

Aggie Real Estate Network

2011 ANNUAL CONFERENCE

July 28-30, 2011
College Station, Texas

Demographic Trends and Effects on Real Estate



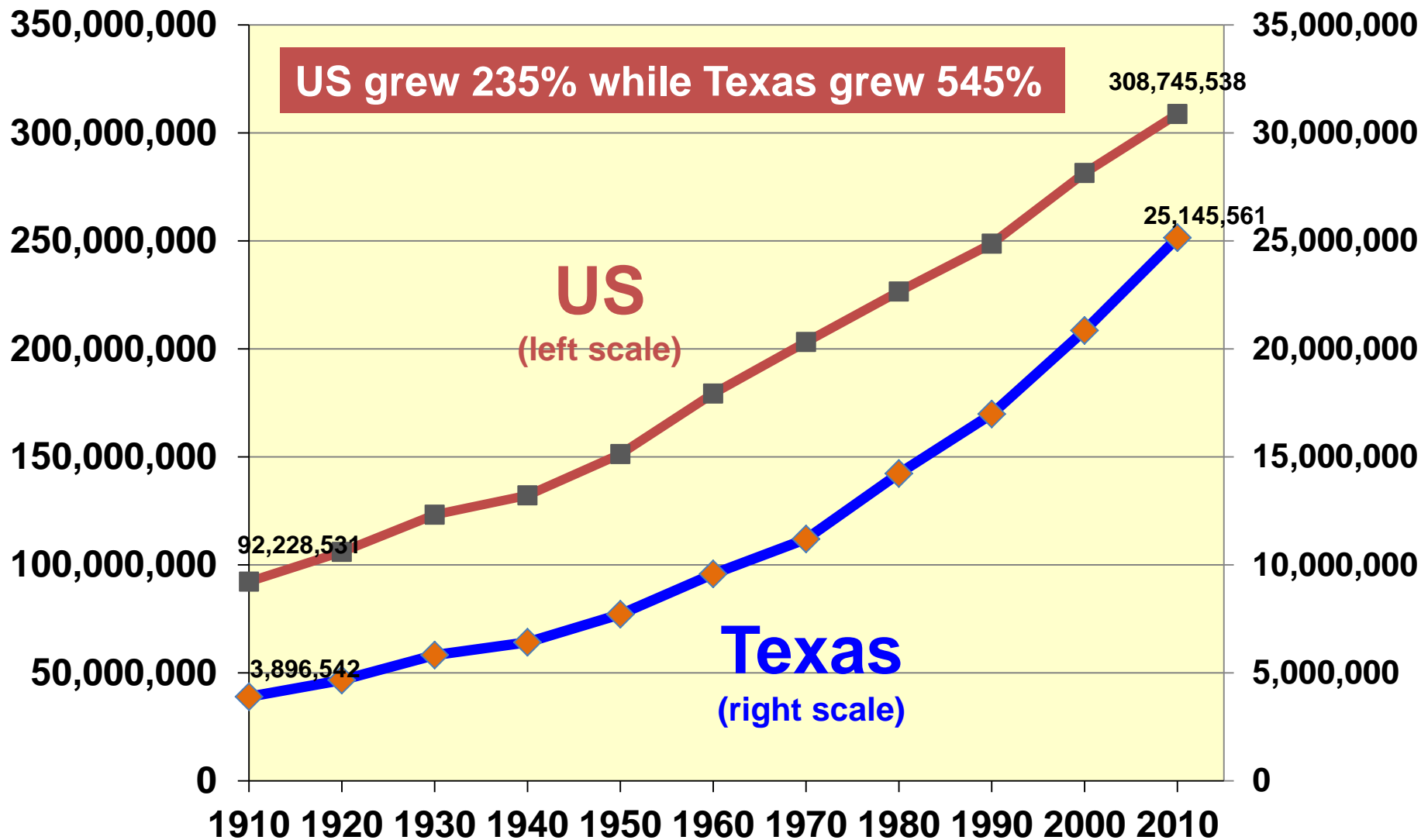
Helping Texans
make better
real estate
decisions.

Dr. James P. Gaines
Research Economist
Real Estate Center
at Texas A&M University

Texas' Economy is Doing Better Than Most Other States

- **Job Gains**
- **Housing Prices**
- **General Business Growth**
- **Population Growth**

US and Texas Population 1910-2010



Source: U.S. Census Bureau

Fastest Growing States, 2000-2010

	2000 Population*	2010 Population	Numerical Change 2000-2010	Percent Change 2000- 2010
United States	281,424,602	308,745,538	27,323,632	9.7%
Texas	20,851,820	25,145,561	4,293,741	20.6%
California	33,871,648	37,253,956	3,382,308	10.0%
Florida	15,982,378	18,801,310	2,818,932	17.6%
Georgia	8,186,453	9,687,653	1,501,200	18.3%
North Carolina	8,049,313	9,535,483	1,486,170	18.5%
Arizona	5,130,632	6,392,017	1,261,385	24.6%

55% Texas growth Natural, 45% Immigration

15.7% of numerical
change in U.S.

