

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

Analysis of the Lubbock, Texas Housing Market

As of October 2002



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing conditions and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in a particular locality or the housing market area.

The factual framework for this analysis was developed by the Economic and Market Analysis Division of the Office of Policy Development and Research. Estimate and judgments are made on the basis of information available on the "as of date" of the analysis. As such they be modified by subsequent developments.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production which would maintain a reasonable balance in demand-supply relationship given the market's conditions on the "as of date." This analysis was prepared by W. Victor Crain, an Economist with the Denver HUD Office.

Housing Market Area

The Housing Market Area (HMA) is defined as the Lubbock, Texas Metropolitan Statistical Area (MSA), which consists of Lubbock County, Texas. The HMA is located in the Southern Plains region of west Texas, approximately 300 miles west of Dallas and 300 miles east of Albuquerque, New Mexico. It is the regional trade center for a 26 county area consisting of over 500,000 people. The 7 incorporated cities and towns in the HMA include Lubbock, Wolfforth, Slaton, Shallowater, Ransom Canyon, New Deal and Idalou. The City of Lubbock is the 9th largest city in Texas and operates under a council/manager system of government. Lubbock is the region's economic, educational and health care center.

The total area of the HMA is 901 square miles, which includes only one square mile of water. All incorporated towns are within 20 miles of downtown Lubbock. Wolfforth is the closest at 11 miles and Ransom Canyon is the furthest at 23 miles. Locations throughout the HMA are easily accessible through a well-defined system of highways, roads, and streets. Intrastate Highway 27 (I-27) and the 289 Loop are the two major transportation corridors. I-27 is the north-south highway through Lubbock, and runs from South Lubbock to Amarillo, TX. The 289 Loop, a four-lane limited access highway, circles the City of Lubbock and provides easy access to all points within the city and county.

Summary

The economy of the HMA has grown steadily recently because of new employment opportunities, particularly in the service and construction related industries and at the businesses and tenants located at Reese Technology Center (Reese). The Lubbock metro area's unemployment rate in September 2002 was the second lowest among the 27 metro areas in the state. The area median family income increased 35 percent between 1990 and 2000. There was a slight out migration between the 1990 and 2000 Census but migration to the HMA is projected to increase because of the new employment opportunities. The elderly population is also expected to continue to grow at a modest pace.

Almost 3,200 housing units will be demolished in redevelopment of the North Overton area of Lubbock. This has contributed to the recent increase in absorption of existing housing units and decrease in housing vacancies. The redevelopment will not have a significant impact on future housing demand, since all residents will soon be relocated.

Overall, the economy has shown steady growth and should continue to grow at a modest rate through the forecast period. The recent increase in apartment construction has eased the market but demand should support continued construction of rental units throughout the forecast period. Demand for new and existing single-family detached homes is expected to remain strong through the forecast period.

Economy of the Area

The economy is based in agriculture, manufacturing, and wholesale and retail trade. Texas Tech University (TTU) and Covenant Health System are the largest employers, and Reese has become a vibrant addition to the economy. Labor Force and employment trends are found on Tables 1 and 2.

TTU opened its doors for classes in the fall of 1925 with 914 students. Since 1990, TTU has had an average enrollment of undergraduate and graduate students of 24,570. Fall enrollment for 2002 jumped to 27,569 students, well above this average. The university has the capacity to house approximately 6,700 students on campus. Room rates for an academic year range from \$2,316 for a dorm room in a non-air-conditioned hall to \$4,703 for a one-bedroom flat in the Carpenter/Wells complex. TTU does not provide off campus or married student housing, and fraternities and sororities are not permitted to provide housing. Students living off campus are absorbed into the local housing market. TTU boast the largest campus, and the third largest library, in the state and the largest contiguous campus in the nation. TTU is the largest employer, and has a major impact on the economy of the HMA. The City of Lubbock is also the home of Lubbock Christian University, Wayland Baptist University, and South Plains College.

Reese is located at the site of the former Reese Air Force Base, approximately 15 minutes west of downtown Lubbock. The base closed in 1997, and is now the home of various businesses, educational and research facilities. Current tenants include PNB Financial Bank, Supachill (an Australian based company), Aslan, South Plains College, City of Lubbock's Police Department training facility, Advanced DNA Technologies, Inc., and South Plains Emergency Medical Services. Reese also houses TTU's Institute of Environmental and Human Health. This facility also serves as their anchor tenant. Over 3,900 employees and students commute into Reese from the HMA and from surrounding counties. This facility is fast becoming a cornerstone of the HMA's economy.

