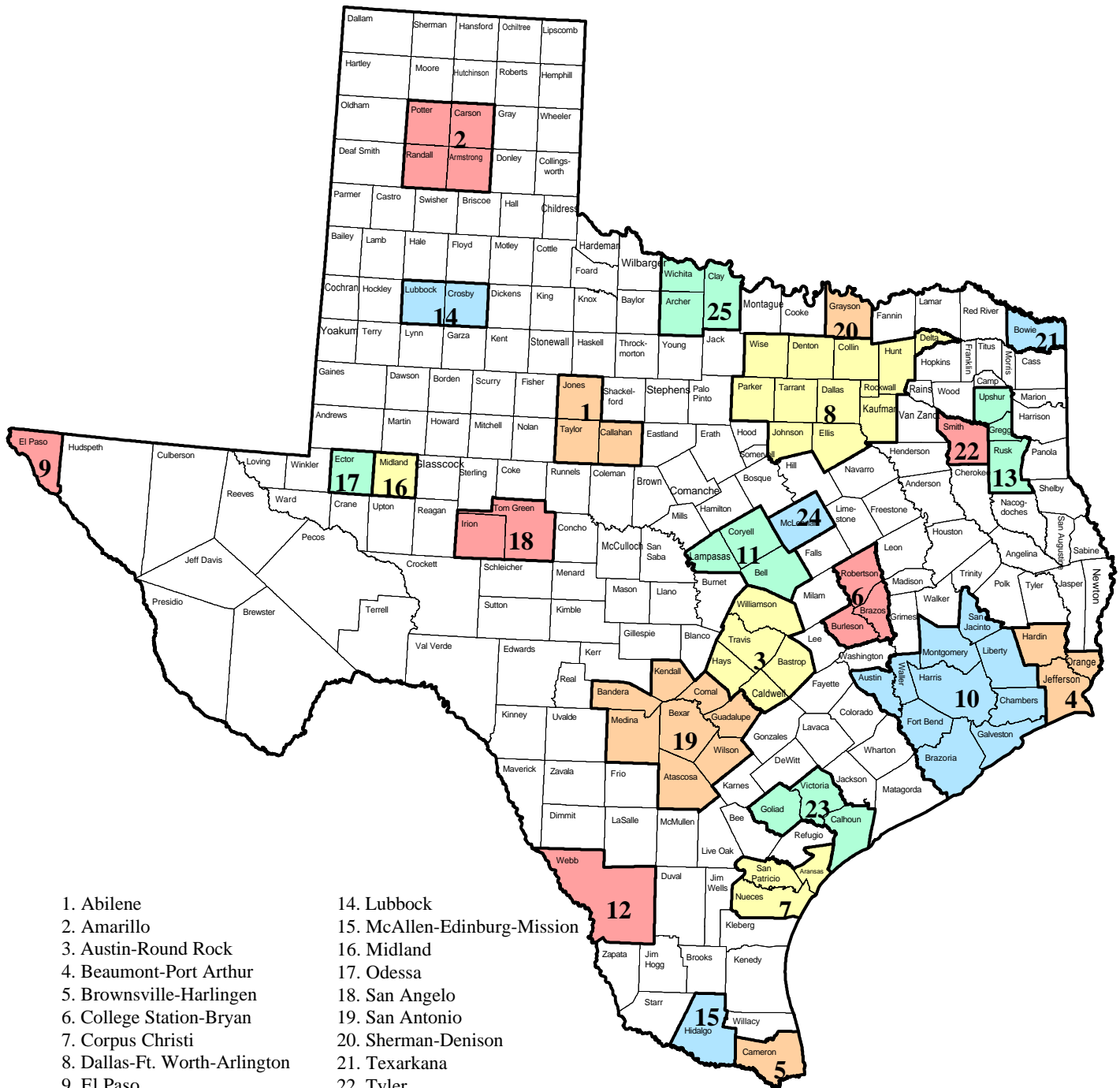


Metropolitan Statistical Areas (MSAs)



- 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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Tyler Market Overview 2006 Demographics

Tyler MSA Population

Year	Population	Percent Change
1995	163,440	-
1996	166,087	1.6%
1997	168,531	1.5%
1998	171,033	1.5%
1999	172,758	1.0%
2000	174,706	1.1%
2001	177,554	1.6%
2002	180,771	1.8%
2003	183,851	1.7%
2004	186,414	1.4%
2005*	190,594	2.2%

