

Real Estate Market Overview 2004

El Paso

Nestled at the foot of the Franklin Mountains, the City of El Paso is bordered by Mexico on the south and New Mexico to the north. With a 2000 population of 563,622, El Paso is the fifth largest city in Texas. Across the Texas-Mexico border from El Paso is Juarez, with a population of 1.3 million. The El Paso-Juarez community comprises the largest metropolitan area on the border between the United States and Mexico. El Paso is also the home of Lee Trevino, a popular championship professional golfer.

Quick Facts	
Land Area	1,013 square miles
Population Density (2000)	670.8 people per square mile
Counties	El Paso
Area Cities and Towns	Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, Terillo

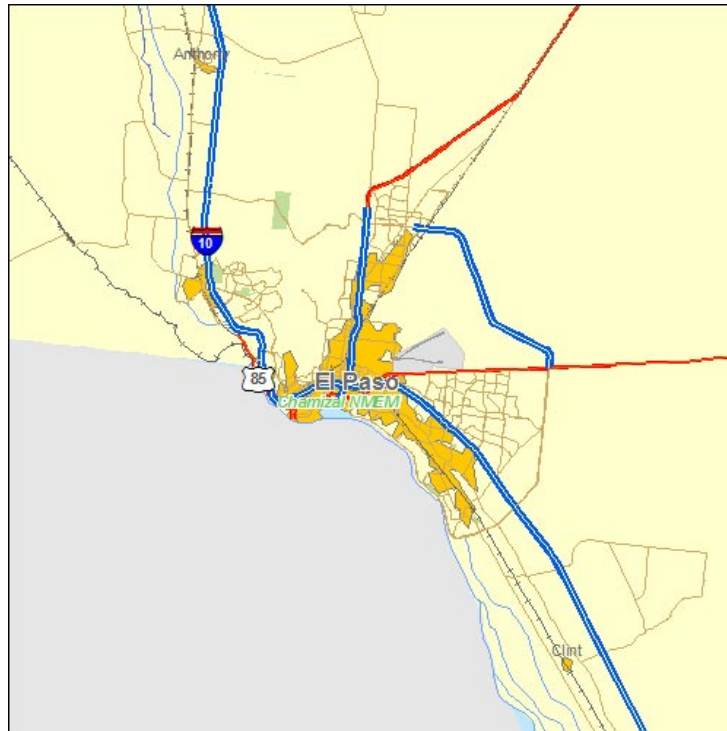


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El Paso Market Overview 2004 Demographics

El Paso MSA Population

Year	Population	Percent Change
1990	591,610	1.8
1991	608,206	2.8
1992	619,138	1.8
1993	634,044	2.4
1994	646,181	1.9
1995	654,250	1.2
1996	656,482	0.3
1997	665,066	1.3
1998	671,250	0.9
1999	675,397	0.6
2000	679,622	0.6
2001	689,543	1.5
2002	697,562	1.2

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990-2000 (percent)
El Paso	563,662	9.4
Socorro	27,152	18.5

Source: U.S. Census Bureau

Real Estate Center Market Overview 2004
El Paso, Texas

Texas Metropolitan Area Population Change, 1990 - 2002

Metropolitan Area	1990 Population	2002 Population
McAllen-Edinburg-Mission	383,545	614,474
Austin-San Marcos	846,227	1,349,291
Laredo	133,239	207,611
Dallas	2,676,248	3,743,254
Brownsville-Harlingen-San Benito	260,120	353,561
Brazoria County	191,707	257,256
Houston	3,321,911	4,420,081
Fort Worth-Arlington	1,361,034	1,802,465
Texas	16,986,335	21,779,893
Bryan-College Station	121,862	156,099
San Antonio	1,324,749	1,660,205
Killeen-Temple	255,299	319,163
Galveston-Texas City	217,396	261,219
Tyler	151,309	181,437
Sherman-Denison	95,019	113,860
Amarillo	187,514	222,915
El Paso	591,610	697,562
Waco	189,123	217,713
Victoria	74,361	84,932
Lubbock	222,636	247,574
Longview-Marshall	193,801	212,288
Corpus Christi	349,894	382,188
Texarkana	120,132	131,027
Wichita Falls	130,351	138,960
Odessa-Midland	225,545	239,981
Beaumont-Port Arthur	361,218	382,242
Abilene	119,655	125,647
San Angelo	98,458	103,018

Source: U.S. Census Bureau

El Paso MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	737,866	-
2010	799,936	921,780
2015	864,980	-
2020	926,760	1,082,445

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	El Paso MSA	Texas
Average household size (2000)	3.18	2.74
Population younger than 18 (2000, in percent)	32.0	28.2
Population 65 and older (2000, in percent)	9.7	9.9

