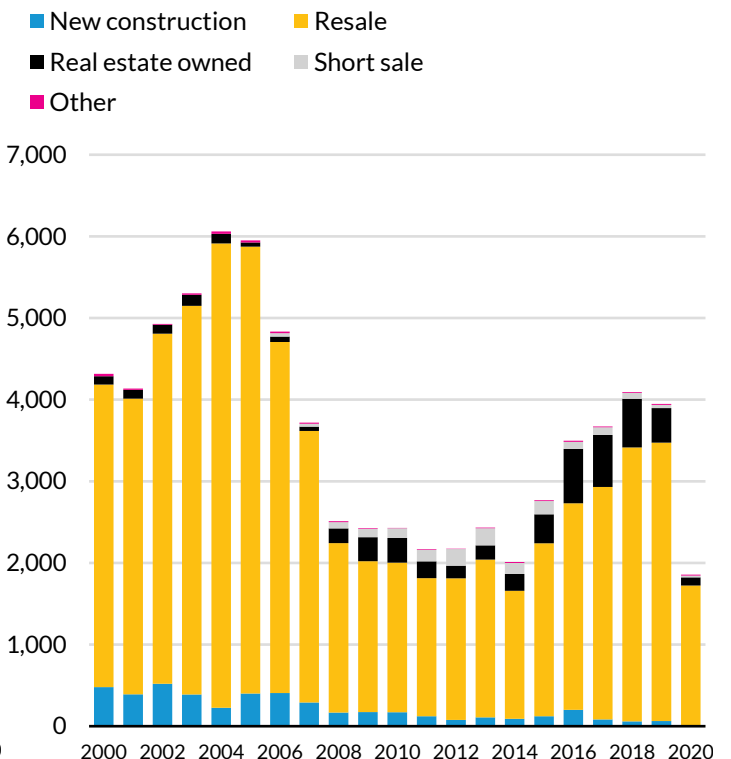
Camden



Jersey City



Trenton

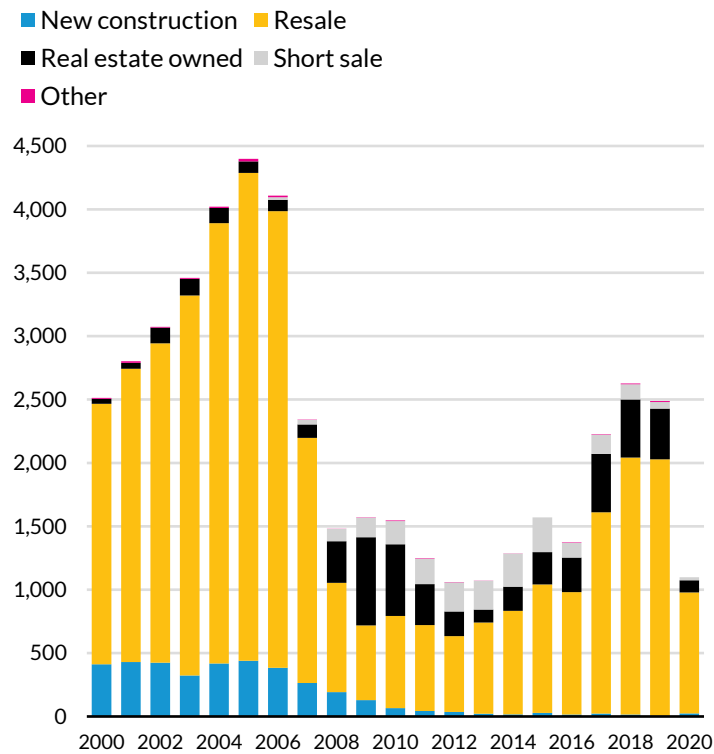


Source: CoreLogic.

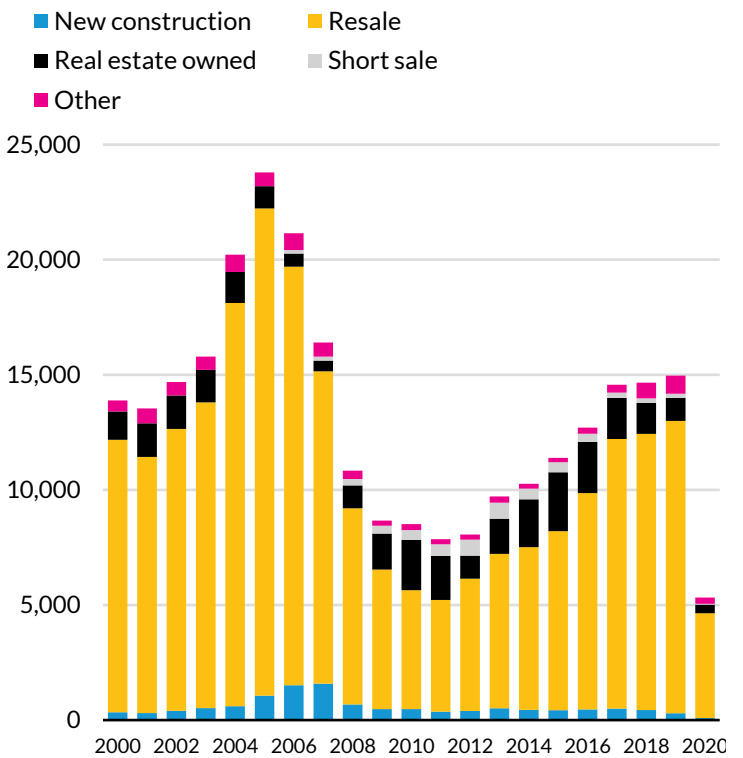
Note: Pay attention to the y-axis values when comparing areas.

Housing Sales, by Transaction Type, in Comparable Cities

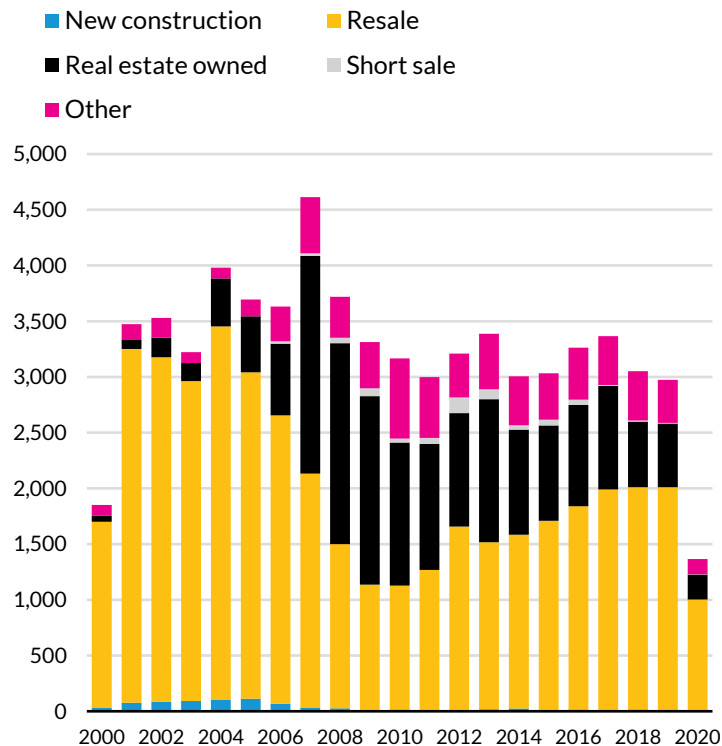
Newark



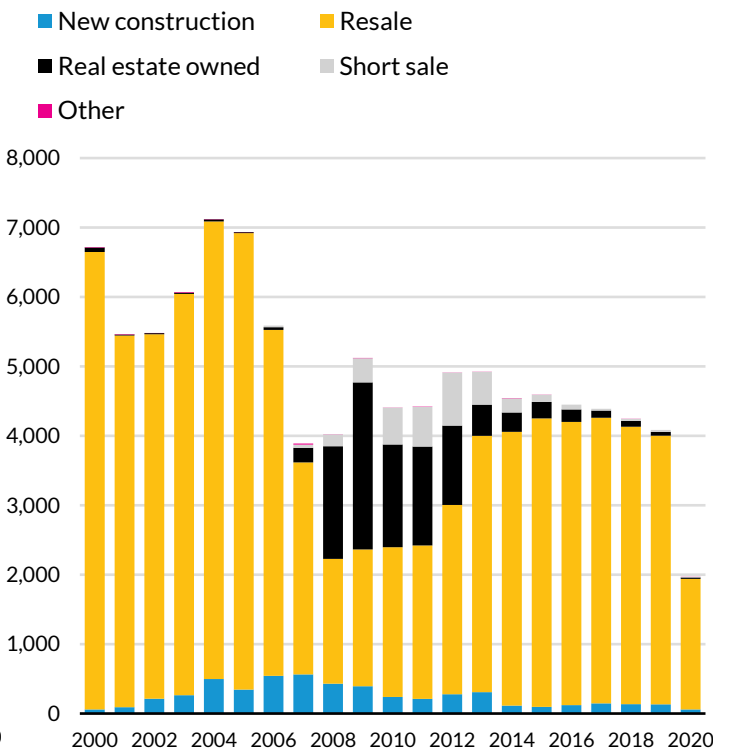
Baltimore



Flint



Oakland



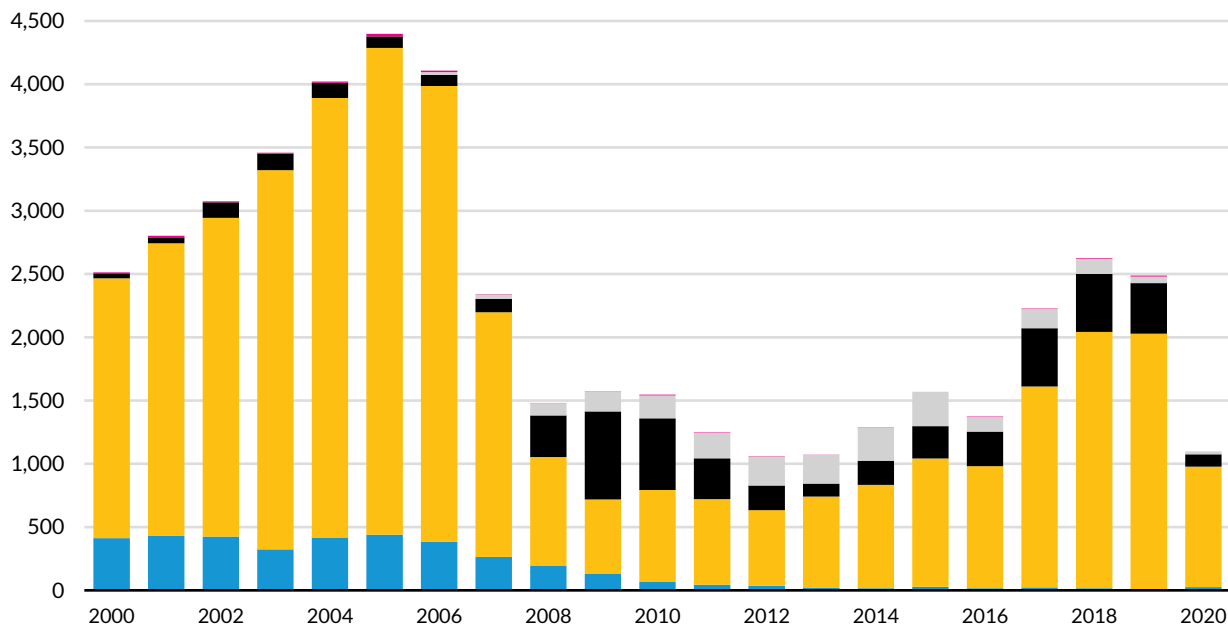
Source: CoreLogic.

Note: Pay attention to the y-axis values when comparing areas.

Housing Sales, by Transaction Type, in Newark Zip Codes

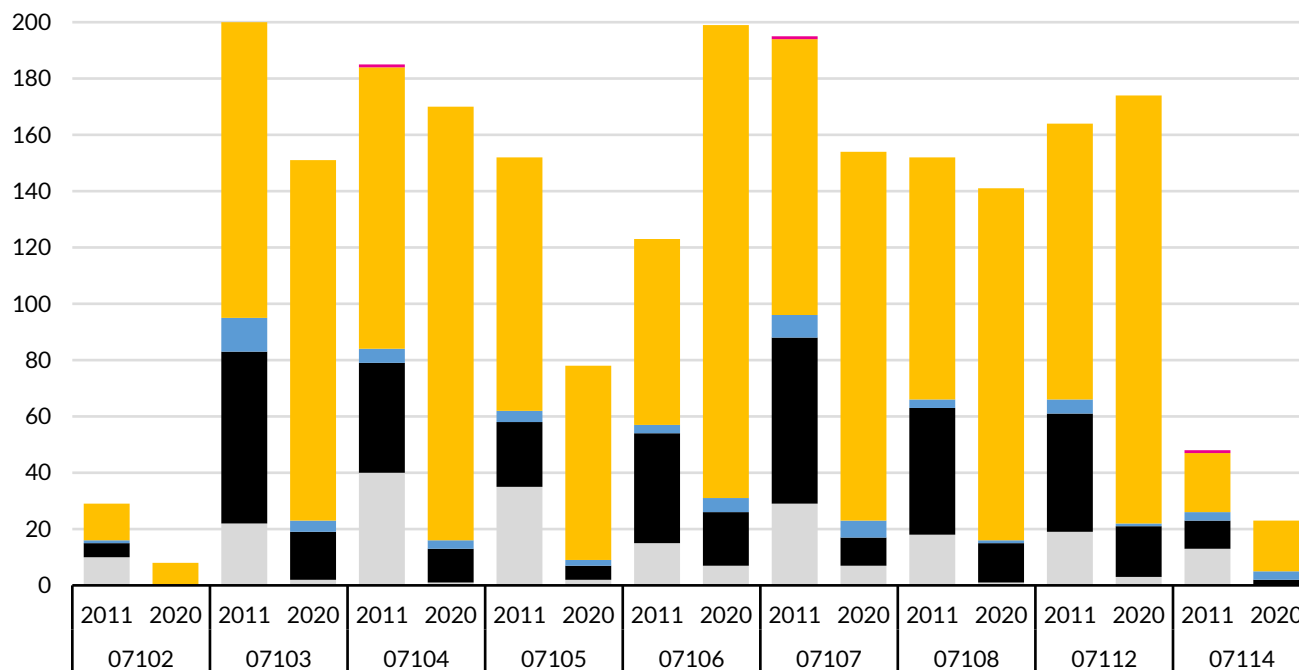
Newark

■ New construction ■ Resale ■ Real estate owned ■ Short sale ■ Other



Zip codes

■ Short sale ■ Real estate owned ■ New construction ■ Resale ■ Other



Source: CoreLogic.

Note: Pay attention to the y-axis values when comparing areas.

Nearly Half of Newark Homes Were Purchased with a Mortgage

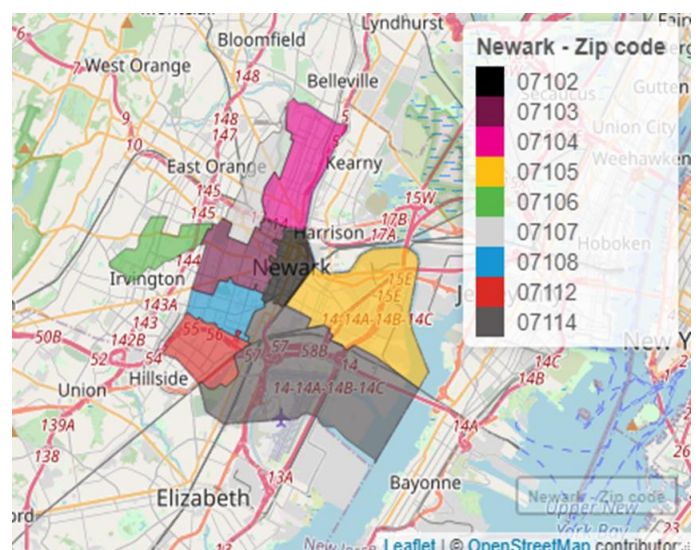
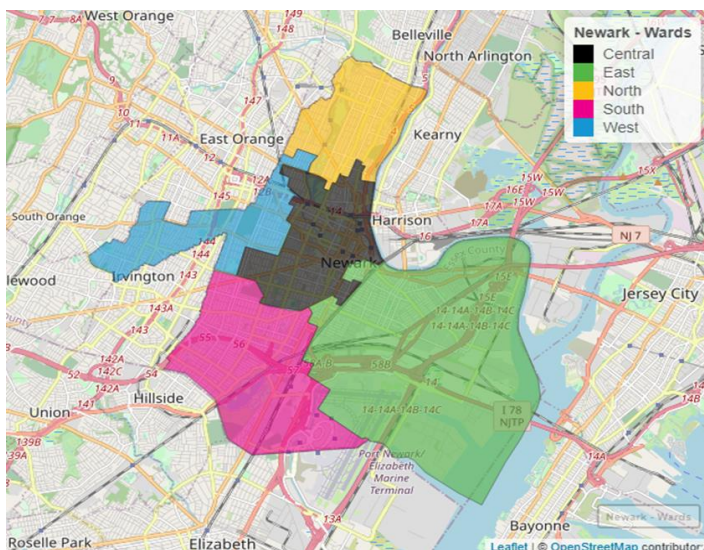
In 2019, an estimated 2,488 homes were purchased in Newark. Fifty-three percent, 1,312, were purchased with a mortgage. The remaining home sales were purchased with cash or by some other method.

Across purchase mortgage categories, an estimated 24 percent of homes were purchased using a mortgage endorsed by the Federal Housing Administration (FHA). The FHA share of home sales is double the national average and greater than the FHA share for any other selected geography.

Mortgages purchased by the government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, accounted for 10 percent of all home sales in Newark. Mortgages purchased by the GSEs typically have higher credit scores than those endorsed by the FHA. Newark's GSE share is half of the nation- and statewide average of 20 percent. Among similar cities, the GSE share of sales in Newark is less than that of Jersey City, New Jersey, and Oakland, California. But it exceeds that of Trenton, New Jersey; Camden, New Jersey; and Flint, Michigan.

Mortgages made to Newark homebuyers that banks or credit unions kept on their own portfolio or mortgages sold into non-agency private-label mortgage-backed securities accounted for 8 percent of all home sales in 2019, less than the nation-, state- and county-wide shares. It was also less than half the share of sales in Jersey City and Oakland, but it was greater than the share of sales in Trenton, Camden, and Flint.

At 47 percent, the cash-or-other-sales share was 15 percentage points greater than the nationwide average and 16 percentage points above the statewide average. Cash or other sales were greater than the share in Jersey City and Oakland but significantly less than the shares in Trenton, Camden, and Flint. In Trenton and Flint, the cash-or-other-sales share accounted for 93 and 91 percent of total home sales. We do not have the data to separate cash sales and other types of financing such as seller financing. Seller financing in most areas is a small portion of sales transactions, and it may well be larger in Newark.



Composition of Home Sales by Mortgage Origination, 2019

| | Total home sales count | Purchase Mortgages | | | | | Rural Housing share | Other mortgage share | Cash Sales |
|---------------------------------|------------------------|-------------------------|---------------------------------------|-----------|-----------|----------|---------------------|----------------------|------------|
| | | Purchase mortgage count | Purchase mortgage share of home sales | GSE share | FHA share | VA share | | | |
| Newark, NJ | 2,488 | 1,312 | 53% | 10% | 24% | 1% | 0% | 18% | 47% |
| Broader geographic areas | | | | | | | | | |
| United States | 6,446,433 | 4,356,270 | 68% | 20% | 12% | 6% | 2% | 28% | 32% |
| New Jersey | 149,828 | 103,785 | 69% | 20% | 14% | 2% | 0% | 33% | 31% |
| Essex County | 10,353 | 7,109 | 69% | 17% | 17% | 1% | 0% | 34% | 31% |
| Comparable cities | | | | | | | | | |
| Baltimore, MD | 14,962 | 6,177 | 41% | 11% | 12% | 2% | 0% | 16% | 59% |
| Flint, MI | 2,974 | 256 | 9% | 2% | 4% | 1% | 0% | 2% | 91% |
| Oakland, CA | 4,084 | 3,436 | 84% | 19% | 6% | 1% | 0% | 57% | 16% |
| Other New Jersey cities | | | | | | | | | |
| Jersey City | 2,891 | 2,167 | 75% | 19% | 5% | 1% | 0% | 50% | 25% |
| Trenton | 3,948 | 268 | 7% | 2% | 2% | 0% | 0% | 3% | 93% |
| Camden | 752 | 181 | 24% | 5% | 11% | 0% | 0% | 8% | 76% |

Source: The total home sales count is calculated from CoreLogic Market Trends. Purchase mortgages and share of sales by loan channel are calculated from HMDA data.

Notes: FHA = Federal Housing Administration; GSE = government-sponsored enterprises (includes mortgages purchased by Fannie Mae and Freddie Mac); HMDA = Home Mortgage Disclosure Act; VA = US Department of Veterans Affairs. Other mortgages largely reflect mortgages held on the portfolio of depository institutions and credit unions as well as those securitized into non-agency private-label securities. The other category also includes Farmer Mac loans, affiliate institution, life insurance company, and other, not specified. The purchase share is equal to the number of purchase shares in HMDA divided by the total number of home sales in CoreLogic.

2. Housing Demand and Affordability



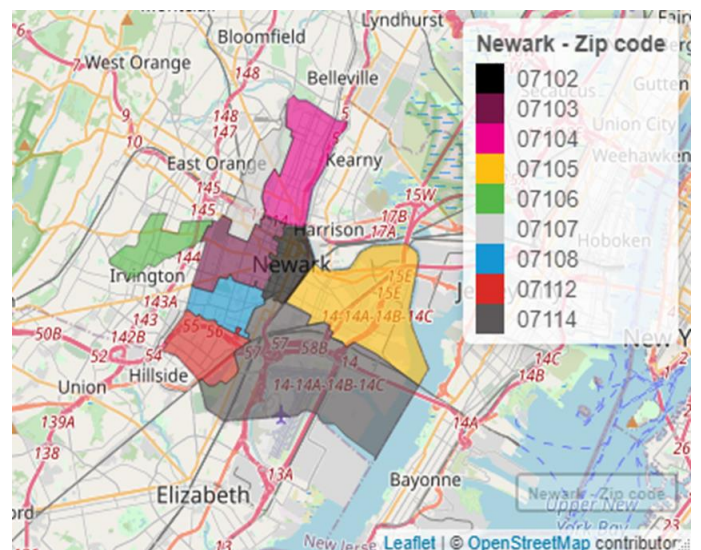
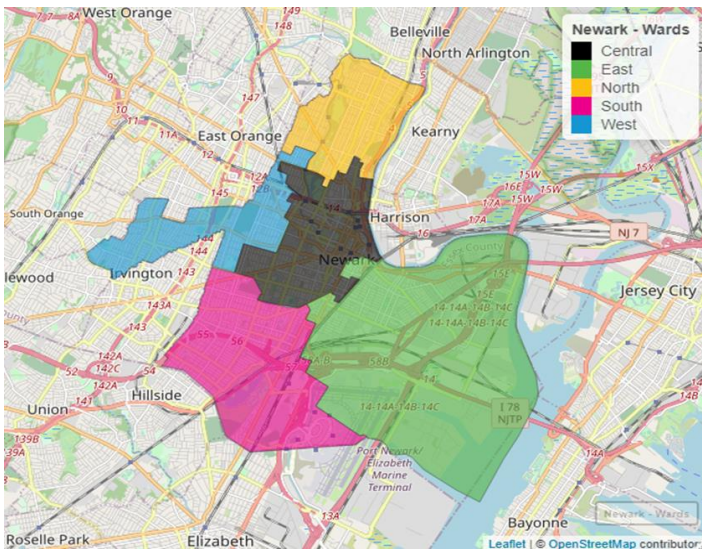
WAYHOME studio/Shutterstock.

People of Color Make Up the Majority of Newark's Population

In 2019, 281,999 people lived in Newark. Eighty-four percent were either Black (47 percent) or Hispanic (37 percent). In contrast, the geographic areas in which Newark is located have fewer Black and Hispanic residents and more non-Hispanic white and “other” (which includes Asians) residents. Comparable cities outside New Jersey also have large concentrations of people of color, although Baltimore, Maryland, and Flint, Michigan, are largely composed of Black households while Oakland is more evenly distributed by race and ethnicity.

People of color are also heavily concentrated in other New Jersey cities, such as Camden and Trenton (the relevant 2019 racial and ethnic population data for Trenton were not available at time of publication), though in Camden, Hispanic households represent the largest share of the population, in contrast to Newark, where Black households account for the largest share. Jersey City is a similarly sized city by overall population, but Black and Hispanic households make up less than half the city's population.

Across Newark, Black households account for most of the population in zip codes 07102, 07103, 07106, 07108, 07112, and 07114. Hispanic households are concentrated in 07104, 07105, and 07107, with white households accounting for about one-third of the population in 07105.



Population, by Race or Ethnicity, 2019

| | Overall | Black | Hispanic | White | Other |
|--------------------------------------|-------------|------------|------------|-------------|------------|
| Newark, NJ | 281,999 | 133,796 | 103,965 | 34,124 | 10,114 |
| Broader geographic areas | | | | | |
| United States | 328,239,523 | 40,596,040 | 60,481,746 | 196,789,401 | 30,372,336 |
| New Jersey | 8,882,190 | 1,124,643 | 1,856,845 | 4,824,866 | 1,075,836 |
| Essex County | 798,975 | 307,051 | 190,013 | 238,115 | 63,796 |
| Comparable cities | | | | | |
| Baltimore, MD | 593,490 | 366,964 | 33,652 | 162,527 | 30,347 |
| Flint, MI | 95,541 | 51,442 | 4,721 | 34,272 | 5,106 |
| Oakland, CA | 433,044 | 105,661 | 116,111 | 126,842 | 84,430 |
| Other New Jersey cities | | | | | |
| Jersey City | 262,075 | 53,128 | 66,158 | 67,937 | 74,852 |
| Trenton | 83,211 | 40,431 | 29,832 | 9,326 | 3,622 |
| Camden ^a | 73,968 | 27,333 | 39,446 | 3,954 | 3,235 |
| Populated zip codes in Newark | | | | | |
| 07102 | 13,505 | 6,660 | 3,854 | 1,771 | 1,220 |
| 07103 | 32,881 | 24,815 | 5,126 | 1,367 | 1,573 |
| 07104 | 51,075 | 11,973 | 33,502 | 3,772 | 1,828 |
| 07105 | 52,008 | 3,846 | 26,596 | 18,768 | 2,798 |
| 07106 | 33,851 | 27,993 | 2,530 | 1,023 | 2,305 |
| 07107 | 37,684 | 12,440 | 21,828 | 2,081 | 1,335 |
| 07108 | 23,118 | 19,036 | 3,397 | 222 | 463 |
| 07112 | 25,016 | 22,406 | 1,742 | 257 | 611 |
| 07114 | 12,024 | 6,514 | 3,453 | 1,570 | 487 |

Source: American Community Survey.

^aWe used 2018 American Community Survey data because of missing values.

Population, by Race or Ethnicity, 2019 Distribution

| | Overall | Black | Hispanic | White | Other |
|--------------------------------------|---------|-------|----------|-------|-------|
| Newark, NJ | 100% | 47% | 37% | 12% | 4% |
| Broader geographic areas | | | | | |
| United States | 100% | 12% | 18% | 60% | 9% |
| New Jersey | 100% | 13% | 21% | 54% | 12% |
| Essex County | 100% | 38% | 24% | 30% | 8% |
| Comparable cities | | | | | |
| Baltimore, MD | 100% | 62% | 6% | 27% | 5% |
| Flint, MI | 100% | 54% | 5% | 36% | 5% |
| Oakland, CA | 100% | 24% | 27% | 29% | 19% |
| Other New Jersey cities | | | | | |
| Jersey City | 100% | 20% | 25% | 26% | 29% |
| Trenton | 100% | 49% | 36% | 11% | 4% |
| Camden ^a | 100% | 37% | 53% | 5% | 4% |
| Populated zip codes in Newark | | | | | |
| 07102 | 100% | 49% | 29% | 13% | 9% |
| 07103 | 100% | 75% | 16% | 4% | 5% |
| 07104 | 100% | 23% | 66% | 7% | 4% |
| 07105 | 100% | 7% | 51% | 36% | 5% |
| 07106 | 100% | 83% | 7% | 3% | 7% |
| 07107 | 100% | 33% | 58% | 6% | 4% |
| 07108 | 100% | 82% | 15% | 1% | 2% |
| 07112 | 100% | 90% | 7% | 1% | 2% |
| 07114 | 100% | 54% | 29% | 13% | 4% |

Source: American Community Survey.

^aWe used 2018 American Community Survey data because of missing values.

Amid the Pandemic, Newark's Unemployment Rate Remains High

Labor market conditions are a key determinant of housing outcomes. The unemployment rate in Newark persistently exceeds that of the United States overall, New Jersey, and Essex County. This may partly reflect the greater concentration of Black and Hispanic households in Newark. Nationwide, Black and Hispanic labor force participants experience higher unemployment rates than the national average, irrespective of whether the economy is in a recession or a period of expansion.

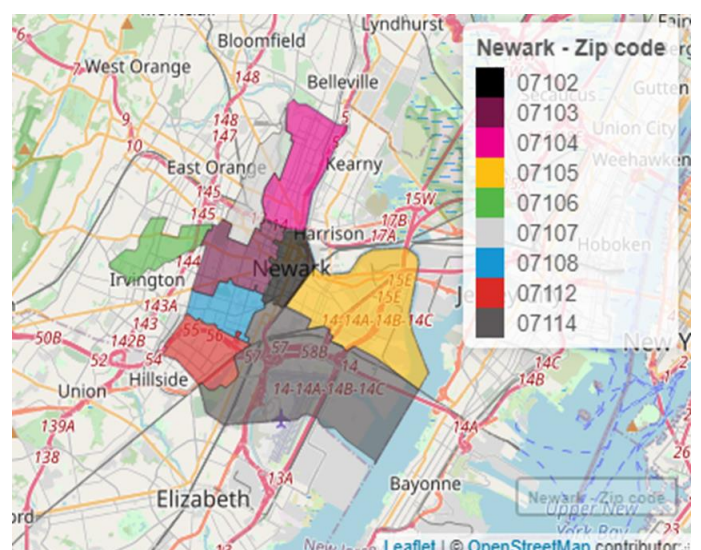
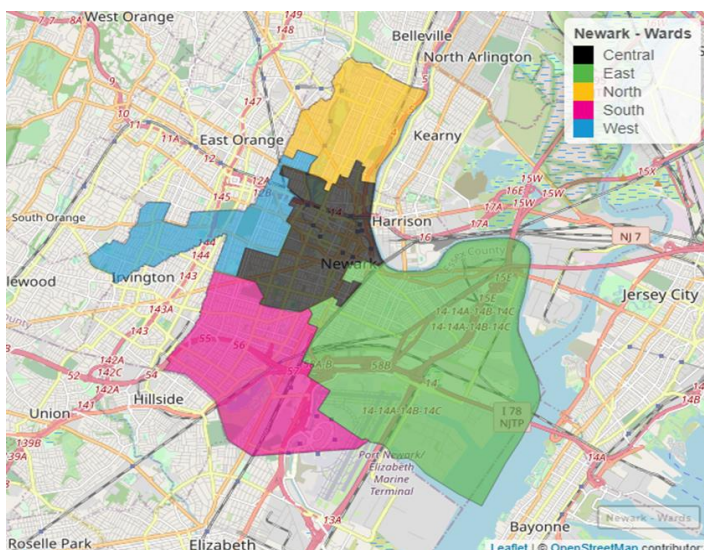
In the early months of the COVID-19 recession, the Newark unemployment rate, like that of the United States as a whole, New Jersey, and Essex County, rose. In Newark, the unemployment rate jumped from 6.2 percent in March 2020 to 22.3 percent in June, before falling by more than half to 10.6 percent by September. But as of December, Newark's unemployment sits at 13.0 percent. Although the unemployment rate in Newark is well below its June peak, it is more than twice its March 2020 rate. Compared with Newark's December unemployment rate of 13.0 percent, the unemployment rates across the United States, New Jersey, and Essex County sit at 6.2 percent, 7.7 percent and 9.5 percent at time of publication.

Although Newark's unemployment rate is generally higher, it is not the greatest outlier. Across similar New Jersey cities, the unemployment rate in Camden is typically above that of Newark, while Jersey City's unemployment rate has been persistently below that of Newark. Over selected cities outside New Jersey, the unemployment rate in Flint, Michigan, typically exceeds Newark's unemployment rate, most noticeably since 2003, while the unemployment rates of Oakland, California, and Baltimore, Maryland, are generally below that of Newark.

The unemployment rate is calculated as the share of the population that is employed or unemployed and looking for work and excludes adults not in the labor force. The entire civilian population covers those who are employed, those in the labor force who are unemployed, and those not who are in the labor force. Although the unemployment rate in Newark partly recovered during the second half of 2020, evidence from the national level suggests this may be because of an increase in both the number employed adults and those out of the labor force.

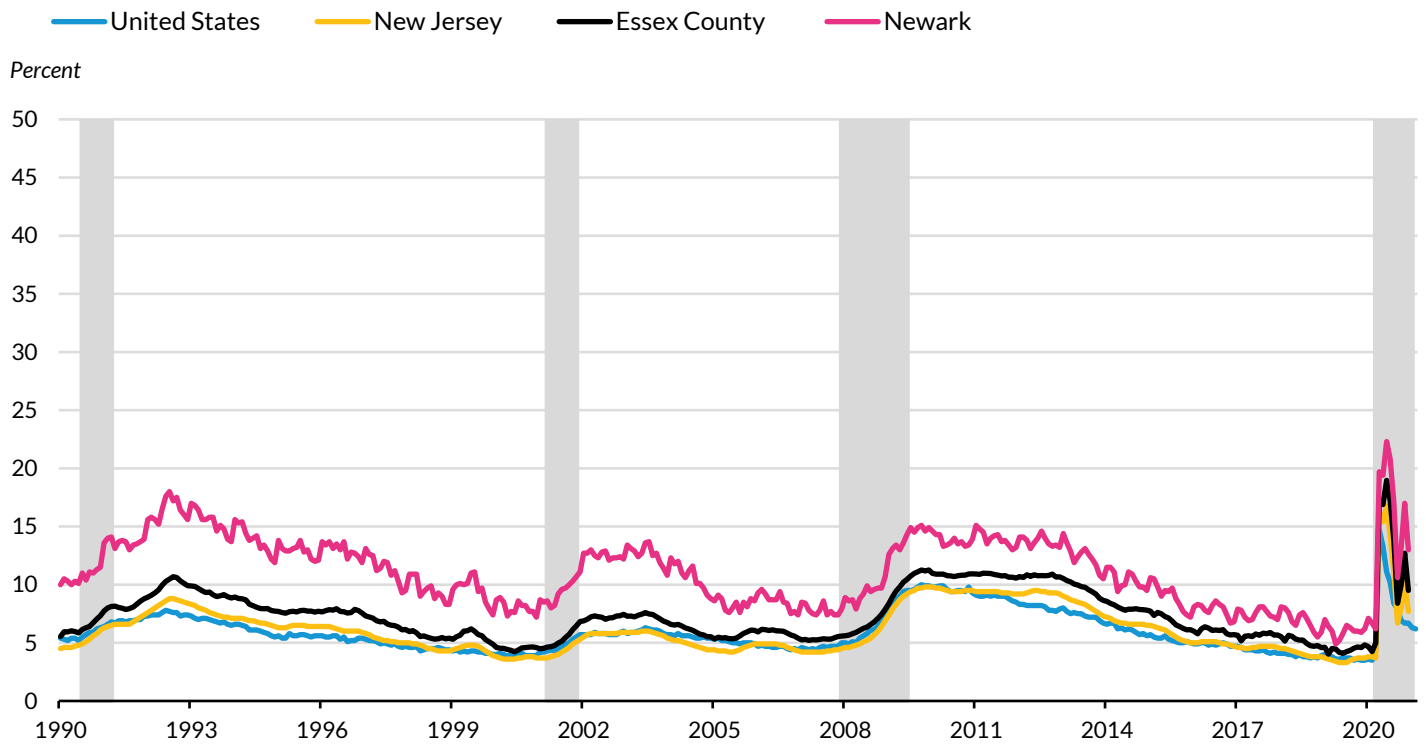
These shifts across Newark's labor force were evidenced in 2019 when compared with 2011. In 2019, just before the COVID-19 recession's onset, 6 percent of the Newark labor force was unemployed, less than half its rate in the wake of the Great Recession, 14 percent. But over that intervening period, the employed share of the population rose from 50 percent to 56 percent and the share not in the labor force increased from 36 percent to 38 percent.

Employment conditions across the entire city of Newark mask variation at the zip code level. In 2019, more than half the civilian population in zip codes 07104, 07105, 07106, 07107, 07108, and 07112 was employed. In zip codes 07102 and 07114, more than half the civilian population was not in the labor force.

