

Real Estate Market Overview 2004

Waco

Waco is located on the I-35 corridor between Dallas and Austin. Settlers who wanted to locate along the Brazos River founded the city in 1849. In 1870, a 474-foot suspension bridge was built over the Brazos River. The toll bridge was open to cattle and foot traffic and was the longest single span bridge in the world at that time. Waco is also home to one of Texas' largest urban lakes, Lake Waco, which features 60 miles of shoreline. Today, the Waco Metropolitan Statistical Area (MSA) is a growing area with a population of more than 200,000.

Quick Facts	
Land Area	1,041.88 square miles
Population Density (2000)	204.9 people per square mile
Counties	McLennan
Area Cities and Towns	Bellmead, Bruceville, China Spring, Crawford, Eddy, Elm Mott, Gholson, Hewitt, Lacy-Lakeview, Lorena, Leroy, Mart, McGregor, Moody, Riesel, Robinson, Valley Mills, Waco, West, Woodway

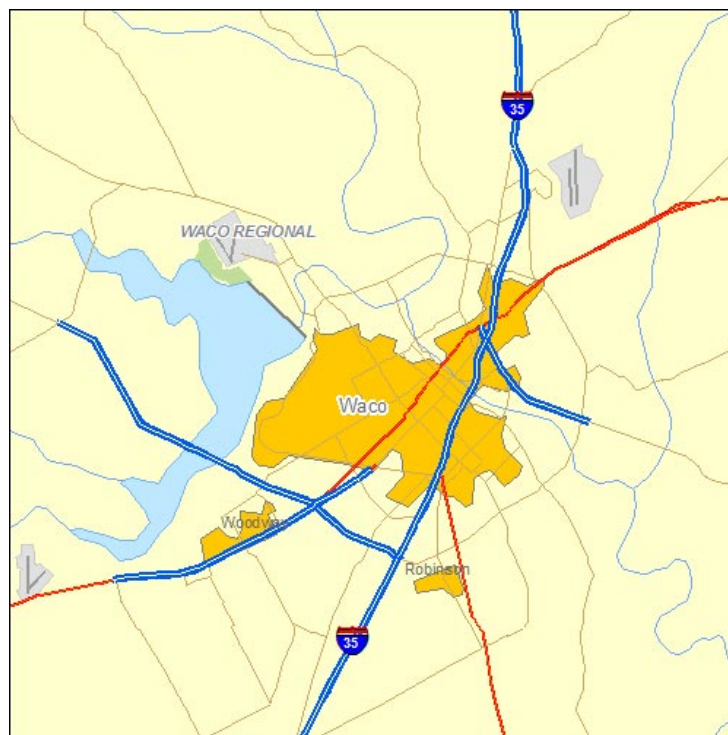


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Waco Market Overview 2004

Demographics

Waco MSA Population

Year	Population	Percent Change
1990	189,123	0.7
1991	191,878	1.5
1992	193,462	0.8
1993	196,163	1.4
1994	200,503	2.2
1995	202,692	1.1
1996	205,894	1.6
1997	207,991	1.0
1998	209,800	0.9
1999	211,548	0.8
2000	213,517	0.9
2001	215,801	1.1
2002	217,713	0.9

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990-2000 (percent)
Waco	113,726	9.8
Hewitt	11,085	23.4

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

Waco MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	220,970	-
2010	229,982	261,923
2015	239,047	-
2020	247,658	282,583

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Waco 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)	12.9	9.9

