

Real Estate Market Overview 2006

San Antonio

Mid-Year Update

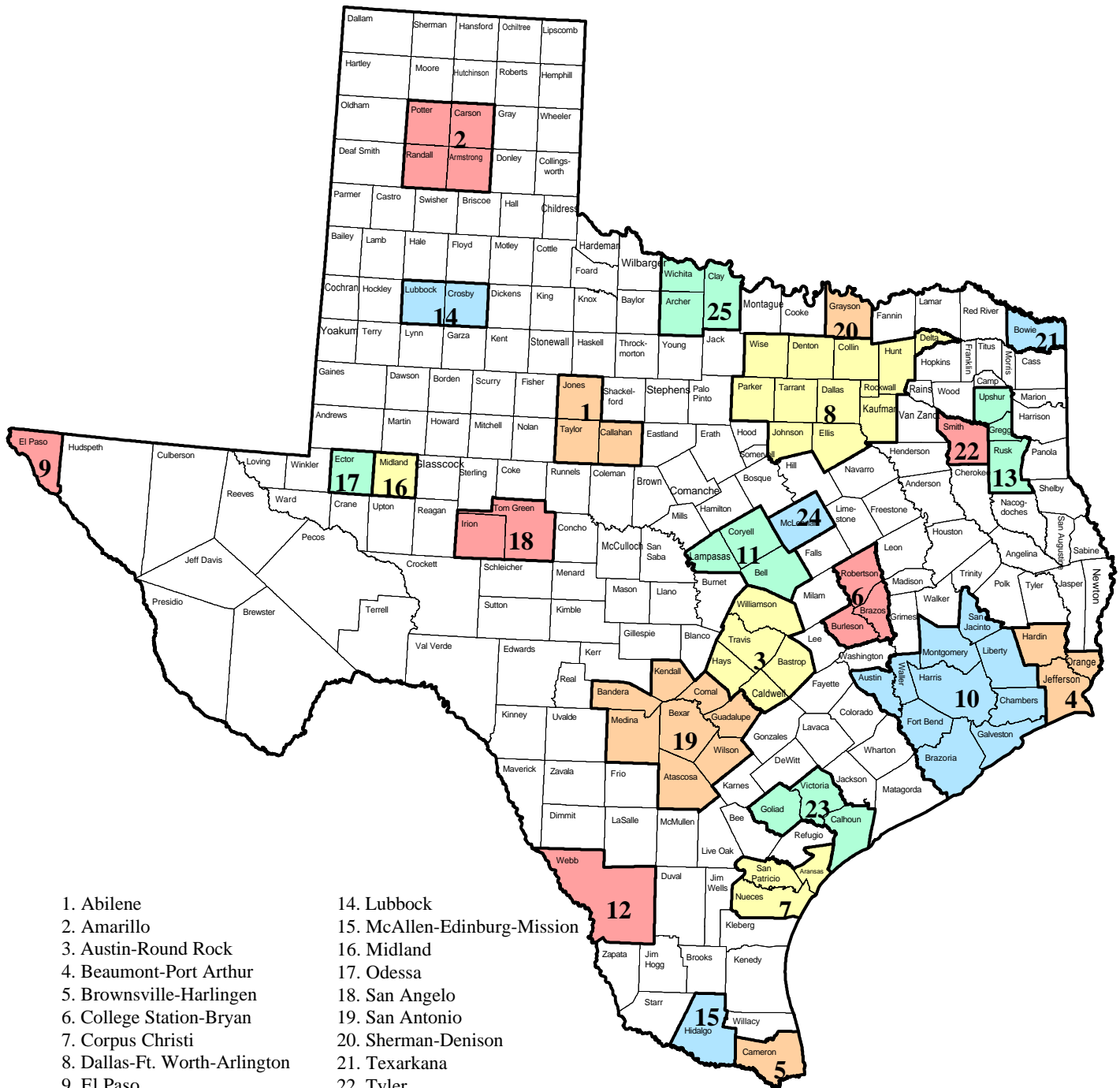
Once a small settlement founded by Spanish missionaries in the early 1700s, San Antonio is now the ninth largest city in the United States and is located in South Central Texas in the I-35 corridor, the fastest growing region of the state. The city offers proximity to other major Texas population centers 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	7,340.45 square miles
Population Density (2000)	233.2 people per square mile
Counties	Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson
Area Cities and Towns	
Bandera, Boerne, Castroville, Comfort, Converse, Devine, Floresville, Hondo, Lakehills, Leon Valley, Live Oak, Lytle, New Braunfels, San Antonio, Seguin, Universal City	

