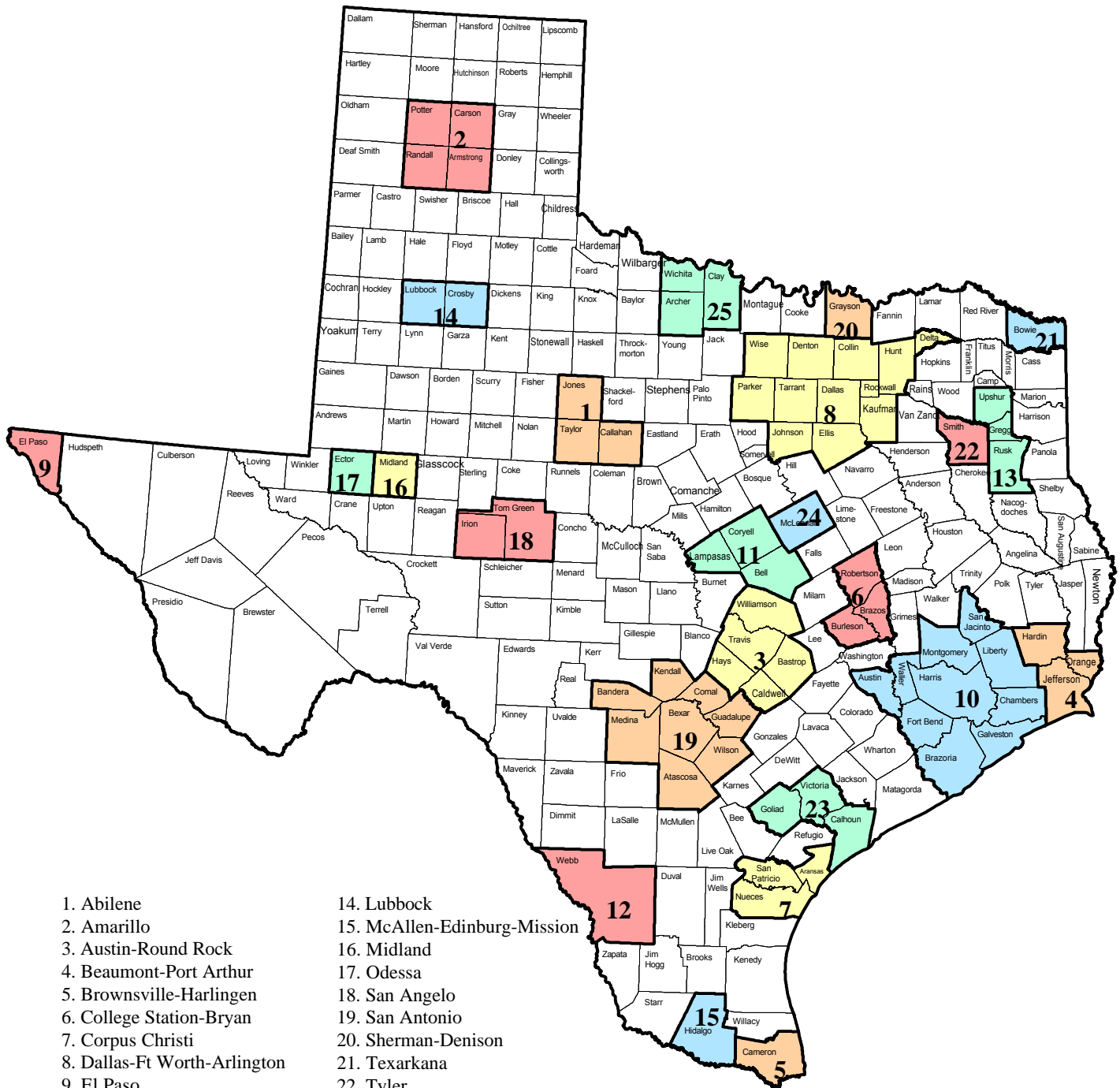


Metropolitan Statistical Areas (MSAs)



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

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Longview Market Overview 2006 Demographics

Longview MSA Population

Year	Population	Percent change
1995	188,646	-
1996	190,556	1.0%
1997	192,139	0.8%
1998	193,114	0.5%
1999	194,184	0.6%
2000	194,042	-0.1%
2001	194,968	0.5%
2002	197,167	1.1%
2003	198,834	0.8%
2004	200,405	0.8%
2005*	201,501	0.5%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995 - 2005* (in percent)
Gregg	109,275	115,649	5.8
Rusk	45,844	47,971	4.6
Upshur	33,527	37,881	13.0

* 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)
Longview	73,344	4.0
Kilgore	11,301	-0.3

