



# Tucson's Economy Sails Into Uncertain Waters



George Hammond, Director of the Economic and Business Research Center, University of Arizona, Eller College of Management



Laura Shaw, Senior Vice President, Sun Corridor Inc.



Jennifer Pullen, Senior Research Economist, University of Arizona, Eller College of Management, Economic and Business Research Center

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## Meeting Details

- ▶ **MAP Talks will be recorded**
  - ▶ See the MAP Dashboard website for recordings
- ▶ **Conference mode**
  - ▶ Everyone muted except presenter
- ▶ **How to ask a question**
  - ▶ Enter question into chat or Q&A
  - ▶ Email anytime to [vhrice@arizona.edu](mailto:vhrice@arizona.edu)



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# Arizona Daily Star

## Tucson economy: MAP Dashboard

Monthly Stats	Change Year/Year
Non-farm jobs <b>374,100</b> (Jan. 2021)	<b>-4.4%</b>
Unemployment rate <b>7.4%</b> (Jan. 2021)	<b>3.4%</b>
Median home price <b>\$276,010</b> (Feb. 2021)	<b>12.7%</b>
Housing permits <b>462</b> (Feb. 2021)*	<b>42.6%</b>

\*Single-family permits, based on U.S. Census Bureau data

### Tucson fared better than U.S., middling among peers for 2020 job losses

Tucson's employment declined by 4.6% in 2020, driven by the economic impact of the pandemic. That was a loss of 18,042 jobs. In comparison, Phoenix's employment declined by 2.8% and statewide jobs dropped by 3.1%. When compared to peer western metropolitan statistical areas, Tucson's job loss fell near the middle, ranking seventh. Salt Lake City posted the smallest loss in employment at 2.1%. Las Vegas, one of the hardest hit metropolitan areas in the U.S., posted a 12.4% decline in jobs. Las Vegas has been hit especially hard by the pandemic due to its large share of jobs in leisure and hospitality. While Tucson was hit hard last year, the recovery has begun and prospects look brighter for the second half of 2021 and 2022.



A project of the Economic and Business Research Center at the University of Arizona Eller College of Management

Real-time economic data is at your fingertips with the Arizona's Economy smartphone app. Available free on iTunes and Google Play.

#### About the MAP Dashboard

The MAP (Making Action Possible for Southern Arizona) Dashboard is produced by the UA Economic and Business Research Center in partnership with the Community Foundation for Southern Arizona, the Pima Association of Governments, the Southern Arizona Leadership Council, and Sun Corridor Inc. A portion is published monthly in the *Arizona Daily Star*. To view more data, go to [mapazdashboard.arizona.edu](http://mapazdashboard.arizona.edu)

3/28/21

## Tucson's health: MAP Dashboard

The Health & Social Well-Being category on the MAP Dashboard identifies critical trends in the well-being of Southern Arizona residents. The scorecard shows how Tucson currently ranks across six indicators using an icon-based system. Tucson has a sun icon for housing cost burden indicating that it ranks in the top third of peer metropolitan statistical areas (MSAs). Additionally, Tucson has three partly sunny icons in health insurance coverage, physical well-being and teen birth rate, which means Tucson ranked in the middle third of the 12 MSAs. Behavioral health and poverty rate have cloudy icons, indicating that Tucson was in the bottom third of the comparable metros. The recent change shows that Tucson has improved in several key health and social well-being measures. Overall, Tucson has room for improvement in the overall health and social well-being of its residents. The information on the MAP provides residents and policymakers with performance measures crucial to gauging the overall well-being of a region. The MAP is constantly evolving and adding new information. To learn more, visit the MAP Dashboard ([www.mapazdashboard.arizona.edu](http://www.mapazdashboard.arizona.edu)).

### Tucson metropolitan statistical area health and social well-being scorecard

Indicator	How are we doing?	How do we compare?	Recent change
Behavioral health	4.0 poor mental health days	☁️	▲
Health insurance coverage	90.8%	☁️	▶️
Housing cost burden	32.1% of households	☀️	▼
Physical well-being	82.8% good or excellent health	☁️	▼
Poverty rate	16.8%	☁️	▼
Teen birth rate	24.5 per 1,000 females	☁️	▼

☀️ Ranked in top 1/3   ☁️ Ranked in middle 1/3   ☁️ Ranked in bottom 1/3   🔄 Ranked last

MAP Scorecard "How do we compare?" rankings are relative to the following peer metropolitan areas: Albuquerque, Austin, Colorado Springs, Denver, El Paso, Las Vegas, Phoenix, Portland, Salt Lake City, San Antonio and San Diego.

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3/1/21





# Tucson's Home Prices Skyrocketed Last Year: What's Next?

**Home Prices in Tucson  
Increased by 24.9% in 2021**

A hand is shown placing a wooden block with a red downward arrow on top of a stack of two wooden blocks with green upward arrows. To the left of the stack is a cardboard house model. The entire scene is set on a wooden surface against a light grey background.

[Learn More](#) >

Jennifer Pullen, Senior Research Economist, University of Arizona,  
Eller College of Management, Economic and Business Research Center  
MAP Dashboard Coordinator

