

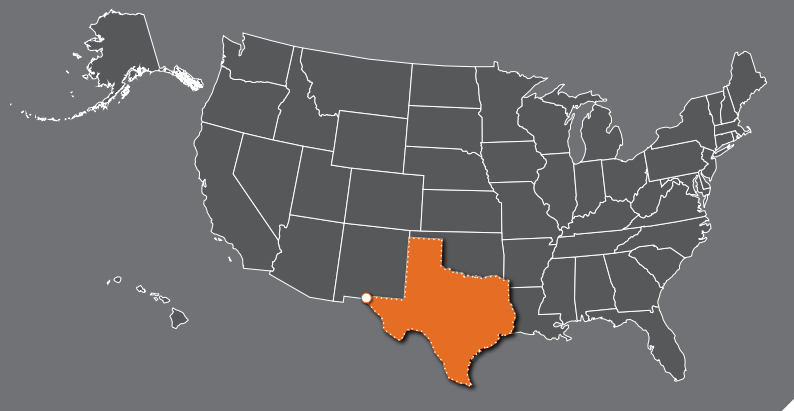
HUD PD&R Housing Market Profiles

El Paso, Texas



Quick Facts About El Paso

- Current sales market conditions: slightly tight
- Current rental market conditions: slightly tight
- The El Paso metropolitan area is part of the North American Borderplex region, a transborder hub for tourism, trade, and medical services. During the 12 months ending June 2024, more than \$151.7 billion worth of goods crossed the border in the El Paso District jurisdiction, an increase of 15 percent compared with the previous year (Federal Reserve Bank of Dallas). Manufacturing activity includes partnerships on both sides of the U.S.-Mexico border, including *maquiladoras*.



El Paso, Texas

By [Cameron Ehrlich](#) | As of July 1, 2024

Overview

The El Paso metropolitan area, at the western edge of the state of Texas bordering Mexico, consists of El Paso and Hudspeth Counties. The metropolitan area is home to The University of Texas at El Paso, which had approximately 24,350 students as of fall 2023 and 3,400 employees in 2024 (City of El Paso, Economic and International Development, 2024). The Fort Bliss U.S. Army Base (hereafter, Fort Bliss) headquarters are adjacent to the city of El Paso. Fort Bliss is the largest employer in the metropolitan area, with 47,628 employees, including approximately 28,800 in 2023 who were active-duty military and, therefore, not included in nonfarm payrolls.

- As of July 1, 2024, the metropolitan area population is estimated at 877,000, an average increase of 1,900, or 0.2 percent, annually since April 2020 (U.S. Census Bureau and estimates by the analyst). From 2010 to 2016, population growth averaged 1.0 percent annually, including net out-migration of 510 people a year. From 2016 to 2020, population growth averaged 0.4 percent annually, including net out-migration of 2,850 people a year. Since 2020, the 0.2-percent growth included net out-migration of 2,025

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people a year (Census Bureau population estimates as of July 1; estimates by the analyst).

- The slower population growth since 2010 is also partly attributed to a decline in net natural increase, which averaged 3,925 people a year since 2020, compared with 6,450 people a year from 2016 to 2020 and 8,700 people a year from 2010 to 2016.

Economic Conditions

The economy in the El Paso metropolitan area expanded during the past year, continuing stable nonfarm payroll job growth following the recovery from the 2020 recession caused by the COVID-19 pandemic. As of the second quarter of 2024, nonfarm payrolls were up by 24,300 jobs, or 7.5 percent, compared with the second quarter of 2019—the most recent comparable quarter before the onset of the pandemic. As of the second quarter of 2024, nonfarm payrolls increased by 6,600 jobs, or 1.9 percent, from a year earlier to 347,700 jobs, following an increase of 9,600, or 2.9 percent, as of the second quarter of 2023. The current rate of nonfarm payroll growth is similar to the annual 1.8-percent second quarter job growth rate from 2015 to 2019.

As of the second quarter of 2024 —

- The government sector gained the most jobs, increasing by 3,100, or 4.4 percent, with increases in the federal, state, and local subsectors. The local government subsector led gains, increasing by 2,400 jobs, or 5.0 percent.

