

Real Estate Market Overview 2005

Beaumont - Port Arthur

The Beaumont-Port Arthur Metropolitan Statistical Area (MSA) has approximately 385,000 residents and is located on the southeast Texas Gulf Coast. The entire Beaumont area was changed on January 10, 1901, when the Lucas well at Spindletop blew in from a depth of 1,020 feet with oil gushing 200 feet into the air. Many MSA inhabitants refer to the area bordered by Beaumont, Orange and Port Arthur as the "Golden Triangle." Area employment relies heavily on petroleum-based industries, timber production and shipping through area ports. The Port of Beaumont is the fifth busiest port in the United States in terms of annual tonnage. More than 15 million people live within a 300-mile radius of Beaumont-Port Arthur.

Quick Facts	
Land Area	2,154.28 square miles
Population Density (2000)	179 people per square mile
Counties	Hardin, Jefferson, Orange
Area Cities and Towns	
Beaumont, Bridge City, Buna, China, Deweyville, Evadale, Fannett, Groves, Hamshire, Kountze, Lumberton, Lumberton, Nederland, Nome, Orange, Port Arthur, Port Neches, Saratoga, Silsbee, Sour Lake, Vidor, West Orange	

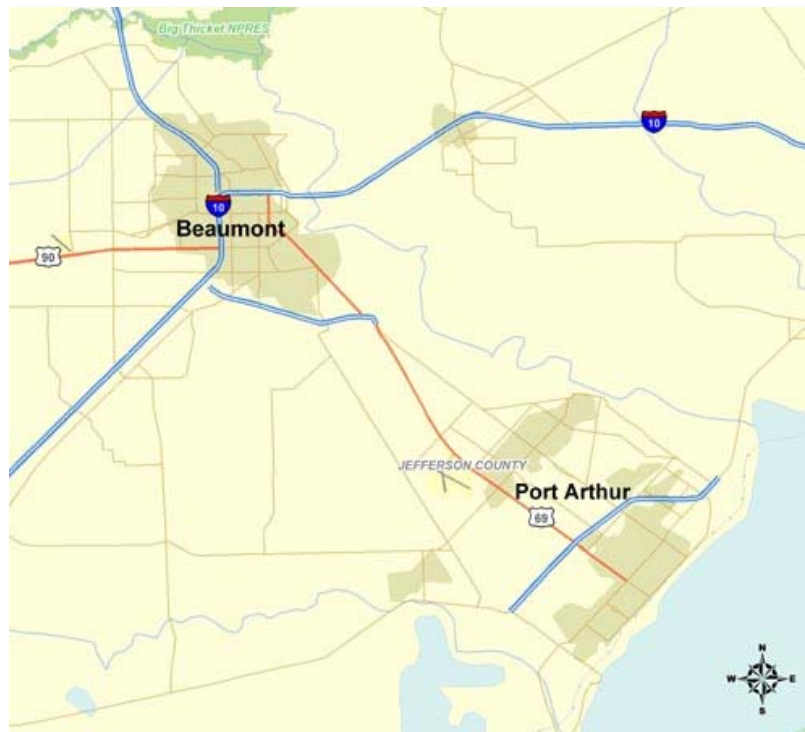


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Beaumont-Port Arthur Market Overview 2005 Demographics

Beaumont-Port Arthur Population

Year	Population	Percent Change
1990	361,218	0.2
1991	366,555	1.5
1992	371,174	1.3
1993	375,979	1.3
1994	377,590	0.4
1995	380,888	0.9
1996	380,417	-0.1
1997	381,675	0.3
1998	382,827	0.3
1999	385,034	0.6
2000	385,090	0.0
2001	382,726	-0.6
2002	382,633	0.0
2003	382,875	0.1
2004	383,443	0.1

Source: U.S. Census Bureau

County Population Growth

County	1990 Population	2004 Population	Growth 1990 - 2004 (in percent)
Hardin	41,320	50,347	21.85
Jefferson	239,389	248,223	3.69
Orange	80,509	84,873	5.42

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990 - 2000 (in percent)
Beaumont	113,866	-0.48
Port Arthur	57,755	-1.06
Orange	18,643	-5.62
Nederland	17,422	3.35
Groves	15,733	-5.20
Port Neches	13,601	-0.10
Vidor	11,440	0.48

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1990 - 2004

Metropolitan Area	1990 Population	2004 Population	Percent Change
McAllen-Edinburg-Mission	383,545	658,248	71.6
Austin-San Marcos	846,227	1,412,271	66.9
Laredo	133,239	219,464	64.7
Dallas	2,676,248	3,886,553	45.2
Brownsville-Harlingen-San Benito	260,120	371,825	42.9
Brazoria County	191,707	271,130	41.4
Houston	3,321,911	4,587,092	38.1
Fort Worth-Arlington	1,361,034	1,878,334	38.0
Texas	16,986,335	22,490,022	32.4
San Antonio	1,324,749	1,722,117	30.0
Bryan-College Station	121,862	156,275	28.2
Killeen-Temple	255,299	325,398	27.5
Galveston-Texas City	217,396	271,743	25.0
Tyler	151,309	186,414	23.2
Sherman-Denison	95,019	115,933	22.0
Amarillo	187,514	227,472	21.3
El Paso	591,610	713,126	20.5
Waco	189,123	222,439	17.6
Victoria	74,361	85,777	15.4
Lubbock	222,636	251,018	12.7
Longview-Marshall	193,801	215,159	11.0
Texarkana	120,132	132,716	10.5
Corpus Christi	349,894	385,700	10.2
Odessa-Midland	225,545	244,832	8.6
Beaumont-Port Arthur	361,218	383,443	6.2
San Angelo	98,458	103,772	5.4
Wichita Falls	130,351	136,595	4.8
Abilene	119,655	125,108	4.6