* July 1, 2005 population estimates

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

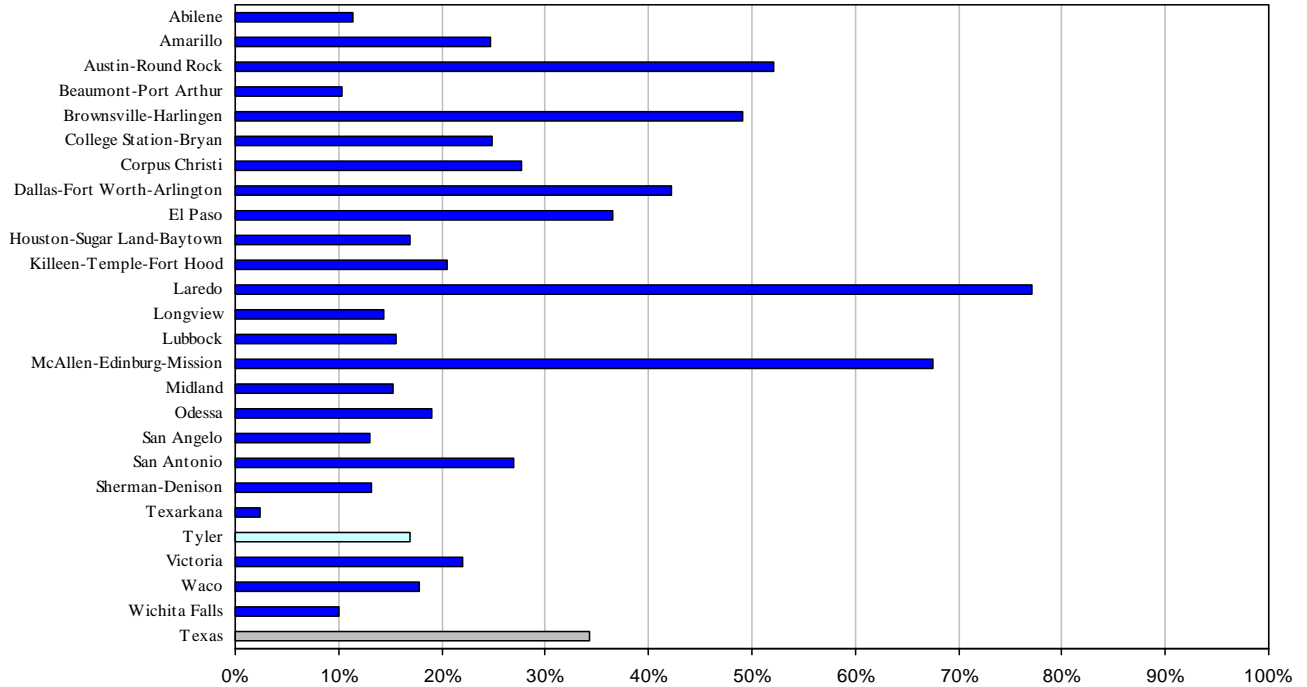
Source: U.S. Census Bureau

Tyler MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	174,706	174,706
2005	181,254	-
2010	188,622	194,223
2015	196,328	-
2020	204,161	208,737
2025	212,228	-
2030	220,813	223,251
2035	230,186	-
2040	240,668	237,766

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

	Tyler MSA	Texas
Average household size (2000)	2.59	2.74
Population younger than 18 (2000, in percent)	26.6	28.2
Population 65 and older (2000, in percent)	14.1	9.9

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

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

	Tyler MSA	Texas
White	72.6	71.0
Black	19.1	11.5
Asian	0.7	2.7
American Indian	0.4	0.6
Other	5.7	11.7
Two or more races	1.4	2.5
Hispanic (of any race)	11.2	32.0

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

In-Migration for Tyler MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Smith County	6,304	2,465	83	134,001

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

Out-Migration for Tyler MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Smith County	6,152	2,028	64	134,001

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

Top Five In-Migration Destinations, Tyler MSA, 2003

From US - Same State		From US - Different State	
To Smith County			
Dallas County	629	Los Angeles County, CA	78
Henderson County	574	Caddo Parish, LA	74
Cherokee County	503	Cook County, IL	60
Gregg County	459	San Diego County, CA	46
Harris County	331	Clark County, NV	40

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

Top Five Out-Migration Destinations, Tyler, 2003

To US - Same State		To US - Different State	
From Smith County			
Henderson County	728	Tulsa County, OK	47
Dallas County	611	San Diego County, CA	38
Cherokee County	472	Caddo Parish, LA	35
Gregg County	394	Oklahoma County, OK	35
Tarrant County	324	Maricopa County, AZ	25

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

Tyler Market Overview 2006 Education

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

Level of Education	Smith County	Texas
High school graduate	24.8	24.8
Some college, no degree	25.4	22.4
Associate's degree	7.4	5.2
Bachelor's degree	15.3	15.6
Graduate or professional degree	7.2	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Tyler MSA	Texas
High School Graduate or Higher	80.2	79.2
Bachelor's Degree or Higher	22.5	23.9

