

New Mexico's Housing Shortage And Lessons from Policy Outcomes Elsewhere

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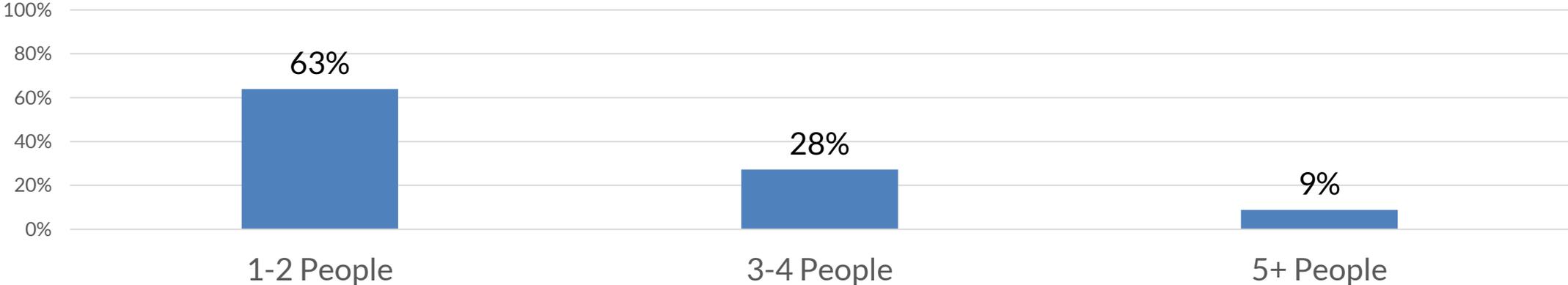
Pew

Housing Costs Have Reached All-Time High in the Past Year

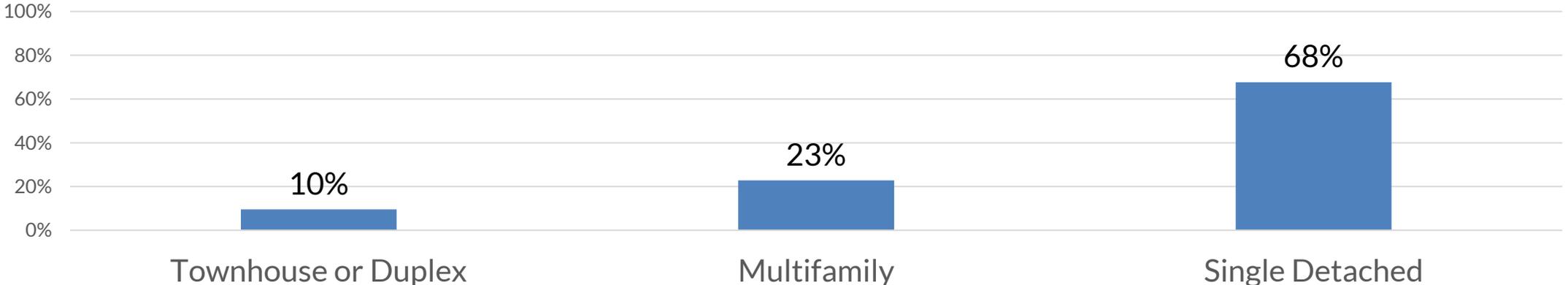
- Half of renters are spending more than 30% of their income on rent
- One-quarter of renters are spending more than 50% of their income on rent
- First time median rent has reached \$1,400 or median sale price has topped \$420,000
- U.S. housing shortage estimated at 4 to 7 million homes

