COMPREHENSIVE HOUSING MARKET ANALYSIS

Santa Maria-Santa Barbara, California

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 Santa Maria-Santa Barbara Housing Market Area (hereafter, Santa Barbara HMA) is coterminous with the Santa Maria-Santa Barbara Metropolitan Statistical Area (MSA), defined as Santa Barbara County in southern California. The Pacific Ocean borders the HMA to the west and south, the Oxnard-Thousand Oaks-Ventura MSA borders it to the east, and the San Luis Obispo-Paso Robles MSA borders it to the north. The Santa Barbara HMA is also approximately 100 miles northwest of the Los Angeles-Long Beach-Anaheim MSA, the second most populous MSA in the nation. Goleta, Lompoc, Orcutt, Santa Barbara, and Santa Maria are the most populous communities in the HMA, and the HMA contains the Vandenberg Space Force Base and the Santa Ynez Reservation.

The current population of the HMA is estimated at 445,000.

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

Stable: Economic growth in the Santa Barbara HMA is positive, but job growth slowed during the past 12 months.

During 2024, nonfarm payrolls in the HMA averaged 192,100, an increase of 1,800 jobs, or 0.9 percent, from the previous year. By comparison, nonfarm payrolls increased by 2,400 jobs, or 1.3 percent, during 2023. The education and health services sector led job growth during 2024, increasing by 1,300 jobs, or 4.2 percent, from a year earlier and accounting for 72 percent of the net nonfarm payroll gain. Job growth in the HMA is expected to slow during the 3-year forecast period, averaging 0.6 percent annually.

Sales Market

Tight: The HMA has an estimated sales vacancy rate of 1.6 percent, up from 1.0 percent in April 2020, when sales market conditions were very tight, but down slightly from 1.7 percent in April 2010.

During 2024, home sales in the HMA totaled 3,150, up by 340 sales, or 12 percent, from a year earlier (Zonda). By comparison, home sales decreased by 1,250, or 31 percent, during 2023 as elevated interest rates contributed to steep declines in home sales. Despite an increase in home sales during the past year, home sales price growth has decelerated, with the average price increasing by $14,650, or 1 percent, to $1.40 million in 2024. By comparison, the average home price increased by $74,550, or 6 percent, during 2023. During the next 3 years, demand is expected for 1,850 sales units. The 270 homes under construction will satisfy a portion of the demand in the first year.

Rental Market

Tight but Easing: The overall rental housing market has an estimated vacancy rate of 3.9 percent, up from 3.3 percent in April 2020 but below the 4.5-percent vacancy rate in April 2010.

Rental market conditions in the HMA are currently tight, easing slightly from the very tight conditions in 2020. The recent easing is partly due to elevated levels of rental unit permitting from 2020 through 2022, coupled with a high rate of net out-migration following the onset of the COVID-19 pandemic. Apartment conditions are currently tight, with a vacancy rate of 3.4 percent as of the fourth quarter of 2024, down from 3.7 percent a year earlier (CoStar Group). The average apartment rent was $2,516 as of the fourth quarter of 2024, up 2 percent from a year earlier. During the forecast period, demand is anticipated for 2,825 new rental units. The 320 units under construction will satisfy a portion of the demand during the first year of the forecast period.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Santa Barbara HMA	Total Demand	1,850	2,825
	Under Construction	270	320

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

> The government sector remains the largest sector in the HMA despite a 6-percent decline in payrolls since 2011.

Primary Local Economic Factors

The government sector is the largest nonfarm payroll sector in the Santa Barbara HMA and includes three of the top four employers in the HMA (Table 1). The sector includes Vandenberg Space Force Base (previously Vandenberg Air Force Base), which employs approximately 16,000 people, of whom approximately 2,600 are active-duty military personnel. The base had an estimated economic impact of approximately $4.33 billion on the HMA as of 2020 (*Economic Impact of Vandenberg Air Force Base on Santa Barbara and San Luis Obispo Counties*, California Polytechnic State University). The sector also includes the University of California, Santa Barbara (UCSB), a public university with an economic impact estimated at $3.1 billion as of 2021 on the Central Coast Region of California—defined as San Luis Obispo, Santa Barbara, and Ventura Counties (*The University of California Systemwide Economic, Fiscal, and Social Impact Analysis*, 2021). The university enrolled 26,150 students as of the fall of 2024 semester, and enrollment has been relatively stable since 2020. The university employs approximately 11,800 faculty and staff. Despite growth in the sector during the past 2 years, current payrolls in the government sector are still 9 percent below payrolls during 2019, mostly because of large declines in the state government subsector after the onset of the COVID-19 pandemic due to staff cuts at state universities. As of 2024, payrolls in state government educational services remained 4,725 jobs, or 40 percent, below the level in 2019.

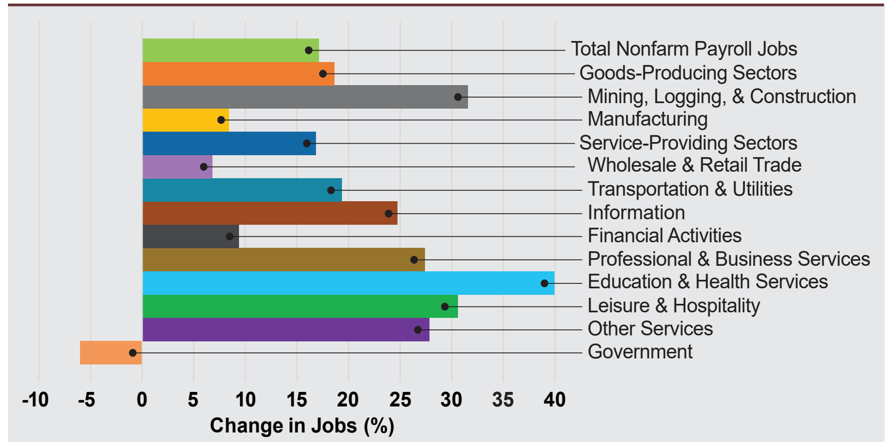
The education and health services sector is the second largest payroll sector in the HMA and has had generally strong and consistent growth, increasing in 13 of the 14 years since 2010. In 2024, payrolls in the sector were up approximately 40 percent from 2011, more than any other nonfarm payroll sector (Figure 1). Two of the largest employers in the area, Cottage Health and Marian Regional Medical Center, collectively employ more than 6,800 people in health services jobs. The sector accounted for 14 percent of total nonfarm payrolls in 2010 and increased to 17 percent as of 2024 (Figure 2). This consistent growth is partly due to hospital construction and expansion

Table 1. Major Employers in the Santa Barbara HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Vandenberg Space Force Base	Government	16,000
University of California, Santa Barbara	Government	11,800
Cottage Health	Education & Health Services	4,575
County of Santa Barbara	Government	4,400
Deckers Outdoor Corporation	Manufacturing	2,600
Marian Regional Medical Center	Education & Health Services	2,250
Chumash Casino Resort	Government	2,200
Santa Barbara City College	Government	2,050
Mission Linen Supply	Professional & Business Services	2,000
Sonos, Inc.	Manufacturing	1,450

Notes: Excludes local school districts. Data for Vandenberg Space Force Base include active-duty military personnel, who are generally not included in nonfarm payrolls.
Sources: Santa Barbara County, *Annual Comprehensive Financial Report*; Santa Barbara South Coast Chamber of Commerce; City of Santa Barbara, *Annual Comprehensive Financial Report*

Figure 1. Sector Growth in the Santa Barbara HMA, 2011 to Current

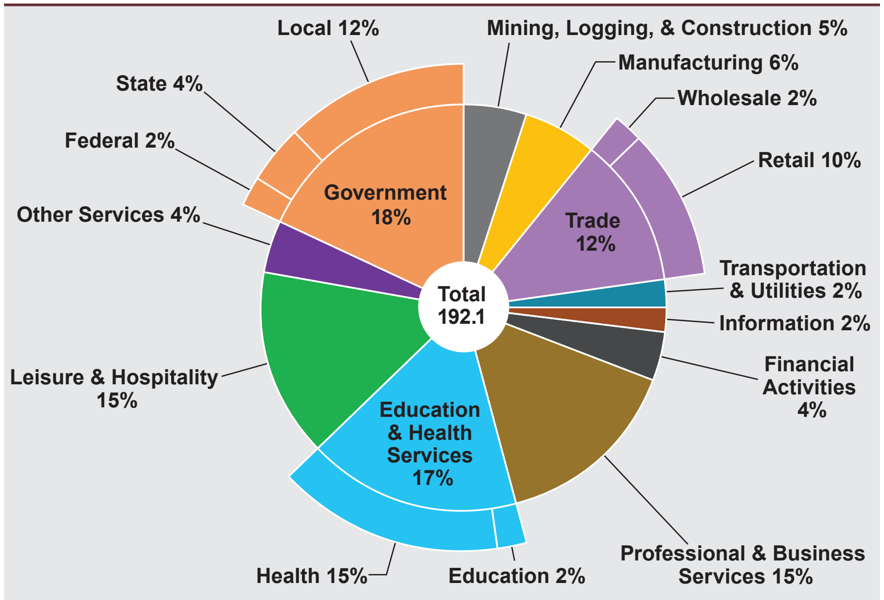


Note: Current data are based on the 12-month averages ending December 2024.
Source: U.S. Bureau of Labor Statistics

activity during the mid-2010s and partly due to the increasing demand for health services from an aging population. As of 2024, jobs in the healthcare and social assistance industry made up 89 percent of jobs in the education and health services sector.