Source: U.S. Census Bureau

Beaumont-Port Arthur MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	393,691	-
2010	402,670	422,997
2015	411,806	-
2020	421,070	445,201

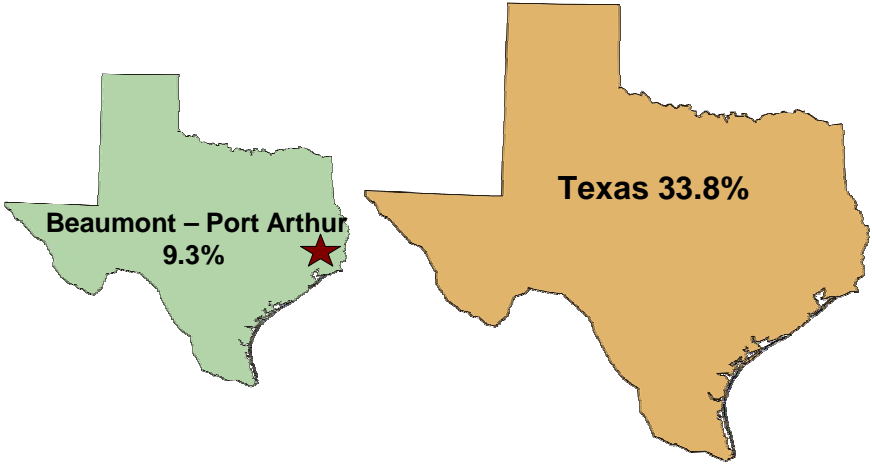
Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Beaumont-Port Arthur MSA	Texas
Average household size (2000)	2.59	2.74
Population younger than 18 (2000, in percent)	26.5	28.2
Population 65 and older (2000, in percent)	13.2	9.9

Source: U.S. Census Bureau

Projected Population Growth, 2000 – 2020
(in percent)



Source: Texas State Data Center (Scenario 0.5)

Beaumont-Port Arthur Market Overview 2005 Education

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

Level of Education	Hardin County	Jefferson County	Orange County	Texas
High school graduate	40.3	33.1	38.7	24.8
Some college, no degree	21	23.8	24.1	22.4
Associate's degree	5.2	5.3	5.2	5.2
Bachelor's degree	9.7	11.5	8.2	15.6
Graduate or professional degree	3.3	4.8	2.8	7.6

Source: U.S. Census Bureau

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

Level of Education	Beaumont - Port Arthur MSA	Texas
High School Graduate or Higher	78.7	75.7
Bachelor's Degree or Higher	14.7	23.2

Source: U.S. Census Bureau

Local College and University Enrollment

School	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Lamar State College - Port Arthur	2,508	2,497	2,406	2,429	2,385
Lamar State College - Orange	1,939	2,020	1,976	1,853	2,047
Lamar University	8,568	8,969	9,802	10,379	10,804

Source: Texas Higher Education Coordinating Board

Local College and University Enrollment

School	Spring 2000	Spring 2001	Spring 2002	Spring 2003	Spring 2004
Lamar State College - Port Arthur	2,297	2,453	2,395	2,309	2,241
Lamar State College - Orange	1,794	1,807	1,858	1,768	1,812
Lamar University	7,691	8,011	8,384	9,289	9,646

Source: Texas Higher Education Coordinating Board

Beaumont-Port Arthur Market Overview 2005 Employment

Beaumont Top Ten Employers

Employer	Sector	Employees
ExxonMobil Oil Corporation	Petrochemical manufacturing	2,150
Beaumont Independent School District	Education	2,840
Christus St. Elizabeth Hospital	Health care	2,500
Memorial Hermann Baptist Hospital	Hospital	2,250
Westvaco	Paper mill	1,690
U.S. Postal Encoding Center	Encoding Center	1,686
E. I. Dupont Nemours	Petrochemical manufacturing	1,450
City of Beaumont	Government	1,450
Lamar University	University	1,200
Huntsman Corporation	Petrochemical manufacturing	1,038

Source: Beaumont Chamber of Commerce Jan-2005

Beaumont Top Ten Private Employers

Employer	Sector	Employees
ExxonMobil Oil Corporation	Petrochemical manufacturing	2,150
Christus St. Elizabeth Hospital	Health care	2,500
Memorial Hermann Baptist Hospital	Hospital	2,250
Westvaco	Paper mill	1690
E. I. Dupont Nemours	Petrochemical manufacturing	1,450
Huntsman Corporation	Petrochemical manufacturing	1,038
ENGlobal	Engineering services	980
Motiva Enterprises	Oil refinery	860
Premcor Refinery	Oil refinery	800
West Teleservices Corp.	Call center	600

