

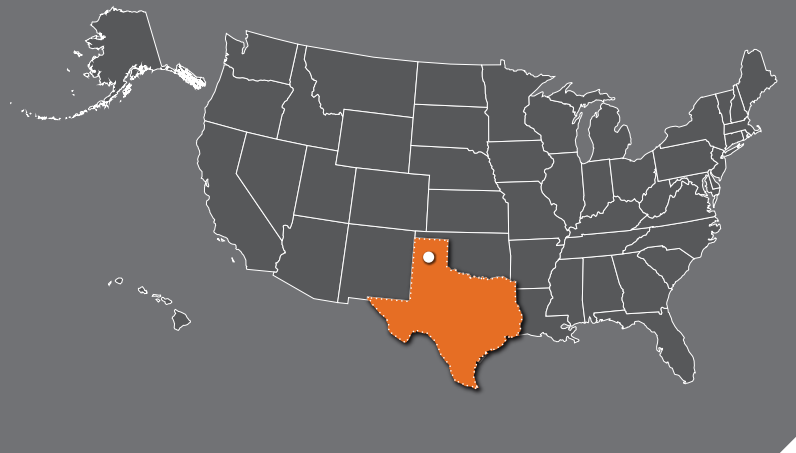
HUD PD&R Housing Market Profiles

Amarillo, Texas



Quick Facts About Amarillo

- Current sales market conditions: balanced
- Current rental market conditions: soft
- The Amarillo metropolitan area was once known as the “Helium Capital of the World” for the amount of helium produced in and around the area. In 1965, approximately 95 percent of the world’s helium was produced within 250 miles of Amarillo ([MyHighPlans.com](https://www.mychighplans.com)).

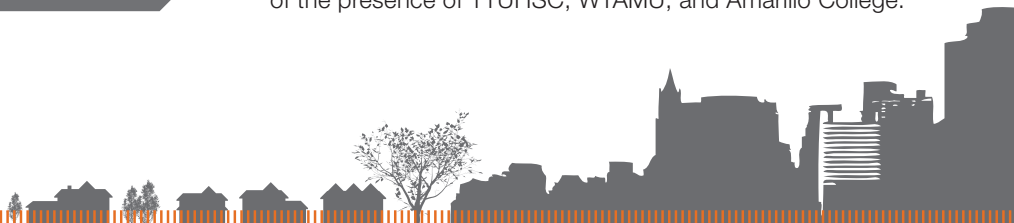


By [Andrew Cross](#) | As of July 1, 2024

Overview

The Amarillo Metropolitan Statistical Area (hereafter, Amarillo metropolitan area) is centrally located in the Texas panhandle and consists of Armstrong, Carson, Oldham, Potter, and Randall Counties. The city of Amarillo is the county seat of Potter County and extends into Randall County to the south. The metropolitan area is a regional economic center for the Texas and Oklahoma panhandles and eastern New Mexico. Amarillo is home to Amarillo College, Texas Tech University Health Sciences Center at Amarillo (TTUHSC), and West Texas A&M University (WTAMU), which provide numerous jobs in the government sector—the largest nonfarm payroll sector in the metropolitan area.

- As of July 1, 2024, the population of the metropolitan area is estimated at 274,300, representing an average increase of 1,325, or 0.5 percent, annually since April 2020, with net in-migration averaging 810 people annually.
- By comparison, from July 2016 to April 2020, population growth averaged 920 people, or 0.3 percent, annually, with net out-migration averaging 90 people annually.
- The median age in the metropolitan area is 36.5 years, below the national average of 39.0 years, partly because of the presence of TTUHSC, WTAMU, and Amarillo College.