63% of households have 1-2 people; just 23% of housing is multi-family

Share of US Households by Household Size

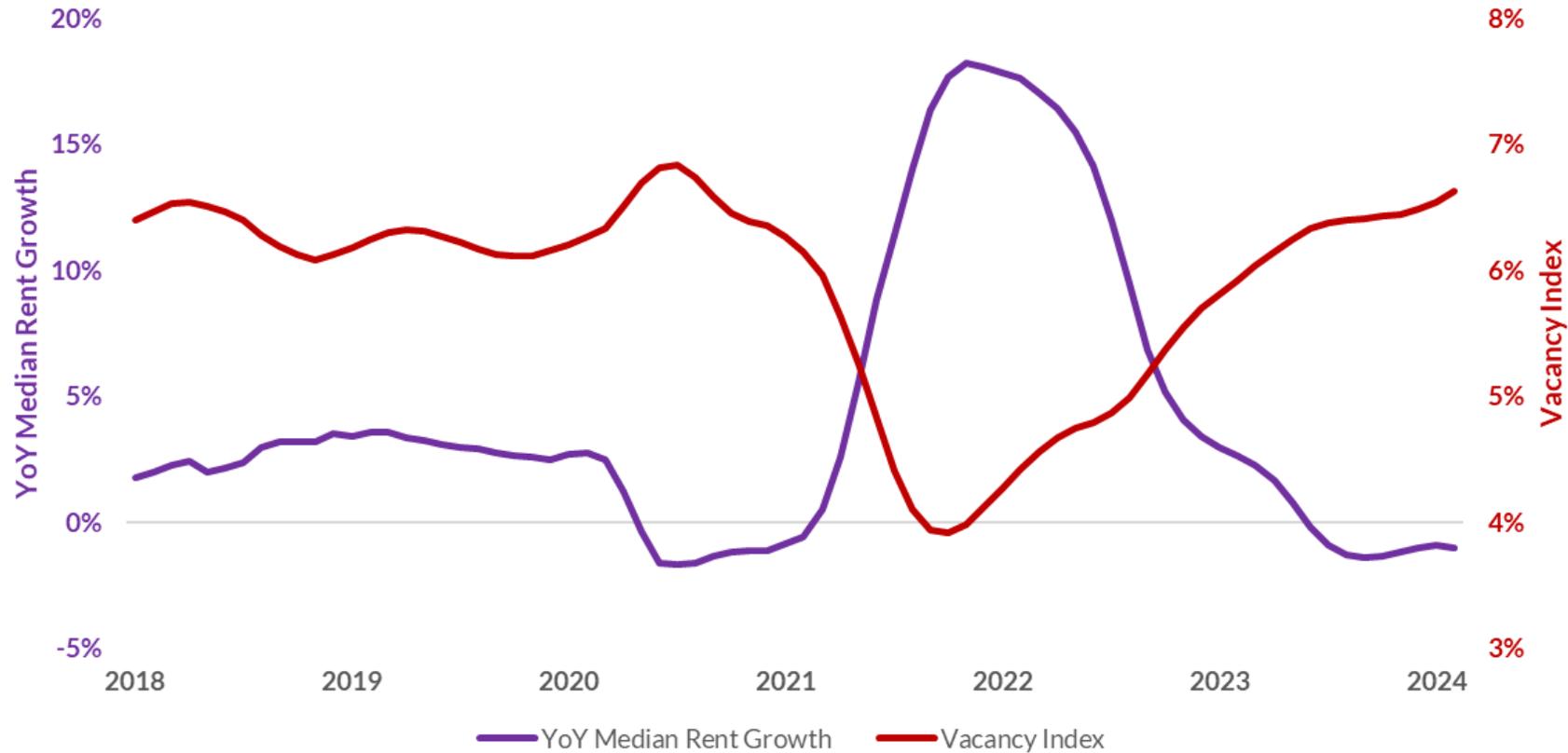


Share of US Homes



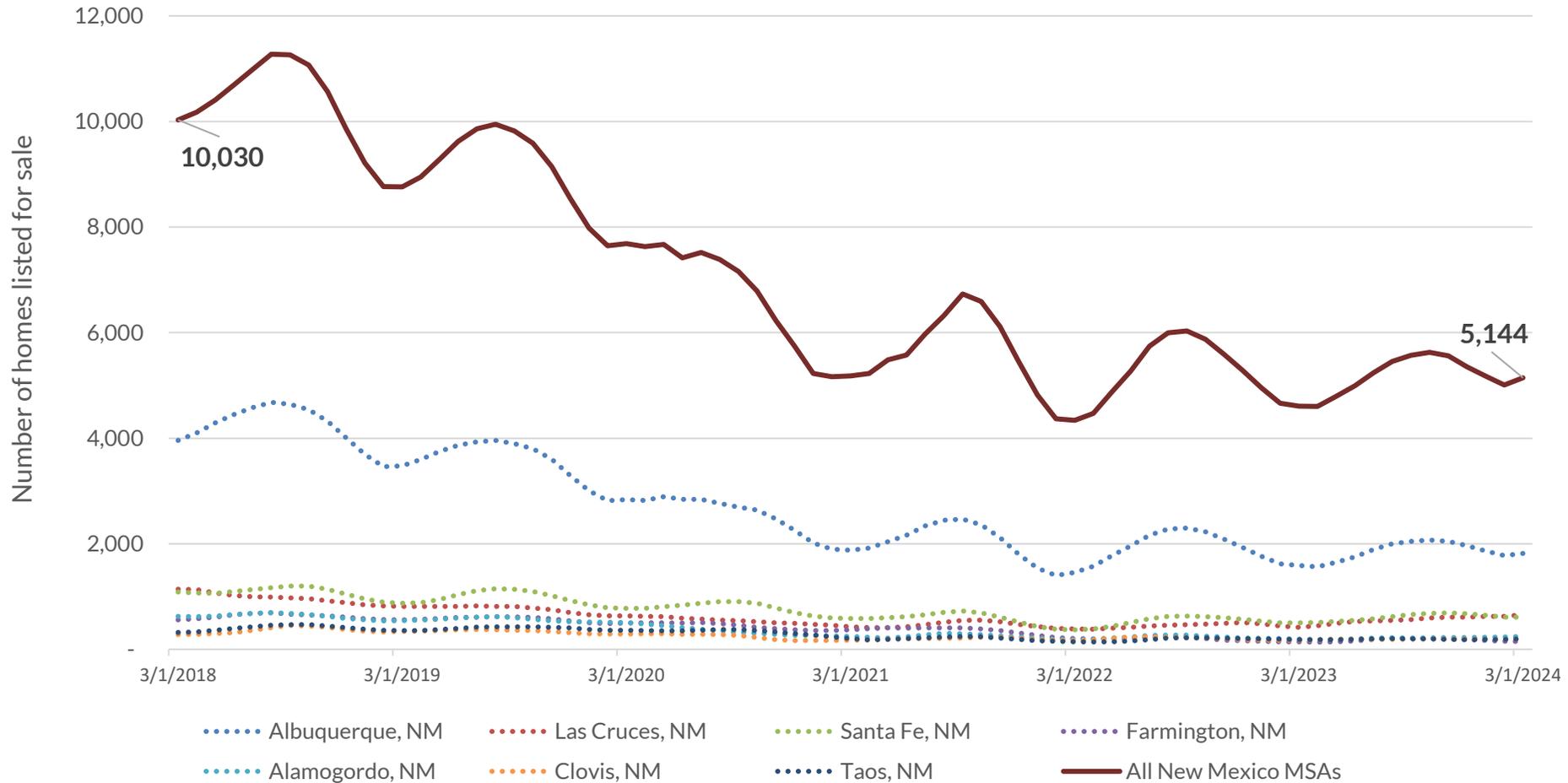
Rents Rise Quickly When Shortages Occur

Rent Growth vs. Vacancy Rate in the United States



Source: Data from Apartment List

New Mexico's Housing Inventory Half of 2018 Level

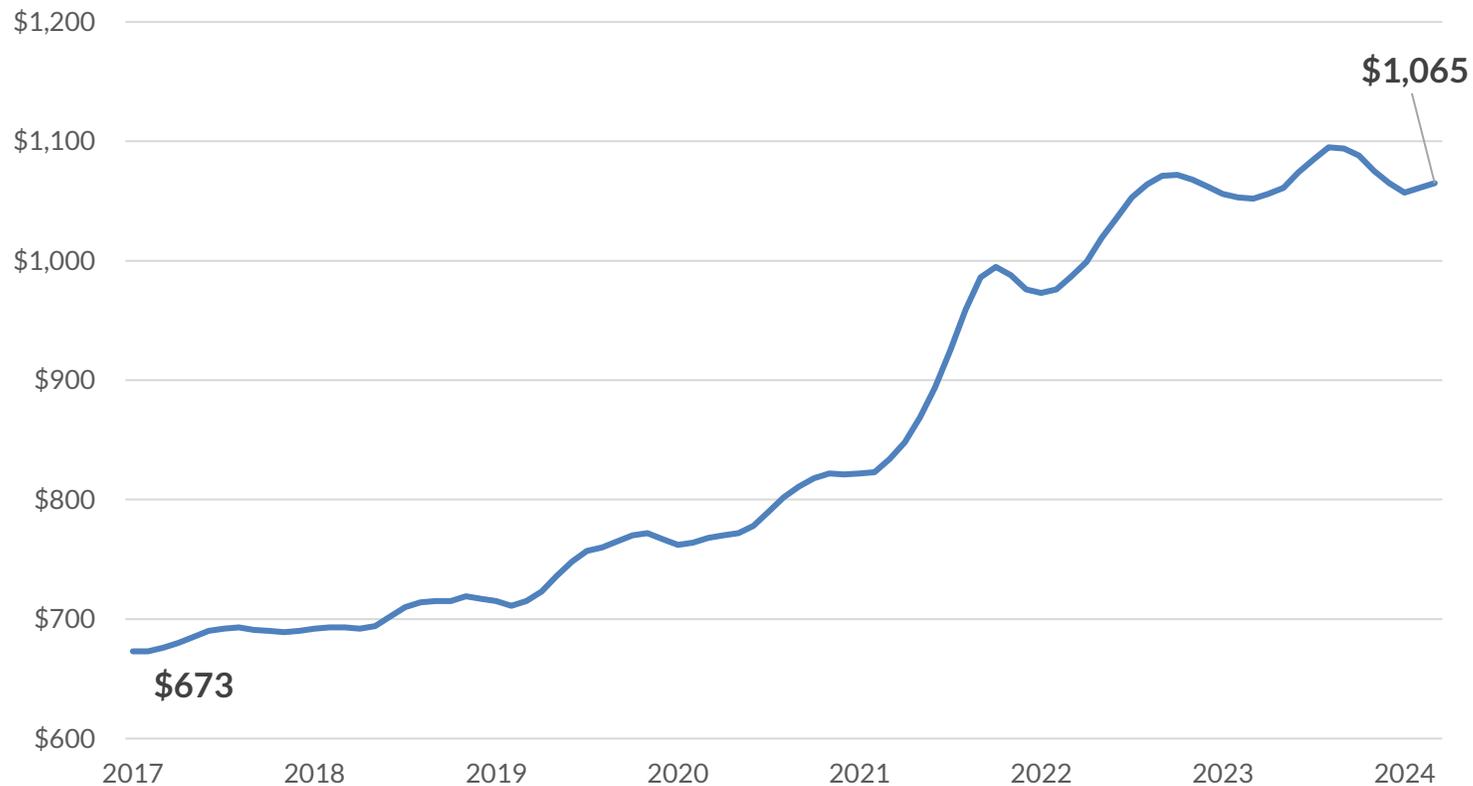


