

Real Estate Market Overview 2005

Tyler

The Tyler Metropolitan Statistical Area (MSA), located between Dallas and Shreveport along I-20, is a manufacturing, health care, education and retail center for East Texas. Tyler ranked third nationally on a list of "Best small places for Businesses and Careers" published by Forbes magazine and the Milken Institute in 2002. Tyler is also considered "The Rose Capital of America" and sponsors an annual Azalea and Spring Flower Trail in March and April that draws thousands of tourists.

Quick Facts	
Land Area	928.38 square miles
Population Density (2000)	188 people per square mile
Counties	Smith
Area Cities and Towns	
Arp, Big Sandy, Garden Valley, Lindale, Mount Sylvan, Tyler, Whitehouse, Winona	



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Tyler Market Overview 2005 Demographics

Tyler MSA Population

Year	Population	Percent change
1990	151,309	0.3
1991	153,705	1.6
1992	155,336	1.1
1993	158,717	2.2
1994	160,898	1.4
1995	163,440	1.6
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

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1990 - 2004

Metropolitan Area	1990 Population	2004 Population	Percent Change
McAllen-Edinburg-Mission	383,545	658,248	71.6
Austin-San Marcos	846,227	1,412,271	66.9
Laredo	133,239	219,464	64.7
Dallas	2,676,248	3,886,553	45.2
Brownsville-Harlingen-San Benito	260,120	371,825	42.9
Brazoria County	191,707	271,130	41.4
Houston	3,321,911	4,587,092	38.1
Fort Worth-Arlington	1,361,034	1,878,334	38.0
Texas	16,986,335	22,490,022	32.4
San Antonio	1,324,749	1,722,117	30.0
Bryan-College Station	121,862	156,275	28.2
Killeen-Temple	255,299	325,398	27.5
Galveston-Texas City	217,396	271,743	25.0
Tyler	151,309	186,414	23.2
Sherman-Denison	95,019	115,933	22.0
Amarillo	187,514	227,472	21.3
El Paso	591,610	713,126	20.5
Waco	189,123	222,439	17.6
Victoria	74,361	85,777	15.4
Lubbock	222,636	251,018	12.7
Longview-Marshall	193,801	215,159	11.0
Texarkana	120,132	132,716	10.5
Corpus Christi	349,894	385,700	10.2
Odessa-Midland	225,545	244,832	8.6
Beaumont-Port Arthur	361,218	383,443	6.2
San Angelo	98,458	103,772	5.4
Wichita Falls	130,351	136,595	4.8
Abilene	119,655	125,108	4.6

Source: U.S. Census Bureau

Tyler MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	181,404	-
2010	188,462	201,028
2015	195,944	-
2020	203,729	227,931

Sources: Texas State Data Center and Texas Water Development Board

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

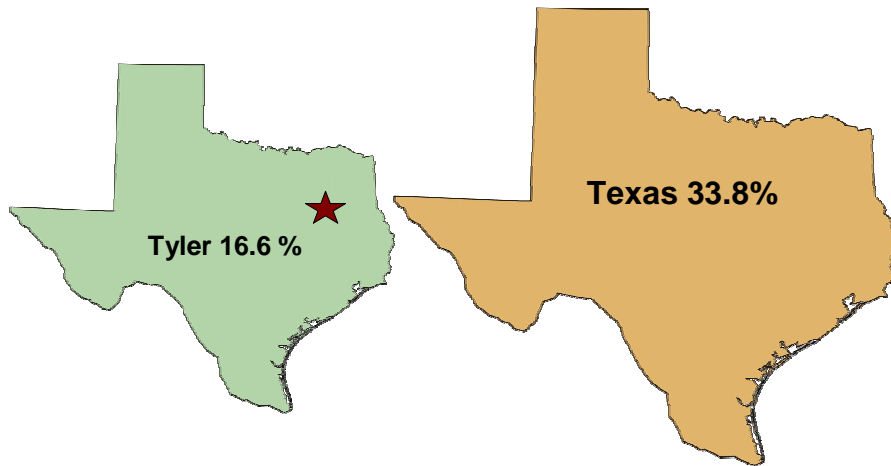
Source: U.S. Census Bureau

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

**Projected Population Growth, 2000 – 2020
(in percent)**



Source: Texas State Data Center
(Scenario 0.5)

