

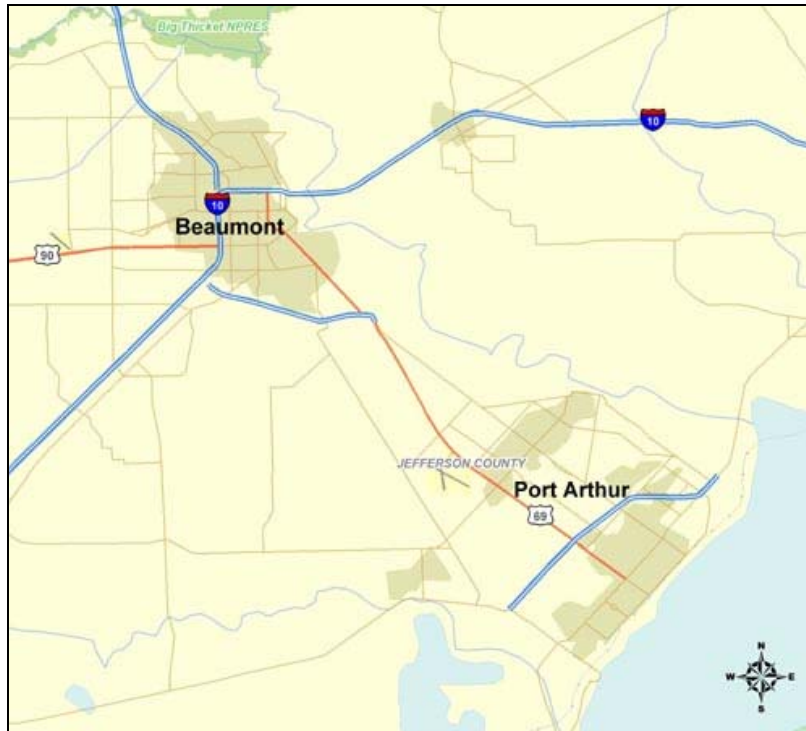
Real Estate Market Overview 2006

Beaumont - Port Arthur

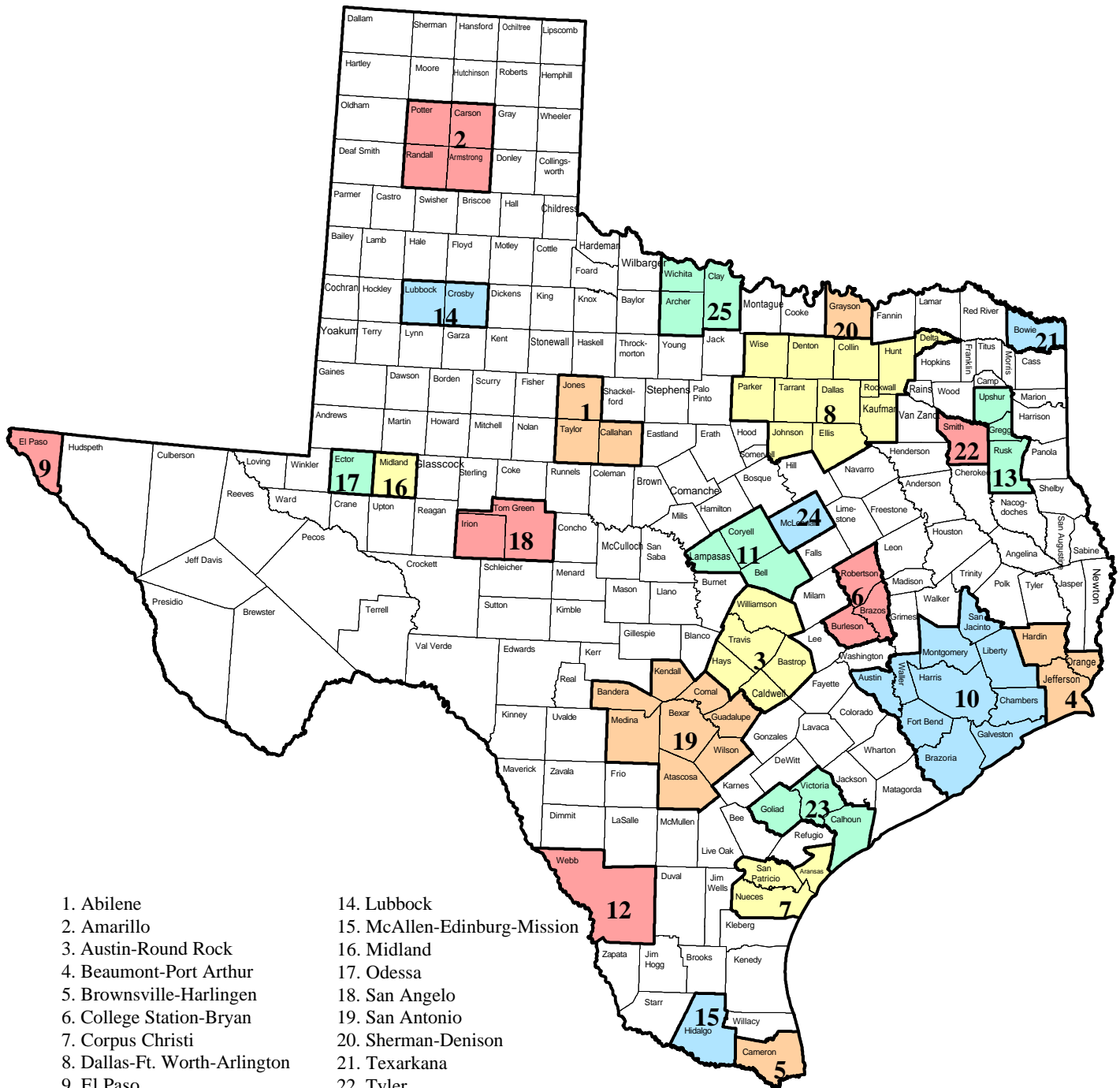
Mid-Year Update

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	



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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Beaumont-Port Arthur Market Overview 2006 Demographics

Beaumont-Port Arthur Population

Year	Population	Percent Change
1995	380,888	-
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%
2005*	383,530	0.0%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995 - 2005* (in percent)
Hardin	45,851	50,976	11.18
Jefferson	251,054	247,571	-1.39
Orange	83,983	84,983	1.19

* 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)