Source: Beaumont Chamber of Commerce Jan-2005

Port Arthur Top Ten Employers

Employer	Sector	Employees
Port Arthur ISD	Education	1,301
CHRISTUS St. Mary Hospital	Medical Service	1,100
Huntsman Corp.	Petrochemical Mfg.	1,034
Motiva Enterprises	Petroleum Refining	887
Super Wal-Mart	Retailer	865
Premcor Refining Group	Petroleum Refining	788
City of Port Arthur	City Government	607
Horizon Offshore	Offshore Rig Const./Maint.	550
Park Place/Mid-Jefferson	Medical Services	460
Atofina Petrochemical	Petroleum Refining	443

Source: Port Arthur Chamber of Commerce Aug-2004

Employment Growth by Industry

	Beaumont-Port Arthur	
	MSA	Texas
Employment growth, 2004 (in percent)	0.7	1.3
Unemployment rate 2004 (in percent)	8.3	6.1
New jobs in 2004	1,100	120,600
<u>Employment growth by sector 2004 (in percent)</u>		
Total Nonfarm	0.7	1.3
Natural Resources, Mining, and Construction	-4.8	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	-1.6	-0.2
Trade, Transportation and Utilities	2.6	1.2
Information	0	-1.1
Financial Activities	3.2	1.7
Professional and Business Services	3.1	1.7
Educational and Health Services	4	2.1
Leisure and Hospitality	-0.7	2.1
Government	0	1.5

All estimates are subject to revision March-2005

Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Texas Metropolitan Area Employment Change, 1990-2004

Metropolitan Area	1990 Employment	2004 Employment	Percent Change
McAllen-Edinburg-Mission	128,092	231,224	80.5
Austin-Round Rock	452,961	738,706	63.1
Laredo	48,588	77,898	60.3
Killeen-Temple-Fort Hood	93,215	137,634	47.7
Brownsville-Harlingen	90,534	130,457	44.1
College Station-Bryan	69,738	97,038	39.1
San Antonio	620,868	833,331	34.2
Dallas-Fort Worth-Arlington	2,163,142	2,790,815	29.0
Texas	8,071,312	10,362,982	28.4
Amarillo	96,512	122,770	27.2
Tyler	70,712	89,186	26.1
Houston-Baytown-Sugar Land	1,926,731	2,411,653	25.2
Sherman-Denison	43,644	53,651	22.9
Lubbock	110,510	134,203	21.4
Waco	86,033	104,444	21.4
Midland	51,435	61,405	19.4
Abilene	64,278	76,330	18.7
Corpus Christi	156,681	184,573	17.8
Victoria	44,880	52,847	17.8
El Paso	228,522	267,419	17.0
Longview	80,290	93,867	16.9
Wichita Falls	61,226	70,608	15.3
San Angelo	44,183	50,604	14.5
Texarkana	51,476	57,743	12.2
Odessa	52,585	57,944	10.2
Beaumont-Port Arthur	156,860	164,663	5.0

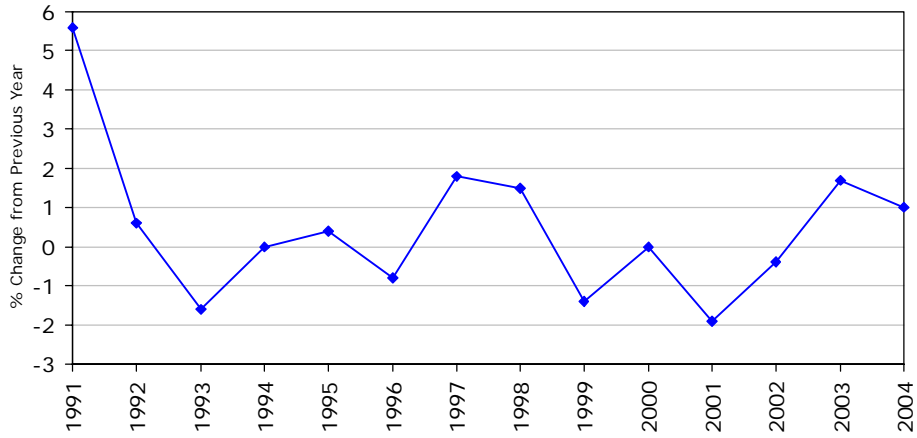
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Beaumont - Port Arthur MSA Employment

Year	Employment	Percent Change
1990	157,435	-
1991	166,250	5.6
1992	167,282	0.6
1993	164,630	-1.6
1994	164,588	0.0
1995	165,201	0.4
1996	163,920	-0.8
1997	166,922	1.8
1998	169,470	1.5
1999	167,041	-1.4
2000	167,058	0.0
2001	163,832	-1.9
2002	163,205	-0.4
2003	165,971	1.7
2004	167,590	1.0

