Residential Building Stock and Residential Building Permit Data for New Mexico
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Residential and commercial development is often used as an indicator of the health of the economy. Construction activity for all types of property development translates into jobs, which ultimately have a direct, indirect, and induced impact on revenue and wealth creation in the state. The importance of development and redevelopment became very apparent during the recession, when major declines in construction activity rolled into major employment losses in related industries, such as construction, real estate, and architecture and engineering. This article presents data from the U.S. Census Bureau and focuses on residential properties, including the current housing stock in New Mexico and new approved residential building permits.

Current Housing Stock
As shown in Exhibit 1, the majority of occupied housing units were single-family (69.3 percent, either attached or detached) as of 2012. Approximately 14.7 percent of housing units were multi-family, while 16.0 percent were mobile homes or other type of housing. New Mexico had the smallest concentration of single-family units compared to neighboring states, and the concentration was similar to that for the nation. New Mexico had the second smallest concentration of multi-family units, following only Oklahoma. New Mexico had the largest concentration of mobile units or other types of housing.

New Mexico’s median age of residential buildings, as of 2012, was 31 years. Based on U.S. Census Bureau data, one-half of New Mexico’s housing stock was built before 1981, while the other half was built after 1981. Compared to the nation, New Mexico’s housing stock was younger; the median year in which residential structures were built in the U.S. was 1975. This reflects the larger populations that existed in the eastern states and southern states prior to the overall migration of population into the west that accelerated in the nineteenth century. (See Exhibit 1.) Of New Mexico’s neighboring states, Oklahoma had the oldest stock of residential units, with the median year that structures were built being 1975, the same as the U.S. Arizona’s housing stock was the youngest of the neighboring states (median year built is 1983), but essentially the same as both Texas and Utah.

Overall, there was not a significant difference in the median year that residential structures were built across New Mexico and its neighboring states. (See Exhibit 2). There were larger differences in the percentages of housing stock built during different periods of time. About 25 percent of Arizona’s residential structures were built before 2000, as compared to just 14.5 percent of U.S. structures. In fact, over 45 percent of Arizona’s structures were built after 1990, compared to only 28 percent of U.S. structures. In New Mexico, approximately one-third of all residential structures were built after 1990. On the flip-side, in Oklahoma, close to 15 percent of structures were built prior to 1949. Structures built prior to 1949 comprised 19.3 percent of all structures in the U.S., 9.9 percent of all structures in New Mexico, and only 3.5 percent of all structures in Arizona.

There are striking differences in the age of housing stock across New Mexico’s cities and towns. Exhibit 3 shows housing stock for the 20 cities and towns with the largest shares of housing of the state total. Unsurprisingly, Rio Rancho had the youngest housing stock; the median year that structures were built was 1995, and just over 60 percent of all residential structures were built after 1990. Chaparral, often considered a bedroom community of El Paso, also had a younger housing stock. Over 64 percent of structures in Los Lunas were built after 1990; this recent residential development was likely somewhat driven by Los Lunas’ proximity to Albuquerque.

On the opposite end of the spectrum lies Carlsbad, the city with the oldest housing stock (of those analyzed). The median year in which Carlsbad’s residential structures were built was 1963, and

![Image](image-url)
45 percent of the city’s structures were built prior to 1960. Las Vegas is unique in that nearly one-third of residential structures were built prior to 1949, although the median year structures were built was 1966. It appears that a housing boom occurred in the city that receded in the 1950s. Los Alamos saw a boom in housing development in the 1950s, reflecting growth of Los Alamos National Laboratory. The community recently saw a small revival in residential development, with 17 percent of housing being built after 2000.

Interestingly, many of the communities with the oldest housing stock are located in the southeastern region of the state. This includes Hobbs, Clovis, Portales, Roswell, and Carlsbad. This region sees some of the most fluctuating and extreme employment changes. The region is a major producer of oil, natural gas, potash, and other mined commodities, and related employment fluctuates with changes in the markets for those commodities. For example, the region has had some of the fastest employment growth in recent years. The region faces a unique and difficult situation when it comes to housing because workers employed during boom times are often relocating from other cities and states and for shorter periods of time. New housing development makes sense, but is not always a risk developers are willing to take when they know a wane in the demand for extraction workers can leave housing stock vacant for periods of time. Positively, some of the counties in the region did not experience major declines in residential development during the recession and recovery. Exhibit 4 provides data on new privately-owned residential building permits approved in select southeastern counties. As Exhibit 4 shows, Eddy and Roosevelt counties have all seen building permit levels that are either fairly close to the levels seen in 2004 or higher. Even though the number of permits has fluctuated and dipped below 2004 levels at times, the number of permits, overall, has remained fairly close to pre-recession levels. The number of building permits in Chaves, Lea, and Otero counties were still below 2004 levels (and even 2007 levels), along with building permits for the state as a whole.

Data on new privately-owned residential building permits that are approved provide a clearer picture of new residential development. Exhibit 5 shows the number of residential building permits approved each year in New Mexico between 1960 and 2012. Exhibit 6 shows the annual percentage change in permits over the same period. The number of approved permits varied greatly, although permits typically fell, and in many cases to a great degree, during recessionary periods. As can be seen in the exhibit, permits fell drastically in the recent recession (December
Between 2007 and 2008, permits declined by around 34 percent; the number of new permits had not fallen this much since 1973. As of 2012, annual approved permits were at the lowest levels seen since 1969. This is a very important variable to be aware of when evaluating New Mexico’s economy. It is well known that the housing crash that came with the recession was severe. This significant decline in residential building activity directly correlates with the extensive job losses in industries related to residential and commercial development, including construction, real estate, and architecture and engineering. New Mexico has not rebounded from these losses to any measurable degree. As Exhibit 7 shows, New Mexico has fallen behind most other neighboring states in residential development. While all states, and the U.S., continue to see approved new permits remain well below 2004 levels, particularly Arizona, New Mexico’s recovery of residential development appears to be occurring more slowly. Between 2010 and 2013, approved residential building permits grew by over 60 percent in all five states analyzed except New Mexico, which saw growth of 10 percent. Growth, albeit small, is still a positive sign, and New Mexico should continue to see building permits grow as the state continues to recover from the effects of the recession.