

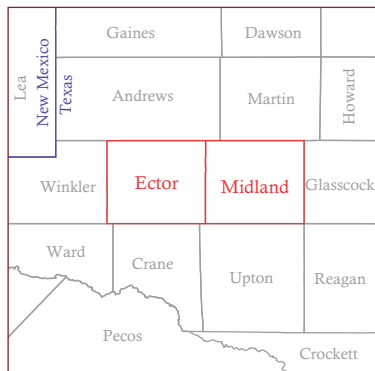


Midland-Odessa, Texas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2013



Housing Market Area



The Midland-Odessa Housing Market Area (HMA), which is coterminous with the Midland-Odessa, TX Combined Statistical Area, consists of Ector and Midland Counties. The HMA, also known as the Petroplex, is located approximately 50 miles from the southeastern corner of New Mexico. The area serves as a hub for the extraction of oil and natural gas in the Permian Basin, a geological formation rich in hydrocarbons. The largest cities are Midland and Odessa, located in Midland and Ector Counties, respectively.

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Summary

Economy

The economy of the Midland-Odessa HMA recorded strong job growth for the third consecutive year because of the strength of the oil industry. During 2012, nonfarm payrolls increased by 7,200 jobs, or 5.2 percent, to 147,400, compared with an increase of 11,600 jobs, or 9.0 percent, during the previous year. During the 3-year forecast period, nonfarm payrolls are expected to increase by an average annual rate of 5,125 jobs, or 3.4 percent.

Sales Market

The sales housing market in the HMA is currently tight, with an estimated sales vacancy rate of 1.1 percent, which is down from 1.6 percent in April 2010. During the forecast period, employment and population gains are expected to support demand for 4,050 new homes, including 200 mobile homes (Table 1). The 270 homes currently under construction and a portion of the 2,800 other vacant units in the HMA may reenter the housing market and satisfy some of the demand.

Rental Market

The rental housing market in the HMA is currently tight, with an estimated overall rental vacancy rate of 2.7 percent, down from 9.2 percent in April 2010. During the forecast period, demand is expected for 2,250 new rental units (Table 1). The 950 units currently under construction will satisfy a portion of the forecast demand.

Table 1. Housing Demand in the Midland-Odessa HMA, 3-Year Forecast, January 1, 2013, to January 1, 2016

	Midland-Odessa HMA	
	Sales Units	Rental Units
Total demand	4,050	2,250
Under construction	270	950

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2013. A portion of the estimated 2,800 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

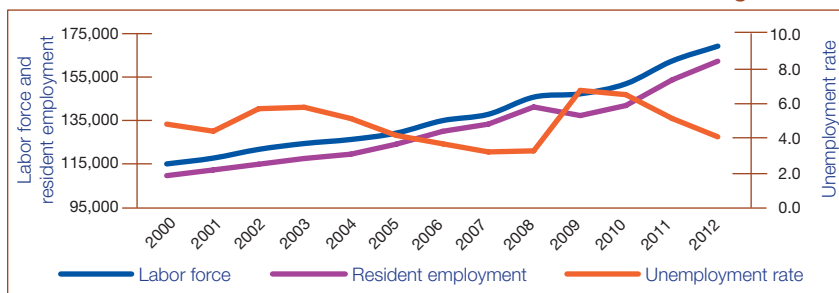
After recording job losses in 2009, nonfarm payroll growth in the Midland-Odessa HMA resumed during 2010 when oil prices increased to an annual average of \$71 per barrel from an annual average of \$53 per barrel recorded in 2009. During 2012, nonfarm payrolls increased by 7,200 jobs, or 5.2 percent, to 147,400 compared with an increase of 11,600 jobs, or 9.0 percent, during the previous year. As a consequence, the current level of nonfarm payrolls has exceeded the prerecession level of 134,100 jobs recorded in 2008. During 2012, the unemployment rate averaged 4.0 percent, down from 5.1 percent in 2011. By comparison, from 2000 through 2008, the unemployment rate averaged 4.4 percent (Figure 1).

