

Real Estate Market Overview 2005

Laredo

Laredo, the principal port of entry into Mexico, is often called the "Gateway to Mexico" and "the city under seven flags." Located in South Texas along the Rio Grande, Laredo's importance as an integral part of international trade has increased as a result of the North American Free Trade Agreement (NAFTA). The Laredo Metropolitan Statistical Area (MSA) has a population of almost 200,000, while Nuevo Laredo on Mexico's side of the border has a population of more than 660,000. According to the U.S. Census Bureau, the Laredo MSA was one of the fastest growing areas in the nation during the 1990s. Laredo has approximately 91 percent of Webb County's population. Laredo's land area, however, accounts for only 0.6 percent of Webb County's 3,377 square miles.

Quick Facts	
Land Area	3,356.83 square miles
Population Density (2000)	57.5 people per square mile
Counties	Webb
Area Cities and Towns	
Bruni, Laredo, Mirando City, Oilton	



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Laredo Market Overview 2005 Demographics

Laredo MSA Population

Year	Population	Percent Change
1990	133,239	2.5
1991	140,082	5.1
1992	147,026	5.0
1993	154,536	5.1
1994	161,107	4.3
1995	167,466	3.9
1996	171,583	2.5
1997	177,140	3.2
1998	182,994	3.3
1999	189,014	3.3
2000	193,117	2.2
2001	200,824	4.0
2002	206,729	2.9
2003	212,706	2.9
2004	219,464	3.2

Source: U.S. Census Bureau

Laredo MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	224,028	-
2010	257,647	293,939
2015	294,736	-
2020	333,451	384,260

Sources: Texas State Data Center and Texas Water Development Board

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

Household Composition

	Laredo MSA	Texas
Average household size (2000)	3.75	2.74
Population younger than 18 (2000, in percent)	36.2	28.2
Population 65 and older (2000, in percent)	7.6	9.9

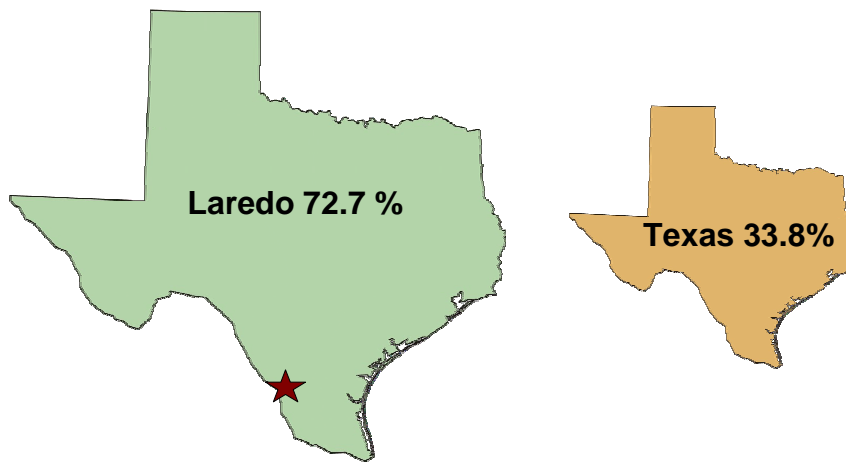
Source: U.S. Census Bureau

Distribution by Race and Hispanic or Latino Origin, 2000 (in percent)

	Laredo MSA	Texas
White	82.2	71.0
Black	0.4	11.5
Asian	0.4	2.7
American Indian	0.5	0.6
Other	14.0	11.7
Two or more races	2.5	2.5
Hispanic (of any race)	94.3	32.0

Source: U.S. Census Bureau

Projected Population Growth, 2000 – 2020
(in percent)



Source: Texas State Data Center (Scenario 0.5)

Laredo Market Overview 2005 Education

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

Level of Education	Webb County	Texas
High school graduate	17.9	24.8
Some college, no degree	15.9	22.4
Associate's degree	5.2	5.2
Bachelor's degree	8.6	15.6
Graduate or professional degree	5.3	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Laredo MSA	Texas
High School Graduate or Higher	53.0	79.2
Bachelor's Degree or Higher	13.9	23.9

