



College Station-Bryan, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2011



Housing Market Area



The College Station-Bryan Housing Market Area (HMA) is coterminous with the College Station-Bryan metropolitan area, which consists of Brazos, Burleson, and Robertson Counties in central Texas, and is less than 100 miles northwest of Houston. Brazos, the principal county, accounts for more than 85 percent of the HMA population, includes both major cities (College Station and Bryan), and is home to Texas A&M University.

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Summary

Economy

Economic conditions in the College Station-Bryan HMA continued to improve during the past year, following a brief period of small job losses in late 2009 and early 2010. During the 12 months ending September 2011, nonfarm payrolls increased by 1,850 jobs, or 1.9 percent, to 98,400 jobs compared with a gain of 400 jobs, or 0.4 percent, during the previous 12 months.

Sales Market

Sales housing market conditions in the HMA are slightly soft, with a current estimated vacancy rate of 1.7 percent. During the 12 months ending September 2011, based on data from Hanley Wood, LLC, new and existing home sales decreased by 12 percent to 3,125 homes sold compared with the number sold during the previous 12 months. Demand is forecast for 3,025 new sales units during the next 3 years (see Table 1). The 160 homes currently under construction will satisfy a portion of that demand. In addition, a portion of the estimated 5,800 other vacant units in the HMA may come back on the market and satisfy some of the demand.

Rental Market

Rental housing market conditions in the HMA remain soft but are improving. The current overall rental market vacancy rate is estimated to be 6.5 percent, down from the 7.3-percent rate reported in the 2010 Census. The apartment vacancy rate is estimated to be roughly the same as the overall rental market vacancy rate. Demand for 1,450 new rental units is expected during the next 3 years (see Table 1). Approximately 380 units are currently under construction and will satisfy a portion of the forecast demand.

Table 1. Housing Demand in the College Station-Bryan HMA, 3-Year Forecast, October 1, 2011 to October 1, 2014

	College Station-Bryan HMA	
	Sales Units	Rental Units
Total Demand	3,025	1,450
Under Construction	160	380

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Includes demand for an estimated 100 mobile homes. Units under construction as of October 1, 2011. A portion of the estimated 5,800 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

The College Station-Bryan HMA is continuing to recover following small declines in nonfarm payrolls in late 2009 and early 2010. During the 12 months ending September 2011, nonfarm payrolls increased by 1,850 jobs, or 1.9 percent, to 98,400 jobs compared with a gain of 400 jobs, or 0.4 percent, during the previous 12 months. The fastest growing sectors during the

12 months ending September 2011 were the retail trade subsector, education and health services sector, and mining, logging, and construction sector, which added 800, 600, and 300 jobs, gains of 7.6, 5.8, and 4.7 percent, respectively (see Table 2). The leisure and hospitality sector increased as well, adding 350 jobs, an increase of 3.4 percent from the previous 12 months. Multiple new store openings on the south end of College Station, including a Lowe's Home Improvement store and an H-E-B grocery store, contributed to growth in the retail trade subsector. Figure 1 details employment data by sector from 2000 through the most recent 12-month period.

Job growth during the past 12 months was partially offset by losses in the government, information, and manufacturing sectors, which decreased by 600, 25, and 25 jobs, or 1.6, 1.6, and 0.8 percent, respectively, compared with the number of jobs a year ago. Government is the largest employment sector in the HMA, currently