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

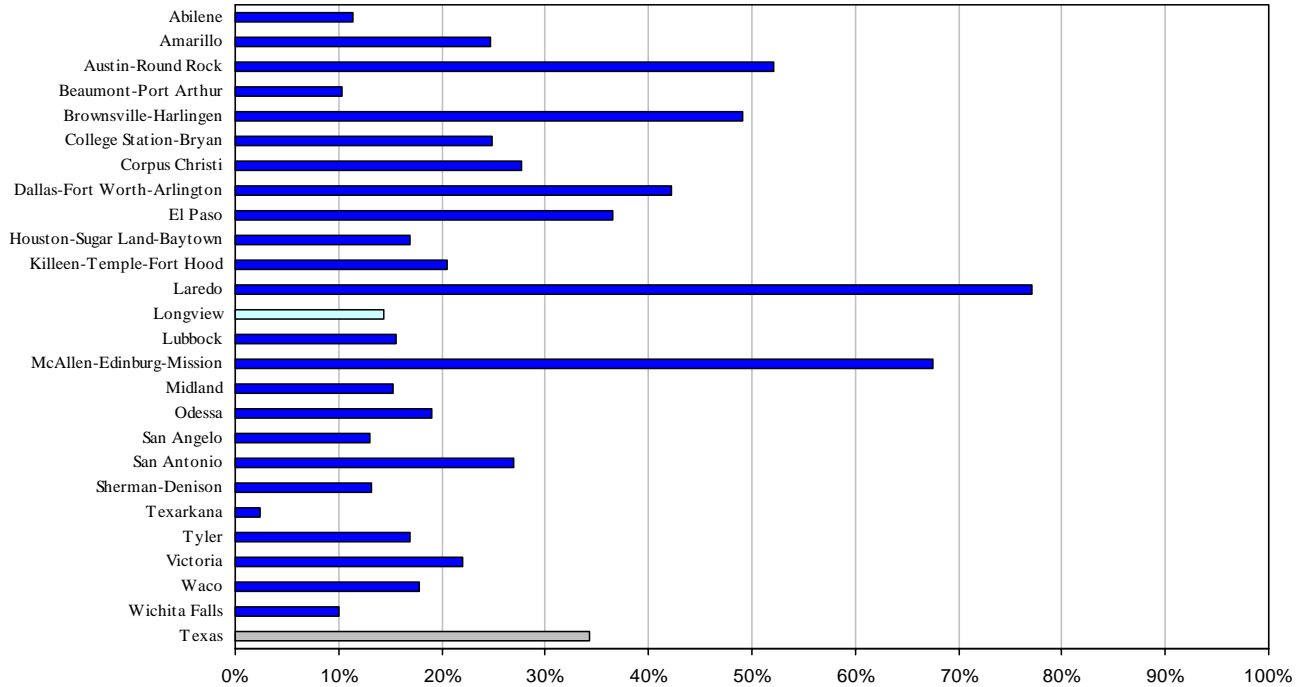
Source: U.S. Census Bureau

Longview MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	194,042	194,042
2005	200,411	-
2010	207,689	207,016
2015	215,133	-
2020	222,039	220,158
2025	228,658	-
2030	235,370	231,534
2035	242,416	-
2040	250,241	242,689

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

	Longview- Marshall MSA	Texas
Average household size (2000)	2.57	2.74
Population younger than 18 (2000, in percent)	26.8	28.2
Population 65 and older (2000, in percent)	13.4	9.9

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

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

	Longview-Marshall MSA	Texas
White	74.6	71.0
Black	19.5	11.5
Asian	0.5	2.7
American Indian	0.5	0.6
Other	3.6	11.7
Two or more races	1.3	2.5
Hispanic (of any race)	7.1	32.0

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

In-Migration for Longview MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Gregg County	4,750	1,843	49	90,916
Rusk County	1,793	320	19	29,879
Upshur County	1,802	381	-	23,315

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

Out-Migration for Longview MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Gregg County	5,221	1,579	37	90,916
Rusk County	1,762	296	-	29,879
Upshur County	1,751	398	-	23,315

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

Top Five In-Migration Destinations, Longview MSA, 2003

From US - Same State		From US - Different State	
To Gregg County			
Harrison County	751	Caddo Parish, LA	69
Upshur County	641	Bossier Parish, LA	43
Rusk County	584	Maricopa County, AZ	31
Smith County	394	San Diego County, CA	26
Dallas County	270	Tulsa County, OK	24
To Rusk County			
Gregg County	573	-	-
Smith County	196	-	-
Panola County	117	-	-
Nacogdoches County	109	-	-
Dallas County	97	-	-
To Upshur County			
Gregg County	693	-	-
Wood County	138	-	-
Smith County	123	-	-
Dallas County	102	-	-
Harrison County	87	-	-