Source: U.S. Census Bureau 2000

Local College and University Enrollment

School	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Laredo Community College	7,443	7,284	7,469	7,748	7,906	8,328
Texas A&M International University	3,207	3,038	3,372	3,724	4,078	4,269

Source: Texas Higher Education Coordinating Board

Local College and University Enrollment

School	Spring 1999	Spring 2000	Spring 2001	Spring 2002	Spring 2003	Spring 2004
Laredo Community College	-	7,234	7,203	7,505	7,613	7,181
Texas A&M International University	-	3,066	2,969	3,332	3,736	4,080

Source: Texas Higher Education Coordinating Board

Laredo Market Overview 2005 Employment

Top Ten Employers

Employer	Sector	Employees
United Independent School District	Education	4,500
Laredo Independent School District	Education	3,587
City of Laredo	Government	2,084
Laredo Medical Center	Medical services	1,700
U.S. Department of Customs/Border Protection	Federal government - Immigration	1,628
McDonald's Restaurant	Fast food	1,333
H-E-B Grocery Company	Grocery Store	1,285
Webb County	County government	1,270
Texas A&M International University	Education	1,027
The Laredo National Bank	Financial services	977

Source: Laredo Development Foundation Jan-2005

Top Ten Private Employers

Employer	Sector	Employees
Laredo Medical Center	Medical services	1,700
McDonald's Restaurant	Fast food	1,333
H-E-B Grocery Company	Grocery store	1,285
The Laredo National Bank	Financial services	977
Wal-Mart (2 locations)	Retail sales	934
Doctor's Hospital	Health care	680
International Bank of Commerce	Financial services	597
Laredo Candle	Candles	570
Laredo Entertainment Center	Entertainment	400
Circle K (28 units)	Convenience store	287
Sames Motor Company	Auto dealer	285

Source: Laredo Development Foundation Jan-2005

Employment Growth by Industry

	Laredo MSA	Texas
Employment growth 2004 (in percent)	2.1	1.3
Unemployment rate 2004 (in percent)	6.2	6.1
New jobs in 2004	1600	120,600
<u>Employment growth by sector 2004 (in percent)</u>		
Total Nonfarm	2.1	1.3
Natural Resources, Mining, and Construction	8.1	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	6.2	-0.2
Trade, Transportation and Utilities	0.4	1.2
Information	0.0	-1.1
Financial Activities	0.0	1.7
Professional and Business Services	-4.8	1.7
Educational and Health Services	0.9	2.1
Leisure and Hospitality	2.6	2.1
Government	4.3	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

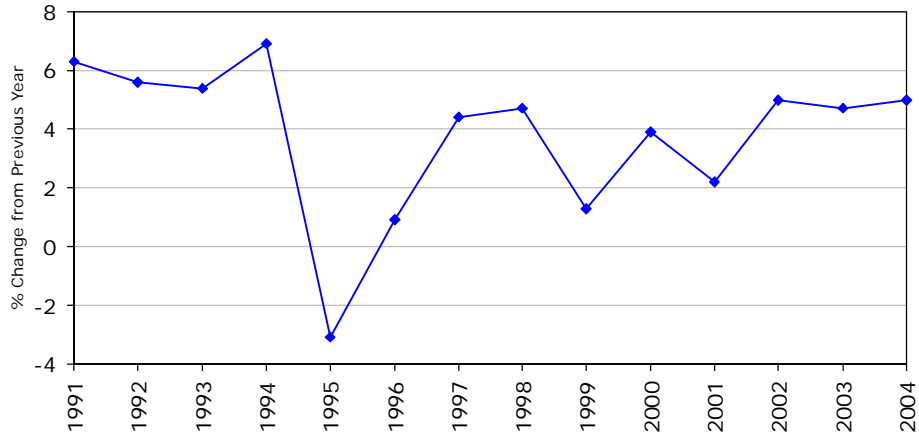
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Laredo MSA Employment

