

The Lubbock Economy

February 2025



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Lubbock Economic Analysis

As we kick start 2025, interest rates continue to influence the growth of both residential and commercial building activity.

Retail sales show positive growth starting the new year, along with an uptick in both new and used vehicle sales. However, tourism has slowed from December. With interest rates still elevated, the economy will face challenges in building activity. Inflation remains a concern, but optimism for growth remains reasonable across most economic sectors. We anticipate steady, moderate growth for Lubbock as we move further into 2025.

Retail sales in January 2025 experienced a significant rise of 20.57% compared to January 2024. Year-to-date sales for 2025 reached \$20.34 million, reflecting a modest increase of \$1.27 million, or 6.68%, compared to the same period in 2024. New vehicle sales in January 2025 reached 1,049 units, representing a 20.44% increase over January 2024. Similarly, used vehicle sales for the month totaled 1,687 units, marking an 11.28% growth compared to January 2024.

Tourism saw a sharp decline in January 2025, as hotel/motel tax collections dropped by 30.96%, or approximately \$316,000, compared to January 2024. On the other hand, airline boardings in January 2025 rose by 8.48% compared to the same period last year.

The state employment numbers are always recalculated in February and will be published March 14th.

Residential building activity in January 2025 totaled \$61.5 million, reflecting an increase of \$23.9 million, or 64%, compared to January 2024. During the same month, 139 residential building permits were issued, an increase of 12 permits, or 9.45%, from January 2024. The median home price for January 2025 was \$233,495, marking a 3.78% rise from the previous year. Mortgage rates remained relatively high at 6.875%, though this represents a 1.79% decrease from the rates observed at the same time last year.

Combined residential and commercial building activity in 2025, compared to the same period in 2024, is 7.12% lower, representing a decrease of \$7.2 million. While residential building activity saw an increase of \$23.9 million, commercial building activity dropped by \$31.7 million compared to the same period last year. Notably, no large commercial projects were permitted during this time.

As of January 2025, oil prices are at \$72.53 per barrel, showing a 7.25% decrease compared to the same time last year. In contrast, natural gas prices have surged to \$4.20, marking a significant increase of 147.06%. The oil rig count has nearly doubled from December 2024 to January 2025, reaching a total of 13 rigs. In agricultural markets, wheat prices have risen 7.06%, reaching \$6.52 per bushel, while corn prices have climbed 15.94% to \$5.02 per bushel. Cotton prices, however, have fallen by 19.56%. Additionally, fat cattle prices have risen by 11.54%, which has contributed to a 25.37% increase in milk prices. Winter moisture is still crucial for preparing the soil for the upcoming planting season.



Lubbock Economic Pulse

Economic Components	Current Month	Last Month	One Year Ago
Index (Base Jan. 88 @ 100)	248.09	270.88	285.97
Sales Tax Collection	\$ 12,450,488	\$ 7,890,156	\$ 10,326,285
Sales Tax Collections (Year to Date)	\$ 20,340,645	\$ 7,890,156	\$ 19,066,946
New Vehicle Sales	1,049	846	871
Used Vehicle Sales	1,687	1,474	1,516
Airline Boardings	40,046	50,878	36,915
Hotel/Motel Receipt Tax	\$ 704,443	\$ 1,008,366	\$ 1,020,330
Population	263,648	263,648	263,648
Employment – CLF*	174,849	174,849	171,795
Unemployment Rate*	% 3.00	% 3.00	% 3.40
Total Worker Employed* (Household Survey)	169,532	169,532	166,006
Total Worker Employed* (Employer Survey)	163,400	163,400	160,200
Average Weekly Wages	\$ 1,044.00	\$ 1,024.00	\$ 1,026.00
Gas Meters	78,955	78,697	78,508
Interest Rates (30 year mortgage rates)	% 6.875	% 7.000	% 7.000
Building Permits (Dollar Amount)	\$ 94,912,457	\$ 52,154,858	\$ 102,194,632
Year to Date Permits (Dollar Amount)	\$ 94,912,457	\$ 1,053,739,936	\$ 102,194,632
Residential Starts	139	111	127
Year to Date Starts	139	1,592	127
Median House Sold Price	\$ 233,495	\$ 232,500	\$ 225,000
Drilling Rigs in Panhandle	13	7	12
Oil Per Barrel	\$ 72.53	\$ 78.89	\$ 78.20
Natural Gas	\$ 4.20	\$ 4.31	\$ 1.70
Wheat Per Bushel	\$ 6.52	\$ 6.39	\$ 6.09
Fed Cattle Per CWT	\$ 203.00	\$ 200.00	\$ 182.00
Corn	\$ 5.02	\$ 4.79	\$ 4.33
Cotton (Cents Per Pound)	\$ 63.39	\$ 64.96	\$ 78.80
Milk	\$ 20.31	\$ 20.05	\$ 16.20

Heads up, it's time for the legal spiel!

