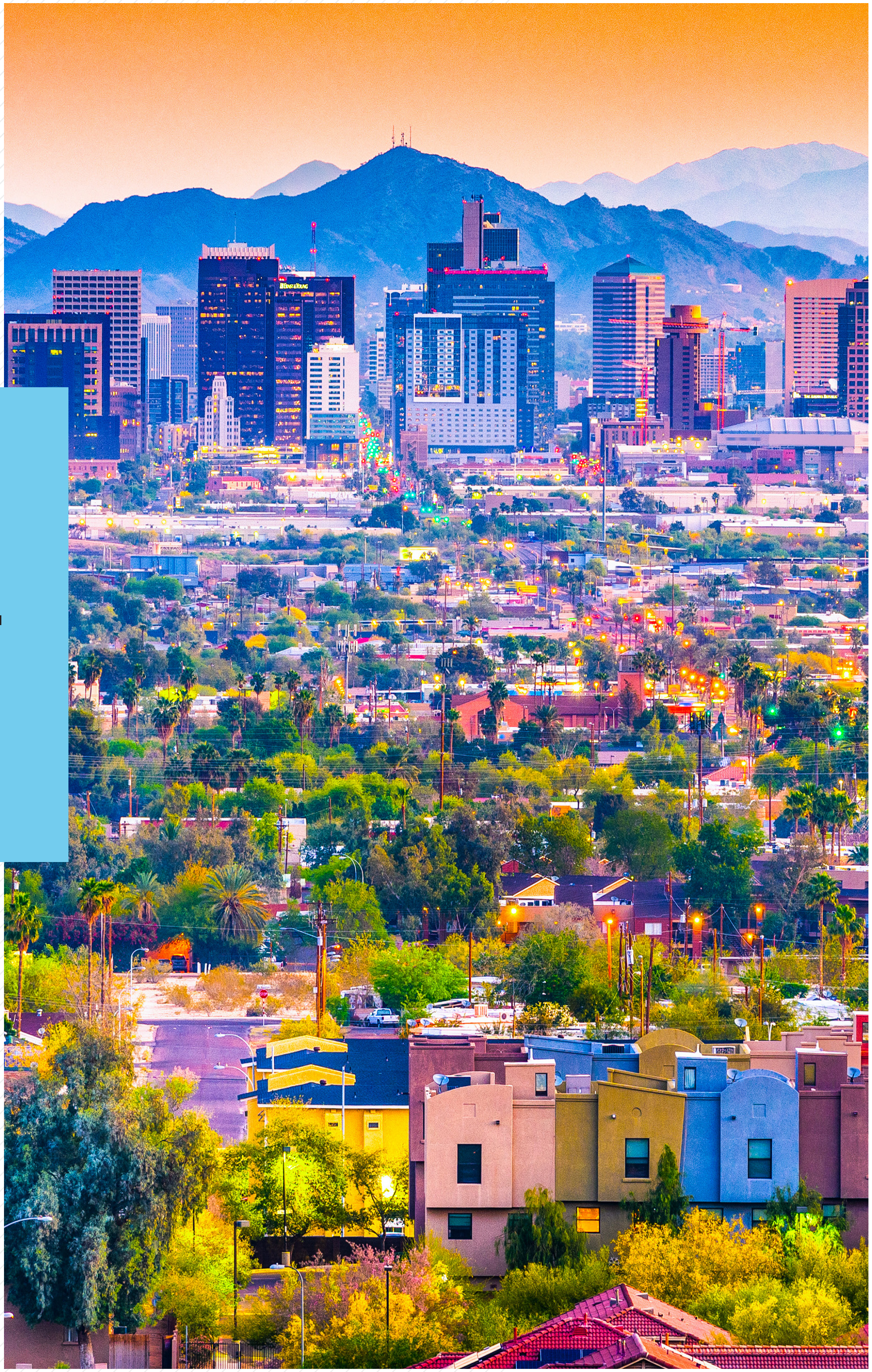
COMPREHENSIVE HOUSING MARKET ANALYSIS

Phoenix-Mesa-Chandler, Arizona



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

As of January 1, 2025

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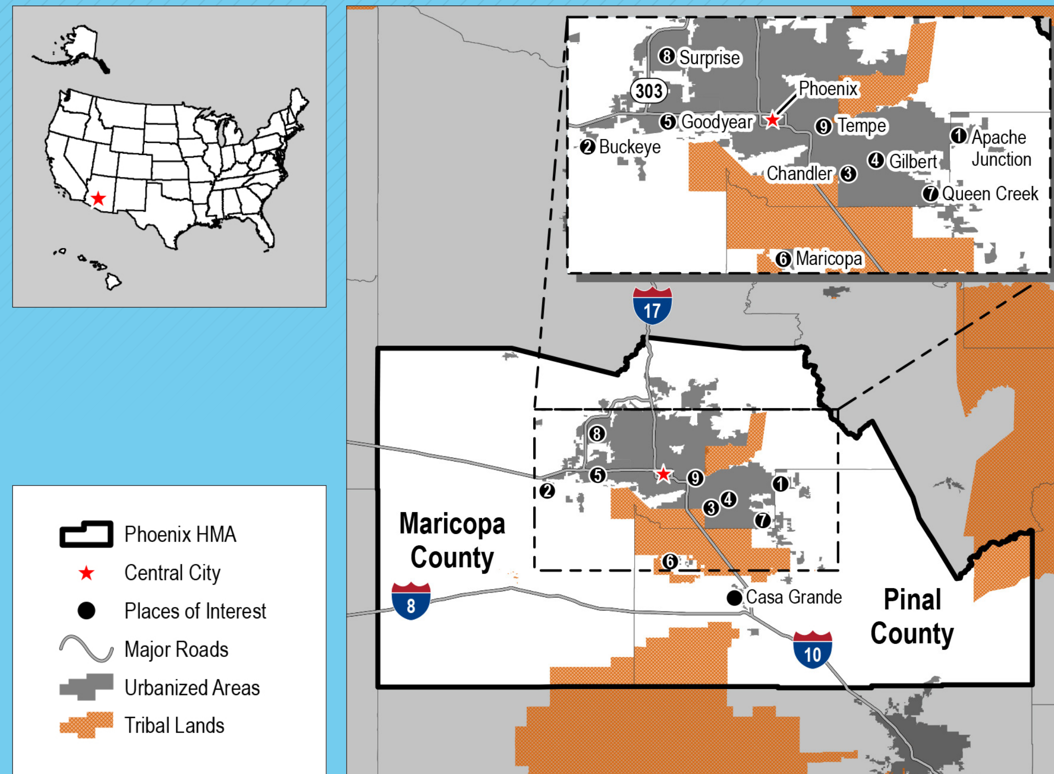
Executive Summary

Housing Market Area Description

The Phoenix-Mesa-Chandler Housing Market Area (hereafter, Phoenix HMA) is coterminous with the metropolitan statistical area of the same name and includes Maricopa and Pinal Counties in south-central Arizona. The HMA accounts for more than two-thirds of the total population of Arizona and includes the city of Phoenix—the state capital and fifth most populous city in the nation, with an estimated population of 1.65 million in 2023 (U.S. Census Bureau population estimates as of July 1).

The current HMA population is estimated at 5.25 million.

An investment by Taiwanese Semiconductor Manufacturing Company Limited (TSMC)—the largest foreign direct investment in the history of the United States—has been a catalyst for job growth and infrastructure development throughout the HMA. TSMC investment has expanded the domestic production of semiconductors, growing from $12 billion in 2020 to $65 billion in 2024.



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: The unemployment rate in the Phoenix HMA averaged 3.2 percent in 2024, down from 3.5 percent in 2023 because resident employment growth outpaced labor force growth.

Nonfarm payrolls increased by 49,900 jobs, or 2.1 percent, in 2024, slowing from a gain of 69,800 jobs, or 3.0 percent, in 2023. The education and health services sector added the most jobs in 2024, accounting for more than one-half of net job gains. However, jobs in the manufacturing, the information, and the leisure and hospitality sectors declined, contributing to the slowdown in total job growth. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average of 51,750 jobs, or 2.1 percent, annually.

Sales Market

Balanced: In December 2024, the supply of homes for sale in the HMA increased to 3.7 months compared with 2.9 months a year ago and a December low of 1.1 months in 2021 (Redfin, a national real estate brokerage, with adjustments by the analyst).

The sales vacancy rate is estimated at 1.9 percent, up from 1.6 percent in 2020, when conditions were slightly tight. Sales market conditions have eased since interest rates began rising in 2022. However, 92,350 homes sold in 2024, unchanged from a year ago and compared with a 25-percent reduction in 2023 (Zonda). Home sales price growth was modest the past 2 years, averaging 3 percent a year, but the average home price of $574,700 reflects a cumulative 70-percent gain since 2019. During the forecast period, demand is anticipated for 67,400 new sales units, and the 12,850 homes under construction will meet a portion of that demand.

Rental Market

Slightly Soft: The overall rental vacancy rate is estimated at 10.0 percent, up from 8.5 percent in 2020, when conditions were balanced.

