

Real Estate Market Overview 2005

Austin - Round Rock

Originally a buffalo-hunting ground favored by Tonkawa Indians, Austin was permanently settled in 1838 as a trading post. The Austin-Round Rock Metropolitan Statistical Area (MSA) is now part of the I-35 growth corridor in the heart of Texas. According to the U.S. Census Bureau, the Austin MSA experienced the largest increase in income in the state and was one of the country's fastest-growing cities during the 1990s, growing by nearly 48 percent. Austin, the capital of Texas, is home to the University of Texas, the largest university in the nation. The city supports a politically charged and culturally rich environment.

Quick Facts	
Land Area	4,224 square miles
Population Density (2000)	295.9 people per square mile
Counties	Bastrop, Caldwell, Hays, Travis, Williamson
Area Cities and Towns	
Austin, Cedar Park, Georgetown, Leander, Lockhart, Pflugerville, Round Rock, San Marcos, Taylor	

* This report's MSA data reflects either 1999 or 2003 MSA definitions based on data availability. Use of 2003 definition is noted where applicable.

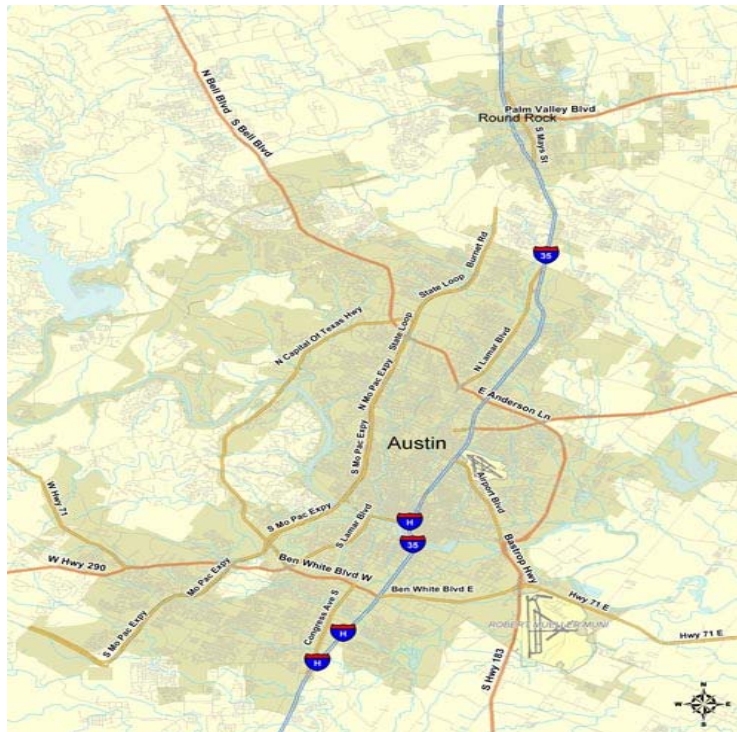


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Austin-Round Rock Market Overview 2005 Demographics

Austin MSA Population

Year	Population	Percent Change
1990	846,227	1.7
1991	880,678	4.1
1992	912,833	3.7
1993	949,788	4.0
1994	988,925	4.1
1995	1,031,557	4.3
1996	1,073,037	4.0
1997	1,111,264	3.6
1998	1,155,579	4.0
1999	1,205,898	4.4
2000	1,249,763	3.6
2001	1,319,189	5.6
2002	1,346,646	2.1
2003	1,376,724	2.2
2004	1,412,271	2.6

Source: U.S. Census Bureau

County Population Growth

County	1990 Population	2004 Population	Growth 1990 - 2004 (in percent)
Bastrop	38,263	68,608	79.3
Caldwell	26,392	36,498	38.3
Hays	65,614	119,359	81.9
Travis	576,407	869,868	50.9
Williamson	139,551	317,938	127.8

Source: U.S. Census Bureau (2003 definition)

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990 - 2000 (in percent)
Austin	656,562	32.8
Round Rock	61,136	93.7
San Marcos	34,733	19.5
Georgetown	28,339	75.8
Cedar Park	26,049	193.9
Taylor	13,575	18.7
Lockhart	11,615	23.7
Pflugerville	16,335	182.8

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1990 - 2004

Metropolitan Area	1990 Population	2004 Population	Percent Change
McAllen-Edinburg-Mission	383,545	658,248	71.6
Austin-San Marcos	846,227	1,412,271	66.9
Laredo	133,239	219,464	64.7
Dallas	2,676,248	3,886,553	45.2
Brownsville-Harlingen-San Benito	260,120	371,825	42.9
Brazoria County	191,707	271,130	41.4
Houston	3,321,911	4,587,092	38.1
Fort Worth-Arlington	1,361,034	1,878,334	38.0
Texas	16,986,335	22,490,022	32.4
San Antonio	1,324,749	1,722,117	30.0
Bryan-College Station	121,862	156,275	28.2
Killeen-Temple	255,299	325,398	27.5
Galveston-Texas City	217,396	271,743	25.0
Tyler	151,309	186,414	23.2
Sherman-Denison	95,019	115,933	22.0
Amarillo	187,514	227,472	21.3
El Paso	591,610	713,126	20.5
Waco	189,123	222,439	17.6
Victoria	74,361	85,777	15.4
Lubbock	222,636	251,018	12.7
Longview-Marshall	193,801	215,159	11.0
Texarkana	120,132	132,716	10.5
Corpus Christi	349,894	385,700	10.2
Odessa-Midland	225,545	244,832	8.6
Beaumont-Port Arthur	361,218	383,443	6.2
San Angelo	98,458	103,772	5.4
Wichita Falls	130,351	136,595	4.8
Abilene	119,655	125,108	4.6

Source: U.S. Census Bureau

Austin MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2005	1,401,651	-
2010	1,555,249	1,492,776
2015	1,714,863	-
2020	1,881,033	1,925,526

Sources: Texas State Data Center and Texas Water Development Board

Household Composition

	Austin MSA	Texas
Average household size (2000)	2.57	2.74
Population younger than 18 (2000, in percent)	25.4	28.2
Population 65 and older (2000, in percent)	7.3	9.9

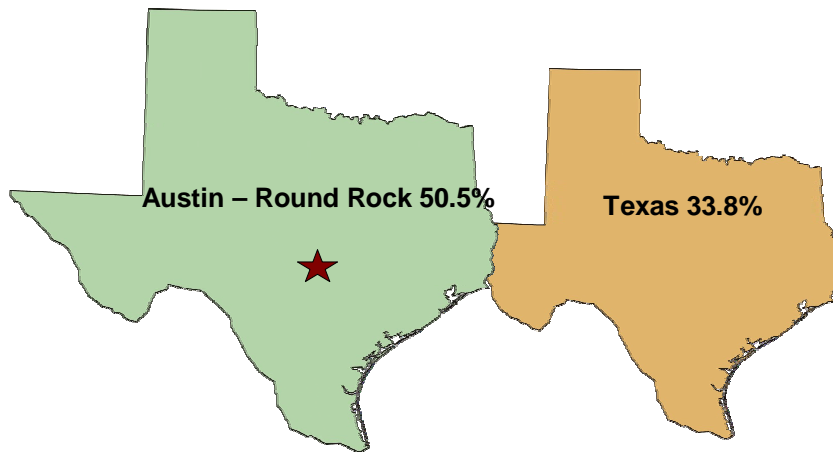
Source: U.S. Census Bureau

Distribution by Race and Hispanic or Latino Origin, 2000 (in percent)

	Austin MSA	Texas
White	72.5	71.0
Black	8.0	11.5
Asian	3.5	2.7
American Indian	0.6	0.6
Other	12.8	11.7
Two or more races	2.6	2.5
Hispanic (of any race)	26.2	32.0

Source: U.S. Census Bureau

Projected Population Growth, 2000 – 2020
(in percent)



Source: Texas State Data Center (Scenario 0.5)

Austin-Round Rock Market Overview 2005 Education

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

Level of Education	Bastrop County	Caldwell County	Hays County	Travis County	Williamson County	Texas
High school graduate	31.7	34.8	22.9	17.3	22.2	24.8
Some college, no degree	22.9	20.2	25.6	21.5	26.4	22.4
Associate's degree	5.3	3.1	4.8	5.2	6.6	5.2
Bachelor's degree	12.4	10	20.4	26.1	24.4	15.6
Graduate or professional degree	4.7	3.3	11	14.5	9.2	7.6

Source: U.S. Census Bureau (2003 definition)

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

Level of Education	Austin	
	MSA	Texas
High School Graduate or Higher	84.8	75.7
Bachelor's Degree or Higher	36.7	23.2

Source: U.S. Census Bureau

Local College and University Enrollment

School	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Concordia University	931	1,045	1,061	1,114
Huston-Tillotson College	618	642	666	685
St. Edward's University	4,151	4,266	4,441	4,648
Texas State University	23,517	25,025	26,306	26,783
University of Texas	50,616	52,261	51,426	50,377

Source: Texas Higher Education Coordinating Board

Local College and University Enrollment

School	Spring 2001	Spring 2002	Spring 2003	Spring 2004
Concordia University	-	-	973	1,030
Huston-Tillotson College	-	-	633	638
St. Edward's University	-	-	4,057	4,229
Texas State University	21,000	22,482	23,937	24,926
University of Texas	46,582	48,010	49,392	48,519

Source: Texas Higher Education Coordinating Board

Austin-Round Rock Market Overview 2005 Employment

Top Ten Employers

Employer	Sector	Employees
State of Texas	Government	67,600
University of Texas at Austin	Higher Education	21,000
Dell Computer Corp.	Personal computer systems	16,500
Austin Independent School District	Public Education	10,714
Federal Government	Government	10,200
City of Austin	Government	10,000
Seton Healthcare Network	Medical care	7,500
Freescale Semiconductor	Microprocessors	6,600
IBM Corporation	Circuit cards, hardware and software	6,300
St. David's Healthcare Partnership	Health Care	5,000