**New Mexico
median home cost:**
Dec. 2018: \$186k
Dec. 2024: \$302K

Source: Zillow Data

New Mexico Rents Rise Amidst Shortage

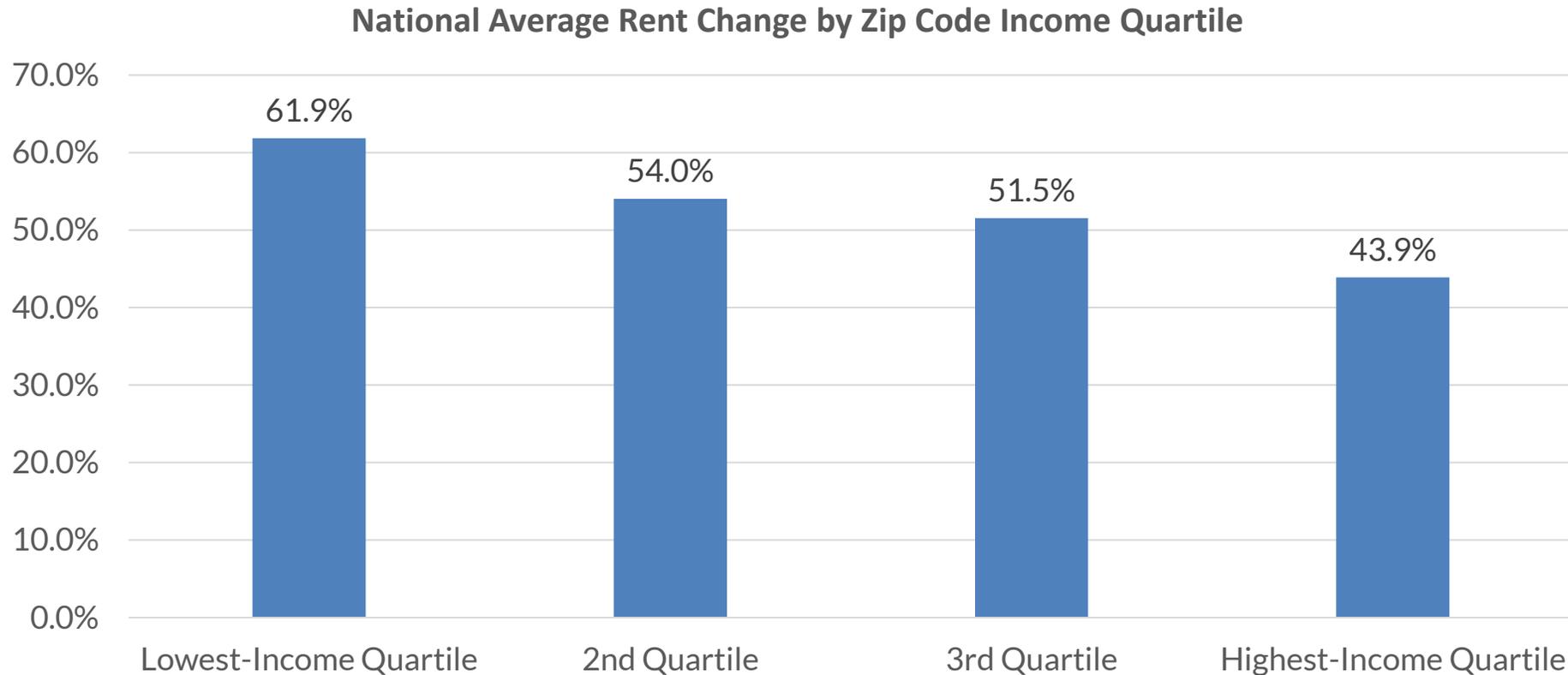
Median Monthly Rent in New Mexico
Increased 58% from Mar. 2017 to Mar. 2024



U.S = 29%
N.M.=58%
Albuquerque= 58%
Santa Fe= 74%

Source: Apartment List Rent Estimate data

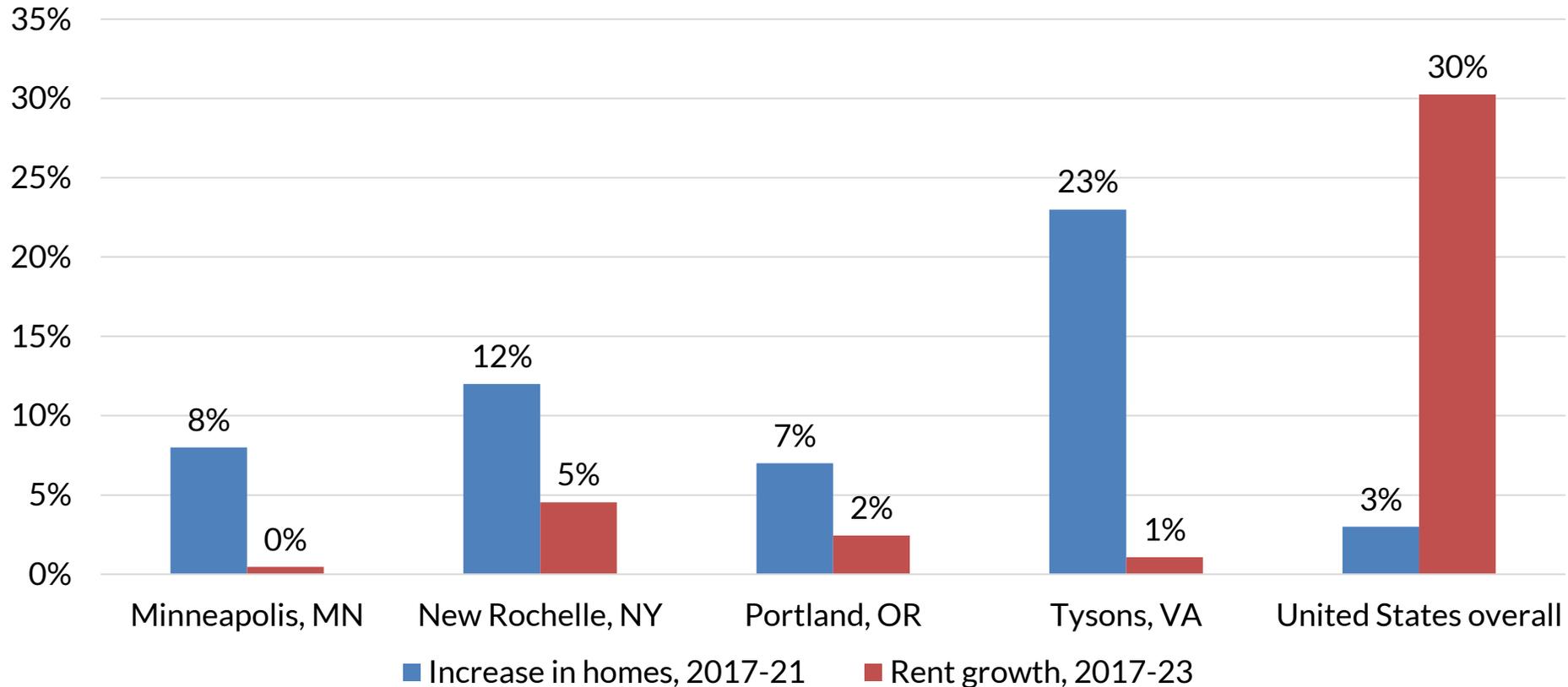
Housing Shortage Hurts Low and Moderate-Income Households Most



