

Real Estate Market Overview 2006

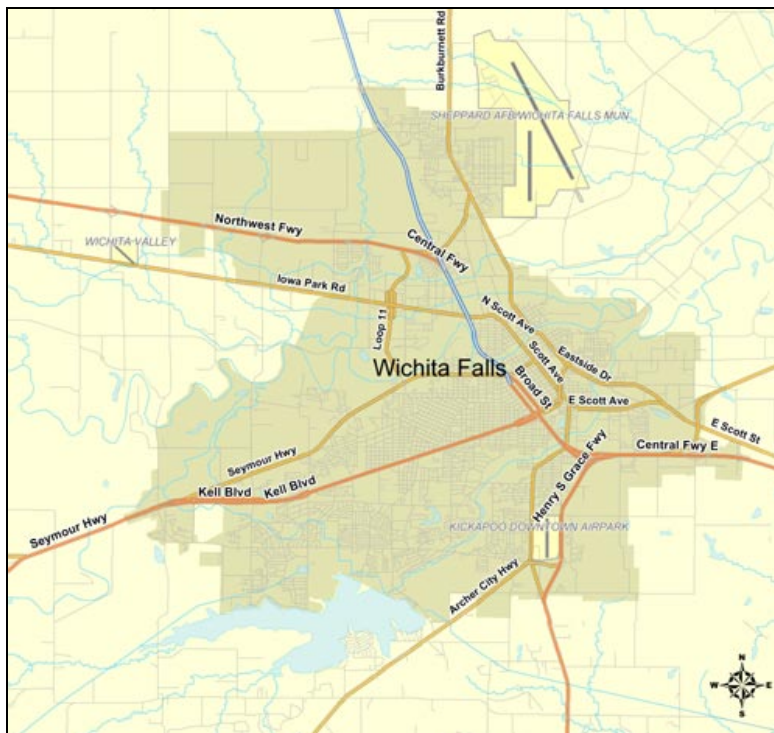
Wichita Falls

Mid-Year Update

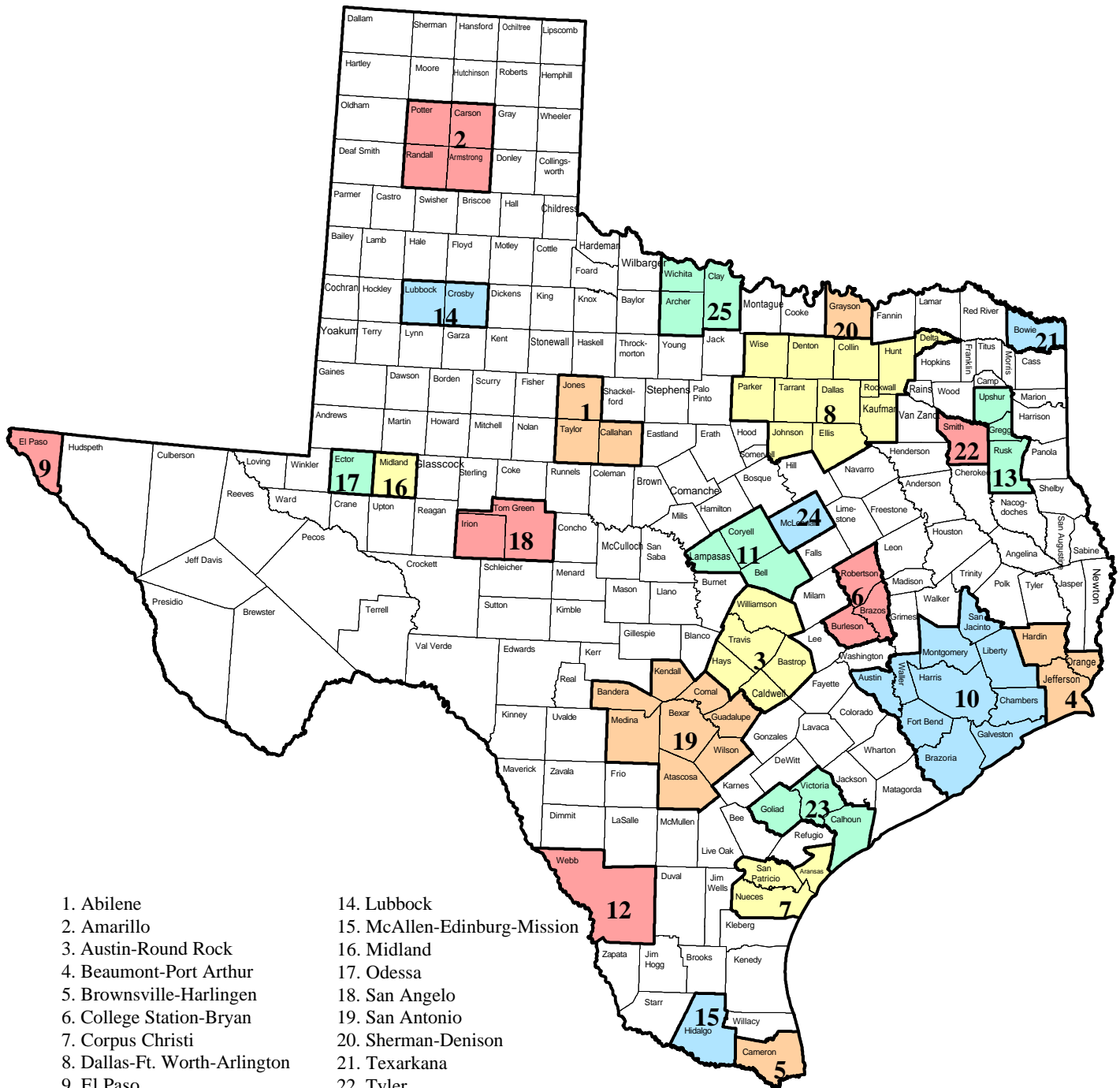
The Wichita Falls Metropolitan Statistical Area (MSA) in North Texas is composed of Archer, Clay and Wichita counties. A population of more than 378,106 lives within the 60-mile radius trading area. Wichita Falls covers 62.5 square miles, is 15 miles from the Red River and Oklahoma border and is equidistant from Dallas-Fort Worth and Oklahoma City. Wichita Falls is located just 20 miles from the exact center of the United States. The City of Wichita Falls received its name from a Wichita Indian encampment near a small Wichita River waterfall that was washed away in an 1886 flood; in 1986, a 54-foot replacement waterfall was built. Wichita Falls is also the birthplace of Larry McMurry, author of Lonesome Dove and Terms of Endearment.