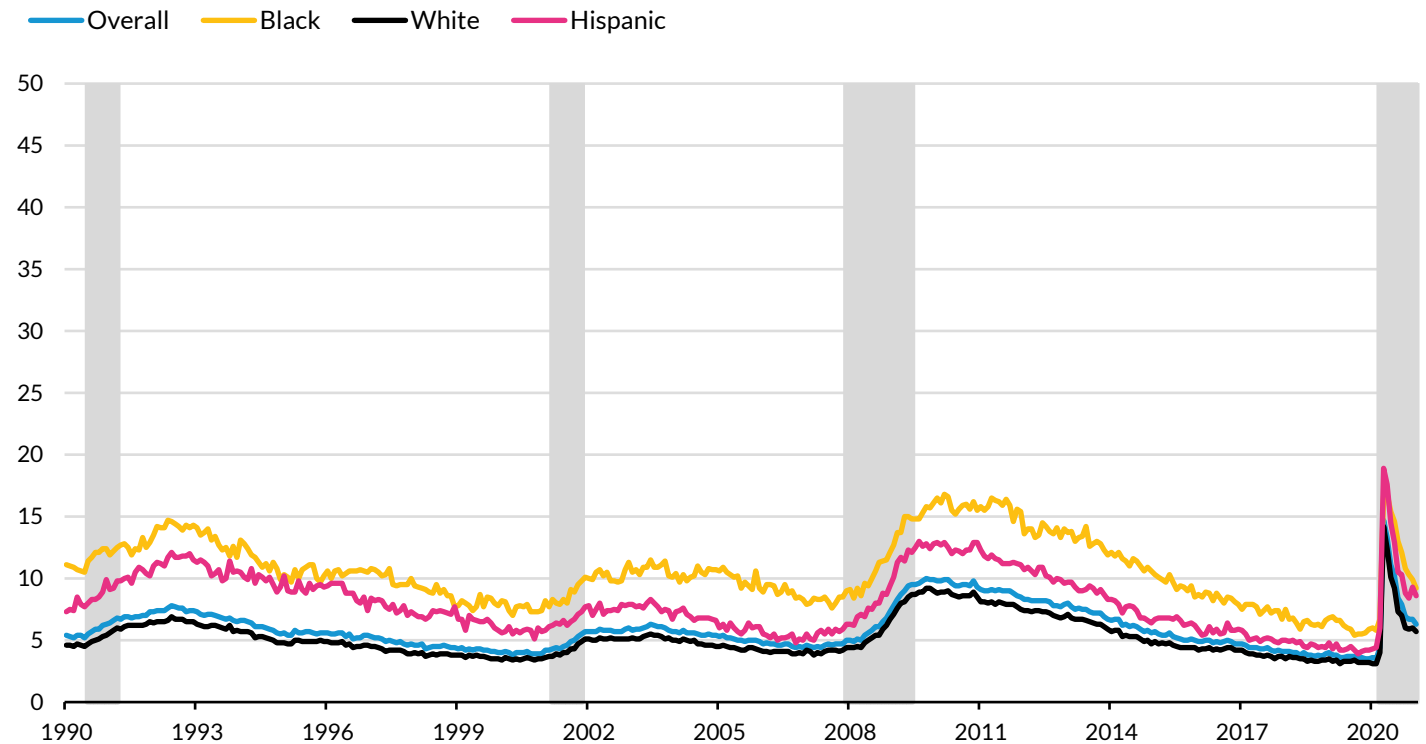


Unemployment Rates

In broader geographic areas



By race or ethnicity in United States

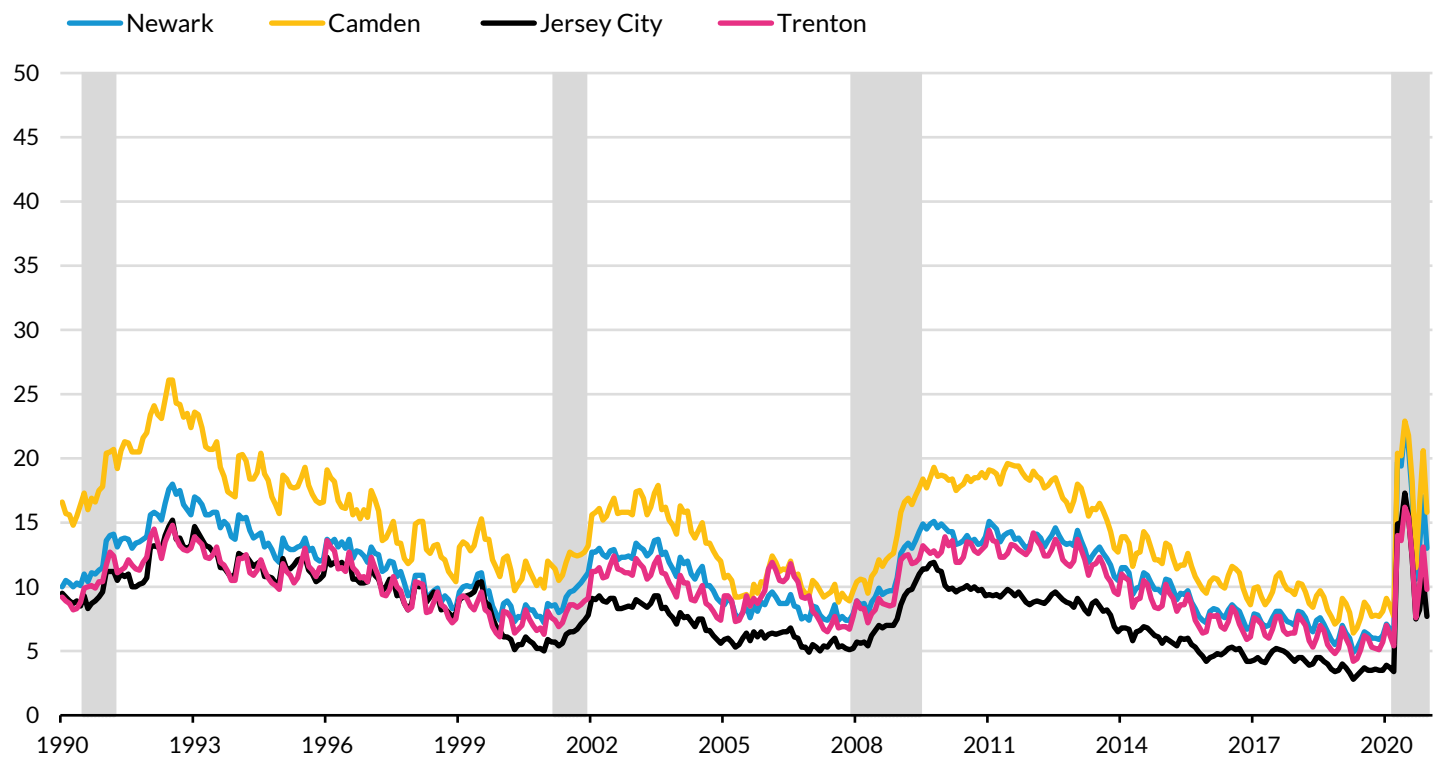


Source: Bureau of Labor Statistics.

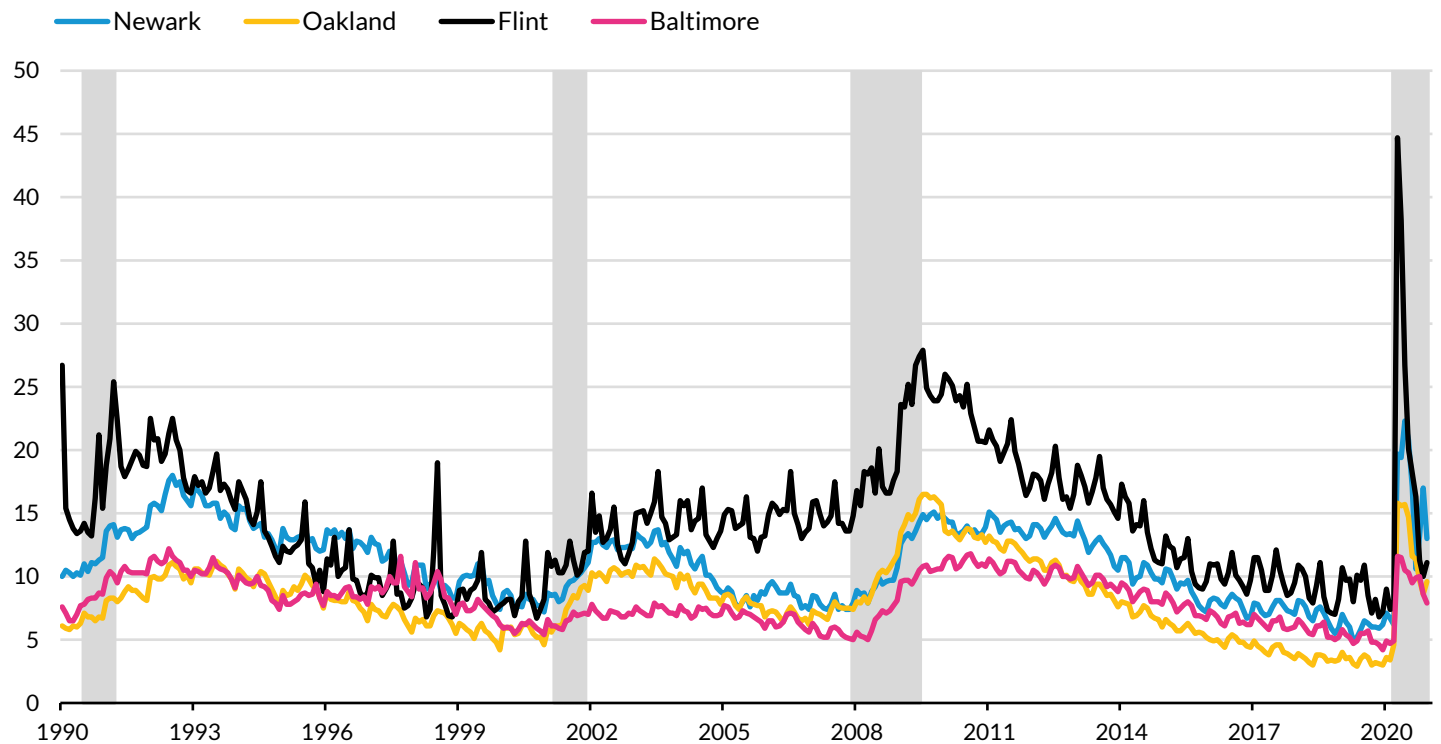
Note: Gray bars indicate recessions.

Unemployment Rates

In other New Jersey cities



In comparable cities

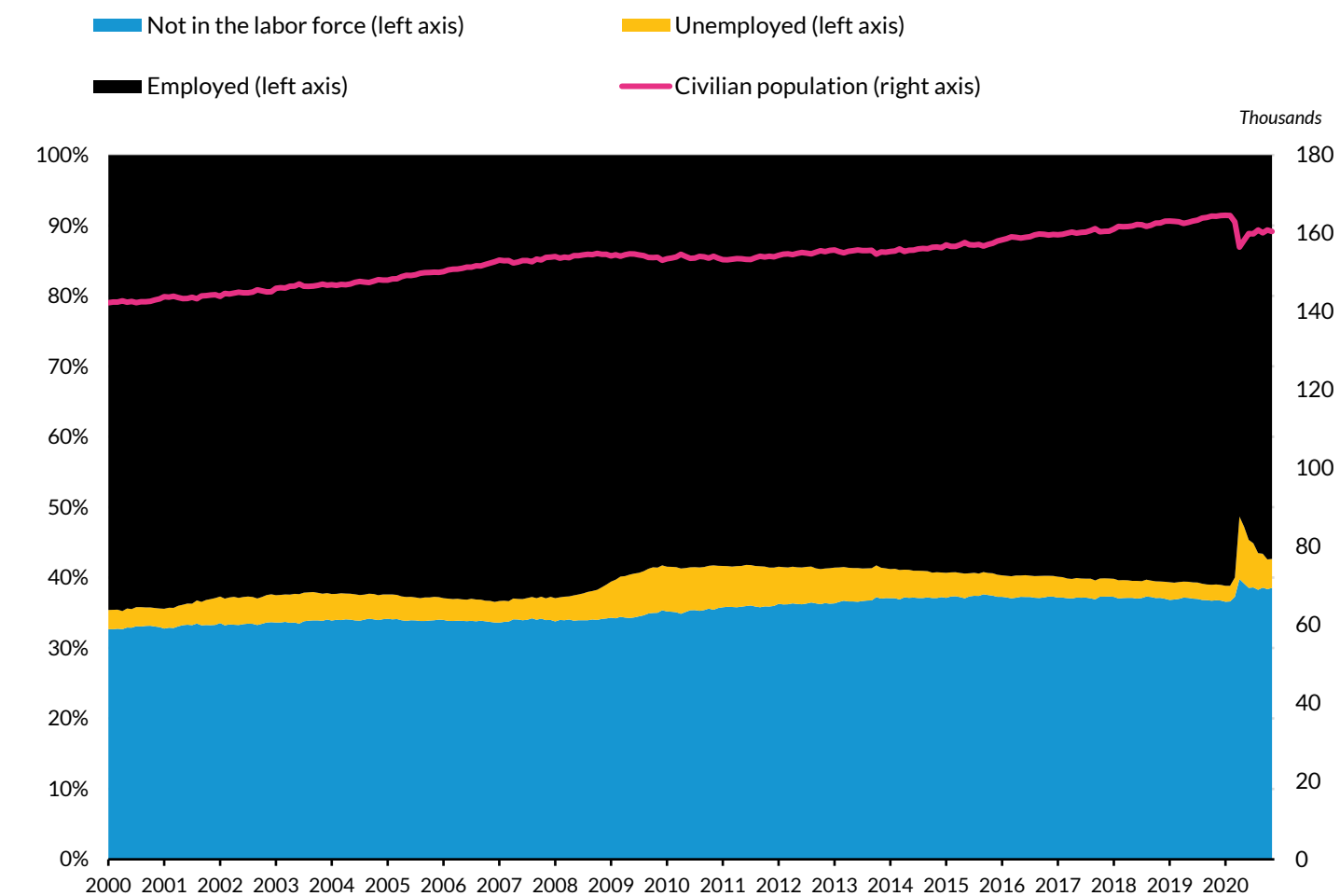


Source: Bureau of Labor Statistics.

Note: Gray bars indicate recessions.

Civilian Labor Force Composition

In the United States

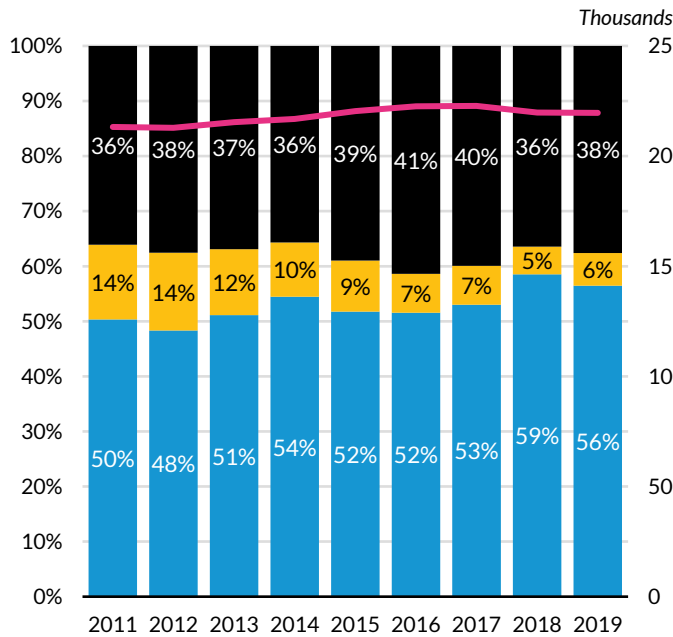


Source: Bureau of Labor Statistics.

Civilian Labor Force Composition in Broader Geographic Areas

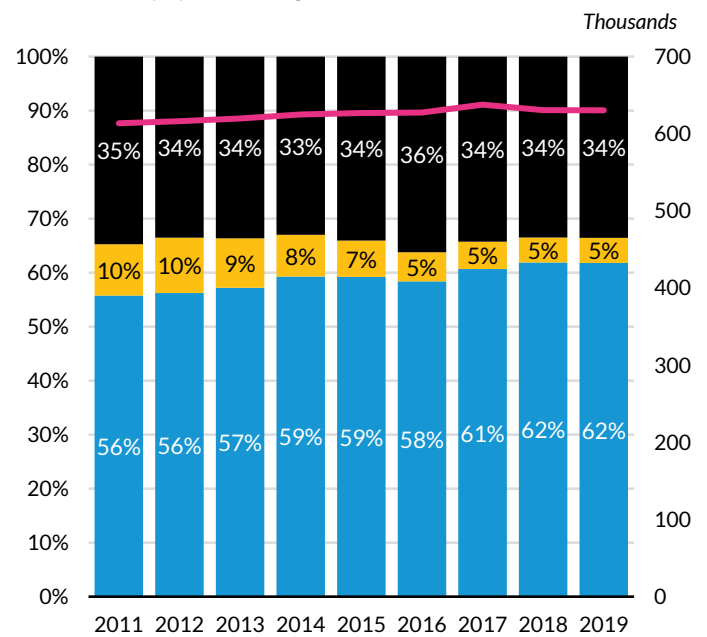
Newark

- Not in labor force (left axis)
- Unemployed (left axis)
- Employed (left axis)
- Civilian population (right axis)



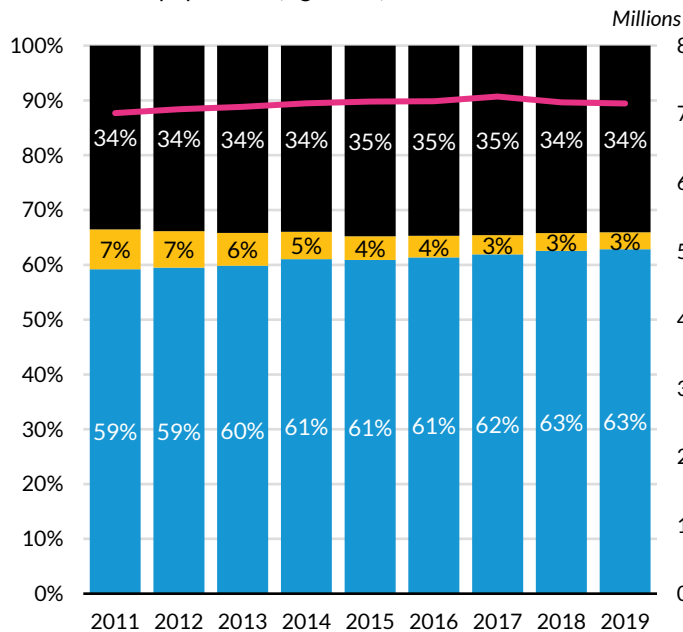
Essex County

- Not in labor force (left axis)
- Unemployed (left axis)
- Employed (left axis)
- Civilian population (right axis)



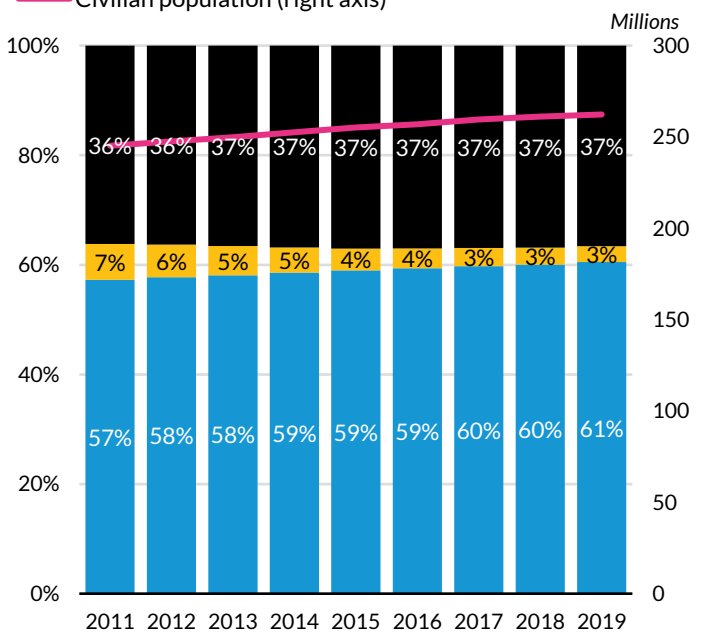
New Jersey

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- Unemployed (left axis)
- Employed (left axis)
- Civilian population (right axis)



United States

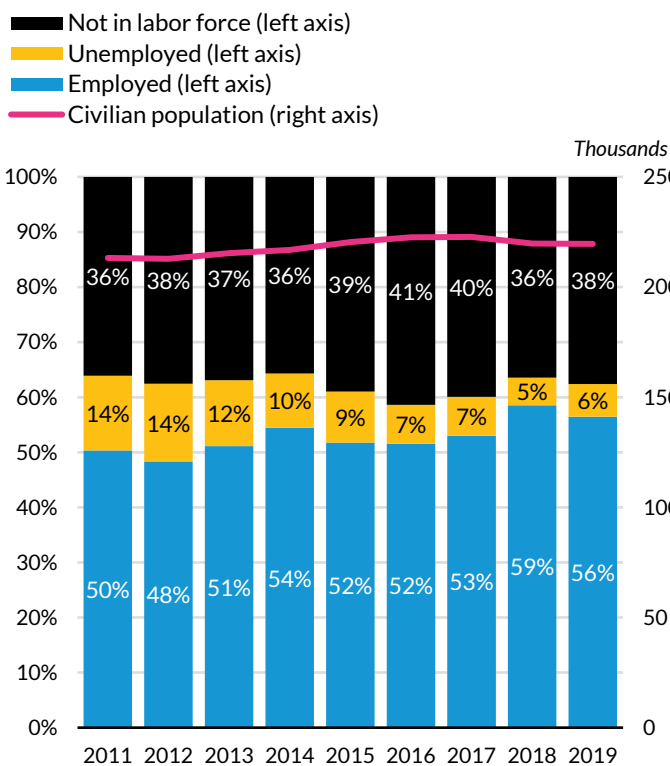
- Not in labor force (left axis)
- Unemployed (left axis)
- Employed (left axis)
- Civilian population (right axis)



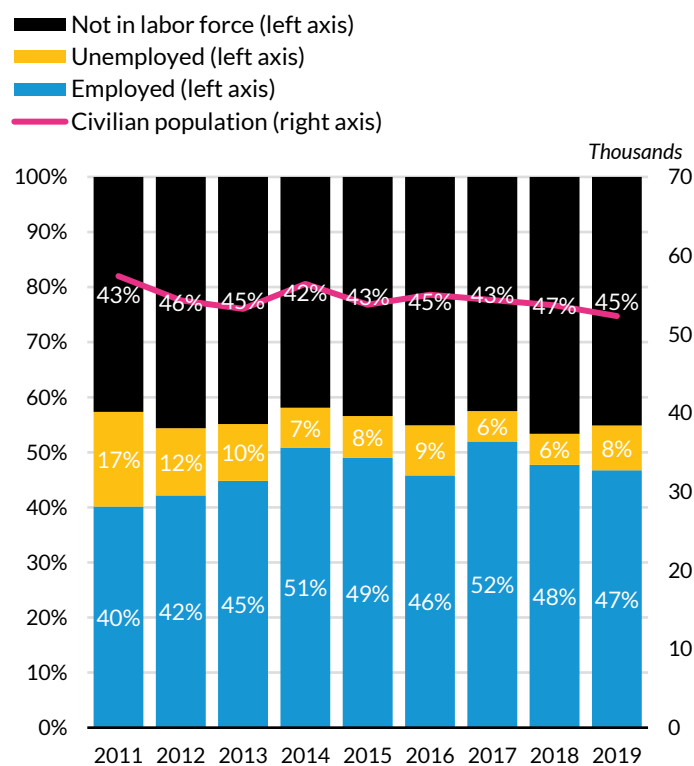
Source: American Community Survey.

Civilian Labor Force Composition in Other New Jersey Cities

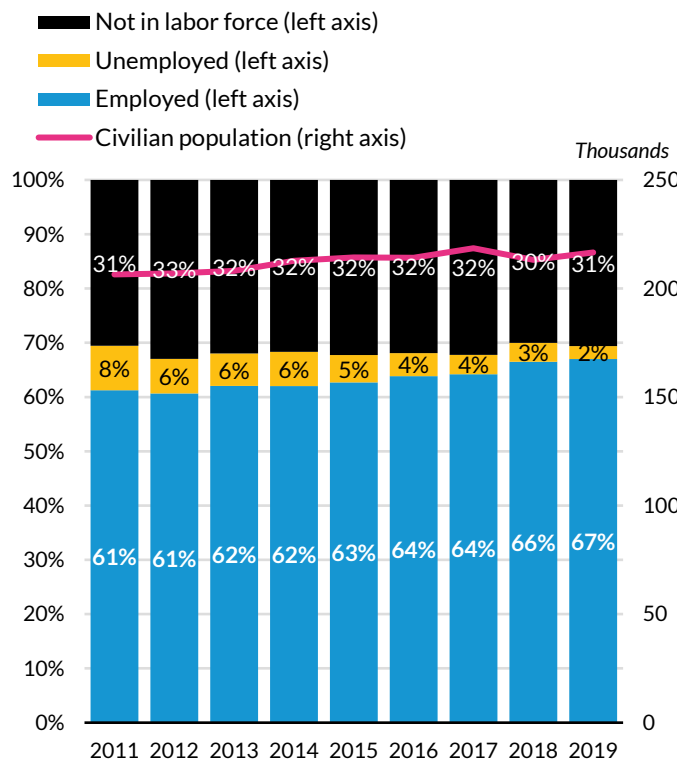
Newark



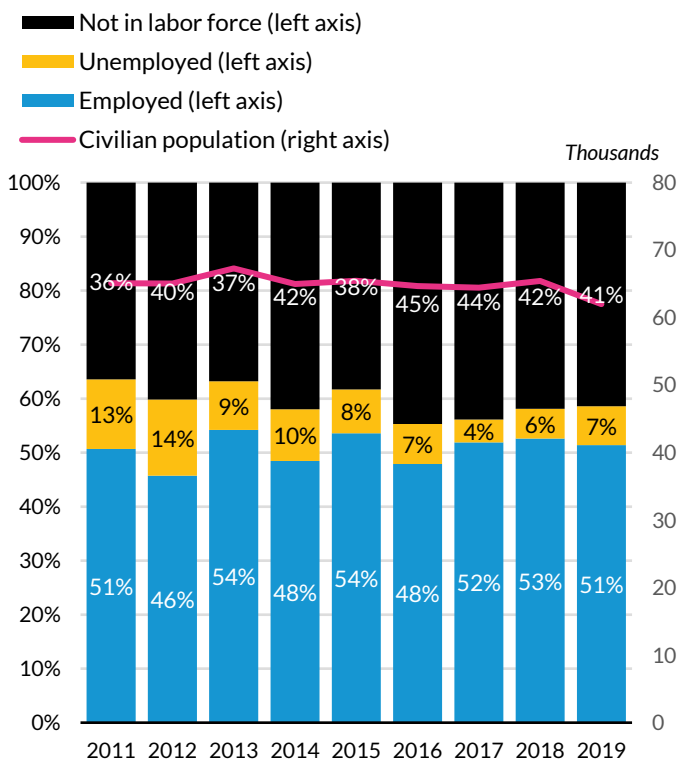
Camden



Jersey City



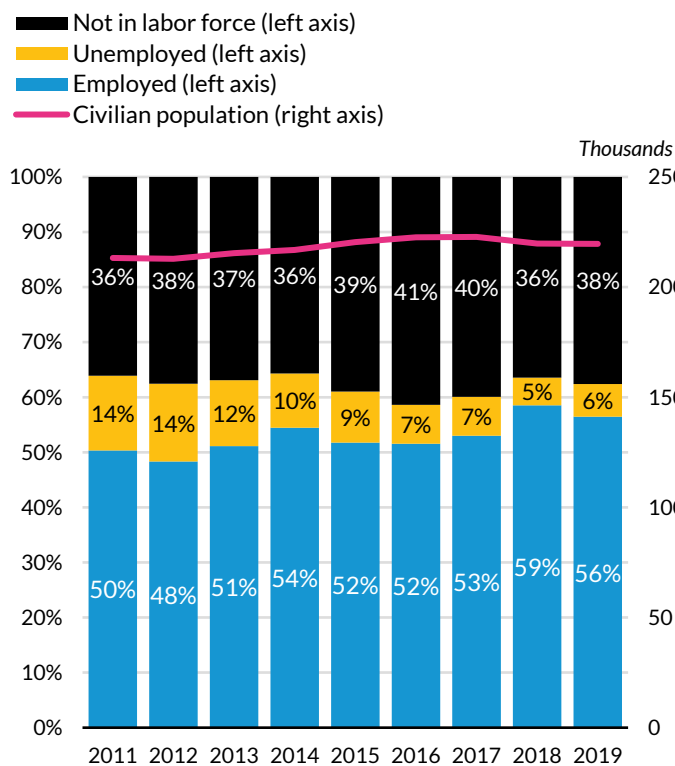
Trenton



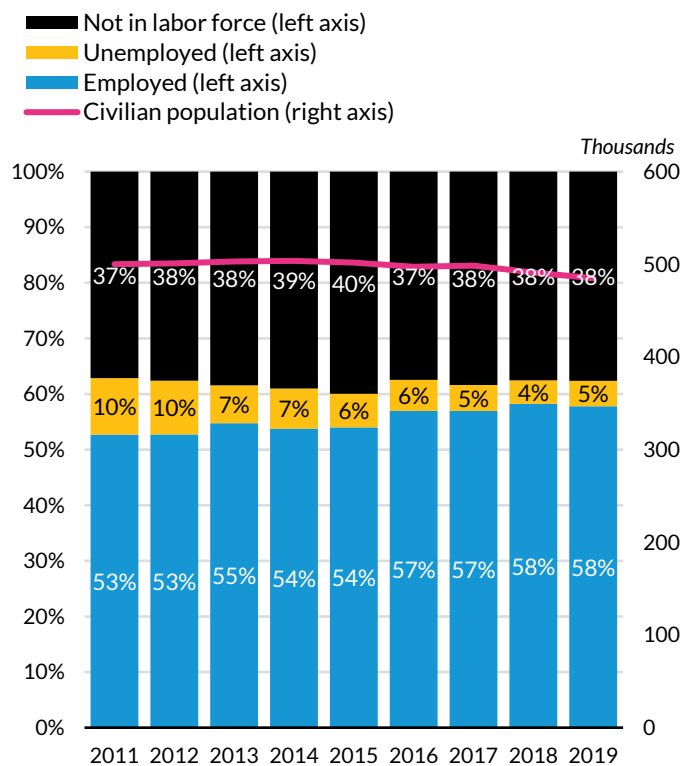
Source: American Community Survey.

Civilian Labor Force Composition in Comparable Cities

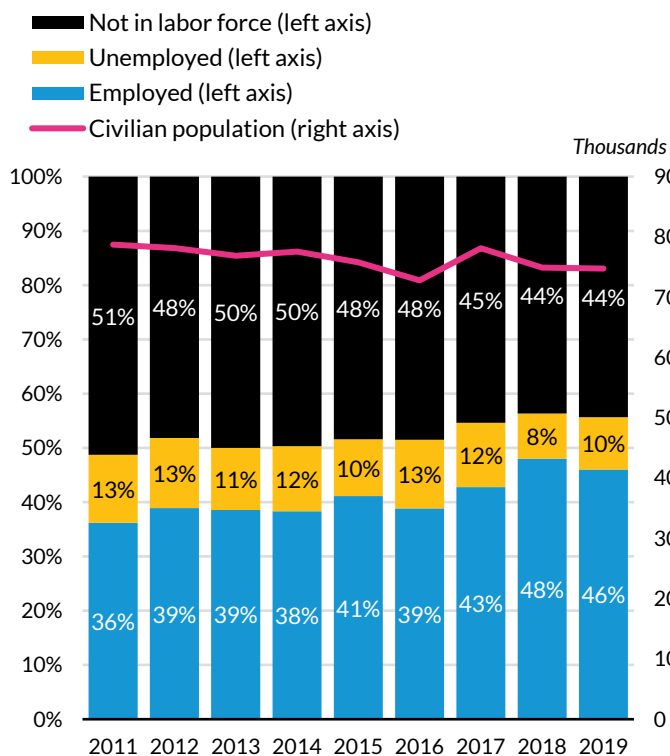
Newark



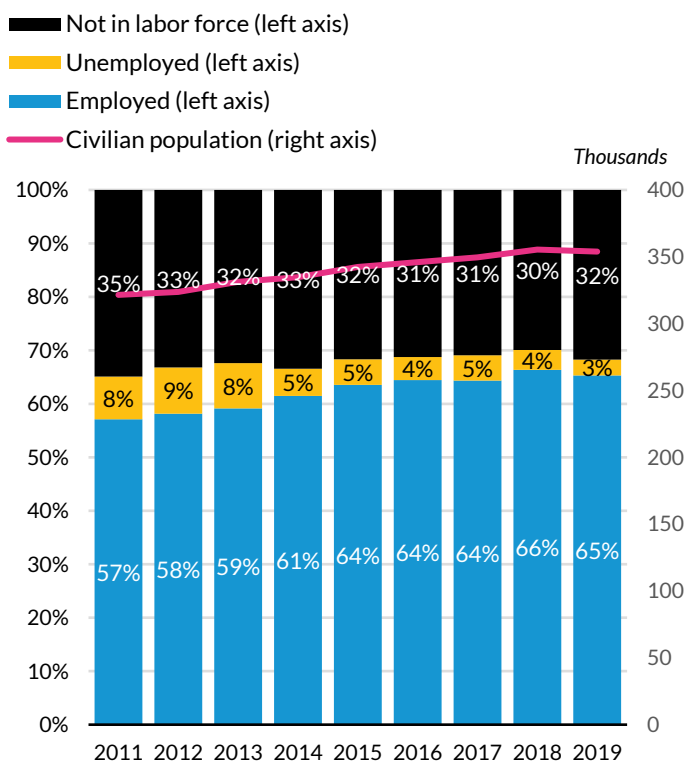
Baltimore



Flint



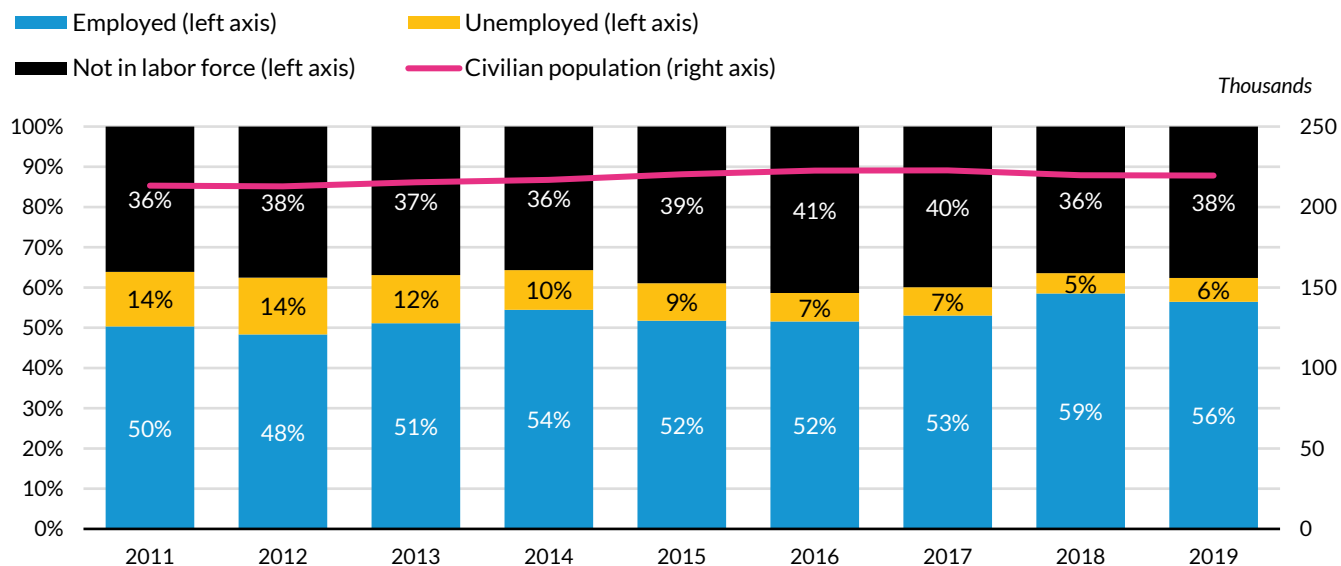
Oakland



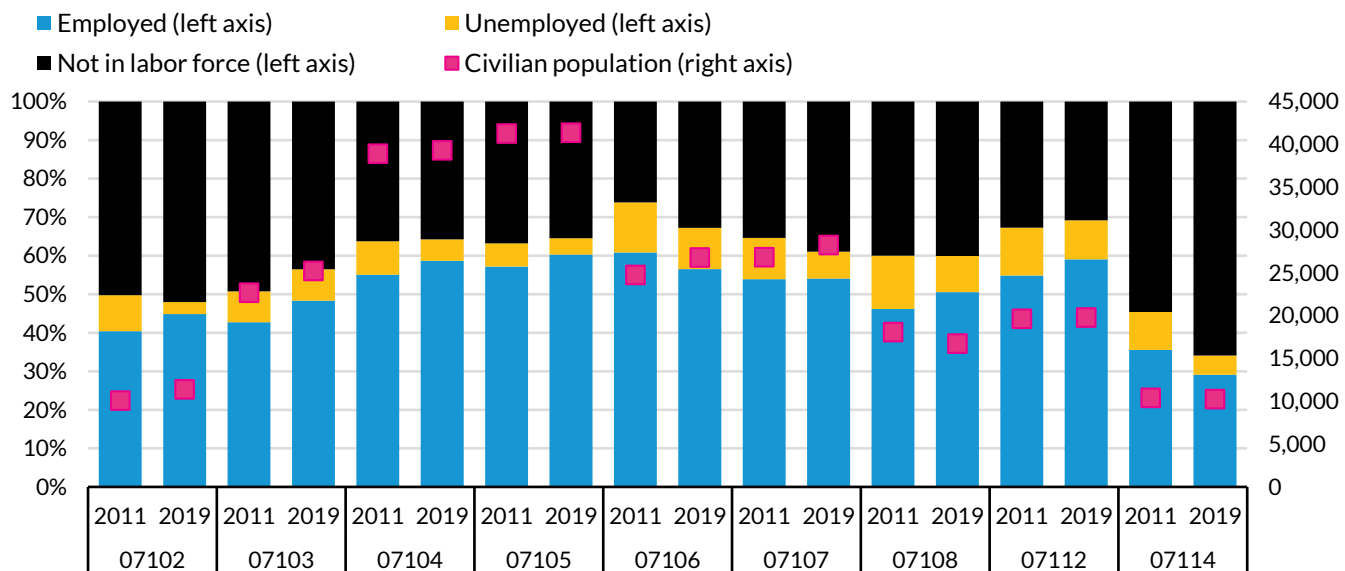
Source: American Community Survey.

Civilian Labor Force Composition in Newark Zip Codes

Newark



Zip codes



Source: American Community Survey.

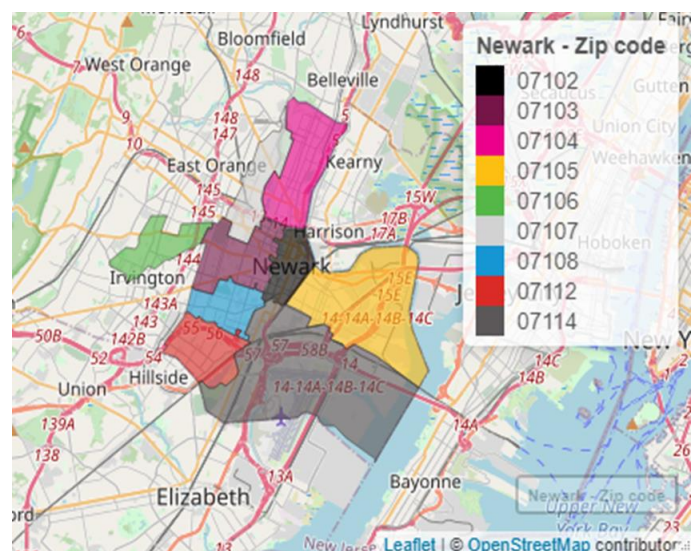
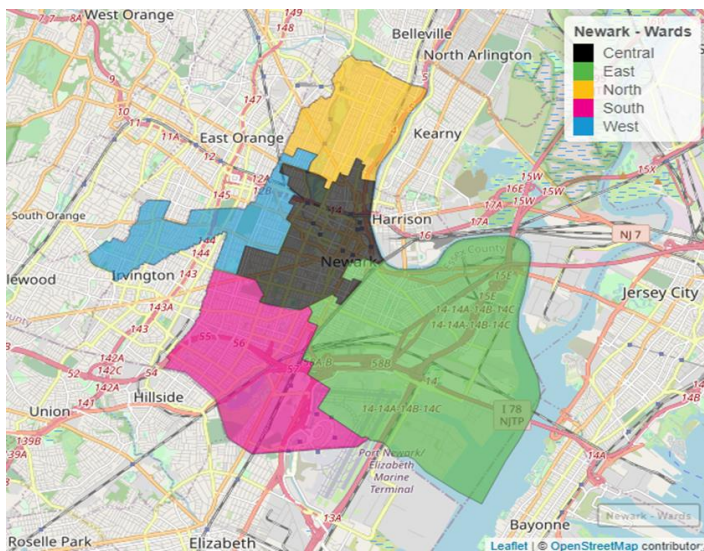
Household Incomes in Newark Reflect Low Homeownership Rates

Household income is a key determinant of housing outcomes. In 2019, the typical Newark household had an income of \$40,235, less than half the median household income for the state of New Jersey as a whole. Median household income in Newark was also significantly less than that of the United States (\$65,712) and Essex County (\$64,626). Across selected comparable cities, the median household income in Newark was less than half that in Jersey City, New Jersey (\$81,693), and Oakland, California (\$82,018). But it exceeds that of Camden, New Jersey (\$33,120); Trenton, New Jersey (\$34,000); and Flint, Michigan (\$32,326).

The relative rank of household income in Newark compared with other geographic areas holds for both homeowners and renters. Median homeowner and renter household income in Newark are below that of the United States; New Jersey; Essex County; Jersey City; Baltimore, Maryland; and Oakland. Both median homeowner and renter household income in Newark exceed that of Trenton, Camden, and Flint.

The composition of homeowner and renter households in Newark also explains its overall median household income. The low homeownership rate in Newark implies that there are more low-income renter households than relatively higher-income homeowner households. As a result, overall median household income in Newark is closer to the renter median than the homeowner median.

