



COMPREHENSIVE HOUSING MARKET ANALYSIS

Amarillo, Texas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of July 1, 2024



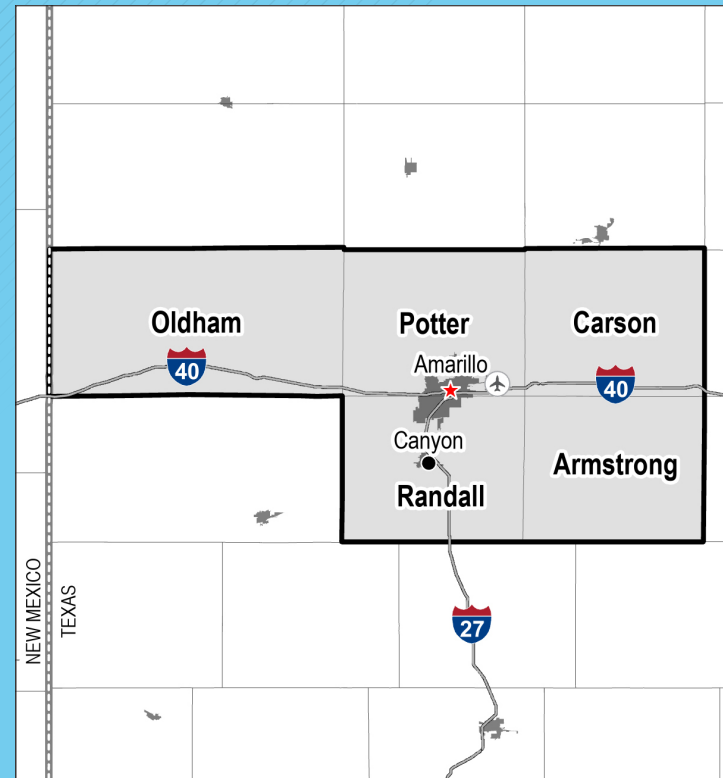
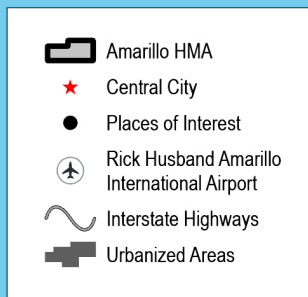
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Executive Summary

Housing Market Area Description

The Amarillo Housing Market Area (HMA) is centrally located in the Texas Panhandle. It is coterminous with the Amarillo Metropolitan Statistical Area and includes Armstrong, Carson, Oldham, Potter, and Randall Counties. The principal city of Amarillo is located along Interstate 40 and is the northern terminus of Interstate 27. The Amarillo HMA is the economic hub of the Texas Panhandle, the Oklahoma Panhandle, and Eastern New Mexico.

The current population of the HMA is estimated at 274,300.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).
 Additional data for the HMA can be found in this report's [supplemental tables](#).
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: Economic conditions have remained strong in the HMA since recovering from the pandemic-induced recession in March and April 2020.

During the 12 months ending June 2024, nonfarm payrolls in the Amarillo HMA totaled 128,700, an increase of 2,500 jobs, or 2.0 percent, year over year. By comparison, nonfarm payrolls in the HMA increased by 2,500 jobs, or 2.1 percent during the 12 months ending June 2023. Job gains during the most recent 12 months occurred in 7 of the 11 employment sectors, with the leisure and hospitality sector leading growth, increasing by 800 jobs, or 5.4 percent, from a year ago. Job growth is expected to continue but moderate during the 3-year forecast period, averaging 1.2 percent annually.

Sales Market



Balanced: The Amarillo HMA has an estimated sales vacancy rate of 1.8 percent, the same as in April 2020 and down slightly from 1.9 percent in April 2010.

During the 12 months ending June 2024, home sales in the HMA totaled 5,975, representing a decrease of 590 homes sold, or 9 percent, compared with the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). The average price of homes sold in the HMA during the 12 months ending June 2024 decreased by \$1,250, or 1 percent, to \$239,200. During the next 3 years, demand is estimated for 2,100 new homes. The 200 homes under construction are expected to satisfy some of that demand in the first year of the forecast period.

Rental Market



Soft: The rental vacancy rate is currently estimated at 12.1 percent, down from 12.9 percent in April 2020 but higher than the 10.0-percent vacancy rate in April 2010.

Apartment market conditions in the Amarillo HMA are currently soft, with a vacancy rate of 11.7 percent as of the second quarter of 2024 (CoStar Group), down from 12.4 percent a year earlier. The average apartment rent was \$926 as of the second quarter of 2024, up more than 2 percent from a year ago. During the 3-year forecast period, demand is estimated for 410 new rental units. The 130 units under construction are expected to satisfy demand for the first year of the forecast period.

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3-Year Housing Demand Forecast

	Sales Units	Rental Units
Amarillo HMA		
Total Demand	2,100	410
Under Construction	200	130

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2024. The forecast period is July 1, 2024, to July 1, 2027.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Government

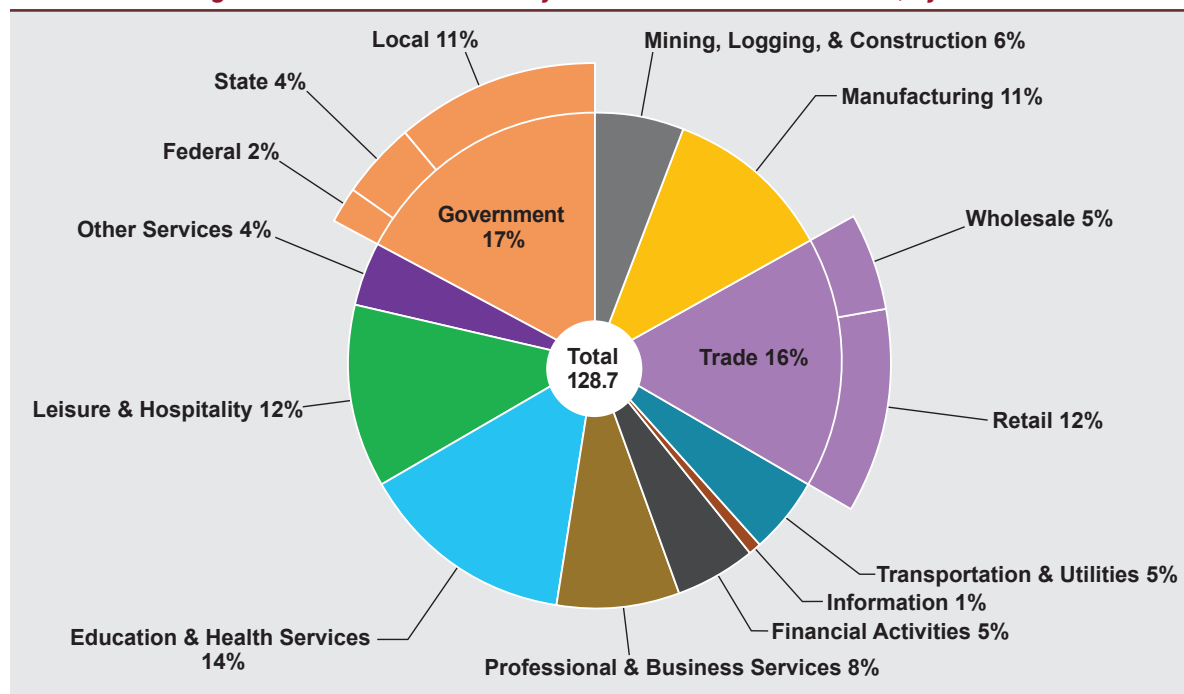
Job gains in 7 of the 11 employment sectors contributed to nonfarm payrolls increasing 2.0 percent during the 12 months ending June 2024 from the same period a year ago.

