

Real Estate Market Overview 2004

Sherman - Denison

The Sherman-Denison Metropolitan Statistical Area (MSA) is located on U.S. 75 along the Texas-Oklahoma border. Sherman, 30 miles from the Oklahoma border and 66 miles from Dallas, is named after General Sidney Sherman, commander of the Republic of Texas cavalry at the Battle of San Jacinto, who was credited with first saying, "Remember the Alamo!" Denison is four miles from the Oklahoma border and 75 miles north of Dallas. The city has been designated a Texas Main Street City by the Texas Historical Commission and is the birthplace of President Dwight D. Eisenhower.

Quick Facts	
Land Area	933.51 square miles
Population Density (2000)	118.5 people per square mile
Counties	Grayson
Area Cities and Towns	Ambrose, Denison, Luella, Pottsboro, Sherman, Southmayd, Tom Bean, Whitesboro, Whitewright

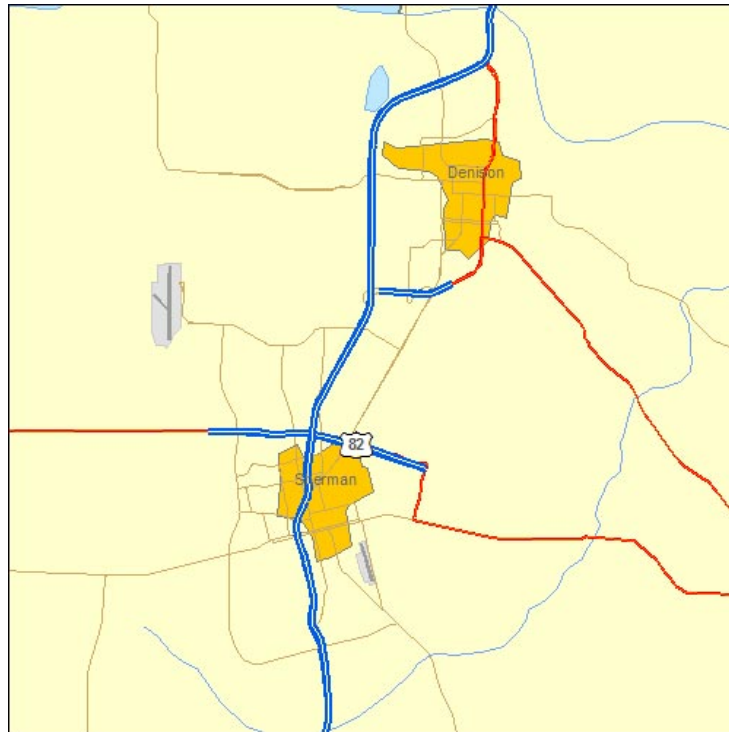


Table of Contents

Demographics 3

Education 7

Employment 8

Economy 13

Public Facilities 14

Multifamily 15

Housing 16

Retail 20

Hotel 21

Office 22

Sherman-Denison Market Overview 2004 Demographics

Sherman-Denison MSA Population

Year	Population	Percent Change
1990	95,019	-0.5
1991	96,178	1.2
1992	96,370	0.2
1993	97,474	1.1
1994	98,857	1.4
1995	100,342	1.5
1996	102,993	2.6
1997	105,122	2.1
1998	107,020	1.8
1999	109,173	2.0
2000	110,595	1.3
2001	112,700	1.9
2002	113,860	1.0

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990-2000 (percent)
Denison	22,773	4.8
Sherman	35,082	8.7

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

Sherman-Denison MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	114,081	-
2010	117,732	110,226
2015	121,339	-
2020	124,492	114,702

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Sherman-Denison MSA	Texas
Average household size (2000)	2.51	2.74
Population younger than 18 (2000, in percent)	25.3	28.2
Population 65 and older (2000, in percent)	15.1	9.9

