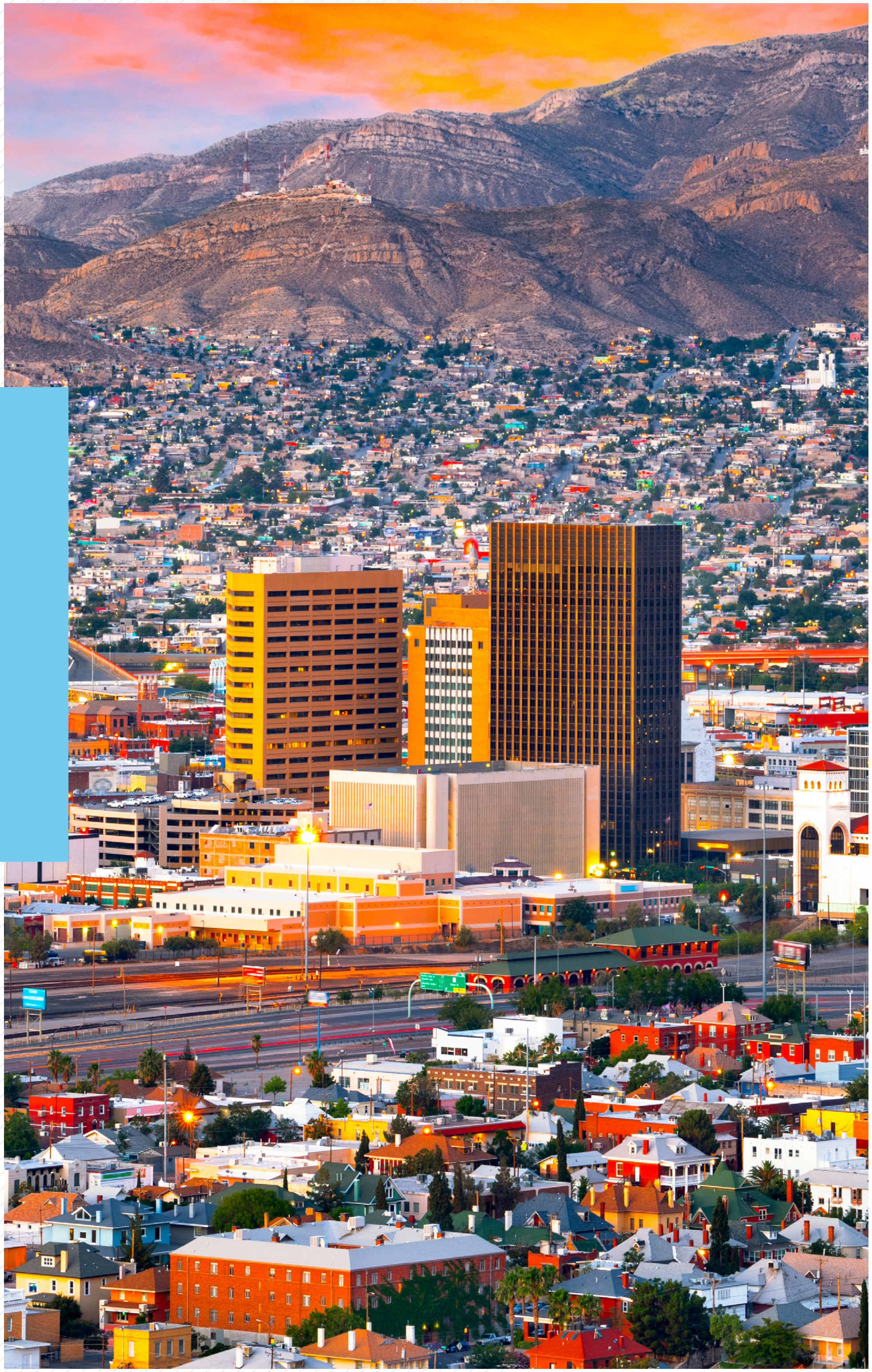
COMPREHENSIVE HOUSING MARKET ANALYSIS

El Paso, Texas



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

As of January 1, 2025

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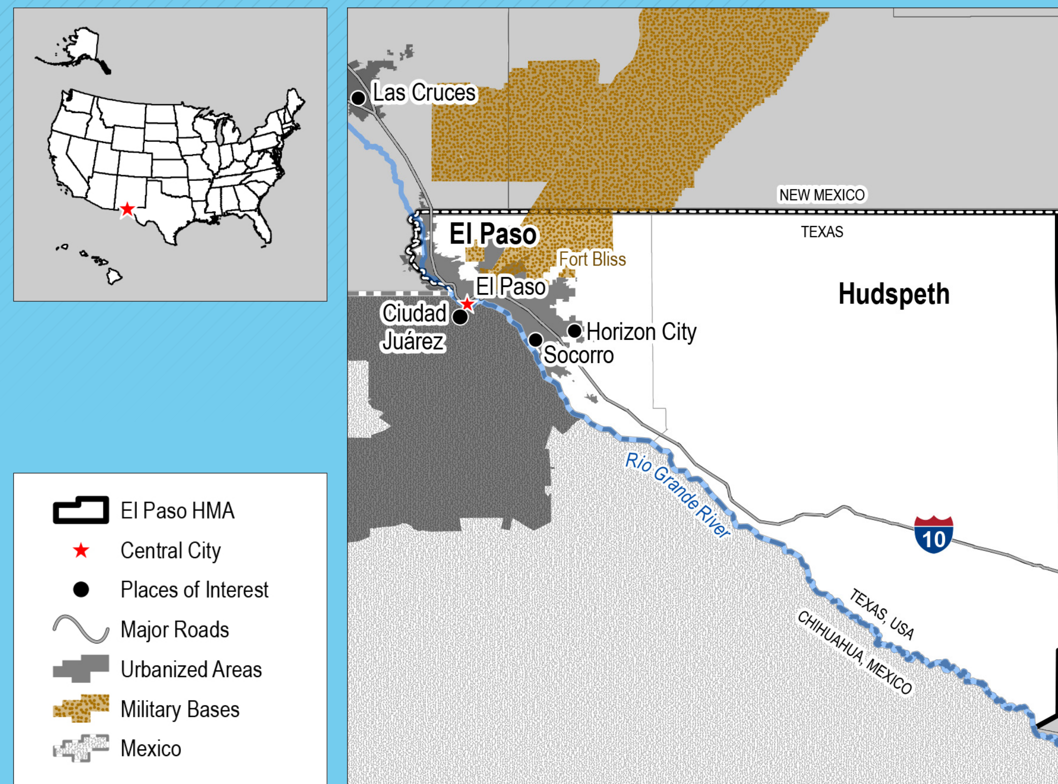
Executive Summary

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 on the northern shore of the Rio Grande River and directly across from Ciudad Juárez, Mexico. The North American Borderplex Region—a transborder agglomeration that includes the El Paso HMA, the Las Cruces MSA in New Mexico, and Ciudad Juárez, Mexico—has a population of more than 2.5 million.

The current population of the El Paso HMA is estimated at 878,800.

The HMA is home to Fort Bliss Army Post (hereafter, Fort Bliss), the second largest base by land area, covering approximately 1,700 square miles. In 2011, the U.S. Department of Defense relocated the 1st Armored Division, or approximately 11,500 troops, to the HMA based on recommendations from the 2005 Base Realignment and Closure (BRAC) Commission (Southern New Mexico-El Paso County Joint Use Study, 2015). Fort Bliss straddles the New Mexico and Texas border and is within the largest contiguous area of restricted air space in the continental United States. The headquarters of Fort Bliss is 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

Strong but Moderating: Nonfarm payrolls in the El Paso HMA totaled 349,300 jobs during 2024, up 6,600 jobs, or 1.9 percent, from the previous year, when payrolls increased 2.9 percent.

Job growth was faster in the HMA during 2024 compared with the national 1.6-percent growth rate. Nine of the 11 nonfarm payroll sectors added jobs during 2024, although the manufacturing sector declined by 300 jobs, or 1.7 percent, and payrolls in the information sector were flat. Nonfarm payrolls are currently 7.5 percent above the level in 2019 while nationwide nonfarm payrolls are 5.1 percent above the 2019 level. Job growth is expected to continue during the 3-year forecast period, averaging 1.7 percent annually, with the strongest growth anticipated during the first year.

Sales Market

Slightly Tight: The inventory of homes for sale in the HMA increased to 3.8 months of supply as of December 2024, up from 3.6 months a year earlier (Cotality).

The sales housing market in the HMA is currently slightly tight, with a vacancy rate of 1.4 percent, up from 1.3 percent in April 2020 and down from 1.6 percent in April 2010. During 2024, home sales totaled 13,150, a 7-percent decrease from a year earlier (Cotality, with adjustments by the analyst). The average home sales price during 2024 rose 2 percent from a year ago to $262,000. During the forecast period, demand is estimated for 6,950 new homes. The 690 homes under construction will meet a small portion of the demand during the first year of the forecast period.

Rental Market

Balanced: The overall rental market in the HMA is currently balanced, with an estimated vacancy rate of 7.1 percent, down from 7.8 percent in April 2020, when conditions were also balanced.