Source: Greater Austin Chamber of Commerce Nov-2004

Top Ten Private Employers

Employer	Sector	Employees
Dell Computer Corp.	Personal computer systems	16,500
Seton Healthcare Network	Medical care	7,500
Freescale Semiconductor	Microprocessors	6,600
IBM Corporation	Circuit cards, hardware and software	6,300
St. David's Healthcare Partnership	Health Care	5,000
Advanced Micro Devices, Inc. (AMD)	Semiconductors	3,000
Applied Materials	Semiconductors	3,000
National Instruments	Computer software developer	2,000
Solectron Texas	Electronics Manufacturing	1,700
Girling Health Care	Health Care	1,593

Source: Greater Austin Chamber of Commerce Nov-2004

Employment Growth by Industry

Employment Growth by Industry	Austin-Round Rock MSA	Texas
Employment growth 2004 (in percent)	2.5	1.3
Unemployment rate 2004 (in percent)	5.1	6.1
New jobs in 2004	16,200	120,600
Employment growth by sector 2004 (in percent)		
Total Nonfarm	2.5	1.3
Natural Resources, Mining, and Construction	4.1	-
Natural Resources and Mining	-	3.2
Construction	-	-1.0
Manufacturing	-0.2	-0.2
Trade, Transportation and Utilities	1.9	1.2
Information	1.5	-1.1
Financial Activities	0.2	1.7
Professional and Business Services	5.1	1.7
Educational and Health Services	2.2	2.1
Leisure and Hospitality	5.0	2.1
Government	1.6	1.5

All estimates are subject to revision March-2005

Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

Texas Metropolitan Area Employment Change, 1990-2004

Metropolitan Area	1990 Employment	2004 Employment	Percent Change
McAllen-Edinburg-Mission	128,092	231,224	80.5
Austin-Round Rock	452,961	738,706	63.1
Laredo	48,588	77,898	60.3
Killeen-Temple-Fort Hood	93,215	137,634	47.7
Brownsville-Harlingen	90,534	130,457	44.1
College Station-Bryan	69,738	97,038	39.1
San Antonio	620,868	833,331	34.2
Dallas-Fort Worth-Arlington	2,163,142	2,790,815	29.0
Texas	8,071,312	10,362,982	28.4
Amarillo	96,512	122,770	27.2
Tyler	70,712	89,186	26.1
Houston-Baytown-Sugar Land	1,926,731	2,411,653	25.2
Sherman-Denison	43,644	53,651	22.9
Lubbock	110,510	134,203	21.4
Waco	86,033	104,444	21.4
Midland	51,435	61,405	19.4
Abilene	64,278	76,330	18.7
Corpus Christi	156,681	184,573	17.8
Victoria	44,880	52,847	17.8
El Paso	228,522	267,419	17.0
Longview	80,290	93,867	16.9
Wichita Falls	61,226	70,608	15.3
San Angelo	44,183	50,604	14.5
Texarkana	51,476	57,743	12.2
Odessa	52,585	57,944	10.2
Beaumont-Port Arthur	156,860	164,663	5.0

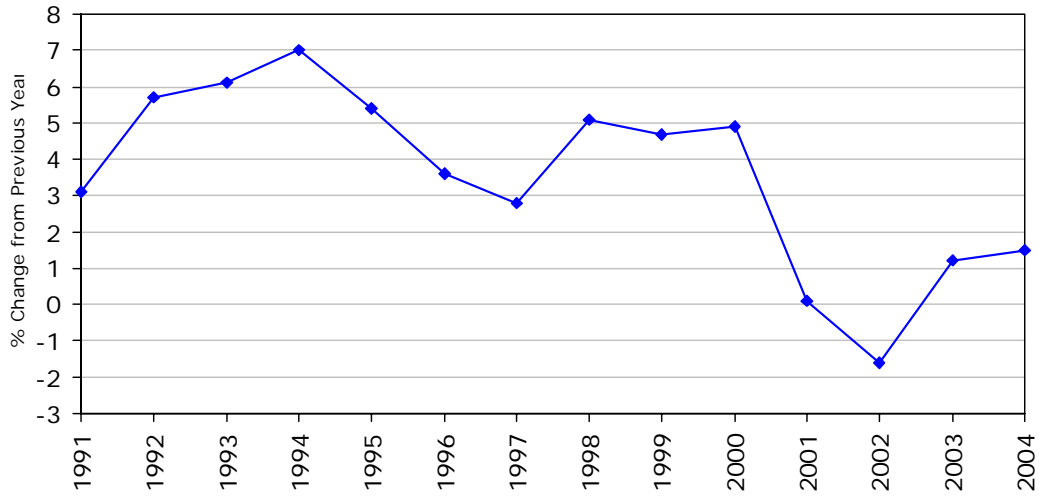
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

Austin-Round Rock MSA Employment

Year	Employment	Percent Change
1990	454,618	-
1991	468,579	3.1
1992	495,449	5.7
1993	525,890	6.1
1994	562,446	7.0
1995	593,053	5.4
1996	614,558	3.6
1997	632,013	2.8
1998	664,342	5.1
1999	695,714	4.7
2000	729,781	4.9
2001	730,667	0.1
2002	718,743	-1.6
2003	727,194	1.2
2004	738,063	1.5

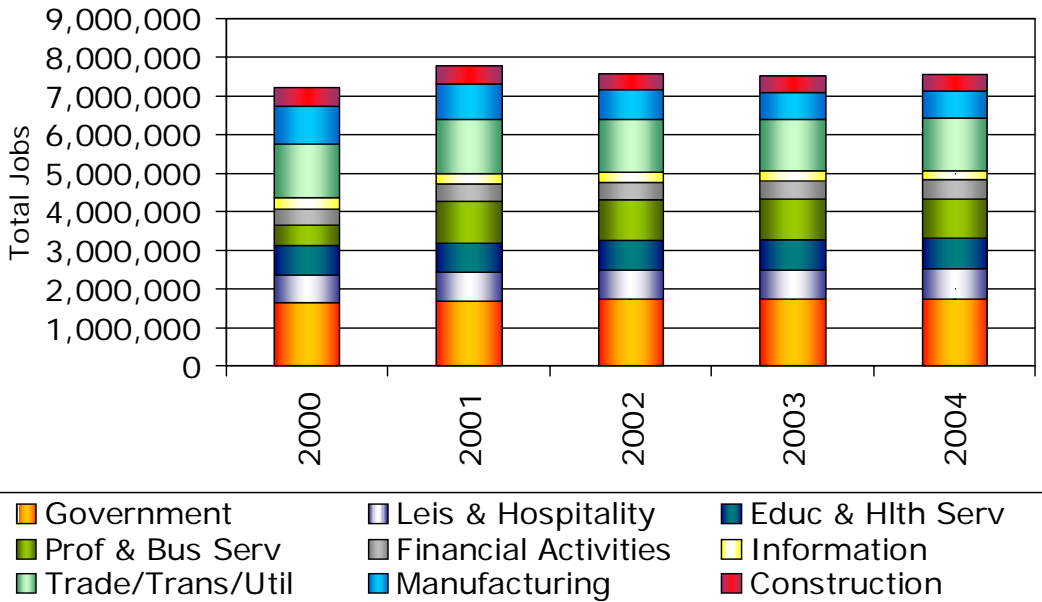
Source: U.S. Bureau of Labor Statistics

**Employment Growth
 Austin MSA**



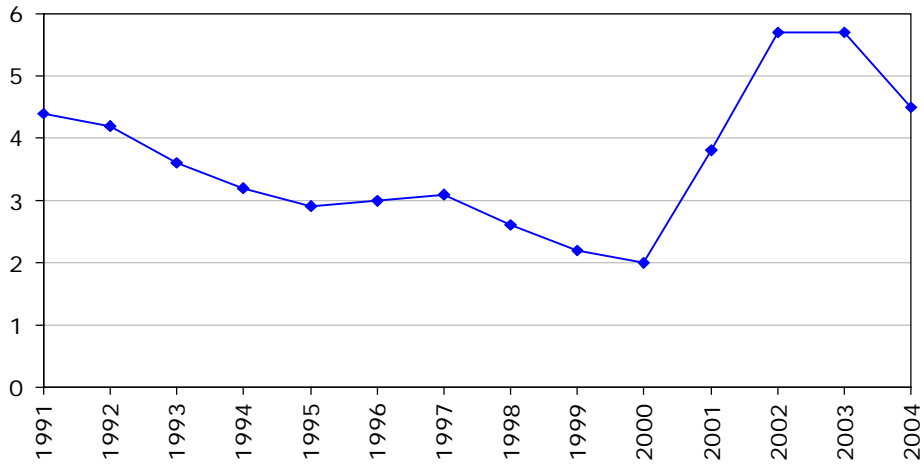
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Distribution of Employment in Major Categories



Source: Texas Workforce Commission Feb-2005

Austin MSA Unemployment Rate (in percent)



Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Austin-Round Rock Market Overview 2005 Economy

Austin-Round Rock Gross Retail Sales

Year	Total Sales	Sales per Capita
1990	\$6,648,000,169	\$7,856
1991	7,142,919,567	8,111
1992	8,006,172,847	8,771
1993	8,811,401,994	9,277
1994	9,938,716,131	10,050
1995	10,910,789,589	10,577
1996	11,856,282,020	11,049
1997	13,041,622,170	11,736
1998	13,938,050,757	12,062
1999	15,595,121,628	12,932
2000	18,067,257,543	14,457
2001	18,727,357,098	14,196
2002	18,767,884,229	13,937
2003	19,688,227,806	14,301
2004	21,231,864,530	15,034
		State Average 2004: \$14,546

