

Housing New Mexico | MFA

2026 Housing Strategy Update

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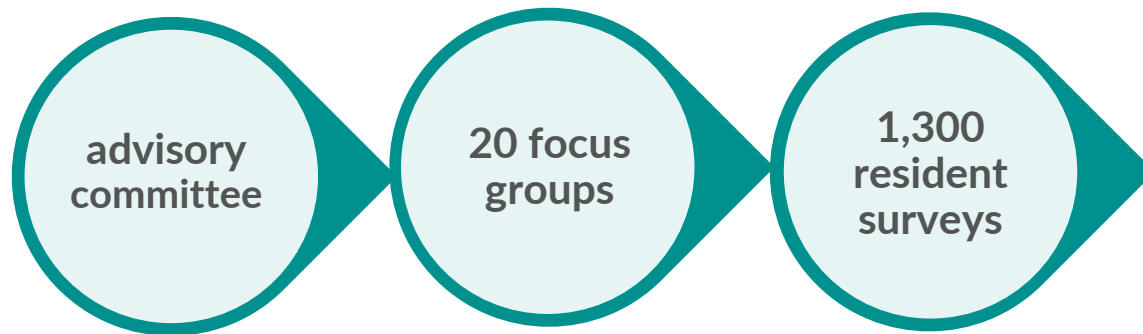


New Mexico Housing Strategy

Published in early 2026, the ***New Mexico Housing Strategy: A Call to Action***, updates the 2022 version, which was the first housing “roadmap” of its kind statewide.

Housing New Mexico partnered with Root Policy on the update, which was published in print form and presented at the Ruidoso Regional Housing Forum in April 2026.

The update uses **qualitative data and extensive community input** to analyze population, market trends, and housing needs to identify action areas, goals, and best practices to promote housing production.



New Mexico Housing Strategy

ACTION AREAS (top)

GOALS

Produce housing across the income continuum

Increase housing production across the housing continuum.

Create flexibility within state and local programs and policies to respond to housing needs and market fluctuations.

Catalyze the potential of underutilized properties to be redeveloped into new housing.

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

Preserve existing naturally occurring affordable housing & publicly subsidized housing stock.

Build assurance among property owners and property managers of the economic feasibility of housing formerly homeless and special needs residents, thereby stabilizing housing for low income renters.

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

Create flexibility within state programs and policies to respond to housing needs and market fluctuations.

Ensure that manufactured homes continue to be a housing solution for homeowners and renters.

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

Strengthen supportive service programs that foster housing stability.

Expand successful housing services models tailored to local needs.

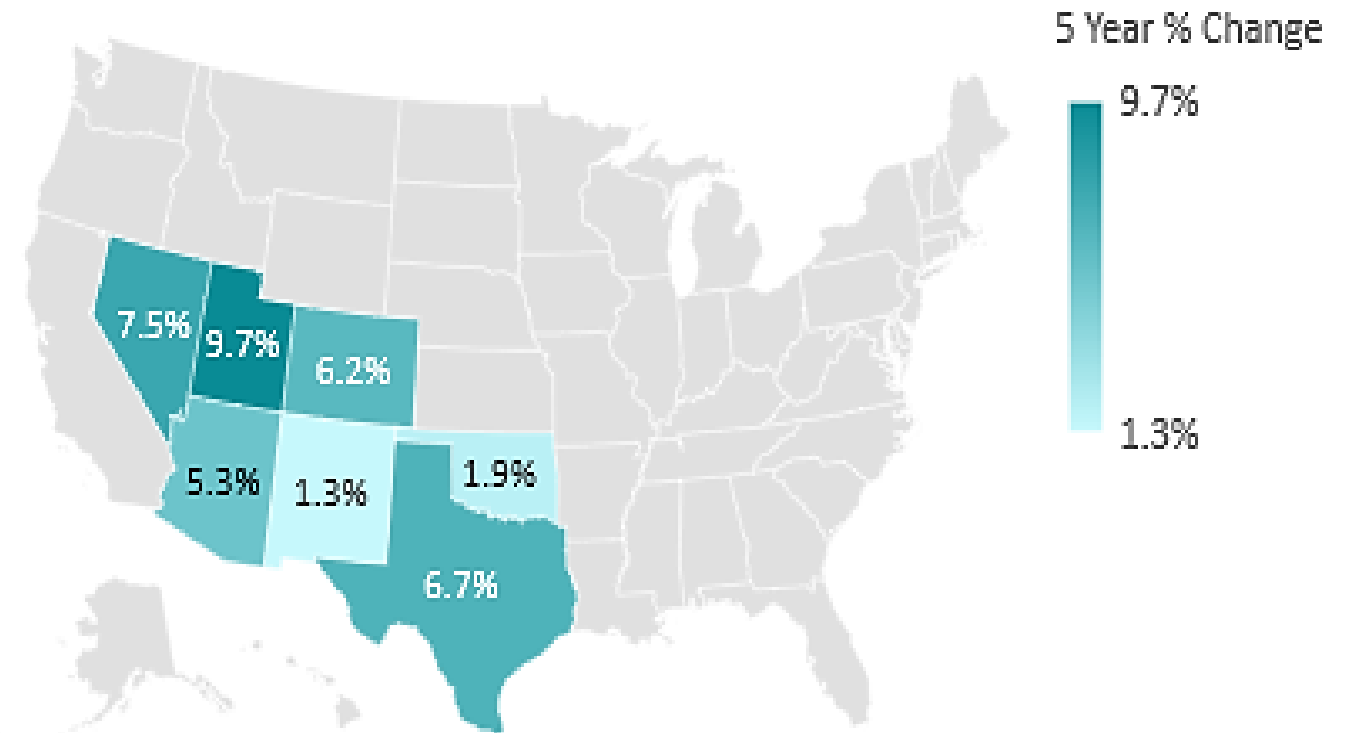
Strengthen support for emergency homelessness interventions.

New Mexico's Demographic Profile

There are 2,114,768 people residing in New Mexico & 825,021 households (occupied housing units).

The poverty rate in New Mexico is 18.1% — 5.7% higher than the national rate.

