Economic Base Report:
Central Texas Council of Governments

Prepared by:

MRB group

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DRAFT

Contents

Introduction 3
Data Note 3
Market Area 4
Demographics 5
Overview 5
Household Income Distribution 6
Projected Income Growth 6
Retail Market Analysis 7
Industry Analysis 10
Industry Composition 10
Employment Trends 11
Projected Employment Trends 12
Shift Share 13
Location Quotient Analysis 15
Real Estate Market Analysis 16
Industrial 17
Office 18
Retail 19
Multi-Family 20

Introduction

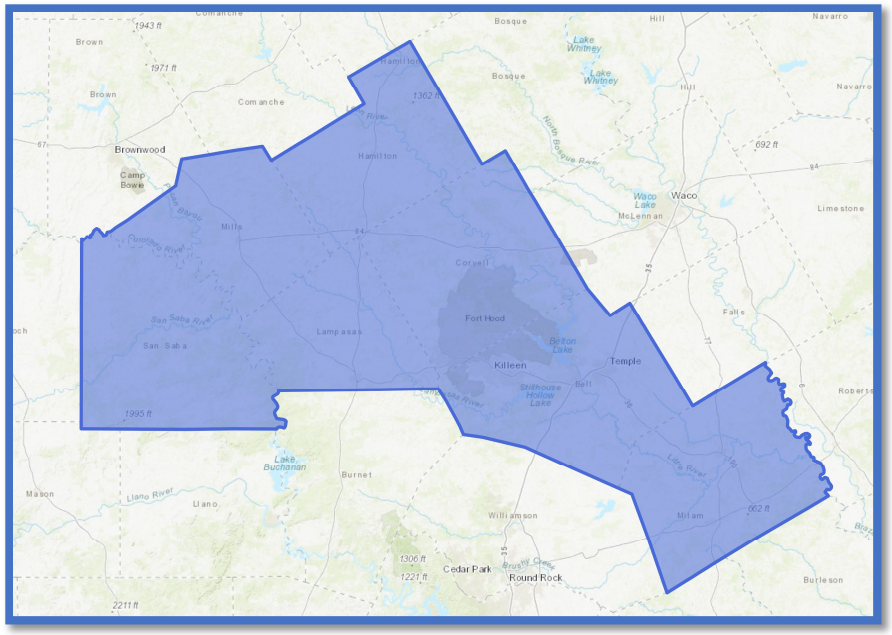
The following market overview presents information on the current economic conditions of the Central Texas Council of Governments (CTCOG) Region, in terms of demographic, industrial, and real estate trends. The data displayed throughout the market profile was collected from numerous sources, as noted below, that collectively depict current market conditions. Insights from the following analysis will provide a foundation for strategic planning purposes in later phases of the project.

Data Note

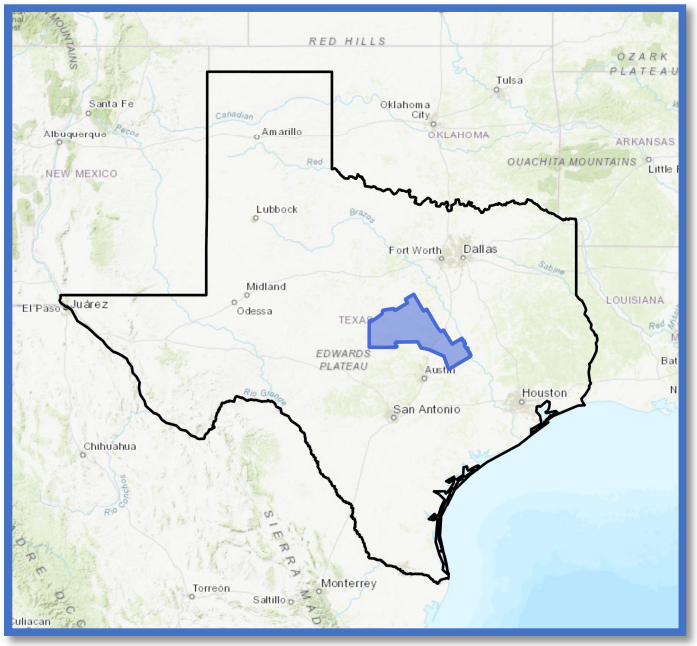
Data included in the following analysis was sourced from the American Community Survey estimates from the US Census Bureau, Esri, Emsi, and CoStar.

Market Area

The following sections on demographic, economic, and industry trends incorporate data covering two geographies: (1) The CTCOG Region as a whole comprised of Bell, Coryell, Hamilton, Lampasas, Milam, Mills, and San Saba Counties; and (2) the State of Texas. The maps below depict these geographies.



"CTCOG Region" – Bell, Coryell, Hamilton, Lampasas, Milam, Mills, and San Saba Counties



Texas, with CTCOG Region shown in blue

Demographics

Overview

The table shown at right is a comparison of demographic trends for the CTCOG Region and the State of Texas.

- Both geographies have realized a significant growth in population over the last ten years. Texas population growth slightly outpaced growth in the CTCOG Region.
- The number of households has grown in both geographies at a similar pace.
- Average household size in the CTCOG Region has remained largely unchanged, where it has grown slightly in Texas.
- The CTCOG Region's median age is 33, about two years below the State median age, but the CTCOG Region is aging faster than the State.

Demographic Fundamentals

Population

	2010	2020	Change	% Change
CTCOG Counties	449,641	527,639	77,998	17.3%
Texas	25,145,561	29,806,340	4,660,779	18.5%

Households

	2010	2020	Change	% Change
CTCOG Counties	161,201	189,022	27,821	17.3%
Texas	8,922,933	10,521,548	1,598,615	17.9%

Average Household Size

	2010	2020	Change	% Change
CTCOG Counties	2.66	2.67	0.01	0.4%
Texas	2.75	2.78	0.03	1.1%