The economy of the HMA has been closely linked to the oil and gas industry since the discovery of oil in the Permian Basin during the 1920s. The Midland and Odessa metropolitan areas (Midland and Ector Counties), respectively, have a higher concentration of nonfarm payrolls in the mining, logging, and construction sector than any other metropolitan area in the United States (Bureau of Labor Statistics). Conditions in the oil and gas industry over the years have caused several booms and busts in the HMA economy. The previous oil boom,

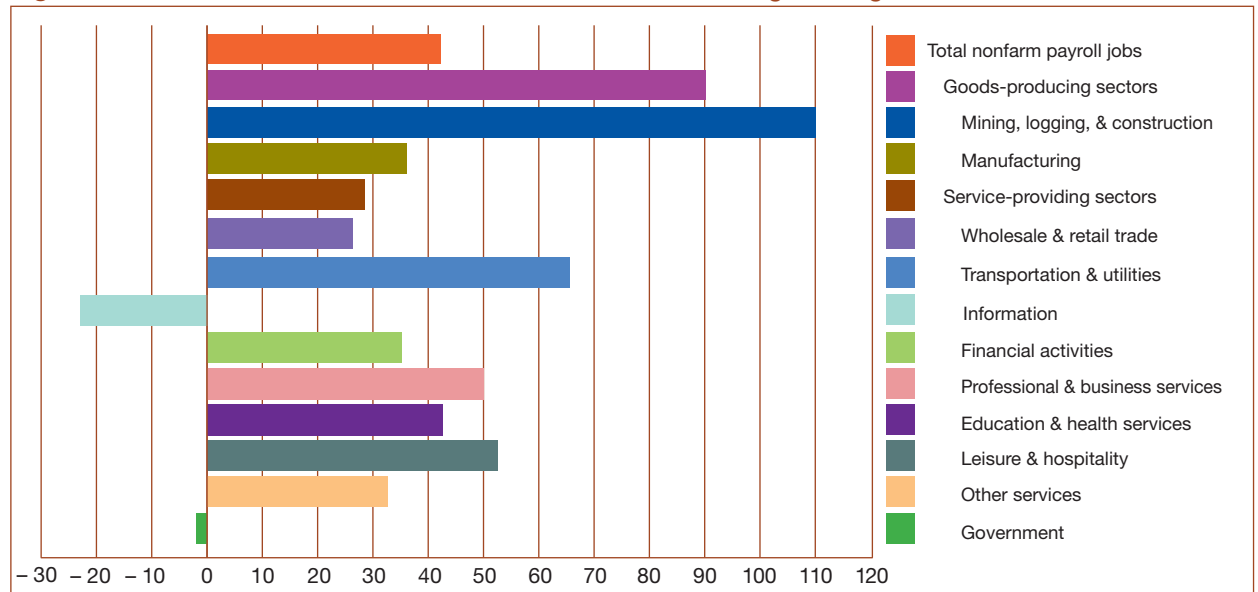
which ended in 1983, was caused by high oil prices that prevailed during the 1970s and early 1980s. When oil prices began to decline in 1983, the HMA entered a bust stage, causing significant job losses and dramatic declines in home and apartment construction activity. The most recent oil boom began in the mid-2000s as a result of an increase in the price of oil coupled with the development of hydraulic fracturing techniques, greatly expanding the amount of oil and gas that could be economically extracted. From 2000 through the current date, the mining, logging, and construction sector has grown more than any other sector in the HMA, recording cumulative gains of 110 percent (Figure 2).

During 2012, the mining, logging, and construction sector led job growth in the HMA, increasing by 2,500 jobs, or 7.8 percent, because of increased oil and gas production in the Permian Basin. During 2012, 7,325 well starts were made in Texas Railroad Commission districts 7C and 8, which cover the Permian Basin, an increase of 12 percent compared with 6,550 well starts during 2011 (Baker Hughes). The sector is also the largest in the HMA, accounting for 24 percent of all nonfarm payrolls (Figure 3). Job gains in the sector accounted for approximately one-third of the gains in nonfarm payrolls during 2012. The sector includes some of the largest employers in the HMA, such as ConocoPhillips, Halliburton Company, Key Energy Services, Patterson-UTI Drilling Company LLC, and Schlumberger Limited (Table 2). In May 2012, TMK IPSCO, an oil and gas industry pipe manufacturer began constructing a \$4.5 million pipe-preprocessing and pipe-threading facility in Odessa that

