

Housing Development Fact Sheet



December 2021



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Executive Summary

Welcome to the Rockdale Housing Development Fact Sheet. This document will provide all the initial relevant information one would need when considering a project in Rockdale.

Given the community's current economic position, there is already great demand for new housing units of all sorts. Plus, there have been new job-creating business announcements in the area which will drive demand for even more housing.

In addition, the Austin region continues to experience a combination of new business location announcements and affordability

issues. This creates conditions where developers and residents seek quality communities that are affordable and in a commutable distance.

Rockdale offers a great quality of life for its residents, good school and parks, great air quality and space to roam. We are excited about our future, which includes a revitalized Downtown and East Cameron Avenue.

Further, we have a 166 acre tract that we are actively marketing for a residential development.

Please carefully study this information and consider Rockdale in your development plans.

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Welcome to Rockdale, Texas!

Rockdale is located in Milam County in Central Texas, equidistant from the major markets of Austin, Waco/Temple, and Bryan/College Station.

Milam County, plus the surrounding seven counties have a population in excess of 1.2 million. Please see the table below for this information.

The regional workforce is able to easily commute to Rockdale via local connecting highways.



Regional Population Data

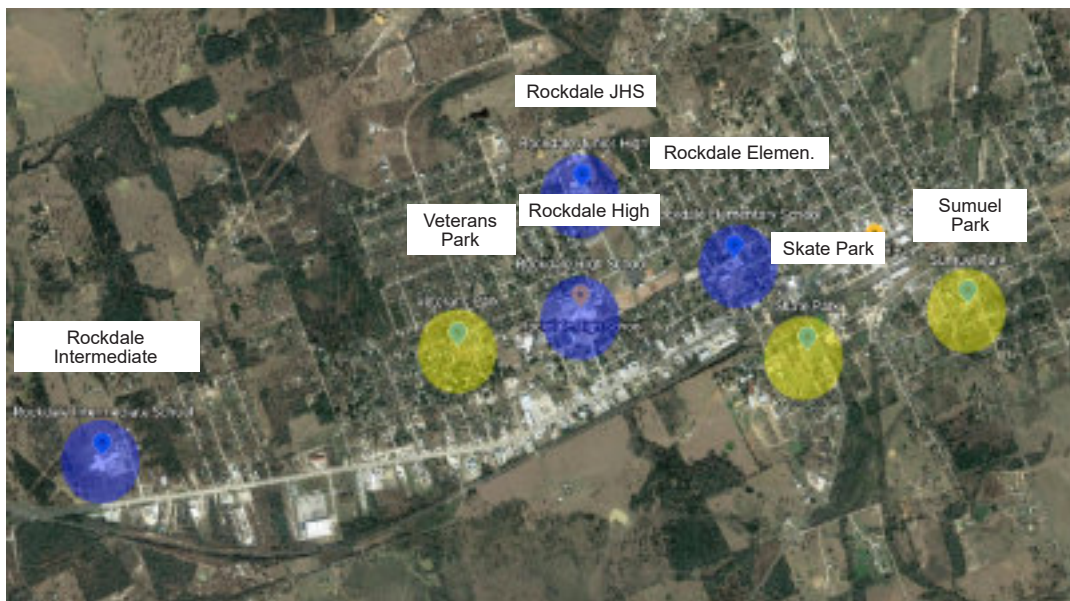
2019 Population	
Bell	362,924
Brazos	229,211
Burleson	18,443
Falls	17,297
Lee	17,239
Milam	24,823
Robertson	17,074
Williamson	590,551
Total	1,277,562

Source: American Community Survey. US Census Bureau

Rockdale initially grew from a sleepy railroad town into a vibrant community with the arrival of ALCOA's aluminum processing plant in the 1950's.

In 2008, the aluminum plant closed; a few years later the two supporting power generation plants also closed.

The community has since struggled but is starting to see a resurgence.