Average nonagricultural wage and salary employment for the 12 month period ending in September 2002 was 124,200 jobs, representing a gain of 1,400 jobs (1.1 percent) from the previous 12-month period. Eighty percent of these jobs are found in the trade, service and government sectors. Principal occupations are in management/professional related fields, followed closely by sales and office jobs. Over the past three years there has been rapid growth in employment in the customer service and construction industries. Wage and salary employment has increased in each year since 1991, following a small loss of 500 jobs for this year. Sustained growth returned in 1992 and subsequent years. Growth was strongest in the 1995 to 1997 time period when employment increased by almost 3 percent per year. The closure of Reese AFB in 1997 and the loss of 600 jobs in 1998 with the Texas Instruments plant shutdown brought a halt to gains of this magnitude but steady increases of about 2 percent per year were typical in the late-1990s.

Customer service call centers established by financial institutions and the communications industry led to the recent creation of over 2,000 new jobs and pushed the employment growth rate up to 2.6 percent in 2001. Wells Fargo Bank, Wells Fargo and

Company, Southwestern Bell Wireless, and Cox Communications all played a significant role in the creation of new job opportunities in the customer care/service centers established in the HMA.

The civilian labor force increased steadily from 1990 through 2002, except for a small decrease of about 500 individuals between 1990 and 1991. The most significant increase came in 2001 when 2,940 individuals joined the labor force, stimulated by the call center expansion mentioned above. Yearly employment growth through the 1990s and to October 1, 2002 averaged 1.3 percent per year. The largest annual gains were in 1995, when employment grew by 2.4 percent and in 2001, when a 2.5 percent increase was achieved.

The annual unemployment rate decreased from a high of 5.7 percent in 1992 to a low of 2.6 percent in 2001. In September 2002, the labor force stood at 129,590, total employment was at 125,931, resulting in an unemployment rate of 2.8 percent. The HMA has the second lowest unemployment rate of any metro area in Texas.

Reese should continue to be a positive factor in the local economy as new businesses and industries relocate to its facilities. It is anticipated that employment at Reese will increase by over 2,000 jobs during the two-year forecast period. This expansion should provide the impetus for a modest increase in employment growth during the next two years and a return to an average gain of 2 percent per year. The services sector (primarily customer service) and the construction sector will lead the way, followed closely by retail trade.

Household Incomes

The Median Family Income (MFI) reported in the decennial Census increased from \$30,380 to \$41,067 or an average annual increase of 3.5 percent between the 1990 and 2000. The HMA's MFI is 10 percent lower than the State of Texas' MFI of \$45,861. The HMA's MFI ranks 16th highest among the 27 metro areas in Texas. Austin-San Marcos has the highest MFI at \$59,426 and McAllen-Edinburg-Mission has the lowest MFI at \$26,009. The 2002 area median income for the HMA as estimated by HUD is \$45,500.

Population

The population of the HMA as of October 2002 is estimated to be 248,000 persons. This represents an average annual increase of about 2,400 persons since the 2000 Census, a growth rate of 2.2 percent a year. This recent growth rate is considerably above the average for the 1990-2000 decade of 0.8 percent per year. The population increased in each year since 1990, except for 1998 when a 0.3 percent decrease was recorded. This slight decrease can be attributed to the closure of Reese Air Force Base in September 1997. Net migration through out the 1990s was negligible with an average of 50 people moving out of the HMA each year from April 1, 1990 through March 31, 2000.

Population growth during the forecast period should be close to that since the 2000 Census. Net natural change will remain steady, but there will be an increase in net migration to about 1,000 people. The gain in employment will be the catalyst for the increase in net migration. Population is forecast to increase to 253,000 persons during the next two years. Please refer to Table 3 for the recent trend and forecast in population.

