

COMPREHENSIVE HOUSING MARKET ANALYSIS

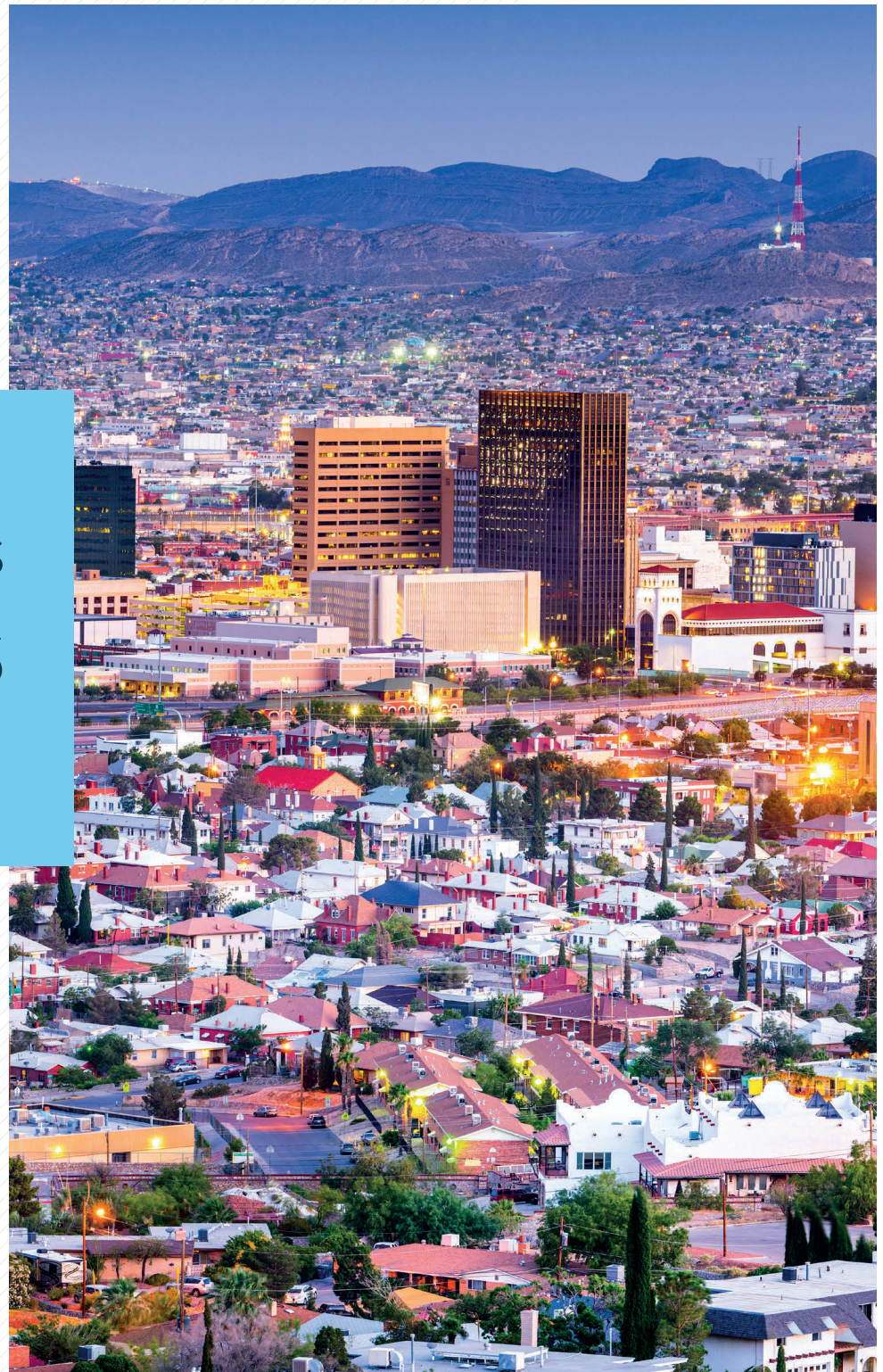
El Paso, Texas

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

As of April 1, 2022



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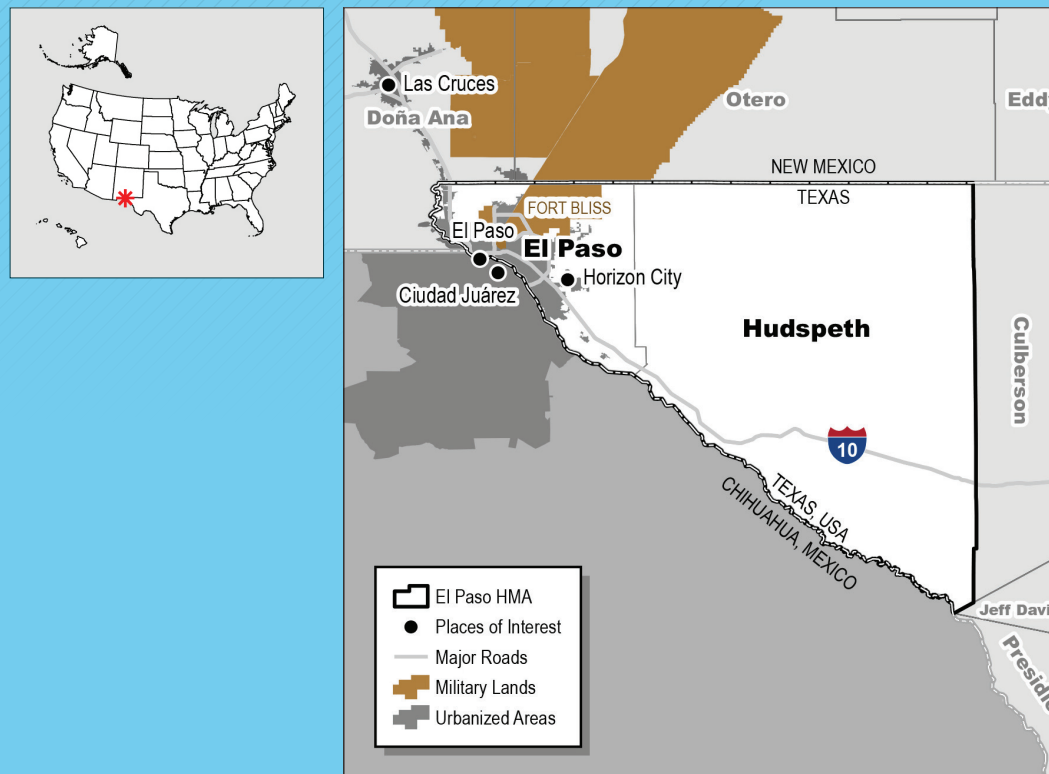
Executive Summary

Housing Market Area Description

The El Paso Housing Market Area (HMA) is coterminous with the El Paso, TX Metropolitan Statistical Area (MSA) and includes El Paso and Hudspeth Counties in west Texas. The HMA is located on the northern shore of the Rio Grande River and is directly across from Ciudad Juárez, Mexico. The North American Borderplex region—a transborder agglomeration that includes the El Paso HMA, Doña Ana, and Otero Counties in New Mexico and the city of Ciudad Juárez in Mexico—has a population of more than 2.7 million, the largest concentration of people for more than 300 miles.

The current population of the El Paso HMA is estimated at 874,000.

The HMA is home to Fort Bliss Army Post (hereafter, Fort Bliss), the second largest installation in the U.S. Army since the 1st Armored Division was relocated from Germany, a result of the 2005 Base Realignment and Closure Commission (BRAC) recommendations. The base straddles New Mexico and Texas and is on the largest contiguous area of restricted air space in the continental United States. The main offices of Fort Bliss are located adjacent to the city of El Paso.



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



Improving: Of the 37,800 nonfarm payroll jobs lost in the HMA during the recession of March and April 2020, 34,500, or nearly 91 percent, were recovered by March 2022 (monthly data, not seasonally adjusted).

Nonfarm payrolls in the El Paso HMA during the 12 months ending March 2022 totaled 320,900 jobs, up by 13,000 jobs, or 4.2 percent, from the previous 12 months. After approximately 19 months of closure that began in March 2020, the U.S. Department of Homeland Security reopened ports of entry in November 2021 to vaccinated travelers from Mexico. Recovery from COVID-19-related job losses had been relatively slow until the reopening of those ports. Job growth is expected to continue during the 3-year forecast period, averaging 2.0 percent annually, with the strongest growth and full recovery anticipated during the first year.

Sales Market



Tight: The months of supply of homes for sale in the HMA fell to 1.2 months in March 2022, down from 2.1 months a year earlier (CoreLogic, Inc.).

The sales housing market in the El Paso HMA is currently tight, with a vacancy rate of 1.1 percent, down from 1.6 percent in April 2010. During the 12 months ending March 2022, new and existing home sales in the HMA totaled 17,300, an increase of more than 6 percent from 1 year earlier (CoreLogic, Inc., with adjustments by the analyst). The average sales price for new and existing homes during the 12 months ending March 2022 was up 11 percent to \$224,800. During the 3-year forecast period, demand is estimated for 8,575 new homes. The 810 homes currently under construction will meet a small portion of the demand during the first year of the forecast.

Rental Market



Slightly Tight: The number of renter households has increased faster than the construction of rental units since 2016, contributing to a tightening of the rental market.

The overall rental market in the HMA is currently slightly tight, with an estimated vacancy rate of 5.2 percent, up from 4.4 percent in April 2010 when conditions were tight. Apartment market conditions are currently tight. The apartment vacancy rate during the first quarter of 2022 was 3.3 percent, down from 3.5 percent a year earlier (CoStar Group). The average apartment rent increased 12 percent during the first quarter of 2022 to \$926 compared with the first quarter the previous year. In March 2022, vacancy rates for professionally managed single-family rental homes averaged 6.1 percent, and the median rent was up more than 7 percent compared with March 2021 (John Burns Real Estate Consulting). During the 3-year forecast period, demand is estimated for 2,300 new rental units. The 740 units under construction will satisfy a portion of that demand.