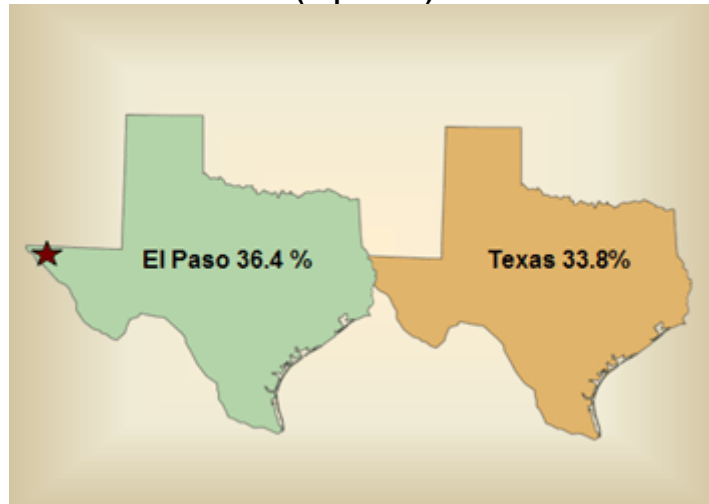
Source: U.S. Census Bureau

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

	El Paso MSA		Texas	
	1990	2000	1990	2000
White	25.7	73.9	60.8	71.0
Black	3.9	3.1	11.7	11.5
Asian	1.1	1.0	0.3	2.7
American Indian	0.5	0.8	1.8	0.6
Other	0.0	17.9	0.1	11.7
Two or more races*	-	3.2	-	2.5
Hispanic (of any race)	68.8	78.2	25.3	32.0

* For the 2000 Census, the Census Bureau changed the "race" options, allowing people to report their race as "other" or as two or more races.
 Source: U.S. Census Bureau

Projected Population Growth, 2000-2020 (in percent)



Source: Texas State Data Center (Scenario 0.5)

El Paso Market Overview 2004

Education

Educational Level, Persons Age 25 and Older 2000 (in percent)

Level of Education	El Paso	Texas
High school graduate	23.9	26.3
Some college, no degree	23.0	21.7
Associate's degree	5.5	5.2
Bachelor's degree	10.4	16.1
Graduate or professional degree	5.4	7.4

Source: U.S. Census Bureau, 2000

Local College and University Enrollment

School	Fall 2002	Spring 2003	Fall 2003
Texas Tech University Health Sciences Center at El Paso	-	48	107
University of Texas at El Paso	17,232	16,476	18,542

Sources: Educational institutions

El Paso Market Overview 2004 Employment

Top Ten Employers

Employer	Sector	Employees
El Paso Independent School District	Education	8,663
Fort Bliss Civilian	Government	6,803
Ysleta Independent School District	Education	6,500
City of El Paso	Government	6,264
University of Texas at El Paso	Education	4,871
Socorro Independent School District	Education	3,995
Sierra Providence Health Network	Health care	3,761
El Paso Community College	Education	3,728
Wal-Mart	Retail	3,706
County of El Paso	Government	2,700

Source: El Paso Office of Economic Development May-2003

Top Ten Private Employers

Employer	Sector	Employees
Sierra Providence Health Network	Health care	3,761
Wal-Mart	Retail	3,706
Las Palmas and Del Sol Regional Hospital	Hospital	2,244
Echostar Satellite Corp.	Call center	2,012
MCI/GC Services	Telemarketing	1,790
West Teleservices Corp.	Telemarketing	1,500
Sahara, Inc. (Nat. Cent. for Emp. of Disabled)	Sheltered workshop	1,369
Big 8 Food Stores	Grocery	1,220
Providian Financial	Finance	1,010
Yazaki North America (EWD & ELCOM)	Manufacturing	1,000

Source: El Paso Office of Economic Development May-2003

Ten Largest Maquiladoras in Ciudad Juarez

Employer	Sector	Employees
Delphi	Automotive	68,643
Yazaki Corporation	Automotive	16,123
Thomson Consumer Electronics	Electronics	10,874
Lear Corporation	Automotive	8,569
A.O. Smith Corporation	Electrical	6,598
Sumitomo Wiring Electric Systems	Electrical	4,879
Johnson and Johnson Co.	Medical	4,569
Philips Electronics	Electronics	4,387
Johnson Controls, Inc.	Automotive	3,589
Scientific Atlanta, Inc.	Electronics	2,996

Source: El Paso Office of Economic Development May-2003

Please note the Juarez, Mexico list is based on all Maquiladoras in Mexico and local knowledge in sorting out companies that do not have a presence in Juarez.

