

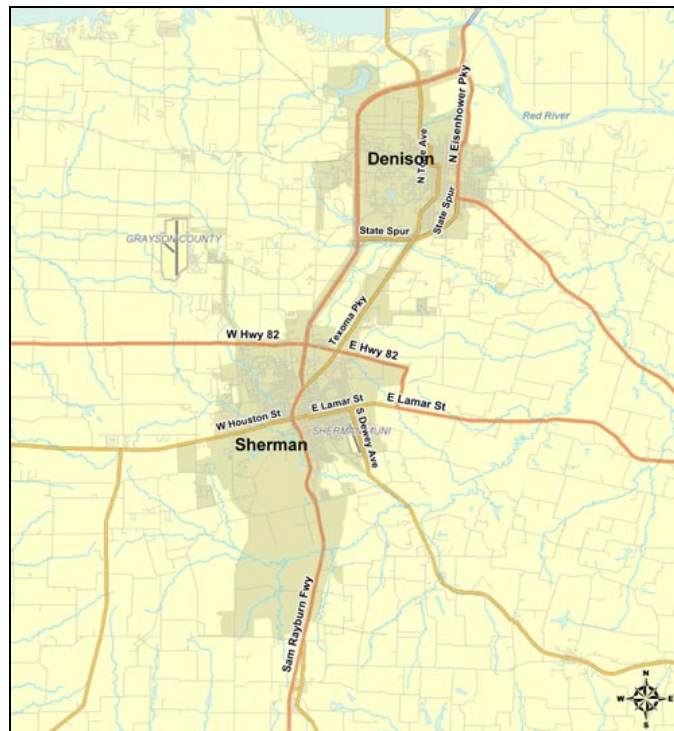
# Real Estate Market Overview 2006

## Sherman - Denison

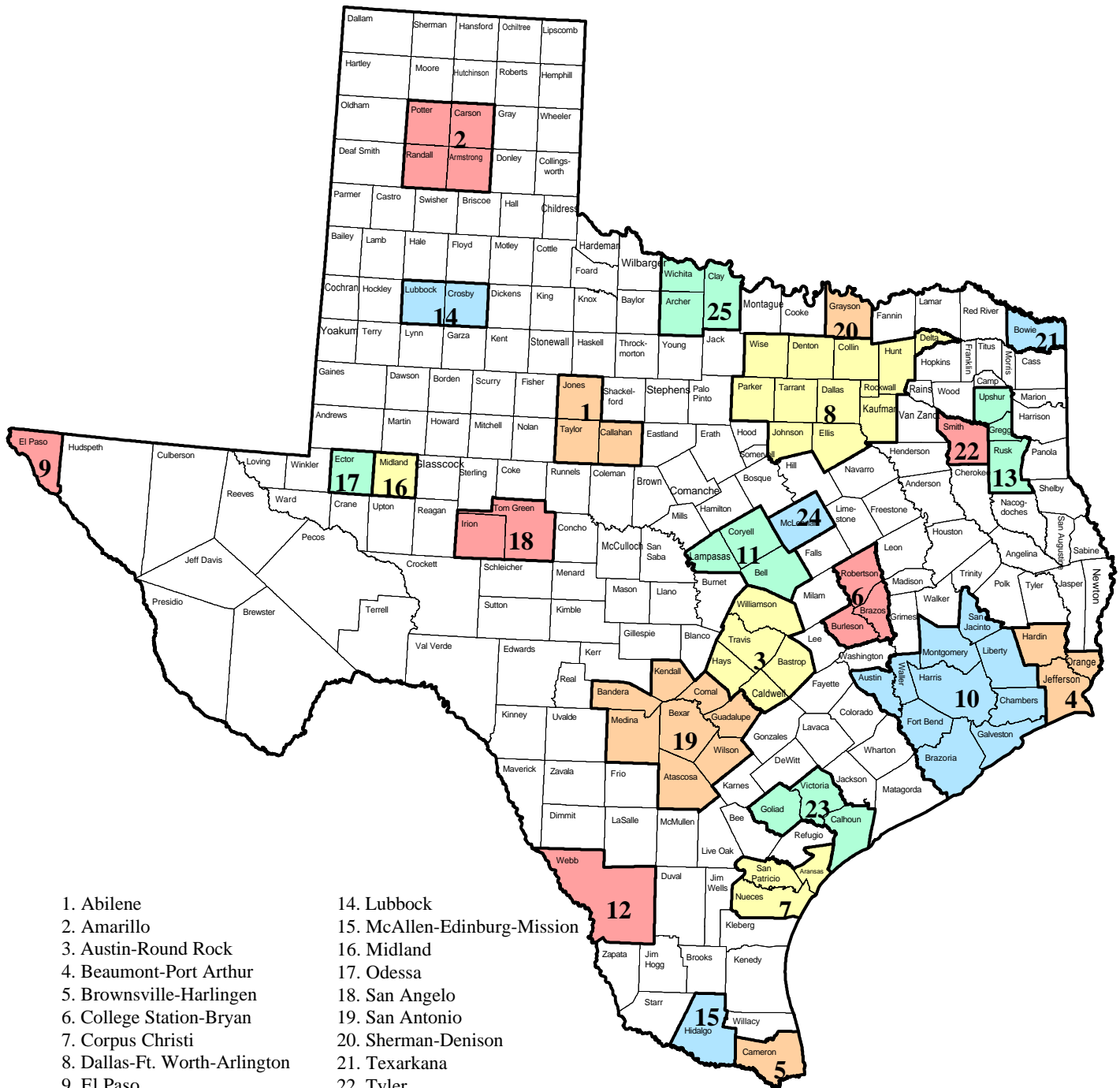
### Mid-Year Update

The Sherman-Denison Metropolitan Statistical Area (MSA) is located on U.S. 75 along the Texas-Oklahoma border. Sherman, 30 miles from the Oklahoma border and 66 miles from Dallas, is named after General Sidney Sherman, commander of the Republic of Texas cavalry at the Battle of San Jacinto, who was credited with first saying, "Remember the Alamo!" Denison is four miles from the Oklahoma border and 75 miles north of Dallas. The city has been designated a Texas Main Street City by the Texas Historical Commission and is the birthplace of President Dwight D. Eisenhower.