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3-Year Housing Demand Forecast

| El Paso HMA | Sales Units | | Rental Units | |
|-------------|--------------------|-------|--------------|--|
| | Total Demand | 8,575 | 2,300 | |
| | Under Construction | 810 | 740 | |

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

Source: Estimates by the analyst



Economic Conditions

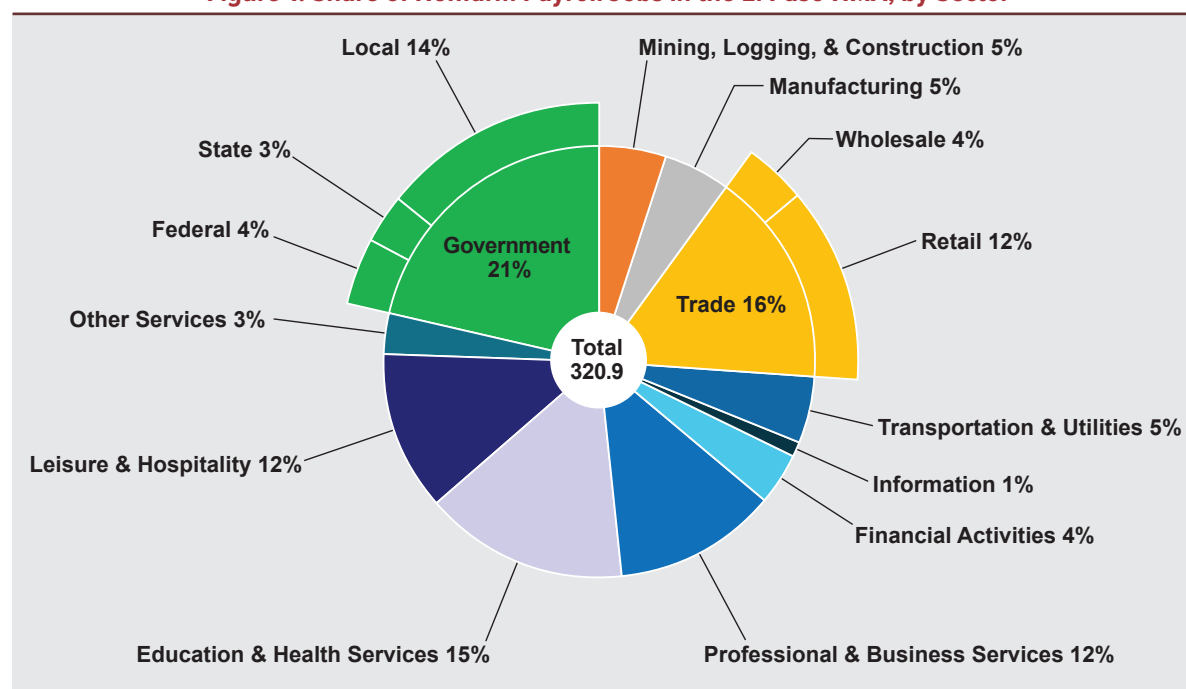
Largest Sector: Government

The education and health services sector has been the fastest growing sector in the HMA since 2001.

Primary Local Economic Factors

The economy in the El Paso HMA has benefited from the significant presence of the government sector in addition to growth in the wholesale and retail trade and the education and health services sectors. The largest payroll sector in the HMA is the government sector, with 68,400 jobs during the 12 months ending March 2022, accounting for approximately 21 percent of all nonfarm payroll jobs (Figure 1). Of the 10 largest employers in the HMA, 6 are in the government sector. The largest employer in the HMA is Fort Bliss, with more than 47,650 employees, of whom approximately 31,400 are active-duty military and therefore not included in nonfarm payrolls (Table 1). During 2019, Fort Bliss had an estimated \$25.6 billion impact on the Texas economy (Texas Comptroller of Public Accounts). In addition, the large volume of border crossings and international trade require a significant presence of federal personnel at U.S. Customs and Border Protection and other federal agencies. The U.S. Customs and Border Protection delineated El Paso Sector encompasses 125,500 square miles, including New Mexico and Texas stations, and employs approximately 2,400 border patrol agents (U.S. Customs and Border

Figure 1. Share of Nonfarm Payroll Jobs in the El Paso 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 March 2022. Military jobs are not included in these data.

Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the El Paso HMA

| Name of Employer | Nonfarm Payroll Sector | Number of Employees |
|---|----------------------------------|---------------------|
| Fort Bliss | Government | 47,650 |
| T&T Staff Management, Inc. | Professional & Business Services | 6,175 |
| City of El Paso | Government | 5,475 |
| The Hospitals of Providence | Education & Health Services | 5,300 |
| The University of Texas at El Paso (UTEP) | Government | 3,175 |
| El Paso Community College | Government | 3,100 |
| El Paso County | Government | 2,975 |
| University Medical Center of El Paso | Government | 2,800 |
| DATAMARK, Inc. | Professional & Business Services | 2,100 |
| Alorica, Inc. | Professional & Business Services | 2,000 |

Notes: Excludes local school districts. Data include soldiers and military defense personnel who are not included in the nonfarm data.

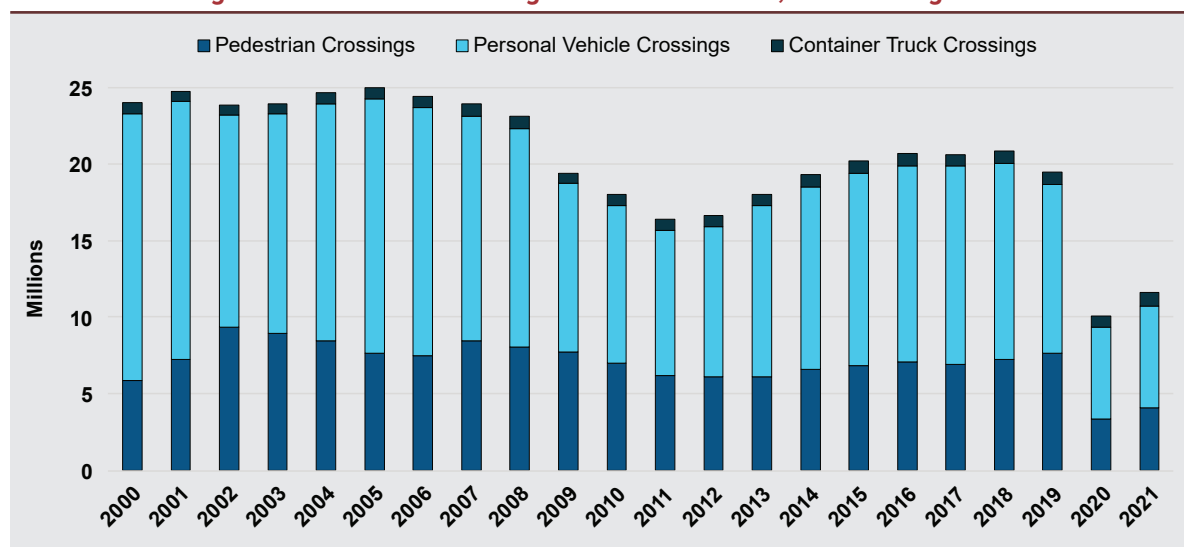
Sources: El Paso County Comprehensive Annual Financial Report (CAFR), 2021; The City of El Paso CAFR, 2021; El Paso Office of Economic Development, 2020

Protection, 2021). Another major contributor to the government sector is The University of Texas at El Paso (UTEP), with approximately 24,900 students, 3,175 employees, and an estimated \$1.3 billion impact on the local economy as of 2021 (UTEP). As such, government represents a large portion of jobs and continues to provide a stable base for the local economy in the HMA.

The HMA is part of the North American Borderplex region, a hub for tourism, trade, and medical services. During 2021, more than \$117 billion worth of goods crossed the border in the El Paso District jurisdiction, an increase of \$20 billion, or nearly 21 percent, compared with the previous year (U.S. Department of Commerce). Approximately 4.1 million pedestrians, 6.7 million personal vehicles, and 848,900 container trucks crossed various land ports in the HMA since the reopening of ports in November 2021 for non-essential travelers (U.S. Bureau of Transportation Statistics; Figure 2). With more than six international ports of entry, cross-border manufacturing through the maquiladora industry has contributed to the need for many warehousing and shipping facilities in the HMA to move goods across the country, providing jobs in the transportation and utilities sector.

The education and health services sector has been the fastest growing sector in the HMA since 2001, increasing by an average of 1,100, or 3.1 percent, annually since 2001 (Figure 3). Growth in the education and health services sector has been led by the continued expansion and growth of two hospitals in the HMA since

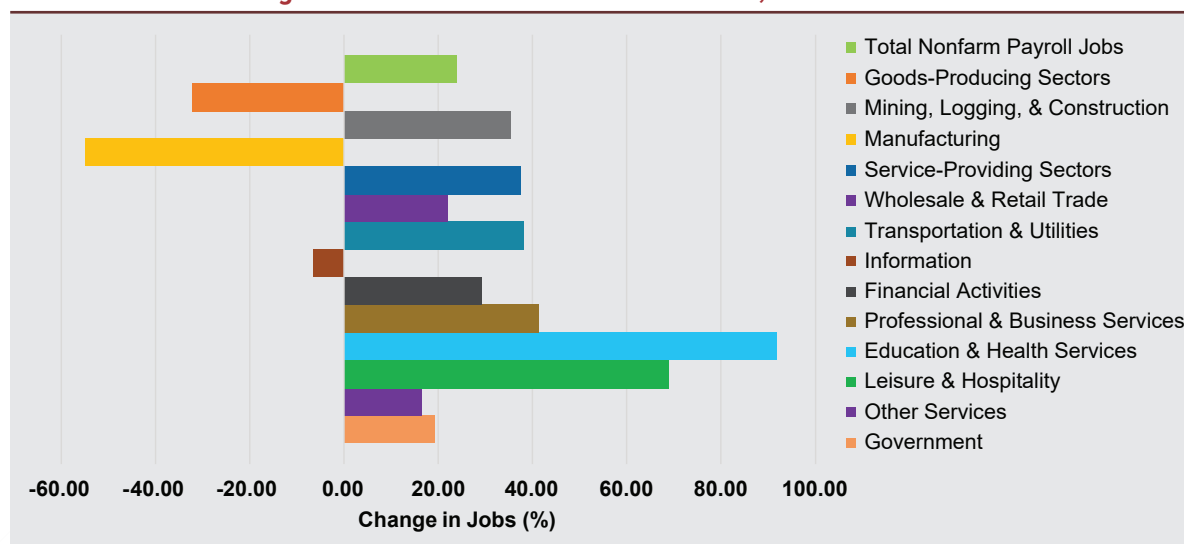
Figure 2. U.S. Border Crossings in the El Paso HMA, 2000 Through 2021



Notes: Includes El Paso, Tornillo, and Ysleta Ports of Entry as defined by U.S. Customs and Border Patrol. A container truck is any conveyance entering U.S. ports used for commercial purposes, full or empty.