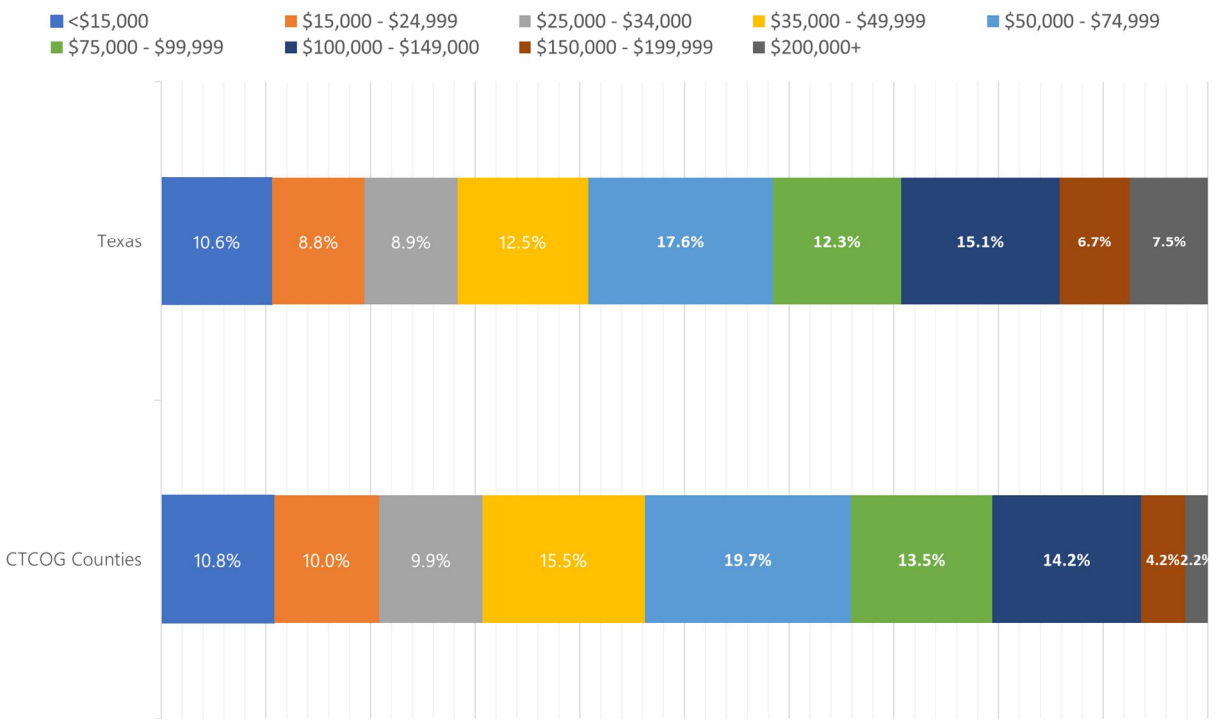
Median Age

	2010	2020	Change	% Change
CTCOG Counties	30.9	33.0	2.1	6.8%
Texas	33.6	35.1	1.5	4.5%

Source: ESRI

Household Income Distribution

The figure to the right compares the household income distribution of the two geographies. Compared to the State, the CTCOG Region has a higher percentage of households earning less than $75,000 annually, at 65.9% for the Region and 58.4% for the State. The Region has a lower percentage of households earning more than $150,000 annually at 6.4%, compared to 14.2% at the State level.



Source: ESRI

Projected Income Growth

The five-year projected growth in median household income is displayed in the table to the right. Although income is expected to grow in both geographies, it is expected to grow at a lesser rate in the CTCOG Region.

Projected Income Growth

Median Household Income

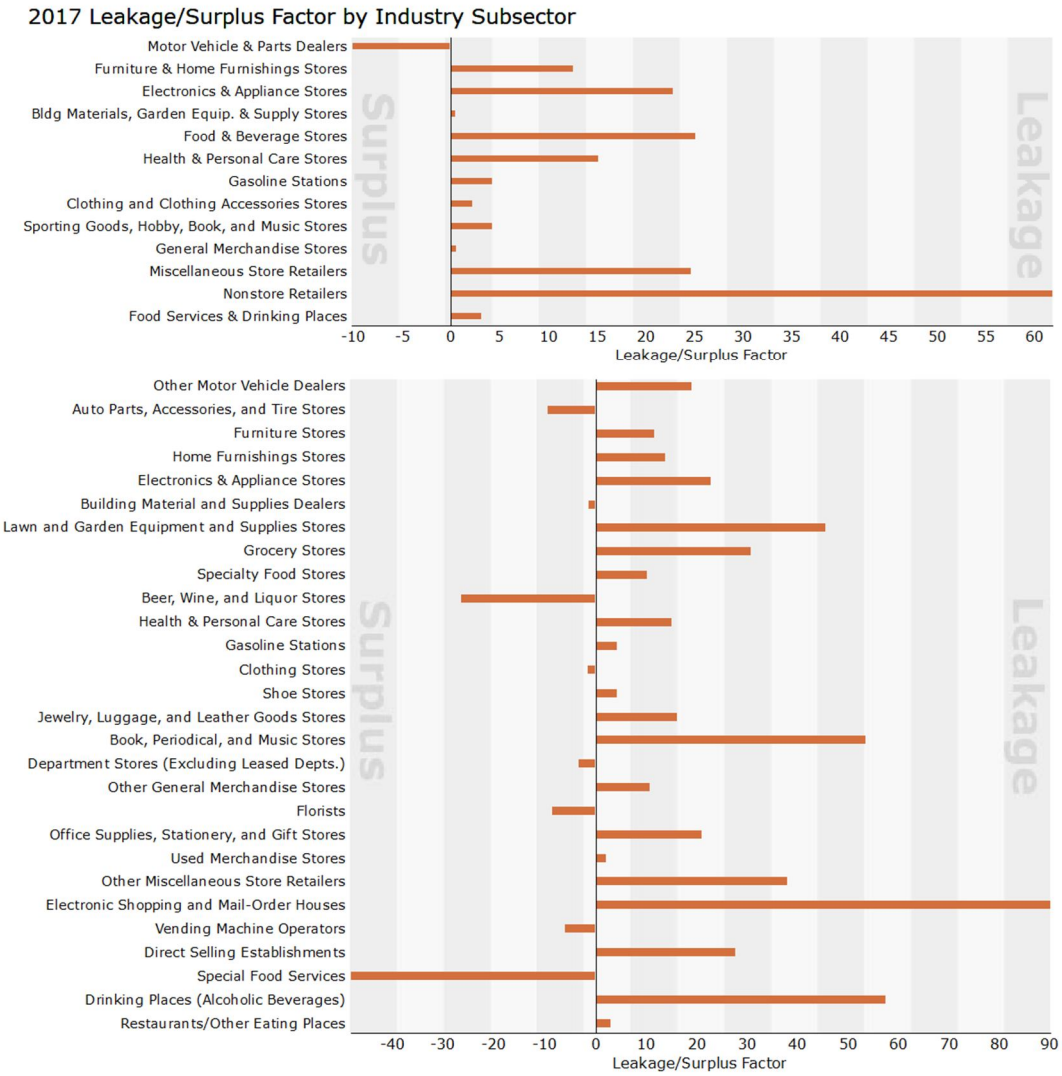
	2020	2025	Change	Growth %
CTCOG Counties	$53,449	$55,951	$2,502	4.7%
Texas	$60,820	$65,282	$4,462	7.3%

Source: ESRI

Retail Market Analysis

A retail gap analysis identifies specific retail categories where residents are spending more on a particular good than the total amount of sales of that good that are occurring within a specified Region. In other words, retail 'leakages' exist where residents are meeting their needs for these products and services by traveling outside the Region to make their purchases. By creating new businesses or expanding existing businesses in retail categories with a sales leakage, a portion of these leakages and economic activity can be recaptured in the Region.

Due to the diffuse nature of the CTCOG Region, many of the goods and services will be bought outside the Region and thus create retail leakages. The level of retail leakages is used to calculate the number of new businesses, and square footage, that the Region could support if 25% of the leakage is recaptured.



The table to the right displays the retail marketplace profile for the CTCOG Region. Retail categories in bold show a retail leakage, where local demand exceeds local supply.