The apartment market in the HMA is soft. New apartment completions have exceeded absorption since 2021, contributing to rising vacancy rates and declining rents. The apartment vacancy rate averaged 11.3 percent during the fourth quarter of 2024, up from 10.3 percent a year ago (CoStar Group), and the average apartment rent was $1,572, declining an average of 1 percent a year for the past 3 years. Demand is estimated for 31,450 rental units during the forecast period. The 27,000 units under construction will meet more than 85 percent of that demand.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Phoenix HMA	Total Demand	67,400	31,450
	Under Construction	12,850	27,000

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

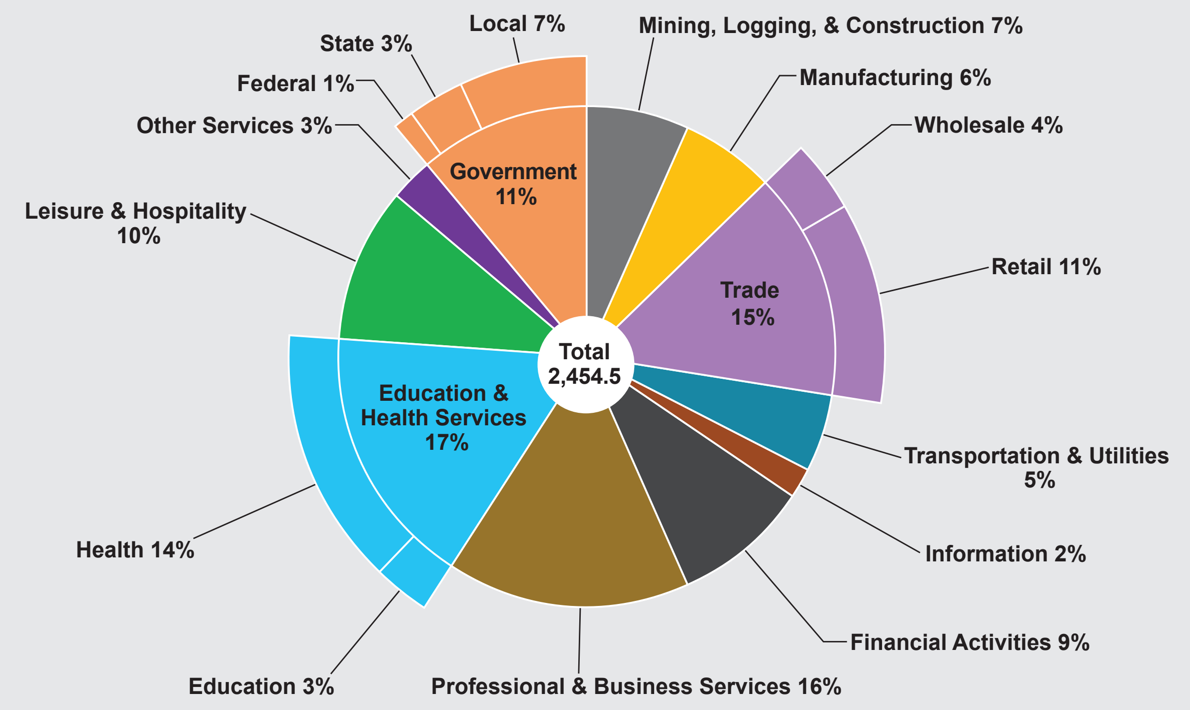
Largest Sector: Education and Health Services

Primary Local Economic Factors

The economy of the Phoenix HMA is diverse, with the education and health services, the professional and business services, and the wholesale and retail trade sectors each accounting for a similar share of nonfarm payrolls (Figure 1). Companies cite the top reason for relocating to or expanding in the HMA is the availability of a highly educated workforce because of the presence of both Arizona State University (ASU)—a public institution with a statewide economic impact estimated at $32 billion in fiscal year 2023–24 (ASU)—and the privately funded Grand Canyon University (GCU). During the fall of 2024, those universities had a combined enrollment of 104,800 local students, relatively unchanged from a year ago (ASU; GCU). Both universities have programs geared to preparing students for careers in the swiftly growing high-tech and advanced manufacturing industries.

The semiconductor industry in the HMA has grown considerably since 2020, largely driven by the historic investment by TSMC and a $20 billion expansion at Intel Corporation, one of the largest employers in the HMA (Table 1). Currently, the TSMC project includes two completed fabrication plants and a third under construction. The project employs more than 10,000 construction workers daily. On completion of the first three fabrication plants, TSMC expects to employ more than

Figure 1. Share of Nonfarm Payroll Jobs in the Phoenix 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 Phoenix HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Arizona	Government	30,890
Banner Health	Education & Health Services	29,770
Amazon.com, Inc.	Wholesale & Retail Trade	25,570
Walmart Inc.	Wholesale & Retail Trade	19,770
The Kroger Co.	Wholesale & Retail Trade	15,450
Maricopa County	Government	15,330
Intel Corporation	Professional & Business Services	12,990
Wells Fargo & Company	Financial Activities	12,340
Maricopa Community Colleges	Government	11,670
Arizona State University	Government	10,970

Note: Excludes local school districts.
Source: Maricopa Association of Governments

6,000 permanent workers, largely in high-wage advanced manufacturing and related jobs, which include research and development jobs in the professional and business services sector. The expansion at Intel Corporation includes the construction of two fabrication plants that broke ground in 2021 and are slated for completion during the forecast period. Approximately 6,000 workers are involved in the development process, and the project is expected to support an additional 3,000 full-time positions on completion. The influx of capital since 2020 has attracted more than 40 suppliers to the HMA, generating 16,000 new jobs (Arizona Commerce Authority). These projects directly support hiring in the goods-producing sectors, particularly construction and manufacturing, and indirectly stimulate growth across most service-providing sectors because of rising incomes in the HMA from the concentration of high-wage jobs.

Current Conditions—Nonfarm Payrolls

Although the economy in the HMA is strong, job growth slowed during the past year, similar to the national trend. In 2024, nonfarm payrolls in the HMA increased by 49,900 jobs, or 2.1 percent, slowing from a gain of 69,800 jobs, or 3.0 percent, in 2023 (Table 2). Nationally, payrolls rose 1.3 percent in 2024 compared with 2.2-percent growth a year ago.

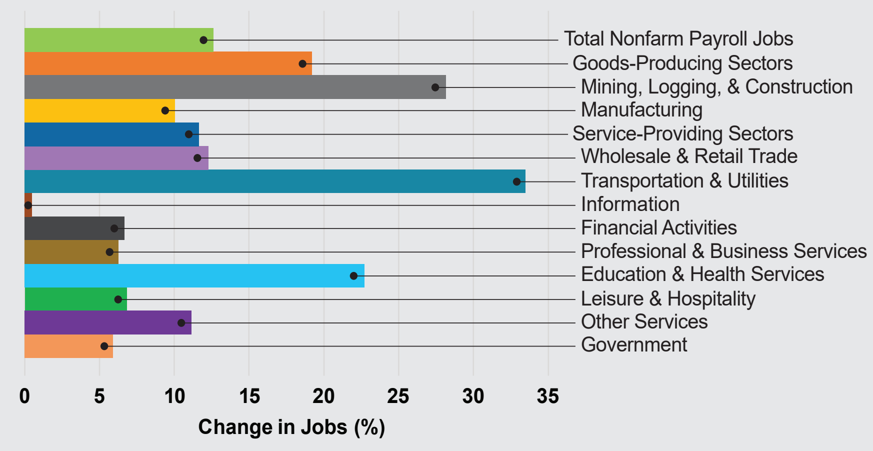
Eight of the 11 nonfarm payroll sectors in the HMA added jobs in 2024, equal to the number of growth sectors in 2023. The education and health services sector had the largest job gain and the fastest rate of growth, adding 26,200 jobs, or 6.7 percent, in 2024, the same number of jobs added in 2023. Expansions in the HMA contributed more than 6.2 million square feet of space to primary healthcare facilities at four major healthcare hubs in the past 5 years, representing $4.2 billion in capital investments and the addition of 11,000 jobs (AZ Big Media). One expansion included a $750 million investment by the Mayo Clinic to double its physical presence in the HMA. The project—which started in 2018, opened in 2023, and is expected to be complete in 2026—has resulted in 2,000 new healthcare jobs. Payrolls in the education and health services sector are 23 percent higher than levels in 2019, before the COVID-19 pandemic (Figure 2).

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

	2023	2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**2,404.6**	**2,454.5**	**49.9**	**2.1**
Goods-Producing Sectors	321.8	322.4	0.6	0.2
Mining, Logging, & Construction	172.4	175.1	2.7	1.6
Manufacturing	149.4	147.4	-2.0	-1.3
Service-Providing Sectors	2,082.8	2,132.1	49.3	2.4
Wholesale & Retail Trade	349.6	356.5	6.9	2.0
Transportation & Utilities	120.2	123.6	3.4	2.8
Information	42.7	40.8	-1.9	-4.4
Financial Activities	211.9	212.6	0.7	0.3
Professional & Business Services	389.4	395.2	5.8	1.5
Education & Health Services	391.5	417.7	26.2	6.7
Leisure & Hospitality	251.2	249.2	-2.0	-0.8
Other Services	76.6	78.1	1.5	2.0
Government	249.7	258.3	8.6	3.4