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

Top Five Out-Migration Destinations, Longview MSA, 2003

To US - Same State		To US - Different State	
From Gregg County			
Harrison County	921	Caddo Parish, LA	68
Upshur County	693	Maricopa County, AZ	31
Rusk County	573	Garland County, AR	28
Smith County	459	Oklahoma County, OK	27
Dallas County	318	Bossier Parish, LA	25
From Rusk County			
Gregg County	584	-	-
Smith County	199	-	-
Nacogdoches County	97	-	-
Harrison County	82	-	-
Panola County	77	-	-
From Upshur County			
Gregg County	641	-	-
Wood County	319	-	-
Smith County	126	-	-
Harrison County	119	-	-
Dallas County	45	-	-

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

Longview Market Overview 2006 Education

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

Level of Education	Gregg County	Rusk County	Upshur County	Texas
High school graduate	27.7	33.0	36.3	24.8
Some college, no degree	25.3	22.3	24.0	22.4
Associate's degree	6.6	6.1	5.0	5.2
Bachelor's degree	13.3	8.0	7.5	15.6
Graduate or professional degree	6.3	4.7	3.6	7.6

Source: U.S. Census Bureau 2000 Census

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

Level of Education	Longview-Marshall MSA	Texas
High School Graduate or Higher	78.4	79.2
Bachelor's Degree or Higher	16.8	23.9

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

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Kilgore College	3,872	4,026	4,578	4,874	4,935	4,822
LeTourneau University	2,975	3,094	3,331	3,593	3,756	3,979

* Preliminary

Sources: Texas Higher Education Coordinating Board

Longview Market Overview 2006 Employment

Longview Top Ten Employers

Employer	Sector	Employees
Good Shepherd Medical Center	Health care	2,256
Eastman Chemical	Chemicals	1,675
Longview ISD	Education	1,241
Trinity Rail, LLC	Railway cars	1,077
Dana Corporation	Automotive supplier	909
LeTourneau, Inc.	Heavy equipment	807
City of Longview	Local government	773
Wal-Mart SuperCenter	Retail	766
SITEL	Telecommunication	750
Longview Regional Medical Center	Medical services	706

Source: Longview Economic Development Corporation July-2005

Longview Top Ten Private Employers

Employer	Sector	Employees
Good Shepherd Medical Center	Health care	2,256
Eastman Chemical	Chemicals	1,675
Trinity Rail, LLC	Railway cars	1,077
Dana Corporation	Automotive supplier	909
LeTourneau, Inc.	Heavy equipment	807
Wal-Mart SuperCenter	Retail	766
SITEL	Telecommunication	750
Longview Regional Medical Center	Medical services	706
Fleetwood Travel Trailers of Texas	Travel trailers	582
Diagnostic Clinic of Longview	Medical services	395

Source: Longview Economic Development Corporation July-2005

Employment Growth by Industry

	Longview MSA	Texas
Employment growth 2005 (in percent)	3.4	2.5
Unemployment rate 2005 (in percent)	4.9	5.3
Net job change in 2005	3,000	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	11.2	4.9
Manufacturing	5.5	0.9
Trade, Transportation, and Utilities	1.2	2.4
Information	5.6	-0.7
Financial Activities	6.1	2.3
Professional and Business Services	1.5	5.3
Educational and Health Services	1.4	2.9
Leisure and Hospitality	0.0	2.5
Government	0.9	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

Longview MSA Employment

Year	Employment	Percent Change
1995	86,975	0.9
1996	88,583	1.8
1997	90,006	1.6
1998	90,650	0.7
1999	90,490	-0.2
2000	87,923	-2.8
2001	88,983	1.2
2002	88,936	-0.1
2003	90,844	2.1
2004	93,867	3.3
2005	97,417	3.8

