



College Station-Bryan, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of May 1, 2007



Summary

Housing Market Area



The College Station-Bryan, Texas Housing Market Area (HMA), located approximately 100 miles northwest of Houston, consists of Brazos, Burleson, and Robertson Counties. The principal cities of College Station and Bryan are located in Brazos County as is Texas A&M University, which accounts for nearly 18 percent of all the jobs in the HMA.

Market Details

- Economic Conditions 2
- Population and Households ... 4
- Housing Market Trends 5
- Data Profile 8

Economy

Economic conditions in the College Station-Bryan HMA have been strong during the past 12 months, primarily due to continued expansion at Texas A&M University. During the 3-year forecast period, nonfarm employment is expected to increase by 1.7 percent annually; much of the increase will continue to occur in the government sector. During the same period, employment in the construction sector is also expected to experience significant gains, and employment opportunities and affordable housing will continue to attract people to the area. Employment data for the HMA appears in Table DP-1 at the end of this report.

Sales Market

The sales market in the HMA is tight, with most home sales concentrated in the southern and eastern parts of College Station. According to the Real Estate Center at Texas A&M University, the average sales price for new and existing homes in the HMA was \$156,900 for the 12 months ending April 2007 compared with \$146,500 for the 12 months ending April 2006, an increase of 7.1 percent. Despite rising interest rates, the demand for single-family home sales is expected to remain strong during the next 3 years (see Table 1).

Rental Market

The rental market in the HMA is slightly soft. The current rental vacancy rate is estimated to be 8.5 percent, approximately 2 percentage points higher than the rate recorded in 2000. Currently, renter households make up slightly less than 50 percent of all households. All rental demand during the forecast period will be met by the nearly 1,100 rental units currently under construction and by the current supply of excess vacant rental units (see Table 1).

Table 1. Housing Demand in the College Station-Bryan HMA, 3-Year Forecast, May 1, 2007 to May 1, 2010

	College Station-Bryan HMA	
	Sales Units	Rental Units
Total Demand	2,600	950
Under Construction	330	1,070

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2007.

Source: Estimates by analyst

Economic Conditions

Strong growth occurred throughout most nonfarm employment sectors in the College Station-Bryan HMA in the 1990s. During the decade, the state government sector was the primary source of employment. Texas A&M University, currently the leading employer in the area (see Table 2), underwent a significant expansion. As a result, construction sector employment recorded average annual increases of more than 4 percent. During the same period, employment in both the professional and business services sector and the education and health services sector increased at average annual rates of 5 percent. Large employment gains that occurred during the 1990s have enabled the area to maintain one of

the lowest unemployment rates in the nation. Unemployment in the HMA remained below 4 percent from 1991 to 2001 and has been below 5 percent during the past 5 years. Figure 1 illustrates trends in the labor force, resident employment, and unemployment in the HMA from 1990 to 2006.

The HMA has experienced significant employment gains during the past 7 years, although the rates of growth for nonfarm and resident employment have been lower than those recorded during the 1990s. Government—particularly state government—continues to be the leading employment growth sector in the HMA, primarily as a result of the 488 jobs Texas A&M University has added since 2000. The government sector accounted for more than 25 percent of the 1,600 nonfarm jobs added during the past 12 months, including 140 new jobs added at the university. Currently, the university enrolls approximately 45,000 students and employs more than 16,200 faculty and staff. According to an inhouse university study in 2006, Texas A&M University had an overall economic impact of \$2.7 billion on the HMA.

During the past 7 years, expansion at the university has continued to result in job growth in the construction sector. The number of jobs in the construction sector has increased by approximately 7 percent during the past 24 months and is expected to continue to increase during the forecast period. Currently, 30 projects totaling nearly \$700 million in value are under construction. Among the