Graphic of Rockdale with School and Park Locations

Housing Data

When considering the question of whether a new housing development will be successful, one will need to consider:

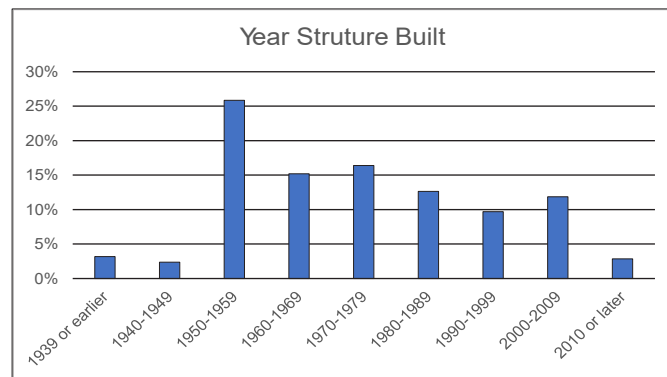
- The existing housing stock
- The performance of the current housing market
- Potential demand

The answers to these questions are that:

1. The existing housing stock is old. 63% of all Rockdale’s housing stock was built before 1980. A partial explanation is the initial development of employee housing for the ALCOA aluminum plant in the 1950’s. Housing construction has fallen precipitously since the early 1980’s.

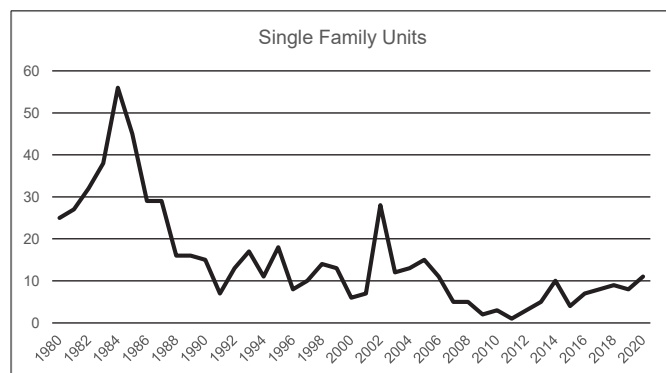
Year Structure Built	
1939 or earlier	3%
1940-1949	2%
1950-1959	26%
1960-1969	15%
1970-1979	16%
1980-1989	13%
1990-1999	10%
2000-2009	12%
2010 or later	3%

63% of all Rockdale housing units were built before 1980.



Source: ESRI.com

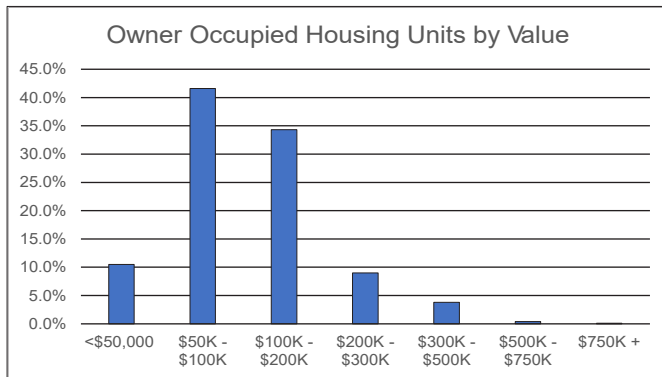
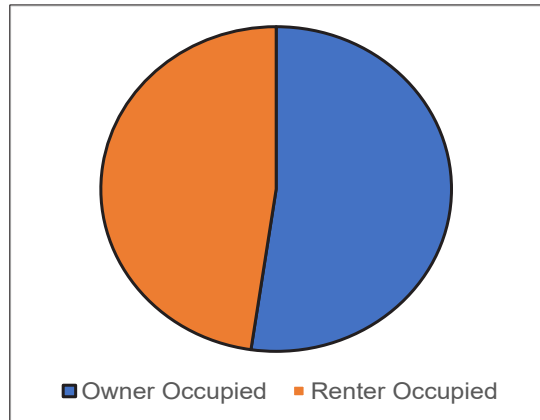
The chart below represents Milam County building permits issued for all single family units (homes and multi-family) from 1980 to 2020.