Five Year Population Growth for Southwest States



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United States Census Bureau American Community Survey

Population Trends

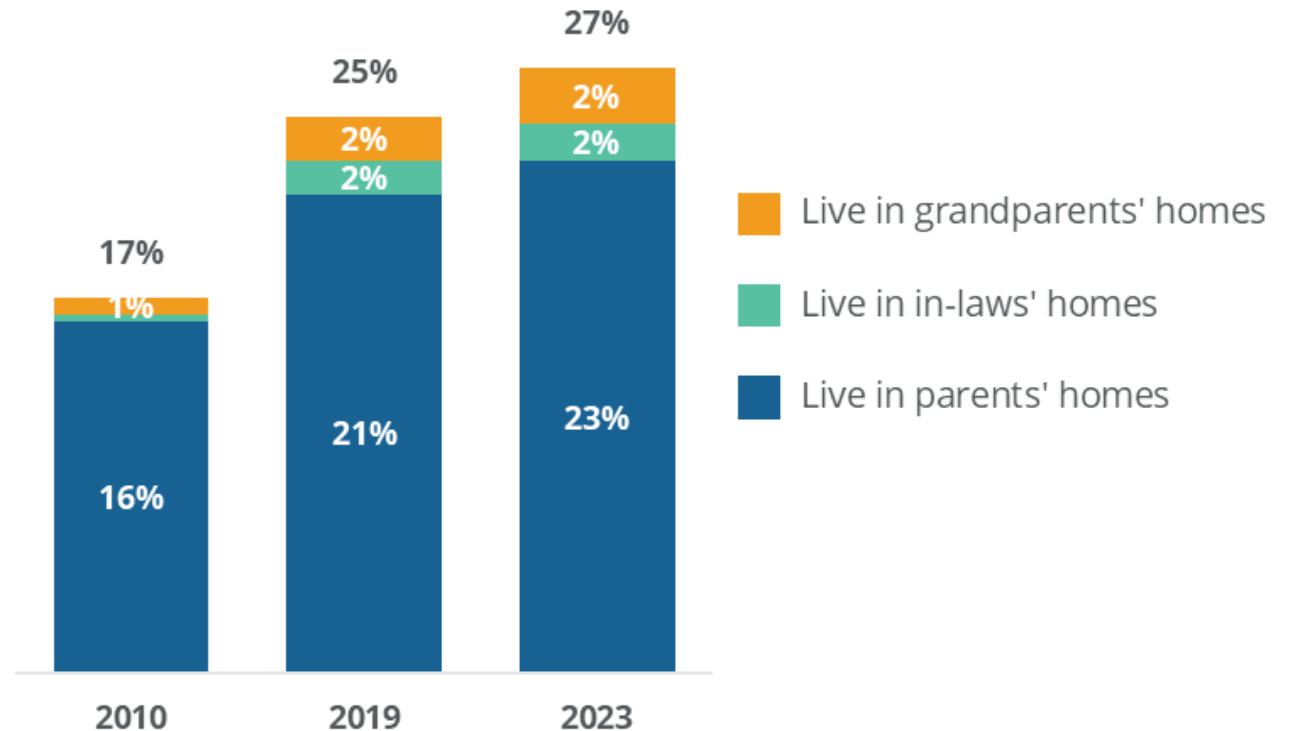
Adults living with older relatives:

- Approximately **27% of New Mexico young adults aged 25 to 34** live in the homes of older relatives as of 2023, up from a much lower 17% in 2010, suggesting significant pent-up housing demand.

Population and households:

- From 2010-2023 households grew faster (9% increase) than residents (5% increase). This trend is reflective of declining household sizes due to **aging population, declining birth rates, and fewer families with children.**

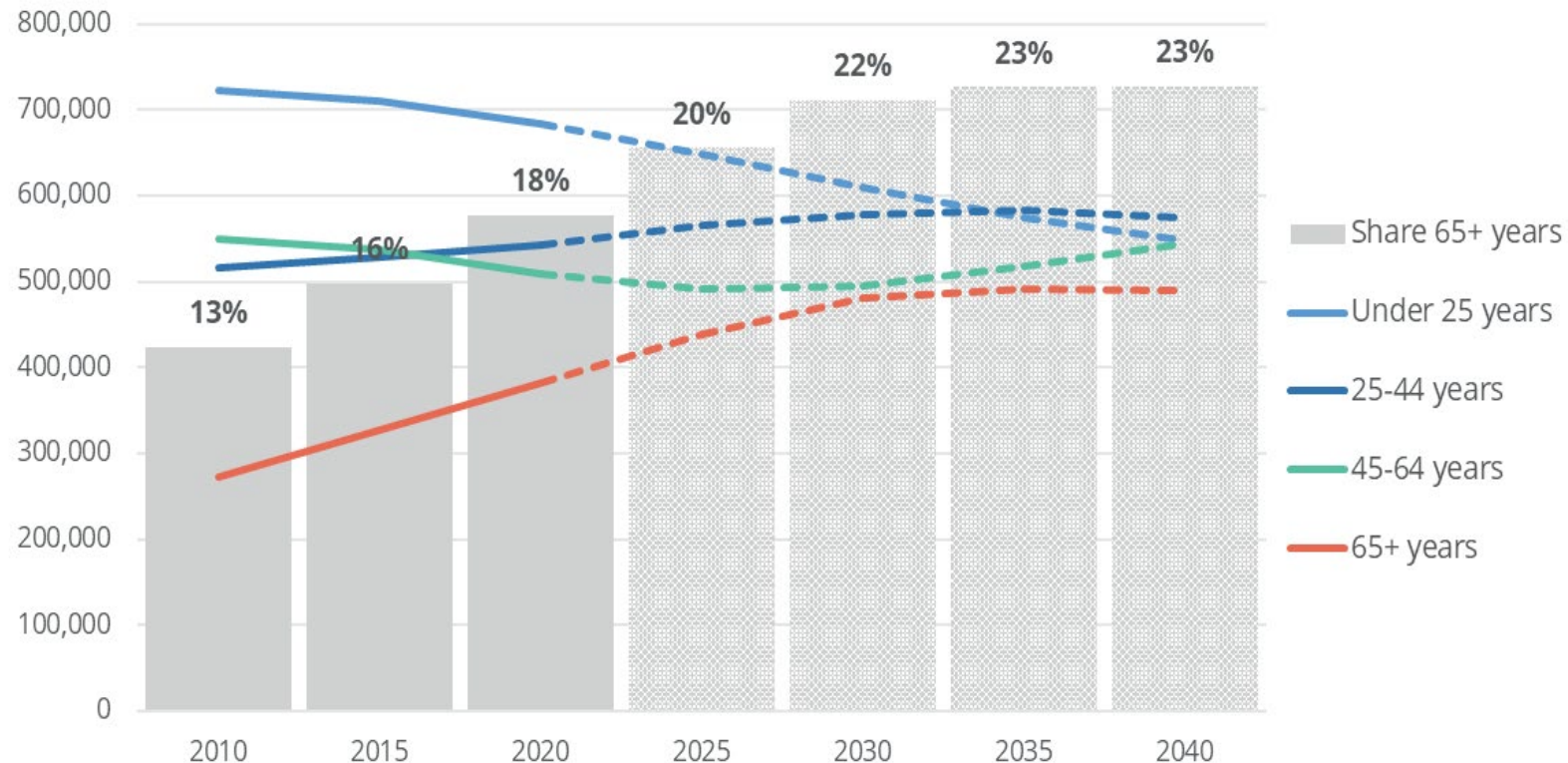
Share of New Mexico Adults Aged 25-34 Living in Homes of Older Relatives (2010, 2019 & 2023)



