COMPREHENSIVE HOUSING MARKET ANALYSIS

Corpus Christi, Texas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2022

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Executive Summary

Housing Market Area Description

The Corpus Christi Housing Market Area (HMA), on the Texas Gulf Coast, is coterminous with the Corpus Christi, TX Metropolitan Statistical Area, which consists of Aransas, Nueces, and San Patricio Counties.

The current population is estimated at 449,100.

The HMA is home to the Port of Corpus Christi, which became the largest U.S. port by total revenue tonnage in 2020. Due in part to the lifting of the crude oil export ban in 2015, initially enacted by the Energy Policy and Conservation Act of 1975, the port is a leading facility for U.S. crude oil exports, which averaged 1.76 million barrels per day during 2021 (Port Corpus Christi).
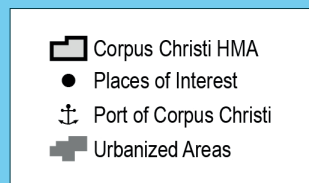
Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Weak, but Improving: Nonfarm payrolls increased 1.4 percent during 2021, remaining 5.4 percent below the prepandemic peak during 2019.

Economic conditions in the Corpus Christi HMA improved during the past year, following a year of nonfarm payroll decline. During 2021, nonfarm payrolls in the HMA increased by 2,600 jobs, or 1.4 percent, to 183,500 jobs, following a decline of 13,000 jobs, or 6.7 percent, during the previous year. A significant portion of the decline during the previous year was in the leisure and hospitality sector, with a decline of 3,700 jobs during the period. Even though the leisure and hospitality sector led job growth during 2021, it remains 2,300 jobs, or 8.8 percent, below the 2019 level. During the 3-year forecast period, nonfarm payrolls are expected to expand at an average annual pace of 1.6 percent, with notable growth expected in goods-producing and service-providing sectors.

Sales Market

Balanced: During 2021, the respective average sales prices for new and existing homes increased 7 and 9 percent.

The home sales market is balanced, with an estimated current vacancy rate of 1.1 percent, down from 2.5 percent in April 2010. The inventory of single-family homes for sale fell to a 1.9-month supply in December 2021, down from 2.5 months a year earlier. New and existing home sales increased 7 percent during 2021 (CoreLogic, Inc., with estimates by the analyst). During the 3-year forecast period, demand is estimated for 4,725 additional sales units; the 900 units under construction are expected to meet a portion of demand during the first year of the forecast period.

Rental Market

Balanced: The average apartment rent in the HMA increased 7 percent, to $1,070 a month, from the fourth quarter of 2020 to the fourth quarter of 2021.

Rental market conditions transitioned from soft in 2010 to balanced; the rental vacancy rate was 12.2 percent in 2010 and has fallen to an estimated 6.8 percent. Strong renter household growth contributed significantly to the absorption of vacant rental units and to the decline in the vacancy rate since 2010. During the 3-year forecast period, demand is expected for 1,750 additional rental units; the 550 units under construction are expected to meet a portion of that demand during the first year of the forecast.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
Corpus Christi HMA Total Demand	4,725	1,750
Under Construction	900	550

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2022. The forecast period is January 1, 2022, to January 1, 2025.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Government

> The leisure and hospitality sector is the fourth largest sector in the Corpus Christi HMA economy, largely supported by the tourism industry; it was the fastest growing sector in the HMA during the past year.

Primary Local Economic Factors

The Corpus Christi HMA has quickly become one of the largest oil and natural gas export hubs in the United States. In 2015, the Energy Policy and Conservation Act (EPCA) of 1975, which banned the export of petroleum products, was lifted. With the proximity of the HMA to the Eagle Ford Shale and Barnett Shale fields, the Port of Corpus Christi is now a prime location for the expansion of petroleum processing and distribution. The HMA is also a significant tourist destination that benefits from more than 113 miles of Gulf Coast beaches. Prior to the impacts of the COVID-19 pandemic, an estimated 8 million people visited the HMA annually, generating an annual economic impact of nearly $1 billion (Visit Corpus Christi). During 2020, the impacts of measures to slow the spread of COVID-19 resulted in a reduction in tourism to the HMA, with an estimated decline in the economic impact of $520 million to the HMA. The leisure and hospitality sector has so far recovered 85 percent of the jobs lost during April 2020 because of

the impacts of the COVID-19 pandemic (not seasonally adjusted). Naval Air Station Corpus Christi, the largest employer in the HMA, contributed an estimated $2.7 billion to the local economy during 2019 (Texas Comptroller of Public Accounts).

Current Conditions—Nonfarm Payrolls

Economic conditions in the HMA are weak, but improving, with nonfarm payrolls averaging 183,500 in 2021. Nonfarm payrolls increased by 2,600 jobs, or 1.4 percent, during the past year (Table 1), after declining by 13,000 jobs, or 6.7 percent, during 2020. During April 2020, nonfarm payrolls declined by 21,200 jobs, down from the 191,800 nonfarm jobs recorded in March 2020 (not seasonally adjusted) due to the measures implemented to slow the spread of COVID-19. Since April 2020, the HMA has recovered 81 percent of the jobs lost because of the impacts of the COVID-19 pandemic.

The service-providing sectors led growth during 2021, with job gains in seven of the nine sectors. The leisure and hospitality sector led growth, with a gain of 1,400 jobs, or 6.2 percent; job gains were primarily attributed to the partial recovery of jobs lost due to the COVID-19 pandemic. The wholesale and retail

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Corpus Christi HMA, by Sector
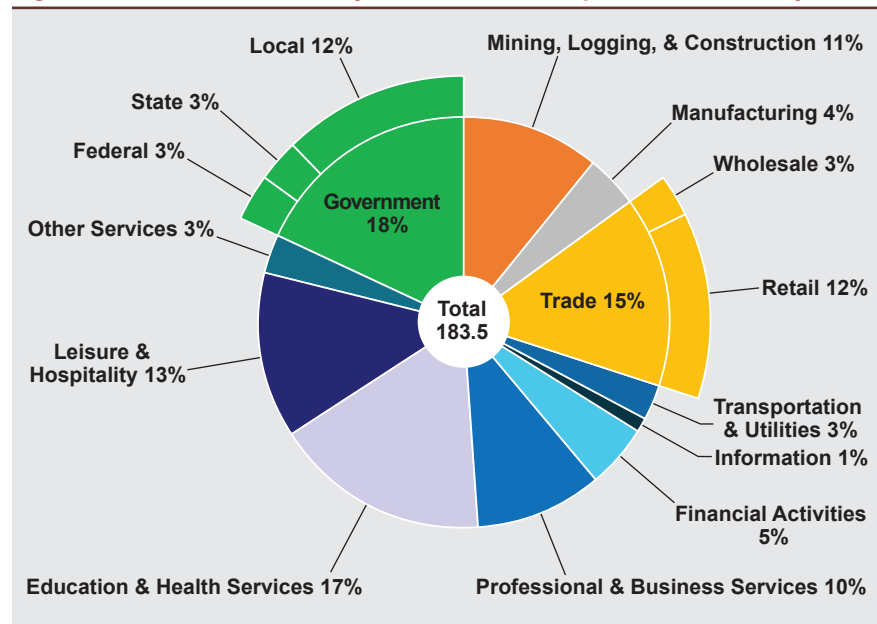
	12 Months Ending December 2020	12 Months Ending December 2021	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**180.9**	**183.5**	**2.6**	**1.4**
Goods-Producing Sectors	27.9	27.4	-0.5	-1.8
Mining, Logging, & Construction	19.8	19.6	-0.2	-1.0
Manufacturing	8.1	7.8	-0.3	-3.7
Service-Providing Sectors	153.0	156.1	3.1	2.0
Wholesale & Retail Trade	26.2	27.2	1.0	3.8
Transportation & Utilities	5.9	6.2	0.3	5.1
Information	1.5	1.4	-0.1	-6.7
Financial Activities	8.2	8.3	0.1	1.2
Professional & Business Services	17.5	17.8	0.3	1.7
Education & Health Services	31.4	31.6	0.2	0.6
Leisure & Hospitality	22.5	23.9	1.4	6.2
Other Services	5.7	5.8	0.1	1.8
Government	34.3	33.8	-0.5	-1.5