The economy of the HMA relies heavily on tourism spending, with visitors drawn by the local beaches and the mountains, making the leisure and hospitality sector the third largest payroll sector. Although it was the second largest sector as recently as 2019, the pandemic hit the sector hard. The leisure and hospitality sector has yet to recover fully to prepandemic levels and is still 1 percent below payrolls during 2019. Approximately 6.5 million tourists visited the HMA during 2023, contributing approximately $2.24 billion to the local economy (Visit Santa Barbara 2022–23).

Figure 2. Share of Nonfarm Payroll Jobs in the Santa Barbara 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

Current Conditions—Nonfarm Payrolls

Economic conditions in the HMA are currently stable. During 2024, nonfarm payrolls increased by 1,800 jobs, or 0.9 percent, to 192,100 jobs (Table 2). By comparison, nonfarm payrolls increased by 2,400 jobs, or 1.3 percent, during 2023. Four of the 11 nonfarm payroll sectors accounted for all nonfarm payroll growth during 2024, whereas 4 sectors declined and 3 were unchanged. The education and health services sector grew the most during 2024, increasing by 1,300 jobs, or 4.2 percent, from a year earlier, when the sector grew by 1,500 jobs, or 5.1 percent. Growth in the education and health services sector during the past 2 years was partly due to increases in social assistance programs and nursing and residential facilities, reflecting the increased share of the HMA population older than 65. Growth also occurred in the professional and business services sector, which added 700 jobs, or 2.6 percent, from a year

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

	12 Months Ending December 2023	12 Months Ending December 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**190.3**	**192.1**	**1.8**	**0.9**
Goods-Producing Sectors	23.1	22.8	-0.3	-1.3
Mining, Logging, & Construction	10.5	10.5	0.0	0.0
Manufacturing	12.7	12.3	-0.4	-3.1
Service-Providing Sectors	167.2	169.3	2.1	1.3
Wholesale & Retail Trade	23.4	23.4	0.0	0.0
Transportation & Utilities	3.5	3.3	-0.2	-5.7
Information	4.5	4.2	-0.3	-6.7
Financial Activities	7.0	7.0	0.0	0.0
Professional & Business Services	27.2	27.9	0.7	2.6
Education & Health Services	30.9	32.2	1.3	4.2
Leisure & Hospitality	28.7	28.6	-0.1	-0.3
Other Services	6.7	6.8	0.1	1.5
Government	35.4	35.9	0.5	1.4

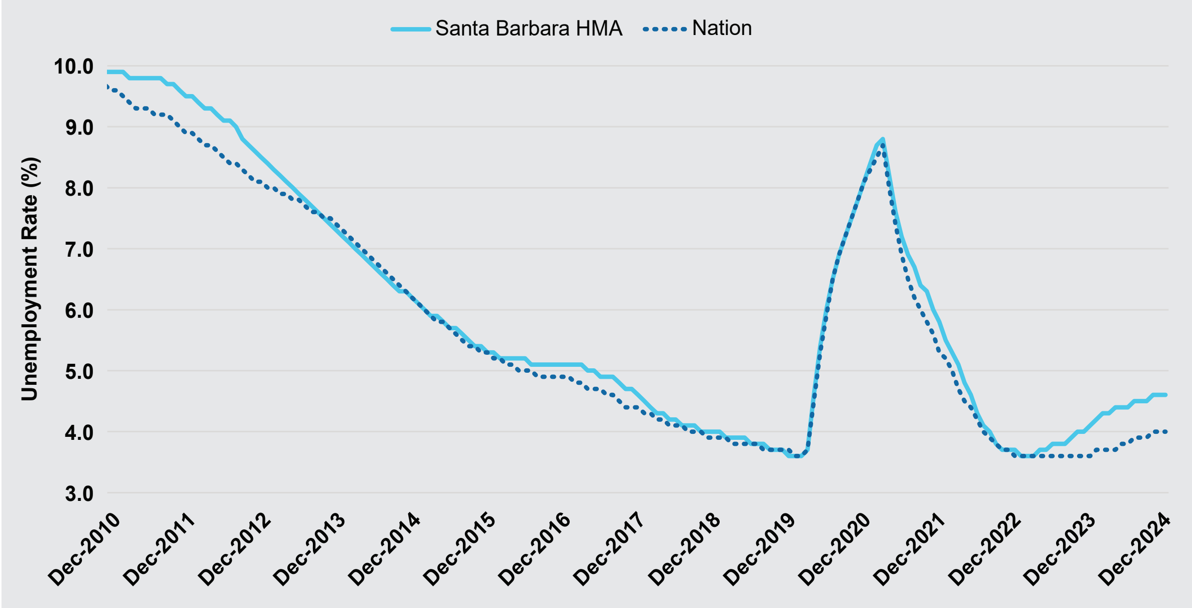
Notes: Based on 12-month averages through December 2023 and December 2024. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

earlier, reversing the loss in 2023, when the sector decreased by 700 jobs, or 2.5 percent. The largest sector in the HMA, the government, added 500 jobs, or 1.4 percent, because of recent increases in the local and state government subsectors, which rose by 300 and 200 jobs, or 1.2 and 2.3 percent, respectively. The manufacturing sector led job losses in the HMA, declining by 400 jobs, or 3.1 percent, partly because of declines in durable goods manufacturing, including the computer and electronic product manufacturing industry. The information, the transportation and utilities, and the leisure and hospitality sectors also declined during 2024, falling by 300, 200, and 100 jobs, or 6.7, 5.7, and 0.3 percent, respectively. Nonfarm payrolls during 2024 were 1.4 percent higher than 2019 prepandemic levels.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.6 percent during 2024, up from 4.1 percent a year earlier, because labor force growth of 0.6 percent outpaced the 0.1-percent resident employment growth. The unemployment rate in the HMA was above the national average unemployment rate of 4.0 percent as of 2024, which was up from 3.6 percent a year earlier (Figure 3). The unemployment rate in the HMA reached a recent peak of 8.8 percent as of the 12 months ending March 2021 because of the economic downturn from the pandemic, but it quickly declined to 3.7 percent during 2022.

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



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

By comparison, unemployment rates in the HMA remained persistently high following the Great Recession, staying above 6.0 percent from 2010 to 2014.

Commuting Patterns

Significant volumes of workers commute to and from the HMA. In 2022, approximately 38 percent of people working in the HMA lived outside of Santa Barbara County (U.S. Census Bureau, OnTheMap), including many low-wage workers who live in more affordable areas in neighboring MSAs. Approximately 9 percent of the workers were from the Los Angeles-Long Beach-Anaheim MSA, where the average home sales price as of 2024 was 10 percent less than in the HMA; 8 percent from the Oxnard-Thousand Oaks-Ventura MSA, where home prices were 27 percent lower; and 6 percent from the San Luis Obispo-Paso Robles MSA, where home prices were 30 percent lower. However, approximately 34 percent of workers living in the HMA commute outside the HMA for work—including approximately 10 percent to Los Angeles County, 7 percent to San Luis Obispo County, and 5 percent to Ventura County—because many workers at higher paying positions took advantage of geographic proximity and remote working opportunities to move to the HMA.

