

Real Estate Market Overview 2006

Amarillo

Mid-Year Update

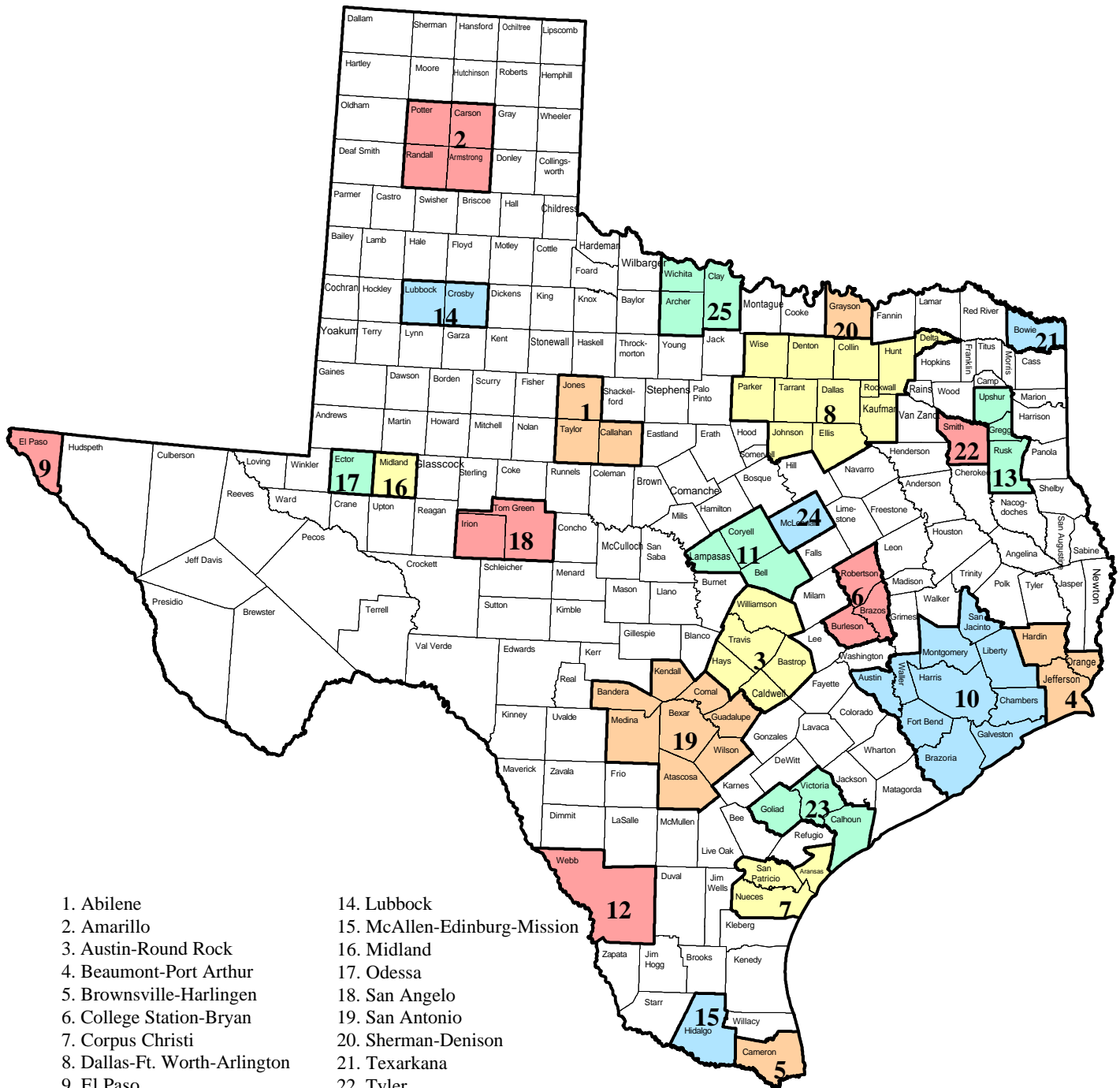
Amarillo, which is home to the Big Texan and its famous 72-oz. steak, was first settled in 1887. Rail growth through the 1890s allowed Amarillo to become the world's greatest cattle-shipping market. Over the years, Amarillo has developed a reputation for being a hard-working town built on agriculture and energy production. Amarillo has the world's largest natural gas development and provides pipelines to many large cities and thousands of towns connecting through to the Atlantic seaboard. The world's second largest gas field is also being developed in the area. Amarillo is a regional retail and health center that serves parts of Oklahoma, New Mexico and Kansas, as well as the Texas Panhandle.

Quick Facts	
Land Area	3,660.49 square miles
Population Density (2000)	61.9 people per square mile
Counties	Armstrong, Carson, Potter, Randall
Area Cities and Towns	
Amarillo, Bishop Hills, Bushland, Canyon, Claude, Goodnight, Lake Tanglewood, Palisades Village, Timbercreek Canyon, Umbarger	

* This report's MSA data reflects either 1999 or 2003 MSA definitions based on data availability. Use of 1999 definition is noted where applicable.



Metropolitan Statistical Areas (MSAs)



- | | |
|--------------------------------|------------------------------|
| 1. Abilene | 14. Lubbock |
| 2. Amarillo | 15. McAllen-Edinburg-Mission |
| 3. Austin-Round Rock | 16. Midland |
| 4. Beaumont-Port Arthur | 17. Odessa |
| 5. Brownsville-Harlingen | 18. San Angelo |
| 6. College Station-Bryan | 19. San Antonio |
| 7. Corpus Christi | 20. Sherman-Denison |
| 8. Dallas-Ft. Worth-Arlington | 21. Texarkana |
| 9. El Paso | 22. Tyler |
| 10. Houston-Sugar Land-Baytown | 23. Victoria |
| 11. Killeen-Temple-Ft Hood | 24. Waco |
| 12. Laredo | 25. Wichita Falls |
| 13. Longview | |

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Amarillo Market Overview 2006 Demographics

Amarillo MSA Population

Year	Population	Percent Change
1995	215,176	-
1996	217,579	1.1%
1997	219,752	1.0%
1998	221,447	0.8%
1999	224,469	1.3%
2000	226,522	0.9%
2001	228,738	1.0%
2002	230,802	0.9%
2003	233,555	1.2%
2004	236,113	1.1%
2005*	238,664	1.1%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995-2005* (in percent)
Armstrong	2,061	2,173	5.4
Carson	6,551	6,586	0.5
Potter	109,600	119,852	9.4
Randall	96,964	110,053	13.5

