

Real Estate Market Overview 2006

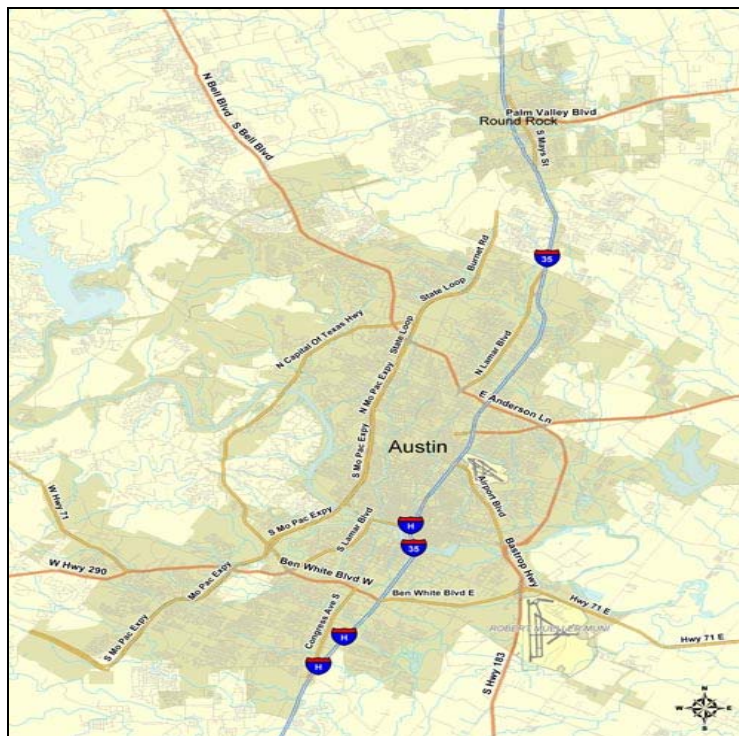
Austin - Round Rock

Mid-Year Update

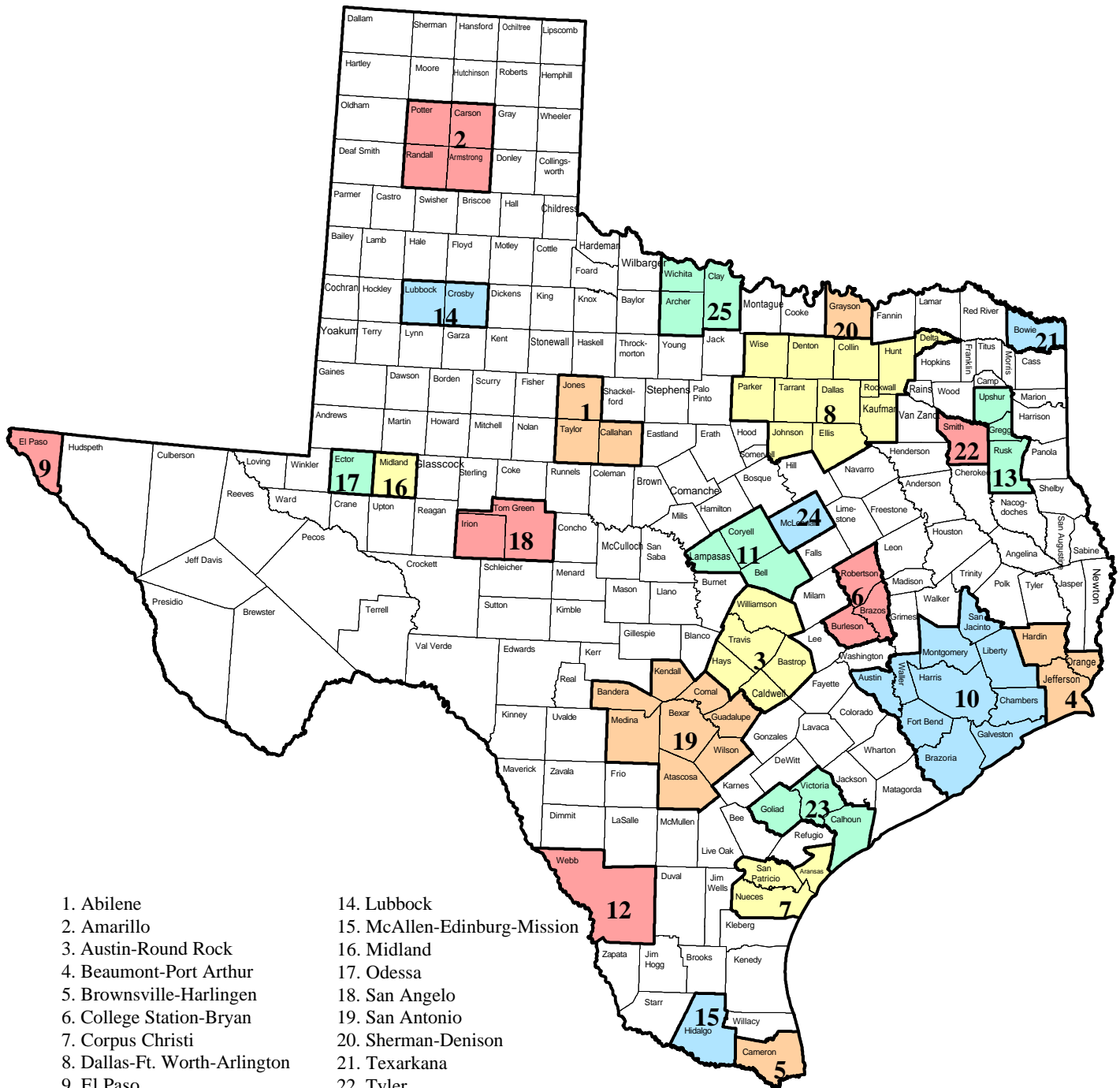
Originally a buffalo-hunting ground favored by Tonkawa Indians, Austin was permanently settled in 1838 as a trading post. The Austin-Round Rock Metropolitan Statistical Area (MSA) is now part of the I-35 growth corridor in the heart of Texas. According to the U.S. Census Bureau, the Austin MSA experienced 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 1999 definition is noted where applicable.



Metropolitan Statistical Areas (MSAs)



- | | |
|--------------------------------|------------------------------|
| 1. Abilene | 14. Lubbock |
| 2. Amarillo | 15. McAllen-Edinburg-Mission |
| 3. Austin-Round Rock | 16. Midland |
| 4. Beaumont-Port Arthur | 17. Odessa |
| 5. Brownsville-Harlingen | 18. San Angelo |
| 6. College Station-Bryan | 19. San Antonio |
| 7. Corpus Christi | 20. Sherman-Denison |
| 8. Dallas-Ft. Worth-Arlington | 21. Texarkana |
| 9. El Paso | 22. Tyler |
| 10. Houston-Sugar Land-Baytown | 23. Victoria |
| 11. Killeen-Temple-Ft Hood | 24. Waco |
| 12. Laredo | 25. Wichita Falls |
| 13. Longview | |

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Austin-Round Rock Market Overview 2006 Demographics

Austin MSA Population

| Year | Population | Percent Change |
|------|------------|----------------|
| 1995 | 1,031,557 | - |
| 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 | 1,319,000 | 5.5 |
| 2002 | 1,346,332 | 2.1 |
| 2003 | 1,376,005 | 2.2 |
| 2004 | 1,411,199 | 2.6 |
| 2005 | 1,452,529 | 2.9 |

* July 1 population estimates

Source: U.S. Census Bureau

County Population* Growth

| County | 1995 | 2005 | Growth 1995-2005 (in |
|------------|---------|---------|----------------------|
| | | | percent) |
| Bastrop | 45,810 | 69,932 | 52.7 |
| Caldwell | 28,905 | 36,523 | 26.4 |
| Hays | 78,956 | 124,432 | 57.6 |
| Travis | 696,278 | 888,185 | 27.6 |
| Williamson | 181,608 | 333,457 | 83.6 |

* July 1 population estimates
 Source: U.S. Census Bureau

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

| Metropolitan Area | 1995 | 2005 | Percent Change |
|-----------------------------|-------------------|-------------------|-----------------------|
| Austin-Round Rock | 1,031,557 | 1,452,529 | 40.8 |
| McAllen-Edinburg-Mission | 487,593 | 678,275 | 39.1 |
| Laredo | 167,466 | 224,695 | 34.2 |
| Dallas-Fort Worth-Arlington | 4,501,154 | 5,819,475 | 29.3 |
| Houston-Sugar Land-Baytown | 4,246,398 | 5,280,077 | 24.3 |
| Brownsville-Harlingen | 304,928 | 378,311 | 24.1 |
| Texas | 18,958,751 | 22,859,968 | 20.6 |
| San Antonio | 1,570,083 | 1,889,797 | 20.4 |
| Tyler | 163,440 | 190,594 | 16.6 |
| Sherman-Denison | 100,342 | 116,834 | 16.4 |
| Killeen-Temple-Fort Hood | 313,222 | 351,528 | 12.2 |
| College Station-Bryan | 170,608 | 189,735 | 11.2 |
| Amarillo | 215,176 | 238,664 | 10.9 |
| Waco | 202,692 | 224,668 | 10.8 |
| El Paso | 654,250 | 721,598 | 10.3 |
| Midland | 113,627 | 121,371 | 6.8 |
| Longview | 188,646 | 201,501 | 6.8 |
| Texarkana | 126,220 | 133,805 | 6.0 |
| Victoria | 107,413 | 113,356 | 5.5 |
| Lubbock | 245,759 | 258,970 | 5.4 |
| Corpus Christi | 394,701 | 413,553 | 4.8 |
| Odessa | 121,017 | 125,339 | 3.6 |
| San Angelo | 103,639 | 105,367 | 1.7 |
| Abilene | 156,097 | 158,291 | 1.4 |
| Beaumont-Port Arthur | 380,888 | 383,530 | 0.7 |
| Wichita Falls | 147,740 | 146,276 | -1.0 |

* July 1 population estimates

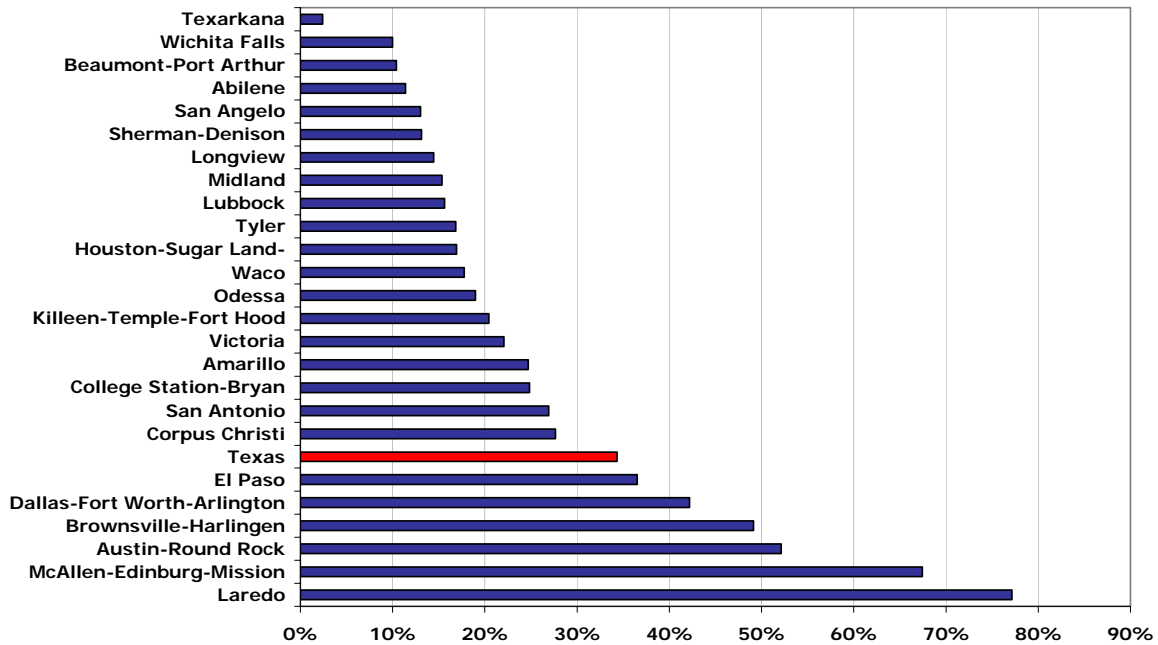
Source: U.S. Census Bureau

Austin-Round Rock MSA Projected Population

| Year | Texas State Data Center (Scenario 0.5) | Texas Water Development Board |
|-------------|---|--|
| 2000 | 1,249,763 | 1,249,763 |
| 2005 | 1,407,732 | - |
| 2010 | 1,565,466 | 1,610,452 |
| 2015 | 1,729,970 | - |
| 2020 | 1,901,412 | 2,061,706 |
| 2025 | 2,082,679 | - |
| 2030 | 2,272,708 | 2,508,413 |
| 2035 | 2,467,377 | - |
| 2040 | 2,663,542 | 2,937,897 |

Sources: Texas State Data Center (2004 projection) and Texas Water Development Board (2006 projection)

**Texas Metropolitan Area
 Population Growth Forecast, 2000 - 2020**



Source: Texas State Data Center – Scenario 0.5 (2004 projection)

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 (1999 definition)

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 (1999 definition)

Austin-Round Rock Market Overview 2006 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

Educational Level, 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 (1999 definition)

Local College and University Enrollment, Fall Semester

| School | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Austin Community College | 27,577 | 29,156 | 28,862 | 29,004 | 30,499 |
| Concordia University | - | 1,045 | 1,061 | 1,114 | 1,193 |
| Huston-Tillotson University | - | 642 | 666 | 685 | 706 |
| St. Edward's University | - | 4,266 | 4,441 | 4,648 | 4,928 |
| Texas State University - San Marcos | 23,517 | 25,025 | 26,306 | 26,783 | 27,129 |
| University of Texas | 50,616 | 52,261 | 51,426 | 50,377 | 49,233 |