Year	Employment	Percent Change
1990	48,766	-
1991	51,847	6.3
1992	54,740	5.6
1993	57,720	5.4
1994	61,710	6.9
1995	59,792	-3.1
1996	60,334	0.9
1997	63,004	4.4
1998	65,942	4.7
1999	66,814	1.3
2000	69,396	3.9
2001	70,952	2.2
2002	74,523	5.0
2003	77,996	4.7
2004	81,913	5.0

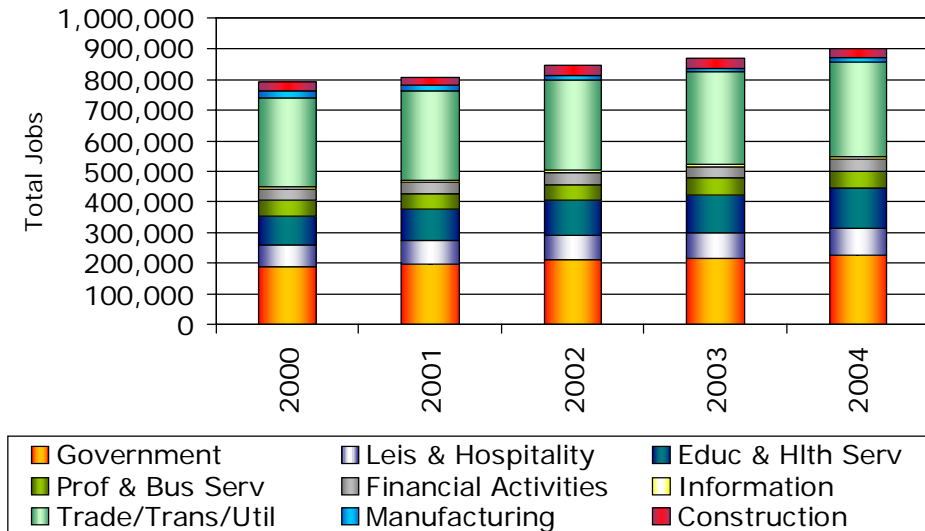
Source: U.S. Bureau of Labor Statistics

**Employment Growth
Laredo MSA**



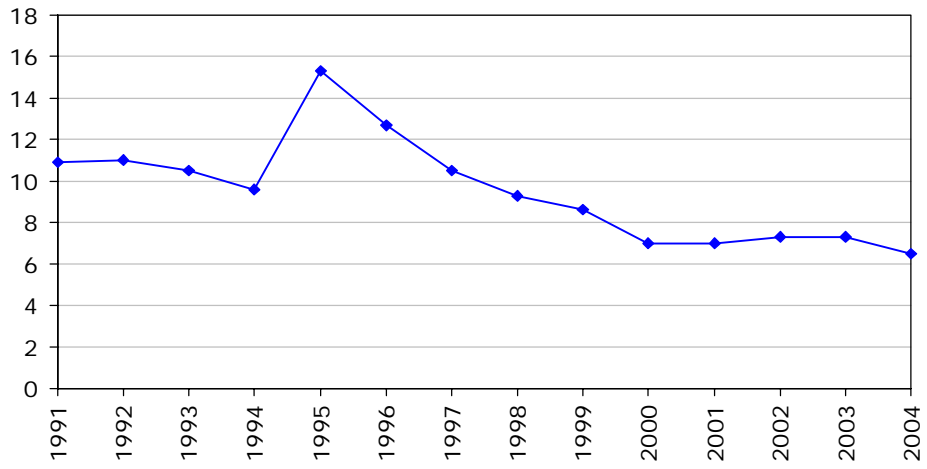
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Distribution of Employment in Major Categories



Source: Texas Workforce Commission Feb-2005

Laredo MSA Unemployment Rate
(in percent)



