

COMPREHENSIVE HOUSING MARKET ANALYSIS

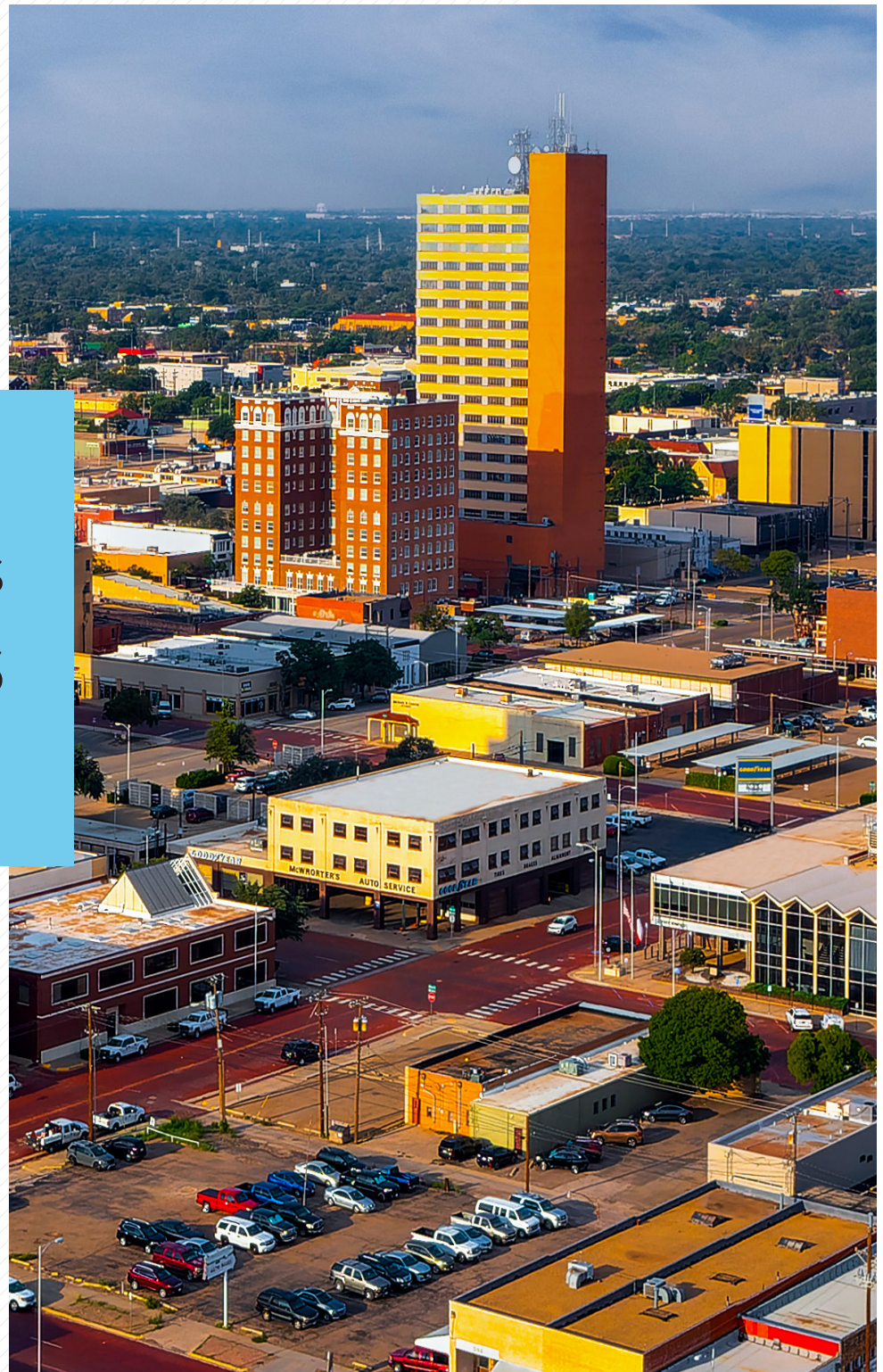
Lubbock, Texas

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of December 1, 2024



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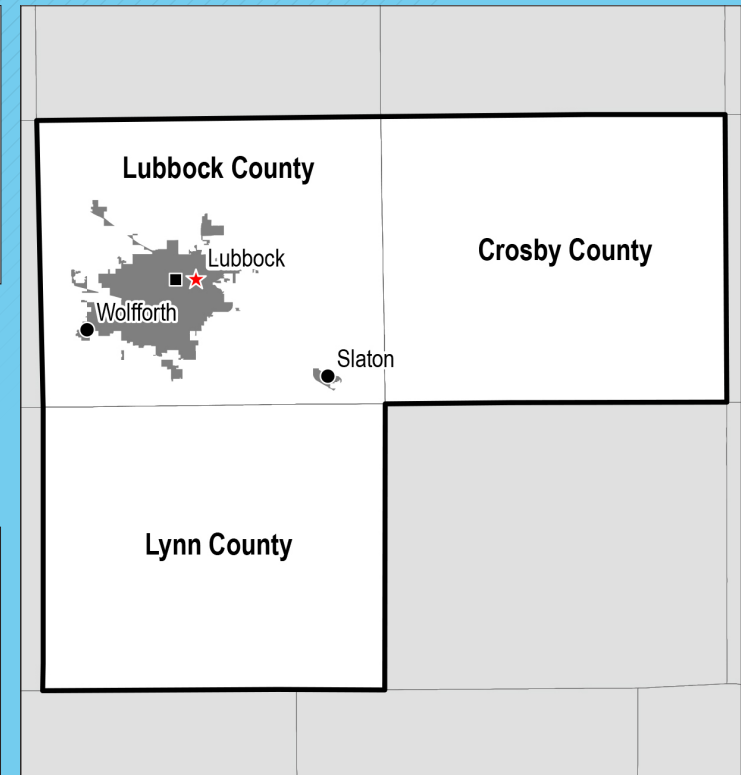
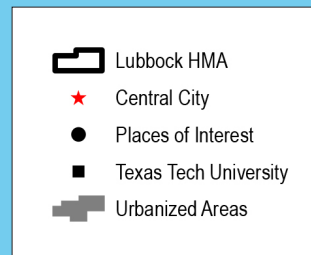
Executive Summary

Housing Market Area Description

The Lubbock Housing Market Area (HMA) is in northwest Texas, approximately 110 miles east of the Texas-New Mexico state border and approximately 250 miles northwest of the Dallas-Fort Worth-Arlington (DFW), TX Metropolitan Statistical Area (MSA). The HMA is coterminous with the Lubbock, TX MSA, which includes three counties: Crosby, Lubbock, and Lynn. The principal city of Lubbock is in Lubbock County, the economic hub and most populous county in the HMA, accounting for approximately 97 percent of the HMA population in 2023 (U.S. Census Bureau population estimates as of July 1).

The current population of the HMA is estimated at 336,900.

The HMA is home to the flagship campus of the Texas Tech University (TTU) system. With approximately 40,950 students enrolled at TTU as of the fall semester of 2024 (TTU Office of Institutional Research), employment at the university contributes to state government payrolls, and the university supports jobs in other service-providing sectors in the HMA. The HMA is a part of the U.S. Department of Agriculture-defined Southern High Plains district, and much of the land in the HMA and surrounding areas is used for agricultural purposes. Cotton is the most abundant crop, although corn, grapes, sorghum, and winter wheat are also grown in the HMA.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).

Market Qualifiers

Economy



Stable: The current pace of economic expansion has slowed compared with the high growth rates from 2021 through 2023; however, the recent payroll growth matches the average annual growth rate from 2012 through 2019.

During the 12 months ending November 2024, nonfarm payrolls in the Lubbock HMA averaged 161,600 jobs, up by 2,600 jobs, or 1.6 percent, from the previous 12 months. The education and health services and the government sectors added the most jobs, accounting for a combined 77 percent of nonfarm payroll gains in the HMA. The unemployment rate averaged 3.5 percent during the 12 months ending November 2024, up from 3.4 percent a year earlier. Job growth is expected to average 1.8 percent annually during the 3-year forecast period.

Sales Market



Balanced: The average home sales price in the HMA was \$270,000 during the 12 months ending November 2024, up 1 percent from a year ago (Zonda, with adjustments by the analyst).

The sales vacancy rate in the HMA is estimated at 1.5 percent as of December 1, 2024, unchanged from April 2020, when the sales market was also balanced. During the 12 months ending November 2024, home sales totaled approximately 7,225, down 1 percent from the previous 12 months. High mortgage interest rates contributed to the decline in home sales during the past 12 months. The average interest rate for a 30-year, fixed-rate mortgage was 6.81 percent during November 2024, up from an average low for November of 2.77 percent in 2020 (Freddie Mac). Demand is expected for 5,425 new homes during the forecast period. The 710 homes under construction will meet some of that demand.