Source: Texas A&M Real Estate Research Center
<https://www.recenter.tamu.edu/data/building-permits/#/state/Texas/county/Milam>
 Accessed: November 24, 2021

2. While slightly more than half of Rockdale’s housing units are occupied by their owners, there is close parity with the number of renter-occupied units.

Ownership Status - 2021	
Owner Occupied	52.3%
Renter Occupied	47.7%



Owner Occupied Housing Units by Value - 2021	
<\$50,000	10.5%
\$50K - \$100K	41.6%
\$100K - \$200K	34.3%
\$200K - \$300K	9.0%
\$300K - \$500K	3.8%
\$500K - \$750K	0.4%
\$750K +	0.1%
\$1,000,000 +	0.0%

Source: ESRI.com

3. Housing construction activity has begun to pick up. There have been 15 housing starts since January 2020 - six in 2020 and nine in 2021. The permitted values of these units show a 50% increase over 2020.

	Building Permits Issued	
	2020	2021
Count	6	9
Average Value	104,167	165,833

Source: City of Rockdale

4. The Rockdale’s MLS market data shows a very tight housing market. In addition, the multi-family properties are at capacity with a standing waiting list.

MLS Activity Data

Many insights can be gathered by analyzing the MLS residential home sale data.

Houses sell fast in Rockdale. 64% of the homes sold in 2021 were sold in less than 30 days, and 42% of all home sales were in less than 10 days. 45 days is the average time on market.

The homes that do sell fast, tend to sell over the original listing price and for a higher price per square foot.

Homes that are 1,800 SF and less, on average, sell in 30 days or less.

26% of houses sold in 2021, sold above the original listing price.

On average, those houses that sold above listing price, did so for \$7 per SF over listing. And, those houses that sold for less than the original listing price, on average, did so for \$7 per SF less than listing.

Days on Market	Units Sold	Percent Units Sold	Average Closing Price per SF	Average Price Change per SF
201 and greater	3	4%	84	(7)
91 to 200	9	11%	97	(7)
31 to 90	18	21%	95	(4)
10 to 30	19	22%	125	(3)
Less than 10	36	42%	137	1

Sales by Square Feet	Units Sold	Percentage Units Sold	Closing Price per SF	Days on Market
1000 and less	8	9%	114	30
1,001 to 1,400	20	24%	114	31
1,401 to 1,800	26	31%	125	33
1,801 to 2,200	14	16%	105	50
2,201 to 2,600	7	8%	106	50
2,601 and above	10	12%	147	104

	Number of Properties Sold	Percentage of Properties Sold	Average DOM	Average Price Change per SF	Average Closing Price per SF
Under Original Listing Price	46	54%	69	(7)	100
At Original Listing Price	17	20%	24	0	143
Over Original Listing Price	22	26%	9	7	142

By Closing Price	Units	Closing Price per SF	DOM	Closing Under Listing Price	Closing At Listing Price	Closing Over Listing Price
Less than 100,000	13	64	47	9	4	0
101 to 170	25	108	41	16	3	6
171 to 220	13	113	47	8	1	4
221 to 300	24	135	43	8	6	10
301 and above	10	191	51	5	3	2

Time Period	Number of Units Sold
1st Q 2021	16
2nd Q 2021	29
3rd Q 2021	21

Source: MLS data

Multi-Family Units

Rockdale also suffers from a lack of available, market-rate multi-family housing units. The table below represents information on the six apartment complexes in Rockdale.

Apartment Complex	Number of Units	Age of Complex	Rental Rates		Wait List
			1 Bed	2 Bed	
Hunter's Chase Senior Apartments - income restricted	80	2014	\$295-475	\$565-685	Yes
Railroad Depot Apartments	5	2008		\$925	N/A
Pecan Ridge	N/A	N/A	N/A	N/A	N/A
Shady Grove	20	1940-1960	\$550	N/A	4 months
Meadow Drive	12	Old		\$600-650	Yes
Town Oak Townhomes	14	Older		\$600-650	Yes

Source: Rockdale MDD Staff Survey. Conducted: 12-6-2021

New Business Developments

Local and Area Developments

Samsung recently announced construction of a new \$17 billion micro-processing chip manufacturing facility in Taylor, Texas, that seeks to employ over 1,600. This new site is approximately 25 miles from Rockdale.

