

Real Estate Market Overview 2006

Odessa

Mid-Year Update

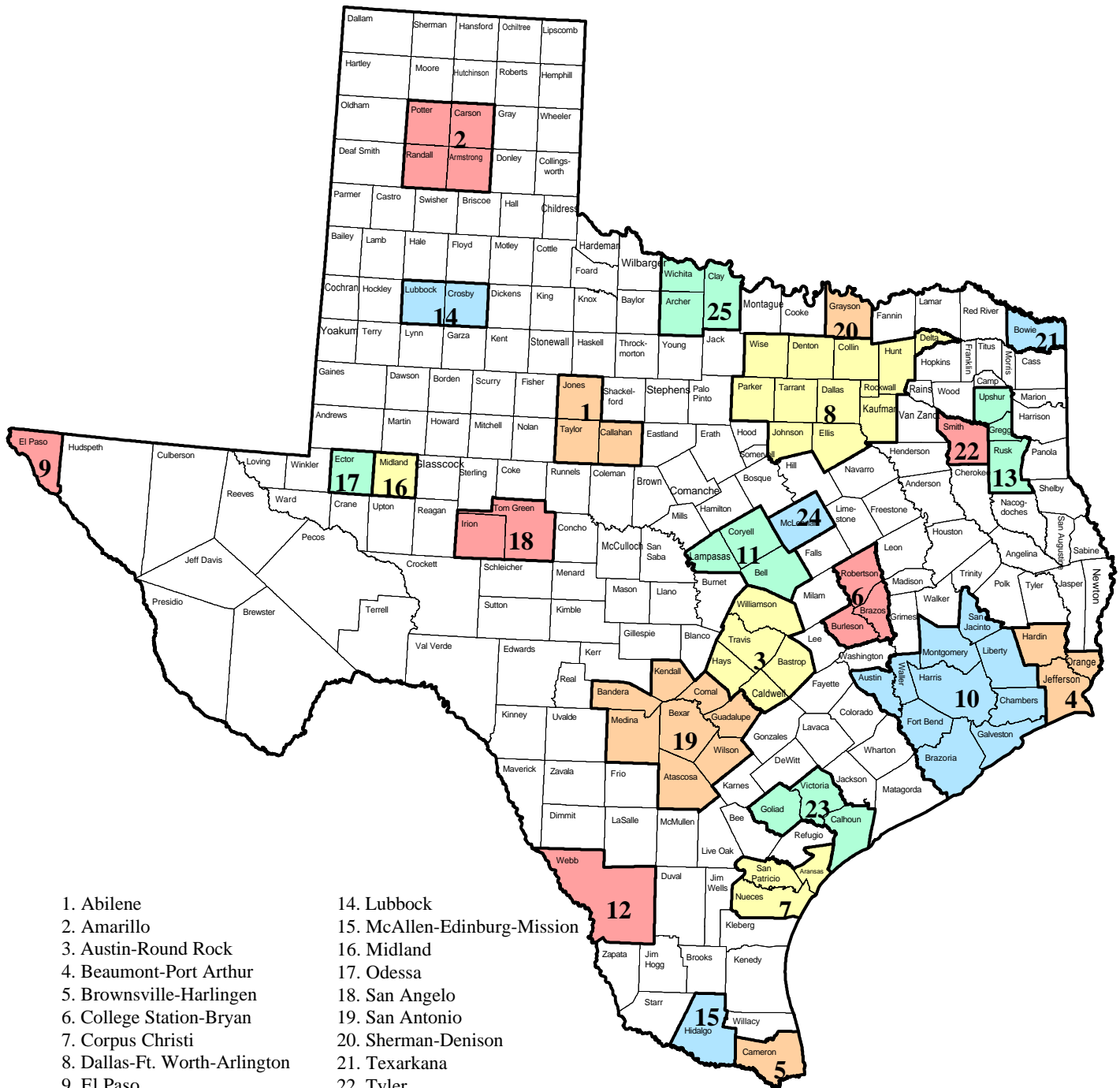
The Odessa Metropolitan Statistical Area (MSA) consists of Ector County. The metropolitan area is located in the heart of the largest single source of oil and gas deposits in the United States and is heavily dependent on the oil and gas industry. Ector County has produced more than two billion barrels of oil since 1926. High school football fans will know that the book "Friday Night Lights" was about Odessa.

