

City of Albuquerque, New Mexico Housing Inventory and Market Analysis

A. Background

The following section provides a current housing market demand and supply overview of the City of Albuquerque. The housing demand analysis provides an assessment of the City's current housing need based on tenure and household income. The housing supply analysis includes an assessment of the City's total housing inventory by type, age, tenure, occupancy status, conditions, foreclosure activity and change in composition from 2000 to 2010.

B. Housing Inventory and Tenure

According to the 2010 U.S. Decennial Census, the City of Albuquerque's housing inventory increased by 40,701 units (21 percent) since 2000 (Table 1.1). The most significant net increase from 2000-2010 occurred in the growth of owner-occupied housing units (24,661 units/22 percent growth). Renter-occupied housing units increased by 16,433 units or 23 percent during this period. There are currently 224,330 occupied housing units in the City of Albuquerque. Owner-occupied units (135,267 units) comprise 60 percent of the City's occupied housing inventory with 89,063 units (40 percent) renter-occupied.

Table 1.1: City of Albuquerque, NM Housing Tenure, 2000-2010

Housing Occupancy Status	2000	2010	Net Change 2000-2010	% Change 2000-2010
Total Housing Units	198,465	239,166	40,701	21%
Occupied housing units	183,236	224,330	41,094	22%
Owner-occupied	110,606	135,267	24,661	22%
Renter-occupied	72,630	89,063	16,433	23%
Vacant housing units	15,229	14,836	393	(3%)

Source: 2000, 2010 U.S. Census

According to 2010 U.S. Census estimates, 340,387 of Albuquerque's residents reside in owner-occupied housing units and 89,063 in renter-occupied units. The average household size of owner-occupied units is 2.52 compared to 2.22 for renter-occupied units.

The City of Albuquerque's number of "vacant" housing units decreased by 393 units or 3 percent since 2000 (Table 1.2). The decrease in the City's housing vacancies is attributed to a significant decrease of "for rent" vacancies. For rent vacancies decreased by 2,898 units (30 percent) from 2000-2010. However, U.S. Census figures show a significant increase in housing vacancies in the category "seasonal" (432 units/55 percent increase) vacant units. The City currently has a 2.0 percent owner vacancy rate and a 7.1 percent renter vacancy rate.

Table 1.2: City of Albuquerque, NM Housing Vacancies, 2000-2010

	2000	2010	% change	% of total units
Total Vacant Units:	15,229	14,836	(3%)	6%
For rent	9,686	6,788	(30%)	3%
For sale only	2,126	2,709	27%	1%
Rented or sold, not occupied	640	684	7%	0%
For seasonal, recreational, or occasional use	787	1,219	55%	1%
For migrant workers	11	2	(82%)	0%
Other vacant	1,979	3,434	74%	1%

Source: 2000, 2010 U.S. Census.

The City of Albuquerque's housing inventory is primarily comprised of 1-unit, detached units. Single-family, attached and detached units comprise 67.5 percent of the City's total housing inventory (Table 1.3). According to 2010 U.S. Census estimates, the largest percentage increases occurred in the growth of 3 or 4-unit (27 percent), 1-unit, attached (26 percent) and 5 to 9-unit (24 percent) structures. Significantly, the City lost 15 percent of its 20 or more unit structures.

Table 1.3: City of Albuquerque, NM Housing Units by Structure Type, 2010

Units in Structure	2000 Total	2000 % of Total	2010 Total	2010 % of Total	% Change 2000-2010
Total Housing Units	198,714	100%	234,891	100%	18%
1-unit, detached	114,632	57.7%	144,843	61.7%	26%
1-unit, attached	12,011	6.0%	13,556	5.8%	13%
2 units	3,880	2.0%	3,763	1.6%	(3%)
3 or 4 units	12,945	6.5%	16,428	7.0%	27%
5 to 9 units	9,662	4.9%	12,022	5.1%	24%
10-19 units	10,515	5.3%	12,461	5.3%	19%
20 or more units	26,283	13.2%	22,211	9.5%	(15%)
Mobile homes	8,653	4.4%	9,538	4.1%	10%
Boat, RV, van, etc.	133	0.1%	69	0.0%	(48%)

Source: 2000, 2010 U.S. Census

According to 2010 U.S. Census estimates, the vast majority (95.3 percent) of the City of Albuquerque's housing units have 3 or more rooms (Table 1.4). The City's housing inventory has a median of 5.3 rooms per unit.

