



**COLDWELL BANKER**

TRUSTED ADVISORS

PROPERTY MANAGENT

# 2024 END OF YEAR SFH RENTAL REPORT

# PREDICTIONS FOR THE 2025 LUBBOCK RENTAL MARKET

- It will be easier to navigate these familiar waters. Don't expect much to change.
- We can expect rental rates to increase and days on the market to fall in the middle of the year. Then, rents will fall, and days on the market will increase around mid August.
- Inventory levels will likely mirror 2024.
- Same Level of Demand - Rental demand will not increase without some other exterior factor, like even higher interest rates, lending guidelines becoming more strict, or sudden population growth. All of these seem unlikely.

**OSCAR ARMENDARIZ**

COLDWELL BANKER RESIDENTIAL PROPERTY MANAGEMENT  
DEPARTMENT HEAD



# 2024 RESIDENTIAL HOME SALES

## Average, Median, Low and High Statistics

	Bdrms	Baths	Sq. Ft.	Original List Price	List Price	Sold Price	List Price per SqFt	Sold Price per SqFt	Sold / List Ratio*	Sold / Original List Ratio*	DOM / CDOM	Price Change \$
Average	3.3	2.3	1,953	\$1,425,936	\$287,135	\$280,850	\$140	\$137	97.65%	95.87%	44 / 44	\$-14,164 (-5.13%)
Median	3	2	1,760	\$240,000	\$235,000	\$230,000	\$139	\$136	98.96%	97.46%	26 / 26	\$-10,000 (-3.91%)
Low	1	1	416	\$2,500	\$2,500	\$2,500	\$1	\$1	55.56%	46.67%	- / -	\$-490,000 (-50%)
High	7	8	8,478	\$825,500,000	\$2,300,000	\$2,300,000	\$625	\$572	168.22%	168.22%	1,038 / 1,038	\$200,000 (67.2%)
Volume	-	-	-	\$5,812,114,193	\$1,170,363,533	\$1,144,745,172	-	-	-	-	-	-
Listings	4,076	4,076	4,076	4,076	4,076	4,076	4,076	4,076	4,075	4,057	4,076	1,465

\*Listings with ratios below 50% or above 200% are omitted from ratio columns

## 2024 VS 2023 EOY Comparison

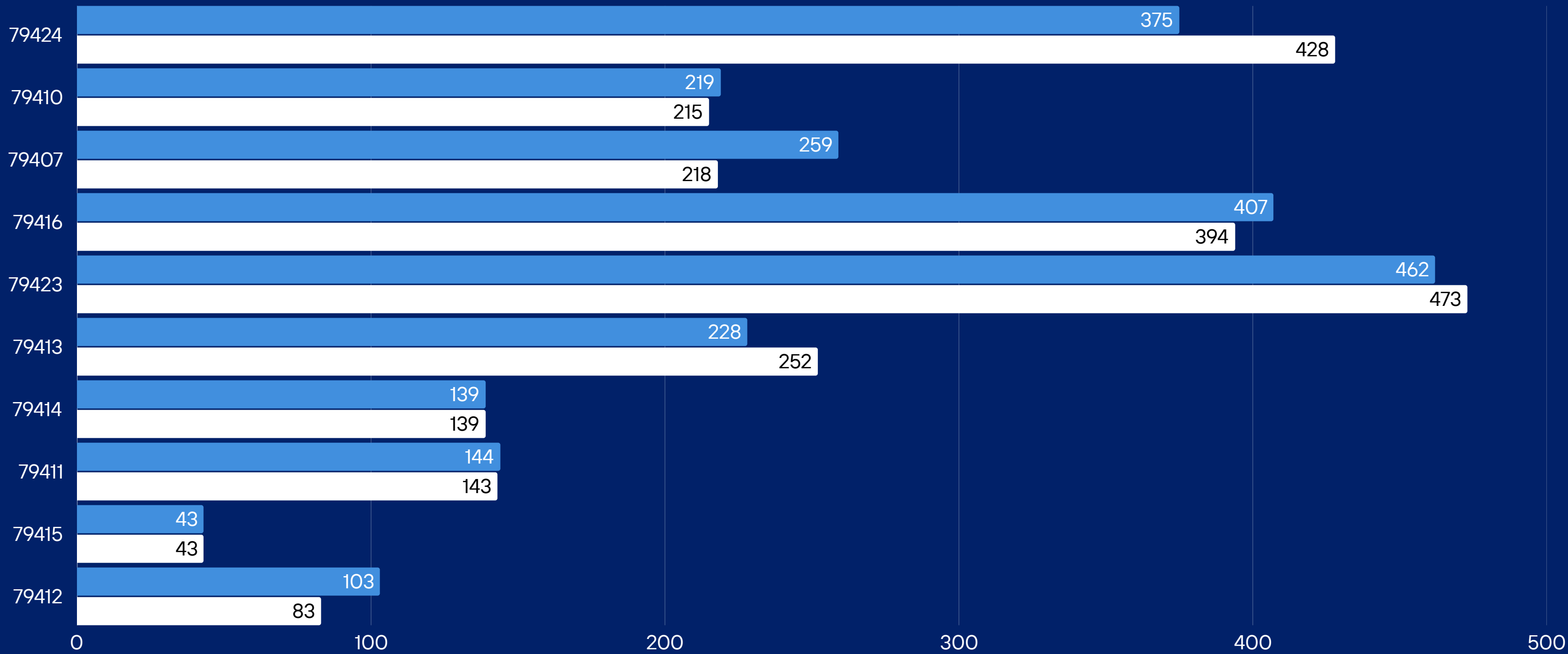
	2024	2023	Change Over Year
Total Count	2771	2728	1.58%
1 Bed	180	167	7.78%
2 Bed	622	629	-1.11%
3 Bed	1664	1644	1.22%
4 Bed	288	278	3.60%
	2024	2023	Change Over Year
Total Count	2771	2728	1.58%
Average Rent	\$1,397.00	\$1,391.00	0.43%
Avg Dpsqft	\$1.00	\$1.02	-1.96%
Average DOM	57	56	1.79%
Average Age	1986	1986	0.00%
Average Sq Ft	1400	1398	0.14%