Employment Growth by Industry - 2003

	El Paso MSA	Texas
Employment growth (percent)	-0.5	-0.5
Unemployment rate (percent)	9.7	6.8
New jobs	-1200	-49,800
Employment growth by sector (percent)		
Manufacturing	-12.3	-5.0
Construction	-	-3.0
Natural Resources and Mining	0.8	0.6
Trade, Transportation and Utilities	1.9	-1.8
Information	5.9	-5.8
Financial Activities	1.7	0.9
Professional and Business Services	-5.7	-1.1
Educational and Health Services	3.6	3.3
Leisure and Hospitality	1.7	1.2
Government	2.4	1.3
Total Nonfarm	-0.5	-0.5

Source: Texas Workforce Commission and U.S. Bureau of Labor Statistics

Texas Metropolitan Area Employment Change, 1990 - 2003

Metropolitan Area	1990 Employment	2003 Employment	Percent Change
Austin-San Marcos	454,618	746,750	64.3
Laredo	48,766	77,065	58.0
McAllen-Edinburg-Mission	128,560	197,870	53.9
Brownsville-Harlingen-San Benito	90,866	131,457	44.7
Bryan-College Station	58,292	82,368	41.3
San Antonio	587,550	796,235	35.5
Killeen-Temple	87,724	117,801	34.3
Tyler	70,970	93,561	31.8
Dallas	1,467,668	1,916,607	30.6
Texas	8,071,312	10,284,203	27.4
Fort Worth-Arlington	721,875	915,919	26.9
Houston	1,720,152	2,180,719	26.8
Victoria	34,648	43,652	26.0
Amarillo	92,967	113,051	21.6
El Paso	229,358	274,926	19.9
Lubbock	107,823	128,854	19.5
Waco	86,347	102,310	18.5
Longview-Marshall	86,048	100,952	17.3
Odessa-Midland	104,401	120,374	15.3
Corpus Christi	150,142	172,705	15.0
San Angelo	43,587	49,798	14.2
Brazoria County	93,552	105,320	12.6
Abilene	52,389	58,513	11.7
Sherman-Denison	43,804	48,866	11.6
Wichita Falls	56,897	62,812	10.4
Galveston-Texas City	105,423	114,327	8.4
Texarkana	51,575	55,658	7.9
Beaumont-Port Arthur	157,435	167,915	6.7

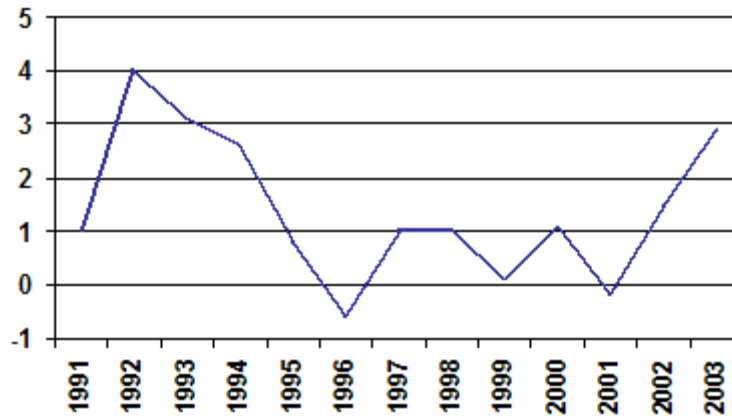
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

El Paso MSA Employment

Year	Employment	% Change Year Ago
1990	229,358	-
1991	231,681	1.0
1992	240,988	4.0
1993	248,530	3.1
1994	255,041	2.6
1995	256,979	0.8
1996	255,433	-0.6
1997	257,924	1.0
1998	260,489	1.0
1999	260,694	0.1
2000	263,672	1.1
2001	263,222	-0.2
2002	267,149	1.5
2003	274,926	2.9