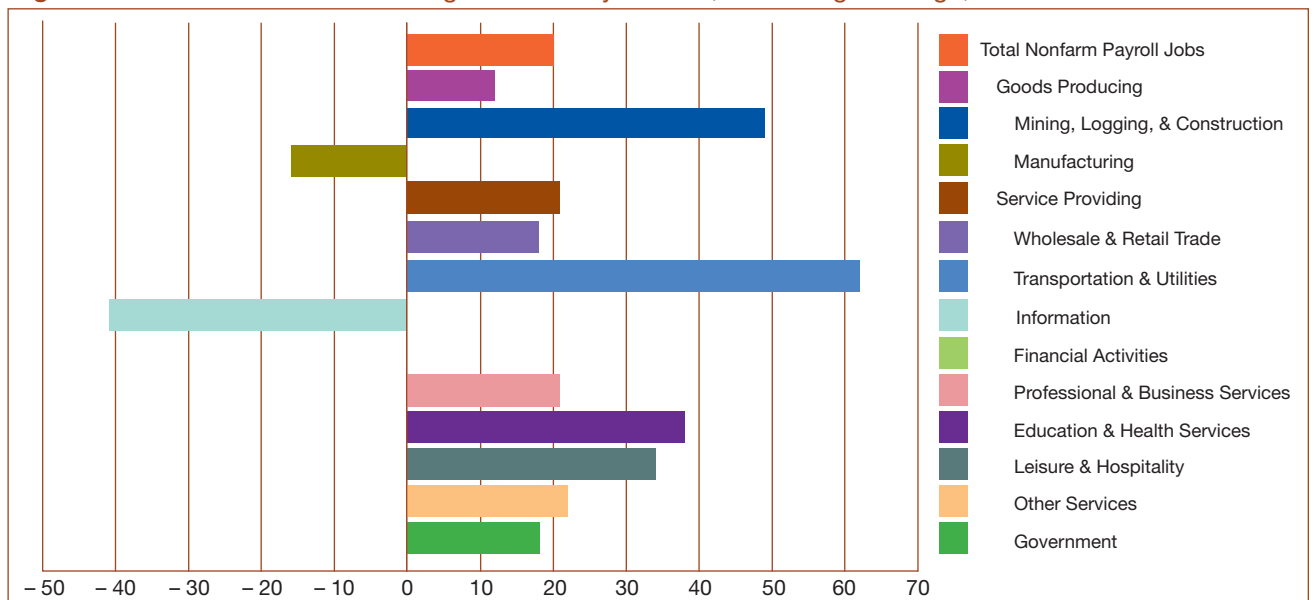
Table 2. 12-Month Average Nonfarm Payroll Jobs in the College Station-Bryan HMA, by Sector

	12 Months Ending September 2010	12 Months Ending September 2011	Percent Change
Total Nonfarm Payroll Jobs	96,550	98,400	1.9
Goods Producing	11,600	11,850	2.2
Mining, Logging, & Construction	6,425	6,725	4.7
Manufacturing	5,175	5,150	-0.8
Service Providing	84,950	86,550	1.9
Wholesale & Retail Trade	11,750	12,600	7.1
Transportation & Utilities	1,375	1,450	5.4
Information	1,025	1,000	-1.6
Financial Activities	3,325	3,400	1.8
Professional & Business Services	5,925	6,050	2.1
Education & Health Services	10,750	11,350	5.8
Leisure & Hospitality	10,200	10,550	3.4
Other Services	3,025	3,175	4.7
Government	37,550	36,950	-1.6

Notes: Based on 12-month averages through September 2010 and September 2011. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Sector Growth in the College Station-Bryan HMA, Percentage Change, 2000 to Current

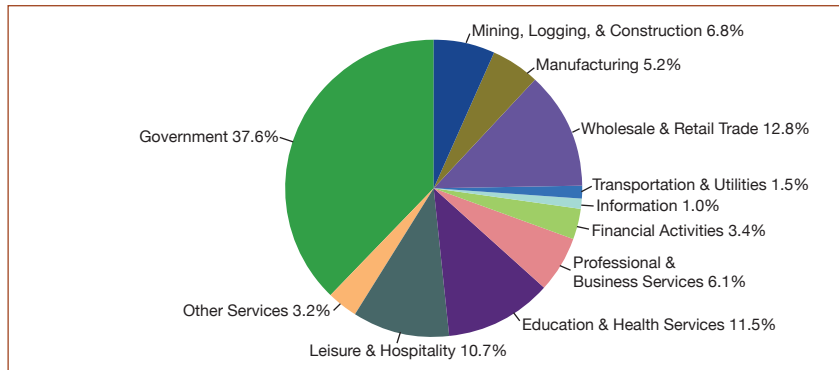


Notes: Current is based on 12-month averages through September 2011. During this period, financial activities sector jobs showed no net change.