Table 1.4: City of Albuquerque, NM Housing Units by Number of Rooms, 2010

Number of Rooms	2010 Housing Units	% of Total Units
Total housing units	234,891	100%
1 room	4,981	2.1%
2 rooms	5,994	2.6%
3 rooms	25,284	10.8%
4 rooms	39,586	16.9%
5 rooms	51,308	21.8%
6 rooms	46,177	19.7%
7 rooms	31,996	13.6%
8 rooms	16,008	6.8%
9 rooms or more	13,557	5.8%
Median rooms	5.3	(X)

Source: 2010 U.S. Census.

C. Age and Housing Conditions

Age

The age of the housing stock is an important variable in assessing the overall characteristics of a local housing market. The older housing stock, particularly older rental housing, often has code and deferred maintenance issues that can impact the longevity of the housing structure which in turn impacts the housing supply in terms of accessibility and affordability. The City of Albuquerque's housing supply is relatively old with 52.8 percent of the housing built before 1980 (Table 1.5). Significantly, 20.3 percent (50,023 units) of the City's housing is now 50 years and older.

Table 1.5: City of Albuquerque, NM Age of Housing Stock, 2010

Year Structure Built	2010 Housing Units	% of Total Units
Total Housing Units	234,891	234,891
Built 2005 or later	11,224	4.8%
Built 2000 to 2004	27,532	11.7%
Built 1990 to 1999	36,677	15.6%
Built 1980 to 1989	35,359	15.1%
Built 1970 to 1979	48,148	20.5%
Built 1960 to 1969	25,928	11.0%
Built 1950 to 1959	31,695	13.5%
Built 1940 to 1949	10,786	4.6%
Built 1939 or earlier	7,542	3.2%

Source: 2010 U.S. Census.

Condition

The U.S. Census estimates the total number of substandard units in a geographic area by calculating both owner- and renter-occupied units 1) lacking complete plumbing facilities, 2) lacking complete kitchen facilities, and 3) 1.01 or more persons per room (extent of housing overcrowding). The U.S. Census defines "complete plumbing facilities" to include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit.

According to 2010 U.S. Census estimates, 1,896 housing units (0.8 percent) in the City of Albuquerque are lacking complete plumbing or kitchen facilities. Additionally, 4,893 housing units (2.2 percent) are estimated as being overcrowded (Table 1.6).

Table 1.6: City of Albuquerque, NM Selected Housing Characteristics, 2010

Year Structure Built	2010 Housing Units	% of Total Units
Occupied Housing Units	217,256	100%
Lacking complete plumbing facilities	757	0.3%
Lacking complete kitchen facilities	1,139	0.5%
No telephone service available	12,208	5.6%
Occupants per room:		
1.00 or less	212,363	97.7%
1.01 to 1.50	3,714	1.7%
1.51 or more	1,179	0.5%

Source: 2010 U.S. Census.

D. Housing Need

A basic premise of all housing markets is there should exist a spectrum of housing choice and opportunity for local residents. This axiom establishes that housing choice and needs differ in most communities due to a variety of factors, including: employment mix, household income, population age, proximity of employment and mere preference. Local housing and labor markets are inextricably linked to one another. Industries are served by local housing markets that provide choices and opportunities for both current and future workers. The level of affordable housing demand is largely determined by job growth and retention. Employment growth will occur through the retention and expansion of existing firms and new economic growth resulting from start-ups, spin-offs, and relocations to the City of Albuquerque. Essentially, populations follow job growth and the demand for housing will be influenced by the location, type and wage levels of the City and surrounds future employment growth. The affordability component of housing demand, however, is based on local wages and salaries that are then translated into household incomes. Therefore, the availability of an existing supply of various housing types and price levels must be maintained to address the housing demand of the variety of occupations that comprise the local industrial base.