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, 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

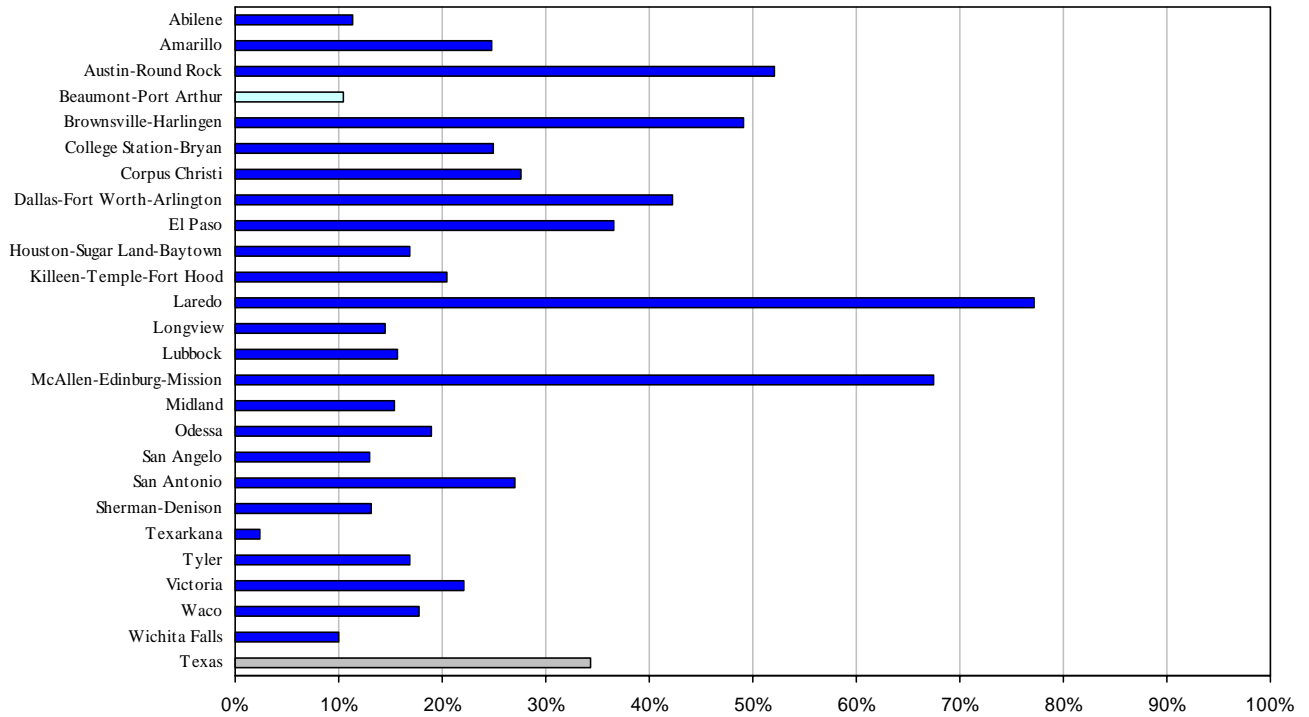
Source: U.S. Census Bureau

Beaumont-Port Arthur MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	385,090	385,090
2005	395,275	-
2010	405,539	404,707
2015	415,460	-
2020	425,051	424,075
2025	433,456	-
2030	441,010	437,619
2035	448,218	-
2040	455,144	448,079

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

	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 (1999 definition)

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

	Beaumont- Port Arthur MSA	Texas
White	68.2	71.0
Black	24.8	11.5
Asian	2.1	2.7
American Indian	0.4	0.6
Other	3.1	11.7
Two or more races	1.4	2.5
Hispanic (of any race)	8.0	32.0

