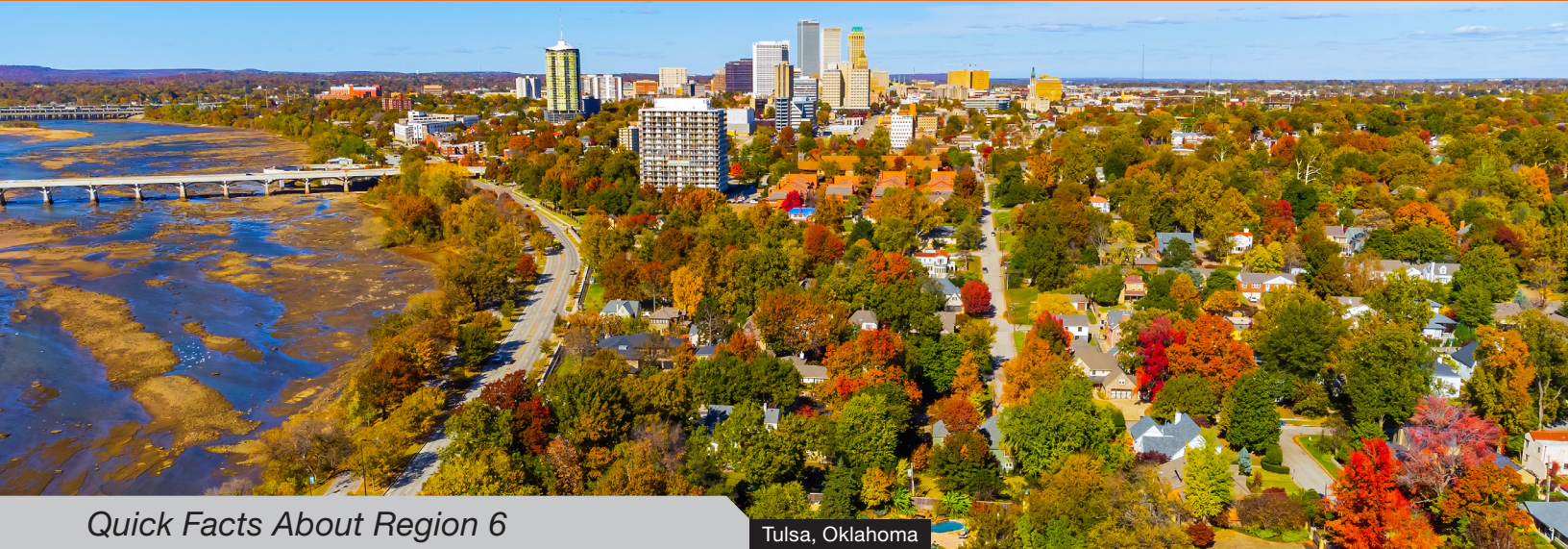


HUD PD&R Regional Reports

Region 6: Southwest

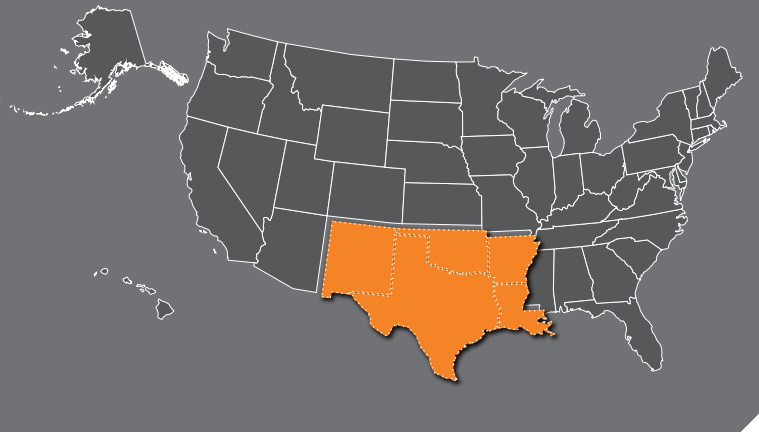


Quick Facts About Region 6

Tulsa, Oklahoma

By [L. David Vertz](#) | 2nd Quarter 2024

- Sales market conditions—**
Second quarter 2024: mixed (soft to slightly tight)
First quarter 2024: mixed (soft to slightly tight)
Second quarter 2023: mixed (slightly soft to tight)
- Apartment market conditions—**
Second quarter 2024: mixed (soft to slightly tight)
First quarter 2024: mixed (soft to balanced)
Second quarter 2023: mixed (soft to slightly tight)