Notes: Based on 12-month averages through December 2020 and December 2021. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

trade sector, the third largest sector in the HMA, had the second largest gain in 2021, up by 1,000 jobs, or 3.8 percent (Figure 1). The transportation and utilities sector added 300 jobs, or 5.1 percent, which followed a gain of 200 jobs, or 3.5 percent, during 2020. Transportation and utilities was the only sector to post gains during 2020 (Figure 2), partly due to an increase in delivery services spurred by a rise in e-commerce during the pandemic. During 2021, job gains in the service-providing sectors were partially offset by losses in the government sector and the information sector, which declined by 500 and 100 jobs, or 1.5 and 6.7 percent, respectively. The losses in the government sector were largely due to the decline in population from 2016 to 2019 and the subsequent decline in public school enrollments. Even though the

Corpus Christi Independent School District (ISD) added 1,900 students in the fall of 2021, enrollment remains 1,500 students below the 2018–19 school year.

In 2021, declines in the goods-producing sectors continued, a trend that began in 2018. The mining, logging, and construction sector declined by 200 jobs, or 1.0 percent, during 2021, followed by a decline of 4,600 jobs, or 18.7 percent, during 2020. The sector typically expands and contracts in conjunction with the start and completion of construction of large petrochemical processing facilities and the need for temporary workers who perform repair and maintenance on the existing facilities in the HMA. The decline in mining, logging, and construction sector jobs during the past 2 years is due, in part, to the near completion of projects related to Gulf Coast Growth Ventures, which employed as many as 6,000 temporary workers during construction. The manufacturing sector declined by 300 jobs, or 3.7 percent, during 2021, followed by a decline of 300 jobs, or 3.6 percent, during 2020. Job losses were partly due to supply-chain disruptions caused by the countermeasures implemented to slow the spread of COVID-19, which are expected to be short-lived, as suppliers

Figure 1. Share of Nonfarm Payroll Jobs in the Corpus Christi HMA, by Sector
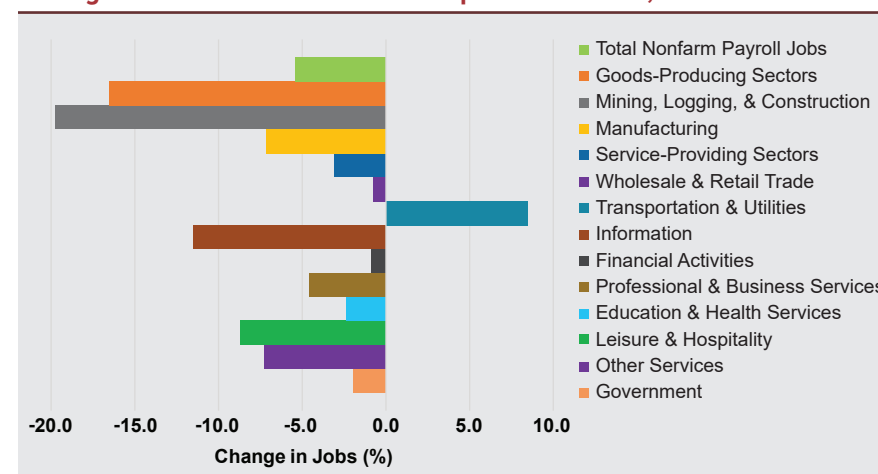

Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2021.
Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the Corpus Christi HMA, 2020 to Current**

Note: The current date is January 1, 2022.
Source: U.S. Bureau of Labor Statistics

recover from labor shortages and the subsequent shortages of manufacturing inputs.

Current Conditions— Unemployment

As jobs lost due to the COVID-19 pandemic partially returned during the past year, the unemployment rate has declined. The HMA unemployment rate averaged 7.5 percent during 2021, down from 9.1 percent during 2020 and down from the previous peak of 8.6 percent during 2010 (Figure 3). During 2021, the respective rates for the state and nation were 6.1 and 5.3 percent.

**Figure 3. 12-Month Average Unemployment Rate in the Corpus Christi HMA and the Nation**
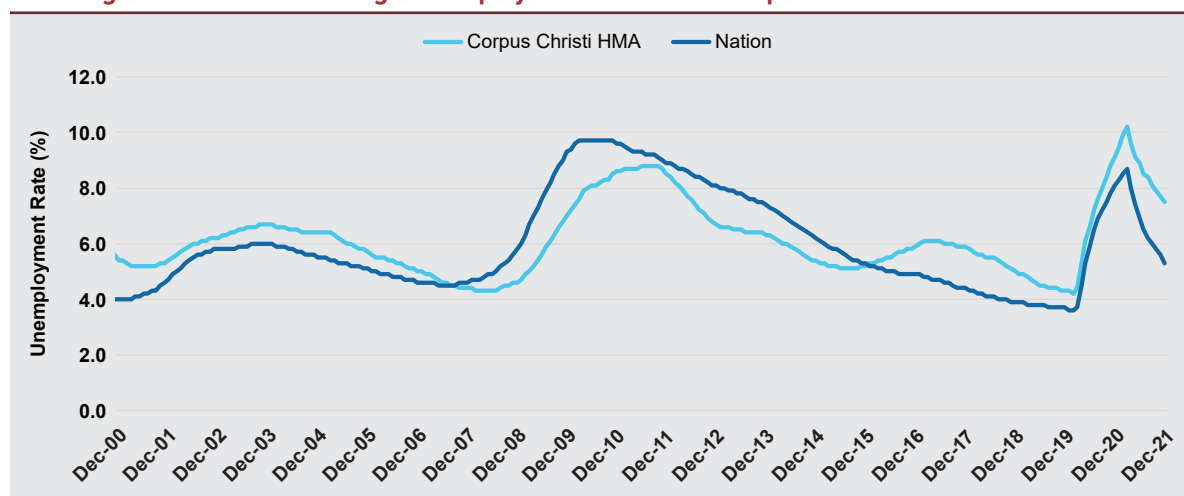
Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2004 Through 2008

From 2004 through 2008, nonfarm payrolls in the HMA grew by an average of 3,300 jobs, or 1.9 percent, annually, to 184,100 (Figure 4). The mining, logging, and construction sector led job growth in the HMA during the period, when strong economic conditions resulted in record high levels of residential construction. The sector increased by an average of 1,100 jobs, or 5.6 percent, annually during the period. Increased home construction activity and sales contributed to an increased demand for household goods and furnishings; as a result, the wholesale and retail trade sector added an average of 600 jobs, or 2.4 percent, a year during the period.