Source: Pew's analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

New Data Confirms More Supply = Lower Housing Costs

Rent Growth Is Low Where Housing Has Been Added

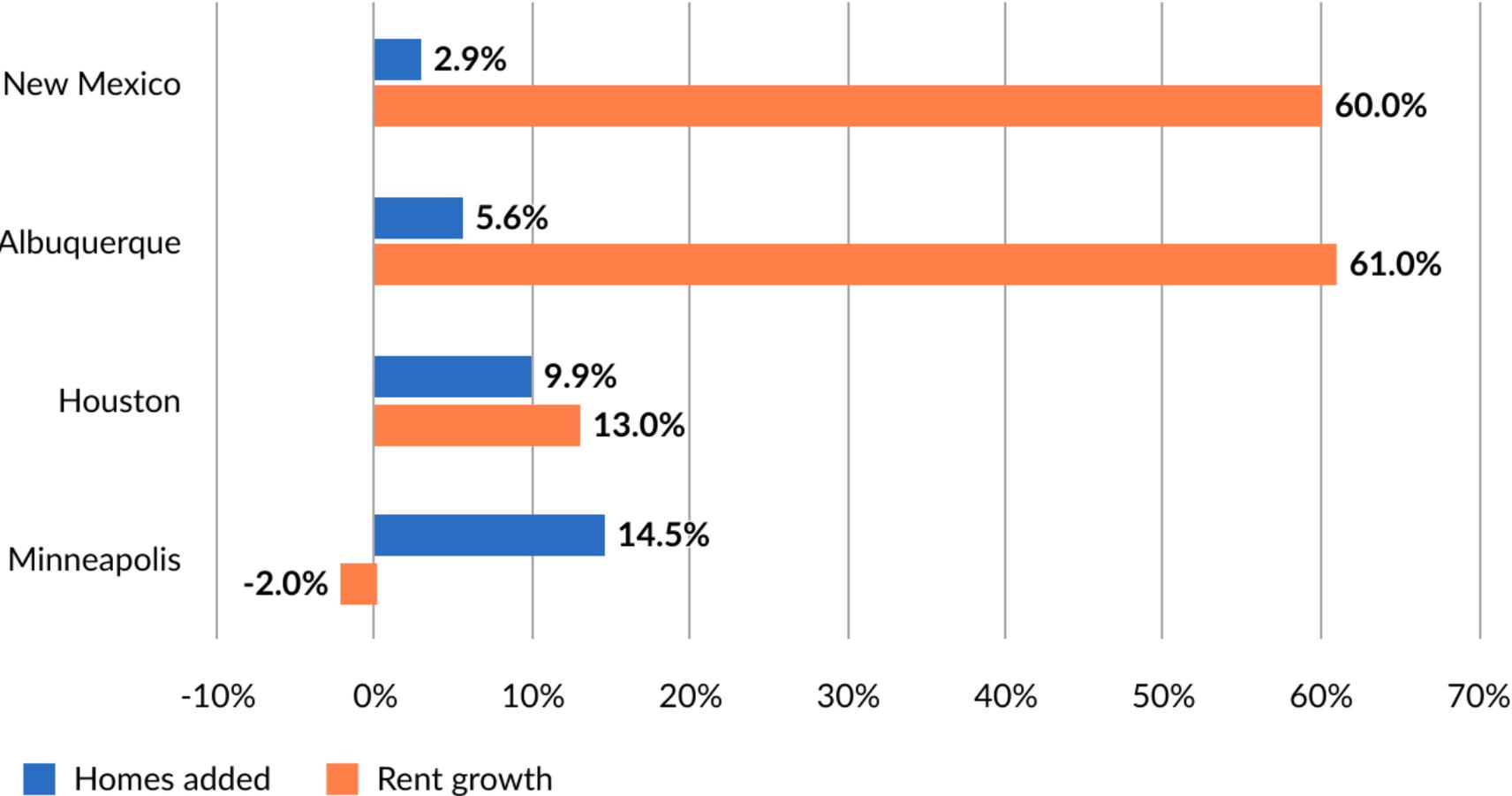


The four local jurisdictions shown added proportionally more households than the U.S. overall from 2017-21—indicating low demand was not the cause of their slow rent growth.

Source: Pew's analysis of Apartment List rent estimate data (Jan. 2017-Jan. 2023) and U.S. Census data on housing units (2017-2021)

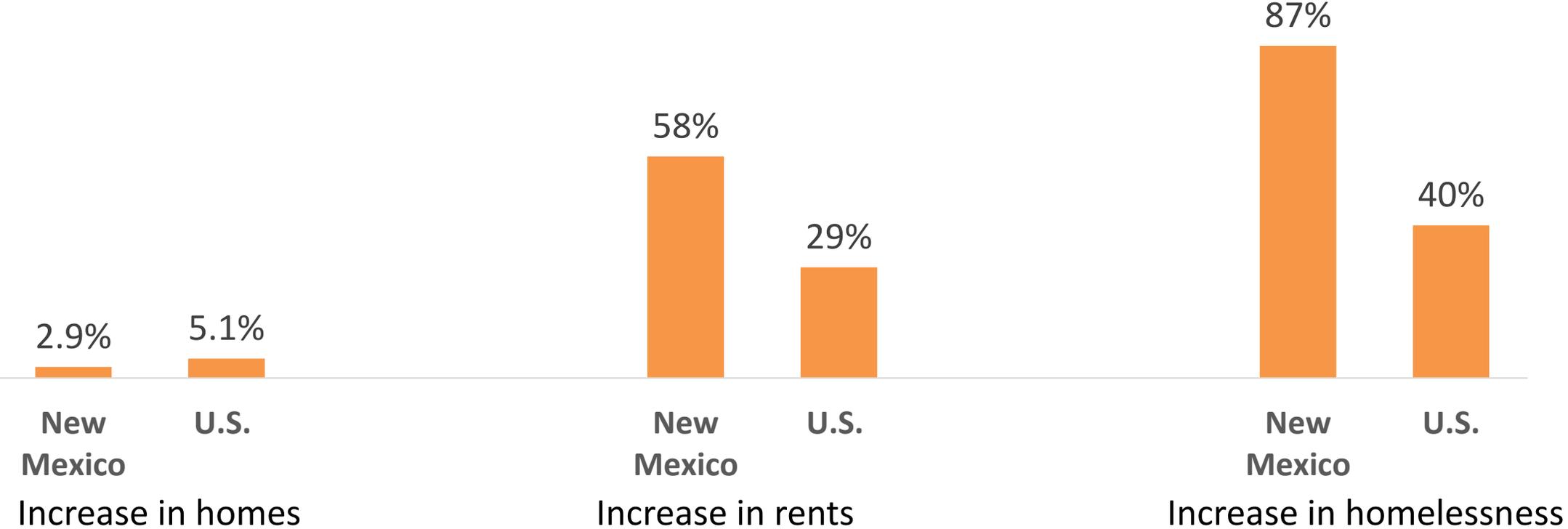
Land-Use Reform Boosts Supply, Affordability

Homes added (2017-2023) and rent growth (2017-2024)



New Mexico Added Less Housing Than U.S., Saw Rents & Homelessness Rise More

Homes Added cover 2017-2023, Rents & Homelessness cover 2017-2024



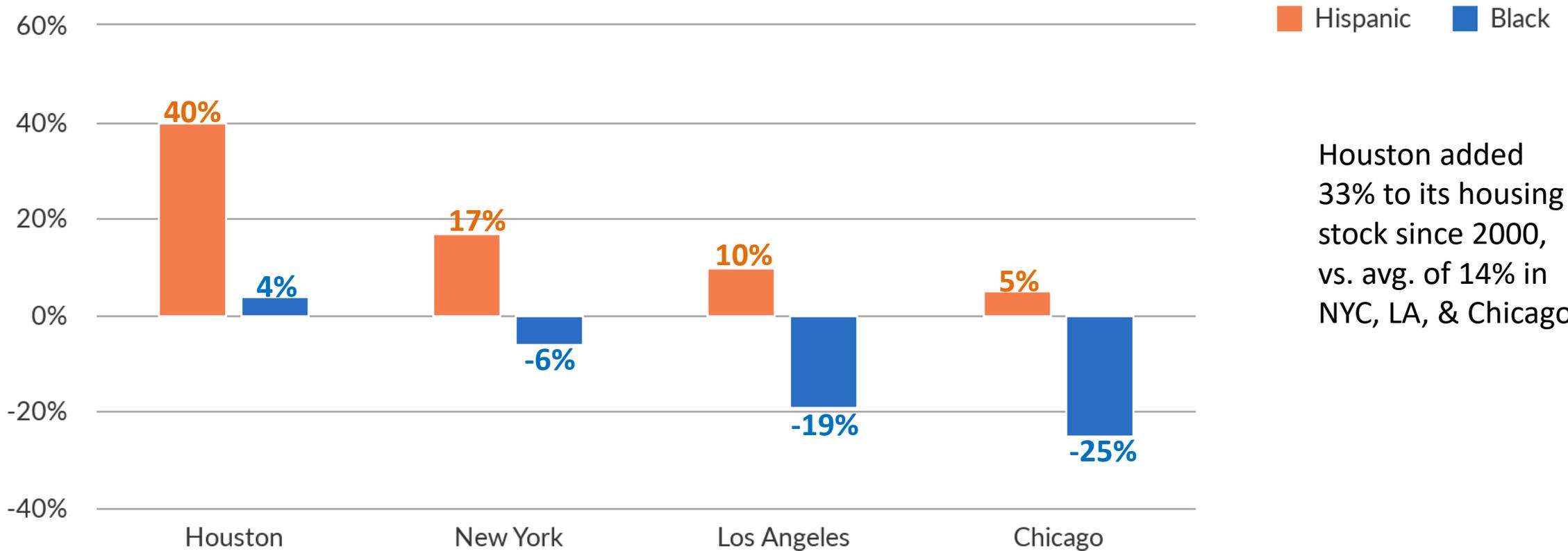
Supply Boost Has Driven Down Rents in Lower-Cost Apartments

Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: RealPage rent data

Allowing More Housing Reduces Displacement

Percentage change in Black and Hispanic populations by city, 2000-21

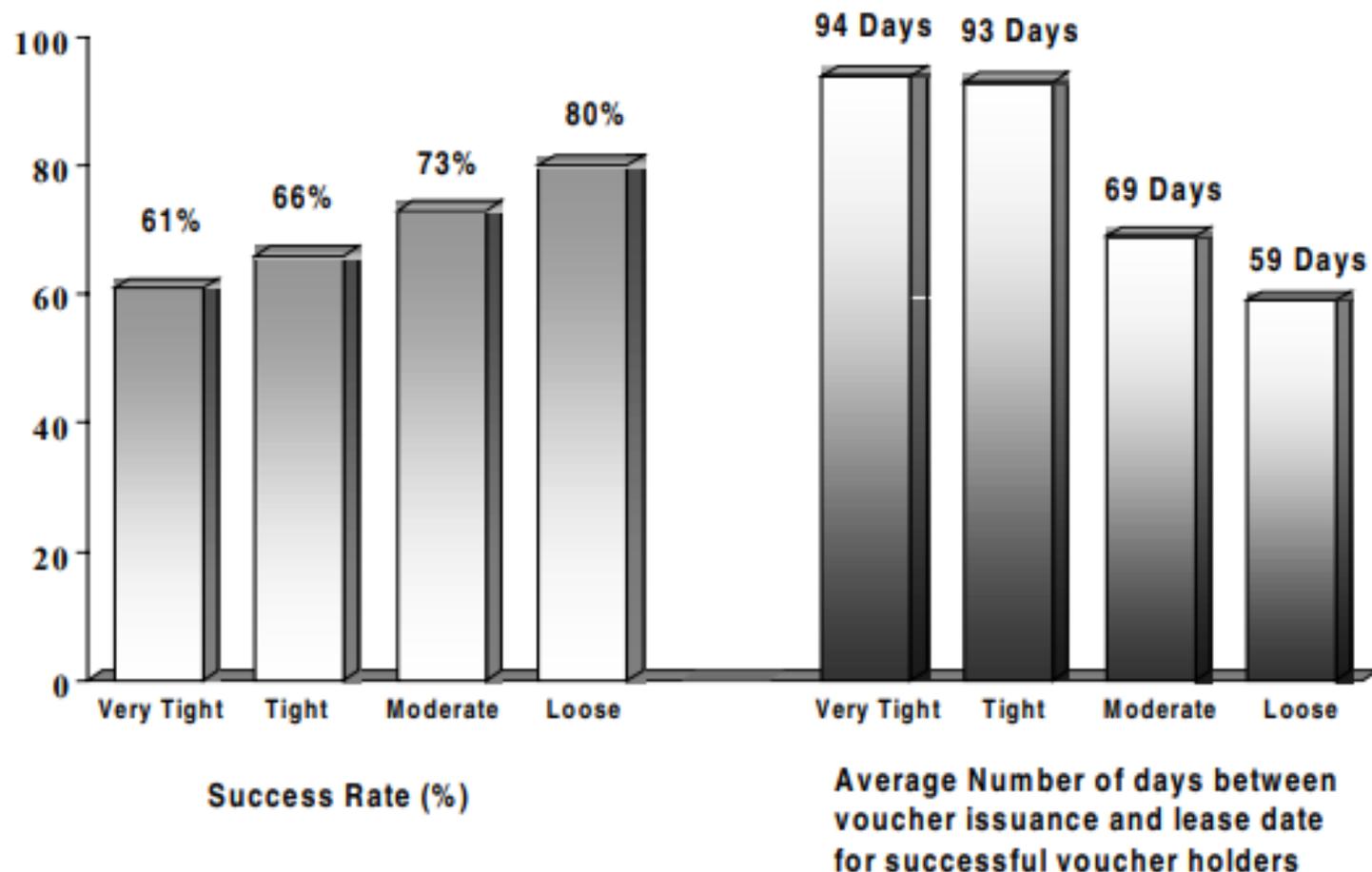


Houston added 33% to its housing stock since 2000, vs. avg. of 14% in NYC, LA, & Chicago.

Source: ACS Census Bureau data

Overall Housing Supply Drives Outcomes of Section 8 Voucher Holders

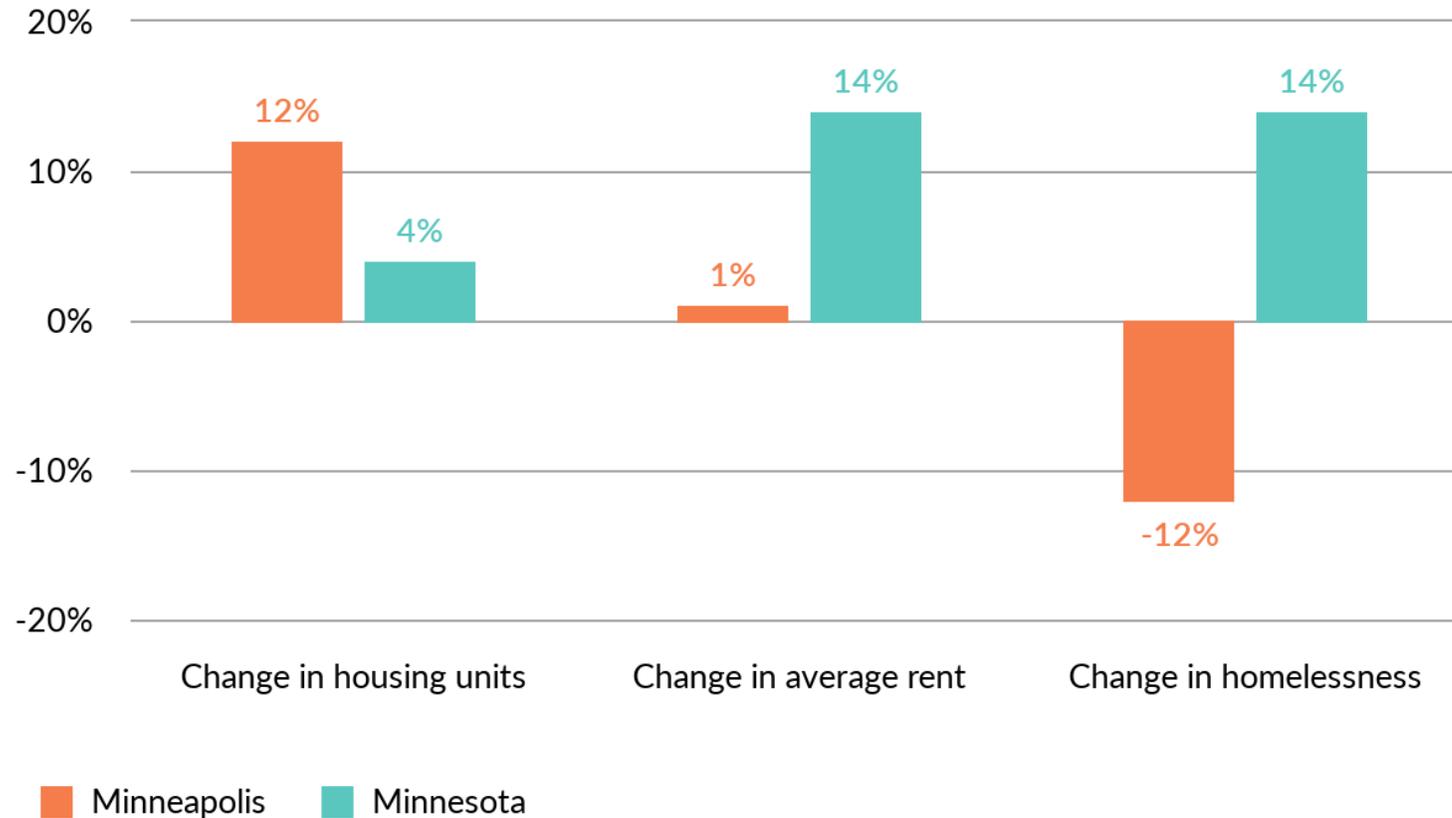
Success Rates and Time to Lease by Market Tightness



Source: Study by Abt Associates for HUD, 2001

With More Homes, Minneapolis Saw Low Rent Growth, Lower Homelessness

Income needed to afford median apartment rent dropped from 87% of area median to 72% from 2017-2022



Sources: Department of Housing and Urban Development, Apartment List, Census

Allowing Multi-Family Housing On Commercially Zoned Land

- This provision is the state law equivalent of the most successful local zoning reforms
- California, Florida, Hawaii, Montana enacted in 2023 or 2024 with smaller-scale variations in Arizona & Colorado