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

In-Migration for Beaumont-Port Arthur MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Hardin County	2,631	563	-	37,663
Jefferson County	5,279	2,483	212	176,512
Orange County	2,709	946	20	64,642

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

Out-Migration for Beaumont-Port Arthur MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Hardin County	2,241	484	-	37,663
Jefferson County	6,783	2,472	82	176,512
Orange County	2,694	939	22	64,642

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

Top Five In-Migration Destinations, Beaumont-Port Arthur MSA, 2003

From US - Same State		From US - Different State	
To Hardin County			
Jefferson County	1,145	Calcasieu Parish, LA	28
Orange County	229	-	-
Jasper County	227	-	-
Harris County	174	-	-
Tyler County	147	-	-
To Jefferson County			
Harris County	1,046	Calcasieu Parish, LA	125
Orange County	975	East Baton Rouge Parish, LA	54
Hardin County	861	Jefferson Parish, LA	44
Jasper County	227	Los Angeles County, CA	41
Chambers County	205	Orleans Parish, LA	39
To Orange County			
Jefferson County	1,182	Calcasieu Parish, LA	128
Hardin County	231	-	-
Harris County	198	-	-
Jasper County	187	-	-
Newton County	184	-	-

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

Top Five Out-Migration Destinations, Beaumont-Port Arthur MSA, 2003

To US - Same State		To US - Different State	
From Hardin County			
Jefferson County	861	Calcasieu Parish, LA	24
Orange County	231	-	-
Tyler County	211	-	-
Jasper County	164	-	-
Harris County	130	-	-
From Jefferson County			
Harris County	1,491	Calcasieu Parish, LA	122
Orange County	1,182	Lafayette Parish, LA	61
Hardin County	1,145	East Baton Rouge Parish, LA	49
Jasper County	249	Clark County, NV	42
Travis County	206	San Diego County, CA	41
From Orange County			
Jefferson County	975	Calcasieu Parish, LA	180
Harris County	291	Beauregard Parish, LA	31
Hardin County	229	Lafayette Parish, LA	29
Jasper County	212	-	-
Newton County	80	-	-

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

Beaumont-Port Arthur Market Overview 2006 Education

Educational Attainment, Persons Age 25 and Older, 2000
 (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	21.0	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 (1999 definition)

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Lamar State College - Port Arthur	2,508	2,497	2,406	2,429	2,385	2,521
Lamar State College - Orange	1,939	2,020	1,976	1,853	2,047	2,128
Lamar University	8,568	8,969	9,802	10,379	10,804	10,439

* Preliminary

Source: Texas Higher Education Coordinating Board

Beaumont-Port Arthur Market Overview 2006 Employment

Beaumont Top Ten Employers 2005

Employer	Sector	Employees
Christus St. Elizabeth Hospital	Health care	2500-4999
Motiva Enterprises	Oil refinery	1000-2499
HCS	Home care supply	1000-2499
Conn's	Retail appliance	1000-2499
Memorial Hermann Baptist Hospital	Hospital	1000-2499
ExxonMobil Oil Corporation	Petrochemical manufacturing	1000-2499
FCC	Federal prison	1000-2499
Newtron (Nederland)	Electric supply	500-999
Premcor Refinery	Oil refinery	500-999
Triple Industrial (Lumberton)	Industrial construction	500-999

Source: Beaumont Chamber of Commerce and Entergy Economic Development Q2 2005

Beaumont Top Ten Private Employers

Employer	Sector	Employees
Christus St. Elizabeth Hospital	Health care	2500-4999
Motiva Enterprises	Oil refinery	1000-2499
HCS	Home care supply	1000-2499
Conn's	Retail appliance	1000-2499
Memorial Hermann Baptist Hospital	Hospital	1000-2499
ExxonMobil Oil Corporation	Petrochemical manufacturing	1000-2499
Newtron (Nederland)	Electric supply	500-999
Premcor Refinery	Oil refinery	500-999
Triple Industrial (Lumberton)	Industrial construction	500-999
Ameri-Forge	Manufacturing steel forgings	500-999

Source: Beaumont Chamber of Commerce and Entergy Economic Development Q2 2005

Port Arthur Top Ten Employers

Employer	Sector	Employees
Port Arthur ISD	Education	1,301
Huntsman Corp.	Petrochemical mfg.	1,100
Motiva Enterprises	Petroleum refining	900
The Medical Center of SETX	Medical services	900
CHRISTUS St. Mary Hospital	Medical service	850
Wal-Mart SuperCenter (2 locations)	Retailer	816
Premcor Refining Group	Petroleum refining	750
City of Port Arthur	City government	658
Client Logic	Call center	612
Total Petrochemical USA, Inc.	Petroleum refining	450

