

# 2024 Economic Outlook

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Economist



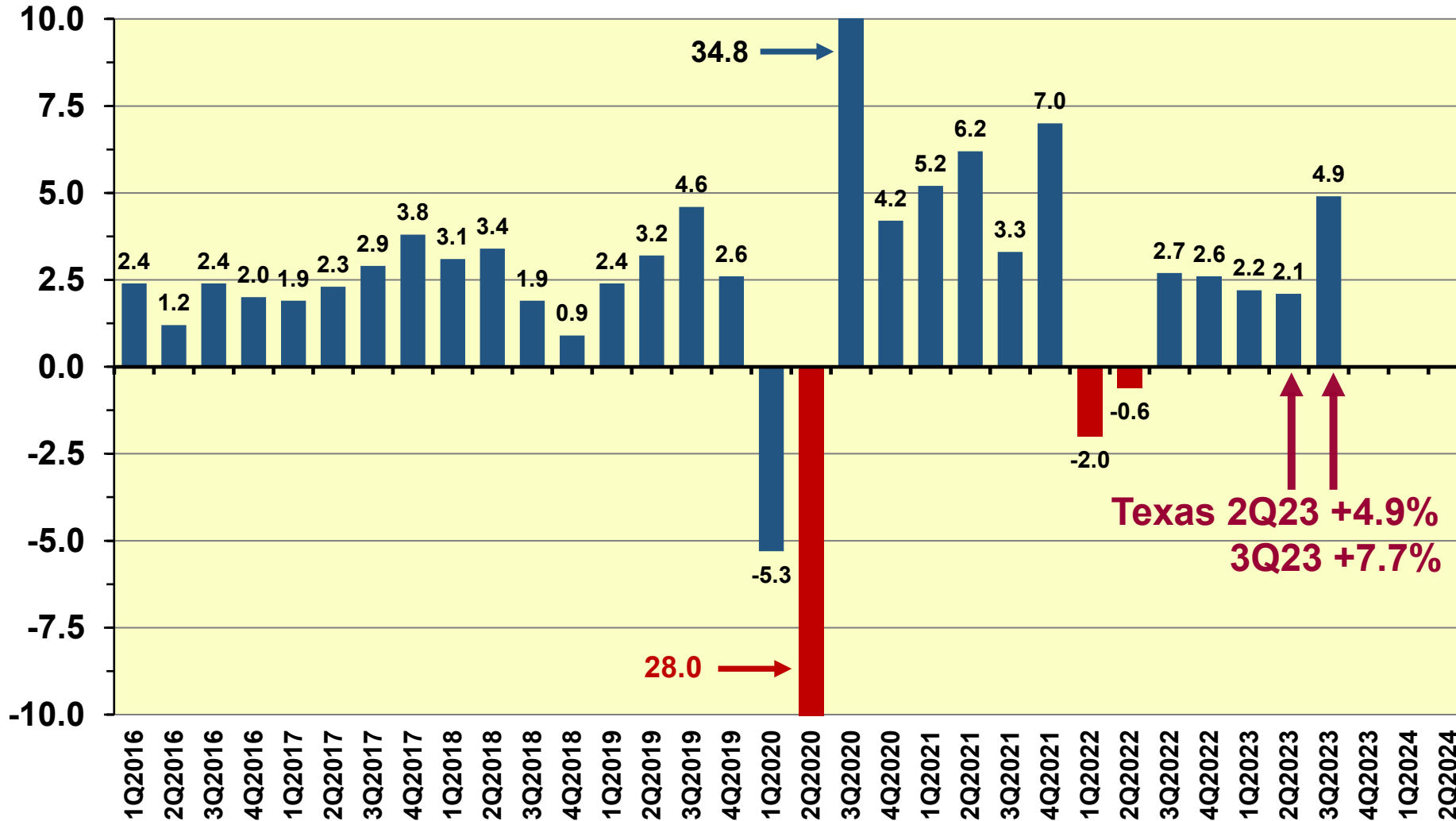
TEXAS A&M UNIVERSITY  
Texas Real Estate  
Research Center



# What's Happening

- Inflation still primary focus of FED
- Employment, Wages & Income & Spending still strong – **Why no recession, so far!!**
- Higher interest rates created limitations: general business, housing, business investment & CRE
- Consumer, Business and Government spending expected to slow down
- Main 2024-25 risks are international economy and geopolitical actions (also presidential election)

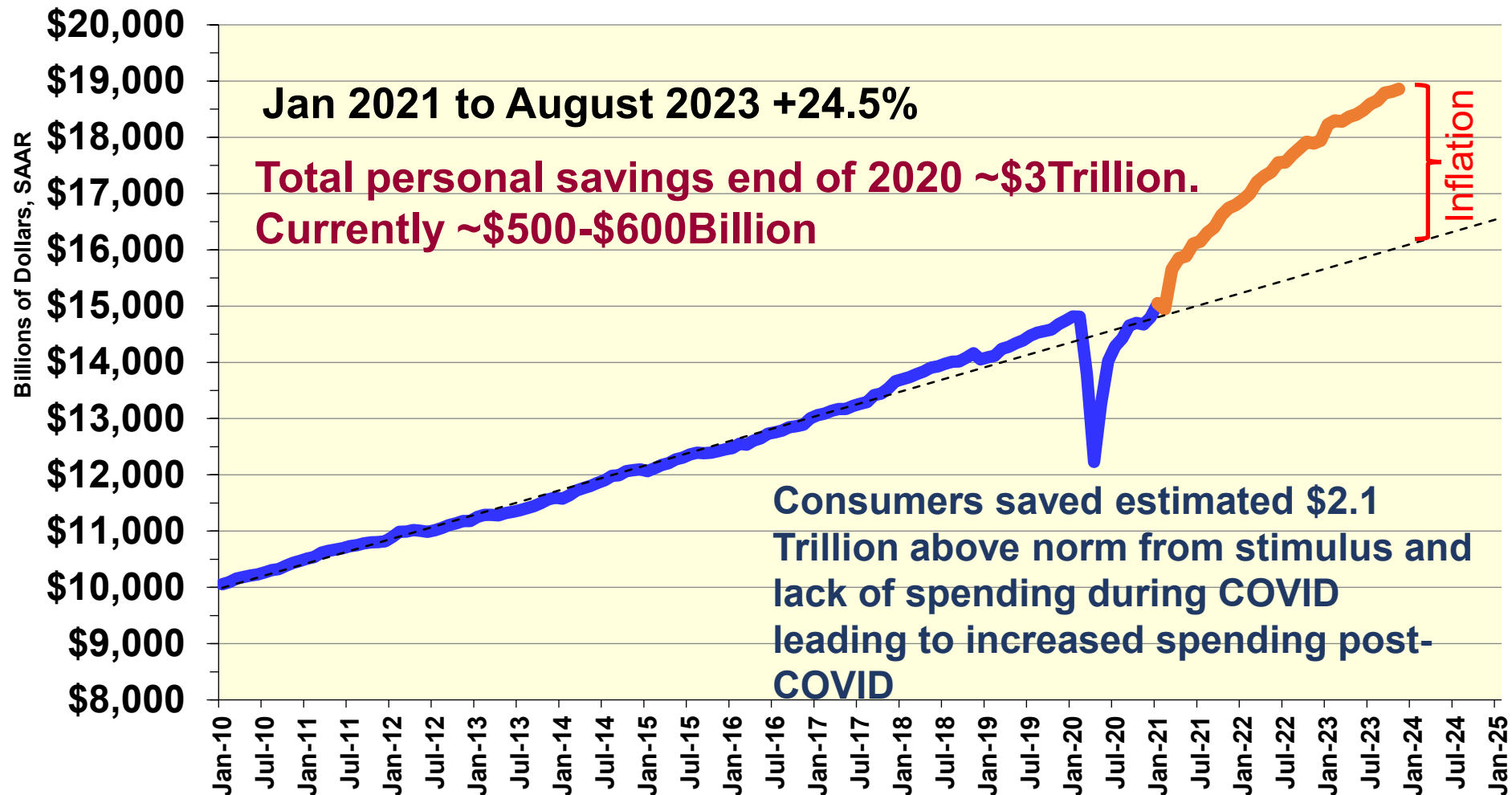
# 2023 Started Out Better Than Expected and Jumped 3Q



