Demographic Trends in Texas: Implications for the Future of Real Estate

Mortgage Lending Institute
September 18, 2014
Austin, Texas
Overview

• Population trends and characteristics
  – Growth
  – Geographic distribution
  – Migration
  – Race and ethnic
• Educational Attainment
• Austin and local characteristics associate with real estate
<table>
<thead>
<tr>
<th>Year*</th>
<th>Population</th>
<th>Numeric Change</th>
<th>Annual Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>7,711,194</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1960</td>
<td>9,579,677</td>
<td>1,868,483</td>
<td>2.4</td>
</tr>
<tr>
<td>1970</td>
<td>11,196,730</td>
<td>1,617,053</td>
<td>1.7</td>
</tr>
<tr>
<td>1980</td>
<td>14,229,191</td>
<td>3,032,461</td>
<td>2.7</td>
</tr>
<tr>
<td>1990</td>
<td>16,986,510</td>
<td>2,757,319</td>
<td>2.0</td>
</tr>
<tr>
<td>2000</td>
<td>20,851,820</td>
<td>3,865,310</td>
<td>2.3</td>
</tr>
<tr>
<td>2010</td>
<td>25,145,561</td>
<td>4,293,741</td>
<td>2.1</td>
</tr>
<tr>
<td>2012</td>
<td>26,060,796</td>
<td>915,235</td>
<td>1.8</td>
</tr>
<tr>
<td>2013</td>
<td>26,448,193</td>
<td>387,397</td>
<td>1.4</td>
</tr>
</tbody>
</table>

* All values for the decennial dates are for April 1st of the indicated census year. Values for 2012 and 2013 are for July 1 as estimated by the U.S. Census Bureau.

Source: U.S. Census Bureau, Census Counts and Population Estimates

Note: Residual values are not presented in this table.
Texas Population 1950-2010

Source: U.S. Census Bureau, Census Counts
Components of Population Change by Percent in Texas, 1950-2010

<table>
<thead>
<tr>
<th>Period</th>
<th>Natural Increase</th>
<th>Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2010</td>
<td>53.7%</td>
<td>46.3%</td>
</tr>
<tr>
<td>1990-2000</td>
<td>49.7%</td>
<td>50.3%</td>
</tr>
<tr>
<td>1980-1990</td>
<td>65.9%</td>
<td>34.1%</td>
</tr>
<tr>
<td>1970-1980</td>
<td>41.5%</td>
<td>58.5%</td>
</tr>
<tr>
<td>1960-1970</td>
<td>86.7%</td>
<td>13.3%</td>
</tr>
<tr>
<td>1950-1960</td>
<td>89.5%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Population Estimates
One third of the top 40 fastest growing counties in the United States are in Texas, 2012 to 2013

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>5</td>
<td>Kendall County, Texas</td>
<td>35,968</td>
<td>37,766</td>
</tr>
<tr>
<td>9</td>
<td>Fort Bend County, Texas</td>
<td>625,853</td>
<td>652,365</td>
</tr>
<tr>
<td>10</td>
<td>Hays County, Texas</td>
<td>169,013</td>
<td>176,026</td>
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<tr>
<td>11</td>
<td>Andrews County, Texas</td>
<td>16,137</td>
<td>16,799</td>
</tr>
<tr>
<td>13</td>
<td>Dimmit County, Texas</td>
<td>10,481</td>
<td>10,897</td>
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<tr>
<td>22</td>
<td>Comal County, Texas</td>
<td>114,590</td>
<td>118,480</td>
</tr>
<tr>
<td>23</td>
<td>Ector County, Texas</td>
<td>144,609</td>
<td>149,378</td>
</tr>
<tr>
<td>25</td>
<td>Ward County, Texas</td>
<td>10,887</td>
<td>11,244</td>
</tr>
<tr>
<td>28</td>
<td>Williamson County, Texas</td>
<td>456,359</td>
<td>471,014</td>
</tr>
<tr>
<td>32</td>
<td>Montgomery County, Texas</td>
<td>484,790</td>
<td>499,137</td>
</tr>
<tr>
<td>35</td>
<td>Denton County, Texas</td>
<td>708,050</td>
<td>728,799</td>
</tr>
<tr>
<td>39</td>
<td>Gaines County, Texas</td>
<td>18,393</td>
<td>18,921</td>
</tr>
</tbody>
</table>

Counties in bold had growth associated with oil and gas extraction

Source: U.S. Census Bureau, 2013
One fourth of U.S. counties in the top 40 for numeric growth are in Texas, 2012-2013

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harris County, Texas</td>
<td>4,253,963</td>
<td>82,890, 1.9</td>
</tr>
<tr>
<td>6</td>
<td>Bexar County, Texas</td>
<td>1,785,787</td>
<td>31,823, 1.8</td>
</tr>
<tr>
<td>8</td>
<td>Tarrant County, Texas</td>
<td>1,881,445</td>
<td>30,096, 1.6</td>
</tr>
<tr>
<td>11</td>
<td>Fort Bend County, Texas</td>
<td>625,853</td>
<td>26,512, 4.2</td>
</tr>
<tr>
<td>12</td>
<td>Dallas County, Texas</td>
<td>2,453,907</td>
<td>26,424, 1.1</td>
</tr>
<tr>
<td>15</td>
<td>Travis County, Texas</td>
<td>1,096,246</td>
<td>24,708, 2.3</td>
</tr>
<tr>
<td>22</td>
<td>Denton County, Texas</td>
<td>708,050</td>
<td>20,749, 2.9</td>
</tr>
<tr>
<td>24</td>
<td>Collin County, Texas</td>
<td>834,674</td>
<td>20,104, 2.4</td>
</tr>
<tr>
<td>33</td>
<td>Williamson County, Texas</td>
<td>456,359</td>
<td>14,655, 3.2</td>
</tr>
<tr>
<td>35</td>
<td>Montgomery County, Texas</td>
<td>484,790</td>
<td>14,347, 3.0</td>
</tr>
</tbody>
</table>
Estimated Change of the Total Population by County, Texas, 2010 to 2013

