

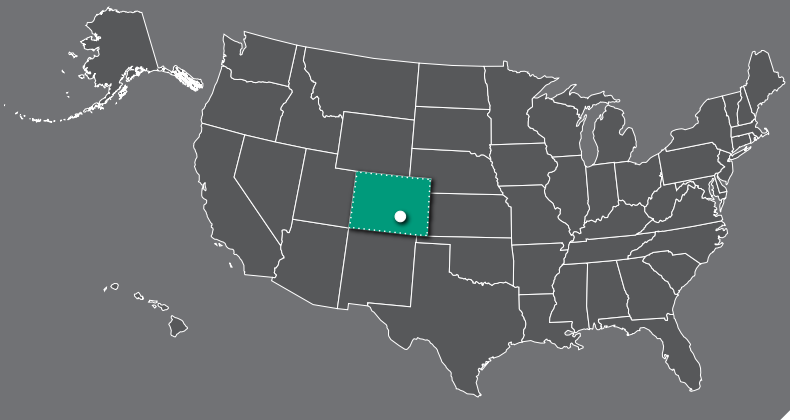
HUD PD&R Housing Market Profiles

Pueblo, Colorado



Quick Facts About Pueblo

- Current sales market conditions: balanced
- Current rental market conditions: slightly tight
- EVRAZ Rocky Mountain Steel, previously known as Colorado Fuel and Iron Company, is the oldest steel mill still operating west of the Mississippi River and has been in the city of Pueblo for more than 140 years. In 1910, the mill was the largest private employer in the state of Colorado, employing more than 15,000 workers, although that number has since declined to approximately 930 workers currently.



By [Emilio Meneses](#) | As of April 1, 2025

Overview

The Pueblo Metropolitan Statistical Area (hereafter, Pueblo metropolitan area) is coterminous with Pueblo County in southern Colorado. Historically, steel manufacturing was a primary industry in the metropolitan area until the downturn in the steel industry in 1982 led to its decline. Currently, the government sector plays a large role in the metropolitan area economy because of the presence of Colorado State University Pueblo and Colorado Mental Health Hospital. In addition, healthcare services have become a major industry because more retirees have moved to the metropolitan area, attracted by its relative housing affordability. The average sales price for a home in the metropolitan area is approximately 44 percent less than in the neighboring Colorado Springs metropolitan area (Cotality). The local economy also benefits significantly from tourism associated with outdoor attractions in and around the metropolitan area, such as Lake Pueblo State Park, Pike and San Isabel National Forests, Great Sand Dunes National Park and Preserve, and the Royal Gorge. Visitors to the metropolitan area spent approximately \$285 million in 2023 (Visit Pueblo).

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- As of April 1, 2025, the population in the metropolitan area was estimated at 170,000, an average increase of 370, or 0.2 percent, a year from April 2020. By comparison, from July 2017 to April 2020, population growth averaged 1,225 people, or 0.6 percent, annually (U.S. Census Bureau decennial census and population estimates as of July 1; estimates by the analyst).
- Net natural change—resident births minus resident deaths—was positive in the early 2010s, averaging nearly 280 people annually from 2011 to 2014, but then declined and has

been negative since 2017. From July 2017 to April 2020, net natural decline averaged 60 people annually, and from April 2020 to April 2025, net natural decline averaged 580 people a year.

- The metropolitan area has a growing retiree population. Residents aged 65 and older increased from 15.3 percent of all residents in 2010 to 21.6 percent in 2023 (Colorado State Demography Office). By 2030, this age group is projected to account for more than one-fourth of all residents in the metropolitan area.