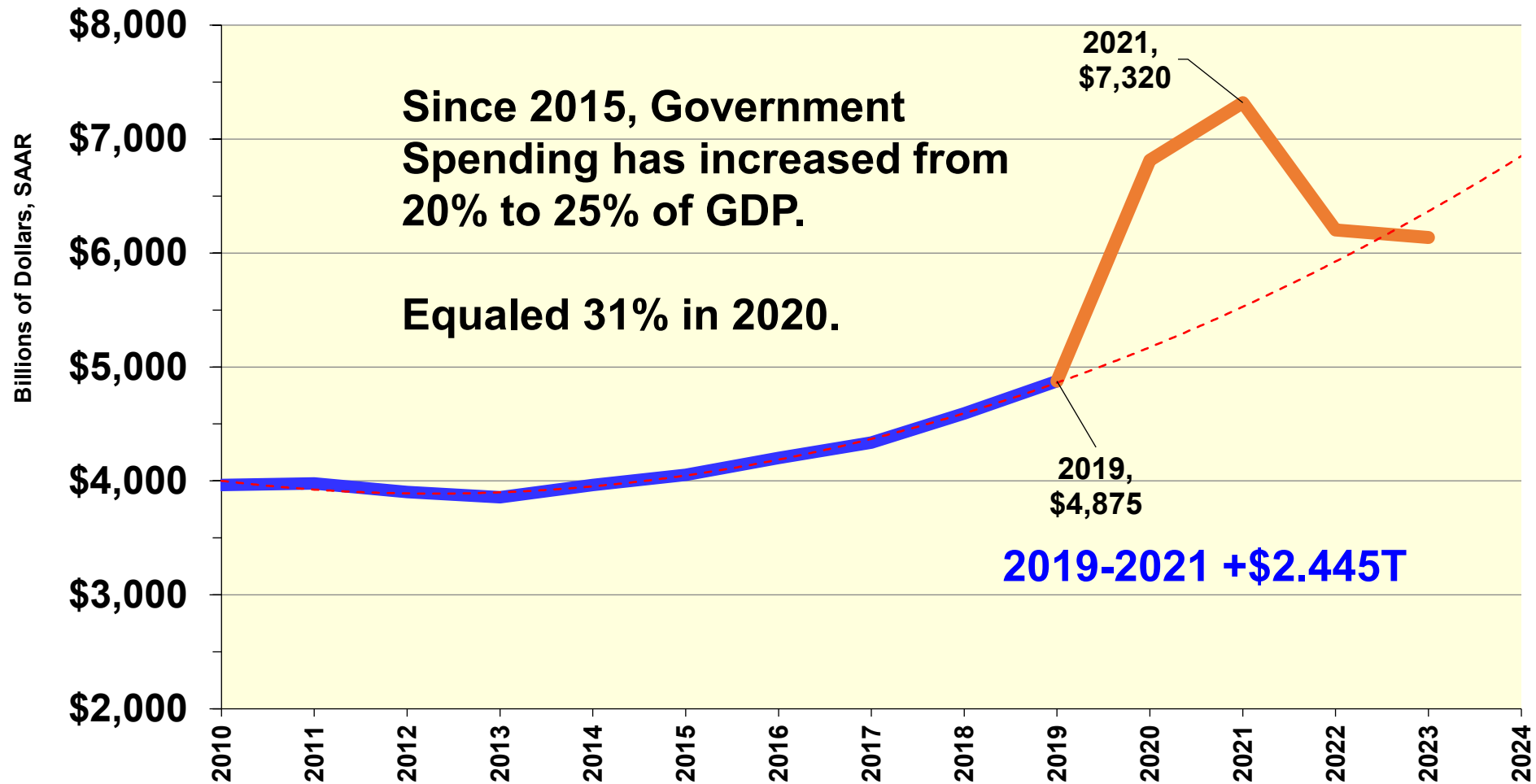


# Personal Consumption Expenditures

## Consumers Spending Savings



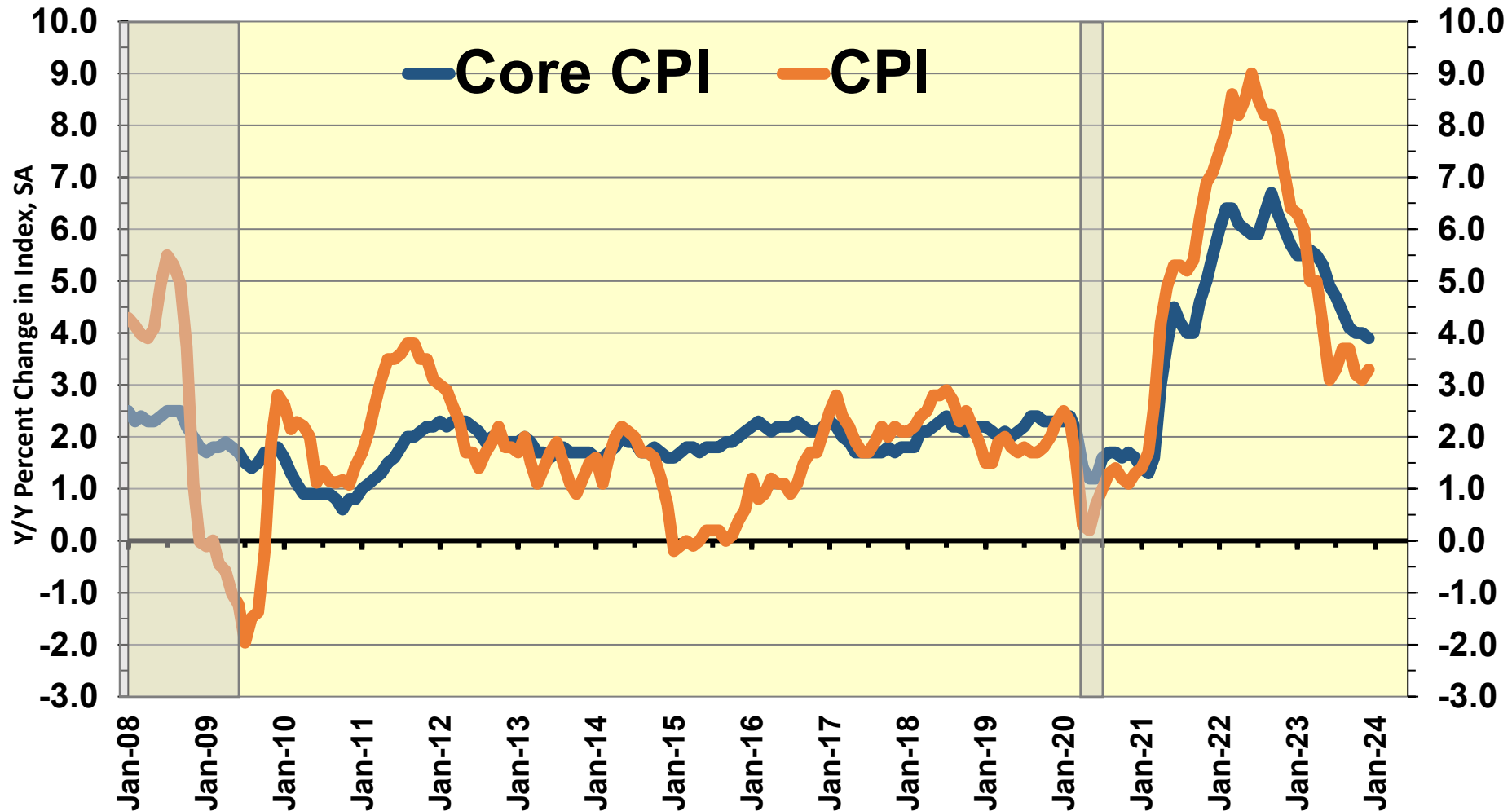
# Total Federal Government Expenditures





# Inflation Started January 2021

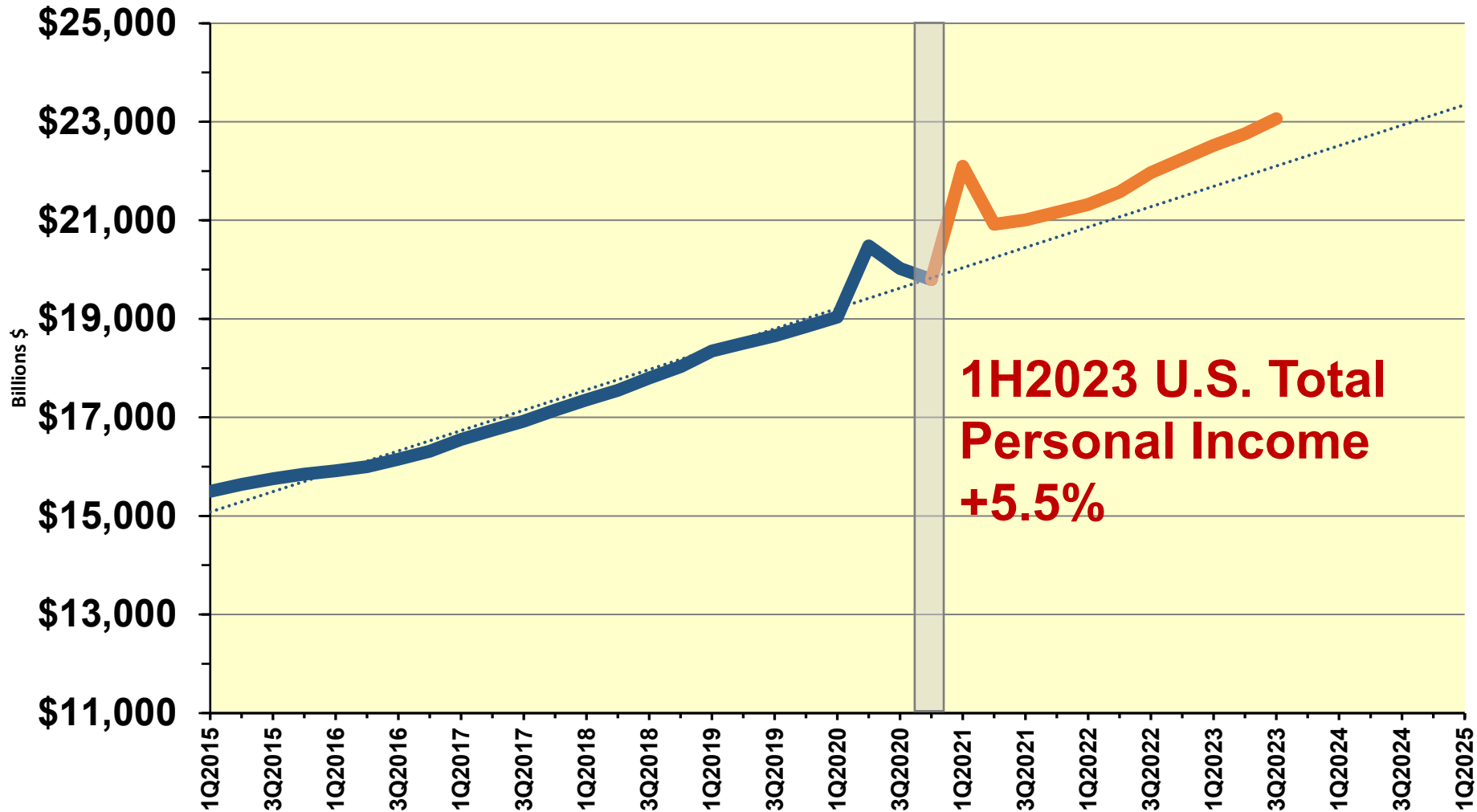
## Some Slowdown in Inflation; Still High





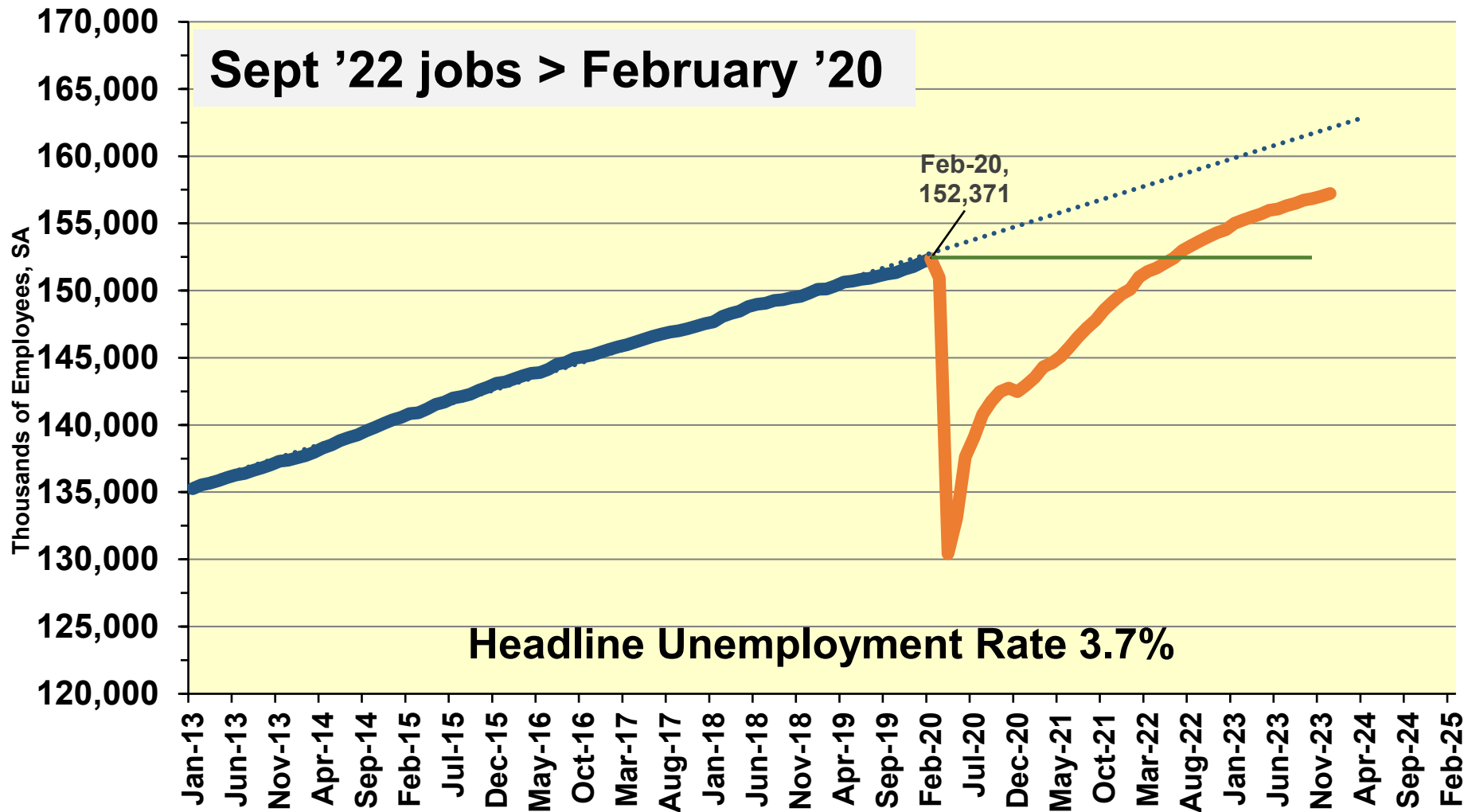
# Total Personal Income

(Billions of Dollars, Quarterly Average, SAAR)



