New Mexico Housing Strategy:
A Call to Action | *2026 Update*

Housing New Mexico | MFA

Prepared by Root Policy

Table of Contents

EXECUTIVE SUMMARY

NEW MEXICO HOUSING STRATEGY UPDATE

EXECUTIVE SUMMARY.
New Mexico Housing Strategy Update

Introduction

Background. In 2022, the New Mexico Mortgage Finance Authority (Housing New Mexico | MFA) engaged Root Policy Research to develop the New Mexico Housing Strategy—the state's first comprehensive roadmap to advancing housing opportunity and stability. The strategy combines robust quantitative analysis with extensive community input, including more than 20 focus groups and a statewide resident survey with 1,300 responses. An advisory committee representing developers, local governments, public housing agencies, and homelessness service providers guided the process and identified high-impact action areas and goals to address key challenges:

Produce housing across the income continuum

- Goal: Increase housing production across the housing continuum.
- Goal: Create flexibility within state and local programs and policies to respond to housing needs and market fluctuations.

Preserve and improve existing affordable housing, both privately and publicly owned, and redeveloping underutilized and vacant properties to increase supply and catalyze economic development

- Goal: Catalyze the potential of underutilized properties to be redeveloped into new housing.
- Goal: Preserve existing naturally occurring affordable housing and publicly subsidized housing stock.
- Goal: Build assurance among property owners and property managers of the economic feasibility of housing formerly homeless and special needs residents, thereby stabilizing housing for low income renters.

Build homeownership opportunities to retain the state's high homeownership rate, especially among low and moderate-income, and racially and ethnically diverse, households

- Goal: Create flexibility within state programs and policies to respond to housing needs and market fluctuations.
- Goal: Ensure that manufactured homes continue to be a housing solution for homeowners and renters.

Create housing stability for people vulnerable to and experiencing homelessness and residents with special housing needs

- Goal: Expand successful housing+services models tailored to local needs.
- Goal: Strengthen supportive service programs that foster housing stability.
- Goal: Strengthen support for emergency homelessness interventions.

This 2026 update to the New Mexico Housing Strategy provides current data on population trends, projected and current housing needs, market trends, and incorporates research on best practices to promote housing production. The refreshed data and analysis affirm the action areas and goals, show that New Mexico is effectively making progress to increase housing opportunities and stability for New Mexicans, and provide direction as it continues to tackle the challenge.

The 2026 New Mexico Housing Strategy update provides nuanced data needed for policy makers and housing stakeholders ensure that resources continue to effectively address New Mexico's housing challenges.

What has been accomplished. Since the New Mexico Housing Strategy was published, and despite ongoing challenges following the COVID-19 pandemic, the 2026 update shows meaningful progress in addressing housing needs. Most notably, the state made historic investments in housing, enabling affordable housing partners to mitigate worsening affordability.

On average, annually, housing funding between 2022 and 2025 has:

- Supported the creation of 1,000 affordable housing units.
- Rehabilitated and made weatherization improvements to 800 homes in poor condition.
- Helped 2,400 qualified low to moderate income households achieve homeownership.
- Ensured that 3,200 households avoided homelessness, and 5,700 household avoid eviction.
- Assisted 3,700 homeless and at-risk individuals receive needed services.

Altogether, over time, Housing New Mexico has financed 20,822 income-restricted units statewide.

Looking forward. This updated analysis provides demonstrated evidence that current strategies are working—and that sustained investment can mitigate persistent or emerging challenges.

New Mexico's lowest-income renters still face the most severe shortage of affordable units, requiring both new income-restricted housing and ongoing rental subsidies. These needs are best addressed through both the development of dedicated affordable housing and on-going housing subsidies. Ongoing rental assistance would still be needed to help households with very

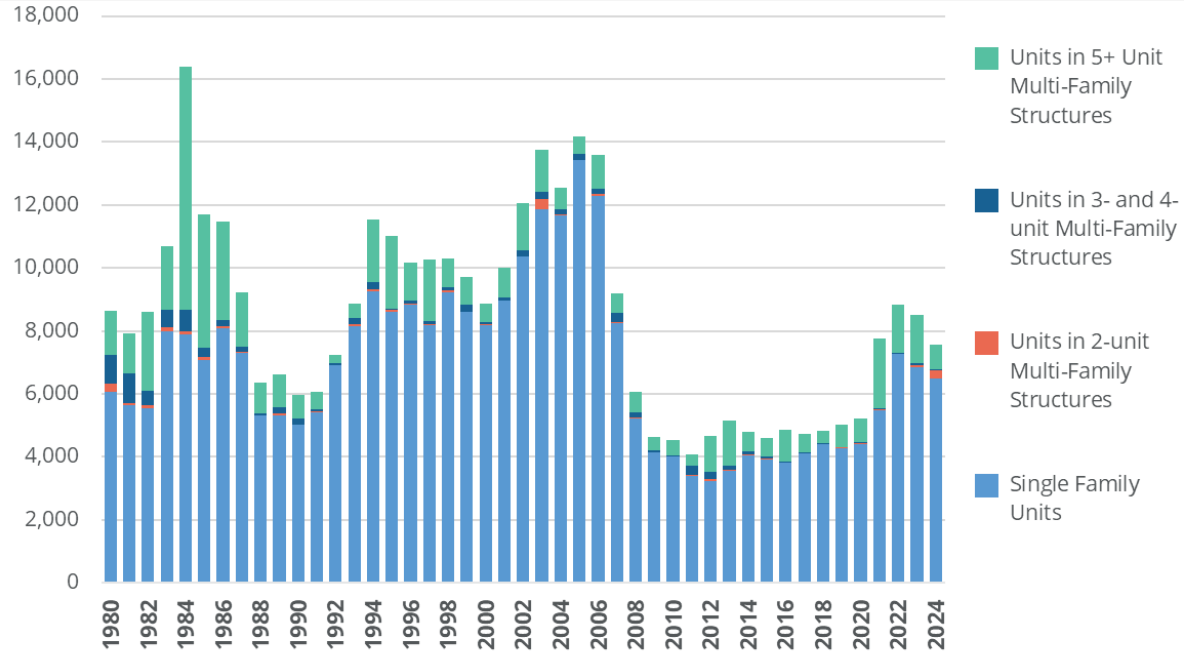
low incomes manage rents and avoid homelessness; however the need for rental assistance would not grow significantly.

Primary Trends, 2020 to 2024

Between 2020 and 2024, the population grew modestly by an estimated 12,701 residents (0.6%), while the housing stock increased by 33,301 units (3.5%). The housing stock expansion helped stabilize rent growth. Although average rents rose significantly over the past decade—from $826 in 2015 to $1,223 in 2025—rent growth leveled off between 2024 and 2025, with some markets, including Santa Fe, seeing recent declines. Continued higher demand for lower rent units is evidence in vacancy rates: The vacancy rate for units priced below $800/month is 5.2%, compared to rates over 7% for higher priced units.

Lower-income households are significantly more likely than higher-income households to occupy multifamily, manufactured, and attached housing types. As such, development of housing types that are most likely to be occupied by lower-income households is important to meet their affordability needs. Yet single family detached homes have remained the dominant housing type built—making up 82% of residential permits issued between 2010 and 2020—despite changing needs.

Building Permits, 1980-2024



Source: U.S. Census Building Permit Survey, and Root Policy Research.

In the ownership market, New Mexico has maintained strong homeownership rates among low- and moderate-income households, with at least half of households at every income level owning

their homes. Although homeownership is most common among 120% AMI households, at least half of households at all income levels are homeowners. Homeownership rates at all income levels have remained stable since 2019. Expanded down payment assistance—supported by state investment—has helped sustain wealth-building opportunities for working families despite rising home prices and higher interest rates.

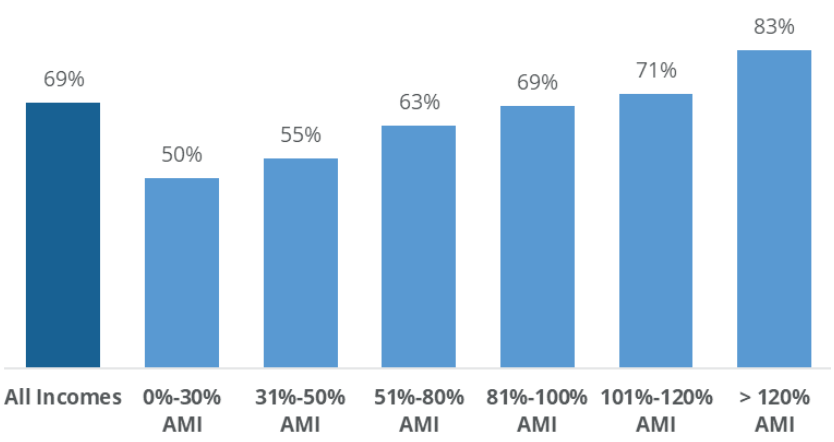
Homeownership Rate by AMI, 2023

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source:

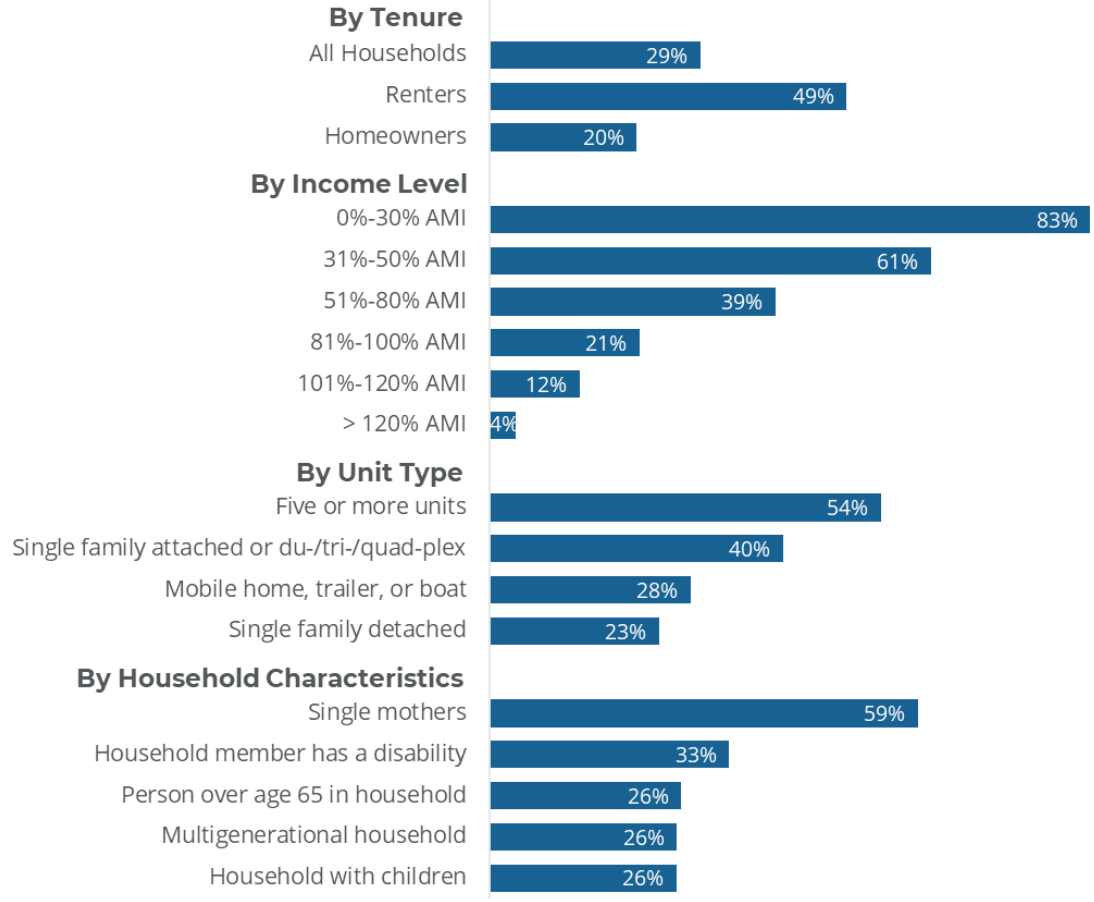
2023 ACS 5-year estimates, HUD, and Root Policy Research.



Current Housing Needs

Nearly half of renters (49%) and one in five homeowners (20%) face cost burden. This issue is particularly acute for households below 30% AMI, affecting more than four in five of them (83%), as well as single-mother households (59% are cost burdened).

Cost Burden by Tenure, Unit Type, and Household Characteristics, 2023

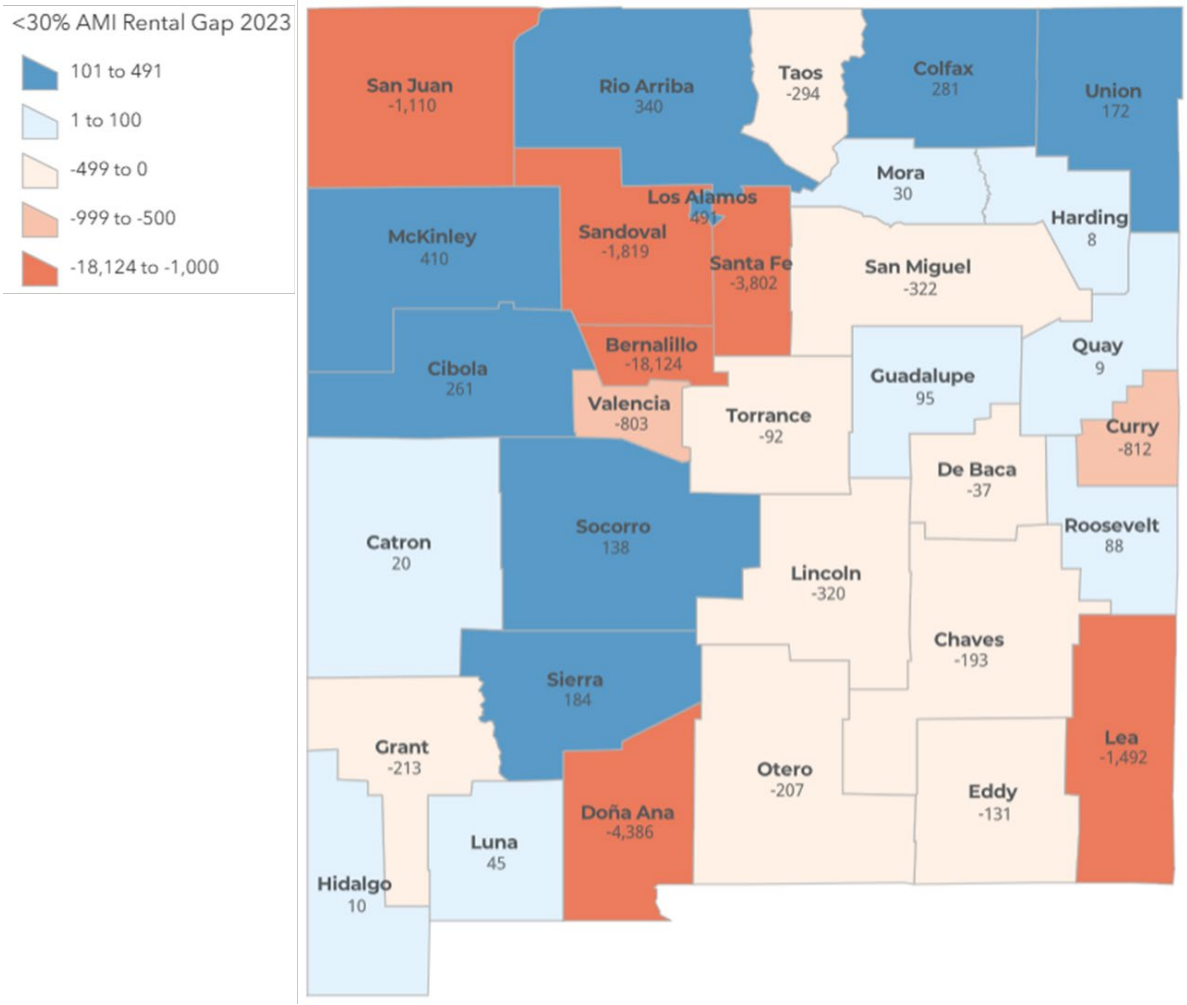


Note: Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Currently, there are 34,000 very low-income renters who cannot find rental units they can afford. This is a small increase from 2019, and to be expected, given the significant increase in rents during that time. The modest growth of the rental gap during a time of rising rents is reflective of the New Mexico's efforts to add housing affordable to very low income households. Gaps worsened the most in Santa Fe, Lea, Sandoval, and San Juan counties, while several rural counties saw improvement.

Rental Gap for Households Below 30% AMI by County, 2023



Note: Uses the 4-person AMI for each county.

Source: 2023 5-year ACS, and Root Policy Research.

The 2025 Point-in-Time (PIT) Count identified 2,960 persons experiencing homelessness in Albuquerque and 1,723 in the Balance of State. Among adults experiencing unsheltered homelessness, approximately 30–61% self-reported a mental health condition and 27–55% reported a substance use disorder — exceeding the rates in the general population. Nearly half (49%) of clients who accessed homelessness services in 2025 reported at least one disability.

Approximately 10,530 students in New Mexico public schools were identified as experiencing homelessness in the 2024–2025 academic year. That definition of homelessness differs and is more broad than the PIT count, in which children who are functionally homeless are undercounted. Data from the homeless intake system HMIS show that 2,859 children under age 18 accessed homelessness services through CoC agencies in 2025.

Projected Needs and Housing Demand

Housing demand also continues to build: About 27% of New Mexico's young adults lived with older relatives in 2023, up from 17% in 2010, signaling significant pent-up need. **Nearly 58,000 new units will be needed statewide by 2045**, with need concentrated in Bernalillo, Sandoval, Doña Ana, and Santa Fe counties, which together account for nearly 90% of projected demand. Meeting this demand will require a range of housing types, from apartments to smaller for-sale homes.

At the same time, as the state's population ages, ensuring safe, affordable options for residents on fixed incomes will become increasingly critical. Since many seniors live on fixed incomes (i.e., social security), they have a limited ability to absorb rising rents without becoming cost burdened.

To meet the needs of low- and moderate-income households from 2025 to 2045, the following units need to be affordable in the state:

- For households with incomes below 30% of AMI: 4,281 rental units and 3,364 ownership units.
- For households with incomes between 30% and 50% of AMI: 2,941 rental units and 3,227 ownership units.
- For households with incomes between 50% and 80% of AMI: 3,740 rental units and 5,307 ownership units.
- For households with incomes between 80% and 100% of AMI: 1,887 rental units and 3,751 ownership units.

The ownership needs of very low income (0-50% AMI) households will largely be met by older residents aging in place[1], as long as they can afford to remain in their homes, and if their homes meet their mobility needs. As such, the ownership very low income needs estimates can be thought of as an upper bound estimate of need and are largely reflective of owner households who need assistance with utilities, home maintenance, and home rehabilitation.

The projected rental units needed show need for tenant subsidies and new construction of affordable units. The split between tenant subsidies and new construction will be driven by the actual filtering of older units into more affordable price brackets, growth or decline in household incomes, the in- and out-migration of renters, and broader economic conditions. While new construction is essential to improving overall housing affordability, it is unlikely on its own to reach very low-income households. Deliberate efforts to build income-restricted units and provide rental subsidies are therefore necessary.

Finally, while New Mexico continues to face rising homelessness, as seen nationwide, pandemic-era responses offer promising models. Initiatives such as "Wellness Motels" expanded shelter capacity and increased the number of people housed during annual counts. In addition, dedicated funding for permanent supportive housing and rental assistance has expanded

housing-with-services options for individuals experiencing homelessness, particularly those with serious mental illness or substance use disorders.

SECTION I.

TRENDS IN POPULATION, HOUSEHOLDS, AND HOUSING UNITS

SECTION I.
Trends in Population, Households, and Housing Units

This section presents trends in population and households compared to residential construction and housing unit composition across New Mexico, including permitting activity over time and how permitted units compare to net changes in the housing stock. It also explores the relationship between housing type and household income across the state's regions and explores current vacancy patterns.

Main Findings

Main findings from this section include:

- Between 2020 and 2024, New Mexico's population grew by 12,701 residents (0.6%), while the housing stock increased by 33,301 units (3.5%).
- Over a longer term period—between 2010 and 2023—households grew faster (9% increase) than residents (5% increase). This demographic trend is reflective of declining household sizes due to an aging population, declining birth rates, and fewer families with children.
- Population growth was concentrated in Doña Ana, Sandoval, Valencia, Santa Fe, and Otero counties; but according to Census Address Count Files, all counties gained housing units. Housing was built regardless of population loss.
- Approximately 27% of New Mexico young adults aged 25 to 34 live in the homes of older relatives as of 2023, up from a much lower 17% in 2010, suggesting significant pent-up housing demand.
- New Mexico's housing production has continued to be dominated by single-family construction. Multifamily permitting accelerated for a short period from 2021 to 2023, and has since declined.
- Lower-income households are significantly more likely than higher-income households to occupy multifamily, manufactured, and attached housing types. As such, development of housing types that are most likely to be occupied by lower-income households is important to meet their affordability needs.
- The state had an estimated 124,503 vacant units in 2023, nearly half of which were vacant for "other" reasons. “Other” reasons for vacancy may include foreclosure, personal or family reasons, legal proceedings, preparing to rent or sell, needing repairs,

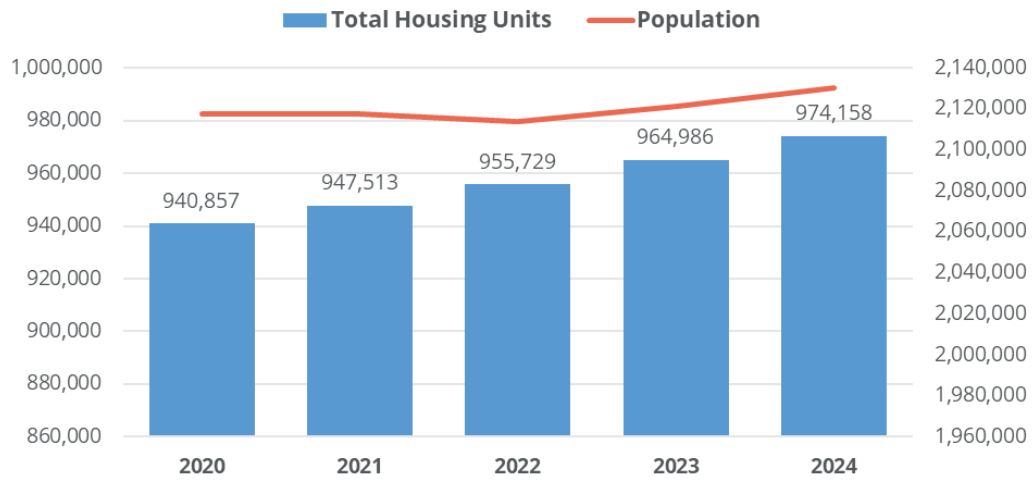
currently being repaired or renovated, and being abandoned or condemned. These units reduce the effective housing supply.

- Between 2010 and 2023, for-sale vacancies fell 44%, and for-rent vacancies fell 21% statewide, while vacant units for "other" reasons increased by 28%.

Population and Households

Population estimates show that between 2010 and 2022, population declined slightly and then resumed growth between 2022 and 2024. Between 2020 and 2024, the population is estimated to have grown by 12,701 (0.6%) residents and the housing stock is estimated to have increased by 33,301 units (3.5%). Increased production helped address needs and respond to population changes. However, the vast majority of new housing built during this period has been single family detached homes, which made up 80% of residential permits issued between 2020 and 2024, underscoring the continued need for more diverse housing types to meet the full range of household sizes, incomes, and housing preferences across the state. While permitting of multifamily units increased in 2021 and duplex permitting rose notably in 2024, these unit types remain a small share of overall production.

Figure I-1.
Housing Units and Population, New Mexico, 2020-2024



Source: U.S. Census Annual Estimates of the Resident Population and Housing Units for Counties in New Mexico: April 1, 2020 to July 1, 2024.

Figure I-2 shows population and housing unit estimates by county for 2020 and 2024. From 2020 to 2024, population growth was concentrated in Doña Ana, Sandoval, Valencia, Santa Fe, and Otero counties. Housing unit growth was concentrated in some of the same counties including Bernalillo, Doña Ana, Sandoval, Santa Fe, and Valencia. Population loss was concentrated in Bernalillo, McKinley, Chaves, and Curry counties. Despite the population loss, all counties are estimated to have gained housing units.

Figure I-2.
Housing Units and Population by County, 2020-2024

	Population			Housing Units		
	2020	2024	Change	2020	2024	Change
New Mexico	**2,117,555**	**2,130,256**	**12,701**	**940,857**	**974,158**	**33,301**
Bernalillo	676,446	671,747	-4,699	299,452	305,808	6,356
Catron	3,580	3,795	215	3,231	3,348	117
Chaves	65,156	63,697	-1,459	26,659	27,056	397
Cibola	27,052	26,686	-366	11,100	11,456	356
Colfax	12,383	12,307	-76	9,503	9,776	273
Curry	48,431	47,156	-1,275	21,101	21,831	730
De Baca	1,697	1,657	-40	1,125	1,162	37
Doña Ana	219,566	229,366	9,800	89,804	94,826	5,022
Eddy	62,320	61,436	-884	26,278	27,373	1,095
Grant	28,198	27,541	-657	14,584	15,008	424
Guadalupe	4,454	4,385	-69	2,187	2,259	72
Harding	654	635	-19	600	618	18
Hidalgo	4,177	3,966	-211	2,190	2,268	78
Lea	74,457	75,151	694	27,949	28,974	1,025
Lincoln	20,262	20,025	-237	17,624	18,082	458
Los Alamos	19,422	19,675	253	8,634	8,777	143
Luna	25,422	25,878	456	11,508	11,771	263
McKinley	72,897	68,945	-3,952	25,055	25,667	612
Mora	4,185	4,096	-89	2,865	2,916	51
Otero	67,836	69,711	1,875	32,210	33,306	1,096
Quay	8,740	8,403	-337	5,471	5,639	168
Rio Arriba	40,355	39,955	-400	19,544	20,279	735
Roosevelt	19,193	18,713	-480	8,483	8,699	216
San Juan	121,671	120,817	-854	47,745	48,665	920
San Miguel	27,200	26,428	-772	14,768	15,026	258
Sandoval	148,839	157,757	8,918	58,602	63,407	4,805
Santa Fe	154,826	157,765	2,939	76,877	80,962	4,085
Sierra	11,576	11,389	-187	8,055	8,390	335
Socorro	16,601	15,967	-634	7,573	7,856	283
Taos	34,491	34,482	-9	20,904	21,613	709
Torrance	15,047	15,986	939	7,170	7,457	287
Union	4,084	3,926	-158	2,077	2,142	65
Valencia	76,337	80,813	4,476	29,929	31,741	1,812

Source: Annual Estimates of the Resident Population and Housing Units for Counties in New Mexico: April 1, 2020 to July 1, 2024.

Figure 1-3 shows the population and households by county for 2010 and 2023.[1] Between 2010 and 2023, the state's population increased by 5%, while households increased by 9%. Household growth that outpaces population growth is driven by an aging population that leads to smaller household sizes.

Notable trends by county include:

- In Bernalillo County population grew by 4% while households increased by 9%.
- Santa Fe and Doña Ana Counties saw similar dynamics, with a 10% population increase accompanied by 15% and 16% household growth, respectively.
- In Eddy County, the population increased by 16% and households expanded by 20%.

Statewide, the faster pace of household formation relative to population growth has direct implications for housing demand, as more units are needed to house the same number of people.

Figure I-3.
Population and Households by County, 2010-2023

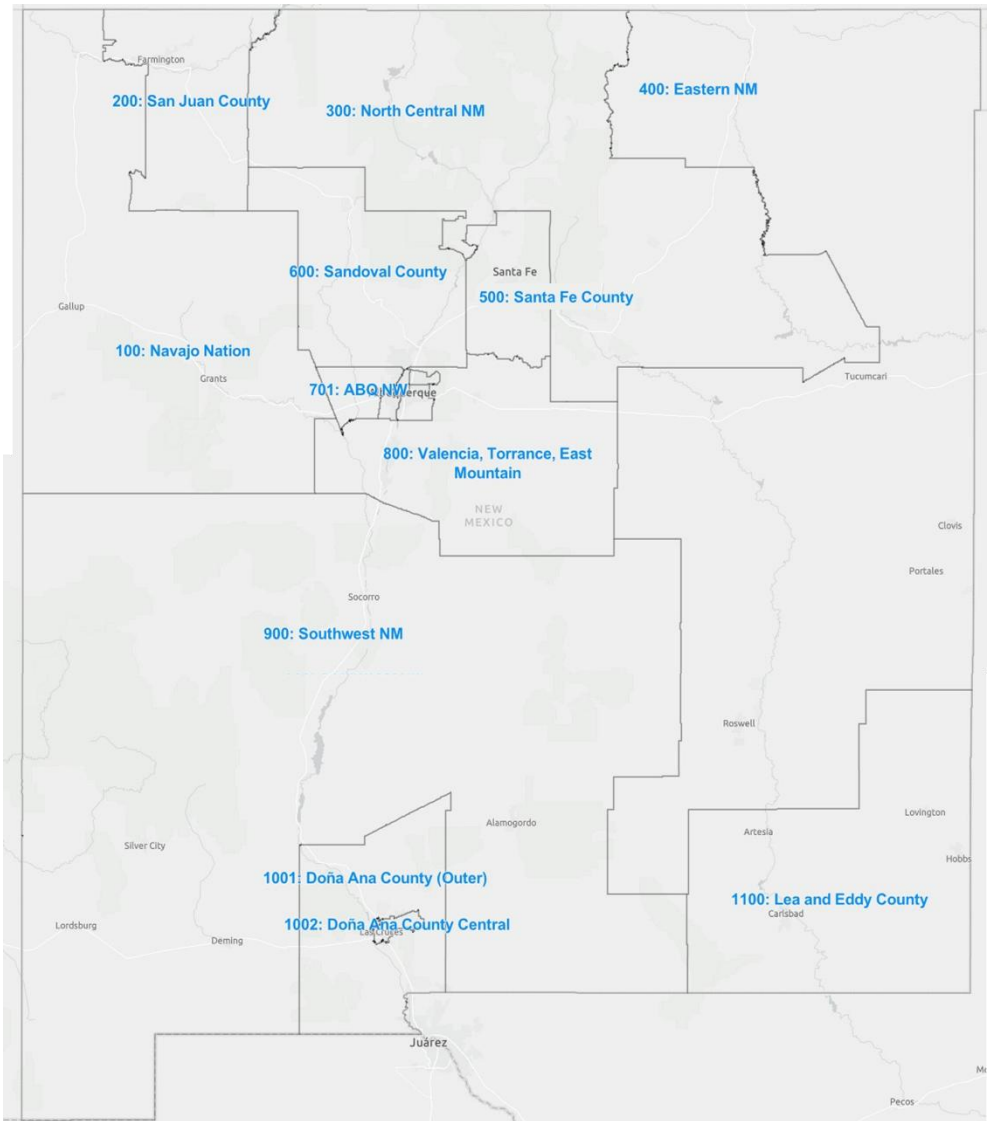
	Population				Households			
	2010	2023	# Change	% Change	2010	2023	# Change	% Change
New Mexico	**2,013,122**	**2,114,768**	**101,646**	**5%**	**756,112**	**825,021**	**68,909**	**9%**
Bernalillo	646,881	674,357	27,476	4%	259,165	283,609	24,444	9%
Catron	3,652	3,685	33	1%	1,824	1,645	-179	-10%
Chaves	64,268	64,446	178	0%	23,479	23,605	126	1%
Cibola	27,179	27,059	-120	0%	8,089	8,353	264	3%
Colfax	13,827	12,336	-1,491	-11%	5,768	5,413	-355	-6%
Curry	46,924	47,932	1,008	2%	17,318	18,471	1,153	7%
De Baca	1,772	1,580	-192	-11%	784	727	-57	-7%
Doña Ana	201,670	221,665	19,995	10%	71,748	83,530	11,782	16%
Eddy	52,665	61,114	8,449	16%	19,320	23,245	3,925	20%
Grant	29,706	27,856	-1,850	-6%	12,531	11,069	-1,462	-12%
Guadalupe	4,698	4,379	-319	-7%	1,492	1,451	-41	-3%
Harding	943	748	-195	-21%	321	282	-39	-12%
Hidalgo	4,964	4,097	-867	-17%	1,705	1,501	-204	-12%
Lea	62,503	73,154	10,651	17%	21,255	24,568	3,313	16%
Lincoln	20,502	20,227	-275	-1%	8,629	9,376	747	9%
Los Alamos	18,091	19,374	1,283	7%	7,566	8,211	645	9%
Luna	25,252	25,420	168	1%	9,204	9,082	-122	-1%
McKinley	70,663	71,172	509	1%	17,631	21,088	3,457	20%
Mora	4,923	4,176	-747	-15%	1,815	1,991	176	10%
Otero	62,782	68,235	5,453	9%	24,031	24,285	254	1%
Quay	9,002	8,616	-386	-4%	3,840	4,102	262	7%
Rio Arriba	40,195	40,165	-30	0%	14,934	14,980	46	0%
Roosevelt	19,372	19,002	-370	-2%	6,794	7,211	417	6%
San Juan	127,517	121,178	-6,339	-5%	41,767	41,053	-714	-2%
San Miguel	29,321	27,036	-2,285	-8%	11,786	11,924	138	1%
Sandoval	124,263	151,538	27,275	22%	44,860	55,741	10,881	24%
Santa Fe	141,702	155,175	13,473	10%	60,144	69,348	9,204	15%
Sierra	11,938	11,511	-427	-4%	4,747	5,419	672	14%
Socorro	17,964	16,308	-1,656	-9%	5,996	5,222	-774	-13%
Taos	32,574	34,516	1,942	6%	13,146	14,459	1,313	10%
Torrance	16,467	15,290	-1,177	-7%	5,849	5,774	-75	-1%
Union	4,388	4,039	-349	-8%	1,739	1,504	-235	-14%
Valencia	74,554	77,382	2,828	4%	26,835	26,782	-53	0%

Source: ACS 5-year estimates, and Root Policy Research.