# 2024 EOY BY ZIP CODE

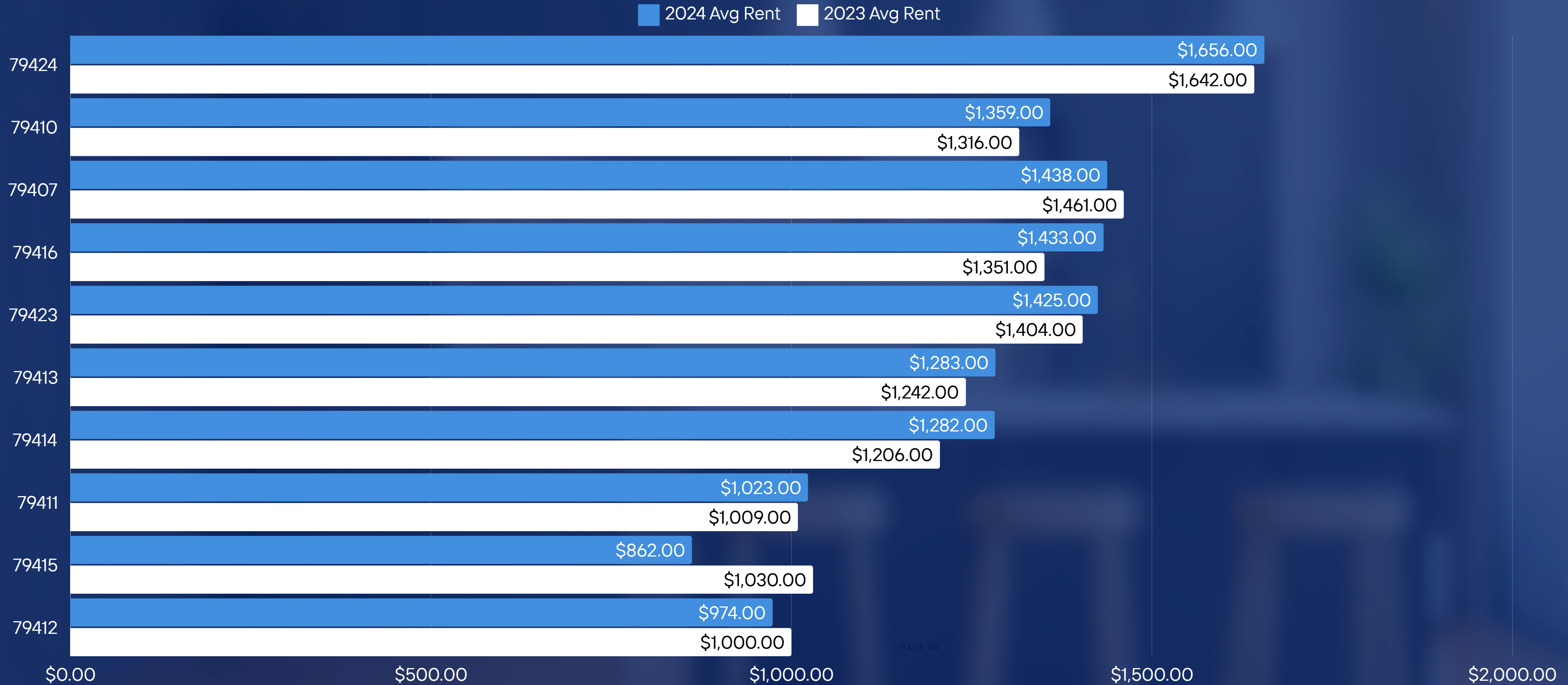
Zip Code	2024 Count	2024 Avg Rent	2024 DOM	2023 Count	2023 Avg Rent	2023 DOM	Rent -Change Over Year	DOM Change Over Year	
79424	375	\$1,656.00	51	428	\$1,642.00	47	-12.38%	0.85%	8.51%
79410	219	\$1,359.00	70	215	\$1,316.00	71	1.86%	3.27%	-1.41%
79407	259	\$1,438.00	51	218	\$1,461.00	49	18.81%	-1.57%	4.08%
79416	407	\$1,433.00	57	394	\$1,351.00	64	3.30%	6.07%	-10.94%
79423	462	\$1,425.00	47	473	\$1,404.00	49	-2.33%	1.50%	-4.08%
79413	228	\$1,283.00	52	252	\$1,242.00	52	-9.52%	3.30%	0.00%
79414	139	\$1,282.00	55	139	\$1,206.00	52	0.00%	6.30%	5.77%
79411	144	\$1,023.00	76	143	\$1,009.00	68	0.70%	1.39%	11.76%
79415	43	\$862.00	59	43	\$1,030.00	46	0.00%	-16.31%	28.26%
79412	103	\$974.00	60	83	\$1,000.00	61	24.10%	-2.60%	-1.64%

