EL PASO, TX

2025 MARKET AT A GLANCE

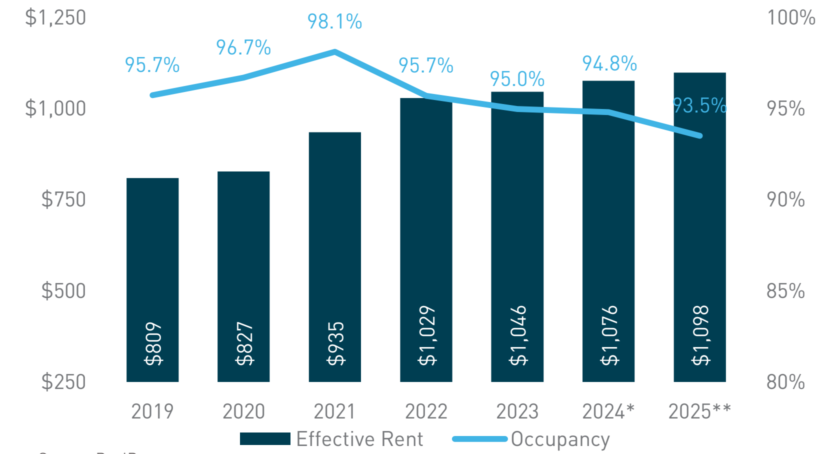
OCCUPANCY RATE (Q4 2025)	EFFECTIVE RENT (Q4 2025)	RENT SHARE OF WALLET (Q4 2025)
93.5%	$1,098	22.5%
DOWN 130 BPS YOY	UP 2.0% YOY	DOWN 30 BPS YOY

Continued Rent Growth and Moderating Apartment Deliveries Anticipated in 2025

Mixed apartment fundamentals in the El Paso metro area are projected this year. Average monthly effective rent is forecast to increase 2.0% to $1,098 by year-end. Builders have 361 apartment units scheduled for completion in 2025, in line with the 10-year annual average. El Paso's remote location from other major metro areas means the city is not first to mind among developers and is a major reason the area has not had a glut of new apartments emerge in the last few years. This environment has helped keep the occupancy rate consistent most years. On average, annual net apartment absorption totals about 430 units per year. In 2025, negative net absorption of 394 apartment units is projected. This reduction is due in part to the area's median household income that is about 29% lower than the national median, thereby discouraging household formation and upward mobility in the apartment market. Another factor is single-family home completions, forecast to total approximately 2,900 units in the metro area this year, about 20% more than normal. While the single-family home prices keep some households in the renter pool, the greater-than-normal selection of new homes will present increased opportunities for higher-income renters to transition to homeownership. For the long term, the area's growth and cost of living bode well for the apartment market. Annual net in-migration is expected to be positive for at least the next several years. Additionally, households relocating to the Sunbelt will be attracted to El Paso's warm, sunny climate and cost of living that is considerably lower than similar-sized metros that include Albuquerque, Tucson, and Colorado Springs.

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 2024 are projected values. 2025 figures are forecast projections.

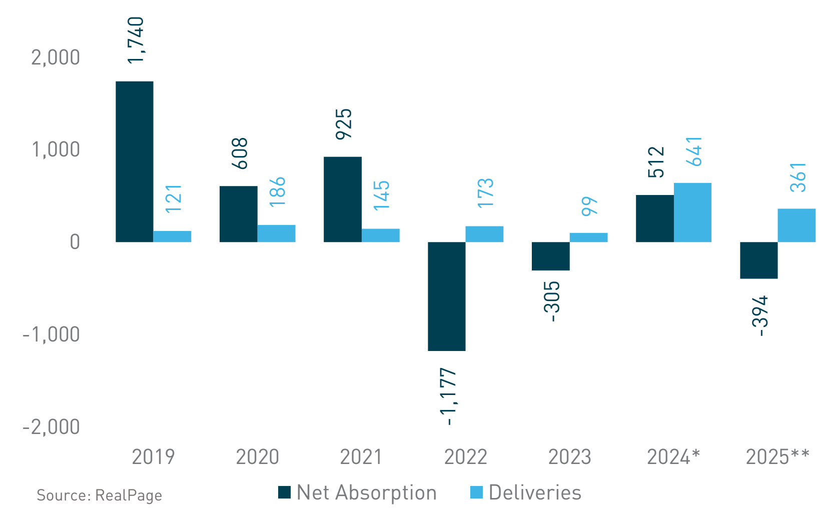
APARTMENT TRENDS



Source: RealPage

*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.