Adults living with older relatives. In addition to the aging population putting pressure on the housing market, New Mexico also has pent-up demand from younger adults. Young adults aged 25 to 34 in New Mexico increasingly live with their parents, grandparents, or in-laws, potentially due to a lack of affordable housing.

The following analysis used New Mexico's Public Use Microdata Areas (PUMAs), which are statistical geographic regions used by the U.S. Census Bureau. These areas facilitate the analysis of detailed, customized tables and reports that are not available in pre-tabulated data while safeguarding individual privacy.[2] PUMAs are grouped by the Census into statistically valid geographic areas that do not follow county or regional boundaries. The New Mexico and Albuquerque PUMAs are shown in the maps below.

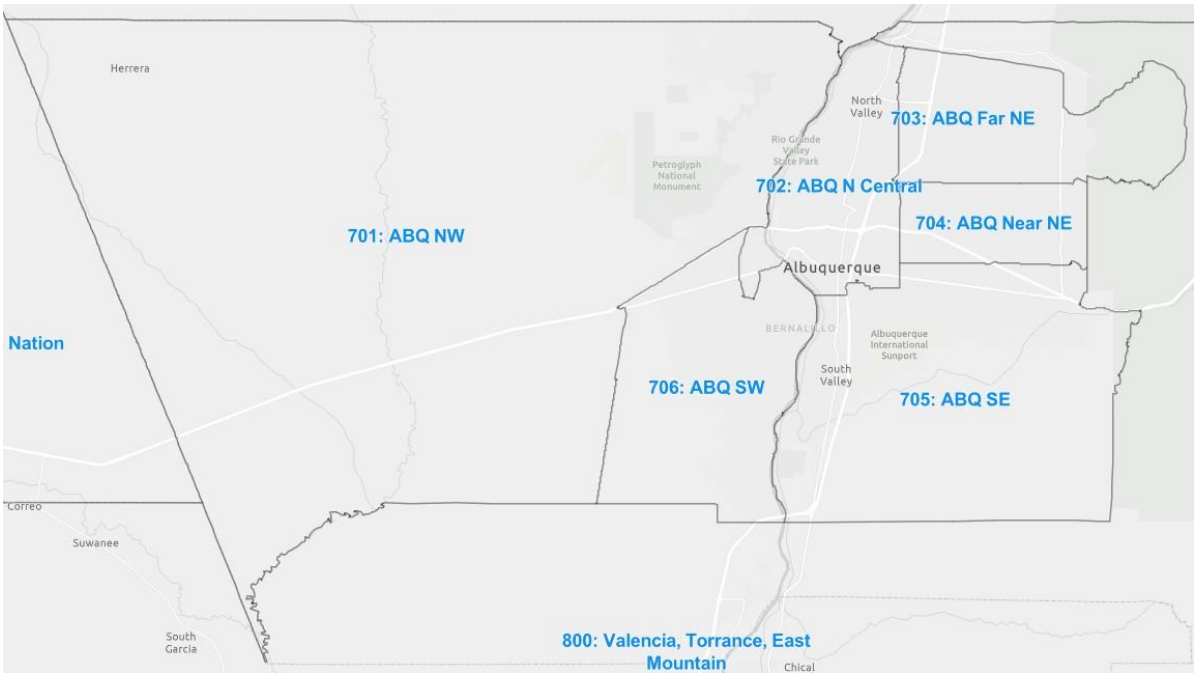
Figure I-4.
New Mexico PUMAs



Note: Albuquerque PUMAs shown in next figure.

Source: U.S. Census Bureau.

Figure I-5.
Albuquerque PUMAs



Source: U.S. Census Bureau.

Approximately 27% of the state's young adults live in the housing of their older relatives as of 2023, up from 17% in 2010 and 25% in 2019. New Mexico young adults are more likely than U.S. young adults overall to live with older relatives, as 22% of U.S. young adults currently live in the homes of their older relatives.

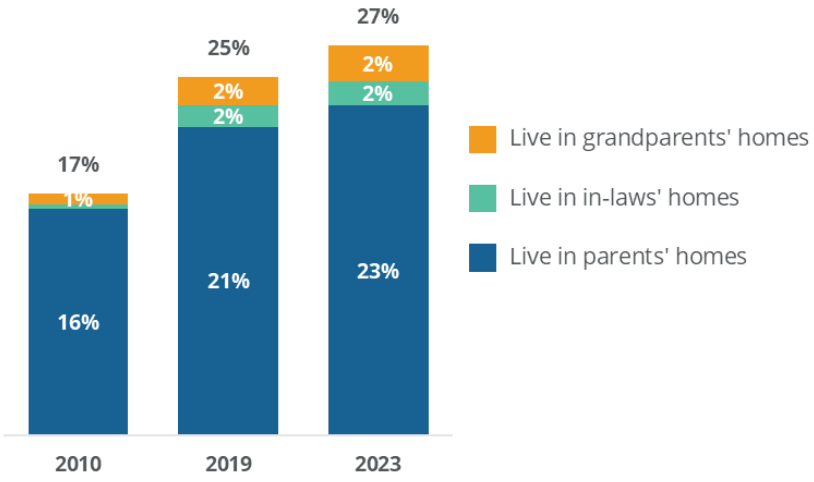
Figure I-6.
Share of Adults Aged 25 to 34 Living in Homes of Older Relatives, New Mexico, 2010, 2019, and 2023

Note:

Includes adults living in the homes of their parents, grandparents, or in-laws.

Source:

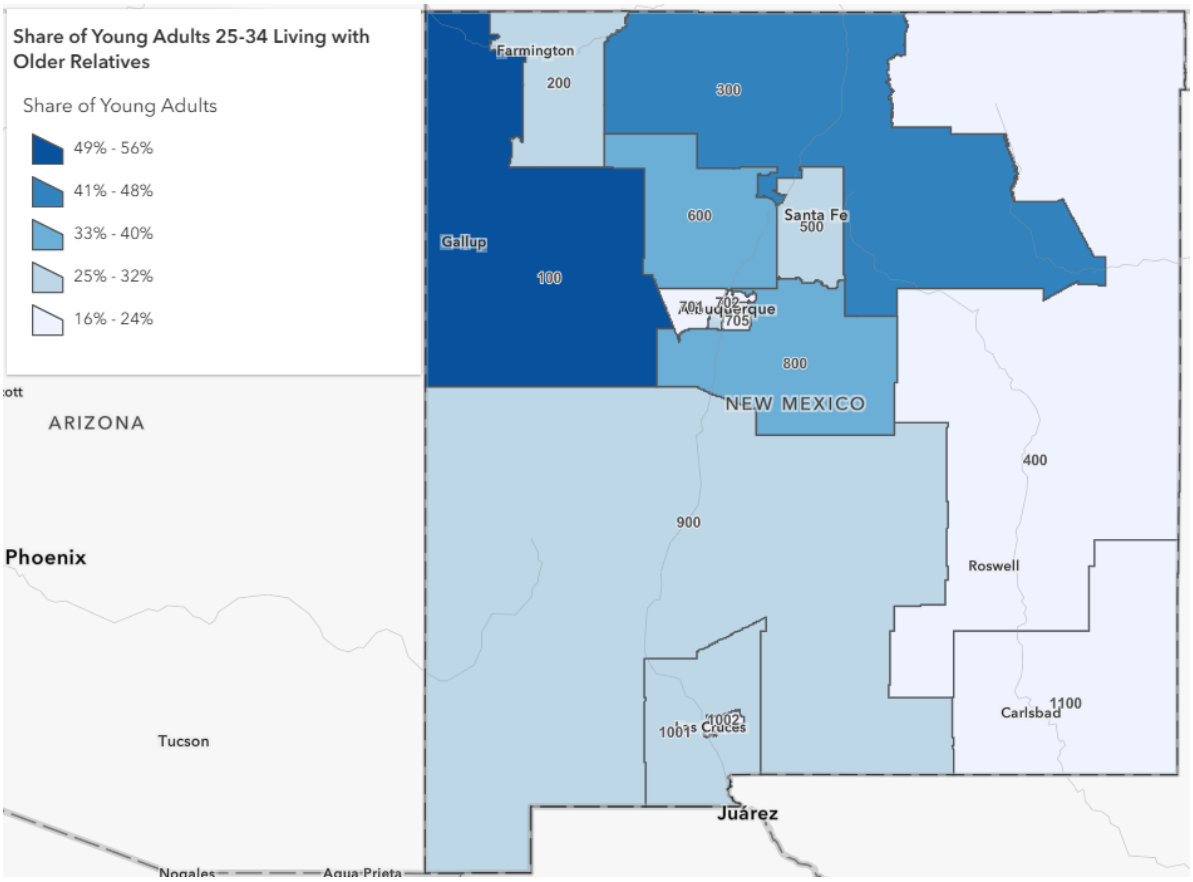
2010, 2019, and 2023 ACS 5-year IPUMS and Root Policy Research.



Figures I-7 and I-8 map shares of young adults living in the homes of older relatives by PUMA. These shares are additionally presented in Figure I-9. More than half (54%) of young adults in PUMA 100 (Northwest New Mexico Navajo Nation) live with older relatives. Other areas with

large shares of young adults living with older relatives are PUMA 300 (North Central New Mexico) at 42%, PUMA 800 (Valencia County, Torrance County, & East Mountain) at 38%, and PUMA 600 (Sandoval County) at 35%. Young adults are least likely to live with older relatives—meaning 16% to 20% live with older relatives—in eastern New Mexico, Las Cruces, and most Albuquerque PUMAs.

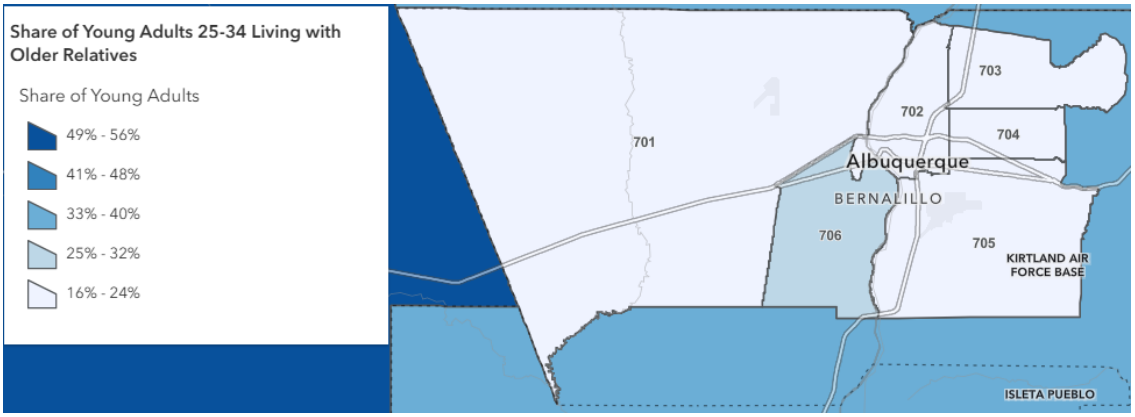
Figure I-7.
Share of Young Adults Aged 25 to 34 Living in Homes of Older Relatives, New Mexico by PUMA, 2023



Note: Includes young adults living in the homes of their parents, grandparents, or in-laws.

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Figure I-8.
Share of Young Adults Aged 25 to 34 Living in Homes of Older Relatives, Greater Albuquerque by PUMA, 2023



Note: Includes young adults living in the homes of their parents, grandparents, or in-laws.

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Figure I-9.
Share of Young Adults Aged 25 to 34 Living in Homes of Older Relatives, New Mexico by PUMA, 2023

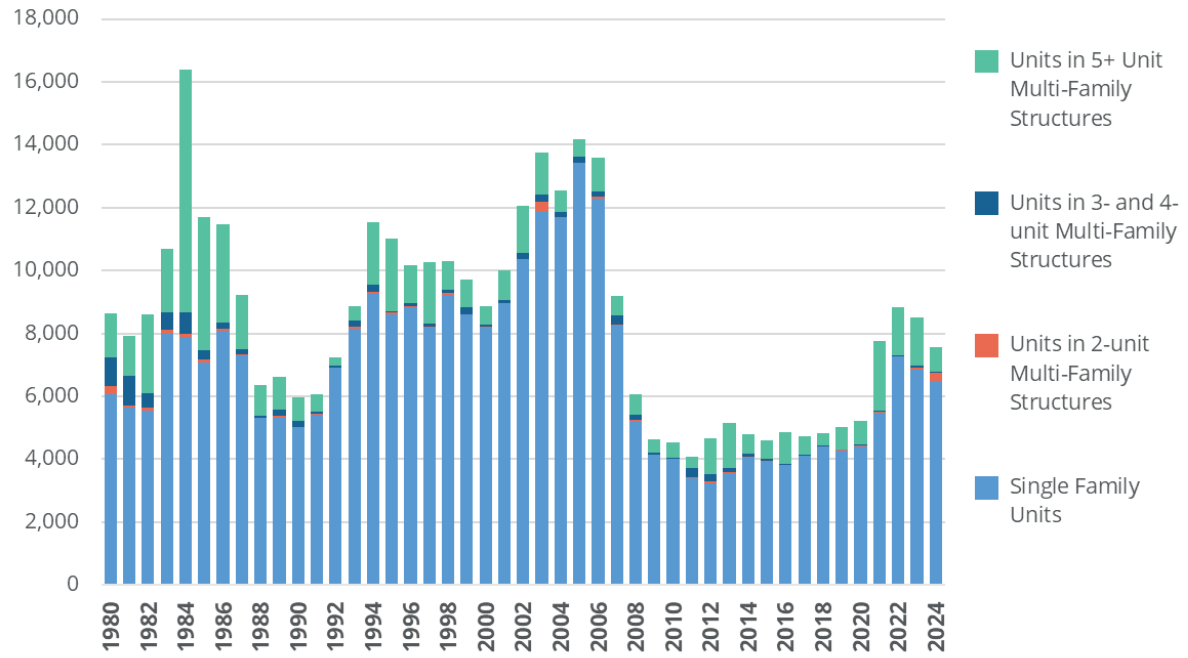
	% of Young Adults Living in Homes of Older Relatives
PUMA 100: Northwest New Mexico Navajo Nation	56%
PUMA 200: San Juan County (NE)--Farmington, Bloomfield & Aztec Cities	29%
PUMA 300: North Central New Mexico	42%
PUMA 400: Eastern New Mexico	20%
PUMA 500: Santa Fe County New Mexico	26%
PUMA 600: Sandoval County New Mexico	35%
PUMA 701: Albuquerque NW	20%
PUMA 702: Albuquerque N Central	17%
PUMA 703: Albuquerque Far NE	19%
PUMA 704: Albuquerque Near NE	18%
PUMA 705: Albuquerque SE	17%
PUMA 706: Albuquerque SW	29%
PUMA 800: Valencia County, Torrance County & East Mountain	38%
PUMA 900: Southwest New Mexico	30%
PUMA 1001: Doña Ana County (Outer)	29%
PUMA 1002: Doña Ana County Central--Las Cruces, Mesilla Cities & University Park	16%
PUMA 1100: Lea and Eddy County	19%

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Housing Type and Vacancies

Figure I-10 shows building permit trends in the state between 1980 and 2024. Beginning in the late 1980s, the share of housing units permitted that were single family detached homes began to increase. Single family detached homes have remained the dominant housing type built—making up 82% of residential permits issued between 2010 and 2020—despite changing needs. Permitting of multifamily units increased in 2021 and then leveled off. Permitting of duplexes was relatively high (although still a small share of overall permits) in 2024.

Figure I-10.
Building Permits, 1980-2024



Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure I-11 shows building permits from the U.S. Census Building Permit Survey by county from 2020 to 2024, and compares permits with changes in housing units by county from the Census Address Count Files between 2020 and 2025.

It is important to note that the building permit survey does *not* publish data for all counties in New Mexico, while the Census Address Count Files provide counts of residential housing unit addresses by geographic area (down to the census tract or block group). The Address Files reflect the Bureau's address inventory used for survey sampling and enumeration, and are commonly used to estimate housing unit totals.

According to the Census Address Count Files, the state added 46,137 housing units between 2020 and 2025. The growth in units was concentrated in Bernalillo (8,225 units or 18% of the statewide total), Doña Ana (6,656 units, 14%), San Juan (5,730 units, 12%), and Santa Fe (5,504 units, 12%). Combined, these four counties accounted for 57% of the statewide housing unit growth.

Figure I-11.
Building Permits 2020-2024 and Change in Housing Units 2020-2025

	Units in Single Family Structures	Units in 2-Unit Multifamily Structures	Units in 3 & 4-Unit Multifamily Structures	Units in 5+-Unit Multifamily Structures	Total Units	Change in Housing Units 2020-2025
New Mexico	**30,445**	**436**	**202**	**6,795**	**37,878**	**46,137**
Bernalillo	4,538	76	16	2,808	7,438	8,225
Catron	N/A	N/A	N/A	N/A	N/A	337
Chaves	411	0	0	0	411	837
Cibola	N/A	N/A	N/A	N/A	N/A	673
Colfax	N/A	N/A	N/A	N/A	N/A	504
Curry	340	184	63	214	801	934
De Baca	N/A	N/A	N/A	N/A	N/A	33
Doña Ana	5,022	124	72	159	5,377	6,656
Eddy	773	12	7	342	1,134	1,758
Grant	13	0	0	0	13	514
Guadalupe	N/A	N/A	N/A	N/A	N/A	120
Harding	N/A	N/A	N/A	N/A	N/A	34
Hidalgo	N/A	N/A	N/A	N/A	N/A	106
Lea	845	0	0	0	845	1,304
Lincoln	396	2	4	0	402	548
Los Alamos	150	0	0	0	150	291
Luna	36	0	0	0	36	374
McKinley	16	0	0	9	25	902
Mora	N/A	N/A	N/A	N/A	N/A	390
Otero	22	0	0	0	22	2,421
Quay	N/A	N/A	N/A	N/A	N/A	100
Rio Arriba	N/A	N/A	N/A	N/A	N/A	981
Roosevelt	134	0	0	0	134	261
San Juan	512	0	0	21	533	5,730
San Miguel	N/A	N/A	N/A	N/A	N/A	1,059
Sandoval	4,851	22	40	1,257	6,170	1,404
Santa Fe	1,192	14	0	1,971	3,177	5,504
Sierra	17	0	0	6	23	353
Socorro	N/A	N/A	N/A	N/A	N/A	216
Taos	598	2	0	8	608	564
Torrance	N/A	N/A	N/A	N/A	N/A	499
Union	N/A	N/A	N/A	N/A	N/A	62
Valencia	1,182	0	0	0	1,182	2,443

Source: U.S. Census Building Permit Survey, U.S. Census Address Count Listing Files, and Root Policy Research.

Households' housing needs and preferences change over time with fluctuations in household composition, income, employment, and age. A variety of housing types is ideal, regardless of the geographic area, to accommodate changing needs. Diversity in housing type is typically easier to achieve in faster growing, urban areas where density, volume building, and financial resources can be leveraged.

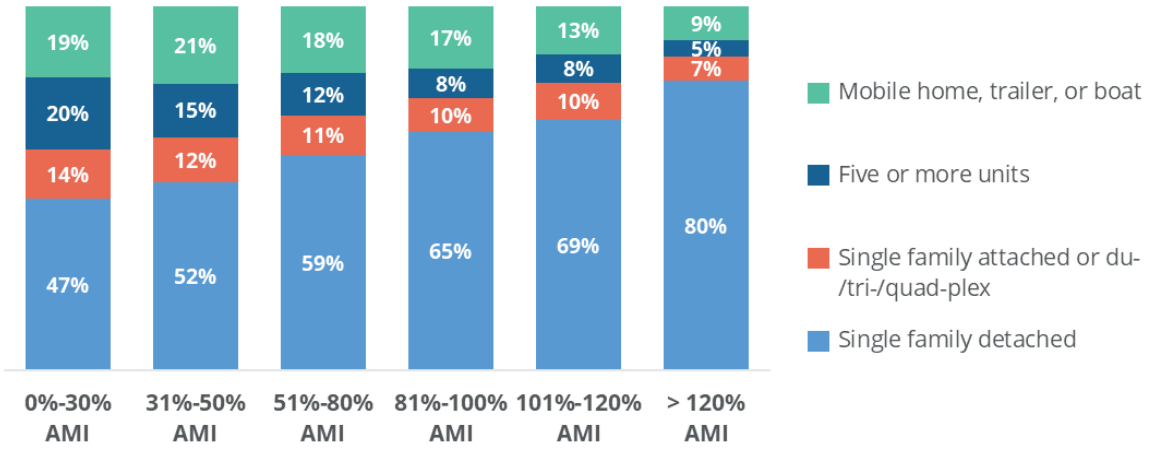
A starting point for assessing needs is understanding if and how unit occupancy varies by household income. Figure I-12 presents the distribution of housing unit types occupied by residents at various income levels. Income categories are determined by family size and HUD's Area Median Income (AMI).

Households with incomes of 80% of AMI and less are:

- Twice as likely to occupy mobile or manufactured homes as households earning 120% AMI or more;
- Nearly twice as likely as households earning 120% AMI or more to occupy attached homes and du-/tri-/four-plexes; and
- Three times as likely as 120% AMI+ households to occupy multifamily (5+ units) housing.

Households with incomes below 30% AMI are four times more likely than households at or above 120% AMI to occupy multifamily (5+ units) housing. The distribution of housing unit types occupied by residents at various income levels has remained stable since 2019.

Figure I-12.
Housing Type Occupied by Income, 2023



Note: Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source: 2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

The tables on the following pages (Figure I-13 through I-16) present the share of households by income within New Mexico's PUMA regions.

In each PUMA, households at the highest income levels are more likely than households at the lowest income levels to live in single family detached homes.

Low income households (0-80% AMI) by contrast, are more likely to be living in a variety of housing types. More than one third of low income households live in mobile homes or other types of housing in PUMA 200: San Juan County (NE)—Farmington, Bloomfield & Aztec Cities; PUMA 800: Valencia County, Torrance County & East Mountain; PUMA 900: Southwest New Mexico; and PUMA 1001: Doña Ana County (Outer).

Figure I-13. Housing Type Occupied by Income, New Mexico PUMAs, 2023

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limits by household size for each PUMA.

Continued on the following page.

Source:

2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

	SF Detached	SF Attached, Du-/Tri-/ Four-Plex	5+ Units	Mobile Home, Trailer, Boat
PUMA 100: Northwest New Mexico Navajo Nation				
0%-30% AMI	64%	9%	6%	22%
31%-50% AMI	59%	16%	1%	25%
51%-80% AMI	60%	14%	2%	24%
81%-100% AMI	60%	6%	2%	32%
101%-120% AMI	57%	11%	4%	28%
> 120% AMI	71%	4%	3%	21%
PUMA 200: San Juan County (NE)--Farmington, Bloomfield & Aztec Cities				
0%-30% AMI	34%	20%	8%	38%
31%-50% AMI	41%	18%	4%	37%
51%-80% AMI	48%	8%	6%	38%
81%-100% AMI	53%	6%	3%	37%
101%-120% AMI	56%	21%	3%	20%
> 120% AMI	69%	4%	1%	26%
PUMA 300: North Central New Mexico				
0%-30% AMI	47%	19%	8%	26%
31%-50% AMI	52%	7%	7%	35%
51%-80% AMI	57%	7%	6%	29%
81%-100% AMI	60%	6%	5%	30%
101%-120% AMI	73%	4%	4%	19%
> 120% AMI	72%	7%	5%	16%
PUMA 400: Eastern New Mexico				
0%-30% AMI	60%	16%	11%	13%
31%-50% AMI	63%	11%	5%	21%
51%-80% AMI	66%	10%	4%	20%
81%-100% AMI	74%	10%	3%	13%
101%-120% AMI	74%	10%	1%	14%
> 120% AMI	79%	5%	2%	13%
PUMA 500: Santa Fe County New Mexico				
0%-30% AMI	44%	14%	22%	21%
31%-50% AMI	49%	16%	18%	16%
51%-80% AMI	52%	14%	16%	18%
81%-100% AMI	62%	14%	6%	19%
101%-120% AMI	58%	18%	6%	17%
> 120% AMI	76%	11%	5%	7%

Figure I-14. Housing Type Occupied by Income, New Mexico PUMAs, 2023 (Cont.)

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limits by household size for each PUMA.

Continued on the following page.

Source:

2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

	SF Detached	SF Attached, Du-/Tri-/ Four-Plex	5+ Units	Mobile Home, Trailer, Boat
PUMA 600: Sandoval County New Mexico				
0%-30% AMI	72%	3%	8%	17%
31%-50% AMI	69%	12%	6%	12%
51%-80% AMI	84%	6%	3%	7%
81%-100% AMI	79%	5%	6%	10%
101%-120% AMI	90%	4%	1%	5%
> 120% AMI	91%	3%	2%	4%
PUMA 701: Albuquerque NW				
0%-30% AMI	56%	20%	23%	0%
31%-50% AMI	56%	10%	32%	3%
51%-80% AMI	69%	14%	17%	0%
81%-100% AMI	77%	14%	8%	1%
101%-120% AMI	76%	11%	13%	0%
> 120% AMI	89%	5%	6%	0%
PUMA 702: Albuquerque N Central				
0%-30% AMI	35%	20%	39%	7%
31%-50% AMI	47%	20%	27%	6%
51%-80% AMI	53%	20%	22%	5%
81%-100% AMI	65%	16%	16%	3%
101%-120% AMI	69%	15%	12%	3%
> 120% AMI	79%	11%	8%	2%
PUMA 703: Albuquerque Far NE				
0%-30% AMI	24%	15%	48%	13%
31%-50% AMI	40%	12%	38%	10%
51%-80% AMI	35%	16%	43%	5%
81%-100% AMI	52%	12%	30%	6%
101%-120% AMI	57%	11%	30%	2%
> 120% AMI	77%	8%	13%	1%
PUMA 704: Albuquerque Near NE				
0%-30% AMI	42%	15%	43%	0%
31%-50% AMI	53%	12%	35%	0%
51%-80% AMI	54%	16%	29%	1%
81%-100% AMI	69%	13%	17%	0%
101%-120% AMI	68%	5%	26%	0%
> 120% AMI	83%	9%	7%	0%

Figure I-15. Housing Type Occupied by Income, New Mexico PUMAs, 2023 (Cont.)

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limits by household size for each PUMA.

Continued on the following page.

Source:

2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

	SF Detached	SF Attached, Du-/Tri-/ Four-Plex	5+ Units	Mobile Home, Trailer, Boat
PUMA 705: Albuquerque SE				
0%-30% AMI	28%	19%	42%	11%
31%-50% AMI	29%	28%	32%	12%
51%-80% AMI	50%	15%	25%	10%
81%-100% AMI	52%	19%	19%	10%
101%-120% AMI	65%	17%	14%	4%
> 120% AMI	76%	14%	8%	2%
PUMA 706: Albuquerque SW				
0%-30% AMI	58%	6%	13%	24%
31%-50% AMI	66%	7%	5%	22%
51%-80% AMI	81%	3%	4%	13%
81%-100% AMI	82%	4%	0%	14%
101%-120% AMI	79%	9%	2%	10%
> 120% AMI	88%	1%	4%	7%
PUMA 800: Valencia County, Torrance County & East Mountain				
0%-30% AMI	49%	5%	8%	37%
31%-50% AMI	54%	3%	5%	38%
51%-80% AMI	63%	5%	2%	30%
81%-100% AMI	64%	8%	0%	27%
101%-120% AMI	68%	4%	3%	25%
> 120% AMI	86%	3%	0%	10%
PUMA 900: Southwest New Mexico				
0%-30% AMI	51%	10%	7%	32%
31%-50% AMI	50%	8%	6%	36%
51%-80% AMI	53%	7%	7%	33%
81%-100% AMI	59%	6%	3%	32%
101%-120% AMI	66%	6%	2%	27%
> 120% AMI	74%	4%	2%	20%
PUMA 1001: Doña Ana County (Outer)				
0%-30% AMI	39%	13%	10%	38%
31%-50% AMI	45%	8%	6%	41%
51%-80% AMI	52%	4%	2%	41%
81%-100% AMI	57%	11%	0%	31%
101%-120% AMI	68%	2%	4%	27%
> 120% AMI	82%	3%	1%	15%

Figure I-16. Housing Type Occupied by Income, New Mexico PUMAs, 2023 (Cont.)

