

Real Estate Market Overview 2006

Victoria

Mid-Year Update

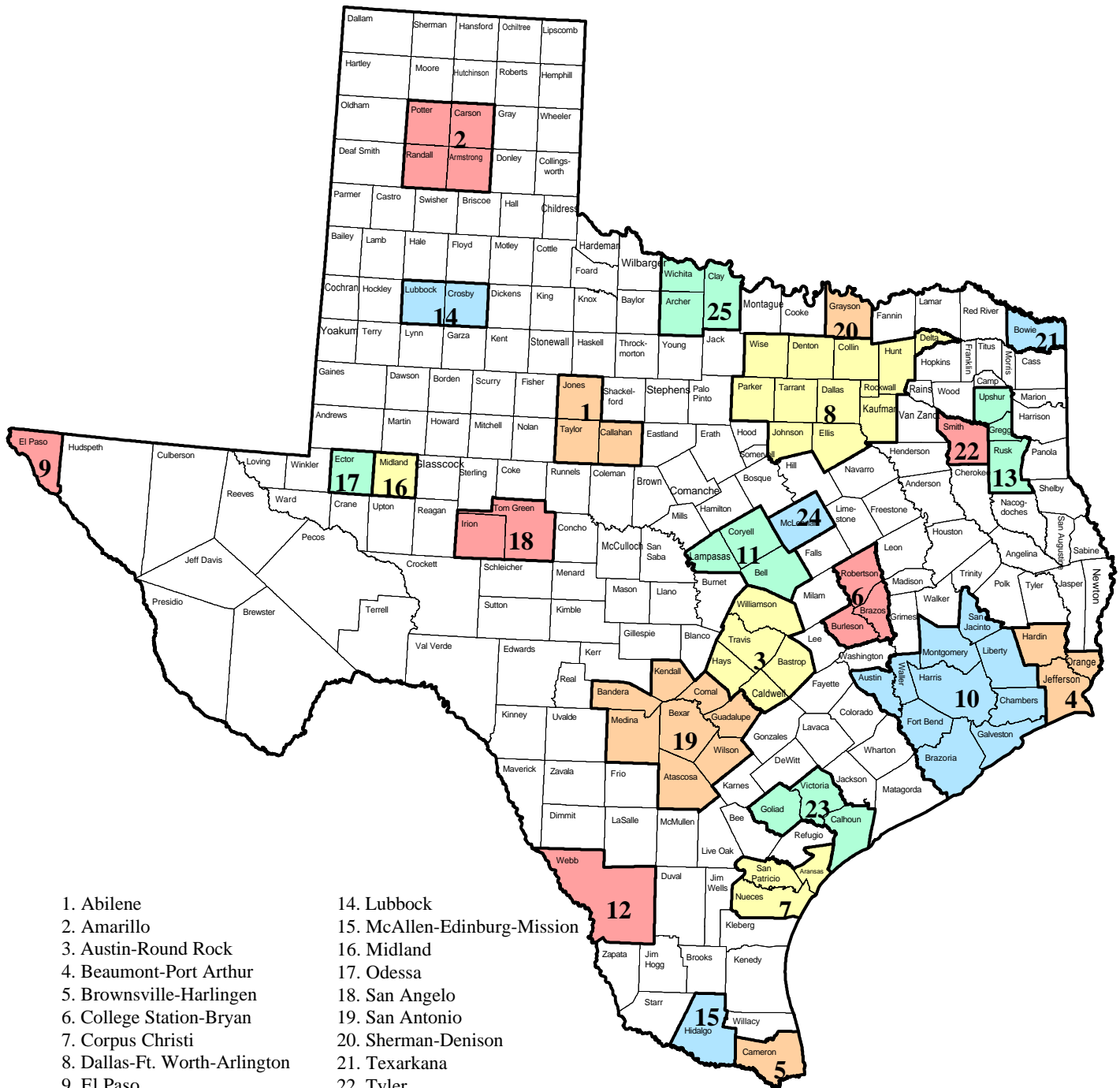
Victoria, the second oldest incorporated city in Texas, celebrated its 178th birthday in October 2002. More than 182,000 people live in the seven-county region known as the "Golden Crescent," which surrounds the Victoria Metropolitan Statistical Area (MSA). Calhoun, DeWitt, Lavaca, Gonzales, Jackson, Victoria and Goliad Counties are in this region. Victoria is known as the "Crossroads of the Coastal Bend" because of its proximity to major areas such as Austin, San Antonio, Corpus Christi, Port Lavaca and Houston, most of which are within 120 miles. More than seven million people live within a 150-mile radius of Victoria, which is 25 miles from the Gulf of Mexico.