Apartment market conditions are currently balanced. The apartment vacancy rate was 6.4 percent during the fourth quarter of 2024, up from 5.6 percent a year earlier (CoStar Group). The average apartment rent increased $24, or 2 percent, to $1,066 as of the fourth quarter of 2024 compared with the previous year. During the forecast period, demand is estimated for 2,325 new rental units. The 1,350 rental units under construction will satisfy a portion of that demand during the first 2 years of the forecast period.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
El Paso HMA	Total Demand	6,950	2,325
	Under Construction	690	1,350

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, 2025. The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Government

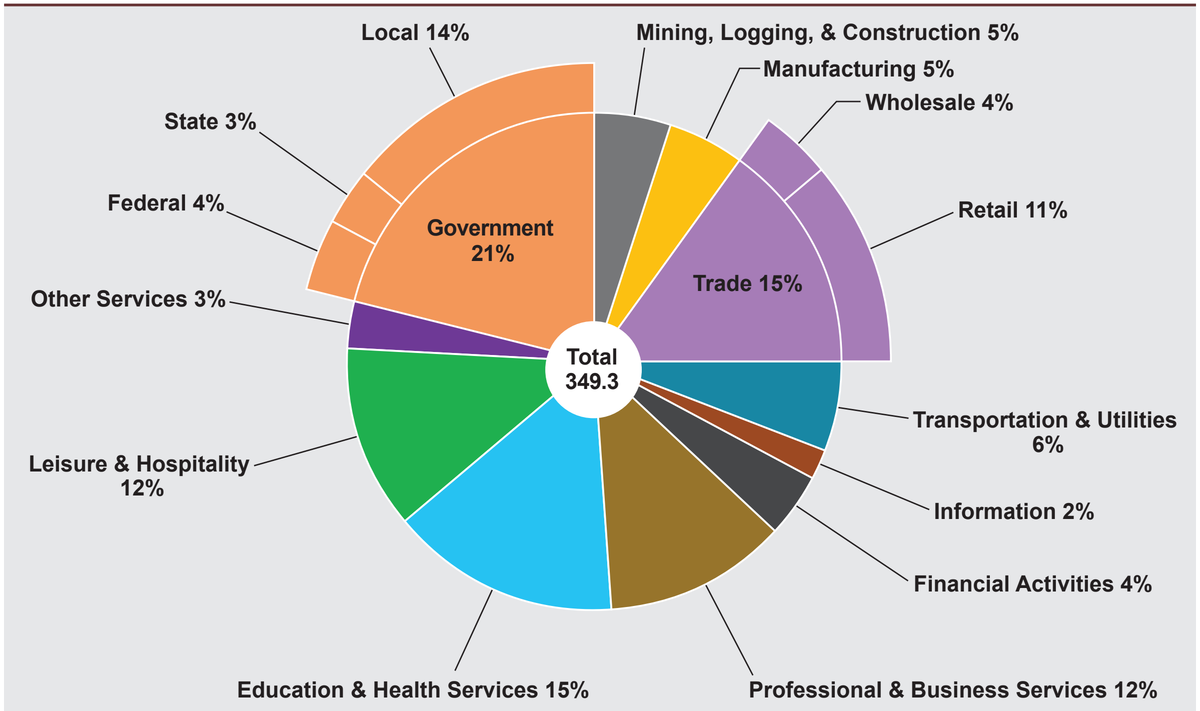
During 2023, Fort Bliss had an estimated $27.9 billion impact on the Texas economy.

Primary Local Economic Factors

The largest nonfarm payroll sector in the El Paso HMA is the government sector, with 73,800 jobs during 2024, accounting for 21 percent of all nonfarm payroll jobs (Figure 1). Six of the 10 largest employers in the HMA are in the government sector. The largest employer is Fort Bliss, with 47,628 employees, of whom approximately 28,800 are active-duty military personnel excluded from nonfarm payrolls (Table 1). Multiple public-sector medical providers—including William Beaumont Army Medical Center, VA El Paso Healthcare System, and University Medical Center of El Paso—serve military personnel, veterans, and the general population in the HMA and surrounding areas. The HMA is also home to the University of Texas at El Paso (UTEP), a public university with approximately 3,000 employees.

The HMA is part of the North American Borderplex Region, a hub for cross-border trade, tourism, and medical and other services. Cross-border activity also supports government jobs in customs and law enforcement. Approximately 6.27 million pedestrians, 11.97 million personal vehicles, and 825,300 trucks crossed various bridges within the HMA during 2024 (U.S. Bureau

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 December 2024.
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 Army Post*	Government	47,628
T&T Staff Management, Inc.	Professional & Business Services	7,606
City of El Paso	Government	6,095
Walmart Inc.	Wholesale & Retail Trade	5,511
The Hospitals of Providence	Education & Health Services	5,300
GC Services LP	Professional & Business Services	4,324
University of Texas at El Paso	Government	3,400
University Medical Center of El Paso	Government	3,272
El Paso Community College	Government	3,102
William Beaumont Army Medical Center	Government	3,000

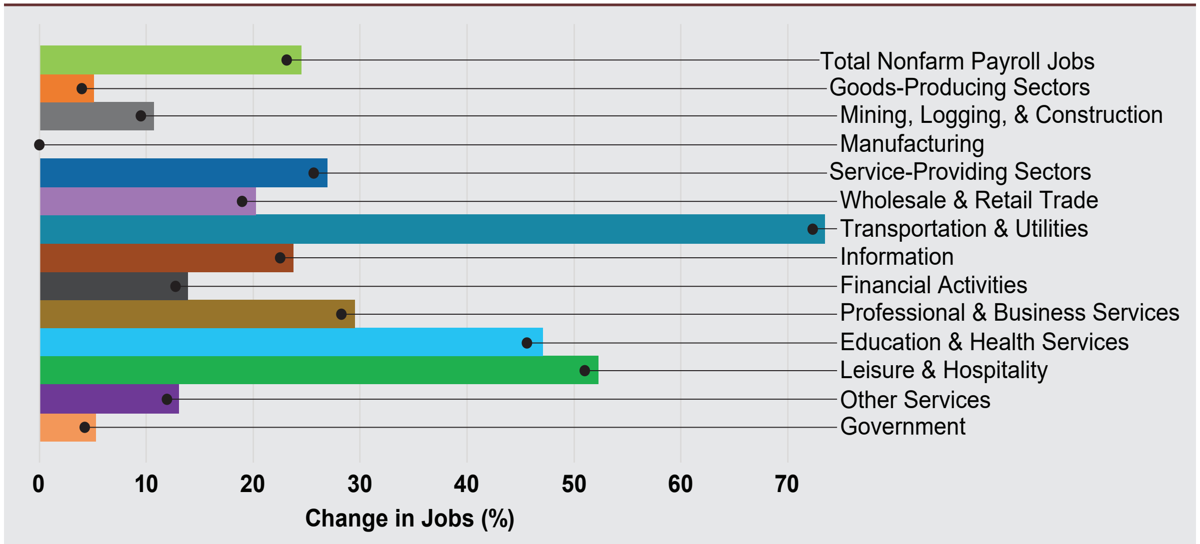
*Includes active-duty military personnel who are excluded from nonfarm payrolls.
Note: Excludes local school districts.
Sources: City of El Paso; County of El Paso; local employers

of Transportation Statistics). Approximately 60 percent of personal vehicles crossing the border in the HMA use the Ysleta-Zaragoza Bridge or the Bridge of the Americas. The Ysleta-Zaragoza Bridge handles most of the commercial truck traffic, and the Paso del Norte Bridge handles 70 percent of all pedestrian traffic (Texas Comptroller). Manufacturing by maquiladoras in the North American Borderplex Region supports warehousing and shipping facilities that move goods, providing jobs in the transportation and utilities sector, the fastest growing sector in the HMA since 2011 (Figure 2). All nonfarm sectors in the HMA have added jobs since 2011, except the manufacturing sector, which has remained unchanged.

Current Conditions— Nonfarm Payrolls

Economic conditions in the HMA are currently strong, although job growth is moderating from recent highs. During 2024, nonfarm payrolls increased by 6,600 jobs, or 1.9 percent, to 349,300 jobs, slowing from a 2.9-percent gain a year ago (Table 2). The government sector had the largest payroll gains during 2024, increasing by 2,300 jobs, or 3.2 percent, strengthening from the 2.9-percent year-over-year growth in 2023. Approximately 78 percent of government sector growth occurred in the local government subsector. Strong job gains occurred in the education and health services sector, increasing

Figure 2. Sector Growth in the El Paso HMA, 2011 to Current



Note: Current data are based on the 12-month averages ending December 2024.
Source: U.S. Bureau of Labor Statistics

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

	2023	2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**342.7**	**349.3**	**6.6**	**1.9**
Goods-Producing Sectors	34.2	34.3	0.1	0.3
Mining, Logging, & Construction	16.8	17.2	0.4	2.4
Manufacturing	17.4	17.1	-0.3	-1.7
Service-Providing Sectors	308.6	315.0	6.4	2.1
Wholesale & Retail Trade	52.4	52.8	0.4	0.8
Transportation & Utilities	21.3	21.9	0.6	2.8
Information	6.7	6.7	0.0	0.0
Financial Activities	13.3	13.6	0.3	2.3
Professional & Business Services	40.4	40.7	0.3	0.7
Education & Health Services	51.7	53.1	1.4	2.7
Leisure & Hospitality	41.5	42.3	0.8	1.9
Other Services	9.8	10.3	0.5	5.1
Government	71.5	73.8	2.3	3.2

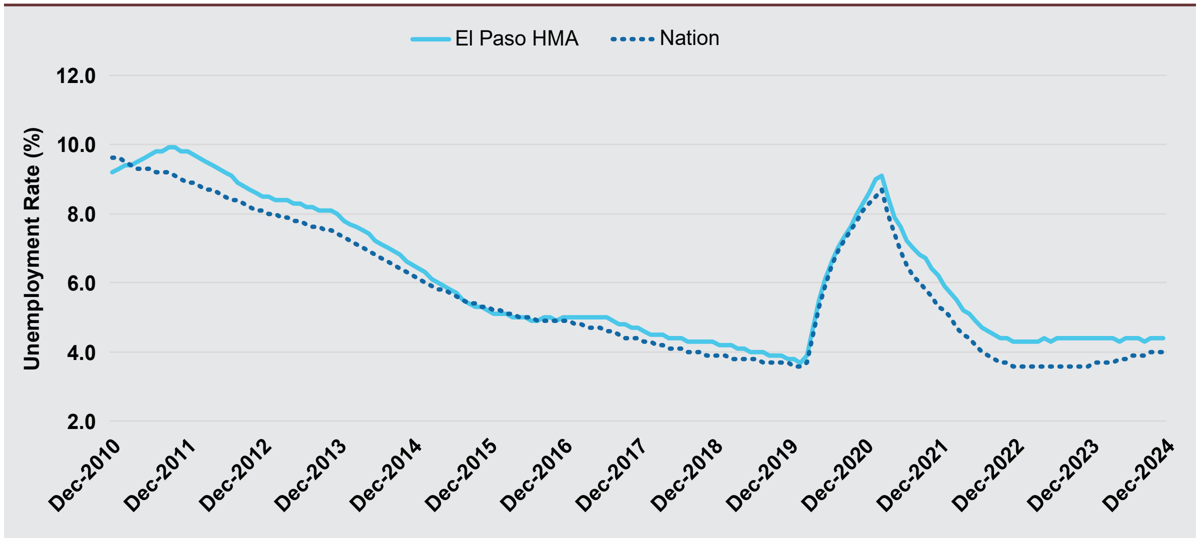
Notes: Based on 12-month averages through December 2023 and December 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

by 1,400 jobs, or 2.7 percent, during 2024, slowing from the 6.6-percent growth rate the previous year. Several expansions at medical facilities—including Providence Children's Hospital, The Hospitals of Providence East Campus, and the El Paso Psychiatric Center—bolstered job growth in the education and health services sector during 2023. Fast job growth occurred in the other services and the transportation and utilities sectors, up by 500 and 600 jobs, or 5.1 and 2.8 percent, respectively. The mining, logging, and construction sector gained 400 jobs, or 2.4 percent, during 2024, a contrast to the decline of 300 jobs, or 1.8 percent, in 2023. The manufacturing sector declined by 300 jobs, or 1.7 percent, accelerating from the decline of 200 jobs, or 1.2 percent, the previous year. Losses in the manufacturing sector were partly due to the closing of a Sumitomo Electric Wiring Systems auto-wiring factory, eliminating 110 jobs, and layoffs affecting more than 50 employees at El Paso Lamination LLC. The information sector was unchanged during 2024 compared with a gain of 700 jobs, or 11.7 percent, in 2023.

