

# EL PASO, TX

## 2023 MARKET AT A GLANCE

Occupancy Rate

92.1%



DOWN 430 BPS YOY

Effective Rent

\$1,039



UP 2.7% YOY

Rent Share of Wallet

21.4%



DOWN 20 BPS YOY

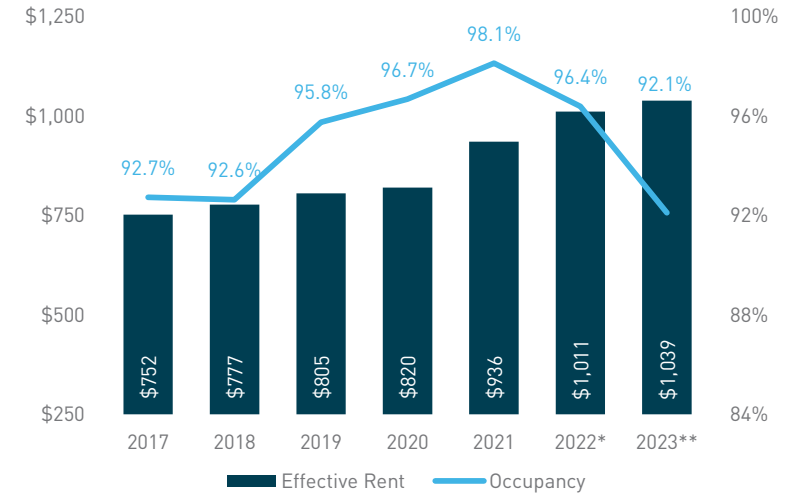
## Home Sales in El Paso Expected to Cool Down Multifamily Market

El Paso consistently ranks among the most affordable cities in America, due in part to the lower cost of homeownership. The increase in home sales in El Paso is projected to lead the nation, as the metro's median price remains around \$220,000 this year. At the same time, homeownership is expected to rise, impacting the El Paso multifamily market. Multifamily operators could see up to 2,077 net move-outs this year. The level of new deliveries is forecast to total 322 units, consistent with the pre-pandemic average. Of this, 247 will be constructed in the East El Paso and the Northwest El Paso submarkets. This supply and demand imbalance will have a ripple effect as the average occupancy rate is expected to fall 430 basis points to 92.1% by year-end 2023, the lowest since 2017. Similarly, the 8.1% year-over-year rent appreciation in 2022 is forecast to subside to 2.7% this year, reaching an average effective rent of \$1,039 per month in the fourth quarter. Providing leeway for raising rents will be a growing economy and rising income. The metrowide employment is anticipated to increase 1.2% in 2023, surpassing pre-pandemic employment levels near the end of the year. The leisure and hospitality sector should make the largest jump with a 2.2% increase as El Paso looks to grow its tourism industry with seven new hotel projects in the construction pipeline. At the same time, the median household income in the metro is expected to rise 3.8% to \$58,264. Even with the median household increase, the local income would still be well below the national average.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

