

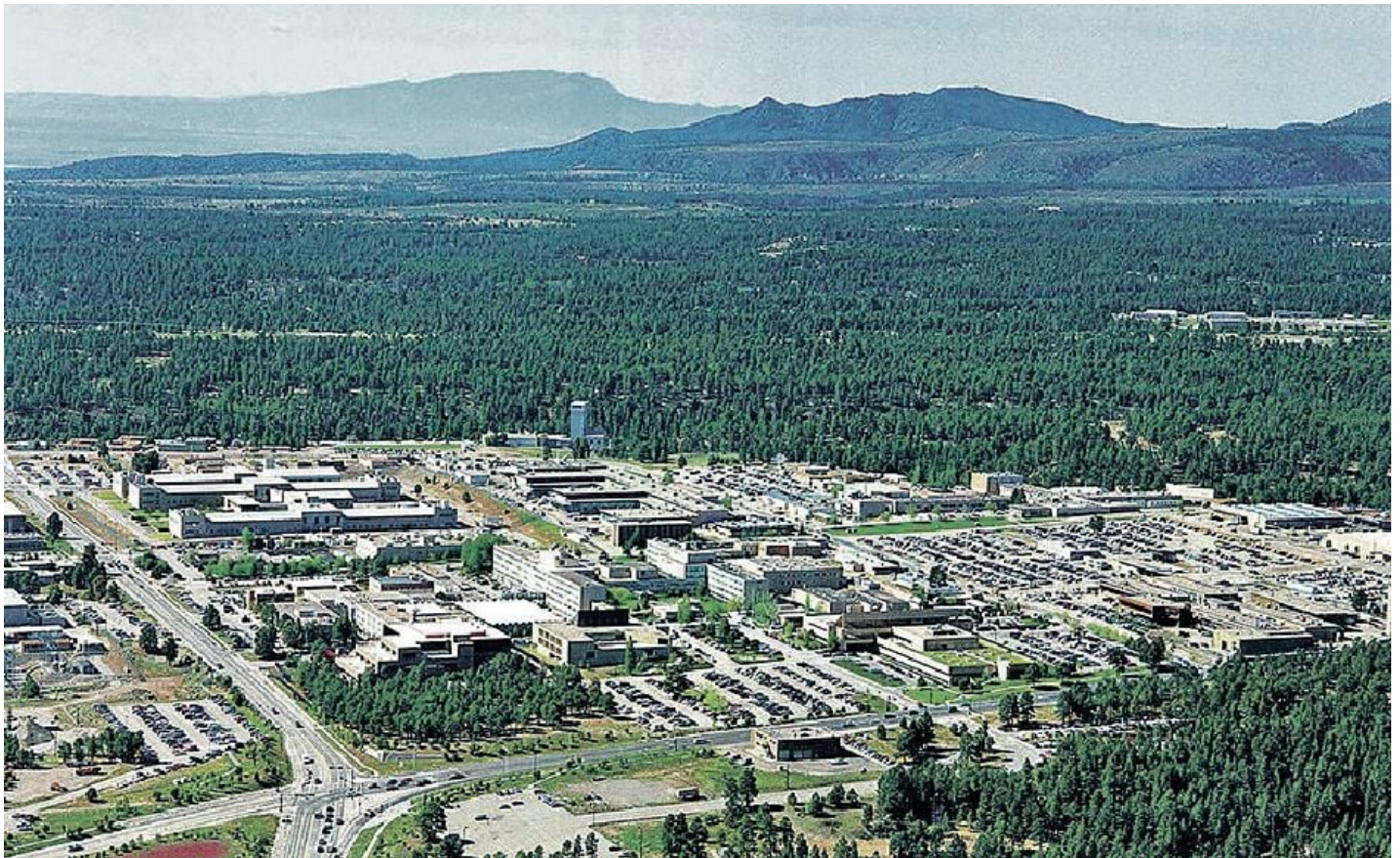
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## The LANL effect: Growing workforce at the lab puts strain on Santa Fe's housing market

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With employment at Los Alamos National Laboratory surging in recent years, the Santa Fe housing market has struggled to keep up with demand.

Associated Press file photo

Already, Santa Fe's housing market can't accommodate all the thousands of state government employees who work here. Many, if not most, commute.

Add to that a growing workforce at LANL that Los Alamos County can't accommodate.

