



LUBBOCK NATIONAL BANK

Lubbock Economic Index And Consumer Price Index November 2017

The Lubbock Economic Index remains on the rise through November moving upward to a record 152.4 for the month up from 151.9 in October and posting a 2.4% increase compared to the November 2016 LEI of 148.8.

The Lubbock housing market led the way with record numbers in November, along with continued strong auto sales and growth in construction activity. The benchmark indicators of general spending and employment remain weak, at least in terms of growth rates, posting very modest increases compared to year-ago levels. New housing construction was down in November, but only compared to a stout total in November of last year which was the November monthly all-time record.

CONCURRENT trends in two broad measures of the Lubbock economy best represent its current and ongoing health and status, and these are general consumer spending (retail sales) and payroll employment.

- General real (inflation-adjusted) spending according to November sales tax receipts was only barely higher (0.1%) compared to November of a year ago – which in turn was down by 3.8% compared to November of the prior year. For the year-to-date through November spending is up by 1.3% compared to the January-November 2016 total, which in turn was down by 1.6% compared to the first eleven months of the previous year.
- An estimated 1,500 jobs were added to the Lubbock economy over the last 12 months for a growth rate of about 1.0%. Monthly employment growth has averaged about 1.5% through November with year-over-year growth rates exceeding 2% only in the first quarter of the year. The unemployment rate was below 3% in November for the third straight month, so the unemployment rate remains extremely low even though the rates of job growth are relatively weak.

Again, growth rates in spending and employment remain generally low, though the actual numbers are at record levels.

Auto sales activity logged another strong increase in November with inflation-adjusted spending on new and used motor vehicles up by over 11% compared to November of a year ago. Auto spending for the year-to-date is now up by a solid 5.8% compared to the total through November of a year ago and remains in second place for the all-time record behind 2014.

The construction sector returned to year-over-year growth in November with real building permit valuations up by over 11% for the month compared to November of a year ago. The total for the year-to-date is also up by 11.1%, easily remaining in record territory and in fact this is nothing short of a huge year in the making for construction in the city of Lubbock.

New single-family housing construction was lower for the second straight month, however, with the number of permits issued off by 18% compared to November 2016. The 1,288 permits issued through November, however, is still a record total and matches the *annual* permit total from 2003, the record year for new housing construction in the city – that record will fall in 2017.

Home sales spiked upward in November with 316 closed sales for the month, a November monthly record and a 23% increase over November of a year ago. The sales total through November remains slightly lower compared to the record numbers from a year ago. The average price of those sales was up by a stout 4.6% in November and is now up by a healthy 3% compared to the average through the first eleven months of 2016. The real (inflation-adjusted) total dollar volume of home sales activity is down by a slight 1.5% compared to the January-November 2016 total, which in turn was over 12% higher compared to the total through November of the prior year.

Lubbock Consumer Price Index

The rate of year-over-year increase in the Lubbock Consumer Price Index declined in November to 2.2%, down from 2.3% in September and October. Food/grocery prices increased modestly again in November and the housing CPI, though unchanged for the month remains generally high. Those increases were offset by continued declines in the medical care CPI and miscellaneous goods and services, and energy costs fell slightly as well in November.

The food/grocery sector of the Lubbock CPI increased again in November, moving slightly upward to 1.0%, compared to a 0.8% rate of year-over-year increase in October (and 0.5% in August and September). The US national “food at home” CPI increased at a 0.6% rate in both October and November.

The housing component of the Lubbock CPI was unchanged from October to November at 3.9%.

The rate of increase in the energy (fuels and utilities) sector of the Lubbock CPI declined again slightly in November, falling to 2.4%, compared to a 2.5% rate of year-over-year increase in October.

The medical care component of the Lubbock CPI remained on the decline through November at 2.5% for the month compared to 2.8% in October. The US medical care CPI was unchanged from October to November at 1.7%.

The rate of year-over-year price increase for various miscellaneous goods and services fell in November, coming in at 1.3% for the month compared to 1.5% in August, September, and October.

The growth rate in the national CPI-U (the US Consumer Price Index, a broad measure of price change over time) increased in November to 2.2% compared to 2.0% in October. The “core CPI”, the Consumer Price Index minus food and energy, returned to 1.7% (as it was in September) compared to 1.8% in October.