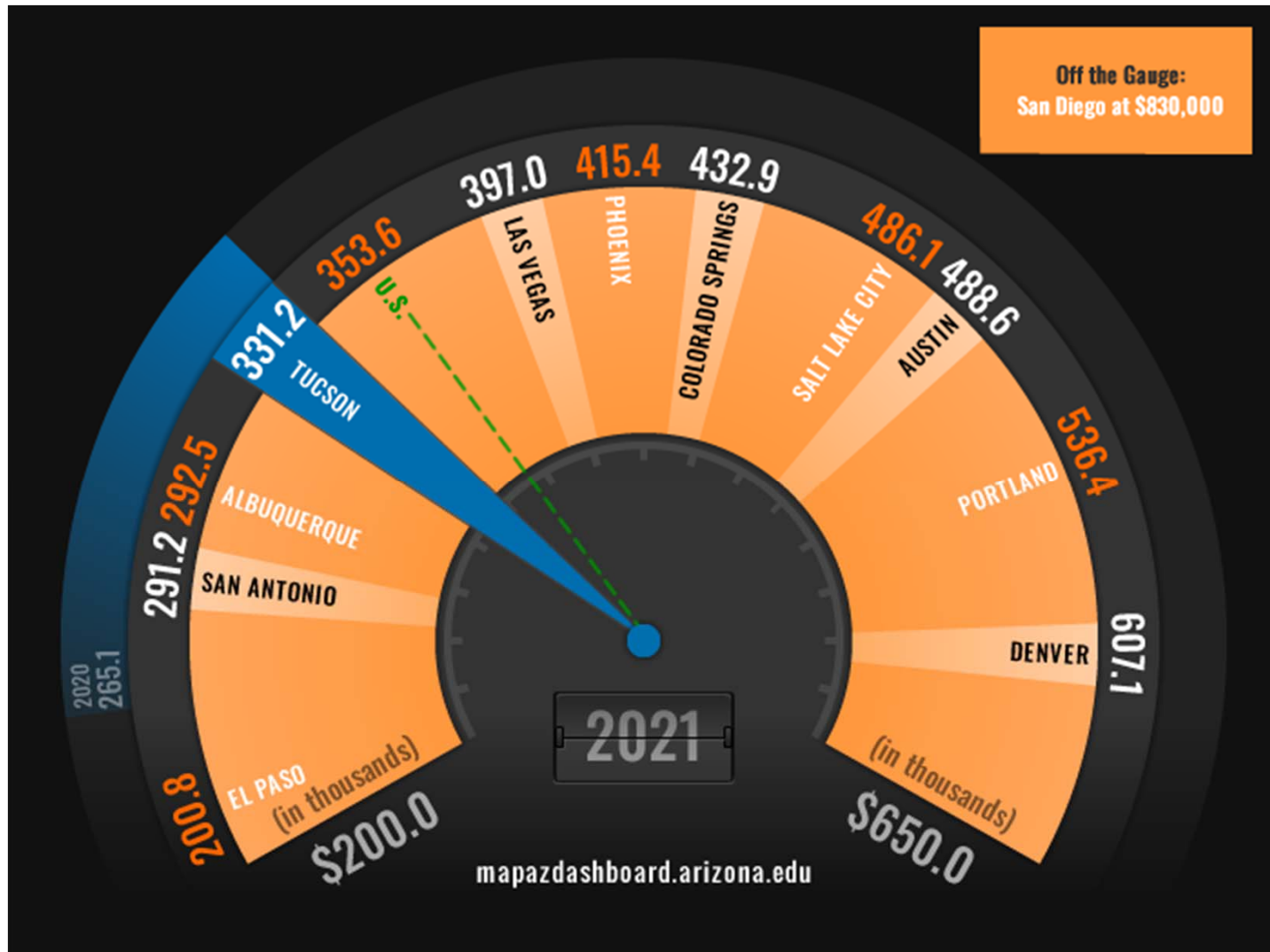


## What's Happening with Housing?

- Median Sales & Rental Pricing
- Affordability
  - Home ownership
  - Renters
  - Housing cost burden
- Inventory