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

Figure 2. Sector Growth in the Phoenix HMA, 2020 to Current



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

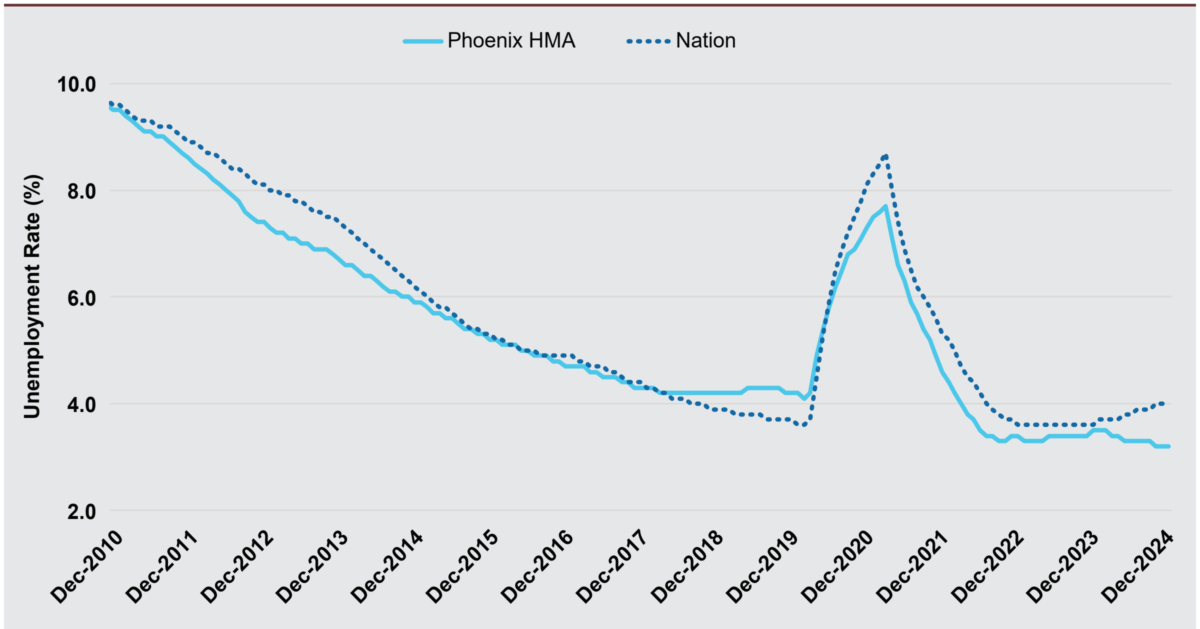
In the past year, notable job growth occurred in the government and the wholesale and retail trade sectors. The government sector increased by 8,600 jobs, or 3.4 percent, in 2024, similar to the increase a year ago, with 60 percent of the growth in the local government subsector. The wholesale and retail trade sector added 6,900 jobs, or 2.0 percent, year over year, accelerating from a 1.5-percent increase in 2023. The retail trade subsector added jobs compared with a decline a year ago, with approximately 94 percent of the sector growth due to job gains in the wholesale trade subsector, which has benefited from increased warehousing and distribution space throughout the HMA. From 2019 to 2023, the HMA added 58.9 million square feet of warehousing and distribution space, representing the fourth highest percentage growth and the fifth largest total increase among the top 100 warehousing markets in the country (AZ Big Media). Professional and business services sector payrolls increased by 5,800 jobs, or 1.5 percent, in 2024 compared with a loss of 1,200 jobs, or 0.3 percent, in 2023. Nearly 70 percent of the gains were in the professional, scientific, and technical services industry, largely supported by an increase in advanced manufacturing, which requires significant research and development.

Despite recent investments in advanced manufacturing in the HMA, manufacturing sector payrolls declined in 2024 by 2,000 jobs, or 1.3 percent, offsetting the 2,000 jobs added in 2023. Most of the contraction was due to the loss of 1,300 jobs in the nondurable goods industry. The leisure and hospitality sector also lost jobs in 2024, down by 2,000 jobs, or 0.8 percent. Job losses continued in the information sector for the second consecutive year. However, at 2 percent of total payrolls, the sector has minimal influence on the rest of the economy.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.2 percent in 2024, down from 3.5 percent in 2023. The decrease was due to resident employment rising 2.1 percent while the labor force expanded 1.8 percent. The average unemployment rate rose from 4.2 percent in 2019 to 7.3 percent in 2020 because the countermeasures to slow the spread of COVID-19 led to many job losses. The unemployment rate in the HMA has been lower than that of the nation since June 2020, in contrast to the 2 preceding years (Figure 3).

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



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

Economic Periods of Significance

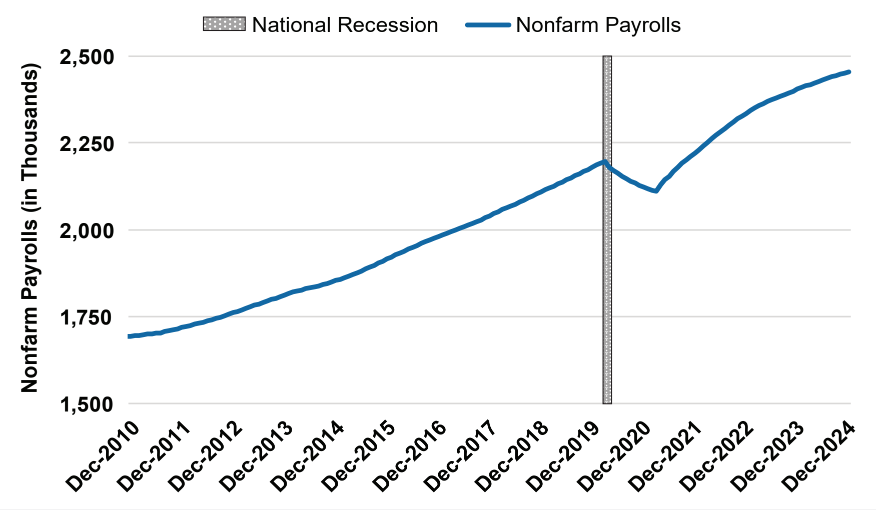
2011 Through 2019

The local economic recovery from the Great Recession began in 2011. From 2011 through 2019, the HMA added an average of 54,200 jobs, or 2.9 percent, compared with 1.7-percent average annual growth nationwide. All sectors in the HMA added jobs during the period, and nonfarm payrolls recovered to prerecession levels in 2015. Gains were notable in the professional and business services and the education and health services sectors, which added respective averages of 11,200 and 10,900 jobs, or 3.6 and 3.9 percent, annually. Strong economic growth during this period also resulted in increased residential construction activity and office development, with the mining, logging, and construction sector adding an average of 5,800 jobs, or 5.5 percent, annually. Construction of Arizona State Route 303, locally known as Loop 303, in the western portion of the HMA and numerous industrial parks also contributed to job growth in the sector. The financial activities sector expanded during this period, increasing by an average of 6,700 jobs, or 4.1 percent, annually. The addition of 2,350 jobs in 2018 at Allstate Insurance Company contributed to gains in the sector. The leisure and hospitality sector grew by an average of 6,700 jobs, or 3.4 percent, as the population continued to grow and the effects of the Great Recession faded. Manufacturing sector job growth averaged 2,500, or 2.1 percent, annually.

2020 Through 2022

In 2020, countermeasures to slow the spread of COVID-19 caused payrolls in the HMA to fall by 56,900 jobs, or 2.6 percent, compared with a 5.8-percent decline nationally (Figure 4). Approximately 70 percent of the net job losses in 2020 were in the leisure and hospitality sector, and another 23 percent were in the professional and business services sector. Several sectors continued adding jobs in 2020, partly because of changing consumer behavior. For example, payrolls in the transportation and utilities sector increased rapidly by 9,000 jobs, or 9.7 percent, in response to a sharp increase in the demand for e-commerce. In addition, jobs increased in the financial activities and the mining, logging, and construction sectors, mainly because historically low interest rates increased the demand for home purchases and mortgage

Figure 4. 12-Month Average Nonfarm Payrolls in the Phoenix HMA



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

lending services, which led to increased home construction. Respective increases averaged 6,200 and 1,900 jobs, or 3.1 and 1.4 percent, each year.

Job growth resumed in 2021, and nonfarm payrolls exceeded 2019 prepandemic levels by year-end. By comparison, the nation did not recover until 2022. During 2021 and 2022, nonfarm payrolls in the HMA increased by an average of 105,800 jobs, or 4.9 percent, a year compared with 3.6 percent nationally. Approximately 21 percent of the jobs added were in the leisure and hospitality sector. The TSMC and Intel Corporation investments were also catalysts for growth, contributing to strong job gains in the professional and business services, the mining, logging, and construction, and the manufacturing sectors, with respective gains averaging 15,800, 9,300, and 6,500 jobs, or 4.3, 6.5, and 4.8 percent, each year. Strong home sales demand led to continued gains in the financial activities sector, which added an average of 5,300 jobs, or 2.6 percent. High demand for e-commerce during the pandemic and continuing thereafter led to increases in the transportation and utilities sector averaging 7,700 jobs, or 7.3 percent, each year, while post-pandemic recovery led to growth in the wholesale and retail trade sector averaging 16,000 jobs, or 5.0 percent, each year.

Forecast

Job growth during the 3-year forecast period is expected to be similar to growth during the past year, with increases averaging 51,750 jobs, or 2.1 percent, annually. Gains are expected across most economic sectors, especially those with jobs supporting the Intel Corporation and TSMC expansions. In March 2025 (after the as-of date of this report), TSMC announced its intention to build three additional fabrication plants, two advanced packaging facilities, and a large research and development center, bringing its total investment in the HMA to $165 billion.

Service-providing sectors will continue to add jobs during the forecast period to serve the growing population, especially in the education and health services sector, where numerous healthcare facility expansions are underway. The most notable expansion is a $1.9 billion investment by the Mayo Clinic to increase its clinical space 59 percent and add 3,500 jobs during the next 10 years. The expansion will also add jobs because of the construction and support services required during development.

Population and Households

Current Population: 5.25 Million

The population of the Phoenix HMA has increased at an average annual rate of 1.5 percent since 2010.

Population Trends

Population growth trends in the HMA have generally reflected its favorable economic conditions and housing affordability. As of January 1, 2025, the HMA population is estimated at 5.25 million (Table 3), reflecting an average annual increase of 76,950, or 1.5 percent, since July 2023. By comparison, the population increased by an average of 88,750, or 1.8 percent, annually from 2019 to 2023. Maricopa County accounts for approximately 91 percent of the HMA population, with the remainder residing in Pinal County (Arizona Office of Economic Opportunity, 2024). Most of the net in-migration to the HMA is from metropolitan areas with more expensive housing markets, such as Los Angeles-Long Beach-Anaheim, Chicago-Naperville-Elgin, and New York-Newark-Jersey City (Census Bureau Metro-to-Metro Migration Flows, 2016–2020; Table 4). Since 2019, cumulative home sales price growth in these metropolitan areas has been 44, 38, and 41 percent, respectively, compared with nearly 70 percent in the HMA (Zonda). The reduced relative affordability of the HMA has contributed to a slowdown in net in-migration since 2023 (Figure 5).