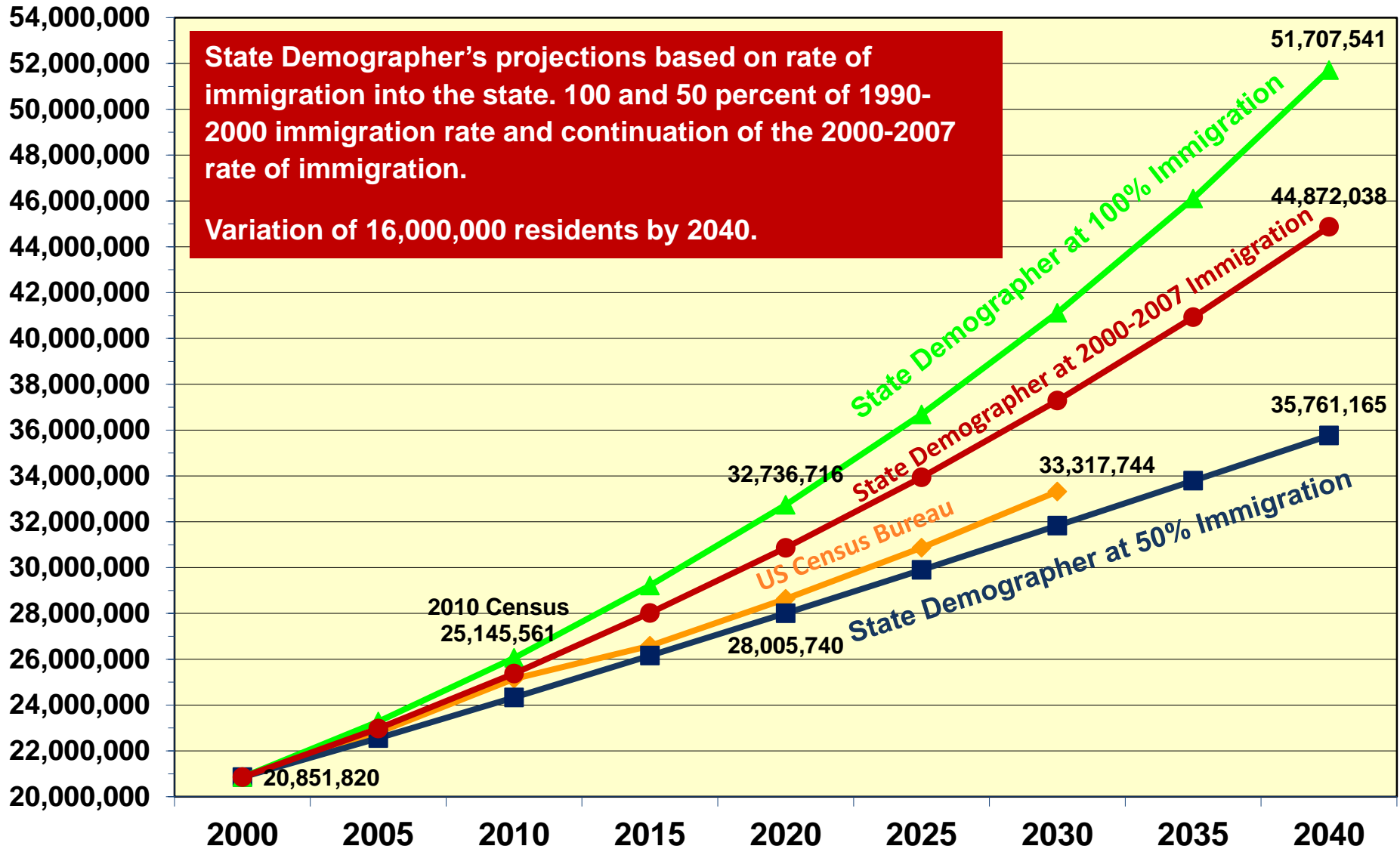
2010 Census Top 25 States

1	California	37,253,956
2	Texas	25,145,561
3	New York	19,378,102
4	Florida	18,801,310
5	Illinois	12,830,632
6	Pennsylvania	12,702,379
7	Ohio	11,536,504
8	Michigan	9,883,640
9	Georgia	9,687,653
10	North Carolina	9,535,483
11	New Jersey	8,791,894
12	Virginia	8,001,024
13	Washington	6,724,540
14	Massachusetts	6,547,629
15	Indiana	6,483,802
16	Arizona	6,392,017
-	Dallas-Fort Worth	6,371,773
17	Tennessee	6,346,105
18	Missouri	5,988,927
-	Houston	5,946,800
19	Maryland	5,773,552
20	Wisconsin	5,686,986
21	Minnesota	5,303,925
22	Colorado	5,029,196
23	Alabama	4,779,736
24	South Carolina	4,625,364
25	Louisiana	4,533,372

