

2025 New Mexico Housing Needs Assessment



2025 New Mexico Affordable Housing Needs Assessment

Key Findings

The 2025 Housing Needs Assessment is a comprehensive report on housing issues in New Mexico. The Key Findings first presents the 2025 Housing Needs Assessment's most telling state-level indicators related to the demographic and economic profile of New Mexico. It then presents state-level housing indicators supporting the four impact areas outlined in the New Mexico Housing Strategy, as well as indicators specific to New Mexico's Tribal communities. County level data is available in the 2025 New Mexico Housing Needs Assessment Data Tables Excel file.

New Mexico Housing Strategy Impact Areas:

- Create More Housing
- Preserve and Redevelop Housing
- Build Homeownership and Wealth
- Create Stable Housing Environments for People Experiencing Homelessness and People with Special Needs

Data sources include the United States Census Bureau American Community Survey (2023 5-Year Estimates) and Building Permits Survey, the Department of Housing and Urban Development's (HUD) Annual Homeless Assessment Report, and the New Mexico Association of Realtors.

Definitions

Affordable Housing - housing for which the occupant household pays no more than 30 percent of its income for gross housing costs, including utilities.

Cost Burdened Households - households who pay more than 30 percent of their income for gross housing costs.

Household - all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

Housing Stock - the number of existing housing units.

Housing Unit - a house, apartment, group of rooms, or single room occupied, or intended for occupancy, as separate living quarters.

Low-Income Households - households whose combined income does not exceed 80 percent of the median household income for the area.

Moderate-Income Households - households whose combined income is between 80 percent and 150 percent of the median household income for the area.

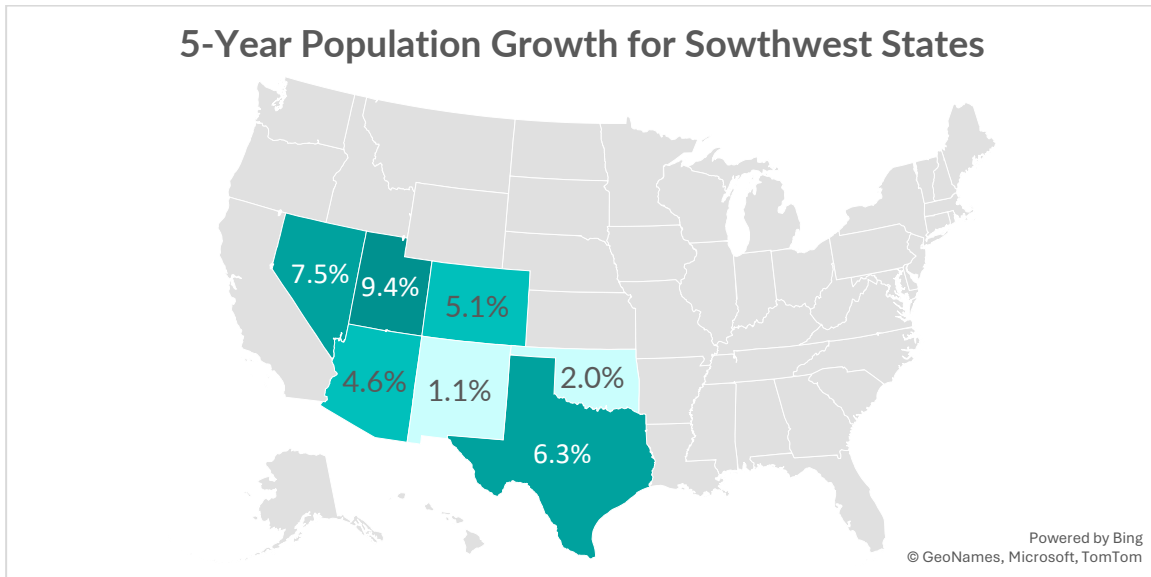
Manufactured Homes - a structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure.

Multifamily Housing - a building with more than four residential rental units.

Severely Cost Burdened Households - households who pay more than 50 percent of their income for gross housing costs.