Economic Conditions

Economic conditions in the Pueblo metropolitan area are weak because of job losses during each of the past 2 years. Following the decline in jobs during the COVID-19 pandemic, first quarter nonfarm payrolls increased in 2022 and 2023 to a post-pandemic peak of 63,700 jobs in 2023. Since then, however, first quarter payroll levels have declined. As of the first quarter of 2025, nonfarm payrolls decreased year over year by 500 jobs, or 0.8 percent, to 63,000 jobs, following a 0.3-percent annual decline as of the first quarter of 2024. Current payrolls are 2.5 percent below the level during the first quarter of 2020, the most recent corresponding period before the pandemic-induced recession. By comparison, the number of jobs in Colorado and the nation rose 0.4 and 1.3 percent, respectively, in the past year and currently exceeds prepandemic highs by 6.0 and 5.0 percent.

As of the first quarter of 2025—

- The professional and business services sector had the largest loss, declining by 400 jobs, or 7.4 percent, from a year earlier. Amentum, a remediation services company, had significant layoffs in the past year because the decontamination and decommissioning of the Pueblo Chemical Agent-Destruction Pilot Plant is winding down, and the plant is preparing for closure.
- The education and health services sector, the largest nonfarm payroll sector in the metropolitan area, increased by 200 jobs, or 1.5 percent, from a year earlier, including hiring by UCHealth, which merged with Parkview Health System in 2023 and has plans to invest \$200 million in

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As of the first quarter of 2025, nonfarm payrolls in the Pueblo metropolitan area were down from a year earlier, with declines in 4 of the 11 sectors.

	3 Months Ending		Year-Over-Year Change	
	March 2024 (Thousands)	March 2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	63.5	63.0	-0.5	-0.8
Goods-Producing Sectors	8.9	8.7	-0.2	-2.2
Mining, Logging, & Construction	4.0	3.7	-0.3	-7.5
Manufacturing	4.9	5.0	0.1	2.0
Service-Providing Sectors	54.7	54.4	-0.3	-0.5
Wholesale & Retail Trade	9.2	9.2	0.0	0.0
Transportation & Utilities	2.7	3.0	0.3	11.1
Information	0.4	0.3	-0.1	-25.0
Financial Activities	2.0	1.9	-0.1	-5.0
Professional & Business Services	5.4	5.0	-0.4	-7.4
Education & Health Services	13.2	13.4	0.2	1.5
Leisure & Hospitality	6.7	6.8	0.1	1.5
Other Services	2.3	2.3	0.0	0.0
Government	12.7	12.7	0.0	0.0
Unemployment Rate	5.6%	6.5%		

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

Source: U.S. Bureau of Labor Statistics



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expansions during the next 10 years. The economic impact of UCHHealth, which includes UCHHealth Parkview Medical Center, on the metropolitan area is estimated at more than \$248 million annually.

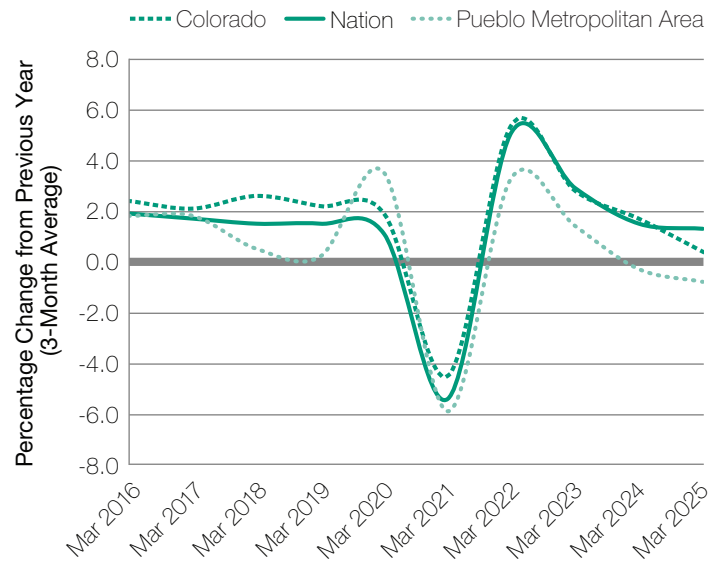
- The government sector was unchanged from a year earlier. Losses in the federal government subsector, which decreased by 100 jobs, or 10 percent, from a year earlier, offset job gains in the local government subsector. The government sector accounts for 12,700, or 20 percent, of nonfarm payroll jobs in the metropolitan area, making it the second largest nonfarm payroll sector.
- The unemployment rate in the metropolitan area was 6.5 percent, up from 5.6 percent a year earlier because of a 0.4-percent increase in the labor force and a 0.9-percent decline in resident employment. By comparison, the respective unemployment rates for Colorado and the nation were 4.9 and 4.4 as of the first quarter of 2025.

