



**2025
ECONOMIC OUTLOOK
CONFERENCE**

BRYAN/COLLEGE STATION CHAMBER OF COMMERCE

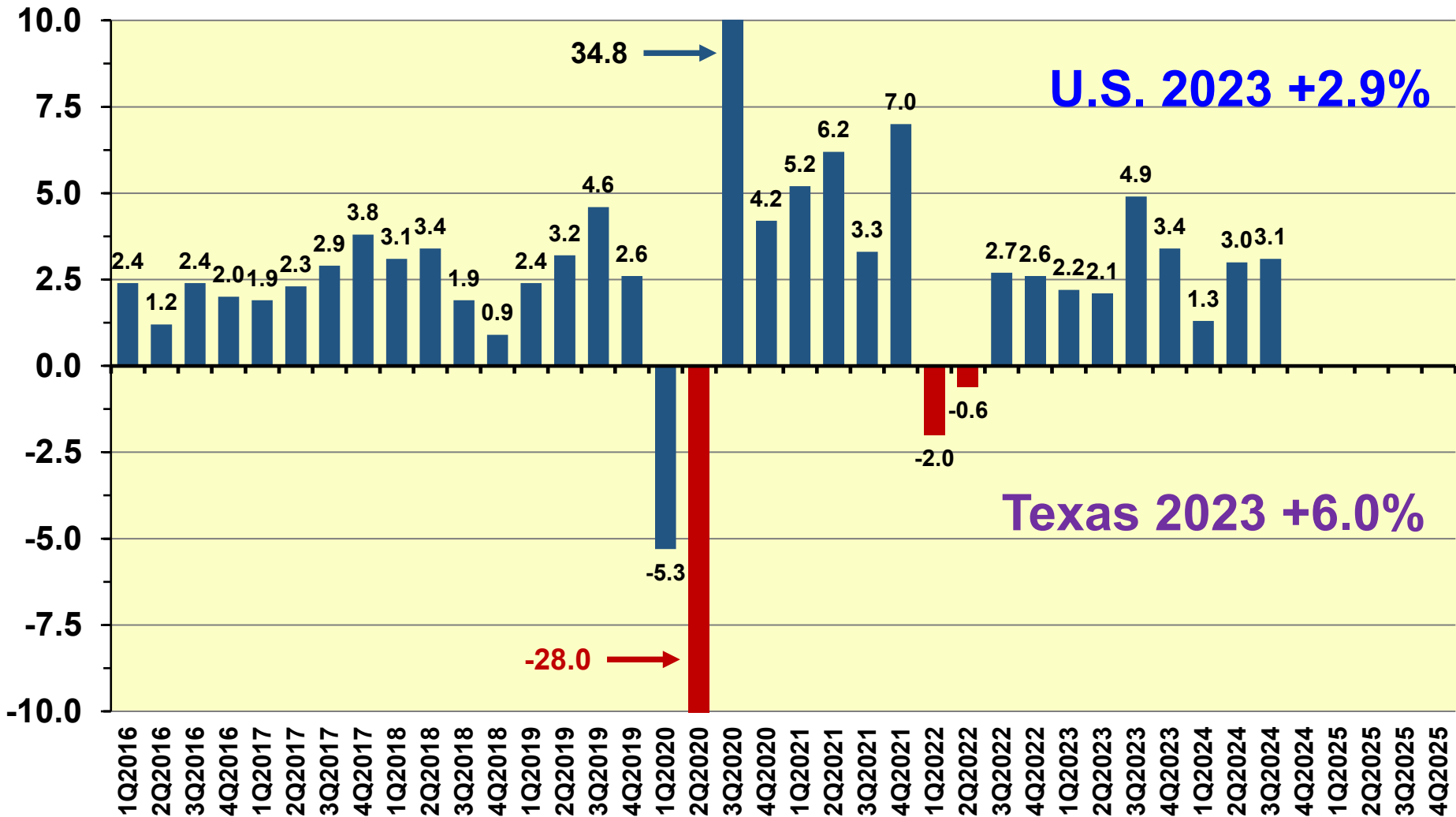
Dr. James P. Gaines

**Former Chief Economist
Texas Real Estate Research Center
Texas A&M University**

Election Results Will Create Major Economic Impacts

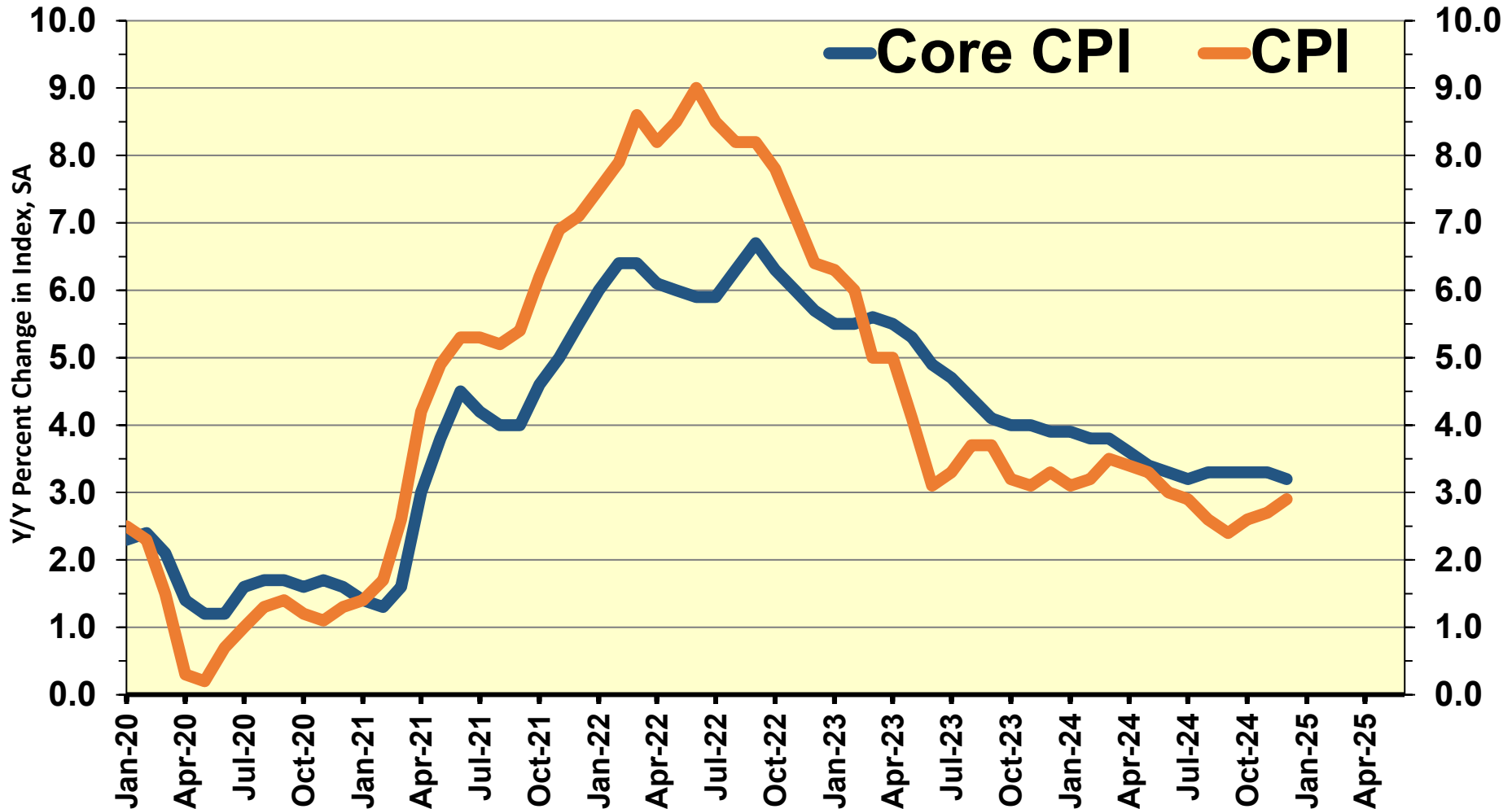
- **Past two years: strong Employment, Wages & Income and Spending– Why no recession, so far!!**
- **Inflation still primary focus of FED**
- **Interest rates continue “as is”; slower FED cuts**
- **Consumer and Business spending expected to slow down – results in solid but slower growth**
- **Government actions and spending will probably be most important variables affecting economy**