> 34 states

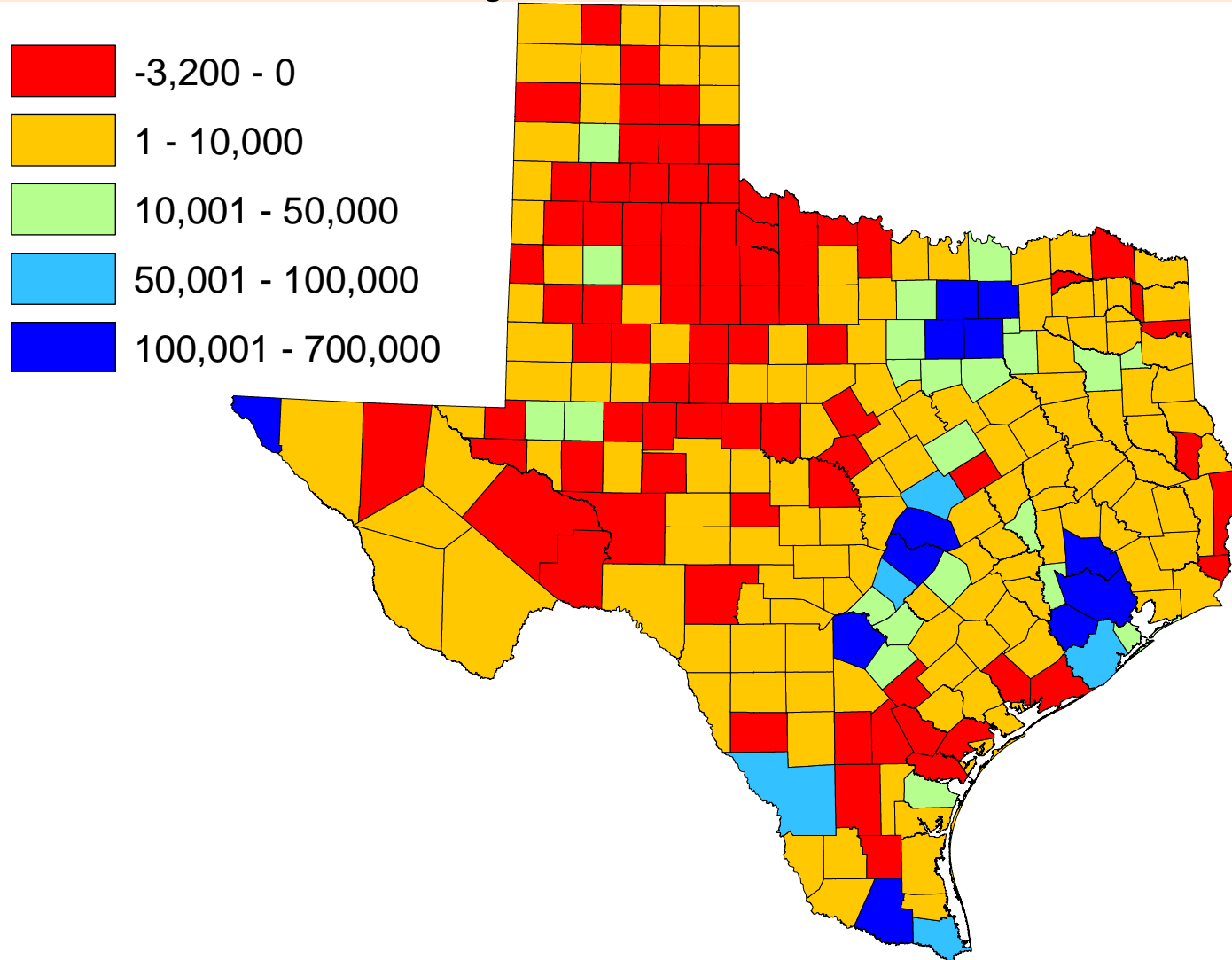
> 32 states

Projected Texas Population 2000 - 2040



Source: U.S. Census Bureau, Texas State Demographer

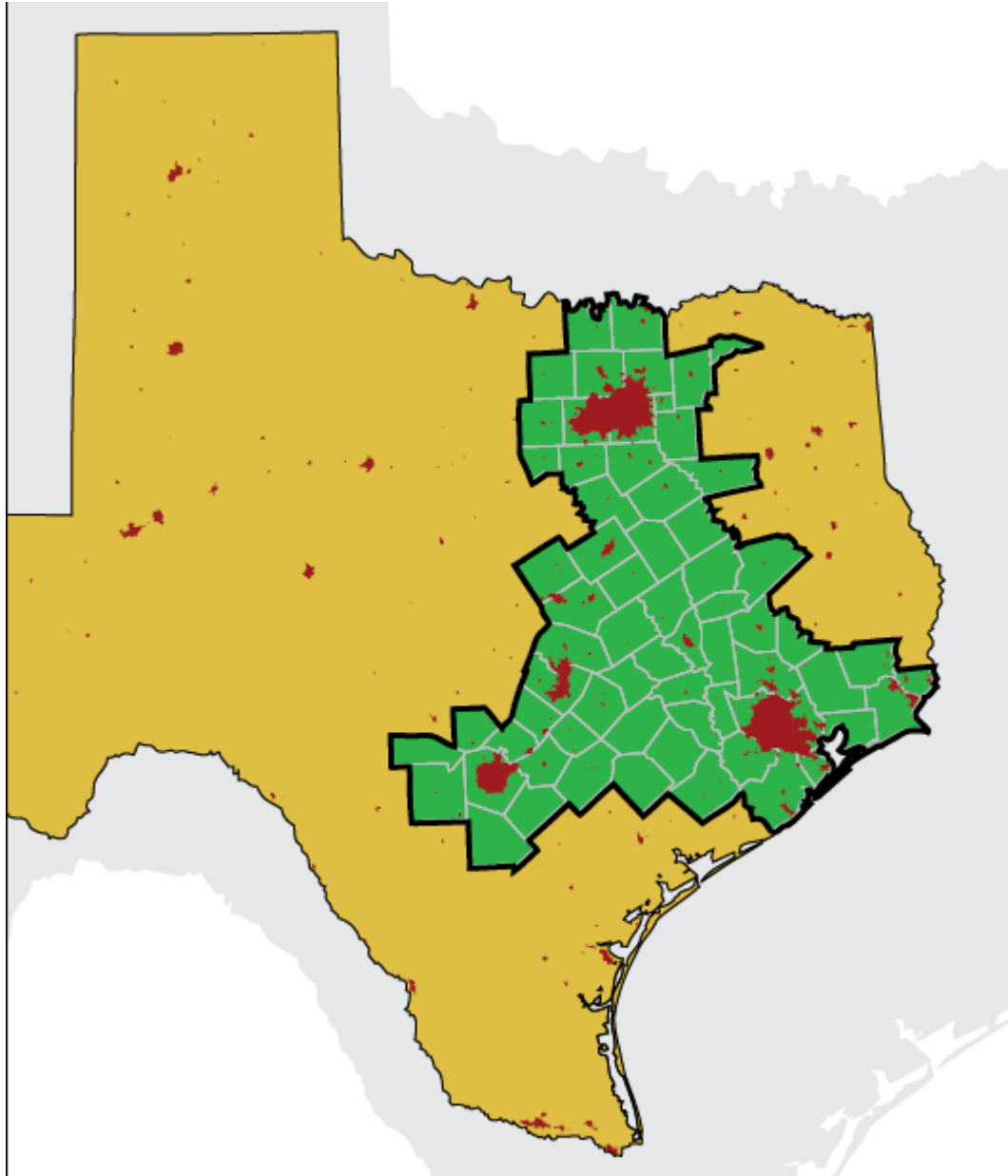
Change in Total Population by County, 2000 to 2010



Source: Texas State Demographer's Office, U.S. Census Bureau 2000 and 2010 Census Counts

Texas Urban Triangle

In 2007, 15.3 million people, about 90% of the total population in the area, lived in the four principal metro areas in the triangle



By 2040, 33.7 million people will live in the four principal metro areas in the triangle, a 120% increase

