

Real Estate Market Overview 2004

San Antonio

Once a small settlement founded by Spanish missionaries in the early 1700s, San Antonio is now the ninth largest city in the United States and is located in South Central Texas in the I-35 corridor, the fastest growing region of the state. The city offers proximity to other major Texas population centers and is midway between the nation's east and west coasts. San Antonio, the most visited city in Texas, is anchored by three key industries: health care-biomedical, tourism and the military.

Quick Facts	
Land Area	3,326.40 square miles
Population Density (2000)	478.7 people per square mile
Counties	Bexar, Comal, Guadalupe, Wilson
Area Cities and Towns	Converse, Leon Valley, Live Oak, New Braunfels, San Antonio, Seguin, Universal City

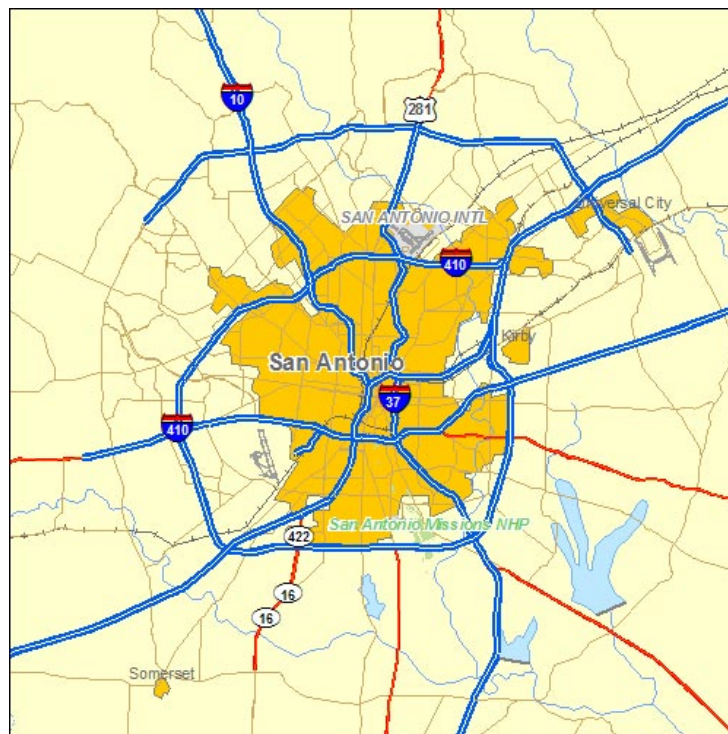


Table of Contents

Demographics 3

Education 8

Employment 9

Economy 14

Infrastructure 15

Public Facilities 16

Multifamily 17

Housing 19

Retail 22

Hotel 28

Office 29

Industrial 32

San Antonio Market Overview 2004

Demographics

San Antonio MSA Population

Year	Population	Percent Change
1990	1,324,749	0.4
1991	1,348,596	1.8
1992	1,377,938	2.2
1993	1,406,878	2.1
1994	1,438,981	2.3
1995	1,468,690	2.1
1996	1,494,296	1.7
1997	1,519,874	1.7
1998	1,546,947	1.8
1999	1,572,570	1.7
2000	1,592,383	1.3
2001	1,626,871	2.2
2002	1,660,205	2.0

Source: U.S. Census Bureau

County Population Growth

County	2002 Population	Growth 1990 - 2002 (percent)
Bexar	1,446,333	22.0
Comal	85,109	64.2
Guadalupe	94,215	45.2
Wilson	34,548	52.5

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990-2000 (percent)
San Antonio	1,114,646	14.8
New Braunfels	36,494	31.5
Seguin	22,011	5.3
Schertz	18,694	75.8
Universal City	14,849	11.2
Converse	11,508	28.6

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1990 - 2002

Metropolitan Area	1990 Population	2002 Population	Percent Change
McAllen-Edinburg-Mission	383,545	614,474	60.2
Austin-San Marcos	846,227	1,349,291	59.4
Laredo	133,239	207,611	55.8
Dallas	2,676,248	3,743,254	39.9
Brownsville-Harlingen-San Benito	260,120	353,561	35.9
Brazoria County	191,707	257,256	34.2
Houston	3,321,911	4,420,081	33.1
Fort Worth-Arlington	1,361,034	1,802,465	32.4
Texas	16,986,335	21,779,893	28.2
Bryan-College Station	121,862	156,099	28.1
San Antonio	1,324,749	1,660,205	25.3
Killeen-Temple	255,299	319,163	25.0
Galveston-Texas City	217,396	261,219	20.2
Tyler	151,309	181,437	19.9
Sherman-Denison	95,019	113,860	19.8
Amarillo	187,514	222,915	18.9
El Paso	591,610	697,562	17.9
Waco	189,123	217,713	15.1
Victoria	74,361	84,932	14.2
Lubbock	222,636	247,574	11.2
Longview-Marshall	193,801	212,288	9.5
Corpus Christi	349,894	382,188	9.2
Texarkana	120,132	131,027	9.1
Wichita Falls	130,351	138,960	6.6
Odessa-Midland	225,545	239,981	6.4
Beaumont-Port Arthur	361,218	382,242	5.8
Abilene	119,655	125,647	5.0
San Angelo	98,458	103,018	4.6

Source: U.S. Census Bureau

San Antonio MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	1,695,030	-
2010	1,795,559	2,037,198
2015	1,895,424	-
2020	1,990,258	2,465,501

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	San Antonio MSA	Texas
Average household size (2000)	2.78	2.74
Population younger than 18 (2000, in percent)	28.3	28.2
Population 65 and older (2000, in percent)	10.7	9.9

Source: U.S. Census Bureau

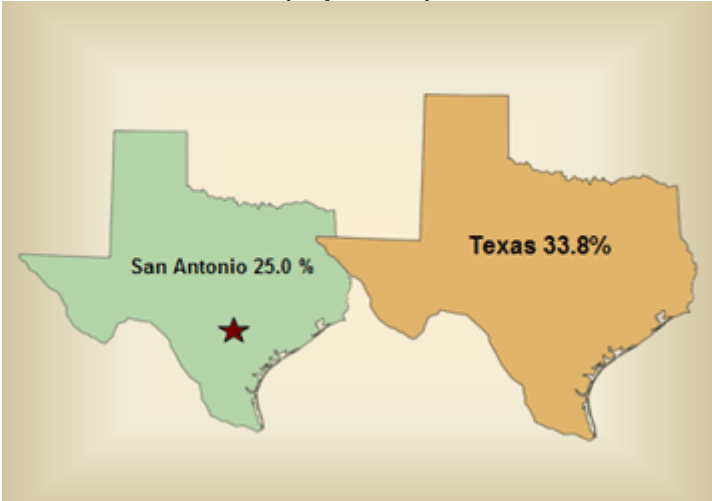
Distribution by Race and Hispanic or Latino Origin (in percent)

	San Antonio MSA		Texas	
	1990	2000	1990	2000
White	73.8	70.6	60.8	71.0
Black	6.7	6.6	11.7	11.5
Asian	1.2	1.5	0.3	2.7
American Indian	0.4	0.8	1.8	0.6
Other	16.1	16.9	0.1	11.7
Two or more races*	-	3.5	-	2.5
Hispanic (of any race)	46.5	51.2	25.3	32.0

* For the 2000 Census, the Census Bureau changed the "race" options, allowing people to report their race as "other" or as two or more races.