Current Conditions—Unemployment

The HMA unemployment rate has generally been slightly above the national rate since 2016. The unemployment rate in the HMA averaged 4.4 percent during 2024, unchanged from a year earlier but higher than the 4.0-percent rate for the nation (Figure 3). The unemployment rate in the HMA peaked recently at 9.1 percent during the 12 months ending March 2021, the height of the COVID-19 pandemic, and declined quickly thereafter. By comparison, the national unemployment rate peaked at 8.7 percent during the 12 months ending March 2021.

Figure 3. 12-Month Average Unemployment Rate in the El Paso HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

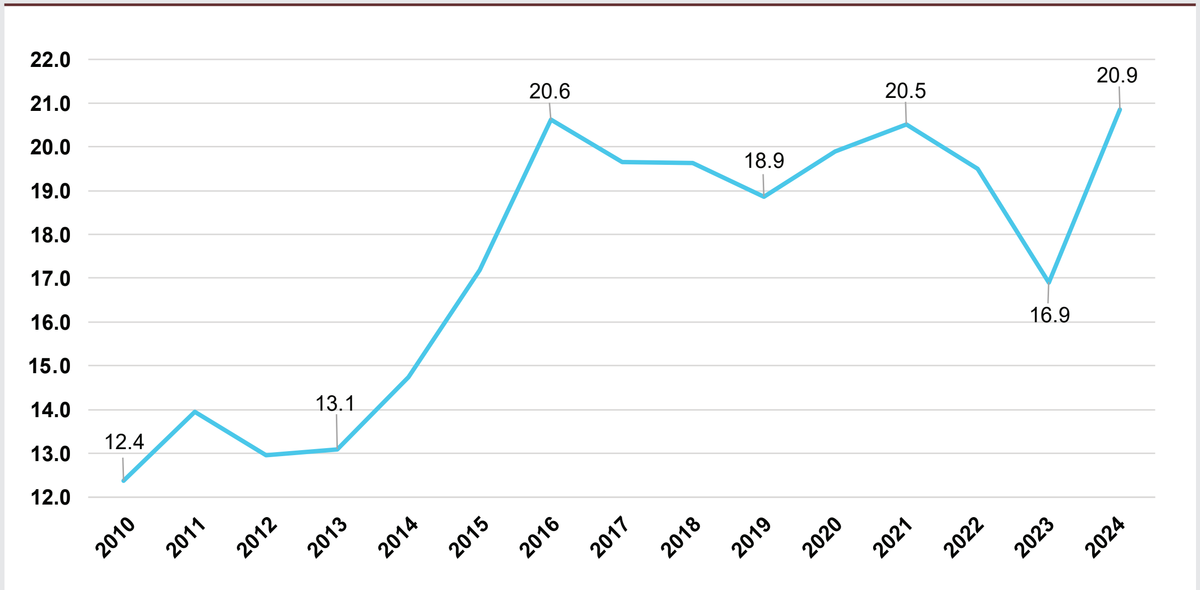
2011 Through 2014

By 2010, the HMA recovered all the jobs it had lost during 2008 and 2009 because of the Great Recession, and the local economy continued adding jobs from 2011 through 2014. By 2014, nonfarm payrolls totaled 295,300 jobs, an average increase of 3,700 jobs, or 1.3 percent, annually from 2011 through 2014 compared with 1.6-percent growth nationally. During the period, 6 of the 11 nonfarm payroll sectors added jobs. The education and health services and the wholesale and retail trade sectors led job gains, each increasing by averages of 1,300 jobs annually, or 3.3 and 2.9 percent, respectively. The retail trade subsector accounted for 85 percent of gains in the wholesale and retail sector, increasing an average of 1,100 jobs, or 3.2 percent, a year, reflecting increased local spending partly due to the relocation of troops to the HMA early in the period. The education and health services sector grew, partly because of the opening of El Paso Children's Hospital in 2012, adding 600 jobs. Job growth also occurred in the manufacturing sector, increasing by an average of 100 jobs, or 0.9 percent, annually. Losses in the mining, logging, and construction sector offset job gains, declining an average of 600 jobs, or 3.8 percent, a year. The losses largely resulted from a significant slowdown in construction following a surge due to the 2005 BRAC, which led to a housing boom from 2005 through 2010 to accommodate new troop arrivals. In addition, nonresidential construction declined because several projects were completed in 2013, including several highway improvement projects and a $4.1 billion Fort Bliss base expansion. Losses also occurred in the government sector, down by 200 jobs, or 0.3 percent, a year, with all losses occurring in the local government subsector.

2015 and 2016

Nonfarm payroll growth in the HMA was strong during 2015 and 2016, increasing by an average of 6,600 jobs, or 2.2 percent, annually and outpacing the national increase, which averaged 1.8 percent a year. The strongest job growth was in the transportation and utilities sector, increasing by an average of 1,000 jobs, or 6.8 percent, a year. The warehousing, distribution, logistics, and fulfillment services industry added jobs, partly because of increased maquiladora manufacturing activities in Ciudad Juárez. The education and health services sector added the most jobs during the period, up an average of 1,300 jobs, or 3.0 percent, a year. The professional and business services and the leisure and hospitality sectors added respective averages of 1,000 and 900 jobs, or 3.1 and 2.9 percent, annually. The mining, logging, and construction sector increased an average of 800 jobs, or 5.8 percent, annually. Increases in the sector were partly due to downtown redevelopment projects and large-scale housing renovation projects by HOME (formerly known as the Housing Authority of the City of El Paso) utilizing the Low-Income Housing Tax Credit and the HUD Rental Assistance Demonstration (RAD) programs. The wholesale and retail trade sector increased by an average of 800 jobs, or 1.5 percent, a year primarily because of hiring in the retail trade subsector, which increased by 600 jobs, or 1.4 percent, annually. Subsector payrolls grew despite slower retail sales, partly because the exchange rate rose from approximately 13 pesos to the dollar in early 2014 to nearly 21 pesos to the dollar at year end in 2016 (Figure 4). An average annual loss of 300 jobs, or 4.7 percent, in the information sector offset the job gains, and both the manufacturing and the other services sectors were relatively unchanged. Several layoffs, including 171 workers at Bruce Foods Corporation, impeded gains in the manufacturing sector.

Figure 4. Mexican Pesos to 1 U.S. Dollar



Source: U.S. Federal Reserve Board of Governors, Mexican Pesos to U.S. Dollar Spot Exchange Rate, retrieved from Federal Reserve Bank of St. Louis

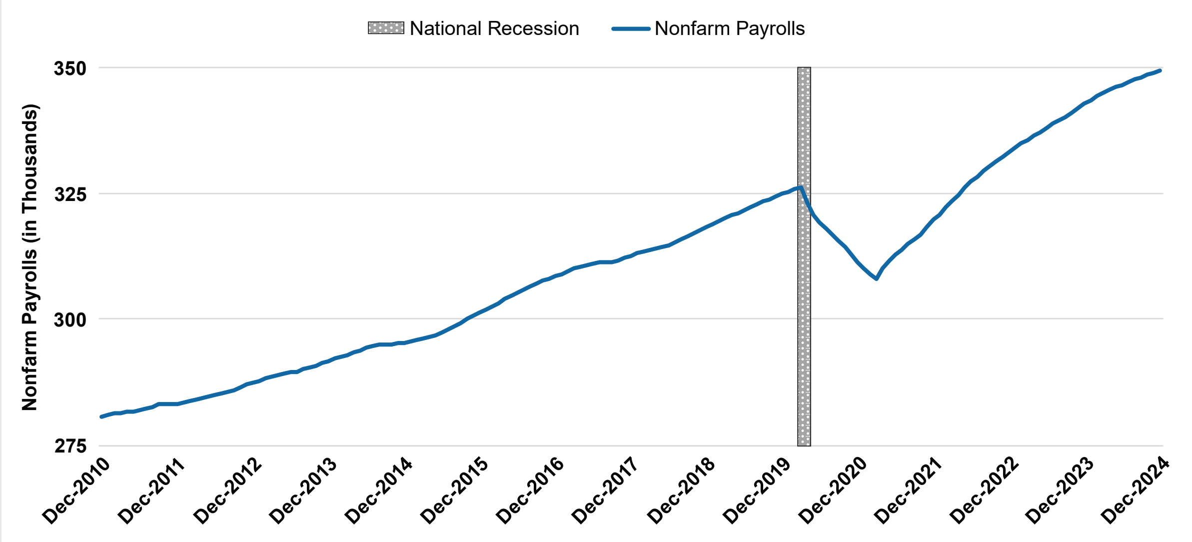
2017 Through 2019

Job growth from 2017 through 2019 slowed to an average of 5,400 jobs, or 1.7 percent, annually. Growth in the education and health services, the leisure and hospitality, and the professional and business services sectors accelerated, gaining respective averages of 1,500, 1,300, and 1,200 jobs, or 3.3, 3.6, and 3.6 percent, annually. The mining, logging, and construction sector increased an average of 700 jobs, or 4.5 percent, annually, spurred by the new construction of micro-hospital facilities and medical facility expansions. Job declines in the information and other services sectors, averaging 100 jobs each, or 2.0 and 1.1 percent, a year, respectively, partly offset the gains. Payrolls in the wholesale and retail trade and the manufacturing sectors were virtually flat from 2017 through 2019. Although the wholesale trade subsector gained an average of 400 jobs, or 3.2 percent, a year, the retail trade subsector offset those gains, partly because of several store closures at Sunland Park Mall and surrounding shopping centers.