Figure 4. 12-Month Average Nonfarm Payrolls in the Corpus Christi HMA
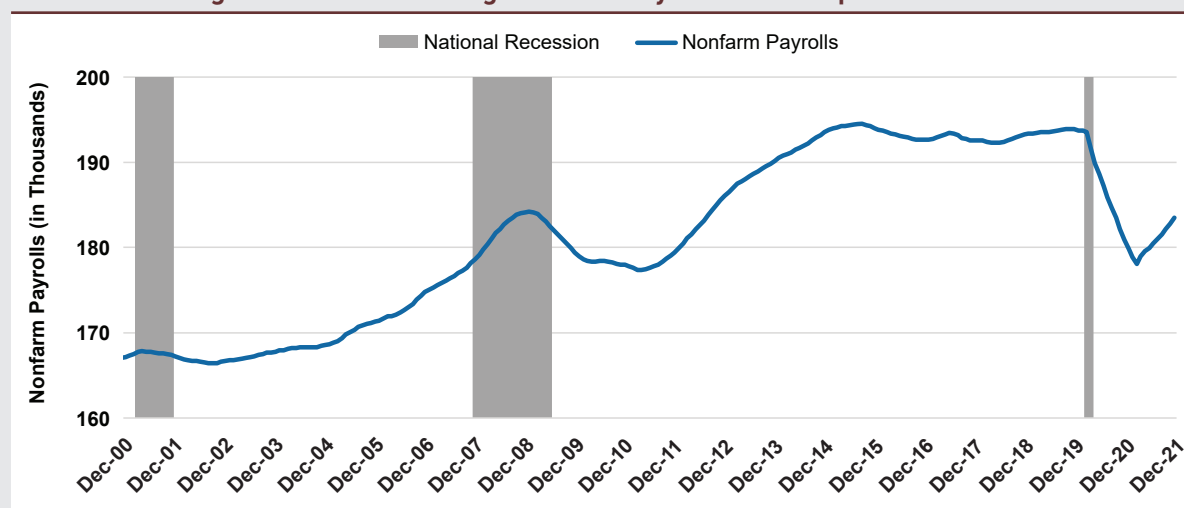
Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

2009 Through 2010

Job losses in the HMA were relatively modest in the late 2000s. Nonfarm payrolls declined in 2009 and 2010 at an average annual rate of 3,000, or 1.7 percent, partly because of the effects of the national recession, ending in June 2009. By comparison, nonfarm payrolls for the nation declined an average of 2.4 percent, annually, during the same period. All but two sectors lost jobs in the HMA from 2009 through 2010. The mining, logging, and construction sector had the largest decline, losing an average of 1,600 jobs, or 7.5 percent, annually, due in part to a substantial reduction in residential construction. The wholesale and retail trade sector lost an average of 1,000 jobs, or 3.7 percent, annually. Job losses in the HMA were partially offset by gains in the education and health services sector and the government sector, expanding at average annual rates of 1,400 and 600 jobs, or 4.9 and 1.7 percent, respectively.

2011 Through 2015

Nonfarm payrolls in the Corpus Christi HMA increased by an average of 3,200 jobs, or 1.7 percent, annually from 2011 through 2015, to 194,000 jobs. The mining, logging, and construction sector gained an average of 1,600 jobs, or 7.4 percent, annually from 2011 through 2014, accounting for approximately 41 percent of all the jobs added. Oil production from the Eagle Ford Shale was the driving force for the increase, expanding from an average of 843,000 barrels

a day during 2010 to an average of 1.08 million barrels a day during 2014. Oil prices began to decline in late 2013, falling from $105 a barrel in December 2013 to $61 a barrel in December 2014, contributing to a decrease in the mining, logging, and construction sector of 900 jobs, or 3.4 percent, during 2015.

2016 Through 2017

During 2016 and 2017, nonfarm payrolls in the HMA declined at an average annual rate of 800, or 0.4 percent, and workers left the HMA in search of jobs. Oil prices continued to decline to $30 a barrel during January 2016, primarily a result of decreasing global demand for all oil- and gas-related products. Subsequently, the manufacturing sector led job losses, declining by an average of 600 jobs, or 6.6 percent, annually. The other services sector lost an average of 500 jobs, or 6.3 percent, annually. During the period, the only sectors to add jobs were the education and health services sector, the mining, logging, and construction sector, and the government sector, with average annual gains of 800, 600, and 300 jobs, or 2.5, 2.4, and 0.7 percent, respectively. Of the top 10 largest employers in the HMA, 8 are in these three sectors (Table 2).

2018 Through 2019

During 2018 and 2019, nonfarm payrolls increased by an average of 700 jobs, or 0.4 percent, annually. Improvements in the local economy, resulting from the lifting of the EPCA in 2015, were partially delayed because of declining oil prices and the disruption caused by the impact of Hurricane Harvey, which reached landfall at Port Aransas in August 2017. Six of the 11 sectors added jobs during the period. The

Table 2. Major Employers in the Corpus Christi HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Naval Air Station Corpus Christi	Government	4,600
H-E-B, LP	Wholesale & Retail Trade	3,840
Corpus Christi Army Depot	Government	3,400
CHRISTUS Spohn Health System	Education & Health Services	3,000
City of Corpus Christi	Government	2,963
Bay Ltd.	Mining, Logging, & Construction	2,750
Driscoll Children's Hospital	Education & Health Services	2,512
Nueces County	Government	2,000
Kiewit Offshore Services Ltd.	Manufacturing	1,750
Corpus Christi Medical Center	Education & Health Services	1,620

Notes: Excludes local school districts. Data for Corpus Christi Army Depot and Naval Air Station Corpus Christi include 45 and 1,900 military personnel, respectively, who are generally not included in nonfarm payroll survey data.
Source: Corpus Christi Regional Economic Development Corporation, January 2020

professional and business services sector led the growth, with an average gain of 900 jobs, or 5.2 percent, annually. Job gains in the professional and business services sector were partly attributed to the hiring of engineers in the preparation of the construction of the $22 billion Exxon Mobil Corporation and Saudi Basic Industries Corporation (SABIC) joint venture. The education and health services sector, the second largest sector in the HMA, had the second largest gain, up by an average of 500 jobs, or 1.7 percent, annually. The leisure and hospitality sector added an average of 300 jobs, or 1.0 percent, annually,

whereas the manufacturing sector increased by 100 jobs, or 1.2 percent, annually. Job gains in the manufacturing sector were partly due to the completion of the second of three liquified natural gas (LNG) export terminals by Cheniere Energy, Inc., which resulted in the addition of approximately 250 jobs. Job gains in the HMA were partially offset by losses in three sectors, including the mining, logging, and construction sector, which declined by an average of 1,000 jobs, or 3.9 percent, annually. The losses were largely due to the completion of the construction of the second LNG export terminal.

Forecast

Job growth is expected to continue in the HMA during the forecast period at a slightly faster pace compared with the rate of growth during the past year. During the next 3 years, payrolls are expected to increase an average of 1.6 percent annually. The goods-producing sector and the service-providing sector are expected to contribute to payroll growth during the next 3 years. More than $52 billion in planned and underway industrial projects will result in growth in manufacturing and construction jobs. Exxon Mobil Corporation and SABIC are expected to complete their Gulf Coast Growth Ventures facility in January 2022. The venture, which includes the largest ethane steam cracker as a portion of the $22 billion petrochemical plant, will employ 600 employees when fully operational in 2022 and is expected to create a $50 billion economic impact in the HMA during the first 6 years

of operation. Steel Dynamics, Inc. completed construction of a $1.9 billion steel mill in December 2021, which will employ 700 permanent workers when the plant is fully functional by the end of 2022. The Harbor Bridge will be replaced as part of the Port of Corpus Christi Channel Improvement Project, a project which will support more than 200 construction jobs through 2024. The $930 million main span cable-stayed bridge will be the longest in the United States when complete in late 2024; it will provide a 205-foot vertical clearance for larger cargo vessels to enter the Corpus Christi Ship Channel. The Channel Improvement Project, which will deepen and widen the Port of Corpus Christi to 52 and 530 feet, respectively, began in early 2019; the $380 million project is expected to support post-Panamax ships when complete in 2024.