Source: Texas Comptroller's Office

Austin-Round Rock Market Overview 2005 Infrastructure

Austin Airline Activity

		2000	2001	2002	2003	2004
Austin-Bergstrom International Airport	Enplaned (int'l & national)	3,938,441	3,667,324	3,439,302	3,306,357	3,707,864
	Deplaned (int'l & national)	3,719,824	3,486,004	3,281,366	3,400,724	3,530,781
	Total (int'l & national)	7,658,265	7,153,328	6,720,668	6,707,081	7,238,645

Source: Austin-Bergstrom International Airport

Austin Cargo Statistics

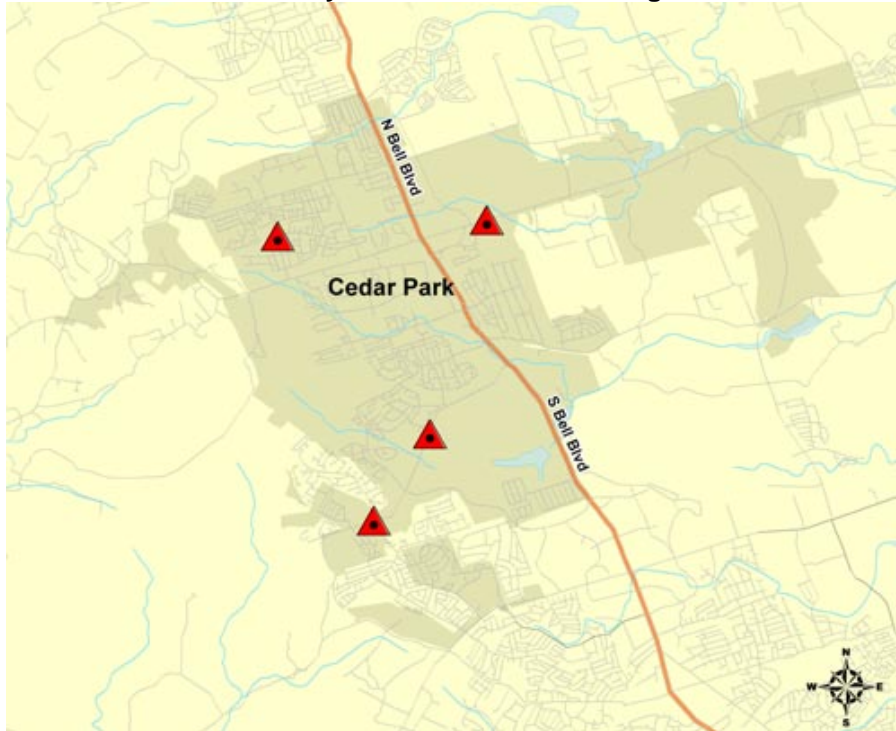
	2000	2001	2002	2003	2004
Austin-Bergstrom International Airport	353,595,318	321,229,101	285,896,271	252,276,024	254,419,495

Source: Austin-Bergstrom International Airport

Austin-Round Rock Market Overview 2005

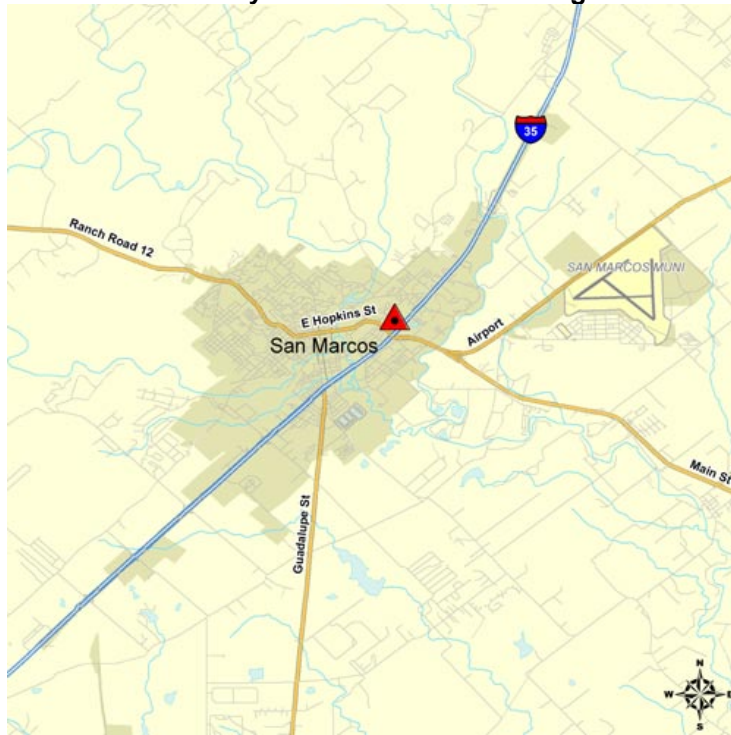
Public Facilities

Cedar Park City Public Facilities Building Permits



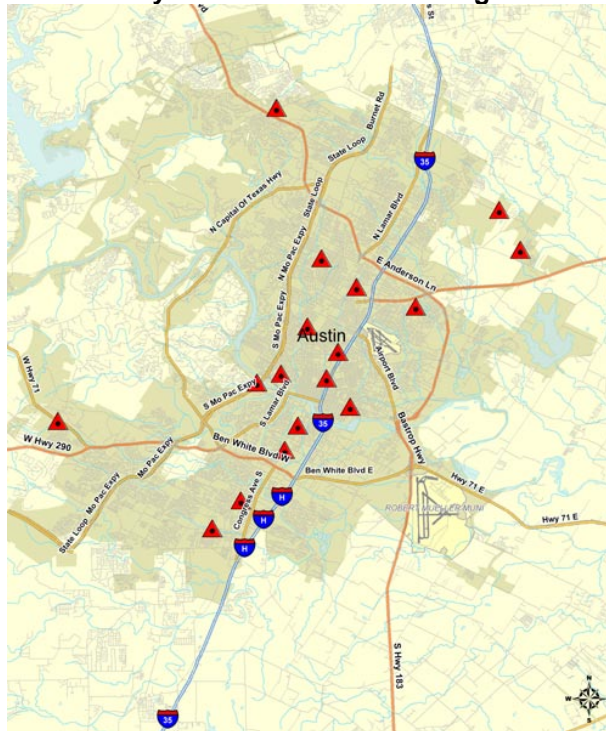
Cedar Park City Building Permits Building Permits

San Marcos City Public Facilities Building Permits



San Marcos City Building Permit Office

Austin City Public Facilities Building Permits



Austin City Building Permit Office

Austin-Round Rock Market Overview 2005 Multifamily

Austin Apartment Statistics 2004

	Austin	Texas Metro Area
Average rent per square foot	\$0.91	\$0.79
Average rent for units built since 2000	\$0.96	\$0.92
Average occupancy (in percent)	92.1	91.5
Average occupancy for units built since 2000 (in percent)	92.7	92.4

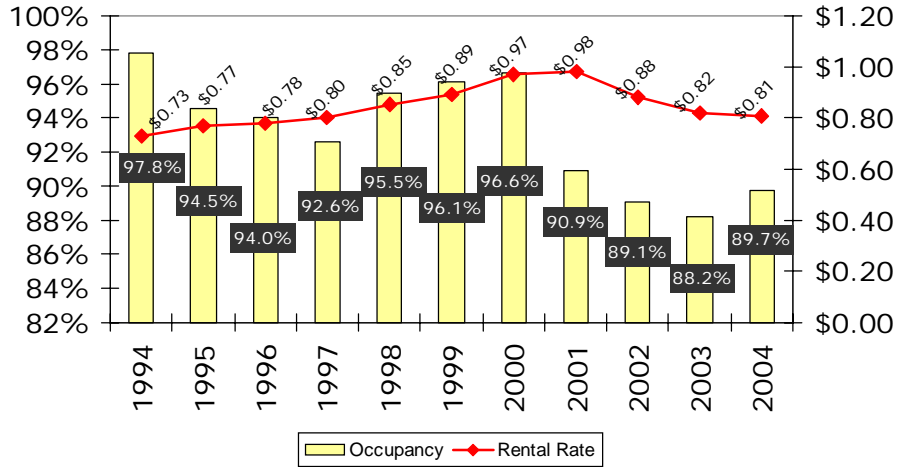
Source: Apartment MarketData Research Jan-2005

San Marcos Apartment Statistics 2004

	San Marcos	Texas Metro Area
Average rent per square foot	\$0.90	\$0.79
Average rent for units built since 2000	\$1.00	\$0.92
Average occupancy (in percent)	90.8	91.5
Average occupancy for units built since 2000 (in percent)	88.3	92.4

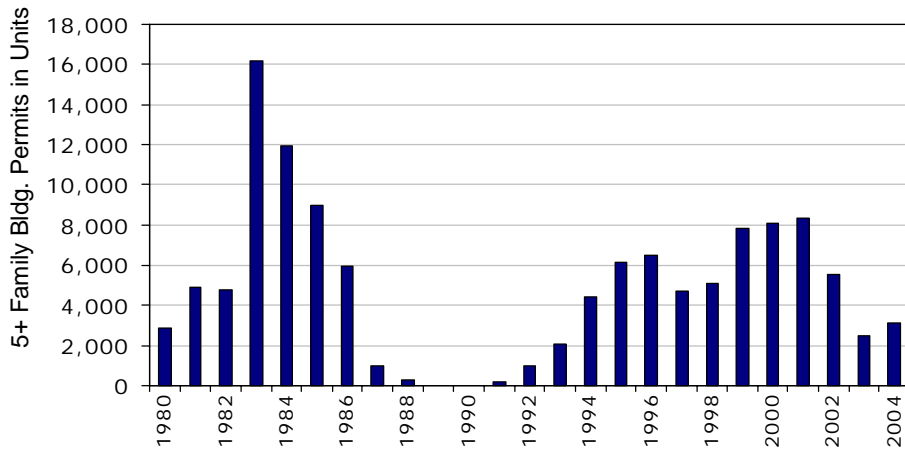
Source: Apartment MarketData Research Jan-2005

