

# Real Estate Market Overview 2006

## Lubbock

### Mid-Year Update

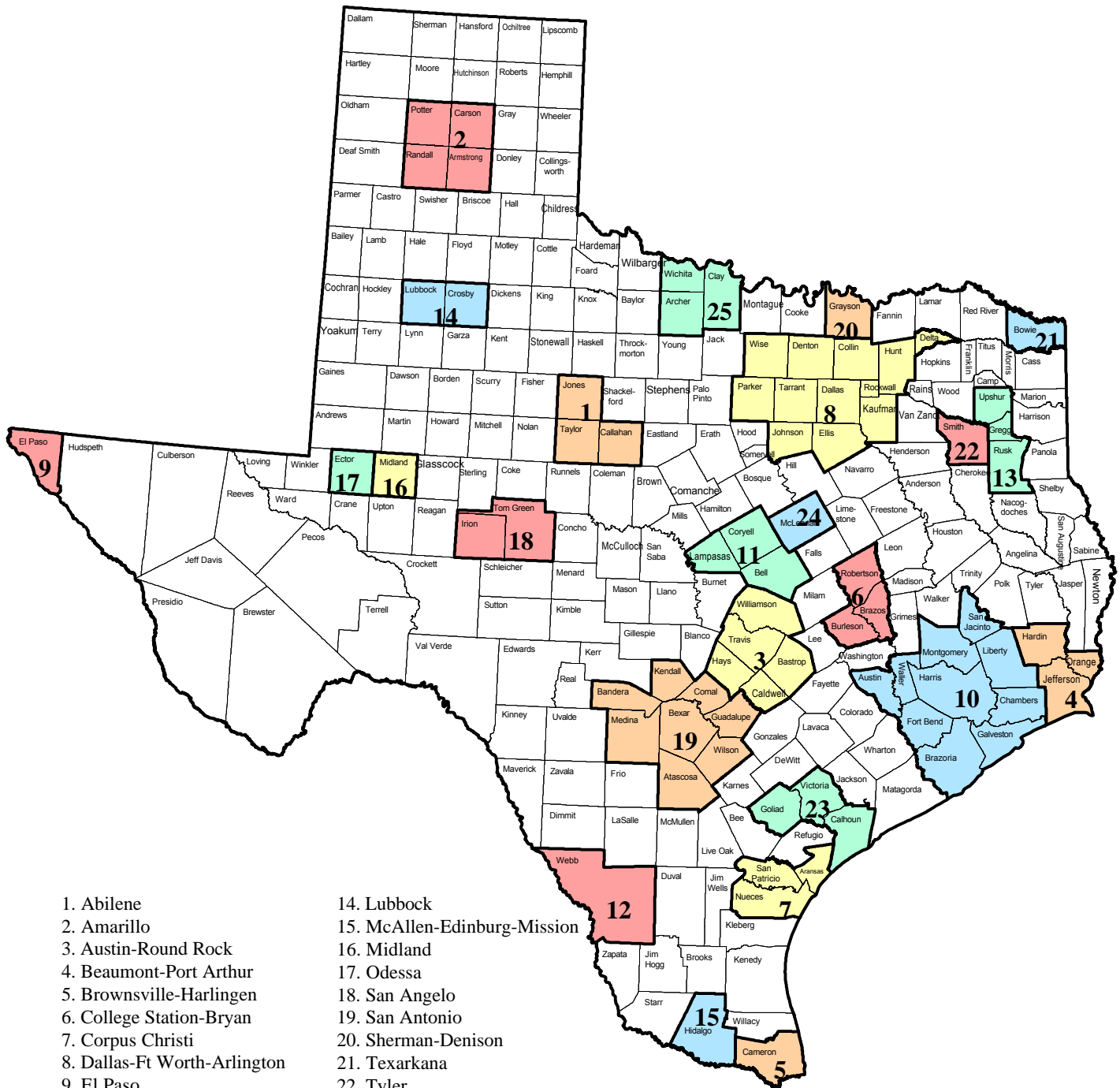
Located in the Texas Panhandle, Lubbock is the center of a 26-county trading area in the South Plains. The agricultural industry is the center of Lubbock's economy, with cotton as the primary crop. The state's ninth largest city proclaims itself the Chrysanthemum Capital of the World and prides itself on the beautiful October blooms. Lubbock is also the home of Buddy Holly, one of the greatest legends of rock music. The City of Lubbock's land area encompasses 115 square miles; Lubbock County spans more than 900 square miles. Texas Tech University is a key driver in the local economy.

Quick Facts	
<b>Land Area</b>	1,799 square miles
<b>Population Density (2000)</b>	138.8 people per square mile
<b>Counties</b>	Crosby, Lubbock
Area Cities and Towns	
Abernathy, Broadway, Cap Rock, Crosbyton, Hurlwood, Idalou, Lubbock, Posey, New Deal, Ransom Canyon, Shallowater, Slaton, Wolfforth	

\*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                   |                              |

# Table of Contents

---

Demographics ..... 1

Education ..... 5

Employment ..... 6

Economy ..... 10

Infrastructure ..... 12

Public Facilities ..... 13

Multifamily ..... 14

Housing ..... 16

Retail ..... 20

Hotel ..... 21

Office ..... 22

Industrial ..... 23

## Lubbock Market Overview 2006 Demographics

---

### Lubbock MSA Population

Year	Population	Percent change
1995	245,759	-
1996	247,099	0.5%
1997	247,658	0.2%
1998	246,865	-0.3%
1999	247,882	0.4%
2000	249,700	0.7%
2001	252,638	1.2%
2002	254,166	0.6%
2003	256,773	1.0%
2004	257,663	0.3%
2005*	258,970	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)
Crosby	7,336	6,686	-8.9
Lubbock	238,423	252,284	5.8