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

Population Projections

Population and Population Projections, 2010-2040



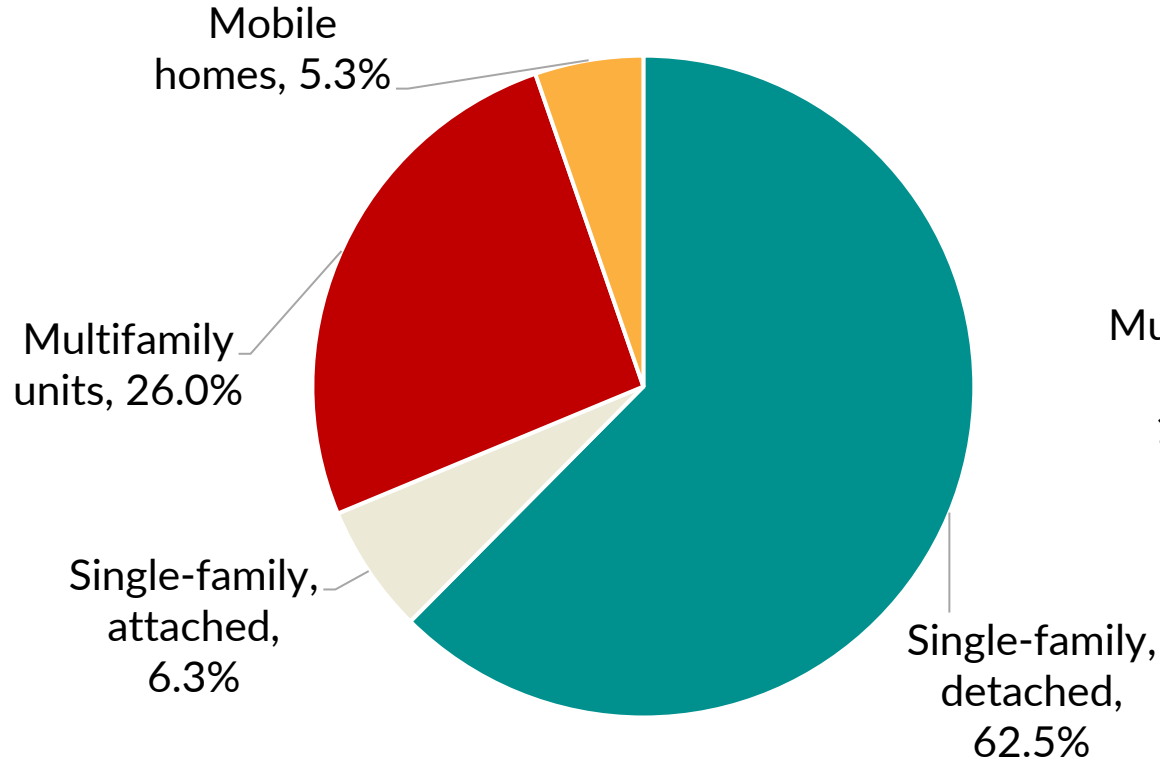
Source: University of New Mexico Geospatial and Population Studies, and Root Policy Research.

An aging population:

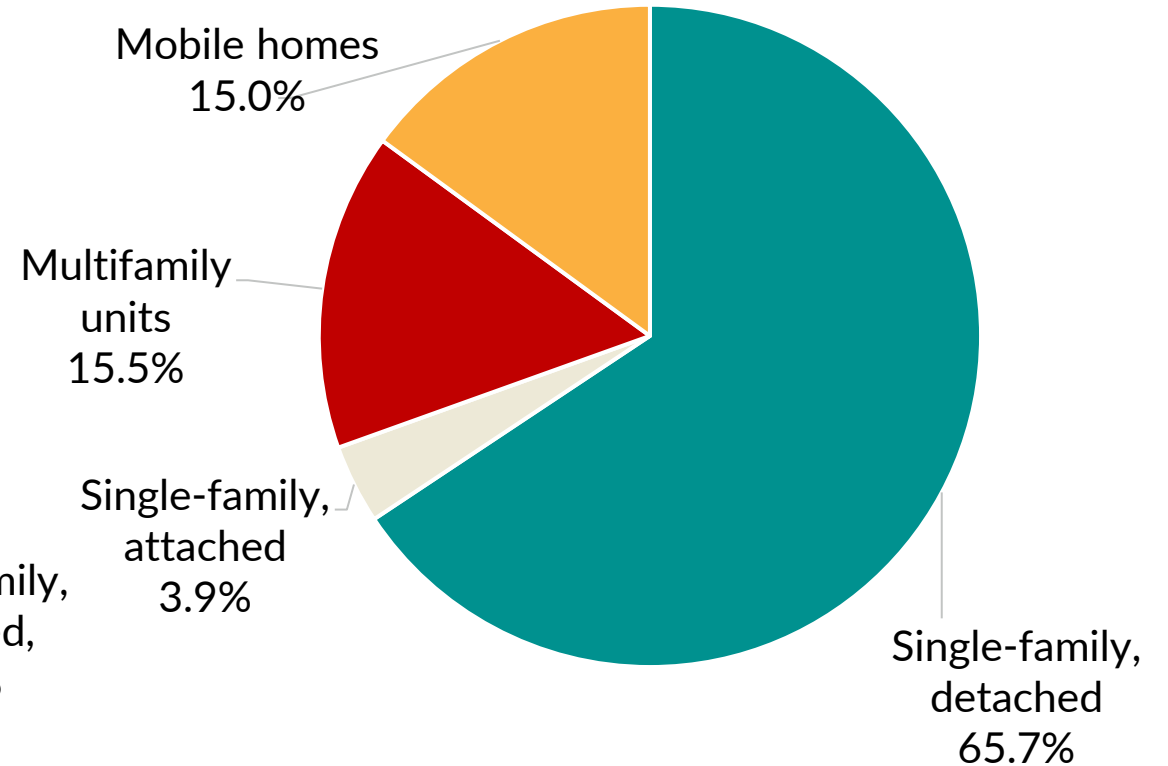
- The number of residents 65 and older is projected to nearly **double** from 2010, from 13% to **23% by 2035**.
- Older adults have the highest household formation rate of any age group at 64%—meaning that a rapidly increasing share of New Mexico's households will be older adults.
- Most residents 65+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

Housing Stock in New Mexico

Total Occupied Housing Units (US)



