

Real Estate Market Overview 2004

Tyler

The Tyler Metropolitan Statistical Area (MSA), located between Dallas and Shreveport along I-20, is a manufacturing, health care, education and retail center for East Texas. Tyler ranked third nationally on a list of "Best small places for Businesses and Careers" published by *Forbes* magazine and the Milken Institute in 2002. Tyler is also considered "The Rose Capital of America" and sponsors an annual Azalea and Spring Flower Trail in March and April that draws thousands of tourists.

Quick Facts	
Land Area	928.38 square miles
Population Density (2000)	188 people per square mile
Counties	Smith
Area Cities and Towns	Arp, Big Sandy, Garden Valley, Lindale, Mount Sylvan, Tyler, Whitehouse, Winona

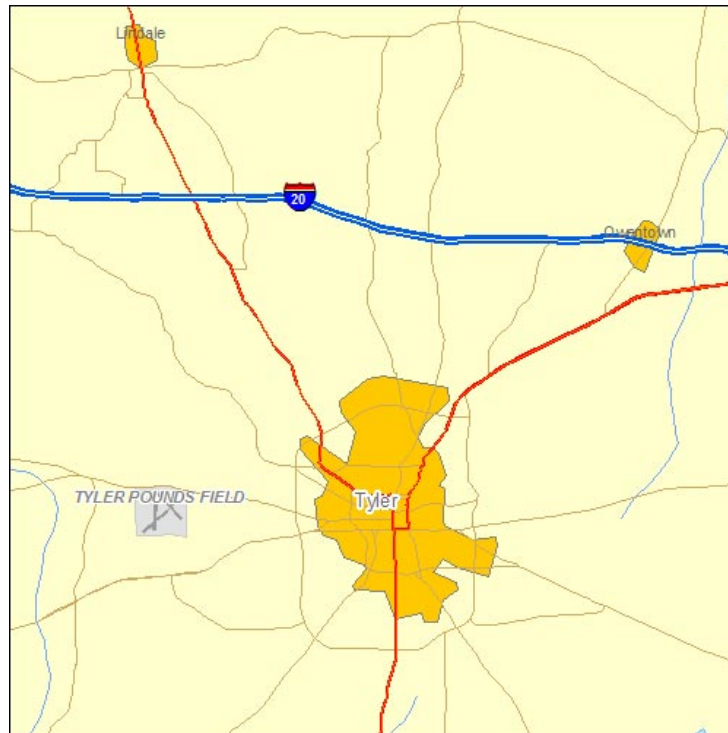


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Tyler Market Overview 2004 Demographics

Tyler MSA Population

Year	Population	Percent Change
1990	151,309	0.3
1991	153,705	1.6
1992	155,336	1.1
1993	158,717	2.2
1994	160,898	1.4
1995	163,440	1.6
1996	166,087	1.6
1997	168,531	1.5
1998	171,033	1.5
1999	172,758	1.0
2000	174,706	1.1
2001	178,010	1.9
2002	181,437	1.9

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

Tyler MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	181,404	-
2010	188,462	201,028
2015	195,944	-
2020	203,729	227,931

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Tyler MSA	Texas
Average household size (2000)	2.59	2.74
Population younger than 18 (2000, in percent)	26.6	28.2
Population 65 and older (2000, in percent)	14.1	9.9

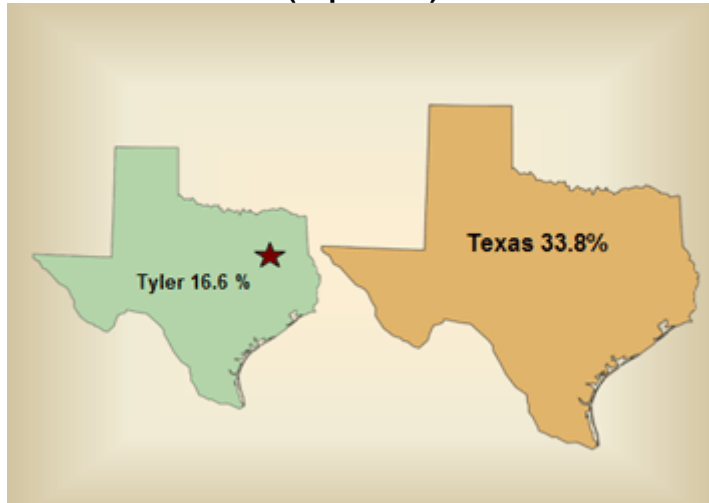
Source: U.S. Census Bureau

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

	Tyler MSA		Texas	
	1990	2000	1990	2000
White	72.6	72.6	60.8	71.0
Black	20.7	19.1	11.7	11.5
Asian	0.4	0.7	0.3	2.7
American Indian	0.4	0.4	1.8	0.6
Other	0.0	5.7	0.1	11.7
Two or more races*	-	1.4	-	2.5
Hispanic (of any race)	5.9	11.2	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)

