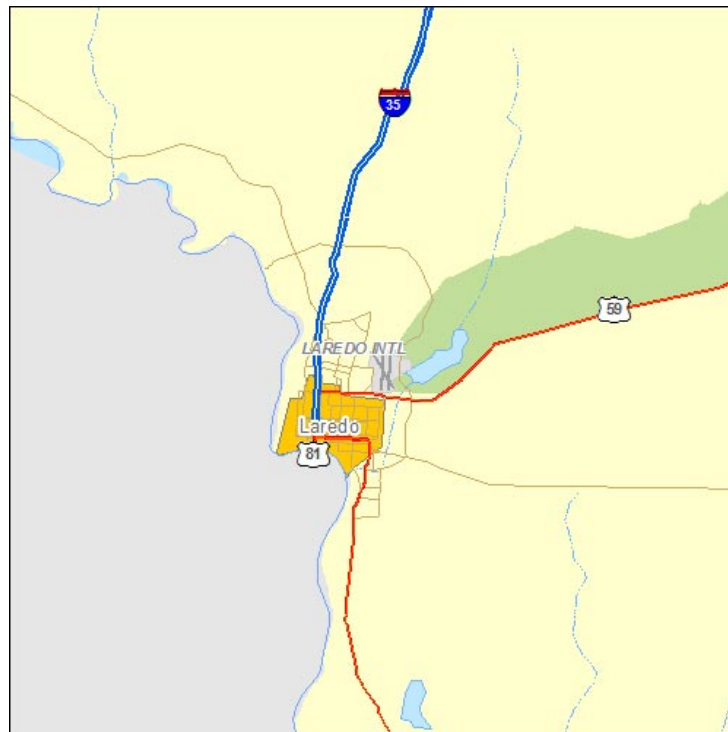


# Real Estate Market Overview 2004

## Laredo

Laredo, the principal port of entry into Mexico, is often called the "Gateway to Mexico" and "the city under seven flags." Located in South Texas along the Rio Grande, Laredo's importance as an integral part of international trade has increased as a result of the North American Free Trade Agreement (NAFTA). The Laredo Metropolitan Statistical Area (MSA) has a population of almost 200,000, while Nuevo Laredo on Mexico's side of the border has a population of more than 660,000. According to the U.S. Census Bureau, the Laredo MSA was one of the fastest growing areas in the nation during the 1990s. Laredo has approximately 91 percent of Webb County's population. Laredo's land area, however, accounts for only 0.6 percent of Webb County's 3,377 square miles.

Quick Facts	
<b>Land Area</b>	3,356.83 square miles
<b>Population Density (2000)</b>	57.5 people per square mile
<b>Counties</b>	Webb
<b>Area Cities and Towns</b>	Bruni, Laredo, Mirando City, Oilton



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## Laredo Market Overview 2004

### Demographics

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**Laredo MSA Population (Webb County)**

Year	Population	Percent Change
1990	133,239	2.5
1991	140,082	5.1
1992	147,026	5
1993	154,536	5.1
1994	161,107	4.3
1995	167,466	3.9
1996	171,583	2.5
1997	177,140	3.2
1998	182,994	3.3
1999	189,014	3.3
2000	193,117	2.2
2001	201,478	4.3
2002	207,611	3

Source: U.S. Census Bureau

**Texas Metropolitan Area Population Change, 1990 - 2002**

Metropolitan Area	1990 Population	2002 Population	Percent Change
McAllen-Edinburg-Mission	383,545	614,474	60.2
Austin-San Marcos	846,227	1,349,291	59.4
<b>Laredo</b>	<b>133,239</b>	<b>207,611</b>	<b>55.8</b>
Dallas	2,676,248	3,743,254	39.9
Brownsville-Harlingen-San Benito	260,120	353,561	35.9
Brazoria County	191,707	257,256	34.2
Houston	3,321,911	4,420,081	33.1
Fort Worth-Arlington	1,361,034	1,802,465	32.4
<b>Texas</b>	<b>16,986,335</b>	<b>21,779,893</b>	<b>28.2</b>
Bryan-College Station	121,862	156,099	28.1
San Antonio	1,324,749	1,660,205	25.3
Killeen-Temple	255,299	319,163	25.0
Galveston-Texas City	217,396	261,219	20.2
Tyler	151,309	181,437	19.9
Sherman-Denison	95,019	113,860	19.8
Amarillo	187,514	222,915	18.9
El Paso	591,610	697,562	17.9
Waco	189,123	217,713	15.1
Victoria	74,361	84,932	14.2
Lubbock	222,636	247,574	11.2
Longview-Marshall	193,801	212,288	9.5
Corpus Christi	349,894	382,188	9.2
Texarkana	120,132	131,027	9.1
Wichita Falls	130,351	138,960	6.6
Odessa-Midland	225,545	239,981	6.4
Beaumont-Port Arthur	361,218	382,242	5.8
Abilene	119,655	125,647	5.0
San Angelo	98,458	103,018	4.6