Source: U.S. Census Bureau

**Projected Population Growth, 2000-2020
(in percent)**



Source: Texas State Data Center (Scenario 0.5)

San Antonio Market Overview 2004 Education

Educational Level, Persons Age 25 and Older 2000 (in percent)

Level of Education	San Antonio MSA	Texas
High school graduate	26.2	26.3
Some college, no degree	23.3	21.7
Associate's degree	5.4	5.2
Bachelor's degree	13.7	16.1
Graduate or professional degree	8.2	7.4

Source: U.S. Census Bureau, 2000 Census

Educational Level, Persons Age 25 and Older 2000 (in percent)

Level of Education	San Antonio PMSA	Texas
Completed High School	81.1	79.2
Bachelor's Degree or More	15.9	23.9

Source: U.S. Census Bureau

Local College and University Enrollment

School	Fall 2002	Spring 2003	Fall 2003	Spring 2004
Alamo Community College District	44,964	48,984	48,726	*51,563
Baylor University Academy of Health Sciences - San Antonio	105	117	112	-
St. Mary's University	4,242	3,938	4,119	-
Trinity University	2,700	2,560	2,707	-

Sources: Educational institution and Texas Higher Education Coordinating Board
 *estimated

San Antonio Market Overview 2004 Employment

Top Ten Employers

Employer	Sector	Employees
Fort Sam Houston	Military	17,549
USAA	Insurance	14,955
Lackland AFB	Military	13,209
KellyUSA	Aviation, Logistics, Business, Industrial	5,200 civilian; 7,000 gov.
Randolph AFB	Military	10,733
H-E-B Food Stores	Grocery	10,469
City of San Antonio	Government	9,813
Northside I.S.D.	Public education	8,800
San Antonio I.S.D.	Public education	8,000
Methodist Healthcare System	Health care	7,200

Source: San Antonio Economic Development Foundation Jul-2003

Top Ten Private Employers

Employer	Sector	Employees
USAA	Insurance	14,955
H-E-B Food Stores	Grocery	10,469
Methodist Healthcare System	Health care	7,200
SBC	Telecommunications	6,700
Administaff, Inc.	Employer organization	4,300
Baptist Health System	Medical services	4,225
Citicorp	Customer service center	3,200
Taco Cabana, Inc.	Restaurants	3,000
Cullen Frost Bankers	Financial services	2,886
Southwest Research Institute	Applied research	2,550

Source: San Antonio Economic Development Foundation Jul-2003

Employment Growth by Industry - 2003

	San Antonio MSA	Texas
Employment growth (percent)	-0.3	-0.5
Unemployment rate (percent)	5.5	6.8
New jobs	-2500	-49,800
Employment growth by sector (percent)		
Manufacturing	-4.6	-5.0
Construction	-3.2	-3.0
Natural Resources and Mining	-4.2	0.6
Trade, Transportation and Utilities	-1.4	-1.8
Information	-3.7	-5.8
Financial Activities	1.5	0.9
Professional and Business Services	-0.3	-1.1
Educational and Health Services	2.4	3.3
Leisure and Hospitality	0.4	1.2
Government	0.7	1.3
Total Nonfarm	-0.3	-0.5

Source: Texas Workforce Commission and U.S. Bureau of Labor Statistics

Texas Metropolitan Area Employment Change, 1990-2003

Metropolitan Area	1990 Employment	2003 Employment	Percent Change
Austin-San Marcos	454,618	746,750	64.3
Laredo	48,766	77,065	58.0
McAllen-Edinburg-Mission	128,560	197,870	53.9
Brownsville-Harlingen-San Benito	90,866	131,457	44.7
Bryan-College Station	58,292	82,368	41.3
San Antonio	587,550	796,235	35.5
Killeen-Temple	87,724	117,801	34.3
Tyler	70,970	93,561	31.8
Dallas	1,467,668	1,916,607	30.6
Texas	8,071,312	10,284,203	27.4
Fort Worth-Arlington	721,875	915,919	26.9
Houston	1,720,152	2,180,719	26.8
Victoria	34,648	43,652	26.0
Amarillo	92,967	113,051	21.6
El Paso	229,358	274,926	19.9
Lubbock	107,823	128,854	19.5
Waco	86,347	102,310	18.5
Longview-Marshall	86,048	100,952	17.3
Odessa-Midland	104,401	120,374	15.3
Corpus Christi	150,142	172,705	15.0
San Angelo	43,587	49,798	14.2
Brazoria County	93,552	105,320	12.6
Abilene	52,389	58,513	11.7
Sherman-Denison	43,804	48,866	11.6
Wichita Falls	56,897	62,812	10.4
Galveston-Texas City	105,423	114,327	8.4
Texarkana	51,575	55,658	7.9
Beaumont-Port Arthur	157,435	167,915	6.7

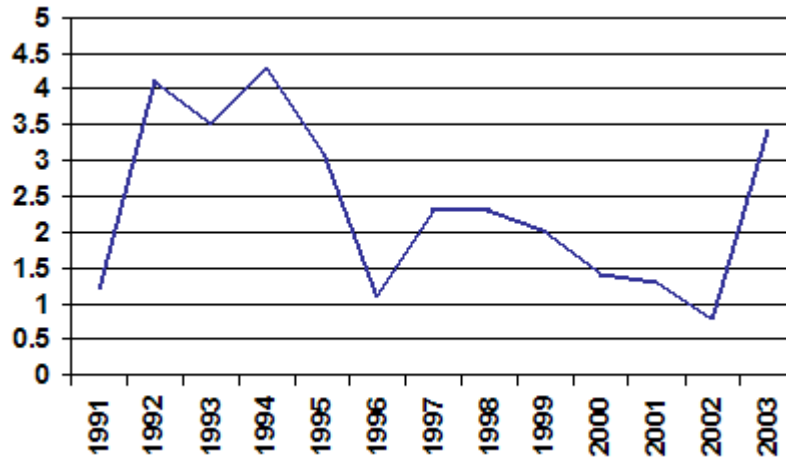
Source: U.S. Bureau of Labor Statistics and The Real Estate Center

San Antonio MSA Employment

Year	Employment	Percent Change
1990	587,550	-
1991	594,836	1.2
1992	619,007	4.1
1993	640,537	3.5
1994	668,235	4.3
1995	688,646	3.1
1996	696,192	1.1
1997	712,224	2.3
1998	728,379	2.3
1999	743,056	2
2000	754,784	1.4
2001	763,766	1.3
2002	770,157	0.8
2003	796,235	3.4

