

Real Estate Market Overview 2005

Wichita Falls

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 McMurtry, 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 2003 definition is noted where applicable.



Table of Contents

Demographics 3

Education 6

Employment 7

Economy 12

Infrastructure 13

Multifamily 14

Housing 15

Retail 19

Hotel 20

Office 21

Industrial 22

Wichita Falls Market Overview 2005 Demographics

Wichita Falls MSA Population

Year	Population	Population Change
1990	130,351	-0.4
1991	129,278	-0.8
1992	129,102	-0.1
1993	131,529	1.9
1994	133,919	1.8
1995	137,526	2.7
1996	140,663	2.3
1997	140,892	0.2
1998	140,535	-0.3
1999	140,701	0.1
2000	140,518	-0.1
2001	138,249	-1.6
2002	137,704	-0.4
2003	137,337	-0.3
2004	136,595	-0.5

Source: U.S. Census Bureau

County Population Growth

County	1990 Population	2004 Population	Growth 1990 - 2004 (in percent)
Archer	7,973	9,274	16.3
Clay	10,024	11,231	12.0
Wichita	122,378	127,321	4.0

Source: U.S. Census Bureau

Wichita Falls MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	144,207	-
2010	147,747	145,978
2015	151,120	-
2020	154,347	152,159

Sources: Texas State Data Center and Texas Water Development Board

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

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

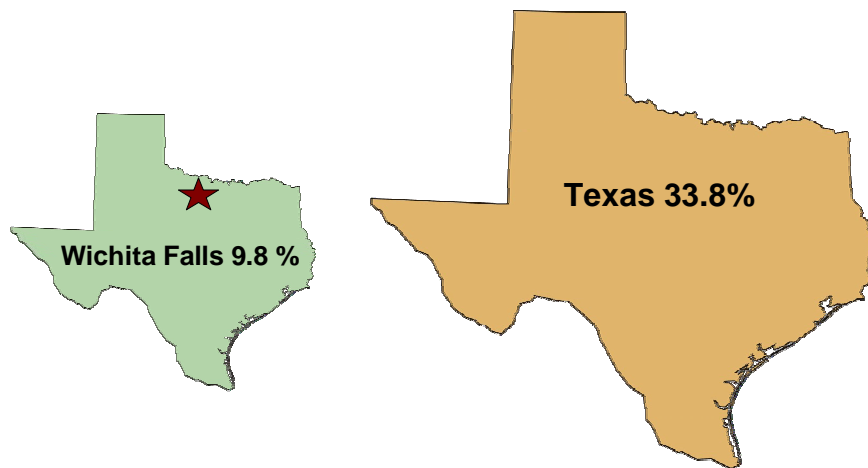
Source: U.S. Census Bureau

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

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



Source: Texas State Data Center (Scenario 0.5)

Wichita Falls Market Overview 2005 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 (2003 definition)

Educational Attainment, 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

Local College and University Enrollment

School	Fall					
	1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Midwestern State University	5,688	5,812	5,960	6,157	6,420	6,257

Source: Texas Higher Education Coordinating Board

Local College and University Enrollment

School	Spring					
	1999	2000	2001	2002	2003	2004
Midwestern State University	-	5,484	5,435	5,715	5,953	5,976

Source: Texas Higher Education Coordinating Board

Wichita Falls Market Overview 2005 Employment

Top Ten Employers

Employer	Sector	Employees
Sheppard Air Force Base	Military	15,875
Wichita Falls Independent School District	Public school system	1,900
United Regional Healthcare System	Health care	1,843
James V Allred Unit	State maximum security prison	1,120
City of Wichita Falls	City government	1,107
Vetrotex America Div of Saint-Gobain	Fiberglass reinforcements	987
North Texas State Hospital WF Campus	Mental health - mental rehabilitation	975
Midwestern State University	Education	823
Howmet Corp WF Casting Division	Gas turbines, engine components	800
Cingular Wireless	Customer service	798

