

Real Estate Market Overview 2004

Odessa-Midland

The Odessa-Midland Metropolitan Statistical Area (MSA) consists of Ector County, which contains the City of Odessa, and Midland County, where Midland is located. Midland was named for its location halfway between Fort Worth and El Paso. The metropolitan area is located in the heart of the largest single source of oil and gas deposits in the United States and is heavily dependent on the oil and gas industry. Ector County has produced more than two billion barrels of oil since 1926. Midland is also the hometown of President George W Bush. The Bush family has a history in Midland dating back to the 1950s.

Quick Facts	
Land Area	1,801.31 square miles
Population Density (2000)	131.6 people per square mile
Counties	Ector, Midland
Area Cities and Towns	Gardendale, Goldsmith, Greenwood, Midland, Odessa, Notrees, Penwell, Pleasant Farms

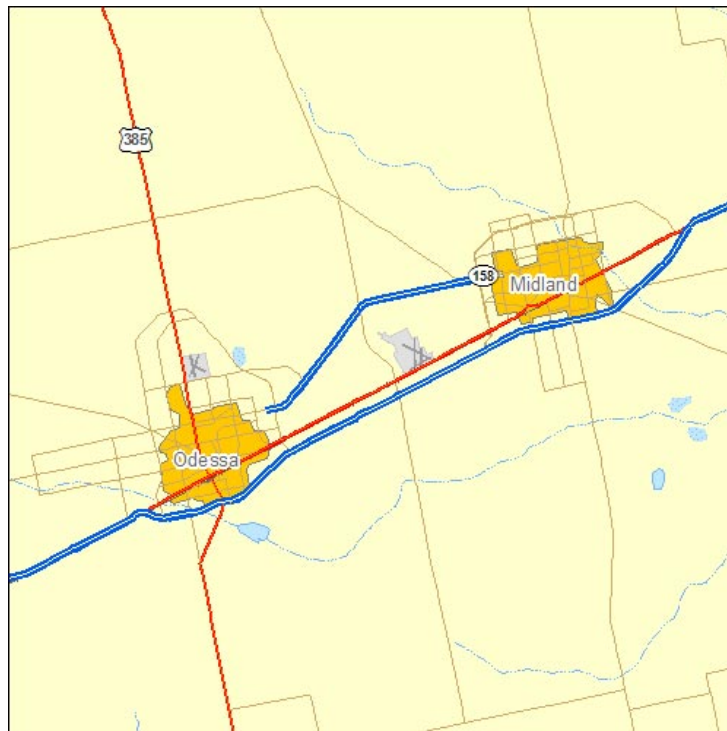


Table of Contents

Demographics 3

Education 7

Employment 8

Economy 13

Infrastructure 14

Multifamily 15

Housing 16

Retail 19

Hotel 21

Office 22

Odessa-Midland Market Overview 2004 Demographics

Odessa-Midland MSA Population

Year	Population	Percent Change
1990	225,545	-0.3
1991	228,590	1.4
1992	231,467	1.3
1993	232,526	0.5
1994	234,095	0.7
1995	234,644	0.2
1996	235,931	0.5
1997	238,575	1.1
1998	241,865	1.4
1999	240,071	-0.7
2000	237,132	-1.2
2001	237,068	0.0
2002	239,981	1.2

Source: U.S. Census Bureau

County Population Growth

County	1990 Population	2002 Population	Growth 1990 - 2002 (percent)
Ector	118,934	122,312	2.8
Midland	106,611	117,669	10.4

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990 - 2000 (percent)
Midland	94,996	6.3
Odessa	90,943	1.3