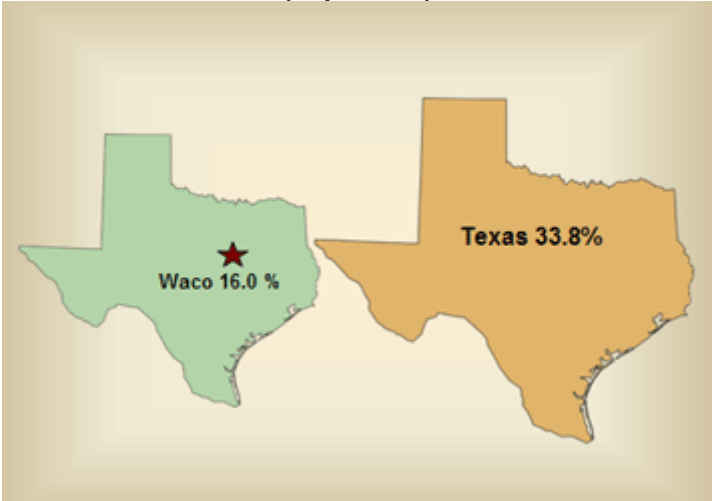
Source: U.S. Census Bureau

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

	Waco MSA		Texas	
	1990	2000	1990	2000
White	71.1	72.2	60.8	71.0
Black	15.4	15.2	11.7	11.5
Asian	0.7	1.1	0.3	2.7
American Indian	0.2	0.5	1.8	0.6
Other	0.1	9.2	0.1	11.7
Two or more races*	-	1.8	-	2.5
Hispanic (of any race)	12.5	17.9	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)

Waco Market Overview 2004

Education

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

Level of Education	McLennan County	Texas
High school graduate	27.9	26.3
Some college, no degree	22.5	21.7
Associate's degree	7.1	5.2
Bachelor's degree	11.8	16.1
Graduate or professional degree	7.3	7.4

Source: U.S. Census Bureau, 2000 Census

Local College and University Enrollment

School	Fall 2002	Spring 2003	Fall 2003
Baylor University	14,047	13,124	13,825

Sources: Educational institutions

Waco Market Overview 2004 Employment

Top Ten Employers

Employer	Sector	Employees
Baylor University	Education	1,000+
Cargil Foods, Inc.	Dressed/packed turkey products	1,000+
City of Waco	Government	1,000+
H-E-B Grocery	Grocery	1,000+
Hillcrest Baptist Medical Center	Medical care	1,000+
L-3 Communications Integrated Systems	Aircraft modification	1,000+
Providence Health Center	Medical care	1,000+
Waco Independent School District	Education	1,000+
Dealers Electric Supply	Electric equipment and supplies	700+
MasterfoodsUSA, A Mars, Inc. Company	Confectionery products	700+

Source: Waco Chamber of Commerce Feb-2004

Top Ten Private Employers

Employer	Sector	Employees
Baylor University	Education	1,000+
Cargil Foods, Inc.	Dressed/packed turkey products	1,000+
H-E-B Grocery	Grocery	1,000+
Hillcrest Baptist Medical Center	Medical care	1,000+
L-3 Communications Integrated Systems	Aircraft modification	1,000+
Providence Health Center	Medical care	1,000+
Dealers Electric Supply	Electric equipment and supplies	700+
MasterfoodsUSA, A Mars, Inc. Company	Confectionery Products	700+
Pilgrim's Pride	Processed chicken products	700+
Examination Management Services, Inc.	Insurance inspection audit	500+

Source: Waco Chamber of Commerce Feb-2004

Employment Growth by Industry - 2003

	Waco MSA	Texas
Employment growth (percent)	0.0	-0.5
Unemployment rate (percent)	5.1	6.8
New jobs	0	-49,800
Employment growth by sector (percent)		
Natural Resources and Mining and Construction	-5.1	0.6
Construction	-	-3.0
Manufacturing	-3.6	-5.0
Trade, Transportation and Utilities	-2.8	-1.8
Information	0	-5.8
Financial Activities	1.6	0.9
Professional and Business Services	2.4	-1.1
Educational and Health Services	3.7	3.3
Leisure and Hospitality	4.6	1.2
Government	0.6	1.3
Total Nonfarm	0	-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