Quick Facts	
Land Area	2,248.33 square miles
Population Density (2000)	49.7 people per square mile
Counties	Calhoun, Goliad, Victoria
Area Cities and Towns	
Bloomington, Dacosta, Goliad, Inez, McFaddin, Mission Valley, Nursery, Placedo, Point Comfort, Port Lavaca, Port O'Connor, Seadrift, Telferner, Victoria	

*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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Victoria Market Overview 2006 Demographics

Victoria MSA Population

Year	Population	Percent Change
1995	107,413	-
1996	108,636	1.1%
1997	109,417	0.7%
1998	110,758	1.2%
1999	111,409	0.6%
2000	111,663	0.2%
2001	112,491	0.7%
2002	112,604	0.1%
2003	112,995	0.3%
2004	113,450	0.4%
2005*	113,356	-0.1%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995 - 2005* (in percent)
Calhoun	20,608	20,606	0.0
Goliad	6,159	7,102	15.3
Victoria	80,646	85,648	6.2

* 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

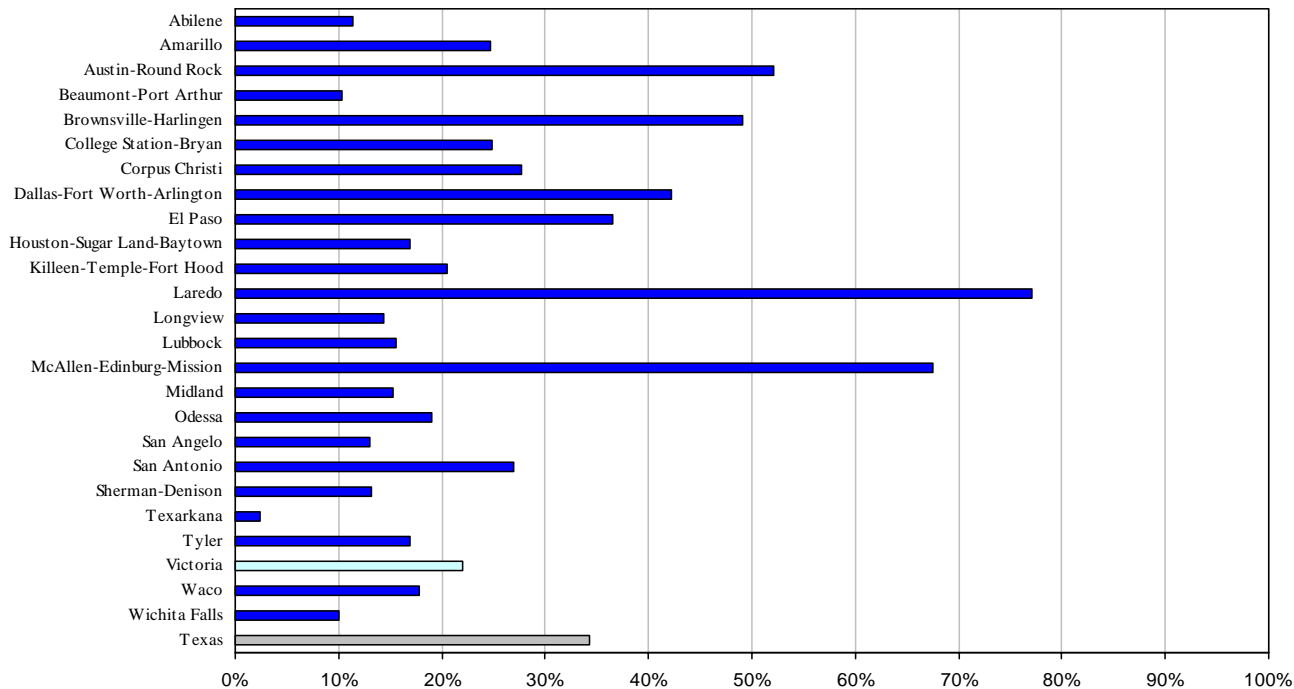
Source: U.S. Census Bureau

Victoria MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	111,663	111,663
2005	117,772	-
2010	124,036	124,716
2015	130,496	-
2020	136,297	138,605
2025	141,351	-
2030	145,889	150,833
2035	149,917	-
2040	153,510	160,809

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

	Victoria MSA	Texas
Average household size (2000)	2.75	2.74
Population younger than 18 (2000, in percent)	29.1	28.2
Population 65 and older (2000, in percent)	12.0	9.9

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

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

	Victoria MSA	Texas
White	74.2	71.0
Black	6.3	11.5
Asian	0.8	2.7
American Indian	0.5	0.6
Other	15.9	11.7
Two or more races	2.2	2.5
Hispanic (of any race)	39.2	32.0

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

In-Migration for Victoria MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Calhoun County	733	196	-	15,299
Goliad County	556	47	-	7,495
Victoria County	2,830	612	18	62,349

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

Out-Migration for Victoria MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Calhoun County	857	145	-	15,299
Goliad County	595	58	-	7,495
Victoria County	3,151	655	25	62,349