Source: Wichita Falls Board of Commerce and Industry Jan-2005

Top Ten Private Employers

Employer	Sector	Employees
United Regional Healthcare System	Health Care	1,843
Vetrotex America Div of Saint-Gobain	Fiberglass reinforcements	1,107
Howmet Corp WF Casting Division	Gas turbines, engine components	800
Cingular Wireless	Customer Service	798
Cryovac Division - Sealed Air Corporation	Flexible packaging	776
Work Services Corp.	Wood Products	510
Lear Seigler Service Inc.	Aircraft maintenance	485
Wal-Mart	Retail	450
PPG Industries	Flat glass products	412
BlueCross/Blue Shield	Customer service/claims processing	396

Source: Wichita Falls Board of Commerce and Industry Jan-2005

Employment Growth by Industry

	Wichita Falls MSA	Texas
Employment growth 2004 (in percent)	0.3	1.3
Unemployment rate 2004 (in percent)	5.3	6.1
New jobs in 2004	200	120,600
<u>Employment growth by sector 2004 (in percent)</u>		
Total Nonfarm	0.3	1.3
Natural Resources, Mining, and Construction	-6.1	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	4.2	-0.2
Trade, Transportation and Utilities	1.8	1.2
Information	-11.8	-1.1
Financial Activities	0.0	1.7
Professional and Business Services	-8.8	1.7
Educational and Health Services	2.1	2.1
Leisure and Hospitality	5.6	2.1
Government	0.0	1.5

All estimates are subject to revision March-2005

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

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

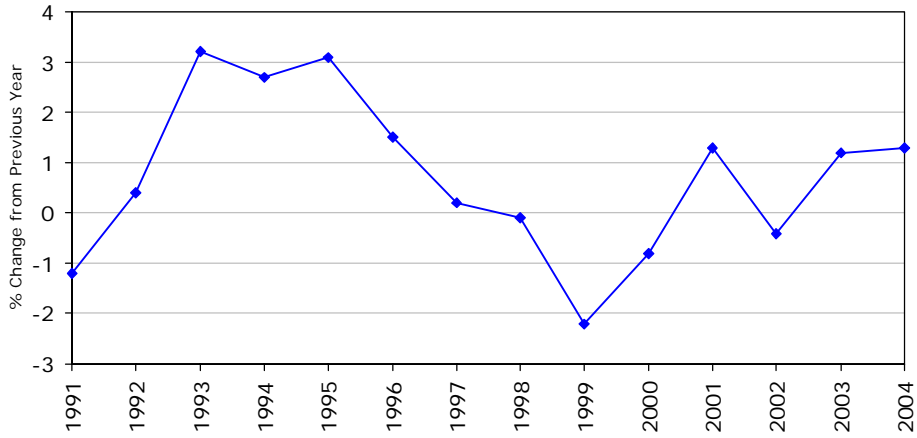
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

Wichita Falls MSA Employment

Year	Employment	Percent Change
1990	56,897	-
1991	56,219	-1.2
1992	56,436	0.4
1993	58,233	3.2
1994	59,820	2.7
1995	61,690	3.1
1996	62,601	1.5
1997	62,758	0.2
1998	62,721	-0.1
1999	61,339	-2.2
2000	60,859	-0.8
2001	61,675	1.3
2002	61,419	-0.4
2003	62,138	1.2
2004	62,949	1.3