Annualized Percent Change in Real GDP

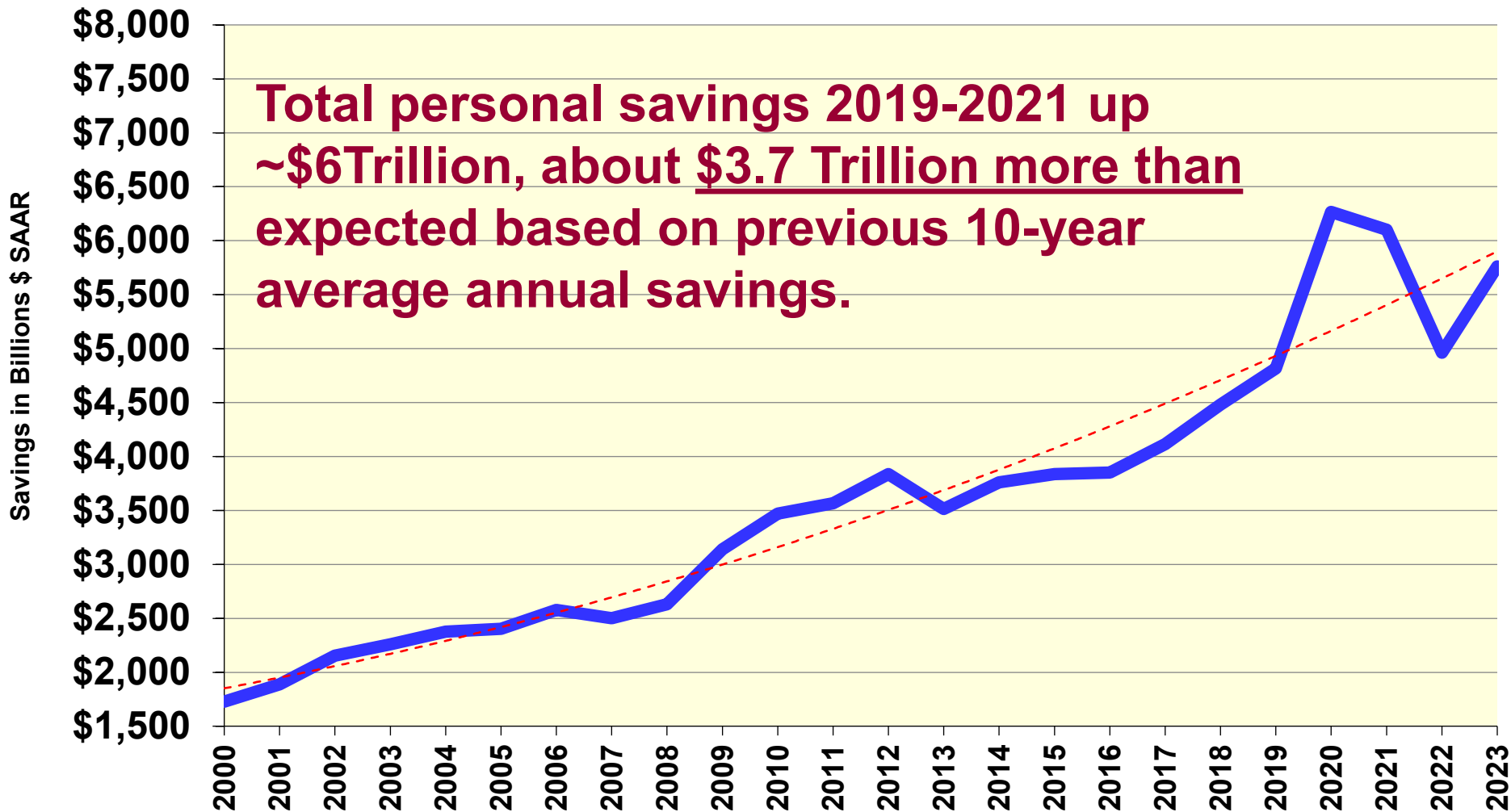


Inflation Started January 2021

Slowdown in Inflation; Still High

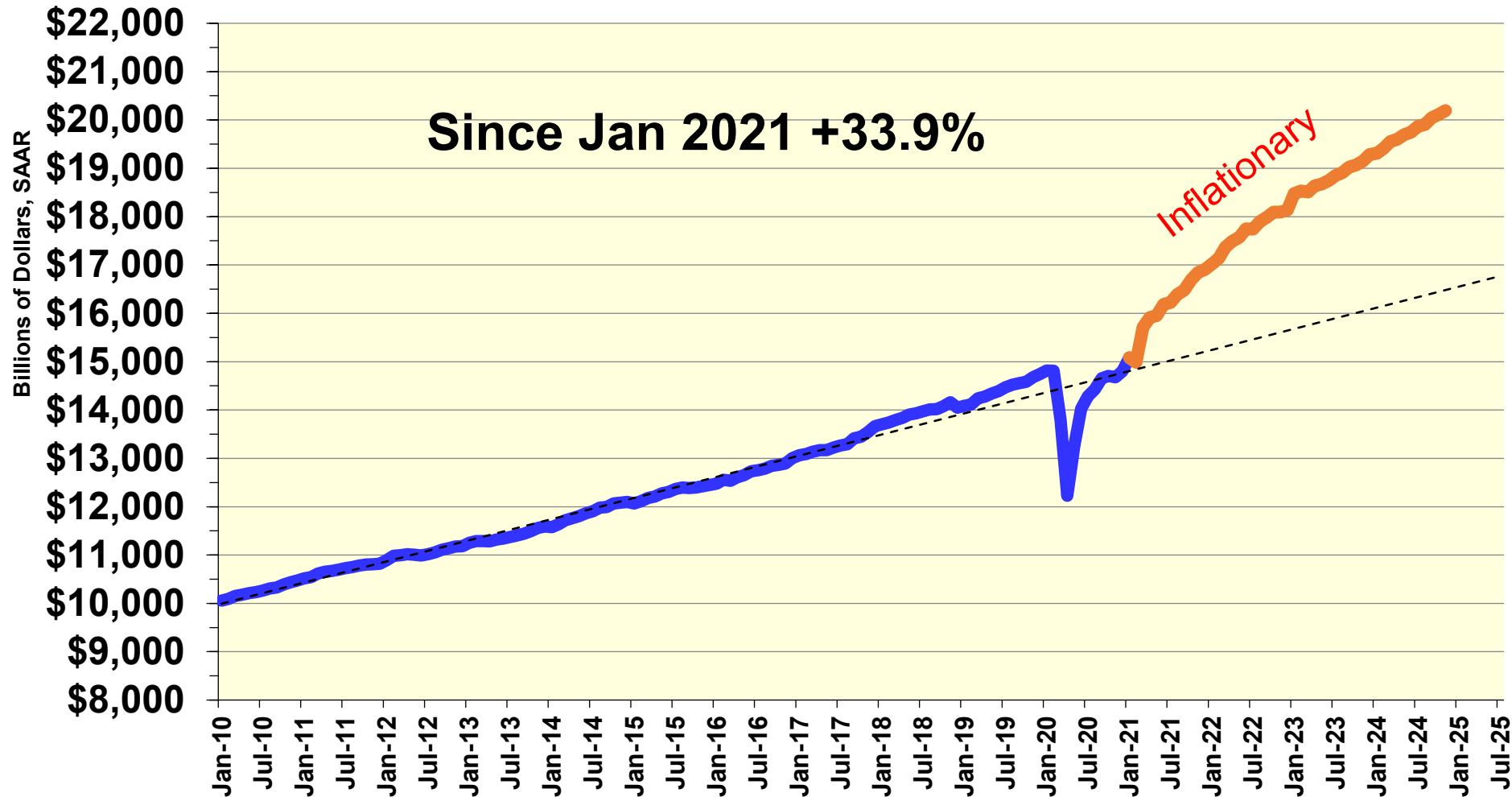


Gross Private Savings

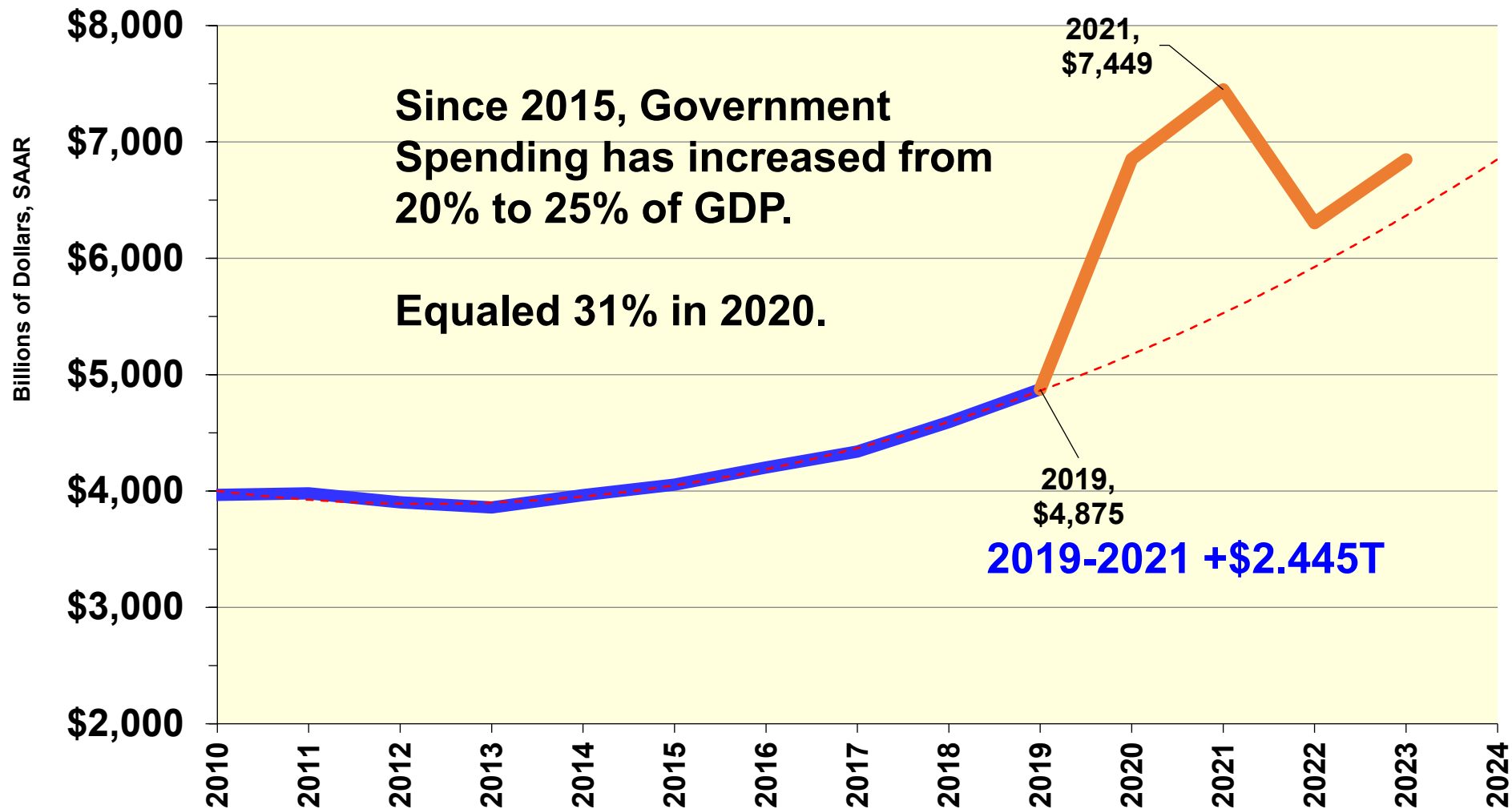


Personal Consumption Expenditures

Consumers Started Spending Savings

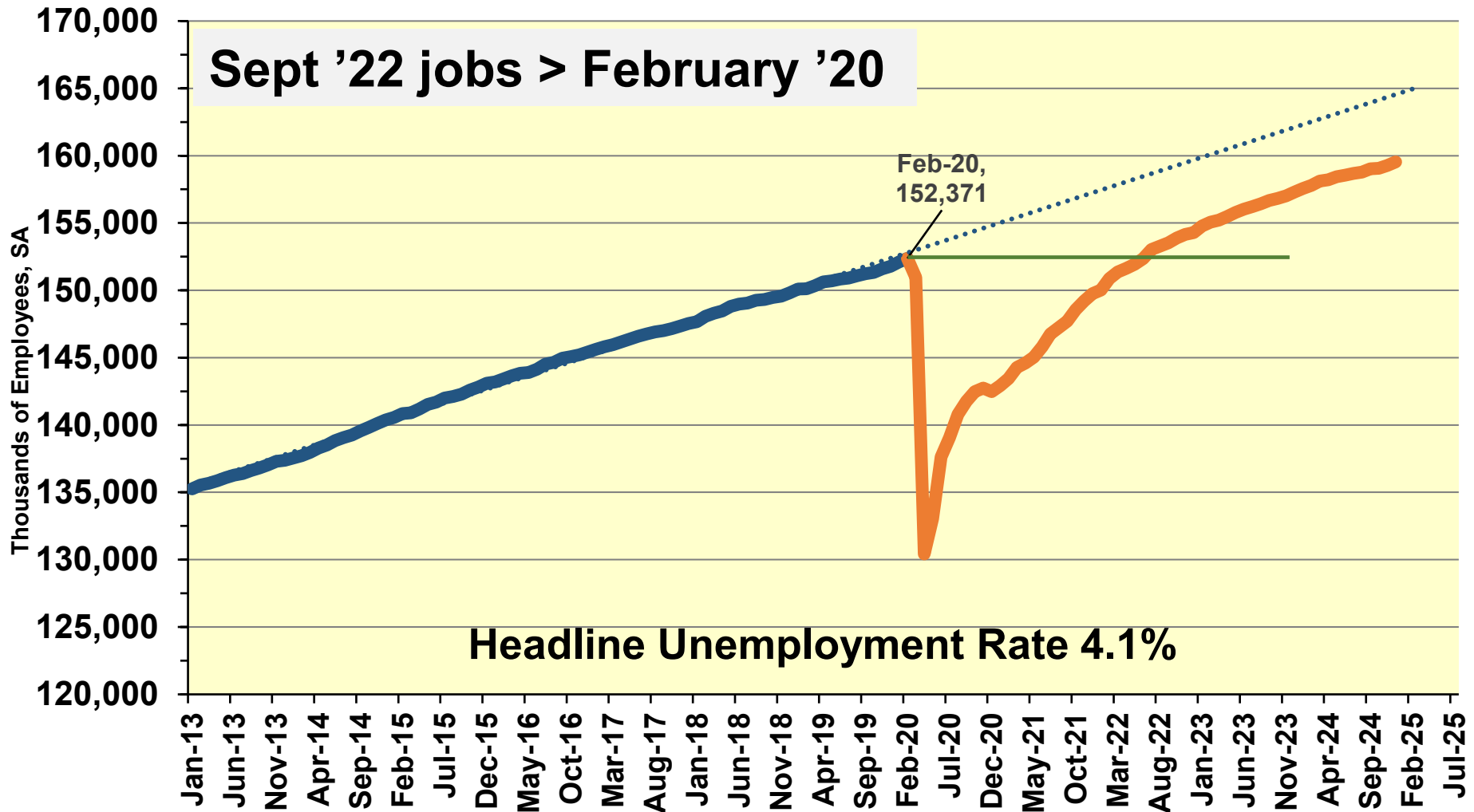


Total Federal Government Expenditures

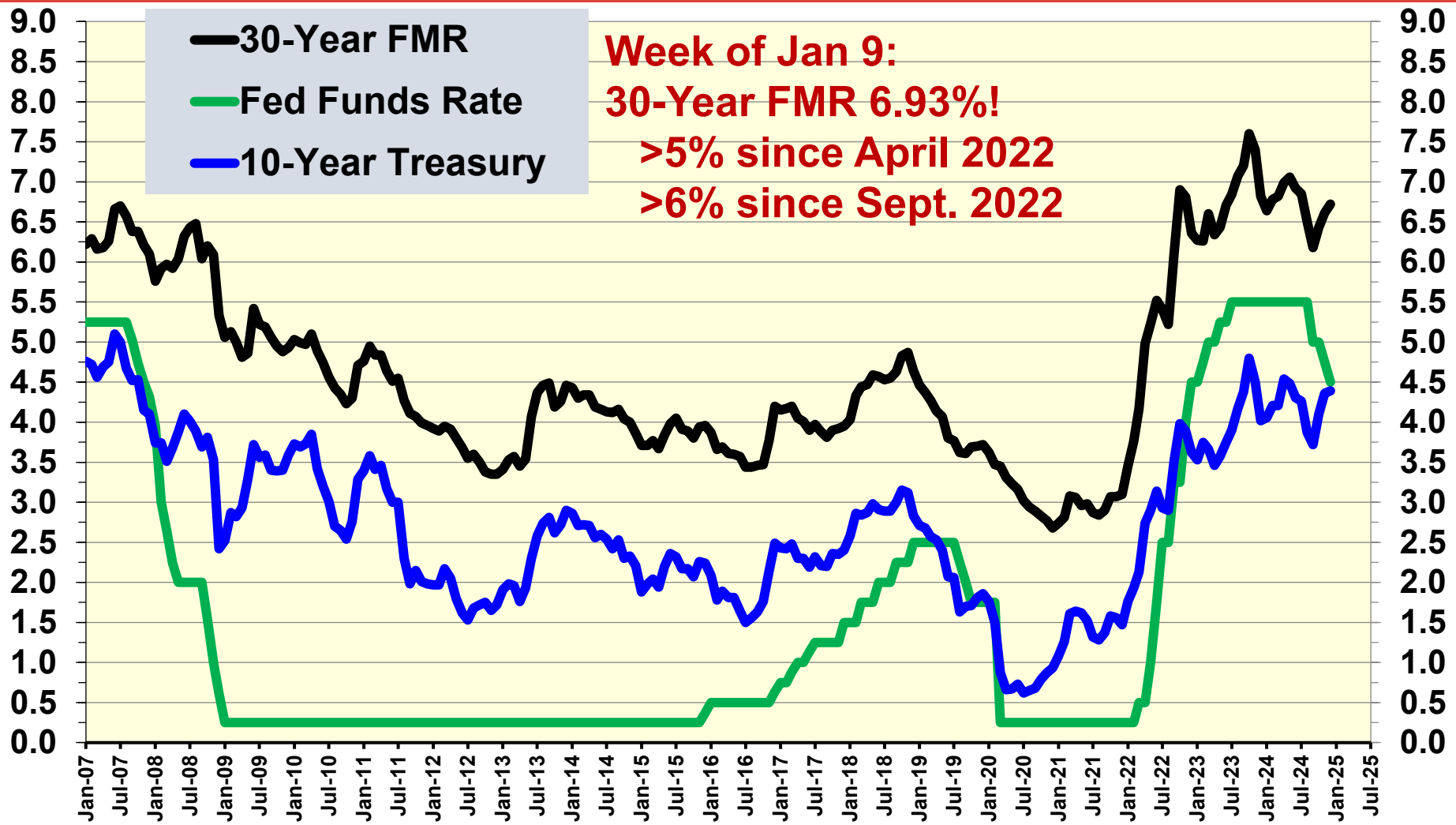


Total U.S. Nonfarm Employment

Above Pre-COVID, But Not Back to Trend