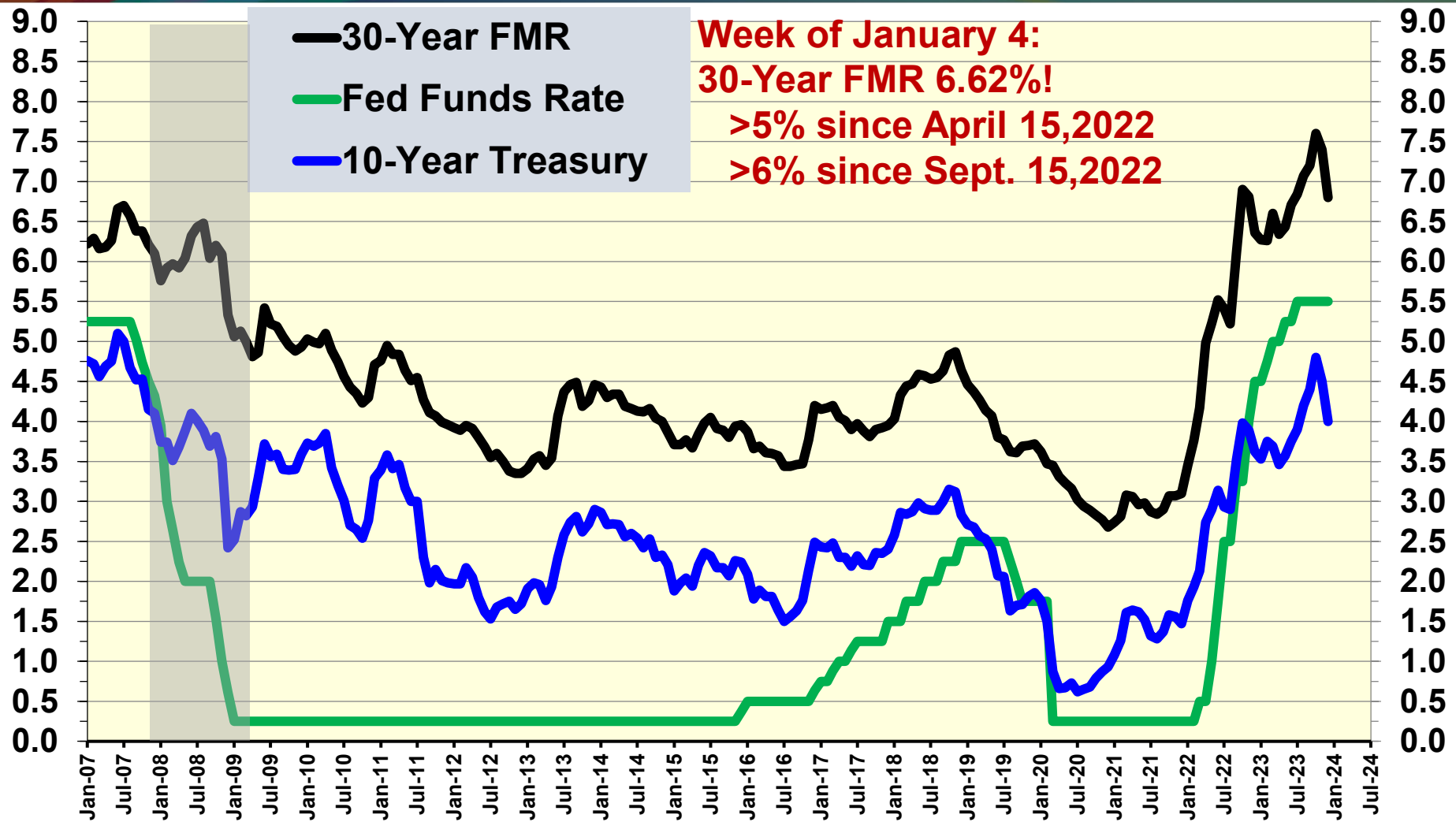
# Total U.S. Nonfarm Employment

## Above Pre-COVID, But Not Back to Trend



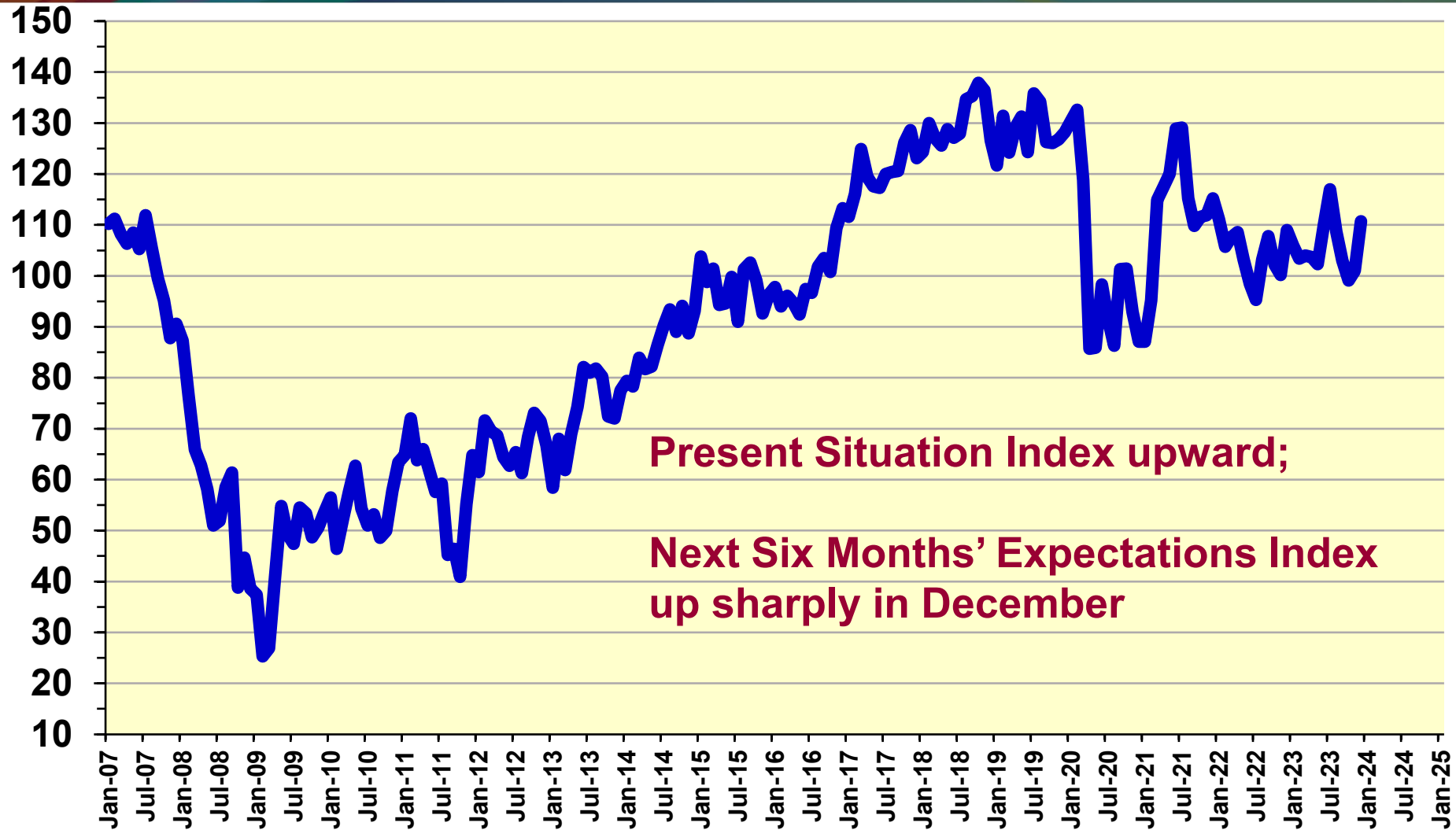


# Monthly Fed Funds, 10-Year Treasury and 30-Year FMR Rates



# Consumer Confidence Index

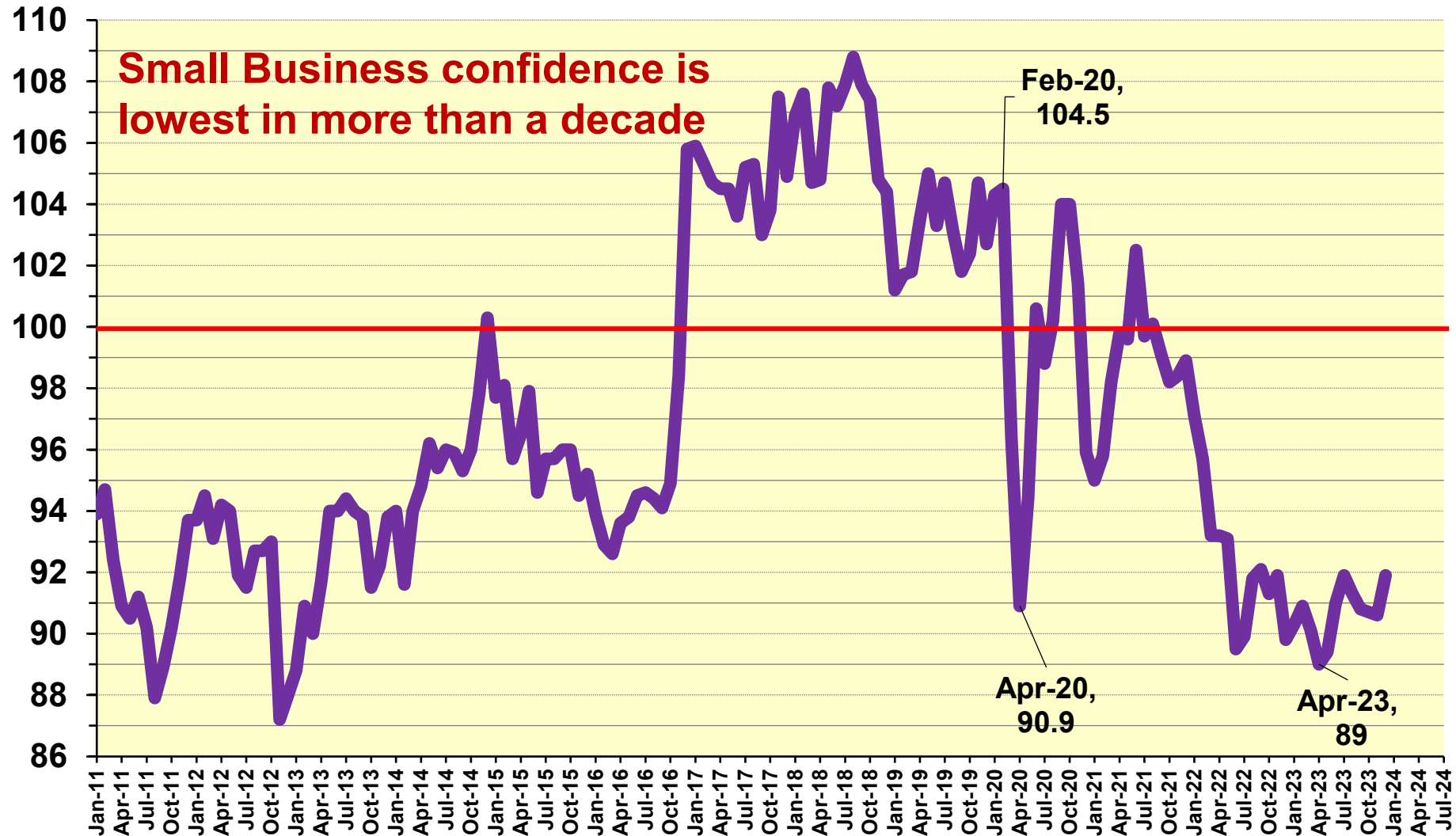
(1985=100)





# NFIB Small Business Optimism Index

(Overall Index SA 1986 = 100)

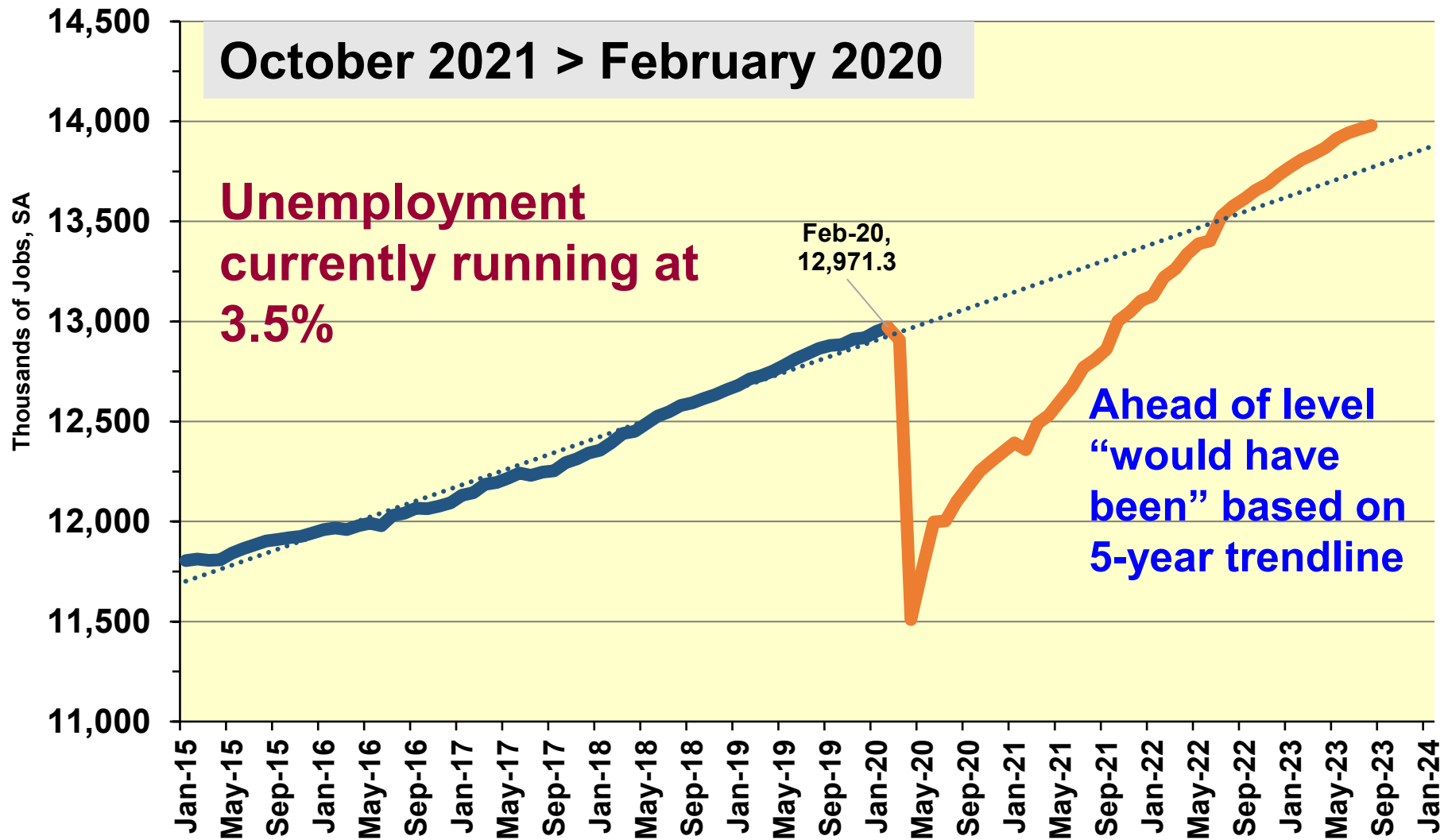




# Texas General Overview

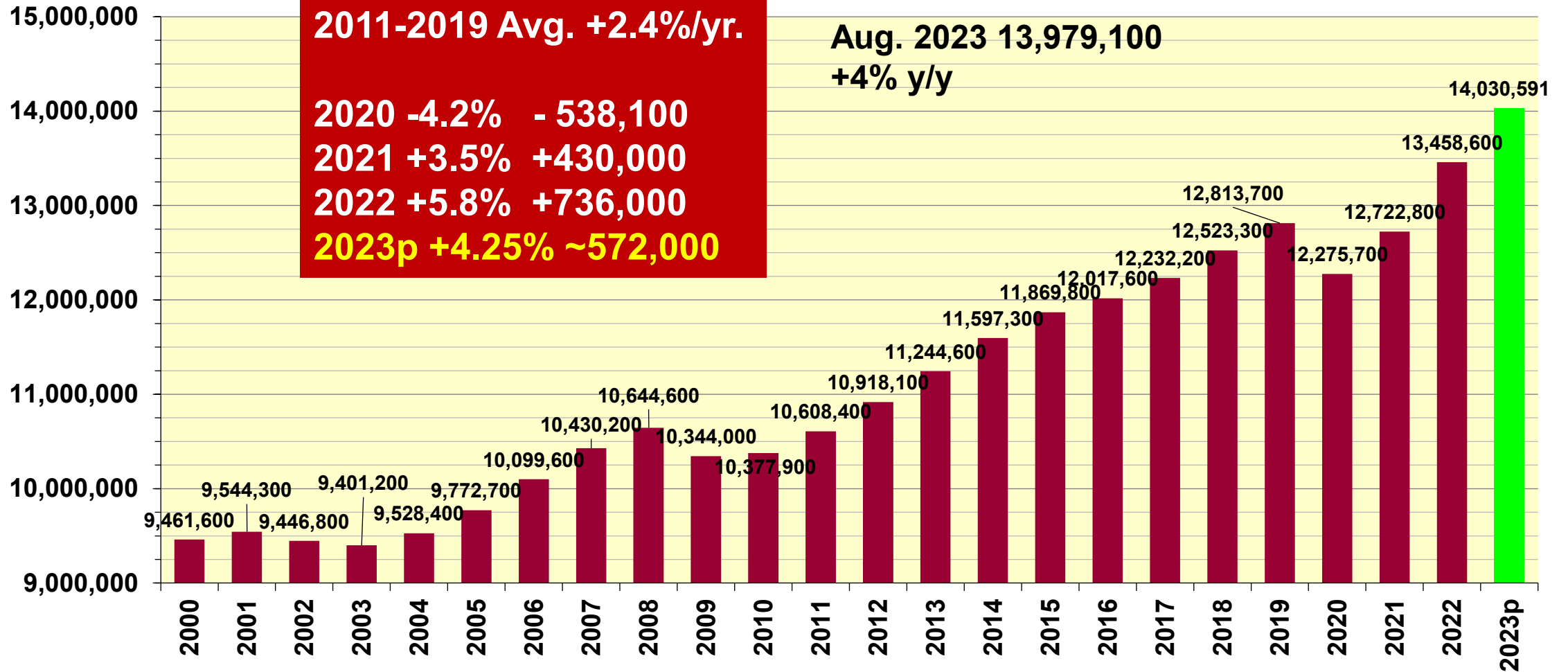
- ❖ **Texas GDP** well ahead of nation
- ❖ **Jobs** fully recovered and more
- ❖ **Income** growth following job growth
- ❖ **Spending**, both consumer and business, holding up
- ❖ **Energy** sector contributing to growth, but lesser effect than in the past
- ❖ **Distribution, healthcare and bio-medical**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