Economic Periods of Significance

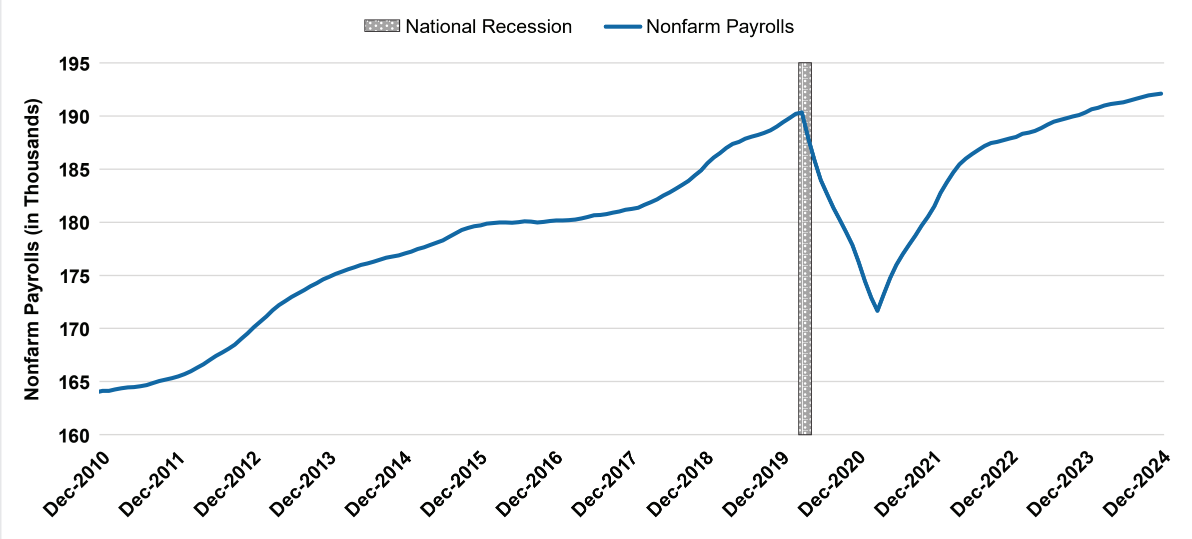
2011 Through 2015

In 2011, economic growth in the HMA was slow following the Great Recession, and nonfarm payrolls increased by 1,400, or 0.9 percent, annually (Figure 4). The professional and business services and the education and health services sectors led payroll growth, increasing by 700 and 500 jobs, or 3.2 and 2.2 percent, respectively. The government sector fell by 400 jobs, or 1.0 percent. However, the local economy strengthened from 2012 through 2015, with nonfarm payrolls increasing by an average of 3,500 jobs, or 2.1 percent, annually. Nonfarm payrolls in the HMA recovered to pre-Great Recession levels in 2013. The leisure and hospitality sector increased by an average of 1,100 jobs, or 4.6 percent, as the local tourism industry strongly rebounded, and the wholesale and retail trade sector and the education and health services sectors increased by annual averages of 600 jobs each, or 2.6 and 2.3 percent, respectively. Growth in the education and health services sector was partly due to the 2012 opening of the Marian Regional Medical Center, a 191-bed hospital in the city of Santa Maria. The financial activities sector was the only sector with no payroll growth during the period.

2016 Through 2019

Economic growth in the HMA slowed significantly during 2016 and 2017 to an average increase of 800 jobs, or 0.4 percent, annually. The education and health services sector led growth during the period, increasing by an average of 800 jobs, or 3.1 percent, annually, partly because of the $126 million expansion of the Goleta Valley Cottage Hospital. The leisure and hospitality sector also grew, increasing by 600 jobs, or 2.2 percent, annually, but large declines in the professional and business services sector, which fell by an average of 800 jobs, or 3.6 percent, annually, offset the growth. Nonfarm payroll growth accelerated during 2018 and 2019 to an average of 4,000, or 2.2 percent, annually, when the professional and business services sector grew by an average of 2,000 jobs, or 9.0 percent, annually. Technology companies expanded in the city of Santa Barbara during the period, including Amazon.com, Inc., Invoca Inc., and LogicMonitor, Inc. The growth led companies to convert vacant retail space into offices.

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



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

2020

The pandemic had a significant negative effect on the HMA because of the heavy reliance on tourists visiting the area and students attending UCSB. In 2020, nonfarm payrolls declined by 13,100 jobs, or 6.9 percent, from a year earlier. The leisure and hospitality sector led losses, falling by 7,100 jobs, or 24.5 percent, because shelter-in-place orders and the closure of all state beaches weakened the tourism industry. The largest nonfarm payroll sector, the government, also strongly declined during 2020, falling by 2,900 jobs, or 7.4 percent. The decline in the government sector was due to decreases in the state government subsector, which fell by 1,600 jobs, or 12.9 percent, partly because UCSB maintained fewer staff during the pandemic, and in the local government subsector, which fell by 1,400 jobs, or 6.0 percent, because steep revenue losses prompted layoffs. Only the professional and business services sector added jobs, rising by 1,300 jobs, or 5.2 percent, because technology companies expanded, and the availability of remote work contributed to growth in the HMA.

2021 and 2022

The local economy in the HMA began recovering at a rapid pace following the pandemic. Nonfarm payrolls increased by an average of 5,800 jobs, or 3.2 percent, during 2021 and 2022. The leisure and hospitality sector led nonfarm payroll growth, increasing by an average of 3,200 jobs, or 13.5 percent, annually because tourists returned to the area after travel restrictions were lifted and the state beaches reopened. The wholesale and retail trade and the education and health services sectors increased by respective averages of 600 jobs each, or 2.7 and 2.3 percent, annually. Only the government sector continued to decline during the period, falling by an average of 1,100 jobs, or 3.1 percent, annually because the average annual loss of 1,700 jobs, or 16.7 percent, in the state government subsector offset small increases in the federal and local government subsectors.

Forecast

During the 3-year forecast period, nonfarm payrolls in the HMA are anticipated to increase by an average of 0.6 percent annually. Notable job growth is expected to continue in the education and health services sector, and growth is expected in the mining, logging, and construction sector. The San Benito dormitory—a new residence hall for UCSB students—is anticipated to begin construction in mid-2025, boosting the construction subsector. The oil company Sable Offshore Corp. purchased the Santa Ynez pipeline and offshore oil platforms from the Exxon Mobil Corporation in 2024 and is seeking regulatory approval to restart oil production that was shut down because of a crude oil spill in 2015, potentially boosting jobs in the mining and logging subsector. The government sector is not expected to increase, partly because UCSB plans to implement a hiring freeze in response to statewide budget cuts and uncertainty regarding federal funding.

Population and Households

Current Population: 445,000

Following a population dip during the first year of the COVID-19 pandemic and a partial recovery in the immediate aftermath, population levels in the Santa Barbara HMA have been nearly unchanged since 2022 because net out-migration has offset net natural increase.

Population Trends

The population of the HMA is estimated at 445,000, reflecting an average decrease of 680, or 0.2 percent, annually since April 2020 (Table 3). Net out-migration since April 2020 has accounted for all the population decline, averaging 2,680 people annually. Net natural increase, averaging 2,000 people annually, partially offset the decline. By contrast, population growth averaged 2,425, or 0.6 percent, annually from 2010 to 2020, with net natural increase averaging 2,550 people annually accounting for all the population growth.

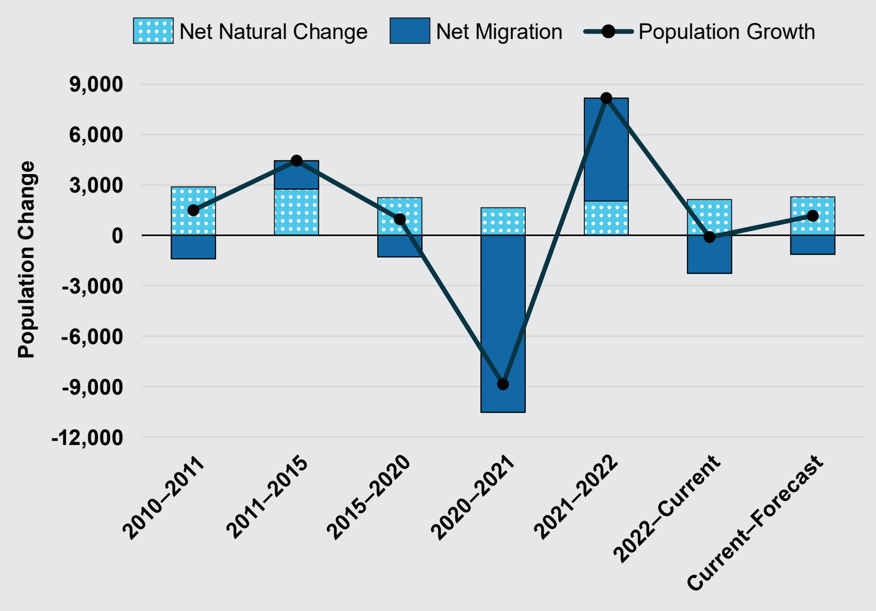
Population growth following the Great Recession was initially weak while the local economy slowly recovered. The unemployment rate was high, and the HMA had net out-migration. The population of the HMA grew by an average of 1,500, or 0.4 percent, annually from 2010 to 2011, with net natural increase and net out-migration averaging 2,900 and 1,400 people annually, respectively (Figure 5). When the economy transitioned from recovery to expansion, net migration turned positive and, combined with stronger levels of net natural increase, contributed to elevated levels of population growth. From 2011 to 2015, the population grew by an average of 4,450, or 1.0 percent, annually, with net natural increase averaging 2,775 people annually, accounting for 62 percent of total growth. Net in-migration averaged 1,675 people annually. However, when economic growth slowed from 2015 through 2017, and housing became increasingly unaffordable in the HMA, net in-migration reversed again, becoming negative and contributing to the already declining levels of net natural increase as many families moved away. Population growth averaged 975, or 0.2 percent, annually from 2015 to 2020, with net natural increase and net out-migration averaging 2,250 and 1,275 people annually, respectively.