Source: U.S. Census Bureau

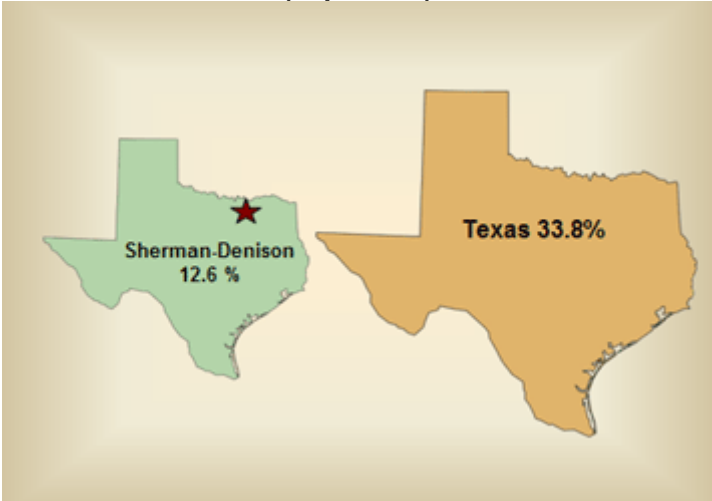
**Distribution by Race and Hispanic or Latino Origin
 (in percent)**

	Sherman-Denison MSA		Texas	
	1990	2000	1990	2000
White	88.7	87.2	60.8	71.0
Black	6.9	5.9	11.7	11.5
Asian	0.5	0.6	0.3	2.7
American Indian	1.1	1.3	1.8	0.6
Other	0.0	2.9	0.1	11.7
Two or more races*	-	2.1	-	2.5
Hispanic (of any race)	2.8	6.8	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)

Sherman-Denison Market Overview 2004 Education

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

Level of Education	Grayson County	Texas
High school graduate	30.0	26.3
Some college, no degree	25.4	21.7
Associate's degree	7.6	5.2
Bachelor's degree	11.3	16.1
Graduate or professional degree	6.0	7.4

Source: U.S. Census Bureau, 2000 Census

Local College and University Enrollment

School	Spring 2002	Fall 2002	Spring 2003	Fall 2003
Austin College	1,300	-	1,273	1,327
Grayson County Community College	3,753	3,606	3,782	4,072

Sources: Educational institutions

Sherman-Denison Market Overview 2004 Employment

Top Ten Employers

Employer	Sector	Employees
Texoma Medical Center	Health care services	1,419
Wilson N. Jones Regional Health System	Health care services	1,400
Texas Instruments	Semiconductors and defense electronics	1,200
Connect general, a Cigna Co.	Insurance claims processing	1,200
Sherman Independent School District	Public schools	800
Denison Independent School District	Public schools	500
Grayson County	Government agency	475
Trailblazers	Insurance claims processing	470
Johnson & Johnson Medical, Inc.	Health care products	450
City of Denison	Government agency	404

Source: Sherman and Denison Chambers of Commerce Jan-2004

Top Private Employers

Employer	Sector	Employees
Texoma Medical Center	Health care services	1,419
Wilson N. Jones Regional Health System	Health care services	1,400
Texas Instruments	Semiconductors and defense electronics	1,200
Connect general, a Cigna Co.	Insurance claims processing	1,200
Trailblazers	Insurance claims processing	470
Johnson & Johnson Medical, Inc.	Health care products	450
MEMC Southwest	Silicon wafer products	400
Kwikset Corp.	Door locks	386
Austin College	Private education	300
Fisher Controls International, Inc.	Rotary control valves	300
Kaiser Aluminum & Chemical Corp.	Aluminum extrusions	300

Source: Denison Chamber of Commerce Jan-2004

Employment Growth by Industry - 2003

	Sherman-Denison MSA	Texas
Employment growth (percent)	-0.2	-0.5
Unemployment rate (percent)	7.4	6.8
New jobs	-100	-49,800
Employment growth by sector (percent)		
Natural Resources and Mining and Construction	3.4	0.6
Construction	-	-3.0
Manufacturing	-6.8	-5.0
Trade, Transportation and Utilities	-2.5	-1.8
Information	0	-5.8
Financial Activities	0	0.9
Professional and Business Services	4.3	-1.1
Educational and Health Services	3.5	3.3
Leisure and Hospitality	0	1.2
Government	0	1.3
Total Nonfarm	-0.2	-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

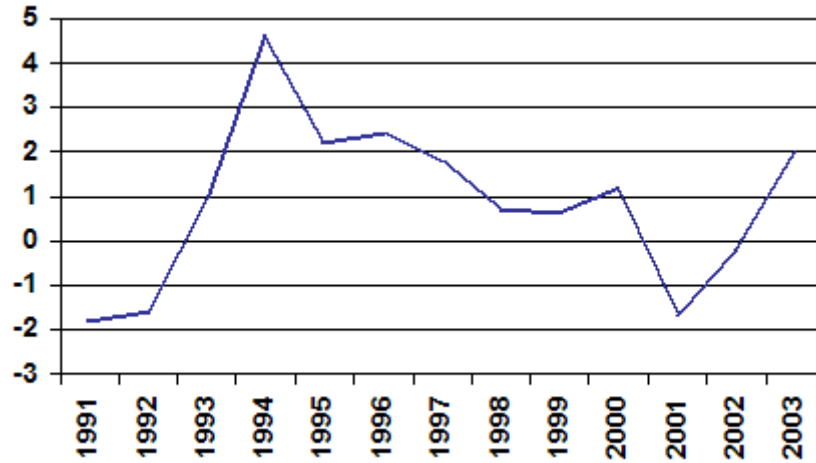
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