**Austin MSA Multifamily Market
 Historical Rent & Occupancy**



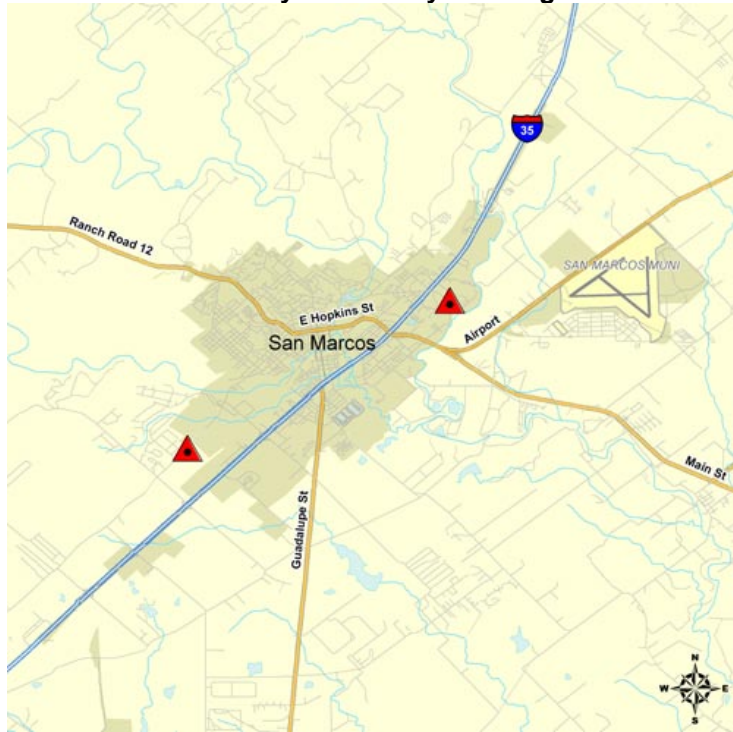
Source: Austin Investor Interests www.apartmenttrends.com

Austin MSA Multifamily Building Permits



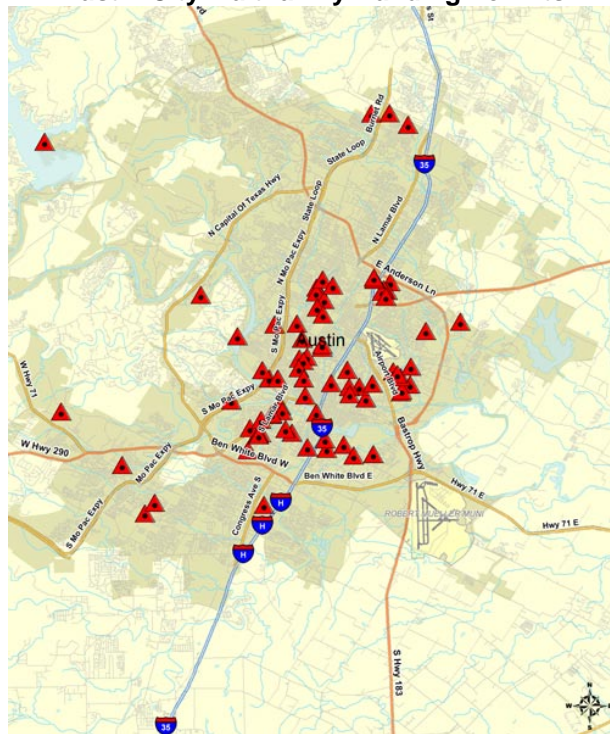
Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

San Marcos City Multifamily Building Permits



San Marcos City Building Permit Office

Austin City Multifamily Building Permits



Austin City Building Permit Office

Austin-Round Rock Market Overview 2005 Housing

Housing Affordability - Fourth Quarter 2004

	Percent of Households That Can Afford Median- priced Home	THAI*	THAI for First-time Homebuyers
Austin	61	1.25	1.06
Texas MLS Total	50	0.99	0.91
U.S. Total	49	0.99	0.72

* 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, Austin Area, 2004 (in percent)

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	0.5	0.3	0.3	0.3	0.3	0.4	0.7
30,000 - 39,999	1.0	0.6	0.4	0.4	0.3	0.7	1.0
40,000 - 49,999	1.3	1.2	0.8	0.6	0.6	0.8	1.1
50,000 - 59,999	2.8	2.0	1.3	0.9	0.9	1.1	1.1
60,000 - 69,999	4.5	3.3	2.1	1.3	1.2	1.3	1.7
70,000 - 79,999	6.8	4.9	2.7	1.8	1.6	1.6	2.3
80,000 - 89,999	10.2	8.3	4.9	3.2	2.5	2.9	3.1
90,000 - 99,999	9.8	10.2	7.3	4.5	3.9	3.9	4.0
100,000 - 119,999	14.7	14.8	14.9	14.6	13.3	12.5	12.1
120,000 - 139,999	11.3	12.8	13.0	16.2	16.5	15.6	14.6
140,000 - 159,999	8.1	8.6	10.1	11.7	12.5	12.1	11.6
160,000 - 179,999	6.6	6.5	7.8	9.4	9.4	9.4	8.8
180,000 - 199,999	4.5	4.9	5.9	6.4	6.6	6.5	6.4
200,000 - 249,999	7.3	8.0	9.9	10.2	10.8	10.8	10.5
250,000 - 299,999	3.8	5.0	6.2	6.5	7.4	7.4	6.9
300,000 - 399,999	3.6	3.9	5.8	6.2	6.5	6.5	7.2
400,000 - 499,999	1.4	1.9	2.7	2.2	2.4	2.6	2.8
500,000 and more	1.9	2.5	4.0	3.6	3.5	3.8	4.0

Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2004
County, Major City, Major School District

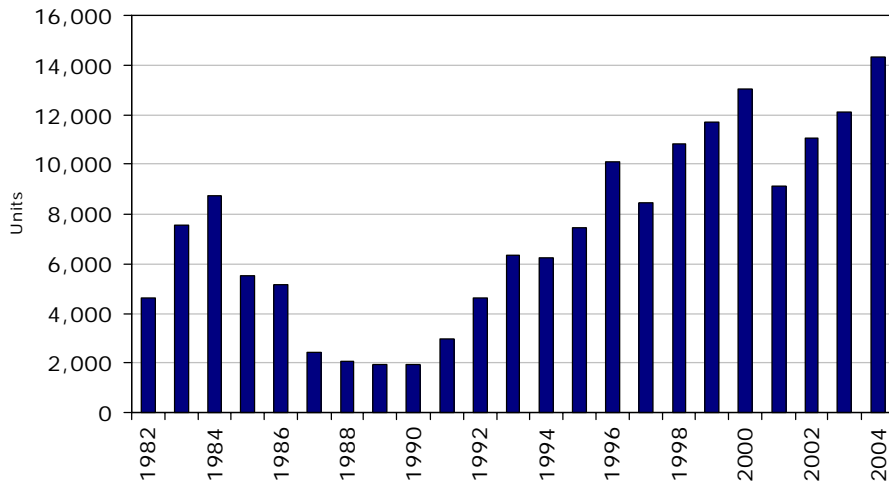
Taxing Entity*	Tax Rate per \$100 Valuation
Travis County	0.49
City of Austin	0.44
Austin ISD	1.62
Total	\$2.55

Taxing Entity*	Tax Rate per \$100 Valuation
Hays County	0.39
City of San Marcos	0.47
San Marcos ISD	1.60
Total	\$2.46

* Only the typical taxing entities are listed. However, there are numerous numbers of taxing entities that need to be taken into account for an actual tax rate calculation.

Source: Travis and Hays County Appraisal District

Austin MSA Single-Family Building Permits

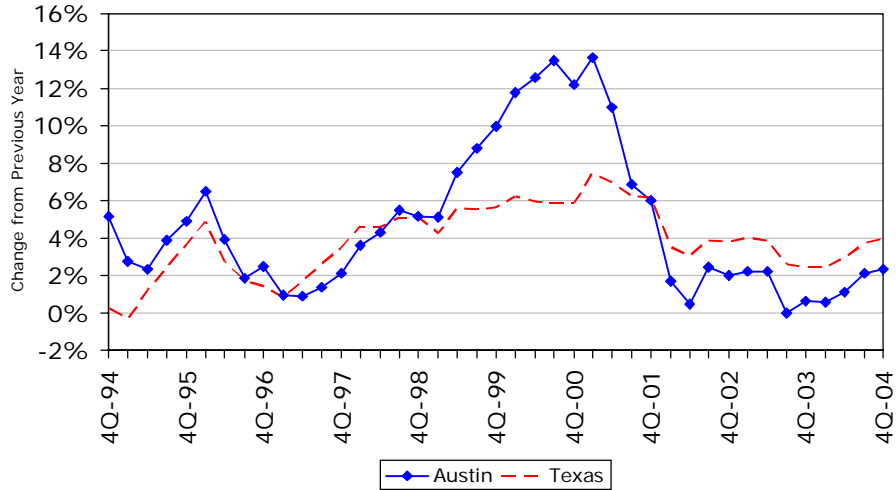


Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

Home Price Appreciation Austin MSA*

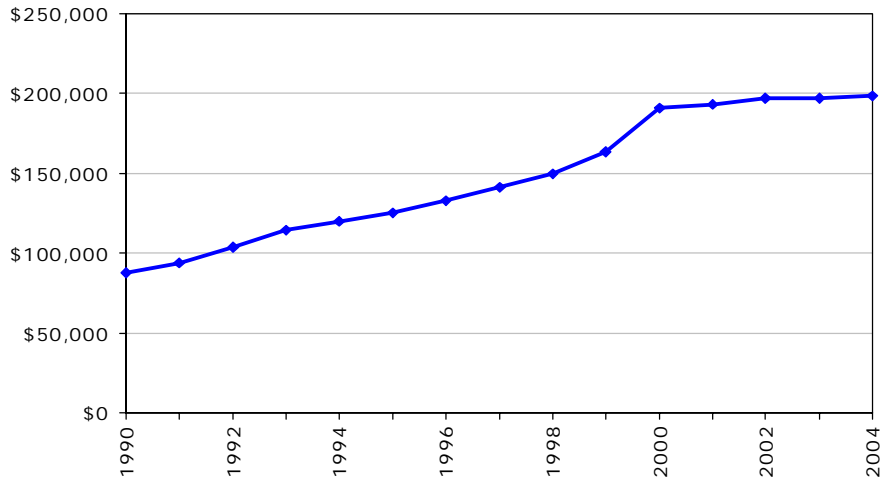
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