Although the metropolitan area is no longer primarily a manufacturing hub, the sector still plays an important role in the economy and was one of four nonfarm sectors that added jobs in the past year, increasing by 100 jobs, or 2.0 percent, year over year as of the first quarter of 2025. CS Wind, a South Korean wind turbine tower manufacturer, is expanding its Pueblo facility in a multiphase project expected to be complete by 2028. The expansion will increase production to 10,000 wind tower sections annually and create approximately 850 new jobs. EVRAZ Rocky Mountain Steel, another major employer in the metropolitan area, is also expanding, with a \$500 million investment that includes a new long rail mill. This expansion is expected to generate around 1,000 new jobs and is partly powered by a 240-megawatt solar installation, making it one of the largest solar-powered steel production facilities in the world.

Sales Market Conditions

The home sales market in the Pueblo metropolitan area is balanced. The sales vacancy rate is estimated at 1.4 percent, down slightly from 1.6 percent in 2020. Market conditions tightened in 2021, when historically low interest rates spurred demand for sales housing, but have eased since 2022, with rising interest rates putting downward pressure on sales demand. During the 12 months ending February 2025, new and existing home sales in the metropolitan area declined 17 percent to 2,475 homes sold compared with a 25-percent decrease a year earlier (Cotality, with adjustments by the analyst). As of February 2025, the average interest rate for a 30-year, fixed-rate mortgage was 6.8 percent, unchanged from a year ago but well above the average of 2.8 percent in February 2021 (Freddie Mac).

Nonfarm payrolls have declined in the Pueblo metropolitan area since 2024 in contrast to job growth in Colorado and the nation.



Source: U.S. Bureau of Labor Statistics

Major Employers in the Pueblo Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
UCHHealth Parkview Medical Center	Education & Health Services	4,300
Colorado Mental Health Hospital	Government	2,000
Colorado State University Pueblo	Government	1,500

Note: Excludes local school districts.

Source: City of Pueblo, 2023 Annual Comprehensive Financial Report

- During the 12 months ending February 2025, the average sales price for new and existing homes in the metropolitan area was \$290,700, up 2 percent from a year earlier (Cotality, with adjustments by the analyst). By comparison, the average home price during the 12 months ending February 2024 was \$285,000, an increase of less than 1 percent from the previous 12 months.
- New home sales fell 39 percent to 150 homes during the 12 months ending February 2025 compared with a 33-percent decrease a year earlier. The average price for a new home rose 4 percent to \$442,500 compared with a year earlier, when it decreased 1 percent to \$424,200.