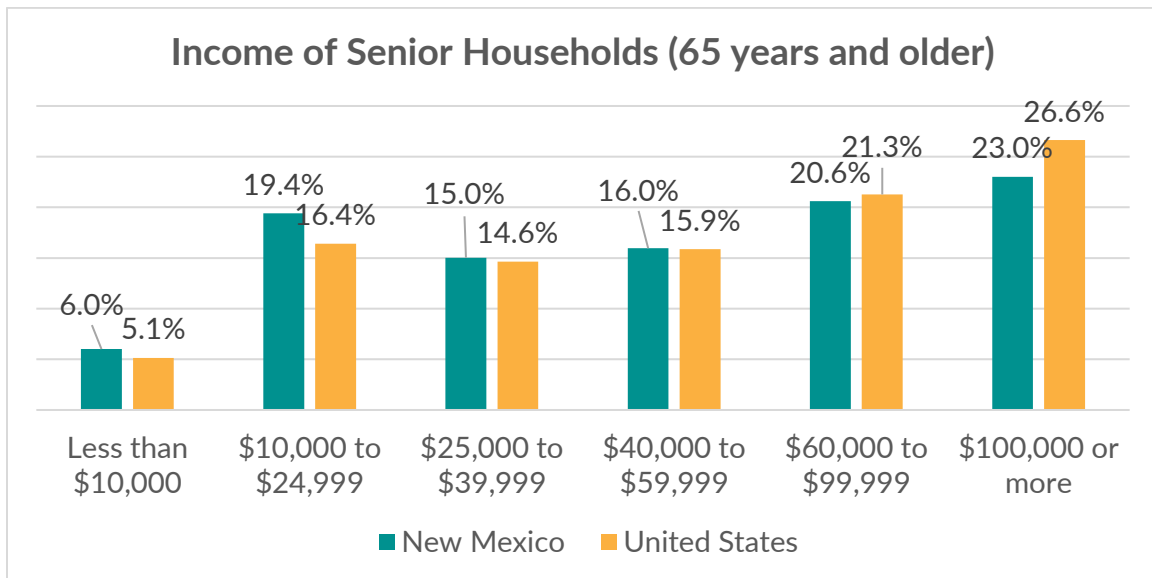
Demographic and Economic Profile of New Mexico

- 2,114,768 people reside in New Mexico, comprising 825,021 households.
- New Mexico's population grew 1.1% over the last five years, a rate that lags neighboring states: Utah (9.4%), Nevada (7.5%), Texas (6.3%), Colorado (5.1%), and Arizona (4.6%).

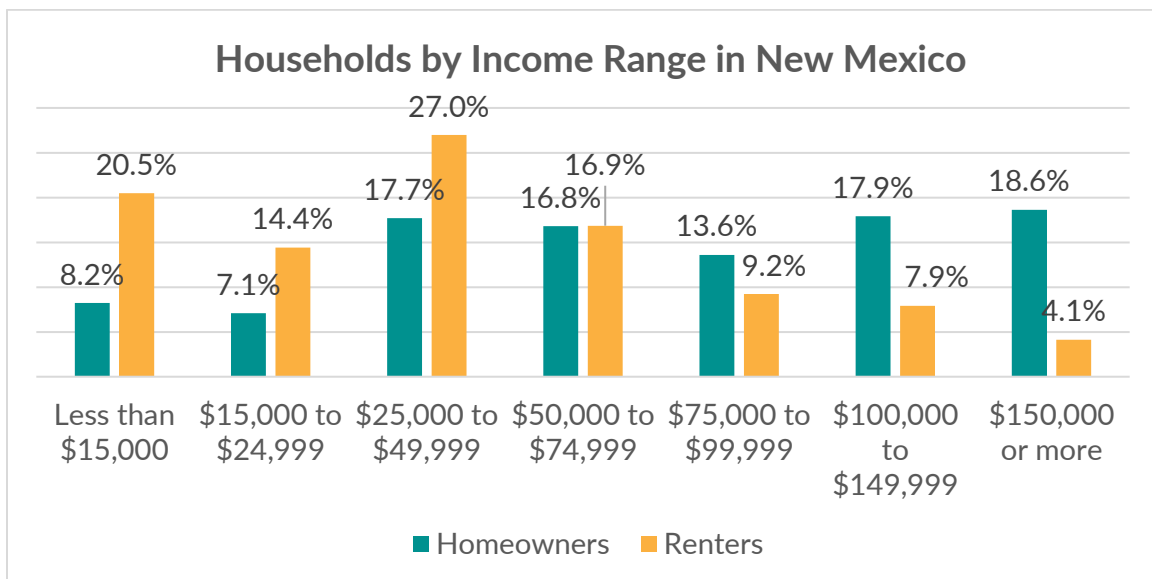


- New Mexico's working population, defined as persons 16 years and older, is primarily employed in education and healthcare, at a rate of 25.8% which is consistent with national trends.
- The poverty rate in New Mexico is 18.1% and higher than the national rate of 12.4%.
- New Mexico's median household income is \$62,125, which is lower than the national median household income of \$78,538.
- The percentage of the population living with a disability totals 34.9%, which is higher than the national rate of 27.2%.
- The rate of households with seniors (or households with one or more people 65 years of age or older) in New Mexico is 34.7%. Nationwide the rate of households with seniors is 31.3%

- Many New Mexico senior households fall within the category of “low or moderate income,” with 40.4% earning less than \$40,000 annually. The national rate is 36.2%.



- The homeownership rate in New Mexico is 69.3%, which is higher than the national rate of 65.0%.



- 49.8% of New Mexican households earn less than \$50,000 annually. This rate for the country is 38.0%. Renters in New Mexico, like the rest of the nation, are more likely to be low-income compared to homeowners.

