

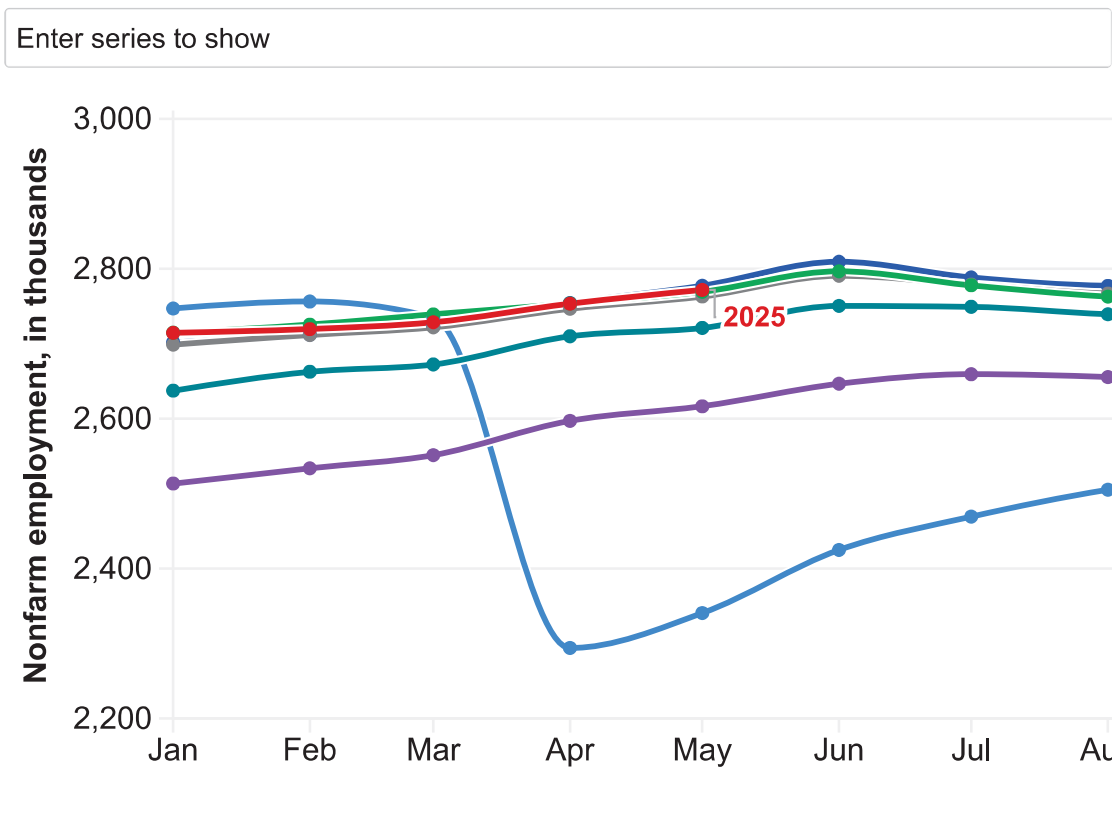


COSTAR INSIGHT

Boston job growth holds steady through May

Hiring pace is comparable to 2024, and the labor market remains resilient in some sectors

Payrolls on track to eclipse 2024's performance



Source: Bureau of Labor Statistics, May 2025
May reflects preliminary data



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July 17, 2025 | 8:53 AM



The Boston metropolitan area added 18,300 nonfarm jobs in May 2025 on a monthly basis, according to preliminary data from the U.S. Bureau of Labor Statistics.

That month's hiring performance brought total employment to 2.77 million, a 0.66% month-over-month change from April. This continues a steady upward trend, with the region now about 2,400 jobs ahead of the May 2024 mark, and bodes well for local demand for apartments and office leasing.

During 2023 and 2024, the region witnessed a substantial payroll surge from May to June, so the coming months' readings will be critical in assessing the trajectory of the back half of the year.

From January to May of this year, Boston added 57,200 jobs, a modest increase compared to the 54,600 jobs added during the same period in 2024 but a decline relative to the 64,100-job gain in 2023.

The hiring pace in 2025 mirrors seasonal patterns but lacks the acceleration seen in 2021 and 2022 when the post-pandemic recovery swung into action.

With tourism and travel season in full swing, leisure and hospitality hiring traditionally ramps up from April to July as businesses fill roles to accommodate surges in summer demand. Month-over-month, Boston added 16,700 jobs in this sector, outpacing the 12,200 positions added during the same period last year.

While momentum is expected to continue near-term in the leisure and hospitality sector, construction hiring — which directly impacts commercial real estate — has slowed. Payrolls peaked in August 2023 at just under 130,000 jobs, with growth slowly eroding since then.

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May's data indicates construction payrolls totaled 122,800, a 5.17% decline from the peak and the lowest mark for that month since 2021.

Boston's [apartment supply growth](#) could be a reason for this.

Developers have responded to high interest rates and rising building costs by pulling back construction starts. With greater uncertainty in the labor and materials markets in the near term, the pipeline looks to narrow and remain relatively subdued over the next few years. Since 2021, between 13,000 and just over 17,000 units have been active in the pipeline, substantially below the nearly 22,000 that were underway in 2019.