Tyler Market Overview 2005 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 Attainment, 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

Local College and University Enrollment

School	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Tyler Junior College	8339	8,240	8,451	8,977	9,591	9,430
U.T. Tyler	3,390	3,592	3,732	4,254	4,769	5,326

Sources: Texas Higher Education Coordinating Board

Local College and University Enrollment

School	Spring 1999	Spring 2000	Spring 2001	Spring 2002	Spring 2003	Spring 2004
Tyler Junior College	-	7,521	7,621	8,086	8,578	8,979
U.T. Tyler	-	3,357	3,395	3,827	4,261	4,759

Sources: Texas Higher Education Coordinating Board

Tyler Market Overview 2005 Employment

Top Ten Employers

Employer	Sector	Employees
East Texas Medical Center	Health care	3,048
Brookshire Grocery Company	Grocery distribution	2,681
Trinity-Mother Frances Hospital	Health care	2,571
Tyler Independent School District	Education	2,520
The Trane Company	Heating-cooling unit manufacturing	1,915
University of Texas Health Center at Tyler	Health care & research	1,300
Tyler Pipe	Cast iron pipe, iron fittings	1,100
Carrier Corporation	Commercial air conditioners	1,028
Kelly-Springfield Tire Company	Tire manufacturing	1,000
Tyler Junior College	Education	925

Source: Tyler Economic Development Council Aug-2004

Top Ten Private Employers

Employer	Sector	Employees
East Texas Medical Center	Health care	3,048
Brookshire Grocery Company	Grocery distribution	2,681
Trinity-Mother Frances Hospital	Health care	2,571
The Trane Company	Heating-cooling unit manufacturing	1,915
Tyler Pipe	Cast iron pipe, iron fittings	1,100
Carrier Corporation	Commercial air conditioners	1,028
Kelly-Springfield Tire Company	Tire manufacturing	1,000
Target Distribution Center	Retail distribution	872
Howe-Baker Engineers	Engineering/Contractor	695
Southside Bank	Bank	650

Source: Tyler Economic Development Council Aug-2004

Employment Growth by Industry

	Tyler MSA	Texas
Employment growth 2004 (in percent)	2.1	1.3
Unemployment rate 2004 (in percent)	5.3	6.1
New jobs in 2004	1800	120,600
<u>Employment growth by sector 2004 (in percent)</u>		
Total Nonfarm	2.1	1.3
Natural Resources, Mining, and Construction	2.1	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	5.4	-0.2
Trade, Transportation and Utilities	1.5	1.2
Information	5.3	-1.1
Financial Activities	2.6	1.7
Professional and Business Services	4.4	1.7
Educational and Health Services	-1.2	2.1
Leisure and Hospitality	3.8	2.1
Government	1.6	1.5

All estimates are subject to revision March-2005

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

Tyler MSA Employment

Year	Employment	Percent Change
1990	70,970	-
1991	72,005	1.5
1992	73,441	2.0
1993	74,884	2.0
1994	78,045	4.2
1995	80,372	3.0
1996	81,274	1.1
1997	83,398	2.6
1998	85,292	2.3
1999	86,393	1.3
2000	88,219	2.1
2001	88,720	0.6
2002	90,091	1.5
2003	92,327	2.5
2004	94,780	2.7