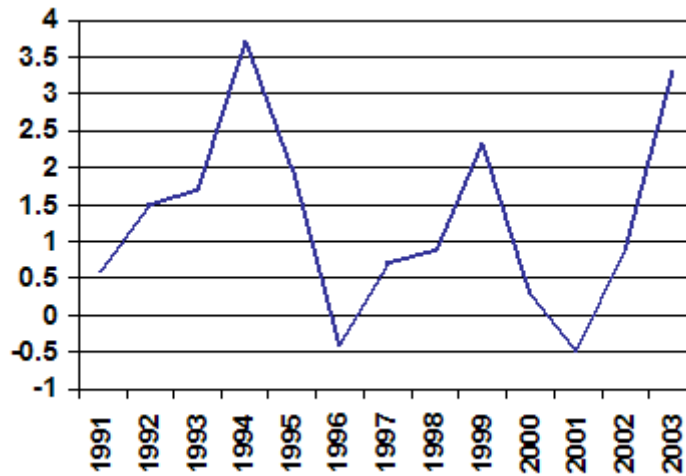
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

Waco MSA Employment

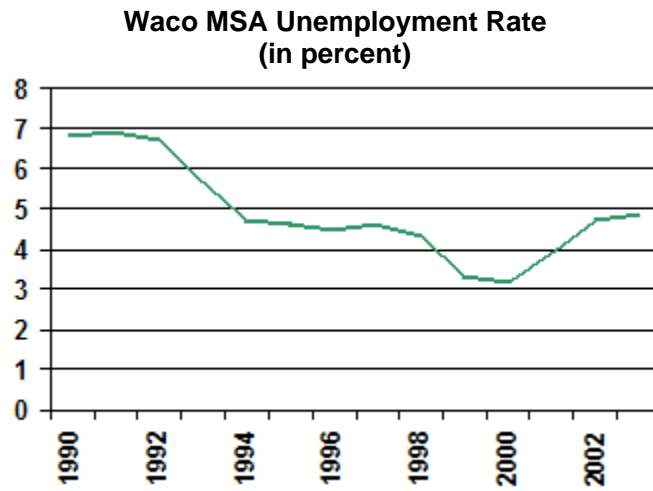
Year	Employment	Percent Change
1990	86,347	-
1991	86,904	0.6
1992	88,209	1.5
1993	89,686	1.7
1994	92,997	3.7
1995	94,869	2.0
1996	94,534	-0.4
1997	95,241	0.7
1998	96,124	0.9
1999	98,350	2.3
2000	98,601	0.3
2001	98,107	-0.5
2002	99,021	0.9
2003	102,310	3.3

Source: U.S. Bureau of Labor Statistics

Annual Percent Change in Waco MSA Employment



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

Waco Market Overview 2004 Infrastructure

Waco Airline Boardings

Airport	1998	1999	2000	2001	2002	2003
Enplaned	59,034	62,786	62,119	60,557	50,278	56,482
Deplaned	-	-	-	-	49,037	54,536
Total	-	-	-	-	99,315	111,018

Source: Waco Regional Airport

Waco Market Overview 2004

Public Facilities

Waco City Public Facilities Building Permits



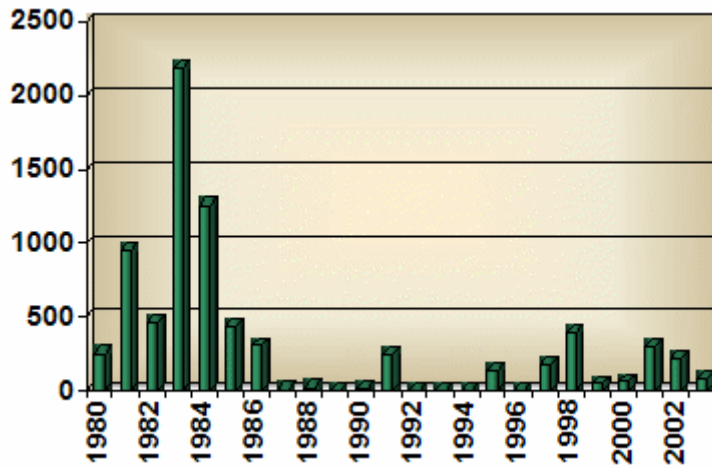
Waco Market Overview 2004 Multifamily

Waco Apartment Statistics 2003

	Waco	Texas Metro Average
Average rent per square foot	\$0.68	\$0.79
Average rent for units built since 2000	\$0.88	\$0.91
Average occupancy (percent)	94.8	92.1
Average occupancy for units built since 2000 (percent)	95.5	90.8