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Midland-Odessa HMA, 2000 Through 2012

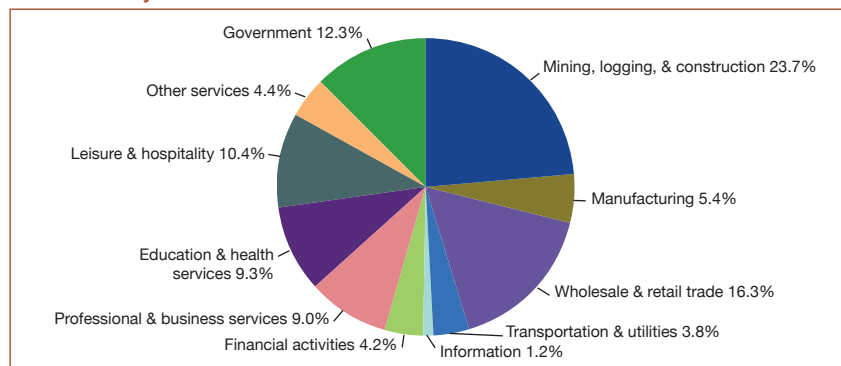


Source: U.S. Bureau of Labor Statistics

Figure 2. Sector Growth in the Midland-Odessa HMA, Percentage Change, 2000 to Current

Note: Current is based on 12-month averages through December 2012.

Source: U.S. Bureau of Labor Statistics

Figure 3. Current Nonfarm Payroll Jobs in the Midland-Odessa HMA, by Sector

Note: Based on 12-month averages through December 2012.

Source: U.S. Bureau of Labor Statistics

Table 2. Major Employers in the Midland-Odessa HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Medical Center Hospital	Government	1,700
Midland Memorial Hospital	Government	1,650
Saulsbury Industries	Mining, logging, & construction	1,325
Halliburton Company	Mining, logging, & construction	1,250
Odessa Regional Medical Center	Education & health services	1,100
City of Midland	Government	940
City of Odessa	Government	890
Wal-Mart Stores, Inc.	Wholesale & retail trade	880
Key Energy Services	Mining, logging, & construction	NA
Schlumberger Limited	Mining, logging, & construction	NA
ConocoPhillips	Mining, logging, & construction	NA
Patterson-UTI Drilling Company, LLC	Mining, logging, & construction	NA
Warren Equipment Company	Mining, logging, & construction	NA
Baker Hughes Incorporated	Mining, logging, & construction	NA

NA = data not available.

Notes: Numbers cited for private employers include only the portion located in Odessa. Employment levels for private employers in Midland were unavailable. Excludes local school districts.

Sources: Midland Economic Development; Odessa Economic Development; City of Midland

will consolidate six of the company's existing facilities in the new location. The development, which contributed to job gains in the construction sub-sector during the past 12 months, is expected to be complete by 2013, but permanent job gains from the facility will be negligible.

The leisure and hospitality sector increased by 1,200 jobs during 2012, an increase of 8.5 percent compared with the number of jobs in 2011; this increase represented the fastest rate of growth for any sector in the HMA, largely because of demand induced by the oil and natural gas industry. The labor market is so tight in this sector that restaurants often offer signup bonuses to attract new employees (local sources). The wholesale and retail trade sector also added 1,200 jobs, an increase of 5.3 percent (Table 3). Gross sales in the HMA during the second quarter of 2012, the latest data available, totaled \$6.7 billion, up 33 percent from the second quarter of 2011 (sales tax data from the State of Texas). Parks Legado Town Center, which is currently under construction along State Highway 191 near the

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Midland-Odessa HMA, by Sector