\* July 1, 2005 population estimates

Source: U.S. Census Bureau

**Texas Metropolitan Area Population Change, 1995 - 2005\***

<b>Metropolitan Area</b>	<b>1995 Population</b>	<b>2005* Population</b>	<b>Percent Change</b>
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
<b>Texas</b>	<b>16,986,335</b>	<b>19,874,977</b>	<b>17.0</b>
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
<b>Lubbock</b>	<b>245,759</b>	<b>258,970</b>	<b>5.4</b>
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

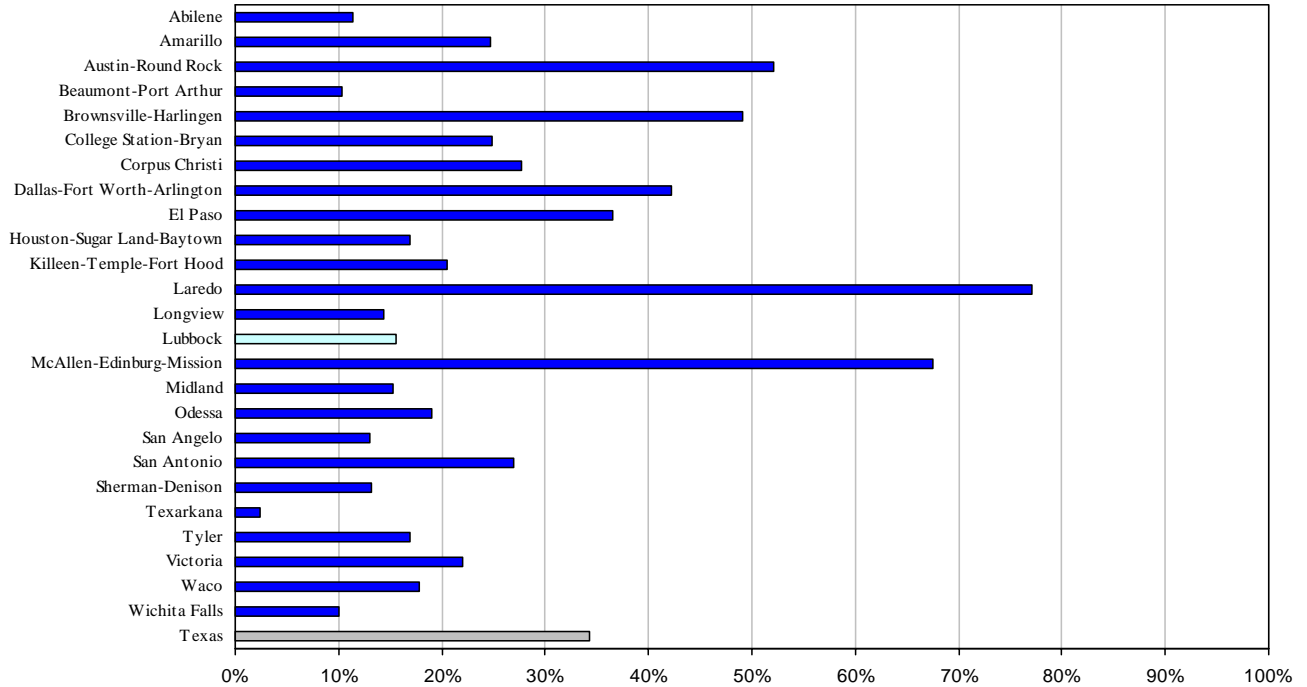
Source: U.S. Census Bureau

**Lubbock MSA Projected Population**

<b>Year</b>	<b>Texas State Data Center (Scenario 0.5)</b>	<b>Texas Water Development Board</b>
2000	249,700	249,700
2005	263,147	-
2010	273,268	266,909
2015	281,971	-
2020	288,714	279,098
2025	294,020	-
2030	298,248	285,737
2035	301,520	-
2040	303,198	287,111

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

	Lubbock MSA	Texas
Average household size (2000)	2.52	2.74
Population younger than 18 (2000, in percent)	25.7	28.2
Population 65 and older (2000, in percent)	11.0	9.9

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

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

	Lubbock MSA	Texas
White	74.3	71.0
Black	7.7	11.5
Asian	1.3	2.7
American Indian	0.6	0.6
Other	14.1	11.7
Two or more races	2.0	2.5
Hispanic (of any race)	27.5	32.0

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

**In-Migration for Lubbock MSA, 2003**

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Crosby County	317	62	-	5,376
Lubbock County	7,585	3,047	305	170,341

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

**Out-Migration for Lubbock MSA, 2003**

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Crosby County	477	49	-	5,376
Lubbock County	8,222	3,392	85	170,341

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

**Top Five In-Migration Destinations, Lubbock MSA, 2003**

From US - Same State		From US - Different State	
<b>To Crosby County</b>			
Lubbock County	155	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>To Lubbock County</b>			
Hockley County	524	Lea County, NM	120
Hale County	424	Curry County, NM	118
Dallas County	413	Bernalillo County, NM	93
Crosby County	291	Chaves County, NM	64
Tarrant County	273	Eddy County, NM	57

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

**Top Five Out-Migration Destinations, Lubbock MSA, 2003**

To US - Same State		To US - Different State	
<b>From Crosby County</b>			
Lubbock County	291	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>From Lubbock County</b>			
Tarrant County	612	Maricopa County, AZ	102
Dallas County	550	Bernalillo County, NM	95
Hockley County	443	Los Angeles County, CA	75
Hale County	381	Lea County, NM	75
Bexar County	321	Oklahoma County, OK	65

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

## Lubbock Market Overview 2006 Education

---

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

Level of Education	Crosby County	Lubbock County	Texas
High school graduate	30.5	25.3	24.8
Some college, no degree	18.4	24.2	22.4
Associate's degree	2.3	4.6	5.2
Bachelor's degree	7.4	16.0	15.6
Graduate or professional degree	3.1	8.4	7.6