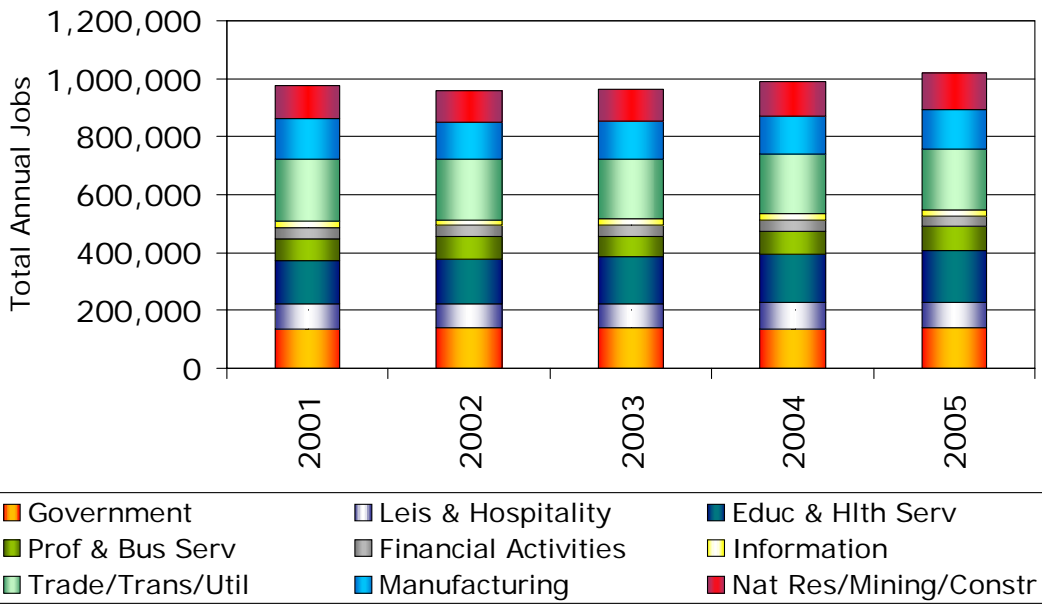
Source: U.S. Bureau of Labor Statistics

**Longview MSA
 Employment Growth**



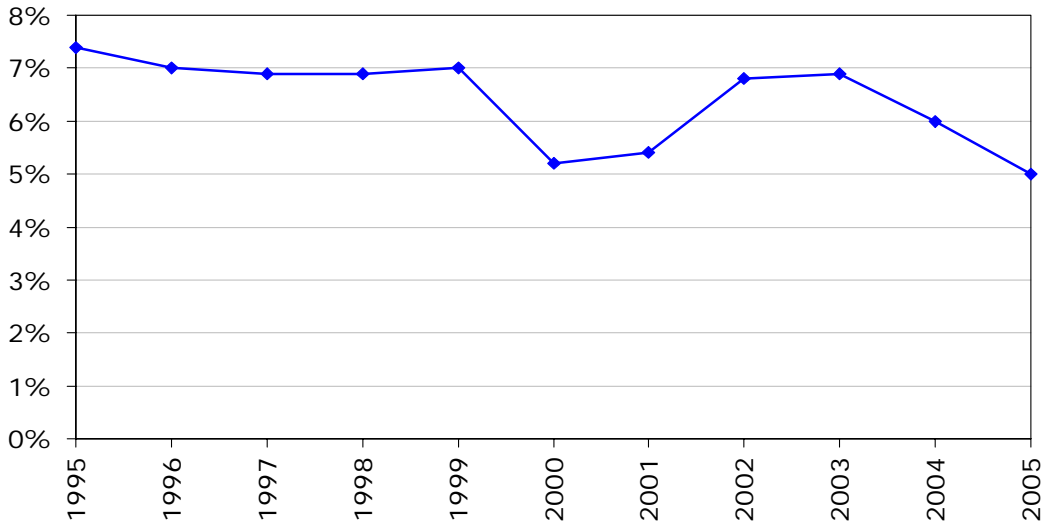
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

