

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

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July 21st, 2026

Pew

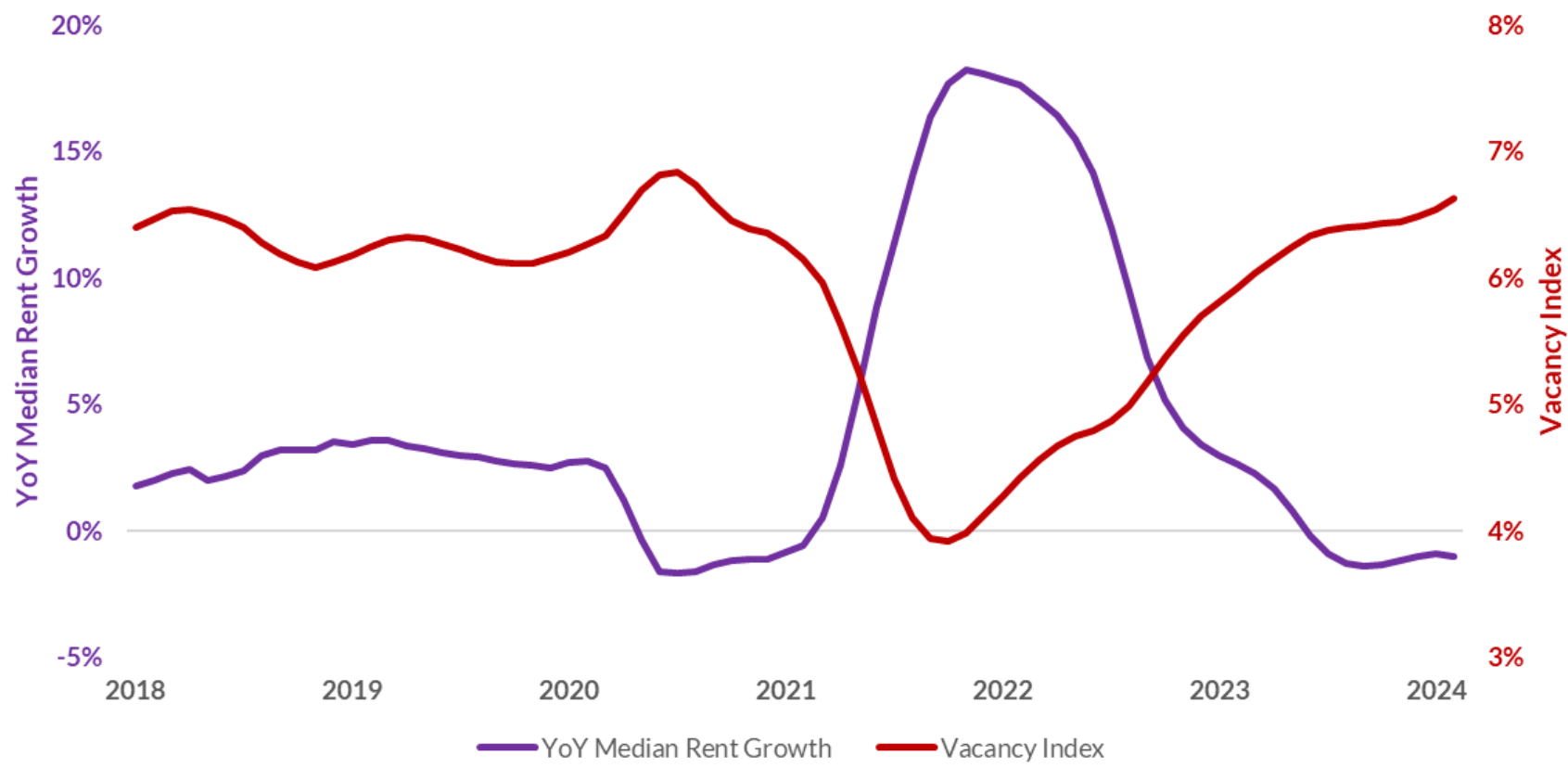
Housing Costs Much Higher Than Historical Norms

- 50% of U.S. renters are spending 30% or more of their income on rent (50% in New Mexico)
- 27% of U.S. renters are spending 50% or more of their income on rent (27% in New Mexico)
- Median Home Price Is Around 5x Median Income (Historically 3x)
- 63% of U.S. households have 1 or 2 people (New Mexico: 67%)
- U.S. housing shortage estimated at 4-7 million homes