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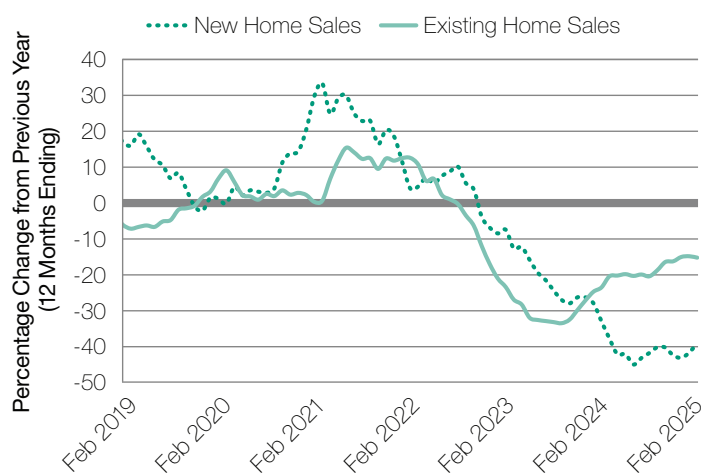
- During the 12 months ending February 2025, existing home sales, which include regular resales and real estate owned (REO) sales, decreased 15 percent to 2,325 homes sold, slowing from a 24-percent decline a year earlier. The average price for existing homes rose 3 percent to \$281,100 compared with a year earlier, when the average price increased 1 percent to \$272,700.
- Weak economic conditions in the metropolitan area have contributed to an increase in seriously delinquent mortgages and REO properties. The share of seriously delinquent

mortgages and REO properties in the metropolitan area increased to 1.6 percent in February 2025, up from 1.1 percent a year earlier (Cotality).

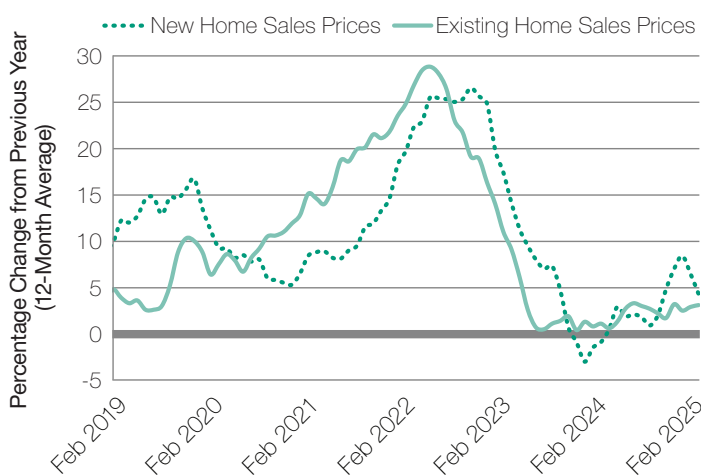
Construction of sales housing in the metropolitan area, as measured by the number of homes permitted, increased significantly in 2021, when the sales market was tight. Since 2022, however, builders have responded to weaker demand due to rising mortgage interest rates and slowing population growth with decreased single-family homebuilding.

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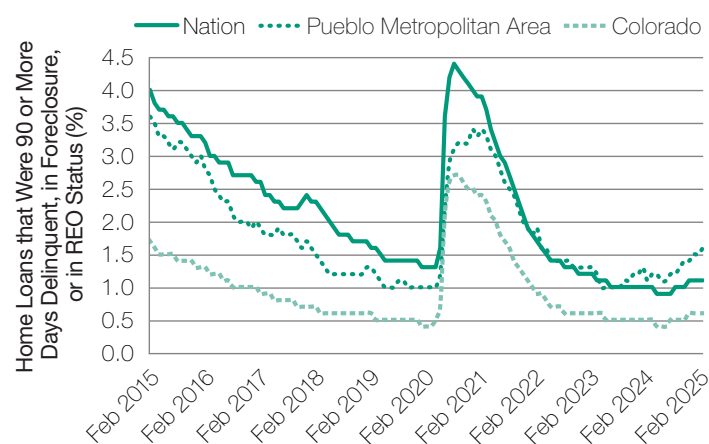
New and existing home sales in the Pueblo metropolitan area have fallen substantially since interest rates rose sharply in 2022.