Source: U.S. Bureau of Transportation Statistics, Annual Data

Figure 3. Sector Growth in the El Paso HMA, 2001 to Current



Notes: Military jobs are not included in these data. The current date is April 1, 2022.

Source: U.S. Bureau of Labor Statistics

2009. The Hospitals of Providence and University Medical Center are 2 of the 10 largest employers in the HMA, with 5,300 and 2,800 employees respectively. In addition, during 2021, the new \$1.4 billion William Beaumont Army Medical Center opened, which provides care for active-duty military, their family members, and retirees. The Woody L. Hunt School of Dental Medicine, part of the Texas Tech University Health Sciences Center El Paso, also opened in 2021; it is the first dental school in west Texas.

Current Conditions— Nonfarm Payrolls and COVID-19 Pandemic Effects

Economic conditions in the HMA are currently improving from the COVID-19-related downturn in 2020. The significance of cross border travel to the economy of the HMA contributed to severe job losses when it was restricted during the early stages of the COVID-19 pandemic, although a recovery has been underway since 2021. Of the 37,800 nonfarm payroll jobs lost in the HMA during the recession of March and April 2020, 34,500, or nearly 91 percent, were recovered by March 2022 (monthly data, not seasonally adjusted). During the 12 months ending March 2022, nonfarm payrolls in the HMA increased by an average of 13,000 jobs, or 4.2 percent, to 320,900, compared with a decline of 18,200 jobs, or 5.6 percent, during the previous 12 months (Table 2). The largest payroll gains during the

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the El Paso HMA, by Sector

| | 12 Months Ending March 2021 | 12 Months Ending March 2022 | Absolute Change | Percentage Change |
|-----------------------------------|--------------------------------|--------------------------------|-----------------|-------------------|
| Total Nonfarm Payroll Jobs | 307.9 | 320.9 | 13.0 | 4.2 |
| Goods-Producing Sectors | 34.1 | 34.7 | 0.6 | 1.8 |
| Mining, Logging, & Construction | 17.4 | 17.5 | 0.1 | 0.6 |
| Manufacturing | 16.7 | 17.2 | 0.5 | 3.0 |
| Service-Providing Sectors | 273.8 | 286.2 | 12.4 | 4.5 |
| Wholesale & Retail Trade | 48.3 | 51.6 | 3.3 | 6.8 |
| Transportation & Utilities | 16.9 | 17.5 | 0.6 | 3.6 |
| Information | 4.4 | 4.7 | 0.3 | 6.8 |
| Financial Activities | 13.3 | 13.3 | 0.0 | 0.0 |
| Professional & Business Services | 37.1 | 37.0 | -0.1 | -0.3 |
| Education & Health Services | 46.5 | 47.0 | 0.5 | 1.1 |
| Leisure & Hospitality | 31.1 | 38.0 | 6.9 | 22.2 |
| Other Services | 7.9 | 8.7 | 0.8 | 10.1 |
| Government | 68.4 | 68.4 | 0.0 | 0.0 |

Notes: Based on 12-month averages through March 2021 and March 2022. Numbers may not add to totals due to rounding. Data are in thousands. Military jobs are not included in these data.
Source: U.S. Bureau of Labor Statistics

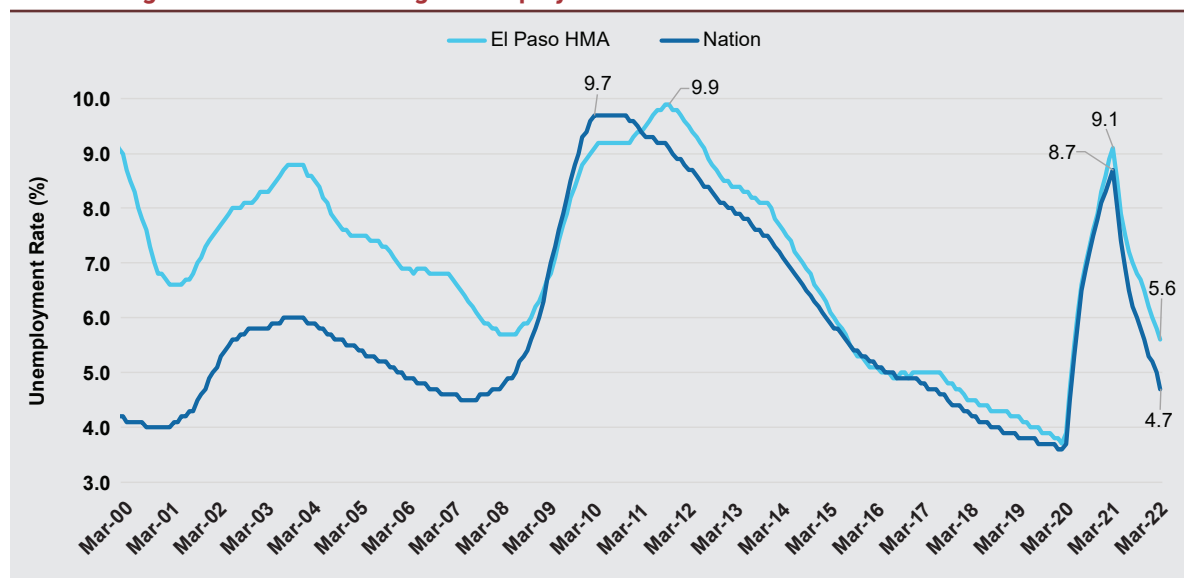
12 months ending March 2022 occurred in the leisure and hospitality sector, which added an average of 6,900 jobs, or 22.2 percent. The leisure and hospitality sector had the most severe job losses in the early days of the COVID-19 pandemic, and the recent job gains reflect a robust recovery, as opposed to new growth in the sector. At the onset of the pandemic, travel restrictions shut down tourism, shopping, and dining business from the neighboring Mexican city of Ciudad Juárez, and a significant decline in cross border traffic contributed to job losses in the HMA. The number of jobs in the leisure and hospitality sector fell by 7,100, or 18.6 percent, during the 12 months ending March 2021, year-over-year, accounting for approximately 39 percent of all jobs lost in the HMA during the period. Trade volume in the El Paso District fell by nearly \$13 billion, or more than 11 percent, because of pandemic-related restrictions, to approximately \$97 billion during 2020, compared with nearly \$110 billion in trade volume during 2019 (U.S. Census Bureau, Economic Indicators Division). However, since the lifting of border restrictions in November 2021, job growth has accelerated across nearly all sectors in the HMA. Payrolls in the wholesale and retail trade sector averaged 51,600 jobs, representing an increase of 3,300, or 6.8 percent, during the 12 months ending March 2022; during the previous year, the sector declined by 2,500 jobs, or

4.9 percent. The other services sector increased by an average of 800 jobs, or 10.1 percent, during the 12 months ending March 2022, compared with the previous 12 months. Job gains were notable in the transportation and utilities sector, totaling 17,500 jobs during the 12 months ending March 2022, an increase of 600 jobs, or 3.6 percent, from the previous 12 months, due in large part to a continuation of the growth in e-commerce. A new Amazon Fulfillment Center in the HMA began hiring 700 full-time employees during 2021, and the development of various industrial parks, restaurants, commercial spaces, and shopping centers near the center have been ongoing.

Current Conditions— Unemployment

The average unemployment rate in the El Paso HMA was 5.6 percent during the 12 months ending March 2022, compared with 9.1 percent a year earlier, but it remained higher than the 4.7-percent rate for the nation (Figure 4). The average unemployment rate began to rise in early 2020 because of widespread layoffs at the beginning of the COVID-19 pandemic and began to decline by April 2021. By comparison, the average unemployment rate in the HMA peaked in 2011 at 9.9 percent, reflecting the prolonged local impact of the Great Recession.

Figure 4. 12-Month Average Unemployment Rate in the El Paso HMA and the Nation



Notes: Based on the 12-month moving average. Military personnel are not included in these data.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2001 Through 2003

From 2001 through 2003, the HMA went through an overall period of job losses, and nonfarm payrolls declined by an average of 500 jobs, or 0.2 percent, annually. The manufacturing sector was affected the most, declining by an average of 3,900 jobs, or 11.5 percent, annually. Losses were concentrated in apparel manufacturing; Levi Strauss & Co. and V.F. Corporation closed plants in the HMA during the period, resulting in a combined loss of more than 2,000 jobs. Partly offsetting those losses were gains in the education and health services and the government sectors, which increased by average annual rates of 1,400 and 900 jobs, or 5.4 and 1.5 percent, respectively.

2004 Through 2008

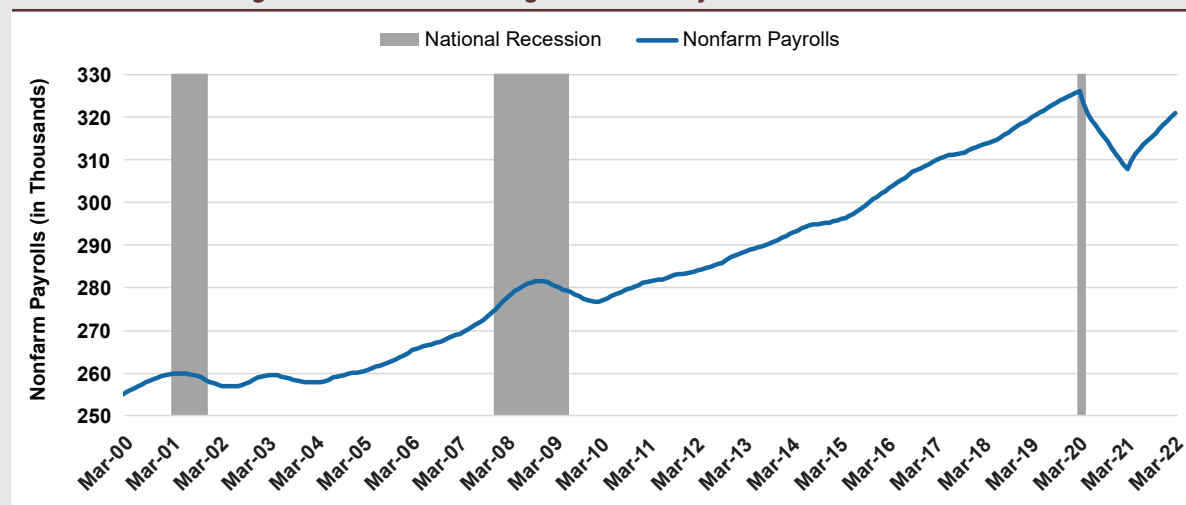
The local economy began to recover during 2004 and expanded continuously through 2008. Nonfarm payrolls increased by an average of 4,800 jobs, or 1.8 percent, annually from 2004 through 2008. Leading job gains during the period were the professional and business services and the government sectors, which increased by averages of 1,200 jobs each, or 4.3 and 1.9 percent annually, respectively. The large increase in government employment throughout the period was largely the result of the base expansion at Fort Bliss under the 2005 Base Realignment and Closure (BRAC) process. Although BRAC developments negatively affected many bases around the country, Fort Bliss