*According to the 2003 MSA definitions including Bastrop, Caldwell, Hays, Travis, Williamson Counties



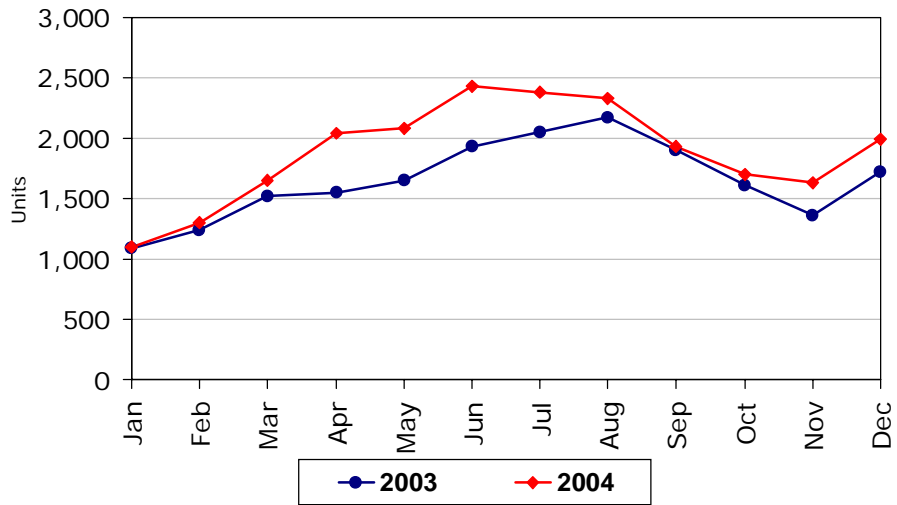
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Austin Area



Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume
Austin Area**



Source: Real Estate Center at Texas A&M University

Austin-Round Rock Market Overview 2005 Retail

Austin Retail Market, Year-End 2004

Year-End	Total Sq. Ft. Tracked	Average Monthly Base Rental Rate 50,000-100,000 Sq. Ft.	Average Monthly Base Rental Rate 100,000 Sq. Ft. and Up	Overall Occupancy (in percent)
1994	11,544,013	\$0.90	\$1.10	88.02
1995	11,836,239	\$0.95	\$1.17	89.19
1996	12,535,813	\$1.07	\$1.26	91.03
1997	13,287,479	\$1.15	\$1.32	92.77
1998	13,958,132	\$1.21	\$1.40	93.49
1999	14,563,469	\$1.25	\$1.44	94.83
2000	15,878,458	\$1.36	\$1.57	95.77
2001	16,850,866	\$1.39	\$1.62	94.47
2002	17,179,470	\$1.41	\$1.64	94.65
2003	17,814,319	\$1.43	\$1.66	93.35
2004	18,619,585	\$1.45	\$1.75	93.89

Source: NAI Commercial Industrial Properties Co. The Source

Six Month Retail Absorption, Year-End 2004

Sector	Total Sq. Ft.	Sq. Ft. Absorbed ⁽¹⁾	Sq. Ft. Absorbed ⁽²⁾	Percent Occupied
Arboretum	1,567,866	0	(3,125)	94.80
Cedar Park	424,928	(875)	2,588	90.82
Central	593,563	502	0	96.54
East	1,051,140	0	12,600	91.71
Far North	1,022,573	2,752	192	91.02
Far Northwest	3,239,469	14,139	293,585 ⁽³⁾	92.26
North	2,064,006	(7,200)	19,073	91.16
Northeast	684,070	(7,799)	1,600	93.69
Northwest	60,600	0	0	100.00
Pflugerville	318,863	(2,029)	0	96.13
Round Rock	2,594,746	0	306,225 ⁽⁴⁾	95.28
South Central	2,118,563	(19,729)	(6,765)	95.65
Southeast	327,546	0	7,030	93.82
Southwest	1,701,627	0	271	97.68
West	850,025	945	(11,141)	93.49
Total	18,619,585	(19,294)	622,133	93.89

⁽¹⁾ Centers 50,000 to 100,000 sq. ft.

⁽²⁾ Centers over 100,000 sq. ft.

⁽³⁾ Plaza Volente was added to this sector.

⁽⁴⁾ Round Rock Crossing and Mays Crossing were added to this sector.

Source: NAI Commercial Industrial Properties Co. The Source

Retail Centers 50,000 to 100,000 Square Feet, Year-End 2004

Sector	Total Sq. Ft.	Occupied Sq. Ft.	Percent Occupied	Avg. Monthly Rate
Arboretum	147,543	146,508	99	\$2.29
Cedar Park	310,928	293,428	94	\$1.59
Central	62,895	53,685	85	\$2.54
East	240,406	218,406	91	\$0.98
Far North	378,999	353,441	93	\$1.17
Far Northwest	718,399	664,451	92	\$1.37
North	362,863	304,702	84	\$1.44
Northeast	154,730	115,931	75	\$1.61
Northwest	60,600	60,600	100	\$2.00
Pflugerville	184,431	173,731	94	\$1.29
Round Rock	132,883	144,923	92	\$2.17
South Central	491,223	119,582	90	\$1.15
Southeast	226,121	446,728	91	\$1.29
Southwest	148,086	222,921	99	\$1.28
West	157,763	148,086	100	\$1.45
Total	3,777,870	3,467,123	92	\$1.45

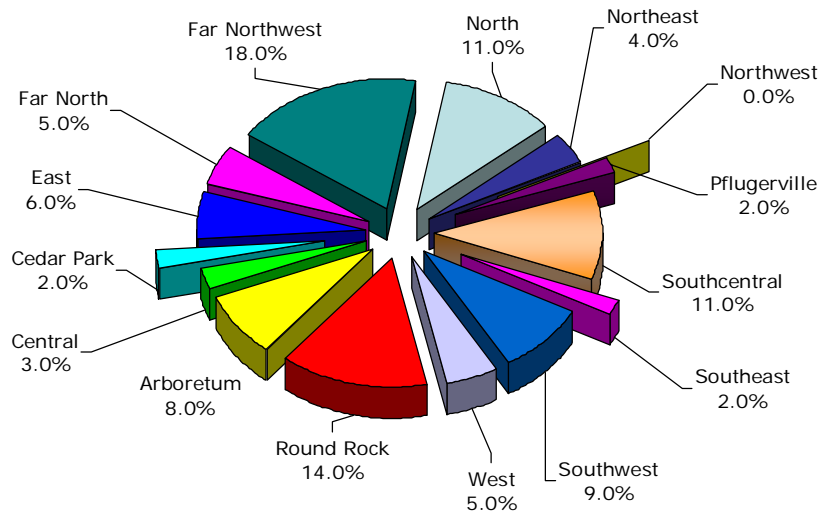
Source: NAI Commercial Industrial Properties Co. The Source

Retail Centers Larger Than 100,000 Square Feet, Year-End 2004

Sector	Total Sq. Ft.	Occupied Sq. Ft.	Percent Occupied	Avg. Monthly Rate
Arboretum	1,420,323	1,339,848	94	\$2.51
Cedar Park	114,000	92,512	81	\$1.96
Central	530,668	519,360	98	\$2.30
East	810,734	745,634	92	\$1.10
Far North	643,574	577,351	90	\$1.25
Far Northwest	2,521,070	2,324,331	92	\$1.78
North	1,701,143	1,576,906	93	\$1.12
Northeast	529,340	524,940	99	\$2.08
Northwest	0	0	0	\$0.00
Pflugerville	134,432	132,787	99	\$1.67
Round Rock	2,461,863	2,352,793	96	\$1.75
South Central	1,627,340	1,579,676	97	\$1.53
Southeast	101,425	84,387	83	\$1.25
Southwest	1,553,541	1,514,088	97	\$2.00
West	692,262	649,724	94	\$2.26
Total	14,841,715	14,014,337	94	\$1.75

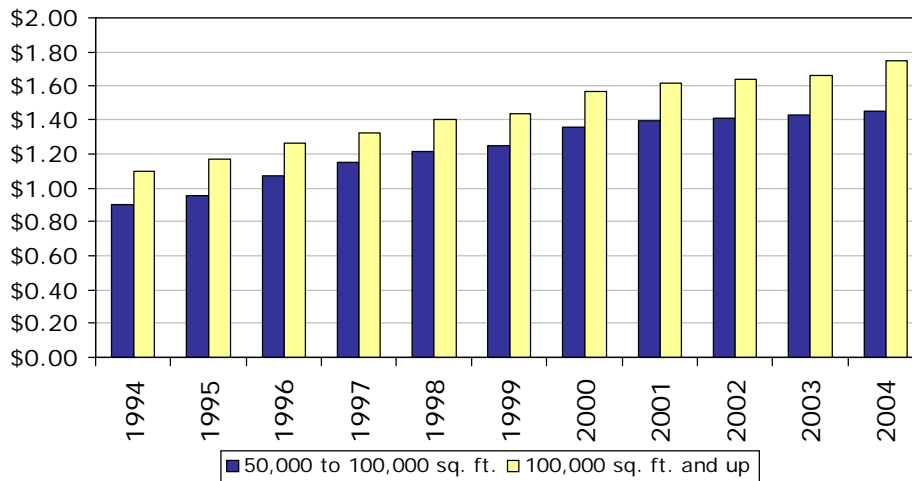
Source: NAI Commercial Industrial Properties Co. The Source