The following retail categories exhibit retail leakages:

- Other Motor Vehicle Dealers
- Furniture Stores
- Home Furnishings Stores
- Lawn & Garden Equip & Supply Stores
- Grocery Stores
- Specialty Food Stores
- Health & Personal Care Stores
- Gasoline Stations
- Shoe Stores
- Jewelry, Luggage & Leather Goods Stores
- Sporting Goods/Hobby/Musical Instr. Stores
- Book, Periodical & Music Stores
- Other General Merchandise Stores
- Office Supplies, Stationery & Gift Stores
- Used Merchandise Stores
- Other Miscellaneous Store Retailers
- Drinking Places - Alcoholic Beverages
- Restaurants/Other Eating Places

Sales Surplus & Leakage, CTCOG Region

NAICS	2017 Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	# of Businesses
441	Motor Vehicle & Parts Dealers	$1,182,762,175	$1,450,531,122	($267,768,947)	322
4411	Automobile Dealers	$953,742,203	$1,241,168,885	($287,426,682)	164
4412	**Other Motor Vehicle Dealers**	**$127,261,189**	**$86,219,820**	**$41,041,369**	**32**
4413	Auto Parts, Accessories & Tire Stores	$101,758,783	$123,142,417	($21,383,634)	126
442	**Furniture & Home Furnishings Stores**	**$180,746,900**	**$140,315,107**	**$40,431,793**	**98**
4421	**Furniture Stores**	**$106,284,823**	**$84,046,584**	**$22,238,239**	**54**
4422	**Home Furnishings Stores**	**$74,462,077**	**$56,268,523**	**$18,193,554**	**44**
443	**Electronics & Appliance Stores**	**$189,038,691**	**$118,533,727**	**$70,504,964**	**68**
444	**Bldg Materials, Garden Equip. & Supply Stores**	**$346,296,844**	**$343,120,501**	**$3,176,343**	**140**
4441	Bldg Material & Supplies Dealers	$326,189,238	$335,651,898	($9,462,660)	118
4442	**Lawn & Garden Equip & Supply Stores**	**$20,107,606**	**$7,468,603**	**$12,639,003**	**22**
445	**Food & Beverage Stores**	**$972,045,509**	**$580,471,012**	**$391,574,497**	**280**
4451	**Grocery Stores**	**$883,383,995**	**$465,081,472**	**$418,302,523**	**186**
4452	**Specialty Food Stores**	**$41,312,137**	**$33,576,183**	**$7,735,954**	**52**
4453	Beer, Wine & Liquor Stores	$47,349,377	$81,813,357	($34,463,980)	42
446	**Health & Personal Care Stores**	**$309,690,507**	**$227,949,775**	**$81,740,732**	**140**
447	**Gasoline Stations**	**$546,957,486**	**$501,494,767**	**$45,462,719**	**183**
448	**Clothing & Clothing Accessories Stores**	**$234,097,030**	**$223,544,379**	**$10,552,651**	**215**
4481	Clothing Stores	$156,503,437	$161,167,559	($4,664,122)	140
4482	**Shoe Stores**	**$33,093,441**	**$30,356,317**	**$2,737,124**	**26**
4483	**Jewelry, Luggage & Leather Goods Stores**	**$44,500,152**	**$32,020,503**	**$12,479,649**	**49**
451	**Sporting Goods, Hobby, Book & Music Stores**	**$179,809,034**	**$165,028,381**	**$14,780,653**	**136**
4511	**Sporting Goods/Hobby/Musical Instr Stores**	**$160,178,814**	**$159,090,294**	**$1,088,520**	**118**
4512	**Book, Periodical & Music Stores**	**$19,630,220**	**$5,938,087**	**$13,692,133**	**18**
452	**General Merchandise Stores**	**$923,152,230**	**$912,038,519**	**$11,113,711**	**144**
4521	Department Stores Excluding Leased Depts.	$636,455,219	$681,289,987	($44,834,768)	52
4529	**Other General Merchandise Stores**	**$286,697,011**	**$230,748,532**	**$55,948,479**	**92**
453	**Miscellaneous Store Retailers**	**$212,952,470**	**$128,473,813**	**$84,478,657**	**290**
4531	Florists	$8,640,764	$10,288,545	($1,647,781)	38
4532	**Office Supplies, Stationery & Gift Stores**	**$44,234,821**	**$28,827,267**	**$15,407,554**	**72**
4533	**Used Merchandise Stores**	**$34,864,278**	**$33,390,236**	**$1,474,042**	**74**
4539	**Other Miscellaneous Store Retailers**	**$125,212,607**	**$55,967,765**	**$69,244,842**	**106**
722	**Food Services & Drinking Places**	**$581,338,577**	**$545,691,556**	**$35,647,021**	**842**
7223	Special Food Services	$6,989,689	$20,177,025	($13,187,336)	20
7224	**Drinking Places - Alcoholic Beverages**	**$20,698,655**	**$5,560,029**	**$15,138,626**	**37**
7225	**Restaurants/Other Eating Places**	**$553,650,233**	**$519,954,502**	**$33,695,731**	**785**

Source: ESRI

The table below displays the full extent of additional supportable retail in the Region, if we assume a 25% recapture of existing retail leakage. At this recapture rate, the CTCOG Region could potentially support over 100 new businesses across the displayed categories. **Grocery Stores, Other Miscellaneous Store Retailers, Restaurants/Other Eating Places,** and **Health & Personal Care Stores** could each support over 10 new establishments.

Retail Gap Analysis CTCOG Counties

NAICS	2017 Industry Group	Retail Gap	25% Recapture	Average Sales per Business	Supportable Business Count	Average Sales per SF	Supportable SF
4412	Other Motor Vehicle Dealers	$41,041,369	$10,260,342	$3,445,943	2.98	$500	20,521
4421	Furniture Stores	$22,238,239	$5,559,560	$2,022,826	2.75	$500	11,119
4422	Home Furnishings Stores	$18,193,554	$4,548,389	$1,529,926	2.97	$500	9,097
4442	Lawn & Garden Equip & Supply Stores	$12,639,003	$3,159,751	$726,155	4.35	$400	7,899
4451	Grocery Stores	$418,302,523	$104,575,631	$5,009,801	20.87	$300	348,585
4452	Specialty Food Stores	$7,735,954	$1,933,989	$797,015	2.43	$500	3,868
446	Health & Personal Care Stores	$81,740,732	$20,435,183	$2,006,669	10.18	$350	58,386
447	Gasoline Stations	$45,462,719	$11,365,680	$4,161,241	2.73	$350	32,473
4482	Shoe Stores	$2,737,124	$684,281	$1,219,283	0.56	$350	1,955
4483	Jewelry, Luggage & Leather Goods Stores	$12,479,649	$3,119,912	$1,096,304	2.85	$500	6,240
4511	Sporting Goods/Hobby/Musical Instr Stores	$1,088,520	$272,130	$1,656,624	0.16	$350	778
4512	Book, Periodical & Music Stores	$13,692,133	$3,423,033	$1,081,614	3.16	$350	9,780
4529	Other General Merchandise Stores	$55,948,479	$13,987,120	$3,499,813	4.00	$350	39,963
4532	Office Supplies, Stationery & Gift Stores	$15,407,554	$3,851,889	$741,279	5.20	$350	11,005
4533	Used Merchandise Stores	$1,474,042	$368,511	$474,333	0.78	$350	1,053
4539	Other Miscellaneous Store Retailers	$69,244,842	$17,311,211	$927,208	18.67	$350	49,461
7224	Drinking Places - Alcoholic Beverages	$15,138,626	$3,784,657	$497,821	7.60	$300	12,616
7225	Restaurants/Other Eating Places	$33,695,731	$8,423,933	$757,049	11.13	$300	28,080
Total		**$868,260,793**	**$217,065,198**		**103.37**		**652,879**

Source: ESRI. MRB Group

Industry Analysis

Industry Composition

The following figure shows the industry sector composition of the CTCOG Region in 2021. The largest industry sector in the Region is **Government**, accounting for 78,316 jobs, or approximately 38% of total jobs. **Health Care and Social Assistance** is the second largest industry sector by employment, with 23,303 employees. **Retail Trade** is third largest, employing 20,297.

