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Albuquerque Region

Housing Needs Assessment

PREPARED FOR:

City of Albuquerque
www.cabq.gov

Mid-Region Council of Governments
www.mrcog-nm.gov

CREATED

July 2024

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EXECUTIVE SUMMARY.

ALBUQUERQUE REGION HOUSING NEEDS ASSESSMENT: TOP FINDINGS

Executive Summary. Albuquerque Region Housing Needs Assessment

This report, a collaborative effort initiated at the request of the City of Albuquerque, with the Mid-Region Council of Governments (MRCOG) participating as a partner, provides a comprehensive analysis of housing needs at the regional level. The report emphasizes the importance of considering the entire region when making housing decisions, as actions by individual cities and counties impact neighboring areas and the regional economy. Ensuring affordable housing options for workers of all income levels within reasonable commuting distances is crucial for a well-functioning regional economy.

This assessment provides detailed information and analysis for the City of Albuquerque and Rio Rancho based on U.S. Census census tracts. It also covers Community Planning Areas (CPAs) that track with census tract boundaries, including 12 CPAs in the City of Albuquerque, 2 CPAs in Rio Rancho, 1 CPA in Valencia County, and 7 CPAs in unincorporated Bernalillo County. This housing needs assessment uses "Albuquerque" to refer to the City of Albuquerque and "Region" to refer to the region served by the Mid-Region Council of Governments composed of Sandoval County, Bernalillo County, Valencia County, Torrance County, and the southern part of Santa Fe County.

This Executive Summary highlights key findings and policy recommendations, with detailed research provided in subsequent sections.

Current Housing Needs

The first section of this report evaluates current housing needs by analyzing demographic trends, affordability, cost burden, overcrowding, and gaps in rental and ownership housing. Key findings include:

- **Population and household growth:** Between 2010 and 2022, the region's population grew by 6.3% (55,000 residents), while Albuquerque's population increased by 4.4% (24,000 residents). The number of households grew faster due to a decrease in average household size. CPAs west of the Rio Grande accounted for 94% of the population growth and 70% of the household growth in the region.

- **Aging population:** Between 2010 and 2022, the proportion of residents aged 65 and older increased from 12% to 18% in the region and from 12% to 17% in Albuquerque. Family households with children under 18 decreased.

- **Decreased affordability.** The affordability of homes for renters with median incomes has significantly decreased. The median home price affordable for a household with median renter income was around $163,000 in 2022, which was $150,000 less than the median home price of $315,000.
- **Ownership challenges:** The combination of higher interest rates and elevated home prices make ownership units unattainable for households with income below 100% of the Area Median Income (AMI) without subsidies. A two-person household can afford to purchase a home from $56,600 at 30% AMI to $204,150 at 120% AMI, far below current market prices.
- **Occupational affordability:** Only workers in higher-paying occupations, such as those in computer, engineering, legal, and health fields, can afford median home prices at median wages. Many workers in other occupations cannot afford median rents or home prices.
- **Rental housing stock:** According to CoStar data, a sizeable share of units in multifamily rental developments of 5 or more units in the region (41%) are class C properties, which are the lowest quality buildings. These buildings are often relatively old and in need of maintenance.
- **Cost burden and overcrowding:** Overall, 31% of households in the region and 34% in Albuquerque face cost burden. Renters are more affected than owners and are over twice as likely to face cost burden, with more than half (51% in the region and 52% in Albuquerque) of renters experiencing cost burden as compared to only 22% of owners in the region and 23% in Albuquerque. Overcrowding in housing poses threats to public health and safety, strains public infrastructure, and highlights the need for affordable housing. Renter households experience overcrowding at twice the rate of owner households in the region (4.1% v. 1.9%) and three times the rate of owner households in Albuquerque (4.2% v. 1.4%).
- **Rental affordability gaps:** A gaps analysis compares the supply of housing at various price points to the number of households who can afford such housing. The rental affordability gaps analysis shows that:
    - According to 2022 data, there is an estimated shortage of 21,969 units affordable for households with income at 30% AMI or below in the region. Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,083 units in the region.
    - In Albuquerque, there is an estimated shortage of 18,370 units affordable for households with income at 30% AMI or below.
    - Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,639 units in Albuquerque. The 2022 rental gap represents a significant increase from the estimated gap of 15,500 units

identified in the Urban Institute's "Albuquerque Affordable Housing and Homelessness Needs Assessment," which used 2016 data.

- **For-sale affordability gaps:** The for-sale gaps analysis demonstrates the affordability mismatch between prospective buyers (current renters) and available product.
    - In the region, for sale affordability gaps are concentrated among households with income less than 80% AMI.
    - In 2022, 59% of renters in the region had incomes below 80% AMI, but only 24% of ownership units were affordable to these renters.
    - In Albuquerque, for sale affordability gaps are also concentrated among households with income less than 80% AMI.
    - In 2022, 60% of renters in Albuquerque had incomes below 80% AMI, but only 20% of ownership units were affordable to these renters.
- **Homelessness:** In addition to the gap in rental affordability for households earning less than 30% AMI, in 2023, the New Mexico Coalition to End Homelessness reported 2,394 homeless individuals in Albuquerque's point-in-time (PIT) count. McKinney Vento Act data for the academic year 2022-2023 shows 3,829 homeless children and youth in the region's public school districts, a higher estimate than the PIT count. This highlights the need for additional housing units and housing support targeted to families.

Production Needs

This section projects the housing units required to accommodate household growth over the next two decades. Key findings include:

- **Population and employment projections:** According to projections developed in this report the region is expected to be shy of one million people by 2045, representing an increase of almost 72,000 residents from 2023. Employment projection estimates suggest between 466,358 and 469,613 employed persons aged 16 and over will be living in the region by 2045, representing an increase of over 32,000 from 2023.

- **Aging and household size:** The estimated share of the population aged 65 and over is expected to represent almost 22% of the population by 2045. The aging of the population has led to decreases in the average household size, which is projected to continue. The decrease in household size has significant implications for housing demand. For example, at a total population of one million, a reduction in the average household size from 2.1 to 2, a decrease in household size of 0.1, requires around 23,800 additional homes to house the same one million in population.

- **Projected housing needs:** Projections estimate between 55,100 and 59,850 additional housing units will be needed by 2045. Of these housing units, between 11,600 and 12,700 rental units and between 19,600 and 21,300 ownership units need to be affordable to low and moderate income households earning 120% AMI or less.

Vacant Land Capacity, Housing Growth, and Fair Share Analysis

This section explores vacant land capacity for housing growth and analyzes the geographic distribution of this capacity. It provides a fair share analysis to identify areas under-supplying affordable housing and recommends policy interventions to ensure the region's housing supply meets the needs of a growing and diverse population, promoting economic stability and improving the quality of life for all residents. Key findings and recommendations include:

- **Vacant land capacity:** Under current zoning, vacant land capacity ranges from 53,000 to 171,000 units, compared to the projected need of 55,100 to 59,900 units by 2045.

- **Distribution of vacant land capacity and single-family dominance**: A high concentration of single-family detached homes accounts for a significant share of vacant land capacity under current zoning, and much of the capacity is on the west side of the Rio Grande, while areas with large concentrations of jobs on the east side of the river have a smaller capacity for additional dwelling units and lower projected growth.

- **Housing options and affordability:** Given the current high costs of housing construction, jurisdictions should encourage a mix of housing options, including both single-family and multifamily units in each CPA, to cater to the diverse needs of the population and reach deeper affordability levels. Jurisdictions should ensure that affordable housing needs across the entire region are considered by each jurisdiction to avoid inefficient land use decisions and poor economic, social, and environmental outcomes.

- **Undersupply of affordable rental units:** Bernalillo County provides a higher share of rental units than its share of total housing units, while the rest of the counties provide a lower share. Renters are significantly more likely to occupy multifamily units. An estimated 50% of renters occupy multifamily units of 5 or more units in structure. Vacant land capacity under current zoning may not be sufficient to accommodate an increase in multifamily housing in areas undersupplying opportunities for renter households.

Policy Recommendations:

- **Combat resistance to development:** Educate neighbors who vocalize concerns about development on the benefits of higher-density housing and its positive impacts on the community, such as increased local business support.
- **Promote regional cooperation:** Educate leaders on the importance of a regional planning process for inclusive development that ensures all neighborhoods include housing affordable to households at different income levels.
- **Change zoning allowances:** Amend zoning regulations to prohibit single-family-only developments and allow for higher-density and mixed-use developments. Adjust zoning laws to allow for higher-density rental developments in areas currently zoned predominantly for single-family homes.
- **Regional government-owned vacant land inventory:** Establish a regional inventory of government-owned vacant land. This inventory would help identify publicly owned land that can be utilized to support affordable housing initiatives, ensuring that these lands are developed in ways that maximize public benefit.
- **Provide incentives for diverse housing:** Provide financial incentives, such as tax abatements or grants, for developers who include affordable multifamily units in their projects.
- **Implement anti-displacement and economic mobility strategies:** When planning new developments in areas of high social vulnerability, it's important to implement anti-displacement and economic mobility strategies. By investing in the redevelopment of distressed neighborhoods and focusing on creating income-diverse communities, jurisdictions can improve the quality of life for all residents. These strategies should be paired with other approaches to ensure that the target neighborhoods provide access to opportunities for all residents.

SECTION I.

CURRENT HOUSING NEEDS

SECTION I.
Current Housing Needs

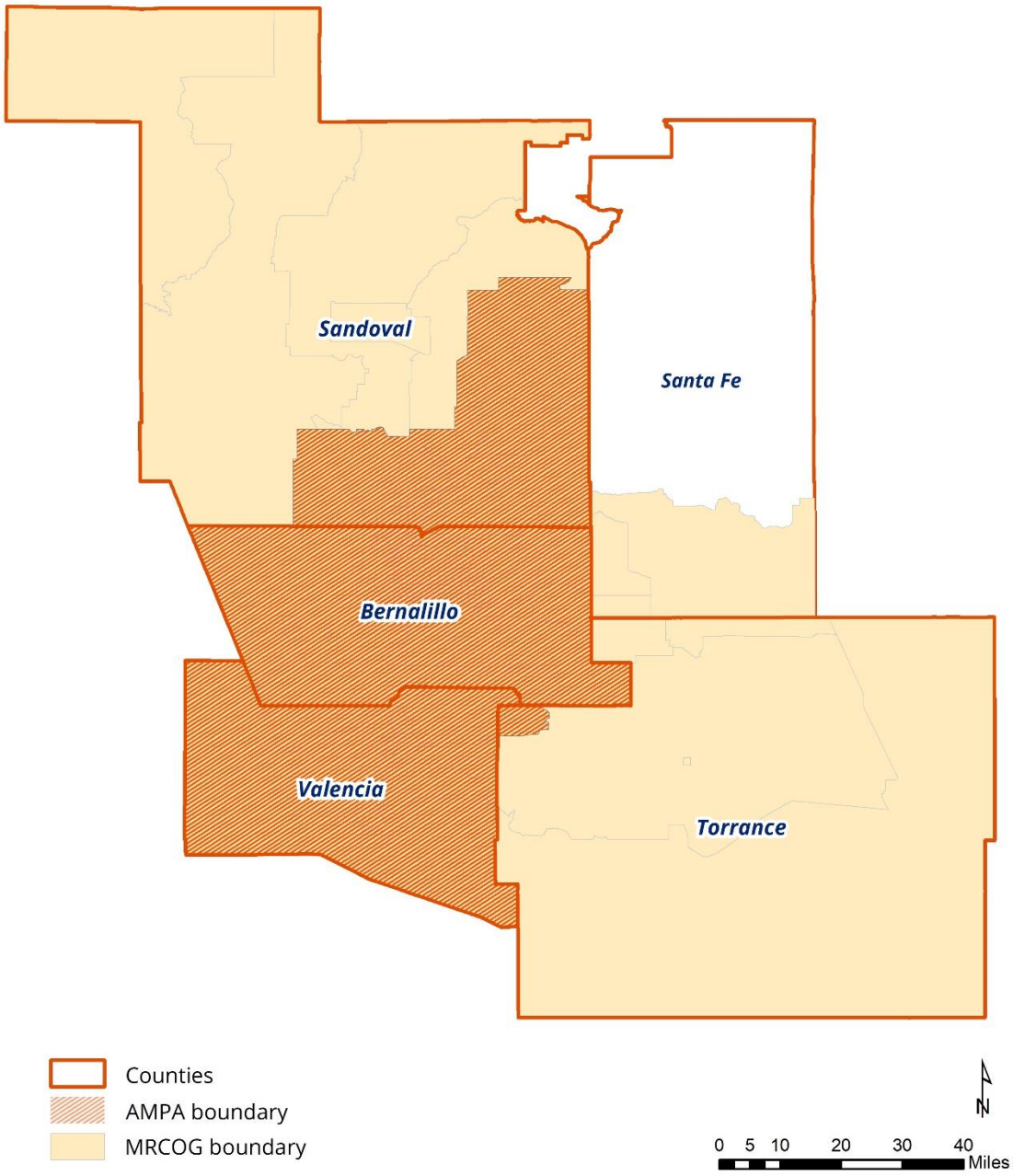
This section starts with an overview of demographic trends in the 5-county region served by the Mid-Region Council of Governments (MRCOG) to provide context for understanding housing needs. It then evaluates the current housing needs by analyzing affordability trends, cost burden, and overcrowding and conducting a rental and ownership gaps analysis.

This section provides information about housing needs at the regional level, as well as for Albuquerque and, where applicable, the region's community planning areas (CPAs). It is important to consider the housing needs of the entire region when making decisions, as choices made by individual cities and counties will impact neighboring areas and the regional economy. Having affordable housing options for workers of all income levels within a reasonable commuting distance from their workplaces is crucial for a well-functioning regional economy.

This report provides information and analysis for the City of Albuquerque and Rio Rancho based on U.S. Census census tracts. This report also provides information and analysis for CPAs that track with census tract boundaries, including 12 CPAs in the City of Albuquerque, 2 CPAs in Rio Rancho, 1 CPA in Valencia County, and 7 CPAs in unincorporated Bernalillo County. This housing needs assessment uses "Albuquerque" to refer to the City of Albuquerque and "Region" to refer to the region served by the Mid-Region Council of Governments composed of Sandoval County, Bernalillo County, Valencia County, Torrance County, and the southern part of Santa Fe County.

The following reference maps show the boundaries of all the relevant geographies.

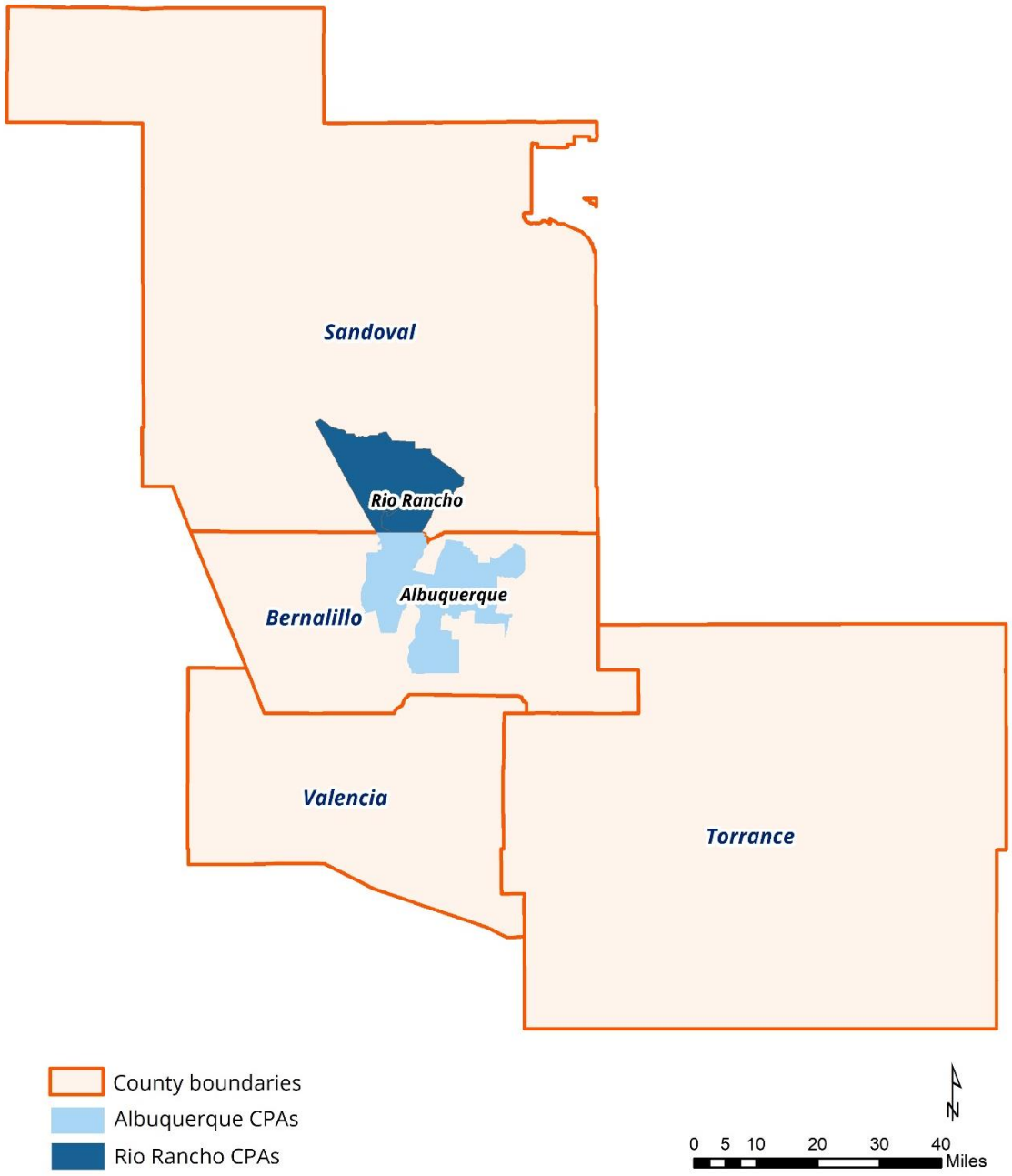
Region (MRCOG), Albuquerque Metropolitan Planning Area (AMPA), and County Boundaries



Note: The AMPA region is located within the MRCOG region.

Source: MRCOG and Root Policy Research.

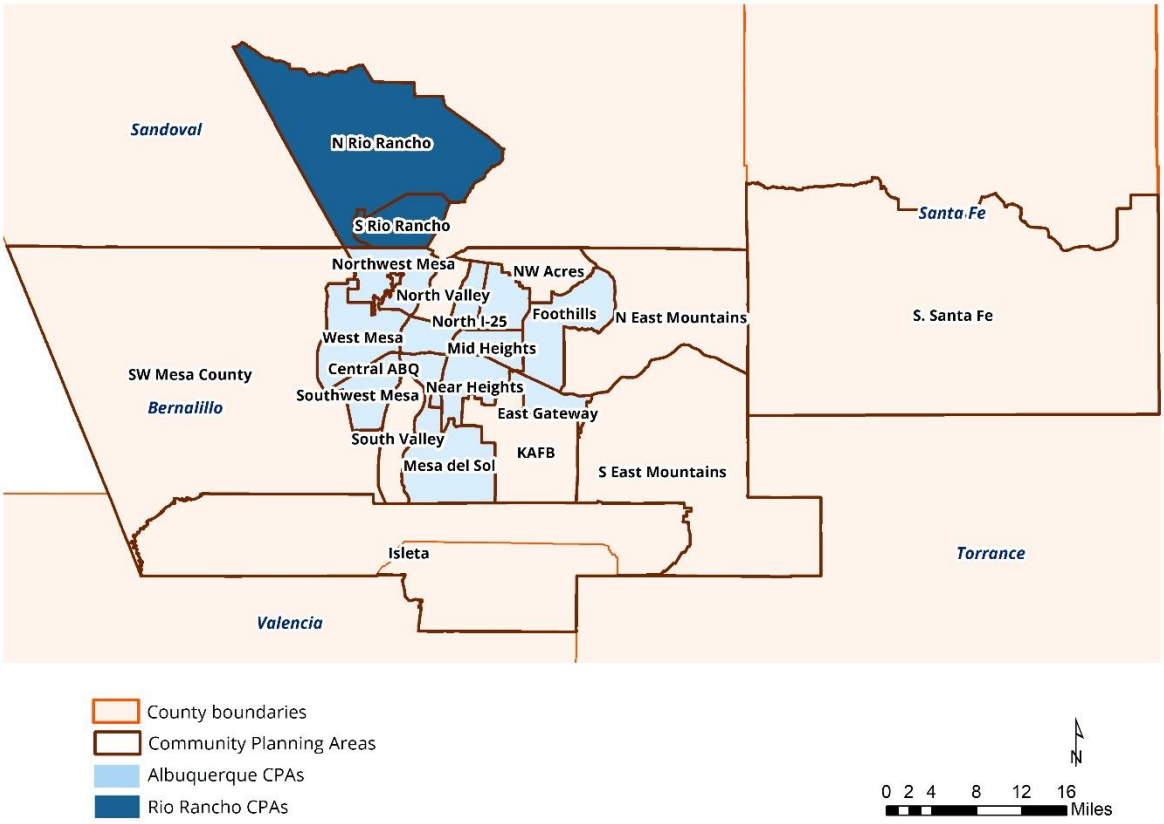
County and City Boundaries (Census Tract Based)



Note: Albuquerque and Rio Rancho boundaries are based on census tracts.

Source: MRCOG and Root Policy Research.

CPAs Boundaries (Census Tract Based)



Source: MRCOG and Root Policy Research.

Albuquerque CPAs Boundaries (Census Tract Based)

Source: MRCOG and Root Policy Research.

Key Findings

Key findings include:

- Between 2010 and 2022, the region's population increased by 6.3% (55,000 residents), while Albuquerque's population grew by 4.4% (24,000 residents). The number of households increased at a faster pace, by 9.4% and 9% respectively, due to a decrease in the average size of households. North Rio Rancho, Northwest Mesa, South Rio Rancho, and Southwest Mesa CPAs—all west of the Rio Grande— accounted for 94% of the population growth and 70% of the household growth in the region.

- Between 2010 and 2022, the percentage of residents aged 65 or older increased from 12% to 18% in the region and from 12% to 17% in Albuquerque. The percentage of family households with related children under 18 decreased from 47% to 40% in the region and from 48% to 42% in Albuquerque.

- The affordability of homes for renters with median incomes has significantly decreased. In 2021, decreased mortgage interest rates increased affordability, but this trend reversed as interest rates rose. The median home price affordable for a household with median renter income was around $163,000 in 2022, which is $150,000 less than the median home price of $315,000.
- The combination of higher interest rates and elevated home prices in the region make ownership units unattainable for households with income below 100% of the Area Median Income (AMI) without subsidies. A two-person household can afford to purchase a home from $56,600 at 30% AMI to $204,150 at 120% AMI, far below current market prices.

- The median earnings worker in just three occupations in the region can afford the median home price in Albuquerque. These occupations are 1) computer, engineering, and science occupations; 2) legal occupations; and 3) health diagnosing and treating practitioners and other technical occupations. These three occupations are higher paying occupations and encompass just 17% of the population over age 16 that is employed full time, year-round, meaning that at the median earnings the other 83% of workers in other occupations cannot afford the median home price.
- Additionally, workers in 6 occupations accounting for 39% of employment cannot afford the median rent at the median wages. Although this scenario is for illustrative purposes, as it assumes one worker per household, the analysis provides greater insight into the region’s economic trajectory—if workers are unable to afford housing in the region, they are more likely to leave the area to find affordable housing elsewhere. In addition, if workers are unavailable, it will be harder for the area to attract primary employers.

- According to CoStar data, a sizeable share of units in multifamily rental developments of 5 or more units in the region (41%) are class C properties, which are the lowest quality buildings. These buildings are often relatively old and in need of maintenance.

- Overall, 31% of households in the region and 34% in Albuquerque face cost burden.

    - Renters are more affected than owners and are over twice as likely to face cost burden, with more than half (51% in the region and 52% in Albuquerque) of renters experiencing cost burden as compared to only 22% of owners in the region and 23% in Albuquerque.
    - Rates of cost burden are the highest among those employed in hospitality industries, including the arts, recreation, and food services industry (57%). These workers have a rate of cost burden that is higher than among the unemployed or out of the labor force (41%).
    - Cost burden is pervasive among households with up to 80% AMI, with 87% of households with 0 to 30% AMI experiencing cost burden, 70% of households with income between 30 and 50% AMI, and 45% of households with income between 80 and 100% AMI.

- Overcrowding in housing poses threats to public health and safety, strains public infrastructure, and highlights the need for affordable housing. Renter households experience overcrowding at twice the rate of owner households in the region (4.1% v. 1.9%) and three times the rate of owner households in Albuquerque (4.2% v. 1.4%).

- A gaps analysis compares the supply of housing at various price points to the number of households who can afford such housing. The rental affordability gaps analysis shows that:

    - According to 2022 data, there is an estimated shortage of 21,969 units affordable for households with income at 30% AMI or below in the region.
    - Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,083 units in the region. This has been driven by an increase in the number of renters below 30% AMI and a decrease in the number of units affordable to them.
    - In Albuquerque, there is an estimated shortage of 18,370 units affordable for households with income at 30% AMI or below.
    - Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,639 units in Albuquerque. This has also been driven by an increase in the number of renters below 30% AMI and a decrease in the number of units affordable to them. The 2022 rental gap represents a significant increase from the estimated gap of 15,500 units identified in the

Urban Institute's "Albuquerque Affordable Housing and Homelessness Needs Assessment," which used 2016 data.

- The for-sale gaps analysis demonstrates the affordability mismatch between prospective buyers (current renters) and available product.
    - In the region, for sale affordability gaps are concentrated among households with income less than 80% AMI.
    - In 2022, 59% of renters in the region had incomes below 80% AMI, but only 24% of ownership units were affordable to these renters.
    - Between 2010 and 2022, the affordability gap increased. In 2010 and 2022, 63% and 59% of renters in the region had incomes below 80% AMI, but the share of units affordable to them decreased from 33% to 24% between those years.
    - In Albuquerque, for sale affordability gaps are also concentrated among households with income less than 80% AMI.
    - In 2022, 60% of renters in Albuquerque had incomes below 80% AMI, but only 20% of ownership units were affordable to these renters.
    - Between 2010 and 2022, the affordability gap increased. In 2010 and 2022 63% and 60% of renters in Albuquerque had incomes below 80% AMI but the share of units affordable to them decreased from 29% to 20%.
- To determine the subsidy needed to fully address cost burden for households under 100% AMI, this section modeled the cost of reducing renter and owner cost burden to 30% of gross household income.
    - In the region, if all renters below 100% AMI paid no more than 30% of their income in housing costs, over $367 million in rental assistance would be needed annually. The average annual cost per renter to reduce the burden is around $6,550 per renter.
    - In Albuquerque, if all renters below 100% AMI paid no more than 30% of their income in housing costs, around $320 million in rental assistance would be needed annually. The average annual cost per renter to reduce the burden is around $6,500 per renter.
    - In the region, if all renters below 50% AMI paid no more than 30% of their income in housing costs, over $297 million in rental assistance would be needed annually.
    - In Albuquerque, if all renters below 50% AMI paid no more than 30% of their income in housing costs, over $258 million in rental assistance would be needed annually.

- In the region, if owners with incomes of less than 100% AMI paid no more than 30% of their income in housing costs, over $366 million in housing assistance would be needed annually. The average annual cost per owner to reduce the burden is around $6,600 per owner.
- In Albuquerque, if owners with incomes of less than 100% AMI paid no more than 30% of their income in housing costs, over $260 million in housing assistance would be needed annually. The average annual cost per owner to reduce the burden is around $7,200 per owner.
- In the region, if all owners below 50% AMI paid no more than 30% of their income in housing costs, over $266 million in housing assistance would be needed annually.
- In Albuquerque, if all owners below 50% AMI paid no more than 30% of their income in housing costs, over $194 million in housing assistance would be needed annually.

- In addition to the gap in rental affordability for households earning less than 30% AMI, in 2023, the New Mexico Coalition to End Homelessness reported 2,394 homeless individuals in Albuquerque. The report didn't provide data for other communities in the region. The McKinney Vento Act requires school districts to report on homeless children and youths, defined as individuals who lack a fixed, regular, and adequate nighttime residence. The available data for the academic year 2022-2023 shows 3,829 homeless children and youth in the region's public school districts, a higher estimate than the PIT count. This highlights the need for additional housing units and housing support targeted to families.

Demographic Trends

Population. Between 2010 and 2022, the population of the region increased from around 872,000 to approximately 927,000 residents, which represents a 6.3% increase, adding over 55,000 residents. In the same period, Albuquerque grew by 4.4%, adding over 24,000 residents. By comparison, the percentage increase in the number of households was higher, at 9.4% and 9%, respectively.

As shown in Figures I-1 and I-2 below, the majority of population and household growth in the region was concentrated in the North Rio Rancho, Northwest Mesa, South Rio Rancho, and Southwest Mesa CPAs, all located to the west of the Rio Grande. These areas accounted for 94% of the population growth and 70% of the household growth in the region.

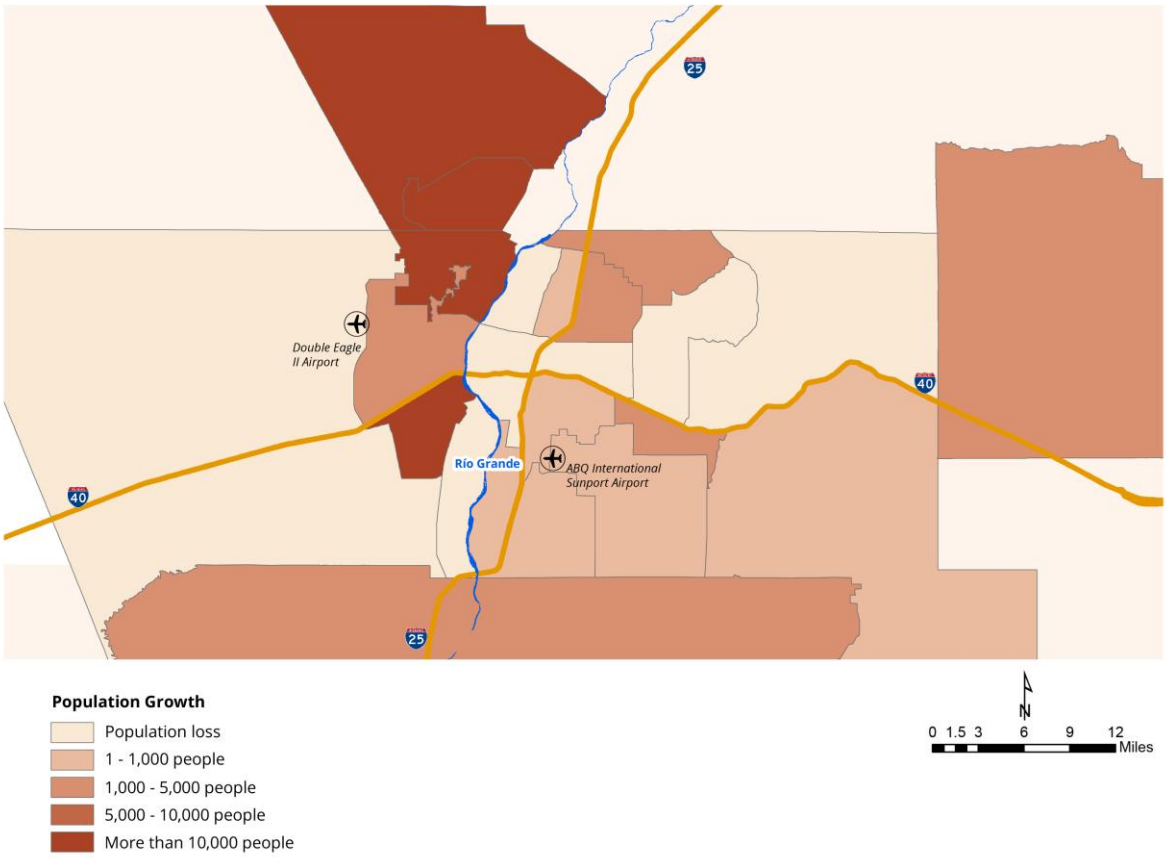
Figure I-1.
Population and Household Growth Between 2010 and 2022, by Place

Geography	Name	Population Growth		Household Growth	
		Number	Percent	Number	Percent
Region	**MRCOG**	**55,037**	**6.3%**	**31,860**	**9.4%**
Metro	**AMPA**	53,344	6.4%	31,298	9.6%
County	**Bernalillo County**	27,811	4.3%	21,930	8.5%
CPA	**Isleta**	1,181	36.9%	392	37.3%
CPA	**KAFB**	711	19.2%	270	24.8%
CPA	**N East Mountains**	-1,033	-8.5%	166	3.6%
CPA	**North Valley**	-695	-4.0%	-247	-3.5%
CPA	**NW Acres**	1,694	19.3%	495	14.6%
CPA	**S East Mountains**	582	7.3%	282	8.6%
CPA	**South Valley**	-5,494	-12.8%	-1,894	-12.8%
CPA	**SW Mesa County**	-807	-8.3%	-600	-19.7%
Place	**Albuquerque**	24,324	4.4%	20,116	9.0%
CPA	**Central ABQ**	-645	-2.6%	1,606	15.1%
CPA	**East Gateway**	2,337	8.1%	1,573	13.4%
CPA	**Foothills**	-912	-1.1%	1,612	4.3%
CPA	**Mesa del Sol**	772	18.3%	174	12.5%
CPA	**Mid Heights**	-1,568	-3.1%	-341	-1.5%
CPA	**Near Heights**	1	0.0%	920	2.7%
CPA	**Near North Valley**	-1,460	-6.0%	471	4.9%
CPA	**North Albuquerque**	1,490	2.4%	1,216	4.4%
CPA	**North I-25**	697	8.8%	200	5.6%
CPA	**Northwest Mesa**	15,898	23.3%	7,582	29.9%
CPA	**Southwest Mesa**	11,060	15.5%	5,409	24.1%
CPA	**West Mesa**	4,553	12.3%	2,723	19.1%
County	**Sandoval County**	25,197	20.3%	10,051	22.4%
Place	**Rio Rancho**	24,841	30.0%	9,170	30.2%
CPA	**N Rio Rancho**	11,311	26.5%	4,562	31.2%
CPA	**S Rio Rancho**	13,530	33.6%	4,608	29.2%
County	**Torrance County**	-1,264	-7.7%	-250	-4.3%
County	**Valencia County**	2,059	2.8%	-563	-2.1%
CPA	**S. Santa Fe County**	1,234	12.5%	692	18.5%

Note: The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

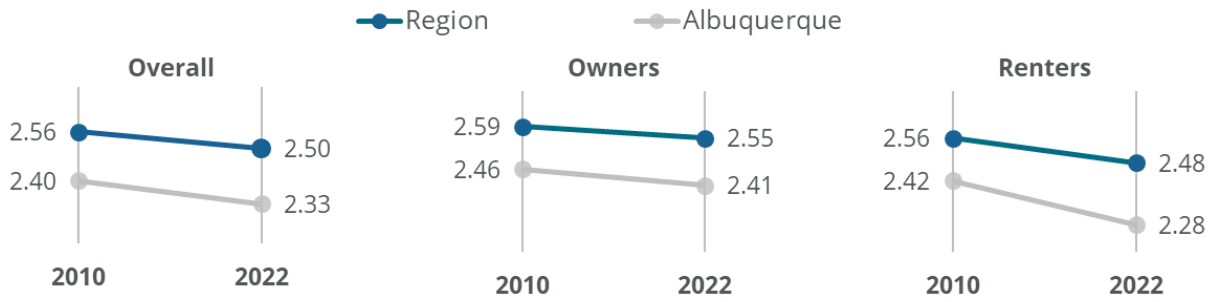
Figure I-2.
Population Growth Between 2010 and 2022



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

Household size. The increase in the number of households has been greater than the increase in population due to a decrease in the average size of households. As shown in Figure I-3, the average household size has reduced from 2.56 to 2.5 in the region and from 2.44 to 2.33 in Albuquerque. This decrease in the average household size was observed among both owner and renter households.