Retail Market Space by Sector



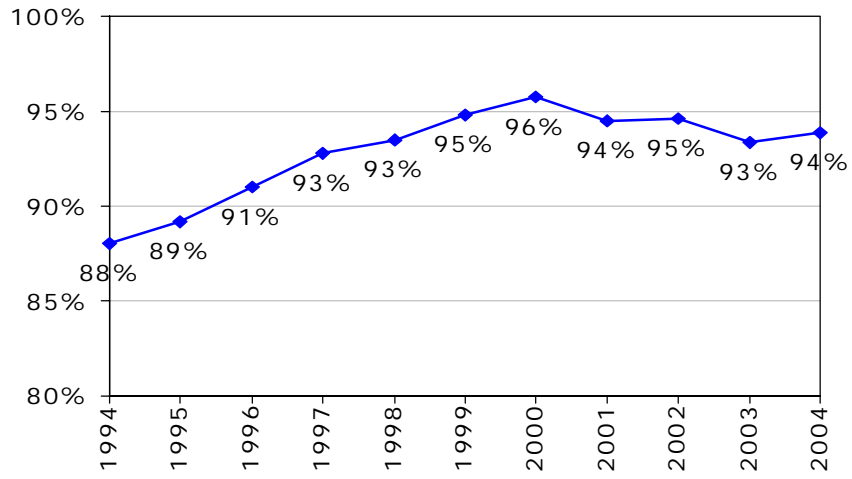
Source: NAI CIP The Source

**Retail Market
 Average Monthly Base Rental Rates**



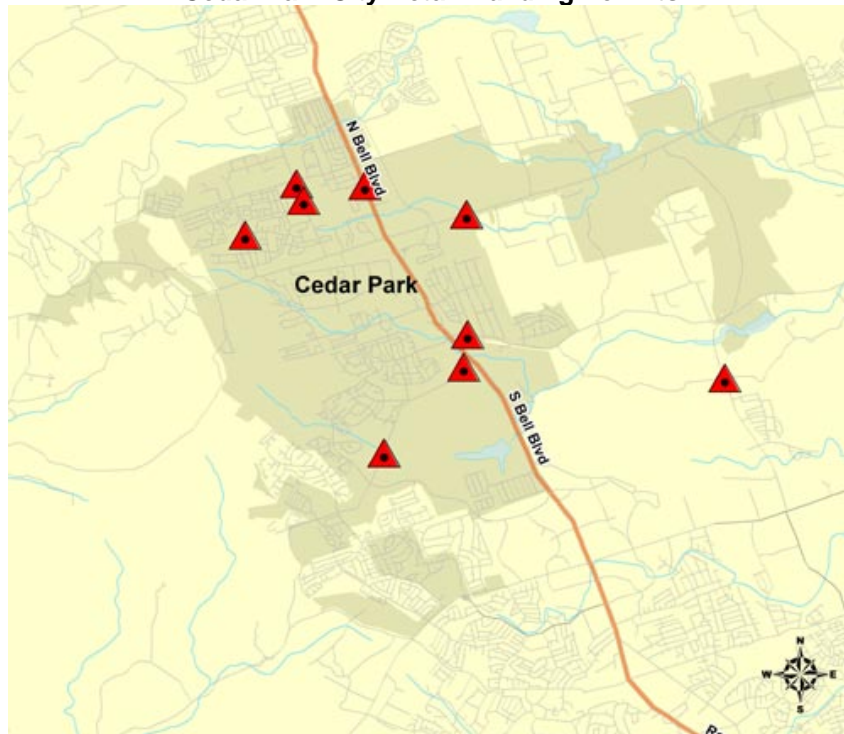
Source: NAI CIP The Source

Retail Market Overall Occupancy Rate

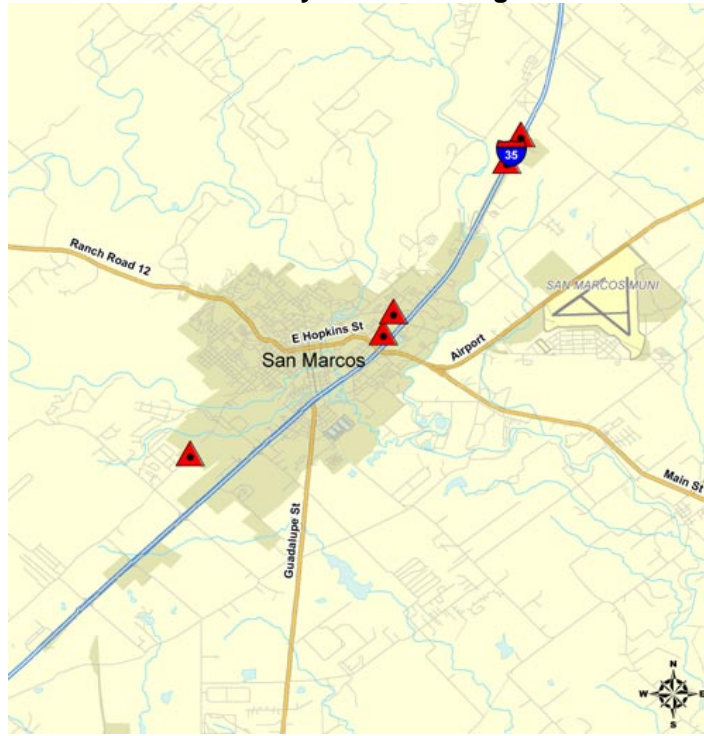


Source: NAI CIP The Source

Cedar Park City Retail Building Permits

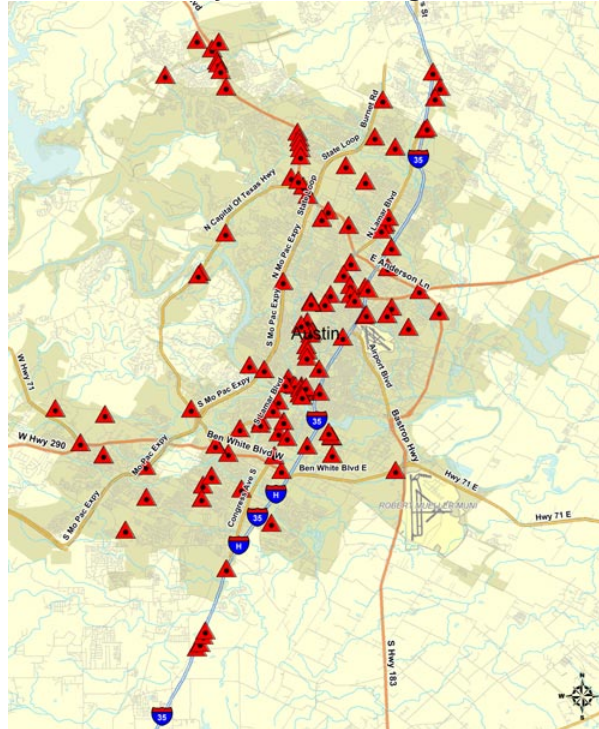


San Marcos City Retail Building Permits



San Marcos City Building Permit Office

Austin City Retail Building Permits



Austin City Building Permit Office

Austin-Round Rock Market Overview 2005 Hotel

Hotel* Occupancy and Rental Rates

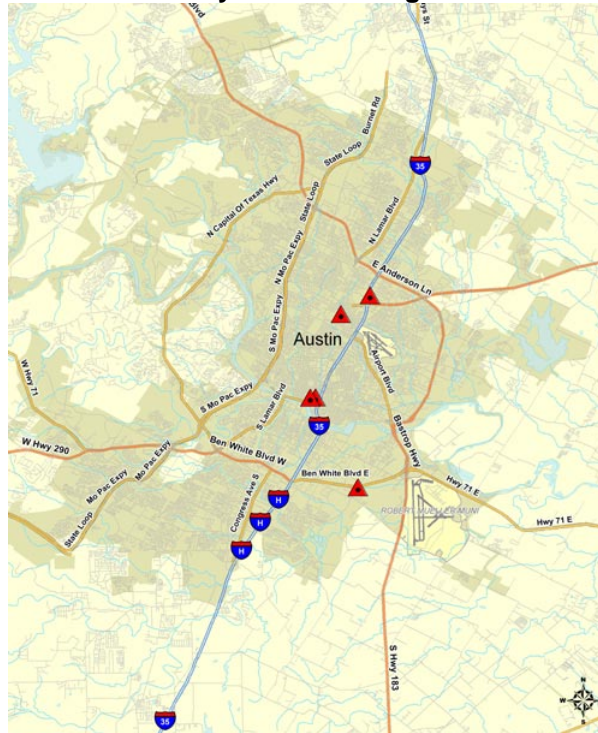
	2003**		2004	
	Austin San Marcos	Texas	Austin San Marcos	Texas
# Rooms 000's	24.3	320.2	25.6	329.2
Average daily rate	\$81.70	\$68.80	\$81.01	\$70.62
Occupancy rate (in percent)	53.1	54.2	55.1	55.2

*Only properties exceeding \$18,000 in the current quarter are included; those units below \$18,000 only result in 1.5% of the total state revenues, and have been excluded from this database.