Sherman-Denison MSA Employment

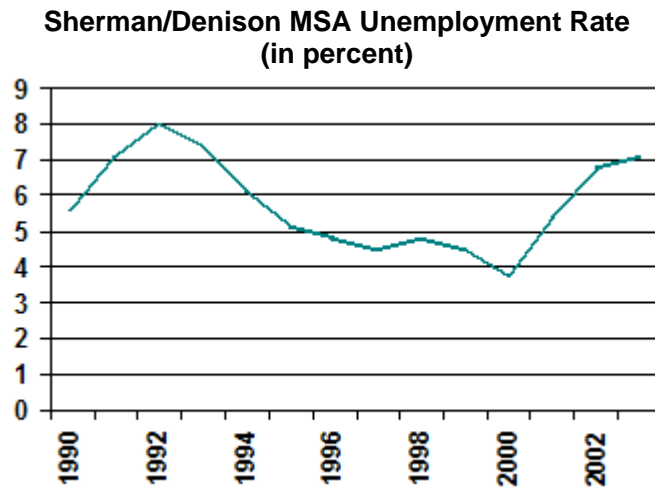
Year	Employment	Percent Change
1990	43,804	-
1991	42,996	-1.8
1992	42,319	-1.6
1993	42,775	1.0
1994	44,723	4.6
1995	45,706	2.2
1996	46,783	2.4
1997	47,643	1.8
1998	47,991	0.7
1999	48,284	0.6
2000	48,884	1.2
2001	48,041	-1.7
2002	47,925	-0.2
2003	48,866	2.0

Source: U.S. Bureau of Labor Statistics

Annual Percent Change in Sherman/Denison MSA Employment



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

Sherman-Denison Market Overview 2004 Economy

Sherman-Denison MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$669,262,413	\$7,044
1991	661,674,037	6,880
1992	716,111,519	7,431
1993	792,024,293	8,125
1994	877,441,139	8,876
1995	989,137,091	9,858
1996	1,076,989,508	10,457
1997	1,017,073,074	9,675
1998	1,015,053,912	9,485
1999	1,145,649,031	10,494
2000	1,256,021,683	11,357
2001	1,315,319,485	11,671
2002	1,281,395,507	11,254
State Average 2002: \$12,143		