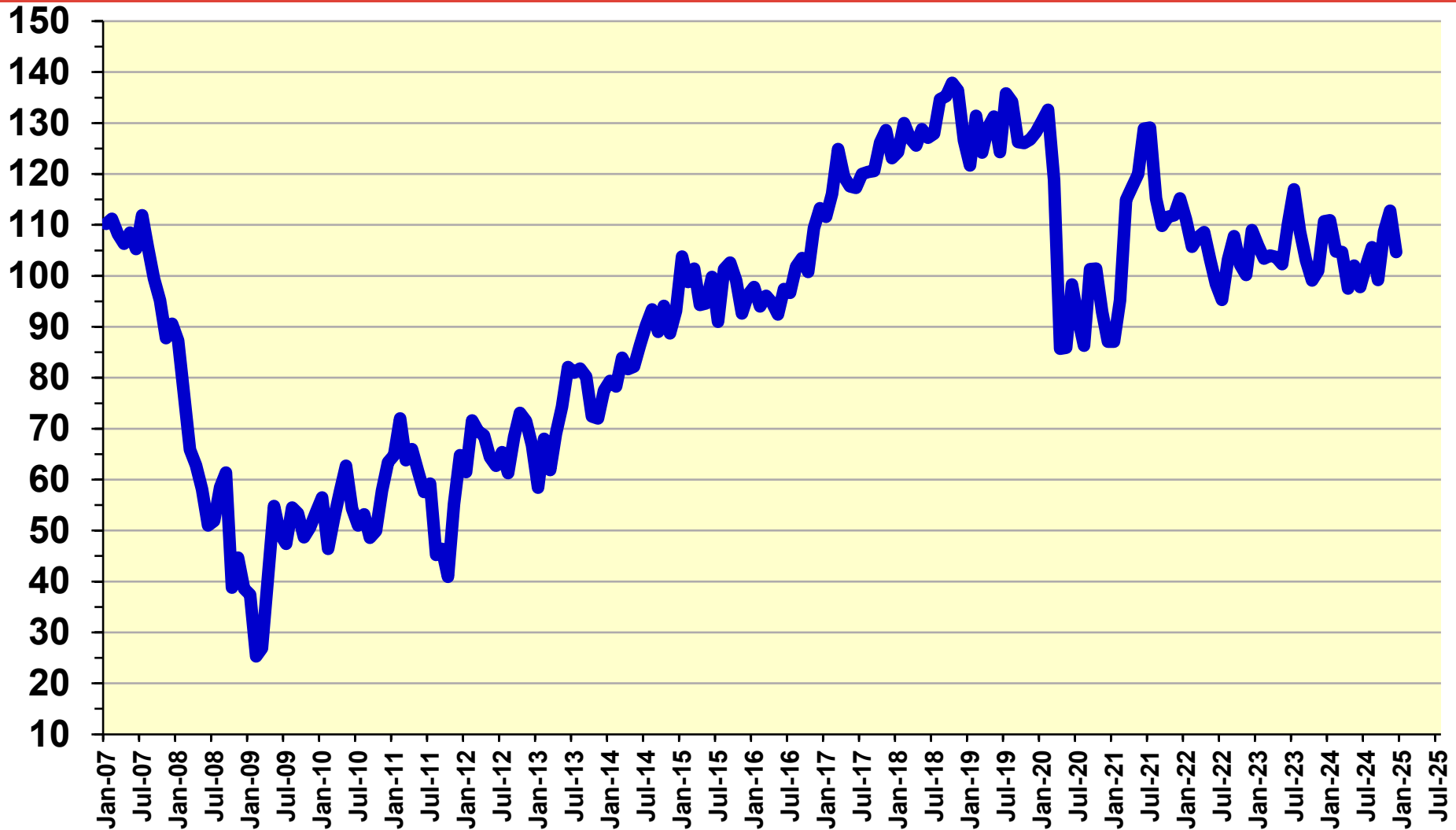


Monthly Fed Funds, 10-Year Treasury and 30-Year FMR Rates



Consumer Confidence Index

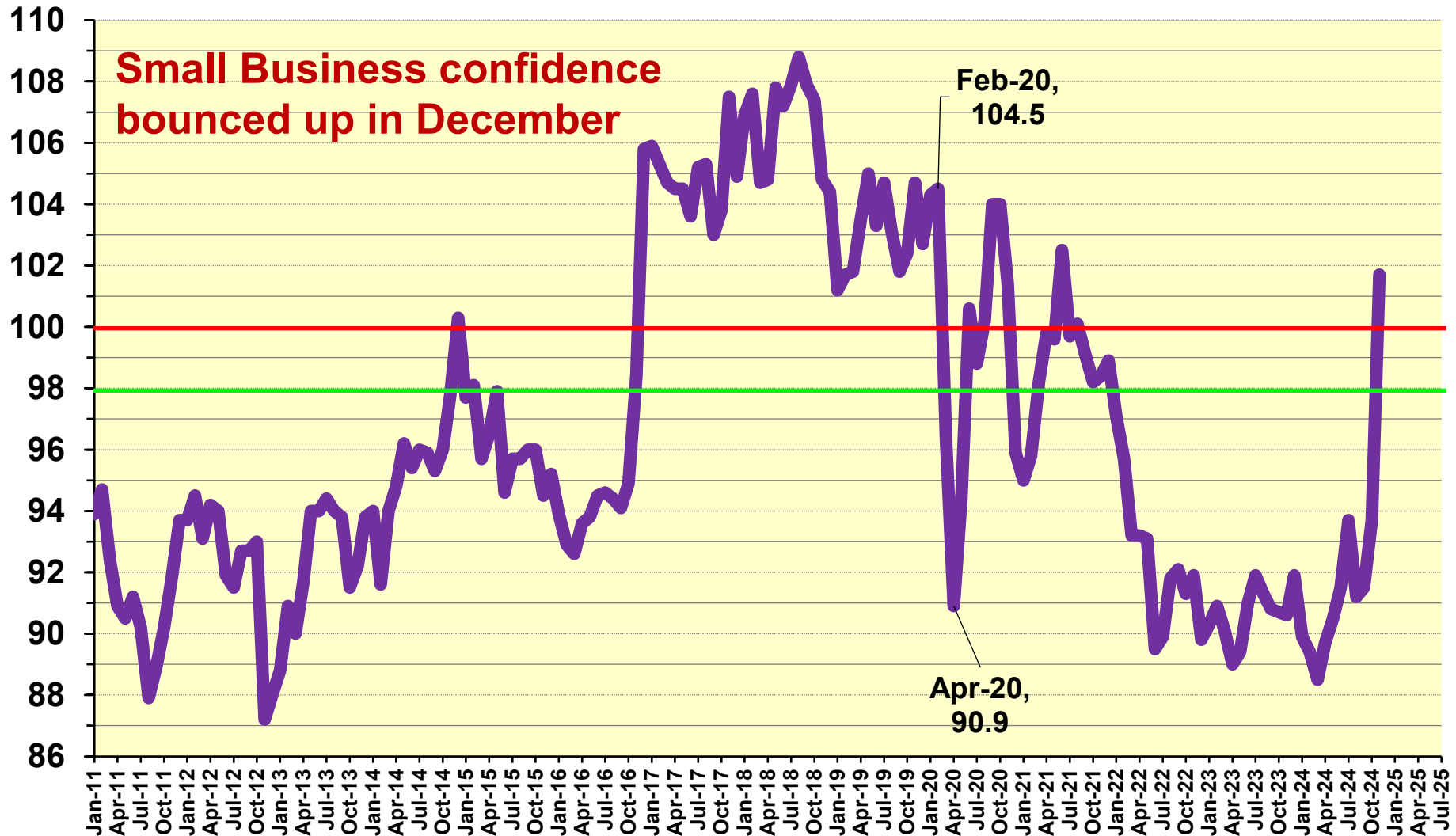
(1985=100)



Source: The Conference Board;
Real Estate Research Center at Texas A&M University

NFIB Small Business Optimism Index

(Overall Index SA 1986 = 100; 50-year average = 98)

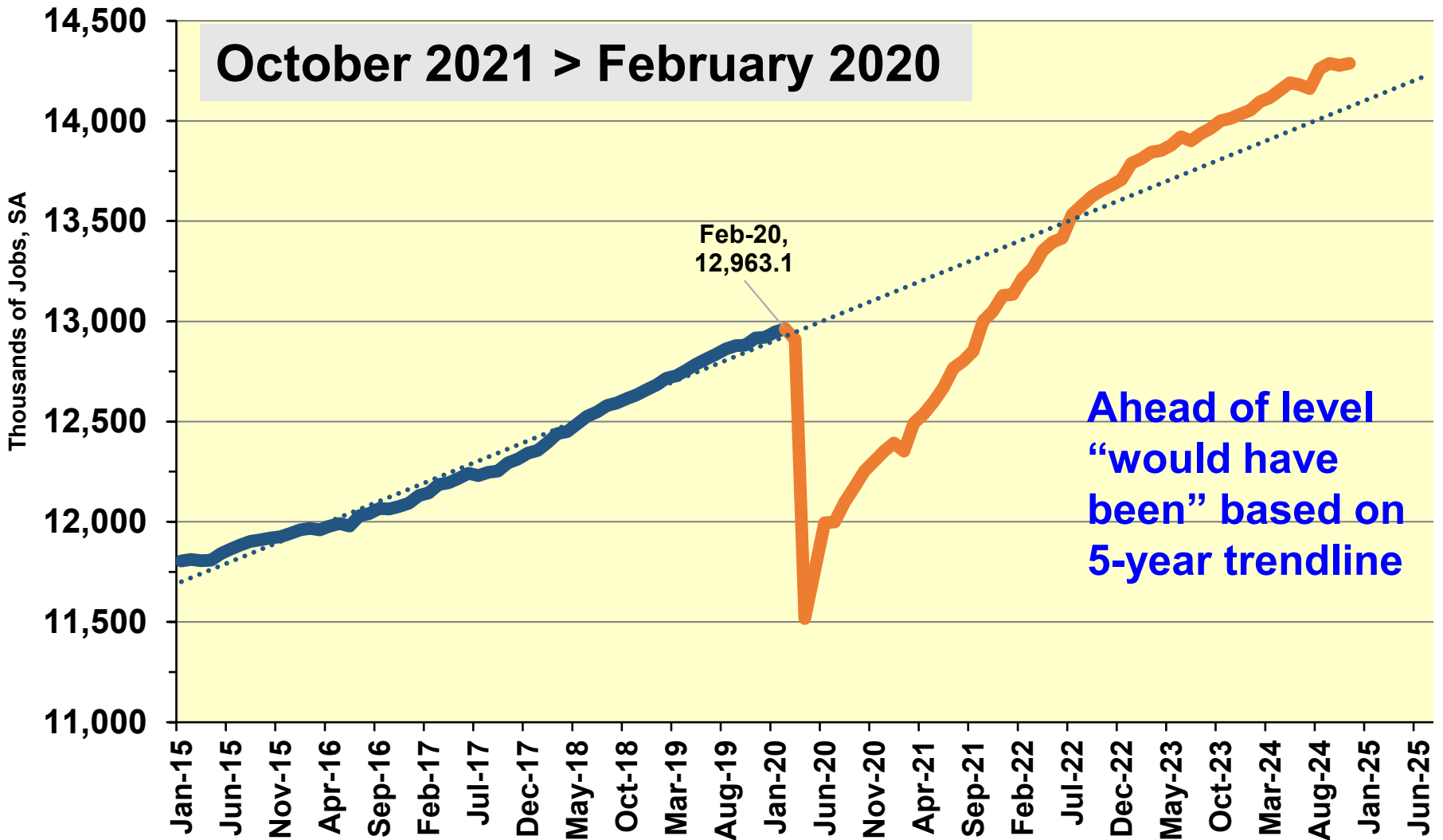


Source: National Federation of Independent Businesses;
Real Estate Research Center at Texas A&M University