# LEASED COUNT BY ZIP CODE

2024 Count 2023 Count



# 2024 VS 2023 AVEARGE RENT BY ZIP CODE

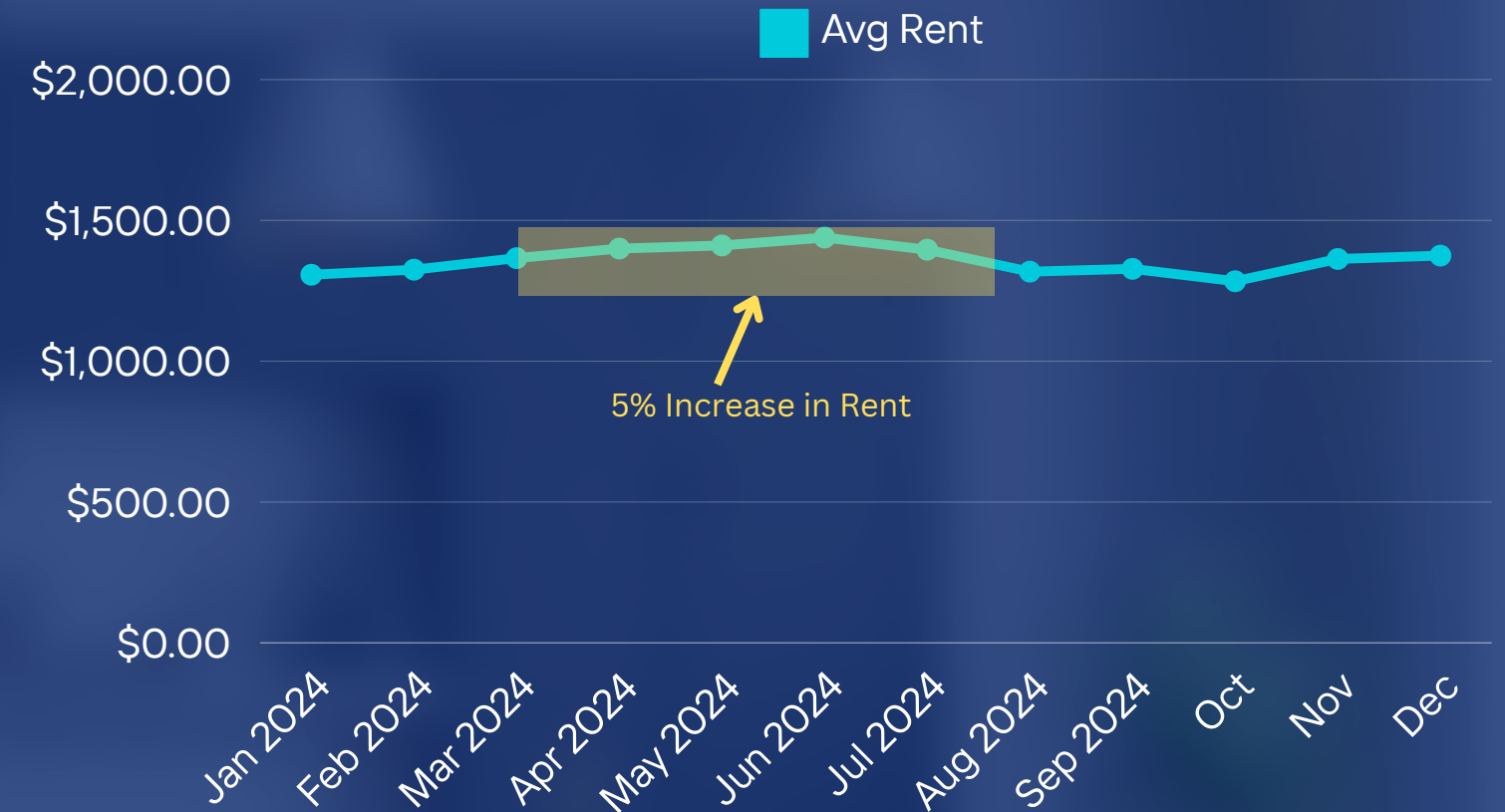
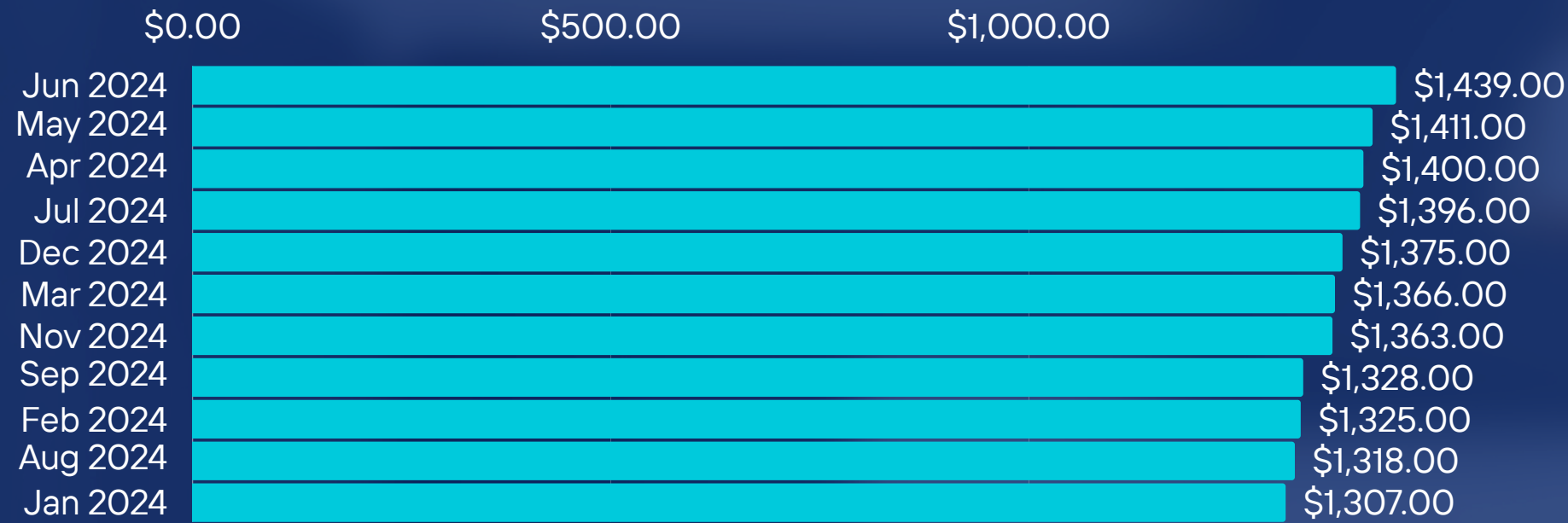