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

Top Five In-Migration Destinations, Victoria MSA, 2003

From US - Same State		From US - Different State	
To Calhoun County			
Victoria County	168	-	-
Harris County	75	-	-
Jackson County	49	-	-
Bexar County	32	-	-
Matagorda County	31	-	-
To Goliad County			
Victoria County	293	-	-
Bee County	29	-	-
De Witt County	22	-	-
-	-	-	-
-	-	-	-
To Victoria County			
Goliad County	301	-	-
Harris County	240	-	-
Calhoun County	229	-	-
Jackson County	206	-	-
De Witt County	179	-	-

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

Top Five Out-Migration Destinations, Victoria, 2003

To US - Same State		To US - Different State	
From Calhoun County			
Victoria County	229	-	-
Jackson County	68	-	-
Harris County	64	-	-
Bexar County	43	-	-
Nueces County	36	-	-
From Goliad County			
Victoria County	301	-	-
Bee County	31	-	-
Harris County	20	-	-
-	-	-	-
-	-	-	-
From Victoria County			
Harris County	330	San Diego County, CA	17
Goliad County	293	Maricopa County, AZ	14
De Witt County	206	-	-
Bexar County	191	-	-
Nueces County	177	-	-

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

Victoria Market Overview 2006

Education

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

Level of Education	Calhoun County	Goliad County	Victoria County	Texas
High school graduate	33.1	29.6	29.1	24.8
Some college, no degree	19.3	25.0	24.6	22.4
Associate's degree	4.6	5.5	6.3	5.2
Bachelor's degree	8.1	8.4	11.0	15.6
Graduate or professional degree	4.0	3.9	5.3	7.6

Source: U.S. Census Bureau, 2000 (2003 definition)

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

Level of Education	Victoria MSA	Texas
High School Graduate or Higher	76.2	79.2
Bachelor's Degree or Higher	16.2	23.9

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

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
University of Houston-Victoria	1,698	1,927	2,183	2,441	2,418	2,408
Victoria College	4,021	4,006	4,028	4,241	4,034	3,980

* Preliminary

Sources: Texas Higher Education Coordinating Board

Victoria Market Overview 2006 Employment

Top Ten Employers

Employer	Sector	Employees
Victoria Independent School District	Education	2,215
The Inteplast Group	Plastic products	1,700
Formosa Plastic	Petrochemical-plastics	1,500
Citizens Medical Center	Hospital	1,250
DeTar Healthcare System	Hospital	1,004
Dow - Seadrift Operations	Petrochemical	660
Alcoa	Aluminum/Alumina	630
City of Victoria	Government	609
Calhoun ISD	Education	600
Victoria County	Government	550

Source: Victoria Economic Development Corporation Jan-2006

Top Ten Private Employers

Employer	Sector	Employees
The Inteplast Group	Plastic products	1,700
Formosa Plastic	Petrochemical-plastics	1,500
Citizens Medical Center	Hospital	1,250
DeTar Healthcare System	Hospital	1,004
Dow - Seadrift Operations	Petrochemical	660
Alcoa	Aluminum/Alumina	630
HEB	Grocery	500
Invista	Petrochemical	500
Kaspar Wireworks	Metalworks	500
Wal-Mart SuperCenter	Retail	500

Source: Victoria Economic Development Corporation Jan-2006

Employment Growth by Industry

	Victoria MSA	Texas
Employment growth 2005 (in percent)	3.4	2.5
Unemployment rate 2005 (in percent)	4.8	5.3
Net job change in 2005	1,600	237,900
<u>Employment growth by sector 2005 (in percent)</u>		
Natural Resources, Mining, and Construction	4.9	4.9
Manufacturing	-1.7	0.9
Trade, Transportation, and Utilities	3.2	2.4
Information	-14.3	-0.7
Financial Activities	5.0	2.3
Professional and Business Services	21.4	5.3
Educational and Health Services	6.5	2.9
Leisure and Hospitality	2.4	2.5
Government	2.4	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

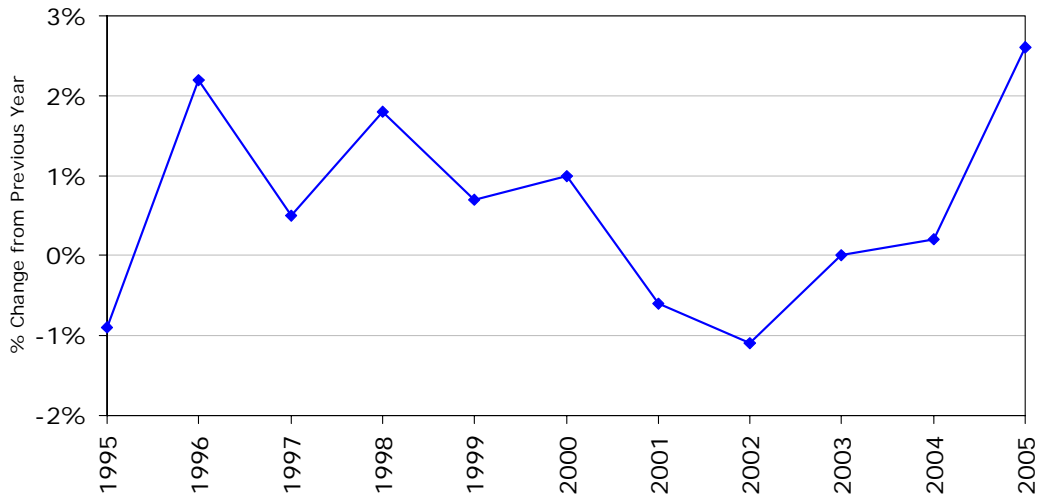
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Victoria MSA Employment