Source: U.S. Bureau of Labor Statistics

accounting for nearly 38 percent of all nonfarm payrolls (see Figure 2), and includes Texas A&M University (Texas A&M), the largest employer in the HMA, with 16,200 employees. State budget cuts have forced the university to shed roughly 350 tenured

Figure 2. Current Nonfarm Payroll Jobs in the College Station-Bryan HMA, by Sector



Note: Based on 12-month averages through September 2011.

Source: U.S. Bureau of Labor Statistics

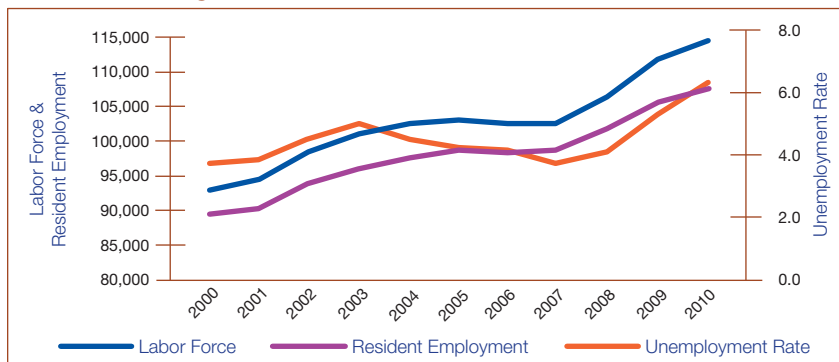
Table 3. Major Employers in the College Station-Bryan HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Texas A&M University	Government	16,200
St. Joseph's Regional Health Care Center	Education & Health Services	2,200
Sanderson Farms Incorporated	Manufacturing	1,600
The Reynolds and Reynolds Company	Professional & Business Services	1,100
Wal-Mart Stores, Inc.	Wholesale & Retail Trade	650
New Alenco Window, Ltd.	Manufacturing	600
H-E-B	Wholesale & Retail Trade	590
West Corporation	Information	550
Scott & White	Education & Health Services	500
College Station Medical Center	Education & Health Services	420

Note: Excludes local school districts.

Source: The Research Valley Partnership, Inc., January 2011; estimates by analyst

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the College Station-Bryan HMA, 2000 Through 2010



Source: U.S. Bureau of Labor Statistics

and nontenured faculty positions during the 2010-2011 school year. Although the university is not expected to replace all these positions in the near future, no further cuts are expected. According to the most recent economic impact study by the university's Division of Finance, Texas A&M and members of the Texas A&M system had a direct impact on the local economy of at least \$1.5 billion in 2010. Other leading employers in the area include St. Joseph's Regional Health Center and Sanderson Farms, Incorporated, with 2,200 and 1,600 employees respectively. For a list of the top 10 employers is the HMA, see Table 3. During the 12 months ending September 2011, the average unemployment rate remained relatively unchanged at 6.4 percent compared with the unemployment rate during the previous 12 months (see Figure 3).

Through the Research Valley Partnership (RVP), an economic development corporation, the cities of College Station and Bryan, along with Texas A&M, are currently beginning to develop a 3,500-acre area between the two cities, just northwest of the Texas A&M campus, as a biomedical corridor. The goal of this extensive and long-term operation is to make the HMA "an international destination for education, research, development, commercialization and production of innovative technologies," according to the master plan published by the RVP. Thus far, roughly \$412 million have been invested into biomedical sciences infrastructure, including a nearly \$57 million new Texas A&M Health Science Center that opened in July 2010 and a \$45 million National Center for Therapeutics Manufacturing that is near completion.

During the 3-year forecast period, nonfarm employment in the HMA is estimated to increase by a total of 5,550 jobs, or 2 percent annually. Job growth is expected to be strongest in the second and third years of the forecast period, driven largely by the education and health services sector. Despite budget cuts, Texas A&M has several campus expansions currently under way that are expected to maintain employment in the construction subsector at least through 2012. These new projects include a \$34 million liberal arts and humanities building and a \$54 million residence hall, which