Primary Local Economic Factors

The largest sector in the Amarillo HMA is the government sector, accounting for 17 percent of total nonfarm payrolls during the 12 months ending June 2024, with 21,600 jobs (Figure 1). The HMA is home to the VA Amarillo Healthcare System, multiple public universities, and a state college, all of which contribute to the size of the government sector. The VA Amarillo Healthcare System is one of the largest employers in the HMA, with 980 employees (Table 1). West Texas A&M University, Texas Tech University Health Sciences Center, and Amarillo College also contribute government jobs, with 860, 750, and 630 employees, respectively, and enrollment as of the fall of 2023 of 9,061, 305, and 9,170 students, respectively (West Texas A&M University, Texas Tech University Health Sciences Center, Texas Higher Education Coordinating Board).

The wholesale and retail trade sector is the second largest sector in the Amarillo HMA, accounting for 16 percent of total nonfarm payrolls. The HMA is a regional economic center that draws people from the surrounding area and supports

Figure 1. Share of Nonfarm Payroll Jobs in the Amarillo HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through June 2024. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Amarillo HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Tyson Foods, Inc.	Manufacturing	4,300
Consolidated Nuclear Security, LLC—Pantex Plant	Professional & Business Services	4,200
BSA Health System	Education & Health Services	3,100
Northwest Texas Healthcare System	Education & Health Services	2,150
City of Amarillo	Government	1,950
Xcel Energy Inc.	Transportation & Utilities	1,425
Affiliated Foods Inc.	Transportation & Utilities	1,175
VA Amarillo Healthcare System	Government	980
Bell Textron Inc.	Manufacturing	900
United Supermarkets, LLC	Wholesale & Retail Trade	900

Note: Excludes local school districts. Source: Amarillo Chamber of Commerce



jobs in this sector. United Supermarkets, LLC, one of the largest employers in the HMA, is in this sector, with 900 employees across multiple stores, including its subsidiaries. The HMA is also home to several hospitals and medical offices that serve the HMA and surrounding area. The education and health services sector is the third largest sector, accounting for 14 percent of total nonfarm payrolls. Two of the top 10 employers are in this sector: BSA Health System, employing 3,100 employees, and Northwest Texas Healthcare System, employing 2,150 employees. The aging population and their increased demand for health services support jobs in the healthcare industry.

The manufacturing sector includes Tyson Foods, Inc., and Bell Textron Inc. (Bell), 2 of the top 10 employers in the Amarillo HMA, with 4,300 and 900 employees, respectively. The Amarillo HMA processes approximately one-quarter of all beef in the United States, with the Tyson Foods, Inc. beef processing facility, which recently expanded, being one of the company’s largest campuses in the nation. The Amarillo facility generates an annual payroll of \$180 million, which helps support the local economy. The Bell facility assembles the Bell Boeing V-22 Osprey aircraft for the U.S. military, giving the city of Amarillo the nickname “Rotor City.” The facility also assembles the Bell AH-1Z Viper and Bell UH-1Y Venom helicopters for the U.S. military.

Current Conditions—Nonfarm Payrolls

The economy in the Amarillo HMA remains strong. Nonfarm payroll growth has remained robust since recovering from the 2020 recession, but growth has moderated over the past 2 years. During the 12 months ending June 2024, nonfarm payrolls in the HMA increased by 2,500, or 2.0 percent, to 128,700 jobs, compared with growth of 2.1 percent during the previous 12 months (Table 2). The leisure and hospitality sector led job gains during the most recent 12 months, increasing by 800 jobs, or 5.4 percent, as multiple new restaurants opened in the HMA. Gains were also significant in the mining, logging, and construction sector, which increased by 500 jobs, or 6.4 percent, supported by several new construction projects in the HMA, such as a new facility for Albers Aerospace and new buildings for Amarillo Medical Specialists, LLP, and Amarillo Family Physicians. The education and health services sector also increased by 500 jobs, or 2.9 percent, compared with the previous 12 months, supported by the opening of the Texas Oncology—Amarillo Cancer Center.

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Amarillo HMA, by Sector

	12 Months Ending June 2023	12 Months Ending June 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	126.2	128.7	2.5	2.0
Goods-Producing Sectors	21.5	22.3	0.8	3.7
Mining, Logging, & Construction	7.8	8.3	0.5	6.4
Manufacturing	13.7	14.0	0.3	2.2
Service-Providing Sectors	104.7	106.3	1.6	1.5
Wholesale & Retail Trade	21.0	20.9	-0.1	-0.5
Transportation & Utilities	6.4	6.5	0.1	1.6
Information	1.4	1.4	0.0	0.0
Financial Activities	7.0	7.0	0.0	0.0
Professional & Business Services	10.0	10.4	0.4	4.0
Education & Health Services	17.0	17.5	0.5	2.9
Leisure & Hospitality	14.9	15.7	0.8	5.4
Other Services	5.3	5.5	0.2	3.8
Government	21.6	21.6	0.0	0.0

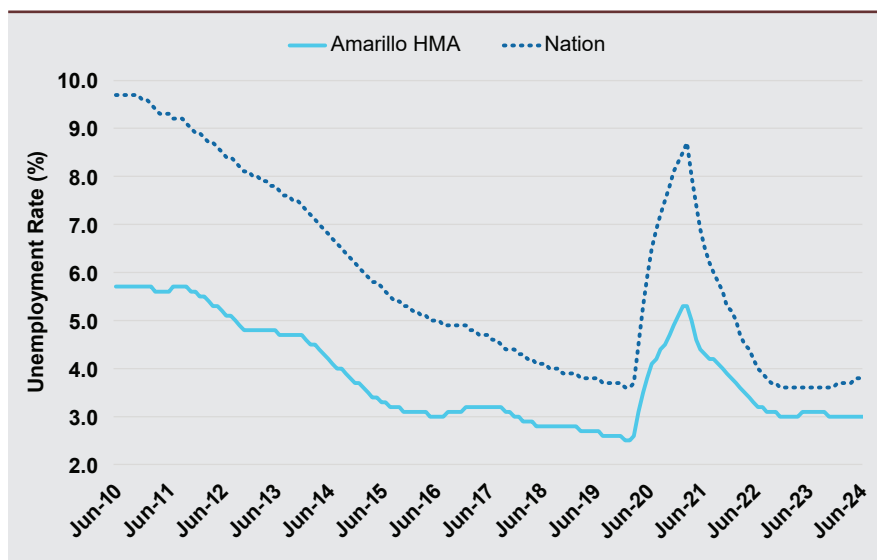
Notes: Based on 12-month averages through June 2023 and June 2024. Numbers may not add to totals due to rounding. Data are in thousands. Source: U.S. Bureau of Labor Statistics



Current Conditions—Unemployment

The average unemployment rate in the Amarillo HMA during the 12 months ending June 2024 was 3.0 percent, down from an average of 3.1 percent the previous year. The current unemployment rate is lower than the national average of 3.8 percent, which is up from 3.6 percent the previous year. Since 2010, the unemployment rate in the Amarillo HMA has been lower than the national rate (Figure 2). The average unemployment rate in the HMA peaked recently at 5.3 percent during the 12 months ending March 2021 because the COVID-19 pandemic contributed to an economic slowdown. However, the recent peak remains below the previous peak of 5.8 percent during the 12 months ending May 2010, when the HMA was recovering from the Great Recession.