*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 | |

Table of Contents

Demographics 1

Education 6

Employment 7

Economy 11

Infrastructure 12

Multifamily 13

Housing 15

Retail 19

Hotel 23

Office 24

Industrial 27

San Antonio Market Overview 2006 Demographics

San Antonio MSA Population

Year	Population	Percent change
1995	1,570,083	-
1996	1,599,427	1.8%
1997	1,628,676	1.8%
1998	1,659,847	1.9%
1999	1,689,009	1.7%
2000	1,711,703	1.3%
2001	1,746,003	2.0%
2002	1,781,368	2.0%
2003	1,816,323	1.9%
2004	1,854,050	2.0%
2005*	1,889,797	1.9%

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

County	1995 Population	2005* Population	Growth 1995 - 2005* (in percent)
Atascosa	33,962	43,226	27.3
Bandera	13,690	19,988	46.0
Bexar	1,303,692	1,518,370	16.5
Comal	63,553	96,018	51.1
Guadalupe	74,333	103,032	38.6
Kendall	19,903	28,607	43.7
Medina	33,838	43,027	27.2
Wilson	27,112	37,529	38.4

* July 1, 2005 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	2000 Population	Growth 1990 - 2000 (in 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, 1995 - 2005*

Metropolitan Area	1995 Population	2005* Population	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
San Antonio	1,570,083	1,889,797	20.4
Texas	16,986,335	19,874,977	17.0
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, 2005 population estimates

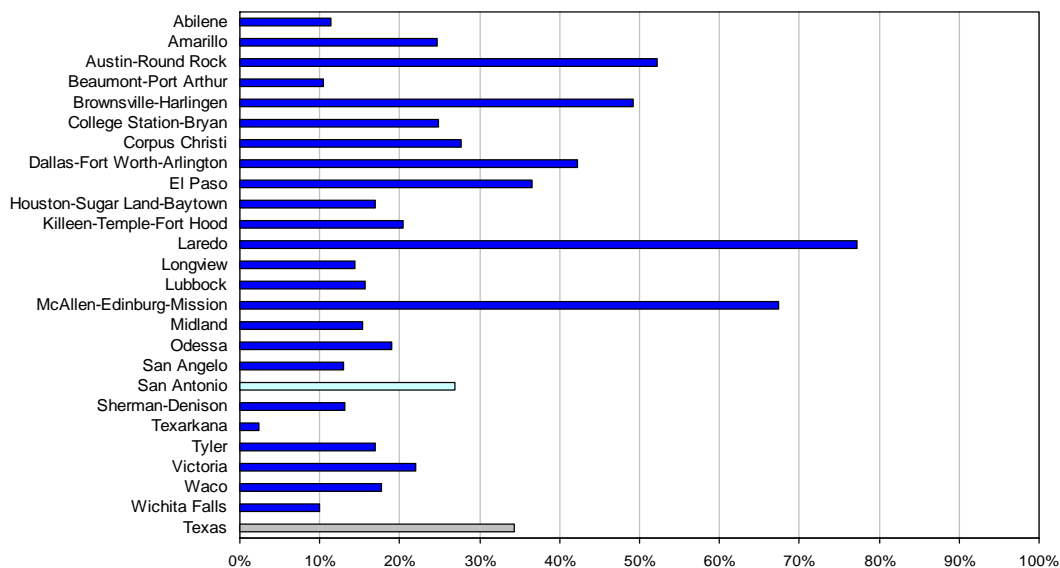
Source: U.S. Census Bureau

San Antonio MSA Projected Population

Year	Texas State Data Center (Scenario 0.5)	Texas Water Development Board
2000	1,711,703	1,711,703
2005	1,830,229	-
2010	1,947,929	2,053,382
2015	2,064,284	-
2020	2,172,950	2,405,053
2025	2,272,644	-
2030	2,361,888	2,741,694
2035	2,438,400	-
2040	2,502,932	3,029,300

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

**Texas Metropolitan Area
Population Growth Forecast, 2000 – 2020
(in percent)**



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

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 (1999 definition)

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

	San Antonio MSA	Texas
White	70.6	71.0
Black	6.6	11.5
Asian	1.5	2.7
American Indian	0.8	0.6
Other	16.9	11.7
Two or more races*	3.5	2.5
Hispanic (of any race)	51.2	32.0

Source: U.S. Census Bureau (1999 definition)

