

# RESEARCH BRIEF I.

## Housing Production and Preservation

Purpose of section is to provide:

- 1) Context for housing production and how production relates to housing needs;
- 2) An understanding of how different unit types accommodate the needs of different types of households;
- 3) Estimates of existing gaps in rental and ownership affordability;
- 4) Estimates of units needed to accommodate projected population growth and employment growth; and
- 5) Estimates of preservation needs.

### Housing Production Trends

Between 2000 and 2019, the state's housing production overall adequately accommodated population and household growth. During this period, the state's population and households grew by 15%, while the number of housing units increased by 20%.

This was not true of all areas of the state, however. Counties that struggled to keep up with growth include Bernalillo, Chaves, Curry, Eddy, Leah, and Sandoval. In these counties, the growth in housing units barely kept up with population growth and it is unlikely that enough units were added to maintain a healthy vacancy rate.

Conversely, housing production exceeded population and household growth in some counties. In Catron, Guadalupe, Harding, Lincoln, Quay, Rio Arriba, Socorro, Taos, and Union, production exceeded population and household growth—often because units were built even though population or households declined in numbers.<sup>1</sup>

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<sup>1</sup> Trends in counties with very small population and unit growth are subject to large margins of error; however, the general direction of the trends indicates that development accommodated non-residents in resort areas and/or was built to replace existing units in very rural areas.

**Figure I-1.**  
**Change in Population, Households, and Housing Units, 2000 to 2019**

	Population Change		Household Change		Housing Units Change	
	Number	Percent	Number	Percent	Number	Percent
New Mexico	273,408	15%	102,278	15%	157,341	20%
Bernalillo	121,830	22%	47,022	21%	54,977	23%
Catron	-17	0%	-259	-16%	1,208	47%
Chaves	3,762	6%	723	3%	1,632	6%
Cibola	1,296	5%	381	5%	1,069	10%
Colfax	-2,021	-14%	32	1%	1,325	15%
Curry	4,688	10%	1,782	11%	2,055	11%
De Baca	-200	-9%	-250	-27%	-215	-16%
Doña Ana	41,387	24%	18,286	31%	22,687	35%
Eddy	6,074	12%	1,872	10%	2,327	10%
Grant	-3,333	-11%	-295	-2%	1,005	7%
Guadalupe	-327	-7%	-271	-16%	510	24%
Harding	-369	-46%	-160	-43%	22	4%
Hidalgo	-1,635	-28%	-473	-22%	-394	-14%
Lea	14,766	27%	2,824	14%	3,205	14%
Lincoln	50	0%	-636	-8%	2,858	19%
Los Alamos	282	2%	434	6%	447	6%
Luna	-933	-4%	-493	-5%	-4	0%
McKinley	-2,360	-3%	-534	-2%	-406	-2%
Mora	-644	-12%	-304	-15%	8	0%
Otero	3,839	6%	650	3%	2,473	8%
Quay	-1,829	-18%	-1,161	-28%	26	0%
Rio Arriba	-2,031	-5%	-2,314	-15%	2,168	12%
Roosevelt	870	5%	175	3%	772	10%
San Juan	12,714	11%	5,676	15%	7,892	18%
San Miguel	-2,388	-8%	475	4%	1,730	12%
Sandoval	52,146	58%	19,331	61%	21,455	61%
Santa Fe	20,001	15%	9,439	18%	15,287	26%
Sierra	-2,239	-17%	-558	-9%	-172	-2%
Socorro	-1,220	-7%	-2,155	-32%	426	5%
Taos	2,807	9%	-572	-5%	3,512	20%
Torrance	-1,392	-8%	-380	-6%	769	11%
Union	-41	-1%	-338	-20%	122	5%
Valencia	9,875	15%	4,329	19%	6,565	27%

Source: 2019 5-year ACS, 2010 Census, 2000 Census, and Root Policy Research.

Between 2000 and 2019, the state added approximately 48,800 renter households. While the quantity of housing has expanded to meet supply; it has not done so at price points that are affordable to many households. During this time period, the supply of rental units affordable to households earning less than \$25,000 a year decreased by over 50%—compared to a 9% decrease in the number of renters earning less than \$25,000.

As of 2019, there was:

- One affordable rental unit for every two renters with incomes less than \$25,000;
- 1.8 affordable rental units for every one renter with incomes of \$25,000 to \$50,000;
- An equal match of affordable rentals for renters with incomes of \$50,000 to \$75,000; and
- Ten times the number of renters with incomes exceeding \$75,000 than rental units.

In sum, the state’s rental units are concentrated in the \$625 to \$1,250 range, forcing low income renters into units they cannot afford. These units are also occupied by much higher income renters who “rent down” because of lack of supply—and who may be more competitive in the very tight rental market, further limiting low income renters’ options.

**Figure I-2.**  
**Number of Renters and Affordable Units by Income, 2000,2010, and 2019**

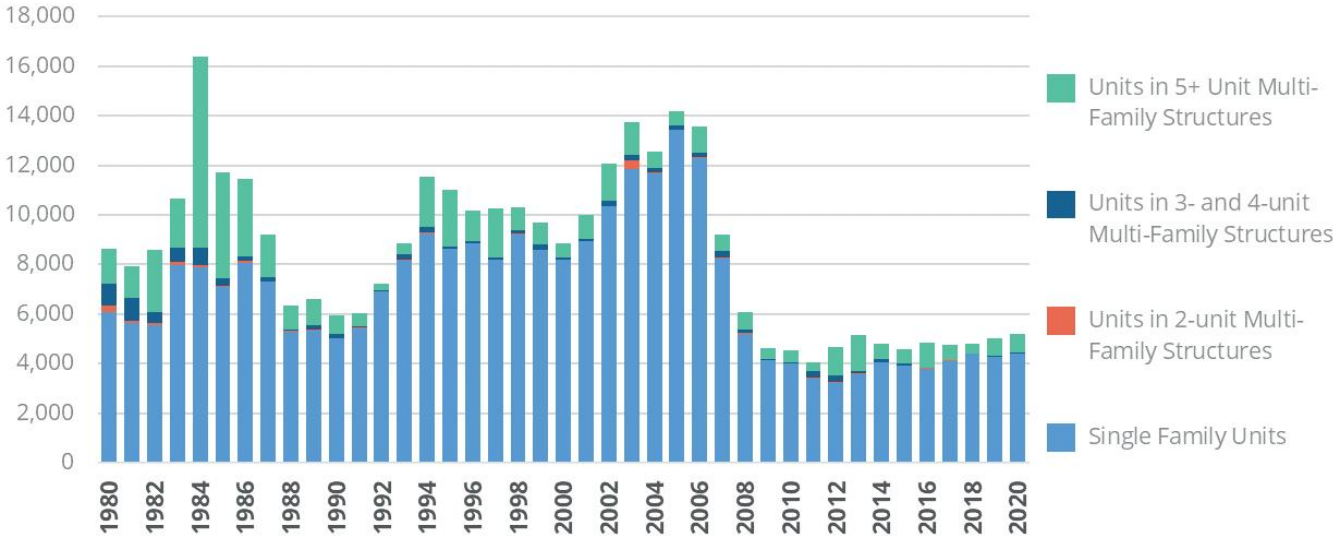
Income	2000		2010		2019	
	Renters	Affordable Units	Renters	Affordable Units	Renters	Affordable Units
Less than \$25,000	111,761	125,800	105,878	86,475	101,317	57,571
\$25,000-\$49,999	61,382	51,157	69,212	104,698	70,806	129,791
\$50,000-\$74,999	19,413	3,758	31,008	15,185	39,859	38,706
\$75,000 and over	10,980	735	23,429	2,066	40,371	4,924

Note: Price breaks for units are \$625, \$1,250, and \$2,000.

Source: 2019 and 2010 ACS 5-year, 2000 Census, and Root Policy Research.

**Building trends.** Figure I-3 shows building trends in New Mexico since 1980. Despite recessionary periods in the 1980s, population growth and development were strong in the state. Positive and consistent growth continued through the 1990s and 2000s, up until the Great Recession in the mid-2000s. Building activity has not rebounded since, and population growth has leveled off. According to Federal Reserve Economic Research data, the state gained 210,000 residents in the 1980s, 300,000 during the 1990s, nearly 250,000 in the 2000s—and just 35,000 between 2010 and 2020.

**Figure I-3.**  
**Building Permits, 1980-2020**



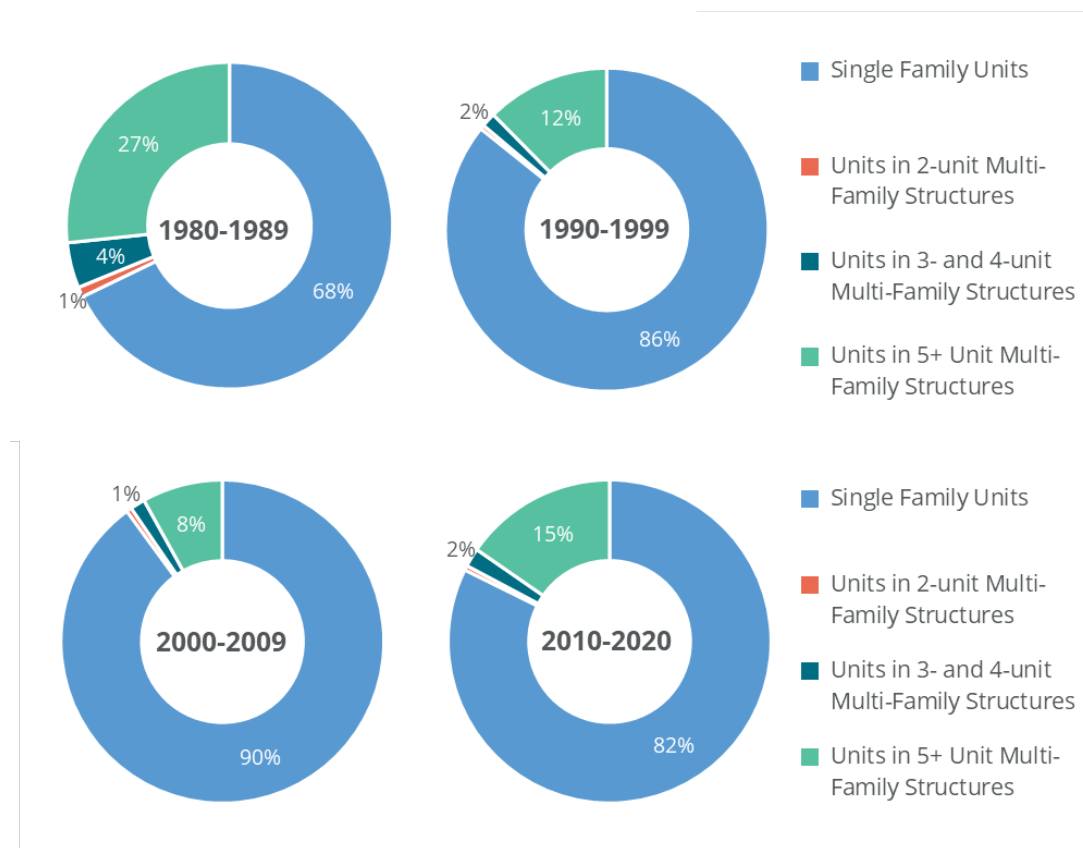
Source: U.S. Census, 2019 Building Permit Survey, and Root Policy Research.

Figure I-4 shows the share of building permits by units in structure by decade. The overall distribution of housing types has shifted heavily towards single family homes since 1990, despite changing needs and preferences.

Significant building activity of multifamily units took place in the 1980s. This development occurred during a period of strong population growth yet very high unemployment, as well as high interest rates, which raised the cost of homeownership.

Multifamily units permitted during the 1980s make up nearly half of all multifamily permits issued between 1980 and 2020. These units are now more than 30 years old and are likely in need of improvements.

**Figure I-4.**  
**Building Permit Distribution by Type**



Source: U.S. Census, 2019 Building Permit Survey, and Root Policy Research.

## Housing Types and Household Occupancy

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.

Figure I-5 illustrates housing type by income category. Income categories are determined by family size and area median income.