Building Code Reforms Enacted by States in 2023 & 2024

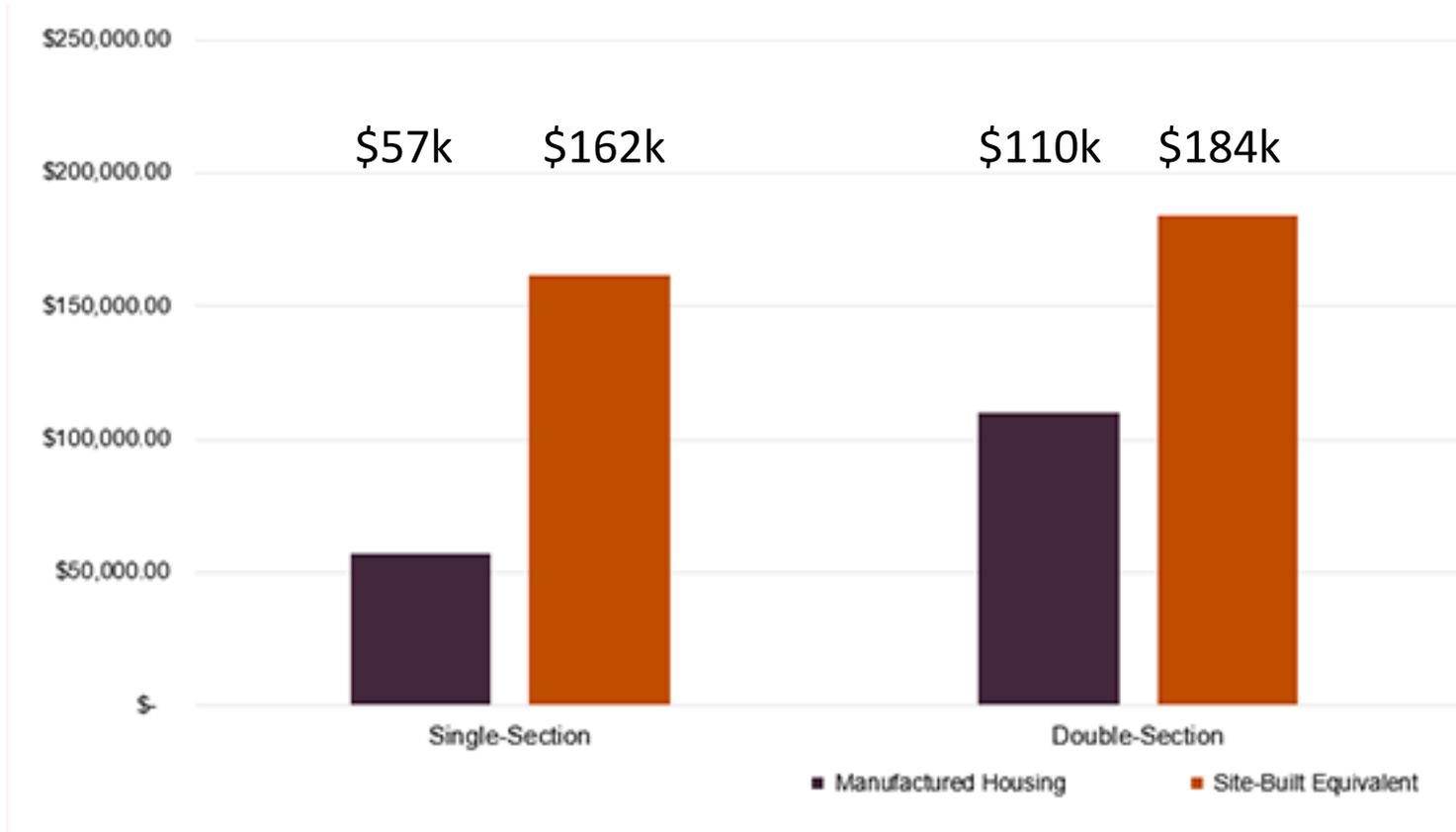
- Moving 3-4 unit buildings or 3-6 unit buildings under less-costly residential code with 1 & 2-unit homes (NC's 2023 HB488; WA's 2024 study bill, HB2071)
- Instead of mandating two staircases, allowing one staircase for 4-6 story buildings (mostly study bills) to enable them on small lots (8 states)
- Legalizing micro-units/co-housing, or home sharing (4 states)
- Limiting how much parking can be mandated for some housing types

2023-2024: More States Passing Bills to Streamline Permitting

- Third-party reviews & inspections: FL, TN, TX
- Limiting environmental review/lawsuits: CA, MN
- Simplifying process, shortening timelines: AZ, MT, RI, VT
- ADU permitting: AZ, CA, CO, MT, RI, VT, WA

Manufactured Housing Costs Less Than Similar-Quality Site-Built Housing

Cost figures from 2020, for home excluding land



New manufactured housing is considered similar quality to site-built.

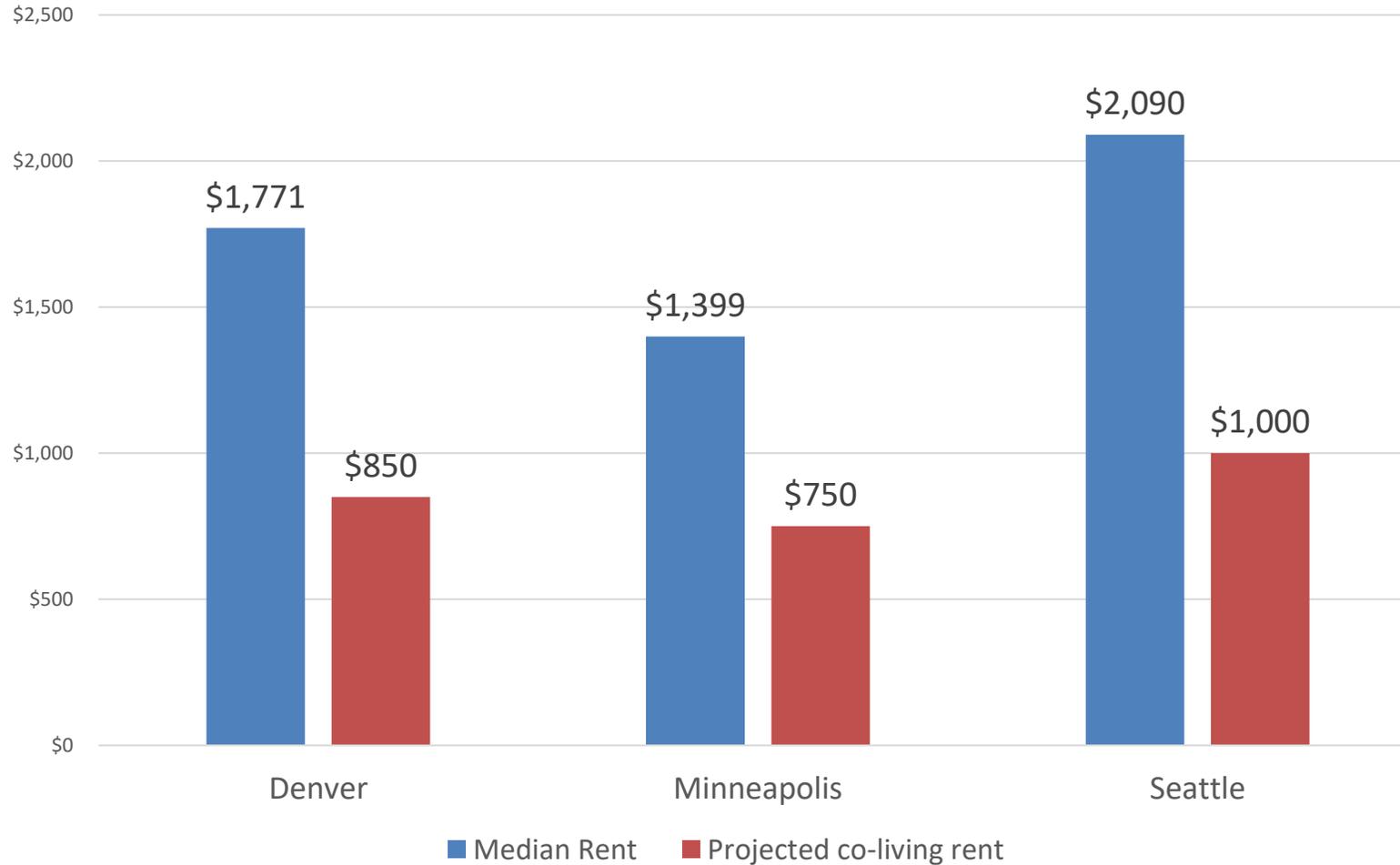
Many 2024 models are net zero ready (adding solar panels can cover all energy usage).