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1990 - 2002

Metropolitan Area	1990 Population	2002 Population	Percent Change
McAllen-Edinburg-Mission	383,545	614,474	60.2
Austin-San Marcos	846,227	1,349,291	59.4
Laredo	133,239	207,611	55.8
Dallas	2,676,248	3,743,254	39.9
Brownsville-Harlingen-San Benito	260,120	353,561	35.9
Brazoria County	191,707	257,256	34.2
Houston	3,321,911	4,420,081	33.1
Fort Worth-Arlington	1,361,034	1,802,465	32.4
Texas	16,986,335	21,779,893	28.2
Bryan-College Station	121,862	156,099	28.1
San Antonio	1,324,749	1,660,205	25.3
Killeen-Temple	255,299	319,163	25.0
Galveston-Texas City	217,396	261,219	20.2
Tyler	151,309	181,437	19.9
Sherman-Denison	95,019	113,860	19.8
Amarillo	187,514	222,915	18.9
El Paso	591,610	697,562	17.9
Waco	189,123	217,713	15.1
Victoria	74,361	84,932	14.2
Lubbock	222,636	247,574	11.2
Longview-Marshall	193,801	212,288	9.5
Corpus Christi	349,894	382,188	9.2
Texarkana	120,132	131,027	9.1
Wichita Falls	130,351	138,960	6.6
Odessa-Midland	225,545	239,981	6.4
Beaumont-Port Arthur	361,218	382,242	5.8
Abilene	119,655	125,647	5.0
San Angelo	98,458	103,018	4.6

Source: U.S. Census Bureau

Odessa-Midland MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	246,750	-
2010	257,469	294,319
2015	268,285	-
2020	278,095	328,869

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Ector County	Midland County	Texas
Average household size (2000)	2.72	2.68	2.74
Population younger than 18 (2000, in percent)	30.4	30.2	28.2
Population 65 and older (2000, in percent)	10.9	11.6	9.9

Source: U.S. Census Bureau

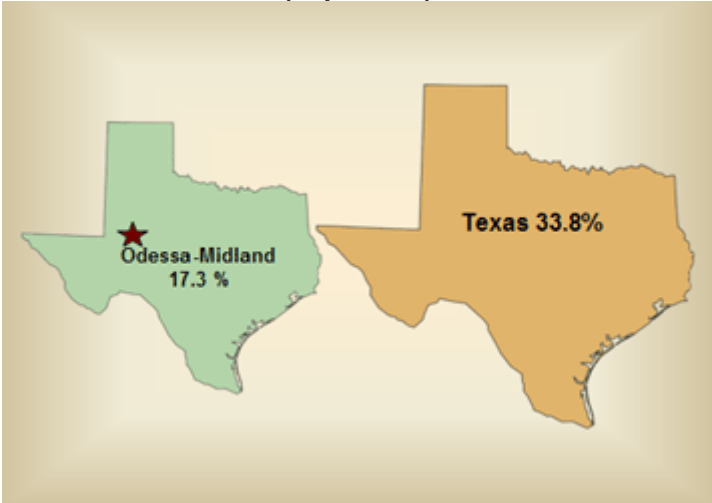
Distribution by Race and Hispanic or Latino Origin (in percent)

	Ector County		Midland County		Texas	
	1990	2000	1990	2000	1990	2000
White	70.1	73.7	63.2	77.3	60.8	71.0
Black	7.7	4.6	4.6	7.0	11.7	11.5
Asian	0.8	0.6	0.2	0.9	0.3	2.7
American Indian	0.4	0.8	0.5	0.6	1.8	0.6
Other	0.0	17.4	0.0	12.2	0.1	11.7
Two or more races*	-	2.8	-	1.9	-	2.5
Hispanic (of any race)	21.0	42.4	31.3	29.0	25.3	32.0

* For the 2000 Census, the Census Bureau changed the "race" options, allowing people to report their race as "other" or as two or more races.

Source: U.S. Census Bureau

**Projected Population Growth, 2000-2020
(in percent)**



Source: Texas State Data Center (Scenario 0.5)

Odessa-Midland Market Overview 2004

Education

**Educational Level, Persons Age 25 and Older
 2000 (in percent)**

Level of Education	Ector County	Midland County	Texas
High school graduate	26.8	22.9	26.3
Some college, no degree	23.8	25.3	21.7
Associate's degree	5.4	6.1	5.2
Bachelor's degree	8.6	18.4	16.1
Graduate or professional degree	3.4	6.4	7.4