# Texas Total Nonfarm Jobs





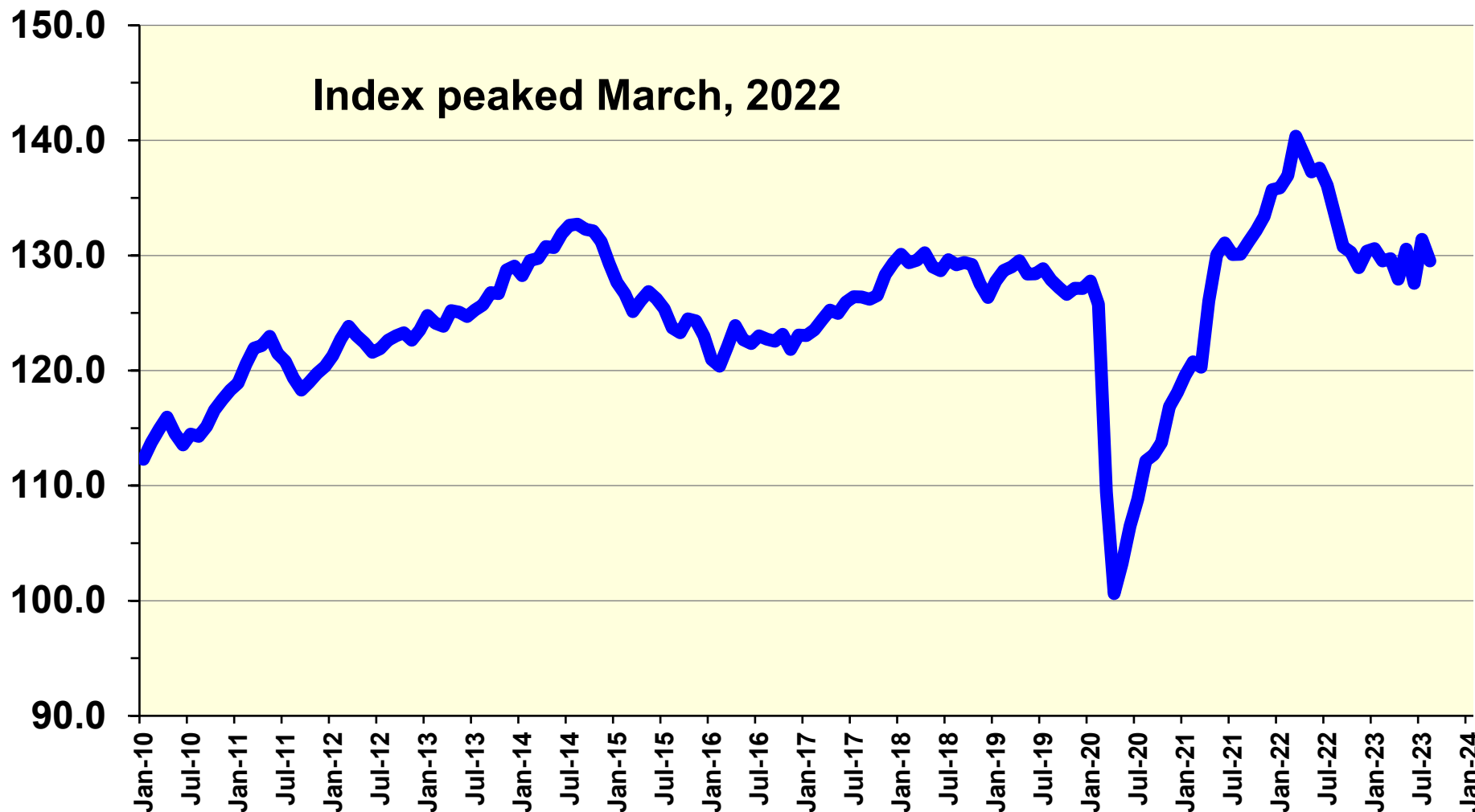
# Texas Annual Jobs





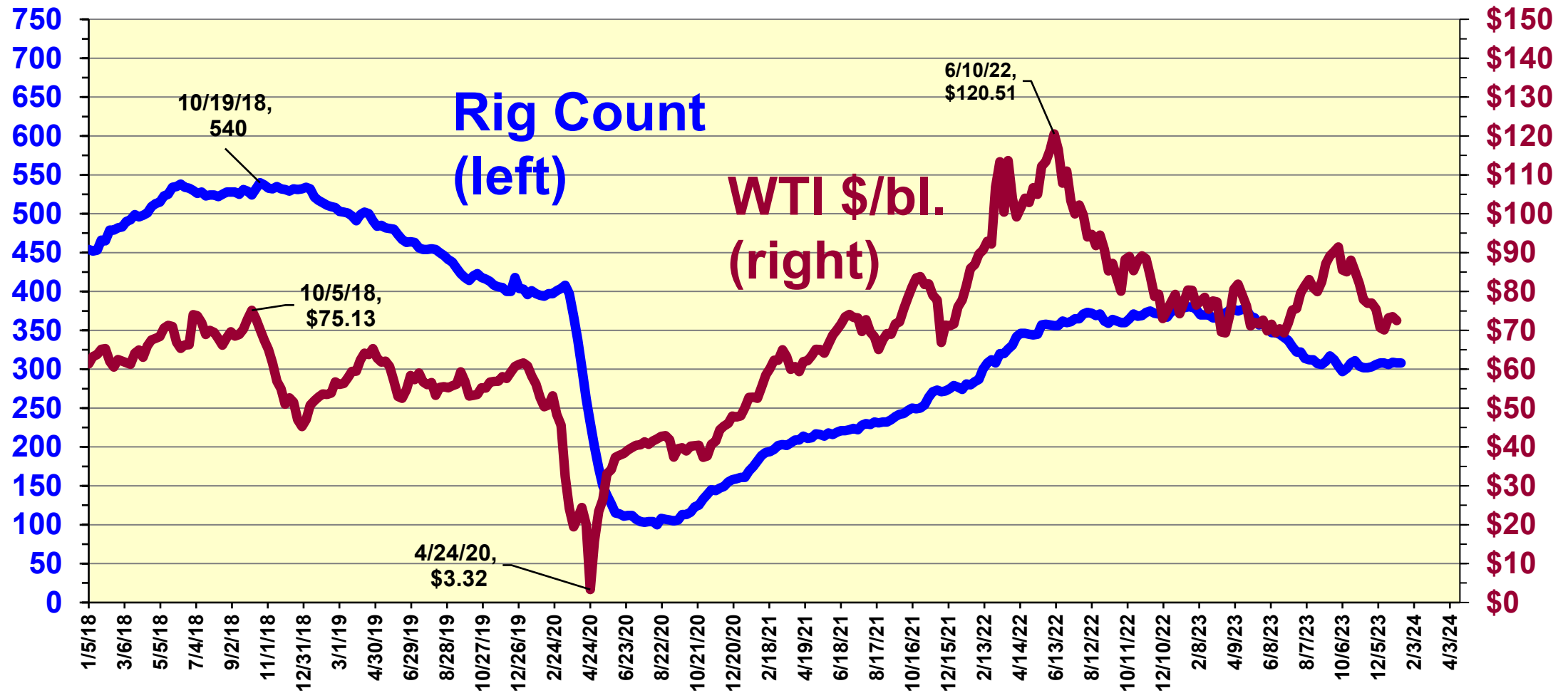
# Texas Leading Economic Index

Index, 1987=100, Seasonally Adjusted





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





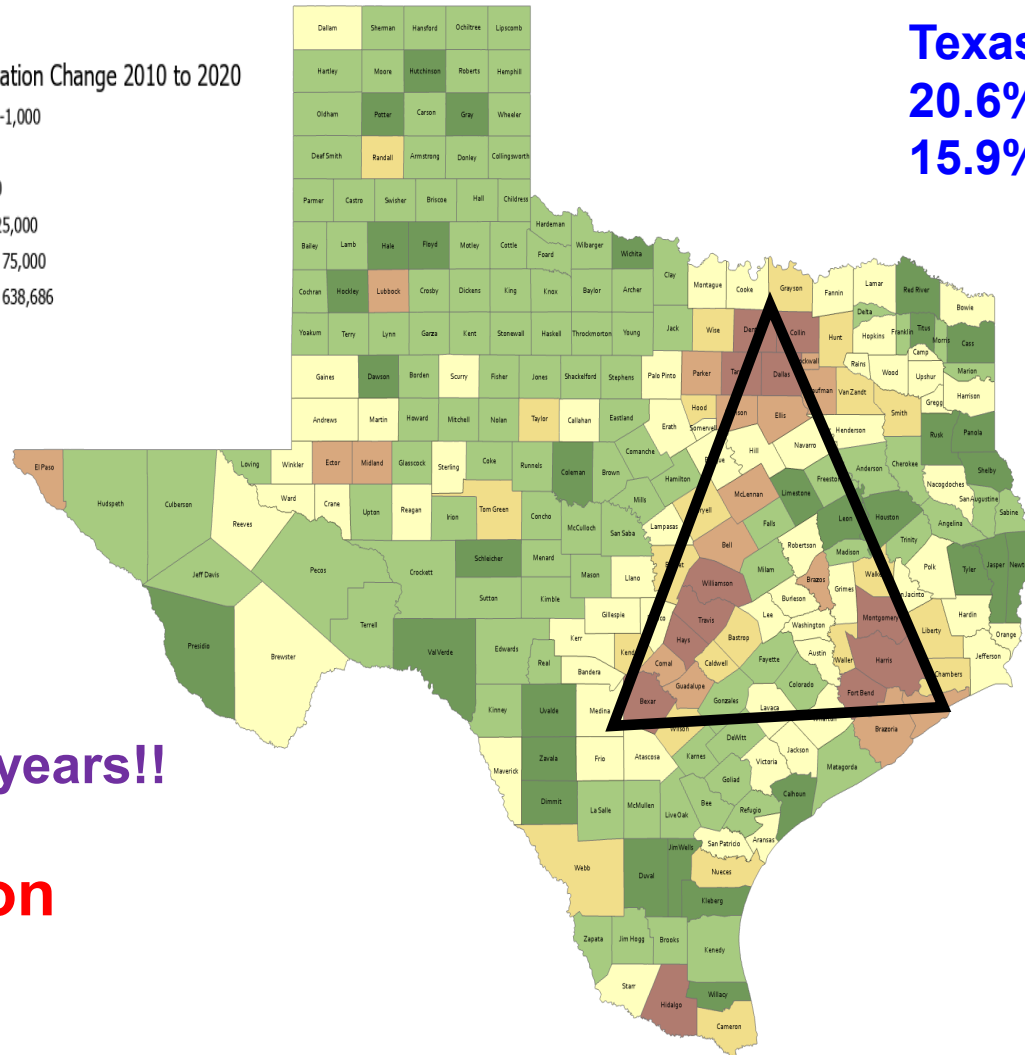
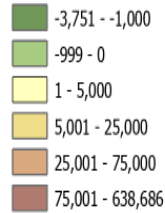
# Texas Demographics

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

# Numeric Population Change for Texas Counties 2010 - 2020

**143 out of 254 counties lost population between 2010 and 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**

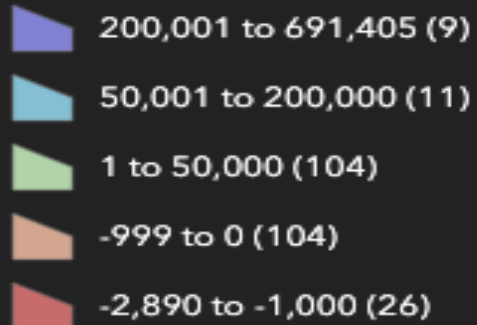
**Nearly 1,300,000 in 3 years!!**

**Texas > 30.5 million residents in 2023**

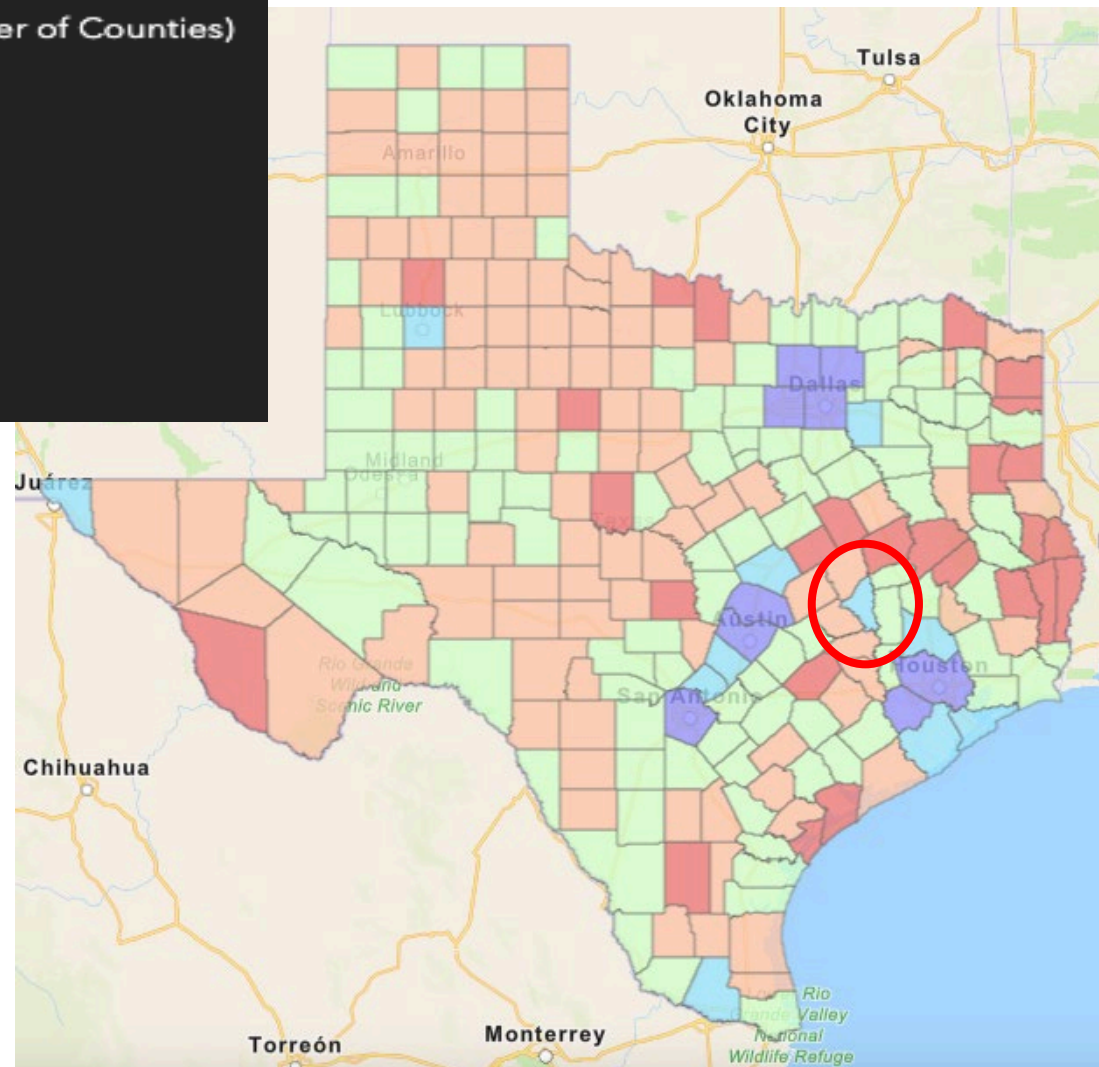


# Projected Population Change 2020-2040

Pop Change 2020-2040 (Number of Counties)



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

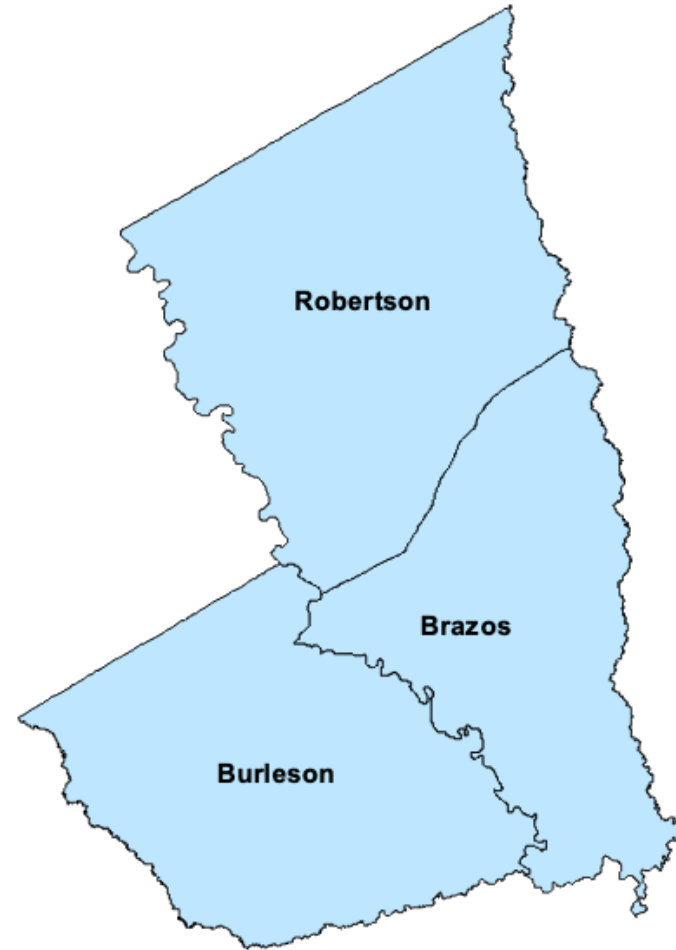
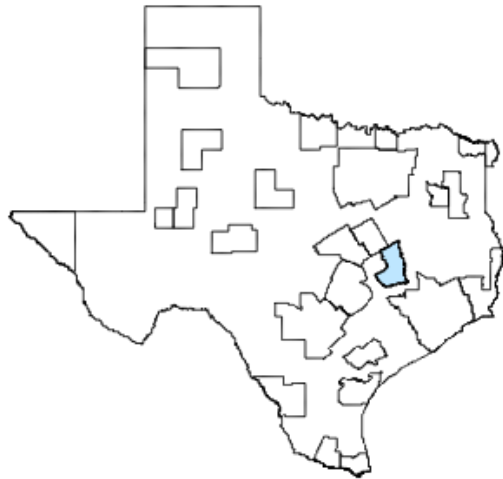


Sources: US Census Bureau; Texas Demographic Center;  
Texas Real Estate Research Center at Texas A&M University