Table 3. Santa Barbara HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	Population	448,229	445,000	448,500
	Average Annual Change	2,425	-680	1,175
	Percentage Change	0.6	-0.2	0.3
		2020	Current	Forecast
Household Quick Facts	Households	148,353	149,850	151,700
	Average Annual Change	620	320	620
	Percentage Change	0.4	0.2	0.4

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 5. Components of Population Change in the Santa Barbara HMA, 2010 Through the Forecast Period



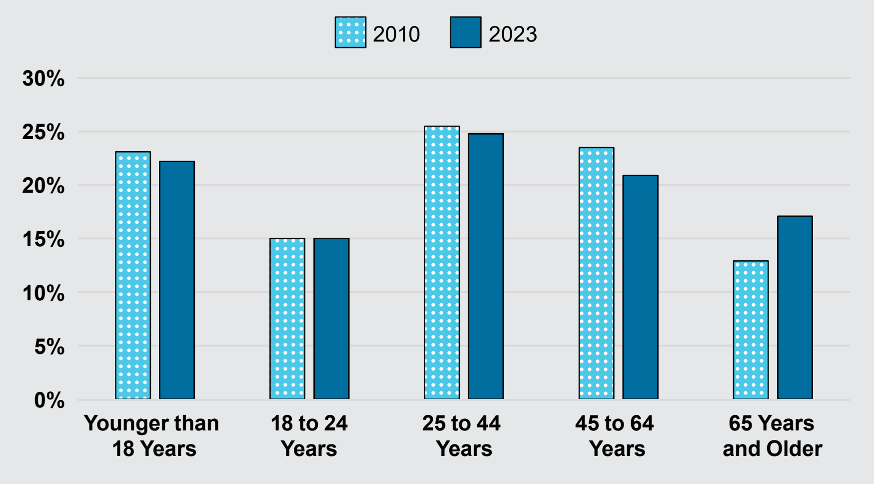
Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2025) to January 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Net out-migration during the period was also partly due to natural disasters that destroyed many homes, including the Thomas Fire in 2017, which affected parts of eastern Santa Barbara County, and a subsequent mudslide in Montecito in early 2018. From 2020 to 2021, the availability of remote work and remote learning opportunities during the pandemic prompted a surge in net out-migration from the HMA, averaging 10,600 people annually, as UCSB students and remote workers either moved to more affordable areas or delayed moving to the HMA. Net natural increase fell to an average of 1,675 people annually, partly because of pandemic-related deaths. The population declined by an annual average of 8,900, or 2.0 percent, from 2020 to 2021. However, from 2021 to 2022, a surge of net in-migration, partly due to students returning to the area, combined with rising net natural increase, contributed to a partial recovery in population levels, increasing by 8,175, or 1.9 percent, as net in-migration reached 6,125 people. The population in the HMA has been relatively unchanged since 2022 because an average net natural increase of 2,150 people annually nearly offset the average net out-migration of 2,250 people annually.

Age Cohort Trends

Since 2010, the share of the population aged 65 and older in the HMA has increased at the fastest rate of any age cohort, partly because a large number of retirees have moved to the HMA. In addition, many younger families have moved away, contributing to a slight rise in the median age. In 2023, residents aged 65 and older accounted for approximately 17 percent of the population, up from 13 percent in 2010 (Figure 6). The share of residents aged 25 to 44 fell slightly, from 26 to 25 percent, and the share of residents younger than 18 also fell slightly, from 23 to 22 percent. However, residents aged 25 to 44 and those younger than 18 are the largest age cohorts in the HMA. The share of residents aged 45 to 64 fell from 24 to 21 percent, partly because some older working residents migrated to other areas. By contrast, the share of residents aged 18 to 24 was unchanged at 15 percent. The median age in the HMA increased slightly from 33.3 in 2010 to 34.9 in 2023 (American Community Survey [ACS] 1-year estimates). By comparison, the national median age increased from 37.2 to 39.2.

Figure 6. Population by Age Range in the Santa Barbara HMA



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

Population by Geography

The HMA population is concentrated near the inland city of Santa Maria to the northwest and the coastal city of Santa Barbara to the south. The city of Santa Maria had an estimated 110,000 residents as of 2023, or approximately 25 percent of the total HMA population, which grew by an average of 680 people, or 0.6 percent, annually from 2019 to 2023 (ACS 1-year estimates). By comparison, the city of Santa Barbara had an estimated 86,500 residents in 2023, or approximately 20 percent of the total HMA population, which fell by an average of 1,225 people, or 1.4 percent, annually from 2019 to 2023. The differences in population trends between the two largest cities in the HMA largely reflect discrepancies in migration, which are partly due to the large difference in homeownership affordability.

Household Trends

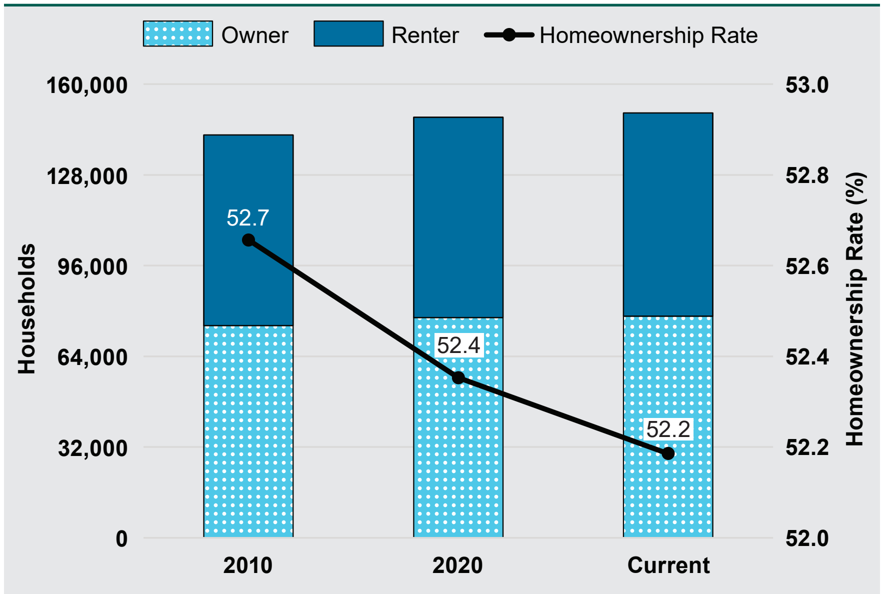
The number of households in the HMA has increased since 2020, whereas the population has declined. Many people in the HMA moved to more affordable areas when remote learning and work became available during the pandemic.

However, people in shared living arrangements dispersing to form separate households during the pandemic, countered the effects of population decline on the number of households. In addition, many retirees, who tend to have smaller households, moved into the area during the early 2020s, contributing to a decline in the average household size. An estimated 149,850 households currently live in the HMA, reflecting an average increase of 320 households, or 0.2 percent, annually since April 2020, in contrast to the population decline averaging 690 people, or 0.2 percent, annually. By comparison, the household growth rate from 2010 to 2020 of 620, or 0.4 percent, annually was below the population growth rate of 2,125, or 0.5 percent, annually. Job opportunities during the early 2010s attracted new residents to the HMA, including many students, but a lack of housing affordability and limited group quarters facilities, such as student dormitories and military barracks, led to shared living arrangements and the formation of larger households. The current homeownership rate is estimated at 52.2 percent, down slightly from 52.4 percent in 2020 because of recent increases in mortgage rates and home prices that created barriers to homeownership (Figure 7). Currently, an estimated 78,200 owner households and 71,650 renter households reside in the HMA, up by 1 percent each since April 2020.

Student Households

As of the fall of 2024, UCSB had an enrollment of 26,150 students, up from 23,500 as of the fall of 2015. Approximately 5,925 students live in on-campus dormitory housing, with an additional 3,475 living in university-affiliated student apartments off campus. The remaining 16,750 live off campus, most of whom are renters. Students account for approximately 7 percent of total renter households in the HMA and are predominantly in the cities of Santa Barbara and Goleta. The San Benito dormitory project on the UCSB campus that is under way will provide housing for 2,224 students, with the completion of the first phase expected in the fall of 2027. People in group quarters are not counted in the household population.

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



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

Forecast

The population of the HMA is anticipated to increase by an average of 1,175, or 0.3 percent, annually during the 3-year forecast period to 448,500. Net out-migration is expected to continue each year of the forecast, albeit at a lessening pace, with the introduction of the first phase of the San Benito dormitory project in 2027 meeting some of the housing demand by students and alleviating some of the upward pressure on rents. During the forecast period, household growth is expected to average 620, or 0.4 percent, annually to 151,700 households, reflecting acceleration compared with recent trends because of the anticipated population growth.

Home Sales Market

Market Conditions: Tight

Although rising interest rates have led to lower demand, the sales market is tight because of limited inventory.