Quick Facts	
<b>Land Area</b>	933.51 square miles
<b>Population Density (2000)</b>	118.5 people per square mile
<b>Counties</b>	Grayson
<b>Area Cities and Towns</b>	
Ambrose, Denison, Luella, Pottsboro, Sherman, Southmayd, Tom Bean, Whitesboro, Whitewright	



# 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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## Sherman-Denison Market Overview 2006

### Demographics

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#### Sherman-Denison MSA Population

Year	Population	Percent Change
1995	100,342	-
1996	102,993	2.6%
1997	105,122	2.0%
1998	107,020	1.8%
1999	109,173	2.0%
2000	110,595	1.3%
2001	112,569	1.8%
2002	113,696	1.0%
2003	115,024	1.2%
2004	115,933	0.8%
2005*	116,834	0.8%

\* 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)
Sherman	35,082	8.7
Denison	22,773	4.8

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
<b>Sherman-Denison</b>	<b>100,342</b>	<b>116,834</b>	<b>16.4</b>
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

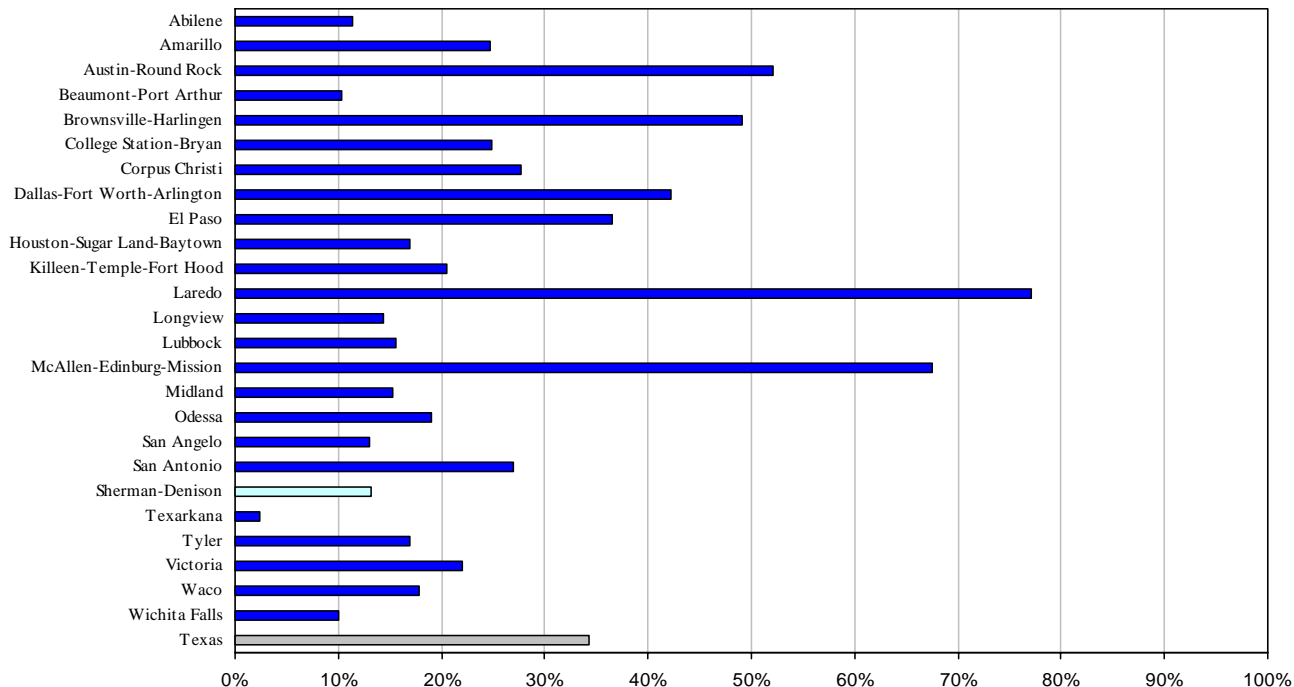
Source: U.S. Census Bureau

**Sherman-Denison MSA Projected Population**

<b>Year</b>	<b>Texas State Data Center (Scenario 0.5)</b>	<b>Texas Water Development Board</b>
2000	110,595	110,595
2005	114,162	-
2010	118,083	133,913
2015	121,919	-
2020	125,109	163,711
2025	127,731	-
2030	129,957	188,537
2035	131,901	-
2040	133,516	208,936

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

	Sherman-Denison MSA	Texas
Average household size (2000)	2.51	2.74
Population younger than 18 (2000, in percent)	25.3	28.2
Population 65 and older (2000, in percent)	15.1	9.9

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

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

	Sherman-Denison MSA	Texas
White	87.2	71.0
Black	5.9	11.5
Asian	0.6	2.7
American Indian	1.3	0.6
Other	2.9	11.7
Two or more races*	2.1	2.5
Hispanic (of any race)	6.8	32.0

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

**In-Migration for Sherman-Denison MSA, 2003**

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Grayson County	3,332	1,736	41	79,911

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

**Out-Migration for Sherman-Denison MSA, 2003**

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Grayson County	3,140	1,761	39	79,911