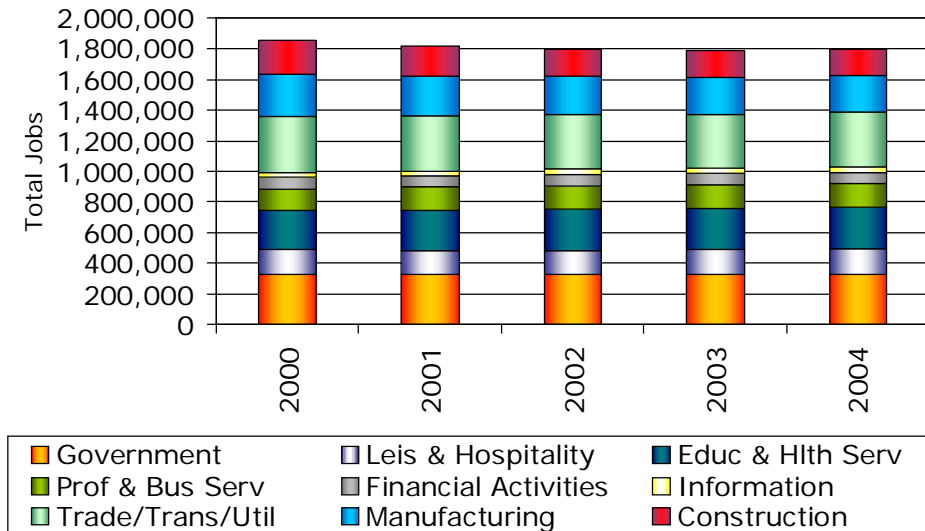
Source: U.S. Bureau of Labor Statistics

**Employment Growth
 Beaumont/Port Arthur MSA**



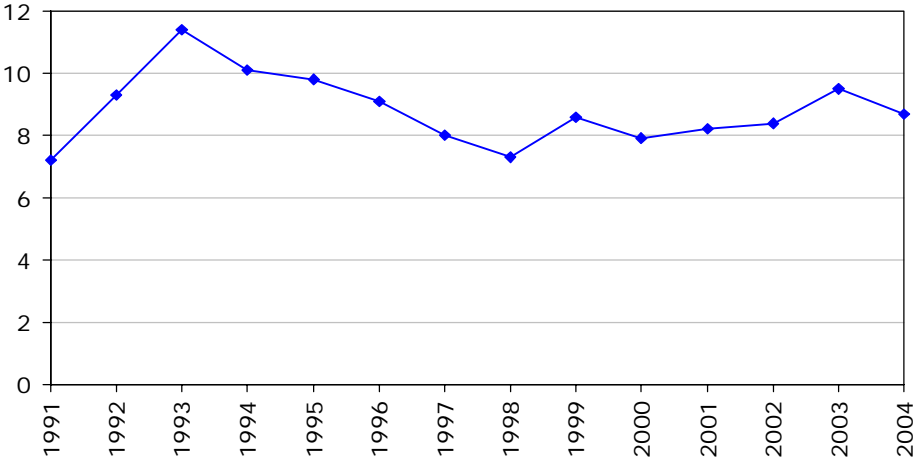
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Distribution of Employment in Major Categories



Source: Texas Workforce Commission Feb-2005

Beaumont/Port Arthur MSA Unemployment Rate
(in percent)



Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Beaumont-Port Arthur Market Overview 2005 Economy

Beaumont-Port Arthur MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$2,541,743,588	\$7,037
1991	2,588,853,701	7,063
1992	2,660,982,292	7,169
1993	2,688,641,919	7,151
1994	2,902,732,295	7,688
1995	3,089,902,640	8,112
1996	3,154,717,442	8,293
1997	3,211,314,126	8,414
1998	3,363,213,935	8,785
1999	3,584,746,460	9,310
2000	3,763,249,502	9,772
2001	3,850,255,019	10,060
2002	3,933,993,619	10,281
2003	4,018,723,909	10,496
2004	4,148,488,359	10,819
State Average 2004: \$14,546		

Source: Texas Comptroller's Office

Beaumont-Port Arthur Market Overview 2005 Infrastructure

Beaumont-Port Arthur Airline Activity

Southeast Texas Regional Airport	1999	2000	2001	2002	2003	2004
Enplaned (int'l & national)	99,343	89,513	73,989	58,616	42,476	53,692
Deplaned (int'l & national)	-	-	-	55,110	41,894	53,890
Total (int'l & national)	-	-	-	113,726	84,370	107,582

