EL PASO, TX

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.0%	$1,085	22.6%
DOWN 90 BPS YOY	UP 2.9% YOY	UNCHANGED YOY

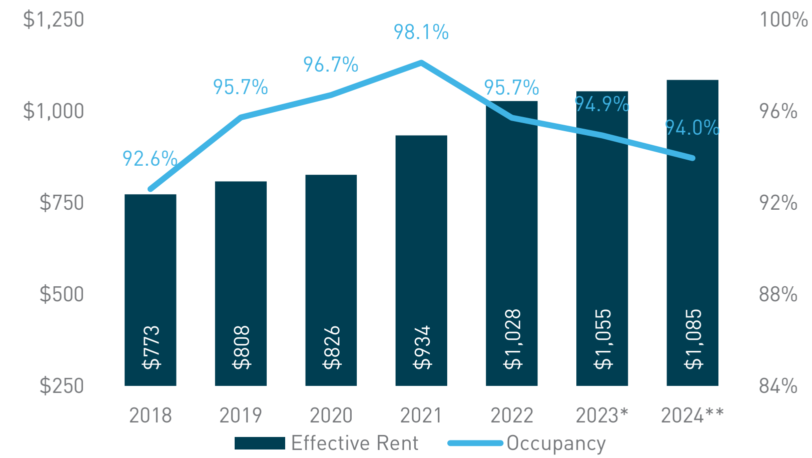
Job Growth and Measured Deliveries to Underpin Apartment Market in 2024

Favorable occupancy and rent growth will characterize El Paso's apartment market in 2024 amid disciplined deliveries and muted apartment demand. Some renters grappling with the higher cost of living will refrain from upgrading their accommodations, and this atmosphere will curb apartment leasing activity. Nevertheless, El Paso's apartment occupancy rate is projected to be 94.0% by year-end, 120 basis points higher than the annual average in the five-year period before the pandemic. Average monthly effective rent is forecast to rise 2.9% during 2024 to $1,085 in the fourth quarter. Some Americans relocating to the Southwest U.S. will find El Paso's rent attractive compared to higher average rents in San Antonio, Albuquerque, and Tucson—and even tertiary markets that include Corpus Christi and Midland–Odessa. This year's rent growth will be possible in part because of expanding payrolls in the healthcare, the warehousing and distribution, and the leisure and hospitality industries. Over the long term, tourism and international trade will continue to have a positive impact on the El Paso apartment market. Over 14 million people enter the U.S. annually through El Paso's ports of entry with Mexico. This activity contributes to the employment of approximately 40,000 local workers in the leisure and hospitality sector. Additionally, more than 20,000 El Pasoans work in the transportation and warehousing subsector. These workers, along with those in the leisure and hospitality industry, are a vital portion of apartment renters.

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 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