Rental Market



Soft: The rental vacancy rate is estimated at 14.8 percent, up from 11.9 percent in 2020, when market conditions were slightly soft.

The apartment market is also soft, with a vacancy rate of 13.0 percent as of the third quarter of 2024 compared with 11.4 percent a year earlier and 8.1 percent as of the third quarter of 2022, when conditions were balanced (CoStar Group). The average apartment rent as of the third quarter of 2024 increased less than 1 percent from the same period a year ago to \$943, slowing from a nearly 2-percent increase a year earlier. During the next 3 years, no demand is estimated for new rental units. The approximately 330 units under construction are expected to add to the oversupply of rental units in the HMA.

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3-Year Housing Demand Forecast

Lubbock HMA	Sales Units		Rental Units	
	Total Demand	5,425	No Units	
	Under Construction	710	330	

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of December 1, 2024. The forecast period is December 1, 2024, to December 1, 2027.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Government

Job gains in 7 of the 11 sectors contributed to a 1.6-percent increase in nonfarm payrolls during the 12 months ending November 2024.

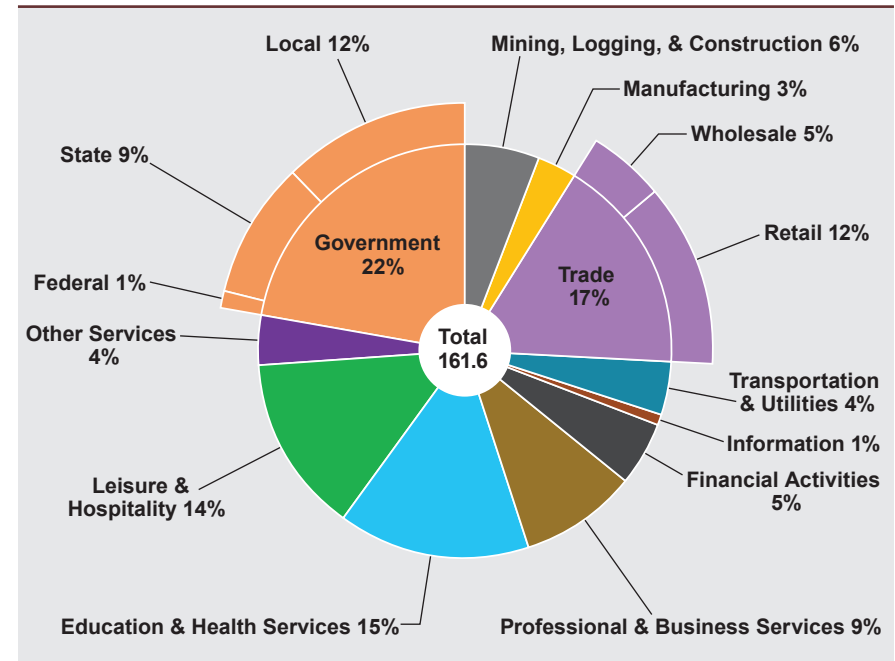
Primary Local Economic Factors

The economy of the Lubbock HMA depends heavily on the government sector, which accounted for 36,200 jobs, or 22 percent of all nonfarm payrolls, during the 12 months ending November 2024 (Figure 1). With six of the eight largest employers in the HMA—including the second and third largest employers, TTU and University Medical Center (Table 1)—the state government and local government subsectors account for nearly 96 percent of all government sector jobs in the HMA. The wholesale and retail trade and the education and health services sectors are the second and third largest payroll sectors in the HMA, respectively, followed by the leisure and hospitality sector. The presence of TTU partly supports the wholesale and retail trade and the leisure and hospitality sectors, with many retail stores and restaurants serving students and their families, TTU employees, alumni, and visitors.

Based on the most recent study, TTU contributed approximately \$16.4 billion to the economy in Texas during the 2021 fiscal year (TTU). The HMA is a healthcare hub with major medical facilities that provide services to residents of the HMA and surrounding counties in west Texas and eastern New Mexico. Covenant Health System is the largest employer in the HMA, with four hospitals and 5,845 employees in the city of Lubbock.

The agriculture industry has a notable impact on the HMA economy. In 2023, farmers in the HMA grew approximately 15 percent of the upland cotton crop in the state of Texas, with a total sales value of \$969 million (National Agricultural Statistics Service). Many farmers from the Southern High Plains district and eastern New Mexico ship cotton to the HMA for domestic and international distribution, supporting jobs in the transportation and utilities sector. The agriculture industry also supports other service-providing sectors, such as the financial activities, the professional and business services, the

Figure 1. Share of Nonfarm Payroll Jobs in the Lubbock HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through November 2024. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Lubbock HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Covenant Health System	Education & Health Services	5,845
Texas Tech University	Government	5,588
University Medical Center	Government	4,090
Texas Tech University Health Sciences Center	Government	3,694
United Supermarkets, LLC	Wholesale & Retail Trade	3,400
City of Lubbock	Government	2,422
Lubbock County	Government	1,210
Lubbock State Supported Living Center	Government	832

Note: Excludes local school districts.

Source: City of Lubbock, *Popular Annual Financial Report*, Fiscal Year 2023

leisure and hospitality, and the wholesale and retail trade sectors, through increased spending and demand for industry-related services in the HMA.

Current Conditions—Nonfarm Payrolls

The economy in the HMA is stable, with job growth occurring each year since 2021, but year-over-year nonfarm payroll gains moderated during the past 24 months, following 2 years of strong growth. As of the 12 months ending November 2024, payrolls averaged 161,600 jobs, up by 2,600, or 1.6 percent, annually (Table 2), slowing from 1.9-percent growth during the previous 12 months and 3.8-percent growth during the 12 months ending November 2022. By comparison, jobs rose 1.7 percent nationally during the most recent 12 months compared with 2.4- and 4.4-percent increases during the 12 months ending November 2023 and 2022, respectively. During the past 12 months, payroll gains in the HMA were led by the education and health services and the government sectors, which increased by 1,000 jobs each, or 4.2 and 2.8 percent, respectively, after respective increases of 6.5 and 3.6 percent a year

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Lubbock HMA, by Sector

	12 Months Ending November 2023	12 Months Ending November 2024	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	159.0	161.6	2.6	1.6
Goods-Producing Sectors	14.1	14.4	0.3	2.1
Mining, Logging, & Construction	9.0	9.1	0.1	1.1
Manufacturing	5.1	5.3	0.2	3.9
Service-Providing Sectors	144.9	147.2	2.3	1.6
Wholesale & Retail Trade	27.7	27.4	-0.3	-1.1
Transportation & Utilities	6.1	6.1	0.0	0.0
Information	2.1	2.2	0.1	4.8
Financial Activities	8.0	8.0	0.0	0.0
Professional & Business Services	14.0	14.0	0.0	0.0
Education & Health Services	23.8	24.8	1.0	4.2
Leisure & Hospitality	21.9	22.2	0.3	1.4
Other Services	6.1	6.4	0.3	4.9
Government	35.2	36.2	1.0	2.8

Notes: Based on 12-month averages through November 2023 and November 2024. Numbers may not add to totals due to rounding. Data are in thousands.