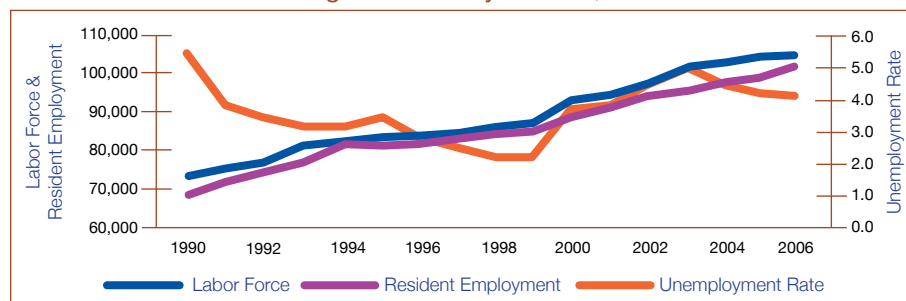
Table 2. Major Employers in the College Station-Bryan HMA

Name of Employer	Employment Sector	Number of Employees
Texas A&M University System	Government	16,248
Bryan Independent School District	Government	1,949
St. Joseph Regional Health Center	Health Services	1,590
Sanderson Farms, Inc.	Manufacturing	1,539
College Station Independent School District	Government	1,400
Reynolds & Reynolds	Professional & Business Services	959
City of Bryan	Government	889
City of College Station	Government	865
Brazos County	Government	751
Wal-Mart Stores, Inc.	Retail Trade	650

Note: Number of employees as of February 2007.

Source: The Research Valley Partnership, Inc.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the College Station-Bryan HMA, 1990 to 2006



Source: U.S. Bureau of Labor Statistics

30 projects are a \$95 million interdisciplinary life sciences building, a \$100 million emerging technologies building, and a \$57 million physics and astronomy building, all of which are expected to be complete by the fall of 2008.

Table 3. 12-Month Average Employment in the College Station-Bryan HMA, by Sector

	12 Months Ending April 2006	12 Months Ending April 2007	Percent Change
Total Employment	89,200	90,800	1.8
Goods Producing	12,300	12,600	2.4
Natural Resources, Mining, & Construction	6,000	6,300	5.0
Manufacturing	6,300	6,300	0.0
Service Providing	76,900	78,100	1.6
Trade	11,300	11,500	1.8
Transportation & Utilities	1,200	1,200	0.0
Information	1,000	1,100	10.0
Financial Activities	3,500	3,600	2.9
Professional & Business Services	5,400	5,500	1.9
Education & Health Services	9,100	9,200	1.1
Leisure & Hospitality	9,400	9,500	1.1
Other Services	2,700	2,800	3.7
Government	33,300	33,700	1.2

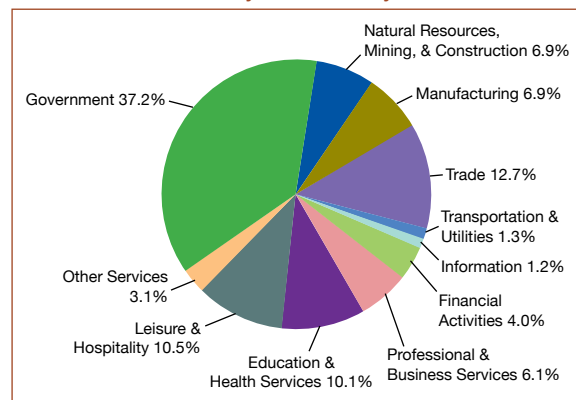
Notes: Based on 12-month averages through April 2006 and April 2007. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Since 2000, employment in the education and health services sector has increased by 2 percent annually. Job gains in this sector have occurred primarily at St. Joseph Regional Health Center, the leading private-sector employer in the area. A new \$130 million Texas A&M Health Science Center is expected to be under construction by 2008. The new facility will allow the College of Medicine to incrementally expand its class size from 80 to 200 students.