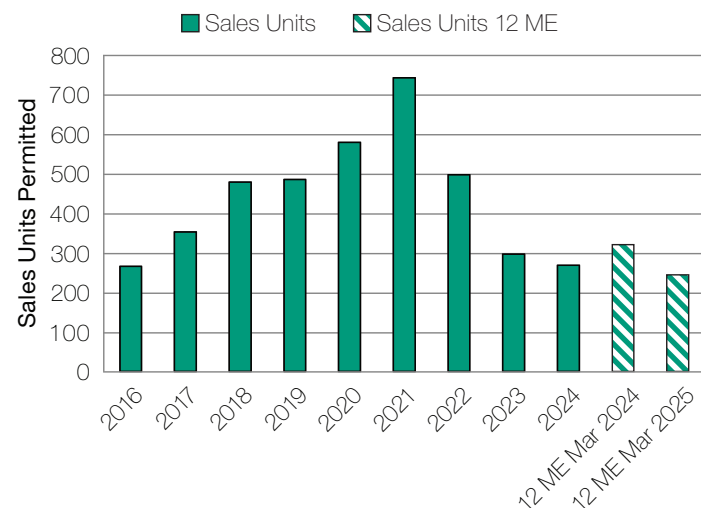
New and existing home sales price growth in the Pueblo metropolitan area has decelerated sharply from its peak in 2022 in response to reduced home sales demand.



The percentage of home loans 90 or more days delinquent, in foreclosure, or in REO status in the Pueblo metropolitan area has been higher than in the state of Colorado and in the nation since July 2023.



The number of homes permitted in the Pueblo metropolitan area has declined since 2022 after increasing each year from 2017 through 2021.



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- Approximately 250 homes were permitted during the 12 months ending March 2025, down 24 percent from the previous 12 months (preliminary data, with adjustments by the analyst).
- Sales permitting increased an average of 23 percent a year, from 350 homes during 2017 to a recent peak of 740 homes permitted in 2021. When mortgage rates rapidly increased, demand for sales housing slowed, and the number of building permits decreased an average of 29 percent annually from 2022 through 2024, when 270 homes were permitted.
- Nearly all the recent new home construction in the metropolitan area has occurred in the city of Pueblo, which has accounted

for 98 percent of all new home sales since the start of 2024 (Zonda). Much of the development has been concentrated in the northern part of the city, including in areas along Highways 50 and 47 and Interstate 25.

- Construction is beginning at the Residences at Villa Bella, a new subdivision east of the Colorado State University Pueblo campus near Highway 47, with sales of 200 to 300 homes a year anticipated during the first phase and plans for up to 3,500 homes at buildout. The three- and four-bedroom single-family homes will range from 1,830 to 2,540 square feet, with prices starting at \$371,950.

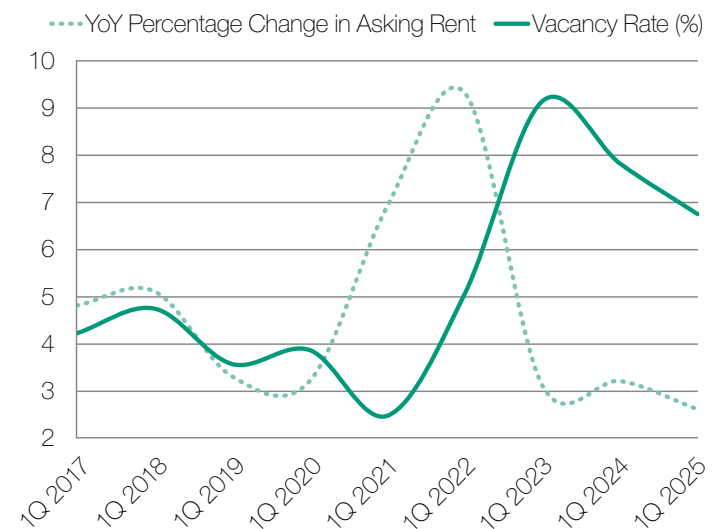
Rental Market Conditions

The rental market in the Pueblo metropolitan area is slightly tight. The estimated vacancy rate for all rental units—including single-family homes, mobile homes, and apartments—is 5.6 percent as of April 1, 2025, down from 6.4 percent in April 2020. Single-family homes accounted for approximately 53 percent of all renter-occupied units in 2023 and have notably lower vacancy rates and higher rents than other unit types (American Community Survey 1-year data). Vacancy rates are generally higher for rental units in structures with five or more units, typically apartments, which accounted for only 26 percent of all renter-occupied units in 2023.