Rents Rise Quickly When Shortages Occur

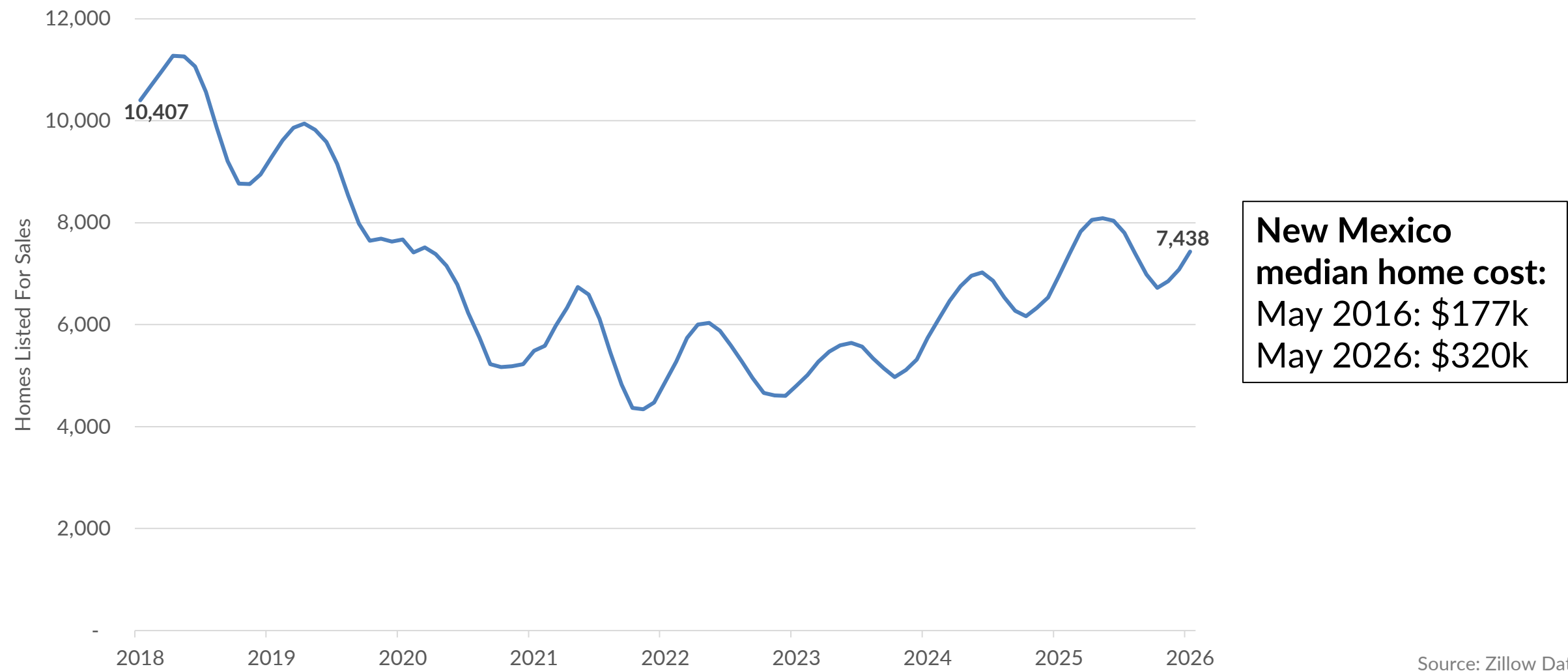
Rent Growth vs. Vacancy Rate in the United States



Source: Data from Apartment List



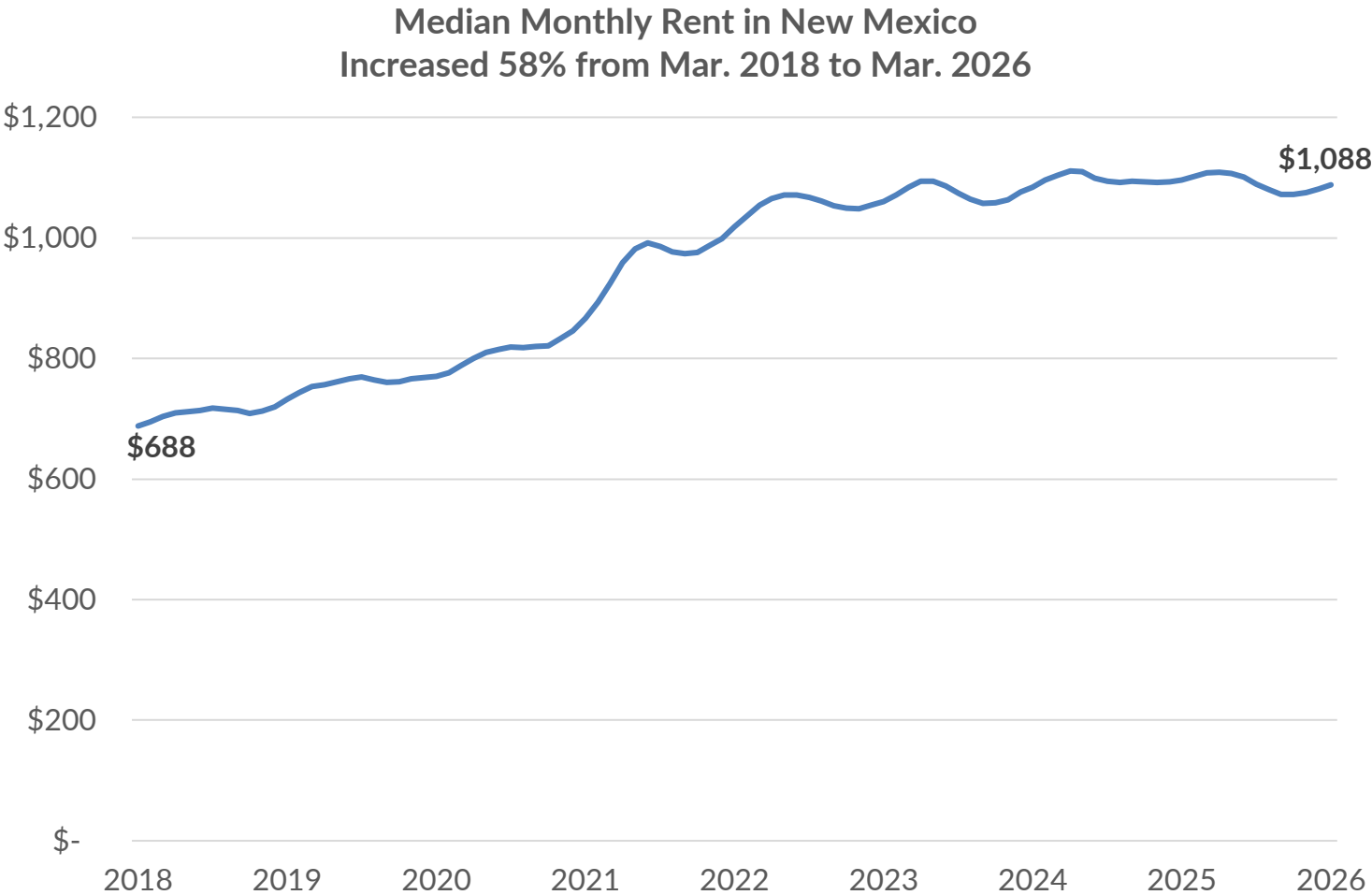
New Mexico's Housing Inventory Almost 30% Lower Than 2018 Level