# College Station-Bryan MSA

## Brazos, Burleson & Robertson Counties





# College Station-Bryan Population: 2020-2060: Almost Double

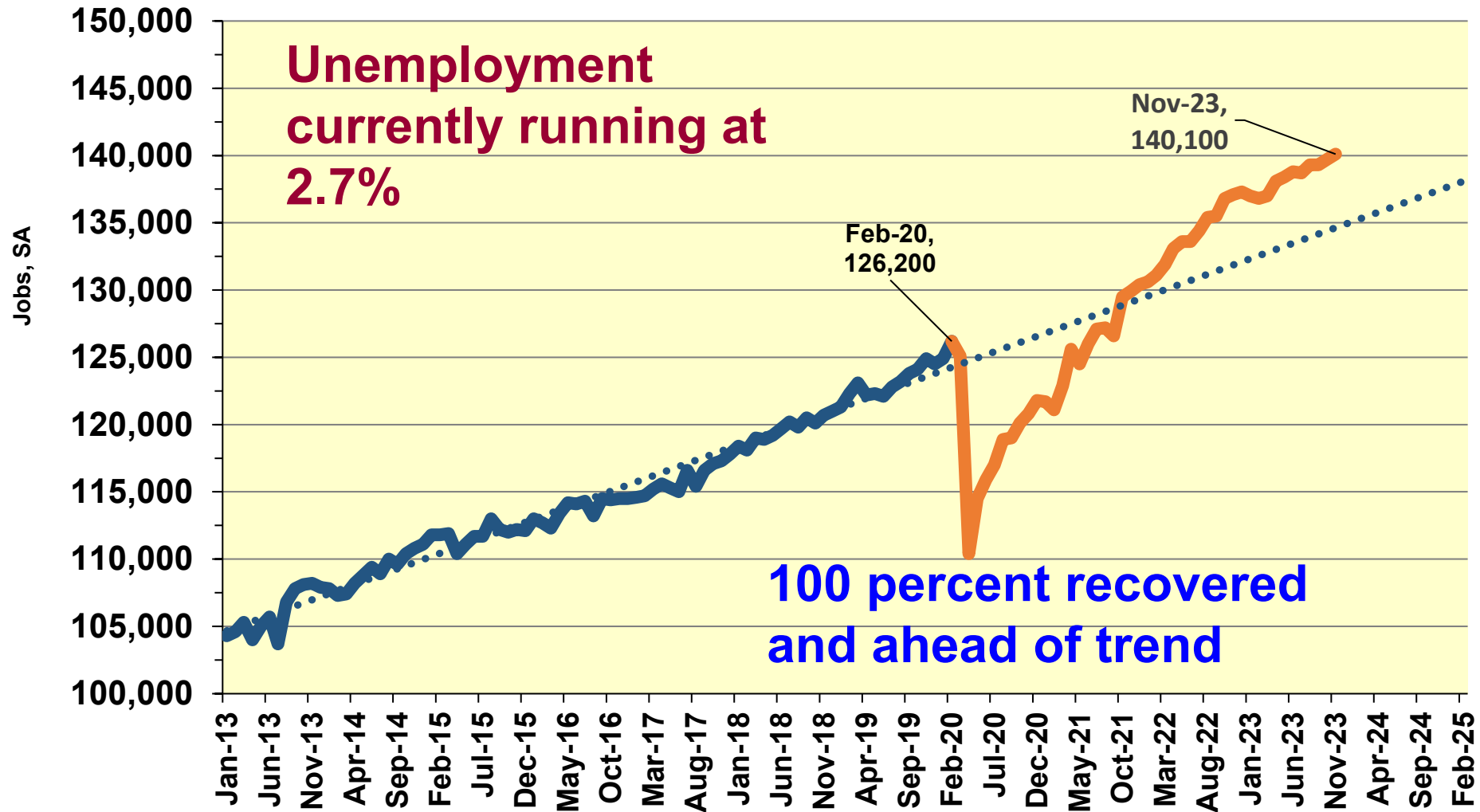
**Projections:  
+222,443 or 83%  
increase 2020 to  
2060**

**Estimated CS-B  
2023 Population  
279,718; +11,470  
since 2020 (4.3%)**

Year	Brazos Co.	MSA Population
2020	233,849	268,248
2025	256,572	303,685
2030	273,380	328,705
2035	285,748	345,468
2040	297,719	365,938
2045	309,855	389,335
2050	325,274	421,771
2055	342,095	458,681
2060	356,762	490,691

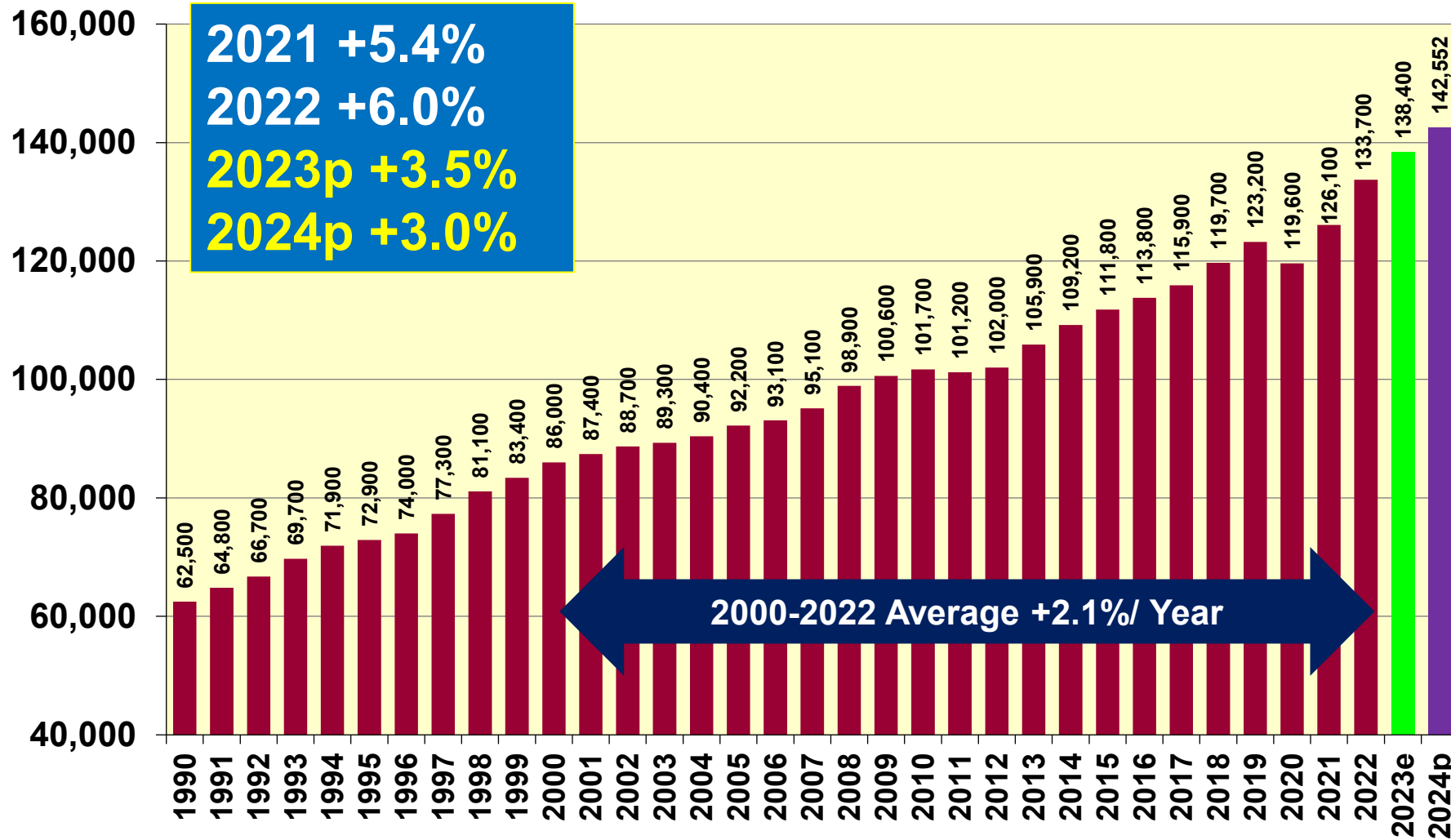
Sources: Texas State Demographer's Office, 2022 Population Projections;  
Texas Real Estate Research Center at Texas A&M University

# Total CS-B MSA Nonfarm Employment



Sources: TWC 2022 Benchmark;  
Texas Real Estate Research Center at Texas A&M University