	SF Detached	SF Attached, Du-/Tri-/ Four-Plex	5+ Units	Mobile Home, Trailer, Boat
PUMA 1002: Doña Ana County Central--Las Cruces, Mesilla Cities & University Park				
0%-30% AMI	36%	21%	29%	14%
31%-50% AMI	43%	17%	29%	11%
51%-80% AMI	48%	20%	16%	15%
81%-100% AMI	54%	12%	19%	15%
101%-120% AMI	67%	18%	9%	6%
> 120% AMI	76%	11%	7%	7%
PUMA 1100: Lea and Eddy County				
0%-30% AMI	61%	6%	13%	20%
31%-50% AMI	65%	11%	9%	16%
51%-80% AMI	77%	6%	3%	14%
81%-100% AMI	76%	2%	2%	20%
101%-120% AMI	66%	6%	8%	19%
> 120% AMI	79%	5%	3%	13%

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limits by household size for each PUMA.

Continued on the following page.

Source:

2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

Figure I-18 shows the number of vacant units by reason and by county for 2023. The state had an estimated 124,503 vacant units, of which 55,543 were vacant for other reasons (45%). "Other" reasons for vacancy may include foreclosure, personal or family reasons, legal proceedings, preparing to rent or sell, needing repairs, currently being repaired or renovated, and being abandoned or condemned. These units reduce the effective housing supply and can contribute to neighborhood blight.

The counties where the share of vacant units for "other" reasons is 50% or higher include: Cibola (74%), McKinley (70%), Luna (69%), Grant (68%), Union (67%), Valencia (62%), Chaves (60%), Hidalgo (60%), Socorro (58%), Curry (57%), De Baca (56%), Doña Ana (54%), Harding (54%), San Juan (54%), Torrance (53%), Mora (51%), Lea (51%), and San Miguel (50%).

Figure I-18.
Vacant Units by Type and County, 2023

	Total	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ Rec. Use	For Migrant Workers	Other
New Mexico	124,503	16,660	6,424	7,922	37,465	489	55,543
Bernalillo	17,669	5,604	1,202	1,973	1,779	56	7,055
Catron	1,688	3	37	13	1,144	2	489
Chaves	3,189	478	156	344	149	133	1,929
Cibola	2,818	175	95	89	386	0	2,073
Colfax	4,165	119	98	57	3,066	30	795
Curry	2,795	430	294	268	212	0	1,591
De Baca	438	0	0	7	187	0	244
Doña Ana	7,872	1,564	563	253	1,204	24	4,264
Eddy	3,388	591	168	679	533	75	1,342
Grant	3,595	216	212	16	712	0	2,439
Guadalupe	705	27	31	60	252	0	335
Harding	207	0	8	21	66	0	112
Hidalgo	718	86	13	32	147	7	433
Lea	3,557	723	259	672	91	6	1,806
Lincoln	8,392	634	230	120	6,290	17	1,101
Los Alamos	449	23	44	68	166	0	148
Luna	2,485	214	115	177	257	0	1,722
McKinley	4,125	135	38	100	955	13	2,884
Mora	947	0	23	20	417	0	487
Otero	8,115	715	345	679	3,388	21	2,967
Quay	1,411	51	65	33	786	0	476
Rio Arriba	4,723	180	70	188	1,948	0	2,337
Roosevelt	1,314	319	53	161	143	16	622
San Juan	7,032	1,116	699	186	1,261	6	3,764
San Miguel	2,913	248	35	166	992	16	1,456
Sandoval	4,018	750	362	152	1,001	0	1,753
Santa Fe	8,338	945	406	614	3,402	0	2,971
Sierra	2,720	207	124	9	1,289	0	1,091
Socorro	2,420	217	63	21	720	0	1,399
Taos	6,632	582	300	430	3,283	0	2,037
Torrance	1,464	15	141	175	355	0	778
Union	587	58	0	25	108	0	396
Valencia	3614	235	175	114	776	67	2,247

Source: ACS 5-year estimates and Root Policy Research.

As shown in Figure I-19, between 2010 and 2023, the composition of New Mexico's vacant housing stock shifted considerably, with declines in vacant units for sale (44% decline) and for rent (21% decline). Units vacant for seasonal or recreational use declined 19%, and migrant worker housing fell 32%. Vacant units for "other" reasons increased by 28%.

Figure I-19.
Percent Change in Vacant Units by Reason, 2010-2023

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ Rec. Use	For Migrant Workers	Other
New Mexico	**-21%**	**-44%**	**-11%**	**-19%**	**-32%**	**28%**
Bernalillo	-14%	-56%	-23%	-37%	-	7%
Catron	-95%	-75%	-91%	29%	-	19%
Chaves	26%	-42%	46%	-68%	600%	10%
Cibola	-58%	-57%	-91%	-52%	-100%	304%
Colfax	-56%	-53%	171%	2%	-	31%
Curry	-51%	-30%	103%	342%	-	45%
De Baca	-100%	-100%	-	-7%	-	16%
Doña Ana	-26%	-30%	-67%	19%	-50%	45%
Eddy	-2%	143%	265%	44%	103%	-28%
Grant	-2%	4%	-92%	4%	-	209%
Guadalupe	-76%	-39%	1400%	37%	-	-1%
Harding	-100%	167%	250%	-19%	-100%	13%
Hidalgo	760%	160%	540%	-34%	-	4%
Lea	3%	-39%	23%	-80%	-	37%
Lincoln	15%	-69%	33%	1%	-61%	12%
Los Alamos	-92%	-57%	-57%	-9%	-	41%
Luna	-2%	5%	84%	-63%	-100%	130%
McKinley	-81%	-54%	-83%	-59%	-74%	-37%
Mora	-100%	-21%	-	-39%	-	-12%
Otero	-2%	-20%	172%	-18%	-60%	131%
Quay	-56%	-43%	-63%	-2%	-100%	-23%
Rio Arriba	-55%	-70%	33%	52%	-100%	-2%
Roosevelt	-31%	-77%	313%	138%	-24%	32%
San Juan	52%	111%	86%	-29%	50%	2%
San Miguel	-45%	-82%	-4%	-39%	14%	26%
Sandoval	3%	-51%	-62%	-45%	-	-1%
Santa Fe	-47%	-61%	10%	-17%	-	54%
Sierra	-19%	-67%	-88%	-47%	-100%	91%
Socorro	2%	-75%	-76%	18%	-100%	89%
Taos	-18%	-17%	193%	-35%	-100%	945%
Torrance	-87%	57%	173%	-43%	-	-22%
Union	-18%	-100%	32%	-55%	-	25%
Valencia	-30%	-49%	28%	99%	148%	79%

Source: ACS 5-year estimates and Root Policy Research.

SECTION II.

PROJECTED HOUSING NEEDS

SECTION II.
Projected Housing Needs

This section presents New Mexico's population trends and projections, with a focus on age composition, household formation rates, and county-level population change. It then translates those demographic shifts into projected housing need, broken down by county, income level, and tenure.

Main Findings

Main findings from this section include:

- New Mexico's population is aging rapidly and this is expected to continue. The share of residents aged 65 and older is projected to nearly double, from 13% in 2010 to 23% by 2035. Older adults have the highest household formation rate of any age group at 64%—meaning that a rapidly increasing share of New Mexico's households will be older adults. Most will remain in their homes as they age.

- Given older adults' higher household formation rates, household growth will continue even as the overall population declines. The number of households is projected to grow through 2040 before tapering slightly, meaning housing demand will remain elevated longer than population trends alone would suggest.

- Population change varies significantly by county. Sandoval, Doña Ana, Santa Fe, Lea, and Eddy counties are projected to grow through 2045, while most rural counties will lose population.

- Nearly 58,000 new units will be needed statewide by 2045, with need concentrated in Bernalillo, Sandoval, Doña Ana, and Santa Fe counties, which together account for nearly 90% of projected demand.

- To meet the needs of low- and moderate-income households from 2025 to 2045, the following units need to be affordable in the state:

    - For households with incomes below 30% of AMI: 4,281 rental units and 3,364 ownership units.
    - For households with incomes between 30% and 50% of AMI: 2,941 rental units and 3,227 ownership units.
    - For households with incomes between 50% and 80% of AMI: 3,740 rental units and 5,307 ownership units.

- For households with incomes between 80% and 100% of AMI: 1,887 rental units and 3,751 ownership units.

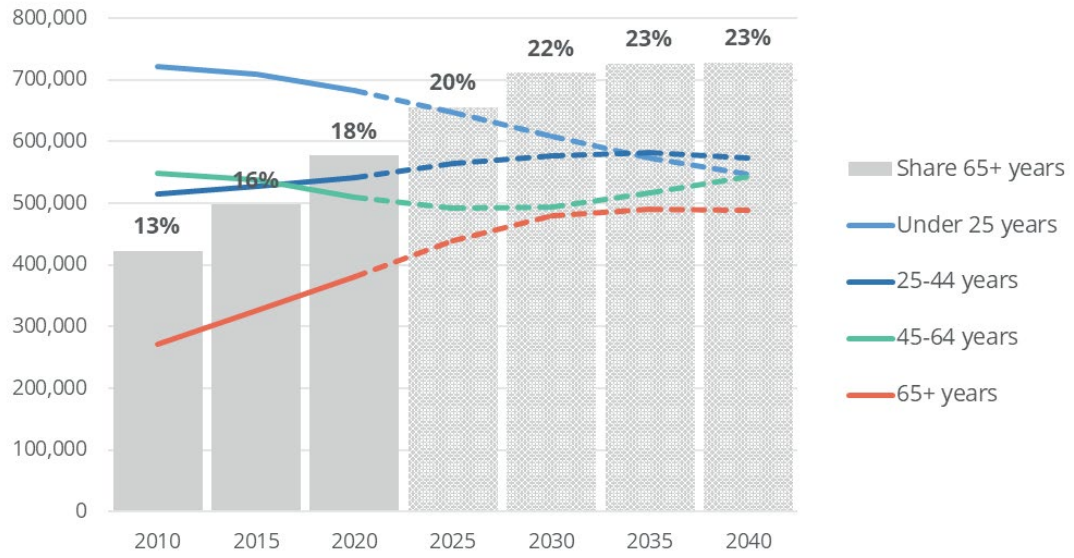
- Some of these units will become affordable as older residents age in place. Others will require tenant subsidies, and others will need to be added through new construction of affordable units and filtering of older units into more affordable price brackets.

Population and Household Projections

Figure II-1 shows population trends and projections for different age groups, as well as the share of the population age 65 and over. As shown in the figure, New Mexico's population age composition will shift considerably. The share of residents aged 65 and older will nearly double, from 13% in 2010 to 23% by 2035.

In total numbers, the 65+ population is expected to grow from roughly 440,000 to nearly 490,000 between 2025 and 2040—an increase of 50,000. By contrast, the population under 25 is projected to decrease from around 647,000 to 547,000 between 2025 and 2040—or 100,000 fewer young adults and children.

Figure II-1.
Population and Population Projections, 2010-2040



Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

The aging of the population has significant implications for housing demand. Household formation rates—the share of an age group that heads a household—underscore this dynamic. Statewide, 64% of residents aged 65 and older are household heads, the highest rate of any age group. By comparison, formation rates for younger cohorts are lower and declining: the 25–34 rate dropped from 44% to 42% statewide between 2010 and 2023, and the 15–24 household formation rate fell from 14% to 12% (Figure II-2).

The 65+ formation rate held steady or increased across most counties between 2010 and 2023. Counties including Chaves, Curry, Eddy, and Quay saw notable increases, while only a handful—such as Otero, Lea, and Socorro—saw modest declines.

This pattern reflects a trend of older households aging in place. As the senior population grows, housing units will be held and occupied by long-term residents who are aging in place, rather than turning over to new buyers or renters. This limits housing availability for younger households, even in areas where overall population growth is slow.

Figure II-2.
Household formation rates by Age Cohort and County, 2010-2023

	15-24 years		25-34 years		35-64 years		65 years plus	
	2010	2023	2010	2023	2010	2023	2010	2023
New Mexico	**14%**	**12%**	**44%**	**42%**	**56%**	**54%**	**63%**	**64%**
Bernalillo	18%	14%	50%	47%	58%	57%	64%	66%
Catron	0%	3%	50%	0%	52%	44%	68%	65%
Chaves	15%	11%	45%	43%	56%	51%	63%	67%
Cibola	6%	6%	25%	27%	47%	41%	60%	64%
Colfax	13%	14%	39%	44%	55%	52%	67%	68%
Curry	19%	15%	48%	51%	57%	59%	63%	68%
De Baca	9%	0%	38%	83%	61%	48%	62%	74%
Doña Ana	17%	17%	45%	46%	56%	56%	61%	63%
Eddy	13%	10%	46%	50%	53%	54%	64%	68%
Grant	15%	8%	43%	22%	60%	54%	61%	60%
Guadalupe	11%	15%	21%	16%	41%	40%	66%	65%
Harding	3%	8%	48%	5%	52%	48%	69%	70%
Hidalgo	13%	8%	23%	42%	55%	49%	62%	60%
Lea	17%	14%	42%	44%	52%	54%	67%	61%
Lincoln	6%	12%	39%	49%	55%	53%	65%	67%
Los Alamos	7%	12%	46%	51%	59%	59%	63%	56%
Luna	6%	7%	40%	50%	57%	50%	62%	63%
McKinley	3%	4%	26%	25%	45%	48%	61%	65%
Mora	5%	0%	33%	60%	50%	61%	64%	61%
Otero	15%	15%	49%	43%	56%	49%	64%	59%
Quay	9%	19%	55%	56%	58%	58%	64%	71%
Rio Arriba	10%	6%	39%	31%	55%	53%	67%	63%
Roosevelt	21%	14%	42%	61%	53%	56%	66%	67%
San Juan	12%	6%	38%	34%	53%	50%	63%	63%
San Miguel	9%	17%	49%	31%	59%	56%	64%	70%
Sandoval	8%	5%	43%	36%	55%	52%	61%	61%
Santa Fe	13%	10%	43%	40%	59%	55%	67%	66%
Sierra	6%	6%	16%	23%	52%	57%	66%	67%
Socorro	7%	4%	27%	30%	56%	49%	61%	56%
Taos	6%	7%	32%	19%	57%	53%	66%	64%
Torrance	11%	3%	27%	43%	53%	54%	63%	55%
Union	17%	15%	50%	37%	56%	45%	65%	68%
Valencia	14%	6%	42%	29%	54%	51%	61%	59%

Source: ACS 5-year estimates, and Root Policy Research.

Figure II-3 shows that New Mexico's overall population is projected to remain essentially flat between 2025 and 2045, declining by just under 13,000 residents statewide. However, significant variation is expected across counties.

Growth is expected to be concentrated in a handful of counties. Sandoval, Doña Ana, Santa Fe, Lea, and Eddy are projected to add the most residents over the period. Bernalillo County, the state's most populous, is projected to grow marginally.

Decline is projected to be more widespread. San Juan County faces the largest projected loss at nearly 17,000 residents, followed by San Miguel, Grant, and Colfax counties. Many rural counties—including De Baca, Hidalgo, Mora, and Harding—are projected to lose a substantial share of their current population.

Figure II-3.
Population Projections by County, 2025 and 2045

Source:
The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

	Population		
	2025	2045	Change
New Mexico	**2,143,658**	**2,131,015**	**-12,643**
Bernalillo	680,584	683,327	2,743
Catron	3,539	3,031	-508
Chaves	64,822	61,669	-3,153
Cibola	27,045	26,277	-768
Colfax	11,859	7,930	-3,929
Curry	48,474	48,531	57
De Baca	1,568	757	-811
Doña Ana	224,218	231,167	6,949
Eddy	65,964	70,759	4,795
Grant	27,482	22,446	-5,036
Guadalupe	4,326	3,492	-834
Harding	646	519	-127
Hidalgo	3,826	1,909	-1,917
Lea	78,781	84,073	5,292
Lincoln	20,255	19,457	-798
Los Alamos	19,857	20,793	936
Luna	25,500	25,689	189
McKinley	72,972	71,966	-1,006
Mora	3,933	2,126	-1,807
Otero	68,287	68,541	254
Quay	8,536	7,494	-1,042
Rio Arriba	40,266	40,156	-110
Roosevelt	19,095	18,012	-1,083
San Juan	119,657	102,927	-16,730
San Miguel	26,064	19,470	-6,594
Sandoval	157,468	169,575	12,107
Santa Fe	160,347	167,499	7,152
Sierra	11,323	9,825	-1,498
Socorro	16,008	13,188	-2,820
Taos	35,367	36,299	932
Torrance	14,575	10,978	-3,597
Union	3,895	2,898	-997
Valencia	77,118	78,233	1,115

As shown in Figure II-4, given shifts in the age composition of the population, projections through 2050 indicate that household growth will outpace population growth and continue even after the population begins to decline. New Mexico's population is projected to peak around 2035 at roughly 2.16 million before declining to just under 2.1 million by 2050. Households,

however, are projected to grow through 2040, reaching nearly 894,000—a 4.9% increase from 2025—before tapering only slightly by 2050.

Figure II-4.
Population and Household Projections

	Population		Households	
	Total	% Change from 2025	Total	% Change from 2025
2025	2,143,658	0.0%	852,511	0.0%
2030	2,161,645	0.8%	875,508	2.7%
2035	2,164,780	1.0%	884,758	3.8%
2040	2,153,964	0.5%	894,008	4.9%
2045	2,131,015	-0.6%	890,760	4.5%
2050	2,098,886	-2.1%	887,512	4.1%

Note: 2010 and 2020 data are from the Decennial Census.

Source: The University of New Mexico Geospatial and Population Studies, ACS 2023 5-year estimates, and Root Policy Research.

Projected Housing Needs

Using the household formation rate by age group from 2023, Figure II-5 shows the projected number of units needed to accommodate household growth. The numbers assume the 2021 AMI distribution in each county remains fixed.

Statewide, nearly 58,000 new units will be needed by 2045 to accommodate projected household growth. Need is heavily concentrated in four counties. Bernalillo, Sandoval, Doña Ana, and Santa Fe together account for nearly 90% of the projected unit need statewide. Figures II-6 and II-7 show projected housing needs by tenure and AMI. To meet the needs of low- and moderate-income households from 2025 to 2045, the following units need to be affordable in the state:

- For households with incomes below 30% of AMI: 4,281 rental units and 3,364 ownership units.
- For households with incomes between 30% and 50% of AMI: 2,941 rental units and 3,227 ownership units.
- For households with incomes between 50% and 80% of AMI: 3,740 rental units and 5,307 ownership units.
- For households with incomes between 80% and 100% of AMI: 1,887 rental units and 3,751 ownership units.

The ownership needs of very low income (0-50% AMI) households will largely be met by older residents aging in place[1], as long as they can afford to remain in their homes, and if their homes meet their mobility needs. As such, the ownership very low income needs estimates can be thought of as an upper bound estimate of need and are largely reflective of owner households who need assistance with utilities, home maintenance, and home rehabilitation.

The projected rental units needed show need for tenant subsidies and new construction of affordable units. The split between tenant subsidies and new construction will be driven by the actual filtering of older units into more affordable price brackets, growth or decline in household incomes, the in- and out-migration of renters, and broader economic conditions. While new construction is essential to improving overall housing affordability, it is unlikely on its own to reach very low-income households. Deliberate efforts to build income-restricted units and provide rental subsidies are therefore necessary.

Figure II-5.
Projected Total Units Needed by 2045, by County, AMI

County	Total	Percent of AMI				
		0-30%	30-50%	50-80%	80-100%	100%+
Total Units	**57,979**	**7,645**	**6,168**	**9,047**	**5,638**	**29,482**
Bernalillo	**21,600**	3,114	2,388	3,335	2,131	10,632
Sandoval	**10,607**	922	813	1,663	1,177	6,031
Doña Ana	**10,174**	1,587	1,211	1,643	830	4,902
Santa Fe	**9,292**	1,088	1,027	1,514	912	4,753
Eddy	**1,925**	259	246	247	181	991
Lea	**1,825**	267	173	273	170	942
McKinley	**902**	205	122	126	81	368
Valencia	**817**	111	102	158	82	364
Curry	**286**	33	28	43	26	157
Los Alamos	**282**	25	22	14	24	198
Taos	**211**	27	28	25	19	113
Rio Arriba	**58**	7	8	9	5	30

Note: Holding 2023 household formation rates and 2021 AMI distributions constant. Numbers assume a 2% ownership vacancy rate and a 5% rental vacancy rate.

Source: The University of New Mexico Geospatial and Population Studies, 2023 5-year ACS, 2021 CHAS, and Root Policy Research.

Figure II-6.
Projected Ownership Units Needed by 2045, by County, AMI

County	Total	Percent of AMI				
		0-30%	30-50%	50-80%	80-100%	100%+
Total Units	**39,338**	**3,364**	**3,227**	**5,307**	**3,751**	**23,691**
Bernalillo	**13,409**	1,149	1,023	1,710	1,268	8,258
Sandoval	**8,371**	543	531	1,142	892	5,262
Doña Ana	**6,529**	554	586	879	560	3,951
Santa Fe	**6,569**	598	626	941	636	3,769
Eddy	**1,348**	147	159	164	103	774
Lea	**1,236**	123	89	178	120	726
McKinley	**631**	126	89	97	56	262
Valencia	**665**	72	75	139	66	313
Curry	**160**	11	15	22	16	96
Los Alamos	**208**	15	9	9	18	158
Taos	**168**	22	19	18	12	95
Rio Arriba	**45**	5	5	6	4	25

Note: Holding 2023 household formation rates and 2021 AMI distributions constant. Numbers assume a 2% ownership vacancy rate.

Source: The University of New Mexico Geospatial and Population Studies, 2023 5-year ACS, 2021 CHAS, and Root Policy Research.

Figure II-7.
Projected Rental Units Needed by 2045, by County, AMI

County	Total	Percent of AMI				
		0-30%	30-50%	50-80%	80-100%	100%+
Total Units	**18,641**	**4,281**	**2,941**	**3,740**	**1,887**	**5,792**
Bernalillo	**8,191**	1,965	1,365	1,624	863	2,374
Sandoval	**2,236**	379	282	521	285	769
Doña Ana	**3,644**	1,033	625	764	270	952
Santa Fe	**2,723**	490	401	573	276	984
Eddy	**578**	112	88	82	78	217
Lea	**588**	144	84	94	50	216
McKinley	**271**	78	33	28	25	106
Valencia	**152**	39	27	18	16	51
Curry	**127**	22	13	21	10	61
Los Alamos	**74**	11	13	5	6	40
Taos	**43**	5	8	7	7	17
Rio Arriba	**13**	3	2	2	1	5

Note: Holding 2023 household formation rates and 2021 AMI distributions constant. Number assume a 5% rental vacancy rate.

Source: The University of New Mexico Geospatial and Population Studies, 2023 5-year ACS, 2021 CHAS, and Root Policy Research.

SECTION III.

CURRENT HOUSING NEEDS

SECTION III.
Current Housing Needs

This section examines current housing needs in New Mexico with a focus on cost burden, affordability challenges facing senior renter households, trends in homelessness, and the aging and condition of the state's housing stock.

Main Findings

Main findings from this section include:

- Nearly half of renters (49%) and one in five homeowners (20%) face cost burden. This issue is particularly acute for households below 30% AMI, affecting more than four in five of them (83%), as well as single-mother households (59% are cost burdened).
- Since many seniors live on fixed incomes (i.e., social security), they have a limited ability to absorb rising rents without becoming cost burdened. Sixty-three percent of seniors renting in multifamily developments are cost burdened, up from 58% in 2019. Senior renters in mobile homes have seen the sharpest increase in cost burden (from 41% in 2019 to 54% in 2023), driven by a 53% increase in average rents for that type of housing between 2019 and 2023.
- The 2025 Point-in-Time (PIT) Count identified 2,960 persons experiencing homelessness in Albuquerque and 1,723 in the Balance of State.
- Among adults experiencing unsheltered homelessness, approximately 30–61% self-reported a mental health condition and 27–55% reported a substance use disorder — exceeding the rates in the general population. Nearly half (49%) of clients who accessed homelessness services in 2025 reported at least one disability.
- Approximately 10,530 students in New Mexico public schools were identified as experiencing homelessness in the 2024–2025 academic year. That definition of homelessness differs and is more broad than the PIT count, in which children who are functionally homeless are undercounted. Data from the homeless intake system HMIS show that 2,859 children under age 18 accessed homelessness services through CoC agencies in 2025.
- More than one in four occupied housing units (26%) statewide were built before 1970, with significantly higher concentrations in rural counties.

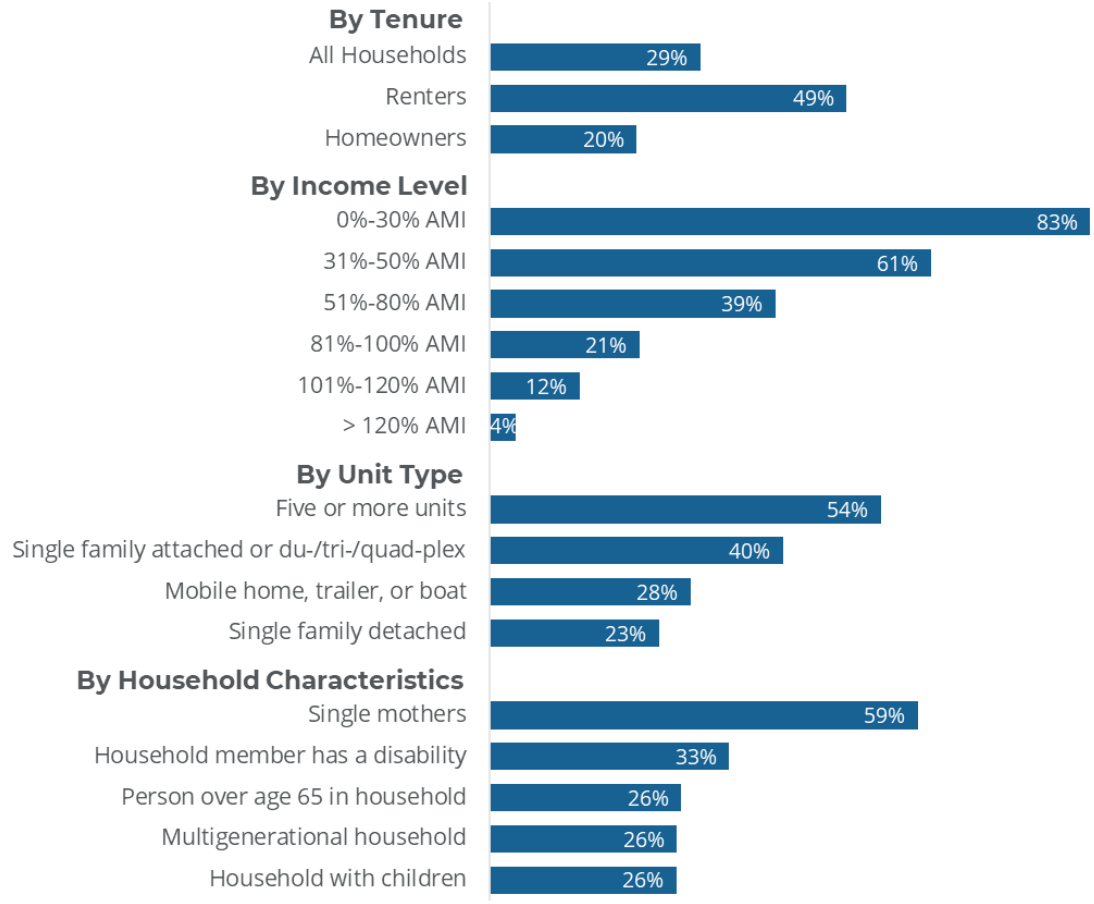
Cost Burden

Housing needs are reflected in cost burden when households pay more than 30% of their incomes in housing costs. This industry standard ensures that households can manage other necessary costs such as health care, child care, the basic necessities of food and personal care. When households are paying more than 50% of their incomes in housing costs they are "severely" cost burdened and carry a higher risk of eviction or foreclosure.

Figure III-1 presents rates of cost burden by tenure, by income level, by housing unit type, and by household characteristics in 2023. The figure shows that:

- Nearly half (49%) of renters are cost burdened compared to one fifth (20%) of homeowners.
- Cost burden affects more than four in five households (83%) at extremely low incomes. Rates of cost burden decrease as incomes increase: Only 4% of households at incomes above 120% AMI are cost burdened.
- More than half of households living in multifamily buildings of five or more units are cost burdened (54%). Households living in single family detached homes are less likely to be cost burdened than those in other unit types.
- More than half (59%) of single mother households are cost burdened. Households containing a member with a disability are also more likely than all households to be cost burdened, although at a much lower rate (33%) than single mother households.

Figure III-1.
Cost Burden by Tenure, Unit Type, and Household Characteristics, 2023



Note: Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

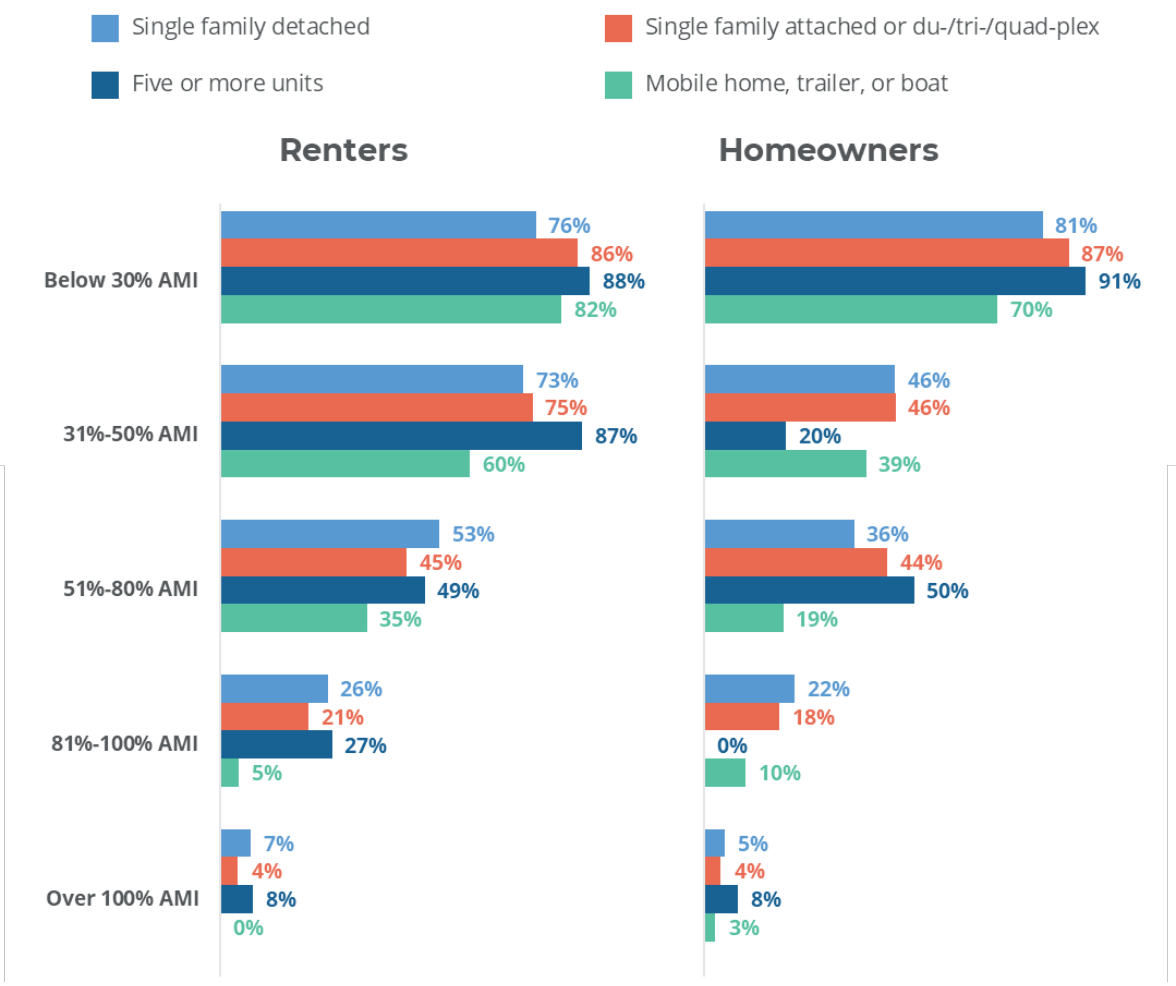
Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Figure III-2 presents rates of cost burden for renters and homeowners by AMI level and unit type. Low income renters are more likely to be burdened than owners, even as their incomes rise. Owners and renters occupying mobile homes tend to have lower rates of cost burden.