* July 1, 2005 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990 - 2000 (in percent)
Amarillo	173,627	10.0
Canyon	12,875	12.7

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1995 - 2005*

Metropolitan Area	1995 Population	2005* Population	Percent Change
Austin-Round Rock	1,031,557	1,452,529	40.8
McAllen-Edinburg-Mission	487,593	678,275	39.1
Laredo	167,466	224,695	34.2
Dallas-Fort Worth-Arlington	4,501,154	5,819,475	29.3
Houston-Sugar Land-Baytown	4,246,398	5,280,077	24.3
Brownsville-Harlingen	304,928	378,311	24.1
San Antonio	1,570,083	1,889,797	20.4
Texas	16,986,335	19,874,977	17.0
Tyler	163,440	190,594	16.6
Sherman-Denison	100,342	116,834	16.4
Killeen-Temple-Fort Hood	313,222	351,528	12.2
College Station-Bryan	170,608	189,735	11.2
Amarillo	215,176	238,664	10.9
Waco	202,692	224,668	10.8
El Paso	654,250	721,598	10.3
Midland	113,627	121,371	6.8
Longview	188,646	201,501	6.8
Texarkana	126,220	133,805	6.0
Victoria	107,413	113,356	5.5
Lubbock	245,759	258,970	5.4
Corpus Christi	394,701	413,553	4.8
Odessa	121,017	125,339	3.6
San Angelo	103,639	105,367	1.7
Abilene	156,097	158,291	1.4
Beaumont-Port Arthur	380,888	383,530	0.7
Wichita Falls	147,740	146,276	-1.0

* July 1, 2005 population estimates

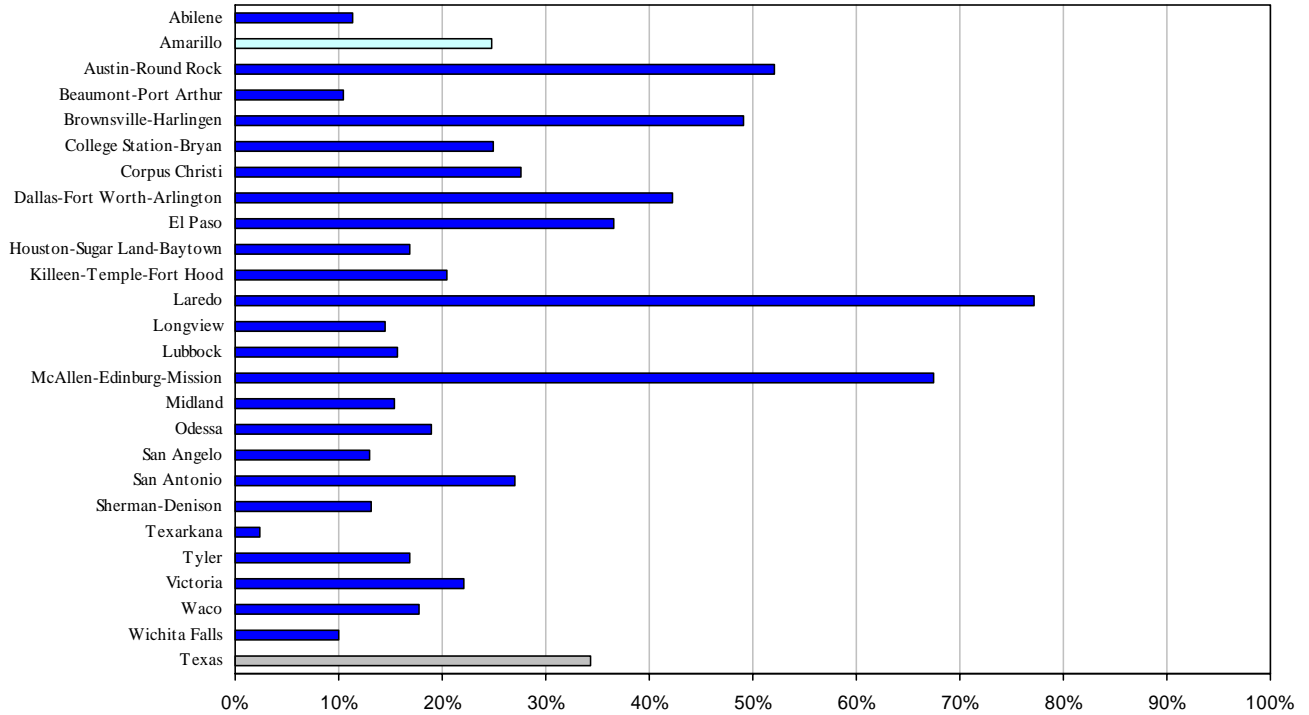
Source: U.S. Census Bureau

Amarillo MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	226,522	226,522
2005	240,416	-
2010	254,636	253,712
2015	268,653	-
2020	282,501	283,099
2025	295,907	-
2030	308,602	310,323
2035	320,326	-
2040	330,765	341,169

Sources: Texas State Data Center (2004 projection) and Texas Water Development Board (2006 projection)

Texas Metropolitan Area Population Growth Forecast, 2000 – 2020 (in percent)



Source: Texas State Data Center – Scenario 0.5 (2004 projection)

Household Composition

	Amarillo MSA	Texas
Average household size (2000)	2.55	2.74
Population younger than 18 (2000, in percent)	27.10	28.20
Population 65 and older (2000, in percent)	11.80	9.90

Source: U.S. Census Bureau (1999 definition)

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

	Amarillo MSA	Texas
White	79.1	71.0
Black	5.9	11.5
Asian	1.8	2.7
American Indian	0.8	0.6
Other	10.3	11.7
Two or more races	2.1	2.5
Hispanic origin (of any race)	19.6	32.0

Source: U.S. Census Bureau (1999 definition)

In-Migration for Amarillo MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Armstrong County	129	36	-	1,457
Carson County	302	57	-	4,812
Potter County	6,166	2,164	33	84,277
Randall County	6,476	1,528	68	69,536

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

Out-Migration for Amarillo MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Armstrong County	101	21	-	1,457
Carson County	349	64	-	4,812
Potter County	6,929	2,078	20	84,277
Randall County	5,499	1,552	25	69,536

