CARLSBAD NEW MEXICO
department of development

Carlsbad Housing Report
December 2022

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Executive Summary

Housing for Carlsbad/Eddy County plays a pivotal role in a variety of ways including the quality of life in our community, an increase of population, workforce growth and overall development of the future.

Simply put, for all levels of housing covered when the demand is high, but supply is low, prices rise. And of course, when there is a large supply available in a market, prices are lower. One thing that is consistent, residents need a place to live.

Our goal is to actively promote the community in order to increase housing opportunities in the area.

Highlights

- RV Park spaces have increased 87.73% from 2017 -2022.
- Man Camp units have increased 921.48% from 2017 -2022.
- Hotels continue to stay strong with an above market average in occupancy and ADR.
- Apartment supply increased 67.57% from 2017 -2022. Occupancy/Demand has hovered above 85% for 6 consecutive months.
- Home sales are normalizing. YTD 415 sold as of 10/26/22. In 2021 total sold 507.

Carlsbad and Eddy County are experience a continued housing shortage due to an influx of labor working in the oil and gas industry, in addition to a diverse and thriving economy.

Over the past 5 years since 2017, the upswing in oil and gas event during the 2 years of COVID has continued to thrive with the Delaware and surrounding basins.

Residential occupancy rates have continued to hover about 85% for apartment occupancies, and while the single-family home prices have increased the supply continues to fall short by approximately 300 houses at any given time.

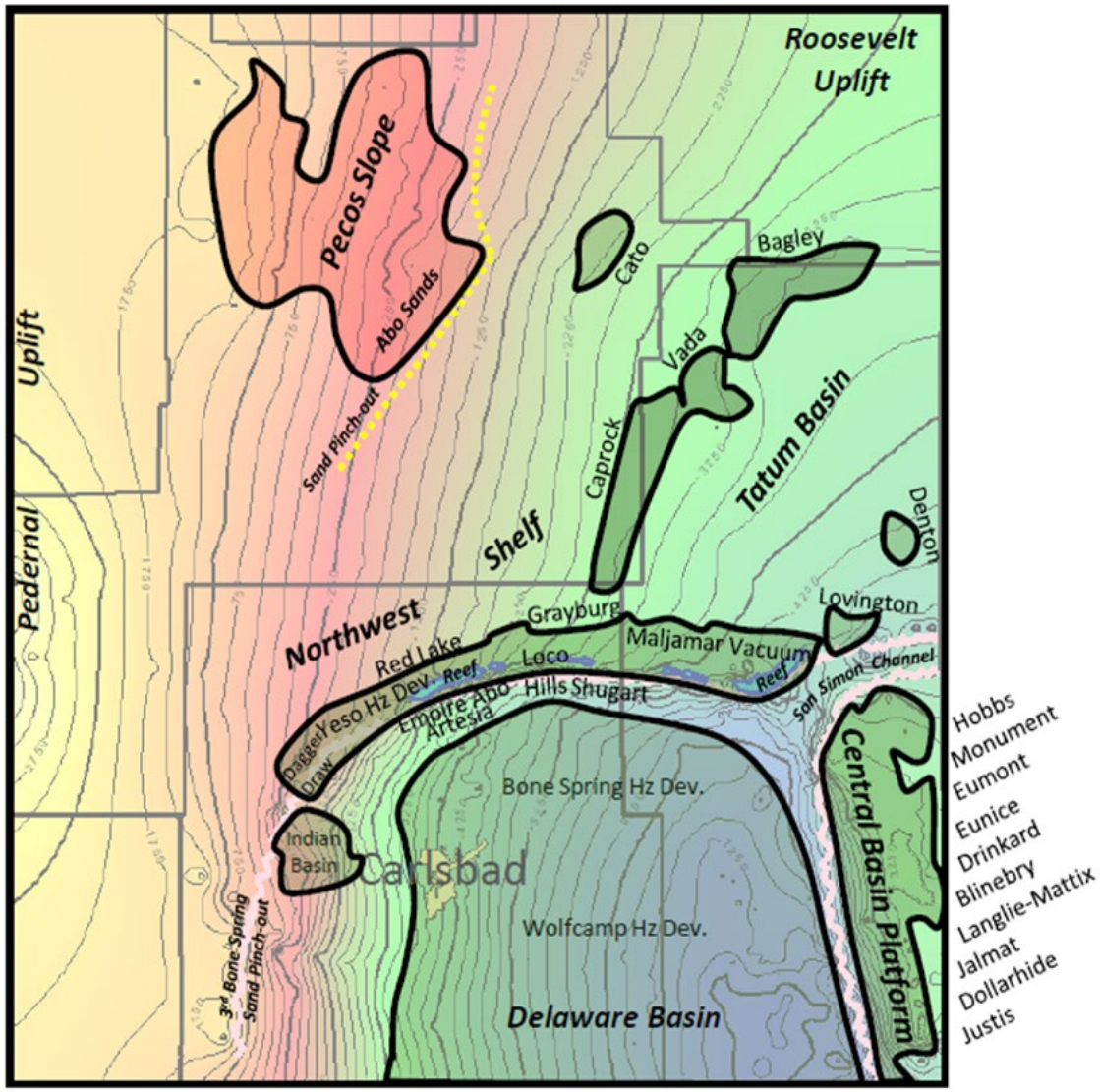
Eddy County unemployment rates in 2022 have stayed below 4.0% for over six months with the current 3.8% in September. Compared to 2021 over the same six months at 5.8%.