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

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Tyler Junior College	8,240	8,451	8,977	9,591	9,430	9,288
U.T. Tyler	3,592	3,732	4,254	4,769	5,326	5,729

* Preliminary

Sources: Texas Higher Education Coordinating Board

Tyler Market Overview 2006 Employment

Top Ten Employers

Employer	Sector	Employees
Trinity-Mother Frances Hospital	Health care	3,544
East Texas Medical Center	Health care	3,102
Tyler Independent School District	Education	2,750
Brookshire Grocery Company	Grocery distribution	2,231
The Trane Company	Heating-cooling unit manufacturing	1,716
The University of Texas Health Center at Tyler	Health care & research	1,146
Carrier Corporation	Commercial air conditioners	1,136
Good Year Tire & Rubber Company	Passenger tires	1,065
CB&I Howe-Baker	Engineering contracting	1,000
Tyler Pipe	Cast iron pipe, iron fittings	877

Source: Tyler Economic Development Council 2005

Top Ten Private Employers

Employer	Sector	Employees
Trinity-Mother Frances Hospital	Health care	3,544
East Texas Medical Center	Health care	3,102
Brookshire Grocery Company	Grocery distribution	2,231
The Trane Company	Heating-cooling unit manufacturing	1,716
Carrier Corporation	Commercial air conditioners	1,136
Good Year Tire & Rubber Company	Passenger tires	1,065
CB&I Howe-Baker	Engineering contracting	1,000
Tyler Pipe	Cast iron pipe, iron fittings	877
Target Distribution Center	Retail distribution	735
Cox Communications	Cable & internet services	657

Source: Tyler Economic Development Council 2005

Employment Growth by Industry

	Tyler MSA	Texas
Employment growth 2005 (in percent)	3.0	2.5
Unemployment rate 2005 (in percent)	4.8	5.3
Net job change in 2005	2,600	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	4.2	4.9
Manufacturing	-1.0	0.9
Trade, Transportation, and Utilities	0.5	2.4
Information	5.0	-0.7
Financial Activities	5.0	2.3
Professional and Business Services	7.2	5.3
Educational and Health Services	5.2	2.9
Leisure and Hospitality	6.2	2.5
Government	0.8	1.7

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

Tyler MSA Employment

Year	Employment	Percent Change
1995	80,110	2.9
1996	81,337	1.5
1997	83,732	2.9
1998	84,865	1.4
1999	86,163	1.5
2000	82,572	-4.2
2001	83,026	0.5
2002	84,890	2.2
2003	86,944	2.4
2004	89,186	2.6
2005	91,675	2.8

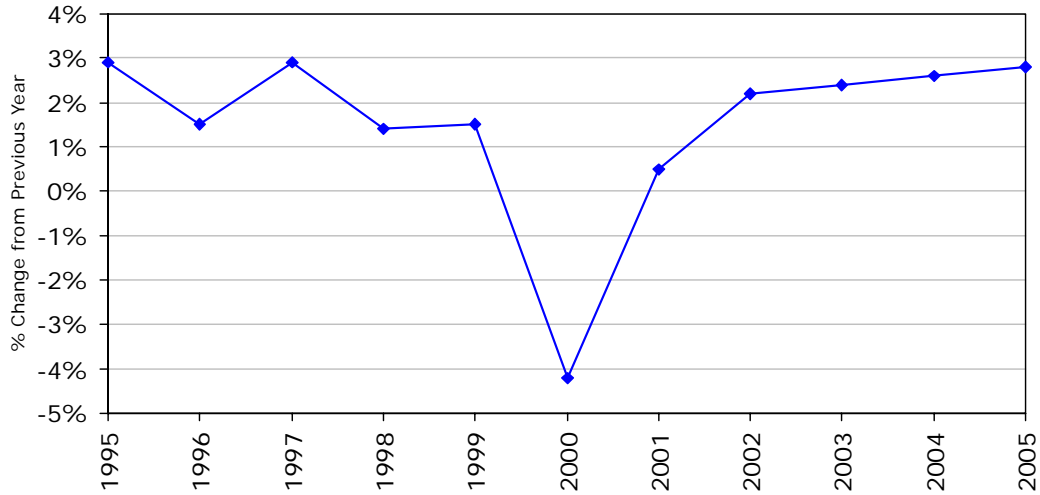
Source: U.S. Bureau of Labor Statistics

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
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

