

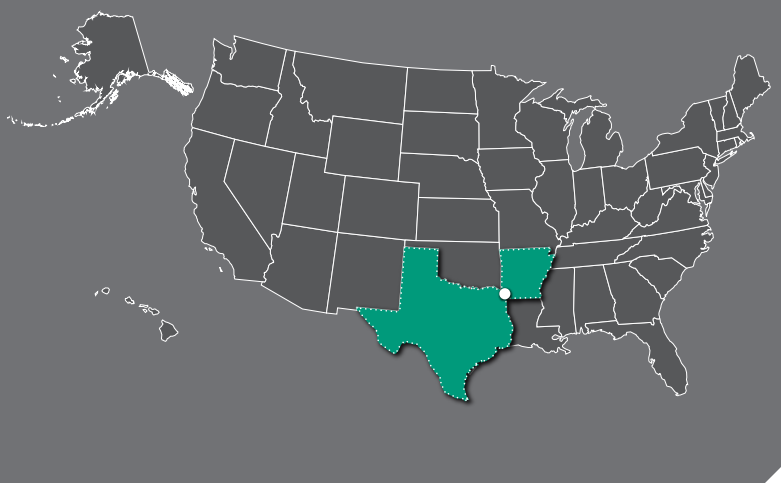
# HUD PD&R Housing Market Profiles

## Texarkana, Texas-Arkansas



### Quick Facts About Texarkana

- **Current sales market conditions: balanced**
- **Current rental market conditions: slightly soft**
- **The Texarkana Post Office is the second most photographed post office in the United States because the state line between Texas and Arkansas passes through the middle of the building.**



By [Tim McDonald](#) | As of April 1, 2024

### Overview

The Texarkana metropolitan area is in northeast Texas and southwest Arkansas, and it includes Bowie County in Texas and Miller and Little River Counties in Arkansas. The metropolitan area is approximately 180 miles east of the Dallas-Fort Worth-Arlington metropolitan area and 140 miles southwest of the Little Rock-North Little Rock-Conway metropolitan area. It is home to the Red River Army Depot, which is the largest employer, with more than 3,250 employees. The Red River Army Depot is a maintenance and repair facility for U.S. Army equipment. The depot had a \$1.3 billion economic impact on the metropolitan area in 2021 (Texas Comptroller).

- The population of the metropolitan area is currently estimated at 145,900, representing an average decline of 400, or 0.3 percent, annually since 2020. Net natural decrease has averaged 350 people annually since 2020, whereas net out-migration has averaged 50 people per year (U.S. Census Bureau decennial census count; estimates by the analyst).
- Bowie County in Texas is the largest county in the metropolitan area and accounts for 63 percent of the population. All three counties in the metropolitan area have lost population since 2020.
- The median age in the metropolitan area in 2022 was 39.8 years, slightly above the median of 39 years for the nation (2022 American Community Survey 1-year data).



PD&R

## Economic Conditions

Economic conditions are fairly stable in the Texarkana metropolitan area, but nonfarm payrolls have still not recovered to levels before the COVID-19 downturn because continued population loss limits job growth. The recovery of jobs has been mixed. Six of the 11 nonfarm payroll sectors have fully recovered, whereas the other 5 remain below prepandemic levels. The wholesale and retail trade sector—which is up by 500 jobs, or 5.0 percent, from prepandemic levels—led job growth during the recovery. Recovery in the government sector has been the slowest, down by 400 jobs, or 3.0 percent, from the prepandemic level. The government sector is still the largest employment sector, but it was declining long before the pandemic and is down 2,400 jobs compared with 2010.