Housing in Tribal Areas

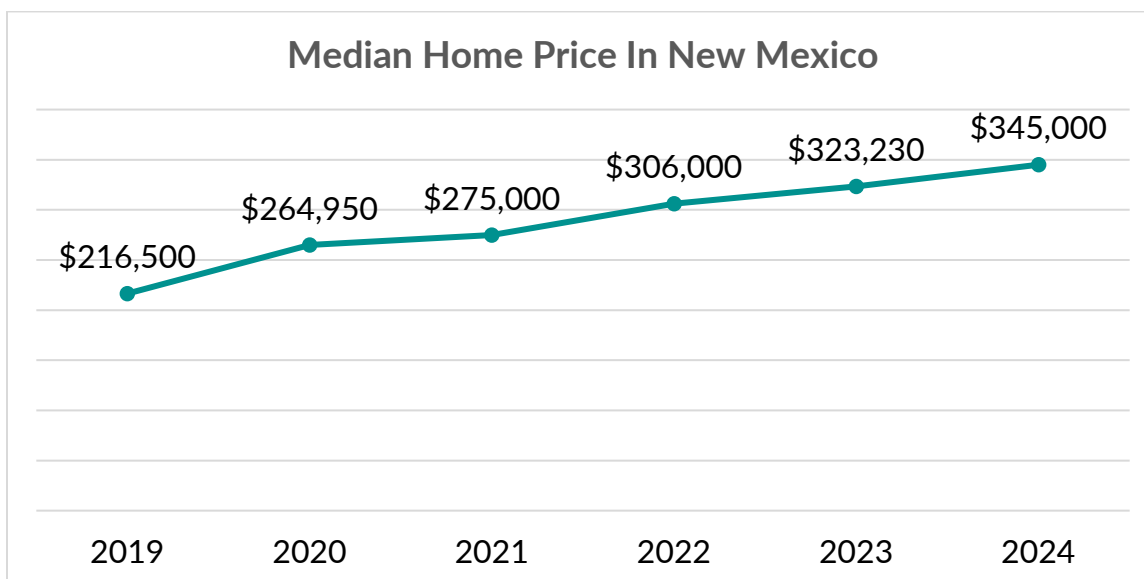
In New Mexico, there are 22 Tribal reservations or statistical entities included on the American Community Survey. Housing challenges in New Mexico's Tribal communities are often more severe compared to the rest of the state.

- In New Mexico's Tribal Areas, the rate of households with seniors (households with one or more people 65 years of age or older) is 40.3%, which is higher compared to the state rate of 34.7%.
- On Tribal lands, mobile or manufactured homes, or other types of housing, accounts for 24.3% of occupied housing stock, which is higher compared to the state rate of 15.0%.
- Approximately 44.7% of occupied housing on tribal reservations or statistical entities were built before 1980.
- Housing condition issues are exceptionally high in Tribal areas. The rate of homes lacking complete plumbing facilities in Tribal areas is 2.0% and the rate of homes lacking complete kitchen facilities is 1.0%. Poor housing conditions are associated with increased risk of contracting asthma and cancer, increased chance of housing-related injuries, and even poorer cognitive development in children.

Build Homeownership and Wealth

Homeownership Market

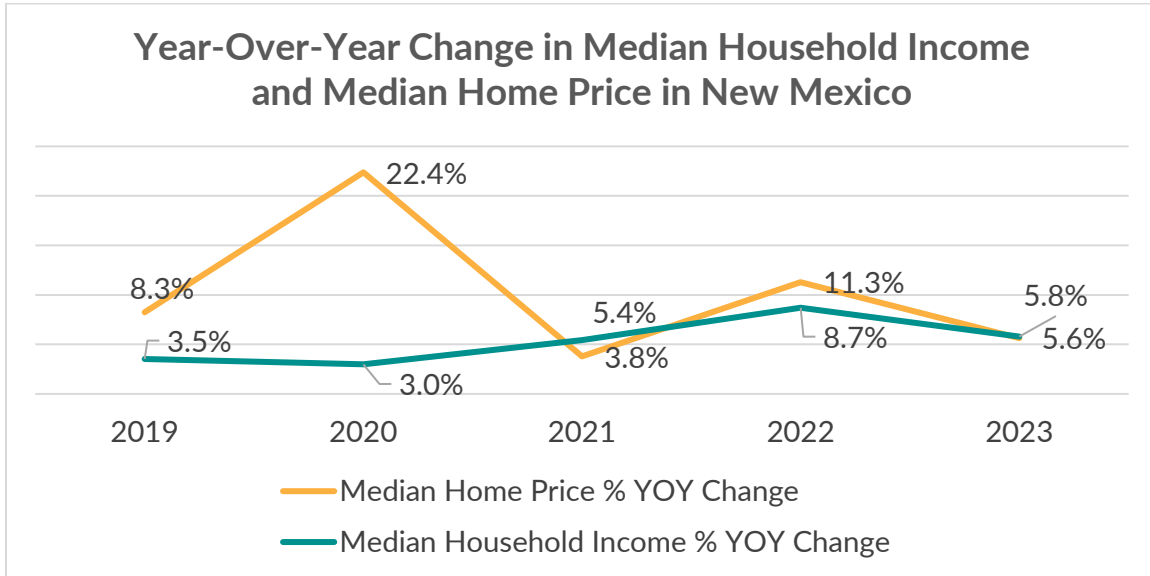
- In New Mexico, the median sale price of a home in 2024 was \$345,000, which increased 6.7% from the prior year and 72.5% from 2018.