Source: RealPage

*Projected **Forecast

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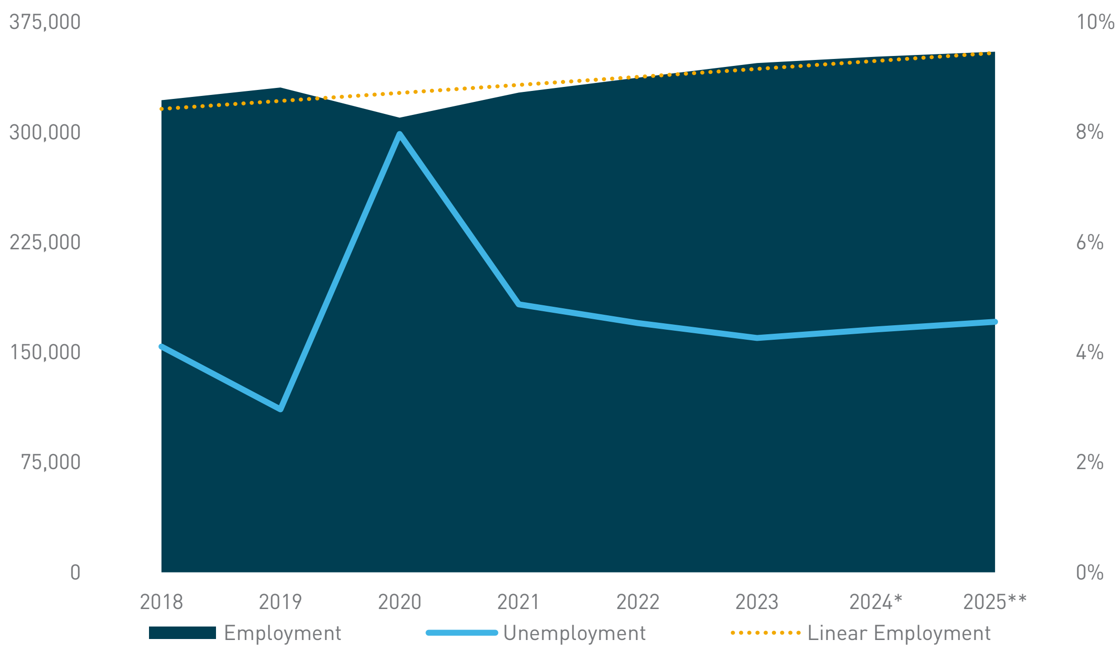
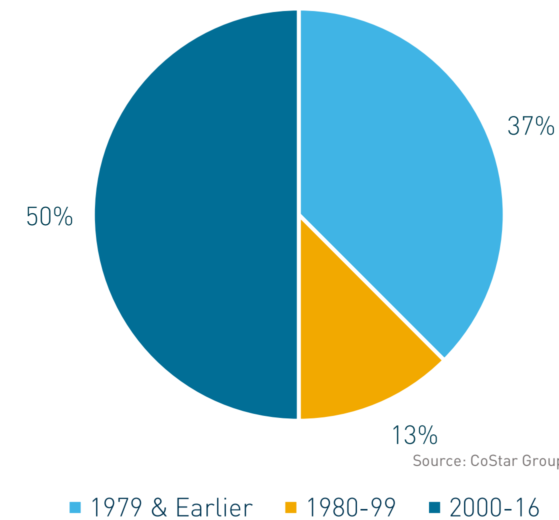
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

2024 SALES TRENDS*



*YTD through Oct.

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

EMPLOYMENT (DEC. 2025)	UNEMPLOYMENT (DEC. 2025)	MEDIAN HOUSEHOLD INCOME (DEC. 2025 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
354,800	4.6%	$58,540	$85,329	7.2%
UP 1.0% YOY	UP 20 BPS YOY	UP 3.2% YOY	UP 0.9% YOY	UP 10 BPS YOY