Current Conditions

The home sales market in the Santa Barbara HMA is currently tight, with an estimated vacancy rate of 1.6 percent, up from 1.0 percent in April 2020, when conditions were very tight, but down slightly from the 1.7-percent vacancy rate in April 2010 (Table 4). Beginning in early 2022, mortgage interest rates rose from low levels, contributing to substantial declines in sales during 2022 and 2023, although sales in the HMA have recently increased. Mortgage interest rates peaked in October 2023, averaging 7.6 percent for a 30-year, fixed-rate mortgage, above the levels from 2009 to 2021 (Freddie Mac). The rise in interest rates also deterred many potential sellers from listing their homes for sale if a subsequent purchase would require financing at a higher rate, restricting the supply of for-sale housing. The total number of active listings in the HMA averaged 330 homes a month during 2024, up from an average of 170 homes a month during 2023 but below any year before 2018 (Cotality).

Table 4. Home Sales Quick Facts in the Santa Barbara HMA

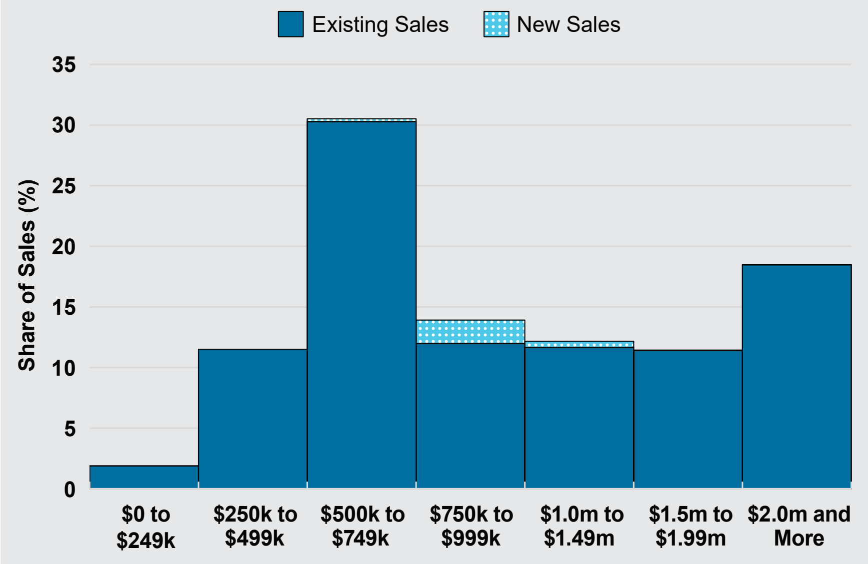
		Santa Barbara HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.6%	NA
	Months of Inventory	6.0	3.3
	Total Home Sales	3,150	4,519,000
	1-Year Change	12%	-4%
	New Home Sales Price	$917,800	$515,600
	1-Year Change	32%	1%
	Existing Home Sales Price	$1,415,000	$479,900
	1-Year Change	2%	8%
	Mortgage Delinquency Rate	0.4%	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 and mortgage delinquency rate—Cotality; home sales and prices—Zonda

Current Home Sales and Prices

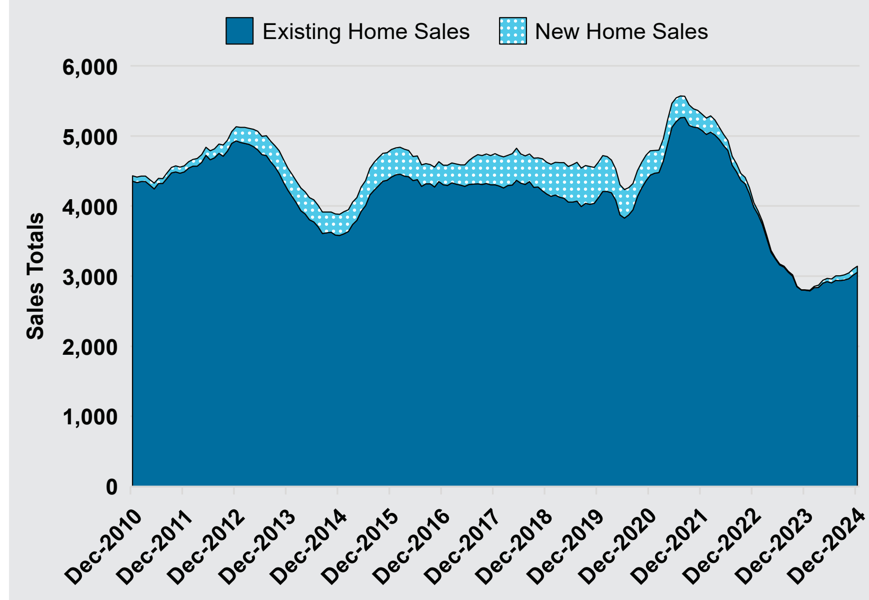
Although home sales have declined from the elevated levels prior to the rise in interest rates, sales increased slightly during the past year. During 2024, new and existing home sales totaled 3,150, up by 340 homes, or 12 percent, from a year earlier (Zonda). By comparison, total home sales in the HMA declined by 1,250, or 31 percent, during 2023. Total home sales reached a recent peak of 5,575 during the 12 months ending July 2021, the highest 12-month total since 2006. The average home sales price during 2024 was $1.4 million, an increase of $14,650, or 1 percent, down from an increase of $74,550, or 6 percent, a year earlier. The average home price in the HMA has increased every year since 2011. The average existing home price has been greater than the average new home price since 2011, with a significant portion of new home construction occurring in the city of Santa Maria or unincorporated areas, where land availability is greater, and the average home price is lower compared with the municipalities of Santa Barbara and Montecito along the South Coast area of the HMA. Of the approximately 85 new homes sold in the HMA during 2024, 80 were in the city of Santa Maria compared with fewer than 5 in the city of Santa Barbara (Zonda). The average home price in the city of Santa Maria was $656,700 during 2024 compared with $2.49 million in the city of Santa Barbara. During 2024, nearly 42 percent of total home sales in the HMA were existing homes priced at more than $1 million, and 18 percent were priced at more than $2 million (Figure 8).

Figure 8. Share of Overall Home Sales by Price Range During 2024 in the Santa Barbara HMA



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

Figure 9. 12-Month Home Sales Totals by Type of Sale in the Santa Barbara HMA



Source: Zonda

New Home Sales and Prices

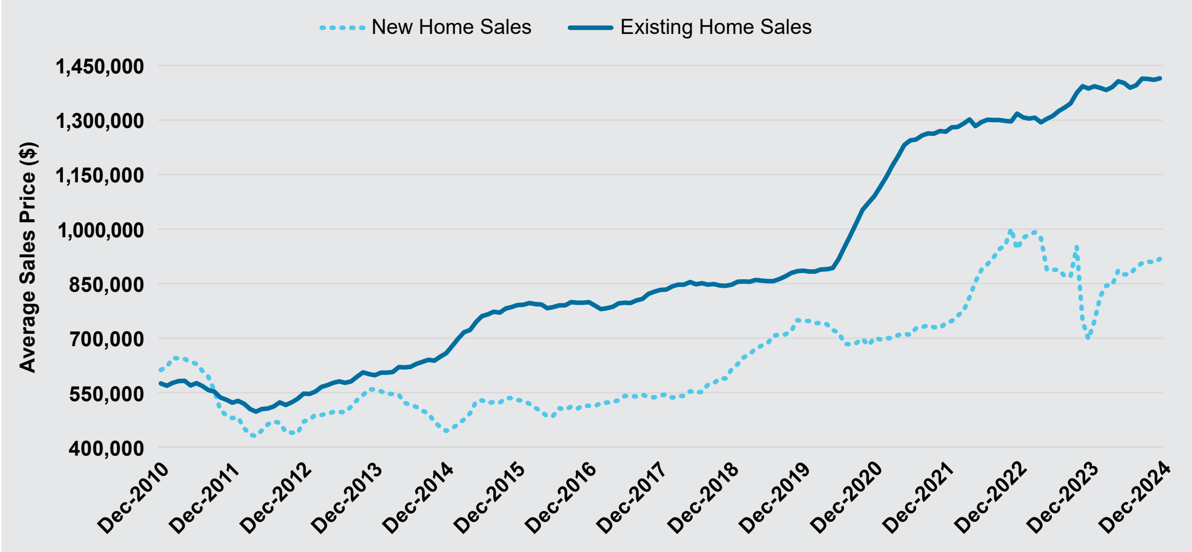
New home sales in the HMA increased significantly in 2024 from a year earlier. During 2024, 85 new homes were sold, up by 80 homes from a year earlier after declining from 60 homes in 2022 (Zonda). New home prices averaged $917,800 during 2024, up by $220,500, or 32 percent, from a year earlier. Following a large decrease in new home sales during the Great Recession, new home sales increased during the early 2010s, when the economic recovery in the HMA prompted net in-migration and an increase in sales demand. From 2011 through 2013, new home sales in the HMA increased by an average of 80 homes, or 58 percent, annually to 320 homes (Figure 9). New home prices during the period declined slightly, falling by an average of $18,050, or 3 percent, annually because of a significant reduction in the average square footage of new homes (Figure 10). New home sales growth weakened as economic growth slowed and net in-migration reversed to net out-migration, falling by an average of 15 homes, or 4 percent, annually from 2014 through 2016. New home prices continued to decline from 2014 through 2016, decreasing by an average of $14,800, or 3 percent, annually. However, economic growth in the HMA rapidly accelerated from 2017 through 2019, and new home sales increased by an average of 75 homes, or 22 percent, annually. In addition, replacement homes were needed following the Thomas Fire and the Montecito Mudslide. New home price growth also surged from 2017 through 2019, growing by an average of $77,850, or 13 percent, annually. Following the period of strong sales growth, the COVID-19 pandemic and increases in mortgage interest rates led to declines in new home sales. From 2020 through 2022, new home sales declined by an average of 150 homes, or 50 percent, annually to 65 homes sold. New home price growth continued, albeit at a slower pace, increasing by an average of $65,800, or 8 percent, annually.