Source: Texas Higher Education Coordinating Board

Austin-Round Rock Market Overview 2006 Employment

Top Ten Employers

| Employer | Sector | Employees |
|------------------------------------|--------------------------------------|-----------|
| State of Texas * | Government | 66,600 |
| Dell Computer Corp. | Personal computer systems | 24,600 |
| University of Texas at Austin | Higher education | 13,577 |
| Austin Independent School District | Public education | 10,714 |
| Federal Government * | Government | 10,200 |
| City of Austin * | Government | 10,000 |
| Seton Healthcare Network | Medical care | 7,393 |
| IBM Corporation | Circuit cards, hardware and software | 6,200 |
| Freescale Semiconductor | Microprocessors | 5,600 |
| St. David's Healthcare Partnership | Health care | 5,048 |

* denotes 2004

Source: Greater Austin Chamber of Commerce 2005

Top Ten Private Employers

| Employer | Sector | Employees |
|------------------------------------|--------------------------------------|-----------|
| Dell Computer Corp. | Personal computer systems | 24,600 |
| Seton Healthcare Network | Medical care | 7,393 |
| IBM Corporation | Circuit cards, hardware and software | 6,200 |
| Freescale Semiconductor | Microprocessors | 5,600 |
| St. David's Healthcare Partnership | Health care | 5,048 |
| Solectron Texas | Electronics manufacturing | 2,900 |
| Applied Materials | Semiconductors | 2,300 |
| National Instruments | Computer software developer | 2,058 |
| Advanced Micro Devices, Inc. (AMD) | Semiconductors | 2,000 |
| Girling Health Care | Health care | 1,808 |

Source: Greater Austin Chamber of Commerce 2005

Employment Growth by Industry

| | Austin-Round Rock MSA | Texas |
|--|------------------------------|--------------|
| Employment growth 2005 (in percent) | 3.9 | 2.5 |
| Unemployment rate 2005 (in percent) | 4.3 | 5.3 |
| Net job change in 2005 | 25,900 | 237,900 |
| Employment growth by sector 2005 (in percent) | | |
| Natural Resources, Mining, and Construction | 6.4 | 4.9 |
| Manufacturing | -0.3 | 0.9 |
| Trade, Transportation, and Utilities | 5.4 | 2.4 |
| Information | 5.4 | -0.7 |
| Financial Activities | 2.2 | 2.3 |
| Professional and Business Services | 5.4 | 5.3 |
| Educational and Health Services | 4.7 | 2.9 |
| Leisure and Hospitality | 3.7 | 2.5 |
| Government | 2.8 | 1.7 |

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

Texas Metropolitan Area Employment Change

| Metropolitan Area | 1995 | 2005 | Percent Change |
|-----------------------------|------------------|-------------------|-----------------------|
| McAllen-Edinburg-Mission | 150,234 | 242,525 | 61.4 |
| Laredo | 59,598 | 81,223 | 36.3 |
| Austin-Round Rock | 591,102 | 771,004 | 30.4 |
| Killeen-Temple-Fort Hood | 111,747 | 143,688 | 28.6 |
| College Station-Bryan | 80,047 | 99,548 | 24.4 |
| Brownsville-Harlingen | 106,945 | 130,864 | 22.4 |
| Dallas-Fort Worth-Arlington | 2,384,710 | 2,871,514 | 20.4 |
| Sherman-Denison | 45,577 | 53,983 | 18.4 |
| Texas | 8,985,635 | 10,629,606 | 18.3 |
| Houston-Sugar Land-Baytown | 2,106,968 | 2,484,383 | 17.9 |
| San Antonio | 732,775 | 856,476 | 16.9 |
| Tyler | 80,110 | 92,274 | 15.2 |
| Lubbock | 118,211 | 135,878 | 14.9 |
| Midland | 56,680 | 64,542 | 13.9 |
| Waco | 94,605 | 107,334 | 13.5 |
| Texarkana | 52,507 | 59,461 | 13.2 |
| Longview | 86,975 | 98,419 | 13.2 |
| Corpus Christi | 167,087 | 188,451 | 12.8 |
| Amarillo | 111,610 | 122,803 | 10.0 |
| Victoria | 50,417 | 54,621 | 8.3 |
| Odessa | 55,517 | 59,905 | 7.9 |
| Wichita Falls | 66,582 | 71,775 | 7.8 |
| Abilene | 72,440 | 77,299 | 6.7 |
| El Paso | 256,259 | 272,445 | 6.3 |
| San Angelo | 48,906 | 50,927 | 4.1 |
| Beaumont-Port Arthur | 164,661 | 164,882 | 0.1 |

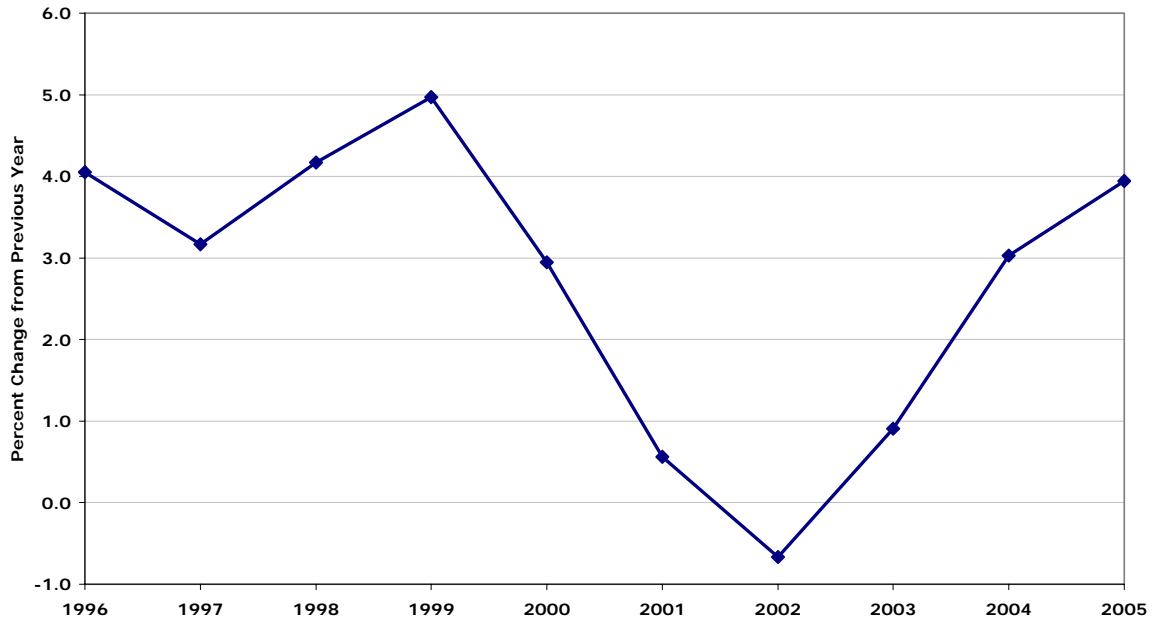
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Austin-Round Rock MSA Employment

| Year | Employment | Percent Change |
|------|------------|----------------|
| 1995 | 591,102 | - |
| 1996 | 615,043 | 4.1 |
| 1997 | 634,531 | 3.2 |
| 1998 | 660,997 | 4.2 |
| 1999 | 693,851 | 5.0 |
| 2000 | 714,297 | 2.9 |
| 2001 | 718,297 | 0.6 |
| 2002 | 713,496 | -0.7 |
| 2003 | 719,955 | 0.9 |
| 2004 | 741,749 | 3.0 |
| 2005 | 771,004 | 3.9 |

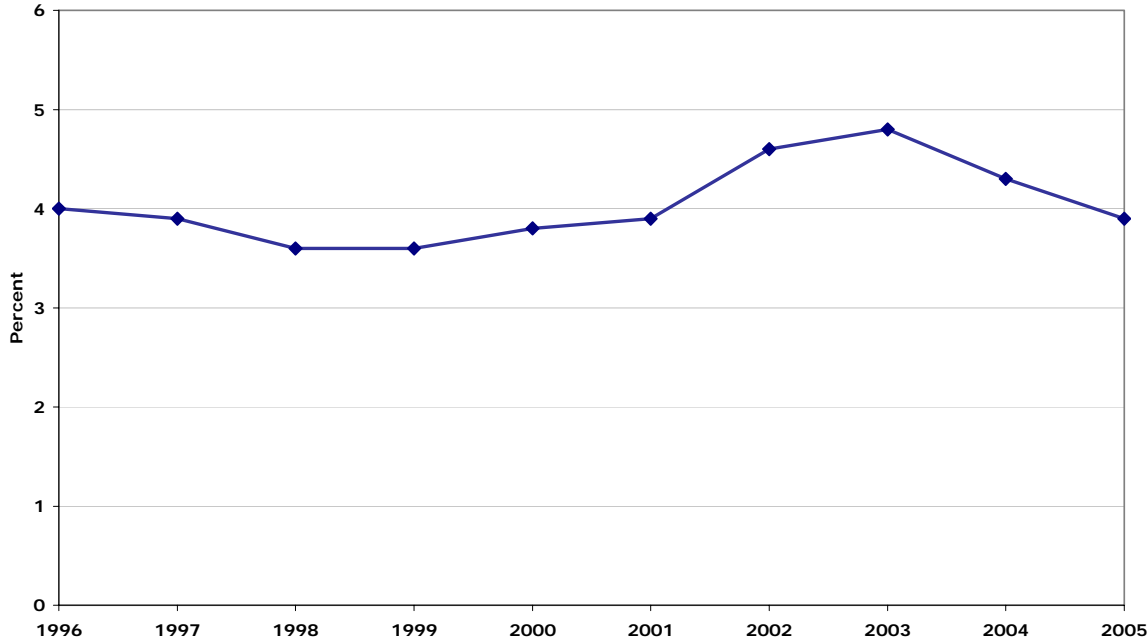
Source: U.S. Bureau of Labor Statistics

**Employment Growth
 Austin-Round Rock MSA**



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

**Austin-Round Rock MSA
Unemployment Rate**



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

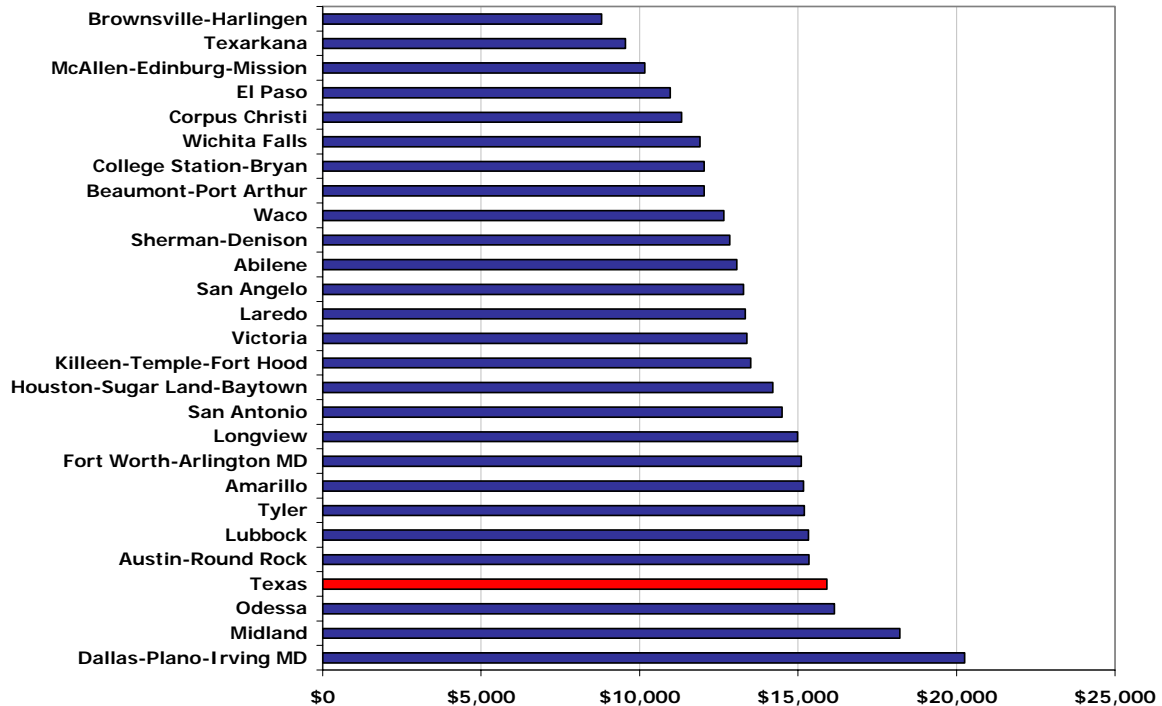
Austin-Round Rock Market Overview 2006 Economy

Austin-Round Rock Gross Retail Sales

| Year | Total Sales | Sales per Capita |
|---------------------|------------------|------------------|
| 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 | \$14,198 |
| 2002 | \$18,767,884,229 | \$13,940 |
| 2003 | \$19,688,227,806 | \$14,308 |
| 2004 | \$20,927,995,264 | \$14,830 |
| 2005 | \$22,291,407,284 | \$15,347 |
| State Average 2005: | | \$15,903 |

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

Austin-Round Rock Market Overview 2006 Infrastructure

Austin Airline Activity

| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-----------|-----------|-----------|-----------|-----------|
| Austin-Bergstrom International Airport | | | | | |
| Enplaned (int'l & national) | 3,667,324 | 3,439,302 | 3,306,357 | 3,707,864 | 3,920,431 |
| Deplaned (int'l & national) | 3,486,004 | 3,281,366 | 3,400,724 | 3,530,781 | 3,760,808 |
| Total (int'l & national) | 7,153,328 | 6,720,668 | 6,707,081 | 7,238,645 | 7,681,239 |