Source: Southeast Texas Regional Airport

Beaumont-Port Arthur Market Overview 2005

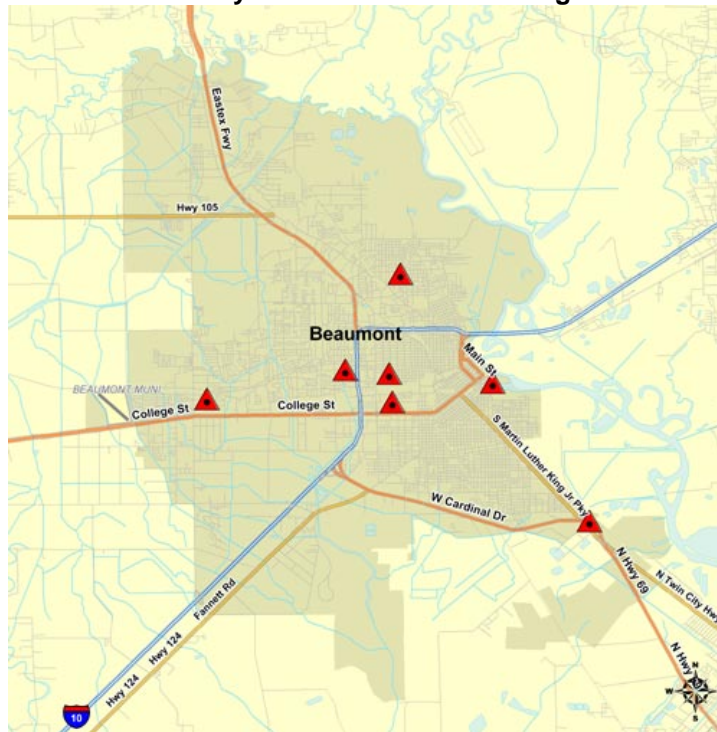
Public Facilities

Port Arthur City Public Facilities Building Permits



Port Arthur City Building Permit Office

Beaumont City Public Facilities Building Permits



Beaumont City Building Permit Office

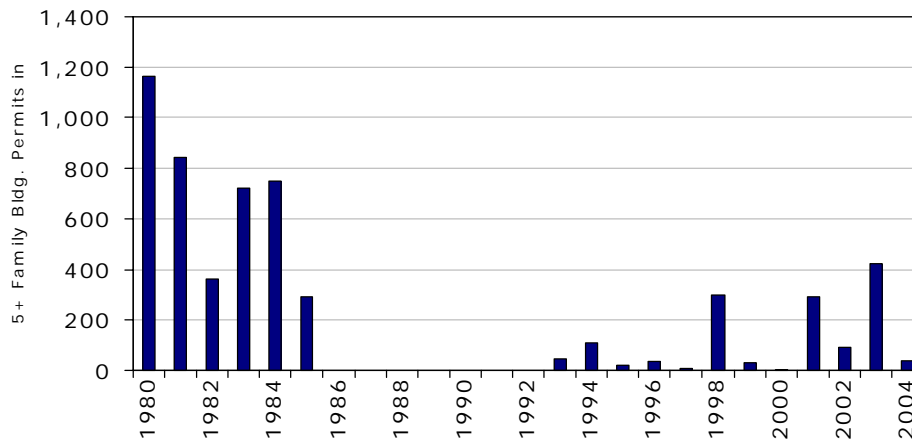
Beaumont-Port Arthur Market Overview 2005 Multifamily

Beaumont-Port Arthur Apartment Statistics 2004

	Beaumont- Southeast Texas	Texas Metro Average
Average rent per square foot	\$0.62	\$0.79
Average rent for units built since 2000	\$0.63	\$0.92
Average occupancy (in percent)	92.5	91.5
Average occupancy for units built since 2000 (in percent)	96.5	92.4

Source: Apartment MarketData Research Jan-2005

Beaumont/Port Arthur MSA Multifamily Building Permits



Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

Beaumont-Port Arthur Market Overview 2005 Housing

Housing Affordability - Fourth Quarter 2004

	Percent of Households That Can Afford Median- priced Home	THAI*	THAI for First-time Homebuyers
Beaumont	55	1.10	0.94
Port Arthur	64	1.46	1.24
Texas MLS Total	50	0.99	0.91
U.S. Total	49	0.99	0.72

* 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

Property Tax Rates 2004: County, Major City, Major School District

Taxing Entity*	Beaumont	Port Arthur	Orange
County	0.43	0.43	0.58
City	0.66	0.78	0.84
School District	1.54	1.62	1.59
Total	\$2.63	\$2.82	\$3.00

* Only the typical taxing entities are listed. However, there are numerous numbers of taxing entities that need to be taken into account for an actual tax rate calculation.

Source: Jefferson and Orange County Appraisal District

Price Distribution of MLS Homes Sold, Beaumont
 (in percent)

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	7.5	7.9	6.5	6.5	8.6	7.7	7.0
30,000 - 39,999	6.0	6.1	5.3	4.1	4.6	3.7	3.3
40,000 - 49,999	8.9	7.2	5.0	5.0	4.7	5.2	3.8
50,000 - 59,999	10.0	9.3	7.9	7.1	6.5	6.1	6.3
60,000 - 69,999	9.7	9.7	10.6	10.1	9.4	7.3	7.3
70,000 - 79,999	9.1	9.1	9.4	9.5	8.9	8.3	7.7
80,000 - 89,999	10.6	8.9	9.5	10.1	7.0	8.1	8.0
90,000 - 99,999	6.9	8.0	7.0	6.8	7.1	7.5	6.5
100,000 - 119,999	9.2	11.0	10.1	10.6	10.8	10.7	12.0
120,000 - 139,999	6.4	6.1	8.5	8.7	9.1	8.5	9.7
140,000 - 159,999	4.5	5.9	6.0	6.2	6.6	7.2	6.8
160,000 - 179,999	3.0	3.5	3.1	3.8	4.6	4.8	5.3
180,000 - 199,999	1.8	1.8	3.1	2.3	2.8	3.1	3.0
200,000 - 249,999	3.2	2.8	3.8	4.4	3.8	4.7	5.2
250,000 - 299,999	1.9	1.1	2.0	2.4	2.5	3.3	4.2
300,000 - 399,999	0.8	1.2	1.1	1.2	1.9	1.7	2.0
400,000 - 499,999	0.4	0.2	0.9	0.8	0.6	0.8	0.7
500,000 and more	0.2	0.3	0.3	0.4	0.5	1.1	1.1

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, Port Arthur
 (in percent)