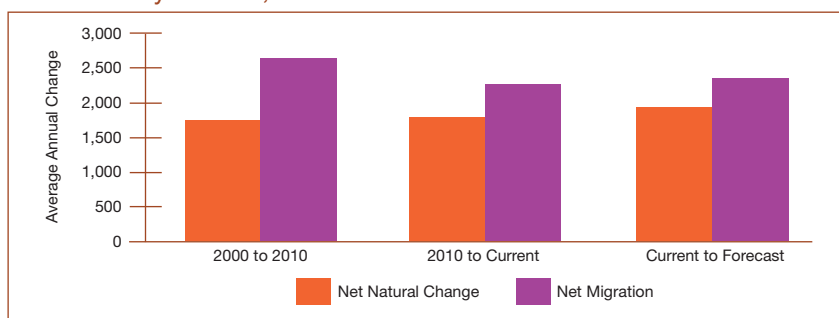
have expected completion dates of September 2012 and June 2013, respectively. Linbeck Group, LLC, the general contractor for the new residence hall, expects up to 800 temporary construction jobs to be created over the course of the construction. Scott & White Healthcare recently broke ground on a 320,000-square-foot acute care hospital and an adjacent 75,000-square-foot clinic in southern College Station, creating more than 150 construction jobs; the medical facilities are expected to employ roughly 400 people after completion in the summer of 2013.

Population and Households

Since 2000, the population of the College Station-Bryan HMA has grown rapidly, increasing by an average of 4,350, or 2.1 percent, annually to an estimated 234,900 as of October 1, 2011; about 85 percent of the population resides in Brazos County. From 2000 to 2004, population growth averaged 1.8 percent a year. From 2004 to 2008, population growth increased to an average annual rate of 2.3 percent because of increased in-migration. Since 2008, despite a weaker economy,

population growth has averaged 2.2 percent annually. The population growth in the later part of the 2000s is attributed partially to the steady growth of Texas A&M and partially to the increasing popularity of the HMA as a retirement destination. Enrollment at Texas A&M has increased by an average of 1.1 percent, or 530 students, annually since the fall of 2000 to total 49,860 in the fall of 2011. From 2000 to 2010, the population of residents 60 years old, or older, grew at an average annual rate of 7.6 percent, or 1,450 annually, to 28,200. Retirees are drawn to the HMA by the low cost of living and the increasingly sophisticated medical facilities in the region. During the forecast period, total population is expected to continue to grow, albeit at a slower pace, averaging 1.8 percent annually, to 247,700 by October 2014. Figure 4 shows components of population change since 2000, and

Figure 4. Components of Population Change in the College Station-Bryan HMA, 2000 to Forecast



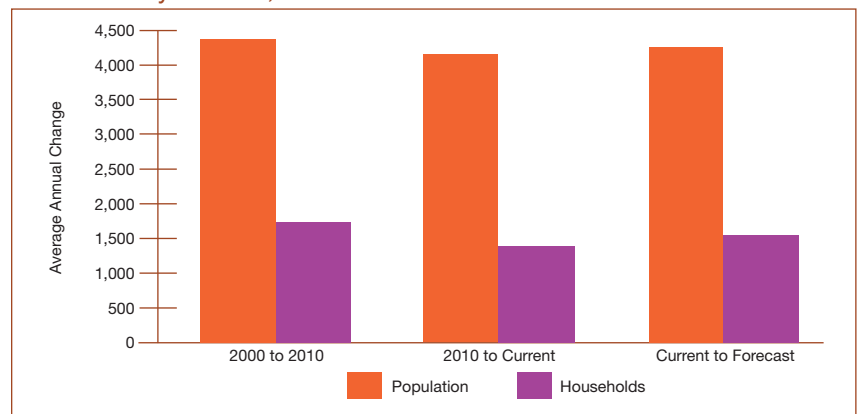
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Table DP-1, at the end of the report, contains information on population and household growth for the HMA from 2000 to the current date.

From April 2000 to April 2010, the number of households in the HMA grew by 2.3 percent annually to 85,102. Since April 2010, household growth has slowed to 1.6 percent annually, to an estimated 87,200 households, as a result of weaker economic and housing market conditions that have contributed to doubling up of households and a delay in new household formation.