Source: U.S. Census Bureau, 2000 Census

Local College and University Enrollment

School	Spring 2002	Fall 2002	Spring 2003	Fall 2003
Midland College	-	5,067	-	5,247
Odessa College	-	4,585	-	4,858
The University of Texas of the Permian Basin	2,444	2,705	-	3,400

Sources: Educational institution

Odessa-Midland Market Overview 2004 Employment

Midland Top Ten Employers

Employer	Sector	Employees
Midland Independent School District	Education	3,348
Key Energy Services, Inc.	Oil and Gas	2,072
Basic Energy Services	Oil and Gas	1,500
Midland Memorial Hospital	Medical	1,300
Cingular Wireless LLC	Telecommunications	1,100
Midland Junior College	Education	995
Warren Equipment Companies	Holding company - manufacturing	949
City of Midland	Government	897
Oxy Permian USA, Inc.	Oil and gas	625
Midland County	Government	560

Source: Midland Chamber of Commerce Oct-2003

Odessa Top Ten Employers

Employer	Sector	Employees
Ector County Independent School District	Education	3,216
Medical Center Hospital	Medical	1,707
Nurses Unlimited, Inc.	Medical	1,600
Wal-Mart SuperCenter	Retail	895
City of Odessa	Government	802
Odessa College	Education	790
Ector County	Government	615
Saulsbury Companies	Electric and construction	491
Odessa Regional Hospital	Medical	463
Huntsman Corporation	Petro-Chemical	462

Source: Odessa Development Corporation Jan-2004

Employment Growth by Industry - 2003

	Odessa-Midland MSA	Texas
Employment growth (percent)	1.5	-0.5
Unemployment rate (percent)	5.8	6.8
New jobs	1600	-49,800
Employment growth by sector (percent)		
Manufacturing	-5.1	-5.0
Construction	-1.6	-3.0
Natural Resources and Mining	1.9	0.6
Trade, Transportation and Utilities	1.4	-1.8
Information	4.2	-5.8
Financial Activities	0	0.9
Professional and Business Services	4.7	-1.1
Educational and Health Services	7.7	3.3
Leisure and Hospitality	2.9	1.2
Government	-0.5	1.3
Total Nonfarm	1.5	-0.5

Source: Texas Workforce Commission and U.S. Bureau of Labor Statistics

Texas Metropolitan Area Employment Change, 1990 - 2003

Metropolitan Area	1990 Employment	2003 Employment	Percent Change
Austin-San Marcos	454,618	746,750	64.3
Laredo	48,766	77,065	58.0
McAllen-Edinburg-Mission	128,560	197,870	53.9
Brownsville-Harlingen-San Benito	90,866	131,457	44.7
Bryan-College Station	58,292	82,368	41.3
San Antonio	587,550	796,235	35.5
Killeen-Temple	87,724	117,801	34.3
Tyler	70,970	93,561	31.8
Dallas	1,467,668	1,916,607	30.6
Texas	8,071,312	10,284,203	27.4
Fort Worth-Arlington	721,875	915,919	26.9
Houston	1,720,152	2,180,719	26.8
Victoria	34,648	43,652	26.0
Amarillo	92,967	113,051	21.6
El Paso	229,358	274,926	19.9
Lubbock	107,823	128,854	19.5
Waco	86,347	102,310	18.5
Longview-Marshall	86,048	100,952	17.3
Odessa-Midland	104,401	120,374	15.3
Corpus Christi	150,142	172,705	15.0
San Angelo	43,587	49,798	14.2
Brazoria County	93,552	105,320	12.6
Abilene	52,389	58,513	11.7
Sherman-Denison	43,804	48,866	11.6
Wichita Falls	56,897	62,812	10.4
Galveston-Texas City	105,423	114,327	8.4
Texarkana	51,575	55,658	7.9
Beaumont-Port Arthur	157,435	167,915	6.7

