

CARLSBAD NEW MEXICO
department of development



CARLSBAD HOUSING REPORT
SEPTEMBER 30, 2023



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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 94% from 2017 -2023***
- ***Man Camp units have increased 921.48% from 2017 -2023***
- ***Hotels continue to stay strong with an above market average in occupancy and ADR***
- ***Apartment supply increased 67.57% from 2017 -2022, with new phases rolling out in 2023.***
- ***Occupancy/Demand has hovered above 85% in 2023***
- ***Home sales are normalized in 2022 with a total of 497***

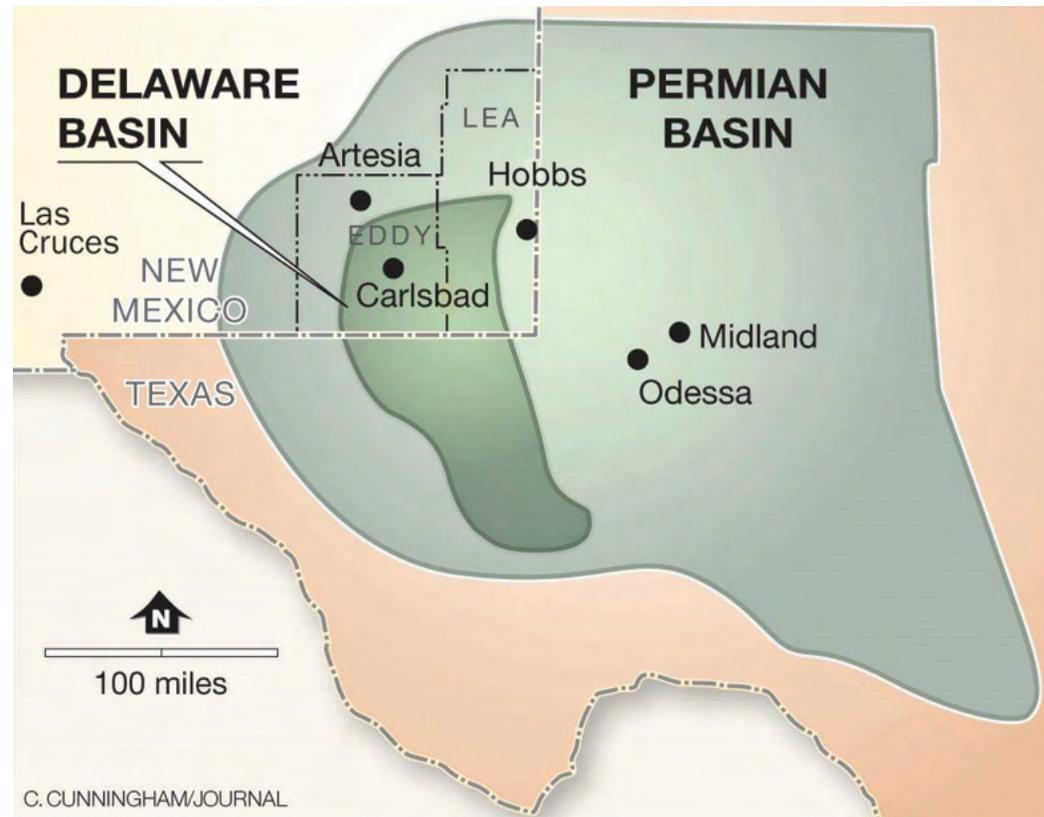
Carlsbad and Eddy County are experiencing a continued housing shortage due to the federal interest rate as well as an influx of labor working in the oil and gas industry, in addition to a diverse and thriving economy.

Since 2018, oil and gas has been in an upswing and has continued to thrive with the Delaware and surrounding basins.

Residential occupancy rates have continued to hover at about 90% for apartment occupancies, and the single-family home prices have increased, while supply continues to fall short with only having around 70-80 houses on the market at any given time.

Eddy County unemployment rates YTD in 2023 have stayed below 3.3% over seven months with the current 2.8% in August. Compared to 2022, over the same eight months at 4.8%. 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 activity, 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 biggest hold need within Carlsbad/Eddy County and around the region.



