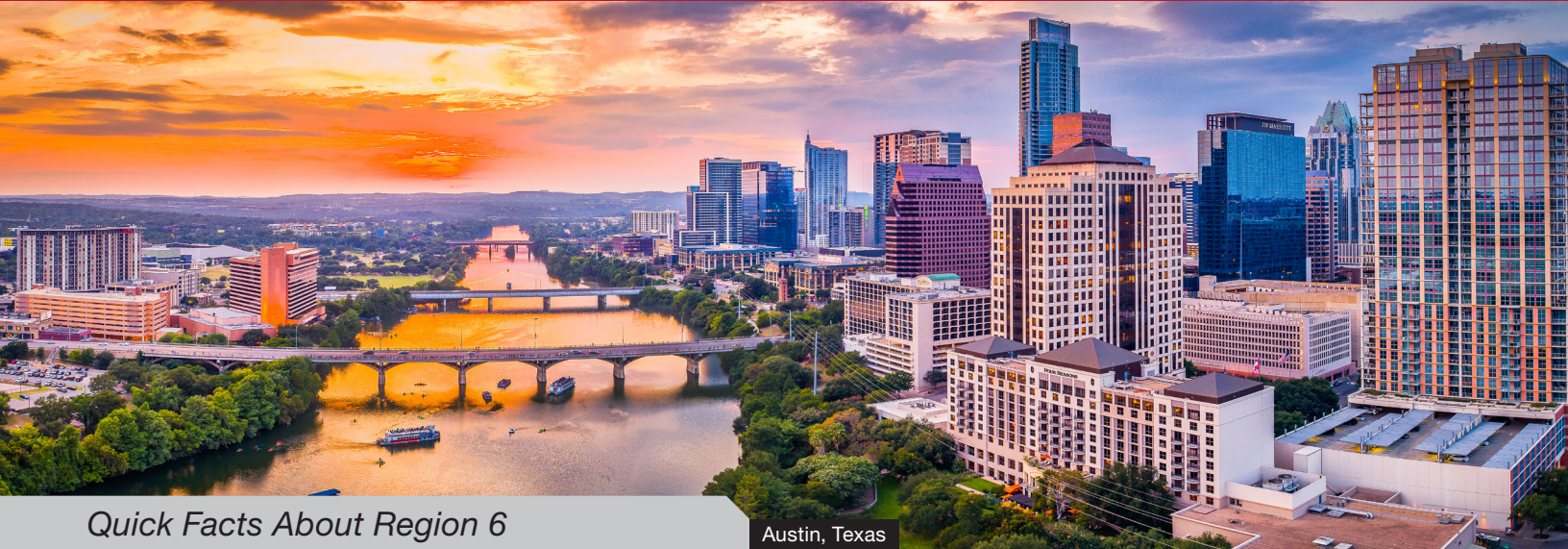


HUD PD&R Regional Reports

Region 6: Southwest

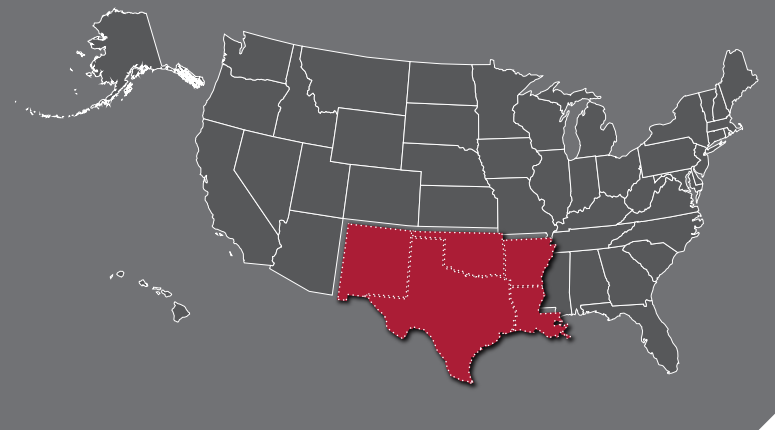


Austin, Texas

By [L. David Vertz](#) | 3rd Quarter 2025

Quick Facts About Region 6

- Sales market conditions—**
Third quarter 2025: mixed (slightly soft to slightly tight)
Second quarter 2025: mixed (slightly soft to slightly tight)
Third quarter 2024: mixed (soft to slightly tight)
- Apartment market conditions—**
Third quarter 2025: mixed (soft to slightly tight)
Second quarter 2025: mixed (soft to slightly tight)
Third quarter 2024: mixed (soft to slightly tight)