Top Five In-Migration Destinations, San Antonio MSA, 2003

From US - Same State		From US - Different State	
To Atascosa County			
Bexar County	1,564	-	-
Medina County	168	-	-
Travis County	48	-	-
Harris County	44	-	-
Wilson County	41	-	-
To Bandera County			
Bexar County	530	-	-
Kerr County	80	-	-
Kendall County	69	-	-
Harris County	50	-	-
Comal County	24	-	-
To Bexar County			
Harris County	2,299	Los Angeles County, CA	763
Guadalupe County	1,825	San Diego County, CA	715
Travis County	1,811	Honolulu County, HI	581
Nueces County	1,327	Cook County, IL	559
Atascosa County	1,260	Maricopa County, AZ	521
To Comal County			
Bexar County	2,429	San Diego County, CA	42
Guadalupe County	774	Los Angeles County, CA	33
Hays County	347	Pima County, AZ	25
Harris County	309	Oklahoma County, OK	23
Travis County	297	Maricopa County, AZ	18
To Guadalupe County			
Bexar County	2,701	Montgomery County, AL	44
Comal County	577	Maricopa County, AZ	40
Hays County	241	San Diego County, CA	32
Travis County	206	Anchorage Borough County, AK	30
Caldwell County	188	Los Angeles County, CA	29
To Kendall County			
Bexar County	721	-	-
Kerr County	123	-	-
Bandera County	68	-	-
Harris County	58	-	-
Comal County	44	-	-
To Medina County			
Bexar County	1,110	-	-
Atascosa County	135	-	-
Frio County	62	-	-
Uvalde County	62	-	-
Harris County	50	-	-
To Wilson County			
Bexar County	1,341	-	-
Guadalupe County	133	-	-
Karnes County	53	-	-
Comal County	50	-	-
Atascosa County	46	-	-

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

Top Five Out-Migration Destinations, San Antonio MSA, 2003

To US - Same State		To US - Different State	
From Atascosa County			
Bexar County	1,260	-	-
Medina County	135	-	-
Wilson County	46	-	-
Harris County	42	-	-
Nueces County	39	-	-
From Bandera County			
Bexar County	380	-	-
Kerr County	76	-	-
Kendall County	68	-	-
Medina County	30	-	-
Harris County	26	-	-
From Bexar County			
Guadalupe County	2,701	Maricopa County, AZ	618
Comal County	2,429	San Diego County, CA	485
Harris County	2,007	El Paso County, CO	468
Travis County	1,777	Los Angeles County, CA	404
Atascosa County	1,564	Clark County, NV	388
From Comal County			
Bexar County	1,222	Maricopa County, AZ	27
Guadalupe County	577	Clark County, NV	25
Travis County	224	San Diego County, CA	20
Hays County	195	-	-
Harris County	171	-	-
From Guadalupe County			
Bexar County	1,825	El Paso County, CO	63
Comal County	774	San Diego County, CA	31
Travis County	187	Maricopa County, AZ	31
Hays County	186	Clark County, NV	22
Wilson County	133	-	-
From Kendall County			
Bexar County	551	Maricopa County, AZ	16
Kerr County	105	-	-
Bandera County	69	-	-
Gillespie County	49	-	-
Comal County	45	-	-
From Medina County			
Bexar County	829	-	-
Atascosa County	168	-	-
Uvalde County	51	-	-
Frio County	47	-	-
Dallas County	29	-	-
From Wilson County			
Bexar County	741	-	-
Guadalupe County	99	-	-
Karnes County	49	-	-
Atascosa County	41	-	-
Comal County	30	-	-

Source: Internal Revenue Service and Real Estate Center at Texas A&M University, Feb 2006

San Antonio Market Overview 2006 Education

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

Level of Education	Atascosa County	Bandera County	Bexar County	Comal County	Texas
High school graduate	32.0	31.9	24.3	28.4	24.8
Some college, no degree	18.6	27.3	23.9	24.1	22.4
Associate's degree	4.1	6.1	6.0	5.1	5.2
Bachelor's degree	6.9	13.6	14.3	17.5	15.6
Graduate or professional degree	3.6	5.8	8.3	8.7	7.6

Source: U.S. Census Bureau, 2000

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

Level of Education	Guadalupe County	Kendall County	Medina County	Wilson County	Texas
High school graduate	30.1	23.1	33.4	34.0	24.8
Some college, no degree	22.9	26.3	21.1	21.2	22.4
Associate's degree	6.0	4.7	4.4	5.7	5.2
Bachelor's degree	13.1	20.6	9.3	9.9	15.6
Graduate or professional degree	6.0	10.8	4.0	3.0	7.6

Source: U.S. Census Bureau, 2000

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

Level of Education	San Antonio MSA	Texas
High School Graduate or Higher	77.3	79.2
Bachelor's Degree or Higher	22.4	23.9

Source: U.S. Census Bureau 2000 (1999 definition)

Local College and University Enrollment, Fall Semester

School	2000	2001	2002	2003	2004	2005*
Alamo CCD NW Vista College	4,056	5,425	7,099	7,929	8,809	9,292
Alamo CCD Palo Alto College	6,370	6,688	7,055	7,727	7,960	8,083
Alamo CCD San Antonio College	20,490	21,303	21,481	22,109	22,141	21,120
Alamo CCD St. Philips College	8,286	8,628	9,329	9,880	10,575	10,215
Our Lady of the Lake University	3,474	3,324	3,395	3,245	3,025	2,972
St. Mary's University	4,137	4,136	3,820	3,964	3,931	3,912
Trinity University	2,620	2,640	2,621	2,648	2,639	2,745
U.T. San Antonio	18,830	19,883	22,016	24,665	26,175	27,294
University of the Incarnate Word	3,702	4,283	4,077	4,333	4,698	5,202