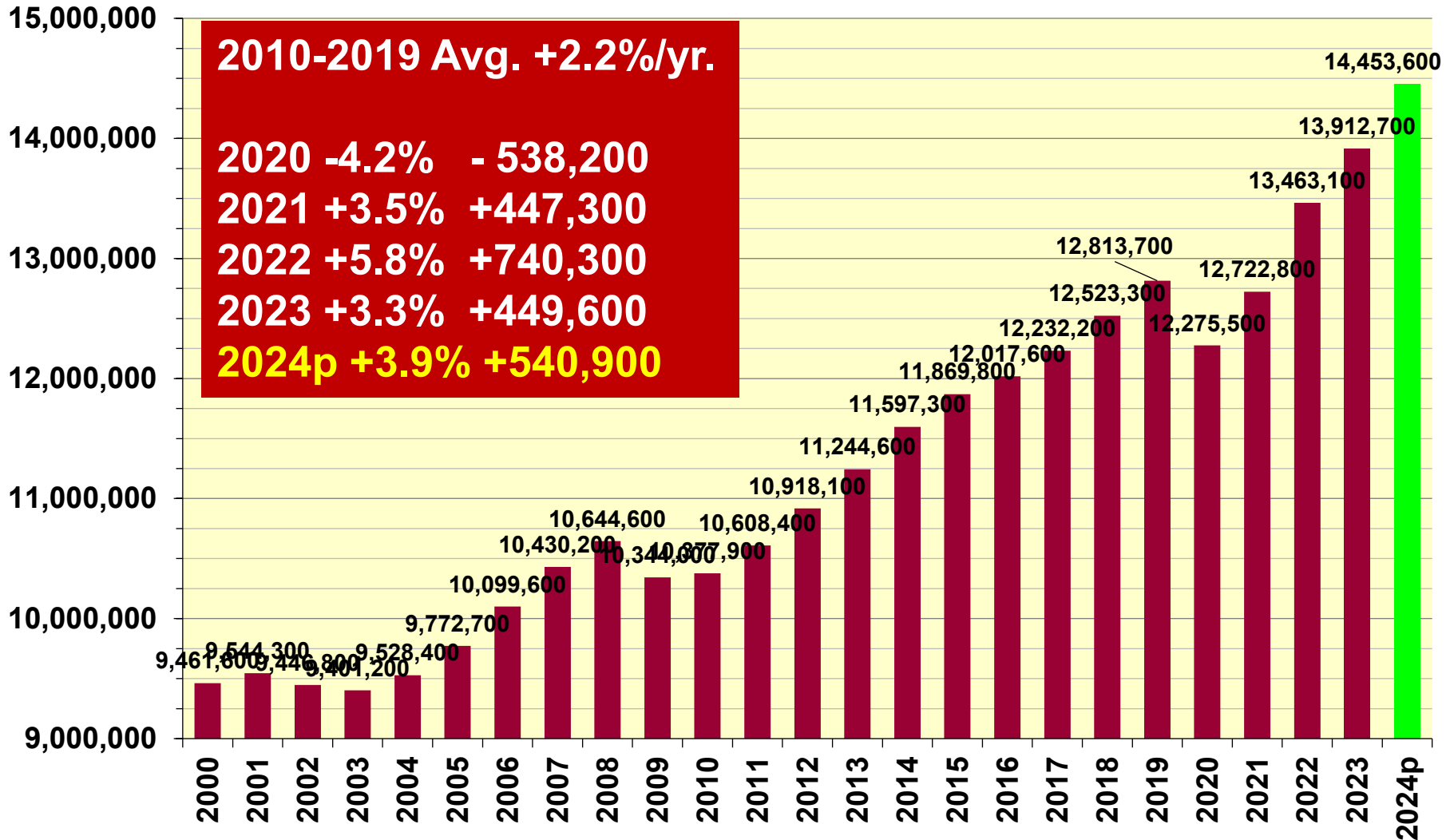
Texas Economic Overview

- ❖ **Texas GDP** ahead of nation
- ❖ **Jobs** fully recovered and more
- ❖ **Income** growth following job growth
- ❖ **Spending** both consumer and business holding up
- ❖ **Energy** sector contributing to growth, but lesser effect than in the past
- ❖ **Distribution and bio-medical** major areas of growth
- ❖ **Population** growth continues ~400,000+/year

Texas Total Nonfarm Jobs

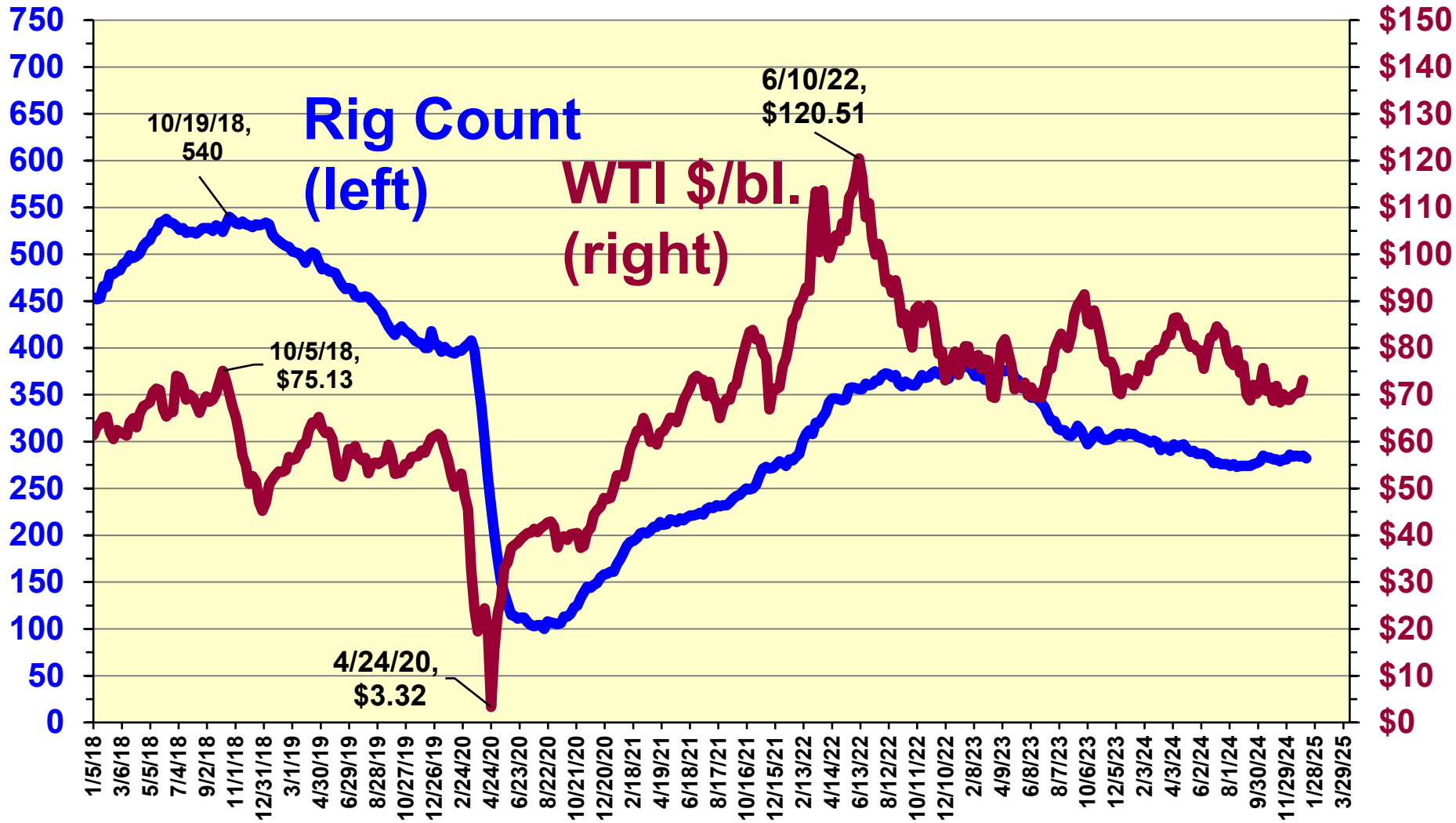


Texas Annual Jobs



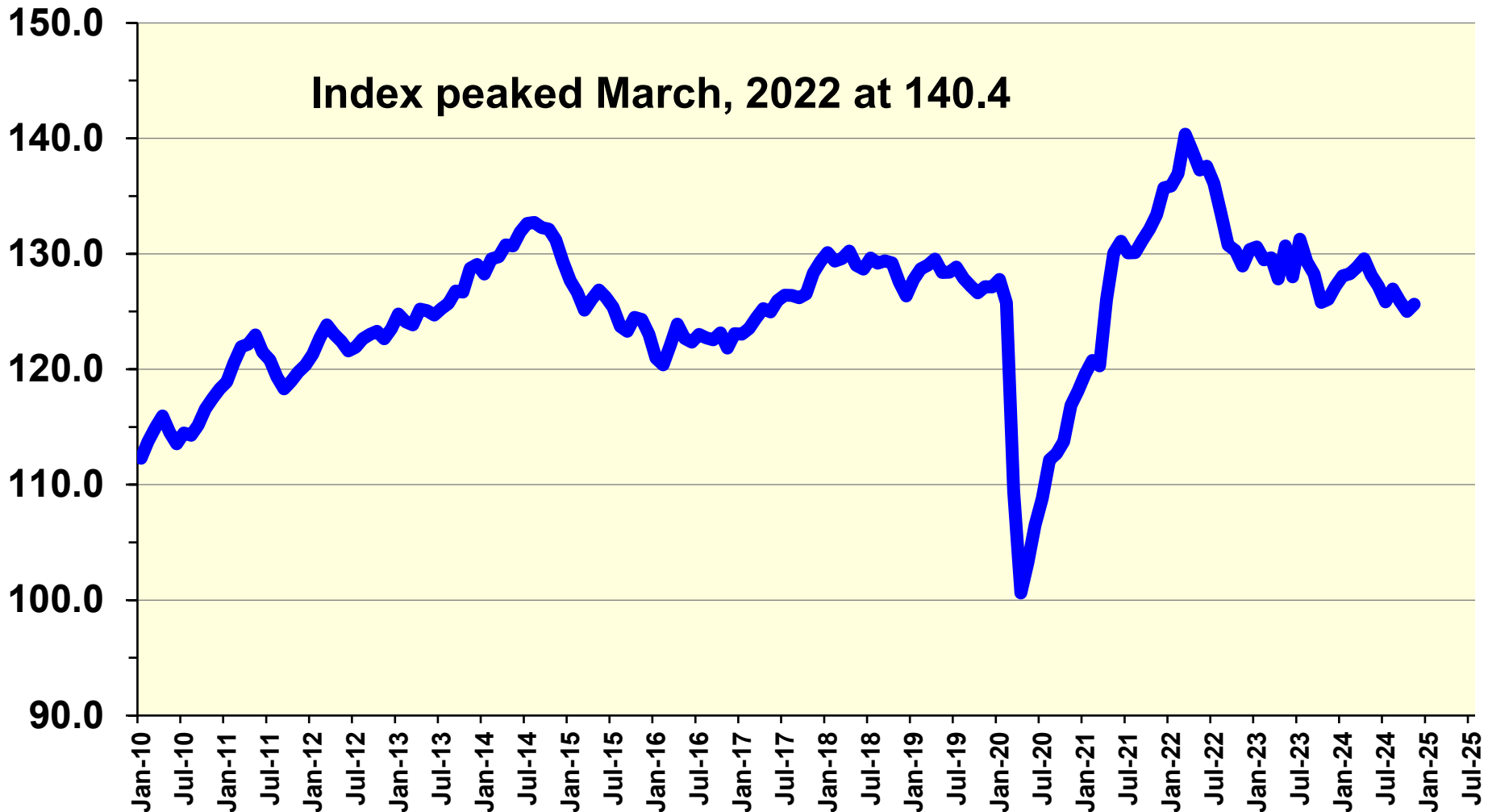
Sources: Texas Workforce Commission, SA Jobs;
Real Estate Center at Texas A&M University