Figure I-3.
Average Household Size by Tenure, Region and Albuquerque, 2010 and 2022



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

Several CPAs on the east side experienced minimal or negative population growth. At the same time, the number of households increased at a much faster rate. As shown in Figure I-4, this suggests that households are getting smaller in older east-side neighborhoods, while larger households are moving to CPAs on the west side.

Figure I-4.
Average Household Size, by Place, 2010 and 2022

Geography	Name	2010	2022	2010-2022 Change
Region	MRCOG	2.56	2.50	-0.05
Metro	AMPA	2.55	2.48	-0.06
County	Bernalillo County	2.46	2.37	-0.09
CPA	Isleta	2.90	3.07	0.18
CPA	KAFB	3.30	2.71	-0.59
CPA	N East Mountains	2.62	2.35	-0.27
CPA	North Valley	2.44	2.44	0.00
CPA	NW Acres	2.64	2.89	0.24
CPA	S East Mountains	2.46	2.41	-0.05
CPA	South Valley	2.94	2.88	-0.05
CPA	SW Mesa County	3.20	2.96	-0.24
Place	Albuquerque	2.40	2.33	-0.07
CPA	Central ABQ	2.10	1.94	-0.16
CPA	East Gateway	2.44	2.42	-0.01
CPA	Foothills	2.29	2.20	-0.09
CPA	Mesa del Sol	3.04	3.07	0.03
CPA	Mid Heights	2.24	2.22	-0.02
CPA	Near Heights	2.05	2.04	-0.01
CPA	Near North Valley	2.37	2.22	-0.15
CPA	North Albuquerque	2.31	2.25	-0.06
CPA	North I-25	2.19	2.29	0.10
CPA	Northwest Mesa	2.63	2.50	-0.12
CPA	Southwest Mesa	3.20	2.96	-0.24
CPA	West Mesa	2.62	2.42	-0.21
County	Sandoval County	2.75	2.71	-0.04
Place	Rio Rancho	2.71	2.73	0.02
CPA	N Rio Rancho	2.89	2.83	-0.05
CPA	S Rio Rancho	2.56	2.63	0.07
County	Torrance County	2.61	2.71	0.10
County	Valencia County	2.71	2.86	0.15
CPA	S. Santa Fe County	2.64	2.45	-0.19

Note: The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

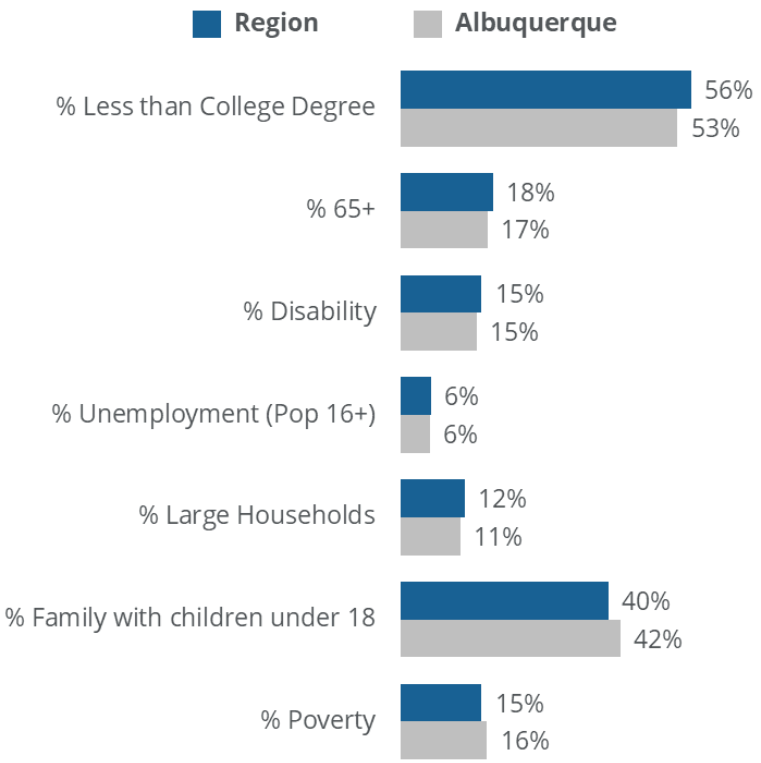
Demographic characteristics. Figure I-5 compares selected demographic characteristics in the region and in Albuquerque. In both the region and Albuquerque, over 50% of those aged 25 and over have less than a college degree, close to 20% of residents are age 65 or older, 15% of residents have a disability, over 10% of households are large

households (with 5 or more members), around 40% of households are family households with related children younger than 18, and around 15% of the population for whom poverty status is determined is below the poverty level.

The largest changes in demographic characteristics in the region and Albuquerque between 2010 and 2022 were the increase in the percentage of residents age 65 or older, which increased from 12% to 18% in the region and from 12% to 17% in Albuquerque; and in parallel the decrease in the percentage of households that are family households with related children younger than 18, which decreased from 47% to 40% in the region and from 48% to 42% in Albuquerque. The region is on par with the national average of 42% of households that are family households with related children younger than 18.

Figure I-5. Selected Demographic Characteristics, Region and Albuquerque, 2022

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



Additionally, the share of residents who identify as non-Hispanic White decreased from 43% to 38% in the region and from 43% to 37% in Albuquerque, while the share of Hispanic residents increased from 45% to 50% in the region, and from 46% to 50% in Albuquerque.

The share of residents from other races increased more modestly from around 11% to 13% in both the region and Albuquerque. Among other races, in 2022, 2% of the population in the region identified as Black/African American, 5% as American Indian/Alaska Native, 2% as Asian, and 3% as two or more races; these shares were similar in 2010 with the largest change being an increase in the share of the population who identified as two or more races, which increased from 1% in 2010 to 3% in 2022.

Employment and income. Between 2010 and 2021, the number of primary jobs in the region increased by approximately 24,000, from 338,372 to 362,445. Meanwhile, the number of primary jobs in Albuquerque only increased by around 1,500, from around 275,907 to 277,433.

Figure I-6 displays the number of primary jobs and workers in 2021, categorized by place. The last column in the table compares the number of primary jobs to the number of workers. A place is identified as a workforce supplier if it has more workers than jobs and as a jobs supplier if it has more jobs than workers.

As shown in Figure I-7, eight of the CPAs in the region are job suppliers, which means they have more jobs than workers living in the region. These eight CPAs include Central Albuquerque, KAFB, Mesa del Sol, Mid Heights, Near Heights, Near North Valley, North I-25, and North Valley, and together, they account for approximately 60% of jobs in the region.

While west-side CPAs account for 94% of the population growth, east-side CPAs continue to be the job suppliers; this trend will further exacerbate the need for longer commutes and higher demand to cross the Rio Grande.

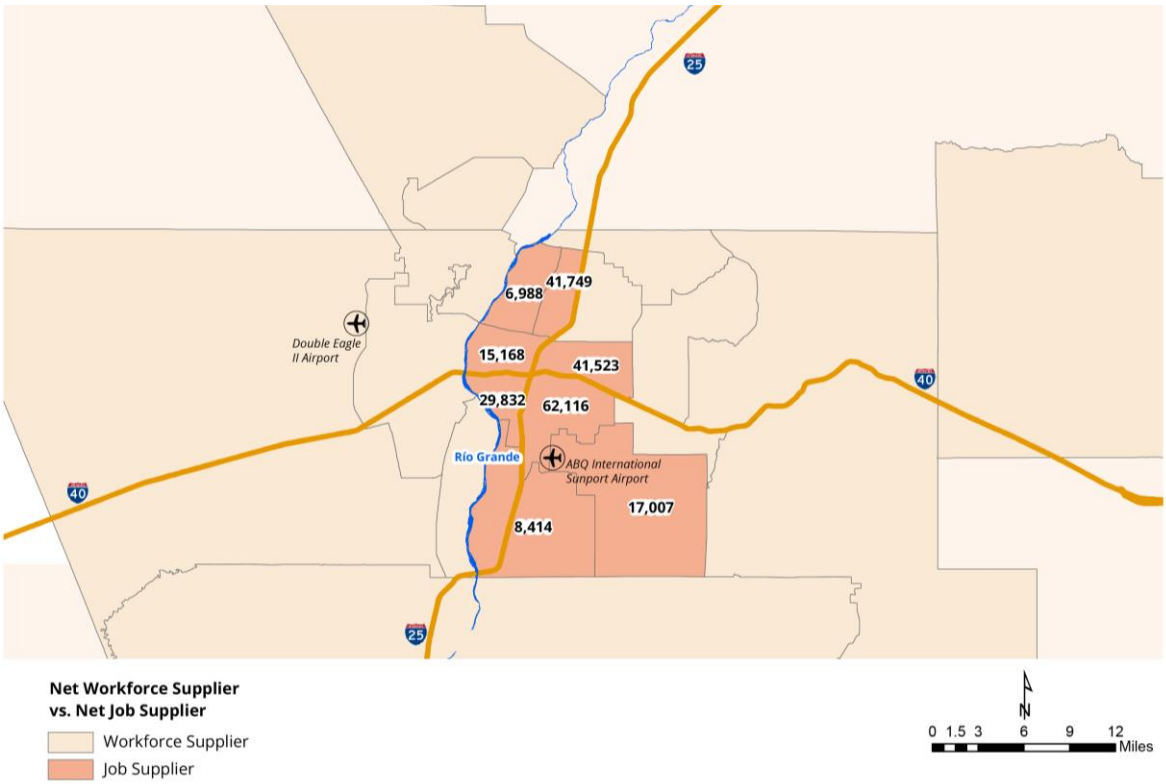
Figure I-6.
Number of Jobs and Number of Workers, 2021

Geography	Name	Jobs	Workers	Jobs v. Workers
Region	MRCOG	362,445	354,656	Jobs supplier
Metro	AMPA	356,502	345,878	Jobs supplier
County	Bernalillo County	313,143	263,743	Jobs supplier
CPA	Isleta	794	895	Workforce supplier
CPA	KAFB	17,007	590	Jobs supplier
CPA	N East Mountains	984	3,954	Workforce supplier
CPA	North Valley	6,988	6,190	Jobs supplier
CPA	NW Acres	1,364	4,186	Workforce supplier
CPA	S East Mountains	783	2,599	Workforce supplier
CPA	South Valley	5,778	13,285	Workforce supplier
CPA	SW Mesa County	2,074	2,670	Workforce supplier
Place	Albuquerque	277,433	229,642	Jobs supplier
CPA	Central ABQ	29,832	8,877	Jobs supplier
CPA	East Gateway	7,767	11,275	Workforce supplier
CPA	Foothills	13,950	35,266	Workforce supplier
CPA	Mesa del Sol	8,414	1,900	Jobs supplier
CPA	Mid Heights	41,523	20,651	Jobs supplier
CPA	Near Heights	62,116	26,931	Jobs supplier
CPA	Near North Valley	15,168	8,783	Jobs supplier
CPA	North Albuquerque	24,335	25,961	Workforce supplier
CPA	North I-25	41,749	3,818	Jobs supplier
CPA	Northwest Mesa	16,386	36,752	Workforce supplier
CPA	Southwest Mesa	9,999	31,333	Workforce supplier
CPA	West Mesa	6,194	18,095	Workforce supplier
County	Sandoval County	30,405	57,971	Workforce supplier
Place	Rio Rancho	22,850	44,861	Workforce supplier
CPA	N Rio Rancho	7,575	22,331	Workforce supplier
CPA	S Rio Rancho	15,275	22,530	Workforce supplier
County	Torrance County	2,906	3,558	Workforce supplier
County	Valencia County	14,578	26,731	Workforce supplier
CPA	S. Santa Fe County	1,413	2,653	Workforce supplier

Note: Primary jobs. A place is a workforce supplier if it has more workers than jobs. It is a jobs supplier if it has more jobs than workers. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

Source: LEHD and Root Policy Research.

Figure I-7.
Jobs v. Workforce Supplier CPAs and Number of Jobs, 2021



Note: Primary jobs. A place is a workforce supplier if it has more workers than jobs. It is a jobs supplier if it has more jobs than workers.

Source: LEHD and Root Policy Research.

As shown in Figure I-8 below, in 2022, household income was $67,620 in the region and $66,624 in Albuquerque, and family income was significantly higher, at $82,184 in the region and $82,793 in Albuquerque. It's important to note that family income estimates don't include individuals living in nonfamily households, who tend to be disproportionately young or old. The significant difference between family and household income reflects the lower income typically experienced by nonfamily households, such as single-person households.

Among the CPA's, Central Albuquerque and Southwest Mesa County had the lowest median household and family income, while North East Mountains and North West Acres had the highest.

Figure I-8.
Median Household and Family Income in 2022 and 2010-2022 Percent Change, by Place

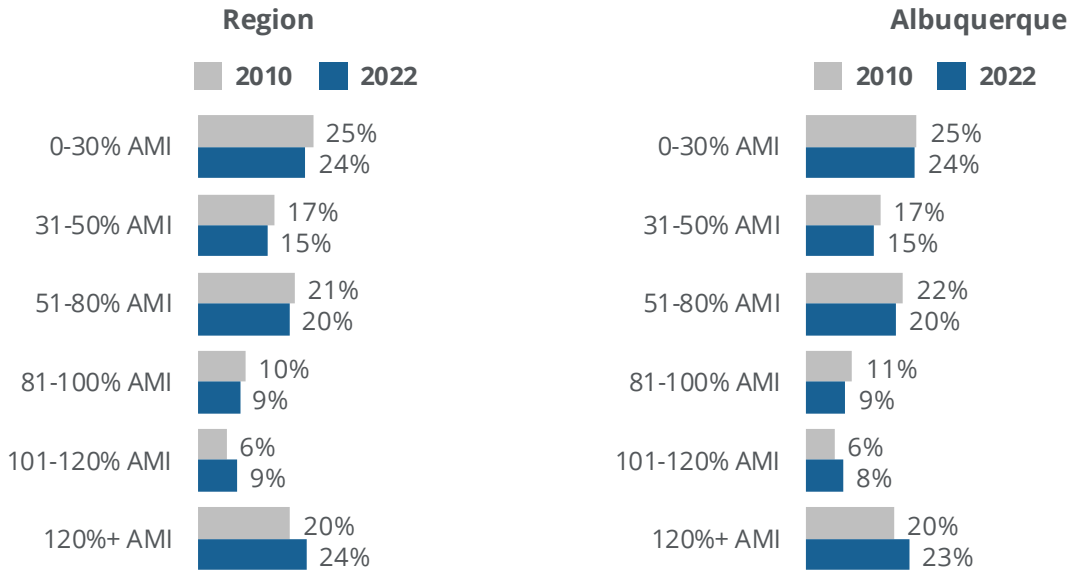
Geography	Name	Household Income		Family Income	
		2022	2010-2022 % Change	2022	2010-2022 % Change
Region	**MRCOG**	**$67,620**	**29.5%**	**$82,184**	**32.0%**
Metro	**AMPA**	$68,159	29.7%	$82,962	32.2%
County	**Bernalillo County**	$62,220	31.0%	$79,674	33.2%
CPA	**Isleta**	$56,954	34.1%	$66,623	13.0%
CPA	**KAFB**	$74,806	76.4%	$67,351	46.5%
CPA	**N East Mountains**	$102,986	41.0%	$119,681	29.2%
CPA	**North Valley**	$68,360	28.1%	$80,597	13.9%
CPA	**NW Acres**	$149,016	21.6%	$172,786	24.9%
CPA	**S East Mountains**	$90,446	23.7%	$110,947	47.2%
CPA	**South Valley**	$48,090	23.9%	$63,481	51.1%
CPA	**SW Mesa County**	$40,905	-17.9%	$44,501	-17.5%
Place	**Albuquerque**	$66,624	30.0%	$82,793	32.1%
CPA	**Central ABQ**	$38,178	23.4%	$55,677	37.6%
CPA	**East Gateway**	$63,902	44.5%	$78,536	50.7%
CPA	**Foothills**	$88,178	44.3%	$108,166	45.7%
CPA	**Mesa del Sol**	$57,074	21.5%	$63,875	27.8%
CPA	**Mid Heights**	$58,369	21.7%	$71,968	17.2%
CPA	**Near Heights**	$47,089	38.5%	$72,317	25.2%
CPA	**Near North Valley**	$63,730	27.3%	$86,117	42.0%
CPA	**North Albuquerque**	$75,818	15.6%	$99,302	27.8%
CPA	**North I-25**	$70,955	58.2%	$75,225	41.6%
CPA	**Northwest Mesa**	$82,220	20.0%	$94,463	23.8%
CPA	**Southwest Mesa**	$52,826	25.2%	$54,926	32.5%
CPA	**West Mesa**	$76,543	31.0%	$81,725	25.7%
County	**Sandoval County**	$76,424	33.7%	$86,062	30.6%
Place	**Rio Rancho**	$81,618	37.7%	$90,448	34.7%
CPA	**N Rio Rancho**	$85,613	30.9%	$92,214	31.3%
CPA	**S Rio Rancho**	$77,622	44.0%	$88,681	37.5%
County	**Torrance County**	$50,727	36.7%	$62,591	42.5%
County	**Valencia County**	$56,246	33.8%	$67,296	38.0%
CPA	**S. Santa Fe County**	$71,228	8.6%	$80,012	4.8%

Note: Household income includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Family income is household income for family households only. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

Figures I-9 and I-10 show renter and owner income distributions by area median income (AMI) according to HUD HOME AMIs. In 2022, approximately 1 in 4 renter households had income between 0 and 30% AMI, and approximately 60% of renter households had income between 0 and 80% AMI.

Figure I-9.
Renter Income Distribution, Region and Albuquerque, 2010 and 2022

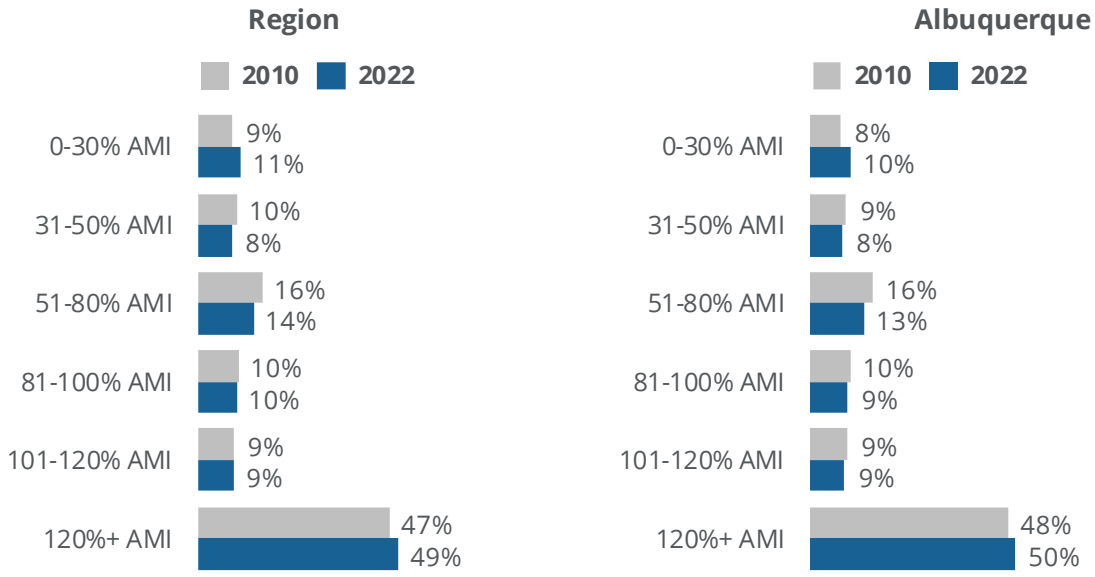


Note: Two person AMIs are used for renter households because renter households in the region contain, on average, fewer than 2.5 occupants. The 2 person AMI for 2010 was $48,240 and $60,400 for 2022.

Source: HUD HOME Area Median Income, ACS 5-year estimates, and Root Policy Research.

Among owner households, around 1 in 10 have income below 30% AMI, and approximately 1 in 3 owner households have income between below 80% AMI.

Figure I-10.
Owner Income Distribution, Region and Albuquerque, 2010 and 2022



Note: Three person AMIs are used for owner households because owner households in the region contain, on average, more than 2.5 occupants. The 3 person AMI for 2010 was $54,270 and $67,950 for 2022.

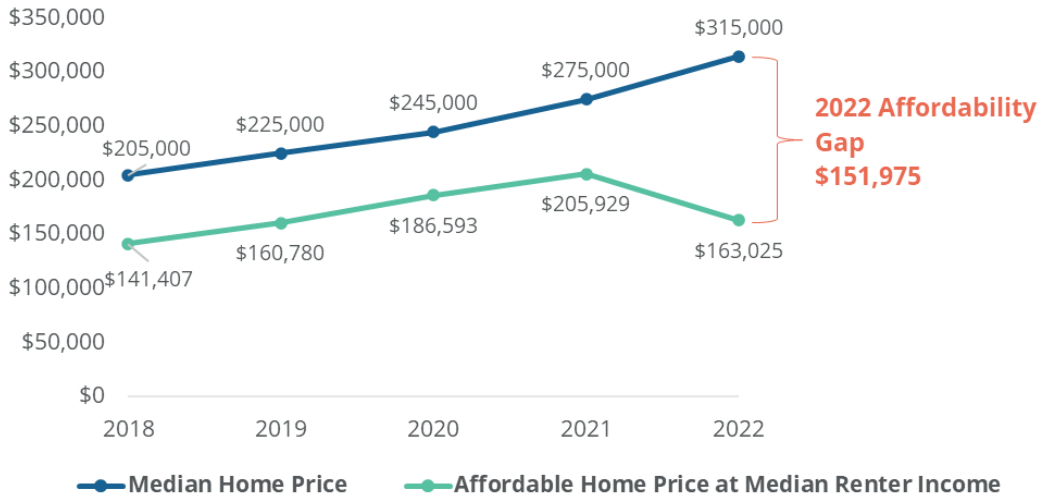
Source: HUD HOME Area Median Income, ACS 5-year estimates, and Root Policy Research.

Housing Needs

Affordability trends. Figure I-11 shows trends in median home price according to HMDA data[1] and the median home price affordable at the median renter income. Affordability increased in 2021 with the historic drop in mortgage interest rates but dropped back to 2019 levels as interest rates rose. In 2022, the home price affordable for a household with median renter income was around $163,000, over $150,000 less than the median home price of $315,000.

[1] Home Mortgage Disclosure Act (HMDA) data track home purchase loan originations, including property values. Note that HMDA data exclude cash home purchases and, therefore, underestimate the total volume of homes purchased each year.

Figure I-11.
Median Home Price V. Affordable Home Price, Region, 2018-2022



Note: Affordability estimates assume a household spends 30% of their income on housing and assume a 30-year mortgage with a 10% downpayment, 30% of monthly payment is used for property taxes, utilities, insurance. Interest rates used are the historical 30-year fixed rate average from Freddie Mac from 2018 to 2022.

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

Figure I-12 below shows housing affordability calculations by AMI and household size, based on HUD's 2023 AMI calculations. The combination of higher interest rates and elevated home prices in the region make ownership units unattainable for households with income below 100% AMI without subsidies. A two-person household's home purchase affordability ranges from $56,600 at 30% AMI to $204,150 at 120% AMI, far below the 2022 median home price of $315,000.

Figure I-12.
Housing Affordability by AMI and Household Size, 2023

	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI
One Person Household	**$16,800**	**$28,000**	**$33,600**	**$44,750**	**$60,557**
Max Affordable Rent	$420	$700	$840	$1,119	$1,514
Max Affordable Home Price	$49,556	$82,594	$99,113	$132,003	$178,630
Two Person Household	**$19,200**	**$32,000**	**$38,400**	**$51,150**	**$69,208**
Max Affordable Rent	$480	$800	$960	$1,279	$1,730
Max Affordable Home Price	$56,636	$94,393	$113,271	$150,881	$204,148
Three Person Household	**$21,600**	**$36,000**	**$43,200**	**$57,550**	**$77,859**
Max Affordable Rent	$540	$900	$1,080	$1,439	$1,946
Max Affordable Home Price	$63,715	$106,192	$127,430	$169,760	$229,667
Four Person Household	**$23,950**	**$39,950**	**$47,940**	**$63,900**	**$86,510**
Max Affordable Rent	$599	$999	$1,199	$1,598	$2,163
Max Affordable Home Price	$70,647	$117,844	$141,412	$188,491	$255,185
Five Person Household	**$25,900**	**$43,150**	**$51,780**	**$69,050**	**$93,431**
Max Affordable Rent	$648	$1,079	$1,295	$1,726	$2,336
Max Affordable Home Price	$76,399	$127,283	$152,740	$203,682	$275,600

Note: Affordability estimates assume a household spends 30% of their income on housing and for the home price assume a 30-year mortgage with a 10% downpayment, 30% of monthly payment is used for property taxes, utilities, insurance. Interest rates used are the historical 30-year fixed rate average from Freddie Mac from 2023. HOME AMI thresholds for Albuquerque are used.

Source: HUD, Freddie Mac, and Root Policy Research.

Affordability in the rental market has also decreased. Figure I-13 below shows a comparison between HOME rent limits[2] for the years 2022, 2023, and 2024 along with the estimated median rents in 2022 for different number of bedrooms. Median rents in 2022 are higher than the 2022 high HOME rent limits in most of the region. In Albuquerque, the 2022 median rents are higher than the 2023 high HOME rent limits for efficiency, 3-bedroom, and 4-bedroom units; and the 2022 median rents are higher than 2024 high HOME rent limits for 4-bedroom units.

[2] HOME Program Rent Limits are the maximum amount that may be charged for rent in HOME-assisted rental units. The High HOME Rent Limit for an area is the lesser of the Section 8 Fair Market Rent (FMR) for the area or a rent equal to 30 percent of the annual income of a family whose income equals 65 percent of the area median income, as determined by HUD. The Low HOME Rent Limit for an area is 30 percent of the annual income of a family whose income equals 50 percent of the area median income, as determined by HUD, capped by the High HOME Rent Limit. HUD's Program Parameters and Research Division calculates the HOME rents each year using the FMRs and the Section 8 Income Limits.

Figure I-13.
HOME Rent Limits Compared to Median Gross Rent

	Efficiency	1 BR	2 BR	3 BR	4 BR
2024 - Rent Limits					
Low Home Rent Limit	756	810	972	1,123	1,253
High Home Rent Limit	828	1,005	1,222	1,426	1,571
2023 - Rent Limits					
Low Home Rent Limit	700	750	900	1,038	1,158
High Home Rent Limit	765	942	1,144	1,317	1,450
2022 - Rent Limits					
Low Home Rent Limit	661	708	850	981	1,095
High Home Rent Limit	666	821	996	1,243	1,368
2022 - Median Gross Rent					
Albuquerque	819	859	1,079	1,387	1,790
Rio Rancho	-	1,147	1,208	1,623	1,782
Bernalillo	819	850	1,048	1,390	1,762
Sandoval	-	1,035	1,127	1,524	1,719
Torrance	731	-	595	717	746
Valencia	-	816	948	-	-

Note: Data by number of bedrooms for units with more than 4 bedrooms not disaggregated by ACS. Rent data for 2022 used as 2023 ACS estimates were unavailable at the time of this report.

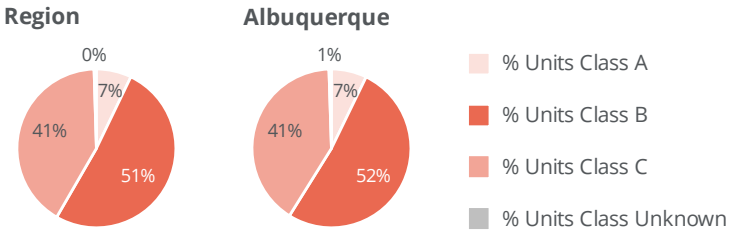
Source: HUD, ACS 1-year estimates and 5-year estimates for Torrance county, and Root Policy Research.

Multifamily Snapshot. Figure I-14 below shows data from commercial real estate market analytics firm CoStar, which collects multifamily rental data at the development level. The total number of units in multifamily rental developments of 5 or more units in the region was around 72,000 and close to 65,000 in Albuquerque in the fourth quarter of 2023. The pie charts present the distribution of multifamily rental units by property class in the fourth quarter 2023. Around 7% of units were class A properties, which are the highest quality buildings in the area. They tend to be relatively new and usually have high end amenities and higher income tenants. Around half of units are class B properties, which are a step below class A buildings but are still generally well-maintained. A sizeable share (41%) are class C properties, which are the lowest quality buildings. These are often relatively old and in need of maintenance. This is expected given that the average year built for properties was in the mid-1970s.

The average asking rent for a lease in a multifamily development was around $1,165 as of the fourth quarter of 2023. The average effective rent[3] was around $1,155.

Figure I-14.
Multifamily Snapshot, 2023

TOTAL UNITS (2023)	
Region	72,090
Albuquerque	64,980



	Region	Albuquerque
Average Year Built	1975	1974
Average Asking Rent	$1,165	$1,163
Average Effective Rent	$1,156	$1,153
Average Vacancy Rate	7%	7%

Note: Root Policy Research has aggregated these data to estimate rental costs, rental vacancy rates, and multifamily rental stock age and condition at varying geographic levels. CoStar data reflect multifamily rental data from Q4 2023.

Source: CoStar and Root Policy Research.

Figure I-15 below shows CoStar multifamily rental data by place. According to the data, units in multifamily developments of 5 units or more are concentrated in the Foothills (14%), Mid Heights (10%), Near Heights (21%), and North Albuquerque (13%) CPAs—combined, these 4 CPAs account for 59% of units in multifamily developments of 5 units or more in the region.

The CPAs with the oldest average year built are Mesa del Sol (1957), South Valley (1958), Central Albuquerque (1961), and Near Heights (1969); of these, Near Heights and Central Albuquerque have a significant number of units, and many of them are likely in need of maintenance.

CPAs with average asking rents below $1,000 include South Valley, Near Heights, Southwest Mesa County, North Valley, Central Albuquerque, East Gateway, and Near North Valley, while the CPAs with the highest average asking rents are South Rio Rancho and KAFB.

The lowest vacancy rates are found in KAFB, Mesa del Sol, South Valley, North Rio Rancho, and North Valley CPAs, all of which have very low vacancy rates below 5%. Higher vacancy

[3] CoStar defines effective rent as the "average rent paid over the term by a tenant adjusted downward for concessions paid for by the landlord (such as free rent, moving expenses, or other allowances), and upward for costs that are the responsibility of the tenant (such as operating expense pass-throughs)." Figures represent average effective rent for units in multifamily rental developments in Q4 2023. The share of units in multifamily rental developments of 5 or more units that are vacant as of Q4 2023.

rates of 9% or more are found in the Foothills, South Rio Rancho, Near North Valley, East Gateway, and Southwest Mesa County CPAs.

Figure I-15.
Multifamily Units, by Place, 2023

Geography	Name	Units	Avg. Year Built	Avg. Asking Rent	Avg. Vacancy Rate
Region	**MRCOG**	**72,090**	**1975**	**$1,165**	**7.4%**
Metro	**AMPA**	72,008	1975	$1,165	7.4%
County	**Bernalillo County**	68,421	1974	$1,159	7.4%
CPA	**Isleta**	0	-	-	-
CPA	**KAFB**	1,302	2013	$1,650	1.7%
CPA	**N East Mountains**	85	1975	N/A	5.6%
CPA	**North Valley**	1,019	1976	$949	4.5%
CPA	**NW Acres**	8	1977	N/A	6.0%
CPA	**S East Mountains**	107	1971	N/A	5.6%
CPA	**South Valley**	499	1958	$740	3.2%
CPA	**SW Mesa County**	399	2022	$930	17.6%
Place	**Albuquerque**	64,980	1974	$1,163	7.4%
CPA	**Central ABQ**	4,379	1961	$993	6.5%
CPA	**East Gateway**	3,284	1980	$998	12.6%
CPA	**Foothills**	10,178	1982	$1,302	9.2%
CPA	**Mesa del Sol**	110	1957	$1,098	1.9%
CPA	**Mid Heights**	7,557	1974	$1,053	7.1%
CPA	**Near Heights**	15,230	1969	$914	7.3%
CPA	**Near North Valley**	1,014	1979	$998	12.2%
CPA	**North Albuquerque**	9,621	1984	$1,313	5.4%
CPA	**North I-25**	1,170	1997	$1,311	7.2%
CPA	**Northwest Mesa**	6,714	2000	$1,421	6.7%
CPA	**Southwest Mesa**	3,384	1987	$1,074	5.3%
CPA	**West Mesa**	2,339	2000	$1,235	8.7%
County	**Sandoval County**	2,584	1992	$1,407	8.0%
Place	**Rio Rancho**	2,365	1995	$1,443	8.5%
CPA	**N Rio Rancho**	435	2010	$1,242	3.3%
CPA	**S Rio Rancho**	1,930	1993	$1,494	9.6%
County	**Torrance County**	82	1960	N/A	5.2%
County	**Valencia County**	1,025	1982	$892	3.1%
CPA	**S. Santa Fe County**	0	-	-	-

Note: Root Policy Research has aggregated these data to estimate rental costs, rental vacancy rates, and multifamily rental stock age and condition at varying geographic levels. CoStar data reflect multifamily rental data from Q4 2023. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

Source: CoStar and Root Policy Research.

Worker affordability. Figure I-16 below shows the housing that the region's workers can afford in 2022 based on the median earnings in each occupation. The median rent of $1,155 and median home price of $315,000 were used to measure whether workers can afford to rent or buy in the region's housing market without being cost burdened. Given rising housing prices, many employees will seek less expensive housing, forcing residents to commute longer distances.

- The median earnings worker in just three occupations in the region can afford the median home price in Albuquerque. These occupations are 1) computer, engineering, and science occupations; 2) legal occupations; and 3) health diagnosing and treating practitioners and other technical occupations. These three occupations encompass just 17% of the full time year round employed population over age 16, meaning that at the median earnings the other 83% of workers in other occupations cannot afford the median home price.
- Additionally, workers in 6 occupations accounting for 39% of employment cannot afford the median rent at the median wages. These occupations include:
    - Healthcare support occupations;
    - Food preparation and serving related occupations;
    - Building and grounds cleaning and maintenance occupations;
    - Personal care and service occupations;
    - Sales and office occupations; and
    - Production, transportation, and material moving occupations.

Although this scenario is for illustrative purposes, as it assumes one worker per household, the analysis provides greater insight into the region's economic trajectory. If workers are unable to afford housing in the region, they are more likely to leave the area to find affordable housing elsewhere. In addition, if workers are unavailable, it will be harder for the area to attract primary employers.