Texas Is An Urban State

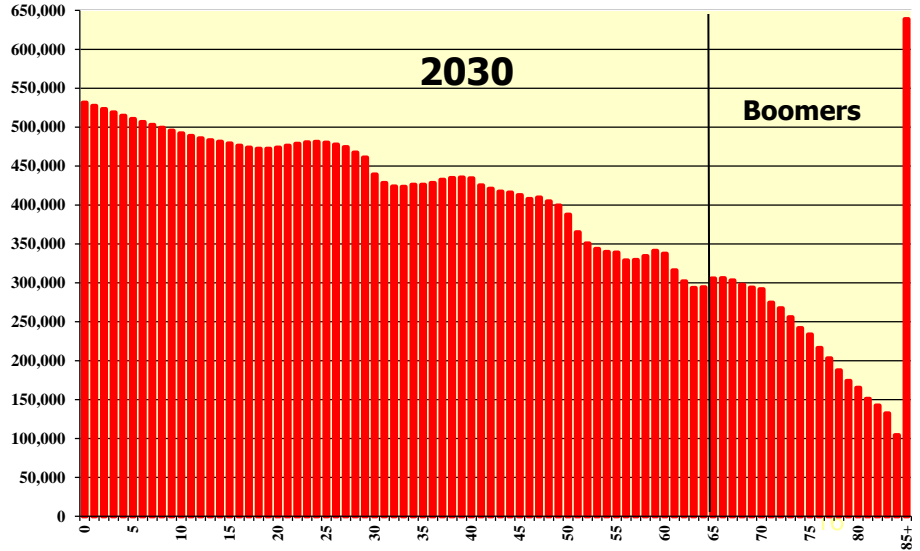
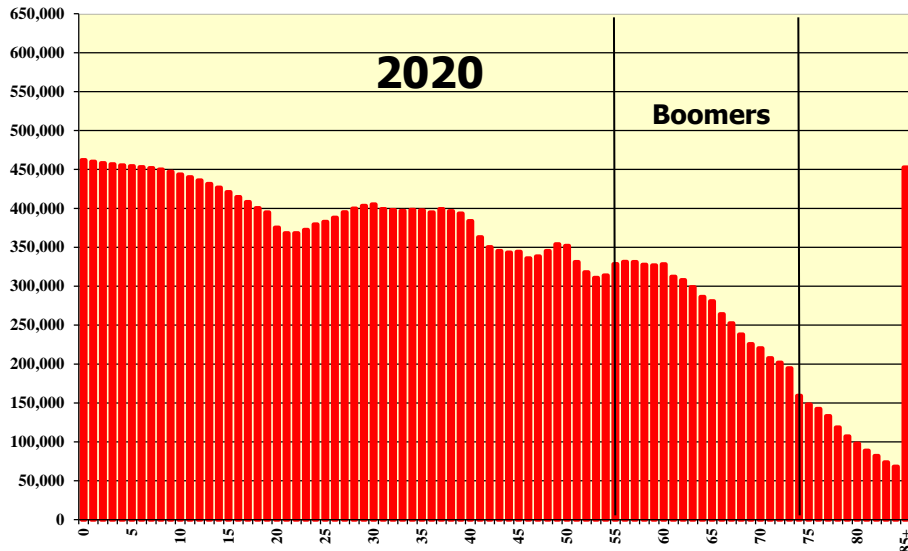
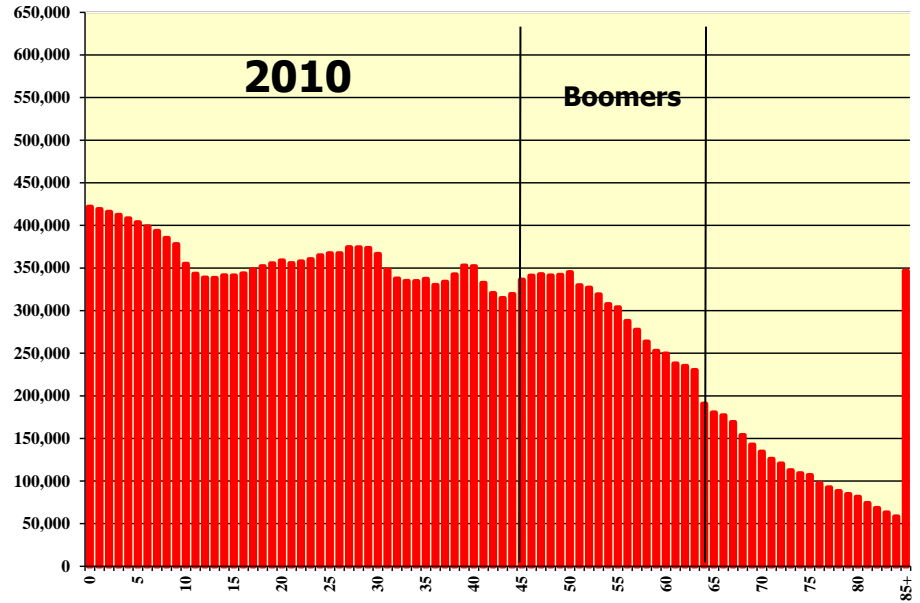
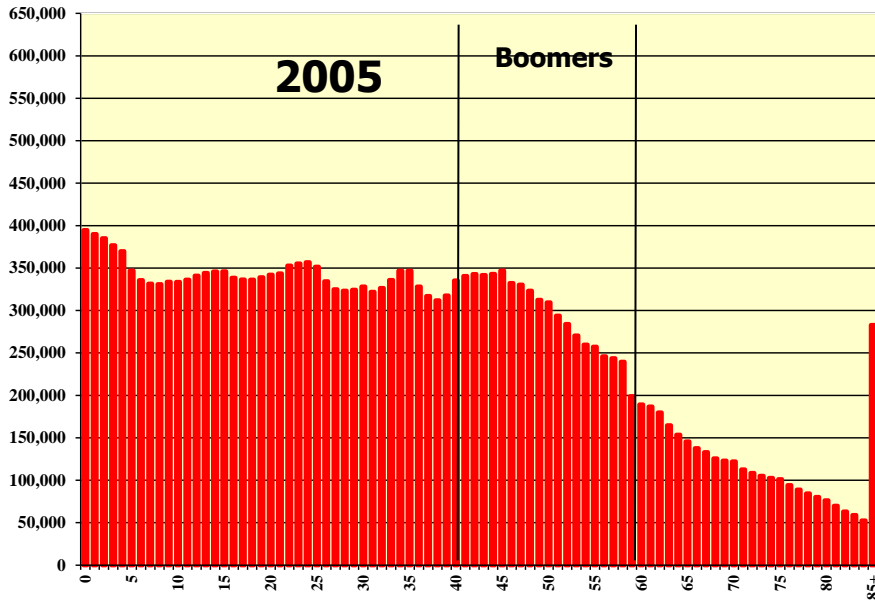
MSA	2010 Population (millions)	Percent of Total State Population
Austin	1.72	6.8%
Dallas-Ft. Worth	6.37	25.3%
Houston	5.95	23.7%
San Antonio	2.14	8.5%
Total 4 MSAs	16.2	64.3%
Total All MSAs	21.7	86.5%
Texas	25.1	100.0%

States with Largest Unauthorized Immigrant Populations, 2010

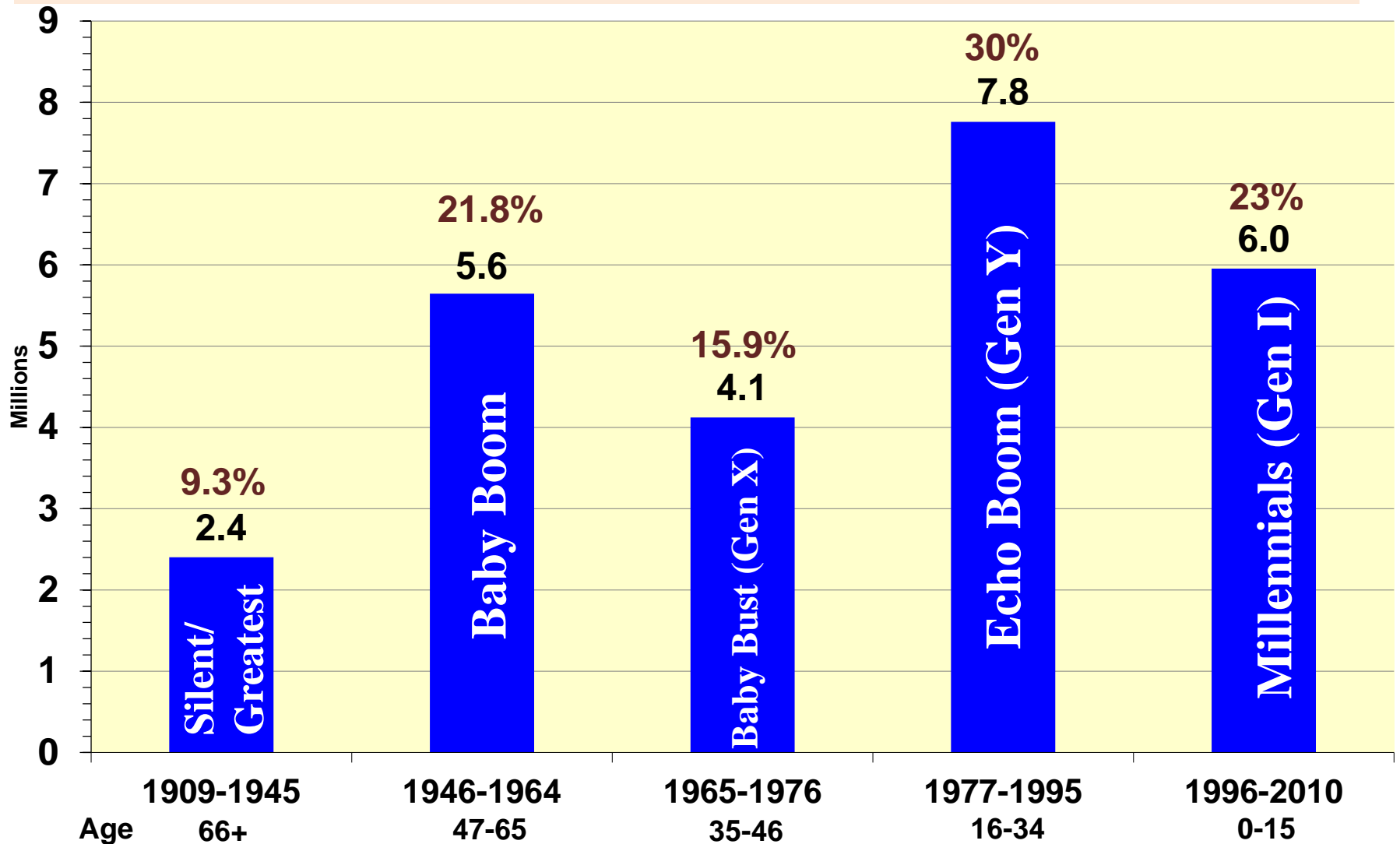
State	Estimate (thousands)	Range	Percent of 2010 Pop
California	2,550	(2,350 - 2,750)	6.8%
Texas	1,650	(1,450 - 1,850)	6.5%
Florida	825	(725 - 950)	4.4%
New York	625	(525 - 725)	3.2%
New Jersey	550	(425 - 650)	6.3%
Illinois	525	(425 - 625)	4.1%
Georgia	425	(300 - 550)	4.4%
Arizona	400	(275 - 500)	6.3%