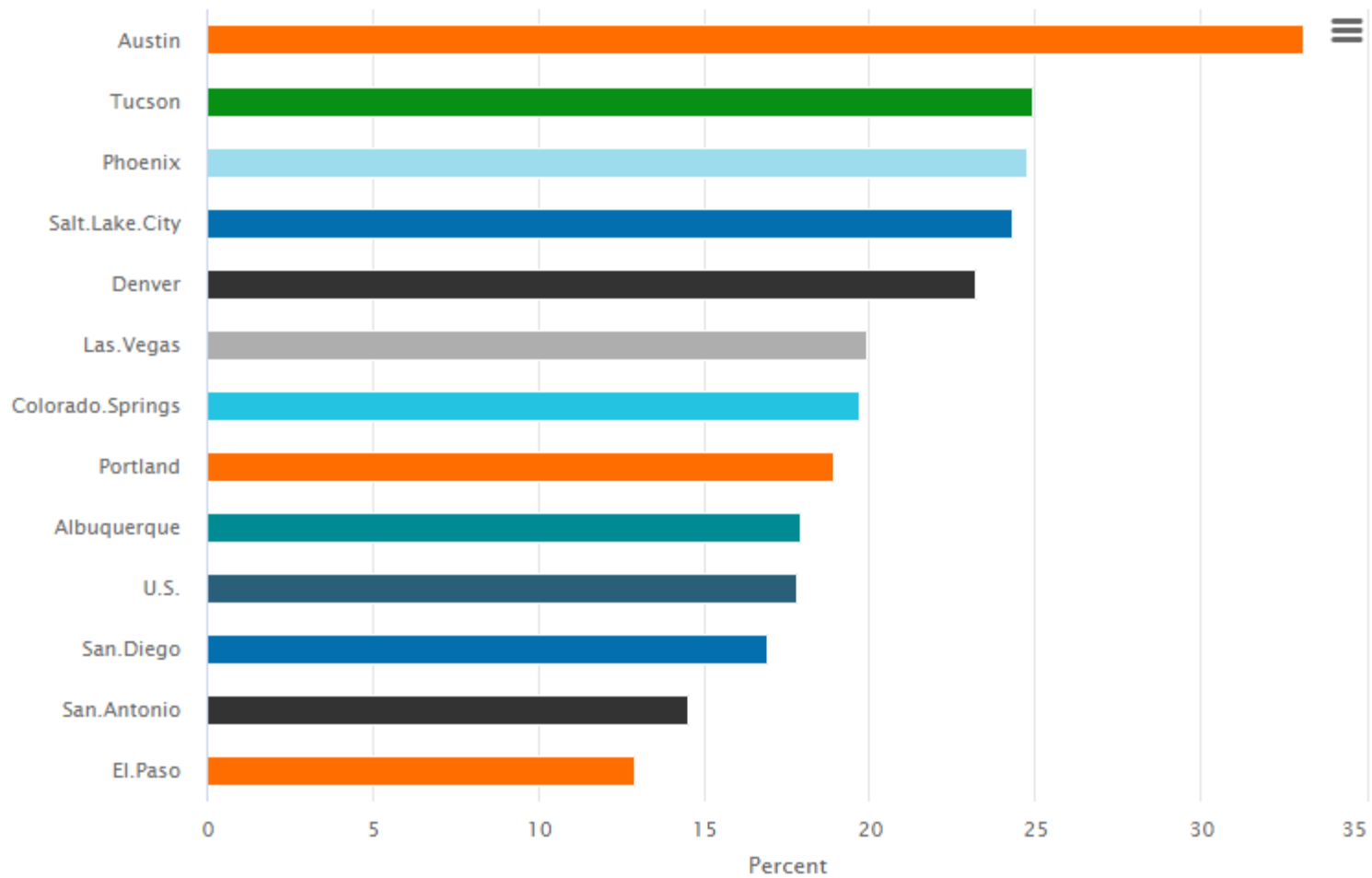


# Median Home Price





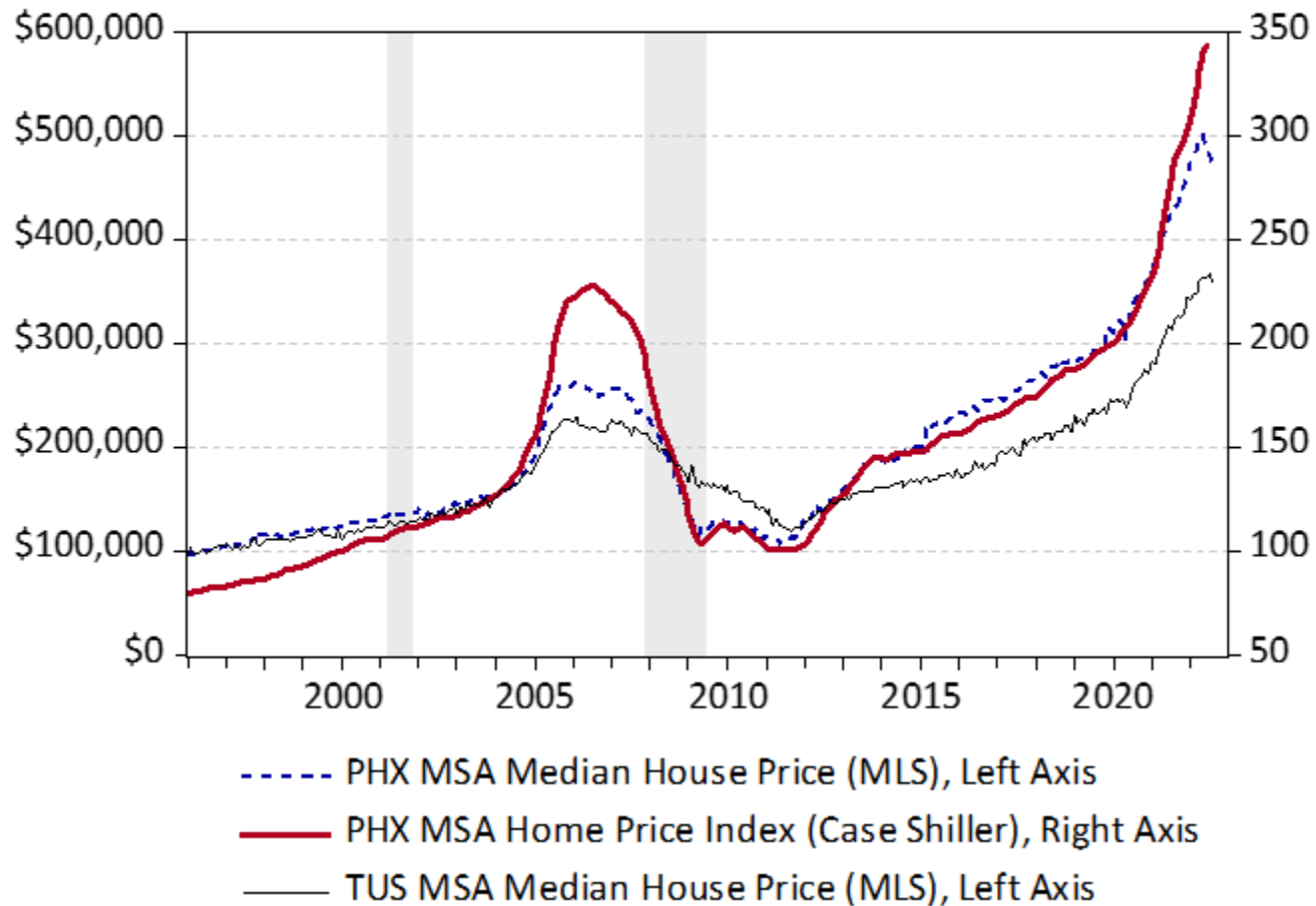
## Growth Rate in the Price of a Single-Family Home