Table 3. Phoenix HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	4,845,832	5,248,000	5,478,000
	Average Annual Change	65,300	84,650	76,850
	Percentage Change	1.5	1.7	1.4
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	1,790,242	1,974,600	2,069,000
	Average Annual Change	25,300	38,800	31,450
	Percentage Change	1.5	2.1	1.6

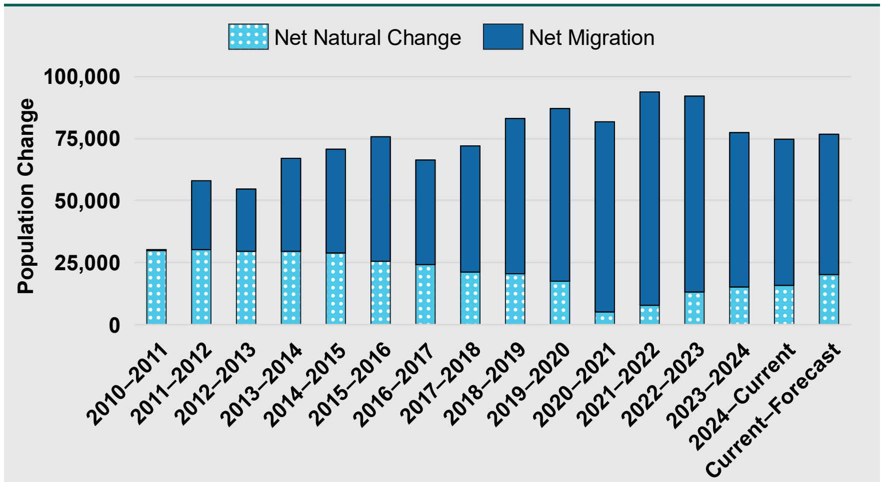
Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the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

Table 4. Migration Flows in the Phoenix HMA, 2016–20

Into the HMA	
Los Angeles-Long Beach-Anaheim, CA	14,800
Tucson, AZ	11,200
Asia	9,675
Chicago-Naperville-Elgin, IL-IN-WI	7,600
Seattle-Tacoma-Bellevue, WA	6,075
Out of the HMA	
Tucson, AZ	13,050
Flagstaff, AZ	5,450
Dallas-Fort Worth-Arlington, TX	4,975
Seattle-Tacoma-Bellevue, WA	4,850
Prescott Valley-Prescott, AZ	4,700
Net Migration	
Los Angeles-Long Beach-Anaheim, CA	10,650
Chicago-Naperville-Elgin, IL-IN-WI	5,525
New York-Newark-Jersey City, NY-NJ-PA	3,300
San Diego-Chula Vista-Carlsbad, CA	3,275
Portland-Vancouver-Hillsboro, OR-WA	2,400

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

Figure 5. Components of Population Change in the Phoenix 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; Arizona Office of Economic Opportunity; current to forecast—estimates by the analyst

The COVID-19 pandemic caused an abrupt shift to remote work for large swaths of the country, giving many households the flexibility to move, and historically low mortgage interest rates until 2022 supported increased homebuying. The HMA was a primary beneficiary of the population movement because of its abundance of relatively affordable housing, a warm climate, and a strong economic recovery and expansion. From 2019 to 2023, net in-migration averaged 77,900 people a year—more than double the average of 36,550 people a year from 2010 to 2019—whereas the rate of net natural increase fell nearly 60 percent to an average of 10,850 people annually. Net in-migration has slowed since 2023, averaging 61,600 a year in response to moderating job growth and reduced housing affordability. A 41-percent rise in net natural increase, averaging 15,350 people a year, offset part of the slight decline in net in-migration.

Population by Geography

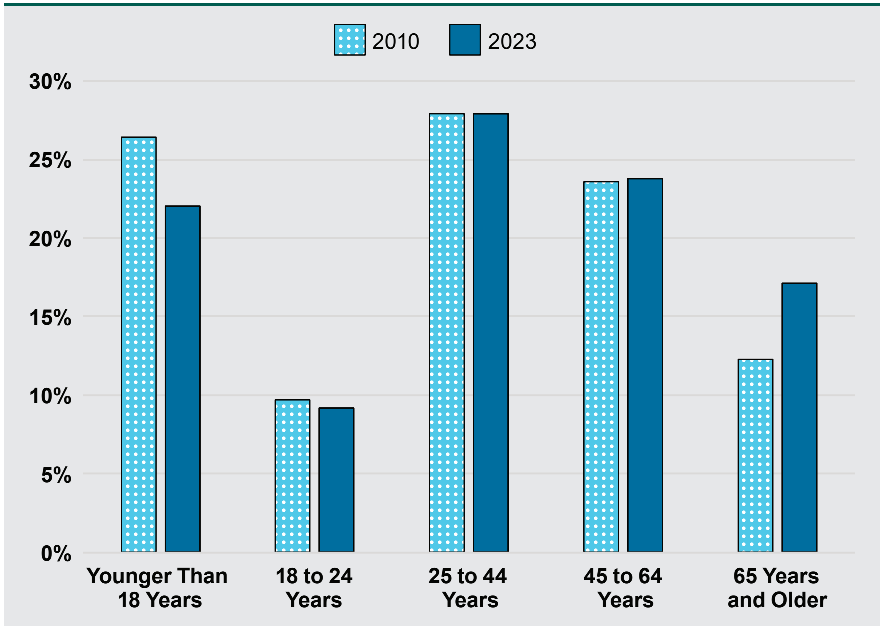
The geographic distribution of population growth in the HMA has varied, with periods of stronger suburban growth alternating with periods of higher growth near city centers. The recent investments in high-tech and advanced manufacturing in the HMA have been concentrated outside the central city of Phoenix, affecting population growth and housing development patterns to accommodate the expanding workforce. From 2020 to 2023, 5 of the top 50 fastest growing cities in the country with populations of 20,000 or more were suburban cities in the HMA (Census Bureau). Although the city of Phoenix was not among the fastest growing during that period, it ranked third in numeric growth.

The West Valley of Maricopa County has benefited greatly from the surge of investment since 2020, with the area population increasing an average of 2.5 percent annually from 2019 to 2024 compared with 2.1-percent average annual growth from 2010 to 2019 (Arizona Office of Economic Opportunity population estimates). The cities of Buckeye, Goodyear, and Surprise within the West Valley grew notably faster than the West Valley overall, at respective average annual rates of 5.5, 4.7, and 3.7 percent from 2019 to 2024. The completion of the 36-mile Loop 303 freeway in 2017, connecting the western edge of the West Valley and terminating north of the city of Phoenix near the TSMC campus, was a catalyst for growing industrial development on each side of the freeway. Pinal County also benefited from the growing high-tech and advanced manufacturing industries, with its population increasing at an average annual rate of 2.9 percent from 2019 to 2024 compared with 1.2-percent growth from 2010 to 2019.

Age Cohort Trends

The fastest growing age cohort in the HMA is people aged 65 and older (Figure 6). This cohort grew from 12 percent of the population in 2010 to 17 percent in 2023, similar to nationwide trends. The number of people in this cohort increased at an average annual rate of 4.0 percent in the HMA, significantly faster than the overall population growth rate. From 2010 to 2023, the share of the population younger than 18 declined from 26 to

Figure 6. Share of Population by Age Range in the Phoenix HMA



Sources: 2010 and 2023 American Community Survey 1-year data

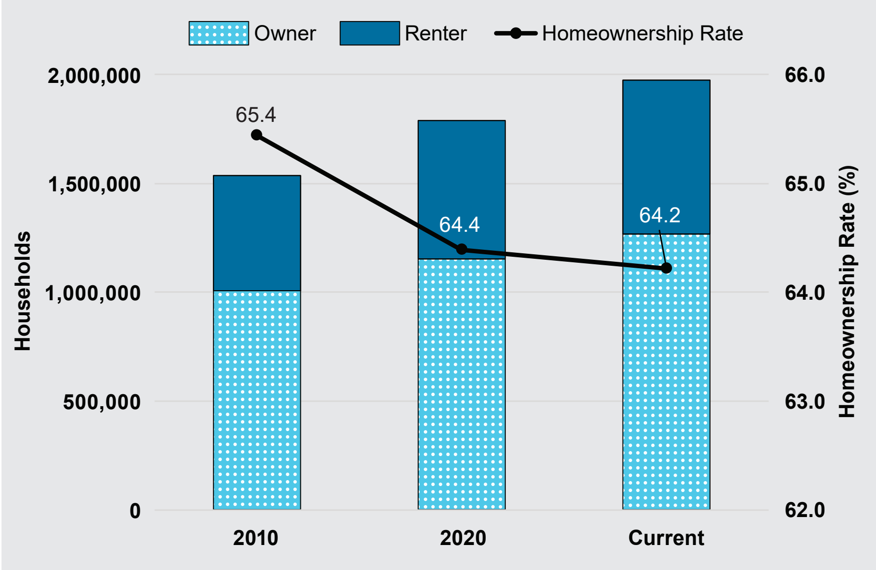
22 percent, partly because of fewer births. The combined share of the population in the two largest cohorts—those aged 25 to 44 and 45 to 64—was steady at 52 percent.

The increasing share of seniors and declining birth rates in the HMA caused net natural increase to fall steadily from 2010 until the pandemic, when it fell precipitously. Net natural increase has slowly risen since. The large Millennial and Generation Z cohorts, who are currently in or entering their peak child-bearing years, contribute to the uptick. Although the share of people aged 25 to 44, which includes portions of both those generations, has been relatively constant in the HMA, this cohort grew at an average annual rate of 1.5 percent from 2010 to 2023, equal to the rate of overall population growth during the period.

Household Trends

Household growth in the HMA has generally reflected population growth trends since 2010, although an increase in the formation of smaller households has caused the household growth rate to exceed the population growth rate since 2020. As of January 1, 2025, the number of households in the HMA is estimated at 1.97 million, reflecting an average annual increase of 38,800 households, or 2.1 percent, since 2020, faster than the 1.7-percent rate of population growth. People in shared living arrangements who formed separate households during the pandemic, aided by government financial assistance, and the growing cohort of seniors who have generally smaller households contributed to the accelerated household growth rate. An estimated 64.2 percent of households in the HMA are homeowners, down slightly from a homeownership rate of 64.4 percent in 2020 and a 65.4-percent rate in 2010 (Figure 7). Since 2020, owner households have increased by an average of 24,200, or 2.0 percent, annually compared with average annual growth of 1.4 percent from 2010 to 2020. By comparison, renter households have increased by an average of 14,550, or 2.2 percent, annually since 2020 compared with average annual growth of 1.8 percent from 2000 to 2010.