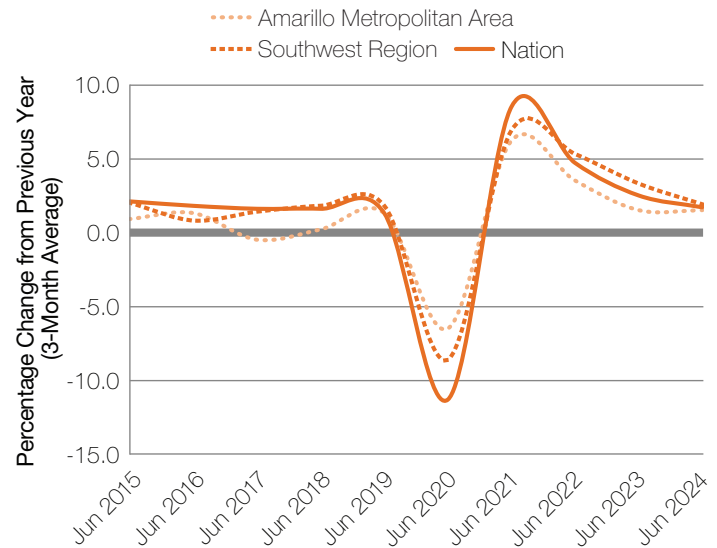
Economic Conditions

Economic conditions in the Amarillo metropolitan area are currently stable. As of the second quarter of 2024, nonfarm payrolls totaled 129,400, an increase of 1,900 jobs, or 1.5 percent, from a year ago. During the fourth quarter of 2021, the metropolitan area recovered all 12,000 jobs lost during March and April 2020 from the COVID-19-related economic downturn. Since the first quarter of 2022, nonfarm payrolls have increased by 6,400 jobs and surpassed the prepandemic level by more than 5 percent.

As of the second quarter of 2024 —

- The mining, logging, and construction sector added the most jobs, increasing by 700 jobs, or 8.9 percent, because incoming businesses began construction on several new projects.
- The education and health services sector increased by 500 jobs, or 2.9 percent, compared with the previous year. BSA Health System opening its Center for Advanced Therapeutic Endoscopy in May 2024 supported gains.
- The leisure and hospitality sector increased by 400 jobs, or 2.6 percent, because numerous new restaurants opened in the metropolitan area.
- The unemployment rate remained unchanged from a year ago at 3.0 percent.

Nonfarm payroll growth in the Amarillo metropolitan area has stabilized after fully recovering from the COVID-19 pandemic.



Source: U.S. Bureau of Labor Statistics

Several future expansions in the metropolitan area have been announced, including by Chemical Vapor Metal Refining (CVMR) and Producer Owned Beef, LLC. CVMR is a rare-earth metal

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As of the second quarter of 2024, total nonfarm payrolls increased in 5 of the 11 employment sectors in the Amarillo metropolitan area.

	3 Months Ending		Year-Over-Year Change	
	June 2023 (Thousands)	June 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	127.5	129.4	1.9	1.5
Goods-Producing Sectors	21.8	22.6	0.8	3.7
Mining, Logging, & Construction	7.9	8.6	0.7	8.9
Manufacturing	14.0	14.0	0.0	0.0
Service-Providing Sectors	105.7	106.7	1.0	0.9
Wholesale & Retail Trade	20.8	20.8	0.0	0.0
Transportation & Utilities	6.3	6.4	0.1	1.6
Information	1.4	1.3	-0.1	-7.1
Financial Activities	7.1	7.0	-0.1	-1.4
Professional & Business Services	10.4	10.4	0.0	0.0
Education & Health Services	17.2	17.7	0.5	2.9
Leisure & Hospitality	15.6	16.0	0.4	2.6
Other Services	5.4	5.6	0.2	3.7
Government	21.5	21.5	0.0	0.0
Unemployment Rate	3.0%	3.0%		

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

Source: U.S. Bureau of Labor Statistics

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refining company and will be the first rare-earth mining facility in the United States; it is expected to open by 2027 and create at least 1,000 jobs in the metropolitan area. Producer Owned Beef is a beef processing plant that has begun construction on a \$670 million facility, which is expected to create 1,600 jobs and open by the winter of 2025.

Largest Employers in the Amarillo Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Tyson Foods, Inc.	Manufacturing	4,300
Consolidated Nuclear Security, LLC—Pantex Plant	Government	4,200
BSA Health System	Education & Health Services	3,100

Note: Excludes local school districts.