Overview

As of the second quarter of 2024, the economy in the Southwest region expanded, continuing the year-over-year job gains that began in the second quarter of 2021. Nonfarm payrolls increased by 374,500 jobs, or 1.9 percent, from a year ago, and every state in the region added jobs. Sales housing market conditions during the second quarter of 2024 ranged from soft to slightly tight in most metropolitan areas in the region. Apartment market conditions also ranged from soft to slightly tight throughout the region, with the Tulsa metropolitan area having the most substantial rent increase, up 6 percent from a year ago (ALN Apartment Data, Inc.).

- Home sales decreased in every state in the region during the 12 months ending May 2024 compared with a year earlier, led by a 20-percent decline in Arkansas (CoreLogic, Inc., with adjustments by the analyst). Home sales prices were mixed, with respective gains of 1, 2, 2, and 10 percent in New Mexico, Oklahoma, Texas, and Arkansas from a year ago. In Louisiana, home prices declined less than 1 percent from the same period a year ago because of weakening

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sales market conditions in the Baton Rouge metropolitan area, where home prices declined nearly 3 percent.

- As of the second quarter of 2024, 470 apartment properties containing a combined 122,700 units were under construction in the region; approximately 90 percent of the units were in Texas (CoStar Group). Within Texas, the Dallas-Fort Worth-Arlington metropolitan area had the most building activity,

with approximately 43,000 units in 137 apartment properties under construction. Outside Texas, the CoStar Group-defined Northwest Arkansas area, which includes the Fayetteville-Springdale-Rogers metropolitan area, had the most building activity, with approximately 2,975 units in 16 apartment properties under construction.

Economic Conditions

The second quarter of 2024 was the 13th consecutive quarter of annual job growth in the Southwest region. Nonfarm payrolls increased compared with a year earlier by 374,500 jobs, or 1.9 percent, to 20.20 million jobs as of the second quarter of 2024. The government and the education and health services sectors accounted for approximately 46 percent of the total payroll increase in the region. The government sector added 89,100 jobs, reflecting a 2.9-percent increase from a year ago, and the education and health services sector increased by 83,400 jobs, or 2.9 percent. As of the second quarter of 2024, the regional unemployment rate averaged 3.9 percent, up from 3.7 percent during the second quarter of 2023. The largest statewide increase was in Oklahoma, where the unemployment rate rose from 3.0 percent in the second quarter of 2023 to 3.5 percent during the second quarter of 2024.

As of the second quarter of 2024 —

- Nonfarm payrolls in Texas increased by 293,400 jobs, or 2.1 percent, compared with the same period a year ago.

The government sector added the most jobs compared with the second quarter of 2023, up by 65,800, or 3.2 percent. The local government subsector led that increase with a gain of 49,500 jobs, or 3.5 percent.

- Nonfarm payrolls in Oklahoma increased by 31,100 jobs, or 1.8 percent, to 1.79 million jobs. Gains in the education and health services sector, which increased by 12,800 jobs, or 5.0 percent, from the same period a year ago, more than offset a decline of 5,400 jobs, or 2.6 percent, in the professional and business services sector.
- In Arkansas, nonfarm payrolls increased by 24,600 jobs, or 1.8 percent, compared with the second quarter of 2023. The education and health services sector added 8,400 jobs, or 4.1 percent, representing the largest year-over-year gain among all payroll sectors in the state. The construction subsector had the fastest rate of growth from a year ago, up 4,700 jobs, or 7.4 percent, because the awarding of

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The government sector, which added 89,100 jobs as of the second quarter of 2024 from a year ago, led job growth in the Southwest region.