# 2024 VS 2023 AVEARGE DOM BY ZIP CODE

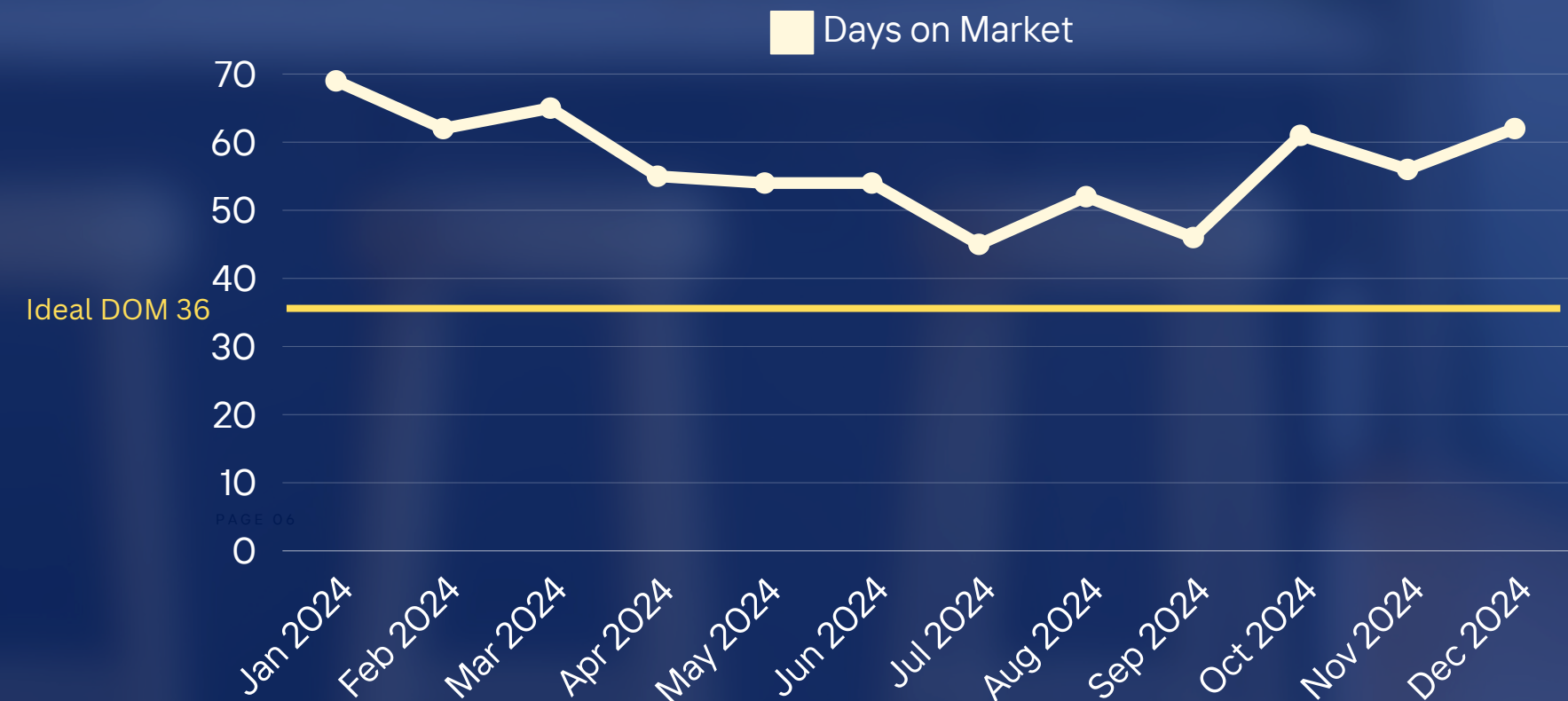
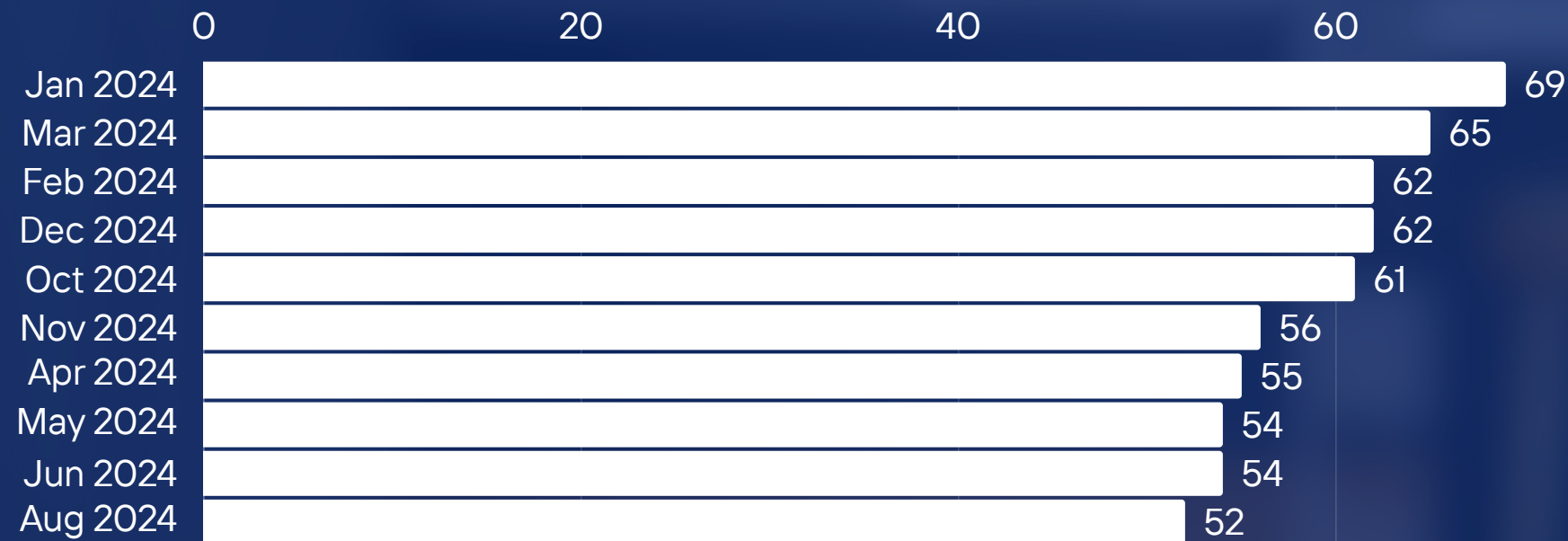