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	17.8	13.5	12.2	12.6	13.0	14.3	7.0
30,000 - 39,999	11.2	10.2	8.3	5.4	7.8	5.4	3.3
40,000 - 49,999	12.5	13.5	10.6	10.5	8.8	6.5	3.8
50,000 - 59,999	10.9	10.8	12.3	9.3	11.4	8.6	6.3
60,000 - 69,999	9.5	10.7	13.5	12.9	10.5	11.4	7.3
70,000 - 79,999	7.4	7.4	9.0	7.6	9.2	9.9	7.7
80,000 - 89,999	6.3	7.2	5.7	7.9	7.4	6.8	8.0
90,000 - 99,999	4.6	6.3	3.5	4.5	4.6	6.1	6.5
100,000 - 119,999	7.4	7.4	8.9	8.5	7.8	9.5	12.0
120,000 - 139,999	5.0	5.0	5.7	7.8	6.7	7.1	9.7
140,000 - 159,999	3.3	4.2	3.9	4.1	4.1	3.3	6.8
160,000 - 179,999	1.9	1.4	2.5	3.2	2.4	4.5	5.3
180,000 - 199,999	0.6	0.5	1.2	1.8	1.8	2.6	3.0
200,000 - 249,999	0.9	1.2	1.7	2.8	2.6	1.8	5.2
250,000 - 299,999	0.6	0.5	0.9	0.6	1.4	1.5	4.2
300,000 - 399,999	0.1	0.3	0.1	0.1	0.4	0.5	2.0
400,000 - 499,999	0.1	0.0	0.1	0.1	0.0	0.1	0.7
500,000 and more	0.0	0.2	0.0	0.0	0.0	0.1	1.1

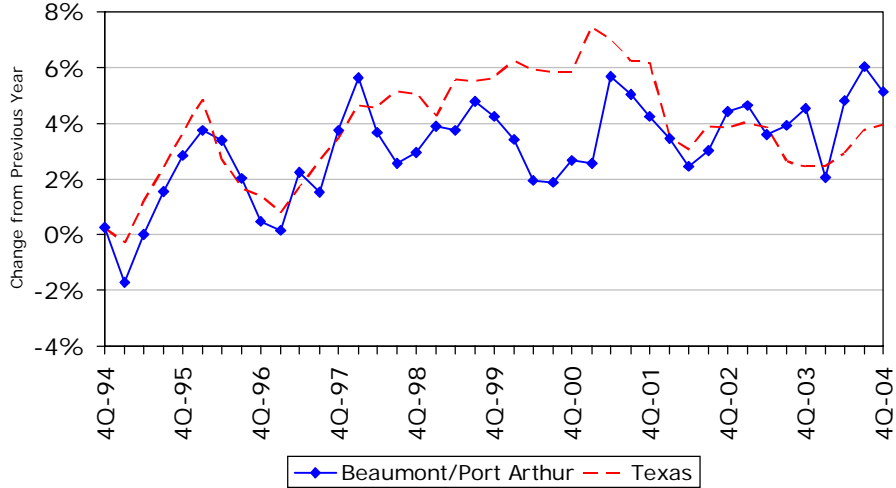
Source: Real Estate Center at Texas A&M University

Real Estate Center Market Overview 2005
 Beaumont-Port Arthur, TX

**Home Price Appreciation
 Beaumont/Port Arthur MSA***

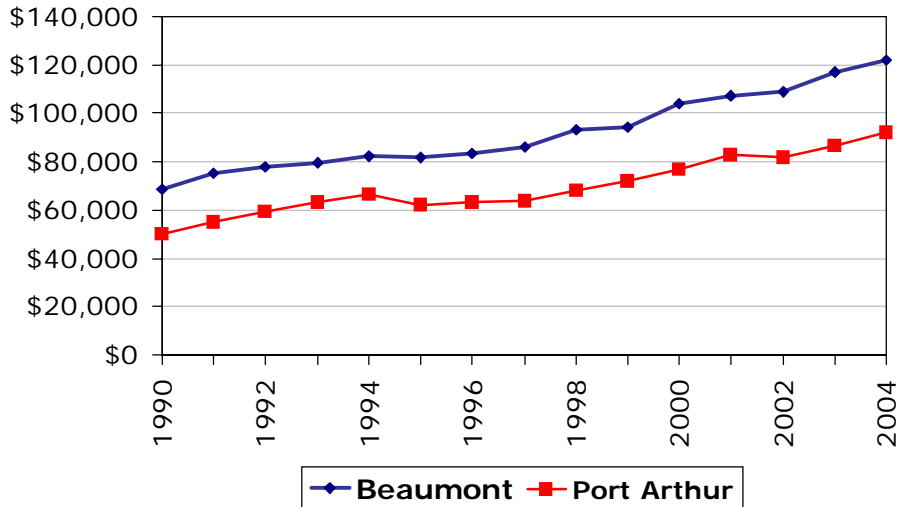
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

*According to the new 2003 MSA definitions, including Hardin, Jefferson, Orange Counties