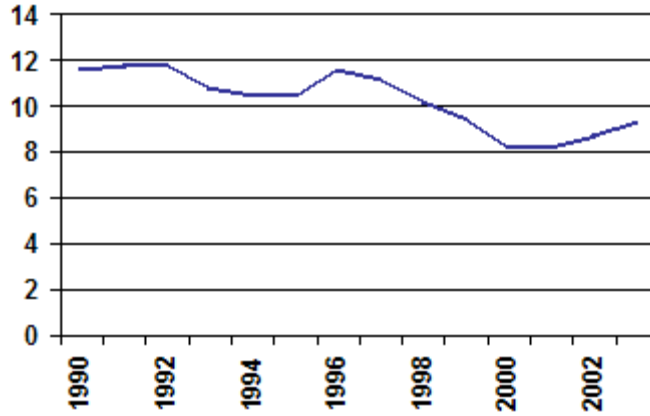
Source: U.S. Bureau of Labor Statistics

Annual Percent Change in El Paso MSA Employment



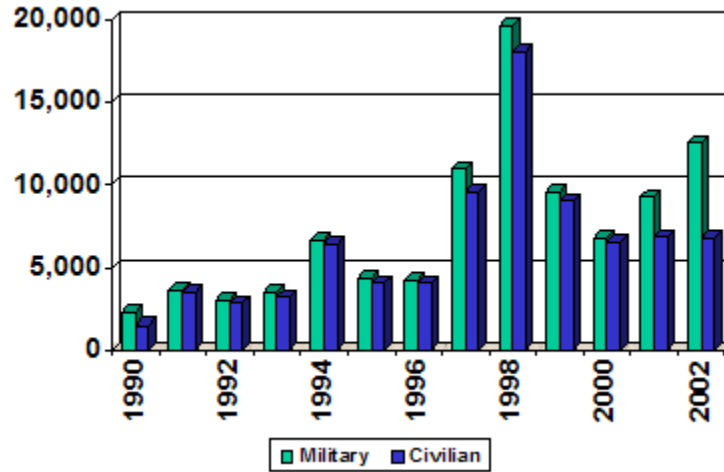
Source: U.S. Bureau of Labor Statistics

**El Paso MSA Unemployment Rate
(in percent)**



Source: U.S. Bureau of Labor Statistics

Fort Bliss Employment



Source: City of El Paso

El Paso Market Overview 2004 Economy

El Paso MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	3,718,228,382	6,285
1991	3,887,059,277	6,391
1992	4,258,148,498	6,878
1993	4,546,082,757	7,170
1994	4,939,810,275	7,645
1995	4,871,535,643	7,446
1996	5,258,414,674	8,010
1997	5,050,367,254	7,594
1998	5,309,167,256	7,909
1999	5,884,997,029	8,713
2000	6,343,535,589	9,334
2001	6,354,119,088	9,215
2002	6,508,286,091	9,330
State Average 2002: \$12,143		

Source: Texas Comptroller's Office

El Paso Market Overview 2004 Infrastructure

El Paso Airline Boardings

El Paso International Airport	1998	1999	2000	2001	2002	2003
Enplaned	1,635,282	1,657,517	1,688,134	1,564,380	1,449,965	1,466,713
Deplaned	1,605,680	1,647,984	1,624,585	1,527,328	1,425,751	1,448,033
Total	3,240,962	3,305,501	3,312,719	3,091,708	2,875,716	2,914,746

Source: El Paso International Airport

Border Crossings

	1999	2000	2001	2002	2003
Pedestrian Crossings					
Northbound	6,602,353	7,002,240	7,307,850	8,268,991	7,715,504
Southbound	5,302,707	5,503,418	5,504,661	6,039,402	4,924,531
Total	11,905,060	12,505,658	12,812,511	14,308,393	12,640,035
Vehicle Crossings					
Northbound	8,543,131	8,981,678	8,370,987	7,572,650	7,565,603
Southbound*	5,309,676	5,678,775	4,842,525	4,316,436	4,102,058
Total	13,852,807	14,660,453	13,213,512	11,889,086	11,667,661
Rail Crossings					
Northbound	-	-	17,310	30,437	21,045
Southbound	-	-	-	-	-
Total	-	-	17,310	30,437	21,045
Truck Crossings					
Northbound	-	-	666,910	704,199	659,614
Southbound*	-	-	344,023	307,203	259,928
Total	-	-	1,010,933	1,011,402	919,542

Source: Texas Center for Border Economic and Enterprise Development

* December figures could not be gathered for 2003 and are not included in the total number.

El Paso Market Overview 2004

Public Facilities

El Paso City Public Facilities Building Permits



El Paso City Building Permit Office

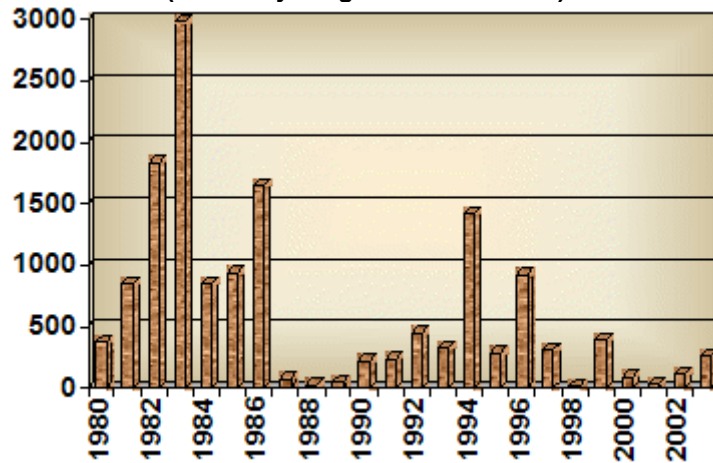
El Paso Market Overview 2004 Multifamily