There was a slight dip in the non-household population from 1990 to 2000 of only 100 persons. Non-household population should remain constant at 9,600 for the current period and for the forecast period. College students living in dormitories are the principal component of non-household population; about 5,900 students are housed on campus in dormitories. There are 11 residence halls, dormitories, and apartment complexes on campus. TTU faculty and staff employment should remain constant. Refer to Table 4 for TTU's enrollment and housing trends

The elderly population (65 years and over) increased by 4,757 persons between the 1990 and 2000 Census, or an 8.2 percent increase. The elderly represented 11 percent of the total population in 2000, compared to 9.9 percent of the total population in 1990. This increase can be credited to the retirees who move into the HMA to be close to the exceptional health care facilities.

Households

The number of households increased by approximately 13 percent between the 1990 and 2000 Census. Households increased by an average of 1,100 per year to a total of 92,516 households in 2000. The tenure of households shifted 1 percent from renter to owner resulting in a homeownership rate of 59.2 percent. The average household size slightly decreased from 2.6 in 1990 to 2.5 in 2000.

There are 96,000 households in the HMA as of October 2002, and the number of households is expected to grow at a rate of 1,200 a year during the forecast period. As of October 2002, the homeownership rate is estimated at 59.2 percent; a slight rise to 60 percent is expected by the end of the forecast period. A small decrease in the average household size is anticipated. Please refer to Table 3 and 5 for additional information regarding households and tenure.

Housing Inventory

The North Overton area has had the widest and most significant impact on the housing inventory in recent years, and a brief discussion is necessary to outline the impact. North Overton is located in Lubbock, and is bounded by 4th Street on the north, Q Street on the east, Broadway Street on the south and University Avenue on the west. The 2000 Census defines this area as Census Tracts 6.03 and 6.05. It is located adjacent to TTU. A private developer has started a multi-purpose development. Once completed, the area will provide new multifamily and single-family units including town homes, retail space, business offices and areas for public use. This development will take several years to complete and to see its fruition.

The total population of North Overton was 4,725 persons and this area contained 3,216 housing units as of the 2000 Census. Of this number, 1,049 were vacant, 235 were owner occupied and 1,932 were renter occupied. All housing units will be razed. Demolition has begun and new construction is in progress. Currently, the vast majority of homes in the area have been demolished. The absorption of owners and renters from North Overton into the local market has dramatically lowered the vacancy rate in both owner and rental units. Construction of new housing in North Overton is underway. The foundation for a 240-unit student oriented apartment complex has been poured and this project should be completed and ready for occupancy by Fall 2003. A 274-unit luxury apartment project has been announced, and is expected to begin construction in early-2003.

A total of 7,381 building permits were issued for single-family units from 1990 to 2000. Multifamily units permitted totaled 1,822. The City of Lubbock issued approximately 6,869 permits for single-family units and 1,705 multifamily permits. It is estimated that an additional 2,540 single-family units and 1,370 multifamily units have been permitted from April 1, 2000 to the current date. Units built in Lubbock County outside of an incorporated community do not require a building permit. It is estimated that 400 housing units, not including manufactured homes, have been added in non-permitted areas since the 2000 Census. A large percentage of these units are single-family homes that are being built on small acreages or in new subdivision developments.

Manufactured homes have increased steadily since the 1990 Census. There were 1,244 manufactured homes added to the housing inventory between 1990 and 2000. Currently there are almost 7,700 manufactured homes within the HMA. A majority of the manufactured homes are being located outside of Lubbock because of a lack of available lots within the city limits.

Of particular importance is the rise in the multifamily building activity. The early 1990s saw a lull in the issuance of multifamily building permits with a total of only 156 units being permitted from 1990 through 1993. These permits included duplexes, triplexes, quads and projects containing 5 or more units. In 1992, only 4 units were permitted. Activity picked up in 1996 and in 1997 when 309 and 619 units were permitted, respectively. The three-year period between 1998 and through 2000 saw a leveling off of permit activity when an average of 160 units were permitted each year. Multifamily permit activity peaked in 2001 with 747 units permitted, and for the first 9 months on 2002, 508 units have been permitted. There are about 540 multifamily units under construction as of October 1, 2002. Additional information regarding building permit activity can be found on Table 6.

Single-family building activity has not been as volatile as the multifamily activity. Since 1990, there have been about 8,840 single-family units permitted or a yearly average of about 700 units. The year 1990 saw the lowest number of permits issued at 394 and 2001 saw the highest number at 983. The current year is on track to exceed the activity of 2001. So far this year, a total of 1,000 permits have been issued. If this level of activity

continues, 1,300 single-family permits will be issued in 2002. Currently there are about 530 single-family homes under construction.