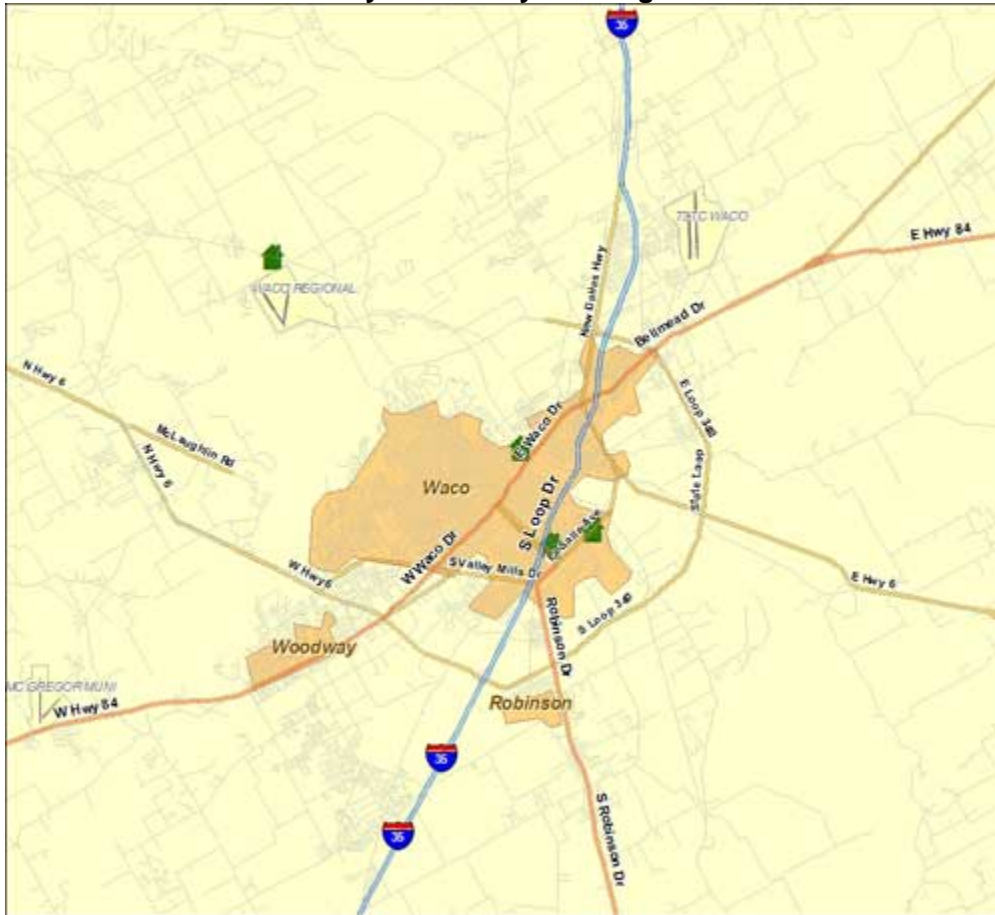
Source: Apartment MarketData Research

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



Source: U.S. Census Bureau

Waco City Multifamily Building Permits



Waco City Building Permit Office

Waco Market Overview 2004 Housing

Housing Affordability - Fourth Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Waco MSA	58	1.22	1.03
Texas MLS Total	54	1.06	0.92
U.S. Total	55	1.06	0.77

Source: Real Estate Center at Texas A&M University

* 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.