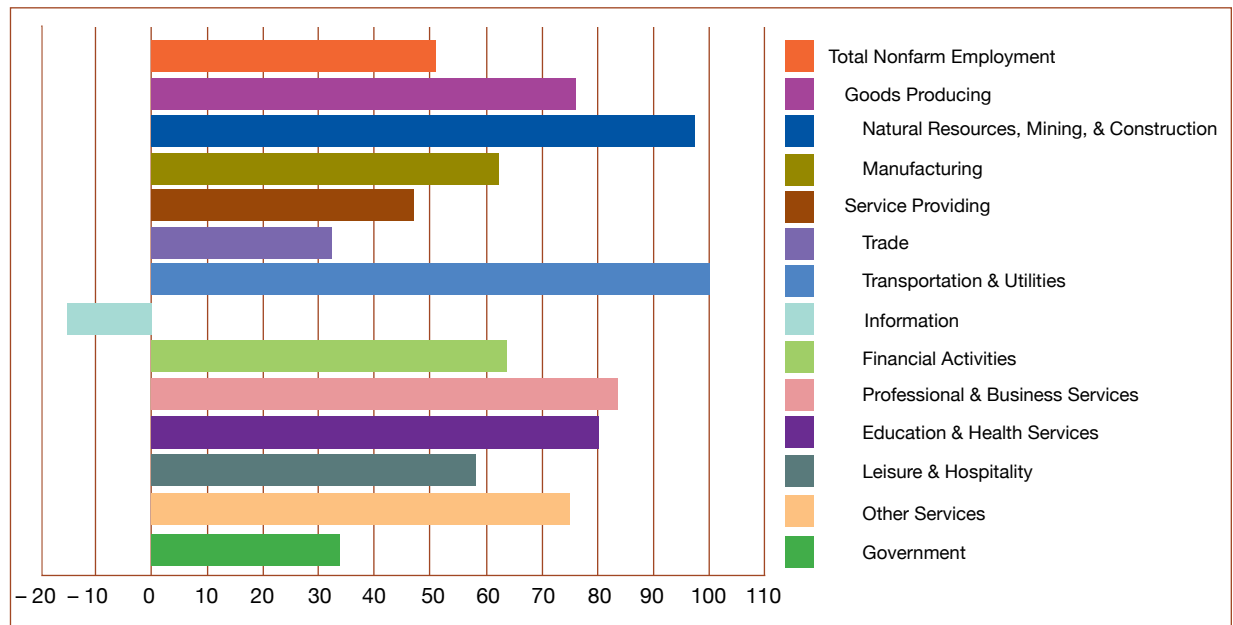
Currently, every nonfarm employment sector in the HMA, except the manufacturing sector and the transportation and utilities sector, is experiencing growth, as shown in Table 3. During the 12 months ending April 2007, employment growth remained strong with the addition of 1,600 jobs, an increase of 1.8 percent compared with the number of jobs added during the previous 12 months. The government sector, which accounts for approximately 40 percent of all nonfarm jobs in the HMA, recorded the largest gain during the past 12 months, adding more than 400 jobs, a 1.2-percent increase compared with the number of jobs added during the previous 12 months. Figure 2 illustrates current employment by sector in the HMA during the 12 months ending April 2007. Figure 3 illustrates sector growth in the HMA from 1990 to the current date.

Figure 2. Current Employment in the College Station-Bryan HMA, by Sector



Note: Based on 12-month averages through April 2007.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the College Station-Bryan HMA, Percentage Change, 1990 to Current

Note: Current is based on 12-month averages through April 2007.