Total housing units increased dramatically during the period between the 1990 Census and the 2000 Census; 8,825 housing units were added to the total inventory, a 9.6 percent increase. The housing inventory gained only about 500 housing units since April 1, 2000. The net increase was calculated by taking into account inventory change due to demolitions, conversions, mergers, manufactured homes and new construction activity including activity in non-permitted area. Despite the high level of construction during this period, the net change in inventory was very small due to the large number of units demolished in North Overton. Currently, there are about 101,070 total housing units in the HMA. Table 5 provides information regarding the housing inventory.

South Lubbock has continued to grow with the addition of new single-family homes as well as multifamily units. Northwest Lubbock has seen growth with new shopping areas, single-family dwellings, multifamily units, assisted living and independent living facilities for the elderly. Custom built single-family homes and manufactured homes constitute the major portion of the housing inventory in the unincorporated areas of the HMA.

Subsidized Housing

There are about 730 family units and 270 elderly units maintained in 11 HUD subsidized properties in the HMA. The initial occupancy date for these properties was during the 1970s and early 1980s. A majority of these (850 plus units) are covered by HUD Section 8 subsidy contracts. This subsidy typically allows tenants to pay 30 percent of their income for rent. Participation in the Section 8 program is generally limited to households with incomes less than 50 percent of the area median income. At present, this income limit is \$22,750 for a family of four and \$15,950 for an individual. These properties are consistently full, and have waiting lists.

The Lubbock Housing Authority (LHA) administers approximately 850 Section 8 vouchers for use in the HMA. These are issued to eligible tenants who find their own units in the market and contribute 30 percent of their income for rent. Utilization of vouchers is high and the LHA maintains a waiting list for the Section 8 Vouchers. The average waiting time for a Section 8 Voucher is about 12 to 18 months. Fair Market Rents (FMRs) determines the eligibility of rental housing units for Section 8 program. The Fiscal Year 2003 FMRs for the HMA are: Studio/efficiency, \$327, one-bedroom \$415, two-bedroom \$538, three bedroom \$747 and four bedroom \$828.

Housing Vacancy

The vacancy rates for both owner and rental units have dropped since the 1990 Census. The vacancy rate for units for sale dropped from 2.5 percent in 1990 to 1.6 percent in 2000, and currently the vacancy rate is estimated to be 1.5 percent. Rental vacancies have also shown a steady drop. In 1990 the vacancy rate was 15.5 percent but by 2000 the vacancy rate had dropped by 5.5 percentage points to a rate of 10.0 percent. This decline has continued through the current period and presently the vacancy rate is estimated to be 5.5 percent. Rental vacancy rates do rise slightly during the summer months when TTU is not in full session. Refer to Table 5 for information pertaining to vacancy rates.

Vacancy rates in the HMA are at an all time low. It must be pointed out that the influx of the residents from the North Overton area into the local market has been a major factor in decreasing the vacancy rate. This influx has stimulated the absorption of surplus units, but future absorption will not match the recent levels once all the residents of North Overton have been relocated, which should occur by the end of 2002.

Sales Market Conditions

Single-family detached homes sales (both new and existing) have been brisk over the past five years, averaging about 2,600 sales a year. Multifamily units including condominiums are generally sold to investors for rental property and sales have been limited with about 350 units sold since 1997. A majority of these units were duplexes, but there were a few tri-plexes and quads sold.

Increased employment, higher incomes, low interest rates, and families moving back to the Lubbock area from larger cities fuel the current sales boom. Also a driving force in this market is the purchase of homes by parents of students attending college. With low interest rates, many parents have determined that it is more cost effective to purchase and own a home for their children to live while attending college than to pay rent. In some instances, parents are having homes built for their children. The owners who sold their homes in North Overton, and are re-purchasing homes have also contributed to recent strength in the sales market. The shift in tenure from renter to owner has also increased sales.

Currently, the average time a single-family property is on the market is 3 months. This is the shortest marketing period of any Multiple Listing Service (MLS) area in Texas and below the state average is 5.5 months. The average number of months on the market dropped dramatically in the early-1990s and then remained in the 4.4 to 5.4 month range for several years. Improvement in 2002 and 2001 brought the time on the market down to 4 months and a pickup in the pace of sales brought the marketing period down further to its present average of 3 months. Presently there are about 700 single-family properties listed for sale.