Source: U.S. Census Bureau 2000 Census

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

Level of Education	Lubbock MSA	Texas
High School Graduate or Higher	78.4	79.2
Bachelor's Degree or Higher	24.4	23.9

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

**Local College and University Enrollment, Fall Semester**

School	2000	2001	2002	2003	2004	2005*
Texas Tech University	24,199	25,416	27,569	28,549	28,325	28,096
Wayland Baptist University	524	634	647	649	681	749
Lubbock Christian University	1,617	1,818	1,847	1,933	1,973	2,078

\* Preliminary

Source: Texas Higher Education Coordinating Board

## Lubbock Market Overview 2006 Employment

### Top Ten Employers

Employer	Sector	Employees
Texas Tech University	Education	9,919
Covenant Medical Hospital	Health care	4,310
Lubbock Independent School District	Education	3,504
University Medical Center	Hospital	2,310
United Supermarkets (Corporate HQ)	Supermarkets	2,156
City of Lubbock	Government	2,109
Texas Tech Health Sciences Center	Health care and education	2,010
Cingular	Wireless communication	1,750
Convergys	Call center	1,450
Lubbock County	Government	1,200

Source: City of Lubbock/Business Development Jan-2005

### Top Ten Private Employers

Employer	Sector	Employees
Covenant Medical Hospital	Health care	4,310
University Medical Center	Hospital	2,310
United Supermarkets (Corporate HQ)	Supermarkets	2,156
Cingular	Wireless communication	1,750
Convergys	Call center	1,450
Wal-Mart	Retail	999
Tyco Fire Protection	Manufacturing	540
G Boren Services	Consulting	516
SBC/Southwestern Bell	Communications	500
State National Bank of West Texas	Banking	500

Source: City of Lubbock/Business Development Jan-2005

### Employment Growth by Industry

	Lubbock MSA	Texas
Employment growth 2005 (in percent)	1.6	2.5
Unemployment rate 2005 (in percent)	4.0	5.3
Net job change in 2005	2,000	237,900
<b>Employment growth by sector 2005 (in percent)</b>		
Natural Resources, Mining, and Construction	1.9	4.9
Manufacturing	-3.7	0.9
Trade, Transportation, and Utilities	1.6	2.4
Information	8.8	-0.7
Financial Activities	-2.9	2.3
Professional and Business Services	1.0	5.3
Educational and Health Services	2.2	2.9
Leisure and Hospitality	0.7	2.5
Government	2.9	1.7

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

**Texas Metropolitan Area Employment Change, 1995-2005**

<b>Metropolitan Area</b>	<b>1995 Employment</b>	<b>2005 Employment</b>	<b>Percent Change</b>
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
<b>Texas</b>	<b>8,985,635</b>	<b>10,617,319</b>	<b>18.2</b>
Houston-Sugar Land-Baytown	2,106,968	2,470,473	17.3
San Antonio	732,775	855,644	16.8
<b>Lubbock</b>	<b>118,211</b>	<b>136,968</b>	<b>15.9</b>
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

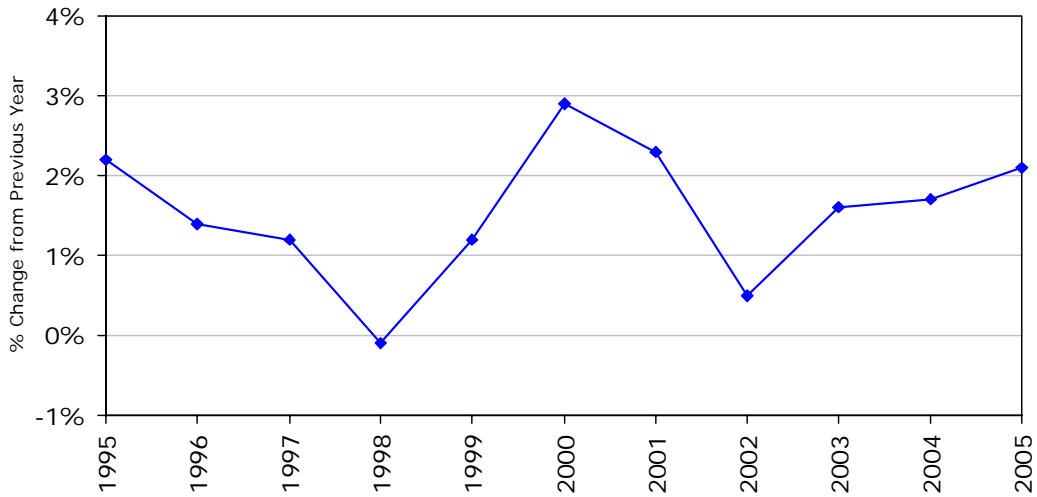
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Lubbock MSA Employment**

<b>Year</b>	<b>Employment</b>	<b>Percent Change</b>
1995	118,211	2.2
1996	119,851	1.4
1997	121,305	1.2
1998	121,195	-0.1
1999	122,696	1.2
2000	126,301	2.9
2001	129,262	2.3
2002	129,876	0.5
2003	131,896	1.6
2004	134,203	1.7
2005	136,968	2.1