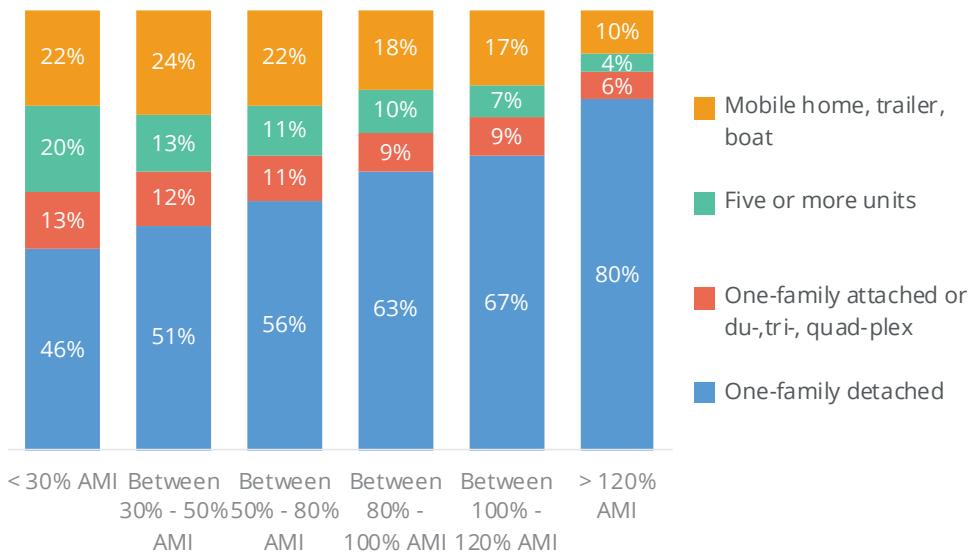
Households with incomes of 80% of AMI and less are:

- Twice as likely to occupy mobile or manufactured homes than 120% AMI households;

- Twice as likely to occupy attached housing (du/tri/fourplexes);
- For less than 30% AMI households, five times more likely to occupy multifamily (5+ units) housing.

Although homeownership is most common among 120% AMI households, half of low income households in New Mexico are owners.

**Figure I-5.**  
**Housing Type Occupied by Income, 2019**



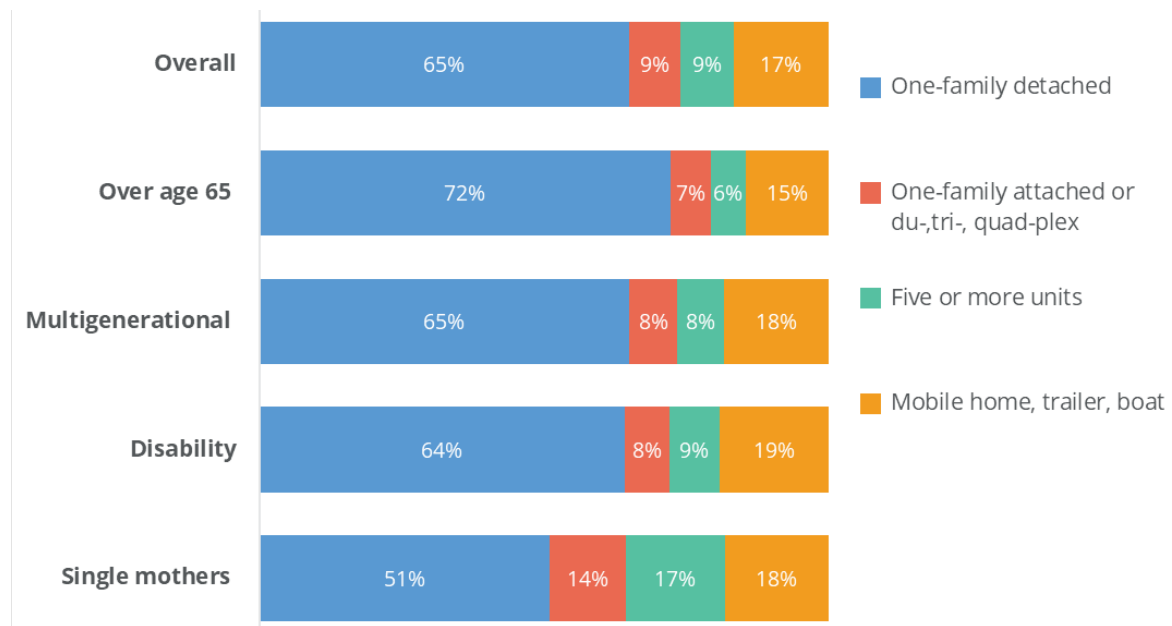
Note: AMIs are calculated by applying a population-weighted average of each county's 50% AMI by household size within PUMA.  
Source: 2019 ACS 5-year IPUMS, HUD AMI and Root Policy Research.

Figure I-6 illustrates how household characteristics vary by housing type. Although 65% of New Mexico's total population live in single-family detached homes, some groups of the population are more likely to live in such housing units. Namely, 72% of households with at least one member over the age of 65 are living in single-family detached homes.

Other groups, like single mothers for example, are less likely to live in single-family detached homes. About half of single mothers live in single-family detached homes and they are much more likely than other groups to live in multifamily housing. In fact, 17% of single mothers live in housing with five or more units in the building, and 14% live in single-family attached housing or a du-, tri-, or quad-plex. These rates are much higher than that of the overall population: just 9% overall live in each type of housing structure.

It is also worth noting that households in which one or more members have a disability are slightly more likely to live in a mobile home compared to the overall population: 19% of households in which a member has a disability live in a mobile home, trailer, or boat compared to 17% of the overall population.

**Figure I-6.**  
**Housing Type Occupied by Household Characteristics, 2019**



Note: Here a multigenerational household is classified as one where: (1) there are either two or more generations in one household in which some members of the younger generation are married or older than 17; (2) there are two nonadjacent generations (i.e. grandparent and grandchild) in the household; or (3) there are three or more generations in one household.

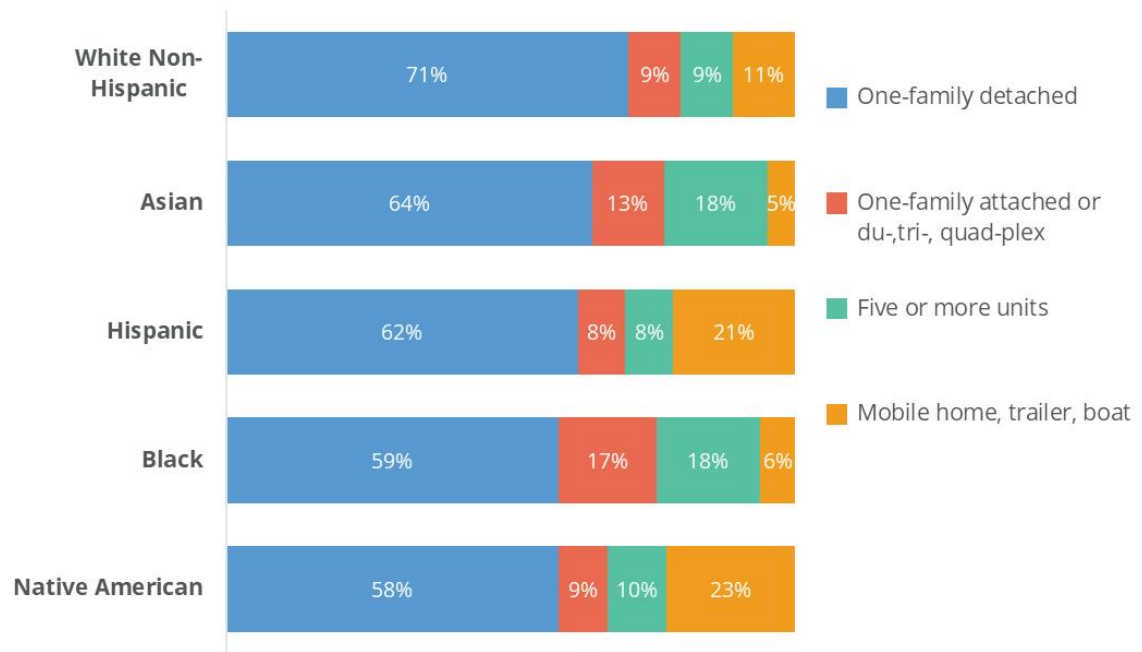
Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure I-7 illustrates housing type by race and ethnicity. The largest variance in housing type by race and ethnicity is found in mobile homes and multifamily units:

- 18% of Black and Asian New Mexicans live in multifamily units compared to 9% of White, Non-Hispanic households and 8% of Hispanic households;
- Black and Asian households are also more likely to live in attached homes;
- Overall 31% of Asian households and 35% of Black households live in a building with five or more units, an attached single-family home, or a du-, tri-, or quad-plex; and
- 23% of Native American households and 21% of Hispanic households live in mobile homes compared to 11% of White, non-Hispanic households.

White households live in single-family detached homes at higher rates than other race and ethnic groups: 71% live in single-family detached homes compared to 64% of Asian households, 62% of Hispanic households, 59% of Black households, and 58% of Native American households.

**Figure I-7.**  
**Housing Type Occupied by Race and Ethnicity, 2019**



Notes: Households' races and ethnicities are determined based on whether one or more people in the household identify in either of the above races or ethnic groups. This means that mixed-race or mixed-ethnicity households are counted in more than one race/ethnic groups.

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

Figure I-8 shows the number of housing units by type and county. Counties with higher share of higher density units (attached and five or more units) include Bernalillo, Los Alamos, and Santa Fe. Mobile homes provide a large share of housing stock in many counties and are the second largest housing type after single family detached homes in every county except for Bernalillo, Curry, and Los Alamos.



**Figure I-8.**  
**Housing Units by Type, 2019**

	One-Family Detached	One-Family Attached/Du /Tri/4-plex	Five or More Units	Mobile Home, Trailer	Total
New Mexico	64%	9%	9%	17%	937,920
Bernalillo	65%	12%	17%	6%	293,787
Catron	65%	1%	0%	34%	3,756
Chaves	73%	7%	6%	14%	27,279
Cibola	60%	6%	5%	29%	11,397
Colfax	69%	6%	8%	17%	10,284
Curry	71%	13%	6%	11%	21,267
De Baca	77%	3%	0%	21%	1,092
Doña Ana	58%	10%	10%	22%	87,897
Eddy	72%	4%	7%	17%	24,576
Grant	61%	5%	4%	30%	15,071
Guadalupe	59%	10%	3%	27%	2,670
Harding	77%	1%	0%	23%	567
Hidalgo	55%	3%	3%	39%	2,454
Lea	66%	5%	9%	20%	26,610
Lincoln	66%	7%	6%	21%	18,156
Los Alamos	64%	17%	15%	4%	8,384
Luna	51%	4%	7%	38%	11,287
McKinley	65%	8%	3%	23%	26,312
Mora	65%	1%	0%	34%	2,981
Otero	61%	8%	3%	28%	31,745
Quay	68%	5%	4%	24%	5,690
Rio Arriba	56%	4%	1%	40%	20,184
Roosevelt	65%	12%	3%	20%	8,518
San Juan	56%	7%	4%	33%	51,113
San Miguel	53%	7%	3%	36%	15,984
Sandoval	81%	6%	4%	8%	56,585
Santa Fe	64%	12%	10%	14%	72,988
Sierra	48%	4%	7%	41%	8,555
Socorro	55%	4%	4%	37%	8,234
Taos	65%	9%	5%	21%	20,916
Torrance	53%	1%	1%	45%	8,026
Union	82%	3%	0%	15%	2,347
Valencia	64%	4%	2%	30%	31,208

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

**Second home/vacation home demand.** There is early evidence that the pandemic has prompted second-home purchases by wealthier households and near-retirees who may be accelerating their purchase of a retirement home while holding on to their primary residence for longer.

Demand for second and vacation homes has important implications for the inventory of units for rent and for sale available to current residents. Over 50,000 housing units in the state are vacant for seasonal and recreational use.

Figure I-9 shows the number of vacant homes by county, including seasonal and recreational use homes. Of the state's total vacant units for seasonal and recreational use, 15% are in Lincoln County and 11% are in Santa Fe County. The next largest shares are in Taos County (8%), Otero (7%), and Colfax (6%).

