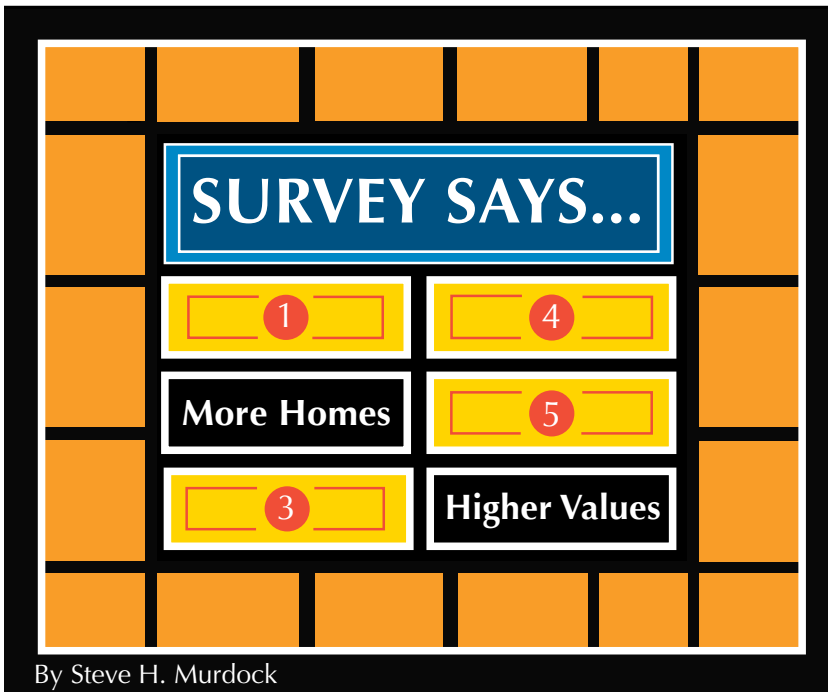


A Reprint from *Tierra Grande*



By Steve H. Murdock

Recently released data from the Census Bureau's American Community Survey (ACS) shed light on how Texas housing stocks and values changed from 2000 to 2005. This large-scale survey has about three million respondents annually and will eventually provide annual data for areas as small as census tracts.

The survey shows Texas added more than 868,000 housing units, raising the total to an estimated nine million units in 2005 from 8.2 million in 2000, an increase of 10.6 percent. At the same time, national housing stock increased from more than 115.9 million units to nearly 124.6 million units, a 7.4 percent increase.

Occupied units in Texas increased by more than 584,000, from about 7.4 million in 2000 to about eight million in 2005. The increase consisted of more than 445,000 owner-occupied units and 139,000 renter-occupied units. Occupied units rose by 7.9 percent, owner-occupied units by 9.4 percent and renter-occupied units by 5.2 percent. These figures compare with 2000–05 national increases of 5.3 percent in occupied units, 6.5 percent in owner-occupied units, and 3.1 percent in renter-occupied units.

Texas was one of the fastest-growing states in the nation from 2000–05 in terms of population, with the second largest numerical increase (more than two million) and the seventh largest percentage increase (9.6 percent). It was also one of the fastest-growing states in terms of housing units.

ACS survey data also suggest that from 2000 to 2005, Texas showed relatively conservative patterns of housing growth compared with many other states. Though the state had the second largest population and total number of housing units in the United States in 2005, it had the ninth-largest increase in housing units, ninth-largest increase in occupied units, tenth-largest increase in owner-occupied units, and 18<sup>th</sup>-largest increase in renter-occupied units from 2000–05.

The median value of owner-occupied units in Texas increased from \$77,800 in 2000 to \$106,000 in 2005, a 36.3

percent increase, while median monthly rents increased from \$574 to \$671, a 16.9 percent increase. At the national level, median values went from \$111,800 in 2000 to \$167,500 in 2005, an increase of 49.8 percent. Median rents rose from \$602 to \$728, an increase of 20.9 percent.

Median monthly costs for Texans with a mortgage rose from \$986 in 2000 to \$1,220 in 2005, an increase of 23.7 percent. Median owner costs as a percentage of household income for Texas households with a mortgage went from 20.1 percent to 23.5 percent. Median renter costs as a percentage of household income increased from 24.4 percent to 29.7 percent.

National median owner costs for mortgage holders increased from \$1,088 in 2000 to \$1,295 in 2005, a 19.3 percent increase, while median rents went from \$602 to \$728, a 20.9 percent increase. Nationally, median owner costs for mortgage holders as a percentage of income increased from 21.7 percent to 24.2 percent. Renter costs as a percentage of income increased from 25.5 percent to 29.8 percent.

Texas ranked 42<sup>nd</sup> in median home value in 2005 and 31<sup>st</sup> in percent change in value from 2000 to 2005. It ranked 34<sup>th</sup> in median rent and 38<sup>th</sup> in percent change in median rent during the period. In owner costs as a percentage of income, Texas ranked 24<sup>th</sup>. The state placed 14<sup>th</sup> in renter costs as a percentage of income, tenth in percentage increase in owner costs, third in percentage increase in owner costs as a percentage of income for those with mortgages and third in percentage increase in renter costs as a percentage of income.

Data on housing costs suggest that Texas' absolute housing costs have grown more slowly than those in the nation and remain lower than costs for the nation as a whole and for a majority of other states in the nation. They also suggest, however, that when 2000–05 changes in affordability (owner and renter costs as a percentage of income) are examined, Texas values become increasingly like those in the nation by 2005, particularly for renters. Texas housing remains relatively affordable compared to the nation as a whole, but the slow growth in the housing stock compared with population-related growth has apparently increased the relative costs of housing, especially for those who rent.

Overall, these data, coupled with recent data on population growth in Texas, suggest continuing growth in both number of units and value of those units in the coming years. ♣

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### THE TAKEAWAY

Texas was one of the fastest-growing states in terms of housing units between 2000 and 2005, with stock increasing by more than 10 percent. The median value of owner-occupied units increased by 36.3 percent during the period, compared with 49.8 percent at the national level.



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