Figure I-16.
Worker Affordability, Region, 2022

Region	Annual Median Earnings	Area Median Income (AMI) Range at Median Income	Max Affordable Rent	Can Afford Rent?	Max Affordable Home Price	Can Afford Median Price?
Management, business, and financial occupations	$74,013	120% AMI +	$1,850	Yes	$255,427	No
Computer, engineering, and science occupations	$95,096	120% AMI +	$2,377	Yes	$328,188	Yes
Community and social service occupations	$55,848	81-100% AMI	$1,396	Yes	$192,738	No
Legal occupations	$101,398	120% AMI +	$2,535	Yes	$349,935	Yes
Educational instruction and library occupations	$52,195	81-100% AMI	$1,305	Yes	$180,132	No
Arts, design, entertainment, sports, and media occupations	$57,425	81-100% AMI	$1,436	Yes	$198,182	No
Health diagnosing and treating practitioners and other technical occupations	$92,859	120% AMI +	$2,321	Yes	$320,467	Yes
Health technologists and technicians	$58,477	81-100% AMI	$1,462	Yes	$201,809	No
Healthcare support occupations	$32,845	51-80% AMI	$821	No	$113,350	No
Firefighting and other protective service workers including supervisors	$47,055	51-80% AMI	$1,176	Yes	$162,391	No
Law enforcement workers including supervisors	$71,642	101-120% AMI	$1,791	Yes	$247,246	No
Food preparation and serving related occupations	$27,716	31-50% AMI	$693	No	$95,650	No
Building and grounds cleaning and maintenance occupations	$31,286	51-80% AMI	$782	No	$107,971	No
Personal care and service occupations	$32,495	51-80% AMI	$812	No	$112,143	No
Sales and office occupations	$44,839	51-80% AMI	$1,121	No	$154,744	No
Natural resources, construction, and maintenance occupations	$48,278	51-80% AMI	$1,207	Yes	$166,612	No
Production, transportation, and material moving occupations	$45,002	51-80% AMI	$1,125	No	$155,307	No

Note: Median rent 2022 5-year regional estimate of $1,155 and Median HMDA price of $315,000 were used. The maximum home purchase price affordable based on each occupational group's median earnings, assuming they are paying no more than 30% of their income in housing costs. Max affordable home prices assume a 30-year mortgage with a 5.34% interest rate, a 10% down payment, and 30% of the monthly payment goes to property taxes, utilities, and insurance. The maximum rent affordable based on each occupational group's median earnings, assuming they are paying no more than 30% of their income in housing costs.

Source: ACS 2022 5-year estimates, HUD, HMDA, Freddie Mac, and Root Policy Research.

Cost burden. The most common definition of affordability is linked to the idea that households should not be cost burdened by housing. A cost burdened household is one in which housing costs—the rent or mortgage payment, plus taxes and utilities—consumes more than 30% of monthly gross income, decreasing the flexibility for households to manage other expenses (e.g., childcare, health care, transportation, food costs, etc.). Spending more than 50% of income on housing costs is characterized as severe cost burden and puts households at high risk of homelessness. High rates of cost burden restrict the extent to which households can contribute to the local economy.

Figure I-17 displays the cost burden rate—the percentage of households paying more than 30% of their income in housing costs—in the region and by place based on tenure and Figure I-18 maps the overall rate of cost burden by CPA. Overall, 31% of households in the region and 34% in Albuquerque face cost burden. The rate of cost burden in Albuquerque is higher than the national average of 31%.

Renters are more affected and are over twice as likely to face cost burden, with more than half (51% in the region and 52% in Albuquerque) of renters experiencing cost burden as compared to only 22% of owners in the region and 23% in Albuquerque. In the region and in Albuquerque, the overall cost burden decreased between 2010 and 2022, going from 35% to 31% in the region and from 36% to 34% in Albuquerque. This was driven by a decrease in owner cost burden, which went from 29% to 22% in the region and from 29% to 23% in Albuquerque, while renter cost burden increased from 49% to 51% in the region and from 49% to 52% in Albuquerque. The decrease in owner cost burden is likely attributed to the drop in mortgage interest rates in 2020, which allowed mortgaged owners to lower their housing costs through refinancing.

CPAs with the highest rates of cost burden are Central Albuquerque, Near Heights, and Southwest Mesa County, all with rates of cost burden of 40% or higher.

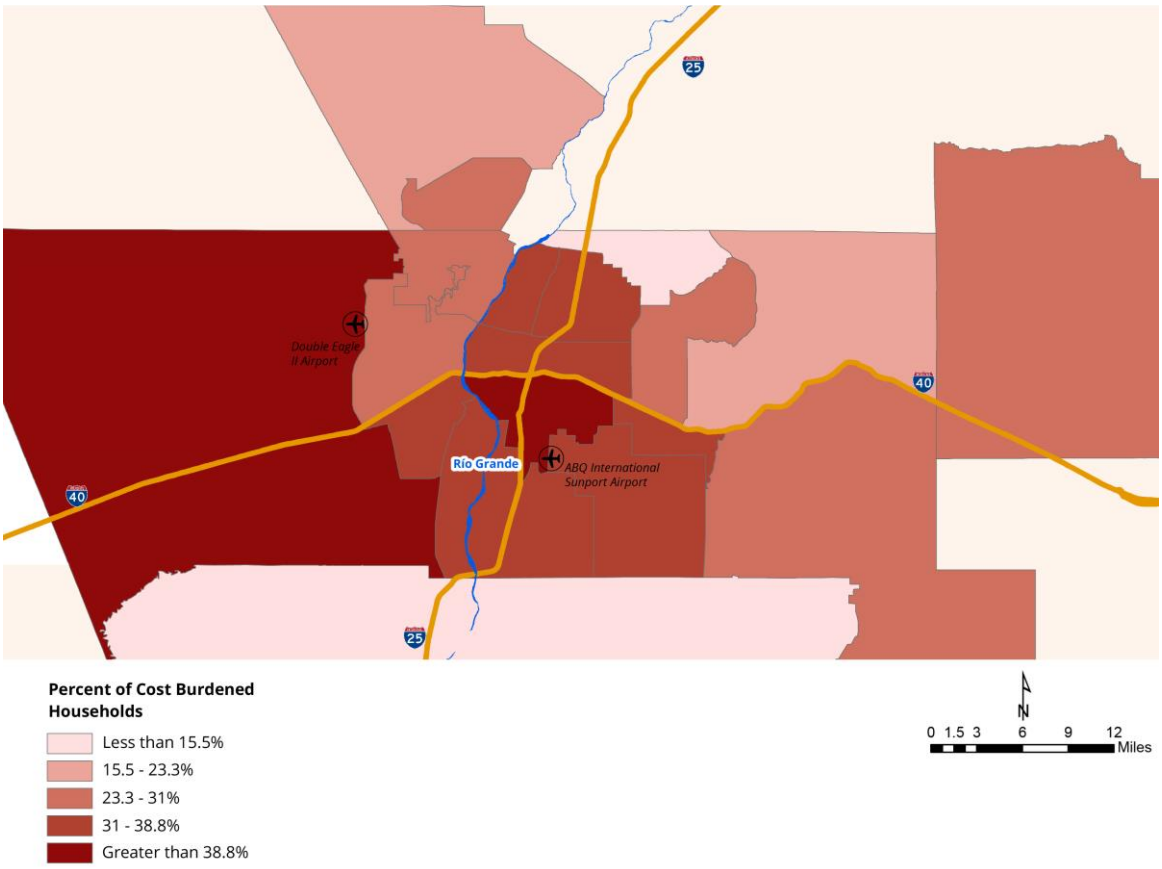
Figure I-17.
Cost Burden by Place, 2022

Geography	Name	Overall	Renter	Owner
Region	**MRCOG**	**31%**	**51%**	**22%**
Metro	**AMPA**	31%	51%	22%
County	**Bernalillo County**	33%	52%	23%
CPA	**Isleta**	9%	40%	7%
CPA	**KAFB**	38%	39%	0%
CPA	**N East Mountains**	23%	33%	22%
CPA	**North Valley**	35%	55%	28%
CPA	**NW Acres**	15%	42%	14%
CPA	**S East Mountains**	26%	52%	25%
CPA	**South Valley**	34%	53%	28%
CPA	**SW Mesa County**	40%	56%	37%
Place	**Albuquerque**	34%	52%	23%
CPA	**Central ABQ**	43%	58%	23%
CPA	**East Gateway**	34%	48%	26%
CPA	**Foothills**	27%	43%	17%
CPA	**Mesa del Sol**	34%	44%	31%
CPA	**Mid Heights**	37%	53%	25%
CPA	**Near Heights**	42%	55%	24%
CPA	**Near North Valley**	37%	57%	26%
CPA	**North Albuquerque**	34%	50%	23%
CPA	**North I-25**	32%	44%	28%
CPA	**Northwest Mesa**	27%	47%	19%
CPA	**Southwest Mesa**	36%	58%	29%
CPA	**West Mesa**	29%	59%	21%
County	**Sandoval County**	24%	50%	18%
Place	**Rio Rancho**	25%	51%	19%
CPA	**N Rio Rancho**	23%	42%	20%
CPA	**S Rio Rancho**	27%	57%	19%
County	**Torrance County**	21%	43%	18%
County	**Valencia County**	26%	49%	22%
CPA	**S. Santa Fe County**	26%	50%	24%

Note: Percentage of households paying over 30% of their gross income in housing costs. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

Figure I-18.
Overall Cost Burden, 2022



Note: Percentage of households paying over 30% of their gross income in housing costs.

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

Figure I-19 below shows rates of cost burden by employment industry of the household head. Rates of cost burden are the highest among those employed in hospitality industries including the arts, recreation, and food services industry (57%). These workers have a rate of cost burden that is higher than among the unemployed or out of the labor force (41%).

Figure I-19. Cost Burden by Industry, Region, 2022

Note:

Households' industry is determined by the industry of the household head. People who are neither working nor looking for work are considered out of the labor force, this includes retirees and caretakers.

Source:

ACS 2022 1-year PUMS estimates and Root Policy Research.

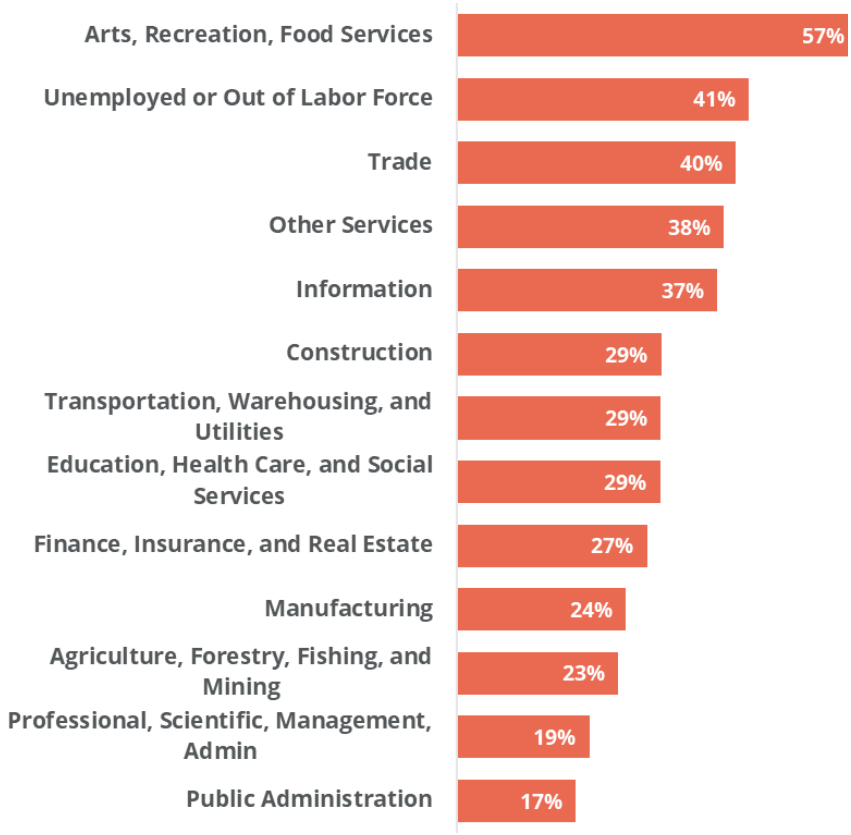
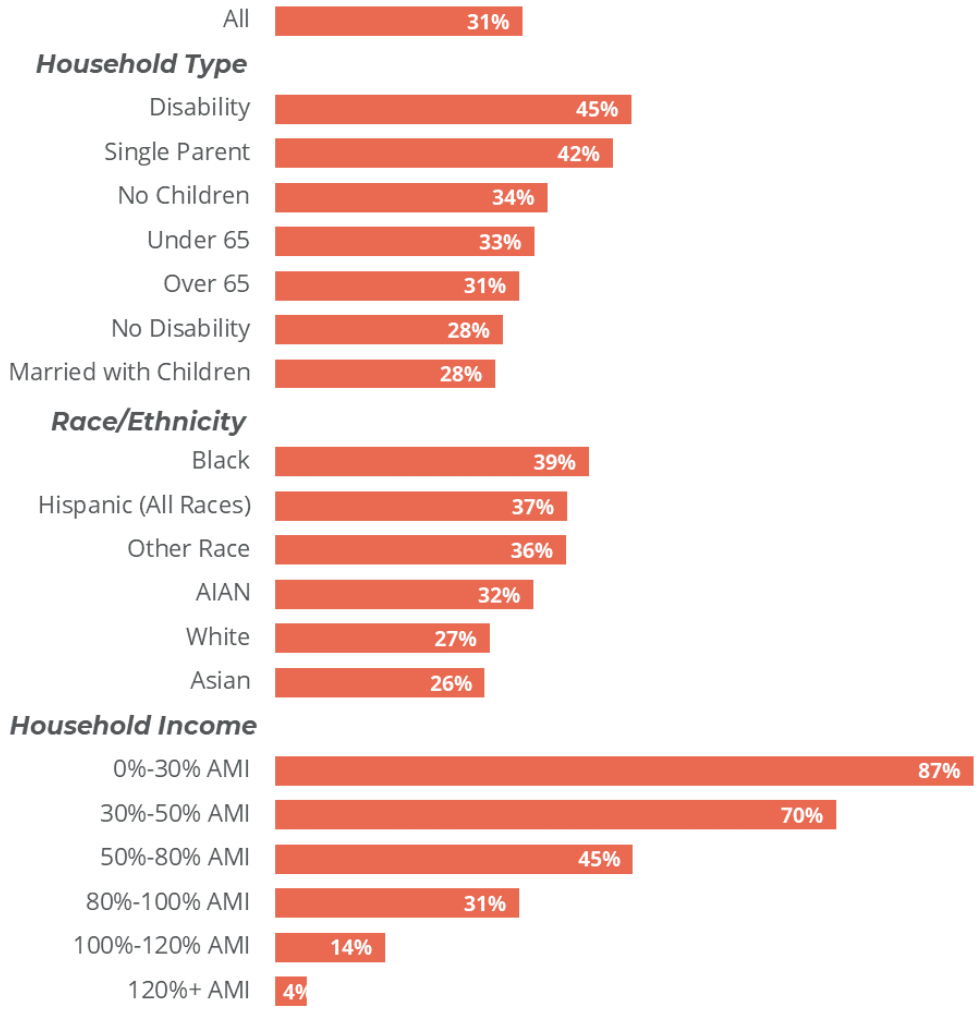


Figure I-20 below shows the rates of cost burden among different household types, race/ethnicity, and AMI. As shown, households with a member with a disability (45%) and single parent households (42%) experienced significantly higher rates of cost burden.

Among the different race/ethnicity categories, Black/African American households have the highest rate of cost burden (39%), followed by Hispanic households (37%) and households of other races (36).

Cost burden is pervasive among households with up to 80% AMI, with 87% of households with less than 30% AMI experiencing cost burden, 70% of households with income between 30% and 50% AMI, and 45% of households with income between 80% and 100% AMI.

Figure I-20.
Cost Burden by Household Type, Race/Ethnicity, and AMI, Region, 2022



Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Overcrowding and substandard housing. Housing units are considered overcrowded when they are occupied by more than one person per room. Overcrowding in housing poses threats to public health and safety, strains public infrastructure, and highlights the need for affordable housing.

Figure I-21 below shows the rate of overcrowding by place. Renter households experience overcrowding at twice the rate of owner households in the region (4.1% v. 1.9%) and 3 times the rate of owner households in Albuquerque (4.2% v. 1.4%).

Rates of overcrowding are the highest in Southwest Mesa County, South East Mountains, South Valley, Southwest Mesa, and East Gateway CPAs, all with rates of overcrowding of 4% or higher.

Figure I-21.
Overcrowding by Place, 2022

Geography	Name	Overall	Renter	Owner
Region	**MRCOG**	**2.6%**	**4.1%**	**1.9%**
Metro	**AMPA**	2.5%	4.2%	1.7%
County	**Bernalillo County**	2.6%	4.2%	1.6%
CPA	**Isleta**	2.0%	0.0%	2.3%
CPA	**KAFB**	1.5%	1.5%	0.0%
CPA	**N East Mountains**	3.5%	14.6%	2.4%
CPA	**North Valley**	0.4%	0.0%	0.5%
CPA	**NW Acres**	0.6%	0.0%	0.6%
CPA	**S East Mountains**	5.4%	0.0%	5.9%
CPA	**South Valley**	4.4%	8.3%	3.0%
CPA	**SW Mesa County**	6.3%	4.5%	6.6%
Place	**Albuquerque**	2.5%	4.2%	1.4%
CPA	**Central ABQ**	2.5%	2.5%	2.6%
CPA	**East Gateway**	3.8%	4.9%	3.1%
CPA	**Foothills**	1.9%	4.1%	0.5%
CPA	**Mesa del Sol**	3.3%	3.6%	3.2%
CPA	**Mid Heights**	1.6%	2.9%	0.5%
CPA	**Near Heights**	3.2%	4.8%	1.0%
CPA	**Near North Valley**	1.4%	3.0%	0.5%
CPA	**North Albuquerque**	2.6%	5.0%	1.1%
CPA	**North I-25**	0.3%	0.6%	0.3%
CPA	**Northwest Mesa**	2.0%	4.6%	0.9%
CPA	**Southwest Mesa**	3.8%	4.4%	3.6%
CPA	**West Mesa**	1.6%	4.3%	0.9%
County	**Sandoval County**	2.5%	3.6%	2.3%
Place	**Rio Rancho**	1.8%	3.8%	1.4%
CPA	**N Rio Rancho**	1.8%	3.4%	1.5%
CPA	**S Rio Rancho**	1.9%	4.0%	1.3%
County	**Torrance County**	3.1%	0.9%	3.6%
County	**Valencia County**	2.9%	4.5%	2.6%
CPA	**S. Santa Fe County**	2.5%	0.0%	2.8%

Note: Percentage of households that live in overcrowded conditions. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

Units lacking complete kitchen or plumbing facilities[4] are considered substandard. As shown in Figure I-22 below, 0.8% of units in the region and 0.7% in Albuquerque lack complete kitchen facilities; again, this rate is higher among renter households, at 1.7% and 1.5%, respectively. Among the CPAs, East Gateway, South Valley, Southwest Mesa, North Albuquerque, and Near Heights had rates higher than 1%. At the national level, 0.8% of units lack complete kitchen facilities.

[4] The Census Bureau considers a housing unit with a sink with a faucet, a stove or range, and a refrigerator to have complete kitchen facilities, and a housing unit with hot and cold running water, a flush toilet, and a bathtub or shower to have complete plumbing facilities.

Figure I-22.
Units Lacking Complete Kitchen Facilities by Place, 2022

Geography	Name	Overall	Renter	Owner
Region	**MRCOG**	**0.8%**	**1.7%**	**0.4%**
Metro	**AMPA**	0.7%	1.6%	0.3%
County	**Bernalillo County**	0.7%	1.5%	0.2%
CPA	**Isleta**	0.0%	0.0%	0.0%
CPA	**KAFB**	0.0%	0.0%	0.0%
CPA	**N East Mountains**	0.2%	1.9%	0.0%
CPA	**North Valley**	0.9%	3.7%	0.0%
CPA	**NW Acres**	0.6%	0.0%	0.6%
CPA	**S East Mountains**	0.3%	3.8%	0.0%
CPA	**South Valley**	1.2%	1.4%	1.1%
CPA	**SW Mesa County**	0.8%	2.3%	0.4%
Place	**Albuquerque**	0.7%	1.5%	0.2%
CPA	**Central ABQ**	0.3%	0.3%	0.3%
CPA	**East Gateway**	1.3%	3.6%	0.0%
CPA	**Foothills**	0.7%	1.6%	0.1%
CPA	**Mesa del Sol**	0.0%	0.0%	0.0%
CPA	**Mid Heights**	0.4%	0.6%	0.2%
CPA	**Near Heights**	1.1%	1.6%	0.2%
CPA	**Near North Valley**	0.0%	0.0%	0.0%
CPA	**North Albuquerque**	1.1%	2.6%	0.1%
CPA	**North I-25**	0.7%	2.6%	0.0%
CPA	**Northwest Mesa**	0.2%	0.9%	0.0%
CPA	**Southwest Mesa**	1.1%	1.5%	1.0%
CPA	**West Mesa**	0.1%	0.2%	0.0%
County	**Sandoval County**	1.3%	4.5%	0.6%
Place	**Rio Rancho**	0.6%	2.1%	0.3%
CPA	**N Rio Rancho**	0.3%	0.4%	0.2%
CPA	**S Rio Rancho**	0.9%	3.1%	0.3%
County	**Torrance County**	1.4%	0.0%	1.7%
County	**Valencia County**	0.5%	0.0%	0.6%
CPA	**S. Santa Fe County**	0.8%	0.0%	0.9%

Note: Percentage of units lacking complete kitchen facilities. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

Figure I-23 below shows the percentage of units lacking complete plumbing; 0.5% of units in the region and 0.3% in Albuquerque lacked complete plumbing; this rate is slightly higher among renter households, at 0.6% and 0.5%, respectively. Among the CPAs,

Southwest Mesa County, East Gateway, and Isleta had rates higher than 1%. At the national level, 0.4% of units lack complete kitchen facilities.

Figure I-23.
Units Lacking Complete Plumbing by Place, 2022

Geography	Name	Overall	Renter	Owner
Region	**MRCOG**	**0.5%**	**0.6%**	**0.4%**
Metro	**AMPA**	0.4%	0.5%	0.3%
County	**Bernalillo County**	0.4%	0.5%	0.3%
CPA	**Isleta**	1.2%	4.3%	0.8%
CPA	**KAFB**	0.0%	0.0%	0.0%
CPA	**N East Mountains**	0.4%	0.0%	0.4%
CPA	**North Valley**	0.9%	3.7%	0.0%
CPA	**NW Acres**	0.6%	0.0%	0.6%
CPA	**S East Mountains**	0.3%	3.4%	0.0%
CPA	**South Valley**	0.8%	0.4%	1.0%
CPA	**SW Mesa County**	2.9%	2.3%	3.0%
Place	**Albuquerque**	0.3%	0.5%	0.2%
CPA	**Central ABQ**	0.3%	0.2%	0.4%
CPA	**East Gateway**	1.4%	3.8%	0.0%
CPA	**Foothills**	0.1%	0.2%	0.0%
CPA	**Mesa del Sol**	0.0%	0.0%	0.0%
CPA	**Mid Heights**	0.2%	0.3%	0.1%
CPA	**Near Heights**	0.6%	0.3%	1.0%
CPA	**Near North Valley**	0.0%	0.0%	0.0%
CPA	**North Albuquerque**	0.2%	0.4%	0.0%
CPA	**North I-25**	0.5%	2.0%	0.0%
CPA	**Northwest Mesa**	0.0%	0.0%	0.0%
CPA	**Southwest Mesa**	0.5%	0.6%	0.5%
CPA	**West Mesa**	0.1%	0.2%	0.0%
County	**Sandoval County**	0.9%	1.8%	0.6%
Place	**Rio Rancho**	0.2%	0.2%	0.2%
CPA	**N Rio Rancho**	0.2%	0.4%	0.2%
CPA	**S Rio Rancho**	0.2%	0.0%	0.3%
County	**Torrance County**	1.4%	2.2%	1.2%
County	**Valencia County**	0.7%	0.0%	0.8%
CPA	**S. Santa Fe County**	0.2%	0.0%	0.2%

Note: Percentage of units lacking complete plumbing. The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

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

Gaps analysis. A modeling effort called a gaps analysis to examine how the housing market is meeting the affordability needs of current residents is presented below. The gaps analysis compares the supply of housing at various price points to the number of households who can afford such housing. If there are more housing units than households, the market is "oversupplying" housing at that price point. Conversely, if there are too few units, the market is "undersupplying" housing at that price point. The affordability gaps analysis completed for the region addresses both rental affordability and ownership opportunities for renters looking to buy.

The gaps analysis is intended to evaluate affordability needs among current residents, not the need for additional housing to accommodate future or potential residents, which is included in Section II.

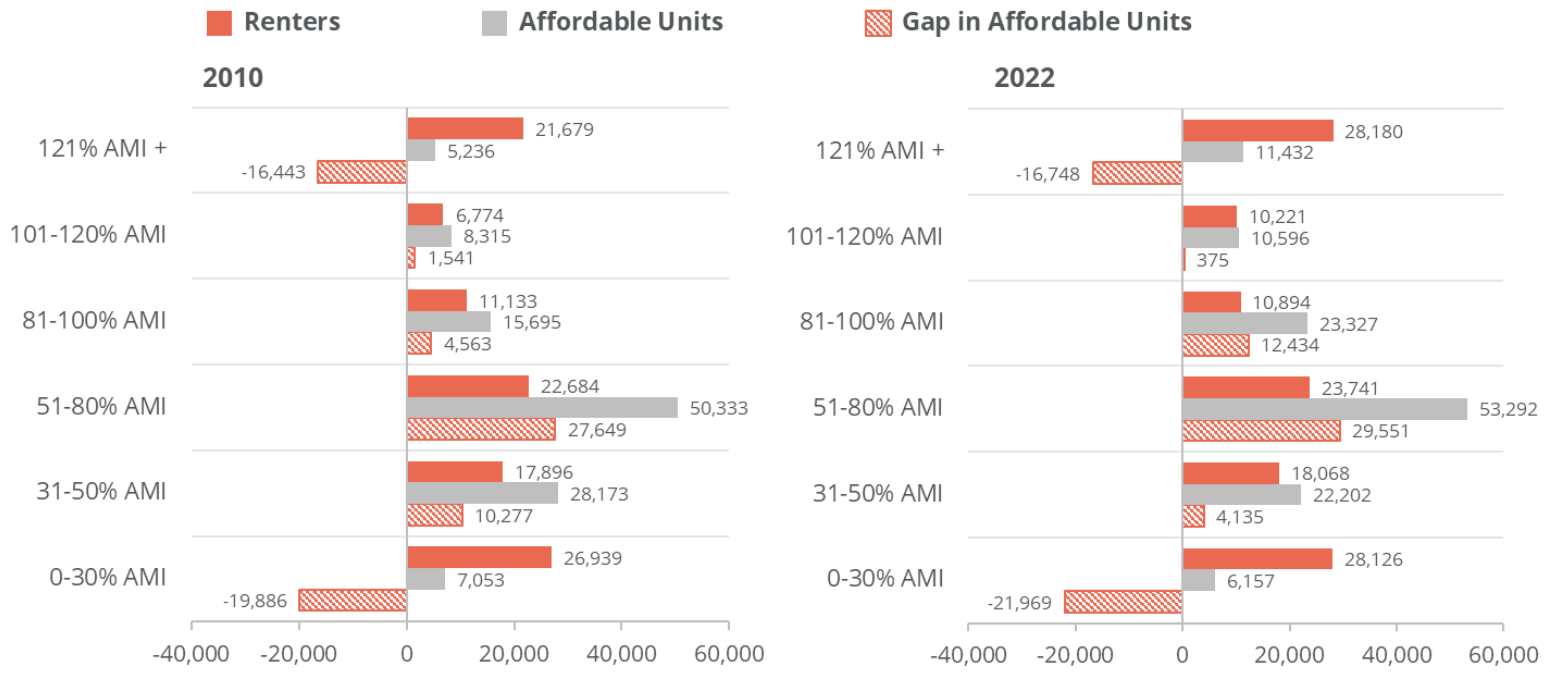
Gaps in the rental market. The rental gaps analysis compares the number of renter households, household income levels, the maximum monthly housing payment they can afford, and the number of affordable housing units in the market.

The "Gap in Affordable Units" bars in Figure I-24 show the difference between the number of renter households and the number of rental units affordable to them at that price point in the region. Negative numbers indicate a shortage of units at specific AMI levels; positive units indicate an excess of housing at that price point. Low income renter households who face a rental gap are not homeless; they are cost burdened, occupying units that are more expensive than they can afford.

Affordability gaps are shown by household AMI ranges published by HUD for a 2-person household in 2010 and 2022. The rental affordability gaps analysis in Figure I-20 shows that:

- According to 2022 data, there is an estimated shortage of 21,969 units affordable for households with income at 30% AMI or below in the region.
- Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,083 units in the region. This has been driven by an increase in the number of renters below 30% AMI and a decrease in the number of units affordable to them.
- The gap shown for renters with income over 120% AMI suggests those renters are spending less than 30% of their income on housing. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

Figure I-24.
Rental Gaps, Region, 2010 and 2022



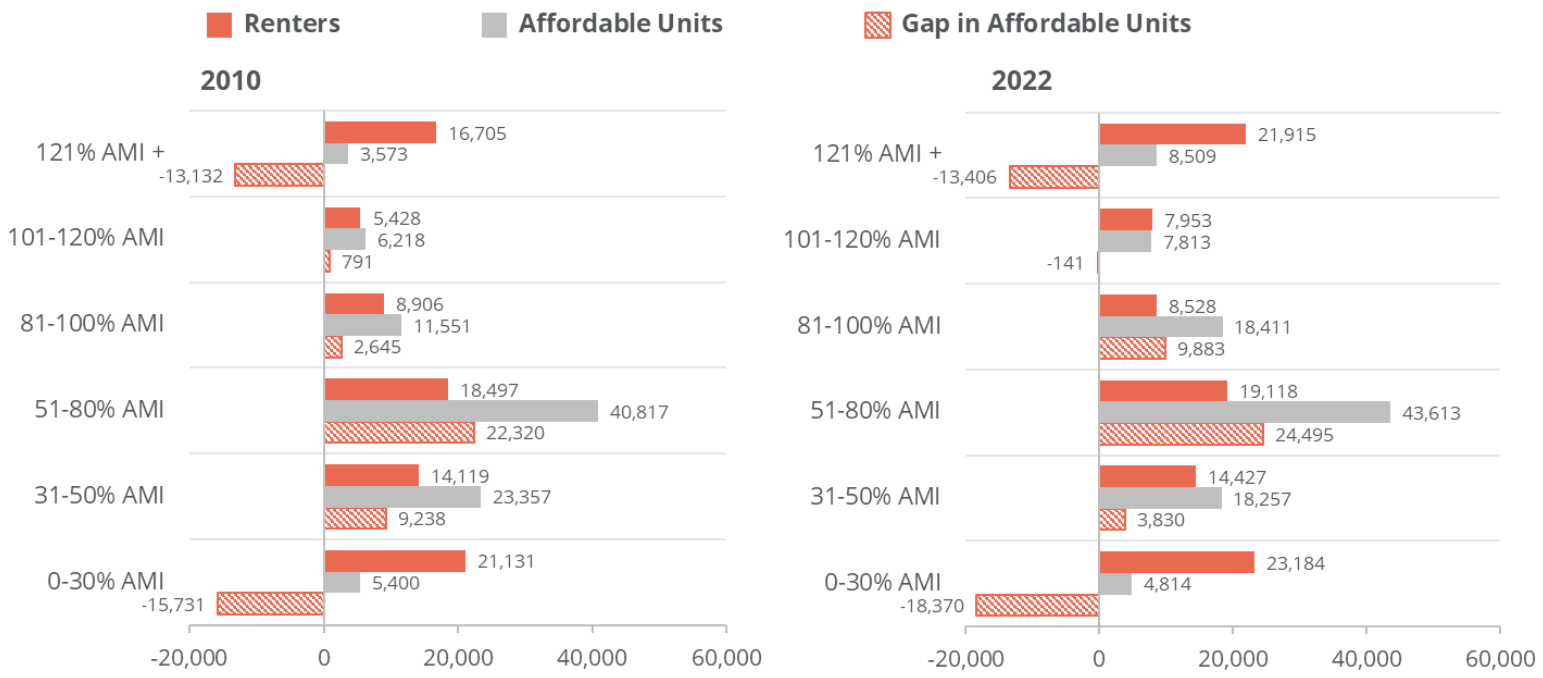
Note: Household AMI is based on limits published by HUD for a 2-person household. Assumes a household spends a maximum of 30% of their income on housing costs.

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

Figure I-25 shows the rental gap for Albuquerque. In the city:

- According to 2022 data, there is an estimated shortage of 18,370 units affordable for households with income at 30% AMI or below.
- Between 2010 and 2022 the shortage of units for households under 30% AMI has increased by 2,639 units. This has also been driven by an increase in the number of renters below 30% AMI and a decrease in the number of units affordable to them.
- Again, the gap shown for renters with income over 120% AMI suggests those renters are spending less than 30% of their income on housing. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

Figure I-25.
Rental Gaps, Albuquerque, 2010 and 2022



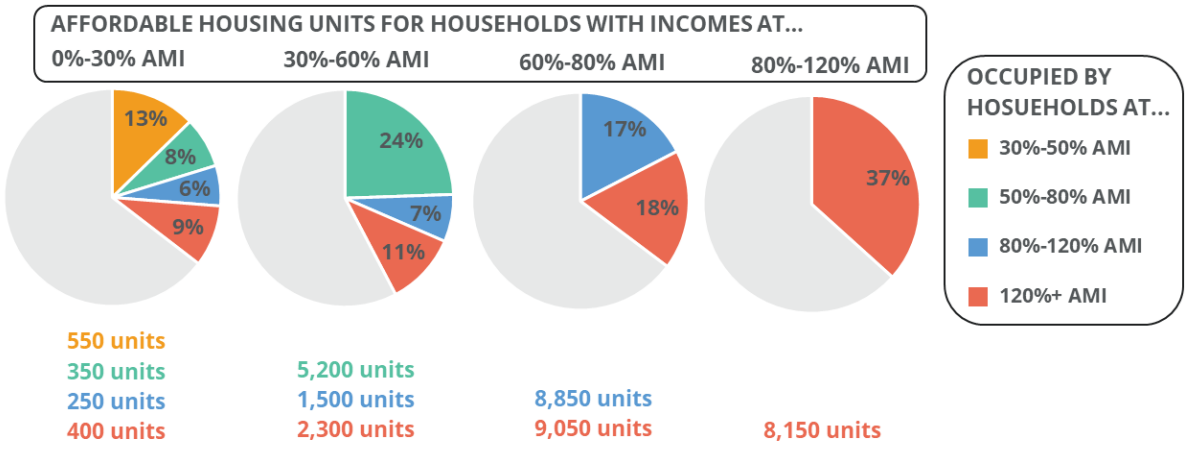
Note: Household AMI is based on limits published by HUD for a 2-person household. Assumes a household spends a maximum of 30% of their income on housing costs.

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

Rental market mismatch. As highlighted by the gaps analysis, the mismatch in the rental market that leads to higher income households occupying homes affordable to lower income households. This suggests that in addition to the need for income-restricted units and subsidies for affordable housing to serve the lowest-income renters, building more market-rate housing can also make affordable housing more available.

Figure I-26 illustrates the percentage and quantity of affordable housing units for households with varying income levels (AMI) that are being used by higher-income households. The data show that a large number of units affordable to households earning between 30% and 120% of the area median income (AMI) are occupied by households with incomes over 120% AMI. Adding market-rate units for these higher-income households can free up affordable units for lower-income households.