**Figure I-9.**  
**Vacant Units by Reason, 2019**

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ rec. Use	For Migrant Workers	Other
New Mexico	24,352	11,913	9,034	51,457	654	60,261
Bernalillo	8,276	2,887	2,665	2,734	0	9,526
Catron	19	162	0	1,871	2	377
Chaves	1,114	318	466	263	52	1,782
Cibola	143	60	134	598	30	1,724
Colfax	399	146	103	2,880	0	903
Curry	554	375	305	341	12	1,132
De Baca	0	0	0	267	0	153
Doña Ana	2,737	1,056	617	1,839	75	3,731
Eddy	346	248	456	528	161	1,586
Grant	258	343	80	708	0	1,831
Guadalupe	13	30	16	1,110	0	117
Harding	5	4	5	273	0	69
Hidalgo	54	26	11	129	0	555
Lea	1,069	160	276	217	137	2,228
Lincoln	931	610	234	7,465	9	1,341
Los Alamos	67	74	31	122	0	159
Luna	202	256	139	197	0	1,589
McKinley	384	92	94	1,383	29	3,388
Mora	36	30	7	608	0	587
Otero	895	490	620	3,360	26	2,720
Quay	95	50	7	2,112	0	386
Rio Arriba	298	278	154	2,344	13	4,367
Roosevelt	355	178	382	145	0	644
San Juan	1,206	558	191	1,407	7	4,357
San Miguel	308	244	27	2,131	14	1,651
Sandoval	808	953	501	1,620	0	1,702
Santa Fe	1,417	705	606	5,530	0	2,809
Sierra	268	375	78	1,503	0	776
Socorro	513	212	96	1,880	0	1,013
Taos	900	264	350	4,071	0	3,228
Torrance	109	173	100	495	28	1,477
Union	0	41	0	693	0	218
Valencia	573	515	283	633	59	2,135

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

Figure I-10 shows the percent change in vacant units by reason. Most counties have experienced a significant increase in the number of vacant units for seasonal/recreational use.

**Figure I-10.**  
**Percent Change in Vacant Units by Reason, 2010-2019**

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/ rec. Use	For Migrant Workers	Other
New Mexico	10%	8%	162%	41%	186%	65%
Bernalillo	11%	-12%	215%	54%	-100%	95%
Catron	-44%	224%	-100%	67%	-60%	31%
Chaves	64%	1%	521%	23%	940%	4%
Cibola	-65%	-32%	109%	-32%	650%	115%
Colfax	38%	-10%	102%	0%	-100%	48%
Curry	17%	67%	296%	417%	300%	-6%
De Baca	-100%	-100%	-100%	28%	-100%	-18%
Doña Ana	33%	19%	155%	170%	369%	79%
Eddy	-21%	16%	243%	126%	3925%	38%
Grant	-26%	79%	10%	18%	-100%	105%
Guadalupe	-81%	15%	220%	687%	-100%	-69%
Harding	150%	-33%	67%	618%	-	-46%
Hidalgo	-33%	-7%	-15%	47%	-100%	126%
Lea	23%	-14%	197%	0%	954%	71%
Lincoln	146%	80%	157%	26%	-64%	-13%
Los Alamos	-66%	0%	41%	-53%	-100%	14%
Luna	-31%	25%	107%	36%	-100%	132%
McKinley	-20%	10%	2%	10%	16%	77%
Mora	9%	50%	250%	17%	-100%	8%
Otero	4%	20%	331%	2%	2500%	48%
Quay	-21%	-49%	-42%	288%	-100%	-46%
Rio Arriba	-20%	55%	86%	37%	63%	188%
Roosevelt	128%	100%	905%	164%	-100%	25%
San Juan	4%	33%	-18%	6%	-65%	145%
San Miguel	-24%	109%	-47%	15%	367%	38%
Sandoval	36%	7%	127%	6%	-100%	18%
Santa Fe	-26%	-39%	84%	44%	-100%	37%
Sierra	-18%	126%	160%	13%	-100%	32%
Socorro	62%	248%	60%	826%	-100%	153%
Taos	47%	7%	438%	29%	-100%	136%
Torrance	-37%	2%	33%	110%	155%	70%
Union	-100%	17%	-100%	446%	-100%	-40%
Valencia	16%	-16%	126%	288%	228%	82%

Source: 2019 ACS 5-year, 2010 Census, and Root Policy Research.

Home Mortgage Disclosure Act (HMDA) data indicate which home mortgages were for second homes and can be analyzed to better understand the shift in purchases of second homes. However, HMDA data only include home purchases which made use of a mortgage; home purchases made in cash, without a mortgage, are not included in the data. Therefore, the following estimates are an undercount of how many homes were purchased as second homes. Figure I-11 shows the number of originated loans for second home purchases by county.

Between 2015 and 2020 the number of second home loan originations increased by 50%. Counties with a significant volume of sales and a high share of home purchases for second homes include: Colfax (65%), Lincoln (57%), Taos (37%), and Santa Fe (17%).

**Figure I-11.**  
**Second Home Loan Originations by County, 2015-2020**

	2015	2016	2017	2018	2019	2020
New Mexico	1,967	1,996	2,175	2,595	2,724	2,945
Bernalillo	570	578	656	799	873	812
Catron	2	1	7	6	6	7
Chaves	33	16	22	28	39	31
Cibola	8	4	2	1	19	21
Colfax	45	70	66	88	102	200
Curry	11	13	19	22	19	29
De Baca	-	-	2	-	-	-
Doña Ana	171	214	228	246	260	303
Eddy	35	33	32	75	71	48
Grant	23	21	26	23	19	23
Guadalupe	-	2	1	1	1	-
Harding	-	-	-	-	1	-
Hidalgo	3	5	4	2	1	1
Lea	26	16	13	28	40	35
Lincoln	169	198	203	225	199	286
Los Alamos	24	29	28	31	21	30
Luna	20	14	17	7	10	10
McKinley	12	14	6	21	16	10
Mora	3	-	3	3	5	5
Otero	72	81	86	78	90	109
Quay	5	1	2	3	4	7
Rio Arriba	20	22	17	23	24	36
Roosevelt	9	5	6	10	7	7
Sandoval	159	143	149	221	214	230
San Juan	46	44	59	57	65	65
San Miguel	21	11	28	17	20	33
Santa Fe	322	309	324	394	405	369
Sierra	24	24	25	26	23	39
Socorro	4	6	7	7	15	12
Taos	86	85	99	93	101	122
Torrance	4	7	6	5	4	7
Union	3	-	1	1	3	7
Valencia	37	30	31	54	47	51

Note: Includes first lien loan originations.

Source: HMDA and Root Policy Research.

## Housing Needs

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.

Housing needs in this section are also described in terms of the “rental gap” which compares the distribution of renters by income to rental units available to them.

**Cost burden.** Figures I-12 and I-13 show the number of cost burdened and severely cost burdened households by tenure and county. In the state:

- A total of 117,613 households are cost burdened, and another 100,858 are severely cost burdened.
- 38% of all cost burdened households and 41% of all severely cost burdened households reside in Bernalillo County;
- Among cost burdened households, 46% are renters, 41% are owners with a mortgage, and 13% are owners without a mortgage.
- This changes for severely cost burdened households, who are more likely to be renters. Among severely cost burdened households, 54% are renters, 35% are owners with a mortgage, and 11% are owners without a mortgage.



**Figure I-12.  
Cost Burdened  
Households by Tenure,  
Paying 30%-49%, 2019**

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

	Renters	Owners with Mortgage	Owners without Mortgage	Total
New Mexico	54,537	48,342	14,734	117,613
Bernalillo	23,077	18,237	3,896	45,210
Catron	12	53	0	65
Chaves	1,522	1,194	582	3,298
Cibola	446	209	206	861
Colfax	316	464	307	1,087
Curry	1,771	987	323	3,081
De Baca	67	13	21	101
Doña Ana	6,199	4,477	1,276	11,952
Eddy	1,086	674	210	1,970
Grant	777	662	181	1,620
Guadalupe	97	7	31	135
Harding	19	0	5	24
Hidalgo	61	76	66	203
Lea	1,064	726	271	2,061
Lincoln	318	623	183	1,124
Los Alamos	266	168	32	466
Luna	823	469	178	1,470
McKinley	657	406	665	1,728
Mora	41	42	208	291
Otero	2,279	1,432	429	4,140
Quay	348	141	45	534
Rio Arriba	427	433	393	1,253
Roosevelt	632	383	74	1,089
San Juan	2,393	2,399	934	5,726
San Miguel	650	528	513	1,691
Sandoval	2,552	4,986	708	8,246
Santa Fe	4,167	4,667	1,347	10,181
Sierra	352	339	140	831
Socorro	260	179	139	578
Taos	686	565	352	1,603
Torrance	146	445	311	902
Union	46	61	18	125
Valencia	980	2,297	690	3,967

**Figure I-13.  
Severely Cost Burdened  
Households by Tenure,  
Paying Over 50%, 2019**

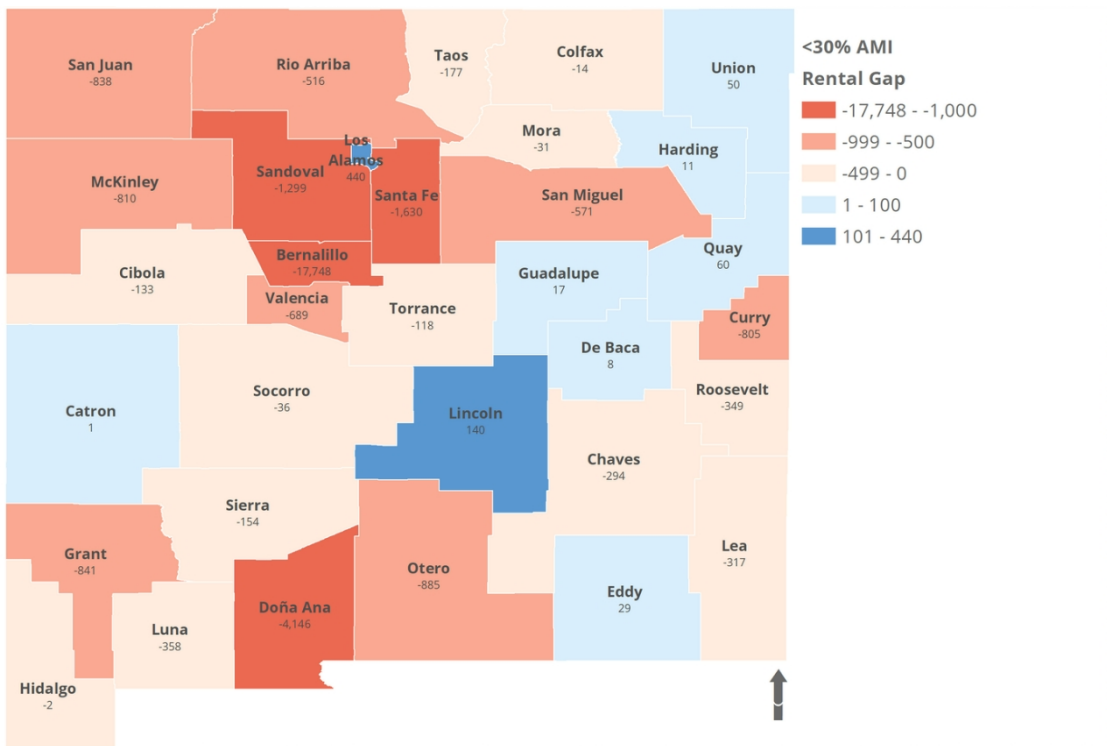
Source:  
2019 ACS 5-year, and Root Policy Research.

	Renters	Owners with Mortgage	Owners without Mortgage	Total
New Mexico	54,074	35,606	11,178	100,858
Bernalillo	24,323	13,509	3,051	40,883
Catron	9	13	70	92
Chaves	1,130	961	374	2,465
Cibola	301	118	238	657
Colfax	328	192	116	636
Curry	1,582	951	177	2,710
De Baca	13	15	19	47
Doña Ana	7,018	3,492	1,118	11,628
Eddy	664	641	338	1,643
Grant	876	444	212	1,532
Guadalupe	20	6	64	90
Harding	0	4	13	17
Hidalgo	84	89	29	202
Lea	1,310	548	216	2,074
Lincoln	201	440	150	791
Los Alamos	186	131	56	373
Luna	689	392	82	1,163
McKinley	996	627	313	1,936
Mora	72	65	33	170
Otero	1,358	561	290	2,209
Quay	112	91	21	224
Rio Arriba	568	394	222	1,184
Roosevelt	636	182	151	969
San Juan	2,328	1,322	760	4,410
San Miguel	745	466	588	1,799
Sandoval	2,339	2,617	509	5,465
Santa Fe	3,501	3,994	1,038	8,533
Sierra	330	368	127	825
Socorro	313	48	52	413
Taos	751	504	144	1,399
Torrance	254	428	154	836
Union	23	27	32	82
Valencia	1,014	1,966	421	3,401

**Rental gaps.** The “Rental Gap” shows the difference between the number of renter households and the number of rental units affordable to them.

- The state’s rental gap is concentrated at income levels below 30% AMI. The statewide gap at this income level is around 32,000 units.
- The Albuquerque MSA gap is around 19,850 units—making up 62% of the state’s gap overall.
- Counties with gaps at 50 to 80% AMI include Guadalupe (40 units), Harding (19 units), and San Miguel (12 units).