Figure 7. Households by Tenure and Homeownership Rate in the Phoenix HMA



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

Student Households

Student households are estimated to account for slightly less than 4 percent of all renter households in the HMA. That concentration is higher near the largest campuses, including the ASU campus in the city of Tempe and the GCU campus near downtown Phoenix. Both schools have a large share of students who commute to campus. Approximately 75 percent of ASU students and 40 percent of GCU students live off campus (ASU; GCU). An estimated 60 percent of all enrolled students are Arizona state residents.

Forecast

The population of the HMA is expected to increase by an average of 76,850, or 1.4 percent, annually during the 3-year forecast period, slightly slower than recent trends, reaching 5.48 million by January 1, 2028. Net in-migration is expected to slow slightly but remain elevated, contributing nearly three-fourths of the growth. Net natural increase is anticipated to return to prepandemic levels, compensating for the slight decline in net in-migration. The West Valley and Pinal County, where much of the industrial expansion and housing development occurs, will continue growing rapidly. Population growth in the city of Phoenix is expected to be concentrated in the northern part of the city near the TSMC facilities.

Household growth in the HMA is expected to more closely align with population growth during the forecast period as the pandemic-driven surge in household formation subsides. Household growth is expected to average 31,450, or 1.6 percent, annually during the forecast period to 2.07 million households as of January 1, 2028. Owner and renter household growth during the forecast period are expected to slow compared with trends since 2020, increasing at average annual rates of 1.5 and 1.7 percent, respectively.

Home Sales Market

Market Conditions: Balanced

The number of home sales in the Phoenix HMA during 2024 was unchanged from a year ago, contrasting with a 25-percent drop in 2023 (Zonda).

Current Conditions

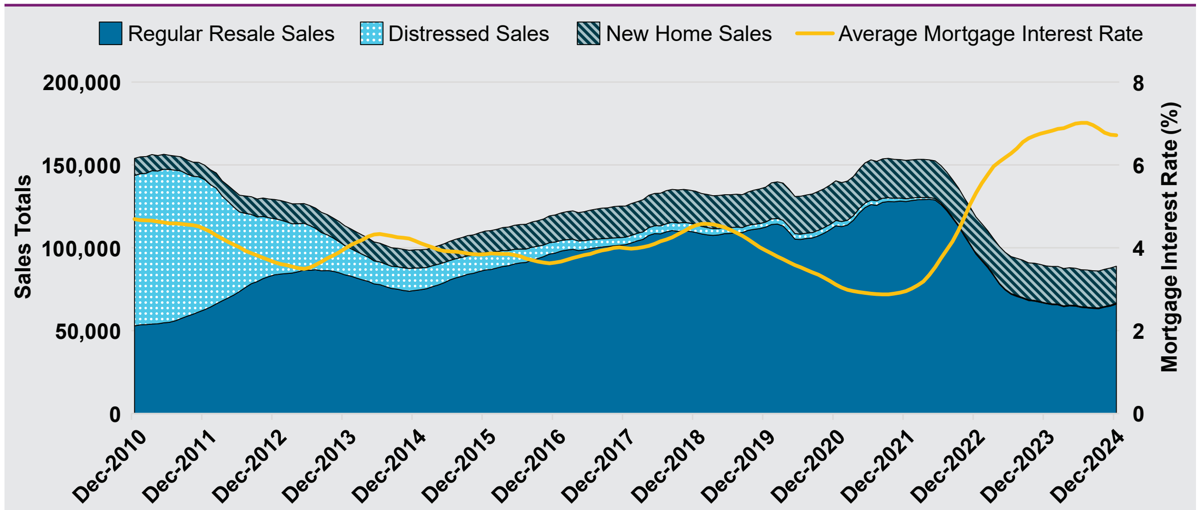
The sales housing market in the HMA is currently balanced. The overall sales vacancy rate is estimated at 1.9 percent, up from 1.6 percent in 2020, when conditions were tighter (Table 5). Market conditions eased when mortgage interest rates rose in 2022, causing home sales to decline and home sales price growth to slow considerably (Figure 8). Home price growth accelerated slightly during 2024, however, and home sales were stable compared with a sharp decline a year ago. The rate for 30-year, fixed-rate mortgages averaged 6.72 percent in 2024, down from 6.80 percent in 2023 and compared with a low of 2.96 percent in 2021 (Freddie Mac). The rise in rates also deterred many potential sellers from listing their homes if a subsequent purchase would require financing at a higher rate, limiting the increase in the supply of for-sale housing and helping prevent market conditions from becoming soft. During the past year, however, the inventory of homes for sale increased from 2.9 to 3.7 months (Redfin, a national real estate brokerage, with adjustments by the analyst). Investors make up a significant share of the sales market, supporting home sales demand.

Table 5. Home Sales Quick Facts in the Phoenix HMA

		Phoenix HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.9%	NA
	Months of Inventory	3.7	3.2
	Total Home Sales	88,900	4,650,000
	1-Year Change	0%	-1%
	New Home Sales Price	$557,000	$504,600
	1-Year Change	-1%	0%
	Existing Home Sales Price	$594,800	$475,600
	1-Year Change	5%	7%
	Mortgage Delinquency Rate	0.7%	1.1%

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—Redfin, a national real estate brokerage, with adjustments by the analyst; mortgage delinquency rate—Cotality; home sales and prices—Zonda

Figure 8. 12-Month Home Sales Totals by Type of Sale in the Phoenix HMA



Note: The mortgage interest rate is the 12-month average rate for a 30-year, fixed-rate mortgage.
Sources: Home sales—Zonda; mortgage interest rates—Freddie Mac

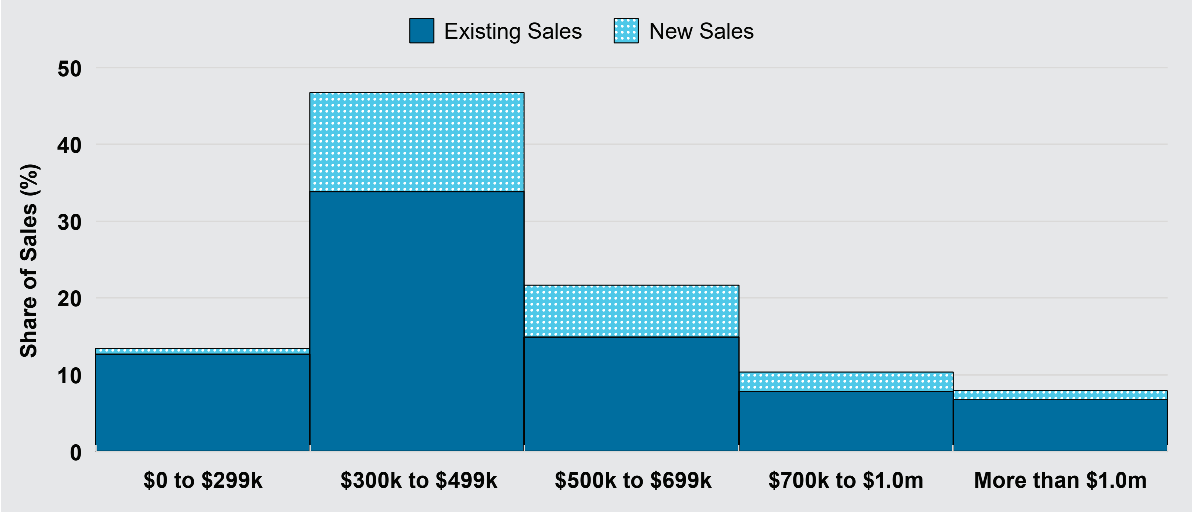
Approximately 20 percent of homes sold in the HMA during the fourth quarter of 2024 were to investors, equal to the share in 2019 but down from 22 percent a year ago and a high of 31 percent during the same period in 2021, when mortgage rates were low. Approximately 92,350 homes sold in 2024, unchanged from a year ago and compared with a 25-percent reduction in 2023 (Zonda). Home price growth has been modest in the past 2 years, averaging 3 percent a year, but the current average home price of $574,700 reflects a cumulative 70-percent increase since 2019. More than two-thirds of new and existing home sales in the HMA in 2024 were priced between $300,000 and $699,999 (Figure 9).

Existing Home Sales and Price Trends

Recent existing home sales and price trends in the HMA reflect high mortgage interest rates and reduced sales housing affordability. Existing home sales totaled 66,600 in 2024, unchanged from a year ago but compared with a 31-percent annual decline in 2023 (Zonda). During 2024, the average price for an existing home rose 5 percent to $594,800 compared with a 1-percent increase in 2023 (Figure 10). The current average price for an existing home in the HMA is 19 percent higher than the national average.