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

**Top Five In-Migration Destinations, Sherman-Denison MSA, 2003**

From US - Same State		From US - Different State	
<b>To Grayson County</b>			
Collin County	759	Bryan County, OK	266
Dallas County	425	Oklahoma County, OK	50
Denton County	393	Tulsa County, OK	23
Fannin County	313	Maricopa County, AZ	22
Cooke County	229	Cleveland County, OK	20

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

**Top Five Out-Migration Destinations, Sherman-Denison, 2003**

To US - Same State		To US - Different State	
<b>From Grayson County</b>			
Collin County	729	Bryan County, OK	324
Dallas County	337	Oklahoma County, OK	44
Fannin County	331	Marshall County, OK	25
Denton County	328	Cleveland County, OK	23
Cooke County	254	Maricopa County, AZ	23

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

## Sherman-Denison Market Overview 2006 Education

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

Level of Education	Grayson County	Texas
High school graduate	30.0	24.8
Some college, no degree	25.4	22.4
Associate's degree	7.6	5.2
Bachelor's degree	11.3	15.6
Graduate or professional degree	6.0	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Sherman- Denison MSA	Texas
High School Graduate or Higher	80.2	79.2
Bachelor's Degree or Higher	17.2	23.9

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

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

School	2000	2001	2002	2003	2004	2005*
Austin College	1,285	1,308	1,323	1,361	1,366	1,370
Grayson County College	3,260	3,470	3,498	3,837	3,869	3,805

\* Preliminary

Source: Texas Higher Education Coordinating Board

## Sherman-Denison Market Overview 2006 Employment

### Top Ten Employers

Employer	Sector	Employees
Wilson N. Jones Regional Health System	Health care services	1,200
Texoma Health Care System	Health care services	1,163
Texas Instruments	Semiconductors and defense electronics	1,100
Sherman Independent School District	Public schools	945
Connect General, A Cigna Co.	Insurance claims processing	940
Kwikset Corporation	Door Locks	730
Denison Independent School District	Public schools	605
Trailblazer Healthcare Enterprises	Insurance claims processing	484
Grayson County	Government agency	450
Ruiz Foods	El Monterey frozen foods	423

Source: Denison Development Alliance July 2005

### Top Private Employers

Employer	Sector	Employees
Wilson N. Jones Regional Health System	Health care services	1,200
Texoma Health Care System	Health care services	1,163
Texas Instruments	Semiconductors and defense electronics	1,100
Connect General, A Cigna Co.	Insurance claims processing	940
Kwikset Corporation	Door Locks	730
Trailblazer Healthcare Enterprises	Insurance claims processing	484
Ruiz Foods	El Monterey frozen foods	423
B-Line Systems	Cable trays and electrical enclosures	380
MEMC Southwest	Silicon wafer products	375
Attention, LLC	Collections center	350

Source: Denison Development Alliance July 2005

### Employment Growth by Industry

	Sherman - Denison MSA	Texas
Employment growth 2005 (in percent)	0.5	2.5
Unemployment rate 2005 (in percent)	5.2	5.3
Net job change in 2005	200	237,900
<b>Employment growth by sector 2005 (in percent)</b>		
Natural Resources, Mining, and Construction	3.6	4.9
Manufacturing	0.0	0.9
Trade, Transportation, and Utilities	0.0	2.4
Information	20.0	-0.7
Financial Activities	-3.6	2.3
Professional and Business Services	3.8	5.3
Educational and Health Services	-2.4	2.9
Leisure and Hospitality	5.0	2.5
Government	1.6	1.7

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

**Sherman-Denison MSA Employment**

Year	Employment	Percent Change
1995	45,577	2.2
1996	47,019	3.2
1997	48,081	2.3
1998	47,953	-0.3
1999	48,381	0.9
2000	54,063	11.7
2001	52,957	-2.0
2002	52,745	-0.4
2003	53,093	0.7
2004	53,651	1.1
2005	55,413	3.3

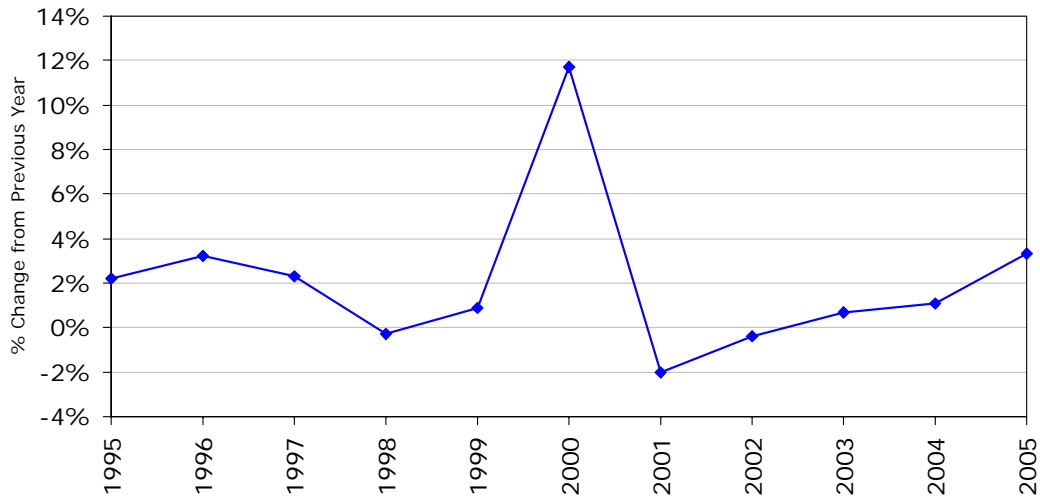
Source: U.S. Bureau of Labor Statistics

**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
<b>Sherman-Denison</b>	<b>45,577</b>	<b>55,413</b>	<b>21.6</b>
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
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