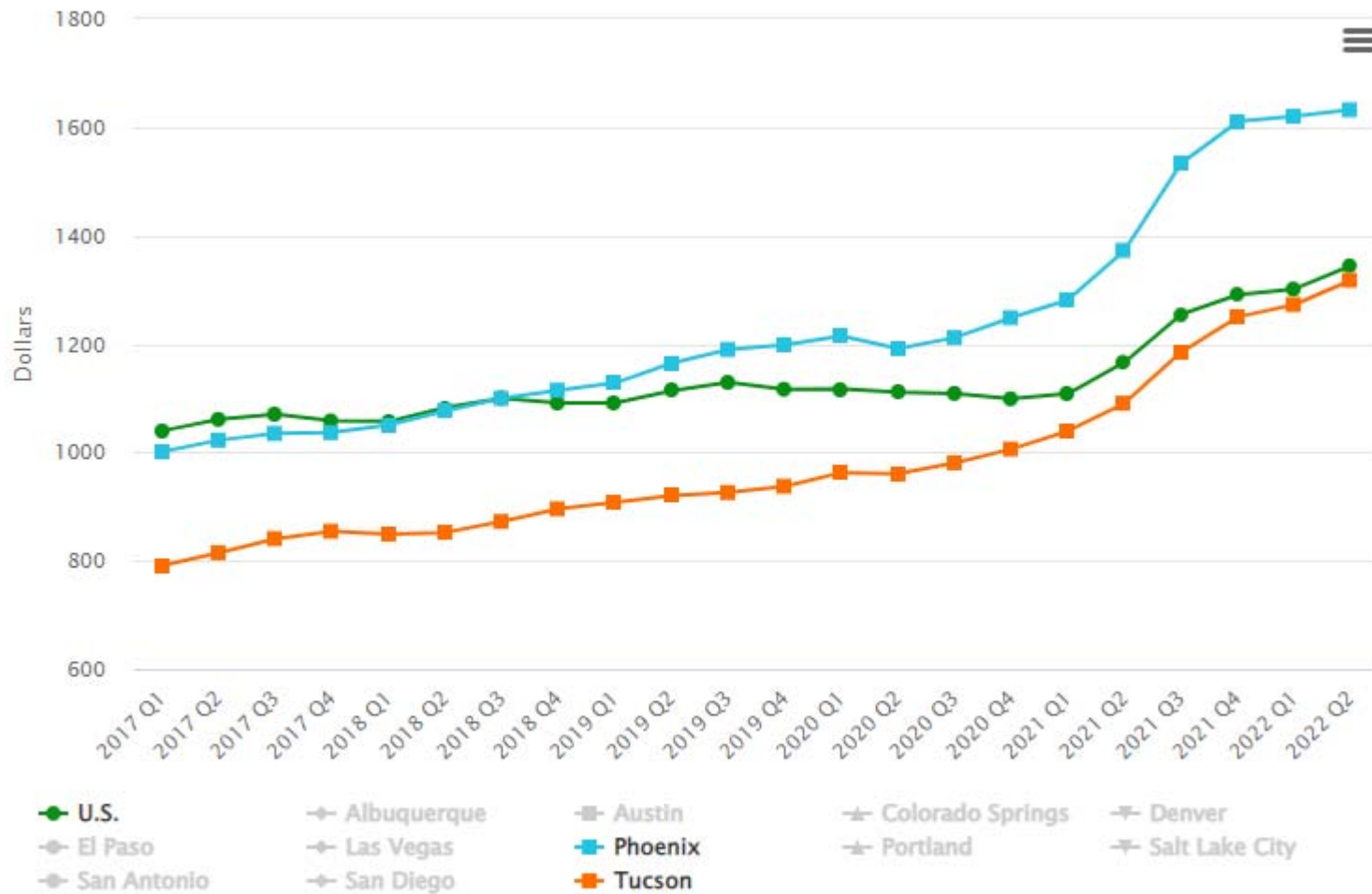


## House Prices Have Begun to Drop



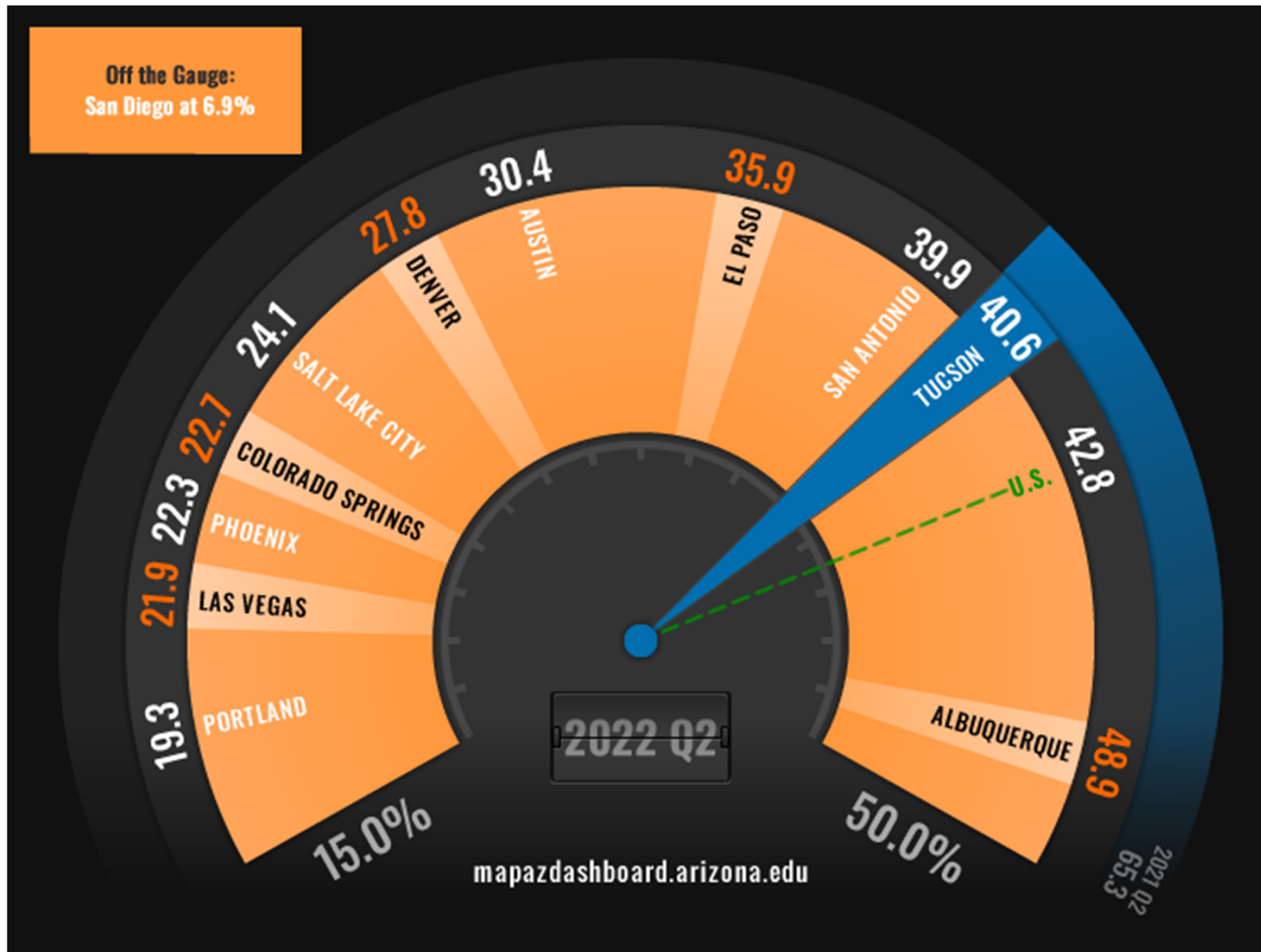


## Average Rent for One-and-Two Bedroom Apartments





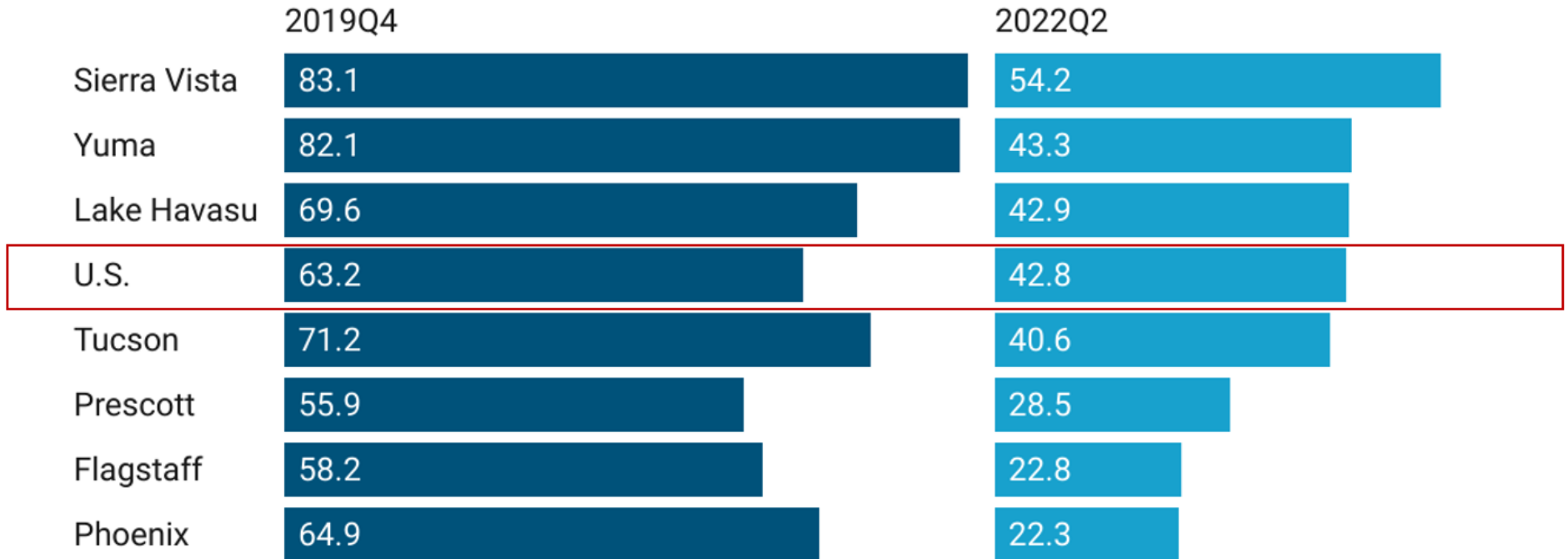