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

Laredo Market Overview 2005 Economy

Trade Trends

	2001	2002	2003	2004
U.S.-Mexico Total Trade (Billions)	\$232.9	\$232.2	\$235.5	\$266.6
Commercial Trucks	1,659,992	1,725,011	1,632,746	1,918,896
Rail (loaded)	350,620	365,736	394,199	408,514
Air Cargo (GLW lbs.)	226,136,780	262,475,560	272,367,959	364,198,175
Airline Passengers	139,531	147,425	145,983	163,266

Source: Laredo Development Foundation & Laredo International Airport Feb-2005

Top Six Products Processed at the Port of Laredo*

Products	Total Value in \$ Billions
2001	
Road Vehicles	35.1
Electrical Machinery	32.3
Telecom Equipment	14.6
Office Machinery	11.2
Apparel & Clothing	9.1
Industrial Machinery	8.5
2002	
Road Vehicles	25.3
Electrical Machinery	7.5
Telecom Equipment	3.0
Office Machinery	4.2
Apparel & Clothing	2.7
Industrial Machinery	3.7
2003	
Road Vehicles	23.4
Electrical Machinery	7.9
Power Equipment	4.9
Industrial Machinery	3.9
Telecom Equipment	3.1
Office Machinery	2.9

* 2004 data is not available

Source: Laredo Development Foundation Feb-2005

Sales Tax Rebates

	2000	2001	2002	2003	2004
City of Laredo	\$16,518,698	\$20,075,474	\$21,471,228	\$22,863,574	\$24,572,481
Percent change	18%	22%	7%	7%	7%