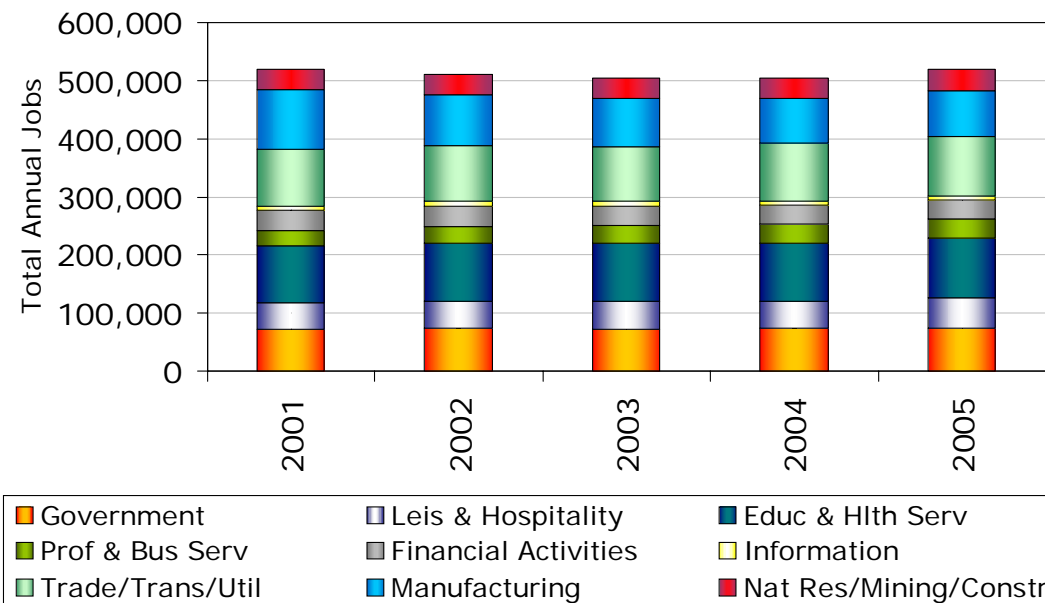
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

### Sherman-Denison MSA Employment Growth



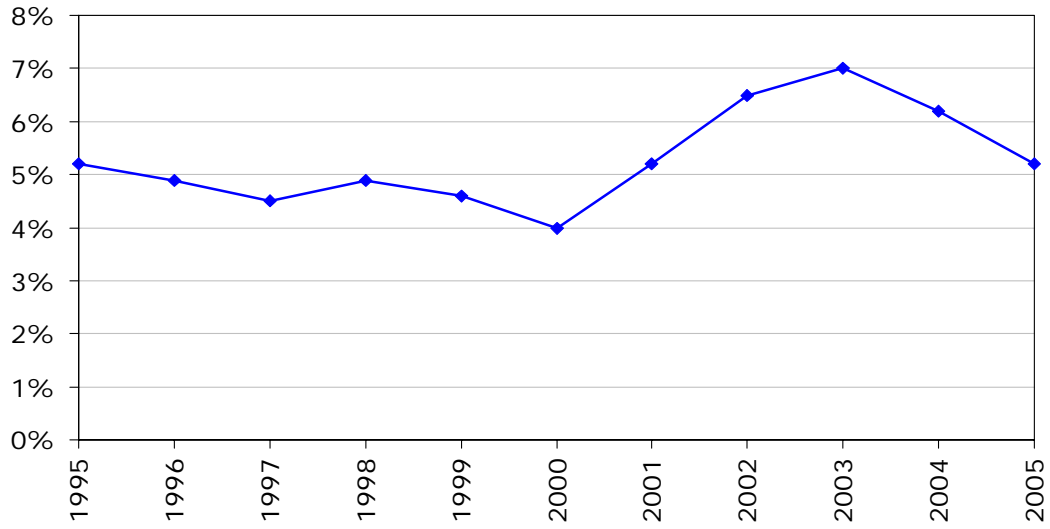
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

### Sherman-Denison MSA Distribution of Employment in Major Categories



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

### Sherman-Denison MSA Unemployment Rate



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

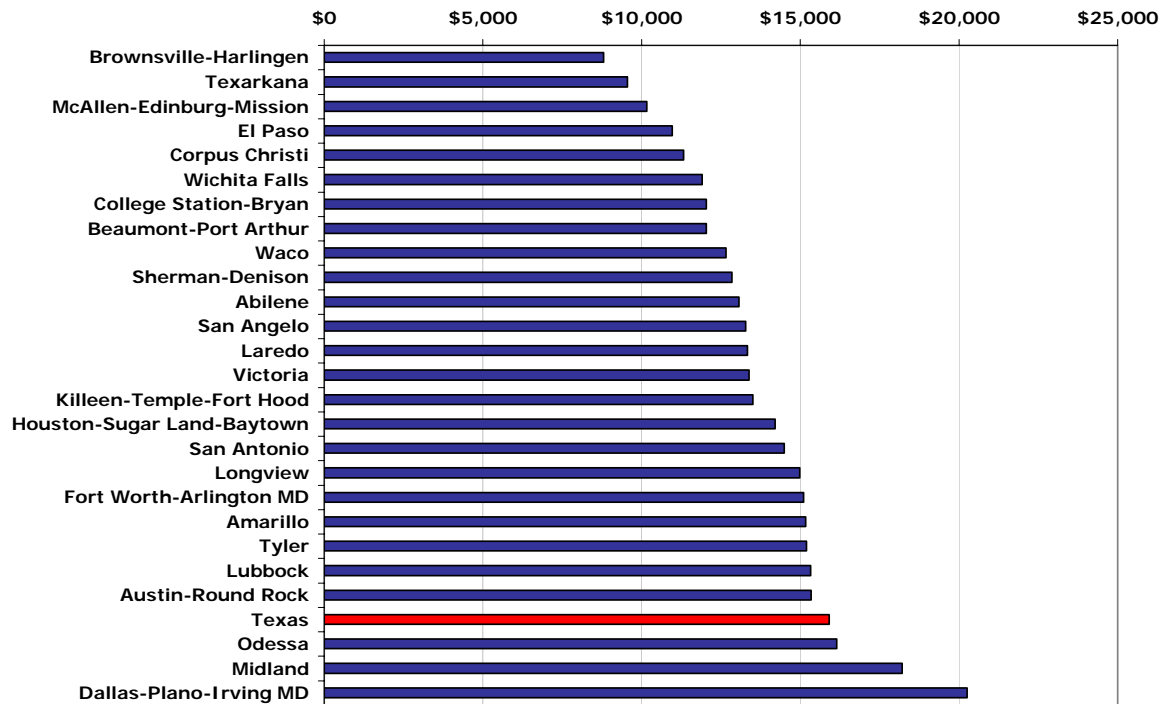
## Sherman-Denison Market Overview 2006 Economy