The “value” of owner-occupied housing units is an important determinant of housing accessibility and affordability. Housing values have fluctuated significantly in many housing markets during the past decade due initially to the 2004-2006 “housing bubble” and then the subsequent collapse. According to 2010 U.S. Census estimates, the median value of an owner-occupied housing unit in the City of Albuquerque is \$188,600 (Table 1.7).

Table 1.7: City of Albuquerque, NM Value of Owner Occupied Housing Units, 2010

Value	2010 Housing Units	% of Total Units
Owner-occupied units	133,645	100%
Less than \$50,000	7,116	5.3%
\$50,000 to \$99,000	7,746	5.8%
\$100,000 to \$149,999	26,152	19.6%
\$150,000 to \$199,999	32,550	24.4%
\$200,000 to \$299,999	36,997	27.7%
\$300,000 to \$499,999	17,893	13.4%
\$500,000 to \$999,999	4,547	3.4%
\$1-million or more	644	0.5%
Median (dollars)	\$188,600	(X)

Source: 2000, 2010 U.S. Census

Owner-occupied housing units with a mortgage comprise (98,253 owner units/73.5 percent) of the City of Albuquerque's total owner-occupied housing units (Table 1.8). Monthly owner household costs with a mortgage are significantly higher than owner households without a mortgage. The median monthly owner cost with a mortgage is \$1,115 compared to \$372 for owners without a mortgage.

Table 1.8: City of Albuquerque, NM Selected Monthly Owner Costs, 2010

Value	2010 Housing Units	% of Total Units
Housing units with a mortgage	98,253	100%
Less than \$300	242	0.2%
\$300 to \$499	1,561	1.6%
\$500 to \$699	4,394	4.5%
\$700 to \$999	17,968	18.3%
\$1,000 to \$1,499	38,516	39.2%
\$1,500 to \$1,999	20,882	21.3%
\$2,000 or more	14,690	15.0%
Median (dollars)	\$1,315	(x)
Housing units without a mortgage	35,392	100%
Less that \$100	433	1.2%
\$100 to \$199	2,477	7.0%
\$200 to \$299	7,641	21.6%
\$300 to \$399	9,990	28.2%
\$400 or more	14,851	42.0%
Median (dollars)	\$372	(x)

Source: 2010 U.S. Census

The comparison of median monthly household income and median monthly owner costs is shown as a percentage that establishes overall affordability and level of cost burden. Housing affordability is generally defined as the capacity of households to consume housing services and, specifically, the relationship between household incomes and prevailing housing prices and rents. The standard most frequently used by various units of government is that households should spend no more than 30 percent of their income on housing costs. This is the standard definition for housing programs administered by

the Department of Housing and Urban Development (HUD) and most state housing agencies. Owner and renter households paying excess of 30 percent of their income on housing costs are considered “cost burden.”

According to 2010 U.S. Census estimates, 34,750 (35.5 percent) of the City of Albuquerque’s owner households with a mortgage pay in excess of 30 percent of their income on housing costs (Table 1.9). In addition, 3,848 (10.9 percent) of owner households without a mortgage pay in excess of 30 percent.

Table 1.9: City of Albuquerque, NM Selected Monthly Owner Costs as a Percentage of Household Income, 2010

Owner Housing Costs Percentages	2010 Housing Units	% of Total Units
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	97,868	100%
Less than 20.0 percent	35,642	34.6%
20.0 to 24.9 percent	15,518	15.9%
25.0 to 29.9 percent	11,958	12.2%
30.0 to 34.9 percent	8,966	9.2%
35.0 percent or more	25,784	26.3%
Housing units without a mortgage	35,122	100%
Less than 10.0 percent	17,619	50.2%
10.0 to 14.9 percent	6,073	17.3%
15.0 to 19.9 percent	3,797	10.8%
20.0 to 24.9 percent	2,360	6.7%
25.0 to 29.9 percent	1,425	4.1%
30.0 to 34.9 percent	752	2.1%
35.0 percent or more	3,096	8.8%

Source: U.S. Census Bureau, 2006-2010 ACS 5-Year Estimates.