**2003 and later data according to new MSA definition including Bastrop, Caldwell, Hays, Travis, Williamson Counties

Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio

Austin City Hotel Building Permits



Austin City Building Permit Office

Austin-Round Rock Market Overview 2005 Office

2004 Year-End Market Summary

Sector	Total Sq. Ft.	Vacant Sq.	Sq. Ft.	Occupied (in percent)	Weighted Rental Rates		
		Ft.	Absorbed		Class B	Class A	Avg.
CBD	8,539,470	1,994,517	266,348	77	\$18.37	\$23.75	\$21.74
North	2,727,620	521,804	(15,790)	81	\$17.33	\$20.34	\$18.05
Northwest	13,381,075	2,329,746	594,708	83	\$17.54	\$19.54	\$18.83
Northeast	1,791,359	265,389	(25,674)	85	\$15.62	\$14.00	\$15.55
South	1,394,876	383,308	(30,866)	73	\$15.35	\$21.10	\$16.03
Southwest	6,242,878	557,678	303,162	91	\$17.73	\$21.52	\$19.86
Southeast	236,708	44,100	9,726	81	\$15.00	\$16.30	\$16.17
City-Wide Totals	34,313,986	6,096,542	1,101,614	82	\$17.33	\$21.35	\$19.50

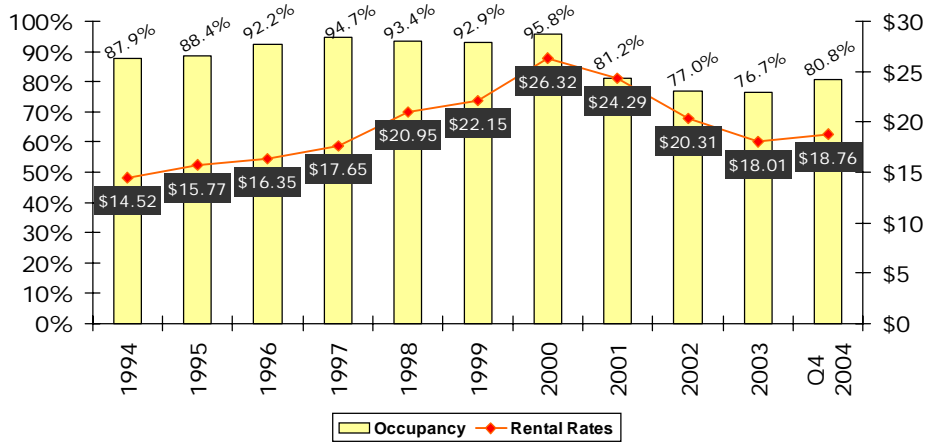
Source: NAI Commercial Industrial Properties Co. The Source

2004 Year-End Sublease Market Summary

Sector	Sublease Sq. Ft.	Average Rental Rate	Average Term (months)	Sublease Vacancy (in percent)	Effective Market Vacancy (in percent)
CBD	143,392	\$15.05	23	2	25
North	14,080	\$12.52	26	1	20
Northwest	324,763	\$15.06	30	2	20
Northeast	10,673	\$20.50	23	1	15
South	35,363	\$16.19	39	3	30
Southwest	343,293	\$15.56	39	6	15
Southeast	13,930	\$16.21	21	6	25
City-Wide Totals	885,494	\$15.44	26	3	20

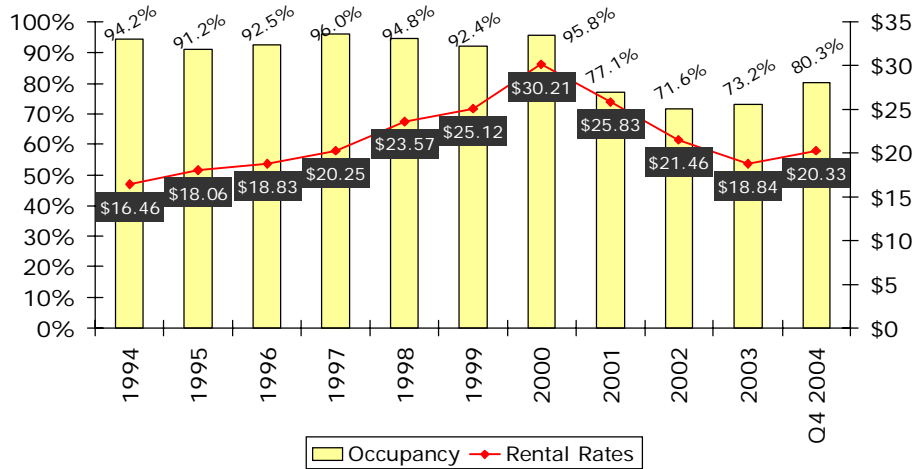
Source: NAI Commercial Industrial Properties Co. The Source

Overall Office Rental Rates Against Occupancy
 (All Classes)



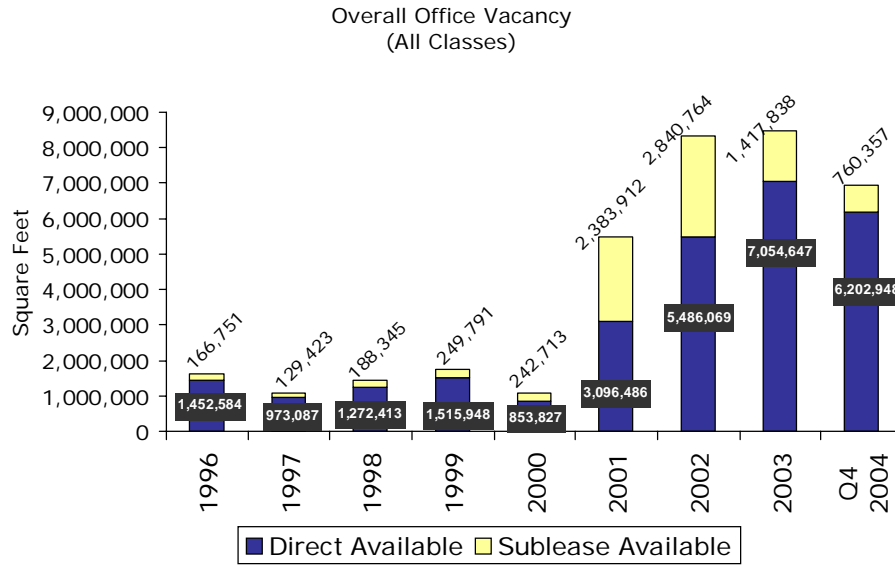
Source: Colliers Oxford

Overall Office Rental Rates Against Occupancy
 (Class A)