Existing Home Sales and Prices

Existing home sales in the HMA increased slightly during 2024, following 2 years of strong declines from a recent peak in 2021, when 5,075 existing homes sold. Approximately 3,050 existing homes sold during 2024, an increase of 250 homes, or 9 percent, from a year earlier (Zonda). Existing home prices reached an average of $1.41 million during 2024, up by $27,800, or 2 percent, from a year earlier.

During the early 2010s, existing home sales increased slightly during the initial recovery following the Great Recession. However, approximately 44 percent of existing home sales from 2010 through 2012 were distressed sales, creating downward pressure on the average sales price (Cotality). During 2011 and 2012, existing home sales grew by an average of 290 homes, or 6 percent, annually, whereas existing home prices declined by an average of $13,950, or 2 percent, annually (Zonda). When the local economy recovered and transitioned to expansion, existing home sales fell by an average of 170 units, or 4 percent, annually from 2013 through 2015, including a decline in distressed home sales. However, existing home prices during the period rose by an average of $81,050, or 13 percent,

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



Source: Zonda

annually, partly because distressed home sales fell as a share of existing home sales. From 2016 through 2019, existing home sales declined partly because of net out-migration due to housing unaffordability, decreasing by an average of 75 homes, or 2 percent, annually, whereas existing home prices increased by an average of $23,700, or 3 percent, annually. During 2020 and 2021, existing home sales increased by an average of 480 homes, or 11 percent, annually, and existing home prices increased by an average of $191,200, or 20 percent, annually. After interest rates rose in 2022, existing home sales fell sharply during 2022 and 2023, decreasing by an average of 1,150 units, or 26 percent, annually, and existing home price growth moderated, increasing by an average of $59,500, or 5 percent, annually.

Sales Housing Affordability

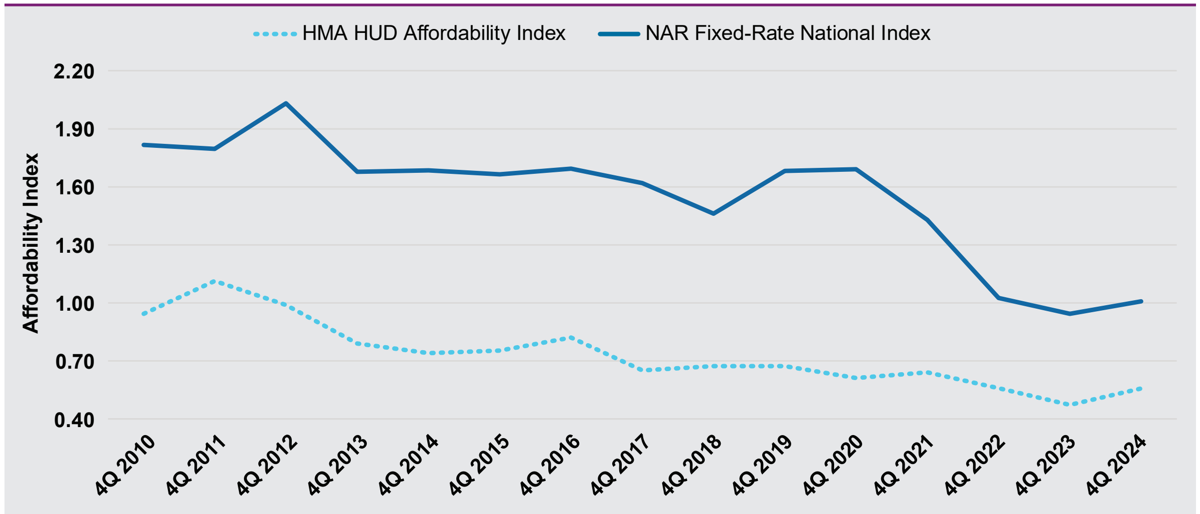
Buying a home in the HMA is far less affordable compared with the nation as a whole, with affordability in the HMA declining since 2011. The HUD Homebuyer Affordability Index for the HMA, which represents the ratio of the median household income to the annual income needed to purchase a home at the median price, was 0.56 as of the fourth quarter of 2024, up from 0.47 a year earlier but below any level prior to 2022 and well below 1.11 as of the fourth quarter of 2011 (Figure 11). The median home price from 2019 to

2023 increased an average of 10 percent annually, and the median household income increased 5 percent annually. By comparison, the national index was 1.00 as of the fourth quarter of 2024, up from 0.94 a year earlier. An index below 1.00 indicates that a family earning the median income is unable to afford a median-priced home. Furthermore, the HUD First-Time Homebuyer Index, which 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, has also significantly declined, falling from 1.33 as of the fourth quarter of 2012 to 0.62 as of the fourth quarter of 2023, with low affordability limiting opportunities for homeownership (Figure 12). The 25th percentile home price increased 10 percent annually from 2019 through 2023, and the median household income for householders aged 25 to 44 increased an average of 7 percent annually.

Sales Construction

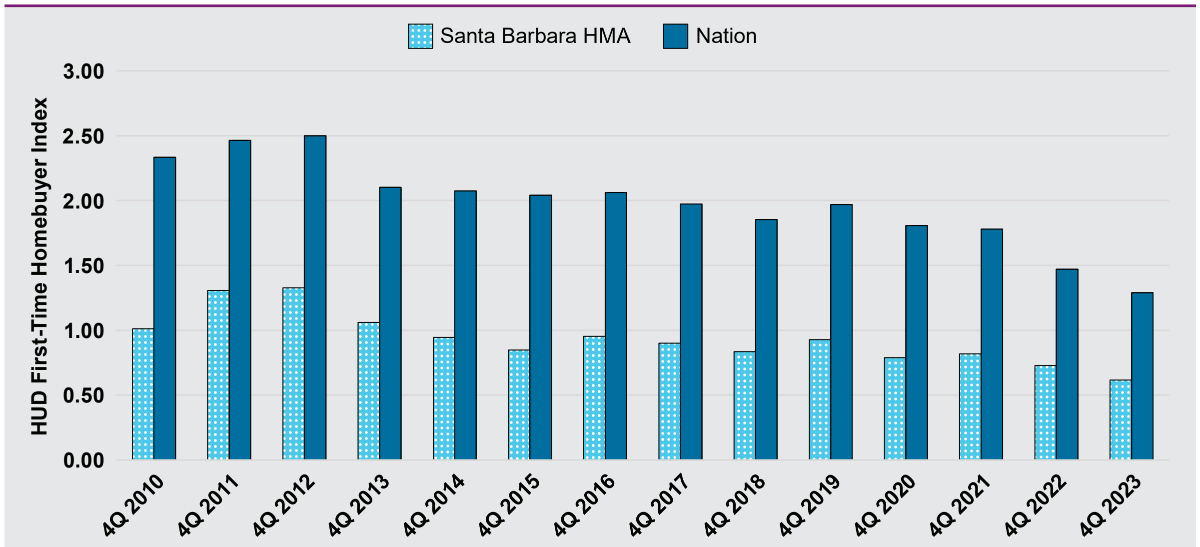
Following 2 years of relatively low sales construction activity, permitting of homes for sale recently rose sharply. During 2024, 590 sales units were permitted, up by 230 homes, or 64 percent, from a year earlier (preliminary data and estimates by the analyst). Home sales construction activity, as measured by the number of homes authorized by building permits and estimates by the analyst, was relatively subdued during 2010 and 2011, when unemployment in the HMA peaked, and