Tyler Market Overview 2004 Education

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

Level of Education	Smith County	Texas
High school graduate	24.8	26.3
Some college, no degree	25.4	21.7
Associate's degree	7.4	5.2
Bachelor's degree	15.3	16.1
Graduate or professional degree	7.2	7.4

Source: U.S. Census Bureau, 2000 Census

Local College and University Enrollment

School	Spring 2002	Fall 2002	Spring 2003	Fall 2003	Spring 2004
Tyler Junior College	-	8,451	8,578	8,977	9,113*
U.T. Tyler	3,807	4,265	4,242	4,783	-

Sources: Educational institutions and Texas Higher Education Coordinating Board
*Estimated

Tyler Market Overview 2004 Employment

Top Ten Employers

Employer	Sector	Employees
Trinity-Mother Frances Hospital	Health care	3,384
East Texas Medical Center	Health care	3,214
Brookshire Grocery Company	Grocery distribution	2,576
Tyler Independent School District	Education	2,228
The Trane Company	Heating-cooling unit manufacturing	2,000
University of Texas Health Center at Tyler	Health care & research	1,247
Kelly-Springfield Tire Company	Tire manufacturing	1,206
Tyler Pipe	Cast iron pipe, iron fittings	1,100
Carrier Corporation	Commercial air conditioners	1,000
Target Distribution Center	Retail distribution	929

Source: Tyler Economic Development Council Aug-2003

Top Ten Private Employers

Employer	Sector	Employees
Trinity-Mother Frances Hospital	Health care	3,384
East Texas Medical Center	Health care	3,214
Brookshire Grocery Company	Grocery distribution	2,576
The Trane Company	Heating-cooling unit manufacturing	2,000
Kelly-Springfield Tire Company	Tire manufacturing	1,206
Tyler Pipe	Cast iron pipe, iron fittings	1,100
Carrier Corporation	Commercial air conditioners	1,000
Target Distribution Center	Retail distribution	929
Howe-Baker Engineers	Engineering/Contractor	695
Southside Bank	Bank	565

Source: Tyler Economic Development Council Aug-2003

Employment Growth by Industry - 2003

	Tyler MSA	Texas
Employment growth (percent)	0.2	-0.5
Unemployment rate (percent)	4.9	6.8
New jobs	200	-49,800
Employment growth by sector (percent)		
Natural Resources and Mining	0	0.6
Construction	2.7	-3.0
Manufacturing	-5.9	-5.0
Trade, Transportation and Utilities	-2.7	-1.8
Information	0	-5.8
Financial Activities	-6.8	0.9
Professional and Business Services	0	-1.1
Educational and Health Services	5.7	3.3
Leisure and Hospitality	5.3	1.2
Government	1.7	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

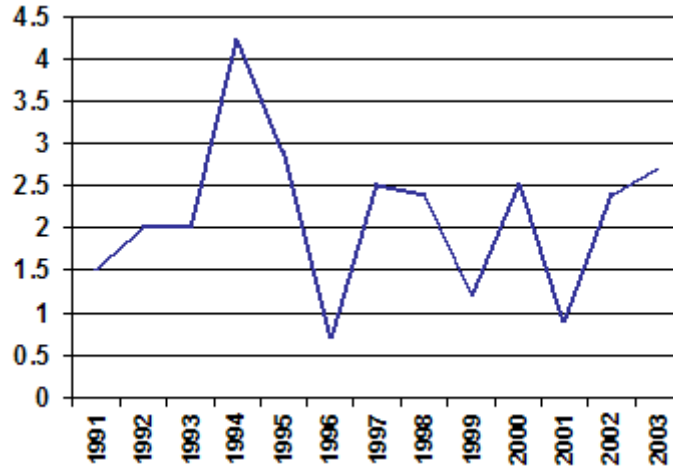
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

Tyler MSA Employment

Year	Employment	Percent Change
1990	70,970	-
1991	72,005	1.5
1992	73,441	2.0
1993	74,884	2.0
1994	78,045	4.2
1995	80,335	2.9
1996	80,930	0.7
1997	82,970	2.5
1998	84,935	2.4
1999	85,991	1.2
2000	87,577	2.5
2001	88,189	0.9
2002	90,410	2.4
2003	93,561	2.7