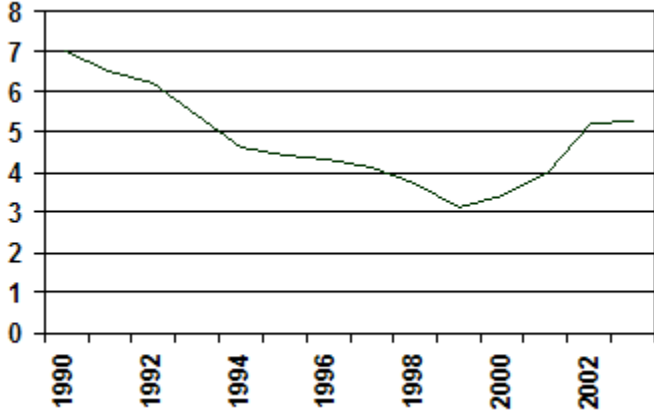
Source: U.S. Bureau of Labor Statistics

Annual Percent Change in San Antonio MSA Employment



Source: U.S. Bureau of Labor Statistics

**San Antonio MSA Unemployment Rate
(in percent)**



Source: U.S. Bureau of Labor Statistics

San Antonio Market Overview 2004 Economy

San Antonio MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$9,478,870,396	\$7,155
1991	11,026,166,857	8,176
1992	12,083,614,167	8,769
1993	14,686,189,543	10,439
1994	15,351,747,610	10,668
1995	15,906,173,646	10,830
1996	16,496,020,506	11,039
1997	15,617,073,662	10,275
1998	16,267,967,206	10,516
1999	20,257,493,392	12,882
2000	21,383,485,070	13,429
2001	22,284,034,849	13,697
2002	20,350,617,632	12,258
State Average 2002: \$12,143		

Source: Texas Comptroller's Office Mar 2004

San Antonio Market Overview 2004 Infrastructure

San Antonio Airline Boardings

Airport	1998	1999	2000	2001	2002	2003
Enplaned	3,505,372	3,538,243	3,647,094	3,444,875	3,365,333	3,250,741
Deplaned	-	-	3,658,241	3,459,521	3,349,283	3,285,213
Total	3,505,372	3,538,243	7,305,335	6,904,396	6,714,616	6,535,954

Source: San Antonio International Airport

San Antonio Cargo Enplaned (pounds)

Airport	1998	1999	2000	2001	2002	2003
San Antonio International Airport	98,256,780	93,008,883	91,505,339	69,737,240	82,687,287	79,302,604

Source: San Antonio International Airport

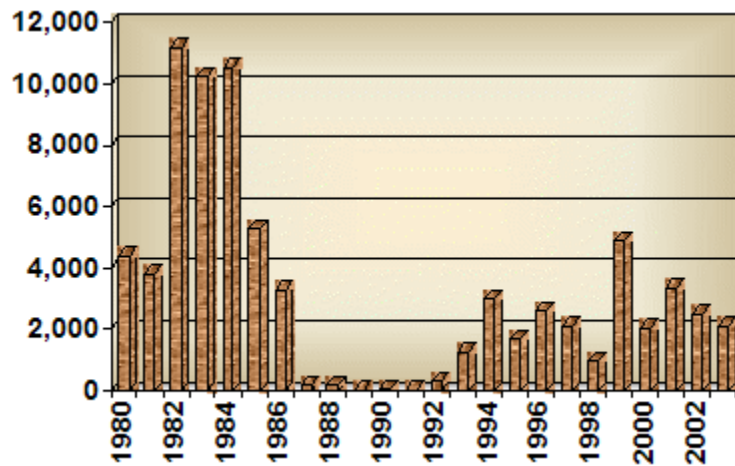
San Antonio Market Overview 2004 Multifamily

San Antonio Apartment Statistics 2003

	San Antonio	Texas Metro Average
Average rent per square foot	\$0.71	\$0.79
Average rent for units built since 2000	\$0.79	\$0.91
Average occupancy (percent)	94.0	92.1
Average occupancy for units built since 2000 (percent)	95.4	90.8

Source: Apartment MarketData Research

**San Antonio MSA Multifamily Building Permits
 (5+ Family Bldg. Permits in units)**



Source: U.S. Census Bureau

San Antonio Market Overview 2004 Housing

Housing Affordability - Fourth Quarter 2003

	Percent of Households That Can Afford Median-priced Home	THAI*	THAI for First-time Homebuyers
San Antonio MSA	62	1.23	1.06
Texas MLS Total	54	1.06	0.92
U.S. Total	55	1.06	0.77

* The THAI is the ratio of median household income to the income required to buy the median priced home using currently available mortgage financing. Standard financing is a 30-year loan covering 80 percent of the cost of the home. A THAI of 1.00 indicates that the median household income is just enough to qualify for a loan sufficient to purchase the median-priced home.

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, San Antonio Area, 2003 (in percent)

Price Range	1999	2000	2001	2002	2003
\$29,999 or less	3.0	2.6	2.5	2.6	2.2
30,000 - 39,999	3.8	3.3	2.7	2.5	2.5
40,000 - 49,999	6.2	5.5	4.0	3.6	3.3
50,000 - 59,999	8.5	8.1	6.9	5.8	4.8
60,000 - 69,999	10.2	9.5	8.6	7.5	6.5
70,000 - 79,999	9.9	9.3	9.1	8.2	7.4
80,000 - 89,999	9.4	9.2	9.7	8.8	8.2
90,000 - 99,999	7.0	7.1	7.1	7.0	7.0
100,000 - 119,999	10.8	10.4	11.0	11.7	11.6
120,000 - 139,999	8.6	9.1	10.3	10.8	11.9
140,000 - 159,999	5.8	6.2	6.9	7.6	7.8
160,000 - 179,999	4.0	4.4	5.3	5.9	6.2
180,000 - 199,999	2.8	3.4	3.6	3.8	4.1
200,000 - 249,999	4.5	4.9	4.9	5.8	6.7
250,000 - 299,999	2.1	2.6	2.8	3.2	4.0
300,000 - 399,999	2.0	2.4	2.5	2.9	3.5
400,000 - 499,999	0.7	1.1	1.0	1.0	1.1
500,000 and more	0.7	0.9	1.0	1.2	1.3

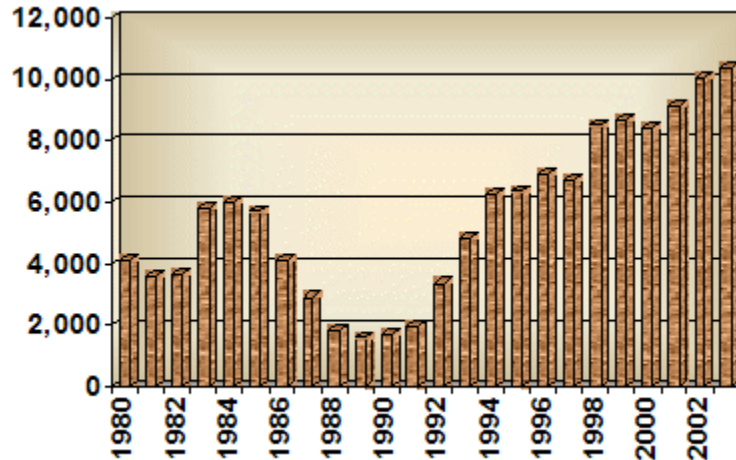
Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2003