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

Top Five In-Migration Destinations, Amarillo MSA, 2003

From US - Same State		From US - Different State	
To Armstrong County			
Potter County	50	-	-
Randall County	25	-	-
-	-	-	-
-	-	-	-
-	-	-	-
To Carson County			
Potter County	86	-	-
Randall County	69	-	-
Gray County	39	-	-
-	-	-	-
-	-	-	-
To Potter County			
Randall County	3,182	Los Angeles County, CA	53
Lubbock County	234	Texas County, OK	51
Moore County	223	Bernalillo County, NM	43
Hutchinson County	180	Oklahoma County, OK	41
Tarrant County	164	San Diego County, CA	39
To Randall County			
Potter County	3,942	Oklahoma County, OK	39
Lubbock County	190	Maricopa County, AZ	34
Hutchinson County	171	Bernalillo County, NM	32
Deaf Smith County	164	Curry County, NM	29
Moore County	122	Quay County, NM	28

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

Top Five Out-Migration Destinations, Amarillo MSA, 2003

To US - Same State		To US - Different State	
From Armstrong County			
Potter County	34	-	-
Randall County	31	-	-
-	-	-	-
-	-	-	-
-	-	-	-
From Carson County			
Potter County	69	-	-
Randall County	64	-	-
Gray County	53	-	-
Hutchinson County	34	-	-
-	-	-	-
From Potter County			
Randall County	3,942	Oklahoma County, OK	85
Lubbock County	258	Bernalillo County, NM	60
Tarrant County	186	El Paso County, CO	53
Hutchinson County	169	Maricopa County, AZ	52
Dallas County	167	Curry County, NM	38
From Randall County			
Potter County	3,182	Bernalillo County, NM	52
Lubbock County	217	Oklahoma County, OK	47
Tarrant County	158	Maricopa County, AZ	42
Dallas County	111	Curry County, NM	30
Denton County	110	Los Angeles County, CA	21

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

Amarillo Market Overview 2006 Education

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

Level of Education	Armstrong County	Carson County	Potter County	Randall County	Texas
High school graduate	27.8	31.0	29.3	23.4	24.8
Some college, no degree	26.3	29.5	23.2	29.9	22.4
Associate's degree	7.8	6.5	5.0	7.4	5.2
Bachelor's degree	15.8	11.2	8.7	19.6	15.6
Graduate or professional degree	4.7	4.3	4.8	9.3	7.6

Source: U.S. Census Bureau 2000 Census

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

Level of Education	Amarillo MSA	Texas
High School Graduate or Higher	80.0	75.7
Bachelor's Degree or Higher	21.0	23.2

Source: U.S. Census Bureau 2000 (1999 definition)

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Amarillo College	8,181	8,499	9,144	9,970	10,466	10,488
West Texas A&M University	6,775	6,675	6,780	7,023	7,299	7,273

* Preliminary

Source: Texas Higher Education Coordinating Board

Amarillo Market Overview 2006 Employment

Top Ten Employers

Employer	Sector	Employees
Amarillo Independent School District	Education	4,605
Tyson Foods	Beef slaughter and processing	3,650
BWXT, Pantex	Ordinance disassembly and maintenance	3,200
Baptist St. Anthony's Health Care Systems	Medical care	2,700
City of Amarillo	Government	2,091
Wal-Mart SuperCenters	Retail	1,822
Northwest Texas Healthcare Systems	Medical care	1,800
United Supermarkets	Grocery	1,713
Amarillo College	Education	1,310
Texas Department of Criminal Justice	Correction units	1,204

Source: Amarillo Chamber of Commerce Jan-2006

Top Ten Private Employers

Employer	Sector	Employees
Tyson Foods	Beef slaughter and processing	3,650
BWXT, Pantex	Ordinance disassembly and maintenance	3,200
Baptist St. Anthony's Health Care Systems	Medical care	2,700
Wal-Mart SuperCenters	Retail	1,822
Northwest Texas Healthcare Systems	Medical care	1,800
United Supermarkets	Grocery	1,713
Xcel Energy	Energy services	1,018
Affiliated Foods	Grocery	987
Bell Helicopter Textron, Inc.	Manufacturing	919
Burlington Northern Santa Fe	Railroad	845

Source: Amarillo Chamber of Commerce Jan-2006

Employment Growth by Industry

	Amarillo MSA	Texas
Employment growth 2005 (in percent)	0.4	2.5
Unemployment rate 2005 (in percent)	3.9	5.3
Net job change in 2005	400	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	-3.0	4.9
Manufacturing	1.7	0.9
Trade, Transportation, and Utilities	-0.9	2.4
Information	-10.0	-0.7
Financial Activities	-1.7	2.3
Professional and Business Services	8.4	5.3
Educational and Health Services	-1.3	2.9
Leisure and Hospitality	-3.6	2.5
Government	2.2	1.7

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

Texas Metropolitan Area Employment Change, 1995-2005

Metropolitan Area	1995 Employment	2005 Employment	Percent Change
McAllen-Edinburg-Mission	150,234	242,422	61.4
Laredo	59,598	80,665	35.3
Austin-Round Rock	591,102	764,194	29.3
Killeen-Temple-Fort Hood	111,747	142,121	27.2
Brownsville-Harlingen	106,945	134,952	26.2
College Station-Bryan	80,047	99,326	24.1
Sherman-Denison	45,577	55,413	21.6
Dallas-Fort Worth-Arlington	2,384,710	2,860,998	20.0
Texas	8,985,635	10,617,319	18.2
Houston-Sugar Land-Baytown	2,106,968	2,470,473	17.3
San Antonio	732,775	855,644	16.8
Lubbock	118,211	136,968	15.9
Tyler	80,110	91,675	14.4
Texarkana	52,507	59,811	13.9
Waco	94,605	106,979	13.1
Amarillo	111,610	125,811	12.7
Longview	86,975	97,417	12.0
Corpus Christi	167,087	186,305	11.5
Midland	56,680	62,686	10.6
Abilene	72,440	79,420	9.6
Wichita Falls	66,582	72,221	8.5
El Paso	256,259	275,889	7.7
Victoria	50,417	54,216	7.5
San Angelo	48,906	52,282	6.9
Odessa	55,517	58,969	6.2
Beaumont-Port Arthur	164,661	166,236	1.0