# Housing Affordability (2<sup>nd</sup> Quarter 2022)





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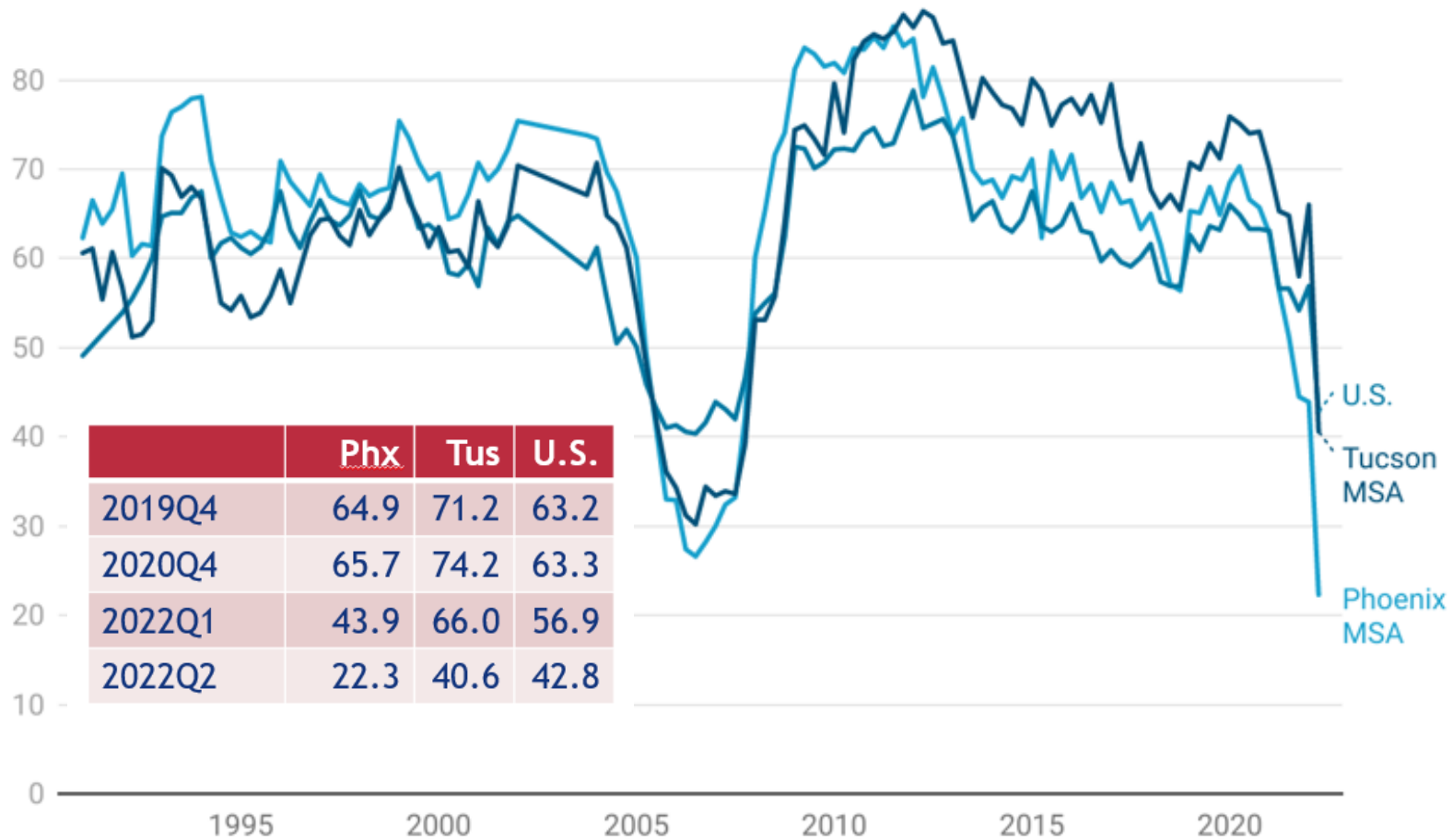
## NAHB-Wells Fargo