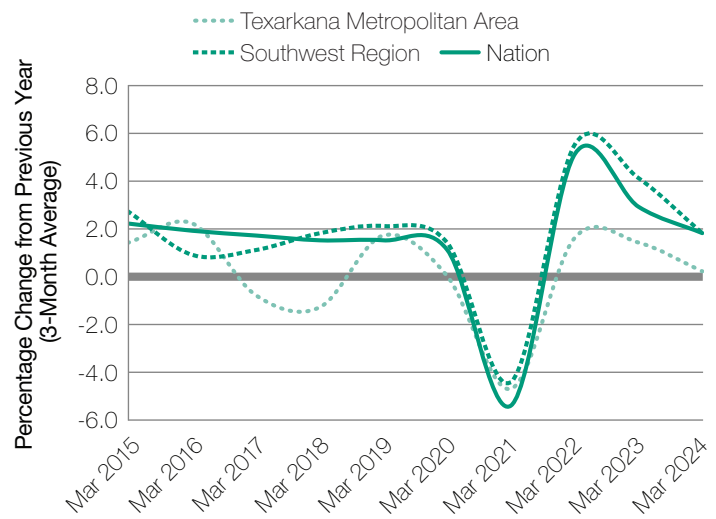
As of the 3 months ending March 2024 —

- Nonfarm payrolls increased from a year earlier by 100 jobs, or 0.2 percent, to 59,200. Nonfarm payrolls are still 1,400 jobs, or 2.3 percent, below the 60,600 jobs during the 3 months ending December 2019, before the pandemic.
- The wholesale and retail trade sector—which increased by 200 jobs, or 1.9 percent, from a year ago—partly led job growth.
- The government sector is the largest payroll sector, with 12,500 jobs, accounting for 21 percent of all nonfarm jobs. The sector increased by 200 jobs, or 1.6 percent, from a year earlier.

- The professional and business services and education and health services sectors led the metropolitan area in job losses. Each sector declined by 200 jobs, or 4.7 and 2.1 percent, respectively, compared with the 3 months ending March 2023.

continued on page 3

**Nonfarm payroll growth following the COVID-19 downturn has been slower in the Texarkana metropolitan area than in the Southwest region or the nation.**



Source: U.S. Bureau of Labor Statistics

**As of the first quarter of 2024, job growth occurred in 5 of the 11 nonfarm payroll sectors in the Texarkana metropolitan area compared with a year ago.**

	3 Months Ending		Year-Over-Year Change	
	March 2023 (Thousands)	March 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	59.1	59.2	0.1	0.2
Goods-Producing Sectors	8.8	8.8	0.0	0.0
Mining, Logging, & Construction	3.1	3.2	0.1	3.2
Manufacturing	5.7	5.6	-0.1	-1.8
Service-Providing Sectors	50.3	50.5	0.2	0.4
Wholesale & Retail Trade	10.3	10.5	0.2	1.9
Transportation & Utilities	2.2	2.3	0.1	4.5
Information	0.4	0.4	0.0	0.0
Financial Activities	2.5	2.4	-0.1	-4.0
Professional & Business Services	4.3	4.1	-0.2	-4.7
Education & Health Services	9.6	9.4	-0.2	-2.1
Leisure & Hospitality	6.7	6.7	0.0	0.0
Other Services	2.1	2.2	0.1	4.8
Government	12.3	12.5	0.2	1.6
<b>Unemployment Rate</b>	4.3%	4.3%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

continued from page 2

The metropolitan area is home to Texas A&M University-Texarkana, which has 2,200 students and 130 faculty members. Cooper Tire & Rubber Company has 1,900 employees and is the largest employer on the Arkansas side of the metropolitan area. Braven Environmental is investing \$145 million to create a new plastics recycling facility in the metropolitan area. Woodfield, Inc., a trucking company, recently opened a regional headquarters in the metropolitan area, creating 30 jobs.