# 2024 EOY LEASED RENT AVERAGE BY MONTH

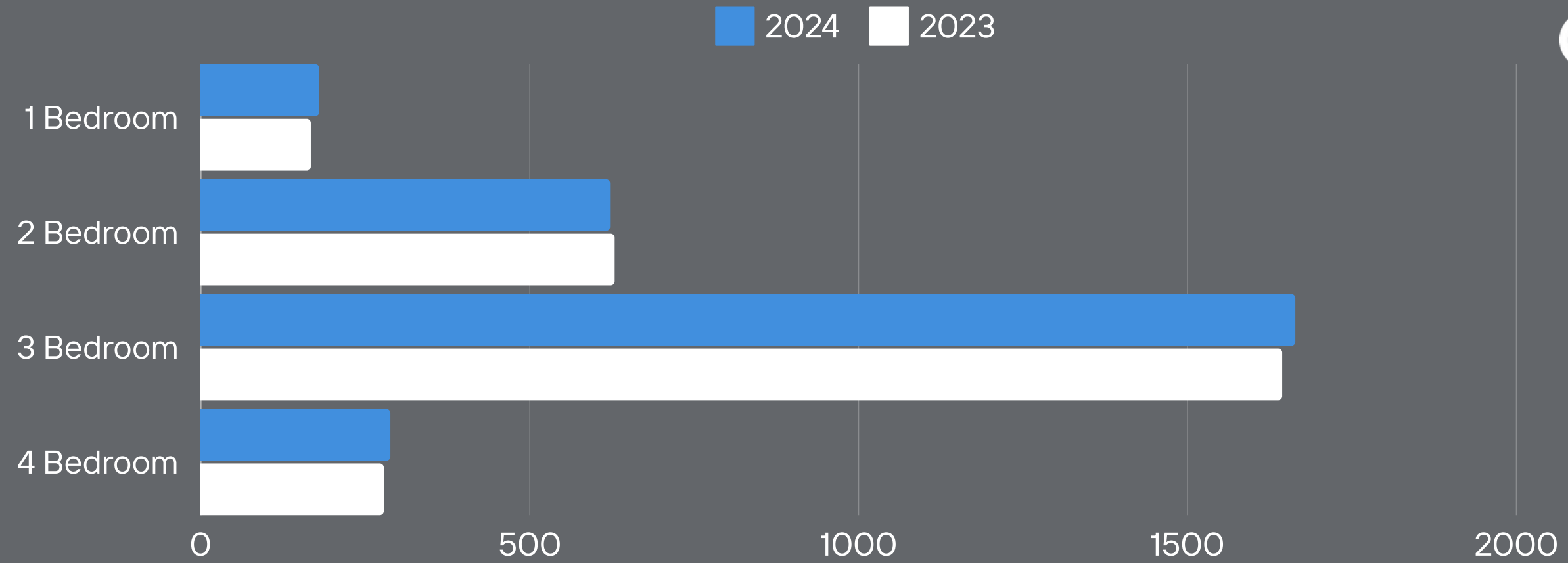


# DAYS ON MARKET AVERAGE BY MONTH



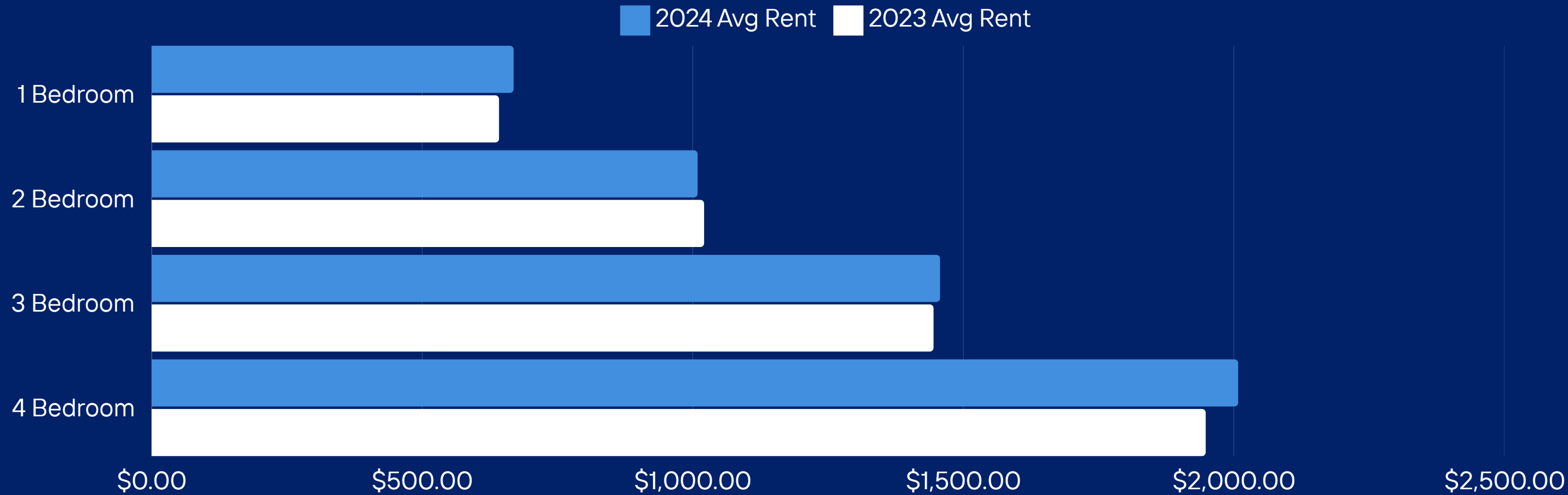
# 2024 EOY

**NUMBER OF LEASED PROPERTIES BY BEDROOM COUNT**



# 2024 EOY

**AVERAGE RENT BY BEDROOM**



# OVERALL

Q4

## Average Rents

Average rents have remained relatively flat, slightly increasing by 1.75%. While not remarkable, it is better than sliding down in value.

## Days on Market

The average days on market (DOM) for single-family homes is basically the same. This is not surprising for last quarter of the year.