Source: Texas Comptroller's Office Mar 2004

Sherman-Denison Market Overview 2004

Public Facilities

Sherman City Public Facilities Building Permits

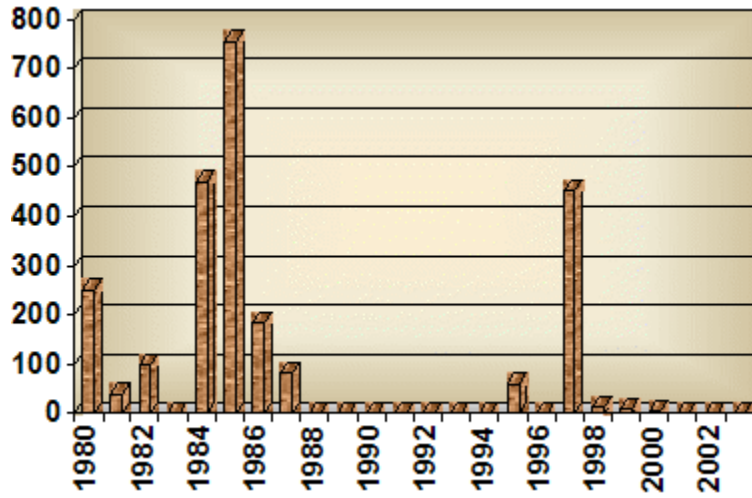


Sherman City Building Permit Office

Sherman-Denison Market Overview 2004

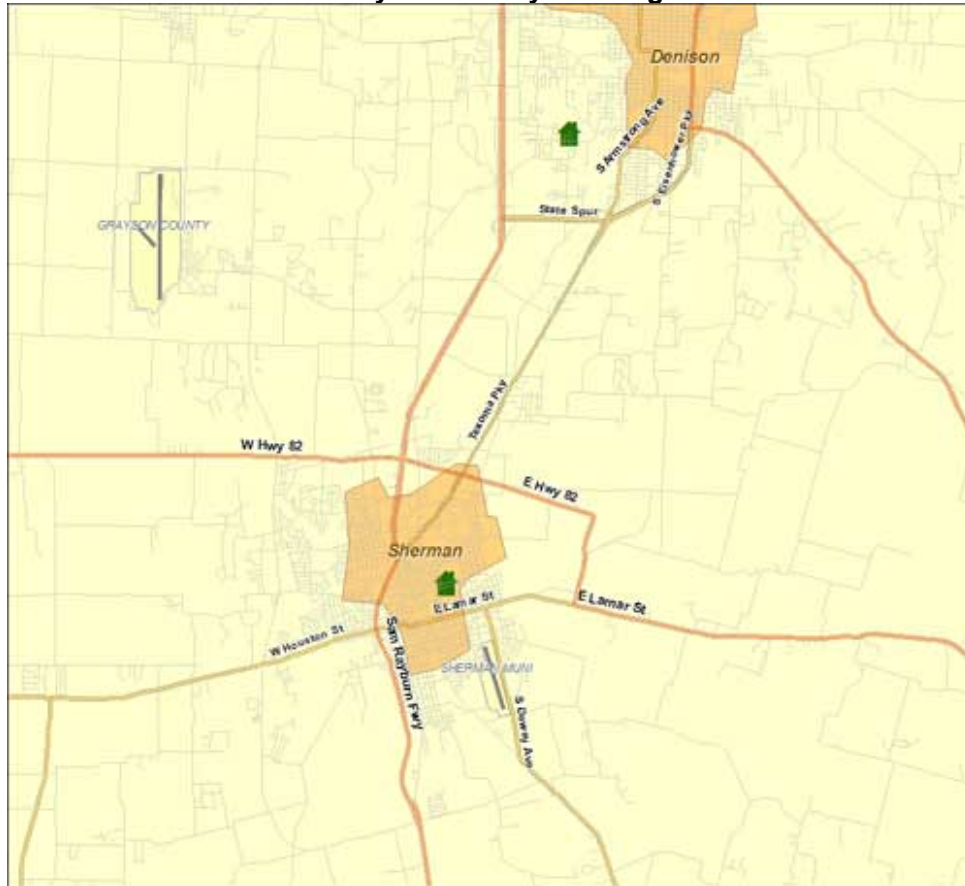
Multifamily

Sherman/Denison MSA Multifamily Building Permits
(5+ Family Bldg. Permits in units)



Source: U.S. Census Bureau

Sherman City Multifamily Building Permits



Sherman City Building Permit Office

Sherman-Denison Market Overview 2004 Housing

Housing Affordability - Fourth Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Sherman-Denison	70	1.51	1.30
Texas MLS Total	54	1.06	0.92
U.S. Total	55	1.06	0.77

* 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, Sherman-Denison Area, 2003 (in percent)

Price Range	1998	1999	2000	2001	2002	2003
\$29,999 or less	10.3	9.9	11.3	10.2	8.2	9.5
30,000 - 39,999	7.5	8.1	8.2	5.9	5.4	6.0
40,000 - 49,999	9.7	7.6	8.4	7.3	6.6	6.4
50,000 - 59,999	11.5	10.5	8.9	7.2	6.7	6.5
60,000 - 69,999	9.6	8.8	8.0	8.6	10.7	7.5
70,000 - 79,999	7.8	9.1	8.4	8.7	6.6	8.6
80,000 - 89,999	9.3	9.0	6.2	7.4	7.9	7.7
90,000 - 99,999	8.0	7.2	8.0	6.5	7.3	5.8
100,000 - 119,999	7.5	8.2	11.2	10.1	10.6	10.6
120,000 - 139,999	7.3	7.6	6.8	11.0	8.6	9.9
140,000 - 159,999	4.5	3.8	4.5	5.9	7.1	6.2
160,000 - 179,999	2.5	3.6	4.1	3.3	5.1	5.5
180,000 - 199,999	1.2	2.3	2.0	2.6	2.4	2.8
200,000 - 249,999	1.7	2.4	1.9	3.0	3.5	2.6
250,000 - 299,999	0.9	0.7	0.9	0.9	1.3	2.0
300,000 - 399,999	0.7	0.8	0.9	0.8	1.0	1.2
400,000 - 499,999	0.0	0.1	0.1	0.4	0.4	0.7
500,000 and more	0.1	0.3	0.1	0.4	0.6	0.4

Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2003

Grayson County Taxing Entity	Tax Rate per \$100 Valuation
City of Sherman	\$0.40
Sherman ISD	1.69
Community College	0.13
Grayson County	0.49
Total	\$2.71
City of Denison	\$0.58
Denison ISD	1.60
Community College	0.13
Grayson County	0.49
Total	\$2.79

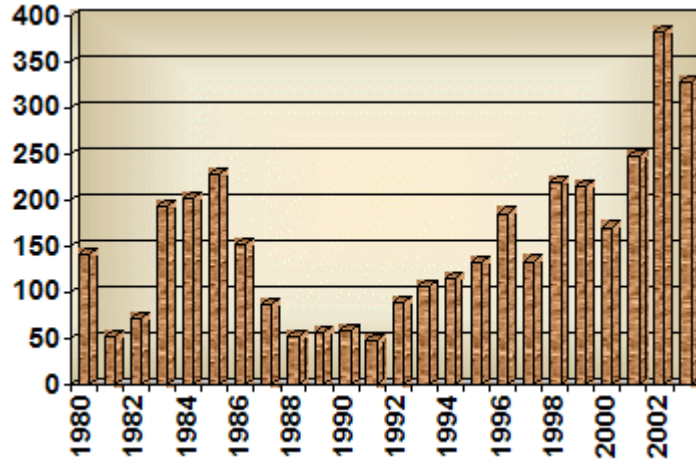
Source: Grayson County Appraisal District

Existing Home Sales, Sherman, Q2-Q3 2003

Grayson County	Q2	Q3
Total Sales	283	333
Average Sales Price	\$108,800	\$114,300
Days on Market	101	95

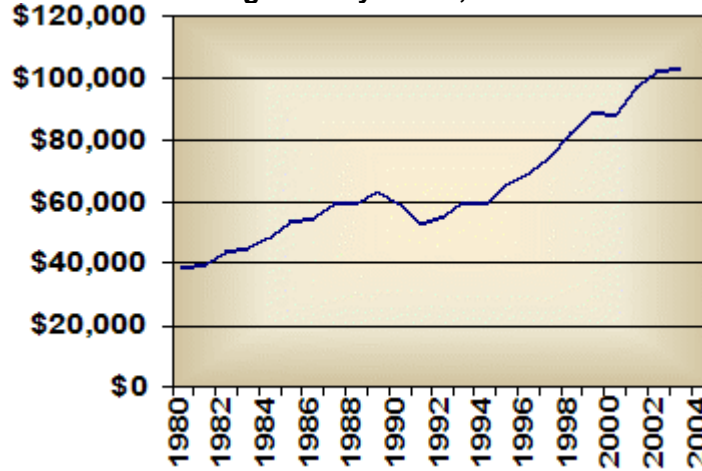
Source: North Texas Real Estate Information System