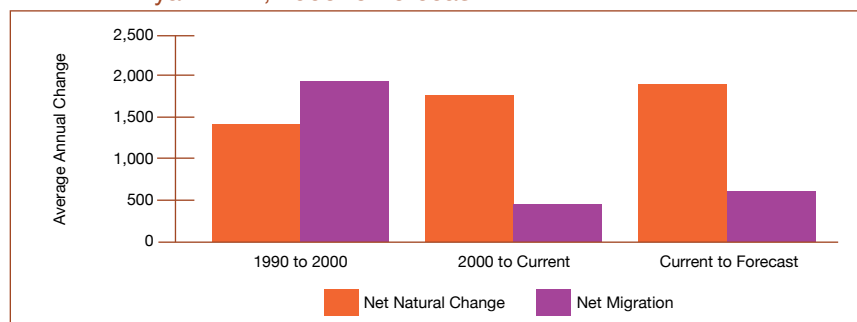
Source: U.S. Bureau of Labor Statistics

Population and Households

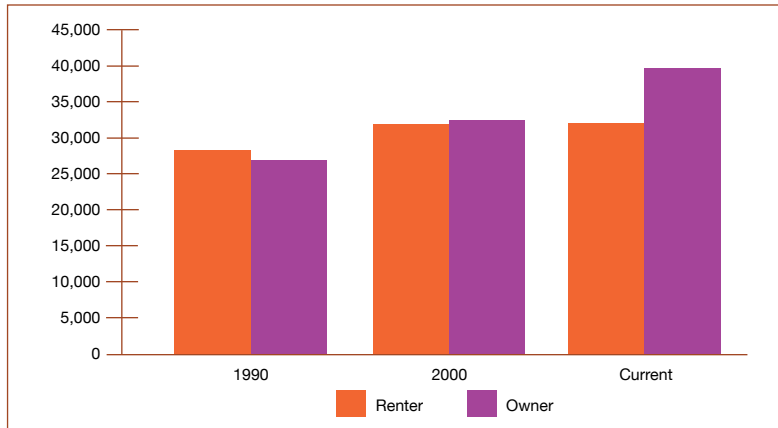
The College Station-Bryan HMA recorded steady population growth from 1990 to 2000, with an average annual increase of 3,400, or 2.0 percent a year (see Table DP-1 at the end of this report). During the decade, net in-migration, in response to a strong local economy and a nationally recognized university, was

the primary reason for population growth. Net in-migration accounted for approximately 60 percent of the population growth during the decade. Figure 4 shows components of population change in the HMA from 1990 to the forecast date.

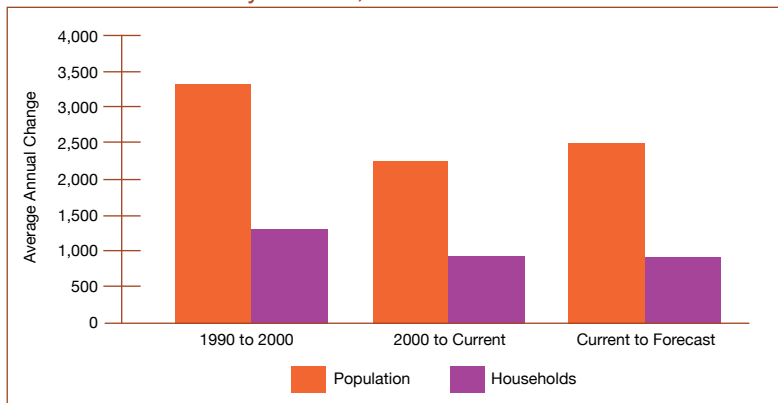
As of May 1, 2007, the population of the HMA is estimated to be 200,800. Since 2000, the population has expanded by 2,250 a year, or an average annual rate of 1.2 percent. In-migration has subsided since the late 1990s. In-migration has declined overall in recent years due to slower employment growth compared with employment growth in the 1990s. Since 2000, in-migration has accounted for 22 percent of population growth compared with 58 percent during the

Figure 4. Components of Population Change in the College Station-Bryan HMA, 1990 to Forecast

Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

Figure 5. Number of Households by Tenure in the College Station-Bryan HMA, 1990 to Current

Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 6. Population and Household Growth in the College Station-Bryan HMA, 1990 to Forecast

Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

previous decade. During the forecast period, in-migration is expected to decline further to about 20 percent of the total annual forecast population increase of 2,500. The population of the HMA is forecast to be approximately 208,300 by May 2010.

The number of households increased at a faster rate than the population did during the 1990s. During the decade, the number of households expanded by approximately 2.2 percent annually. Since 2000, household growth has increased by 6,600, an annual increase of 930, or 1.3 percent a year. Figure 5 illustrates the number of households by tenure in the HMA for 1990, 2000, and the current date.

During the forecast period, the number of households is expected to increase annually by 930, or 1.2 percent, and total approximately 77,200 by May 2010. Figure 6 shows population and household growth in the HMA from 1990 to the forecast date.