Weekly Active Texas Rig Count & Price of WTI Since Jan. 2018



Texas Leading Economic Index

Index, 1987=100, Seasonally Adjusted



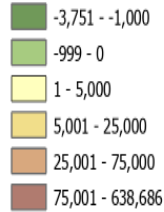
Texas Demographics

**We're Still Adding
People in Significant
Numbers**

Numeric Population Change for Texas Counties 2010 - 2020

143 counties lost population 2010 to 2020

Total Population Change 2010 to 2020



**Texas grew
20.6% 2000-2010
15.9% 2010-2020**

**7/2020-7/2021:
Texas + 326,390 people;**

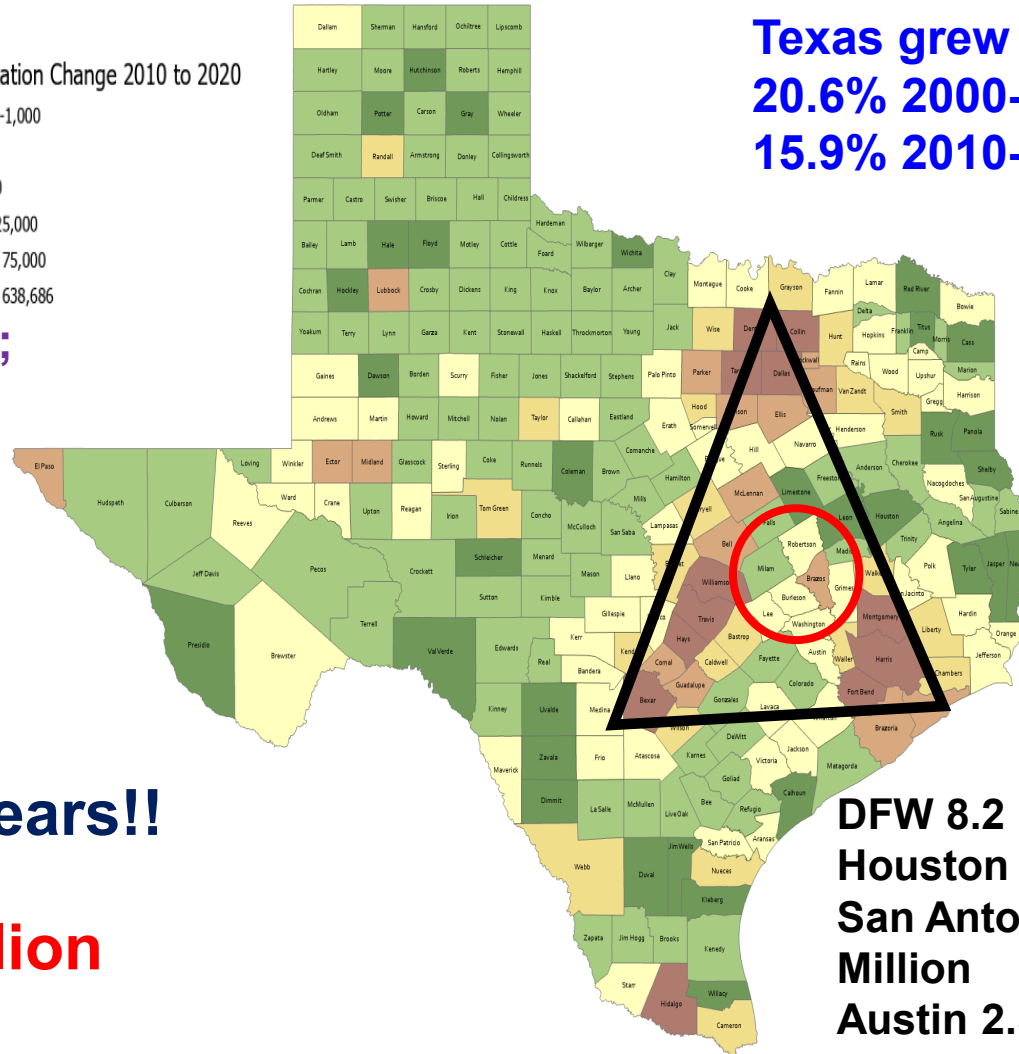
**7/2021-7/2022:
+ 470,708 people**

**7/2022-7/2023:
+ 473,453 people**

**7/2023-7/2024:
+ 233,706 people**

> 1,600,000 in 4 years!!

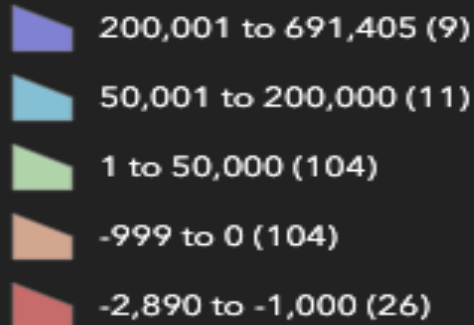
Texas > 30.75 million residents in 2024



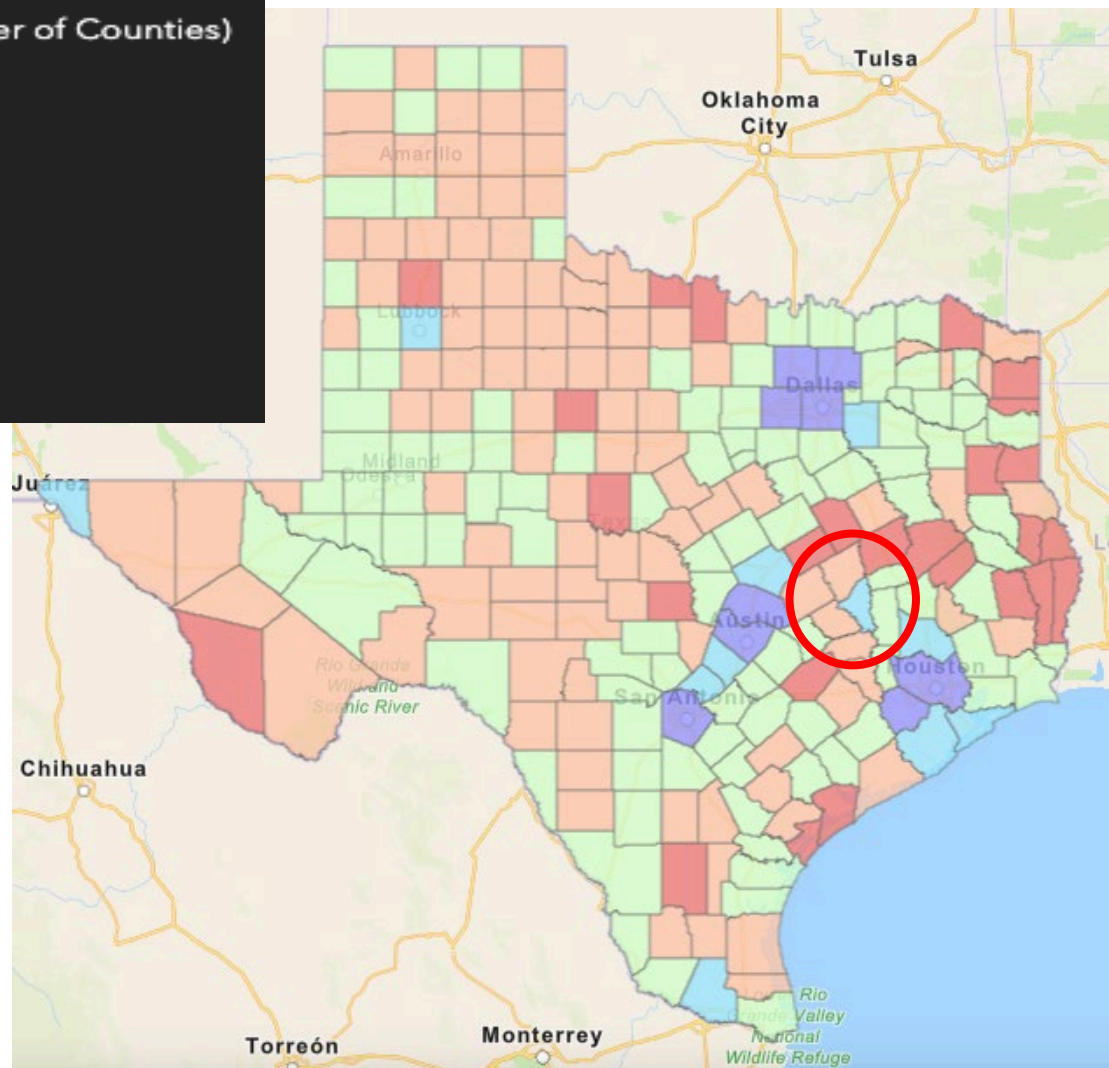
**2024:
DFW 8.2 Million
Houston 7.54 Million
San Antonio 2.725 Million
Austin 2.53 Million**

Projected Population Change 2020-2040

Pop Change 2020-2040 (Number of Counties)



**Texas 2040
Population is
projected to be
~36.8 Million**



Sources: US Census Bureau; Texas Demographic Center;
Real Estate Research Center at Texas A&M University