	12 Months Ending December 2011	12 Months Ending December 2012	Percent Change
Total nonfarm payroll jobs	140,200	147,400	5.2
Goods-producing sectors	40,200	43,000	7.0
Mining, logging, & construction	32,400	34,900	7.8
Manufacturing	7,700	8,000	3.7
Service-providing sectors	100,000	104,500	4.4
Wholesale & retail trade	22,800	24,000	5.3
Transportation & utilities	5,300	5,600	6.8
Information	1,700	1,700	0.0
Financial activities	6,100	6,200	2.5
Professional & business services	12,600	13,200	5.3
Education & health services	13,000	13,700	5.1
Leisure & hospitality	14,200	15,400	8.5
Other services	6,100	6,500	6.0
Government	18,300	18,100	-0.9

Notes: Based on 12-month averages through December 2011 and December 2012. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

intersection with Faudree Road, is centrally located and approximately equidistant from Odessa and Midland. The development includes 300,000 square feet of business space, including restaurants, three hotels, a bank, and a supermarket. The town center will create an unspecified number of jobs in the leisure and hospitality sector and in the wholesale and retail trade sector by the time construction is complete in late 2013.

During the 3-year forecast period, nonfarm payrolls are expected to increase by an average annual rate of 5,125 jobs, or 3.4 percent. The rate of growth in nonfarm payrolls will likely moderate during the forecast period as the economy adjusts to recent changes in the oil and gas industry. XCOR Aerospace Inc. (XCOR), a spacecraft manufacturer, and the Midland Development Corporation have signed an agreement whereby XCOR will build its Commercial Space Research and Development Center Headquarters at Midland International Airport. The agreement requires XCOR to establish

\$12 million in payrolls within the next 5 years. Approximately 200 jobs will be created by the time the headquarters building is complete. The Texas Clean Energy Project (TCEP), a \$2.5 billion power plant, is currently under development in Penwell, to the west of Odessa, in Ector County. TCEP consists of a clean coal power plant, which uses technology in which 90 percent of the exhaust carbon dioxide will be sequestered. The carbon dioxide will be used for enhanced oil recovery through the carbon dioxide injection method in the Permian Basin area. TCEP will also produce urea, which will be sold for use in fertilizers. TCEP has received awards from the U.S. Department of Energy totaling \$450 million. In addition, SINOPEC, a Chinese oil company, has committed to an investment of \$1 billion in TCEP. The project is expected to create approximately 200 permanent jobs when it is complete in 2016.

In addition to the nonfarm payroll data, significant temporary employment exists in the gas and oil industry

and in supporting industries that is not reflected in the nonfarm payroll and population statistics. The amount at any given time may fluctuate considerably based on oil and gas prices. Indications of such activity may be

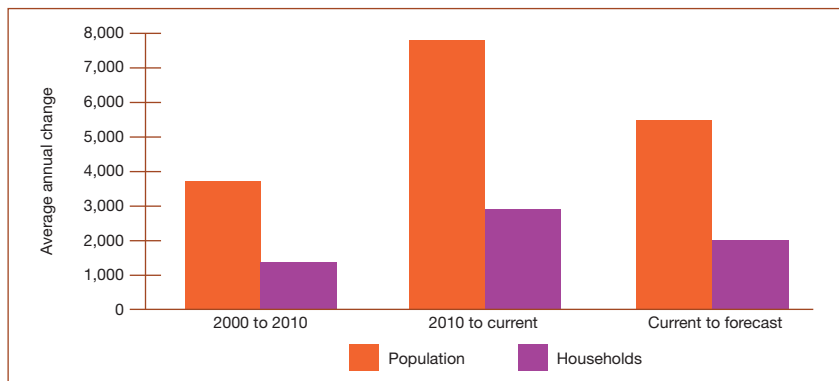
found in unexpected changes in sales tax revenue, by the sales and rental housing market conditions, hotel occupancy rates, and the growth in recreational vehicle (RV) parks, mobile home parks, and crew camps.

Population and Households

As of January 1, 2013, the population of the Midland-Odessa HMA was estimated at 295,400, reflecting an annual increase of 7,775, or 2.8 percent, from approximately 274,000 on April 1, 2010. By comparison, from 2000 through 2010, the population increased by an average annual rate of 3,675, or 1.5 percent. The population is evenly distributed between Midland and Ector Counties, with each county containing approximately one-half of the population. Driven by developments in the oil and natural gas industry, population growth fluctuated during the previous decade. Before the widespread implementation of hydraulic fracturing techniques in 2005 and rising oil prices in the same year, population growth was relatively slow.

