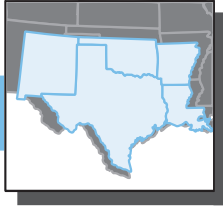


Housing Market Profile

Southwest • HUD Region VI



Corpus Christi, Texas

The Corpus Christi metropolitan area, which comprises Aransas, Nueces, and San Patricio Counties, is located in southern Texas along the Gulf Coast, about 140 miles southeast of San Antonio. As of January 1, 2012, the population of the metropolitan area is estimated at 433,900, an annualized increase of 3,275, or 0.8 percent, since April 1, 2010, compared with an average annual increase of 0.5 percent from 2006 through 2010. Corpus Christi is the most populous city in the metropolitan area, with 71 percent of the area population.

The Corpus Christi metropolitan area resumed job growth during December 2010, after recording job losses during 2009. During the 12 months ending November 2011, nonfarm payrolls increased by 4,900 jobs, or 2.8 percent, to 182,700 jobs compared with a decline of 500 jobs, or 0.2 percent, during the previous 12 months. The largest job gains during the 12 months ending November 2011 occurred in the leisure and hospitality sector, which added 1,500 jobs, an increase of 7.2 percent. The mining, logging, and construction sector gained 900 jobs, or 4.6 percent. Increased oil and natural gas production in the Eagle Ford Shale area has contributed to job gains in the mining, logging, and construction sector and in the leisure and hospitality sector. Tianjin Pipe Corporation is currently building a 1.6-million-square-foot pipe mill, a \$1 billion investment, which is expected to create 300 jobs by the time it is complete in 2013 and potentially an additional 300 jobs in subsequent years. In addition, M&G Group is currently constructing two polymer resin manufacturing facilities, a \$900 million investment that is expected to create 250 jobs in the manufacturing sector when construction is complete by 2014. During the 12 months ending November 2011, the average unemployment rate was 8.0 percent, unchanged from a year earlier.

The sales housing market in the metropolitan area is soft because of tight credit market conditions and high levels of construction from 2003 through 2007. According to data from the Real Estate Center at Texas A&M University, during the 12 months ending November 2011, new and existing home sales decreased by 2 percent to 3,375 compared with the number sold during the previous 12 months. The current number of sales is well below the average of 4,700 homes sold annually from 2003 through 2007. During the 12 months ending November 2011, the average sales price increased by 4 percent to \$157,700. According to LPS Applied Analytics, as of

November 2011, 4.5 percent of mortgage loans were 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned), down from the 5.0-percent rate recorded in November 2010.

Single-family homebuilding activity, as measured by the number of building permits issued, has continued to decline, a trend that began in 2007. Based on preliminary data, during the 12 months ending November 2011, single-family building permits were issued for 710 homes, down 11 percent from the 790 homes permitted during the previous 12 months. In comparison, from 2003 through 2007, building permits were issued for an average of 1,975 single-family homes annually. Prices for new three-bedroom single-family homes start at approximately \$90,000. New developments include Rancho Vista, with plans for about 900 homes with prices starting at \$120,000, of which about 200 have been completed and the rest expected to be complete within 7 years. Terra Mar is another ongoing new development, with prices starting at \$140,000 and about 150 homes completed in the past 4 years.

Rental housing market conditions in the metropolitan area are soft but improving. The rental vacancy rate in the metropolitan area is currently estimated at 9 percent, down from the 12.2-percent rate recorded in the 2010 Census, primarily because of job gains coupled with low levels of apartment completions since 2010. According to ALN Systems, Inc., the apartment vacancy rate as of December 2011 was 5.6 percent, down from 7.8 percent a year earlier. Effective rents for all units averaged \$740 during December 2011, an increase of 4 percent compared with rents during December 2010. The average effective apartment rents were \$620, \$800, and \$910 for one-, two-, and three-bedroom units, respectively.

Based on preliminary data, during the 12 months ending November 2011, about 300 multifamily units were permitted compared with 280 units permitted during the previous 12 months. The current level of activity is well below the average of 690 units permitted annually from 2003 through 2007. Recent developments include Buena Vida Senior Village, a 100-unit tax-credit community for senior citizens completed in June 2011, and the 108-unit Campus Quarters, which caters to students at Texas A&M-Corpus Christi with monthly rents starting at about \$1,400 for a two-bedroom unit. The 168-unit Phase II of Bay Vista Apartment Homes is currently in the final planning stages and is expected to be complete by 2013, with monthly rents starting at about \$850 for a one-bedroom unit.