Year	Employment	Percent Change
1995	50,417	-0.9
1996	51,542	2.2
1997	51,778	0.5
1998	52,718	1.8
1999	53,075	0.7
2000	53,609	1.0
2001	53,305	-0.6
2002	52,743	-1.1
2003	52,740	0.0
2004	52,847	0.2
2005	54,216	2.6

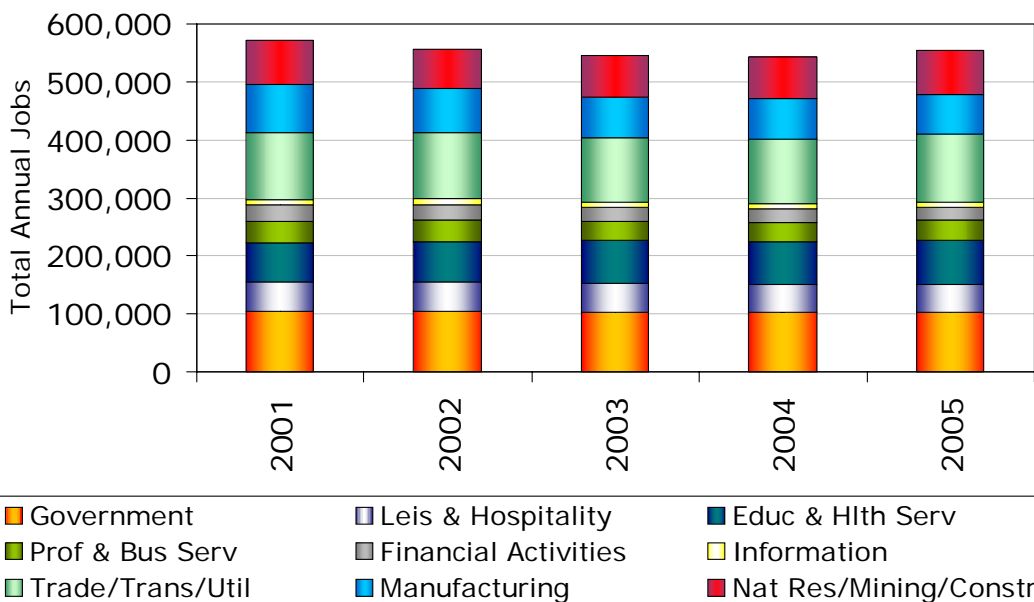
Source: U.S. Bureau of Labor Statistics

Victoria MSA Employment Growth



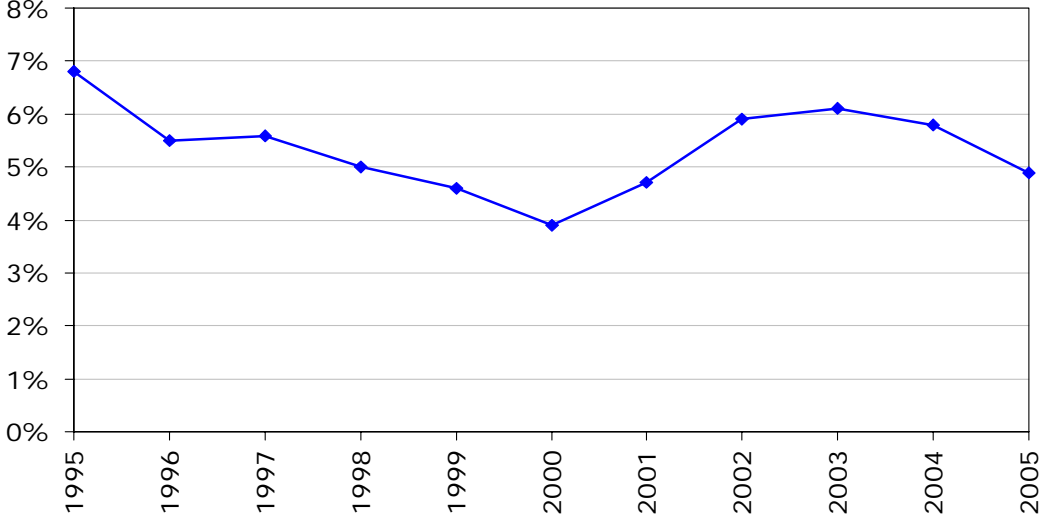
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Victoria MSA Distribution of Employment in Major Categories