Quick Facts	
Land Area	901.06 square miles
Population Density (2000)	134.4 people per square mile
Counties	Ector
Area Cities and Towns	
Gardendale, Goldsmith, Greenwood, Odessa, Notrees, Penwell, Pleasant Farms	

* 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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Odessa Market Overview 2006 Demographics

Odessa MSA Population

Year	Population	Percent change
1995	121,017	-
1996	121,519	0.4%
1997	121,749	0.2%
1998	123,544	1.5%
1999	122,450	-0.9%
2000	121,123	-1.1%
2001	120,902	-0.2%
2002	122,419	1.2%
2003	123,034	0.5%
2004	124,488	1.2%
2005*	125,339	0.7%

* 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)
Odessa	90,943	1.3

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

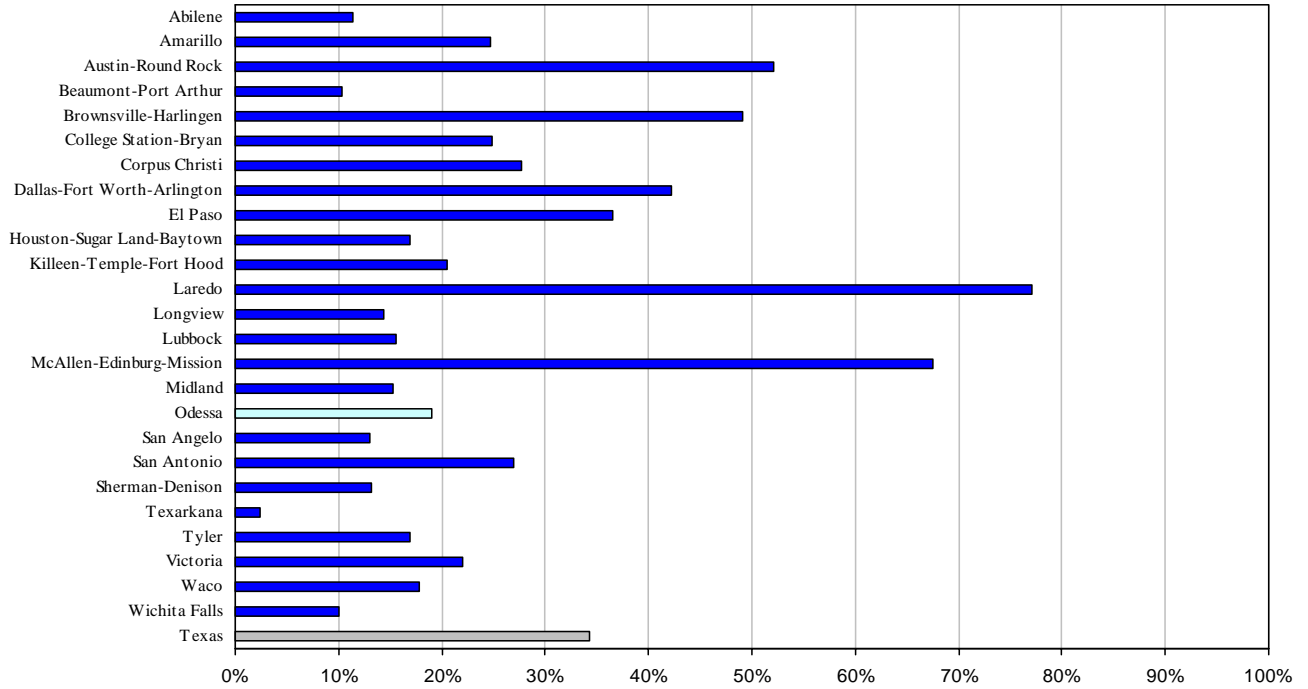
Source: U.S. Census Bureau

Odessa MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	121,123	121,123
2005	126,658	-
2010	132,875	132,759
2015	138,820	-
2020	144,084	144,073
2025	149,015	-
2030	154,089	154,160
2035	158,975	-
2040	163,337	163,141

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

	Ector County	Texas
Average household size (2000)	2.72	2.74
Population younger than 18 (2000, in percent)	30.4	28.2
Population 65 and older (2000, in percent)	10.9	9.9