* Preliminary

Source: Texas Higher Education Coordinating Board

San Antonio Market Overview 2006 Employment

Top Ten Employers

Employer	Sector	Employees
Lackland Air Force Base 12-31-05	Military	45,358
Fort Sam Houston 9-13-06	Military	25,018
Randolph Air Force Base 9-13-06	Military	15,492
USAA	Insurance	14,955
H-E-B Food Stores	Grocery	14,600
Northside I.S.D.	Education	10,000
City of San Antonio	Government	9,813
San Antonio I.S.D.	Education	8,000
North East I.S.D.	Education	7,847
Methodist Healthcare System	Health Care	7,200

Source: San Antonio Economic Development Foundation June-2005 unless noted

Top Ten Private Employers

Employer	Sector	Employees
USAA	Insurance	14,955
H-E-B Food Stores	Grocery	14,600
Methodist Healthcare System	Health care	7,200
AT&T	Telecommunications	6,000
Baptist Health System	Medical services	4,700
Citicorp	Customer service center	3,500
World Savings	Financial services	3,000
Valero Energy Corporation	Energy Services	2,939
Cullen Frost Bankers	Financial services	2,900
Southwest Research Institute	Applied research	2,746

Source: San Antonio Economic Development Foundation June-2005

Employment Growth by Industry

	San Antonio MSA	Texas
Employment growth 2005 (in percent)	2.6	2.5
Unemployment rate 2005 (in percent)	4.9	5.3
Net job change in 2005	19,900	237,900
Employment growth by sector 2005 (in percent)		
Natural Resources, Mining, and Construction	7.1	4.9
Manufacturing	0.4	0.9
Trade, Transportation, and Utilities	2.1	2.4
Information	-5.1	-0.7
Financial Activities	0.6	2.3
Professional and Business Services	8.5	5.3
Educational and Health Services	2.8	2.9
Leisure and Hospitality	3.3	2.5
Government	0.8	1.7

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

San Antonio MSA Employment

Year	Employment	Percent Change
1995	732,775	3.2
1996	747,081	2.0
1997	766,787	2.6
1998	777,382	1.4
1999	797,073	2.5
2000	786,578	-1.3
2001	794,427	1.0
2002	806,958	1.6
2003	817,404	1.3
2004	833,331	1.9
2005	855,644	2.7