- Approximately 26 percent of the current population in the metropolitan area is under the age of 18, compared with 22 percent for the nation (2022 American Community Survey [ACS] 1-year data). In 2022, the median age in the metropolitan area was 33.1 years, compared with 39.0 years for the nation.

- The fastest growth occurred in the other services sector — a sector that encompasses a range of industries, including equipment repair, religious and nonprofit organizations, and personal services—increasing by 700 jobs, or 7.2 percent. The transportation and utilities sector also had rapid growth, increasing by 600 jobs, or 2.9 percent, partly because of increased nearshoring in northern Mexico, boosting freight and logistics industries locally.
- Losses in three sectors—including the manufacturing, the professional and business services, and the information sectors, which fell by 300, 300, and 100 jobs, or 1.7, 0.7, and 1.5 percent, respectively—partially offset job gains. Nearshoring in Mexico and less demand for vehicles in the United States affected manufacturing locally.
- The unemployment rate averaged 4.3 percent, up slightly from 4.2 percent a year ago and from 4.1 percent during the second quarter of 2022. By comparison, the HUD

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Jobs increased in 8 of 11 nonfarm payroll sectors in the El Paso metropolitan area during the past year.

	3 Months Ending		Year-Over-Year Change	
	June 2023 (Thousands)	June 2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	341.1	347.7	6.6	1.9
Goods-Producing Sectors	34.0	34.1	0.1	0.3
Mining, Logging, & Construction	16.5	16.9	0.4	2.4
Manufacturing	17.5	17.2	-0.3	-1.7
Service-Providing Sectors	307.1	313.6	6.5	2.1
Wholesale & Retail Trade	51.9	52.4	0.5	1.0
Transportation & Utilities	21.0	21.6	0.6	2.9
Information	6.7	6.6	-0.1	-1.5
Financial Activities	13.3	13.4	0.1	0.8
Professional & Business Services	40.0	39.7	-0.3	-0.7
Education & Health Services	51.8	52.6	0.8	1.5
Leisure & Hospitality	41.9	43.0	1.1	2.6
Other Services	9.7	10.4	0.7	7.2
Government	70.8	73.9	3.1	4.4
Unemployment Rate	4.2%	4.3%		

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

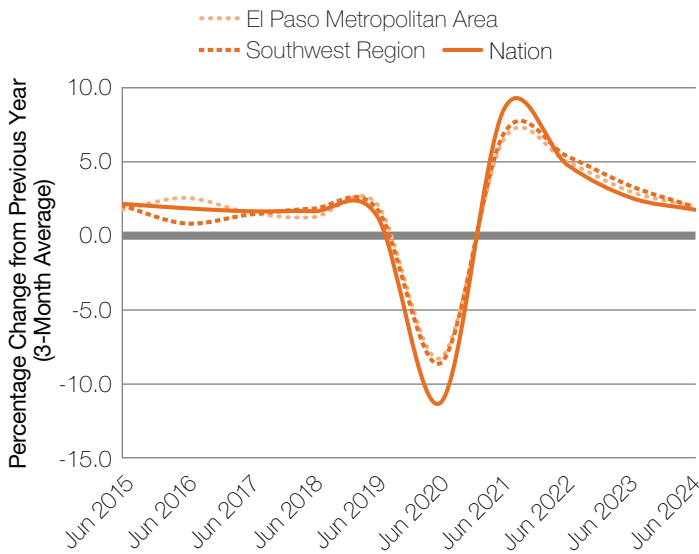
Source: U.S. Bureau of Labor Statistics



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Southwest Region and the nation had unemployment rates of 3.9 and 3.8 percent, up from 3.7 and 3.4 percent, respectively, a year ago.

The rate of job growth in the El Paso metropolitan area has been slightly above the nation since mid-2022.



Source: U.S. Bureau of Labor Statistics

The largest payroll sector in the metropolitan area is the government sector, with 73,900 jobs as of the second quarter of 2024, accounting for more than 21 percent of all nonfarm payroll jobs. The sector includes two of the largest employers in the metropolitan area, Fort Bliss and the city of El Paso. The military has historically been a major presence in the local economy. During 2023, Fort Bliss had an estimated \$25.9 billion impact on the Texas economy and ranked third in the state among military facilities as a contributor to jobs (Texas Comptroller of Public Accounts). In addition, increases in border crossings and international trade have resulted in hiring additional workers at U.S. Customs and Border Protection and other federal agencies.