2020

The interventions taken in mid-March 2020 to slow the spread of COVID-19 weakened the local economy, contributing to payrolls falling by 13,400 jobs, or 4.1 percent, compared with a 5.8-percent decline in the nation (Figure 5). The largest share of job losses was in the leisure and hospitality sector, declining by 6,000 jobs, or 15.7 percent. The government sector fell by 2,600 jobs, or 3.6 percent. The state and local government subsectors declined by 1,700 and 1,200 jobs, or 14.5 and 2.5 percent, respectively, partly because social-distancing measures reduced many in-person services. Gains in the federal government subsector partly offset declines, rising by 300 jobs, or 2.3 percent, partly because U.S. Customs and Border Protection and other federal agencies along the border increased enforcement activity. Job losses were also significant in the wholesale and retail trade sector, which declined by 2,100 jobs, or 4.1 percent. The ports of entry were closed to nonessential traffic to curb the spread of COVID-19, limiting cross-border economic activity and negatively affecting trade and tourism. However, the mining, logging, and construction and the financial activities sectors made notable gains during the period, adding 400 and 100 jobs, or 2.4 and 0.8 percent, respectively.

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



Note: Based on the 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

2021 and 2022

The HMA added an average of 10,800 jobs, or 3.4 percent, annually during 2021 and 2022. Nonfarm payrolls surpassed the prepandemic peak by early 2022. Combined, the leisure and hospitality, the professional and business services, and the wholesale and retail trade sectors accounted for 68 percent of job gains throughout the period. Each sector added respective averages of 3,600, 2,000, and 1,700 jobs, or 10.8, 5.3, and 3.5 percent, annually. The transportation and utilities sector increased an average of 1,400 jobs, or 8.3 percent, annually, which was partially attributed to the completion of an Amazon.com, Inc. fulfillment center during the fourth quarter of 2021. Losses in the mining, logging, and construction, the financial activities, and the government sectors of 100 jobs each, or 0.9, 0.7, and 0.1 percent, respectively, partly offset the payroll gains.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 1.7 percent, slowing from the recent strong pace of job growth. The HMA is expected to benefit from continued medical facility expansions, including the $617 million veterans healthcare center that broke ground in September 2024, with an anticipated completion date after 2028. The construction of the facility and the development of a data center by Oppidan Investment Company are expected to boost jobs in the mining, logging, and construction sector.

Population and Households

Current Population: 878,800

Population growth has weakened in the El Paso HMA since 2020 compared with 2010 to 2020, partly because of a decrease in net natural change.

Population Trends

The population of the HMA is currently estimated at 878,800, an average increase of 2,100, or 0.2 percent, annually since 2020 (Table 3). From 2010 to 2020, the population increased by an average of 6,475, or 0.8 percent, annually. Since 2020, net out-migration from the HMA has averaged 2,200 people a year, a faster rate than during the previous decade, when net out-migration averaged 1,400 people annually. More than 99 percent of the population in the HMA lives in El Paso County. Hudspeth County had a population of only 3,200 in April 2020, down from 3,475 in April 2010.

Migration has significantly affected population growth in the HMA. From 2010 to 2012, when the BRAC expansion occurred, population growth in the HMA was elevated, averaging 16,250 people, or 2.0 percent, a year, with net in-migration averaging 7,200 people and net natural change averaging 9,050 people (U.S. Census Bureau decennial census counts and population estimates as of July 1; Figure 6). Net in-migration was high because numerous troops and their families relocated to Fort Bliss, and other people migrated to the HMA to fill jobs created by the personnel increase. From 2012 to 2014, the population expanded by an average of 2,900, or 0.3 percent, a year, with net out-migration averaging 5,875 people annually. Net natural change slowed, averaging 8,775 people a year. The troop relocations due to BRAC were mostly completed in 2011, and the base expansion was completed

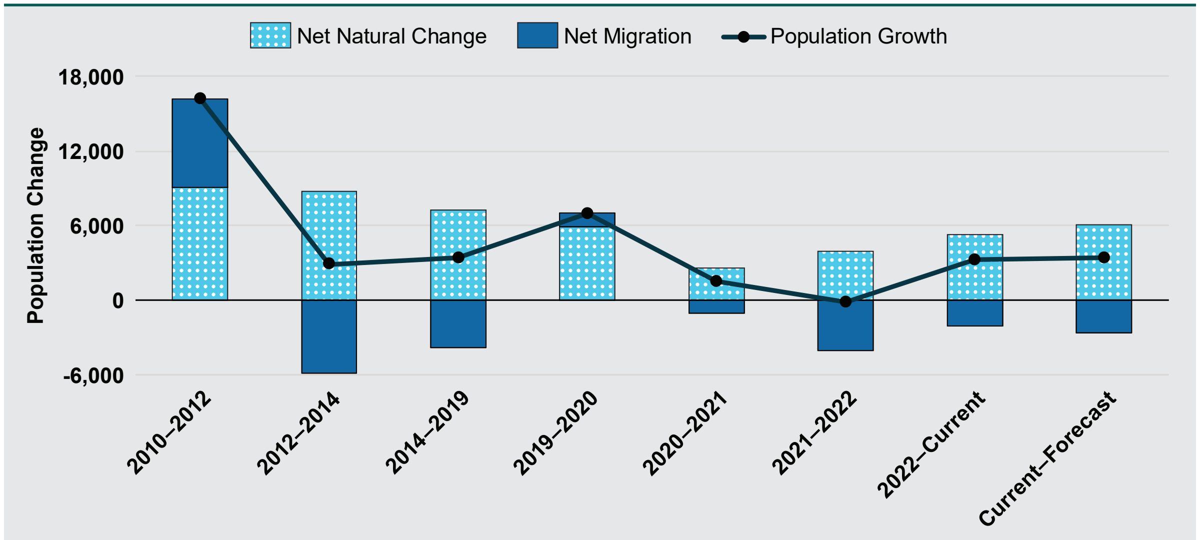
Table 3. El Paso HMA Population and Household Quick Facts

Population Quick Facts		2020	Current	Forecast
	Population	868,859	878,800	889,100
	Average Annual Change	6,475	2,100	3,425
	Percentage Change	0.8	0.2	0.4

Household Quick Facts		2020	Current	Forecast
	Households	297,233	305,300	311,600
	Average Annual Change	3,950	1,700	2,100
	Percentage Change	1.4	0.6	0.7

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the El Paso HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

in 2013, causing population growth to slow. Increased oil and natural gas production in other parts of Texas contributed to slowing population growth because many people left the HMA to seek higher-paying jobs in that industry elsewhere. From 2014 to 2019, population growth averaged 3,425 people, or 0.4 percent, annually, with net natural change and net out-migration slowing to respective averages of 7,275 and 3,850 people a year. Population growth was faster from 2019 to April 2020, averaging 7,025 people, or 0.8 percent, a year, because net out-migration briefly reverted to net in-migration, averaging 1,075 people annually, and offset a slowdown in net natural change to 5,950 people a year. The following year, however, countermeasures to prevent the spread of COVID-19 caused employment in the HMA to decline. The local economic impact was less severe than the contraction nationally, but population growth in the HMA slowed to 1,525 people, or 0.2 percent, annually from April 2020 to 2021, including net out-migration of 1,050 people. From 2021 to 2022, the population was nearly unchanged, declining by 120, and net out-migration swelled to 4,050 people. Since 2022, the local economy has been strong, and population growth has averaged 3,275 people, or 0.4 annually, with net natural change averaging 5,325 people, partly offset by net out-migration averaging 2,050 people.

Migration Trends

Net out-migration from the HMA during most periods since 2012 has largely stemmed from job opportunities or lower housing costs in other metropolitan areas. From 2016 through 2020, the top destinations for those leaving the HMA included the Houston-The Woodlands-Sugar Land, San Antonio-New Braunfels, and Dallas-Fort Worth-Arlington MSAs in Texas, which offer many high-paying jobs (2016–2020 American Community Survey [ACS] 5-year data; Table 4). In addition, a common destination is the nearby Las Cruces, NM MSA, with lower housing costs drawing many retirement-age residents. From 2011 to 2015, the origins of those migrating to the HMA due to BRAC included the Fayetteville, NC, Riverside-San Bernardino-Ontario, CA, Killeen-Temple, TX,

Table 4. Metro-to-Metro Migration Flows in the El Paso HMA, 2016–20

Into the HMA	
Las Cruces, NM	1,867
San Antonio-New Braunfels, TX	1,808
Odessa, TX	1,100
Austin-Round Rock-Georgetown, TX	964
Midland, TX	894
Out of the HMA	
Houston-The Woodlands-Sugar Land, TX	2,867
Las Cruces, NM	2,703
San Antonio-New Braunfels, TX	2,397
Dallas-Fort Worth-Arlington, TX	2,032
Austin-Round Rock-Georgetown, TX	1,388

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

and Columbus, GA MSAs, the locations of the major military bases Fort Bragg, March Air Reserve Base, Fort Cavazos, and Fort Benning, respectively.