Brazos County Population 2020-2060

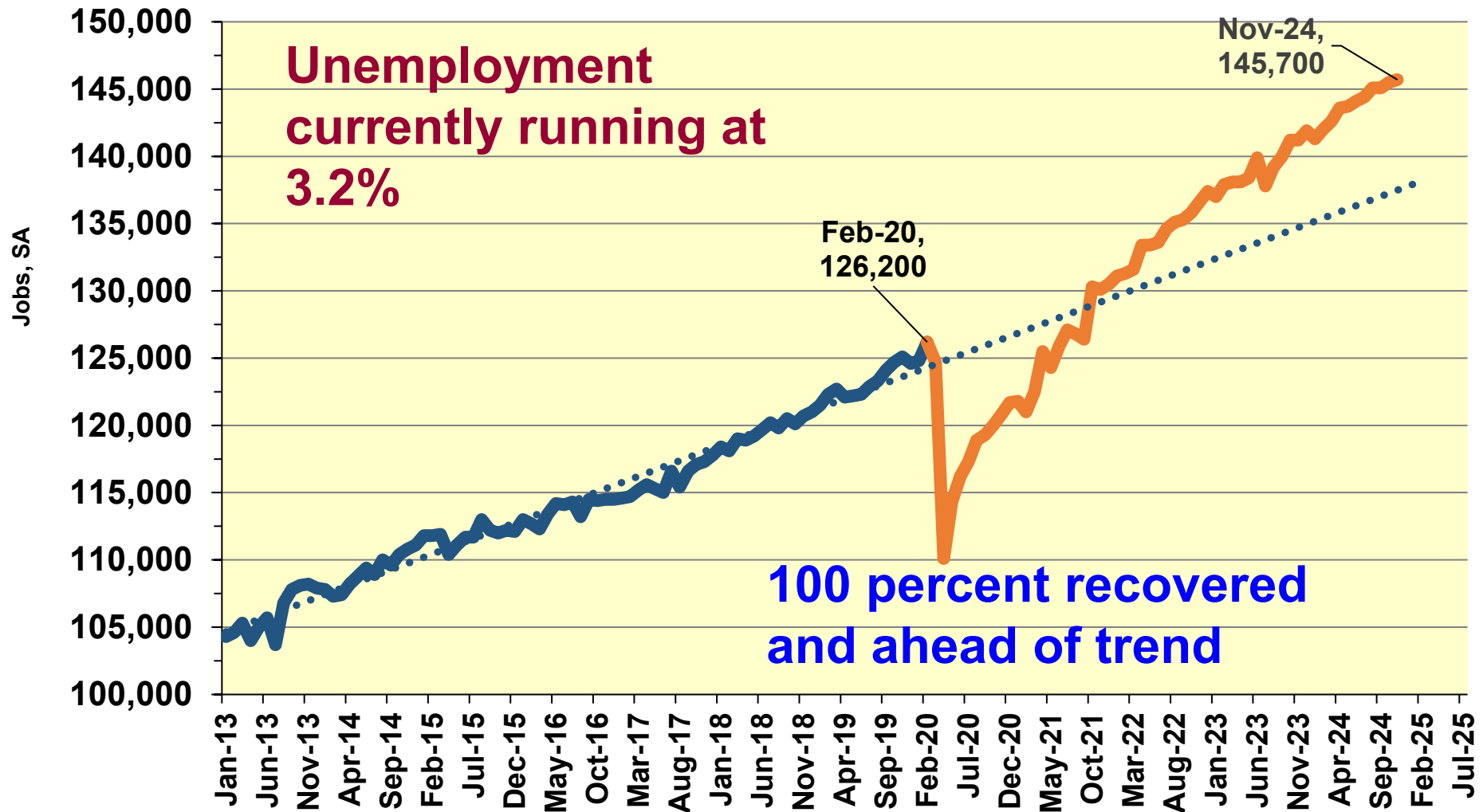
Virtually Double

**Projections: +224,443 or
96% increase 2020 to
2060**

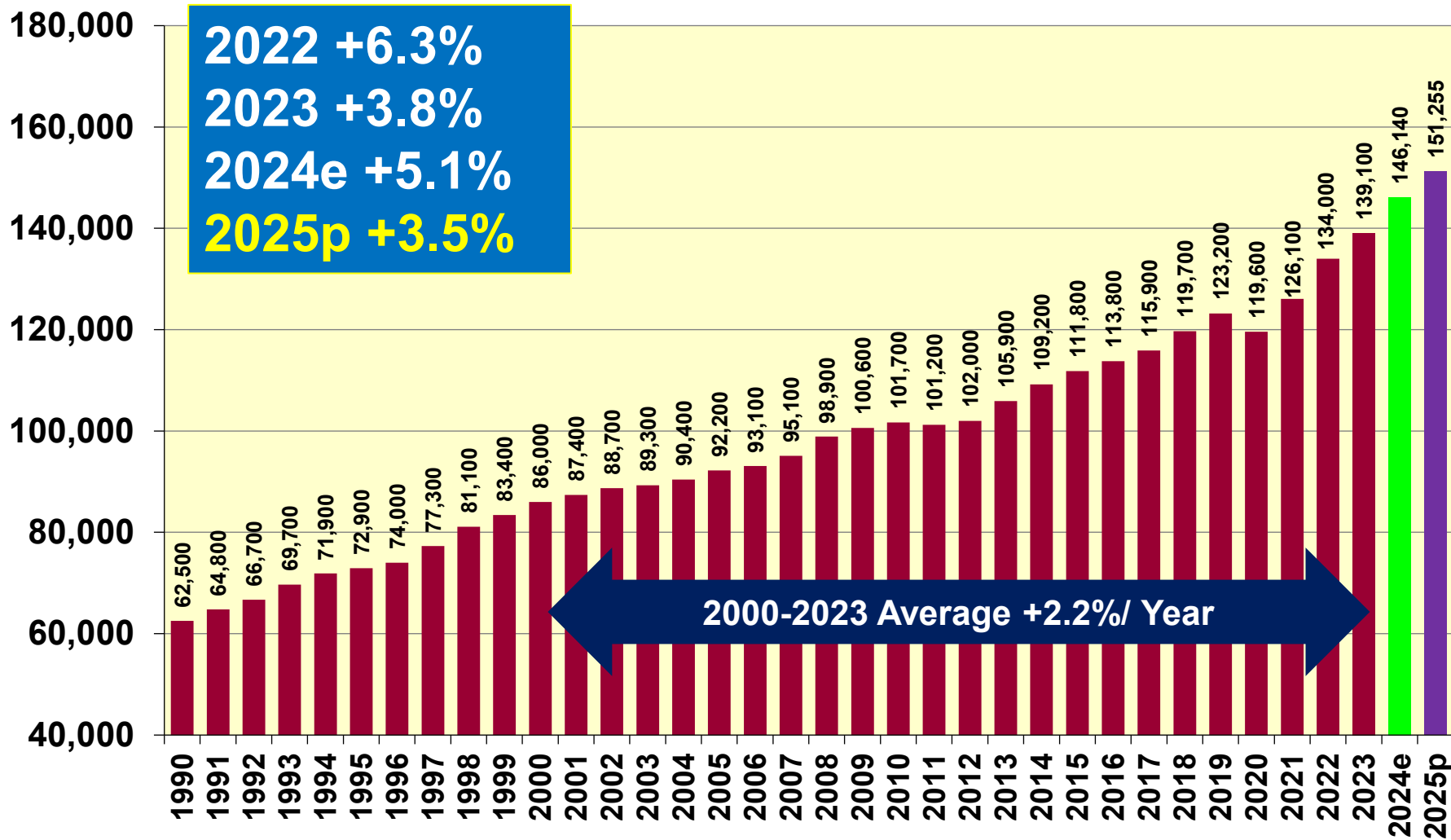
**Estimated CS-B 2024
Population 284,119;
+15,871 since 2020 (5.9%)**

Year	Brazos Co.
2020	233,849
2025	269,028
2030	293,987
2035	310,891
2040	331,664
2045	355,478
2050	388,357
2055	425,766
2060	458,282

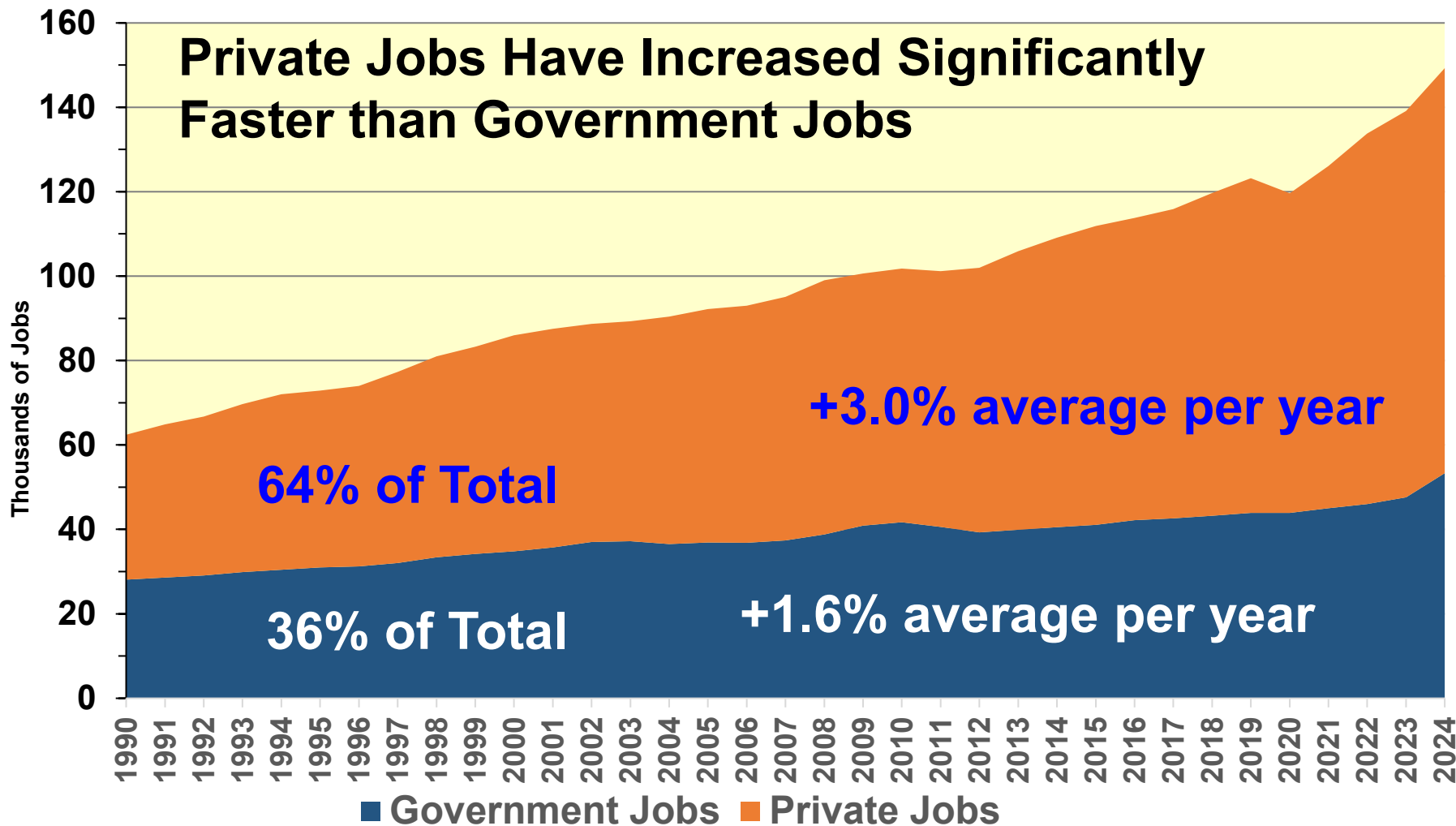
Total CS-B MSA Nonfarm Employment



CS-B Annual Jobs



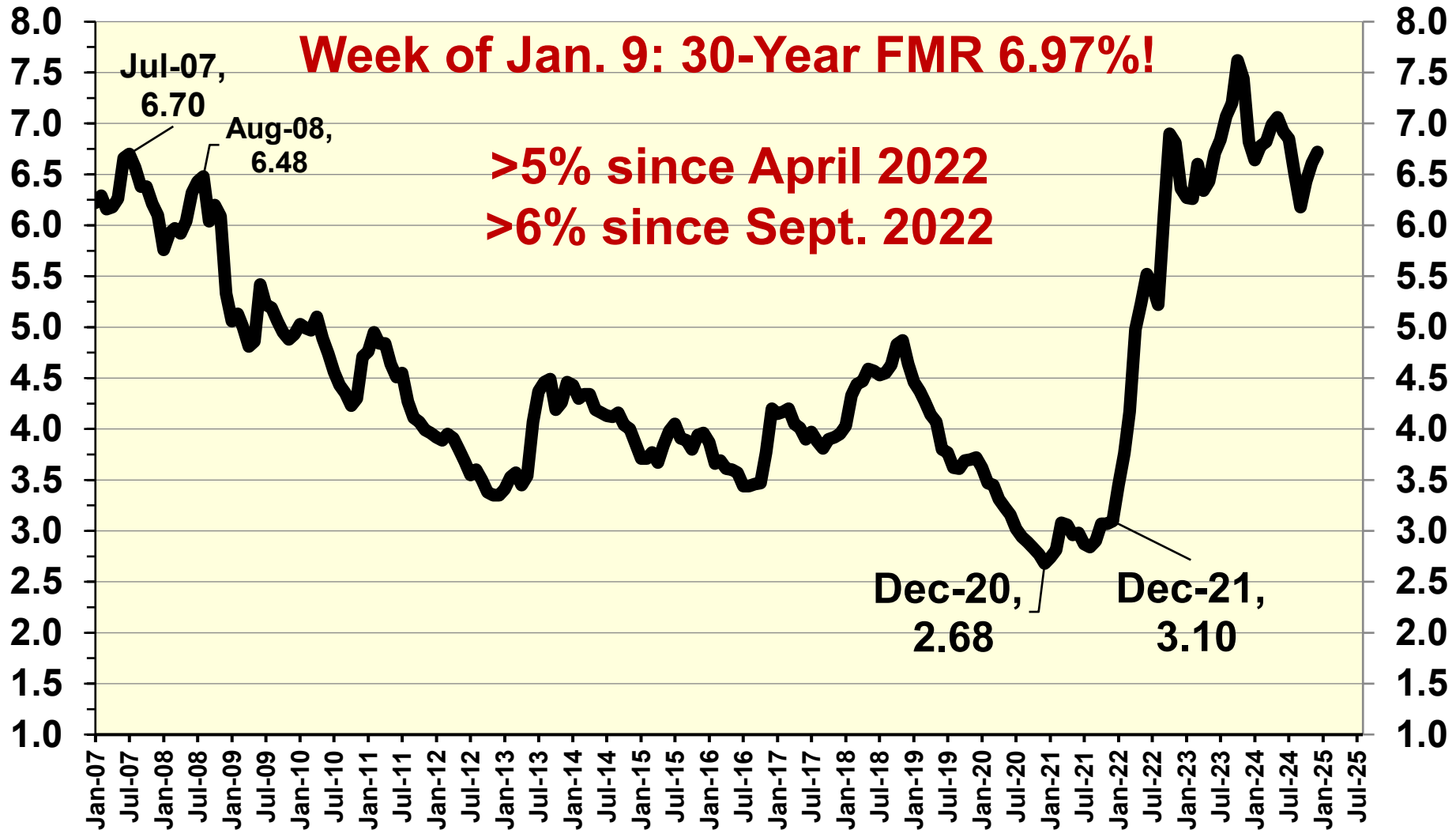
College Station-Bryan Private vs. Government Employment



Housing Market Factors

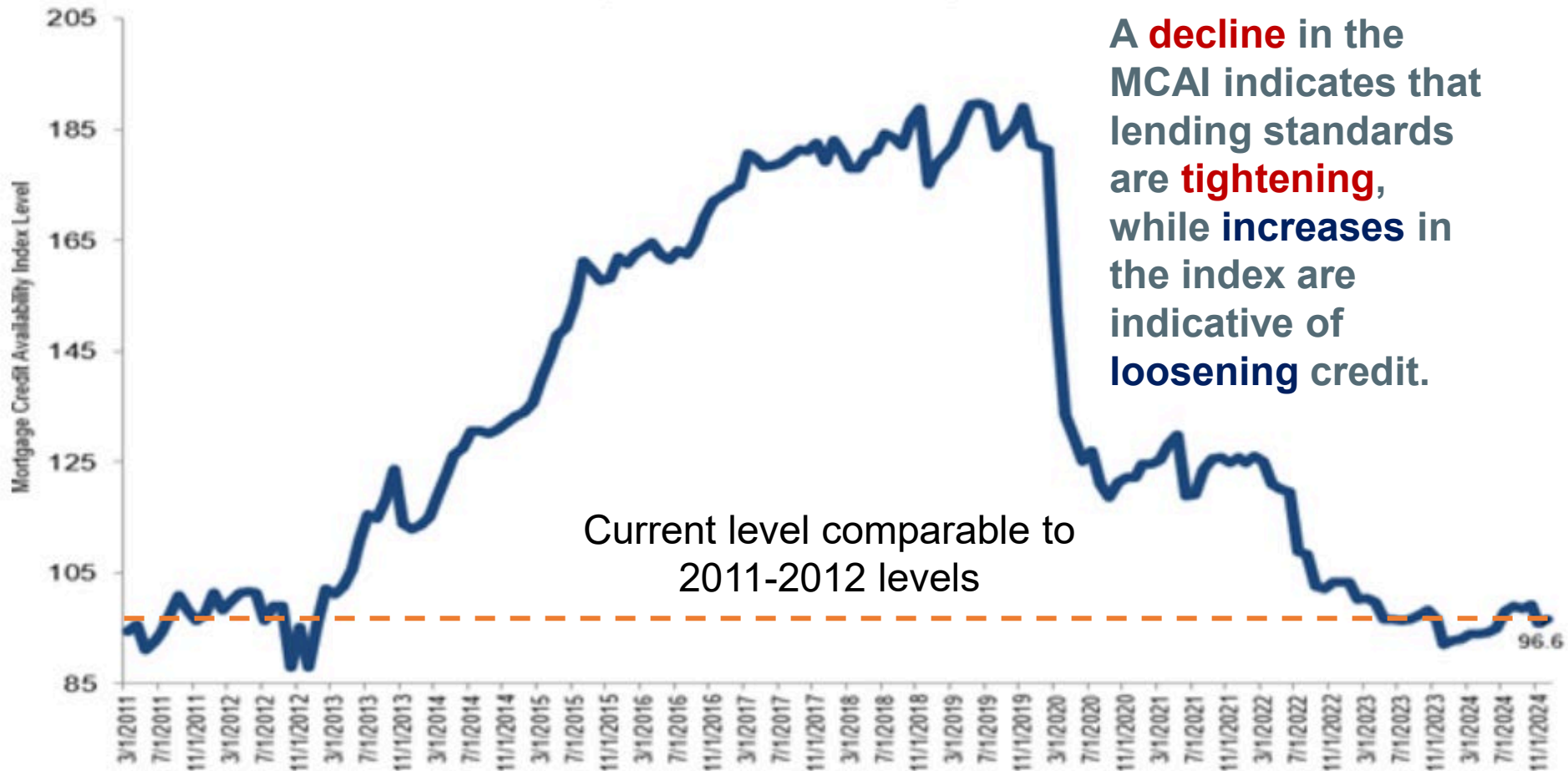
- ❑ **Demographics** ~400,000/year to Texas
- ❑ **Inventory** new and existing limited
- ❑ **Interest rates** critical variable for the year
- ❑ **Mortgage Credit Availability**
- ❑ **Affordability** employment & income; debt; Price/Income; age strata economics
- ❑ **Wealth Effect** Pandemic savings; generational borrowing; household net worth