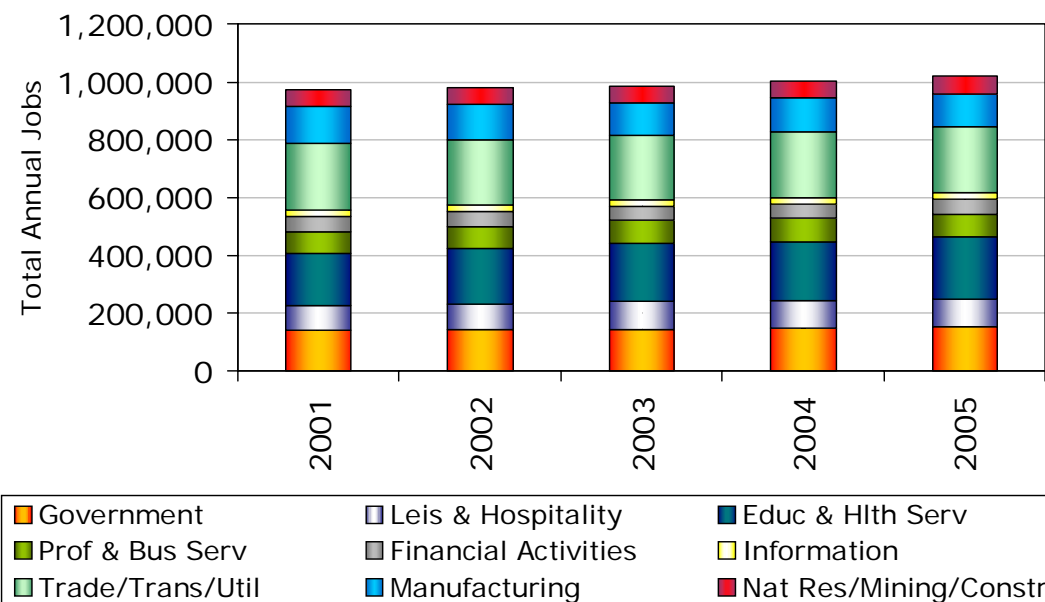
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Tyler MSA Employment Growth



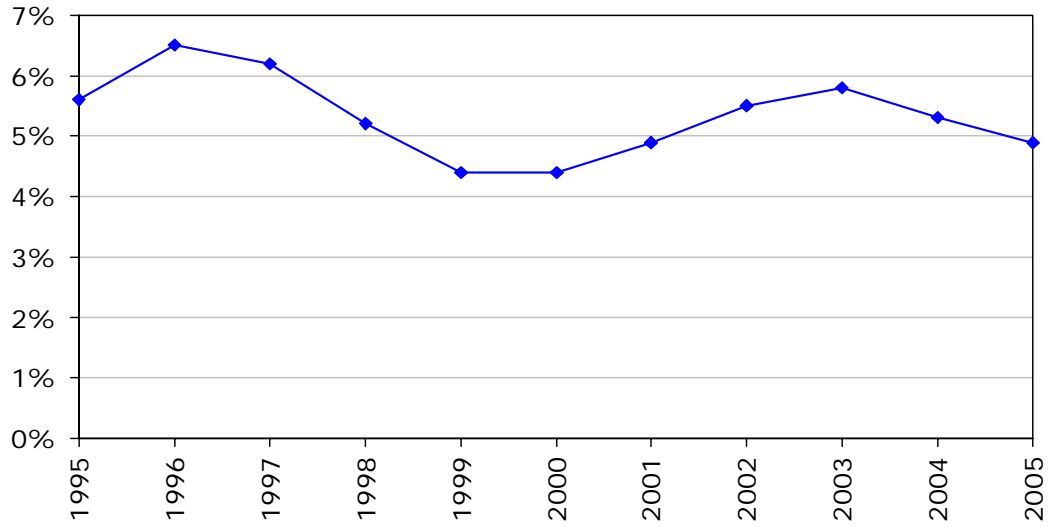
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Tyler MSA Distribution of Employment in Major Categories