Population Age Trends

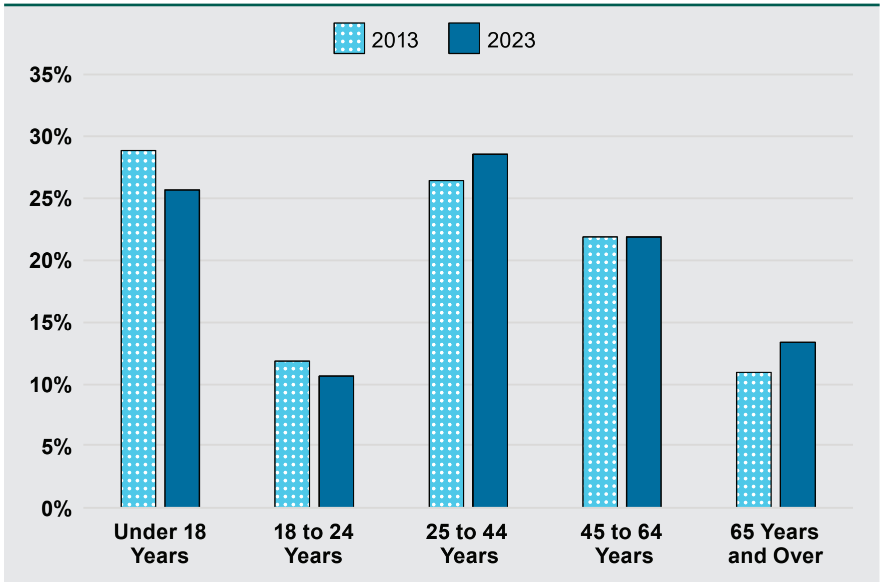
In 2023, the median age in the HMA was 33.9, up from 31.5 in 2013 and well below the respective national and state median ages of 39.2 and 35.2, partly because of a large number of younger military personnel, the presence of UTEP, and the relatively high portion of the population younger than 18 (ACS 1-year data; Table 5). Like the national trend, the proportion of the age cohort 65 and older has grown in the HMA. In 2013, this age group made up approximately 11 percent of the total HMA population, but by 2023, it had grown to more than 13 percent of the population, contributing to the growing demand for healthcare-related services. Conversely, the age cohort 18 and younger was 29 percent of the population in 2013 and decreased to less than 26 percent in 2023. The largest population cohort in the HMA is people aged 25 to 44 years old, accounting for nearly 29 percent of the total population as of 2023, up from 27 percent in 2013 (ACS 1-year data; Figure 7).

Table 5. Selected Population and Household Demographics

	El Paso HMA	Nation
Population Age Under 18 Years	25.6%	21.7%
Population Age 65 and Over	13.4%	17.7%
Median Age	33.9	39.2
White*	73.4%	72.3%
Black*	4.8%	14.4%
Asian*	2.3%	7.4%
Other Race*	62.8%	16.4%
Hispanic	82.8%	19.4%
Non-Hispanic	17.2%	80.6%
Median Household Income	$59,037	$77,719
Foreign Born Population	22.5%	14.3%
Households with One or More Children Under Age 18	36.8%	28.8%

Note: *Race alone or in combination with one or more other races.
Source: 2023 American Community Survey 1-year data

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

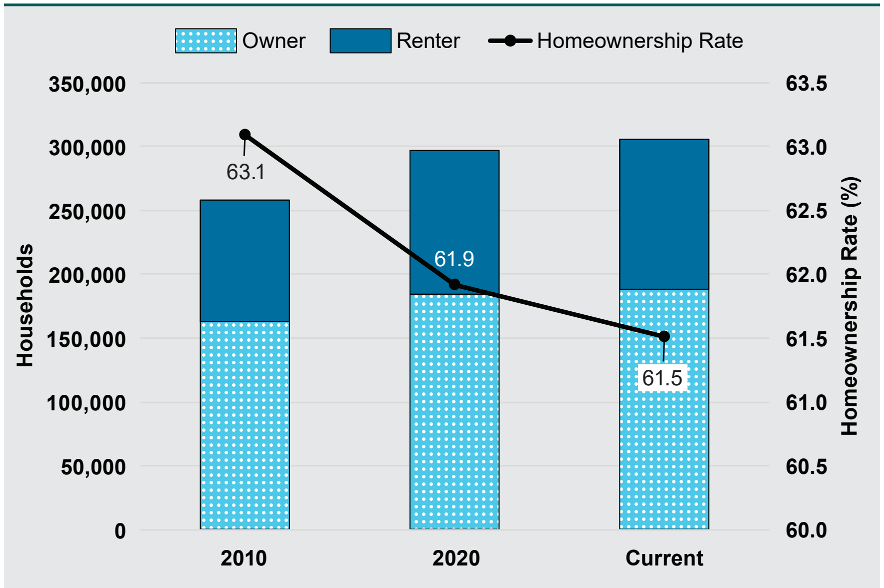


Sources: 2013 and 2023 American Community Survey 1-year data

Household Trends

Currently, an estimated 305,300 households reside in the HMA, representing an average increase of 1,700, or 0.6 percent, annually since April 2020—more than double the rate of population growth. By comparison, the number of households increased much faster—at an average of 3,950, or 1.4 percent, annually from 2010 to 2020, nearly double the rate of population growth. Household growth in the HMA has been stronger than population growth because of a trend of smaller household sizes due to aging residents and a declining proportion of households with children. However, the rate of household growth has decelerated since 2020 because of slower population growth. The homeownership rate in the HMA declined from 63.1 percent in 2010 to 61.9 percent in 2020, largely because of the Great Recession and the housing crisis of the late 2000s (Figure 8). Currently, the homeownership

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



Note: The current date is January 1, 2025.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

rate is estimated at 61.5 percent. Similar to the nation, the homeownership rate in the HMA declined notably in younger age cohorts from 2010 to 2020. The homeownership rate among those aged 25 to 34 declined from 41.2 to 38.7 percent between 2010 and 2020. Among those aged 35 to 44, the homeownership rate declined to 58.2 percent in 2020, down from 62.1 in 2010. Since 2020, homeownership rates in the HMA among those aged 25 to 34 have increased slightly from 38.7 to 39.0 percent in 2023 but declined among those aged 35 to 44 from 58.2 to 57.0 percent. At the national level, homeownership of those cohorts increased from 38.3 to 41.3 percent and 57.3 to 61.1 percent, respectively, from 2020 to 2023.

Military Households

In 2023, 28,800 military members and 114,700 family members and military retirees lived in the HMA, accounting for 18 percent of the population (Department of Defense Military Installations). Growth at Fort Bliss related to BRAC benefited the HMA economically and boosted overall housing demand in the early 2010s in contrast to falling demand in the rest of the nation due to the housing crisis. At Fort Bliss, the number of active-duty military personnel rose an average of 13 percent a year from 2008 to a high of approximately 27,400 in 2012 (Defense Manpower Data Center).

Most active-duty military personnel in the HMA live on base or in privately owned rental housing, whereas many veterans are homeowners. Approximately 50 percent, or 14,525 military members, live off-base and the remainder live on-base, where housing includes more than 10,050 beds in barracks for unaccompanied personnel (U.S. Army Garrison Fort Bliss Plans, Analysis, and Integration Office). For service members with dependents, on-base military housing includes Balfour Beatty Communities, with approximately 4,225 individual housing units. Fort Bliss is expected to complete three 3D-printed barracks housing projects in early 2025, making it the largest 3D-printed barracks in the country. Each barracks will house up to 72 soldiers.

Student Households

The UTEP campus in El Paso is near the Rio Grande River overlooking Mexico. The university has on-campus housing with a capacity of approximately 990 beds. As of the fall of 2024, UTEP had approximately 25,050 students enrolled, of which 68 percent were full time. Students living off campus are dispersed throughout the HMA and account for approximately 3 percent of renter households (estimates by the analyst).

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 0.7 percent, or by 3,425 and 2,100, respectively. Population growth is expected to strengthen during the 3-year forecast period because of expected higher net natural change and a continued decline in pandemic-related deaths. Household growth is estimated to exceed population growth because the number of smaller-sized households is expected to continue increasing during the forecast period. The population and number of households are expected to reach an estimated 889,100 and 311,600, respectively, by January 1, 2028.

Home Sales Market

Market Conditions: Slightly Tight

During 2024, the inventory of homes available for sale was low, with an estimated 3.8 months of supply as of December 2024 compared with a high of 8.6 months in 2013, following substantial homebuilding activity (Cotality).

Current Conditions

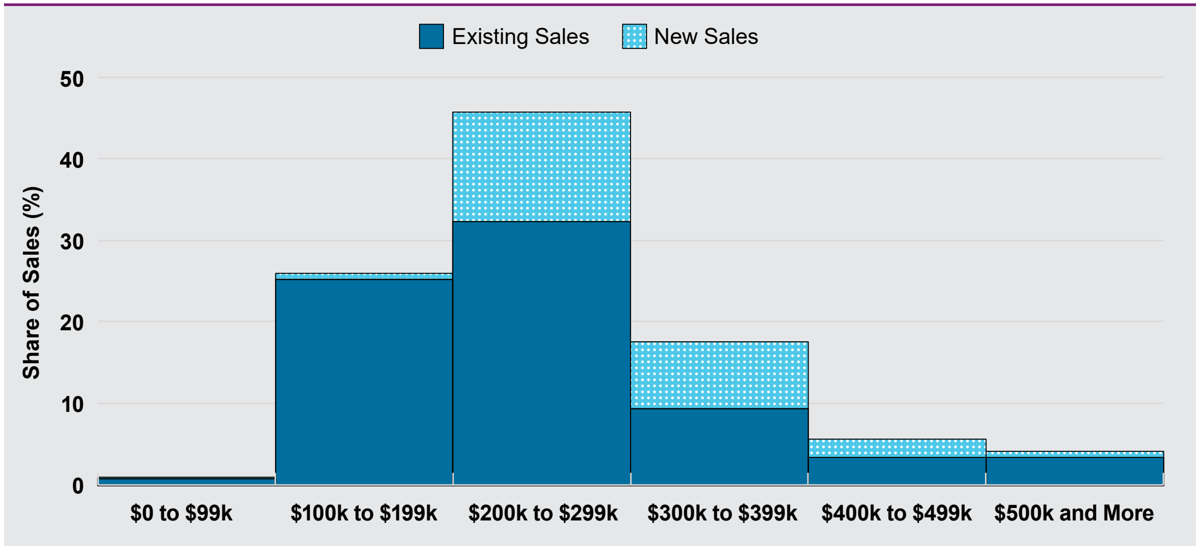
Sales housing market conditions in the El Paso HMA are currently slightly tight. The current estimated vacancy rate is 1.4 percent, down from 1.6 percent in April 2010 but up from 1.3 percent as of April 2020 (Table 6). The sales vacancy rate did not increase substantially in 2010 because the effects of the national housing crisis were less severe in the HMA, partly because of the expansion at Fort Bliss during this time. As of December 2024, the market had 3.8 months of available inventory, up from 3.6 months the previous year and 3.5 months in December 2019—prior to the pandemic (Cotality). During 2024, home sales in the HMA totaled 13,150 homes, a decrease of 1,050 homes, or 7 percent, from the previous year, and the average home sales price increased 2 percent to $262,000 (Cotality, with adjustments by the analyst). More than 45 percent of home sales within the HMA during 2024 were priced between $200,000 to $299,000 (Zonda; Figure 9).

