

# The Lubbock Economy

December 2024



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# Lubbock Economic Analysis

## **Eleven months into economic activity for 2024, Lubbock's economy continues to experience growth, driven primarily by strong retail sales, which are up 4.60% compared to last year.**

Employment has also seen steady growth, with additional jobs created as businesses relocate to the area. Both tourism and vehicle sales have fluctuated throughout the year but remain steady year-to-date with 2023 activity. Building activity has reached \$1 billion in new dollars, though it falls short of the five-year average of \$1.2 billion. Overall, Lubbock's economy has shown resilience in certain sectors despite the challenges posed by higher interest rates in 2024.

Retail sales in November 2024 have increased by 4.72% compared to November 2023, with year-to-date sales also up by 4.61% from last year. New vehicle sales have seen a notable increase of 7.51% from last November, while used vehicle sales have grown slightly by 1.87%.

Tourism has experienced a decline with Hotel/Motel tax collections down 0.34% and airline boardings dropping by 22.84% from last November.

The number of workers employed has increased by 0.80% (or 1,300) over the past 12-months, according to the Employer Survey, and by 0.79% (or 1,334) according to the Household Survey. The labor force has grown by 1.55% since November 2023, and wages have seen a slight increase. The unemployment rate stands at 3.60% as of November 2024, up from 2.90% in November 2023. Lubbock's job market continues to see growth as new businesses continue to emerge, creating additional opportunities across various industries.

In November 2024, building permits totaled \$120 million, representing an increase of \$26 million, or 27.93%, compared to last year. The median house price for November 2024 was \$234,000, down 2.90% from the same month last year.

Residential building activity in 2024 has seen a modest increase of \$4.4 million, or 1% compared to 2023. However, total building permit activity is down by 129 permits, or 8% year-to-date. Mortgage interest rates remain high compared to last year, though they have decreased from last month's rate of 7.00%. With recent interest rate cuts, it remains unknown whether there will be significant changes in mortgage rates or residential building activity. At 6.875%, current rates are 3.77% higher than last year but still historically elevated.

Total building activity in November 2024 saw an increase of \$26 million compared to November 2023, with both residential and commercial sectors contributing to the growth. Residential building activity rose by \$2.6 million, or 11%, while commercial activity increased by \$23.4 million, or 36%. Notable projects in November included the \$55 million Star Care Canyon West development and a \$16 million project for the Lubbock County Anti-Gang Main Office building. Despite the November increase, commercial building activity for 2024 lags behind 2023 by \$70 million, or 34%, with factors such as high interest rates and construction costs contributing to lower overall building activity in both residential and commercial sectors.

Oil prices have risen by 3.21% compared to last year, while natural gas prices have increased by 38.53%. The oil rig count grew from 4 to 9 between October & November 2024. On the other hand, wheat is down 2.06%, corn is down 4.53%, and cotton has dropped by 12.21% since last year. Fat cattle prices are up by 10.47%, and milk prices have increased by 13.64%. The agricultural farm bill avoided a disaster with congress passing provisions of the 2018 farm bill for the 2025 crop year. Crop harvesting is mostly complete, though yields and prices for the overall cotton crop were less favorable than anticipated in July.