During this period, from 2000 through 2005, the population grew by an average of 2,050, or 0.8 percent, annually. From 2005 through 2009, the population grew by an average annual increase of 6,325, or 2.5 percent, in response to the widespread deployment of hydraulic fracturing techniques coupled with significant increases in oil prices. From 2009 to 2010, as a result of low energy prices during the most recent recession, population growth slowed to an average of 1,000, or less than 1 percent, annually. Since 2010, a year when oil prices increased, the rate of population growth has recovered to rates comparable to those that prevailed from 2005 through 2009. During the forecast period, the population is expected to increase by 5,475, or 1.8 percent, annually, to 311,800 by January 1, 2016 (Figure 4).

Figure 4. Population and Household Growth in the Midland-Odessa HMA, 2000 to Forecast



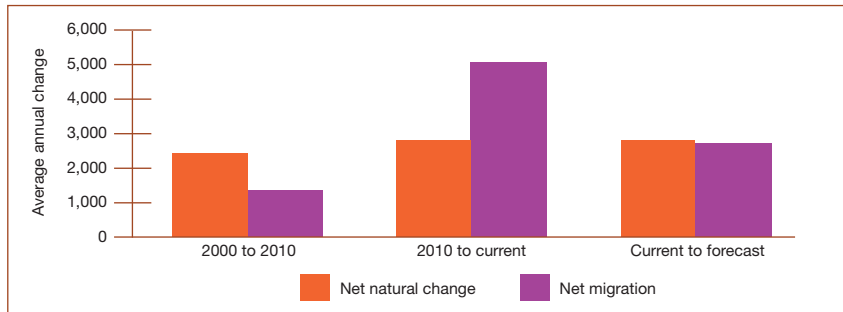
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

From 2000 through 2005, a period of slow growth preceding the hydraulic fracturing boom, the area recorded net out-migration averaging 110 annually, while net natural increase (resident births minus deaths) averaged 2,175 per year. Following the deployment of hydraulic fracturing, from 2005 through 2009, the area recorded net in-migration averaging 3,700 annually, while net natural increase averaged 2,600 per year. From 2009 to

2010, as a result of the most recent recession and the corresponding decline in the demand for oil, the HMA recorded net out-migration of 1,950 annually; during the same period, net natural increase averaged 2,950 per year. Since the recovery in the demand for oil and concomitant job growth,

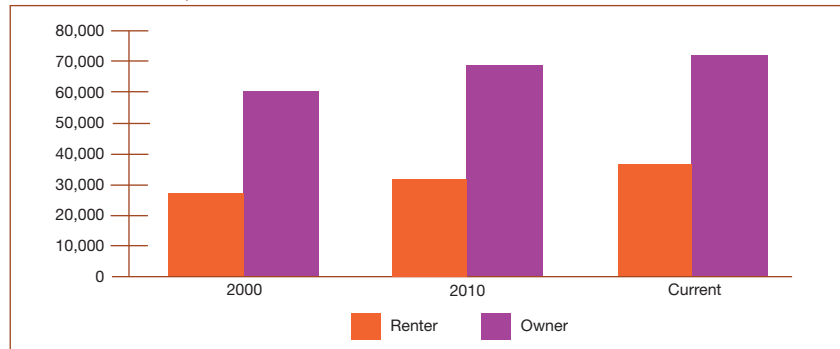
from 2010 to the current date, net immigration resumed at a rapid pace, averaging 5,025 annually; during the same period, net natural increase averaged 2,750 per year (Figure 5). During the forecast period, net immigration to the HMA is expected to average 2,650 annually.

Figure 5. Components of Population Change in the Midland-Odessa 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 Midland-Odessa HMA, 2000 to Current



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

The number of households in the HMA has increased at a faster rate since 2010 than during the previous decade. Since 2010, the number of households has increased by 2,850, or 2.8 percent, annually compared with an average annual increase of 1,300, or 1.4 percent, during the past decade. The rate of household growth since 2010 has lagged the rate of population growth because of tight housing market conditions. The number of households in the HMA is currently estimated at 107,400. Figure 6 illustrates the number of households by tenure in the HMA for 2000, 2010, and the current date.