Source: Zillow Data



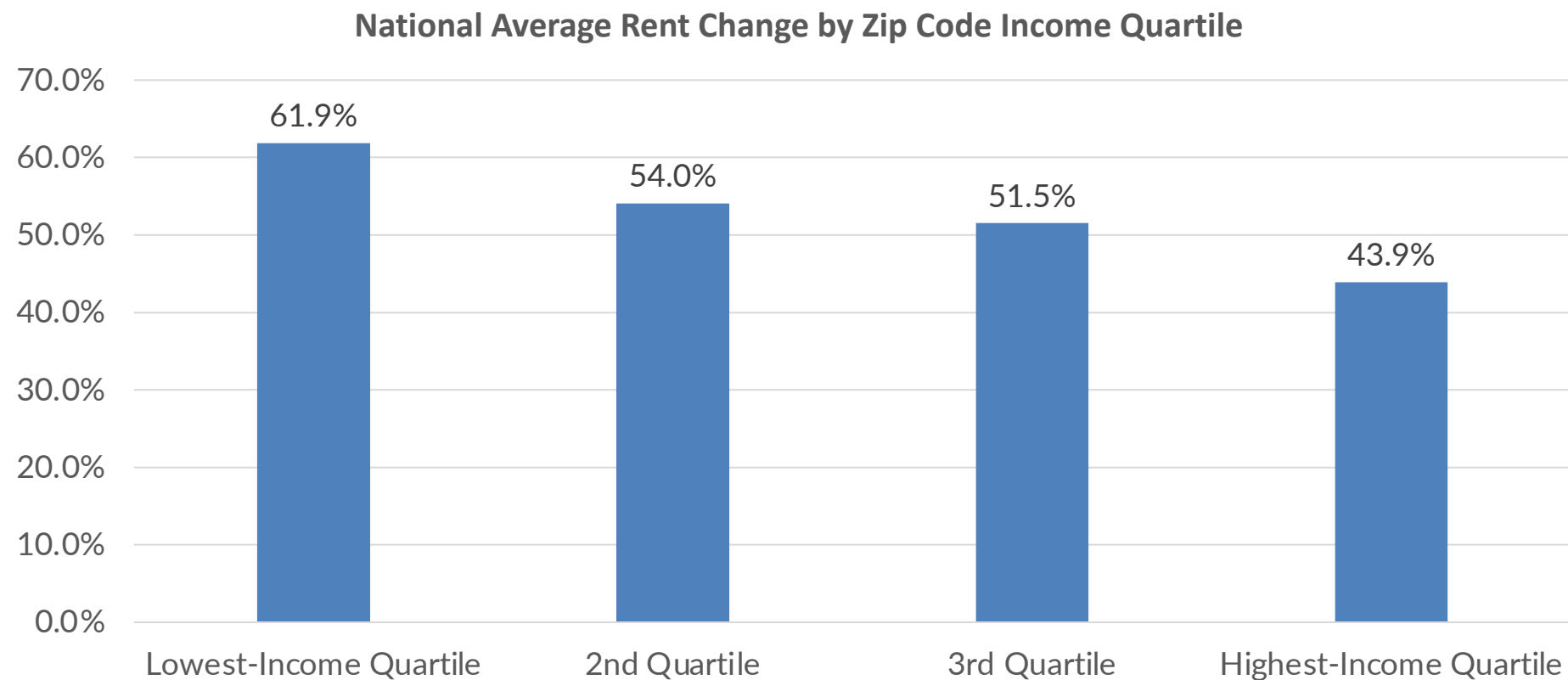
New Mexico Rents Rise Amidst Shortage



U.S. = 23%
N.M.=58%
Albuquerque= 59%
Santa Fe= 49%

Source: Apartment List Rent Estimate data

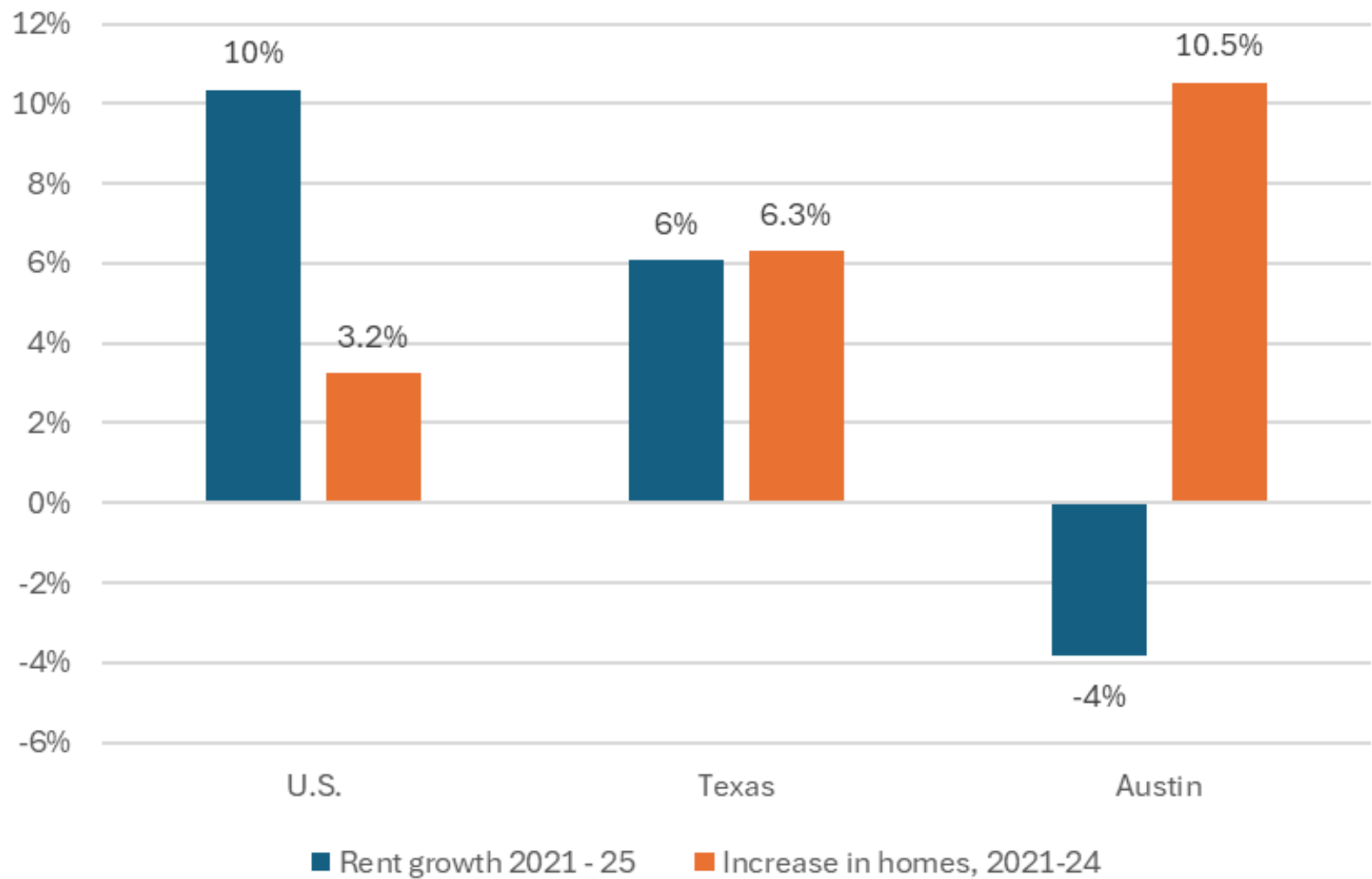
Housing Shortage Hurts Low and Moderate-Income Households Most