Quick Facts	
Land Area	2,635.18 square miles
Population Density (2000)	57.5 people per square mile
Counties (2003 MSA definition)	Archer, Clay, Wichita
Area Cities and Towns	
Archer City, Burkburnett, Dundee, Electra, Henrietta, Holliday, Iowa Park, Jolly, Mankins, Megrigel, Scotland, Wichita Falls	

*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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Wichita Falls Market Overview 2006 Demographics

Wichita Falls MSA Population

Year	Population	Percent Change
1995	147,740	-
1996	151,170	2.3%
1997	151,480	0.2%
1998	151,206	-0.2%
1999	151,374	0.1%
2000	151,524	0.1%
2001	149,342	-1.5%
2002	148,974	-0.2%
2003	148,657	-0.2%
2004	147,826	-0.6%
2005*	146,276	-1.1%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995 - 2005* (in percent)
Archer	8,224	9,095	10.6
Clay	10,214	11,287	10.5
Wichita	129,302	125,894	-2.6

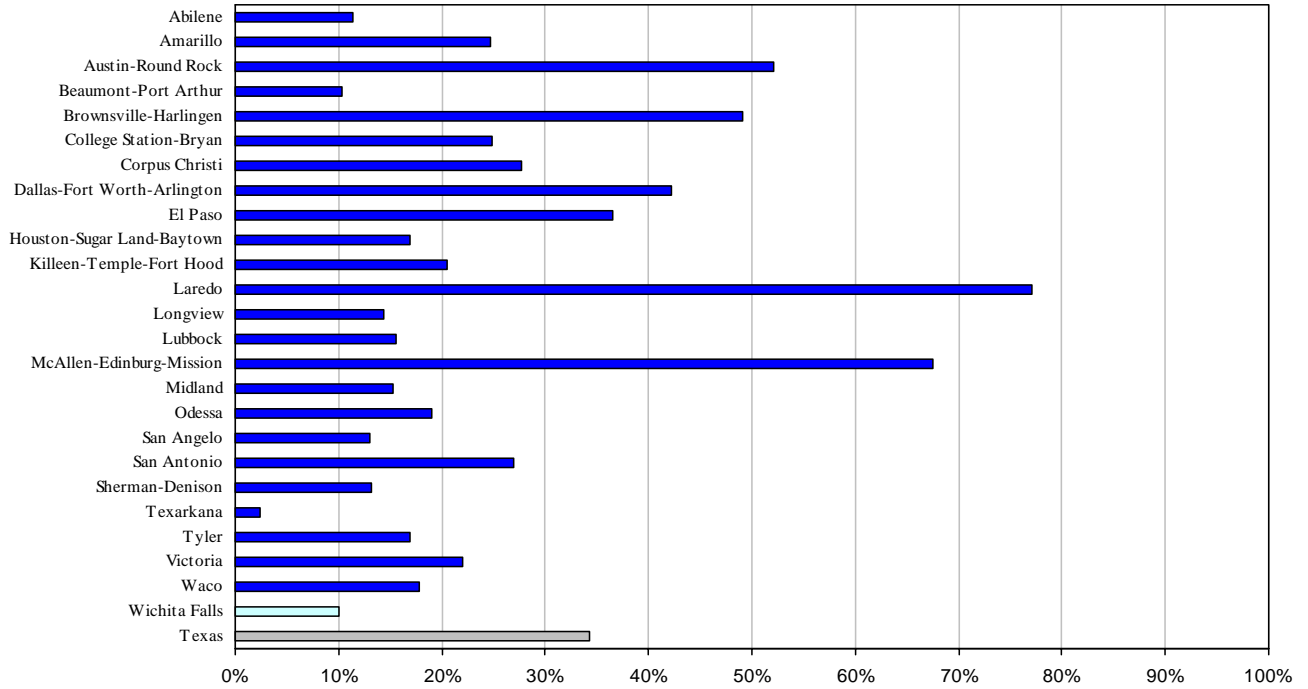
* July 1, 2005 population estimates

Wichita Falls MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	151,524	151,524
2005	155,789	-
2010	159,822	159,123
2015	163,411	-
2020	166,647	166,046
2025	169,098	-
2030	170,801	170,471
2035	171,859	-
2040	172,370	172,191

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)

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

Household Composition

	Wichita Falls MSA	Texas
Average household size (2000)	2.50	2.74
Population younger than 18 (2000, in percent)	25.3	28.2
Population 65 and older (2000, in percent)	12.8	9.9

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

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

	Wichita Falls MSA	Texas
White	79.8	71.0
Black	9.6	11.5
Asian	1.7	2.7
American Indian	0.9	0.6
Other	5.3	11.7
Two or more races	2.6	2.5
Hispanic (of any race)	11.8	32.0

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

In-Migration for Wichita Falls MSA, 2003

To	From			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Archer County	606	100	-	7,003
Clay County	593	99	-	8,050
Wichita County	3,087	4,504	574	86,976

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

Out-Migration for Wichita Falls MSA, 2003

From	To			Non-Migrants
	US - Same State	US - Different State	Foreign Country	
Archer County	510	81	-	7,003
Clay County	606	149	-	8,050
Wichita County	3,517	5,513	671	86,976

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

Top Five In-Migration Destinations, Wichita Falls MSA, 2003

From US - Same State		From US - Different State	
To Archer County			
Wichita County	393	-	-
Clay County	22	-	-
Young County	17	-	-