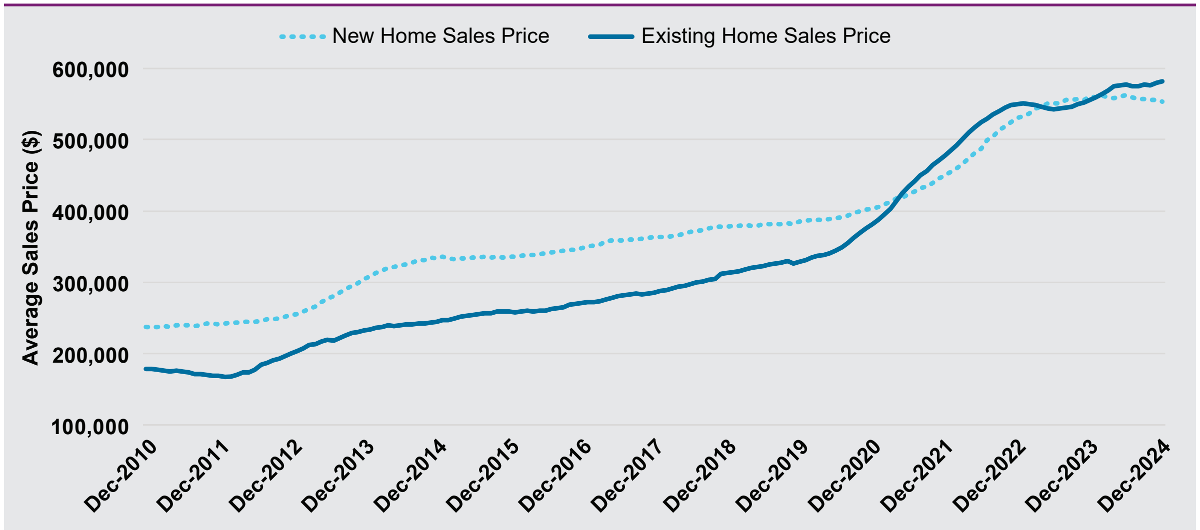
Existing home sales were elevated in 2010 and 2011, averaging 142,400 homes sold each year, a period in which affordability was high because of an excess supply of distressed homes for sale following the foreclosure crisis of the late 2000s. Subsequently, as the inventory of distressed homes was absorbed, existing home sales declined at an average annual rate of 15 percent from 2012 through 2014. Moderately

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



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

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



Source: Zonda

low mortgage interest rates and rising net in-migration contributed to increased sales demand from 2015 through 2019, and existing home sales rose at an average annual rate of 6 percent. Mortgage interest rates began to fall in 2019 and were low through 2021. From 2019 through 2021, net in-migration accelerated, partly in response to the increase in remote work and the relative affordability of homes in the HMA. Existing home sales increased an average of 6 percent a year in 2020 and 2021 to a recent peak of 129,600 homes sold.

The average price of an existing home was relatively unchanged at the start of the 2010s because of an increase in distressed home sales that generally sell at a considerable discount compared with regular resale home sales. As the distressed inventory was absorbed, existing home price growth accelerated, averaging 9 percent annually from 2012 through 2019. Increased sales demand because of the subsequent drop in mortgage rates, rise in net in-migration, and an increase in investor purchases put upward pressure on prices, which increased at an average annual rate of 19 percent from 2020 through 2022.

New Home Sales and Prices Trends

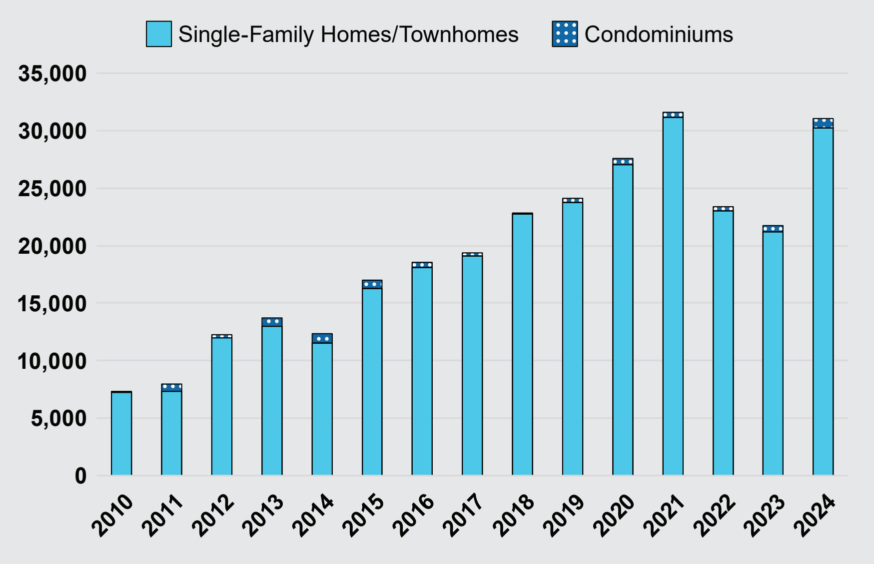
New home sales in the HMA accounted for 25 percent of annual home sales during the past 2 years, increasing steadily from a 6-percent share in 2010 and 2011. During 2024, new home sales totaled 22,300, unchanged from a year ago and in contrast to a 2-percent increase in 2023. New home sales during the past 4 years reflect a slight slowdown from the peak in 2020 but were relatively high. During 2024, the average price for a new home fell 1 percent to $557,000 compared with a 6-percent increase in 2023, when the inventory of existing homes was lower. The average new home price has been generally less than that of an existing home since 2021, partly because many of the existing home sales are in the more established and high-priced areas of the HMA.

New home sales were limited at the beginning of the 2010s because of competition from the large supply of lower-priced distressed homes for sale. From 2010 through 2014, an average of 10,700 new homes sold each year. As the sales market recovered from the foreclosure crisis and net in-migration increased, new home sales rose at an average annual rate of 14 percent from 2015 through 2020 to a high of 24,050 homes sold. New home sales declined an average of 5 percent annually in 2021 and 2022 to 21,750 homes sold, partly because of stronger demand for existing homes in the more established locations of the HMA. New home price growth was relatively steady during the 2010s, increasing at an average annual rate of 5 percent from $237,500 in 2010 to $403,300 in 2020. Low mortgage rates and a low inventory of existing homes for sale put upward pressure on new home prices, which increased an average of 15 percent a year in 2021 and 2022.

Sales Construction Trends

Construction of new sales housing in the HMA—as measured by the number of single-family homes, townhomes, and condominiums permitted (see Building Permits)—increased from 2012 through 2021 at an average annual rate of 15 percent to 31,650 homes permitted (Figure 11). Sales demand weakened in

Figure 11. Annual Sales Permitting Activity in the Phoenix 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

2022 as interest rates rose sharply, and builders responded by reducing new home construction. An average of 22,600 homes were permitted each year in 2022 and 2023 before rising 37 percent in 2024 to 31,050 homes permitted—only 2 percent less than the previous peak (Census Bureau preliminary and final data, with adjustments by the analyst).

Since 2020, 13 percent of new home construction in the HMA has occurred in the city of Phoenix, where an average of 4,375 homes were permitted each year. By comparison, new home construction in the city of Phoenix averaged 2,250 units annually from 2010 through 2019, accounting for nearly 15 percent of the HMA total. New home construction activity has increased rapidly in the West Valley since the completion of Loop 303 and the rapid job growth associated with the high-tech and advanced manufacturing industry. In the city of Surprise, home construction has averaged 2,150 units annually since 2020, more than triple the average of 670 units a year from 2010 to 2019. In the city of Buckeye, new home construction nearly doubled from 2010 to 2019 and has averaged 2,400 homes permitted annually since 2020. Trends are similar in most of the other cities in the West Valley, including Goodyear, where new home construction has been elevated since 2020 and compared with the previous decade. In the more established cities of Gilbert and Chandler—east of the city of Phoenix—new home construction has averaged 880 and 420 homes a year, respectively, since 2020, down from averages of 1,600 and 700 homes a year from 2010 through 2019.

Since 2020, 24 percent of new home construction in the HMA has been in Pinal County compared with 17 percent from 2010 through 2019. The greatest concentrations of new home construction have been in the cities of Casa Grande, Apache Junction, and Maricopa. In the former, average annual permitting has risen to 1,000 units since 2020 compared with 170 units from 2010 through 2019. In the latter two cities, respective average annual permitting has more than doubled to 500 and 1,400 units since 2020.

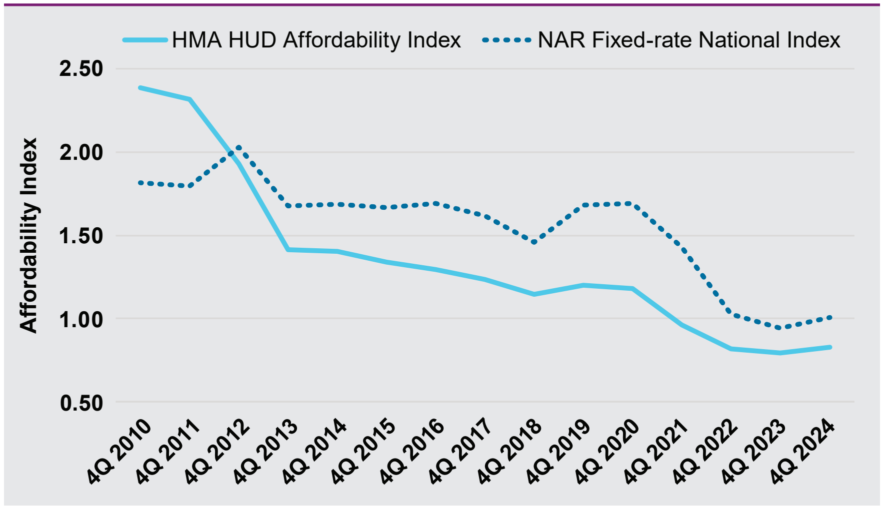
New Home Developments

Ranked by the number of monthly home sales, the West Valley and Pinal County have the most active new home subdivisions in the HMA, led by Radiance at Superstition Vistas in the city of Apache Junction in Pinal County. Since opening in 2023, the community has sold 780 homes, with 440 lots still available; 160 homes are under construction, and 25 are ready for move-in, with an average home price of $479,200 (Zonda). Several new communities are under construction to support the fast growing senior population in the HMA. Sun City Festival in the city of Buckeye and PebbleCreek in the city of Goodyear, both age-restricted communities, ranked second and third in monthly home sales, with average respective home prices of $467,500 and $677,700.