-800-0
1-1,000
1,001-20,000
20,001-80,000
80,000-228,000

99 counties lost population over the three year period

Estimated Percent Change of the Total Population by County, Texas, 2010 to 2013

-11-0%
0.1-2.5%
2.51-5%
5.1-10%
10.1-14.7%

Estimated Number of Net Migrants by County, Texas, 2012 to 2013

Employment Growth

Month-over-month percent change, annualized

Source: Federal Reserve Bank of Dallas, Texas Economic Indicators, February 2014
Travis County (Austin), Texas

Population (2010): 1,024,266
Population (2005): 894,266
Inbound income per cap. (2010): $27,700
Outbound income per cap. (2010): $24,600
Non-migrant income per cap. (2010): $30,000

Enter a county or major city:

Collin County (Plano), Texas

Population (2010): 782,341
Population (2005): 647,187
Inbound income per cap. (2010): $28,400
Outbound income per cap. (2010): $26,300
Non-migrant income per cap. (2010): $34,000

Enter a county or major city:
Randall County (Amarillo), Texas

Population (2010): 120,725
Population (2005): 111,113
Inbound income per cap. (2010): $18,500
Outbound income per cap. (2010): $19,100
Non-migrant income per cap. (2010): $27,000

Texas Racial and Ethnic Composition, 2000 and 2010

2000

- Hispanic or Latino: 32%
- NH White: 53%
- NH Black: 11%
- Other: 4%

2010

- Hispanic or Latino: 38%
- NH White: 45%
- NH Black: 11%
- Other: 6%

Source: U.S. Census Bureau. 2000 and 2010 Census count
Texas White (non-Hispanic) and Hispanic Populations by Age, 2010

Source: U.S. Census Bureau 2010 Decennial Census, SF1
Texas Population Pyramid by Race/Ethnicity, 2010

Source: U.S. Census Bureau 2010 Decennial Census, SF1
Texas Population Pyramid by Race/Ethnicity, 2010

Source: U.S. Census Bureau 2010 Decennial Census, SF1
Projected Population Growth in Texas, 2010-2050

Source: Texas State Data Center 2012 Population Projections
Projected Racial and Ethnic Percent, Texas, 2010-2050

Source: Texas State Data Center 2012 Population Projections, 2000-2010 Migration Scenario
Race/Ethnic Composition by Education Level aged 25 years and more, Texas, 2009

Less Than High School:
- Non-Hispanic White: 71%
- Non-Hispanic Black: 6%
- Hispanic: 19%
- Non-Hispanic Other: 3%

College and Greater:
- Non-Hispanic White: 67%
- Non-Hispanic Black: 8%
- Hispanic: 15%
- Non-Hispanic Other: 9%

Source: Derived from 2009 American Community Survey 1-Year Estimates by the Office of the State Demographer.
Trends in Educational Attainment of Persons in the Labor Force (25-64 Years of Age) in Texas by Race/Ethnicity – High School Graduates and Above

Source: U.S. Census Bureau, American Community Survey, Public Use Micro Sample, 2001-2011
Percent of the Civilian Labor Force (ages 25-64) by Educational Attainment for 2011, 2030 Using Constant Rates, and 2030 Using Trended Rates, Texas

These should be going DOWN

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>15.0%</td>
<td>18.1%</td>
<td>11.4%</td>
</tr>
<tr>
<td>High School or Equivalent</td>
<td>23.8%</td>
<td>24.0%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Some College / Associate Degree</td>
<td>31.3%</td>
<td>34.3%</td>
<td></td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>20.1%</td>
<td>22.1%</td>
<td></td>
</tr>
<tr>
<td>Graduate or Professional Degree</td>
<td>9.8%</td>
<td>9.3%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau, American Community Survey, 1-Year PUMS, Texas State Data Center, 2012 Vintage Population Projections, 0.5 Migration Scenario
Percent of population aged 25 years and older with high school or greater, census tracts, Texas, 2007-2011

Percent of the labor force working in management, business, science, and arts occupations, census tracts, Texas, 2007-2011

Percent of households with income of $200,000 or more, census tracts, Texas, 2007-2011

Percent of occupied housing units that are renter occupied
Austin area census tracts, Texas, 2007-2011

Percent of occupied housing units that are owner occupied, Austin area census tracts, Texas, 2007-2011

Annual Median Real Estate Taxes Paid by Census Tract, 2006-2010

Source: U.S. Census Bureau, American Community Survey, 5 Year Sample 2006-2010.
Annual Median Real Estate Taxes Paid, Austin San Antonio Area, Census Tracts, 2006-2010

Source: U.S. Census Bureau, American Community Survey, 5 Year Sample 2006-2010.
Annual Median Real Estate Taxes Paid, Dallas and Fort Worth Area, Census Tracts, 2006-2010

Source: U.S. Census Bureau, American Community Survey, 5 Year Sample 2006-2010.
Annual Median Real Estate Taxes Paid, Houston Area, Census Tracts, 2006-2010

Source: U.S. Census Bureau, American Community Survey, 5 Year Sample 2006-2010.
Demographics and Destiny

- Texas population growth increasingly urban and diverse
- Educational attainment of the Texas labor force is a key element to ensuring a bright economic future
- Local level variation in population characteristics are associated with housing characteristics
Contact

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