Cost burden has increased since 2019 for renter and owner households across almost all unit types and income levels.[1]

[1] Cost burden decreased between 2019 and 2023 for renters above 100% AMI in mobile homes, for owners at 31-50% AMI in multifamily units, and for owners at 81-100% AMI in multifamily units.

Figure III-2.
Cost Burden by Tenure and AMI, 2023



Note: Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source: 2023 ACS 5-year IPUMS, HUD AMI Limits, and Root Policy Research.

Senior Households

According to analysis of seniors' needs for affordable rentals, among renter households with at least one person over the age of 65, 38% live in multifamily housing (18,515 households), 21% (10,529 households) live in a one-family attached home or a du-, tri-, or quad-plex, 31% (15,123 households) live in single family detached homes, and 10% (4,881 households) live in mobile homes.

Since 2019, the types of housing that senior renter households occupy has shifted, albeit slightly. Seniors are now less likely to live in single family detached units (31%, down from 35% in 2019) and mobile homes (10%, down from 12% in 2019) and more likely to live in multifamily developments (38%, up from 33% in 2019). The share living in single family attached units has not changed much (21%, up slightly from 20% in 2019).

Figure III-3 shows the percent and number of senior renter households who are cost burdened by housing type. Rates of cost burden have remained relatively stable since 2019 for seniors renting single family detached and attached homes:

- 36% of seniors renting single family detached homes are cost burdened as of 2023, roughly equal to the 37% who were cost burdened in 2019.
- 54% of seniors renting single family attached homes are cost burdened as of 2023, roughly equal to the 53% who were cost burdened in 2019.

Rates of cost burden have increased since 2019 for senior renters living in multifamily buildings and in mobile homes:

- 63% of seniors renting units in multifamily developments are cost burdened, up from 58% in 2019.
- 54% of seniors renting mobile homes are cost burdened, representing a substantial increase from 41% in 2019.

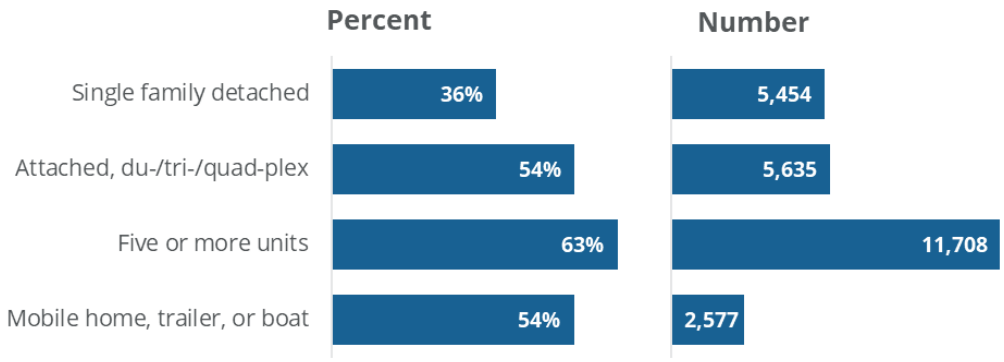
The dramatic increase in cost burden for seniors renting mobile homes is due to a 53% increase in average rents for seniors renting mobile homes from 2019 to 2023. This is compared to 28% increases in average rents paid by seniors renting single family attached units and multifamily units from 2019 to 2023 and a 14% increase in average rent paid by seniors renting single family detached units.[2]

Rapidly rising rents in mobile homes may be tied to sales of mobile home parks to large institutional investors. Institutional investors accounted for 23% of national manufactured home purchases in 2020 and 2021, up from 13% between 2017 and 2019.[3]

[2] Source: 2019 and 2023 ACS 5-year IPUMS.

[3] Source: Private Equity Stakeholder Project: PESP Private Equity Manufactured Housing Tracker. Data specific to New Mexico are not available.

Figure III-3.
Percent and Number of Cost Burdened Senior Renter Households by Housing Type, 2023

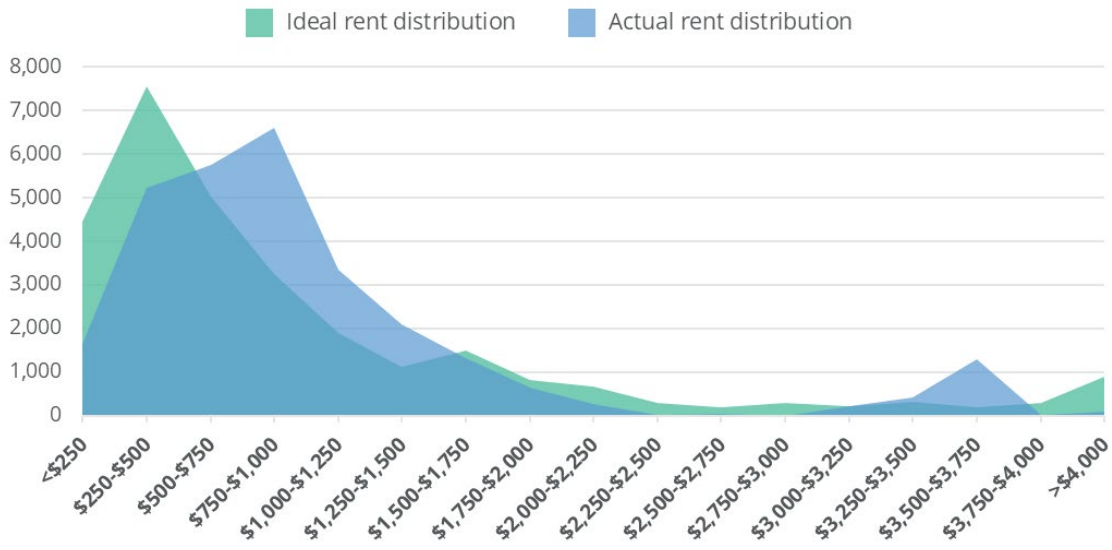


Note: Includes renter households with at least one person over age 65 in the household.

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Figure III-4 shows the actual distribution of multifamily rental housing for senior renter households according to gross rent costs compared to the rent distribution that would be needed to avoid cost burden for seniors renting attached units, including single family attached, du-/tri-/four-plex units, or multifamily units. Ideal rents are calculated as 30% of monthly household income.

Figure III-4.
Actual Rents v. Ideal Rents for Seniors Renting Attached Units, 2023



Note: Ideal rents are calculated as 30% of monthly income.

Source: 2023 ACS 5-year IPUMS and Root Policy Research.

The largest gaps, as demonstrated by the figure above, is at the lowest end of the rent spectrum. There is a shortage of 5,138 units priced below $500/month for senior renter households. This shortage has grown by 12% since 2019, when seniors faced a shortage of 4,590 units at this price point. Approximately 2,798 senior renter households living in units priced above $250/month need units priced *below* $250/month to avoid being cost burdened. Another 2,340 senior renter households live in units priced above $500/month, but need units priced between $250 and $500/month to avoid being cost burdened.

According to population projections by the University of New Mexico, the share of residents over the age of 65 is projected to increase from 18% in 2020 to 23% of total residents by 2035. Many will try to remain in their current homes, and renters will have a harder time doing so if rents continue to increase. A 2024 AARP survey found that approximately four in five adults age 65 and older want to remain in their homes as long as possible.[4]

Homelessness

This section presents data on homelessness in New Mexico. New Mexico contains two Continuums of Care: the Albuquerque CoC (ABQ CoC), which covers the City of Albuquerque, and the New Mexico Balance of State CoC (BoS CoC), which covers all parts of New Mexico outside of Albuquerque. Continuums of Care maintain two main sources of data on homelessness and report these to the U.S. Department of Housing and Urban Development (HUD):

- Data from Point-in-Time (PIT) Counts, a count of sheltered and unsheltered people experiencing homelessness on a single night in January each year, and
- Data from the Homeless Management Information System (HMIS), a system used to collect client-level data and data on the provision of housing and services to individuals and families at risk of and experiencing homelessness.

In addition to analyzing PIT Count and HMIS data, this section incorporates McKinney-Vento data on New Mexico public schools students experiencing homelessness to present a more complete picture of homelessness in New Mexico. That definition of homelessness differs and is more broad than the PIT count, and includes children who are "sharing the housing of other persons," living in motels or hotels, and/or living in hospitals.

4 https://public.tableau.com/app/profile/aarp.research/viz/AARP2024HomeandCommunitySurveyDashboard/AARPHomeandCommunityCrosstabDashboard

Point-in-Time Count. According to the 2025 Point-In-Time (PIT)[5] report produced by the New Mexico Coalition to End Homelessness[6] (NMCEH):

- There were 2,960 persons experiencing homelessness in Albuquerque and 1,723 in the Balance of State. Approximately 46% of those in Albuquerque and 45% of those in the Balance of State were unsheltered and sleeping outside, in a tent, in a vehicle, or in another place not meant for human habitation.

- Adults experiencing homelessness are more likely to struggle with mental illness than residents overall. Approximately 61% of the surveyed adults experiencing unsheltered homelessness in Albuquerque and 30% of the surveyed adults experiencing unsheltered homelessness in the Balance of State self-reported having a mental health condition. [7] The prevalence of serious mental illness among the general population over 18 is 6%, according to the Substance Abuse and Mental Health Services Administration.[8]

- Persons experiencing unsheltered homelessness are also disproportionately likely to have a substance use disorder. Approximately 55% of Albuquerque residents experiencing unsheltered homelessness and 27% of those experiencing unsheltered homelessness in the Balance of State reported having a substance use disorder.[9] The prevalence of substance use disorder among the general adult population is 17%, according to the Substance Abuse and Mental Health Services Administration.[10]

The following figures show trends in PIT counts for the Albuquerque and Balance of State Continuum of Care (CoC). Note that according to the NMCEH Point-In-Time Count Report for 2025, pandemic-related complications affected the 2021 and 2022 PIT Counts, so 2021 and

---

[5] The Point-In-Time (PIT) count is a nationwide count of individuals and families experiencing homelessness within a community on a given night, as outlined and defined by the U.S. Housing and Urban Development Department (HUD).

[6] 2025 Point-In-Time-Count, Joint Albuquerque and Balance of State Report https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

[7] Data on chronic homelessness, veteran status, first-time homelessness, domestic violence, and disabling conditions for those living in Emergency Shelters and Transitional Housing are not available in 2025 due to data quality issues. The 2022 PIT Count found that the following population shares self-reported having a serious mental illness: 25% of adults in Albuquerque emergency shelters, 9% of adults in Albuquerque transitional housing, 30% of adults in Balance of State emergency shelters, and 14% of adults in Balance of State transitional housing.

[8] https://www.samhsa.gov/data/sites/default/files/reports/rpt56484/NSDUHDetailedTabs2024/NSDUHDetailedTabs2024/2024-nsduh-detailed-tables-sect6pe.htm#tab6.1a

[9] Data on disabling conditions for those living in Emergency Shelters and Transitional Housing are not available in 2025 due to data quality issues. The 2022 PIT Count found that the following population shares self-reported having a substance use disorder: 13% of adults in Albuquerque emergency shelters, 5% of adults in Albuquerque transitional housing, 16% of adults in Balance of State emergency shelters, and 7% of adults in Balance of State transitional housing.

[10] https://www.samhsa.gov/data/sites/default/files/reports/rpt56484/NSDUHDetailedTabs2024/NSDUHDetailedTabs2024/2024-nsduh-detailed-tables-sect6pe.htm#tab6.1a

2022 PIT Counts may be less accurate than the PIT Counts before and after these years.[11] According to the NMCEH Point-in-Time Count for 2025, the 2025 Balance of State count of unsheltered individuals was less comprehensive than in past years due to staff and resource constraints. Resultantly, the 2025 Balance of State count likely undercounts individuals experiencing unsheltered homelessness.

Homelessness in Albuquerque increased each year from 2013 to 2021, decreased substantially between 2021 and 2022, and has risen since 2022 to a high of 2,960 in 2025. Note that the Albuquerque unsheltered count was organized more systematically in 2023, 2024, and 2025 than in previous years, so the increase in people experiencing homelessness in Albuquerque between 2022 and 2023 partially reflects the first-time inclusion of people who previously went uncounted despite experiencing homelessness.

In the Balance of State, homelessness decreased annually from 2011 to 2017, spiked in 2019, and appeared to decrease between 2019 and 2021—though this may be due to pandemic-related PIT Count complications in 2021. Homelessness in the Balance of State increased annually from 2021 to 2024, reaching 1,909 in 2024. The total number of individuals counted as experiencing homelessness in the Balance of State in 2025 was 1,723; though this apparent decrease is likely attributable to an undercount due to reduced staff and resource capacity for the 2025 Balance of State unsheltered count relative to 2024.

Rising homelessness since 2021 across New Mexico may be attributable to the end of COVID-era state and federal eviction protections[12] and the drying up of COVID-19 relief funds, in addition to data limitations in pandemic-affected years, and methodological improvements in Albuquerque.

[11] Due to the restrictions placed on the count by the COVID-19 pandemic from local and Federal regulations, outreach teams could logistically only cover smaller geographic areas for shorter amounts of time. Coupled with ongoing removal of encampments during the pandemic, this created areas of constantly shifting populations which would hamper effective engagement on a limited scale. In addition, only 14 out of 33 total counties in New Mexico were accounted for in 2021.

[12] New Mexico saw an average of 670 evictions filed monthly from April 2020 to September 2021. An average of 1,189 evictions have been filed monthly since January 2023. Source: https://evictionlab.org/eviction-tracking/new-mexico/

Figure III-5. Total Persons Experiencing Homelessness, Point-in-Time (PIT) Counts, 2009–2025

Note:

2021 and 2022 PIT Counts were affected by pandemic-related complications. 2023 and 2024 Albuquerque unsheltered counts were more comprehensive than previous years. The 2025 Balance of State count of unsheltered individuals was less comprehensive than in past years due to staff and resource constraints.

Source:

2025 Point-In-Time Count https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

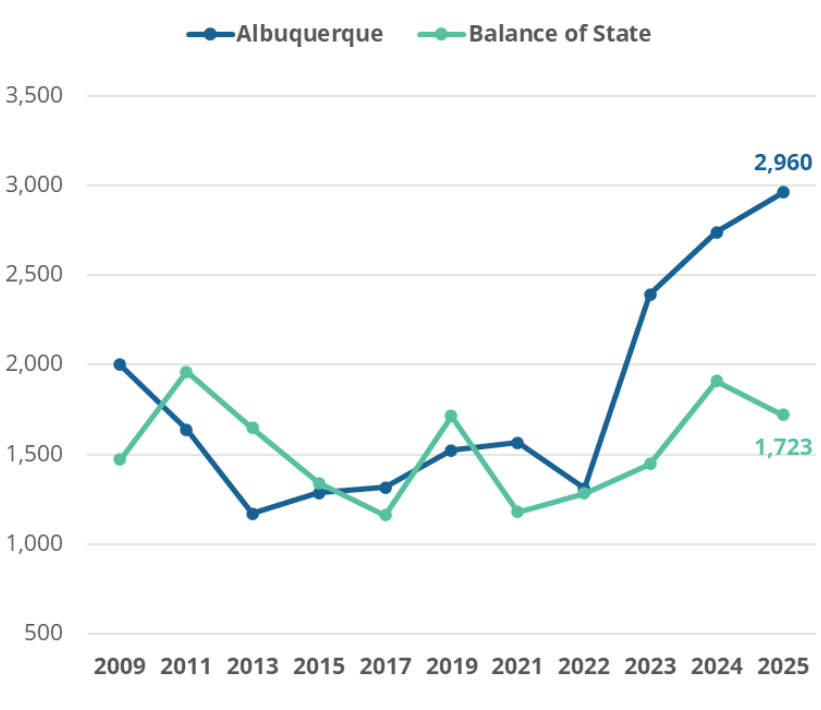


Figure III-6 shows trends in the number of people counted as experiencing unsheltered homelessness in PIT Counts. In both Albuquerque and the Balance of State, the unsheltered population identified in PIT Counts decreased overall between 2009 and 2013, increased each year to a peak in 2019, and decreased overall from 2019 to 2021.

In addition to data limitations in pandemic-affected years, another reason for this decrease in unsheltered individuals was the creation of "Wellness Motels," an effort to support safe housing for people experiencing homelessness during the pandemic. These hotels added extra beds and allowed for more people to be sheltered on the night of the count.

The number of unsheltered individuals in 2022 continued to decrease in Albuquerque but slightly increased in the Balance of State. Data show a dramatic increase in people experiencing unsheltered homelessness in Albuquerque between 2022 and 2023, likely due the first-time implementation of an improved and more comprehensive data collection methodology in Albuquerque's unsheltered count.[13] The number of unsheltered individuals in Albuquerque has continued to rise, reaching 1,367 by 2025.

NMCEH believes that the reported 2024 to 2025 decrease in the Balance of State unsheltered count—from 1,011 to 779—likely reflects reduced geographic coverage and logistical challenges

[13] In Albuquerque, the increase in unsheltered individuals counted from 2023 to 2024 is more likely to reflect true growth in the number of people who are unsheltered.

tied to staffing and resource limitations, rather than a true decline in homelessness outside of Albuquerque.

Rising unsheltered homelessness since 2022 in Albuquerque and the Balance of State could be attributable to the undercounting of unsheltered individuals in the pandemic years of 2021 and 2022, the end of COVID-era eviction protections, and the drying up of COVID-19 relief funds.

Figure III-6. People Living in Unsheltered Living Conditions, PIT Counts, 2009–2025

Note:

2021 and 2022 PIT Counts were affected by pandemic-related complications. 2023 and 2024 Albuquerque unsheltered counts were more comprehensive than previous years. The 2025 Balance of State count of unsheltered individuals was less comprehensive than in past years due to staff and resource constraints.

Source:

2025 Point-In-Time Count https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

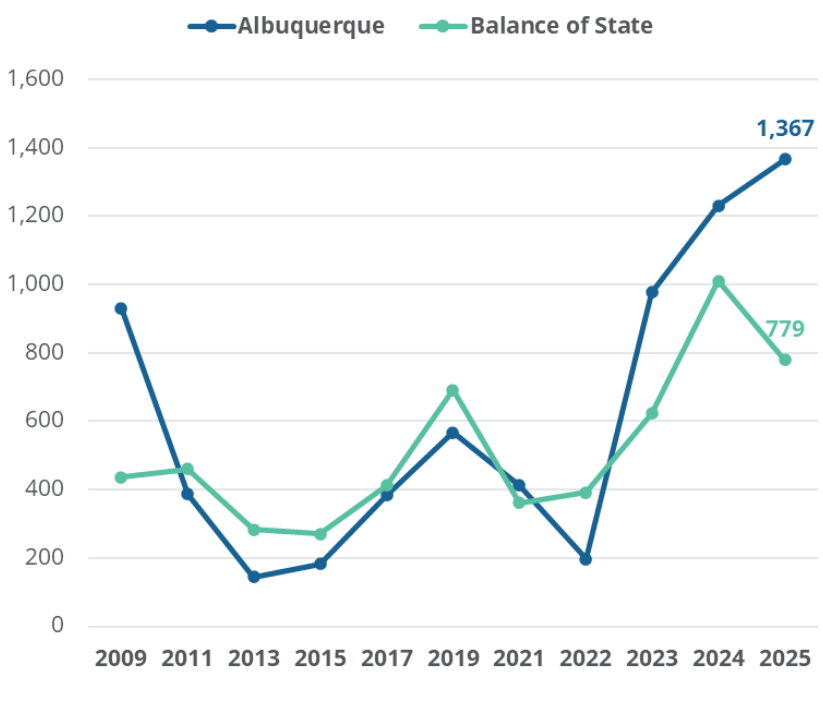


Figure III-7 shows that the number of people in emergency shelters increased in Albuquerque between 2020 and 2021 as Wellness Motels were opened during the COVID-19 pandemic. The count of people in Albuquerque emergency shelters remained stable from 2021 to 2022 and has increased each year since. In the Balance of State, the count of individuals in emergency shelters decreased from 2020 to 2021 and has hovered between 600 and 800 since.

Figure III-7. People Residing in Emergency Shelters, PIT Counts, 2009–2025

Note:

2021 and 2022 PIT Counts were affected by pandemic-related complications.

Source:

2025 Point-In-Time Count https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

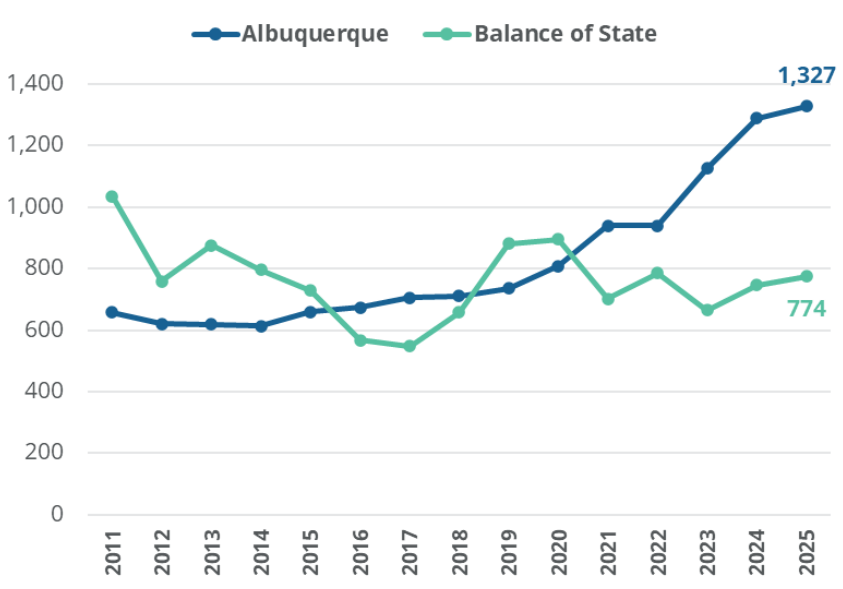


Figure III-8 shows a decrease in the number of individuals in transitional housing since the early- to mid-2010s. These decreases are due to HUD encouraging transitional housing programs to switch to rapid rehousing models. Many programs in New Mexico elected to make that switch. Despite a general declining trend, the number of people living in transitional housing in both Albuquerque and the Balance of State spiked in 2023.

Figure III-8. People Residing in Transitional Housing, PIT Counts, 2009–2025

Note:

2021 and 2022 PIT Counts were affected by pandemic-related complications.

Source:

2025 Point-In-Time Count https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

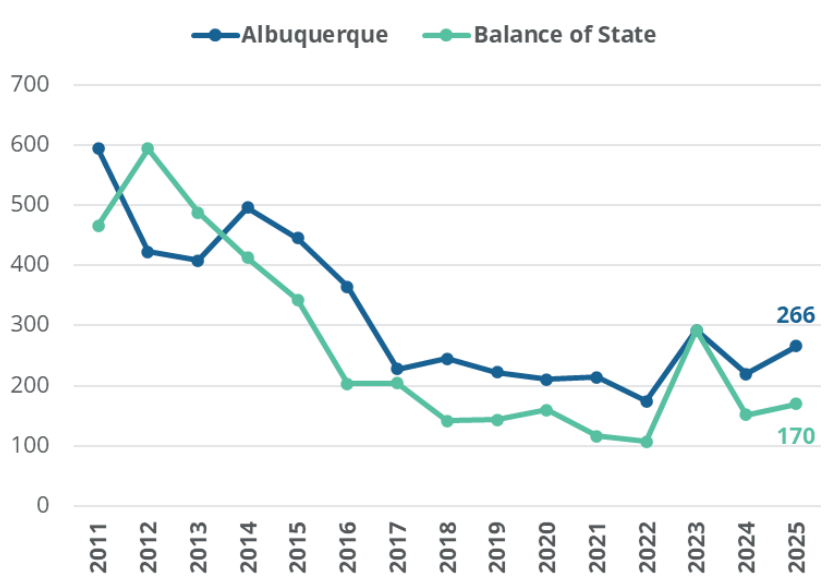


Figure III-9 presents the housing situations of residents identified as experiencing homelessness at the time of the 2025 PIT Count. In New Mexico overall, 46% of residents experiencing homelessness were unsheltered, 45% were living in emergency shelters, and 9% were living in transitional housing. These shares are approximately the same for residents experiencing homelessness in Albuquerque and in the Balance of State.

Figure III-9.
Housing Situation of Residents Counted in 2025 PIT Count, by Continuum of Care

	Emergency Shelter	Transitional Housing	Unsheltered	Total
Albuquerque CoC	1,327	266	1,367	2,960
Balance of State CoC	774	170	779	1,723
New Mexico	2,101	436	2,146	4,683

Note: Data not available by county. The 2025 Balance of State count of unsheltered individuals was less comprehensive than in past years due to staff and resource constraints.

Source: 2025 Point-In-Time Count, https://568ac5c8-a616-4ffa-987e-7f77d5d1e6aa.filesusr.com/ugd/ad7ad8_0b3a57c7ce914d7f9bc94b6ea37be15c.pdf

Because the 2025 Balance of State unsheltered count was less comprehensive than in previous years due to staff and resource constraints, Figure III-10 presents the same data for 2024. In 2024, residents experiencing homelessness in Albuquerque were more likely than those in the Balance of State to be accommodated in emergency shelters (47% vs. 39%), while residents experiencing homelessness in the Balance of State were more likely than those in Albuquerque to be unsheltered (53% vs. 45%).

Figure III-10.
Housing Situation of Residents Counted in 2024 PIT Count, by Continuum of Care

	Emergency Shelter	Transitional Housing	Unsheltered	Total
Albuquerque CoC	1,289	220	1,231	2,740
Balance of State CoC	746	152	1,011	1,909
New Mexico	2,035	372	2,242	4,649

Note: Data not available by county.

Source: 2024 Point-In-Time Count https://www.nmceh.org/_files/ugd/2e9419_b4f165dd991a4b7aada59938d8488dbe.pdf

Homeless Management Information System. A key limitation of the PIT Count data presented above is that it only reflects the population experiencing homelessness on a single night. Homeless Management Information System (HMIS) data provide information on individuals and families experiencing homelessness who access housing, shelter, or services from the Albuquerque CoC (ABQ CoC) participating agencies and New Mexico Balance of State CoC (BoS CoC) participating agencies year-round. Some services may not be tracked in HMIS, so these data are approximate and don't fully reflect the homeless population accessing services or shelter.

In total, 13,898 clients in 10,362 households received homelessness services of any kind in New Mexico in 2025. This includes 8,376 clients in 6,468 households who received homelessness

services through ABQ CoC agencies and 5,705 clients in 4,309 households who received homelessness services through BoS CoC agencies.[14]

Figure III-11 summarizes the services provided by CoC agencies in New Mexico in 2025. Clients who accessed multiple types of services in 2025 are counted under the service they received most recently. Data show that the most frequently accessed service is emergency shelter—a form of shelter that provides overnight lodging. At least 5,771 clients accessed emergency shelter in New Mexico in 2025. Other services accessed by at least 1,700 to 1,900 clients in New Mexico in 2025 include:

- Homelessness Prevention: emergency rental assistance for households immediately at risk of eviction;
- Permanent Supportive Housing: permanent housing combined with supportive services for clients with a disability experiencing chronic homelessness; and
- Rapid Rehousing- short- to medium-term housing assistance and supportive services provided to households who have recently lost their homes.

Figure III-11.
Clients who Accessed Homelessness Services by Project Type, 2025

Note:
Clients who accessed multiple types of services are counted in the service they received most recently.
"Services Only" includes clients who received assistance with clothing, food, transportation, identification and documentation, benefits applications, and/or school enrollment outside of a formal day shelter office.
"Other HMIS Project" represents a project with San Juan Community Partnership that allows for flexible homelessness prevention.
Source:
ABQ CoC HMIS and NM BoS CoC HMIS.

Project Type	Clients Served
All Projects	**13,898**
Emergency Shelter	5,771
Homelessness Prevention	1,869
Permanent Supportive Housing	1,783
Rapid Re-Housing	1,764
Services Only	1,161
Street Outreach	873
Transitional Housing	308
Day Shelter	257
Other Permanent Housing	96
Other HMIS Project	16

Approximately 84% of households who accessed homelessness services in New Mexico through CoC agencies in 2025 contained only adults, 11% contained adults and children, and 3% contained only children.

[14] Some clients and households received services through both CoCs in 2025.

Figure III-12. Households who Accessed Homelessness Services by Household Type, 2025

Source:
ABQ CoC HMIS and NM BoS CoC HMIS.

	Number of Households	Percent of Households
All Households	**10,362**	**100%**
By Household Type		
With only adults	8,734	84%
With children and adults	1,178	11%
With only children	282	3%
Unknown household type	168	2%

The table in Figure III-13 summarizes the demographic characteristics of clients who accessed homelessness services through CoC agencies in New Mexico in 2025. Of the 13,898 clients who accessed homelessness services,

- 63% were unhoused and unsheltered,
- One in five (21%) were children under the age of 18,
- 7% were 65 or older,
- Approximately one in ten (9%) were veterans, including 165 who were experiencing chronic homelessness, and
- Nearly half (49%) reported having at least one disability.
    - The most frequently reported disabilities were mental health disorders (32%), physical disabilities (22%), and chronic health conditions (21%).
    - Approximately 16% reported having alcohol use disorder and/or drug use disorder.

Figure III-13. Demographic Characteristics of Clients who Accessed Homelessness Services, 2025

Source:
ABQ CoC HMIS and NM BoS CoC HMIS.

	Number of Clients	Percent of Clients
All Clients	**13,898**	**100%**
By Housing Status		
Housed or sheltered	5,189	37%
Unhoused and unsheltered	8,709	63%
By Age		
Under 5	772	6%
5 to 12	1,226	9%
13 to 17	861	6%
18 to 24	1,023	7%
25 to 34	2,005	14%
35 to 44	2,705	19%
45 to 54	2,205	16%
55 to 64	1,896	14%
65 or older	1,029	7%
Unknown	176	1%
By Veteran Status		
Not veterans	12,707	91%
Veterans	1,191	9%
Chronically homeless veterans	165	1%
Non-chronically homeless veterans	1,026	7%
By Disability Status		
No disability	5,476	39%
With at least one disability	6,784	49%
Mental health disorder	4,475	32%
Alcohol use disorder	616	4%
Drug use disorder	1,168	8%
Both alcohol and drug use disorder	528	4%
Chronic health condition	2,972	21%
HIV/AIDS	456	3%
Developmental disability	1,271	9%
Physical disability	3,057	22%
Unknown disability status	1,638	12%

Figure III-14 presents the racial and ethnic composition of the population that accessed homelessness services in New Mexico in 2025. White clients represented the largest single racial group at 28% (3,944 clients), followed by Hispanic/Latina/o clients at 22% (3,045 clients) and multiracial clients with one Hispanic/Latina/o identification at another 22% (3,103 clients).