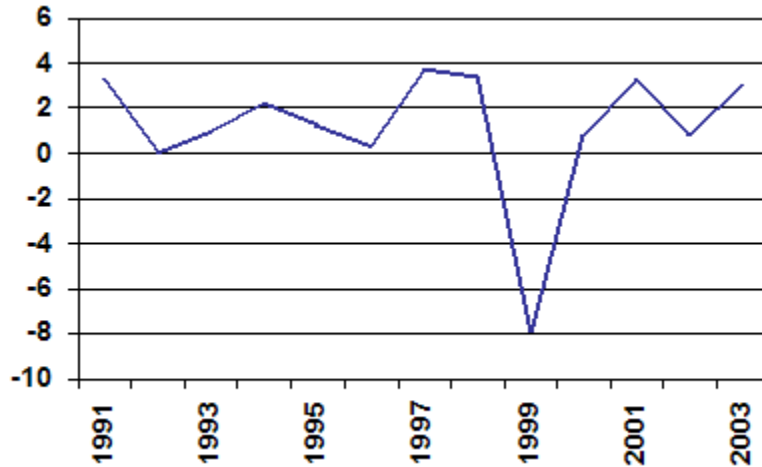
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

Odessa-Midland MSA Employment

Year	Employment	Percent Change
1990	104,401	-
1991	107,800	3.3
1992	107,753	0.0
1993	108,785	1.0
1994	111,221	2.2
1995	112,512	1.2
1996	112,820	0.3
1997	116,951	3.7
1998	120,983	3.4
1999	111,459	-7.9
2000	112,201	0.7
2001	115,910	3.3
2002	116,845	0.8
2003	120,374	3.0

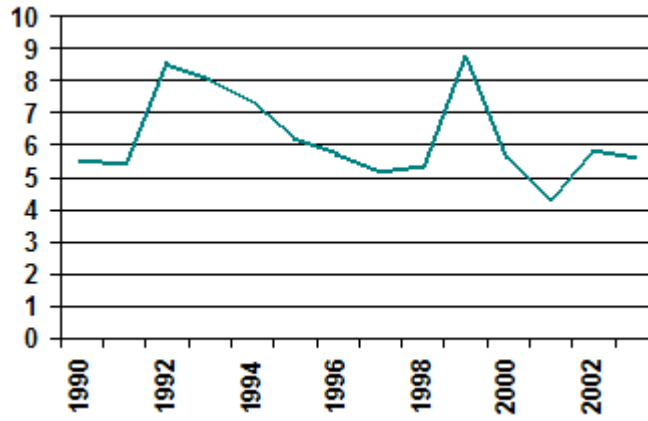
Source: U.S. Bureau of Labor Statistics

Annual Percent Change in Odessa/Midland MSA Employment



Source: U.S. Bureau of Labor Statistics

**Odessa/Midland MSA Unemployment Rate
(in percent)**



Source: U.S. Bureau of Labor Statistics

Odessa-Midland Market Overview 2004

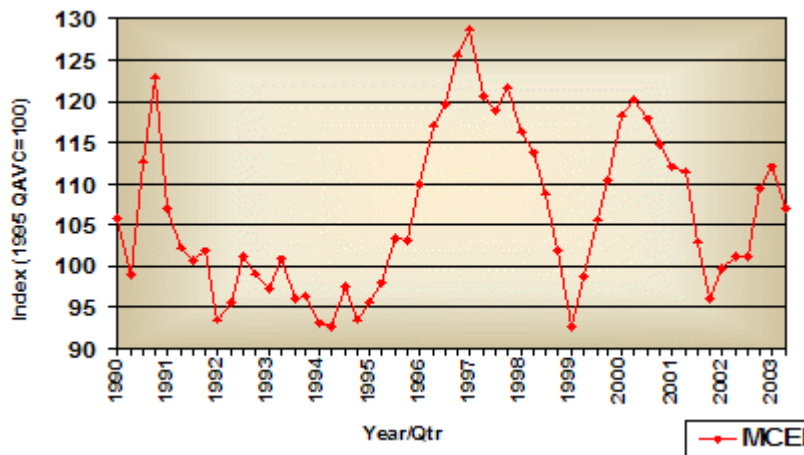
Economy

Odessa-Midland MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$2,003,687,563	\$8,884
1991	1,971,737,600	8,626
1992	1,945,638,176	8,406
1993	2,107,271,740	9,063
1994	2,200,386,568	9,400
1995	2,295,031,712	9,781
1996	2,536,879,398	10,753
1997	2,816,865,976	11,807
1998	2,745,228,589	11,350
1999	2,661,495,381	11,086
2000	2,998,785,678	12,646
2001	3,298,537,521	13,914
2002	3,118,213,384	12,994
State Average 2002: \$12,143		