Hotels during the week experience a steady strong occupancy and high average daily rate. Temporary housing through man camps, RV Parks and Airbnb types continue to fill the supply needs in our area.

With the increase in oil and gas workforce active, this has also resulted in a surge in our population with the greater Carlsbad area population at approximately 86,660, and workers are living wherever they can find availability.

Affordable housing continues to be the strong hold need within Carlsbad/Eddy County and around the region.

Southeast New Mexico Geologic Features & Major Fields



Map Level: Abo (Shelf) 3rd Bone Spring Carbonate (Basin) SSTVD

*Data source, IHS, Santo

A Growing Market

Census Bureau Estimates
February 2022
Carlsbad, New Mexico

15 minutes or closer to Carlsbad: **43,255**

30 minutes or closer to Carlsbad: **62,314**

1 hour or closer to Carlsbad: **169,446**

Did You Know?

-Carlsbad and Eddy County are the fastest Growing areas in the state at a 15.8% rate

-Within one hour from the center of Carlsbad, over 169,446 people live, work, and play

-On average, over 600,000 people visit the Carlsbad Area on an annual basis

Water Usage Population Estimates

Using the Census Numbers Along With the New Mexico Environment Department's Drinking Water Bureau and New Mexico State Engineer Records, Here's the Estimated Population in Carlsbad's Market Area Based on Water Usage:

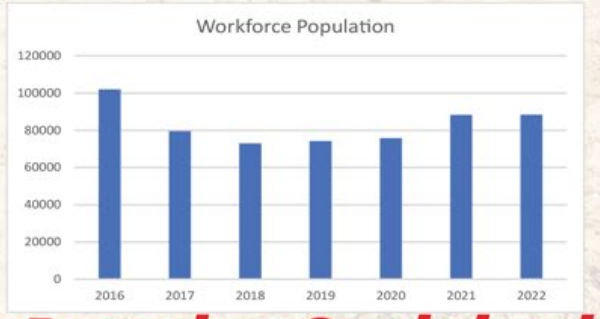
88,429

Estimated Population based on USGS NM OSE figures Using 98 Gallons per Capita per Day

86,660

Estimated Population based on NM OSE Reports Using 100 Gallons per Capita per Day

* Based on information from NM OSE Technical Reports, USGS, NM Environment Department, and NM State Engineer records



www.DevelopCarlsbad.org

Temporary Housing

Temporary housing complexes where traveling tradespeople stay while they're working on short-term jobs, such as oil pipeline construction, healthcare or resource development jobs. These modular housing units contain all the basic features of traditional living spaces, bedrooms, kitchen, bathroom.