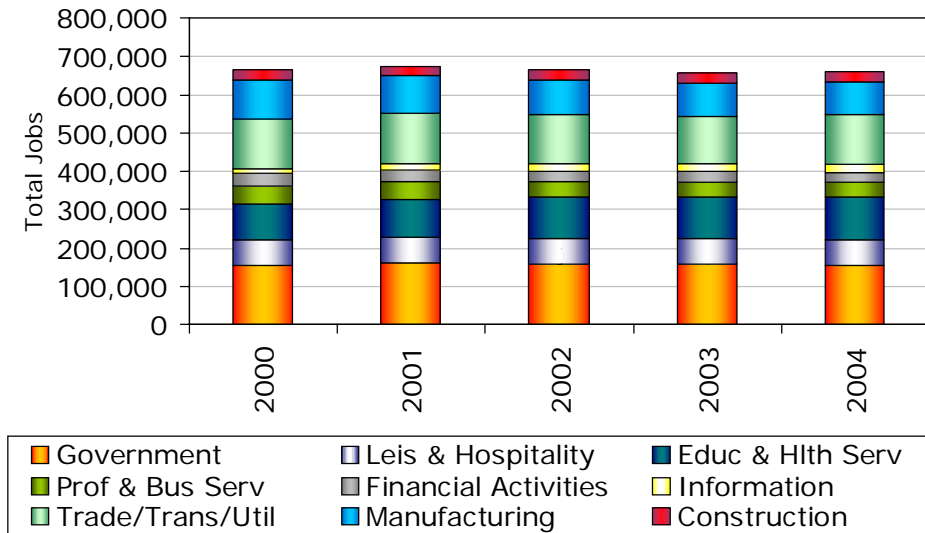
Source: U.S. Bureau of Labor Statistics

**Employment Growth
 Wichita Falls MSA**



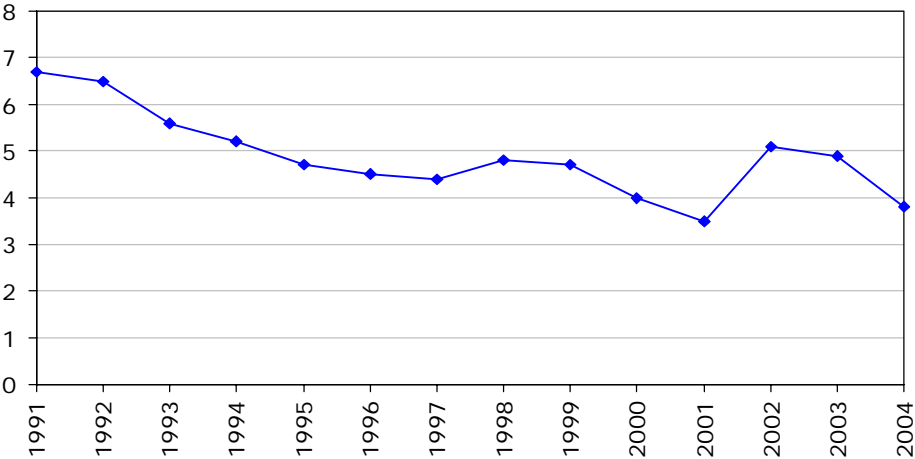
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Distribution of Employment in Major Categories



Source: Texas Workforce Commission Feb-2005

Wichita Falls MSA Unemployment Rate
(in percent)



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

Wichita Falls Market Overview 2005 Economy

Wichita Falls MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$903,534,654	\$6,932
1991	919,884,338	7,116
1992	988,689,184	7,658
1993	1,067,721,036	8,118
1994	1,170,767,526	8,742
1995	1,238,766,468	9,008
1996	1,269,958,442	9,028
1997	2,294,519,845	16,286
1998	2,640,433,698	18,788
1999	1,391,574,797	9,890
2000	1,368,668,551	9,740
2001	1,446,426,736	10,462
2002	1,482,798,296	10,768
2003	1,505,632,379	10,963
2004	1,561,778,567	11,434
State Average 2004: \$14,546		

Source: Texas Comptroller's Office

Wichita Falls Market Overview 2005 Infrastructure

Wichita Falls Airline Boardings

Airport	1998	1999	2000	01-02*	02-03*	03-04*
City of Wichita Falls Municipal	53,071	55,754	58,000	41,343	40,654	44,337