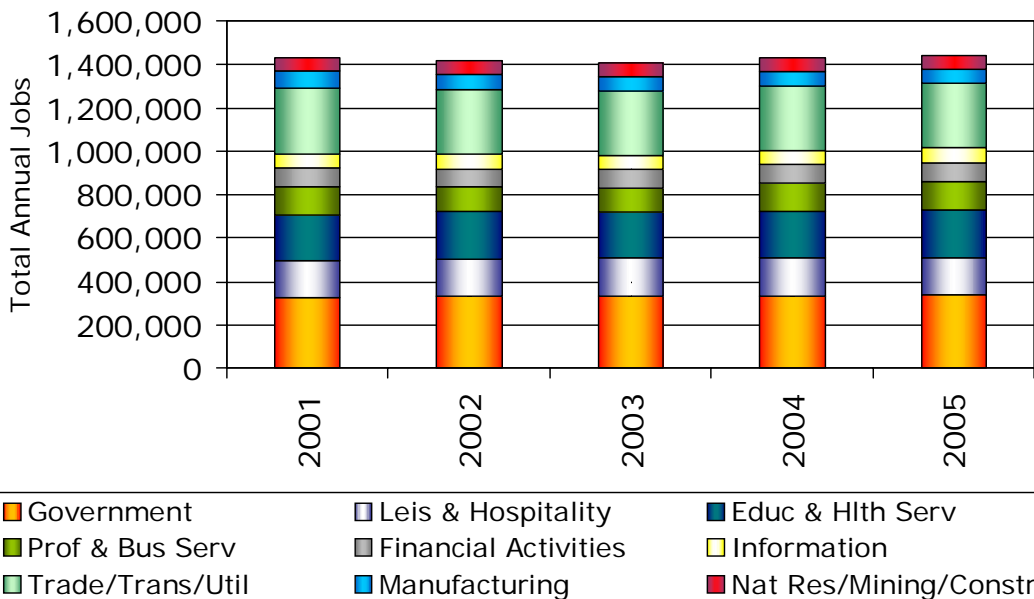
Source: U.S. Bureau of Labor Statistics

### Lubbock MSA Employment Growth



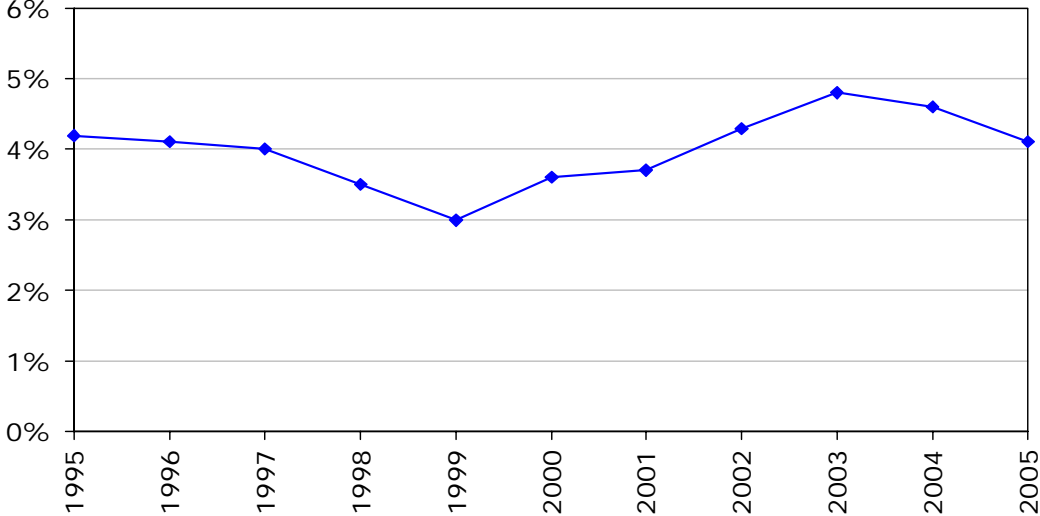
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