Taxing Entity	Tax Rate per \$100 Valuation
City of San Antonio	\$0.58
San Antonio ISD	1.72
Community College	0.11
Hospital District	0.24
Bexar County	0.32
Total	\$2.97

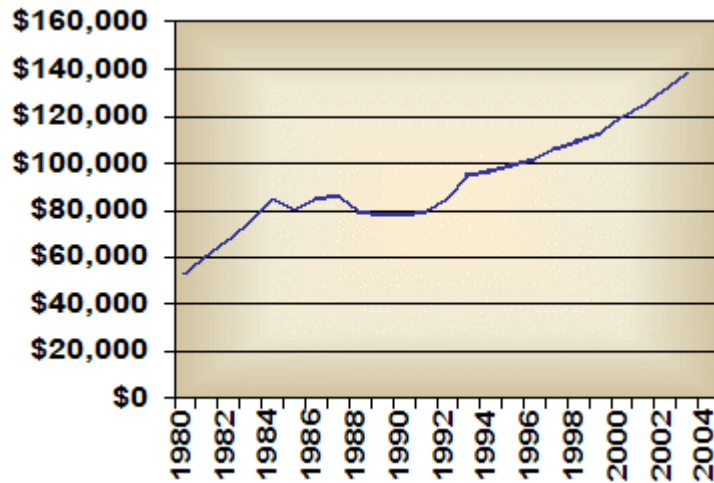
Source: Bexar County Appraisal District

San Antonio MSA Single-family Building Permits (in units)



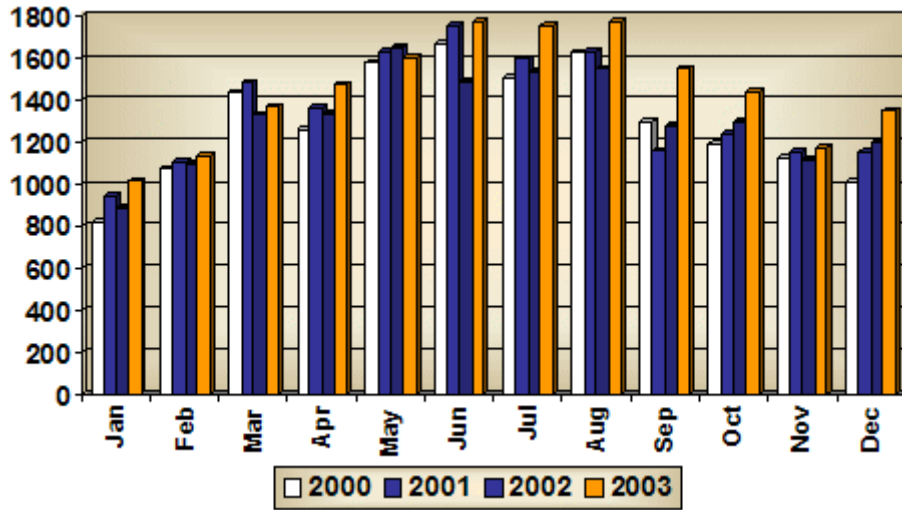
Source: U.S. Census Bureau

Average Sales Price of Single-family Home, San Antonio Area



Source: Real Estate Center at Texas A&M University

Single-family Home Sales Volume, San Antonio Area (Number of Units)



Source: Real Estate Center at Texas A&M University

San Antonio Market Overview 2004 Retail

Retail Market Analysis San Antonio, Fourth Quarter 2003

All Types	Citywide 2003	Citywide 2002	Citywide 2001	CBD/South 2003	CBD/South 2002	CBD/South 2001
About						
Inventory	33,572,518	32,915,301	31,897,280	4,725,467	4,703,870	4,561,505
Available	4,553,352	4,248,026	4,394,543	490,761	520,789	525,419
% Vacant	13.6	12.9	13.8	10.4	11.1	11.5
Average Rent	\$14.05	\$13.71	\$13.35	\$12.62	\$11.66	\$10.46
4Q Absorption	83,598	717,890	N/A	16,932	64,323	-
YTD Absorption	767,901	438,921	103,261	115,328	87,402	(80,457)
Regional Malls						
Inventory	7,657,016	7,657,016	7,670,953	2,326,629	2,326,629	2,326,629
Available	1,286,292	1,138,752	1,615,964	306,026	327,826	327,826
% Vacant	16.8	14.9	21.1	13.2	14.1	14.1
4Q Absorption	(164,143)	291,012	N/A	0	0	N/A
YTD Absorption	(147,540)	291,012	(974,151)	21,800	0	(148,526)
Power Centers (250K+)						
Inventory	5,637,428	5,267,588	4,797,593	N/A	N/A	N/A
Available	251,446	308,254	309,723	N/A	N/A	N/A
% Vacant	4.5	5.9	6.5	N/A	N/A	N/A
Average Rent	\$20.83	\$21.30	\$21.09	N/A	N/A	N/A
4Q Absorption	150,932	253,244	N/A	N/A	N/A	N/A
YTD Absorption	577,813	330,469	766,701	N/A	N/A	N/A
Community Centers (100K-249K)						
Inventory	3,910,304	4,150,689	4,143,439	178,486	178,486	178,486
Available	538,272	628,909	455,550	0	0	0
% Vacant	13.8	15.2	11.0	0.0	0.0	0.0
Average Rent	\$14.08	\$13.34	\$13.57	\$9.85	\$9.85	\$9.85
4Q Absorption	49,669	(8,143)	N/A	0	0	0
YTD Absorption	12,483	(173,359)	346,343	0	0	0
Neighborhood Centers (30K-99K)						

Real Estate Center Market Overview 2004
San Antonio, Texas

Inventory	15,371,990	14,740,271	14,432,311	2,196,352	2,174,755	2,032,390
Available	2,349,099	2,071,364	1,952,471	184,735	192,963	197,593
% Vacant	15.3	14.1	13.5	8.4	8.9	9.7
Average Rent	\$11.66	\$11.24	\$10.82	\$12.91	\$11.85	\$10.55
4Q Absorption	2,212	197,885	N/A	16,932	64,323	N/A
YTD Absorption	292,791	64,199	(35,632)	93,528	87,402	68,069
Strip Centers (Less than 30K)						
Inventory	995,780	912,743	852,984	24,000	24,000	24,000
Available	128,243	100,747	60,835	0	0	0
% Vacant	12.9	11.0	7.1	0.0	0.0	0.0
Average Rent	\$12.39	\$11.43	\$11.46	\$7.50	\$7.50	\$7.50
4Q Absorption	44,928	(16,108)	N/A	0	0	0
YTD Absorption	32,354	(35,543)	*	0	0	0

Source: REOC Partners, Ltd.