Overview

As of the third quarter of 2025, the economy in the Southwest region expanded, continuing the year-over-year job gains that began in the second quarter of 2021. Nonfarm payrolls increased by 271,300 jobs, or 1.4 percent, from a year ago, and every state in the region added jobs. Sales housing market conditions during the third quarter of 2025 ranged from slightly soft to slightly tight in the major metropolitan areas in the region, and apartment market conditions ranged from soft to slightly tight.

- Home sales decreased in the region during the 12 months ending September 2025 compared with a year earlier, with Texas leading declines at 9 percent (Cotality, with adjustments by the analyst). Home sales prices increased from a year ago, however, with statewide gains ranging from 1 percent in Texas to 10 percent in Arkansas.
- As of the third quarter of 2025, 79,050 apartment units in 313 properties were under construction in the region, with Texas accounting for approximately 89 percent of those units. The Dallas-Fort Worth-Arlington metropolitan area

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alone had 31,650 units under construction, representing 40 percent of the regional total (CoStar Group). Outside Texas, the Fayetteville-Springdale-Rogers metropolitan

area in Arkansas had the largest supply of apartments in the development pipeline, with approximately 2,150 units in 10 properties under construction.

Economic Conditions

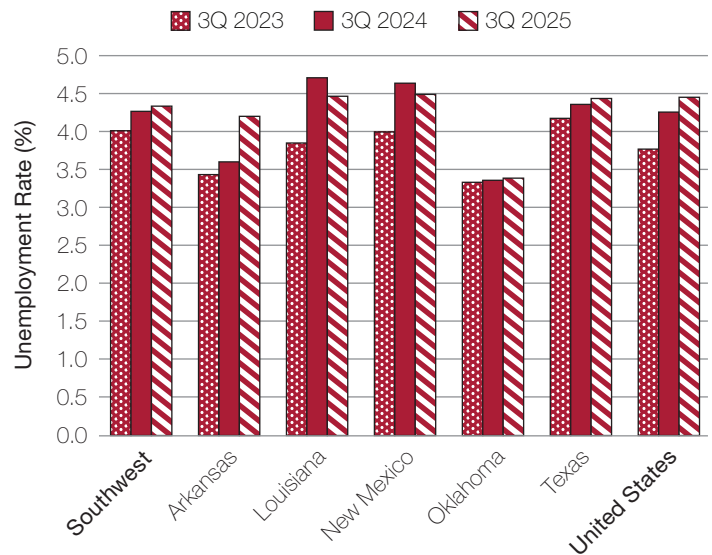
Payrolls in the Southwest region increased from a year ago as of the third quarter of 2025—the 18th consecutive quarter of annual job growth—by 271,300 jobs, or 1.4 percent, to 20.36 million jobs. The education and health services and the government sectors accounted for 48 percent of the total payroll increase, adding 86,300 and 42,900 jobs, or 3.0 and 1.4 percent, respectively. As of the third quarter of 2025, the regional unemployment rate averaged 4.3 percent, relatively unchanged from the third quarter of 2024. The rates in Arkansas and Texas increased by 0.6 and 0.1 percentage point, respectively, whereas the rates in Louisiana and New Mexico had year-over-year declines of 0.2 and 0.1 percentage point, respectively. The unemployment rate in Oklahoma was unchanged from a year ago.