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

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

	Ector County	Texas
White	73.7	71.0
Black	4.6	11.5
Asian	0.6	2.7
American Indian	0.8	0.6
Other	17.4	11.7
Two or more races*	2.8	2.5
Hispanic (of any race)	42.4	32.0

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

In-Migration for Odessa MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Ector County	3,767	1,240	29	94,414

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

Out-Migration for Odessa MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Ector County	3,776	1,317	33	94,414

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

Top Five In-Migration Destinations, Odessa MSA, 2003

From US - Same State		From US - Different State	
To Ector County			
Midland County	757	Lea County, NM	108
Reeves County	188	Maricopa County, AZ	63
Presidio County	180	Eddy County, NM	49
Tom Green County	138	Los Angeles County, CA	28
Lubbock County	135	Chavez County, NM	18

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

Top Five Out-Migration Destinations, Odessa MSA, 2003

To US - Same State		To US - Different State	
From Ector County			
Midland County	946	Lea County, NM	103
Tarrant County	163	Maricopa County, AZ	65
Lubbock County	139	Eddy County, NM	36
Dallas County	135	Clark County, NV	30
Harris County	134	San Diego County, CA	29

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

Odessa Market Overview 2006 Education

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

Level of Education	Ector County	Texas
High school graduate	26.8	24.8
Some college, no degree	23.8	22.4
Associate's degree	5.4	5.2
Bachelor's degree	8.6	15.6
Graduate or professional degree	3.4	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Odessa-Midland	
	MSA	Texas
High School Graduate or Higher	73.5	79.2
Bachelor's Degree or Higher	18.4	23.9

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

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Odessa College	4,568	4,545	4,935	4,783	4,569	4,802
University of Texas of the Permian Basin	2,272	2,409	2,672	3,028	3,291	3,446

* Preliminary

Source: Texas Higher Education Coordinating Board

Odessa Market Overview 2006 Employment

Odessa Top Ten Employers

Employer	Sector	Employees
Ector County I.S.D.	Public education	3,376
Medical Center Hospital	Health care	1,610
Wal-Mart SuperCenter	Retail	990
City of Odessa	Government	805
Odessa College	Education	650
Ector County	Government	625
Telvista, Inc.	Customer service	575
Saulsbury Companies	Electrical, computers & construction	540
Investment Corporation of America	Financial, retail	500
Huntsman Corporation	Petrochemical	451

Source: Odessa Development Corporation Aug-2005

Employment Growth by Industry

	Odessa MSA	Texas
Employment growth 2005 (in percent)	2.7	2.5
Unemployment rate 2005 (in percent)	4.7	5.3
Net job change in 2005	1,400	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	13.0	4.9
Manufacturing	-10.0	0.9
Trade, Transportation, and Utilities	5.0	2.4
Information	16.7	-0.7
Financial Activities	0.0	2.3
Professional and Business Services	2.7	5.3
Educational and Health Services	0.0	2.9
Leisure and Hospitality	5.8	2.5
Government	-2.2	1.7

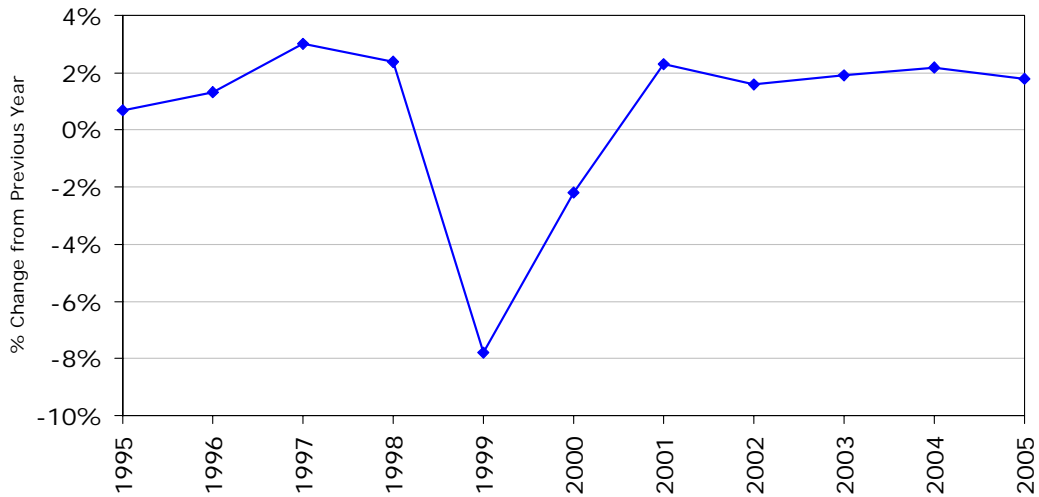
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