Source: Port Arthur Chamber of Commerce July 2005

Employment Growth by Industry

Employment Growth by Industry	Beaumont-Port Arthur	
	MSA	Texas
Employment growth 2005 (in percent)	0.9	2.5
Unemployment rate 2005 (in percent)	7.7	5.3
Net job change in 2005	1,100	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	3.6	4.9
Manufacturing	0.0	0.9
Trade, Transportation, and Utilities	-1.3	2.4
Information	0.0	-0.7
Financial Activities	-3.4	2.3
Professional and Business Services	7.4	5.3
Educational and Health Services	0.9	2.9
Leisure and Hospitality	0.7	2.5
Government	-0.4	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	2005	Percent Change
	Employment	Employment	
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

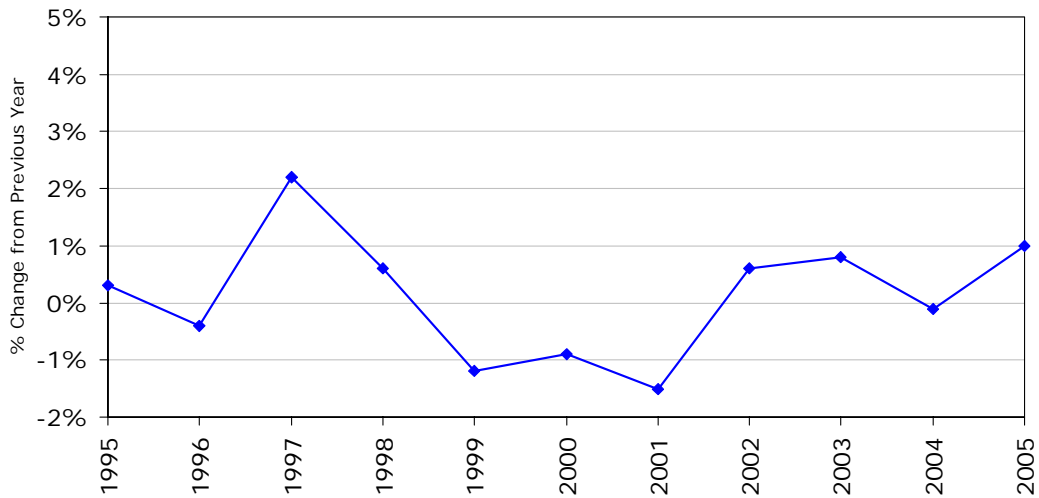
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Beaumont - Port Arthur MSA Employment

Year	Employment	Percent Change
1995	164,661	0.3
1996	164,047	-0.4
1997	167,589	2.2
1998	168,624	0.6
1999	166,601	-1.2
2000	165,162	-0.9
2001	162,608	-1.5
2002	163,559	0.6
2003	164,853	0.8
2004	164,663	-0.1
2005	166,236	1.0