Largest Employers in the El Paso Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Fort Bliss U.S. Army Base	Government	47,628
City of El Paso	Government	6,840
T&T Staff Management, Inc.	Professional & Business Services	6,387

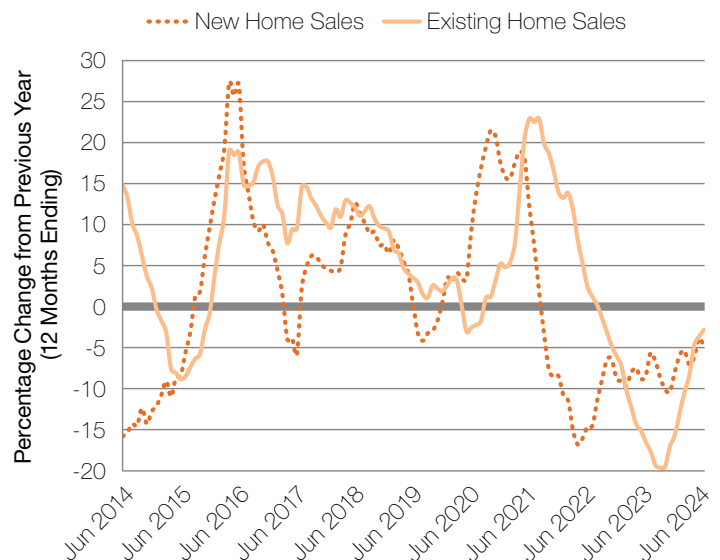
Notes: Excludes local school districts. Data include military personnel, who are generally not included in nonfarm payroll survey data.

Source: City of El Paso, Economic and International Development, 2024

Sales Market Conditions

Home sales market conditions are slightly tight in the El Paso metropolitan area. The estimated sales vacancy rate is currently 1.5 percent, up from 1.3 percent as of April 2020, when market conditions were tighter. The inventory of homes available for sale as of June 2024 represented a 3.6-month supply, up from a 2.6 month-supply as of June 2023 (Texas Real Estate Research Center at Texas A&M University). The current level of inventory is similar to the level as of June 2019, when the metropolitan area had a 3.5-month supply of homes for sale, but above the 3.1-month supply as of February 2020, just before the COVID-19 pandemic. Home sales in the metropolitan area reached a high during the 12 months ending August 2021, when 15,600 existing and new homes were sold, representing a 17-percent increase from a year earlier (Zonda, with adjustments by the analyst). Higher home mortgage interest rates, compared with historic lows during 2020 and 2021, contributed to the recent decline in home sales. During 2020 and 2021, the interest rates for 30-year fixed-rate mortgages averaged 3.1 and 3.0 percent, respectively, before increasing to averages of 5.3 and 6.8 percent during 2022 and 2023 (Freddie Mac). By comparison, during the 52 weeks ending the last week of June 2024, the average interest rate for a 30-year fixed-rate mortgage was 7.0 percent.

The recent decline and partial rebound in existing home sales in the El Paso metropolitan area lagged behind that of new home sales by approximately a year.



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

Source: Zonda, with adjustments by the analyst

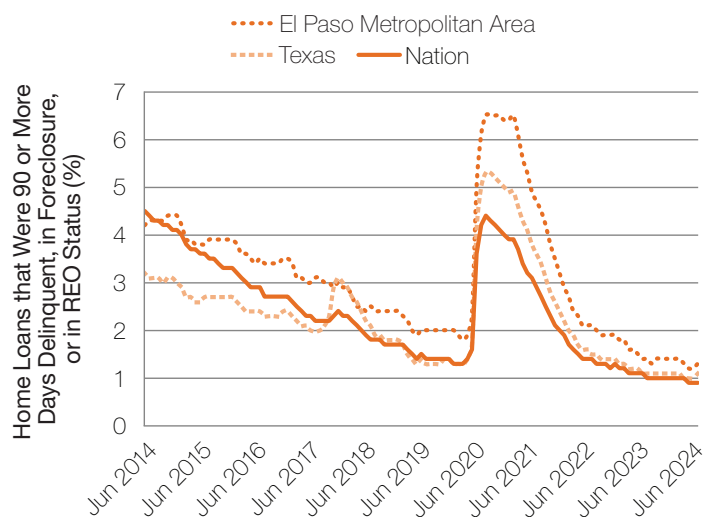
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During the 12 months ending June 2024—