Table 6. Home Sales Quick Facts in the El Paso HMA

		El Paso HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.4%	NA
	Months of Inventory	3.8	3.8
	Total Home Sales	13,150	4,954,000
	1-Year Change	-7%	-6%
	New Sales Price	$312,400	$494,900
	1-Year Change	2%	1%
	Resales Price	$252,400	$418,600
	1-Year Change	2%	7%
	Mortgage Delinquency Rate	1.4%	1.0%

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 2024; and months of inventory and mortgage delinquency data are as of December 2024. The current date is January 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory, mortgage delinquency rate—Cotality; home sales and prices—Cotality, with adjustments by the analyst

Figure 9. Share of Overall Home Sales by Price Range in the El Paso HMA During the 12 Months Ending December 2024

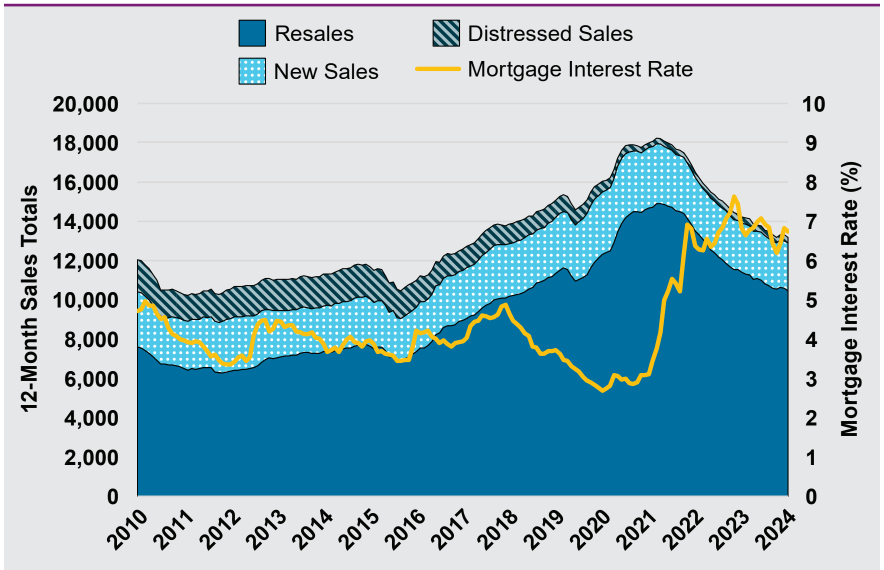


Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

New Home Sales and Prices

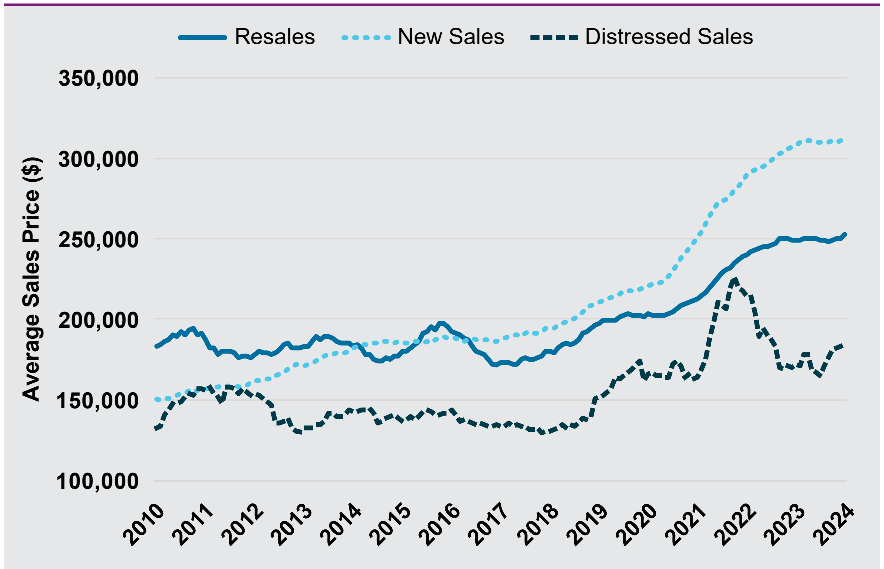
New home sales have moderated from the high following the pandemic, when demand was strong and mortgage rates were low. During 2024, 2,425 new homes sold, down by 70 homes, or 3 percent, from a year ago and slowing from an 8-percent decrease during the previous year (Cotality, with adjustments by the analyst). The average price of a new home increased 2 percent in 2024 to $312,400, decelerating from 6-percent price growth during the previous year. The current level of new home sales is similar to average annual sales from 2011 through 2019. During 2011, new home sales totaled 2,450 and increased to 2,700 homes during 2012, partly because of the large influx of troops moving to the HMA, but sales then declined an average of 4 percent annually to a 16-year low of 2,275 homes during 2016. From 2011 through 2016, the price of a new home increased an average of more than 4 percent a year to $188,400. Following the low in sales during 2016, new home sales increased by an average of 190 homes, or 8 percent, annually from 2017 through 2019 to 2,850 homes sold in 2019 (Figure 10). Prices for new homes were virtually unchanged from a year earlier in 2017, but during 2018 and 2019, price growth accelerated to $11,500, or 6 percent, a year to $210,400 in 2019. During 2020, despite an initial slowdown early in the year, new home sales increased 11 percent annually to 3,175 homes by year end, and the average price increased 5 percent to $220,500. A total of 3,075 new homes sold during 2021, down 3 percent from a year earlier, but prices for new homes increased by $31,000, or 14 percent (Figure 11). The average price of a new home increased by $38,250, or 15 percent, to $289,700 during 2022, when 2,700 new homes sold.

Figure 10. 12-Month Home Sales Totals by Type in the El Paso HMA



Note: The mortgage rate is the average of weekly rates compiled within the month.
Sources: Home sales—Cotality, with adjustments by the analyst; Mortgage interest rates—Freddie Mac

Figure 11. 12-Month Average Home Sales Price by Type of Sale in the El Paso HMA



Source: Cotality, with adjustments by the analyst

Resale Home Sales and Prices

During 2024, resale home sales in the HMA totaled 10,450, a decrease of 950 homes, or 8 percent, from the previous year, continuing the 2-year trend of decreasing resale home sales, but declines slowed from the previous year, when sales declined by 2,100 homes, or 16 percent. The average price of a resale home in the HMA was $252,400 during 2024, an increase of $3,900, or 2 percent, from the previous year, when prices increased 3 percent. Conditions in the resale home sales market were comparatively weak in the early 2010s, but demand strengthened significantly beginning in 2017. Resale home sales in the HMA totaled 7,575 homes in 2010, and from 2011 through 2016, sales fluctuated from 6,350 to 7,700 annually. During 2011, resale home prices averaged $186,900 but fluctuated within a narrow range during the following 6 years, similar to resale home sales. By 2017, the annual resale home price had declined an average of 1 percent a year to $172,700. The overall decline during the period was partly due to elevated distressed sales impacting resale home prices by providing a lower-cost alternative to resale home sales. From 2018 through 2020, when falling mortgage rates contributed to stronger demand, resale home sales increased by an average of 1,125, or 11 percent, annually to 12,300 homes in 2020. Resale prices increased an average of 6 percent annually to $202,900 during 2020. A total of 14,650 resale homes were sold in 2021, up by 2,375, or 19 percent, and resale home prices averaged $212,300, up by $9,425, or 5 percent, from the previous year. In 2022, as mortgage rates began to rise, the number of resale home sales declined 8 percent to 13,500, but prices continued to rise, increasing 13 percent to $240,300.

Delinquent Mortgages and Distressed Sales

As of December 2024, 1.5 percent of home loans in the HMA were seriously delinquent or had transitioned into real estate owned (REO) status, up slightly from 1.4 percent a year earlier and less than the 2.0-percent rate as of November 2019—prior to the pandemic (Cotality). By comparison, the national percentage of seriously delinquent mortgages and REO properties was 1.0 percent as of November 2024, unchanged from a year earlier. The rates in both the HMA and nation are currently well below the 6.5- and 4.1-percent rates as of November 2020, when COVID-19 led to unprecedented job losses across the HMA, and many homeowners were unable to make mortgage payments, causing the mortgage delinquency rate to rise after declining for several years.

Distressed sales peaked in the HMA during 2015, when 1,650 distressed properties sold, representing approximately 18 percent of existing home sales. During 2015, the average sales price of a distressed home was approximately $136,100, or 26 and 24 percent less than a new and resale home, respectively (Cotality, with adjustments by the analyst). From 2016 through 2021, distressed sales in the HMA declined by an average of 230 homes, or 26 percent, annually, and average prices of distressed properties increased an average of $4,650, or 3 percent, a year. By 2022, distressed home sales in the HMA had fallen to 280 homes sold, accounting for less than 2 percent of existing home sales. The average price of a distressed home was $214,500 in 2022, up by $50,550, or 31 percent, from the previous year before declining 20 percent the following year. Distressed sales totaled 290 homes in 2024, and the average price of a distressed property increased 7 percent to $183,900.

Sales Construction

New home construction, as measured by the number of single-family homes, townhomes, and condominiums permitted (building permits), in the HMA was strongest in the early 2010s but has since declined along with the rate of population growth (Figure 12). Homebuilding activity was relatively high in the HMA when population growth was strong because of the expanding military presence, and from 2010 through 2012, an average of 3,900 homes were permitted a year. Following this period, the number of homes permitted declined, and from 2013 through 2020, an average of 2,450 new homes were permitted annually. In 2021, permitting increased to 2,775 homes before declining to 2,300 homes in 2022. New home construction totaled 1,950 homes in 2024, up 3 percent from the previous year, when approximately 1,900 homes were permitted (preliminary data, with adjustments by the analyst).