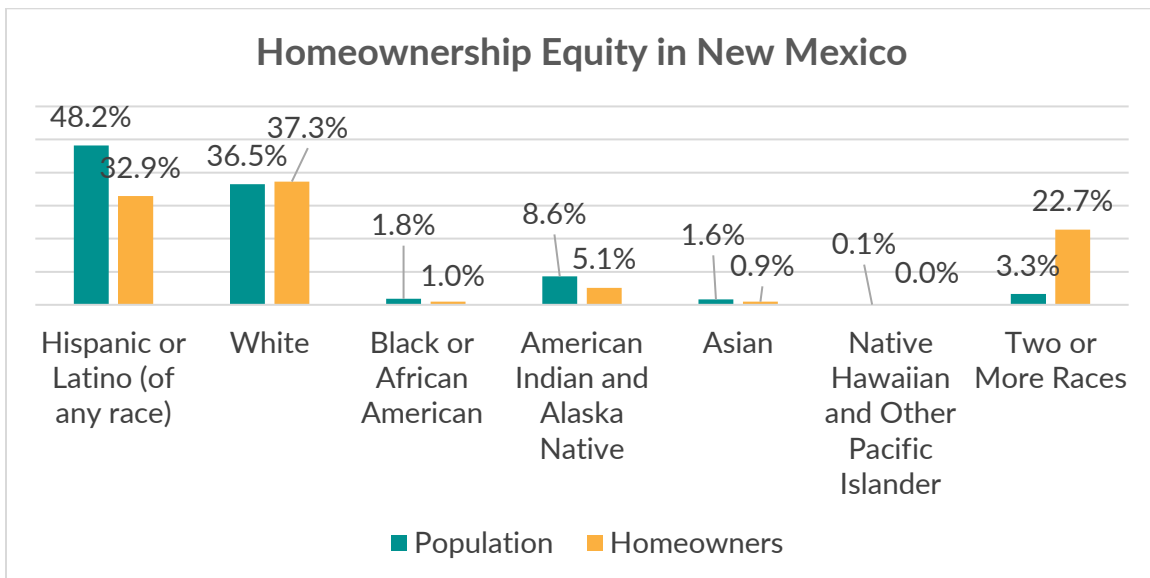
- According to HUD, no more than 30% of monthly household income should go to housing costs, including utilities and insurance, to be considered affordable. To afford the median sale price of \$345,000, a household must have an annual income of \$108,935. Currently,

only 13.5% of the state's population can afford the median priced home, assuming an interest rate of 6.45%, and 5% downpayment.

- The state's median household income increased 22.2% (from \$48,059 to \$62,125) from 2018 to 2023, while the median home price increased 72.5% (from \$200,000 to \$345,000). As home prices outpace wage growth, the ability to achieve homeownership becomes more difficult.