*Based on fiscal year

Source: City of Wichita Falls Municipal Airport

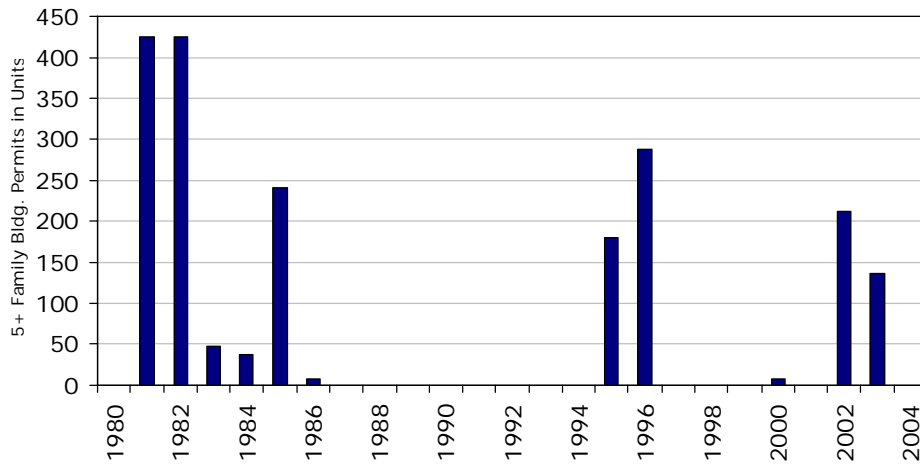
Wichita Falls Market Overview 2005 Multifamily

Wichita Falls/North Texas Apartment Statistics 2004

	Wichita Falls	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)	93.4	91.5
Average occupancy for units built since 2000 (in percent)	100.0	92.4

Source: Apartment MarketData Research Jan-2005

Wichita Falls MSA Multifamily Building Permits



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

Wichita Falls Market Overview 2005 Housing

Housing Affordability - Fourth Quarter 2004

Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
Waco MSA	64	1.29
Texas MLS Total	50	0.99
U.S. Total	49	0.99

* 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, Wichita Falls Area, 2004 (in percent)

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	10.1	10.0	9.7	7.7	8.9	8.6	8.4
30,000 - 39,999	8.3	9.1	8.4	8.0	5.8	5.7	5.5
40,000 - 49,999	9.9	9.6	10.2	9.1	8.5	7.7	6.4
50,000 - 59,999	9.9	12.2	11.6	9.4	9.8	7.8	8.7
60,000 - 69,999	11.4	9.6	9.7	11.6	10.2	9.9	9.2
70,000 - 79,999	10.5	9.8	9.0	9.9	9.2	9.5	9.1
80,000 - 89,999	8.8	9.6	8.4	10.0	8.3	8.5	8.4
90,000 - 99,999	7.2	6.7	6.9	6.5	8.6	8.1	6.6
100,000 - 119,999	8.2	8.6	8.5	10.4	11.5	10.3	10.5
120,000 - 139,999	4.9	5.8	5.1	6.5	6.8	8.5	9.5
140,000 - 159,999	4.3	2.7	4.6	3.4	3.1	4.7	5.4
160,000 - 179,999	2.2	1.4	2.5	2.0	3.3	2.8	4.1
180,000 - 199,999	1.4	1.3	1.4	1.3	2.5	2.5	2.4
200,000 - 249,999	1.3	2.2	1.8	1.7	2.4	3.0	3.1
250,000 - 299,999	0.8	0.6	1.1	1.1	0.7	1.0	1.4
300,000 - 399,999	0.6	0.7	0.9	0.8	0.5	1.0	1.0
400,000 - 499,999	0.1	0.2	0.0	0.3	0.1	0.2	0.1
500,000 and more	0.0	0.1	0.1	0.2	0.0	0.1	0.4

Source: Real Estate Center at Texas A&M University

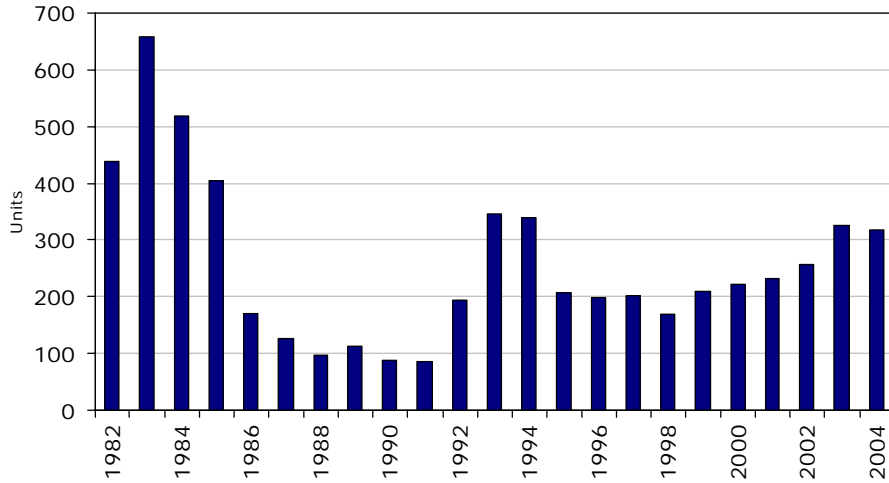
Property Tax Rates, 2004
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of 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