-	-	-	-
-	-	-	-
To Clay County			
Wichita County	337	-	-
Montague County	32	-	-
Archer County	31	-	-
-	-	-	-
-	-	-	-
To Wichita County			
Clay County	361	Okaloosa County, FL	118
Archer County	302	Comanche County, OK	114
Tarrant County	259	Maricopa County, AZ	79
Dallas County	211	Fairbanks North Star County, AK	78
Wilbarger County	130	Solano County, CA	75

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

Top Five Out-Migration Destinations, Wichita Falls, 2003

To US - Same State		To US - Different State	
From Archer County			
Wichita County	302	-	-
Clay County	31	-	-
Tarrant County	26	-	-
-	-	-	-
-	-	-	-
From Clay County			
Wichita County	361	-	-
Montague County	42	-	-
Archer County	22	-	-
Tarrant County	13	-	-
-	-	-	-
From Wichita County			
Archer County	393	Okaloosa County, FL	223
Tarrant County	363	Clark County, NV	139
Clay County	337	Pima County, AZ	123
Bexar County	243	Maricopa County, AZ	119
Dallas County	219	Wayne County, NC	111

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

Wichita Falls Market Overview 2006 Education

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

Level of Education	Archer County	Clay County	Wichita County	Texas
High school graduate	36.0	39.6	29.8	24.8
Some college, no degree	26.1	22.3	24.2	22.4
Associate's degree	3.0	4.6	5.9	5.2
Bachelor's degree	11.8	11.1	14.3	15.6
Graduate or professional degree	4.1	2.8	5.7	7.6

Source: U.S. Census Bureau, 2000 Census

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

Level of Education	Wichita Falls MSA	Texas
High School Graduate or Higher	80.0	79.2
Bachelor's Degree or Higher	19.7	23.9

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

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Midwestern State University	5,812	5,960	6,157	6,420	6,257	6,268

* Preliminary

Source: Texas Higher Education Coordinating Board

Wichita Falls Market Overview 2006 Employment

Top Ten Employers

Employer	Sector	Employees
Sheppard Air Force Base*	Military	9,071
Wichita Falls Independent School District	Public school system	2,039
North Texas State Hospital - both campuses	Mental health - mental rehabilitation	2,016
United Regional Healthcare System	Health care	1,871
James V Allred Unit**	State maximum security prison	1,120
City of Wichita Falls	City government	1,096
Howmet Corp WF Casting Division	Gas turbines, engine components	960
Vetrotex America Div of Saint-Gobain	Fiberglass reinforcements	888
Cingular Wireless	Customer service	787
Cryovac Division-Sealed Air Corp both plants	Flexible packaging	750

