

# Real Estate Market Overview 2005

## 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	
<b>Land Area</b>	1,041.88 square miles
<b>Population Density (2000)</b>	204.9 people per square mile
<b>Counties</b>	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 2005 Demographics

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Waco MSA Population

Year	Population	Population 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	215,539	0.9
2002	217,241	0.8
2003	219,563	1.1
2004	222,439	1.3

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

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

Source: U.S. Census Bureau

**Texas Metropolitan Area Population Change, 1990 - 2004**

<b>Metropolitan Area</b>	<b>1990 Population</b>	<b>2004 Population</b>	<b>Percent Change</b>
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
<b>Texas</b>	<b>16,986,335</b>	<b>22,490,022</b>	<b>32.4</b>
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
<b>Waco</b>	<b>189,123</b>	<b>222,439</b>	<b>17.6</b>
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

**Waco MSA Projected Population**

<b>Year</b>	<b>Texas State Data Center (Scenario 0.5)</b>	<b>Texas Water Development Board</b>
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**

	<b>Waco MSA</b>	<b>Texas</b>
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

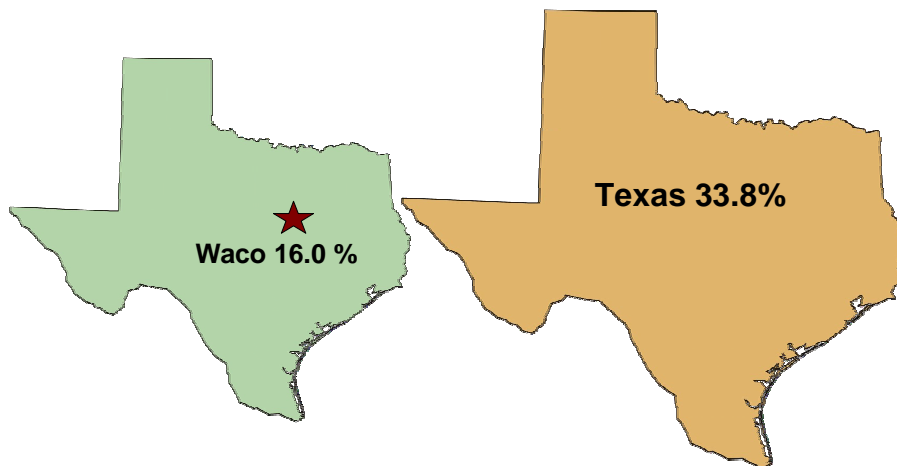
Source: U.S. Census Bureau

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

	<b>Waco MSA</b>	<b>Texas</b>
White	72.2	71.0
Black	15.2	11.5
Asian	1.1	2.7
American Indian	0.5	0.6
Other	9.2	11.7
Two or more races	1.8	2.5
Hispanic (of any race)	17.9	32.0

Source: U.S. Census Bureau

**Projected Population Growth, 2000 – 2020**  
(in percent)



Source: Texas State Data Center  
(Scenario 0.5)

## Waco Market Overview 2005 Education

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

Level of Education	McLennan County	Texas
High school graduate	27.9	24.8
Some college, no degree	22.5	22.4
Associate's degree	7.1	5.2
Bachelor's degree	11.8	15.6
Graduate or professional degree	7.3	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Waco MSA	Texas
High School Graduate or Higher	76.6	79.2
Bachelor's Degree or Higher	19.1	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
Baylor University	13,329	13,719	14,221	14,159	13,937	13,798
McLennan Community College	5,584	5,721	6,110	6,532	7,052	7,522

Sources: Texas Higher Education Coordinating Board

### Local College and University Enrollment

School	Spring 1999	Spring 2000	Spring 2001	Spring 2002	Spring 2003	Spring 2004
Baylor University	-	-	-	-	12,845	12,838
McLennan Community College	-	5,158	5,230	5,822	6,403	6,696

Sources: Texas Higher Education Coordinating Board

## Waco Market Overview 2005 Employment

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### Top Ten Employers

Employer	Sector	Employees
Baylor University	Education	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+
Wal-Mart	Retail	1000+
Cargil Foods, Inc.	Dressed/packed turkey products	700+
Dealers Electric Supply	Electric equipment and supplies	700+