**Figure I-14.**  
**Rental Gap for Households Below 30% AMI by County, 2019**



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

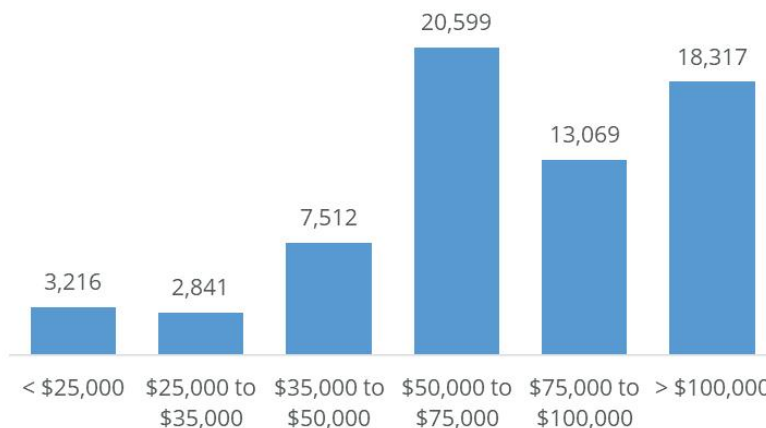
**High-income rental gap.** Most counties also show a gap for higher income renters. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

According to ACS data, 28% of renter households in New Mexico are spending less than 20% of their household income on housing costs.<sup>2</sup> This equates to about 65,554 households. These households are largely upper-income households—64% of them earn more than 120% of AMI. As illustrated in Figure I-15, 31% of these households earn between \$50,000 and \$75,000 per year and 48% earn more than \$75,000 per year.

**Figure I-15.**  
**Income Distribution**  
**of Households**  
**Paying Less than**  
**20% of Income in**  
**Rent, 2019**

Note:

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



Source:

2019 ACS 5-year IPUMS and Root Policy Research.

Many of these households are taking up units that lower-income households could otherwise be renting. Figure I-16 illustrates the number of homes occupied by those paying less than 20% of their monthly income in gross rent with the corresponding distribution of such units that would be better occupied by a lower-income household. For example, units considered “preferable for households earning less than \$25,000” are units which rent for \$625 or less per month (in other words, less than 30% of monthly income for households earning \$25,000). Units considered “preferable for households earning \$25,000 to \$35,000” are units which cost between \$625 and \$875 in gross rent, and so on.

<sup>2</sup> 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 child care, or choose to continue to rent down to save for homeownership.

**Figure I-16.**  
**Units Occupied by Households Paying Less than 20% of their Income in Rent, 2019**



Note: 20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available  
 Source: 2019 ACS 5-year IPUMS and Root Policy Research.

Figure I-16 illustrates that households earning over \$100,000 and paying less than 20% of their income in gross rent are occupying:

- 702 units whose prices would be better suited for households earning \$75,000 to \$100,000;
- 8,059 units whose prices would be better suited for households earning \$50,000 to \$75,000;
- 5,164 units whose prices would be better suited for households earning \$35,000 to \$50,000;
- 2,453 units whose prices would be better suited for households earning \$25,000 to \$35,000; and
- 1,210 units whose prices would be better suited for households earning less than \$25,000.

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. Filtering could alleviate a significant portion of the rental gap, although this 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 where new rental development is most active.

## Forecasted Needs

The University of New Mexico Geospatial and Population Studies (GPS) releases periodic population projections for New Mexico and its 33 counties.<sup>3</sup> These projections are used to forecast household growth in the state and counties. These projections have more error as they move further from the most recent census used (2010), and, as such, should be considered a baseline for analysis.<sup>4</sup>

**Population and household growth.** Figure I-17 shows the projected population growth by age group, 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 21% of total residents by 2035. Despite the large increase in senior residents, younger residents under age 25 are projected to continue to make the largest share of the population (accounting for around 30% of the total population).

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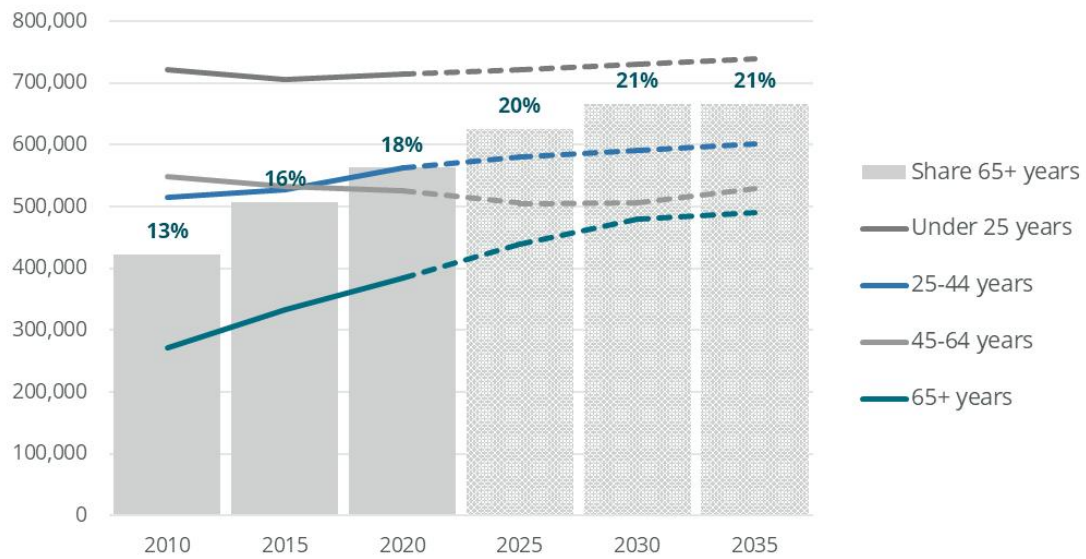
<sup>3</sup> GPS uses a standard cohort component method based on the demographic balancing equation:

$$\text{Pop}_t = \text{Pop}_{t-1} + \text{Births} - \text{Deaths} + \text{Net Migration}$$

These five-year interval projections begin with GPS population estimates. From this, the number of expected deaths is subtracted from the population using life tables calculated from the New Mexico Department of Health. Next, the number of expected births for the female population ages 15-44 is calculated using fertility data from the New Mexico Department of Health. Finally, net migration is calculated based on recent historical trends. This was not straightforward for the 2020-2040 estimates, because of large in-migration between 2000 and 2010 and because of large out-migration between 2010 and 2015. Neither of these trends is expected to soon return or continue. Therefore, migration was roughly calculated as half the net migration observed between 2000 and 2010. This process is completed for each county and then controlled to a statewide projection total.

<sup>4</sup> Future trends may be different due to the cyclical nature of migration (such as oil drilling) and due to policy changes that directly aim to impact migration or other components of population change.

**Figure I-17.**  
**Population Projections by Age**

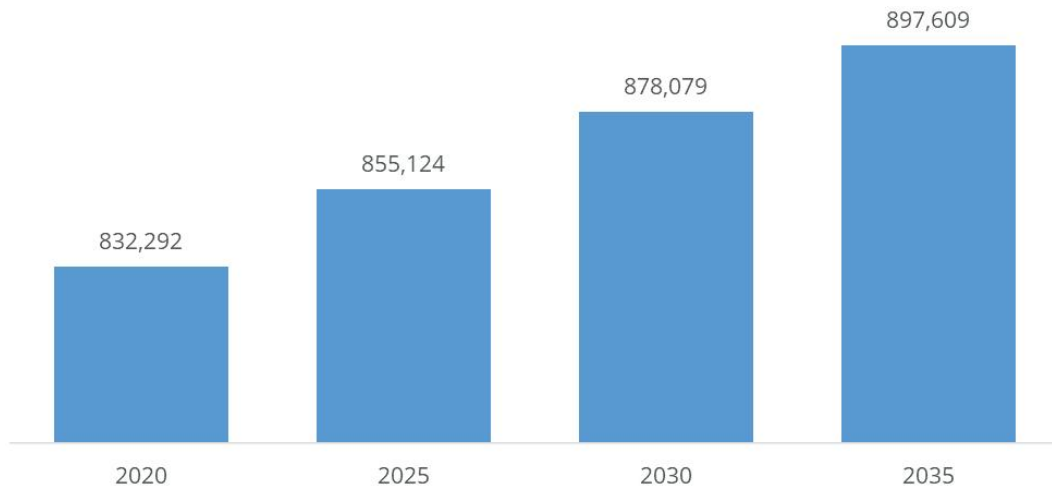


Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

Population trends project that overall, the state will add:

- 22,800 new households between now and 2025; and
- 65,000 new households between now and 2035.

**Figure I-18.**  
**Household Projections, 2020 to 2035**



Note: Holding 2019 average household size for each county constant.

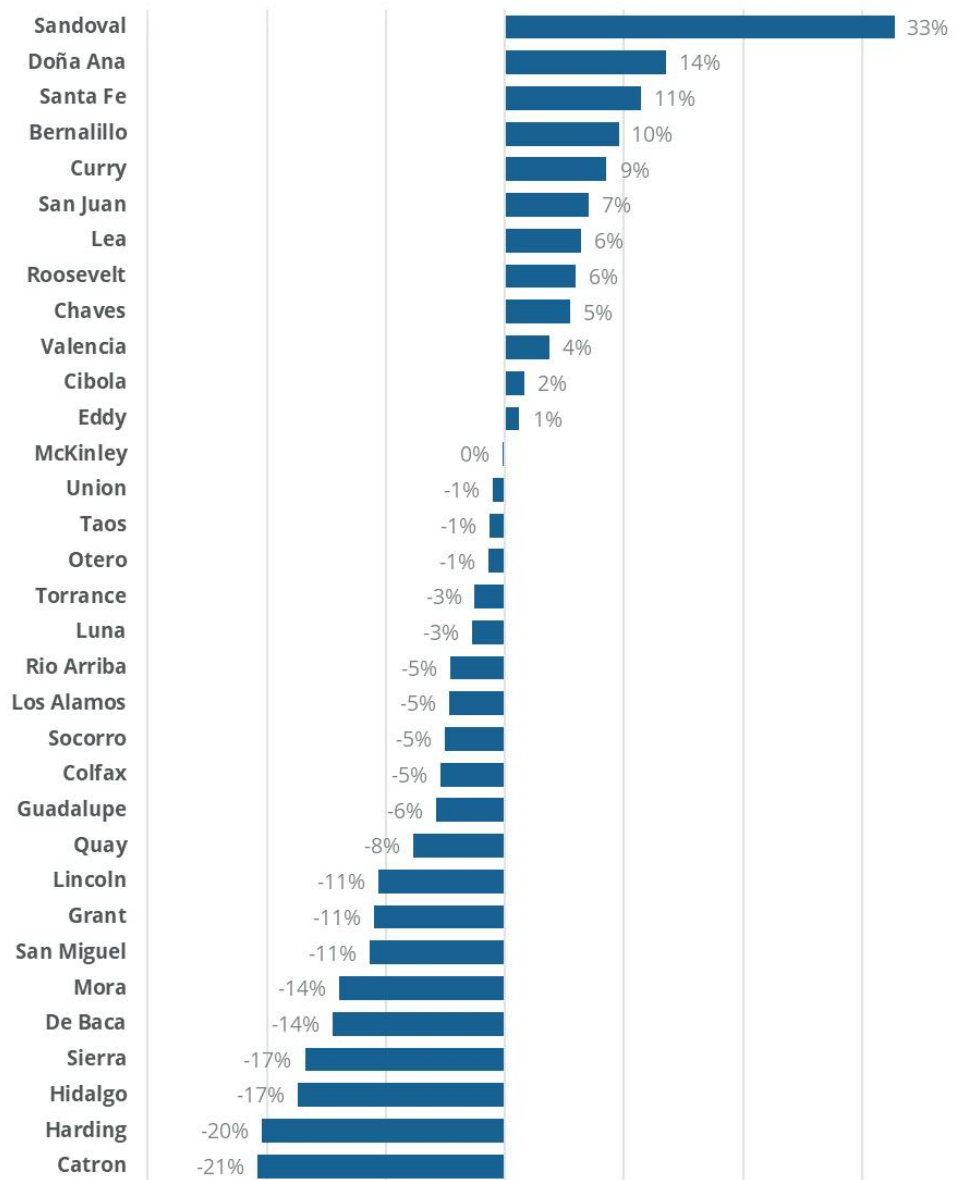
Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

As shown in Figure I-19, urban counties are expected to drive the state's population growth, a phenomenon that is also true at the national level. A handful of counties are expected to show no or minimal change, and about half of the state's counties are projected to lose population.