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**

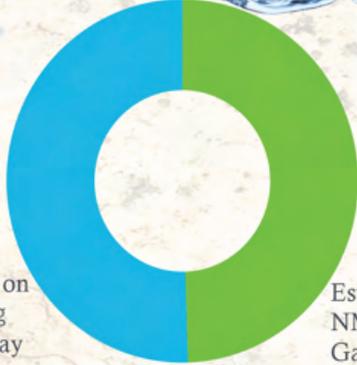
Did You Know?

- ? ? -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:

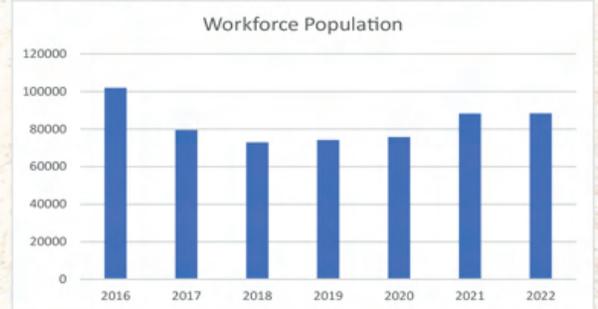


88,429  **86,660**

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

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, kitchens & bathrooms.

Man Camps 2023	Rooms	Address
<i>Permian Lodging</i>	245	412 Kircher St
<i>Carlsbad Lodge - Target</i>	606	4018 Iron Horse Rd
<i>Ellipse Global Lodge & RV Park</i>	144	26 Quahada Rd
<i>Seven Rivers Lodge - Target</i>	660	3401 Boyd Dr
<i>Ironhorse Man Ranch</i>	270	127 Carlgo St
<i>Karbani Inn</i>	30	5204 National Parks
<i>Armadillo Hotel Lodging</i>	229	808 Kircher St
<i>Longhorn Flats (Loving)</i>	64	910 Willow St, Loving NM
<i>Corporate Hospital Housing (Loving)</i>	510	103 Eat Oak Rd, Loving NM
	<i>Total 2758</i>	

***Update: Ponderosa Subdivision is underway, this has 3 large parcels of land as well as a 16 unit employee housing complex to the west of the commercial lots on Boyd Dr. This project is still in early stages.**

RV PARKS

RV Parks 2023	Spaces	Address
AOK	86	2700 E Greene St
Bar Ranches RV Ranch	25	4327 Grandi Rd
Bud's Place (Clear Skies group)	111	900 Standpipe Rd
Bonnie and Clyde's Getaway	40	4154-2 7 Rivers Hwy
Carlsbad & Windmill RV Parks	210	4301 National Parks Hwy
Country RV Park	20	2007 Connie Rd
Cowboys Country	150	4120 Cowboy S Country Rd
Coyote Flats	334	4110 Mescalero St
Dark Canyon	175	1211 W Rose St
Deer Meadow	32	1517 Standpipe Rd
El Dorado (Clear Skies Group)	102	3022 National Parks Hwy
Galaxy RV Park	40	2915 Connie Rd
Gateway RV Park	61	121 Kircher St
Horseshoe Creek	266	2021 San Jose Blvd
KOA - Camping	12	2 Manthei Rd #285
Lakewood	30	Lakewood Rd, Lakewood NM
Old Hayfield	42	2431 Derrick Rd
Pecos River	18	320 E Greene St
Sands RV Park	115	2409 Greene St
Southwest RV Park Location 1	30	308 E Orchard Ln
Southwest RV Park Location 2	50	908 N Main St
Southwest RV Park Location 3	20	1708 N. Canal
Southwest RV Park Location 4	Unknown	1801-2 Mission Ave
Sun West (Clear Skies Group)	180	4219 Boyd Dr
Taylor RV Park	36	1012 Airport Ave
WW RV Parks 1	54	902 Del Rio St
WW RV Parks 2	54	600 Kircher St
WW RV Parks 3	54	712 Kircher St
	Total: 2405	

HOTELS

*Hotel occupancy ratings stay consistent at an average 78.6% this year so far through August.
ADR still high and above average for market comparisons.*



HOTELS

CHAIN SCALE SEGMENTS

14 ECONOMY

6 MIDSCALE

10 UPPER MIDSCALE

3 UPSCALE

Hotels update:

Baymont by Wyndham is now open.