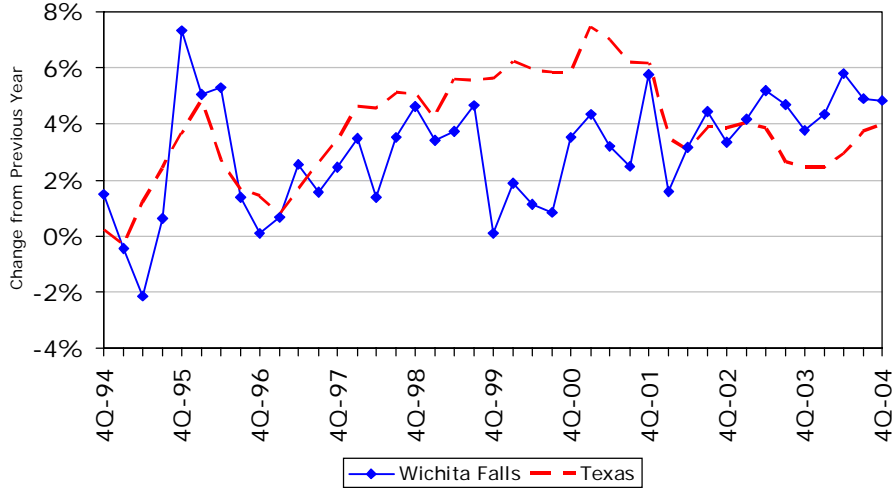


Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

Home Price Appreciation Wichita Falls MSA*

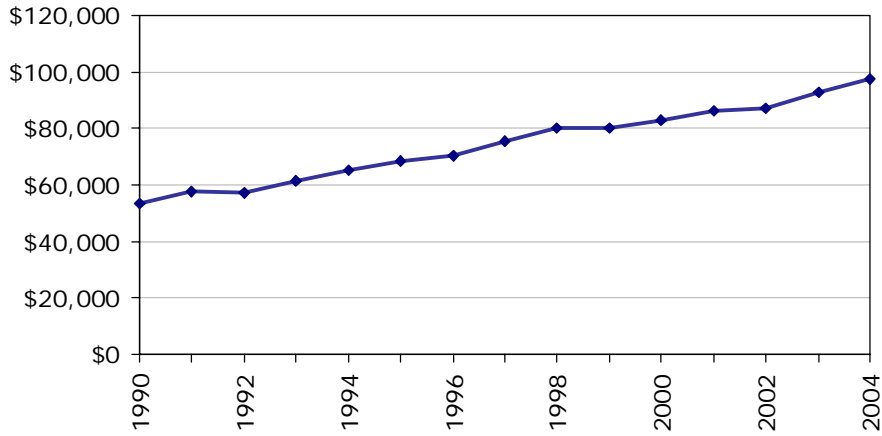
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

*According to new 2003 MSA definition, including Archer, Clay, and Wichita Counties