## Sales Market Conditions

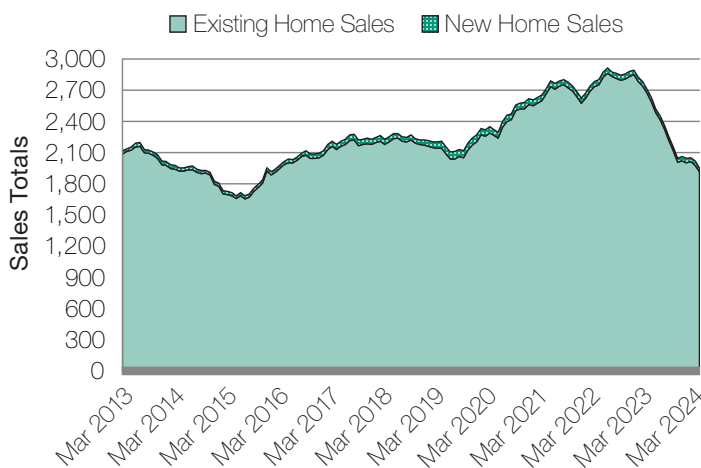
The sales market in the Texarkana metropolitan area is currently balanced. The 1.7-percent vacancy rate is unchanged from 2020 and up slightly from 1.6 percent in 2010. During the 12 months ending March 2024, 1,950 homes were sold, reflecting a decline of 750, or nearly 28 percent, from the previous 12 months. Because mortgage interest rates have increased, home sales in the metropolitan area have declined from record levels during 2022, when sales market conditions were slightly tight. During February 2024, 1.3 percent of all home loans in the metropolitan area were seriously delinquent or in real estate owned status, down from 1.7 percent during February 2023.

During the 12 months ending March 2024—

- New home sales totaled 40, essentially unchanged from the previous 12 months.
- The average sales price of a new home increased by \$11,800, or more than 3 percent, to \$360,300 compared with a year earlier.
- Existing home sales declined from the previous 12 months by 750, or 28 percent, to 1,900.

continued on page 4

Home sales in the Texarkana metropolitan area have been declining since reaching an all-time peak in 2022.



Note: Includes single-family homes, townhomes, and condominiums.  
Source: Zonda, with adjustments by the analyst

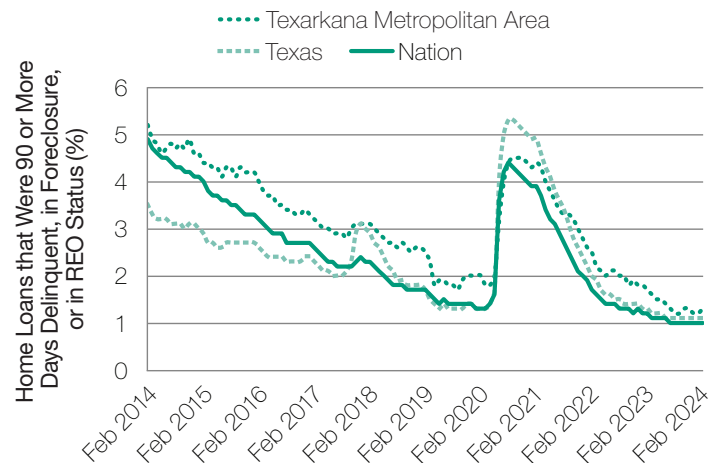
## Largest Employers in the Texarkana Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Red River Army Depot	Government	3,250
Cooper Tire & Rubber Company	Manufacturing	1,900
Christus St. Michael Health System	Education & Health Services	1,800

Notes: Excludes local school districts. Data include military personnel not reported in the nonfarm payroll survey data.

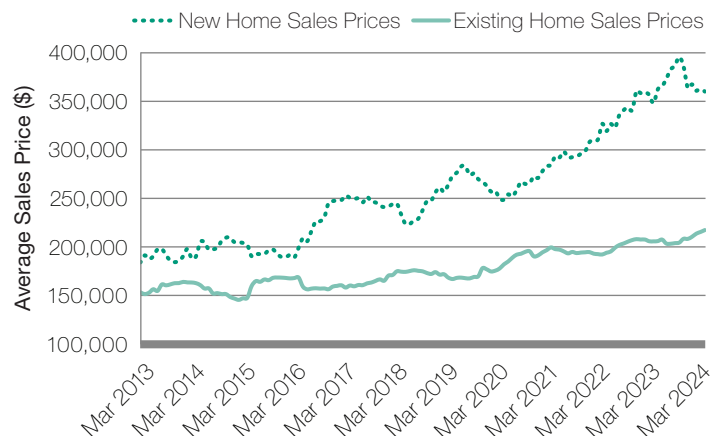
Source: TexAmericas Center

The percentage of home loans 90 or more days delinquent, in foreclosure, or in REO status has been above the national and state averages since 2022 because the economic recovery has been much slower in the Texarkana metropolitan area.