This hotel has 58 units.

Best Western Plus is now also open.

This hotel has 78 units.

Company	# of Rooms	Opening Date
Baymont by Wyndham	58	TBD
Best Western Plus	78	TBD
Candlewood Suites	81	2015
Carlsbad Inn	30	1969
Caverns Motel of Carlsbad	52	
Comfort Inn & Suites	87	2014
Days Inn by Wyndham	50	1995
Econo Lodge	112	1970
Economy Inn	26	1994
Fairfield Inn by Marriott	91	2011
Fiddler's Inn Bed and Breakfast	6	
Great Western Inn & Suites	107	1969
Hampton Inn	85	2010
Home 2 Suites	99	2020
Holiday Inn Express	80	2007
Hyatt House	104	2020
La Fonda Motel	14	
La Quinta Inn & Suites	96	2014
MainStay Suites by Choice Hotels	80	2020
Motel 6	76	1970
National Parks Inn	58	1983
Parkview Motel	32	1970
Post Time Inn	40	2020
Quality Inn & Suites	53	2018
White's City Cavern Inn	60	1962
Royal Manor	27	
Sleep Inn	64	2015
Stagecoach Inn	57	1979
Steven's Inn	220	1940
Super 8 Motel	60	1984
TownPlace Suites by Marriott	94	2015
Trinity Hotel	9	2007
U.S. Travelers Inn & Suites	54	
Total Hotels/Motels = 32		
Total Rooms	2240	

APARTMENTS

Apartments List:

Company	# of Units	Address
Arrowstone Apartments	132	806 S Hidalgo Rd
Avalon Apartments	112	1907 San Jose Blvd
Cavern City Apartments	120	301 W Chapman Rd
Cielo Vista Apartments	49	601 W Orchard Ln
Colina Vista	76	604 N 5th Street
Copper Ridge	24	900 Lamont St
Copperstone	347	1101 Callaway Dr #2205
La Posada	12	710 Hueco St
Mesa Grande	72	4601 Forrest Dr
Northbrook	20	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
Greyhawk Apartments		107 Kircher St
Yucca Flats	34	711 Tierra Del Sol St
Total: 22 Facilities	1645	

Apartments Updates:

Arrowstone Apartments Phase 2 is underway. This will create an additional 100 new residential apartment units. Permits have been issued and work is underway.

Cavern City Apartments created 120 apartment units. They are in the early stages of Phase 2 as well.

Occupancy Ratings hold in the mid-upper 90th percentile range month after month.



APARTMENTS

***Average Monthly Rent
September 2023***

1 Bedroom - \$1175

2 Bedroom - \$1355

3 Bedroom - \$1855

Apartment sizes range from 613-1550 sq ft.



SINGLE FAMILY HOMES

Single family homes in the last 5 years have been on the rise due to Carlsbad's demand. These prices show the median prices and price per square foot from 2018 until year to date, August 31, 2023.

Single Family homes in 2018 - \$200,000

Single Family homes in YTD 2023 - \$275,000

Single Family homes, price per square foot in 2018 - \$118

Single Family homes, price per square foot in 2023 - \$157

Number of Single Family Homes in 2018 - 587

Number of Single Family Homes in 2023 - 312 as of 8/31/23

*Median Home Pricing Source: New Mexico Association of Realtors // Price per Square Footage Source: Fred Source Data, St. Louis Fed
Market Trends and Units Sold provided by Dunagan Associates*

BUILDING PERMITS

Residential building permits are a combination of residential and homeowner categories for building. The number of renovating permits per month are a combination of multiple types such as electrical, plumbing and mechanical.

Residential Building Permits

<i>January</i>	<i>39</i>
<i>February</i>	<i>36</i>
<i>March</i>	<i>56</i>
<i>April</i>	<i>67</i>
<i>May</i>	<i>62</i>
<i>June</i>	<i>68</i>
<i>July</i>	<i>63</i>

Residential Renovating Permits

<i>January</i>	<i>63</i>
<i>February</i>	<i>92</i>
<i>March</i>	<i>92</i>
<i>April</i>	<i>83</i>
<i>May</i>	<i>109</i>
<i>June</i>	<i>95</i>
<i>July</i>	<i>47</i>

Information sourced from the City of Carlsbad website, cityofcarlsbadnm.com.