As of the third quarter of 2025—

- Nonfarm payrolls in Texas increased by 187,400 jobs, or 1.3 percent, compared with the same period a year ago. The education and health services sector added the most jobs, up by 44,600, or 2.2 percent. The mining, logging, and construction sector had the fastest growth, up by 25,000 jobs, or 2.3 percent, from the same period a year ago.

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The unemployment rate in the Southwest region remained relatively unchanged as of the third quarter of 2025 and was below the national rate.



3Q = third quarter.
Source: U.S. Bureau of Labor Statistics

As of the third quarter of 2025, nonfarm payrolls in the Southwest region increased in 10 of the 11 sectors from a year ago, led by a gain of 86,300 jobs in the education and health services sector.

	Third Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	20,087.0	20,358.3	271.3	1.4
Goods-Producing Sectors	2,968.2	2,997.4	29.2	1.0
Mining, Logging, & Construction	1,519.8	1,544.9	25.1	1.7
Manufacturing	1,448.4	1,452.5	4.1	0.3
Service-Providing Sectors	17,118.8	17,360.9	242.1	1.4
Wholesale & Retail Trade	2,894.3	2,930.7	36.4	1.3
Transportation & Utilities	969.9	979.7	9.8	1.0
Information	284.7	283.1	-1.6	-0.6
Financial Activities	1,214.5	1,228.8	14.3	1.2
Professional & Business Services	2,831.8	2,840.6	8.8	0.3
Education & Health Services	2,908.1	2,994.4	86.3	3.0
Leisure & Hospitality	2,159.0	2,199.3	40.3	1.9
Other Services	731.3	736.2	4.9	0.7
Government	3,125.2	3,168.1	42.9	1.4

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics



continued from page 2

- Nonfarm payrolls in Oklahoma increased by 24,900 jobs, or 1.4 percent, to 1.80 million jobs. The education and health services sector added 8,600 jobs, or 3.2 percent, partly because of several healthcare-related expansions across the state, including at the North Portland VA Clinic in Oklahoma City. Job gains were also strong in the professional and business services sector, which increased by 4,100 jobs, or 2.0 percent, from the third quarter of 2024.
- In Arkansas, nonfarm payrolls increased by 22,900 jobs, or 1.7 percent, compared with the third quarter of 2024. A strong gain in the education and health services sector of 9,600 jobs, or 4.5 percent, more than offset a decline of 2,100 jobs, or 2.9 percent, in the mining, logging, and construction sector.
- Nonfarm payrolls in Louisiana increased by 19,000 jobs, or 1.0 percent, to 1.99 million jobs. The largest year-over-year payroll gain was in the education and health services sector, which added 16,300 jobs, or 4.7 percent, representing more than one-third of the nationwide gain in the sector from the third quarter of 2024.
- New Mexico had the fastest statewide job growth in the region. Nonfarm payrolls reached 902,500 jobs, reflecting an increase of 17,000 jobs, or 1.9 percent, compared with the same period a year ago. The mining, logging, and construction sector had the fastest growth among nonfarm sectors, up by 7,400 jobs, or 9.5 percent.

Sales Market Conditions

Sales housing market conditions in the Southwest region ranged from slightly soft to slightly tight as of the third quarter of 2025. The number of new and existing home sales during the 12 months ending September 2025 decreased 8 percent from a year ago to approximately 730,200 homes. That decrease followed a 9-percent decline in the number of homes sold a year earlier (Cotality, with adjustments by the analyst). During the 12 months ending September 2025, the average home price in the region increased 2 percent to \$321,800.

In the largest metropolitan areas in Texas, sales housing market conditions ranged from slightly soft to slightly tight as of the third quarter of 2025, despite a statewide decline in new and existing home sales. The Austin-Round Rock metropolitan

area sales market was slightly soft. The number of homes sold totaled 30,400 during the 12 months ending September 2025, an increase of less than 1 percent from the 30,200 sales a year earlier, and the average home price increased 1 percent to \$567,900 (Texas Real Estate Research Center at Texas A&M University). The sales market was balanced in the Dallas-Plano-Irving metropolitan division. Home sales increased 5 percent to 63,000 homes sold, and the average home price increased 1 percent to \$532,500. In the Fort Worth-Arlington metropolitan division, the sales market was slightly tight. Home sales increased 3 percent, with 29,500 homes sold, and the average home price rose 1 percent to \$439,000.