In Newark, households in zip codes 07105 and 07106 had higher household incomes than the citywide median, while the rest of the city lagged. Although homeowner households in zip codes 07104, 07106, 07112, and 07114 had higher median homeowner household incomes, only median renter household income in zip code 07105 exceeded the citywide median.



Household Incomes, 2019

| | Overall | Homeowners | Renters |
|--------------------------------------|----------|------------|----------|
| Newark, NJ | \$40,235 | \$65,856 | \$32,757 |
| Broader geographic areas | | | |
| United States | \$65,712 | \$81,988 | \$42,479 |
| New Jersey | \$85,751 | \$112,036 | \$51,946 |
| Essex County | \$64,626 | \$118,364 | \$42,324 |
| Comparable cities | | | |
| Baltimore, MD | \$50,177 | \$77,421 | \$34,094 |
| Flint, MI | \$32,236 | \$41,800 | \$16,904 |
| Oakland, CA | \$82,018 | \$125,104 | \$60,283 |
| Other New Jersey cities | | | |
| Jersey City | \$81,693 | \$106,949 | \$69,519 |
| Trenton | \$34,000 | \$60,246 | \$26,936 |
| Camden | \$33,120 | \$49,270 | \$23,204 |
| Populated zip codes in Newark | | | |
| 07102 ^a | \$25,351 | \$62,093 | \$22,011 |
| 07103 | \$30,108 | \$62,997 | \$23,703 |
| 07104 | \$37,424 | \$82,506 | \$29,692 |
| 07105 | \$44,785 | \$64,975 | \$40,821 |
| 07106 | \$41,195 | \$76,309 | \$32,438 |
| 07107 | \$31,842 | \$64,598 | \$27,000 |
| 07108 | \$27,000 | \$61,364 | \$21,616 |
| 07112 | \$36,246 | \$78,162 | \$30,396 |
| 07114 | \$29,682 | \$79,643 | \$21,394 |

Source: American Community Survey.

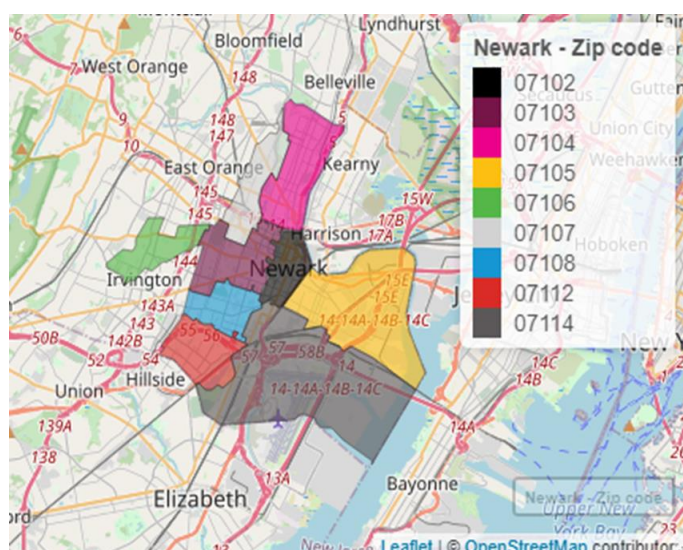
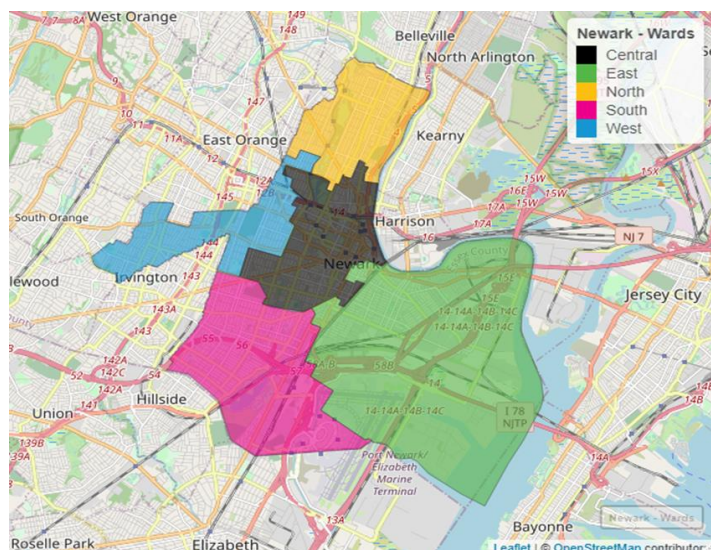
^aWe used 2018 American Community Survey data because of missing values.

Most Newark Renters Are Rent Burdened

A renter household in the United States is considered rent burdened if at least 30 percent of household income goes to rent. The typical renter household in Newark paid \$1,129 in monthly rent in 2019, only 3 percent above the national average. But because the median renter household in Newark has less income than the median renter nationwide, the typical Newark renter pays a higher share of their income for rent. In fact, the typical Newark renter pays annual rent that is 34 percent of its income, with 56 percent of the population spending more than 30 percent of their income on rent. Thirty-two percent of Newark renters are severely rent burdened, spending 50 percent or more of their household income on rent.

Although Newark does have an elevated share of renter households that are rent burdened, many US renters struggle, with 48 percent paying more than 30 percent of their income on rent and 24 percent paying more than 50 percent. The cost-burdened percentages for New Jersey look a lot like the US as a whole, as do the numbers for Baltimore, Maryland, and Oakland, California.

Newark is not unique in its share of cost-burdened renters. In Flint, Michigan, and Trenton and Camden, New Jersey, 55 to 65 percent of renters are cost-burdened, and 34 to 36 percent are severely rent burdened. Jersey City renters are less cost burdened than in the US as a whole; with the median renter paying 25 percent of their income for rent.



Rent Burden, 2019

| | Median monthly rent | Rent Burden | | | |
|--------------------------------------|---------------------|-------------|----------------|------------------|----------------|
| | | Median | <30% of income | 30–49% of income | ≥50% of income |
| Newark, NJ | \$1,129 | 34% | 44% | 24% | 32% |
| Broader geographic areas | | | | | |
| United States | \$1,097 | 29% | 52% | 25% | 24% |
| New Jersey | \$1,376 | 30% | 51% | 24% | 25% |
| Essex County | \$1,233 | 31% | 49% | 23% | 27% |
| Comparable cities | | | | | |
| Baltimore, MD | \$1,090 | 31% | 48% | 24% | 28% |
| Flint, MI | \$735 | 38% | 35% | 29% | 36% |
| Oakland, CA | \$1,600 | 30% | 51% | 24% | 26% |
| Other New Jersey cities | | | | | |
| Jersey City | \$1,541 | 25% | 59% | 22% | 19% |
| Trenton | \$1,002 | 33% | 45% | 20% | 35% |
| Camden | \$873 | 35% | 40% | 27% | 34% |
| Populated zip codes in Newark | | | | | |
| 07102 | \$821 | 31% | 48% | 27% | 25% |
| 07103 | \$1,053 | 38% | 37% | 25% | 38% |
| 07104 | \$1,083 | 36% | 38% | 27% | 35% |
| 07105 | \$1,218 | 34% | 44% | 27% | 30% |
| 07106 | \$1,073 | 35% | 43% | 24% | 33% |
| 07107 | \$1,047 | 37% | 38% | 27% | 36% |
| 07108 | \$956 | 41% | 31% | 26% | 42% |
| 07112 | \$1,125 | 39% | 36% | 26% | 38% |
| 07114 | \$753 | 35% | 41% | 32% | 27% |

Source: American Community Survey.

Homebuyer Affordability in Newark Is Low, Particularly for Renters

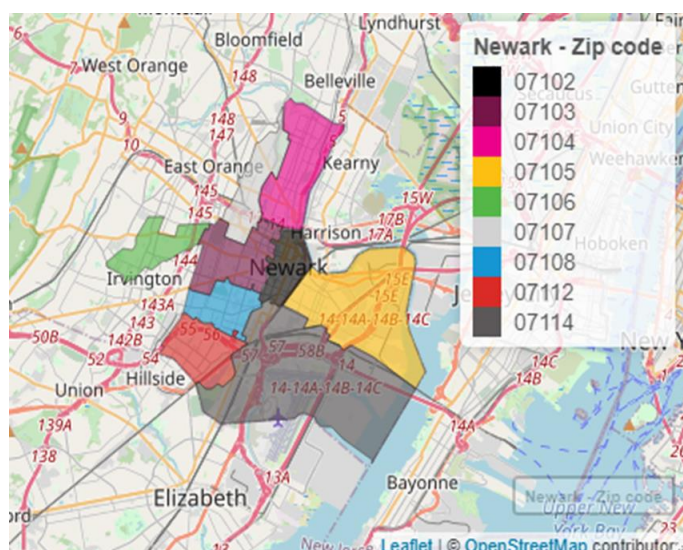
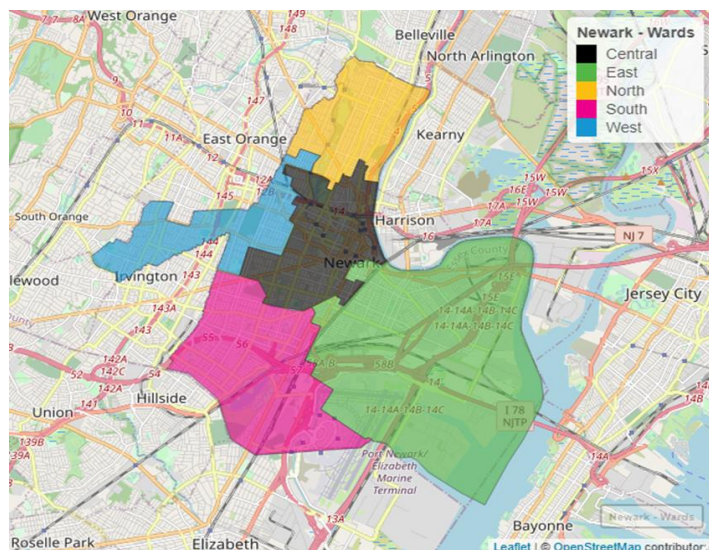
Median sales prices in Newark have risen 90 percent since 2012 to \$240,088. The increase in median sales prices has outpaced growth in household income, boosting the home-price-to-income ratio by 50 percent to 6.0 in 2019, up from 4.0 in 2012. In 2019, overall affordability in Newark, measured as the ratio of the sales price to overall household income, exceeds that in every other comparable region except Jersey City, New Jersey, and Oakland, California.

Renter households have seen greater contraction in home affordability than have homeowner households. Between 2012 and 2019, renter households in Newark have seen the ratio of sales price to renter income rise from 4.9 to 7.3. In contrast, homeowner households have seen that ratio rise from 2.2 to 3.6. But there was a noticeable jump in the sales-price-to-homeowner-income ratio from 2018 to 2019, which may suggest that homeowners are becoming less able to afford to purchase and remain in the city.

Across Newark, median sales prices vary. In 2019, higher median sales prices were observed in zip codes 07105, 07102, and 07104. Median sales prices in zip code 07102 have more than doubled between 2011 (\$141,472) and 2019 (\$322,367). Using median sales prices in Newark (i.e., assuming households in different zip codes look to purchase any home within city limits), homeowner affordability is low but steady, both over time and across zip codes. But a renter household's ability to afford a home in 2019 is lowest (sales-price-to-income ratios are highest) in zip codes 07114, 07102, and 07108.

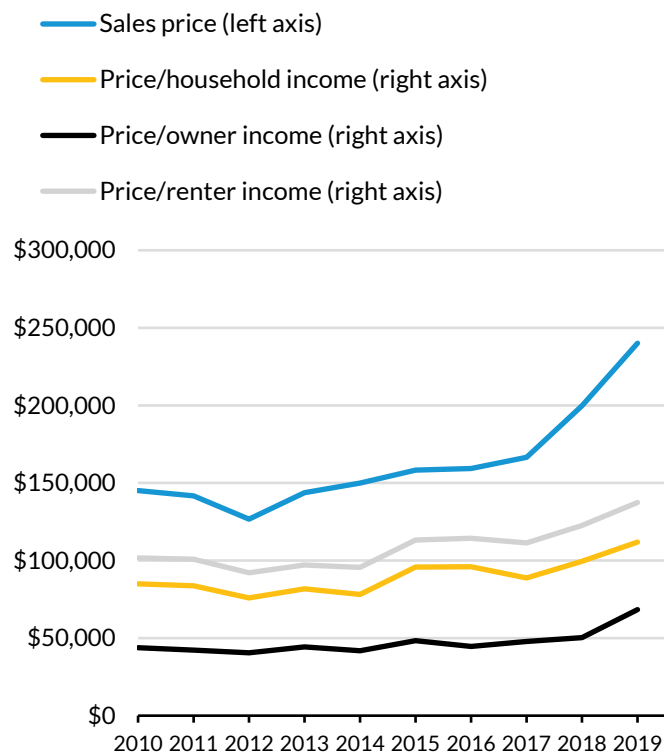
Although home prices and income provide a good approximation of homebuyer affordability, mortgage market conditions also play a role in determining affordability. Mortgage interest rates declined 100 basis points from 3.7 percent in January 2020 to 2.7 percent in December 2020, according to Freddie Mac's Primary Mortgage Market Survey. Lower rates can help offset a higher price-to-income ratio. At the same time, mortgage credit availability for home purchases shrank, according to the Urban Institute's Housing Credit Availability Index. Although rates fell, it may have been more difficult to get a mortgage.

Within Newark, the typical renter household in every zip code is considered rent burdened. The rent burdens are highest in zip code 07108, where the typical renter household pays \$956 in rent, but the median renter household income, \$21,616, is the second lowest in Newark, leaving 42 percent of renter households severely cost burdened.

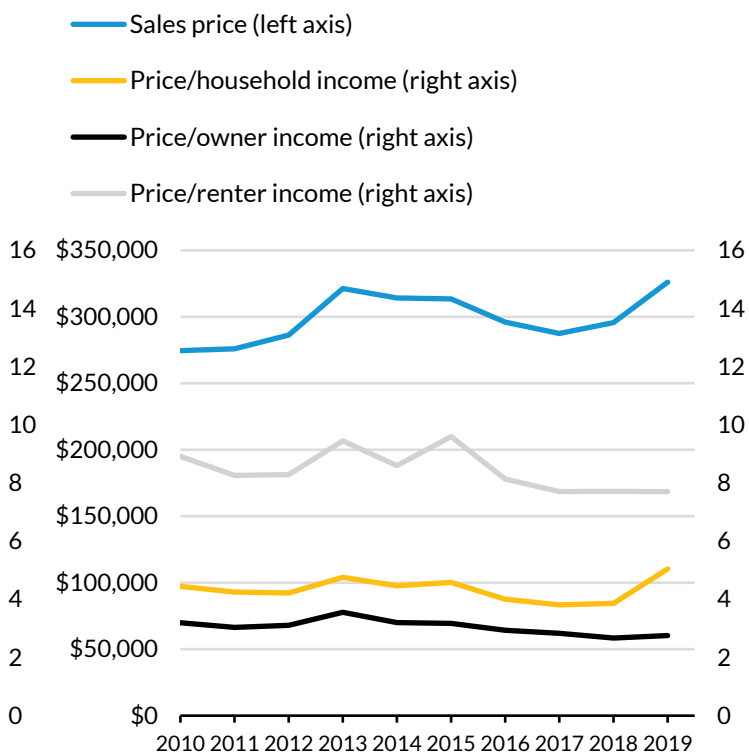


Homebuyer Affordability in Broader Geographic Areas

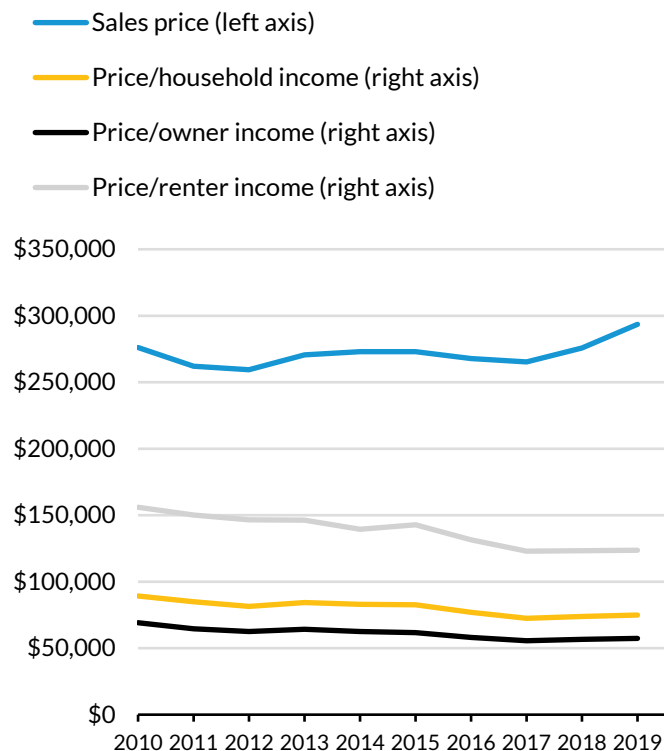
Newark



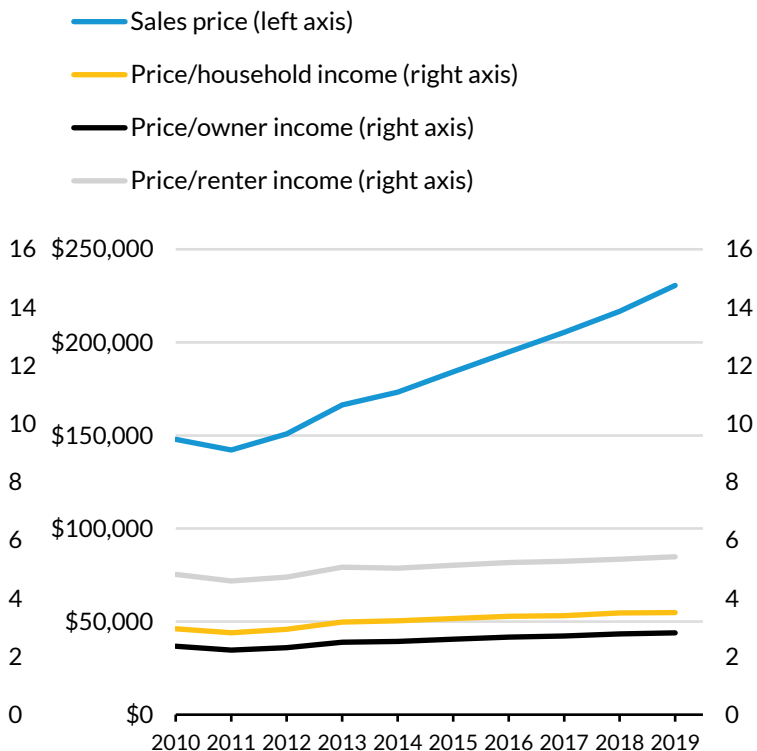
Essex County



New Jersey



United States

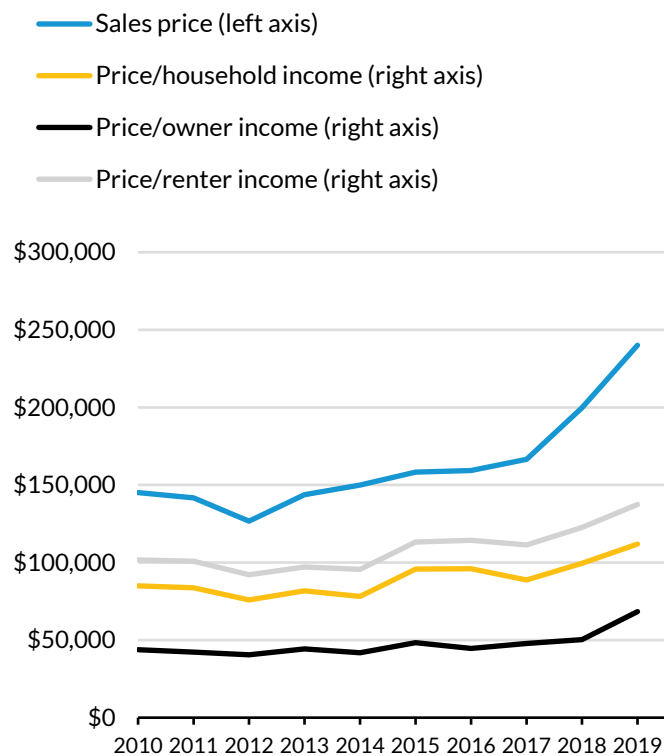


Sources: CoreLogic and the American Community Survey.

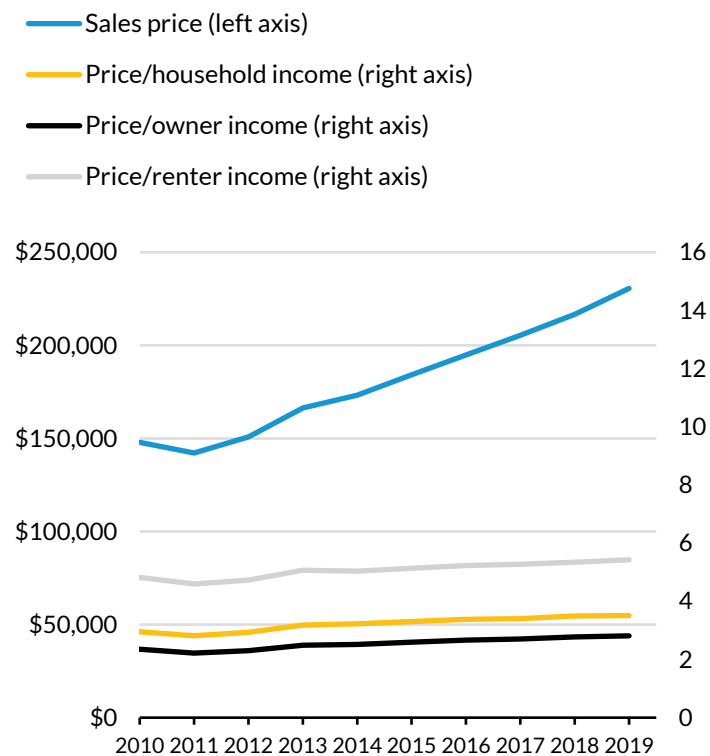
Note: Pay attention to the y-axis values when comparing areas.

Homebuyer Affordability in Other New Jersey Cities

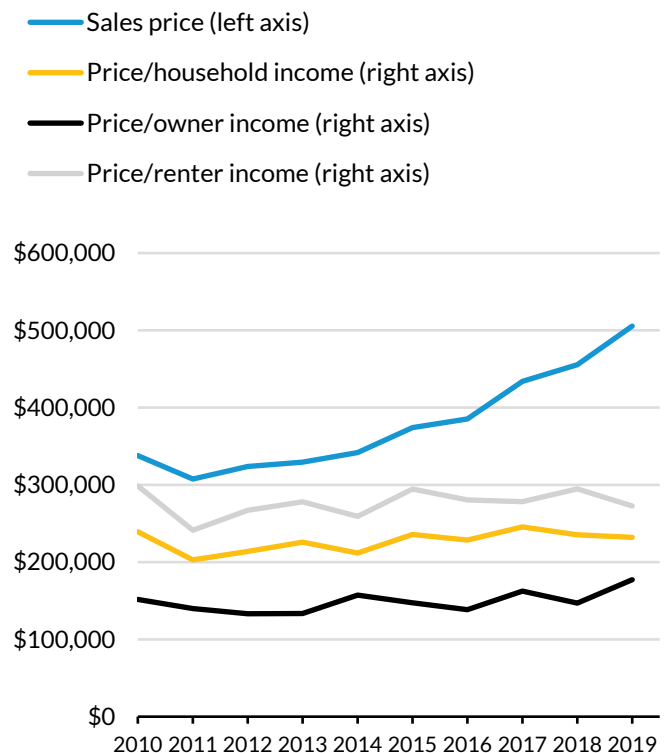
Newark



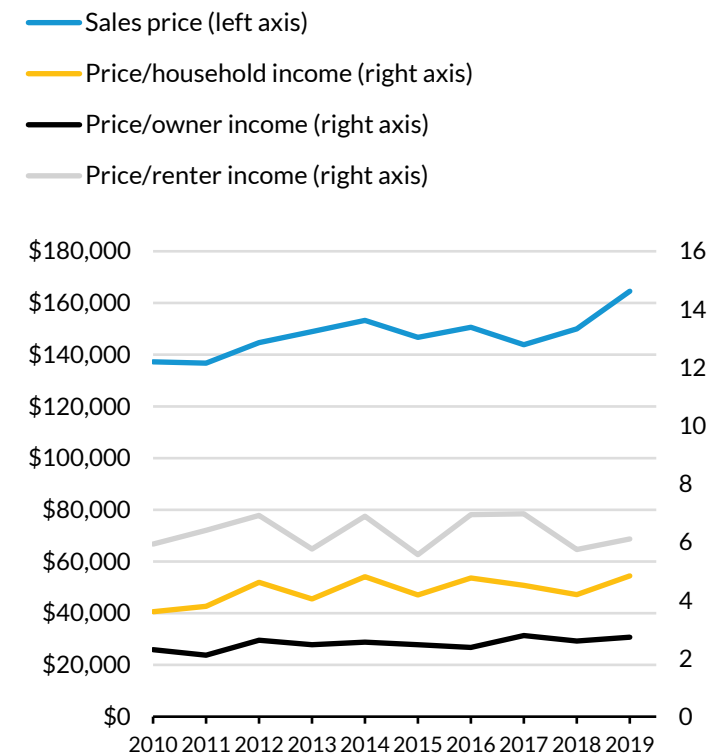
Camden



Jersey City



Trenton

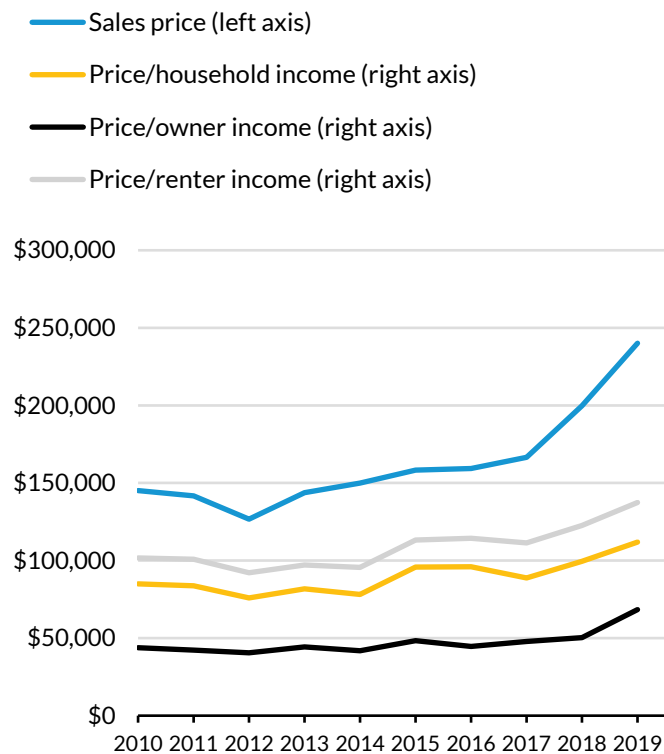


Sources: CoreLogic and the American Community Survey.

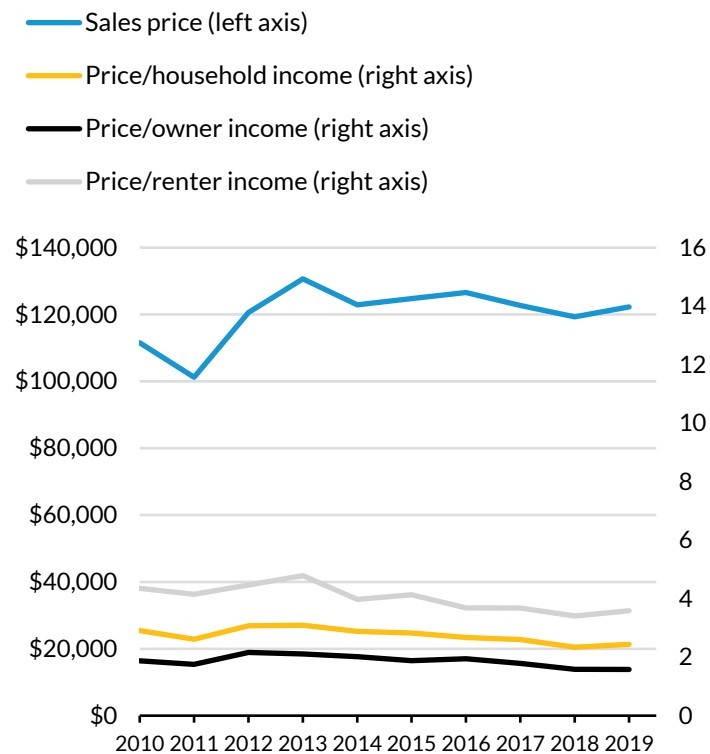
Note: Pay attention to the y-axis values when comparing areas.

Homebuyer Affordability in Comparable Cities

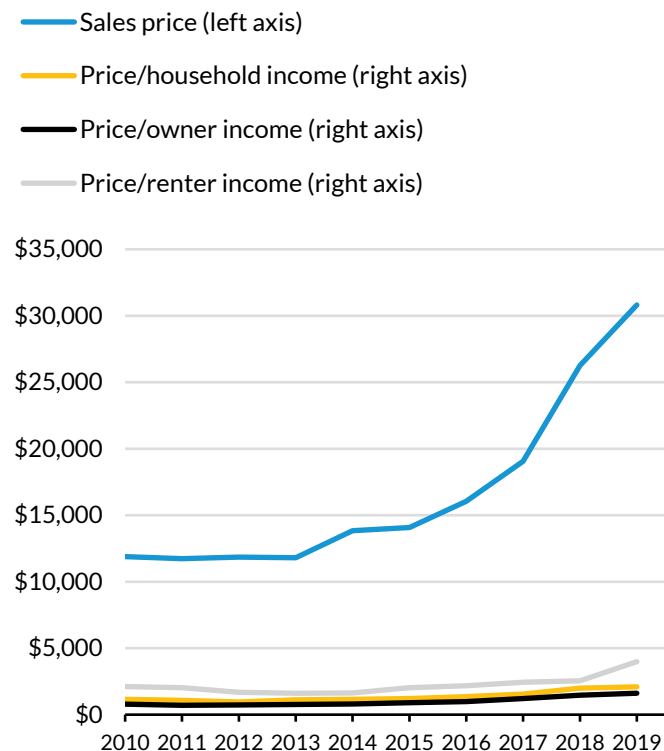
Newark



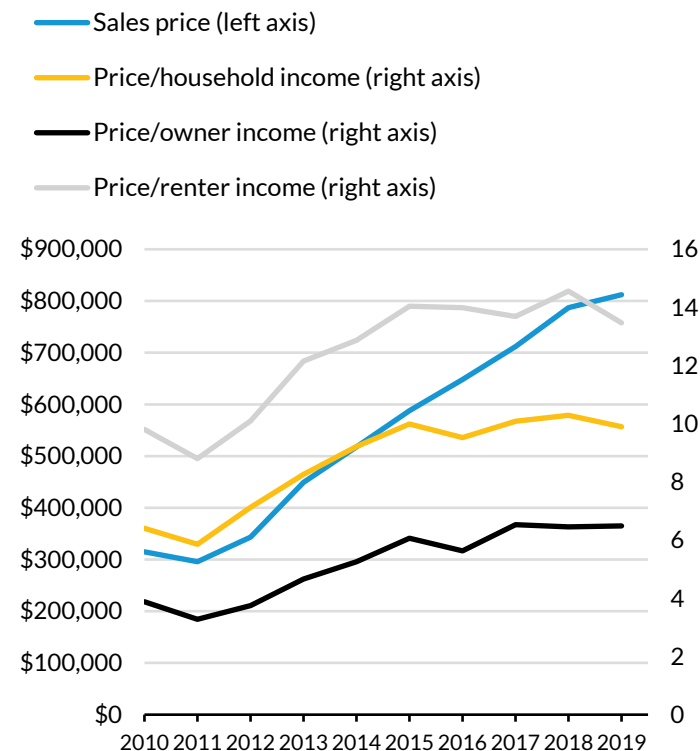
Baltimore



Flint



Oakland

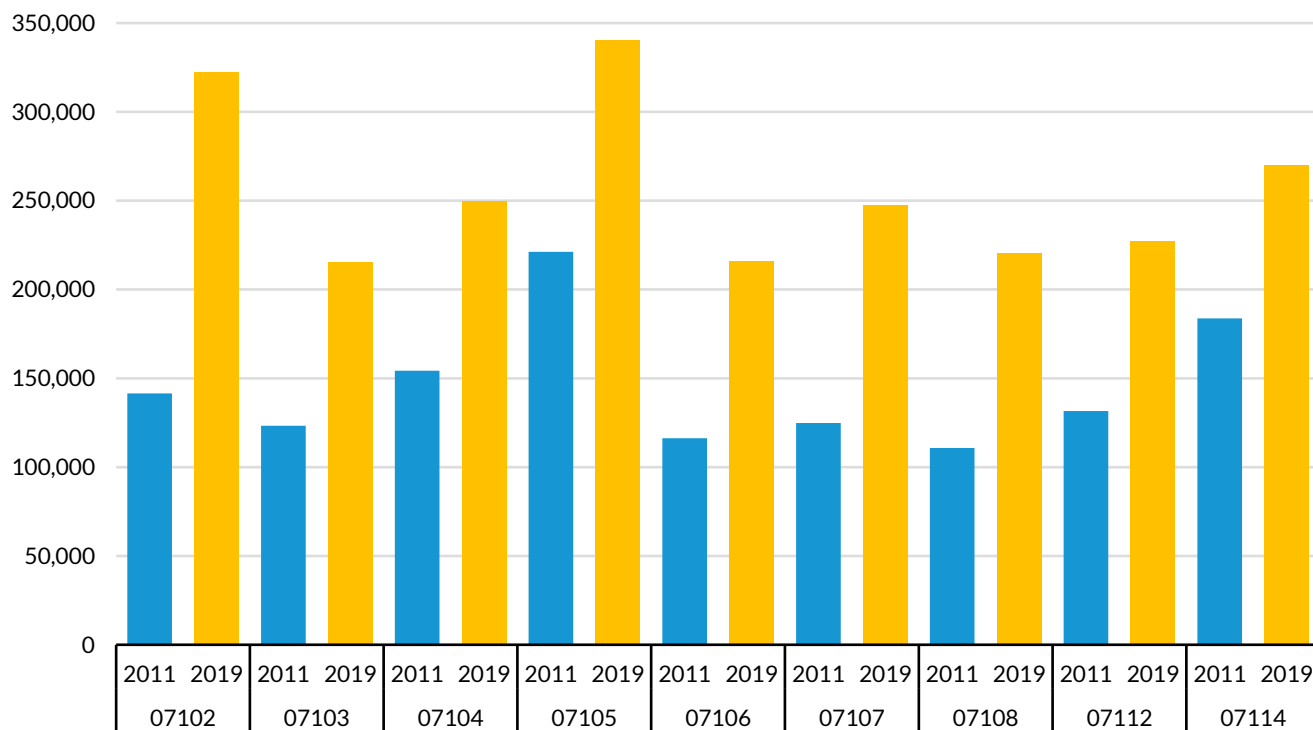


Sources: CoreLogic and the American Community Survey.

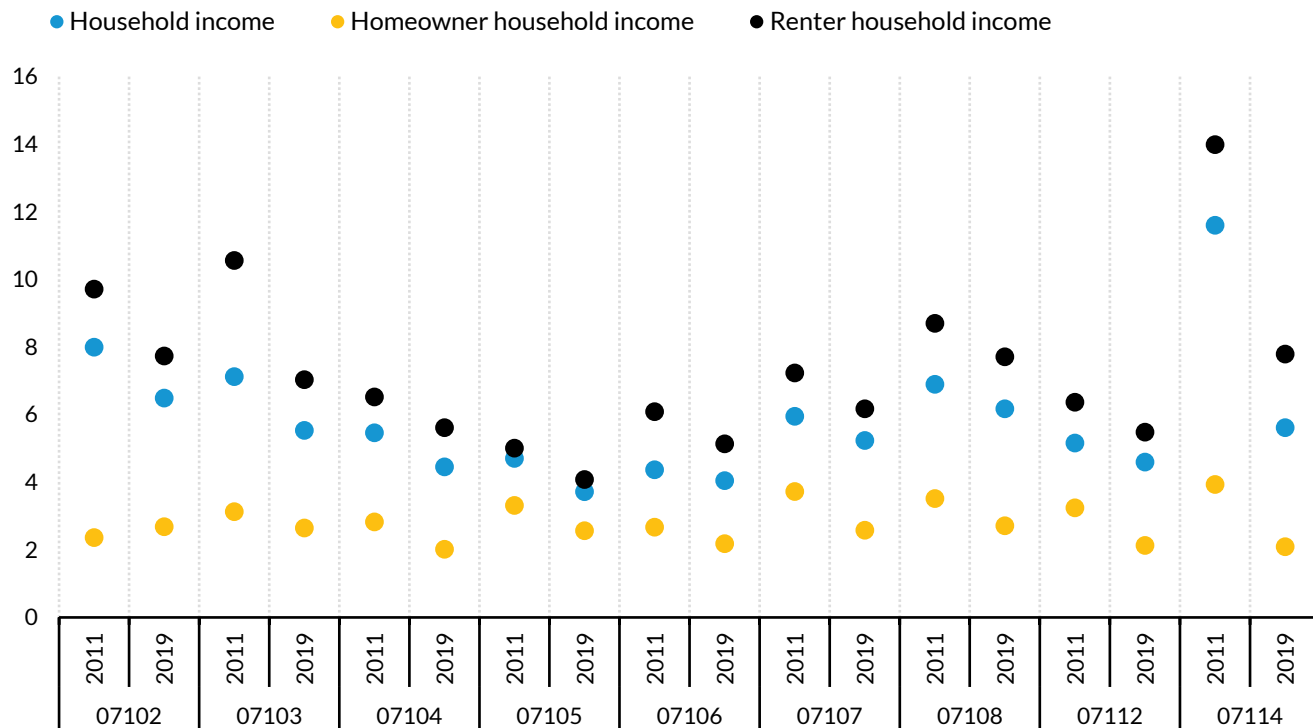
Note: Pay attention to the y-axis values when comparing areas.

Sales Prices and Homebuyer Affordability in Newark Zip Codes

Median sales prices



Affordability based on Newark-wide sales prices^a



Sources: CoreLogic and the American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

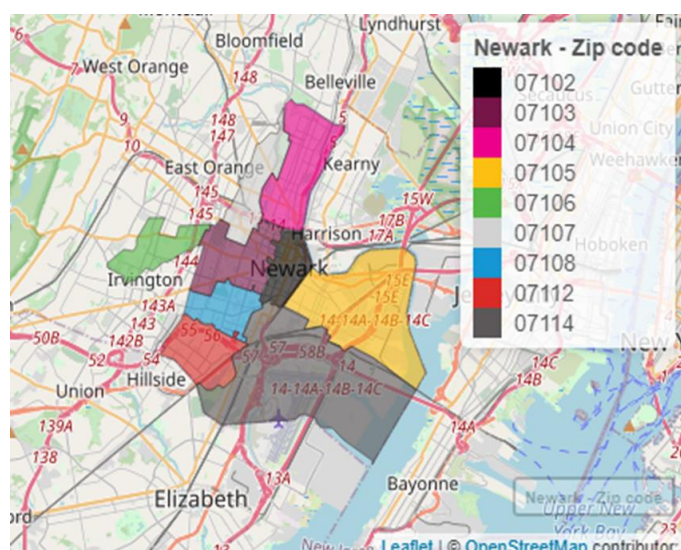
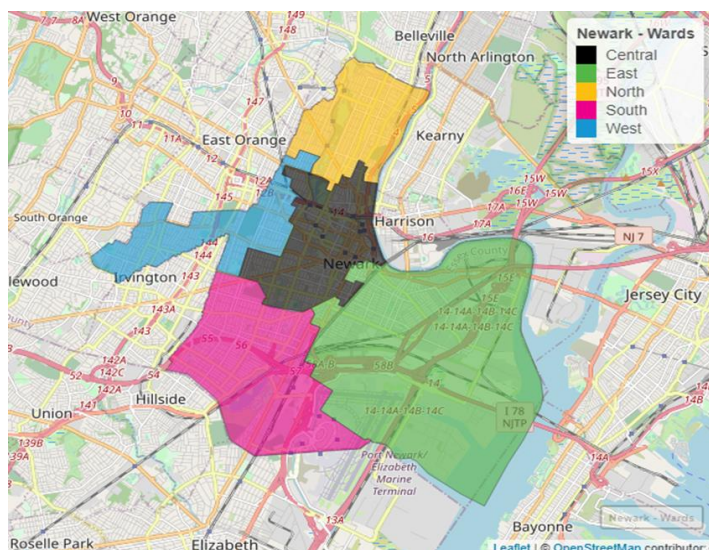
^aWe used 2018 homeowner household income for zip codes 07102 in 2019 because of a missing value.