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

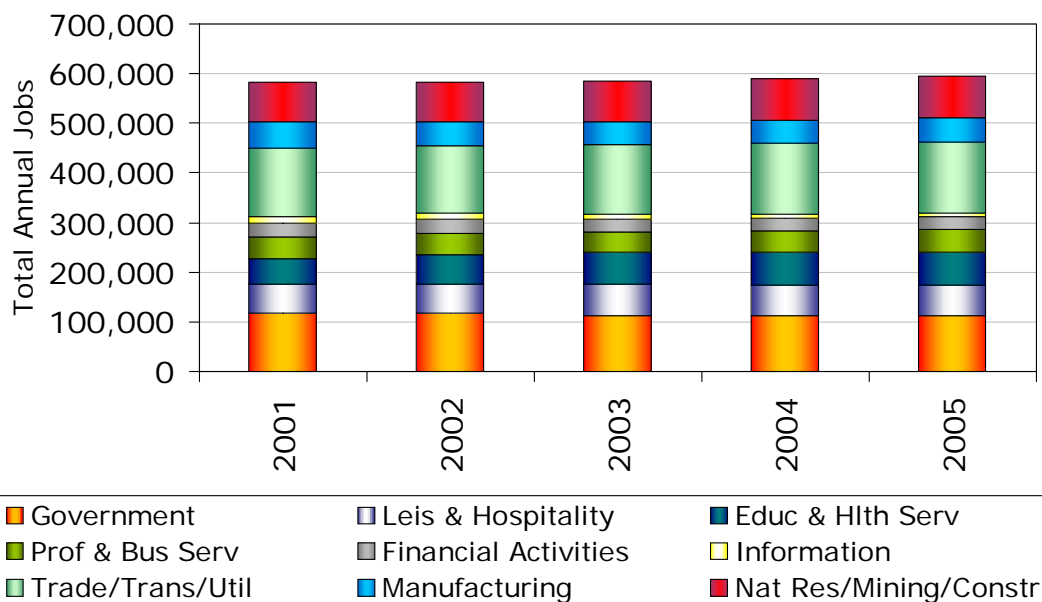
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Odessa MSA Employment Growth



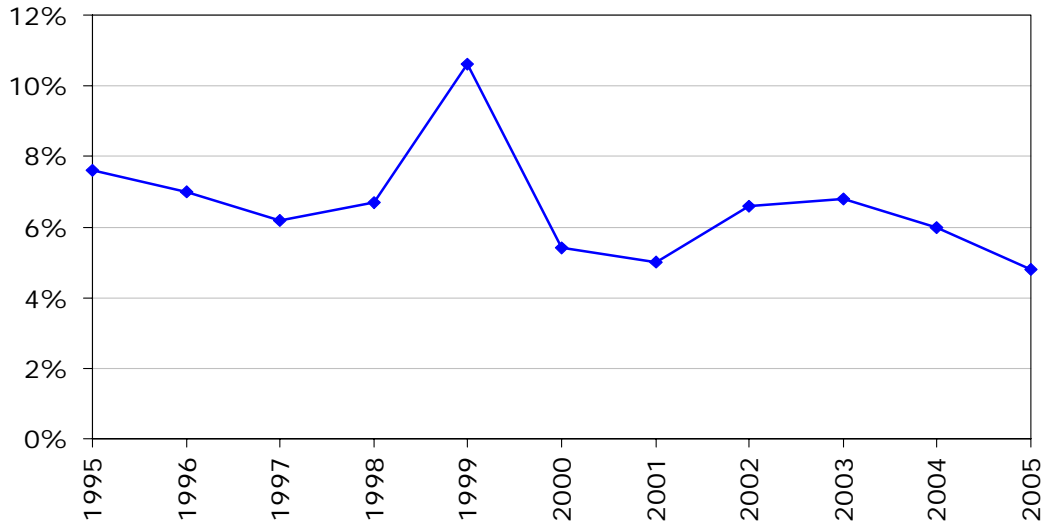
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Odessa MSA Distribution of Employment in Major Categories