The largest overall increase is projected in Bernalillo County, which is projected to add around 27,400 new households by 2035 (10% increase). The largest proportional increase in population is projected in Sandoval County, whose households are expected to increase by 33% between 2020 and 2035 (about 17,500 households).



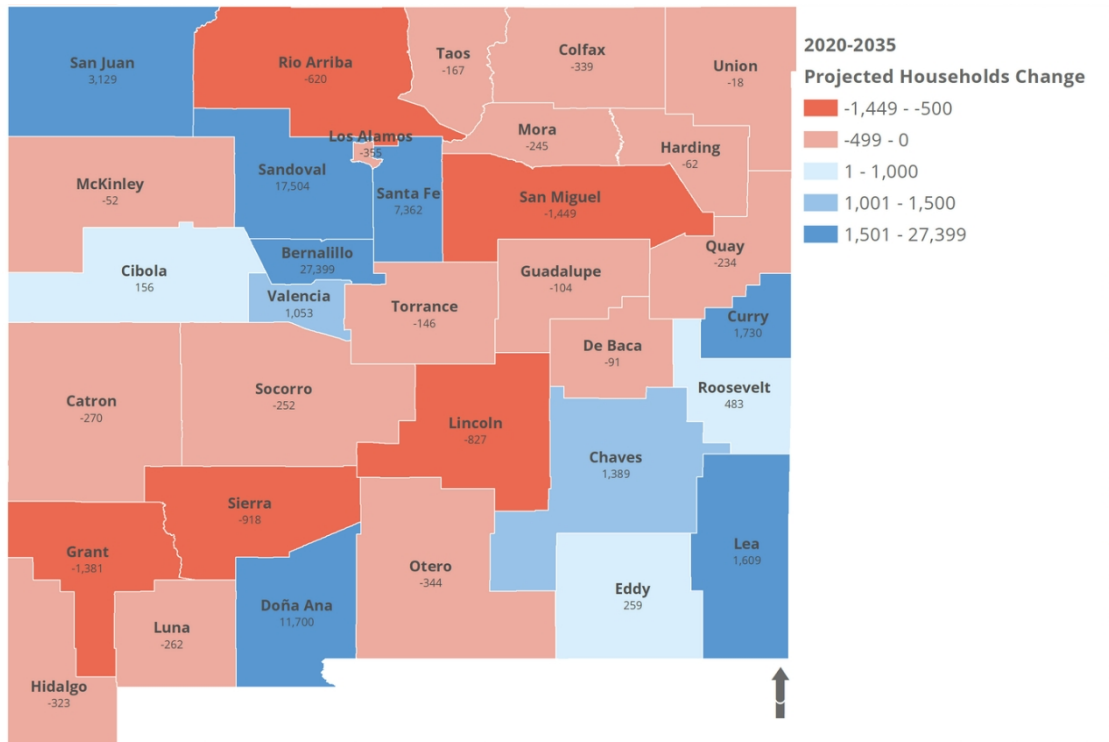
**Figure I-19.**  
**Projected Household Growth by County, 2020-2035**



Note: Holding 2019 average household size for each county constant.

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

**Figure I-20.**  
**Projected Household Change by County, 2020-2035**



Note: Holding 2019 average household size for each county constant.  
 Source: The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

**Housing units needed.** Based on the above projections,

- Between now and 2025, an average of 5,100 housing units per year are needed to accommodate growth; and
- Between 2025 and 2030, an average of 5,140 housing units per year are needed to accommodate growth.

This compares to past 10 year average annual permits of 3,291 housing units in growth counties and 4,771 housing units for New Mexico overall. Increased production is needed—but must be paired with programs and policies to ensure a portion of new units meet affordability needs.

Figures I-21 to I-23 show the number of units needed to accommodate new households by county, AMI, and tenure<sup>5</sup>.

- By 2025 the state will need around 25,400 units, around 4,200 of them should be affordable to households with income below 30% AMI.
- By 2035 the state will need around 73,700 units, around 12,000 of them should be affordable to households with income below 30% AMI.

Market production will be concentrated at 120%+ AMI; incentives to production below that price point should be pursued.

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<sup>5</sup> Assumes 2019 household size, AMI distribution, and tenures remain constant.

**Figure I-21.  
Projected Units  
Needed by 2025,  
by County, AMI  
and Tenure**

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

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

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
<b>Total</b>	<b>25,476</b>	<b>4,210</b>	<b>3,431</b>	<b>4,360</b>	<b>2,449</b>	<b>2,114</b>	<b>8,912</b>
Bernalillo	10,153	1,812	1,428	1,728	937	851	3,396
Sandoval	5,417	695	557	957	558	526	2,125
Doña Ana	4,263	762	665	677	377	282	1,499
Santa Fe	2,261	355	317	404	240	168	778
San Juan	1,082	211	163	194	107	94	311
Curry	550	81	68	105	55	43	198
Lea	508	84	55	83	57	51	179
Chaves	454	73	70	76	45	34	157
Valencia	328	61	52	62	33	29	90
Roosevelt	219	34	25	36	19	17	88
Eddy	114	18	16	18	11	10	41
Cibola	78	15	9	13	6	6	29
McKinley	49	10	5	7	4	3	20
<b>Rental Units</b>	<b>9,043</b>	<b>2,303</b>	<b>1,959</b>	<b>1,581</b>	<b>1,323</b>	<b>1,204</b>	<b>674</b>
Bernalillo	4,333	1,130	951	768	615	569	299
Sandoval	1,047	272	237	205	136	129	68
Doña Ana	1,818	450	414	286	279	248	142
Santa Fe	678	173	146	110	106	90	53
San Juan	382	87	83	70	62	51	30
Curry	220	51	37	37	36	34	26
Lea	173	48	23	32	25	26	20
Chaves	145	31	26	27	25	21	14
Valencia	70	19	12	13	11	10	5
Roosevelt	94	24	16	18	14	14	8
Eddy	36	8	7	7	6	5	4
Cibola	30	7	5	5	5	5	3
McKinley	17	4	3	2	2	3	3
<b>Ownership Units</b>	<b>16,433</b>	<b>1,907</b>	<b>1,472</b>	<b>2,779</b>	<b>1,126</b>	<b>910</b>	<b>8,238</b>
Bernalillo	5,821	682	477	960	322	282	3,097
Sandoval	4,370	423	320	752	422	397	2,056
Doña Ana	2,444	313	251	391	98	34	1,358
Santa Fe	1,584	182	171	294	134	78	725
San Juan	700	124	81	125	45	43	281
Curry	330	29	32	68	19	9	173
Lea	335	36	31	51	32	25	160
Chaves	309	41	44	49	20	13	143
Valencia	257	42	40	49	22	19	85
Roosevelt	124	10	9	18	5	4	80
Eddy	78	10	9	11	6	5	37
Cibola	48	8	4	8	2	1	25
McKinley	32	6	3	5	2	0	18

**Figure I-22.  
Projected Units  
Needed by 2030,  
by County, AMI  
and Tenure**

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

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

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
<b>Total</b>	51,182	8,438	6,886	8,784	4,936	4,266	17,872
Bernalillo	19,382	3,459	2,727	3,299	1,789	1,625	6,483
Sandoval	11,353	1,456	1,166	2,006	1,169	1,102	4,453
Doña Ana	8,194	1,465	1,278	1,301	724	542	2,882
Santa Fe	4,667	733	654	833	495	347	1,606
San Juan	2,182	426	330	392	216	190	628
Valencia	1,468	275	233	277	147	132	404
Curry	1,117	164	139	213	112	87	403
Lea	1,069	176	115	174	119	107	378
Chaves	943	151	146	157	93	70	326
Roosevelt	384	60	43	64	33	30	154
Eddy	236	38	33	37	23	20	85
Cibola	131	25	16	22	11	10	48
McKinley	55	11	6	8	4	3	23
<b>Rental Units</b>	17,867	4,552	3,859	3,128	2,615	2,380	1,333
Bernalillo	8,271	2,156	1,815	1,466	1,174	1,087	571
Sandoval	2,194	570	496	430	286	270	143
Doña Ana	3,495	864	795	550	536	477	272
Santa Fe	1,399	357	300	226	219	186	109
San Juan	771	175	167	141	125	103	61
Valencia	316	86	52	58	51	46	23
Curry	447	105	75	74	73	68	52
Lea	365	100	49	67	52	55	41
Chaves	301	65	54	56	52	43	30
Roosevelt	166	43	28	32	25	24	14
Eddy	74	17	14	14	11	10	7
Cibola	50	11	9	9	8	8	6
McKinley	19	4	3	3	3	3	3
<b>Ownership Units</b>	33,315	3,885	3,027	5,656	2,321	1,886	16,540
Bernalillo	11,111	1,303	911	1,832	615	538	5,912
Sandoval	9,158	886	670	1,575	884	832	4,310
Doña Ana	4,699	601	483	751	188	65	2,610
Santa Fe	3,269	375	353	607	276	160	1,496
San Juan	1,411	251	163	251	91	87	568
Valencia	1,152	189	181	219	97	85	381
Curry	670	59	64	139	39	19	350
Lea	705	76	66	107	67	52	336
Chaves	643	86	91	101	41	28	296
Roosevelt	218	17	15	31	8	6	140
Eddy	162	21	18	23	12	10	77
Cibola	81	14	7	13	3	2	42
McKinley	36	7	3	5	2	0	20

**Figure I-23.  
Projected Units  
Needed by 2035,  
by County, AMI  
and Tenure**

Note:

Holding 2019 AMI and tenure distributions constant.

Source:

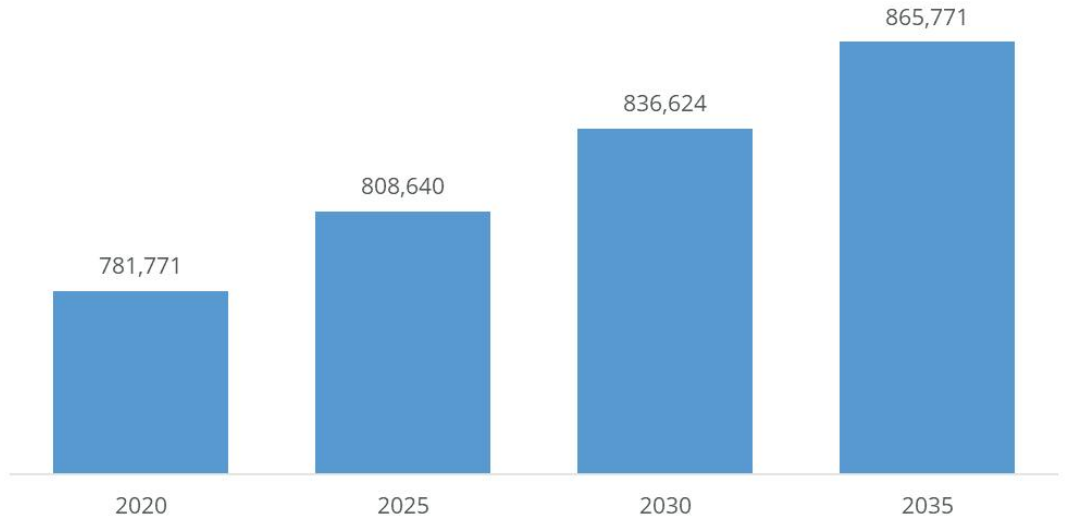
The University of New Mexico Geospatial and Population Studies, and Root Policy Research.