More Than Half of Newark Homeowners Are Cost Burdened

The median Newark homeowner has monthly owner costs of \$1,793, amounting to 31 percent of homeowners' household income. Owner costs include payments for mortgages, real estate taxes, insurance, utilities, fuel, and condominium or homeowners' association fees. In Newark, 51 percent of homeowners had owner costs relative to household income that exceeded 30 percent, with 27 percent of Newark homeowners having costs that amounted to at least 50 percent of household income.

Unlike rent burdens, the high cost burden for Newark's homeowners stands in contrast to homeowner conditions more generally and in other selected cities. In no comparable region did median owner costs exceed 23 percent of household income (i.e., Essex County, which includes Newark; Jersey City, New Jersey; and Oakland, California). In Jersey City and Oakland, 11 percent and 13 percent of homeowners, respectively, are severely cost burdened.

Owner costs accounted for at least 30 percent of household income in zip codes 07103, 07105, 07107, 07108, and 07112. Meanwhile, the typical homeowner in zip codes 07102, 07104, 07106, and 07114 was considered not cost burdened. But the lowest median homeowner cost burden within Newark, zip code 07102, still exceeded the highest median cost burden in Jersey City and Oakland.



Homeowners' Costs, 2019

| | Monthly costs | Homeowners' costs relative to household income | | | |
|--------------------------------------|---------------|--|----------------|------------------|----------------|
| | | Median | <30% of income | 30–49% of income | ≥50% of income |
| Newark, NJ | \$1,793 | 31% | 49% | 24% | 27% |
| Broader geographic areas | | | | | |
| United States | \$1,124 | 17% | 79% | 13% | 8% |
| New Jersey | \$1,890 | 21% | 71% | 17% | 12% |
| Essex County | \$2,304 | 23% | 64% | 19% | 17% |
| Comparable cities | | | | | |
| Baltimore, MD | \$1,200 | 19% | 77% | 12% | 11% |
| Flint, MI | \$491 | 16% | 78% | 11% | 10% |
| Oakland, CA | \$2,253 | 23% | 66% | 21% | 13% |
| Other New Jersey cities | | | | | |
| Jersey City | \$2,006 | 23% | 72% | 17% | 11% |
| Trenton ^a | \$953 | 22% | 69% | 13% | 19% |
| Camden | \$746 | 18% | 63% | 20% | 16% |
| Populated zip codes in Newark | | | | | |
| 07102 | \$2,570 | 24% | 66% | 15% | 20% |
| 07103 | \$1,582 | 31% | 49% | 21% | 30% |
| 07104 | \$1,812 | 28% | 54% | 22% | 25% |
| 07105 | \$1,795 | 34% | 43% | 25% | 32% |
| 07106 | \$1,809 | 29% | 52% | 22% | 26% |
| 07107 | \$1,906 | 35% | 46% | 22% | 32% |
| 07108 | \$1,696 | 31% | 49% | 21% | 30% |
| 07112 | \$1,746 | 32% | 45% | 27% | 27% |
| 07114 | \$1,741 | 29% | 54% | 17% | 30% |

Source: American Community Survey.

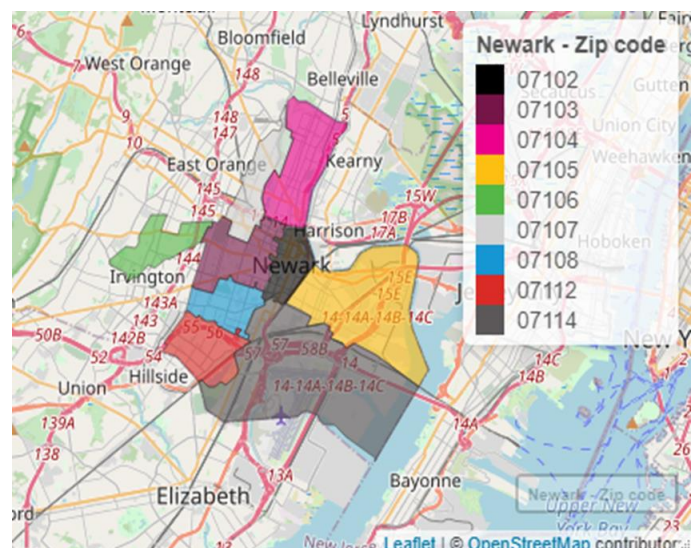
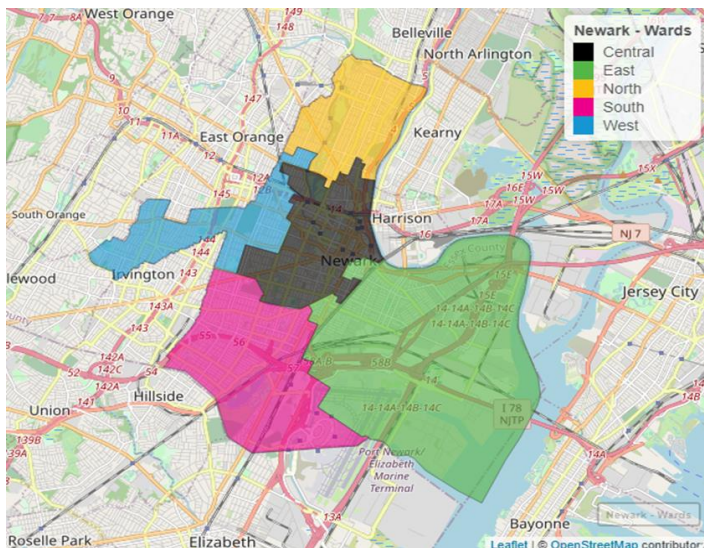
^aWe used 2018 American Community Survey data because of missing values.

Relative to Income, Newark Homeowners Pay More Real Estate Taxes Than Homeowners in Other Major New Jersey Cities

The median amount of real estate taxes Newark homeowners paid in 2019, which includes state, local, and all other taxes, was \$6,390, or 2.4 percent of the city's median home value of \$270,600. As a share of home values, median real estate taxes paid were in the middle among comparison regions. At 2.4 percent, the typical amount of real estate taxes paid in Newark relative to home values were on par with the state of New Jersey overall and with homeowners in Camden, New Jersey. Newark's rate exceeded that of homeowners nationwide and those living in Jersey City, New Jersey; Baltimore, Maryland; and Oakland, California. But it was less than that of Essex County more generally; Trenton, New Jersey; and Flint, Michigan.

But measured as a share of household income, the amount of real estate taxes paid by homeowners in Newark was far higher than the in US as a whole, in the state of New Jersey, and in other comparable cities. We cannot make a comparison to Essex County, as the data cap median real estate taxes paid at \$10,000 but does not cap median home values or median incomes.

Across Newark, the latest available data indicate that the median amount of real estate taxes paid was highest in zip codes 07102 (2018 data) and 07105, exceeding 10 percent. The typical homeowner in zip code 07106 paid the lowest real estate taxes of the Newark zip codes, \$5,263. This zip code also has the lowest ratio of real estate taxes to the zip code's median homeowner household income.



Real Estate Taxes Paid, 2019

| | Median taxes paid annually | Share of median home value | Share of median homeowner household income |
|--------------------------------------|----------------------------|----------------------------|--|
| Newark, NJ | \$6,390 | 2.4% | 9.7% |
| Broader geographic areas | | | |
| United States | \$2,578 | 1.1% | 3.1% |
| New Jersey | \$8,432 | 2.4% | 7.5% |
| Essex County | \$10,000+ | 2.5%+ | 9.0%+ |
| Comparable cities | | | |
| Baltimore, MD | \$2,799 | 1.6% | 3.6% |
| Flint, MI | \$922 | 2.7% | 2.2% |
| Oakland, CA | \$6,303 | 0.8% | 5.0% |
| Other New Jersey cities | | | |
| Jersey City | \$6,765 | 1.6% | 6.3% |
| Trenton | \$3,632 | 3.7% | 6.0% |
| Camden | \$2,088 | 2.4% | 4.2% |
| Populated zip codes in Newark | | | |
| 07102 ^a | \$6,315 | 2.6% | 10.2% |
| 07103 | \$5,433 | 2.9% | 8.6% |
| 07104 | \$6,512 | 2.4% | 7.9% |
| 07105 | \$7,524 | 2.3% | 11.6% |
| 07106 | \$5,263 | 2.4% | 6.9% |
| 07107 | \$6,311 | 2.7% | 9.8% |
| 07108 | \$5,481 | 2.7% | 8.9% |
| 07112 | \$6,104 | 2.6% | 7.8% |
| 07114 | \$7,272 | 2.8% | 9.1% |

Source: American Community Survey.

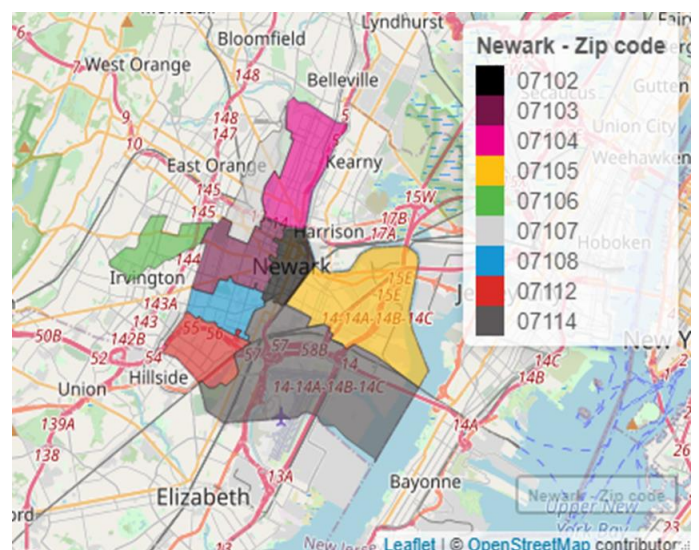
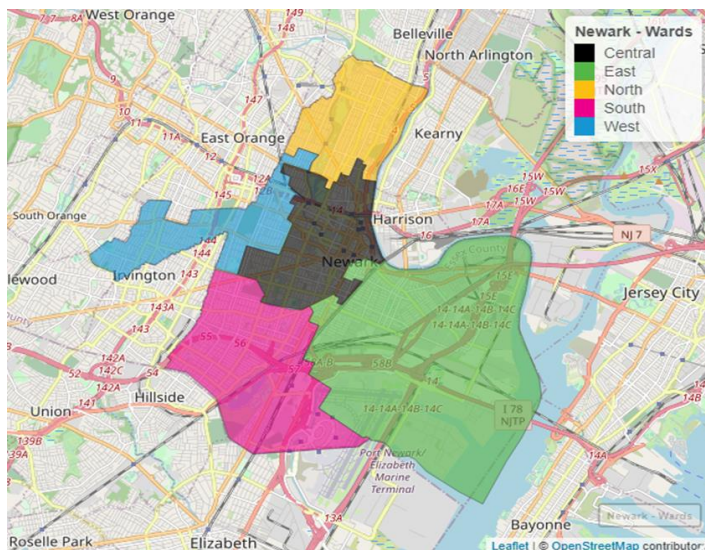
Note: The survey data cap the median taxes at \$10,000.

^aWe used 2018 American Community Survey data because of missing values.

Most Newark Workers Commute to Jobs outside the City

In addition to high housing costs, Newark workers may also face significant transportation costs. Fifty-seven percent of workers that reside in Newark commute to areas outside Newark for work. But the share of Newark workers that live and work in Newark (43 percent) is greater than the share of workers both living and working in the New Jersey cities of Jersey City, Trenton, or Camden. It is also more than double the statewide share of workers (20 percent) that live and work in the same city. The Newark share of those that live and work in the same city is similar to the nationwide composition. The distribution across Newark is also similar to that of Flint, Michigan, and modestly greater than that of Oakland, California, which have local economies tied to the automotive and technology sectors, respectively. In Baltimore, the distribution is largely reversed, with 59 percent of workers in Baltimore commuting to work within the city's limits while 41 percent commute to a job outside the city's limits.

Across Newark, a greater proportion of workers in zip codes 07105 live and work in Newark, while workers living in the rest of the city are more likely than the citywide average to commute outside the city for work.



Community Characteristics, 2019

| | Share of workers that live and work in the same city | Share of workers that live in the city but work outside the city |
|--------------------------------------|--|--|
| Newark, NJ | 43% | 57% |
| Broader geographic areas | | |
| United States | 42% | 58% |
| New Jersey | 20% | 80% |
| Essex County | 33% | 67% |
| Comparable cities | | |
| Baltimore, MD | 62% | 38% |
| Flint, MI | 44% | 56% |
| Oakland, CA | 36% | 64% |
| Other New Jersey cities | | |
| Jersey City | 32% | 68% |
| Trenton | 24% | 76% |
| Camden | 19% | 81% |
| Populated zip codes in Newark | | |
| 07102 | 38% | 62% |
| 07103 | 40% | 60% |
| 07104 | 36% | 64% |
| 07105 | 47% | 53% |
| 07106 | 34% | 66% |
| 07107 | 37% | 63% |
| 07108 | 42% | 58% |
| 07112 | 34% | 66% |
| 07114 | 40% | 60% |

Source: American Community Survey.

Higher-Income Newark Homeowners Are Less Likely to Have an Internet Subscription

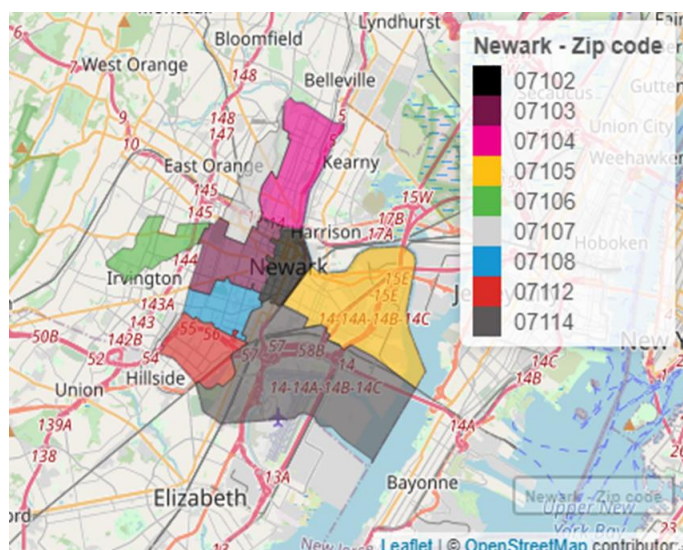
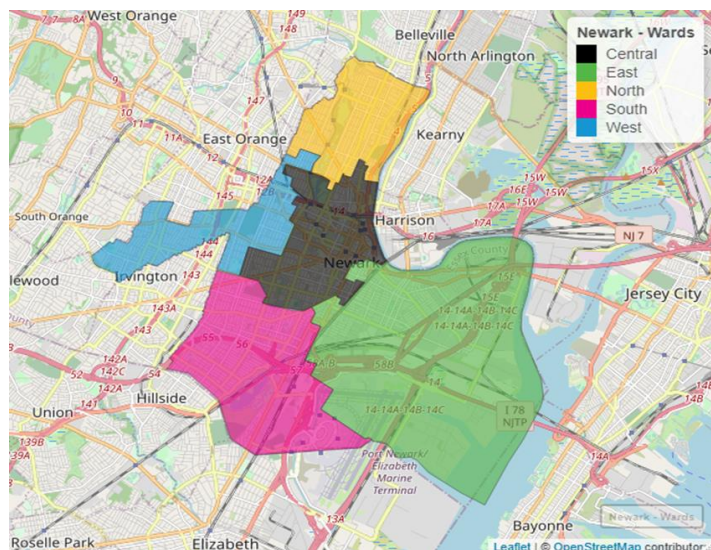
The pandemic has increased households' reliance on internet services to work and live. In addition, anecdotal evidence suggests that some aspects of the homebuying process, including housing counseling and the mortgage application procedure, are dependent on internet use.

Newark households are less likely than average to have internet service, which includes dial-up, cellular data plan, broadband, and satellite internet service. Overall, 29 percent of Newark residents are without an internet subscription, more than double the national average of 13 percent. Only Flint, Michigan, records a similar share of households with an internet subscription, while the New Jersey cities of Trenton and Camden have a similar proportion of households without an internet subscription.

Part of the reason behind the higher share of households without an internet subscription is that Newark has a larger share of low-income households. Across the geographic areas selected, low-income households are more likely to not have an internet subscription than higher-income households.

But even within income categories, the share of Newark households without an internet subscription remains elevated. Most notably, 49 percent of households earning less than \$20,000 a year do not have an internet subscription, exceeded only by the lowest-income households in Camden, New Jersey, while nearly one-quarter of households making between \$20,000 and \$75,000 do not have an internet subscription, on par with Trenton, New Jersey. Fourteen percent of Newark residents making more than \$75,000 do not have an internet subscription, a higher share than in any other selected geographic area.

Households living in zip codes 07106, 07107, 07108, 07112, and 07114 are more likely to not have an internet subscription than the citywide average.



Household Internet Access, 2019

| | Share of Households without an Internet Subscription, by Income | | | |
|--------------------------------------|---|-----------|-----------------|-----------|
| | Overall | <\$20,000 | \$20,000–75,000 | ≥\$75,000 |
| Newark, NJ | 29% | 49% | 24% | 14% |
| Broader geographic areas | | | | |
| United States | 13% | 36% | 16% | 4% |
| New Jersey | 10% | 35% | 15% | 3% |
| Essex County | 16% | 43% | 18% | 5% |
| Comparable cities | | | | |
| Baltimore, MD | 21% | 43% | 22% | 7% |
| Flint, MI | 29% | 45% | 23% | 10% |
| Oakland, CA | 16% | 45% | 21% | 4% |
| Other New Jersey cities | | | | |
| Jersey City | 9% | 30% | 12% | 2% |
| Trenton | 28% | 44% | 24% | 11% |
| Camden | 26% | 50% | 15% | 11% |
| Populated zip codes in Newark | | | | |
| 07102 | 36% | 55% | 25% | 11% |
| 07103 | 27% | 41% | 19% | 15% |
| 07104 | 29% | 55% | 23% | 10% |
| 07105 | 25% | 38% | 26% | 12% |
| 07106 | 31% | 56% | 28% | 14% |
| 07107 | 33% | 51% | 28% | 12% |
| 07108 | 37% | 53% | 28% | 15% |
| 07112 | 30% | 41% | 30% | 19% |
| 07114 | 34% | 58% | 23% | 4% |

Source: American Community Survey.

3. Housing Supply



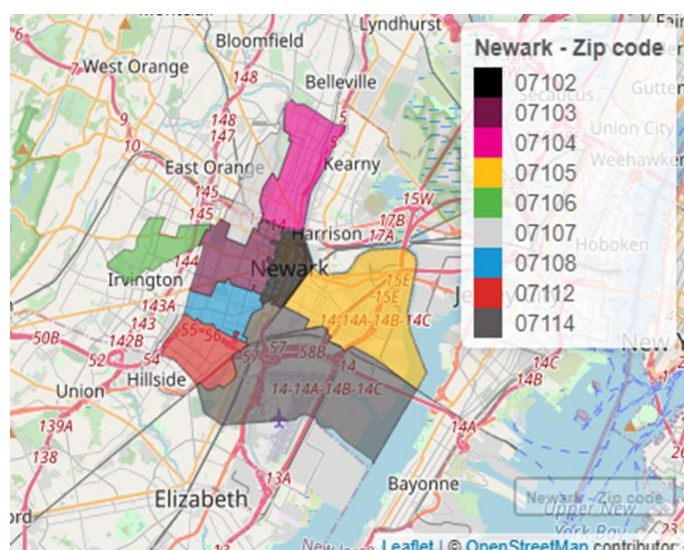
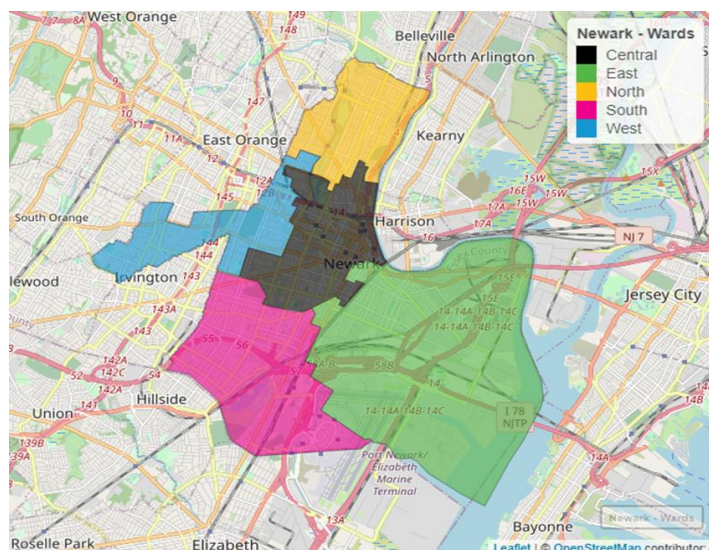
Andrei Medvedev/Shutterstock.

Multifamily Units Account for Most of Newark's Housing Stock

Between 2016 and 2018, the number of occupied single-family units increased 41 percent, from 16,842 to 23,670, driven largely by growth in occupied single-family rental units, raising the single-family share from 17 percent to 23 percent. But in 2019, the number of single-family occupied units fell slightly to 22,411, while the number of multifamily units rose from 78,019 in 2018 to 79,603 in 2019. Of the 102,014 occupied homes in Newark in 2019, 78 percent were units in multifamily buildings, or buildings with two or more units.

The concentration of multifamily units in Newark stands in contrast to the nationwide composition, which is largely made up of single-family units. In this respect, Newark is similar to Jersey City, New Jersey, and Oakland, California, where multifamily shares were 87 and 52 percent in 2018. In Camden New Jersey; Trenton, New Jersey; Baltimore, Maryland; and Flint, Michigan, though, most units are single-family units.

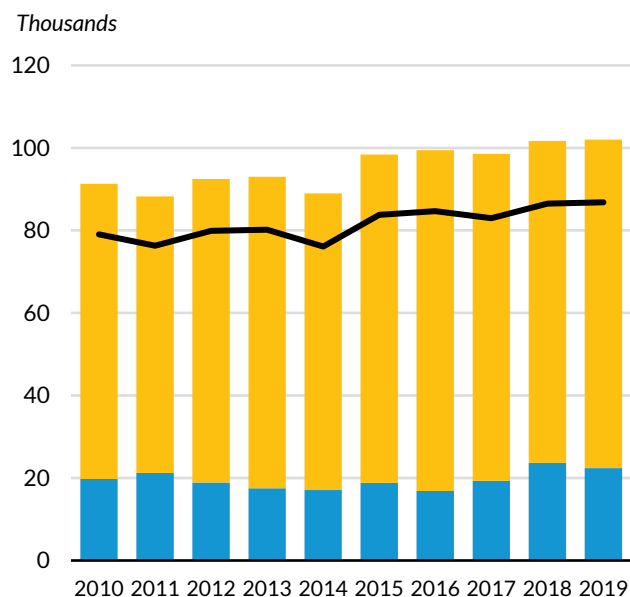
Across Newark, zip code 07104 had the greatest number of single-family units, 3,849, in 2019, accounting for 21 percent of the occupied housing stock in that zip code. There were 3,848 single-family occupied homes in zip code 07103, accounting for 34 percent of the single-family occupied housing stock. Zip codes 07105 and 07104 had the greatest number of multifamily units in 2019: 14,995 and 14,923. In zip code 07102, 97 percent of the occupied stock is multifamily, as there are only 166 single-family units in that zip code.



Occupied Housing Stock in Broader Geographic Areas

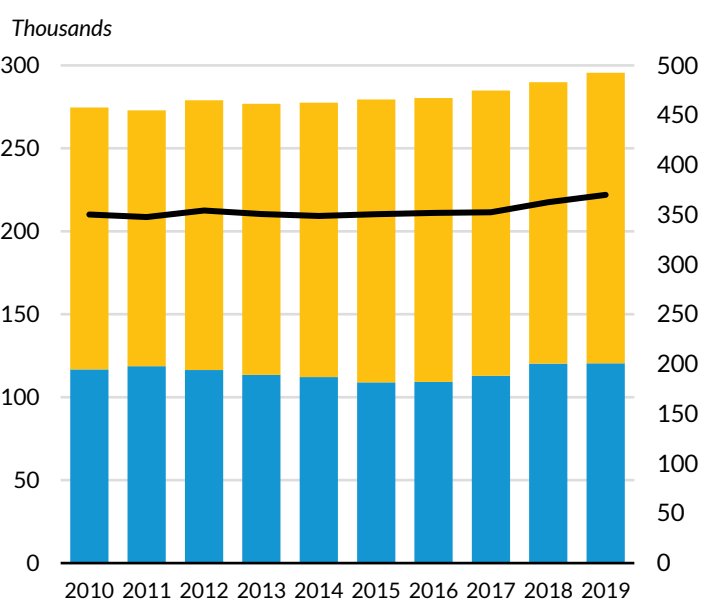
Newark

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)



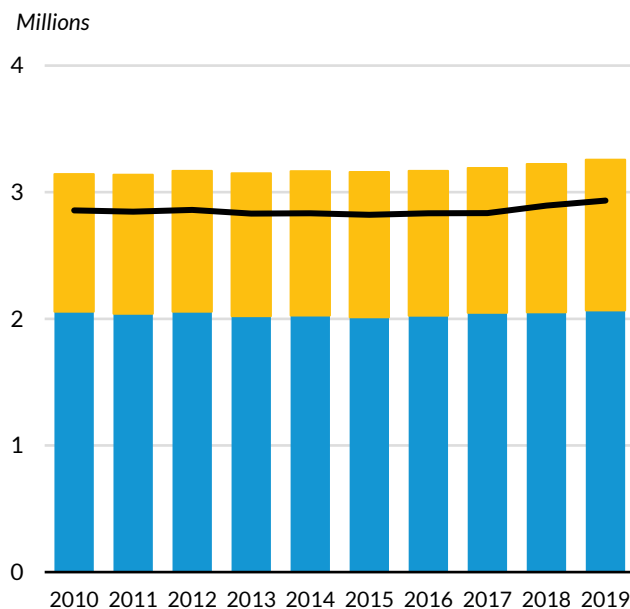
Essex County

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)



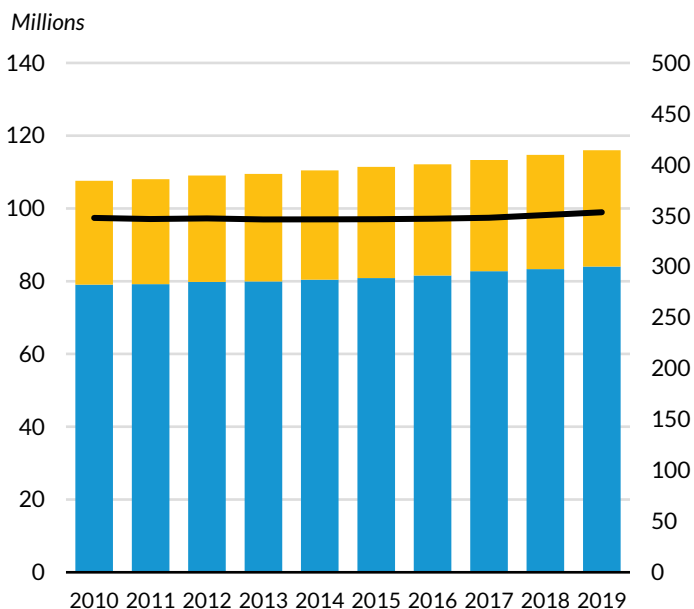
New Jersey

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)



United States

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)



Source: American Community Survey.

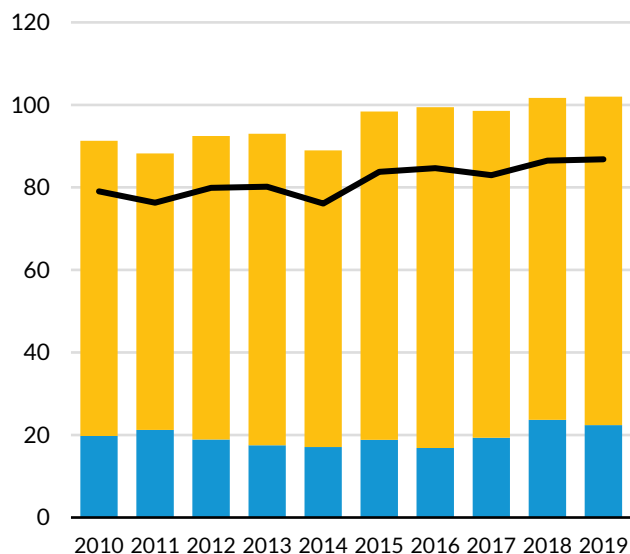
Note: Pay attention to the y-axis values when comparing areas.

Occupied Housing Stock in Other New Jersey Cities

Newark

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

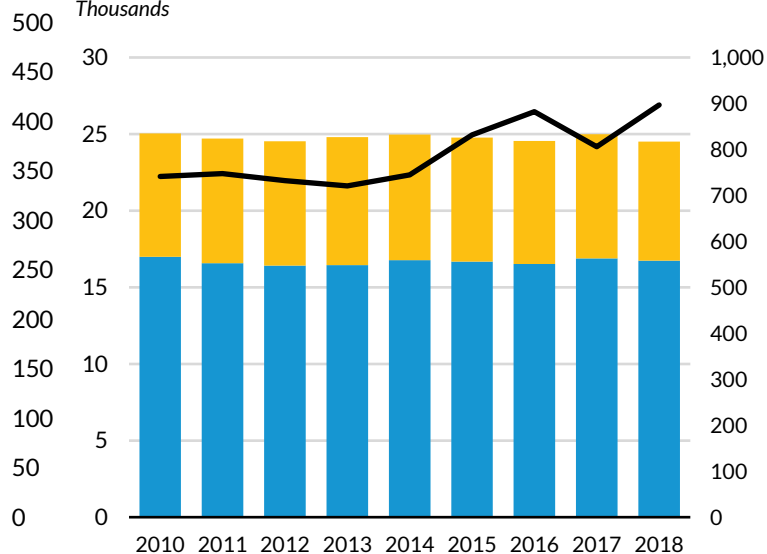
Thousands



Camden^a

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

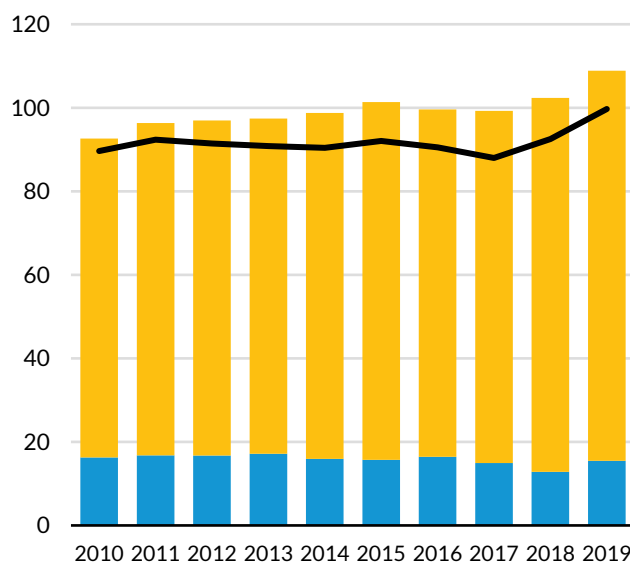
Thousands



Jersey City

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

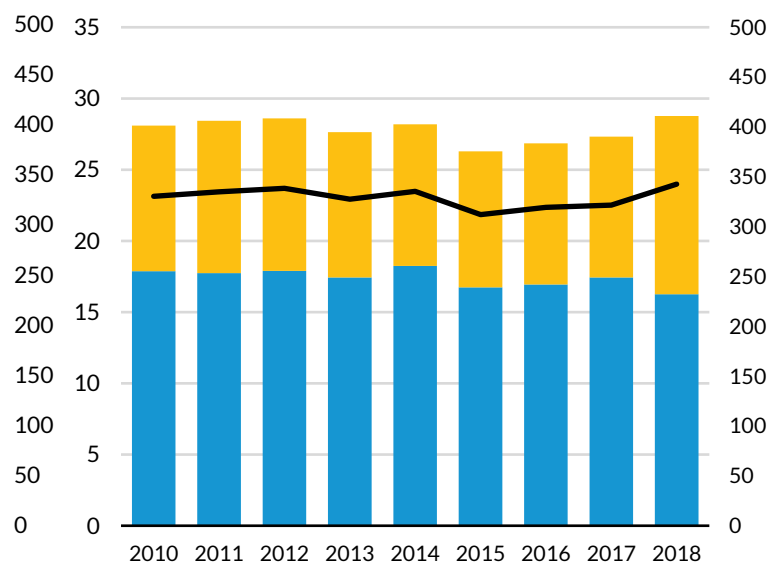
Thousands



Trenton^a

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

Thousands



Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

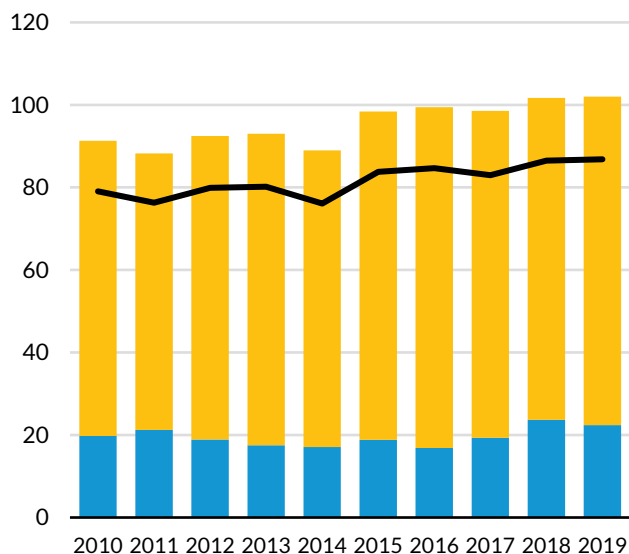
^aWe used 2018 American Community Survey data because of missing values.

Occupied Housing Stock in Comparable Cities

Newark

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

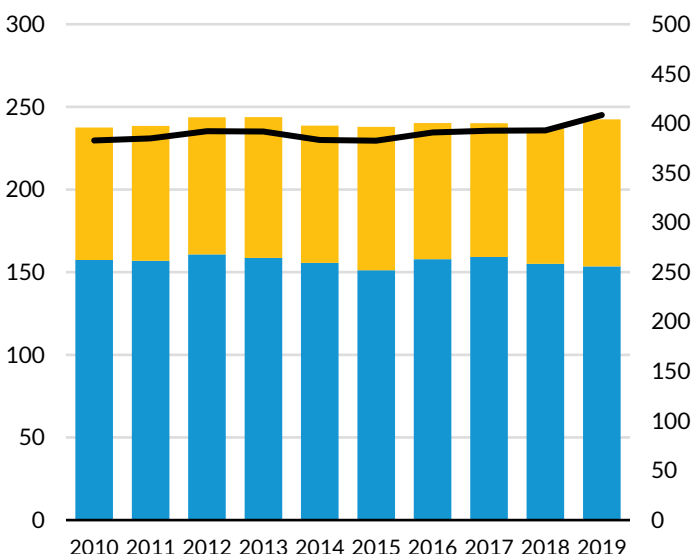
Thousands



Baltimore

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

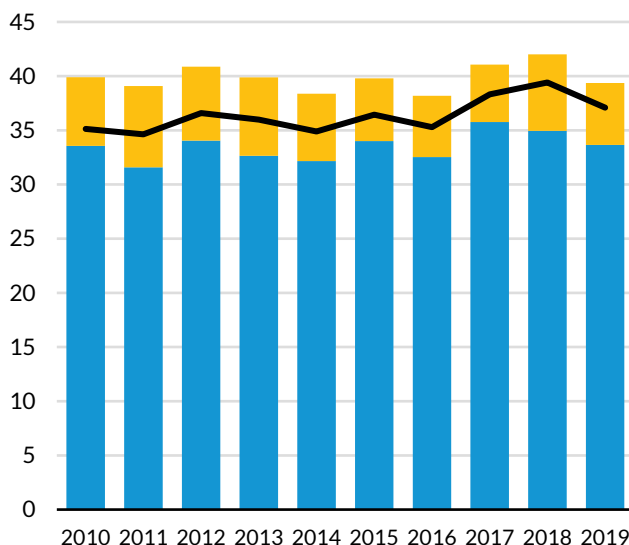
Thousands



Flint

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

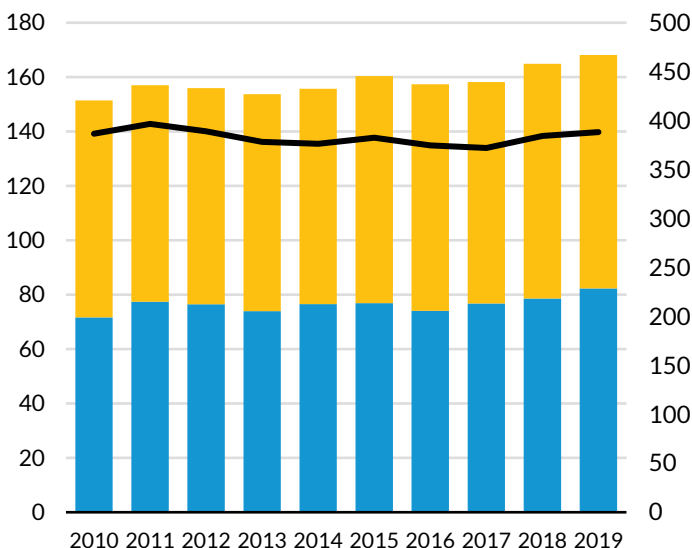
Thousands



Oakland

- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

Thousands



Source: American Community Survey.

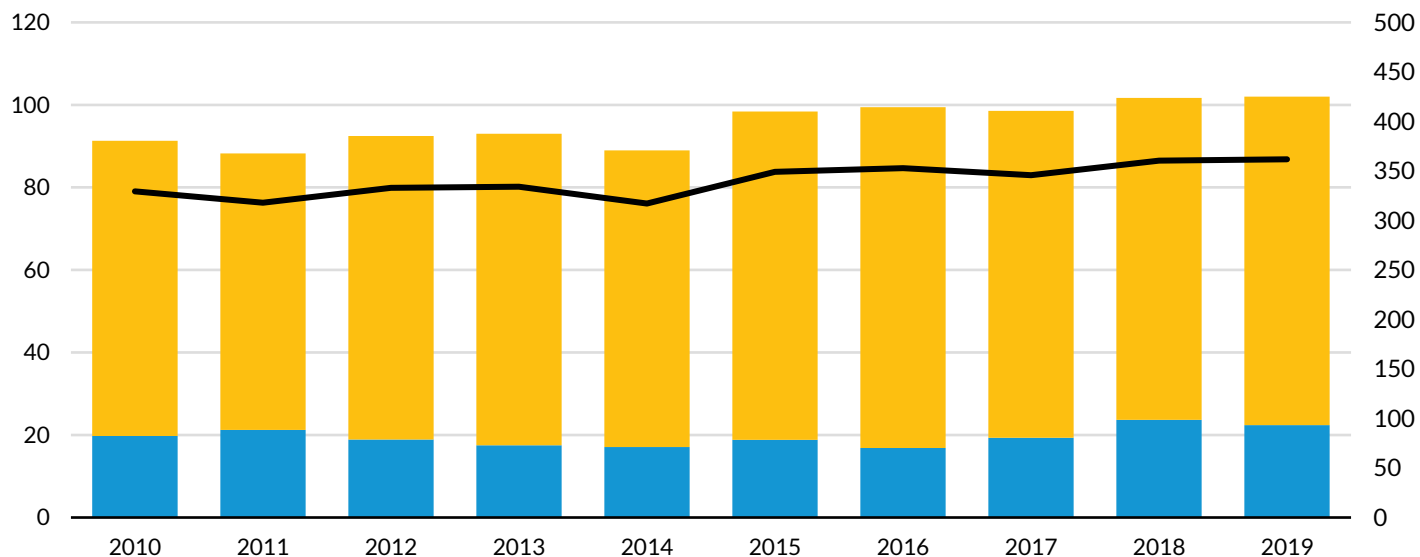
Note: Pay attention to the y-axis values when comparing areas.