The 31,000 acre Sandow Lakes Ranch industrial complex (the former ALCOA aluminum plant and remediated coal mine) was recently sold to an industrial development group that specializes in manufacturing and logistics projects.

American Statesman Glove Company has received a Milam County tax abatement to construct three one-million square foot buildings for the manufacture of nitrile gloves. This project, if approved, will create at least 1,500 jobs. The siting announcement is imminent.

Regional Developments

The new Tesla electric vehicle manufacturing plant is being constructed in East Travis County. Tesla recently announced the relocation of their corporate headquarters to Travis County. There are numerous other business and industrial announcements driving housing demand in the Austin market.

One of the side-effects of local economic growth is un-affordability in the Austin market. This is resulting in many families and individuals seeking other communities within a commutable distance.

Housing Demand Projections

Recent High School Graduates

One indicator of future housing demand is the number of recent local high school graduates. These represent a pipeline of new households as these individuals move out of their parents' home and establish their own households.

On average, there are nearly 300 high school graduates each year from Milam County schools.

Assuming a 55% leakage rate (college, military, etc.) approximately 120 housing units could be filled through this population.

School	2018	2019	2020
Rockdale	95	103	97
Milano	35	40	43
Thorndale	32	48	44
Cameron	99	117	104
Total	261	308	288

Source: Texas Education Agency.
Texas Academic Performance
Reports. <http://tea.texas.gov>

New Business Developments

The table below represents estimates for housing demand in Rockdale generated by the two major business developments.

Employees from	Projected Employees	Percent Living in Rockdale	Total Projected Demand	Percent Owner Occupied Units - 55%	Percent Rental - 45%
Samsung	1,600	10%	160	88	72
American Statesman Glove	1,500	50%	750	420	330
Total				508	402

Total Demand by Status

When considering the known variables of new household creation and new business developments, a demand model can be created that shows potential demand for new owner occupied and rental units.

Annual New Owner Occupied Unit Demand from	Year 1	Year 2	Year 3	Year 4	Year 5
Samsung	10	15	20	21	22
American Statesman Glove	50	70	90	100	110
Total	60	85	110	121	132

Annual Rental Demand from:	Year 1	Year 2	Year 3	Year 4	Year 5
Samsung	33	20	15	10	10
American Statesman Glove	80	70	65	60	55
Local demand	120	120	120	120	120
Total	233	210	200	190	185

Potential Development Site

The City of Rockdale and the Rockdale Municipal Development District owns a 166 acre site, approximately 1.5 miles from Downtown Rockdale, that has full utility availability on site.

This site offers a developer speed to market and reduced uncertainty.

A conceptual layout of the property shows that the northern parcel would be an excellent single family development, with varying lot sizes.

There are two electricity transmission lines that cut across the property. One concept would be to utilize this area for a common area/park space.

The southern parcel could serve as a quality candidate for a mixed-use commercial and multi-family development. A juvenile justice center is the only adjoining development.



Conceptual Use	Acreage
Mixed-Use Commercial / Multi-family	29.5
Park/Common Space	15
Single Family	101
Transmission line easement	5

Utilities on Site

The site already has a 12 inch water line running to the southwest corner of the property, and a 6 inch water line to the southeast corner. (the two red lines) A 6 inch sewer line also is at the southeast corner of the property. (the blue line)



Graphic of the Site in Relation to the City of Rockdale

The site is accessed approximately 1.5 miles from Downtown Rockdale via FM 487.

