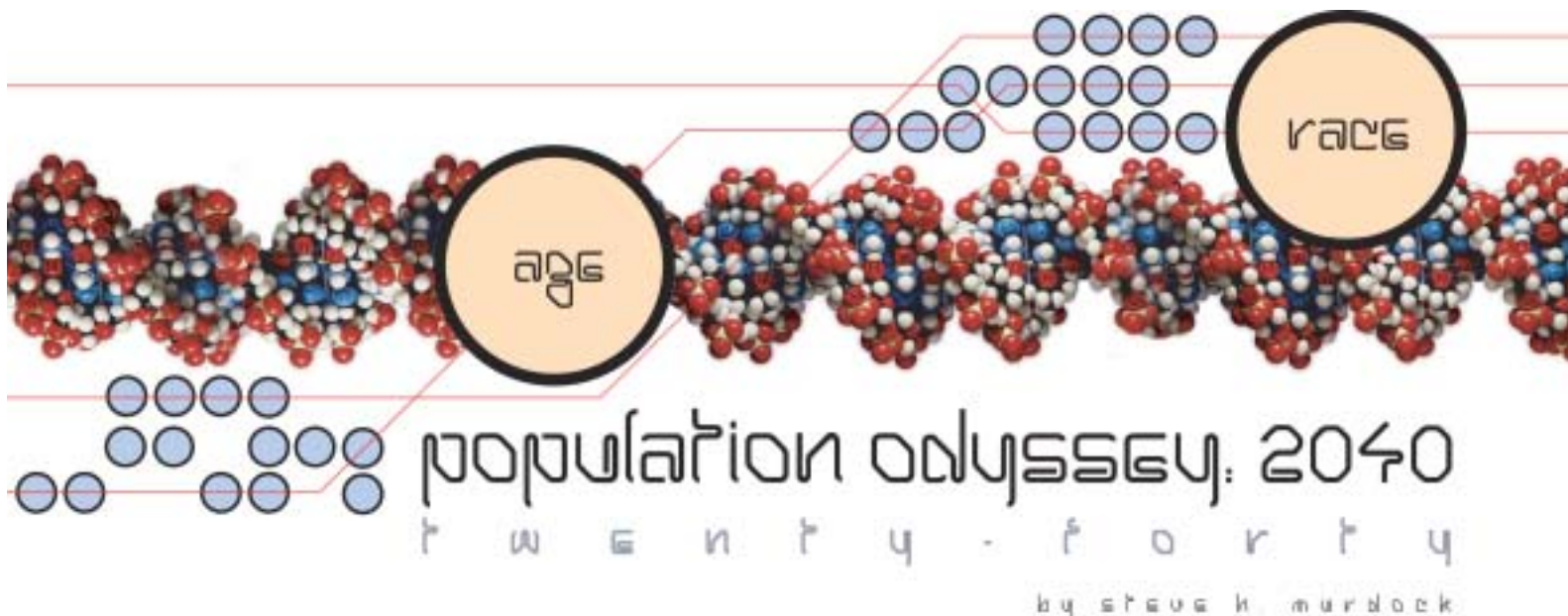


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Any way you look it, Texas population growth between now and 2040 will have dramatic consequences for the state's real estate industry. Recent population projections from the Texas State Data Center at Texas A&M University suggest that millions of new households will need homes. Just how many is somewhat uncertain, and the data center has several alternative scenarios to explain the uncertainty. But whether the rapid-growth or the slower-and-most-likely scenario unfolds, sweeping changes are ahead in the number, age, sex and race-ethnicity of future Texans.

The rapid-growth scenario assumes that current migration rates will continue through 2040. If that happens, the state's population will jump from more than 20.8 million in 2000 to nearly 50.6 million in 40 years. That is a four-decade increase of 142.6 percent or 29.7 million more Texans. All will require housing.

There is evidence to suggest Texas will not follow the rapid-growth scenario. But even a slower growth rate of nearly 68 percent will be sufficient to increase the state's population to some 35 million in four decades. Housing those additional 14.2 million new residents will be a substantial challenge to the state's real estate leaders.

Not only will there be more Texans by 2040, they will be older and decidedly more non-Anglo. Under either scenario, the percentage of Texas' population 65 or older will increase to more than 16 percent of the total. It was 9.9 percent in 2000.

No matter which scenario occurs, non-Anglo Texans will become the majority by 2006. By 2040, between 24 and 33 percent of the Texas population will be Anglo, 8 to 9 percent African American, 52 to 59 percent Hispanic and 6 to 9 percent of other ethnic backgrounds.

Hispanics will become the majority in Texas sometime between 2026 and 2035, depending on which scenario plays out. The first date assumes the high-growth scenario. Of the total net population change in Texas from 2000 through 2040, more than 96 percent is expected to come from non-Anglo groups.

Under either scenario, the percentage of Hispanics 65 and older is expected to be less than half that of Anglos that age. The rapid-growth scenario estimates 26 percent of Anglos will be 65 and older while only 9.9 percent of Hispanics will be that old.

Households buy homes. Thus, the housing market appears to have substantial demand ahead. Under the rapid-growth scenario, Texas households will increase from 7.4 million in 2000 to 19.4

million by 2040. The slower-growth scenario puts the number of households at 13.6 million by 2040.

Whether the number of Texas households increases by 84 percent or 162 percent, substantially more housing is going to be needed in the decades to come.

By 2040, as many as 28 percent of all households could have a member who is 65 or older. In 2000, only 18 percent had someone that old. Some 29 to 38 percent of all Texas households could have an Anglo householder in 2040 while 9 to 11 percent could have an African-American householder and 45 to 53 percent a Hispanic householder. Another 6 to 9 percent may have a householder from another racial or ethnic group.

The demand for future Texas housing seems assured whether faster or slower growth rates prove accurate. Not only will there be millions more people and households, but older and non-Anglo Texans will play an increasingly important role in the changing housing market. The key to success in the future may be in the hands of those who learn how best to serve these emerging markets. 📍

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