During the 3-year forecast period, the number of households is expected to increase by 1,975, or 1.8 percent, annually, to approximately 113,300 households by January 1, 2016. Table DP-1, at the end of this report, provides additional demographic data for the HMA.

Housing Market Trends

Sales Market

The sales housing market in the Midland-Odessa HMA is currently tight because of strong employment and population growth since 2010. The home sales vacancy rate is

estimated at 1.1 percent, down from 1.6 percent in April 2010. During 2012, the number of new and existing single-family homes sold in the HMA increased by 7 percent, to 3,025 homes

sold, compared with the number sold during the previous year (Real Estate Center at Texas A&M University). The current level of sales exceeds the average of 2,625 homes sold annually from 2008 through 2010, but it remains below the 3,175 homes sold in 2007. The homeownership rate in the HMA is currently estimated at 66.5 percent, down from 68.3 percent in April 2010.

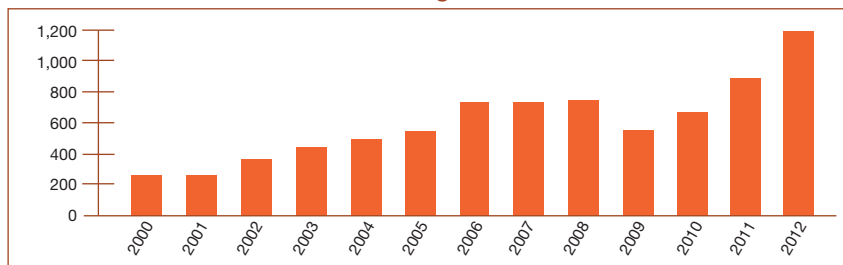
During 2012, the average sales price for new and existing homes in the HMA increased by 12 percent to \$211,100 compared with prices during the previous year (Real Estate Center at Texas A&M University). The current price level is the highest on record for the HMA. Home prices have fully recovered after recording a low during the 12 months ending October 2010, when prices averaged \$174,500 as a result of weakness in the oil and natural gas industry. During 2012, the available inventory of new and existing homes averaged a 3-month supply compared with the average 4-month supply recorded during 2011; the current supply level is the lowest on record. Home prices are significantly higher in Midland County, where prices averaged \$237,400 during 2012 compared with an average of \$166,200 in Ector County. In December 2012, 1.7 percent of mortgage loans in the HMA were 90 or more days delinquent,

were in foreclosure, or had transitioned into REO (Real Estate Owned), down from 2.3 percent in December 2011 (LPS Applied Analytics).

Limitations on the supply pipeline have contributed to the tight sales housing market (local sources). Home builders have reported increases in labor costs and increases in some material costs as a consequence of competition with the oil and gas industry. In addition, competition has resulted in the prices of the most desirable lots being bid upward. Furthermore, lags in the permitting, construction, and appraisal pipelines have contributed to the limitations in supply.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased during 2012 in response to increased sales and prices. Based on preliminary data, the number of single-family homes permitted in 2012 totaled 1,175, an increase of 35 percent compared with the 880 homes permitted during 2011. The current level of permitting activity is the highest recorded since 1982, the penultimate year of the previous boom in the oil industry. Before the hydraulic fracturing boom, from 2000 through 2004, single-family home permitting levels averaged 360 annually (Figure 7). Permitting levels then increased to an average of 730 annually from 2006 through 2008 as a result of demand induced by the growing oil and gas sector. In 2009, the number of single-family homes permitted declined to 550 because of the most recent recession and the collapse in oil prices. Since 2010, the number of single-family homes permitted has increased each year, averaging 910 annually. Sales prices for new three-bedroom,

Figure 7. Single-Family Building Permits Issued in the Midland-Odessa HMA, 2000 Through 2012



Notes: Includes townhomes. Includes data through December 2012.