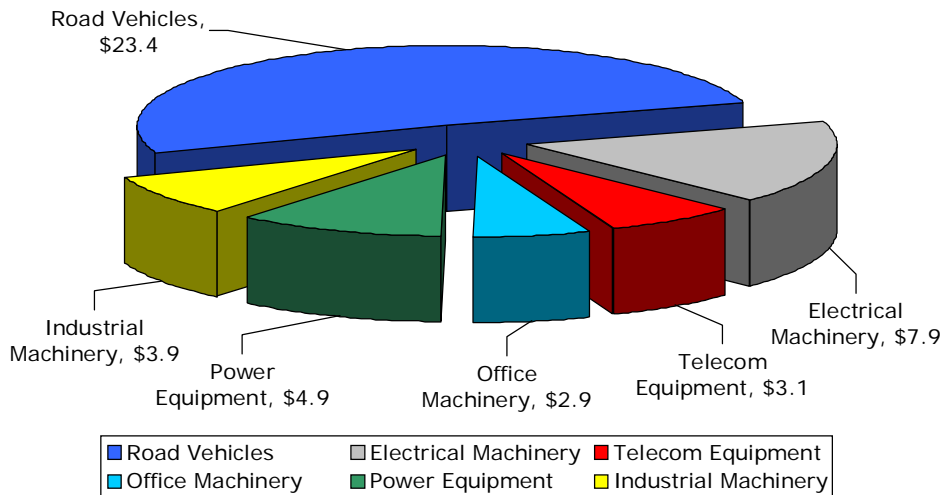
Source: City Finance Department

Laredo MSA Gross Retail Sales

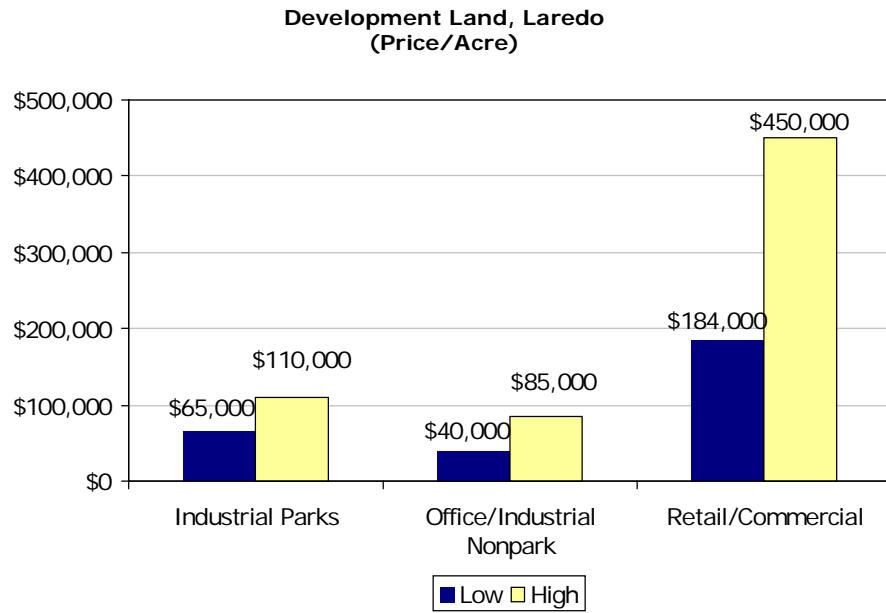
Year	Total Sales	Sales per Capita
1990	\$1,534,729,281	\$11,519
1991	1,741,235,451	12,430
1992	1,937,687,751	13,179
1993	1,983,885,474	12,838
1994	1,951,086,715	12,111
1995	1,343,559,781	8,023
1996	1,492,846,694	8,700
1997	1,690,101,553	9,541
1998	1,843,080,774	10,072
1999	2,031,944,614	10,750
2000	2,443,795,677	12,654
2001	2,440,331,477	12,152
2002	2,604,967,985	12,601
2003	2,641,755,028	12,420
2004	2,773,010,429	12,635
State Average 2004: \$14,546		

Source: Texas Comptroller's Office

**Top Six Products Processed at
 the Port of Laredo – 2003
 Total Value \$ Billions**



Source: Laredo Development Foundation



Source: NAI Rio Grande Valley

Laredo Market Overview 2005 Infrastructure

Laredo Airline Activity - Total Enplaned and Deplaned

Airport	1999	2000	2001	2002	2003	2004
Laredo International Airport	178,586	172,920	139,531	147,425	145,983	163,266

Source: Laredo International Airport

Laredo Air Cargo* (in pounds)

Airport	2002	2003	2004
Laredo International Airport	258,533,100	272,367,959	364,198,175

*Based on maximum gross-landed weight

Source: Laredo International Airport

Border Crossings

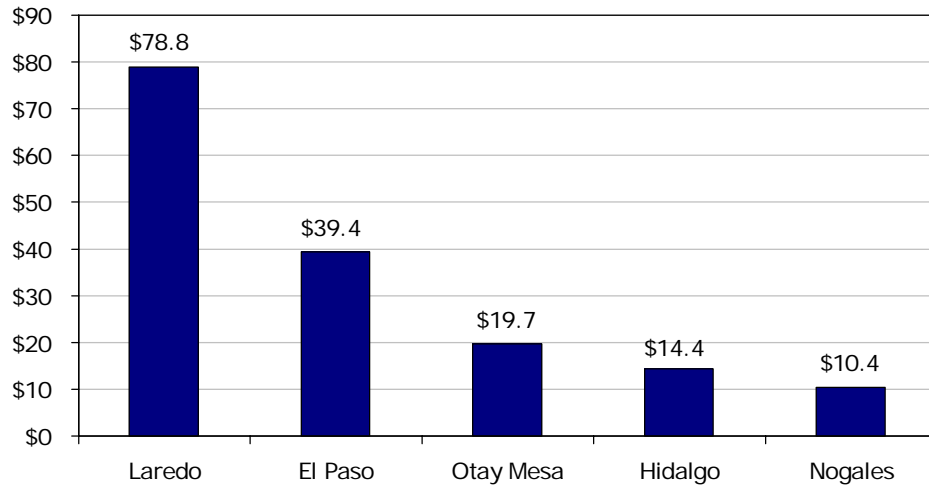
	2000	2001	2002	2003	2004
Rail Crossings					
Northbound	151,110	167,376	174,862	174,837	170,248
Southbound	184,498	182,244	190,974	219,362	238,266
Total	335,608	349,620	365,836	394,199	408,514
Vehicle Crossings*					
Northbound	8,036,434	7,657,231	7,488,576	7,104,801	6,968,532
Southbound	8,805,944	7,449,811	7,188,388	7,025,241	6,967,107
Total	16,842,378	15,107,042	14,676,964	14,130,042	13,935,639
Pedestrian Crossings					
Northbound	-	4,596,023	4,756,757	4,466,739	4,642,340
Southbound	-	4,159,473	4,225,008	4,037,398	4,142,025
Total	-	8,755,496	8,981,765	8,504,137	8,784,365
Truck Crossings**					
Northbound	-	1,403,914	1,441,653	1,354,229	1,379,760
Southbound	-	1,403,096	1,460,841	1,386,217	1,464,908
Total	-	2,807,010	2,902,494	2,740,446	2,844,668