Sources: Texas State Demographer's Office;
Pew Hispanic Center estimates based on residual methodology applied to March Supplements to the
Current Population Survey (February 1, 2011)

Texas Age Distribution 2005-2030

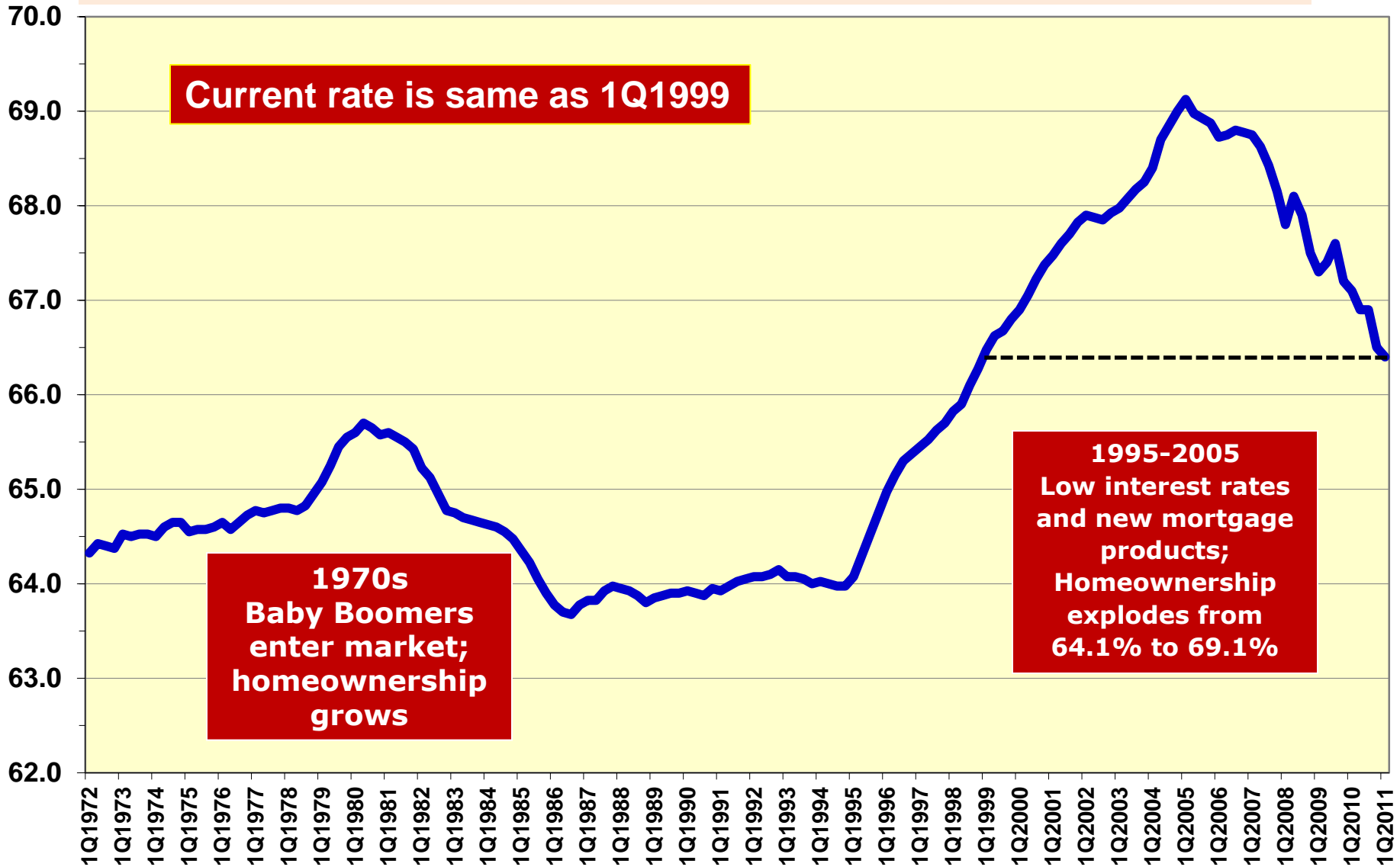


Texas Population Groups 2011



Source: U.S. Census Bureau; 2009 National Population Projections (Supplemental)