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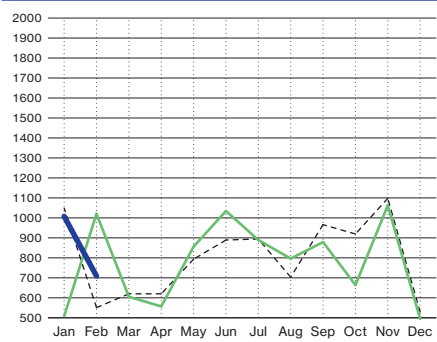
Economic Pulse Charts

2025

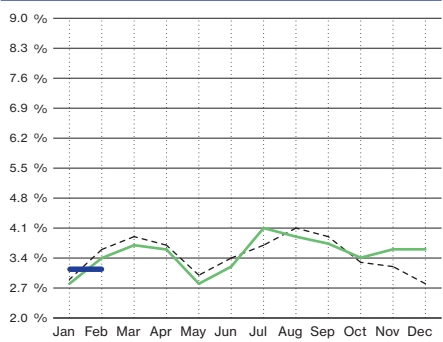
2024

2023

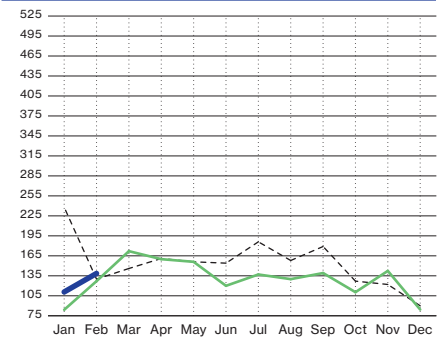
Hotel/Motel Receipt Tax (In Thousands)



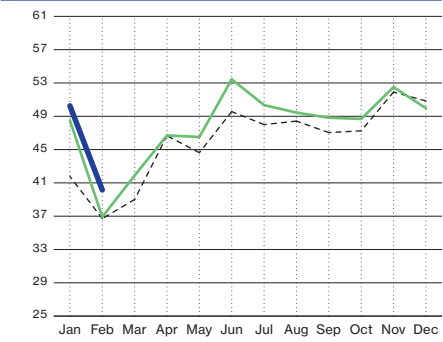
Percent Unemployment (State Adjusted Numbers)



Residential Housing Starts

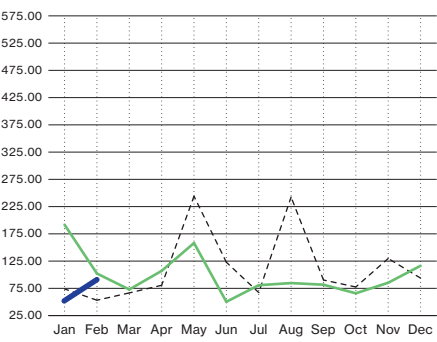


Airline Boardings (In Thousands)

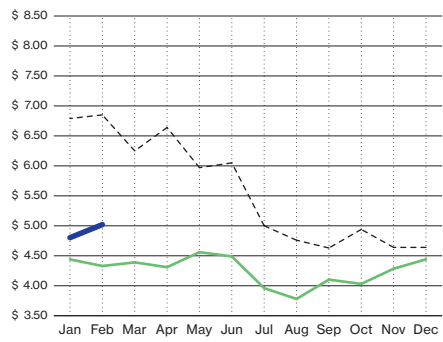


Building Permits

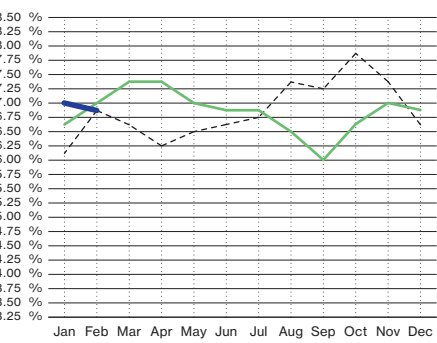
(Residential/Commercial - Millions of Dollars)



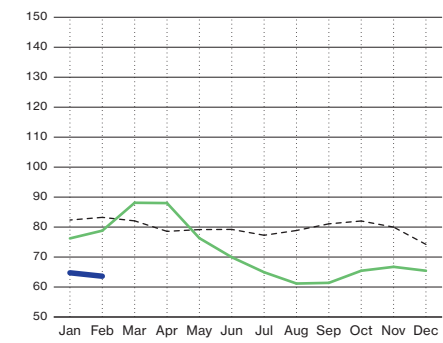
Corn (Price Per Bushel)