SINGLE FAMILY HOMES

Year End Data 2017 vs 2022

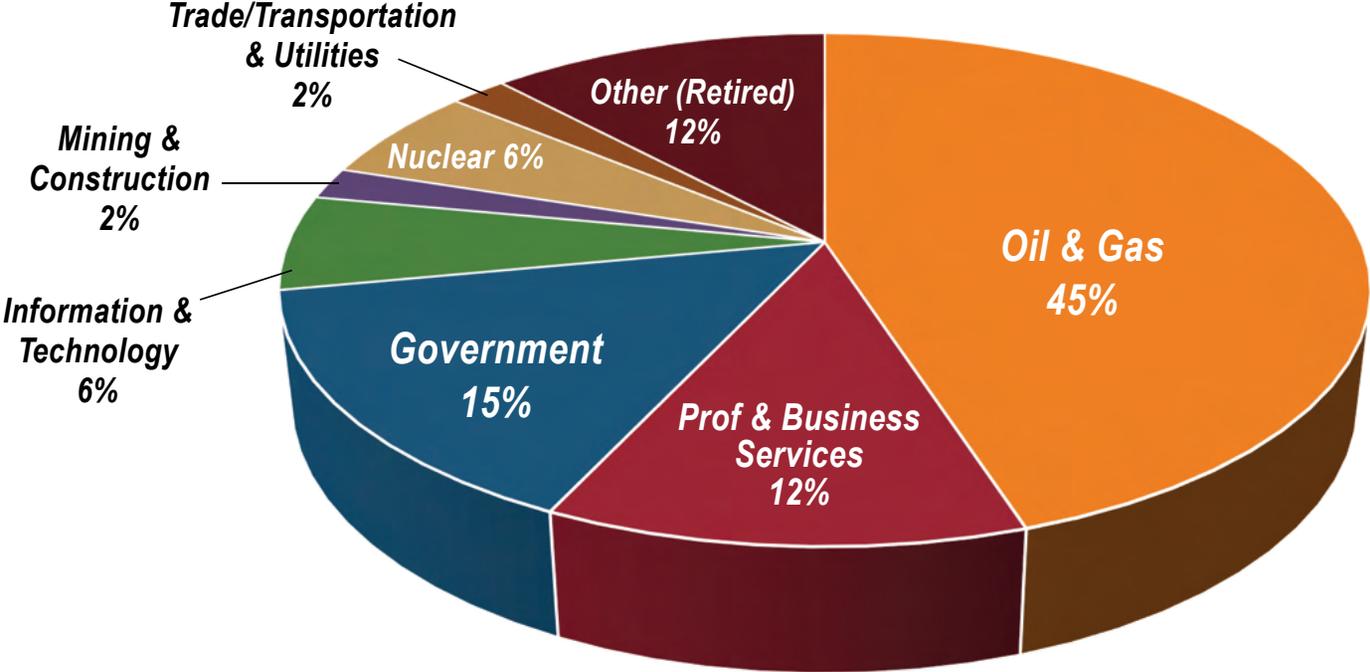
	2017	2022
NUMBER OF HOMES SOLD	506	497
SALES VOLUME	\$130,682,117	\$132,841,575
AVERAGE PRICE HOME	\$258,265	\$267,276
MEDIAN PRICE HOME	\$251,150	\$255,000
RESIDENTIAL INVENTORY OF HOMES	108	124

Year End Data provided by Dunagan Associates.

Above based upon statistical data compile and reported by Carlsbad Multiple Listing (MLS), Carlsbad Board of Realtors for the period December 31, 2017 to December 31, 2022. Neither the board nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the board or its MLS may not reflect all real estate activity in the market.

SINGLE FAMILY HOME MORTGAGE BY INDUSTRY

Year to Date - September 2023



- 45% ■ Oil & Gas
- 15% ■ Government
- 2% ■ Mining & Construction
- 2% ■ Trade/Transportation & Utilities
- 12% ■ Professional & Business Services
- 6% ■ Information/Technology
- 6% ■ Nuclear
- 12% ■ Other (Retired)

Single Family Home Mortgage by Industry - YTD provided by Western Commerce Bank. This is a snap shot of one bank's data, and may not reflect all other mortgages.