expanded because of that realignment. Although active-duty military personnel are not included in nonfarm payrolls, a significant increase in civilian personnel at Fort Bliss, in addition to growth in local government, contributed to the increase in government employment. A construction boom, both directly and indirectly tied to the military expansion, occurred during the period causing the mining, logging, and construction sector to grow by an average of 800 jobs, or 6.0 percent, annually. Various construction projects, including medical centers, downtown redevelopment, and residential construction, occurred throughout the period. The education and health services sector grew by an average of 900 jobs, or 2.8 percent, annually. In addition, the wholesale and retail trade and the leisure and hospitality sectors expanded, adding an average of 600 and 800 jobs annually, or 1.2 and 3.1 percent, respectively. The manufacturing sector continued to lose jobs from 2004 through 2008, declining by an average of 1,300 jobs, or 5.6 percent, annually. The loss of jobs was widespread across various subsectors within the manufacturing sector because growth in manufacturing activities occurred offshore throughout the period.

2009

Although the Great Recession began nationally in 2007, the effects on nonfarm payrolls in the HMA did not occur until 2009, when payrolls declined by 4,700 jobs, or 1.7 percent (Figure 5). Overall, 8 of the 11

Figure 5. 12-Month Average Nonfarm Payrolls in the El Paso HMA



Notes: 12-month moving average. Military jobs are not included in these data.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

nonfarm payroll sectors lost jobs. Losses were less severe in the HMA than the 4.3-percent decline for the nation due to the Fort Bliss expansion and an overall increase in government payrolls in the HMA by 2,300 jobs, or 3.5 percent, during the period. The wholesale and retail trade sector led job losses, declining by 3,400 jobs, or 7.3 percent. The manufacturing sector was also significantly impacted, falling by an average of 2,400 jobs, or 12.1 percent, during the period. Offsetting job losses was the continued expansion of the education and health services sector, which increased by an average of 1,800 jobs, or 5.5 percent.

2010 Through 2019

In 2010, the local economy began adding jobs, and by 2019 nonfarm payrolls in the HMA totaled 324,800, reflecting an average increase of 4,800 jobs, or 1.6 percent, annually since 2010. During this period, 8 of the 11 nonfarm payroll sectors added jobs. The education and health services sector led job gains

during the period, increasing by an average of 1,300 jobs, or 3.3 percent, annually. In 2016, The Hospitals of Providence opened the Transmountain Campus in partnership with the Texas Tech University Health Sciences Center El Paso, serving as a teaching and full-service hospital. The decade-long period is marked with the opening of various micro-hospitals, medical facility expansions, and housing construction by the Housing Authority of the City of El Paso (HACEP). Consequently, the mining, logging, and construction sector added 100 jobs, or 0.9 percent, annually throughout the period despite a significant slowdown in residential construction following the Great Recession. The leisure and hospitality sector contributed to job gains, adding an average of 1,100, or 3.5 percent, annually throughout the period. The wholesale and retail trade sector increased by an average of 800 jobs, or 1.6 percent, annually from 2010 through 2019, as this sector benefited due to its proximity to Mexico and continued cross-border trade of goods and services.

Forecast

Nonfarm payrolls are expected to increase by 2.2 percent during the first year of the forecast period before moderating to an average of 1.9 percent during the second and third years of the forecast period. Job levels are anticipated to surpass prepandemic levels by the second year of the forecast period.

The HMA is expected to benefit from continued expansions in the healthcare industry and the recent reopening of the U.S.–Mexico border to nonessential travelers. Currently, there are no plans to expand jobs at Fort Bliss, but the presence of the base and the large government sector are expected to remain stabilizing forces in the local economy in the HMA.



Population and Households

Current Population: 874,000

Population growth has slowed in the HMA since 2012 due to net out-migration combined with a slowdown in net natural change.

Population Trends

The El Paso HMA is the sixth largest metropolitan area in the state of Texas, with a population currently estimated at 874,000, representing an average increase of 5,825, or 0.7 percent, annually since 2010 (Table 3). During the period from 2000 to 2010, the population of the HMA increased by an average of 12,100, or 1.6 percent, annually. Since 2010, overall net out-migration from the HMA averaged 1,525 people a year, which is a reversal from the previous decade when net in-migration averaged 1,950 people annually (Figure 6). From 2000 to 2010, net natural change averaged 10,150 people a year, but since 2010, net natural change averaged 7,350 people a year. Nearly all the population in the HMA lives in El Paso County, with the population of Hudspeth County at only 3,200 in 2020, down from 3,475 in 2010.

From 2000 to 2003, the population of the HMA increased by an average of 7,875, or 1.1 percent, a year, and an economic downturn contributed to net out-migration of 2,125 people annually. With the local economy once again

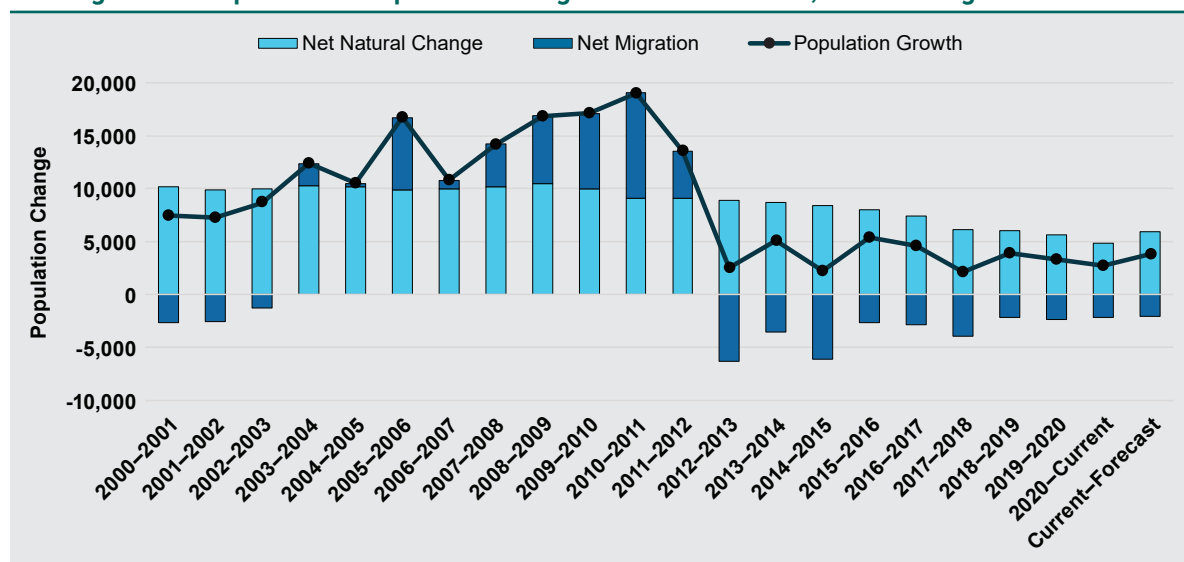
Table 3. El Paso HMA Population and Household Quick Facts

| Population Quick Facts | 2010 | Current | Forecast |
|------------------------|-----------------------|---------|----------|
| | Population | 804,100 | 874,000 |
| | Average Annual Change | 12,100 | 5,825 |
| | Percentage Change | 1.6 | 0.7 |
| Household Quick Facts | 2010 | Current | Forecast |
| | Households | 257,700 | 302,900 |
| | Average Annual Change | 4,650 | 3,775 |
| | Percentage Change | 2.0 | 1.4 |

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 (April 1, 2022) to April 1, 2025.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the El Paso HMA, 2000 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (April 1, 2022) to April 1, 2025.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

expanding, population growth began to accelerate, and from 2003 to 2005, population growth averaged 11,500 people, or 1.6 percent, annually, with net in-migration averaging 1,250 people and net natural change averaging 10,250 people, annually. During the period from 2005, when the BRAC expansion was announced, to 2012, when it was complete, population growth averaged 15,500 people, or 2.0 percent,

a year. Net in-migration increased significantly as numerous troops and their families relocated to the base, whereas others migrated to the expanding HMA to fill jobs. From 2005 to 2012, net in-migration to the HMA averaged 5,675 people a year, whereas net natural change slowed to 9,825 people a year. As the BRAC expansion at Fort Bliss was completed, the pace of population growth in the HMA slowed substantially from 2012 to 2019. Another contributor to slowing population growth was the increased production of oil and natural gas in other parts of Texas, causing many people to leave the HMA to seek high-paying jobs in that industry. From 2012 to 2019, the population of the HMA expanded by an average of 3,725, or 0.4 percent, a year, with net out-migration averaging 3,950 people annually. Net natural change continued to slow, averaging 7,675 people annually throughout the period. Since 2019, population growth has averaged 2,900 people, or 0.3 percent, a year, with net out-migration slowing to an average of 2,225 people annually.

Migration Trends

The largest share of net out-migration from the HMA stems from job and housing opportunities often located in other Texas metropolitan areas (Table 4), a trend which is anticipated to continue throughout the forecast. For those leaving the HMA, a popular destination is the nearby Las Cruces, New Mexico MSA, with lower housing costs drawing many retirement-age residents. Another top destination for those leaving the HMA is the Houston-The Woodlands-Sugarland, Texas MSA (hereafter Houston MSA), often for better paying jobs. During the 5 years from 2015 to 2019, approximately 3 percent of all domestic in-migration into the HMA was from the Houston MSA, compared with approximately 7 percent of all domestic out-migration from the HMA to the Houston MSA (2015–2019 ACS 5-year data).