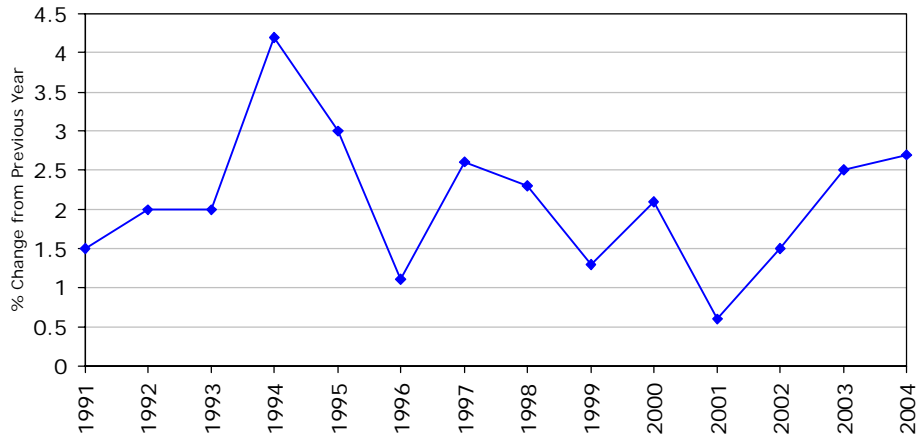
Source: U.S. Bureau of Labor Statistics

Texas Metropolitan Area Employment Change, 1990-2004

Metropolitan Area	1990 Employment	2004 Employment	Percent Change
McAllen-Edinburg-Mission	128,092	231,224	80.5
Austin-Round Rock	452,961	738,706	63.1
Laredo	48,588	77,898	60.3
Killeen-Temple-Fort Hood	93,215	137,634	47.7
Brownsville-Harlingen	90,534	130,457	44.1
College Station-Bryan	69,738	97,038	39.1
San Antonio	620,868	833,331	34.2
Dallas-Fort Worth-Arlington	2,163,142	2,790,815	29.0
Texas	8,071,312	10,362,982	28.4
Amarillo	96,512	122,770	27.2
Tyler	70,712	89,186	26.1
Houston-Baytown-Sugar Land	1,926,731	2,411,653	25.2
Sherman-Denison	43,644	53,651	22.9
Lubbock	110,510	134,203	21.4
Waco	86,033	104,444	21.4
Midland	51,435	61,405	19.4
Abilene	64,278	76,330	18.7
Corpus Christi	156,681	184,573	17.8
Victoria	44,880	52,847	17.8
El Paso	228,522	267,419	17.0
Longview	80,290	93,867	16.9
Wichita Falls	61,226	70,608	15.3
San Angelo	44,183	50,604	14.5
Texarkana	51,476	57,743	12.2
Odessa	52,585	57,944	10.2
Beaumont-Port Arthur	156,860	164,663	5.0

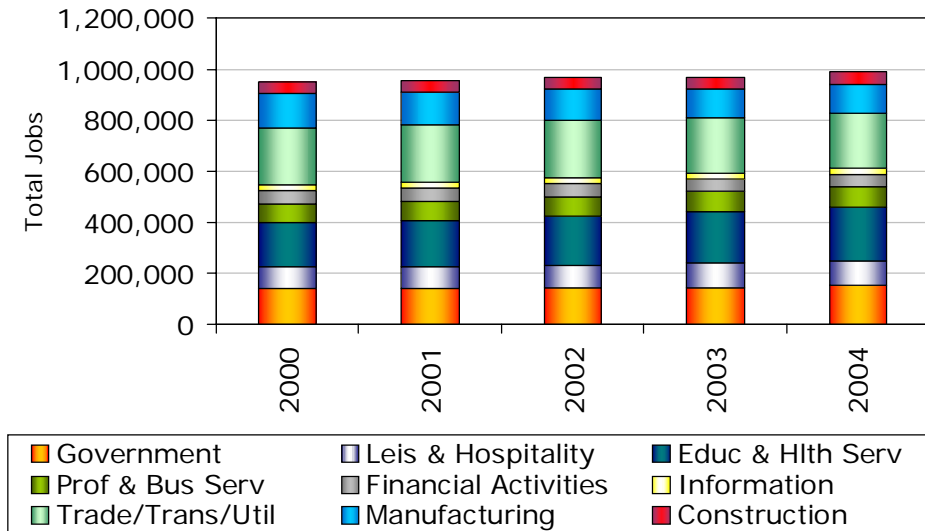
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