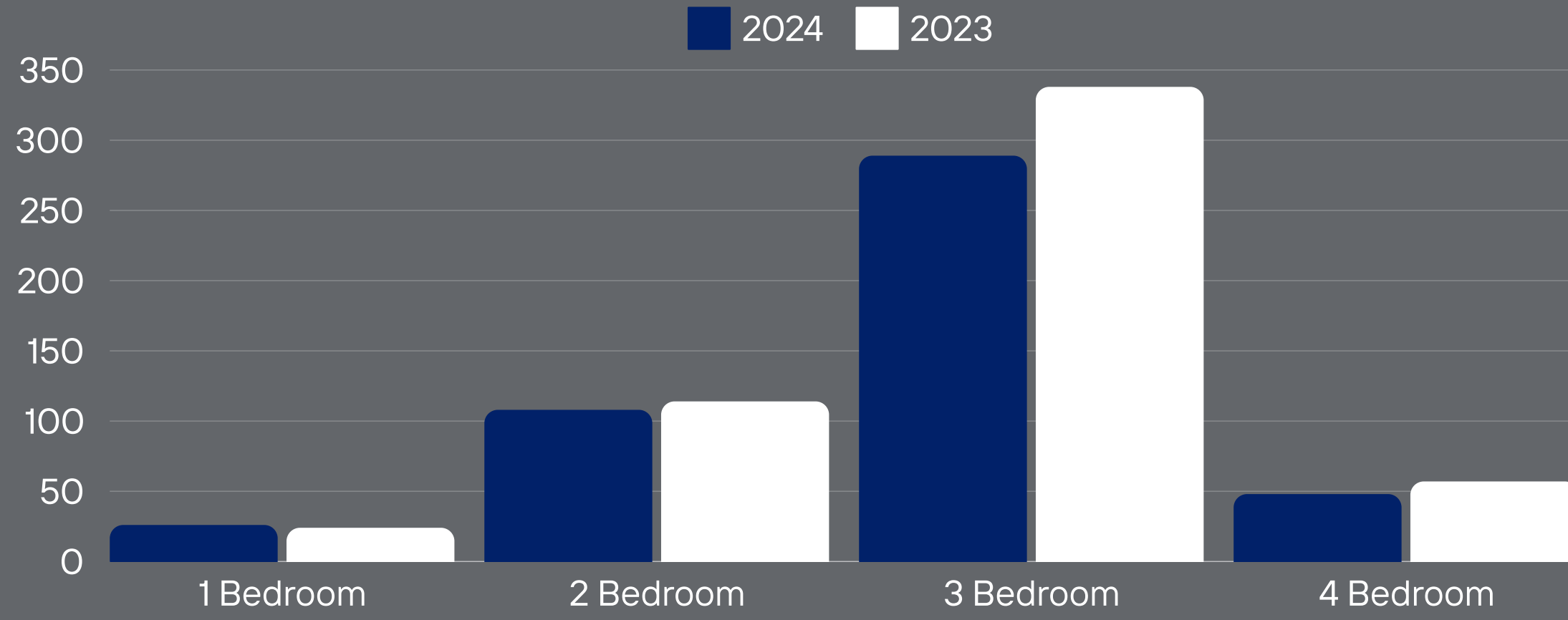
## New Inventory

While not shown on chart to the right there was an increased amount of inventory for lease in 2024 compared to 2023. This adds to an already saturated rental market.

Q4 Comparison of Leased Properties			
	2024	2023	Change Over Year
Total Count	474	534	-11.24%
1 Bed	26	24	8.33%
2 Bed	108	114	-5.26%
3 Bed	289	338	-14.50%
4 Bed	48	57	-15.79%
	2024	2023	Change Over Year
Total Count	474	534	-11.24%
Average Rent	\$1,335.00	\$1,312.00	1.75%
Avg Dpsqft	\$0.97	\$0.95	2.11%
Average DOM	62	60	3.33%
Average Age	1987	1987	0.00%
Average Sq Ft	1394	1417	-1.62%