30-Year FMR Rates



Mortgage Credit Availability Index

Mortgage Credit Availability Index, Index Level by Month
(NSA, 3/2012=100)



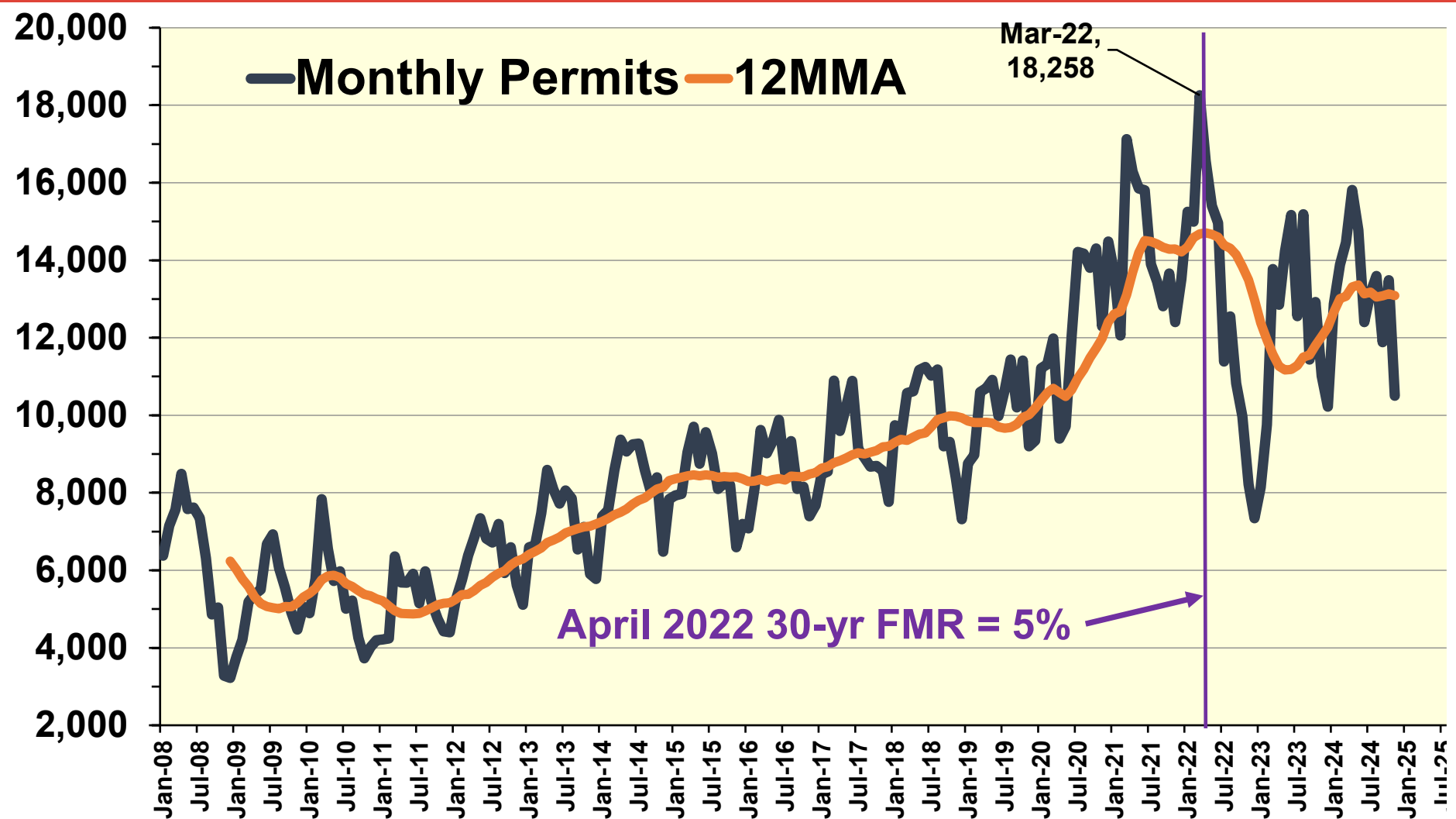
A **decline** in the MCAI indicates that lending standards are **tightening**, while **increases** in the index are indicative of **loosening** credit.