Source: U.S. Census Bureau

**Laredo MSA Projected Population**

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	224,028	-
2010	257,647	293,939
2015	294,736	-
2020	333,451	384,260

Sources: Texas State Data Center and Texas Water Development Board

**Household Composition**

	Laredo MSA	Texas
Average household size (2000)	3.75	2.74
Population younger than 18 (2000, in percent)	36.2	28.2
Population 65 and older (2000, in percent)	7.6	9.9

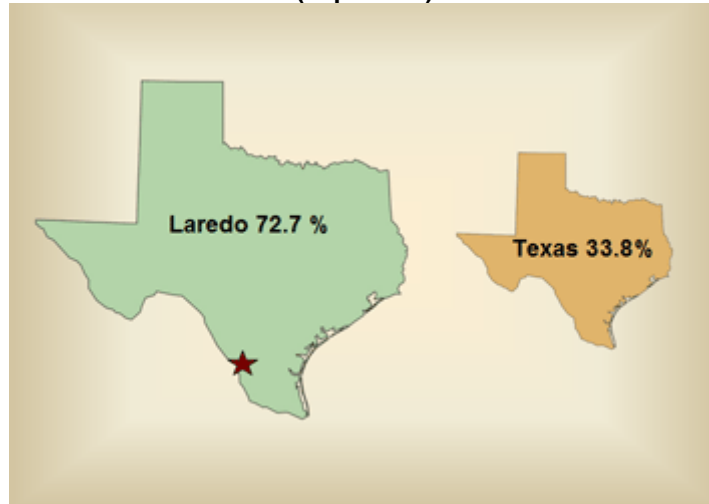
Source: U.S. Census Bureau

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

	Laredo MSA		Texas	
	1990	2000	1990	2000
White	5.7	82.2	25.3	71.0
Black	0.2	0.4	11.7	11.5
Asian	2.8	0.4	0.3	2.7
American Indian	0.2	0.5	1.8	0.6
Other	0.0	14.0	0.1	11.7
Two or more races*	-	2.5	-	2.5
Hispanic (of any race)	93.5	94.3	60.8	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)

## Laredo Market Overview 2004

### Education

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

Level of Education	Webb County	Texas
High school graduate	17.9	26.3
Some college, no degree	15.9	21.7
Associate's degree	5.2	5.2
Bachelor's degree	8.6	16.1
Graduate or professional degree	5.3	7.4

Source: U.S. Census Bureau, 2000 Census

#### Local College and University Enrollment

School	Spring 2002	Fall 2002	Spring 2003	Fall 2003
Laredo Community College	7,611	7,748	7,788	8,317
Texas A&M International University	3,332	3,724	3,736	4,078

Sources: Educational institution and Texas Higher Education Coordinating Board

## Laredo Market Overview 2004 Employment

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### Top Ten Employers

Employer	Sector	Employees
United Independent School District	Education	4,500
Laredo Independent School District	Education	3,587
City of Laredo	Government	2,084
Laredo Medical Center	Medical services	1,661
H-E-B Grocery Company	Grocery Store	1,327
Webb County	County government	1,270
U.S. Department of Border Protection	Federal government - Immigration	1,147
McDonald's Restaurant	Fast food	1,114
Wal-Mart	Retail sales	934
Texas A&M International University	Education	880

Source: Laredo Development Foundation Jan-2004

### Top Ten Private Employers

Employer	Sector	Employees
Laredo Medical Center	Medical services	1,661
H-E-B Grocery Company	Grocery store	1,327
McDonald's Restaurant	Fast food	1,114
Wal-Mart	Retail sales	934
Doctor's Hospital	Health care	700
Laredo Candle	Candles	580
The Laredo National Bank	Financial services	558
International Bank of Commerce	Financial services	552
Target - Greatland	Retail sales	300
Sames Motor Company	Auto dealer	276