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



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

**Longview MSA
 Unemployment Rate**



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

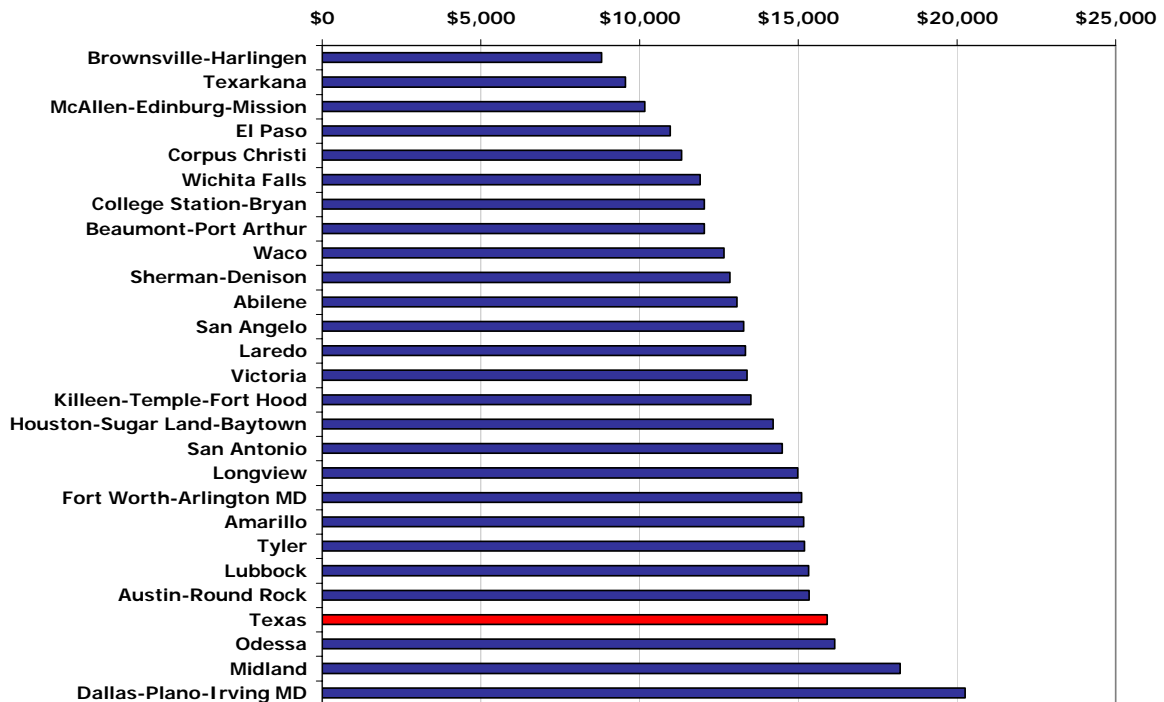
Longview Market Overview 2006 Economy

Longview MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	1,950,033,683	10,337
1996	2,114,119,107	11,094
1997	2,128,468,026	11,078
1998	2,114,369,027	10,949
1999	2,249,922,441	11,587
2000	2,500,525,383	12,887
2001	2,651,105,416	13,598
2002	2,488,216,016	12,620
2003	2,550,184,748	12,826
2004	2,821,793,037	14,080
2005	3,020,015,278	14,988
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Longview Market Overview 2006 Infrastructure

Longview Airline Boardings

Airport	2000	2001	2002	2003	2004	2005
Gregg County Airport						
Enplaned	33,452	29,350	25,306	23,010	23,886	23,229
Deplaned	32,627	28,363	24,404	22,450	22,501	22,411
Total	66,079	57,713	49,710	45,460	46,387	45,640

Source: Gregg County Airport

Airport Cargo Statistics (in pounds)

Airport	2000	2001	2002	2003	2004	2005
Gregg County Airport	15,456	7,669	5,151	6,426	6,524	6,603

Source: Gregg County Airport

Longview Market Overview 2006 Public Facilities

Longview Public Facilities Building Permits



Longview City Building Permit Office

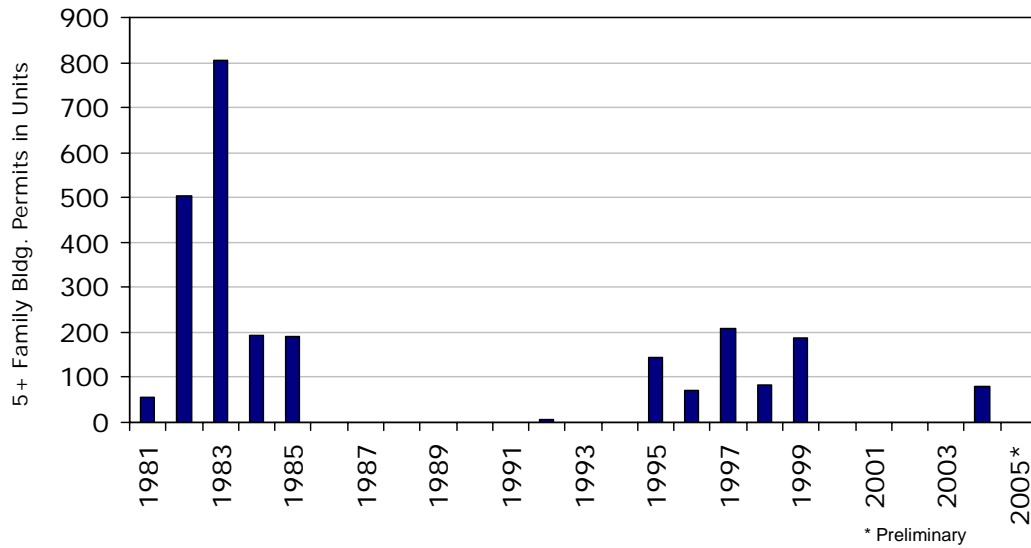
Longview Market Overview 2006 Multifamily

Longview Area Apartment Statistics 2005

	Longview Area	Texas Metro Average
Average rent per square foot	\$0.60	\$0.78
Average rent for units built since 2000	\$0.50	\$0.89
Average occupancy (in percent)	96.2	91.4
Average occupancy for units built since 2000 (in percent)	98.8	93.1