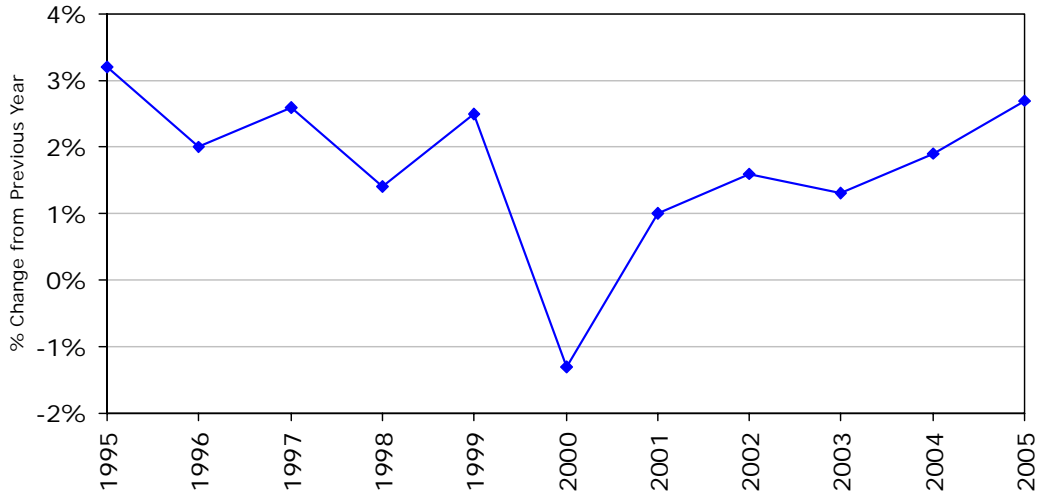
Source: U.S. Bureau of Labor Statistics

Texas Metropolitan Area Employment Change, 1995-2005

Metropolitan Area	1995 Employment	2005 Employment	Percent Change
McAllen-Edinburg-Mission	150,234	242,422	61.4
Laredo	59,598	80,665	35.3
Austin-Round Rock	591,102	764,194	29.3
Killeen-Temple-Fort Hood	111,747	142,121	27.2
Brownsville-Harlingen	106,945	134,952	26.2
College Station-Bryan	80,047	99,326	24.1
Sherman-Denison	45,577	55,413	21.6
Dallas-Fort Worth-Arlington	2,384,710	2,860,998	20.0
Texas	8,985,635	10,617,319	18.2
Houston-Sugar Land-Baytown	2,106,968	2,470,473	17.3
San Antonio	732,775	855,644	16.8
Lubbock	118,211	136,968	15.9
Tyler	80,110	91,675	14.4
Texarkana	52,507	59,811	13.9
Waco	94,605	106,979	13.1
Amarillo	111,610	125,811	12.7
Longview	86,975	97,417	12.0
Corpus Christi	167,087	186,305	11.5
Midland	56,680	62,686	10.6
Abilene	72,440	79,420	9.6
Wichita Falls	66,582	72,221	8.5
El Paso	256,259	275,889	7.7
Victoria	50,417	54,216	7.5
San Angelo	48,906	52,282	6.9
Odessa	55,517	58,969	6.2
Beaumont-Port Arthur	164,661	166,236	1.0

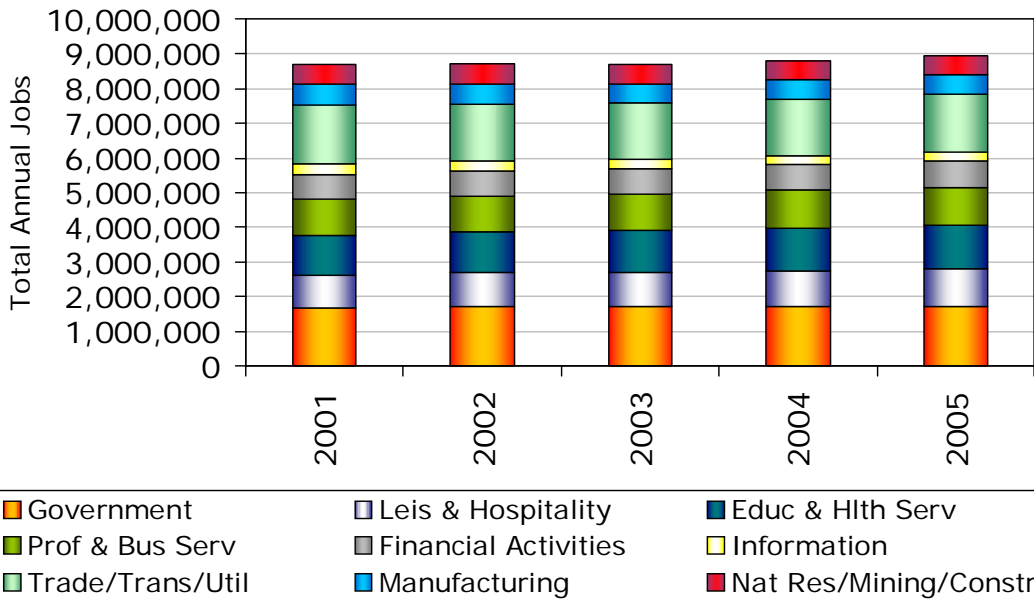
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

San Antonio MSA Employment Growth



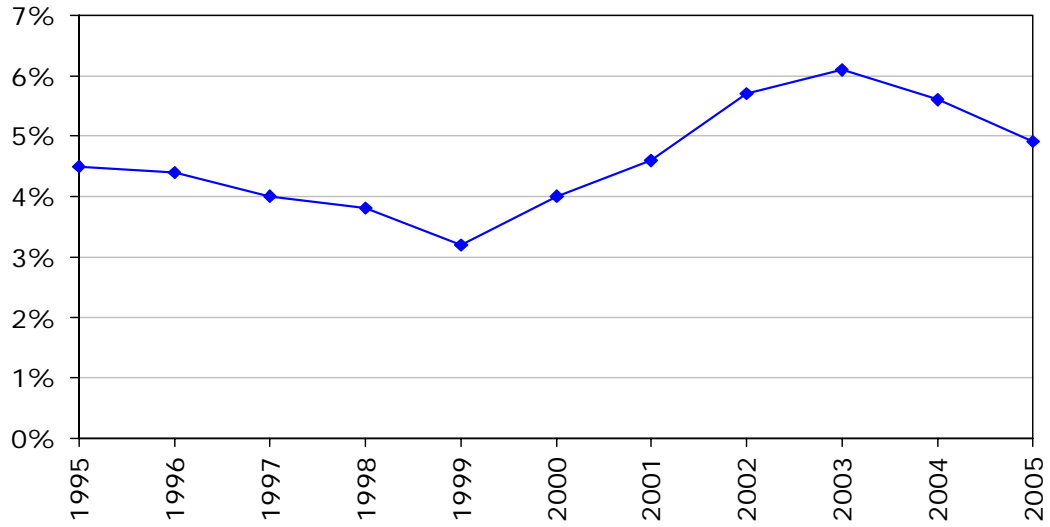
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

San Antonio MSA Distribution of Employment in Major Categories



Source: Texas Workforce Commission and Real Estate Center at Texas A&M University Jan-2006