Source: Laredo Development Foundation Jan-2004

**Employment Growth by Industry - 2003**

	Laredo MSA	Texas
Employment growth (percent)	2.4	-0.5
Unemployment rate (percent)	7.3	6.8
New jobs	1800	-49,800
<b>Employment growth by sector (percent)</b>		
Manufacturing	-8.3	-5.0
Construction	-3.8	-3.0
Natural Resources and Mining	0	0.6
Trade, Transportation and Utilities	2	-1.8
Information	-14.3	-5.8
Financial Activities	0	0.9
Professional and Business Services	4.8	-1.1
Educational and Health Services	7.3	3.3
Leisure and Hospitality	2.9	1.2
Government	2.8	1.3
Total Nonfarm	2.4	-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
<b>Laredo</b>	<b>48,766</b>	<b>77,065</b>	<b>58.0</b>
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
<b>Texas</b>	<b>8,071,312</b>	<b>10,284,203</b>	<b>27.4</b>
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

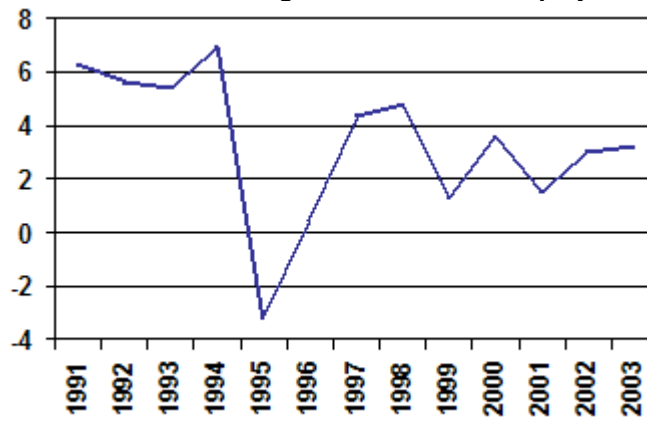
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

**Laredo MSA Employment**

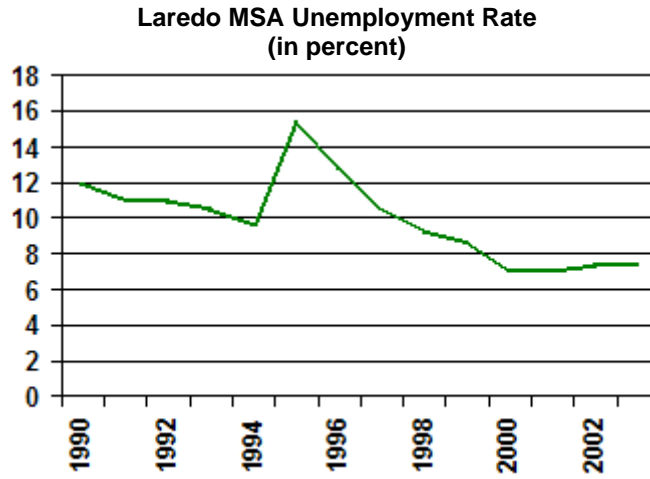
Year	Employment	Percent Change
1990	48,766	-
1991	51,847	6.3
1992	54,740	5.6
1993	57,720	5.4
1994	61,710	6.9
1995	59,763	-3.2
1996	60,078	0.5
1997	62,680	4.3
1998	65,666	4.8
1999	66,504	1.3
2000	69,331	4.3
2001	71,150	2.6
2002	74,677	5.0
2003	77,065	3.2

Source: U.S. Bureau of Labor Statistics

**Annual Percent Change in Laredo MSA Employment**



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

## Laredo Market Overview 2004 Economy

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### Trade Trends

	2001	2002	2003	Annual Percent Change	
				01-02	02-03
Commercial Trucks	1,659,992	1,725,011	1,632,746	3.9	-5.35
Rail (loaded)	350,620	365,736	394,199	4.3	7.78
Air Cargo (GLW lbs.)	226,136,780	262,475,560	*275,599,338	16.0	5
Airline Passengers	139,531	147,425	145,983	5.6	-0.98