According to 2010 U.S. Census estimates, there are 81,066 occupied housing units in the City of Albuquerque paying rent (36 percent of all occupied units). The median monthly gross rent of all renter-occupied units in the City is \$712 (Table 1.10).

Table 1.10: City of Albuquerque, NM Gross Rent, 2010

Gross Rent Ranges	2010 Housing Units	% of Total Units
Occupied units paying rent	81,066	100%
Less than \$200	1,606	2.0%
\$200 to \$299	2,048	2.5%
\$300 to \$499	9,564	11.8%
\$500 to \$749	32,044	39.5%
\$750 to \$999	18,755	23.1%
\$1,000 to \$1,499	14,858	18.3%
\$1,500 or more	2,191	2.7%
Median (dollars)	\$712	(X)
No rent paid	2,545	(X)

Source: 2010 ACS 3-Year Estimates.

According to 2010 U.S. Census estimates, 48.7 percent (38,206 households) of the City of Albuquerque’s renter households are paying in excess of 30 percent of their incomes on housing costs (Table 1.11).

Table 1.11: City of Albuquerque, NM Gross Rent as Percentage of Household Income, 2010

Rental Housing Costs Percentages	2010 Housing Units	% of Total Units
Occupied units paying rent (excluding Units where GRAPI could not Be computed)	78,552	78,552
Less than 15.0 percent	10,476	13.3%
15.0 to 19.9 percent	10,512	13.4%
20.0 to 24.9 percent	9,659	12.3%
25.0 to 29.9 percent	9,699	12.3%
30.0 to 34.9 percent	6,968	8.9%
35 percent or more	31,238	39.8%
Not computed	5,059	(X)

Source: 2010 ACS 3-Year Estimates.

E. Housing Affordability

The following section provides a “housing affordability analysis” using the most current household income and housing price/cost data for the City of Albuquerque. HUD’s 2012 Income Limits documentation establishes the median income for the Albuquerque, NM MSA at \$61,900. The Albuquerque, NM MSA contains the following areas: Bernalillo County, Sandoval County, Torrance County, and Valencia County, NM.

Income limits are set for the following household income categories with limits based on 4-persons per household:

- Extremely Low – 30% of AMI = \$18,550
- Very Low – 50% of AMI = \$30,950
- Low – 80% of AMI = \$49,500

Homeowner affordability is calculated using HUD 2012 Income Limits established for a 4-person household. Given the current restrictive lending underwriting criteria that generally requires a minimum 20 percent down payment and FICO scores (credit scoring model) of 800 or greater, a conservative affordability computation was utilized that limits an affordable home purchase at a 3:1 median home value-to-median household income ratio. Debt ratios are not factored into the housing affordability calculations.

As previously noted, the median value of an owner-occupied housing unit in the City of Albuquerque is \$188,600. Affordability calculations based on the Albuquerque MSA AMI show substantial affordability gaps in the “extremely low,” and “very low” household income categories and a moderate affordability gap in the “low” household income category (Table 1.12).

**Table 1.12: Single-Family Home Affordability
Albuquerque, NM, 2010**

Household Income Category	Income	Affordable Home Purchase Price	Gap/Surplus
Extremely Low Income (30% of AMI)	\$18,550	\$55,650	(\$132,950)
Very Low Income (50% of AMI)	\$30,960	\$92,880	(\$95,720)
Low Income (80% of AMI)	\$49,500	\$148,500	(\$40,100)

Source: HUD 2012 Income Limits; 2010 ACS 3-Year Estimates.