*Vehicle Bridge Crossings figures do not include 2-6 axle commercial trucks

**Includes only 2 to 6 axle loaded and unloaded commercial vehicles.

Source: Texas A&M International University, Texas Center for Border Economic and Enterprise Development

Total Import-Exports in Billions of Dollars – 2003
Goods shipped via Laredo to over 60 nations

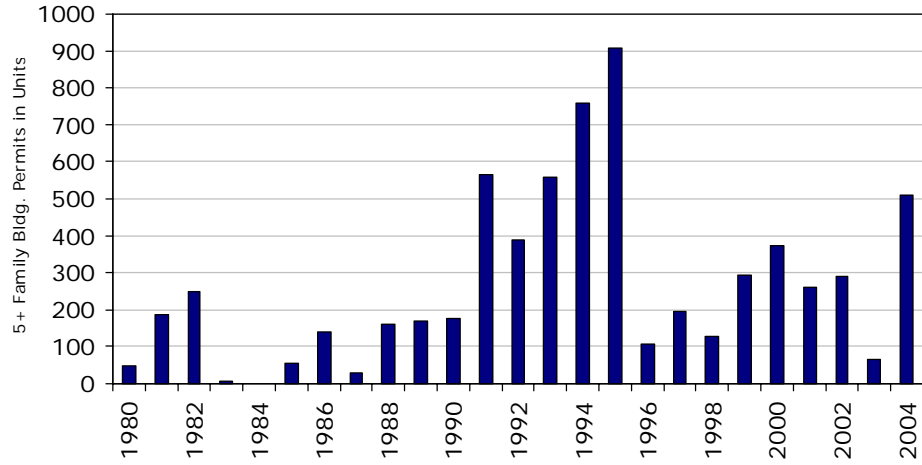


Source: Laredo Development Foundation

Laredo Market Overview 2005

Multifamily

Laredo MSA Multifamily Building Permits



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

Laredo Market Overview 2005 Housing

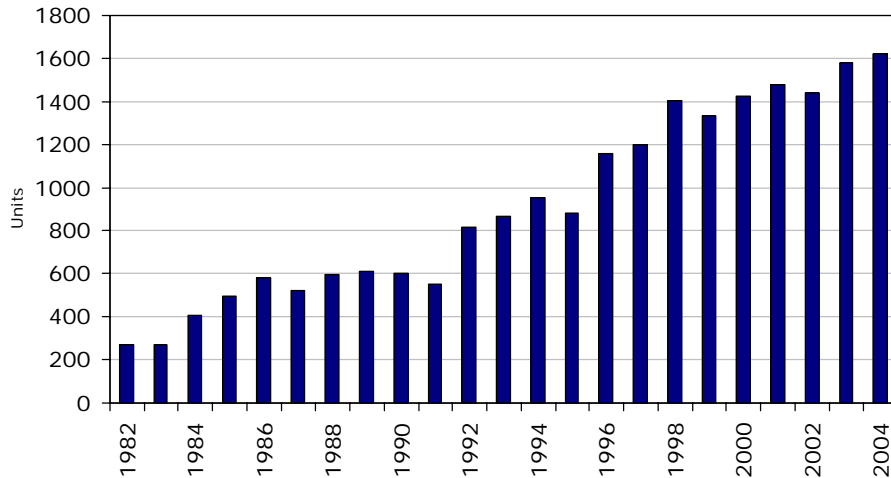
Property Tax Rates, 2004
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
Laredo	0.64
Laredo ISD	1.47
Webb County	0.43
Total	\$2.54