Source: Texas Comptroller's Office Mar 2004

Midland Composite Economic Index: Q1/1990 through Q2/2003



MCEI consists of eight components that track five sectors: workforce, airport activity, housing, commerce, and energy.
Source: Desert Analytic

Odessa-Midland Market Overview 2004 Infrastructure

Midland Airline Boardings

Airport	1998	1999	2000	2001	2002	2003
Enplaned	515,110	484,249	470,204	440,014	406,406	394,367
Deplaned	510,505	480,868	464,729	435,675	403,766	392,746
Total	1,025,615	965,117	934,933	875,689	810,172	787,113

Source: Midland International Airport

Airport Cargo Statistics (in pounds)

Airport	1998	1999	2000	2001	2002	2003
Enplaned	3,260,774	2,263,891	1,951,423	2,139,416	1,612,250	2,047,900
Deplaned	4,963,844	3,629,278	2,934,234	2,961,703	2,440,892	2,805,301
Total	8,224,618	5,893,169	4,885,657	5,101,119	4,053,142	4,853,201

Source: Midland International Airport

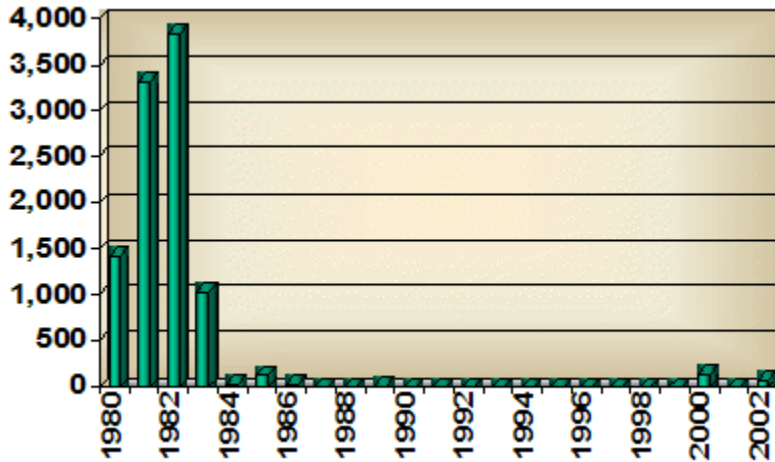
Odessa-Midland Market Overview 2004 Multifamily

Apartment Statistics 2003

	Midland	Odessa	Texas Metro Average
Average rent per square foot	\$0.49	\$0.50	\$0.79
Average rent for units built since 2000	\$0.47	\$0.47	\$0.91
Average occupancy (percent)	91.6	91.2	92.1
Average occupancy for units built since 2000 (percent)	83.3	83.3	90.8

Source: Apartment MarketData Research

Odessa/Midland MSA Multifamily Building Permits (5+ Family Bldg. Permits in Units)



Source: U.S. Census Bureau

Odessa-Midland Market Overview 2004 Housing

Housing Affordability - Third Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Odessa-Midland MSA	64	1.29	1.05
Texas MLS Total	53	1.02	0.89
U.S. Total	55	1.05	0.76

* The THAI is the ratio of median household income to the income required to buy the median priced home using currently available mortgage financing. Standard financing is a 30-year loan covering 80 percent of the cost of the home. A THAI of 1.00 indicates that the median household income is just enough to qualify for a loan sufficient to purchase the median-priced home.