Lodge Features

- Proximity to Project Sites
- Friendly and Professional Staff On Site 24/7
- Variety of Delicious Menu Options Hand-Crafted by Culinary-Trained Chefs
- 24/7 Grab-and-Go Food Options
- Twice Weekly Housekeeping Services
- Free Laundry Facilities
- Outdoor Fireplace
- Basketball Court
- Volley ball Court
- State-of-the-Art Fitness Room
- Recreation and Game Rooms
- Campus-Wide High Speed WiFi
- Controlled-Entry and Security
- 24/7 Safety Culture

GREAT ROOMS

- Technology enabled for fast and contact free check-in
- Brand new rooms with ultra highspeed Wifi, 150+ cable channels, and black out blinds

GREAT PRICE

- Best value in the Permian
- Attractive corporate rates and group discounts

airbnb

Man Camps 2022	Rooms	Address
Permian Lodging	245	412 Kircher St
Carlsbad Lodge - Target	606	4018 Iron Horse Rd
Ellipse Global Lodge & RV Park	144	26 Quahada Rd
Seven Rivers Lodge - Target	660	3401 Boyd Drive
Ironhorse Man Ranch	270	127 Carlgo St.
Karbani Inn	30	5204 National Parks
Armadillo Hotel Lodging	229	808 Kircher St
Lornhorn Flats (LOVING)	64	910 Willow St, Loving NM
Corporate Hospitality Housing (Loving)	510	103 East Oak Rd, Loving NM
Total Rooms	**2758**	

Man Camps 2017	Rooms	Address
Ironhorse Man Ranch	270	127 Carlgo St.
Total Rooms	**270**	

2017 RV Park Spaces 1174

2022 RV Park Spaces 2204

Estimated Growth/Spaces 1030

RV Park Spaces have increased 87.73% from 2017 -2022.

Average per night rental $45.00 or monthly at $520.

Hotels

Hotel - STR Participation Sheet 2022

Name of Establishment	City & State	Zip Code	Market	Class	Aff Date	Open Date	Rooms	Chg in Rms	Chg in Rms 1	Chg in Rms 2	Chg in Rms 3
Econo Lodge Carlsbad	Carlsbad,	88220	New Mexico South	Economy Class	May 2012	May 1970	112				
Hyatt House Carlsbad	Carlsbad,	88220	New Mexico South	Upscale Class	Aug 2020	Aug 2020	104	Y	104 (Aug'20)		
Home2 Suites by Hilton Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Dec 2020	Dec 2020	99	Y	99 (Dec'20)		
Quality Inn & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Midscale Class	Mar 2018	Mar 2018	53				
Candlewood Suites Carlsbad South	Carlsbad,	88220	New Mexico South	Midscale Class	Dec 2015	Dec 2015	81				
Sleep Inn & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Midscale Class	Apr 2015	Apr 2015	64				
La Quinta Inns & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Dec 2014	Dec 2014	96				
Comfort Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Oct 2014	Oct 2014	87				
TownePlace Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Mar 2015	Mar 2015	94				
Fairfield Inn & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Mar 2011	Mar 2011	91				
Hampton by Hilton Inn & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Nov 2010	Nov 2010	85				
Holiday Inn Express & Suites Carlsbad	Carlsbad,	88220	New Mexico South	Upper Midscale Class	Nov 2007	Nov 2007	80				
Economy Inn	Carlsbad,	88220	New Mexico South	Economy Class	Sep 1994	Sep 1994	26				
US Travelers Inn	Carlsbad,	88220	New Mexico South	Midscale Class	Apr 2010	Apr 1999	54				
Days Inn Carlsbad	Carlsbad,	88220	New Mexico South	Economy Class	Jan 1995	Jan 1995	50				
Executive Suites & Hotel	Carlsbad,	88220	New Mexico South	Midscale Class	Jul 2005	Jun 1993		-100	CLOSED		
Royal Manor Motel	Carlsbad,	88220	New Mexico South	Economy Class	Mar 1979	Mar 1979	27				
Carlsbad Inn	Carlsbad,	88220	New Mexico South	Economy Class	Dec 1969	Dec 1969	30				
Super 8 Carlsbad South	Carlsbad,	88220	New Mexico South	Economy Class	Mar 1996	Jun 1984	60				
National Parks Inn	Carlsbad,	88220	New Mexico South	Economy Class	Apr 2022	Jun 1983	58				
Great Western Inn & Suites	Carlsbad,	88220	New Mexico South	Midscale Class	Jun 1995	Jun 1969	107				
Parkview Motel	Carlsbad,	88220	New Mexico South	Economy Class	Jun 1991	Jun 1970	32				
Motel 6 Carlsbad	Carlsbad,	88220	New Mexico South	Economy Class	Jun 1970	Jun 1970	76				
Caverns Motel	Carlsbad,	88220	New Mexico South	Economy Class			52				
Stagecoach Inn	Carlsbad,	88220	New Mexico South	Economy Class	Jan 1979	Jan 1979	57				
Stevens Inn	Carlsbad,	88220	New Mexico South	Upscale Class	Jan 2017	Jun 1940	220				
MainStay Suites Carlsbad	Carlsbad,	88220	New Mexico South	Midscale Class	Nov 2020	Nov 2020	80	Y	80 (Nov'20)		
Baymont Carlsbad	Carlsbad,	88220	New Mexico South	Midscale Class		U/C	58	Not Opened			
					Total Properties:	27	2033				