**Retail Market Analysis
San Antonio, Fourth Quarter 2003**

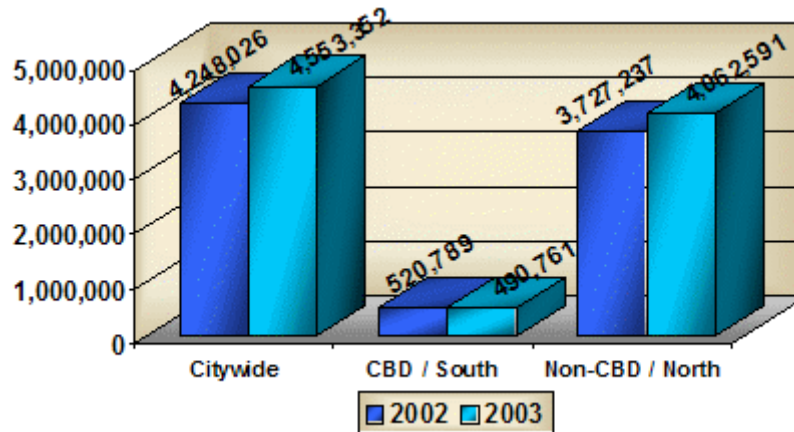
	Non-CBD/North 2003	Non-CBD/North 2002	Non-CBD/North 2001
All Types	28,847,051	28,024,437	27,335,775
Inventory	4,062,591	3,727,237	3,869,124
Available	14.1	13.3	14.2
% Vacant	\$14.19	\$13.93	\$13.64
Average Rent	66,666	653,567	N/A
4Q Absorption	652,573	389,376	183,718
YTD Absorption	-	-	-
Regional Malls	5,330,387	5,330,387	5,344,324
Inventory	980,266	810,926	1,288,138
Available	18.4	15.2	24.1
% Vacant	(164,143)	291,012	N/A
4Q Absorption	(169,340)	291,012	(825,625)
YTD Absorption	-	-	-
Power Centers (250K+)	5,637,428	5,267,588	4,797,593
Inventory	251,446	308,254	309,723
Available	4.5	5.9	6.5
% Vacant	21	\$21.30	\$21.09
Average Rent	150,932	253,244	N/A
4Q Absorption	577,813	330,469	766,701
YTD Absorption	-	-	-
Community Centers (100K-249K)	3,731,818	3,972,203	3,964,953
Inventory	538,272	628,909	455,550
Available	14.4	15.8	11.5
% Vacant	\$14.29	\$13.50	\$13.74
Average Rent	49,669	(8,143)	N/A
4Q Absorption	12,483	(173,359)	364,343
YTD Absorption	-	-	-
Neighborhood Centers (30K-99K)	13,175,638	12,565,516	12,399,921
Inventory	2,164,364	1,878,401	1,754,878
Available	16.4	14.9	14.2
% Vacant	\$11.45	\$11.14	\$10.87

Real Estate Center Market Overview 2004
San Antonio, Texas

Average Rent	(14,720)	133,562	N/A
4Q Absorption	199,263	(23,203)	(103,701)
YTD Absorption	-	-	-
Strip Centers (Less than 30K)	971,780	888,743	828,984
Inventory	128,243	100,747	60,835
Available	13.2	11.3	7.3
% Vacant	\$12.51	\$11.53	\$11.58
Average Rent	44,928	(16,108)	-
4Q Absorption	32,354	(35,543)	*
YTD Absorption	-	-	-

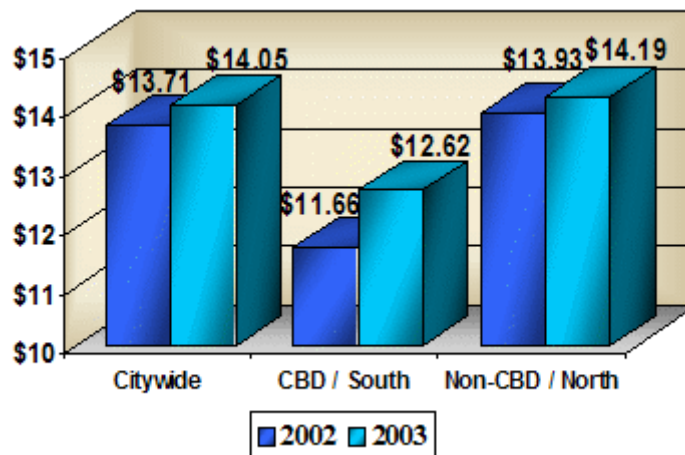
Source: REOC Partners, Ltd.
*Preliminary

**San Antonio Retail Market
Available Inventory, SF**



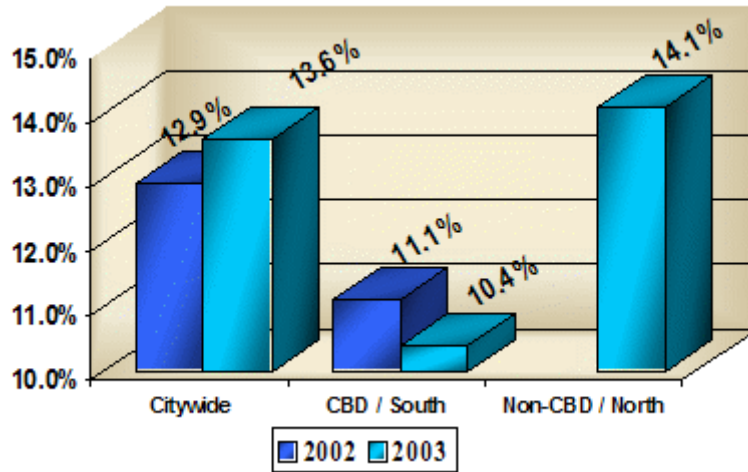
Source: REOC Partners, Ltd.

**San Antonio Retail Market
Average Rent, \$ / SF**



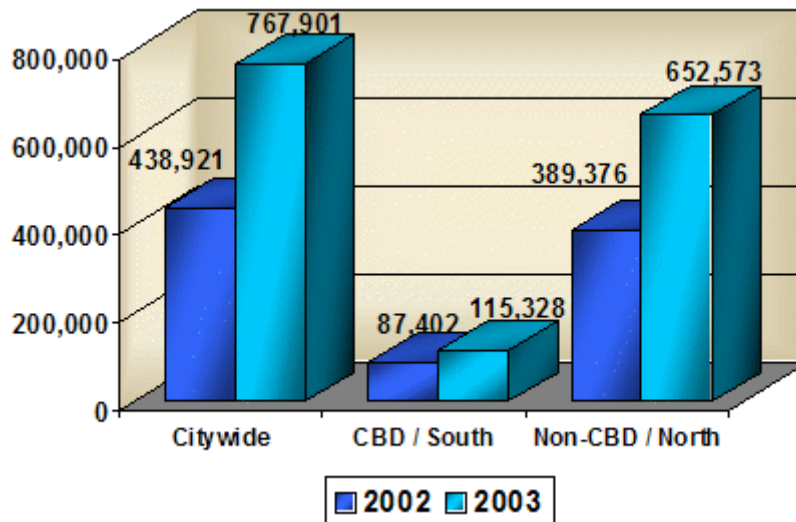
Source: REOC Partners, Ltd.