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

**Odessa MSA
Unemployment Rate**



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

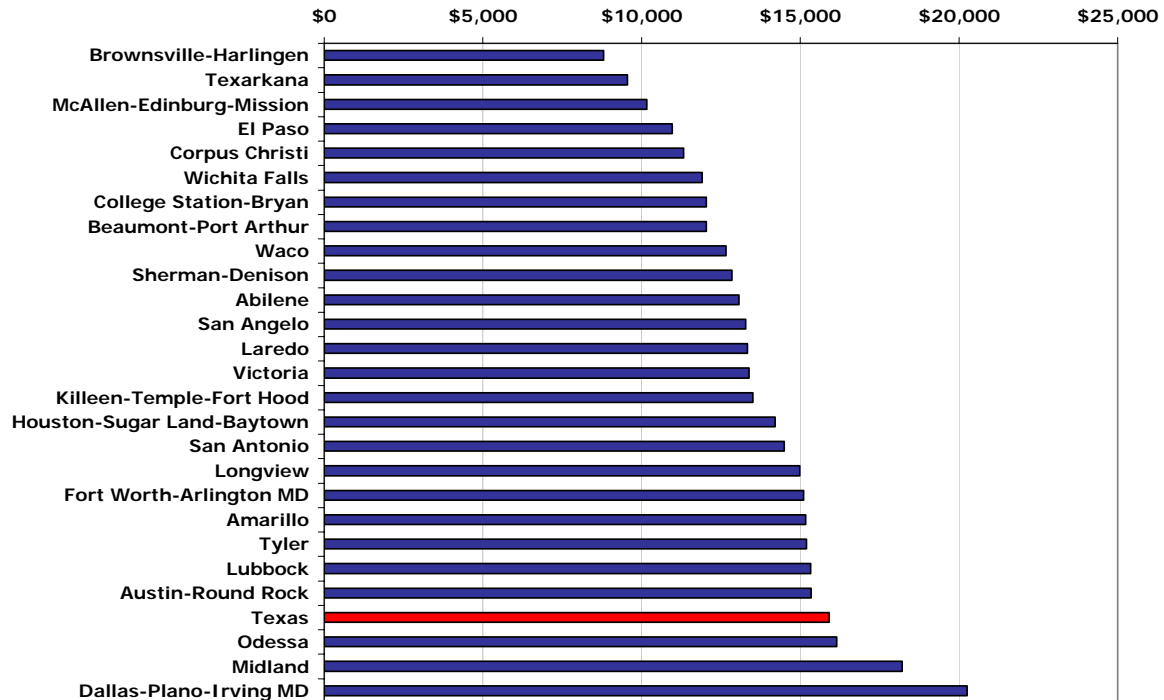
Odessa Market Overview 2006 Economy

Odessa MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$1,165,519,524	\$9,631
1996	\$1,210,790,323	\$9,964
1997	\$1,324,726,377	\$10,881
1998	\$1,335,075,505	\$10,806
1999	\$1,305,096,621	\$10,658
2000	\$1,425,344,239	\$11,768
2001	\$1,576,728,511	\$13,041
2002	\$1,490,069,454	\$12,172
2003	\$1,600,295,326	\$13,007
2004	\$1,689,738,390	\$13,574
2005	\$2,024,432,673	\$16,152
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Odessa Market Overview 2006 Infrastructure

Midland Airline Boardings						
Midland International Airport	2000	2001	2002	2003	2004	2005
Enplaned	470,204	440,014	406,406	394,367	414,522	446,937
Deplaned	464,729	435,675	403,766	392,746	415,965	445,893
Total	934,933	875,689	810,172	787,113	830,487	892,830