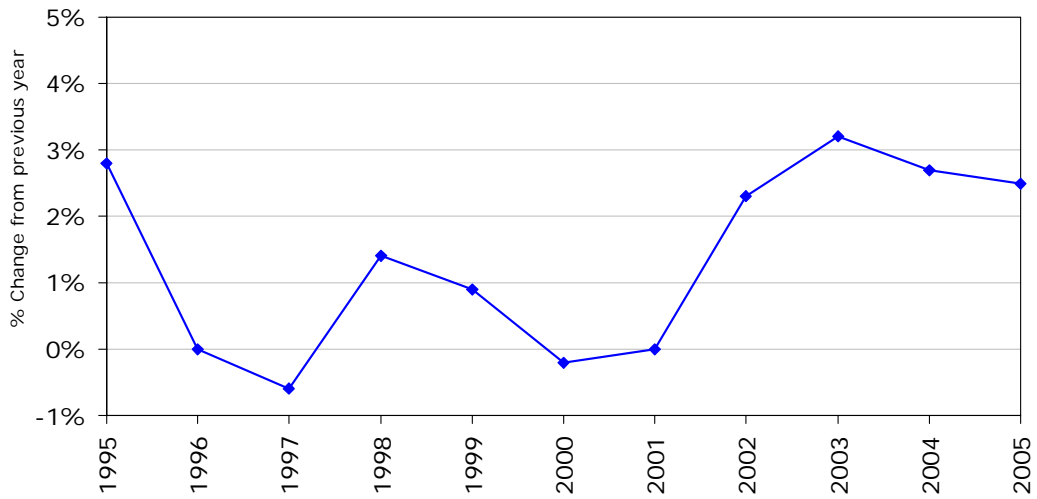
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Amarillo MSA Employment

Year	Employment	Percent Change
1995	111,610	2.8
1996	111,581	0.0
1997	110,902	-0.6
1998	112,449	1.4
1999	113,453	0.9
2000	113,182	-0.2
2001	113,188	0.0
2002	115,806	2.3
2003	119,498	3.2
2004	122,770	2.7
2005	125,811	2.5

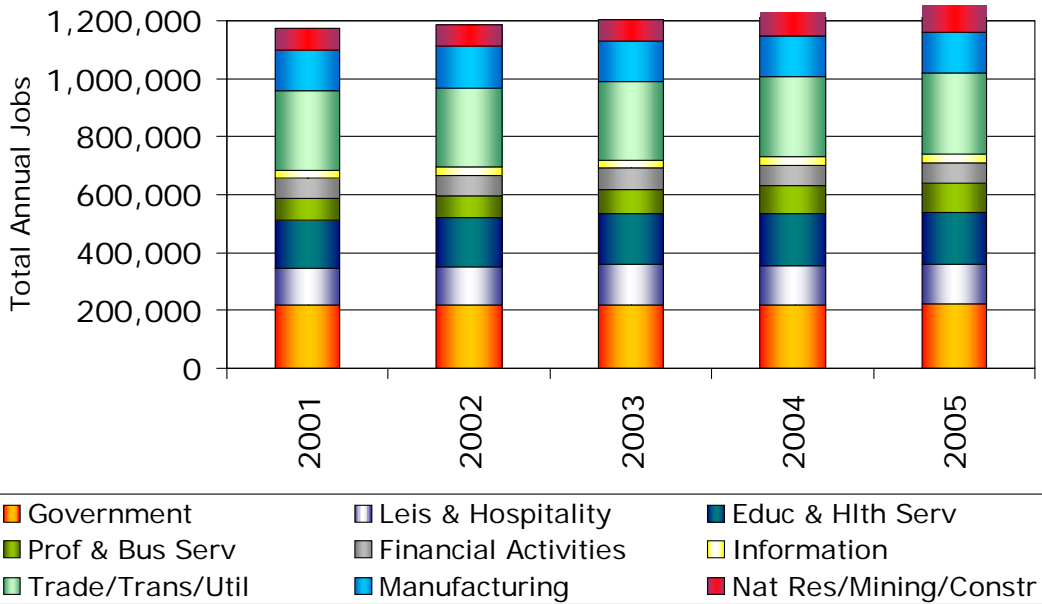
Source: U.S. Bureau of Labor Statistics

**Amarillo MSA
 Employment Growth**



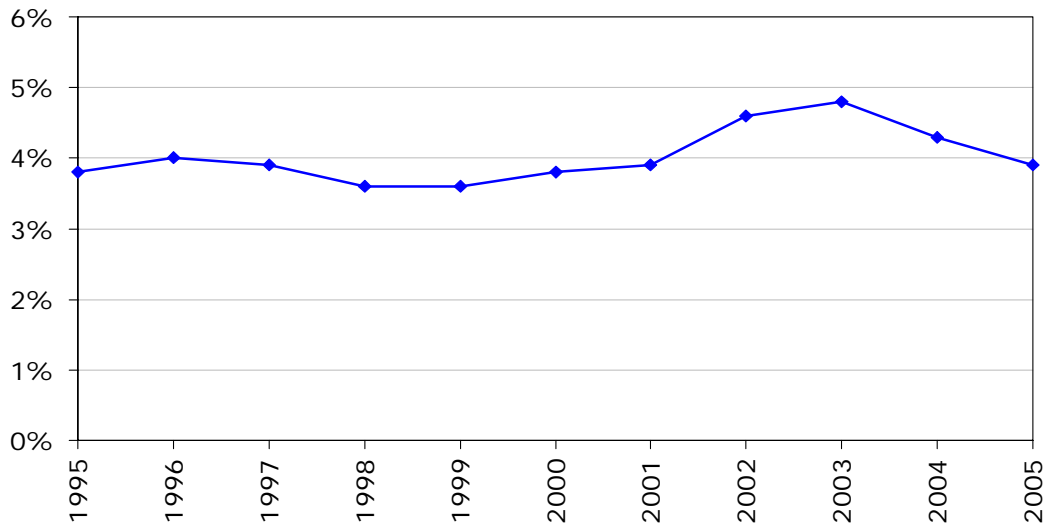
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Amarillo MSA
 Distribution of Employment in Major Categories**



Source: Texas Workforce Commission and Real Estate Center at Texas A&M University Jan-2006