Source: Laredo Development Foundation & Laredo International Airport  
\*Estimated

### Top Six Products Processed at Laredo

	Total Value Billions 2001	Total Value Billions 2002
Road Vehicles	\$35.1	\$25.3
Electrical Machinery	32.3	7.5
Telecom Equipment	14.6	3.0
Office Machinery	11.2	4.2
Apparel & Clothing	9.1	2.7
Industrial Machinery	8.5	3.7

Source: Laredo Development Foundation

### Sales Tax Rebates

	2000	2001	2002	2003	Variance
City of Laredo	\$16,518,698	\$20,075,474	\$21,471,228	\$22,863,574	7.0%

Source: Laredo City Finance Department

## Laredo Market Overview 2004 Infrastructure

### Laredo Airline Activity

Airport	1999	2000	2001	2002	2003
Laredo International Airport	178,586	172,920	139,531	147,425	145,983

Source: Laredo International Airport

### Laredo Air Cargo\* (pounds)

Airport	2002	2003*
Laredo International Airport	262,475,560	275,599,338

\* Based on maximum gross-landed weight  
Source: Laredo International Airport

### Border Crossings

	1998	1999	2000	2001	2002	2003
<b>Rail Crossings</b>						
Northbound***	92,829	115,771	151,110	167,376	174,862	162,870
Southbound***	148,009	168,139	184,498	182,244	190,974	202,081
Total	240,838	283,910	335,608	349,620	365,836	364,951
<b>Vehicle Crossings</b>						
Northbound	7,642,793	8,384,721	8,036,434	7,657,231	7,488,576	5,962,859
Southbound**	8,333,735	8,685,103	8,805,944	7,449,811	7,188,388	6,345,477
Total	15,976,528	17,069,824	16,842,378	15,107,042	14,676,964	12,308,336
<b>Pedestrian Crossings</b>						
Northbound**	-	-	-	4,596,023	4,756,757	3,592,140
Southbound***	-	-	-	4,159,473	4,225,008	3,599,313
Total	-	-	-	8,755,496	8,981,765	7,191,453
<b>Truck Crossings*</b>						
Northbound	-	-	-	1,403,914	1,441,653	1,354,229
Southbound***	-	-	-	1,403,096	1,460,841	1,263,984
Total	-	-	-	2,807,010	2,902,494	2,618,213

\* Includes both loaded and empty trucks

Source: Texas Center for Border Economic and Enterprise Development

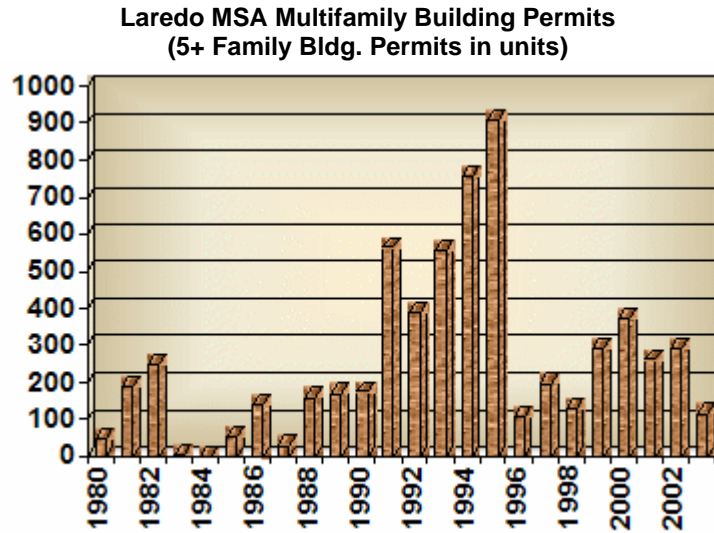
\*\* November and December figures could not be gathered for 2003 and so are not included in the total number.