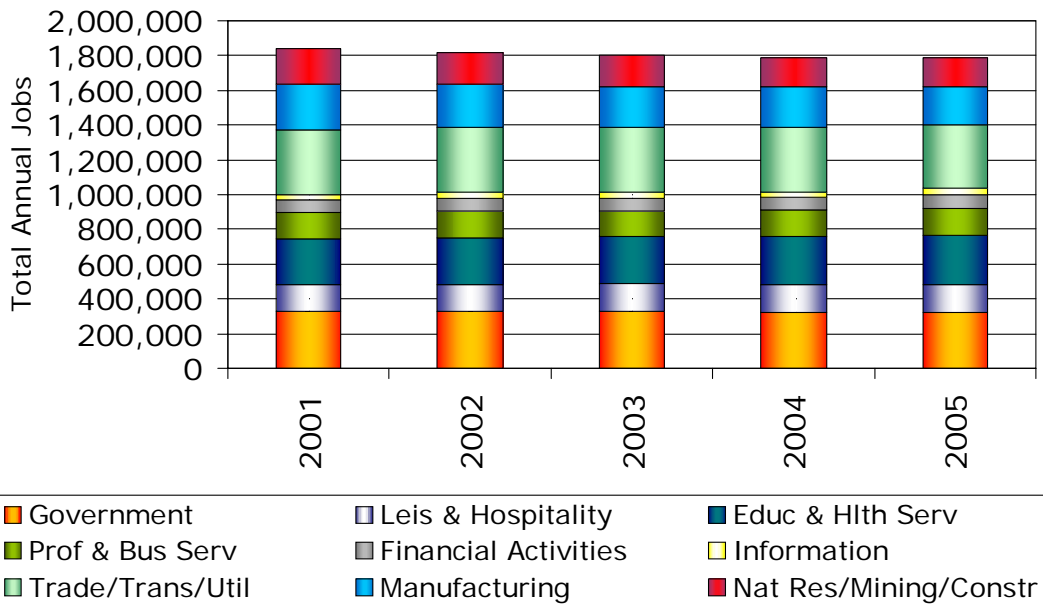
Source: U.S. Bureau of Labor Statistics

**Beaumont/Port Arthur MSA
 Employment Growth**



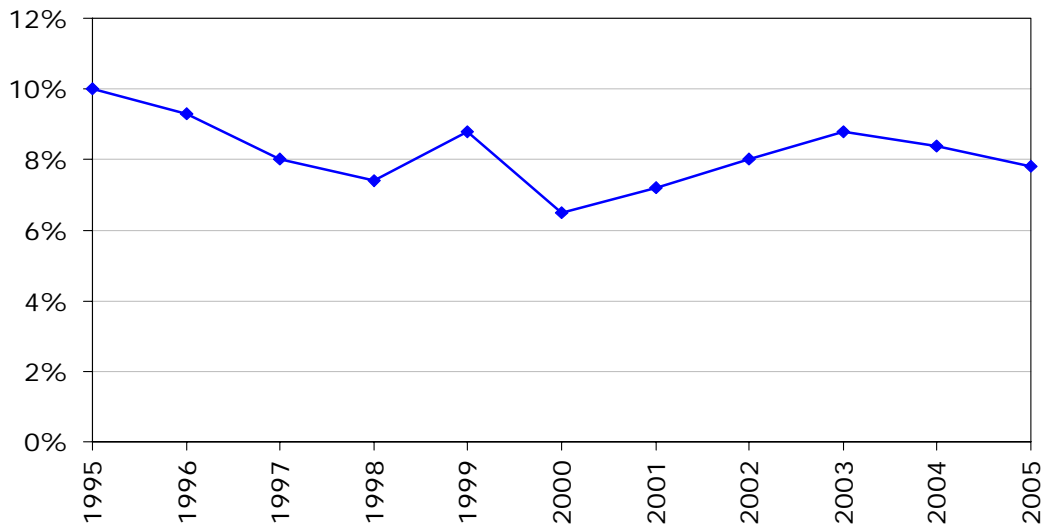
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Beaumont-Port Arthur MSA
 Distribution of Employment in Major Categories**



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

**Beaumont/Port Arthur MSA
 Unemployment Rate**



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

Beaumont-Port Arthur Market Overview 2006

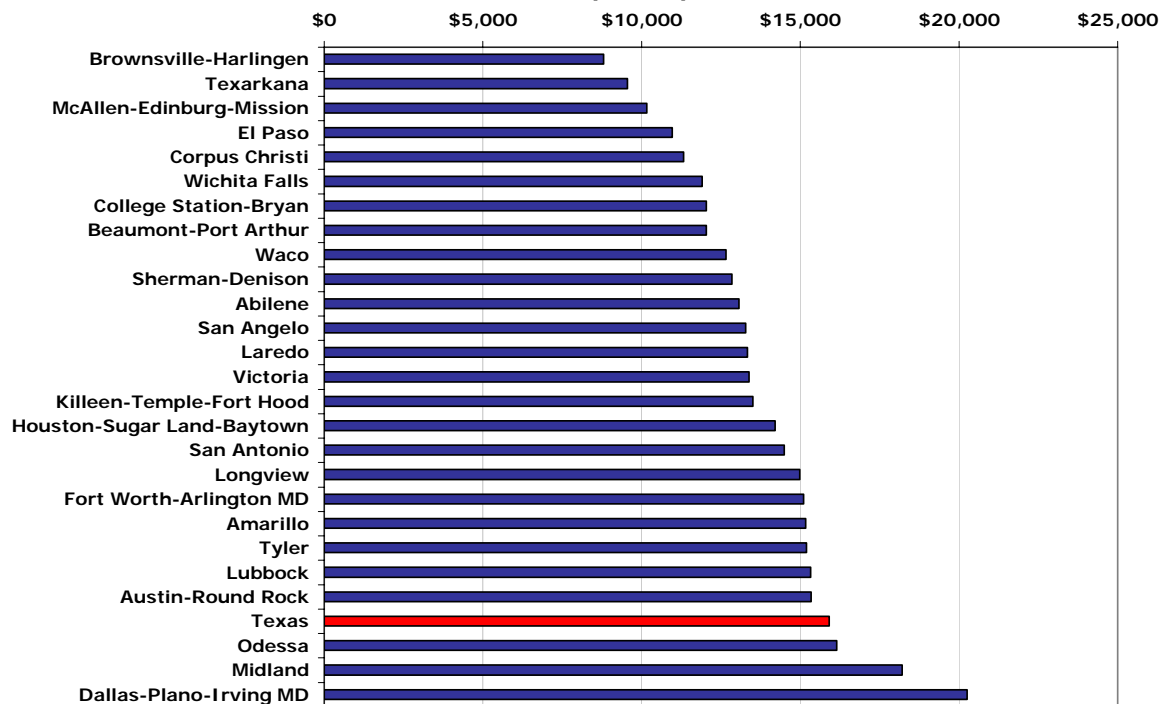
Economy

Beaumont-Port Arthur MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
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	\$4,221,996,678	\$11,011
2005	\$4,616,236,478	\$12,036
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Beaumont-Port Arthur Market Overview 2006 Infrastructure

Beaumont-Port Arthur Airline Activity

Southeast Texas Regional Airport	2000	2001	2002	2003	2004	2005
Enplaned (int'l & national)	89,513	73,989	58,616	42,476	54,018	45,661
Deplaned (int'l & national)	-	-	55,110	41,894	53,890	45,261
Total (int'l & national)	-	-	113,726	84,370	107,908	90,922