Source: Amarillo Chamber of Commerce

Sales Market Conditions

Sales market conditions in the Amarillo metropolitan area are currently balanced, with an estimated vacancy rate of 1.8 percent, unchanged from April 2020. New and existing home sales during the 12 months ending June 2024 decreased by 600 homes, or 9 percent, from the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). The combination of rising mortgage interest rates and home sales prices contributed to declining sales. During June 2024, a 4.0-month supply of for-sale inventory was available in the metropolitan area compared with a 2.7-month supply in June 2023 (Texas Real Estate Research Center at Texas A&M University). The percentage of home loans in the metropolitan area that were seriously delinquent or had transitioned into real estate owned status dropped to 0.9 percent in June 2024 from

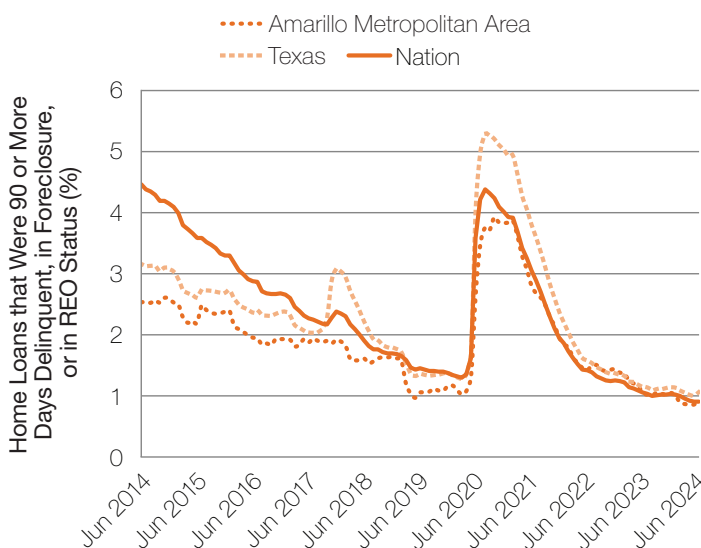
1.0 percent in June 2023 (CoreLogic, Inc.). The current rate is equal to the national rate and less than the 1.1-percent rate for Texas.

During the 12 months ending June 2024—

- Existing home sales totaled 5,400, a decrease of 440, or 8 percent, from the previous 12 months (CoreLogic, Inc.). By comparison, existing home sales decreased by 1,850, or 22 percent, during the 12 months ending June 2023.
- New home sales totaled 560, a decrease of 150, or 22 percent, which follows a decline of 210 homes sold, or 23 percent, during the 12 months ending June 2023.

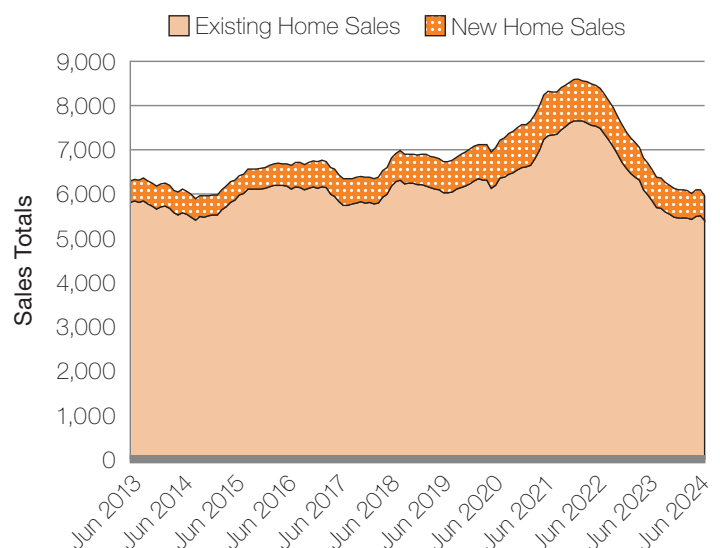
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Since April 2023, the percentage of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status has been lower in the Amarillo metropolitan area than the statewide rate.



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

New and existing home sales in the Amarillo metropolitan area fell from all-time respective peaks during 2022 following elevated home sales prices and increasing home mortgage interest rates.



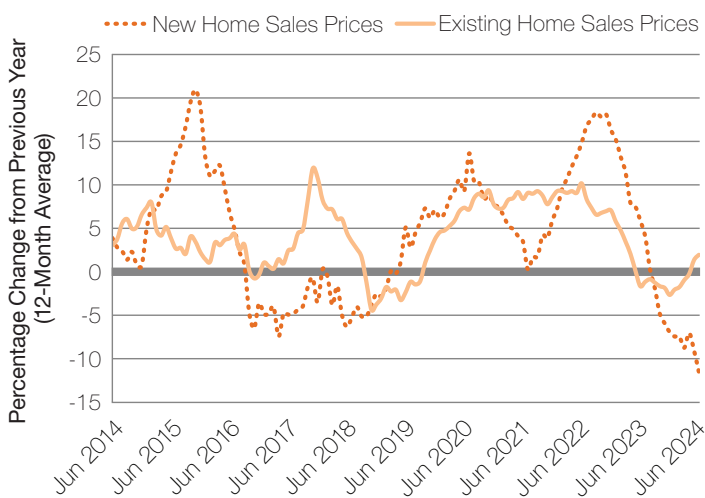
Note: Sales are for single-family homes.
Source: CoreLogic, Inc.