Figure 2. 12-Month Average Unemployment Rate in the Amarillo HMA and the Nation



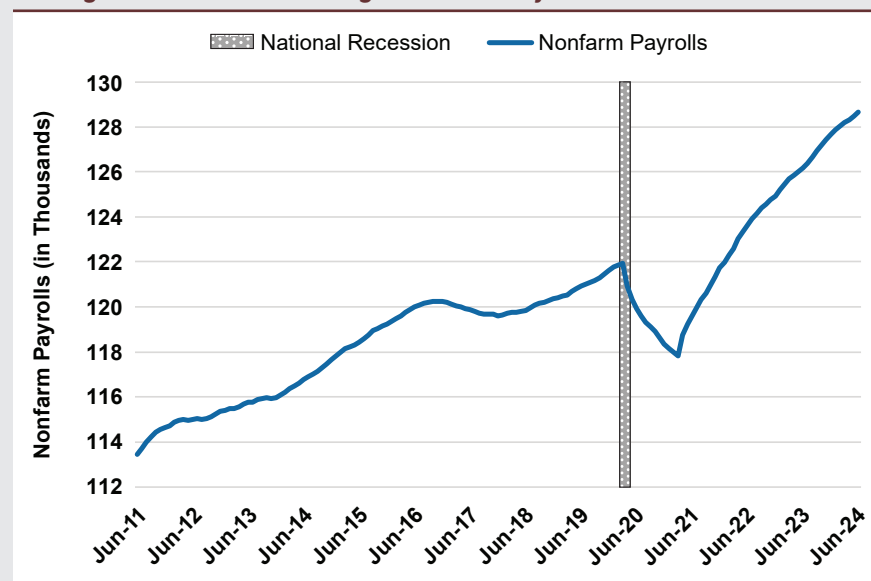
Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2011 Through 2013

From 2011 through 2013, the economy of the Amarillo HMA was recovering from the Great Recession. Total nonfarm payrolls increased an average of 1,300 jobs, or 1.1 percent, annually, with gains in 8 of the 11 employment sectors (Figure 3). Growth was led by the wholesale and retail trade sector, increasing an average of 400 jobs, or 2.2 percent, annually. Gains were also strong in the leisure and hospitality sector, increasing an average of 300 jobs, or 2.8 percent, annually. The transportation and utilities sector also increased an average of 300 jobs, or 6.8 percent, annually. These three sectors combined accounted for nearly 77 percent of total job gains in the HMA during the period.

Figure 3. 12-Month Average Nonfarm Payrolls in the Amarillo HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research



2014 Through 2016

From 2014 through 2016, the economy in the HMA expanded after recovering all nonfarm payrolls lost during the Great Recession. Total nonfarm payroll growth accelerated slightly from the previous period, increasing an average of 1,400, or 1.2 percent, annually. The professional and business services and the leisure and hospitality sectors led growth in the area, each increasing by an average of 300 jobs, or 3.7 and 2.3 percent, respectively, annually. Xcel Energy Inc. constructed a new building in downtown Amarillo, expanding its corporate headquarters, which contributed to gains.

2017

During 2017, economic conditions in the HMA weakened due to several major retail closures. Nonfarm payrolls decreased by 700 jobs, or 0.6 percent, during the year. Losses were greatest in the wholesale and retail trade sector, decreasing by 800, or 3.8 percent, for the year. Closures of RadioShack and Hastings Entertainment, which was headquartered in the HMA, contributed to losses in this sector. Layoffs at Hastings Entertainment also affected the professional and business services sector, which decreased by 300 jobs, or 3.1 percent. Losses were partially offset, however, by an increase in the manufacturing sector of 400 jobs, or 3.1 percent, supported by the opening of GRI Renewable Industries, which manufactures wind towers.

2018 Through 2019

The economy of the HMA rebounded in 2018 and expanded during 2019. Total nonfarm payrolls increased by an average of 1,000, or 0.8 percent, annually, with growth in 7 of the 11 employment sectors. The leisure and hospitality sector led growth, increasing by an average of 400 jobs, or 2.6 percent, annually. Several restaurants opened in the HMA, including Crush Wine Bar & Grill and Six Car Pub & Brewery (which was the first retail building constructed in downtown Amarillo in 60 years), supporting gains in this sector. Gains were also strong in the mining, logging, and construction and the manufacturing sectors, both increasing by an average of 300 jobs, or 4.1 and 2.2 percent, annually, respectively. Numerous retail construction

projects, including the 48,000-square-foot retail space Greenways Village, supported gains in the mining, logging, and construction sector.

2020

The interventions taken in mid-March 2020 to slow the spread of COVID-19 weakened the economy in the HMA. During March and April 2020, payrolls in the HMA declined by 12,000 jobs, or 9.8 percent, compared with a 13.1 percent decline nationally (monthly data, not seasonally adjusted). The HMA began to recover jobs in May 2020, but average nonfarm payrolls in 2020 were below the previous level a year earlier by 3,200 jobs, or 2.6 percent, with declines in 10 of the 11 employment sectors. Similarly, the national economy began to recover jobs in May 2020. However, average national nonfarm payrolls in 2020 were 5.8 percent less than the previous year, which was a more severe decline than in the HMA. The most severe losses in the HMA during 2020 were in the leisure and hospitality sector, which decreased by 1,500 jobs, or 10.6 percent, accounting for approximately 47 percent of total nonfarm payroll losses. Social distancing orders and reduced-capacity mandates for food service establishments contributed to the significant loss of jobs in the leisure and hospitality sector.

2021 Through 2022

By 2021, the HMA had fully recovered and exceeded total nonfarm payrolls lost during the COVID-19 economic downturn. In 2021 and 2022, total nonfarm payrolls increased by an average of 3,300 jobs, or 2.7 percent, annually—the fastest pace of any economic expansion since at least 2010. Payrolls in the leisure and hospitality sector increased by an average of 1,000 jobs, or 7.3 percent, annually as the reduced-capacity mandates were lifted in combination with numerous new restaurants opening in the HMA. The wholesale and retail trade sector also had strong gains, with payrolls increasing an average of 600 jobs, or 3.0 percent, annually. The opening of a new Dillard's and several other retail stores in the local Westgate Mall supported gains in the wholesale and retail trade sector. The transportation and utilities sector increased an average of 400 jobs, or 6.0 percent, annually, supported by the opening of an Amazon fulfillment center.



Forecast

During the next 3 years, nonfarm payrolls are anticipated to increase an average of 1.2 percent annually. Growth is expected to be relatively stable during the first 2 years and then accelerate slightly in the third year due to the new CVMR (Chemical Vapor Metal Refining) facility, which is expected to open in 2027 and create 1,000 jobs.



Population and Households

Current Population: 274,300

Net in-migration has been strong since 2020, accounting for more than 61 percent of population growth, the highest since 2010.