Pilot in Jackson, Mississippi; large subdivision in Hagerstown, Maryland.

Source: Joint Center for Housing Studies at Harvard, Comparison of the Cost of Manufactured and Site-Built Housing, 2023

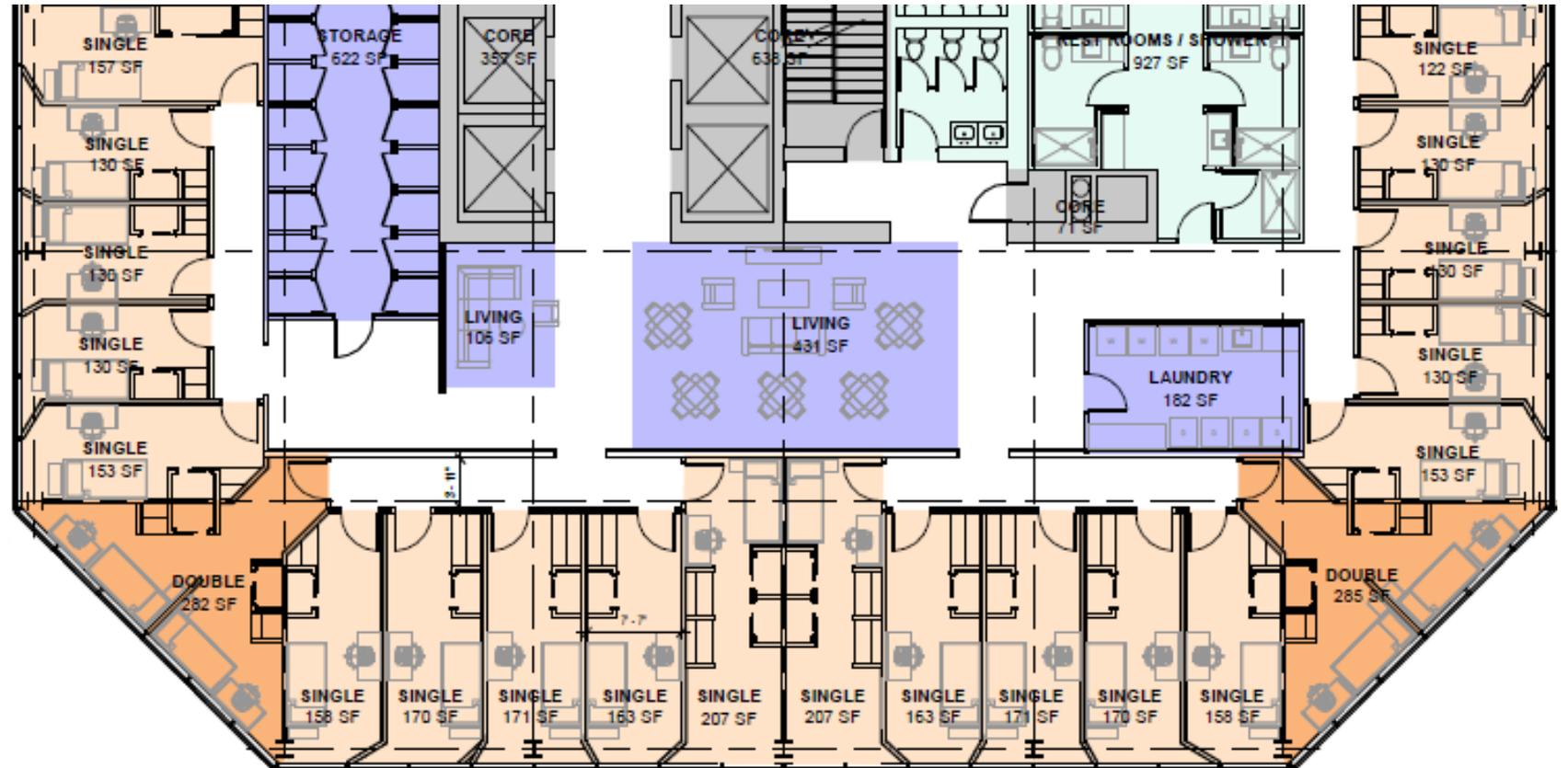
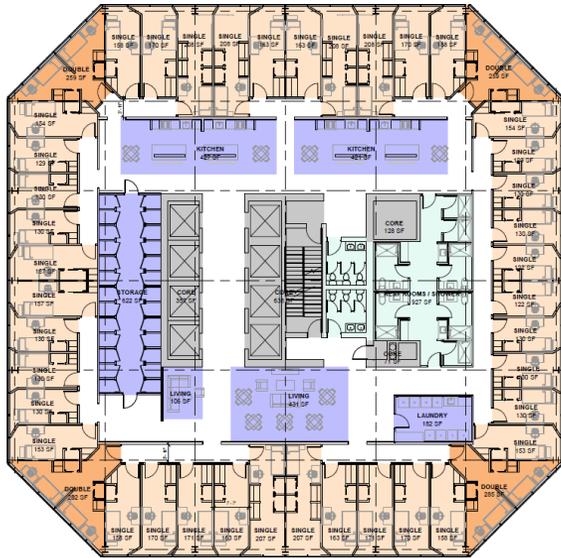
Office-to-Residential Conversions

Office to Co-Living Conversions Can Achieve Low Rents



Source: median rents from Apt. List; projected rents estimated by Gensler and The Pew Charitable Trusts, 2024

Denver Building Floor Plan

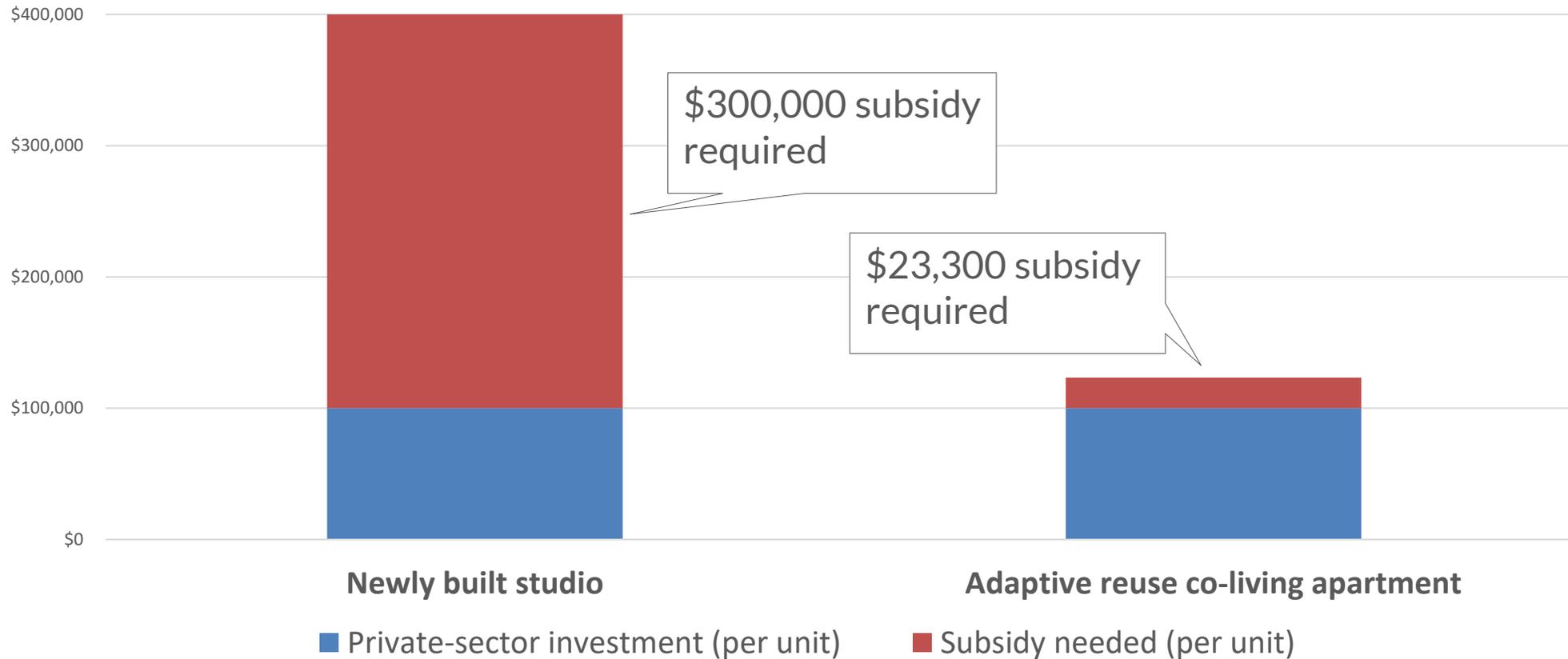


- 28 residential floors
- 48 beds per floor
- Total of 1,232 units (1,344 residents)