### Lubbock MSA Distribution of Employment in Major Categories



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

**Lubbock MSA  
Unemployment Rate**



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

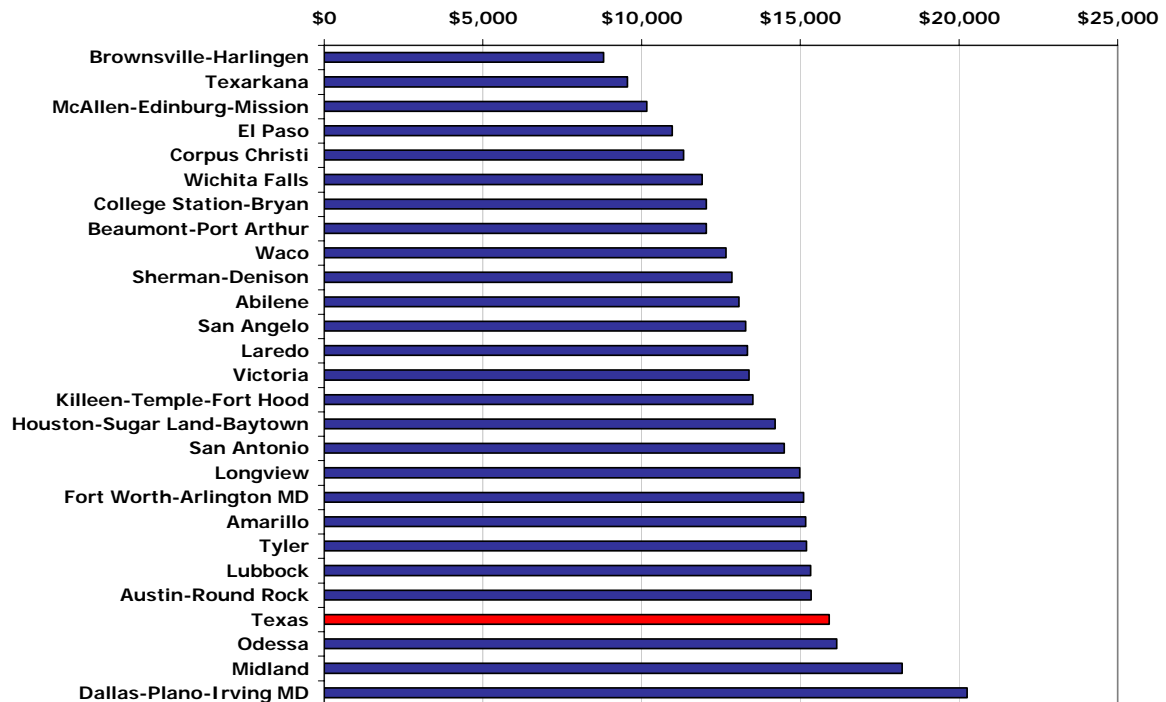
## Lubbock Market Overview 2006 Economy

**Lubbock MSA Gross Retail Sales**

Year	Total Sales	Sales per Capita
1995	\$2,655,081,861	\$10,804
1996	\$2,943,715,573	\$11,913
1997	\$2,989,735,667	\$12,072
1998	\$3,175,985,149	\$12,865
1999	\$3,301,532,498	\$13,319
2000	\$3,399,187,607	\$13,613
2001	\$3,446,131,261	\$13,641
2002	\$3,545,343,572	\$13,949
2003	\$3,595,663,070	\$14,003
2004	\$3,777,859,104	\$14,662
2005	\$3,970,814,662	\$15,333
State Average 2005:		\$15,903

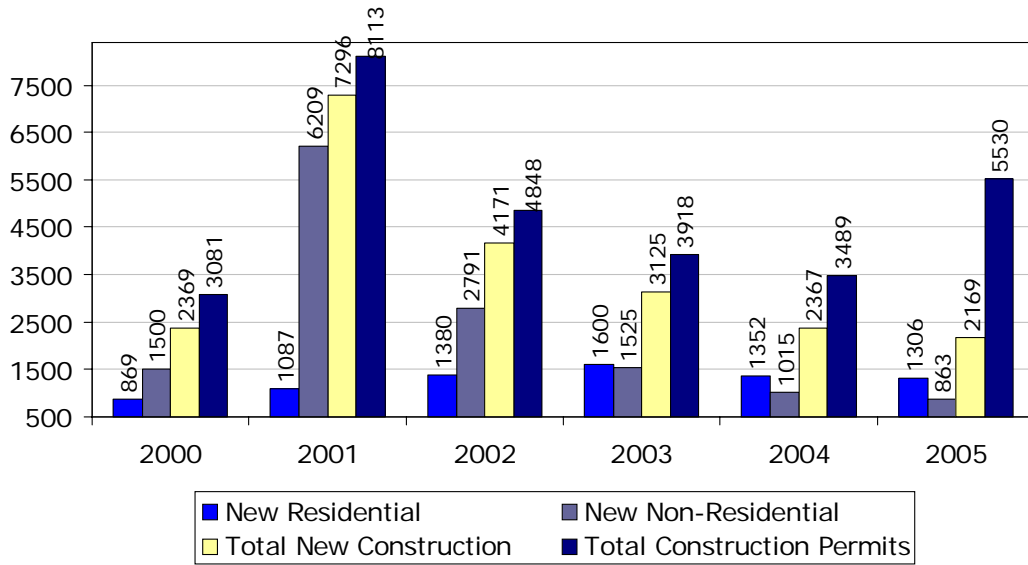
Source: Texas Comptroller's Office

**Gross Retail Sales per Capita 2005**



Source: Texas Comptroller's Office

**Lubbock Building Permits \***



Source: City of Lubbock, Building Inspection Department

## Lubbock Market Overview 2006 Infrastructure

---

### Lubbock Airline Boardings

Airport	2000	2001	2002	2003	2004	2005
Lubbock International Airport						
Enplaned	578,976	536,670	513,096	514,250	541,549	553,688
Deplaned	558,903	507,136	505,136	509,725	534,782	545,191
<b>Total</b>	<b>1,137,879</b>	<b>1,043,806</b>	<b>1,018,232</b>	<b>1,023,975</b>	<b>1,076,331</b>	<b>1,098,879</b>

Source: Lubbock International Airport

# Lubbock Market Overview 2006

## Public Facilities



Lubbock City Building Permit Office

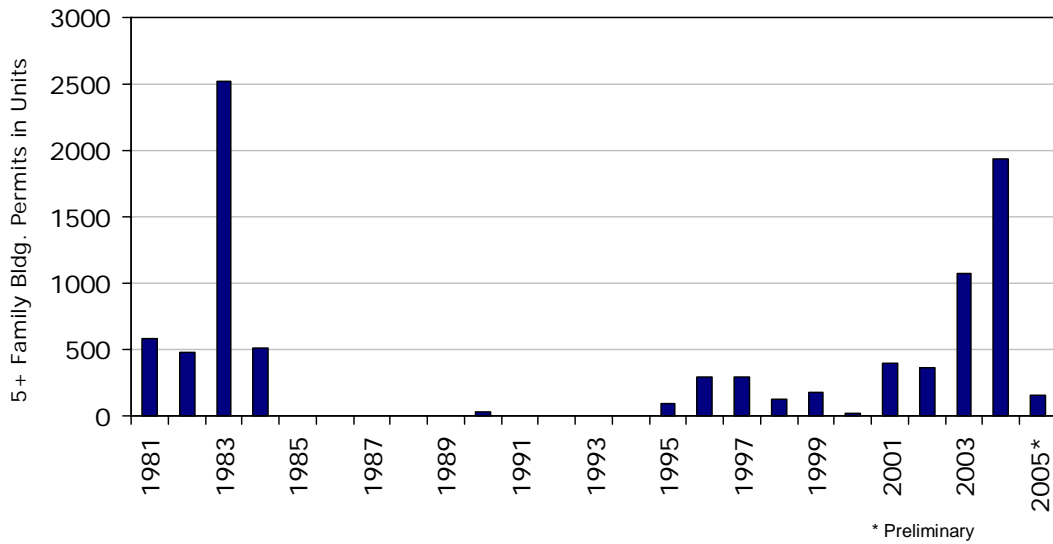
## Lubbock Market Overview 2006 Multifamily