Demographic Trends

In 2019, the median age in the El Paso HMA was 32.6 years old, well below the national median of 38.5 years of age (ACS 1-year data; Table 5). These numbers represent an increase since 2010, when the median ages were 31.6 and 37.2

Table 4. Metro-to-Metro Migration Flows in the El Paso HMA: 2015–19

| Into the HMA | |
|--|-------|
| Odessa, TX MSA | 1,176 |
| Houston-The Woodlands-Sugarland, TX MSA | 969 |
| Chicago-Naperville-Elgin IL-IN-WI, MSA | 927 |
| Phoenix-Mesa-Chandler AZ, MSA | 890 |
| Washington-Arlington-Alexandria, DC-VA-MD-WV MSA | 773 |
| Out of the HMA | |
| Las Cruces, NM MSA | 2,587 |
| Houston-The Woodlands-Sugarland, TX MSA | 2,388 |
| Dallas-Fort Worth-Arlington, TX MSA | 2,297 |
| San Antonio-New Braunfels, TX MSA | 2,236 |
| Austin-Round Rock-Georgetown, TX MSA | 1,426 |

MSA = metropolitan statistical area.

Sources: U.S. Census Bureau Migration Flows; 2015–2019 American Community Survey 5-year data

Table 5. Selected Population and Household Demographics

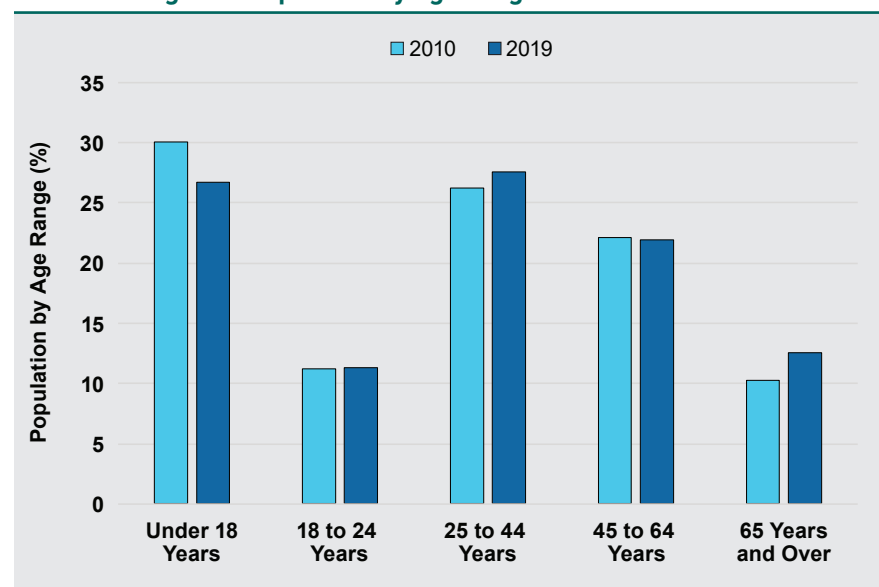
| | El Paso HMA | Nation |
|--|-------------|----------|
| Population Age Under 18 | 26.7% | 22.2% |
| Population Age 65 and Over | 12.6% | 16.5% |
| Median Age | 32.6 | 38.5 |
| One Race | 97.3% | 96.6% |
| Two or More Races | 2.7% | 3.4% |
| Non-Hispanic | 17.1% | 81.6% |
| White Alone | 11.7% | 60.0% |
| Black Alone | 3.0% | 12.4% |
| American Indian and Alaska Native Alone | 0.3% | 0.7% |
| Asian Alone | 1.1% | 5.6% |
| Native Hawaiian and Other Pacific Islander Alone | 0.0% | 0.2% |
| Other Race Alone | 0.1% | 0.3% |
| Two or More Races | 0.9% | 2.5% |
| Hispanic | 82.9% | 18.4% |
| Median Household Income | \$48,193 | \$64,994 |
| Households With One or More Children Under Age 18 | 39.9% | 30.7% |

Source: 2019 American Community Survey 1-year data, rounded



years in the HMA and the nation, respectively. The population in the HMA is getting older as the portion of those under 18 years of age continues to decline. Net natural change fell below 7,450 for the first time in 2017 and has remained well below that level since then. The rising share of older residents contributed to the decline in net natural change. In 2010, the over-65 age cohort made up approximately 10 percent of the total population, but by 2019 it had grown to nearly 13 percent of the population (Figure 7). This age cohort continues to enable steady growth in healthcare-related services throughout the HMA. Conversely, the population under 18 years old was approximately 30 percent of the population in 2010 and decreased to approximately 27 percent in 2019. The largest population by age range in the HMA is the 25-to-44 years of age cohort, which constituted nearly 28 percent of the total population as of 2019, compared with approximately 26 percent in 2010 (ACS 1-year data).

Figure 7. Population by Age Range in the El Paso HMA

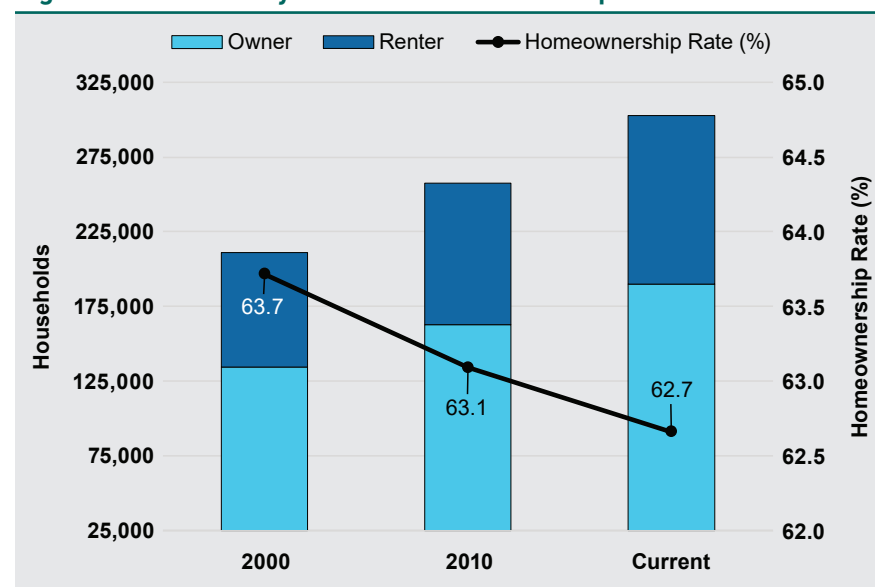


Source: American Community Survey 1-year data

Household Trends

Currently, an estimated 302,900 households are in the HMA, representing an average increase of 3,775, or 1.4 percent, annually since April 2010—double the rate of population growth, largely due to a change in household composition. By comparison, the number of households increased much faster, at an average of 4,650, or 2.0 percent, annually from 2000 to 2010. Household growth in the HMA has decelerated since 2010 due to slower population growth and increased net out-migration, despite the trend of smaller household sizes, as residents grow older and the proportion of households with children declines. Largely the result of the Great Recession and housing market crisis of the late 2000s, the homeownership rate in the HMA declined from 63.7 percent in 2000 to 63.1 percent in 2010 (Figure 8).

Figure 8. Households by Tenure and Homeownership Rate in the El Paso HMA



Note: The current date is April 1, 2022.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Currently, the homeownership rate in the HMA is estimated at 62.7 percent. Much like the nation, the homeownership rate in the HMA has declined notably in younger age cohorts since 2000 (Table 6). The largest decline in homeownership rates in the HMA during 2019 were among those 35 to 44 years of age, declining to 50.7 percent, or 11.6 percentage points, since 2000.

Military

There are 156,500 personnel associated with Fort Bliss, including 31,400 military members, 11,575 civilians, and another 113,500 retirees, their families, and survivors (Army Stationing and Installation Plan, 2021). The Department of Defense 2005 decision to relocate the 1st Armored Division to Fort Bliss benefited the HMA economically and boosted overall housing demand. Fort Bliss active-duty military numbers rose an average of 13 percent a year, from approximately 17,050 in 2008 to a peak of approximately 27,400 in 2012. Since the period of military expansion, and as the war on terrorism ramped down, active-duty personnel declined to 25,200 in 2021. (Table 7).

Forecast

During the next 3 years, the population and number of households in the HMA are expected to increase at average annual rates of 0.4 and 0.9 percent, or by 3,825 and 2,900, respectively.

Table 6. Homeownership Rates by Age of Householder

| | El Paso HMA | | | Nation | | |
|---------------------------------------|-------------|------|------|--------|------|------|
| | 2000 | 2010 | 2019 | 2000 | 2010 | 2019 |
| Householder Age 25 to 34 Years | 44.9 | 41.4 | 35.9 | 45.4 | 42.0 | 38.5 |
| Householder Age 35 to 44 Years | 62.3 | 62.1 | 50.7 | 66.3 | 62.3 | 58.3 |
| Total Households | 63.6 | 63.0 | 60.5 | 66.2 | 65.1 | 73.6 |

Sources: 2000 and 2010 Decennial Census; 2019 American Community Survey 1-year data

Table 7. Fort Bliss Military Personnel in the El Paso HMA

| Year | Active Duty | Guard/Reserve | Civilian | Combined |
|-------------|-------------|---------------|----------|----------|
| 2008 | 17,031 | 2,271 | 3,453 | 22,755 |
| 2009 | 18,887 | 2,507 | 3,723 | 25,117 |
| 2010 | 20,787 | 2,420 | 4,204 | 27,411 |
| 2011 | 26,497 | 2,396 | 4,470 | 33,363 |
| 2012 | 27,392 | 2,329 | 4,567 | 34,288 |
| 2013 | 26,577 | 2,353 | 4,199 | 33,129 |
| 2014 | 25,498 | 2,546 | 4,075 | 32,119 |
| 2015 | 25,171 | 2,736 | 4,003 | 31,910 |
| 2016 | 24,530 | 2,243 | 4,013 | 30,786 |
| 2017 | 24,273 | 2,925 | 4,057 | 31,255 |
| 2018 | 24,697 | 2,972 | 4,055 | 31,724 |
| 2019 | 25,227 | 3,076 | 4,016 | 32,319 |
| 2020 | 25,386 | 2,973 | 3,956 | 32,315 |
| 2021 | 25,207 | 3,061 | 3,935 | 32,203 |

Source: Defense Manpower Data Center

Population growth is expected to remain low during the forecast period, due to continued net out-migration, as younger residents move away for work opportunities and retirees are drawn to nearby New Mexico. In addition, household growth is estimated to exceed population growth as changing household composition, such as smaller-sized households, is expected to continue during the forecast period. The population and number of households are expected to reach an estimated 885,500 and 311,600, respectively, by April 1, 2025.