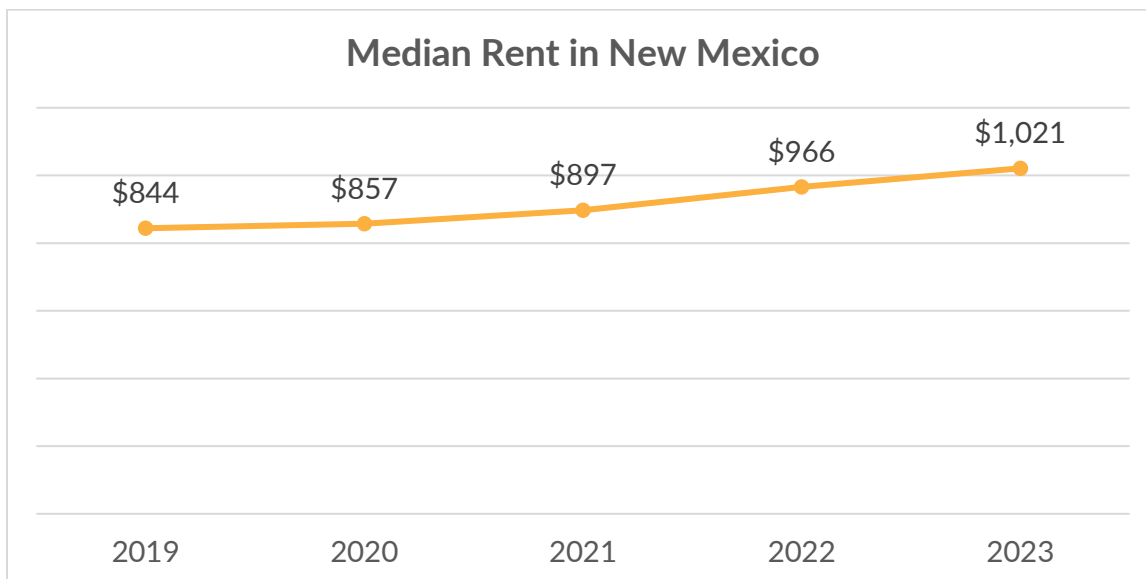


- Inequities in homeownership persist. White households comprise 37.3% of homeowners but 36.5% of the population. Hispanic households account for 32.9% of homeowners but 48.2% of the population. The relative rates for Native American households are 5.1% of homeowners and 8.6% of the population. Similarly, Black or African American, Asian and households of two or more races are underrepresented among homeowners.

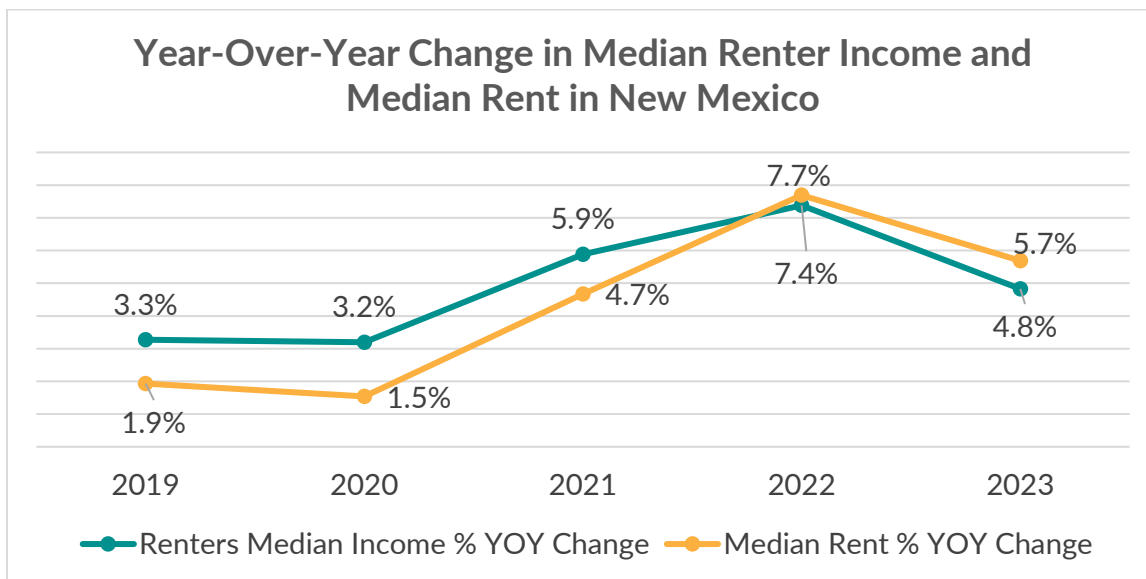


Rental Market

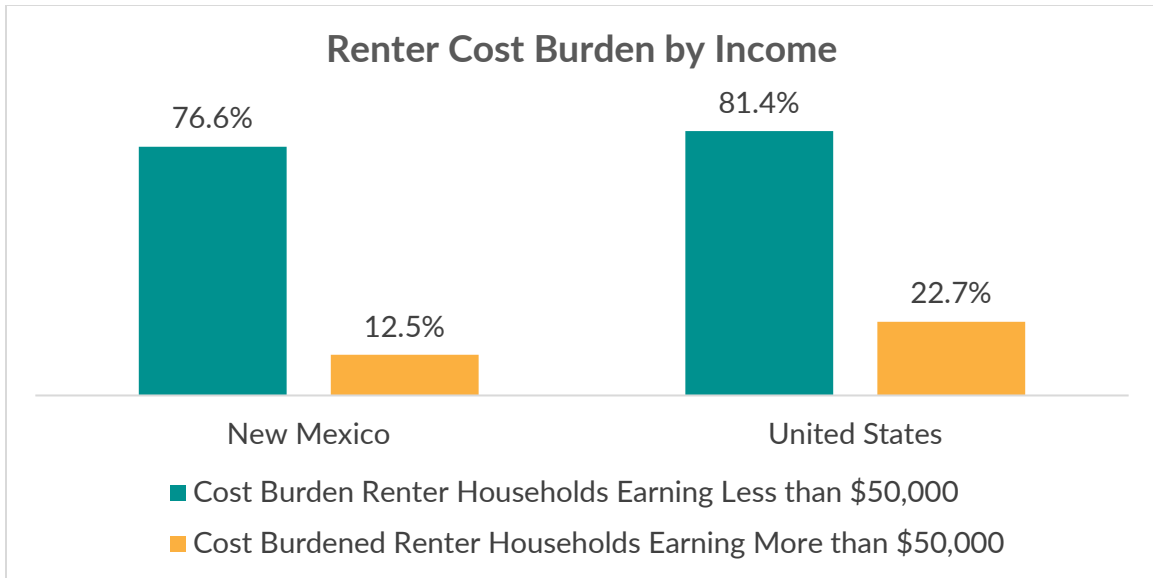
- In New Mexico, the median monthly gross rent in 2023 was \$1,021, which increased 5.7% from the previous year and 23.3% from 2018.