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

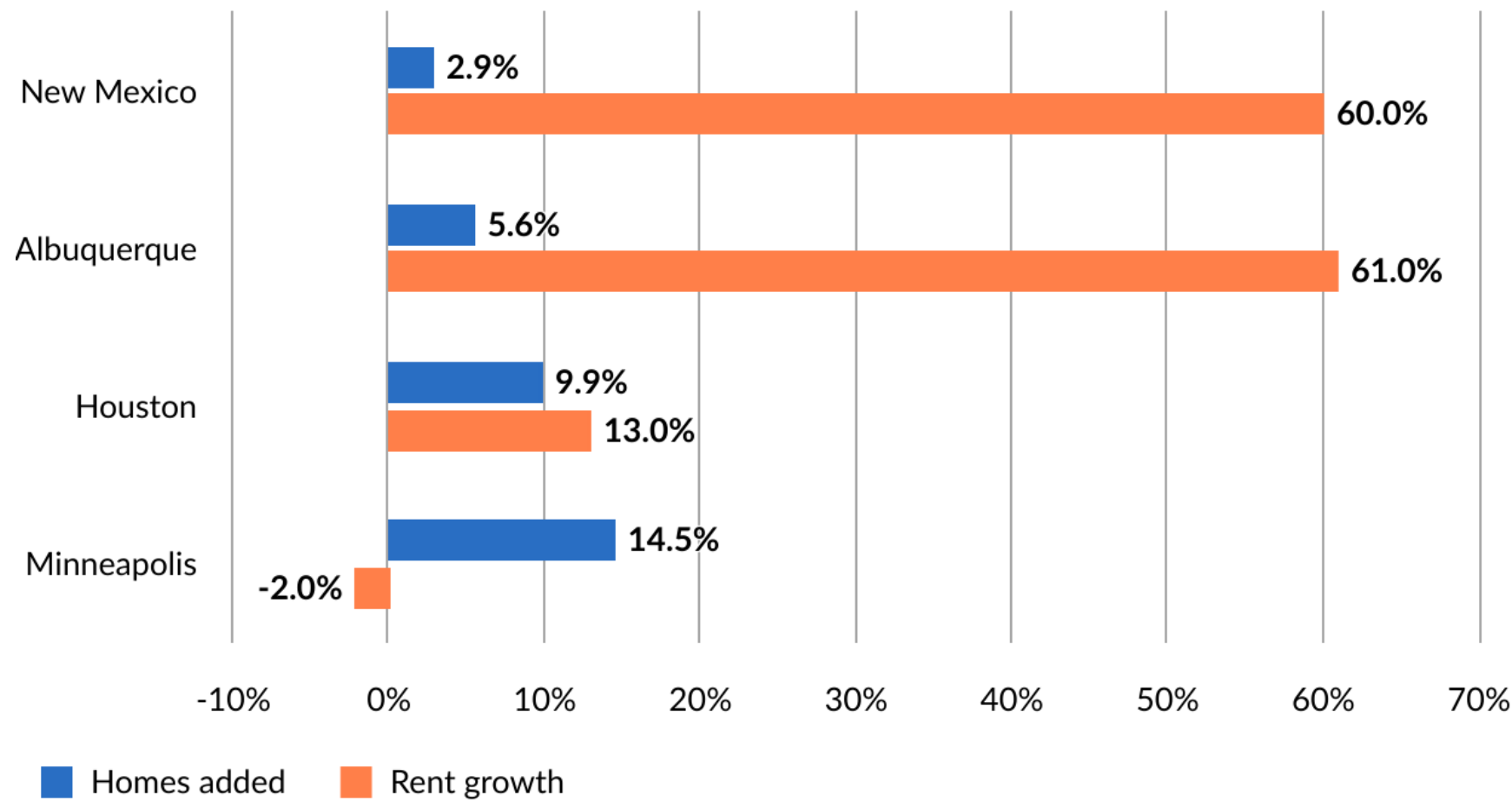
Austin Rents Have Fallen As City Has Removed Regulatory Barriers