Figure I-26.
Rental Units Occupied by Higher AMI Renters, Region, 2022



Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Breakdown of units occupied by households earning more than the designated income brackets:

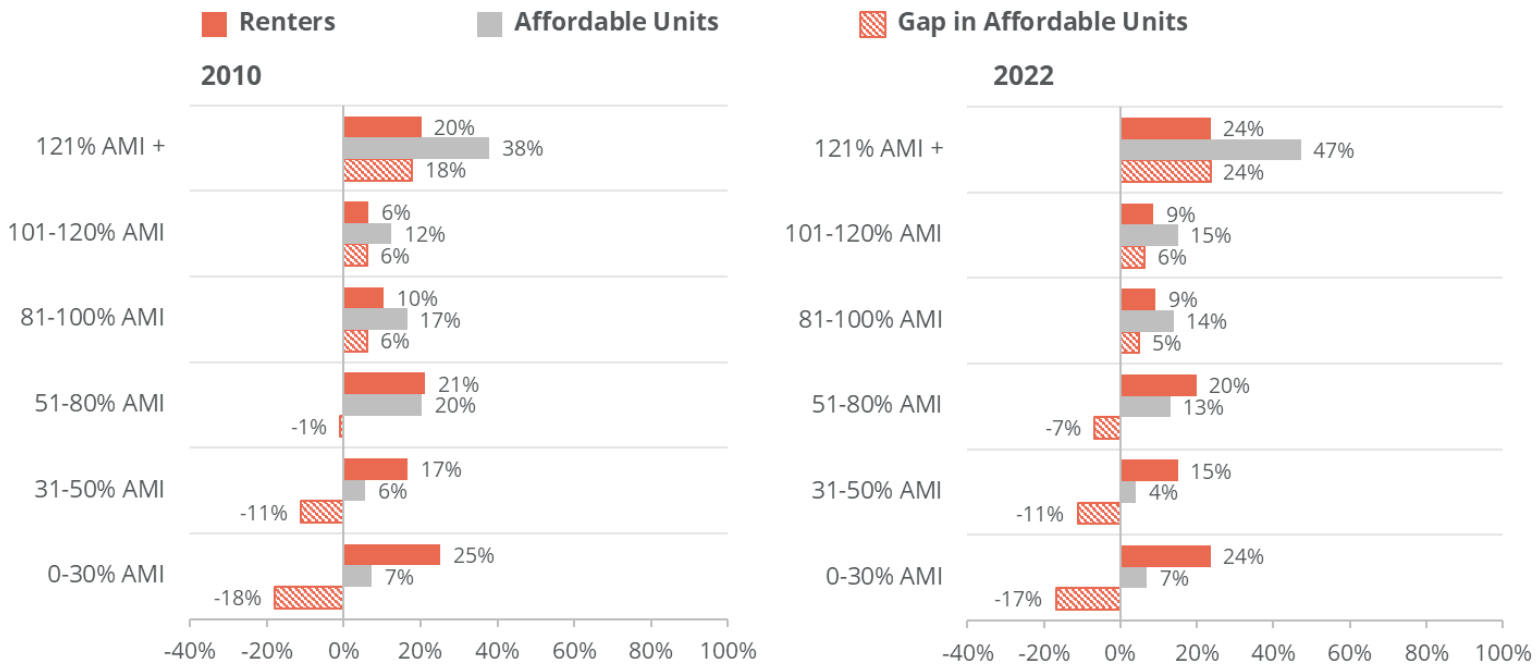
- Approximately 35% (1,550) of units affordable for households earning between 0% and 30% AMI are occupied by households earning over 30% AMI.
- Around 42% (9,050) of units affordable for households earning between 30% and 50% AMI are occupied by households earning over 50% AMI.
- About 35% (17,900) of units affordable for households earning between 50% and 80% AMI are occupied by households earning over 80% AMI.
- Roughly 37% (8,150) of units affordable for households earning between 80% and 120% AMI are occupied by households earning over 120% AMI.

Gaps in the ownership market. The for-sale gaps analysis demonstrates the affordability mismatch between prospective buyers (current renters) and available product. Similar to the rental affordability gaps analysis, the model compares renters, renter income levels, the maximum monthly housing payment they can afford, and the proportion of for sale units in the market that were affordable to them.

The 2022 renter income distribution is used to determine the demand of ownership gaps because the analysis intends to capture renters' ability to purchase a home (as opposed to measuring existing owners' ability to buy and sell). Supply is measured by the number of home purchase mortgages originated in the region in 2022, according to Home Mortgage Disclosure Act (HMDA) data. As shown in Figure I-27:

- For sale affordability gaps are concentrated among households with income less than 80% AMI.
- In 2022, 59% of renters had incomes below 80% AMI, but only 24% of ownership units were affordable to these renters.
- Between 2010 and 2022, the affordability gap increased. In 2010 and 2022 63% and 59% of renters had incomes below 80% AMI, but the share of units affordable to them decreased from 33% to 24%.

Figure I-27.
Ownership Gaps, Region, 2010 and 2022



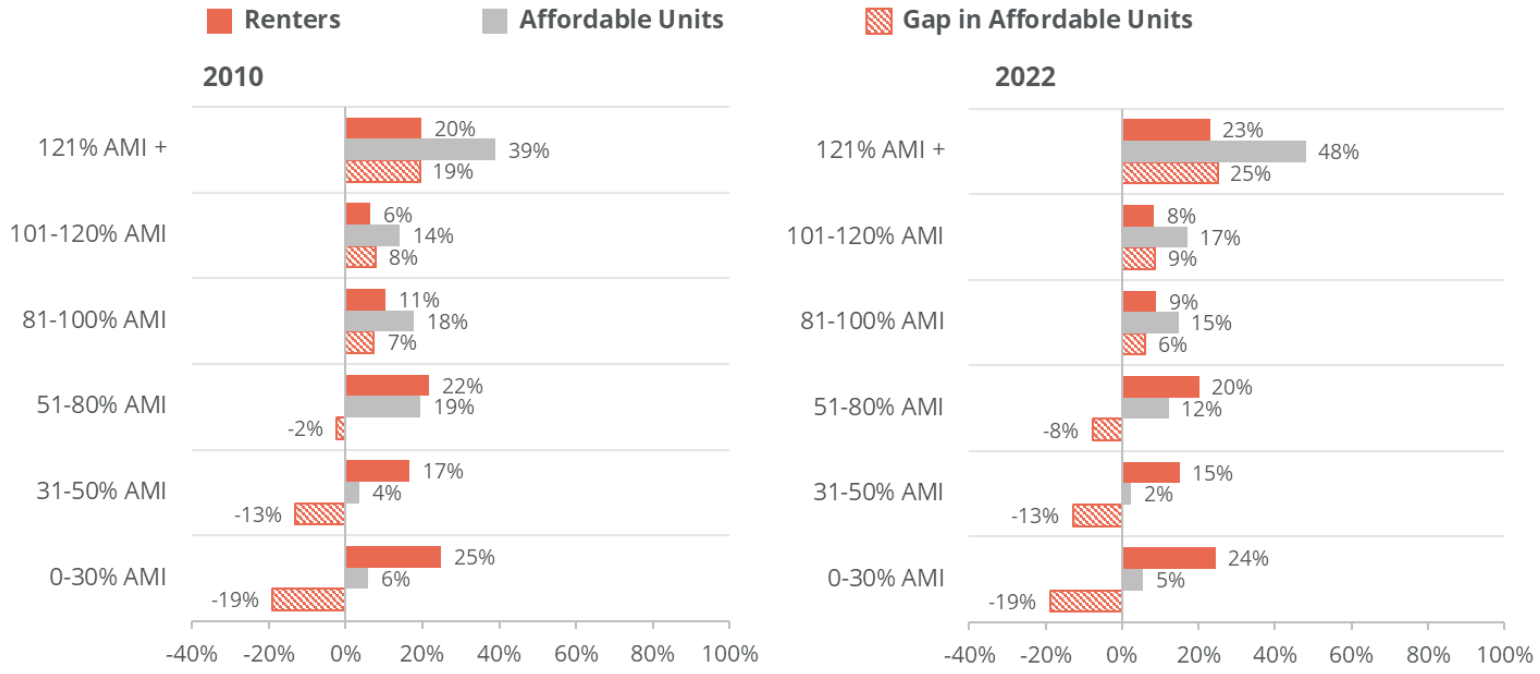
Note: Max affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 4.69% for 2010 and 5.34% for 2022. Ancillary costs (property taxes, insurance, HOA, etc.) are assumed to account for 30% of monthly payments. Household AMI is based on limits published by HUD for a 2-person household.

Source: ACS 5-year estimates, HUD Income Limits, Home Mortgage Disclosure Act (HMDA) data, and Root Policy Research.

As shown in Figure I-28, in Albuquerque:

- For sale affordability gaps are also concentrated among households with income less than 80% AMI.
- In 2022, 60% of renters had incomes below 80% AMI, but only 20% of ownership units were affordable to these renters.
- Between 2010 and 2022, the affordability gap increased. In 2010 and 2022 63% and 60% of renters had incomes below 80% AMI, but the share of units affordable to them decreased from 29% to 20%.

Figure I-28.
Ownership Gaps, Albuquerque, 2010 and 2022



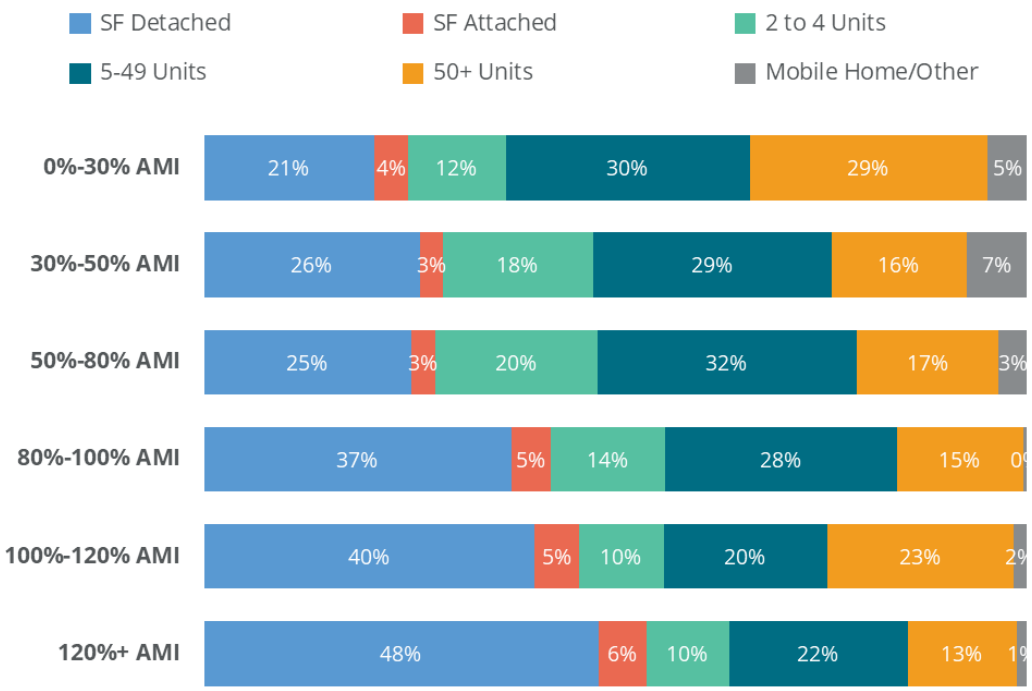
Note: Max affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 4.69% for 2010 and 5.34% for 2022. Ancillary costs (property taxes, insurance, HOA, etc.) are assumed to account for 30% of monthly payments. Household AMI is based on limits published by HUD for a 2-person household.

Source: ACS 5-year estimates, HUD Income Limits, Home Mortgage Disclosure Act (HMDA) data, and Root Policy Research.

Housing type. Household housing needs and preferences are subject to change over time due to shifts in household composition, income, employment, and age. It is important to have a diversity of housing types in all areas to cater to the needs and preferences of households.

Figure I-29 shows the distribution of occupied housing types by income category for the region. Households with lower incomes occupy a mix of different housing types, while higher income households are much more likely to occupy single-family detached units.

Figure I-29.
Housing Type Occupied by AMI, Region, 2022

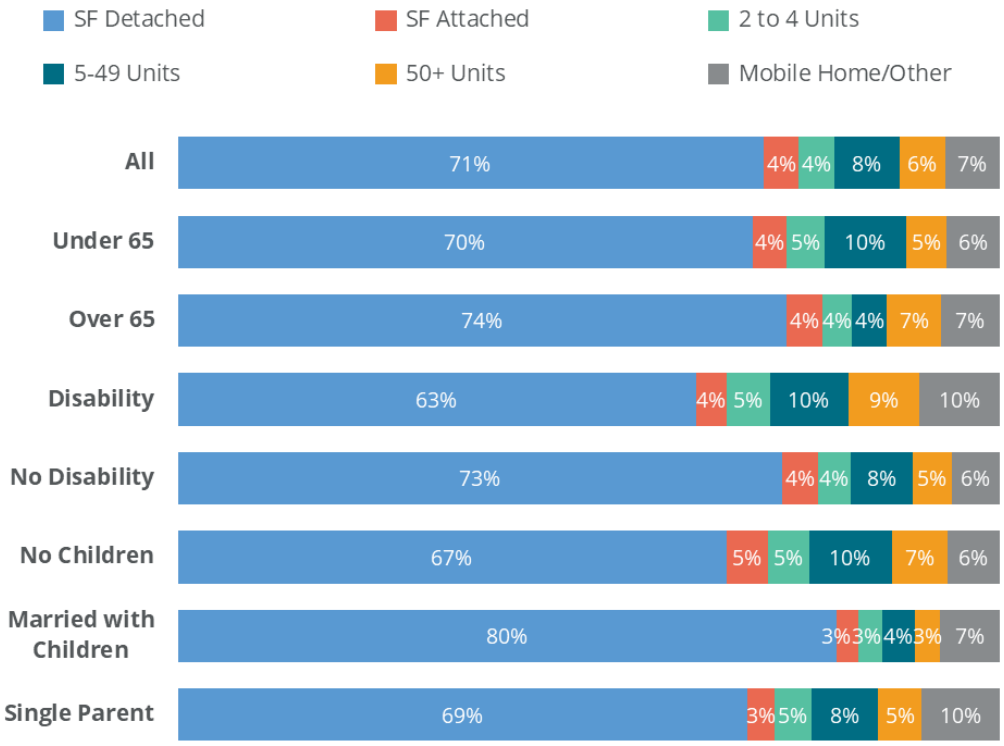


Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Figure I-30 below illustrates how household characteristics vary by housing type. Although 71% of the region's total households live in single-family detached homes, some groups of the population are more likely to live in such housing units.

Namely, 80% of married couples with children are living in single-family detached homes. Other groups, like households with a member with a disability, are less likely to live in single-family detached homes (63%).

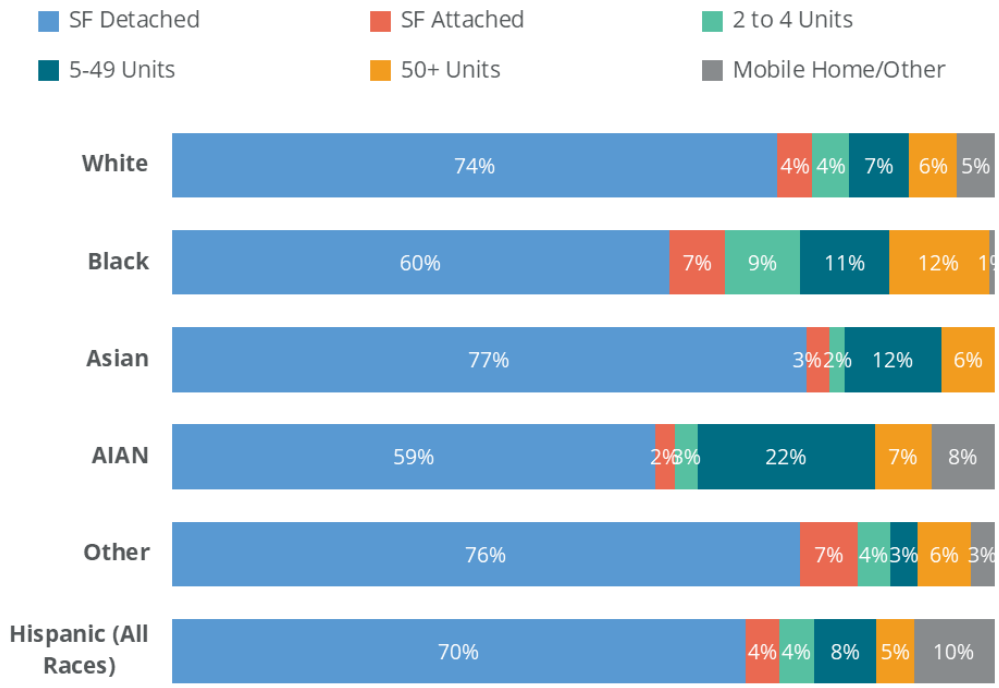
Figure I-30.
Housing Type by Household Characteristics, Region, 2022



Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Figure I-31 below illustrates housing type by race and ethnicity. Black/African American (60%) and American Indian/Alaska Native (AIAN) (59%) households are less likely to live in single-family detached homes, while non-Hispanic White (74%) and Asian (77%) households are the most likely to live in single-family detached homes.

Figure I-31.
Housing Type by Race/Ethnicity, Region, 2022



Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Figures I-32 and I-33 below illustrate rates of cost burden for renter and owner households in the region based on their income level and housing type. Renters with income below 50% of AMI are more likely to face cost burden, irrespective of the type of housing they live in. However, those who reside in mobile homes are slightly less likely to experience cost burden. Renters with an income between 50% and 80% of AMI are less likely to face cost burden if they live in single-family detached or mobile homes.[5]

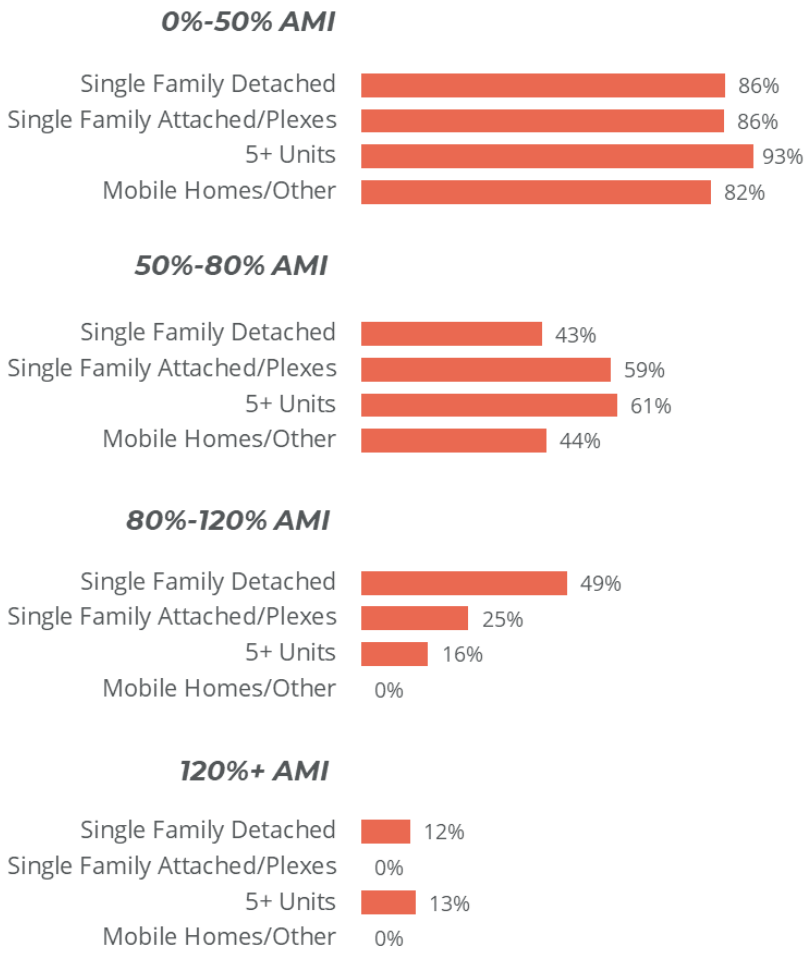
Similarly, renters with an income between 80% and 120% of AMI are less likely to face cost burden if they reside in attached homes, multifamily structures with five or more units, or mobile homes.

[5] This is likely driven by household and housing characteristics. For example, low income residents who occupy LIHTC units are more likely to be cost burdened and are more likely to live in multifamily housing. In addition, low income households who live in single-family detached homes might live in units that are in poor condition or might be more likely to be part of larger households with more income earners, compared to households living in multifamily structures.

Figure I-32. Percent of Renters that are Cost Burdened, by AMI and Housing Type, Region, 2022

Source:

ACS 2022 1-year PUMS estimates and Root Policy Research.



Owners with incomes below 50% of AMI are less likely to experience cost burden if they live in mobile homes. However, if they occupy multifamily structures with 5 or more units, they are more likely to experience cost burden, although the number of owners in this category is too small to draw strong conclusions.

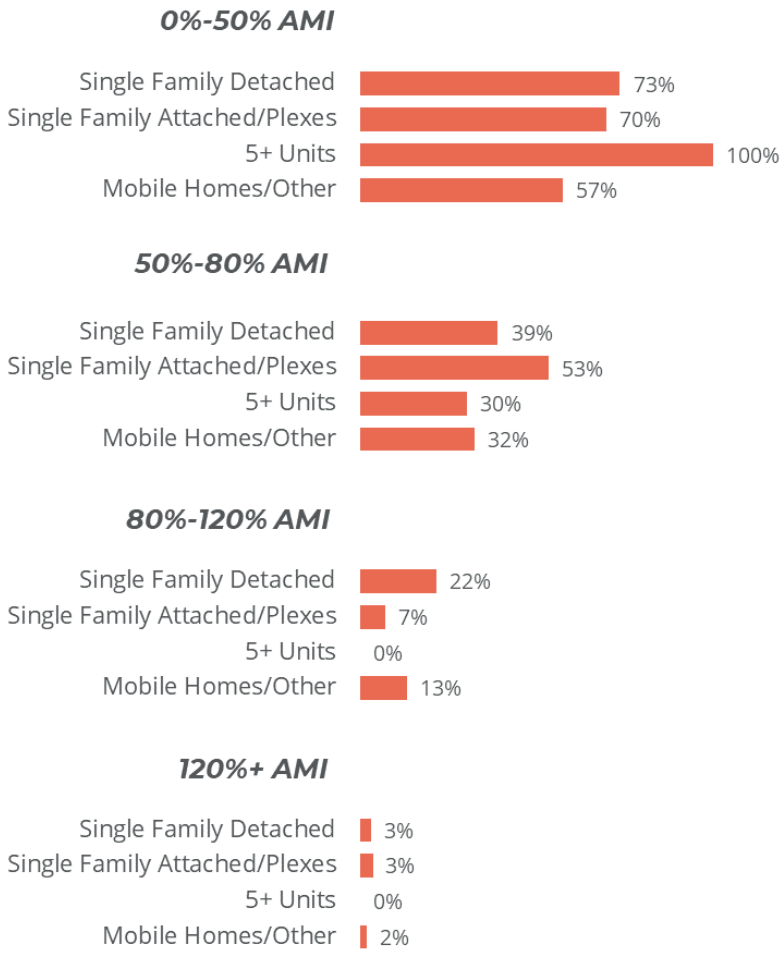
Owners with income between 50 and 80% AMI are less likely to experience cost burden if they live in mobile homes and multifamily structures with 5 or more units.

Owners with income between 80 and 120% AMI are less likely to experience cost burden if they live in attached homes, mobile homes, and multifamily structures with 5 or more units. However, as with the other income categories, the number of owners in this category is too small to draw strong conclusions.

Figure I-33. Percent of Owners that are Cost Burdened, by AMI and Housing Type, Region, 2022

Source:

ACS 2022 1-year PUMS estimates and Root Policy Research.



Subsidies needed to reduce cost burden for current housing burdened households. To determine the cost to fully address cost burden for households under 100% AMI, we modeled the cost for reducing renter and owner cost burden to 30% of gross household income, shown in Figures I-34 and I-35 below.

If all renters below 100% AMI in the region paid no more than 30% of their income in housing costs, over $367 million in rental assistance would be needed annually. For owners with incomes of less than 100% AMI, the annual cost would be $366 million. The average annual cost per renter to reduce the burden is around $6,550 per renter, and the cost per owner is around $6,600. If all renters below 50% AMI in the region paid no more than 30% of their income in housing costs, over $297 million in rental assistance would be needed annually. For owners with incomes of less than 50% AMI, the annual cost would be $266 million.

Figure I-34.
Annual Cost to Reduce Cost Burden, by Tenure and AMI, Region, 2022

Income	Renter Households		Owner Households	
	Number of Renters	Cost	Number of Owners	Cost
Total	**56,095**	**$367,289,916**	**55,208**	**$366,232,608**
0%-30% of AMI	23,200	$207,600,000	21,323	$178,800,000
30%-50% of AMI	17,386	$90,131,412	12,198	$87,668,520
50%-80% of AMI	12,093	$51,495,888	14,301	$64,503,504
8%-100% of AMI	3,416	$18,062,616	7,386	$35,260,584

Note: Cost is the difference between a household's 30% of income and actual housing costs using 2022 1-year estimates. AMI used is from HUD's 2022 HOME AMI levels.

Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

If all renters below 100% AMI in Albuquerque paid no more than 30% of their income in housing costs, around $320 million in rental assistance would be needed annually. For owners with incomes of less than 100% AMI, the annual cost is $261 million. The average annual cost per renter to reduce the burden is around $6,500 per renter, and the owner burden is around $7,200 per owner.

Figure I-35.
Annual Cost to Reduce Cost Burden, by Tenure and AMI, Albuquerque, 2022

Income	Renter Households		Owner Households	
	Number of Renters	Cost	Number of Owners	Cost
Total	**49,307**	**$319,009,308**	**36,381**	**$260,947,416**
0%-30% of AMI	20,960	$176,400,000	13,031	$130,800,000
30%-50% of AMI	15,321	$82,127,232	7,935	$64,122,852
50%-80% of AMI	10,756	$45,559,560	9,556	$40,097,748
8%-100% of AMI	2,270	$14,922,516	5,859	$25,926,816

Note: Cost is the difference between a household's 30% of income and actual housing costs using 2022 1-year estimates. AMI used is from HUD's 2022 HOME AMI levels.

Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Figures I-36 and I-37 below show the cost to fully address cost burden for households under 80% and under 30% AMI by selected household charasteristics. In the region, the cost for households under 30% AMI ranges from around $51 million for single parent households (around $8,400 annually per household) to $136 million for households with a member over age 65 (around $7,880 annually per household).

Figure I-36.
Annual Cost to Reduce Cost Burden, by Household Characteristics and AMI, Region, 2022

Household Type	Below 80% of AMI		Below 30% of AMI	
	Number of Households	Cost	Number of Households	Cost
Over 65	34,125	$232,800,000	17,203	$135,600,000
Disability	29,317	$207,600,000	15,817	$126,000,000
With children	29,080	$208,800,000	10,676	$116,226,312
Single parent	16,771	$103,699,200	6,045	$50,845,608

Note: Cost is the difference between a household's 30% of income and actual housing costs using 2022 1-year estimates. AMI used is from HUD's 2022 HOME AMI levels. Household characteristics are not mutually exclusive.

Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

In Albuquerque, the cost for households under 30% AMI ranges from close to $43 million for single parent households (around $8,270 annually per household) to $111 million for households with a member over age 65 (around $8,600 annually per household).

Figure I-37.
Annual Cost to Reduce Cost Burden, by Household Characteristics and AMI, Albuquerque, 2022

Household Type	Below 80% of AMI		Below 30% of AMI	
	Number of Households	Cost	Number of Households	Cost
Over 65	25,488	$182,400,000	12,918	$111,234,216
Disability	22,100	$146,400,000	11,582	$85,459,884
With children	20,941	$141,600,000	7,921	$72,969,108
Single parent	13,141	$83,487,888	5,159	$42,664,332

Note: Cost is the difference between a household's 30% of income and actual housing costs using 2022 1-year estimates. AMI used is from HUD's 2022 HOME AMI levels. Household characteristics are not mutually exclusive.

Source: ACS 2022 1-year PUMS estimates and Root Policy Research.

Persons experiencing homelessness. As shown in Figure I-38 And I-39, according to the 2023 Point-In-Time (PIT) report produced by the New Mexico Coalition to End Homelessness there were 2,394 individuals experiencing homelessness in Albuquerque and 1,448 in the balance of the state. Disaggregated data for other counties in the state are not provided in the report. Counts for Albuquerque show 1,980 households experiencing homelessness with 929 of those unsheltered. Additionally, counts show 153

households with at least one child (12 of those unsheltered) and 33 households with only children (2 of those unsheltered.)

Figure I-38.
CoC Point in Time Count, Albuquerque, 2023

	Households				Individuals			
	Emergency Shelters	Transitional Housing	Un-sheltered	Total	Emergency Shelters	Transitional Housing	Un-sheltered	Total
Total	**864**	**187**	**929**	**1,980**	**1,125**	**292**	**977**	**2,394**
Households with at least one child	100	41	12	153	358	129	42	529
Households without children	741	138	915	1,794	742	148	933	1,823
Households with only children	23	8	2	33	25	15	2	42

Note: 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).

Source: New Mexico Coalition to End Homelessness 2023 Point-in-time report
https://www.nmceh.org/_files/ugd/ad7ad8_b97469cdf6494cdd87126009b732d1db.pdf

Figure I-39.
CoC Point in Time Count, Balance of State, 2023

	Households				Individuals			
	Emergency Shelters	Transitional Housing	Un-sheltered	Total	Emergency Shelters	Transitional Housing	Un-sheltered	Total
Total	**452**	**58**	**565**	**1,075**	**665**	**160**	**623**	**1,448**
Households with at least one child	96	41	11	148	302	143	57	502
Households without children	342	15	554	911	349	15	566	930
Households with only children	14	2	0	16	14	2	0	16

Note: 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).

Source: New Mexico Coalition to End Homelessness 2023 Point-in-time report
https://www.nmceh.org/_files/ugd/ad7ad8_b97469cdf6494cdd87126009b732d1db.pdf

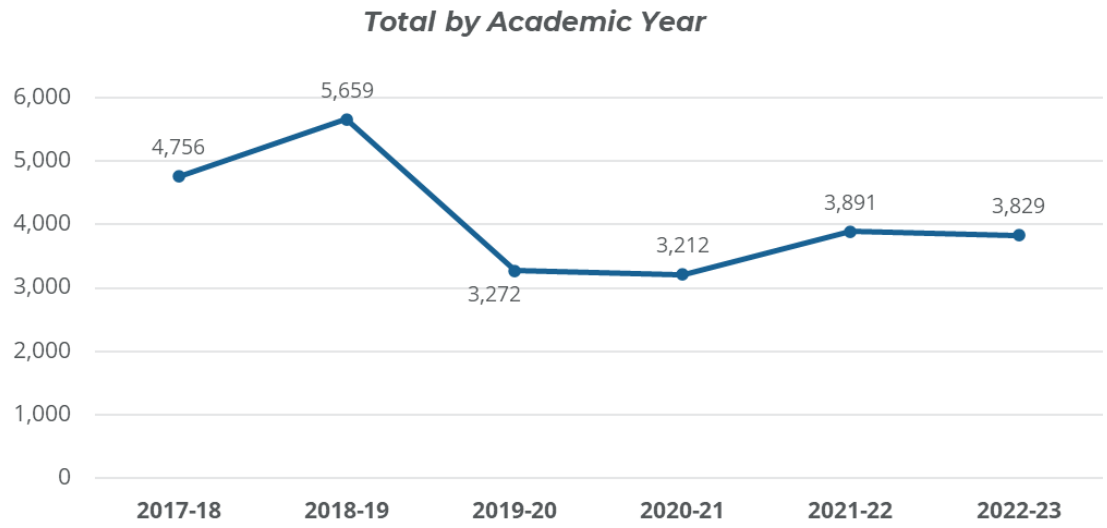
Given all the data limitations, PIT count estimates are considered a snapshot of homelessness in a community and typically represent an undercount of the homeless population. The PIT count also excludes residents who are precariously housed and couch surfing.

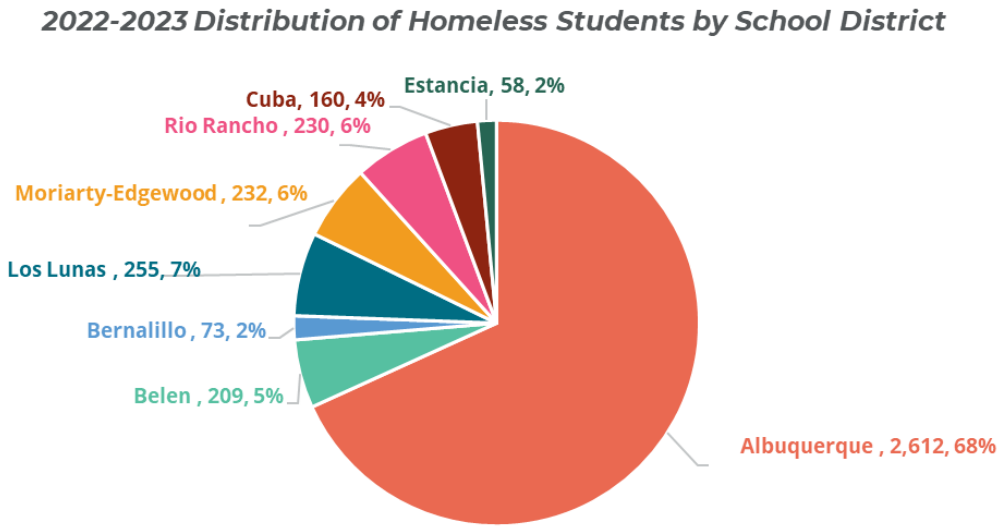
School districts, through the McKinney Vento Act, provide an additional data point for measuring homelessness, with a focus on children and youth experiencing homelessness.

Under the McKinney Vento Act, the term “homeless children and youths” is defined as individuals who lack a fixed, regular, and adequate nighttime residence.

Figure I-40 below displays the trends in McKinney Vento counts for the region's public school districts with data available. It also illustrates the distribution of counts by public district for the 2022-2023 academic year. The most recent data for the academic year 2022-2023 shows that there were a total of 3,829 children and youth experiencing homelessness, which is a much higher estimate than the PIT counts. Though the trends suggest a decrease in homeless students, it's important to note that enrollment has also decreased during this time. Therefore, a reduction in the homeless student count may not necessarily indicate a drop in homelessness, but rather a separation from the school district.

Figure I-40.
Homeless Student Public School Counts, Region





Note: Excludes charter schools.

Source: New Mexico Public Education Department.

SECTION II.

PRODUCTION NEEDS

SECTION II.
Production Needs

This section projects the required number of housing units for accommodating household growth in the region over the next two decades. It uses population projections by age prepared for the region and applies a headship model to estimate the number of households based on the projected age composition of the population.[1] This section provides estimates for the entire region because workers participate in one regional labor market; therefore, housing needs across the entire region should be considered by each jurisdiction. A detailed methodology for the household projections is presented in the appendix at the end of this section.

Key findings

Key findings from this section include:

- According to projections developed in this section,[2] the region is expected to be shy of one million people by 2045, representing an increase of almost 72,000 residents from 2023. Employment projection estimates suggest between 466,358 and 469,613 employed persons aged 16 and over will be living in the region by 2045, representing an increase of over 32,000 from 2023.

- The estimated share of the population aged 65 and over increased from 12% in 2010 to 18% in 2022 and is expected to represent almost 22% of the population by 2045. In contrast, the population under 25 is expected to decrease its share of the total population from roughly 29% in 2022 to 25% by 2045. The aging of the population has led to decreases in the average household size, which is projected to continue.

- The decrease in household size has significant implications for housing demand. For example, at a total population of one million, a reduction in the average household size from 2.1 to 2, a decrease in household size of 0.1, requires around 23,800 additional homes to house the same one million in population. This implies that the shift toward smaller households due to aging has a profound effect on future housing

[1] Headship models estimate the number of households by taking population growth by age group and applying an assumed household formation rate for each of the age cohorts based on the number of head of households in each cohort.

[2] These projections by Root Policy Research are developed separately from MRCOG's Metropolitan Transportation Plan, which relies on population projections from the University of New Mexico's Geospatial Population Studies group.

demand. Even if population growth is low or marginally negative, demand for housing can still be positive.

- Projections estimate between 55,100 and 59,850 additional housing units will be needed by 2045. Of these housing units, between 11,600 and 12,700 rental units and between 19,600 and 21,300 ownership units need to be affordable to low and moderate income households earning 120% AMI or less.