*As of Sept-2005

**As of March-2005

Source: Wichita Falls Board of Commerce and Industry March-2006

Top Ten Private Employers

Employer	Sector	Employees
United Regional Healthcare System	Health care	1,871
Howmet Corp WF Casting Division	Gas turbines, engine components	960
Vetrotex America Div of Saint-Gobain	Fiberglass reinforcements	888
Cingular Wireless	Customer service	787
Cryovac Division-Sealed Air Corp both plants	Flexible packaging	750
Work Services Corp.	Wood Products	510
Lear Seigler Service Inc.	Aircraft maintenance	485
Wal-Mart Lawrence Road	Retail	450
PPG Industries	Flat glass products	385
BlueCross/Blue Shield	Customer service/claims processing	370

Source: Wichita Falls Board of Commerce and Industry March-2006

Employment Growth by Industry

	Wichita Falls MSA	Texas
Employment growth 2005 (in percent)	1.2	2.5
Unemployment rate 2005 (in percent)	4.6	5.3
Net job change in 2005	700	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	6.1	4.9
Manufacturing	4.1	0.9
Trade, Transportation, and Utilities	0.9	2.4
Information	-6.2	-0.7
Financial Activities	0.0	2.3
Professional and Business Services	-5.9	5.3
Educational and Health Services	3.1	2.9
Leisure and Hospitality	-1.8	2.5
Government	0.7	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

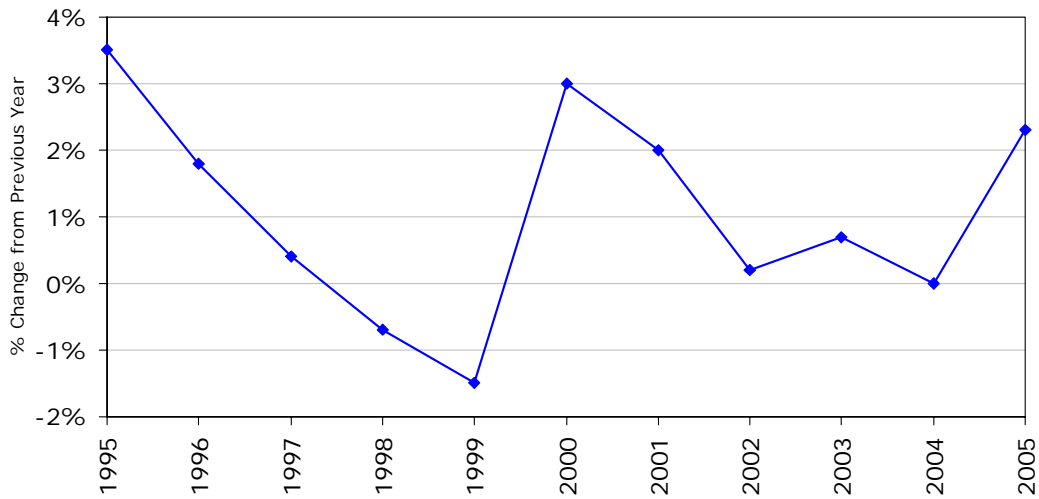
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Wichita Falls MSA Employment

Year	Employment	Percent Change
1995	66,582	3.5
1996	67,802	1.8
1997	68,058	0.4
1998	67,605	-0.7
1999	66,583	-1.5
2000	68,558	3.0
2001	69,961	2.0
2002	70,068	0.2
2003	70,590	0.7
2004	70,608	0.0
2005	72,221	2.3