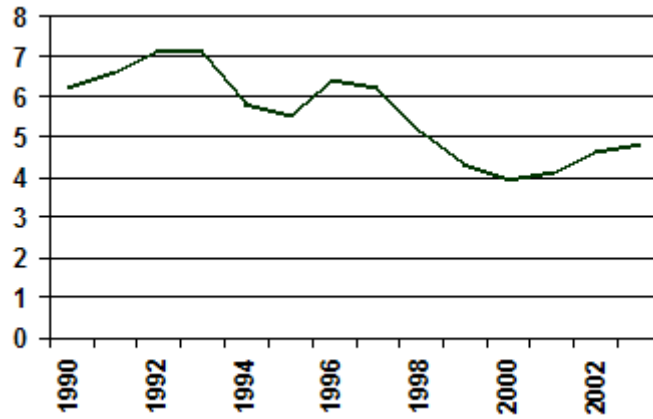
Source: U.S. Bureau of Labor Statistics

Annual Percent Change in Tyler MSA Employment



Source: U.S. Bureau of Labor Statistics

**Tyler MSA Unemployment Rate
(in percent)**



Source: U.S. Bureau of Labor Statistics

Tyler Market Overview 2004 Economy

Tyler MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$1,285,862,178	\$8,498
1991	1,351,609,159	8,794
1992	1,460,219,931	9,400
1993	1,622,335,938	10,222
1994	1,811,577,598	11,259
1995	1,910,000,610	11,686
1996	1,979,648,405	11,919
1997	2,036,581,314	12,084
1998	2,214,711,557	12,949
1999	2,511,976,041	14,540
2000	2,586,577,685	14,805
2001	2,479,095,532	13,927
2002	2,500,531,818	13,782
State Average 2002: \$12,143		

Source: Texas Comptroller's Office Mar 2004

Tyler Market Overview 2004 Infrastructure

Tyler Airline Boardings

Airport	1998	1999	2000	2001	2002	2003
Enplaned	72,616	77,795	74,563	63,834	55,578	60,284
Deplaned	69,009	73,041	70,402	58,916	54,530	58,773
Total	141,625	150,836	144,965	122,750	110,108	119,057

Source: Tyler Pounds Field Airport

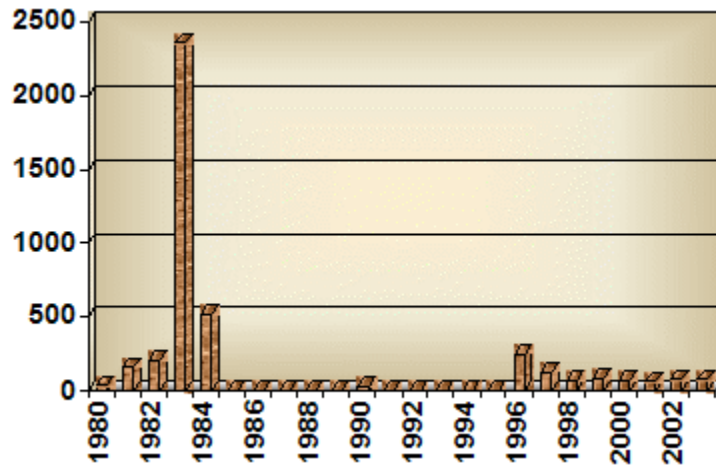
Tyler Market Overview 2004 Multifamily

Tyler Apartment Statistics 2003

	Tyler	Texas Metro Average
Average rent per square foot	\$0.61	\$0.79
Average rent for units built since 2000	\$0.48	\$0.91
Average occupancy (percent)	94.6	92.1
Average occupancy for units built since 2000 (percent)	97.1	90.8

Source: Apartment MarketData Research

**Tyler MSA Multifamily Building Permits
 (5+ Family Bldg. Permits in units)**



Source: U.S. Census Bureau

Tyler Market Overview 2004 Housing

Housing Affordability - Fourth Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Tyler MSA	57	1.11	0.91
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, Tyler Area, 2003 (in percent)