Source: Austin-Bergstrom International Airport

Austin Cargo Statistics

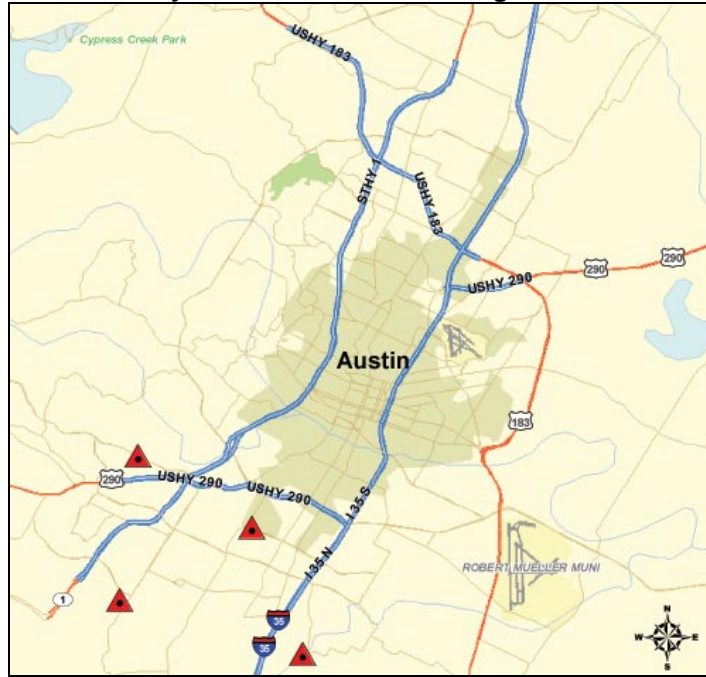
| | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-------------|-------------|-------------|-------------|-------------|
| Austin-Bergstrom International Airport | 321,229,101 | 285,896,271 | 252,276,024 | 254,419,495 | 241,803,261 |

Source: Austin-Bergstrom International Airport

Austin-Round Rock Market Overview 2006

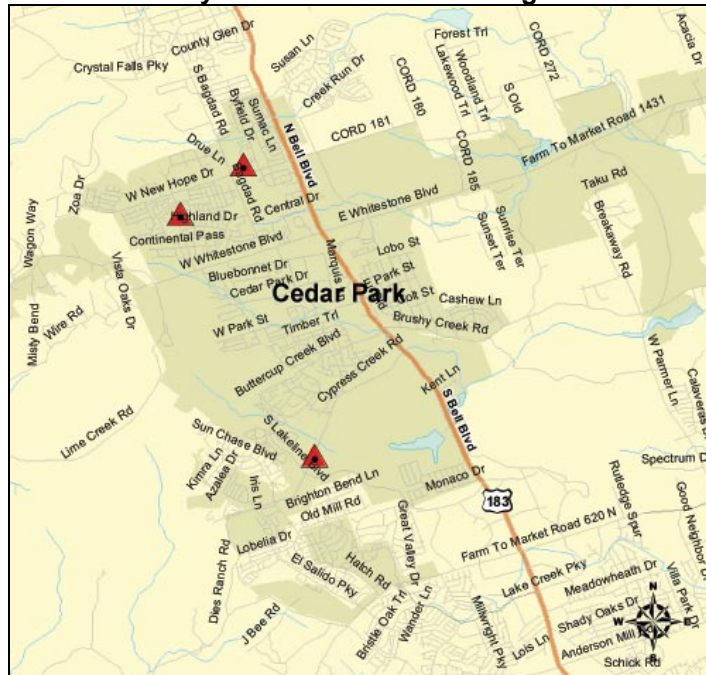
Public Facilities

Austin City Public Facilities Building Permits 2005



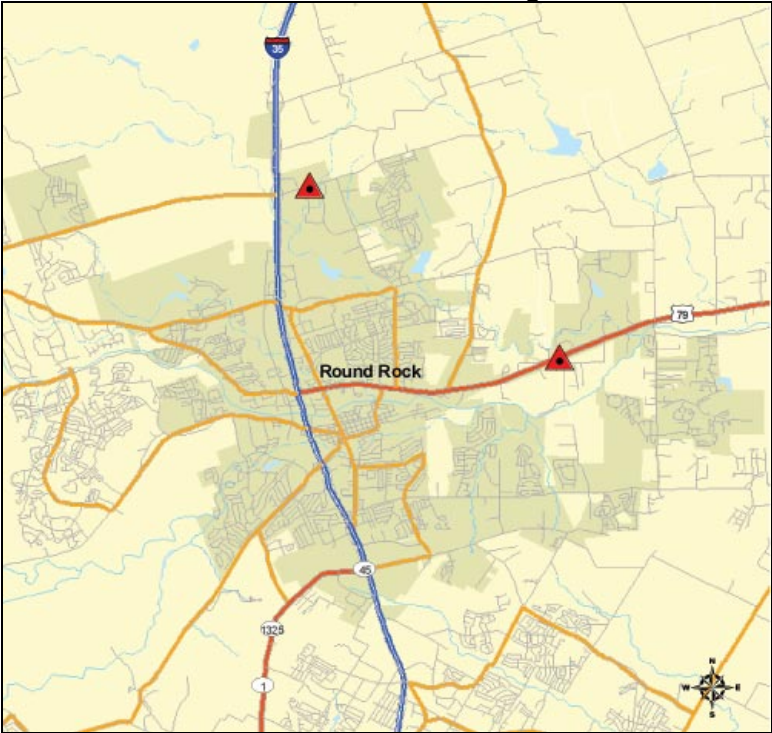
Austin City Building Permit Office

Cedar Park City Public Facilities Building Permits 2005



Cedar Park City Building Permits Building Permits

Round Rock Public Facilities Building Permits 2005



Round Rock City Building Permit Office

Austin-Round Rock Market Overview 2006

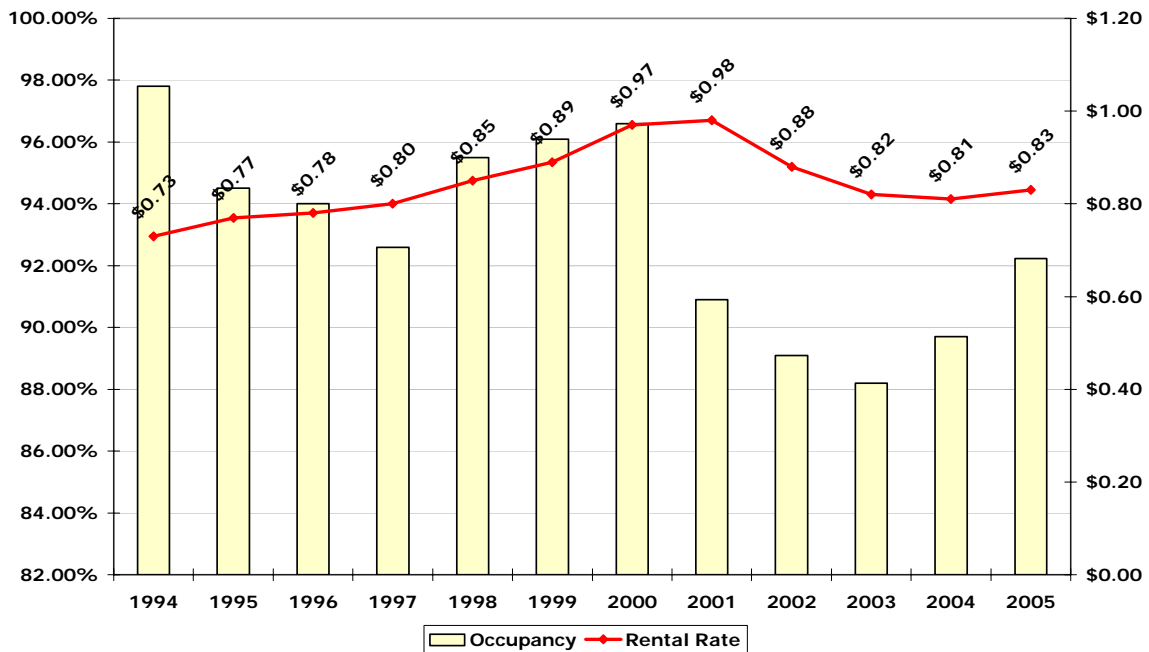
Multifamily

Austin Apartment Statistics 2005

| | Austin | San Marcos | Texas Metro Area |
|---|--------|------------|------------------|
| Average rent per square foot | \$0.87 | \$0.88 | \$0.78 |
| Average rent for units built since 2000 | \$0.91 | \$0.98 | \$0.89 |
| Average occupancy (in percent) | 93.4 | 92.7 | 91.4 |
| Average occupancy for units built since 2000 (in percent) | 93.4 | 89.7 | 93.1 |

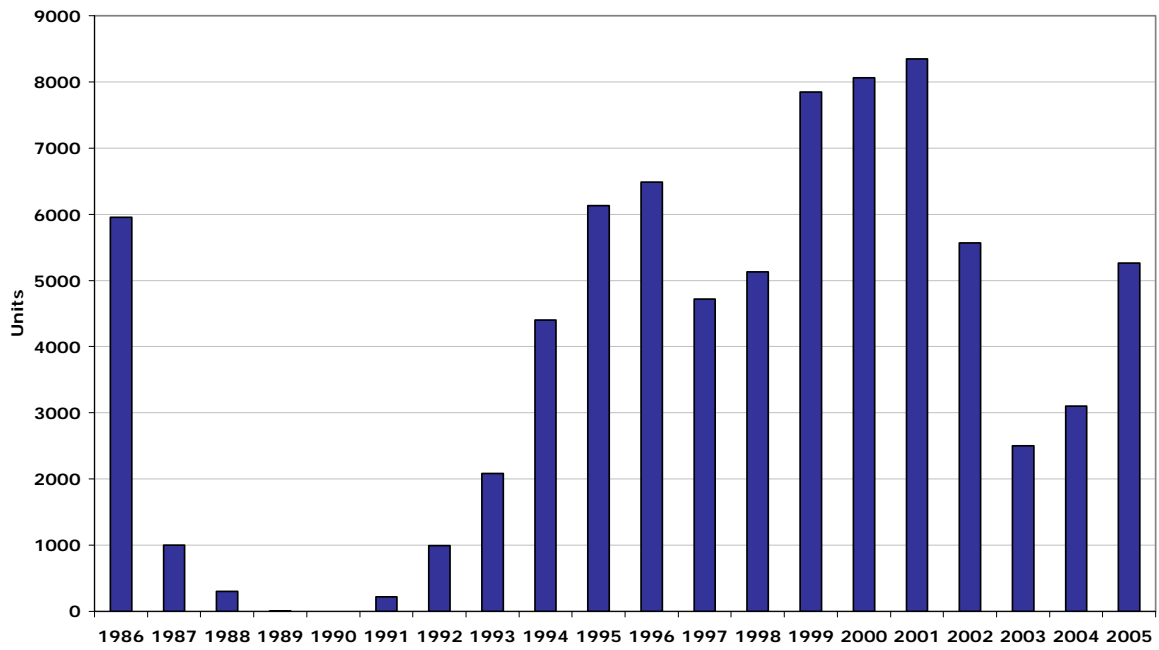
Source: Apartment MarketData Research

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



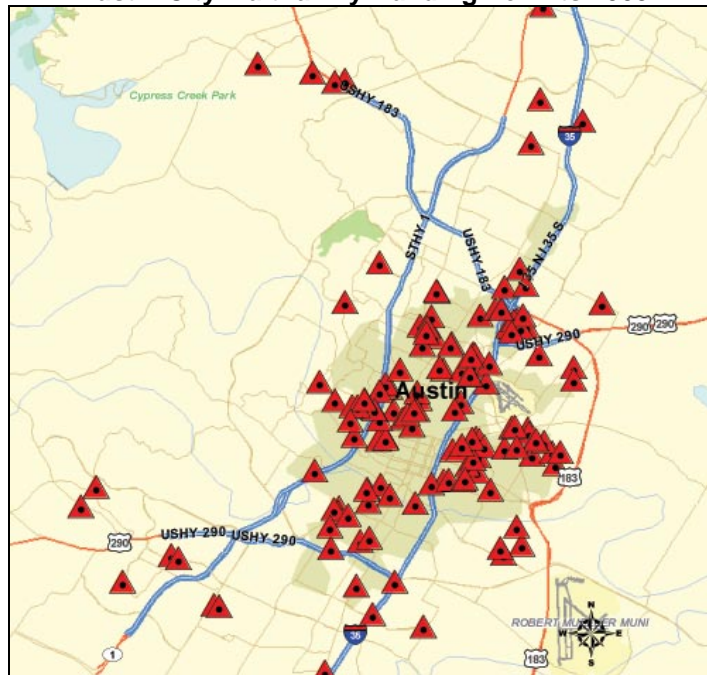
Source: Austin Investor Interests www.apartmenttrends.com

**Austin-San Marcos
 Multifamily Building Permits
 5+ Multifamily Building Permits**



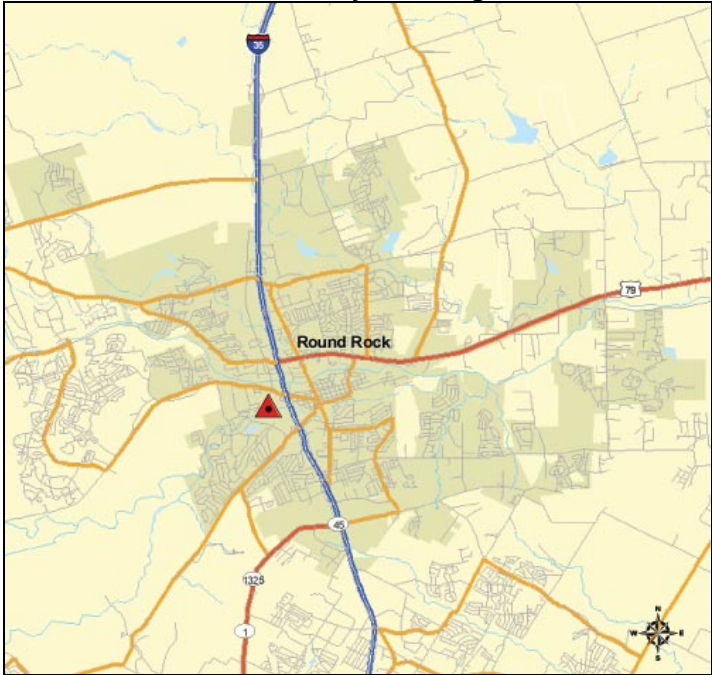
Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

Austin City Multifamily Building Permits 2005



Austin City Building Permit Office

Round Rock Multifamily Building Permits 2005



Round Rock City Building Permit Office

Austin-Round Rock Market Overview 2006 Housing

2005 Housing Affordability Index

| MLS | 2005 Median- Priced Home | Required Income to Qualify | Median Family Income | HAI* | HAI for First- Time Homebuyers** |
|-------------|-----------------------------|----------------------------------|----------------------------|------|--|
| Austin | \$161,300 | \$37,295 | \$67,300 | 1.80 | 1.19 |
| Texas Total | \$136,500 | \$31,561 | \$53,000 | 1.68 | 1.14 |
| U.S. Total | \$206,600 | \$47,132 | \$58,000 | 1.23 | 0.68 |

* The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. Standard financing is a fixed-rate, 30-year loan covering 80 percent of the cost of the home. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house.

