

SNAPSHOT

Economy Booms in Midland–Odessa

The Permian Basin economy, at the heart of U.S. oil production, has boomed as oil output expanded. Even as oil prices softened beginning in fourth quarter 2018, oil production reached a record of 3.94 million barrels per day in January, up from 3.87 million the previous month.

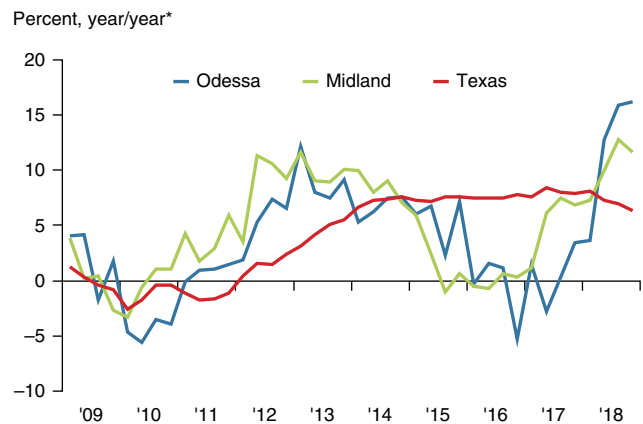
Despite widespread reports of labor shortages, Midland–Odessa employment increased 7.5 percent in 2018, well above Texas’ job growth of 2.3 percent.

The local housing market has been tight with the influx of workers. Single-family home inventories in Midland and Odessa were under two months in January, well below the six months that is considered balanced, and the apartment occupancy rate approached 96 percent for 2018.

Fourth-quarter existing-home prices rose 16.2 percent in Odessa and 11.6 percent in Midland from the year before. State home price growth averaged 6.3 percent in 2018, according to the Federal Housing Finance Agency repeat sales index.

—Adapted from *Permian Basin Economic Indicators*,
March 1, 2019

CHART 1 Permian Cities’ House Prices Soaring



*Quarterly, seasonally adjusted.
SOURCE: Federal Housing Finance Agency.



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