American Indian, Alaska Native, or Indigenous clients accounted for 13% of all clients (1,747 clients), and Black, African-American, or African clients represented 9% (1,249 clients). These figures reflect overrepresentation of non-Hispanic American Indian, Alaska Native, or Indigenous and non-Hispanic Black, African American clients relative to their shares of New Mexico's overall population—13% and 9% of the homeless services population, respectively, compared to approximately 9% and 2% of the state's total population.

Figure III-14. Race and Ethnicity of Clients who Accessed Homelessness Services, 2025

Source:
ABQ CoC HMIS and NM BoS CoC HMIS.

	Number of Clients	Percent of Clients
All Clients	**13,898**	**100%**
By Race/Ethnicity		
American Indian, Alaska Native, or Indigenous	1,747	13%
Asian or Asian-American	47	0%
Black, African-American, or African	1,249	9%
Hispanic/Latina/o	3,045	22%
Middle Eastern or North African	17	0%
Native Hawaiian or Pacific Islander	89	1%
White	3,944	28%
Multiracial (with one being Hispanic/Latina/o)	3,103	22%
Multiracial (w/o one being Hispanic/Latina/o)	332	2%
Unknown	325	2%

Children and youth experiencing homelessness. According to the 2025 PIT Count, 428 of the 2,960 individuals experiencing homelessness in Albuquerque (14%) were in households that contained children. In the Balance of State, 409 of 1,723 individuals experiencing homelessness (24%) were in households that contained children. Most individuals in households with children were living in emergency shelters (72% in Albuquerque; 68% in the Balance of State). Approximately one in four individuals living in households with children were living in transitional housing (23% in Albuquerque; 26% in the Balance of State). The rest of individuals in households with children (4% in Albuquerque; 6% in the Balance of State) were unsheltered at the time of the PIT Count.

Notably, the federal PIT Count methodology provides a snapshot of homelessness on a single night and cannot be expected to identify every person experiencing homelessness. Additionally, the PIT Count excludes residents who do not meet the federal definition of homelessness,

including those who are precariously housed or couch surfing. The PIT Count is considered an underrepresentation of homelessness in a community.

HMIS data previously presented show that 2,859 children under 18 accessed homelessness services through Continuum of Care agencies in New Mexico in 2025.

Through a mechanism established by the McKinney-Vento Act, school districts provide an additional—and more inclusive—source of data on homelessness. Under the McKinney-Vento Act, the term "homeless children and youths" is defined as individuals who lack a fixed, regular, and adequate nighttime residence. McKinney-Vento data include many people who are not included in PIT Counts.[15]

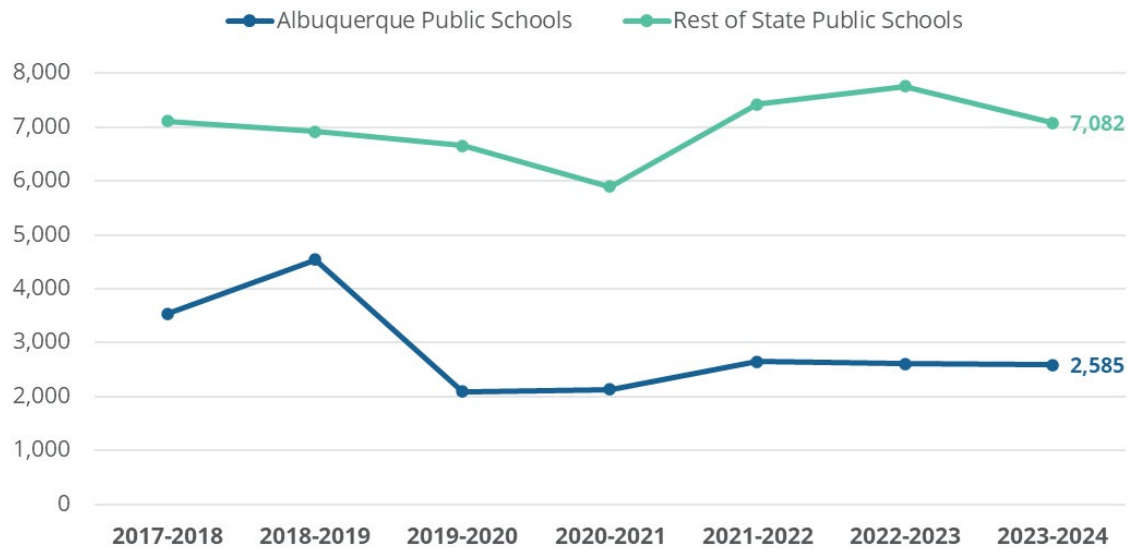
Figure III-15 shows the trends in the number of students in New Mexico public schools who are identified as experiencing homelessness, as defined by the McKinney-Vento Act. In academic year 2023-2024, the most recent year with complete data available, there were 9,667 students experiencing homelessness in New Mexico public schools, down 7% from 10,374 in 2022-2023. Data show that 2,585 (27%) of these students are in Albuquerque Public Schools, while the remaining 7,082 (73%) of these students attend school in other districts. Preliminary data for 2024-2025 show that the number of New Mexico public schools students experiencing homelessness increased by approximately 9% from 9,667 in 2023-2024 to 10,533 in 2024-2025.[16]

The 7% decrease in students experiencing homelessness in the state's public schools from 2022-2023 to 2023-2024 is due to a 9% decrease in the number of students experiencing homelessness in districts other than Albuquerque Public Schools as the number of students experiencing homelessness in Albuquerque Public Schools remained relatively constant across this time. The apparent drop in students experiencing homelessness around 2019-2020 and 2020-2021 may be due to difficulty of collecting this data during the pandemic related to school closures and other disruptions.

[15] This includes children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals; children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and migratory children who qualify as homeless under the previous definitions.

[16] Counts for Albuquerque Public Schools and the rest of the state's public schools are not yet available. Source: NMCEH 2025 Point-in-Time Count Report, https://568ac5c8-a616-4ffa-987e-7f77d5d1e6aa.filesusr.com/ugd/ad7ad8_0b3a57c7ce914d7f9bc94b6ea37be15c.pdf

Figure III-15.
Children Enrolled in New Mexico Public Schools Experiencing Homelessness



Note: Dates follow the academic calendar. Smaller school districts had suppressed numbers when counts were below 10. "Rest of State Public Schools" count assumes that school districts where fewer than 10 students were counted had 9 students counted. According to the 2025 NMCEH Point-in-Time Count Report, 10,533 total students were experiencing homelessness in 2024-2025—a 9% increase from 9,667 in 2023-2024.

Source: New Mexico Public Education Department Homeless Student Counts and Root Policy Research.

Aging Housing Stock

Aging housing stock, particularly that located in economically challenged areas, can indicate housing that is in fair condition and in need of rehabilitation. Figure III-16 shows the number and percent of occupied housing units built before 1970 by tenure. Statewide, 213,369 occupied housing units — 26% of all occupied units — were built before 1970, including 142,655 owner-occupied units (25% of owner occupied units) and 70,714 renter-occupied units (28% of renter occupied units). Aging housing stock is particularly concentrated in several rural counties.

- Quay County has the highest share of pre-1970 units at 60% overall, with 62% of owner units and 55% of renter units built before 1970.
- Harding County has the second highest share of pre-1970 units at 54%, with 50% of owner units and 70% of renter units built before 1970.
- Union (52%), Chavez (47%), and Colfax (46%) also have notably high shares of aging housing stock.

Older housing units are more likely to require costly repairs and upgrades, may contain hazardous materials such as lead paint, and are often less energy efficient.

Figure III-16.
Number and Percent of Occupied Housing Units Built Before 1970 by Tenure and County

	Number of units built before 1970			Percent of units built before 1970		
	Total	Owner	Renter	Total	Owner	Renter
New Mexico	**213,369**	**142,655**	**70,714**	**26%**	**25%**	**28%**
Bernalillo	81,383	52,239	29,144	29%	29%	29%
Catron	385	320	65	23%	22%	32%
Chaves	11,020	8,156	2,864	47%	50%	39%
Cibola	2,532	1,679	853	30%	29%	35%
Colfax	2,499	1,730	769	46%	44%	51%
Curry	6,893	4,328	2,565	37%	38%	36%
De Baca	316	150	166	43%	30%	74%
Doña Ana	14,425	8,305	6,120	17%	15%	21%
Eddy	9,471	6,883	2,588	41%	40%	44%
Grant	3,935	2,571	1,364	36%	32%	46%
Guadalupe	529	396	133	36%	35%	42%
Harding	153	110	43	54%	50%	70%
Hidalgo	502	416	86	33%	37%	23%
Lea	9,078	6,467	2,611	37%	38%	35%
Lincoln	1,873	1,489	384	20%	20%	20%
Los Alamos	3,473	2,573	900	42%	42%	43%
Luna	3,137	2,017	1,120	35%	32%	40%
McKinley	4,889	2,761	2,128	23%	19%	32%
Mora	635	540	95	32%	30%	44%
Otero	5,400	3,438	1,962	22%	22%	23%
Quay	2,467	1,857	610	60%	62%	55%
Rio Arriba	3,509	2,679	830	23%	23%	25%
Roosevelt	2,292	1,616	676	32%	36%	25%
San Juan	7,902	5,333	2,569	19%	19%	21%
San Miguel	4,354	2,848	1,506	37%	33%	47%
Sandoval	4,292	3,350	942	8%	7%	10%
Santa Fe	13,747	9,106	4,641	20%	19%	23%
Sierra	1,524	986	538	28%	26%	33%
Socorro	1,677	1,236	441	32%	32%	32%
Taos	3,550	2,780	770	25%	24%	25%
Torrance	800	583	217	14%	12%	20%
Union	776	592	184	52%	58%	38%
Valencia	3,951	3,121	830	15%	14%	17%

Source: 2023 ACS 5-year, and Root Policy Research.

SECTION IV.

RENTAL AND OWNERSHIP MARKET TRENDS

SECTION IV.
Rental and Ownership Market Trends

This section examines rental and ownership market conditions across New Mexico, drawing on data from CoStar, the American Community Survey (ACS), the Home Mortgage Disclosure Act (HMDA), the Zillow Home Value Index, and Housing New Mexico. It covers multifamily vacancy and rent trends, the supply of income restricted housing, rental gaps, home price appreciation, construction costs, and homeowner's insurance premiums.

Main Findings

Main findings from this section include:

- New Mexico's multifamily rental vacancy rate fell to a low of around 4.6% during the pandemic before rebounding to approximately 7.7% in Q4 2025, driven by strong trends in new construction. Excluding recently built units still in lease-up, the effective vacancy rate is about 6.5%.
- The vacancy rate for units priced below $800/month is 5.2%, compared to rates over 7% for higher priced units. Renters with lower incomes who need units priced at or below $800 to avoid cost burden face a much tighter market than renters who can afford units at higher price points.
- Average multifamily rents in New Mexico increased 48% over the past decade, from $826 in Q4 2015 to $1,223 in Q4 2025. Rent growth is now stabilizing statewide.
- Housing New Mexico has financed 20,822 income-restricted units statewide. According to HUD data, at least 46% are expected to expire by 2039, with several counties facing near-term loss of all units with known expiration dates.
- The statewide rental gap for households below 30% AMI grew from approximately 32,000 units in 2019 to 34,000 in 2023. Given the significant increase in rents, a widening of the gap was expected. The growth of the rental gap is modest, which is reflective of the state's efforts to add housing affordable to very low income households. Gaps worsened the most in Santa Fe, Lea, Sandoval, and San Juan counties, while several rural counties saw improvement.
- When adjusted to reflect actual renter household sizes rather than a uniform four-person household (a common approach that reflects HUD AMIs), the statewide rental gap rises to approximately 41,000 units — concentrated in Bernalillo, Doña Ana, Santa Fe, San Juan, and Curry counties.

- New Mexico's typical home value according to Zillow rose 85% over the past decade to approximately $312,000 in 2025, with prices more than doubling in Los Alamos, Valencia, and Sandoval counties. The median price of homes purchased with a mortgage increased 63% from 2018 to 2024.

- Rising property values have significantly increased down payment barriers. A 20% down payment on the statewide median home now requires $67,000, up from $47,000 in 2020; in Los Alamos and Santa Fe, a 20% down payment exceeds $100,000.

- Building material costs remain well above pre-pandemic levels, contributing to slower residential construction and resulting in higher-priced housing. Softwood lumber and steel saw the largest price increases, and while both have partially moderated, neither has returned to 2019 levels.

- New Mexico homeowner's insurance premiums increased 72% on average between 2014 and 2024 — faster than the national average — with costs more than doubling in several counties. Premiums increase due to increased risks and also when home prices rise (higher valued homes carry higher premiums). Research has linked rising premiums to increased mortgage delinquency, particularly for financially constrained households.

Rental Market Trends

This section discusses rent and vacancy trends for New Mexico's rental units in multifamily developments[1] using data from multifamily analytics provider CoStar.

Figure IV-1 presents trends in vacancy rates for multifamily rental units in New Mexico and by MSA. Note that stable rental markets typically have vacancy rates of 5% to 7%. The figure also presents the number of new multifamily units delivered each quarter. New multifamily units tend to inflate vacancy rates in the short term as they sit vacant during their initial lease-up periods.

New Mexico's multifamily rental vacancy rate decreased from a relatively high 7.5% in Q4 2013 to 4.6% by Q3 2021 to Q1 2022, landing on a relatively low vacancy rate typical of multifamily rental markets during and shortly after the pandemic.

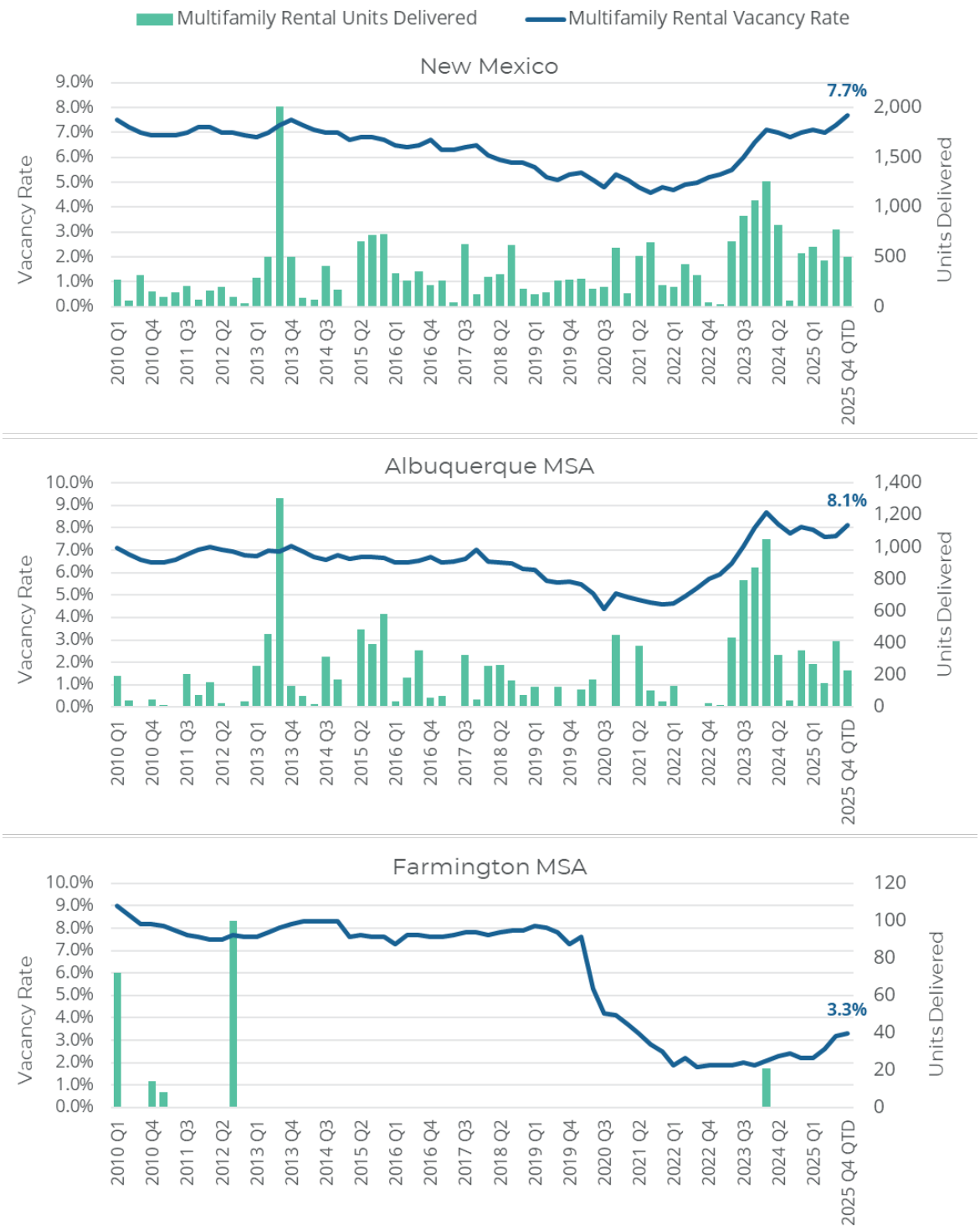
Vacancy increased with strong multifamily residential construction following the pandemic, especially from Q2 2023 to Q2 2024. Approximately 7.7% of the state's multifamily rental units are vacant as of Q4 2025. When excluding units constructed in 2024 and 2025 to account for the lease-up periods of these new units, the state's vacancy rate for multifamily rental units in Q4 2025 is approximately 6.5%.

By MSA,

- The Albuquerque MSA's vacancy rate is slightly higher than New Mexico's at 8.1% (7.0% when excluding units built in 2024 and 2025). Trends in the Albuquerque MSA's multifamily rental market were similar to trends in the state overall.

- The Santa Fe MSA's vacancy rate is the highest in the state at 11.3%, though this is due to strong multifamily construction in 2024 and 2025: excluding new units, 6.4% of Santa Fe's multifamily rentals are vacant.
- The Farmington and Las Cruces MSAs saw dramatic decreases in their multifamily vacancy rates with the pandemic. The Farmington MSA has the lowest multifamily rental vacancy rate in New Mexico at 3.3%.

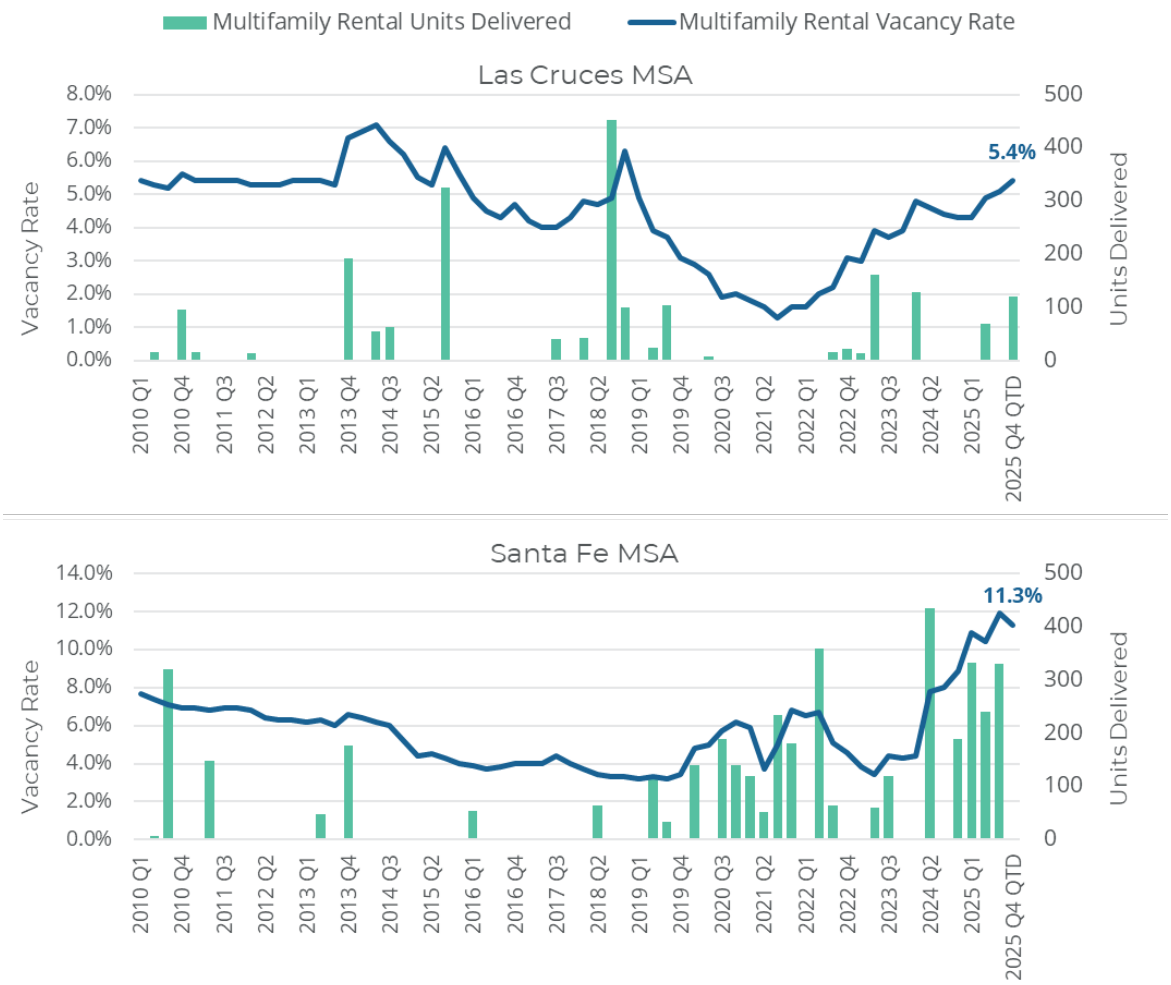
Figure IV-1.
Multifamily Rental Vacancy Rate and Units Delivered, New Mexico and by MSA, 2010 Q1-2025 Q4 QTD



Note: 2025 Q4 QTD is current as of November 19, 2025. Continued on next page.

Source: CoStar.

Figure IV-1. (continued)
Multifamily Rental Vacancy Rate and Units Delivered, New Mexico and by MSA, 2010 Q1-2025 Q4 QTD (Continued)



Note: 2025 Q4 QTD is current as of November 19, 2025.

Source: CoStar.

Figure IV-2 shows that vacancy rates for New Mexico multifamily rental units are lowest—approximately 5.2%—for units priced below $800/month. By contrast, 9.8% of units priced between $1,600 and $1,999/month and 25.6% of units priced at or above $2,000/month are vacant.

The vacancy rates demonstrate that renters with lower incomes who need units priced at or below $800 to avoid cost burden face a much tighter market than renters who can afford units at higher price points.

Figure IV-2.
Multifamily Rental Vacancy Rate by Average Effective Rent, 2025 YTD

Note:
2025 YTD includes January to November.

Source:
CoStar.

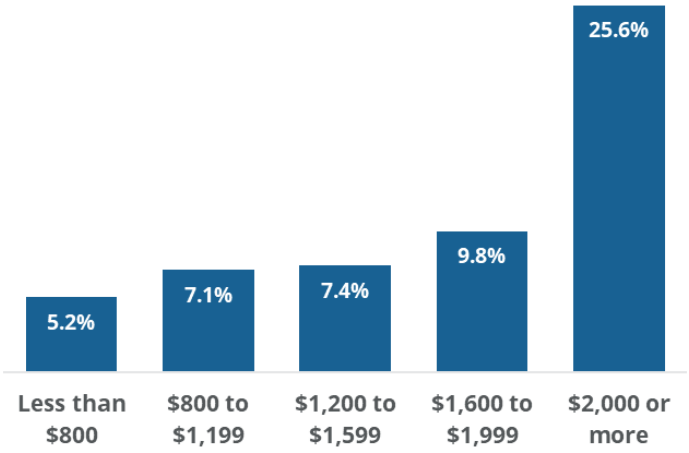


Figure IV-3 presents trends in average effective rents for units in multifamily rental buildings. In New Mexico, the average effective rent for units in multifamily buildings increased by 48% over the past ten years, from $826 in Q4 2015 to $1,223 in Q4 2025. Average rents rose faster in the Albuquerque MSA, increasing by 55% in the past ten years, rent growth was slower—with ten-year increases of 32% to 41%—in the other MSAs.

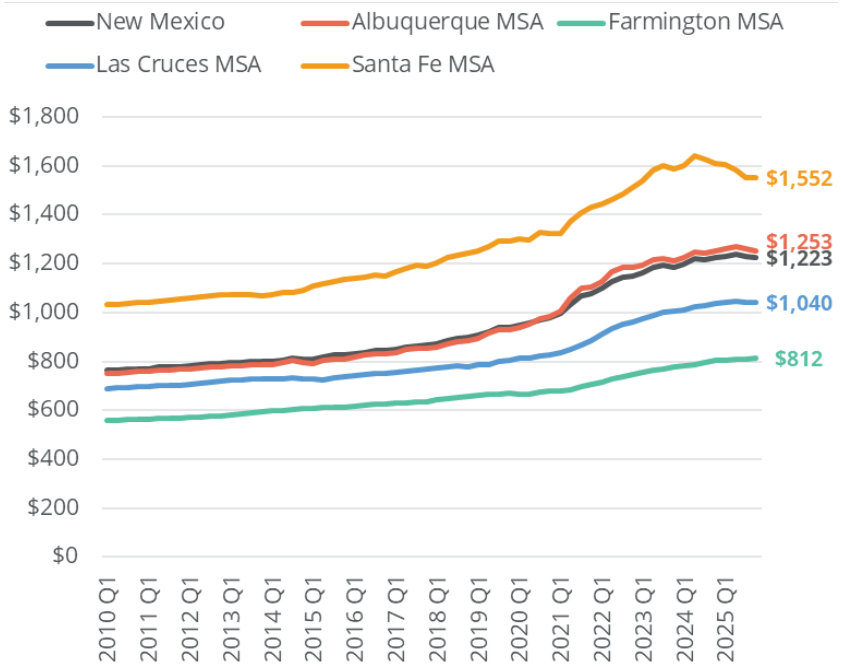
In New Mexico and in each MSA, rent growth accelerated with the pandemic and has since slowed. Between Q4 2024 and Q4 2025, average rents for multifamily units have:

- remained stable overall between Q4 2024 and Q4 2025 in New Mexico, the Albuquerque MSA, and the Las Cruces MSA;
- increased by 1% in the Farmington MSA; and
- decreased by 4% in the Santa Fe MSA.

Figure IV-3.
Average Effective Rent for Units in Multifamily Buildings, by MSA, 2010 Q1-2025 Q4 QTD

Note:
2025 Q4 QTD is current as of November 19, 2025.

Source:
CoStar.



Housing New Mexico-financed income restricted inventory. Figure IV-4 presents the number of existing income restricted affordable housing units financed by Housing New Mexico by county and by expiration date. Note that this table excludes some of the state's income restricted units developed by local governments, public housing authorities, or developers without Housing New Mexico financing programs. In total, Housing New Mexico has financed 20,822 existing income restricted units in the state. At least 7% of these (1,504 units) are expected to expire in 2025-2029, 18% (3,826 units) are expected to expire in 2030-2034, and 21% (4,417 units) are expected to expire in 2035-2039. Expiration dates are unknown for 11% of existing units (2,365 units).

All Housing New Mexico-financed income restricted units in Hidalgo County and all Housing New Mexico-financed income restricted units *with known expiration dates* in Guadalupe County are expected to expire in or before 2034. Other counties with large shares of units expiring in the next ten years are Union County (83% of units expire in or before 2034), Lincoln County (69%), Luna County (49%), and Chaves County (46%).

Figure IV-4.
Existing Housing New Mexico-Financed Income Restricted Units by Expiration Date, by County, 2025

	Housing NM-Financed Income Restricted Units	Expiring in:				
		2025-2029	2030-2034	2035-2039	2040 or Later	Unknown Expiration
New Mexico	**20,822**	**1,504**	**3,826**	**4,417**	**8,710**	**2,365**
Bernalillo	7,799	228	1,889	1,406	3,423	853
Catron	0	N/A	N/A	N/A	N/A	N/A
Chaves	512	178	60	188	30	56
Cibola	418	0	0	79	286	53
Colfax	0	N/A	N/A	N/A	N/A	N/A
Curry	574	45	50	217	134	128
De Baca	0	N/A	N/A	N/A	N/A	N/A
Doña Ana	1,999	0	578	531	548	342
Eddy	398	0	0	0	324	74
Grant	291	52	0	90	149	0
Guadalupe	109	0	18	0	0	91
Harding	0	N/A	N/A	N/A	N/A	N/A
Hidalgo	28	0	28	0	0	0
Lea	1,080	130	0	108	588	254
Lincoln	152	60	45	0	47	0
Los Alamos	240	53	9	0	170	8
Luna	393	0	191	0	156	46
McKinley	877	52	92	184	428	121
Mora	0	N/A	N/A	N/A	N/A	N/A
Otero	214	40	24	150	0	0
Quay	63	0	0	0	0	63
Rio Arriba	127	0	31	46	50	0
Roosevelt	34	9	0	0	25	0
Sandoval	1,000	373	20	174	433	0
San Juan	973	180	166	176	393	58
San Miguel	302	0	67	0	165	70
Santa Fe	2,423	104	417	906	870	126
Sierra	140	0	32	42	66	0
Socorro	96	0	0	0	96	0
Taos	318	0	84	60	174	0
Torrance	0	N/A	N/A	N/A	N/A	N/A
Union	30	0	25	0	5	0
Valencia	232	0	0	60	150	22

Note: Excludes units in the development pipeline.

Source: Housing New Mexico and Root Policy Research.

