

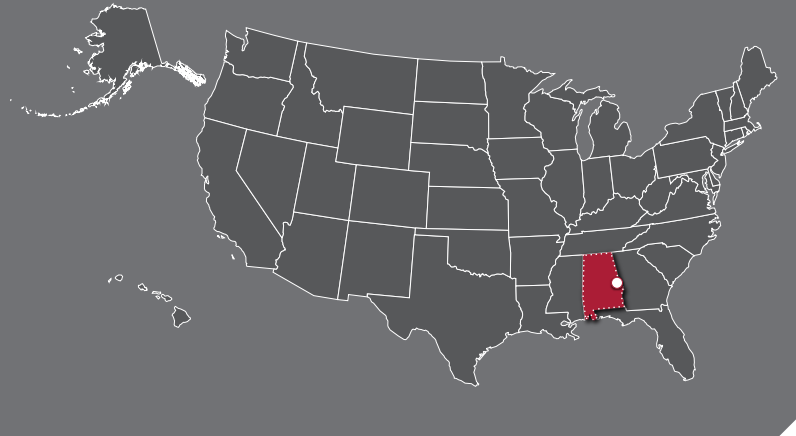
HUD PD&R Housing Market Profiles

Auburn-Opelika, Alabama



Quick Facts About Auburn-Opelika

- Current sales market conditions: balanced
- Current apartment market conditions: balanced
- Jordan-Hare Stadium, home to the Auburn University Tigers football team, has a seating capacity of 88,043 people—more than the population of the city of Auburn, which was 80,006 as of July 1, 2022 (American Community Survey [ACS] 1-year data).



Auburn, Alabama

By [Pete Komaroski](#) | As of October 1, 2023

Overview

The Auburn-Opelika, AL Metropolitan Statistical Area (hereafter, Auburn metropolitan area) includes Lee County in east-central Alabama, which borders the state of Georgia to the east. The city of Auburn—less than an hour drive northeast from the city of Montgomery—is a college town and home to Auburn University, which has a considerable influence on the local economy. The presence of a significant public university attracts a large student population and employers who wish to take advantage of an educated workforce.

- As of October 1, 2023, the estimated population of the Auburn metropolitan area is 184,800, representing an average increase of 3,025, or 1.7 percent, annually since 2020. From 2015 to 2020, the population increased by an average of 2,525, or 1.5 percent, annually (Census Bureau decennial census counts and population estimates as of July 1).
- Net in-migration averaged 2,475 a year, accounting for approximately 82 percent of the population growth since 2020. Net natural increase averaged 550 a year during the same period. By comparison, from 2015 to 2020, net

continued on page 2



continued from page 1

in-migration and net natural increase averaged 1,775 and 750 a year, respectively.

- Approximately 13 percent of the population in the Auburn metropolitan area and 22 percent of the population in the

city of Auburn are aged 20–24, notably higher shares than in the state of Alabama and the nation at 7 percent each (2022 ACS 1-year data).

Economic Conditions

Job growth in the Auburn metropolitan area has been strong since the 2020 recession caused by the COVID-19 pandemic. Nonfarm payrolls increased by 2,000 jobs, or 2.8 percent, during the 3 months ending September 2023, following an increase of 3,300 jobs, or 4.9 percent, a year ago and up by 4,700, or 6.5 percent, from the 3 months ending September 2019 before the pandemic. By comparison, payrolls in Alabama and the nation during the most recent 3 months were both 3.4 percent higher than during the 3 months ending September 2019. Nonfarm payrolls in the Auburn metropolitan area had recovered to prepandemic highs by November 2021, compared with June 2022 for the nation.

As of the 3 months ending September 2023—

- Nonfarm payrolls in goods-producing sectors increased by a combined 400 jobs, or 4.0 percent, from the previous year to 10,400 jobs. Service-providing sectors increased by a combined 1,600 jobs, or 2.7 percent, to 61,900 jobs.

- The professional and business services sector increased by 500 jobs, or 6.8 percent, to 7,800, the most jobs added by any sector in the past year.
- The number of jobs in the government sector decreased by 100, or 0.5 percent, to 19,100. Accounting for approximately 26 percent of all nonfarm payrolls, the sector is the largest in the Auburn metropolitan area but the only one to lose jobs during the past year.
- The unemployment rate decreased to 2.2 percent, down from 2.6 percent a year ago and below the recent high of 10.3 percent as of the 3 months ending June 2020.

