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Stable San Angelo

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With humble beginnings as a fort on the frontier, Fort Concho was established in 1867 to protect citizens from outlaws and to provide a medical center during the time of widespread tuberculosis. Now called San Angelo, the city located at the three-rivers juncture in west central Texas is home to more than 93,000 residents.

Today, San Angelo offers a diverse economy supported not only by its founding function of health care but also by agriculture, higher education, military, manufacturing, retirement and real estate. The city is a hub for 13 surrounding counties, a portion of which is Tom Green County.

Touting an annual agricultural impact of \$573.43 million, cash crops including cotton, wheat, grain, sorghum, cattle, goats and sheep contribute to the stable economy. Land west of San Angelo historically has proven too dry to support cattle as the primary industry; therefore, goats and sheep are prevalent as well, contributing \$47.5 million to the economy each year.

Agribusiness products, such as mohair cultivated from Angora goats grazing on the south side rough canyon country, produce an additional \$7 million annually. Cattle contribute \$75 million, while cotton lends \$31 million, and wheat and grain sorghum generate \$18 million annually, according to The Concho Valley Agribusiness Council.

In a state with vast open-land areas, pastureland values reflect a surprisingly strong demand. Prices are stable, but the supply is slowly diminishing, and estimates indicate that price increases are inevitable. Immediately surrounding San Angelo, rural land ranges from \$325 to \$365 per acre for 600-acre plus tracts and as much as \$650 per acre for tracts less than 300

acres. The greatest demand is in the southern portion of Tom Green County where live oaks and rolling hills add aesthetic appeal.

Conversely, limited recreational development and scant foreseeable use have curtailed cropland demand in the past three years. Dryland values range from \$775 per acre to as much as \$1,000 per acre, while irrigated farmland values range from \$1,200 to \$1,600 per acre, according to Stribling-Probandt Appraisals.

Rental rates rose in 1998 compared to the previous year. Rental rates for "spec" space remain roughly \$6 to \$8 per square foot, triple net. Smaller units with good frontage, however, may command as much as \$9 per square foot. Large retail or "big box" space bottoms out the scale at \$3 to \$4 per square foot, triple net, according to *Annual Real Estate Market Survey 1998*.

All indications are that office market occupancy is stable compared to 1997. Ten office buildings totaling 103,843 square feet are 100 percent occupied, while six buildings totaling 102,665 square feet are 90-100 percent occupied. Rental rates range from \$8.50 to \$12 per square foot for Class A space and \$6 to \$8.50 per square foot for Class B. These rates include common area maintenance charges.

"Given the strong occupancy levels in most buildings, it would not be unreasonable to see some increase in office rents in the foreseeable future," says Stribling-Probandt Appraisals.

One factor that may have "a slight dampening affect on the office market" in the near future is the remodeling of the old Monarch Tile building near Fort Concho. Construction will begin next summer, enabling the State of Texas offices to consolidate and relocate in one large area. State tenants will come from both privately owned and state or county office buildings within the city and will occupy more than 65,000 square feet.

The biggest apartment industry news in more than a decade is the much-needed 180-unit Encino Park and the 112-unit Bent Tree complexes that opened recently. These two projects added 292 Class A units to the apartment supply. With



occupancy levels reaching 95 percent in all segments, the demand for new apartments was clear and the new complexes should have high occupancy.

Median single-family home sales prices are \$77,400, according to *Real Estate Center TRENDS*. This is an 8 percent increase from prices from the same time one year ago. Nearly 60 percent of San Angelo residents in 1990 owned their own homes while 40 percent rented. The latest census data also indicate that the median family income was \$27,832 with 13.7 percent of the city's families living below the poverty level.

On the whole, San Angeloans are similar to those in other west Texas cities in terms of racial diversity. San Angelo, however, has a Hispanic population of 28 percent, which by comparison, is significantly larger than in many other cities.

Adding to its original medical treatment center that opened 130 years ago, the city remains a regional medical center with two acute-care hospitals as well as adult mental health and mental retardation systems. Physicians are available in more than 200 specialties—offering the latest technology in addition to a cancer treatment center and an open-heart surgery facility.

One of the largest employers, Goodfellow Air Force Base, has 3,800 military and civilian employees serving at the intelligence training center for the Air Force as well as a fire and rescue training center for the army, air force and marines. Many of these workers eventually retire in the area. It is estimated that more than 3,200 military retirees call San Angelo home.

One quarter of all San Angelo households have persons more than age 65 living in them, according to the chamber of commerce. Population projections indicate that the fastest growing age group from 1990 to 2010 will be those aged 50 to 59, which is expected to grow by 90 percent. ☐

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