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- Existing home prices increased by \$4,650, or 2 percent, to \$233,400 from 1 year earlier, as sales of lower priced homes declined more than those of higher priced homes.
- New home prices decreased by \$38,850, or 12 percent, to \$300,100 compared with 1 year earlier as developers transitioned to building smaller homes at lower price points.

Single-family home permitting has fluctuated since 2015. From 2020 through 2022, however, single-family permitting was consistently elevated because of tight sales market conditions, low mortgage interest rates, and strong population growth. Permitting has since fallen, and the market has eased because of higher mortgage interest rates and the rising supply of for-sale inventory.

During the 12 months ending June 2024, the average sales price for an existing home was approximately 30 percent below the average price for a new home, contributing to new home prices declining rapidly during the past year in the Amarillo metropolitan area.

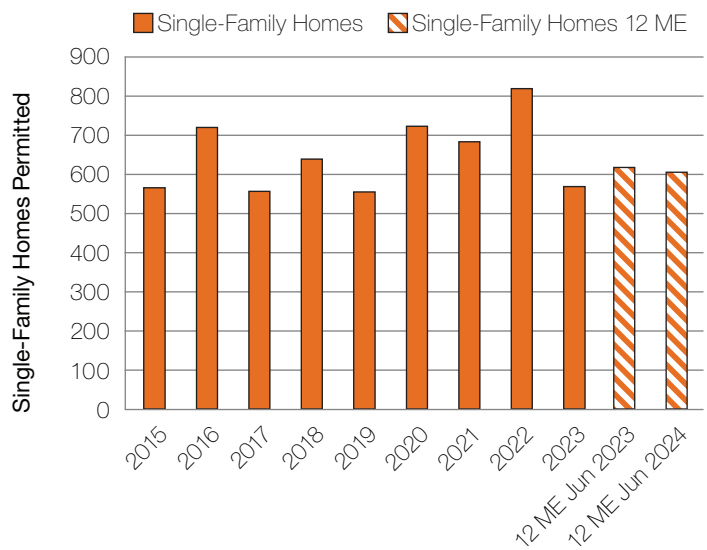


Note: Prices are for single-family homes.

Source: CoreLogic, Inc.

- Based on preliminary data, 600 homes were permitted during the 12 months ending June 2024, down slightly from 620 during the 12 months ending June 2023.
- From 2020 through 2022, single-family permitting was elevated because the home sales market tightened, averaging 740 homes permitted annually.
- Recent home developments in the city of Amarillo include Homestead, a new community with homes ranging from 1,004 to 2,660 square feet. The homes have two to four bedrooms and two to three bathrooms, and prices range from \$207,000 to \$453,000.

Single-family permitting in the Amarillo metropolitan area has fallen since 2022 as sales market conditions have eased, returning to prepandemic levels.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Rental Market Conditions

The rental market in the Amarillo metropolitan area is currently soft, with an estimated vacancy rate of 12.1 percent, an improvement from 12.9 percent in April 2020. In 2023, more than 48 percent of all renter households lived in single-family homes, and nearly 40 percent lived in traditional apartment buildings with five or more units (American Community Survey 1-year data). The metropolitan area covers 5,183 square miles, which is larger than the land area of Connecticut, and many areas outside the Amarillo city limits have had steady population declines since at least 2010. As a result, the area has a high number of vacant units outside the city.

- As of the second quarter of 2024, the apartment market is slightly soft, with a vacancy rate of 11.7 percent, down from 12.4 percent 1 year ago (CoStar Group).
- The average rent for an apartment as of the second quarter of 2024 was \$926, an increase of \$21, or 2 percent, from a year earlier.
- Average rents for one-, two-, and three-bedroom apartments were \$809, \$1,024, and \$1,231, respectively, as of the second quarter of 2024.