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

Housing Market Trends

Sales Market *Continued*

single-family homes in the HMA start at approximately \$120,000. Ongoing developments include North Park, a subdivision in Odessa, with 260 homes completed during the past 2 years and a potential for up to 1,000 additional homes within the next several years. Prices for three-bedroom homes in North Park start at \$130,000.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Midland-Odessa HMA, January 1, 2013, to January 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
90,000	149,999	770	20.0
150,000	199,999	1,150	30.0
200,000	299,999	960	25.0
300,000	399,999	580	15.0
400,000	and higher	390	10.0

Note: The 270 homes currently under construction and a portion of the estimated 2,800 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

During the next 3 years, demand is expected for 4,050 new homes in the HMA, including approximately 200 mobile homes (Table 1). The 270 homes currently under construction will meet a portion of this demand. As economic growth moderates, demand is expected to level off during the forecast period, from 1,450 homes in the first year to approximately 1,300 homes annually during the final 2 years. Slightly more than one-half of the demand is expected to be for homes priced between \$150,000 and \$300,000 (Table 4). A portion of the estimated 2,800 other vacant units likely will reenter the sales housing market and satisfy some of the forecast demand.

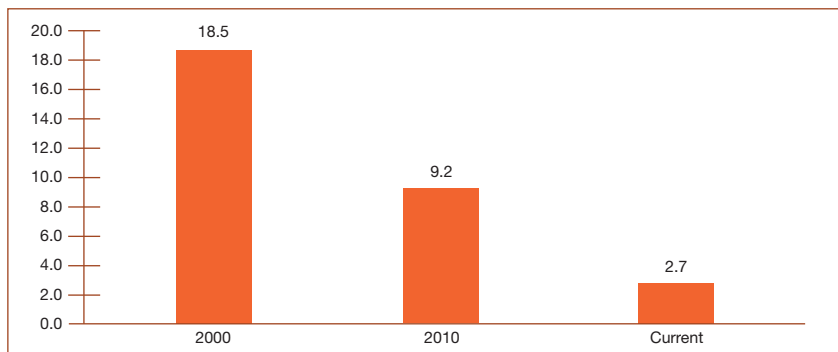
Rental Market

Rental housing market conditions in the Midland-Odessa HMA are tight because of job and population gains. The current overall rental vacancy rate is estimated at 2.7 percent, down significantly from 9.2 percent in April 2010 (Figure 8). An estimated 30 percent of rental inventory consists

of single-family homes, almost unchanged since 2000. By comparison, apartments comprise an estimated 50 percent of the rental inventory, nearly unchanged since 2000. The apartment market is also tight. As of the fourth quarter of 2012, the apartment vacancy rate was 3.4 percent, down slightly from 4.1 percent recorded during the fourth quarter of 2011 (Reis, Inc.). By comparison, during 2009, the apartment vacancy rate averaged 7.2 percent.

Apartment market conditions vary significantly by age of inventory because almost no apartment construction occurred from the end of the last oil boom in 1983 through 1999. The apartment inventory has a bimodal age distribution, with approximately 85 percent of the inventory being of 1970-through-1983 vintage properties,

Figure 8. Rental Vacancy Rates in the Midland-Odessa HMA, 2000 to Current



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

Housing Market Trends

Rental Market *Continued*

virtually no inventory for the 1984-through-1999 vintage properties, and 6 percent of the inventory being built since 2000 (Reis, Inc.). As of the fourth quarter of 2012, the vacancy rate for units built since 2000 was below 1 percent (Reis, Inc.). Asking apartment rents averaged \$610, \$790, and \$1,175 for one-, two-, and three-bedroom units, respectively. The average asking rent for all apartments increased 4 percent, to \$710, compared with rents recorded a year ago. The rents for units built since 2000 average an estimated \$1,500.