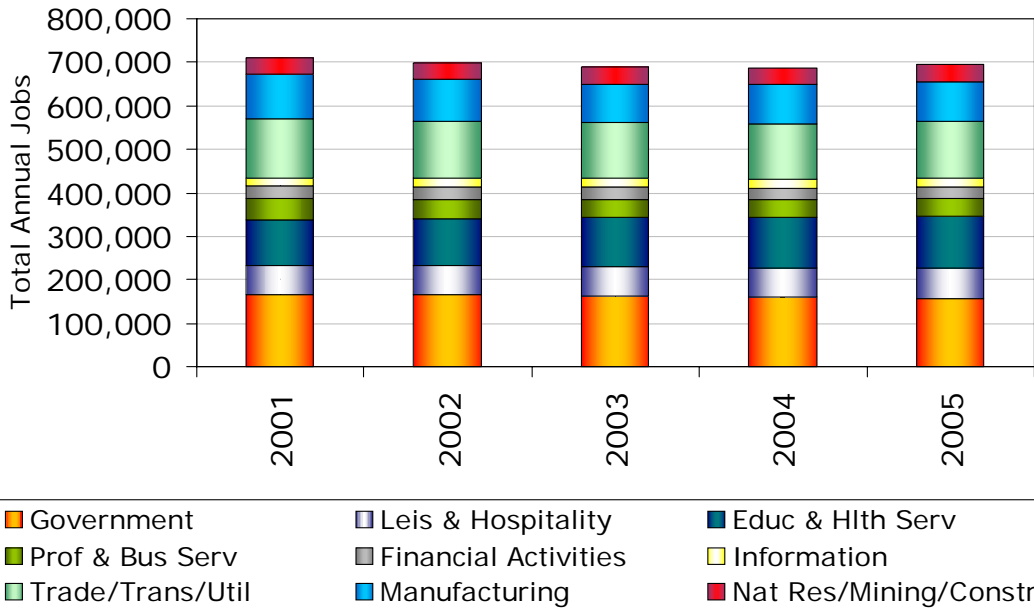
Source: U.S. Bureau of Labor Statistics

**Wichita Falls MSA
Employment Growth**



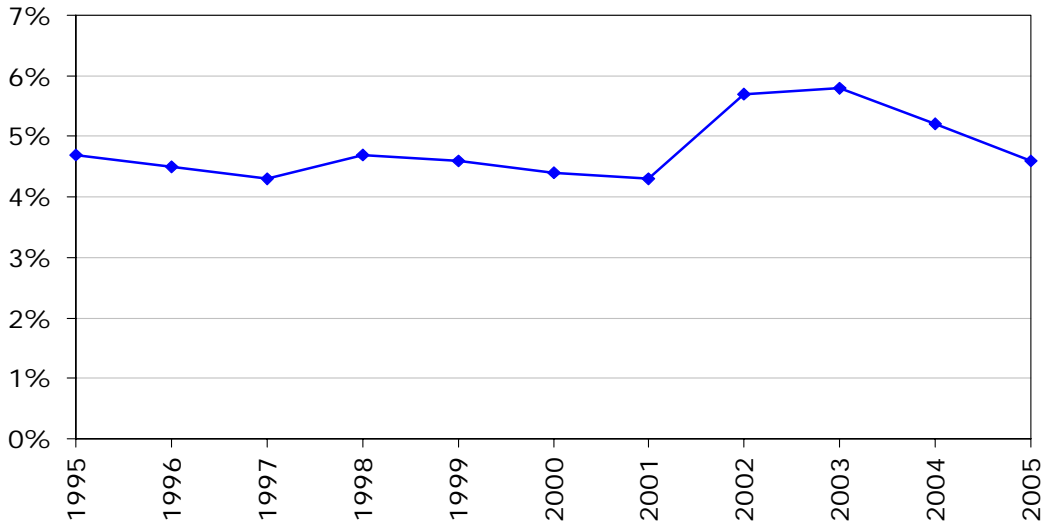
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Wichita Falls MSA
 Distribution of Employment in Major Categories**



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

**Wichita Falls MSA
 Unemployment Rate**



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

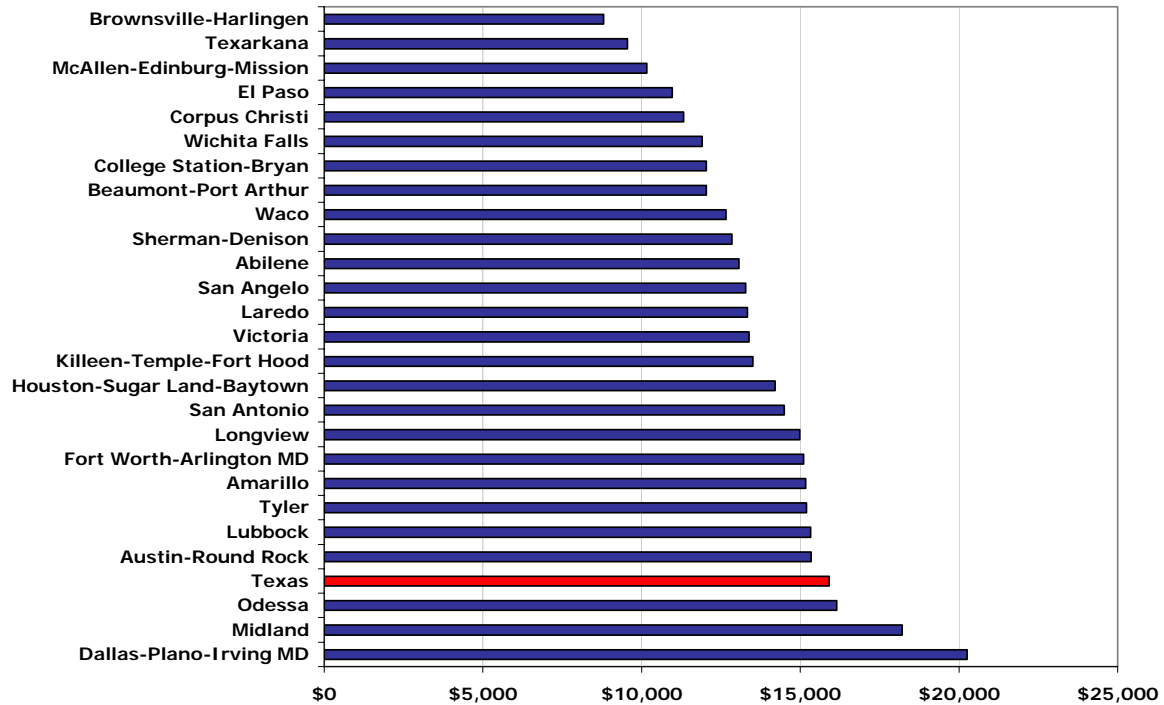
Wichita Falls Market Overview 2006 Economy