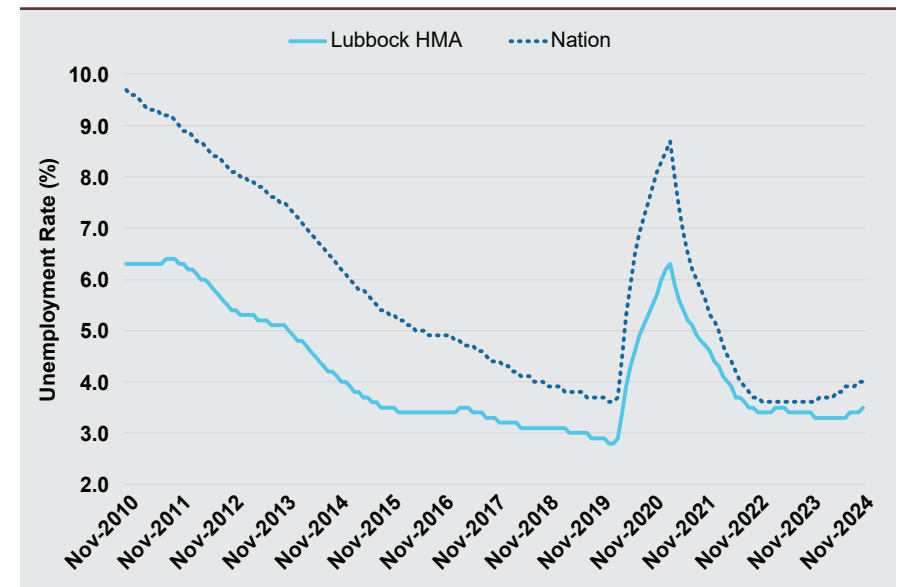
Source: U.S. Bureau of Labor Statistics

earlier. The opening of the Covenant Children's Hospital Relational Health Center in 2023 and the Hub City Surgery Center in April 2024 contributed to gains in the education and health services sector during the past 24 months. The leisure and hospitality and the other services sectors both increased by 300 jobs, or 1.4 and 4.9 percent, respectively, from a year earlier, when the respective sectors increased 3.6 and 2.4 percent. The addition of more than 60 new restaurants, bars, and food trucks in the city of Lubbock partly supported the increases in the leisure and hospitality sector during the past 24 months (*Lubbock Avalanche-Journal*, 2025; *EverythingLubbock.com*, 2023).

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 3.5 percent during the 12 months ending November 2024, up slightly from an average of 3.4 percent a year earlier but down from the recent high of 6.3 percent during the 12 months ending March 2021 (Figure 2). By comparison, the national

Figure 2. 12-Month Average Unemployment Rate in the Lubbock HMA and the Nation



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

unemployment rate averaged 4.0 percent during the 12 months ending November 2024, up from 3.6 percent a year earlier but down from a recent high of 8.7 percent during the 12 months ending March 2021.

Economic Periods of Significance

2010 Through 2019

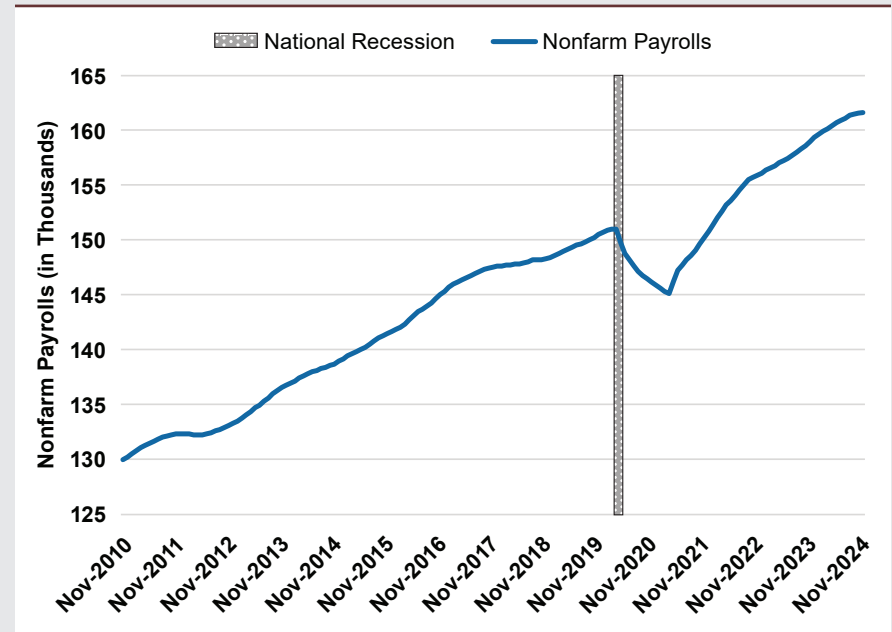
The economy in the HMA recovered quickly from the downturn of the late 2000s in 2011 and expanded each year through 2019. In 2011, nonfarm payrolls increased by 2,200, or 1.7 percent, to 132,400 jobs, surpassing the previous peak in 2008. The economic growth in the HMA was significantly stronger than the 1.2-percent national growth and partly attributable to increased spending in the local economy following a robust cotton harvest in the fall of 2010. All job gains in the HMA occurred in six service-providing sectors, with the greatest gains in the professional and business services and the education and health services sectors, which increased by 900 jobs each, or 9.1 and 4.4 percent, respectively. During the following 8 years, nonfarm payrolls increased by an average of 2,300, or 1.6 percent, annually to 150,700 jobs in 2019 (Figure 3). The mining, logging, and construction sector grew the fastest, averaging 5.3 percent, or 400 jobs, annually during the period. An increase in homebuilding activity and the expansion of commercial and medical facilities to serve the growing population—including an \$86 million TTU Health Sciences Center expansion project and construction of a \$30 million United Supermarkets Distribution Center—partly supported sector growth (Global Commercial Real Estate Services). Job gains were greatest in the leisure and hospitality and the government sectors, which increased by respective averages of 600 and 500 jobs, or 3.1 and 1.5 percent, annually; the two sectors combined accounted for nearly 48 percent of the payroll job gains from 2012 through 2019.

2020

The interventions taken in mid-March 2020 to slow the spread of the pandemic weakened the economy in the HMA, although job losses in the

The unemployment rate increased in the HMA during the most recent 12-month period because a 1.8-percent increase in the labor force outpaced the 1.7-percent increase in resident employment.

Figure 3. 12-Month Average Nonfarm Payrolls in the Lubbock HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

HMA were moderate compared with job losses sustained nationally. In 2020, nonfarm payrolls in the HMA declined on an annual basis from 2019 levels by 4,800 jobs, or 3.2 percent, to 145,900 jobs, compared with a 5.8-percent decline nationally. Nine of the 11 payroll sectors in the HMA lost jobs, and 2 sectors were unchanged. The leisure and hospitality, the professional and business services, and the other services sectors combined accounted for nearly 69 percent of the job losses in the HMA. Those sectors fell by 2,000,

800, and 500 jobs, or 9.7, 6.2, and 8.1 percent, respectively. Payrolls in the mining, logging, and construction and the financial activities sectors were unchanged in 2020.

2021 Through 2022

In 2021, the local economy recovered the total number of nonfarm payroll jobs lost due to the economic downturn in 2020 and began to expand. In 2022, nonfarm payrolls in the HMA were 3.6 percent higher than 2019 payroll levels. By comparison, national payrolls in 2022 surpassed 2019 levels by 1.1 percent. During the 2-year period, nonfarm payrolls in the HMA increased by an average of 5,100 jobs, or 3.4 percent, annually to 156,100 jobs in 2022. The leisure and hospitality and the professional and business services sectors

led gains, rising by annual averages of 1,300 and 1,100 jobs, or 6.8 and 8.7 percent, respectively. Combined, the sectors accounted for 47 percent of nonfarm payroll gains in the HMA during the period. Payrolls in the leisure and hospitality sector were boosted by increasing visitor spending and rising enrollment at TTU, which indirectly created more demand for leisure and hospitality services in the HMA. A \$1 billion Leprino Foods Company cheese manufacturing facility that broke ground in 2022 led to the hiring of professional staff to manage the development of the facility, contributing to gains in the professional and business services sector. Construction of the facility also contributed to gains in the transportation and utilities and the mining, logging, and construction sectors, which increased by annual averages of 600 and 100 jobs, or 11.1 and 1.7 percent, respectively.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to grow an average of 1.8 percent annually. Job growth is expected to be greatest during the first year of the forecast period and taper each of the following years, partly because of fewer jobs in the mining, logging, and construction and the professional and business services sectors after the Leprino Foods facility is complete. The expected rate of growth is slightly faster than the job

growth during the past 12 months, and both the goods-producing and the service-providing sectors are expected to contribute to payroll growth during the forecast period. The first two phases of the Leprino Foods facility are expected to commence operations during the first and second years of the forecast period, respectively, and contribute to an increase in manufacturing jobs in the HMA. Each phase is expected to add 300 full-time jobs, with an annual payroll of more than \$33 million, once the facility is fully operational.