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

Tyler MSA Unemployment Rate



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

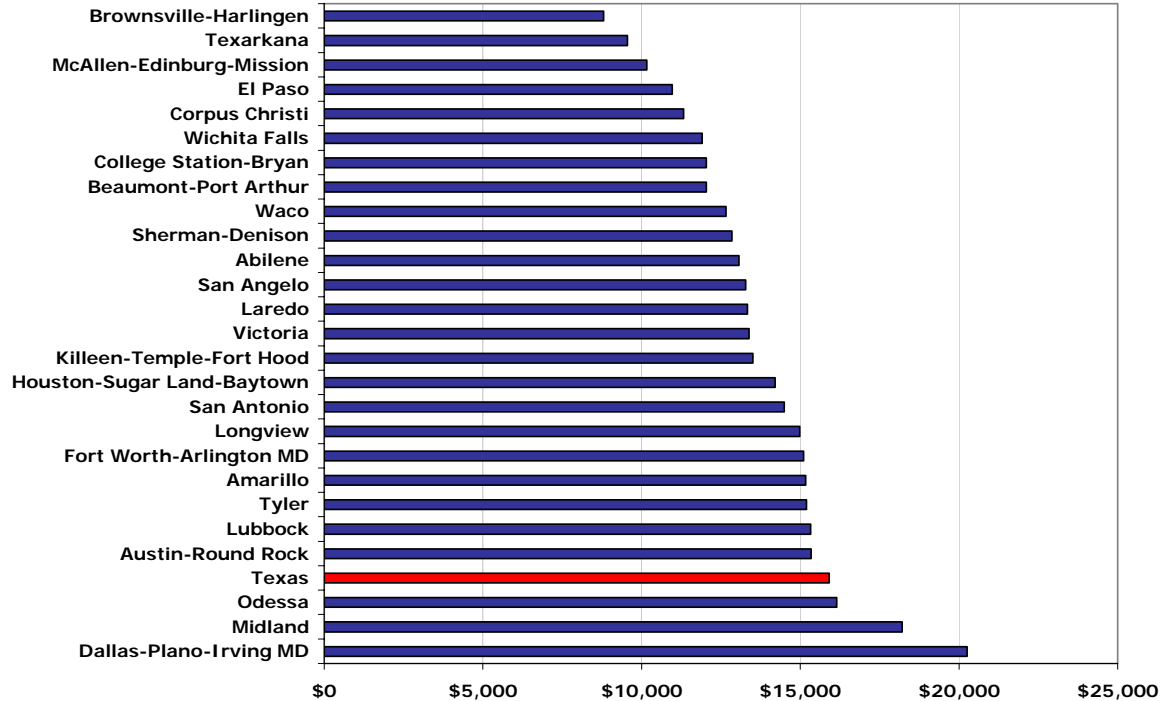
Tyler Market Overview 2006 Economy

Tyler MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$1,910,000,610	\$11,686
1996	\$1,979,648,405	\$11,919
1997	\$2,036,581,314	\$12,084
1998	\$2,214,711,557	\$12,949
1999	\$2,511,976,041	\$14,540
2000	\$2,586,577,685	\$14,805
2001	\$2,479,095,532	\$13,962
2002	\$2,503,866,572	\$13,851
2003	\$2,560,118,898	\$13,925
2004	\$2,757,582,919	\$14,793
2005	\$2,896,811,688	\$15,199
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Tyler Market Overview 2006 Infrastructure

Tyler Airline Boardings

Airport	2000	2001	2002	2003	2004	2005
Tyler Pounds Regional Airport						
Enplaned	74,563	63,834	55,578	60,284	70,549	84,461
Deplaned	70,402	58,916	54,530	58,773	68,741	80,708
Total	144,965	122,750	110,108	119,057	139,290	165,169

Source: Tyler Pounds Field Airport

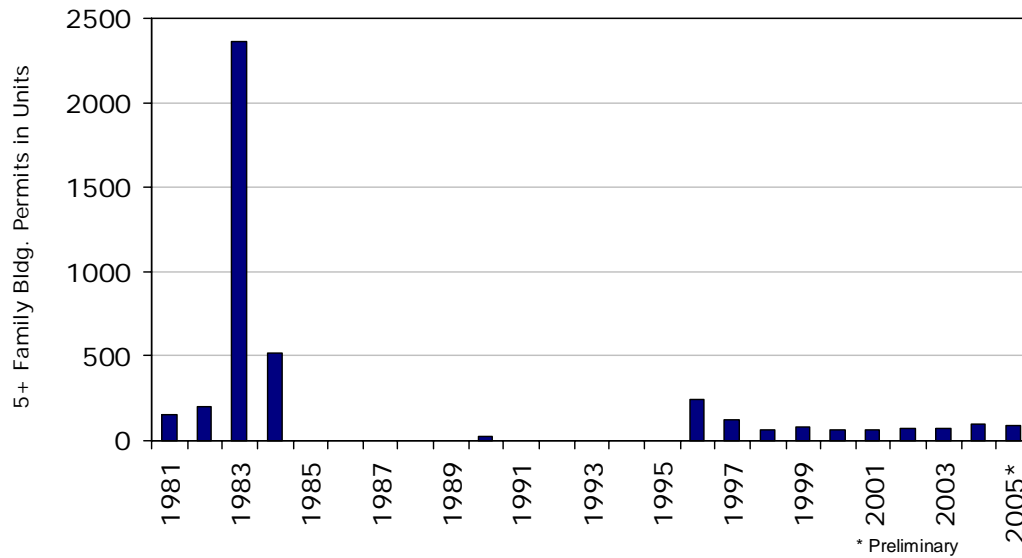
Tyler Market Overview 2006 Multifamily

Tyler Apartment Statistics 2005

	Tyler	Texas Metro Average
Average rent per square foot	\$0.64	\$0.78
Average rent for units built since 2000	\$0.51	\$0.89
Average occupancy (in percent)	94.8	91.4
Average occupancy for units built since 2000 (in percent)	96.3	93.1