Source: Pew’s analysis of Apartment List rent estimate data (2021-2024) and U.S. Census data on housing units (2021-2024)

Land-Use Reform Boosts Supply, Affordability

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



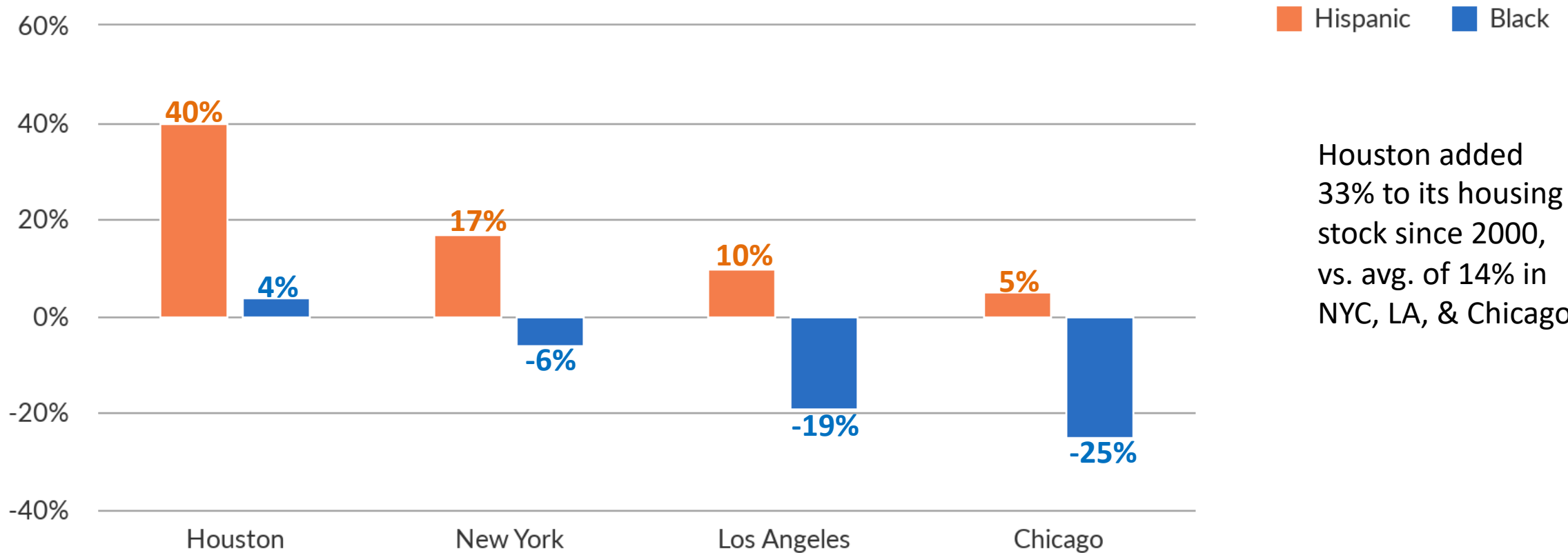
In High-Supply Housing Markets, Low-Income Renters Have Benefitted Most

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



Source: ACS Census Bureau data

Action on Housing Has Moved from Localities to States

Avg. number of state laws passed annually to allow more homes, nationwide

- 2011-2016: 1
- 2017-2022: 18
- 2023-2024: 48
- 2025: 100+

Recent Progress on State Housing Policy

	AZ	CA	CO	MT	NM	NV	TX	UT
Casitas allowed on most lots	✓	✓	✓	✓		✓		✓
By-Right Apartments Near Commerce or Transit	✓	✓	✓	✓		✓	✓	
Curbed parking mandates for some housing	✓	✓	✓	✓			✓	
Building Code Reforms			✓	✓			✓	✓
Permitting Reforms	✓	✓		✓			✓	