Population and Households

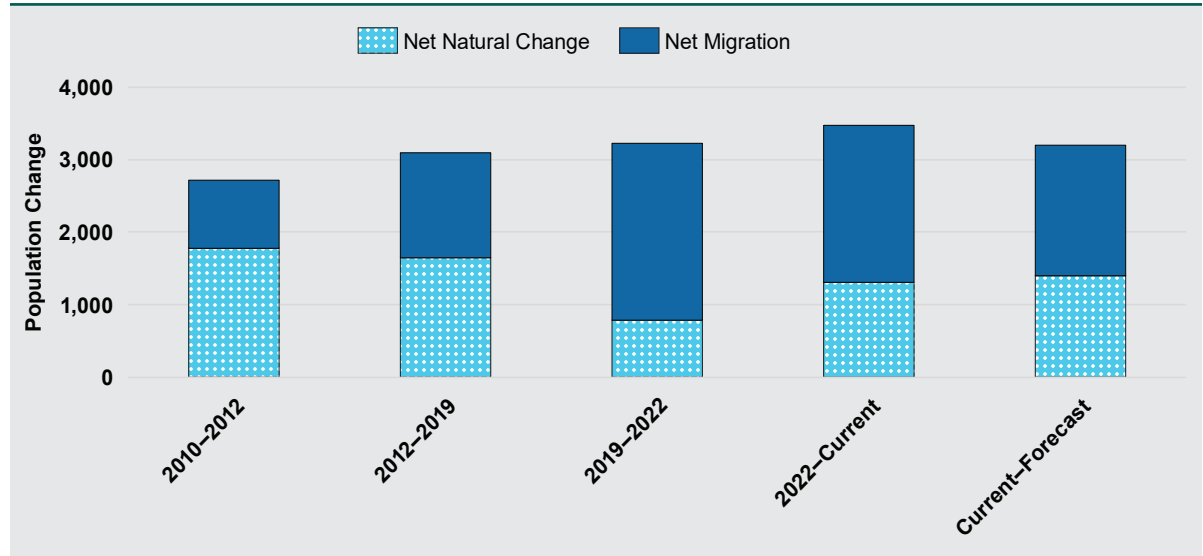
Current Population: 336,900

Annual net in-migration to the Lubbock HMA slowed in the past 2 years compared with the high rates from 2019 to 2022; however, recent net in-migration was 47 percent greater than the average annual rate from 2012 to 2019.

Population Trends

Economic growth and rising enrollment at TTU have contributed to net in-migration and population growth in the HMA since 2010. From April 2010 to July 2012, after the national recession of the late 2000s, the local economy transitioned from recovery to expansion. The job growth and rising enrollment at TTU supported population growth, which averaged 2,725 people, or 0.9 percent, annually (Figure 4). During the period, annual net in-migration averaged 950 people, and net natural increase averaged 1,775 people. From 2012 through 2019, population growth accelerated to an average of 3,125 people, or 1.0 percent, annually, supported by continued economic expansion and enrollment gains at TTU. During the 7-year period, net in-migration averaged 1,475 people a year, accounting for 47 percent of population growth, whereas net natural increase slowed to an

Figure 4. Components of Population Change in the Lubbock HMA, 2010 Through the Forecast Period



Notes: Data displayed are average annual totals. The forecast period is the current date (December 1, 2024) to December 1, 2027.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

average of approximately 1,650 people annually, or 53 percent of the population growth. From 2019 to 2022, the population increased by an average of 3,250, or 1.0 percent, annually. During this period, net in-migration strengthened significantly, averaging 2,475 people annually and accounting for 76 percent of the population growth. A nearly 4-percent boost in full-time student enrollment at TTU during the fall semester of 2020 and nonfarm payroll growth in the HMA before and following the economic slowdown in 2020 contributed to the net in-migration. Enrollment at TTU increased partly because the university offered safe hybrid learning options, which attracted more students to the HMA. Net natural increase in the HMA slowed to an average of fewer than 780 people each year during the period, accounting for 24 percent of population growth. The slowdown was partly attributable to excess deaths caused by COVID-19. Since 2022, population growth has averaged 3,475 people, or 1.0 percent, annually, and the population reached 336,900 as of December 1, 2024 (Table 3). Net in-migration slowed to an average of 2,175 people annually, accounting for 63 percent of population growth, but net natural increase rose to an average of 1,300 people annually. Moderating job growth and a less-than-1-percent annual increase in full-time enrollment at TTU in the fall semester of 2024 contributed to the slowdown in net in-migration.

Table 3. Lubbock HMA Population and Household Quick Facts

Population Quick Facts		2020	Current	Forecast
	Population	321,368	336,900	346,500
	Average Annual Change	3,050	3,325	3,200
	Percentage Change	1.0	1.0	0.9
Household Quick Facts		2020	Current	Forecast
	Households	123,566	132,950	139,200
	Average Annual Change	1,325	2,000	2,075
	Percentage Change	1.1	1.6	1.5

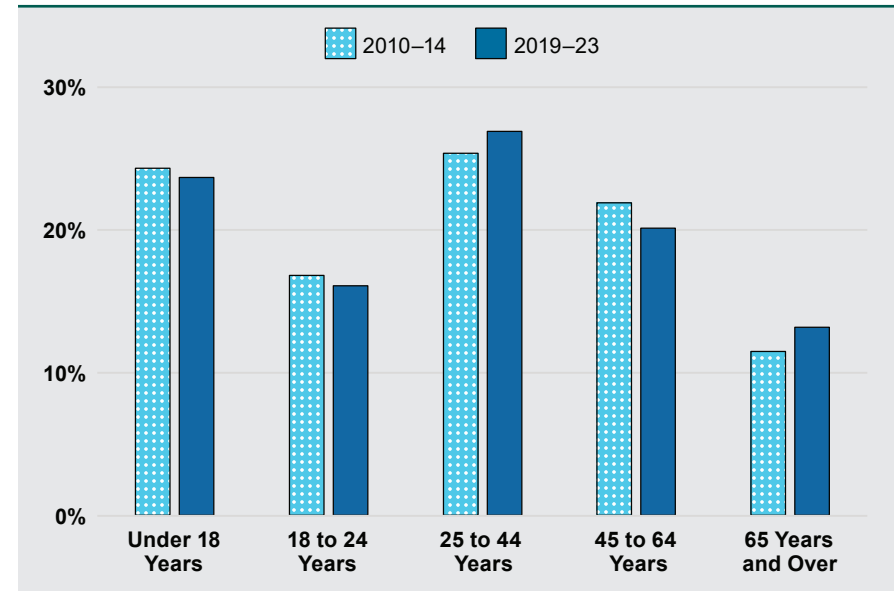
Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (December 1, 2024) to December 1, 2027.

Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Partly because of students attending TTU, the HMA has a relatively young resident population, with a median age of 32.6 years compared with 39.2 years nationally (2023 American Community Survey [ACS] 1-year data). However, a rising portion of retirement-age residents in the HMA is partly why net natural increase as a share of population growth has generally trended downward since 2010. The cohort of residents aged 65 and older increased from 11.5 percent during the period from 2010 through 2014 to 13.2 percent during 2019 through 2023 (ACS 5-year data; Figure 5). The increase in the portion of residents aged 65 and older outpaced the 1.5-percentage-point increase in the portion of residents aged 25 to 44. In contrast, the shares of residents in the cohorts younger than 25 years old and in the cohort aged 45 to 64 years old all declined.

Migration Patterns

Approximately 60 percent of domestic in-migration into the HMA from 2016 through 2020 was from other MSAs in Texas. Of the top 20 metropolitan areas accounting for migration to the HMA, 14 were in Texas. From 2016 through 2020, the DFW and the Houston-The Woodlands-Sugar Land, TX (hereafter, Houston) MSAs accounted for 16 and 10 percent of domestic in-migration to the HMA, respectively (U.S. Census Bureau Metro-to-Metro Migration Flows; ACS 5-year data; Table 4). The majority of TTU students are from the state

Figure 5. Share of Population by Age Range in the Lubbock HMA

Source: 2010–2014 and 2019–2023 American Community Survey 5-year data

Table 4. Metro-to-Metro Migration Flows in the Lubbock HMA, 2016–20

Into the HMA	
Dallas-Fort Worth-Arlington, TX	4,514
Houston-The Woodlands-Sugar Land, TX	2,955
Amarillo, TX	1,524
San Antonio-New Braunfels, TX	1,401
Austin-Round Rock-Georgetown, TX	1,240
Out of the HMA	
Dallas-Fort Worth-Arlington, TX	3,246
Houston-The Woodlands-Sugar Land, TX	1,414
Amarillo, TX	660
Albuquerque, NM	560
Boise City, ID	557

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

of Texas. During the spring semester of 2020, the largest number of in-state students came from the DFW and Houston MSAs, accounting for approximately 27 and 14 percent, respectively, of all domestic enrollment at TTU (TTU Office of Institutional Research).