Hotel – STR Chain Scale Segments

Class	Open Date	Rooms
Economy Class	May 1970	112
Economy Class	Sep 1994	26
Economy Class	Jan 1995	50
Economy Class	Mar 1979	27
Economy Class	Dec 1969	30
Economy Class	Jun 1984	60
Economy Class	Jun 1983	58
Economy Class	Jun 1970	32
Economy Class	Jun 1970	76
Economy Class		52
Economy Class	Jan 1979	57
Midscale Class	Mar 2018	53
Midscale Class	Dec 2015	81
Midscale Class	Apr 2015	64
Midscale Class	Apr 1999	54
Midscale Class	Jun 1969	107
Midscale Class	Nov 2020	80
Upper Midscale Class	Dec 2020	99
Upper Midscale Class	Dec 2014	96
Upper Midscale Class	Oct 2014	87
Upper Midscale Class	Mar 2015	94
Upper Midscale Class	Mar 2011	91
Upper Midscale Class	Nov 2010	85
Upper Midscale Class	Nov 2007	80
Upscale Class	Aug 2020	104
Upscale Class	Jun 1940	220
	26	**1975**

*Baymont & Best Western Plus – Coming Soon (136 rooms)

Chain Scale Segments:
Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent

Carlsbad Chain Scale Segments

11	Economy
6	Midscale
7	Upper Midscale
2	Upscale

Hotel occupancy mid-week trends above 90% with weekends softer. ADR still high and above average for market comparisons.

Apartments

Palomar Modular Buildings
1,385 followers
1mo •

We work with developers on projects ranging from small cost-effective apartment buildings to expansive multi-building apartment complexes your tenants will be delighted to call home. Learn more https://hubs.la/Q01nd50N0

Average Monthly Rent November 2022

- 1 Bedroom $1,060.
- 2 Bedroom $1,380.
- 3 Bedroom $1,600.

Apartment size ranges from 613-1550 sq ft.

Apartment 2022	# of Units	Address
Arrowstone	132	806 S Hidalgo Rd
Avalon	176	1907 San Jose Blvd
Cavern City	120	301 W Chapman Rd
Cielo Vista	51	601 W Orchard Ln
Church Street	21	Church Street
Colonial Hillcrest	76	604 N 5th St
Copper Ridge	24	900 Lamont St
Copperstone	448	1101 Callaway Dr #2205
Gray Hawk	8	107 Kircher St
La Posada	12	710 Hueco St
Lea Street	14	511 W. Lea St
Mesa Grande	72	4601 Forrest Dr
Northbrook	10	1018 Lamont St
Pecos Vista	204	780 W Cherry Ln
River Oaks	38	210 W Riverside Dr
Riverwood	50	506 W Orchard Ln
Sun Village	11	609 N Alameda St
The Villages at Carlsbad	144	3821 National Park Hwy
Tia Maria	40	1902 W Church St
Vista Del Rio	112	1300 N Pate St
Vista Del Sol	48	1002 N Mesa St
Yucca Flats	34	711 Tierra Del Sol St
2022 total units	**1845**	
2017 total units	**1101**	

Single Family Home Supply, Building Material Challenges & Demand

Single-Family homes in 2017
8,446

Single Family homes in 2022
9,391

*Data source City of Carlsbad, NM Planning and Zoning Dept, includes Carlsbad City Limits only

National Association of Home Builders
185,803 followers
5h •

Led by a drop in softwood lumber and steel prices, overall building material prices fell in September, except for ready-mix concrete, which continues to grow rapidly. And while gypsum prices edged lower last month, they are up more than 20% ove the past year. http://ow.ly/jBc450LarI7

Overall Building Material Prices Down in September, but Concrete Keeps Rising

Here's what happens to #housing as interest rates rise.