**Employment Growth
 Tyler MSA**



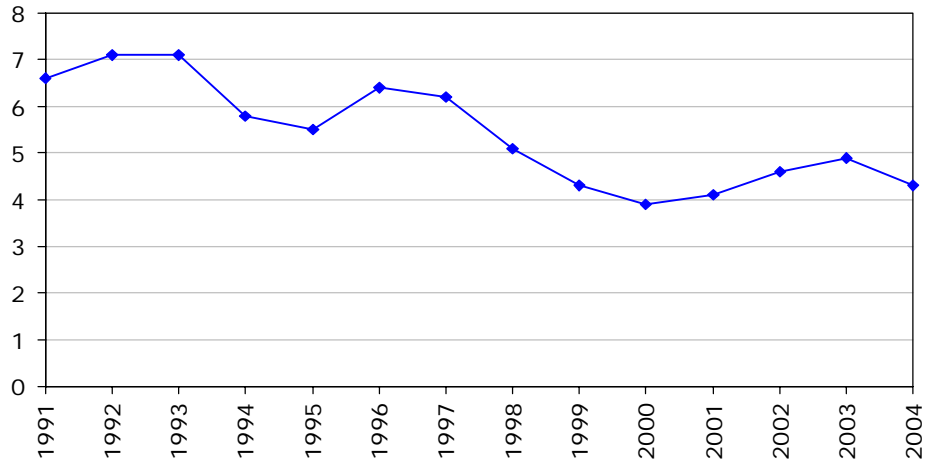
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Distribution of Employment in Major Categories



Source: Texas Workforce Commission Feb-2005

Tyler MSA Unemployment Rate
(in percent)



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

Tyler Market Overview 2005 Economy

Tyler MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$1,285,862,178	\$8,498
1991	1,351,609,159	8,794
1992	1,460,219,931	9,400
1993	1,622,335,938	10,222
1994	1,811,577,598	11,259
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	2,753,692,326	14,772
		State Average 2004: \$14,546

Source: Texas Comptroller's Office

Tyler Market Overview 2005 Infrastructure

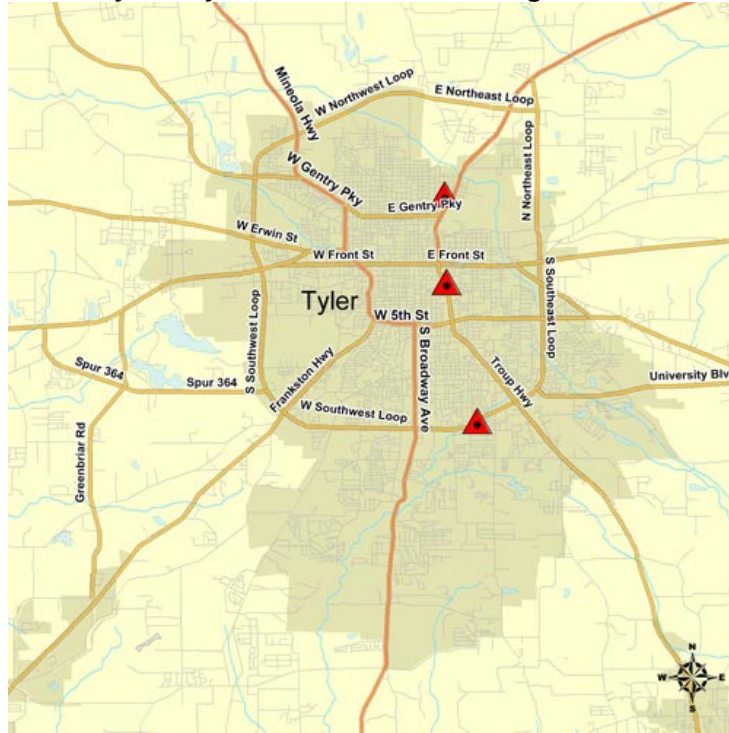
Tyler Airline Boardings

Airport	1998	1999	2000	2001	2002	2003	2004
Tyler Pounds Regional Airport							
Enplaned	72,616	77,795	74,563	63,834	55,578	60,284	70,549
Deplaned	69,009	73,041	70,402	58,916	54,530	58,773	68,741
Total	141,625	150,836	144,965	122,750	110,108	119,057	139,290