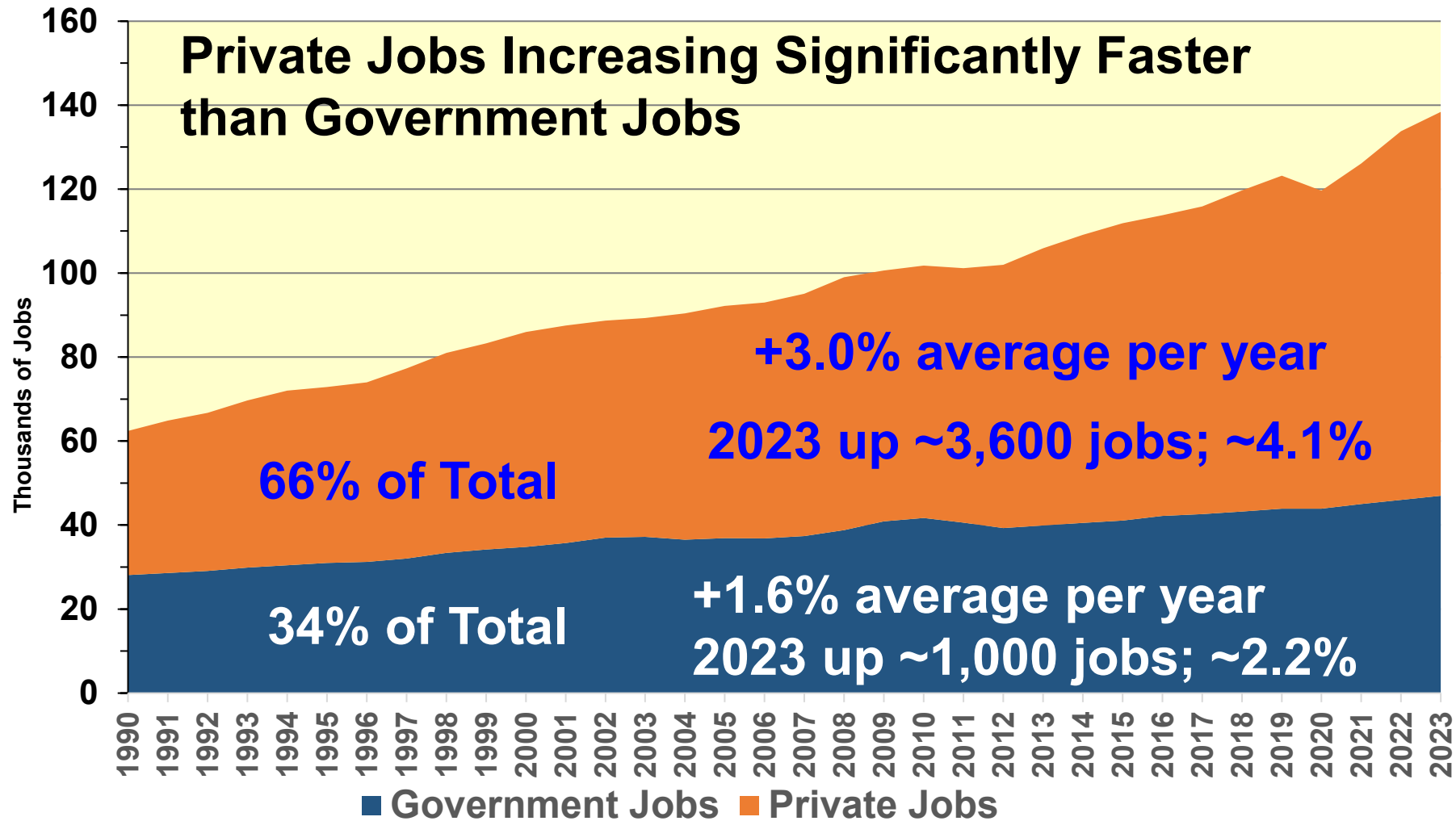
# CS-B Annual Jobs





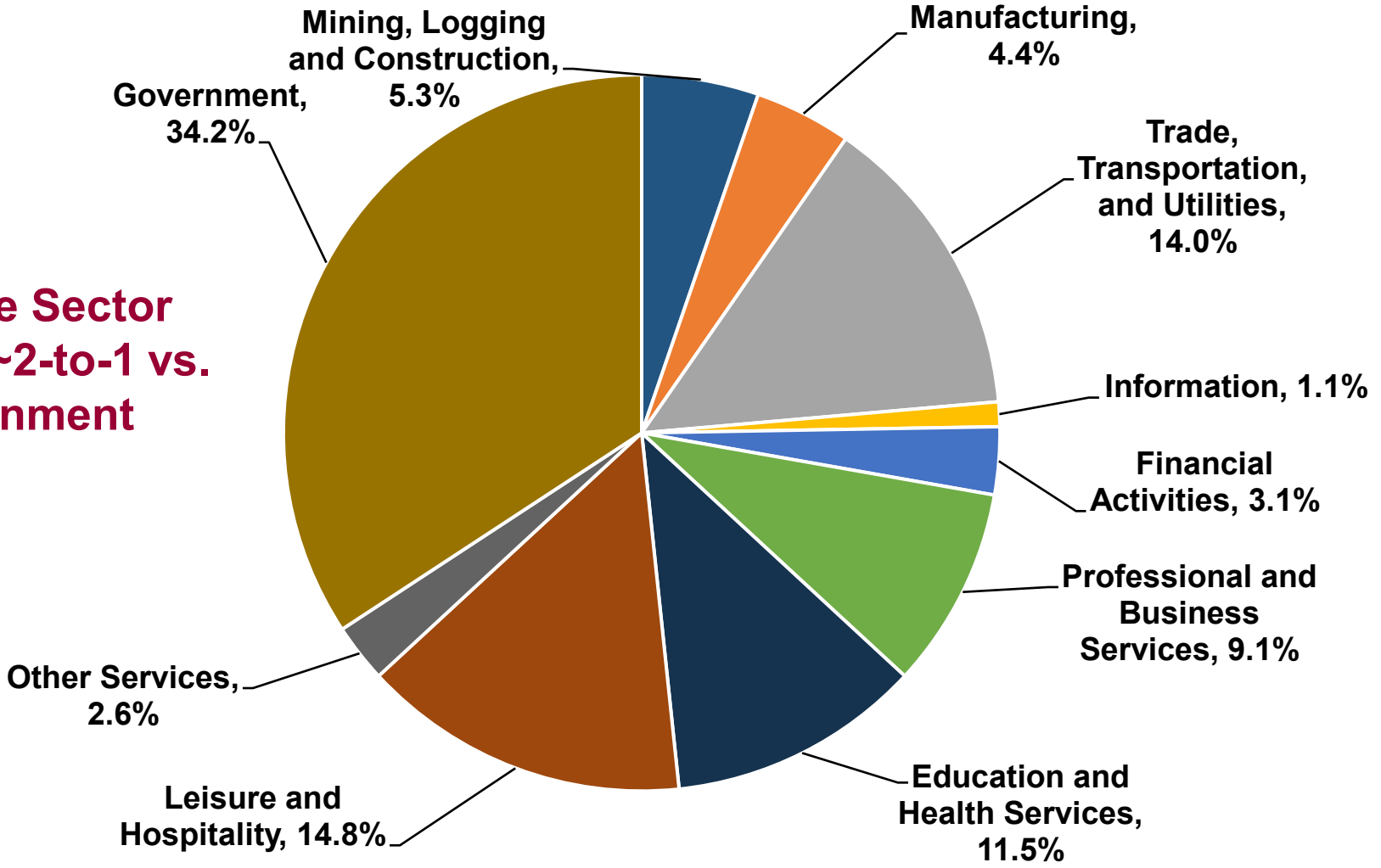


# College Station-Bryan Private vs. Government Employment



# Current CS-B Employment by Industry – November 2023

**Private Sector Jobs ~2-to-1 vs. Government Jobs**



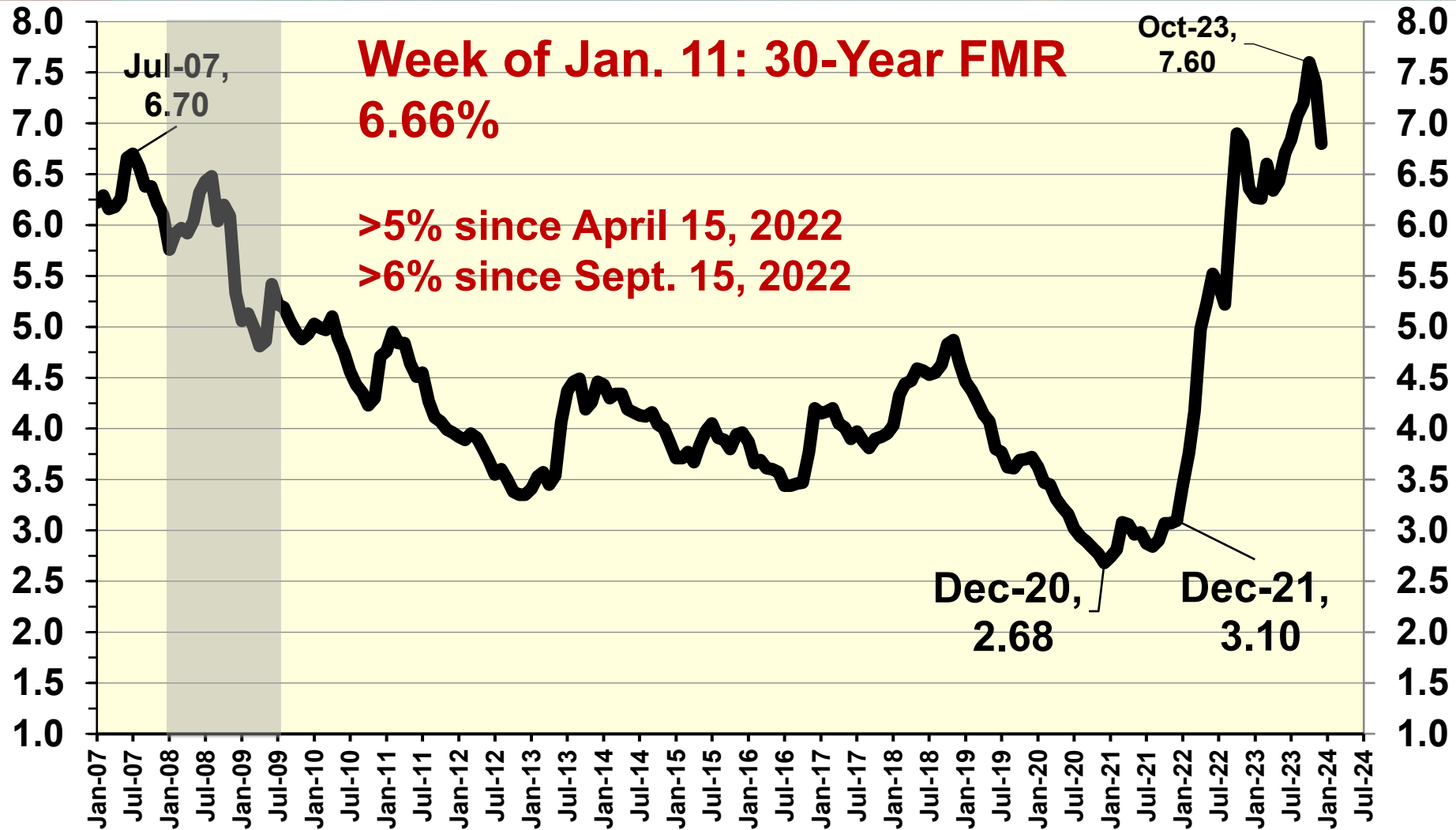


# Housing Market Factors

## 2023 & 2024

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

# 30-Year FMR Rates



# Home Sales and Mortgage Interest Rates

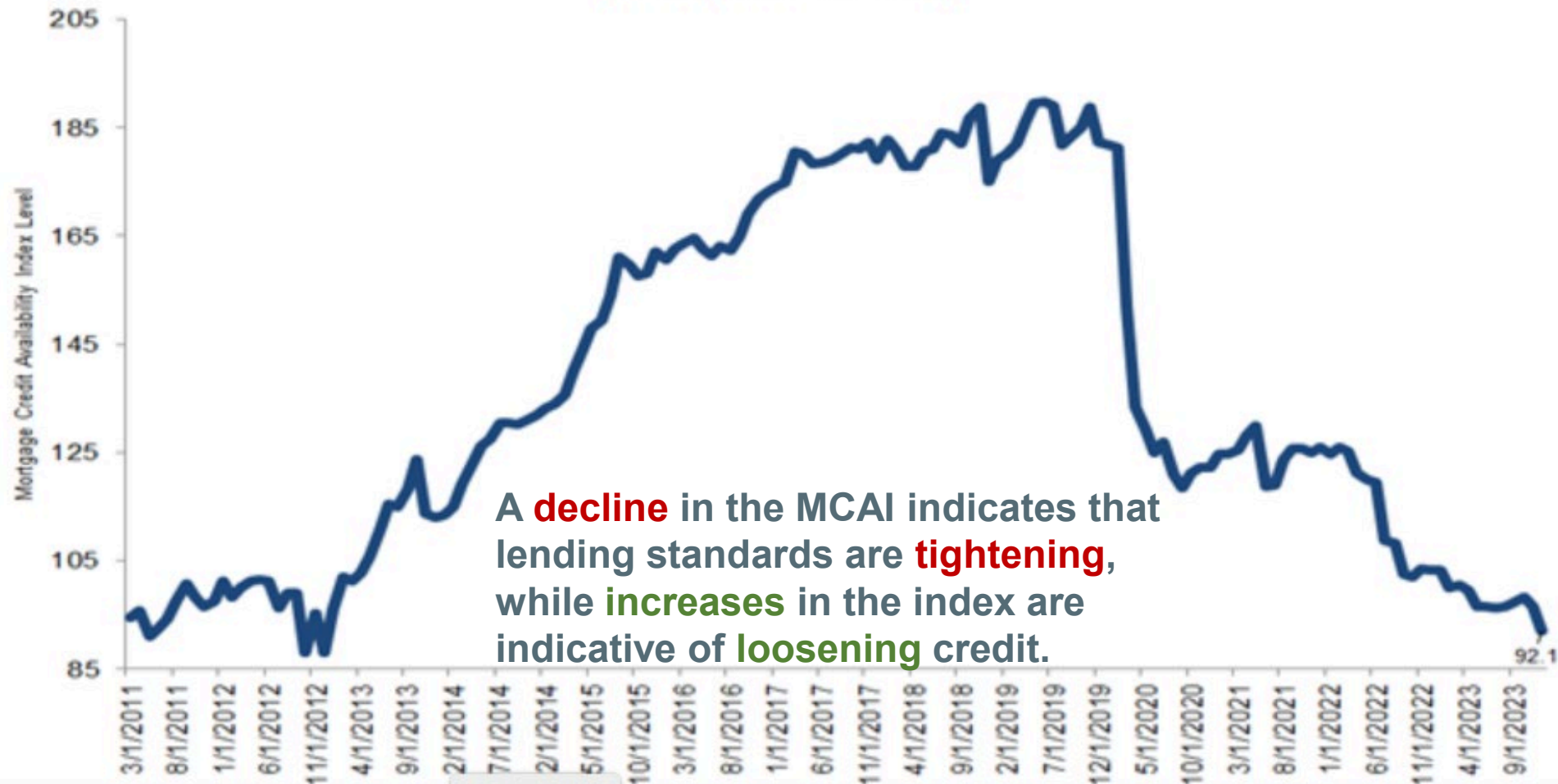






# Mortgage Credit Availability Index

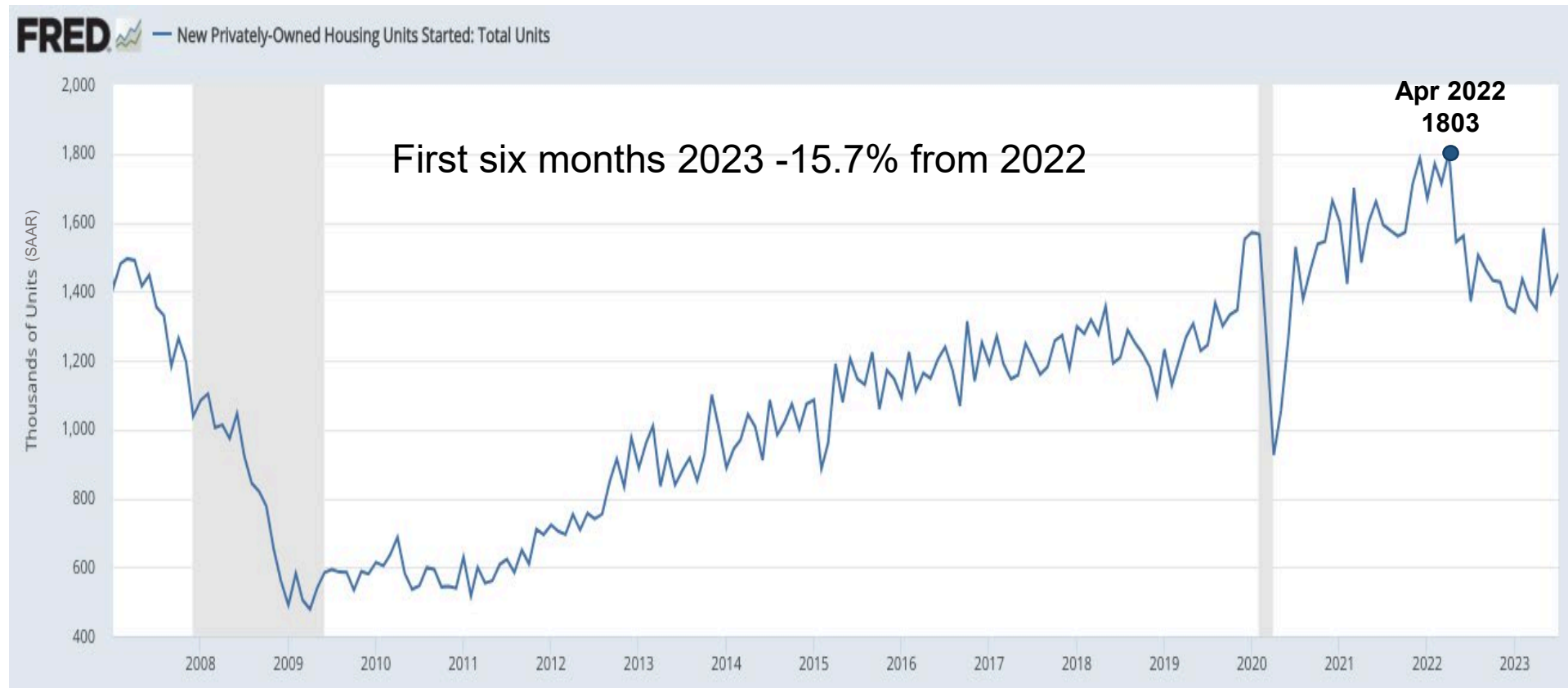
Mortgage Credit Availability Index, Index Level by Month  
(NSA, 3/2012=100)



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

# SF Housing Starts Since 2008

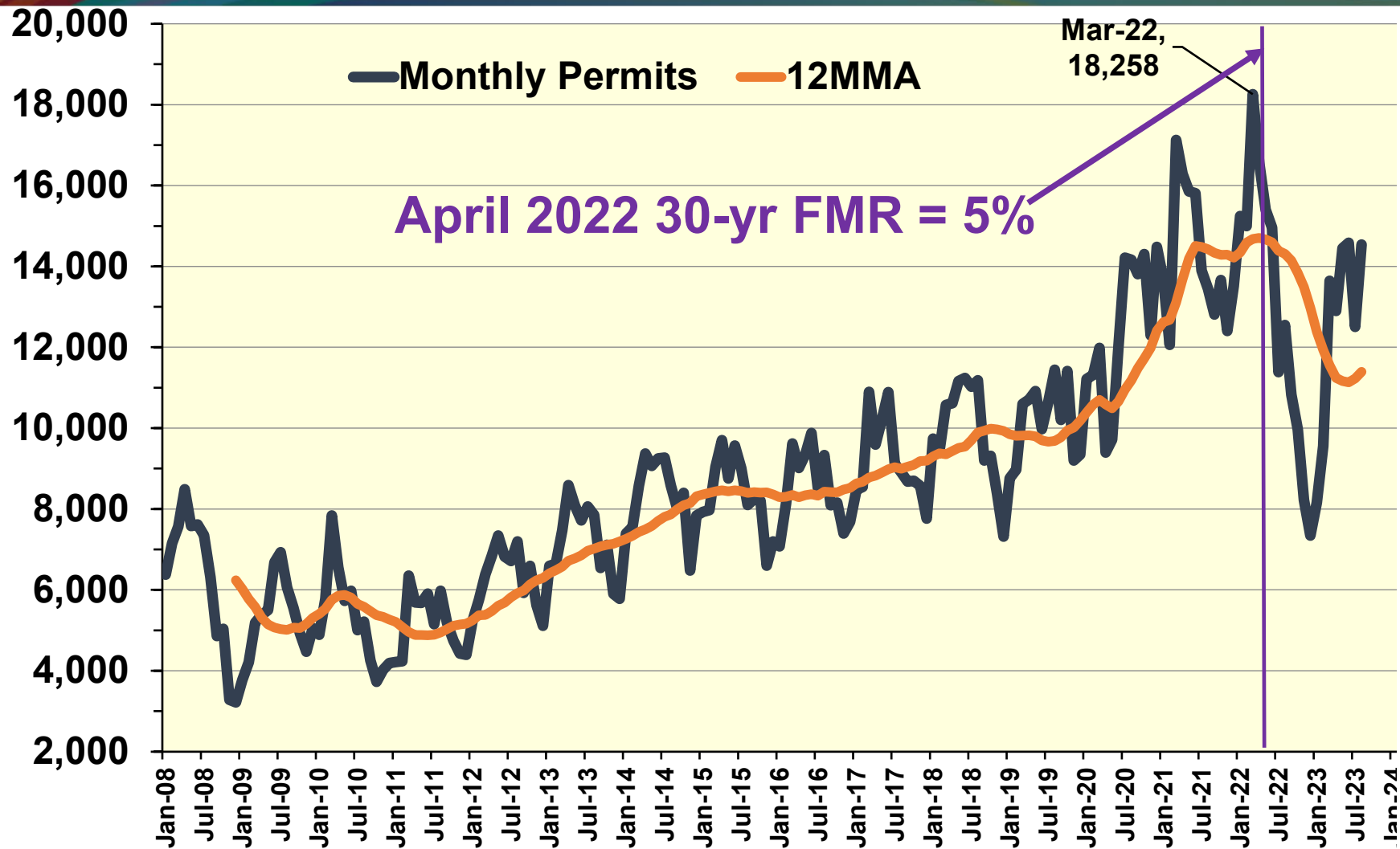
April 2022 30-yr FMR = 5% and hasn't been lower