- New home sales totaled 2,800, a decrease of 140, or 5 percent, from the previous 12 months, and the average home sales price increased by \$15,550, or 5 percent, to \$312,400 (Zonda, with adjustments by the analyst).
- Existing home sales totaled 9,850, a decline of 280, or nearly 3 percent, compared with a 16-percent decrease a year earlier. The average home price increased by \$13,050, or 5 percent, to \$255,300.
- The National Association of Home Builders/Wells Fargo Cost of Housing Index (CHI), which represents the share of existing homes sold that would have been affordable to a family earning the local median income, is 42 in the metropolitan area as of the second quarter of 2024, rising from 34 as of the second quarter of 2023. By comparison, the CHI was 39 for the nation as of the second quarter of 2024, up from 37 as of the second quarter of 2023.
- The share of seriously delinquent mortgages and real estate owned (REO) properties in the metropolitan area was 1.3 percent as of June 2024, down from 1.4 percent as of June 2023 and the recent high of 6.5 percent as of February 2021 (CoreLogic, Inc.). By comparison, the national share of seriously delinquent mortgages and REO properties was 0.9 percent as of June 2024, down from 1.1 percent a year earlier and significantly below the recent high of 4.4-percent in August 2020, when the rate spiked because of the COVID-19 pandemic.

The rate of mortgages that are seriously delinquent or in REO status in the El Paso metropolitan area has been consistently above the state and national rates since 2018.

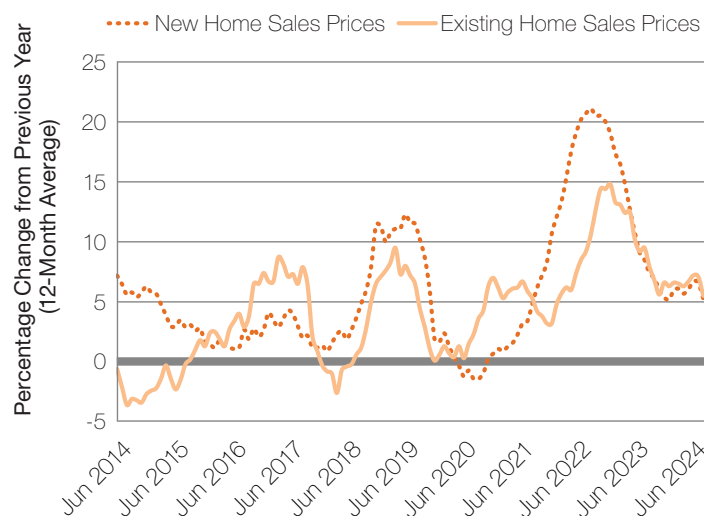


REO = real estate owned.
Source: CoreLogic, Inc.

Single-family homebuilding activity, as measured by the number of single-family homes permitted and estimates by the analyst, increased by 60 homes, or 3 percent, during the 12 months ending June 2024 compared with the previous 12 months to 1,975 homes. The increase was partly due to continued price growth among existing homes.

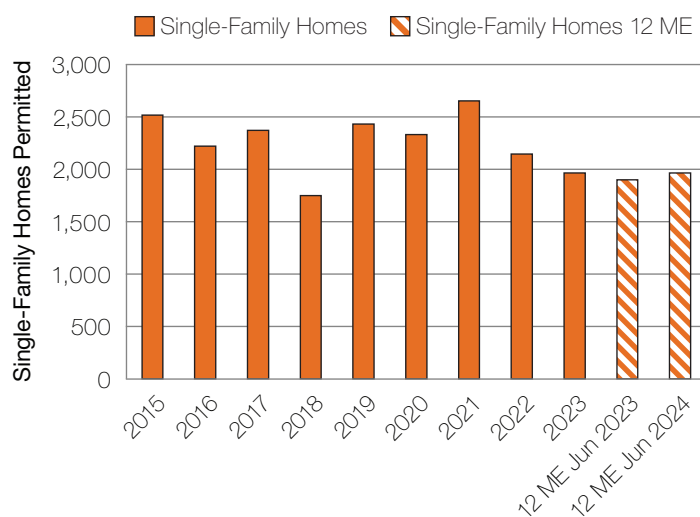
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Price growth for both new and existing home sales accelerated during 2021 in the El Paso metropolitan area, and home price growth has been above 5 percent each year since 2022.