* 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: Webb County Appraisal District

Laredo MSA Single-Family Building Permits

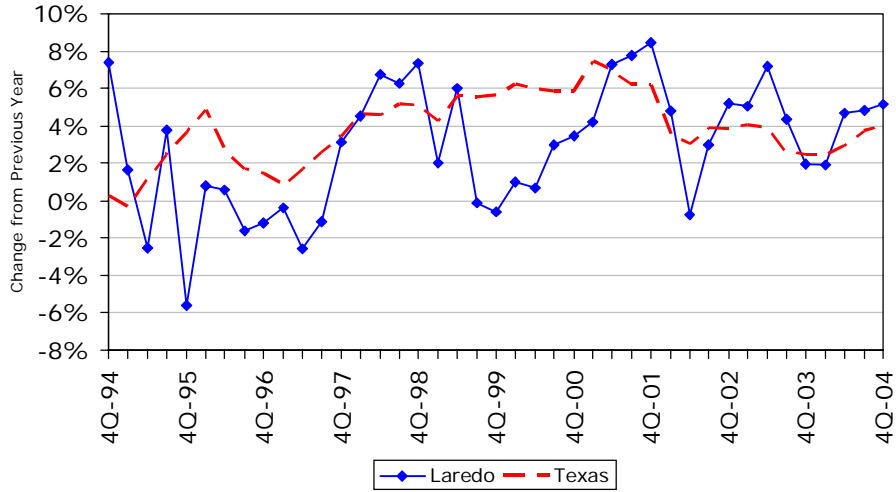


Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

Home Price Appreciation Laredo 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 new 2003 MSA definition, including Webb County



Source: Office of Federal Housing Enterprise Oversight

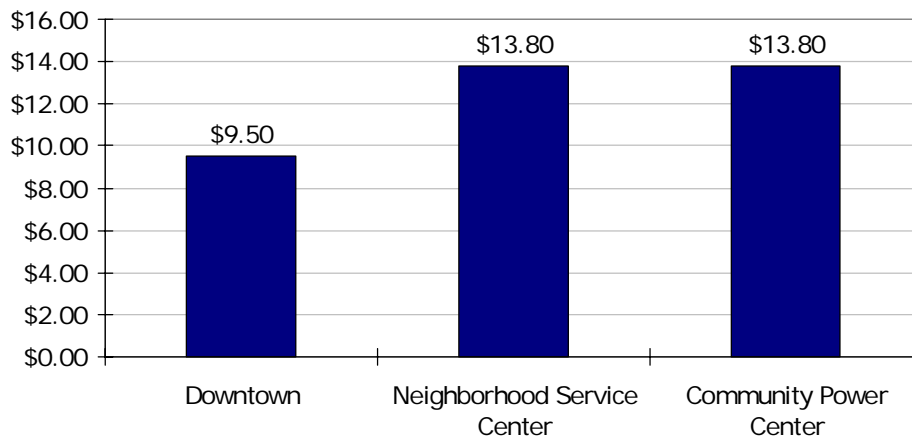
Laredo Market Overview 2005 Retail

**Summary of Retail Market Indicators (Laredo) - Year-End 2004
(Rent/Square foot/Year)**

Retail	Low	High	Effective Avg.	Vacancy
Downtown	\$5.00	\$12.50	\$9.50	-
Neighborhood Service Center	11.80	16.80	13.80	-
Community Power Center	11.80	16.80	13.80	-
Regional Malls	-	-	-	-