Source: Southeast Texas Regional Airport

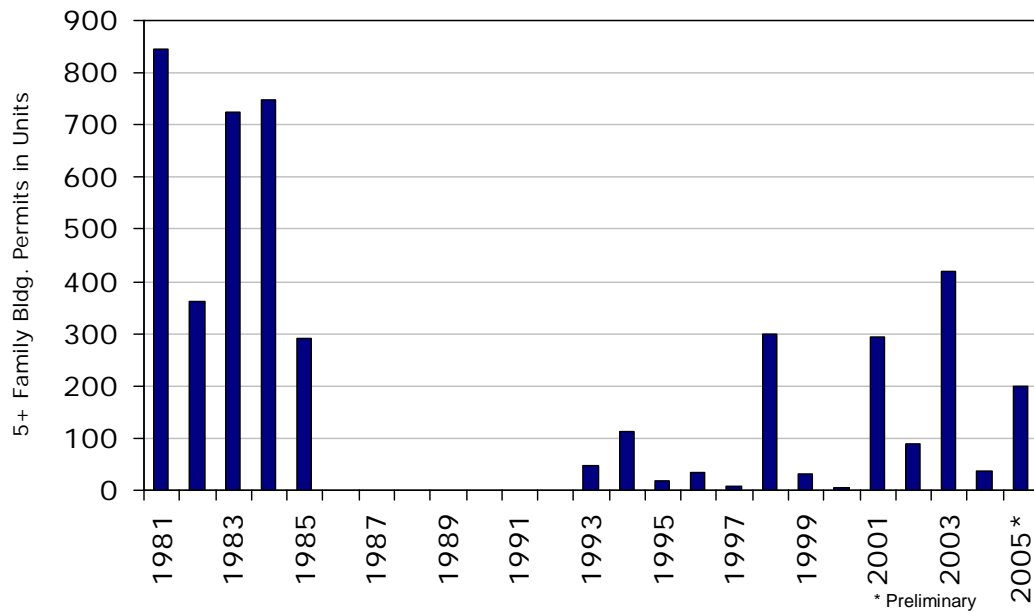
Beaumont-Port Arthur Market Overview 2006 Multifamily

Beaumont Apartment Statistics 2005

	Beaumont- Southeast Texas	Texas Metro Average
Average rent per square foot	\$0.63	\$0.78
Average rent for units built since 2000	\$0.67	\$0.89
Average occupancy (in percent)	93.3	91.4
Average occupancy for units built since 2000 (in percent)	96.9	93.1

Source: Apartment MarketData Research Jan-2006

Beaumont/Port Arthur MSA Multifamily Building Permits



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

Beaumont-Port Arthur 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**
Beaumont	\$104,100	\$24,018	\$48,850	2.03	1.37
Port Arthur	\$97,000	\$22,380	\$61,000	2.73	1.55
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

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

Taxing Entity*	Beaumont	Port Arthur	Orange
County	0.43	0.43	0.55
City	0.66	0.78	0.81
School District	1.54	1.68	1.60
Total	\$2.62	\$2.88	\$2.96

* 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.jcad.org/reports/reports_entitycode.aspx

Source: Jefferson and Orange County Appraisal District

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

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	7.9	6.5	6.5	8.6	7.7	7.0	5.7
30,000 - 39,999	6.1	5.3	4.1	4.6	3.9	3.3	2.3
40,000 - 49,999	7.2	5.0	5.0	4.7	4.9	3.8	3.6
50,000 - 59,999	9.3	7.9	7.1	6.5	6.1	6.3	5.4
60,000 - 69,999	9.7	10.6	10.1	9.4	7.2	7.3	7.1
70,000 - 79,999	9.1	9.4	9.5	8.9	8.4	7.7	8.3
80,000 - 89,999	8.9	9.5	10.1	7.0	8.2	8.0	7.7
90,000 - 99,999	8.0	7.0	6.8	7.1	7.1	6.5	7.5
100,000 - 119,999	11.0	10.1	10.6	10.8	10.7	12.0	12.4
120,000 - 139,999	6.1	8.5	8.7	9.1	8.5	9.7	9.6
140,000 - 159,999	5.9	6.0	6.2	6.6	7.4	6.8	7.5
160,000 - 179,999	3.5	3.1	3.8	4.6	5.2	5.3	6.1
180,000 - 199,999	1.8	3.1	2.3	2.8	3.5	3.0	3.9
200,000 - 249,999	2.8	3.8	4.4	3.8	4.7	5.2	5.5
250,000 - 299,999	1.1	2.0	2.4	2.5	3.1	4.2	3.8
300,000 - 399,999	1.2	1.1	1.2	1.9	1.7	2.0	2.5
400,000 - 499,999	0.2	0.9	0.8	0.6	0.7	0.7	0.8
500,000 and more	0.3	0.3	0.4	0.5	1.1	1.1	0.6

