

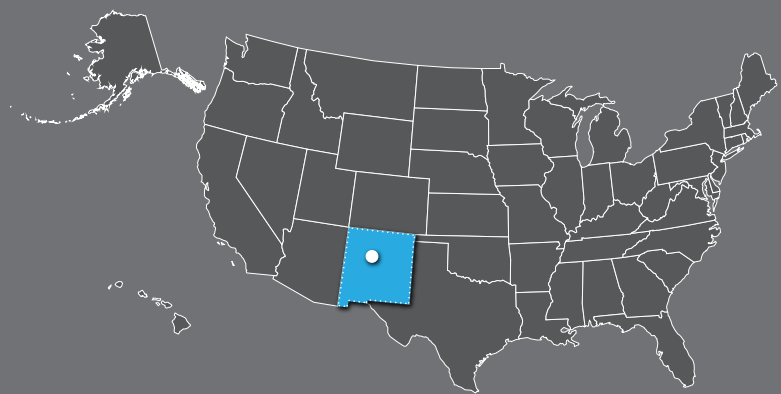
# HUD PD&R Housing Market Profiles

## Albuquerque, New Mexico



### Quick Facts About Albuquerque

- **Current sales market conditions: balanced**
- **Current apartment market conditions: slightly tight**
- **Microsoft Corporation was founded in 1975 in the city of Albuquerque by Bill Gates and Paul Allen.**



By [Tim McDonald](#) | As of January 1, 2025

### Overview

The Albuquerque metropolitan area, in central New Mexico, is coterminous with the Albuquerque, New Mexico metropolitan statistical area and consists of Bernalillo, Sandoval, Torrance, and Valencia Counties. The principal city of Albuquerque is in Bernalillo County. The metropolitan area is a popular tourist destination because of its location near the Sandia Mountains and its semiarid climate, which includes more than 300 days of sunshine each year. The metropolitan area is a center for government research laboratories, manufacturers, health care, tourism, and an expanding film industry. Approximately 6.7 million people visit the metropolitan area annually, resulting in an economic impact of more than \$2 billion (Visit Albuquerque). The largest attraction is the Albuquerque International Balloon Fiesta, the largest balloon festival in the world, which occurs every October and attracts more than 800,000 people.

- As of January 1, 2025, the population of the Albuquerque metropolitan area is estimated at 931,100, representing an average increase of 3,075, or 0.3 percent, annually since April 2020, with net in-migration accounting for all of the population growth, which averaged 3,500 people annually during the same period (U.S. Census Bureau and estimates by the analyst).

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- Between 2010 and 2020, the population of the metropolitan area increased by an average of 2,950, or 0.3 percent, annually. Net natural change accounted for all population growth during that period, with an annual average gain of 2,975 people.

- The Albuquerque metropolitan area accounts for nearly 44 percent of the total population of the state of New Mexico. Sandoval County added more people than any other county in New Mexico from 2020 to January 1, 2025, increasing by an average of 2,200, or 1.4 percent, annually.

## Economic Conditions

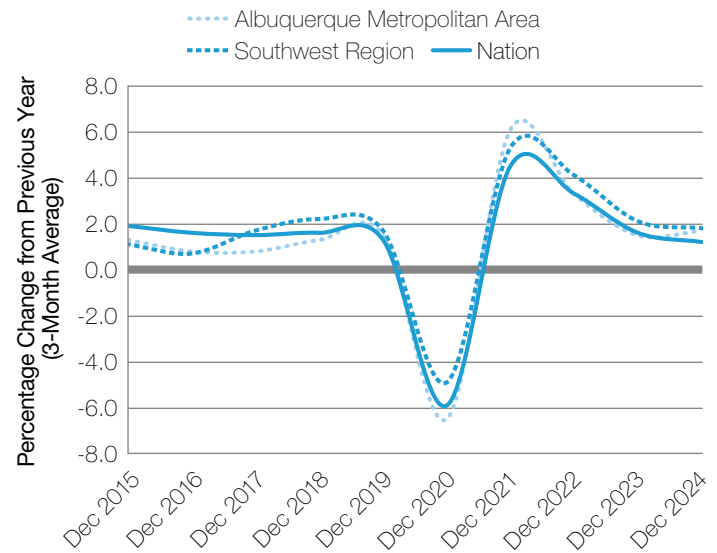
Economic conditions in the Albuquerque metropolitan area are stable. During the 3 months ending December 2024, nonfarm payrolls totaled 427,800, an increase of 7,300, or 1.7 percent, from a year earlier. From 2015 through 2019, nonfarm payroll growth in the Albuquerque metropolitan area averaged 1.2 percent annually, the same rate of growth as from 2020 through 2024, which included the large job losses during 2020 due to the COVID-19 recession. During the fourth quarter of 2024, the Albuquerque metropolitan area accounted for nearly 48 percent of all nonfarm payroll jobs in the state of New Mexico.