Population Trends

As of July 1, 2024, the population of the Amarillo HMA is estimated at 274,300 (Table 3). Since April 2020, population growth has averaged 1,325, or 0.5 percent, annually, compared with an average increase of 1,675, or 0.6 percent, annually from April 2010 to April 2020. From April 2010 to July 2014, the population grew an average of 2,525, or 1.0 percent, annually (Figure 4), when the local economy recovered from the Great Recession. During this period, net in-migration averaged 950 each year, and net natural increase averaged 1,575 annually. Population growth slowed, however, throughout the remainder of the 2010s. Despite generally strengthening economic conditions in the HMA, population growth slowed considerably from 2014 to 2017, averaging 1,350, or 0.5 percent, annually, as net in-migration fell drastically to an average of only 25 annually. Net natural increase dipped to an average of 1,325 annually. From 2017 to 2020, population growth slowed to an average of 750, or 0.3 percent, annually, coinciding with slowing economic

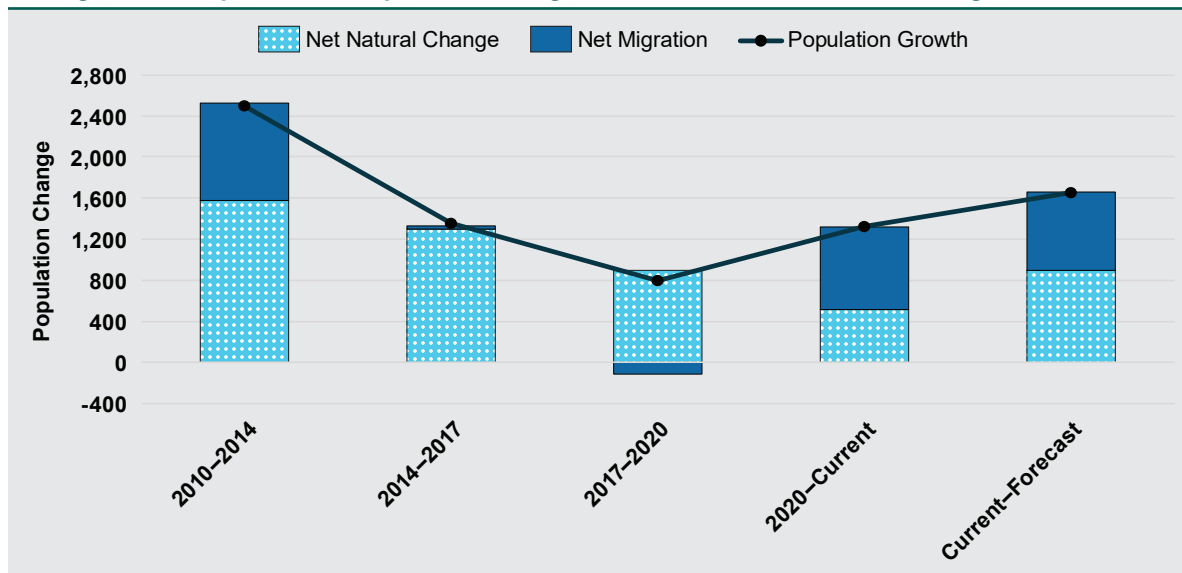
Table 3. Amarillo HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast	
	Population	268,691	274,300	279,300
	Average Annual Change	1,675	1,325	1,650
Percentage Change	0.6	0.5	0.6	

Household Quick Facts	2020	Current	Forecast	
	Households	102,068	105,400	107,700
	Average Annual Change	730	780	770
Percentage Change	0.7	0.8	0.7	

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (July 1, 2024) to July 1, 2027.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 4. Components of Population Change in the Amarillo HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (July 1, 2024) to July 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

growth. The net natural increase slowed to an average of 930 annually, and net out-migration averaged 180 annually during the period. Since 2020, however, population growth has rebounded slightly due in part to relatively strong net in-migration. From 2020 to 2024, the population grew an average of 1,325, or 0.5 percent, annually as the economy strengthened after recovering from the COVID-19 pandemic.



Net natural increase continued to slow, averaging 520 annually due in part to an increase in deaths related to the pandemic. Net in-migration surged, however, increasing by an average of 810 annually.

Age Cohort Trends

Like the nation, the Amarillo HMA has an increasing number of people aged 65 and older. The fastest growing cohort in the HMA is the population aged 65 and older. In 2023, approximately 15.3 percent of the HMA population was 65 or older, up from 11.7 percent in 2010 (American Community Survey [ACS] 1-year estimates; Figure 5). Comparatively, the national population in this age cohort was 17.7 percent of the population, up from 13.1 percent in 2010. The age cohort of those 18 years old and younger in the HMA decreased slightly, from 26.3 percent in 2010 to 24.2 percent in 2023. From 2010 to 2023, the median age in the HMA increased from 34.3 to 36.3 years. By comparison, the national median age increased from 37.2 to 39.2 years.

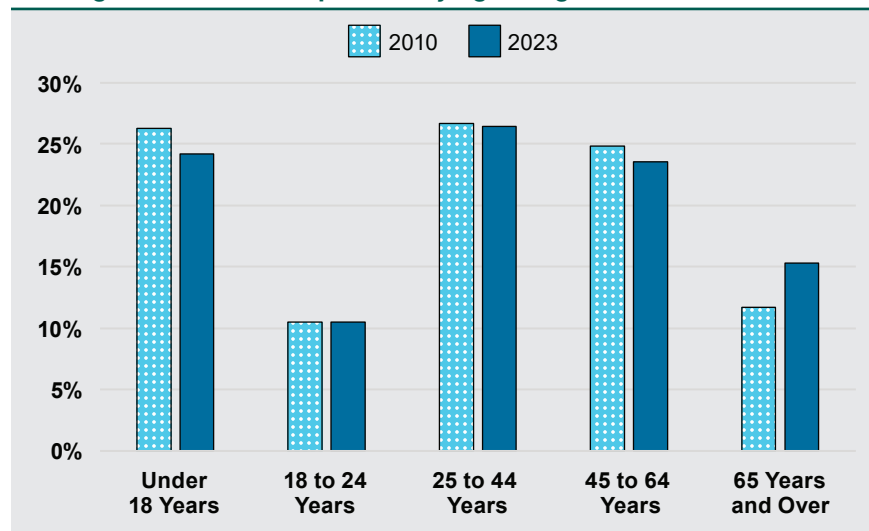
Household Trends

The current number of households in the HMA is estimated at 105,400, representing an average annual increase of 780 households, or 0.8 percent, annually since April 2020—a faster pace than the 0.5-percent population growth rate during the same period. The aging population contributed to household growth outpacing population growth because elderly households typically have a smaller household size. From 2010 to 2023, the share of single-person households increased from 28.7 to 32.1 percent (ACS 1-year data). The number of households increased at a slower average annual rate during the 2010s (0.7 percent), slightly faster than the 0.6 percent population growth during the same period.