- The state's median income for renters increased 27.0% (from \$30,871 to \$37,408) from 2018 to 2023, while the median rent price increased by 23.3% (from \$828 to \$1,021).

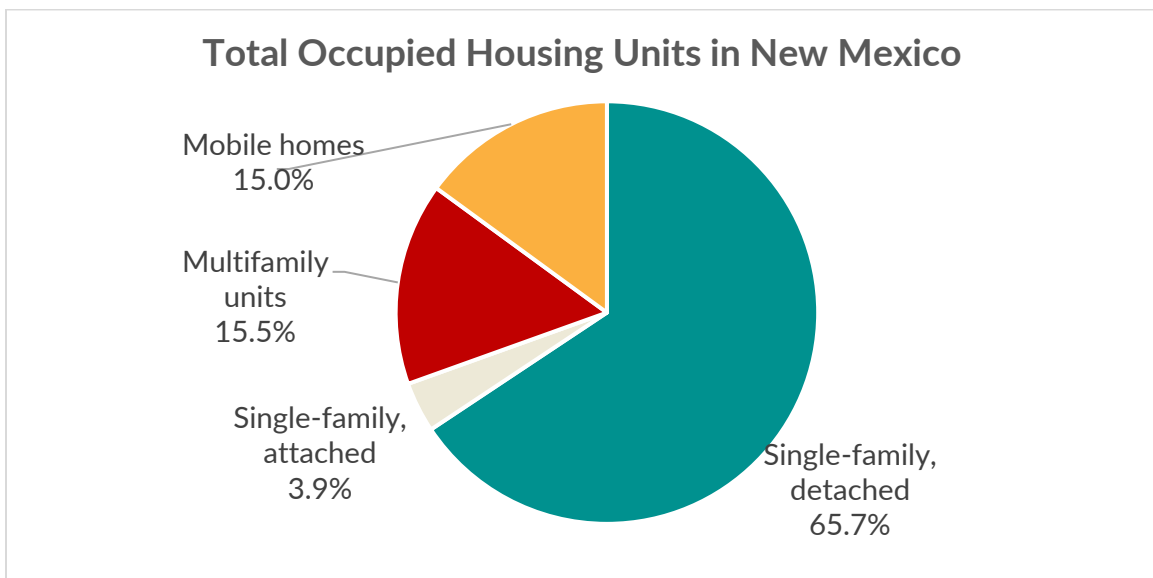


- Renters are more likely to be cost-burdened than their homeowner counterparts. In New Mexico, 76.6% of renters who earn less than \$50,000 annually are cost-burdened, which is consistent with the national rate of 81.4%.