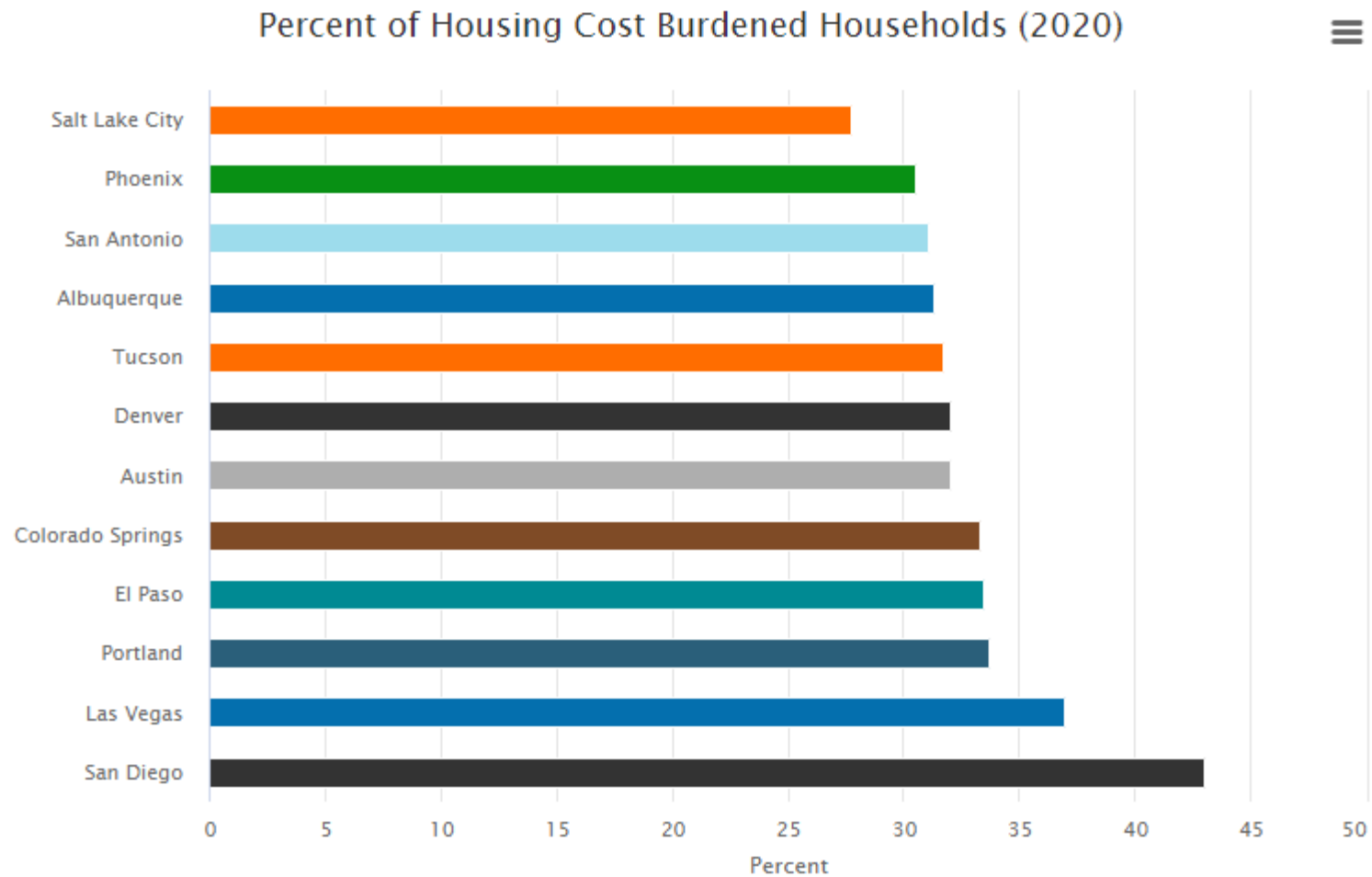
# Housing Affordability Trends

**NAHB-Wells Fargo**



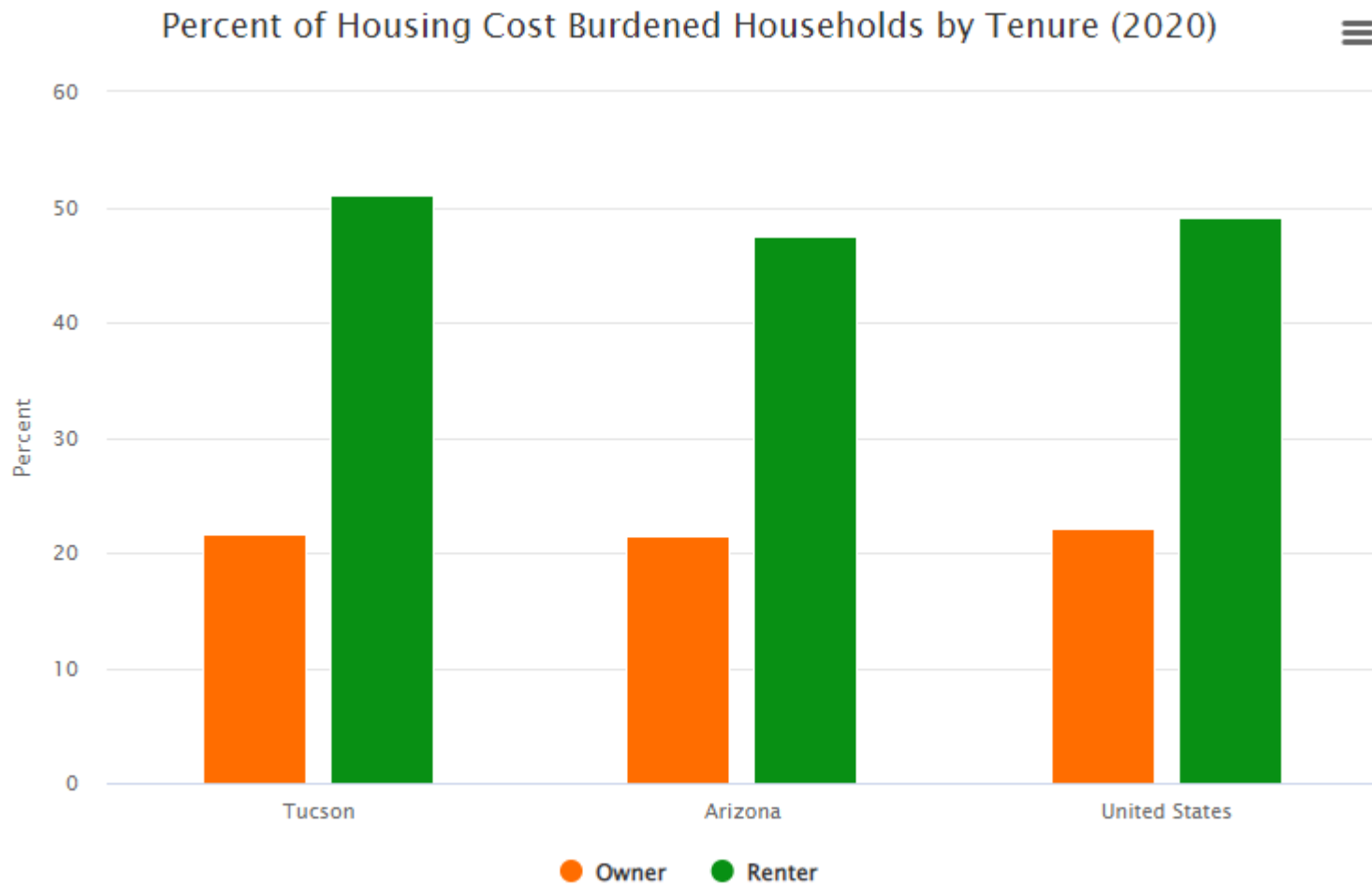


## Percent of Housing Cost Burdened Households (2020)





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# Housing Cost Burdened Households (2020)



- U.S.
- Arizona
- California
- Colorado
- Idaho
- Nevada
- New Mexico
- Oregon
- Texas
- Utah
- Washington
- Albuquerque
- Austin
- Colorado Springs
- Denver