Source: Midland International Airport

Airport Cargo Statistics (in pounds)						
Midland International Airport	2000	2001	2002	2003	2004	2005
Enplaned	1,951,423	2,139,416	1,612,250	2,047,900	2,453,540	2,757,216
Deplaned	2,934,234	2,961,703	2,440,892	2,805,301	3,221,278	3,834,982
Total	4,885,657	5,101,119	4,053,142	4,853,201	5,674,818	6,592,198

Source: Midland International Airport

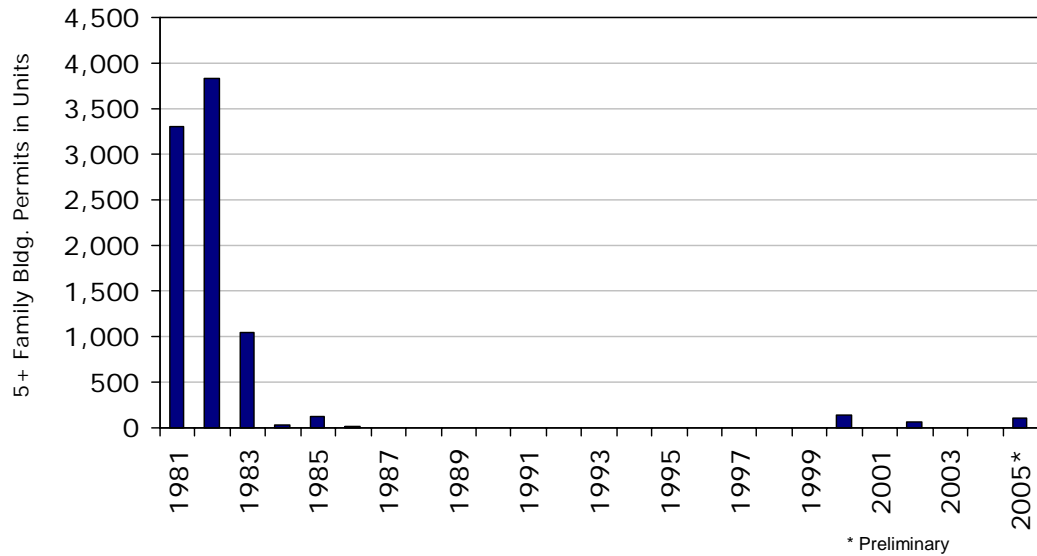
Odessa Market Overview 2006 Multifamily

Odessa/Permian Basin Apartment Statistics 2005

	Odessa/ Permian Basin	Texas Metro Average
Average rent per square foot	\$0.52	\$0.78
Average rent for units built since 2000	\$0.49	\$0.89
Average occupancy (in percent)	94.2	91.4
Average occupancy for units built since 2000 (in percent)	86.2	93.1

Source: Apartment MarketData Research Jan-2006

Odessa-Midland Multifamily Building Permits



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

Odessa 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**
Odessa-Midland	\$88,700	\$20,509	\$48,500	2.36	1.73
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, Odessa-Midland Area (in percent)

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	12.9	14.6	12.9	13.9	12.9	10.5	-
30,000 - 39,999	8.2	9.0	7.7	8.1	6.1	5.2	-
40,000 - 49,999	9.4	9.2	9.2	8.1	7.3	7.3	-
50,000 - 59,999	10.1	8.7	9.3	9.1	8.0	7.9	-
60,000 - 69,999	9.2	9.6	9.5	9.4	9.2	9.1	-
70,000 - 79,999	9.7	9.7	10.2	9.0	9.2	10.4	-
80,000 - 89,999	7.5	7.0	7.0	8.7	8.1	8.7	-
90,000 - 99,999	5.0	4.7	5.4	4.7	5.9	5.3	-
100,000 - 119,999	7.2	7.3	7.8	7.8	8.4	8.2	-
120,000 - 139,999	5.8	6.9	6.6	6.5	6.7	7.3	-
140,000 - 159,999	4.7	4.1	4.0	4.0	4.9	6.0	-
160,000 - 179,999	4.0	2.8	2.3	2.3	3.1	3.6	-
180,000 - 199,999	1.7	1.8	2.3	2.2	2.4	2.7	-
200,000 - 249,999	2.7	2.6	2.6	3.2	3.9	3.5	-
250,000 - 299,999	1.1	1.0	1.5	1.7	2.0	2.1	-
300,000 - 399,999	0.8	0.5	1.3	1.0	1.1	1.4	-
400,000 - 499,999	0.2	0.2	0.3	0.1	0.4	0.5	-
500,000 and more	0.0	0.2	0.1	0.1	0.3	0.3	-