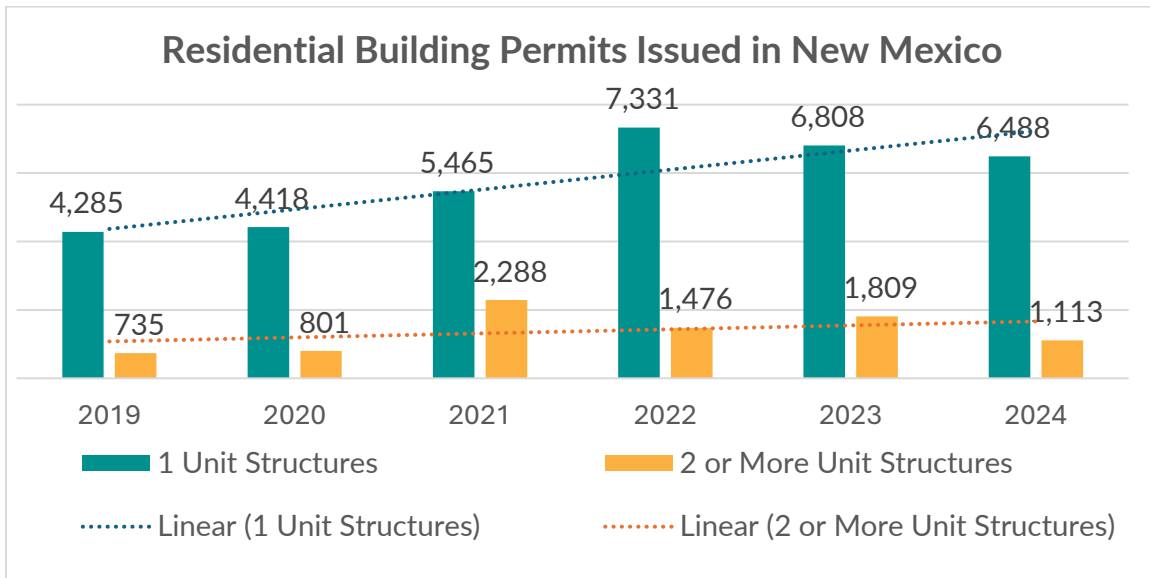
Create More Housing

- Single-family detached homes comprise 65.7% of New Mexico's housing stock and multifamily units account for 15.5%. Nationally housing stock is more diverse, with single-family detached homes comprising 62.5% of housing stock and multifamily units accounting for 26.0%.
- 15.0% of homes in New Mexico are mobile or manufactured housing units. Mobile homes built before 1976 do not meet HUD's Manufactured Home Construction and Safety Standards, which are federal standards for the design and construction of manufactured homes to assure quality, durability, safety, and affordability.



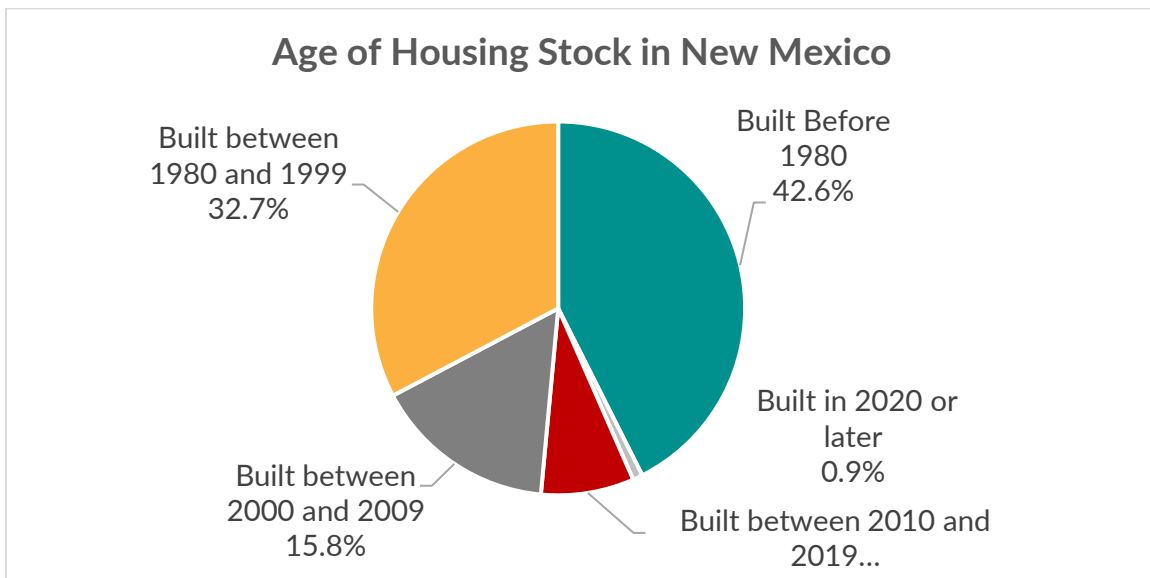
- The number of building permits for residential construction issued in 2024 decreased by 11.9% from the prior year. Despite this dip in the pace of construction, the decades long

trend of depressed building has abated in recent years, with a 51.2% increase from 2019 to 2024.