Employment by Sector in 2021

NAICS	Description	CTCOG Counties			Texas		
		2021 Jobs	% of All Jobs	Payrolled Business Locations	2021 Jobs	% of All Jobs	Payrolled Business Locations
90	Government	78,316	37.6%	462	2,176,530	21.3%	16,926
62	Health Care and Social Assistance	23,303	11.2%	992	1,622,492	15.9%	87,735
44	Retail Trade	20,297	9.8%	1,163	1,382,229	13.5%	79,163
72	Accommodation and Food Services	15,468	7.4%	835	1,223,504	12.0%	57,302
23	Construction	10,760	5.2%	784	1,029,101	10.1%	53,869
81	Other Services (except Public Administration)	9,398	4.5%	751	795,254	7.8%	57,323
31	Manufacturing	8,434	4.1%	290	931,853	9.1%	25,856
56	Administrative and Support and Waste Mgmt.	6,835	3.3%	716	929,077	9.1%	39,845
54	Professional, Scientific, and Technical Services	6,889	3.3%	473	984,427	9.6%	98,986
48	Transportation and Warehousing	5,548	2.7%	221	618,758	6.1%	22,269
42	Wholesale Trade	5,057	2.4%	327	629,601	6.2%	47,325
52	Finance and Insurance	4,704	2.3%	466	638,064	6.2%	42,684
61	Educational Services	3,570	1.7%	92	247,746	2.4%	8,457
53	Real Estate and Rental and Leasing	2,778	1.3%	403	284,565	2.8%	34,633
11	Agriculture, Forestry, Fishing and Hunting	1,886	0.9%	196	111,512	1.1%	10,346
71	Arts, Entertainment, and Recreation	1,497	0.7%	102	175,298	1.7%	8,522
51	Information	1,367	0.7%	101	217,686	2.1%	11,086
55	Management of Companies and Enterprises	1,080	0.5%	26	152,234	1.5%	3,681
22	Utilities	494	0.2%	37	54,759	0.5%	2,048
21	Mining, Quarrying, and Oil and Gas Extraction	407	0.2%	27	236,332	2.3%	9,510
99	Unclassified Industry	48	0.0%	54	9,766	0.1%	6,724
Totals		**208,136**	**100.0%**	**1,696**	**10,219,675**	**100.0%**	**724,289**

Source: Emsi. Payrolled business locations are for the year 2020.

Employment Trends

Over the last ten years, the CTCOG Region has had a net gain in jobs of 2.4%, or 4,947 jobs, a much smaller growth rate as compared to the State. In terms of job count, employment growth was primarily driven by **Healthcare & Social Assistance, Retail Trade, Accommodation & Food Services, Construction,** and **Education Industries.** These industries have grown throughout the State. Conversely, while the **Government** industry sector has grown 6.6% in Texas, the CTCOG region has lost 13% or 11,796 of its jobs in this industry sector over the last ten years. Notably, the **Management of Companies and Enterprise** has grown 896% in the CTCOG Region, adding 971 jobs.

Employment Change by Sector 2011 - 2021

NAICS & Description		CTCOG Counties				Texas			
		2011 Jobs	2021 Jobs	# Change	% Change	2011 Jobs	2021 Jobs	# Change	% Change
44	Retail Trade	17,460	20,297	2,837	16.2%	1,237,791	1,382,229	144,438	11.7%
62	Health Care and Social Assistance	20,547	23,303	2,757	13.4%	1,285,539	1,622,492	336,954	26.2%
72	Accommodation and Food Services	12,947	15,468	2,521	19.5%	960,441	1,223,504	263,063	27.4%
23	Construction	8,409	10,760	2,351	28.0%	758,891	1,029,101	270,210	35.6%
61	Educational Services	2,281	3,570	1,289	56.5%	186,993	247,746	60,752	32.5%
55	Management of Companies and Enterprises	108	1,080	971	896.0%	83,461	152,234	68,773	82.4%
56	Administrative and Support and Waste Management and Remediation Services	5,882	6,835	952	16.2%	766,929	929,077	162,148	21.1%
54	Professional, Scientific, and Technical Services	6,091	6,889	798	13.1%	680,818	984,427	303,609	44.6%
53	Real Estate and Rental and Leasing	2,115	2,778	663	31.3%	215,116	284,565	69,449	32.3%
42	Wholesale Trade	4,459	5,057	598	13.4%	533,556	629,601	96,045	18.0%
81	Other Services (except Public Administration)	8,853	9,398	545	6.2%	699,909	795,254	95,345	13.6%
31	Manufacturing	7,903	8,434	531	6.7%	858,074	931,853	73,779	8.6%
71	Arts, Entertainment, and Recreation	1,011	1,497	487	48.1%	136,573	175,298	38,725	28.4%
48	Transportation and Warehousing	5,178	5,548	370	7.1%	426,540	618,758	192,218	45.1%
11	Agriculture, Forestry, Fishing and Hunting	1,728	1,886	158	9.1%	110,270	111,512	1,242	1.1%
52	Finance and Insurance	4,642	4,704	62	1.3%	510,101	638,064	127,963	25.1%
21	Mining, Quarrying, and Oil and Gas Extraction	364	407	44	12.0%	241,850	236,332	(5,518)	(2.3%)
99	Unclassified Industry	56	48	(9)	(15.6%)	3,301	9,766	6,465	195.8%
22	Utilities	525	494	(31)	(5.9%)	48,996	54,759	5,763	11.8%
51	Information	2,518	1,367	(1,151)	(45.7%)	204,212	217,686	13,473	6.6%
90	Government	90,112	78,316	(11,796)	(13.1%)	2,041,354	2,176,530	135,176	6.6%
Totals		**203,189**	**208,136**	**4,947**	**2.4%**	**11,990,716**	**14,450,786**	**2,460,071**	**20.5%**

Source: Emsi

Projected Employment Trends

Over the next ten years, the County's largest sector, Government, is projected to lose roughly another 200 jobs. Other than Government and the Finance & Insurance industry, all other industries are projected to grow over the next ten years. In terms job count, Healthcare & Social Assistance and Accommodation & Food Services are project to add the most jobs, at 2,865 and 2,405 jobs respectively.