Source: Tyler Pounds Field Airport

Tyler Market Overview 2005 Public Facilities

Tyler City Public Facilities Building Permits



Tyler City Building Permit Office

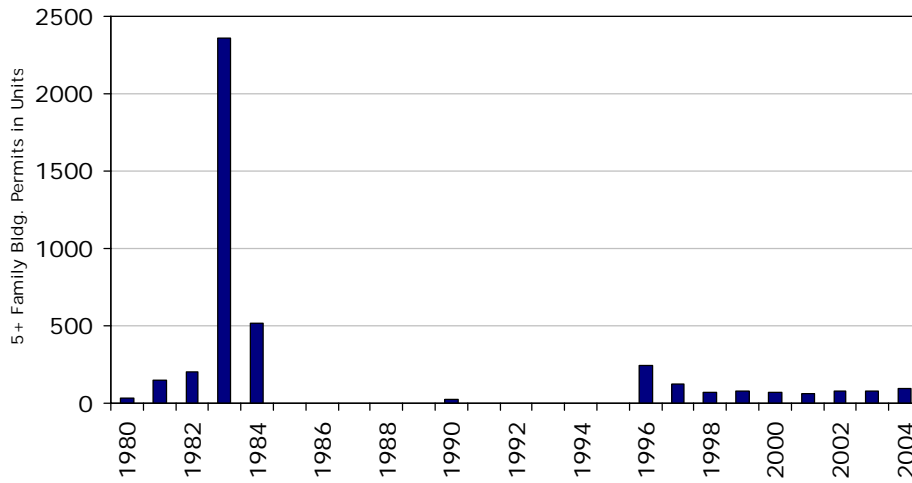
Tyler Market Overview 2005 Multifamily

Tyler Apartment Statistics 2004

	Tyler	Texas Metro Average
Average rent per square foot	\$0.62	\$0.79
Average rent for units built since 2000	\$0.49	\$0.92
Average occupancy (in percent)	94.4	91.5
Average occupancy for units built since 2000 (in percent)	96.8	92.4

Source: Apartment MarketData Research Jan-2005

Tyler MSA Multifamily Building Permits



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

Tyler Market Overview 2005 Housing

Housing Affordability - Fourth Quarter 2004

Percent of Households That Can Afford Median- priced Home	THAI*	THAI for First-time Homebuyers	
Tyler MSA	53	1.05	0.90
Texas MLS Total	50	0.99	0.91
U.S. Total	49	0.99	0.72

* 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, Tyler Area, 2003 (in percent)

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	5.3	6.4	5.0	3.8	3.9	2.9	4.1
30,000 - 39,999	4.3	4.3	4.2	2.8	3.1	3.1	3.0
40,000 - 49,999	6.1	5.9	5.6	5.5	4.6	2.6	3.1
50,000 - 59,999	9.3	8.7	6.9	5.4	6.0	4.5	4.4
60,000 - 69,999	8.2	9.6	8.8	7.1	7.5	5.7	5.2
70,000 - 79,999	8.6	7.0	8.6	8.6	7.8	6.7	6.1
80,000 - 89,999	10.0	9.4	8.0	8.3	8.3	7.6	6.5
90,000 - 99,999	7.1	6.3	7.4	7.3	7.1	7.9	5.9
100,000 - 119,999	10.0	11.5	10.5	12.0	12.1	13.9	12.0
120,000 - 139,999	9.1	7.9	8.8	10.4	10.2	11.3	12.2
140,000 - 159,999	5.6	6.1	6.0	7.2	6.9	8.6	7.8
160,000 - 179,999	4.3	4.2	5.6	5.5	5.3	5.9	6.4
180,000 - 199,999	2.8	3.3	3.9	3.7	4.4	4.7	5.0
200,000 - 249,999	3.8	4.3	5.4	5.3	4.8	5.9	7.3
250,000 - 299,999	3.8	2.7	2.2	3.2	3.2	3.4	4.8
300,000 - 399,999	0.9	1.3	2.2	2.6	3.4	3.9	3.7
400,000 - 499,999	0.8	0.7	0.5	0.9	1.3	1.1	1.6
500,000 and more	0.2	0.3	0.6	0.5	0.2	0.5	0.8