Occupied Housing Stock in Newark Zip Codes

Newark

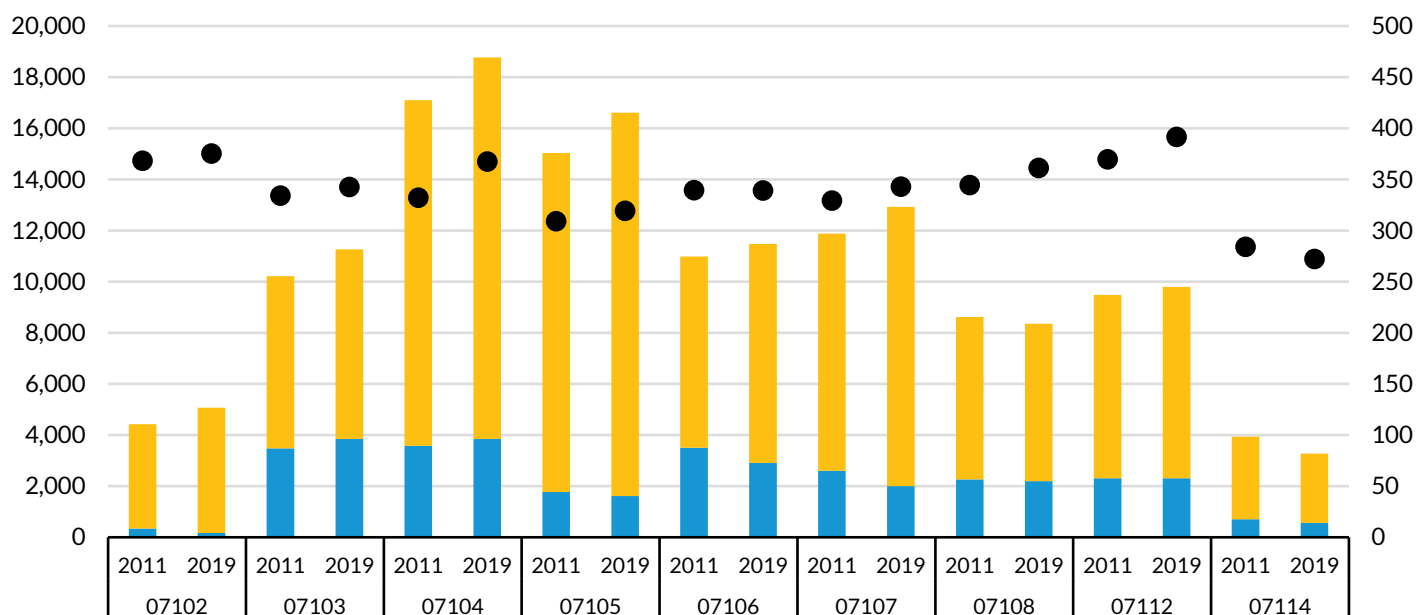
- Occupied multifamily homes (left axis)
- Occupied single-family homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)

Thousands



Zip codes

- Occupied single-family homes (left axis)
- Occupied multifamily homes (left axis)
- Occupied housing stock per 1,000 residents (right axis)



Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

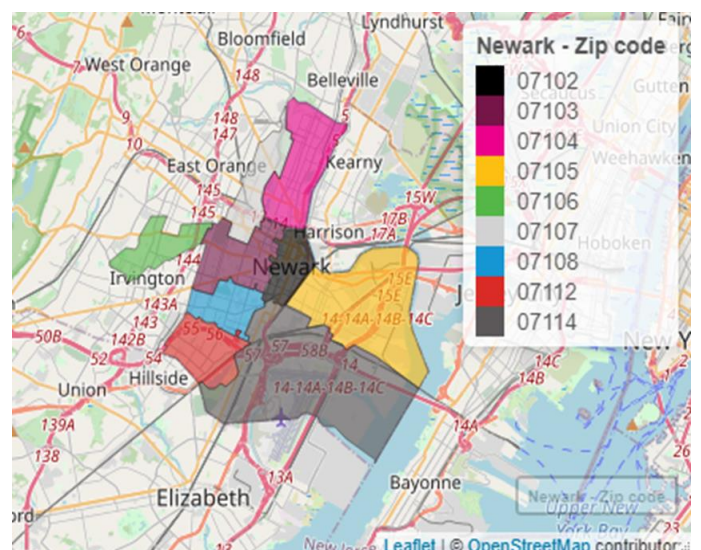
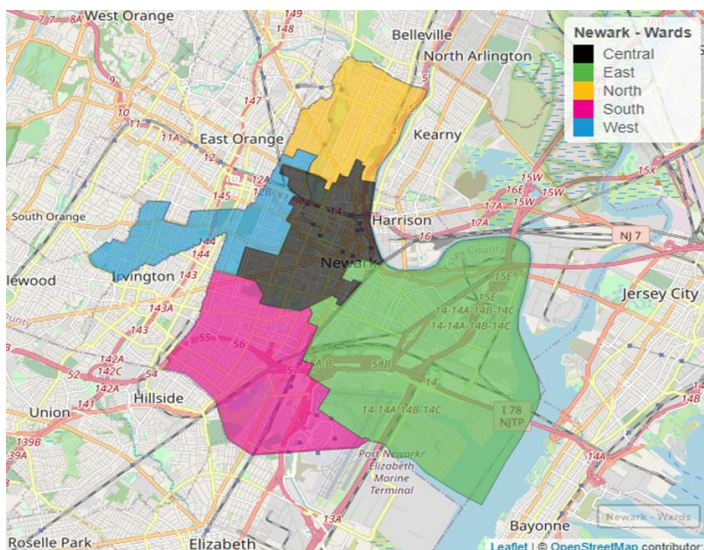
Single-Family Occupied Homes in Newark Are More Likely to Be Renter Households

The occupied single-family housing stock in Newark is nearly evenly distributed between owner-occupied housing (53 percent) and renter-occupied housing (47 percent). The proportion of occupied single-family housing that is rented in Newark exceeds of the share in every other selected geographic region. For example, 17 percent of the single-family occupied homes nationwide and 12 percent in New Jersey were renter occupied in 2019. Across all of Essex County, 16 percent of the single-family occupied housing stock is renter occupied.

Across structure type, occupied single-family homes are evenly divided between detached and attached homes—50 percent each. In contrast, nationwide, statewide, and countywide, single-family detached homes account for the overwhelming majority of all single-family occupied housing (91 percent, 85 percent, and 83 percent, respectively). Although the number of single-family occupied homes in Flint, Michigan, and Oakland, California, are largely concentrated in detached homes, most occupied single-family homes in Trenton, New Jersey, and Baltimore, Maryland, are attached homes (66 percent and 76 percent, respectively).

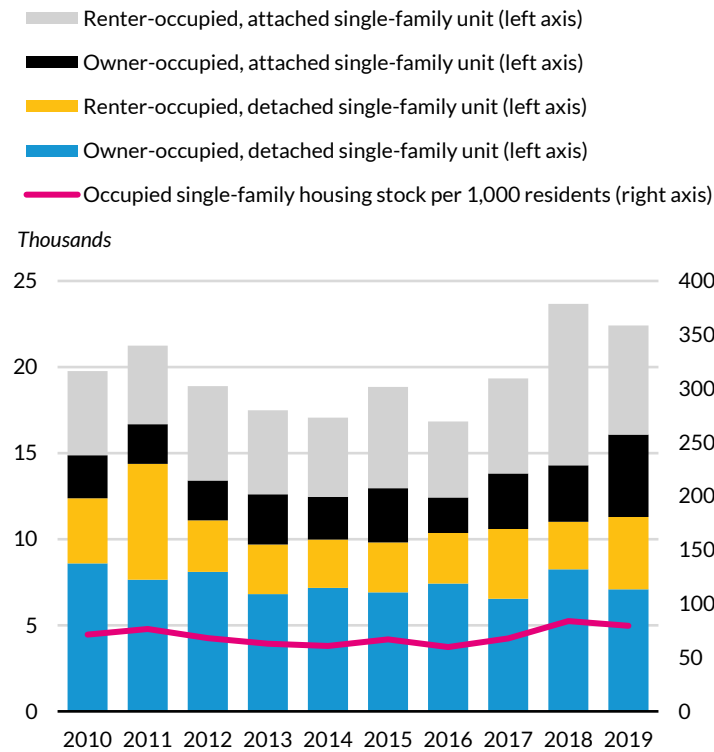
At the intersection of tenure and structure type, single-family occupied detached homes in Newark are more likely to be owner occupied (60 percent), while occupied single-family attached homes are more likely to be renter occupied (60 percent). Only Jersey City, New Jersey, and broader Essex County (which includes Newark) have a composition of occupied single-family homes with a similar dichotomy. In all other comparison regions, single-family homes, both attached and detached, are more likely to be owner occupied.

Across Newark, zip codes 07114, 07108, 07107, 07103, and 07102 hold a larger proportion of single-family renter-occupied homes than owner-occupied ones in 2019. And zip codes 07102, 07104, 07105, 07106, 07107, and 07112 hold a larger proportion of occupied single-family detached homes than attached homes.

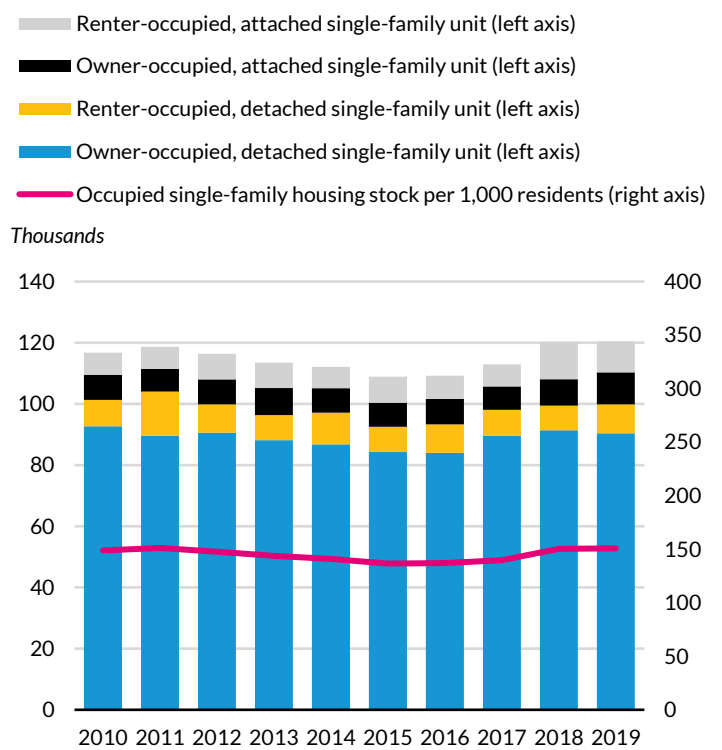


Occupied Single-Family Housing Stock in Broader Geographic Areas

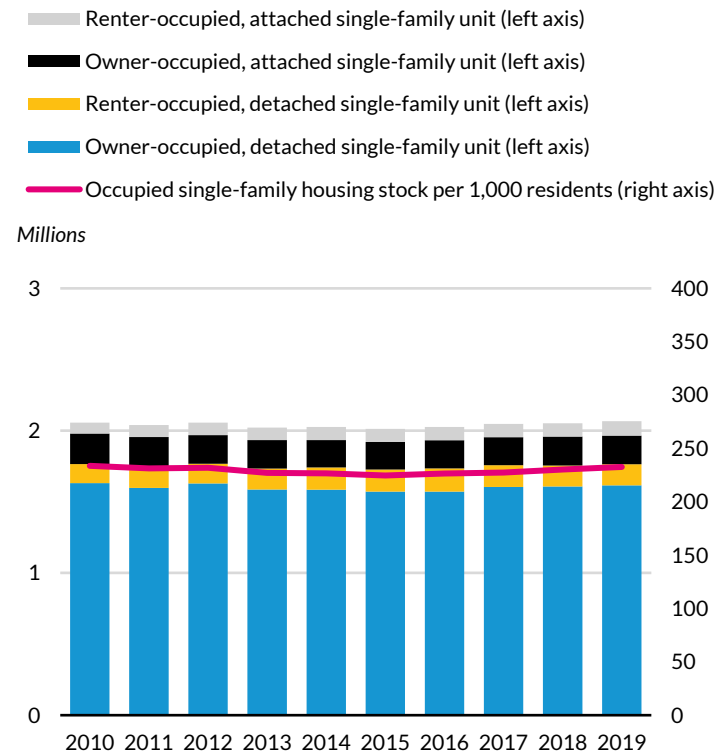
Newark



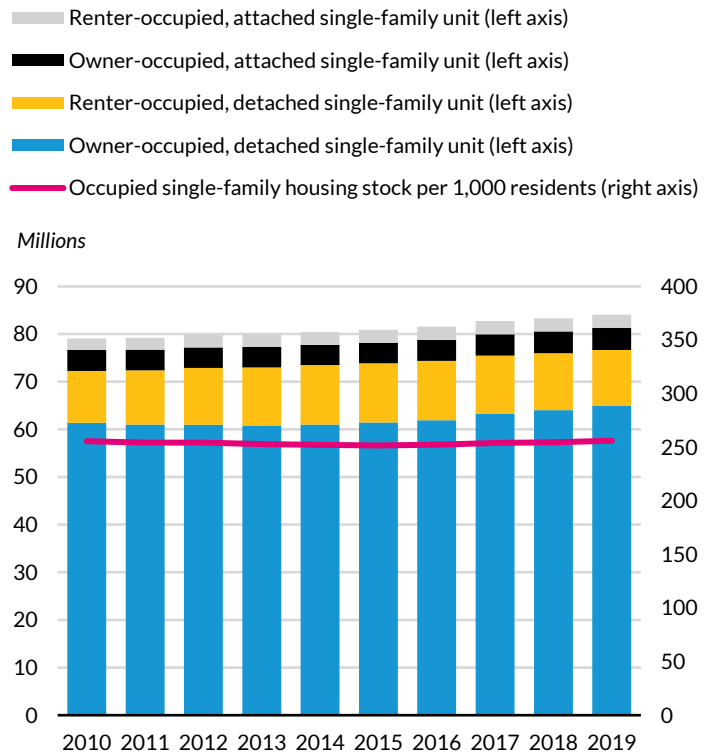
Essex County



New Jersey



United States

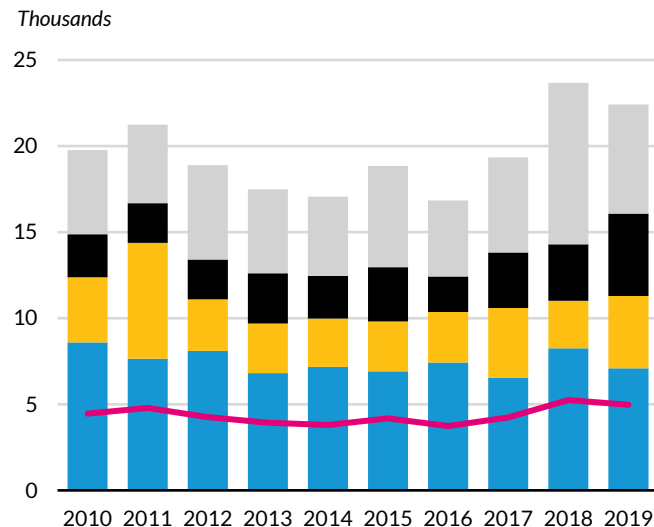
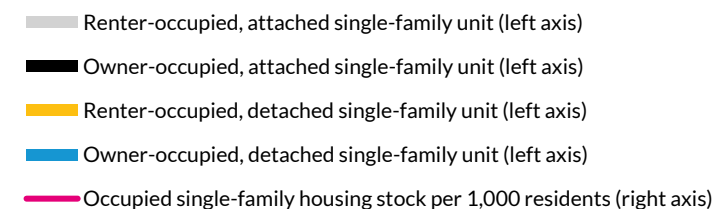


Source: American Community Survey.

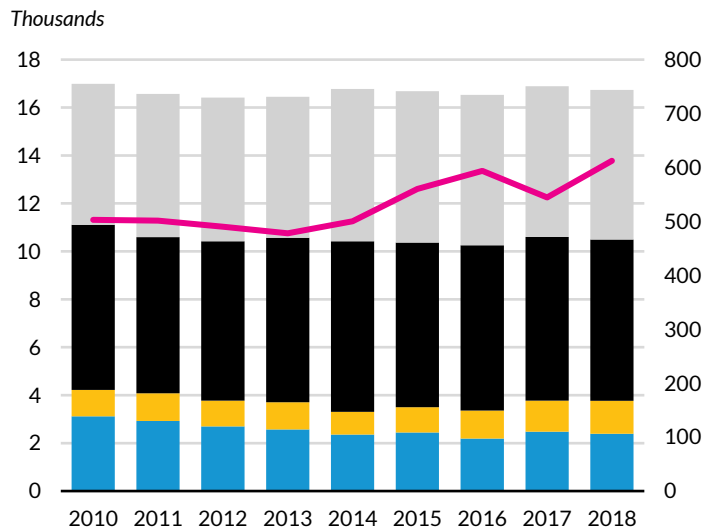
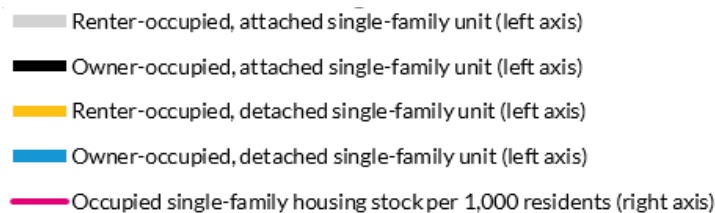
Note: Pay attention to the y-axis values when comparing areas.

Occupied Single-Family Housing Stock in Other New Jersey Cities

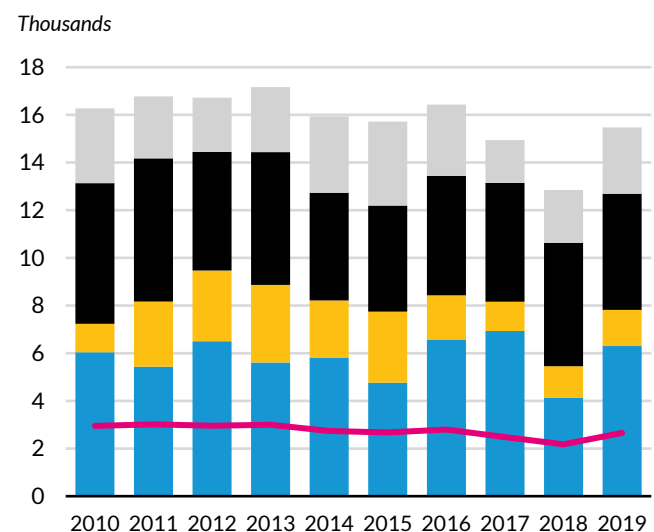
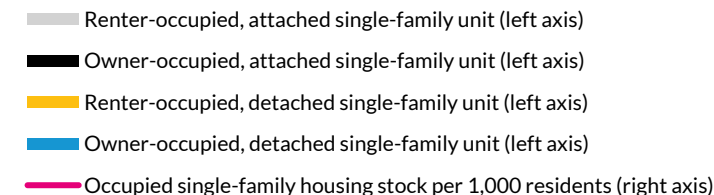
Newark



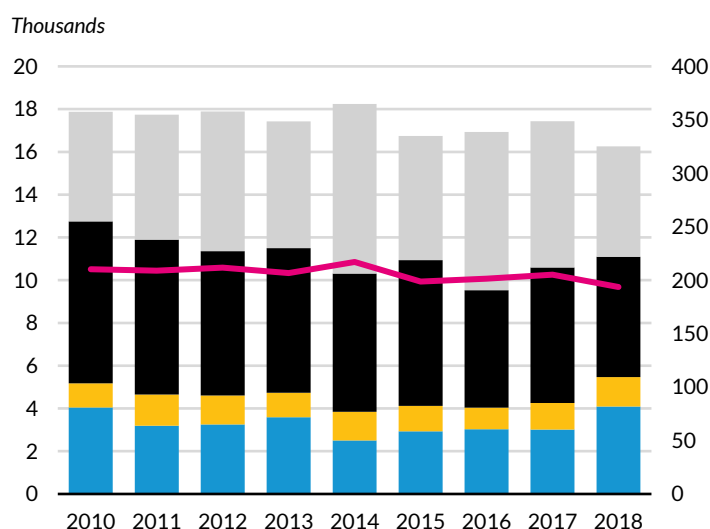
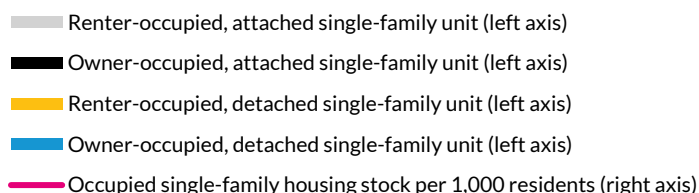
Camden^a



Jersey City



Trenton^a



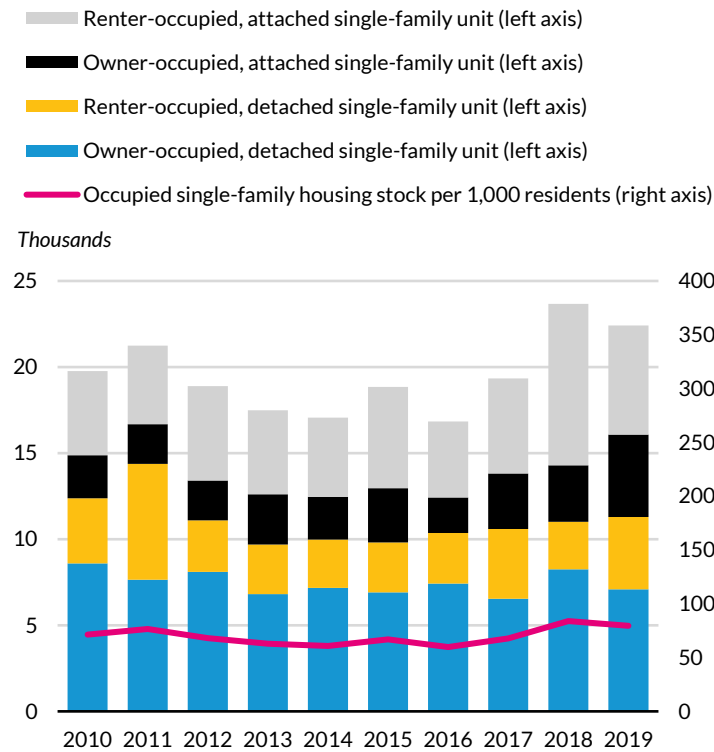
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

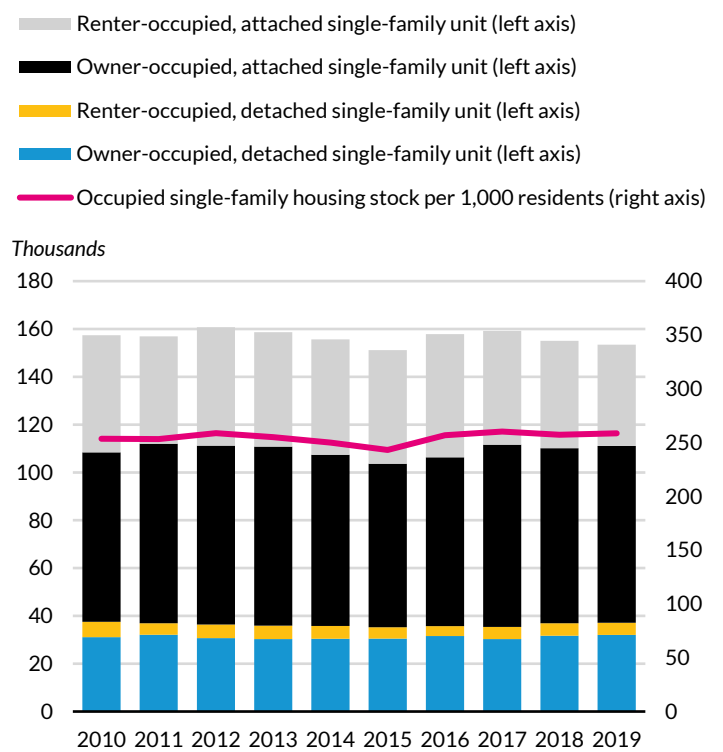
^aWe used 2018 American Community Survey data because of missing values.

Occupied Single-Family Housing Stock in Comparable Cities

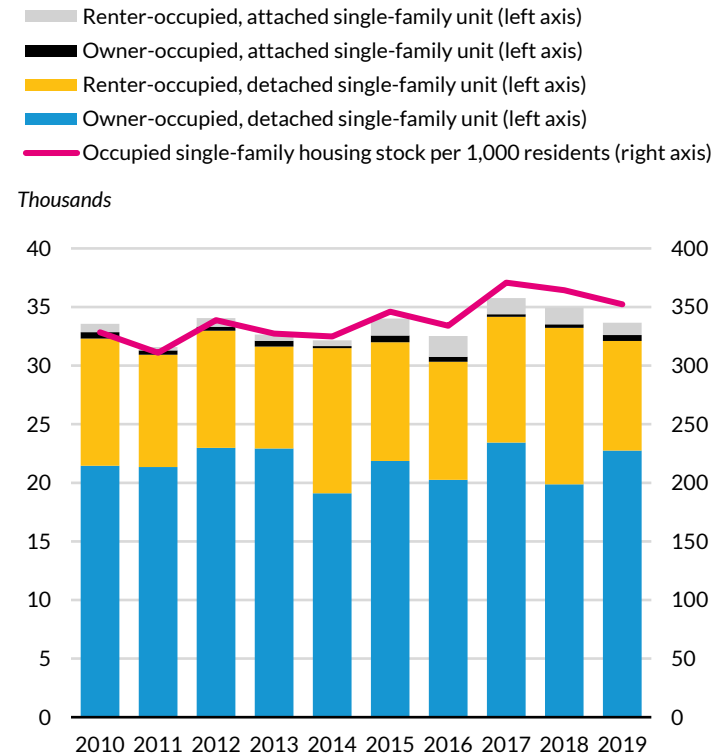
Newark



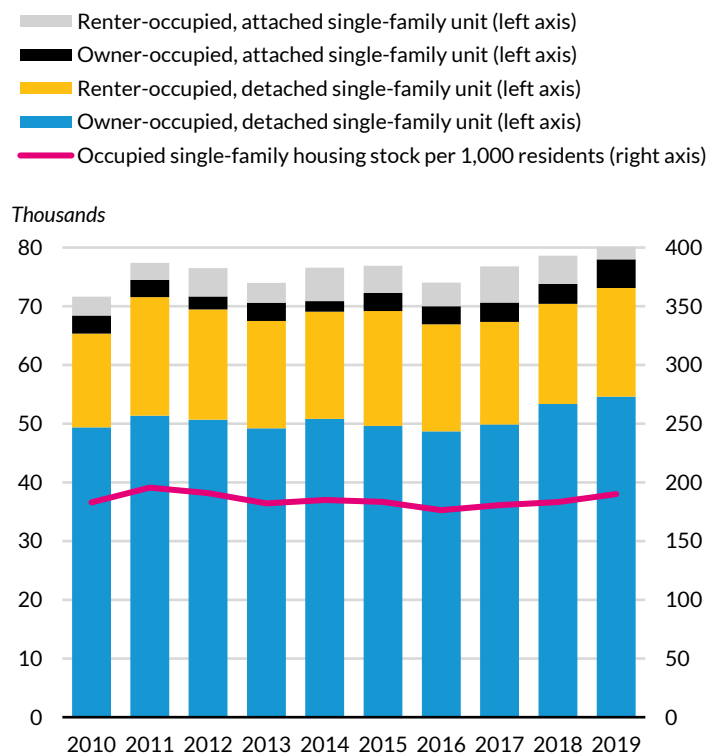
Baltimore



Flint



Oakland

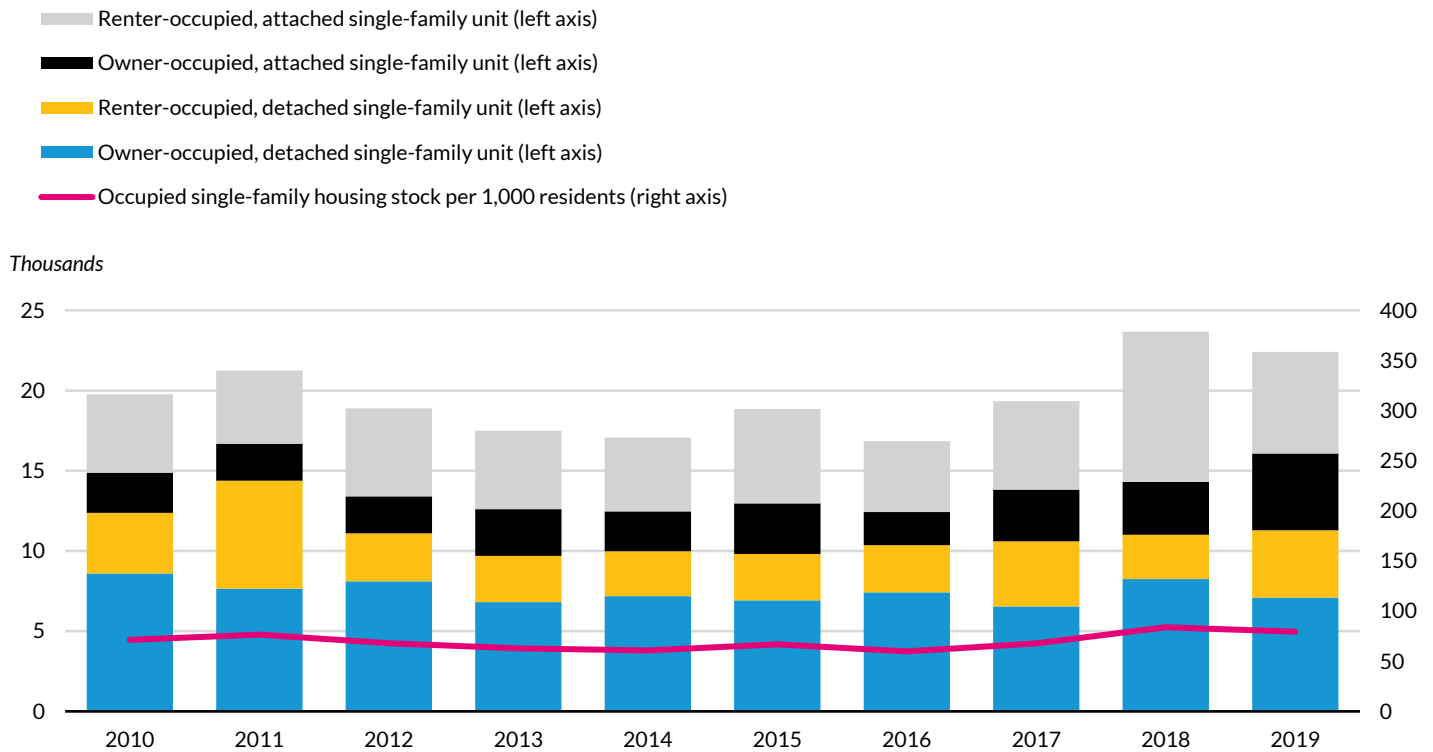


Source: American Community Survey.

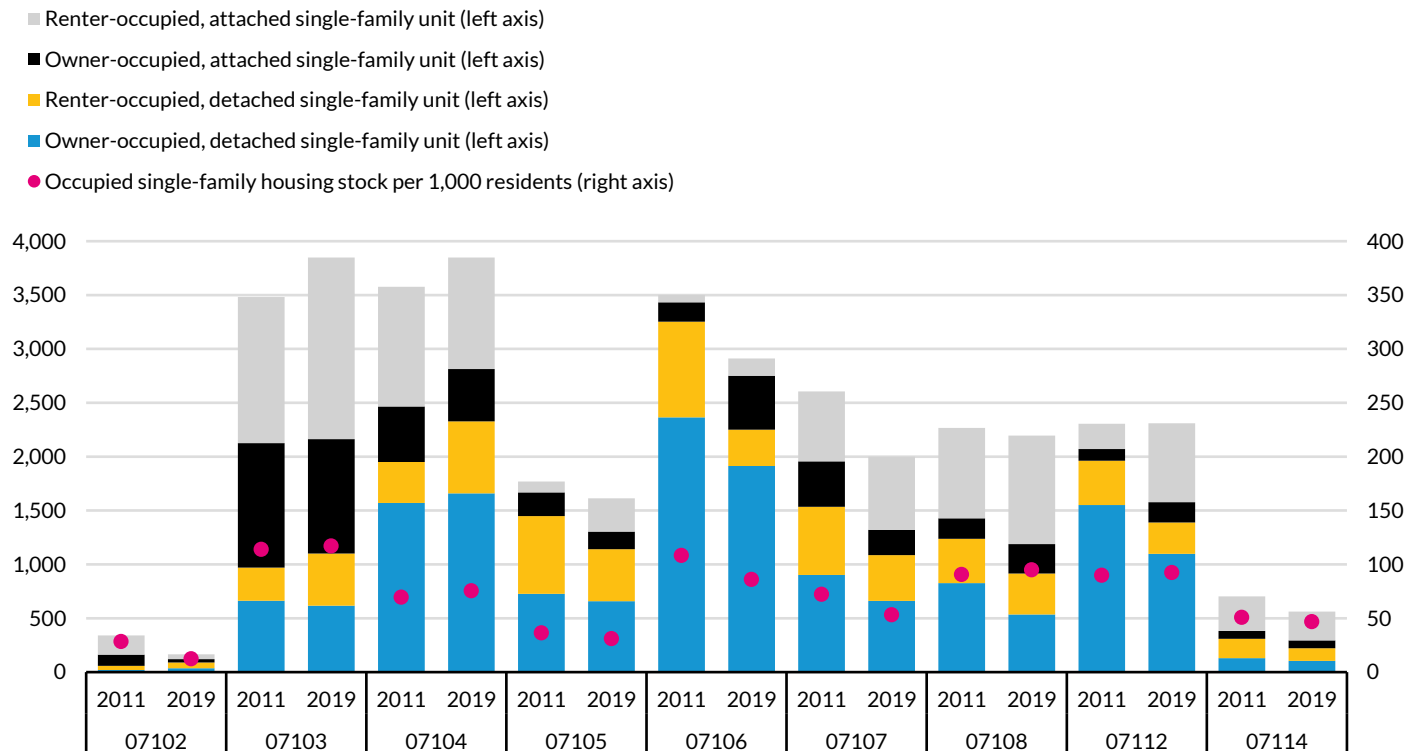
Note: Pay attention to the y-axis values when comparing areas.

Occupied Single-Family Housing Stock in Newark Zip Codes

Newark



Zip codes



Source: American Community Survey.

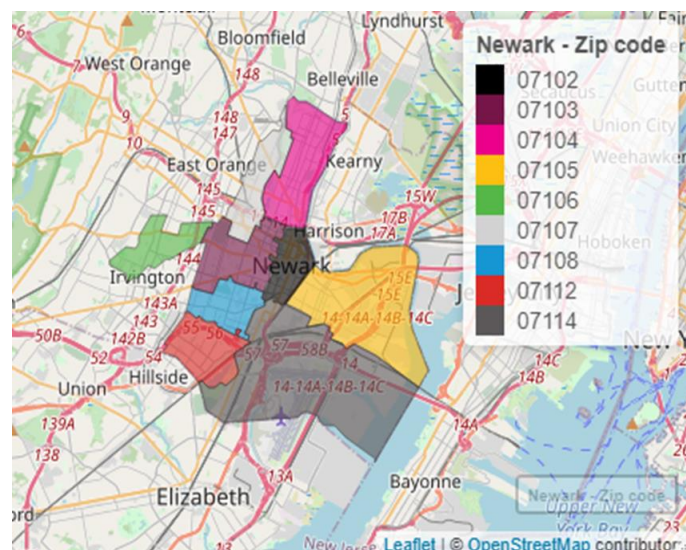
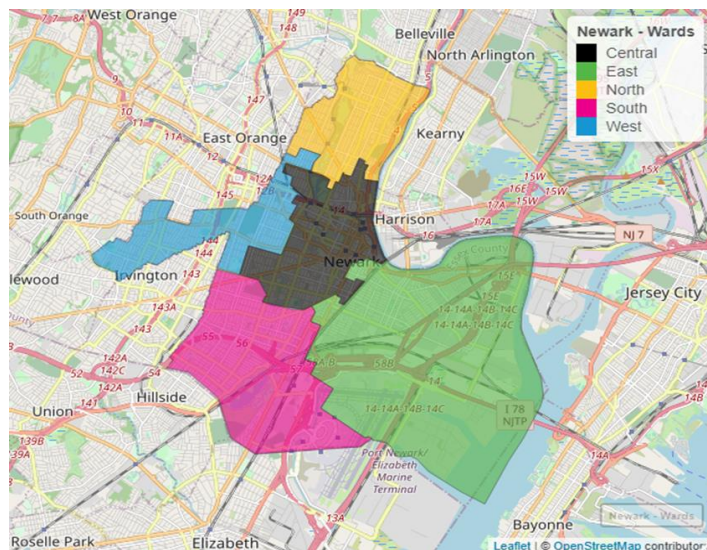
Note: Pay attention to the y-axis values when comparing areas.

Two-to-Four-Unit Rental Properties Account for Most of Newark's Multifamily Occupied Housing Stock

Eighty-four percent of Newark's occupied multifamily housing stock, or units in buildings with two or more units, were renter occupied in 2019. Renters account for most of the multifamily housing stock in other comparison areas as well. For example, nationwide, renter-occupied housing accounts for 87 percent of the total multifamily-occupied housing stock, 80 percent in New Jersey, and 82 percent in Essex County (including Newark).

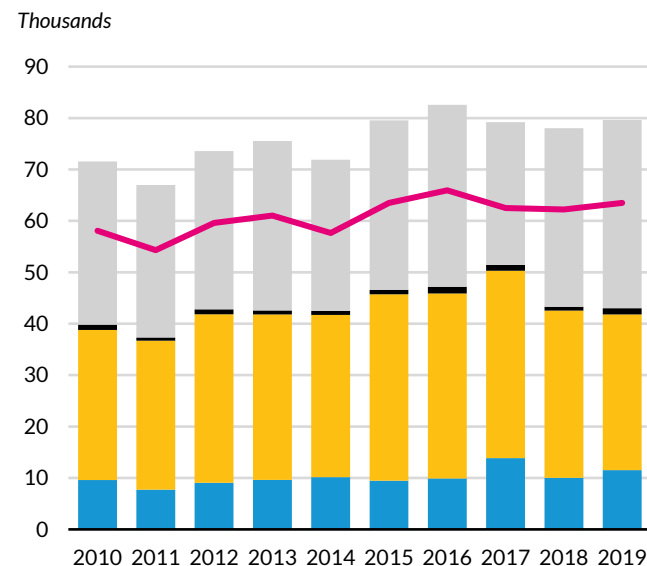
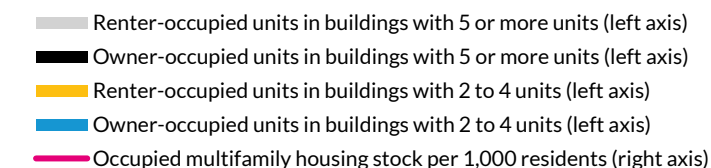
Units in smaller multifamily buildings, those with between two and four units, accounted for 53 percent of multifamily units across Newark in 2019. In contrast, most of the multifamily units in comparison areas were concentrated in buildings with five or more units. Nationwide, 71 percent of multifamily units are in buildings with five or more units, 60 percent are in these buildings statewide, and 52 percent are in these buildings across all of Essex County, including Newark. Similarly, across each comparison city, most of multifamily units were in buildings with five or more units.