Housing Affordability: Sales

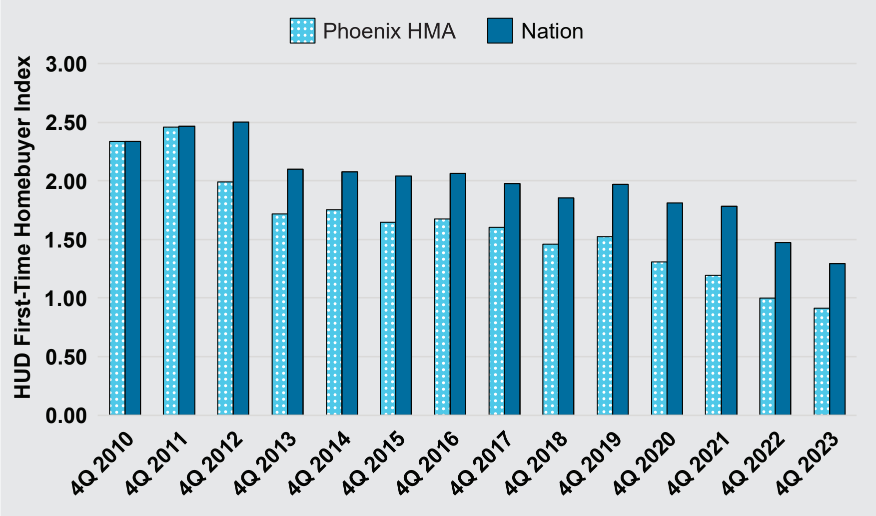
Homeownership has become less affordable in the HMA since 2020, with home prices increasing faster than incomes. The HUD Affordability Index, a ratio of the HUD median family income in the HMA to the income required to purchase the median-priced home, was above 1.00 from the fourth quarters of 2010 through 2020. A value of 1.00 or greater indicates that a family earning the median income was able to afford a median-priced home. However, the index has dropped below 1.00 since 2020 because of surging home prices from 2020 through 2022. Moderate price growth resulted in a slight uptick in affordability, but the index was below 1.00 and below a comparable measure for the nation during the fourth quarter of 2024 (Figure 12). Homeownership in the HMA has become particularly less affordable for households in the 25-to-44 age cohort, the prime demographic for first-time homebuyers. The HUD First-Time Homebuyer Affordability Index measures the median household income for householders aged 25 to 44 relative to the income needed to purchase a home priced at the 25th percentile, such as a starter home. The index for the HMA declined from 1.52 in the fourth quarter of 2019 to 0.91 as of the fourth quarter of 2023 (Figure 13). Nationally, the index fell from 1.97 to 1.29 during the same period.

Figure 12. Phoenix HMA HUD Homebuyer Affordability Index



4Q = fourth quarter. NAR = National Association of REALTORS®.
Sources: HUD Median Family Income data; Zonda; Freddie Mac; National Association of REALTORS®

Figure 13. Phoenix HMA HUD First-Time Homebuyer Index



4Q = fourth quarter.
Sources: American Community Survey 1-year data; HUD Median Family Income data; Freddie Mac; Zonda

Forecast

During the next 3 years, demand is expected for 67,400 new sales units in the HMA, with demand increasing slightly each year of the 3-year forecast period because moderating price growth during the past 2 years has contributed to increased affordability (Table 6). The 12,850 homes under construction will meet a portion of the demand during the first year of the forecast period. Demand is expected to be highest where job growth is strong and land is most affordable, including in the West Valley and Pinal County.

Table 6. Demand for New Sales Units in the Phoenix HMA During the Forecast Period

Sales Units	
Demand	67,400 Units
Under Construction	12,850 Units

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

Rental Market

Market Conditions: Slightly Soft

Deliveries of new rental units have significantly outpaced absorption since 2021, resulting in softening market conditions.

Current Conditions and Recent Trends

Rental market conditions in the Phoenix HMA are currently slightly soft, with an estimated rental vacancy rate of 10.0 percent, up from 8.5 percent in 2020, when conditions were more balanced (Table 7). Conditions have eased since 2021 because rental completions have significantly outpaced absorption, resulting in rising vacancy rates and stagnant rents. Approximately 29,000 apartment units were completed in 2024, whereas 20,700 units were absorbed (CoStar Group; Figure 14). Despite lagging behind completions, recent absorption was comparatively strong, nearly double from a year earlier and higher than the average of 8,775 units absorbed annually from 2015 through 2020. Since 2020, approximately 15 percent of rental construction in the HMA has been for single-family homes built for rent (BFR) compared with 8 percent from 2015 through 2019. A large concentration of these homes has been built on the HMA periphery, including in the West Valley, Pinal County, and the North Phoenix neighborhoods near the TSMC facilities.

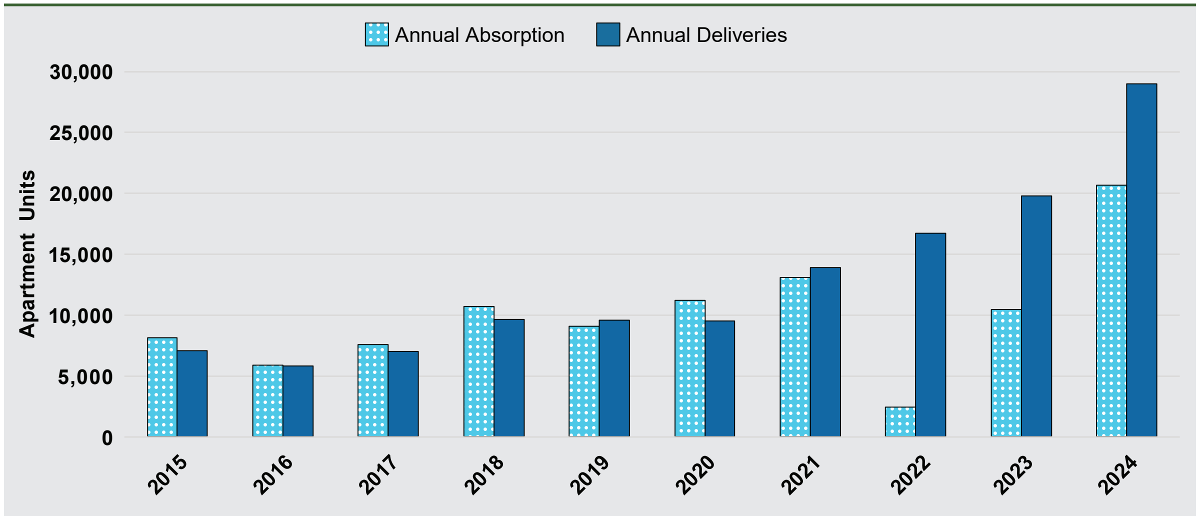
Table 7. Rental and Apartment Market Quick Facts in the Phoenix HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	8.5	10.0
		2021 (%)	**2023 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	41	37
	Multifamily (2–4 Units)	11	11
	Multifamily (5+ Units)	45	49
	Other (Including Mobile Homes)	3	3

		4Q 2024	YoY Change
Apartment Market Quick Facts	**Apartment Vacancy Rate**	11.3%	1.0
	Average Rent	$1,572	-1%
	Studio	$1,172	-1%
	One-Bedroom	$1,418	-1%
	Two-Bedroom	$1,686	-2%
	Three-Bedroom	$2,094	-1%

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

Figure 14. Apartment Deliveries and Absorption in the Phoenix HMA



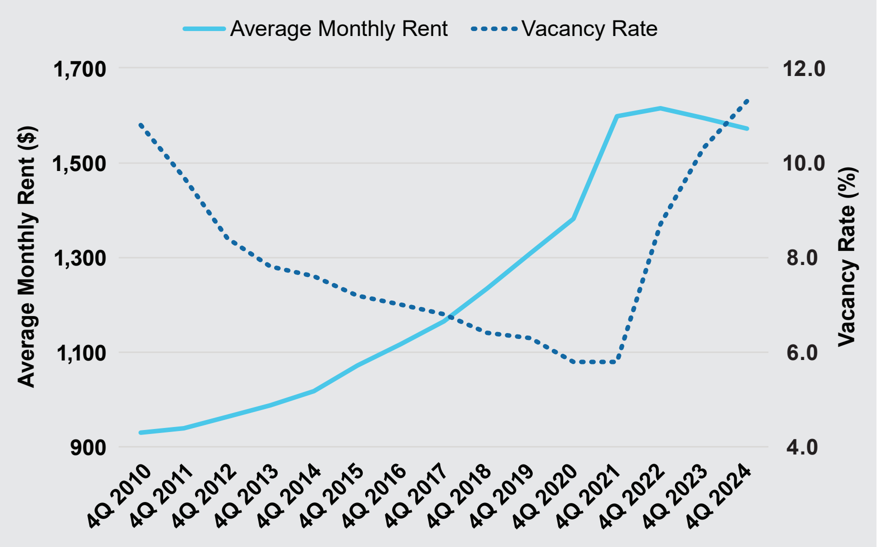
Source: CoStar Group

In 2023, approximately 37 percent of renter households in the HMA lived in single-family homes, down from 41 percent in 2010. Approximately 60 percent of renter households lived in multifamily structures with two or more units, including apartments, up from 56 percent in 2010 (American Community Survey 1-year data). Professionally managed, single-family homes represent a small portion of renter-occupied, single-family homes in the HMA. As of December 2024, the vacancy rate for those units was unchanged from a year ago at 2.5 percent, and the rate has been less than 3.0 percent since 2014 (Cotality). Rent growth for these homes has been stronger since 2020 compared with the previous 6 years. From December 2020 to December 2024, rents for three-bedroom homes increased an average of 8 percent annually compared with 6 percent a year from December 2014 through December 2019.

Apartment Market Conditions

Apartment market conditions are soft, with an average vacancy rate of 11.3 percent, up from 10.3 percent a year ago (CoStar Group). The rate has increased sharply from a recent low of 5.8 percent as of the fourth quarter of 2021 because apartment completions have outpaced absorption. Nearly 79,400 apartments have been completed since 2021, whereas absorption has totaled 46,700 units, or 41 percent less. The excess supply has suppressed rent growth. From the fourth quarters of 2021 to 2024, the average rent declined a cumulative 2 percent to $1,572. For context, the average rent increased 16 percent year over year as of the fourth quarter of 2021 to $1,598. For much of the decade from 2010 to 2020, apartment market conditions in the HMA were balanced, and rent growth was moderate as apartment construction generally kept pace with renter household growth. From the fourth quarters of 2013 through 2020, the apartment vacancy rate stayed within a relatively narrow range—from 5.8 to 7.8 percent—and rents increased at an average annual rate of 5 percent (Figure 15).