**Lubbock Apartment Statistics 2005**

	Lubbock	Texas Metro Average
Average rent per square foot	\$0.68	\$0.78
Average rent for units built since 2000	\$0.74	\$0.89
Average occupancy (in percent)	90.8	91.4
Average occupancy for units built since 2000 (in percent)	92.4	93.1

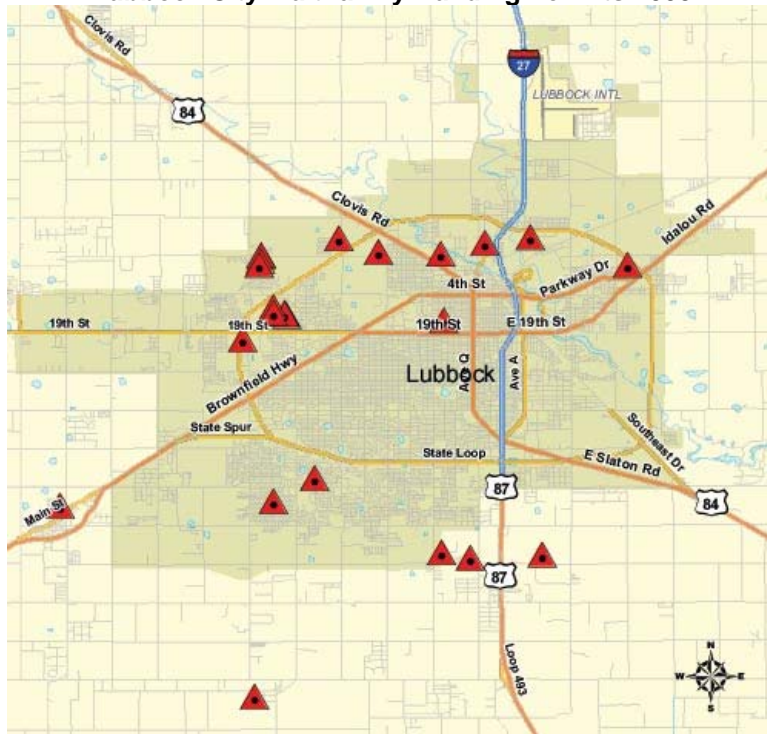
Source: Apartment MarketData Research Jan-2006

**Lubbock MSA Multifamily Building Permits**



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

### Lubbock City Multifamily Building Permits 2005



Lubbock City Building Permit Office

## Lubbock 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**
Lubbock	\$98,900	\$22,867	\$47,150	2.06	1.31
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, Lubbock (in percent)

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	4.1	3.6	3.2	4.0	2.8	-	2.8
30,000 - 39,999	6.5	4.4	3.6	3.4	2.9	-	2.0
40,000 - 49,999	9.2	7.5	6.8	5.7	4.0	-	3.5
50,000 - 59,999	9.6	8.9	9.6	8.0	6.3	-	5.9
60,000 - 69,999	11.6	12.0	11.3	9.2	8.3	-	7.2
70,000 - 79,999	11.3	11.2	10.9	11.2	10.9	-	8.3
80,000 - 89,999	11.2	11.1	11.7	10.5	10.5	-	11.0
90,000 - 99,999	6.4	6.6	8.1	8.4	9.4	-	10.5
100,000 - 119,999	7.4	9.1	8.4	8.2	10.7	-	13.3
120,000 - 139,999	7.1	7.4	7.8	8.3	7.9	-	8.3
140,000 - 159,999	4.3	4.7	5.2	5.5	7.1	-	6.9
160,000 - 179,999	2.7	3.3	3.3	4.6	4.0	-	4.7
180,000 - 199,999	2.1	2.7	2.5	3.1	3.7	-	3.3
200,000 - 249,999	2.6	3.3	3.6	4.3	4.7	-	5.5
250,000 - 299,999	1.8	2.5	2.1	2.4	3.0	-	2.9
300,000 - 399,999	1.4	1.2	1.2	2.2	2.8	-	2.7
400,000 - 499,999	0.3	0.2	0.4	0.6	0.7	-	0.7
500,000 and more	0.3	0.4	0.4	0.3	0.4	-	0.6

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

Source: Real Estate Center at Texas A&M University

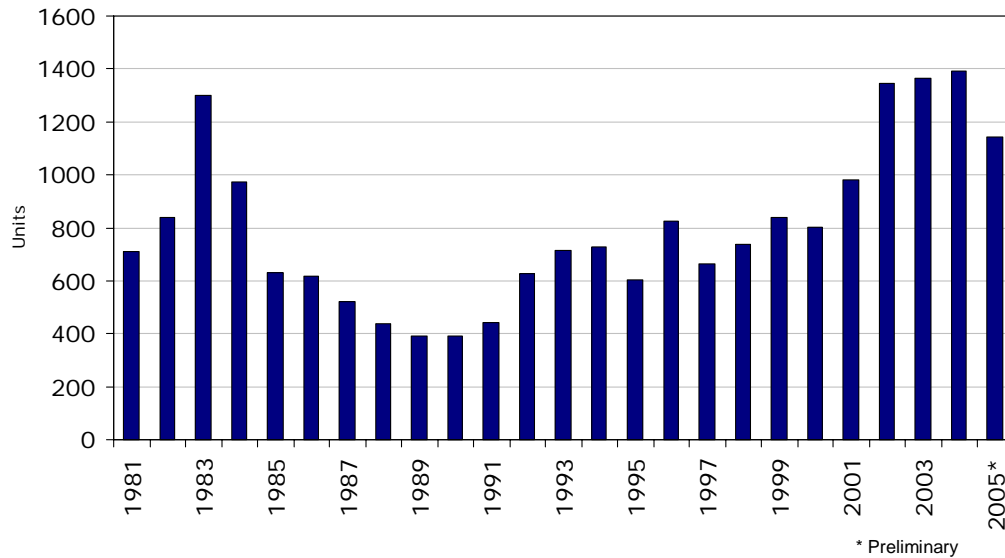
**Property Tax Rates, 2005**  
**County, Major City, Major School District**