The 1990s saw a dramatic rise the average sales price of a home in the HMA. The average price of a home sold in 1990 was \$68,400; by 2001, the average sales price had increased to \$102,800, an average annual increase of 3.8 percent. For the first 9 months of 2002 there have been 2,200 homes sold with an average sales price of \$109,100.

Rental Market Conditions

The 1990 Census reported a renter vacancy rate of 15.5 percent. The market was soft in the early 1990s and there was very little construction of multifamily rental units during this time period. The rental market conditions have steadily improved since 2000 and vacancies have dropped to approximately 5.5 percent, even with the increase in construction activity. Vacancies increase slightly through the summer months when TTU is not in full session. Typical new construction monthly rents are: Studio/efficiency \$315, one-bedroom \$435, two-bedroom \$555, and three-bedroom \$819. As of the current period, rent specials are not being offered.

During the years 1990, 1991, 1992, 1993 and 1994, building permits were issued for 258 multifamily units. Of the 258 units, 52 were issued for duplexes, 171 units in tri-plexes and quads, 27 were for projects containing 5 or more units. There were no major multifamily projects permitted in the early 1990s. In 1995, 96 units were permitted for projects containing 5 or more units. Construction activity for multifamily units increased from 1995 and through 1999. During that period, 1,444 multifamily units were permitted; 973 units were permitted in projects containing 5 or more units, 277 units of tri-plexes and quads, and 194 in duplexes. Beginning in 2000, apartment construction began to increase and through the first 9 months of 2002, activity is up substantially. During this timeframe, a total of 1,375 units were permitted. Of these, about 540 units are under construction. A majority of the units under construction are projects containing 5 or more units.

There are 8 Low Income Housing Tax Credits (LIHTC) properties in the HMA that provide 948 low-income units for families and the elderly. Six projects are located in the City of Lubbock, and one each in both Idalou and Slaton. There are 1,113 units in properties for both the elderly and families with HUD-insured mortgages. These are generally newer properties built during the mid to late 1990s and are located throughout the HMA. A proposal to construct a 208-unit property is being considered under the Section 221 (d) (4) program.

Forecast Housing Demand

Based on anticipated household growth and current market conditions, there is a demand for about 2,550 new housing units from October 1, 2002 to October 1, 2004. This demand can be successfully met by construction of 1,450 owner units and 1,100 rental units during the next two years. This demand has been adjusted for the present level of owner units under construction, which is somewhat above the pace necessary to meet the anticipated level of household growth and replacement housing need. As a result of the level of units now under construction, owner demand will support construction of about

600 units in the first year and 800 to 900 in the second year of the forecast period. Recent apartment completions have dropped the number of rental units under construction to 550 units, down from over 800 units in mid-summer. As a result, renter demand should support construction of 500 to 600 units in each of the next two years. Household growth is projected to increase by about 2,400 households or 2.6% through the forecast period. This increase is the basis of the demand for additional housing units. The projected growth in population, employment, households were reconciled to determine the housing demand estimate.

The tenure shift from renter to owner has been fueled by lower mortgage interest rates. Tenure shift and new employment opportunities in the HMA will increase the demand for single-family units during the forecast period. Table 7 indicates the demand for single-family housing during the two year forecast period. The majority of this demand will be met by single-family detached homes priced between \$80,000 and \$149,999. Demand for new manufactured homes will continue to grow, but at a modest pace. The sale of new manufactured homes will primarily be for placement on individual lots and acreage in the county.

The rental demand estimate was based on rental units consisting of zero (studio or efficiency units), one-bedroom, two-bedroom and units with three or more bedrooms. One and two-bedroom units with a minimum gross rent between \$440 and \$560 will comprise about 90 percent of the demand (see Table 8). Demand for studio/efficiency units and units with three or more bedrooms are equally split. The number of rental units presently under construction is virtually equal to our annual demand forecast of 550 units; future demand is expected to support this level of activity throughout the forecast period.

Table 1.