Projected Employment Growth by Sector through 2031

NAICS	Description	CTCOG Counties				Texas			
		2021 Jobs	2031 Jobs	# Change	% Change	2021 Jobs	2031 Jobs	# Change	% Change
62	Health Care and Social Assistance	23,303	26,277	2,865	12.2%	1,622,492	1,892,641	270,149	16.7%
72	Accommodation and Food Services	10,760	18,241	2,405	15.2%	1,029,101	1,410,066	186,563	15.2%
61	Educational Services	1,497	4,959	1,379	38.5%	175,298	299,561	51,816	20.9%
44	Retail Trade	15,468	21,499	1,290	6.4%	1,223,504	1,457,198	74,970	5.4%
56	Administrative and Support and Waste Management and Remediation Services	6,889	7,856	1,070	15.8%	984,427	1,008,877	79,801	8.6%
23	Construction	3,570	11,784	1,054	9.8%	247,746	1,120,005	90,904	8.8%
54	Professional, Scientific, and Technical Services	2,778	7,769	1,015	15.0%	284,565	1,159,792	175,365	17.8%
81	Other Services (except Public Administration)	1,080	10,184	633	6.6%	152,234	860,337	65,083	8.2%
71	Arts, Entertainment, and Recreation	4,704	2,050	478	30.4%	638,064	201,708	26,410	15.1%
48	Transportation and Warehousing	5,057	5,968	384	6.9%	629,601	680,192	61,434	9.9%
55	Management of Companies and Enterprises	48	1,434	341	31.2%	9,766	180,762	28,528	18.7%
42	Wholesale Trade	9,398	5,437	298	5.8%	795,254	650,475	20,875	3.3%
31	Manufacturing	6,835	8,771	198	2.3%	929,077	946,142	14,289	1.5%
53	Real Estate and Rental and Leasing	5,548	2,947	174	6.3%	618,758	300,945	16,380	5.8%
51	Information	407	1,566	149	10.5%	236,332	225,406	7,720	3.5%
21	Mining, Quarrying, and Oil and Gas Extraction	1,367	496	89	21.8%	217,686	277,412	41,080	17.4%
11	Agriculture, Forestry, Fishing and Hunting	1,886	1,991	86	4.5%	111,512	112,206	694	0.6%
22	Utilities	494	547	25	4.8%	54,759	56,838	2,080	3.8%
99	Unclassified Industry	78,316	71	4	5.4%	2,176,530	9,408	(358)	(3.7%)
52	Finance and Insurance	8,434	4,657	(210)	(4.3%)	931,853	691,511	53,447	8.4%
90	Government	20,297	78,119	(214)	(0.3%)	1,382,229	2,307,775	131,245	6.0%
	Totals	**208,136**	**222,622**	**13,511**	**7.0%**	**14,450,786**	**15,849,260**	**1,398,473**	9.7%

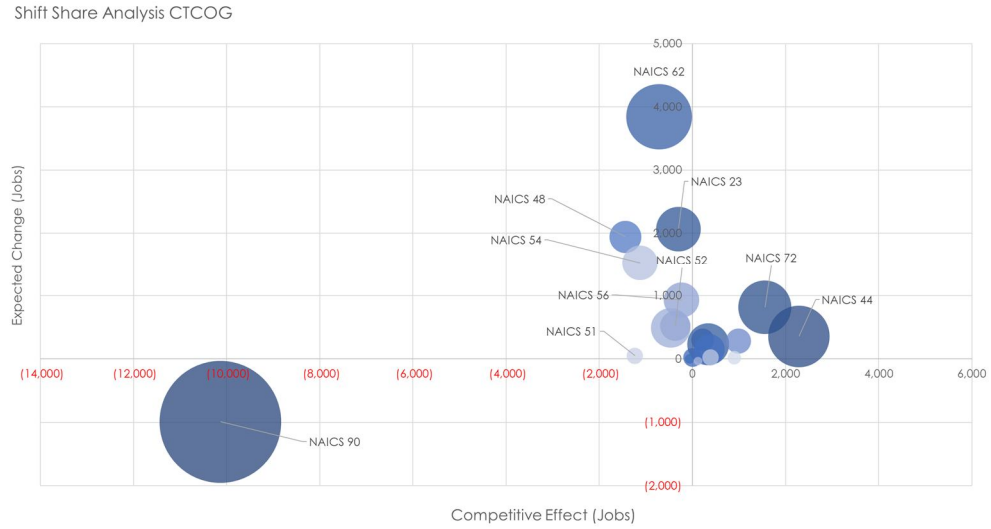
Source: Emsi

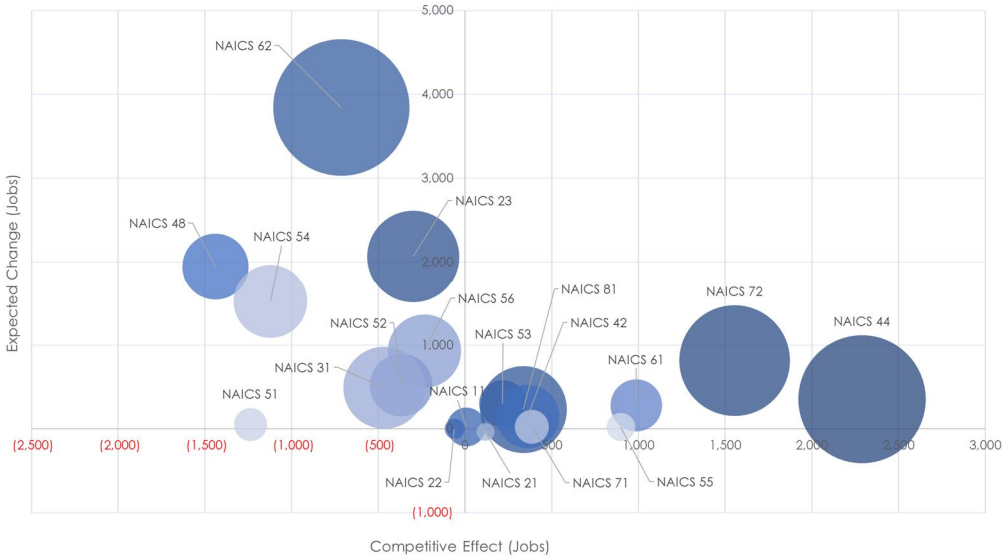
Shift Share

Shift share analysis provides insights on industry-specific employment growth by distinguishing influences of local competitive advantages from national employment trends. These insights can explain why employment has grown or declined in a given local industry over a specified period of time.

There are four components of shift share analysis:

1) **Industrial Mix Effect** is the share of regional industry trends that can be attributed to nationwide trends in the specified industry.
2) **National Growth Effect** is the share of regional industry growth that is explained by the growth in the national economy as a whole.
3) **Expected Change** is the sum of the industrial mix and national growth effects. Both the national-level industry trends and the performance of the national economy will have a measurable impact on regional industry growth. This figure reflects industry-specific and economic trends at the national level.
4) **Competitive Effect** indicates how much of the job change within the CTCOG Region is the result of some unique competitive advantage of the Region. The competitive effect measures the job change that occurs within a regional industry that cannot be explained by broader trends (i.e. the National Growth Effect and the Industrial Mix Effect).





The table to the right displays the shift share analysis for CTCOG Region from 2010-2020. Assuming the County mirrored national industry and economic growth trends over the same time period, the Region would have added approximately 13,875 jobs. Instead, the Region added only 4,947 jobs, indicating a negative overall competitive effect. The 8,929 difference in expected versus actual job count could be attributed to unique regional characteristics.

However, the CTCOG Region clearly has strong competitive advantages relative to other parts of the nation in **Retail Trade, Accommodation and Food Services, Educational Services,** and **Management of Companies and Enterprises.**

Shift Share Analysis, CTCOG Counties

NAICS	Industry	Ind. Mix Effect	Nat'l Growth Effect	Expected Change	Competitive Effect
90	Government	(8,283)	8,792	509	(12,305)
62	Health Care and Social Assistance	2,350	2,005	4,355	(1,598)
44	Retail Trade	(1,574)	1,704	130	2,707
72	Accommodation and Food Services	(756)	1,263	507	2,014
23	Construction	1,443	820	2,264	87
81	Other Services (except Public Administration)	(718)	864	146	399
31	Manufacturing	(364)	771	407	124
54	Professional, Scientific, and Technical Services	884	594	1,479	(680)
56	Administrative and Support and Waste Management and Remediation Services	142	574	716	237
48	Transportation and Warehousing	1,521	505	2,026	(1,656)
42	Wholesale Trade	(333)	435	102	496
52	Finance and Insurance	85	453	538	(476)
61	Educational Services	61	223	284	1,005
53	Real Estate and Rental and Leasing	126	206	332	331
11	Agriculture, Forestry, Fishing and Hunting	(153)	169	15	142
71	Arts, Entertainment, and Recreation	(75)	99	23	463
51	Information	(156)	246	90	(1,241)
55	Management of Companies and Enterprises	16	11	26	945
22	Utilities	(45)	51	6	(37)
21	Mining, Quarrying, and Oil and Gas Extraction	(109)	35	(73)	117
99	Unclassified Industry	(11)	6	(6)	(3)
	Total	**(5,949)**	**19,825**	**13,875**	**(8,929)**

Source: Emsi

Location Quotient Analysis

A location quotient (LQ) analysis compares the concentration of a regional industry to the concentration of the same industry across the country. By comparing regional employment patterns to that of the country as a whole, we can identify industries with high local concentration that may represent specialization and competitive advantages of the CTCOG Region. Note that we generally consider LQ values above 1.20 or below 0.80 as "significant."