Site Facts	
Ownership	City of Rockdale and Rockdale Municipal Development District
Price	\$12,000 per acre
Utilities	12 inch water line 6 inch water line 6 inch sewer line
Adjoining Uses	Vacant/Pasture land Juvenile Justice Center
Annexed	Yes - 2021
Zoning Classification	Industrial - can be rezoned
Property Documentation	Some - available upon request

Applicable Building Codes	
2012 International Building Code	2012 International Plumbing Code
2011 National Electrical Code	2012 International Residential Code for One-and Two- Family Dwellings
2012 International Fire Code	2012 International Energy Conservation Code
2012 International Mechanical Code	2012 International Fuel Gas Code

Required Inspections	
Foundation and Frame	Electrical
Mechanical	Water and Yard Line of Plumbing System
Gas System	

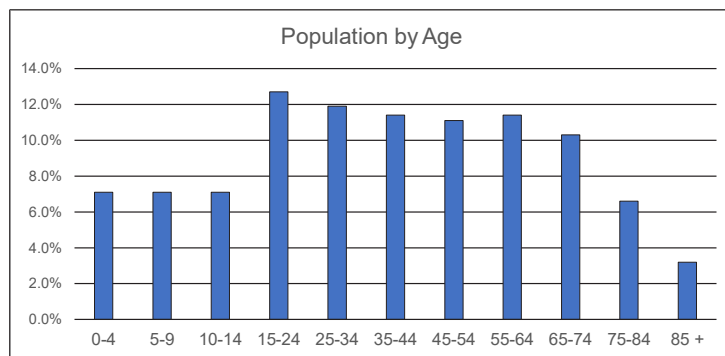
Demographic Data

The following two pages present basic demographic data points for Rockdale, Texas.

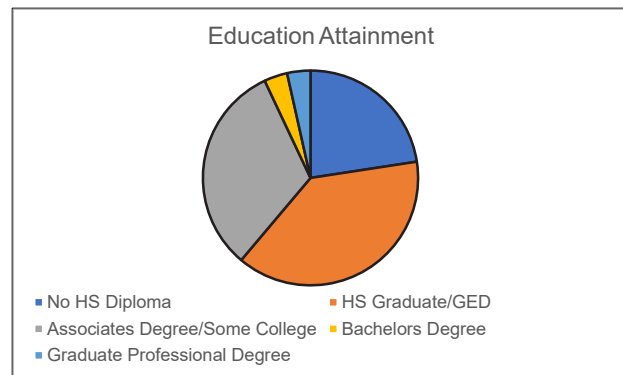
Unless otherwise noted, the data source is ESRI.

Demographic Data - 2021	
Population	5,934
Households	2,205
Avg Household Size	2.61
Families	1,464
Avg Family Size	3.21
Median Age	38.5
Average Household Income	52,400
Per Capita Income	19,708

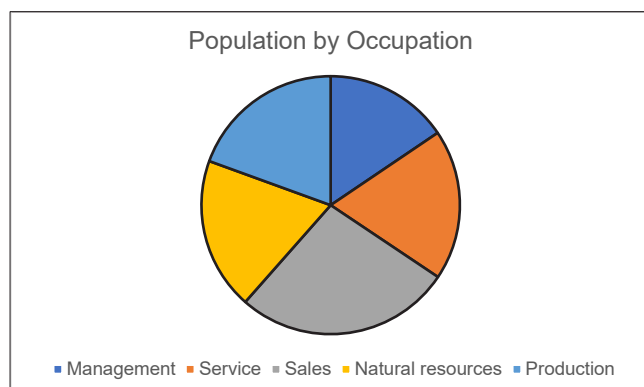
Population by Age - 2021	
0-4	7.1%
5-9	7.1%
10-14	7.1%
15-24	12.7%
25-34	11.9%
35-44	11.4%
45-54	11.1%
55-64	11.4%
65-74	10.3%
75-84	6.6%
85 +	3.2%