As a large public university and active research institution, Auburn University has an outsized impact on the local economy. Approximately 31,750 students were enrolled in the 2023 fall term, up from 30,750 students in 2020 and 25,100 in 2010. In fiscal year 2020, the university had a \$5.63 billion economic

continued on page 3

Jobs increased in 8 out of 11 sectors in the Auburn metropolitan area in the past year.

	3 Months Ending		Year-Over-Year Change	
	September 2022 (Thousands)	September 2023 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	70.3	72.3	2.0	2.8
Goods-Producing Sectors	10.0	10.4	0.4	4.0
Mining, Logging, & Construction	3.2	3.4	0.2	6.2
Manufacturing	6.8	7.1	0.3	4.4
Service-Providing Sectors	60.3	61.9	1.6	2.7
Wholesale & Retail Trade	9.8	10.1	0.3	3.1
Transportation & Utilities	4.0	4.1	0.1	2.5
Information	0.8	0.8	0.0	0.0
Financial Activities	2.2	2.2	0.0	0.0
Professional & Business Services	7.3	7.8	0.5	6.8
Education & Health Services	5.3	5.6	0.3	5.7
Leisure & Hospitality	9.1	9.5	0.4	4.4
Other Services	2.6	2.7	0.1	3.8
Government	19.2	19.1	-0.1	-0.5
Unemployment Rate	2.6%	2.2%		

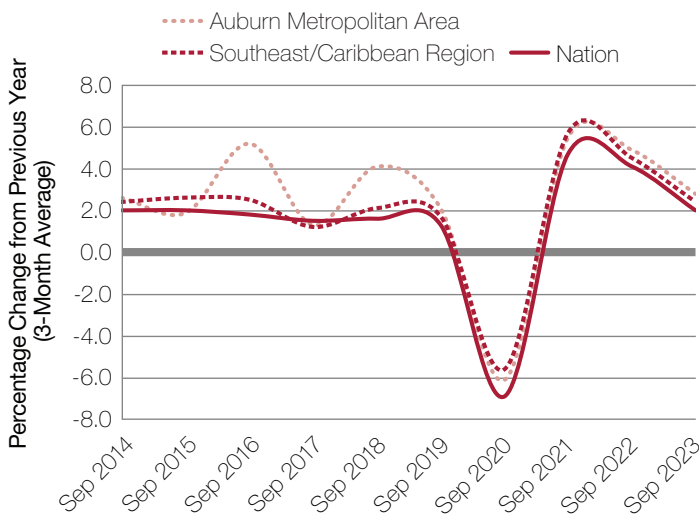
Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



continued from page 2

The Auburn metropolitan area has added jobs faster than the Southeast/Caribbean region and the nation since the pandemic.



Source: U.S. Bureau of Labor Statistics

impact on the state of Alabama, including the creation of over 27,000 jobs (2021 Auburn University Economic Impact Study). Auburn University directly employed over 12,000 full- and part-time workers in 2022 and is home to several large research centers. The sports teams for the university attract thousands of visitors to the area every year, particularly to watch the Auburn Tigers football team. The Alabama Tourism Department reported that in 2022, travel-related expenditures brought in nearly \$750 million to the metropolitan area.

Largest Employers in the Auburn Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Auburn University	Government	7,100
East Alabama Health	Education & Health Services	3,731
Walmart Inc.	Wholesale & Retail Trade	845

Note: Excludes local school districts.