Population and Households

Current Population: 449,100

Net out-migration offset <u>net natural increase</u>, resulting in population decline in the Corpus Christi HMA from 2015 to 2019, but net in-migration has added to population growth in the HMA since 2019.

Population Trends

Population growth in the HMA has been highly linked to economic trends during much of the past two decades, particularly regarding employment changes in the petroleum industry. On average, net in-migration accounted for 42 percent of annual population growth in the HMA from 2011 to 2015. Net out-migration from 2015 to 2019 more than offset net natural increase, resulting in a decline in population (Figure 5). Since 2019, net in-migration has accounted for 11 percent of population growth in the HMA.

Changes in nonfarm payrolls have had a significant impact on population growth in the HMA. From 2006 to 2011, when the economy was weaker before the increased oil and gas activity in Eagle Ford Shale, population growth was slower, averaging 2,150 people, or 0.5 percent, annually. During this period, the

Figure 5. Components of Population Change in the Corpus Christi HMA, 2000 Through the Forecast
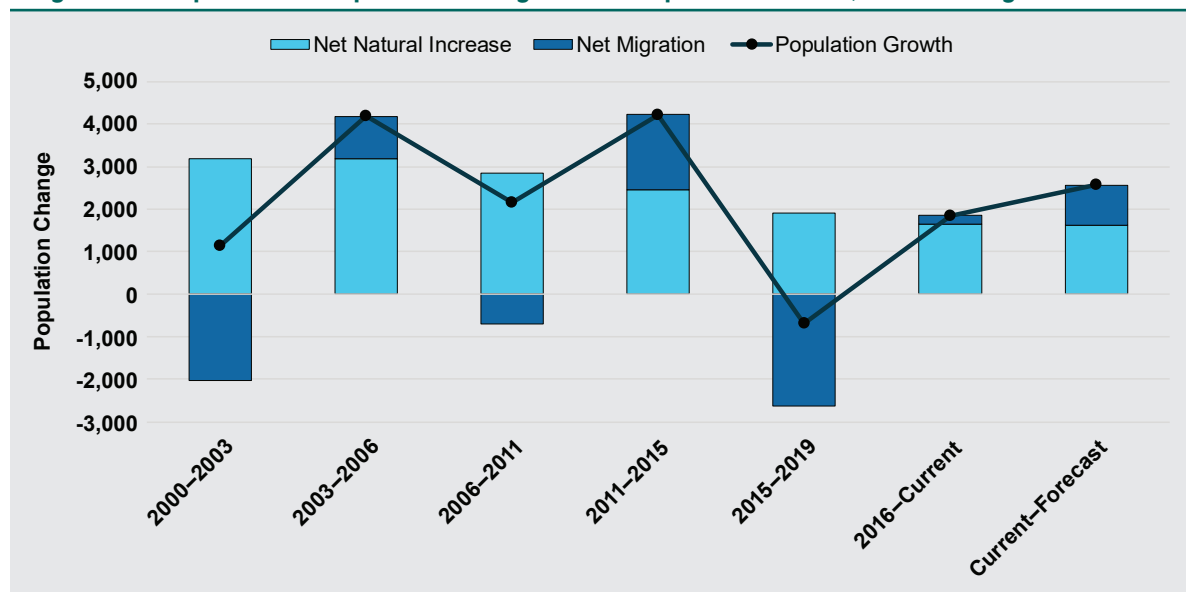
Notes: Data displayed are average annual totals. The forecast period is from the current date (January 1, 2022) to January 1, 2025.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

average net out-migration of 700 people annually was offset by an average net natural increase of 2,850 people annually. The period of greatest population growth in the HMA was from 2011 to 2015, when the population increased by an average of 4,225, or 1.0 percent, annually (Census Bureau population estimate as of July 1. Net in-migration accounted for 42 percent of all population growth, primarily a result of job seekers moving into the HMA because of strong nonfarm payroll growth. From 2015 to 2019, net out-migration of 2,600 people annually offset a net natural increase of 1,900 people a year, resulting in a population decline of 710 annually. Declines in nonfarm payrolls during this period contributed to slower population growth than during the period from 2011 to 2015. Hurricane Harvey made landfall near the end of this period, and the effect of the storm on migration patterns was primarily on the level of out-migration; out-migration was mitigated because of the availability of vacant residential units in the HMA. Since 2019, in-migration has resumed, primarily due to improved economic activity in the HMA. During 2020, measures to slow the spread of COVID-19 had a remarkable impact on migration nationwide, but as measures have been lifted, in-migration into the HMA has resumed, albeit minimally. Since 2019, population growth has

increased to an average of 1,850 annually, and net in-migration has averaged 200 people annually. Map 1 shows population growth at the census tract level, comparing 2010–14 data with 2015–19 data.

Household Trends

Household growth in the Corpus Christi HMA slowed since 2010, compared with the 2000s. As of January 1, 2022, an estimated 168,400 households reside in the HMA, reflecting an average annual increase of 970 households, or 0.6 percent, since 2010. By comparison, from 2000 to 2010, the number of households increased by an average of 1,550, or 1.0 percent, each year. An estimated 65.1 percent of current households, or 109,700 households, are homeowners, and the remaining 58,700 are renter households. The homeownership rate increased from 2000 and 2010, when 63.3 and 62.8 percent of households, respectively, were homeowners (Figure 6). The increase was partly due to owner-occupied housing being more likely to be repaired or replaced following damage from Hurricane Harvey.

Forecast

During the 3-year forecast period, population growth is expected to increase from recent levels to a rate consistent with the average growth during the 2000s and early 2010s. The population