Figure 11. Santa Barbara HMA HUD Homebuyer Affordability Index



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

Figure 12. Santa Barbara HMA HUD First-Time Homebuyer Index



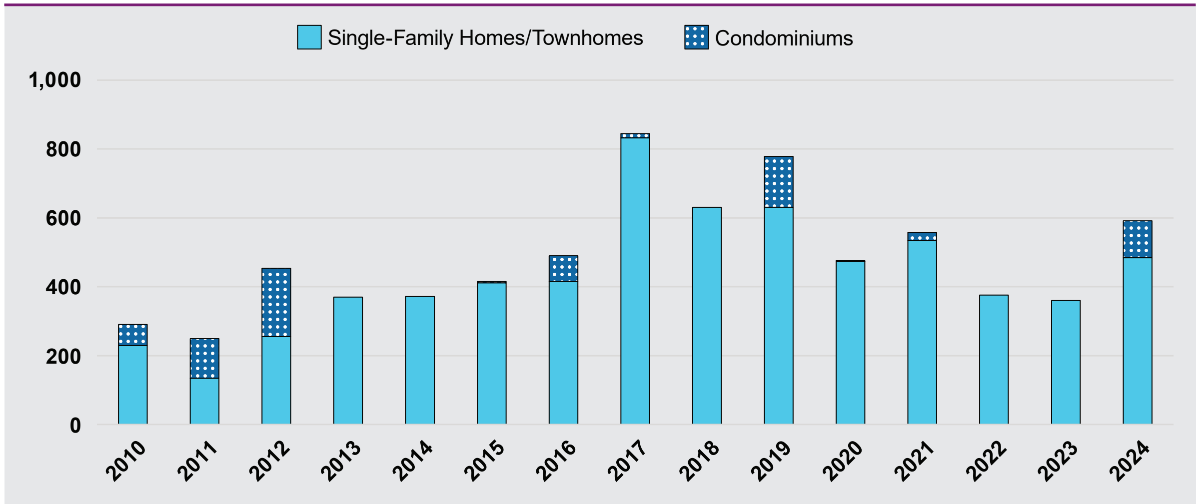
4Q = fourth quarter.
Sources: American Community Survey 1-year data; HUD Median Family Income data—Freddie Mac; Zonda

net out-migration dampened population growth. Sales permitting activity averaged 270 homes annually in 2010 and 2011 (Figure 13). When the economy recovered and net in-migration boosted population growth from 2011 through 2015, sales permitting increased to an average of 420 homes annually from 2012 through 2016 as builders responded to increased demand. From 2017 through 2019, sales permitting rose sharply to an average of 750 units annually as economic growth steeply accelerated during 2018 and 2019. The increase in permitting during the period was also partly due to rebuilding efforts following the Thomas Fire at the end of 2017, which caused $120 million in property losses in the HMA, and the subsequent Montecito Mudslide, which destroyed or damaged approximately 430 homes. In addition, the number of sales units permitted since 2017 was greater than new home sales, partly due to construction of custom-built homes, which require permits but are not included in new home sales. From 2020 through 2022, when the HMA population declined, sales permitting activity fell to an average of 470 units annually. Following the pandemic, permitting activity was low despite a partial population recovery because increases in mortgage rates diminished sales demand.

New Construction Activity

New home construction has generally been concentrated in the northern part of the HMA, in and around the city of Santa Maria. Approximately 40 percent of single-family homes permitted in 2023 and 2024 were within the city of Santa Maria, with a further 38 percent permitted in unincorporated areas. Valley View Estates at Rice Ranch, a subdivision of 184 single-family homes, is currently under construction in the unincorporated community of Orcutt, slightly south of the city of Santa Maria. The subdivision includes three-, four-, and five-bedroom homes, ranging from 2,406 to 3,977 square feet, with prices starting at $1.2 million.

Figure 13. Annual Sales Permitting Activity in the Santa Barbara 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

Forecast

During the 3-year forecast period, demand is expected for 1,850 new sales units in the HMA (Table 5). The 270 homes under construction will meet a portion of the demand during the first year of the forecast period. New construction is anticipated to be concentrated in and around the city of Santa Maria.

Table 5. Demand for New Sales Units in the Santa Barbara HMA During the Forecast Period

	Sales Units
Demand	1,850 Units
Under Construction	270 Units

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

Rental Market

Market Conditions: Tight but Easing

A surge in rental construction activity during 2022 and lower levels of apartment absorption in the Santa Barbara HMA have contributed to an increase in the rental vacancy rate.

Current Conditions and Recent Trends

The overall rental market in the HMA—including apartments and single-family homes, townhomes, and mobile homes—is currently tight but easing. The estimated vacancy rate is 3.9 percent, up from 3.3 percent in April 2020 but down from 4.5 percent in April 2010 (Table 6). Low levels of rental construction activity and growing demand in the early 2010s contributed to very tight rental market conditions by 2020. Following a surge in rental permitting in 2022, primarily for multifamily units, market conditions eased slightly. In 2023, an estimated 41 percent of occupied rental units in the HMA were in buildings with five or more units—mostly apartments—up from 38 percent in 2010 (2010 and 2023 ACS 1-year estimates). By comparison, single-family rental homes accounted for 39 percent of all occupied rental units in 2023, down from 42 percent in 2010. Professionally managed, single-family homes represent a small portion of the rental market. The single-family rental vacancy rate was 1.5 percent as of December 2024, unchanged from a year earlier (Cotality). Rents for one-, two-, three-, and four-bedroom homes averaged $3,552, $3,969, $4,163, and $4,524, respectively, as of December 2024.

Table 6. Rental and Apartment Market Quick Facts in the Santa Barbara HMA

		2020 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	3.3	3.9
		2010 (%)	**2023 (%)**
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	42	39
	Multifamily (2–4 Units)	17	18
	Multifamily (5+ Units)	38	41
	Other (Including Mobile Homes)	3	2

		4Q 2024	YoY Change
Apartment Market Quick Facts	**Apartment Vacancy Rate**	3.4%	-0.3
	Average Rent	$2,516	2%
	Studio	$1,616	3%
	One-Bedroom	$2,163	2%
	Two-Bedroom	$2,808	2%
	Three-Bedroom	$3,491	2%

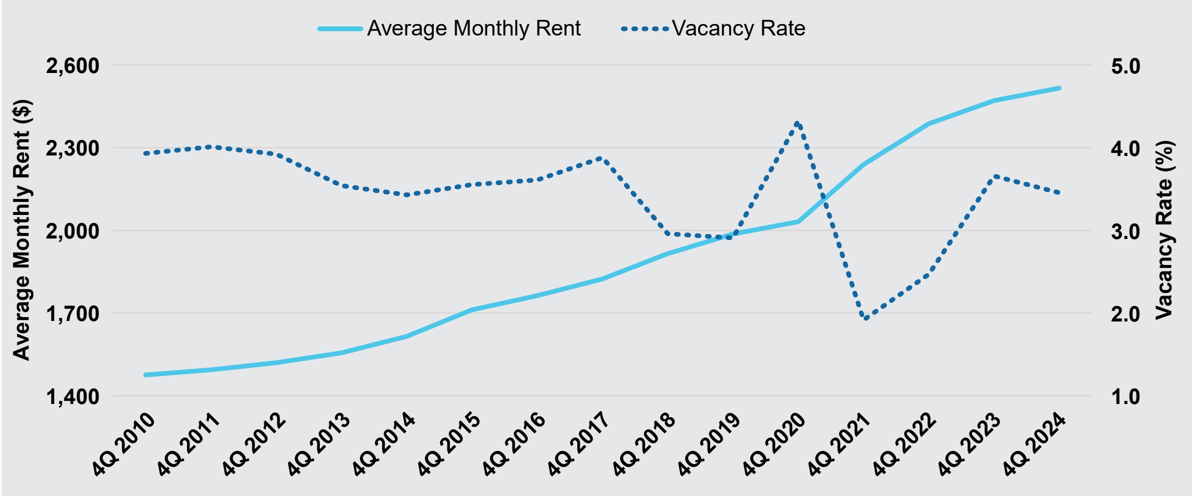
4Q = fourth quarter. YoY = year-over-year.
Notes: The current date is January 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Apartment Market Conditions

The apartment market is currently tight, with a vacancy rate of 3.4 percent as of the fourth quarter of 2024, down from 3.7 percent a year earlier (CoStar Group). The vacancy rate has declined because absorption has outpaced the number of apartments completed. Apartment absorption in the HMA totaled 150 units during 2024, in contrast to the negative absorption averaging 90 units annually during 2022 and 2023, contributing to a rise in the apartment vacancy rate, but recent absorption was well below the 670 units absorbed in 2021. The average apartment rent as of the fourth quarter of 2024 increased 2 percent from a year earlier to $2,516. Average rents for studio and one-, two-, and three-bedroom units in the HMA were $1,616, $2,163, $2,808, and $3,491 as of the fourth quarter of 2024.