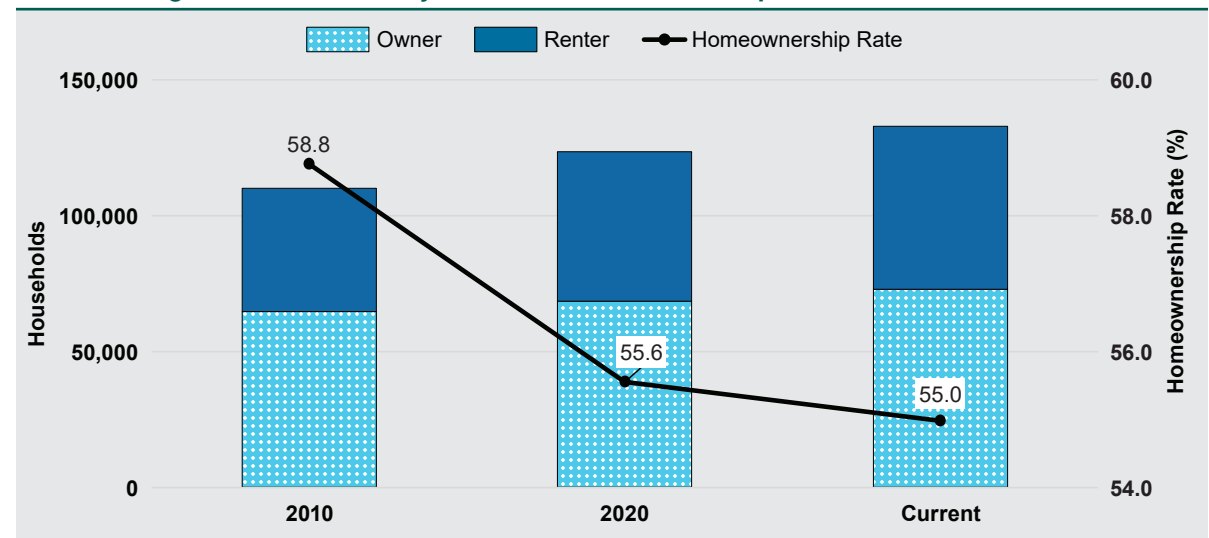
Household Trends

The current number of households in the HMA is estimated at 132,950, representing an average annual increase of 2,000 households, or 1.6 percent, since April 2020, a significantly faster pace than the 1.0-percent population growth rate during the same period. By comparison, the number of households increased an average of 1.1 percent annually from 2010 to 2020, only slightly faster than the 1.0-percent population growth rate during the period. The rate of household formation since 2020 has accelerated compared with the 2010s. In addition, the share of single-person households in the HMA has risen, and the share of households with children has declined, continuing a trend from the 2010s. The share of single-person households increased from approximately 28 percent from 2010 through 2014 to 29 percent from 2019 through 2023, partly because of the rising share of the population aged 65 and older (ACS 5-year data). By contrast, the share of households with a child younger than 18 years old fell from nearly 33 to 30 percent during the same period.

The homeownership rate in the HMA is below the national average, which was 65.6 percent in the third quarter of 2024. Owner households currently account for 55.0 percent of all households in the

HMA, down from 55.6 percent in 2020, whereas renter households account for the remaining 45.0 percent of the households, up from 44.4 percent in 2020 (Figure 6). The relatively high proportion of renter households in the HMA is partly due to the large number of university students, who typically rent rather than own homes, accounting for approximately 12 percent of renter households in the HMA (estimate by the analyst).

Figure 6. Households by Tenure and Homeownership Rate in the Lubbock HMA



Note: The current date is December 1, 2024.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Forecast

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 3,200 people, or 0.9 percent, annually to 346,500 by December 1, 2027—a slightly slower pace of growth compared with the rate since 2020. Net in-migration is expected to average 1,800 people annually, accounting for 56 percent of population growth, whereas net natural increase is expected to average 1,400 people, accounting for the remaining 44 percent of the population growth. The share of population growth attributed to net natural increase is expected to be higher than in the recent past, partly because fewer COVID-19-related deaths are anticipated. Household growth in the HMA is expected to average 2,075, or 1.5 percent, annually, with the number of households in the HMA reaching 139,200 by the end of the forecast period. Households are expected to rise at a faster pace than the population because the trend of more single-person households as a portion of total households in the HMA is expected to continue.

Home Sales Market

Market Conditions: Balanced

During the past year, the decline in home sales in the Lubbock HMA decelerated substantially, but home price growth also slowed slightly.

Current Conditions

The home sales market in the HMA is balanced, with an overall estimated vacancy rate of 1.5 percent (Table 5), unchanged from April 2020, when conditions were also balanced. The market has transitioned from tight conditions in 2022, when the average home price increased 9 percent annually (Zonda, with adjustments by the analyst). Elevated mortgage interest rates since 2022 have decreased homebuying affordability, leading to declines in home sales and higher levels of for-sale inventory relative to the number of sales. Although the November 2024 inventory level fell nearly 11 percent from November 2023, it is 42 percent higher than the available inventory of for-sale housing in November 2022 (Redfin, a national real estate brokerage). During the 12 months ending November 2024, total home sales were 20 percent below the level of home sales during the 12 months ending November 2022, but the current average home price rose to a record high.

Table 5. Home Sales Quick Facts in the Lubbock HMA

Home Sales Quick Facts	Lubbock HMA		Nation	
	Vacancy Rate	1.5%	NA	NA
	Months of Inventory	4.0	3.4	3.4
	Total Home Sales	7,225	4,643,000	4,643,000
	1-Year Change	-1%	-2%	-2%
	New Home Sales Price	\$287,100	\$506,000	\$506,000
	1-Year Change	-6%	-1%	-1%
	Existing Home Sales Price	\$265,500	\$473,000	\$473,000
	1-Year Change	3%	7%	7%
	Mortgage Delinquency Rate	1.2%	1.0%	1.0%

NA = data not available.

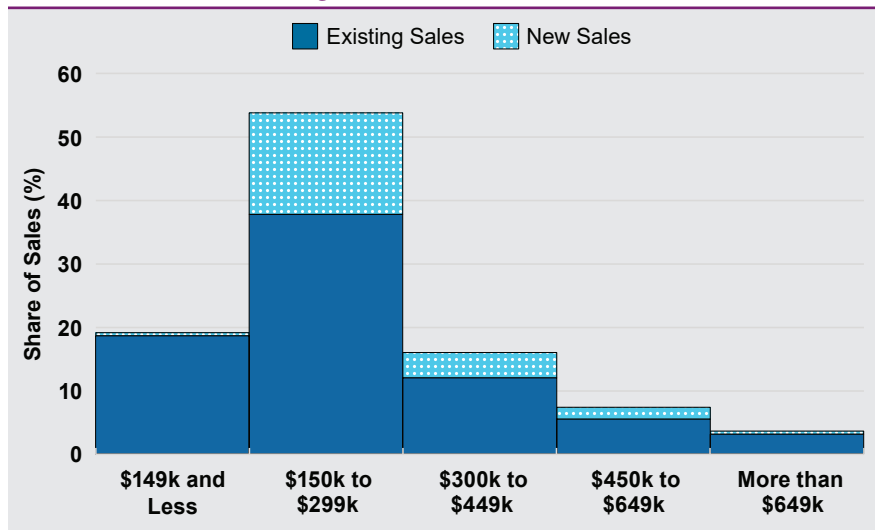
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending November 2024; and months of inventory and mortgage delinquency data are as of November 2024. The current date is December 1, 2024.

Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage, with adjustments by the analyst; mortgage delinquency rate—CoreLogic, Inc.; home sales and home sales prices—Zonda, with adjustments by the analyst

Current Home Sales and Price Trends

During the 12 months ending November 2024, total home sales in the HMA, including new and existing home sales, fell by approximately 80 homes, or 1 percent, to 7,225 homes sold, following a 19-percent decline a year earlier (Zonda, with adjustments by the analyst). The average home price increased by \$2,300, or 1 percent, during the 12 months ending November 2024 to \$270,000. By comparison, the average home price during the 12 months ending November 2023 increased by \$6,500, or 2 percent, year over year to \$267,700. New home sales totaled approximately 1,525 homes during the 12 months ending November 2024, reflecting a 7-percent decline compared with a year earlier, when sales fell 9 percent. The average price for a new home fell 6 percent to \$287,100 during the 12 months ending November 2024 compared with a 1-percent decrease a year earlier. Existing home sales increased 1 percent to 5,700 homes during the 12 months ending November 2024, compared with a 22-percent decline a year earlier. The average existing home price rose 3 percent to \$265,500 during the 12 months ending November 2024, similar to the 3-percent increase a year earlier. The greatest portion of new and existing homes sold during the 12 months ending November 2024 were priced within the range from \$150,000 to \$299,000 (Zonda; Figure 7).