El Paso Apartment Statistics 2003

	El Paso	Texas Metro Average
Average rent per square foot	\$0.65	\$0.79
Average rent for units built since 2000	\$0.67	\$0.91
Average occupancy (percent)	95.1	92.1
Average occupancy for units built since 2000 (percent)	97.4	90.8

Source: Apartment MarketData Research

**El Paso MSA Multifamily Building Permits
 (5+ Family Bldg. Permits in units)**



Source: U.S. Census Bureau

El Paso City Multifamily Building Permits



El Paso City Building Permit Office

El Paso Market Overview 2004 Housing

Housing Affordability - Fourth Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
El Paso	58	1.15	0.93
Texas MLS Total	54	1.06	0.92
U.S. Total	55	1.06	0.77

* The THAI is the ratio of median household income to the income required to buy the median priced home using currently available mortgage financing. Standard financing is a 30-year loan covering 80 percent of the cost of the home. A THAI of 1.00 indicates that the median household income is just enough to qualify for a loan sufficient to purchase the median-priced home.

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, El Paso Area, 2003 (in percent)

Price Range	1998	1999	2000	2001	2002	2003
\$29,999 or less	1.6	1.4	0.9	0.9	1.0	0.8
30,000 - 39,999	2.1	1.8	1.7	1.6	1.8	1.4
40,000 - 49,999	6.4	5.4	4.6	4.4	3.2	3.1
50,000 - 59,999	12.4	14.0	12.5	8.5	7.5	6.1
60,000 - 69,999	17.7	16.6	16.4	15.3	13.6	12.1
70,000 - 79,999	13.9	13.8	13.1	11.5	13.4	12.5
80,000 - 89,999	11.9	11.2	12.4	11.1	11.2	12.1
90,000 - 99,999	5.5	8.3	7.1	7.8	8.2	8.4
100,000 - 119,999	8.7	8.8	9.2	11.6	11.3	12.2
120,000 - 139,999	6.9	4.7	6.5	9.4	9.0	10.3
140,000 - 159,999	4.2	4.2	4.3	5.2	6.0	6.3
160,000 - 179,999	2.7	3.2	3.3	3.7	4.1	3.8
180,000 - 199,999	1.4	1.7	2.2	2.6	2.6	2.9
200,000 - 249,999	2.5	2.6	3.2	3.0	3.4	4.0
250,000 - 299,999	1.0	1.1	1.3	1.5	1.7	1.7
300,000 - 399,999	0.8	0.9	0.9	1.4	1.3	1.6
400,000 - 499,999	0.3	0.2	0.2	0.3	0.4	0.6
500,000 and more	0.2	0.1	0.2	0.2	0.3	0.2

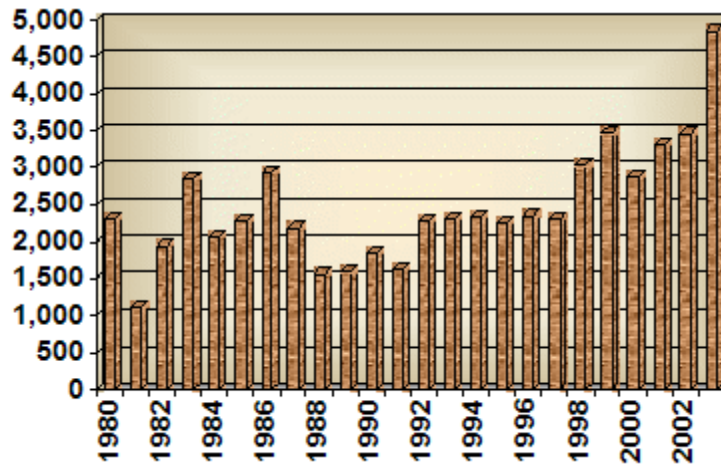
Source: Real Estate Center at Texas A&M University

Tax Rates, 2003

Taxing Entity	Tax Rate per \$100 Valuation
City of El Paso	\$0.72
El Paso ISD	1.57
Community College	0.14
Hospital District	0.19
El Paso County	0.41
Total	\$3.03