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

Source: Texas Center for Border Economic and Enterprise Development

## Laredo Market Overview 2004 Multifamily

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Source: U.S. Census Bureau

## Laredo Market Overview 2004 Housing

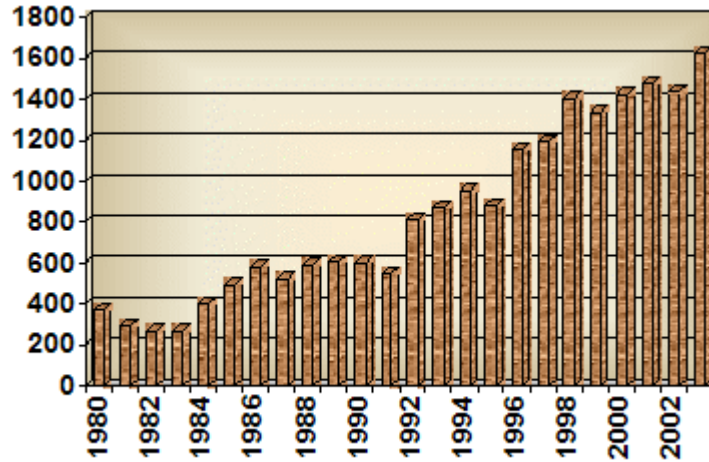
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**Property Tax Rates, 2003**

Taxing Entity	Tax Rate per \$100 Valuation
Laredo	\$0.64
Laredo Community College	0.24
Laredo Independent School District	1.50
Webb County	0.45
<b>Total</b>	<b>\$2.83</b>

Webb County Appraisal District

**Laredo MSA Single-family Building Permits  
 (in units)**



Source: U.S. Census Bureau

## Laredo Market Overview 2004

### Retail

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#### Laredo MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$1,534,729,281	\$11,409
1991	1,741,235,451	12,394
1992	1,937,687,751	13,108
1993	1,983,885,474	12,738
1994	1,951,086,715	11,982
1995	1,343,559,781	7,917
1996	1,492,846,694	8,562
1997	1,690,101,553	9,370
1998	1,843,080,774	9,867
1999	2,031,944,614	10,518
2000	2,443,795,677	12,654
2001	2,389,706,504	11,872
2002	2,404,567,290	11,582
State Average 2002: \$12,143		

Source: Texas Comptroller's Office

## Laredo Market Overview 2004 Hotel

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### Hotel\* Occupancy and Rental Rates

	Laredo	Texas
<b>2000</b>		
Rooms (000)	2.8	296.8
Average daily rental rate	\$55.75	\$71.56
Occupancy rate (percent)	68.6	59.3
<b>2001</b>		
Rooms (000)	2.9	307.1
Average daily rental rate	\$55.42	\$70.27
Occupancy rate (percent)	70.9	57.3
<b>2002</b>		
Rooms (000)	2.9	314.3
Average daily rental rate	\$56.42	\$70.11
Occupancy rate (percent)	68.9	55.4
<b>2003</b>		
Rooms (000)	3.0	320.8
Average daily rental rate	\$57.70	\$68.78
Occupancy rate (percent)	67.0	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.

## Laredo Market Overview 2004 Industrial

**2003 Year End**

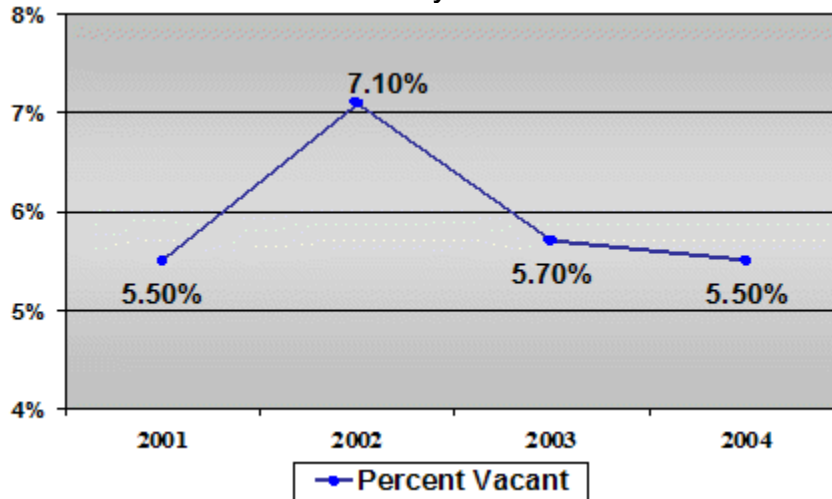
	Standard Industrial	Total
Total*	37,135	37,135
Vacant*	2,100	2,100
Vacancy Rate	5.7%	5.7%
Absorbed*	1,135	1,135
Under Construction*	520	520
Rental Rate**	\$3.60	\$3.60