New Mexico Ranks Second-to-Last in West in Permitting New Housing

Rank out of 50 states based on housing unit permits issued per capita, 2018-2025

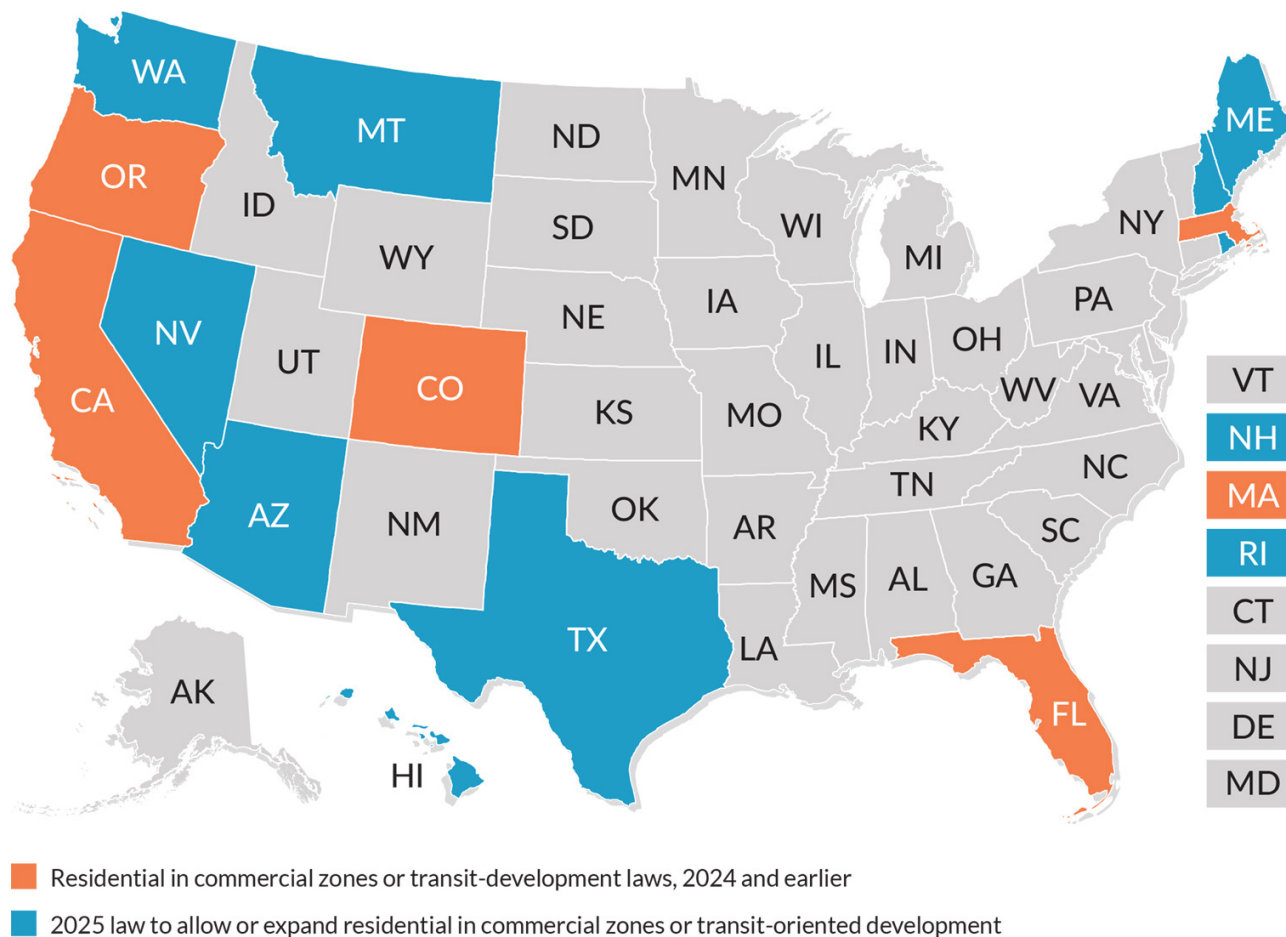
- **#2: Utah**
- **#6: Arizona**
- **#7: Texas**
- **#8: Colorado**
- **#12: Nevada**
- **#15: Montana**
- **#33: New Mexico**
- **#38: California**

Source: SOCDS Building Permits, U.S. Census.

Note: States covered are those in the continental Western U.S.

States Allowing Apartments On Commercial Corridors or Near Transit

Replicates Most Effective Local Reform



Pre-Approved Plans Speed Up Permitting, Reduce Costs, and Save Staff Time



Sixplex



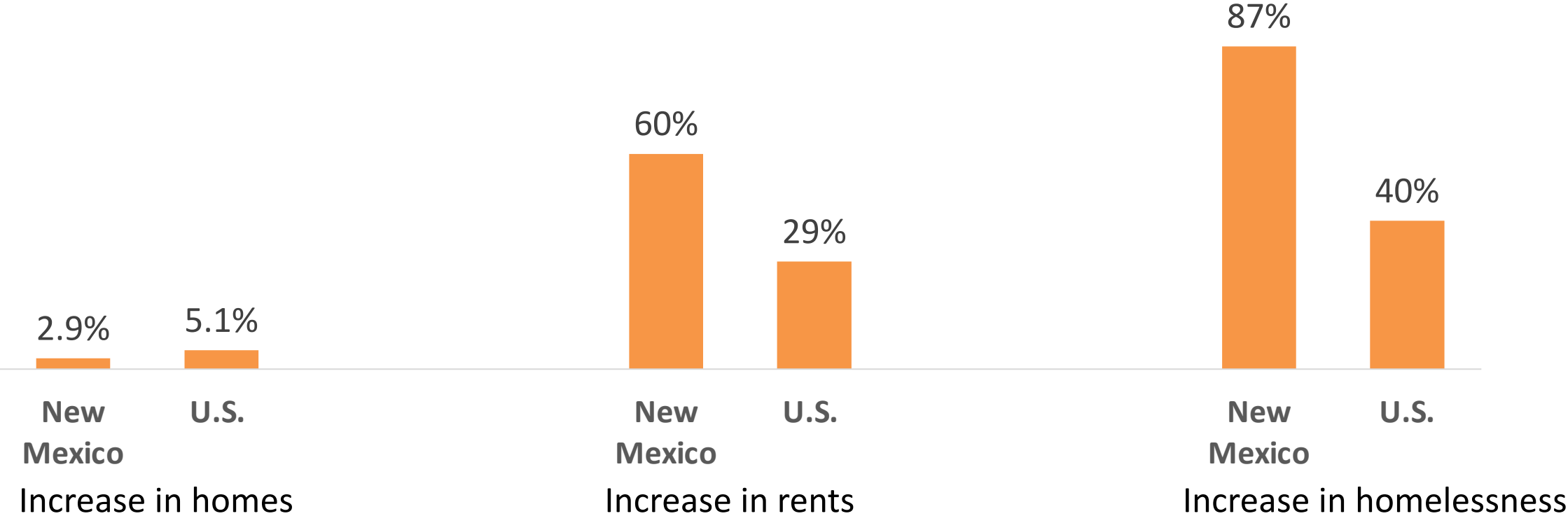
Stacked Duplex



Side-by-side Duplex

Source: South Bend, Indiana's Preapproved Plan Catalog, <https://southbendin.gov/bsb/preapprovedplans/>

New Mexico Added Less Housing Than U.S., Saw Rents & Homelessness Rise More
Homes Added cover 2017-2023, Rents & Homelessness cover Oct. 2017-Oct. 2024