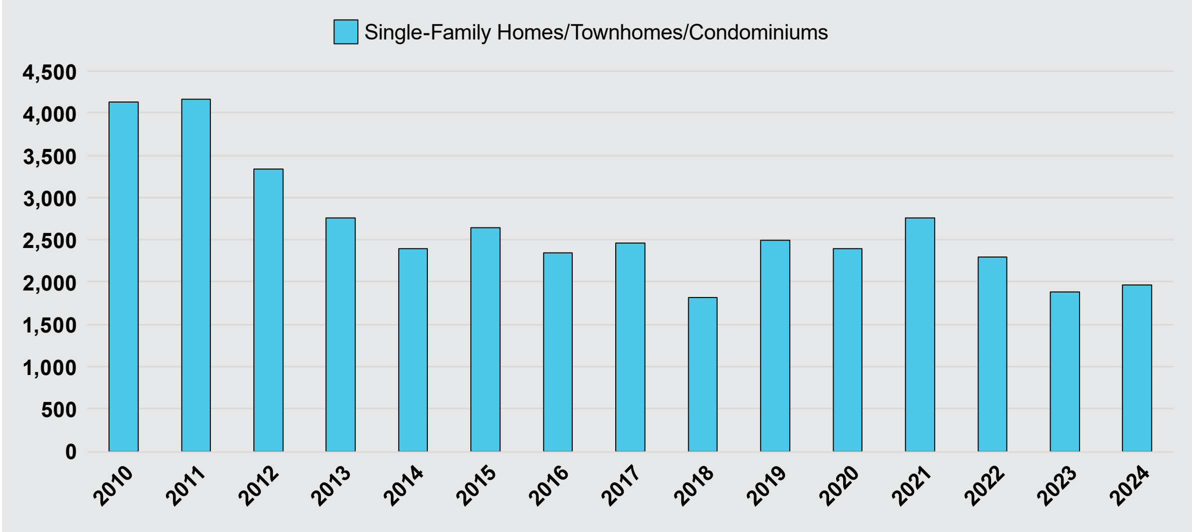
Recent Developments

Much of the new home construction in the HMA occurs near the Interstate 10 (I-10) corridor. Recent developments include Campo Del Sol, a master-planned community north of Fort Bliss and east of I-10 and Franklin Mountains State Park. It will have 9,500 homes at buildout. Approximately 230 homes have sold since opening in October 2024. Prices start in the $270,000s for a three-bedroom, two-bathroom single-family home. The Valle Nuevo subdivision in the city of Socorro, near the Mexican border and west of I-10, is underway, with 250 single-family homes planned for completion by the end of the year. Prices in this subdivision will start at $253,000 for a 1,448-square-foot, three-bedroom, two-bathroom home.

Forecast

Demand is expected for an additional 6,950 homes during the next 3 years (Table 7). The 690 homes under construction are expected to meet a small portion of that demand during the first year of the 3-year forecast period. Demand is expected to be low during the first year of the forecast period because of moderate job growth and high mortgage rates but is anticipated to strengthen during the second and third years.

Figure 12. Annual Sales Permitting Activity in the El Paso HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Table 7. Demand for New Sales Units in the El Paso HMA During the Forecast Period

	Sales Units
Demand	6,950 Units
Under Construction	690 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

The rental market transitioned to balanced conditions, easing from the tighter conditions following the pandemic because the strong rental demand was met with growing rental construction during 2022 and 2023.

Current Conditions and Recent Trends

The overall rental housing market—including single-family homes, townhomes, and mobile homes for rent—is currently balanced in the El Paso HMA. The vacancy rate is estimated at 7.1 percent, down from 7.8 percent as of April 2020, when the rental market was also balanced before tightening by the end of 2020. Approximately 39 percent of the occupied rental units in the HMA in 2023 were in structures with five or more units, typically apartments, down from 41 percent in 2021 (2021 and 2023 ACS 1-year data). Approximately 40 percent of renter households reside in single-family homes and townhomes, 16 percent live in buildings with two to four units, and 5 percent reside in other structures, including mobile homes (Table 8).

Single-Family Rental Market Conditions

Professionally managed, single-family homes represent a small portion of the rental market. Since 2012, the monthly average vacancy rate for professionally managed, single-family detached homes has been within a narrow range, from 1.8 to 2.0 percent (Cotality). The vacancy rate reached 2.0 percent in 2014 after population growth slowed and again in 2019, when homebuying activity was strong. Rent growth averaged 3 percent a year for a three-bedroom detached rental home from 2012 through 2014. However, rents declined an average of 4 percent annually in 2015 and 2016 because more rental units became available locally, and some residents left for jobs in other areas of Texas. From 2017 through 2020, rent growth for three-bedroom homes averaged 3 percent a year before spiking to an average of 16 percent in 2021 and 2022. The vacancy rate for professionally managed, detached single-family homes was 1.9 percent in December 2024, unchanged from the previous year. In December 2024, rents for three-bedroom homes were up 11 percent annually compared with a 3-percent gain a year earlier. Average rents for professionally managed, detached single-family homes in December 2024 were $1,178, $1,345, $1,753, and $2,161 for one-, two-, three-, and four-bedroom homes, respectively.

Table 8. Rental and Apartment Market Quick Facts in the El Paso HMA

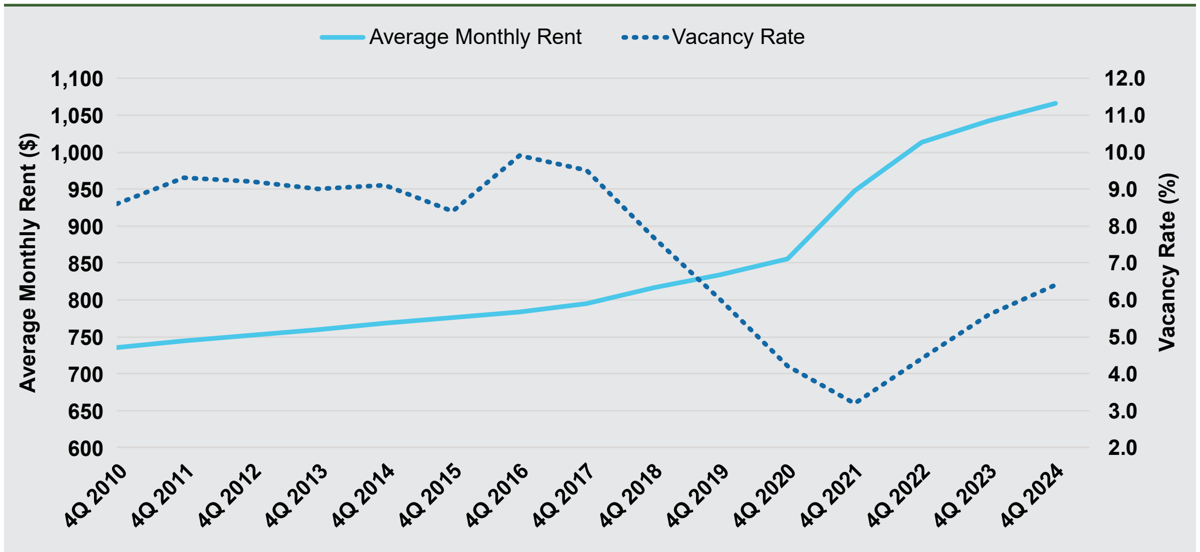
		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	7.8	7.1
		2021 (%)	**2023 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	39	40
	Multifamily (2–4 Units)	16	16
	Multifamily (5+ Units)	41	39
	Other (Including Mobile Homes)	4	5
Apartment Market Quick Facts		**4Q 2024**	**YoY Change**
	Apartment Vacancy Rate	6.4%	0.8
	Average Rent	$1,066	2%

4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Apartment Market Conditions

The apartment market is currently balanced, with a 6.4-percent vacancy rate as of the fourth quarter of 2024, up from 5.6 percent as of the fourth quarter of 2023 (CoStar Group; Figure 13). Apartment market conditions became balanced as more new units were completed, and absorption slowed compared with 2021 and 2022. Rents averaged $1,066 as of the fourth quarter of 2024, up by $24, or 2 percent, annually and decelerating slightly from the 3-percent rent growth the previous year. Apartment market conditions were generally softer from 2010 to 2020 compared with 2020 to the current date. As of the fourth quarter of 2010, apartment market conditions were soft, the apartment vacancy rate was 8.6 percent and the average rent was $736, essentially unchanged compared with the previous year. The apartment vacancy rate fluctuated from 2010 to 2015 but remained elevated, within a range from 8.4 to 9.3 percent, because of overbuilding in anticipation of the expansion of Fort Bliss. Vacancy rate fluctuations were also partially attributed to the rehabilitation or replacement of 6,100 HOME units under the HUD RAD program beginning in 2014, with nearly 1,600 renovations completed by 2017. Rents increased by an average of $8, or 1 percent, annually from the fourth quarters of 2011 through 2015. With slowing construction and increased rental demand, apartment vacancies declined from the recent high of 9.9 percent as of the fourth quarter of 2016 to 4.2 percent as of the fourth quarter of 2020, when the apartment market tightened. During that period, rent gains averaged 2 percent a year, reaching $856 as of the fourth quarter of 2020. Apartment demand was strong during 2021, when renter household growth and several years of low rental production pushed vacancy rates below the national average, and vacancies reached a 3.2-percent low as of the fourth quarter of 2021. Tight apartment conditions caused average rents to increase by $92, or 11 percent, to $948 as of the fourth quarter of 2021 compared with the previous year. Conditions were tight as of the fourth quarter of 2022. Apartment vacancies averaged 4.4 percent, and rents increased 7 percent to $1,013.