San Antonio MSA Unemployment Rate



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

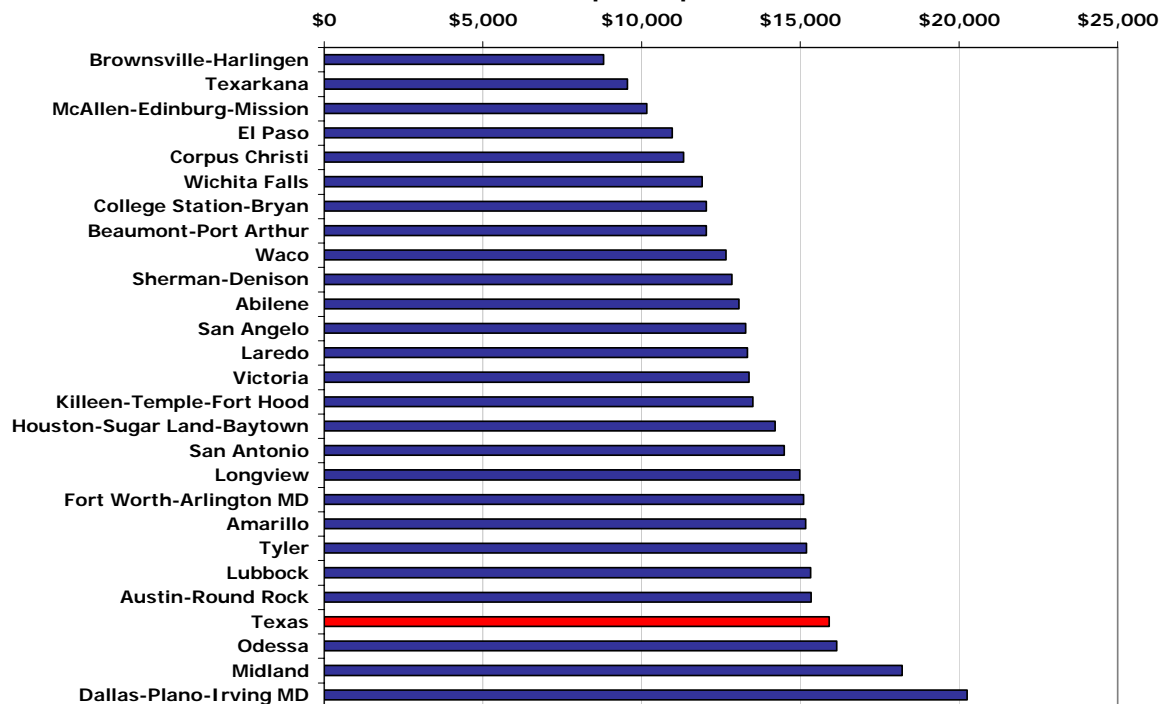
San Antonio Market Overview 2006 Economy

San Antonio MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$16,561,997,569	\$10,548
1996	\$17,219,666,379	\$10,766
1997	\$16,389,766,946	\$10,063
1998	\$17,165,885,853	\$10,342
1999	\$21,313,523,563	\$12,619
2000	\$22,613,839,000	\$13,211
2001	\$23,676,079,762	\$13,560
2002	\$21,607,720,481	\$12,130
2003	\$23,769,242,821	\$13,086
2004	\$25,115,478,111	\$13,546
2005	\$27,399,910,847	\$14,499
State Average 2005:		\$15,903

Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

San Antonio Market Overview 2006 Infrastructure

San Antonio Airline Boardings

Airport	2001	2002	2003	2004	2005
San Antonio International Airport					
Enplaned	3,444,875	3,349,283	3,250,911	3,498,972	3,708,351
Deplaned	3,459,521	3,365,333	3,285,385	3,500,200	3,717,632
Total	6,904,396	6,714,616	6,536,296	6,999,172	7,425,983

Source: San Antonio International Airport

San Antonio Cargo Enplaned (pounds)

Airport	2001	2002	2003	2004	2005
San Antonio International Airport	69,737,240	82,447,287	79,357,043	78,212,386	79,508,937