Taxing Entity*	Tax Rate per \$100 Valuation
City of Lubbock	0.45
Lubbock County	0.26
Lubbock ISD	1.66
<b>Total</b>	<b>\$2.37</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. See following link for a more complete list:  
[http://www.lubbockcad.org/Appraisal/PublicAccess/adopted\\_tax\\_rates.aspx](http://www.lubbockcad.org/Appraisal/PublicAccess/adopted_tax_rates.aspx)

Source: Lubbock Central Appraisal District

**Lubbock MSA Single-Family Building Permits**

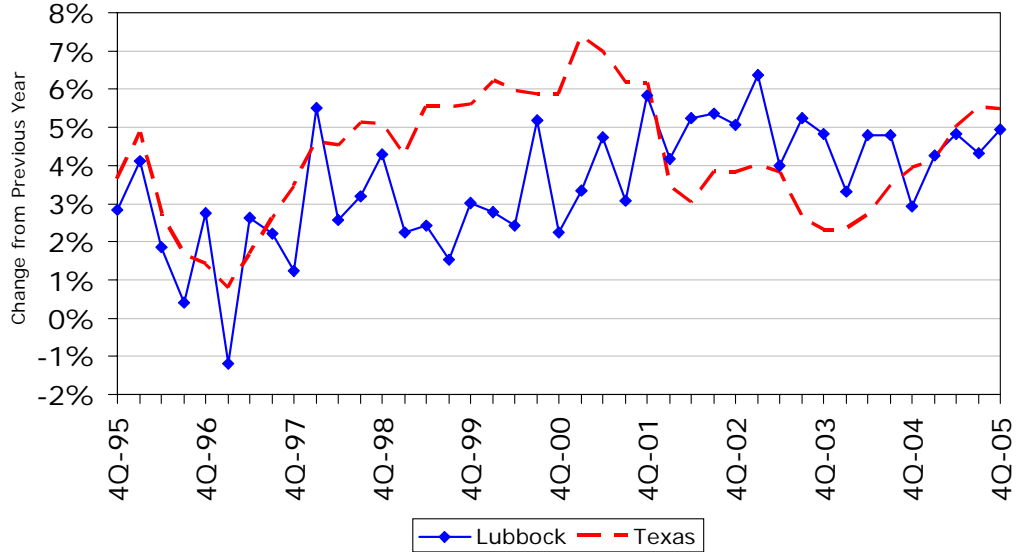


\* Preliminary

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

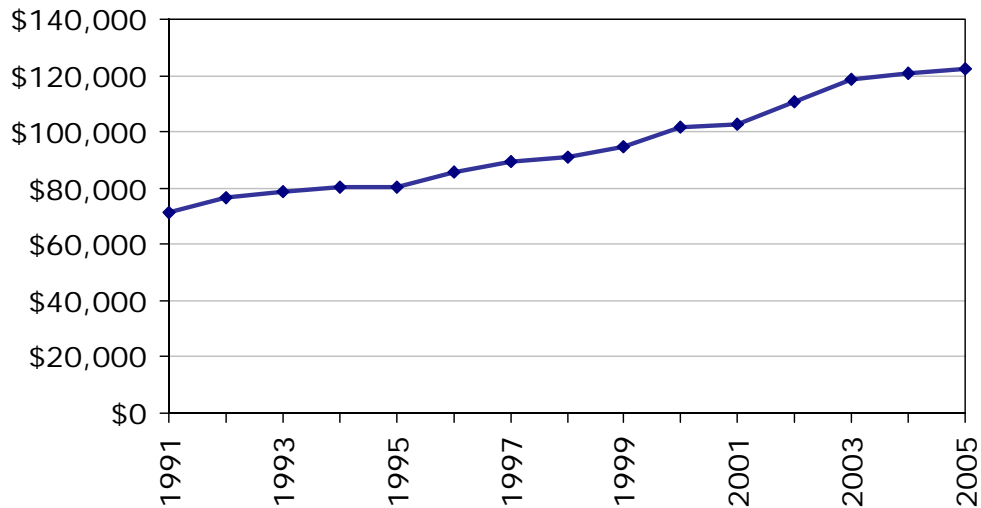
### Home Price Appreciation Lubbock MSA

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.



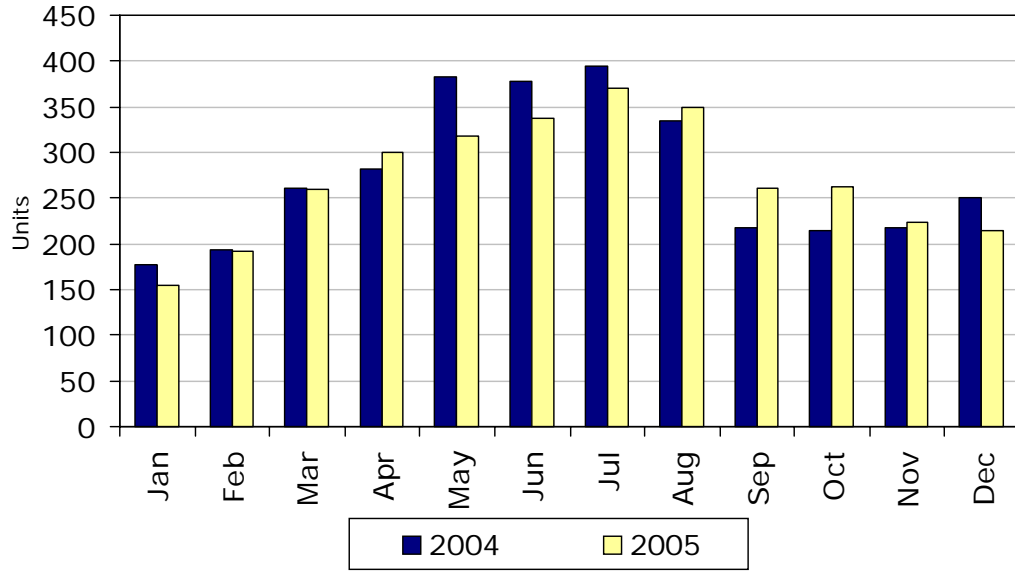
Source: Office of Federal Housing Enterprise Oversight