Source: Real Estate Center at Texas A&M University

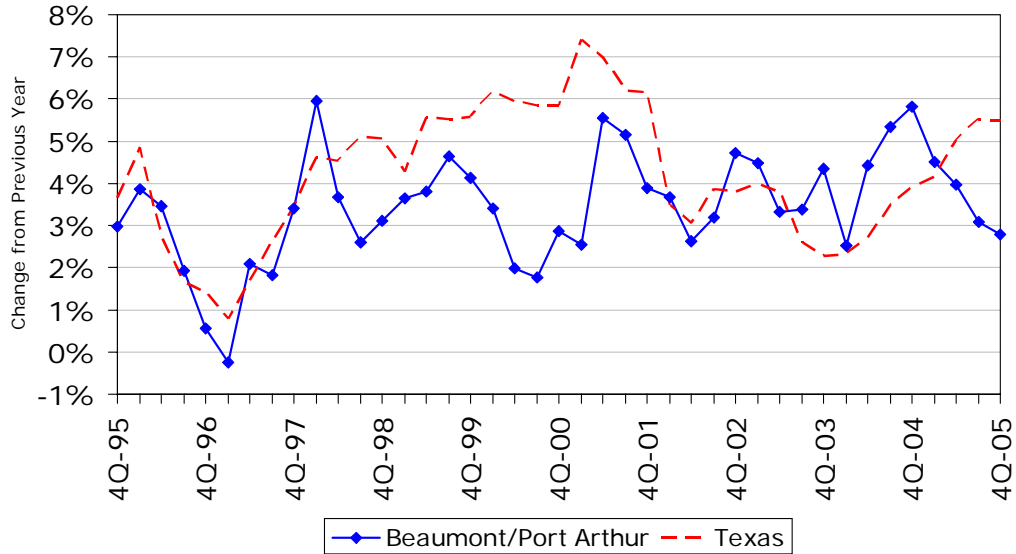
Price Distribution of MLS Homes Sold, Port Arthur
 (in percent)

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\$29,999 or less	13.5	12.2	12.6	13.0	14.3	11.7	8.3
30,000 - 39,999	10.2	8.3	5.4	7.8	5.4	6.5	3.4
40,000 - 49,999	13.5	10.6	10.5	8.8	6.5	5.8	4.5
50,000 - 59,999	10.8	12.3	9.3	11.4	8.6	7.4	5.9
60,000 - 69,999	10.7	13.5	12.9	10.5	11.4	11.5	8.4
70,000 - 79,999	7.4	9.0	7.6	9.2	9.9	8.2	7.1
80,000 - 89,999	7.2	5.7	7.9	7.4	6.8	8.9	7.3
90,000 - 99,999	6.3	3.5	4.5	4.6	6.1	6.0	6.9
100,000 - 119,999	7.4	8.9	8.5	7.8	9.5	10.3	12.0
120,000 - 139,999	5.0	5.7	7.8	6.7	7.1	9.1	6.9
140,000 - 159,999	4.2	3.9	4.1	4.1	3.3	4.4	10.0
160,000 - 179,999	1.4	2.5	3.2	2.4	4.5	2.8	6.0
180,000 - 199,999	0.5	1.2	1.8	1.8	2.6	1.7	5.4
200,000 - 249,999	1.2	1.7	2.8	2.6	1.8	2.0	5.6
250,000 - 299,999	0.5	0.9	0.6	1.4	1.5	1.4	0.9
300,000 - 399,999	0.3	0.1	0.1	0.4	0.5	1.5	0.9
400,000 - 499,999	0.0	0.1	0.1	0.0	0.1	0.5	0.1
500,000 and more	0.2	0.0	0.0	0.0	0.1	0.1	0.1

Source: Real Estate Center at Texas A&M University

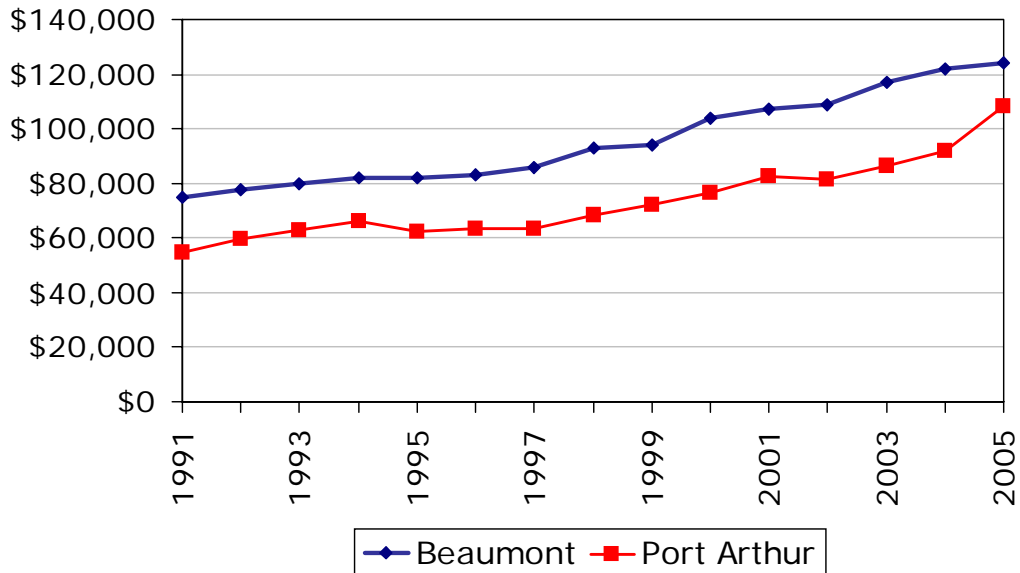
Home Price Appreciation Beaumont/Port Arthur MSA

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.