Across Newark, 07105 is the only zip code where renter-occupied multifamily units account for less than 50 percent of the total occupied multifamily housing stock. Zip codes 07102, 07104, and 07114 are the only zip codes where two-to-four-unit properties account for a minority of all occupied multifamily units.

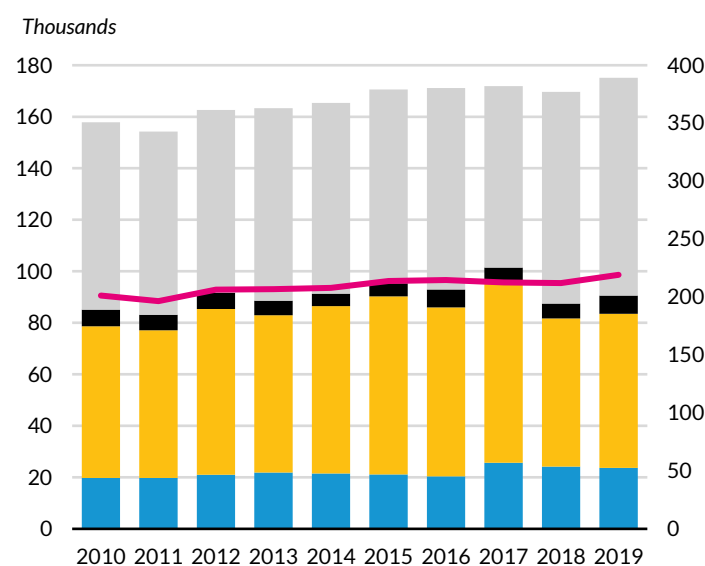
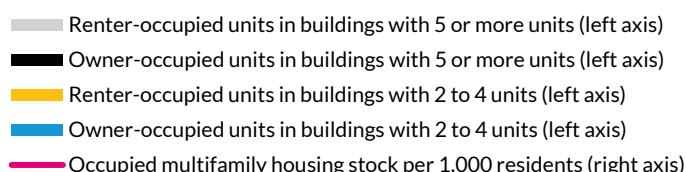


Occupied Multifamily Housing Stock in Broader Geographic Areas

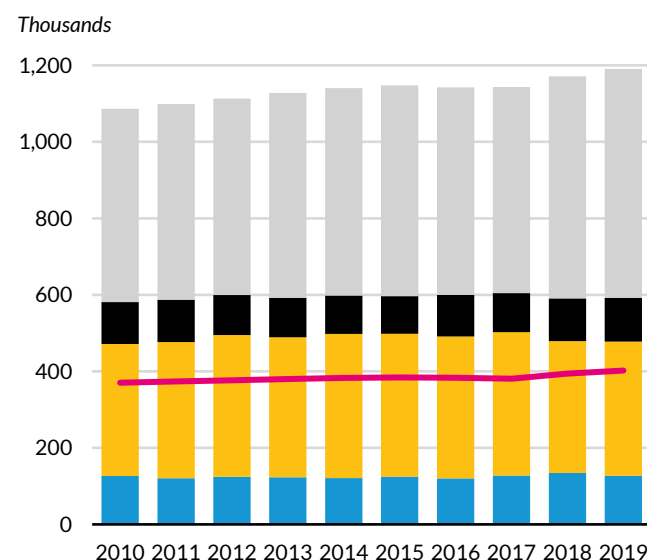
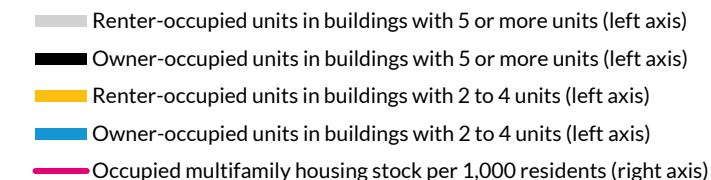
Newark



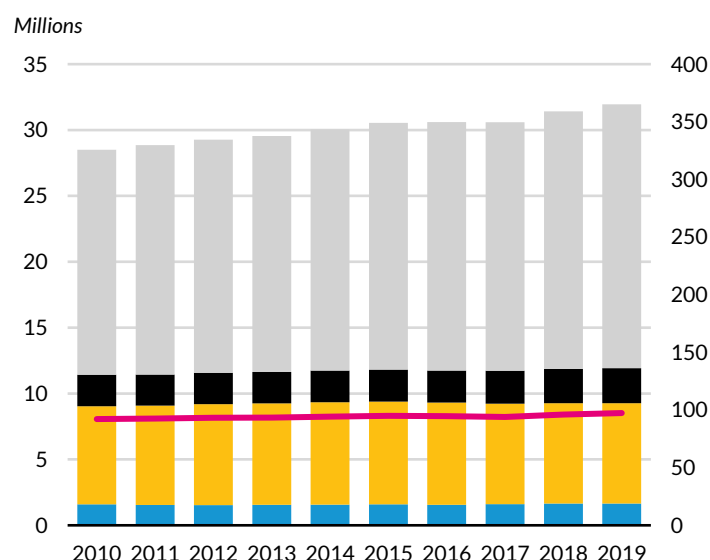
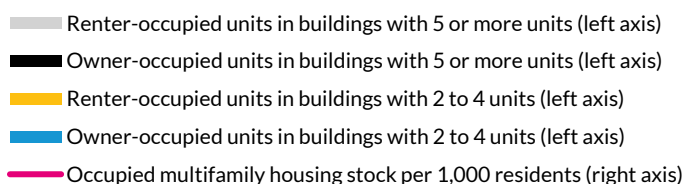
Essex County



New Jersey



United States

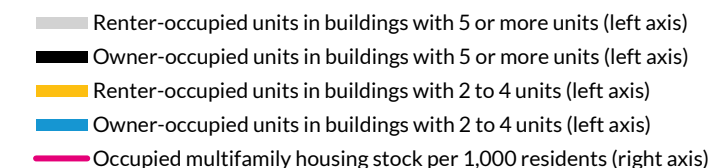


Source: American Community Survey.

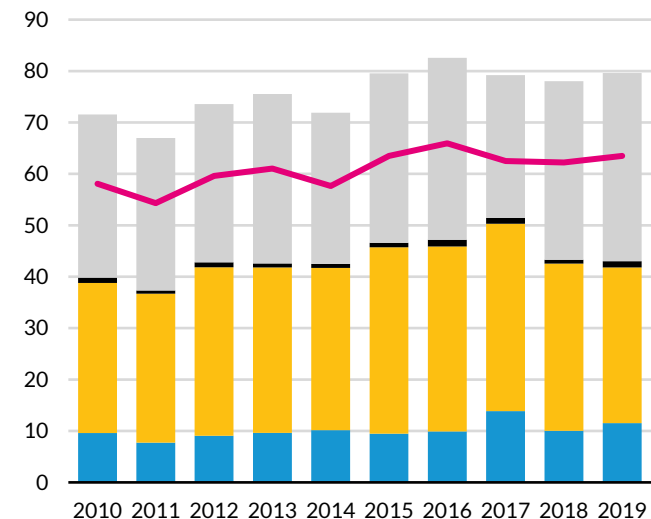
Note: Pay attention to the y-axis values when comparing areas.

Occupied Multifamily Housing Stock in Other New Jersey Cities

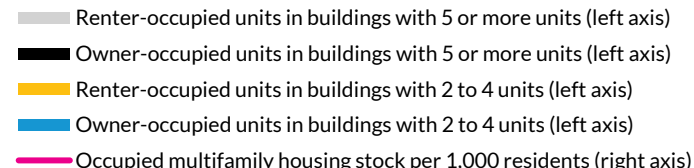
Newark



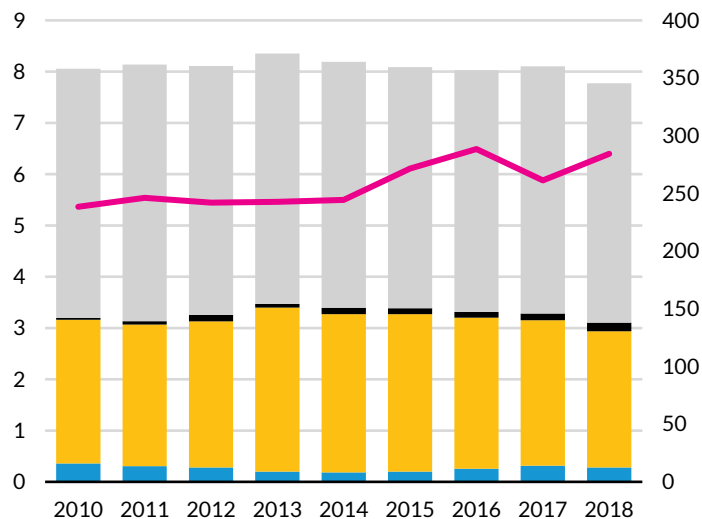
Thousands



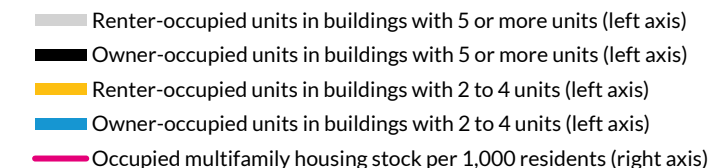
Camden^a



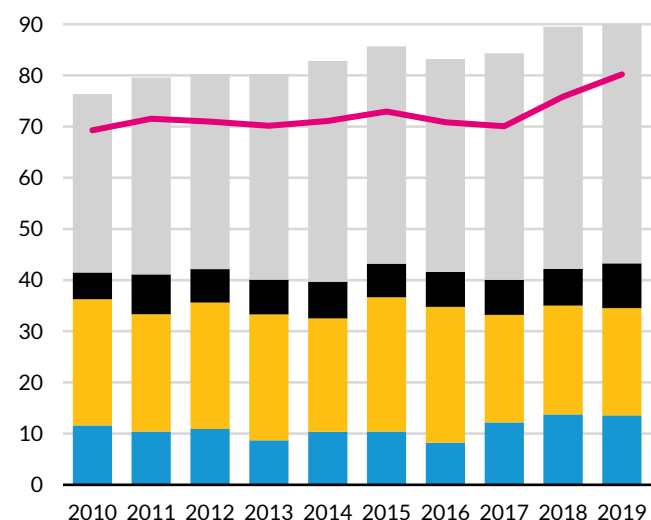
Thousands



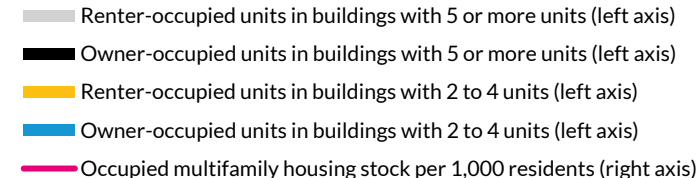
Jersey City



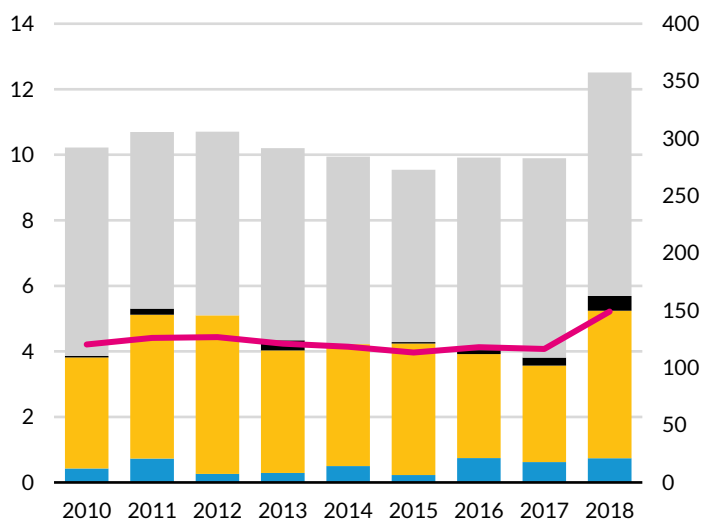
Thousands



Trenton^a



Thousands



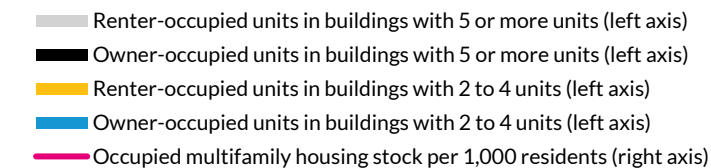
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

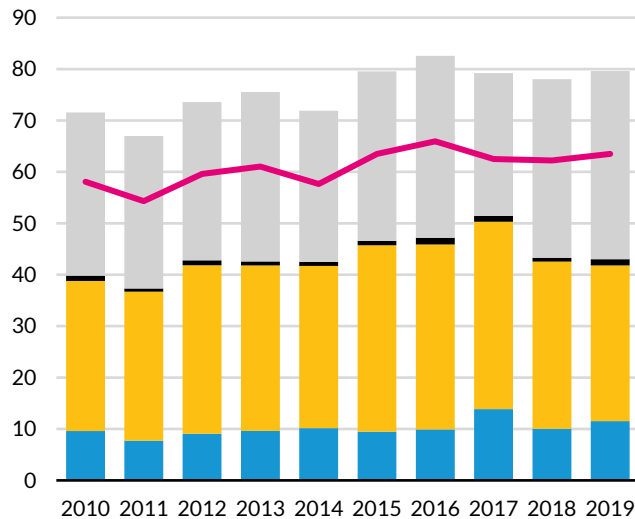
^aWe used 2018 American Community Survey data because of missing values.

Occupied Multifamily Housing Stock in Comparable Cities

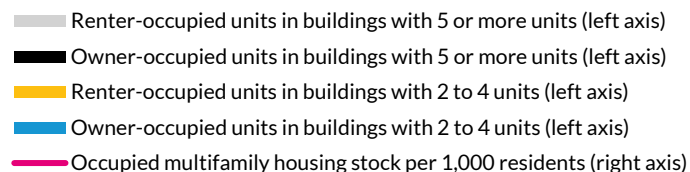
Newark



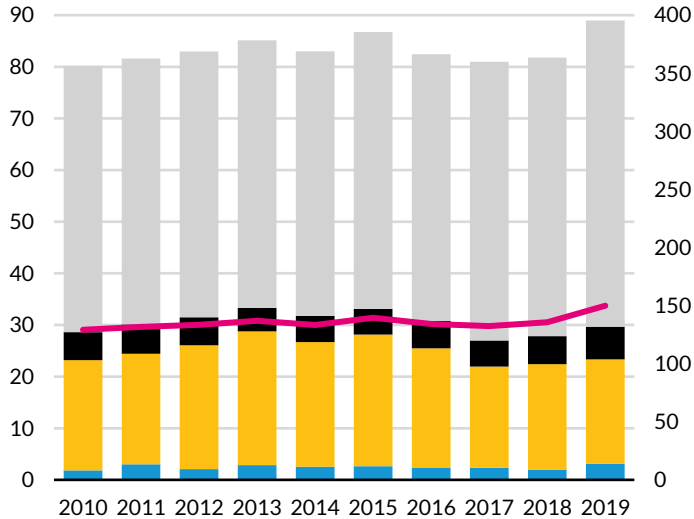
Thousands



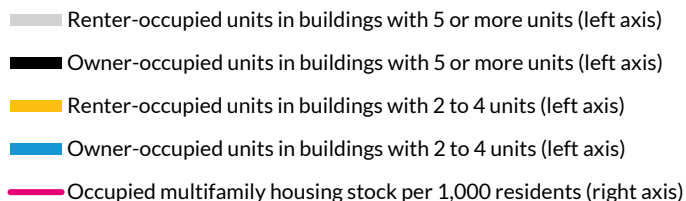
Baltimore



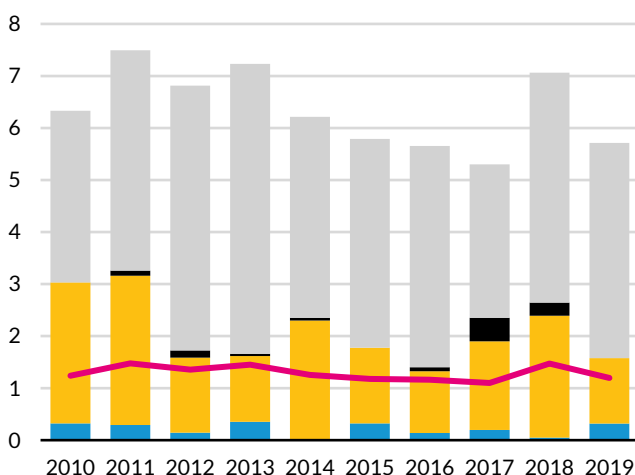
Thousands



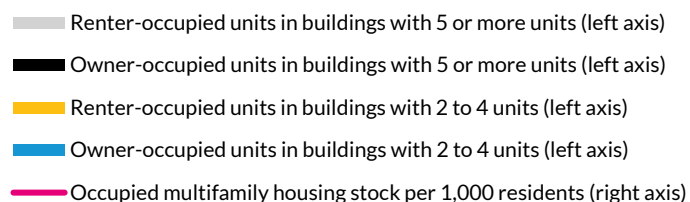
Flint



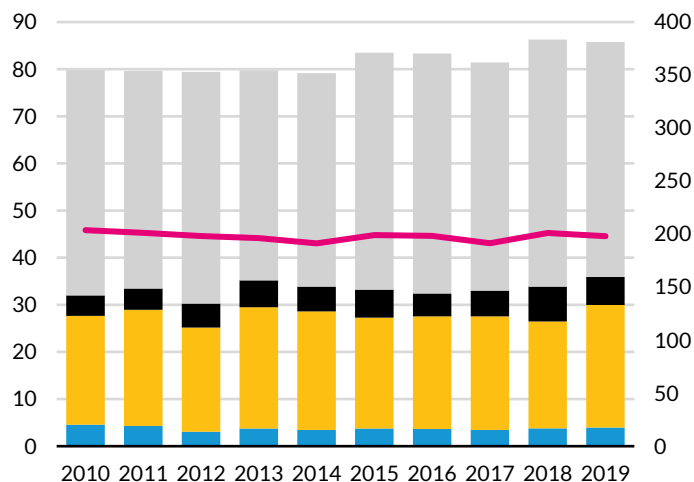
Thousands



Oakland



Thousands

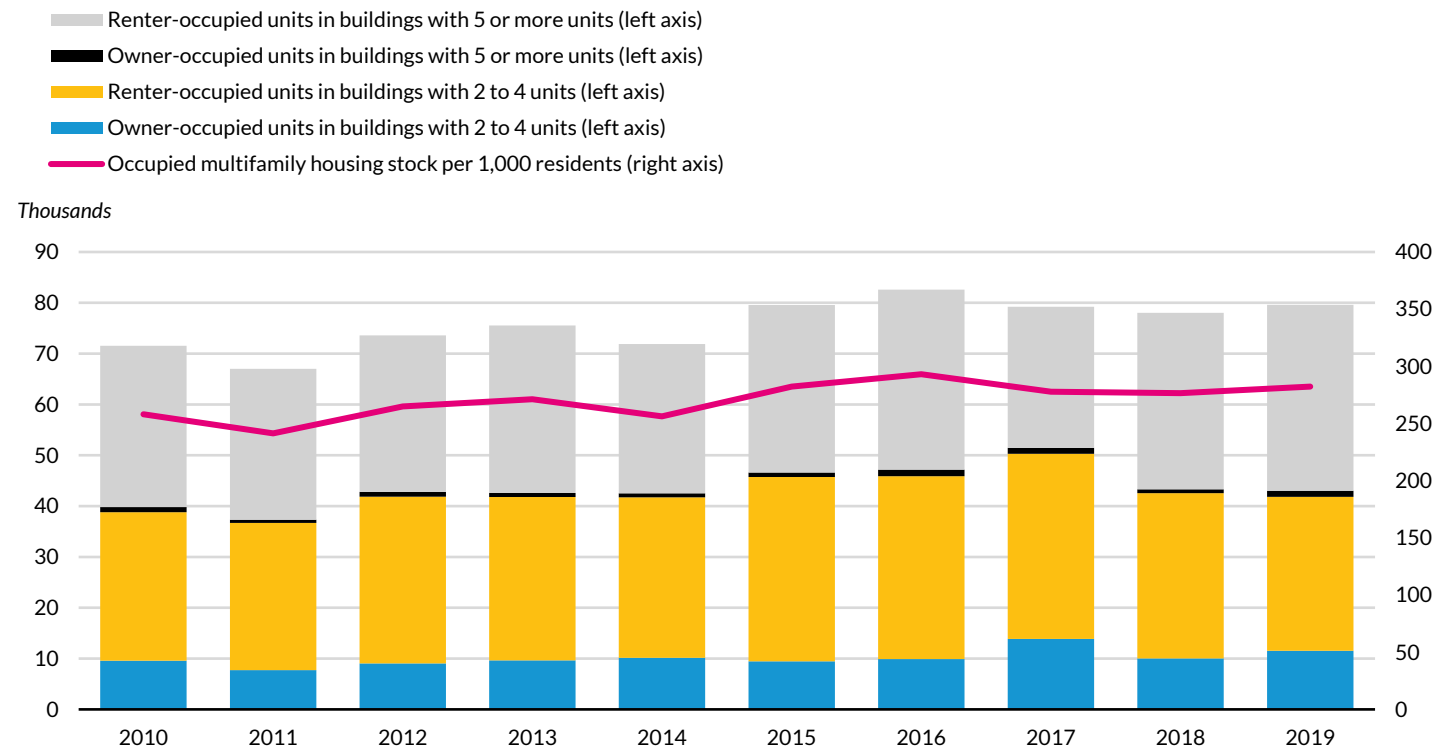


Source: American Community Survey.

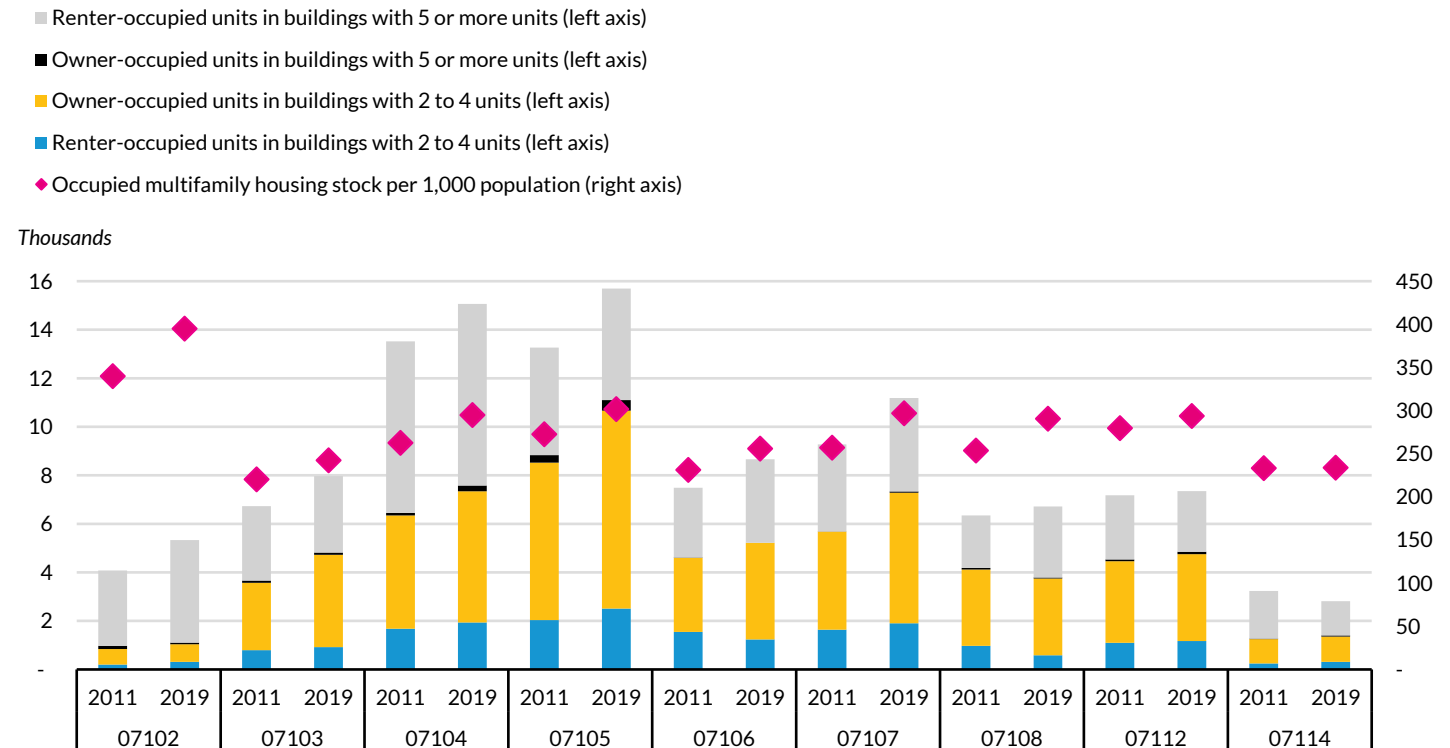
Note: Pay attention to the y-axis values when comparing areas.

Occupied Multifamily Housing Stock in Newark Zip Codes

Newark



Zip codes



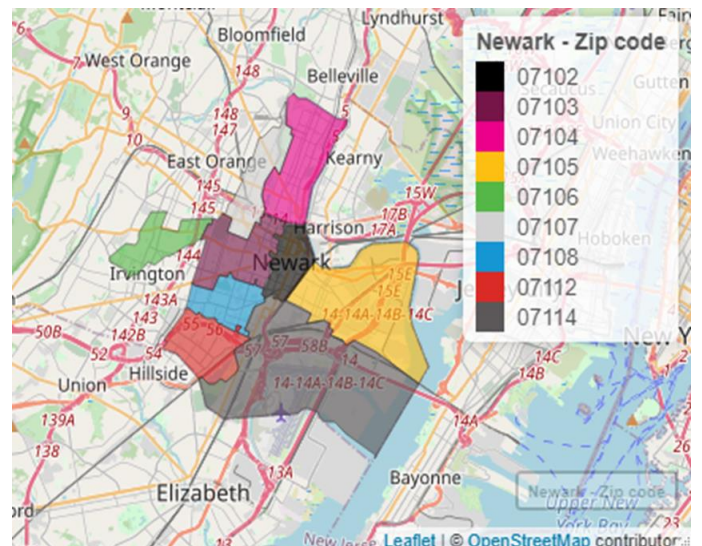
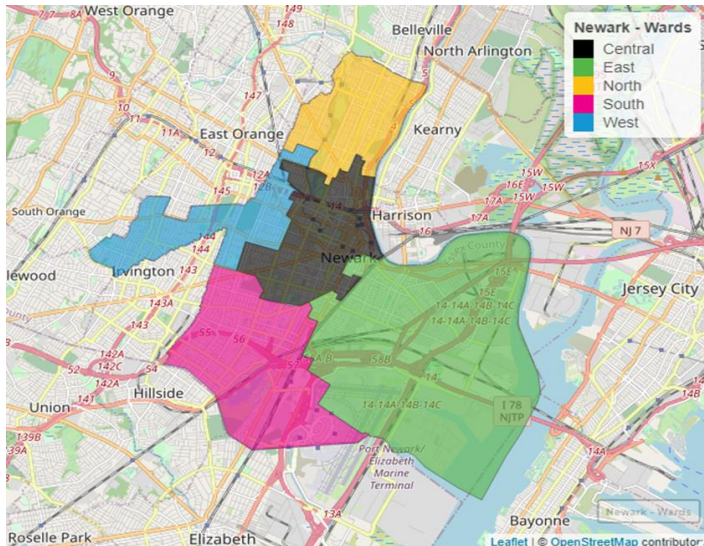
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

Vacancies in Newark Have Declined

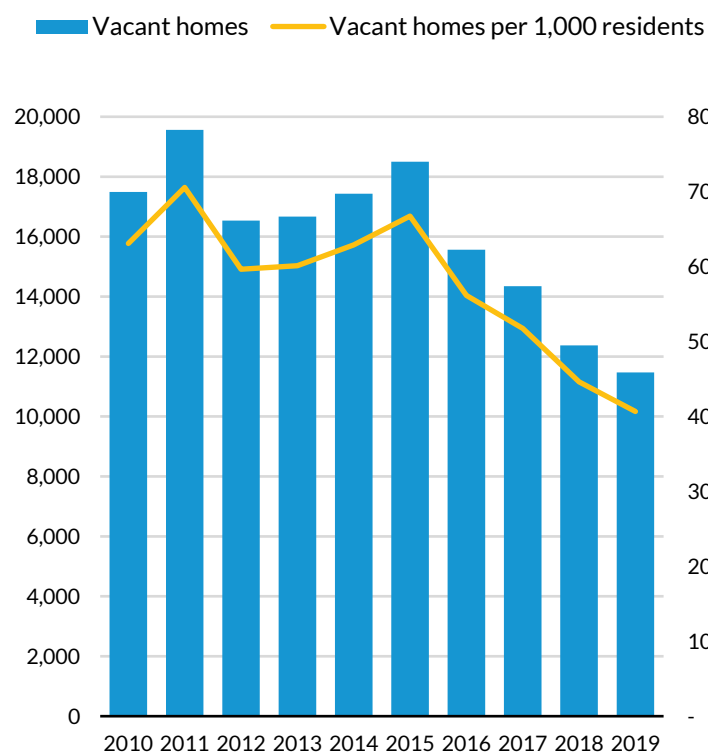
Amid little new construction, fewer vacancies are available to meet potential demand. Vacancies in Newark have been declining since 2015, both in absolute numbers and relative to the city's population. The decline in vacancies has contributed to the decrease in broader Essex County and New Jersey. The decline across the entire state also reflects a broad and noticeable decline in the number of vacancies in Jersey City.

But the multiyear decline in the number of vacancies in Newark since 2015 stands in contrast to the trend in comparable cities outside New Jersey, where the trends are much less consistent. For example, Baltimore, Maryland, and Oakland, California, registered year-over-year declines in 2019 after an annual increase in 2018. The number of vacancies in Flint, Michigan, recorded a yearly increase in 2019 after falling in 2018. Across Newark, a decline in vacancies between 2011 and 2019 occurred in every zip code except 07106, 07112, and 07114.

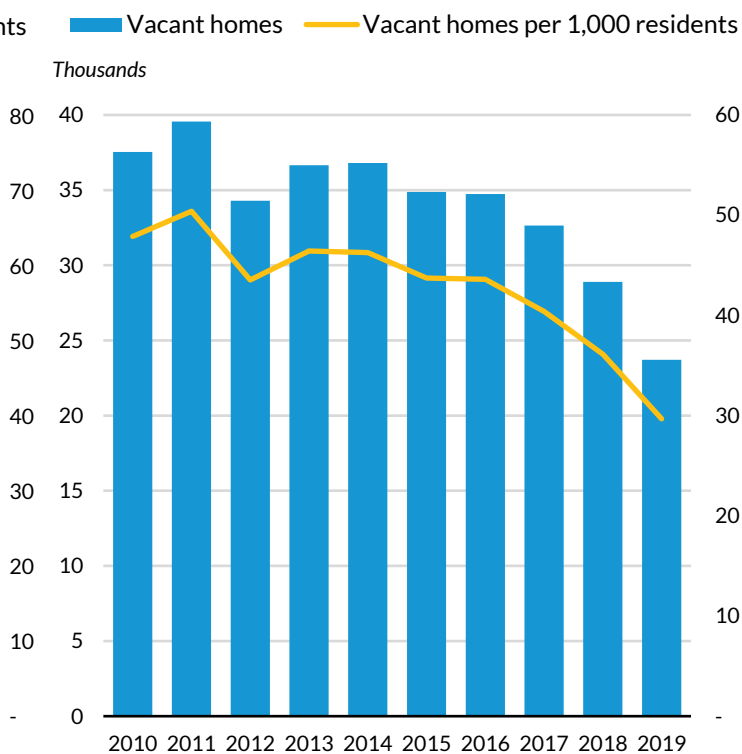


Vacancies in Broader Geographic Areas

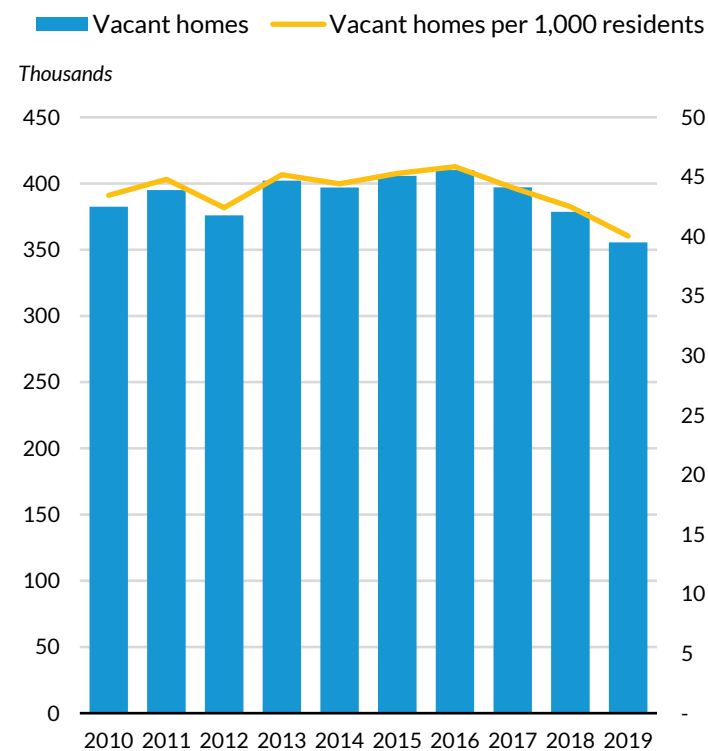
Newark



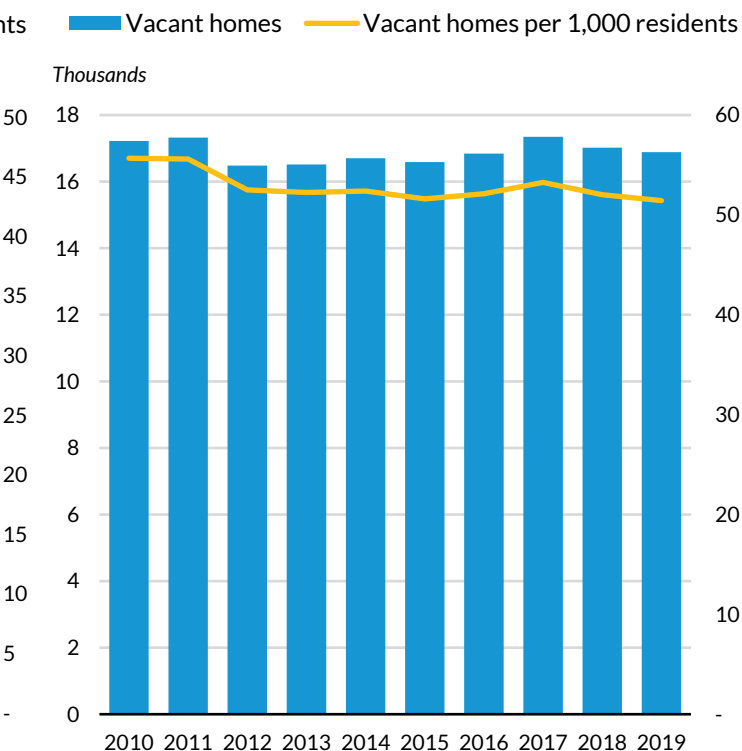
Essex County



New Jersey



United States

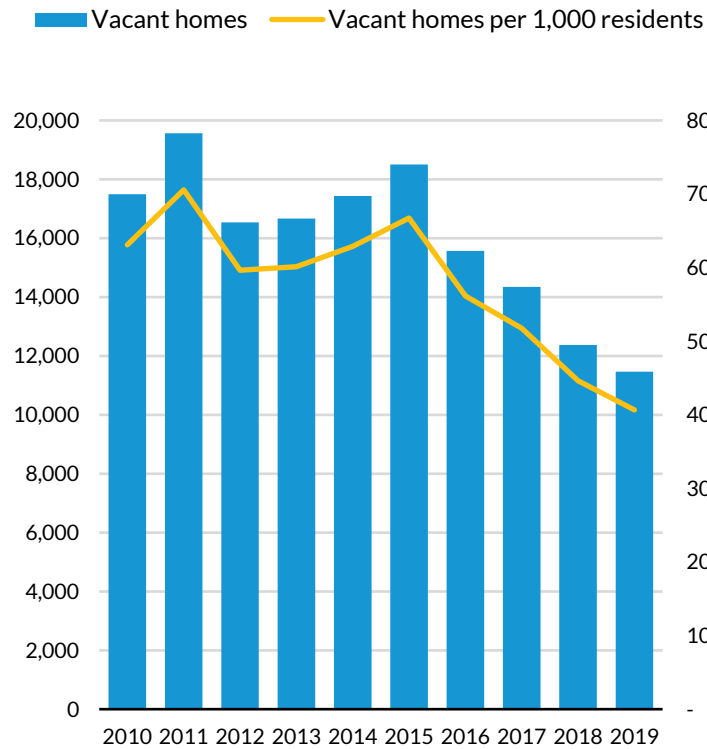


Source: American Community Survey.

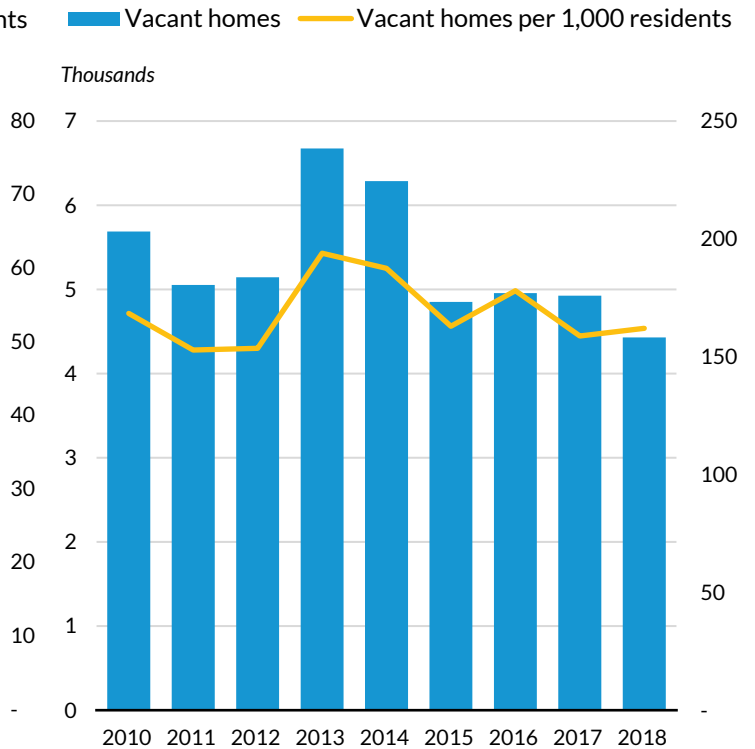
Note: Pay attention to the y-axis values when comparing areas.