**Sherman-Denison MSA  
 Gross Retail Sales**

Year	Total Sales	Sales per Capita
1995	\$989,137,091	\$9,858
1996	\$1,076,989,508	\$10,457
1997	\$1,017,073,074	\$9,675
1998	\$1,015,053,912	\$9,485
1999	\$1,145,649,031	\$10,494
2000	\$1,256,021,683	\$11,357
2001	\$1,315,319,485	\$11,685
2002	\$1,286,962,817	\$11,319
2003	\$1,317,667,098	\$11,456
2004	\$1,420,226,094	\$12,250
2005	\$1,500,449,881	\$12,843
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

**Gross Retail Sales per Capita 2005**



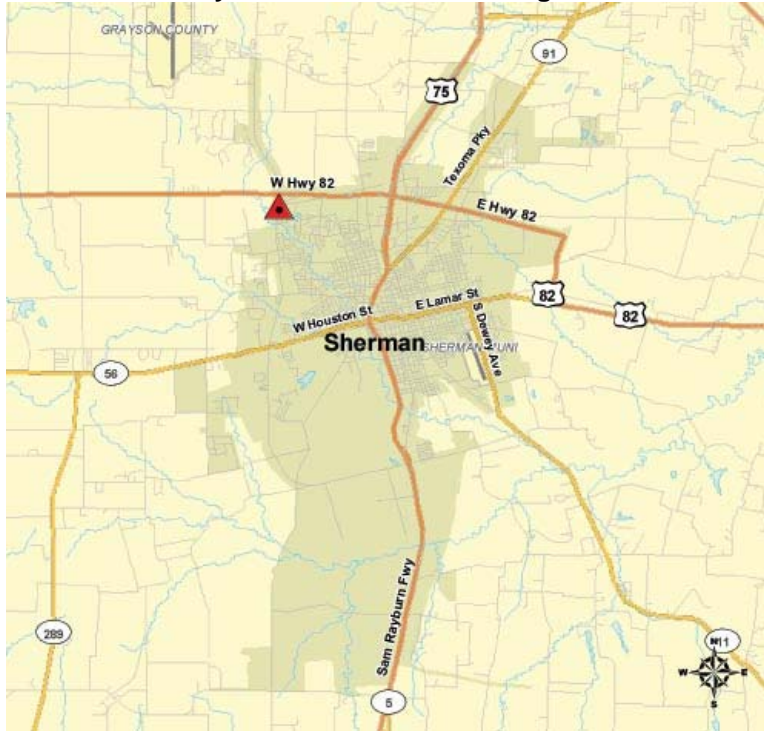
Source: Texas Comptroller's Office

# Sherman-Denison Market Overview 2006

## Public Facilities

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Sherman City Public Facilities Building Permits 2005