San Antonio Retail Market Vacancy Rate, %



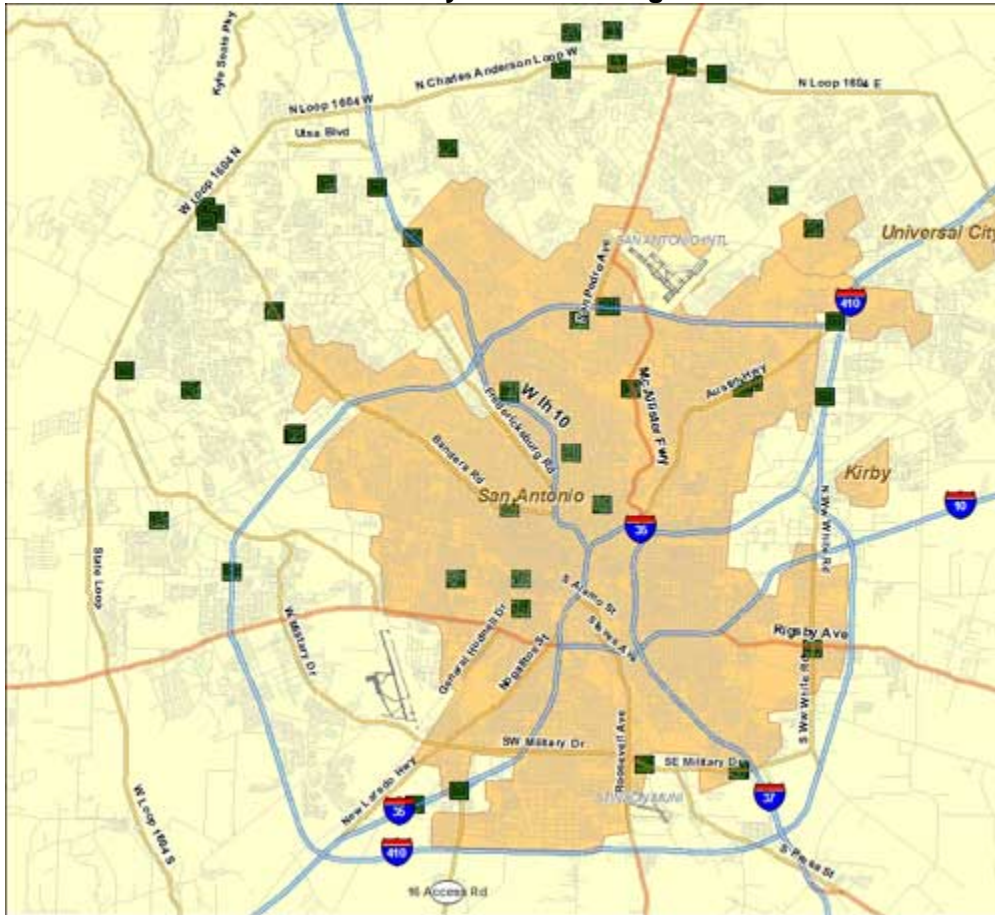
Source: REOC Partners, Ltd.

San Antonio Retail Market Absorption, SF



Source: REOC Partners, Ltd.

San Antonio City Retail Building Permits



San Antonio City Building Permit Office

San Antonio Market Overview 2004 Hotel

Hotel* Occupancy and Rental Rates		
	San Antonio	Texas
2000		
Rooms (000)	29.7	296.8
Average daily rental rate	\$86.80	\$71.56
Occupancy rate (percent)	61.8	59.3
2001		
Rooms (000)	30.5	307.1
Average daily rental rate	\$86.14	\$70.27
Occupancy rate (percent)	60.7	57.3
2002		
Rooms (000)	31.2	314.3
Average daily rental rate	\$87.18	\$70.11
Occupancy rate (percent)	61.0	55.4
2003		
Rooms (000)	32.1	320.8
Average daily rental rate	\$84.89	\$68.78
Occupancy rate (percent)	60.4	54.3

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio
 *Only properties exceeding \$16,600 in the current quarter are included; those units below \$16,600 only result in 1.5% of the total state revenues, and have been excluded from this database.

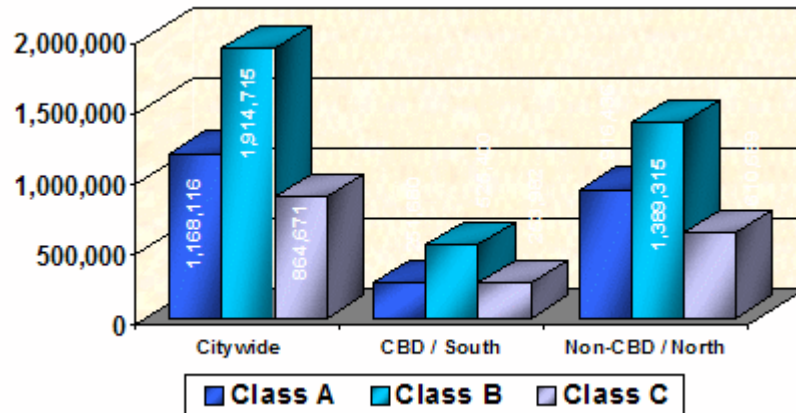
San Antonio Market Overview 2004 Office

Office Market Analysis San Antonio, Fourth Quarter 2003

	Citywide 2003	Citywide 2002	CBD 2003	CBD 2002	Non-CBD 2003	Non-CBD 2002
All Classes						
Inventory	22,267,483	22,189,573	5,112,090	5,046,763	17,155,393	17,142,810
Available	3,947,502	3,726,107	1,031,062	877,955	2,916,440	2,848,152
% Vacant (percent)	17.7	16.8	20.2	17.4	17.0	16.6
Average Rent	\$17.61	\$17.69	\$17.85	\$17.99	\$17.53	\$17.60
4Q Absorption	20,652	79,919	(3,987)	(8,315)	24,639	88,234
YTD Absorption	(190,171)	(466,269)	(117,333)	(37,105)	(72,838)	(429,164)
Class A Space						
Inventory	7,474,074	7,460,965	1,989,158	1,989,158	5,484,916	5,471,807
Available	1,168,116	1,015,664	251,680	146,409	916,436	869,255
% Vacant (percent)	15.6	13.6	12.7	7.4	16.7	15.9
Average Rent	\$20.57	\$20.85	\$21.36	\$21.53	\$20.29	\$20.60
4Q Absorption	(6,299)	(26,498)	(10,576)	(1,429)	4,277	(25,069)
YTD Absorption	(152,452)	(247,748)	(105,271)	(44,881)	(47,181)	(202,867)
Class B Space						
Inventory	11,024,828	10,861,146	2,459,750	2,393,423	8,565,078	8,467,723
Available	1,914,715	1,841,816	525,400	502,931	1,389,315	1,338,885
% Vacant (percent)	17.4	17.0	21.4	21.0	16.2	15.8
Average Rent	\$16.53	\$16.46	\$15.52	\$15.28	\$16.83	\$16.80
4Q Absorption	60,816	68,411	11,383	(1,044)	49,433	69,455
YTD Absorption	35,072	(186,581)	13,305	34,609	21,767	(221,190)
Class C Space						
Inventory	3,768,581	3,867,462	663,182	664,182	3,105,399	3,203,280
Available	864,671	868,627	253,982	228,615	610,689	640,012
% Vacant (percent)	22.9	22.5	38.3	34.4	19.7	20.0
Average Rent	\$14.86	\$15.02	\$15.96	\$17.18	\$14.63	\$14.58
4Q Absorption	(33,865)	38,006	(4,794)	(5,842)	(29,071)	43,848
YTD Absorption	(72,791)	(44,232)	(25,367)	(26,833)	(47,424)	(5,107)