Labor Force and Employment Trends

Lubbock, TX HMA

1990 to October 2002

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	a. Prior 12 Mos.	b. Current 12 Mos.
Labor Force	113,600	113,100	115,800	116,700	117,900	120,400	121,100	122,200	122,700	123,500	123,900	126,800	126,100	129,200
Employment	107,800	106,900	109,100	111,200	112,900	115,500	116,300	117,400	118,600	119,900	120,600	123,500	122,900	125,600
Unemployment	5,800	6,200	6,700	5,500	5,000	4,900	4,800	4,800	4,100	3,600	3,300	3,300	3,200	3,600
Rate	5.1%	5.5%	5.8%	4.7%	4.2%	4.1%	4.0%	3.9%	3.3%	2.9%	2.7%	2.6%	2.5%	2.8%

a. October 2000 - September 2001

b. October 2001 - September 2002

Data does not add because of rounding.

Source: Texas Workforce Commission

Table 2.

NonAgricultural Wage and Salary Employment

Lubbock, TX HMA

1990 to 2002 (Annual Average)

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	a.Prior 12 Mos.	b.Current 12 Mos.
Total	98,200	97,700	99,400	102,100	103,900	107,600	109,800	113,100	115,300	117,600	120,200	123,300	122,800	124,200
Construction and Mining	3,500	3,400	3,500	3,800	4,000	4,300	4,200	4,300	4,400	4,500	4,400	4,900	4,600	5,075
Manufacturing	7,200	7,200	7,100	7,300	7,800	7,700	7,500	7,600	7,600	7,200	7,300	7,100	7,200	7,000
Transportation, Comm. & Utilities	5,700	5,500	5,500	5,400	5,500	5,600	5,800	5,600	5,800	6,200	7,200	8,300	8,200	8,350
Trade:	28,600	27,900	27,500	28,400	29,700	31,100	31,400	31,900	32,200	32,600	32,600	33,100	32,950	33,700
Retail	21,800	20,700	20,500	21,100	22,300	23,800	24,100	24,600	24,800	25,200	25,200	25,600	25,500	26,300
Wholesale	6,900	7,200	7,100	7,300	7,400	7,400	7,400	7,300	7,400	7,500	7,400	7,400	7,400	7,400
Finance, Insurance														
Real Estate	5,300	4,800	4,700	4,500	4,600	4,800	5,200	5,500	5,800	6,000	6,100	6,500	6,425	6,500
Services	25,300	25,700	27,200	28,700	28,800	30,500	31,500	33,700	34,600	35,400	36,300	36,800	36,800	36,900
Government	22,800	23,100	23,700	24,000	23,500	23,500	24,300	24,600	25,000	25,700	26,200	26,600	26,525	26,650
Percent Change	N/A	-0.5%	1.7%	2.7%	1.8%	3.6%	2.0%	3.0%	1.9%	2.0%	2.2%	2.6%		1.1%

Source: Texas Workforce Commission

Data does not add because of rounding.

a. October 2000- September 2001

b. October 2001- September 2002

Table 3.

Population and Household Trends

Lubbock, TX HMA

April 1990 to October 2004

	<u>April 1990</u>	<u>April 2000</u>	<u>As of Date</u>	<u>Forecast Date</u>	<u>Average Annual Change</u>					
					<u>1990 to 2000 Number</u>	<u>Rate</u>	<u>2000 to Current Number</u>	<u>Rate</u>	<u>Current to Forecast Number</u>	<u>Rate</u>
<u>Population</u>										
Housing Market Area	222,636	242,628	248,000	253,000	1,999	0.9%	2,388	1.0%	2,500	1.0%
<u>Households</u>										
Housing Market Area	81,534	92,516	96,000	98,400	1,098	1.3%	1,548	1.7%	1,200	1.3%

Note: Rate of change calculated on a compound basis.

Source: 1990 and 2000 - U.S. Census Bureau
 Current and Forecast - Estimates by Analyst

Table 4.

