

## Local Economic Index Pushes Closer To Record Levels

November index rose to 130.3, up 7.2 percent from its 2011 level

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Construction activity, retail sales and vehicle purchases pushed the Lubbock Economic Index for November to within hailing distance of the index's record high.

The index for November rose to 130.3, up 7.2 percent from its November 2011 level, and within sight of the economic tracker's September 2008 peak of 131.6, according to figures released Monday by Lubbock National Bank, the index's sponsor.

According to the report, the Lubbock retail sector had its best November on record, with sales of \$247.3 million, up 4.8 percent from November 2011's sales. For the year to date, retail sales have totaled more than \$2.44 billion, 5.3 percent above 2011's pace.

Values on construction permits taken out in November totaled almost \$38.4 million, more than double the \$16.2 million in permits taken out a year earlier. For the first 11 months of the year, construction permit values total more than \$423 million, about 62 percent ahead of the same period in 2011.

"All the metrics we look at are close to double-digit growth," said James Arnold, LNB's executive vice president. "And unemployment is about as low as I've seen it."

Arnold said he expects December's index to pass the September 2008 mark, adding he believes local retailers bucked the national trend and finished the year strong.

He said the local economy seems to be drawing on several stimulants, including continued growth at Texas Tech and in Lubbock's medical district, and income from the continuing boom of the Cline Shale strike.

Arnold also noted that the local market may be in for some wage inflation in the months ahead as local employers try to retain workers who may be attracted to jobs at the heart of the Permian Basin oil boom.

Existing home sales are also on pace to finish strong, said Cade Fowler, executive officer of the Lubbock Association of Realtors. The association is scheduled to release its year-end sales results today.

"In November, we were looking at a 44 percent increase in sales from November 2011," Fowler said. "That shows how dismal last year was or how strong the market is this year."

He said the total dollar volume for the year is up more than 50 percent from 2011, and inventory has shrunk to a level where Lubbock is becoming a seller's market.

Beth Bridges, manager of South Plains Mall, said consumer purchasing seems to be stronger than last year, adding that people appear to be buying partly from pent-up demand and partly because the economy appears to be improving.