Vacancies in Other New Jersey Cities

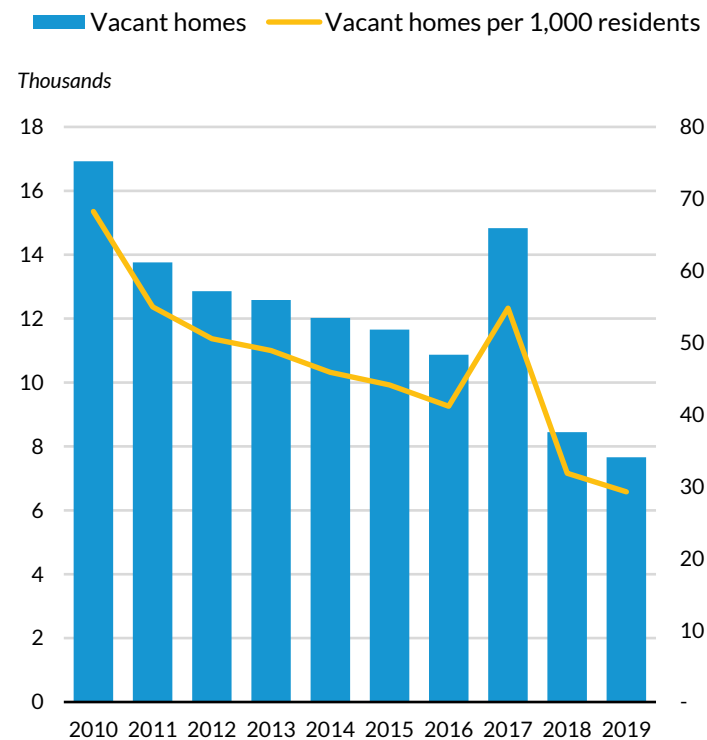
Newark



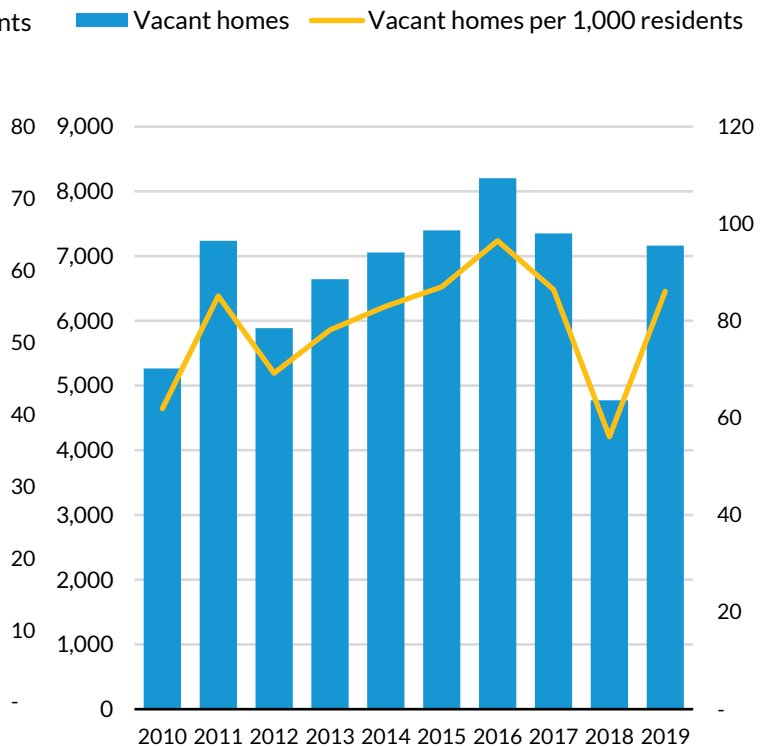
Camden^a



Jersey City



Trenton



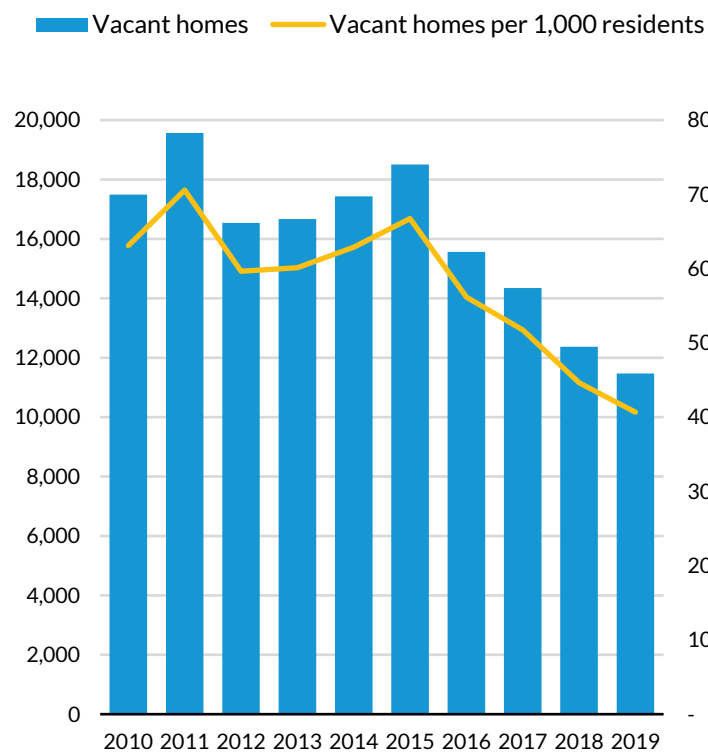
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

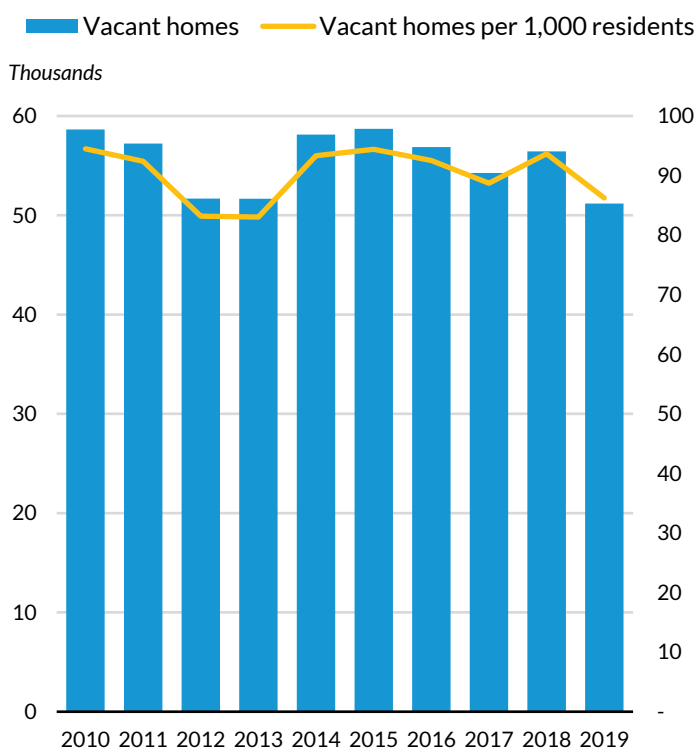
*2018 ACS data used due to missing values.

Vacancies in Comparable Cities

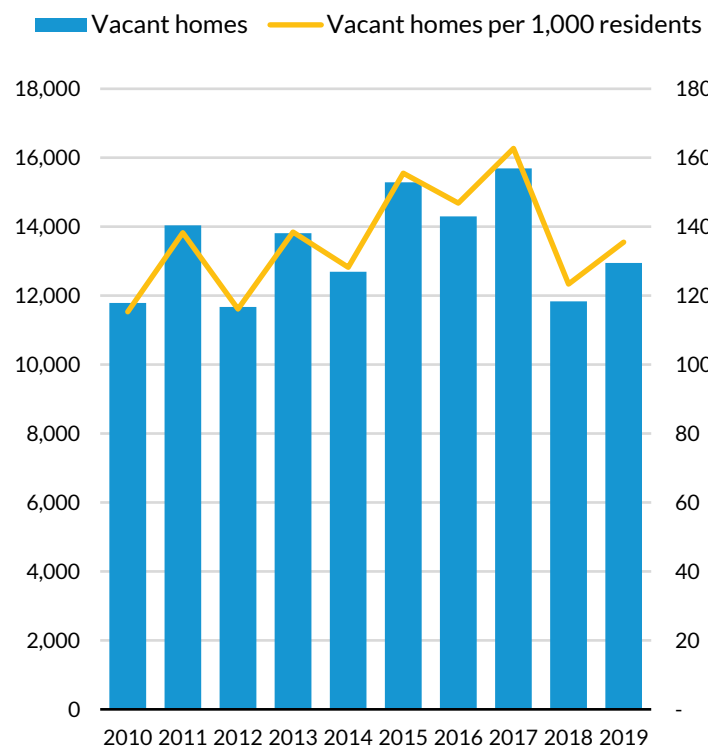
Newark



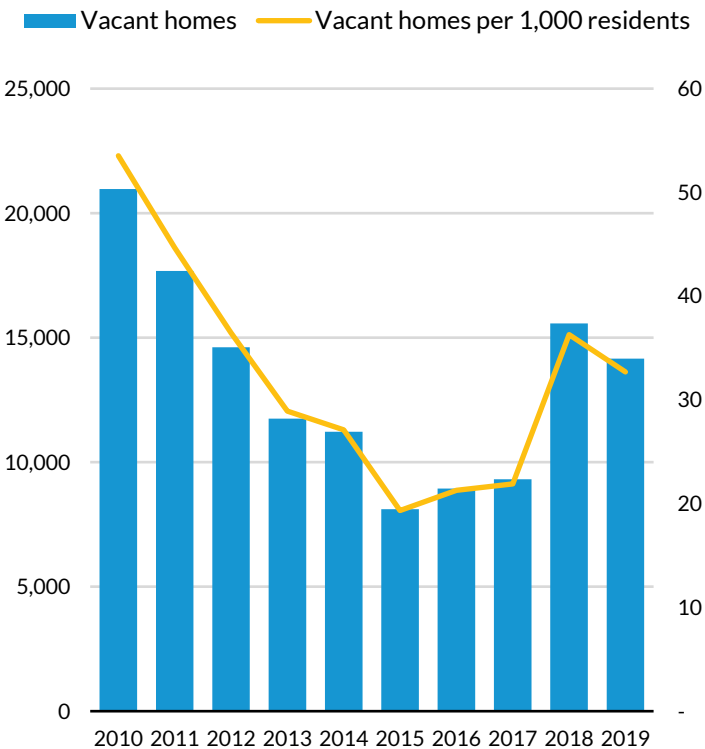
Baltimore



Flint



Oakland



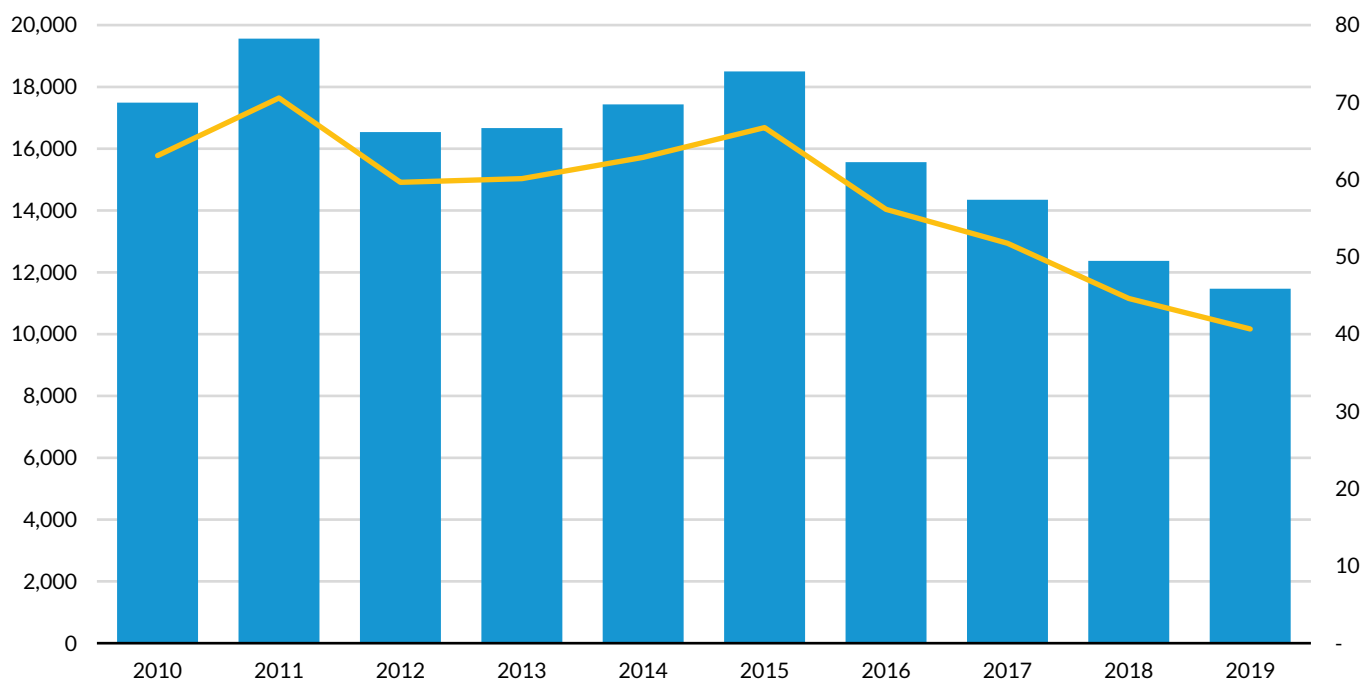
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

Vacancies in Newark Zip Codes

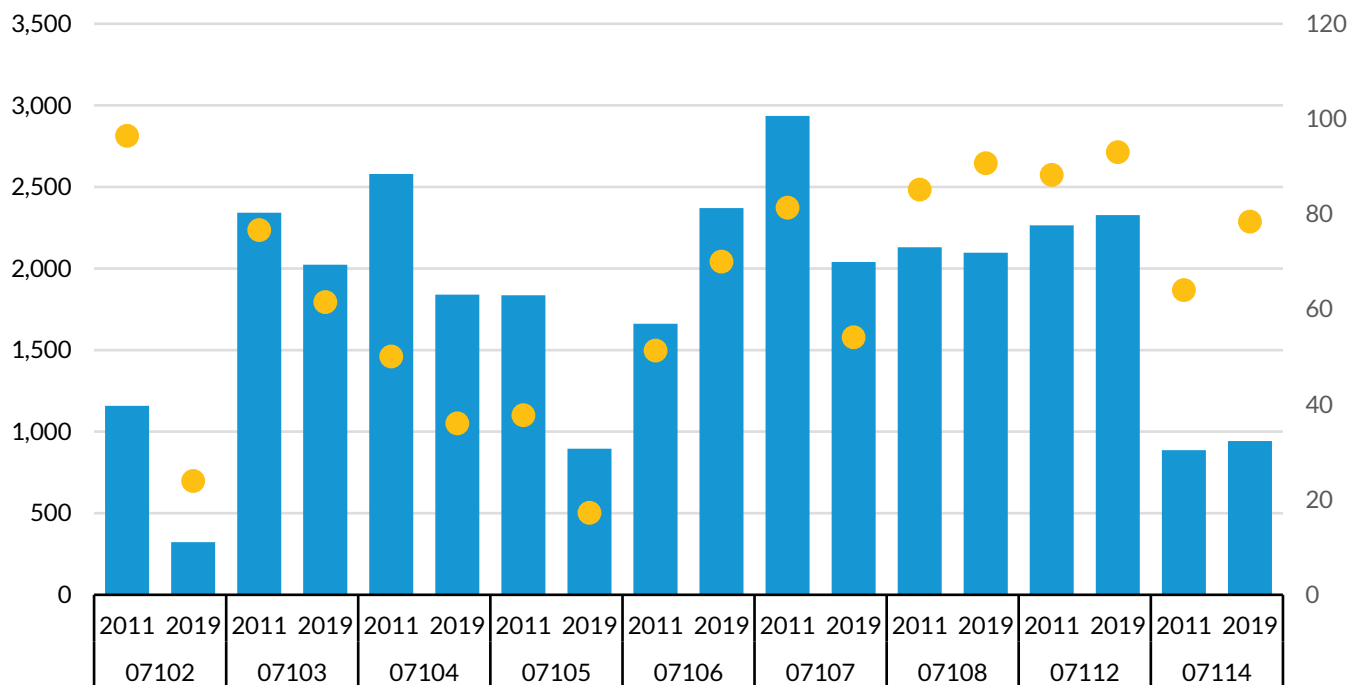
Newark

■ Vacant homes — Vacant homes per 1,000 residents



Zip codes

■ Vacant homes ● Vacant homes per 1,000 residents



Source: American Community Survey.

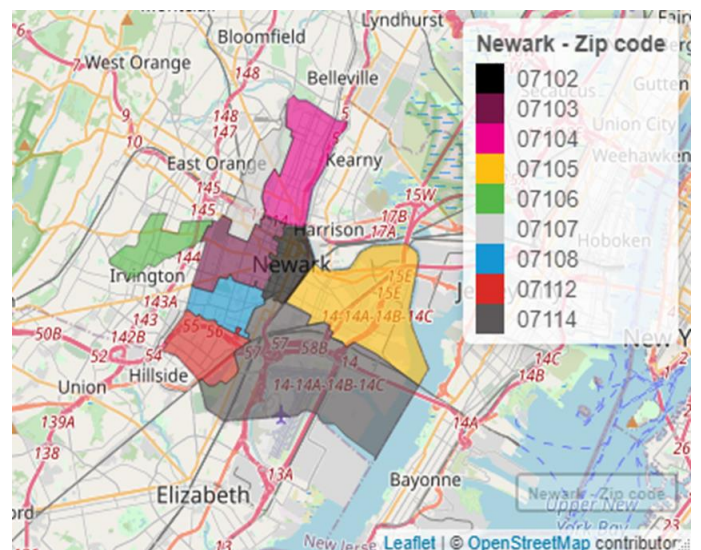
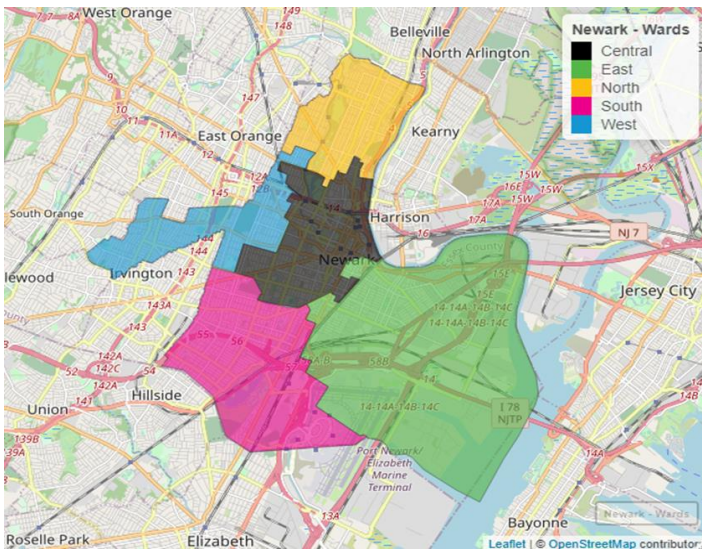
Note: Pay attention to the y-axis values when comparing areas.

In Newark, about One in Six Homes Was Built after 2000

In Newark, only 17 percent of the housing stock was built after 2000. The homes built before 2000 are nearly evenly distributed into the following categories by year built: from 1980 to 1999, from 1960 to 1979, from 1940 to 1959, and before 1940. This stands in contrast to broader Essex County and to the New Jersey cities of Camden, Jersey City, and Trenton, where the largest group of homes were built before 1940.

Homes in Newark are slightly older than those in the US as a whole. Nationwide, 80 percent of the housing stock was built before 2000, and 12 percent was built before 1940. In Newark, 83 percent of the housing stock was built before 2000, and 23 percent was built before 1940.

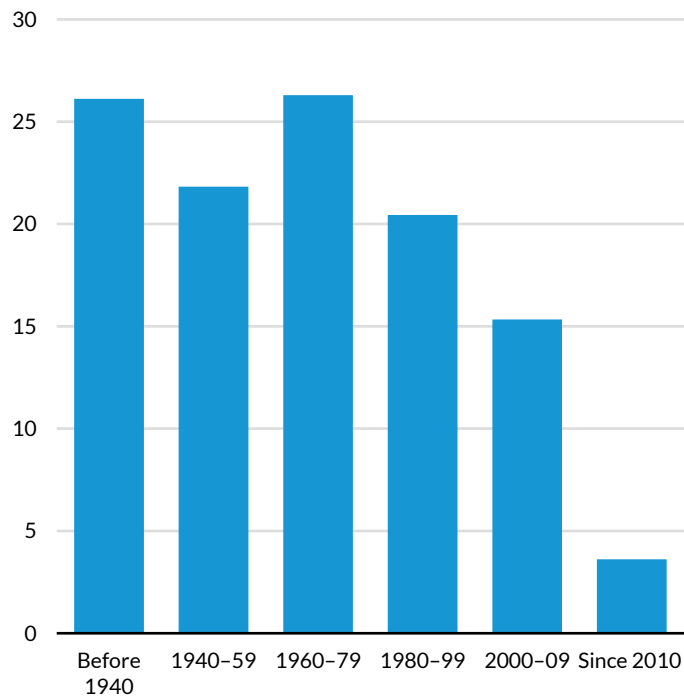
In Newark, the largest number of homes built since 2000 are in zip code 07103, and these 4,233 homes account for 31 percent of the housing stock in that zip code. The greatest number of homes built before 1940 are in zip codes 07104 (5,768) and 07105 (5,065), accounting for 28 percent of the housing stock in each zip code. Homes built before 1940 account for the largest proportion of the housing stock in zip codes 07112 and 07107.



Housing Stock, by Year Built, in Broader Geographic Areas

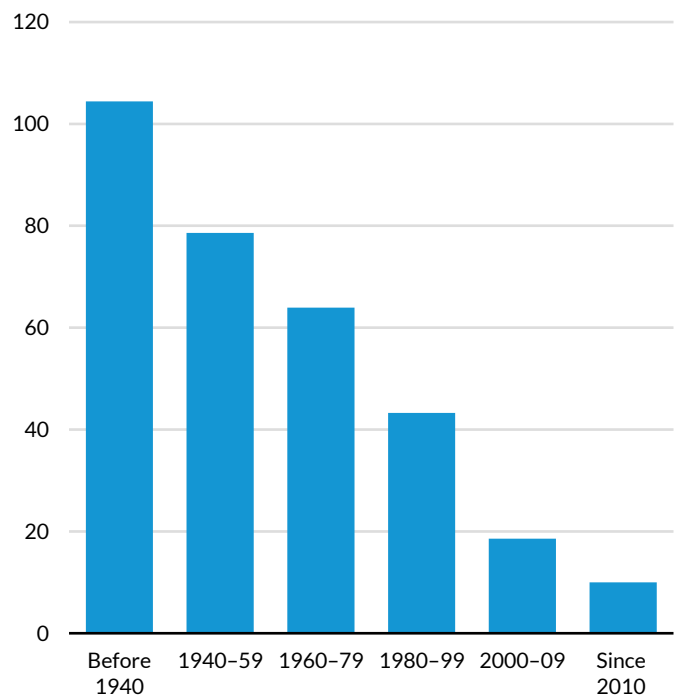
Newark

Thousands



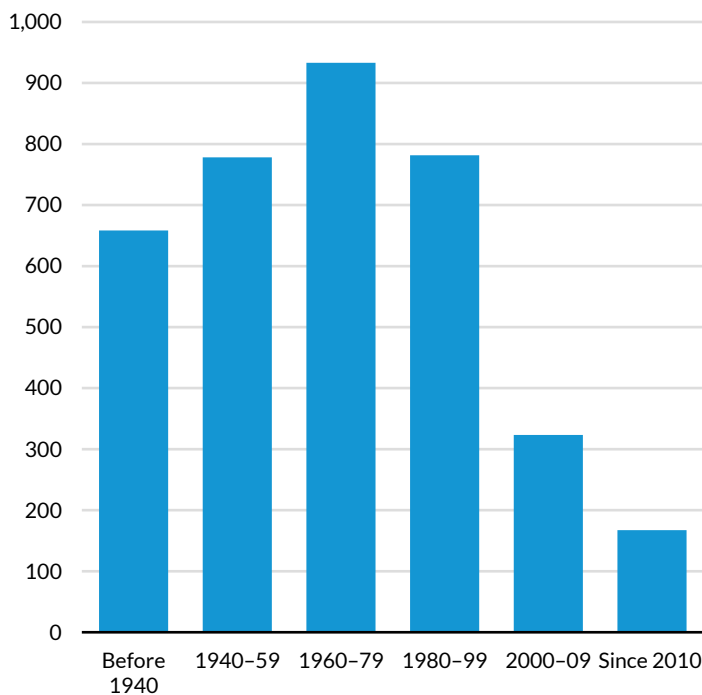
Essex County

Thousands



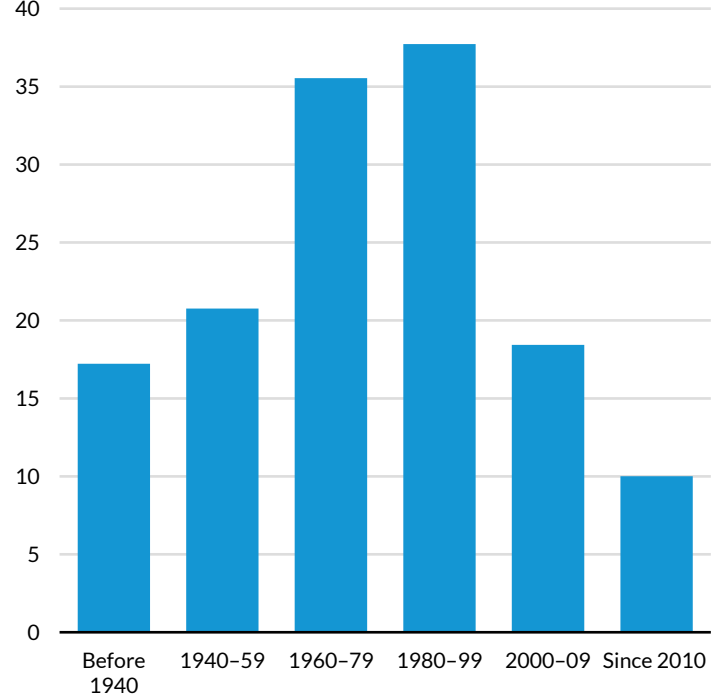
New Jersey

Thousands



United States

Millions



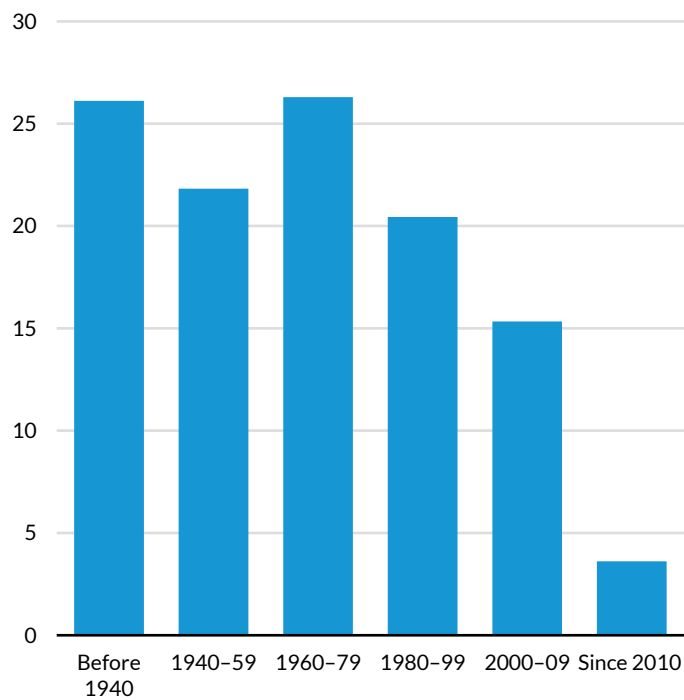
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

Housing Stock, by Year Built, in Other New Jersey Cities

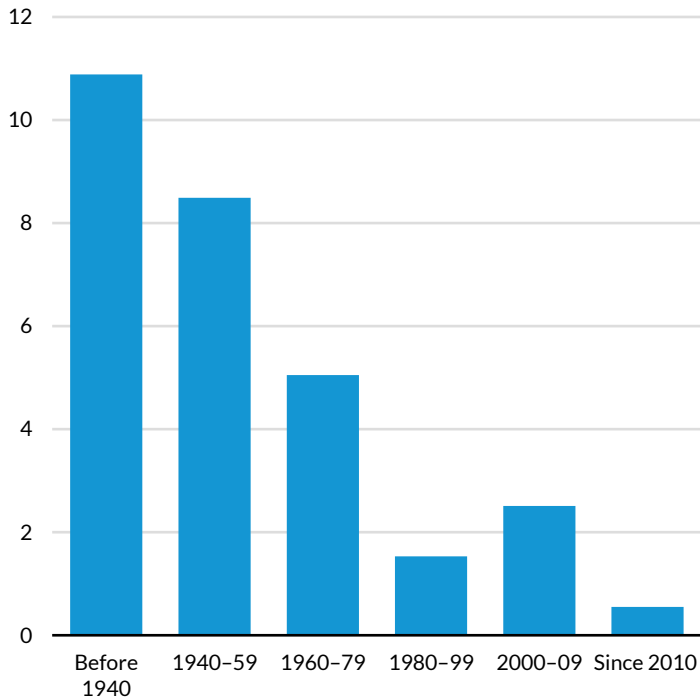
Newark

Thousands



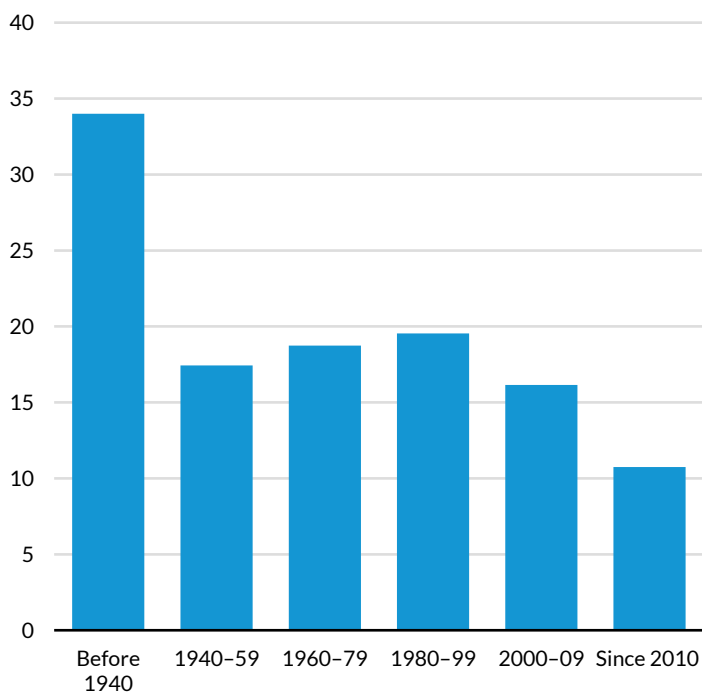
Camden

Thousands



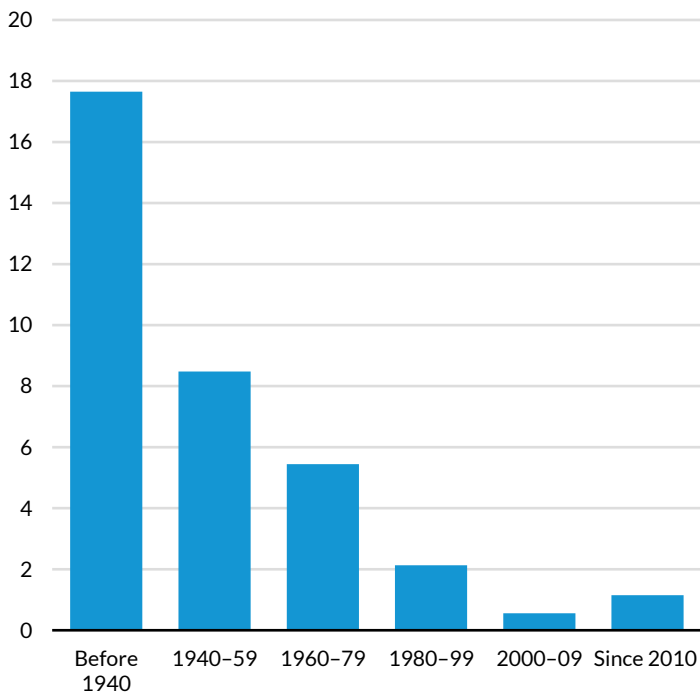
Jersey City

Thousands



Trenton

Thousands



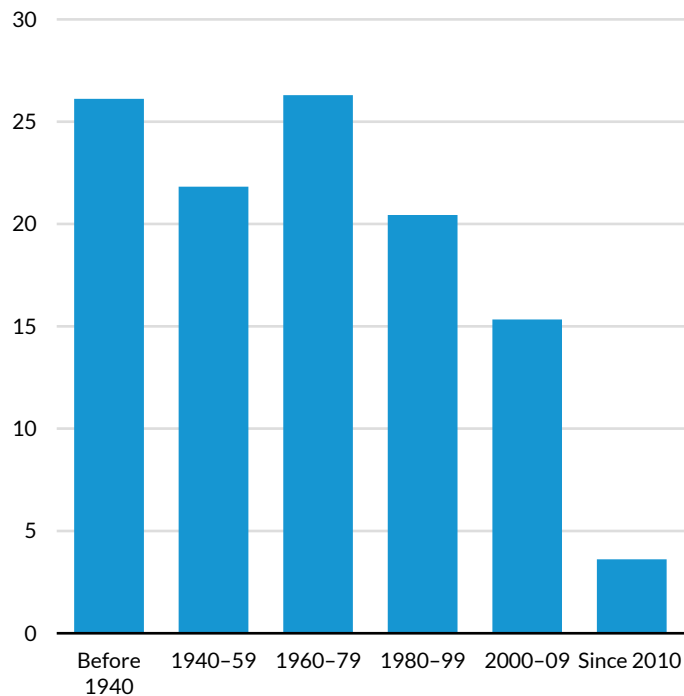
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

Housing Stock, by Year Built, in Comparable Cities

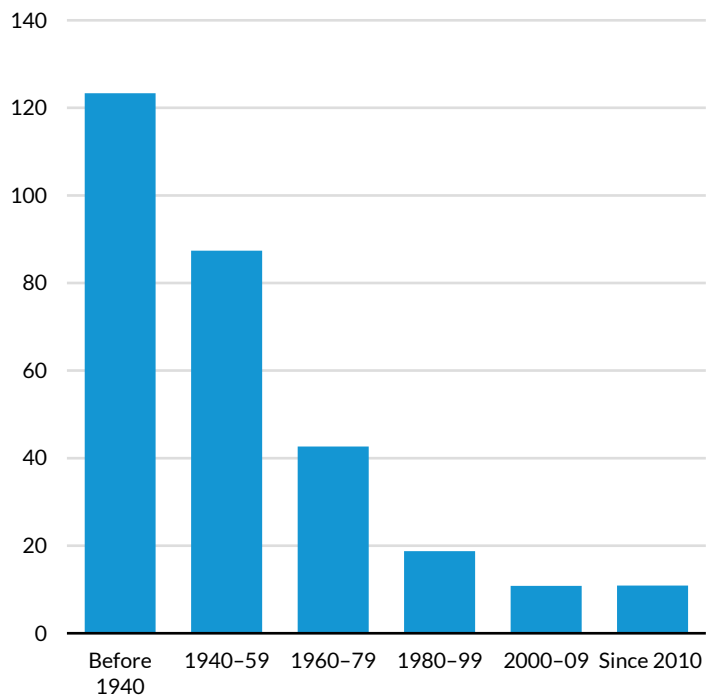
Newark

Thousands



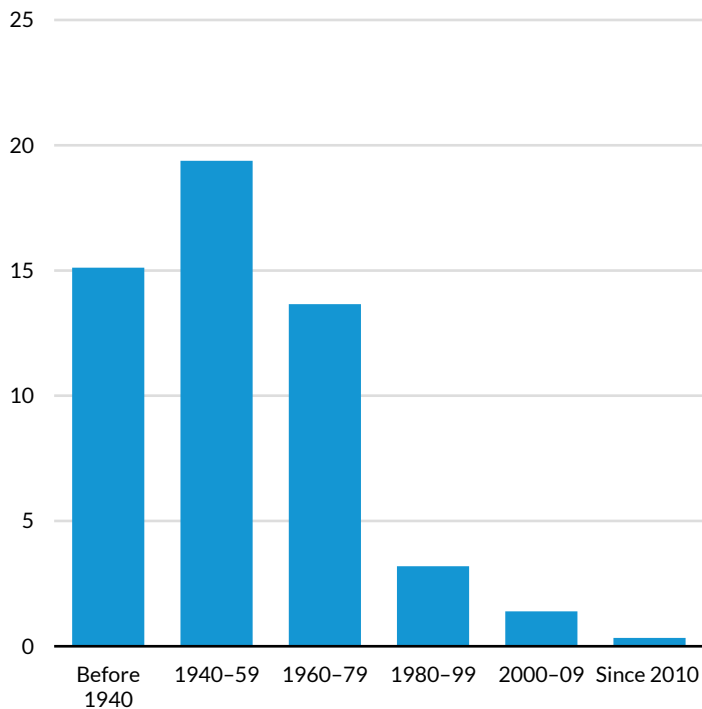
Baltimore

Thousands



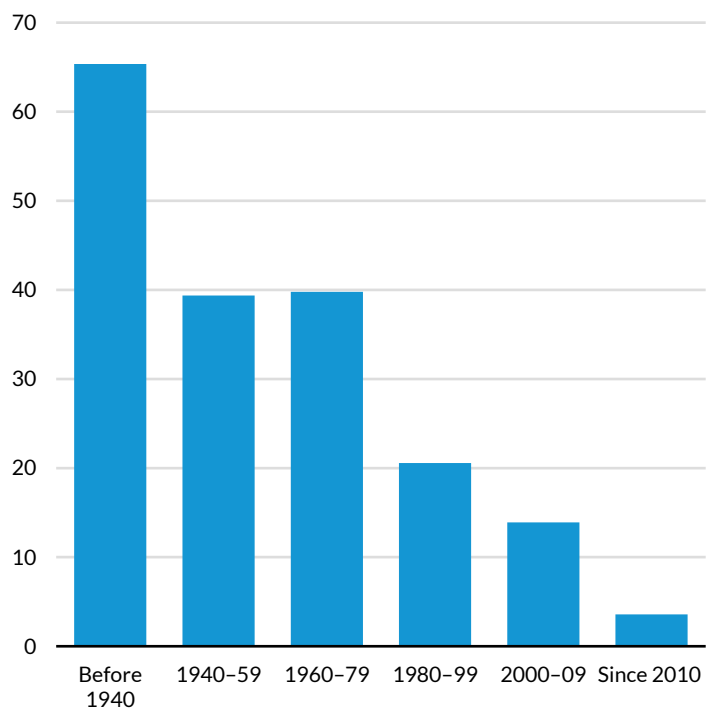
Flint

Thousands



Oakland

Thousands



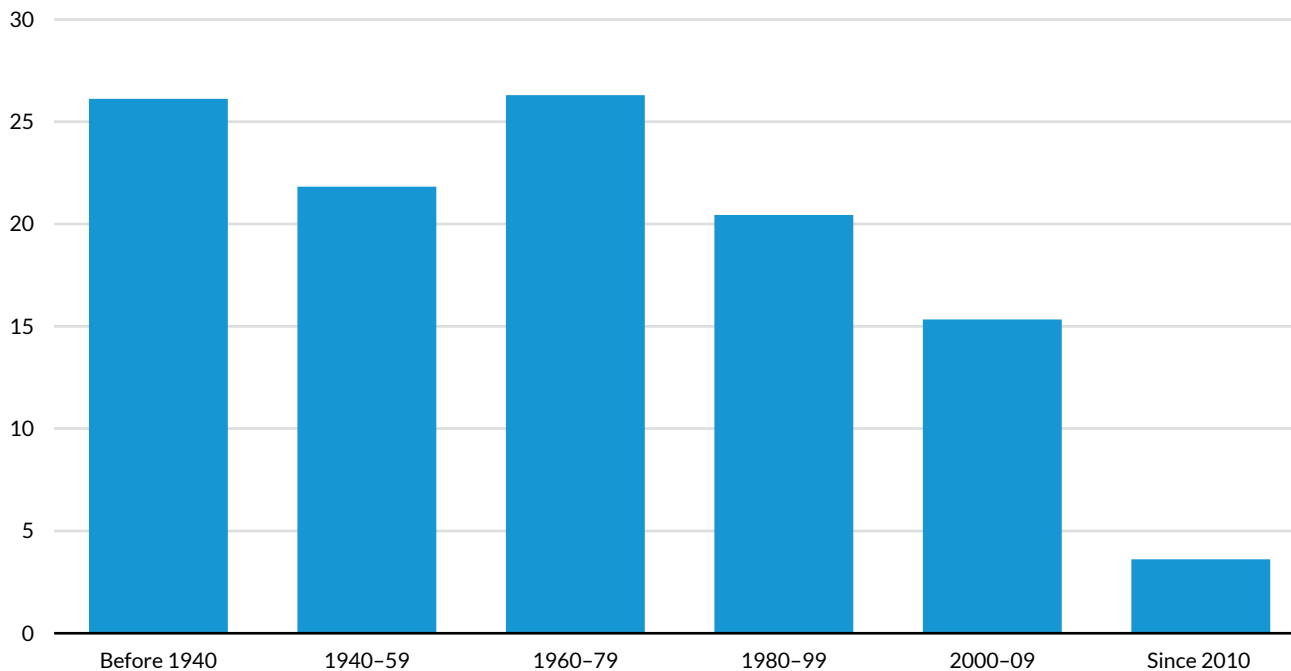
Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

Housing Stock, by Year Built, in Newark Zip Codes

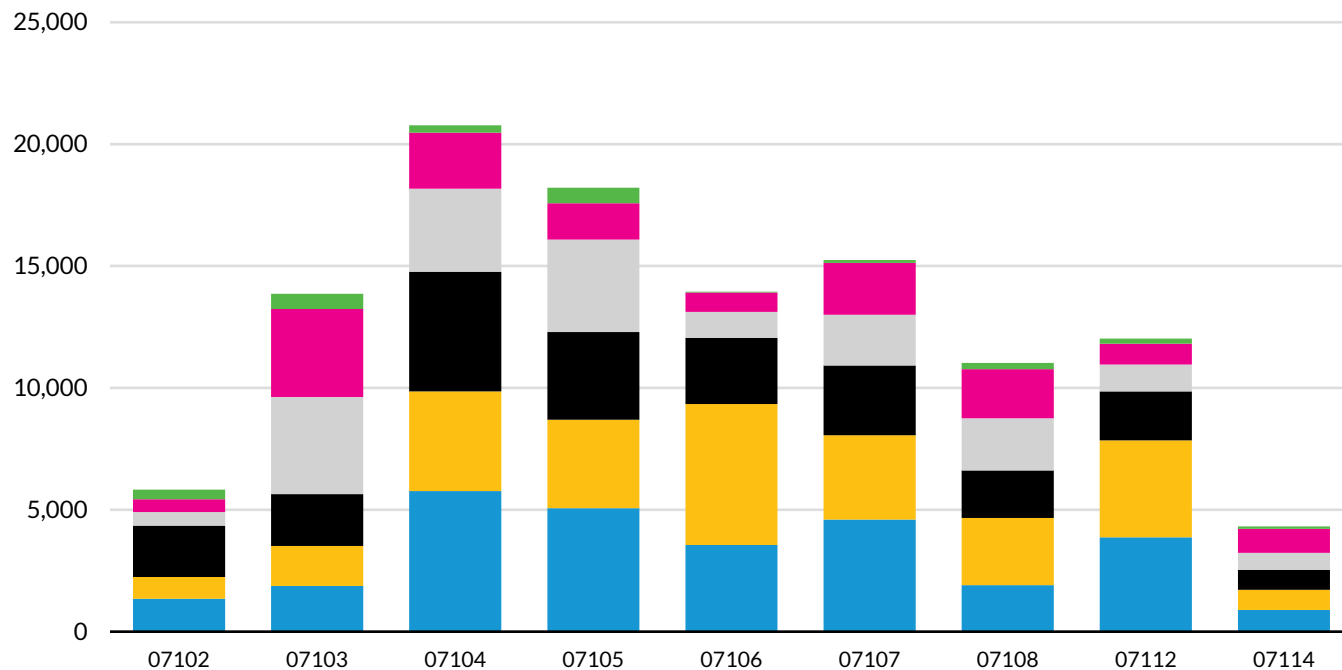
Newark

Thousands



Zip codes

Before 1940 1940-59 1960-79 1980-99 2000-09 Since 2010



Source: American Community Survey.