Texas Tech University

Fall Semester Enrollment and Residence

Lubbock, Texas

1990-2002

<u>Year</u>	<u>Number of Students</u>	<u>Annual Change</u>	<u>Location of Residence</u>			
			<u>On Campus</u>	<u>Annual Change</u>	<u>Off Campus</u>	<u>Annual Change</u>
1990	25,363	N/A	5,919	N/A	19,444	N/A
1991	24,707	-2.6%	5,262	-11.1%	19,445	0.0%
1992	24,215	-2.0%	4,917	-6.6%	19,298	-0.8%
1993	24,007	-0.9%	5,164	5.0%	18,843	-2.4%
1994	24,083	0.3%	5,194	0.6%	18,889	0.2%
1995	24,185	0.4%	5,218	0.5%	18,967	0.4%
1996	24,717	2.2%	5,176	-0.8%	19,541	3.0%
1997	25,022	1.2%	5,089	-1.7%	19,933	2.0%
1998	24,158	-3.5%	4,634	-8.9%	19,524	-2.1%
1999	24,249	0.4%	5,019	8.3%	19,230	-1.5%
2000	24,558	1.3%	5,342	6.4%	19,216	-0.1%
2001	25,573	4.1%	5,603	4.9%	19,970	3.9%
2002	27,569	7.8%	5,961	6.4%	21,608	8.2%

Table 5.

Housing Inventory Tenure and Vacancy

Lubbock, TX HMA

April 1990 to October 2002

	<u>1990</u>	<u>2000</u>	<u>Current</u>
Total Housing Inventory	<u>91,770</u>	<u>100,595</u>	<u>101,070</u>
Occupied Units	<u>81,534</u>	<u>92,516</u>	<u>96,000</u>
Owners	47,438	54,777	57,120
Percent	58.2 %	59.2 %	60.0 %
Renters	34,096	37,739	3,880
Percent	41.8 %	40.8 %	40.0 %
Vacant Units	<u>10,236</u>	<u>8,079</u>	<u>5,070</u>
Available Units	<u>7,471</u>	<u>5,085</u>	<u>3,150</u>
For Sale	1,204	884	870
Rate	1.5 %	1.6 %	1.5 %
For Rent	6,267	4,201	2,280
Rate	15.5 %	10.0 %	5.5 %
Other Vacant	2,765	2,994	1,920

Source: 1990 and 2000 - U.S. Census Bureau
 Current Estimate - HUD Analyst
 Data does not add because of rounding.

Table 6.

Residential Building Permit Activity

Lubbock, TX HMA

1990 to October 2002

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 (b)
Total	453	473	632	778	832	765	1,136	1,281	888	1,041	924	1,730	1,508
Single-family	394	441	628	717	730	603	827	662	738	837	804	983	1,000
Multifamily (a)	59	32	4	61	102	162	309	619	150	204	120	747	508

(a) Multifamily permits include all structures with 2 or more units

(b) Permits issued from January 1, 2002 through September 30, 2002.

Source: HUD's State of the Cities Data System (SOCDS) Building Permits Data Base

Table 7.

Estimated Qualitative Annual Demand for
New Market Rate Sales Housing

Lubbock, TX HMA

October 2002 to October 2004

Number of Homes

<u>Sales Price Range</u>	<u>Single Family Detached</u>
\$0 to \$79,999	60
\$80,000 to \$149,999	960
\$150,000 to \$199,999	120
\$200,000 or more	60

Note: Sales of multifamily units are primarily to investors, and are predominately rental properties.

Source: Esitmates by Hud Analyst

New Market Rate Rental Housing

Lubbock, TX HMA

October 1, 2002 to October 1, 2004

Minimum Gross Rent (MGR) for typical new market rate construction by bedroom size.

	Bedroom Size			
	0 Br.	1 Br.	2 Br.	3+ Br.
Minimum Gross Rent	\$320	\$440	\$560	\$820
	Bedroom Size			
	0 Br.	1 Br.	2 Br.	3+ Br.
Demand at Monthly Gross Rent and Higher	20	195	185	30
Demand Starting at MGR	20	170	150	25
AT MGR + \$50 & HIGHER	15	150	140	20
AT MGR + \$100	15	140	120	20
AT MGR + \$150	10	110	100	20
AT MGR + \$200	0	90	80	15
AT MGR + \$250	0	70	60	10
AT MGR + \$300	0	55	50	10
AT MGR + \$400	0	0	0	0
AT MGR + \$500	0	0	0	0
AT MGR + \$600	0	0	0	0
AT MGR + \$700	0	0	0	0
AT MGR + \$800	0	0	0	0
AT MGR + \$900	0	0	0	0
AT MGR + \$1000 & ABOVE	0	0	0	0

Note: Distribution above is non-cumulative. Demand of less than 10 units is shown as Zero (0).

Source: Estimate by HUD Analyst