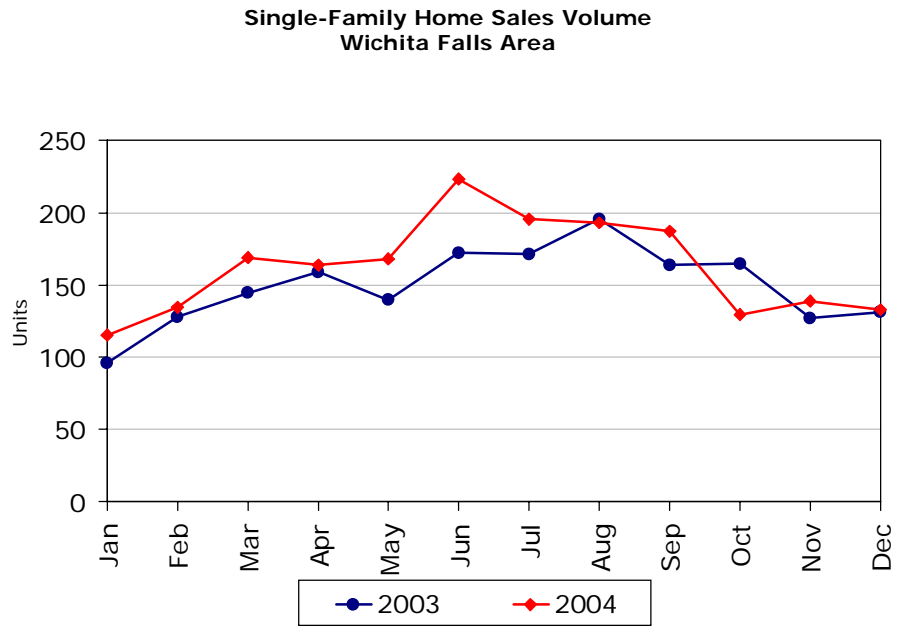


Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Wichita Falls Area



Source: Real Estate Center at Texas A&M University



Source: Real Estate Center at Texas A&M University

Wichita Falls Market Overview 2005

Retail

Wichita Falls City Retail Building Permits



Wichita Falls City Building Permit Office

Wichita Falls Market Overview 2005 Hotel

Hotel Occupancy and Rental Rates

	2003*		2004	
	Wichita Falls	Texas	Wichita Falls	Texas
# Rooms 000's	1.9	320.2	1.9	329.2
Average daily rate	\$53.12	\$68.80	\$53.28	\$70.62
Occupancy rate (in percent)	57.2	54.2	54.7	55.2

* 2003 and later data according to new MSA definition including Archer, Clay, Wichita Counties

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

Wichita Falls City Hotel Building Permits



Wichita Falls City Building Permit Office

Wichita Falls Market Overview 2005 Office

Wichita Falls City Office Building Permits

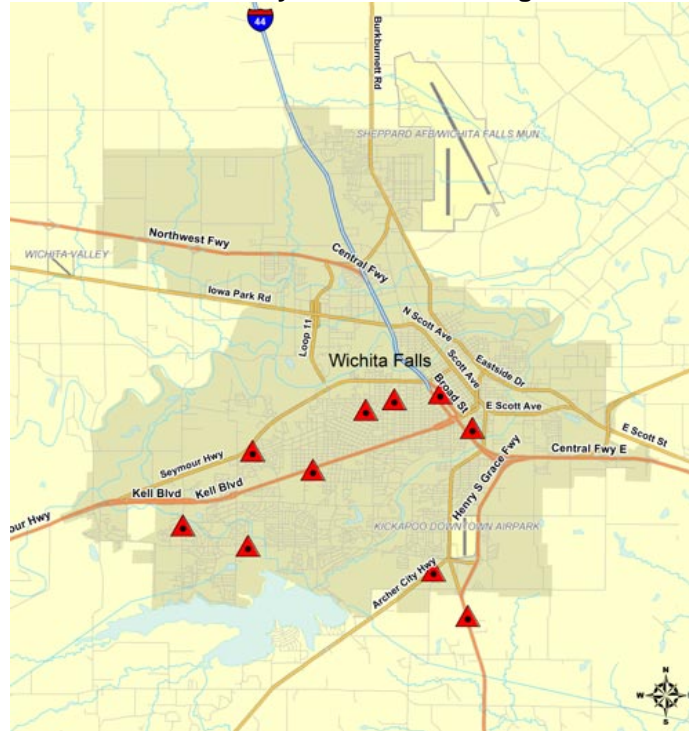


Wichita Falls City Building Permit Office

Wichita Falls Market Overview 2005

Industrial

Wichita Falls City Industrial Building Permits



Wichita Falls 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>.

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