

EL PASO, TX

2022 MARKET AT A GLANCE

Occupancy Rate

95.5%



DOWN 140 BPS YOY

Effective Rent

\$946



UP 4.8% YOY

Rent Share of Wallet

21.9%



UP 30 BPS YOY

Reopening of International Border to Boost Local Economy in 2022

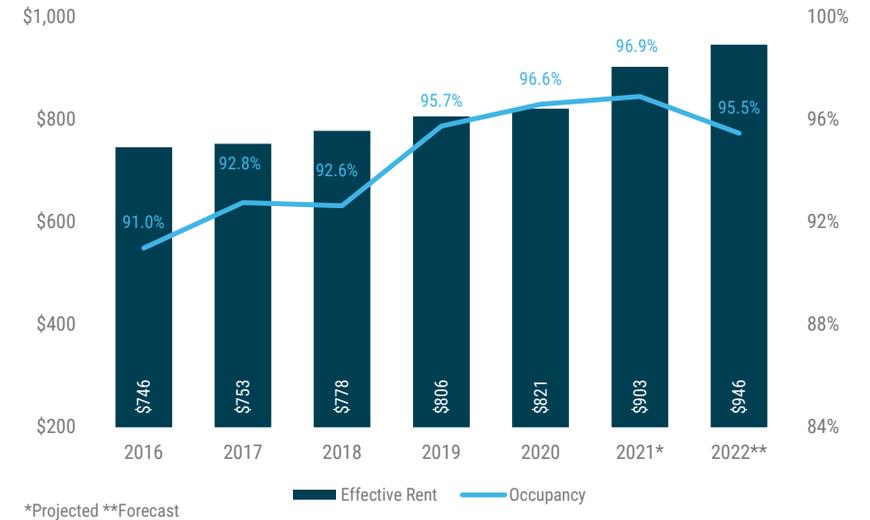
El Paso metrowide employment is anticipated to grow 2.9% in 2022, reflecting full recovery to the jobs market from the pandemic-driven downturn in 2020. Over the next several months, the leisure and hospitality and retail trade sectors will start to get tremendous relief from business disruption since the closure of the U.S.-Mexico border in March 2020. The reopening of the border in early November 2021 to vaccinated travelers and visitors conducting non-essential activities will enable these businesses heavily dependent on cross-border trade to begin recovering in a meaningful way. In the local multifamily market, apartment fundamentals have performed admirably amid housing industry volatility. The metro's low cost of living and affordable single-family housing drew out-of-state buyers who comprised approximately 30% of home purchasers in the metro area in 2021, often sparking bidding wars. Consequently, the median single-family home price rose 9.6% in 2021, causing the typical monthly mortgage to approximate average monthly rent for Class A apartments. This competitive environment kept Class A apartment occupancy elevated as many high-wage renters were unable to transition to homeownership—and given the area's allure to outsiders, this trend may continue in 2022. Average occupancy among all classes of apartments is anticipated to remain above 95% in 2022. The 10.1% year-over-year rent appreciation in 2021 is expected to subside to 4.8% in 2022, still considerably greater than the 1.8% average annual increase from 2016 to 2020. Additionally, limited new apartment deliveries over the next two years makes a supply imbalance unlikely.

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 2021 are projected values. 2022 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.