As previously discussed, housing affordability is defined as housing costs that do not exceed 30 percent of a household’s monthly gross income. A significant percentage of the City of Albuquerque’s renter households pay in excess of 30 percent and are considered cost-burdened. A rent affordability analysis, based on HUD 2012 Income Limits (based on a 4-person household) and the \$712 median monthly gross rent estimate from the 2010 U.S. Census, found a substantial rent affordability gap (\$248) at the “extremely low” household income category and a modest (\$62) to substantial (\$526) surplus at the “very low” and “low” household income categories (Table 1.13).

**Table 1.13: Rent Affordability
Albuquerque, NM, 2010**

Household Income Category	Affordable Rent	Median Monthly Gross Rent	Gap/Surplus
Extremely Low Income (30% of AMI)	\$464	\$712	(\$248)
Very Low Income (50% of AMI)	\$774	\$712	\$62
Low Income (80% of AMI)	\$1,238	\$712	\$526

Source: HUD 2012 Income Limits; 2010 ACS 3-Year Estimates.

F. Home Foreclosure Activity

The national home foreclosure crisis and accompanying economic effects have impacted most states. The initial rise in home foreclosures was the result of several factors, including the proliferation of the subprime lending market during the height of the building boom, speculative investment and predatory lending practices. The “second wave” of foreclosure activity has been the result of continuing job loss due to larger economic conditions and the loss of home values resulting in “negative equity.” Foreclosure actions and the downward pressure they create as banks try to unload distressed properties have depressed sales prices in neighborhoods and municipalities. In addition, “short sales,” wherein lenders often forgive the remaining debt on a home to complete the sale and list properties with an asking price below the amount due on a mortgage, have further depressed surrounding home values.

The City of Albuquerque's foreclosure rate (0.16) is comparable to Bernalillo County, the State of New Mexico and the nation as a whole (Table 1.14). The foreclosure rate is calculated by dividing the total housing units in a zip code by the total number of properties that received foreclosure filings during the month. The number is expressed as a ratio, i.e. 1 in 100 housing units received a foreclosure filing during the month. The lower the second number in the ratio, the higher the foreclosure rate. A 6-month trend analysis shows foreclosure filings in the City falling which is consistent with county, state and national trends. Only in Zip Codes 87122 and 87106 did foreclosure filings increase during the last six months.

Table 1.14 City of Albuquerque Foreclosure Rates and Trends, 2012

Zip Code	Foreclosure Rate	6-Month Trend
87121	0.60	Falling
87114	0.24	Falling
87120	0.22	Falling
87105	0.20	Falling
87112	0.11	Falling
87110	0.10	Falling
87123	0.08	Falling
87107	0.09	Falling
87111	0.05	Falling
87122	0.17	Rising
87108	0.05	Falling
87109	0.05	Falling
87102	0.08	Falling
87104	0.05	Falling
87106	0.02	Rising
87116	x	x
City of Albuquerque	0.16	Falling
Bernalillo County	0.15	Falling
New Mexico	0.10	Falling
Nation	0.15	Falling

Source: RealtyTrac, March, 2012.

There are currently 2,938 properties in the City of Albuquerque in some state of foreclosure activity (Table 1.15). Most of these properties (2,533) are in pre-foreclosure (Lis Pendens). Foreclosure activity is based on the total number of properties that receive foreclosure filings, i.e. default notices, foreclosure auction notices or bank repossessions each month. The highest levels of foreclosure activity in the City are found in the western sections of the City including Zip codes 87121, 87114, and 87120.

Table 1.15 City of Albuquerque Foreclosure Activity by Zip Code, March, 2012

Zip Code	Pre-Foreclosures	Auctions	REOs	Total
87121	129	8	7	144
87114	52	2	3	58
87120	46	2	3	51
87105	34	5	3	42
87112	19	2	2	23
87110	15	1	2	18
87123	9	0	6	14
87107	10	3	0	13
87111	10	2	1	13
87122	11	1	0	12
87108	6	1	3	10
87109	9	0	1	10
87102	4	1	3	8
87104	3	0	0	3
87106	2	0	0	2
87116	x	x	x	x
New Activity	359	28	34	421
Existing Totals	2,533	68	337	2,938

Source: RealtyTrac, March, 2012.