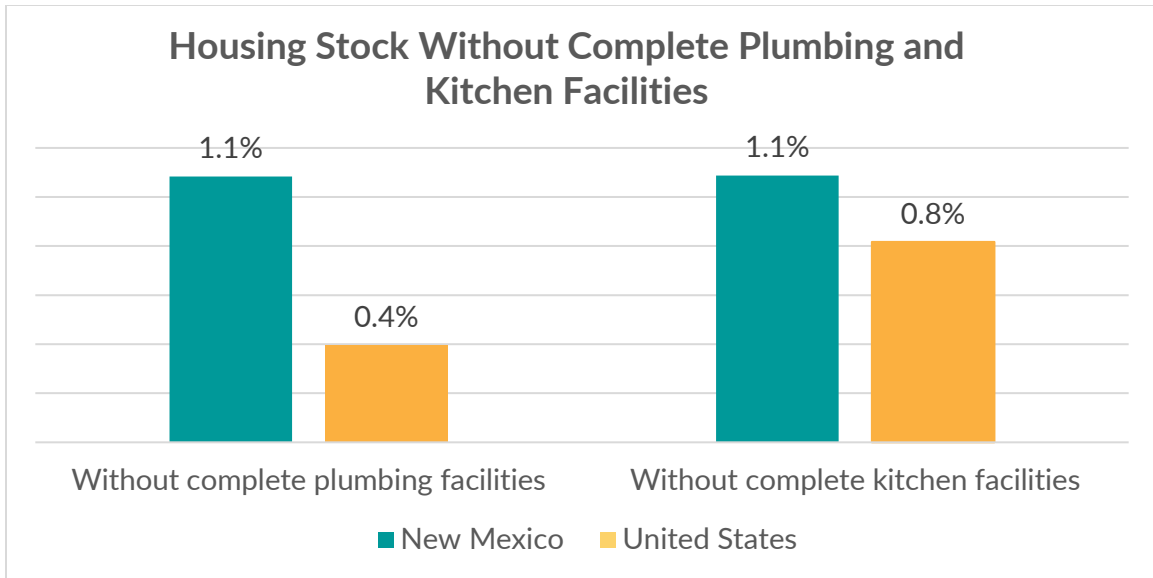


Preserve and Develop Existing Housing

- 42.6% of houses in New Mexico were built prior to 1980, which indicates a high need to preserve the stock of existing homes.

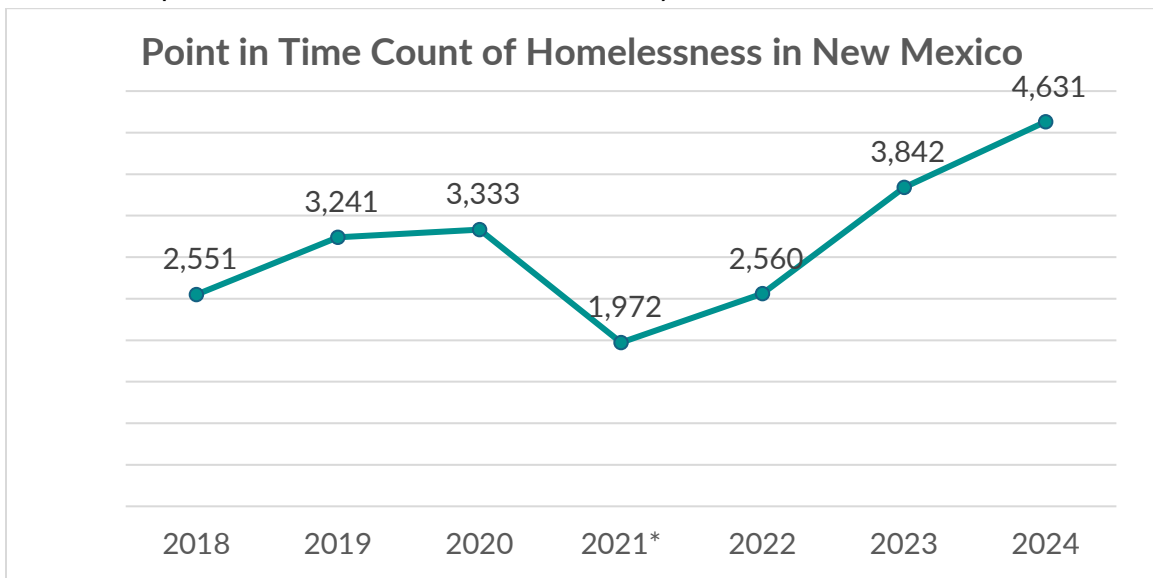


- 1.1% of households in New Mexico are overcrowded, which is lower compared to 3.4% of households nationally.
- 1.1% of households do not have sufficient plumbing facilities and 1.1% lack complete kitchen facilities, which is higher than the national rates of 0.4% and 0.8% respectively.



Create Stable Housing Environments for People Experiencing Homelessness and People with Special Needs

- The total number of homeless individuals increased by 20.5% from 2023 to 4,631 in 2024, based on HUD's Point in Time (PIT) count.
- While PIT count data is one of the main measures of homelessness, it does not completely capture the extent of homelessness. PIT count estimates cover the number of people in homeless shelters, transitional housing and unsheltered locations during a single night in January. Many families and children staying in hotels, living in vehicles or staying in other places not meant for shelter are unlikely to be included in the PIT count.



*The 2021 HUD Annual Assessment Report was not immediately available as the report was broken into two parts that year.

- In 2024, the number of sheltered homeless individuals in New Mexico totaled 2,389 and the number of unsheltered homeless individuals totaled 2,242.
- New Mexico's homeless population copes with different needs. 19.2% of the state's homeless population are families with children, 4.5% are unaccompanied homeless youth, 6.4% are veterans, and 39.9% are chronically homeless individuals.
- Chronically homeless individuals have experienced homelessness for at least one year and have severe physical or mental health conditions. This segment of the homeless population is likely to live in unsheltered locations.