- El Paso
- Las Vegas
- Phoenix
- Portland
- Salt Lake City
- San Antonio
- San Diego
- Tucson





# Housing Cost Burdened Households (2020)

Housing Cost Burden by Income (2020)  
mapazdashboard.arizona.edu

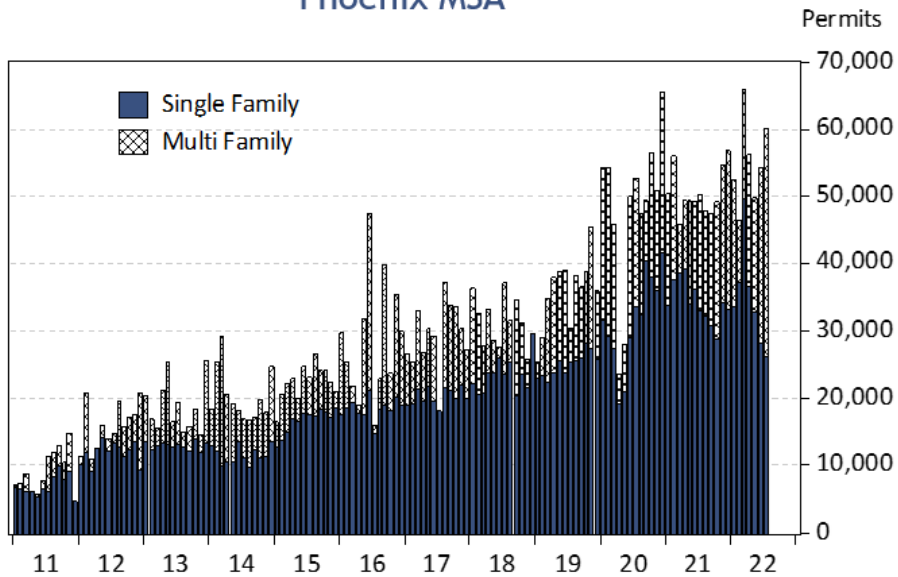
INCOME	TUCSON	ARIZONA	U.S.
Less than \$20,000	40.7%	33.3%	33.5%
\$20,000 - \$34,999	29.6%	28.8%	26.3%
\$35,000 - \$49,999	16.1%	19.0%	16.3%
\$50,000 - \$74,999	9.6%	13.2%	13.6%
\$75,000 or more	4.0%	5.8%	10.4%