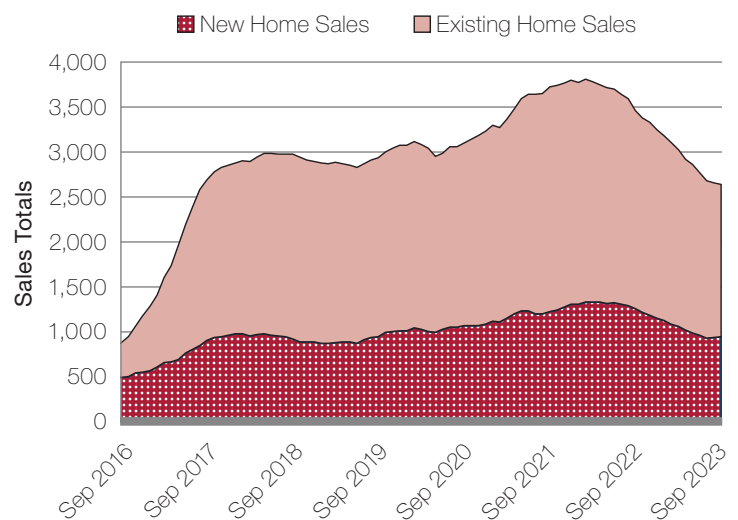
Source: City of Opelika

Sales Market Conditions

The home sales market in the Auburn metropolitan area is balanced, easing from slightly tight conditions in the past 2 years. Due in part to rising interest rates, lower demand has led to a decrease in home sales and a slowdown in the growth of average sales prices, particularly for existing homes. During the 12 months ending September 2023, home sales decreased to 2,625, a decline of 24 percent from 3,450 a year ago and compared with 3,725 during the 12 months ending September 2021 (Redfin, a national real estate brokerage). The average sales price increased 9 percent to \$361,700 during the 12 months ending September 2023, following a 13-percent increase during the previous 12 months. A 2.7-month supply of for-sale inventory was available in September 2023, down slightly from 2.8 months in September 2022 and unchanged from September 2021 (Redfin, a national real estate brokerage, with estimates by the analyst). Due in part to the large and increasing student population, the homeownership rate in the area decreased from 58.1 percent as of April 1, 2020, to an estimated 57.4 percent as of October 1, 2023. For comparison, the homeownership rate was 66.0 percent for the nation and 74.3 percent for Alabama during the third quarter of 2023 (U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey).

- During the 12 months ending September 2023, the average sales price for new homes was \$416,200, up 11 percent from \$373,800 a year ago (Redfin, a national real estate

The total amount of new and existing homes sold in the Auburn metropolitan area has declined in the past year.



Note: Data include new and existing single-family homes, townhomes, and condominiums. Source: Redfin, a national real estate brokerage, with estimates by the analyst

brokerage). From 2020 through 2022, the average sales price for new homes grew by an average of 10 percent annually.

- The average sales price for existing homes increased to \$331,400, up 6 percent from \$311,900 during the same

continued on page 4

continued from page 3

period a year ago. The average sales price for new homes grew an average of 12 percent annually from 2020 through 2022.

- During the 12 months ending August 2023, new home sales decreased to 940, down 25 percent from 1,250 a year ago. During the same period, existing home sales decreased to 1,700, down 23 percent from 2,200 a year ago.
- The percentage of mortgages in the Auburn metropolitan area that were seriously delinquent or in real estate owned (REO) status declined to 0.8 percent in September 2023, down from 1.2 percent a year ago and from a recent high of 4.0 percent in September 2020. By comparison, the rate of seriously delinquent mortgages in the state of Alabama was 1.3 percent in September 2023, down from 1.7 percent a year ago and well below a recent high of 4.5 percent in September 2020.

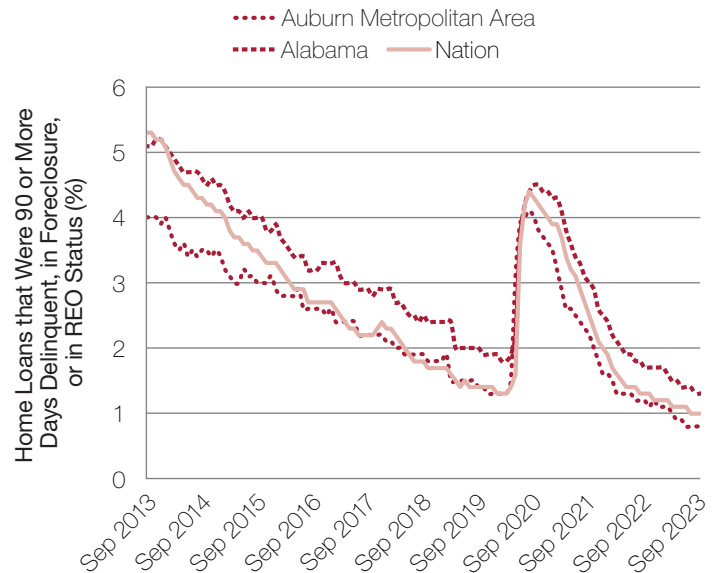
Consistent population and economic growth have contributed to strong sales demand in the metropolitan area during much of the period since 2014, and builders have generally responded by increasing single-family home construction. New home construction has, however, moderated since the start of 2022 as sales market conditions have moved to balanced.