	Second Quarter		Year-Over-Year Change	
	2023 (Thousands)	2024 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	19,827.5	20,202.0	374.5	1.9
Goods-Producing Sectors	2,881.7	2,941.6	59.9	2.1
Mining, Logging, & Construction	1,456.7	1,497.2	40.5	2.8
Manufacturing	1,425.0	1,444.4	19.4	1.4
Service-Providing Sectors	16,945.8	17,260.5	314.7	1.9
Wholesale & Retail Trade	2,886.8	2,908.3	21.5	0.7
Transportation & Utilities	955.2	962.0	6.8	0.7
Information	297.5	290.8	-6.7	-2.3
Financial Activities	1,188.5	1,201.0	12.5	1.1
Professional & Business Services	2,821.6	2,850.3	28.7	1.0
Education & Health Services	2,827.2	2,910.6	83.4	2.9
Leisure & Hospitality	2,136.1	2,189.5	53.4	2.5
Other Services	712.5	738.4	25.9	3.6
Government	3,120.5	3,209.6	89.1	2.9

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

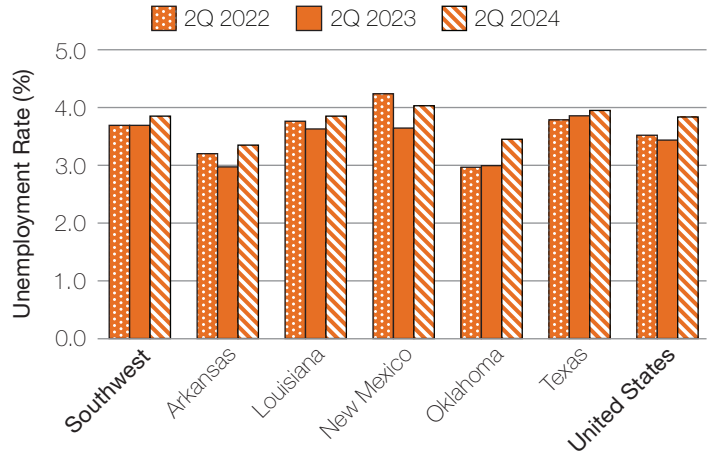


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several large-scale construction contracts associated with the Arkansas Department of Transportation resulted in ramped-up hiring.

- Nonfarm payrolls in New Mexico reached 888,400 jobs, reflecting an increase of 14,400 jobs, or 1.7 percent, compared with the same period a year ago. The largest year-over-year payroll gain in the state was in the government sector, which added 7,000 jobs, or 3.8 percent.
- Nonfarm payrolls in Louisiana increased by 11,100 jobs, or 0.6 percent, to 1.97 million jobs. The mining, logging, and construction sector added 7,400 jobs, or 4.6 percent, the largest year-over-year gain among all payroll sectors in the state. Job gains were concentrated entirely in the construction subsector, which increased by 8,200, or 6.3 percent.

As of the second quarter of 2024, the unemployment rate increased in all five states in the Southwest region from the second quarter of 2023.



2Q = second quarter.
Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

Sales housing market conditions ranged from soft to slightly tight in the Southwest region as of the second quarter of 2024. Home sales decreased in the region during the past 12 months compared with the same period a year ago. The number of new and existing home sales in the region during the 12 months ending May 2024, including single-family homes, townhomes, and condominiums, decreased 15 percent from a year ago to approximately 775,300 home sales. That decrease followed a 23-percent decline in the number of homes sold a year earlier (CoreLogic, Inc., with adjustments by the analyst). During the 12 months ending May 2024, the average home sales price in the region increased 3 percent to \$316,400.