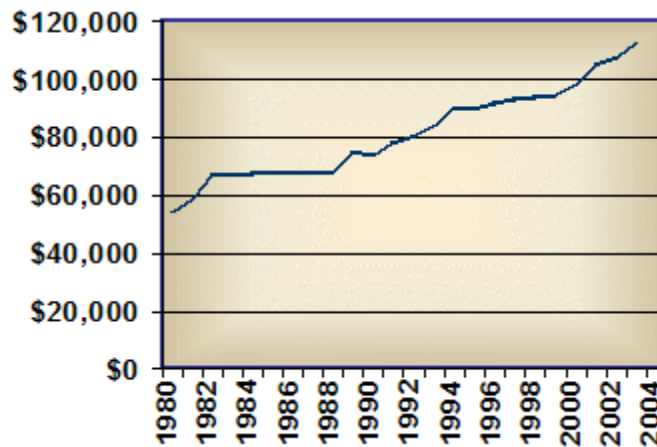
Source: City of El Paso Tax Office

**El Paso MSA Single-family Building Permits
 (in units)**



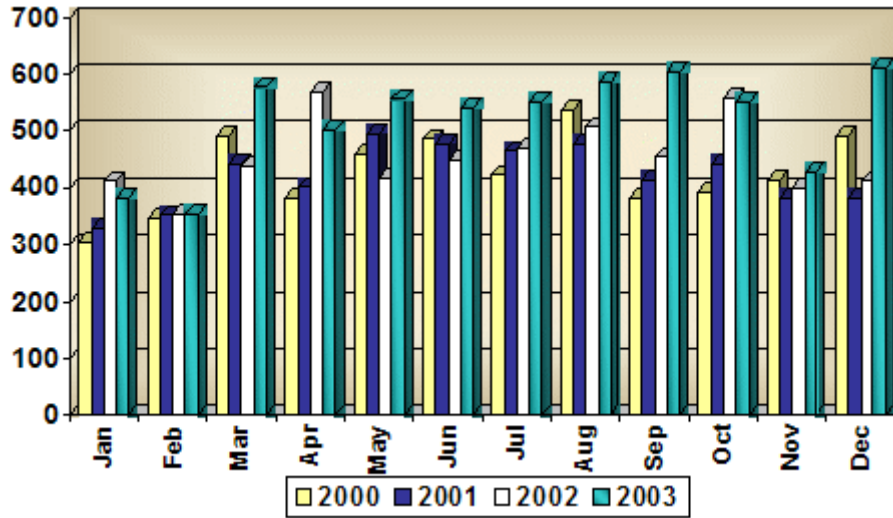
Source: U.S. Census Bureau

Average Sales Price of Single-family Home, El Paso Area



Source: Real Estate Center at Texas A&M University

**Single-family Home Sales Volume, El Paso Area
(Number of Units)**



Source: Real Estate Center at Texas A&M University

El Paso Market Overview 2004

Retail

El Paso City Retail Building Permits



El Paso City Building Permit Office

El Paso Market Overview 2004 Hotel

Hotel* Occupancy and Rental Rates

	El Paso	Texas
2000		
Rooms (000)	7.6	296.8
Average daily rental rate	\$54.99	\$71.56
Occupancy rate (percent)	61.2	59.3
2001		
Rooms (000)	7.4	307.1
Average daily rental rate	\$54.53	\$70.27
Occupancy rate (percent)	61.3	57.3
2002		
Rooms (000)	7.4	314.3
Average daily rental rate	\$55.75	\$70.11
Occupancy rate (percent)	61.8	55.4
2003		
Rooms (000)	7.6	320.8
Average daily rental rate	\$56.01	\$68.78
Occupancy rate (percent)	61.4	54.3

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio
 *Only properties exceeding \$16,600 in the current quarter are included; those units below \$16,600 only result in 1.5% of the total state revenues, and have been excluded from this database.