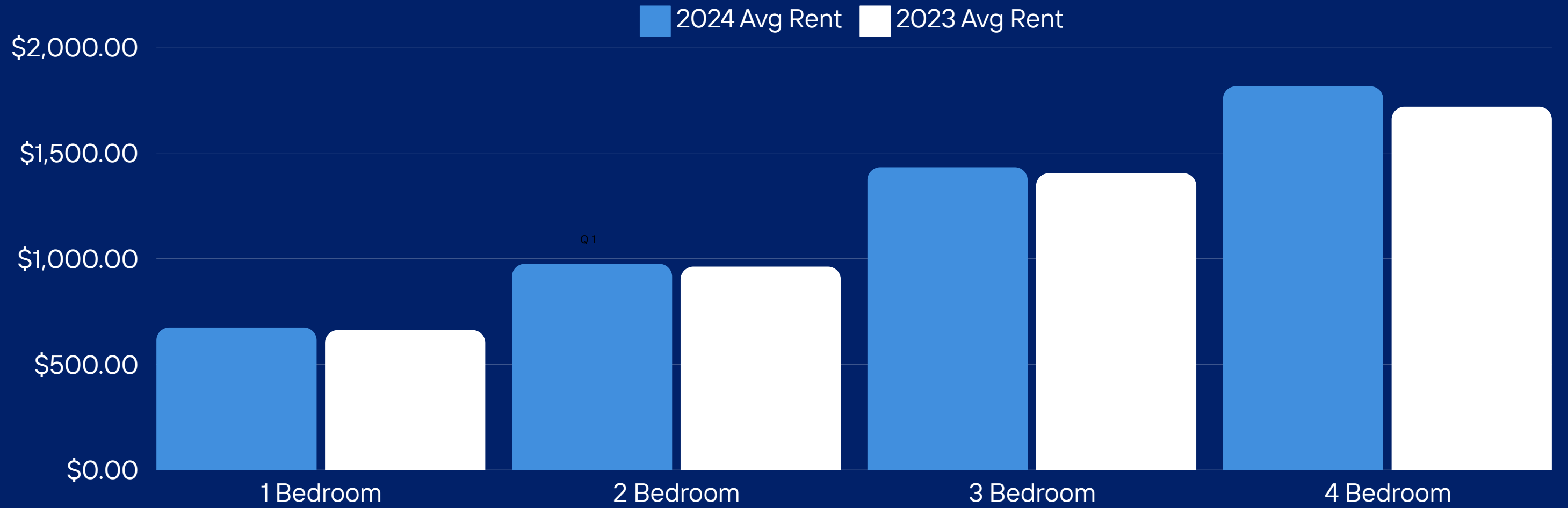
Q4

NUMBER OF LEASED PROPERTIES BY BEDROOM COUNT



Q4

AVERAGE RENT BY BEDROOM

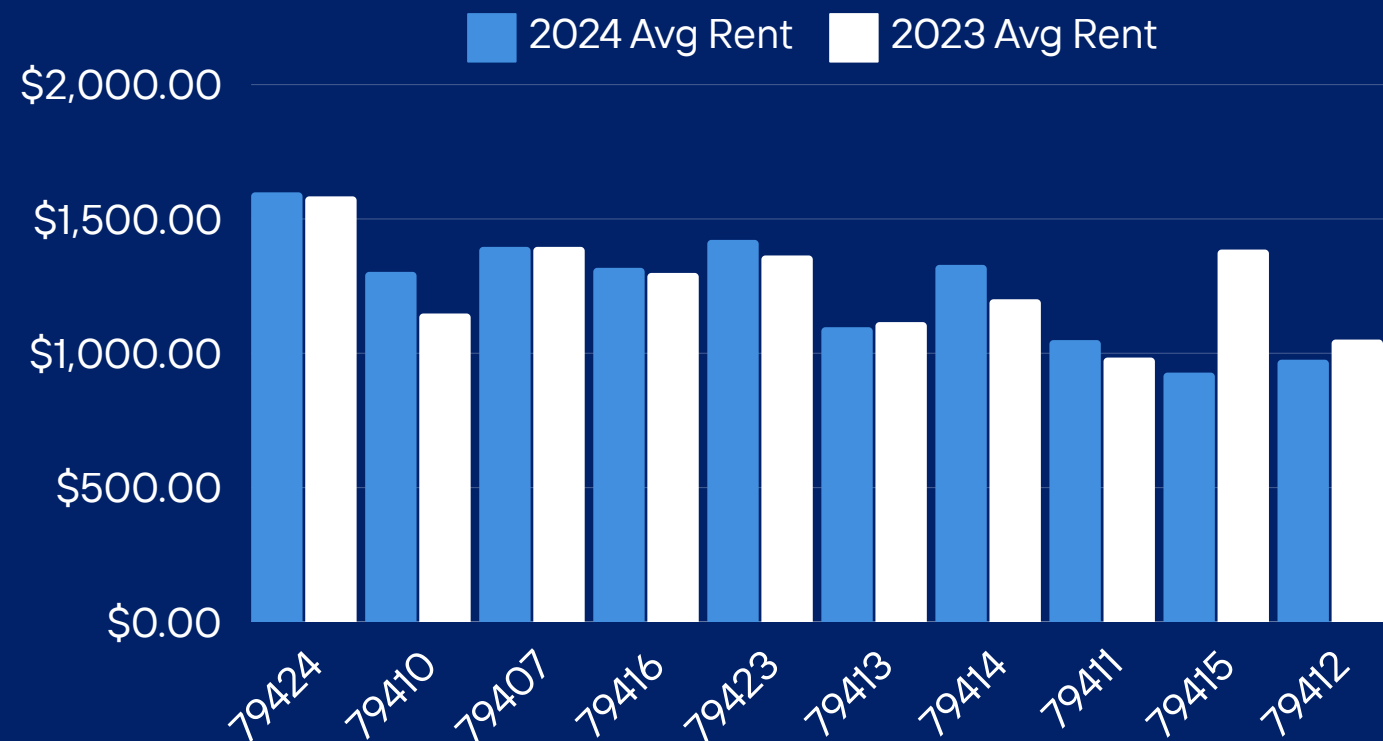




Q4

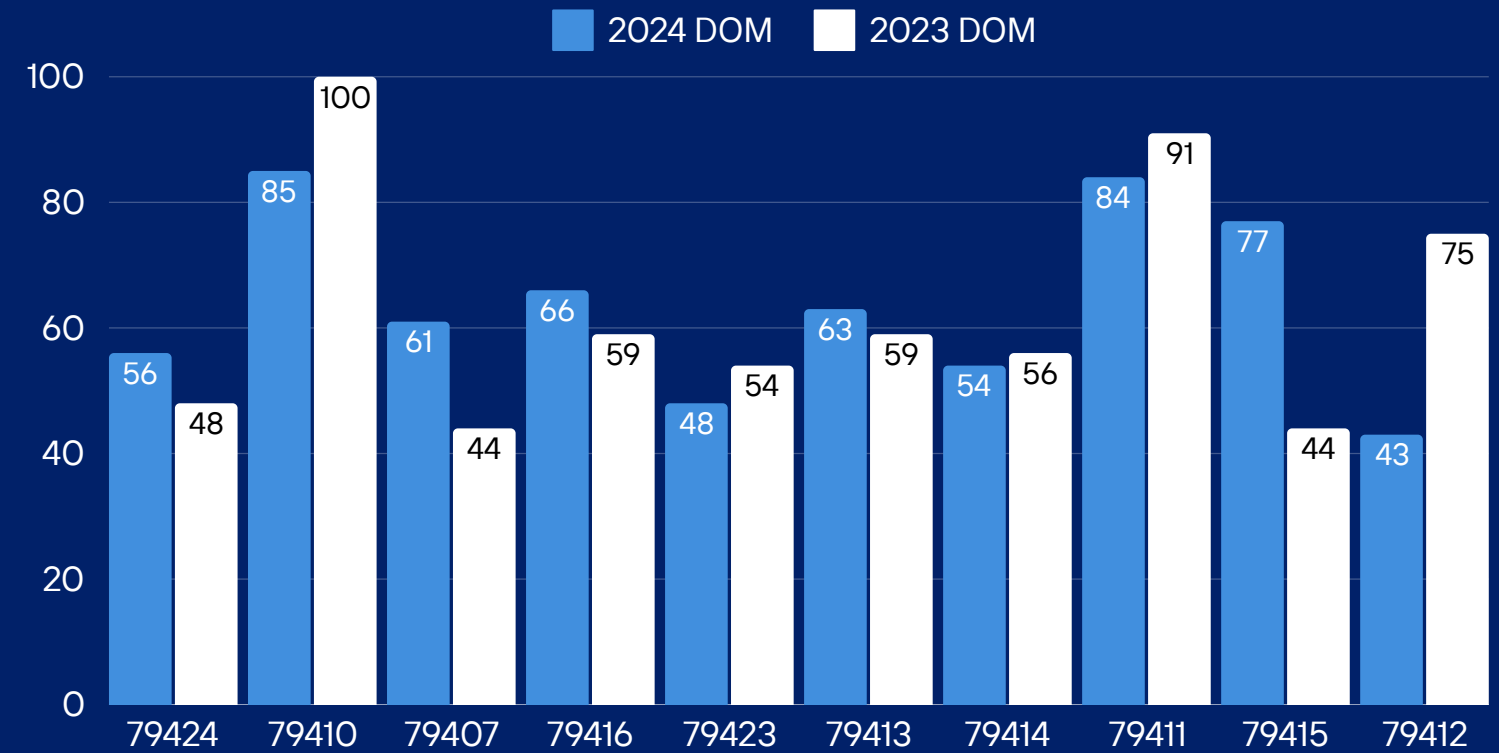
Zip Code	2024 Q4 Count	2024 Q4 Avg Rent	2024 Q4 DOM	2023 Q4 Count	2023 Q4 Avg Rent	2023 Q4 DOM	Rent - Change Over Year	DOM Change Over Year
79424	79	\$1,599.00	56	97	\$1,584.00	48	0.95%	16.67%
79410	22	\$1,303.00	85	30	\$1,148.00	100	13.50%	-15.00%
79407	49	\$1,396.00	61	56	\$1,396.00	44	0.00%	38.64%
79416	63	\$1,318.00	66	70	\$1,299.00	59	1.46%	11.86%
79423	82	\$1,422.00	48	88	\$1,364.00	54	4.25%	-11.11%
79413	47	\$1,097.00	63	41	\$1,116.00	59	-1.70%	6.78%
79414	22	\$1,329.00	54	32	\$1,201.00	56	10.66%	-3.57%
79411	20	\$1,049.00	84	24	\$984.00	91	6.61%	-7.69%
79415	8	\$928.00	77	7	\$1,386.00	44	-33.04%	75.00%
79412	20	\$976.00	43	30	\$1,051.00	75	-7.14%	-42.67%

AVERAGE RENT BY ZIP CODE



Q4

DAYS ON MARKET BY ZIPCODE





# FOCUSING ON THE NUMBERS

62

### Days on Market

Days on Market days reverted to seasonal slowdown. **62** days is still high.



\$1335

### Average Rent

Average rent is slightly higher than 2023. **\$1335** is a slight increase of 1.81%.



77%

### Market Absorption

For 2024 we have absorbed 77% of the listings brought on the market this year. Since 2019 this is the 2nd highest year. Only behind 2021 that absorbed 85%. 2021 saw the biggest rent increases and lowest DOM.



# Q4 PARTING THOUGHTS

## Are the previously mentioned trend present in Lubbock?

### **Decrease in Home Ownership**

We are not seeing this data right now. Despite the increased population and job growth, our market has swung into a buyer's market. It's important to note that home prices and sales are not falling. In 2024, roughly 3800 homes were sold, compared to 3700 in 2023. These numbers reflect a typical market more than the outlier years of 2021 and 2022.

### **Rental Demand Increase**

I can confidently say that rental demand is not increasing. This can be tracked by monitoring days on the market and the absorption rate.

The average number of days on the market was 38 in 2021 and 42 in 2022. The median was 25 and 29, respectively. In 2024, the average DOM was 54.

While the number of rental properties has increased, so has the available rentals. The supply is greater than the demand. In 2019, the average rent in Lubbock was \$1078. In 2022, the average rent rose 20% to \$1351. As of 2024, the average rent is \$1358. Effectively the same. Even if demand has increased, supply has met the call and then some. In 2021, the market absorbed 85% of what was listed. Compared to 77% in 2024