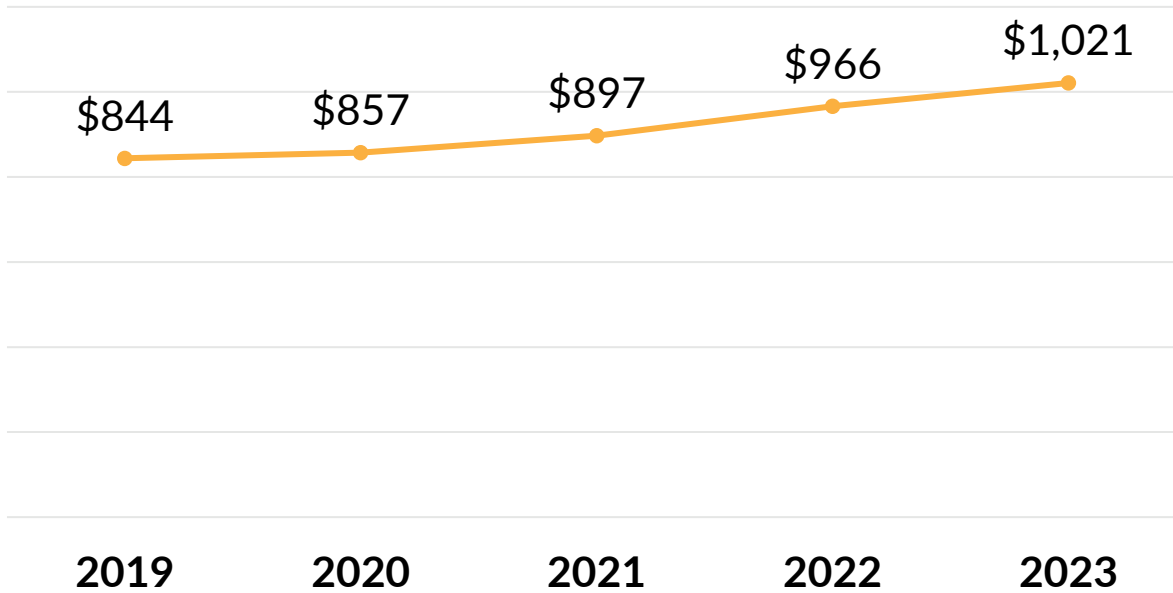
Total Occupied Housing Units (NM)



United States Census Bureau American Community Survey

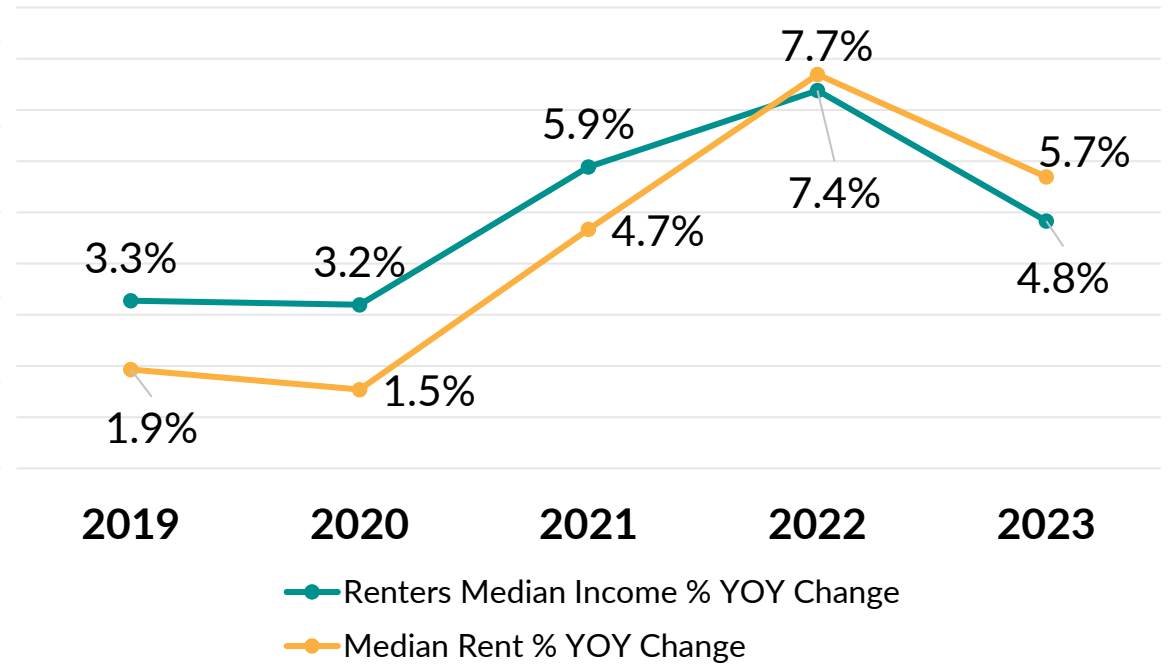
Rental Housing Market

Median Rent



United States Census Bureau American Community Survey

Year-Over-Year Change in Median Renter Income & Median Rent in NM



From 2022 to 2023, median rent grew by 5.7%, while median renter income rose by 4.8%.