** First-time home buyer is assumed to purchase a home equal to the first quartile home price using a 90% home loan at an interest rate 0.5 percent greater than the standard current rate.

Source: Real Estate Center at Texas A&M University

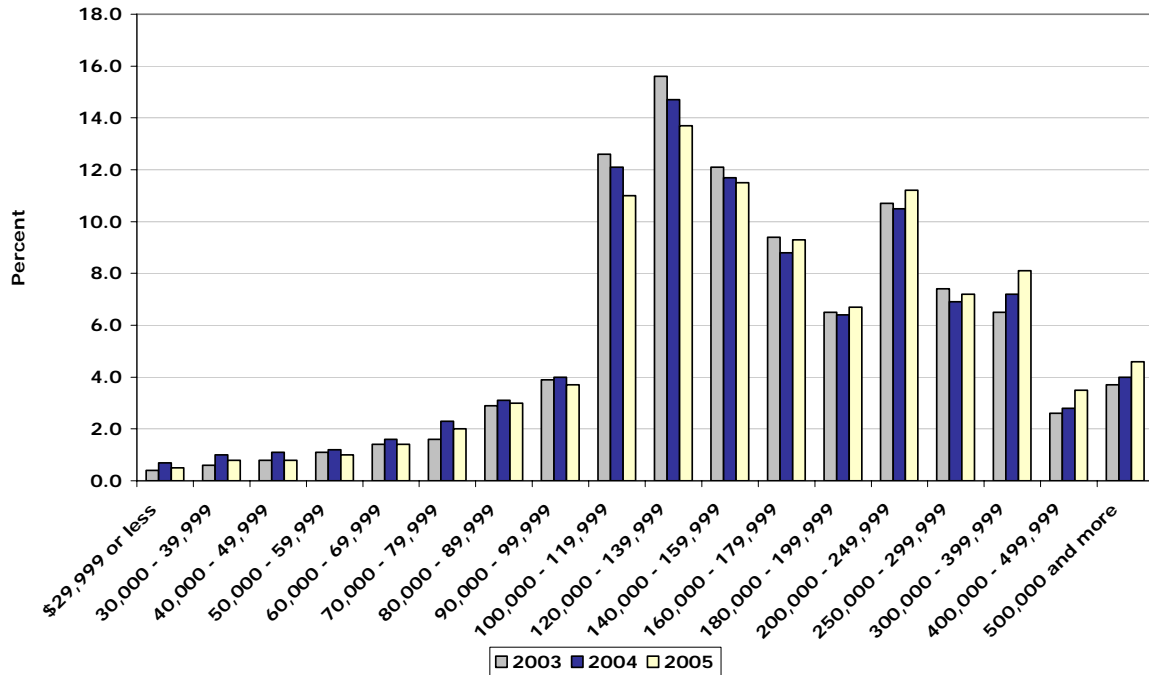
Price Distribution of MLS Homes Sold, Austin Area

(in percent)

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.7 | 0.5 |
| 30,000 - 39,999 | 0.6 | 0.4 | 0.4 | 0.3 | 0.6 | 1.0 | 0.8 |
| 40,000 - 49,999 | 1.2 | 0.8 | 0.6 | 0.6 | 0.8 | 1.1 | 0.8 |
| 50,000 - 59,999 | 2.0 | 1.3 | 0.9 | 0.9 | 1.1 | 1.2 | 1.0 |
| 60,000 - 69,999 | 3.3 | 2.1 | 1.3 | 1.2 | 1.4 | 1.6 | 1.4 |
| 70,000 - 79,999 | 4.9 | 2.7 | 1.8 | 1.6 | 1.6 | 2.3 | 2.0 |
| 80,000 - 89,999 | 8.3 | 4.9 | 3.2 | 2.5 | 2.9 | 3.1 | 3.0 |
| 90,000 - 99,999 | 10.2 | 7.3 | 4.5 | 3.9 | 3.9 | 4.0 | 3.7 |
| 100,000 - 119,999 | 14.8 | 14.9 | 14.6 | 13.3 | 12.6 | 12.1 | 11.0 |
| 120,000 - 139,999 | 12.8 | 13.0 | 16.2 | 16.5 | 15.6 | 14.7 | 13.7 |
| 140,000 - 159,999 | 8.6 | 10.1 | 11.7 | 12.5 | 12.1 | 11.7 | 11.5 |
| 160,000 - 179,999 | 6.5 | 7.8 | 9.4 | 9.4 | 9.4 | 8.8 | 9.3 |
| 180,000 - 199,999 | 4.9 | 5.9 | 6.4 | 6.6 | 6.5 | 6.4 | 6.7 |
| 200,000 - 249,999 | 8.0 | 9.9 | 10.2 | 10.8 | 10.7 | 10.5 | 11.2 |
| 250,000 - 299,999 | 5.0 | 6.2 | 6.5 | 7.4 | 7.4 | 6.9 | 7.2 |
| 300,000 - 399,999 | 3.9 | 5.8 | 6.2 | 6.5 | 6.5 | 7.2 | 8.1 |
| 400,000 - 499,999 | 1.9 | 2.7 | 2.2 | 2.4 | 2.6 | 2.8 | 3.5 |
| 500,000 and more | 2.5 | 4.0 | 3.6 | 3.5 | 3.7 | 4.0 | 4.6 |

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold
Austin Area



Source: Real Estate Center at Texas A&M
University

Property Tax Rates, 2005
County, Major City, Major School District

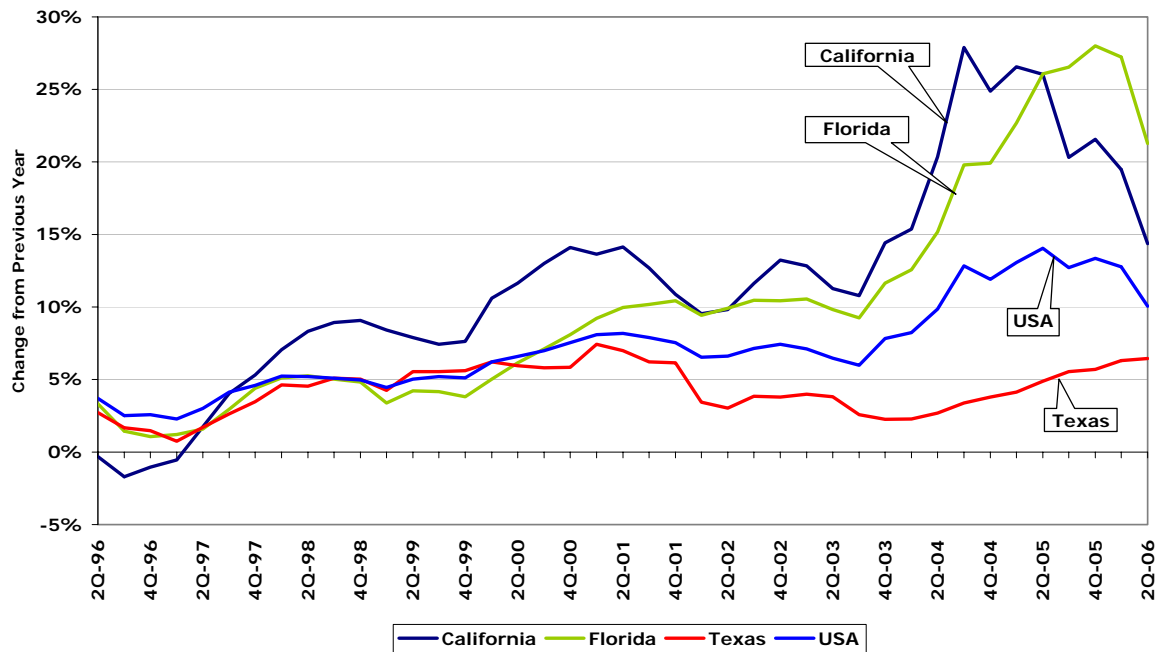
| Tax Rate per \$100 | |
|--------------------|---------------|
| Taxing Entity* | Valuation |
| Travis County | 0.50 |
| City of Austin | 0.44 |
| Austin ISD | 1.62 |
| Total | \$2.57 |
| Tax Rate per \$100 | |
| Taxing Entity* | Valuation |
| Williamson County | 0.47 |
| City of Round Rock | 0.37 |
| Round Rock ISD | 1.83 |
| Total | \$2.67 |
| Tax Rate per \$100 | |
| Taxing Entity* | Valuation |
| Hays County | 0.38 |
| City of San Marcos | 0.47 |
| San Marcos ISD | 1.83 |
| Total | \$2.69 |

* 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. See following links for more complete lists:
<http://www.traviscad.org/05rates.pdf>,
<http://www.hayscad.com/2000taxrates.htm>, <http://www.wcad.org/> (tax rates)

Source: Travis and Hays County Appraisal District

National Home Price Appreciation

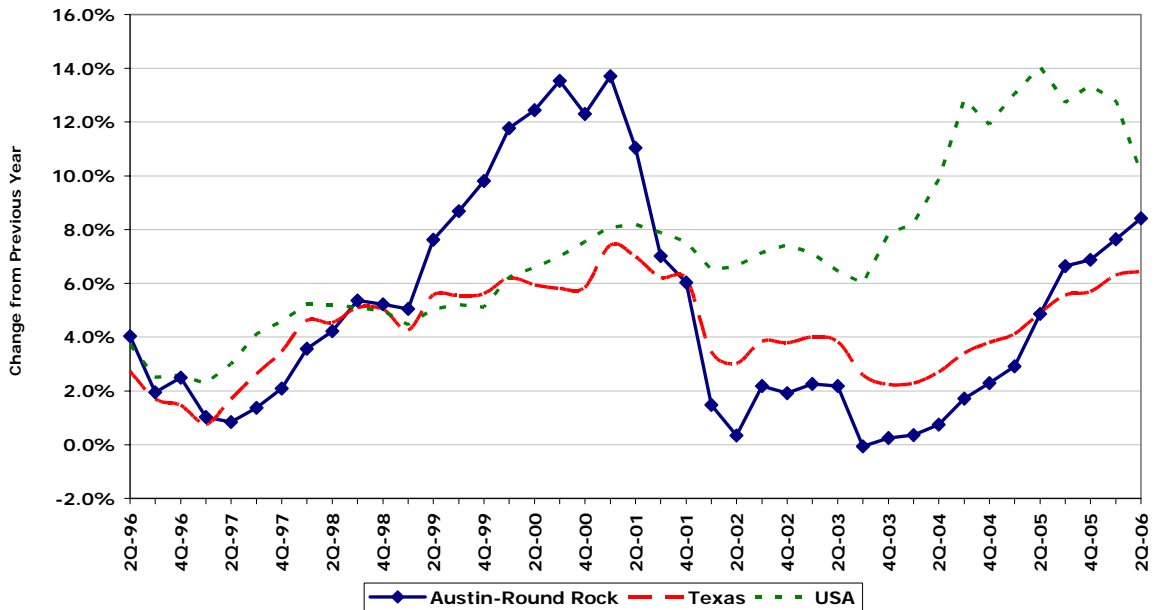
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

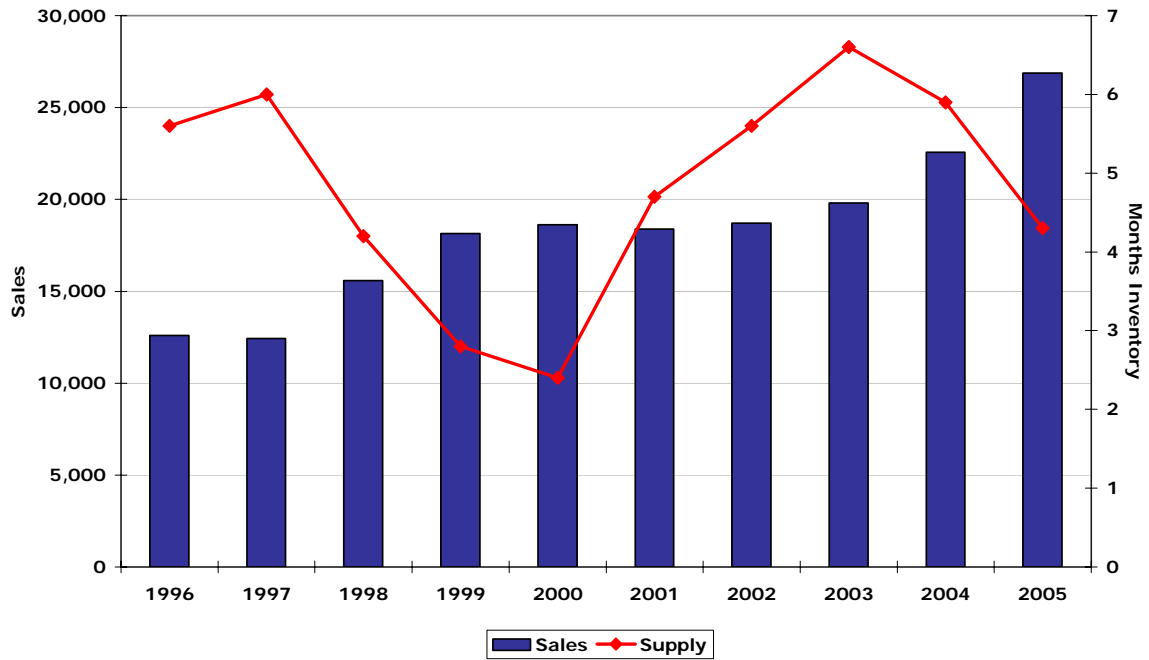
Home Price Appreciation Austin-Round Rock MSA

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.