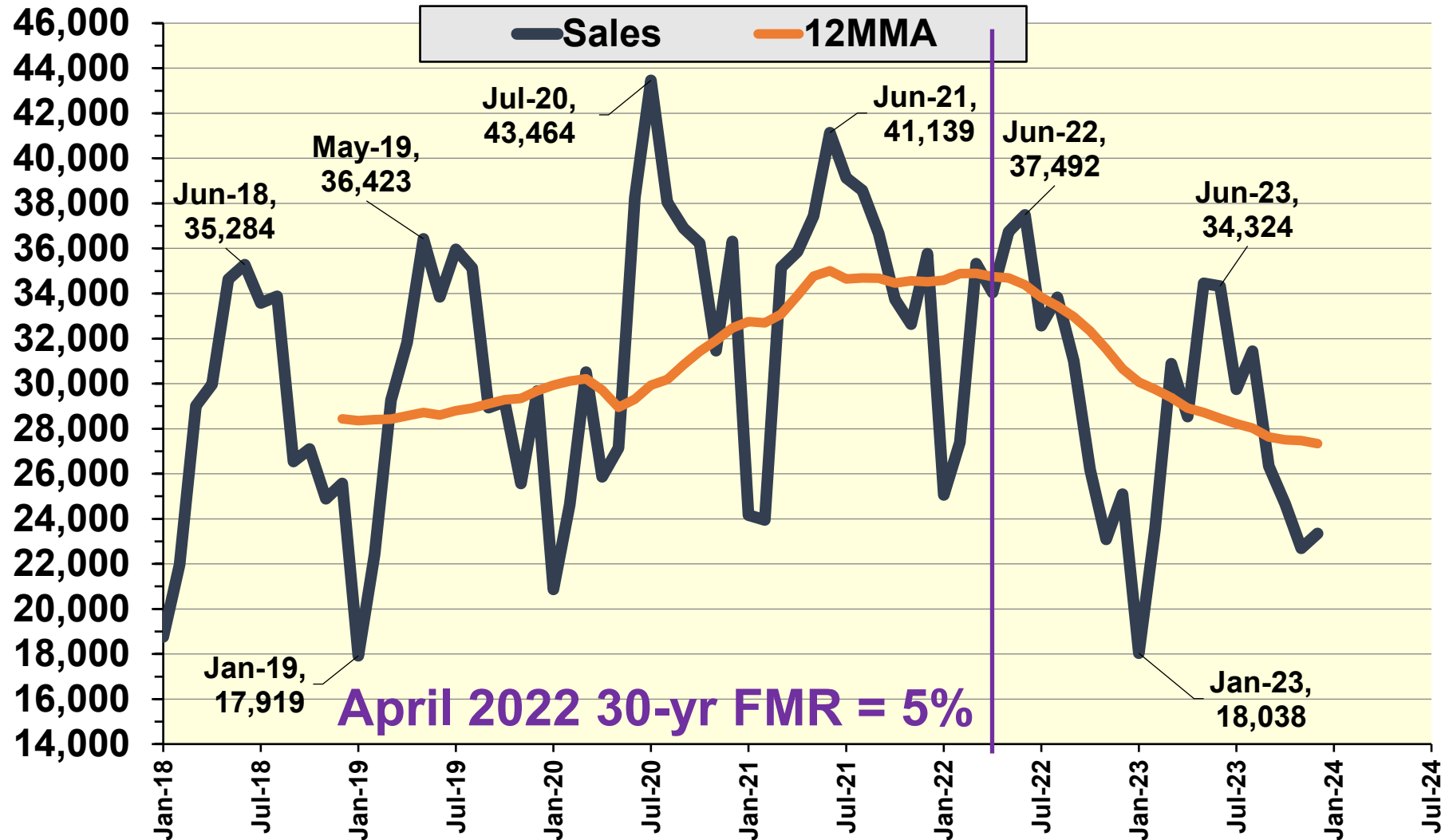


# Texas Monthly SF Building Permits

## Wasn't Enough; Now Less

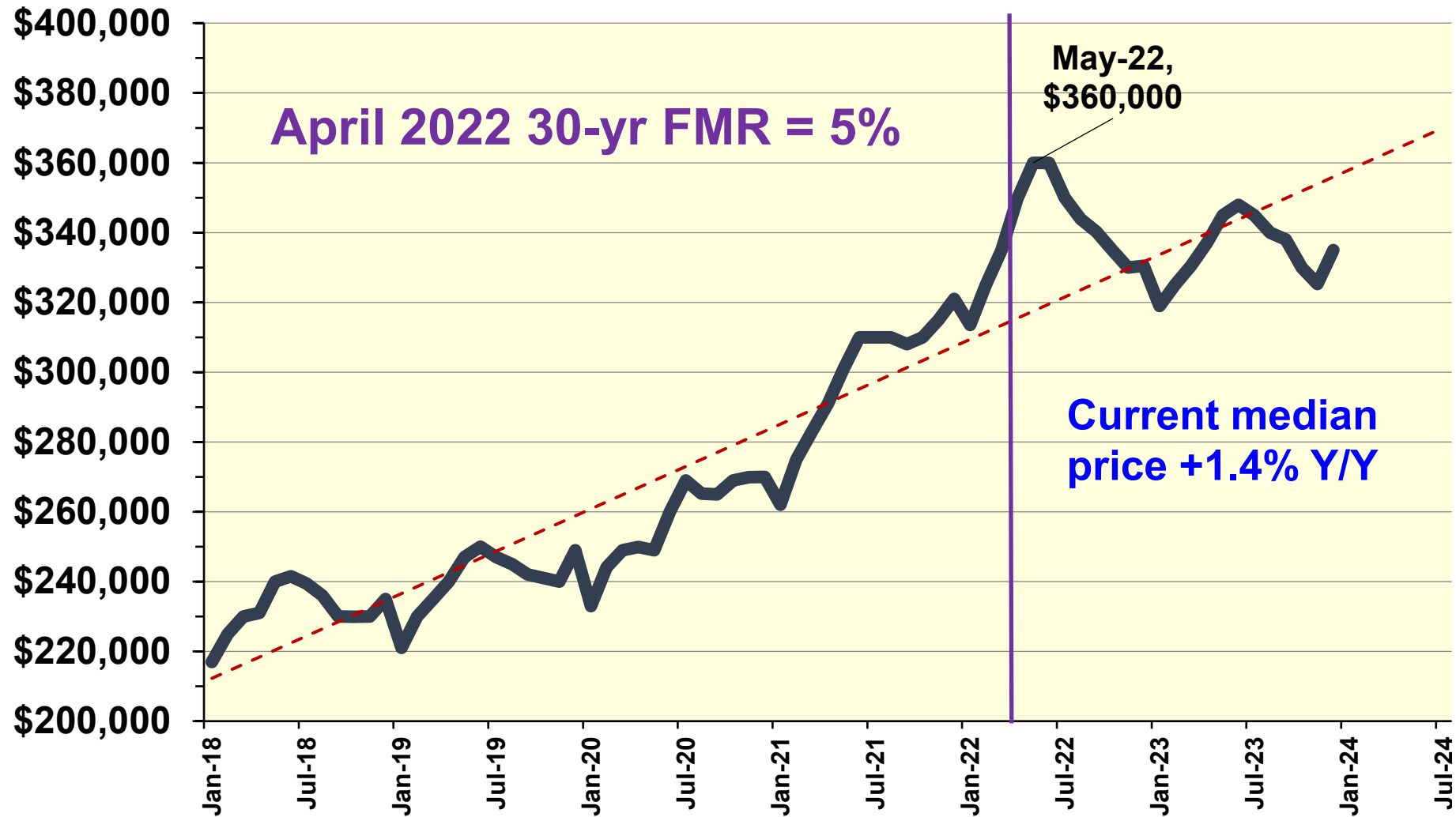


# Texas Monthly Residential Sales



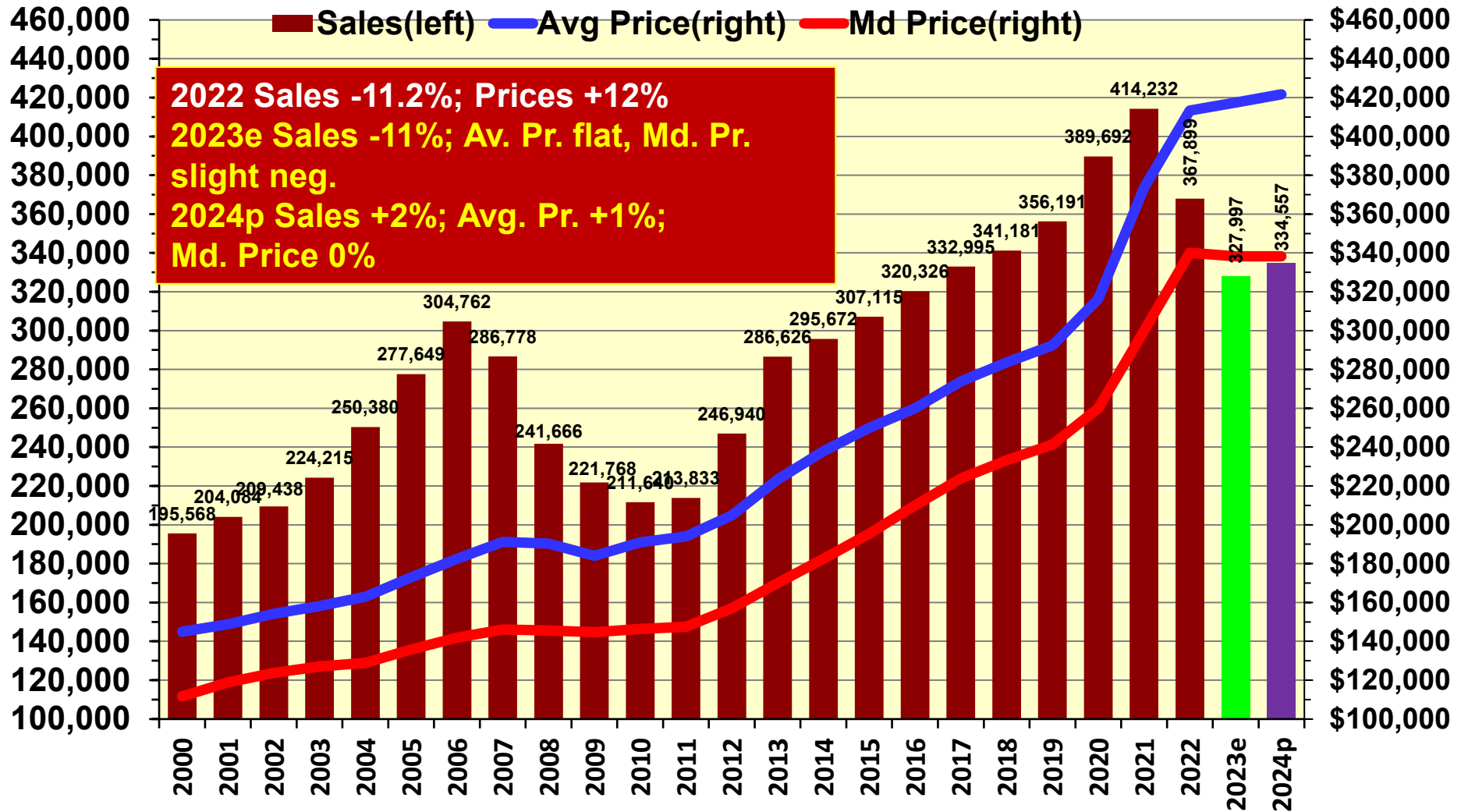


# Texas Monthly Median Sales Price





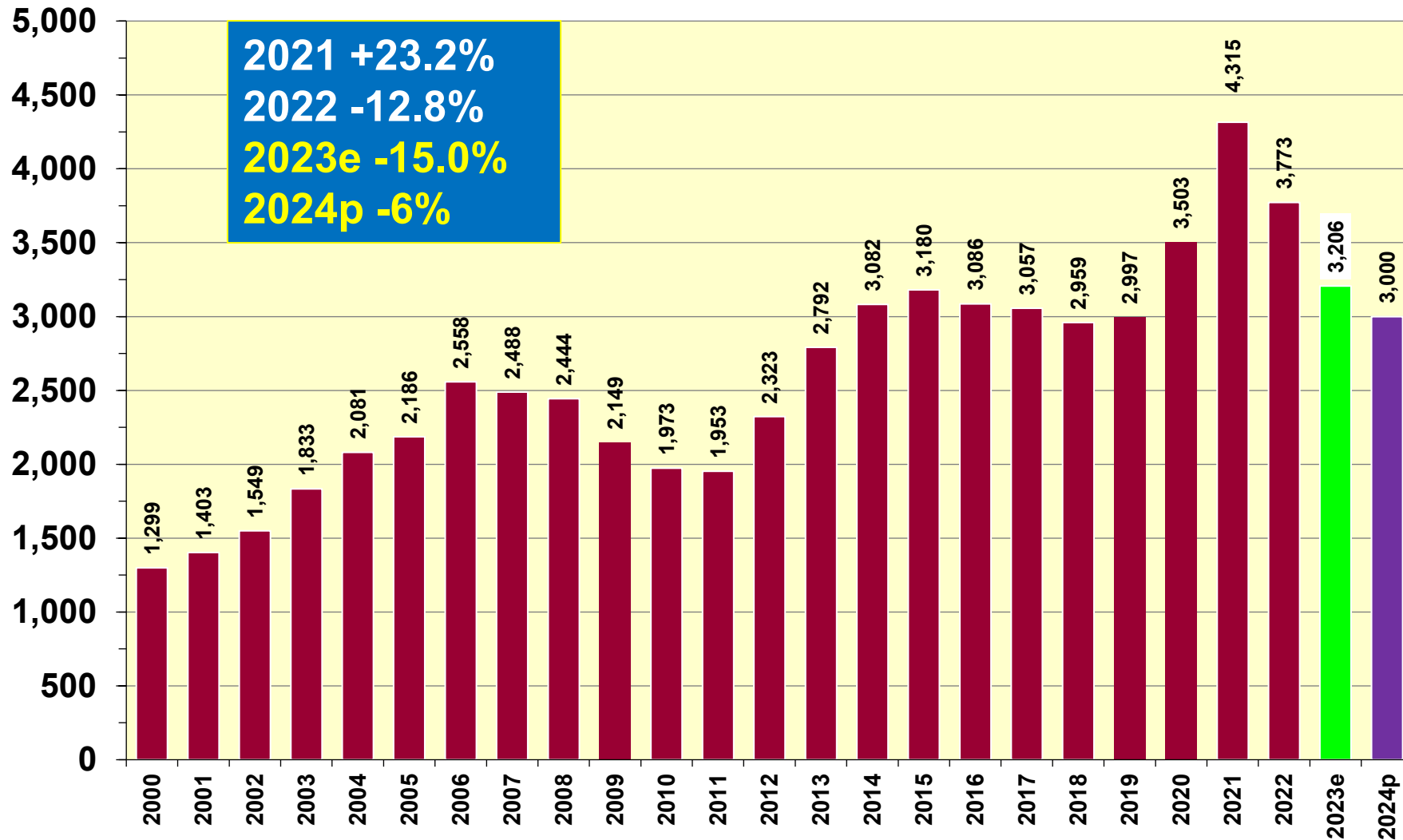
# Annual Texas Home Sales & Prices





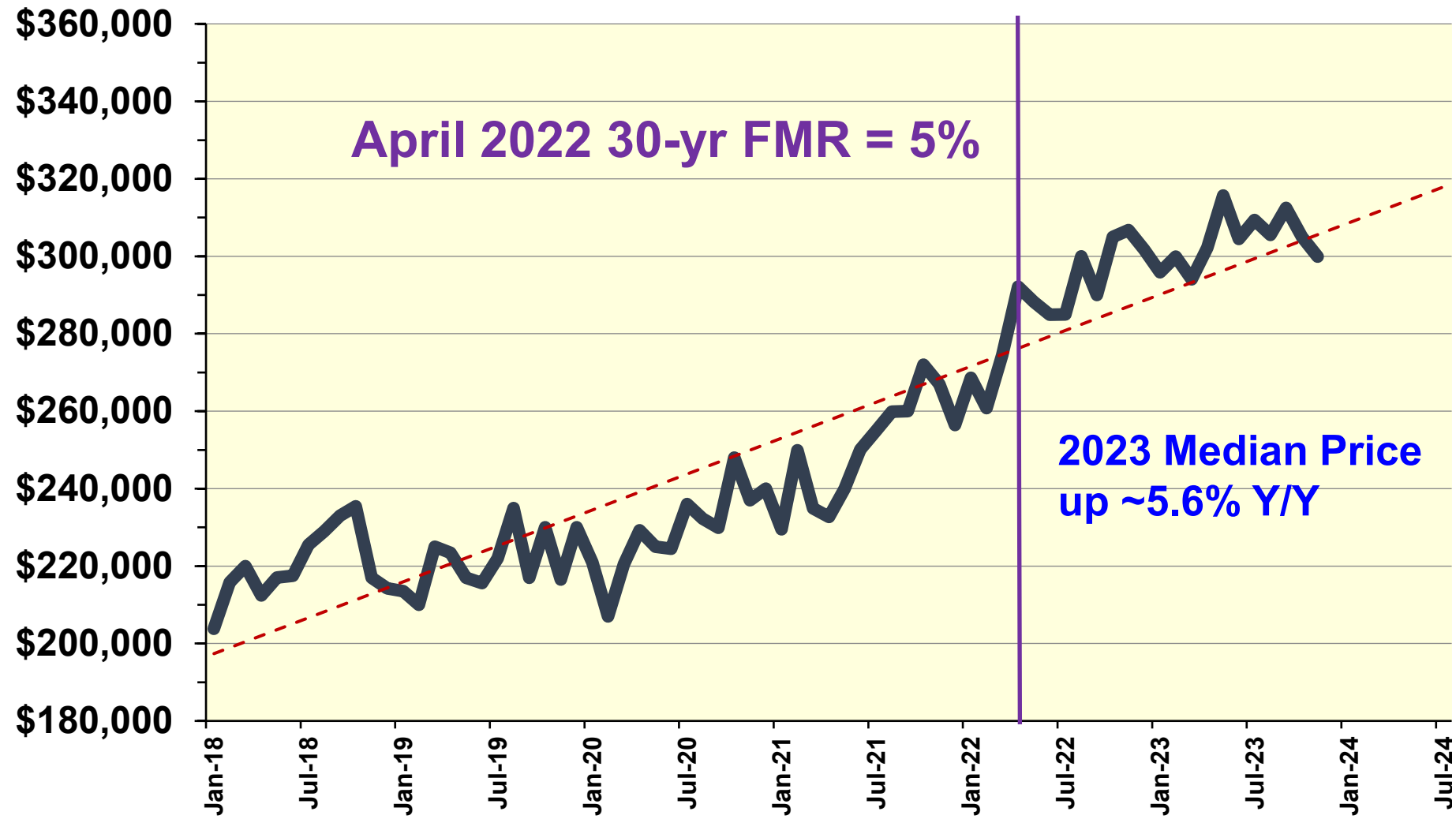
# CS-B MSA Annual Home Sales

## Back to Pre-Pandemic Levels



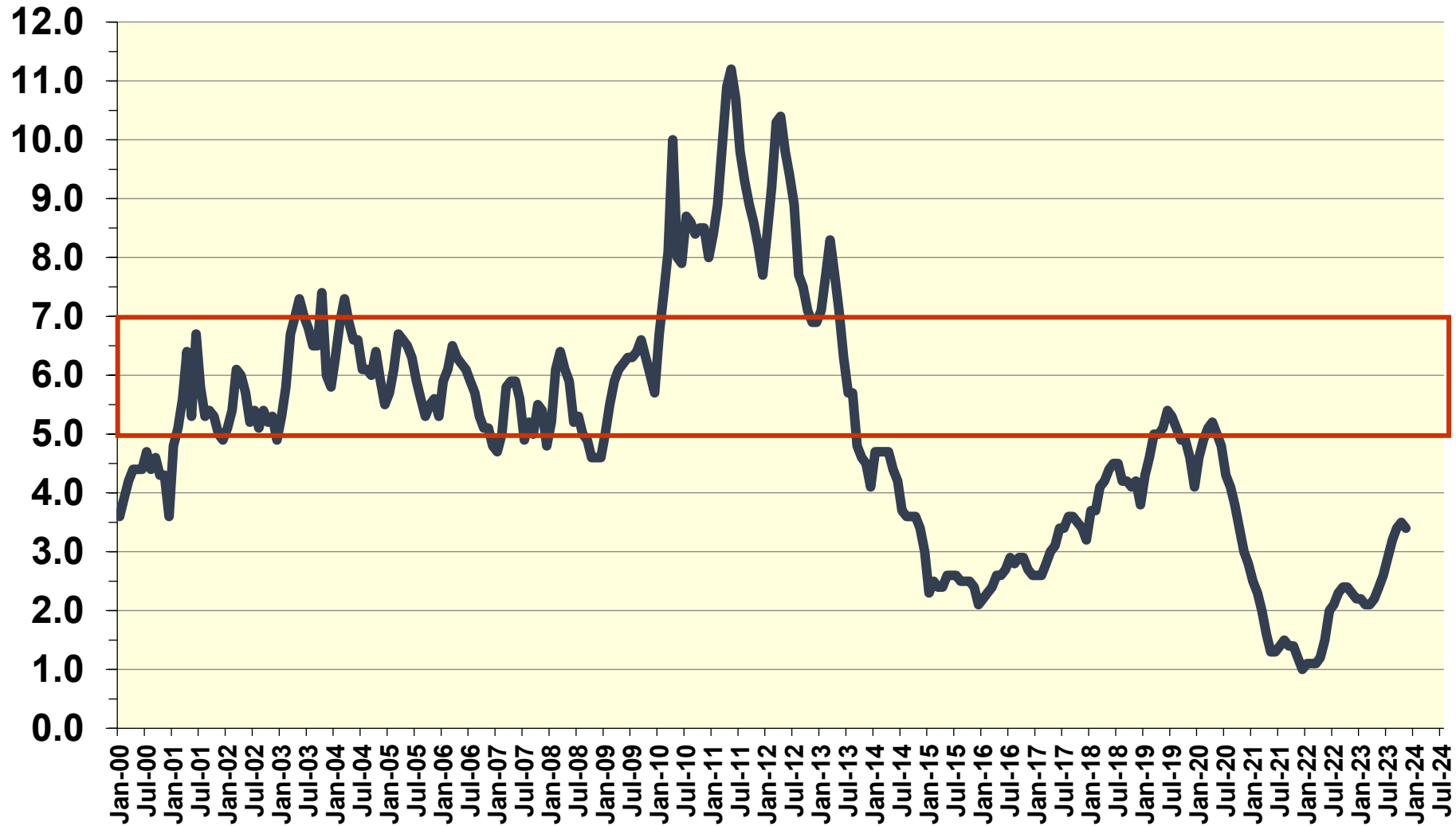


# CS-B Monthly Median Sales Price

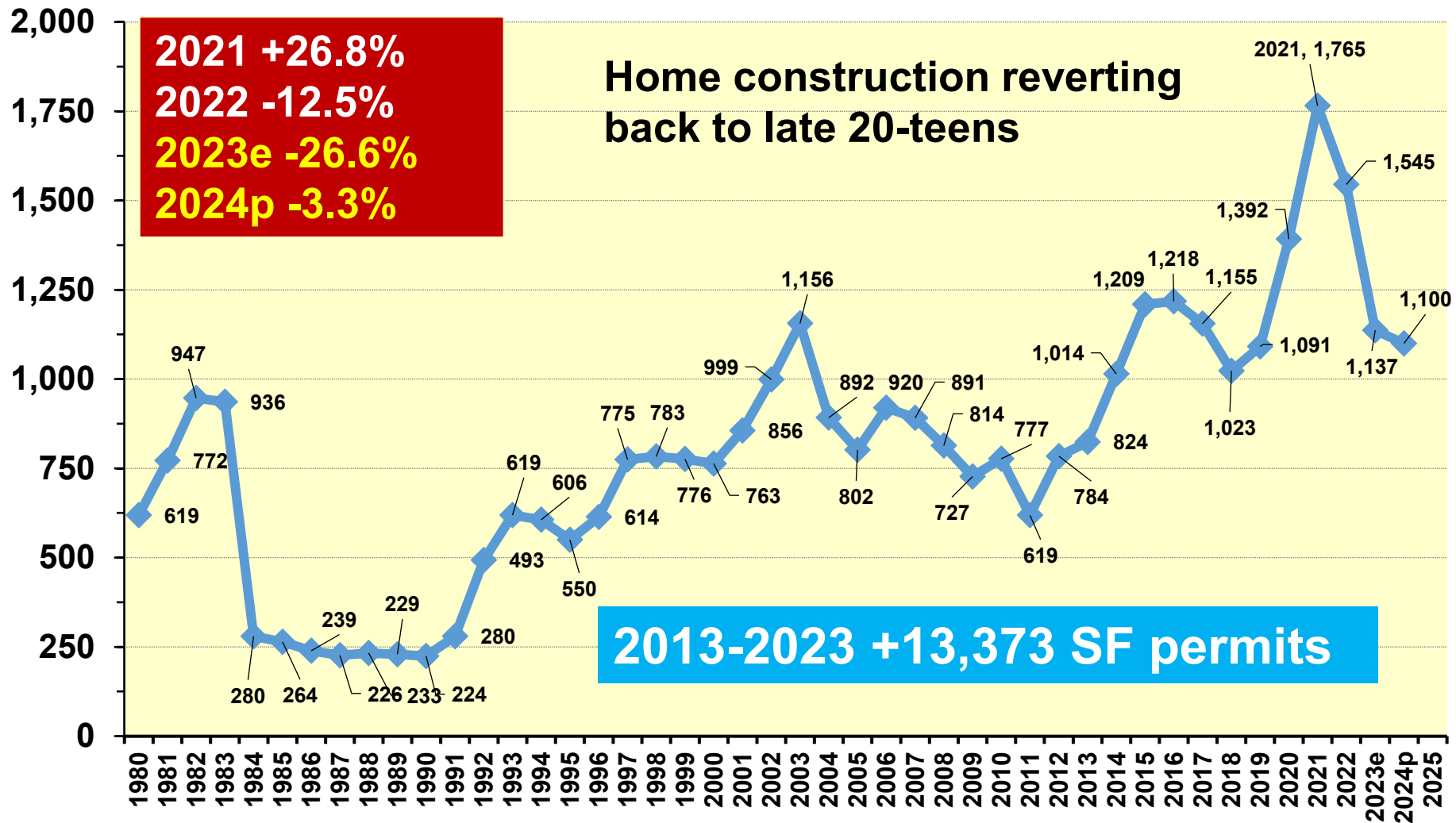




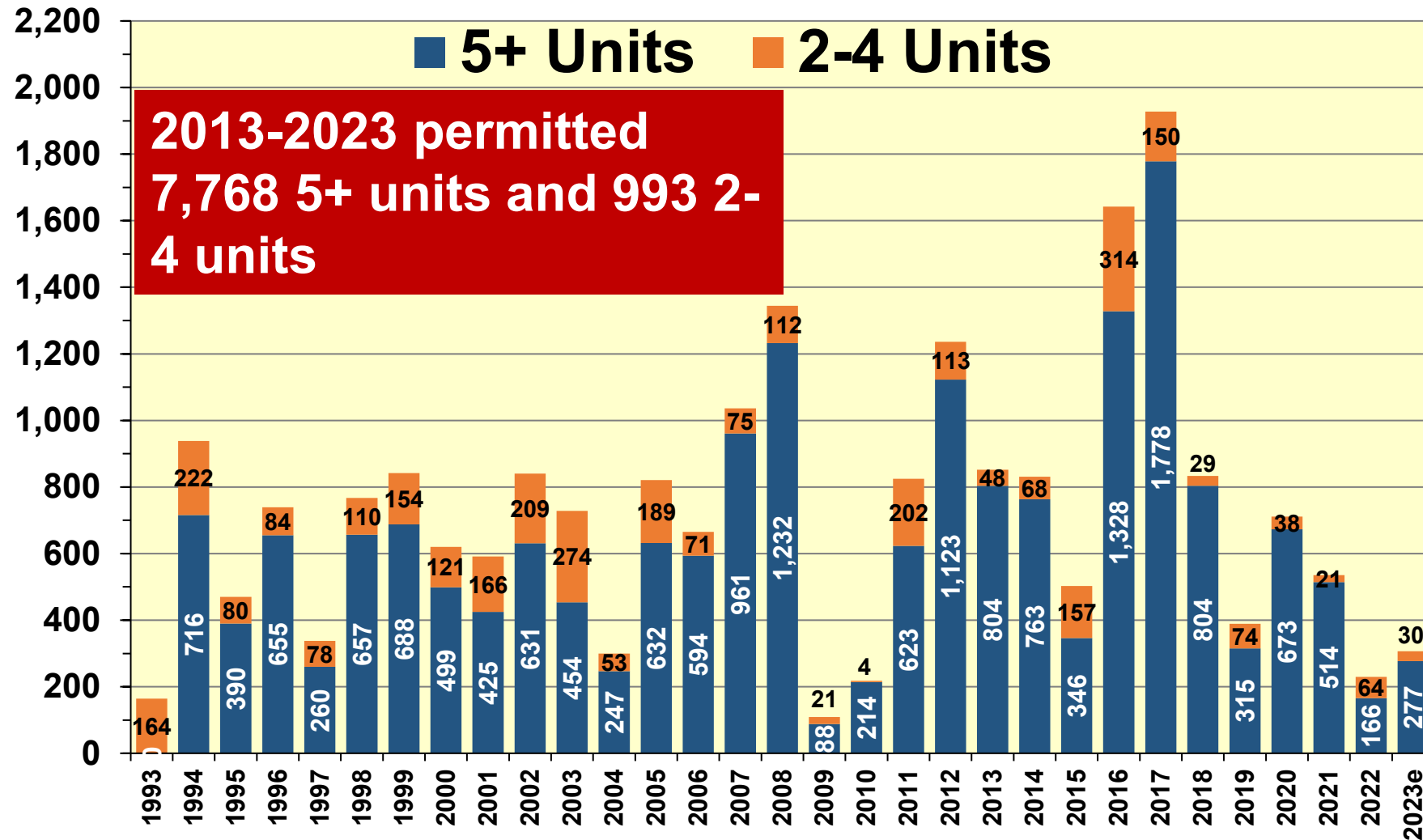
# CS-B Months Inventory



# CS-B Single-Family Building Permits



# CS-B Multi-Family Building Permits



Sources: U.S. Census Bureau;  
Texas Real Estate Research Center at Texas A&M University



# Summary



- **U.S. economy still problematic – probably avoided a real recession – MAYBE! Watch job growth!**
- **Texas weathered national economic slowdown much better than most other states**
- **People continue to come to Texas and CS-B**
- **State and local jobs continue 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 2024 should do well: dependent on interest rates**



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# 2024 Texas Real Estate Forecast