Source: Apartment MarketData Research Jan-2006

Tyler MSA Multifamily Building Permits



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

Tyler 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**
Tyler	\$124,600	\$28,809	\$50,950	1.77	1.26
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, Tyler Area (in percent)

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	6.4	5.0	3.8	3.9	2.9	4.1	3.1
30,000 - 39,999	4.3	4.2	2.8	3.1	3.1	3.0	2.7
40,000 - 49,999	5.9	5.6	5.5	4.6	2.6	3.1	2.8
50,000 - 59,999	8.7	6.9	5.4	6.0	4.5	4.4	3.2
60,000 - 69,999	9.6	8.8	7.1	7.5	5.7	5.2	5.2
70,000 - 79,999	7.0	8.6	8.6	7.8	6.7	6.1	4.8
80,000 - 89,999	9.4	8.0	8.3	8.3	7.6	6.5	6.0
90,000 - 99,999	6.3	7.4	7.3	7.1	7.9	5.9	5.9
100,000 - 119,999	11.5	10.5	12.0	12.1	13.9	12.0	13.2
120,000 - 139,999	7.9	8.8	10.4	10.2	11.3	12.2	13.4
140,000 - 159,999	6.1	6.0	7.2	6.9	8.6	7.8	8.1
160,000 - 179,999	4.2	5.6	5.5	5.3	5.9	6.4	6.4
180,000 - 199,999	3.3	3.9	3.7	4.4	4.7	5.0	5.0
200,000 - 249,999	4.3	5.4	5.3	4.8	5.9	7.3	7.9
250,000 - 299,999	2.7	2.2	3.2	3.2	3.4	4.8	4.8
300,000 - 399,999	1.3	2.2	2.6	3.4	3.9	3.7	4.1
400,000 - 499,999	0.7	0.5	0.9	1.3	1.1	1.6	1.8
500,000 and more	0.3	0.6	0.5	0.2	0.5	0.8	1.7

Source: Real Estate Center at Texas A&M University

Home Sales, Tyler

Tyler	2002	2003*	2004	2005
Total Sales	2,076	2,113	2,960	3,331
Average Sales Price	\$124,400	\$133,700	\$140,600	\$149,700

*Dec-not available

Source: Real Estate Center at Texas A&M University

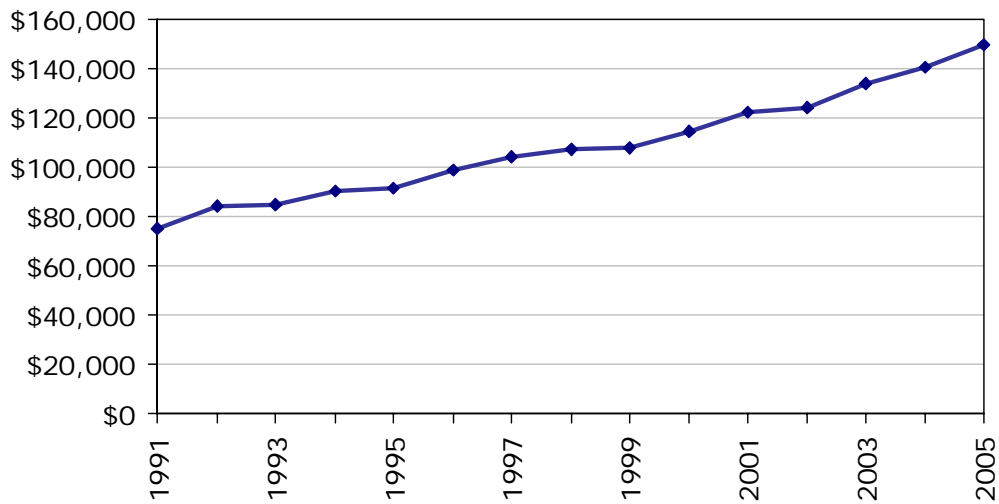
Property Tax Rates, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of Tyler	0.238375
Smith County	0.25447
Tyler Independent School District	1.5402
Total	\$2.03

* 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.