Population and Employment Projections

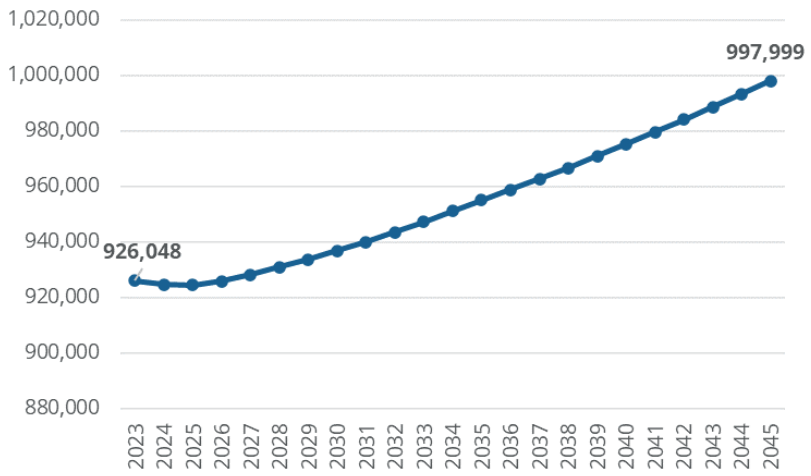
Understanding future housing needs is crucial for urban planning and development. Population and employment projections help to estimate the number of people who will need housing, ensuring that communities can plan for adequate and appropriate housing to meet future demands.

Population projections. According to 5-year ACS data, the total population of the region was estimated at 927,045 in 2022. Figure II-1 shows the projected population in the region based on the 2022 population estimates combined with forecasted pace of population growth produced by Regional Economic Models, Inc. (REMI).[3] Projections show a slight population decrease in the region before resuming population growth in 2026. At the projected population growth rates, the region is expected to be shy of one million people by 2045 representing an increase of almost 72,000 residents from 2023.

Figure II-1. Projected Population, Region, 2023-2045

Note:
REMI annual population growth rates are applied to 2022 ACS 5-year estimates.

Source:
2022 ACS 5-year estimates, REMI, and Root Policy Research.

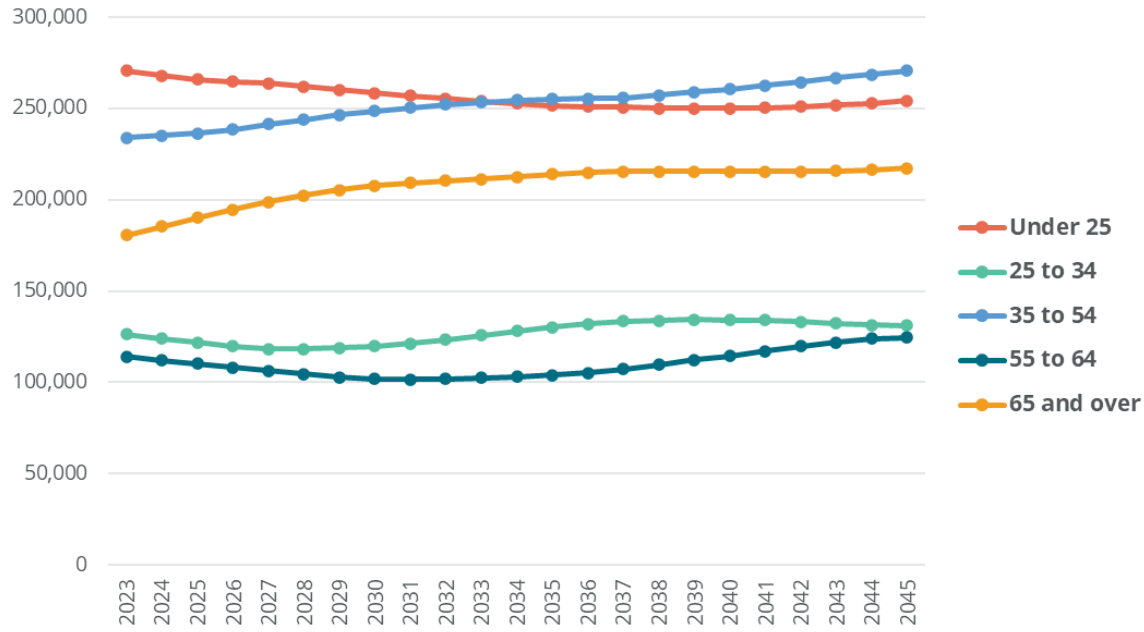


The REMI model also provides forecasts of the region's population by age. Figure II-2 shows the projected population by age in the region, estimated by applying the forecasted REMI age distribution to the projected population. In line with national trends, the population in

[3]The REMI model is updated annually by REMI staff and is calibrated specifically to the MRCOG region. REMI produces input-out models consisting of simultaneous equations with a structure that models economic supply and demand flows. Equations used vary depending on the extent of industry, demographics, demand, and other details in the models.

the region continues to age. The estimated share of the population aged 65 and over increased from 12% in 2010 to 18% in 2022 and is expected to represent almost 22% by 2045. In contrast, the population under 25 is expected to decrease its share of the total population from roughly 29% to 25% by 2045.

Figure II-2.
Projected Population by Age, Region, 2023-2045

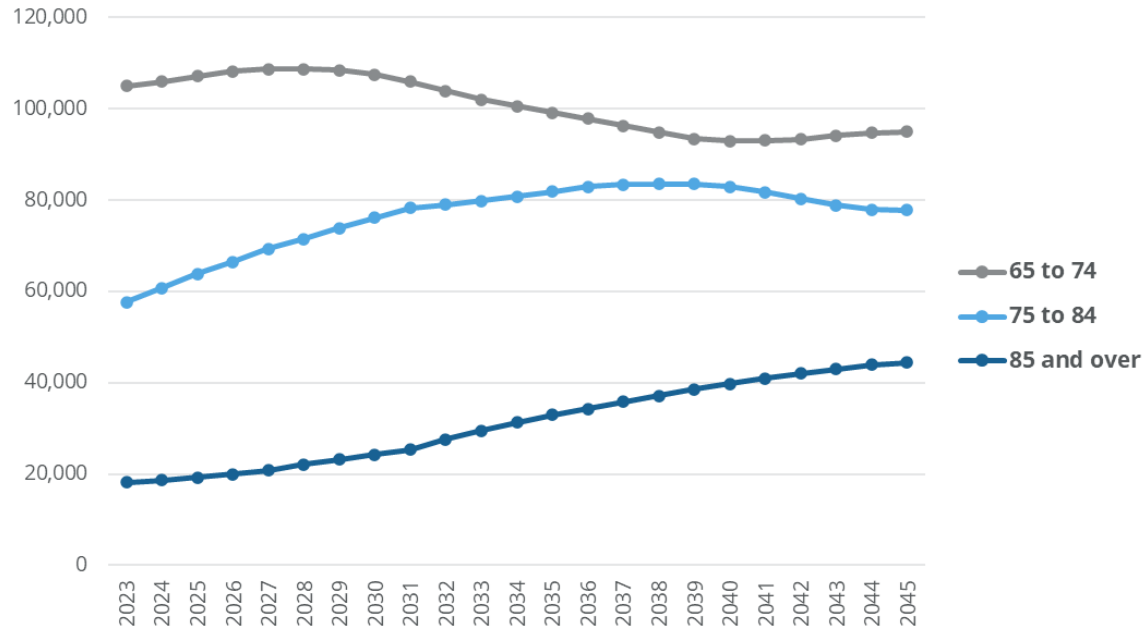


Note: Estimates apply the forecasted REMI age distribution to the projected population.

Source: 2022 ACS 5-year estimates, REMI, and Root Policy Research.

Figure II-3 shows only the projected population aged 65 and over. As shown in the figure, growth will be concentrated in the population aged 75 and over. The share of the population aged 75 to 84 is projected to increase from around 6% in 2022 to 8% in 2045, and the share of the population aged 85 and over is projected to increase from 2% to 4%.

Figure II-3.
Projected Population 65 and Over, Region, 2023-2045



Note: Estimates apply the forecasted REMI age distribution to the projected population.

Source: 2022 ACS 5-year estimates, REMI, and Root Policy Research.

Employment projections. Figure II-4 shows employment projections for the region based on different growth scenarios. According to 5-year ACS data, the estimated number of employed persons aged 16 and older living in the region was 432,303 in 2022. Projection estimates suggest between 466,358 and 469,613 employed persons aged 16 and over will be living in the region by 2045. The average of all employment scenarios estimates 467,567 employed persons aged 16 in the region by 2045, representing an increase of 32,851 or 8% from 2023.

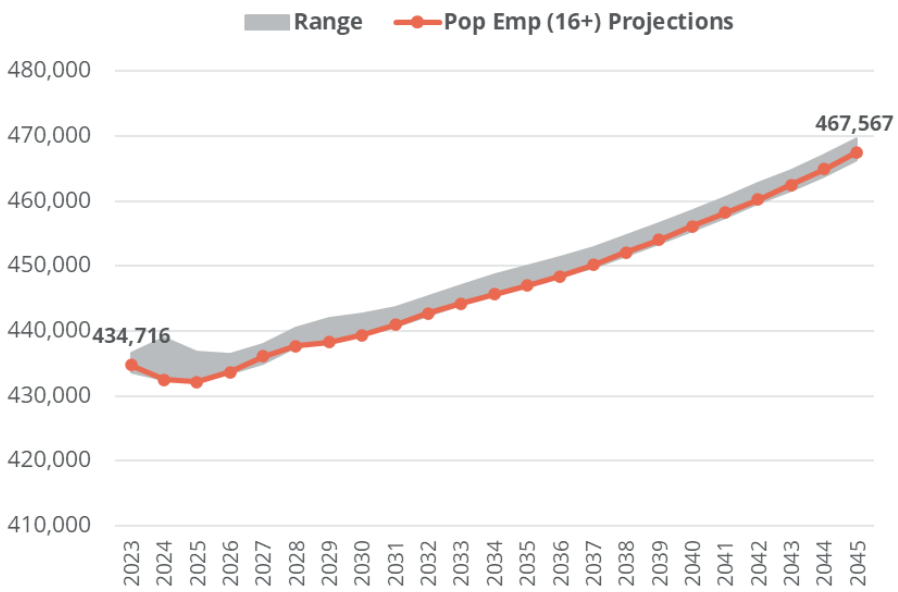
Figure II-4. Employment Projections, Population age 16 and over, Region, 2023-2045

Note:

The red line shows the average of the five different estimates, and the shaded range shows the minimum and maximum estimates.

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.



The different employment projections are based on five different employment growth scenarios. These include projected employment change by: 1) the REMI model, 2) projected employment change at the national level according to the U.S. Bureau of Labor Statistics, 3) an employment growth model in which projected national growth rates by industry are applied to the region's industry composition, 4) applying the compound annual growth rate from 2010 to 2022 according to Quarterly Census of Employment and Wages (QCEW) total employment estimates, and 5) applying the compound annual growth rate from 2010 to 2022 according to ACS 5-year estimates.

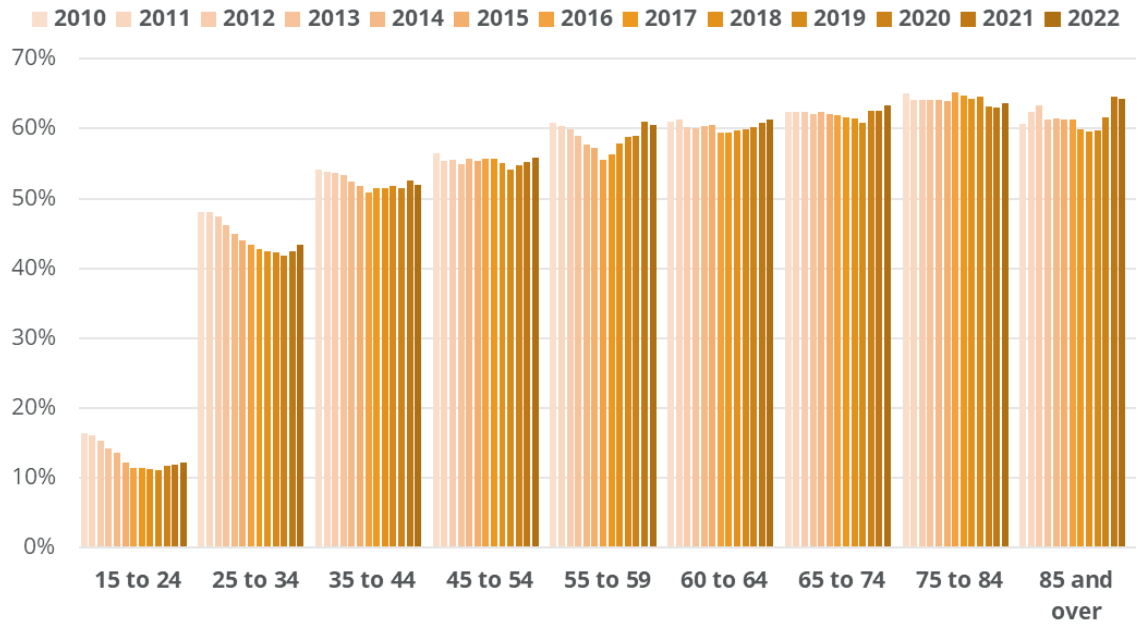
The highest employment estimate is based on the compound annual growth rate from 2010 to 2022, according to QCEW data, meaning the largest estimate is produced if it is assumed that the region will grow at a similar pace as it grew between 2010 and 2022. The lowest estimates are based on the national forecasted growth, meaning the lowest estimate is produced if it is assumed that the region will grow at a similar pace as the national economy is forecasted to grow.

Household Formation Trends and Projected Household Growth

This section outlines the basis for projecting housing needs by estimating the number of households. The estimated number of households is derived by taking the projected population by age group (cohorts) and applying an assumed household formation rate for each of the age cohorts; this method is often called a "headship model."

Figure II-5 shows the cohort household formation rate or headship rate—the number of households with a head of household in each age cohort divided by the total population in each age cohort—from 2010 to 2022. As shown in the figure, the headship rate increases with age, with older households more likely to be the heads of the households. In 2022, the headship rate was highest for the population 85 and over, with 64% of the population being a household head.

Figure II-5.
Headship Rate by Age, Region, 2010-2022



Note: Data represent the number of households with a head of household in each age range divided by the total population in each age range.

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

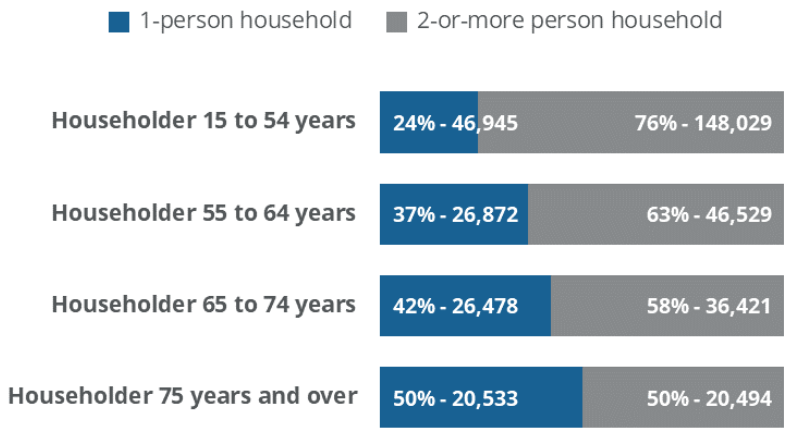
The headship rate—the rate at which people become heads of households—has decreased among younger age groups under the age of 44, while it has increased for those aged 85 and over. There are various possible explanations for the drop in household formation rates among younger cohorts, including changes in marriage rates and fluctuations in the labor market and financial sector that lead to a lower likelihood that younger residents

become head of households; however, rising housing costs are also likely contributing to the slowdown in household formation. This is causing younger residents to seek alternative living arrangements, such as living with parents, adult children, other relatives, friends, or roommates. On the other hand, older adults are healthier than previous generations and are living longer, with many of them choosing to stay longer in their homes, commonly known as "aging in place."

A higher headship rate translates into smaller households, and the aging of the population has led to decreases in the average household size; for example, in the most populated counties in the region, Bernalillo and Sandoval, the average household size decreased between 2010 and 2022 from 2.46 to 2.13 and 2.75 to 2.63 in 2022, respectively. This is a decrease of 13% and 4%, respectively in each county. Figure II-6 shows the distribution and the number of 1 and 2-or-more person households by age cohort for the region in 2022; while only 24% of households with a head of household ages 15 to 54 are single-person households 50% of households with a head of household ages 75 and over are single-person households.

Figure II-6. Household Size Distribution by Age Cohort, Region, 2022

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



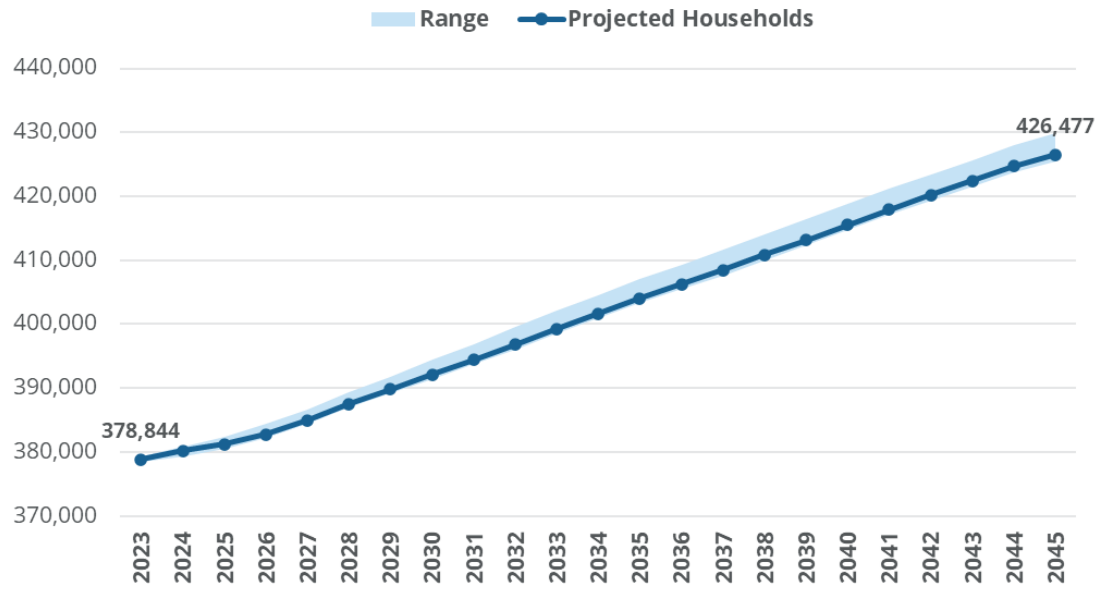
The decrease in household size has significant implications for housing demand. For example, at a total population of one million, a reduction in the average household size from 2.1 to 2, a decrease in household size of 0.1, requires around 23,800 additional homes to house the same one million in population. This implies that the shift toward smaller households due to aging has a profound effect on future housing demand. Even if population growth is low or marginally negative, demand for housing can still be positive.

At the individual level, the likelihood of someone heading an independent household is impacted by various factors such as changes in household income and employment, personal preferences, debt levels, cost of credit and credit availability, housing costs, as well as changes in life expectancy, marriage rates, and educational attainment. While these aspects are hard to model at individual levels with currently available data, employment data are readily available and are a strong predictor of household formation rates;

therefore, this analysis uses employment levels to model household formation rates. Details on the model used to predict household formation rates based on employment levels are found in the appendix at the end of this section.

Figure II-7 shows the projected number of households based on the projected age distribution and household formation rates. The estimated number of households is calculated by multiplying the number of people in each age group each year by the projected household formation rate and the 2022 household formation rates. These calculations result in a range of estimates because household formation rates are modeled based on different employment scenarios shown in Figure II-4, as well as the 2022 household formation rates. Higher employment growth is expected to increase household formation rates, while holding the 2022 household formation rates constant leads to the highest projections, estimating 429,942 households by 2045. Conversely, the lowest employment estimates lead to the lowest household estimates of 425,512 households by 2045. Considering all household projection scenarios, the average estimate is 426,477 households by 2045, an increase of over 47,000 households (more than 12%) over 22 years.

Figure II-7.
Projected Number of Households, Region, 2023-2045

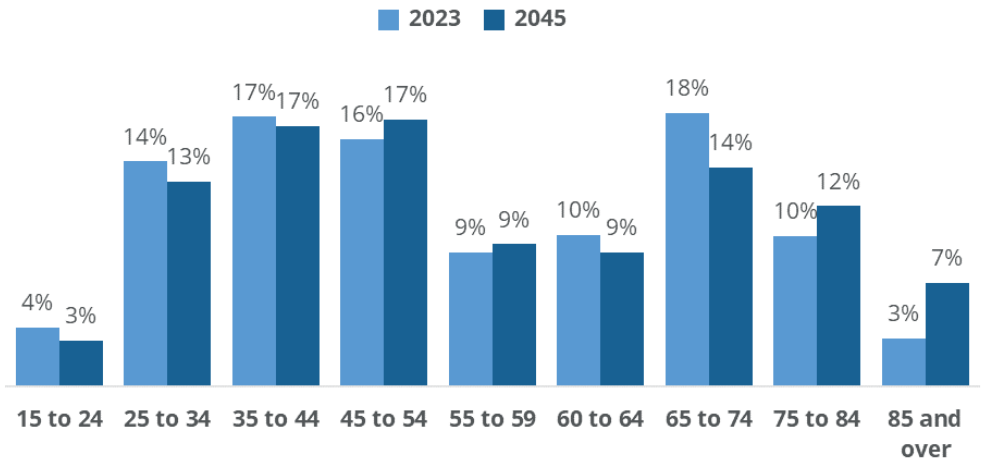


Note: The dark blue line shows the average of the six different estimates, and the shaded range shows the minimum and maximum estimates.

Source: REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Figure II-8 compares the estimated current and projected age distribution by age of household head. The share of households headed by residents aged 75 and older is projected to increase from 13% to 18% in 2045.

Figure II-8.
Projected Distribution by Age of Head of Household, Region, 2023 & 2045



Source: REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Projected Housing Needs

This section provides an estimate of the number of housing units required to accommodate the projected increase in households. It considers the loss of existing units due to disrepair and the need for replacement, as well as the number of vacant units required for a functional housing market. This takes into account the number of units needed to support household growth and the impact of housing loss and vacancies on the overall housing stock.

Estimates from 2022 ACS 5-year data indicate that there are 1.07 housing units per household. These projections hold that ratio constant and assume 1.07 units need to be added to achieve a vacancy environment similar to the current one.

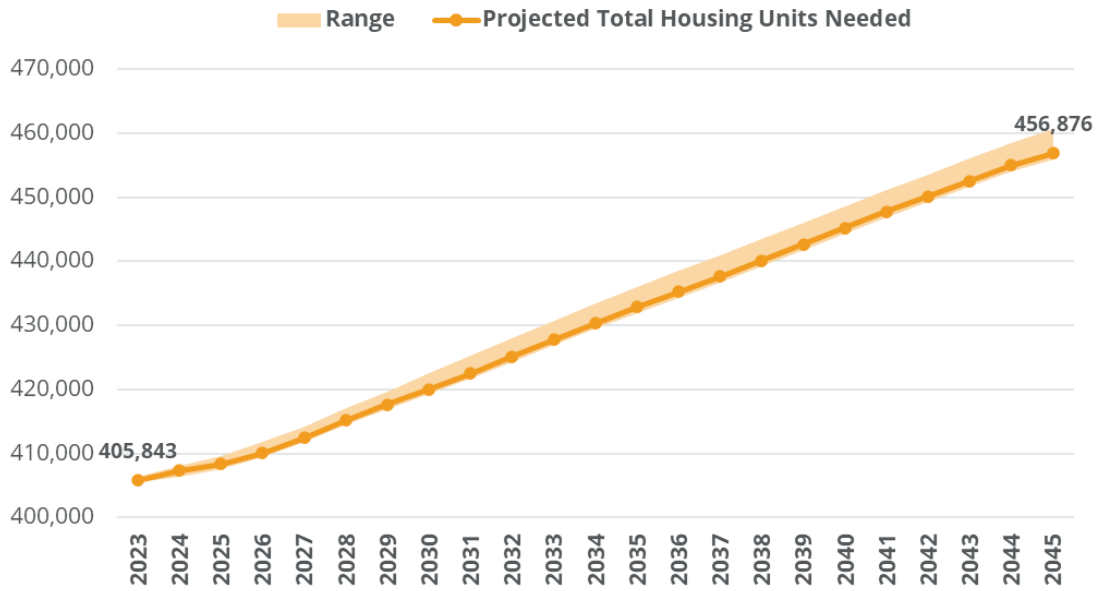
According to regional estimates based on HUD's Components of Inventory Change reports,[4] housing losses in the Western states of the country account for 1.7% of the housing stock over a two-year period, or an average of 0.85% per year. According to HUD's 2017 Components of Inventory Change Report,[5] between 2015 and 2017, about 0.24% of the national housing stock was lost through demolitions or disasters alone, or an average of 0.12% per year. Taking a more conservative approach, this analysis assumes a 0.12% annual loss—an average of around 500 units per year—will need to be built or converted to housing per year to make up for housing loss.

Figure II-9 below shows the number of units needed to accommodate household growth, replace the loss in the housing stock, and sustain the current ratio of housing units to households.

[4] https://www.brookings.edu/articles/unpacking-the-housing-shortage-puzzle/

[5] https://www.huduser.gov/portal/datasets/cinch/cinch15/National-Report.pdf

Figure II-9.
Housing Units Needed to Accommodate Projected Households, Region, 2023-2045



Note: The dark yellow line shows the average of the six different estimates, and the shaded range shows the minimum and maximum estimates.

Source: REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Figure II-10 shows the cumulative projected number of new units needed to meet demand between 2022 and each consecutive year. The minimum estimate projects 55,107 units needed by 2045, the average projects 56,141, and the maximum projects 59,853.

Figure II-10. Cumulative Additional Units Needed by Year, Region, 2023-2045

Note:

For illustrative purposes, annual estimates assume a uniform pace of growth.

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

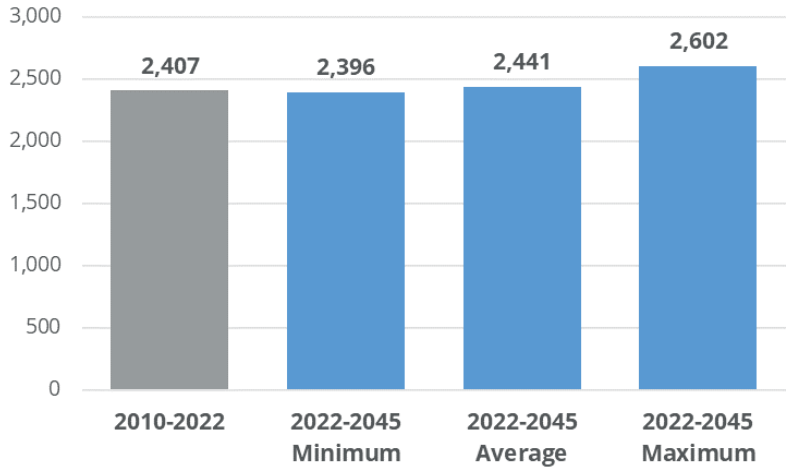
Cumulative Units Needed Between 2022 and...	Minimum Estimate	Average Estimate	Maximum Estimate
2023	4,722	5,108	5,671
2024	5,545	6,604	7,279
2025	6,870	7,666	8,892
2026	8,771	9,332	11,017
2027	11,064	11,702	13,535
2028	13,843	14,446	16,315
2029	16,114	16,901	18,975
2030	18,583	19,331	21,769
2031	21,033	21,800	24,484
2032	23,564	24,374	27,234
2033	26,223	27,041	29,996
2034	28,720	29,565	32,666
2035	31,248	32,110	35,319
2036	33,614	34,497	37,790
2037	35,969	36,888	40,252
2038	38,476	39,398	42,767
2039	40,967	41,899	45,285
2040	43,518	44,457	47,845
2041	46,072	47,011	50,400
2042	48,454	49,394	52,799
2043	50,869	51,832	55,272
2044	53,274	54,247	57,691
2045	55,107	56,141	59,853

How does future need compare to historical trends? Figure II-11 shows the average annual change in housing units in the region between 2010 and 2022 according to ACS estimates and compares this volume to the average number of units needed between 2022 and 2045. As shown, the average volume of production needed is only slightly higher than the average historical production between 2010 and 2022. According to data from the City of Albuquerque, on average, the City permitted 1,591 housing units per year between 2014 and 2021. By comparison, Sandoval County permitted an average of 960, and Valencia County an average of 135 housing units per year between 2014 and 2022, according to Census Bureau data.

Figure II-11. Average Annual Change in Housing Units, Region

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.



Accommodating Low and Moderate Income Households

If the recent volume of residential supply continues, development is likely to meet overall future production needs[6]; however, a significant share of units needs to be affordable for households below 120% AMI to adequately serve very low income residents, the workforce, and retiring residents.

Figure II-12 shows tenure by the age of the household head in the region. The ownership rate increases with age, and the aging population increases the demand for ownership units.

Figure II-12. Tenure by Age of Householder, Region, 2022

Source:
IPMUS from ACS 1-year estimates, and Root Policy Research.

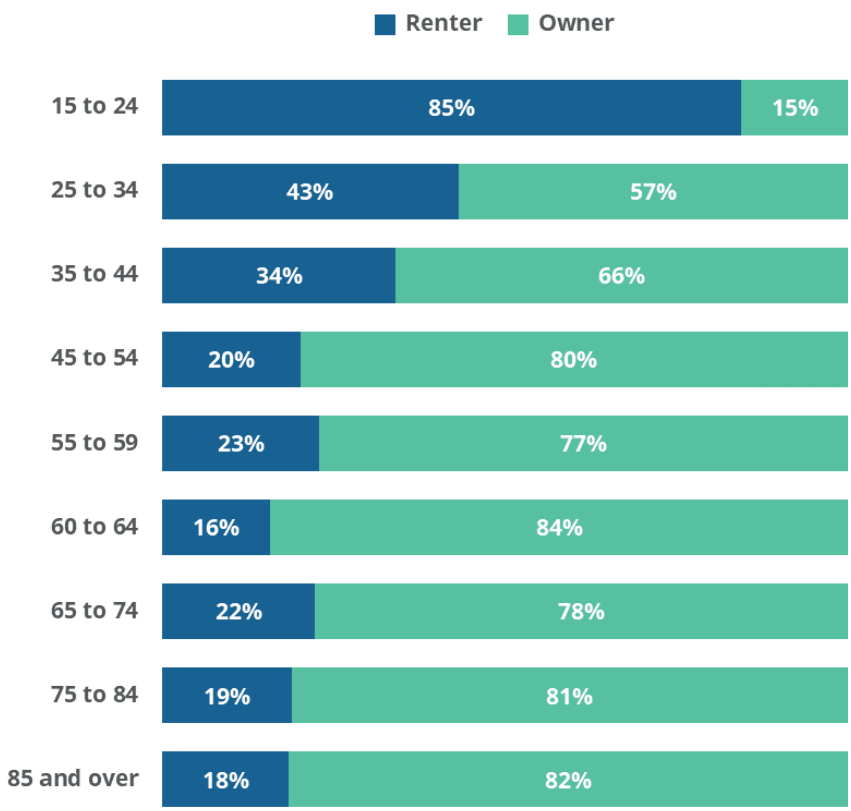


Figure II-13 below shows the income distribution by AMI and age of head of household. As expected given trends in labor force participation, younger households have a higher share of lower income households. This share decreases as wage trajectories increase with age and tend to peak during the late 50s, as older residents retire or pull back from the labor force. The share of lower income households begins to increase again at age 60.

[6] Not accounting for the current shortage discussed in Section I.

Figure II-13. AMI Distribution by Age of Householder, Region, 2022

Source:

IPMUS from ACS 1-year estimates, and Root Policy Research.

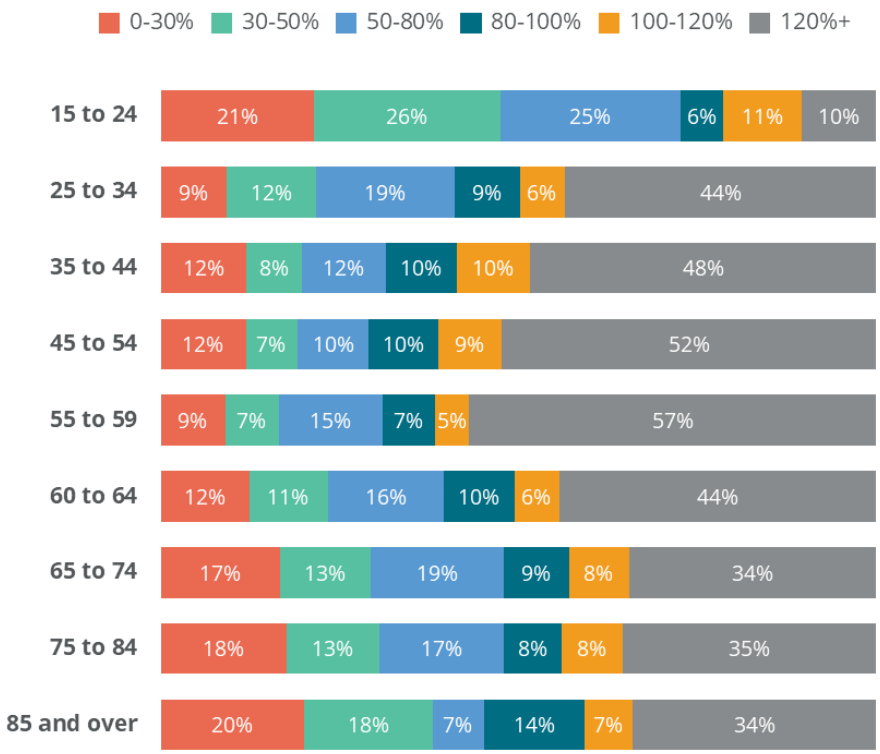


Figure II-14 below displays the projected number of additional affordable housing units needed by 2045 to accommodate low and moderate income households based on their age and income distribution. The figure shows that:

- Between 3,500 and 4,000 additional rental units and between 3,800 and 4,100 ownership units need to be affordable to households with income below 30% AMI.
- Between 2,500 and 2,900 additional rental units and between 3,500 and 3,700 ownership units need to be affordable to households with income between 30% and 50% AMI.
- Between 2,900 and 3,200 additional rental units and between 5,200 and 5,700 ownership units need to be affordable to households with income between 50% and 80% AMI.
- Between 2,400 and 2,700 additional rental units and between 7,200 and 7,800 ownership units need to be affordable to households with income between 80% and 120% AMI.

Figure II-14.
Low and Moderate Income Units Needed by 2045, by Tenure, Region

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, IPMUS from ACS 1-year estimates, and Root Policy Research.

	Rental		Ownership	
	Min	Max	Min	Max
0%-30% AMI	3,640	3,963	3,795	4,110
30%-50% AMI	2,625	2,866	3,461	3,750
50%-80% AMI	2,929	3,198	5,218	5,656
8%-100% AMI	1,427	1,554	3,755	4,073
100%-120% AMI	1,000	1,093	3,379	3,666
Total 0%-120% AMI	11,621	12,674	19,609	21,254

Overall, of the additional units needed by 2045, between 11,600 and 12,700 rental units and between 19,600 and 21,300 onwership units need to be affordable to households earning 120% AMI or less.

Given that market rate development produces units at higher price ranges, public subsidies will be needed to support lower cost options, encourage sufficient development to accelerate the filtering of older homes into more affordable price levels, and preserve naturally occurring affordable housing. Additionally, it should be noted that building smaller units and allowing small homes on very small parcels can contribute to diversifying the housing options and price points available.