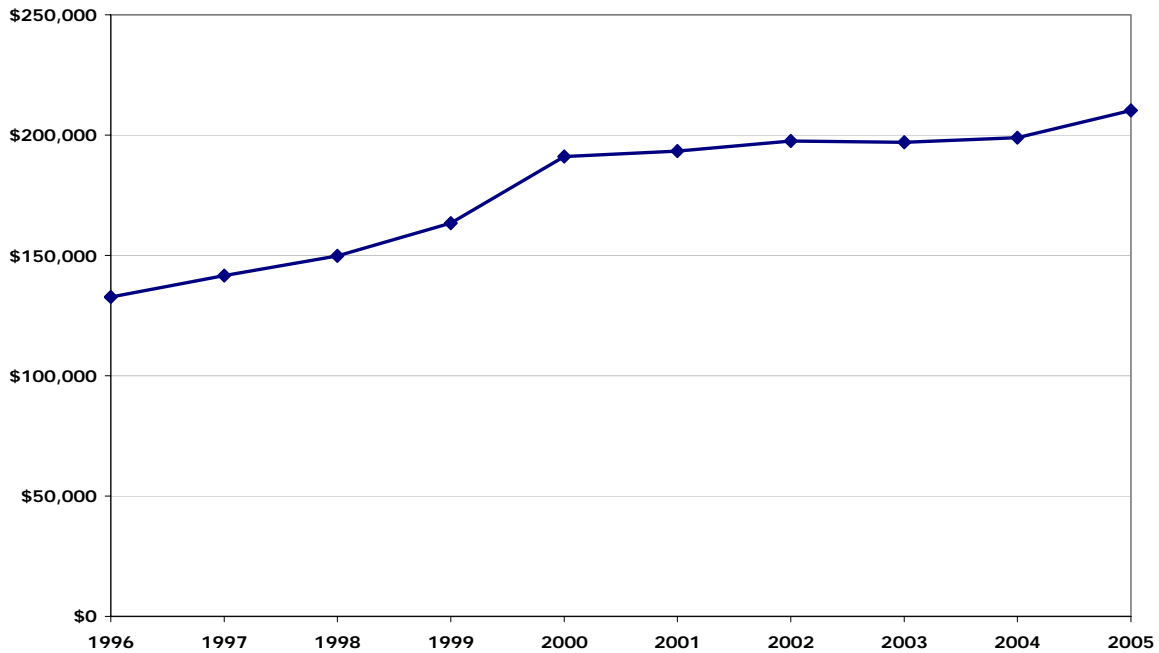
Source: Office of Federal Housing Enterprise Oversight

**Yearly Homes Sales and Months Inventory
 Austin MLS**



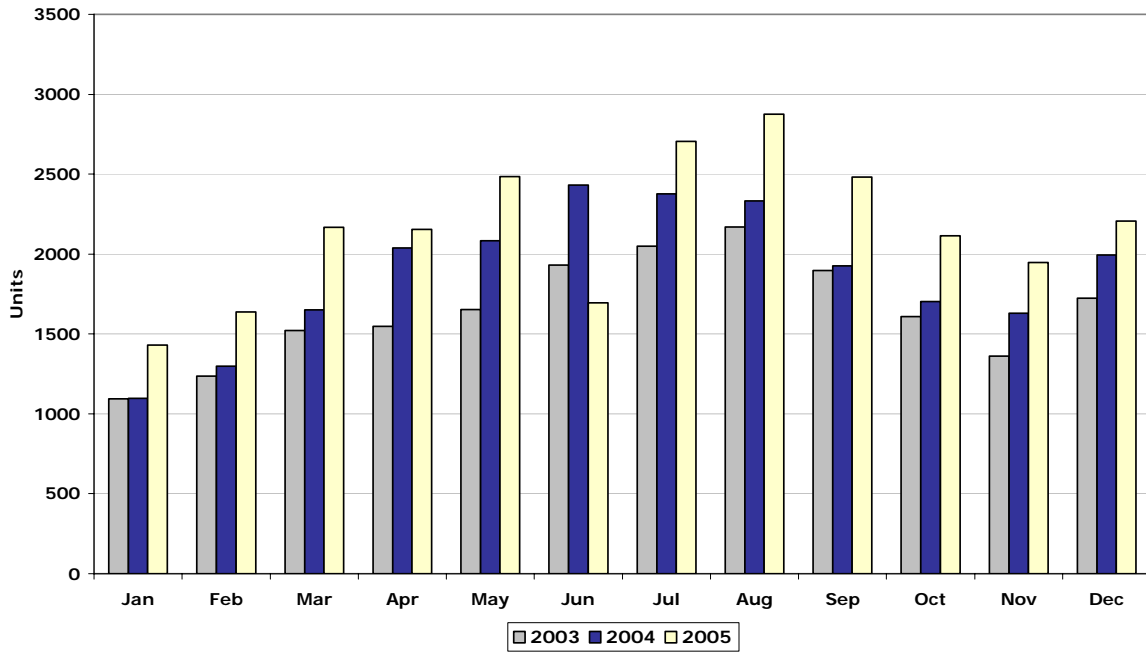
Source: Real Estate Center at Texas A&M University

**Average Sales Price
 Austin MLS**



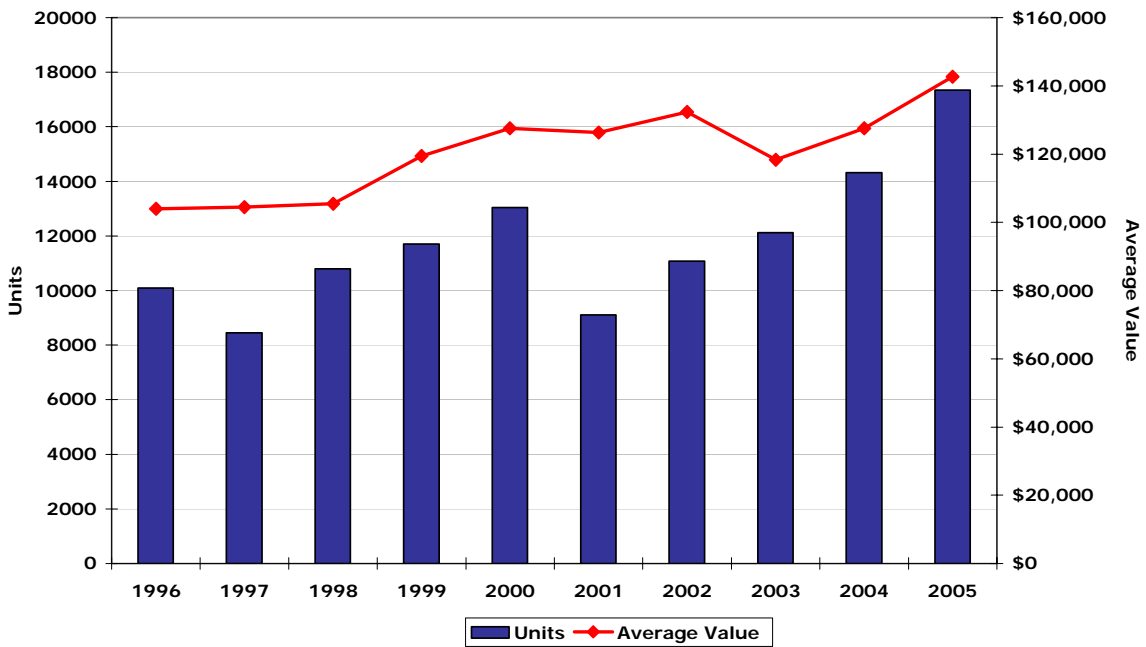
Source: Real Estate Center at Texas A&M University

Single-Family Homes Sales Volume
 Austin MLS



Source: Real Estate Center at Texas A&M University

Single-Family Building Permits and Average Value
 Austin-San Marcos



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

Austin-Round Rock Market Overview 2006 Retail

Austin Retail Market

| Year-End | Total Sq. Ft. Tracked | Average Monthly Base Rate 50,000-100,000 Sq. Ft. | Average Monthly Base Rental Rate 100,000 Sq. Ft. and Up | Overall Occupancy (in percent) |
|----------|-----------------------|--|---|--------------------------------|
| 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 |
| 2005 | 18,763,591 | \$1.41 | \$1.82 | 92.89 |

Source: NAI Commercial Industrial Properties Co. The Source

Six Month Retail Absorption, Year-End 2005

| Sector | Total Sq. Ft. | Sq. Ft. Absorbed ⁽¹⁾ | Sq. Ft. Absorbed ⁽²⁾ | Percent Occupied |
|---------------|-------------------|---------------------------------|---------------------------------|------------------|
| Arboretum | 1,583,866 | 0 | 32,542 | 96.71 |
| Cedar Park | 354,928 | (1,113) | 0 | 95.18 |
| Central | 593,563 | (3,000) | 0 | 98.11 |
| East | 1,047,404 | (10,000) | (4,561) | 89.79 |
| Far North | 1,035,134 | (66,750) | 882 | 87.55 |
| Far Northwest | 3,194,091 | (9,418) | 3,034 | 92.97 |
| Georgetown | 471,998 | 1,102 | 2,186 | 85.39 |
| North | 1,915,473 | (8,360) | (39,816) | 89.34 |
| Northeast | 692,120 | (188) | 1,600 | 94.05 |
| Northwest | 60,600 | 0 | 0 | 100.00 |
| Pflugerville | 184,431 | (8,342) | 0 | 84.63 |
| Round Rock | 2,679,395 | (3,877) | (2,940) | 94.33 |
| South Central | 2,035,880 | 2,706 | (720) | 95.66 |
| Southeast | 272,279 | 300 | 7,149 | 92.81 |
| Southwest | 1,700,180 | 0 | (7,076) | 97.62 |
| West | 942,249 | 30,442 | 4,717 | 84.13 |
| Total | 18,763,591 | (76,498) | (3,003) | 92.89 |

⁽¹⁾ Centers 50,000 to 100,000 sq. ft.

⁽²⁾ Centers over 100,000 sq. ft.

Source: NAI Commercial Industrial Properties Co. The Source

Retail Centers 50,000 to 100,000 Square Feet, Year-End 2005

| Sector | Total Sq. Ft. | Occupied Sq. Ft. | Percent Occupied | Avg. Monthly Rate |
|---------------|----------------------|-------------------------|-------------------------|--------------------------|
| Arboretum | 163,543 | 163,543 | 100 | \$2.33 |
| Cedar Park | 240,928 | 223,815 | 93 | \$1.80 |
| Central | 62,895 | 55,895 | 89 | \$1.08 |
| East | 240,406 | 230,406 | 96 | \$1.06 |
| Far North | 391,560 | 304,603 | 78 | \$1.37 |
| Far Northwest | 645,465 | 595,153 | 92 | \$1.36 |
| Georgetown | 170,362 | 143,862 | 84 | \$1.25 |
| North | 407,766 | 331,148 | 81 | \$1.30 |
| Northeast | 162,730 | 122,594 | 75 | \$1.68 |
| Northwest | 60,600 | 60,600 | 100 | \$1.83 |
| Pflugerville | 184,431 | 156,089 | 85 | \$1.25 |
| Round Rock | 132,883 | 126,806 | 95 | \$1.20 |
| South Central | 408,540 | 377,039 | 92 | \$1.05 |
| Southeast | 170,854 | 161,154 | 94 | \$1.14 |
| Southwest | 148,086 | 148,086 | 100 | \$2.24 |
| West | 248,242 | 128,202 | 52 | \$1.91 |
| Total | 3,839,291 | 3,328,995 | 87 | \$1.41 |