Jan 2022 >> Household can afford a $400K home ($1,784 PMT)

Oct 2022 >> Household can afford $274K home ($1,784 PMT)

That's a 32% hit to purchase power in less than one year. Talk about a shock to #realestate pricing fundamentals

Our team at John Burns Real Estate Consulting is navigating through these waters with clients.

realtor.com
To each their home.

HOUSING FORECAST 2022 UPDATE

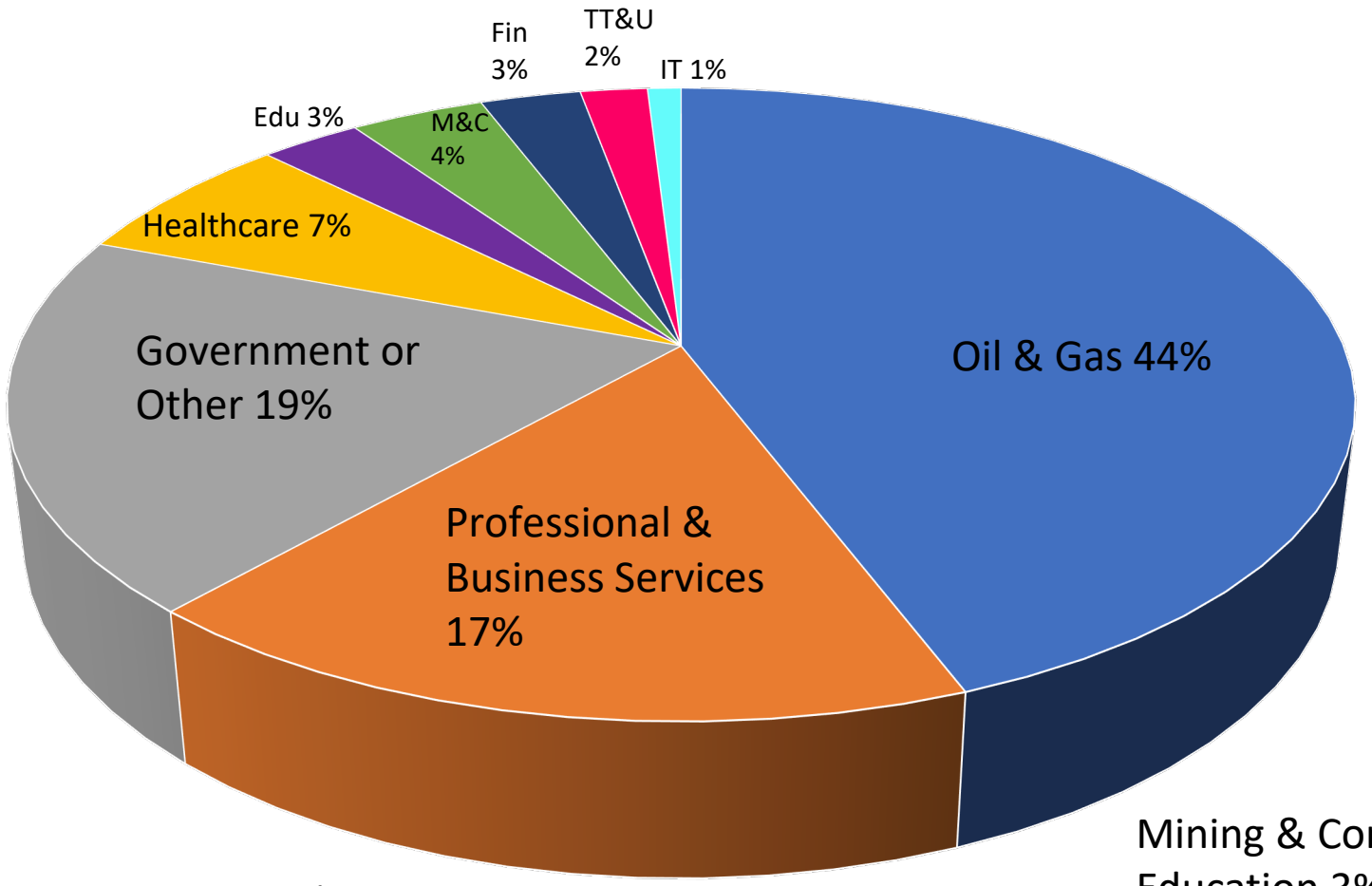
Danielle Hale
Chief Economist, realtor.com®