**Amarillo MSA
 Unemployment Rate**



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

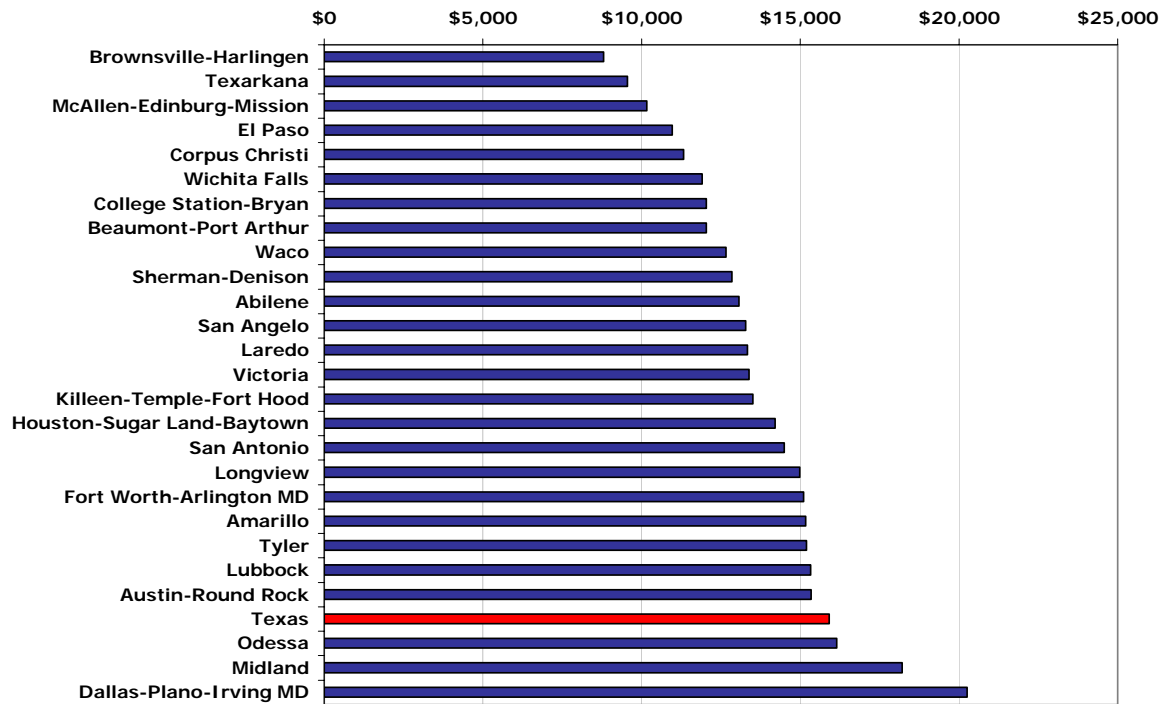
Amarillo Market Overview 2006 Economy

Amarillo MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$2,413,475,799	\$11,216
1996	\$2,487,012,335	\$11,430
1997	\$2,550,574,858	\$11,607
1998	\$2,621,531,943	\$11,838
1999	\$2,743,306,656	\$12,221
2000	\$2,930,449,820	\$12,937
2001	\$2,983,698,588	\$13,044
2002	\$3,048,489,078	\$13,208
2003	\$3,157,046,471	\$13,517
2004	\$3,333,193,794	\$14,117
2005	\$3,620,703,654	\$15,171
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Amarillo Market Overview 2006 Infrastructure

Amarillo Airline Activity

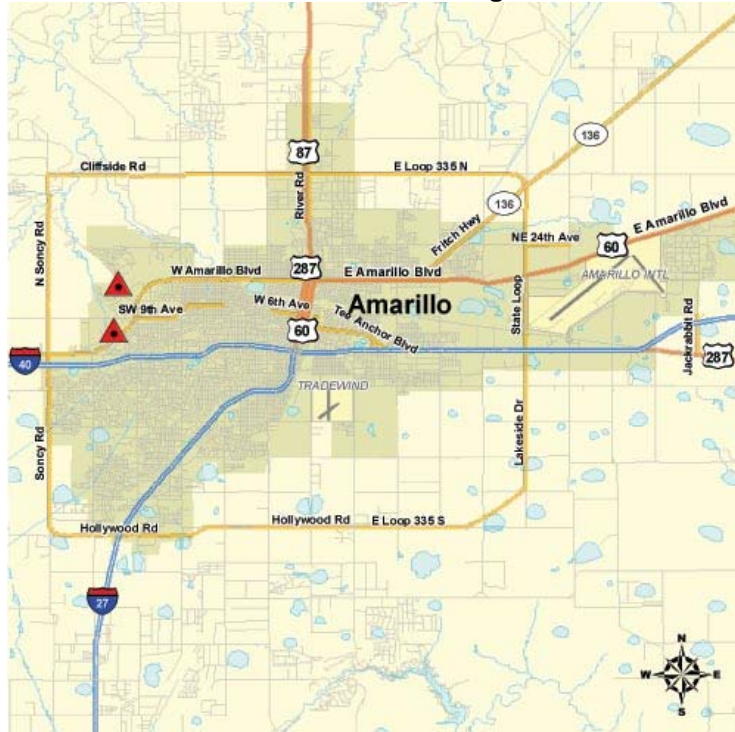
	2000	2001	2002	2003	2004	2005
Amarillo International Airport						
Enplaned (int'l & national)	441,975	423,297	388,938	384,521	415,066	444,886