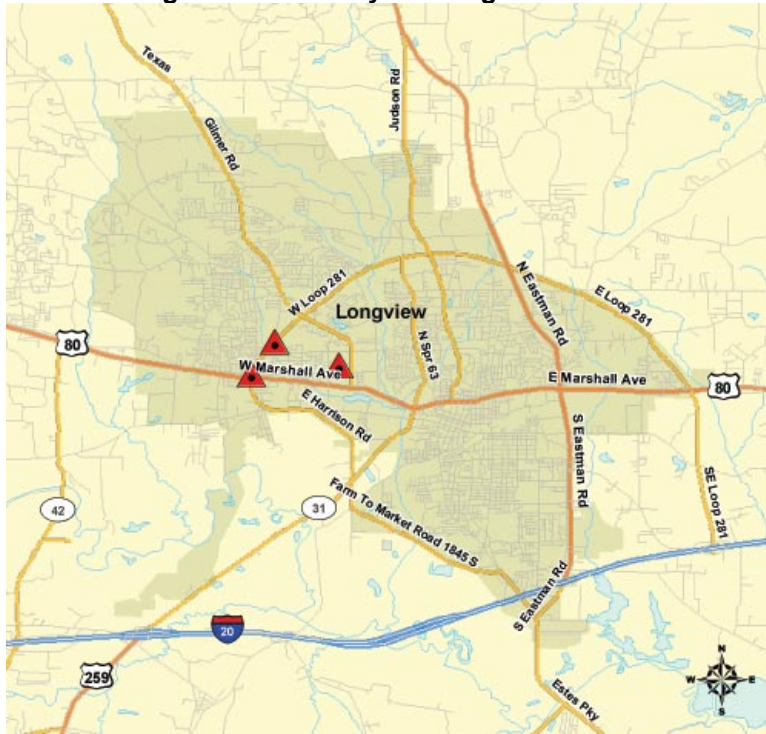
Source: Apartment MarketData Research Jan-2006

Longview MSA Multifamily Building Permits



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

Longview Multifamily Building Permits 2005



Longview City Building Permit Office

Longview 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**
Longview	\$100,100	\$23,145	\$47,500	2.05	1.44
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, Longview-Marshall Area
(in percent)**

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	6.2	6.4	5.9	-	6.8	6.7	-
30,000 - 39,999	4.9	5.0	4.6	-	4.3	3.7	-
40,000 - 49,999	8.3	7.5	6.4	-	5.2	5.8	-
50,000 - 59,999	8.0	10.0	9.8	-	6.2	6.8	-
60,000 - 69,999	10.7	11.0	9.9	-	9.0	7.6	-
70,000 - 79,999	9.5	9.4	10.2	-	9.6	8.8	-
80,000 - 89,999	9.9	8.8	10.4	-	9.9	8.3	-
90,000 - 99,999	6.9	8.3	6.3	-	7.4	6.4	-
100,000 - 119,999	11.2	9.8	8.5	-	10.1	11.3	-
120,000 - 139,999	7.4	8.3	8.5	-	9.4	10.1	-
140,000 - 159,999	5.1	4.3	6.0	-	6.1	6.7	-
160,000 - 179,999	3.7	3.0	3.6	-	5.0	4.9	-
180,000 - 199,999	2.4	2.2	2.8	-	3.0	3.4	-
200,000 - 249,999	2.1	2.7	3.5	-	3.5	4.6	-
250,000 - 299,999	2.0	1.5	1.9	-	2.3	2.3	-
300,000 - 399,999	1.2	1.2	0.8	-	1.3	1.6	-
400,000 - 499,999	0.2	0.2	0.4	-	0.3	0.5	-
500,000 and more	0.4	0.7	0.4	-	0.6	0.4	-

"-" represents unreported data or nonparticipation in Real Estate Center's survey.

Source: Real Estate Center at Texas A&M University

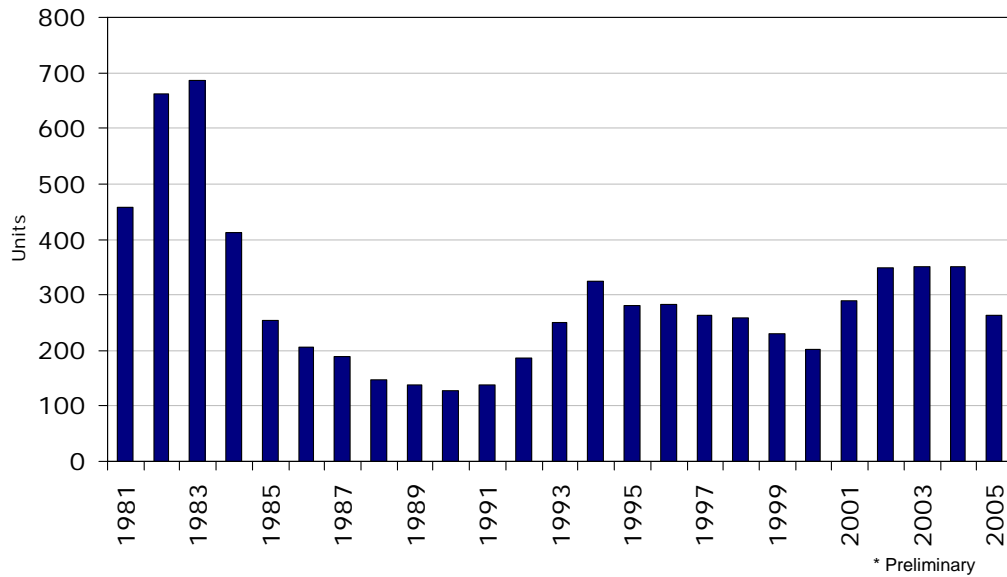
Property Tax Rates, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
Gregg County	0.27
City of Longview	0.48
Longview ISD	1.61
Total	\$2.37