REO = real estate owned.  
Source: CoreLogic, Inc.

Since 2020, the average sales price for a new home has been increasing faster than for an existing home in the Texarkana metropolitan area.



Note: Includes single-family homes, townhomes, and condominiums.  
Source: Zonda, with adjustments by the analyst

continued from page 3

- The average sales price of an existing home was \$217,500, reflecting an increase of \$11,600, or nearly 6 percent, from the previous 12 months.

Building activity, measured by the number of single-family homes permitted, has been declining recently because rising interest rates have limited the demand for new housing in the metropolitan area. The 130 single-family homes permitted in 2022 were the most since the same number of homes were permitted during 2016. Production of single-family homes has not exceeded 200 in a single year since 2007 because the declining population has reduced demand for new housing.

- During the 12 months ending March 2024, 90 single-family homes were permitted, down from 100 during the previous 12 months. New home building activity is well above new home sales. Approximately 60 percent of new homes are custom built on lots purchased by homeowners who then contract builders to construct homes. Such sales transactions take place with the land.
- Since 2020, nearly 80 percent of the single-family homes permitted in the metropolitan area have been in Bowie County in Texas.
- One of the newest developments was the 67-lot Mallard Pond subdivision, which began construction in 2021. This development sells lots ranging from one-half acre to 2 acres where homes can be custom built.

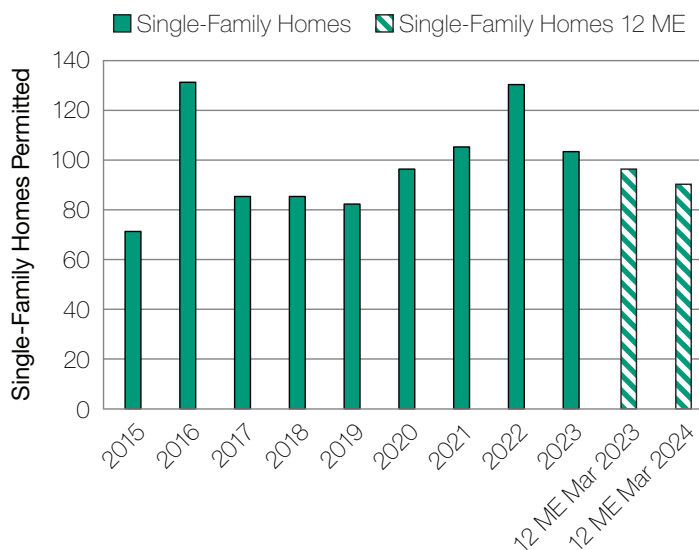
## Rental Market Conditions

The rental market in the Texarkana metropolitan area is slightly soft, with a 10.3-percent vacancy rate, down from 10.4 percent in 2020 but up from 9.3 percent in 2010. Population decline in the metropolitan area has contributed to higher rental vacancy rates. More than 43 percent of all renter households in the metropolitan area live in single-family homes, whereas just 27 percent of renter households live in traditional apartment buildings with five or more units. Nearly 90 percent of the apartment units in the metropolitan area are in either the city of Texarkana, Texas, or the city of Texarkana, Arkansas.