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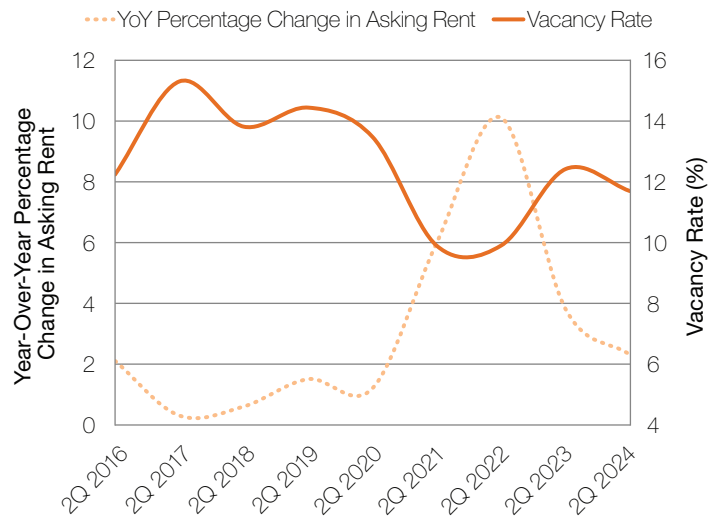
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- Absorption of apartment units during the 12 months ending June 2024 totaled 98 units, a reversal from the previous 12 months, when absorption was negative 125 units (CoStar Group).

Multifamily permitting has fluctuated greatly in the metropolitan area and recently peaked in 2020, with 300 units permitted. From 2015 through 2021, multifamily permitting was concentrated in the city of Amarillo, with all new units permitted located within the city limits. However, at least 36 percent of new units permitted since 2022 have been in the city of Canyon because a portion of the population has moved farther south.

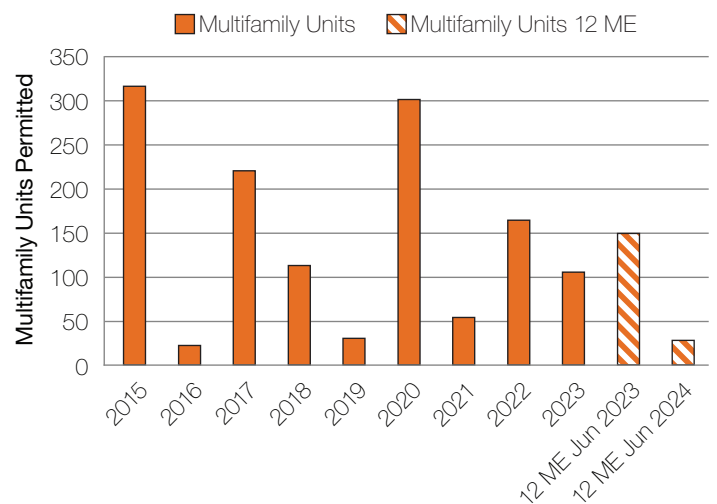
- Based on preliminary data, 30 multifamily units were permitted during the 12 months ending June 2024, down from 150 units permitted during the previous 12 months.
- After surging in 2020, multifamily permitting decreased drastically, and only 50 units were permitted in 2021, a decrease of 250, or 83 percent. However, as the new units were absorbed, the number of multifamily units permitted increased to an average of 140 units a year in 2022 and 2023.
- Fifty20 Place, a 38-unit apartment complex, was recently completed in the city of Amarillo and opened in June 2024. It offers one- and two-bedroom apartments, with respective monthly asking rents of \$1,776 and \$2,687.
- A project nearing completion is The Commons at St. Anthony, a conversion of the St. Anthony Hospital in the city of Amarillo. The Commons at St. Anthony, which is set to open in the fall of 2024, will have 128 units for residents aged 55 and older making less than 60 percent of the Area Median Income.

Apartment market rent growth in the Amarillo metropolitan area has slowed considerably since 2022, a result of rising apartment vacancies.



2Q = second quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily permitting subdued after surging to 300 units permitted during 2020 in the Amarillo metropolitan area.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The change in occupancy during a given period. Lease renewals are not factored into absorption unless the renewal includes the occupancy of additional space. (In that case, the additional space would be counted in absorption.) Preleasing of space in nonexistent buildings (e.g., proposed, under construction, under renovation) is not counted in absorption until the actual move-in date.
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 resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

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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