County	Total	Percent of AMI					
		0-30%	30-50%	50-80%	80-100%	100-120%	120%+
<b>Total</b>	<b>73,774</b>	<b>12,078</b>	<b>9,861</b>	<b>12,661</b>	<b>7,132</b>	<b>6,156</b>	<b>25,886</b>
Bernalillo	27,399	4,890	3,854	4,663	2,529	2,297	9,165
Sandoval	17,504	2,245	1,799	3,093	1,803	1,699	6,866
Doña Ana	11,700	2,092	1,825	1,858	1,034	774	4,116
Santa Fe	7,362	1,156	1,031	1,315	781	547	2,533
San Juan	3,129	611	473	562	310	273	901
Curry	1,730	253	215	330	173	135	624
Lea	1,609	266	173	262	179	161	568
Chaves	1,389	222	214	232	137	104	480
Valencia	1,053	197	167	199	105	94	290
Roosevelt	483	75	54	80	42	38	194
Eddy	259	41	36	41	25	22	93
Cibola	156	30	19	26	13	11	57
<b>Rental Units</b>	<b>25,637</b>	<b>6,530</b>	<b>5,548</b>	<b>4,489</b>	<b>3,749</b>	<b>3,409</b>	<b>1,912</b>
Bernalillo	11,692	3,048	2,566	2,073	1,660	1,537	807
Sandoval	3,384	878	765	663	440	416	220
Doña Ana	4,991	1,234	1,135	786	766	681	389
Santa Fe	2,206	564	474	357	345	294	173
San Juan	1,105	251	239	202	179	148	87
Curry	693	162	116	115	113	106	81
Lea	549	151	74	101	79	83	62
Chaves	443	96	80	83	77	63	44
Valencia	227	61	38	42	36	33	16
Roosevelt	209	54	35	41	31	30	18
Eddy	81	18	16	15	13	11	8
Cibola	59	13	10	11	10	9	7
<b>Ownership Units</b>	<b>48,137</b>	<b>5,548</b>	<b>4,313</b>	<b>8,172</b>	<b>3,383</b>	<b>2,747</b>	<b>23,974</b>
Bernalillo	15,707	1,841	1,288	2,590	869	760	8,358
Sandoval	14,121	1,367	1,033	2,429	1,363	1,283	6,646
Doña Ana	6,710	858	690	1,073	269	93	3,727
Santa Fe	5,156	592	557	958	436	253	2,360
San Juan	2,023	360	234	361	130	125	814
Curry	1,037	91	99	215	60	30	542
Lea	1,061	115	100	161	101	78	506
Chaves	946	126	135	149	60	41	436
Valencia	827	136	130	157	69	61	273
Roosevelt	275	22	19	39	10	8	176
Eddy	178	23	20	26	13	11	85
Cibola	97	17	8	16	3	2	51

**Employment growth.** Employment projections were constructed using the latest Bureau of Labor Statistics employment projections at the national level and applying them to the industry composition of each county in New Mexico. These projections are independent of the population projections presented above and represent changes in the number of jobs—not workers.

Between 2020 and 2035, the state is projected to add 84,000 jobs. Around 60,000 of these jobs are projected to belong to the Education and Health Services, and the Leisure and Hospitality industries. The Leisure and Hospitality industry has the lowest average wages in the state—\$20,000 annual average for 2020—and the Education and Health Services industry has wages in the middle of the distribution—\$45,200 annual average for 2020.

**Figure I-24.**  
**Employment Projections**

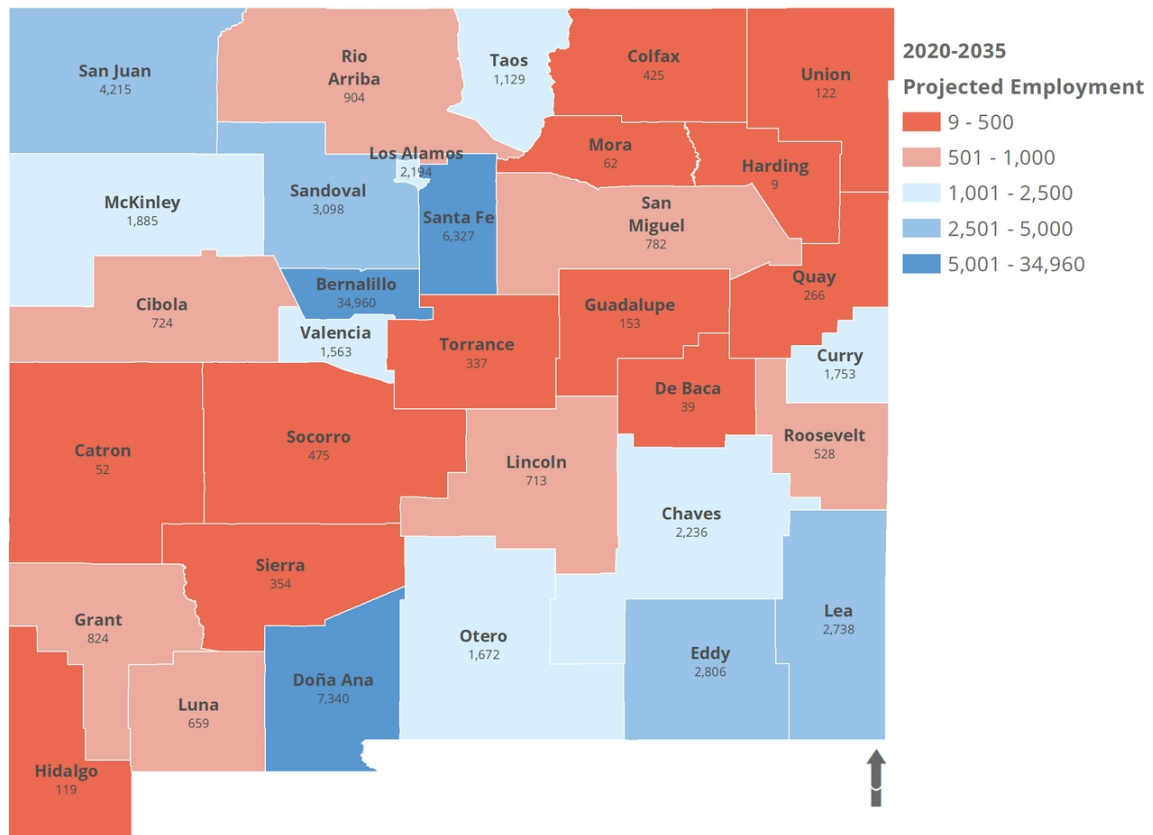


Note: Estimates are number of jobs. Estimates constructed applying projected national employment growth by industry to each county's industry employment.

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages, and Root Policy Research.

While much of the projected employment growth will continue to occur in urban areas, all counties are expected to experience some job growth, as shown in the following map.

**Figure I-25.**  
**Projected Change in Number of Jobs by County, 2020-2035**



Note: Estimates are number of jobs. Estimates constructed applying projected national employment growth by industry to each county's industry employment.

Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages, and Root Policy Research.

These forecasts assume state industries will grow at the same rate projected at the national level. However, these might differ from national trends. For example, the City of Albuquerque is expected to experience significant expansion of their Information and Technology, and Financial Services industries.

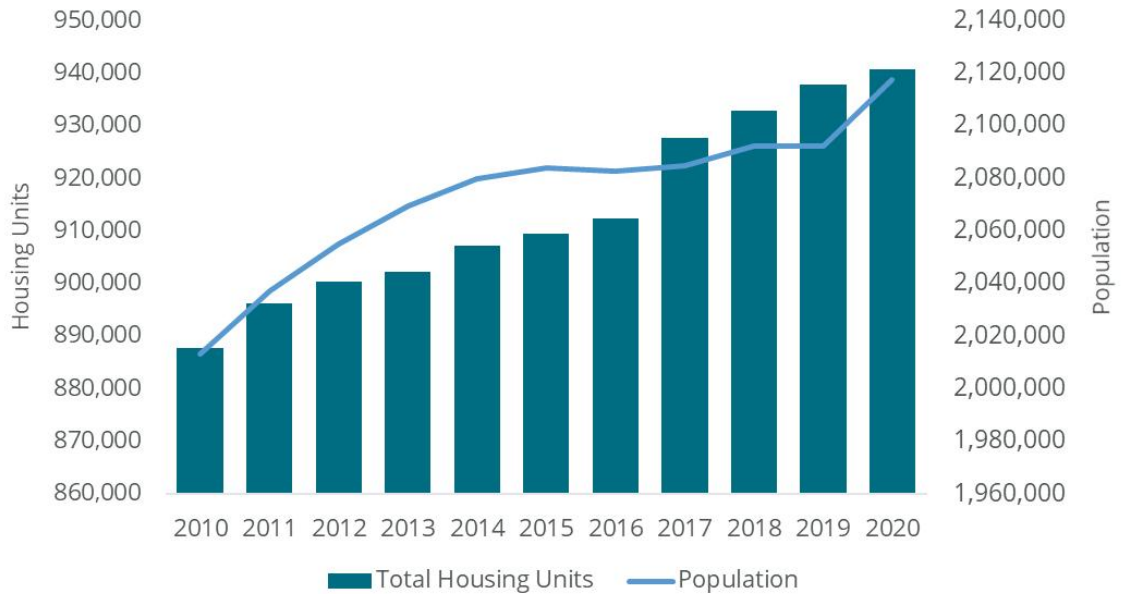
**COVID effect and future needs.** The data and analysis above do not incorporate the impact of the COVID-19 pandemic on housing supply—the full effects of which are difficult to determine. More time is needed to understand which changes in trends will be structural versus temporary. This section addresses what is currently known about the pandemic's effect on New Mexico's housing market.

According to data from the 2020 Census, population growth accelerated in the state. This growth was not met with increased housing supply and the number of vacant units sharply decreased. Between 2019 and 2020, the Census estimates that the state's population increased by 1.2% (around 25,000 residents) and the number of vacant housing units



decreased by 29%—from around 157,000 to 111,000 units.<sup>6</sup> Data for 2020 on number of households and vacancy type are not yet available.

**Figure I-26.**  
**Housing Units and Population, 2010-2020**



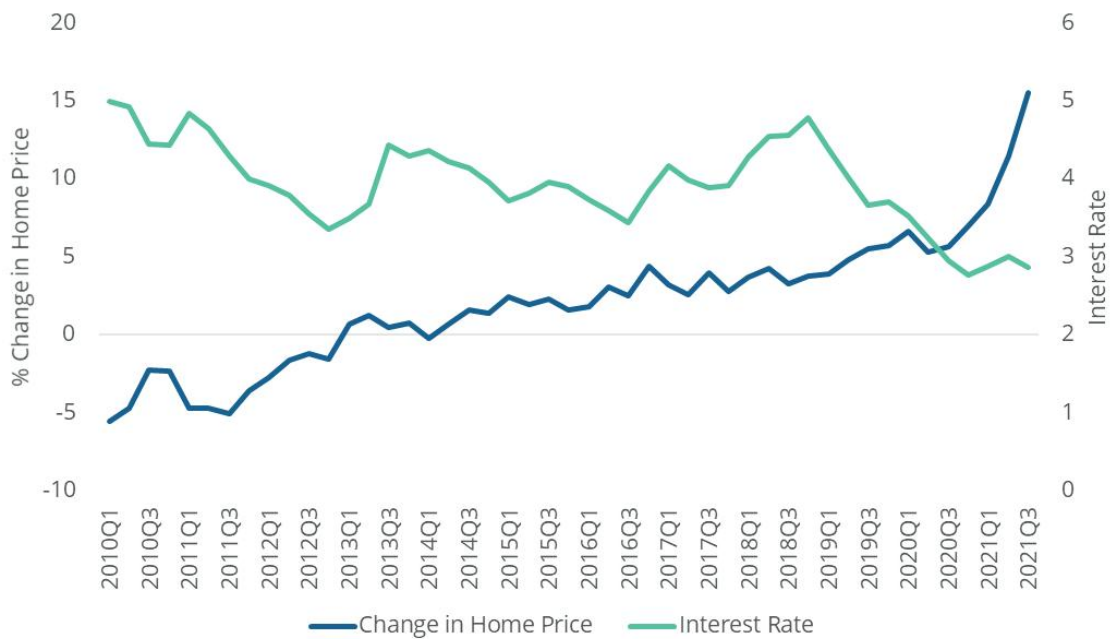
Source: 2020 Decennial Census, ACS 5-year estimates (various years), and Root Policy Research.

Population growth combined with historically low interest rates seem to be key drivers of home price appreciation into 2021.

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<sup>6</sup> The Federal Reserve’s economic data show a slight decline in population during 2020 but a large increase during 2019.

**Figure I-27.**  
**Year Over Year Change in Home Price and Interest Rates**



Source: U.S. Federal Housing Finance Agency, Freddie Mac, and Root Policy Research.

Figure I-28 shows population change between 2010 and 2019 compared to the change between 2019 and 2020. Notably, population trends seem to have reversed in many counties. Between 2019 and 2020 the state gained 75% of the number of residents it gained between 2010 and 2019. Counties where population loss reversed include Catron, Chaves, Cibola, Colfax, Grant, Guadalupe, Harding, Lincoln, Luna, Quay, Rio Arriba, Roosevelt, Sierra, Taos, and Valencia.

**Figure I-28.  
Change in  
Population Trends,  
by County**

Source:  
2010 and 2020 Decennial Census,  
2019 5-year ACS, and Root Policy  
Research.