Appendix A

This appendix presents the methodology used to project household formation rates (headship rates) by age cohort. As mentioned previously, at the individual level, the likelihood of someone heading an independent household is impacted by various factors, such as changes in household income and employment, personal preferences, debt levels, cost of credit and credit availability, housing costs, as well as changes in life expectancy, marriage rates, and educational attainment. Due to data limitations at smaller geographic levels, such as the region, this analysis uses employment levels to model household formation rates. Employment data are readily available and are a strong predictor of household formation rates.

Regression analysis is used to estimate how the headship rate of different age cohorts changes based on local employment levels. A regression analysis is a statistical method used to estimate the relationship between a dependent variable (the headship rate) and an independent variable (employment). Regression analysis gives us the magnitude of the relationship as well as its statistical reliability. To increase the statistical reliability of the model, it was estimated using annual ACS 5-year estimates for all counties in the contiguous U.S. with populations over 5,000 from 2010 to 2022.[7]

Figure II-15 shows the coefficient of interest—the employment coefficient—for each age cohort. The interpretation is that a one percentage point increase in the employment share is associated with a 0.237 increase in the headship rate for the population ages 15 to 24, a one percentage point increase in the employment share is associated with a 0.367 increase in the headship rate for the population ages 25 to 34 and so on. As expected, this relationship is strongest during the prime working years—25 to 55— and generally decreases as people approach retirement age.

[7] The regression model uses the following fixed effects equation:

$$hr_{it} = \beta\ emp\ share_{it} + X_{it} + \mu_i + \theta_t + \epsilon_{it}$$

Where the subscript *i* represents the county, and *t* the year. The dependent variable *hr* represents the headship rate, the independent variable of interest is *emp share*$_{it}$, the share of the population 15 and over who are employed. X_{it} is a set of county level controls including: the natural log of population, natural log of median renter income, natural log of median owner income, the share of renters in each cohort of households, natural log of median rent, natural log of median home value, that share of the population who are Hispanic, and the share of the population who are non-white. County level fixed effects μ_i are included to account for fixed differences across counties. Year fixed effects θ_t are included to control for time-varying factors that impact all counties equally, such as interest rates. The regression is estimated for each age cohort and standard errors are clustered at the county level in all regressions. A total of 35,893 observations are included.

Figure II-15. Employment Coefficients

Note:

All coefficients but one are statistically significant at the 1% level, 85 and over is significant at the 10% level.

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Age cohort	Coefficient
15 to 24	0.237
25 to 34	0.367
35 to 44	0.380
45 to 54	0.284
55 to 59	0.169
60 to 64	0.120
65 to 74	0.092
75 to 84	0.105
85 and over	0.160

These employment coefficients are then applied to the projected share of employment and starting headship rates by cohort to estimate new headship rates that respond to projected employment levels in the region.

Figure II-16 shows the projected headship rates applying the employment coefficients across time to different projected levels of employment in the region.

Figure II-16. Projected Headship Rates

Note:

Data show the projected minimum, average, and maximum across the entire projection period.

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Age cohort	Minimum	Average	Maximum
15 to 24	0.117	0.119	0.122
25 to 34	0.426	0.429	0.434
35 to 44	0.511	0.515	0.520
45 to 54	0.553	0.555	0.559
55 to 59	0.601	0.603	0.605
60 to 64	0.611	0.612	0.614
65 to 74	0.631	0.632	0.633
75 to 84	0.634	0.635	0.637
85 and over	0.639	0.640	0.642

Multiplying these headship rates by the projected population by age cohort for each year yields the projected number of households. Figure II-17 shows the projected number of households in 2045 by age of head of household based on the projected headship rates.

Figure II-17. Projected Households by Age of Head of Household, Region, 2045

Source:

REMI, Bureau of Labor Statistics, QCEW, ACS 5-year estimates, and Root Policy Research.

Age cohort	Minimum	Average	Maximum
15 to 24	12,546	12,665	13,092
25 to 34	55,864	56,090	56,900
35 to 44	71,033	71,281	72,170
45 to 54	72,796	72,971	73,601
55 to 59	38,877	38,928	39,112
60 to 64	36,689	36,722	36,844
65 to 74	59,941	59,982	60,129
75 to 84	49,378	49,417	49,554
85 and over	28,388	28,421	28,541

The national model was used to increase the statistical power of the model by having a much larger sample size; however, the following figures show the correlation between employment and headship rates in New Mexico for different age cohorts using annual data from 2010 to 2022. Each dot represents a county, and if the dotted line has a positive slope, this means the data has a positive linear relationship. As shown in the figures, which follow the results from the national data, there is a strong positive correlation between employment and household formation rates among working age adults, and this correlation generally diminishes as people approach retirement age.

Figure II-18. Age 15 to 24

Note:

R^2=0.19, coefficient=0.31.

Source:

ACS 5-year estimates, and Root Policy Research.

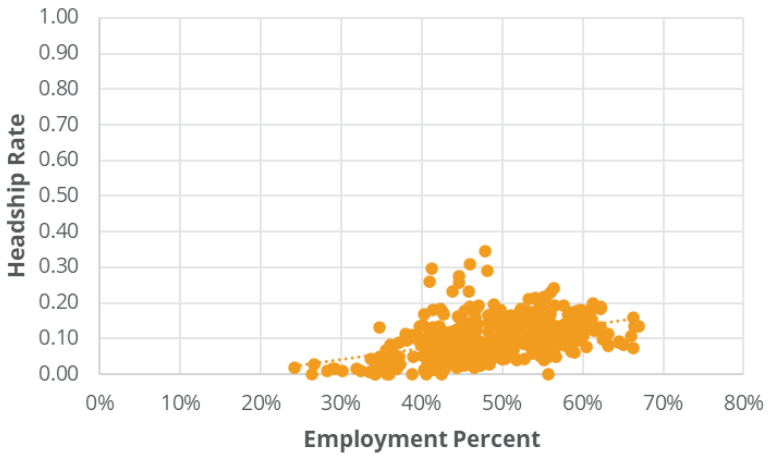


Figure II-19.
Age 25 to 34

Note:

R^2=0.39, coefficient=0.84.

Source:

ACS 5-year estimates, and Root Policy Research.

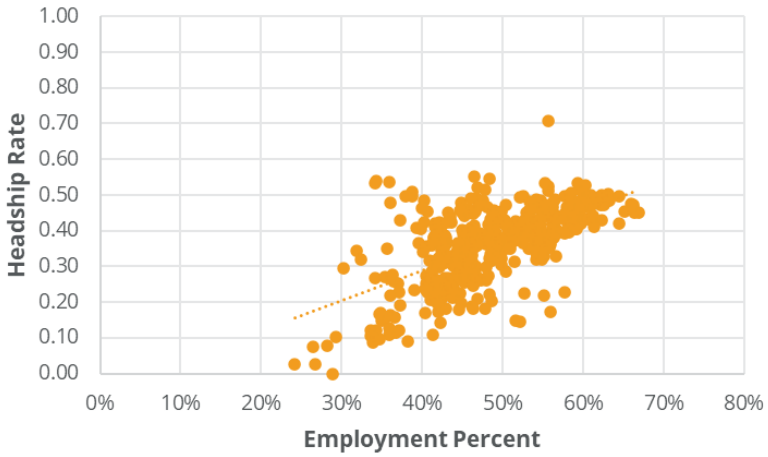


Figure II-20.
Age 35 to 44

Note:

R^2=0.20, coefficient=0.56.

Source:

ACS 5-year estimates, and Root Policy Research.

Figure II-21.
Age 45 to 54

Note:

R^2=0.12, coefficient=0.35.

Source:

ACS 5-year estimates, and Root Policy Research.

Figure II-22.
Age 55 to 59

Note:

R^2=0.16, coefficient=0.43

Source:

ACS 5-year estimates, and Root Policy Research.

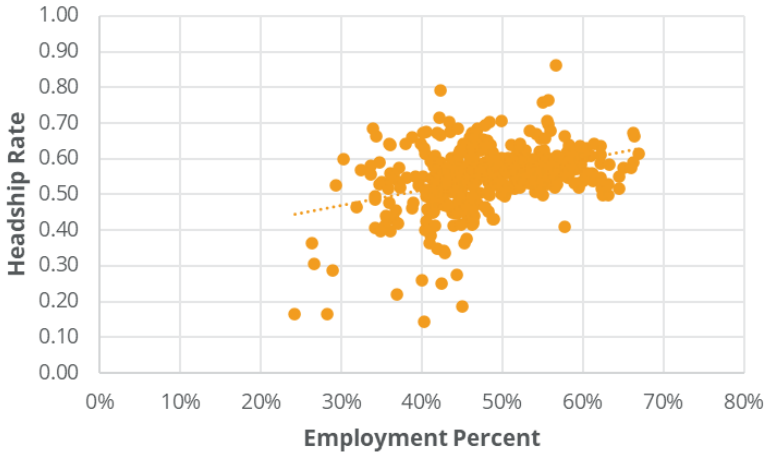


Figure II-23.
Age 60 to 64

Note:

R^2=0.01, coefficient=0.09.

Source:

ACS 5-year estimates, and Root Policy Research.

Figure II-24.
Age 65 to 74

Note:

R^2=0.009, coefficient=0.06.

Source:

ACS 5-year estimates, and Root Policy Research.

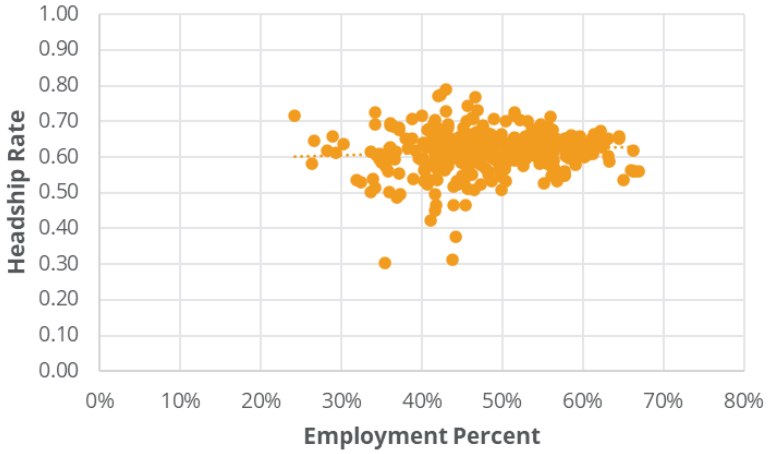


Figure II-25.
Age 75 to 84

Note:

R^2=0.008, coefficient=-0.08.

Source:

ACS 5-year estimates, and Root Policy Research.

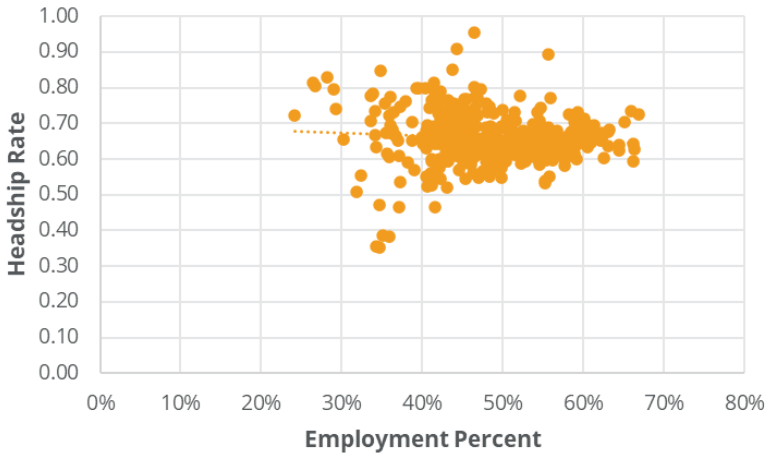


Figure II-26.
Age 85 and Over

Note:

R^2=0.04, coefficient=0.36.

Source:

ACS 5-year estimates, and Root Policy Research.

SECTION III.

VACANT LAND CAPACITY, HOUSING GROWTH, AND FAIR SHARE ANALYSIS

SECTION III.
Vacant Land Capacity, Housing Growth, and Fair Share Analysis

This section explores the potential of vacant land to accommodate housing growth and analyzes the geographic distribution of vacant land capacity. It also provides estimates of projected housing growth by Community Planning Area (CPA) based on permitted development, vacant land capacity, and past housing growth trends. Additionally, it offers a fair share analysis to identify areas where CPAs are under-supplying affordable housing compared to the region and to determine where different types of housing should be allowed to create balanced housing choices.

The lack of affordable housing options in some CPAs can have adverse effects on the regional economy, including increased commuting times, higher transportation costs, and difficulty attracting and retaining a diverse workforce. Analyzing this at the CPA level allows for a detailed understanding of specific local needs and capacities, which can be obscured at larger city or county levels. This localized approach helps identify precise areas with the most significant gaps in affordable housing, providing guidance for more targeted interventions.

Key Findings

The main findings of this section include:

Vacant Land Capacity and Housing Needs:

- In the scenario assuming the lowest density development, vacant land capacity may fall short of meeting projected housing needs. Most vacant land capacity scenarios show that the region has the vacant land capacity to accommodate the needed regional growth through 2045.
- Vacant land capacity under current zoning ranges from 53,000 dwelling units in the most conservative scenario to 171,000 dwelling units in the most aggressive, compared to the 55,100 to 59,900 projected number of dwelling units needed in the region by 2045.

Distribution of Vacant Land Capacity:

- A high concentration of single-family detached homes accounts for a significant share of vacant land capacity under current zoning, and much of the capacity is on the west side of the Rio Grande, while areas with large concentrations of jobs on the east side

of the river have a smaller capacity for additional dwelling units and lower projected growth.

- Encouraging infill development[1] can help facilitate shorter commutes. On the other hand, restricting housing growth near transit centers and job centers pushes new development toward low-density, car-dependent suburbs, resulting in longer commutes and higher transportation costs.

Housing Options and Affordability:

- Given the current high costs of housing construction, jurisdictions should encourage a mix of housing options, including both single-family and multifamily units in each CPA, to cater to the diverse needs of the population and reach deeper affordability levels.

- Jurisdictions should ensure that affordable housing needs across the entire region are considered by each jurisdiction to avoid inefficient land use decisions and poor economic, social, and environmental outcomes.

Undersupply of Affordable Rental Units:

- Bernalillo County provides a higher share of rental units than its share of total housing units, while the rest of the counties provide a lower share. Among the CPAs, Northeast Mountains, North Rio Rancho, North Valley, Northwest Mesa, Northwest Acres, South East Mountains, South Rio Rancho, South Santa Fe (Greater Edgewood Area), South Valley, Southwest Mesa, and West Mesa provide a lower share of rental units compared to their total share of units.

- CPAs with the largest undersupply of rental units affordable to households with income below 30% AMI are Mid-Heights, North Rio Rancho, North Albuquerque, Northwest Mesa, and South Rio Rancho. CPAs with the largest undersupply of rental units affordable to households with income between 30% and 50% AMI include Foothills and North Albuquerque. CPAs with the largest undersupply of rental units affordable to households with income between 50% and 80% AMI include KAFB, North Rio Rancho, Northwest Mesa, and Southwest Mesa.

- Renters are significantly more likely to occupy multifamily units. An estimated 50% of renters occupy multifamily units of 5 or more units in structure. Vacant land capacity under current zoning may not be sufficient to accommodate an increase in multifamily housing in the Foothills, Isleta, KAFB, Mesa del Sol, Northeast Mountains, North Rio

[1] Infill development refers to constructing buildings or facilities on previously unused or underutilized land within an existing urban or developed area.

Rancho, Northwest Acres, Southeast Mountains, South Rio Rancho, and South Santa Fe (Greater Edgewood Area) CPAs.

Policy Recommendations:

- Combat resistance to development: Educate neighbors who vocalize concerns about development on the benefits of higher-density housing and its positive impacts on the community, such as increased local business support.
- Promote regional cooperation: Educate leaders on the importance of a regional planning process for inclusive development that ensures all neighborhoods include housing affordable to households at different income levels.
- Change zoning allowances: Amend zoning regulations to prohibit single-family-only developments and allow for higher-density and mixed-use developments. Adjust zoning laws to allow for higher-density rental developments in areas currently zoned predominantly for single-family homes.
- Regional government-owned vacant land inventory: Establish a regional inventory of government-owned vacant land. This inventory would help identify publicly owned land that can be utilized to support affordable housing initiatives, ensuring that these lands are developed in ways that maximize public benefit.
- Provide incentives for diverse housing: Provide financial incentives, such as tax abatements or grants, for developers who include affordable multifamily units in their projects.
- Implement anti-displacement and economic mobility strategies: When planning new developments in areas of high social vulnerability, it's important to implement anti-displacement and economic mobility strategies. By investing in the redevelopment of distressed neighborhoods and focusing on creating income-diverse communities, jurisdictions can improve the quality of life for all residents. These strategies should be paired with other approaches to ensure that the target neighborhoods provide access to opportunities for all residents.

Vacant Land Capacity

This section presents three different scenarios that estimate vacant land unit capacity under current zoning. It analyzes the region's ability to accommodate needed housing units estimated in Section II. Vacant land capacity was estimated in each CPA by estimating the number of dwelling units that can be accommodated based on developable vacant

land parcels under current zoning regulations.[2] For more detail on vacant land capacity estimates, refer to Appendix B, at the end of this section.

Figure III-1 shows the capacity estimates under the different scenarios. Under all scenarios, capacity under "Lower Density" estimates the number of units assuming that parcels where zoning allows both single-family and multifamily units develop as single-family dwelling units. The "Higher Density" estimates assume that parcels where zoning allows both single-family and multifamily units develop as multifamily dwelling units. It should be noted that these are rough estimates, and the "Lower Density" and "Higher Density" numbers are intended to illustrate a reasonable range in vacant land capacity.

- In Scenario 1, it is assumed that large land parcels capable of accommodating more than one single-family unit based on minimum lot size requirements are not subdivided. Under this scenario, the estimated vacant land capacity in the CPAs in the region ranges from 53,000 units to 115,000 units. This scenario is the most conservative estimate.

- Scenario 2 assumes that large land parcels meeting the criteria for accommodating more than one single-family unit are subdivided based on required minimum lot sizes if they fall within the current utility service area, meaning there is currently water and sewer available. In this scenario, the estimated vacant land capacity in the CPAs in the region ranges from 106,200 units to 161,400 units, the majority of which are west of the Rio Grande.

- Scenario 3 assumes that all large land parcels capable of accommodating more than one single-family unit based on minimum lot size requirements both inside and outside the current service areas are subdivided. This scenario assumes that utilities would be extended as needed to serve new development, and can be seen as a measure of long-term capacity. Under this scenario, the estimated vacant land capacity in the CPAs in the region ranges from 122,200 units to 171,000 units, the majority of which are west of the Rio Grande.

[2] Although redevelopment plays an important role in accommodating growth, this study focuses only on vacant land due to challenges in predicting its occurrence.

Figure III-1. Estimated Vacant Land Housing Capacity Under Current Zoning

Note:

Torrance County's capacity was not estimated due to lack of growth since 2010. The county lost 8% of households between 2010 and 2022; however, the county has around 4,000 vacant parcels, of which 19.5% are zoned for residential purposes, indicating at least 780 units in vacant land capacity. Bernalillo County and Sandoval County estimates only include the CPAs in those counties, as over 90% of growth has been concentrated in such areas. The Isleta and KAFB CPAs have Tribal/Federal ownership. Federally operated military bases and sovereign tribal land are not subject to typical market forces, making estimates imprecise, and should be used with caution. South Santa Fe County had some data limitations, and estimates should also be used with caution.

Source:

Root Policy Research from data provided by MRCOG and City of Albuquerque.

		Scenario 1		Scenario 2		Scenario 3	
Geography	Place/CPA	Lower Density	Higher Density	Lower Density	Higher Density	Lower Density	Higher Density
Region	**Total**	**53,002**	**115,020**	**106,193**	**161,418**	**122,222**	**171,017**
Metro	**AMPA**	52,579	114,597	105,495	160,720	120,326	169,121
County	**Bernalillo County**	45,977	99,462	75,492	124,056	86,234	127,949
CPA	**Isleta**	18	18	22	22	77	77
CPA	**KAFB**	0	0	0	0	0	0
CPA	**N East Mountains**	266	266	2,415	2,415	2,637	2,637
CPA	**North Valley**	180	243	232	291	259	311
CPA	**NW Acres**	175	175	205	205	286	286
CPA	**S East Mountains**	169	169	282	282	1,405	1,405
CPA	**South Valley**	245	381	293	429	407	381
CPA	**SW Mesa County**	1,311	3,956	23,956	25,673	25,466	26,489
Place	**Albuquerque**	43,613	94,254	48,087	94,739	55,697	96,363
CPA	**Central ABQ**	256	578	286	585	358	597
CPA	**East Gateway**	573	1,221	630	1,234	1,120	1,711
CPA	**Foothills**	220	769	308	786	431	824
CPA	**Mesa del Sol**	11,409	11,409	11,429	11,429	11,622	11,622
CPA	**Mid Heights**	156	305	156	305	167	305
CPA	**Near Heights**	1,524	4,464	1,554	4,469	1,609	4,475
CPA	**Near North Valley**	205	452	274	472	380	500
CPA	**North Albuquerque**	695	3,738	1,223	3,748	1,558	3,780
CPA	**North I-25**	154	931	206	937	356	943
CPA	**Northwest Mesa**	13,179	46,188	15,180	46,309	19,594	46,588
CPA	**Southwest Mesa**	2,848	8,435	4,078	8,648	5,573	9,167
CPA	**West Mesa**	12,394	15,764	12,763	15,817	12,929	15,851
County	**Sandoval County**	937	3,562	20,865	21,666	21,031	21,778
Place	**Rio Rancho**	937	3,562	20,865	21,666	21,031	21,778
CPA	**N Rio Rancho**	680	2,794	20,061	20,662	20,154	20,721
CPA	**S Rio Rancho**	257	768	804	1,004	877	1,057
County	**Torrance County**	N/A	N/A	N/A	N/A	N/A	N/A
County	**Valencia County**	5,665	11,573	9,138	14,998	13,061	19,394
CPA	**S. Santa Fe County**	423	423	698	698	1,896	1,896

As shown in Figure III-1, under scenario 1, vacant land capacity is highest in the Mesa del Sol, Northwest Mesa, and West Mesa CPAs. Under scenarios 2 and 3, vacant land capacity is highest in the Mesa del Sol, North Rio Rancho, Northwest Mesa, Southwest Mesa, and West Mesa CPAs.

Under the "Lower Density" Scenario 1, vacant land capacity falls slightly short of the number of units projected to be needed in the region (between 55,100 and 59,900). Under all other scenarios, vacant land capacity exceeds the projected number of units needed in the region, even in the "Lower Density" estimates of scenarios 2 and 3. Additionally, the City of Albuquerque allows Accessory Dwelling Units (ADUs) permissively in certain zones.[3] Based on the number of current homes in parcels in zones that permit ADUs, if one percent of parcels add an ADU, this would lead to 1,579 ADUs, and if four percent of parcels add an ADU, it would lead to 6,318 ADUs.

Housing Growth and Fair Share Analysis

This section provides projections for housing unit growth for each CPA through 2045 based on previous growth trends, vacant land capacity, and current building permits. The section also compares growth estimates to housing needs projected in Section II and provides a fair share analysis. A fair share analysis involves a comparison of each CPA's share of the region's rental units affordable to extremely low and low AMI households to provide an indication of where CPAs are under-supplying affordable housing relative to the region and to help determine where different types of housing should be allowed to create balanced housing choices.

Projected housing growth. The data presented in Figure III-2 illustrate the projected growth by CPA. The growth estimation method involves taking the number of dwelling units with open building permits and adding the average of remaining vacant land capacity under Scenario 2 "Higher Density," as well as the growth in housing units between 2010 and 2022, divided in half to account for the growth in the second half of the period.[4] CPAs with the largest projected growth are North Rio Rancho, Northwest Mesa, Southwest Mesa County, and West Mesa, which collectively represent 55% of the projected growth. The projected growth in these CPAs is attributed to significant historical growth and large vacant land capacity under current zoning. The total projected growth in all the CPAs is 53,331 units.

[3] Including R-1A, R-A, R-ML, R-T, and MX-T.

[4] The formula for calculating housing growth is as follows: Issued Permits + .5 x (Average of (Scenario 2 "Higher Density"-Issued Permits) and Growth in Housing Units 2010-2022)). However, in Northwest Mesa, the second part of the formula was multiplied by 0.25 instead of 0.5. This adjustment was made to account for development and infrastructure constraints in the Volcano Cliffs area, despite the high estimated vacant land capacity in the CPA.

Figure III-2. Projected Growth by CPA, 2045

Note:

The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

Source:

MRCOG, City of Albuquerque, ACS 5-year estimates, and Root Policy Research.

Geography	CPA	Growth
CPA- Bernalillo County	**Isleta**	284
CPA- Bernalillo County	**KAFB**	131
CPA- Bernalillo County	**N East Mountains**	895
CPA- Bernalillo County	**North Valley**	351
CPA- Bernalillo County	**NW Acres**	250
CPA- Bernalillo County	**S East Mountains**	193
CPA- Bernalillo County	**South Valley**	77
CPA- Bernalillo County	**SW Mesa County**	6,243
CPA- Albuquerque	**Central ABQ**	1,239
CPA- Albuquerque	**East Gateway**	1,704
CPA- Albuquerque	**Foothills**	798
CPA- Albuquerque	**Mesa del Sol**	4,077
CPA- Albuquerque	**Mid Heights**	698
CPA- Albuquerque	**Near Heights**	1,444
CPA- Albuquerque	**Near North Valley**	643
CPA- Albuquerque	**North Albuquerque**	1,675
CPA- Albuquerque	**North I-25**	213
CPA- Albuquerque	**Northwest Mesa**	6,061
CPA- Albuquerque	**Southwest Mesa**	4,890
CPA- Albuquerque	**West Mesa**	5,306
CPA- Rio Rancho	**N Rio Rancho**	11,611
CPA- Rio Rancho	**S Rio Rancho**	3,973
CPA- Santa Fe County	**S. Santa Fe County**	575

Figure III-3 compares the projected growth in each CPA with the estimated "Higher Density" vacant land capacity under current zoning for the three scenarios. The data show that the vacant land capacity may not be enough to support past growth trends in certain CPAs, including Central Albuquerque, Isleta, KAFB,[5] Mid Heights, Near North Valley, North Valley, and South Rio Rancho. To sustain growth in these areas, it will be necessary to consider redevelopment and/or upzoning of vacant land.

[5] The Isleta and KAFB CPAs have Tribal/Federal ownership. Federally operated military bases and sovereign tribal land are not subject to typical market forces, making estimates imprecise, and should be used with caution.

Figure III-3
Projected Housing Growth by 2045 and Vacant Land Housing Capacity, by CPA

Geography	CPA	Growth	Scenario 1	Scenario 2	Scenario 3
CPA- Bernalillo County	**Isleta**	284	18	22	77
CPA- Bernalillo County	**KAFB**	131	0	0	0
CPA- Bernalillo County	**N East Mountains**	895	266	2,415	2,637
CPA- Bernalillo County	**North Valley**	351	243	291	311
CPA- Bernalillo County	**NW Acres**	250	175	205	286
CPA- Bernalillo County	**S East Mountains**	193	169	282	1,405
CPA- Bernalillo County	**South Valley**	77	381	429	381
CPA- Bernalillo County	**SW Mesa County**	6,243	3,956	25,673	26,489
CPA- Albuquerque	**Central ABQ**	1,239	578	585	597
CPA- Albuquerque	**East Gateway**	1,704	1,221	1,234	1,711
CPA- Albuquerque	**Foothills**	798	769	786	824
CPA- Albuquerque	**Mesa del Sol**	4,077	11,409	11,429	11,622
CPA- Albuquerque	**Mid Heights**	698	305	305	305
CPA- Albuquerque	**Near Heights**	1,444	4,464	4,469	4,475
CPA- Albuquerque	**Near North Valley**	643	452	472	500
CPA- Albuquerque	**North Albuquerque**	1,675	3,738	3,748	3,780
CPA- Albuquerque	**North I-25**	213	931	937	943
CPA- Albuquerque	**Northwest Mesa**	6,061	46,188	46,309	46,588
CPA- Albuquerque	**Southwest Mesa**	4,890	8,435	8,648	9,167
CPA- Albuquerque	**West Mesa**	5,306	15,764	15,817	15,851
CPA- Rio Rancho	**N Rio Rancho**	11,611	2,794	20,662	20,721
CPA- Rio Rancho	**S Rio Rancho**	3,973	768	1,004	1,057
CPA- Santa Fe County	**S. Santa Fe County**	575	423	698	1,896

Note: The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.

Source: MRCOG, City of Albuquerque, ACS 5-year estimates, and Root Policy Research.

Fair share analysis. Fair share analysis emphasizes the importance of considering housing needs across the entire region for each area within a region. This is essential because multiple entities make land use decisions in a regional labor market, and the decisions made by each jurisdiction regarding land use, housing, infrastructure, and tax policies have an impact on their neighbors and the regional economy. When each jurisdiction makes decisions about housing without taking into account regional needs, it can lead to inefficiency and poor economic, social, and environmental outcomes for the entire region.

Certain components of a regional economy, such as housing for lower-income households and transportation infrastructure, often face resistance at the local and neighborhood levels. However, a region functions better when its housing supply meets the needs of its growing and diverse population, promoting economic stability and improving the quality of life for all residents. Local resistance often hinders achieving a balance between jobs and housing at a regional level.

Additionally, the per capita cost of providing public services is typically higher in low-density, sprawling metro areas than in high-density, infill developments. Sprawl requires more extensive infrastructure—such as roads, sewer lines, and utility services—spread over larger areas, which increases maintenance and operational costs. In contrast, infill development leverages existing infrastructure, making public service provision more cost-effective.

Limiting housing supply drives up housing costs and hampers the efficiency of regional labor markets by making it difficult for employers to attract and retain workers. High housing costs force workers to live farther from their jobs, increasing commute times and transportation expenses. Additionally, a constrained housing market can deter potential new businesses from entering the region, stifling economic growth and innovation.

Lower AMI households are more likely to be renters. Around 62% of renters in the region have incomes at or below 80% AMI, compared to 31% of homeowners. Figure III-4 shows the distribution of total units and renter occupied units in the region. Bernalillo County, which includes Albuquerque, provides a higher share of rental units than its share of total housing units, while the rest of the counties provide a lower share. Among CPAs, North East Mountains, North Rio Rancho, North Valley, Northwest Mesa, Northwest Acres, South East Mountains, South Rio Rancho, South Santa Fe (Greater Edgewood Area), South Valley, Southwest Mesa, and West Mesa provide a lower share of rental units compared to their total share of units indicating that renters may face barriers in finding housing in these areas.

Figure III-4. Total Units and Rental Units Distribution

Note:

The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations. Red shading indicates a place provides a lower share of rental units than its share of total housing units.

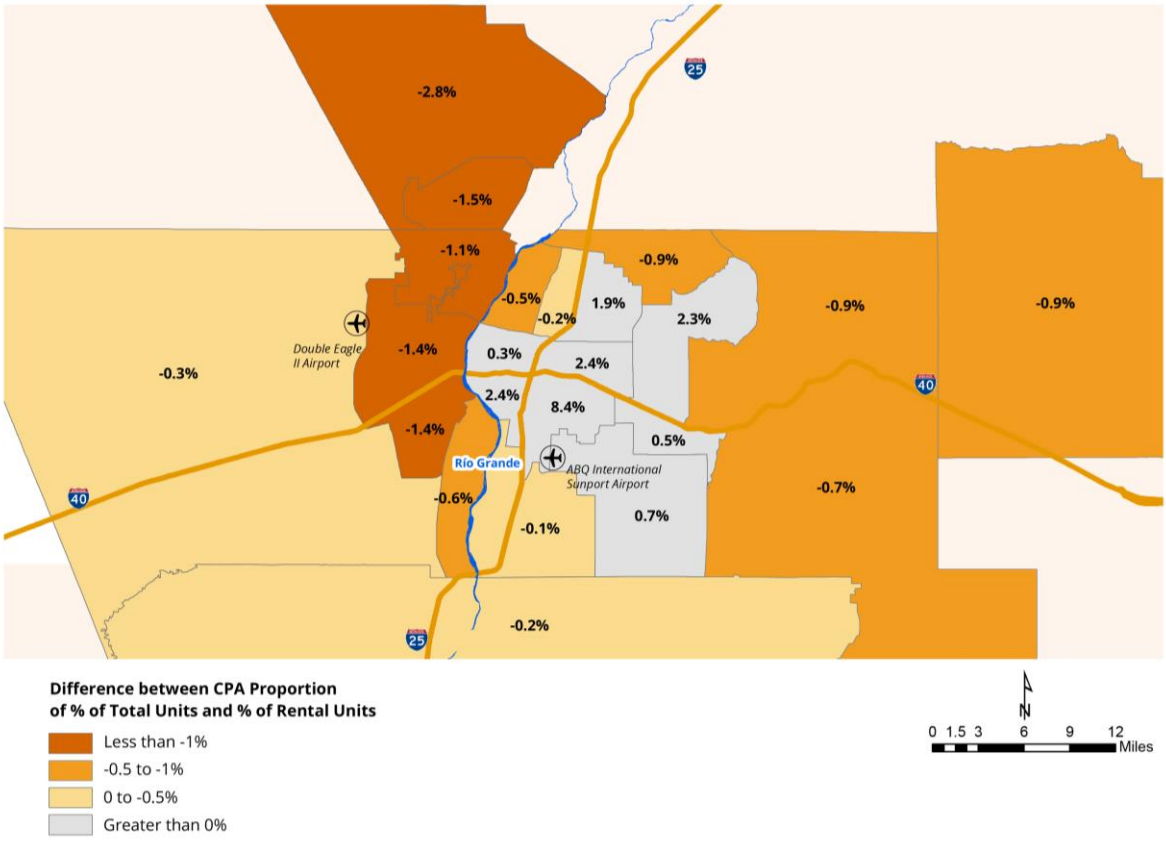
Source:

ACS 2022 5-year estimates and Root Policy Research.

		Percent of Units in the Region	
Geography	Name	Total Units	Rental Units
Region	**MRCOG**	100.0%	100.0%
Metro	**AMPA**	96.4%	98.3%
County	**Bernalillo County**	75.6%	86.2%
CPA	**Isleta**	0.4%	0.1%
CPA	**KAFB**	0.4%	1.1%
CPA	**N East Mountains**	1.2%	0.3%
CPA	**North Valley**	1.8%	1.3%
CPA	**NW Acres**	1.0%	0.1%
CPA	**S East Mountains**	0.9%	0.2%
CPA	**South Valley**	3.4%	2.8%
CPA	**SW Mesa County**	0.6%	0.4%
Place	**Albuquerque**	65.9%	79.9%
CPA	**Central ABQ**	3.4%	5.8%
CPA	**East Gateway**	3.6%	4.1%
CPA	**Foothills**	10.5%	12.8%
CPA	**Mesa del Sol**	0.4%	0.3%
CPA	**Mid Heights**	6.1%	8.5%
CPA	**Near Heights**	9.8%	18.2%
CPA	**Near North Valley**	2.7%	2.9%
CPA	**North Albuquerque**	7.8%	9.8%
CPA	**North I-25**	1.0%	0.8%
CPA	**Northwest Mesa**	8.8%	7.6%
CPA	**Southwest Mesa**	7.4%	5.9%
CPA	**West Mesa**	4.5%	3.1%
County	**Sandoval County**	14.7%	8.9%
Place	**Rio Rancho**	10.6%	6.3%
CPA	**N Rio Rancho**	5.1%	2.4%
CPA	**S Rio Rancho**	5.5%	3.9%
County	**Torrance County**	1.5%	0.8%
County	**Valencia County**	7.0%	3.8%
CPA	**S. Santa Fe County**	1.2%	0.3%

As shown in Figure III-5 below—which shows the percentage point difference between the share of rental units and the share of total units in each CPA—the CPAs with the largest undersupply of rental units are North Rio Rancho, South Rio Rancho, Northwest Mesa, West Mesa, and Southwest Mesa.