Source: Smith County Appraisal District

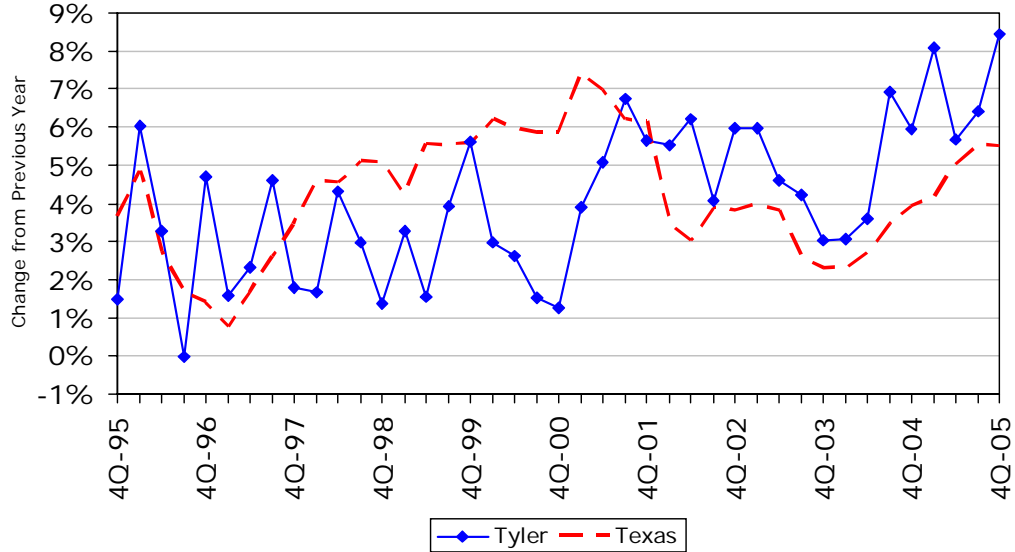
Average Sales Price of Single-Family Home
Tyler Area