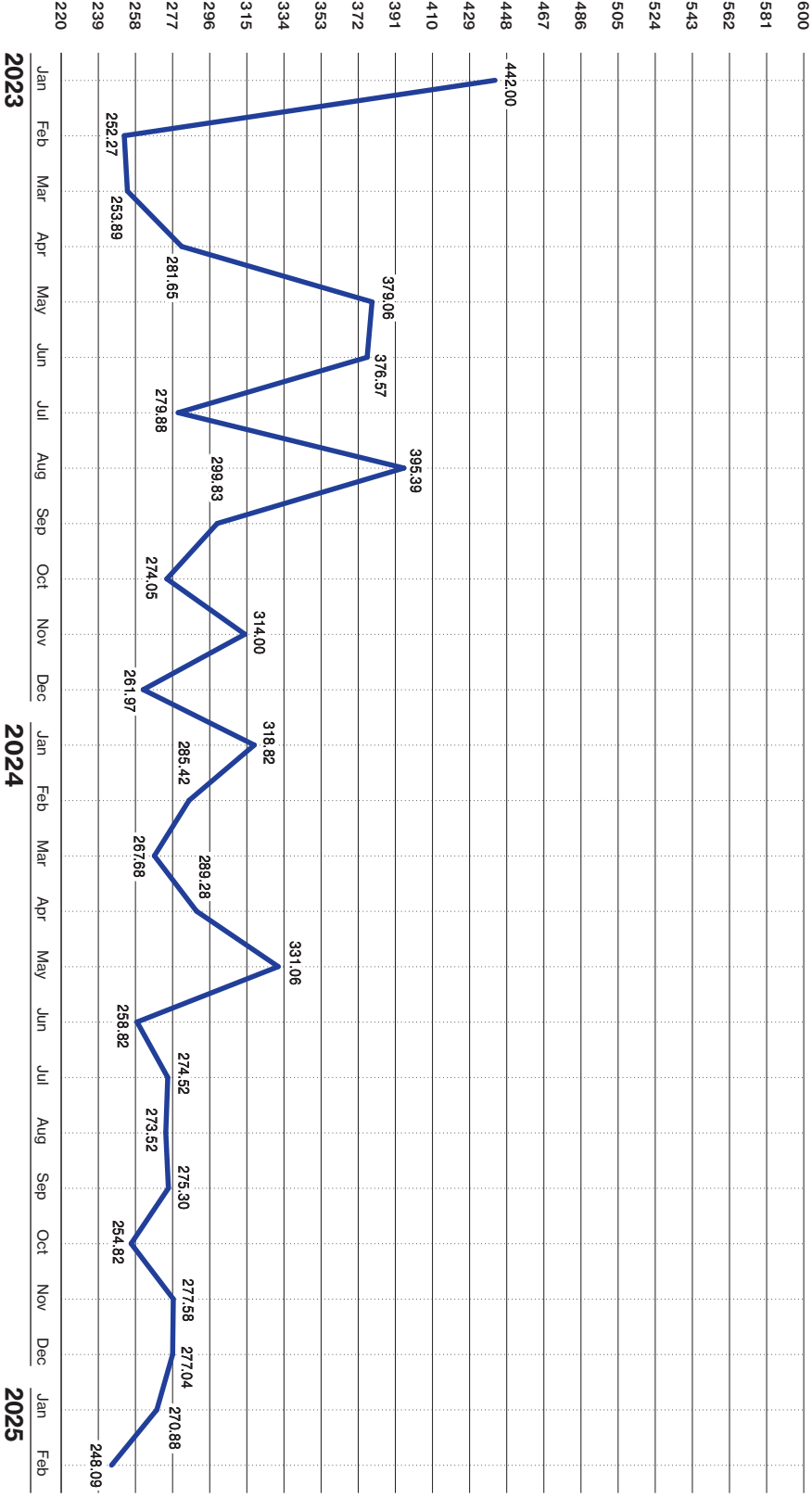


Interest Rates (30 Year Mortgage Rates)



Cotton (Cents Per Pound)





A Tale of 3 Cities

February 2025

	<u>Amarillo</u>	<u>Lubbock</u>	<u>Midland/Odessa</u>
Employment			
Employer's Survey	132,000	163,400	206,700
Increase 12 mos	2,508	1,500	992
Household Survey	137,638	169,352	201,239
Increase 12 mos	4,248	3,263	4,702
Airline Boardings YTD	410,398	576,920	740,219
% Increase	1.3%	3.28%	11.84%
Motel Tax YTD	\$9,056,806	\$10,222,725	
% Increase	- 2.4%	11.61%	
Sales Tax Receipts YTD	\$111,991,545	\$114,536,417	\$156,492,814
% Increase	2.0%	4.6%	- 2.02%
Auto Sales (January)	617	846	1,919
% Change 12 mos	19%	11.6%	0%
Housing Starts YTD	543	1,592	
Building Permits YTD	\$474,452,439	\$1,053,739,936	
Median Price Home	\$240,000	\$232,500	\$674,000
% Change 12 mos	- 1.0%	- 3.13%	11.69%