As of the 3 months ending December 2024—

- The unemployment rate in the Albuquerque metropolitan area was 4.0 percent, up from 3.6 percent a year earlier, because the labor force increased much faster than resident employment.
- The education and health services sector led job growth, increasing by 2,400 jobs, or 3.4 percent, to 72,900. The education and health services sector is the second largest employment sector and accounts for 17 percent of all nonfarm payroll jobs.

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During the fourth quarter of 2024, nonfarm payrolls in the Albuquerque metropolitan area increased at a faster rate than in the nation.



Source: U.S. Bureau of Labor Statistics

Nonfarm payroll growth occurred in 8 of the 11 employment sectors in the Albuquerque metropolitan area during the fourth quarter of 2024.

	3 Months Ending		Year-Over-Year Change	
	December 2023 (Thousands)	December 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	420.5	427.8	7.3	1.7
Goods-Producing Sectors	45.7	47.8	2.1	4.6
Mining, Logging, & Construction	28.6	29.9	1.3	4.5
Manufacturing	17.0	17.9	0.9	5.3
Service-Providing Sectors	374.9	380.0	5.1	1.4
Wholesale & Retail Trade	55.6	55.5	-0.1	-0.2
Transportation & Utilities	14.9	14.3	-0.6	-4.0
Information	5.4	5.4	0.0	0.0
Financial Activities	20.5	20.9	0.4	2.0
Professional & Business Services	67.7	68.5	0.8	1.2
Education & Health Services	70.5	72.9	2.4	3.4
Leisure & Hospitality	44.9	45.5	0.6	1.3
Other Services	13.0	13.4	0.4	3.1
Government	82.4	83.5	1.1	1.3
<b>Unemployment Rate</b>	3.6%	4.0%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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- The manufacturing sector had the largest percentage increase, up 5.3 percent while adding 900 jobs. ABB Installation Products recently completed an expansion of its facility in the Albuquerque metropolitan area and added 55 jobs.
- The government sector is the largest employment sector, with 83,500 jobs, and it accounts for nearly 20 percent of all nonfarm payroll jobs.

Kirtland Air Force Base is the largest employer in the Albuquerque metropolitan area, with 23,000 employees, including 4,200 active-duty military personnel. During 2024, the base had an economic impact of more than \$7.5 billion on the local economy. Netflix Studios recently completed a \$1 billion expansion of its local facilities. Three firms recently announced expansions and will take

advantage of Albuquerque's sunny, arid environment to construct solar-panel manufacturing and research facilities, expected to add 3,500 jobs during the next several years.

### Largest Employers in the Albuquerque Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Kirtland Air Force Base	Government	23,000
Sandia National Laboratories	Professional & Business Services	14,125
University of New Mexico	Government	13,950

Notes: Excludes local school districts. Data for Kirtland Air Force Base include military personnel, who are generally not included in nonfarm payroll survey data.  
Source: Albuquerque Regional Economic Alliance

## Sales Market Conditions

The sales market in the Albuquerque metropolitan area is balanced, with a 1.5 percent vacancy rate, unchanged from 2020. During December 2024, 2 months of for-sale inventory was on the market, up from 1.8 months a year earlier (Albuquerque Association of REALTORS®). The average number of days on the market for a home for sale during December 2024 was 43 days, up from 34 days during December 2023. During 2024, home sales totaled 15,500, up by 300, or nearly 2 percent, from 2023 (Zonda). Home sales in the Albuquerque metropolitan area have been below 16,000 annually in each of the past 2 years, breaking a trend that began in 2014 as the local housing market was recovering from the Great Recession.