	Population Change 2010-2019		Population Change 2019-2020	
	Number	Percent	Number	Percent
New Mexico	33,275	2%	25,068	1%
Bernalillo	15,294	2%	-1,414	0%
Catron	-199	-5%	53	2%
Chaves	-501	-1%	13	0%
Cibola	-322	-1%	281	1%
Colfax	-1,582	-12%	219	2%
Curry	1,356	3%	-1,302	-3%
De Baca	18	1%	-342	-17%
Doña Ana	6,836	3%	3,492	2%
Eddy	3,903	7%	4,582	8%
Grant	-1,845	-6%	516	2%
Guadalupe	-334	-7%	99	2%
Harding	-254	-37%	216	49%
Hidalgo	-597	-12%	-119	-3%
Lea	5,550	9%	4,178	6%
Lincoln	-1,036	-5%	808	4%
Los Alamos	675	4%	794	4%
Luna	-1,012	-4%	1,344	6%
McKinley	946	1%	464	1%
Mora	-345	-7%	-347	-8%
Otero	2,340	4%	1,702	3%
Quay	-715	-8%	420	5%
Rio Arriba	-1,087	-3%	1,204	3%
Roosevelt	-958	-5%	303	2%
Sandoval	11,143	8%	6,130	4%
San Juan	-3,529	-3%	-4,854	-4%
San Miguel	-1,655	-6%	-537	-2%
Santa Fe	5,123	4%	5,530	4%
Sierra	-957	-8%	545	5%
Socorro	-1,008	-6%	-263	-2%
Taos	-151	0%	1,703	5%
Torrance	-864	-5%	-474	-3%
Union	-416	-9%	-54	-1%
Valencia	-542	-1%	178	0%

## Housing Preservation

Strong preservation efforts and strategic development to support economic growth are important to maintain affordability for New Mexico—especially in the state’s rural areas, which are projected to keep growing in employment terms and might be experiencing a change in population trends due to the readjustment of the labor market and location preferences caused by the pandemic.

**Expiring affordable units.** Overall, according to HUD, an estimated 11,377 rental units in the state have rental subsidies with contracts that will expire in the next 15 years. As shown in Figure I-29, most of these are located in Bernalillo, Dona Ana, and Santa Fe Counties—although many counties have a relatively large number of units that could lose their affordability guarantee.

**Figure I-29.  
Federally Assisted Rental  
Homes with Subsidies Expiring  
in the Next 5, 10, and 20 years**

Source:  
National Housing Preservation Database (NHPD), and  
Root Policy Research.

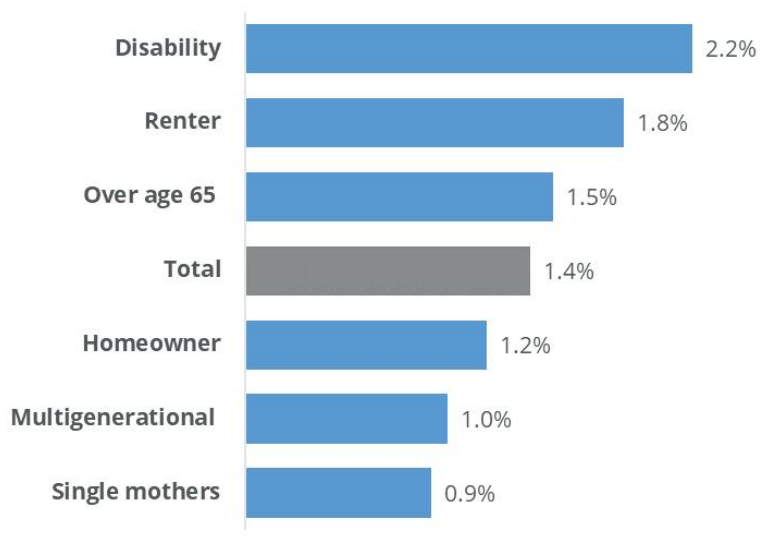
	2025	2030	2035
New Mexico	1,209	4,967	11,377
Bernalillo	567	1,686	4,265
Catron	0	0	0
Chaves	7	183	393
Cibola	100	100	140
Colfax	0	85	109
Curry	5	77	294
De Baca	0	0	0
Doña Ana	145	400	1,097
Eddy	0	84	196
Grant	29	129	129
Guadalupe	0	0	91
Harding	0	0	0
Hidalgo	0	0	0
Lea	0	44	236
Lincoln	0	60	108
Los Alamos	8	84	84
Luna	70	70	167
McKinley	60	261	404
Mora	0	0	0
Otero	0	6	56
Quay	0	46	133
Rio Arriba	0	0	134
Roosevelt	0	8	134
Sandoval	0	213	426
San Juan	1	193	447
San Miguel	40	40	202
Santa Fe	137	1,028	1,400
Sierra	0	32	136
Socorro	0	16	168
Taos	8	52	197
Torrance	0	0	0
Union	0	0	25
Valencia	32	70	206

**Housing condition.** Units in poor condition are typically naturally affordable—and are oftentimes the only choice for low income households in very tight markets. Preserving and improving these units can be a critical part of housing strategies, particularly in small markets.

Data on the number of units in poor condition and needed improvements are difficult to obtain. Census surveys estimate units with significant condition issues (i.e., incomplete plumbing and kitchens) and, as such, can be used as a measure of units that are at-risk of demolition and loss. According to Census data, just 1.4% of households in New Mexico live in substandard housing. A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or range, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water.

Households in which at least one of the members has a disability are more likely to live in substandard housing compared to the general population: 2.2% of households with a disability live in substandard housing compared to 1.4% of the total population. Similarly, renters and households with at least one elderly member are also more likely than the general population to live in substandard housing.

**Figure I-30.**  
**Substandard Housing by Household Characteristics, 2019**

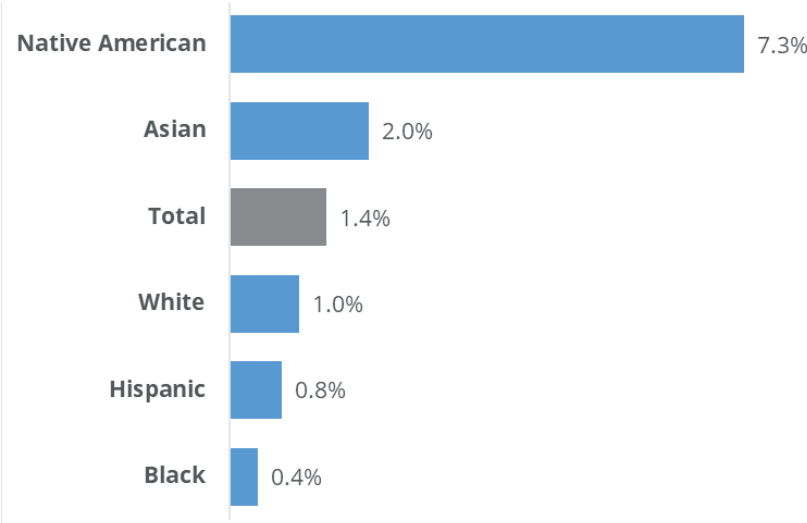


Notes: A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or range, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water.

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

Native Americans are more likely to live in substandard housing than any other race or ethnic group: 7.3% live in substandard housing compared to 2% of Asian households, 1% of White households, and less than 1% of Hispanic and Black households.

**Figure I-31.**  
**Substandard Housing by Race and Ethnicity, 2019**



Notes: A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) the housing unit does not contain access to a sink with running water, (3) the housing unit does not have a stove or range, (4) the housing unit does not contain a permanently installed shower or bathtub, (5) incomplete plumbing facilities (i.e. flush toilet), or (6) no hot and cold piped water. Households' races and ethnicities are determined based on whether one or more people in the household identify in either of the above races or ethnic groups. This means that mixed-race or mixed-ethnicity households are counted in more than one race/ethnic groups.

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

Figure I-32 below show the number of housing units without complete kitchen facilities and the number without complete plumbing by county. The counties with the largest number of substandard units—McKinley and San Juan—are also those with large shares of Tribal lands.

**Figure I-32.**  
**Substandard Units, 2019**

Source:  
2019 ACS 5-year, 2010 Census, and Root Policy  
Research.

	Units Without Complete Kitchen Facilities	Units Without Complete Plumbing
New Mexico	40,021	40,310
Bernalillo	4,511	2,993
Catron	280	669
Chaves	1,643	1,559
Cibola	1,435	1,846
Colfax	389	502
Curry	388	380
De Baca	62	67
Doña Ana	2,397	2,865
Eddy	1,553	735
Grant	1,263	817
Guadalupe	425	305
Harding	135	100
Hidalgo	465	178
Lea	1,426	958
Lincoln	676	512
Los Alamos	46	0
Luna	946	359
McKinley	3,788	5,055
Mora	522	565
Otero	1,340	1,761
Quay	800	446
Rio Arriba	1,896	2,127
Roosevelt	262	238
San Juan	4,036	4,520
San Miguel	1,439	1,237
Sandoval	1,751	1,576
Santa Fe	1,377	1,206
Sierra	413	431
Socorro	954	1,849
Taos	1,432	1,568
Torrance	780	912
Union	382	371
Valencia	809	1,603

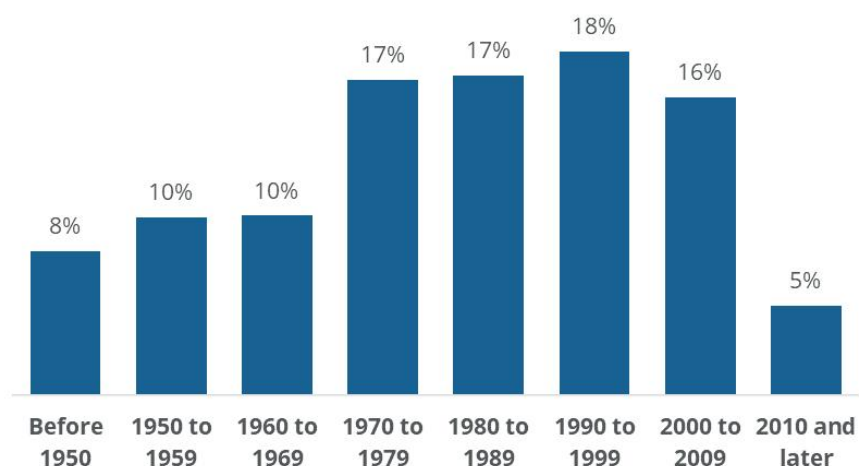


**Age of housing.** Many of New Mexico’s homes are relatively old: 44% were built before 1980. Although older homes are often popular for their unique design and charm, they can also be more expensive to heat/cool, have higher maintenance costs, and have a higher likelihood of lead exposure which can lead to adverse health effects.<sup>7</sup>

These units are also less likely to be accessible to residents with disabilities. The Fair Housing Act of 1991 introduced accessibility rules for new housing developments. Since the passage of the Act, newly developed affordable housing is required to make 5% of units accessible and newly developed market rate housing is required to make 2% accessible.

**Figure I-33.**  
**Age of Housing**  
**Stock, 2019**

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



Overall, 44% of New Mexicans live in a home built before 1980. Lower income households are more likely to live in older housing, as are renters. Further, older adults and people with disabilities are more likely to live in older housing in New Mexico. In fact, nearly half of households in which a member has a disability or a member is older than age 65 live in a home built before 1980—and these units are unlikely to have all of the accessibility features that these households need.

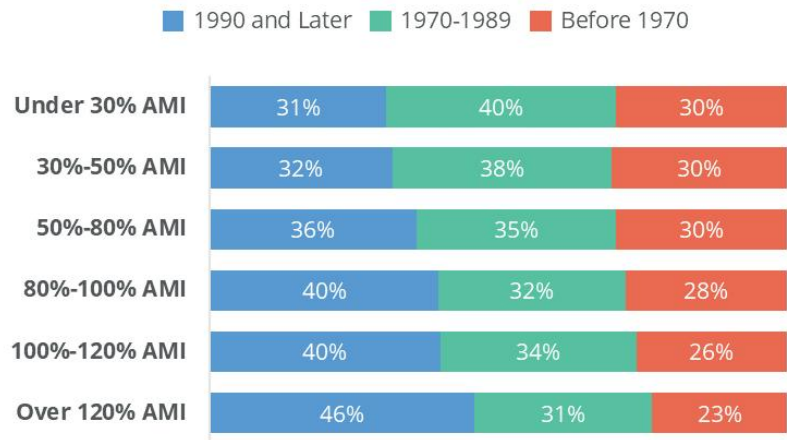
Additionally, 40% of households with children live in a home built before 1980, which poses lead exposure and early childhood development concerns.

Multigenerational households are least likely to live in older housing, perhaps because they are able to afford higher housing costs through doubling up.