Households by Tenure

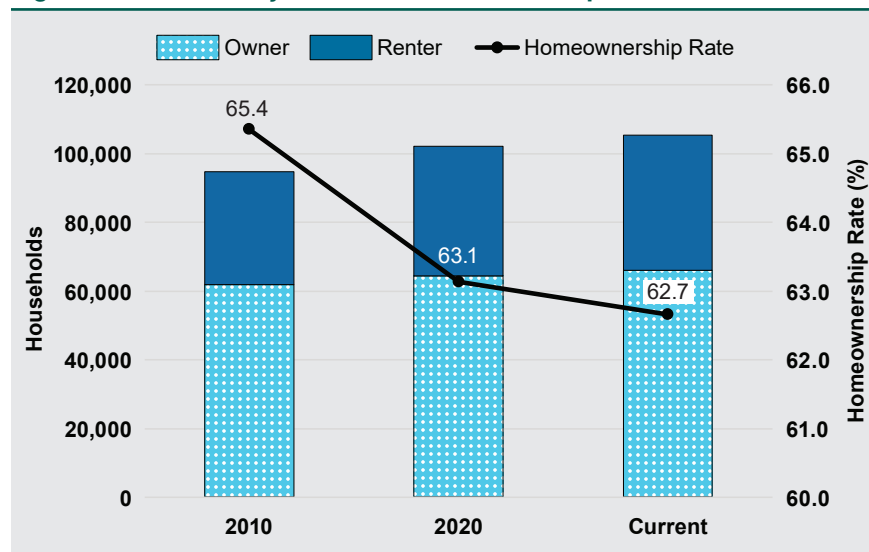
The current homeownership rate in the HMA is an estimated 62.7 percent, down slightly from 63.1 in 2020 and down from 65.4 percent in 2010 (Figure 6). The homeownership rate trended downward in the HMA during the 2010s, partly because of stricter lending practices following the housing crisis and the Great Recession. From 2010 to 2020, owner household growth accounted for approximately 34 percent of total household growth. Historically low mortgage

Figure 5. Share of Population by Age Range in the Amarillo HMA



Source: 2010 and 2023 American Community Survey 1-year data

Figure 6. Households by Tenure and Homeownership Rate in the Amarillo HMA



Note: The current date is July 1, 2024.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst



interest rates in 2020 and 2021 contributed to a surge in owner household growth, accounting for 48 percent of total household growth since 2020. Currently, an estimated 66,050 owner households live in the HMA.

Forecast

During the 3-year forecast period, the population of the Amarillo HMA is expected to increase by an average of 1,650, or 0.6 percent, annually. Net

in-migration is expected to continue throughout the forecast period, similar to the trend from 2020 through the current date, whereas net natural change is expected to accelerate. The number of households in the HMA is expected to increase an average of 770, or 0.7 percent, annually during the forecast period—a slightly faster pace than the rate of population growth.



Home Sales Market

Market Conditions: Balanced

Total home sales have declined substantially since mid-2022, but average home sales prices remain above prepandemic levels despite downward pressure on prices from subdued demand and rising mortgage interest rates.

Current Conditions

The sales housing market in the Amarillo HMA is currently balanced, with an estimated 1.8 percent sales vacancy rate, unchanged from April 2020 (Table 4). Sales housing market conditions briefly tightened in 2021 when demand for homes rose, partly due to relatively high net in-migration, historically low mortgage interest rates, and a falling inventory of homes for sale. However, higher mortgage interest rates since March 2022 have decreased homebuying affordability and led to a decline in home sales and an increase in the for-sale inventory relative to sales during the past year (Figure 7). The supply of for-sale homes in June 2024 was 4.0 months, up from 2.7 months a year earlier (Texas Real Estate Research Center). By comparison, the supply of for-sale homes was 1.3 months in June 2021 and 1.4 months in June 2022. Total home sales fell by 590, or 9 percent, to 5,975 homes sold during the 12 months ending June 2024 compared with a year earlier, when home sales decreased by 1,850, or 22 percent

Table 4. Home Sales Quick Facts in the Amarillo HMA

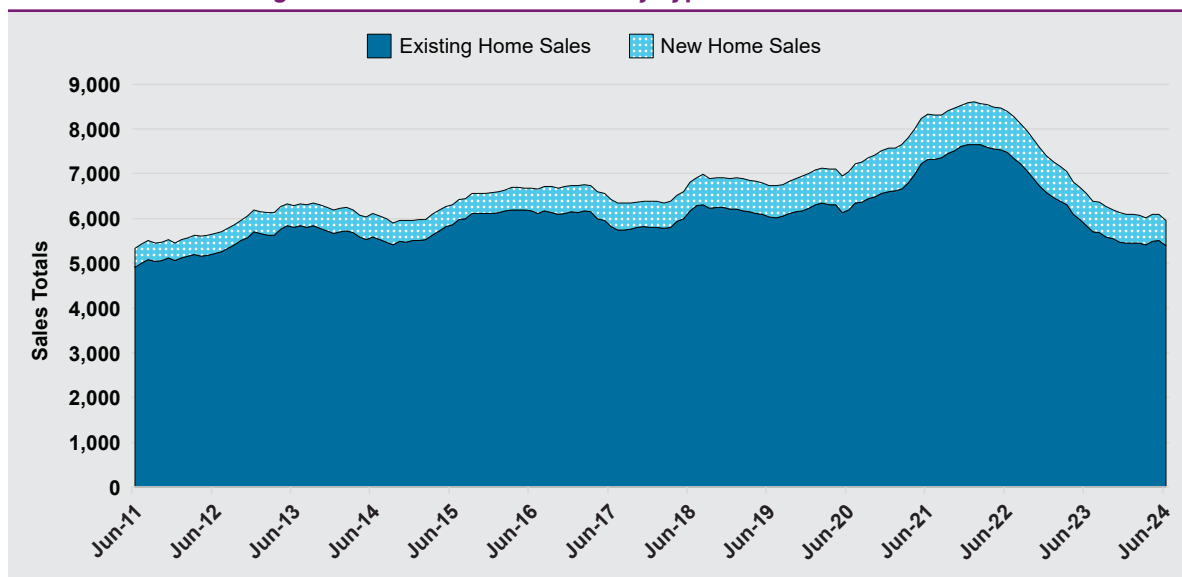
	Amarillo HMA	Nation
Vacancy Rate	1.8%	NA
Months of Inventory	4.0	3.3
Total Home Sales	5,975	4,991,000
1-Year Change	-9%	-14%
New Home Sales Price	\$300,100	\$497,000
1-Year Change	-11%	0%
Existing Home Sales Price	\$233,400	\$412,700
1-Year Change	2%	7%
Mortgage Delinquency Rate	0.9%	0.9%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2024, and months of inventory and mortgage delinquency data are as of June 2024. The current date is July 1, 2024.

Sources: Vacancy rate—estimates by the analyst; months of inventory—Texas A&M Real Estate Research Center and CoreLogic, Inc.; mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc.

Figure 7. 12-Month Sales Totals by Type in the Amarillo HMA



Source: CoreLogic, Inc., with adjustments by the analyst



(CoreLogic, Inc., with adjustments by the analyst). Average home sales prices fell by \$1,250, or 1 percent, to \$239,200 during the 12 months ending June 2024. By comparison, the average home sales price decreased by \$1,525, or 1 percent, year over year to \$240,400 during the 12 months ending June 2023. Rapid changes in mortgage interest rates have influenced homebuying trends, particularly since the late 2010s. The 30-year fixed mortgage interest rate stayed below 5.0 percent during the 2010s and decreased from 4.5 percent in 2018 to a low of 3.0 percent in 2021 (Freddie Mac). In 2022, rates began to rise rapidly to an annual average of 5.3 percent. During the 12 months ending June 2024, the average mortgage interest rate was 7.0 percent compared with 6.3 percent a year earlier.