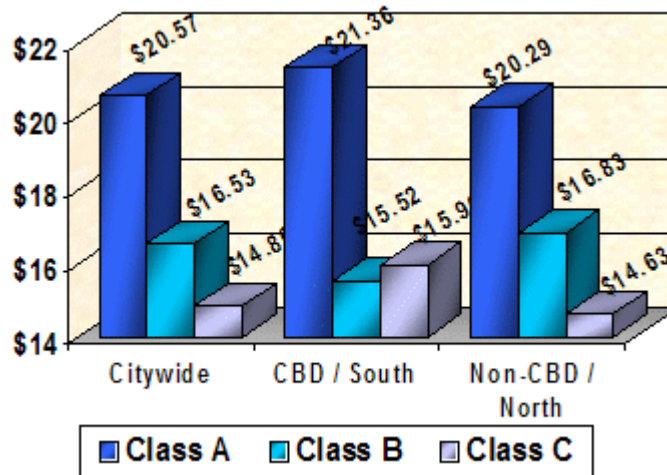
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Available Inventory, SF, Year-End 2003**



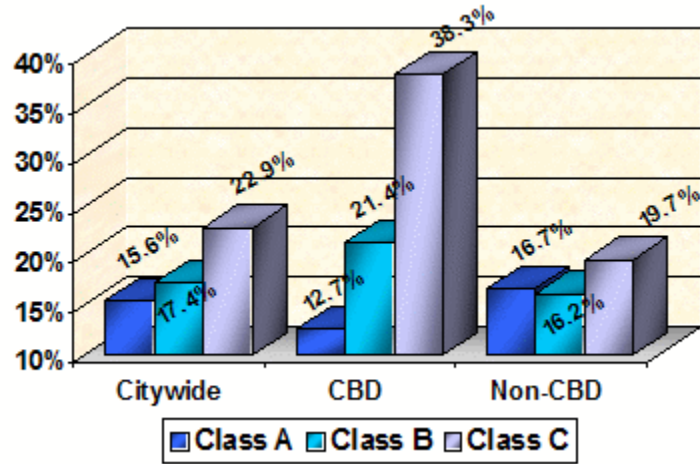
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Average Rent, \$ / SF, Year-End 2003**



Source: REOC Partners, Ltd.

**San Antonio Office Market
 Vacancy Rate, %, Year-End 2003**



Source: REOC Partners, Ltd.

San Antonio City Office Building Permits



San Antonio City Building Permit Office

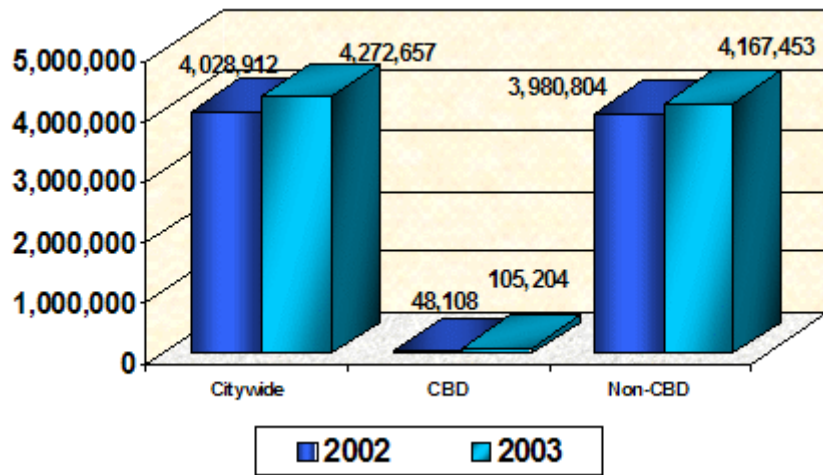
San Antonio Market Overview 2004 Industrial

Industrial Market Analysis San Antonio, Fourth Quarter 2003

	Citywide		CBD		Non-CBD	
	2003	2002	2003	2002	2003	2002
Combined						
Inventory	22,194,184	21,804,323	264,395	264,395	21,929,789	21,539,928
Available	4,272,657	4,028,912	105,204	48,108	4,167,453	3,980,804
% Vacant (percent)	19.3	18.5	39.8	18.2	19.0	18.5
4Q Absorption	270,110	280,221	(42,822)	0	312,932	280,221
YTD Absorption	76,499	544,552	(57,096)	22,400	133,595	522,152
Distribution/Warehouse						
Inventory	15,272,793	15,159,004	264,395	264,395	15,008,398	14,894,609
Available	2,672,356	2,376,793	105,204	48,108	2,567,152	2,328,685
% Vacant (percent)	17.5	15.7	39.8	18.2	17.1	15.6
Average Rent	\$4.00	\$3.99	\$3.14	\$3.38	\$4.01	\$4.00
4Q Absorption	151,775	201,442	(42,822)	0	194,597	201,442
YTD Absorption	(182,633)	451,719	(57,096)	22,400	(125,537)	429,319
Service Center/Flex						
Inventory	6,921,391	6,645,319	0	0	6,921,391	6,645,319
Available	1,600,301	1,652,119	0	0	1,600,301	1,652,119
% Vacant (percent)	23.1	24.9	0.0	0.0	23.1	24.9
Average Rent	\$8.92	\$8.79	\$0.00	\$0.00	\$8.92	\$8.79
4Q Absorption	118,335	78,779	0	0	118,335	78,779
YTD Absorption	159,132	92,833	0	0	259,132	92,833