Map 1. Average Annual Population Change by Census Tract in the Corpus Christi HMA
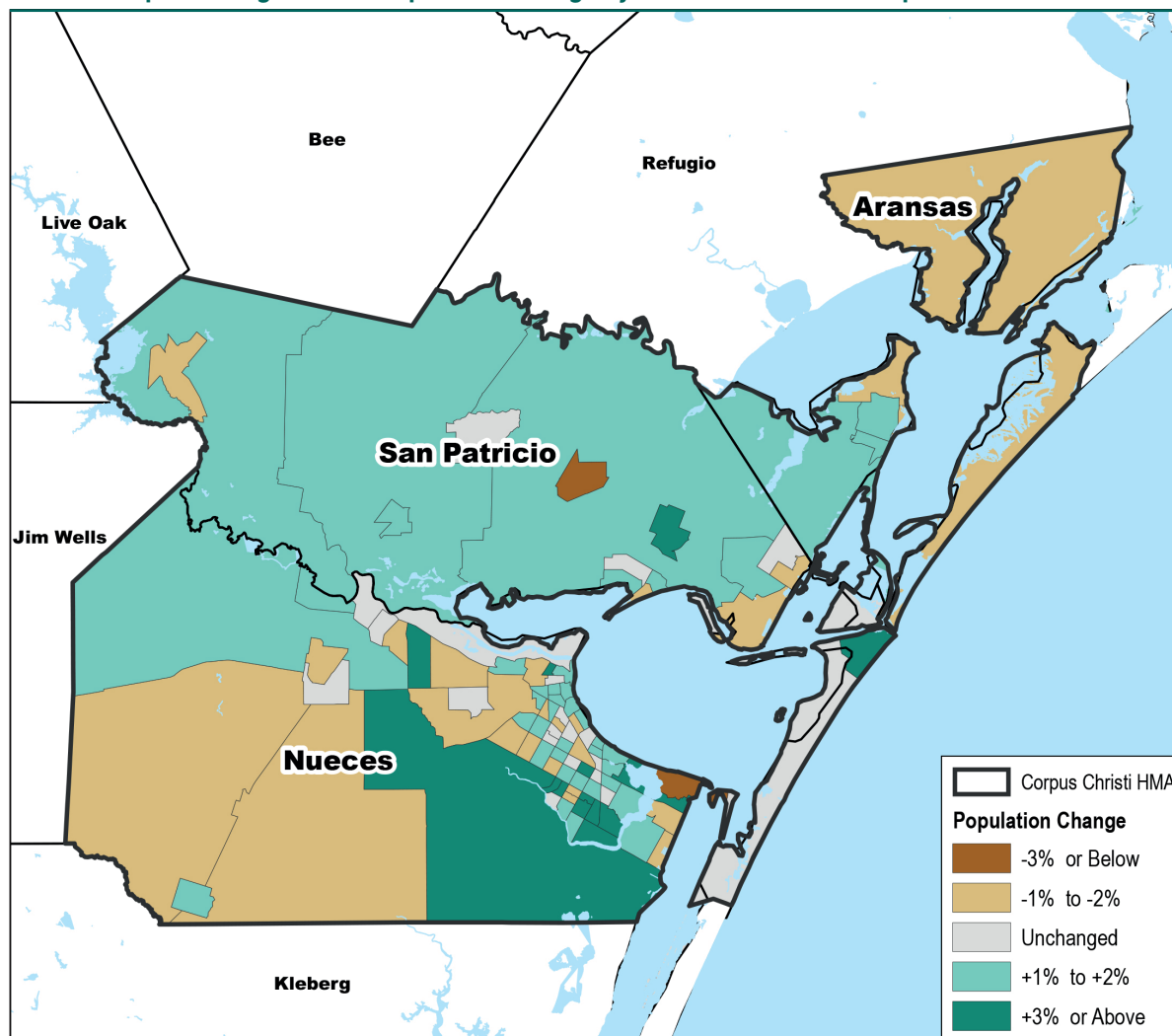

Source: U.S. Census Bureau

is projected to reach 456,800 by January 1, 2025, reflecting average annual growth of 2,575, or 0.6 percent (Table 3).

As economic conditions improve and net in-migration increases, the number of households in the HMA is expected to increase by an average of 1,600, or 0.9 percent, annually during the next 3 years, reaching 173,300 by January 1, 2025. Nearly 35 percent of new household formations are expected to be renter households, which will maintain the current homeownership rate during the forecast period.

Figure 6. Households by Tenure and Homeownership Rate in the Corpus Christi HMA
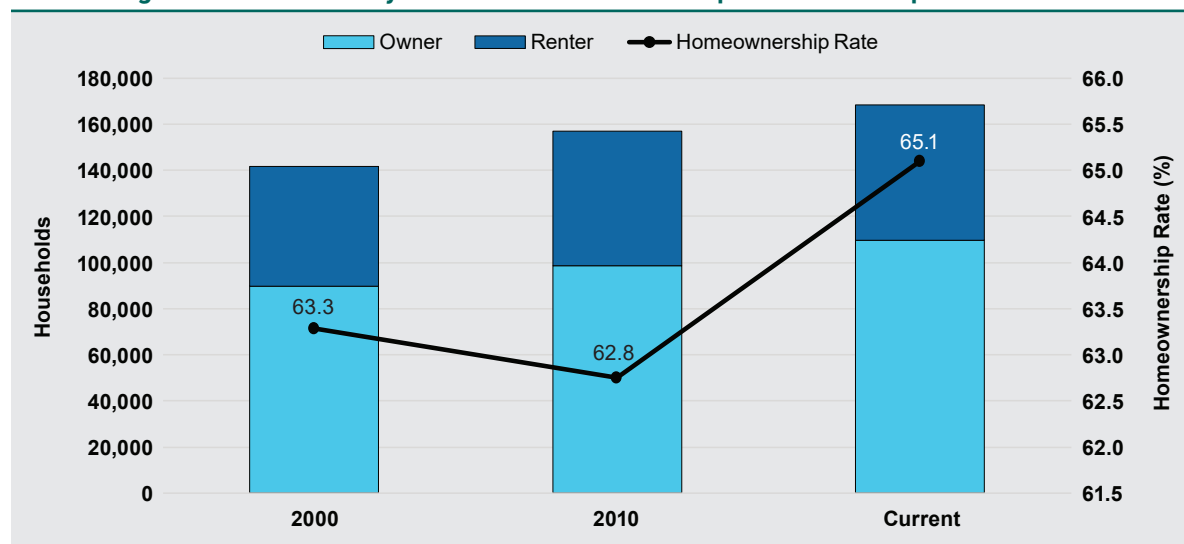
Note: The current date is January 1, 2022.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Table 3. Corpus Christi HMA Population and Household Quick Facts

Population Quick Facts		2010	Current	Forecast
	Population	428,185	449,100	456,800
	Average Annual Change	2,500	1,775	2,575
	Percentage Change	0.6	0.4	0.6

Household Quick Facts		2010	Current	Forecast
	Households	157,019	168,400	173,300
	Average Annual Change	1,550	970	1,600
	Percentage Change	1.0	0.6	0.9

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (January 1, 2022) to January 1, 2025.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Home Sales Market

Market Conditions: Balanced

> Existing home sales in the Corpus Christi HMA increased 9 percent during 2021, and new home sales declined by 9 percent, even though single-family home permitting was like the previous year.

Current Conditions

The sales housing market in the Corpus Christi HMA is balanced, with an estimated sales vacancy rate of 1.1 percent (Table 4), down from 2.5 percent in 2010. The for-sale inventory for single-family homes in the HMA fell from a 2.5-month supply in December 2020 to a 1.9-month supply in December 2021 (CoreLogic, Inc., with adjustments by the analyst). New and existing home sales in the HMA increased to 13,350 homes sold during 2021, up 7 percent compared with the previous year. During the same period, the average new and existing home sales price increased 9 percent to $260,700.

Home Sales

Resale home sales in the HMA peaked at 9,850 homes sold during 2006, before falling from 2007 through 2010; they generally increased each year since then (CoreLogic, Inc., with adjustments by the analyst). From 2007 through 2008, resale home sales fell an average of

Table 4. Home Sales Quick Facts in the Corpus Christi HMA

		Corpus Christi HMA	Nation
Home Sales Quick Facts	Vacancy Rate	1.1%	NA
	Months of Inventory	1.9	2.1
	Total Home Sales	13,350	6,861,000
	1-Year Change	7%	5%
	New Home Sales Price	$317,500	$454,400
	1-Year Change	7%	17%
	Existing Home Sales Price	$256,800	$370,000
	1-Year Change	9%	11%
	Mortgage Delinquency Rate	3.4%	2.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2021; months of inventory and mortgage delinquency data are as of December 2021. The current date is January 1, 2022.
Sources: Vacancy rate—estimates by the analyst; months of inventory—CoreLogic, Inc.; HMA home sales and prices—CoreLogic, Inc.; national home sales and prices—National Association of REALTORS®, U.S. Census Bureau, and HUD

1,275, or 14 percent, annually. Sales continued to fall an average of 10 percent, or by 710 sales, annually from 2009 through 2010, to 5,900 sales during 2010. From 2011 through 2012, resale home sales rose by an average of 990, or 16 percent, annually, before slowing to an average increase of 170 sales, or 2 percent, annually from 2013 through 2017. Resales began to increase at a faster rate from 2018 through 2020, increasing by an average of 780, or 8 percent, annually. During 2021, resale home sales increased to 12,250, up 11 percent from the 11,050 sales recorded a year earlier. The recent increase in resale homes is partly due to the historically low mortgage rates.