Co-Living Conversions Are Far More Cost Effective

Denver subsidy and private costs by unit type, affordable at 35% of area median income

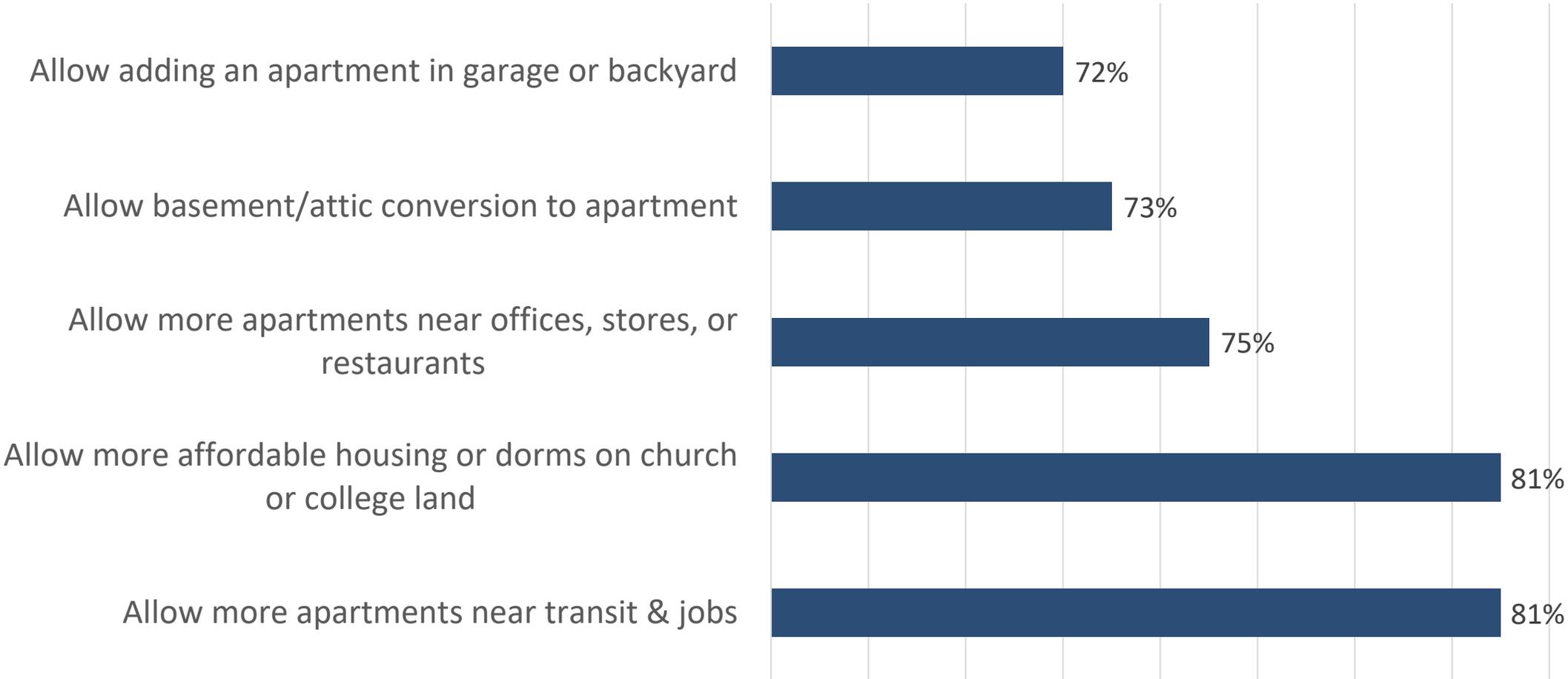
Co-living stretches scarce subsidy dollars



Source: estimates from Gensler and The Pew Charitable Trusts, 2024

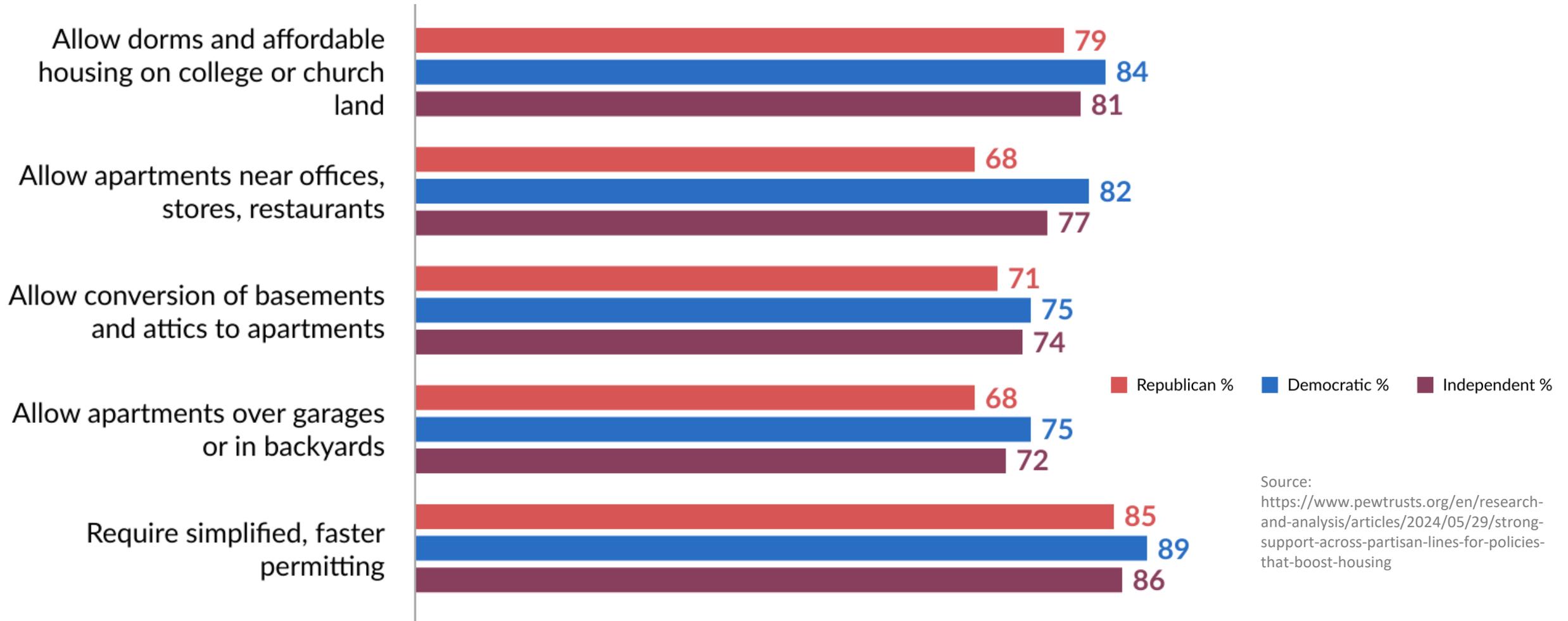
Public Ranks Housing Affordability As Major Concern; Favors Most Ideas to Allow More Homes

2023 Pew Survey: Share of Americans Favoring Each Policy



Source: <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/11/30/survey-finds-large-majorities-favor-policies-to-enable-more-housing>

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