The CPI for the southern region of the US (which includes Texas) also reversed course to a minor degree in November, increasing to 2.1% for the month compared to 2.0% in October.

The Dallas-Fort Worth metro area CPI was newly updated in November, and was unchanged at 3.2%; however, again both were up sharply compared to 1.9% in July. The Houston metro area CPI was last updated in October and increased at a 2.3% year-over-year rate, up slightly from 2.2% in August. The Dallas-Fort Worth and Houston metro area CPI values are calculated every other month on off months from one another.

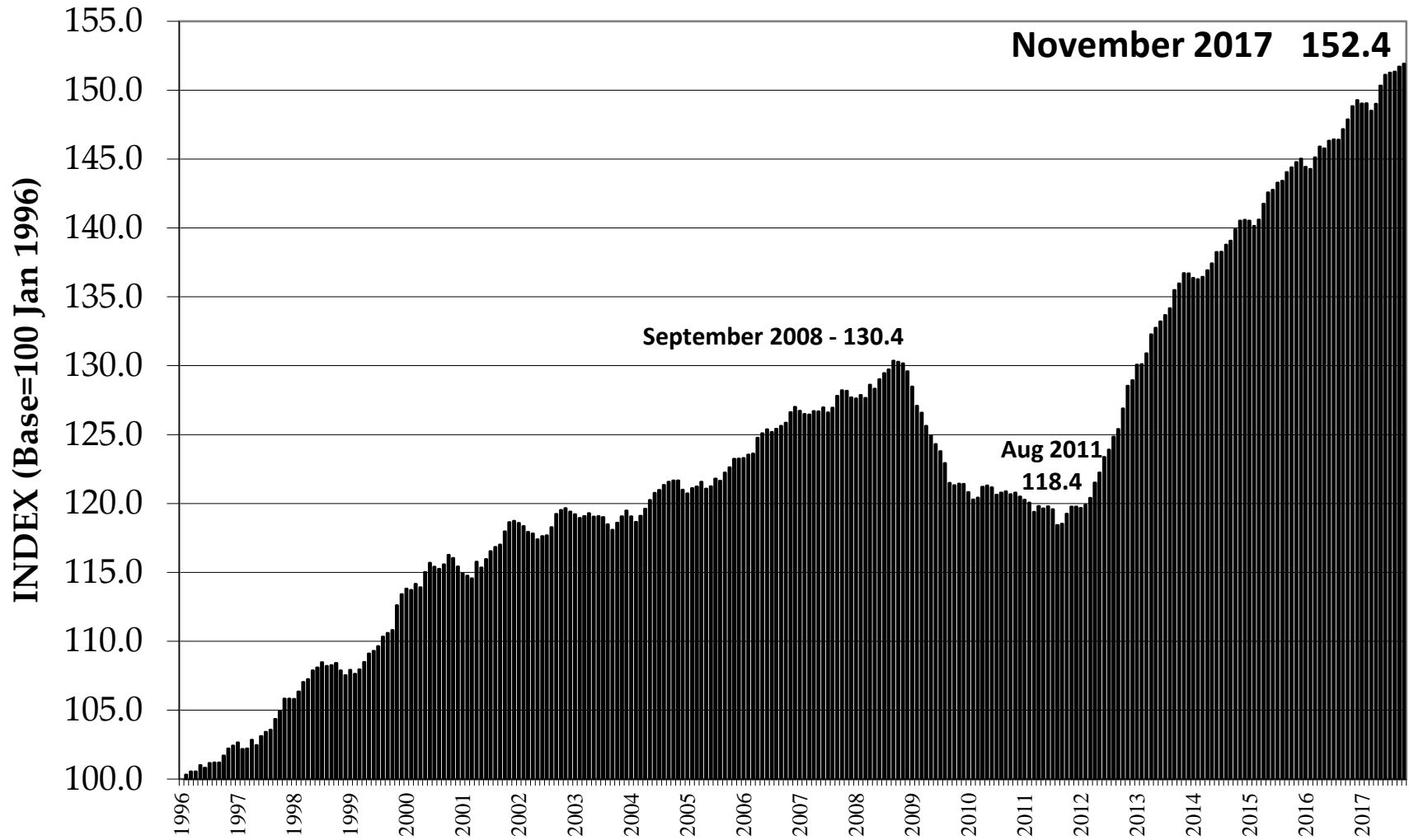
The Lubbock Metro Area Economy

The Lubbock Economic Index

Lubbock Economic Indicators* November 2017	Base Year 1996	One Year Ago 2016	This Year 2017	% Change 2016-2017
Retail Sales - (per sales tax receipts) November	\$ 290,192,420	\$ 414,466,979	\$ 414,727,011	0.1%
Retail Sales - Year-To-Date	\$ 2,884,902,681	\$ 4,144,658,562	\$ 4,196,519,885	1.3%
Dollars Spent on Auto Purchases - November	\$ 28,467,698	\$ 59,325,332	\$ 65,974,503	11.2%
Dollars Spent on Auto Purchases YTD	\$ 406,954,255	\$ 720,502,452	\$ 762,486,444	5.8%
Hotel/Motel Spending - YTD Through November	\$ 46,278,191	\$ 92,336,202	\$ 90,053,264	-2.5%
Lubbock International Airport Passenger Enplanements - November	50,363	41,303	43,801	6.0%
Lubbock International Airport Passenger Enplanements - YTD	561,967	425,421	434,692	2.2%
Value All Construction Permits - November	\$ 9,175,547	\$ 41,263,602	\$ 45,834,916	11.1%
Value All Construction Permits - YTD	\$ 276,663,865	\$ 757,305,100	\$ 841,188,978	11.1%
New Home Permits - November	30	131	107	-18.3%
New Home Permits - YTD	520	1,080	1,277	18.2%
Number of Home Sales - November	149	257	316	23.0%