Wichita Falls MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$1,285,256,847	\$8,699
1996	\$1,318,066,373	\$8,719
1997	\$2,346,905,347	\$15,493
1998	\$2,698,350,311	\$17,846
1999	\$1,456,774,648	\$9,624
2000	\$1,436,680,199	\$9,482
2001	\$1,516,513,182	\$10,155
2002	\$1,559,493,566	\$10,468
2003	\$1,590,153,428	\$10,697
2004	\$1,646,027,832	\$11,135
2005	\$1,742,187,938	\$11,910
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Wichita Falls Market Overview 2006 Infrastructure

Wichita Falls Airline Boardings

Airport	2000	01-02*	02-03*	03-04*	04-05*
City of Wichita Falls Municipal	58,000	41,343	40,654	44,337	48,130

*Based on fiscal year

Source: City of Wichita Falls Municipal Airport

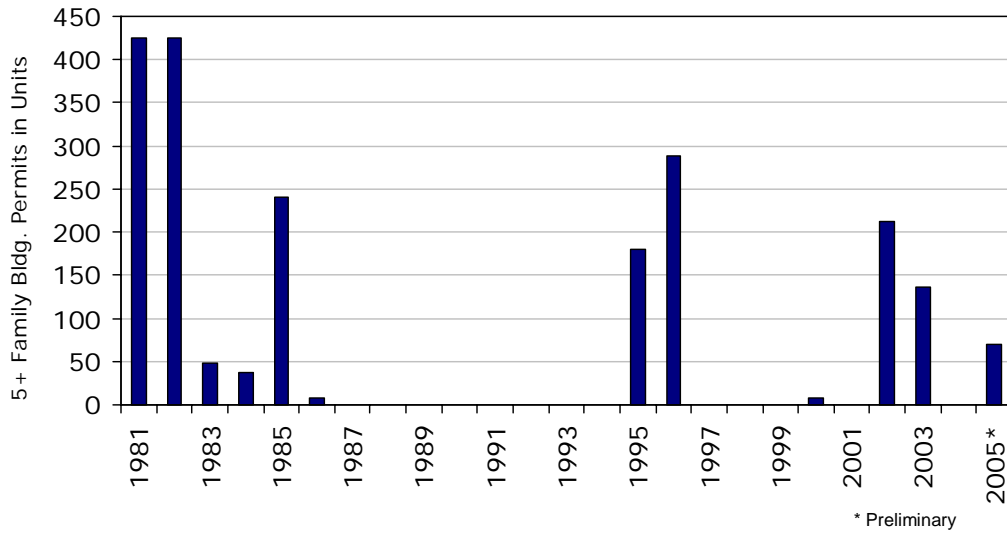
Wichita Falls Market Overview 2006 Multifamily

Wichita Falls/North Texas Apartment Statistics 2005

	Wichita Falls	Texas Metro Average
Average rent per square foot	\$0.63	\$0.78
Average rent for units built since 2000	\$0.65	\$0.89
Average occupancy (in percent)	92.3	91.4
Average occupancy for units built since 2000 (in percent)	97.4	93.1

Source: Apartment MarketData Research Jan-2006

Wichita Falls MSA Multifamily Building Permits



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

Wichita Falls 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**
Wichita Falls	\$94,500	\$21,850	\$47,350	2.17	1.63
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, Wichita Falls Area (in percent)