**Sherman/Denison MSA Single-family Building Permits
(in units)**



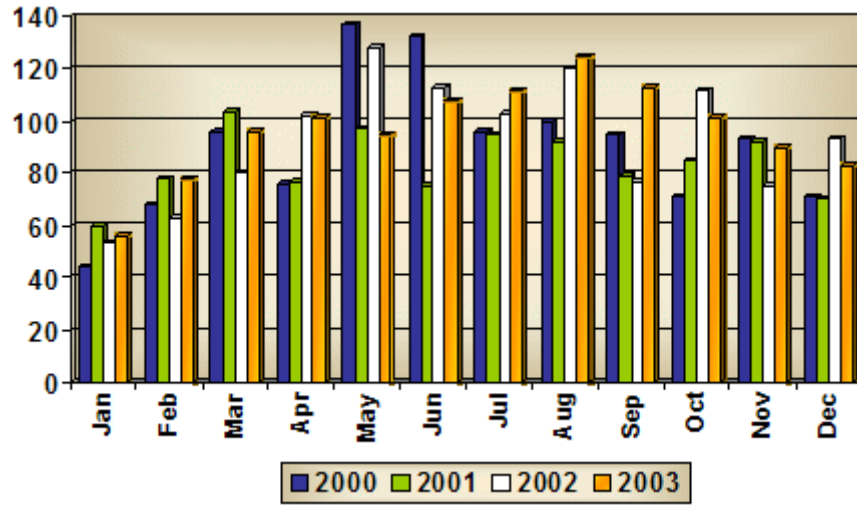
Source: U.S. Census Bureau

Average Sales Price of Single-family Home, Sherman/Denison MSA Area



Source: Real Estate Center at Texas A&M University

**Single-family Home Sales Volume, Sherman/Denison Area
(Number of Units)**

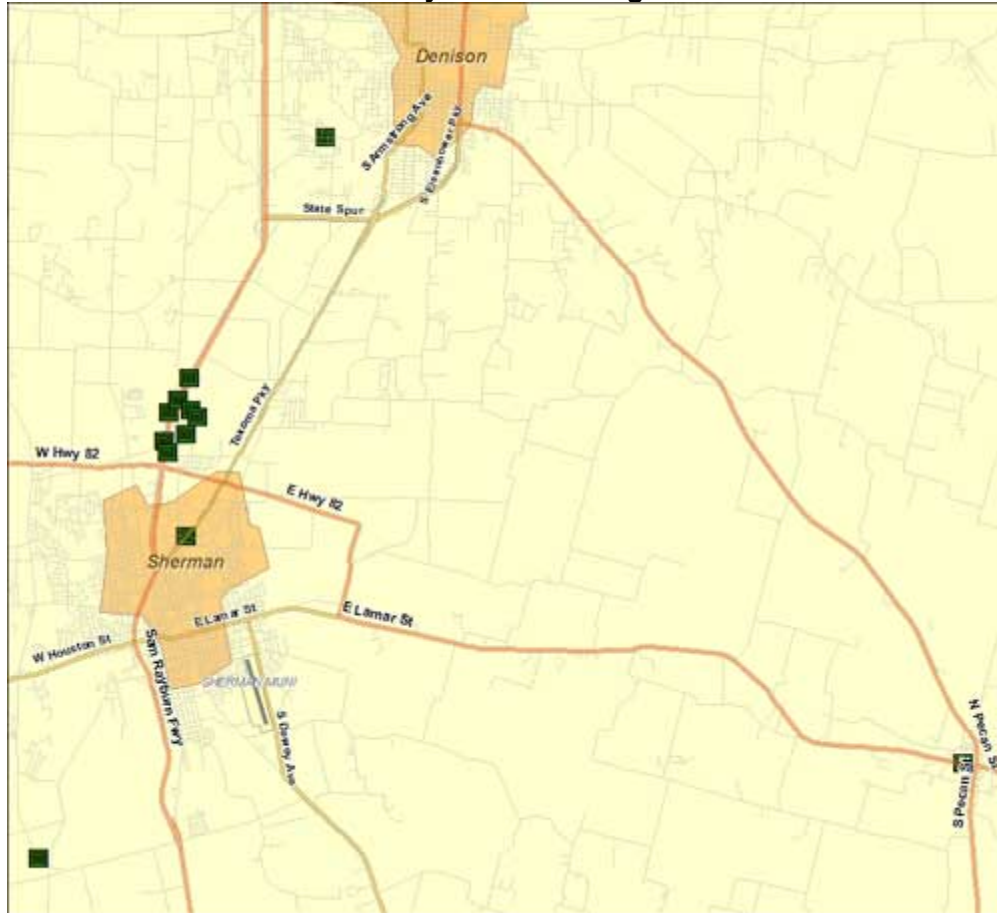


Source: Real Estate Center at Texas A&M University

Sherman-Denison Market Overview 2004

Retail

Sherman City Retail Building Permits



Sherman City Building Permit Office

Sherman-Denison Market Overview 2004 Hotel

Hotel* Occupancy and Rental Rates

	Sherman-Denison	Texas
2000		
Rooms (000)	1.2	296.8
Average daily rental rate	\$53.43	\$71.56
Occupancy rate (percent)	51.8	59.3
2001		
Rooms (000)	1.3	307.1
Average daily rental rate	\$53.16	\$70.27
Occupancy rate (percent)	52.3	57.3
2002		
Rooms (000)	1.3	314.3
Average daily rental rate	\$53.92	\$70.11
Occupancy rate (percent)	50.1	55.4
2003		
Rooms (000)	1.3	320.8
Average daily rental rate	\$53.81	\$68.78
Occupancy rate (percent)	50.8	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.

Sherman-Denison Market Overview 2004 Office

Sherman City Office Building Permits



Sherman City Building Permit Office



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