Source: Real Estate Center at Texas A&M University

Home Sales, Tyler

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

*Dec-not available

Source: Real Estate Center at Texas A&M University

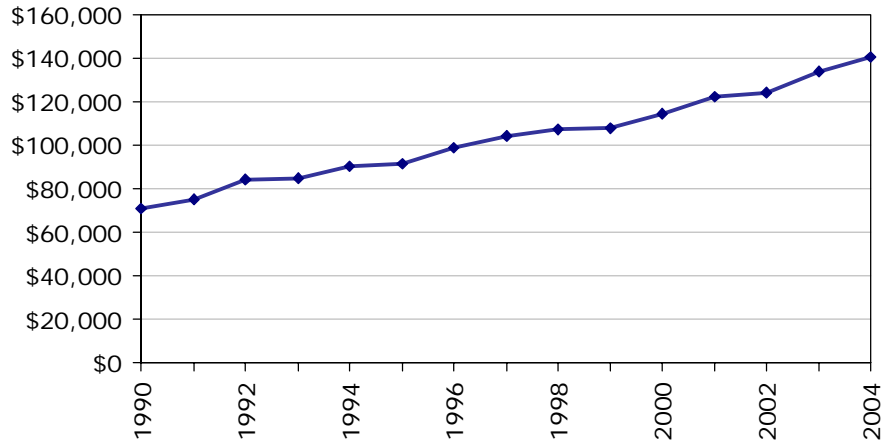
Property Tax Rates, 2004
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of Tyler	0.248855
Smith County	0.25447
Tyler Independent School District	1.66
Total	\$2.16