Figure IV-5.
Percent of Housing New Mexico-Financed Income Restricted Units by Expiration Date, by County, 2025

	Housing NM-Financed Income Restricted Units	% Expiring in:				
		2025-2029	2030-2034	2035-2039	2040 or Later	Unknown Expiration
New Mexico	**20,822**	**7%**	**18%**	**21%**	**42%**	**11%**
Bernalillo	7,799	3%	24%	18%	44%	11%
Catron	0	N/A	N/A	N/A	N/A	N/A
Chaves	512	35%	12%	37%	6%	11%
Cibola	418	0%	0%	19%	68%	13%
Colfax	0	N/A	N/A	N/A	N/A	N/A
Curry	574	8%	9%	38%	23%	22%
De Baca	0	N/A	N/A	N/A	N/A	N/A
Doña Ana	1,999	0%	29%	27%	27%	17%
Eddy	398	0%	0%	0%	81%	19%
Grant	291	18%	0%	31%	51%	0%
Guadalupe	109	0%	17%	0%	0%	83%
Harding	0	N/A	N/A	N/A	N/A	N/A
Hidalgo	28	0%	100%	0%	0%	0%
Lea	1,080	12%	0%	10%	54%	24%
Lincoln	152	39%	30%	0%	31%	0%
Los Alamos	240	22%	4%	0%	71%	3%
Luna	393	0%	49%	0%	40%	12%
McKinley	877	6%	10%	21%	49%	14%
Mora	0	N/A	N/A	N/A	N/A	N/A
Otero	214	19%	11%	70%	0%	0%
Quay	63	0%	0%	0%	0%	100%
Rio Arriba	127	0%	24%	36%	39%	0%
Roosevelt	34	26%	0%	0%	74%	0%
Sandoval	1,000	37%	2%	17%	43%	0%
San Juan	973	18%	17%	18%	40%	6%
San Miguel	302	0%	22%	0%	55%	23%
Santa Fe	2,423	4%	17%	37%	36%	5%
Sierra	140	0%	23%	30%	47%	0%
Socorro	96	0%	0%	0%	100%	0%
Taos	318	0%	26%	19%	55%	0%
Torrance	0	N/A	N/A	N/A	N/A	N/A
Union	30	0%	83%	0%	17%	0%
Valencia	232	0%	0%	26%	65%	9%

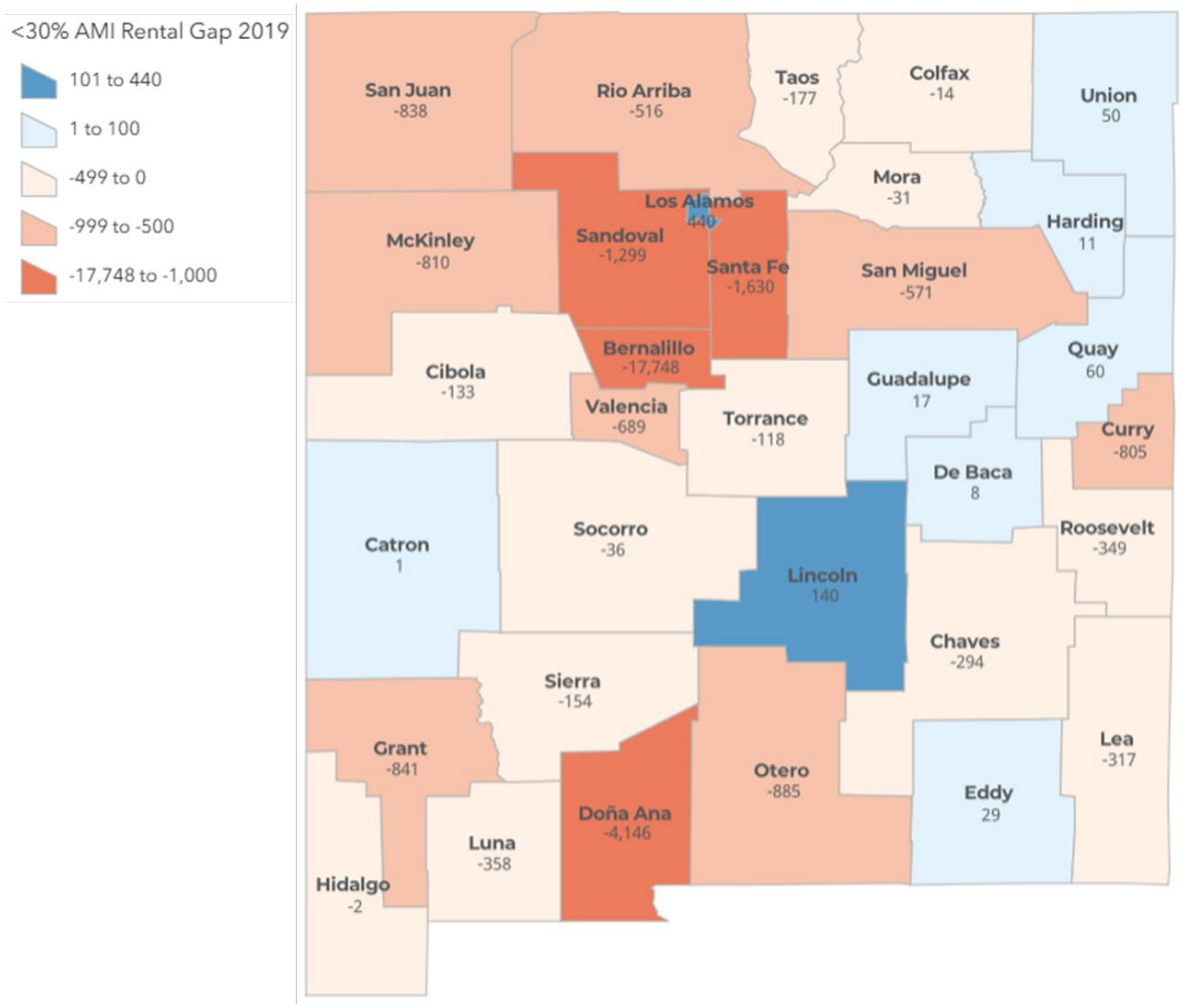
Note: Percentages are derived from the number of Housing New Mexico-financed units with known expiration dates only. Excludes units in the development pipeline.

Source: Housing New Mexico and Root Policy Research.

In addition to the units shown in the table above, and as of 2026, Housing New Mexico is financing 5,000 affordable housing units currently in various stages of development. Approximately 44% of these units will be located in Bernalillo County, 22% will be located in Santa Fe County, 12% will be located in Doña Ana County, 7% will be located in Sandoval County, and the remaining 15% will be located in Chavez, Cibola, Eddy, Grant, Lincoln, Otero, Quay, Socorro, Taos and Valencia County.

Rental gaps. The "Rental Gap" shows the difference between the number of renter households and the number of rental units affordable to them. Figure IV-6 shows the gap for households earning below 30% AMI in 2019. The statewide gap at this income level was estimated at 32,000 units. The Albuquerque MSA gap was 19,850 units—making up 62% of the state's gap overall.

Figure IV-6.
Rental Gap for Households Below 30% AMI by County, 2019

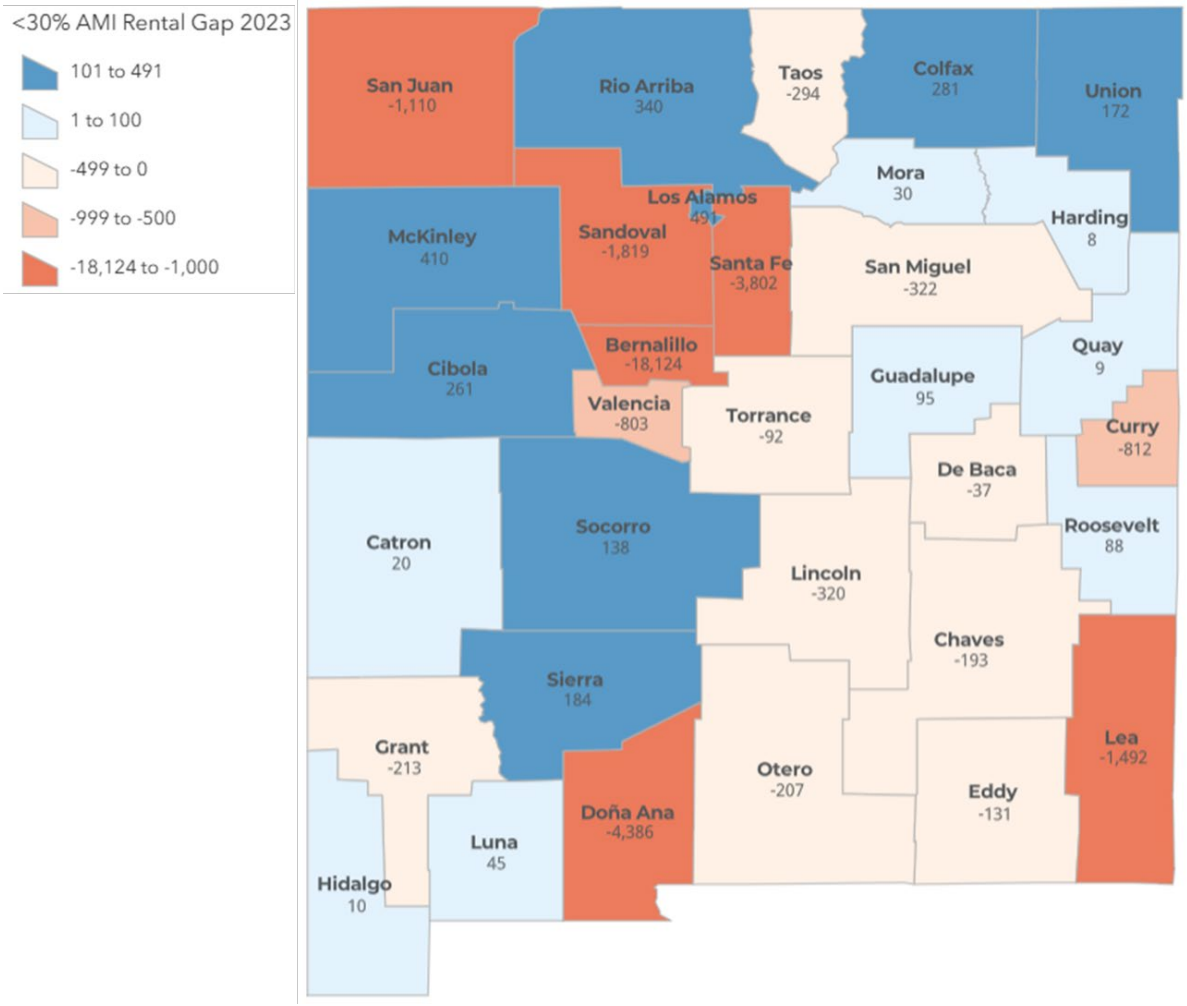


Note: Uses the 4-person AMI for each county.

Source: 2019 5-year ACS, and Root Policy Research.

Figure IV-7 shows the rental gap for households below 30% AMI as of 2023. The gap has increased to 34,000. There was significant variation across counties. Gaps in Santa Fe increased from 1,630 to 3,802; in Lea, from 317 to 1,492; in Sandoval, from 1,299 to 1,819; in San Juan, from 838 to 1,110; and in Bernalillo, from 17,748 to 18,124. Many counties experienced a decline in the gap, including McKinley, Rio Arriba, Otero, Grant, Roosevelt, and Luna, which experienced the largest decline in rental gaps.

Figure IV-7.
Rental Gap for Households Below 30% AMI by County, 2023

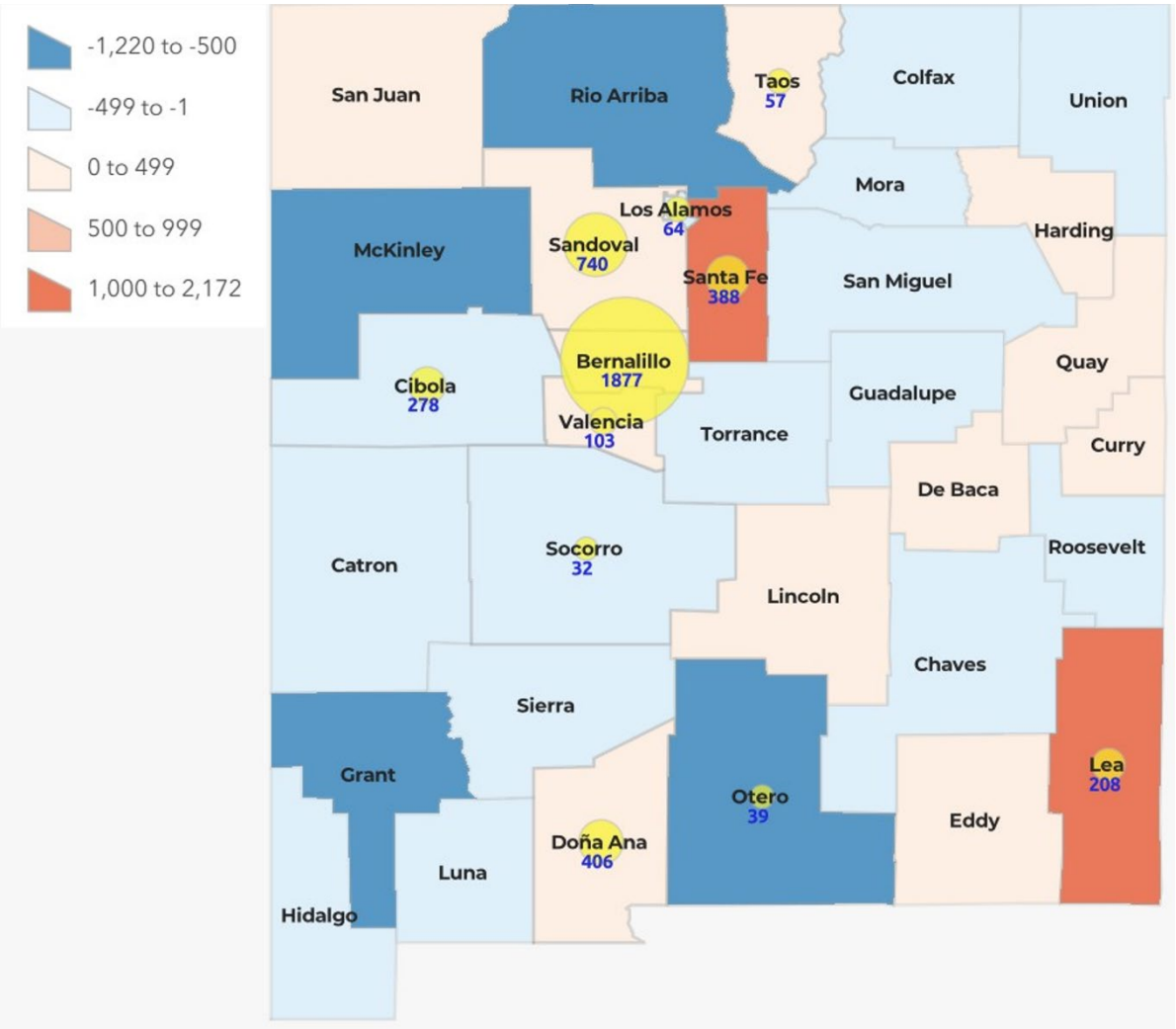


Note: Uses the 4-person AMI for each county.
Source: 2023 5-year ACS, and Root Policy Research.

Figure IV-8 overlays the change in rental gaps between 2019 and 2023 with the production of rental units developed with tax credits. A total of 4,192 units were produced between 2019 and 2023. Production was concentrated in urban counties that experienced the largest gaps. Despite strong production in Santa Fe and Lea Counties, the rental gaps expanded significantly between 2019 and 2023. In Taos, Sandoval, Bernalillo, Valencia, and Doña Ana, the production coincided

with a smaller increase in the gap, and in Cibola, Los Alamos, Otero, and Socorro, affordable housing production coincided with a reduction in the gap.

Figure IV-8.
Change in Rental Gap for Households Below 30% AMI and Tax Credit Units Produced by County, 2019-2023



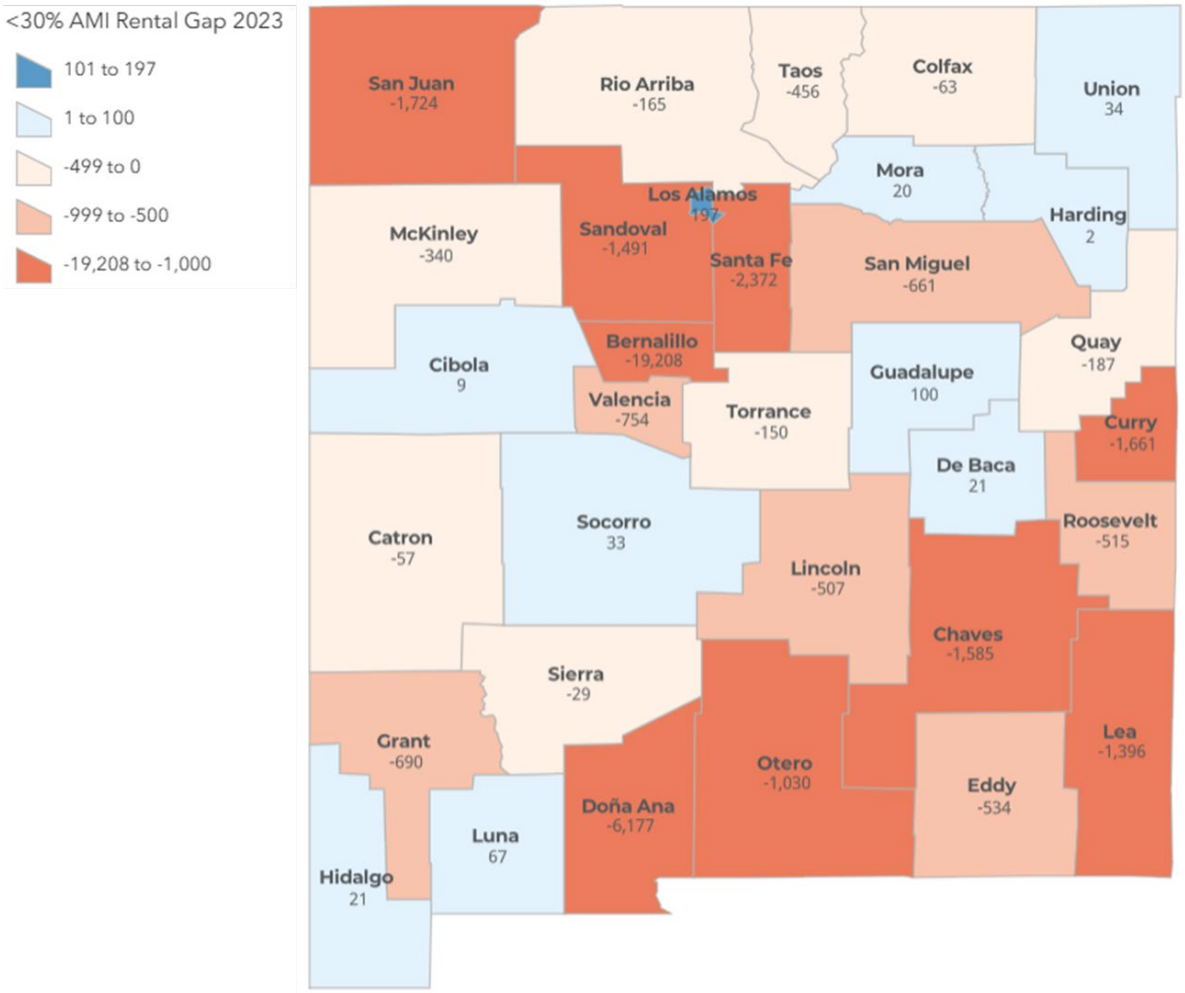
Note: Uses the 4-person AMI for each county.

Source: 2019 and 2023 5-year ACS, and Root Policy Research, Housing New Mexico.

Figure IV-9 shows rental gaps adjusted to use the AMI for the average renter household size in each county. Because this approach better aligns income thresholds with the actual household sizes of renters—rather than assuming a uniform four-person household, a common approach that reflects HUD AMIs —it provides an upper bound on the rental gap estimates. In other words, the four-person AMI figures reported elsewhere likely understate the affordability gap, as smaller households have lower AMIs.

Based on this methodology, there is a statewide gap of around 41,000 units for households below 30% AMI. The gap is concentrated in Bernalillo (19,208), Doña Ana (6,177), Santa Fe (2,372), San Juan (1,724), Curry County (1,661), Chaves (1,585), Sandoval (1,491), Lea (1,396), and Otero (1,030). Counties where the rental gap extends to households at 30% to 50% AMI include: Santa Fe (1,296), Sandoval (308), De Baca (109), and Lea (84).

Figure IV-9.
AMI Adjusted Rental Gap for Households Below 30% AMI by County, 2023



Note: Uses the average household size of renter households in each county to determine the AMI for each county.

Source: 2023 5-year ACS, and Root Policy Research.

High-income rental gap. In addition to the absolute shortage of rentals to serve very low income households, needed units may not be available if they are occupied by higher income households.

According to ACS data, 28% of renter households in New Mexico are spending less than 20% of their household income on housing costs.[1] This equates to about 64,254 households. These households are largely higher income households—63% of them earn more than 120% AMI. As illustrated in Figure IV-10, 26% of these households earn between $50,000 and $75,000 per year, and 60% earn more than $75,000 per year.

Figure IV-10. Income Distribution of Households Paying Less than 20% of Income in Rent, 2023

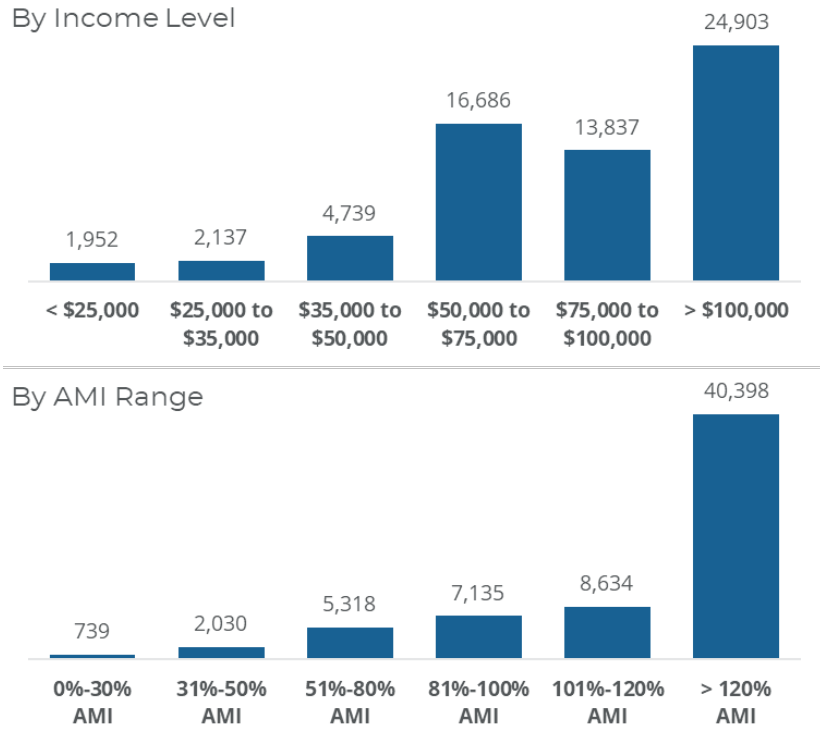
Note:

20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available.

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source:

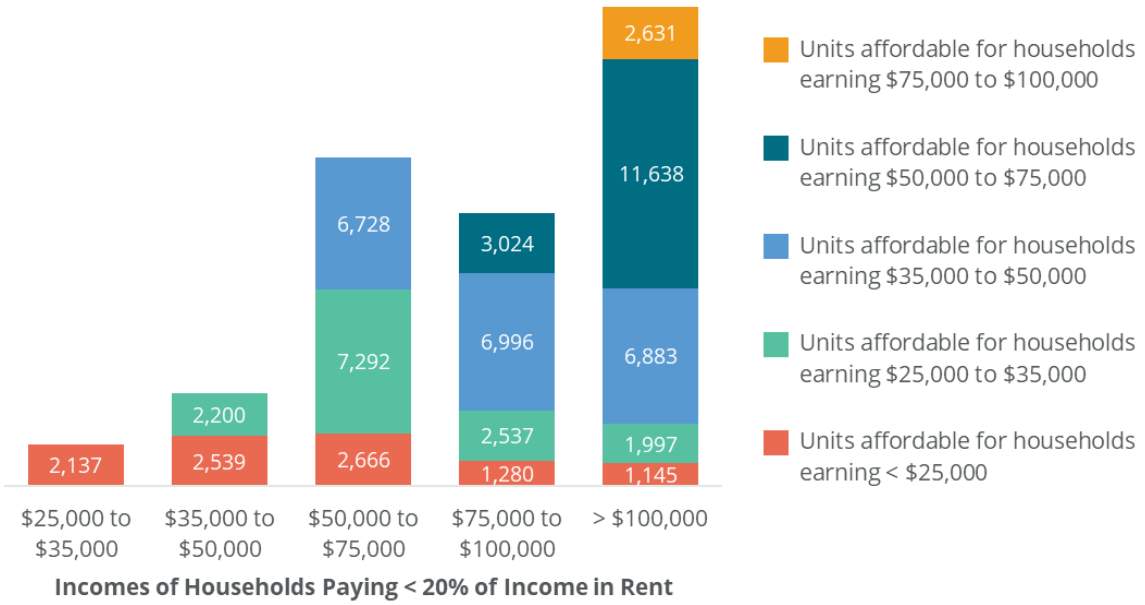
2023 ACS 5-year IPUMS, HUD Income Limits, and Root Policy Research.



Many of these households are taking up units that lower-income households could otherwise be renting. Figure IV-11 illustrates the number of homes occupied by households paying less than 20% of their monthly income for gross rent, with the corresponding distribution of such units that could be occupied by a lower-income household. For example, units considered affordable for households earning less than $25,000 are units that rent for $625 or less per month (in other words, less than 30% of monthly income for households earning $25,000). Units considered affordable for households earning $25,000 to $35,000 are units that cost between $625 and $875 in gross rent, and so on.

[1] The 20% threshold is used as a proxy for households who could afford to spend more on housing costs if appropriate units were available. Some of these households may be cost constrained by other household expenses, such as childcare, or "renting down" to save for homeownership.

Figure IV-11.
Units Occupied by Households Paying Less than 20% of their Income in Rent, 2023



Note: 20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available.
Source: 2023 ACS 5-year IPUMS and Root Policy Research.

Figure IV-11 illustrates that households earning over $100,000 and paying less than 20% of their income in gross rent are occupying:

- 2,631 units whose prices would be better suited for households earning $75,000 to $100,000;
- 11,638 units whose prices would be better suited for households earning $50,000 to $75,000;
- 6,883 units whose prices would be better suited for households earning $35,000 to $50,000;
- 1,997 units whose prices would be better suited for households earning $25,000 to $35,000; and
- 1,145 units whose prices would be better suited for households earning less than $25,000.

The number of units affordable to households at incomes below $35,000 that are occupied by households at incomes of $50,000 or more has increased by 19% (from 16,917 to 20,827) since 2019.

The process of "filtering" occurs in the housing market when households move into units that are a better match for their income levels as new units are added to the market. The extent to which filtering could alleviate a portion of the rental gap depends on higher income renters' desires to

take on higher housing costs. Filtering is a more realistic solution in urban, high growth areas where renters have access to higher-wage jobs and with high levels of new rental development. Even under those conditions, filtering is slow, and takes many years for increased affordability to be evident in the market.

Ownership Market Trends

As shown in Figure IV-12, homeownership rates increase with income. Although homeownership is most common among 120% AMI households, at least half of households at all income levels are homeowners. Homeownership rates at all income levels have remained stable since 2019.

Figure IV-12. Homeownership Rate by AMI, 2023

Note:

Figure uses PUMA-level AMI limits. PUMA-level AMI limits are calculated by applying a population-weighted average of each county's 30%, 50%, 80%, 100% and 120% AMI limit by household size for each PUMA.

Source:

2023 ACS 5-year estimates, HUD, and Root Policy Research.

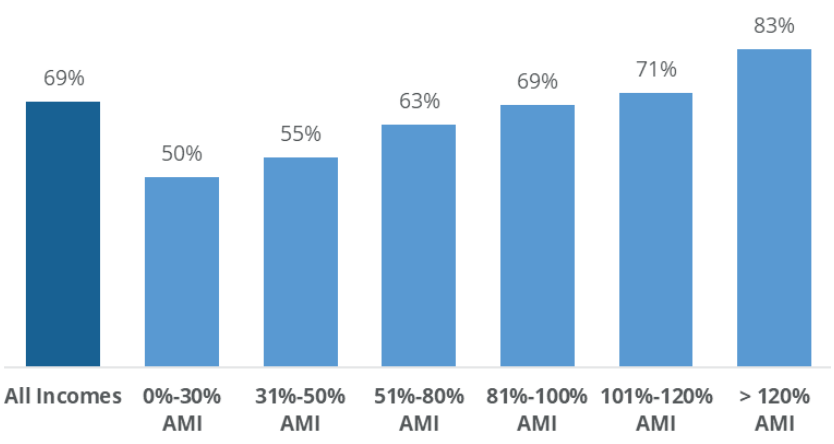


Figure IV-13 compares the median property value of originated mortgages by county in 2020 and 2024 as well as the required down payment at that price point for a down payment of 3.5% (which is the minimum required for an FHA mortgage),10%, and 20%.

High-cost counties like Los Alamos and Santa Fe present the steepest barriers, requiring 20% down payments of $119,000 and $105,000 respectively in 2024, while more affordable counties such as Union and Hidalgo still require down payments of around $30,000.

Figure IV-13.
Median Property Value of Originated Mortgages and Estimated Down Payment Requirements by County, 2020 and 2024

	Median Property Value		3.5% Down payment		10% Down payment		20% Down payment	
	2020	2024	2020	2024	2020	2024	2020	2024
New Mexico	**$235,000**	**$335,000**	**$8,225**	**$11,725**	**$23,500**	**$33,500**	**$47,000**	**$67,000**
Bernalillo	$245,000	$345,000	$8,575	$12,075	$24,500	$34,500	$49,000	$69,000
Catron	$305,000	$260,000	$10,675	$9,100	$30,500	$26,000	$61,000	$52,000
Chaves	$175,000	$235,000	$6,125	$8,225	$17,500	$23,500	$35,000	$47,000
Cibola	$145,000	$195,000	$5,075	$6,825	$14,500	$19,500	$29,000	$39,000
Colfax	$195,000	$210,000	$6,825	$7,350	$19,500	$21,000	$39,000	$42,000
Curry	$185,000	$225,000	$6,475	$7,875	$18,500	$22,500	$37,000	$45,000
De Baca	$95,000	$180,000	$3,325	$6,300	$9,500	$18,000	$19,000	$36,000
Doña Ana	$215,000	$315,000	$7,525	$11,025	$21,500	$31,500	$43,000	$63,000
Eddy	$255,000	$305,000	$8,925	$10,675	$25,500	$30,500	$51,000	$61,000
Grant	$175,000	$250,000	$6,125	$8,750	$17,500	$25,000	$35,000	$50,000
Guadalupe	$125,000	$205,000	$4,375	$7,175	$12,500	$20,500	$25,000	$41,000
Hidalgo	$95,000	$155,000	$3,325	$5,425	$9,500	$15,500	$19,000	$31,000
Lea	$215,000	$255,000	$7,525	$8,925	$21,500	$25,500	$43,000	$51,000
Lincoln	$255,000	$335,000	$8,925	$11,725	$25,500	$33,500	$51,000	$67,000
Los Alamos	$420,000	$595,000	$14,700	$20,825	$42,000	$59,500	$84,000	$119,000
Luna	$145,000	$195,000	$5,075	$6,825	$14,500	$19,500	$29,000	$39,000
McKinley	$185,000	$225,000	$6,475	$7,875	$18,500	$22,500	$37,000	$45,000
Mora	$315,000	$315,000	$11,025	$11,025	$31,500	$31,500	$63,000	$63,000
Otero	$185,000	$255,000	$6,475	$8,925	$18,500	$25,500	$37,000	$51,000
Quay	$105,000	$145,000	$3,675	$5,075	$10,500	$14,500	$21,000	$29,000
Rio Arriba	$245,000	$345,000	$8,575	$12,075	$24,500	$34,500	$49,000	$69,000
Roosevelt	$165,000	$185,000	$5,775	$6,475	$16,500	$18,500	$33,000	$37,000
Sandoval	$255,000	$375,000	$8,925	$13,125	$25,500	$37,500	$51,000	$75,000
San Juan	$195,000	$275,000	$6,825	$9,625	$19,500	$27,500	$39,000	$55,000
San Miguel	$195,000	$265,000	$6,825	$9,275	$19,500	$26,500	$39,000	$53,000
Santa Fe	$385,000	$525,000	$13,475	$18,375	$38,500	$52,500	$77,000	$105,000
Sierra	$135,000	$215,000	$4,725	$7,525	$13,500	$21,500	$27,000	$43,000
Socorro	$145,000	$215,000	$5,075	$7,525	$14,500	$21,500	$29,000	$43,000
Taos	$325,000	$425,000	$11,375	$14,875	$32,500	$42,500	$65,000	$85,000
Torrance	$155,000	$245,000	$5,425	$8,575	$15,500	$24,500	$31,000	$49,000
Union	$110,000	$165,000	$3,850	$5,775	$11,000	$16,500	$22,000	$33,000
Valencia	$205,000	$305,000	$7,175	$10,675	$20,500	$30,500	$41,000	$61,000

Source: HMDA and Root Policy Research.