The table to the right contains the results of the LQ analysis for CTCOG Region at the 4-digit NAICS code level. The Region has a high concentration of jobs in the **Federal Government - Military** industry. The CTCOG Region also has a high industry concentration of **Pipeline Transportation of Crude Oil, Hunting and Trapping,** and **Support Activities for Air Transportation.**

All of the top thirty (30) 4-digit industries by LQ are considered highly concentrated, producing far more goods and services than are required by local demand, making them important export-led economic drivers.

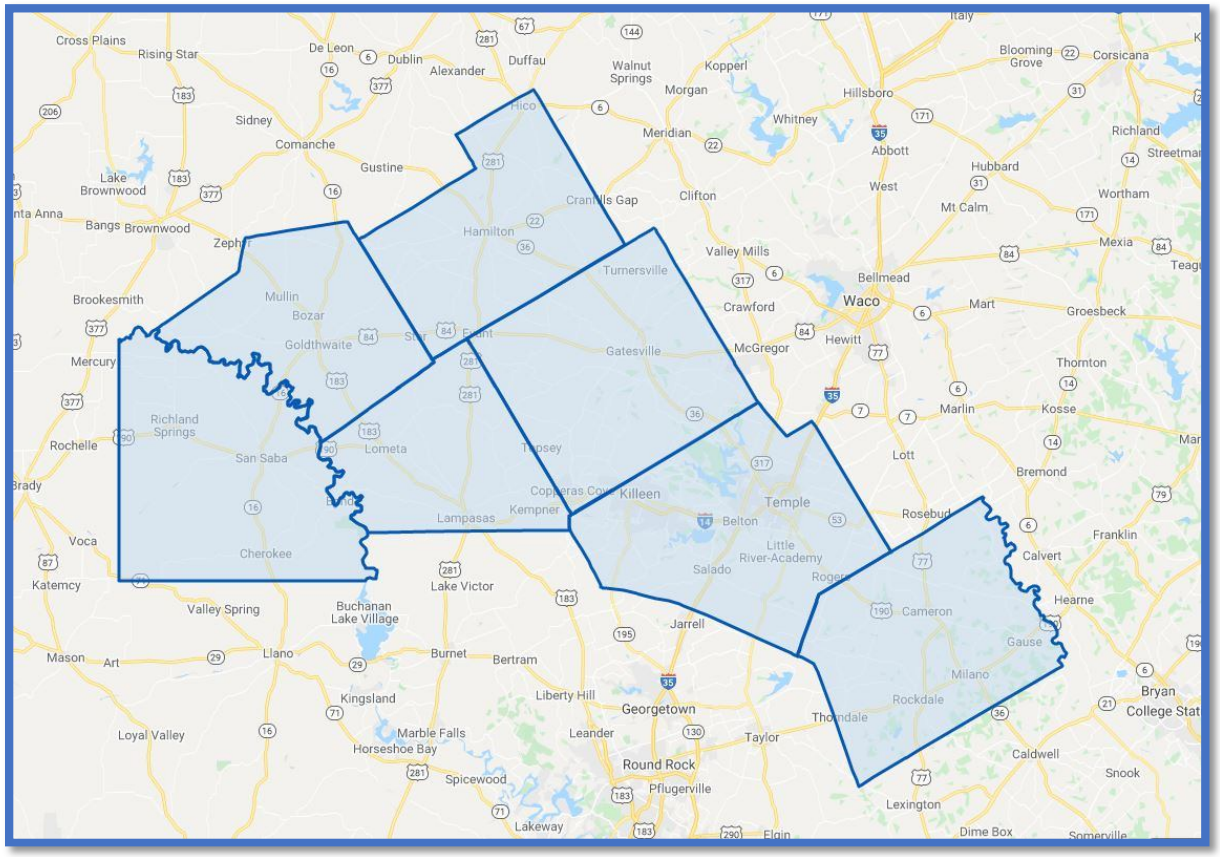
Top 30 Industries by Concentration, CTCOG Counties

NAICS	Industry	2021 Jobs	2021 % of Total Jobs	2021 LQ
9012	Federal Government, Military	36,428	17.50%	14.76
4861	Pipeline Transportation of Crude Oil	146	0.07%	7.53
1142	Hunting and Trapping	55	0.03%	7.17
4881	Support Activities for Air Transportation	1,320	0.63%	4.74
6115	Technical and Trade Schools	702	0.34%	4.38
3315	Foundries	521	0.25%	3.81
3222	Converted Paper Product Manufacturing	1,143	0.55%	3.33
9011	Federal Government, Civilian	10,995	5.28%	2.85
4245	Farm Product Raw Material Merchant Wholesalers	230	0.11%	2.53
2123	Nonmetallic Mineral Mining and Quarrying	290	0.14%	2.24
5612	Facilities Support Services	458	0.22%	2.20
4821	Rail Transportation	605	0.29%	2.16
3261	Plastics Product Manufacturing	1,521	0.73%	2.13
5222	Nondepository Credit Intermediation	1,533	0.74%	2.08
3312	Steel Product Manufacturing from Purchased Steel	151	0.07%	1.99
1152	Support Activities for Animal Production	122	0.06%	1.92
9036	Education and Hospitals (Local Government)	20,351	9.78%	1.86
3372	Office Furniture (including Fixtures) Manufacturing	297	0.14%	1.86
4244	Grocery and Related Product Merchant Wholesalers	1,786	0.86%	1.82
3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing	516	0.25%	1.72
3111	Animal Food Manufacturing	153	0.07%	1.71
4413	Automotive Parts, Accessories, and Tire Stores	1,286	0.62%	1.70
2213	Water, Sewage and Other Systems	122	0.06%	1.69
3339	Other General Purpose Machinery Manufacturing	539	0.26%	1.61
2362	Nonresidential Building Construction	1,666	0.80%	1.47
4884	Support Activities for Road Transportation	233	0.11%	1.45
1120	Animal Production	798	0.38%	1.40
4522	Department Stores	1,517	0.73%	1.34
6216	Home Health Care Services	2,618	1.26%	1.31
6221	General Medical and Surgical Hospitals	8,067	3.88%	1.31

Source: Emsi

Real Estate Market Analysis

The following market analysis uses CoStar data on industrial, commercial, and multi-family residential real estate trends in the CTCOG Region, shown below with county boundaries.