New home sales decreased during the past year after increasing for 2 years. The 1,000 new home sales during 2021, down 9 percent from a year earlier, was the lowest number sold since 2018 (CoreLogic, Inc., with adjustments by the analyst). The reduction in new home sales during the past year is primarily due to a shortage of building materials, a result of the impacts of the COVID-19 pandemic, causing delays in new home construction. After reaching a peak of 1,475 in 2007, new homes sales declined during the next 4 years to the recent low of 530 homes sold in 2011. New home sales subsequently increased an average of 26 percent annually from 2012 through 2014, when economic conditions strengthened. From 2015 through 2018, new home sales declined an average of 2 percent annually, when out-migration was strongest. Following the damage caused by Hurricane Harvey, new home sales increased an average of 5 percent annually from 2019 through 2020, to 1,100 homes sold during 2020 (Figure 7).

REO Sales and Delinquent Mortgages

Hurricane Harvey, a category 4 hurricane that reached landfall east of the HMA in August 2017, resulted in severe property damage and flash flooding in the HMA. An increase in the number of seriously delinquent mortgages and real estate owned (REO) properties followed the storm. During January 2018, the rate of seriously delinquent mortgages and REO properties peaked at 6.6 percent of all home loans, compared with the previous high of 5.7 percent during January 2010 during the national housing crisis. The rate of seriously delinquent mortgages and REO properties declined to 1.9 percent in March 2020. The impact of the countermeasures implemented to slow the spread of COVID-19 resulted in a temporary spike in seriously delinquent mortgages. Those mortgages were almost exclusively 90 or more days delinquent; they did not move into REO status primarily due to the forbearance requirements for federal-government-backed mortgages enacted in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. During September 2020, the rate of seriously delinquent mortgages reached a recent peak of 6.3 percent. Although the rate of seriously delinquent mortgages and REO properties remains elevated, at 3.4 percent during December 2021, the number of REO properties has been in general decline since 2011 and is at the lowest level recorded in more than 2 decades.

Figure 7. 12-Month Sales Totals by Type in the Corpus Christi HMA
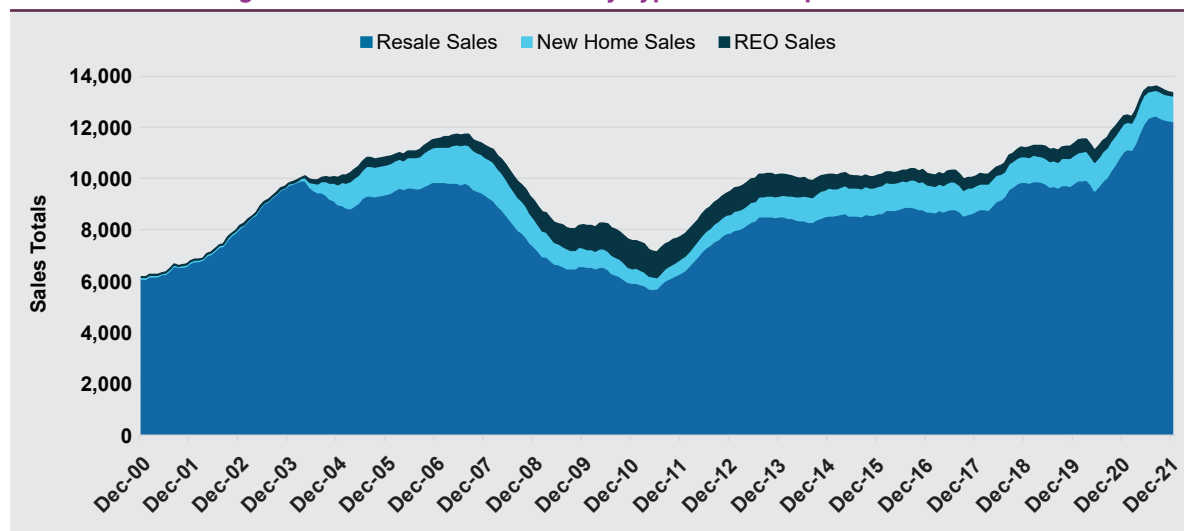
REO = real estate owned.
Source: CoreLogic, Inc., with adjustments by the analyst

REO home sales peaked at 1,100 homes sold during 2010, accounting for nearly 16 percent of existing home sales. By contrast, from 2011 through 2016, approximately 670 REO homes were sold annually, accounting for only 8 percent of existing home sales. As the percentage of seriously delinquent mortgages declined, REO home sales declined from 2017 through 2020 to 390 annually, accounting for less than 4 percent of existing home sales. During 2021, 140 REO homes sold, a decline of 55 percent compared with the 310 REO home sales during 2020.

Home Sale Prices

During 2021, the average sales price of existing homes in the HMA increased 9 percent to $256,800. The low supply of homes available for sale during the past year—and increased buyer demand—contributed to the substantial home sales price growth. The prevalence of REO sales significantly impacted home prices in the HMA since the late 2000s, particularly from 2008 through 2010, when resale home prices declined an average of 4 percent, or $5,925, annually. The average sales price in the HMA for resale homes increased during all but 1 year since 2010 because REO sales have generally become less common. From 2011 through 2016, when in-migration was strongest, the average resale home sales price increased 4 percent

annually to $193,400. During 2017, average resale home prices declined 2 percent to $190,100, due in part to the impact of Hurricane Harvey and a subsequent temporary increase in the number of seriously delinquent home loans. From 2018 through 2020, the average sales price for resale homes increased 8 percent annually to $236,800.

Average new home sales prices have increased every year since 2013, following a single year of decline during 2012. The average sales price for a new home during 2021 was $317,500, reflecting an increase of 7 percent from a year earlier. During 2011, the average sales price increased 12 percent from 2010, declined 3 percent during 2012, and then increased an average of 5 percent annually from 2013 through 2020 (Figure 8).

Sales Construction

Beginning in 2012, builders responded to the rise in new home sales by increasing home construction, measured by the number of single-family home, townhome, and condominium building permits issued, compared with the period of 2008 through 2011 (Figure 9). New home construction was strong from 2003 through 2007, when an average of 2,000 units were permitted annually. The housing crisis in the Corpus Christi HMA began in 2008 and resulted in slower new home construction through 2011; developers were hesitant to build while average new home prices continued to decline. The number of permits fell by an