### **Exiting of the Market**

This number is more challenging to track. I can only speak anecdotally on this, but Lubbock is seeing this. We have seen more owners selling home in their portfolio compared to previous years. This really started in 2021 when home prices began to rise so quickly. Many investors sold homes to cash in, but also lost really low interest rates that they had on said property. Many investors with cash bought investment as home prices were peaking and when rents peaked at the same time. The sales market and rental started to cool simultaneously, and more rental inventory was hitting the market toward the end of 2022. By 2024 inflation costs of repairs and insurance have caused many investors to now exit the rental investment, despite having loans with really great rates.

# Q4 PARTING THOUGHTS

## Are the previously mentioned trend present in Lubbock?

### Homebuilders Adjust Focus

Home builders are not adjusting their focus. With high interest rates and a softening market, they are simply slowing down. Builders are offering concessions that one could only dream about two years ago. The multifamily world is developing slowly, but it's tough to make that deal work with bank interest rates in the 9% range.

Builders like Betenbough are still developing SE Lubbock, NW Lubbock, and Wolforth. We are seeing that investors gravitate to new construction investments. Betenbough is offering really deep incentives to entice investors. While new construction may be more expensive than buying an older property, you can minimize maintenance costs. Most renters love shiny and new. Talk to us about our leasing fee waiver on new construction homes.

The Lubbock Real Estate market can only be defined as weird. Much like you would describe your middle school-aged child. Think of high interest rates as braces. They eventually come off, but while they are on, they are a pain. The growing pains of investing cash right now but not really seeing that return that you typically expected. An untimely vacancy at the wrong time of the year that acts like a pimple that won't clear by picture day. Lubbock is sitting on a stage where you can see so much potential. You know it's coming; we must get through this awkward phase.





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