* 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.gcad.org/Appraisal/PublicAccess/\(tax rates\)](http://www.gcad.org/Appraisal/PublicAccess/(tax%20rates))

Source: Gregg County Appraisal District

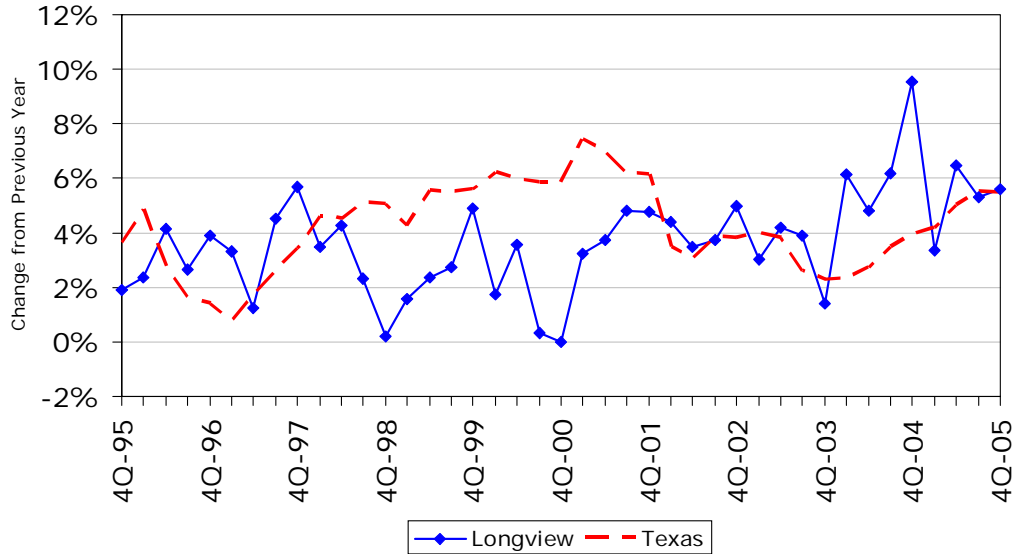
Longview MSA Single-Family Building Permits