Figure III-5.
Difference Between Proportion of Total Units and Proportion of Rental Units, by CPA, 2022



Note: The numbers represent the percentage point difference between the second and first columns in Figure III-4.

Source: ACS 2022 5-year estimates and Root Policy Research.

The distribution of rental units is affected by historical development patterns and zoning regulations that determine density, potentially resulting in exclusionary policies; however, if a certain area only caters to higher-income renters, it can also exclude low-income renters. The following analysis compares the distribution of rental units to the distribution of rental units that are affordable to very low-income and low-income households.

Figure III-6 shows the distribution of rental units in the region and compares it to those affordable to households at different AMI levels. In this comparison, places undersupplying affordable units for households earning at each AMI range are highlighted in red. In these areas, very low-income and low-income households have less chance of finding affordable housing.

Figure III-6.
Rental Units Distribution by Affordability

Geography	Name	Percent of Rental Units in the Region			
		All Rental Units	Affordable to 0%-30% AMI	Affordable to 30%-50% AMI	Affordable to 50%-80% AMI
Region	MRCOG	100%	100%	100%	100%
Metro	AMPA	98.3%	95.7%	97.3%	98.5%
County	Bernalillo County	86.2%	84.4%	89.7%	87.6%
CPA	Isleta	0.1%	0.3%	0.4%	0.1%
CPA	KAFB	1.1%	0.5%	0.2%	0.2%
CPA	N East Mountains	0.3%	0.0%	0.2%	0.3%
CPA	North Valley	1.3%	0.8%	2.0%	1.6%
CPA	NW Acres	0.1%	0.2%	0.0%	0.0%
CPA	S East Mountains	0.2%	0.0%	0.0%	0.2%
CPA	South Valley	2.8%	3.8%	4.4%	3.0%
CPA	SW Mesa County	0.4%	1.0%	0.4%	0.4%
Place	Albuquerque	79.9%	78.2%	82.2%	81.8%
CPA	Central ABQ	5.8%	11.0%	9.7%	6.3%
CPA	East Gateway	4.1%	3.4%	4.4%	5.2%
CPA	Foothills	12.8%	12.9%	6.2%	13.5%
CPA	Mesa del Sol	0.3%	0.4%	0.5%	0.2%
CPA	Mid Heights	8.5%	6.5%	10.1%	9.3%
CPA	Near Heights	18.2%	21.9%	35.9%	18.1%
CPA	Near North Valley	2.9%	2.3%	3.8%	3.5%
CPA	North Albuquerque	9.8%	6.0%	5.7%	10.5%
CPA	North I-25	0.8%	0.3%	0.3%	0.8%
CPA	Northwest Mesa	7.6%	1.5%	2.2%	6.6%
CPA	Southwest Mesa	5.9%	10.6%	3.8%	4.5%
CPA	West Mesa	3.1%	1.6%	0.2%	3.2%
County	Sandoval County	8.9%	4.1%	2.2%	7.8%
Place	Rio Rancho	6.3%	1.4%	0.7%	4.9%
CPA	N Rio Rancho	2.4%	0.3%	0.2%	1.1%
CPA	S Rio Rancho	3.9%	1.1%	0.6%	3.8%
County	Torrance County	0.8%	3.1%	1.6%	0.5%
County	Valencia County	3.8%	7.9%	5.2%	3.6%
CPA	S. Santa Fe County	0.3%	0.5%	0.5%	0.2%

Note: The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations. Red shading indicates a place provides a lower share of rental units at each affordability level than its share of total rental housing units.

Source: ACS 2022 5-year estimates and Root Policy Research.

Figure III-7 shows the number of additional units needed at each AMI level for each CPA to match its share of total rental units in the region. CPAs with the largest undersupply of rental units affordable to households with income below 30% AMI are Mid-Heights, North

Rio Rancho, North Albuquerque, Northwest Mesa, and South Rio Rancho. CPAs with the largest undersupply of rental units affordable to households with income between 30% and 50% AMI include Foothills and North Albuquerque. CPAs with the largest undersupply of rental units affordable to households with income between 50% and 80% AMI include KAFB, North Rio Rancho, Northwest Mesa, and Southwest Mesa.

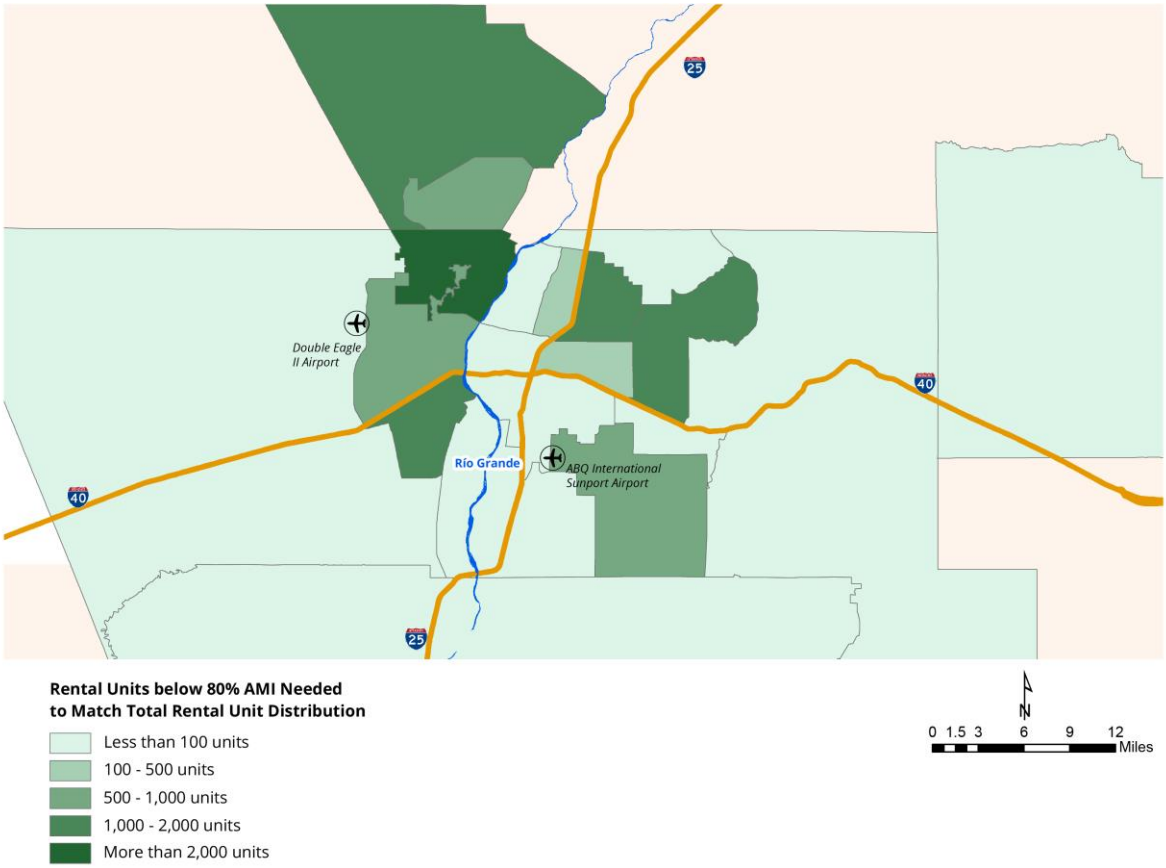
Figure III-7.
Rental Units at Each AMI Needed to Match Total Rental Unit Distribution

Geography	Name	Number of Rental Units		
		Affordable to 0%-30% AMI	Affordable to 30%-50% AMI	Affordable to 50%-80% AMI
Metro	AMPA	155	205	-
County	Bernalillo County	108	-	-
CPA	Isleta	-	-	13
CPA	KAFB	38	184	481
CPA	N East Mountains	21	30	-
CPA	North Valley	34	-	-
CPA	NW Acres	-	22	52
CPA	S East Mountains	14	51	25
CPA	South Valley	-	-	-
CPA	SW Mesa County	-	-	-
Place	Albuquerque	102	-	-
CPA	Central ABQ	-	-	-
CPA	East Gateway	43	-	-
CPA	Foothills	-	1,471	-
CPA	Mesa del Sol	-	-	42
CPA	Mid Heights	121	-	-
CPA	Near Heights	-	-	38
CPA	Near North Valley	40	-	-
CPA	North Albuquerque	233	897	-
CPA	North I-25	33	116	45
CPA	Northwest Mesa	379	1,216	553
CPA	Southwest Mesa	-	475	750
CPA	West Mesa	90	645	-
County	Sandoval County	300	1,503	611
Place	Rio Rancho	300	1,228	720
CPA	N Rio Rancho	127	482	658
CPA	S Rio Rancho	173	746	61
County	Torrance County	-	-	142
County	Valencia County	-	-	94
CPA	S. Santa Fe County	-	-	63

Note: The Mesa del Sol CPA includes the eastern portion of the South Valley due to census tract boundary limitations.
Source: ACS 2022 5-year estimates and Root Policy Research.

Figure III-8 maps the total number of rental units affordable to households earning below 80% AMI needed to match the total rental unit distribution. The areas with the darkest shades indicate the largest undersupply, making it difficult for very low-income and low-income households to find affordable housing.

Figure III-8.
Rental Units Affordable Below 80% AMI Needed to Match Total Rental Unit Distribution



Source: ACS 2022 5-year estimates and Root Policy Research.

Renters are significantly more likely to occupy multifamily units. An estimated 50% of renters occupy multifamily units of 5 or more units, while 87% of owners occupy single-family detached units. Figure III-9 shows the vacant land capacity under current zoning for the three "Higher Density" scenarios in Figure III-1 segmented by housing type (single-family and multifamily) and compares capacity with the number of rental units needed for CPAs to accommodate their fair share of rental units below 80% AMI. The data indicate that vacant land capacity under current zoning may not be sufficient to accommodate the needed increase in multifamily housing in the Foothills, Isleta, KAFB, Mesa del Sol, Northeast Mountains, North Rio Rancho, Northwest Acres, Southeast Mountains, South Rio Rancho, and South Santa Fe (Greater Edgewood Area).[6]

[6] The Isleta and KAFB CPAs have Tribal/Federal ownership. Federally operated military bases and sovereign tribal land are not subject to typical market forces, making estimates imprecise, and should be used with caution. South Santa Fe County had some data limitations, and estimates should also be used with caution.

Figure III-9. Higher Density Vacant Land Capacity Under Current Zoning by Type

Note:

Torrance County's capacity was not estimated due to lack of growth since 2010. The county lost 8% of households between 2010 and 2022; however, the county has around 4,000 vacant parcels, of which 19.5% are zoned for residential purposes, indicating at least 780 units in vacant land capacity. Bernalillo County and Sandoval County estimates only include the CPAs in those counties, as over 90% of growth has been concentrated in such areas. The Isleta and KAFB CPAs have Tribal/Federal ownership. Federally operated military bases and sovereign tribal land are not subject to typical market forces, making estimates imprecise, and should be used with caution. South Santa Fe County had some data limitations, and estimates should also be used with caution.

Source:

Root Policy Research from data provided by MRCOG and City of Albuquerque.

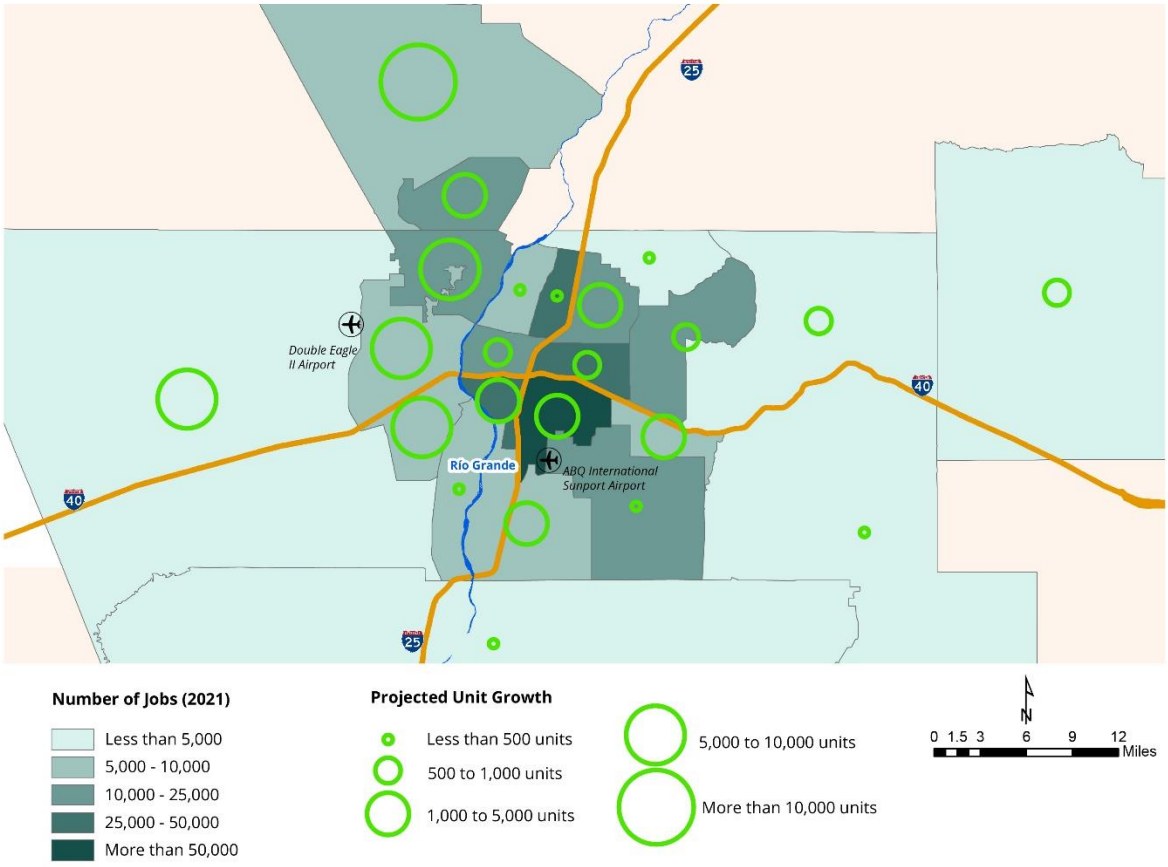
Geography	Name	Rental Units Needed Below 80%	Scenario 1		Scenario 2		Scenario 3	
			Single-Family	Multifamily	Single-Family	Multifamily	Single-Family	Multifamily
Metro	AMPA	360	52,256	62,341	98,379	62,341	106,780	62,341
County	Bernalillo County	108	43,607	55,855	68,201	55,855	72,094	55,855
CPA	Isleta	13	18	0	22	0	77	0
CPA	KAFB	703	0%	0%	0%	0%	0%	0%
CPA	N East Mountains	51	266	0	2,415	0	2,637	0
CPA	North Valley	34	178	65	226	65	246	65
CPA	NW Acres	74	175	0	205	0	286	0
CPA	S East Mountains	90	169	0	282	0	1,405	0
CPA	South Valley	0	176	205	224	205	176	205
CPA	SW Mesa County	0	2,565	1,391	24,282	1,391	25,098	1,391
Place	Albuquerque	102	40,060	54,194	40,545	54,194	42,169	54,194
CPA	Central ABQ	0	284	294	291	294	303	294
CPA	East Gateway	43	354	867	367	867	844	867
CPA	Foothills	1,471	354	415	371	415	409	415
CPA	Mesa del Sol	42	11,409	0	11,429	0	11,622	0
CPA	Mid Heights	121	112	193	112	193	112	193
CPA	Near Heights	38	379	4,085	384	4,085	390	4,085
CPA	Near North Valley	40	344	108	364	108	392	108
CPA	North Albuquerque	1,130	687	3,051	697	3,051	729	3,051
CPA	North I-25	194	225	706	231	706	237	706
CPA	Northwest Mesa	2,147	9,158	37,030	9,279	37,030	9,558	37,030
CPA	Southwest Mesa	1,225	3,442	4,993	3,655	4,993	4,174	4,993
CPA	West Mesa	734	13,312	2,452	13,365	2,452	13,399	2,452
County	Sandoval County	2,414	3,562	0	21,666	0	21,778	0
Place	Rio Rancho	2,249	3,562	0	21,666	0	21,778	0
CPA	N Rio Rancho	1,267	2,794	0	20,662	0	20,721	0
CPA	S Rio Rancho	981	768	0	1,004	0	1,057	0
County	Torrance County	142	N/A	N/A	N/A	N/A	N/A	N/A
County	Valencia County	94	5,087	6,486	8,512	6,486	12,908	6,486
CPA	S. Santa Fe County	63	423	0	698	0	1,896	0

Access and Affordability

Ensuring income diversity and access to amenities like jobs, food, and green spaces is crucial for balanced regional development. The following analyses provide insights into the spatial distribution of these essential resources by comparing them to projected dwelling unit growth (from Figure III-2) and vacant land capacity (Scenario 2 "Higher Density" from Figure III-1).

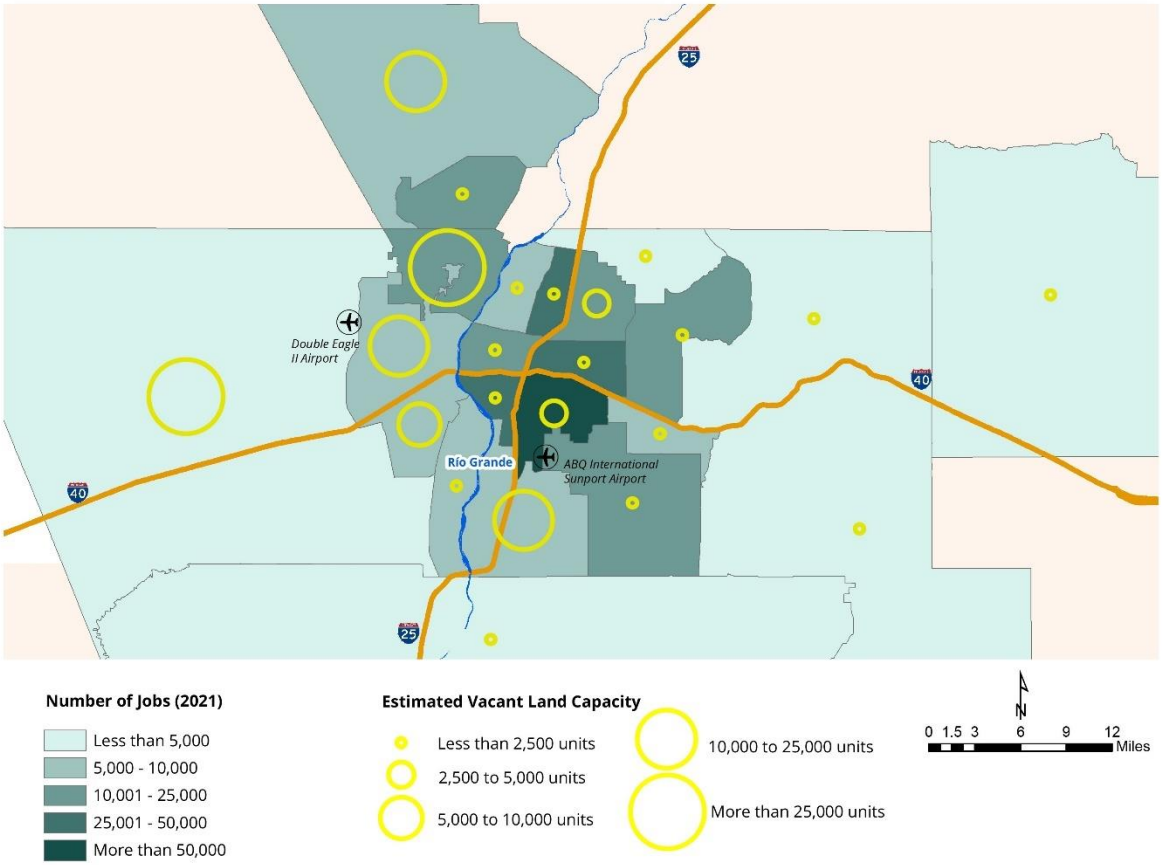
Job proximity. Figures III-10 and III-11 show projected dwelling unit growth and vacant land capacity compared to the location of jobs by CPA. Jobs are concentrated in the Near Heights, Central Albuquerque, Mid Heights, and North I-25 CPAs, while a significant share of projected growth and the majority of estimated vacant land capacity is concentrated in CPAs west of the Rio Grande. Encouraging infill development can help facilitate shorter commutes; additionally, restricting housing growth near transit centers and job centers pushes new development toward low-density, car-dependent suburbs, resulting in longer commutes and higher household transportation costs.

Figure III-10.
Projected Dwelling Unit Growth and Number of Jobs by CPA



Source: City of Albuquerque, MRCOG, LEHD, ACS 5-year estimates, and Root Policy Research.

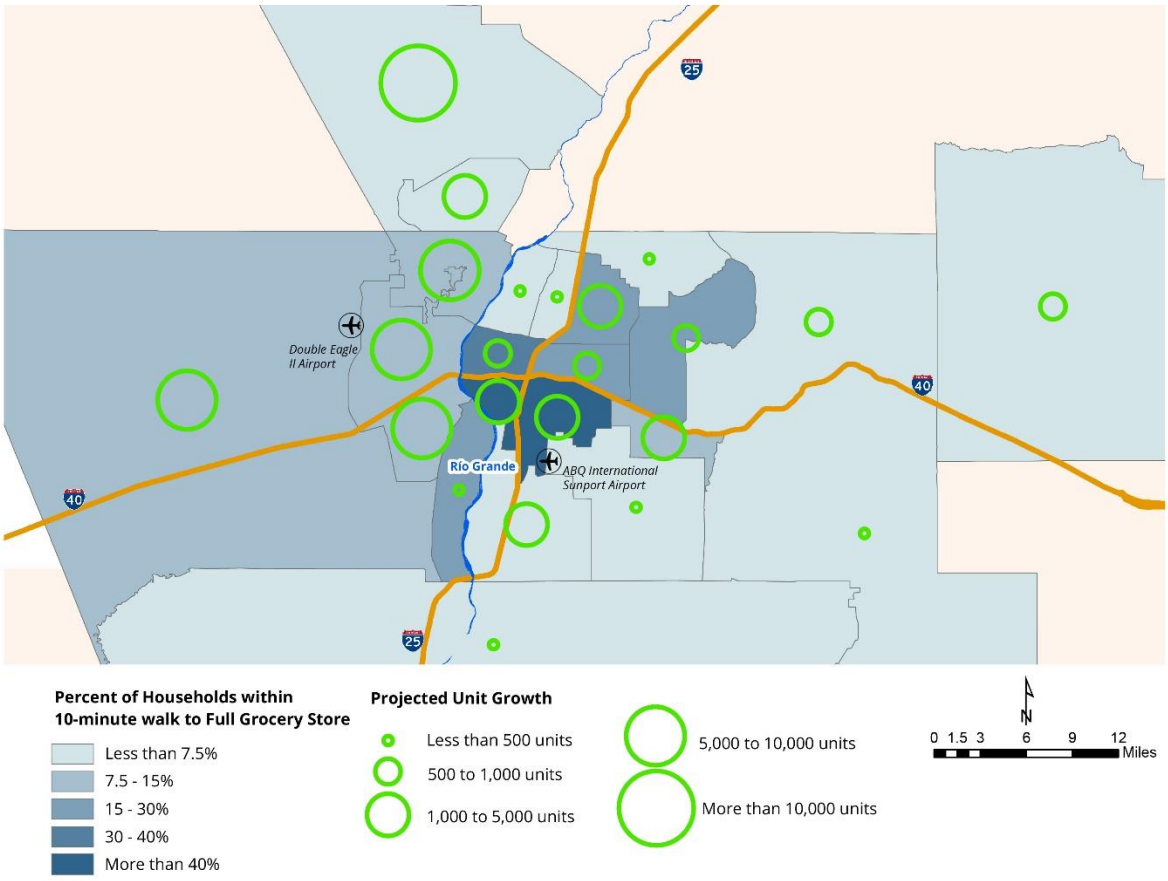
Figure III-11.
Vacant Land Capacity and Number of Jobs by CPA



Source: City of Albuquerque, MRCOG, LEHD, and Root Policy Research.

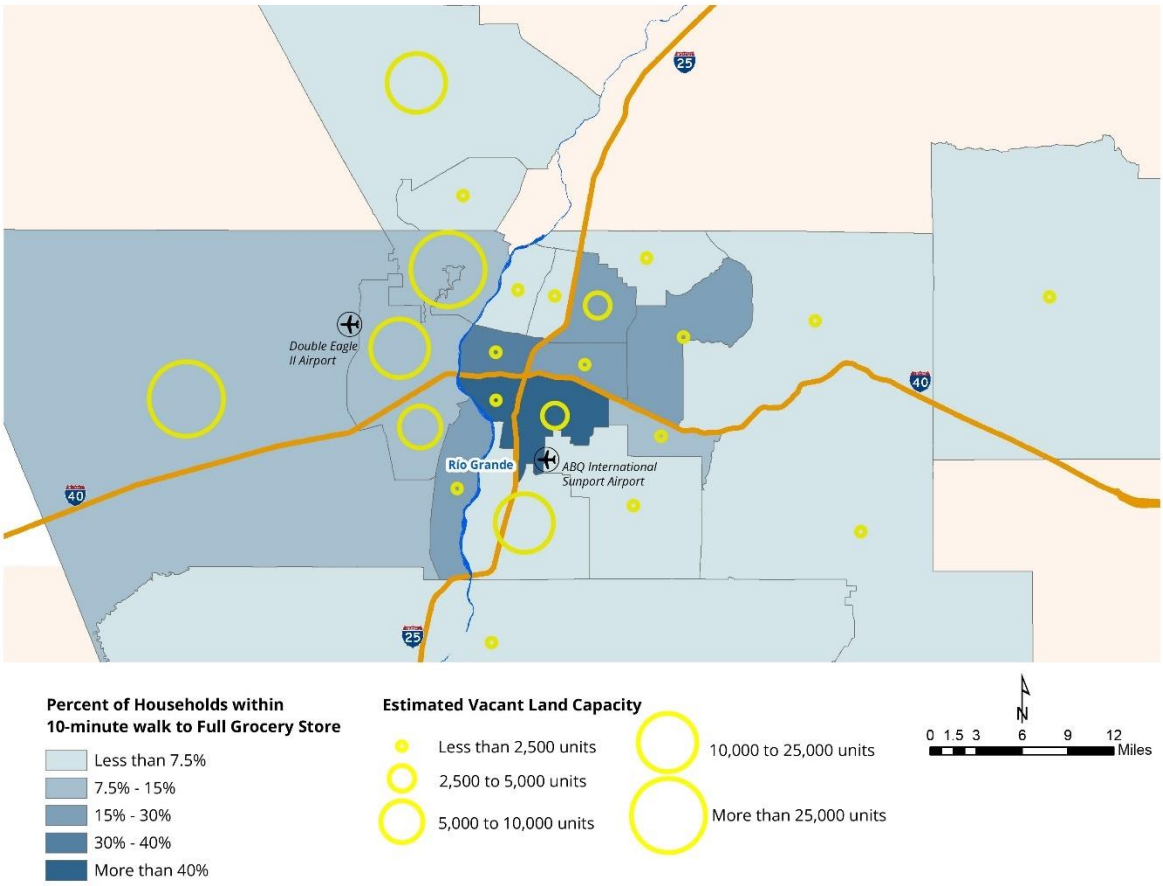
Food access. Figures III-12 and III-13 illustrate the projected dwelling unit growth and vacant land capacity in comparison to food access by CPA. Food access is determined by the percentage of households within a 10-minute walk to a full grocery store and is highest in the Central Albuquerque and Near Heights CPAs. CPAs with low food access and high projected growth include North Rio Rancho, South Rio Rancho, and Mesa del Sol. Meanwhile, CPAs with low food access and high vacant land capacity include North Rio Rancho and Mesa del Sol.

Figure III-12.
Projected Dwelling Unit Growth and Food Access by CPA



Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

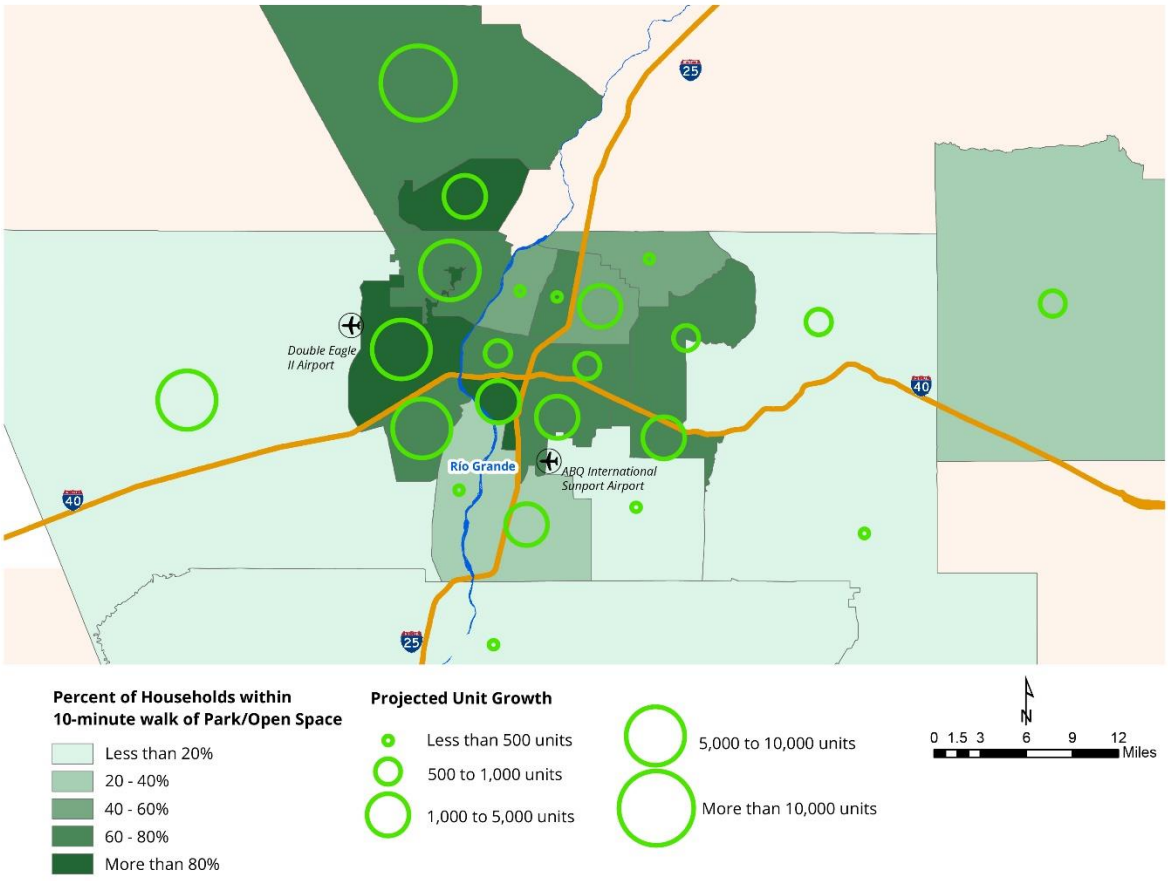
Figure III-13.
Vacant Land Capacity and Food Access by CPA



Source: City of Albuquerque, MRCOG, and Root Policy Research.

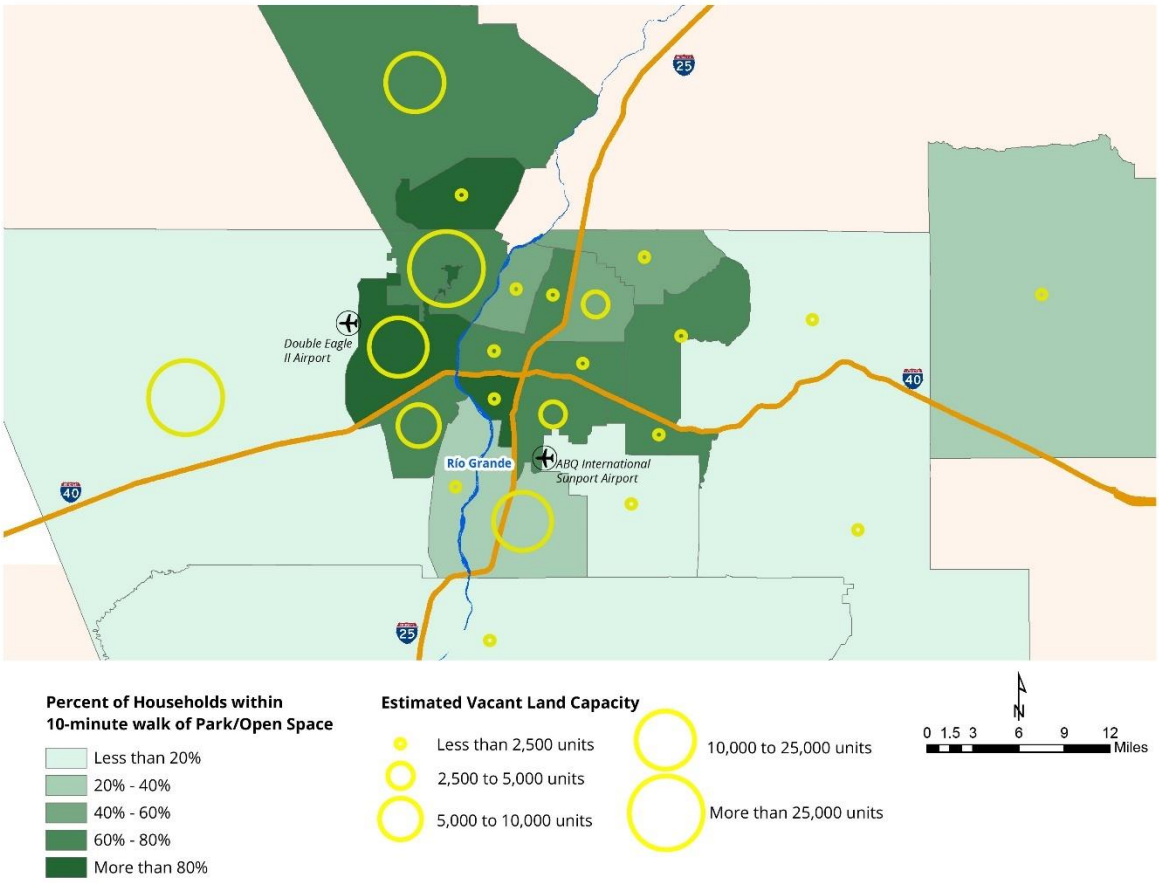
Green space access. Figures III-14 and III-15 show projected dwelling unit growth and vacant land capacity compared to green space access by CPA. Green space access is measured by the percentage of households within a 10-minute walk of a park or open space. Most CPAs have high accessibility to open space. The CPA with low green space access and higher projected growth and vacant land capacity is Southwest Mesa County; however, as new subdivisions develop there will likely be new parks and open spaces that are developed to serve that growth.