Realtor.com® National Housing Forecast Update 2022: A Moderating Housing Market Means More Options for Home Shoppers

- Mortgage rates have been revised upward to reflect the major shift in monetary policy and financial conditions over the last 6 months; in the second half of 2022, we expect a continued climb at a more modest pace, which means that rates hit 5.5% by year-end
- Going forward, home price growth cools, but it has remained hotter for longer than originally anticipated leading to an upwardly revised projection of 6.6% home price growth for 2022
- Home sales slow, shifting our original 2022 growth expectations to a decline of 6.7%. While we now forecast a notable step down from 2021, home sales on par with these projections would mean that 2022 sales are the 2nd highest tally since 2007, trailing only 2021.
- The number of homes for sale grows more than originally projected. The growth is driven by a combination of more sellers and a slowing home sales pace.

Source: Opticos Design

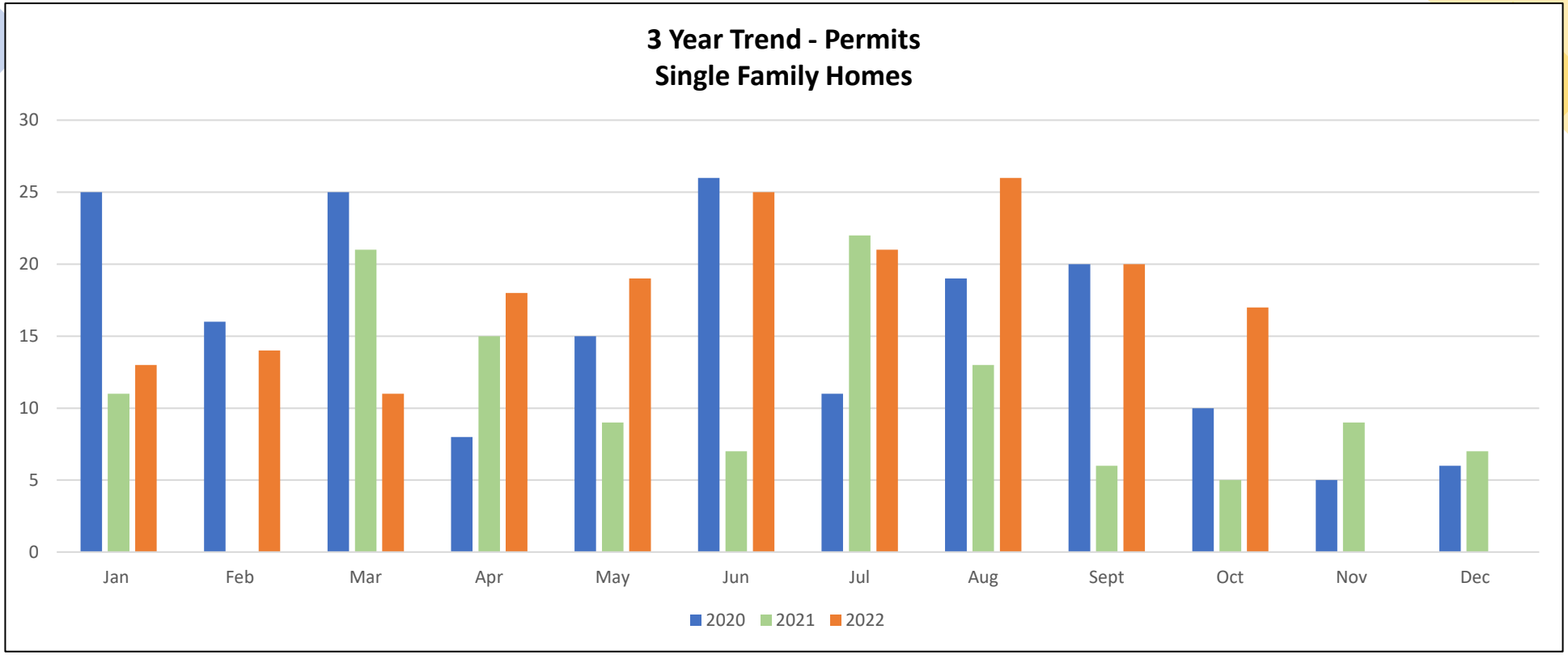
Single Family Home Purchases by Industry January 1 – June 30, 2022



Oil & Gas 44%
Professional & Business Services 17%
Government or Other 19%
Healthcare Services 7%

Mining & Construction 4%
Education 3%
Financial 3%
Trade/Transportation & Utilities 2%
Information/Technology 1%

*source survey CDOD local bank participation



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
2020	25	16	25	8	15	26	11	19	20	10	5	6	186
2021	11	0	21	15	9	7	22	13	6	5	9	7	125
2022	13	14	11	18	19	25	21	26	20	17			167

*Data source, City of Carlsbad, NM Planning & Zoning Dept.