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

**Victoria MSA
Unemployment Rate**



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

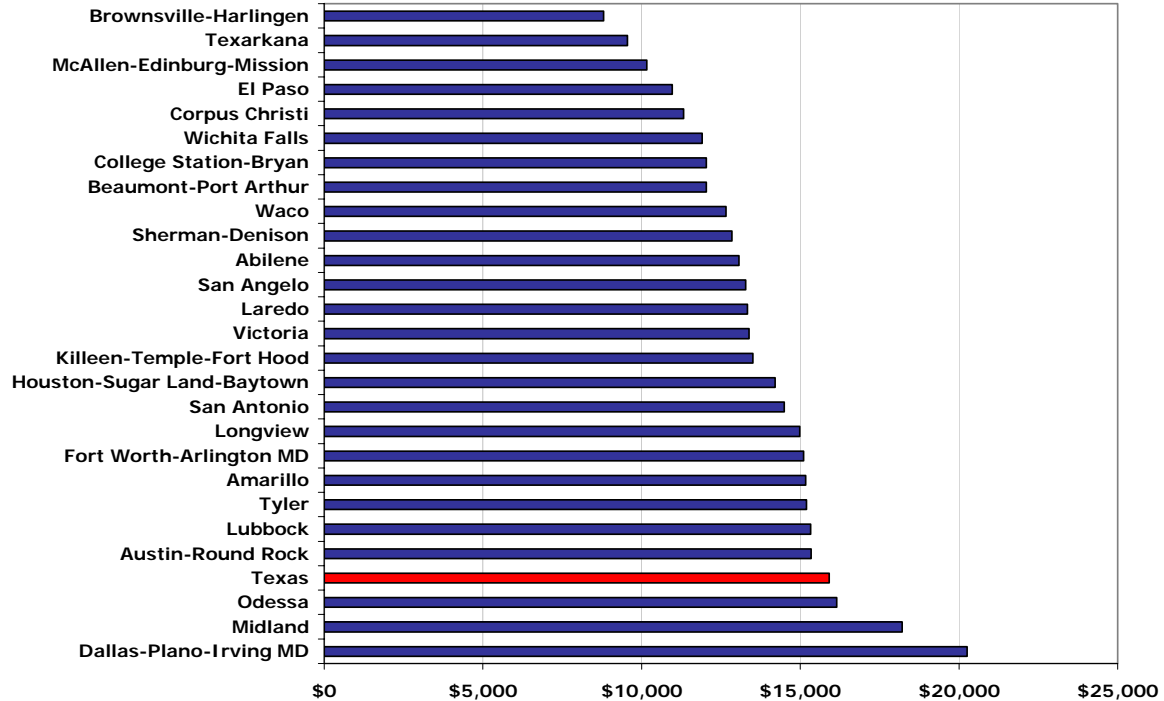
Victoria Market Overview 2006 Economy

Victoria MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$997,964,489	\$9,291
1996	\$1,066,953,655	\$9,821
1997	\$1,080,546,894	\$9,875
1998	\$1,131,779,115	\$10,218
1999	\$1,193,153,857	\$10,710
2000	\$1,271,156,242	\$11,384
2001	\$1,306,455,929	\$11,614
2002	\$1,272,962,785	\$11,305
2003	\$1,326,510,567	\$11,740
2004	\$1,436,776,660	\$12,664
2005	\$1,516,778,047	\$13,381
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Victoria Market Overview 2006 Infrastructure

Victoria Airline Boardings

Victoria Regional Airport	2000	2001	2002	2003	2004	2005
Enplaned	19,467	16,356	14,505	12,256	11,529	11,314

Source: Victoria Regional Airport

Airport Cargo Statistics (pounds)

Airport	2000	2001	2002	2003	2004	2005
Victoria Regional Airport	528,976	487,210	396,737	392,590	497,576	541,497

Source: Victoria Regional Airport

Port of Port Lavaca/Point Comfort Port Arrivals*

	2000	2001	2002	2003	2004	2005
Barge and ship arrivals	782	739	752	1,003	997	1,181

*Fiscal year

Source: Calhoun County Navigation District

Port of Victoria Statistics - 2004*

Port Activity	
Total Barges Inbound	2,870
Total Barges Outbound	2,841
Total Number of Barges	5,711
Chemicals (short tons)	2,045,878
Farm Products (short tons)	477,789
Sand and Gravel (short tons)	2,764,532
Total Tonnage (short tons)	5,288,199
Rail Traffic (barrels)	228,205