Office Conversions to Co-Living: Rendering of a Micro-Unit



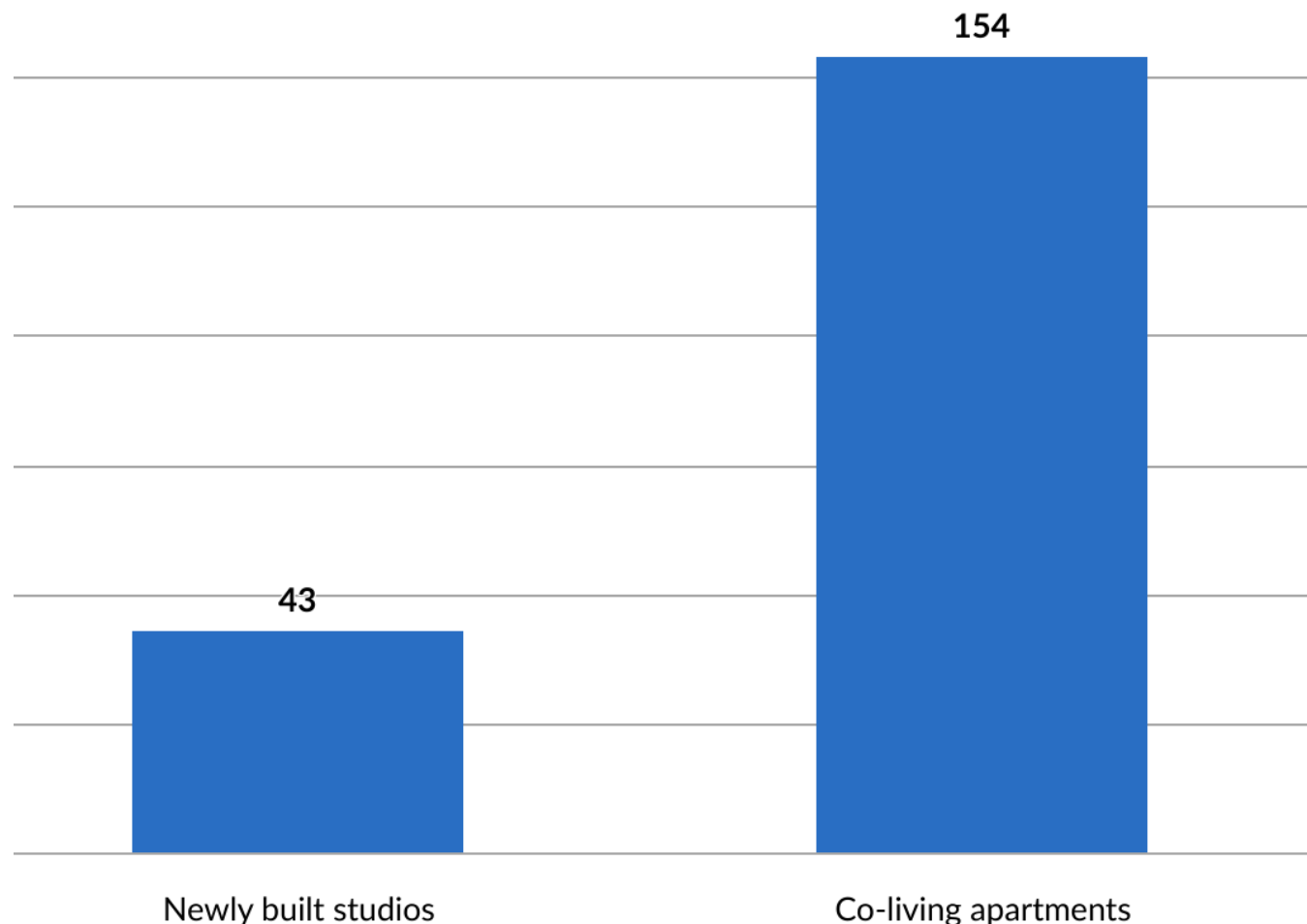
Source: Gensler

Albuquerque Building Floor Plan



- 4 residential floors
- 68 beds per floor
- Total of 256 units (272 residents)

Office to Co-Living Conversions Can Produce More Homes with Same Spending *45% AMI homes that would be created with \$10 million in subsidies, Albuquerque*



Source: Gensler and The Pew Charitable Trusts, 2025

Manufactured Housing on Small Lots Can Offer Deeply Affordable, Unsubsidized Rental Housing By the Room