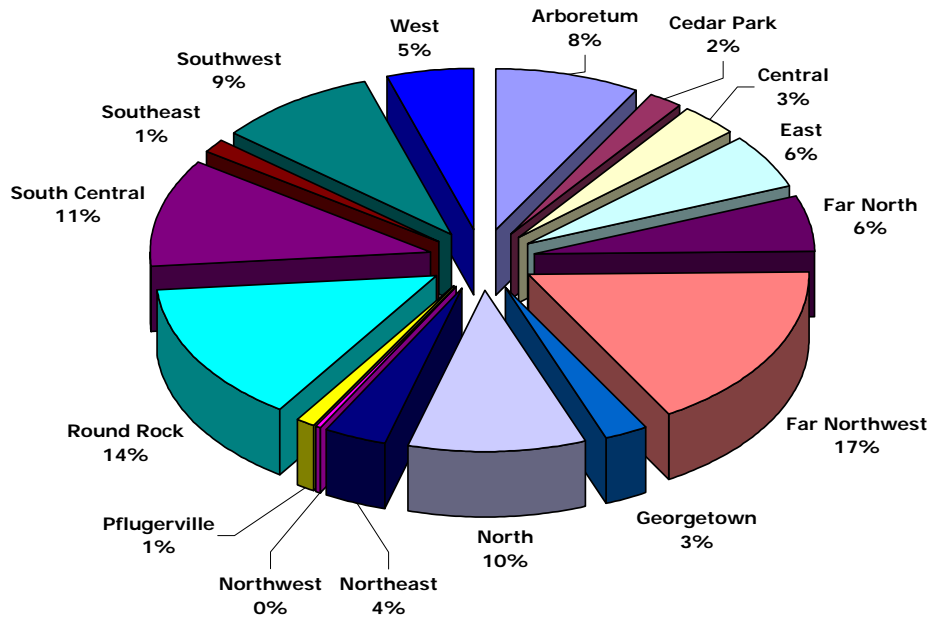
Source: NAI Commercial Industrial Properties Co. The Source

Retail Centers Larger Than 100,000 Square Feet, Year-End 2005

| Sector | Total Sq. Ft. | Occupied Sq. Ft. | Percent Occupied | Avg. Monthly Rate |
|---------------|----------------------|-------------------------|-------------------------|--------------------------|
| Arboretum | 1,420,323 | 1,368,186 | 96 | \$2.33 |
| Cedar Park | 114,000 | 114,000 | 100 | \$2.30 |
| Central | 530,668 | 526,468 | 99 | \$1.96 |
| East | 806,998 | 710,037 | 88 | \$1.47 |
| Far North | 643,574 | 601,655 | 93 | \$1.28 |
| Far Northwest | 2,548,626 | 2,374,318 | 93 | \$1.75 |
| Georgetown | 301,636 | 259,198 | 86 | \$1.67 |
| North | 1,507,707 | 1,380,090 | 92 | \$1.19 |
| Northeast | 529,390 | 528,340 | 100 | \$2.00 |
| Northwest | 0 | 0 | 0 | \$0.00 |
| Pflugerville | 0 | 0 | 0 | \$0.00 |
| Round Rock | 2,546,512 | 2,400,638 | 94 | \$1.94 |
| South Central | 1,627,340 | 1,570,500 | 97 | \$1.55 |
| Southeast | 101,425 | 91,536 | 90 | \$1.25 |
| Southwest | 1,552,094 | 1,511,670 | 97 | \$2.16 |
| West | 694,007 | 664,524 | 96 | \$2.48 |
| Total | 14,924,300 | 14,101,160 | 94 | \$1.82 |

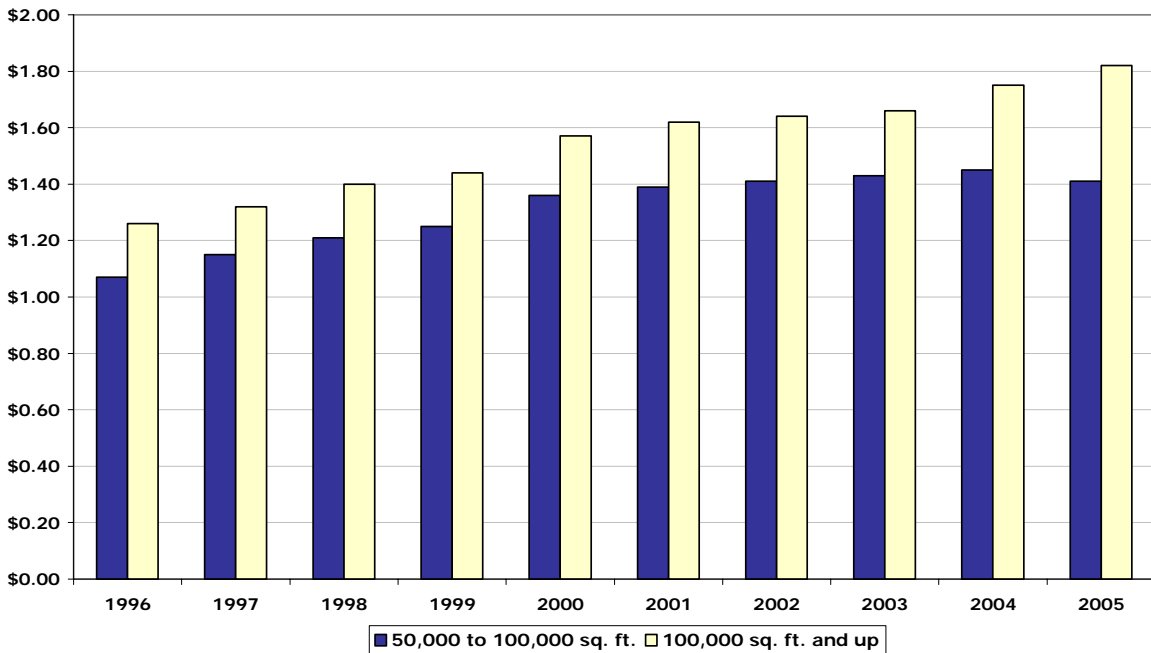
Source: NAI Commercial Industrial Properties Co. The Source

Retail Market Space by Sector
 Year-End 2005



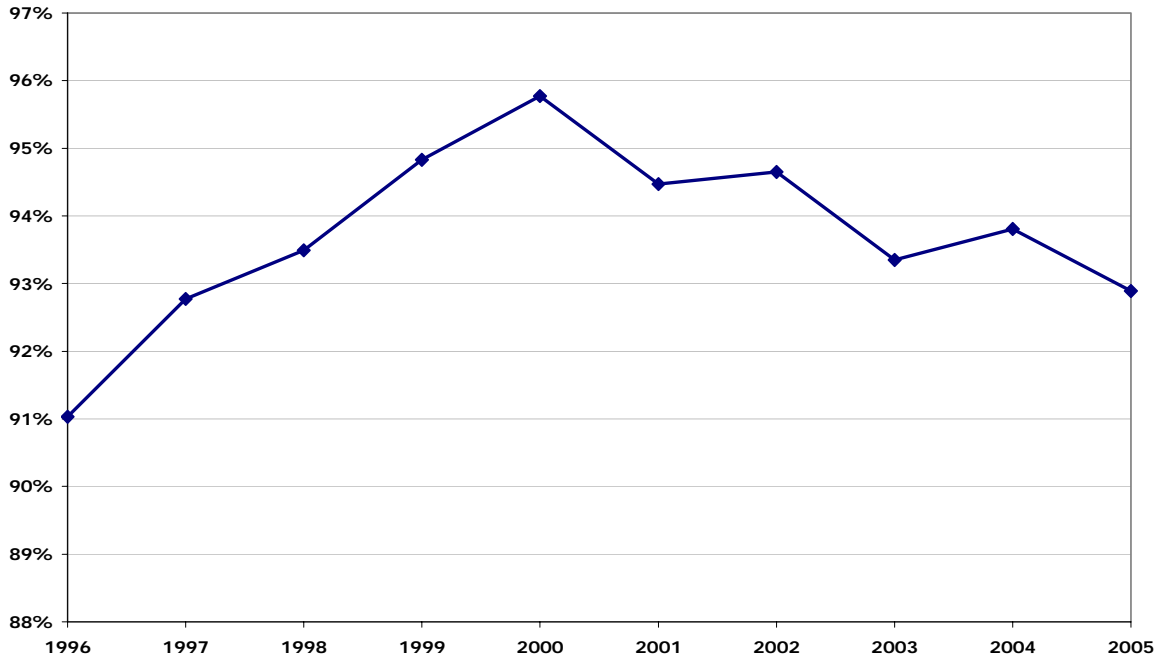
Source: NAI CIP The Source

Retail Market
 Average Monthly Base Rental Rates



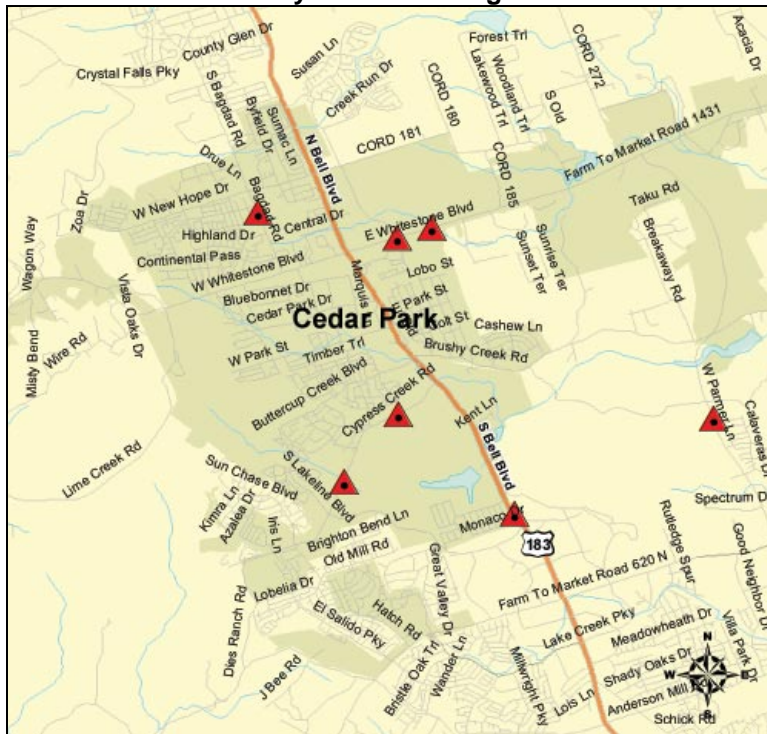
Source: NAI CIP The Source

**Retail Market
 Overall Occupancy Rate**



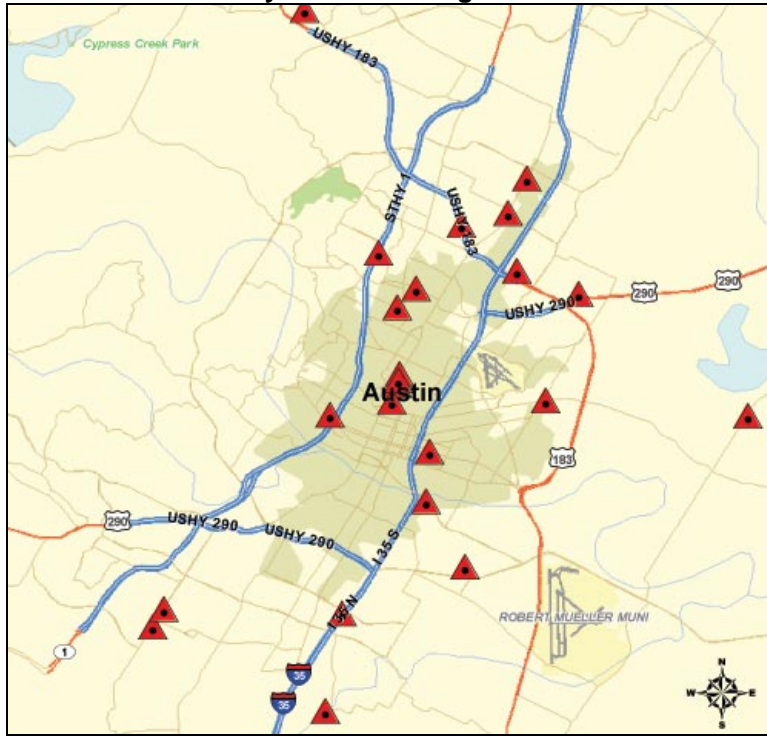
Source: NAI CIP The Source

Cedar Park City Retail Building Permits 2005



Cedar Park City Building Permit Office

Austin City Retail Building Permits 2005



Austin City Building Permit Office

Austin-Round Rock Market Overview 2006 Hotel

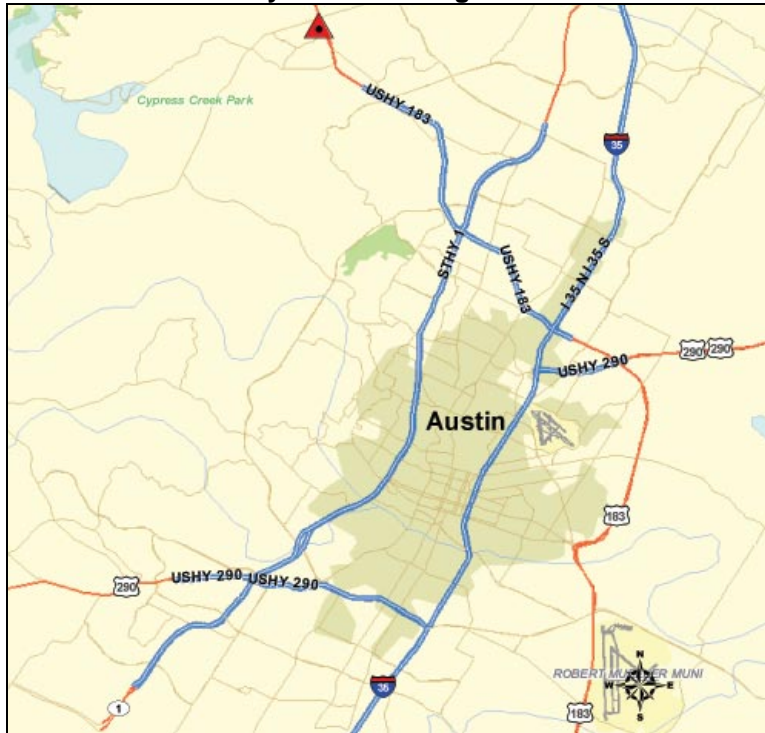
Hotel* Occupancy and Rental Rates

| | 2004 | | 2005 | |
|-----------------------------|---------------------|---------|---------------------|---------|
| | Austin - Round Rock | Texas | Austin - Round Rock | Texas |
| # Rooms 000's | 25.5 | 328.1 | 25.1 | 334.7 |
| Average daily rate | \$80.48 | \$70.39 | \$86.38 | \$74.26 |
| Occupancy rate (in percent) | 56.0 | 55.9 | 62.3 | 59.7 |

*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.