US Homeownership Rate

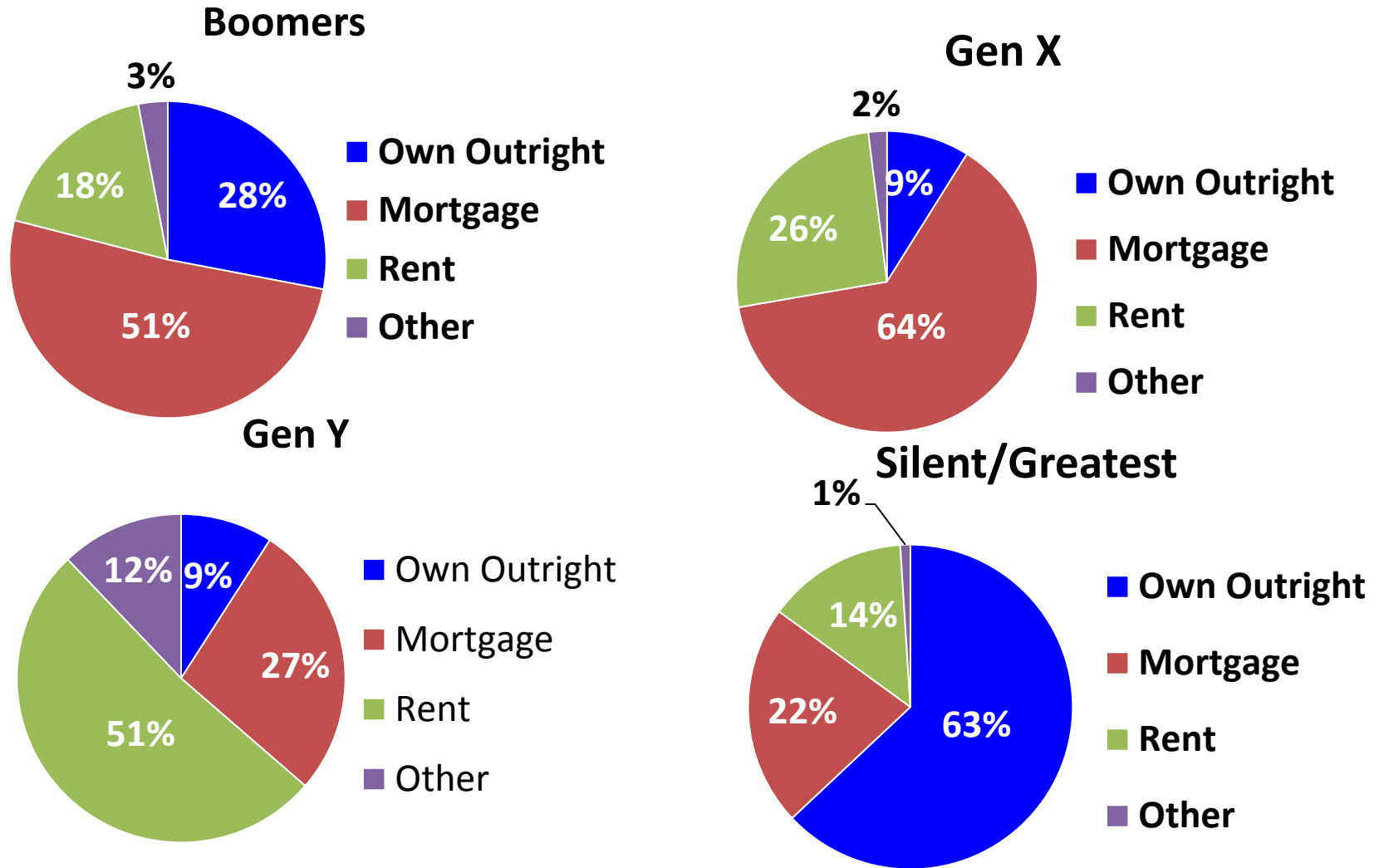


Current rate is same as 1Q1999

**1970s
Baby Boomers
enter market;
homeownership
grows**

**1995-2005
Low interest rates
and new mortgage
products;
Homeownership
explodes from
64.1% to 69.1%**

Boomers Own - Gen Y Rents



Source: FNMA National Housing Survey, 4Q2010

“Wireless communication is changing the way people work, live, love and relate to places—and each other”

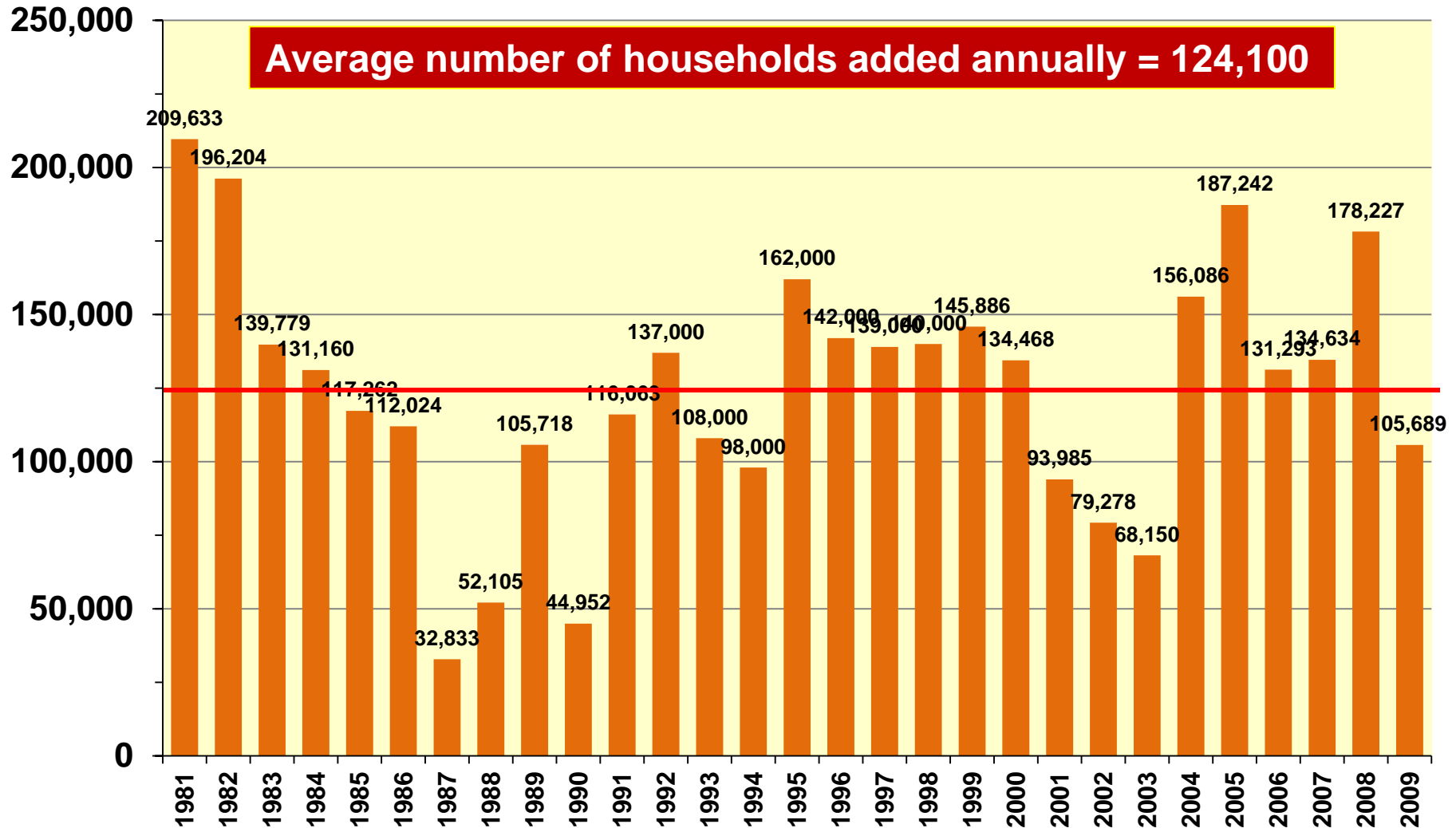
Use of Mobile Phone or PDA to do the following by Age Group (% , 2007)*