Source: Waco Chamber of Commerce Feb-2005

### Top Ten Private Employers

Employer	Sector	Employees
Baylor University	Education	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+
Wal-Mart	Retail	1,000+
Cargil Foods, Inc.	Dressed/packed turkey products	700+
Dealers Electric Supply	Electric equipment and supplies	700+
Examination Management Services, Inc.	Insurance inspection audit	700+
MasterfoodsUSA, A Mars, Inc. Company	Confectionery Products	700+

Source: Waco Chamber of Commerce Feb-2005

**Employment Growth by Industry**

	<b>Waco MSA</b>	<b>Texas</b>
Employment growth 2004 (in percent)	1.1	1.3
Unemployment rate 2004 (in percent)	5.3	6.1
New jobs in 2004	1100	120,600
<b>Employment growth by sector 2004 (in percent)</b>		
Total Nonfarm	1.1	1.3
Natural Resources, Mining, and Construction	-3.5	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	0.0	-0.2
Trade, Transportation and Utilities	1.7	1.2
Information	0.0	-1.1
Financial Activities	-3.1	1.7
Professional and Business Services	2.4	1.7
Educational and Health Services	3.2	2.1
Leisure and Hospitality	2.2	2.1
Government	1.8	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**

<b>Metropolitan Area</b>	<b>1990 Employment</b>	<b>2004 Employment</b>	<b>Percent Change</b>
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
<b>Texas</b>	<b>8,071,312</b>	<b>10,362,982</b>	<b>28.4</b>
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
<b>Waco</b>	<b>86,033</b>	<b>104,444</b>	<b>21.4</b>
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

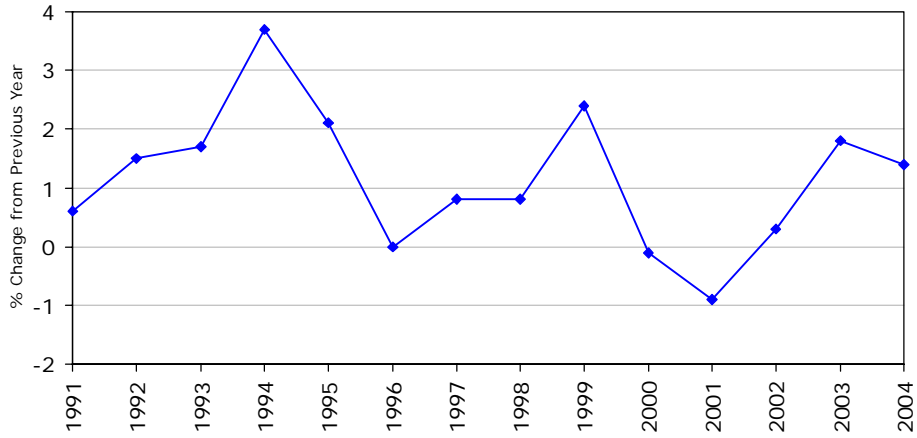
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Waco MSA Employment**

<b>Year</b>	<b>Employment</b>	<b>Percent Change</b>
1990	86,347	-
1991	86,904	0.6
1992	88,209	1.5
1993	89,686	1.7
1994	92,997	3.7
1995	94,914	2.1
1996	94,936	0.0
1997	95,732	0.8
1998	96,528	0.8
1999	98,810	2.4
2000	98,695	-0.1
2001	97,837	-0.9
2002	98,151	0.3
2003	99,912	1.8
2004	101,308	1.4