Source: San Antonio International Airport

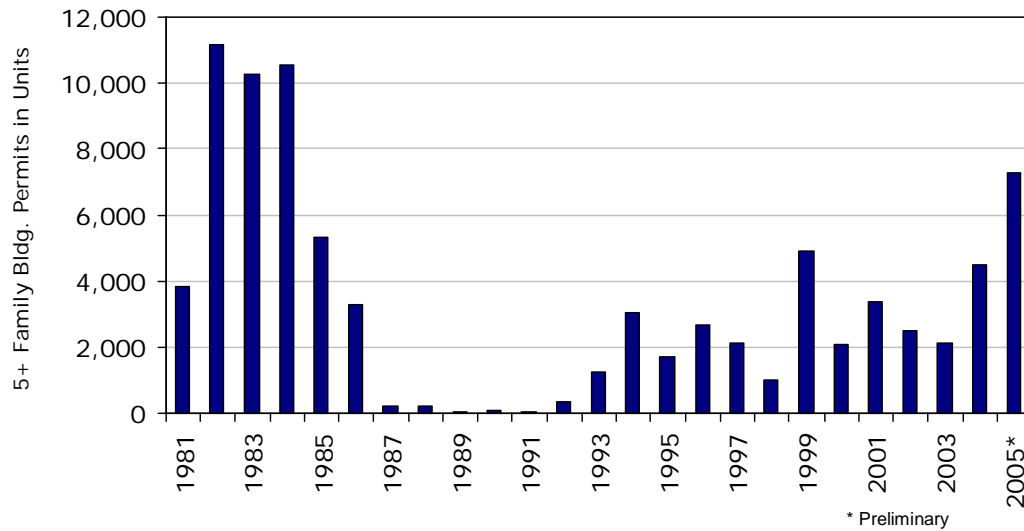
San Antonio Market Overview 2006 Multifamily

San Antonio Apartment Statistics 2005

	San Antonio	Texas Metro Average
Average rent per square foot	\$0.77	\$0.78
Average rent for units built since 2000	\$0.87	\$0.89
Average occupancy (in percent)	93.5	91.4
Average occupancy for units built since 2000 (in percent)	93.8	93.1

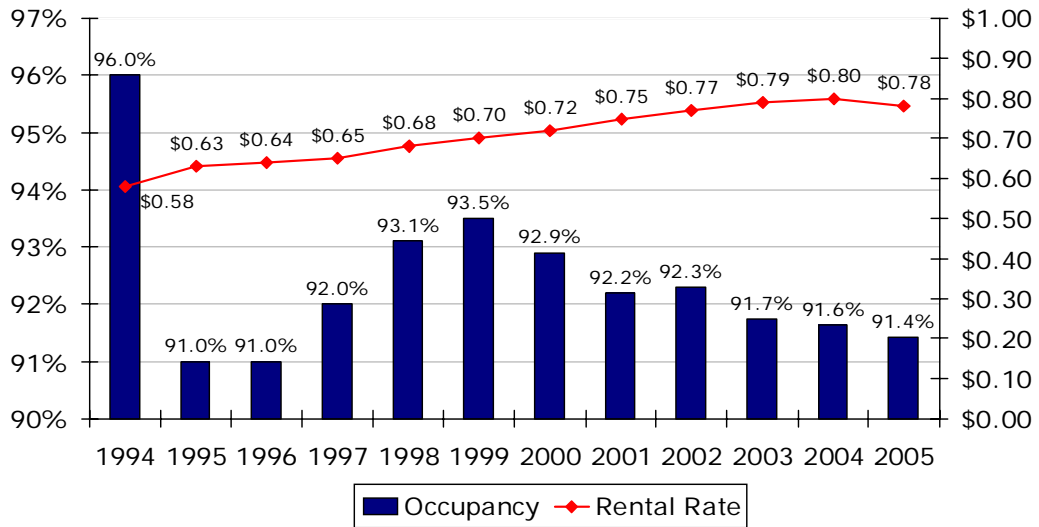
Source: Apartment MarketData Research Jan-2006

San Antonio MSA Multifamily Building Permits



Source: U.S. Census Bureau and Real Estate Center at Texas A&M University (1999 definition)

San Antonio MSA Multifamily Market Historical Rent & Occupancy



Source: Austin Investor Interests www.apartmenttrends.com

San Antonio Market Overview 2006 Housing

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

Price Range	1999	2000	2001	2002	2003	2004	2005
\$29,999 or less	3.0	2.6	2.5	2.6	2.2	2.1	1.8
30,000 - 39,999	3.8	3.3	2.7	2.5	2.5	2.1	1.8
40,000 - 49,999	6.2	5.5	4.0	3.6	3.2	2.5	2.1
50,000 - 59,999	8.5	8.1	6.9	5.8	4.8	3.9	3.0
60,000 - 69,999	10.2	9.5	8.6	7.5	6.5	6.2	4.6
70,000 - 79,999	9.9	9.3	9.1	8.2	7.4	6.8	5.6
80,000 - 89,999	9.4	9.2	9.7	8.8	8.2	7.7	6.3
90,000 - 99,999	7.0	7.1	7.1	7.0	7.1	7.0	6.0
100,000 - 119,999	10.8	10.4	11.0	11.7	11.6	12.0	11.5
120,000 - 139,999	8.6	9.1	10.3	10.8	11.9	12.0	13.2
140,000 - 159,999	5.8	6.2	6.9	7.6	7.8	8.7	10.7
160,000 - 179,999	4.0	4.4	5.3	5.9	6.2	6.4	7.7
180,000 - 199,999	2.8	3.4	3.6	3.8	4.1	4.6	5.2
200,000 - 249,999	4.5	4.9	4.9	5.8	6.7	7.2	8.0
250,000 - 299,999	2.1	2.6	2.8	3.2	4.0	4.2	4.8
300,000 - 399,999	2.0	2.4	2.5	2.9	3.5	3.6	4.1
400,000 - 499,999	0.7	1.1	1.0	1.0	1.1	1.3	1.8
500,000 and more	0.7	0.9	1.0	1.2	1.2	1.4	1.9

