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Fifteen miles from the Oklahoma border, equidistant from Fort Worth and Oklahoma City, Wichita Falls has had a decade of steady growth creating demand for new housing and businesses.

WICHITA FALLS

MEDICAL & MILITARY MECCA

**W**ichita Falls was named after the Wichita Indians who lived near the Wichita River waterfalls, destroyed by flood in 1886 and rebuilt in 1886.

Today, Wichita Falls is known more for cowboys than Indians, serving as the 1998 and 1999 home of the Dallas Cowboys' training camp. The town celebrated the mid-summer event by throwing a kick-off party, drawing more than 26,000 fans in 1998.

The population of the Wichita Falls MSA, comprised of Archer and Wichita Counties, grew to 137,237 in 1998, an average of 890 each year this decade. This created demand for about 340 new housing units annually. The Texas State Data Center forecasts that area population will grow to 141,000 by 2005.

The area's largest employer is Sheppard Air Force Base, employing more than 13,000. Sheppard AFB is headquarters for the EURO-NATO Joint Jet Pilot Training Program. The 82<sup>nd</sup> Training Wing averages 5,500 enlisted students.

Substantial growth has occurred in the medical sector in the past year. United Regional Health Care Systems, formed in 1997 after a merger between

two local hospitals, is the largest private employer. Kell West Regional Hospital opened in January 1999, and the Texoma Cancer Center, a \$12 million oncology treatment center, opened in June. The Texas Oncology and Physician Reliance Network is building a 21,000 square-foot facility. Texoma Christian Care will build an Alzheimers Facility on U.S. 277, west of Seymour Highway.

The Texas Department of Criminal Justice will complete construction on a 660-cell super maximum-security facility in late 1999. Managers of the 1,330-bed facility plan to hire 300 employees and have a \$7 million annual payroll. Wichita Falls also will be home to a new U.S. Postal Service regional mail-sorting center.

Infrastructure improvements are being made to enhance the area's growth. The Texas Department of Transportation is improving U.S. 277 through town with an elevated freeway. This is part of a regional plan to connect Abilene and Wichita Falls with a divided, four-lane highway connecting I-20 with I-44. When completed, this will create an alternate route for trade from Mexico to northern markets via Oklahoma City, bypassing

the Dallas-Fort Worth Metroplex. This also will make easier commuting for local residents to the downtown area from popular residential neighborhoods in the southwest part of the city.

The city currently has sufficient water to support future growth, with supplies coming from Lake Kickapoo and Lake Arrowhead. A third wastewater treatment plant will be constructed soon on the west side of town and will accommodate the expected growth in this region of the city.

The Wichita Falls residential real estate market has been hot. According to the Wichita Falls Multiple Listing Service, 1,410 homes were sold in 1998, up from 1,128 in 1997. The pace of sales continued to expand through June 1999. The median sales price rose from \$67,000 in 1997 to \$70,300 in 1998.

The Real Estate Center ranks Wichita Falls fourth in Texas housing affordability. Single-family construction slowed to 139 units in 1998 (down 31 percent from 1997) but appears to be rebounding in 1999 with 92 units built through June. Most new houses are being built in the south part of the city. See the Real Estate Center Web site at

recenter.tamu.edu for the most current statistics.

**L**ike many Texas cities, Wichita Falls overbuilt apartments during the early 1980s. Wellington on the Lake, a 208-unit complex built in 1997, was the first project with more than 100 units built since 1985. The new project is highly occupied, and one bedroom units rent for about 70 cents per square foot.

After a flurry of new apartments were permitted in 1995 and 1996, only six units were permitted between September 1997 and June 1999. According to Apartment Marketdata Research Services, the overall occupancy rate was 94.6 percent in June 1999. The average apartment rent in January 1999 was 54 cents per square foot, virtually unchanged from last year.