* 2005 data not available

Source: Port of Victoria

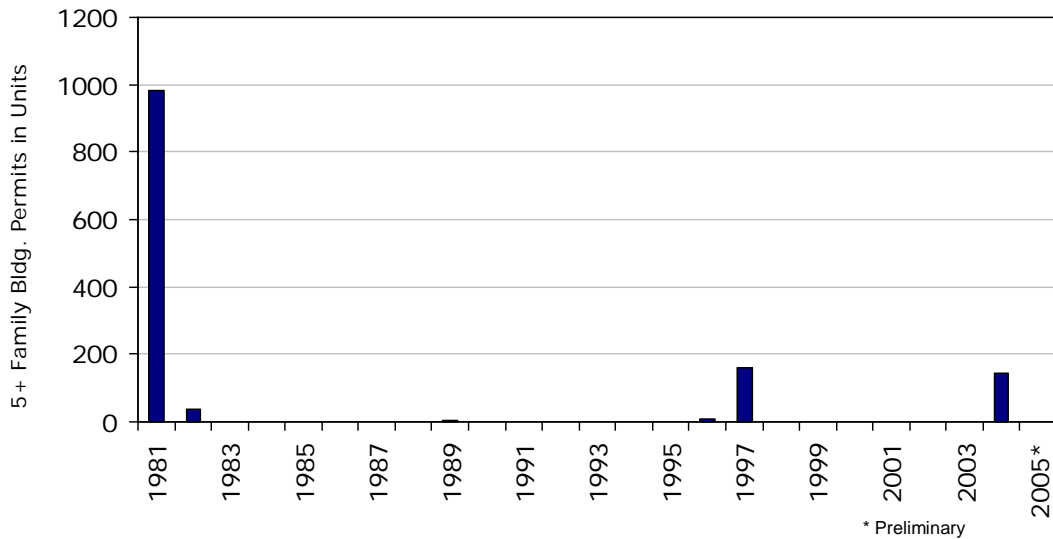
Victoria Market Overview 2006 Multifamily

Victoria Apartment Statistics 2005

	Victoria	Texas Metro Average
Average rent per square foot	\$0.60	\$0.78
Average rent for units built since 2000	\$0.53	\$0.89
Average occupancy (in percent)	92.5	91.4
Average occupancy for units built since 2000 (in percent)	100.0	93.1

Source: Apartment MarketData Research Jan-2006

Victoria MSA Multifamily Building Permits



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

Victoria 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**
Victoria	\$101,900	\$23,561	\$53,000	2.25	-
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, Victoria Area (in percent)

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	3.1	4.4	3.7	3.8	3.6	1.8	3.2
30,000 - 39,999	5.8	5.7	4.6	5.4	3.8	2.3	2.2
40,000 - 49,999	7.4	6.4	6.1	7.1	4.5	4.3	4.0
50,000 - 59,999	7.1	7.2	5.6	8.8	7.5	5.3	4.9
60,000 - 69,999	11.7	9.4	11.2	8.3	7.7	7.1	4.9
70,000 - 79,999	14.4	11.8	13.1	9.4	9.3	11.5	7.3
80,000 - 89,999	12.3	12.2	11.1	8.9	11.6	10.7	9.9
90,000 - 99,999	8.3	9.4	9.4	8.3	7.8	8.4	12.5
100,000 - 119,999	11.8	11.5	9.6	11.5	12.2	13.7	13.4
120,000 - 139,999	6.8	7.1	7.9	7.9	10.3	10.7	14.2
140,000 - 159,999	4.0	3.8	6.6	6.9	6.2	7.9	6.1
160,000 - 179,999	2.8	4.1	4.5	2.7	4.4	6.1	4.5
180,000 - 199,999	1.0	2.3	2.2	3.3	3.3	2.4	3.9
200,000 - 249,999	2.3	2.4	2.2	4.5	4.8	4.2	4.1
250,000 - 299,999	0.9	1.4	1.4	1.7	1.8	1.9	2.7
300,000 - 399,999	0.3	1.0	0.4	1.2	1.2	0.8	1.3
400,000 - 499,999	0.0	0.0	0.4	0.3	0.0	0.7	0.6
500,000 and more	0.0	0.0	0.0	0.2	0.0	0.1	0.2

Source: Real Estate Center at Texas A&M University

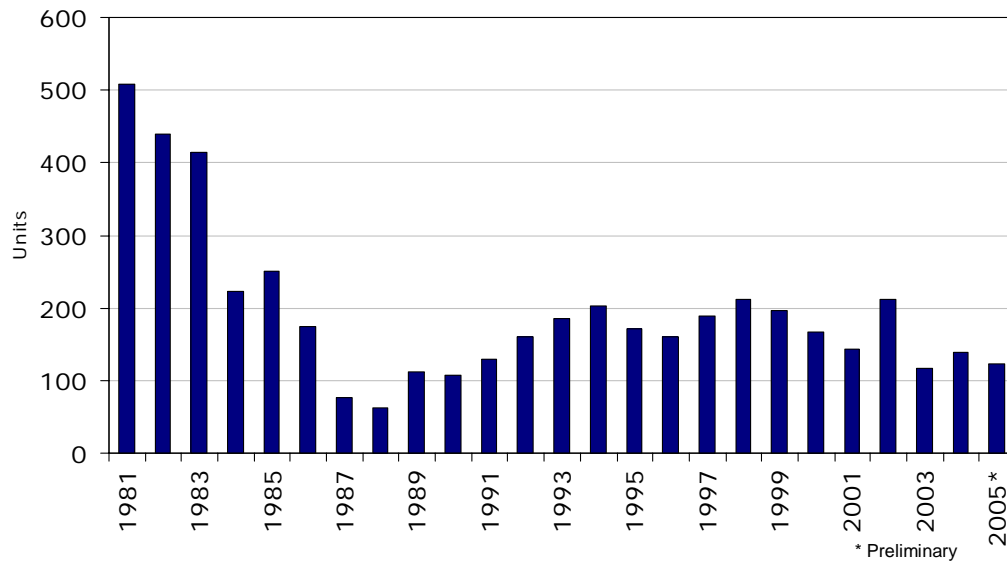
Property Tax Rates, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of Victoria	0.69
Victoria ISD	1.5535
Victoria County	0.3486
Total	\$2.59