Source: Amarillo International Airport

Amarillo Market Overview 2006

Public Facilities

Amarillo Public Facilities Building Permits 2005



Amarillo City Building Permit Office

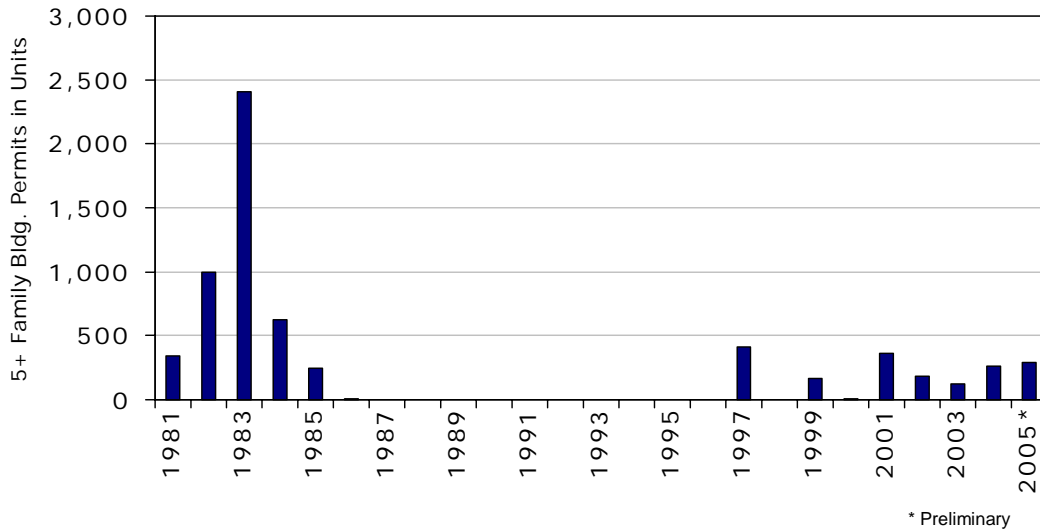
Amarillo Market Overview 2006 Multifamily

Amarillo Apartment Statistics 2005

	Amarillo	Texas Metro Average
Average rent per square foot	\$0.64	\$0.78
Average rent for units built since 2000	\$0.66	\$0.89
Average occupancy (in percent)	93.3	91.4
Average occupancy for units built since 2000 (in percent)	96.4	93.1

Source: Apartment MarketData Research Jan-2006

Amarillo MSA Multifamily Building Permits



Source: U.S. Census Bureau and Real Estate Center at Texas A&M University (1999 definition)

Amarillo Multifamily Building Permits 2005



Amarillo City Building Permit Office

Amarillo Market Overview 2006 Housing

2005 Housing Affordability Index

MLS	2005 Median- Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First- Time Homebuyers**
Amarillo	\$107,300	\$24,809	\$49,850	2.01	1.52
Texas Total	\$136,500	\$31,561	\$53,000	1.68	1.14
U.S. Total	\$206,600	\$47,132	\$58,000	1.23	0.68

* The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. Standard financing is a fixed-rate, 30-year loan covering 80 percent of the cost of the home. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house.

** First-time home buyer is assumed to purchase a home equal to the first quartile home price using a 90% home loan at an interest rate 0.5 percent greater than the standard current rate.

Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold, Amarillo Area
(in percent)**

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	7.8	8.6	5.7	5.5	7.1	6.2	4.9
30,000 - 39,999	7.3	4.8	3.6	4.8	4.4	3.9	4.0
40,000 - 49,999	8.6	6.8	7.0	6.5	4.8	4.9	4.8
50,000 - 59,999	7.7	8.1	8.2	8.0	6.7	6.8	5.4
60,000 - 69,999	8.8	7.6	9.0	7.8	8.2	7.3	6.3
70,000 - 79,999	8.7	9.2	7.4	8.0	8.2	6.3	6.7
80,000 - 89,999	8.1	7.6	8.7	8.4	7.3	8.8	7.4
90,000 - 99,999	7.2	7.8	7.3	7.1	6.5	8.1	6.6
100,000 - 119,999	9.7	11.1	11.8	11.3	12.6	11.3	10.6
120,000 - 139,999	8.2	10.0	9.3	8.9	9.6	9.8	11.1
140,000 - 159,999	5.6	5.5	6.3	7.6	8.1	6.1	7.2
160,000 - 179,999	3.5	3.9	4.8	4.7	4.7	6.1	6.3
180,000 - 199,999	2.0	2.5	2.9	3.2	3.0	3.8	4.9
200,000 - 249,999	3.6	3.1	3.8	4.4	4.4	4.8	5.3
250,000 - 299,999	1.3	2.2	1.9	1.6	2.3	2.8	3.9
300,000 - 399,999	1.6	0.9	1.5	1.2	1.4	2.0	3.1
400,000 - 499,999	0.1	0.3	0.4	0.4	0.4	0.5	0.9
500,000 and more	0.2	0.1	0.4	0.6	0.3	0.4	0.5

Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2005: County, Major City, Major School District

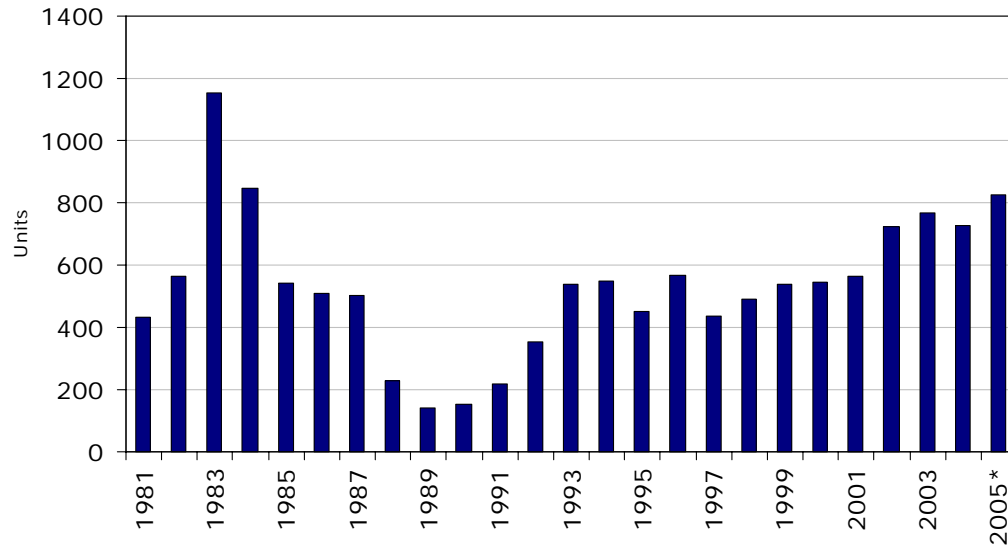
Taxing Entity*	Tax Rate per \$100 Valuation
City of Amarillo	0.29
Amarillo ISD	1.65
Potter County	0.61
Total	\$2.54

Taxing Entity*	Tax Rate per \$100 Valuation
City of Amarillo	0.29
Amarillo ISD	1.65
Randall County	0.35
Total	\$2.28

* 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. See following link for a more complete list: http://www.prad.org/about/prad_tax_codes.shtml