<sup>7</sup> Dignam, Timothy, et al. "Control of lead sources in the United States, 1970-2017: public health progress and current challenges to eliminating lead exposure." *Journal of public health management and practice: JPHMP* 25 (2019): S13.

**Figure I-34.**  
**Age of Housing**  
**Stock by AMI, 2019**

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



**Figure I-35.**  
**Age of Housing**  
**Stock by Household**  
**Characteristics, 2019**

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

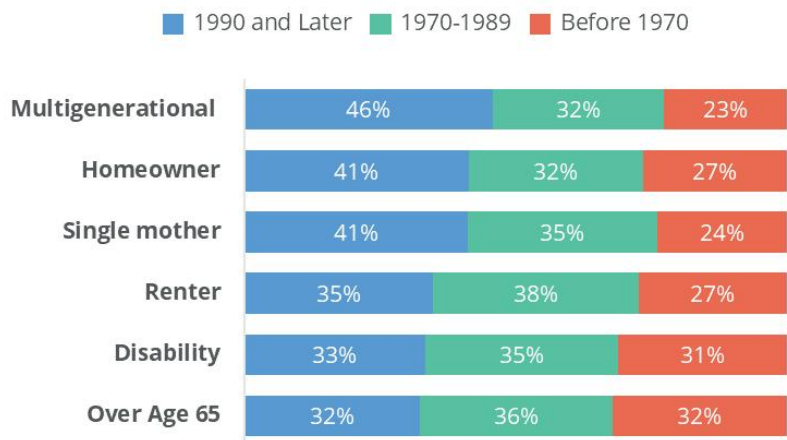


Figure I-36 on the following page shows units built between 1940 to 1960, and 1960 to 1980, and for the state overall and by county and can be used as a proxy for improvement needs.

**Figure I-36.**  
**Units by Type and Decade Built**

	One-Family Attached/Detached		Two to Four Units		Five or More Units		Mobile Home, Trailer, Other	
	1940-1959	1960-1979	1940-1959	1960-1979	1940-1959	1960-1979	1940-1959	1960-1979
New Mexico	93,206	141,412	5,565	15,023	4,400	23,836	1,484	29,689
Bernalillo	36,567	50,817	2,632	7,835	2,346	15,403	207	4,108
Catron	78	247	0	0	0	0	18	79
Chaves	6,019	6,303	64	379	46	314	54	813
Cibola	796	2,687	12	113	72	227	58	777
Colfax	1,069	816	94	88	0	131	5	240
Curry	2,930	5,141	66	552	33	293	29	504
De Baca	220	129	18	10	0	0	0	29
Doña Ana	5,661	9,310	615	1,428	219	1,969	229	4,081
Eddy	5,166	4,939	23	184	204	316	31	624
Grant	1,780	2,246	155	111	55	294	67	596
Guadalupe	222	193	0	140	27	6	0	33
Harding	52	19	0	0	0	0	0	19
Hidalgo	226	307	19	3	0	66	4	132
Lea	5,341	5,998	74	259	153	565	100	954
Lincoln	677	1,095	38	138	139	56	29	654
Los Alamos	1,210	2,756	421	97	249	313	0	57
Luna	988	1,508	92	160	165	253	15	561
McKinley	1,806	4,817	113	371	34	302	5	987
Mora	297	78	0	3	0	0	0	239
Otero	2,952	4,581	92	514	16	277	156	1,828
Quay	921	602	65	84	24	95	5	178
Rio Arriba	1,120	2,106	8	128	5	26	9	1,274
Roosevelt	1,478	1,432	0	160	0	28	0	181
Sandoval	1,244	6,468	57	121	53	338	16	785
San Juan	4,198	7,271	197	683	131	759	138	3,267
San Miguel	956	1,613	165	133	43	76	62	959
Santa Fe	4,845	8,883	378	752	284	1,344	74	1,651
Sierra	678	709	72	114	72	103	36	619
Socorro	466	898	13	63	5	70	39	302
Taos	1,003	1,770	44	175	5	74	17	679
Torrance	232	744	33	11	7	5	33	460
Union	406	398	5	14	0	0	0	27
Valencia	1,602	4,531	0	200	13	133	48	1,992

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

**Home improvement loan demand.** Another proxy for improvement needs is found in home improvement loans. As shown in Figure I-37, home improvement loans originated with private financial institutions are very modest, much lower than assumed needs—suggesting that New Mexicans are reluctant to take out loans to improve their properties.

As shown in Figure I-38, loan originations were highest in the state’s urban counties. Denials were moderately high in urban counties and very high in a handful of rural counties.

The home improvement loan amounts—shown in Figure I-39—are fairly large. The median amount of originated loans in the state overall was \$55,000; the median amount of loans denied was similar, \$45,000.

The data also show that applicants who had loans originated had higher incomes (median of \$96,000) than those whose loans were denied (\$70,000). This is not consistent across counties, however—some counties show little variance in incomes of households with originated loans v. denied loans.

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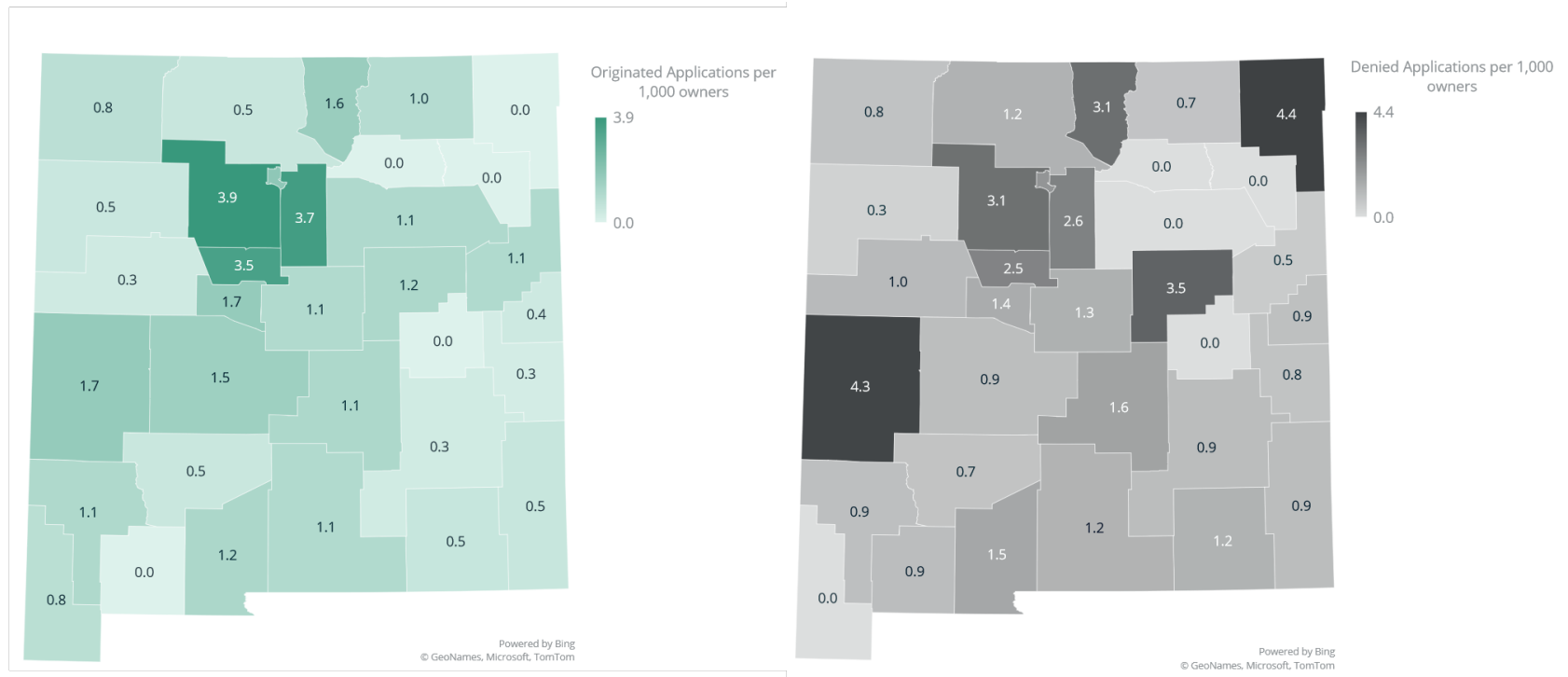
**Figure I-37.**  
**Home Improvement Loan Originations by County, 2015-2020**

	2015	2016	2017	2018	2019	2020
New Mexico	2,327	2,237	2,033	1,388	1,447	1,167
Bernalillo	861	886	764	677	750	596
Catron	3	2	4	-	-	2
Chaves	61	47	64	17	20	5
Cibola	43	42	15	8	1	2
Colfax	27	28	21	7	3	4
Curry	47	31	40	10	10	4
De Baca	2	2	2	1	-	
Doña Ana	270	158	156	63	86	58
Eddy	41	37	50	18	18	8
Grant	21	20	17	6	11	9
Guadalupe	1	6	2	-	1	1
Harding	-	-	-	-	-	-
Hidalgo	3	2	4	-	-	1
Lea	81	83	60	7	10	8
Lincoln	25	24	19	10	13	7
Los Alamos	26	16	12	11	11	11
Luna	31	23	30	5	2	
McKinley	26	35	22	11	9	7
Mora	-	1	3	-	-	-
Otero	49	38	36	22	18	16
Quay	-	-	4	-	1	2
Rio Arriba	40	41	39	9	11	5
Roosevelt	6	10	10	4	3	1
Sandoval	226	236	213	182	182	158
San Juan	91	99	104	39	34	25
San Miguel	16	15	10	6	10	9
Santa Fe	179	199	181	190	173	163
Sierra	12	8	21	9	4	2
Socorro	8	10	7	3	3	5
Taos	28	38	30	13	19	15
Torrance	15	12	12	7	6	5
Union	12	11	9	-	-	-
Valencia	76	77	72	53	38	38

Source: HMDA and Root Policy Research.

**Figure I-38.**

**Originated and Denied Home Improvement Loan Applications per 1,000 Owner Households, 2020**



Source: HMDA and Root Policy Research.

**Figure I-39.**  
**Home Improvement Median Loan Amount and Applicant Income, 2020**

	Originated Loans		Denied Applications	
	Median Loan Amount	Median Applicant Income	Median Loan Amount	Median Applicant Income
New Mexico	\$55,000	\$96,000	\$45,000	\$70,000
Bernalillo	\$45,000	\$97,000	\$35,000	\$67,000
Catron	\$125,000	\$111,000	\$105,000	\$58,000
Chaves	\$35,000	\$51,000	\$45,000	\$55,000
Cibola	\$65,000	\$101,000	\$55,000	\$71,000
Colfax	\$75,000	\$138,500	\$45,000	-
Curry	\$115,000	\$134,500	\$45,000	\$58,500
De Baca	-	-	-	-
Doña Ana	\$75,000	\$89,000	\$50,000	\$80,000
Eddy	\$80,000	\$80,000	\$55,000	\$97,000
Grant	\$55,000	\$45,000	\$45,000	\$40,000
Guadalupe	\$35,000	\$63,000	\$75,000	\$82,000
Harding	-	-	-	-
Hidalgo	\$95,000	\$19,000	-	-
Lea	\$50,000	\$87,000	\$50,000	\$71,500
Lincoln	\$65,000	\$78,000	\$105,000	\$108,000
Los Alamos	\$55,000	\$157,000	\$55,000	\$126,000
Luna	-	-	\$35,000	\$37,500
McKinley	\$65,000	\$89,000	\$55,000	\$189,000
Mora	-	-	-	-
Otero	\$125,000	\$98,000	\$45,000	\$62,000
Quay	\$65,000	\$116,000	\$35,000	\$18,000
Rio Arriba	\$55,000	\$66,000	\$160,000	\$63,000
Roosevelt	\$75,000	\$80,000	\$135,000	\$152,000
Sandoval	\$50,000	\$98,000	\$45,000	\$67,000
San Juan	\$95,000	\$93,000	\$45,000	\$82,000
San Miguel	\$55,000	\$77,000	-	-
Santa Fe	\$105,000	\$101,000	\$60,000	\$76,000
Sierra	\$35,000	\$80,000	\$105,000	\$81,000
Socorro	\$65,000	\$95,000	\$15,000	\$78,000
Taos	\$75,000	\$98,000	\$75,000	\$79,000
Torrance	\$105,000	\$149,000	\$40,000	\$38,000
Union	-	-	\$45,000	\$9,000
Valencia	\$55,000	\$83,000	\$35,000	\$61,000

Source: HMDA and Root Policy Research.