In the largest metropolitan areas of Texas, sales housing market conditions during the second quarter of 2024 ranged from balanced to slightly tight despite slowing home sales. The Austin-Round Rock metropolitan area sales market was balanced during the second quarter of 2024. The number of new and existing homes sold decreased 2 percent during the 12 months ending June 2024 from the 31,100 sales a year earlier, and the average home price declined 4 percent to \$569,900 (Texas Real Estate Research Center at Texas A&M University). The sales market was balanced in the Dallas-Plano-Irving metropolitan division. New and existing home sales were down 3 percent to 59,850 homes sold, and the average home price increased 3 percent to \$525,700. In the Fort Worth-Arlington metropolitan division, the sales market was slightly tight. New and existing home sales were down 6 percent, with 28,850 homes sold, and the average sales price was up 2 percent to \$435,500. Sales market conditions in

the Houston-Pasadena-The Woodlands metropolitan area were balanced. Sales decreased 3 percent from the same period a year ago to 86,500 homes sold, but the average sales price edged up 2 percent to \$415,700. The sales market was balanced in the San Antonio-New Braunfels metropolitan area. During the 12 months ending June 2024, the number of new and existing homes sold decreased 5 percent compared with a year earlier to 33,450 home sales, and the average home price decreased 1 percent to \$367,900.

Outside Texas, home sales declined, and home prices increased in most metropolitan areas. In the Albuquerque metropolitan area, the sales market was slightly tight during the second quarter of 2024. New and existing home sales decreased 13 percent during the 12 months ending May 2024 to 15,400 homes sold, and the average sales price increased 4 percent compared with a year earlier to \$358,900 (CoreLogic, Inc., with adjustments by the analyst). The sales market was slightly tight in both the Fayetteville-Springdale-Rogers and Little Rock-North Little Rock-Conway metropolitan areas. In the Fayetteville-Springdale-Rogers metropolitan area, new and existing home sales were down 7 percent, with 12,650 homes sold, and the average sales price was up 4 percent to \$380,100. The number of new and existing homes sold in the Little Rock-North Little Rock-Conway metropolitan area decreased 11 percent to 14,350 home sales compared with the number sold a year ago, but the average home price increased 4 percent to \$229,500. Sales market conditions in the Oklahoma City metropolitan area were slightly tight. Total home sales decreased 15 percent to 28,050

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Home sales declined in all the major metropolitan areas of the Southwest region during the past 12 months, whereas average home sales prices increased in every major metropolitan area except Austin-Round Rock and San Antonio-New Braunfels in Texas.

	12 Months Ending	Number of Homes Sold				Price		
		2023	2024	Percent Change	Average	2023 (\$)	2024 (\$)	Percent Change
Albuquerque, NM (N&E)	May	17,750	15,400	-13	AVG	\$343,800	\$358,900	4
Austin-Round Rock, TX (N&E) ^a	June	31,100	30,500	-2	AVG	\$591,000	\$569,900	-4
Dallas-Plano-Irving, TX (N&E) ^a	June	62,000	59,850	-3	AVG	\$509,100	\$525,700	3
Fayetteville-Springdale-Rogers, AR (N&E)	May	13,600	12,650	-7	AVG	\$364,700	\$380,100	4
Fort Worth-Arlington, TX (N&E) ^a	June	30,700	28,850	-6	AVG	\$428,100	\$435,500	2
Houston-Pasadena-The Woodlands, TX (N&E) ^a	May	89,600	86,500	-3	AVG	\$409,200	\$415,700	2
Little Rock-North Little Rock-Conway, AR (N&E)	May	16,200	14,350	-11	AVG	\$220,000	\$229,500	4
New Orleans-Metairie, LA (N&E)	May	17,750	14,400	-19	AVG	\$295,900	\$297,000	0
Oklahoma City, OK (N&E)	May	33,100	28,050	-15	AVG	\$250,600	\$255,600	2
San Antonio-New Braunfels, TX (N&E) ^a	June	35,050	33,450	-5	AVG	\$372,900	\$367,900	-1
Tulsa, OK (N&E)	May	20,500	18,100	-12	AVG	\$245,100	\$254,200	4

AVG = average. N&E = new and existing.

Sources: ^aTexas Real Estate Research Center at Texas A&M University; all other areas—CoreLogic, Inc., with adjustments by the analyst

homes sold, but the average sales price increased 2 percent from the same period a year ago to \$255,600. In the Tulsa metropolitan area, the sales market was also slightly tight. New and existing home sales were down 12 percent, with 18,100 homes sold, and the average sales price was up 4 percent to \$254,200. The sales market was soft in the New Orleans-Metairie metropolitan area. New and existing home sales declined 19 percent to 14,400 homes sold, and the average home price was relatively unchanged at \$297,000.