Apartment market conditions in the HMA were slightly tight in 2010, before the apartment vacancy rate gradually trended downward later in the decade (CoStar Group). Following the Great Recession, the apartment vacancy rate was 3.9 percent as of the fourth quarter of 2010. (Figure 14). The local economy began recovering in 2011, and population growth increased. However, rental permitting was low, and the apartment vacancy rate declined to 3.4 percent as of the fourth quarter of 2014. The average asking rent during 2010 through 2014 increased steadily by an average of 2 percent annually. The apartment vacancy rate rose to 3.9 percent as of the fourth quarter of 2017, when rental permitting increased and the HMA had net out-migration. Despite the increase in the vacancy rate, rent growth accelerated to 4 percent annually. From the fourth quarters of 2017 to 2019, the apartment vacancy rate declined to 2.9 percent. The COVID-19 pandemic contributed to a surge in net out-migration from the HMA. The apartment vacancy rate rose to its highest level since before 2010 at 4.3 percent as of the fourth quarter of 2020, before falling sharply to 1.9 percent as of the fourth quarter of 2021, the lowest rate since at least 2000, as residents, including students, returned to the area. Rent growth slowed to 2 percent during 2020 before surging to 10 percent during 2021. Rental construction activity reached a recent peak in 2022 and combined with lower levels of absorption, contributed to easing apartment market conditions, with the vacancy rate reaching 2.5 percent as of the fourth quarter of 2022. The rent growth rate moderated but was high, increasing 7 percent during 2022.

Figure 14. Apartment Rents and Vacancy Rates in the Santa Barbara HMA



4Q = fourth quarter.
Source: CoStar Group

Student Housing

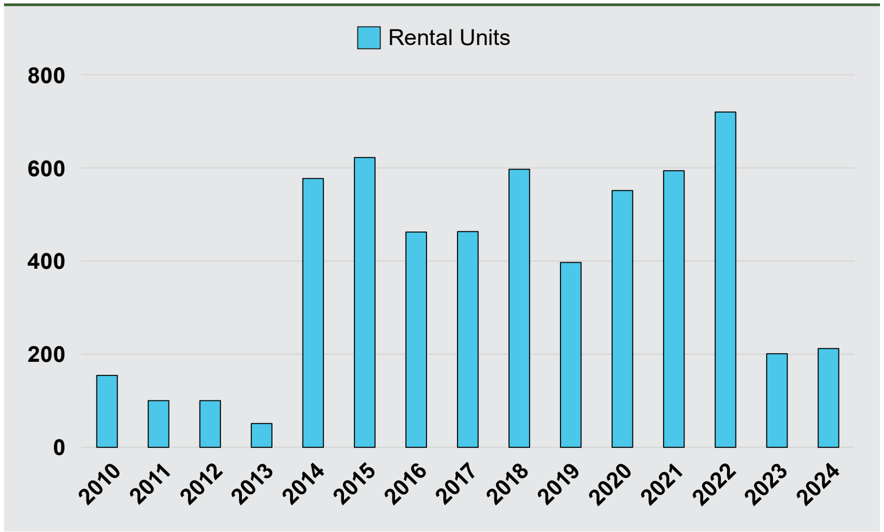
The vacancy rate among student apartment properties in the HMA was 1.6 percent as of the fourth quarter, up from 0.7 percent a year earlier but below any year before 2022. The average rent per bed declined approximately 1 percent from a year earlier to $1,585. Annual absorption during 2024 fell to negative 30, the first year of negative absorption since 2020, contributing to the slight increase in vacancies. From the fourth quarters of 2013 to 2019, the student apartment market was tight, with vacancy rates ranging from 2.7 to 3.8 percent. The average rent per bed steadily increased an average of 1 percent annually during the period to $1,547 as of the fourth quarter of 2019. However, because UCSB switched to off-campus learning during the pandemic, many students relocated outside the HMA. Student apartment vacancies rose to 4.9 percent as of the fourth quarter of 2020, and the average rent per bed fell 3 percent to $1,508. When UCSB resumed on-campus learning and students returned to the area, the vacancy rate sharply declined each year to 1.0 percent as of the fourth quarter of 2022. The average rent per bed increased an average of 3 percent annually to $1,593, surpassing prepandemic levels. Rents per bed at studio and one-bedroom units increased particularly strongly, growing by an average of $290, or 17 percent, annually to $2,014 as of the fourth quarter of 2022. Because of the high housing costs and very limited housing supply, students often share bedrooms; approximately 39 percent of the bedrooms in student apartments in the HMA fit three beds, 35 percent fit two beds, 21 percent fit one bed, and 5 percent fit four or more beds.

In the CoStar Group-defined UCSB market area, the vacancy rate among apartment properties was 3.3 percent as of the fourth quarter of 2024, unchanged from a year earlier, and the average rent increased 2 percent to $3,196. From the fourth quarters of 2013 to 2018, the vacancy rate trended downward, from 3.3 to 2.5 percent. Despite the overall decline, the spikes in vacancies in 2015 and 2018 were sharp, when Hollister Village and the first phase of Arrive Los Carneros were completed and began leasing up. The communities contributed 293 and 74 units, respectively, to the market area, but both properties were quickly absorbed. The vacancy rate in the UCSB market area increased to a recent peak of 5.2 percent as of the fourth quarter of 2020, when students left the HMA because of remote learning opportunities or delayed attending in person. However, when the economy recovered and on-campus classes resumed, the vacancy rate in the market area declined to 2.9 percent as of the fourth quarter of 2022. Rents in the market area increased 4 percent annually from the fourth quarters of 2013 to 2019, before declining by $6, or less than 1 percent, as of the fourth quarter of 2020 because of the increase in vacancies. While demand in the market area recovered, the average apartment rent increased by $270, or 10 percent, annually from the fourth quarters of 2020 to 2022.

Rental Construction Activity

Because net out-migration from the HMA resumed in 2022, leading to weaker absorption, the spike in rental permitting contributed to an increase in the rental vacancy rate, and rent growth slowed. Rental construction activity, as measured by the number of rental units permitted, has recently moderated significantly. In 2024, 210 rental units were permitted, up 5 percent from a year earlier but well below the average from 2014 through 2022. Rental unit construction activity in the HMA was very low in the early 2010s following the Great Recession. Despite the economic recovery, a shift to net in-migration, and a decrease in rental vacancies, construction was subdued. From 2010 through 2013, an average of 100 rental units were permitted annually (Figure 15). When market conditions tightened and rents continued to grow at a steady rate, builders responded by increasing rental construction to an average of 600 units annually in 2014 and 2015. Building activity moderated from 2016 through 2021 but remained elevated. Net out-migration contributed to a slowing population growth rate, but the declining homeownership affordability in the HMA led to the increased demand for renting. From 2016 through 2021, an average of 510 multifamily units were permitted annually. When population growth surged immediately after the pandemic from 2021 to 2022, rental permitting activity rose to 720 units in 2022, almost entirely within the city of Santa Maria.

Figure 15. Annual Rental Permitting Activity in the Santa Barbara 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

Recent Rental Developments

Following the surge in rental construction in 2022, new rental construction has been limited in the HMA. Elements Apartments and Santa Maria Studios are the two largest projects that began in 2022. Elements Apartments offers studio and one-, two-, and three-bedroom units at rents ranging from $1,800 to $3,095. Santa Maria Studios is an income- and age-restricted community for households with residents aged 55 and older earning between 30 and 60 percent of the Area Median Income—$48,780 and $97,560 for a family of four, respectively. The properties opened in 2023 and 2024, respectively, and both are in the city of Santa Maria. In addition, two multifamily apartment developments are under construction in the city of Buellton. The Village Senior Apartments is a 50-unit, age-restricted project anticipated to be complete by late 2025. The Buellton Garden Apartments is an 89-unit affordable housing development anticipated to be complete by mid-2025. The development is restricted to households with incomes at or below 50 and 80 percent of the Area Median Income—$81,300 and $130,350, respectively, for a family of four as of 2024.

Forecast

During the 3-year forecast period, demand in the HMA is estimated to be for 2,825 additional rental units (Table 7). Demand for rental units in the HMA is expected to decline slightly during the third year of the forecast period because the San Benito dormitory at UCSB is expected to finish the first phase of construction in 2027. The 320 units under construction are expected to satisfy a portion of the rental demand during the first year of the forecast period.

Table 7. Demand for New Rental Units in the Santa Barbara HMA During the Forecast Period

	Rental Units
Demand	2,825 Units
Under Construction	320 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. Regular resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Forecast Period	1/1/2025–1/1/2028—Estimates by the analyst.
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 that a family earning the median income is able to afford a median-priced home.

HUD First-Time Homebuyer Affordability Index	**The HUD First-Time Homebuyer Affordability Index is calculated as the ratio of the median household income for the 25–44 age cohort in the HMA to the income required to purchase a home priced at the 25th percentile, spending no more than 30 percent of income for 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.**
Net Natural Increase	**Resident births are greater than resident deaths.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Student Apartments	**Housing targeted toward university students, typically multibedroom units rented by the bed and leased per semester, on or near the campus. The units can accommodate up to three students per bedroom.**

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.**
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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