* 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.victoriacountytx.org/departments/tax/rates.htm>

Source: Victoria County Appraisal District

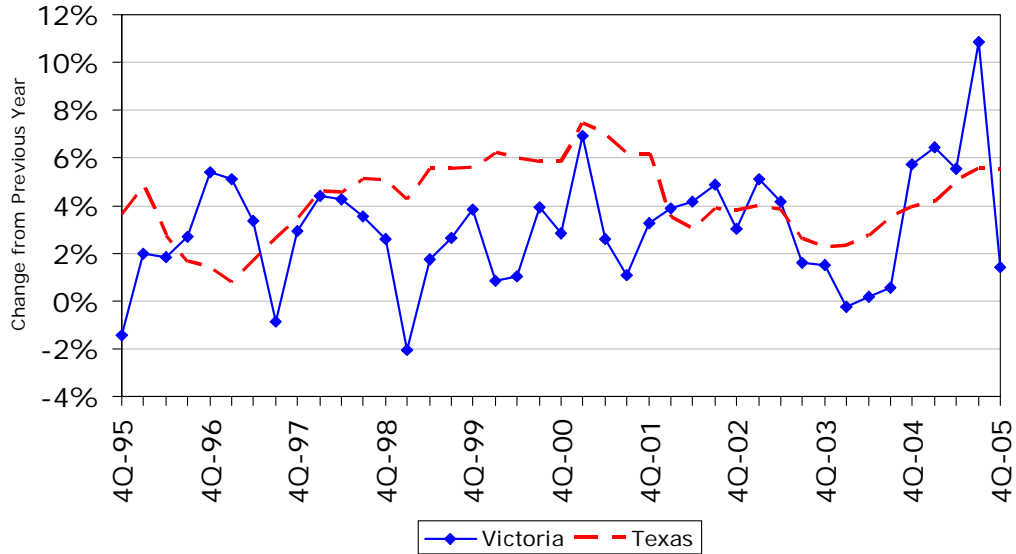
Victoria MSA Single-Family Building Permits



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

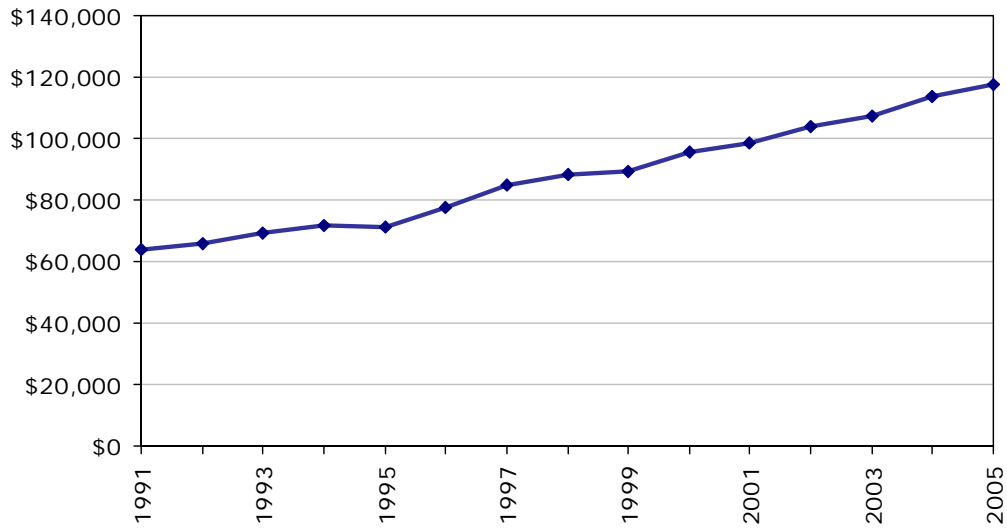
Home Price Appreciation Victoria MSA

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.