Source: Grubb & Ellis 2004

\* Square feet in thousands; includes owner-occupied

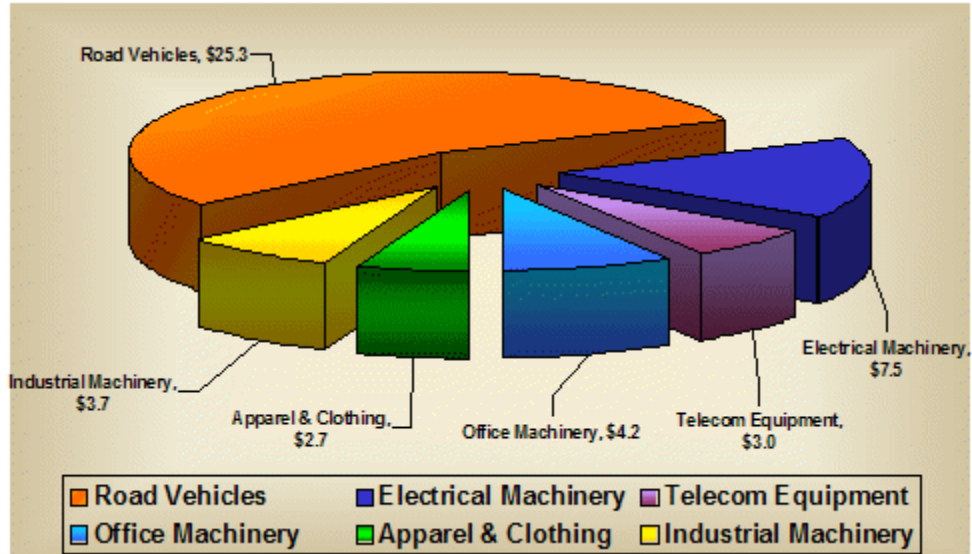
\*\* Weighted average asking rent/SF/year Triple Net

**Laredo Market Overview 2004  
Industrial Vacancy Rate Forecast**



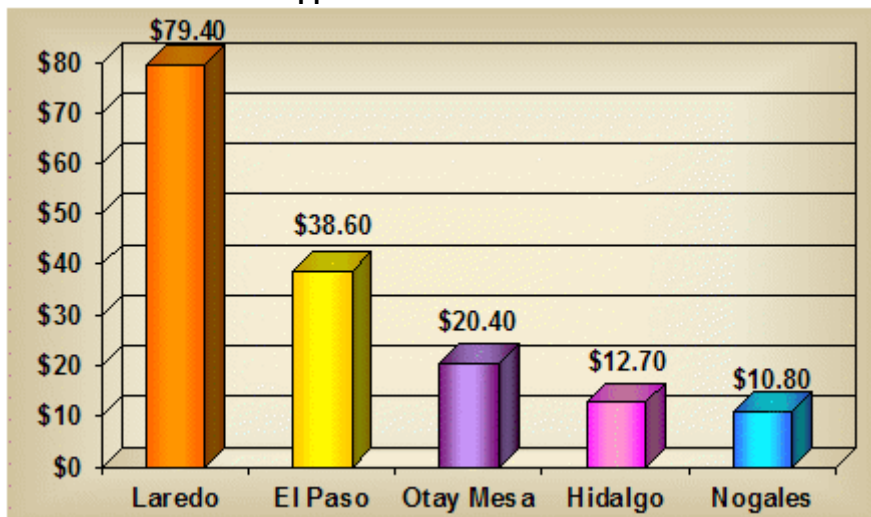
Source: Grubb & Ellis

**Top Six Products Processed at Laredo - 2002  
Total Value In Billions of Dollars**



Source: Laredo Development Foundation

**Total Import-Exports in Billions of Dollars -2002**  
**Goods shipped via Laredo to over 60 nations**



Source: Laredo Development Foundation



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>.

Report compiled by:

Administrative Coordinator

Edith Craig

Research Analysts

Isilay Civan

Blake Lacy

Real Estate Center, 2115 TAMU, College Station, TX 77843-2115  
Phone: 979.845.2031 | Fax: 979.845.0460