Figure 8. 12-Month Average Sales Price by Type of Sale in the Corpus Christi HMA
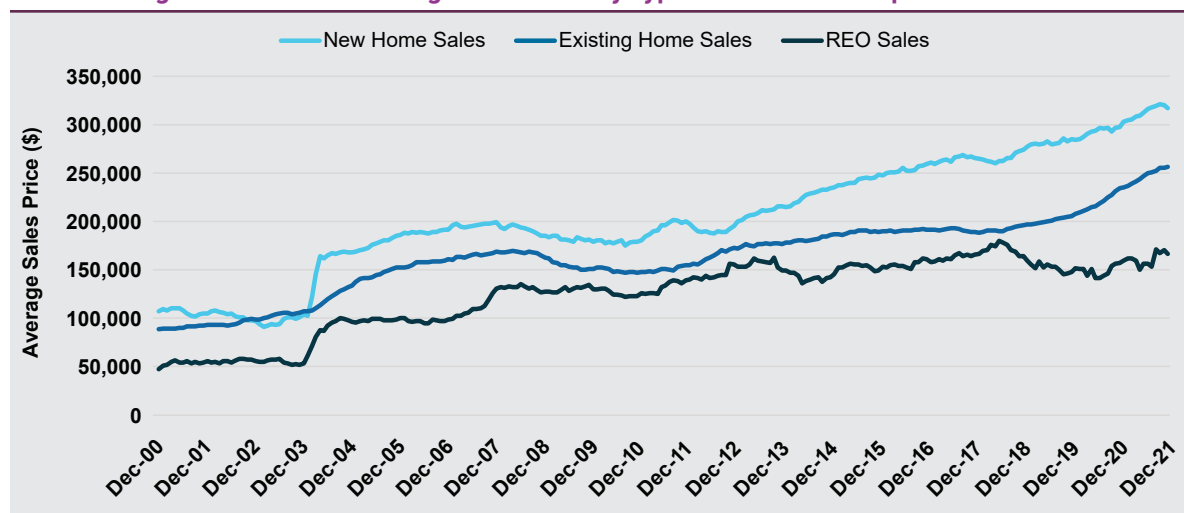
Source: CoreLogic, Inc., with adjustments by the analyst

Figure 9. Annual Sales Permitting Activity in the Corpus Christi HMA
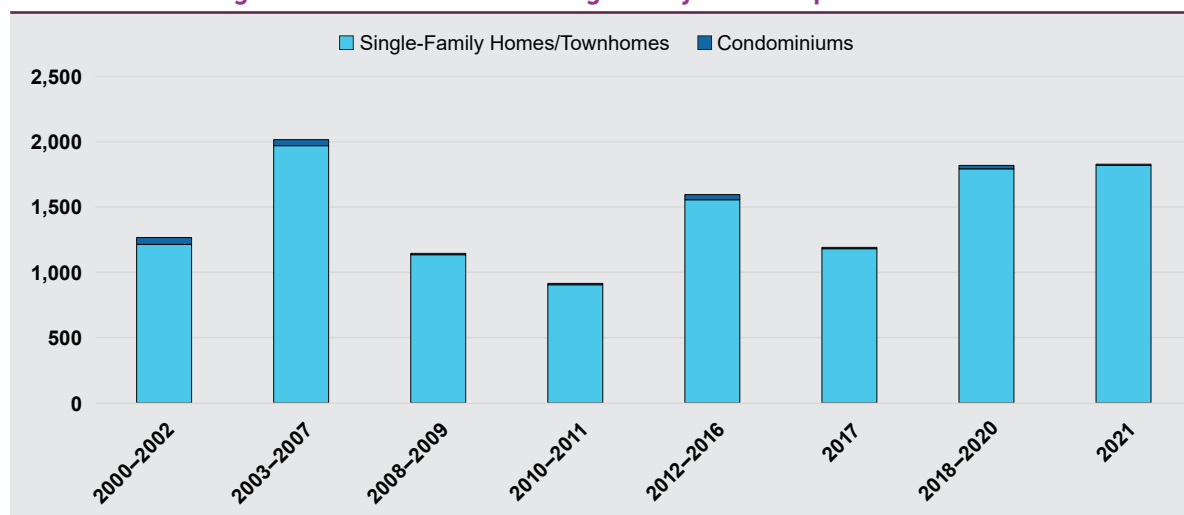
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

average of 24 percent annually during 2008 and 2009 to 1,050 units during 2009. New home permitting continued to decline by an average 8 percent annually during 2010 and 2011. During 2011, 890 new homes were permitted, the lowest level since 1992. Builders responded to improved economic conditions, net in-migration, and a reduction in REO properties with increased permitting activity beginning in 2012. From 2012 through 2016, an average of 1,600 homes were permitted annually. During 2017, permitting declined 33 percent, compared with the previous year, to a recent low of 1,175 units permitted, primarily due to increased out-migration. From 2018 through 2020, an average of 1,825 homes were permitted annually, an increase partly due to the replacement of homes lost because of Hurricane Harvey. During 2021, the number of homes permitted was relatively unchanged from the previous 3 years, with 1,825 units permitted (preliminary data). New home construction has been concentrated within the city of Corpus Christi during the past year, primarily in the southern portion of the city. The Cottages at the Park, a south side neighborhood in the city of Corpus Christi, offers single-family homes that start at $350,000. Also, on the south side of Corpus Christi, Villages at Rancho Vista (North and South), a recent development with plans for

175 single-family homes when complete, is offering new single-family homes with prices starting at $310,000.

Forecast

During the 3-year forecast period, demand is expected for 4,725 new homes, with demand evenly distributed annually (Table 5). The 900 homes under construction will satisfy some of that demand during the first year of the forecast. Even though population and household growth are expected to increase during the forecast, demand for fewer additional units compared with recent years is expected as demand for replacement homes lost to Hurricane Harvey declines.

Table 5. Demand for New Sales Units in the Corpus Christi HMA During the Forecast Period

Sales Units	
Demand	4,725 Units
Under Construction	900 Units

Note: The forecast period is from January 1, 2022, to January 1, 2025.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

Rental unit construction in the Corpus Christi HMA slowed from the recent peak during 2019, when builders responded to improving economic conditions.

Current Conditions and Market Trends

Overall rental housing market conditions in the HMA are balanced, with an estimated rental vacancy rate of 6.8 percent, down significantly from 12.2 percent in 2010. Relatively low multifamily construction from 2007 through 2012 and increased rental household growth spurred by the housing crisis contributed to declining vacancy rates and rising rents during much of the period since 2009. Rental market conditions softened briefly in 2017 and 2018, but relatively low levels of rental construction have since brought the market into balance.

Approximately 37 percent of renter households in the HMA live in single-family homes (American Community Survey, 2019 1-year data; Table 6). Approximately 21 percent of renter households live in buildings with two to four units, and 38 percent live in larger buildings with five or more units. For professionally managed single-family homes, the rental vacancy rate was 3.6 percent in

December 2021, up slightly from 3.5 percent in December 2020; the average rent for a single-family home increased 16 percent to $1.42 per square foot (CoreLogic, Inc.). Rents for professionally managed homes averaged $1,228, $1,771, $2,100, and $2,653 for one-, two-, three-, and four-bedroom homes, respectively. The vacancy rate among single-family home rentals declined from 3.6 percent to 2.9 percent from 2012 through 2016, with average annual rent growth of 6 percent. Rents increased an average of 2 percent annually from 2017 through 2020, and the average vacancy rate increased from 3.0 to 3.5 percent.