MEDIAN INCOME AND WAGES

Median Income in 2021 for Earnings, Household Income, and Education Levels

	<i>Median Earnings</i>	<i>Median Household Income</i>
<i>Eddy County</i>	\$39,271	\$67,759
<i>New Mexico</i>	\$31,889	\$54,020
<i>United States</i>	\$38,732	\$69,021

United States Earnings by Educational Attainment Level and Sex

	<i>Men</i>	<i>Women</i>	<i>Total</i>
<i>Less Than High School</i>	\$28,102	\$16,518	\$22,328
<i>High School/Equivalent</i>	\$34,492	\$24,050	\$29,716
<i>Some College/ Associates</i>	\$41,670	\$29,551	\$34,373
<i>Bachelor's Degree</i>	\$54,571	\$43,146	\$48,063
<i>Graduate or Professional Degree</i>	\$84,672	\$59,603	\$67,285

Data Source: New Mexico 2023 State of the Workforce by NM Department of Workforce Solutions

CENSUS ESTIMATE DEMOGRAPHICS

2017 vs 2022 in New Mexico

Race & Ethnicity:

White

2017

2022

82.1%

81.1%

Black/ African American

2.5%

2.7%

Native American

10.9%

11.2%

Asian

1.7%

2.0%

Native Pacific Island

.2%

.2%

Multi-race (2+ races)

2.5%

2.8%

Hispanic

48.8%

50.2%

Non Hispanic

51.2%

49.8%

Median Age 2022

Eddy County

35.7

New Mexico

39.0

United States

38.9

DEVELOPMENT UPDATES

- ***Arrowstone Apartments Phase 2 - Located at the intersection of Hidalgo Rd. and Boyd Dr. This will create 100 new residential apartment units. Permits have been issued and work is underway.***
- ***Carlston Ranch Subdivision - Located south of Derrick Rd. on the east side of National Parks Hwy. The developer has submitted preliminary drawings for two residential subdivisions that would create 310 residential lots for sale. These plans are in the early development stages.***
- ***Cavern City Apartments - Beginning stages of Phase 2 on Chapman Rd.***
- ***Cielo Lindo Subdivision Phase 2A - Completed with 33 new homes. There are 70 lots in total, but no plans for the next phase will be considered until 2025.***
- ***Copperstone Apartments - Phase 3, this was a small exclusive phase with 6 homes, all under contract.***

DEVELOPMENT UPDATES CONTINUED

- *Martin Farms - Phase 4 is well underway with 64 lots with 17 under contract. Phase 5 is in the very early stages.*
- *Oasis Subdivision - Phases 1 and 2 are now complete and added 221 new residential lots/homes. They are now working on Phase 3. This project will create 290 new single family residential lots when complete.*
- *Ridgecrest Subdivision - 11 lots are in the process of being developed. Houses are being built. More phases of the project will come in the future.*
- *Skyline Drive Residential Subdivision Phase 2 - This property is approximately 96 acres in size, and the developers plan to build up to 40 single family residential lots as well as an additional 20 commercial lots to be placed along W. Pierce St. Planning continues.*
- *Who Who Drive Subdivision - Located on the corner of N. Guadalupe, it has 5 residential lots. It currently has one home under construction.*

CONCLUSION

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. The demand continues to be a high driving factor in housing development.

The goal of this housing report give developers, investors and builders an inside look into the supply and demand chain of Carlsbad, to showcase data of the variety of housing options. Secondary to this, to educate Carlsbadians on where we can help our housing market improve, and actively promote the community in order to increase housing opportunities in the area.

The position of the Local Development Coordinator is to drive progress to the Carlsbad housing market. The housing report is an important part of this to show what areas need attention the most, and where we can focus resources. One of the main ways the Local Development department helps Carlsbad's housing market, on top of the housing report, is to attend regional housing industry trade shows emphasizing our community and county as a great place to invest and develop. We focus mainly on multifamily and affordable housing projects there. Then on the local side, the department assists the developers and city identify areas of residential opportunity. We help with the needs of infrastructure's market opportunities and incentives to the regional developers in order to increase housing supply for growing workforce in Carlsbad and Eddy County.



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