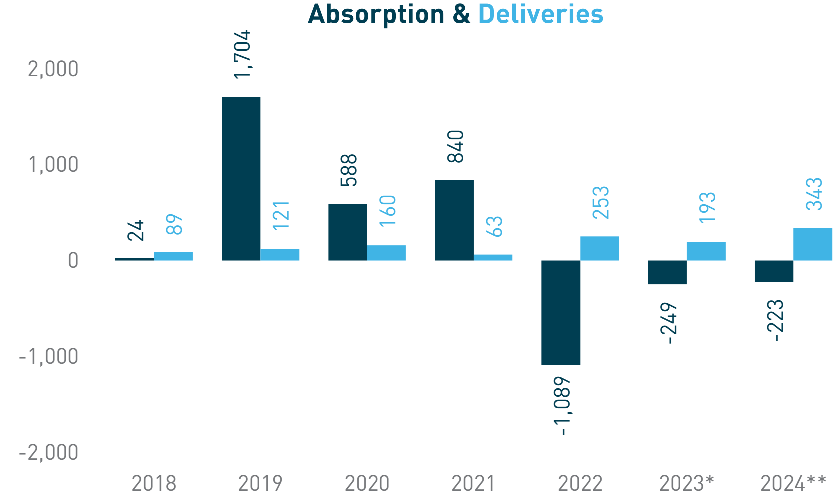


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

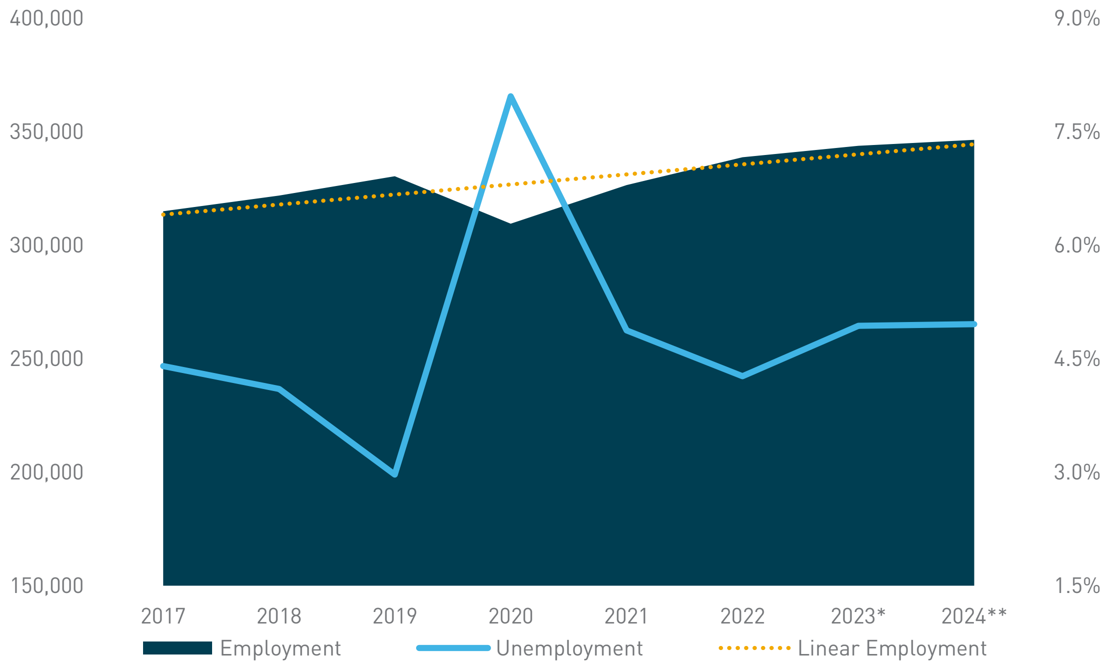
Net Absorption ■ Deliveries

*Projected **Forecast

EL PASO, TX

EMPLOYMENT TRENDS

Market Employment Trends

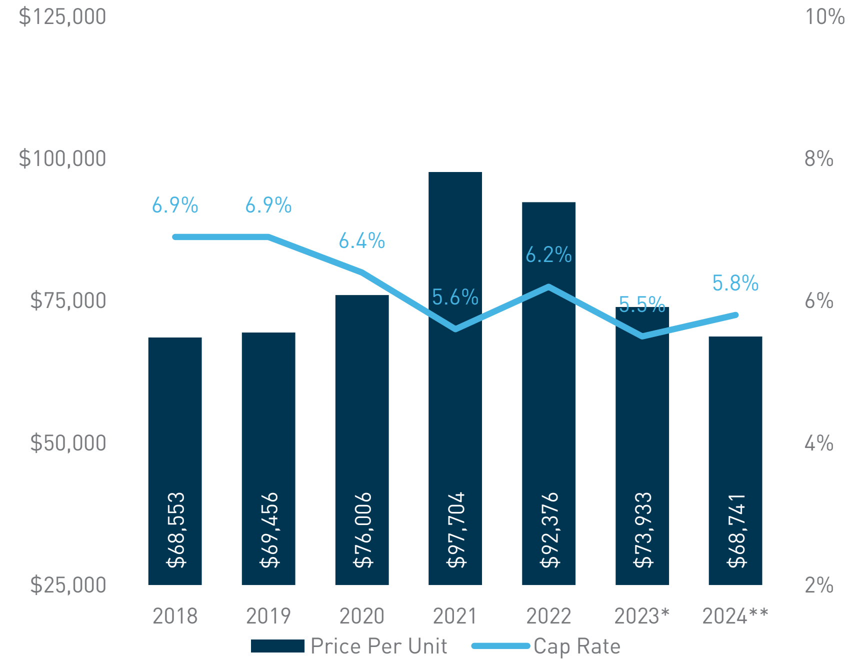


Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
346,500	5.0%	$57,663	$68,741	5.8%
UP 0.8% YOY	UP 10 BPS YOY	UP 3.0% YOY	DOWN 7.0% YOY	UP 30 BPS YOY