- During the 12 months ending September 2023, 1,250 single-family homes were permitted, up slightly from 1,225 homes permitted during the previous 12 months (preliminary data).
- Approximately 1,475 homes were permitted during 2021. That figure is the highest annual total since 2006, when

1,675 single-family homes were permitted—the highest level of single-family construction on record for the area.

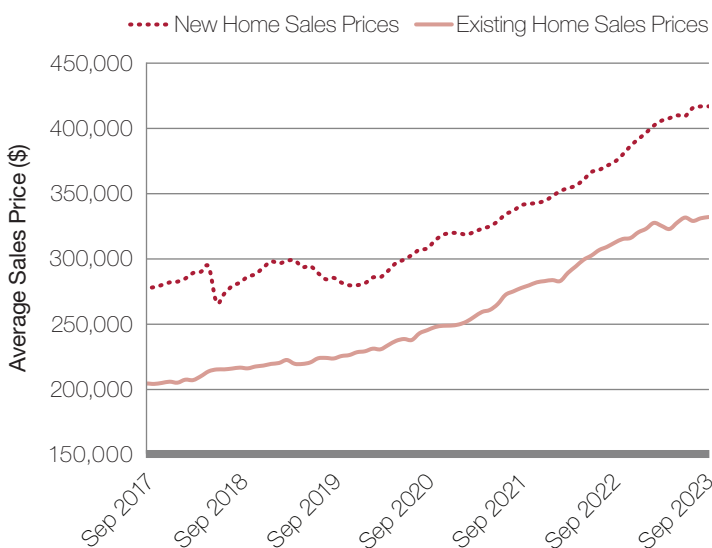
- From 2014 through 2021, single-family permitting increased each year from 750 to 1,325, or by an average of 10 percent a year.

The rate of seriously delinquent home loans is lower in the Auburn metropolitan area than in both Alabama and the nation.



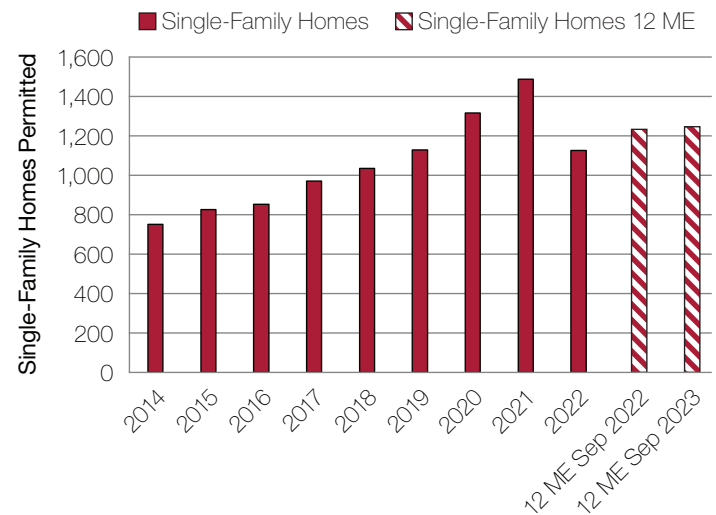
REO = real estate owned.
Source: CoreLogic, Inc.

Growth in average home prices in the Auburn metropolitan area has slowed slightly in the past year.



Note: Data include new and existing single-family homes, townhomes, and condominiums.
Source: Redfin, a national real estate brokerage, with estimates by the analyst

Single-family permitting in the Auburn metropolitan area has generally increased since 2014.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Apartment Market Conditions

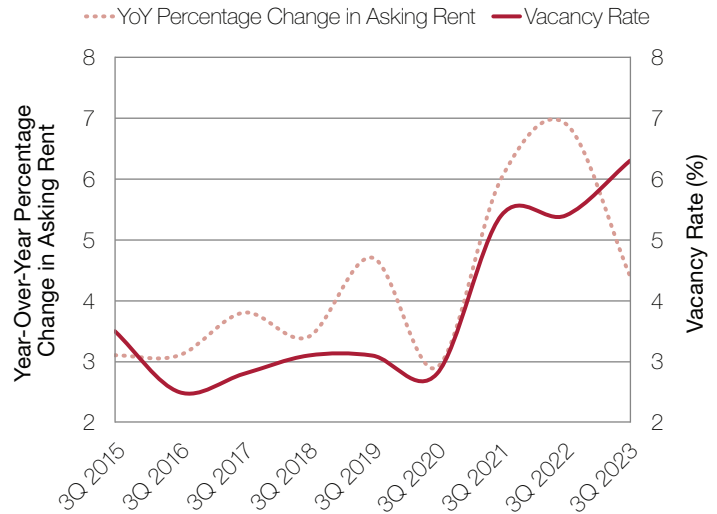
The apartment market in the Auburn metropolitan area is currently balanced. Consistent demand by students and young adults contributed to low vacancy rates in the mid- and late 2010s, although an increase in apartment completions that began in 2019 has led to rising vacancy rates since 2021.