Price Range	1998	1999	2000	2001	2002	2003
\$29,999 or less	5.3	6.4	5.0	3.8	3.9	2.9
30,000 - 39,999	4.3	4.3	4.2	2.8	3.1	3.1
40,000 - 49,999	6.1	5.9	5.6	5.5	4.6	2.6
50,000 - 59,999	9.3	8.7	6.9	5.4	6.0	4.5
60,000 - 69,999	8.2	9.6	8.8	7.1	7.5	5.7
70,000 - 79,999	8.6	7.0	8.6	8.6	7.8	6.7
80,000 - 89,999	10.0	9.4	8.0	8.3	8.3	7.6
90,000 - 99,999	7.1	6.3	7.4	7.3	7.1	7.9
100,000 - 119,999	10.0	11.5	10.5	12.0	12.1	13.9
120,000 - 139,999	9.1	7.9	8.8	10.4	10.2	11.3
140,000 - 159,999	5.6	6.1	6.0	7.2	6.9	8.6
160,000 - 179,999	4.3	4.2	5.6	5.5	5.3	5.9
180,000 - 199,999	2.8	3.3	3.9	3.7	4.4	4.7
200,000 - 249,999	3.8	4.3	5.4	5.3	4.8	5.9
250,000 - 299,999	3.8	2.7	2.2	3.2	3.2	3.4
300,000 - 399,999	0.9	1.3	2.2	2.6	3.4	3.9
400,000 - 499,999	0.8	0.7	0.5	0.9	1.3	1.1
500,000 and more	0.2	0.3	0.6	0.5	0.2	0.5

Source: Real Estate Center at Texas A&M University

Home Sales, Tyler

Smith County	2002	2003*
Total Sales	2,076	2,113
Average Sales Price	\$124,400	\$133,700

*Dec-not available

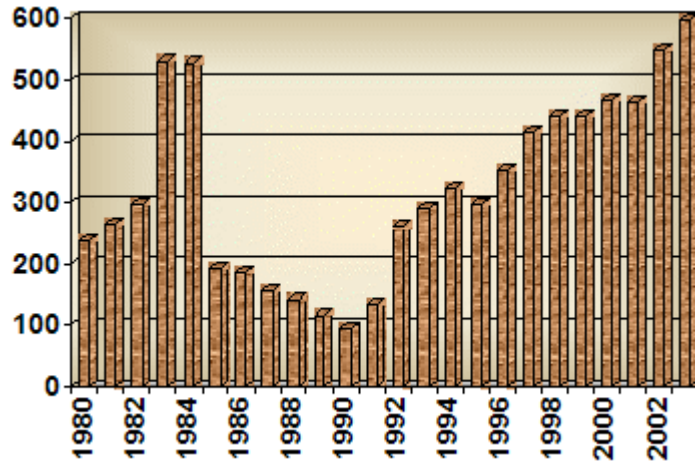
Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2003

Taxing Entity	Tax Rate per \$100 Valuation
City of Tyler	\$0.02
Smith County	0.25
Tyler Junior College	0.12
Tyler Independent School District	1.47
Total	\$1.87

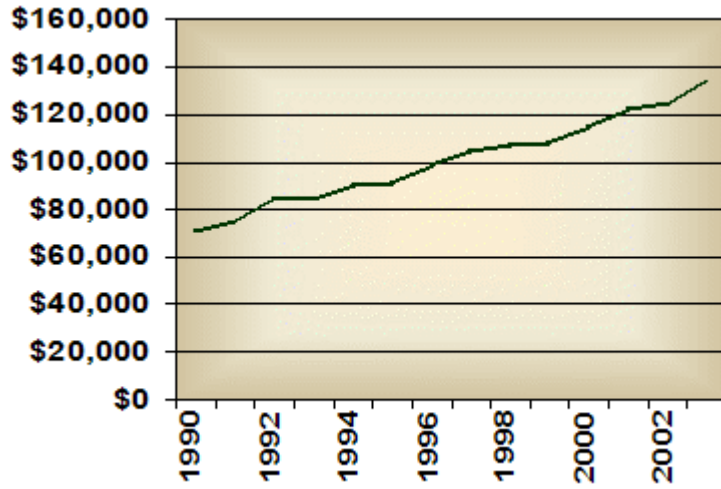
Source: Smith County Appraisal District

Tyler MSA Single-family Building Permits (in units)