- The apartment market in the metropolitan area is currently balanced, with a 7.4-percent vacancy rate as of the first quarter of 2024, up from 6.2 percent a year earlier.
- The average rent for an apartment as of the first quarter of 2024 is \$839, representing an increase of \$12, or nearly 2.0 percent, from a year earlier. This amount is the lowest average rent for any metropolitan area within the state of Texas.
- More than 36 percent of apartment units in the metropolitan area have some form of affordable housing subsidy for residents.

continued on page 5

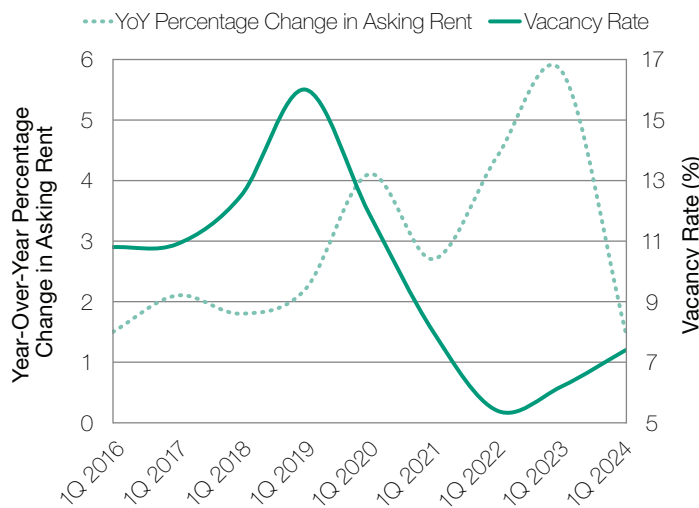
Even with the recent decline in production, the number of single-family homes permitted in the Texarkana metropolitan area remains above the 3-year average before the COVID-19 pandemic.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

The apartment market vacancy rate in the Texarkana metropolitan area remains historically low despite increases during the past 2 years; from 2000 through 1999, the apartment vacancy rate never fell below 9.9 percent.



1Q = first quarter. YoY = year-over-year.

Source: CoStar Group



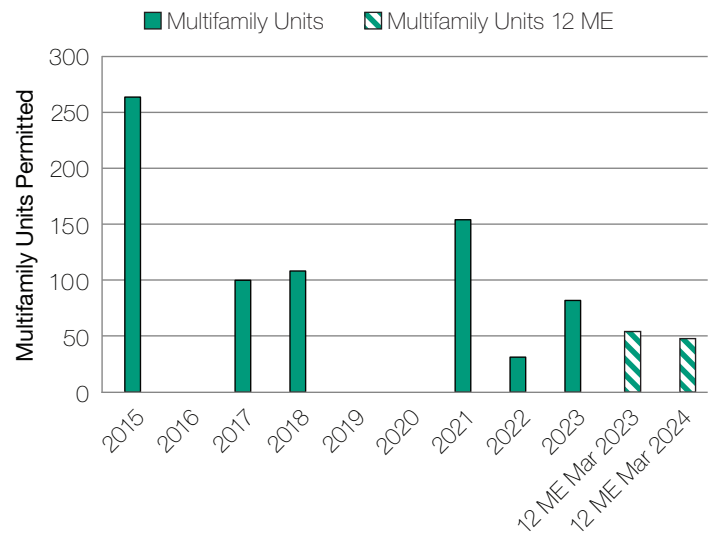
continued from page 4

- Apartment absorption during the 12 months ending March 2024 totaled negative 70 units after averaging negative 40 units during the previous 12 months.

Because the metropolitan area is small and has slow growth, multifamily building activity has been sporadic. No new units were built during many years, and production of multifamily units exceeded 100 units during only 13 of the past 30 years.

- During the 12 months ending March 2024, 50 multifamily units were permitted, essentially unchanged from the previous 12 months.
- Since 2010, all of the multifamily units permitted in the metropolitan area have been on the Texas side of the metropolitan area.
- The Hotel Grim, an eight-story building built in 1925 in Texarkana, Texas, was recently renovated and converted to 93 affordable apartment units. The property includes 50 studio units, 38 one-bedroom units, and 5 two-bedroom units available to households that earn 60 percent or less of the Area Median Income.
- A recently completed 154-unit development is 303 N. Pecan, with 54 one-bedroom units that rent for \$1,350 per month and 100 two-bedroom units that rent for \$1,600 per month.

**Multifamily units permitted in the Texarkana metropolitan area during 2021 exceeded 150 for only the fifth time in the past 25 years.**



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Includes regular resales and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

### B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
----	---