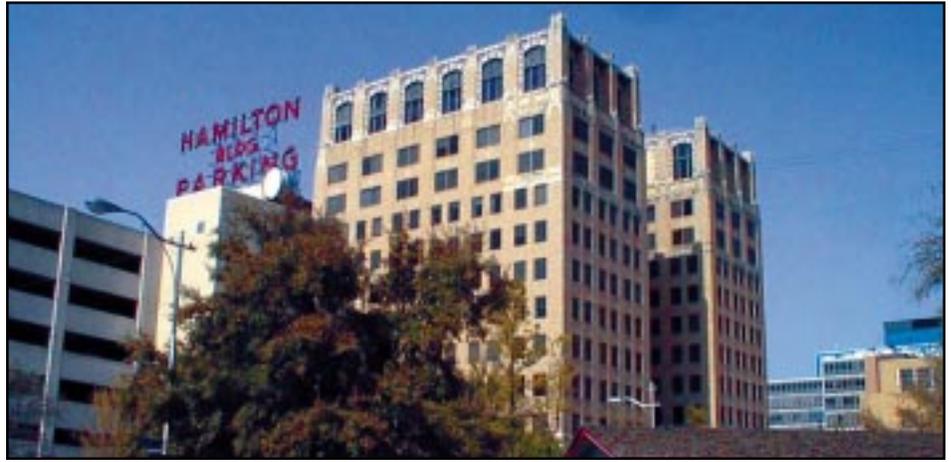
The retail trade area consists of 17 counties within a 60-mile radius, including a population of more than 375,350 in North Texas and Southern Oklahoma.

Total retail sales per capita have grown from \$6,972 in 1990 to \$9,021 in 1998. Growth has been steady, but retail "leakage" occurs as some local shoppers make major purchases in the nearby Dallas-Fort Worth market. Providing evidence of the leakage, the following chart compares 1997 per-capita retail sales for Wichita Falls and nearby metropolitan areas.

Amarillo	\$12,125
Odessa/Midland	\$11,738
Abilene	\$10,825
San Angelo	\$9,682
Wichita Falls	\$9,127

The locus of retail activity is in the city's southwest quadrant surrounding the Sikes Senter Mall. The mall was purchased in June by Dallas-based Coyote Management from Heitman Financial, which announced that Old Navy, Gap, Gap Kids and Trade Secret will locate in the mall. These new tenants will bring significant new energy to the mall and enhance the retail market of the entire community.

In 1998, an \$8 million Market Street United store was completed. A new shopping center, Fountain Park Village, is planned for Kell Freeway. Potential tenants include Ross Dress for Less



***WHILE OCCUPANCY RATES** are relatively high, rents do not support new office construction. Downtown Wichita Falls office buildings are being converted into antique stores and malls.*

and Books-a-Million. Wal-Mart will open a new 220,000 square-foot superstore next year. A second Wal-Mart supercenter, at 183,000 square feet, will open next year, as well, near the Air Force Base.

According to Nathan Brown, CPM, speculative office building has not occurred since the 1980s. Occupancy rates are relatively high, but rents are too low to support new construction. Downtown office buildings are being converted into antique stores and malls. Suburban office space is limited.

During 1998, seven office building permits were issued by the City of Wichita Falls. A new office tenant, Blue Cross and Blue Shield, moved to the Wichita Falls area in 1998. Initially, the health insurance company added 200 jobs to the workforce, and predictions are that by the end of 1999 it will employ more than 400.

The Wichita Falls industrial districts are located mostly on the east side of the city and north of town on I-44. Future industrial growth likely will locate near the prison in the northwest area or the I-44 corridor toward Burkburnette. In 1998, 12 industrial building permits were issued. These included warehouses, storage facility offices and storage buildings.

Panda Energy International Inc. is planning a \$200 million electric generating plant in Archer County. The new plant will add more than 350 jobs during

its construction and about 50 jobs when the plant is operational. The expected annual payroll will be about \$2.3 million. In addition, Budget Rent A Car will open an inbound reservation call center in early 2000. The company will employ 325 people and may expand employment to 500 later. Also, ABB, Cryovac Division of Sealed Air and Washex plan industrial expansions in the MSA.

Wichita Falls' leaders are seeing early rewards of their efforts to re-energize downtown. A redesigned and refurbished Wichita Apartments is planned on Seventh Street. The 15 new apartments range from 530 to 800 square feet and also will feature a caged elevator.

Another project, the Richmond Condominiums, has 29 units, ranging in size from 700 to 1,800 square feet. Targeted to attract empty-nesters and singles, the condominiums are located at Tenth Street and Travis.

The historic Kemp Library, built in 1917, may become the site of an arts center. The Arts Council is working to collect the \$2.5 million needed to renovate the old library. In addition, a renovated train depot complements a growing number of quality antique stores in the area. ☐

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