Note: Pay attention to the y-axis values when comparing areas.

4. Measures of Homeowner Performance and Stress

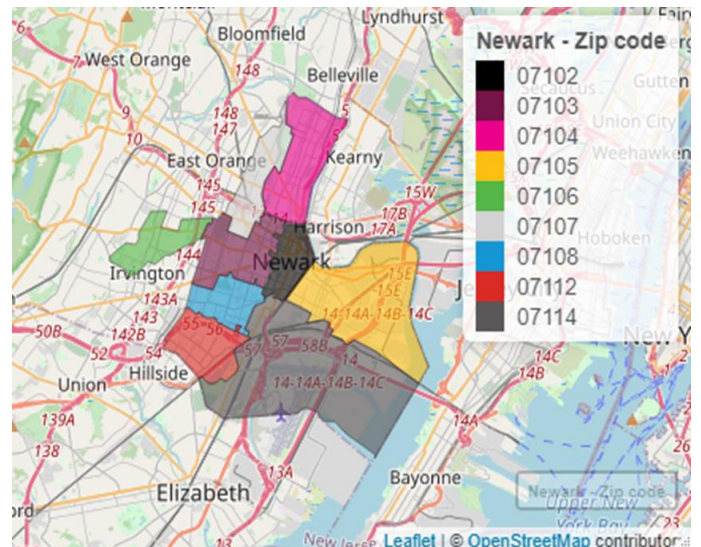
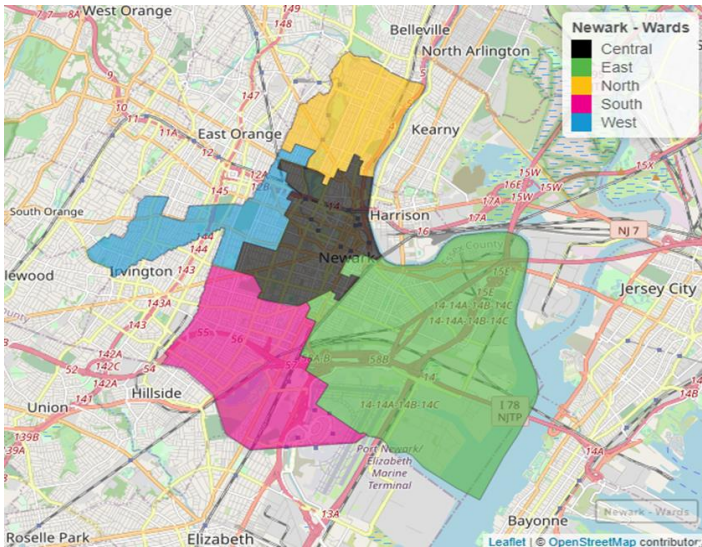


Andy Dean Photography/Shutterstock.

Indicators of Homeowner Stress Were Easing Entering 2020

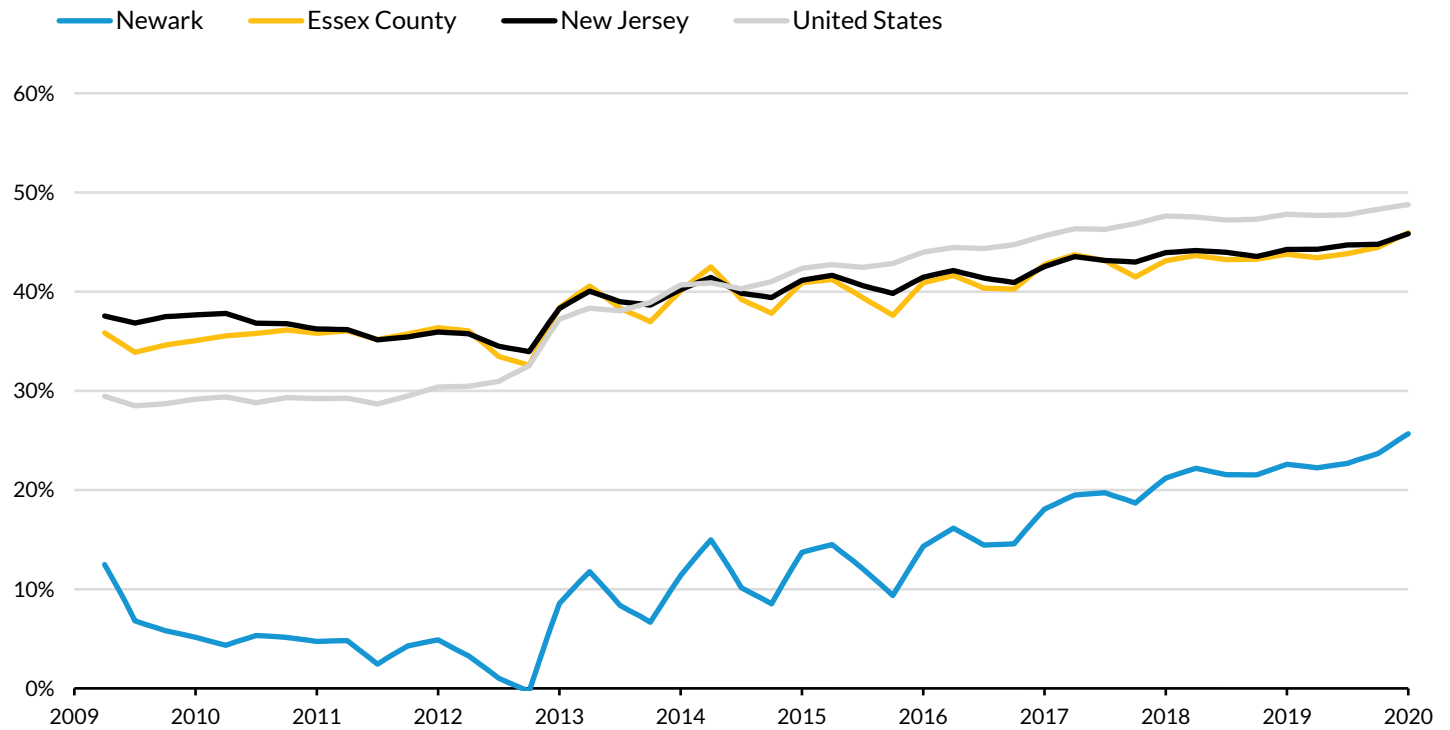
Measures of homeowner and mortgage performance in Newark generally lag behind selected comparable regions. Average household equity as a share of home values is lower than in comparable regions, while the share of homeowners with negative equity, the serious delinquency rate, and the foreclosure rate are all higher.

Just as in other areas, forbearance appears to have helped Newark homeowners remain in their homes and continue to build housing equity. Between June and August 2020, the serious delinquency rate in Newark rose from 6 percent to 15 percent. But the foreclosure rate in Newark continues to decline and is approximately 2 percent as of August 2020. Amid the steady decline in the foreclosure rate, the average percent of housing equity, homeowners' equity as a share of home values, has risen to 25 percent, its highest rate since June 2009. At the same time, the share of Newark homeowners with negative equity continues its descent, and the rate of the decline appears to have quickened over the first half of 2020.

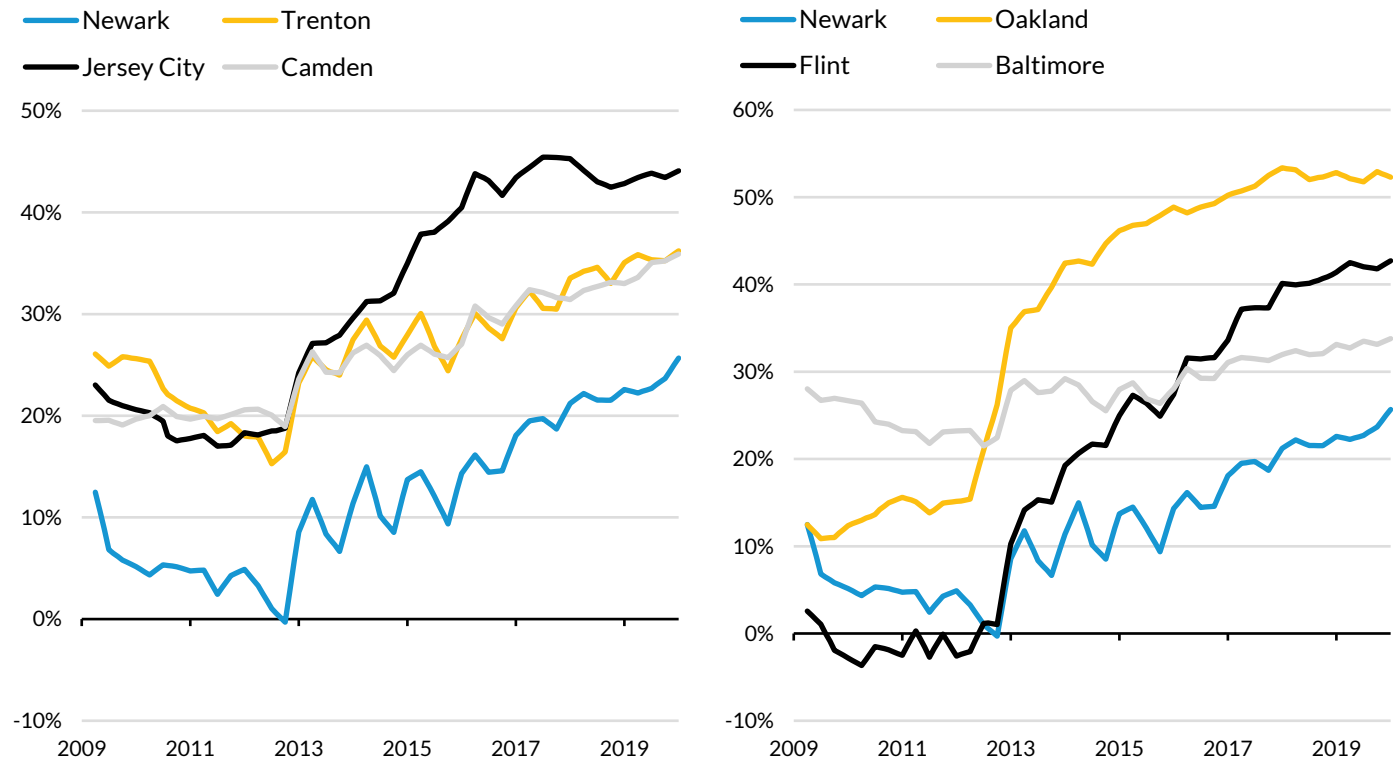


Average Household Equity as a Share of Home Values

Newark and broader geographies



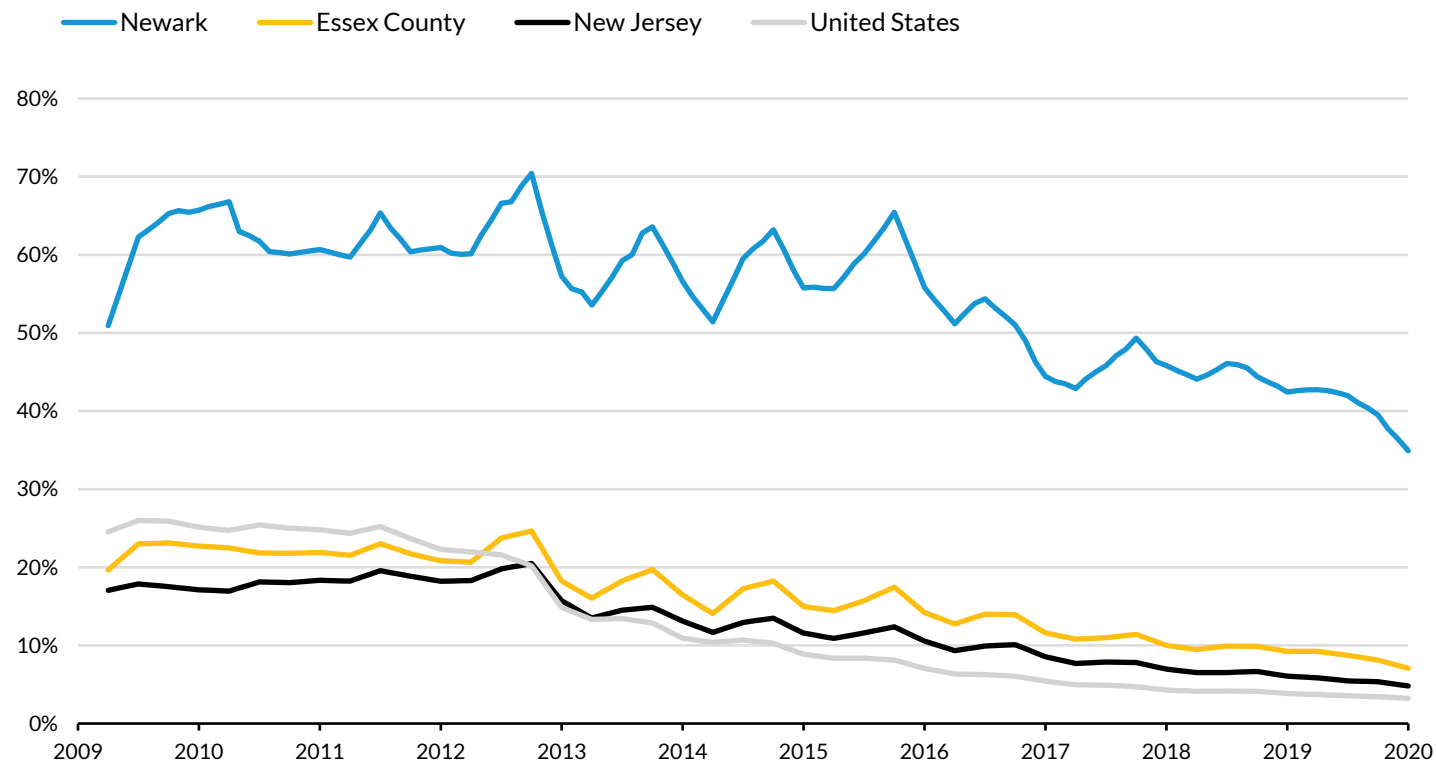
Newark and other select cities



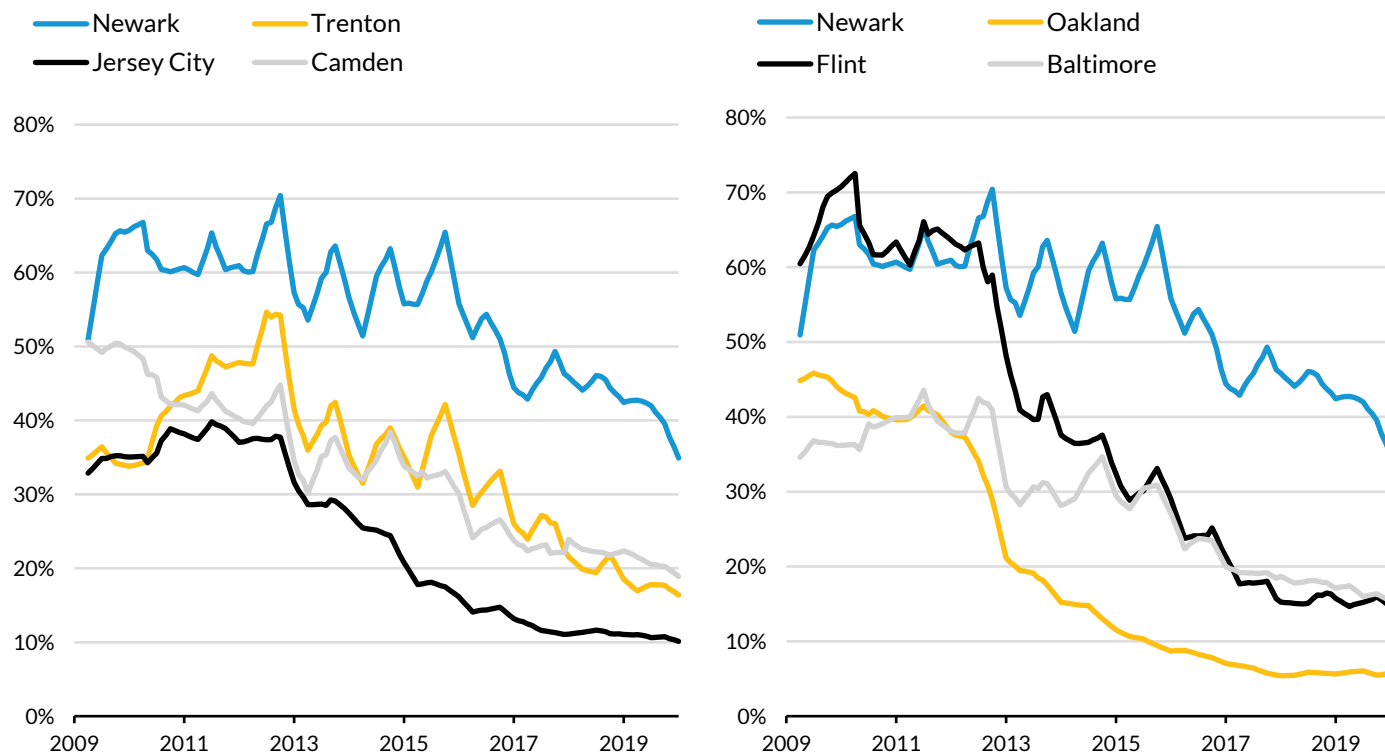
Source: CoreLogic.

Share of Homeowners with Negative Equity

Newark and broader geographies



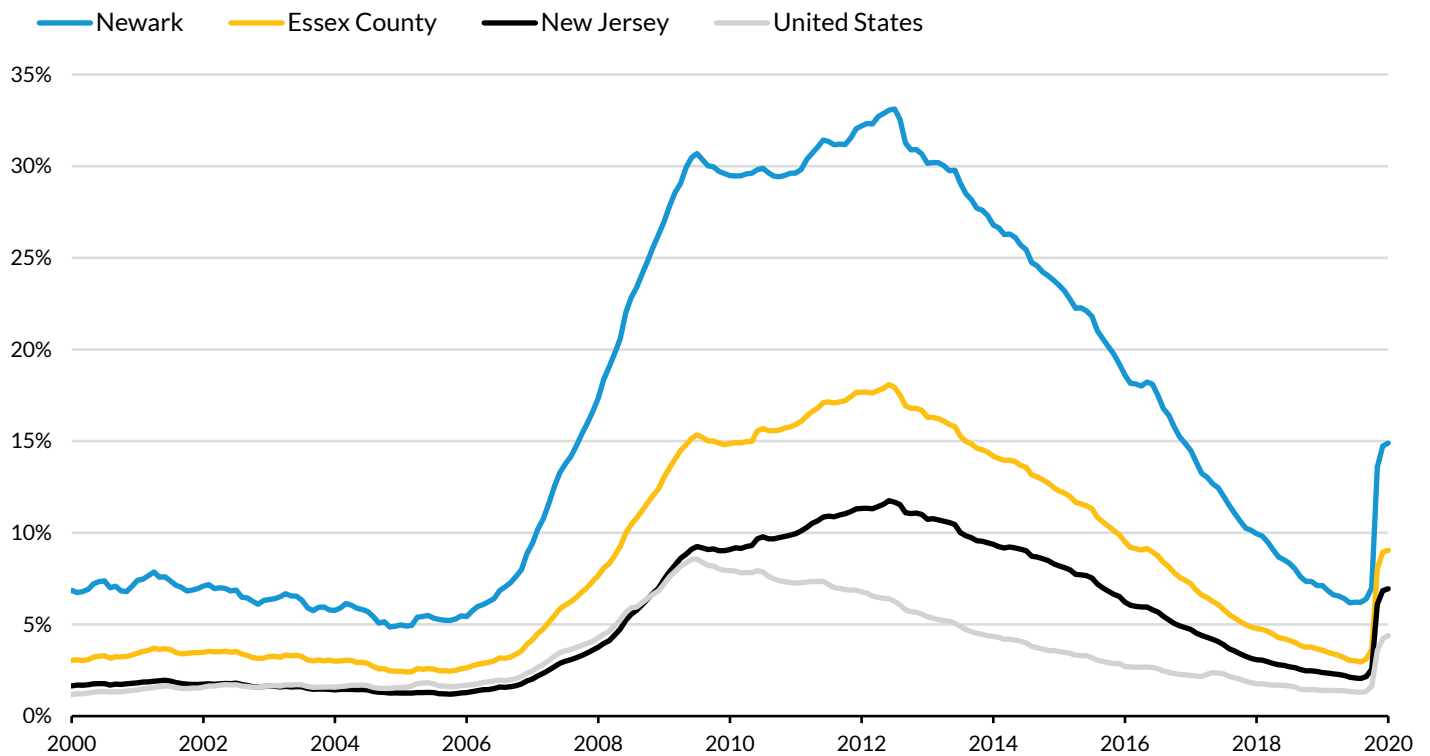
Newark and other select cities



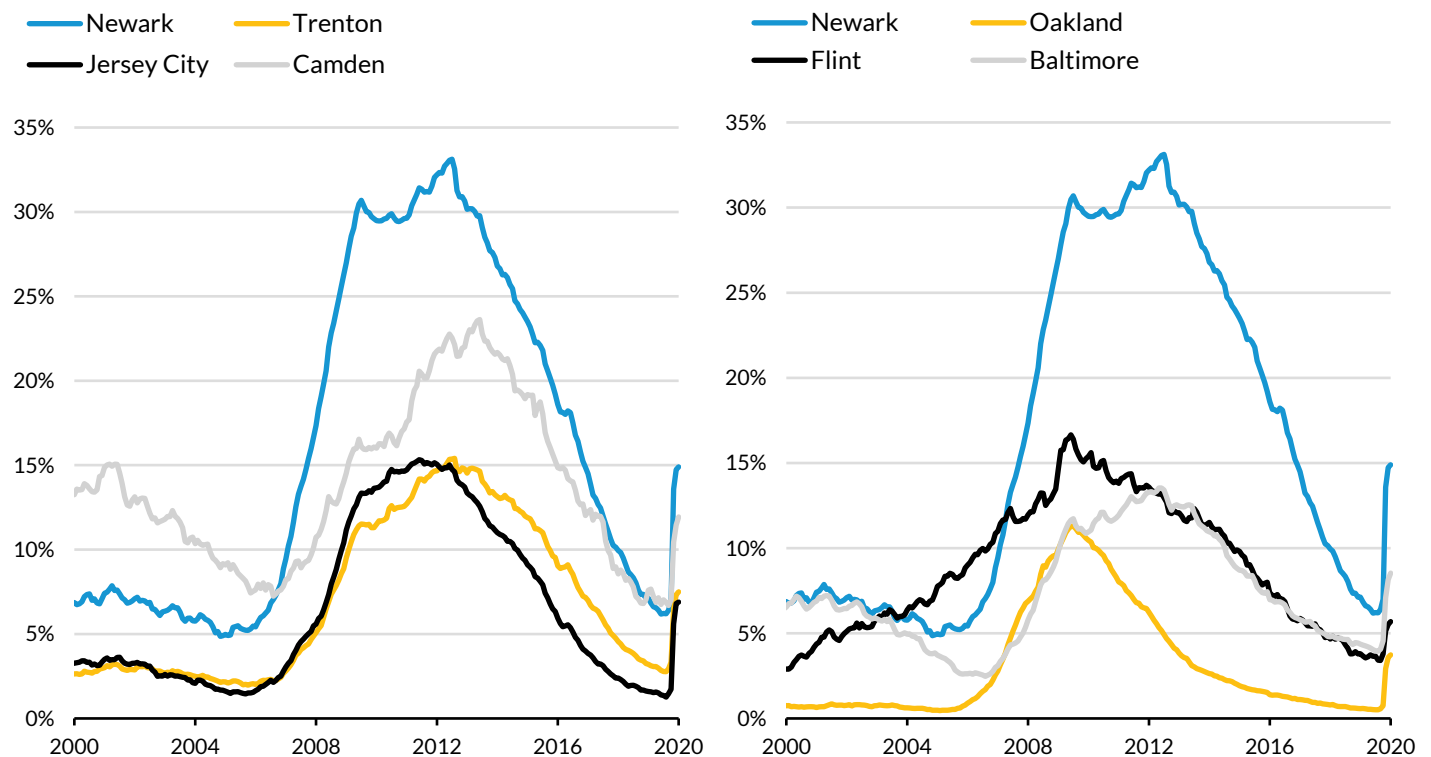
Source: CoreLogic.

Share of Households in Serious Delinquency

Newark and broader geographies



Newark and other select cities

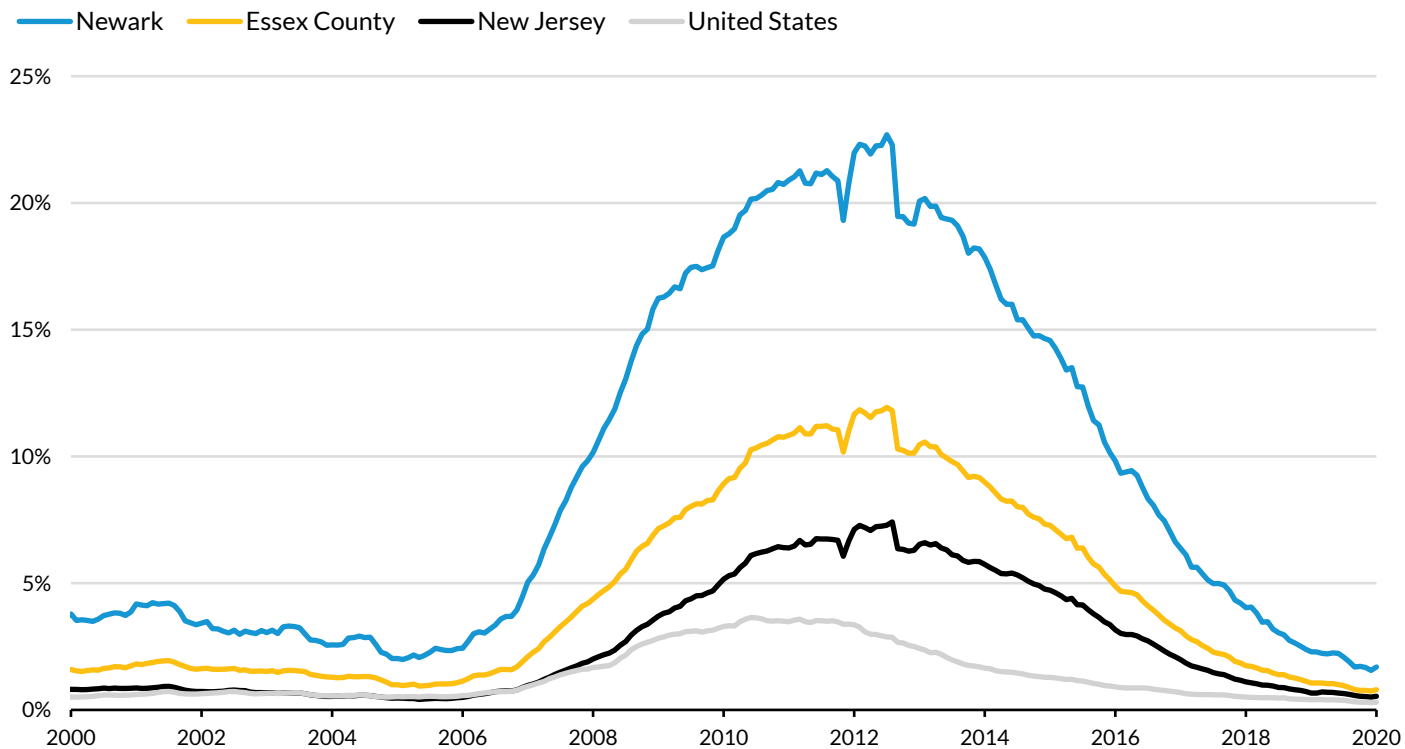


Source: CoreLogic.

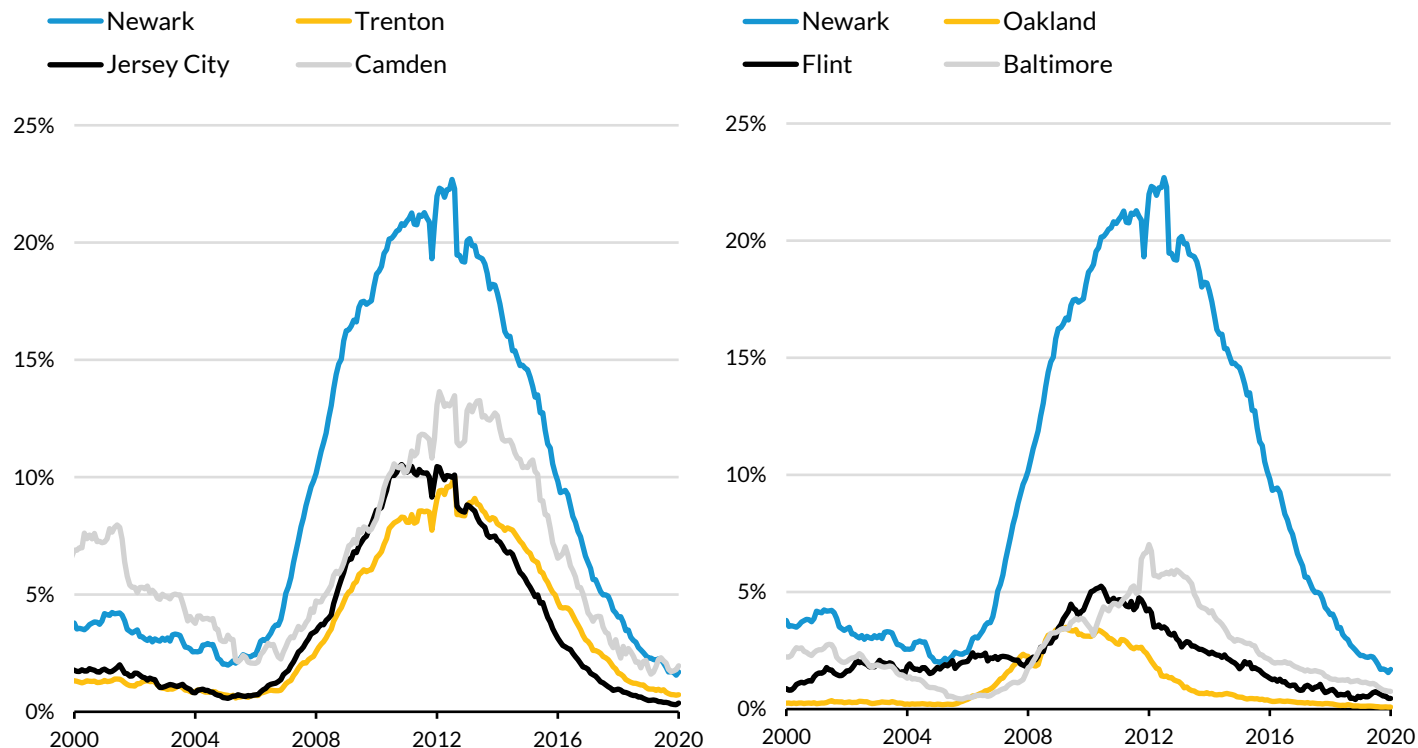
Note: Serious delinquency is when mortgage payments are at least 90 days past due.

Foreclosure Rates

Newark and broader geographies



Newark and other select cities



Source: CoreLogic.

Appendix. About the Data

This tracker relies on data from the American Community Survey (ACS), CoreLogic's Market Trends, the Bureau of Labor Statistics (BLS) Employment Situation report, and the Home Mortgage Disclosure Act (HMDA). The ACS data include both one-year and five-year data. Both are available annually. In this tracker, geographic regions down to the city level are based on one-year estimates. But zip code-level data from the ACS are from the five-year dataset. For geographic areas with smaller populations, the ACS samples show too few housing units to provide reliable single-year estimates. For these areas, several years of data are pooled together to create more precise multiyear estimates.

CoreLogic's Market Trends report provides monthly data on home sales, sales prices, and foreclosure filings. The data are sourced from public records on properties throughout the country. The reports are available down to the zip code level on a monthly basis.

The BLS report provides monthly data on labor market conditions, including the unemployment rate and the civilian population and its components. This portion of the report is sourced from the Current Population Survey. This monthly survey of households, conducted by the Bureau of Labor Statistics, includes agricultural workers, self-employed workers, unpaid family workers, and private household workers, in addition to employees on the payroll of nonfarm businesses.

The HMDA data require many financial institutions to maintain, report, and publicly disclose loan-level information about mortgages. These data shed light on lending patterns. The data collected under HMDA do not include all-cash home purchases or mortgage alternatives, such as seller financing. But seller financing is believed to be a small portion of home sales nationwide.

The data presented in this housing tracker cover a variety of geographic regions. These include the United States as a whole, the state of New Jersey, Essex County, and the city of Newark. Additional comparison cities include three from New Jersey (Camden, Jersey City, and Trenton) and three from outside New Jersey (Baltimore, Maryland; Flint, Michigan; and Oakland, California). This compilation also provides data at the zip code level across the populated zip codes of Newark: 07102, 07103, 07104, 07105, 07106, 07107, 07108, 07112, and 07114.

In conversations with key housing stakeholders in Newark, Baltimore was identified as a comparable city because of its high proportion of Black residents. The authors identified Flint and Oakland as cities similar to Newark because of their proximity to major economic centers: San Francisco (Oakland) and Detroit (Flint). Because Baltimore is in the eastern United States, Flint is in the Midwest, and Oakland is in the West, these cities also cover different areas of the country. But these cities are not necessarily considered typical of their respective regions.

Regional definitions may vary across datasets. For example, city-level data from the ACS are obtained at the "place" level. In contrast, city-level data obtained from CoreLogic's Market Trends data are estimated over the populated zip codes within the incorporated city. In addition, zip code-level data from the ACS rely on zip code tabulation areas, or zip code approximations developed by the Census Bureau to match United States Postal Services zip codes. Although it is easy to think of zip codes as "regions," zip codes are mail routes. Zip code-level data sourced from CoreLogic are based on physical property addresses.

About the Authors

Michael Neal is a senior research associate in the Housing Finance Policy Center at the Urban Institute. Previously, he worked at Fannie Mae, where he was a director of economics in the Economic and Strategic Research division. Before his service at Fannie Mae, Neal was the assistant vice president at the National Association of Home Builder's Economic and Housing Policy department. As a housing economist, Neal has in-depth knowledge of housing market trends and has provided expert analysis and commentary on housing to media outlets around the country. Previously, Neal worked at Congress's Joint Economic Committee, the Federal Reserve System, the Congressional Budget Office, and Goldman Sachs. Neal has a bachelor's degree in economics from Morehouse College and a master's degree in public administration from the University of Pennsylvania.

Daniel Pang is a research assistant in the Housing Finance Policy Center. Pang graduated magna cum laude from Washington University in Saint Louis with BAs in economics and political science, where his research focused on a hedonic price comparison of manufactured and site-built homes in the US. Before joining Urban, Pang interned in the US Senate and the American Civil Liberties Union of Missouri.

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