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	10.0	9.7	7.7	8.9	8.6	8.4	5.7
30,000 - 39,999	9.1	8.4	8.0	5.8	5.7	5.5	4.0
40,000 - 49,999	9.6	10.2	9.1	8.5	7.7	6.4	5.5
50,000 - 59,999	12.2	11.6	9.4	9.8	7.8	8.7	6.1
60,000 - 69,999	9.6	9.7	11.6	10.2	9.9	9.2	8.7
70,000 - 79,999	9.8	9.0	9.9	9.2	9.5	9.1	7.9
80,000 - 89,999	9.6	8.4	10.0	8.3	8.5	8.4	9.2
90,000 - 99,999	6.7	6.9	6.5	8.6	8.1	6.6	6.4
100,000 - 119,999	8.6	8.5	10.4	11.5	10.3	10.5	13.2
120,000 - 139,999	5.8	5.1	6.5	6.8	8.5	9.5	10.4
140,000 - 159,999	2.7	4.6	3.4	3.1	4.7	5.4	6.3
160,000 - 179,999	1.4	2.5	2.0	3.3	2.8	4.1	5.9
180,000 - 199,999	1.3	1.4	1.3	2.5	2.5	2.4	2.9
200,000 - 249,999	2.2	1.8	1.7	2.4	3.0	3.1	4.6
250,000 - 299,999	0.6	1.1	1.1	0.7	1.0	1.4	1.4
300,000 - 399,999	0.7	0.9	0.8	0.5	1.0	1.0	1.4
400,000 - 499,999	0.2	0.0	0.3	0.1	0.2	0.1	0.2
500,000 and more	0.1	0.1	0.2	0.0	0.1	0.4	0.2

Source: Real Estate Center at Texas A&M University

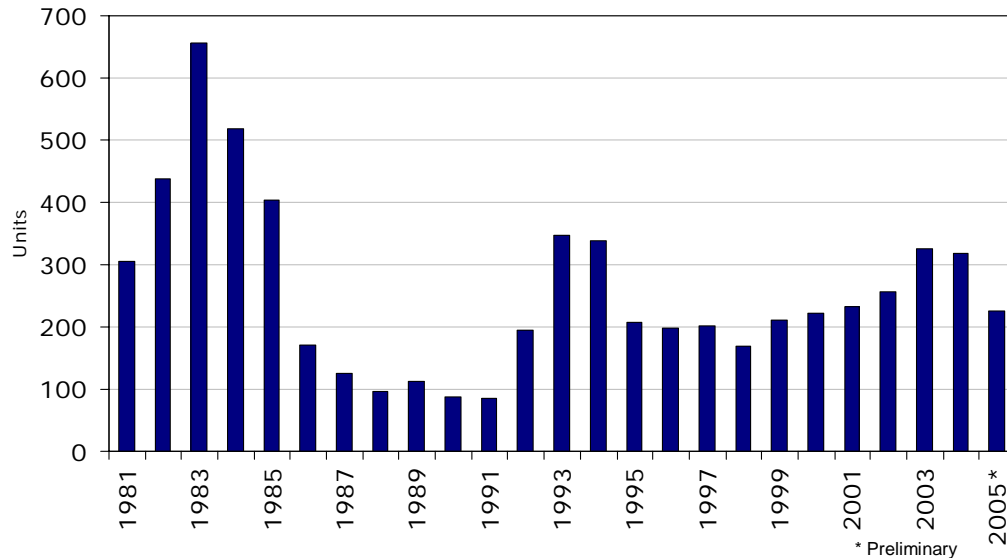
Property Tax Rates, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of Wichita Falls	0.59
Wichita County	0.46
Wichita Falls ISD	1.56
Total	\$2.60

* 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: Wichita County Appraisal District

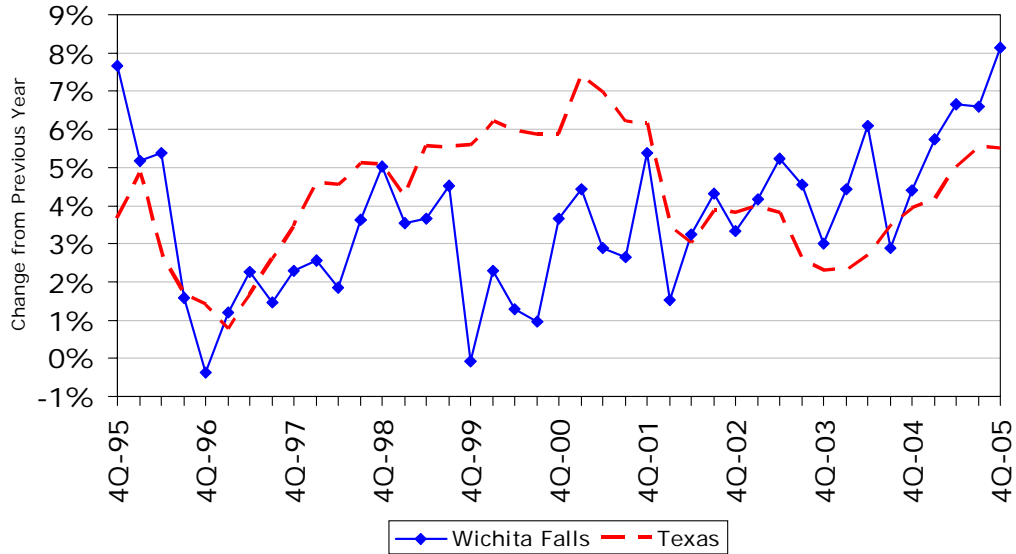
Wichita Falls MSA Single-Family Building Permits