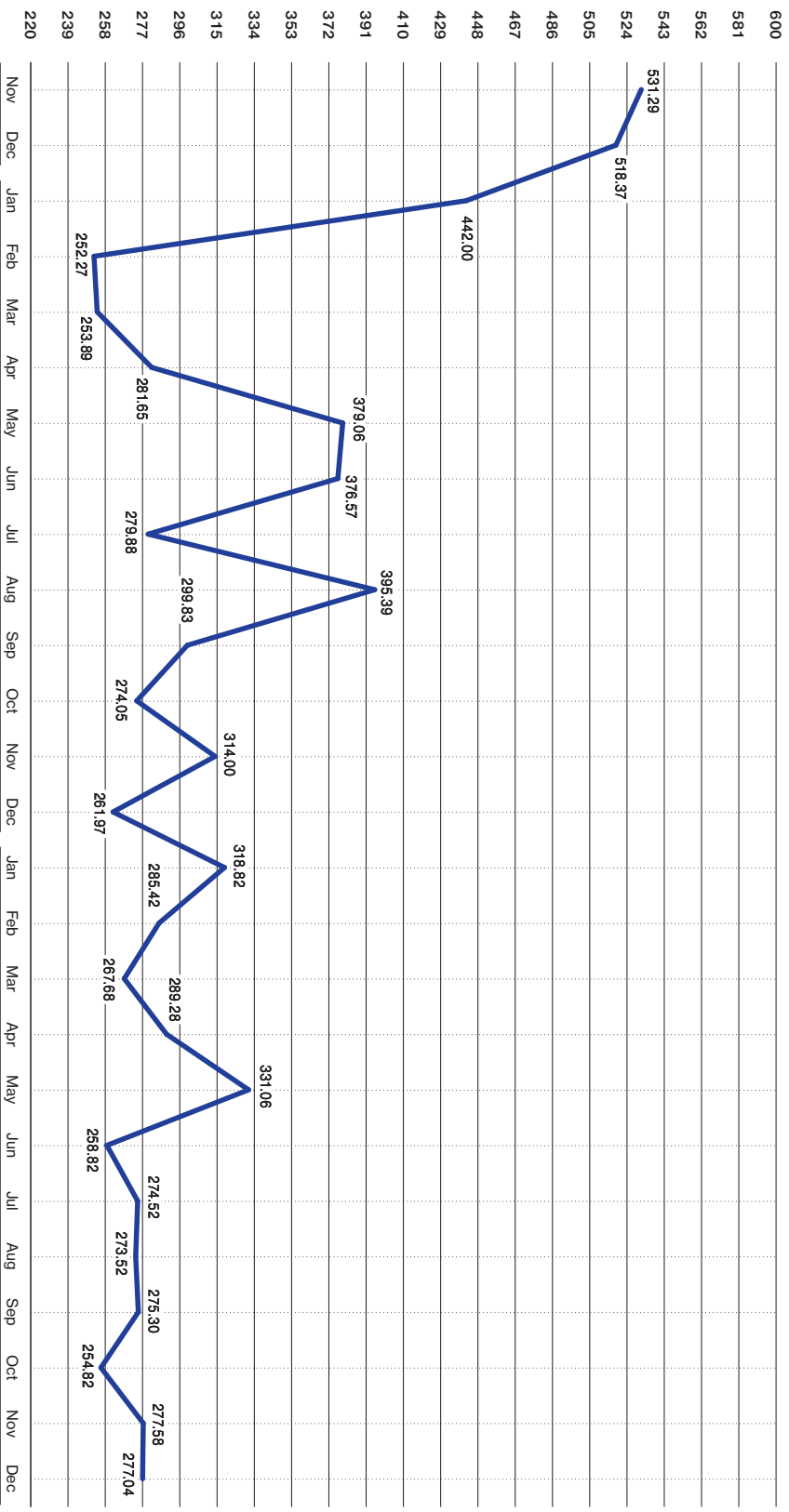
# Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	277.04	277.58	261.97
Sales Tax Collection	\$ 8,647,075	\$ 9,876,216	\$ 8,257,076
Sales Tax Collections (Year to Date)	\$ 106,646,261	\$ 97,999,186	\$ 101,944,313
New Vehicle Sales	974	1,053	906
Used Vehicle Sales	1,795	1,769	1,762
Airline Boardings	50,667	52,615	50,841
Hotel/Motel Receipt Tax	\$ 408,361	\$ 1,078,719	\$ 529,235
Population	263,648	263,648	263,648
Employment – CLF*	175,806	175,402	173,128
Unemployment Rate*	% 3.60	% 3.60	% 2.90
Total Worker Employed* (Household Survey)	169,524	169,159	168,190
Total Worker Employed* (Employer Survey)	163,700	163,300	162,400
Average Weekly Wages	\$ 1,024.00	\$ 1,024.00	\$ 1,014.00
Gas Meters	77,738	77,838	77,567
Interest Rates (30 year mortgage rates)	% 6.875	% 7.000	% 6.625
Building Permits (Dollar Amount)	\$ 120,004,733	\$ 78,215,776	\$ 93,801,831
Year to Date Permits (Dollar Amount)	\$ 1,001,585,078	\$ 881,580,346	\$ 1,278,614,773
Residential Starts	88	140	90
Year to Date Starts	1,481	1,393	1,609
Median House Sold Price	\$ 234,000	\$ 235,000	\$ 241,000
Drilling Rigs in Panhandle	9	4	24
Oil Per Barrel	\$ 70.83	\$ 68.61	\$ 68.63
Natural Gas	\$ 3.20	\$ 2.85	\$ 2.31
Wheat Per Bushel	\$ 6.67	\$ 6.03	\$ 6.81
Fed Cattle Per CWT	\$ 190.00	\$ 187.00	\$ 172.00
Corn	\$ 4.43	\$ 4.29	\$ 4.64
Cotton (Cents Per Pound)	\$ 65.16	\$ 65.83	\$ 74.22
Milk	\$ 18.75	\$ 19.75	\$ 16.50

**Attention: Legal lingo incoming!**

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