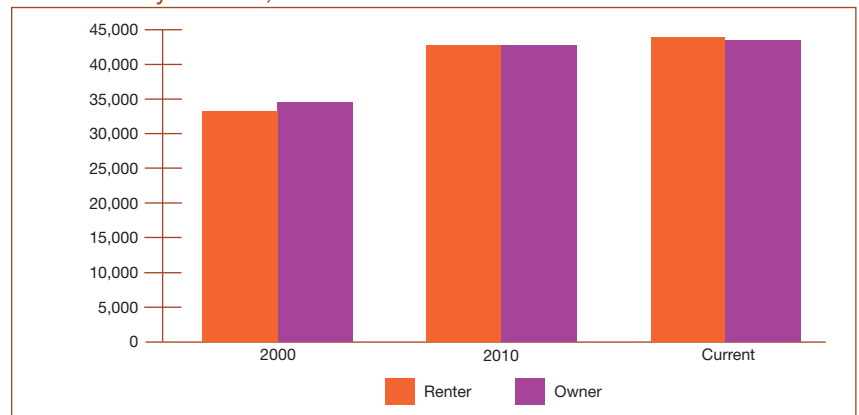
Currently, it is estimated that 50.3 percent of all households in the HMA are renter households, a reflection of the large student population. During the 3-year forecast period, household formation is expected to average 1.7 percent, or 1,525 households, annually, to a total of 91,800 households by October 2014. Nearly 97 percent of the population and household growth is expected to occur in Brazos County. Figure 5 depicts population and household growth since 2000. Figure 6 shows the number of households by tenure in the HMA since 2000.

Figure 5. Population and Household Growth in the College Station-Bryan HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 6. Number of Households by Tenure in the College Station-Bryan HMA, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

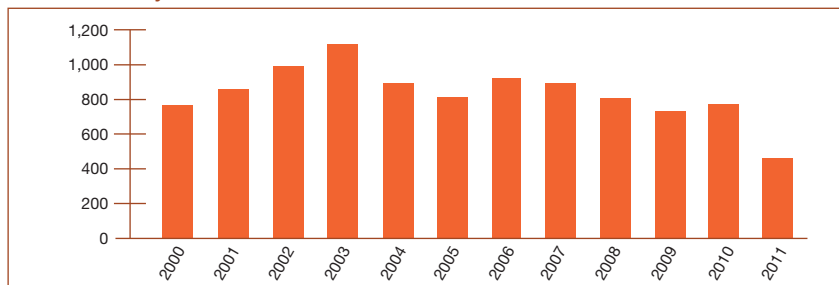
Sales housing market conditions in the College Station-Bryan HMA are slightly soft with an estimated 1.7-percent vacancy rate. During the 12 months ending September 2011, based on data from Hanley Wood, LLC, new home sales decreased by 37 percent to 460 homes, while resale and REO (Real Estate Owned) home sales declined by 5.3 percent to 2,675 homes sold compared with the number of homes sold during the previous 12 months. Sales of new and existing homes, combined, during the 12 months ending September 2011 were down 30 percent from the average of 4,450 homes sold annually from 2005 through 2009. During the 12 months ending September 2011, the average sales price for a new home increased by 1 percent to \$198,400, and the average sales price for resale and REO homes increased 10 percent to \$180,800 compared with sales prices during the previous 12 months. The number of distressed sales accounted for an estimated 6 percent of all existing home sales during the most recent 12 months compared with 8 percent during the 12 months ending September 2010.

Multiple listing service housing data from the Bryan-College Station Regional Association of REALTORS® indicate that homes were on the market for

an average of 135 days during the 12 months ending September 2011, a 15-percent increase compared with the average for the previous 12-month period. As of September 2011, slightly less than 2 percent of total home loans in the HMA were 90 or more days delinquent, in foreclosure, or in REO, relatively unchanged from the rate a year earlier, according to LPS Applied Analytics. This current rate of distressed mortgages compares with 4.5 percent for Texas and 7.7 percent nationwide.