- The apartment vacancy rate, including units in lease up, was 6.3 percent as of the third quarter of 2023, up from 5.4 percent a year ago and 2.8 percent as of the third quarter of 2020 (CoStar Group).
- The average apartment rent as of the third quarter of 2023 was \$1,138, up 4 percent from \$1,090 a year ago. From the third quarter of 2020 to the third quarter of 2022, average apartment rents in the area increased from \$962 to \$1,090, or an average of 6 percent annually.
- Approximately 320 units were completed in the past year, with most of those units located in the city of Auburn, where rental demand is relatively high due in part to the presence of the university.
- Approximately 8,500 apartment units are in the metropolitan area, approximately 75 percent of which are located within 5 miles of Auburn University. The apartment vacancy rate for those units was 5.7 percent, and the average apartment rent was \$1,100 as of the third quarter of 2023.

The declining homeownership rate in the metropolitan area has resulted in increased rental demand and contributed to elevated levels of multifamily construction activity since 2019. Apartment construction moderated during the past year, however, after a large number of units entered lease up.

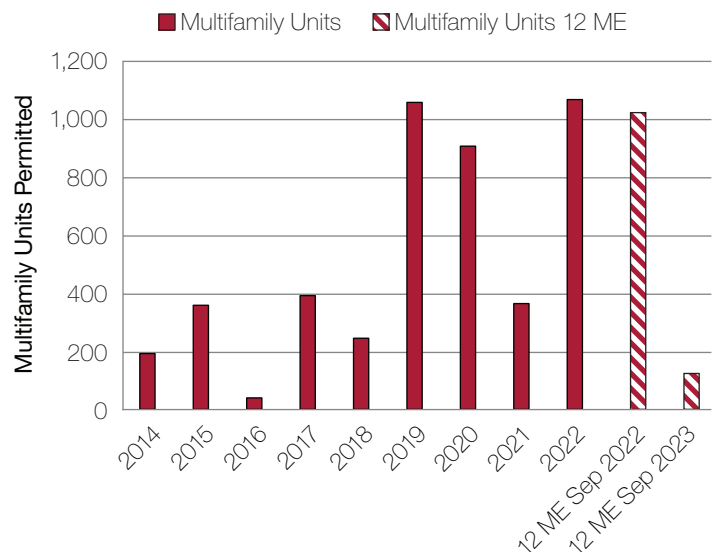
- Multifamily construction decreased to only 120 units permitted during the 12 months ending September 2023, down from 1,025 units permitted during the previous 12 months (preliminary data). An estimated 15 multifamily units are under construction in the metropolitan area.
- From 2019 through 2022, an average of 850 multifamily units were permitted each year. That figure is the highest average for a 3-year period on record for the area, including a peak of 1,075 multifamily units permitted during 2022.
- From 2014 through 2018, an average of 240 multifamily units were permitted each year. That period includes only 40 units permitted in 2016, a record low for the metropolitan area.
- Recent apartment construction has been concentrated mostly in the city of Auburn, which has accounted for approximately 84 percent of all units completed in the metropolitan area since 2010.

An increase in apartment vacancies in the Auburn metropolitan area has contributed to slower rent growth in the past year.



3Q = third quarter. YoY = year-over-year.
Source: CoStar Group

Multifamily permitting in the Auburn metropolitan area was generally at elevated levels from 2019 to 2022.



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

- One example of a recently completed development in the city of Auburn is the 270-unit The Glenn, which offers rents starting at \$1,350, \$1,600, and \$2,148 for one-, two-, and three-bedroom units, respectively.

Terminology Definitions and Notes

A. Definitions

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.
Net Natural Increase	Resident births are greater than resident deaths.
Apartment Market/ Apartment 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.
----	---