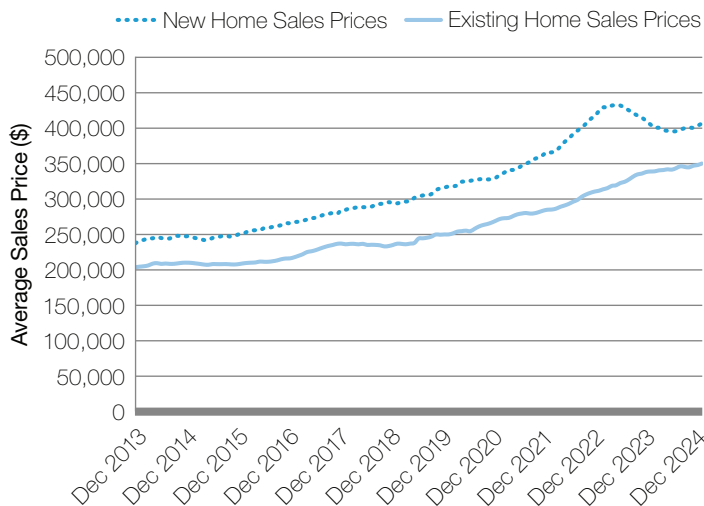
The average sales price for new homes in the Albuquerque metropolitan area has declined from the recent peak as developers have cut prices faster than existing homeowners to move unsold inventory.

During the 12 months ending December 2024 —

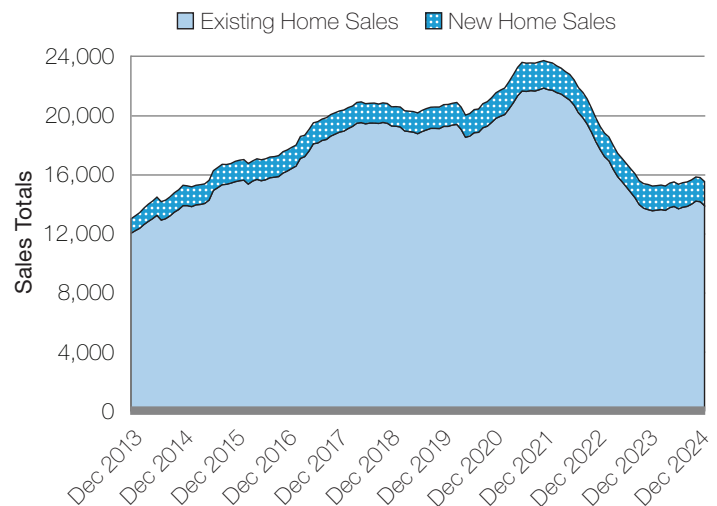
- New home sales totaled 1,625, a decline of 50, or nearly 3 percent, from the previous 12 months.
- Existing home sales totaled 13,900, an increase of 340, or nearly 3 percent, from the previous 12 months.
- The average sales price of a new home was \$406,700, an increase of \$1,325, or less than 1 percent, from a year earlier. New home sales price growth has been limited, in part, because an increased share of new home sales has occurred in the lower priced outlying counties.

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Home sales in the Albuquerque metropolitan area during 2024 decreased 35 percent from the all-time peak during 2021.



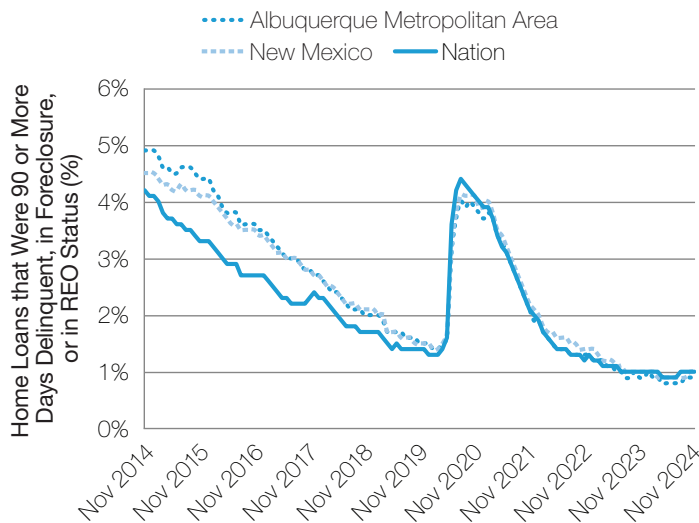
Note: Sales prices are for single-family homes, townhomes, and condominiums.  
Source: Zonda



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Source: Zonda

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As of November 2024, the percentage of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status in the Albuquerque metropolitan area is lower than in the nation.