Single-family home construction, as measured by the number of single-family permits issued, has declined recently in response to the overall slowdown in home sales and the difficulty in obtaining financing on both the buyer's and builder's side. Based on preliminary data, during the 12 months ending September 2011, 620 single-family home permits were issued compared with 800 issued during the previous 12 months. In comparison, from 2006 through 2009, an average of 840 homes were permitted annually. Figure 7 depicts the number of single-family permits issued annually since 2000. Siena, a development currently under construction on the east side of the HMA in Bryan, offers new single-family homes starting at \$140,000. Currently, roughly one-half of the 60 phase I units are complete in a development that broke ground in late 2009. Stylecraft Builders Inc., the developer of this subdivision, plans to complete additional units as demand indicates. Sonoma, on the south side of College Station, is well into the third of three phases that broke ground in early 2009, with new homes starting at \$120,000.

Figure 7. Single-Family Building Permits Issued in the College Station-Bryan HMA, 2000 to 2011



Notes: Includes townhomes. Includes data through September 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Approximately 65 percent of the 170 total planned units have been constructed.

During the 3-year forecast period, demand is estimated for 2,925 new market-rate sales housing units and an additional 100 new mobile homes (see Table 1). Approximately 25 percent of the demand is expected in year 1 with the remainder in years 2

and 3. The 160 units currently under construction will meet a portion of the demand during the first year. In addition, some of the estimated 5,800 other vacant units may come back on the market and satisfy some of the forecast demand. Table 4 illustrates estimated demand for new market-rate sales housing in the HMA, by price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the College Station-Bryan HMA, October 1, 2011 to October 1, 2014

Price Range (\$)		Units of Demand	Percent of Total
From	To		
95,000	149,999	820	28.0
150,000	199,999	1,150	39.0
200,000	299,999	590	20.0
300,000	499,999	260	9.0
500,000	799,999	75	2.5
800,000	and higher	45	1.5

Note: The 160 homes currently under construction and a portion of the estimated 5,800 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

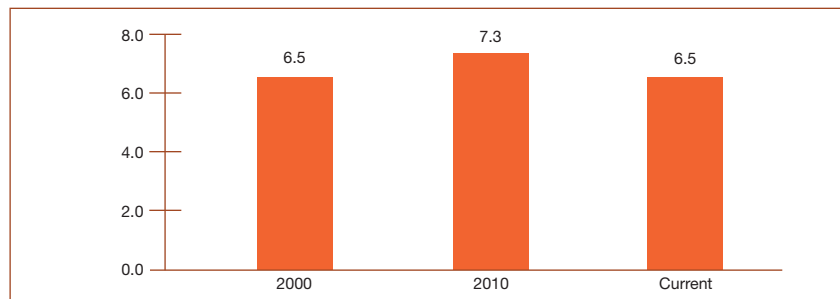
Rental Market

Overall rental housing market conditions in the College Station-Bryan HMA remain soft but are improving. The current rental market vacancy rate is estimated at 6.5 percent, down from the 7.3-percent rate reported in the 2010 Census (see Figure 8). The apartment vacancy rate is estimated to be roughly the same as the overall rental market vacancy rate. During the second quarter of

2011, the estimated average asking rent increased by more than 1 percent, to \$710, compared with rents during the same quarter in 2010. Current estimated average asking rents are \$630, \$750, and \$1,020 for one-, two-, and three-bedroom units, respectively.

With slightly more than 40,000 students living off campus, or approximately 80 percent of the student body, students account for an estimated 32 percent of the total rental housing market, or nearly 14,000 renter households. The number of students living on campus, approximately 9,500 students, may increase slightly but is not expected to change substantially during the forecast period. The completion of a new residence hall in 2013 will add 500 dormitory beds that will largely be used to alleviate overcrowding in existing dormitories. Vacancy rates

Figure 8. Rental Vacancy Rates in the College Station-Bryan HMA, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Rental Market *Continued*