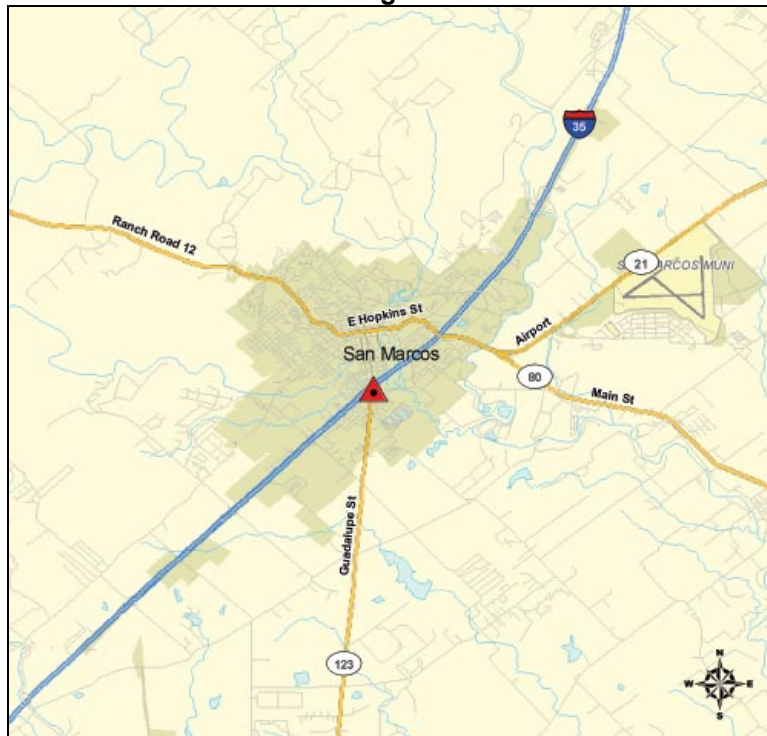
Source: Office of the Governor Economic Development and Tourism and Source Strategies, Inc. of San Antonio

Austin City Hotel Building Permits 2005



Austin City Building Permit Office

Hotel Building Permits 2005



San Marcos City Building Permit Office

Austin-Round Rock Market Overview 2006 Office

2005 Year-End Market Summary

| Sector | Total Sq. Ft. | Vacant Sq. Ft. | Sq. Ft. Absorbed | Occupied (in percent) | Weighted Rental Rates | | |
|--------------|-------------------|------------------|------------------|-----------------------|-----------------------|----------------|----------------|
| | | | | | Class B | Class A | Avg. |
| CBD | 8,522,278 | 1,990,785 | (19,672) | 77% | \$19.66 | \$25.80 | \$23.59 |
| North | 2,667,219 | 469,999 | 38,305 | 82% | \$18.75 | \$22.33 | \$19.32 |
| Northwest | 13,519,338 | 1,790,441 | 637,113 | 87% | \$18.85 | \$21.51 | \$20.58 |
| Northeast | 1,796,992 | 417,196 | (151,805) | 77% | \$15.40 | \$14.50 | \$15.36 |
| South | 1,398,140 | 212,150 | 128,275 | 85% | \$16.33 | \$22.36 | \$17.12 |
| Southwest | 6,244,248 | 493,726 | 63,952 | 92% | \$19.31 | \$23.07 | \$21.69 |
| Southeast | 236,708 | 51,181 | (7,081) | 78% | \$15.00 | \$17.73 | \$17.46 |
| Total | 34,384,923 | 5,425,478 | 689,087 | 84% | \$18.47 | \$23.21 | \$21.11 |

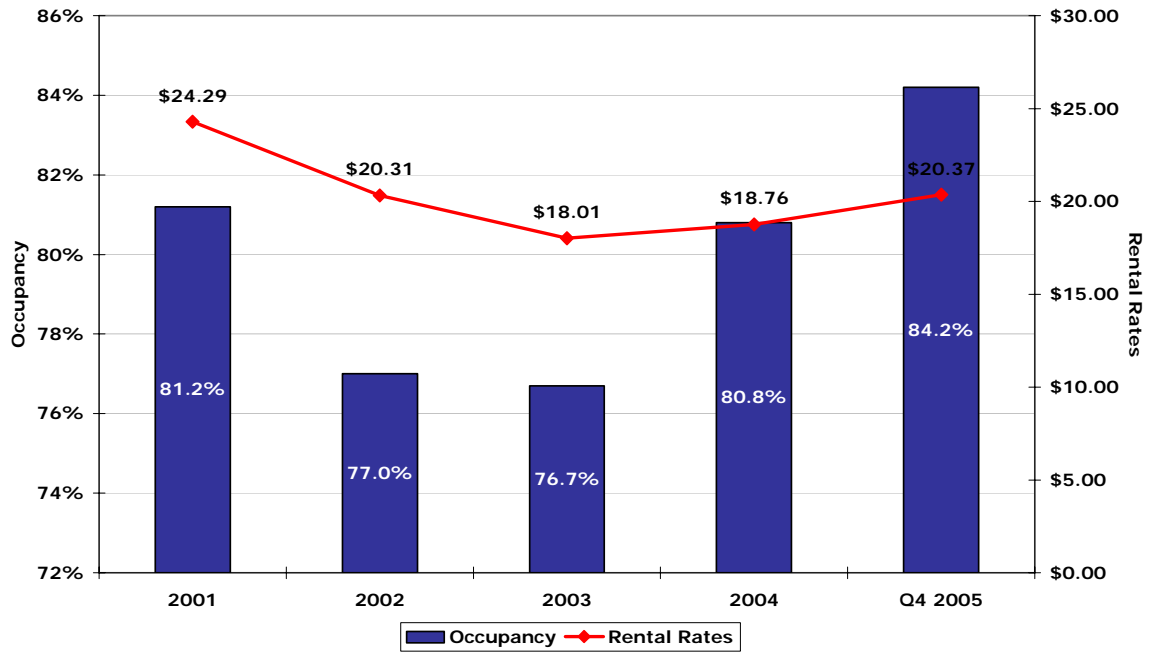
Source: NAI Commercial Industrial Properties Co. The Source

2005 Year-End Sublease Market Summary

| Sector | Sublease Sq. Ft. | Average Rental Rate | Average Term (months) | Sublease Vacancy (in percent) | Effective Market Vacancy (in percent) |
|-------------------------|------------------|---------------------|-----------------------|-------------------------------|---------------------------------------|
| | | | | | |
| North | 20,996 | \$19.91 | 85 | 1% | 19% |
| Northwest | 445,902 | \$22.21 | 85 | 3% | 16% |
| Northeast | 10,673 | \$20.50 | 11 | 1% | 24% |
| South | 22,094 | \$14.15 | 107 | 2% | 17% |
| Southwest | 97,550 | \$18.57 | 41 | 2% | 10% |
| Southeast | 10,802 | \$18.22 | 18 | 5% | 27% |
| City-Wide Totals | 694,549 | \$20.67 | 69 | 2% | 18% |

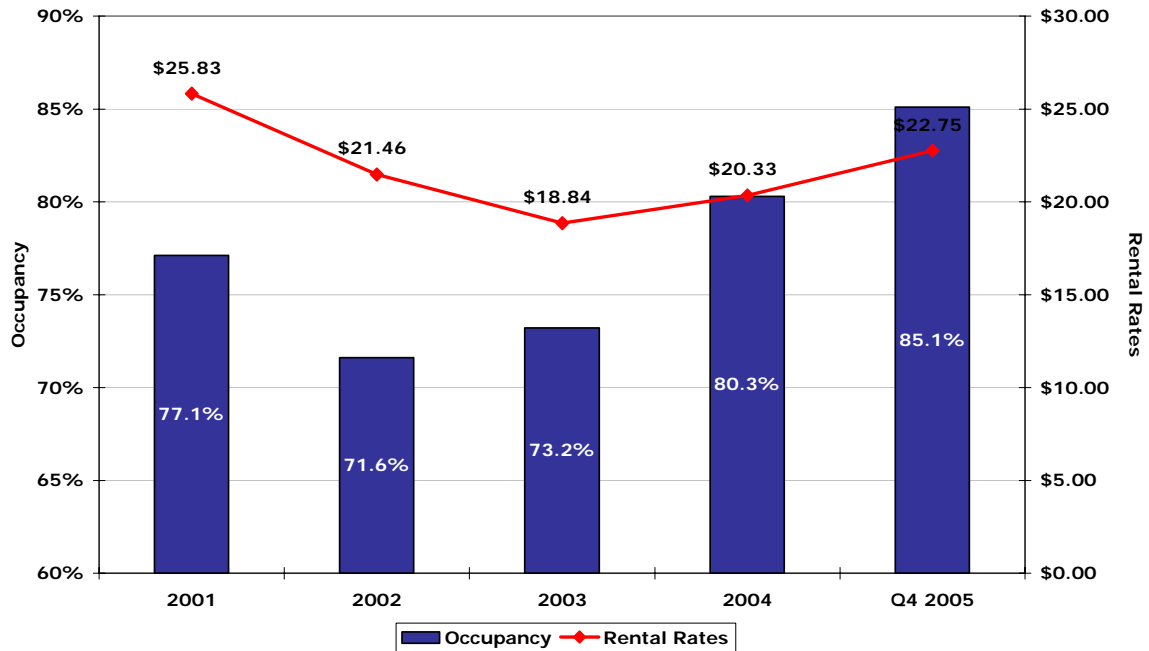
Source: NAI Commercial Industrial Properties Co. The Source

Overall Office Rental Rates Against Occupancy
 (All Classes)



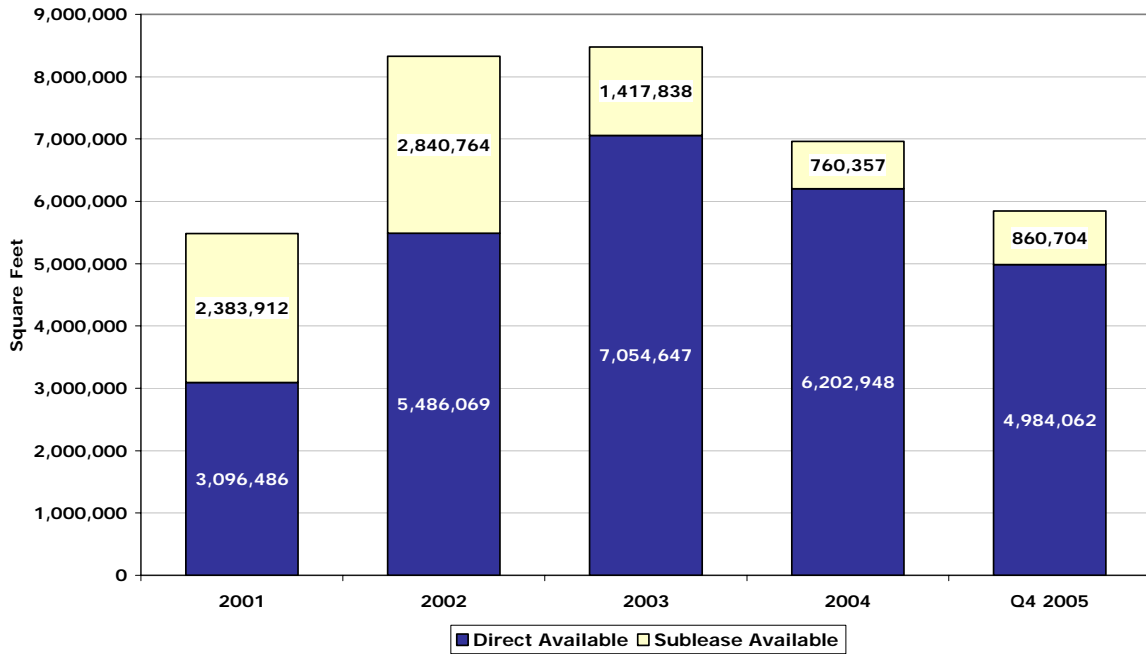
Source: Colliers Oxford

Overall Office Rental Rates Against Occupancy
 (Class A)