- In January 2025, the average vacancy rate for professionally managed, single-family homes was 2.9 percent, down from 3.0 a year earlier (Cotality). The average rent for a three-bedroom, single-family home was \$1,850, up nearly 10 percent from a year ago.
- The apartment market in the metropolitan area was balanced as of the first quarter of 2025, with a 6.7-percent apartment vacancy rate, down from 7.8 percent a year earlier (CoStar Group). The average apartment rent was \$1,130, up 3 percent from the first quarter of 2024.
- First quarter rent growth for apartment units averaged 5 percent annually from 2020 through 2025. For context, from 2010 through 2019, first quarter rent growth averaged 2 percent each year.
- Average asking rents for one-, two-, and three-bedroom apartments were \$978, \$1,187, and \$1,498, respectively, as of the first quarter of 2025.

Rental construction activity in the metropolitan area has historically been very limited. However, slightly tight rental market conditions contributed to a sharp increase in rental permitting beginning in mid-2024.

Apartment rent growth in the Pueblo metropolitan area has decelerated following a surge in 2021, when apartment conditions were tight.



1Q = first quarter. YoY = year-over-year.
Source: CoStar Group

- Approximately 390 rental units were permitted during the 12 months ending March 2025 compared with no units permitted during the previous 12 months (preliminary data).
- Fewer than 10 rental units were permitted in the metropolitan area from 2020 through 2023. By comparison, rental permitting averaged 80 units each year from 2010 through 2019, when the local economy expanded and the population grew.
- All the units permitted during the most recent 12 months are along Highway 45 in the northwestern part of the city of Pueblo. Pueblo Springs Apartments, a 199-unit, market-rate development that will consist entirely of one-bedroom units,

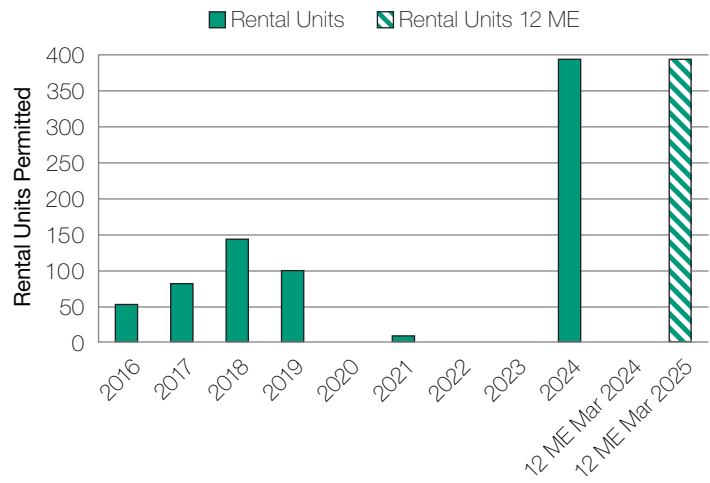
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is under construction and expected to be complete by the summer of 2025. Asking rents have not yet been announced.

- Cottages on the Boulevard, a 194-unit workforce housing development just north of Pueblo Springs Apartments, is under construction and expected to open in mid-2025. The development will include only one-bedroom units restricted to households with incomes between 80 and 120 percent of the Area Median Income.

Rental permitting activity in the Pueblo metropolitan area spiked during the current 12-month period, following a period of limited construction from 2020 through 2023.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—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

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 home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Net Natural Decline	Resident deaths exceed resident births.
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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