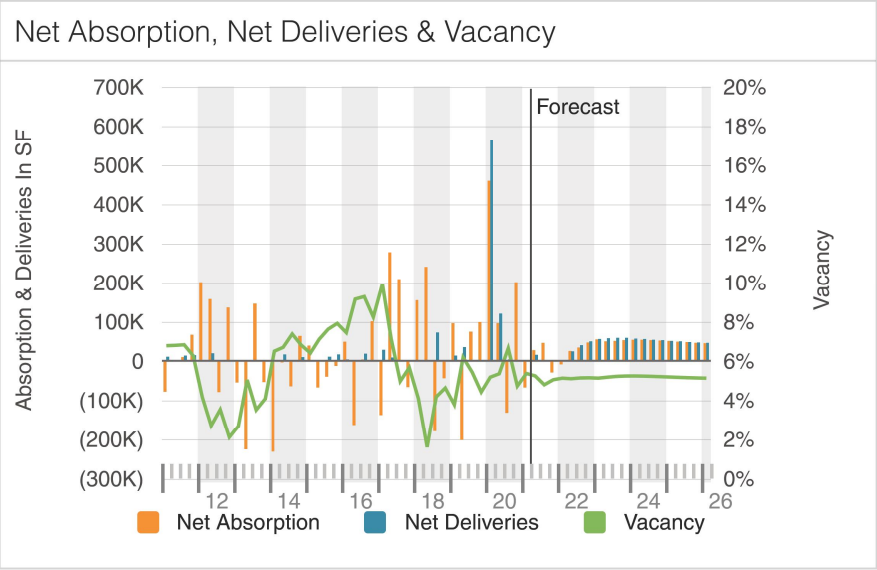


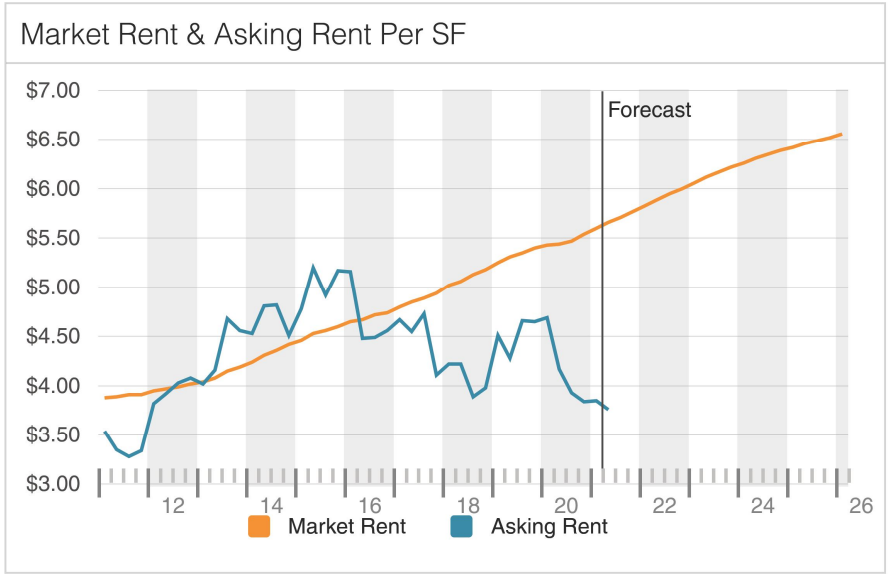
Industrial

According to the most recent CoStar data, there is approximately 10.4 million square feet of industrial real estate in the CTCOG Region. Over the last ten years, the Region's industrial real estate has been notably volatile in terms of vacancies and net absorption. Vacancy rates have fluctuated between 2% to 10%, averaging around 6% from 2010. There have been only minor deliveries to the industrial market over the last ten years, with the exception of Q1 2020 with a net delivery of about 550,000sf.

Market rents have consistently grown between 1% and 6% per year from 2011, with current market rent at $5.60 per square foot, still modest as compared to rates in large metros such as Austin or Dallas.

Industrial Real Estate Trends: CTCOG Region





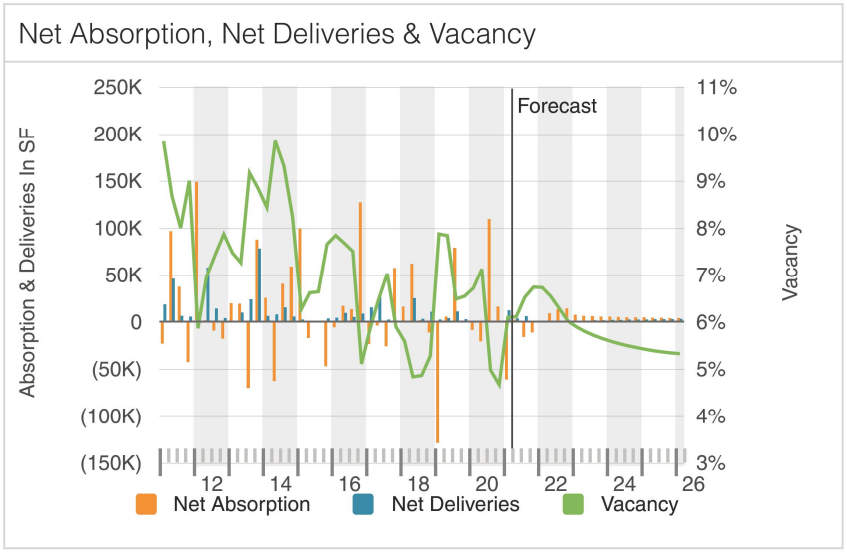
Source: CoStar

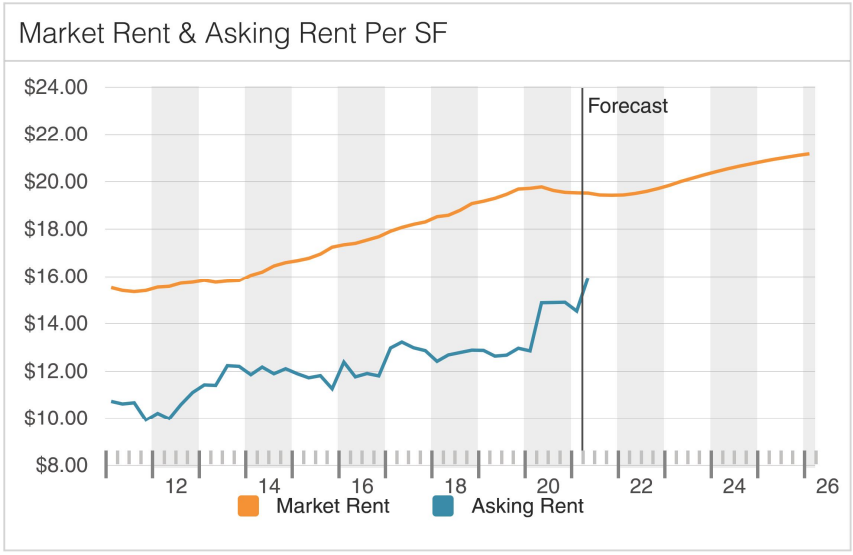
Office

As of April 2021, the Region's office inventory includes 5.1 million square feet of space. Vacancy rates in the office space have been volatile but gradually decreasing over the last ten years to 6% as of Q1 2021. There have been several small deliveries to the office market since 2011. In general, these deliveries were absorbed in the same year of delivery, indicating demand for office space.

Since 2014, rent prices have increased by roughly between 1% and 7% per year. Current market rent for office space in the Region is $19.51 per square foot.