Activity	18-29	30-49	50-64	65+
Text Messaging	85%	65%	38%	11%
Take a Picture	82	64	42	22
Play a Game	47	29	13	6
Play Music	38	16	5	2
Record a Video	34	19	8	3
Access Internet	31	22	10	6
E-Mail	28	21	12	6
Instant Message	26	18	11	7
Watch Video	19	11	4	2
At Least One Activity	96	85	63	36

* There are an estimated 300 million cellphone subscriptions in the US out of total pop of 305 million (WSJ June 1 2011)

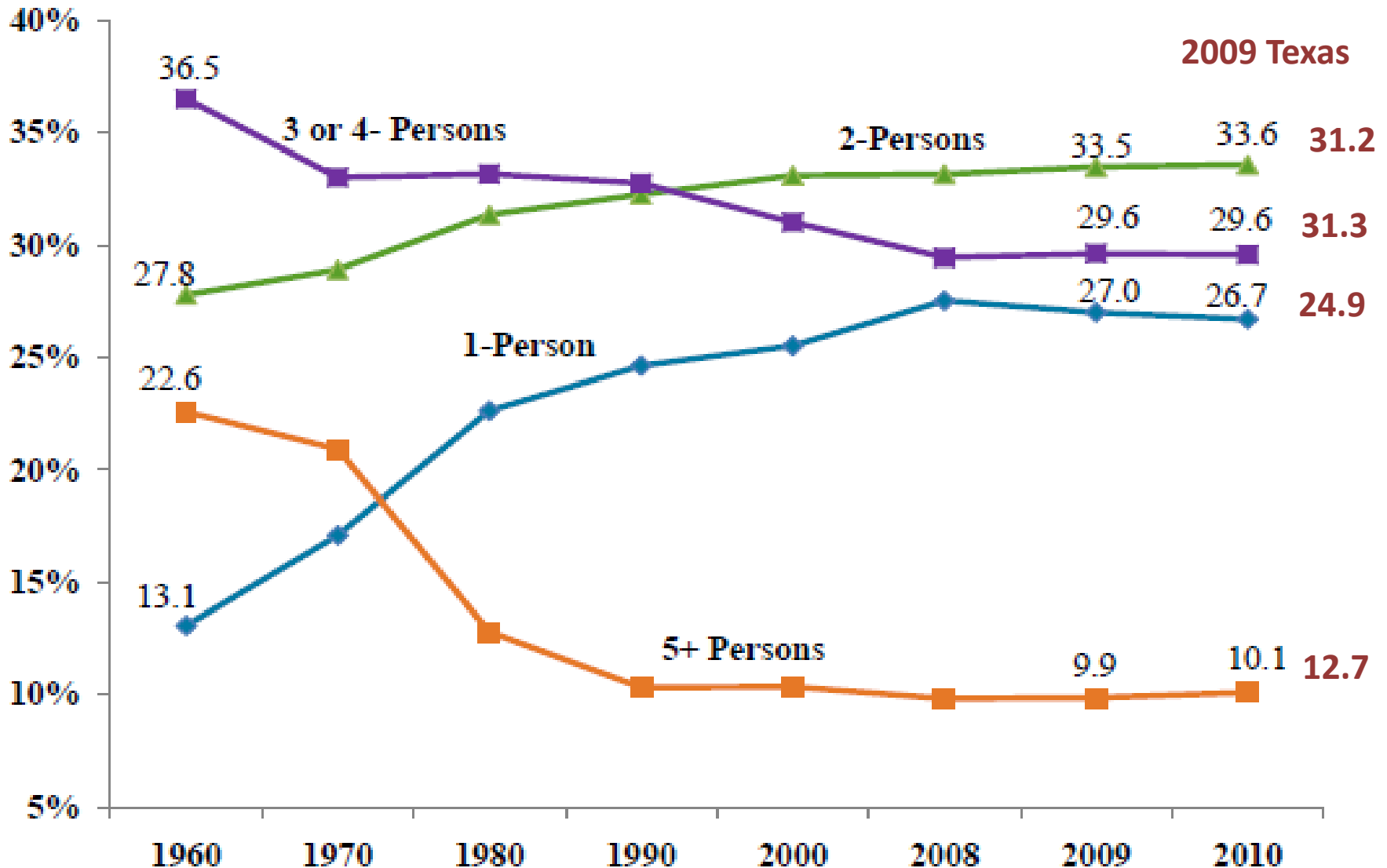
Source: Pew Research Centre; Andreas Kluth, “Nomads at Last,” The Economist, April 10, 2008