Source: Potter-Randall County Appraisal District

Amarillo MSA Single-Family Building Permits

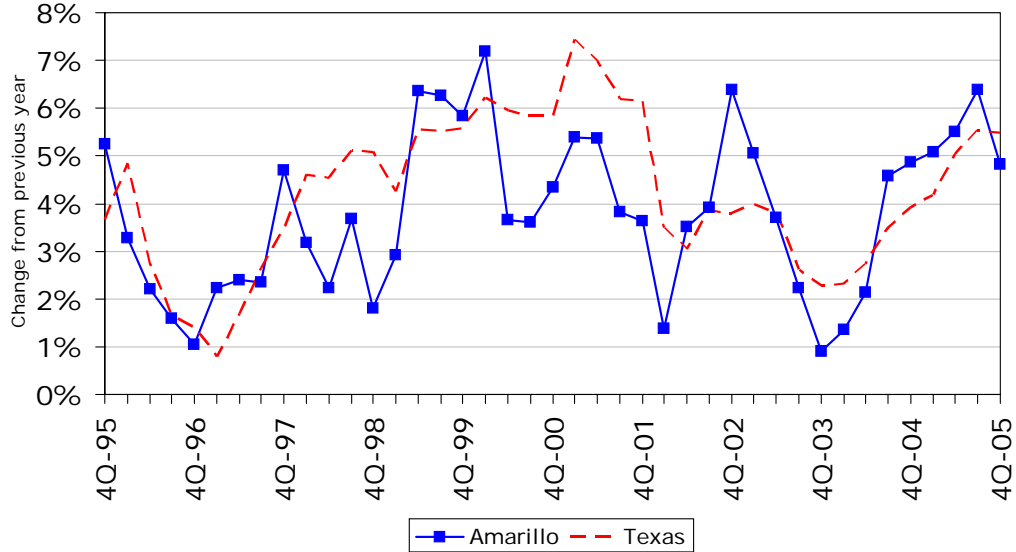


* Preliminary

Source: U.S. Census Bureau and Real Estate Center at Texas A&M University (1999 definition)

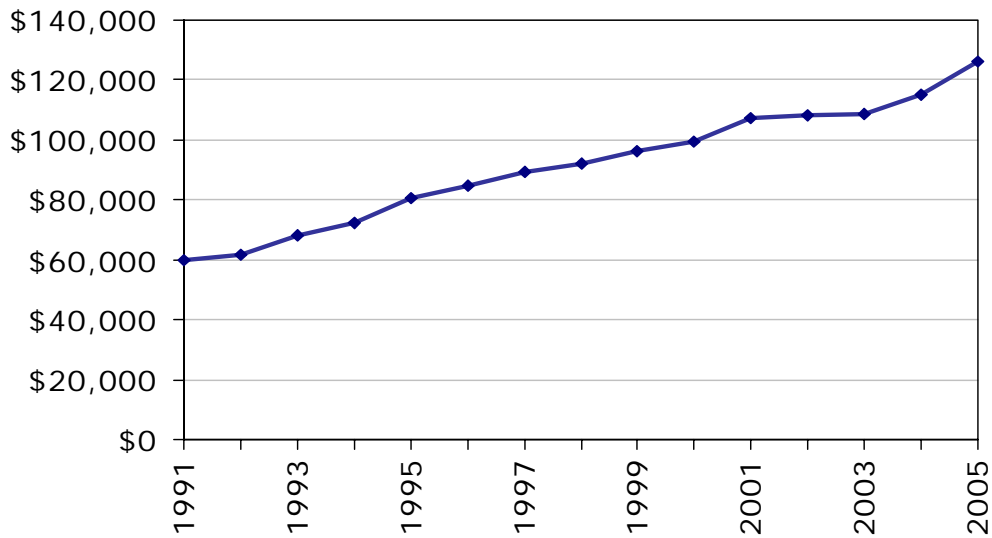
Home Price Appreciation Amarillo MSA

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.



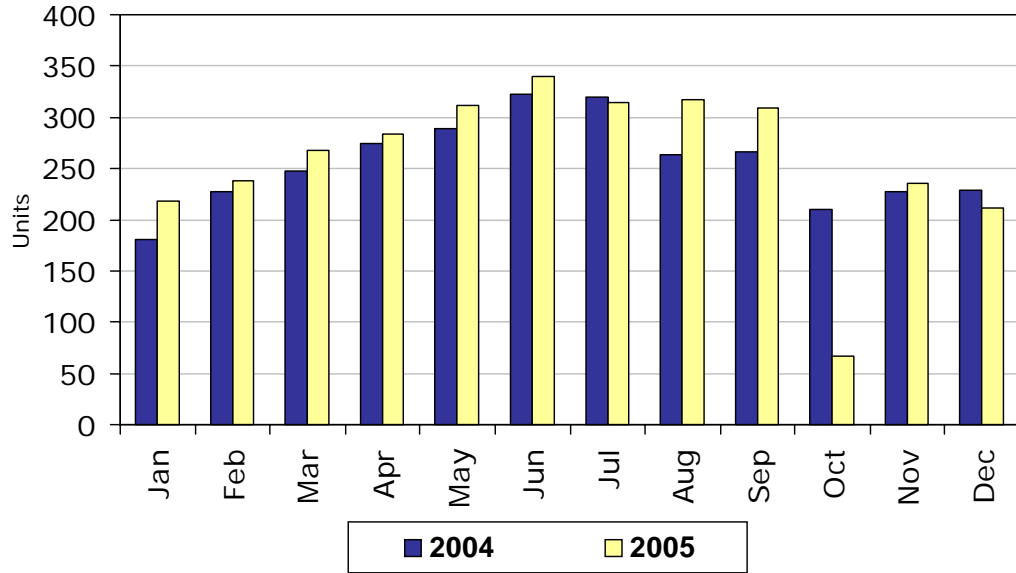
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Amarillo Area