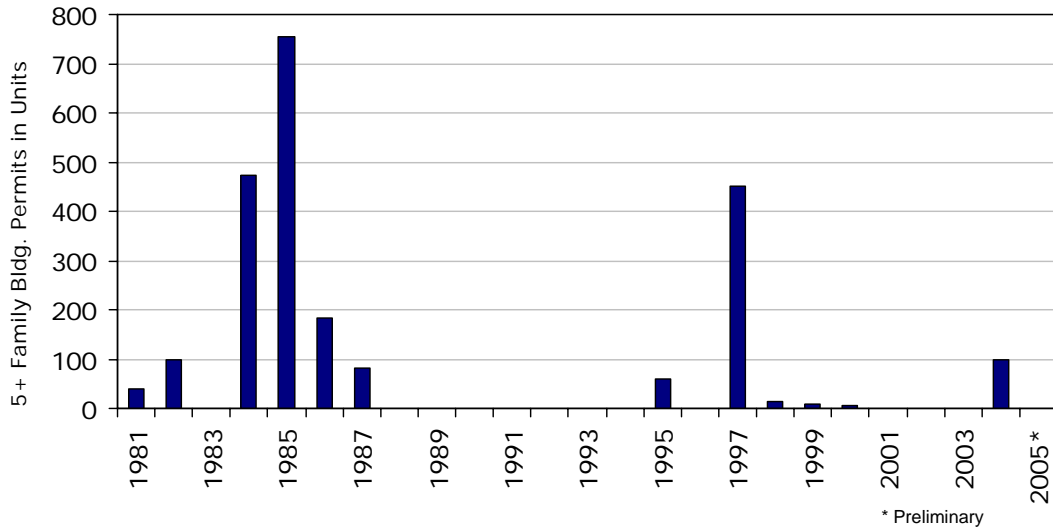


Sherman City Building Permit Office

# Sherman-Denison Market Overview 2006

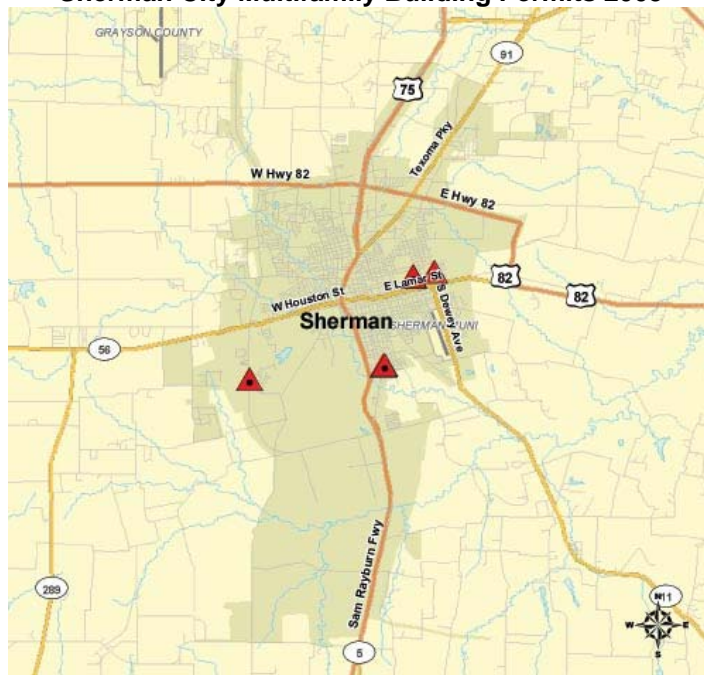
## Multifamily

**Sherman-Denison MSA Multifamily Building Permits**



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

**Sherman City Multifamily Building Permits 2005**



Sherman City Building Permit Office

## Sherman-Denison 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**
Sherman-Denison	\$94,600	\$21,733	\$51,400	2.37	1.82
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, Sherman-Denison Area (in percent)**

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	9.9	11.3	10.2	8.2	9.5	8.4	7.9
30,000 - 39,999	8.1	8.2	5.9	5.4	5.9	5.7	3.9
40,000 - 49,999	7.6	8.4	7.3	6.6	6.4	5.6	4.8
50,000 - 59,999	10.5	8.9	7.2	6.7	6.5	6.7	7.5
60,000 - 69,999	8.8	8.0	8.6	10.7	7.6	6.6	8.4
70,000 - 79,999	9.1	8.4	8.7	6.6	8.6	6.8	7.4
80,000 - 89,999	9.0	6.2	7.4	7.9	7.7	10.3	7.3
90,000 - 99,999	7.2	8.0	6.5	7.3	5.9	6.9	6.2
100,000 - 119,999	8.2	11.2	10.1	10.6	10.8	11.5	10.3
120,000 - 139,999	7.6	6.8	11.0	8.6	9.9	9.7	11.0
140,000 - 159,999	3.8	4.5	5.9	7.1	6.2	6.3	6.0
160,000 - 179,999	3.6	4.1	3.3	5.1	5.4	4.0	5.8
180,000 - 199,999	2.3	2.0	2.6	2.4	2.8	2.7	3.3
200,000 - 249,999	2.4	1.9	3.0	3.5	2.6	4.3	4.6
250,000 - 299,999	0.7	0.9	0.9	1.3	2.0	1.8	2.6
300,000 - 399,999	0.8	0.9	0.8	1.0	1.2	1.6	1.9
400,000 - 499,999	0.1	0.1	0.4	0.4	0.7	0.6	0.6
500,000 and more	0.3	0.1	0.4	0.6	0.4	0.5	0.5

Source: Real Estate Center at Texas A&M University

**Existing Home Sales, 2005**

Grayson County	Q3	Q4
Total Sales	376	288
Average Sales Price	\$116,700	\$132,300
Days on Market	95	98

Source: North Texas Real Estate Information System

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

Tax Rate per \$100	
Taxing Entity*	Valuation
City of Sherman	0.4
Sherman ISD	1.68
Grayson County	0.4909
<b>Total</b>	<b>\$2.57</b>

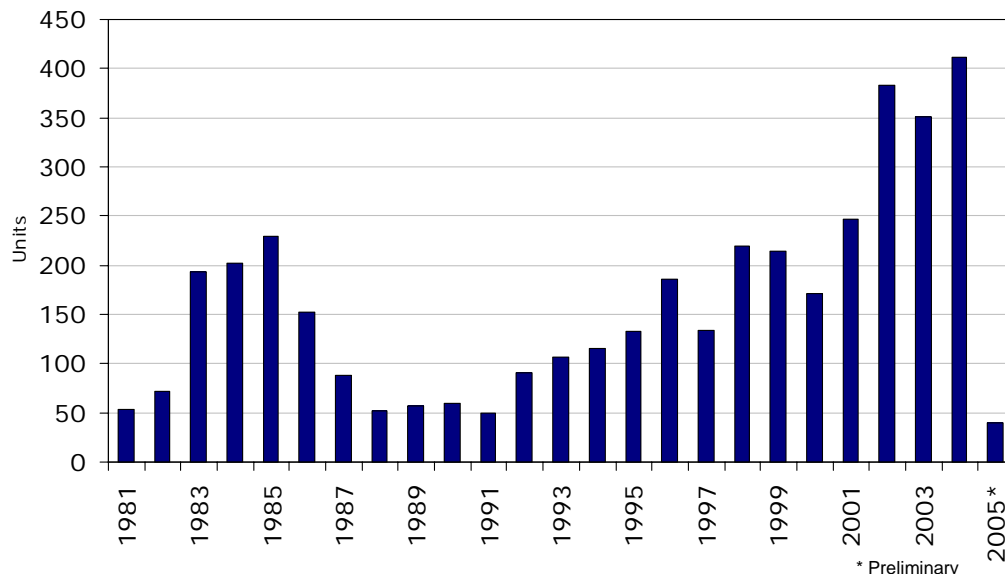
  

Tax Rate per \$100	
Taxing Entity*	Valuation
City of Denison	0.58037
Denison ISD	1.5971
Grayson County	0.4909
<b>Total</b>	<b>\$2.67</b>