### Average Sales Price of Single-Family Home Lubbock Area



Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume  
Lubbock Area**

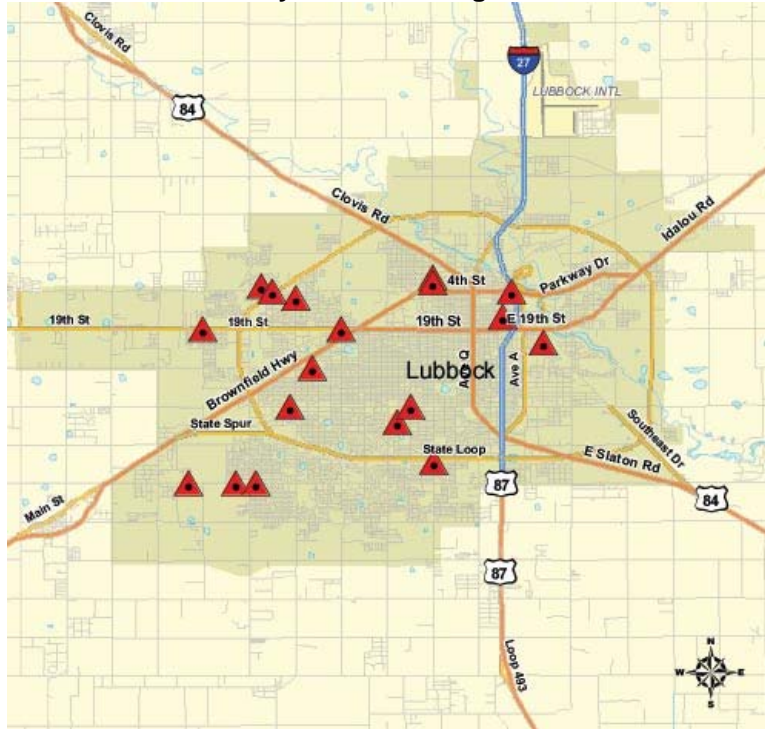


Source: Real Estate Center at Texas A&M University

# Lubbock Market Overview 2006

## Retail

Lubbock City Retail Building Permits 2005



Lubbock City Building Permit Office

# Lubbock Market Overview 2006 Hotel

**Hotel\* Occupancy and Rental Rates**

	2004		2005	
	Lubbock	Texas	Lubbock	Texas
# Rooms 000's	3.5	328.1	3.8	334.7
Average daily rate	\$58.97	\$70.39	\$61.42	\$74.26
Occupancy rate (in percent)	61.2	55.9	62	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

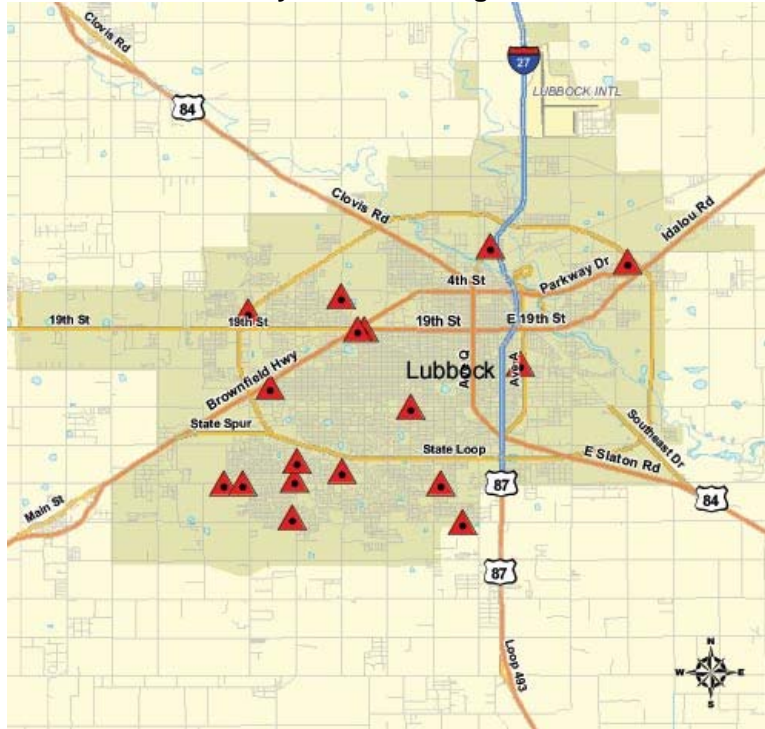
**Lubbock City Hotel Building Permits 2005**



Lubbock City Building Permit Office

# Lubbock Market Overview 2006 Office

Lubbock City Office Building Permits 2005



Lubbock City Building Permit Office

# Lubbock Market Overview 2006

## Industrial

Lubbock City Industrial Building Permits 2005



Lubbock 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