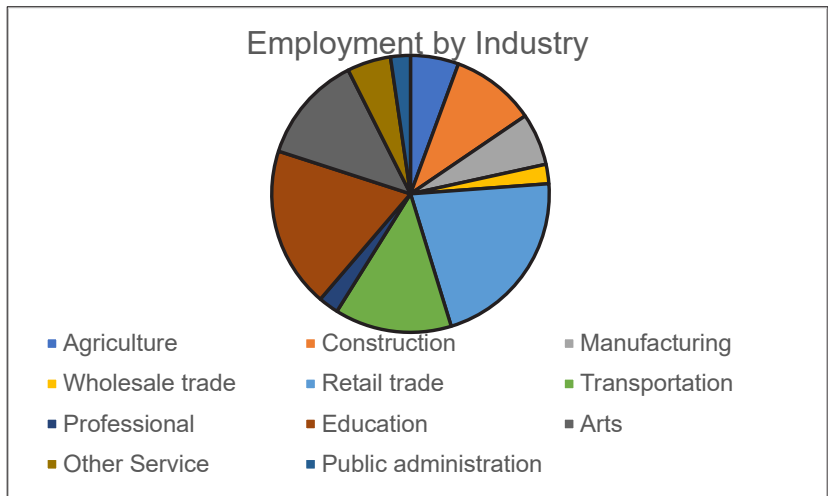
Educational Attainment - 2021	
No HS Diploma	22.6%
HS Graduate/GED	38.6%
Associates Degree/Some College	31.9%
Bachelors Degree	3.5%
Graduate Professional Degree	3.5%



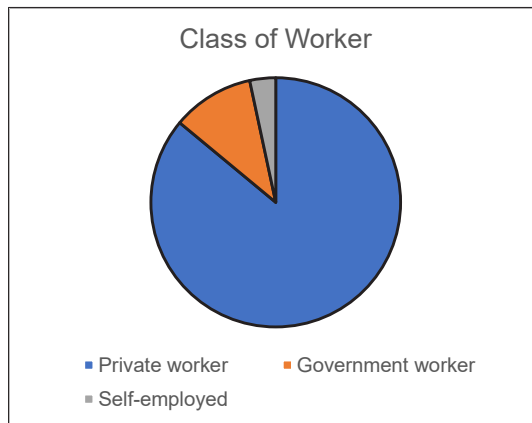
Employment by Occupation - 2021	
Management	329
Service	400
Sales	574
Natural resources	404
Production	412



Employment by Industry - 2021	
Agriculture	119
Construction	209
Manufacturing	129
Wholesale trade	48
Retail trade	454
Transportation	289
Professional	50
Education	397
Arts	267
Other Service	108
Public administration	49
Information	0
Finance	0

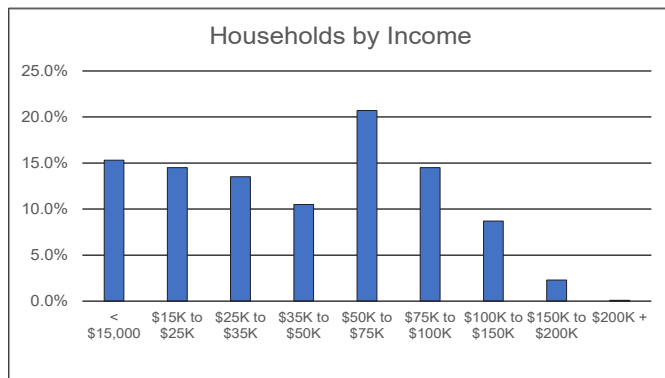


Class of Worker - 2021	
Private worker	1,823
Government worker	225
Self-employed	71



Rockdale, Texas Top Employers	
Rockdale Independent School District	
Wal-Mart Store	
Whinstone/ RIOT Blockchain	
BitDeer	
City of Rockdale	

Households by Income - 2021	
< \$15,000	15.3%
\$15K to \$25K	14.5%
\$25K to \$35K	13.5%
\$35K to \$50K	10.5%
\$50K to \$75K	20.7%
\$75K to \$100K	14.5%
\$100K to \$150K	8.7%
\$150K to \$200K	2.3%
\$200K +	0.1%



Conclusion

When considering the totality of the quantitative and qualitative data, a compelling conclusion is that a moderately sized housing development could be successful in Rockdale.



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