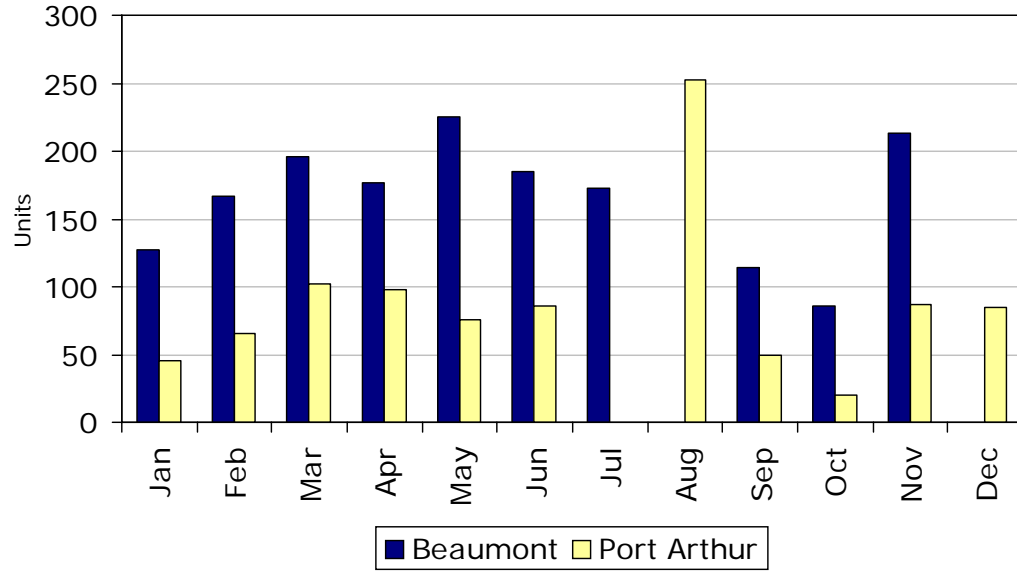
Source: Office of Federal Housing Enterprise Oversight

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



Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume, 2005
Beaumont/Port Arthur Area**



Source: Real Estate Center at Texas A&M University

Beaumont-Port Arthur Market Overview 2006 Hotel

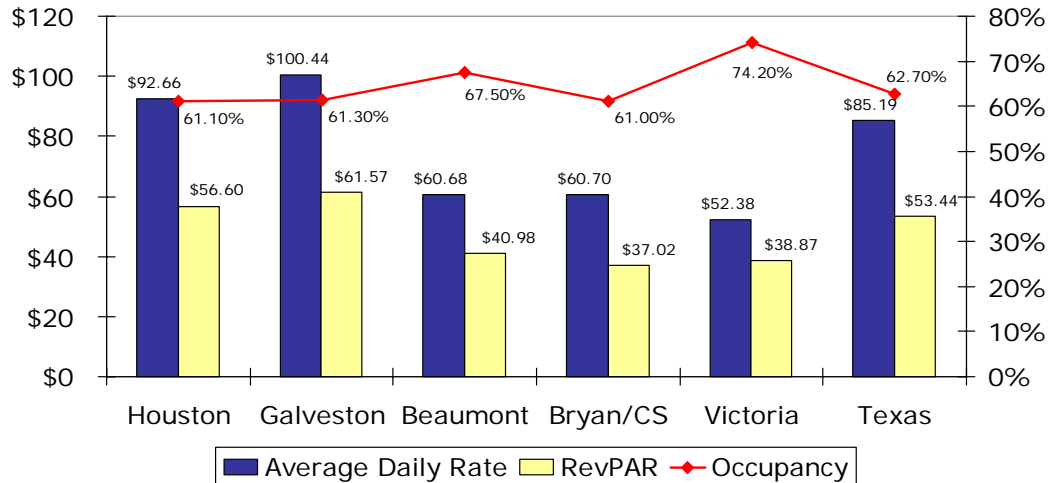
Hotel* Occupancy and Rental Rates

	2004		2005	
	Beaumont/ Port Arthur	Texas	Beaumont/ Port Arthur	Texas
# Rooms 000's	4.3	328.1	4.3	334.7
Average daily rate	\$52.13	\$70.39	\$58.15	\$74.26
Occupancy rate (in percent)	54.1	55.9	63.2	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

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



Source: PKF Consulting

* 2005 data
 not available



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>.

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