* 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

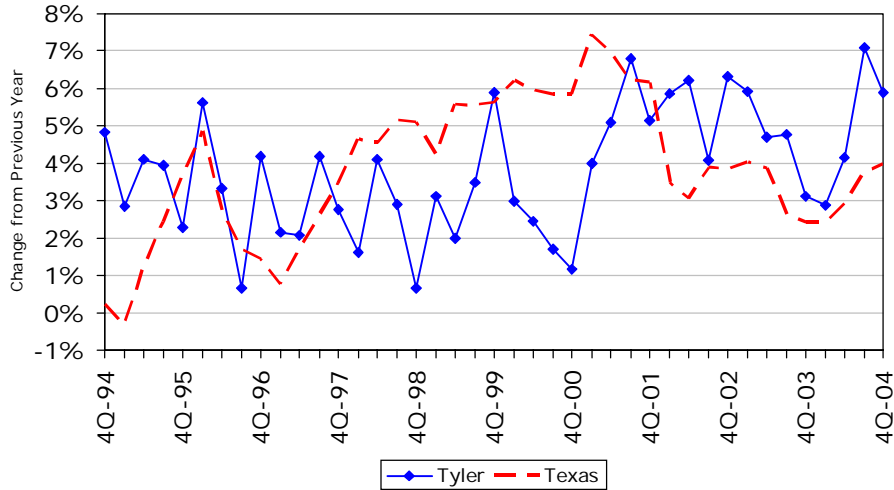


Source: Real Estate Center at Texas A&M University

Home Price Appreciation Tyler MSA *

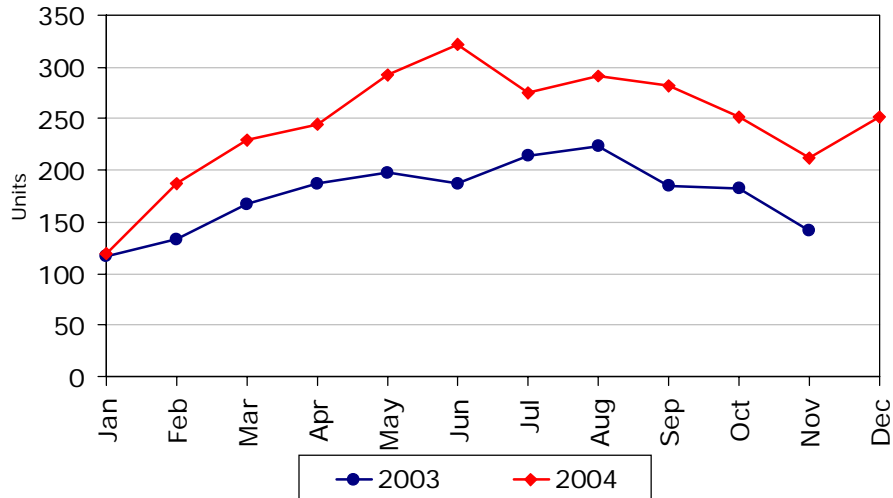
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

*According to new 2003 MSA definition, including Smith County



Source: Office of Federal Housing Enterprise Oversight

Single-Family Home Sales Volume Tyler Area



Source: Real Estate Center at Texas A&M University

Tyler Market Overview 2005 Hotel

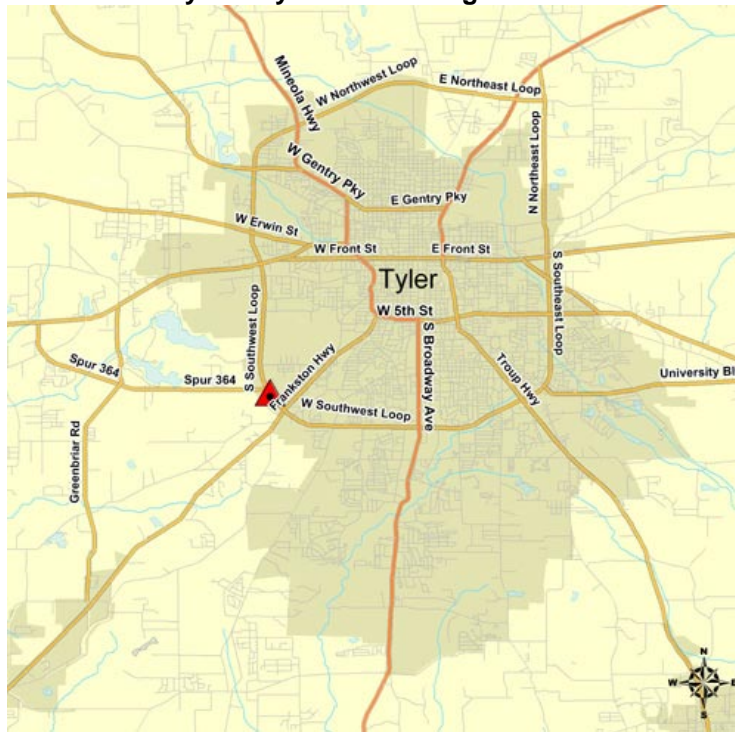
Hotel Occupancy and Rental Rates

	2003*		2004	
	Tyler	Texas	Tyler	Texas
# Rooms 000's	2.1	320.2	2.2	329.2
Average daily rate	\$55.73	\$68.80	\$56.69	\$70.62
Occupancy rate (in percent)	57.3	54.2	58.9	55.2

* 2003 and later data according to new MSA definition including Smith County

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio

Tyler City Hotel Building Permits



Tyler City Building Permit Office

Tyler Market Overview 2005 Office

Tyler Office Market - September 2004

	Total Market Statistics	CBD/Downtown Market	Suburban/South Tyler Market
Number of buildings	44	14	30
Total square feet	2,009,877	791,360	1,218,517
Total vacant square feet	208,692	109,489	99,203
Overall occupancy rate (in percent)	89.6	86.0	91.9
Average annual rental rate per sq. ft.	\$11.81	\$10.48	\$12.41