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, Odessa-Midland Area, 2003 (in percent)

Price Range	1998	1999	2000	2001	2002	2003
\$29,999 or less	11.8	12.9	14.6	12.9	13.9	12.8
30,000 - 39,999	7.9	8.2	9.0	7.7	8.1	6.1
40,000 - 49,999	8.8	9.4	9.2	9.2	8.1	7.3
50,000 - 59,999	10.4	10.1	8.7	9.3	9.1	7.9
60,000 - 69,999	9.9	9.2	9.6	9.5	9.4	9.1
70,000 - 79,999	9.7	9.7	9.7	10.2	9.0	9.2
80,000 - 89,999	9.0	7.5	7.0	7.0	8.7	8.1
90,000 - 99,999	5.5	5.0	4.7	5.4	4.7	6.2
100,000 - 119,999	7.8	7.2	7.3	7.8	7.8	8.1
120,000 - 139,999	6.4	5.8	6.9	6.6	6.5	7.0
140,000 - 159,999	3.9	4.7	4.1	4.0	4.0	5.2
160,000 - 179,999	3.6	4.0	2.8	2.3	2.3	3.2
180,000 - 199,999	1.8	1.7	1.8	2.3	2.2	2.2
200,000 - 249,999	1.8	2.7	2.6	2.6	3.2	3.9
250,000 - 299,999	0.9	1.1	1.0	1.5	1.7	2.0
300,000 - 399,999	0.7	0.8	0.5	1.3	1.0	1.0
400,000 - 499,999	0.1	0.2	0.2	0.3	0.1	0.4
500,000 and more	0.1	0.0	0.2	0.1	0.1	0.4

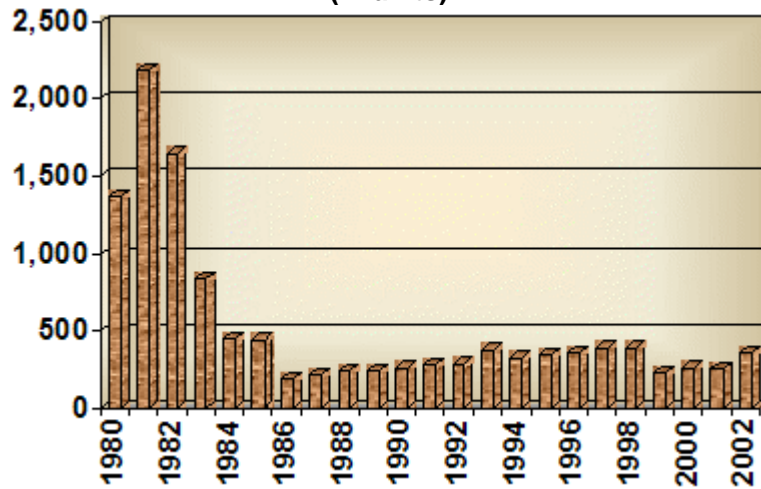
Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2003

Taxing Entity	Tax Rate per \$100 Valuation
City of Odessa	\$0.66
Ector County ISD	1.56
Odessa College	0.20
Ector County	0.47
Hospital District	0.09
Total	\$2.98
City of Midland	\$0.65
Midland ISD	1.63
Midland College	0.19
Midland County	0.29
Hospital District	0.15
Total	\$2.91

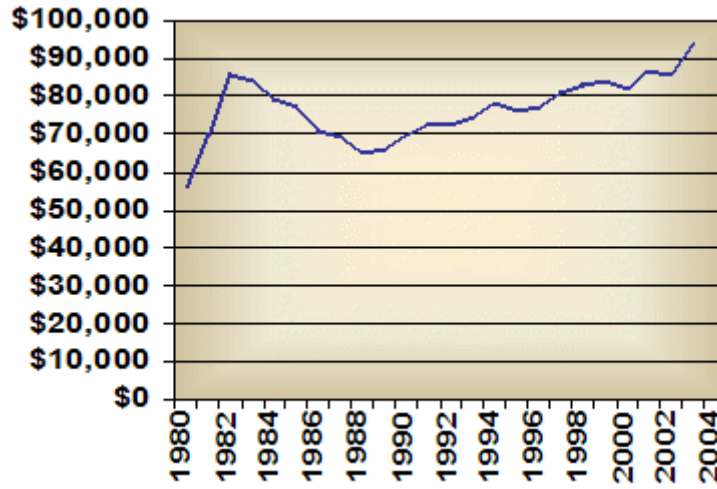
Source: Midland and Ector County Appraisal District