Home Sales Market

Market Conditions: Tight

During the 12 months ending March 2022, home sales and prices increased 6 and 11 percent, year-over-year, respectively (CoreLogic, Inc., with adjustments by the analyst).

Current Conditions

The sales housing market in the El Paso HMA is currently tight after more than 4 years of significant increases in home sales and more than 3 years of strong home sales price growth. The sales housing market in the HMA has an estimated vacancy rate of 1.1 percent, which is down from the 1.6-percent vacancy rate during 2010 (Table 8). The sales vacancy rate did not increase substantially in 2010, as was common throughout the country, because the impacts from the national housing crisis were not as severe in the HMA due to the expansion occurring during this time at Fort Bliss. Reflecting the currently tight market, the

inventory of homes for sale has reached an extremely low level. As of March 2022, 1.2 months of inventory were on the market, down from 2.1 months during March 2021 and 8.0 months during March 2010 (CoreLogic, Inc.). In addition to the low inventory, home sales and prices continued to increase in the past year. During the 12 months ending March 2022, new and existing home sales in the HMA averaged 17,300 homes sold, an increase of 920 homes, or nearly 6 percent from the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). During the same period, the average home sales price in the HMA increased by \$21,700, or approximately 11 percent, from the previous 12 months to \$224,800. As the sales market has strengthened, there has been an increase in investor home purchases in the area. Investor home purchases in the HMA increased from approximately 15 percent of overall purchases during 2020 to more than 23 percent during 2021 (John Burns Real Estate Consulting).

New and Resale Home Sales

During the 12 months ending March 2022, 2,825 new homes sold, down 14 percent from a year ago, compared with a 13-percent increase during the 12 months ending March 2021 (CoreLogic, Inc., with adjustments by the analyst). The number of new home sales declined even as sales market conditions remain tight, in large part due to labor shortages and supply chain issues, greatly increasing construction times and costs. During the peak in 2005, 4,300 new homes sold when the sales market was strong. As the Great Recession impacted the HMA, the number of new home sales declined by an average of 310 homes, or 9 percent, annually from 2006 through 2011 to a low of 2,450 new home sales in 2011. Due to an improving economy and an influx of military population during 2012, new home sales increased slightly to 2,700 homes sold. The upturn during 2012 was short-lived, however. The number of new home sales declined during 3 of the following 4 years as the rapid growth in the military population came to an end, and a period of net out-migration began when many left the HMA for higher paying jobs. Despite a brief increase during 2015 of 80 homes, or 3 percent, new home sales generally declined from 2013 through 2016 to a 10-year low of 2,275 new

Table 8. Home Sales Quick Facts in the El Paso HMA

| Home Sales Quick Facts | El Paso HMA | | Nation |
|------------------------|---------------------------|-----------|-----------|
| | Vacancy Rate | 1.1% | NA |
| | Months of Inventory | 1.2 | 1.1 |
| | Total Home Sales | 17,300 | 6,819,000 |
| | 1-Year Change | 6% | 2% |
| | New Sales Price | \$263,600 | \$477,200 |
| | 1-Year Change | 18% | 21% |
| | Resales Price | \$218,500 | \$374,500 |
| | 1-Year Change | 9% | 11% |
| | Mortgage Delinquency Rate | 2.4% | 1.5% |

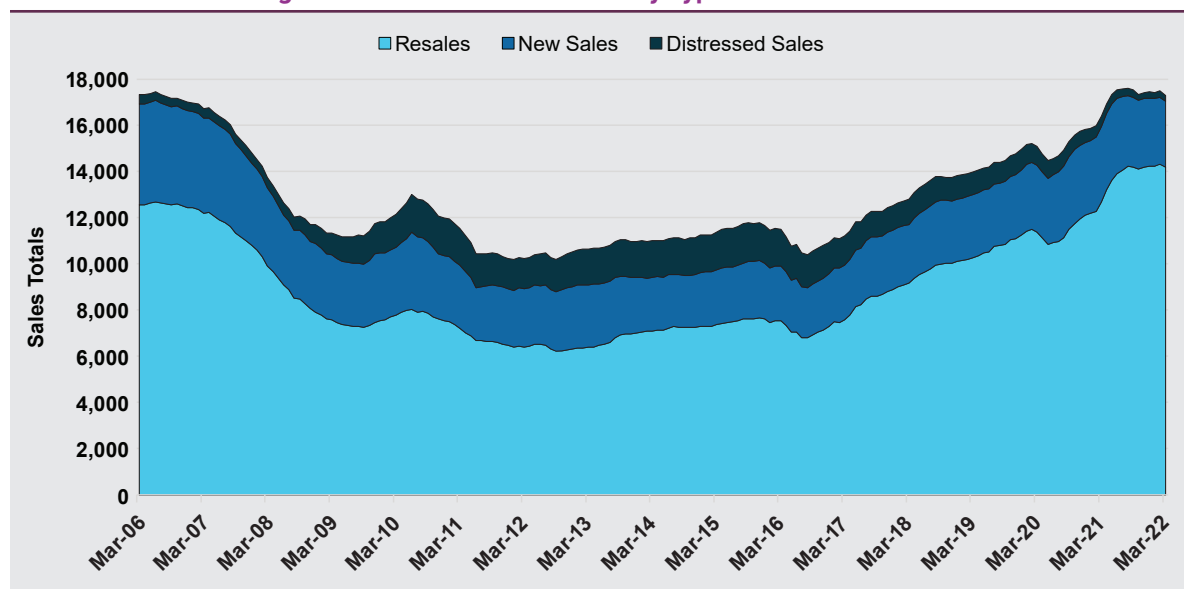
NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending March 2022; and months of inventory and mortgage delinquency data are as of March 2022. The current date is April 1, 2022.
Sources: Vacancy rate—estimates by the analyst; months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



homes sold during 2016. Following that low, new home sales increased from 2017 through 2019 by an average of 190 homes, or 8 percent, annually to 2,850 homes sold in 2019 (Figure 9). New home sales reached a 12-year high, increasing more than 11 percent the following year, during 2020, when an average of 3,150 new homes sold.

During the 12 months ending March 2022, resale home sales in the HMA totaled 14,200, an increase of 1,525 homes, or 12 percent, from the previous 12 months, a continuation of the recent trend of increasing resale home sales that began during 2017. Resale home sales in the HMA were generally high during the mid-2000s when the sales market was strong, averaging 12,450 resale homes sold in 2006, the highest average up until 2021 when this prior peak was surpassed. From 2007 through 2012, the number of resale home sales declined by an average of 1,025, or 11 percent, to a low of 6,300 homes sold during 2012. As the sales market began to recover from the economic downturn, resale home sales rose from 2013 through 2015 by an average of 430 homes, or 6 percent, a year to 7,600 homes sold during 2015. By 2016, as net out-migration increased, resale home sales dipped once again, down by 4 percent to 7,275 resale homes sold. From 2017 through 2020, resale home sales in the HMA increased by an average of 13 percent annually, with an average of 12,100 homes sold during 2020 as falling mortgage rates incentivized homebuyers.

Figure 9. 12-Month Sales Totals by Type in the El Paso HMA



Source: CoreLogic, Inc. with adjustments by the analyst

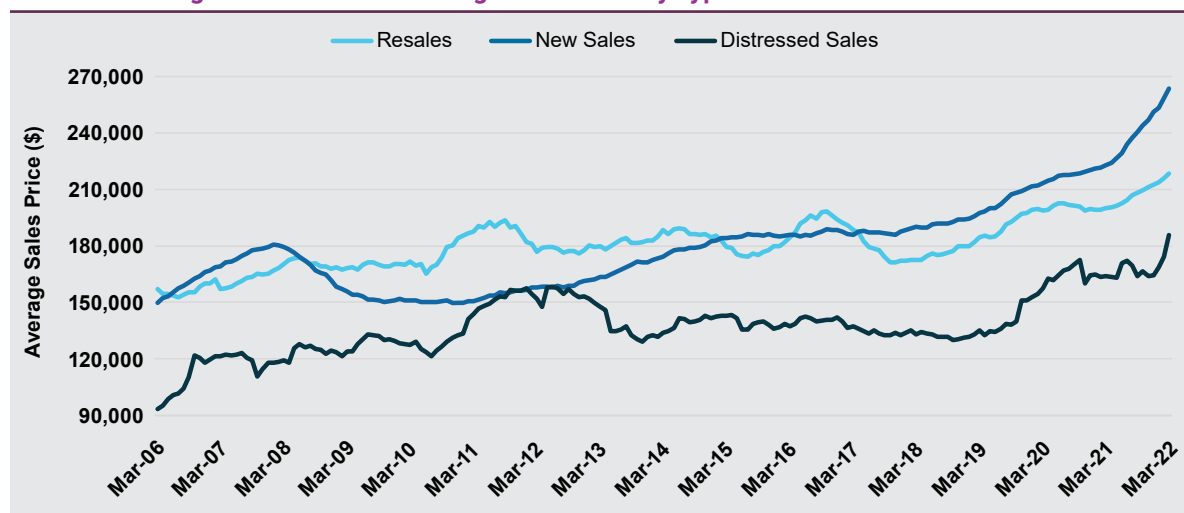
New and Resale Home Prices

The average new home sales price increased nearly 18 percent year-over-year during the 12 months ending March 2022, to \$263,600, the fastest pace since at least 2000. By comparison, during the previous 12 months, new home sales prices increased 4 percent year-over-year. Prior to the most recent trends, price growth for new homes expanded the most during 2006, averaging \$165,900, an increase of \$22,600, or 16 percent, from the previous year. During 2007, price growth slowed to 8 percent when the average sales price for a new home was \$179,300. The national recession resulted in a decline of new home prices because demand weakened in the HMA, and from 2008 through 2010, new home prices fell an average of 6 percent a year to reach a low of \$149,800 during 2010. Coinciding with improving economic conditions and another large influx of troops moving from Germany to the HMA, new home prices began to pick up during 2011, and from 2011 through 2014, the average sales price of a new home increased an average of more than 5 percent a year to \$182,500. New home price growth slowed to an average of less than 2 percent, annually during 2015 through 2016, to \$188,300, as demand for new homes that was generated

by the base expansion began to slow (Figure 10). The following year, prices fell slightly in 2017, by less than 1 percent, to \$187,400, after 5 consecutive years of net out-migration from the HMA and the slowest rate of population growth in the HMA since 2000. From 2018 through 2020, prices increased again, and sustained economic growth translated to average annual increases in new home prices of 6 percent to \$220,400.