The percentage of seriously delinquent home loans (90 or more days delinquent or in foreclosure) and real estate owned (REO) properties in the region decreased during the past year. As of May 2024, 1.1 percent of home loans in the region were seriously delinquent or had transitioned into REO status, down from 1.3 percent a year ago (CoreLogic, Inc.).

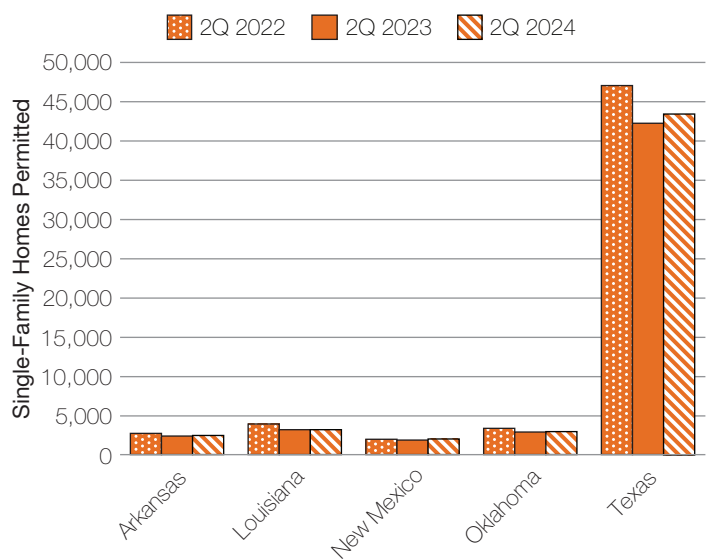
As of the second quarter of 2024 (preliminary data)—

- Single-family homebuilding activity in the region, as measured by the number of homes permitted, increased by 1,375 homes, or 3 percent, to approximately 54,150 single-family homes from the number permitted during the second quarter of 2023.
- In New Mexico, single-family home permitting increased 6 percent to 2,050 homes, compared with 1,925 homes permitted a year ago. The largest increase in single-family home permitting occurred in the Albuquerque metropolitan area, up by 90 homes, or 18 percent, from the second quarter of 2023 to 600 homes permitted.
- In Arkansas, single-family home permitting increased 4 percent to 2,500 homes from the 2,425 homes permitted a year ago, led by a 9-percent increase in the Fayetteville-Springdale-Rogers metropolitan area to 1,475 homes permitted.

- In Texas, the number of single-family homes permitted increased 3 percent to 43,400 homes from 42,250 homes permitted a year ago. Among the major metropolitan areas in the state, the largest increase in single-family home permitting occurred in the San Antonio-New Braunfels metropolitan area, up by 730 homes, or 29 percent, from the second quarter of 2023 to 3,300 homes permitted.

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The number of single-family homes permitted increased in most states in the Southwest region during the second quarter of 2024 compared with a year ago; the only decline was in Louisiana.



2Q = second quarter.

Note: Based on preliminary data.

Source: U.S. Census Bureau, Building Permits Survey



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- The number of single-family homes permitted in Oklahoma increased 2 percent to 3,000 homes permitted from 2,950 homes permitted a year ago. In the Tulsa metropolitan area, the number of single-family homes permitted increased by 50, up 6 percent from a year ago to 910 homes permitted.

- The number of single-family homes permitted in Louisiana decreased 1 percent to 3,225 homes from the 3,250 homes permitted a year ago. The largest decline in single-family home permitting occurred in the Lafayette metropolitan area, which was down 140 homes, or 19 percent, from the second quarter of 2023 to 580 homes permitted.