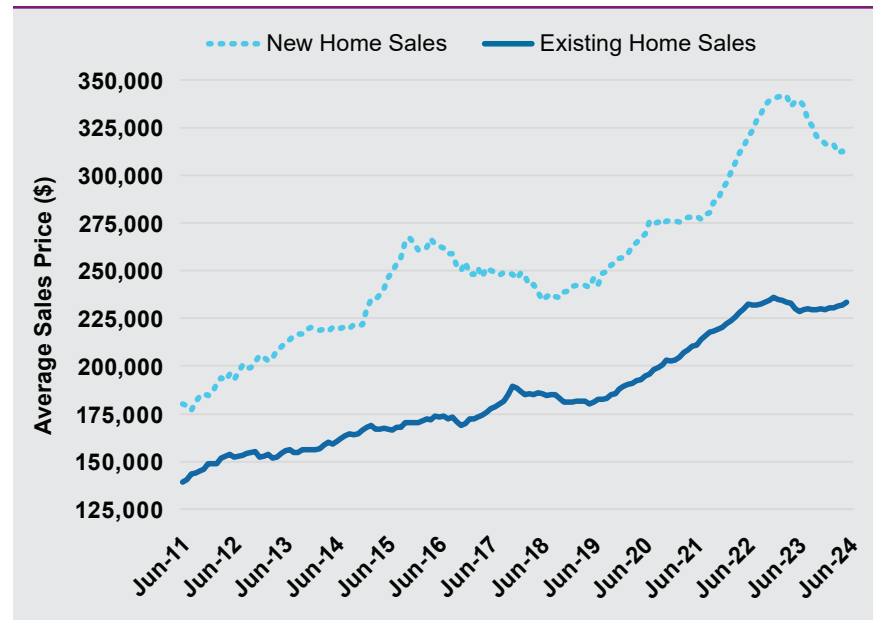
New Home Sales and Prices

During the 12 months ending June 2024, new home sales decreased by 150, or 22 percent, to a total of 560 homes sold compared with the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). Following the Great Recession, from 2011 through 2014, new home sales decreased by an average of 15 homes, or 3 percent, annually as lending practices became stricter. Despite slowing population growth, from 2015 through 2016, new home sales began to rise, increasing by an average of 65 homes, or 13 percent, annually as the economy began to expand. In 2017, due in part to net out-migration and local job losses, new home sales decreased by 5 homes, or 1 percent. As mortgage interest rates fell, new home sales increased, and from 2018 through 2020, new home sales increased by an average of 130 homes, or 18 percent, annually. Despite record-low mortgage interest rates in 2021, new home sales fell by 15, or 2 percent, due in part to limited supply and the relative affordability of existing homes in the HMA. From 2022 through 2023, the decline in home sales accelerated as mortgage interest rates rose, which made purchasing a home less affordable. New home sales decreased by an average of 150 homes, or 18 percent, annually during the period.

Following the Great Recession, home sales prices increased as the economy recovered, and net in-migration was relatively high. From 2011 through 2014, new home prices increased an average of \$13,250, or 7 percent, annually.

Demand for new homes increased with improving economic conditions, and new home price growth was steady from 2015 through 2016, when new home prices increased by \$16,300, or 7 percent, annually. In 2017, when economic conditions were weak and population growth slowed, new home prices fell by \$8,950, or 4 percent, compared with the previous year. Improving economic conditions contributed to increased demand for new homes, and from 2018 through 2020, new home prices increased by an average of \$10,250, or 4 percent, annually. Despite falling sales, the lack of inventory of new homes for sale contributed to price growth accelerating. In 2021, home prices increased by \$16,300, or 6 percent, from the previous year. However, as new home sales continued to fall and mortgage interest rates trended up, home price growth slowed, and during 2022 and 2023, new home prices increased an average of \$12,100, or 4 percent, annually. New home prices decreased during the 12 months ending June 2024 by \$38,850, or 12 percent, to \$300,100 (Figure 8).

Figure 8. 12-Month Average Sales Price by Type of Sale in the Amarillo HMA



Source: CoreLogic, Inc., with adjustments by the analyst



Existing Home Sales and Prices

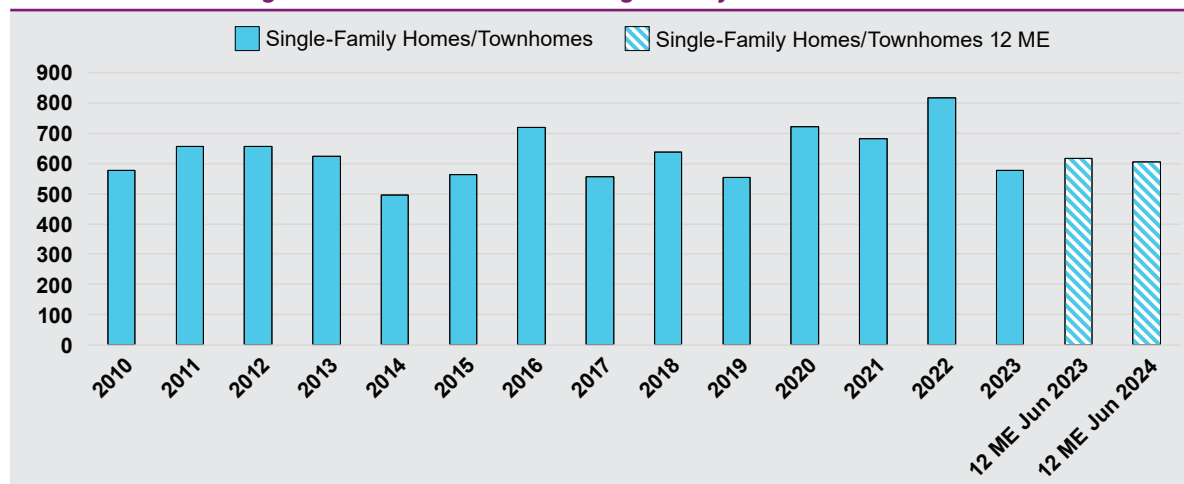
During the 12 months ending June 2024, existing home sales decreased by 440, or 8 percent, to a total of 5,400 homes sold compared with the previous 12 months. Existing home sales growth was relatively slow during the years that followed the Great Recession. From 2011 through 2014, existing home sales increased by an average of 80 homes sold, or 2 percent, annually. However, as economic conditions improved after fully recovering from the Great Recession, existing home sales accelerated. In 2015 and 2016, existing home sales increased by an average of 320 homes sold, or 6 percent, annually, partly due to the relative affordability compared with new homes. Due to rapid price growth for new homes during the mid-2010s, in 2015, the average price of an existing home was 55 percent lower than the price of a new home; by comparison, existing home sales prices were 26 percent lower than new home sales prices in 2010. During the economic downturn of 2017 and accompanying net out-migration, existing home sales fell by 360 homes, or 6 percent. Following the economic recovery beginning in 2018, existing home sales rebounded, increasing by 270, or 4 percent, annually from 2018 through 2020. In 2021, as mortgage interest rates reached historic lows, existing home sales soared. During 2021, existing home sales increased by 1,050, or 16 percent. When mortgage interest rates began to rise, and as home prices continued to increase, existing home sales fell in the HMA, decreasing by an average of 1,100, or 16 percent, annually during 2022 and 2023.

As economic conditions in the HMA improved following the Great Recession and the volume of existing home sales increased, so did existing home sales prices. From 2011 through 2014, existing home sales prices increased an average of \$8,125, or 6 percent, annually. When population growth slowed in 2015 and the availability of new homes increased, price appreciation for existing homes slowed. In 2015 and 2016, the sales price of existing homes increased by an average of \$1,650, or 1 percent, annually. Despite weak economic conditions during 2017, existing home sales prices grew rapidly, increasing by \$18,350, or 11 percent. From 2018 through 2020, price growth for existing homes moderated when demand for new homes increased. The price for an existing home increased an average of \$4,800, or 2 percent, annually during this period. However, in 2021, when mortgage interest rates were at historical lows, price growth for existing homes accelerated due to strong demand and a low inventory of homes for sale. During the year, prices for existing homes increased by \$17,400, or 9 percent, and existing home sales accelerated significantly. Due to rising mortgage interest rates, price growth for existing homes moderated, and existing home sales prices increased an average of \$4,825, or 2 percent, annually during 2022 and 2023. During the 12 months ending June 2024, existing home prices increased by \$4,650, or 2 percent, to \$233,400 compared with the 12 months ending June 2023.