Note: Prices are for single-family homes, townhomes, and condominiums.
Source: Zonda, with adjustments by the analyst

Single-family homebuilding in the El Paso metropolitan area during the 12 months ending June 2024 remained below the average level from 2019 through 2022.



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

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- After peaking at 2,650 homes in 2021, single-family homebuilding activity decreased an average of 13 percent annually during 2022 and 2023.
- The largest share of permitting occurred in the city of El Paso, with approximately 1,675 homes, or 84 percent of all homes permitted in the metropolitan area during the 12 months ending June 2024. Horizon City had 150 homes, or 8 percent of total permits in the metropolitan area. The city of Socorro and the village of Vinton, combined, had approximately 150 homes permitted, or another 8 percent of total single-family permitting in the metropolitan area.

- New housing developments in the metropolitan area include the Mission Ridge master-planned community in Horizon City. The community includes the Paseo del Este 8 subdivision, which began construction in December 2023, with plans to add 400 single-family homes in two phases. Fifteen homes have sold to date. Prices start at \$274,990 for one- and two-story homes, ranging from 1,366 to 2,675 square feet, with three or more bedrooms.

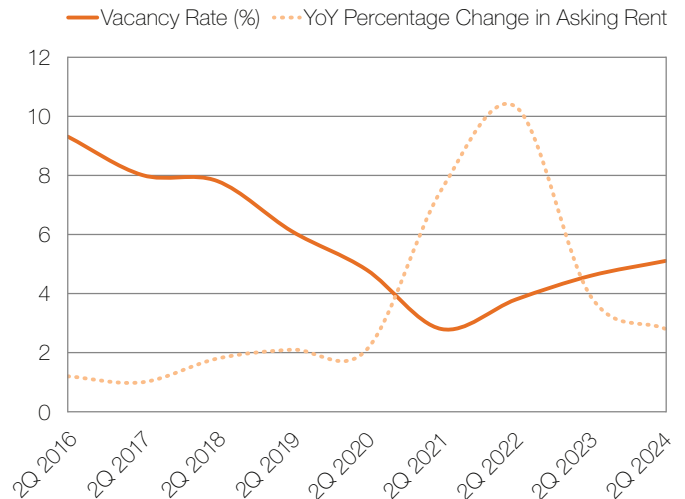
Rental Market Conditions

Overall rental housing market conditions in the El Paso metropolitan area are slightly tight. The apartment vacancy rate increased from the recent low of 3.8 percent during 2021 but is below the average levels during the mid- to late 2010s, when the second quarter vacancy rates declined from 9.3 percent in 2016 to 6.1 percent in 2019 (CoStar Group). Annual rent growth slowed from a year ago compared with the more than 10-percent increase in the second quarter of 2022, but it is above the average increase of less than 2 percent during the mid- to late 2010s. In 2022, approximately 36 percent of renter households in the metropolitan area lived in single-family attached or detached homes, down from 39 percent in 2016, whereas 43 percent lived in multifamily homes with five or more units, typically apartments, up from 41 percent in 2016 (2016 and 2022 ACS 1-year data).

As of the second quarter of 2024 —

- The overall rental vacancy rate—including single-family homes, townhomes, mobile homes, and apartments—is estimated at 6.1 percent, down from 7.8 percent as of April 2020. The apartment vacancy rate was 5.1 percent, up from 4.6 percent a year earlier (CoStar Group).
- Among the 10 CoStar Group-defined market areas in the metropolitan area, the apartment vacancy rates ranged from 2.6 percent in the Socorro market area, down from 2.9 percent a year ago, to 7.4 percent in the Northeast market area, up from 4.0 percent a year ago.
- The average asking rent for an apartment in the metropolitan area was \$1,062, reflecting an increase of \$29, or nearly 3 percent, from a year earlier (CoStar Group). Rent growth was strongest in the CoStar Group-defined Fort Bliss-Biggs Field market area at 6 percent and weakest in the Central market area at less than 1 percent.
- Average apartment rents in the metropolitan area ranged from \$766 in the Fort Bliss-Biggs Field market area to \$1,331 in the Outlying El Paso County market area, where

As of the second quarter of 2024, average rent increases moderated, and the apartment vacancy rate increased from the previous year in the El Paso metropolitan area.