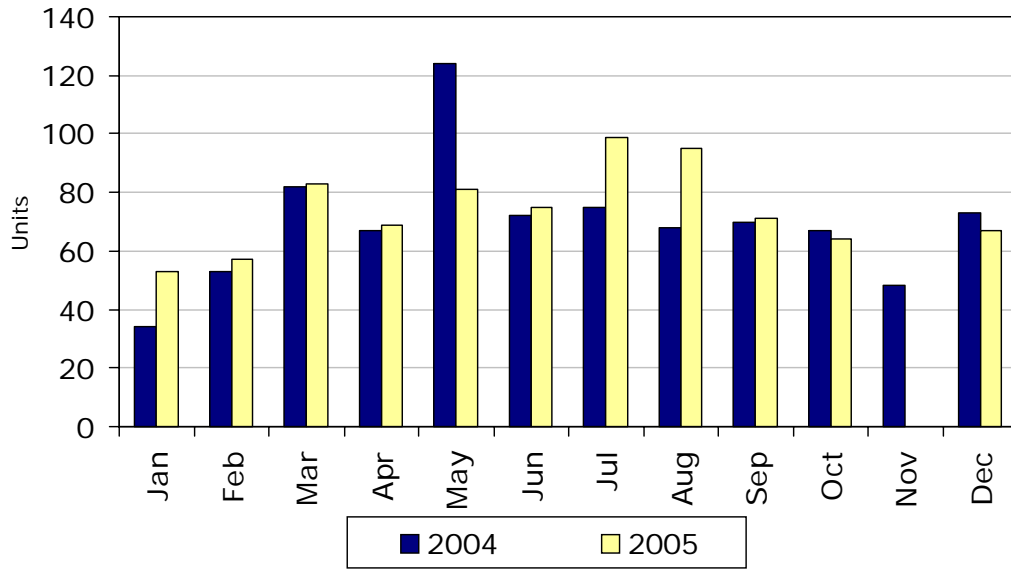
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Victoria Area



Source: Real Estate Center at Texas A&M University

Single-Family Home Sales Volume Victoria Area



Source: Real Estate Center at Texas A&M University

Victoria Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Victoria	Texas	Victoria	Texas
# Rooms 000's	1.6	328.1	1.7	334.7
Average daily rate	\$50.16	\$70.39	\$53.24	\$74.26
Occupancy rate (in percent)	51.9	55.9	54.2	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

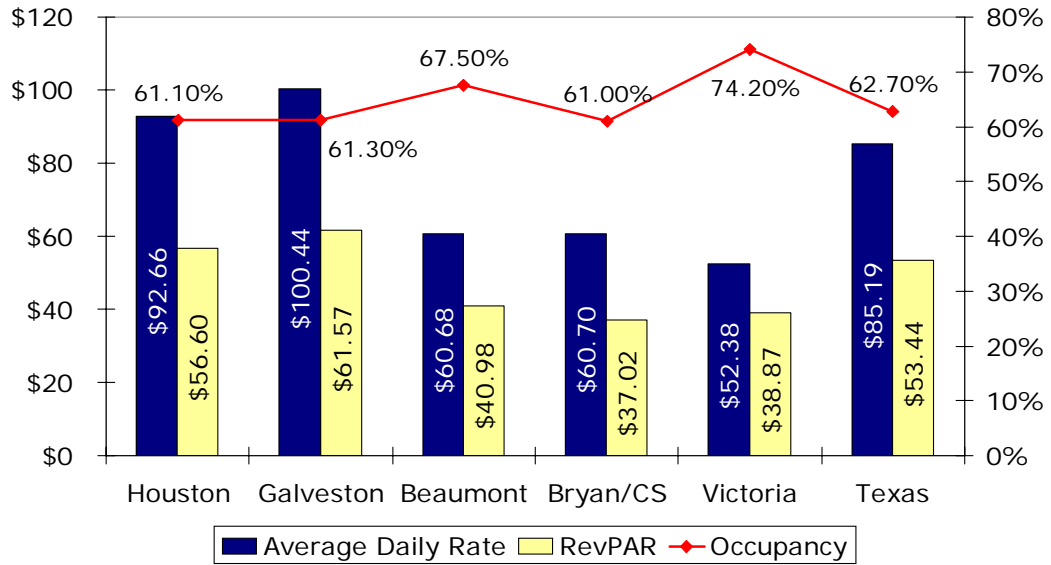
Trends in the Hotel Industry*

Market	Occupancy		Average Daily Rate		RevPAR	
	2004	2003	2004	2003	2004	2003
Houston	61.1%	60.2%	\$92.66	\$87.96	\$56.60	\$52.97
Galveston	61.3%	65.3%	\$100.44	\$94.72	\$61.57	\$61.85
Beaumont	67.5%	61.5%	\$60.68	\$58.26	\$40.98	\$35.83
Bryan / CS	61.0%	55.8%	\$60.70	\$60.58	\$37.02	\$33.82
Victoria	74.2%	88.6%	\$52.38	\$59.31	\$38.87	\$52.55
Texas	62.7%	60.4%	\$85.19	\$84.11	\$53.44	\$50.84

* 2005 data not available

Source: PKF Consulting

**Trends in the Hotel Industry*
 Year-End 2004**



Source: PKF Consulting

* 2005 data
 not available



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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