Source: Real Estate Center at Texas A&M University

Single-Family Home Sales Volume Amarillo Area



Source: Real Estate Center at Texas A&M University

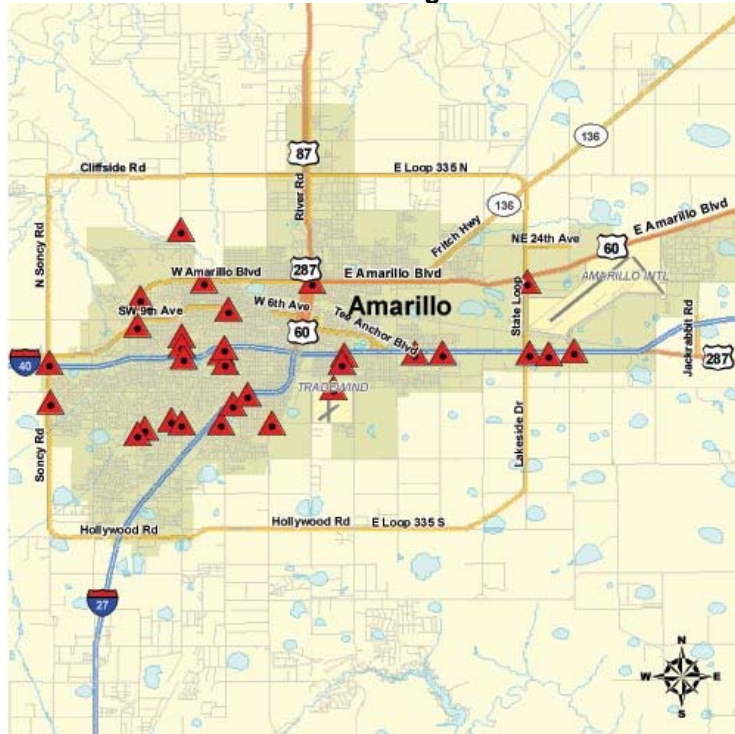
Amarillo Market Overview 2006 Retail

Retail Property Summary					
Market Area	2001	2002	2003	2004	2005
Southwest					
Total space (in square feet)	4,042,628	4,134,146	4,134,146	4,134,721	3,718,584
Occupancy (in percent)	87	86	88	87	94
Open Air Centers (in square feet)	-	-	2,831,607	2,832,182	2,832,045
Occupancy (in percent)	-	-	93	92	93
Mall Properties (in square feet)	-	-	1,302,539	1,302,539	886,539
Occupancy (in percent)	-	-	76	76	97
Southeast					
Total space (in square feet)	314,702	314,702	189,019	189,019	229,019
Occupancy (in percent)	96	97	96	99	96
Northwest					
Total space (in square feet)	598,323	558,070	558,070	561,170	587,570
Occupancy (in percent)	93	85	77	87	88
Open Air Centers (in square feet)	-	-	93,070	96,170	122,570
Occupancy (in percent)	-	-	54	70	75
Mall Properties (in square feet)	-	-	465,000	465,000	465,000
Occupancy (in percent)	-	-	82	90	92
Northeast					
Total space (in square feet)	223,462	207,666	207,666	207,666	207,666
Occupancy (in percent)	87	87	88	88	88
Citywide					
Total space (in square feet)	5,179,115	5,214,584	5,088,901	5,092,576	4,742,839
Occupancy (in percent)	89	87	87	87	93
Open Air Centers	-	-	3,321,362	3,325,037	3,391,300
Occupancy (in percent)	-	-	92	91	93
Mall Properties	-	-	1,767,539	1,767,539	1,351,539
Occupancy (in percent)	-	-	78	80	95

*Western Plaza Mall has been removed from the 2006 survey (2005 data)

Source: Coldwell Banker Commercial First Equity, Realtors

Amarillo Retail Building Permits 2005



Amarillo City Building Permit Office

Amarillo Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Amarillo	Texas	Amarillo	Texas
# Rooms 000's	4.8	328.1	5.0	334.7
Average daily rate	\$54.31	\$70.39	\$56.53	\$74.26
Occupancy rate (in percent)	56.9	55.9	55.6	59.7

*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

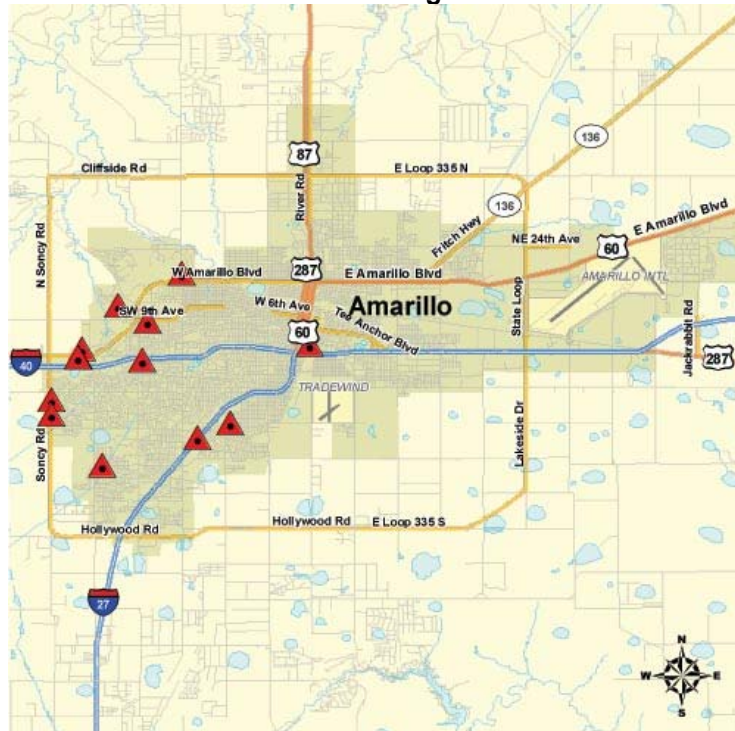
Amarillo Market Overview 2006 Office

Office Property Statistics

	2004	2005
Central Business District		
Total Space (in square feet)	1,817,155	1,805,171
Average Occupancy (in percent)	78	77
Suburban		
Total Space (in square feet)	848,073	830,553
Average Occupancy (in percent)	89	86
Citywide		
Average Occupancy (in percent)	81	80

Source: Coldwell Banker Commercial First Equity, Realtors

Amarillo Office Building Permits 2005



Amarillo City Building Permit Office

Amarillo Market Overview 2006

Industrial

Amarillo City Industrial Building Permits 2005



Amarillo 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 Areas. 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 Analyst

Isilay Civan

Blake Lacy

Real Estate Center, 2115 TAMU, College Station, TX 77843-2115

Phone: 979.845.2031 | Fax: 979.845.0460