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

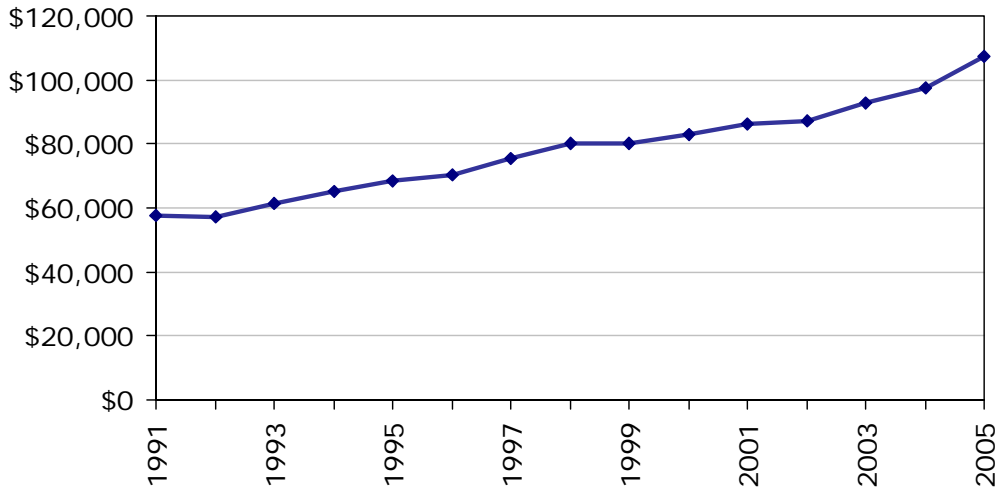
Home Price Appreciation Wichita Falls MSA

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.



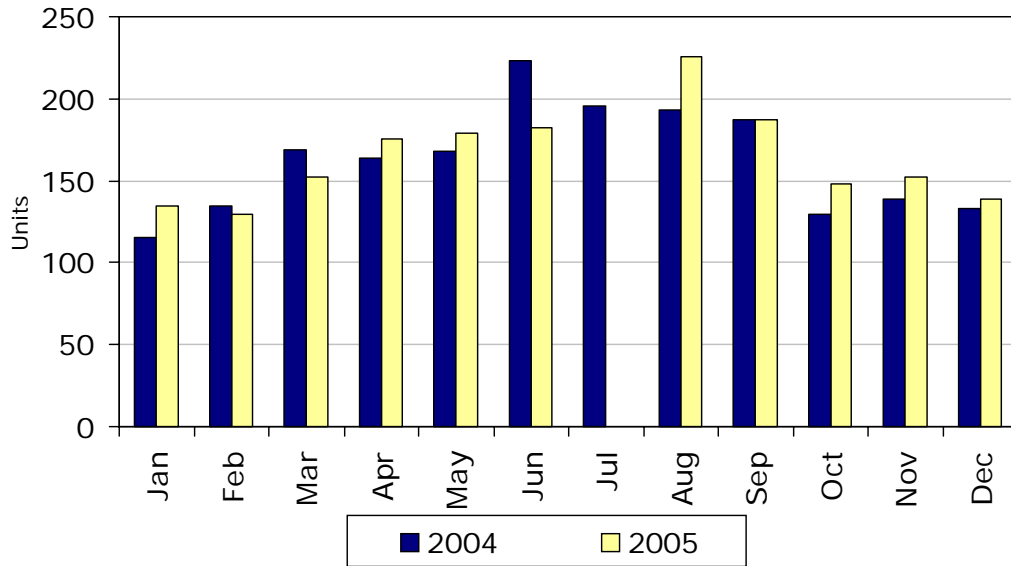
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Wichita Falls Area



Source: Real Estate Center at Texas A&M University

Single-Family Home Sales Volume Wichita Falls Area



Source: Real Estate Center at Texas A&M University

Wichita Falls Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	Wichita Falls	Texas	Wichita Falls	Texas
# Rooms 000's	1.9	328.1	1.9	334.7
Average daily rate	\$53.07	\$70.39	\$54.27	\$74.26
Occupancy rate (in percent)	54.8	55.9	52.6	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



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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