Figure III-14.
Projected Dwelling Unit Growth and Green Space Access by CPA



Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

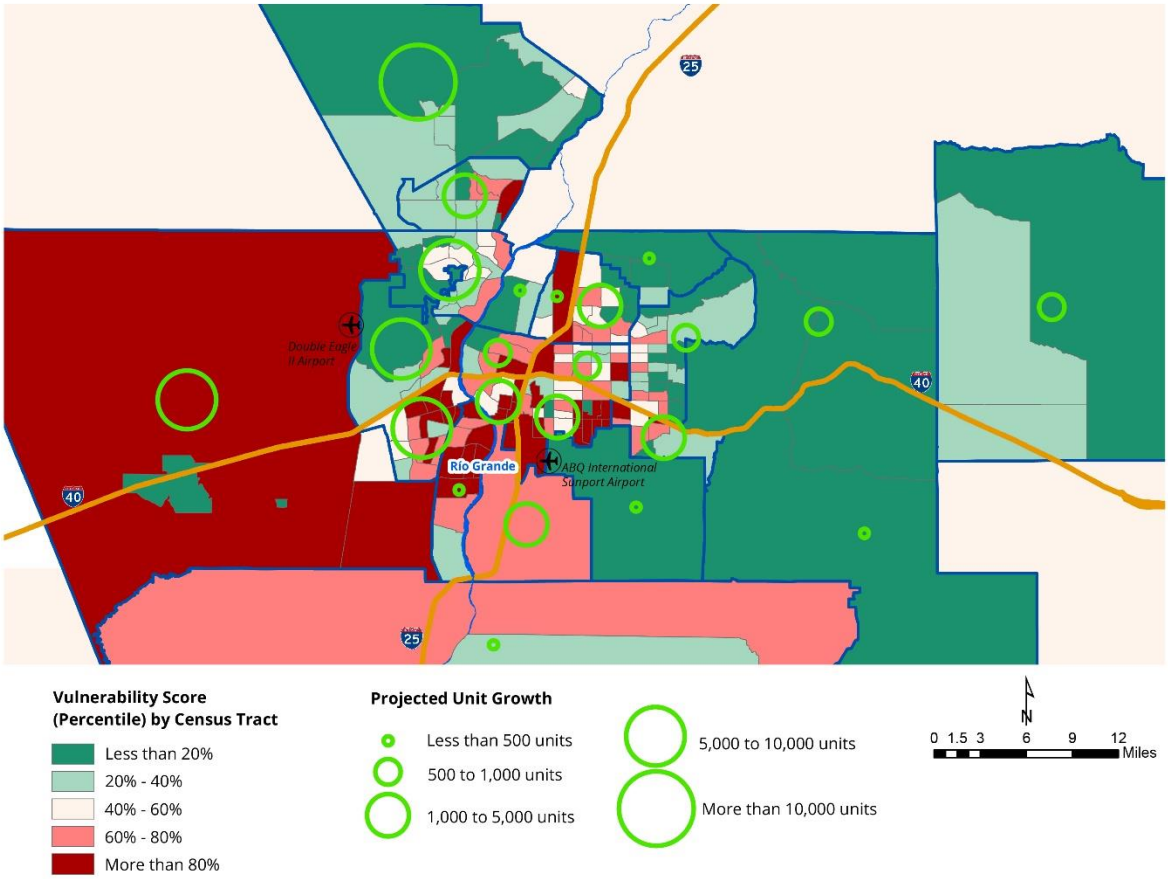
Figure III-15.
Vacant Land Capacity and Green Space Access by CPA



Source: City of Albuquerque, MRCOG, and Root Policy Research.

Social vulnerability. Figures III-16 and III-17 show projected dwelling unit growth and vacant land capacity compared to the social vulnerability score by Census Tract. The social vulnerability score[7] evaluates the vulnerability of every census tract based on social factors such as poverty, lack of vehicle access, overcrowded housing, education, socioeconomic status, and disability status. CPAs in the highest vulnerability score percentile[8] with high projected growth and high vacant land capacity include Southwest Mesa and Southwest Mesa County. It is important to implement anti-displacement or economic mobility strategies in areas of high social vulnerability to minimize negative impacts on vulnerable populations and promote inclusive growth when planning new developments.

Figure III-16.
Projected Dwelling Unit Growth and Social Vulnerability Score by Census Tract

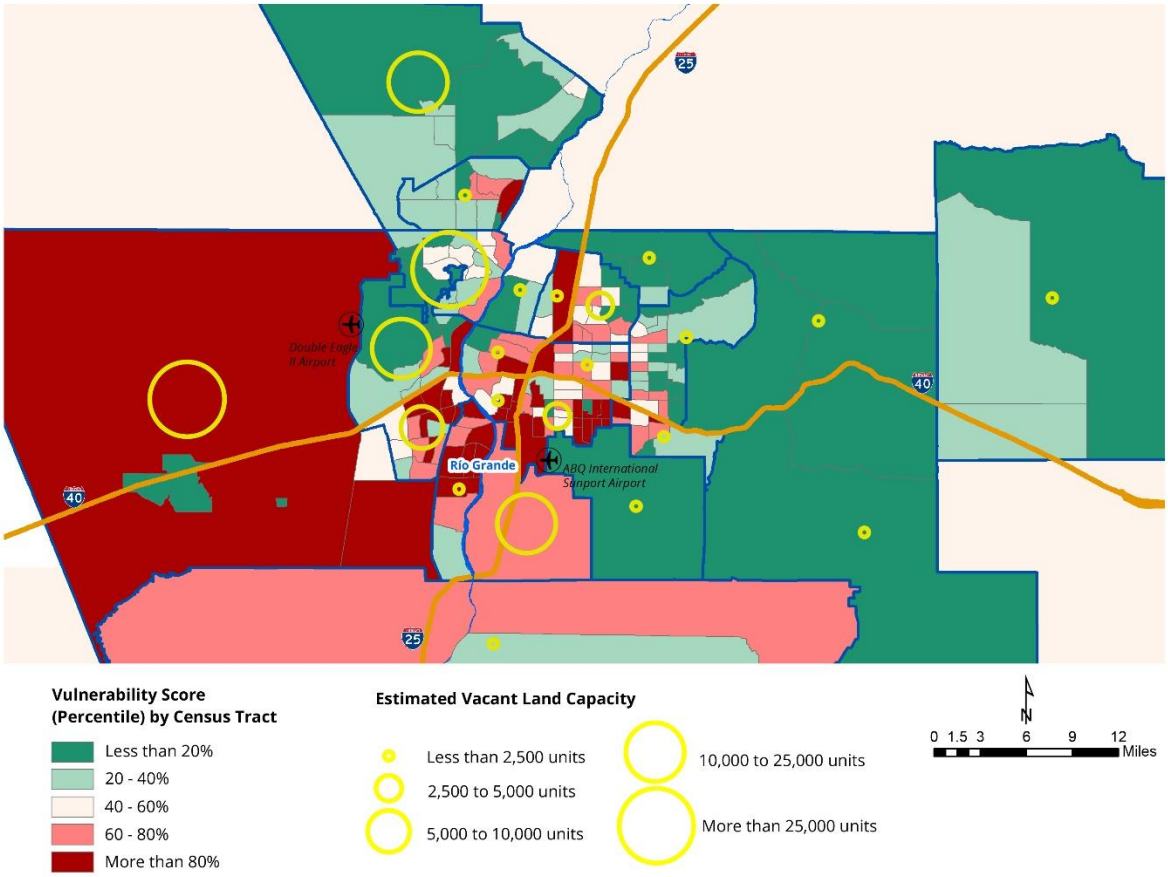


Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

[7] The score was produced by MRCOG using 2021 ACS data and similar to the Centers for Disease Control and Prevention's methodology.

[8] A percentile ranking indicates the percentage of tracts that are at or below the level of social vulnerability of a particular tract. For instance, a score of 80% means that 80% of tracts in the region are less vulnerable than the tract of interest, and 20% are more vulnerable.

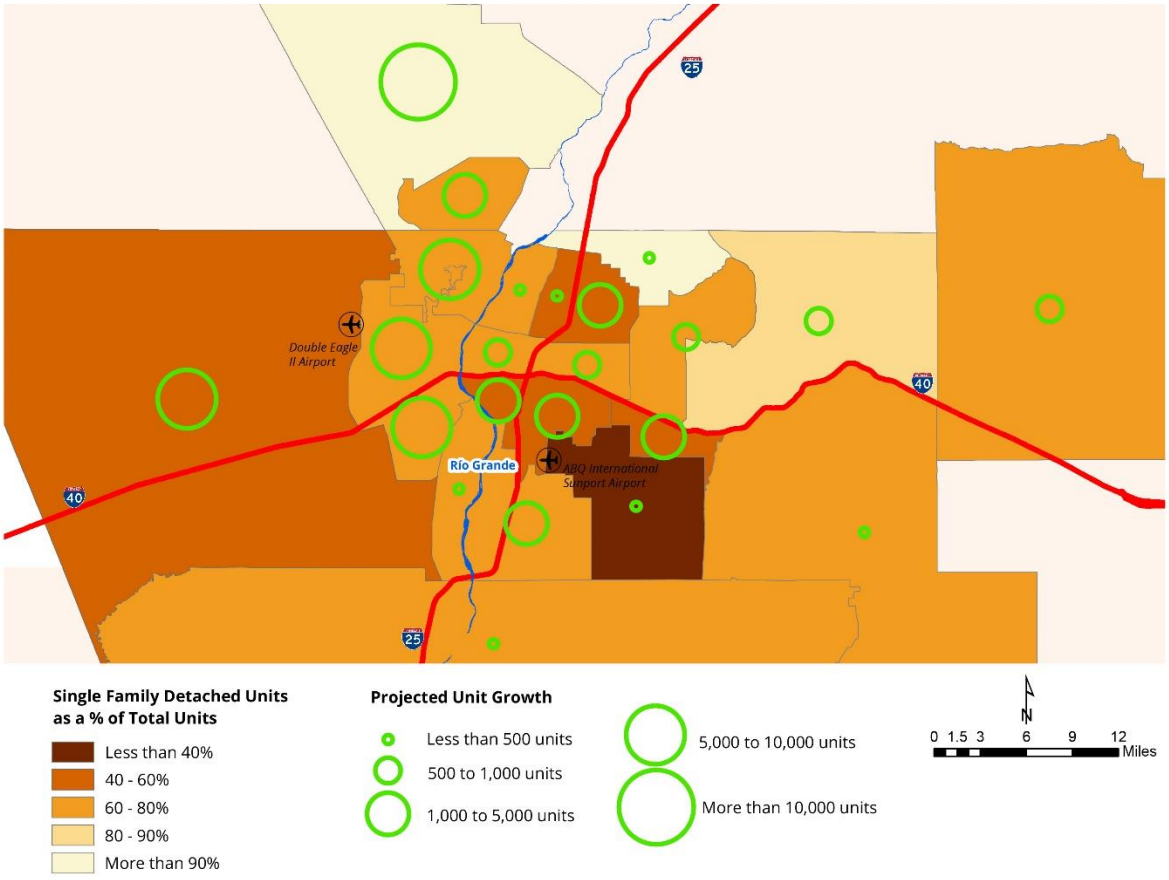
Figure III-17.
Vacant Land Capacity and Social Vulnerability Score by Census Tracts



Source: City of Albuquerque, MRCOG, and Root Policy Research.

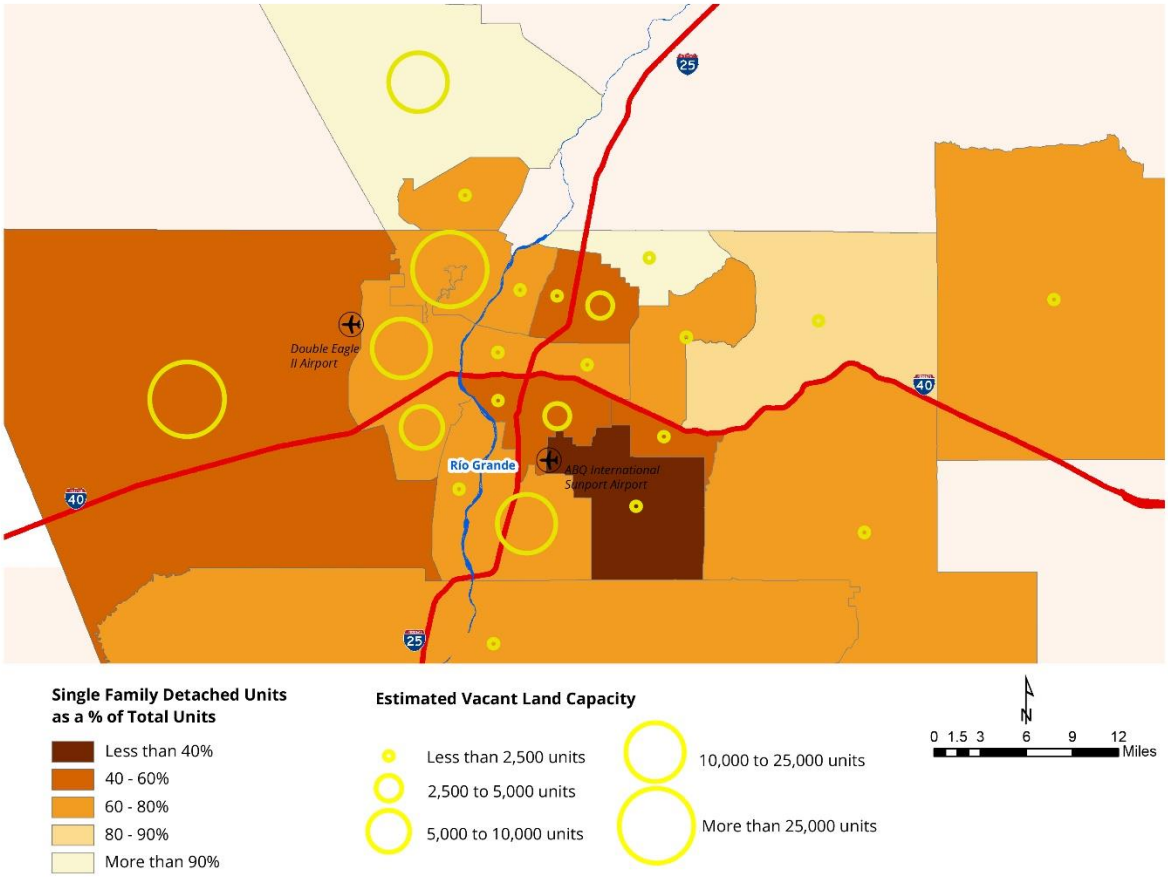
Housing diversity. Figures III-18 and III-19 show projected dwelling unit growth and vacant land capacity compared to the percentage of single-family detached units by CPA. Single-family detached units make up the majority of housing units in most CPAs. This share is particularly high (over 90%) in North Rio Rancho and Northwest Acres. Among these, projected growth and vacant land capacity are high in North Rio Rancho. Encouraging a variety of housing options can help meet the needs of different household compositions and income levels.

Figure III-18.
Projected Dwelling Unit Growth and Percent Single-Family Detached Units by CPA



Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

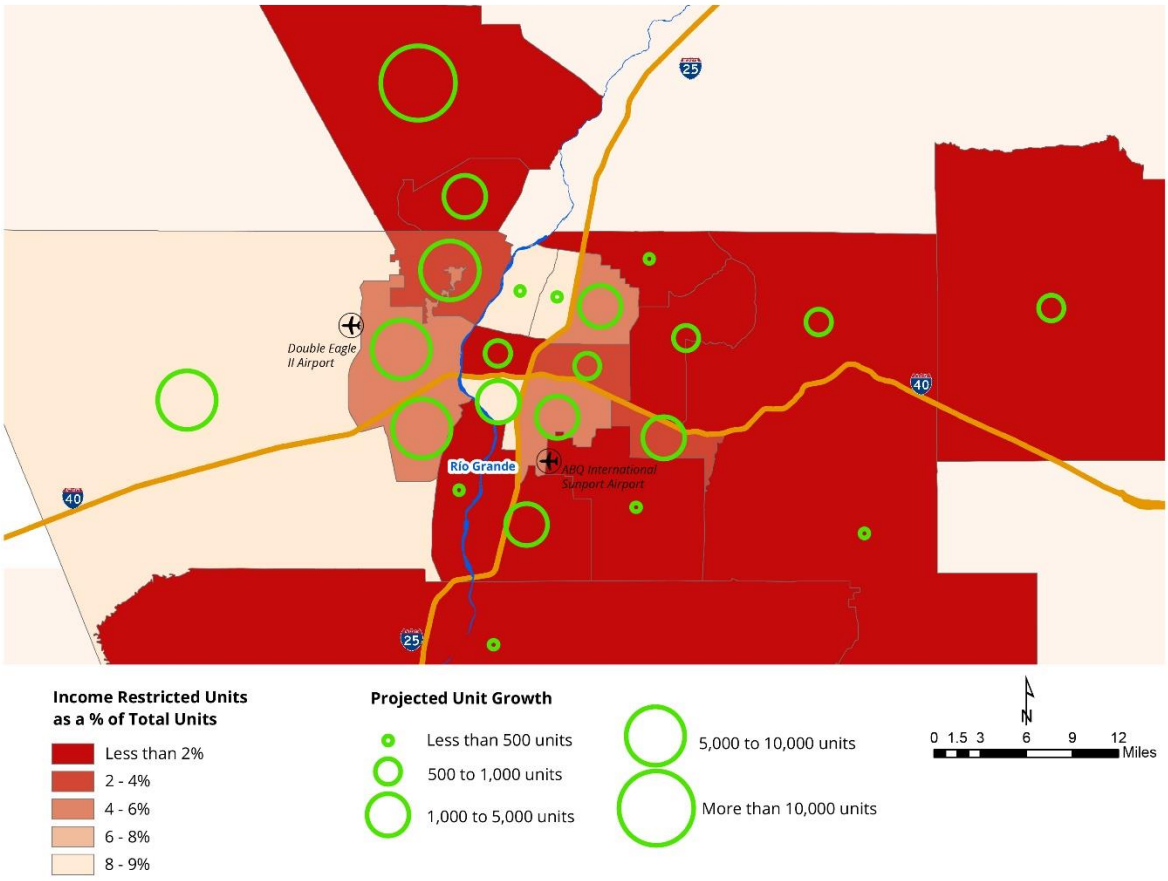
Figure III-19.
Vacant Land Capacity and Percent Single-Family Detached Units by CPA



Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

Income restricted units. Figures III-20 and III-21 show projected dwelling unit growth and vacant land capacity compared to the percentage of income restricted[9] units by CPA. The percentage of income restricted units is highest in the North Valley, North I-25, Central Albuquerque, and Southwest Mesa County. Among these areas, Southwest Mesa County stands out with high projected growth and vacant land capacity. It is important to support market development with affordable development, invest in neighborhoods with affordable housing options, and encourage the development of income-restricted units in other parts of the region. By promoting the development of income-restricted units, the region can ensure that affordable housing options are available throughout the region.

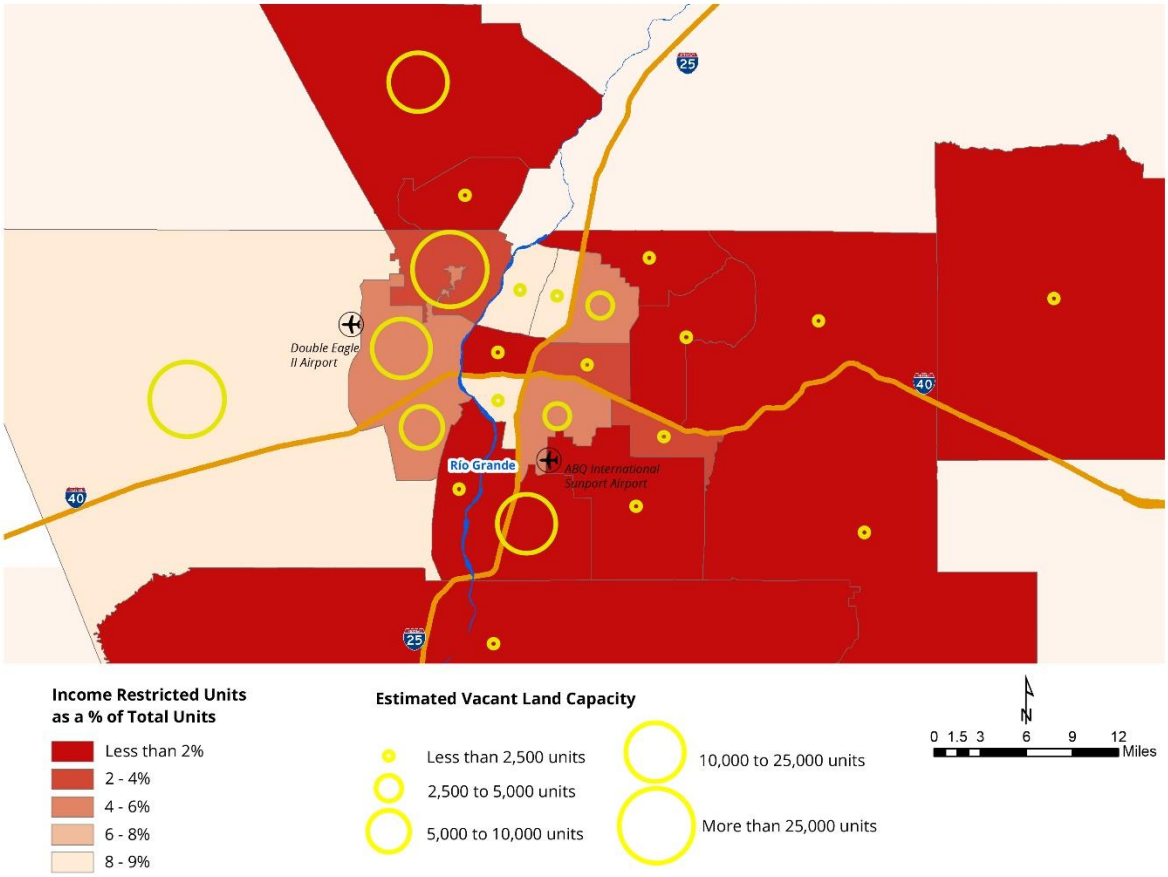
Figure III-20.
Projected Dwelling Unit Growth and Percent Income Restricted Units by CPA



Source: City of Albuquerque, MRCOG, ACS 5-year estimates, and Root Policy Research.

[9] Income restricted units are preserved for low-income individuals or families through imposed limitations on the maximum amount of income tenants can earn.

Figure III-21.
Vacant Land Capacity and Percent Income Restricted Units by CPA



Source: City of Albuquerque, MRCOG, and Root Policy Research.

Affordability. According to the Venturi Realty Group Albuquerque MSA residential real estate market data as of May 20, 2024, the 90-day average price was $440,000 for homes and $324,900 for condominiums. Figure III-22 shows different average characteristics among four different price segments for homes and condos. The last column of the table shows the estimated income required to afford each price point without being cost-burdened. Demand for more affordable price points is stronger, as indicated by the lower days on the market (DOM), and smaller homes and lots are required to reach deeper affordability levels.

Figure III-22.
Albuquerque MSA Residential Real Estate Market Data by Price Segment and Type

Median Price	Sq. Ft.	Lot Size	Beds	Bath	Age	New	DOM	Income Required
Homes								
$780,000	3,111	0.5 - 1 acre	4	3	22	29	49	$236,878
$505,000	2,356	8,000 - 10,000 sqft	4	3	19	37	35	$153,363
$380,000	1,903	6,500 - 8,000 sqft	3	2	20	41	28	$115,402
$299,900	1,447	6,500 - 8,000 sqft	3	2	43	47	28	$91,076
Condos								
$450,000	1,919	0 - 4,500 sqft	3	3	21	0	119	$136,660
$350,000	1,648	0 - 4,500 sqft	3	2	26	2	28	$106,291
$250,000	1,200	0 - 4,500 sqft	2	2	37	5	35	$75,922
$150,000	894	6,500 - 8,000 sqft	2	2	52	4	14	$45,553

Note: Each segment represents approximately 25% of the market ordered by price. Data were retrieved on May 20, 2024. Income required assumes a household spends 30% of their income on housing and assumes a 30-year mortgage with a 10% downpayment, 6.8% interest rate, and 30% of monthly payment is used for property taxes, utilities, and insurance.

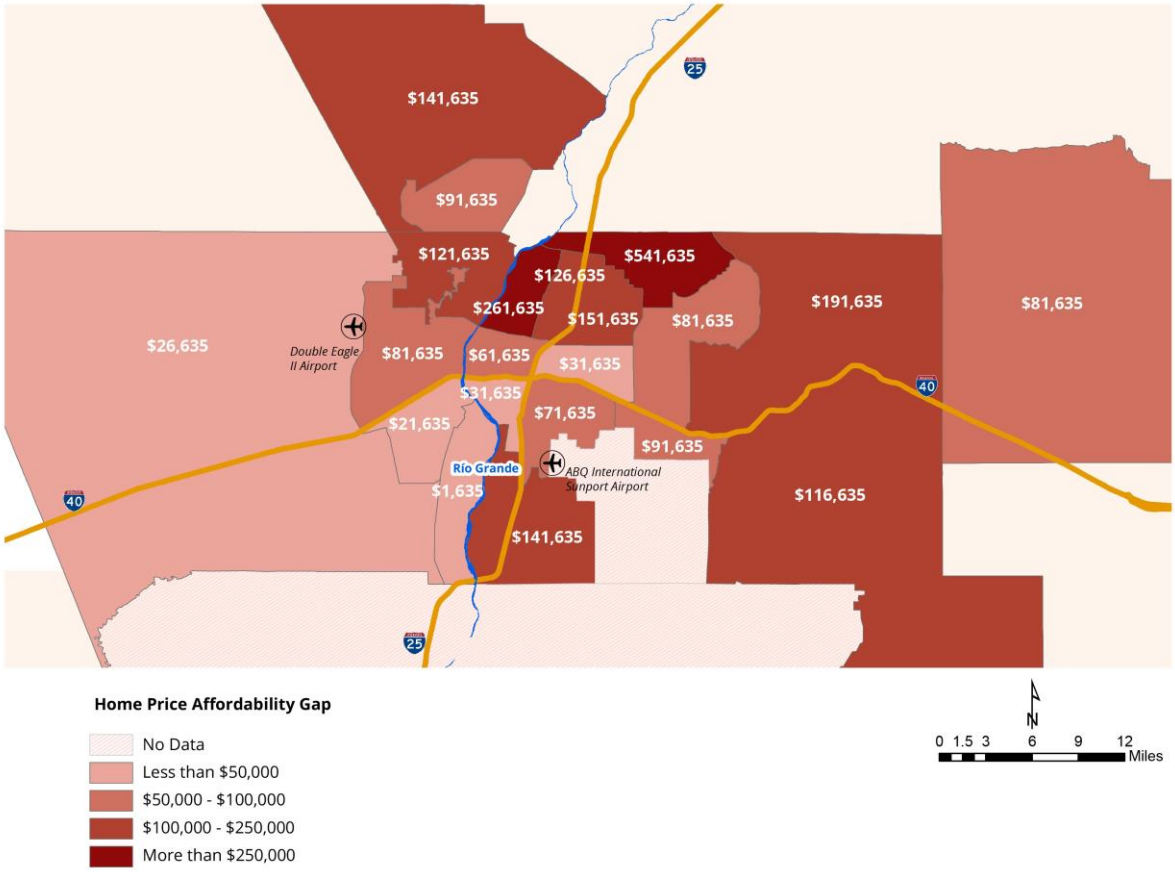
Source: Venturi Realty Group and Root Policy Research.

Based on MLS data from Redfin, the average list price of new construction homes in the region is $458,000 and $500,000 in Albuquerque, and the average price per square foot is around $240. According to the National Association of Home Builders, in 2022, an average of 60% of a home's sales price went to construction costs. Applying this percentage to the average price results in an estimated cost of construction of $275,000 in the region and $300,000 in Albuquerque and an average cost per square foot of around $145. This means that the gap between what is affordable at the median renter income of $47,238 and the average construction cost of a new unit is $112,000 in the region and $137,000 in Albuquerque. The gap between what is affordable at the median household income of $67,620 and the average cost of a new unit is $41,600 in the region and $66,600 in Albuquerque. It is important to encourage housing diversity and higher density to address this issue to reduce housing costs per unit.

Additionally, other costs, including financing costs, also increase the cost of housing, further increasing the affordability gap. As discussed in Section I (Figure I-11), in 2022, the gap between the home price affordable for a household with a median renter income and the median home price was around $152,000 ($163,025 affordable price compared to $315,000 median home price.)

Figure III-23 shows the home price affordably gap at the median renter income by CPA in 2022. CPAs with the largest home price affordability gap (over $100,000) include Northwest Acres, North Valley, Northeast Mountains, North Albuquerque, Mesa del Sol, North Rio Rancho, North I-25, Northwest Mesa, and Southeast Mountains.

Figure III-23.
Home Price Affordability Gap at Median Renter Income, by CPA, 2022

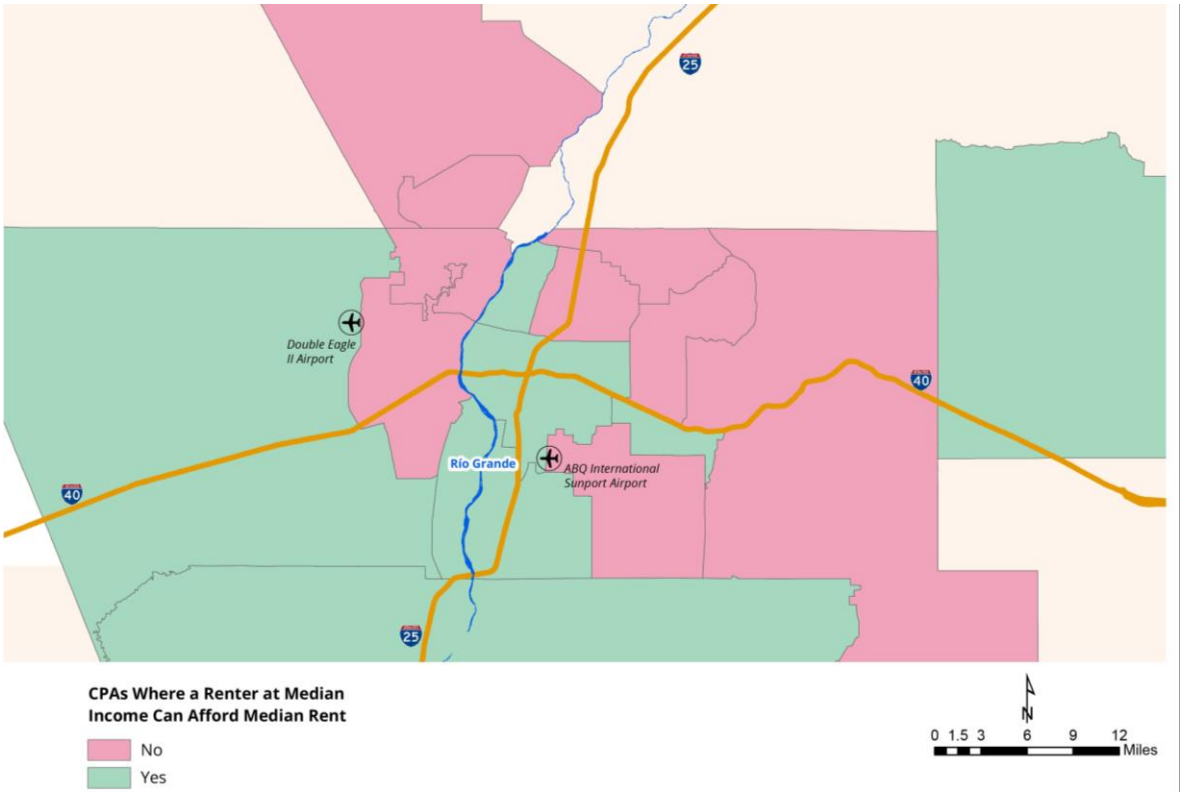


Note: Affordability estimates assume a household spends 30% of their income on housing and assume a 30-year mortgage with a 10% downpayment, 30% of monthly payment is used for property taxes, utilities, insurance. Interest rates used are the historical 30-year fixed rate average from Freddie Mac from 2018 to 2022.

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

Rental affordability has also decreased, as highlighted in the rental gaps analysis in Section I. Figure III-24 below shows the CPAs where a renter with a median income can afford to rent according to 2022 data. The median rent is unaffordable at the median renter income in over half of the CPAs including the Foothills, KAFB, Northeast Mountains, North Rio Rancho, North Albuquerque, North I-25, Northwest Mesa, Northwest Acres, Southeast Mountains, South Rio Rancho, Southwest Mesa, and West Mesa.

Figure III-24.
CPAs Where a Renter at Median Income Can Afford the Median Rent, 2022



Note: Affordability estimates assume a household spends 30% of their income on housing.

Source: 2022 ACS 5-year estimates and Root Policy Research.

Appendix B

This appendix provides the methodology used for estimating vacant land capacity under current zoning regulations. The methodology encompasses the calculation of developable land, zoning assumptions, and the estimation process for housing unit capacity across the various scenarios. Detailed zoning maps, parcel data, and planned development information were provided by the Mid-Region Council of Governments (MRCOG) and the City of Albuquerque.

Methodology overview. Vacant land capacity was estimated by analyzing developable vacant land parcels at the Community Planning Area (CPA) level. The following steps outline the process used to determine the number of housing units that can be accommodated based on current zoning:

1. Identification of vacant land parcels:

- Data on vacant land parcels were obtained from the Mid-Region Council of Governments (MRCOG) and the City of Albuquerque.
- Parcels were classified as developable if they were vacant and zoned for residential purposes and did not have significant development constraints (e.g., environmental restrictions, infrastructure limitations).

2. Calculation of developable land area:

- The total square footage of each parcel was calculated by multiplying the number of acres by 43,560 (square feet per acre).
- A developable percentage was applied to account for portions of the parcel that are undevelopable due to physical or regulatory constraints. This percentage ranges from 0 to 1, representing the fraction of the parcel that can be developed.

3. Zoning assumptions:

- Each parcel's zoning designation was used to determine the allowable density (number of units per acre) based on minimum lot size, maximum density allowed, and open space requirements under the zoning code.
- Parcels allowing both single-family and multifamily developments were analyzed under two scenarios: “Lower Density” defaulting to single-family developments and “Higher Density” defaulting to multifamily developments.

4. Estimation of housing units:

- The developable land area was divided by the minimum lot size for single-family and assuming three-story walkup type development and accounting for parking and open space zoning requirements for multifamily units to approximate a reasonable density

in areas with no maximum density restrictions based on applicable height restrictions. In the other areas, the maximum density allowed under the zoning code was applied.

- Three scenarios were created to provide a range of capacity estimates:
    - Scenario 1: Assumes that large land parcels capable of accommodating more than one single-family unit based on minimum lot size requirements are not subdivided. This scenario represents a conservative estimate of housing capacity. Capacity estimates in this scenario range from 53,000 to 115,000 units in the CPAs.
    - Scenario 2: Includes subdivision of large parcels within utility service areas, allowing for higher density. In this scenario, the estimated vacant land capacity in the CPAs in the region ranges from 106,200 units to 161,400 units.
    - Scenario 3: Envisions full subdivision of large parcels, assuming expanded utility service areas for long-term capacity. Under this scenario, the estimated vacant land capacity in the CPAs in the region ranges from 122,100 units to 170,900 units.
- Results were cross-referenced with City of Albuquerque and MRCOG staff to validate the estimates. Data on planned developments provided by the City of Albuquerque and MRCOG were incorporated into estimates to account for areas zoned for planned development.

Example calculation. Single-family development for a 10-acre parcel zoned for residential use with a developable percentage of 0.9 (90% developable) assuming subdivision.

- Total developable area: 10 acres x 43,560 sq ft/acre x 0.9 = 392,040 sq ft.
- Zoning allows for 1 unit per 5,000 sq ft (single-family) with no open space requirements.
- Estimated housing units: 392,040 sq ft / 5,000 sq ft/unit = 78 units.

Multifamily development calculation for a 5-acre parcel zoned for multifamily use with a developable percentage of 0.85 (85% developable).

- Total developable area: 5 acres x 43,560 sq ft/acre x 0.85 = 185,130 sq ft.
- Assuming a three-story walkup type development with equal distribution of unit type (studio to 3 bed) and accounting for parking and open space zoning requirements, yields a minimum floor area of 9,325 sq ft. required for development.
- Estimated housing units: 185,130 / 9,325 x 4 x 3 = 238 units.
- For an area with a maximum density of 20 units per acre, the estimated units would be: 5 acres x 0.85 X 5 = 85 units.