Data provided below was requested by an out-of-town developer and investor. This data is used as a tool more frequently in larger markets.

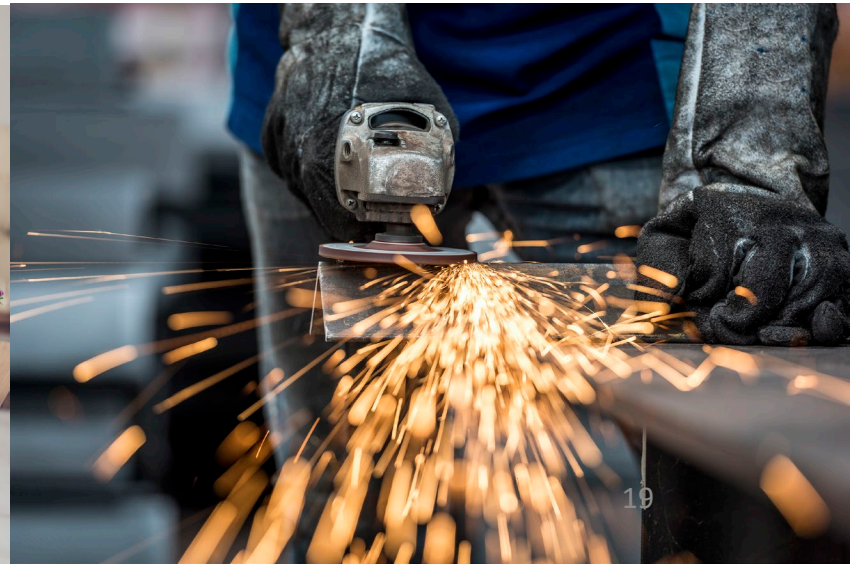
The Employment Growth to Permit Ratio (E/P Ratio) **looks at the number of permits being pulled per new job**. The general rule of thumb is a ratio of 1:1 is equilibrium; less than 1:1 indicates oversupply, while over 1:1 may indicate under supply.

Jobs	
Q1 2021	27,907
Q1 2022	28,960
Added	1,053

E/P Ratio = 175.1

Single Family Home Permits	
Q1 2021	32
Q1 2022	38
Added	6

*Data source, City of Carlsbad, NM Planning and Zoning Dept and NM Workforce Solutions



Average Home Price Per Square Foot

2022	PPSF
Jan - Mar	$139.46
April - Jun	$146.58
July - Sept 6	$141.71

2021	PPSF
Jan - Mar	$137.50
April - Jun	$141.07
Jul - Sept	$138.85
Oct - Dec	$137.17

10-year Trend Report (as of November 1, 2022)

2022 total sales :422	average price: $265,698	median	$255,000
2021 total sales: 507	average price: $258,623	median	$251,300
2020 total sales: 550	average price: $260,230	median	$255,013
2019 total sales: 515	average price: $242,213	median	$232,500
2018 total sales: 587	average price: $209,438	median	$197,000
2017 total sales: 470	average price: $190,665	median	$175,000
2016 total sales: 387	average price: $176,460	median	$160,000
2015 total sales: 459	average price: $178,469	median	$168,000
2014 total sales: 429	average price: $178,021	median	$161,000
2013 total sales: 354	average price: $160,284	median	$143,750

*Data source, Stacey Blackmon, Century 21, Carlsbad, NM

	Projected Need*	**Residential Building Permits Pulled****	**Deficit**
Eddy County Housing Units Needed 2010-2014	2,687-2,902	1,508	1,179-1,394
Eddy County Housing Units Needed 2015-2020	5,961-6,286	608	5,353-5,678
Total Units Needed by 2020	**8,648-9,188**	**2,116**	**6,532-7,072**