Current level comparable to 2011-2012 levels

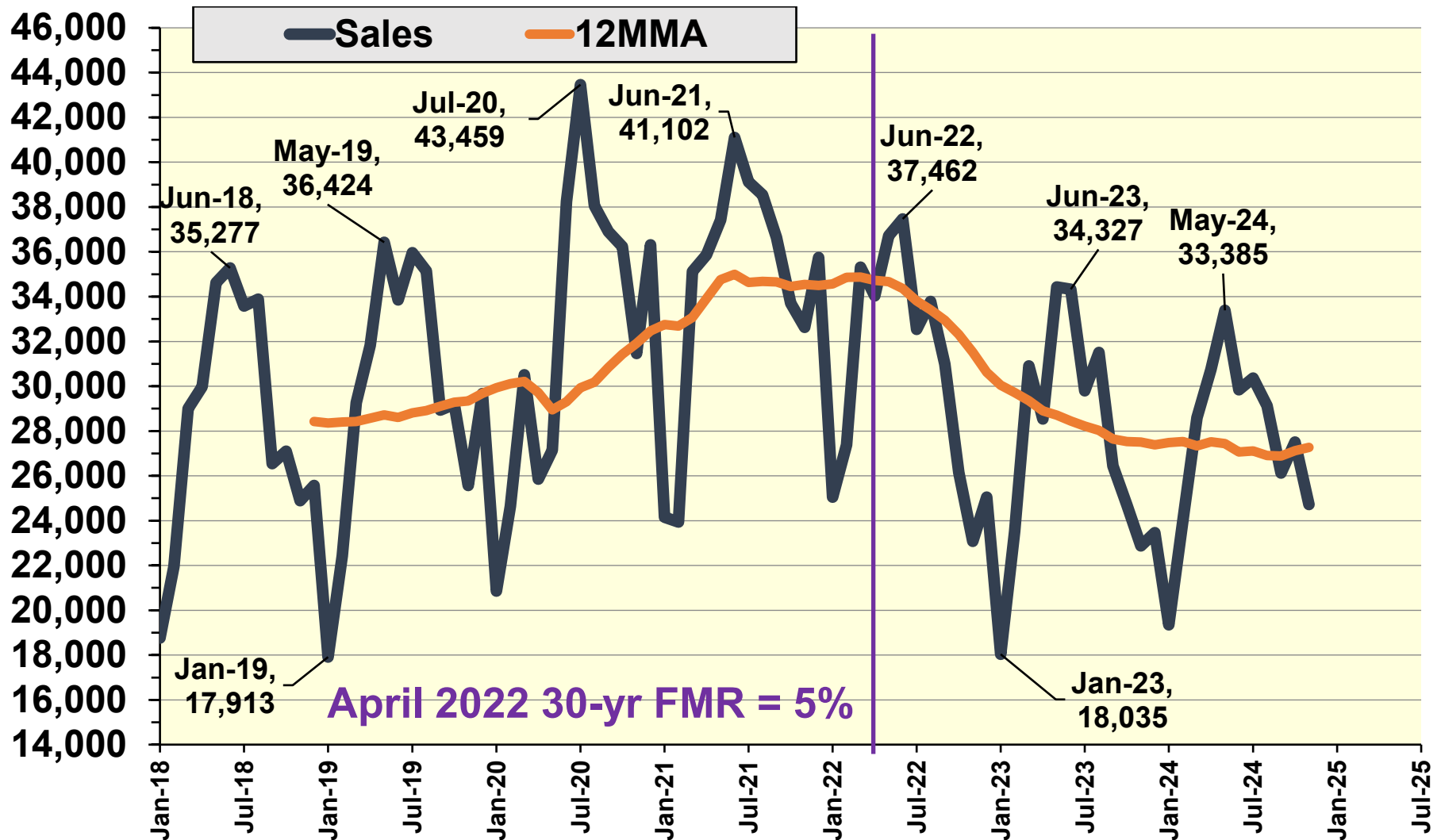
96.6

Texas Monthly SF Building Permits

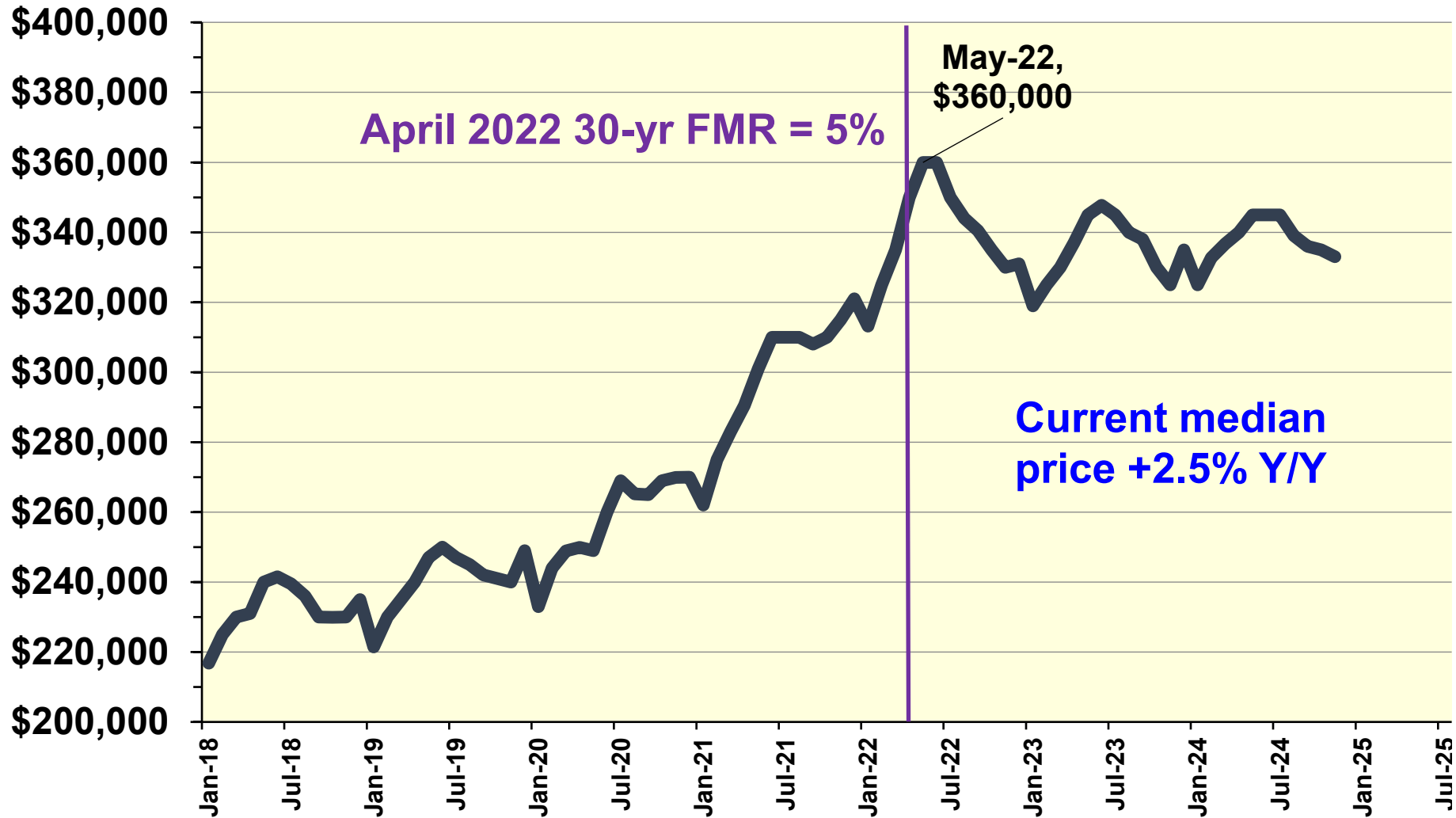
Wasn't Enough; Now Less



Texas Monthly Residential Sales

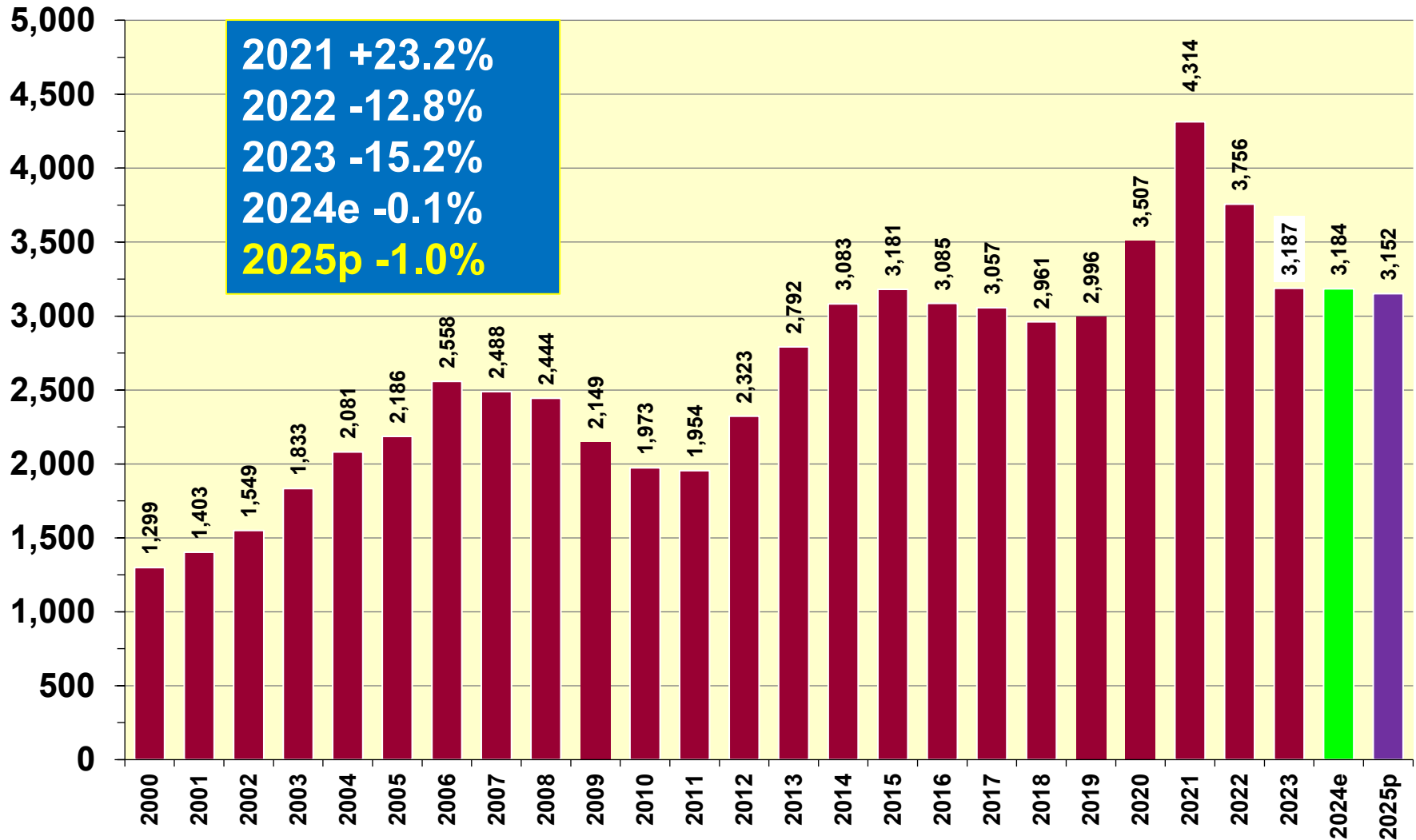


Texas Monthly Median Sales Price

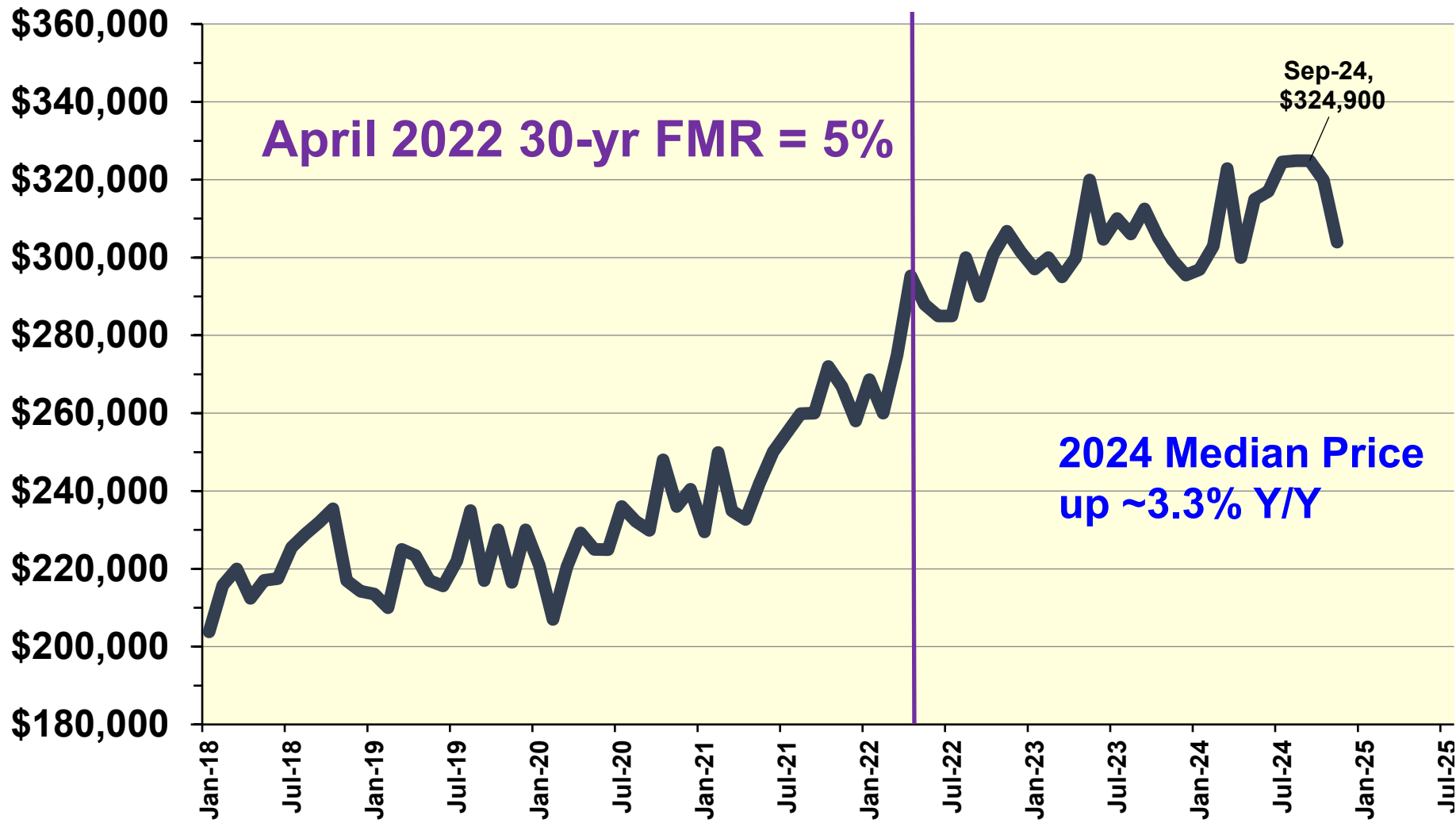


CS-B MSA Annual Home Sales

Back to Pre-Pandemic Levels



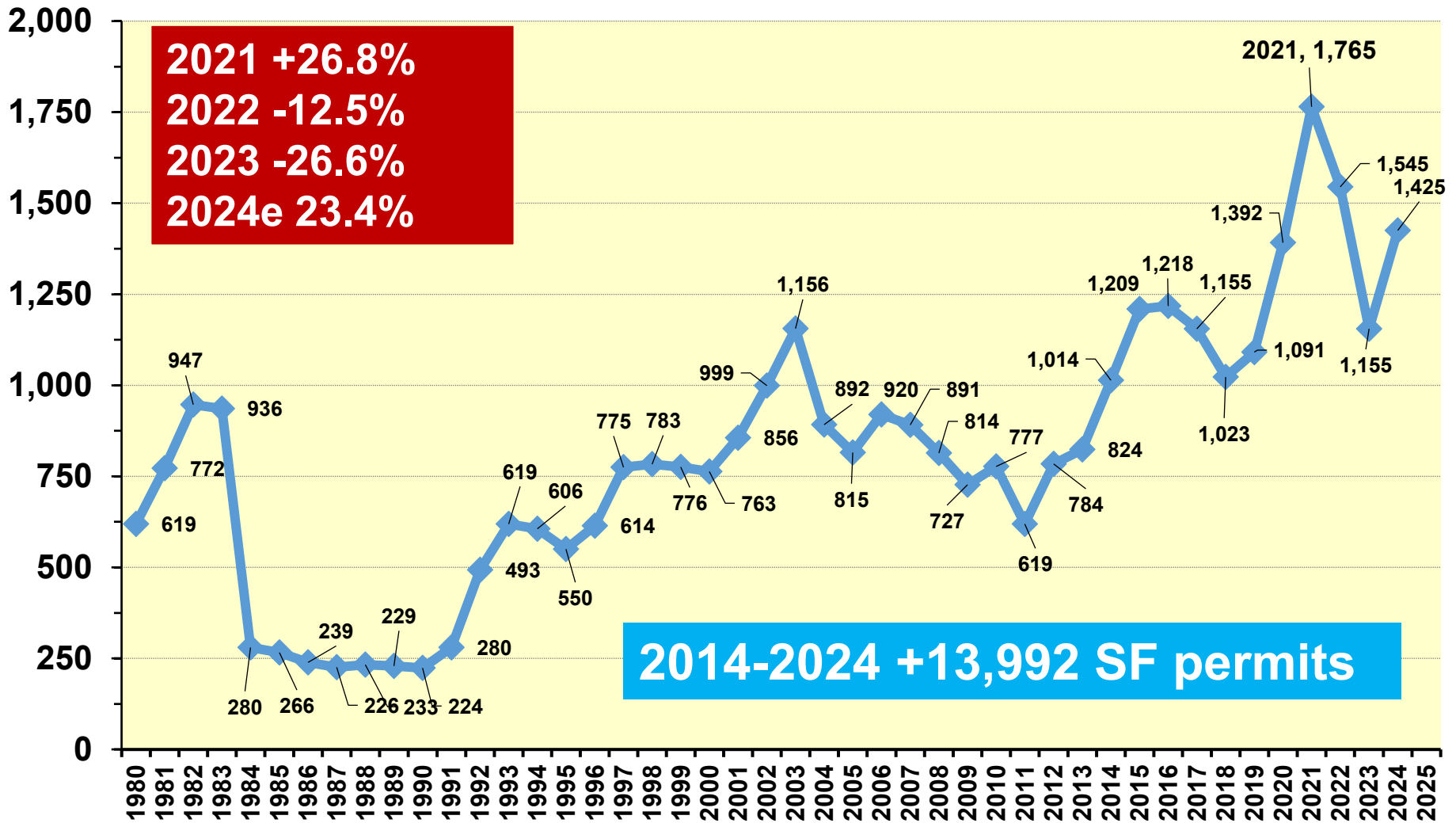
CS-B Monthly Median Sales Price



CS-B Single-Family Building Permits

2024 A Better Year

2021 +26.8%
2022 -12.5%
2023 -26.6%
2024e 23.4%



2014-2024 +13,992 SF permits



Summary



- **U.S. economy 2025 problematic – probably avoid a real recession! Potentially major impacts with new administration**
- **Texas will probably outperform the national economy**
- **People still coming to Texas and CS-B**
- **Employment continues to expand but probably at a somewhat slower rate**
- **CS-B on positive, pre-pandemic level growth path**
 - TAMU
 - Private job growth
 - Population
- **Housing market for Texas and CS-B in 2025 should do well: dependent on interest rates and increases in inventory**



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