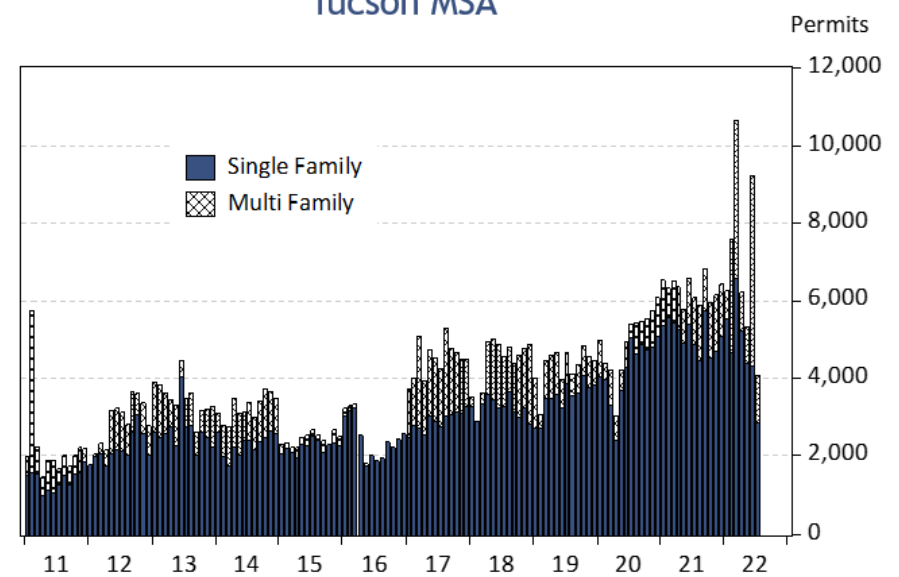
# Arizona Housing Permits

## Seasonally Adjusted Annual Rates

Phoenix MSA



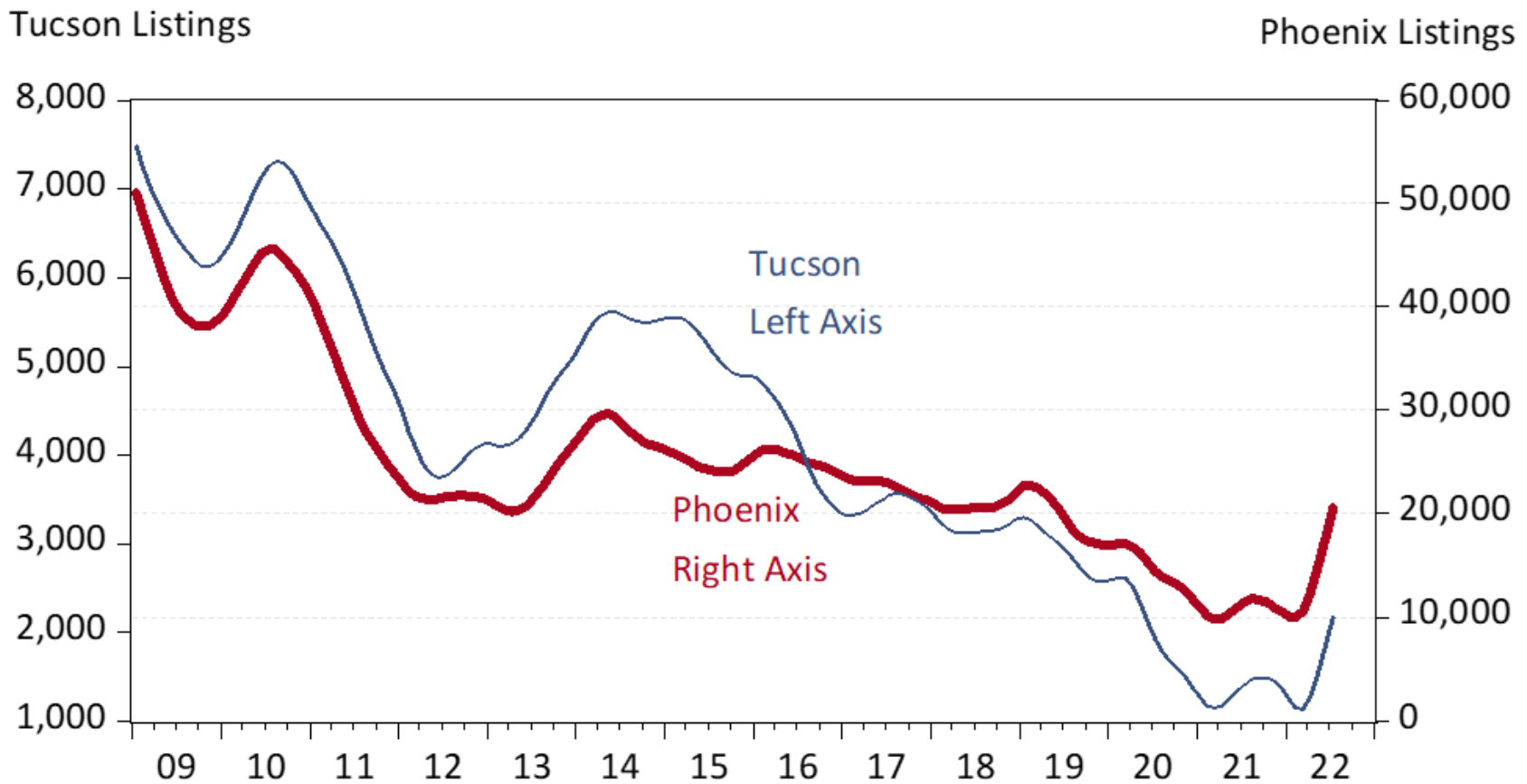
Tucson MSA





# Housing Inventory Turns the Corner

## Active Listings, Smoothed with Trend/Cycle





## Key Takeaways

- Home prices increased rapidly in 2021 but have since declined. There's a little uncertainty to what's next.
- Housing affordability dropped significantly and will likely remain depressed
- Inventory has increased from historic lows
- Multi-family permit activity is up but single-family activity remains suppressed