Apartment Market Conditions

Apartment market conditions ranged from soft to slightly tight in the large metropolitan areas in the Southwest region during the second quarter of 2024, unchanged from a year earlier. The market was soft in the Austin-Round Rock metropolitan area; the apartment vacancy rate increased from 7.4 as of the second quarter of 2023 to 9.0 percent as of the second quarter of 2024, and the average rent declined 4 percent from a year earlier to \$1,655 (ALN Apartment Data, Inc.). Conditions were balanced in the Dallas-Plano-Irving metropolitan division, where the apartment vacancy rate increased from 6.9 to 8.1 percent, and the average rent decreased 1 percent from a year earlier to \$1,592. The apartment market was balanced in the Fort Worth-Arlington metropolitan division, with an 8.9-percent vacancy rate in the second quarter of 2024, up from 7.7 percent a year earlier, and the average rent was up 1 percent to \$1,455. In the Houston-Pasadena-The Woodlands metropolitan area, conditions were balanced as of the second quarter of 2024, with an 8.8-percent vacancy rate, up from 8.0 percent a year earlier, and the average rent was flat at \$1,352. Conditions were soft in the San Antonio-New Braunfels metropolitan area, where the apartment vacancy rate increased from 8.9 to 10.3 percent, and the average rent decreased 1 percent from a year earlier to \$1,272. Apartment deliveries have been robust in the San

Antonio-New Braunfels metropolitan area, where approximately 25,050 apartment units were delivered during the 36 months ending June 2024. During the past 12 months, the absorption of apartment units in the San Antonio-New Braunfels metropolitan area has totaled approximately 5,225 units. By comparison, absorption was negative during the 12 months ending June 2023 because approximately 1,175 units were vacated. Absorption during the 12 months ending June 2022 totaled approximately 5,650 units. Record levels of absorption during 2021 and early 2022 spurred large increases in production, but new units continued to be delivered at a faster pace than they could be absorbed, which led to an increasing vacancy rate during the past year.

Apartment market conditions outside Texas as of the second quarter of 2024 were generally softer than a year ago. The apartment market in the Albuquerque metropolitan area was slightly tight, with a 5.8-percent vacancy rate, down from 6.3 percent a year earlier, and the average rent was up 2 percent to \$1,323 (ALN Apartment Data, Inc.). The apartment market was slightly soft during the second quarter of 2024 in the Little Rock-North Little Rock-Conway metropolitan area, where the average rent increased 3 percent from a year earlier to \$1,042, but the

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Vacancy rates increased throughout most major apartment markets in the Southwest region during the past year; as of the second quarter of 2024, rent declines occurred in 3 of the 10 major metropolitan areas compared with a year ago.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		2Q 2023 (%)	2Q 2024 (%)	Percentage Point Change	2Q 2023 (\$)	2Q 2024 (\$)	Percent Change
Albuquerque, NM	Slightly Tight	6.3	5.8	-0.5	1,297	1,323	2
Austin-Round Rock, TX	Soft	7.4	9.0	1.6	1,725	1,655	-4
Dallas-Plano-Irving, TX	Balanced	6.9	8.1	1.2	1,606	1,592	-1
Fayetteville-Springdale-Rogers, AR	Balanced	5.3	7.1	1.8	1,179	1,219	3
Fort Worth-Arlington, TX	Balanced	7.7	8.9	1.2	1,442	1,455	1
Houston-Pasadena-The Woodlands, TX	Balanced	8.0	8.8	0.8	1,349	1,352	0
Little Rock-North Little Rock-Conway, AR	Slightly Soft	7.2	10.1	2.9	1,007	1,042	3
New Orleans-Metairie, LA	Soft	9.3	9.8	0.5	1,272	1,287	1
Oklahoma City, OK	Soft	9.5	8.9	-0.6	1,007	1,038	3
San Antonio-New Braunfels, TX	Soft	8.9	10.3	1.4	1,285	1,272	-1
Tulsa, OK	Balanced	6.6	6.9	0.3	956	1,011	6

2Q = second quarter.

Note: Excludes units in initial lease up.

Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—ALN Apartment Data, Inc., with adjustments by the analyst



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apartment vacancy rate remained high, increasing from 7.2 to 10.1 percent. The apartment market was soft in New Orleans-Metairie, where the average rent increased 1 percent to \$1,287, but the vacancy rate increased from 9.3 to 9.8 percent. The apartment market was also soft in the Oklahoma City metropolitan area, where the average rent increased 3 percent from the second quarter of 2023 to \$1,038, and the vacancy rate decreased slightly from 9.5 percent a year earlier but remained high at 8.9 percent. The apartment market in the Tulsa metropolitan area was balanced, with a 6.9-percent vacancy rate, up from 6.6 percent a year earlier, and the average rent was up 6 percent to \$1,011 because many new apartment units that were previously under construction entered the market with higher priced rents.

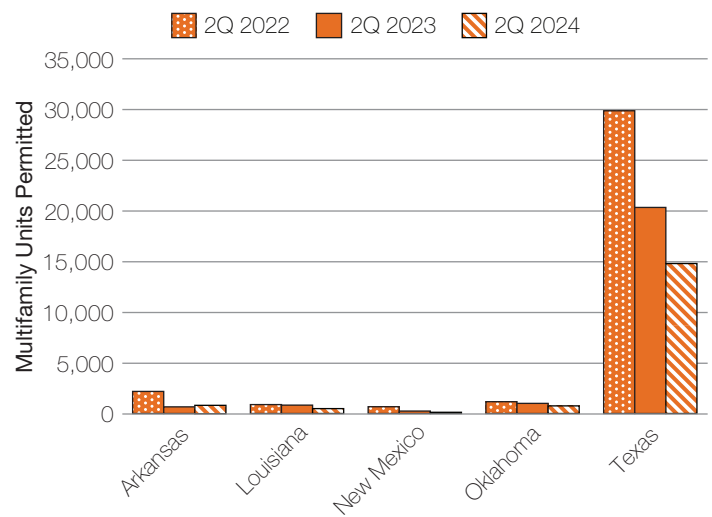
As of the second quarter of 2024 (preliminary data) —

- Multifamily construction in the region, as measured by the number of multifamily units permitted, decreased 26 percent from the second quarter of 2023 to 16,950 units.
- In Arkansas, 790 multifamily units were permitted statewide, up 22 percent from the 650 units permitted during the same period a year ago. In the Fayetteville-Springdale-Rogers metropolitan area, 410 multifamily units were permitted, up from 290 units permitted a year ago, which was offset by a substantial decline from 160 to 20 units permitted in the Little Rock-North Little Rock-Conway metropolitan area. Two midsize developments in nonmetropolitan Boone and Greene Counties contributed to the statewide gain from a year ago.
- The number of multifamily units permitted in Oklahoma decreased 24 percent to 740 units, down from 980 units during the same period a year ago. In the Tulsa metropolitan area, the number of multifamily units permitted decreased 80 percent to 150 from 730 a year ago, completely offsetting an increase in the number of units permitted in the Oklahoma City metropolitan area, which increased from 190 to 520 during the same period.
- In Texas, the number of multifamily units permitted decreased 27 percent to 14,850 units, down from 20,300 units during the same period a year ago. Multifamily unit permitting in the

San Antonio-New Braunfels metropolitan area decreased sharply during the past year, down 83 percent from 3,650 to 610 units due to soft apartment market conditions and declining rents.

- In Louisiana, 480 multifamily units were permitted, down 42 percent from the 830 units permitted during the same period a year ago. The largest decline in multifamily building activity occurred in the Baton Rouge metropolitan area, where 50 units were permitted, down approximately 80 percent from 260 units a year ago.
- The number of multifamily units permitted in New Mexico decreased 61 percent to 90 units, down from 230 units during the same period a year ago. In the Albuquerque metropolitan area, the number of multifamily units permitted decreased by a similar rate, down 59 percent to 45 from 110 a year ago.

The number of multifamily units permitted in the Southwest region declined as of the second quarter of 2024 relative to a year ago; an increase in Arkansas was more than offset by a decrease in every other state in the region.



2Q = second quarter.
 Note: Based on preliminary data.
 Source: U.S. Census Bureau, Building Permits Survey



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with four or more units, including only those that are stabilized.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Home Loans	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once 18 months have elapsed after receiving a certificate of occupancy.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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