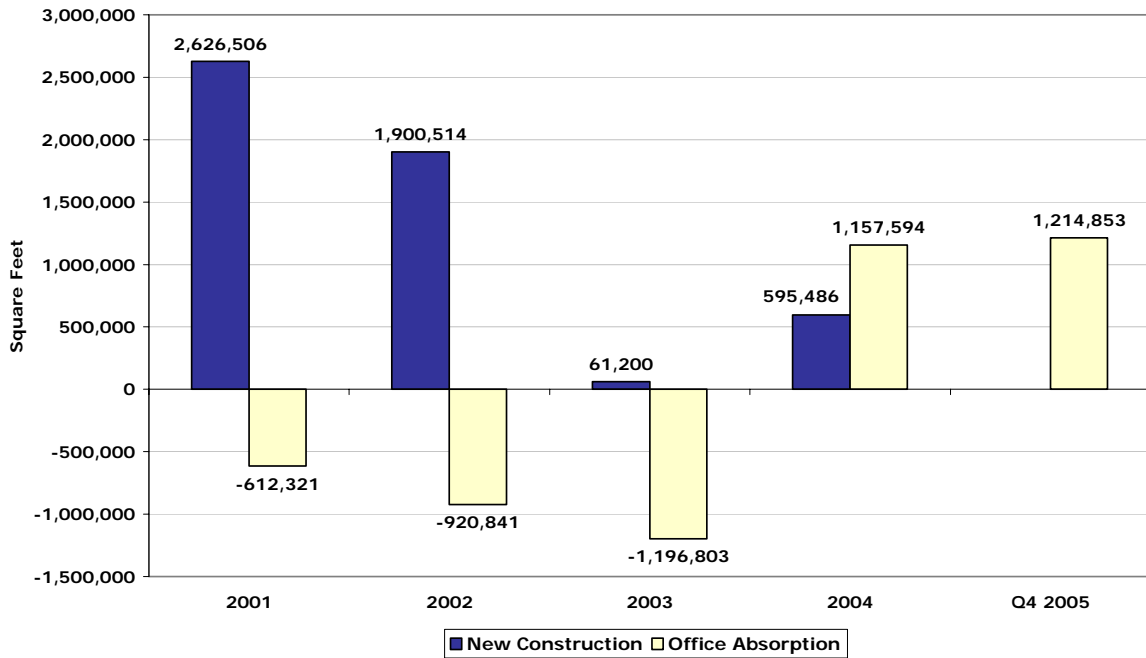
Source: Colliers Oxford

**Overall Office Vacancy
 (All Classes)**



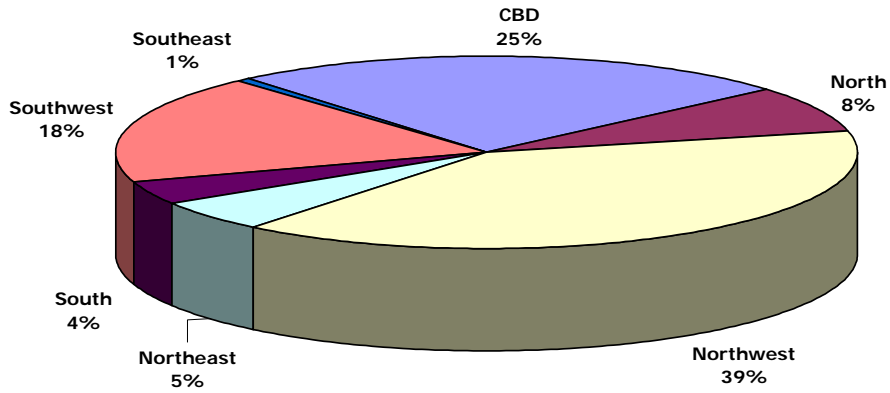
Source: Colliers Oxford

**Overall Office Construction Against Absorption
 (All Classes)**



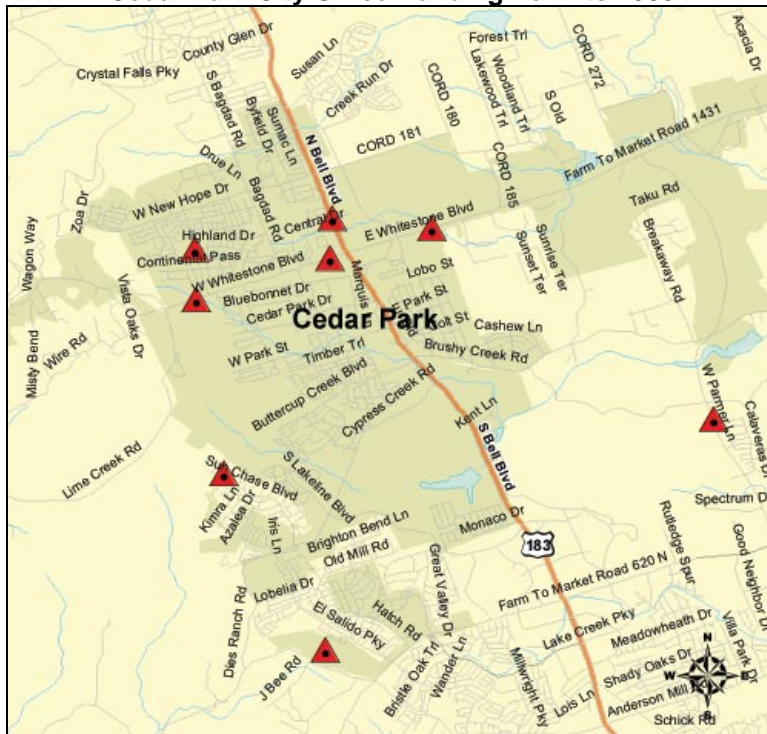
Source: Colliers Oxford

Office Market Overview
 Concentration, Year-End 2005



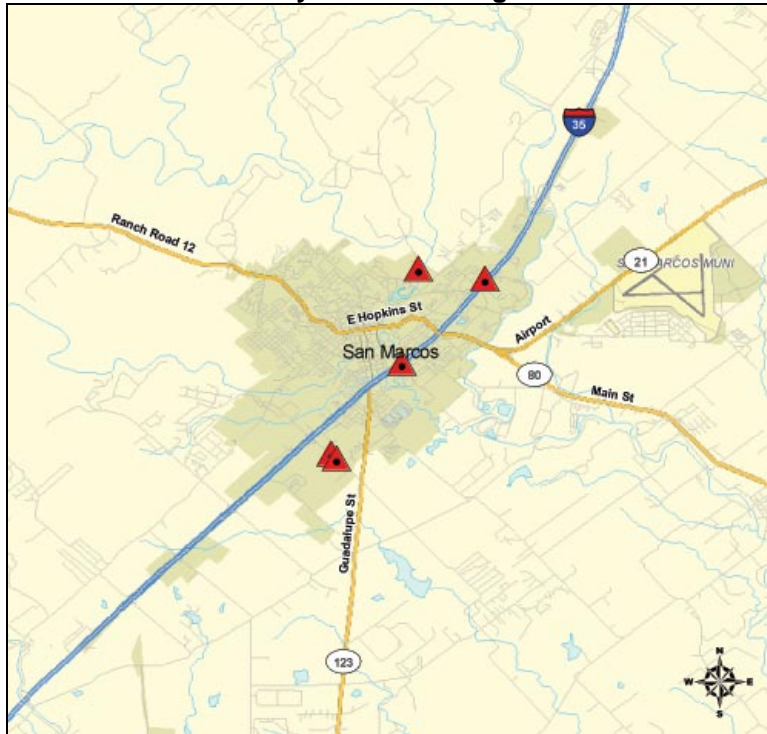
Source: NAI Commercial Industrial Properties, The Source

Cedar Park City Office Building Permits 2005



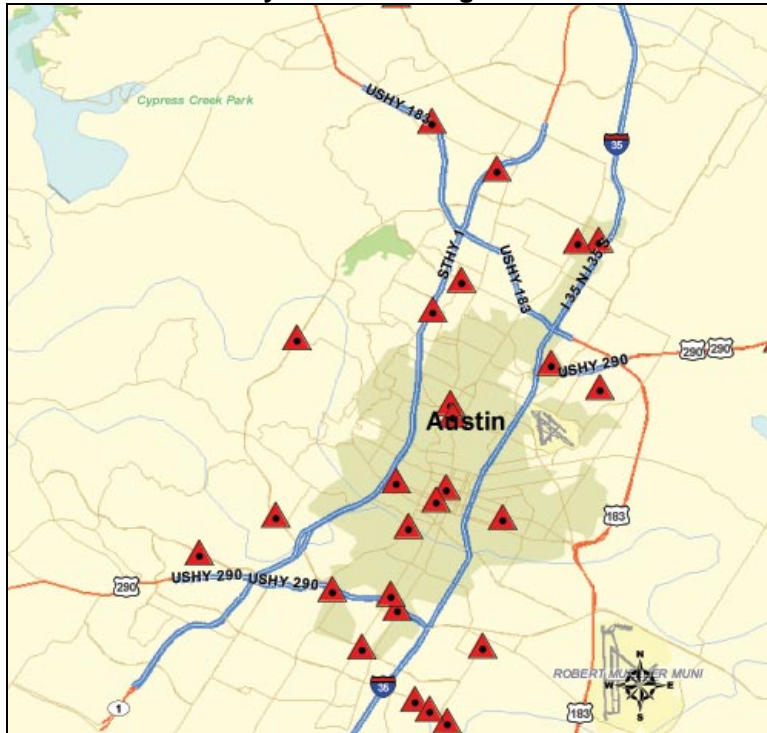
Cedar Park City Building Permit Office

San Marcos City Office Building Permits 2005



San Marcos City Building Permit Office

Austin City Office Building Permits 2005



Austin City Building Permit Office

Austin-Round Rock Market Overview 2006 Industrial

2005 Year-End Industrial Geographical Sector & Building Use

| Submarket | 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 | 1,865,858 | 10 | 81,554 | 818,704 | 43 | 56,000 |
| North | 8,359,177 | 11 | 154,620 | 6,187,303 | 20 | 0 |
| Northeast | 3,457,379 | 8 | 0 | 2,414,892 | 20 | 0 |
| East | 1,357,320 | 17 | 0 | 0 | 0 | 0 |
| Southeast | 3,758,231 | 14 | 0 | 3,539,637 | 17 | 0 |
| South | 1,869,334 | 13 | 0 | 168,577 | 11 | 0 |
| Total | 20,667,299 | 12 | 236,174 | 13,129,113 | 21 | 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 | (61,304) | 230,721 | 169,417 |
| North | 82,327 | 300,090 | 382,417 |
| Northeast | (11,804) | 246,929 | 235,125 |
| East | 0 | 22,723 | 22,723 |
| Southeast | 81,834 | 112,307 | 194,141 |
| South | (380) | 23,021 | 22,641 |
| Total | 90,673 | 935,791 | 1,026,464 |

Source: NAI Commercial Industrial Properties Co. The Source (12/30/05)

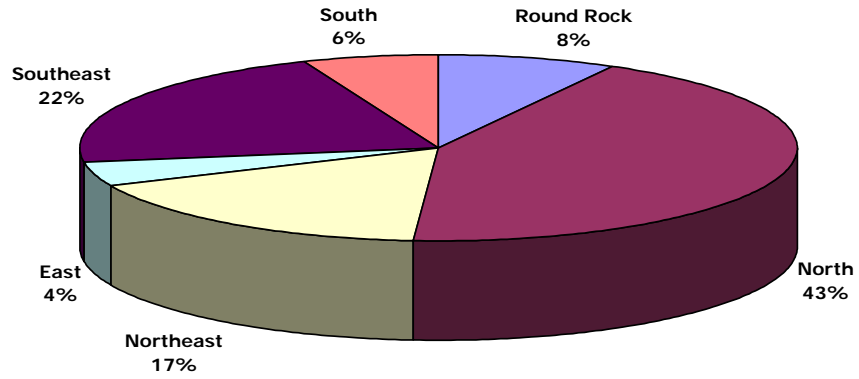
Average Industrial Rental Rates per Sq. Ft.*

| | Annual | Monthly |
|---------------------|-----------------|-----------------|
| Flex / R&D | \$6.60 - \$8.64 | \$0.55 - \$0.72 |
| Bulk Warehouse | \$3.84 - \$5.40 | \$0.32 - \$0.45 |
| Office Warehouse | \$4.56 - \$6.60 | \$0.38 - \$0.55 |
| Manufacturing Whse. | \$5.04 - \$7.20 | \$0.42 - \$0.60 |

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

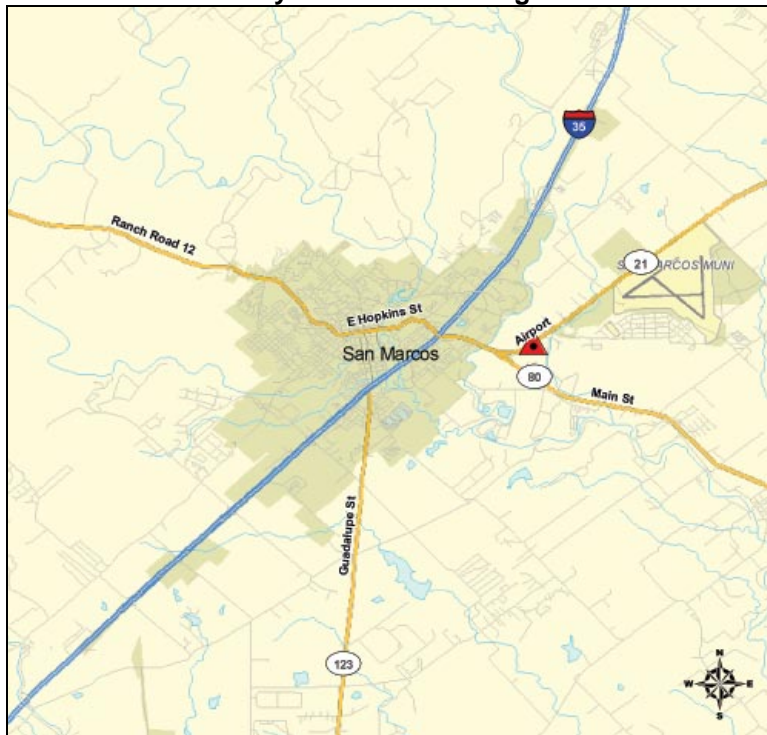
Source: NAI Commercial Industrial Properties Co. The Source

Industrial Market
Concentration of Space, Year-End 2005



Source: NAI Commercial Industrial Properties, The Source

San Marcos City Industrial Building Permits 2005



San Marcos 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 Areas. The Center also provides numerous publications, resources, and data on building permits, employment, population, and home sales at <http://recenter.tamu.edu>.

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