Figure 13. Apartment Rents and Vacancy Rates in the El Paso HMA

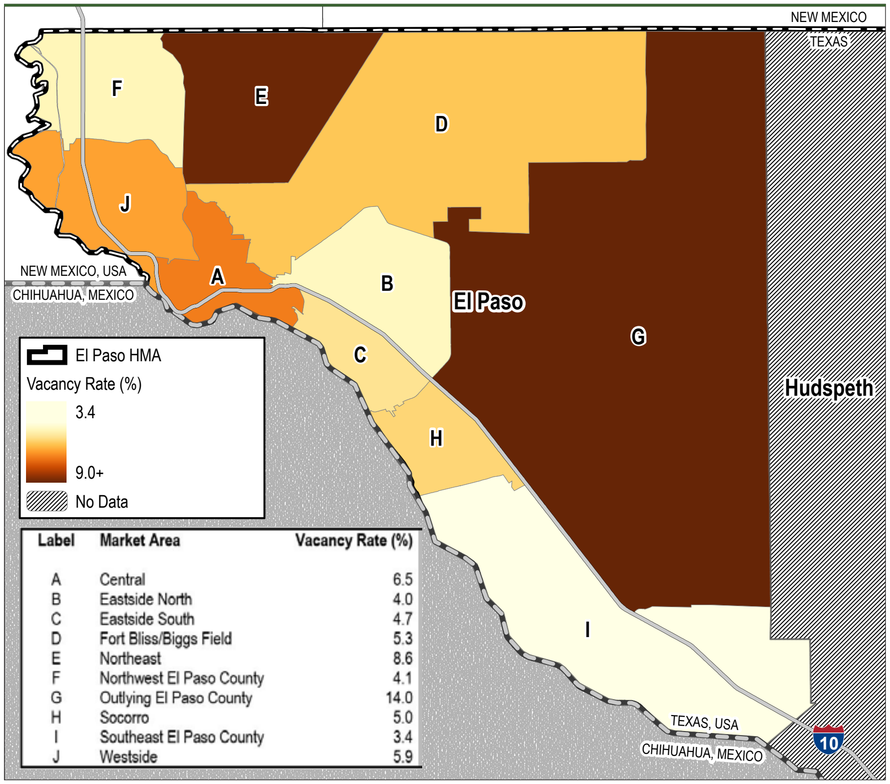


4Q = fourth quarter.
Source: CoStar Group

Current Apartment Market Conditions by Geography

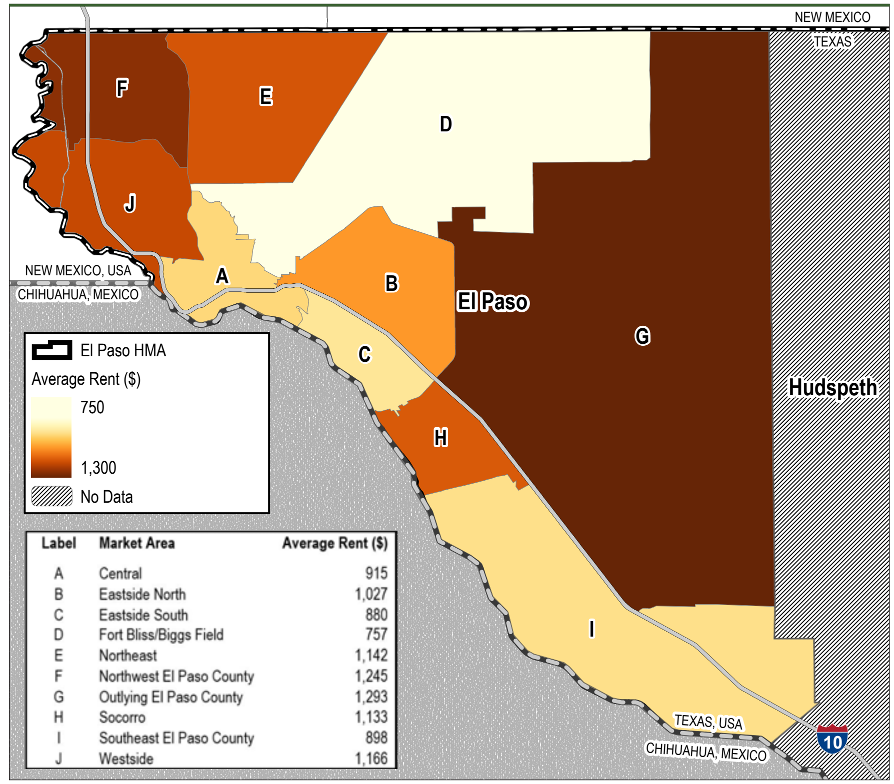
Of the 10 CoStar Group-defined market areas in the HMA, all in El Paso County, apartment market conditions ranged from tight in the Socorro market area to soft in the Outlying El Paso County market area, with respective vacancy rates of 5.0 and 14.0 percent as of the fourth quarter of 2024 (Map 1). Vacancy rates increased throughout the HMA during the past year because an influx of new units has yet to be absorbed. Apart from the Socorro, Outlying El Paso County, and Northeast CoStar market areas, all other market areas in the HMA are balanced as of the fourth quarter of 2024. Rents ranged from $757 in the Fort Bliss/Biggs Field market area to $1,293 in the Outlying El Paso County market area—respective 4- and 1-percent increases compared with the fourth quarter of 2023 (Map 2). In the Central market area, which includes UTEP and the El Paso VA Medical Center (part of the VA El Paso Healthcare System), apartment rents averaged $915 as of the fourth quarter of 2024, up 3 percent from the previous year, and the apartment vacancy rate was 6.5 percent, up slightly from 6.4 percent.

Map 1. Apartment Vacancy Rates in the El Paso HMA



Notes: Small survey sample in the Southeast and Northwest El Paso County markets. No data for Hudspeth County.
Source: CoStar Group

Map 2. Average Apartment Rents in the El Paso HMA

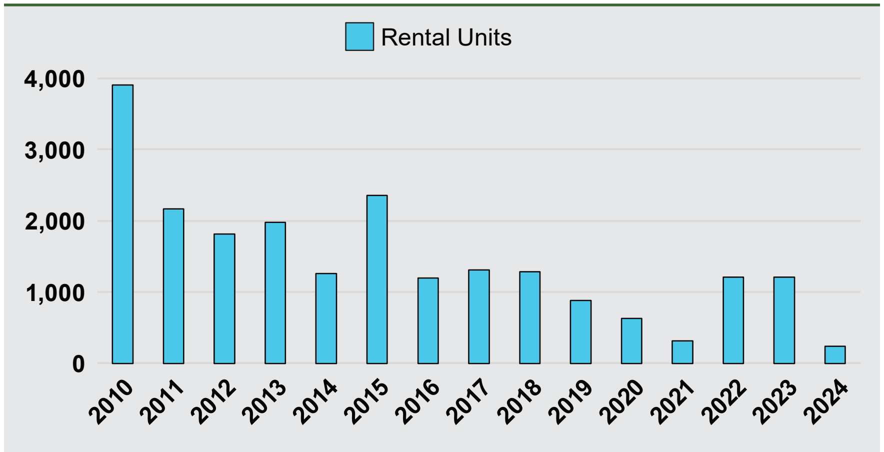


Notes: Small survey sample in the Southeast and Northwest El Paso County markets. No data for Hudspeth County.
Source: CoStar Group

Rental Construction

Rental construction activity in the HMA, as measured by the number of rental units permitted, was highest during the early 2010s. Following the announced expansion at Fort Bliss in 2005, rental permitting increased to accommodate growth in the number of troops, and a construction boom lasting approximately 6 years ensued. An average of 2,250 rental units were permitted annually from 2010 through 2015 before construction slowed to an average of 1,075 units permitted annually from 2016 through 2020. In addition, builders have responded to slower population growth with lower levels of rental construction since 2016, with permitting falling to a low of 310 units in 2021. The number of rental units permitted increased to an average of 1,200 units annually from 2022 through 2023, when the market tightened and rent growth increased. Approximately 230 rental units were permitted during 2024, down approximately 81 percent compared with the 1,200 units permitted during the previous year (Figure 14).

Figure 14. Annual Rental Permitting Activity in the El Paso HMA



Note: Includes apartments and other units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; 2024—preliminary data and estimates by the analyst

Recent Developments

New rental construction activity in the HMA occurs primarily along I-10. The Olivia at Montecillo, a 138-unit apartment complex that opened in 2024 in west El Paso, is among several recently completed developments and it is currently in lease-up. The property includes studio and one- and two-bedroom units ranging in size from 621 to 1,025 square feet, with rents ranging from $1,554 to $2,429 per month. In the Campo Del Sol master-planned community, TerraLane Communities added 94 new three- and four-bedroom single-family homes built for rent. Three-to-four-bedroom homes are offered with rents starting in the $2,200s.

Forecast

During the 3-year forecast period, demand is estimated for 2,325 additional rental units in the HMA (Table 9). The 1,350 units under construction are expected to satisfy most of the demand in the first 2 years of the forecast period. Rental demand is expected to increase during all 3 years of the forecast period as the number of renter households steadily increases.

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

Rental Units	
Demand	2,325 Units
Under Construction	1,350 Units

Note: The forecast period is January 1, 2025, to January 1, 2028.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease-up. A property is stabilized once the occupancy rate reaches 90 percent or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
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	Includes regular resales and REO sales. Cotality data: Includes resales, short sales, and REO sales.
Forecast Period	1/1/2025–1/1/2028—Estimates by the analyst.
Great Recession	The Great Recession officially lasted 18 months from December 2007 through June 2009 (National Bureau of Economic Research). It was the longest recession since the Great Depression, which lasted 43 months from 1929 to 1933. The impacts from the Great Recession on the labor market lasted well into 2010.

Home Sales/ Home Sales Prices	**Includes single-family, townhome, and condominium sales.**
Maquiladoras	**Factories in free-trade zones along the border that import material and equipment to assemble, process, or manufacture products for export from Mexico. Many of the maquiladoras in Ciudad Juárez, across the border from El Paso, are automotive related.**
Net Natural Change	**Resident births minus resident deaths.**
North American Borderplex Region	**Area centered around the cities of El Paso, Texas (USA) and Ciudad Juárez, Chihuahua (Mexico), along with the nearby New Mexico city of Las Cruces.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Resales	**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 or more days delinquent or in foreclosure.**

B. Notes on Geography

1.	**The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.**

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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Contact Information

Cameron Ehrlich, Economist
Fort Worth HUD Regional Office
817–978–9417
cameron.n.ehrlich@hud.gov