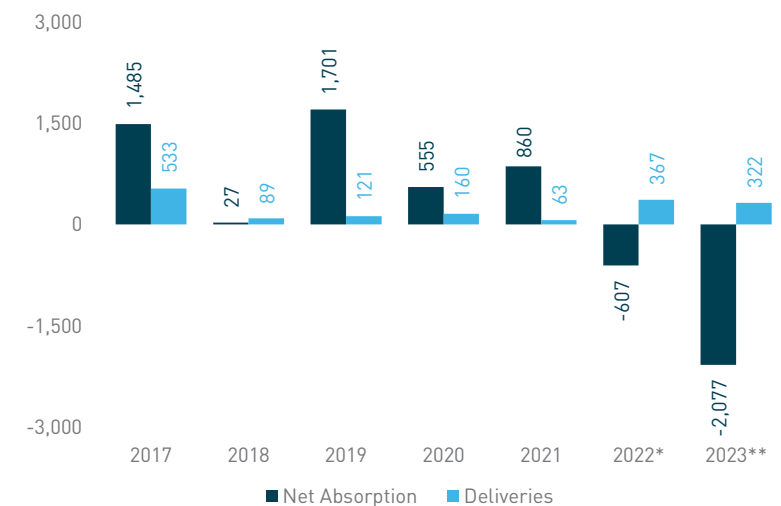
## Apartment Trends

### Effective Rent & Occupancy



\*Projected \*\*Forecast

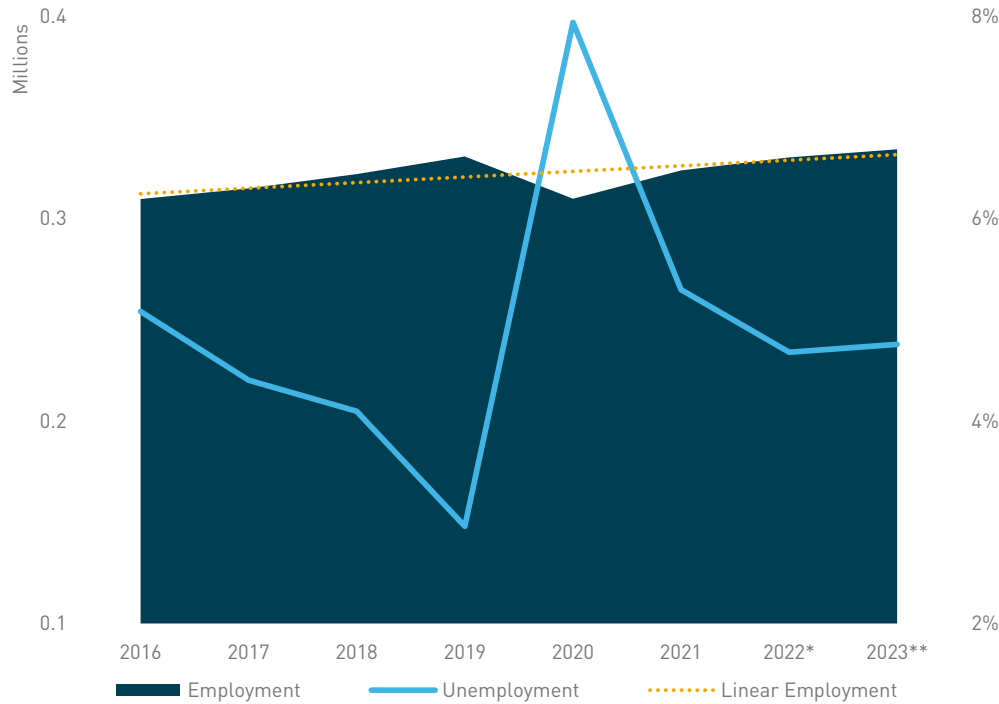
### Absorption & Deliveries



\*Projected \*\*Forecast

## Employment Trends

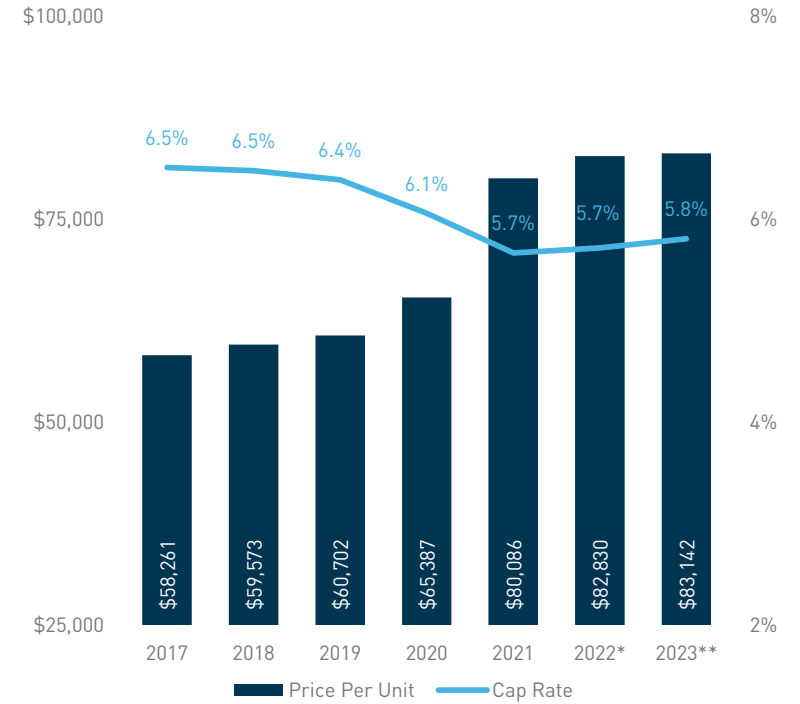
Market Employment Trends



\*Projected \*\*Forecast

## Sales Trends

Price Per Unit & Cap Rate



\*Projected \*\*Forecast

Employment  
**334,300**



UP 1.2% YOY

Unemployment  
**4.8%**



UP 10 BPS YOY

Median Household Income  
**\$58,264**



UP 3.8% YOY

Price Per Unit  
**\$83,142**



UP 0.4% YOY

Cap Rate  
**5.8%**



UP 10 BPS YOY