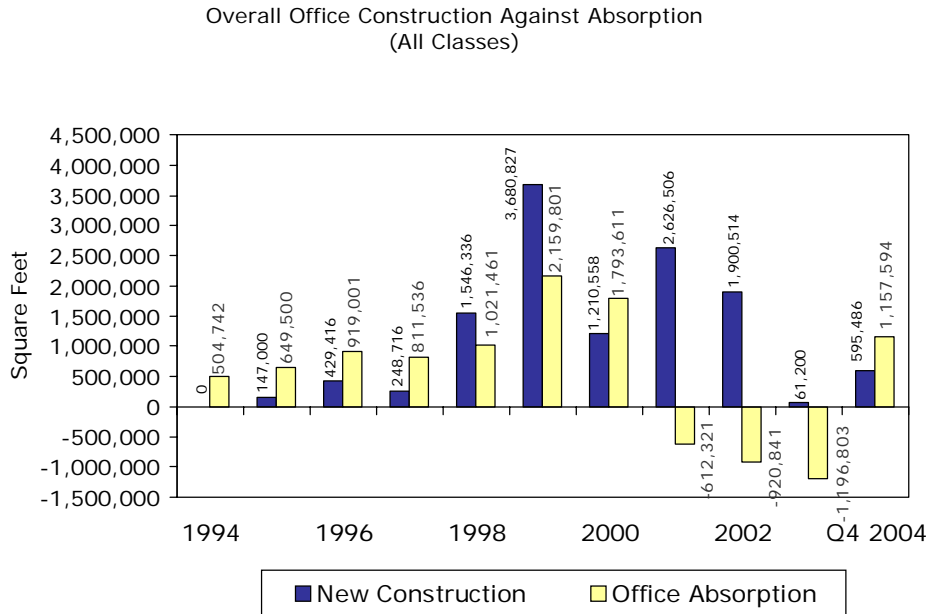


Source: Colliers Oxford

Real Estate Center Market Overview 2005
Austin-Round Rock, TX

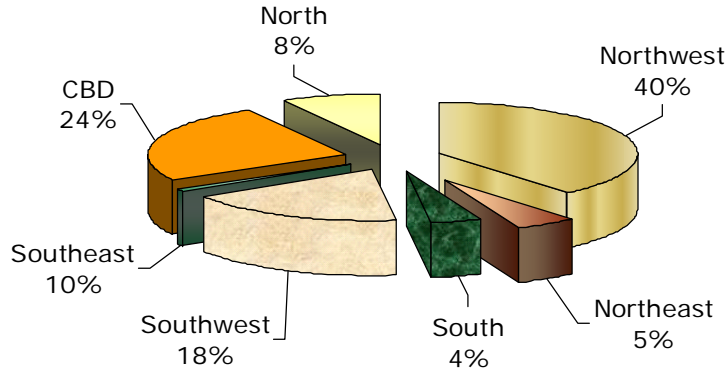


Source: Colliers Oxford



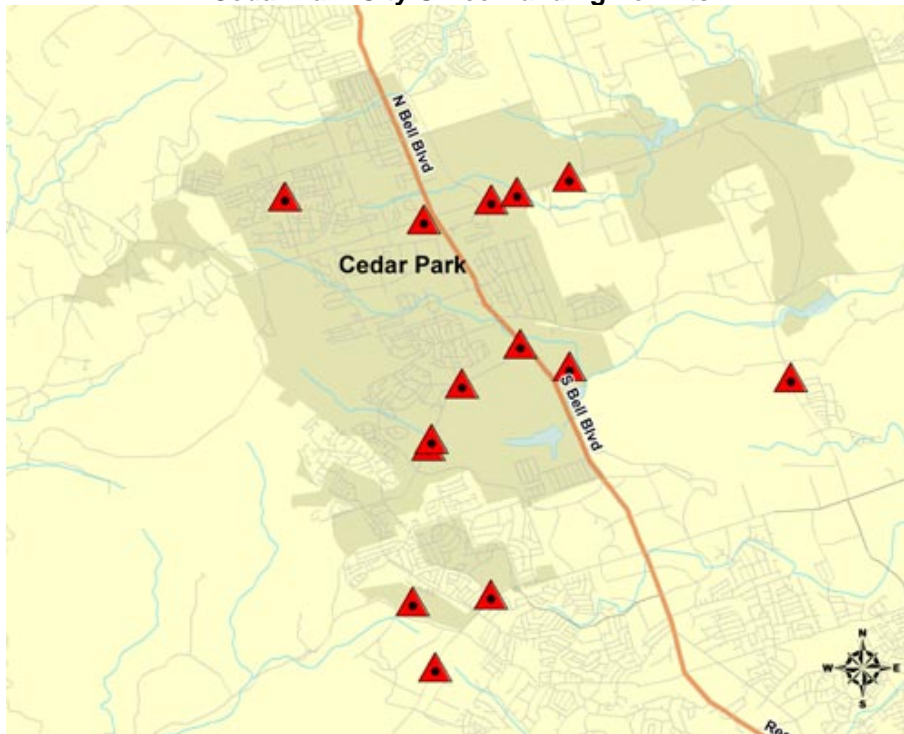
Source: Colliers Oxford

**Office Market Overview,
Concentration, Year-End 2004**



Source: NAI Commercial Industrial Properties, The Source

Cedar Park City Office Building Permits



Austin-Round Rock Market Overview 2005 Industrial

2004 Year-End Industrial Geographical Sector & Building Use

	Office/Bulk/Manufacturing/Warehouse			Flex/R&D		
	Existing Sq. Ft.	Current Vacancy (in percent)	Under Constr.*	Existing Sq. Ft.	Current Vacancy (in percent)	Under Constr.*
Round Rock	1,889,733	20	0	941,933	43	56,000
North	8,356,909	19	0	6,191,574	24	0
Northeast	3,214,800	13	0	2,412,576	20	0
East	1,336,992	10	0	0	0	0
Southeast	3,766,258	19	0	3,587,439	26	0
South	1,932,594	5	55,000	158,887	10	0
Total	20,497,286	17	55,000	13,292,409	25	56,000

*Scheduled or under construction

Source: NAI Commercial Industrial Properties Co. The Source

Current Six-Month Industrial Absorption

Submarket	Flex/R&D	Manuf/Warehouse	Total
Round Rock	(50,239)	124,427	74,188
North	240,860	154,676	395,536
Northeast	(153,673)	119,247	(34,426)
East	0	48,625	48,625
Southeast	(29,705)	239,814	210,109
South	(3,000)	(25,623)	(28,623)
Total	4,243	661,166	665,409

Source: NAI Commercial Industrial Properties Co. The Source

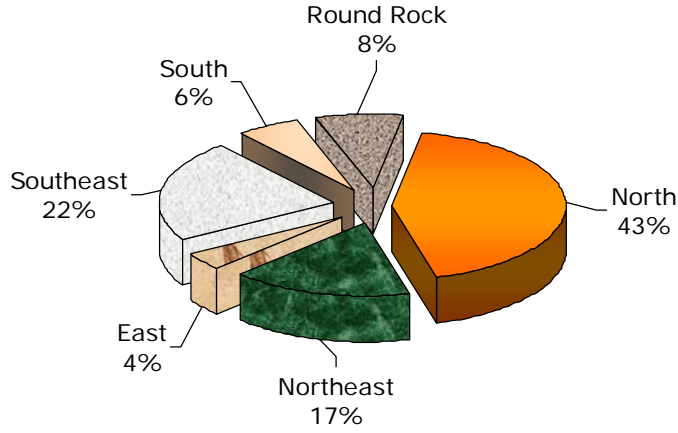
Average Industrial Rental Rates per Sq. Ft.*

	Annual	Monthly
R&D	\$6.00 - \$8.16	\$.50 - \$.68
Flex	\$5.40 - \$7.32	\$.45 - \$.61
Bulk Warehouse	\$3.00 - \$4.56	\$.25 - \$.38
Office Warehouse	\$3.96 - \$5.76	\$.33 - \$.48
Manufacturing Whse.	\$3.60 - \$6.60	\$.30 - \$.55

*Based on direct lease rates. Rates quoted on a triple net basis.

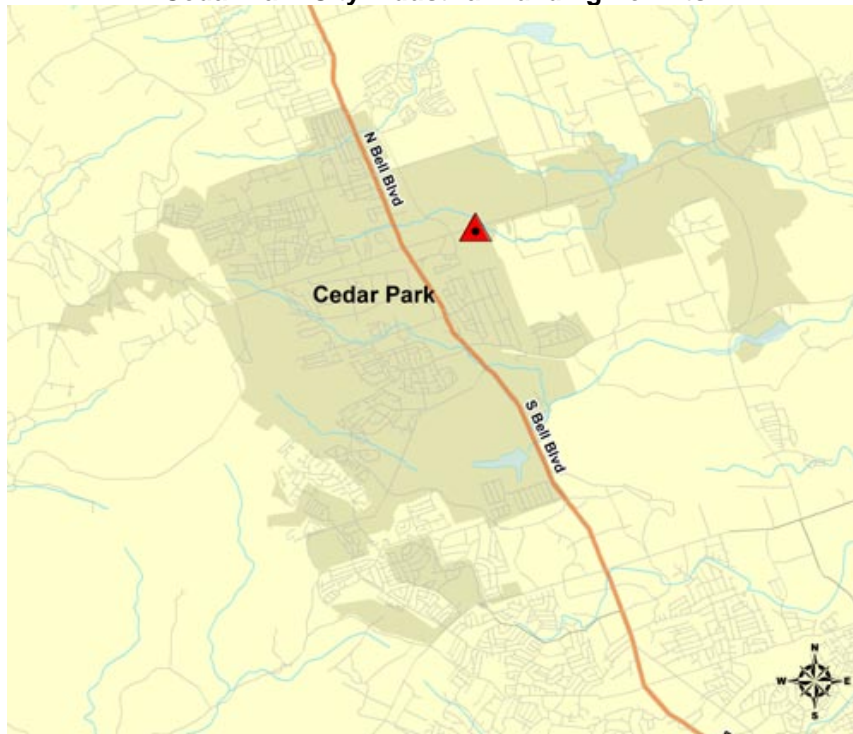
Source: NAI Commercial Industrial Properties Co. The Source

Industrial Market Concentration of Space
(33,789,695 sq. ft. existing total inventory)



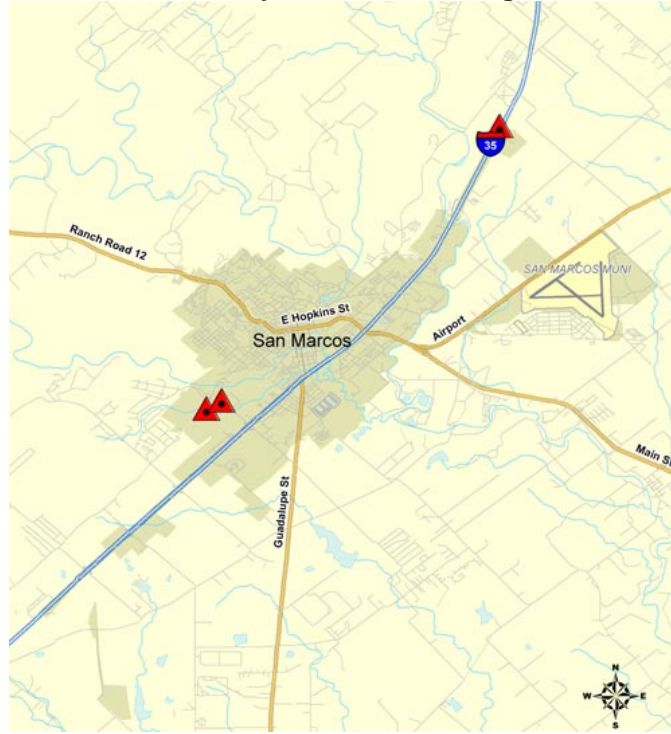
Source: NAI Commercial Industrial Properties, The Source

Cedar Park City Industrial Building Permits



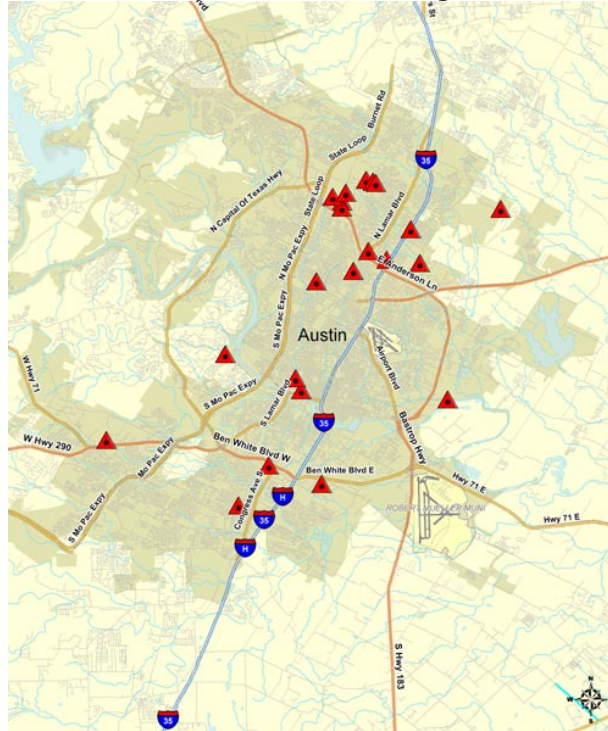
Cedar Park City Building Permit Office

San Marcos City Industrial Building Permits



San Marcos City Building Permit Office

Austin City Industrial Building Permits



Austin City Building Permit Office



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