Figure 7. Share of Overall Home Sales by Price Range During the 12 Months Ending November 2024 in the Lubbock HMA

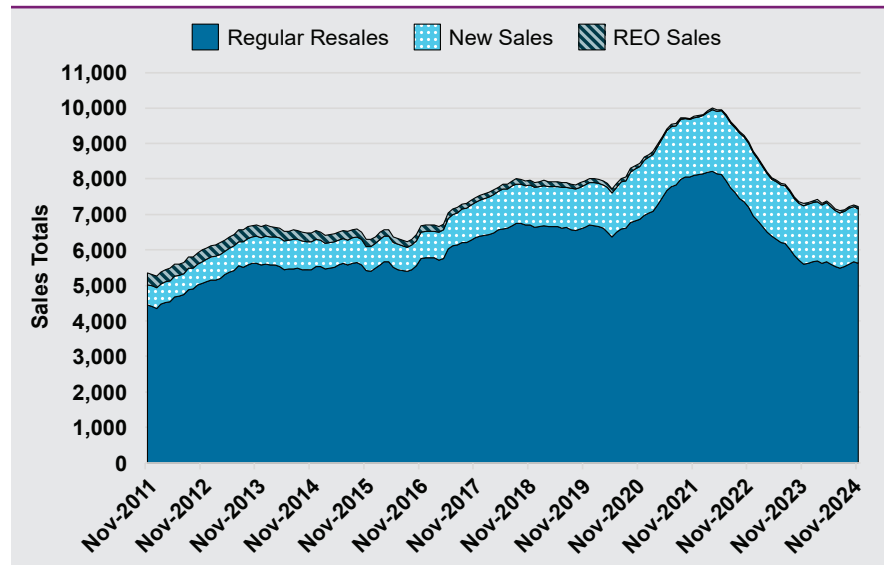


Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

Home Sales Trends

Since 2010, total home sales generally trended upward to a peak in early 2022 before declining significantly. Tighter mortgage lending standards following the national recession of the late 2000s made financing a home purchase more difficult and contributed to total home sales falling 3 percent in 2011 to 5,325 homes sold (Figure 8). A 24-percent decrease in new home sales accounted for nearly all of the decline in home sales in 2011, whereas existing home sales were relatively unchanged because a rise in real estate owned (REO) transactions offset a slight decline in regular resales. During the next 8 years, total sales increased an average of 5 percent annually to 8,000 homes sold in 2019. Fueled by job and population growth, new home sales rose an average of 9 percent annually, and existing home sales increased an average of 5 percent annually. The gains in existing home sales were entirely due to a 5-percent increase in regular resales that offset a 12-percent decline

Figure 8. 12-Month Home Sales Totals by Type in the Lubbock HMA



REO = real estate owned.
Source: Zonda, with adjustments by the analyst

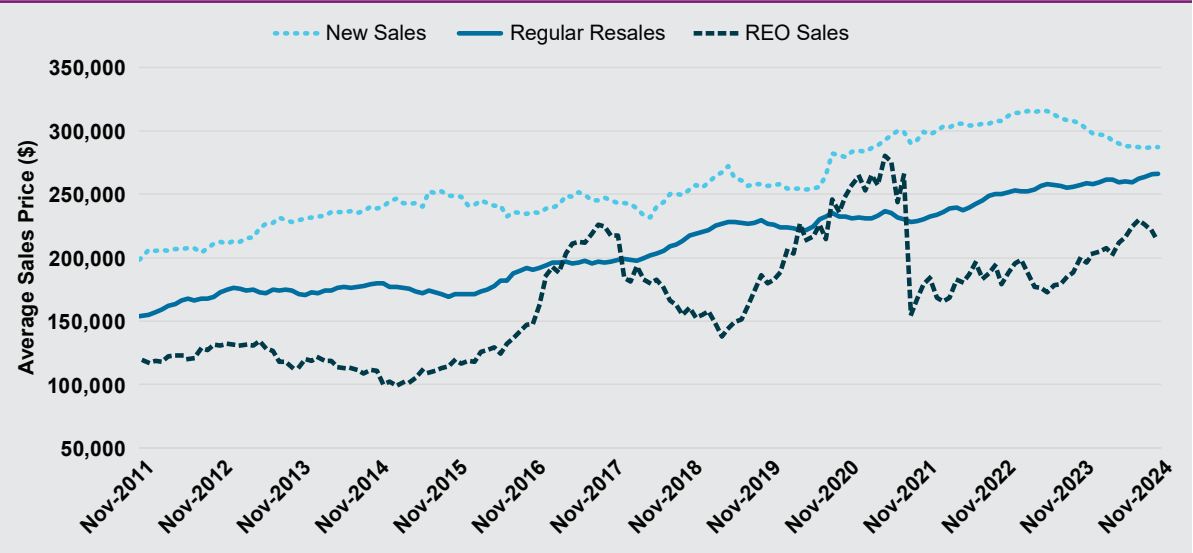
in REO sales, which fell each year of the period. Despite significant job losses in 2020, historically low mortgage interest rates boosted demand for sales housing in 2020 and 2021, and total home sales increased an average of 11 percent annually to 9,775 homes sold in 2021. In 2020 and 2021, new home sales rose an average of 16 percent annually to approximately 1,625 homes, and existing home sales increased an average of 9 percent annually to 8,150 homes sold. Regular resales rose an average of 10 percent annually during the period, whereas REO sales fell an average of 44 percent annually to 35 homes. The decline in REO sales was partly due to homeowners taking advantage of mortgage forbearance during the pandemic, reducing the number of foreclosures. In 2022, higher mortgage interest rates caused affordability to decline and total home sales to fall by 1,000 homes, or 10 percent, to approximately 8,775 homes sold. During the year, existing home sales accounted for all of the decline in total home sales, falling 14 percent.

Regular resales fell 14 percent, whereas REO sales rose 19 percent. Rising mortgage interest rates led to fewer owners listing their homes for sale if a subsequent purchase would require financing at a higher rate, and the limited supply of existing homes for sale contributed to more demand for new homes. New home sales rose by 140 homes, or 9 percent, slightly offsetting some of the decline in existing home sales.

Home Sales Price Trends

The average price for new and existing homes in the HMA has trended upward since 2011, including a strong increase in 2022; however, the pace of home price increases has recently decelerated. Although total home sales fell in 2011, the average home price increased 3 percent to nearly \$158,100, reflecting a 7-percent increase in the average price of a new home and a 3-percent rise in the average price of an existing home (Figure 9). Higher levels of net in-migration supported increased demand for sales housing during 2012 through 2019, and the average home price rose by an average of \$9,000, or 5 percent, annually to \$230,200 in 2019. The average new home price increased in 7 of the 8 years from 2012 through 2019, with year-over-year price changes ranging from a 5-percent decline in 2016 to a nearly 10-percent increase in 2013. By comparison, the average existing home price generally trended upward more consistently, increasing by an average of 5 percent annually to \$225,400 in 2019, with the average price of a regular resale home rising an

Figure 9. 12-Month Average Home Sales Price by Type of Sale in the Lubbock HMA



REO = real estate owned.
Source: Zonda, with adjustments by the analyst

average of 5 percent annually and the REO average price increasing by 6 percent annually. Although home sales accelerated in 2020 and 2021, rising an average of 11 percent annually, the increase in the average home price decelerated, rising 3 percent annually to \$242,700 in 2021. Partly because of increased building costs, the average new home price rose by an average of \$19,800, or 7 percent, annually—six times greater than the increase in the average price of an existing home, which rose by an average of \$3,300, or 1 percent, annually. Sales housing market conditions tightened, a shift from balanced conditions in April 2020. From 2019 to 2021, the November inventory of for-sale homes declined an average of nearly 8 percent annually, placing upward pressure on the average home price (Redfin, a national real estate brokerage). By 2022, tight market conditions led the average price of a home to increase 9 percent during the year to \$263,500 (Zonda, with adjustments by the analyst). The average price for a new home increased by \$19,550, or 8 percent, and the average price for an existing home rose by \$19,350, or 8 percent, from 2021.