The average sales price of a resale home in the HMA was \$218,500 during the 12 months ending March 2022, an increase of \$18,500, or more than 9 percent, from the previous 12 months. Price growth was relatively strong during 2006, averaging a 5-percent increase to \$159,800. As the economy weakened from 2007 through 2011, growth in resale home prices slowed to an average of 3 percent a year before the average sales price declined 5 percent to \$177,500 in 2012. The average price of a resale home increased 2 percent annually from 2013 through 2014, to \$184,400. Prices fell again in 2015 by \$4,600, or 2 percent—due in part to a declining military growth and elevated out-migration—before increasing 8 percent to \$193,800 during 2016, when out-migration slowed. However, the increase was short-lived, and resale home sale prices declined 11 percent during 2017 to \$172,100. From 2018 through 2020, when mortgage rates fell, resale home sales prices consistently increased an average of 5 percent annually to reach \$199,700 during 2020.

Figure 10. 12-Month Average Sales Price by Type of Sale in the El Paso HMA



Source: CoreLogic, Inc. with adjustments by the analyst

Delinquent Mortgages and Distressed Sales

As COVID-19 led to unprecedented job losses in the HMA, the ability of homeowners to make their mortgage payments was affected, and the mortgage delinquency rate began to rise during the second half of 2020 after several years of decline. In March 2022, 2.4 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, down from 6.1 percent a year earlier and less than one-half of the 4.9-percent rate in March 2010 (CoreLogic, Inc., with adjustments by the analyst). By comparison, the national percentage of seriously delinquent mortgages and REO properties was 1.5 percent during March 2022, down from 3.7 percent a year earlier and significantly below the 8.4-percent rate in March 2010.

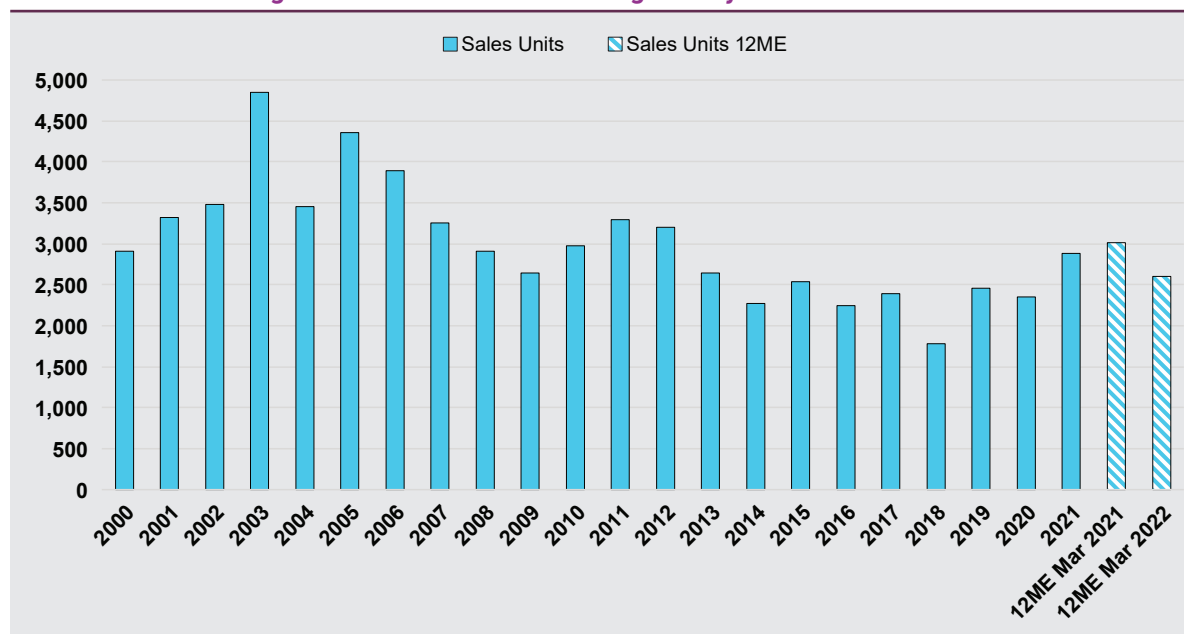
Distressed sales peaked in the HMA during 2015, when 1,650 distressed properties sold, representing approximately 18 percent of existing sales in the HMA. During 2015, the average sales price of a distressed property was approximately \$136,100, or 27 and 24 percent lower than a new or resale home in the HMA, respectively. From 2016 through 2021, distressed sales in the HMA declined by an average of 230 homes, or 27 percent, annually, whereas prices of distressed properties increased \$4,700, or 3 percent, a year. During the 12 months ending March 2022, distressed home sales in the HMA averaged

260 homes sold, a decline of 190 homes, or 42 percent, from a year earlier, accounting for nearly 2 percent of existing home sales. The strong decline in the number of distressed home sales coincided with a strong increase in the sales price of distressed properties. During the 12 months ending March 2022, the average sales price of a distressed property increased more than 13 percent, from \$164,000 to \$185,700.

Sales Construction

During the 12 months ending March 2022, new home construction, as measured by the number of single-family homes, townhomes, and condominium permitted (building permits), totaled 2,600 units, down 13 percent from the previous 12 months, when approximately 3,000 units were permitted (preliminary data and adjustments by the analyst). New home construction in the El Paso HMA was strongest in the early 2000s but has since declined along with the rate of population growth (Figure 11). In 2000, 2,900 sales units were permitted in the HMA, and the number of units permitted increased from 2001 through 2003 by an average of 650, or 19 percent, annually, until reaching 4,850 units in 2003, the all-time peak year of new home construction in the HMA. From 2004 through 2005, sales permitting was much lower, averaging 3,900 units annually. During 2006, the number of units permitted dropped slightly to 3,900 and by 2009 was down further to just 2,650 sales units permitted. From 2006 through 2009, the permitting of sales units

Figure 11. Annual Sales Permitting Activity in the El Paso HMA



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

declined by an average of 430, or 12 percent, annually. Homebuilding activity rose as the population of the HMA grew with an increasing military presence, and from 2010 through 2012, an average of 3,150 sales units were permitted each year. Following this uptick, the number of sales units permitted declined from 2013 through 2019, and an average of 2,325 new sales units were permitted annually.

Recent Developments

Some recent developments in the HMA include Summersky Phase I, a 170-home subdivision by Desert View Homes located in the city of El Paso, with approximately 155 homesites available for purchase. Approximately 15 homes have sold since construction began in 2021. Home prices in this subdivision start at \$249,900 for a four-bedroom, two-bathroom single-family home. The Emerald Heights subdivision in Horizon City started construction in spring 2020 with 250 single-family homes planned at buildout. Home prices in this subdivision start at \$265,000 for a three-bedroom, two-bathroom home.

Forecast

During the next 3 years, demand for an additional 8,575 homes is expected (Table 9). The 810 homes currently under construction are expected to meet a small portion of that demand during the first year of the forecast period. Demand is expected to slow slightly during the second and third years of the forecast period as job growth moderates and mortgage rates rise from historical lows.

Table 9. Demand for New Sales Units in the El Paso HMA
During the Forecast Period

| Sales Units | |
|--------------------|-------------|
| Demand | 8,575 Units |
| Under Construction | 810 Units |

Note: The forecast period is from April 1, 2022, to April 1, 2025.

Source: Estimates by the analyst



Rental Market

Market Conditions: Slightly Tight

Rental market conditions remain tighter than conditions in 2016 because strong rental demand was only partially met by growth in rental inventory.

Current Conditions and Recent Trends

Overall rental housing market conditions (which includes single-family homes, townhomes, and mobile homes for rent) in the El Paso HMA are currently slightly tight, with a 5.2-percent vacancy rate, up from 4.4 percent during 2010, when the rental market was tight, a period marked by a larger military presence. During 2019, approximately 37 percent of the occupied rental units in the HMA were in structures with five or more units, typically apartments (2019 ACS 1-year data). Approximately 42 percent of renter households resided in single-family homes and townhomes, 15 percent lived in buildings with two to four units, and 5 percent resided in other structures, including mobile homes (Table 10).

Single-Family Rental Market

Most rental units in the HMA, or 57 percent of total occupied rental units, are single-family homes or small buildings with two to four units (2019 ACS 1-year estimates). By comparison, approximately 50 percent of renter households in the nation reside in single-family homes or small buildings with two to

Table 10. Rental and Apartment Market Quick Facts in the El Paso HMA

| Rental Market Quick Facts | 2010 (%) | | Current (%) | |
|--------------------------------|------------------------------------|----|-------------|--|
| | Rental Vacancy Rate | | 5.2 | |
| | 2010 (%) | | 2019 (%) | |
| | Occupied Rental Units by Structure | | | |
| | Single-Family Attached & Detached | | 42 | |
| Multifamily (2–4 Units) | | 16 | 15 | |
| Multifamily (5+ Units) | | 41 | 37 | |
| Other (Including Mobile Homes) | | 6 | 5 | |

Notes: The current date is April 1, 2022. Percentages may not add to 100 due to rounding.

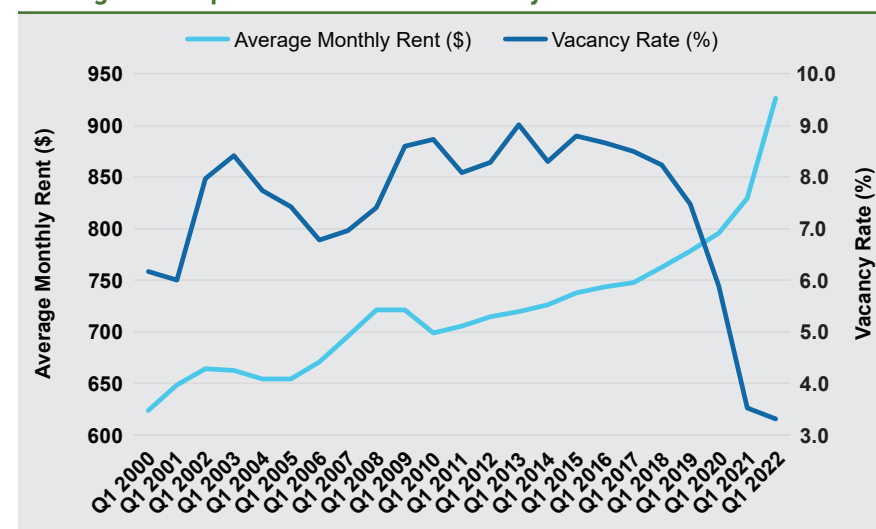
Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2019 American Community Survey 1-year data; apartment data—CoStar Group

four units. From 2014 to 2020, the average vacancy rate for professionally managed single-family rental homes had been 6.0 percent or less (John Burns Real Estate Consulting). Year-over-year rent growth in single-family rental homes averaged approximately 1 percent from 2014 through 2017, increasing to 5 percent from 2018 through 2020. The rental market for professionally managed single-family homes is currently slightly tight, with a 6.1 percent vacancy rate in March 2022, unchanged from March 2021. During March 2022, the median rent for a single-family rental home in the HMA was \$1,270, up by \$83, or 7 percent, from March 2021.