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

Source: Real Estate Center at Texas A&M University

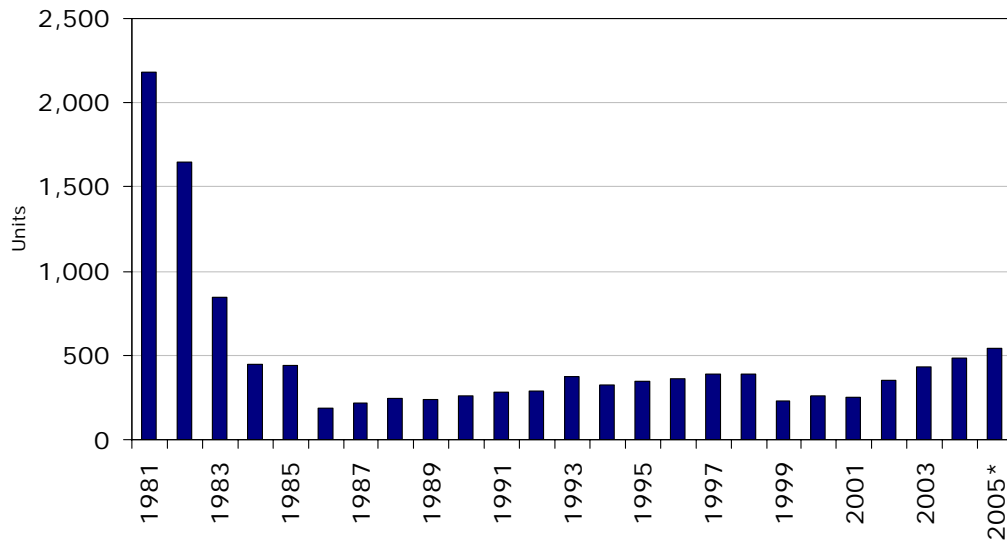
Property Tax Rate, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of Odessa	0.679
Ector County ISD	1.4725
Ector County	0.455
Total	\$2.61

* 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.ectorcad.org/taxrates.html>