REO Properties and Delinquent Mortgages

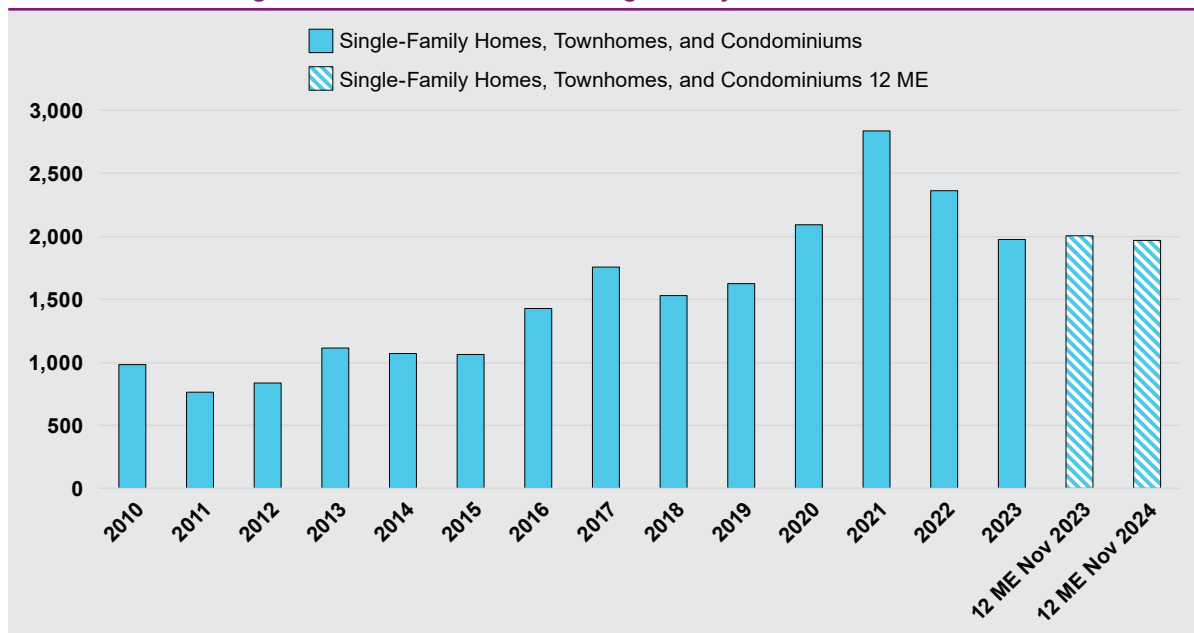
In November 2024, 1.2 percent of home loans in the HMA were seriously delinquent or had transitioned into REO status, up from 1.0 percent a year earlier (CoreLogic, Inc.). Although the current percentage of seriously delinquent mortgages and REO properties is up slightly from a year earlier, it has fallen

from the recent peak of 4.5 percent in August 2020. The percentage of seriously delinquent mortgages and REO properties peaked because weak economic conditions and job losses during the pandemic made it more difficult for some homeowners to stay current on mortgage payments, and many home mortgages were in forbearance. By comparison, the nationwide rate of home loans that were seriously delinquent or had transitioned into REO status increased to a recent peak of 4.4 percent in August 2020 and fell to 1.0 percent in November 2024, which was unchanged from November 2023.

Sales Construction

Home sales construction activity in the HMA, as measured by the number of sales housing units permitted (see [building permits](#)), including single-family homes, townhomes, and condominiums, rose to a peak in 2021 before declining since 2022. After falling to a low of 760 homes in 2011, sales construction activity generally trended upward during 2012 through 2019, rising by an average of 110 homes, or 10 percent, annually to nearly 1,625 homes permitted in 2019 (Figure 10). During 2020 and 2021, sales construction activity rose an average of 32 percent annually to nearly 2,850 homes permitted in 2021 in response to rapidly increasing new home sales demand. Elevated mortgage rates and declining home sales led to a decline in sales construction activity in 2022 and 2023, when sales construction

Figure 10. Annual Sales Permitting Activity in the Lubbock HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

activity fell an average of 17 percent annually. During the 12 months ending November 2024, nearly 1,975 homes were permitted, down 1 percent from the approximately 2,000 homes permitted during the 12 months ending November 2023 (preliminary data, with adjustments by the analyst).

Most new home construction in the HMA occurs in Lubbock County, with recent developments most prevalent in the southern and western regions of the city of Lubbock. New home construction is underway at Terra Vista in the western portion of the city of Lubbock. The development offers three- and four-bedroom single-family homes ranging in size from 1,329 to 2,168 square feet, with prices starting at \$207,990. New homes are currently for sale in the Viridian development in the southern portion of the city of Lubbock. Betenbough Homes is one of the builders in the community, which offers two-, three-, and four-bedroom single-family homes ranging in size from 1,004 square feet to 2,582 square feet, with prices starting at \$189,950.

Forecast

During the next 3 years, demand is expected for 5,425 new homes in the HMA (Table 6). The 710 homes under construction are expected to satisfy a portion of the demand during the first year of the forecast period. Demand is expected to gradually strengthen during each year of the forecast period because of the continued economic and population growth. Most new home developments are expected to be in the city of Lubbock.

**Table 6. Demand for New Sales Units in the Lubbock HMA
During the Forecast Period**

Sales Units	
Demand	5,425 Units
Under Construction	710 Units

Note: The forecast period is December 1, 2024, to December 1, 2027.

Source: Estimates by the analyst

Rental Market

Market Conditions: Soft

As of the third quarter of 2024, the vacancy rate in the apartment market was 13.0 percent, a 4.9-percentage-point increase from a recent low of 8.1 percent as of the third quarter of 2022, when the apartment market was slightly tight.

Current Conditions and Recent Trends

The rental housing market in the Lubbock HMA is soft, with an overall rental vacancy rate estimated at 14.8 percent (Table 7). By comparison, rental market conditions were slightly soft as of April 2020, when the rental vacancy rate was 11.9 percent. The apartment rental market is also soft, with a 13.0-percent apartment vacancy rate as of the third quarter of 2024, and the average apartment rent increased less than 1 percent from the same period a year earlier to \$943. By comparison, the apartment vacancy rate was 11.4 percent as of the third quarter of 2023, when apartment market conditions were slightly soft, and the average apartment rent increased 2 percent from a year earlier to \$937. Since the third quarter of 2022, the number of apartment units entering the market significantly outpaced the absorption of apartment units, causing the apartment vacancy rate to rise. During the 12 months ending September 2023, 550 new apartment units entered the market, and the

Table 7. Rental and Apartment Market Quick Facts in the Lubbock HMA

Rental Market Quick Facts	2020 (%)		Current (%)
	Rental Vacancy Rate	11.9	14.8
	2010–2014 (%)		2019–2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	42	42
	Multifamily (2–4 Units)	17	16
	Multifamily (5+ Units)	36	38
	Other (Including Mobile Homes)	5	3
Apartment Market Quick Facts	3Q 2024		YoY Change
	Apartment Vacancy Rate	13.0	1.6
	Average Rent	\$943	1%

3Q = third quarter. YoY= year-over-year.
Notes: The current date is December 1, 2024. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010–2014 and 2019–2023 American Community Survey 5-year data; apartment data—CoStar Group

absorption of apartment units was negative at 310 units. By the third quarter of 2024, annual absorption was positive at 270 units but was outpaced by the addition of 760 new apartment units. From 2019 through 2023, 38 percent of all renter households in the HMA lived in multifamily structures with five or more units, typically apartments, whereas 42 percent of renters lived in single-family homes (ACS 5-year data).

Single-Family Rental Housing Market

Most renter-occupied, single-family homes in the HMA are detached homes. Professionally managed, single-family homes represent only a small portion of the market. Since May 2012, the monthly vacancy rate for professionally managed, detached, single-family homes has ranged from 1.7 to 3.2 percent (CoreLogic, Inc.). The vacancy rate was 2.4 percent in November 2024, relatively unchanged from November 2023, and the average rent for a professionally managed, three-bedroom, detached single-family home increased nearly 7 percent compared with a year earlier to \$1,574.