Figure 15. Apartment Rents and Vacancy Rates in the Phoenix HMA



4Q = fourth quarter.
Source: CoStar Group

Market Conditions by Geography

As of the fourth quarter of 2024, average rents fell from a year ago in 14 of the 15 CoStar Group-defined market areas of the HMA, and the vacancy rates rose in 9 areas. Market areas in the West Valley had the highest vacancy rates in the HMA, ranging from 18.3 percent in the North West Valley area, which includes the city of Surprise, to 37.7 percent in the West Maricopa County area, which includes the city of Buckeye. The high vacancy rates reflect new deliveries exceeding absorption. In the West Maricopa County area, despite record-high absorption of 1,525 units during 2024, the vacancy rate rose because absorption fell far short of the 2,670 units delivered, and completions increased the surveyed apartment inventory by 75 percent. The North, Old Town Scottsdale, and Camelback market areas had some of the lowest vacancy rates in the HMA at 8.3, 6.5, and 7.9 percent, respectively, as of the fourth quarter of 2024. Vacancy rates in the market areas near the TSMC facilities, including Deer Valley and North Phoenix, were also relatively low at 9.9 and 9.5 percent, respectively. However, market areas in Pinal County had vacancy rates above the HMA average, ranging from 11.7 percent in the East Valley area, close to the central city of Phoenix, to 23.1 percent in the Southeast Valley area, which includes the city of Casa Grande.

Camelback was the only market area with rent growth, with rents rising nearly 1 percent year over year to $1,561, partly because of limited new construction in the market area and its proximity to the city of Scottsdale, which commands the highest rents in the HMA. Average rents in the North and Old Town Scottsdale market areas were $2,154 and $1,888, respectively, as of the fourth quarter of 2024, both down 2 percent year over year. Average rents in the West Valley market areas fell year over year, ranging from 1 to 4 percent. Despite one of the lowest vacancy rates in the HMA, the average rent in the Deer Valley area fell 4 percent year over year. The fastest rate of decline, 5 percent, occurred in the Southeast Valley area, where rents averaged $1,392, the lowest in the HMA.

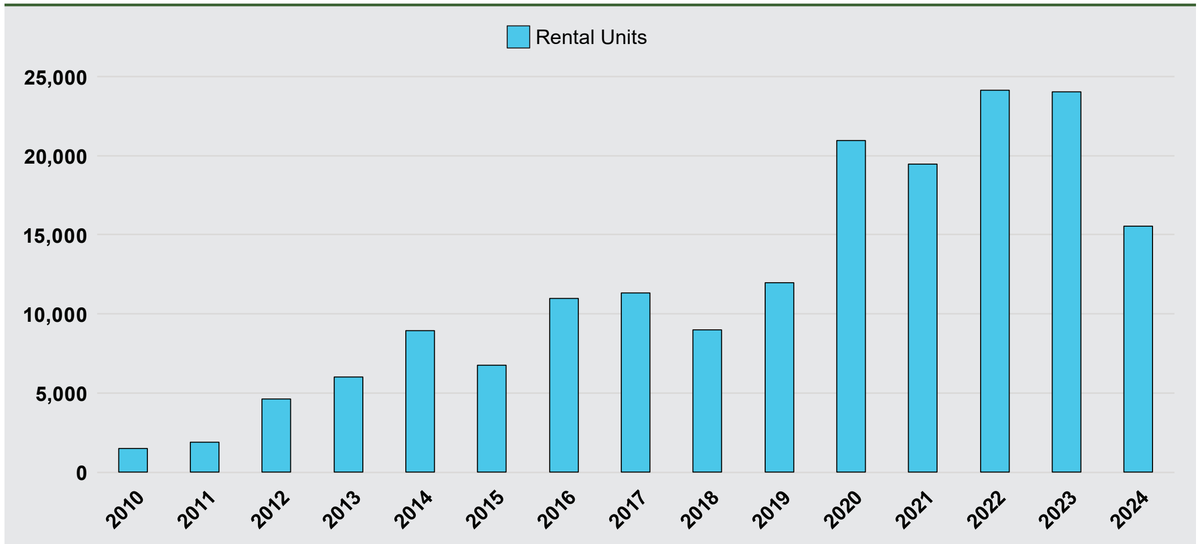
Student Housing

Students account for much of the rental demand near the main campuses of ASU in the city of Tempe and GCU in west Phoenix. The vacancy rate for student apartments near ASU rose from an average of 1.4 percent as of the fourth quarter of 2023 to 10.0 percent as of the fourth quarter of 2024 because of the addition of nearly 1,675 beds that are still in lease up (CoStar Group). The average rent per bed fell nearly 6 percent year over year to $1,175, more than offsetting the 5-percent annual increase as of the fourth quarter of 2023. Near GCU, the vacancy rate for student apartments averaged 7.6 percent as of the fourth quarter of 2024, down from 8.4 percent a year earlier. The average rent per bed was $785 as of the fourth quarter of 2024, up 2 percent from a year ago.

Rental Construction Trends

Softening rental market conditions led builders to reduce construction activity during the past year to the lowest level in 5 years, as measured by the number of rental units permitted. In 2024, 15,500 rental units were permitted, down 36 percent from the peak in 2022 and 2023, when an average of 24,100 units were permitted each year (Figure 16). For context, rental unit construction was limited at the start of the 2010s because of the Great Recession and housing crisis, with permitting averaging less than 5,000 units annually from 2010 through 2015. Apartment absorption rose as the economy improved and net in-migration increased. Builders responded by increasing apartment production. An average of 10,800 rental units were permitted annually from 2016 through 2019, and permitting nearly doubled to an average of 20,200 units permitted each year in 2020 and 2021. Part of the increase since 2020 is attributable to the rising number of single-family homes BFR.

Figure 16. Annual Rental Permitting Activity in the Phoenix HMA



Note: Includes apartments and 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

An estimated 27,000 rental units, including approximately 900 single-family homes BFR, are under construction in the HMA. In the West Valley market areas, 6,800 rental units are under construction, accounting for 25 percent of all rental units under construction in the HMA. The Downtown Phoenix market area accounts for 4,325 apartments under construction, and a combined 3,200 units are under construction in the Deer Valley and North Phoenix market areas near the TSMC facilities. Nearly 1,100 units are under construction in Pinal County.

Recent Developments

More than 10 rental communities with at least 300 units each opened in the West Valley in 2024, including 2 communities with a combined 670 single-family homes BFR. One of the largest apartment communities, Allora Surprise with 351 units, has rents starting at $1,471 for one-bedroom units and $2,303 for three-bedroom units. The property began leasing in March 2024, with average monthly absorption of 18 units. The Deer Valley area had several completed rental developments in 2024, totaling approximately 1,125 units. The largest development, Bloom at Deer Valley, includes 297 single-family homes BFR and has rents ranging from $1,882 for studios to $2,883 for three-bedroom, single-family homes. The property has leased an average of 18 homes per month. Of the 3,150 units completed in Pinal County in 2024, 40 percent were single-family homes BFR. The largest of these developments, Canopy at Cottonwood, with 331 single-family homes BFR, opened in March 2024, with respective rents ranging from $1,535 to $1,805 for one- and two-bedroom homes. Absorption at the property has averaged approximately 11 units a month.

Forecast

During the 3-year forecast period, demand is expected for 31,450 rental units in the HMA (Table 8). Demand is anticipated to slow during the forecast period as the pandemic-related surge in household formation subsides and net in-migration slows. The 27,000 units under construction will meet all expected demand during the first 2 years. Rental demand is expected to be concentrated near centers of job growth, including the West Valley, near the TSMC facilities, and Pinal County.

Table 8. Demand for New Rental Units in the Phoenix HMA During the Forecast Period

	Rental Units
Demand	31,450 Units
Under Construction	27,000 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.
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	Include regular resales and REO sales.
Forecast Period	1/1/2025–1/1/2028—Estimates by the analyst.

Home Sales/ Home Sales Prices	**Includes single-family home, townhome, and condominium sales.**
HUD Affordability Index	**The HUD Affordability Index is calculated as the ratio of the HUD median family income in the housing market area (HMA) to the income required to purchase the median-priced home while spending no more than 30 percent of income on housing costs, including mortgage, insurance, and taxes. An index greater than 1 indicates a family earning the median income is able to afford a median-priced home.**
HUD First-Time Affordability Index	**The HUD First-Time Homebuyer Affordability Index is calculated as the ratio of the median household income for the age cohort 25 to 44 years old in the HMA to the income required to purchase a home priced at the 25th percentile, spending no more than 30 percent of income on housing costs, including mortgage, insurance, and taxes. Data for median household income by age are not available for 2020 and 2024. In those cases, the index is calculated by applying Consumer Price Index inflation factors to 2017 and 2022 data, respectively.**
Net Natural Increase	**Resident births are greater than resident deaths.**
Other Vacant Units	**In this HUD analysis, other vacant units include all vacant units that are not available for sale or for rent. Therefore, the term includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the U.S. Census Bureau.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family homes, multifamily units, and mobile homes.**
Seriously Delinquent Mortgages	**Mortgages 90 or more days delinquent or in foreclosure.**
Stabilized	**A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from "under construction" to "existing" on the CoStar Group website.**
Student Apartments	**Housing targeted toward college/university students that is typically leased by the bed on or near a college campus.**
West Valley	**Part of Maricopa County west of Interstate 17, home to nearly 2 million residents and more than 15 communities, including the cities of Avondale, Buckeye, El Mirage, Glendale, Goodyear, Litchfield Park, Peoria, Surprise, Tolleson, Youngtown, and Wickenburg.**

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau's 2020 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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