During the fourth quarter of 2021, the apartment vacancy rate was estimated at 8.7 percent, down from 9.2 percent during the fourth quarter of 2020 (CoStar Group; Figure 10). The vacancy rate decreased during the past year as reduced rental construction during the past 2 years allowed for the absorption of the large number of units completed during 2019. During the fourth quarter of 2021, the average apartment rent increased 7 percent from the fourth quarter of

Table 6. Rental and Apartment Market Quick Facts in the Corpus Christi HMA

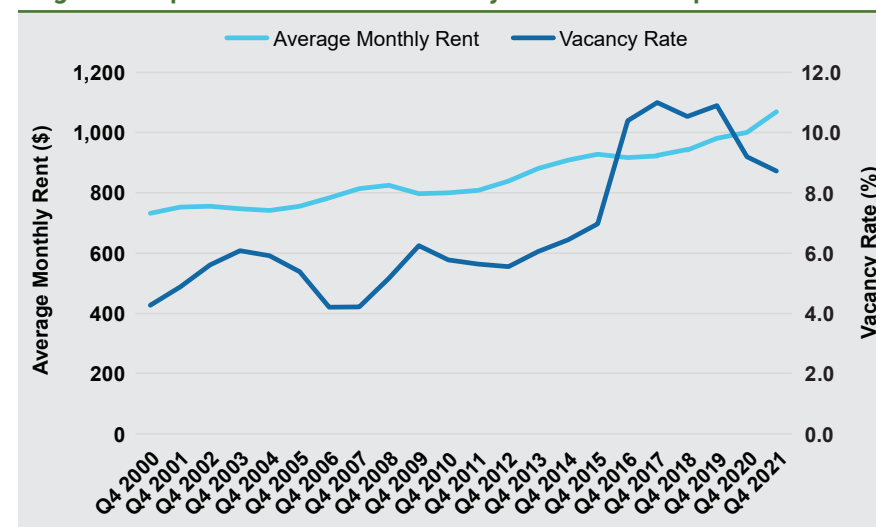|		2010 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	12.2	6.8
		2010 (%)	**2019 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	40.2	36.8
	Multifamily (2–4 Units)	18.5	21.4
	Multifamily (5+ Units)	37.6	38.2
	Other (Including Mobile Homes)	4.0	3.6

Notes: The current date is January 1, 2022. Percentages may not add to 100 due to rounding.
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey, 1-year data, and estimates by the analyst

Figure 10. Apartment Rents and Vacancy Rates in the Corpus Christi HMA


Q4 = fourth quarter.
Source: CoStar Group

2020 to $1,070. By comparison, the average rent rose 2 percent annually from the fourth quarter of 2016 through the fourth quarter of 2020.

During the fourth quarter of 2021, apartment market conditions tightened in four of five CoStar Group-defined market areas in the HMA, with vacancy rates ranging from 1.9 percent in the Rockport-North Aransas County market area to 13.8 percent in the Portland-Ingleside market area. Apartment vacancy rates declined the most in the Rockport-North Aransas County market area, from 6.8 to 1.9 percent. The average rent increased in four of the five market areas in the HMA. During the fourth quarter of 2021, the average rent in Corpus Christi and the Rockport-North Aransas County market area increased 9 and 7 percent, respectively, to $1,070 and $1,138. Portland-Ingleside was the only market area where market conditions softened during the past year. During the fourth quarter of 2021, the average rent in the Portland-Ingleside market area declined by 2 percent to $1,105, and the vacancy rate increased to 13.8 percent, up from 8.2 percent a year earlier.

Rental Construction Activity

Permitting of rental units during the past 2 years has slowed compared with the most recent peak of permitting during 2019. During 2021, approximately 590 rental units were permitted, relatively unchanged compared with the 600 units permitted during the previous year (Figure 11).

Figure 11. Annual Rental Permitting Activity in the Corpus Christi HMA
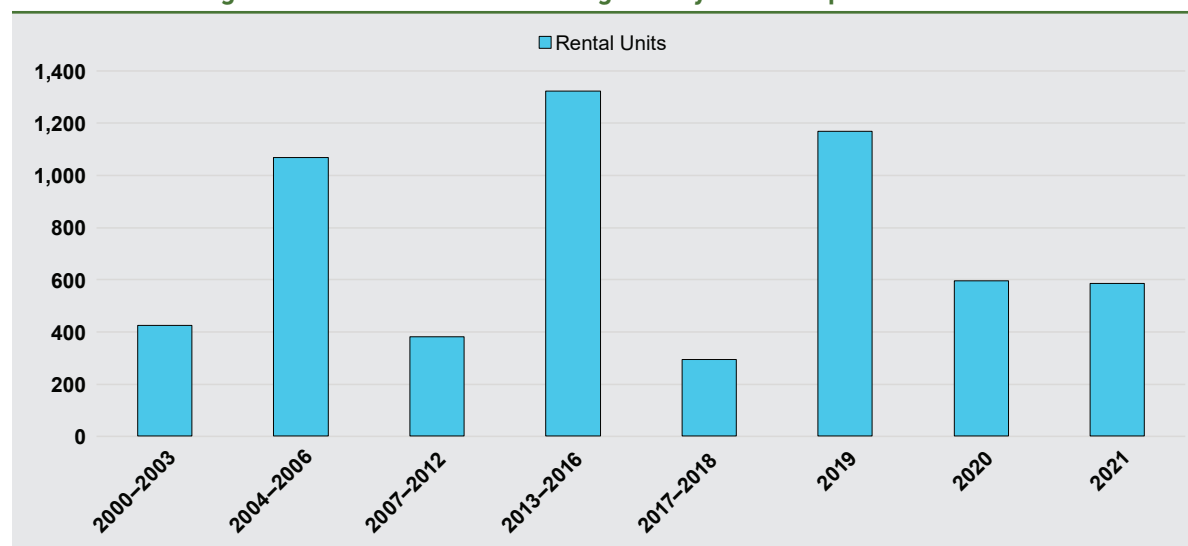
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2000–2020 final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

Permitting of rental units declined significantly following the housing market collapse and did not increase much until 2013, as the apartment rental market tightened. From 2007 through 2012, an average of 380 rental units were permitted, followed by an average of 1,325 units from 2013 through 2016, exceeding the average of 1,075 rental units permitted from 2004 through 2006 during the previous economic expansion. Builders responded to out-migration from 2015 to 2019 with relatively low levels of rental construction during 2017 and 2018, when the number of rental units permitted declined to an average of 300 units annually. Rental permitting increased to 1,175 units during 2019 as builders responded to improving economic conditions in the HMA, which reversed decisively in early 2020 with the onset of the COVID-19 pandemic and the measures enacted to slow the spread of the virus.

New rental permitting is distributed throughout the Corpus Christi HMA. Among several apartment developments under construction is The Alexa, a 169-unit luxury apartment building that will begin leasing in early 2022 in the city of Corpus Christi. The property includes one- and two-bedroom units ranging from 611 to 1,334 square feet, with monthly rents ranging from $1,339 to $2,599. The 183-unit Palladium Port Aransas apartments, an income-restricted property in the city of Port Aransas, is also under construction;

the property will begin leasing in early 2022, with rents at 60 percent of area median income. The 50-unit Saltgrass Landing Apartments, a recently completed income-restricted property in the city of Rockport with one-, two-, and three-bedroom units, is 98-percent occupied, with rents at 30 and 80 percent of area median income.

Forecast

During the 3-year forecast period, demand is estimated for 1,750 additional rental units in the HMA (Table 7). Demand is expected to be evenly distributed among all years of the forecast period; the 550 units under construction

Table 7. Demand for New Rental Units in the Corpus Christi HMA During the Forecast Period

Rental Units	
Demand	1,750 Units
Under Construction	550 Units

Note: The forecast period is January 1, 2022, to January 1, 2025.
Source: Estimates by the analyst

will meet a portion of the forecast demand. Even though population and household growth are expected to increase during the forecast, the supply of available vacant rental units will likely result in demand for fewer additional units compared with recent years.

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Include resale sales and REO sales.
Forecast Period	1/1/2022–1/1/2025—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Increase	Resident births minus resident deaths.
Rental Housing	Includes apartments, single-family rentals, townhomes, and mobile homes.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units like single-family, multifamily, and mobile homes.

Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90+ 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.	Urbanized areas are defined using the U.S. Census Bureau's 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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