REO = real estate owned.  
Source: CoreLogic, Inc.

- The average sales price of an existing home was \$350,500, an increase of \$11,300, or more than 3 percent, from a year earlier.

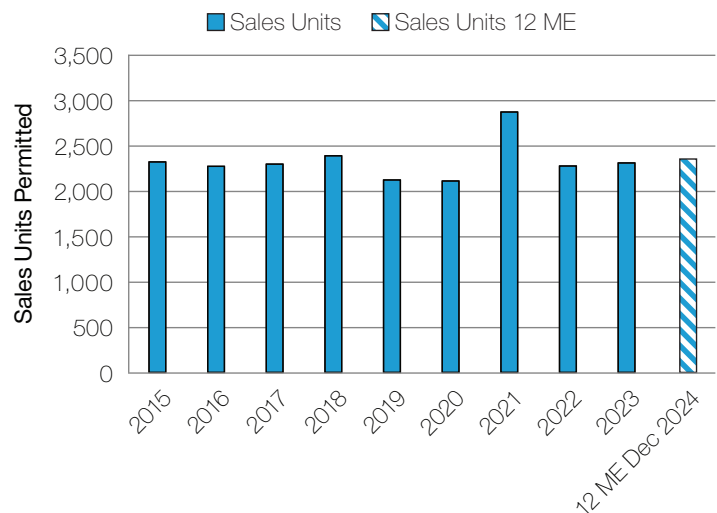
Homebuilding activity, as measured by the number of sales units permitted, totaled 2,350 during 2024, an increase of 40, or 2 percent, from 2023. Bernalillo County has historically accounted for most of the sales units built in the Albuquerque metropolitan area, but since 2021, most of the new sales units built have been in the outlying counties.

- During 2024, nearly 36 percent of all sales units permitted in the Albuquerque metropolitan area were in Bernalillo County, down from 38 percent during 2023. From 2015 through

2020, more than 58 percent of all sales units permitted in the Albuquerque metropolitan area were in Bernalillo County.

- Nearly 50 percent of all sales units permitted in the Albuquerque metropolitan area during 2024 were in Sandoval County. By comparison, from 2015 through 2020, approximately 37 percent of all sales units in the Albuquerque metropolitan area were in Sandoval County.
- The 93-home Vista Grande subdivision in Sandoval County is nearing completion. This development offers three- to five-bedroom homes starting at \$335,000. The 61-home Montage at Mesa del Sol subdivision, in Bernalillo County, offers two-bedroom homes starting at \$354,990.

The number of sales units permitted in the Albuquerque metropolitan area has been greater than 2,000 units annually since 2013.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 12 months of data—preliminary data and estimates by the analyst

## Apartment Market Conditions

As of the fourth quarter of 2024, apartment market conditions in the Albuquerque metropolitan area are slightly tight, with a 6.9-percent vacancy rate, which is unchanged from the fourth quarter of 2023 (CoStar Group). Deliveries of apartment units totaled 2,550 during the past 2 years, surpassing the previous record for deliveries during a 2-year period by nearly 57 percent. The record level of deliveries during the past 2 years has helped to alleviate the tight market conditions that existed from 2019 through 2022, when average rent growth exceeded 9 percent annually.

- The average apartment rent in the Albuquerque metropolitan area as of the fourth quarter of 2024 was

\$1,279, an increase of \$36, or nearly 3 percent, from the fourth quarter of 2023.

- Absorption of apartment units during 2024 totaled 1,225 units, a significant increase from the 50 units absorbed during 2023. Absorption of apartment units during 2024 was the second highest level recorded, surpassed only by 1,275 units absorbed in 2015.
- Of the 14 CoStar Group-defined submarkets in the Albuquerque metropolitan area, the North Valley submarket had the highest vacancy rate as of the fourth quarter of 2024 at 17.6 percent, up from 10.0 percent a year earlier.