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

the most supply was added, increasing the existing inventory 12 percent compared with a year ago.

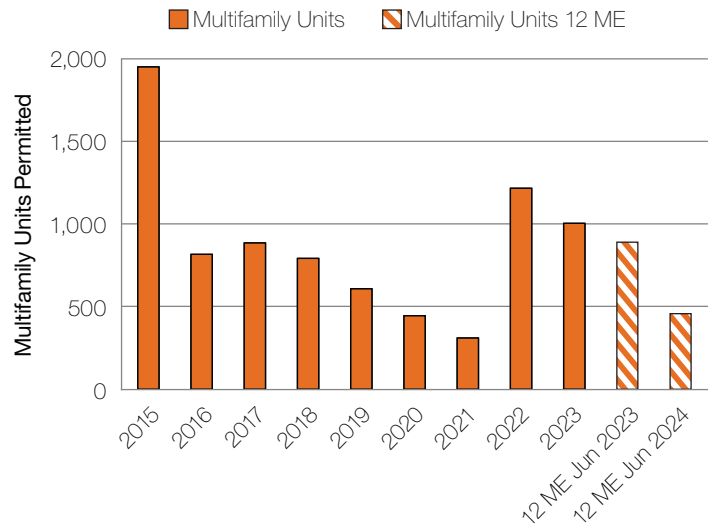
Multifamily construction activity in the metropolitan area, as measured by the number of units permitted and estimates by the analyst, decreased during the past 12 months. During 2015, when demand was strong because of improving economic conditions, approximately 1,950 multifamily units were permitted. Beginning in 2016, when the metropolitan area had slower economic growth, builders responded with lower levels of rental construction. Multifamily permitting declined from an average of 850 units in 2016 and 2017 to 380 units in 2020 and 2021. Permitting then increased to a recent high of 1,225 units during 2022 as builders responded to increased apartment absorption and strong apartment rent increases.

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- Multifamily construction activity totaled approximately 460 units during the 12 months ending June 2024, down more than 48 percent compared with 890 units permitted a year earlier (preliminary data, with adjustments by the analyst).
- As of the second quarter of 2024, approximately 690 units were under construction in the metropolitan area (CoStar Group). Of these, approximately 50 percent were in the Outlying El Paso County market area, 40 percent were in the Westside market area, and the remaining 10 percent were in the Socorro market area.
- The 343-unit Retreat at Eastlake Apartments was recently completed and is leasing up. It is west of Horizon City in the Outlying El Paso County market area and is accessible to Interstate 10 and a nearby Amazon Distribution Center. Monthly rents for one-, two-, and three-bedroom units start at \$1,390, \$1,650, and \$1,850, respectively.
- Desert Commons West is nearly complete and currently preleasing one-, two-, and three-bedroom units ranging in size from 613 to 1,384 square feet in the Westside market area, close to numerous retail outlets. The 276 market-rate apartment units rent from \$1,325 to \$2,400 a month.

Multifamily permitting in the El Paso metropolitan area during the 12 months ending June 2024 was well below the recent high in 2022.



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 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/Units Permitted	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.
Maquiladoras	Maquiladoras are factories in free-trade zones along the border that import material and equipment to assemble, process, or manufacture products for export from Mexico. Many of the maquiladoras in Juárez, across the border from El Paso, are automotive-related.
Nearshoring	The practice of companies transferring production to countries closer to the United States.
Net Natural Increase	Resident births are greater than resident deaths.
North American Borderplex	A transborder agglomeration with more than 2.7 million people that includes the El Paso metropolitan area, Doña Ana and Otero Counties in New Mexico, and Ciudad Juárez in Mexico.
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.
2.	The HUD Southwest region includes Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.