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As of the third quarter of 2025, home sales were mixed in the major metropolitan areas in the Southwest region, but home sales prices rose, with strong price growth in the major metropolitan areas outside Texas.

	12 Months Ending	Number of Homes Sold			Price			
		2024	2025	Percent Change	Average	2024 (\$)	2025 (\$)	Percent Change
Albuquerque, NM	September	15,850	15,200	-4	AVG	\$351,600	\$370,900	5
Austin-Round Rock, TX ^a	September	30,200	30,400	1	AVG	\$564,900	\$567,900	1
Dallas-Plano-Irving, TX ^a	September	60,100	63,000	5	AVG	\$525,300	\$532,500	1
Fayetteville-Springdale-Rogers, AR	September	12,700	13,000	2	AVG	\$390,200	\$422,600	8
Fort Worth-Arlington-Grapevine, TX ^a	September	28,700	29,500	3	AVG	\$434,700	\$439,000	1
Houston-Pasadena-The Woodlands, TX ^a	September	84,350	88,750	5	AVG	\$418,400	\$427,400	2
Little Rock-North Little Rock-Conway, AR	September	15,050	14,550	-3	AVG	\$235,500	\$250,300	6
New Orleans-Metairie, LA	September	9,700	9,525	-2	AVG	\$285,300	\$306,300	7
Oklahoma City, OK	September	29,000	27,600	-5	AVG	\$257,400	\$275,100	7
San Antonio-New Braunfels, TX ^a	September	33,300	33,700	1	AVG	\$364,500	\$366,200	0
Tulsa, OK	September	18,750	18,650	-1	AVG	\$258,900	\$267,400	3

AVG = average.

Notes: All figures are rounded. Data include new and existing single-family homes, townhomes, and condominiums.

Sources: ^aTexas Real Estate Research Center at Texas A&M University; all other areas—Cotality, with adjustments by the analyst



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Sales market conditions in the Houston-Pasadena-The Woodlands metropolitan area were balanced. Sales rose 5 percent from a year ago to 88,750 homes sold, and the average home price increased 2 percent to \$427,400. The sales market in the San Antonio-New Braunfels metropolitan area was balanced; during the 12 months ending September 2025, the number of homes sold increased 1 percent from 33,300 sales a year earlier, and the average home price was relatively unchanged at \$366,200.

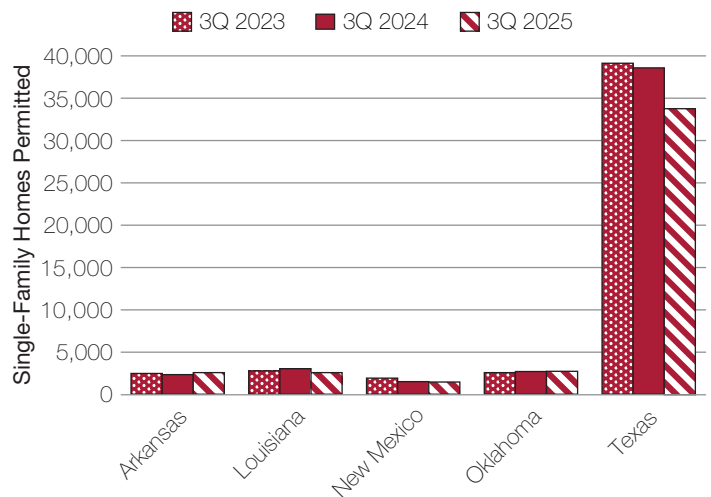
New and existing home sales mostly declined, and home prices increased in the largest metropolitan areas outside Texas. In the Albuquerque metropolitan area, the sales market was balanced during the third quarter of 2025. Home sales decreased 4 percent during the 12 months ending September 2025 to 15,200 homes sold, and the average home price increased 5 percent compared with a year earlier to \$370,900 (Cotality, with adjustments by the analyst). The sales market was slightly tight in the Fayetteville-Springdale-Rogers and the Little Rock-North Little Rock-Conway metropolitan areas. In the Fayetteville-Springdale-Rogers metropolitan area, home sales increased 2 percent, with 13,000 homes sold, and the average home price was up 8 percent to \$422,600. The number of homes sold in the Little Rock-North Little Rock-Conway metropolitan area decreased 3 percent to 14,550 homes compared with the number sold a year ago, but the average home price increased 6 percent to \$250,300. Sales market conditions in the Oklahoma City and the Tulsa metropolitan areas were slightly tight. Total home sales decreased 5 percent in Oklahoma City to 27,600 homes sold, but the average home price increased 7 percent from the same period a year ago to \$275,100. In Tulsa, home sales decreased 1 percent to 18,650 homes sold, and the average home price rose 3 percent to \$267,400. The sales market was slightly soft in the New Orleans-Metairie metropolitan area, where home sales declined 2 percent to 9,525 homes sold, and the average home price increased 7 percent to \$306,300.