In addition to down payment barriers, other barriers in access to financing exist. Figure IV-14 shows the volume of mortgage applications and the distribution of application outcomes by income. The number of applications decreased from 27,314 in 2020 to 17,616 in 2024. As expected, lower income households are more likely to have their applications denied. However, there is no meaningful difference in origination rates for households with income over $50,000.

Figure IV-14.
Mortgage Application Outcomes by Income, 2024

Income	Total Applications	Percent Distribution of Application Outcome				
		Loan Originated	Application Denied	Applied but Not Accepted	Withdrawn by Applicant	File Closed for Incompleteness
Less than $25,000	147	24%	48%	2%	22%	5%
$25,000 to $34,999	358	53%	21%	4%	19%	3%
$35,000 to $49,999	1,396	57%	15%	5%	18%	5%
$50,000 to $74,999	4,946	70%	8%	3%	17%	2%
$75,000 to $99,999	4,886	71%	6%	3%	17%	2%
$100,000 to $149,999	5,883	73%	5%	3%	18%	2%
Total	**17,616**	**69%**	**8%**	**3%**	**17%**	**3%**

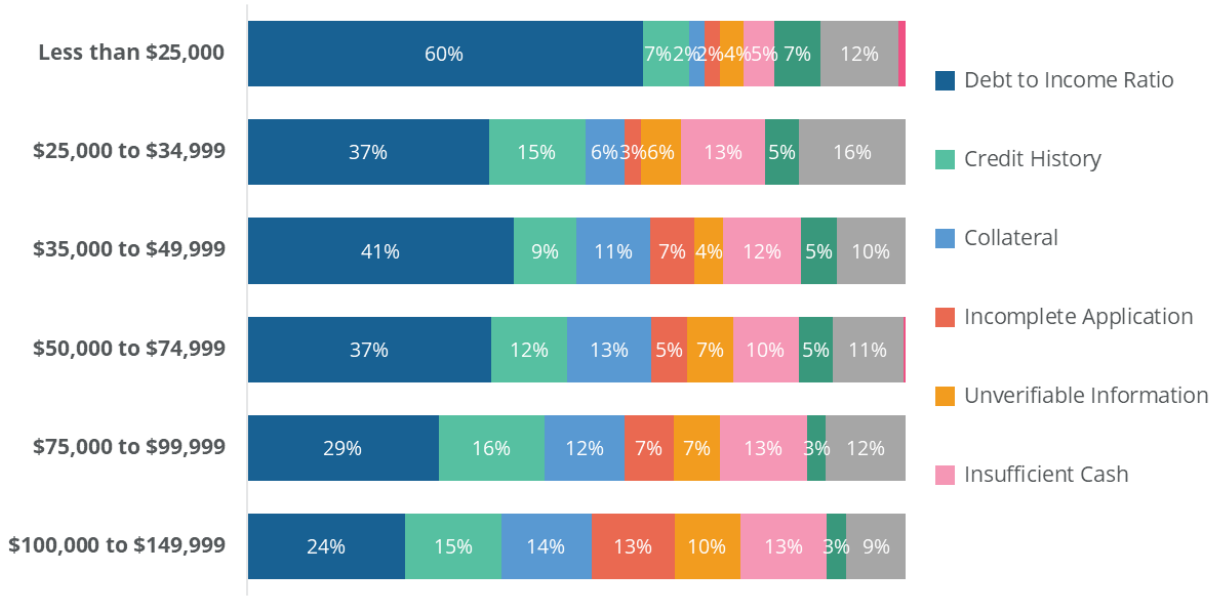
Note: Data include mortgage applications for first lien 30-year mortgages for principal residence.

Source: HMDA and Root Policy Research.

Figure IV-15 shows the distribution of denial reasons by income. Debt to income ratio is the top denial reason for lower income households. There was also an increase across most income levels in the share of denials due to debt to income ratio.

- For households with an income below $25,000, the ratio increased from 48% to 60%.
- There was a slight decrease in the ratio for households earning between $25,000 and $35,000, dropping from 41% to 37%.
- Among households with an income between $35,000 and $50,000, the ratio rose from 30% to 41%.
- For households earning between $50,000 and $75,000, the ratio increased from 24% to 37%.
- Households with an income between $75,000 and $100,000 saw an increase from 20% to 29%.
- Lastly, for those earning between $100,000 and $150,000, the ratio went from 18% to 24%.

Figure IV-15.
Mortgage Denial Reasons by Income, 2024



Note: Data include mortgage applications for first lien 30-year mortgages for principal residence.
Source: HMDA and Root Policy Research.

Home price trends. This section analyzes home price trends over the past ten years in New Mexico and by county using data from the following sources:

- **American Community Survey (ACS) estimates.** In this section, "median value of owner occupied homes" reflects 5-year ACS estimates of the median value of owner occupied homes as reported by homeowners.
- **Zillow Home Value Index (ZHVI).** The ZHVI reflects the average price of homes in the 35th to 65th percentile range and is reported as "typical home price" throughout this section.
- **Home Mortgage Disclosure Act (HMDA).** Root Policy Research used HMDA data on New Mexico mortgage loan originations to calculate the median value of owner occupied homes purchased with a 30-year first lien mortgage. Note that this necessarily excludes units purchased by cash buyers.

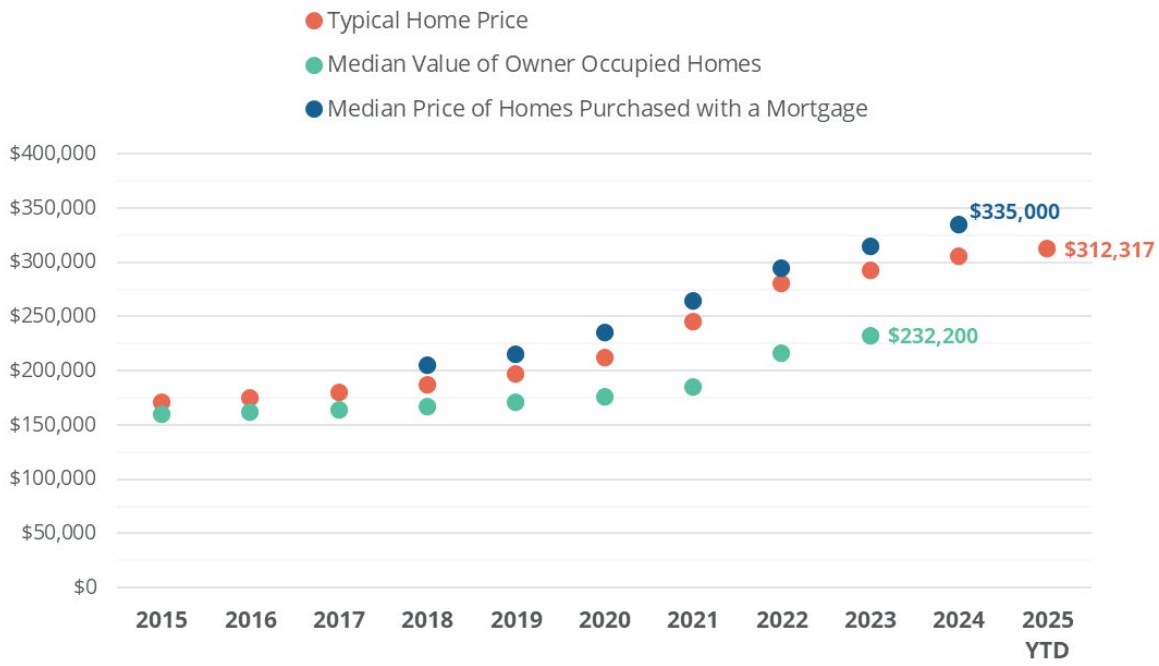
Because these sources measure home values differently, their estimates of average home values differ.

Figure IV-16 presents measures of average home prices in New Mexico overall as reported by these sources from 2015 to 2025 year-to-date. The available data generally show that New Mexico's home prices increased gradually through the late 2010s before price growth

accelerated in 2019. Prices grew rapidly from 2020 to 2022 and have continued to increase—though at a slower rate—since then.

The Zillow Home Value Index shows that the state's typical home value in 2025 year-to-date is approximately $312,000. Although 2025 HMDA and ACS data are not yet available, past trends suggest that the median price of homes purchased with a mortgage in 2025 will likely be slightly higher than $312,000, while the median value of owner occupied homes as reported by homeowners in the American Community Survey will be lower.

Figure IV-16.
Estimates of Average Home Prices, New Mexico, 2015–2025



Note: "Median value of owner occupied homes" reflects 5-year ACS estimates. "Typical home price" reflects the Zillow Home Value Index. "Median price of homes purchased with a mortgage" reflects HMDA data which include 30-year mortgages originated for homes purchased for principal residence.

2025 YTD "Typical Home Price" includes January-September 2025.

HMDA data not available for years before 2018, ACS estimates not yet available for 2024, 2025 YTD data only provided by Zillow.

Source: 5-year ACS estimates, HMDA, Zillow Home Value Index, and Root Policy Research.

The table in Figure IV-17 summarizes ten-year changes in typical home prices in New Mexico and by county as estimated by the Zillow Home Value Index from 2015 to 2025, year-to-date.

In the past ten years, New Mexico's typical home value increased by 85% from $171,000 in 2015 to $312,000 in 2025 year-to-date. Across this time, typical home values more than doubled in Los Alamos County (+135%), Valencia County (+121%), and Sandoval County (+105%). Typical home prices also increased in all other counties except for Lea County (where typical prices decreased by 14% since 2015) and Roosevelt County (where typical prices remained the same overall since 2015).

As of 2025, typical home prices are highest in Los Alamos County ($582,000) and Santa Fe County ($553,000) and below $450,000 in all other counties. Typical prices are lowest in De Baca County ($105,000), Quay County ($106,000), and Hidalgo County ($110,000).

Figure IV-17. Change in Typical Home Price, New Mexico and by County, 2015–2025 YTD

Note:

"Typical home price" reflects the Zillow Home Value Index.

2025 YTD "Typical Home Price" includes January-September 2025.

No Zillow Home Value Index data available for Guadalupe, Harding, or Mora counties.

Source:

Zillow Home Value Index and Root Policy Research.

	Typical Home Price		Ch. 2015-2025 YTD	
	2015	2025 YTD	$	%
New Mexico	$171,114	$312,317	$141,203	83%
Bernalillo	$175,251	$342,175	$166,924	95%
Catron	-	$215,634	-	-
Chaves	$116,734	$167,771	$51,037	44%
Cibola	-	$143,845	-	-
Colfax	$166,923	$248,962	$82,039	49%
Curry	-	$162,242	-	-
De Baca	-	$105,103	-	-
Doña Ana	$164,785	$286,933	$122,148	74%
Eddy	-	$231,855	-	-
Grant	$139,089	$201,631	$62,542	45%
Hidalgo	-	$109,764	-	-
Lea	$219,032	$187,534	-$31,498	-14%
Lincoln	$255,238	$347,826	$92,588	36%
Los Alamos	$247,083	$581,874	$334,790	135%
Luna	$136,223	$161,839	$25,616	19%
McKinley	$157,964	$216,514	$58,550	37%
Otero	-	$230,047	-	-
Quay	$74,717	$106,021	$31,304	42%
Rio Arriba	$201,511	$338,029	$136,518	68%
Roosevelt	$148,511	$148,760	$249	0%
San Juan	$180,717	$263,807	$83,090	46%
San Miguel	$165,013	$244,151	$79,137	48%
Sandoval	$179,847	$368,764	$188,917	105%
Santa Fe	$293,049	$553,090	$260,041	89%
Sierra	$128,850	$179,661	$50,811	39%
Socorro	$164,174	$191,844	$27,669	17%
Taos	$306,717	$446,520	$139,803	46%
Torrance	$188,845	$224,106	$35,260	19%
Union	-	$127,292	-	-
Valencia	$140,199	$309,476	$169,277	121%

Figure IV-18 presents changes in the median price of homes purchased with mortgages from 2018 to 2024. The median price of homes purchased with mortgages in New Mexico increased by 63% from $205,000 in 2018 to $335,000 by 2024. Home prices also increased in all counties with data available. Median prices more than doubled in De Baca and Mora Counties, though this may not accurately reflect broader price growth as these data reflect fewer than 10 homes sold.

Price growth was also especially fast (+83% to +96% between 2018 and 2024) in Los Alamos, Torrance, Valencia, Rio Arriba, and Valencia counties. Price growth was slowest—though still positive—in Colfax and Roosevelt counties (+14% and +28%, respectively).

Zillow Home Value Index data, HMDA data show that New Mexico's highest median prices are in Los Alamos County ($595,000) and Santa Fe County ($525,000).

Figure IV-18. Change in Median Price of Homes Purchased With a Mortgage, New Mexico and by County, 2018–2024

Note:

Data include 30-year mortgages originated for homes purchased for principal residence.

Fewer than 10 mortgages were originated in 2018 for homes in Catron, De Baca, and Mora counties. Fewer than 10 mortgages were originated in 2024 for homes in De Baca, Hidalgo, and Mora counties.

No homes were purchased with a mortgage in Harding County in 2018 or 2024.

Source:

HMDA and Root Policy Research.

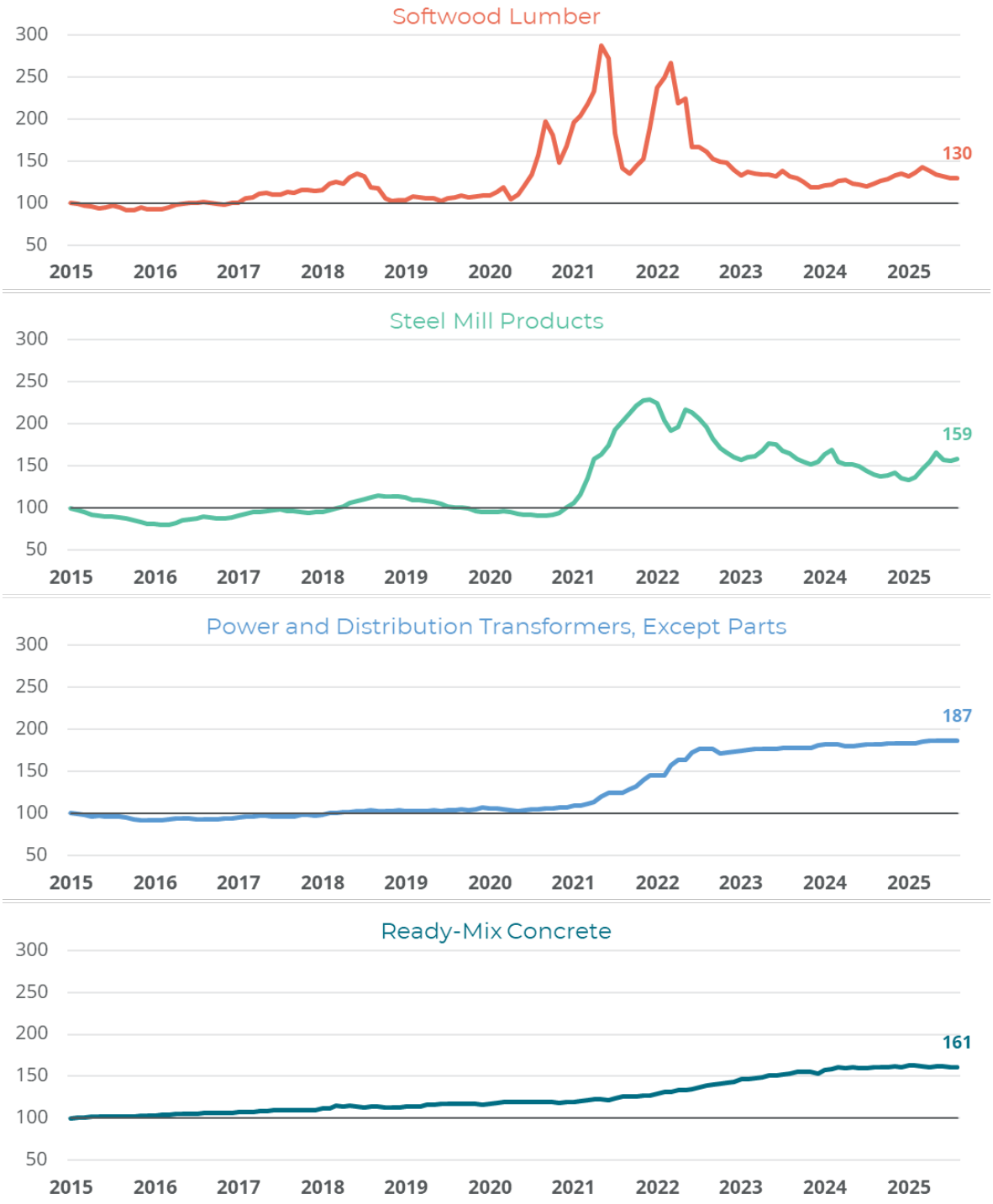
	Median Price		Ch. 2018–2024	
	2018	2024	$	%
New Mexico	$205,000	$335,000	$130,000	63%
Bernalillo	$205,000	$345,000	$140,000	68%
Catron	$165,000	$260,000	$95,000	58%
Chaves	$145,000	$235,000	$90,000	62%
Cibola	$115,000	$195,000	$80,000	70%
Colfax	$185,000	$210,000	$25,000	14%
Curry	$165,000	$225,000	$60,000	36%
De Baca	$85,000	$180,000	$95,000	112%
Doña Ana	$185,000	$315,000	$130,000	70%
Eddy	$215,000	$305,000	$90,000	42%
Grant	$175,000	$250,000	$75,000	43%
Guadalupe	$140,000	$205,000	$65,000	46%
Hidalgo	$95,000	$155,000	$60,000	63%
Lea	$185,000	$255,000	$70,000	38%
Lincoln	$190,000	$335,000	$145,000	76%
Los Alamos	$325,000	$595,000	$270,000	83%
Luna	$115,000	$195,000	$80,000	70%
McKinley	$165,000	$225,000	$60,000	36%
Mora	$135,000	$315,000	$180,000	133%
Otero	$165,000	$255,000	$90,000	55%
Quay	$85,000	$145,000	$60,000	71%
Rio Arriba	$185,000	$345,000	$160,000	86%
Roosevelt	$145,000	$185,000	$40,000	28%
San Juan	$185,000	$275,000	$90,000	49%
San Miguel	$155,000	$265,000	$110,000	71%
Sandoval	$215,000	$375,000	$160,000	74%
Santa Fe	$335,000	$525,000	$190,000	57%
Sierra	$145,000	$215,000	$70,000	48%
Socorro	$145,000	$215,000	$70,000	48%
Taos	$265,000	$425,000	$160,000	60%
Torrance	$125,000	$245,000	$120,000	96%
Union	$115,000	$165,000	$50,000	43%
Valencia	$165,000	$305,000	$140,000	85%

Construction costs. Decreasing residential construction starts since 2020 are partially attributable to rising construction costs. Figure IV-19 presents trends in the prices of building materials, indexed to 100 in January 2015, to show that costs of all building materials studied have increased since the pandemic and have not returned to pre-pandemic levels.

The figure shows that:

- Softwood lumber prices nearly doubled from June 2019 to September 2020, briefly decreased through November, and spiked to a high of 287% of 2015 levels in May 2021, representing a near-tripling of lumber prices since June 2019. Lumber prices fell by more than half from June 2019 to September 2021 before spiking to 267% of 2015 levels in March 2022. Lumber prices fell rapidly through June 2022, continued to decrease through April 2023, and have hovered around 130% of 2015 levels since.
    - Dramatic increases in lumber pricing are largely due to increased demand for homebuilding and remodeling with the pandemic.
- Following softwood lumber, steel mill products saw the second most dramatic price increases with the pandemic. Steel prices decreased to 90% of June 2015 levels from September 2019 to August 2020 as producers saw decreased demand from dependent industries with the start of the pandemic. Steel prices more than doubled by November 2021 to a high of 229% of 2015 levels due to rebounds in dependent industries as production struggled to keep up. Prices have decreased—though not to pre-pandemic levels—since, and currently hover around 159% of 2015 levels.
- All other materials studied have seen smoother price increases with the pandemic, with prices currently remaining similar to pandemic highs.

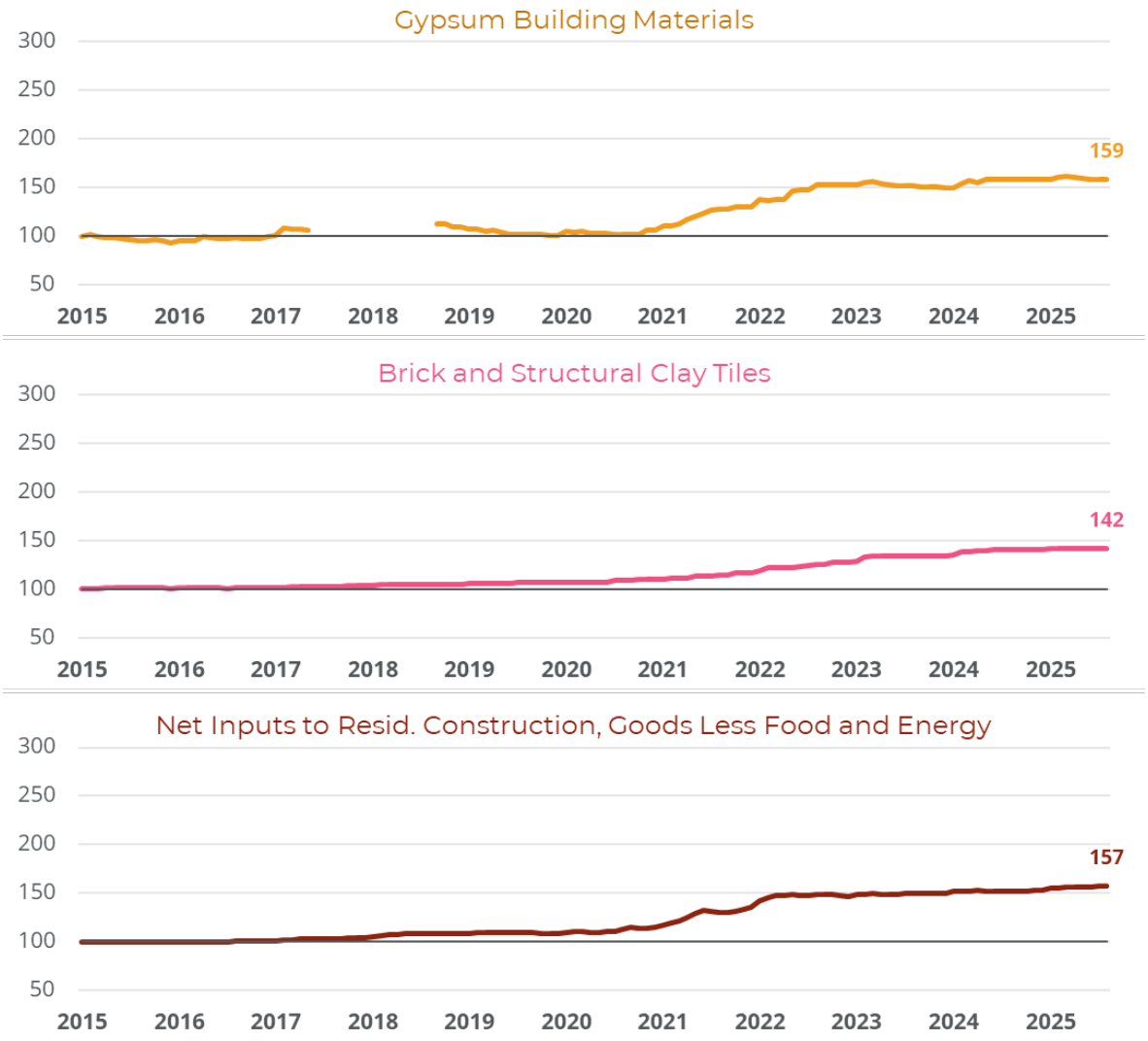
Figure IV-19.
Trends in Building Material Prices, United States



Note: Prices are indexed to 100 in January 2015. Data are current through August 2025. Continued on following page.

Source: U.S. Bureau of Labor Statistics Producer Price Index by Commodity, FRED from the Federal Reserve of St. Louis.

Figure IV-19.
Trends in Building Material Prices, United States (Continued)



Note: Prices are indexed to 100 in January 2015. Data are current through August 2025. Data not available for gypsum building materials from June 2016 to August 2018.

Source: U.S. Bureau of Labor Statistics Producer Price Index by Commodity, FRED from the Federal Reserve of St. Louis.

Homeowner's insurance costs. The next few figures summarize trends in the cost of homeowner's insurance based on data from the Insurance Information Institute[2] and a 2025 report from the National Association of Insurance Commissioners summarizing insurance costs

[2] https://www.iii.org/fact-statistic/facts-statistics-homeowners-and-renters-insurance

through 2022.[3] The analysis in this section focuses on HO-3 policies[4] as these are by far the most common homeowner's insurance packages.

As shown in Figure IV-20, in 2022, New Mexico homeowners paid an average of $1,322 annually for homeowners' insurance. Average premiums range from $901 for coverage amounts below $150,000 to $4,021 for coverage amounts of $1,000,000 or more. New Mexico's average insurance premiums overall and for coverage below $1,000,000 are lower than those in the United States. The National Association of Insurance Commissioners reports that New Mexico has the country's 33rd highest homeowner's insurance premiums.

Figure IV-20.
Average Homeowner's Insurance Premium by Coverage Amount, New Mexico and United States, 2022

Note:
Based on the HO-3 homeowner package policy.

Source:
Insurance Information Institute and National Association of Insurance Commissioners.

Amount of Coverage	New Mexico	United States
Any Amount	$1,322	$1,569
< $150,000	$901	$955
$150,000 to $199,999	$994	$1,130
$200,000 to $224,999	$1,051	$1,196
$225,000 to $249,999	$1,096	$1,238
$250,000 to $274,999	$1,152	$1,279
$275,000 to $299,999	$1,193	$1,306
$300,000 to $324,999	$1,253	$1,359
$325,000 to $349,999	$1,316	$1,403
$350,000 to $399,999	$1,392	$1,473
$400,000 to $449,999	$1,485	$1,581
$450,000 to $499,999	$1,581	$1,698
$500,000 to $599,999	$1,729	$1,865
$600,000 to $699,999	$1,915	$2,094
$700,000 to $999,999	$2,495	$2,730
$1,000,000 and over	$4,021	$3,971

Figure IV-21 presents 20-year trends in the average homeowner's insurance premium in the United States overall, as historical data from the National Association of Insurance Commissioners are not available at the state level. In 2022, US homeowners paid an average of $1,569 annually for homeowner's insurance. Average homeowner's insurance premiums

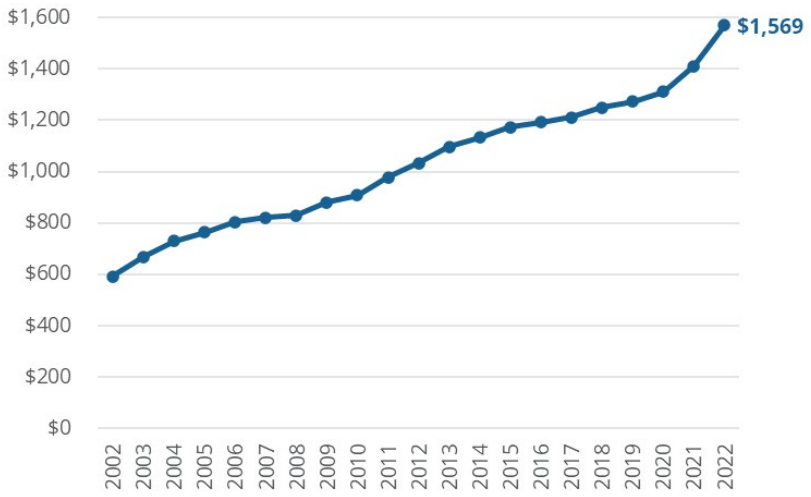
[3] https://content.naic.org/sites/default/files/publication-hmr-zu-homeowners-report.pdf

[4] HO-3 policies provide "all-risks" coverage on owner-occupied dwellings of one to four units and broad named-peril coverage on personal property. HO-3 policies account for 73% of exposures for homeowner's insurance policies in New Mexico and 72% in the United States.

increased by 6-8% annually from 2011 to 2013 and by 2-4% annually from 2014 to 2020. Homeowner's insurance premiums entered a period of rapid growth beginning in 2020, increasing by 8% from 2020 to 2021 and by 11% from 2021 to 2022.

Figure IV-21. Average Homeowner's Insurance Premium, United States, 2002–2022

Note:
Historical data not available at the state level.
Based on the HO-3 homeowner package policy.
Source:
Insurance Information Institute and National Association of Insurance Commissioners.

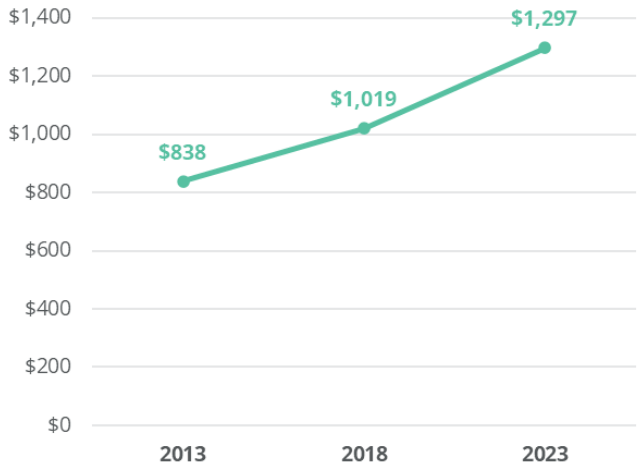


Because these historical data are not available for New Mexico, Root Policy Research tabulated American Community Survey microdata to show the change in the average amount that insured New Mexico homeowners pay for property insurance. Note that these data include all types of homeowner's insurance policies, whereas the data shown above reflect HO-3 policies only. Figure IV-22 shows that New Mexico homeowners paid $1,297 annually for homeowner's insurance on average in 2023. This is up 27% from $1,019 in 2018 and up 55% from $838 in 2013.

Figure IV-22. Average Annual Amount Paid for Homeowner's Insurance, New Mexico, 2013, 2018, and 2023

Note:
Includes all types of homeowner's insurance policies.

Source:
2023 ACS 5-year IPUMS and Root Policy Research.