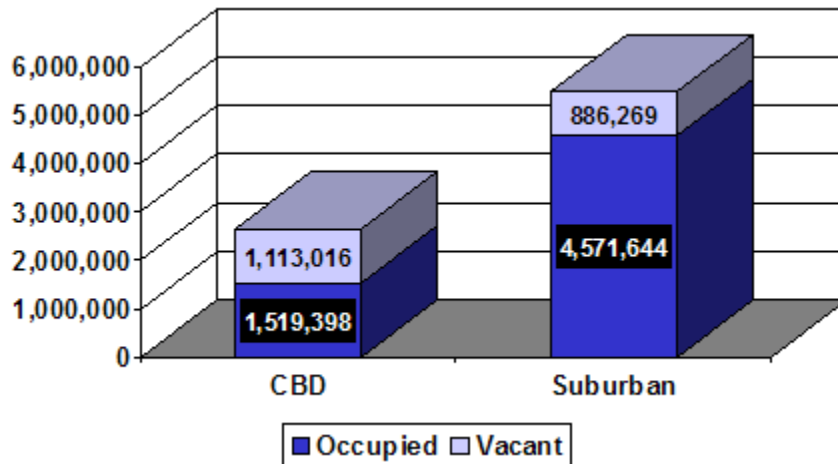
El Paso Market Overview 2004 Office

Office Property Statistics

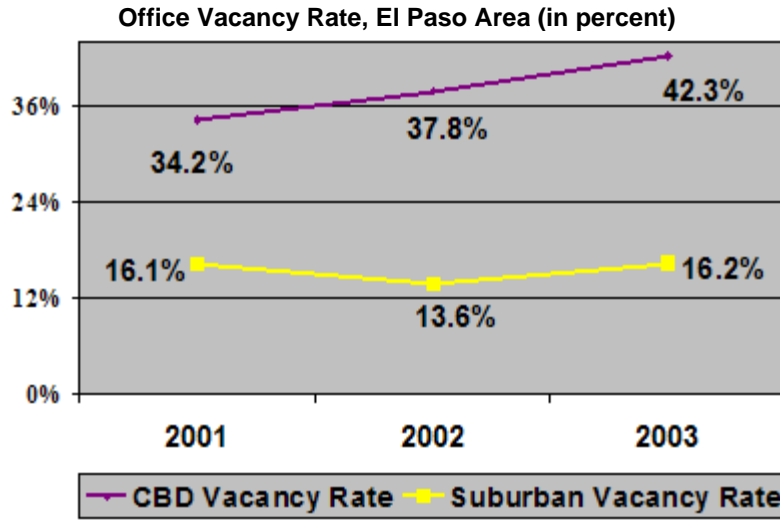
	2001	2002	2003
Central Business District			
Inventory	2,774,097	2,632,414	2,632,414
Occupancy (percent)	65.8	62.2	57.7
Net Absorption	-312,099	-187,936	-118,519
Suburban			
Inventory	5,140,913	5,314,913	5,457,913
Occupancy (percent)	83.9	86.4	83.8
Net Absorption	-22,178	-3,290,143	-21,637
Total			
Inventory	7,915,010	7,947,327	8,090,327
Occupancy (percent)	77.6	78.4	75.3
Net Absorption	-334,277	-3,478,079	-140,156
Rental Range (SF)	\$8 - \$15	\$8 - \$18	\$8 - \$18