Housing Market Trends

Sales Market

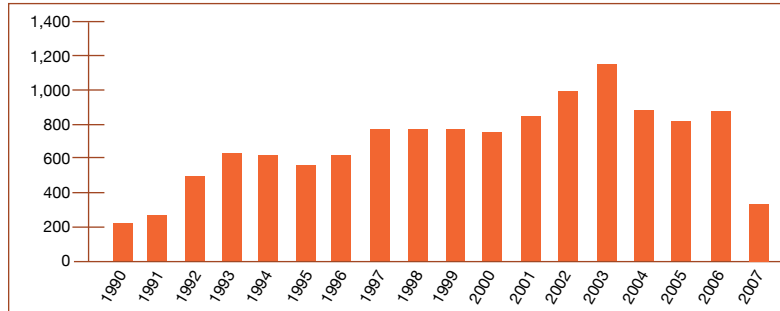
As a result of steady population growth and strong job gains, the market for single-family homes in the College Station-Bryan HMA is tight, with a current estimated sales vacancy rate of 1.8 percent. Single-family construction, as measured by the number of single-family building permits issued, has decreased recently. The absorption of older units and affordable sales

prices have kept the overall vacancy rate at or below 2 percent during the past 7 years.

Since 2000, building permits in the HMA have been issued for 6,700 single-family homes, or an annual average of nearly 950 homes. During the 12 months ending April 2007, the level of new home construction slowed compared with the level

recorded during previous years; the number of single-family building permits issued decreased by 12 percent to 800 homes compared with the 12 months ending April 2006. Figure 7 illustrates the number

Figure 7. Single-Family Building Permits Issued in the College Station-Bryan HMA, 1990 to 2007



Notes: Includes only single-family units. Includes data through April 2007.

Source: U.S. Census Bureau, Building Permits Survey

Table 4. Estimated Demand for New Market-Rate Sales Housing in the College Station-Bryan HMA, May 1, 2007 to May 1, 2010

Price Range (\$)		Units of Demand	Percent of Total
From	To		
100,000	124,999	210	8.1
125,000	149,999	340	13.1
150,000	174,999	410	15.8
175,000	199,999	390	15.0
200,000	224,999	360	13.8
225,000	249,999	310	11.9
250,000	299,999	210	8.1
300,000	349,999	160	6.2
350,000	399,999	130	5.0
400,000	and higher	80	3.1

Source: Estimates by analyst

of single-family building permits issued in the HMA from 1990 through April 2007.

According to the Real Estate Center at Texas A&M University, sales of existing homes totaled 2,600 units during the 12 months ending April 2007, an increase of nearly 13 percent compared with the number of existing home sales recorded during the previous 12 months and an increase of 400 units, or 19 percent, compared with the number sold during the 12 months ending April 2005. The current level of sales is comparable with the record level of sales recorded in 2006. The average sales price increased to \$156,900 for the 12 months ending April 2007, up 7 percent compared with the price for the previous 12 months.

Total forecast demand for sales housing in the HMA for the next 3 years is estimated to be 2,600 new single-family homes and is categorized by price range in Table 4. This figure does not include the demand for 500 additional mobile home units. Mobile homes make up an estimated 13 percent of the total housing inventory in the HMA.

Rental Market

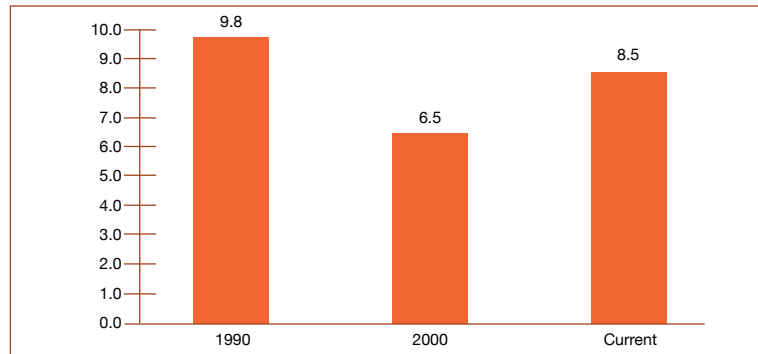
The rental housing market in the HMA is slightly soft, with a current estimated vacancy rate of 8.5 percent, which is an increase of 2 percentage points during the past 7 years (see Figure 8). Concessions, which typically include 1 month's free rent, are prevalent in the market. Apartment rents in the area average \$600 for a one-bedroom unit, \$700 for a two-bedroom unit, and \$950 for a three-bedroom unit.

Students of Texas A&M University occupy a large portion of the local rental stock. Currently, 8,000 students are housed in dormitories and 650 students are living in university-owned apartments located off campus. University-owned apartments currently have a 12-to-18-month waiting list and rent for an average of \$100 to \$200 less a month than market-rate rents. The remaining 36,350 students are housed in the private rental housing market.