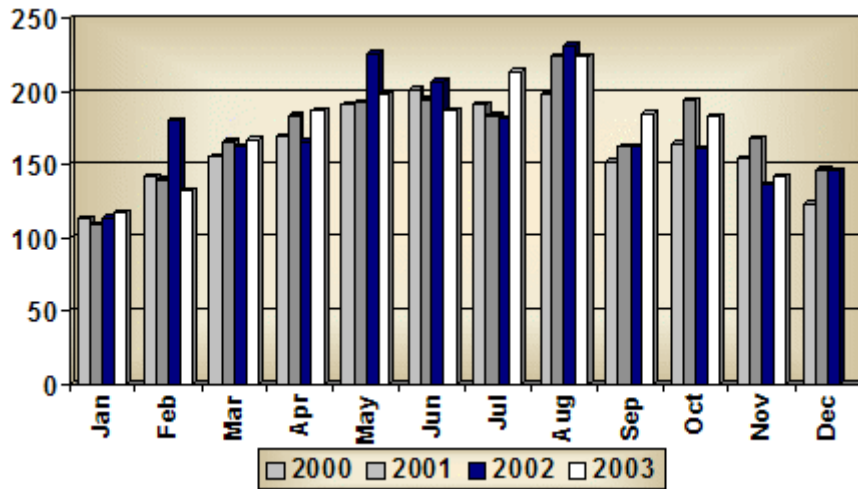
Source: U.S. Census Bureau

Average Sales Price of Single-family Home, Tyler MSA Area



Source: Real Estate Center at Texas A&M University

**Single-family Home Sales Volume, Tyler Area
 (Number of Units)**



Source: Real Estate Center at Texas A&M University

Tyler Market Overview 2004 Hotel

Hotel* Occupancy and Rental Rates

	Tyler	Texas
2000		
Rooms (000)	2.0	296.8
Average daily rental rate	\$53.46	\$71.56
Occupancy rate (percent)	55.3	59.3
2001		
Rooms (000)	2.0	307.1
Average daily rental rate	\$54.91	\$70.27
Occupancy rate (percent)	58.3	57.3
2002		
Rooms (000)	2.1	314.3
Average daily rental rate	\$55.88	\$70.11
Occupancy rate (percent)	56.5	55.4
2003		
Rooms (000)	2.2	320.8
Average daily rental rate	\$55.18	\$68.78
Occupancy rate (percent)	56.3	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.

Tyler Market Overview 2004 Office

Tyler Office Market - Total Market Statistics September 2003

Number of buildings	43
Total square feet	2,009,701
Total vacant square feet	220,048
Overall occupancy rate (percent)	89.1
Average annual rental rate per sq. ft.	\$11.61

Source: Burns-Noble

Tyler Office Market - CBD/Downtown Market September 2003

Number of buildings	14
Total square feet	791,360
Total vacant square feet	104,902
Overall occupancy rate (percent)	86.8
Average annual rental rate per sq. ft.	\$10.30

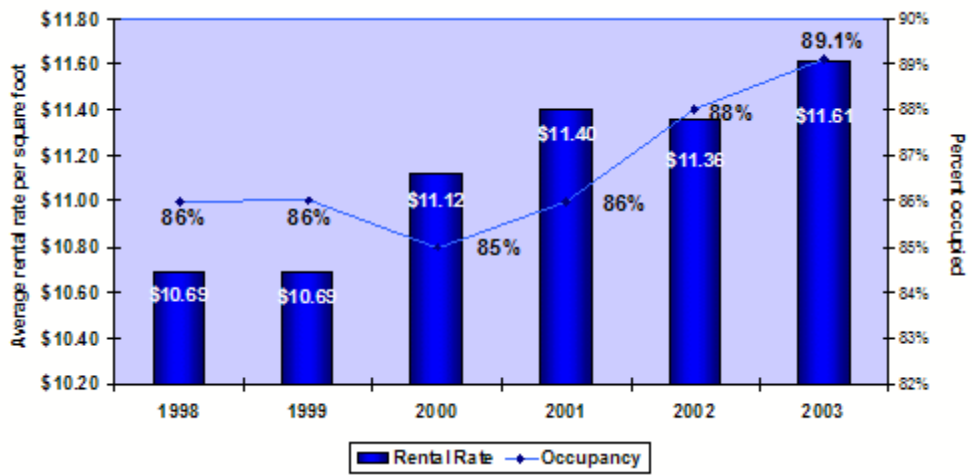
Source: Burns-Noble

Tyler Office Market - Suburban/South Tyler Market September 2003

Number of buildings	29
Total square feet	1,218,341
Total vacant square feet	115,146
Overall occupancy rate (percent)	90.6
Average annual rental rate per sq. ft.	\$12.19

Source: Burns-Noble

Office Market Trends Rates & Occupancy (Sept. to Sept.)



Source: Burns & Noble



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>.

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