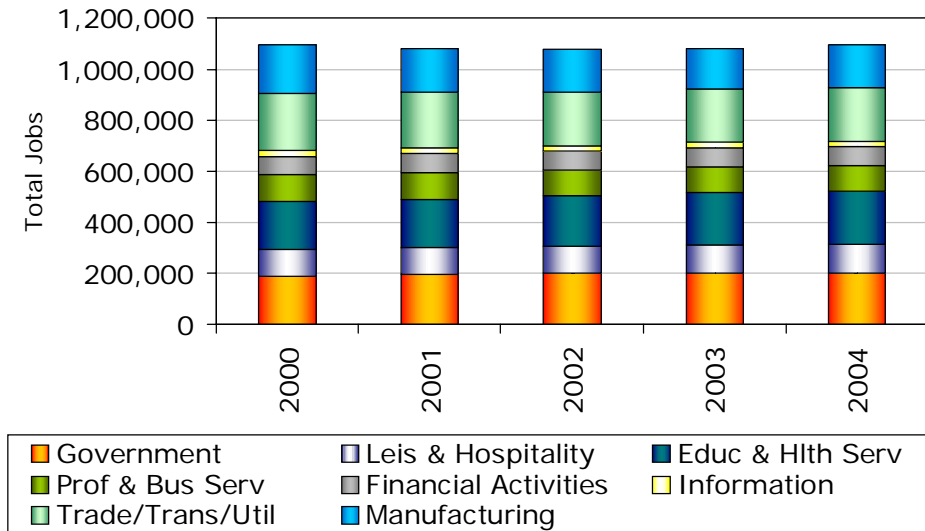
Source: U.S. Bureau of Labor Statistics

**Employment Growth  
Waco MSA**



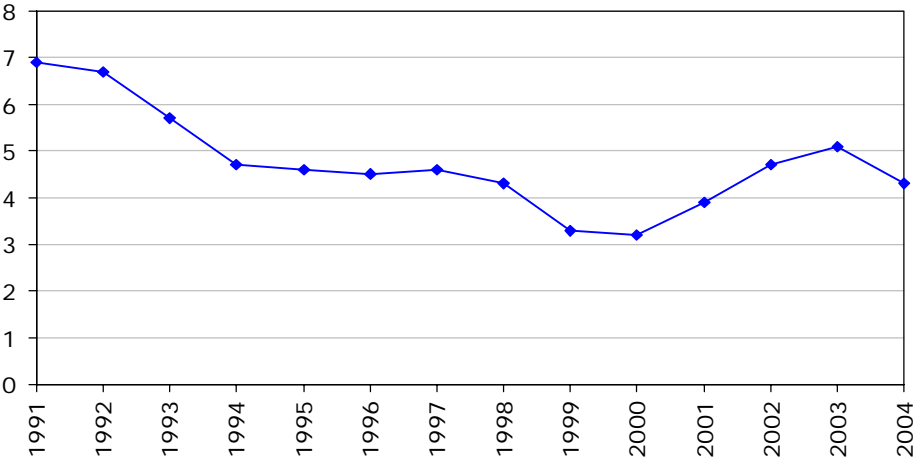
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Distribution of Employment in Major Categories**



Source: Texas Workforce Commission Feb-2005

Waco MSA Unemployment Rate  
(in percent)



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

## Waco Market Overview 2005 Economy

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### 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	11,674
2002	2,535,226,240	11,670
2003	2,629,053,899	11,974
2004	2,705,121,831	12,161
<b>State Average 2004:</b>		<b>\$14,546</b>

Source: Texas Comptroller's Office

## Waco Market Overview 2005 Infrastructure

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### Waco Airline Boardings

Waco Regional Airport	1998	1999	2000	2001	2002	2003	2004
Enplaned	59,034	62,786	62,119	60,557	50,278	56,482	64,035
Deplaned	-	-	-	-	49,037	54,536	62,497
<b>Total</b>	-	-	-	-	<b>99,315</b>	<b>111,018</b>	<b>126,532</b>

Source: Waco Regional Airport



## Waco Market Overview 2005 Multifamily

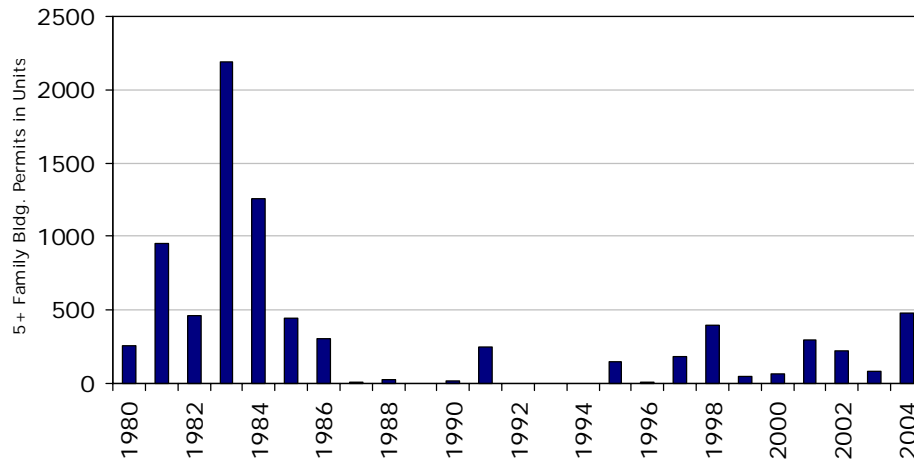
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**Waco Apartment Statistics 2004**