Price Distribution of MLS Homes Sold, Waco Area, 2003 (in percent)

Price Range	2003
\$29,999 or less	6.0
30,000 - 39,999	3.7
40,000 - 49,999	4.2
50,000 - 59,999	6.1
60,000 - 69,999	8.1
70,000 - 79,999	6.8
80,000 - 89,999	7.7
90,000 - 99,999	8.1
100,000 - 119,999	12.9
120,000 - 139,999	10.7
140,000 - 159,999	8.1
160,000 - 179,999	6.1
180,000 - 199,999	3.7
200,000 - 249,999	3.9
250,000 - 299,999	1.2
300,000 - 399,999	2.0
400,000 - 499,999	0.5
500,000 and more	0.4

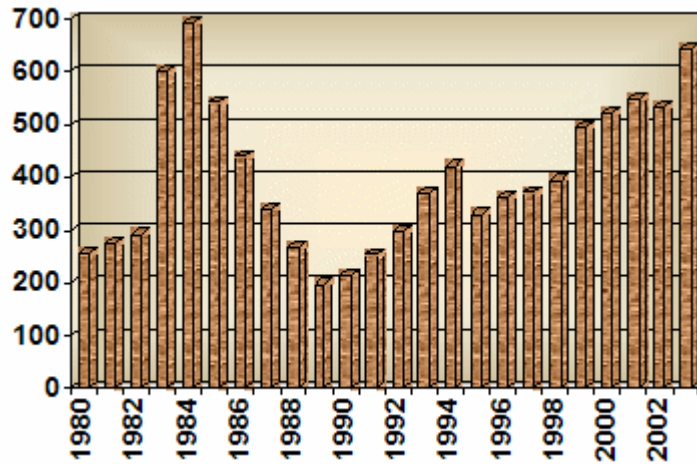
Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2003

Taxing Entity	Tax Rate per \$100 Valuation
City of Waco	\$0.70
Waco ISD	1.52
McLennan Community College	0.13
McLennan County	0.43
Total	\$2.78

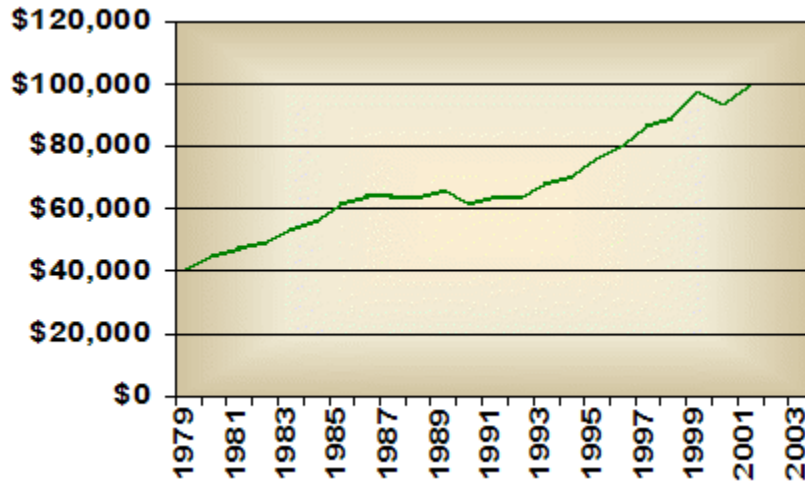
Source: McLennan County Appraisal District

Waco MSA Single-family Building Permits (in units)