Odessa/Midland MSA Single-Family Building Permits (in units)



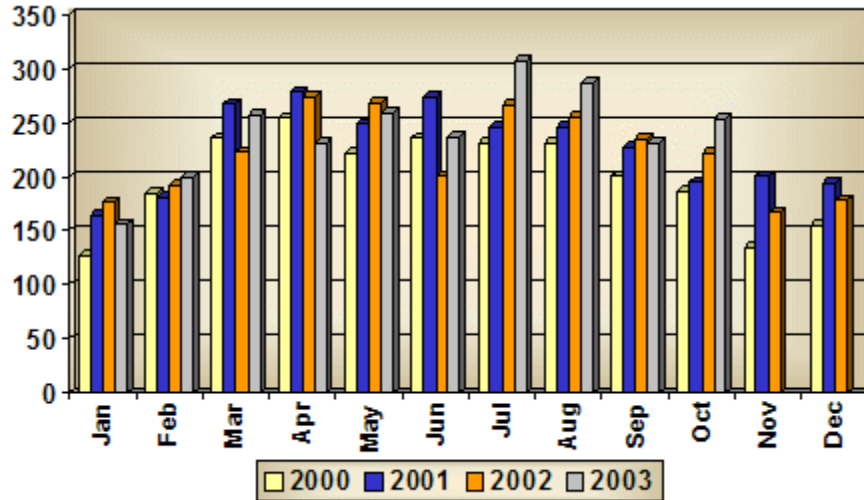
Source: U.S. Census Bureau

Average Sales Price of Single-Family Home, Odessa/Midland Area



Source: Real Estate Center at Texas A&M University

Single-Family Home Sales Volume, Odessa/Midland Area (Number of Units)