Housing Market Trends

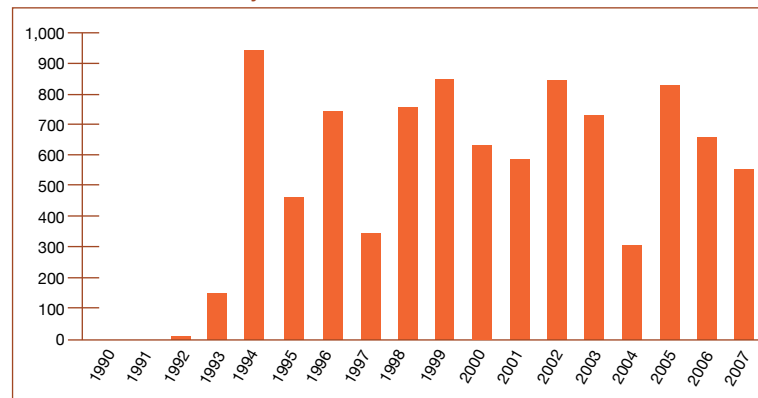
Rental Market *Continued*

Figure 8. Rental Vacancy Rates in the College Station-Bryan HMA, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 9. Multifamily Building Permits Issued in the College Station-Bryan HMA, 1990 to 2007



Notes: Includes all multifamily units in structures with two or more units. Includes data through April 2007.

Source: U.S. Census Bureau, Building Permits Survey

Apartment construction, as measured by the number of multifamily units permitted, increased considerably during the 12 months ending April 2007. The number of multifamily units permitted increased by nearly 500 to 1,150 units during the period compared with the number of units permitted during the previous 12-month period. On average, 725 multifamily units a year have been permitted in the HMA since 2000. Figure 9 shows the number of multifamily units permitted in the HMA from 1990 through April 2007.

The 1,070 units currently under construction will satisfy the estimated demand for 950 market-rate rental units during the 3-year forecast period. The construction of additional units should not begin until the third year of the forecast period to meet anticipated demand in the fourth year. Table 5 shows estimated demand for rental housing during the forecast period categorized by number of bedrooms and rent levels.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the College Station-Bryan HMA, May 1, 2007 to May 1, 2010

1 Bedroom		2 Bedrooms		3 or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
650	330	875	480	1,150	140
700	290	925	390	1,200	130
750	270	975	360	1,250	120
800	240	1,025	320	1,300	100
850	210	1,075	280	1,350	80
900	180	1,125	240	1,400	70
950	150	1,175	200	1,450	60
1,050	120	1,275	160	1,550	50
1,150	100	1,375	110	1,650	30
1,250	80	1,475	70	1,750	20
and higher		and higher		and higher	

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Data Profile

Table DP-1. College Station-Bryan HMA Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%)	
				1990 to 2000	2000 to Current
Total Resident Employment	69,738	89,597	100,700	2.5	1.7
Unemployment Rate (%)	5.5	3.8	3.9		
Nonfarm Employment	60,200	82,900	90,800	3.3	1.3
Total Population	150,998	184,885	200,800	2.0	1.2
Total Households	54,694	67,744	74,350	2.2	1.3
Owner Households	26,505	34,654	39,900	2.7	2.0
Percent Owner (%)	48.5	51.2	53.7		
Renter Households	28,189	33,090	34,450	1.6	0.6
Percent Renter (%)	51.5	48.8	46.3		
Total Housing Units	63,181	75,094	85,550	1.7	1.9
Owner Vacancy Rate (%)	2.8	1.8	1.8		
Rental Vacancy Rate (%)	9.8	6.5	8.5		
Median Family Income	\$31,056	\$46,530	\$52,300	4.1	1.7

Note: Median family incomes are for 1989, 1999, and 2006.

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

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 5/1/2007—Analyst's estimates

Forecast period: 5/1/2007–5/1/2010—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.

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

Contact Information

L. David Vertz, Economist
Fort Worth HUD Regional Office
817-978-9414
leon.d.vertz@hud.gov

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 wishes to express 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.