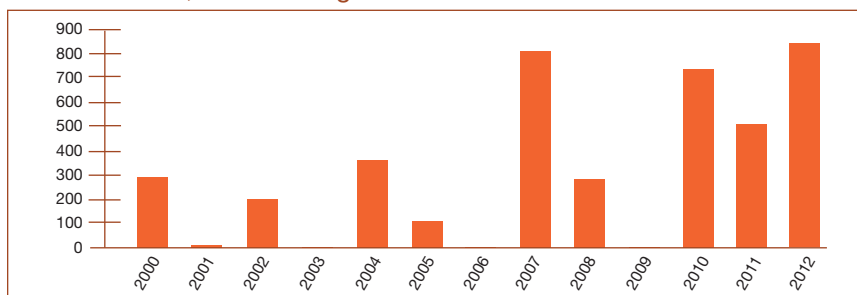
Multifamily construction activity, as measured by the number of units permitted, is at the highest level in decades. During 2012, approximately 840 multifamily units were permitted, a 68-percent increase from the 500 units permitted during 2011 (preliminary data). The current level of activity is the highest recorded since 1982, toward the end of the last oil boom. By contrast, virtually no multifamily permits were issued during 2009, a year that was significantly impacted by the recent recession (Figure 9). The 402-unit Andalusia Villas is currently under construction, with 84 units completed and the remainder

expected to be complete by August 2013, with rents starting at \$1,229 for a one-bedroom unit. Other ongoing developments include the 200-unit Lantana Gardens, which is anticipated to be complete by 2014; the 312-unit Summer Breeze, expected to be complete by 2014; and the 70-unit Brownstones Apartments, a low-income housing tax-credit development, anticipated to be complete by January 2014, with rents starting at \$600 per month.

Reflecting tight overall rental housing market conditions, RV parks, mobile home parks, crew camps, and hotels have recorded significant growth since 2009 to meet the demand not met by conventional apartment and single-family rentals. Palms of Paradise RV Park, which is expected to open by February 2013, will include 100 spaces with rents of approximately \$650 monthly. Goliath Industries is currently building a 1,250-unit crew camp in Odessa, which is anticipated to open in the first half of 2013. Also, local public housing authorities have reported difficulties caused by the extremely tight rental housing market conditions, such as reluctance by landlords to renew participation in Section 8 programs because they can obtain much higher rents in the private rental housing market.

During the 3-year forecast period, demand is estimated for 2,250 new rental units. Demand is expected to level off from 860 units in the first year to approximately 700 units annually during the final 2 years. The 950 units currently under construction will meet most of the demand for the first 2 years. Table 5 shows forecast demand by number of bedrooms and rent level.

Figure 9. Multifamily Building Permits Issued in the Midland-Odessa HMA, 2000 Through 2012



Notes: Excludes townhomes. Includes data through December 2012.

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

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Midland-Odessa HMA, January 1, 2013, to January 1, 2016

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
900 or more	25	1,100 to 1,299	270	1,300 to 1,499	270	1,800 to 1,999	70
		1,300 to 1,499	760	1,500 to 1,699	660	2,000 to 2,199	50
		1,500 or more	55	1,700 or more	100	2,200 or more	20
Total	25	Total	1,075	Total	1,025	Total	140

Notes: Numbers may not add to totals because of rounding. The 900 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

Table DP-1. Midland-Odessa HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	109,103	141,905	162,500	2.7	7.0
Unemployment rate	4.8%	6.5%	4.0%		
Nonfarm payroll jobs	103,700	128,600	147,400	2.2	7.1
Total population	237,132	274,002	295,400	1.5	2.8
Total households	86,591	99,533	107,400	1.4	2.8
Owner households	59,826	67,942	71,400	1.3	1.8
Percent owner	69.1%	68.3%	66.5%		
Renter households	26,765	31,591	36,000	1.7	4.9
Percent renter	30.9%	31.7%	33.5%		
Total housing units	97,560	107,378	112,000	1.0	1.5
Owner vacancy rate	2.1%	1.6%	1.1%		
Rental vacancy rate	18.5%	9.2%	2.7%		
Median Family Income	\$39,800	NA	NA	NA	NA

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2012. Median Family Income is for 1999.

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: 1/1/2013—Analyst’s estimates
Forecast period: 1/1/2013–1/1/2016—
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 the U.S. Department of Housing and Urban Development’s (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_Midland-OdessaTX_13.pdf.

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This analysis has been prepared for the assistance and guidance of 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.