The data provided in the figures above represent the most current data available on amounts *paid* for homeowner's insurance. To provide insight on more recent trends, Figure IV-23 presents changes algorithmically generated estimates of average quoted homeowner's insurance premiums in New Mexico and in the United States using data published in a Consumer

Federation of America report summarizing changes in average *quoted* homeowner's insurance premiums between 2021 and 2024 using purchased industry data.[5] Insurers in New Mexico raised average premiums by $459 or 19% from 2021 to 2024. New Mexico's premiums increased at a slower rate than premiums in the United States overall.

Insurify, an insurance comparison website, projects that the national average homeownership premium will continue to rise to $3,520 in 2025.[6]

Figure IV-23.
Change in Average Quoted Homeowner's Insurance Premiums, New Mexico and United States, 2021–2024

	Average Quoted Premium		Percent Change
	2021	2024	
New Mexico	$2,458	$2,917	19%
United States	$2,656	$3,303	24%

Note:
Includes all types of homeowner's insurance policies.
Source:
Consumer Federation of America and Quadrant Information Services.

Figure IV-24 presents ten-year changes in homeowner's premiums in the United States, New Mexico, and by county using estimates from a recent National Bureau of Economic Research (NBER) working paper.[7] New Mexico homeowners pay insurance premiums of $2,267 on average and $1,844 at the median as of 2024. Median premiums are over $3,000/year in Union, Roosevelt, and Lea Counties and as low as $1,418/year in San Juan County.

Between 2014 and 2024, New Mexico's home insurance premiums increased by 72% on average and by 82% at the median, with much internal variation at the county level. Average and/or median homeowner's insurance costs more than doubled between 2014 and 2024 in Colfax, Curry, Lincoln, Los Alamos, McKinley, Otero, Roosevelt, Sierra, and Union Counties. Median homeowner's insurance costs tripled across this time in Union County.

Homeowner's insurance premiums increased faster in New Mexico than in the United States overall between 2014 and 2024: nationally, premiums increased by 64% on average and by 73% at the median across this time. In 2024, New Mexico's homeowner's insurance premiums remain 16-17% lower than premiums in the United States overall: in 2024, U.S. homeowners paid $2,712 on average and $2,209 at the median for insurance.

---

[5] https://consumerfed.org/wp-content/uploads/2025/03/OverburdenedReport.pdf. The Consumer Federation of America purchased proprietary insurance data from Quadrant Information Services. Data represent test quotes of home insurance premiums for homeowners with mid-range credit scores with homes that have a $350,000 replacement value using rates and pricing algorithms of six of the largest insurance providers in each state.

[6] https://insurify.com/homeowners-insurance/report/home-insurance-price-projections/. Projections are derived from Insurify's proprietary data and Quadrant Information Services test quotes of home insurance premiums.

[7] Benjamin J. Keys and Philip Mulder, "Property Insurance and Disaster Risk: New Evidence from Mortgage Escrow Data," NBER Working Paper 32579 (2024), https://doi.org/10.3386/w32579.

The research also found that:

- Higher insurance premiums increase mortgage delinquency (+16% for a 1 standard deviation increase).
- Effects are strongest for financially constrained households (high debt to income/loan to value, non-jumbo loans).
- Premium increases also raise mortgage prepayment, mainly through household relocation.
- Spillovers in the forms of higher credit card delinquency, credit utilization, and credit score deterioration.
- Authors suggest targeted, means-tested insurance subsidies or mitigation supports could reduce delinquency risk and limit spillovers.

Figure IV-24.
Change in Average and Median Homeowner's Insurance Premiums, United States, New Mexico, and by County, 2014–2024

	Average Premiums			Median Premiums		
	2014	2024	% Ch.	2014	2024	% Ch.
United States	$1,658	$2,712	64%	$1,277	$2,209	73%
New Mexico	$1,319	$2,267	72%	$1,012	$1,844	82%
Bernalillo County	$1,218	$2,018	66%	$932	$1,651	77%
Chaves County	$1,619	$2,913	80%	$1,353	$2,560	89%
Cibola County	$1,367	$2,024	48%	$1,164	$1,698	46%
Colfax County	$1,511	$3,094	105%	$1,311	$2,724	108%
Curry County	$1,608	$3,260	103%	$1,427	$2,942	106%
Doña Ana County	$1,139	$1,967	73%	$862	$1,587	84%
Eddy County	$1,870	$3,254	74%	$1,653	$2,944	78%
Grant County	$1,105	$1,916	73%	$966	$1,554	61%
Lea County	$2,103	$3,415	62%	$1,907	$3,097	62%
Lincoln County	$1,566	$2,826	80%	$1,210	$2,477	105%
Los Alamos County	$1,289	$2,781	116%	$1,116	$2,202	97%
Luna County	$1,114	$1,954	75%	$885	$1,698	92%
McKinley County	$1,154	$2,119	84%	$910	$1,873	106%
Otero County	$1,154	$2,287	98%	$949	$1,985	109%
Quay County	$1,630	$2,680	64%	$1,543	$2,105	36%
Rio Arriba County	$1,500	$2,728	82%	$1,339	$2,366	77%
Roosevelt County	$1,785	$3,529	98%	$1,633	$3,304	102%
San Juan County	$1,264	$1,759	39%	$984	$1,418	44%
San Miguel County	$1,492	$2,980	100%	$1,352	$2,575	90%
Sandoval County	$1,198	$2,094	75%	$896	$1,649	84%
Santa Fe County	$1,532	$2,649	73%	$1,136	$2,056	81%
Sierra County	$944	$1,747	85%	$814	$1,635	101%
Socorro County	$1,643	$2,244	37%	$1,308	$1,836	40%
Taos County	$1,732	$2,639	52%	$1,374	$2,127	55%
Torrance County	$1,304	$2,575	97%	$1,183	$1,983	68%
Union County	$1,421	$3,500	146%	$1,136	$3,418	201%
Valencia County	$1,714	$2,470	44%	$1,392	$2,113	52%

Note: United States average figures are observation-weighted averages of state averages. United states median figures are observation-weighted averages of state medians.

Note small sample size (n = 28) for Union County. Data not available for Catron, De Baca, Guadalupe, Harding, Hidalgo, and Mora Counties.

Source: Benjamin J. Keys and Philip Mulder, "Property Insurance and Disaster Risk: New Evidence from Mortgage Escrow Data," NBER Working Paper 32579 (2024) and Root Policy Research.

SECTION V.

WHITE PAPER ON HOUSING PRODUCTION

SECTION V.
White Paper on Housing Production

Recent evidence regarding pro-housing policies indicates that **direct investments in affordable housing**—similar to what New Mexico and various localities have recently accomplished—tend to have the most immediate and targeted impact on addressing affordable housing shortages. In contrast, relying solely on market rate development (also known as filtering) can take decades and is often less effective in high demand markets.

This white paper first presents research on pro-housing reforms in Oregon and Minneapolis.[1] The findings are based on analyses published by the Sightline Institute and the Federal Reserve Bank of Minneapolis. The research highlights that measuring the impacts of these reforms is challenging due to phased implementation and litigation that have caused delays in execution.

Secondly, this paper includes a literature review of academic studies that explore the broader relationship between housing supply and affordability. The research indicates that while increasing the supply of housing through the development of new market-rate units may improve overall affordability, this new housing supply is unlikely to sufficiently meet the needs of very low-income households, where housing gaps are the greatest.

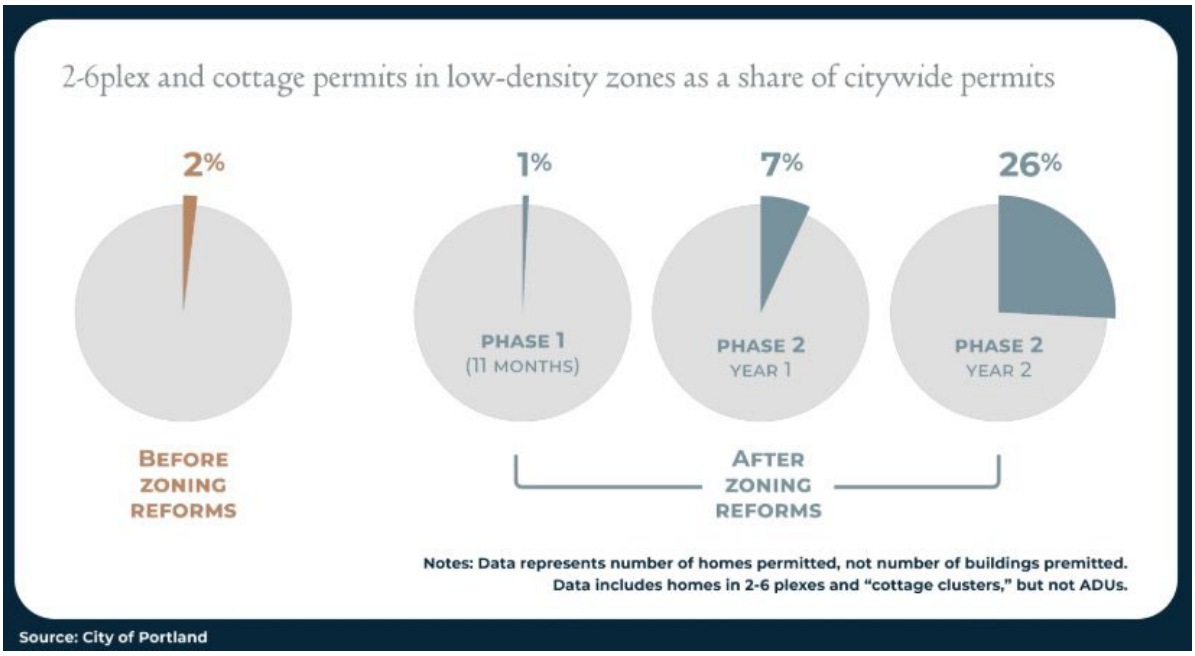
Oregon Example

In 2019, House Bill 2001 mandated that cities with populations over 10,000 must allow the construction of duplexes by right. Furthermore, cities with populations exceeding 25,000 are required to permit not only duplexes but also triplexes and quadplexes on lots that were previously zoned for single-family homes.

While it is still too early to assess the long-term impact of these smaller housing options, data suggest they have significant potential. For instance, within three years of their legalization in Portland, these housing units accounted for 26% (or 400 units) of new residential approvals in the city, all during a time of declining construction activity and a shrinking population.

[1] Montana was also examined, but there are currently no robust studies available. The Federal Reserve Bank of Minneapolis is launching a dashboard to track outcomes (following the Minneapolis dashboard) once all reforms are fully implemented at: https://www.minneapolisfed.org/article/2024/montana-housing-dashboard

Figure V-I.
Missing Middle Percent of Citywide Permits in Low Density Zones



Source: https://www.sightline.org/2025/06/04/oregons-zoning-reforms-are-working-but-they-need-some-upgrades/

The City of Portland not only complied with Oregon's statewide reform but also took additional steps to enhance the impact of House Bill 2001. It implemented its own changes to zoning, land division, and building codes ahead of the state requirements.

The research notes that the primary reason these homes remain desirable, even in a slower market, is likely their significantly lower prices compared to homes on individual lots. Newly constructed middle housing options are, on average, $300,000 less expensive than single family detached homes. The city's analysis also found that policy changes increased the development of deed-restricted homeownership products in high opportunity areas.

Building permit data submitted to the state shows that after House Bill 2001 legalized middle housing across much of Oregon, Portland was not the only city to experience growth in this sector. Among the state's larger cities, Eugene and Beaverton also emerged as notable performers.

However, the outcomes were not uniform across the state. Several cities reported that the number of permits for duplexes/three- and fourplexes and townhomes decreased as a percent of total permits in the first year following their compliance with HB 2001. One reason for this drop was that some cities allowed duplexes only to the minimum extent required, imposing strict limitations on the size of new buildings or placing burdensome mandates on the number of off-street parking spaces. In contrast, cities like Beaverton, Eugene, and Portland voluntarily implemented measures that exceeded state requirements.

The research outlines various challenges that have limited the effectiveness of middle-housing legalization and shares lessons learned from its implementation:

- Many cities only allow duplexes/three- and fourplexes if units share walls, meaning demolition of existing structures is often necessary.
- Detached alternatives (like backyard cottages) are used more where allowed.
- Cities with larger allowable building sizes saw more middle housing developed compared with places where maximum size per unit was very constrained.
- Most middle housing built has been for sale rather than rental.
- Many new townhomes require stairs and lack ground-floor bedrooms, which limits accessibility.
- Flat development fees are regressive for small homes; waivers and scaled fees help viability.

Oregon subsequently enacted House Bill 2138 in 2025 to address some issues mentioned in the analysis. This indicates that successfully implementing pro-housing reforms requires close monitoring and adjustments to the initial proposals.

Minneapolis Example

Minneapolis approved its "Minneapolis 2040" Comprehensive Plan in 2019. The Plan allows residential or mixed-use buildings up to six stories by right in designated commercial and transit corridor areas and allows up to three units in residential parcels that previously allowed only detached single family homes.

To rigorously evaluate the plan's effects, the Federal Reserve Bank of Minneapolis built a data dashboard tracking 39 indicators across three core goals: producing more housing, producing more affordable housing, and providing more equitable housing choice. The dashboard uses a synthetic control methodology — comparing Minneapolis outcomes with a weighted group of 126 similarly sized cities that had no comparable land use policy — to separate the plan's effects from broader economic trends. So far:

- The dashboard shows little change; expectations are that any evidence of impact will take more time after the plan’s implementation to appear.
- Dashboard shows no statistically significant difference in the volume of multifamily housing construction.
- Missing-middle production remains low. However, one indicator showed a positive shift: housing choice — the share of homes affordable to households earning 50% of area

median income — reached 20.3 percent, compared to 18.1 percent in the comparison group, a statistically significant improvement.

Researchers note that measuring the impacts of such policies is very difficult due to implementation lags, phased zoning changes, litigation, and limited post-reform time. Several factors have delayed observable impacts. Three key policies rolled out on a staggered schedule: built-form standards took effect in January 2021, parking minimums were fully eliminated in May 2021, and the Land Use Rezoning Study — which aligned zoning districts with the 2040 Plan — was not adopted until July 2023. Additionally, legal challenges compounded these delays; a Hennepin County District Court order blocked development of housing with three or more units in previously single-family-zoned areas in late 2023, though the Minnesota Court of Appeals lifted this injunction in May 2024.

Impact of Housing Supply on Affordability

This section presents a synthesis of academic studies that delve into the broader relationship between housing supply and affordability. The studies reveal that an increase in housing supply has a direct correlation with modest shifts in affordability, slowing price growth for similar types of housing in the vicinity. This increase in supply can also create opportunities for lower-income households (though the magnitude of the impact is relatively small).

The literature suggests that an increase in housing supply can slow rent growth in the region and free up apartments for households across the income spectrum, and although new supply is associated with an influx of higher-income households, it has not been found to significantly displace lower income households. Furthermore, easing land-use restrictions generally leads to more newly constructed housing over time, but many other factors, such as vacant land capacity, labor availability, and financing costs, can constrain the pace of new development.

The impact of new construction on neighborhood rents is determined by two opposing forces:

- First, the competitive pressure created by the additional supply that can decrease rent growth.
- Second, the positive amenity effect that can increase demand and push rents up.

The magnitude of these forces will determine the overall impact of new construction on local rents. Although statistically, these impacts are difficult to disentangle, recent research using rigorous statistical methods provides evidence that, overall, increased housing supply dampens rent growth.

Figure V-2 (on the following page) shows a condensed summary of recent academic studies showing that new multifamily housing typically leads to a decrease in rent growth in surrounding areas, ranging from 1% to 7%. One study also found a mix of rent decreases and increases when analyzing the market in three segments based on rent levels.

The study, **"Local Effects of Large New Apartment Buildings in Low-Income Areas" (Asquith, Mast & Reed, 2023)** found that the introduction of new apartment buildings with 50 or more units can lead to a decrease in nearby rents within 250 meters of the building. This decrease can be up to 5% to 7% relative to trends in rent growth, which can result in monthly savings of up to $100 to $159.

The study "Do new housing units in your backyard raise your rents?" (Li, 2022) found that new market rate buildings of seven stories or more lower nearby rents within 500 feet of the new building, estimating that for every 10% increase to the housing stock that new high rises add, residential rents for the buildings within 500 feet decrease by 1%. These decreases were statistically significant for nearby high- and medium-rent buildings but were not statistically significant for nearby low-rent buildings.

Figure V-2.
Multifamily Housing Generally Decreases Rent Growth in Immediately Surrounding Areas

Publication	Housing Type	Radius	Impact	Magnitude	Geographic Sample	Year Sample
Local Effects of Large New Apartment Buildings in Low-Income Areas. (2023)	Buildings with 50 or more units	Within 250 meters of the new building	Lowers nearby rents	by 5% to 7% relative to the trend rent growth	Atlanta, Austin, Chicago, Denver, Los Angeles, New York City, Philadelphia, Portland, San Francisco, Seattle, and Washington, D.C.	2015-2019
Do New Housing Units in your Backyard Raise your Rents? (2022)	New market rate buildings of seven stories or more	Within 500 feet of the new building	Lowers nearby rents	every 10% increase to the housing stock that new high rises add, decreases residential rents by 1%	New York City	2000-2017
Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco. (2021)	Typical large market rate and affordable projects	Within 500 meters of a new project	Lowers nearby rents	by roughly 1.2% to 2.3%, or by about $23 to $43	San Francisco	2003-2017
Build Baby Build? Housing Submarkets and the Effects of New Construction on Existing Rents. (2020)	New market-rate apartment buildings with at least 50 units	Within 300 meters of the new building	No significant effect on rents overall but...	increased rent by 6.6% in the lowest rent tercile, had no effect on the middle tercile, and decreased rent by 3.2% in the highest tercile	Minneapolis	2000-2018

Source: Root Policy Research; see sources section for full article citations.

"Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco" (Pennington, 2021) estimates the effects of new buildings constructed on sites that had suffered serious fires not caused by arson and finds that typical large market rate and affordable (income restricted) projects lead to monthly rents for buildings within 500 meters of a new project falling by 1.2% to 2.3%, or roughly $23 to $43 relative to trend. The study found that these effects persist for at least 4 years after the new housing is completed.

The study also finds that affordable housing and market-rate developments have different impacts:

- New market-rate housing reduces rents and displacement nearby through spillover effects but incentivizes the influx of higher income households over time. Although market-rate construction prevents more moves of moderate and high income renters into lower income zip codes per unit than new dedicated affordable housing, it is less effective than dedicated affordable housing at targeting and preserving long-term income diversity because its spillovers accrue to anyone living nearby, regardless of their displacement risk.
- While new dedicated affordable housing only prevents displacement for its inhabitants, it can preserve long-term income diversity in the neighborhood. By basing eligibility on income, dedicated affordable housing targets people at a higher displacement risk.

Dedicated affordable housing can also achieve long-term income diversity by facilitating the retention of lower-income households over the long term, while market-rate housing contributes to gradual gentrification through the influx of higher income households who tend to occupy the new market-rate housing. **The study notes that to reduce both displacement and gentrification, market rate and dedicated affordable housing development should be complementary.**

The study titled "Build Baby Build? Housing Submarkets and the Effects of New Construction on Existing Rents" (Damiano & Frenier, 2020) estimates the impacts of new market-rate apartment buildings with at least 50 units and finds no significant effect on rents within 300 meters of new construction. However, disaggregating impacts by rent levels finds that new market-rate apartment buildings with at least 50 units increased rents by 6.6% in the lowest rent tercile (third of the market), had no effect on the middle tercile, and decreased rents by 3.2% in the highest tercile. This highlights how the amenity effects (which lead to higher rents) can dominate the supply impacts (which lead to lower rents) among lower priced rental units.

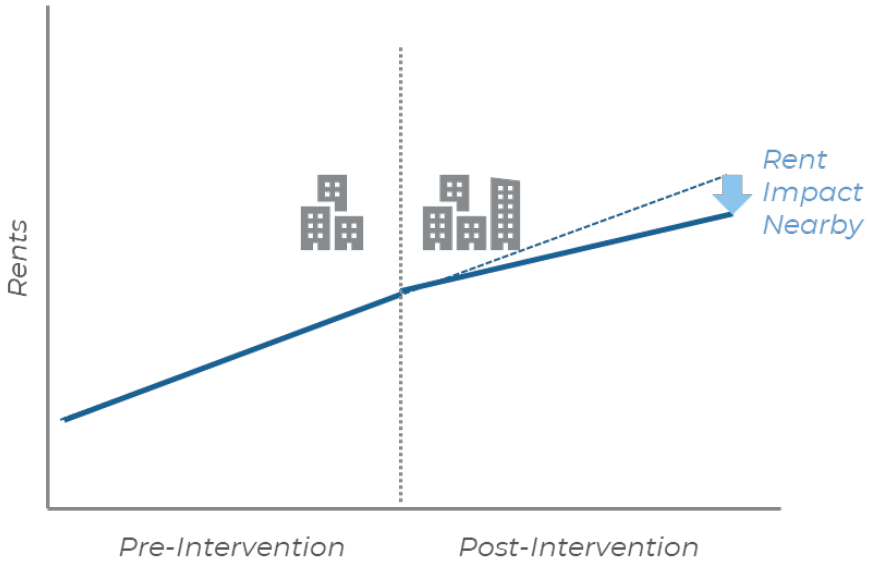
Impact interpretation. It should be noted that the previous impacts are estimated *relative to trends*. This means that they use a comparison group to estimate how rents would have behaved had the new building not been completed and compare that to how rents evolved given the addition of the new housing supply. Since, in most scenarios, rents are increasing overall, the impact of new development relative to trends means that rent growth moderates after the

intervention (new construction) and not necessarily that it drops in absolute terms from the levels observed before the new supply was added.

In other words, rents don't necessarily drop from current amounts, but they increase more slowly and drop from what might be expected of their future value. This impact is pictured in Figure V-3.

Figure V-3. Rent Impacts of New Housing Supply

Source:
Root Policy Research.



Chains of moves. Previous studies estimate price impacts in the immediate surrounding area of new developments. Other research explores the series of relocations across housing submarkets sparked by new housing development (see Figure V-4). The research explores how these chains are set in motion when new construction prompts households who would have otherwise occupied more affordable units to move into the new units and how this, in turn, can reduce demand and prices for the units they vacate, thereby increasing affordability for lower-income households.

Figure V-4.
Chains of Moves Initiated by New Construction

Publication	Housing Type	Impact	Geographic Sample	Year Sample
The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market (2023)	Large new market-rate multifamily buildings	100 new market-rate units create between 45 and 70 equivalent units in below-median income areas and between 17 and 39 in bottom-quintile income areas	New York City, Chicago, Dallas, Houston, Washington, Philadelphia, Atlanta, Boston, San Francisco/Oakland, Denver, Seattle, and Minneapolis	2009-2017
Suburban Housing and Urban Affordability: Evidence from Residential Vacancy Chains (2024)	High income multifamily and single family suburban	• 50 new high-income urban multifamily units generate 1 vacancy in a low income very high density tract; • 100 new units generate 1 vacancy in a low income high density tract; • It takes more than 100 new single family suburban units to generate a vacancy in either high- or very high-density low income tracts.	17 most populous metropolitan areas in the U.S.	2009-2018

Source: Root Policy Research; see sources section for full article citations.

A study titled "The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market," (Mast, 2023) analyzed the impact of new market-rate multifamily buildings in above-median income tracts within five miles of the central business district in 12 large central cities on low-income neighborhoods. The study began by using address histories to determine the previous addresses of 52,000 current residents of newly constructed buildings. It found that the first round of movers who filled the newly constructed units primarily came from nearby high-income neighborhoods, with 67% from the same metro area. However, 20% arrived from census tracts within the metro area with a median income below the area's median income.

The study also found that in each subsequent round of moves into the units left vacant by the previous movers, the share of households moving to the unit from lower income areas increases, reaching 40% in the sixth round.

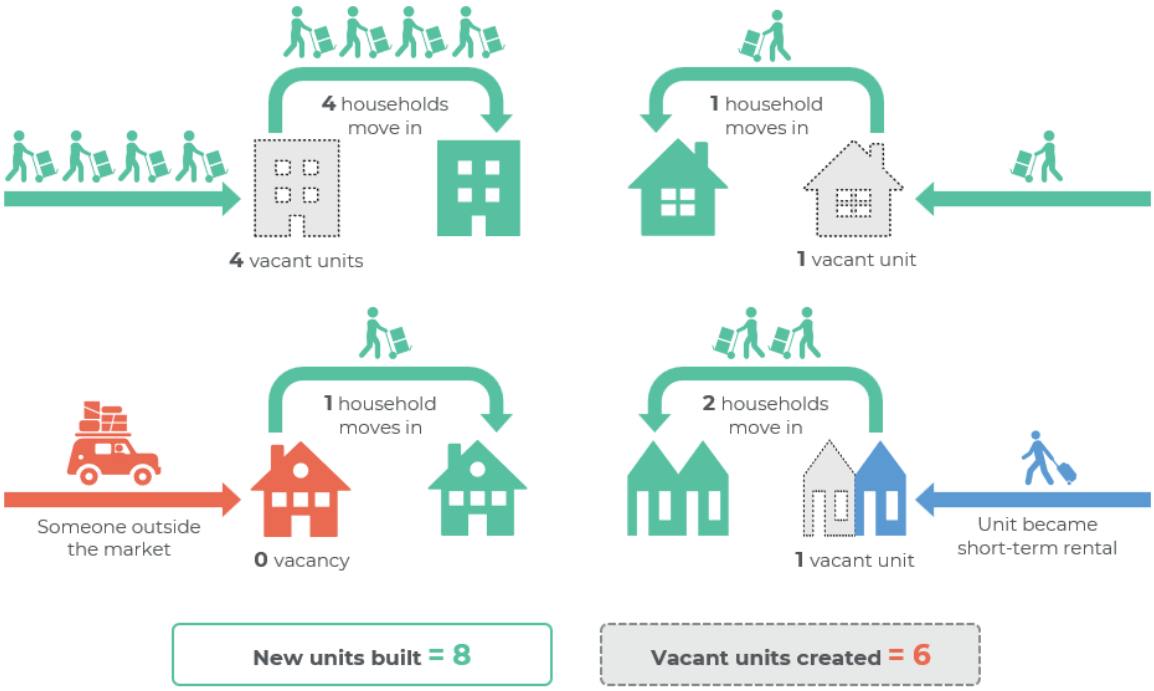
The research notes that the likelihood that this chain of moves reaches such areas depends on two key factors:

- First, a chain has some chance of ending in each round due to household formation, a unit being used as a second home, in-migration, or landlords not reducing rents enough to fully fill vacancies. These factors differ depending on the local area.

- Second, weaker migratory connections (i.e. higher market segmentation) between lower quality housing and new housing, decrease the likelihood that a chain reaches a lower quality unit in any given round.

Figure V-5 depicts the vacancy chain process and illustrates factors that can end the chain.

Figure V-5.
Vacancy Chain Example



Source: Root Policy Research.

While the study estimates based on simulations that 100 new market-rate units vacate between 45 and 70 units in below-median income areas and between 17 and 39 in bottom-quintile income areas, the study notes that it does not estimate the impact on rents and highlights that market-based strategies may not be effective in reducing rents in neighborhoods where housing costs are already very low, as private market providers cannot afford to provide housing at prices below the marginal cost. Therefore, alternative policies that reduce the cost of housing provision (such as property tax or utility rate reductions) or support lower-income individuals (such as vouchers) may be needed to address affordability issues in areas with very low housing costs.

A more recent preliminary study titled "Suburban Housing and Urban Affordability: Evidence from Residential Vacancy Chains" (French & Gilbert, 2024) supports such conclusions. The study

used a sample of 1.5 million new single-family suburban and multifamily urban housing units built between 2009 and 2018 in the 17 most populous metropolitan areas in the U.S. to analyze the vacancy chains initiated by these units, tracing their paths through different types of neighborhoods. The study finds that vacancy chains are relatively short, and that new suburban housing supply generates few moves in urban neighborhoods. This is because the study finds that while vacancy chains can connect disparate housing submarkets, they are relatively short, with 90% ending within three migration rounds.

Through simulations, the study estimates that it takes a considerably larger number of new units for new development to alleviate market pressures in high-density low-income neighborhoods. Specifically, it estimates that it takes:

- 50 new high-income urban multifamily units to generate one vacancy in a low-income very high-density tract[2];
- 100 new units to generate a vacancy in a low-income high-density tract; and
- More than 100 new single-family units to generate a vacancy in either high- or very high-density low-income tracts over a four-year horizon.

The study notes that these results have important implications for housing policy that seeks to increase housing affordability, suggesting that a more targeted approach is required to reduce costs in the least affordable neighborhoods or for the most rent-burdened households.

What do the results mean for communities? Introducing market-rate housing can help make affordable housing more available. As previously highlighted, local factors such as pent-up demand from increased household formation, demand for second homes, and out-of-metro migration mean the effects market-rate construction can have on rents may be slow to materialize. **Although the increased supply of housing through the development of new market-rate housing will improve overall affordability, the new housing supply is unlikely to be sufficient to address the needs of very low-income households.**

Policymakers should ensure that new supply becomes available at a range of price points that serve various income levels in the community. **Given that market developers do not have incentives to provide adequate inventory at levels where the required affordable rent is lower than the operating costs, subsidies and continued investment in affordable housing will be necessary.**

[2] Authors define "low-income tracts are those in the bottom quintile of the income distribution, high-density tracts are in the 19th vigintile of the distribution of population density, and very high-density tracts are those in the top vigintile of the distribution."

Sources

Andersen, M. (2025, June 4). Oregon's zoning reforms are working—but they need some upgrades. *Sightline Institute*. https://www.sightline.org/2025/06/04/oregons-zoning-reforms-are-working-but-they-need-some-upgrades/

Asquith, B. J., Mast, E., & Reed, D. (2023). Local Effects of Large New Apartment Buildings in Low-Income Areas. *The Review of Economics and Statistics*, 105(2), 359–375.

Been, V., Ellen, I. G., & O'Regan, K. M. (2023). Supply Skepticism Revisited. *NYU Law and Economics Research Paper Forthcoming*.

Belsky, E. S., Drew, R. B., & McCue, D. (2007). Projecting the Underlying Demand for New Housing Units: Inferences from the Past, Assumptions about the Future. *Joint Center for Housing Studies*.

Damiano, A., & Frenier, C. (2020). Build Baby Build? Housing Submarkets and the Effects of New Construction on Existing Rents. *Center for Urban and Regional Affairs Working Paper, University of Minnesota*.

Federal Reserve Bank of Minneapolis. (2024, April 11). Minneapolis 2040 Plan data tool prepared to measure impacts. *Federal Reserve Bank of Minneapolis*. https://www.minneapolisfed.org/article/2024/minneapolis-2040-plan-data-tool-prepared-to-measure-impacts

French, R., & Gilbert, V. (2024). Suburban Housing and Urban Affordability: Evidence from Residential Vacancy Chains. *Joint Center for Housing Studies, Harvard University*.

Li, X. (2022). Do New Housing Units in your Backyard Raise your Rents? *Journal of Economic Geography*, 22, 1309 – 1352.

Mast, E. (2023). The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market. *Journal of Urban Economics*, 133, 103383.

Pennington, K. (2021). *Does Building New Housing Cause Displacement? The Supply and Demand Effects of Construction in San Francisco*. University of California, Berkeley.