Office Real Estate Trends: CTCOG Region





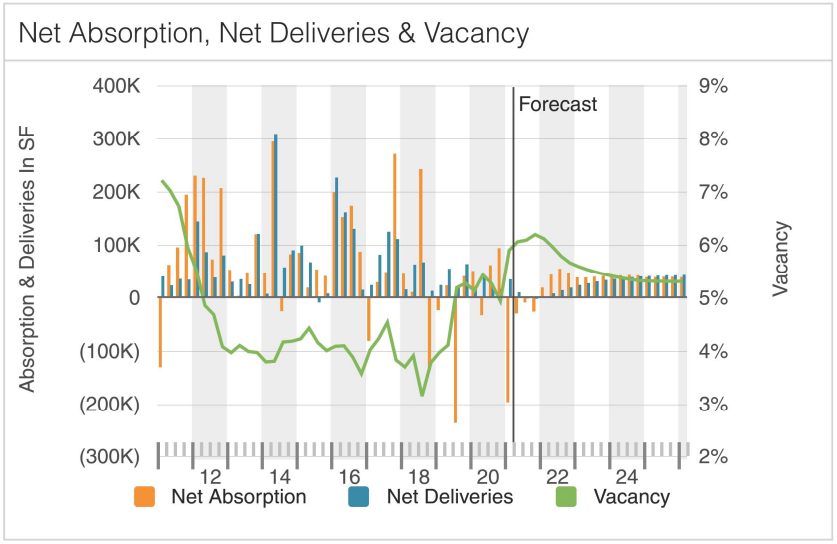
Source: CoStar

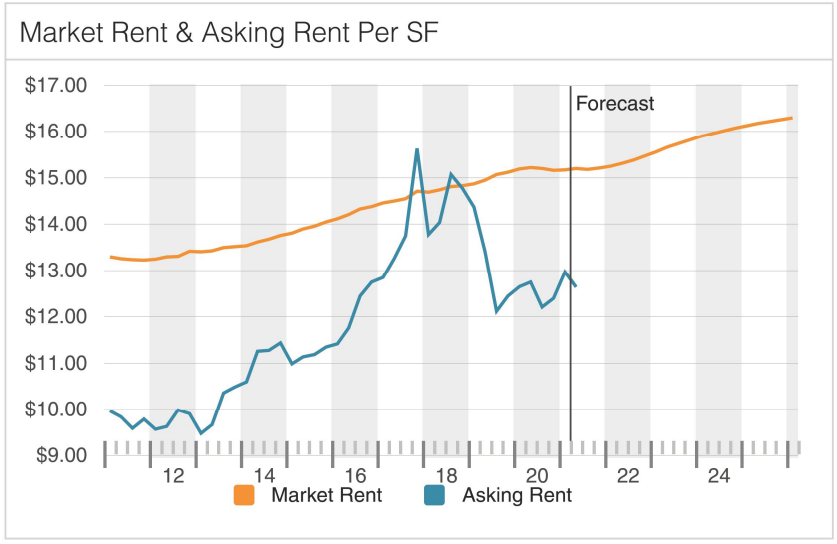
Retail

The CTCOG Region's retail real estate market has also shown strong fundamentals over the last ten years. Vacancy rates held in the 4% range since 2011, until recently when they hit 6% due to the pandemic. There have been several deliveries to the retail market each year, most of which were absorbed in the same year. There is a strong and persistent demand for retail space in the CTCOG Region.

From 2011, rental rates have grown steadily by between 1%-3% per year. Current rent prices for retail real estate in the Region are $15.18 per square foot. Rent prices are projected to consistently grow through 2026 but remain modest compared to metro areas.

Retail Real Estate Trends: CTCOG Region





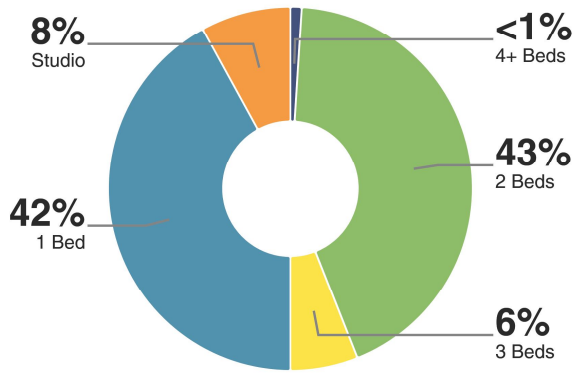
Source: CoStar

Multi-Family Residential

There are approximately 25,000 multi-family units in the CoStar database across the CTCOG Region. Of these, 85% are one- and two-bedroom units. Vacancy rates have dropped significantly over the last four years from 11.5% to near 6.5% today. There have been several deliveries to the market since 2011, which were quickly absorbed.

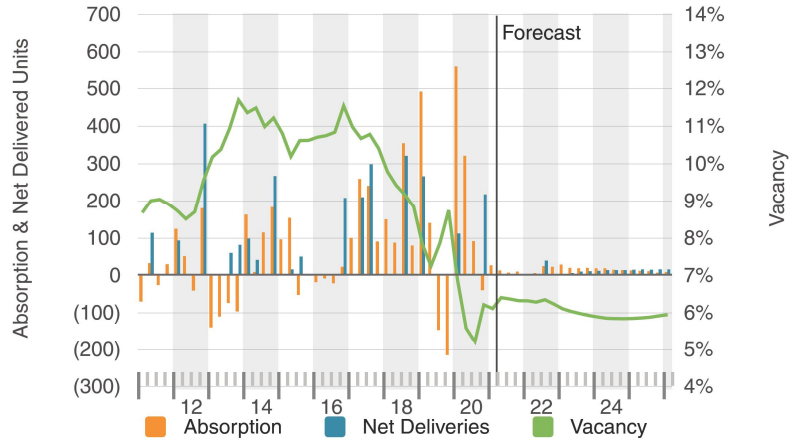
Multi-family per-unit asking rents have been steadily rising across all bedroom types over the last ten years and are currently at around $1.00 per square foot per month.

Total Units By Bedroom

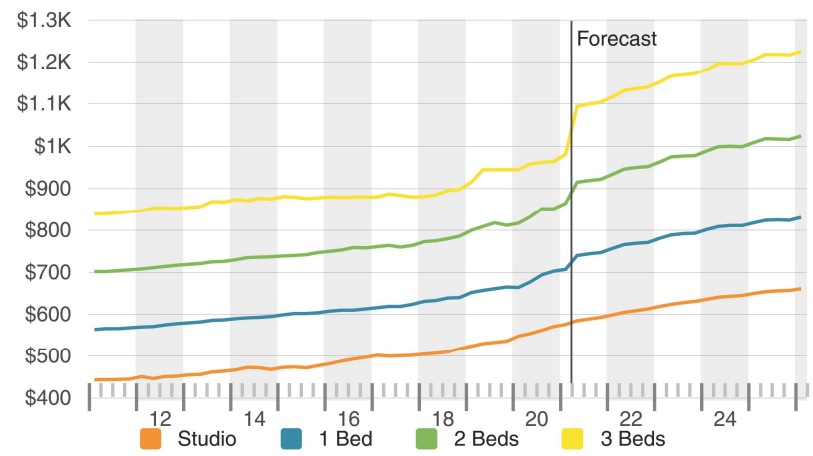


Multi-Family Real Estate Trends: CTCOG Counties

Absorption, Net Deliveries & Vacancy



Market Asking Rent Per Unit By Bedroom



Source: CoStar