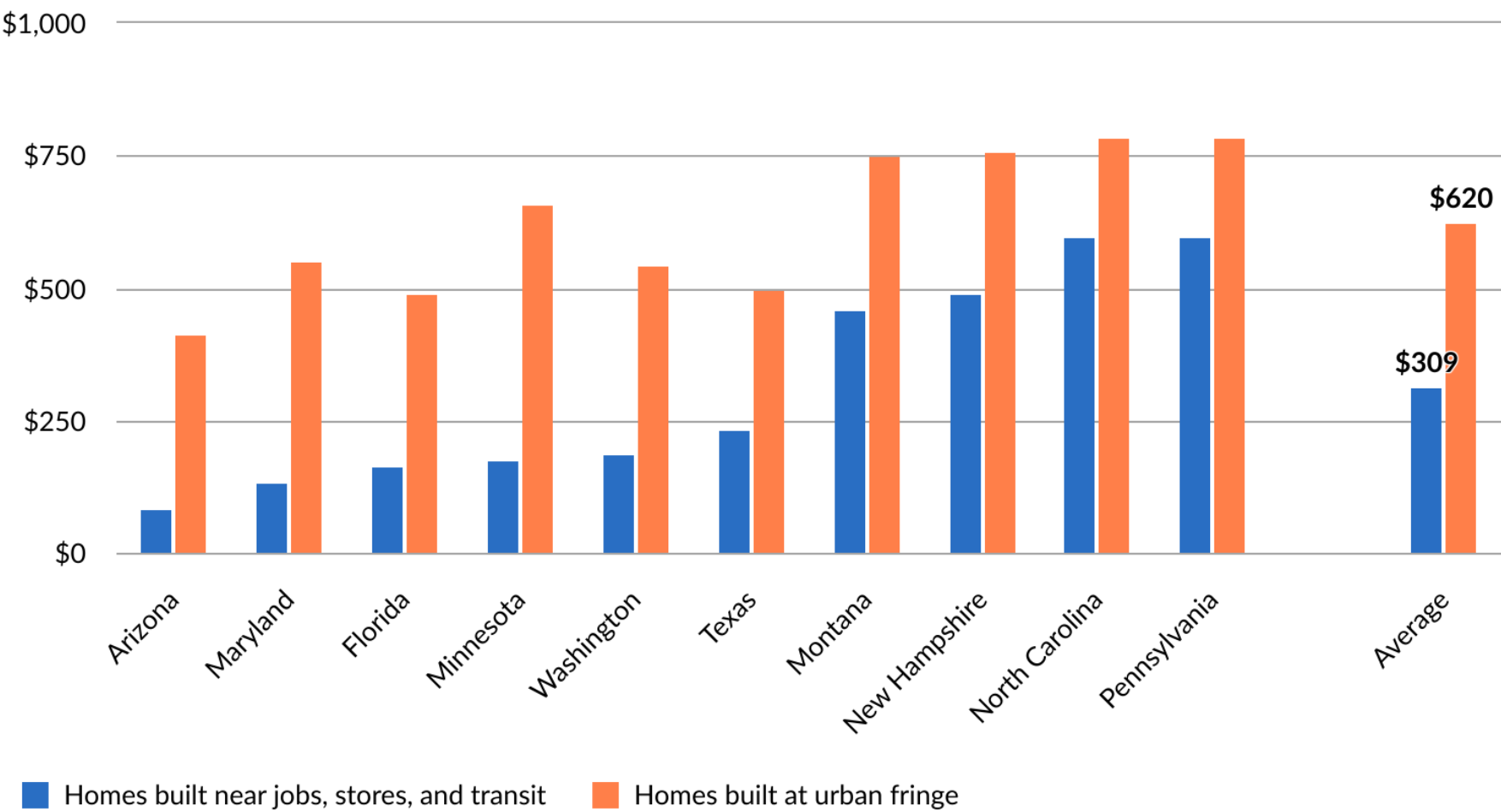


Duplex with 2-3 bedrooms on each side: On a small lot, using land-bank land or other inexpensive land, with rents of roughly \$750/month per room, including all utilities and rented by the room, this housing could be provided with no subsidies to someone earning \$30k or less per year

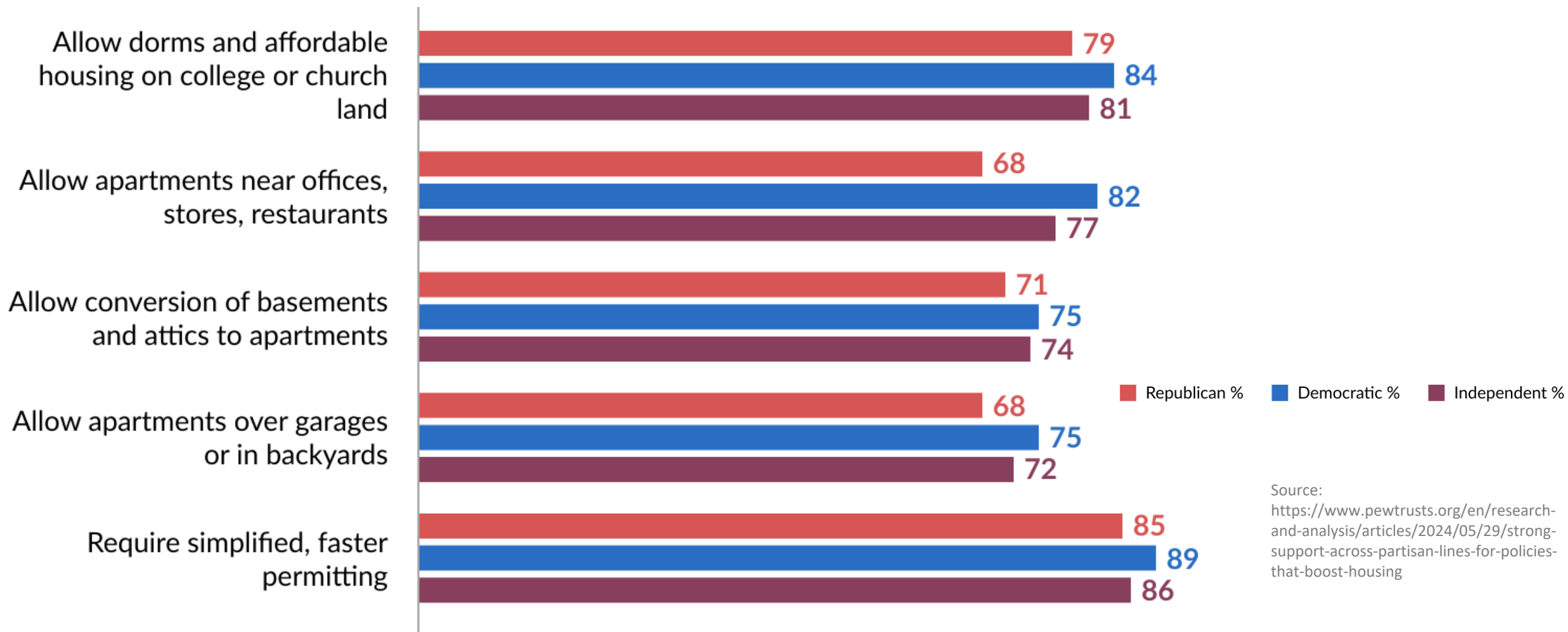
With widespread adoption on vacant or blighted blocks in moderate-cost cities, homelessness would fall quickly by reducing inflows



Infrastructure Maintenance Costs Double When New Homes Are Built Far From Jobs, Stores, and Transit



2023 Pew Survey: Share of Americans Favoring Each Policy



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The Pew Charitable Trusts
[Pewtrusts.org/housingpolicy](https://pewtrusts.org/housingpolicy)

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