Sales Construction

Home sales construction activity—as measured by the number of single-family homes and townhomes permitted—has fluctuated since 2010 (Figure 9). From 2010 through 2013, when net in-migration was strong, an average of 630 homes a year were permitted. When population growth began to slow in 2014,

Figure 9. Annual Sales Permitting Activity in the Amarillo HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



home permitting fell. From 2014 through 2019, permitting averaged 590 homes annually. In-migration accelerated in the early 2020s, and mortgage interest rates fell to the lowest level in history in 2021, prompting an increase in home construction. From 2020 through 2022, an average of 740 homes were permitted annually, the highest sustained period of permitting since 2010. Permitting in 2023 resembled levels during the mid- to late-2010s, with 580 homes permitted. Permitting has slowed recently as demand has fallen. During the 12 months ending June 2024, 600 homes were permitted, a decrease from the 620 homes permitted during the 12 months ending June 2023.

Current Sales Construction Activity

Recent developments in the city of Amarillo include Homestead, a new community with home sizes ranging from 1,004 to 2,660 square feet. These homes consist of two- to four-bedroom homes with two to three bathrooms. Prices of the homes in this community range from \$207,000 to \$453,000. Another notable development, in the city of Canyon, is the Spring Canyon community. The development will consist of 515 homes at buildout, of which

100 homes are completed. The starting price for a home in this community is \$450,000. Homes consist of three to four bedrooms, with a minimum size of 1,800 square feet.

Forecast

During the 3-year forecast period, demand for an additional 2,100 for-sale homes is expected (Table 5). The 200 homes under construction are expected to meet a portion of demand during the first year of the forecast period. Demand is expected to be highest during the third year of the forecast period as economic growth accelerates.

Table 5. Demand for New Sales Units in the Amarillo HMA During the Forecast Period

Sales Units	
Demand	2,100 Units
Under Construction	200 Units

Note: The forecast period is July 1, 2024, to July 1, 2027.

Source: Estimates by the analyst



Rental Market

Market Conditions: Soft

The apartment market in the Amarillo HMA remains slightly soft despite a decrease in the vacancy rate of 1.8 percentage points from the second quarter of 2020 (CoStar Group).

Current Conditions and Recent Trends

Rental housing market conditions in the Amarillo HMA are currently soft, with an estimated vacancy rate of 12.1 percent, down from 12.9 percent in 2020, when market conditions were also soft (Table 6). Apartment market conditions are slightly soft, with an 11.7-percent vacancy rate as of the second quarter of 2024, down 0.7 percentage point from the second quarter of 2023 (CoStar Group). The HMA has a relatively old apartment stock; more than 78 percent of all apartment units were built before 2000, compared with 56 percent for the nation, which contributes to a relatively higher vacancy rate in a balanced market. As of the second quarter of 2024, the average apartment rent was \$926, an increase of \$19, or 2 percent, from a year ago. In 2023, 35 percent of all renter households in the HMA lived in multifamily structures with five or more units, typically apartments, equal to the proportion in 2010 (ACS 1-year data). By comparison, approximately 48 percent of all renter households in the HMA lived in single-family homes in 2023, up from 42 percent in 2010. The inventory of

Table 6. Rental and Apartment Market Quick Facts in the Amarillo HMA

Rental Market Quick Facts	2020 (%)	Current (%)	
	Rental Vacancy Rate	12.9	12.1
	2010 (%)	2023 (%)	
Occupied Rental Units by Structure			
Single-Family Attached & Detached	42	48	
Multifamily (2–4 Units)	14	10	
Multifamily (5+ Units)	35	35	
Other (Including Mobile Homes)	9	6	

Apartment Market Quick Facts	2Q 2024	YoY Change	
	Apartment Vacancy Rate	11.7	-0.7
	Average Rent	\$926	2%
	Studio	\$615	0%
	One-Bedroom	\$809	0%
	Two-Bedroom	\$1,024	3%
Three-Bedroom	\$1,231	4%	

2Q = second quarter. YoY = year-over-year.

Notes: The current date is July 1, 2024. Percentages may not add to 100 due to rounding.

Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

single-family homes for rent in the Amarillo HMA is older than that of the nation, and these types of units typically have higher vacancy rates than apartments, contributing to the higher overall rental vacancy rate. Approximately 80 percent of the single-family homes for rent in the HMA were built before 1980, compared with 62 percent for the nation (2022 ACS 5-year data).

Single-Family Rental Housing Market

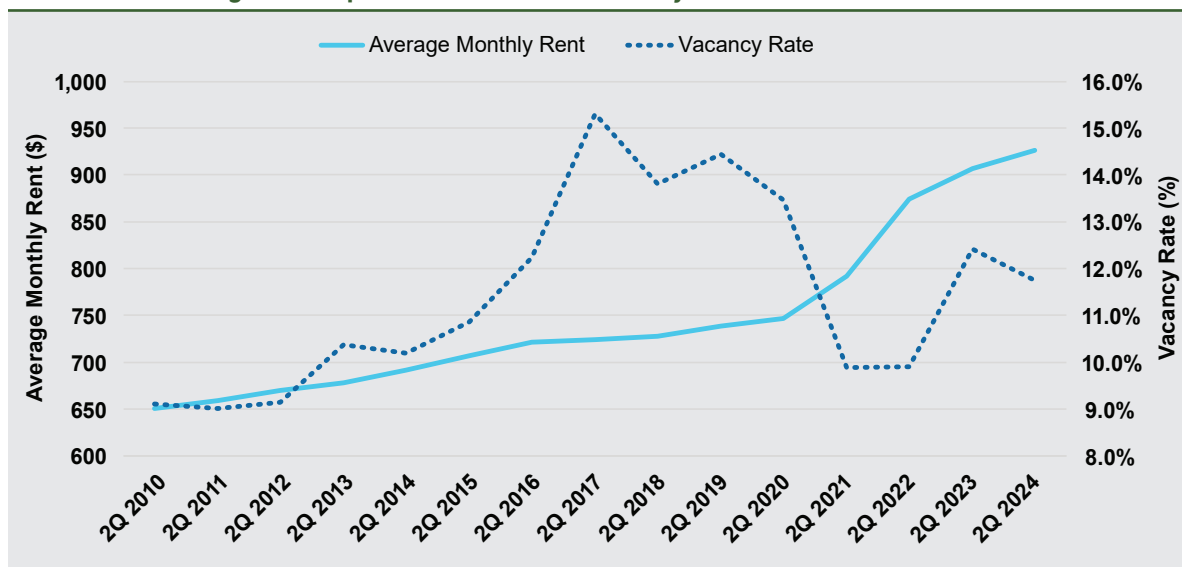
In 2023, approximately 90 percent of the occupied single-family rental units in the HMA were detached single-family homes, with the remainder being attached homes, including townhomes (ACS 1-year data). Since 2013, the monthly average single-family home vacancy rate for professionally managed detached homes has fluctuated within a narrow range, from 3.0 to 3.8 percent (CoreLogic, Inc.). The average single-family home vacancy rate for professionally managed detached homes, a small part of the single-family rental stock, was 3.3 percent in June 2024, up slightly from 3.1 percent in June 2023. In June 2024, rents for professionally managed detached homes averaged \$812, \$1,008, \$1,499, and \$1,882 for one-, two-, three-, and four-bedroom homes, an increase of 6, 4, 10, and 10 percent, respectively, compared with 1 year ago.