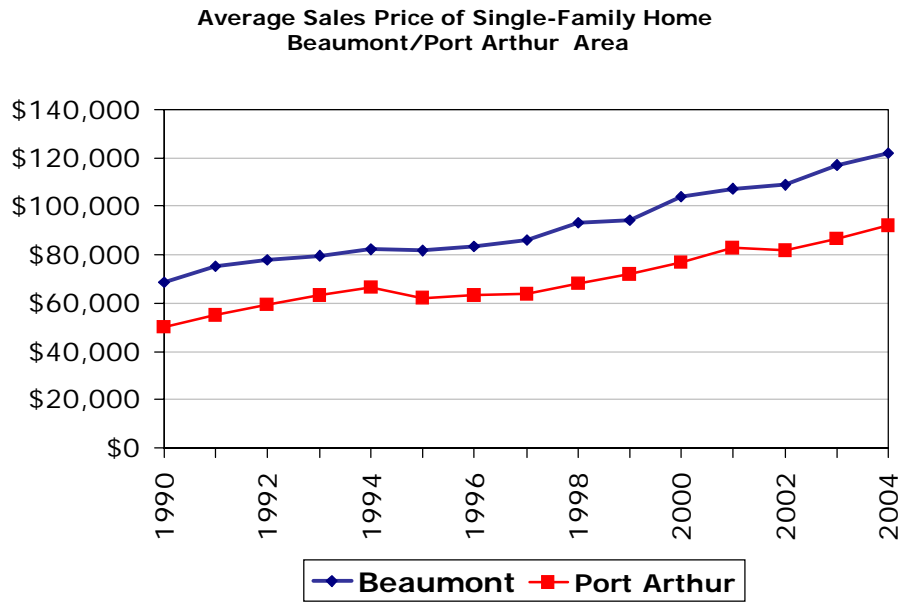


Source: Office of Federal Housing Enterprise Oversight

**Average Sales Price of Single-Family Home
 Beaumont/Port Arthur Area**



Source: Real Estate Center at Texas A&M University



Source: Real Estate Center at Texas A&M University

Beaumont-Port Arthur Market Overview 2005

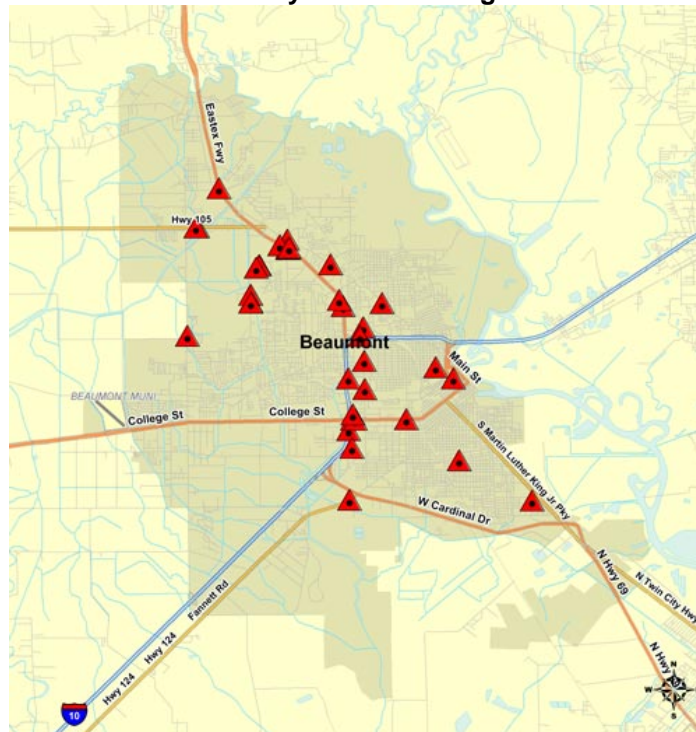
Retail

Port Arthur City Retail Building Permits



Port Arthur City Building Permit Office

Beaumont City Retail Building Permits



Beaumont City Building Permit Office

Beaumont-Port Arthur Market Overview 2005 Hotel

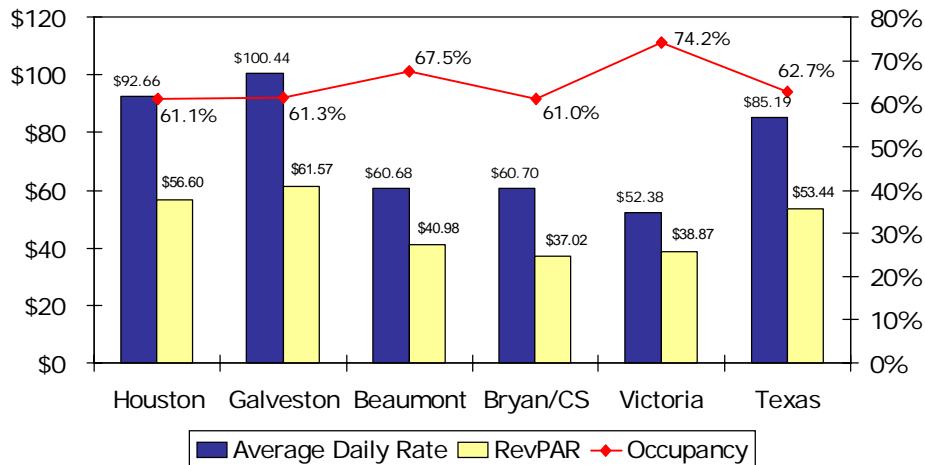
Hotel* Occupancy and Rental Rates

	2003		2004	
	Beaumont/ Port Arthur	Texas	Beaumont/ Port Arthur	Texas
# Rooms 000's	4.3	320.2	4.3	329.2
Average daily rate	\$50.51	\$68.80	\$52.41	\$70.62
Occupancy rate (in percent)	52.7	54.2	53.3	55.2

*Only properties exceeding \$18,000 in the current quarter are included; those units below \$18,000 only result in 1.5% of the total state revenues, and have been excluded from this database.