As of the third quarter of 2025 (preliminary data)—

- Single-family homebuilding activity in the region, as measured by the number of homes permitted, decreased year over year by 4,925 homes, or 10 percent, to approximately 42,050 homes permitted.
- The number of single-family homes permitted in Arkansas totaled 2,675, up 9 percent from a year ago. In the Fayetteville-Springdale-Rogers metropolitan area, the most active metropolitan area in the state in terms of building activity, permitting increased by a similar rate, up 9 percent to 1,525 homes.

- In Oklahoma, single-family home permitting increased 1 percent year over year to 2,825 homes, led by a 7-percent increase to 1,600 homes permitted in the Oklahoma City metropolitan area.
- The number of single-family homes permitted in New Mexico totaled 1,550, down 3 percent from 1,600 a year ago. Among the major metropolitan areas in the state, the largest decline in single-family home permitting occurred in the Albuquerque metropolitan area, down by 50 homes, or 10 percent, to 420 homes permitted.
- In Texas, the number of single-family homes permitted totaled 33,850, down 12 percent from the 38,650 homes permitted a year ago. In the Dallas-Plano-Irving metropolitan division, the number of single-family homes permitted decreased by 26 percent, from 9,075 homes a year ago to 6,700 homes, accounting for nearly one-half of the statewide decline.
- In Louisiana, single-family home permitting decreased 15 percent to 2,675 homes compared with 3,125 homes permitted a year ago. The largest rate of decline in single-family home permitting occurred in the Lake Charles metropolitan area, where 160 homes were permitted, a decrease of 90 homes, or 36 percent, from the third quarter of 2024.

As of the third quarter of 2025, the number of single-family homes permitted fell in three states in the Southwest region, with the largest numerical decline in Texas.



3Q = third quarter.
 Note: Based on preliminary data.
 Source: U.S. Census Bureau, Building Permits Survey



Apartment Market Conditions

Apartment market conditions ranged from soft to slightly tight in the major metropolitan areas in the Southwest region during the third quarter of 2025. The market was soft in the Austin-Round Rock metropolitan area, where the apartment vacancy rate increased from 10.1 percent as of the third quarter of 2024 to 10.8 percent as of the third quarter of 2025, and the average rent decreased 1 percent from a year earlier to \$1,609 (ALN Apartment Data, Inc.). Apartment deliveries in the metropolitan area continued to outpace absorption, a trend that began in the third quarter of 2022. Approximately 25,500 units were delivered during the 12 months ending September 2025, whereas absorption totaled approximately 24,800 units. Strong apartment demand from the second quarter of 2021 through the second quarter of 2022 spurred significant increases in permitting in the Austin-Round Rock metropolitan area, but new units continued to be delivered at a fast pace, despite a slowdown in absorption, leading to rising vacancy rates. Conditions were balanced in the Dallas-Plano-Irving metropolitan division, where the average rent increased 2 percent from a year earlier to \$1,603, and the apartment vacancy rate increased from 8.5 to 9.8 percent. The apartment market was slightly soft in the Fort Worth-Arlington-Grapevine metropolitan division, with a 9.6-percent vacancy rate in the third quarter of 2025, up from 9.2 percent a year earlier, and the average rent rose 2 percent to \$1,461. In the Houston-Pasadena-The Woodlands metropolitan area, conditions were balanced as of the third quarter of 2025, with a 9.8-percent vacancy rate, up from 9.3 percent a year earlier, and the average rent increased 2 percent to \$1,377. Conditions were soft in the San Antonio-New Braunfels metropolitan area, where the apartment vacancy rate increased from 10.9 to