Number of Texas Households Added Annually

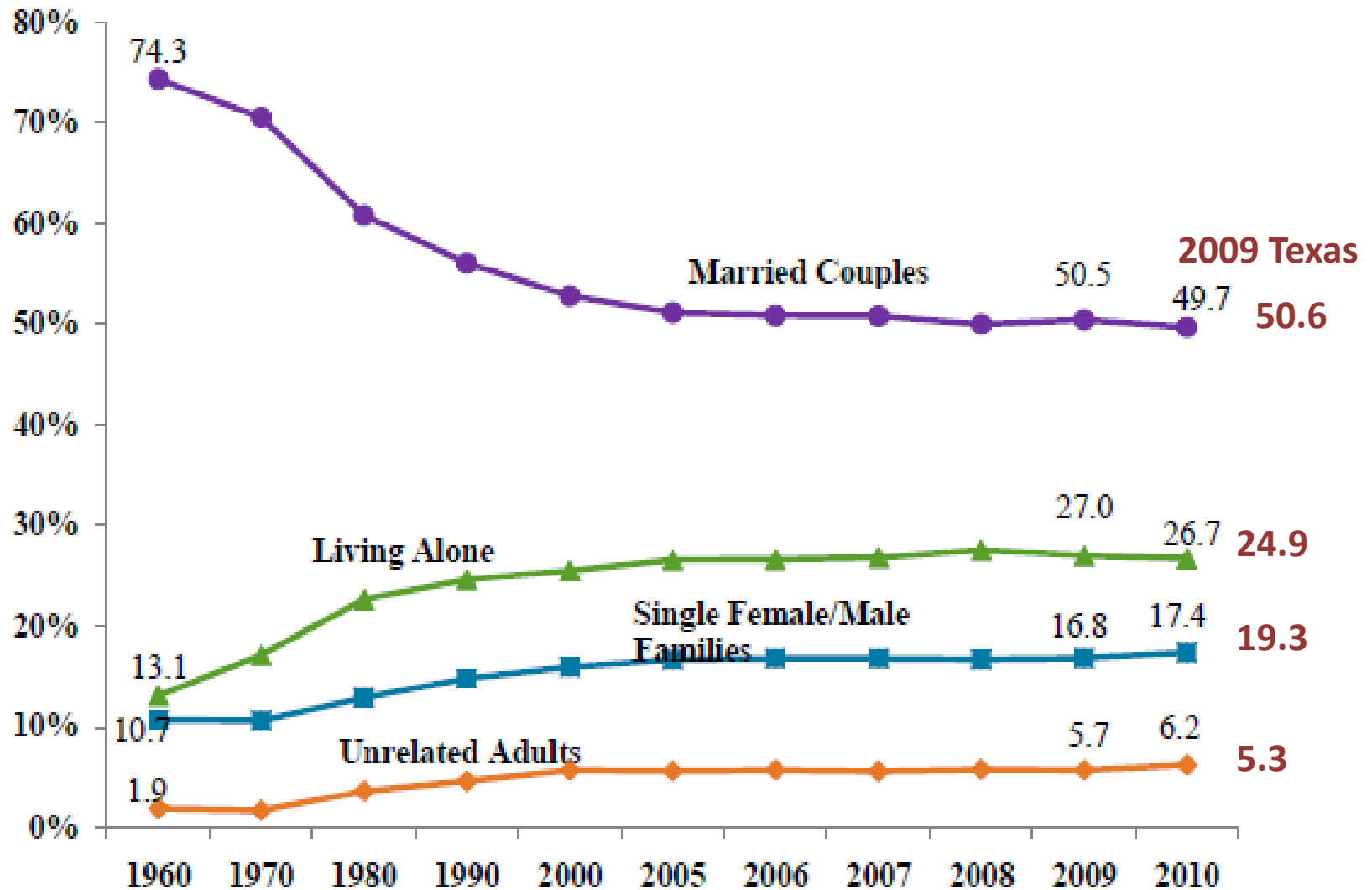


Source: U.S. Census Bureau

Size of US Households



Types of US Households



Source: NAHB Economics and Housing Policy Group, "The New Home in 2015," December 2010

Demographic Changes will Affect more than Real Estate

- Younger people shop, consume and demand different products
- Changing household size and type will have far reaching implications
- Housing demand will follow lifestyle rather than investment motives: affecting size, location and amenities (internal and external)
- Retail and office space will follow demand patterns created by Gen-Y & Millennials in future just as Boomers affected land uses after 70's

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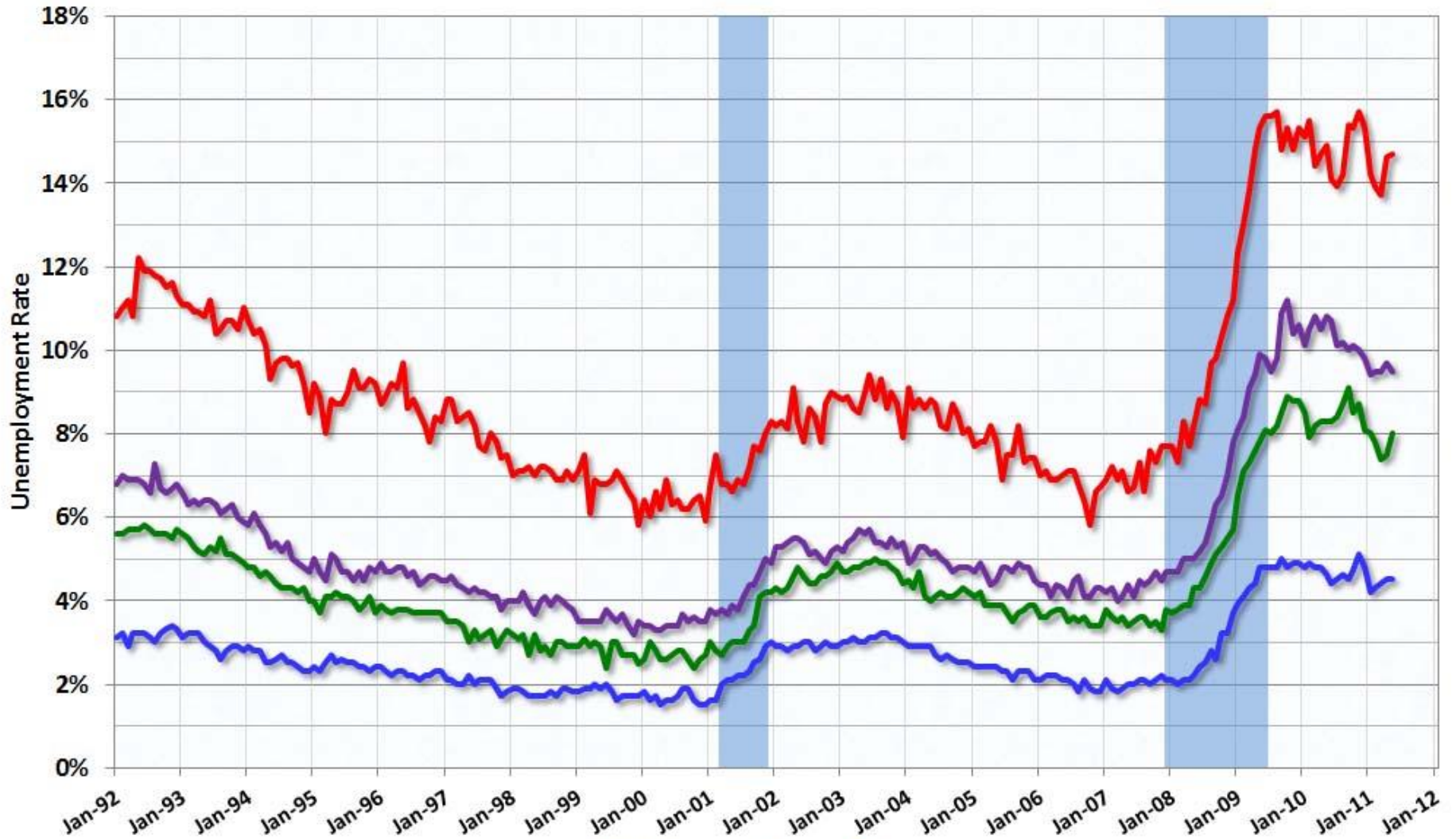


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Unemployment Rate by Level of Education

- Less than a High School Diploma, 25 yrs. & over
- High School Graduates, No College, 25 yrs. & over
- Some College or Associate Degree, 25 yrs. & over
- Bachelors degree and higher, 25 yrs. & over



<http://www.calculatedriskblog.com/>

Educational attainment of persons 25+ years of age by ethnicity, Texas, 2009