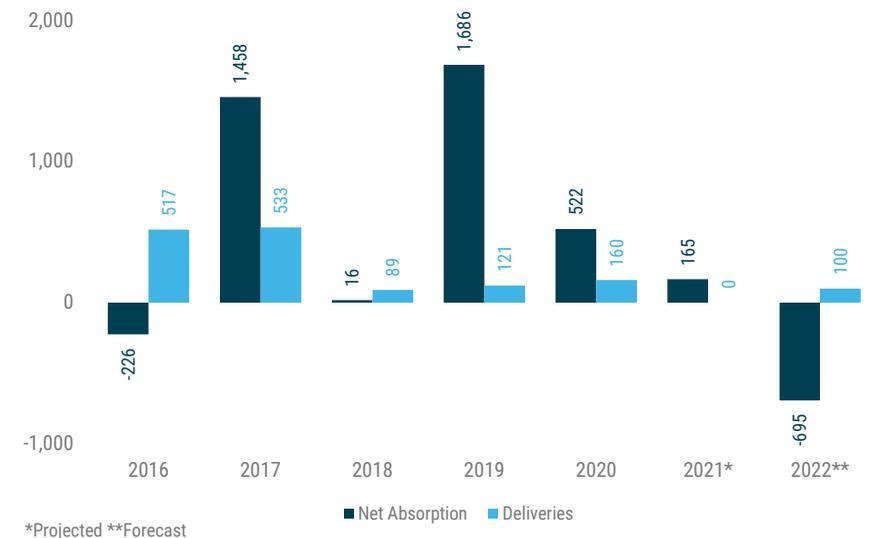
2022 FORECAST

APARTMENT TRENDS

Effective Rent & Occupancy

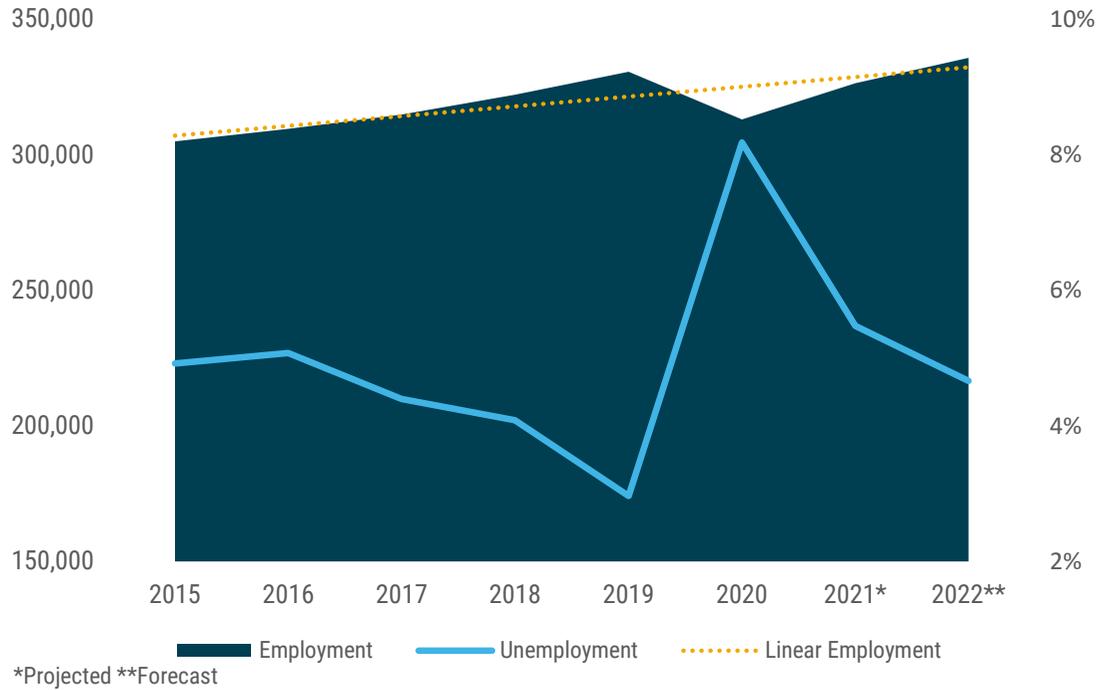


Absorption & Deliveries



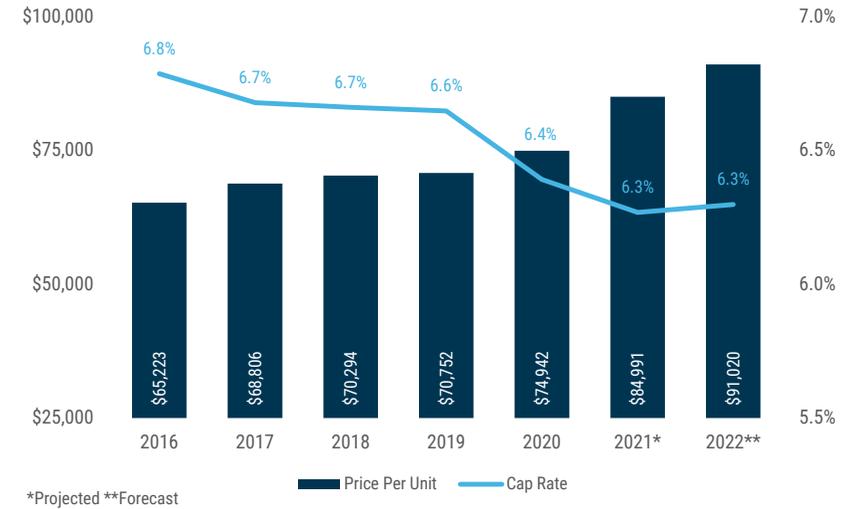
EMPLOYMENT TRENDS

Market Employment Trends



SALES TRENDS

Price Per Unit & Cap Rate



<p>Employment</p> <p>335,800</p> <p>↑</p> <p>UP 2.9% YOY</p>	<p>Unemployment</p> <p>4.7%</p> <p>↓</p> <p>DOWN 80 BPS YOY</p>	<p>Median Household Income</p> <p>\$51,867</p> <p>↑</p> <p>UP 3.3% YOY</p>
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<p>Price Per Unit</p> <p>\$91,020</p> <p>↑</p> <p>UP 7.1% YOY</p>	<p>Cap Rate</p> <p>6.3%</p> <p>=</p> <p>UNCHANGED YOY</p>
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