Apartment Market

The apartment market is currently tight, with a 3.3-percent vacancy rate as of the first quarter of 2022, down slightly from the 3.5-percent rate recorded during the first quarter of 2021 (CoStar Group; Figure 12). Apartment demand was strong during the past year because an increasing propensity to rent in the HMA, combined with low rental production levels, pushed vacancy rates

Figure 12. Apartment Rents and Vacancy Rates in the El Paso HMA



Q1 = first quarter.

Source: CoStar Group

below the national average and reached the lowest point on record. During the first quarter of 2022, the average apartment rent increased 12 percent to \$926, the strongest gain recorded in more than 20 years. In the mid-2000s and early 2010s, the apartment market vacancy rate was higher in the HMA, partially because of relatively high multifamily construction combined with increased owner household growth.

The apartment market vacancy rate was 7.4 percent, with an average rent of \$654, during the first quarter of 2005, but by 2009, the apartment market softened, due in part to a surge in construction after the announced BRAC Fort Bliss expansion. Subsequently, the vacancy rate increased to 8.6 percent during the first quarter of 2009, when the average rent for an apartment was \$721, representing an average increase of \$17, or 2 percent, annually from the first quarter of 2005. The apartment market began to soften further during the first quarter of 2010, and the apartment vacancy rate increased to 8.7 percent from the year prior; rents fell by \$22, or 3 percent, to \$699 during the same period. The apartment vacancy rate fluctuated during the following 5 years, due in part to people leaving the HMA in addition to a decline in active-duty military since the height of 2012; subsequently, the apartment vacancy rate went from 8.1 percent during the first quarter of 2011 to 8.8 percent during the first quarter of 2015. Rents increased by an average of \$9, or 1 percent, annually from the first quarter of 2011 through the first quarter of 2015. Vacancy rate fluctuations during this period were also partially attributed to the process of rehabilitating or replacing 6,100 HACEP units under the Rental Assistance Demonstration program initiated during 2014 as units were temporarily taken off the market. With the slowing of multifamily construction, combined with increased rental demand, apartment vacancies declined from 8.7 percent during the first quarter of 2016 to 3.5 percent during the first quarter of 2021. From the first quarter of 2016 through the first quarter of 2021, rent gains averaged 2 percent, reaching \$830 during the first quarter of 2021.

Military Housing

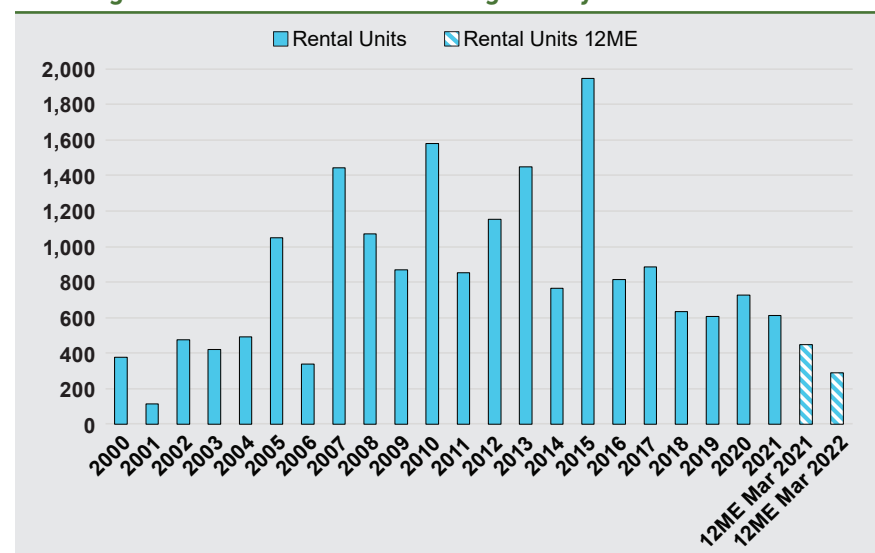
Most active-duty military members in the El Paso HMA are renters, utilizing both on-base and private rental options. Approximately 57 percent, or 17,900 military

members, live off-post, whereas the on-post housing for unaccompanied personnel includes more than 10,250 barrack beds (United States Army Garrison Fort Bliss Plans, Analysis, and Integration Office). For service members with dependents, on-base military housing includes Fort Bliss Family Homes, with 17 distinct neighborhoods providing approximately 4,475 individual housing units. Fort Bliss recently announced a partnership with the home construction tech startup, Icon, to construct the largest 3D-printed buildings in the nation. The three proposed buildings, totaling 5,700 square feet each, will serve as barracks for service members in training, and they are expected to be complete in January 2023.

Rental Construction

During the 12 months ending March 2022, approximately 290 rental units were permitted, down approximately 36 percent compared with the 450 units permitted during the previous 12 months (Figure 13). Rental construction activity

Figure 13. Annual Rental Permitting Activity in the El Paso HMA



12ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

in the HMA, as measured by the number of rental units permitted, has fluctuated since the mid-2000s but increased significantly following the announced expansion at Fort Bliss to accommodate an increase in troop levels. From 2004 through 2009, an average of 880 rental units were permitted annually, followed by an average of 1,300 units permitted annually from 2010 through 2015. Builders have responded to the recent trend of out-migration with lower levels of rental construction since 2016. Subsequently, the number of rental units permitted declined to an average of 730 units annually from 2016 through 2020.

Recent Developments

New rental construction activity in the HMA has occurred primarily along the Interstate-10 (I-10) corridor (Map 1). Among several recently completed apartment developments is the 224-unit District at Pellicano, which opened in 2022 in the eastern portion of El Paso and is currently in lease-up. The unit mix at the District at Pellicano includes studios, one-, two-, and three-bedroom units, ranging in size from 500 to 1,150 square feet, with rents ranging from \$800 to \$1,400 per month. The 80-unit Anthony Palms, an income-restricted property in the northwestern portion of El Paso, opened in 2021. Units at the Anthony Palms range in size from 667 to 1,265 square feet for one-, two-, three-, and four-bedroom units, with monthly rents starting at \$602. Rents at Anthony Palms are capped to be affordable to households at 30 percent of the area median income (AMI).

Forecast

During the 3-year forecast period, demand is estimated for 2,300 additional rental units in the HMA (Table 11). The 740 units currently under construction are expected to meet a portion of that demand. Rental demand is expected to increase slightly in the second year of the forecast period as the propensity to rent increases.

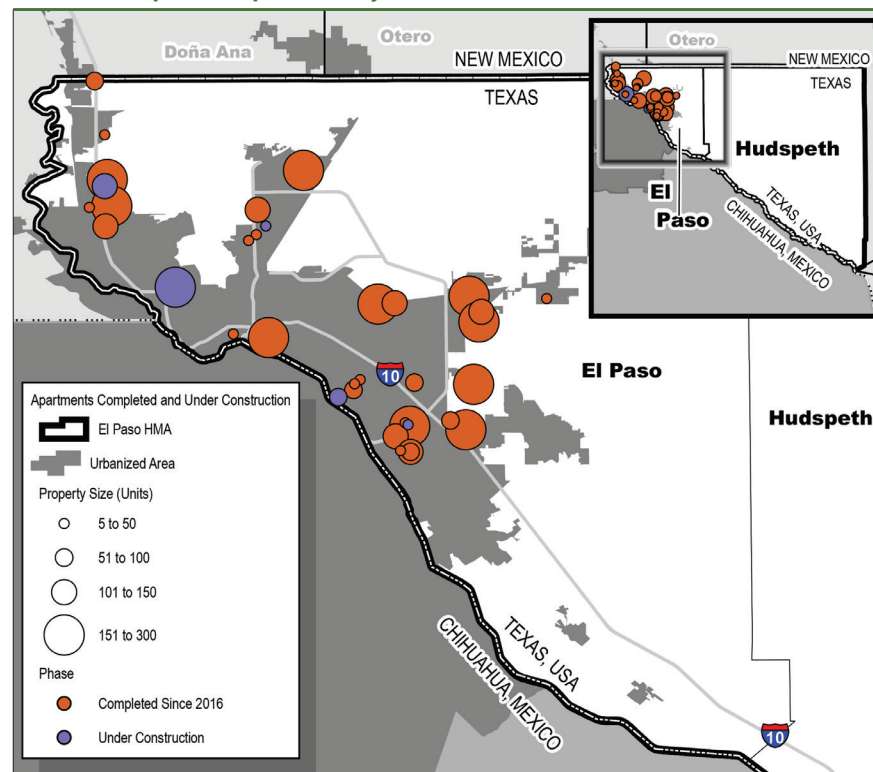
Table 11. Demand for New Rental Units in the El Paso HMA During the Forecast Period

| Rental Units | |
|---------------------------|-------------|
| Demand | 2,300 Units |
| Under Construction | 740 Units |

Note: The forecast period is April 1, 2022, to April 1, 2025.

Source: Estimates by the analyst

Map 1. Completed Projects in the El Paso HMA Since 2016



Source: CBRE Group, Inc.

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. |
| Distressed Sales | Short sales and real estate owned (REO) sales. |
| Existing Home Sales | Include resale sales, short sales, and REO sales. |
| Forecast Period | 4/1/2022–4/1/2025—Estimates by the analyst. |
| Home Sales/ Home Sales Prices | Include single-family, townhome, and condominium sales. |
| Maquiladora | 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. |

| | |
|---|---|
| Net Natural Change | Resident births minus resident deaths. |
| Rental Market/ Rental Vacancy Rate | Includes apartments and other rental units such as 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 2010 Census Urban and Rural Classification and the Urban Area Criteria. |

C. Additional Notes

| | |
|-----------|--|
| 1. | This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual 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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