Source: Keller-Koch Realtors

**Office Property Statistics, El Paso Area
 Occupied & Vacant Inventory, Year-End 2003
 (in s.f.)**

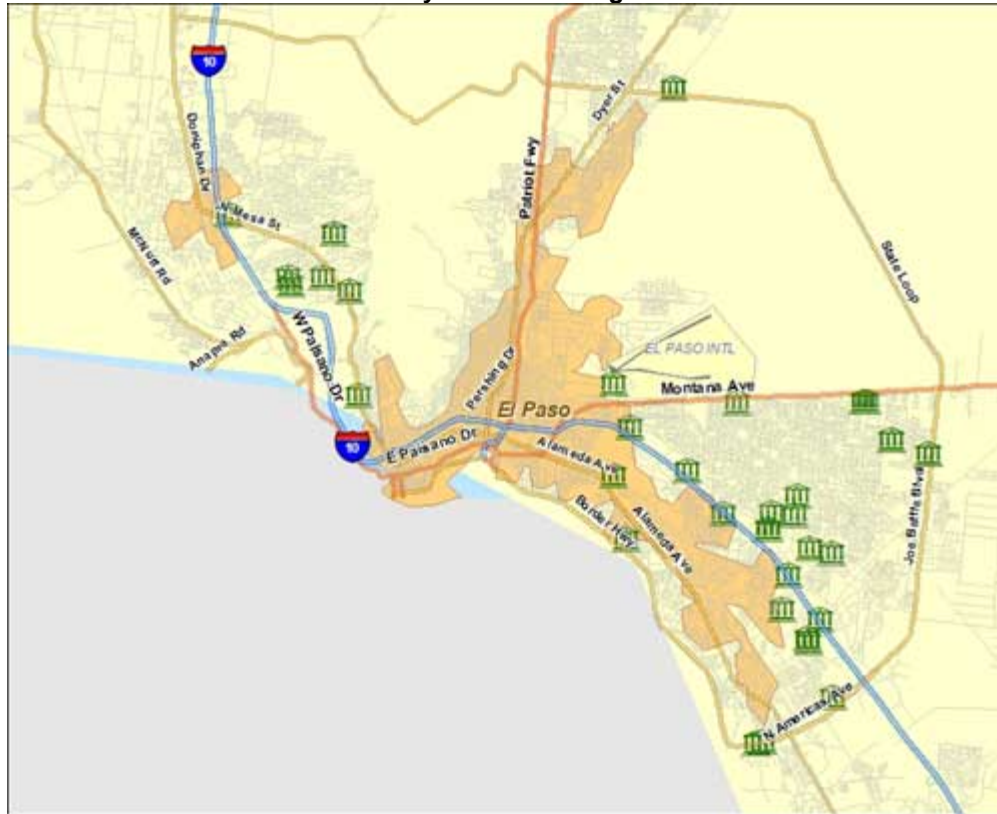


Source: Keller-Koch Realtors



Source: Keller-Koch Realtors

El Paso City Office Building Permits



El Paso City Building Permit Office

El Paso Market Overview 2004 Industrial

2003 Year-End Industrial Vacancy

	Standard Industrial	Total
Total*	54,700	54,700
Vacant*	5,900	5,900
Vacancy Rate	10.8%	10.8%
Absorbed*	320	320
Under Construction*	0	0
Rental Rate**	\$3.35	\$3.35

Source: Grubb & Ellis

* Square feet in thousands; includes owner-occupied

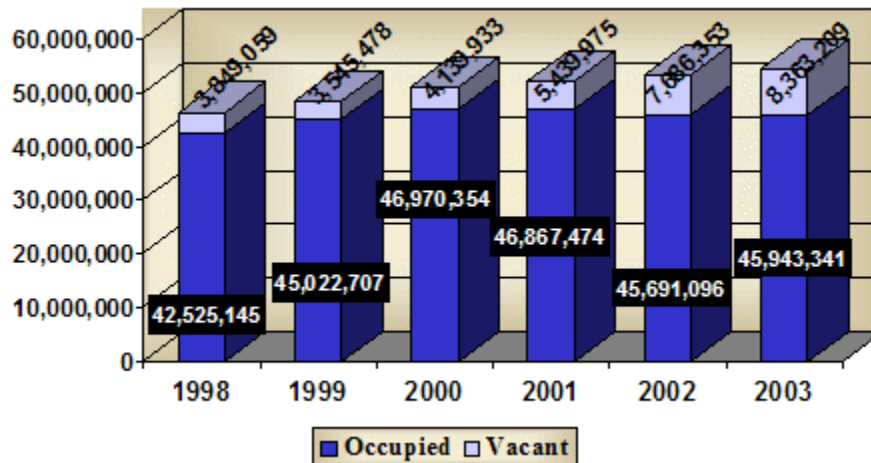
** Weighted average asking rent/SF/year Triple Net

Industrial Property Statistics, El Paso

	1998	1999	2000	2001	2002	2003
Inventory (square feet)	46,374,204	48,568,185	51,110,287	52,307,449	53,377,449	54,306,550
Occupancy (percent)	91.7	92.7	91.9	89.6	85.6	84.6
Net Absorption	1,878,159	2,503,038	1,904,577	-99,974	-1,177,447	254,916
Rental Range (per square foot)	\$3.15 - \$5	\$3.15 - \$5	\$3.20 - \$5	\$3.30 - \$6	\$2.75 - \$6	\$2.75 - \$6

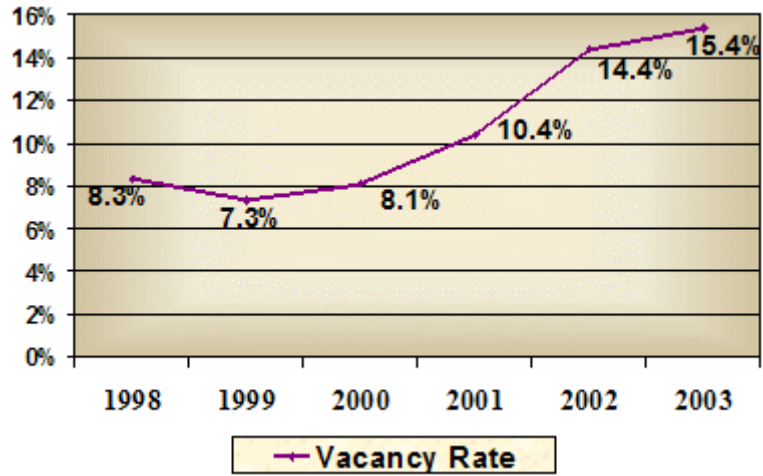
Source: Keller-Koch Realtors

Industrial Property Statistics, El Paso Area Occupied & Vacant Inventory (in s.f.)



Source: Keller-Koch Realtors

Industrial Vacancy Rate, El Paso Area
(in percent)



Source: Keller-Koch Realtors

El Paso City Industrial Building Permits



El Paso 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 Area's. 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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