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

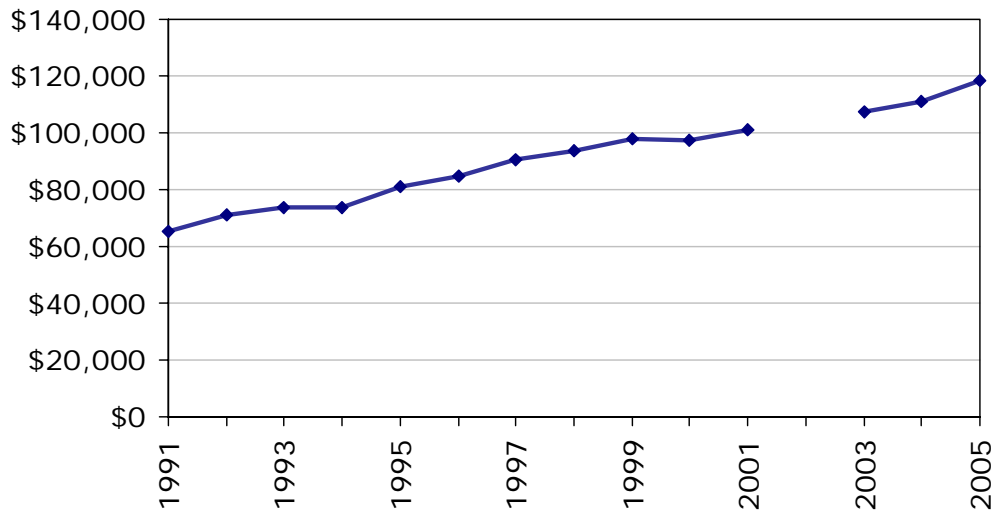
Home Price Appreciation Longview MSA

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

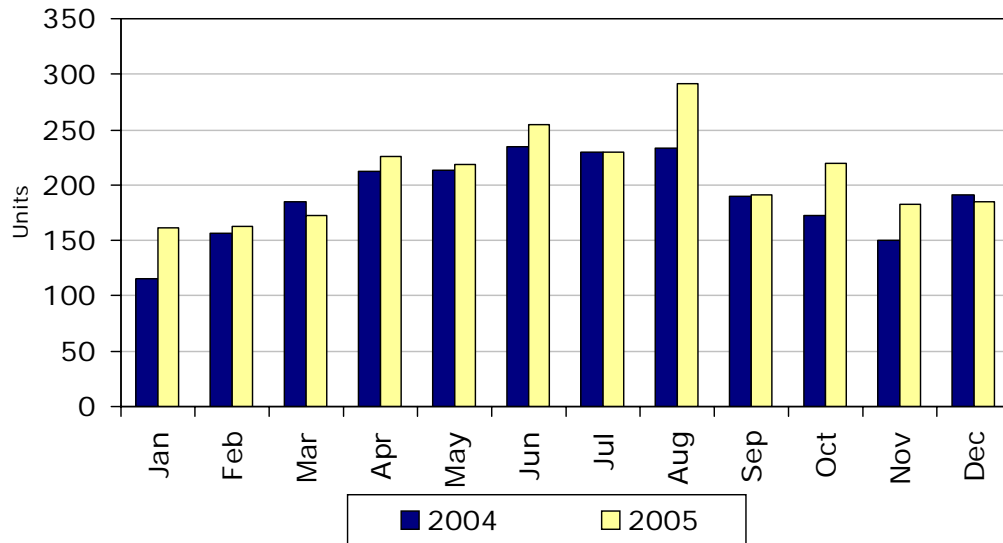
Average Sales Price of Single-Family Home Longview-Marshall Area



Source: Real Estate Center at Texas A&M University

2002 Data not available

Single-Family Home Sales Volume Longview-Marshall Area



Source: Real Estate Center at Texas A&M University

Longview Market Overview 2006

Retail

Longview Retail Market, Year-End 2003

Occupancy rate (in percent)	85%
Average rental rates (per square foot)	\$9 - \$12

* 2004 and 2005 datasets are not available

Source: Coldwell Banker Lenhart Commercial Properties

Longview Retail Building Permits 2005



Longview City Building Permit Office

Longview Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Longview	Texas	Longview	Texas
# Rooms 000's	2.4	328.1	2.5	334.7
Average daily rate	\$45.91	\$70.39	\$49.43	\$74.26
Occupancy rate (in percent)	53.7	55.9	59.7	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

Longview Hotel Building Permits 2005



Longview City Building Permit Office

Longview Market Overview 2006 Office

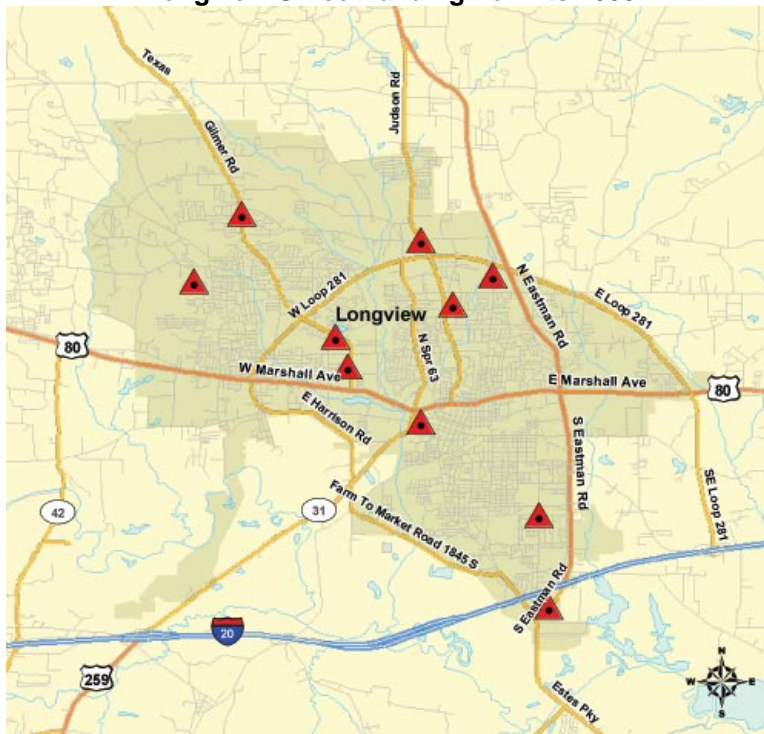
Office Market, Year-End 2003

Occupancy rate (in percent)	85-90%
Average rental rates (per square foot)	\$8- \$12

* 2004 and 2005 datasets are not available

Source: Coldwell Banker Lenhart Commercial Properties

Longview Office Building Permits 2005



Longview City Building Permit Office

Longview Market Overview 2006 Industrial

Longview Industrial Building Permits 2005



Longview 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>.

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