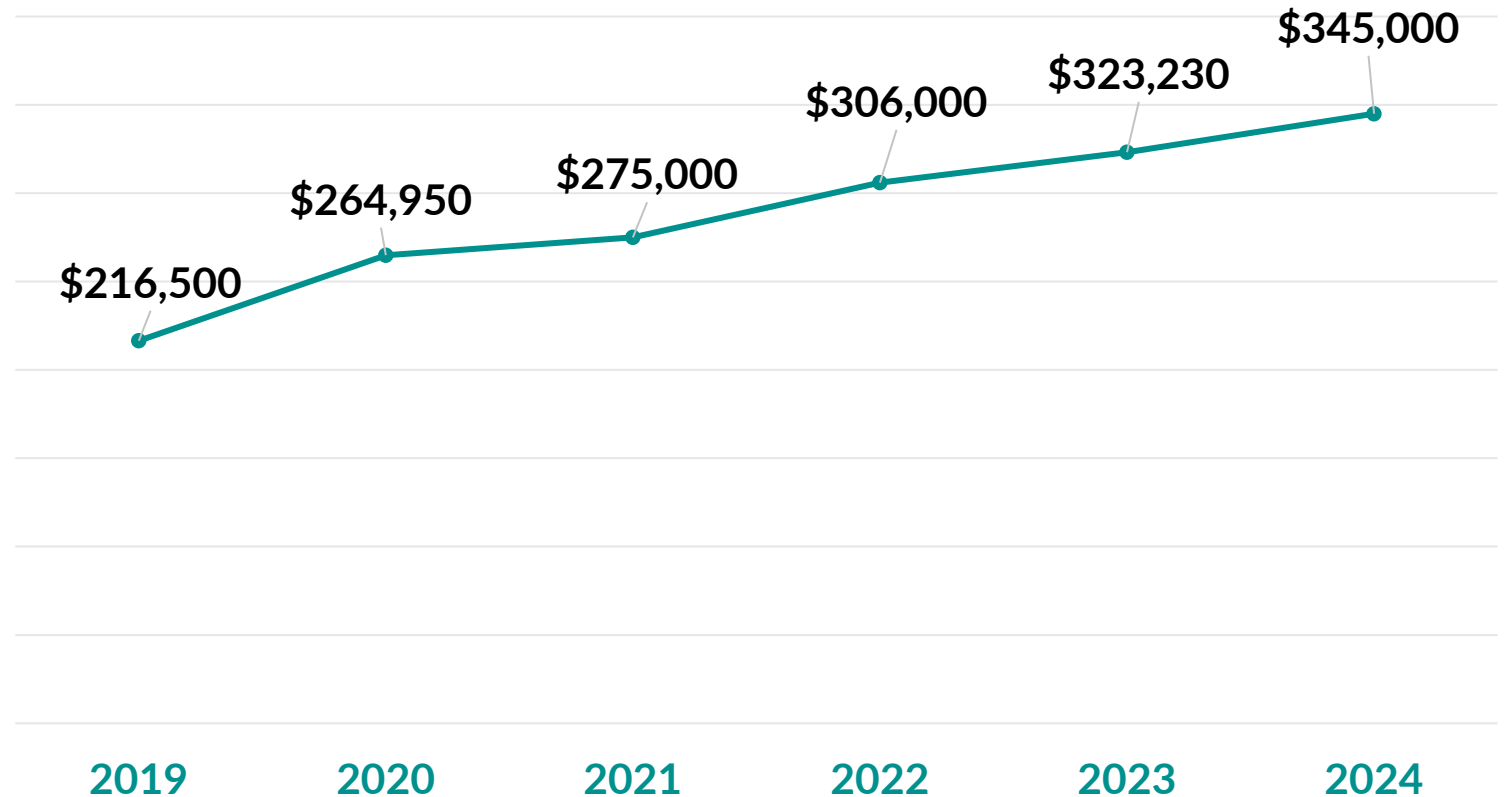
Homeownership Market

- HUD defines housing as **affordable** when no more than 30% of monthly household income goes to housing costs, including utilities and insurance.
- Median monthly household income is **\$5,177**, so monthly housing cost for this income level should not exceed **\$1,553**.
- In 2024, median sale price of a home was **\$345,000**, which equals an estimated monthly mortgage payment of **\$2,723**.*

**At 6.5% interest rate & 5% downpayment*

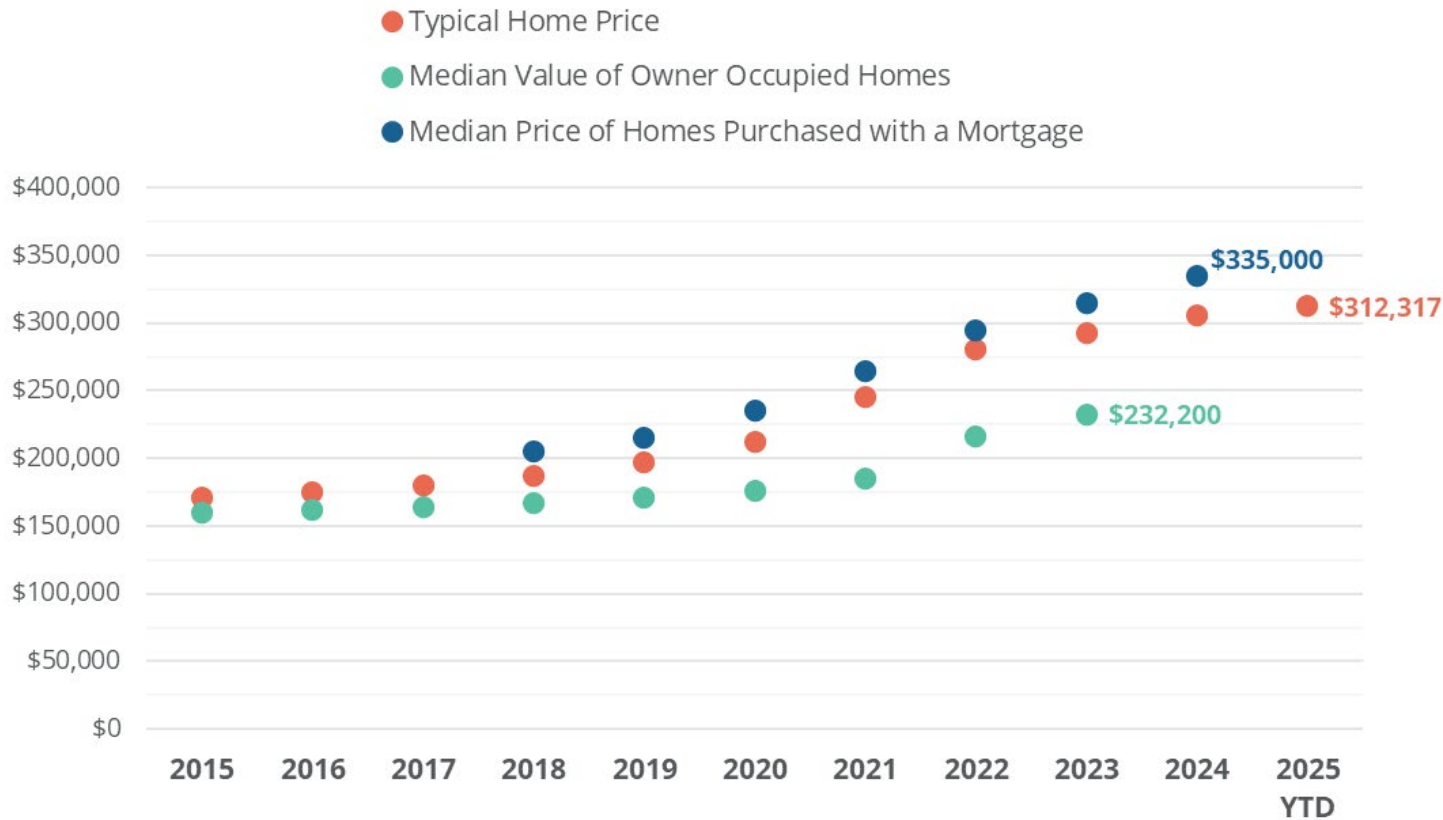
Only 13.5% of NM renters could afford this mortgage.

Median Home Price In New Mexico



Market Trends

Estimates of Average Home Prices, New Mexico, 2015–2025



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

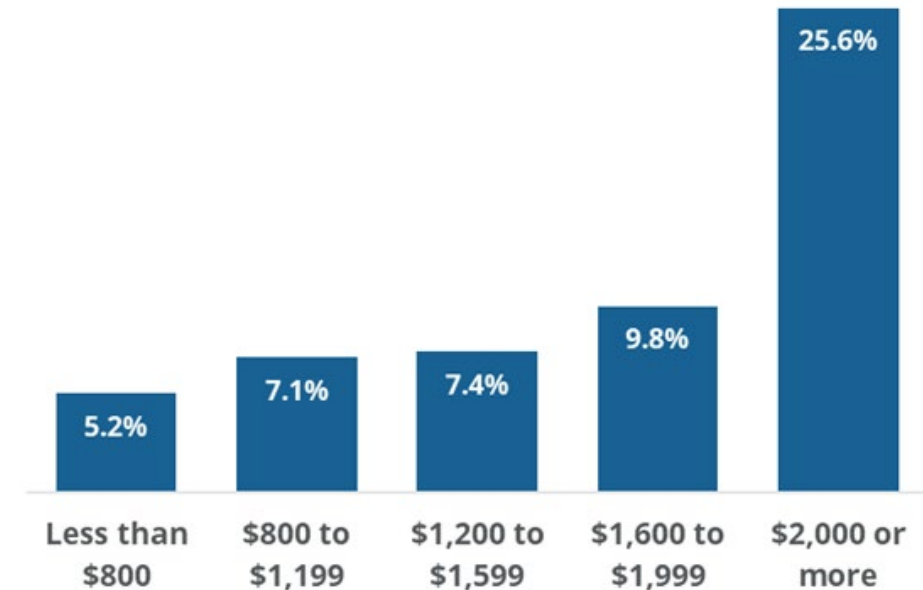
Ownership market trends:

- New Mexico's typical home value according to Zillow rose 85% over the past decade to approximately \$312,000 in 2025, with prices more than doubling in Los Alamos, Valencia, and Sandoval counties.
- The median price of homes purchased with a mortgage increased 63% from 2018 to 2024.
- Rising property values have significantly increased down payment barriers.
- A 20% down payment on the statewide median home now requires \$67,000, up from \$47,000 in 2020; in Los Alamos and Santa Fe, a 20% down payment exceeds \$100,000.