Number of Home Sales - YTD	1,959	3,826	3,748	-2.0%
Average Home Sale Price - November	\$ 81,519	\$ 183,747	\$ 192,174	4.6%
Average Home Sale Price - YTD	\$ 85,157	\$ 184,598	\$ 190,054	3.0%
Dollar Volume Residential Real Estate Sales - November	\$ 19,434,789	\$ 48,497,784	\$ 60,726,956	25.2%
Dollar Volume Residential Real Estate Sales - YTD	\$ 270,661,712	\$ 731,099,211	\$ 720,059,479	-1.5%
Employment				
Wage and Salary Employment - November	115,100	147,700	149,200	1.0%
Wage and Salary Employment - YTD Avg	112,145	145,245	147,435	1.5%
Unemployment Rate - November	3.5%	3.2%	2.7%	-15.6%
Unemployment Rate - YTD Avg	4.2%	3.4%	3.3%	-3.2%
LUBBOCK ECONOMIC INDEX - NOVEMBER (Base=100 January 1996)	102.2	148.8	152.4	2.4%
* With the exception of the average home sale price, all indicators expressed in dollar form above are adjusted for inflation by restating prior periods in current dollars				
Oil and Gas (Regional)				
Oil Price/Barrel - November (Posted WT Int. Crude)	\$ 21.98	\$ 42.06	\$ 53.27	26.6%
Rig Count (Texas RRC District 8A) - November	21	14	22	57.1%
Crude Oil Production (Texas RRC District 8A) - November	137,884	91,172	89,636	-1.7%
Value of Oil Production (Texas RRC District 8A) - November	\$ 2,780,895	\$ 3,552,238	\$ 4,142,366	16.6%
Agriculture (Regional)				
Cotton Price (West Texas, cents/pound) - November	68.53	68.56	68.68	0.2%
Cotton - Bales Ginned Crop Year - Texas South Plains	1,629,300	2,473,700	2,370,600	-4.2%
Fat Cattle Price (\$/hd. Wt.) - November	\$ 70.67	\$ 108.38	\$ 121.43	12.0%
Value Cattle Marketed - South Plains Crop District (\$000's) - November	\$ 287,916	\$ 344,159	\$ 322,264	-6.4%

The Lubbock Economy

The Lubbock Economic Index January 1996 - November 2017



The Lubbock Economy

The Lubbock Economic Index 2012 - 2017