"The labs are creating a lot of new jobs and not building enough new housing to absorb them," said Daniel Werwath, former housing policy adviser to Gov. Michelle Lujan Grisham and the former executive director of two nonprofit organizations — New Mexico Inter-Faith Housing and The Housing Trust.

"They are very high-paying jobs people are coming into — in some cases \$300,000 or \$400,000 — and there's nothing to buy in Los Alamos," Werwath said.

*The New Mexican* reported in July the lab's workforce has grown for the last six years, partly as a result of a LANL expansion into Santa Fe offices, and more workers could be headed this way soon. Lab officials said an additional 800 to 1,000 people could be hired in the upcoming fiscal year.

An economic impact study released by LANL in February shows the lab added more than 600 workers from 2023 to 2024, the most recent year for which figures were available. Its total employment climbed from 15,932 employees in 2023 to 16,547 in 2024.

A lab spokesperson supplied supplemental figures in February that show about 2,900 LANL employees lived in Santa Fe County in 2020. By 2023 that number had grown to 3,975, and by 2024 it was 4,172 — nearly a quarter of the lab's total workforce.

There are other factors besides LANL in the city's housing crunch: The city long has been a destination for well-to-do retirees who can afford to pay higher housing costs and wealthy folks who keep a second home here.

Werwath said a recent flurry of apartment construction in Santa Fe has helped address the challenge but hasn't resolved it.

"We're building just enough new housing to absorb the new jobs being created at Los Alamos," he said.

Many of the new workers hired at the lab are replacing older, retired workers, said Mike Loftin, CEO of the Santa Fe nonprofit housing developer Homewise Inc., noting the retirees aren't necessarily creating housing vacancies, especially in the single-family home market.

"My understanding is that even though all these people are retiring from the lab, they're not leaving. So that means more homes have to get built. And Los Alamos is constricted in what they can build," he said.

There is an extremely limited amount of undeveloped property available in Los Alamos County, by far the smallest county in the state.

Loftin said demand naturally drives up Santa Fe home prices, especially around the N.M. 599 bypass to Los Alamos.

"Any project we do of homes out near [N.M. 599], you definitely see lab employees buy them," he said.

The Los Alamos workforce has grown more than 50% since 2018, according to Stephanie Nakhleh, a member of the Los Alamos Planning and Zoning Commission and founder of the local news website Boomtown. She chronicled the lab's employment growth in a Jan. 31 story "Room to Grow."

About 10,000 LANL employees commute into Los Alamos daily, many of them because they can't find local housing, even though they make enough money to compete for it, Nakhleh wrote.

Her story lists ways the lack of employee housing has negatively impacted the Los Alamos community — and many of those issues will sound familiar to Santa Fe residents.

“In the game of housing musical chairs, even LANL’s well-paid workforce struggles to find homes, while many teachers, nurses, police officers and service workers are priced out entirely,” she wrote. “The result is a cascade of consequences: skyrocketing housing costs, staffing shortages at local businesses, dangerous commuting conditions, and a deteriorating downtown.”

LANL workers create much of the demand for high-end rental housing in the city, said Peter Aberg, a Dallas-based developer who is building the Zia Flats apartments in Santa Fe as part of the Zia Station multi-use development at South St. Francis Drive and West Zia Road.

When he built the Capitol Flats and Railyard Flats apartments near the downtown area several years ago, both complexes were filled within four to eight weeks, Aberg said.

The two groups that flocked to those complexes were people 55 and older and LANL workers, he said. The latter, he said, make up about 20% of renters at the two properties.

Aberg expects the demographics for renters at Zia Flats to be the same.

“We see that continuing to drive some demand,” he said.

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## Takeaways

- An economic impact study released by Los Alamos National Laboratory in February shows the lab added more than 600 workers from 2023 to 2024.
- Nearly one-fourth of the lab’s total workforce lived in Santa Fe County in 2024.
- Lab officials have said another 800 to 1,000 people could be hired over the next fiscal year.

## About this series

### Today

- A rising tide of housing construction has changed the landscape of Santa Fe — and helped slow the rise in rent costs.
- A lack of housing for the workforce at Los Alamos National Laboratory has helped drive a building boom in Santa Fe.
- How much housing does the city need to end a shortfall? Industry leaders debate the numbers.

### Monday

- The city land use office — bogged by paper blueprints — moves forward with a modernization effort.

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