Source: NAI Rio Grande Valley

**Laredo Retail Market, Effective Average
Rental Rate per SF, Year-End 2004**



Source: NAI Rio Grande Valley

Laredo Market Overview 2005 Hotel

Hotel Occupancy and Rental Rates

	2003*		2004	
	Laredo	Texas	Laredo	Texas
# Rooms 000's	2.9	320.2	3	329.2
Average daily rate	\$58.03	\$68.80	\$58.11	\$70.62
Occupancy rate (in percent)	67.7	54.2	69.3	55.2

* 2003 and later data according to new MSA definition including Webb County

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

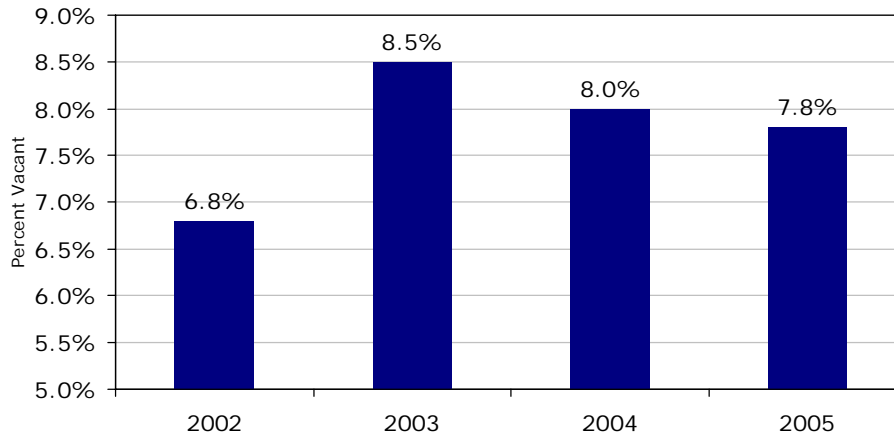
Laredo Market Overview 2005 Industrial

**Summary of Industrial Market Indicators (Laredo) - Year-End 2004
(Rent/Square foot/Year)**

Industrial	Low	High	Effective Avg.	Vacancy
Bulk Warehouse	\$3.60	\$4.68	\$3.96	-
Manufacturing	3.60	5.00	4.15	-
High Tech/R&D	3.80	10.00	-	-

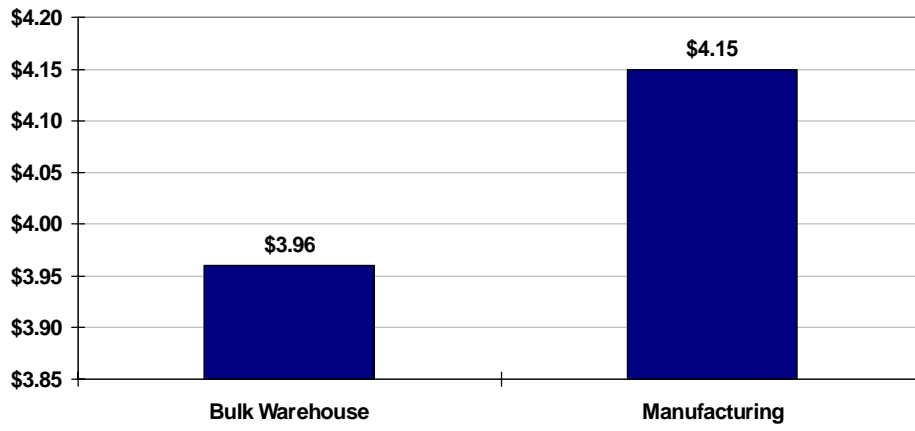
Source: NAI Rio Grande Valley

**Laredo Market Overview 2004
Industrial Vacancy Rate Forecast**



Source: Grubb & Ellis

Laredo Industrial Market, Effective Average Rental Rate per SF,
Year-End 2004



Source: NAI Rio Grande Valley



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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