	Waco	Texas Metro Average
Average rent per square foot	\$0.69	\$0.79
Average rent for units built since 2000	\$0.71	\$0.92
Average occupancy (in percent)	94.2	91.5
Average occupancy for units built since 2000 (in percent)	96.0	92.4

Source: Apartment MarketData Research Jan-2005

**Waco MSA Multifamily Building Permits**



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

## Waco Market Overview 2005 Housing

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### Housing Affordability - Fourth Quarter 2004

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Waco MSA	60	1.24	1.04
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

### Price Distribution of MLS Homes Sold, Waco Area, 2004 (in percent)

Price Range	1999	2000	2001	2002	2003	2004
\$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, 2004**  
**County, Major City, Major School District**

Taxing Entity*	Tax Rate per \$100 Valuation
City of Waco	0.70
Waco ISD	1.52
McLennan County	0.43
<b>Total</b>	<b>\$2.66</b>

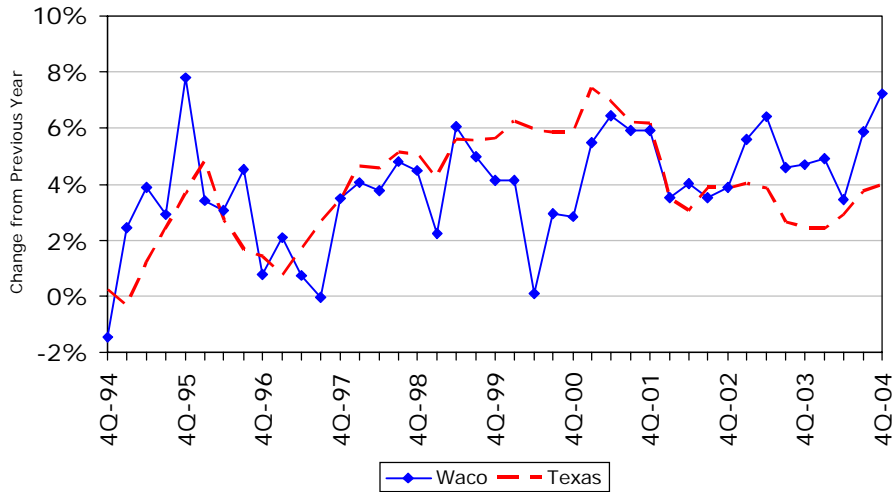
\* Only the typical taxing entities are listed. However, there are numerous numbers of taxing entities that need to be taken into account for an actual tax rate calculation.

Source: McLennan County Appraisal District

**Home Price Appreciation**  
**Waco MSA\***

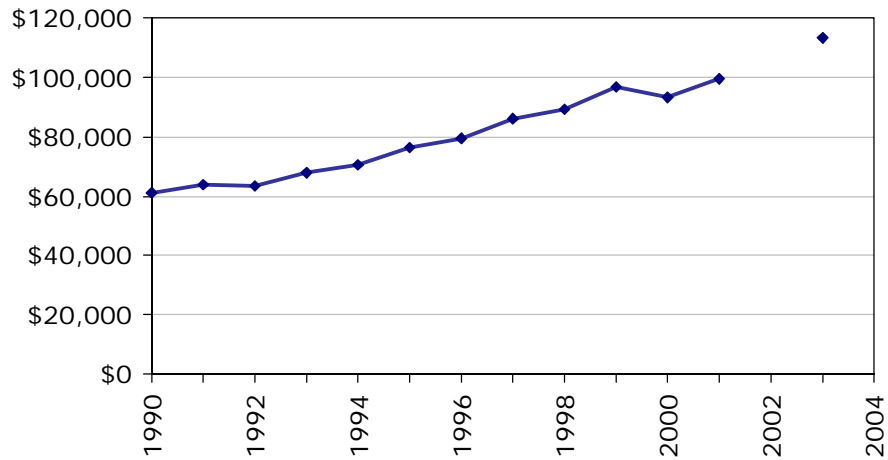
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