Source:*Greater Carlsbad Housing Analysis & Strategic Plan, Sites Southwest, 2009; City of Carlsbad Housing Analysis and Strategic Plan Update, Sites Southwest, 2015. **City of Carlsbad Building Permit Data 2010-2017

Workforce Supply & Housing Demand

Workforce Population Comparisons

Average Employment, by Industry, for Eddy County								
Industry	Industry Code	Average Employment			Month over Month Change, Q4 2021 - Q1 2022		Year over Year Change, Q1 2021 - Q1 2022	
		Q1 2022	Q4 2021	Q1 2021	#	%	#	%
Total, All Industries	00	28,960	29,642	27,907	-682	-2.3%	1,053	3.8%
Agriculture, Forestry, Fishing and Hunting	11	320	355	359	-35	-9.9%	-39	-10.9%
Mining, Quarrying, Oil and Gas	21	5,750	6,086	5,937	-336	-5.5%	-187	-3.1%
Utilities	22	479	463	469	16	3.5%	10	2.1%
Construction	23	2,642	2,990	2,543	-348	-11.6%	99	3.9%
Wholesale Trade	42	675	626	549	49	7.8%	126	23.0%
Information	51	206	211	187	-5	-2.4%	19	10.2%
Finance and Insurance	52	471	482	484	-11	-2.3%	-13	-2.7%
Real Estate and Rental and Leasing	53	508	515	507	-7	-1.4%	1	0.2%
Professional, Scientific, and Technical Serv	54	1,265	1,214	1,182	51	4.2%	83	7.0%
Management of Companies	55	117	123	124	-6	-4.9%	-7	-5.6%
Administrative & Support, Waste Management, Remediation Services	56	1,457	1,456	1,518	1	0.1%	-61	-4.0%
Educational Services	61	2,064	2,050	1,873	14	0.7%	191	10.2%
Health Care and Social Assistance	62	2,475	2,448	2,424	27	1.1%	51	2.1%
Arts, Entertainment, and Recreation	71	223	232	171	-9	-3.9%	52	30.4%
Accommodation and Food Services	72	2,377	2,382	1,970	-5	-0.2%	407	20.7%
Other Services (except Public Admin)	81	830	862	652	-32	-3.7%	178	27.3%
Public Administration	92	1,245	1,279	1,251	-34	-2.7%	-6	-0.5%

Ownership: Aggregate of all types. Source: QCEW

Oil and gas minus the mining and quarrying (estimated*)	2111, 2131	5,100	5,436	5,287	-336	-6.2%	-187	-3.5%

*Estimate based on approximate mining/quarrying employment subtracted out

Does not count the ~20% transient workers from Texas and other states that are living here

WIPP falls under several industry categories, Administrative & Support, Waste Management

*Data source NM workforce solutions

2021 Census Estimate Demographics	
Age:	Percent of Whole
Children (0 to 18)	33.6
Adults (18 to 64)	51.6
Seniors (64 and older)	14.8
	100.0
Sex:	
Men	51.0
Women	49.0
Racial:	
White Alone (Hispanic and non-Hispanic)	92.3
Black or African American Alone	2.1
Native American Alone	2.6
Asian Alone	1.0
Two or more races	1.8
White Breakdown:	
White alone	43.5
Hispanic or Latino	52.2

*Data source 2021 Census, NM workforce solutions

Conclusion

The goal of the housing report and the local development position efforts are to continue to drive progress in the market. Stay updated with trends, promote housing development interests with developers, investors and builders to our community. In addition, assist developers and the city identify areas of residential development interest that need city infrastructure market opportunities and incentives to regional developers in order to increase housing supply for growing workforce in Carlsbad/Eddy County.

Another ongoing effort in order to provide data for the housing report includes attending regional housing industry trade shows with a targeted booth promoting our community & county as a great place to develop housing, especially affordable and multifamily housing, online industry platform engagement as needed. Facilitate communication between potential developers and City Planning Department officials. Continue to measure the temporary housing supply, demand and growth accordingly. Identify if there are any supply gaps including affordable single & multi family homes, condos, duplexes, mixed use of commercial and residential dwelling space.

Understanding the future pipeline of the next generation home buyers and renters is also important as we look to the future. Promoting Carlsbad/Eddy County as a well-rounded community to live work and play!