Rental market trends:

- The vacancy rate for units priced below \$800/month is 5.2%, compared to rates over 7% for higher priced units.
- Renters with lower incomes who need units priced at or below \$800 to avoid cost burden face a much tighter market than renters who can afford units at higher price points.

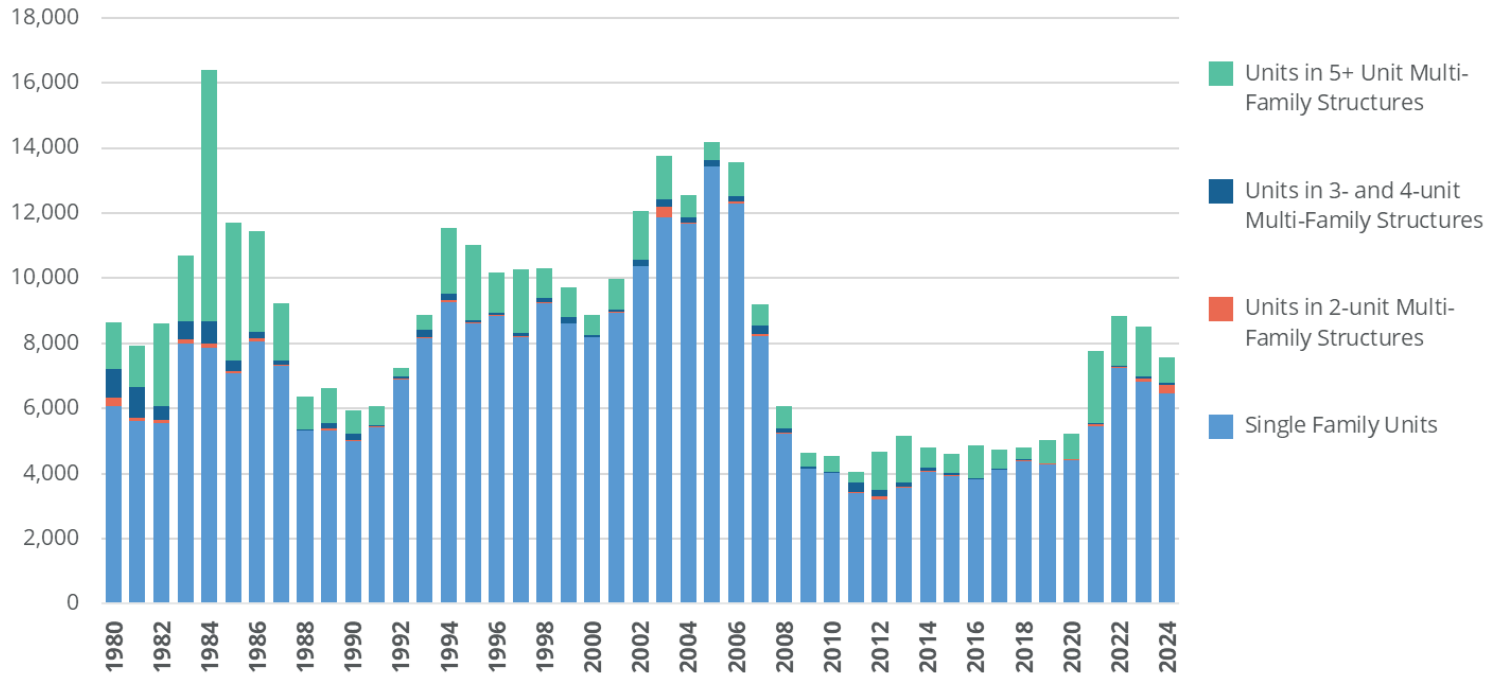
Multifamily Rental Vacancy Rate by Average Effective Rent, 2025 YTD



Source: CoStar.

Housing Type

Building Permits, 1980-2024



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

Permit trends:

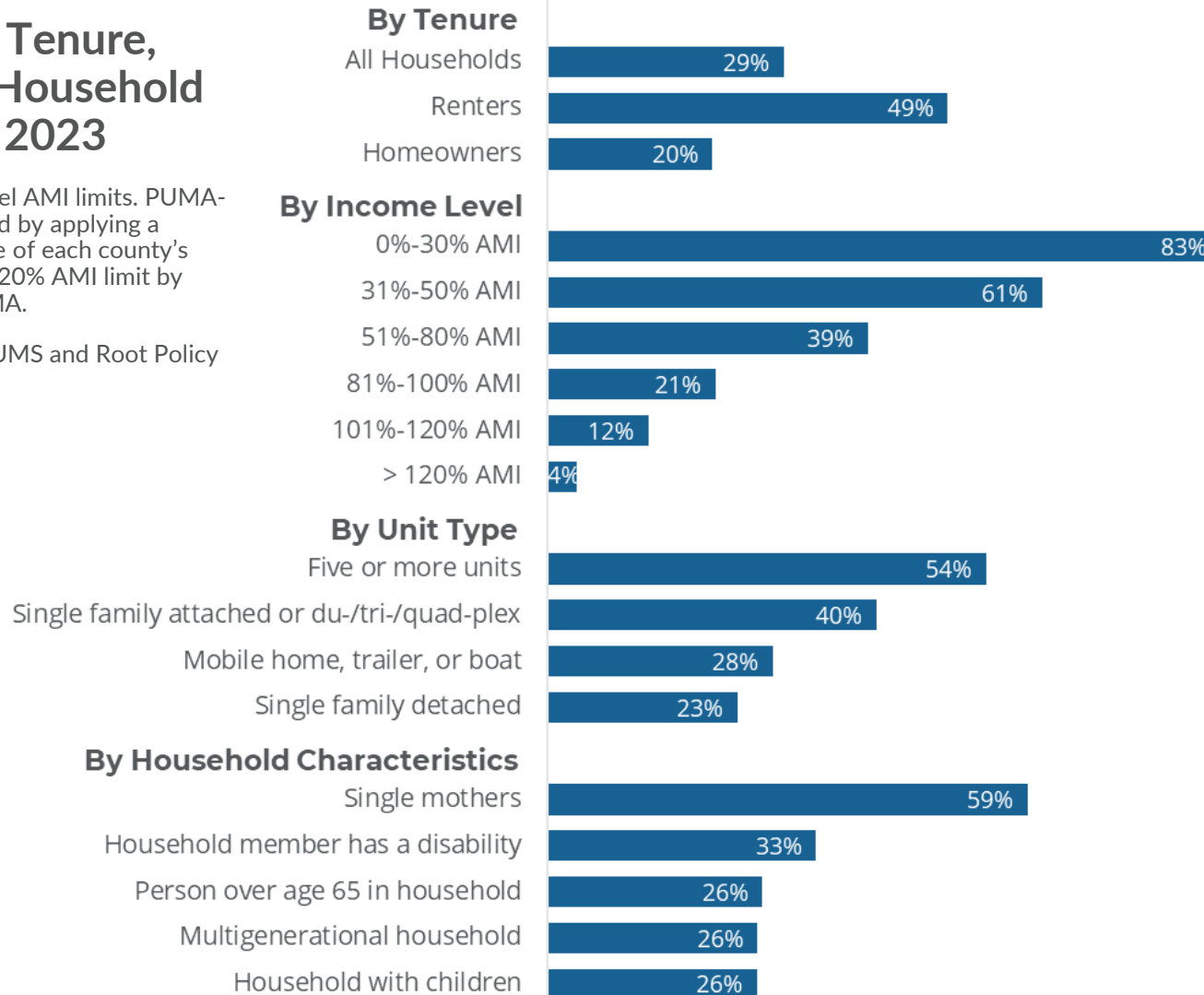
- The vast majority of new housing built has been single family detached homes, which made up 80% of residential permits issued between 2020 and 2024.
- This underscores the continued need for more diverse housing types to meet the full range of household sizes, incomes, and housing preferences across the state.
- While permitting of multifamily units increased in 2021 and duplex permitting rose notably in 2024, these unit types remain a small share of overall production.