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio

**Trends in the Hotel Industry
 Year-End 2004**



Source: PKF Consulting

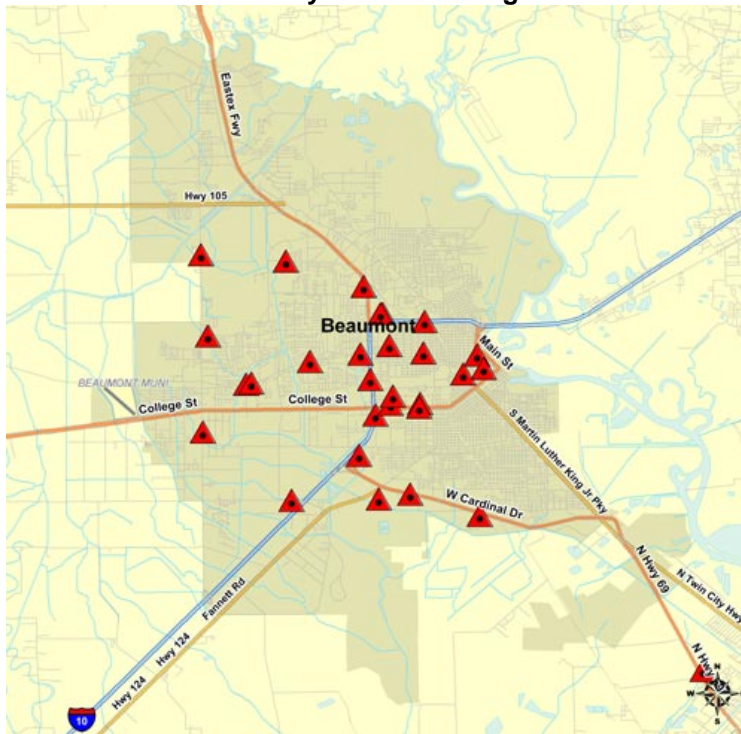
Beaumont-Port Arthur Market Overview 2005 Office

Port Arthur City Office Building Permits



Port Arthur City Building Permit Office

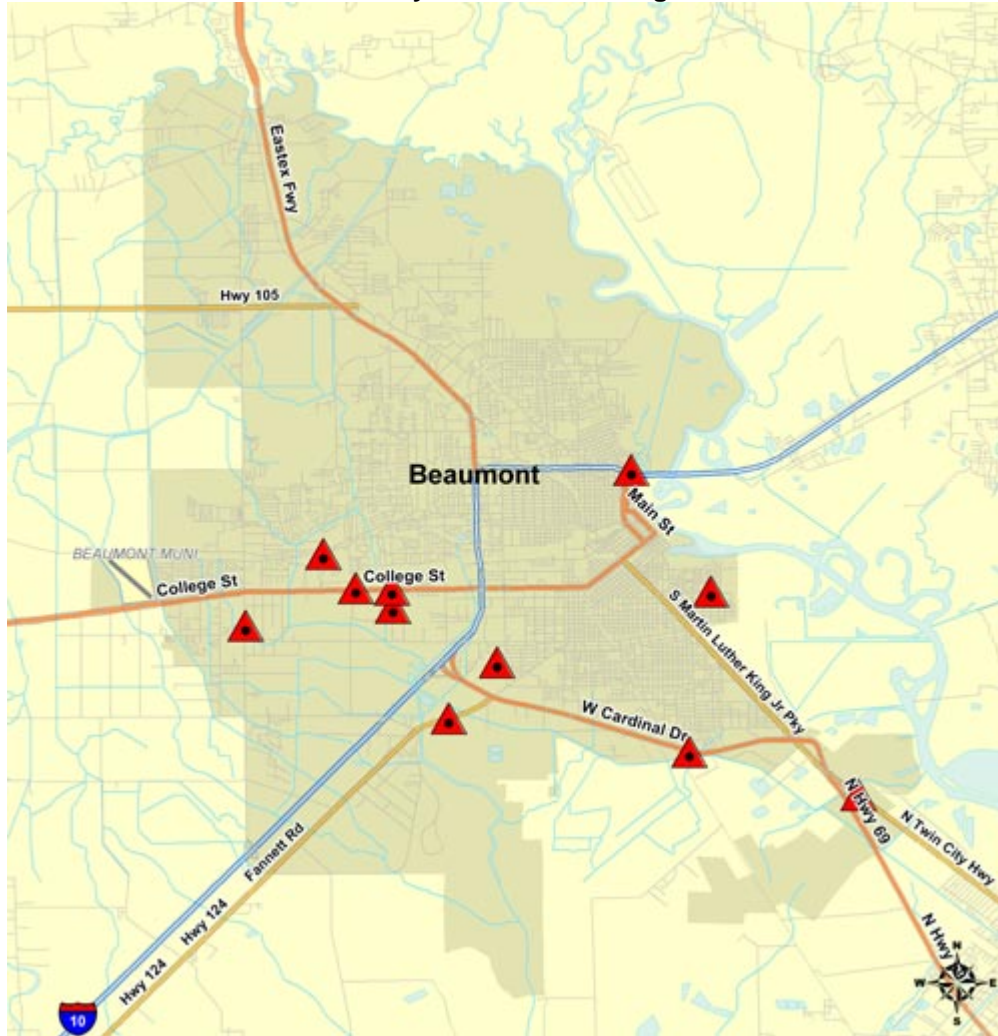
Beaumont City Office Building Permits



Beaumont City Building Permit Office

Beaumont-Port Arthur Market Overview 2005 Industrial

Beaumont City Industrial Building Permits



Beaumont 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>.

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