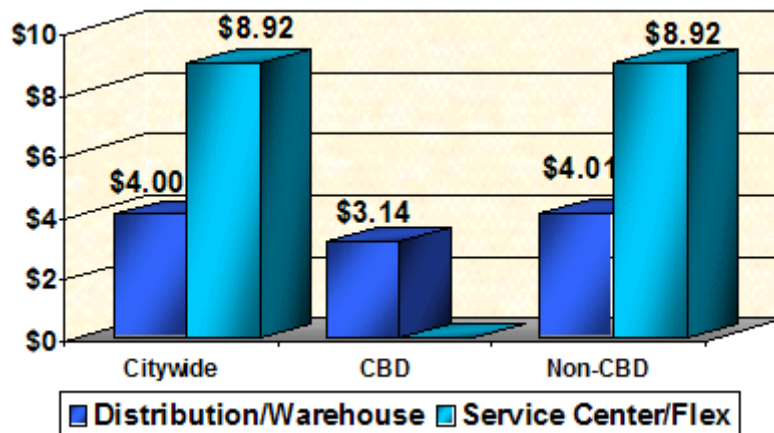
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Available Inventory, SF**



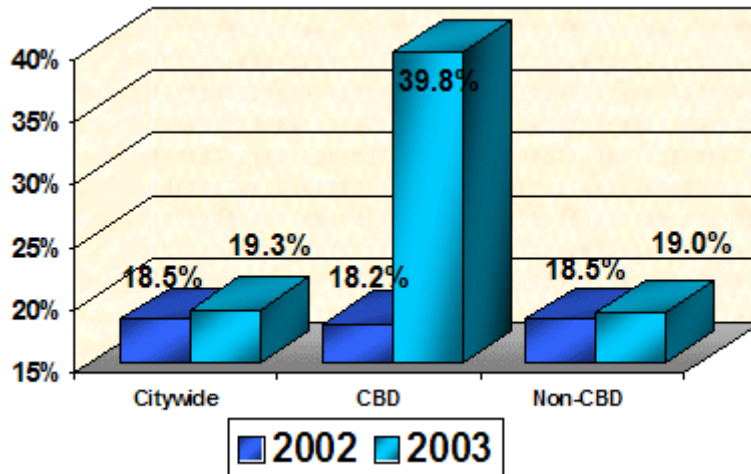
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Average Rent, \$ / SF, Year-End 2003**



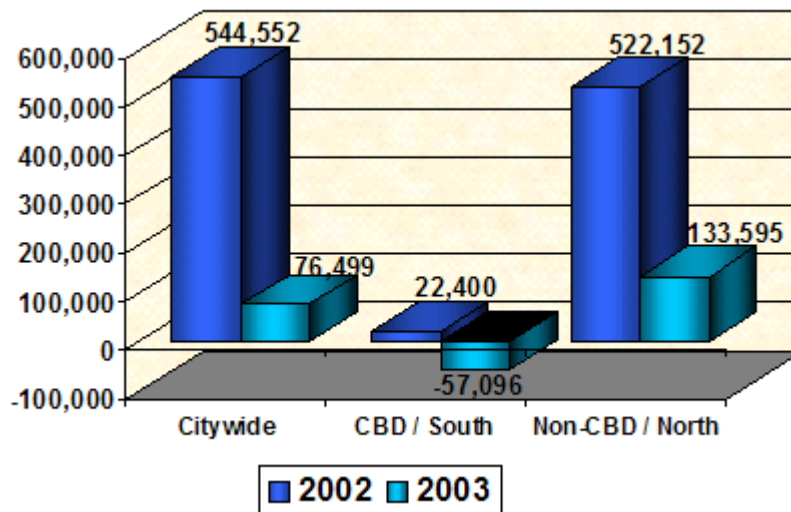
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Vacancy Rate, %**



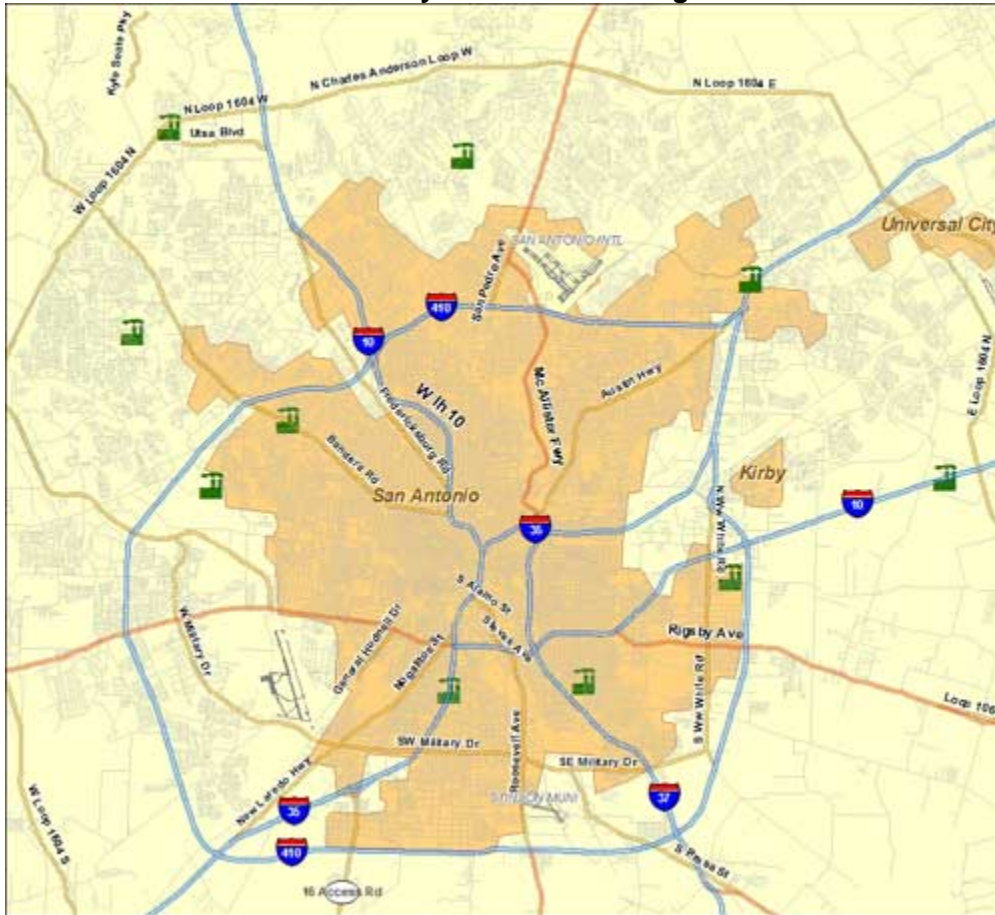
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 YTD Absorption, SF**



Source: REOC Partners, Ltd.

San Antonio City Industrial Building Permits



San Antonio City Building Permit Office



This annual report is created free of charge by the Real Estate Center at Texas A&M University. We strive to provide the most accurate, up-to-date, and insightful data to paint a detailed picture of Texas' Metropolitan Statistical Area's. The Center also provides numerous publications, resources, and data on building permits, employment, population, and home sales at <http://recenter.tamu.edu>.

Report compiled by:

Administrative Coordinator

Edith Craig

Research Analysts

Isilay Civan

Blake Lacy

Real Estate Center, 2115 TAMU, College Station, TX 77843-2115
Phone: 979.845.2031 | Fax: 979.845.0460