Current Housing Needs

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

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

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



- Nearly half of renters (49%) and one in five homeowners (20%) face cost burden.
- This issue is particularly acute for households below 30% AMI, affecting more than four in five of them (83%), as well as single-mother households (59% are cost burdened).
- More than one in four occupied housing units (26%) statewide were built before 1970, with significantly higher concentrations in rural counties.

Projected Housing Needs

Projected needs for ownership units:

- For households with incomes below 30% of AMI: 3,364 ownership units.
- For households with incomes between 30% and 50% of AMI: 3,227 ownership units.
- For households with incomes between 50% and 80% of AMI: 5,307 ownership units.
- For households with incomes between 80% and 100% of AMI: 3,751 ownership units.

Projected needs for rental units:

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

Projected Housing Needs

Projected needs for ownership units:

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

Projected needs for rental units:

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

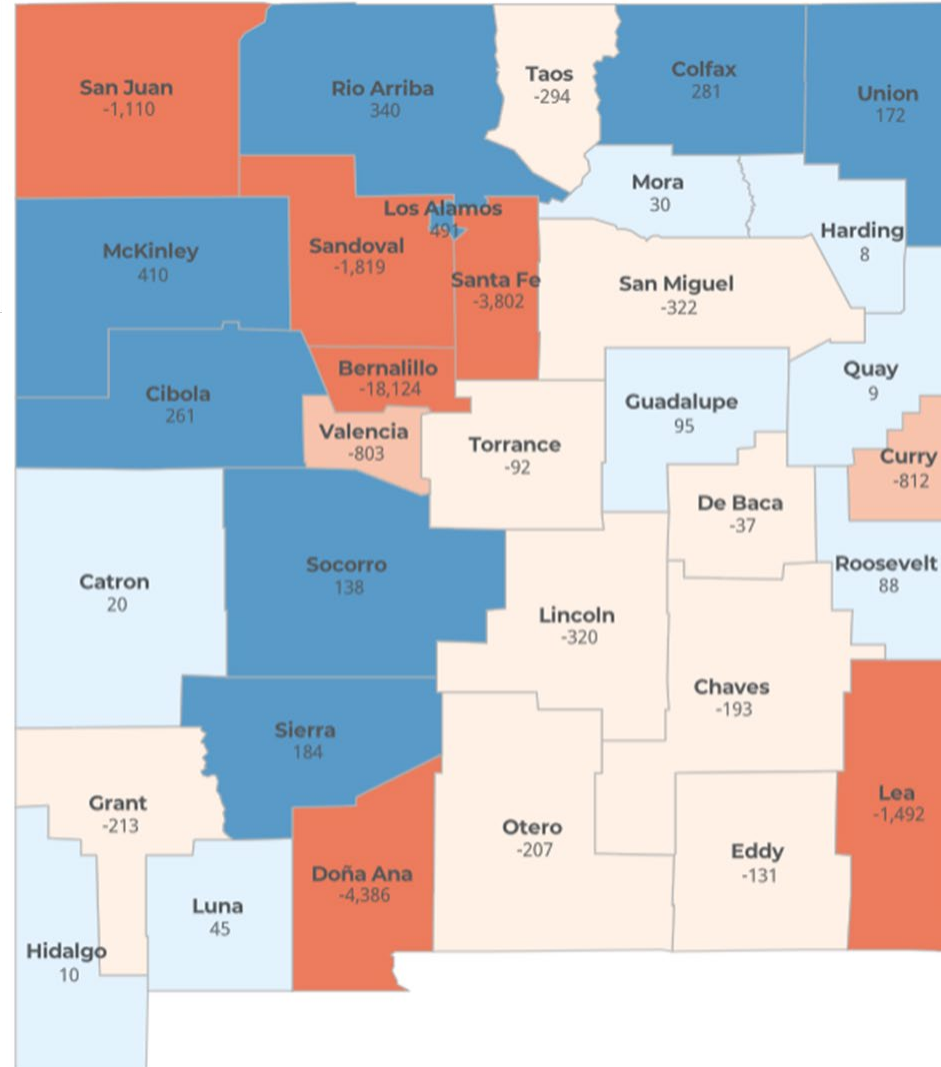
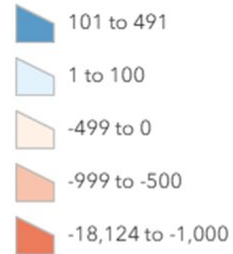
Nearly 58,000 new units will be needed statewide by 2045, with need concentrated in Bernalillo, Sandoval, Doña Ana, and Santa Fe counties, which together account for nearly 90% of projected demand. Meeting this demand will require a range of housing types, from apartments to smaller for-sale homes.