\*According to new 2003 MSA definition, including McLennan County



Source: Office of Federal Housing Enterprise Oversight

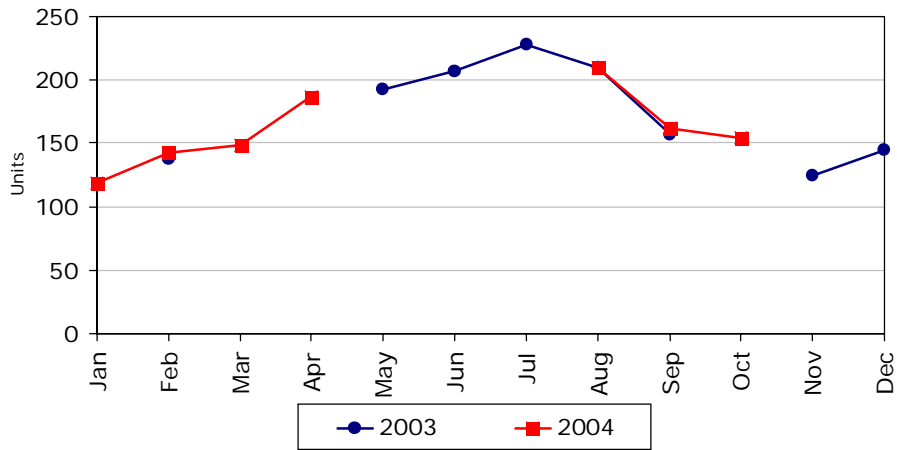
**Average Sales Price of Single-Family Home  
 Waco Area**



Data not available: 2002, 2004

Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume\*  
 Waco Area**



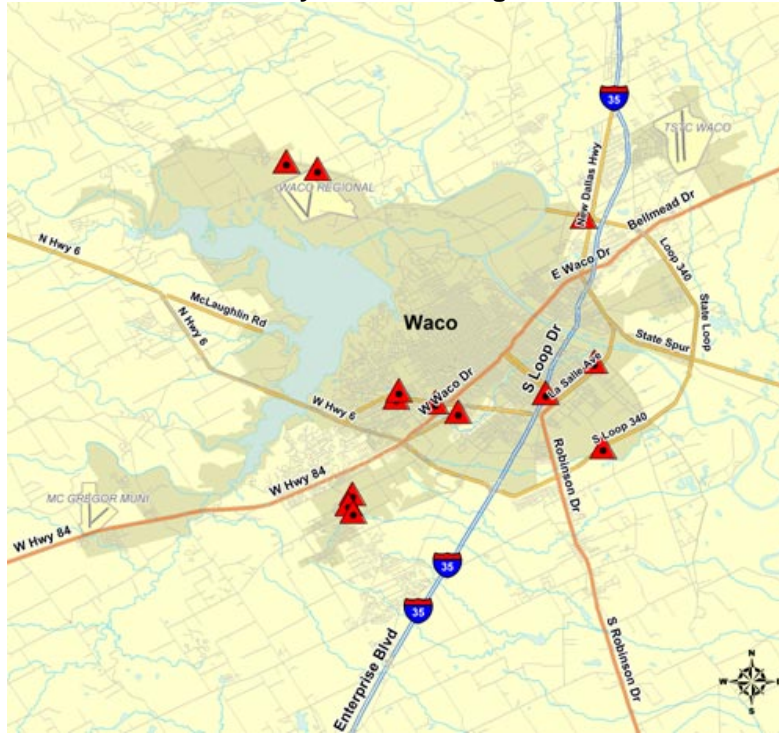
\*Some data not available

Source: Real Estate Center at Texas A&M University

# Waco Market Overview 2005

## Retail

Waco City Retail Building Permits



Waco City Building Permit Office

## Waco Market Overview 2005

### Hotel

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Hotel Occupancy and Rental Rates

	2003*		2004	
	Waco	Texas	Waco	Texas
# Rooms 000's	2.8	320.2	2.9	329.2
Average daily rate	\$56.44	\$68.80	\$56.82	\$70.62
Occupancy rate (in percent)	62.9	54.2	61.8	55.5

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

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

# Waco Market Overview 2005 Office

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Waco City Office Building Permits



Waco City Building Permit Office

# Waco Market Overview 2005

## 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>.

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