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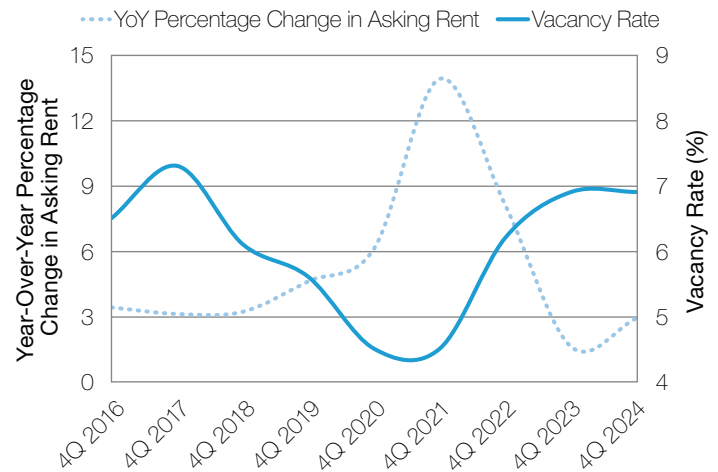
During 2024, 550 new apartment units were delivered in this submarket, which led to an increase in the vacancy rate.

- Of the 14 CoStar Group-defined submarkets in the Albuquerque metropolitan area, the Far West Side submarket had the largest rent increase as of the fourth quarter of 2024, increasing by \$84, or nearly 7 percent, from the same period a year earlier.

Construction of rental units, as measured by the number of rental units permitted, declined significantly during 2024 as many new units entered the market and rent growth slowed. During 2024, 800 rental units were permitted, down 1,100 units, or 58 percent, from 2023.

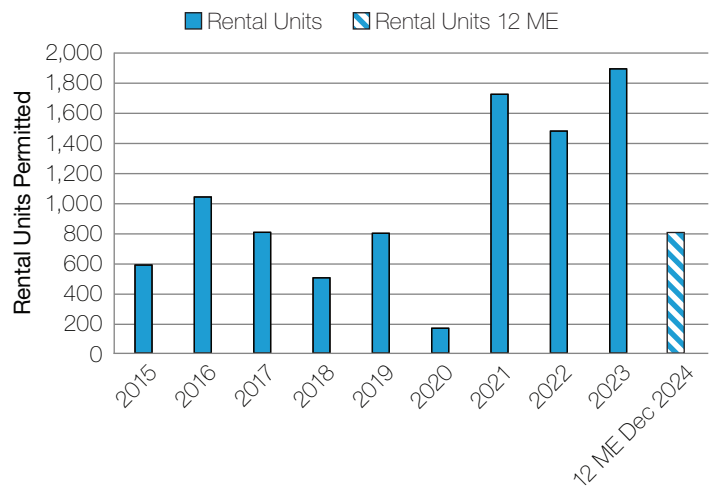
- The CoStar Group-defined Cottonwood submarket had 750 rental units under construction as of the fourth quarter of 2024, the most of any submarket in the Albuquerque metropolitan area.
- During 2024, approximately 430 apartment units were delivered in the CoStar Group-defined North Valley submarket, the most of any submarket in the Albuquerque metropolitan area.
- From 2020 to current, more than 15 percent of all apartment units in the Albuquerque metropolitan area were studio units, up from 10 percent of all units before 2020.
- Recent developments include the Markana Uptown, a seven-story, 243-unit apartment building with monthly rents ranging from \$1,515 to \$2,350. The Encanto at Mesa Del Sol is a 318-unit, garden-style property that opened in 2023 with monthly rents ranging from \$1,585 to \$2,242.

**Rent growth in the Albuquerque metropolitan area has been below 3 percent annually during the past 2 years, the first time rent growth has been this low since before 2015.**



4Q = fourth quarter. YoY = year-over-year.  
Source: CoStar Group

**The 5,100 rental units permitted from 2021 through 2023 are the highest 3-year level of production in the Albuquerque metropolitan area since the period from 1984 through 1986, when 11,400 rental units were permitted.**



12 ME = 12 months ending.  
Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 12 months of data—preliminary data and estimates by the analyst

## 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 five or more units, including those that are stabilized and in lease up.
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.
Existing Home Sales	Includes regular resales and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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