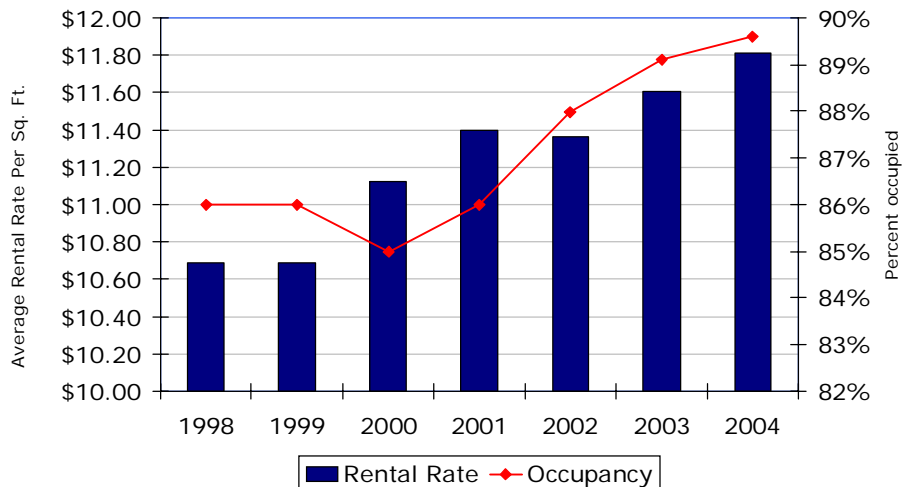
Source: Burns & Noble

TYLER OFFICE MARKET SURVEY - SEPTEMBER 2004

	Class A	Class B	Class C
Number of buildings	8	24	12
Total square feet	798,146	873,433	309,104
Total vacant square feet	61,181	77,395	55,884
Occupancy rate (in percent)	92.33%	91.00%	81.90%
Average annual rental rate per sq. ft.	\$15.00	\$12.00	\$10.06

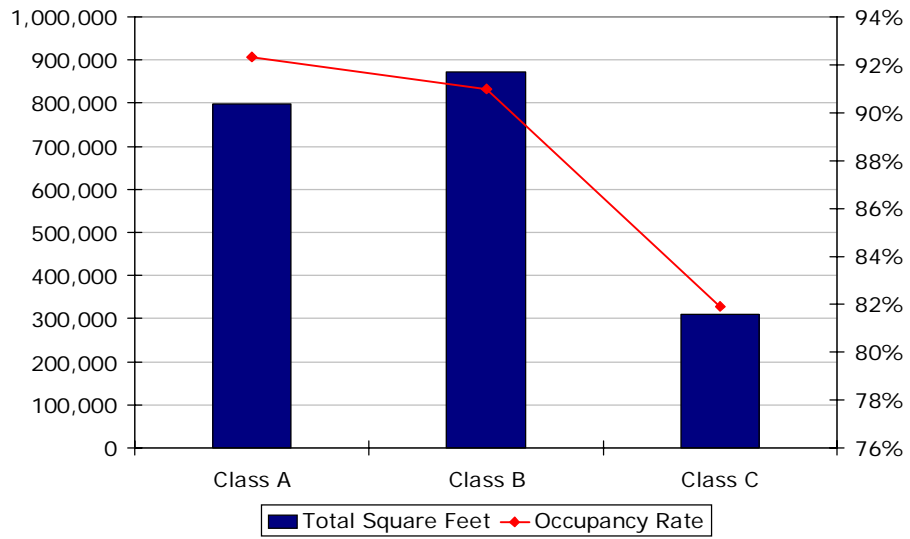
Source: Burns & Noble

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



Source: Burns & Noble

Tyler Office Market Survey – September 2004



Source: Burns & Noble

Tyler Market Overview 2005 Industrial

Tyler City Industrial Building Permits



Tyler 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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