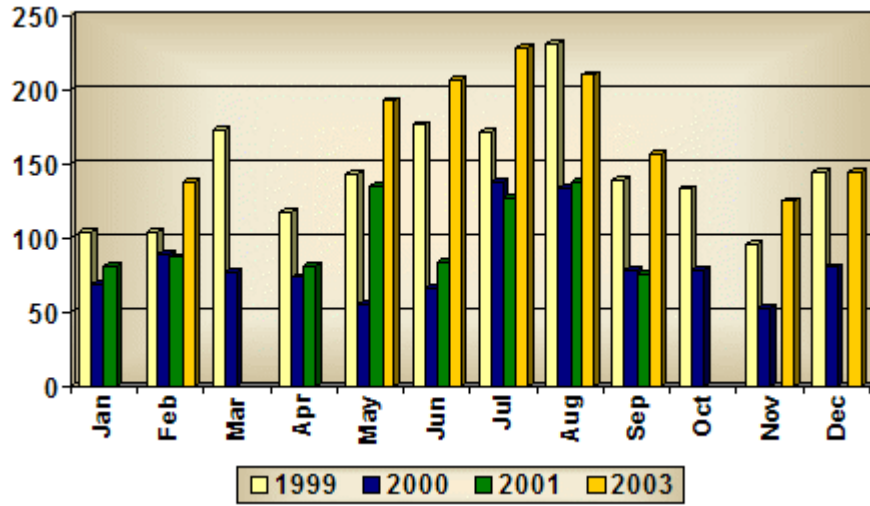
Source: U.S. Census Bureau

Average Sales Price of Single-family Home, Waco Area



Source: Real Estate Center at Texas A&M University

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



Source: Real Estate Center at Texas A&M University

Waco Market Overview 2004

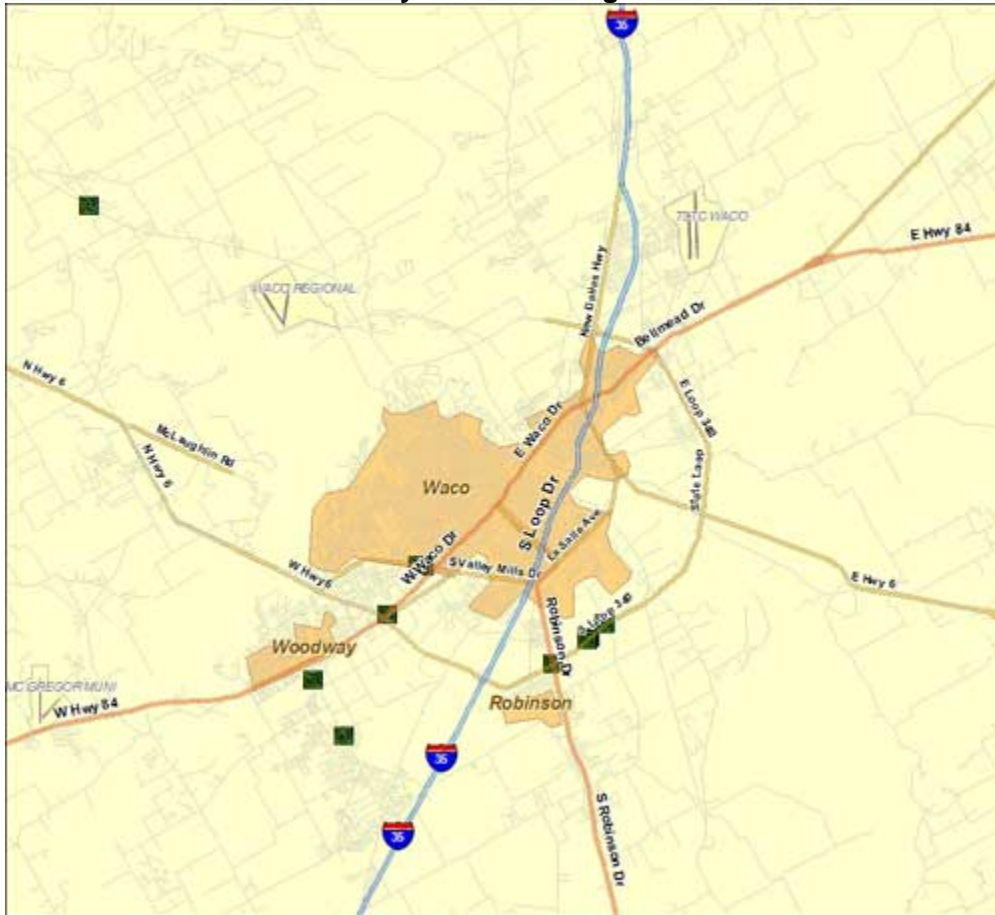
Retail

Waco MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$1,407,951,815	\$7,445
1991	1,450,493,128	7,559
1992	1,553,581,885	8,030
1993	1,678,854,331	8,558
1994	1,814,512,300	9,050
1995	2,030,098,684	10,016
1996	2,080,949,139	10,107
1997	2,150,987,297	10,342
1998	2,214,286,560	10,554
1999	2,310,075,586	10,920
2000	2,467,140,564	11,555
2001	2,516,139,442	11,660
2002	2,532,376,602	11,632
State Average 2002: \$12,143		