12.6 percent, and the average rent was relatively unchanged from a year earlier at \$1,266.

Apartment market conditions in the major metropolitan areas outside Texas were mixed as of the third quarter of 2025. The apartment market in the Albuquerque metropolitan area was balanced, with an 8.6-percent vacancy rate, up from 6.1 percent a year earlier, and the average rent increased 3 percent to \$1,382. The apartment market in the Fayetteville-Springdale-Rogers metropolitan area was slightly tight; the average rent increased 5 percent from a year earlier to \$1,302, and the apartment vacancy rate increased from 7.6 to 9.2 percent. The spike in the apartment vacancy rate in the Fayetteville-Springdale-Rogers metropolitan area occurred because approximately 2,325 units were delivered during the 12 months ending September 2025, whereas absorption totaled approximately 1,300 units.

In the Little Rock-North Little Rock-Conway metropolitan area, the apartment market was slightly soft, with a 9.8-percent vacancy rate, down from 10.3 percent a year earlier, and the average rent increased 3 percent to \$1,079. The apartment market was slightly soft in the New Orleans-Metairie metropolitan area, with an 8.1-percent vacancy rate, down from 10.5 percent a year earlier, and the average rent decreased 1 percent to \$1,280. In the Oklahoma City metropolitan area, the apartment market was slightly soft; the vacancy rate increased from 9.1 to 9.7 percent, and the average rent increased 4 percent from the third quarter of 2024 to \$1,095. The apartment market in the Tulsa metropolitan area was also slightly soft, with a 9.0-percent vacancy rate, up from 7.5 percent a year earlier, and the average rent increased 4 percent to \$1,058.

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As of the third quarter of 2025, apartment vacancy rates increased in most major metropolitan areas of the Southwest region from a year ago.

Market Condition	Vacancy Rate			Average Monthly Rent			
	3Q 2024 (%)	3Q 2025 (%)	Percentage Point Change	3Q 2024 (\$)	3Q 2025 (\$)	Percent Change	
Albuquerque, NM	Balanced	6.1	8.6	2.5	1,341	1,382	3
Austin-Round Rock, TX	Soft	10.1	10.8	0.7	1,632	1,609	-1
Dallas-Plano-Irving, TX	Balanced	8.5	9.8	1.3	1,579	1,603	2
Fayetteville-Springdale-Rogers, AR	Slightly Tight	7.6	9.2	1.6	1,242	1,302	5
Fort Worth-Arlington-Grapevine, TX	Slightly Soft	9.2	9.6	0.4	1,426	1,461	2
Houston-Pasadena-The Woodlands, TX	Balanced	9.3	9.8	0.5	1,352	1,377	2
Little Rock-North Little Rock-Conway, AR	Slightly Soft	10.3	9.8	-0.5	1,044	1,079	3
New Orleans-Metairie, LA	Slightly Soft	10.5	8.1	-2.4	1,289	1,280	-1
Oklahoma City, OK	Slightly Soft	9.1	9.7	0.6	1,054	1,095	4
San Antonio-New Braunfels, TX	Soft	10.9	12.6	1.7	1,261	1,266	0
Tulsa, OK	Slightly Soft	7.5	9.0	1.5	1,022	1,058	4

3Q = third quarter.

Note: Excludes units in initial lease up.

Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—ALN Apartment Data, Inc., with adjustments by the analyst



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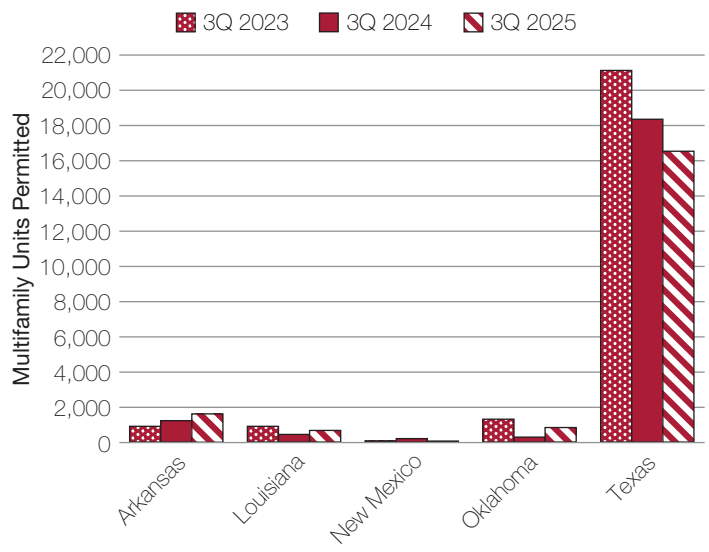
As of the third quarter of 2025 (preliminary data)—

- Multifamily home construction in the region, as measured by the number of multifamily units permitted, decreased by 850 units, or 4 percent, from the third quarter of 2024 to 19,900 units.
- In Oklahoma, 900 multifamily units were permitted, up sharply from the 360 units permitted during the same period a year ago. The statewide increase in multifamily units permitted reflected strong gains in both the Oklahoma City and the Tulsa metropolitan areas, where the number of multifamily units permitted increased to 440 and 350, respectively, from 110 units each a year ago.
- In Louisiana, the number of multifamily units permitted totaled 730 units, up 44 percent from the 510 units permitted during the same period a year ago. Approximately 330 units were permitted in the Baton Rouge metropolitan area, a strong increase compared with 40 units permitted during the third quarter of 2024.
- The number of multifamily units permitted in Arkansas increased to 1,675 units, up 29 percent from the 1,300 units permitted during the same period a year ago. Nearly all the statewide increase was in the Fayetteville-Springdale-Rogers metropolitan area, where the number of multifamily units permitted increased 46 percent from 840 to 1,225 units.
- In Texas, the number of multifamily units permitted totaled 16,550 units, down 10 percent from the 18,400 units permitted during the same period a year ago. In the Fort Worth-Arlington-Grapevine metropolitan division, approximately 700 units were permitted, down by 2,275, or 76 percent, from the third quarter of 2024. Conversely, the number of multifamily units permitted in the adjacent Dallas-Plano-Irving metropolitan division increased 38 percent to 5,150, from 3,725 units a year ago. Elsewhere in the state, a gain of 1,075, or 35 percent, to 4,075 units

permitted in the Houston-Pasadena-The Woodlands metropolitan area was more than offset by declines in the Austin-Round Rock and the San Antonio-New Braunfels metropolitan areas, down by 1,500 and 1,150 units permitted, or 32 and 89 percent, respectively, from a year ago.

- New Mexico had the largest statewide decrease in multifamily construction in percentage terms, down 68 percent from the 270 units permitted during the same period a year ago. The most significant decline in multifamily building activity occurred in the Albuquerque metropolitan area, where 40 units were permitted, down approximately 80 percent from the 190 units permitted a year ago.

Multifamily permitting in the Southwest region as of the third quarter of 2025 was down from a year ago, despite a substantial increase in Oklahoma.



3Q = third quarter.
 Note: Based on preliminary data.
 Source: U.S. Census Bureau, Building Permits Survey



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with four or more units, including only those properties that are stabilized. A property is stabilized once 18 months have elapsed after receiving a certificate of occupancy.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
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