Apartment Market Conditions

Apartment market conditions have fluctuated between balanced and soft since 2010 and are currently slightly soft. The apartment vacancy rate remained stable from the second quarter of 2010 to the second quarter of 2012, with an approximate 9.1-percent vacancy rate each year during the period (CoStar Group; Figure 10), when the economy recovered from the Great Recession and strong net in-migration occurred. During this period, the average apartment rent increased by an average of \$10, or 1 percent, annually, from \$651 to \$670. A spike in rental construction during 2012 contributed to a rise in the apartment vacancy rate in subsequent years as units were completed and included in the inventory. This spike, coupled with slower population growth in the mid-2010s, led to the second quarter vacancy rate increasing to a peak of 15.3 percent in 2017. As of the second quarter of each year from 2012 through 2017, the average rent increased 2 percent annually, due in part to the rapid increase of higher priced new units that entered the market during the period. The apartment vacancy rate decreased to 13.5 percent as of the second quarter of 2020 from 15.3 percent as of the second quarter of 2017. The apartment rent increased at a slightly slower rate during this period, up \$8, or 1 percent, annually from \$724 as of the second quarter of 2017 to \$747 as of the second quarter of 2020. From 2020 to 2021, the second quarter apartment vacancy rate

Figure 10. Apartment Rents and Vacancy Rates in the Amarillo HMA



2Q = second quarter.
Source: CoStar Group

fell rapidly and remained stable through 2022 as net in-migration increased drastically. The apartment vacancy rate fell to 9.9 percent as of the second quarter of 2021 and remained at 9.9 percent through the second quarter of 2022. Because the vacancy rate decreased at a rapid rate, the average apartment rent grew at its fastest rate since 2010, increasing an average of \$64, or 8 percent, annually from \$747 as of the second quarter of 2020 to \$874 as of the second quarter of 2022. The market eased in late 2022, and the apartment vacancy rate increased to 12.4 percent as of the second quarter of 2023. Apartment rents continued to increase but at a slower pace as the vacancy rate rose, increasing an average of \$33, or 4 percent, annually to \$907. The apartment market vacancy rate decreased to 11.7 percent as of the second quarter of 2024, and the average rent increased by \$19, or 2 percent, to \$926.

Rental Construction

Strong rental construction in the early- to mid-2010s contributed to softening apartment market conditions, and since then, apartment construction has been more subdued. From 2010 through 2011, an average of 200 rental units were permitted annually. Permitting surged in 2012 to 970 rental units as the economy

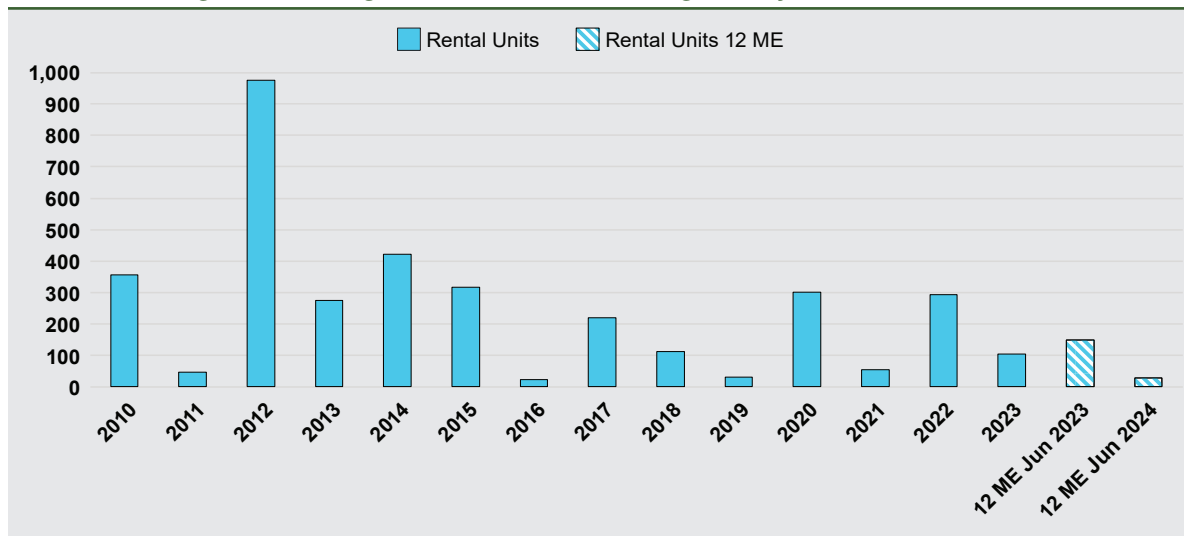


improved and net in-migration was relatively high, followed by an average of 340 units from 2013 through 2015 (Figure 11). The completion of these new units contributed to the softening of the apartment market during the same period. Builders responded to the rising vacancy rates by slowing rental construction. From 2016 through 2019, rental permitting averaged 95 units annually. Vacancy rates began to fall in 2020, and construction increased again but not to previous elevated levels. Rental permitting doubled to an average of 190 units annually from 2020 through 2023. During the 12 months ending June 2024, rental permitting slowed substantially, and only 30 rental units were permitted, decreasing from 150 rental units permitted during the 12 months ending June 2023 (preliminary data and estimates by the analyst).

New Rental Construction Activity

Recently completed projects include Fifty20 Place, a 38-unit apartment complex that opened in June 2024, with one- and two-bedroom apartments at \$1,776 and \$2,687, respectively, per month. A project nearing completion is The Commons at St. Anthony, an affordable, 128-unit age-restricted development for residents aged 55 and older who make less than 60 percent of the Area Median Income. The Commons at St. Anthony is expected to open in the fall of 2024.

Figure 11. Average Annual Rental Permitting Activity in the Amarillo HMA



12 ME = 12 months ending.
 Note: Includes apartments and units intended for rental occupancy.
 Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Forecast

During the 3-year forecast period, demand in the HMA is estimated for 410 additional rental units (Table 7). Demand is expected to increase slightly in the third year of the forecast period because of slightly greater job growth. The 130 units under construction are expected to satisfy demand during the first 2 years of the forecast period.

Table 7. Demand for New Rental Units in the Amarillo HMA During the Forecast Period

Rental Units	
Demand	410 Units
Under Construction	130 Units

Note: The forecast period is July 1, 2024, to July 1, 2027.
 Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

<p>Apartment Vacancy Rate/Average Monthly Rent</p>	<p>Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.</p>
<p>Building Permits</p>	<p>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.</p>
<p>Demand</p>	<p>The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period, given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units under construction or units in the development pipeline.</p>
<p>Existing Home Sales</p>	<p>Includes resales, short sales, and real estate owned sales.</p>
<p>Forecast Period</p>	<p>7/1/2024–7/1/2027—Estimates by the analyst.</p>
<p>Home Sales/Home Sales Prices</p>	<p>Includes single-family, townhome, and condominium sales.</p>
<p>Net Natural Increase</p>	<p>Resident births are greater than resident deaths.</p>



Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
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B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau’s 2020 Census Urban and Rural Classification and the Urban Area Criteria.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, the findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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Contact Information

Andrew Cross, Economist
Fort Worth HUD Regional Office
817-978-5879
andrew.f.cross@hud.gov