Source: Ector County Appraisal District

Odessa-Midland Single-Family Building Permits

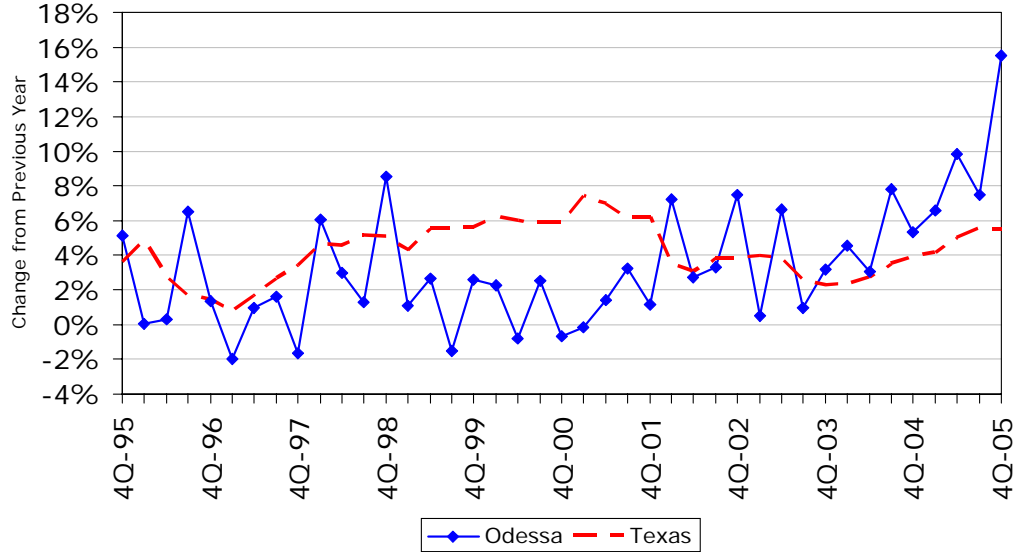


* Preliminary

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

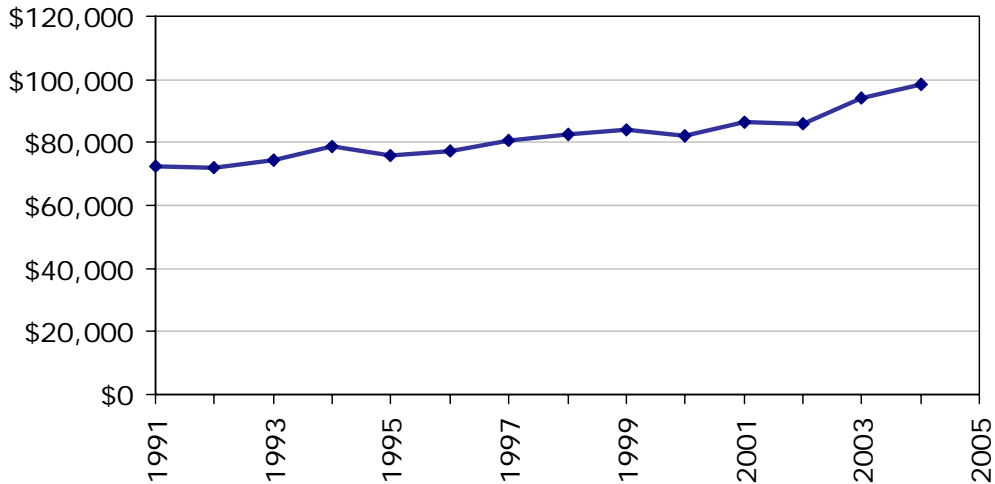
Home Price Appreciation Odessa MSA

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

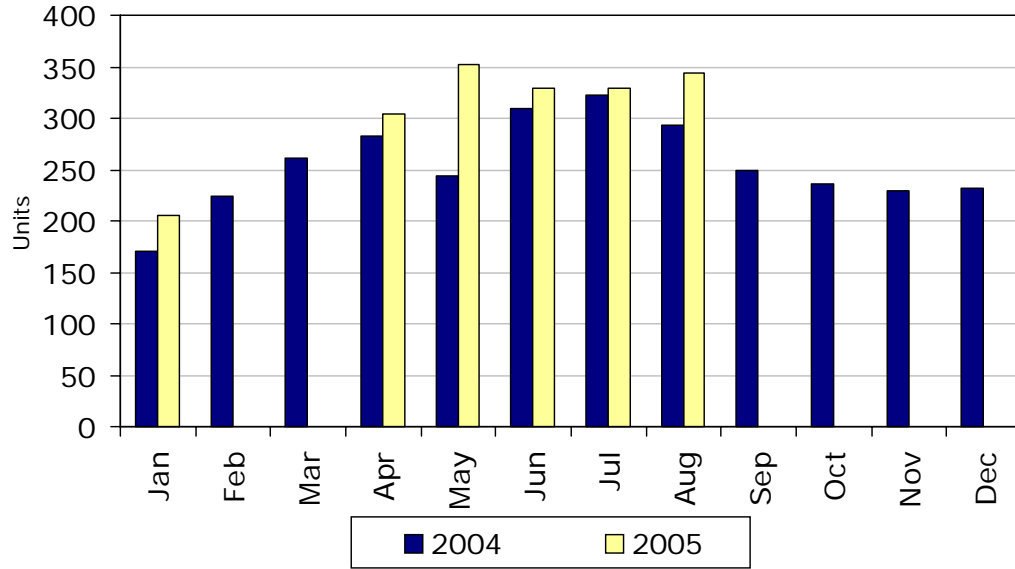
Average Sales Price of Single-Family Home Odessa-Midland Area



2005 Data not available

Source: Real Estate Center at Texas A&M University

Single-Family Home Sales Volume Odessa-Midland Area



Source: Real Estate Center at Texas A&M University

Odessa Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Odessa	Texas	Odessa	Texas
# Rooms 000's	1.5	320.2	1.5	329.2
Average daily rate	\$50.28	\$68.80	\$53.01	\$70.62
Occupancy rate (in percent)	54.7	54.2	57.6	55.2

*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



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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