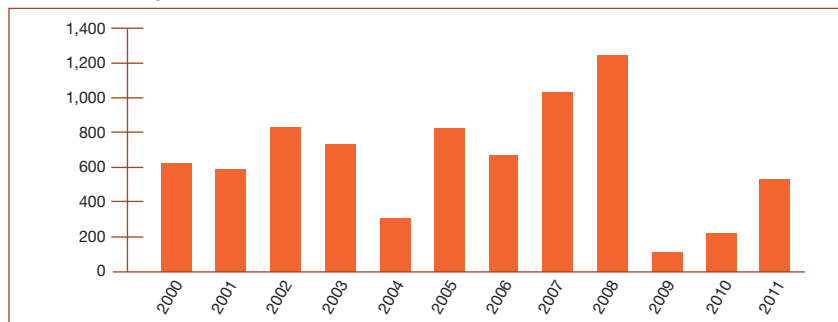
near the university are estimated to be close to that of the overall rental housing market, although the rent tends to be considerably more expensive per room because of the use of individual lease agreements. Completed in 2008, the 2818 Place Apartments complex offers one-, two-, and four-bedroom units starting at \$885, \$650, and \$540 per tenant, respectively, which equates to a gross rent of \$1,300 per month for two-bedroom units and \$2,160 per month for four-bedroom units. According to the most recent participation forecast published in January 2011 by The Texas Higher Education Coordinating Board, enrollment at Texas A&M is expected to fall slightly from nearly 50,000 students to an estimated 49,000 during the forecast period.

Multifamily construction activity, as measured by the number of units permitted, has begun to increase after

remaining low in 2009 and 2010. Based on preliminary data, during the 12 months ending September 2011, the number of multifamily units permitted increased to 660 compared with only 110 units permitted in the previous 12 months, likely in response to improving rental housing market conditions. An average of 720 units were permitted annually from 2006 through 2009 (see Figure 9). Among the recently completed developments is Campus Village at College Station, a 190-unit complex that offers studio through five-bedroom floor plans and individual lease agreements per resident. The U Club Townhomes on Marion Pugh, currently under construction and expected to be completed by August 2012, will also cater to students and will consist of 160 multibedroom units with individual lease agreements starting at advertised rents of \$560 per person in four-bedroom units.

Demand is estimated for 1,450 new market-rate rental units during the 3-year forecast period (see Table 1). To allow the current surplus of available rental units to be absorbed, as well as the 380 units currently under construction, new units should not come on line until the second year of the forecast period. Table 5 shows estimated demand for new market-rate rental housing in the HMA categorized by rent level and number of bedrooms.

Figure 9. Multifamily Building Permits Issued in the College Station-Bryan HMA, 2000 to 2011



Notes: Excludes townhomes. Includes data through September 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the College Station-Bryan HMA, October 1, 2011 to October 1, 2014

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
700 to 899	55	825 to 1,024	280	950 to 1,149	210	1,300 to 1,499	270
900 or more	15	1,025 to 1,224	180	1,150 to 1,349	100	1,500 to 1,699	150
		1,225 to 1,424	50	1,350 to 1,549	40	1,700 to 1,899	55
		1,425 or more	10	1,550 or more	10	1,900 or more	20
Total	70	Total	520	Total	360	Total	490

Notes: Numbers may not add to totals because of rounding. The 380 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

Table DP-1. College Station-Bryan HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	89,597	107,611	108,700	1.8	1.4
Unemployment Rate	3.8%	6.3%	6.4%		
Nonfarm Payroll Jobs	82,200	96,900	98,400	1.7	2.1
Total Population	184,885	228,660	234,900	2.1	1.8
Total Households	67,744	85,102	87,200	2.3	1.6
Owner Households	34,654	42,559	43,300	2.1	1.2
Percent Owner	51.2%	50.0%	49.7%		
Renter Households	33,090	42,543	43,900	2.5	2.1
Percent Renter	48.8%	50.0%	50.3%		
Total Housing Units	75,094	95,016	96,800	2.4	1.2
Owner Vacancy Rate	1.8%	1.6%	1.7%		
Rental Vacancy Rate	6.5%	7.3%	6.5%		
Median Family Income	\$46,530	\$51,373	\$51,683	1.0	0.6

Notes: Employment data represent annual averages for 2000, 2010, and the 12 months through September 2011. Median family incomes are for 1999, 2009, and 2010.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census

2010: 4/1/2010—U.S. Decennial Census

Current date: 10/1/2011—Analyst's estimates

Forecast period: 10/1/2011–10/1/2014—
Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In HUD's analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_CollegeStation-BryanTX_12.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.