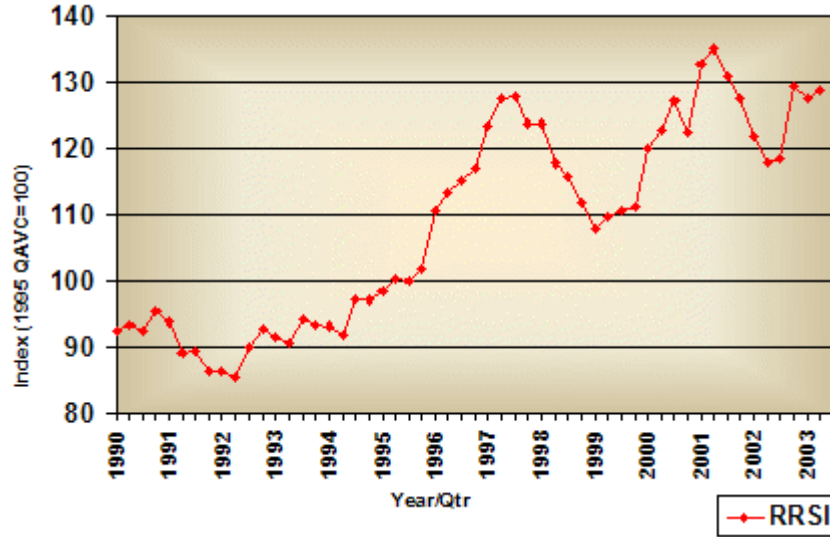


Source: Real Estate Center at Texas A&M University

Odessa-Midland Market Overview 2004

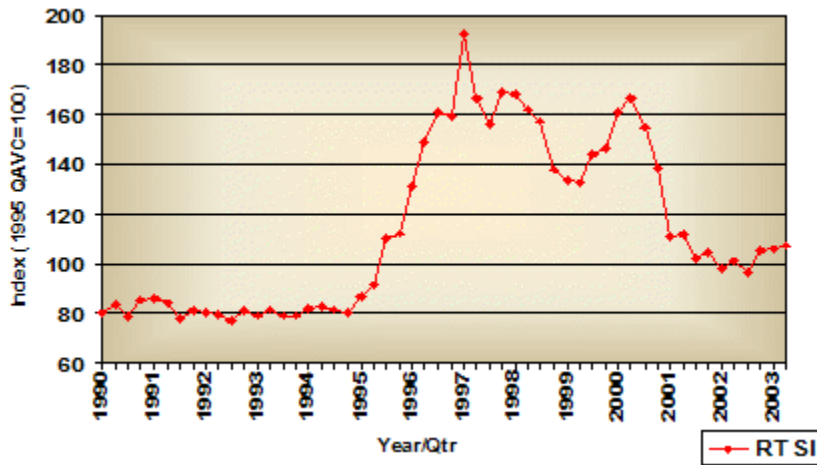
Retail

Real Retail Sales Index Midland County: Q1/1990 through Q2/2003



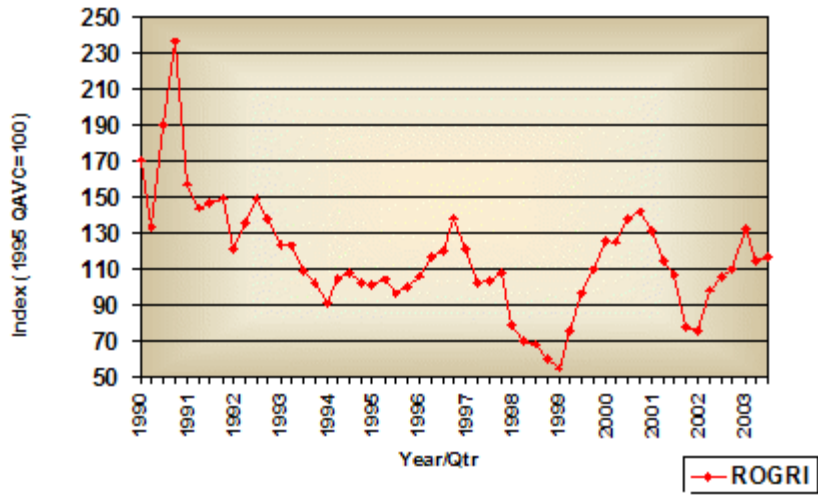
Source: Desert Analytic

Real Total Sales Index Midland County: Q1/1990 through Q2/2003



Source: Desert Analytic

Real Oil & Gas Revenue Index: Q1/1990 through Q2/2003



Source: Desert Analytic

Odessa-Midland Market Overview 2004 Hotel

Hotel* Occupancy and Rental Rates

	Odessa/Midland	Texas
2000		
Rooms (000)	3.4	296.8
Average daily rental rate	\$47.77	\$71.56
Occupancy rate (percent)	46.9	59.3
2001		
Rooms (000)	3.3	307.1
Average daily rental rate	\$48.03	\$70.27
Occupancy rate (percent)	51.5	57.3
2002		
Rooms (000)	3.3	314.3
Average daily rental rate	\$48.89	\$70.11
Occupancy rate (percent)	53.2	55.4
2003		
Rooms (000)	3.4	320.8
Average daily rental rate	\$49.83	\$68.78
Occupancy rate (percent)	52.5	54.3

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio
 *Only properties exceeding \$16,600 in the current quarter are included; those units below \$16,600 only result in 1.5% of the total state revenues, and have been excluded from this database.

Odessa-Midland Market Overview 2004 Office

Percent Occupancy Rate: CBD Midland

Class	Gross SF	Vacant SF	Occupied SF	% Occupied
AA	1,310,764	219,859	1,090,905	83.23%
A	1,342,120	412,279	929,841	69.28%
B	516,165	200,823	315,342	61.09%
C	552,259	192,495	359,764	65.14%

Source: Downtown Midland, Inc. Feb-2004



This annual report is created free of charge by the Real Estate Center at Texas A&M University. We strive to provide the most accurate, up-to-date, and insightful data to paint a detailed picture of Texas' Metropolitan Statistical Area's. The Center also provides numerous publications, resources, and data on building permits, employment, population, and home sales at <http://recenter.tamu.edu>.

Report compiled by:

Administrative Coordinator

Edith Craig

Research Analysts

Isilay Civan

Blake Lacy

Real Estate Center, 2115 TAMU, College Station, TX 77843-2115
Phone: 979.845.2031 | Fax: 979.845.0460