Source: Texas Comptroller's Office Mar 2004

Waco City Retail Building Permits



Waco City Building Permit Office

Waco Market Overview 2004 Hotel

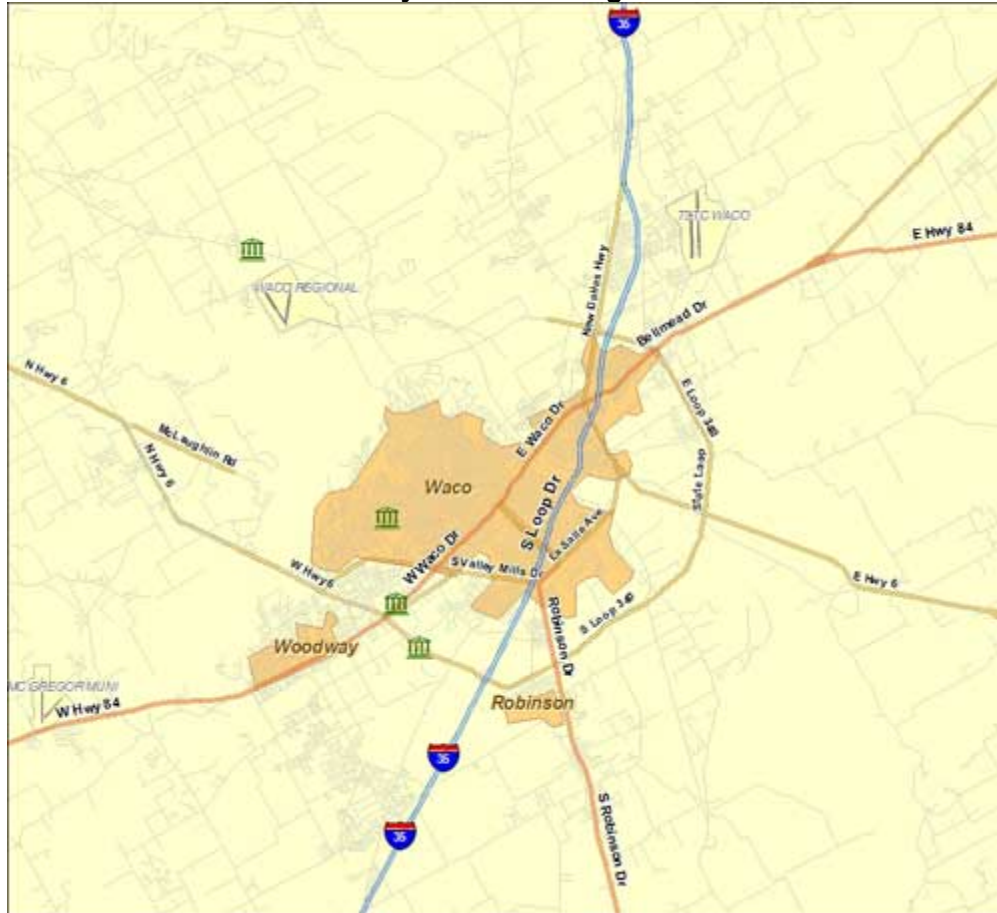
Hotel* Occupancy and Rental Rates

	Waco	Texas
2000		
Rooms (000)	2.6	296.8
Average daily rental rate	\$52.54	\$71.56
Occupancy rate (percent)	61.1	59.3
2001		
Rooms (000)	2.7	307.1
Average daily rental rate	\$54.97	\$70.27
Occupancy rate (percent)	61.0	57.3
2002		
Rooms (000)	2.7	314.3
Average daily rental rate	\$56.30	\$70.11
Occupancy rate (percent)	60.4	55.4
2003		
Rooms (000)	2.8	320.8
Average daily rental rate	\$56.43	\$68.78
Occupancy rate (percent)	62.9	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.

Waco Market Overview 2004 Office

Waco City Office Building Permits



Waco City Building Permit Office

Waco Market Overview 2004 Industrial

Waco City Industrial Building Permits



Waco 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