\* 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://co.grayson.tx.us/gad/GADTaxRate00-05.pdf>

Source: Grayson County Appraisal District

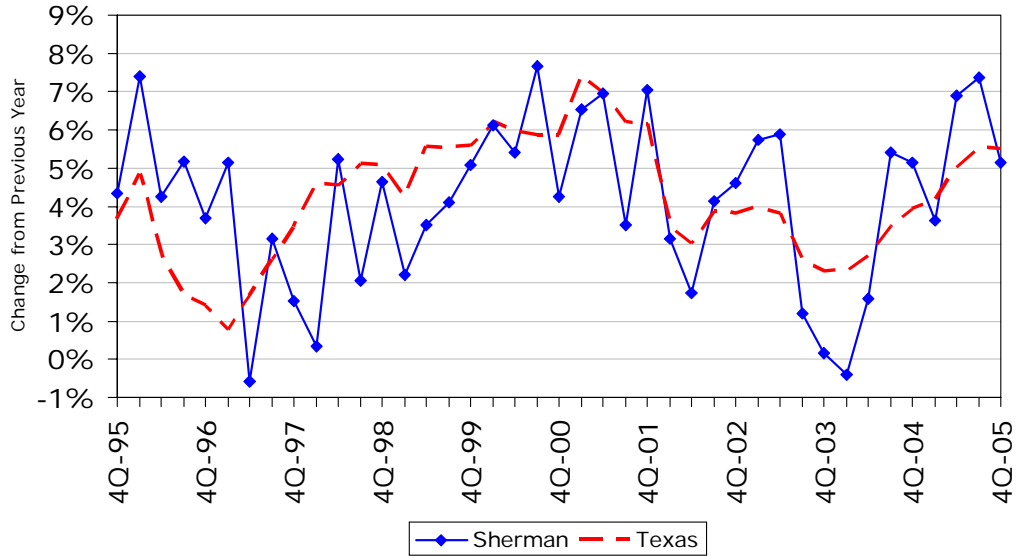
**Sherman-Denison MSA Single-Family Building Permits**



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

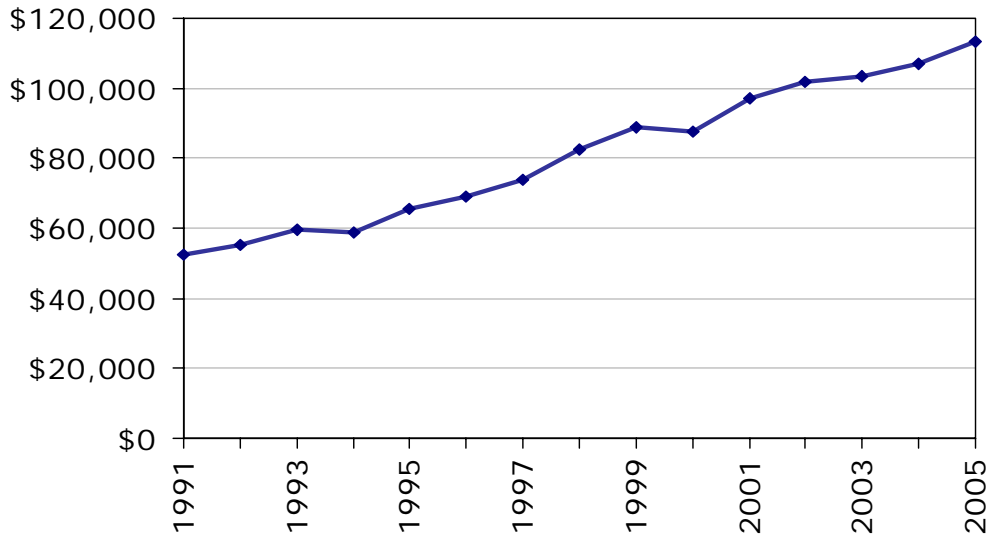
### Home Price Appreciation Sherman-Denison MSA

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.



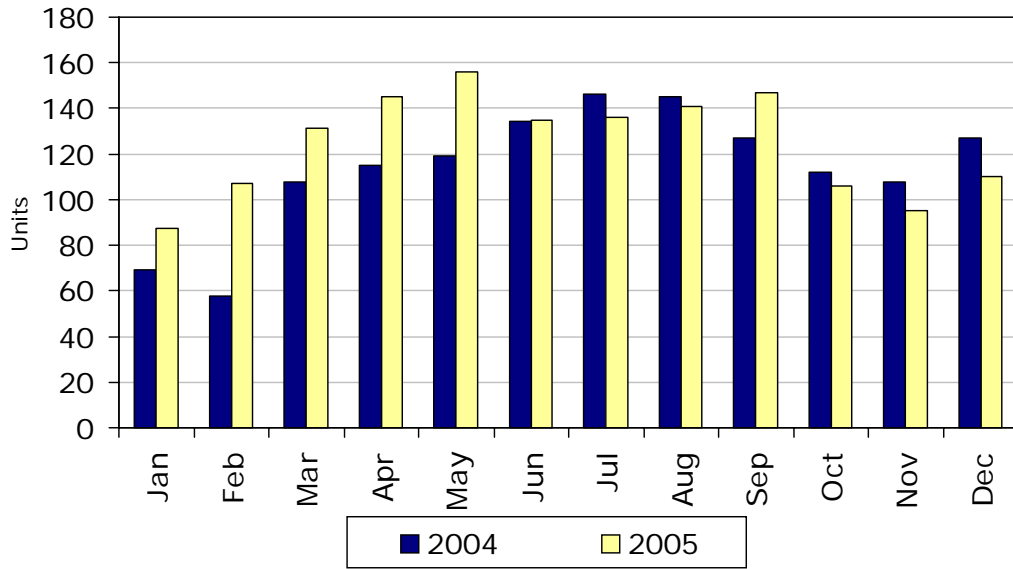
Source: Office of Federal Housing Enterprise Oversight