Source: Real Estate Center at Texas A&M University

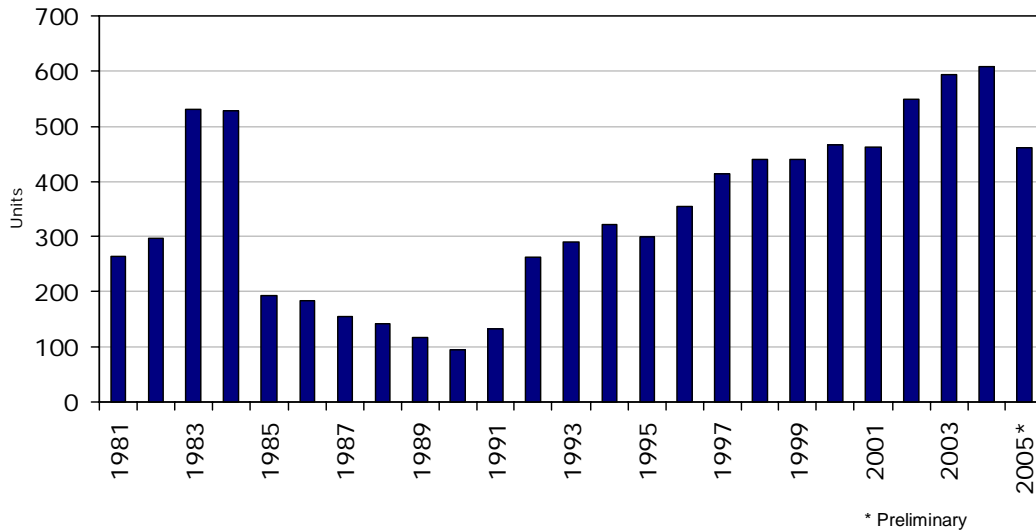
Home Price Appreciation Tyler MSA

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

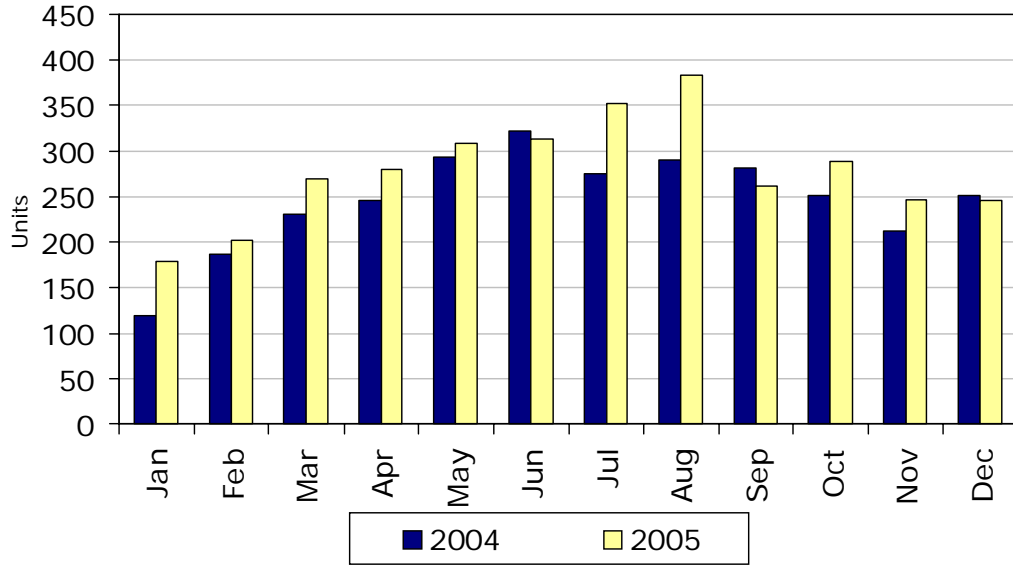
Tyler MSA Single-Family Building Permits (in units)



* Preliminary

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

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



Source: Real Estate Center at Texas A&M University

Tyler Market Overview 2006

Retail

Retail Statistics, September 2005

	Total
Total Space (SF)	2,354,624
Occupancy Rate (%)	92.3%
Average Rent (\$/SF)	\$11.61
Total Available Space (SF)	182,212

Source: Burns & Noble

Tyler Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Tyler	Texas	Tyler	Texas
# Rooms 000's	2.2	328.1	2.2	334.7
Average daily rate	\$56.33	\$70.39	\$58.90	\$74.26
Occupancy rate (in percent)	58.6	55.9	62.9	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

Tyler Market Overview 2006 Office

Tyler Office Market, September 2005

	Total Market Statistics	CBD/Downtown Market	Suburban/South Tyler Market
Number of buildings	45	15	30
Total square feet	2,022,703	804,186	1,218,517
Total vacant square feet	284,439	133,805	150,634
Overall occupancy rate (in percent)	85.9	83.3	87.6
Average annual rental rate per sq. ft.	\$12.10	\$10.98	\$12.64

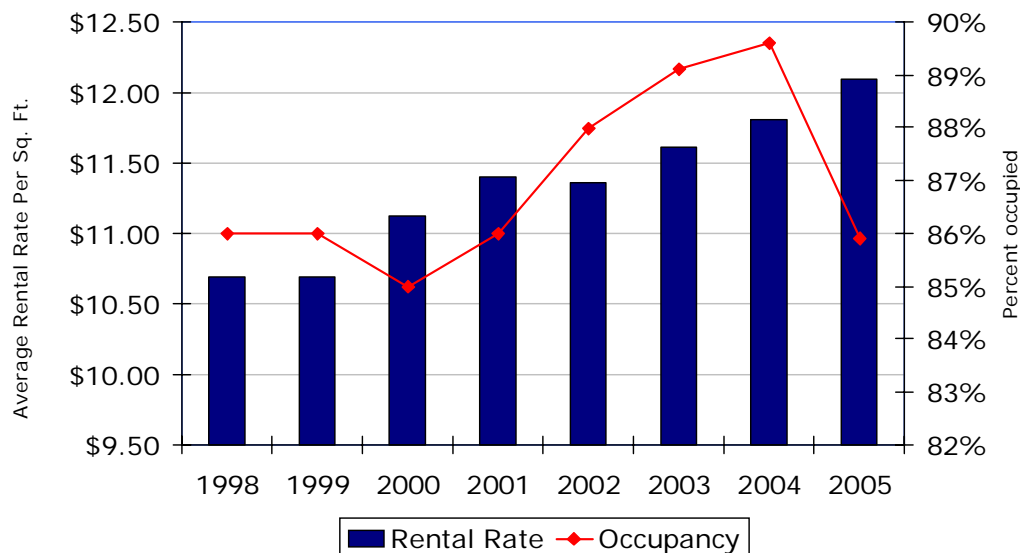
Source: Burns & Noble

Tyler Office Market Survey, September 2005

	Class A	Class B	Class C
Number of buildings	8	25	12
Total square feet	827,330	866,269	309,104
Total vacant square feet	103,522	125,912	55,005
Occupancy rate	87.40%	85.40%	82.20%
Average annual rental rate per sq. ft.	\$14.87	\$12.06	\$10.18

Source: Burns & Noble

**Office Total Market Trends
Rates & Occupancy
(Sept. to Sept.)**



Source: Burns & Noble

Tyler Office Market Survey, September 2005



Source: Burns & Noble



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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