Apartment Market Conditions

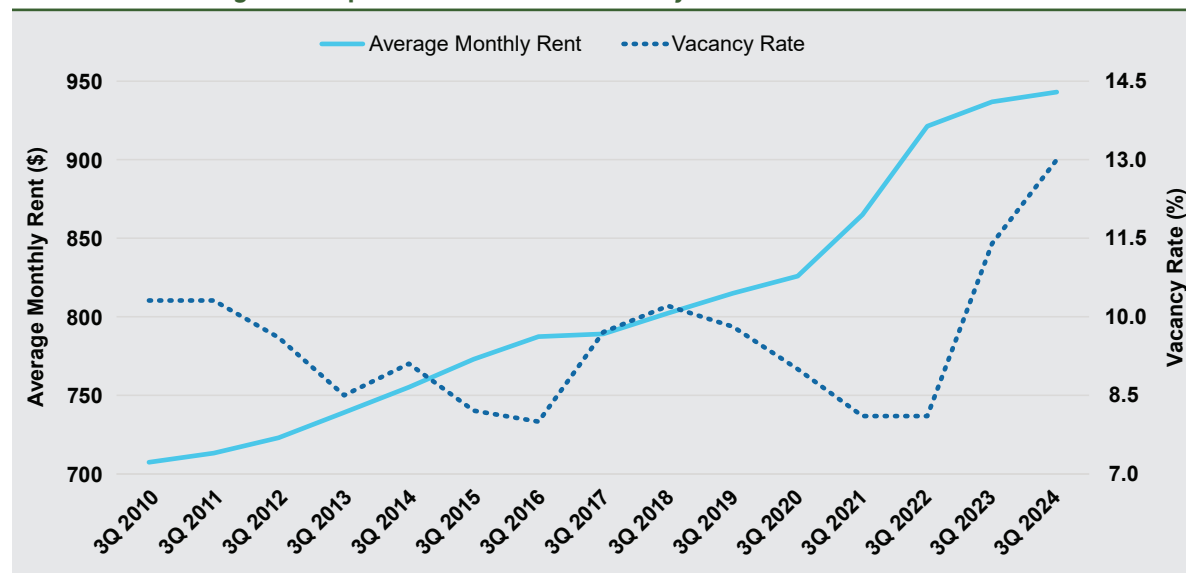
Apartment market conditions fluctuated between balanced and slightly tight from the third quarter of 2010 to the third quarter of 2022 before easing to soft conditions as of the third quarter of 2024. The vacancy rate as of the third quarter of 2024 was the highest for a third quarter since at least 2010, and the average rent increased only slightly from a year ago. By contrast, as of the third quarters of 2021 and 2022, conditions

were slightly tight. During both periods, the vacancy rate was 8.1 percent, with year-over-year rent growth of more than 5 percent—the fastest rent increases since at least 2010 (Figure 11). By comparison, from the third quarters of 2010 to 2020, which included the previous economic expansion, the vacancy rate fluctuated between 8.0 and 10.3 percent. Rent growth was relatively steady during the 10-year period, with rents rising an average of 2 percent annually, from \$707 as of the third quarter of 2010 to \$826 as of the third quarter of 2020.

Student Housing

TTU meets a portion of student housing demand with 19 on-campus residence halls, although one residence hall was closed as of the fall semester of 2024 while undergoing renovation. Students who live in the residence halls are considered part of the group quarters population and are not counted in the household population. Among the approximately 40,950 students enrolled at TTU during the fall semester of 2024, 18 percent lived in on-campus housing, and the remainder lived off campus (TTU Office of Institutional Research; TTU University Student Housing). Because TTU requires first-year students to live in on-campus residence halls (with some exceptions) and options are limited, the off-campus college student apartment (CSA) market in the HMA has expanded to accommodate rising enrollment. The market has grown by approximately 900 beds since the third quarter of 2020 to approximately

Figure 11. Apartment Rents and Vacancy Rates in the Lubbock HMA



3Q = third quarter.
Source: CoStar Group

22,900 beds (CoStar Group). However, a new development, The Wyatt, a 734-bed community targeted to students, is under construction and preleasing units for the fall semester of 2025. As of the third quarter of 2024, the off-campus CSA vacancy rate was 17.4 percent, up from 11.3 percent a year earlier. The average asking rent for an off-campus CSA was \$622 per bed as of the third quarter of 2024, up approximately 2 percent from \$609 per bed as of the third quarter of 2023.

Rental Construction

Rental construction activity in the HMA, as measured by the number of rental units permitted and estimates by the analyst, reached a recent high in 2020 but has since moderated because of weaker apartment market conditions during the past 2 years. During 2011, when the local economy began to expand following the recession of the late 2000s, rental construction increased 47 percent from a year earlier to approximately 810 units permitted (Figure 12). From 2012 through 2019, rental construction activity averaged 850 units annually. Annual permitting levels ranged from a high of nearly 1,350 units in 2016, when apartment market conditions were slightly tight, to a low of nearly 80 units permitted in 2018, when apartment market conditions as of

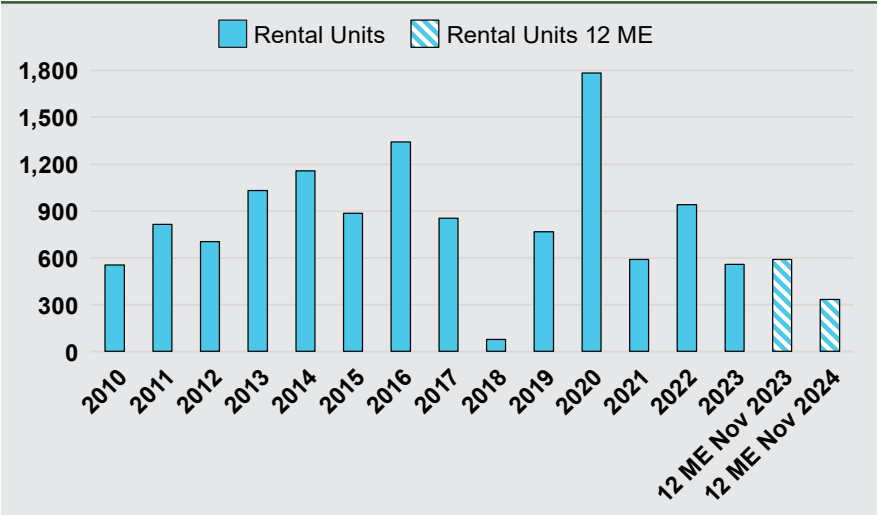
the third quarter were balanced. The sharp decline in production during 2018 allowed for the absorption of the large number of new units that had entered the market since the third quarter of 2016 and was followed by a modest increase in production in 2019. Rental construction activity rose to approximately 1,775 units permitted in 2020, partly in response to strong net in-migration that began in 2019. Delays in completing projects, partly due to supply chain disruptions during the pandemic, and additional construction activity that averaged 770 units permitted annually during 2021 and 2022 contributed to a rise in the number of units under construction. Approximately 1,125 apartment units were under construction as of the third quarter of 2022 (CoStar Group). Rental construction fell 41 percent in 2023 because apartment market conditions eased from the slightly tight conditions during 2021 and 2022 after a large number of new apartments entered the market. During the 12 months ending November 2024, approximately 330 rental units were permitted, down 44 percent from 590 rental units permitted during the 12 months ending November 2023 (preliminary data, with adjustments by the analyst).

All of the multifamily developments in the HMA consisting of structures with five or more units, typically apartment communities, have been built in Lubbock County since at least 2010. From 2010 through 2020, nearly 97 percent of all apartment development was in the city of Lubbock. The remainder, approximately 3 percent of apartment development, occurred primarily in the city of Wolfforth, and less than 1 percent was in the city of Slaton. Since 2021, all newly constructed apartment developments have been in the city of Lubbock. Recent developments include the 257-unit Falcon’s Nest Apartments, completed in 2024. Rents for one-, two-, and three-bedroom apartments are \$1,075, \$1,350, and \$1,600, respectively, per month.

Forecast

Rental market conditions are anticipated to be soft during the next 3 years because the excess supply of apartment units in the HMA is not expected to be fully absorbed during the period. Although absorption is expected to

Figure 12. Annual Rental Permitting Activity in the Lubbock HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

average 600 units annually during the next 3 years, all of the demand for rental units during the forecast period is expected to be satisfied by the current supply of vacant units, including rental units in lease-up, and the 330 units under construction in the HMA (Table 8). To prevent further softening, developers should not plan for additional units to enter the market during the forecast period.

Table 8. Demand for New Rental Units in the Lubbock HMA During the Forecast Period

Rental Units	
Demand	No Units
Under Construction	330 Units

Note: The forecast period is December 1, 2024, to December 1, 2027.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/ Average Apartment Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
College Student Apartment	Apartment-style housing units where each resident has a separate lease, typically for a bedroom, and they share the common living areas of the unit with other tenants.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes regular resales and REO sales.
Forecast Period	12/1/2024–12/1/2027—Estimates by the analyst.

Group Quarters	Facilities that house people living in a group arrangement that are owned or managed by an entity or organization providing housing and/or services for the residents.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Regular Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau's 2020 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The Southern High Plains District is defined as the following Texas counties: Andrews, Bailey, Cochran, Crosby, Dawson, Gaines, Glasscock, Hockley, Howard, Lamb, Lubbock, Lynn, Martin, Midland, Terry, and Yoakum.



C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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