### Average Sales Price of Single-Family Home Sherman-Denison Area



Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume  
Sherman-Denison Area**



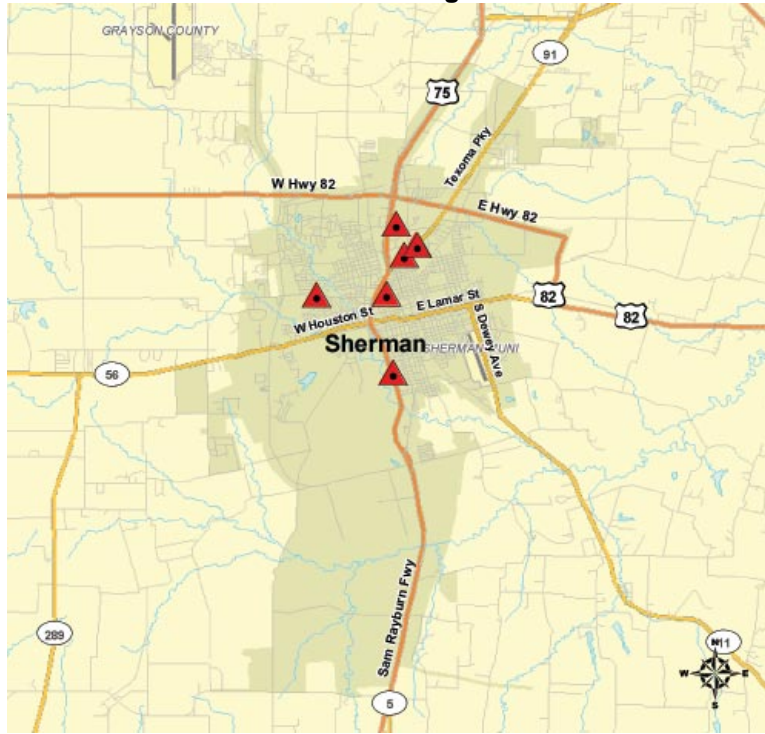
Source: Real Estate Center at Texas A&M University

# Sherman-Denison Market Overview 2006

## Retail

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Sherman Retail Building Permits 2005



Sherman City Building Permit Office

## Sherman-Denison Market Overview 2006 Hotel

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Hotel\* Occupancy and Rental Rates

	2004		2005	
	Sherman - Denison	Texas	Sherman - Denison	Texas
# Rooms 000's	1.3	328.1	1.3	334.7
Average daily rate	\$54.12	\$70.39	\$56.74	\$74.26
Occupancy rate (in percent)	52.2	55.9	54.6	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

# Sherman-Denison Market Overview 2006 Office

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Sherman City Office Building Permits 2005

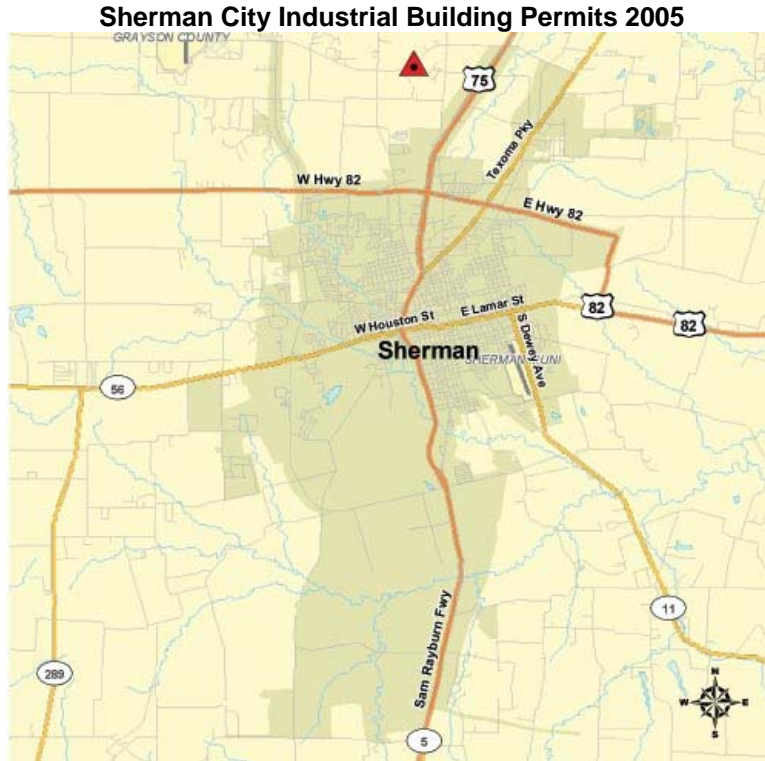


Sherman City Building Permit Office

# Sherman-Denison Market Overview 2006

## Industrial

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Sherman 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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