Market Trends

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

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

<30% AMI Rental Gap 2023



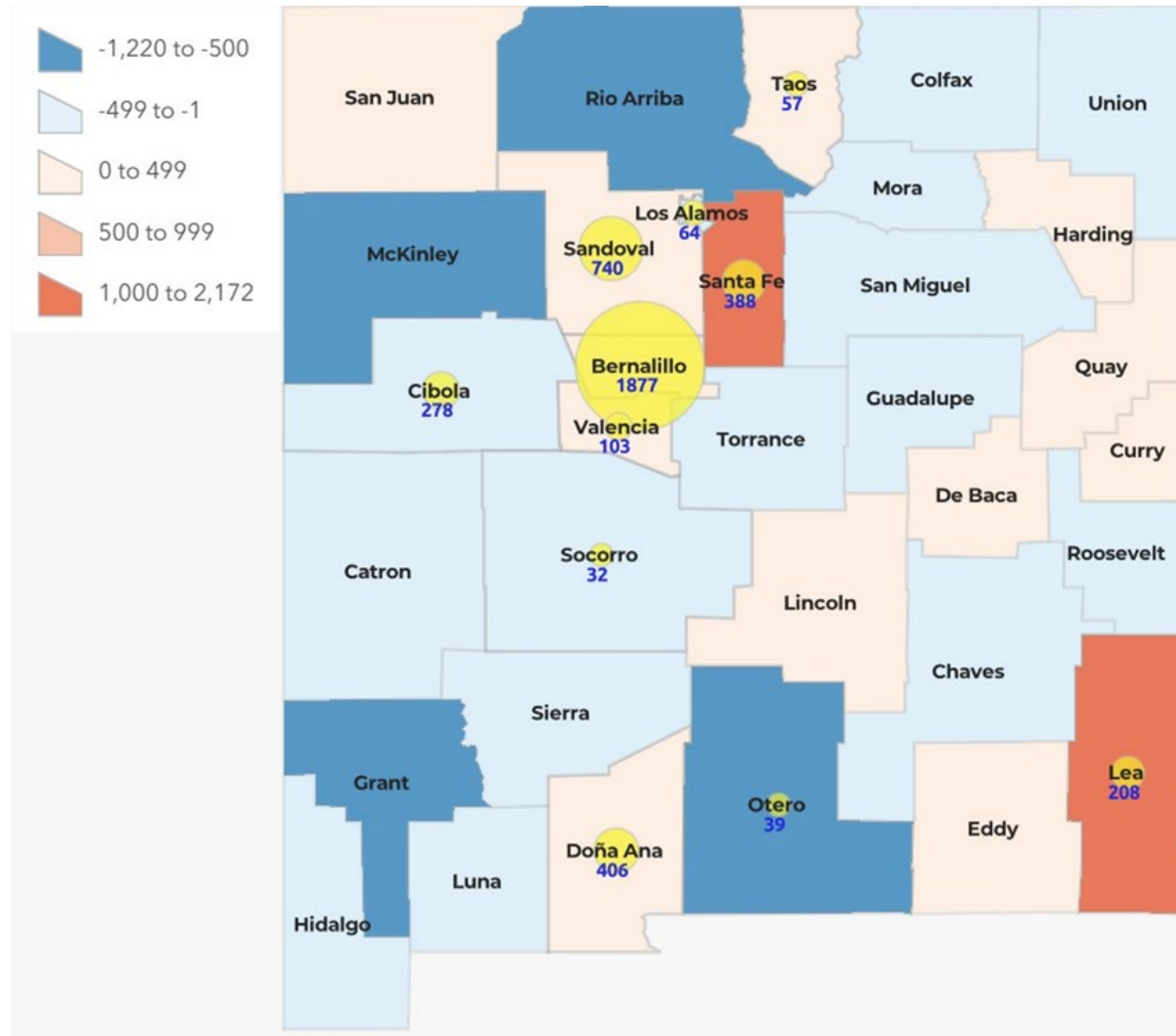
Rental market trends:

- The statewide rental gap for households below 30% AMI grew from approximately 32,000 units in 2019 to 34,000 in 2023.
- Given the significant increase in rents, a widening of the gap was expected.
- The growth of the rental gap is modest, which is reflective of the state's efforts to add housing affordable to very low income households.

Market Trends

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

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



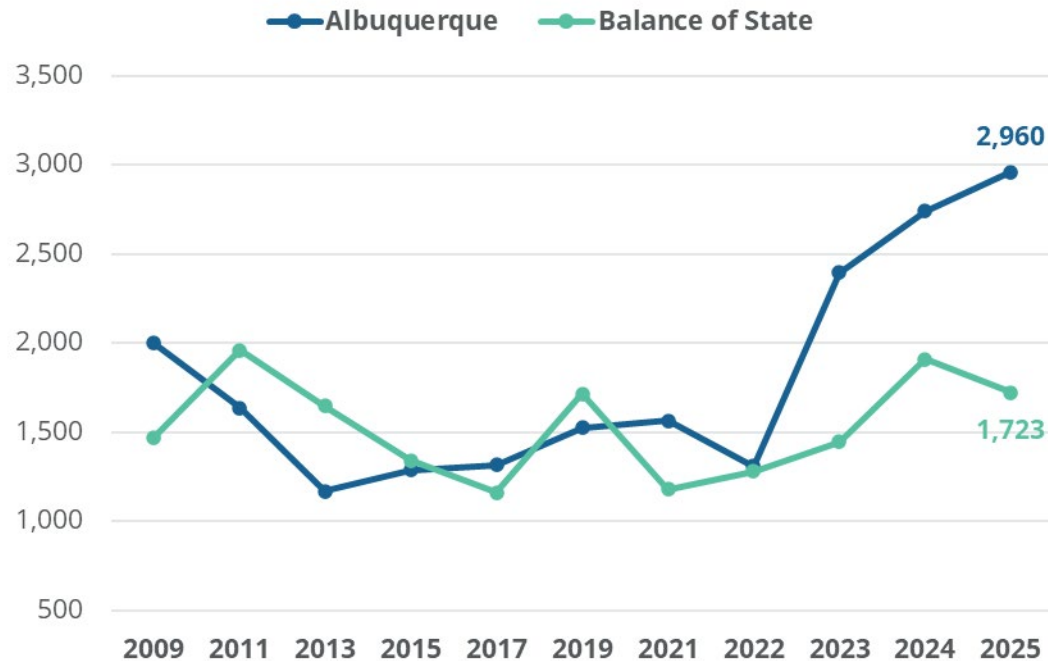
Rental market trends:

- Production was concentrated in urban counties that experienced the largest gaps. Despite strong production in Santa Fe and Lea Counties, the rental gaps expanded significantly between 2019 and 2023.
- In Taos, Sandoval, Bernalillo, Valencia, and Doña Ana, the production coincided with a smaller increase in the gap, and in Cibola, Los Alamos, Otero, and Socorro, affordable housing production coincided with a reduction in the gap.

Current Housing Needs

- The 2025 PIT Count identified 2,960 persons experiencing homelessness in Albuquerque and 1,723 in the Balance of State.
- Approximately 84% of households who accessed homelessness services in New Mexico through CoC agencies in 2025 contained only adults, 11% contained adults and children, and 3% contained only children.

Point-in-Time (PIT) Counts, 2009–2025



Source:
2025 Point-In-Time Count

Households who Accessed Homelessness Services by Household Type, 2025

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

Source: ABQ CoC HMIS and NM BoS CoC HMIS.

Housing Production Strategies

In summary:

- Direct investments in affordable housing—like New Mexico and localities have recently achieved—have the most immediate and targeted impact on affordable housing shortages. Relying on market rate development (filtering) alone can take decades and is less effective in high demand markets.
- Several studies have found that adding larger market rate developments can modestly reduce area rents, but local factors such as pent-up demand, demand for second homes, and out-of-metro migration mean that benefits of market-rate construction on rents may be slow to materialize.
- Given that market developers do not have incentives to provide adequate inventory at levels where the required affordable rent is lower than the operating costs, subsidies and continued investment in affordable housing will be necessary.



Questions?

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