Source: Real Estate Center at Texas A&M University

2005 Housing Affordability Index

MLS	2005 Median- Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First- Time Homebuyers**
San Antonio	\$131,100	\$30,899	\$50,500	1.63	1.16
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

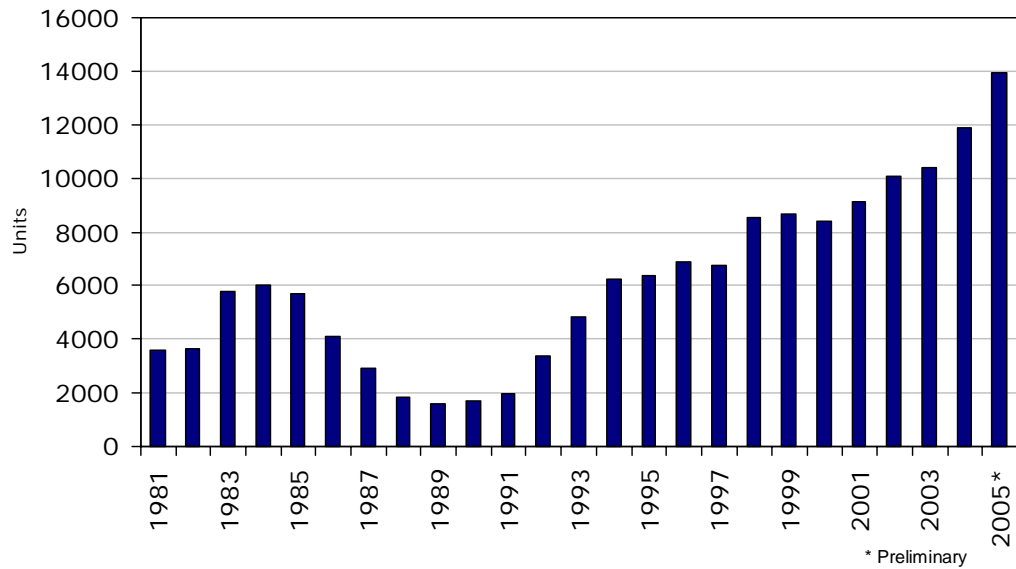
Property Tax Rates, 2005
County, Major City, Major School District

Taxing Entity*	Tax Rate per \$100 Valuation
City of San Antonio	0.57854
San Antonio ISD	1.72
Bexar County	0.318471
Total	\$2.62

* 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: Bexar County Appraisal District

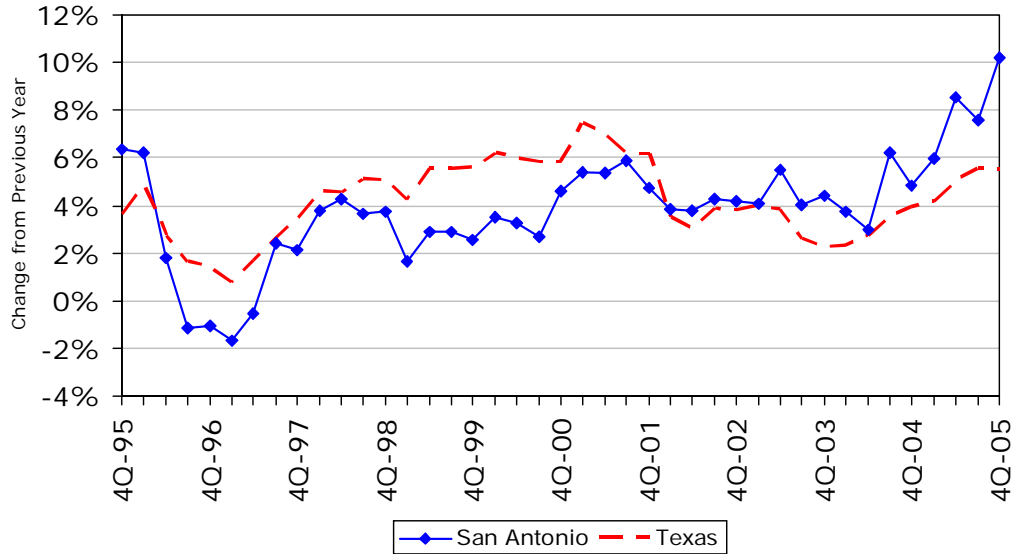
San Antonio MSA Single-Family Building Permits



Source: U.S. Census Bureau and Real Estate Center at Texas A&M University (1999 definition)

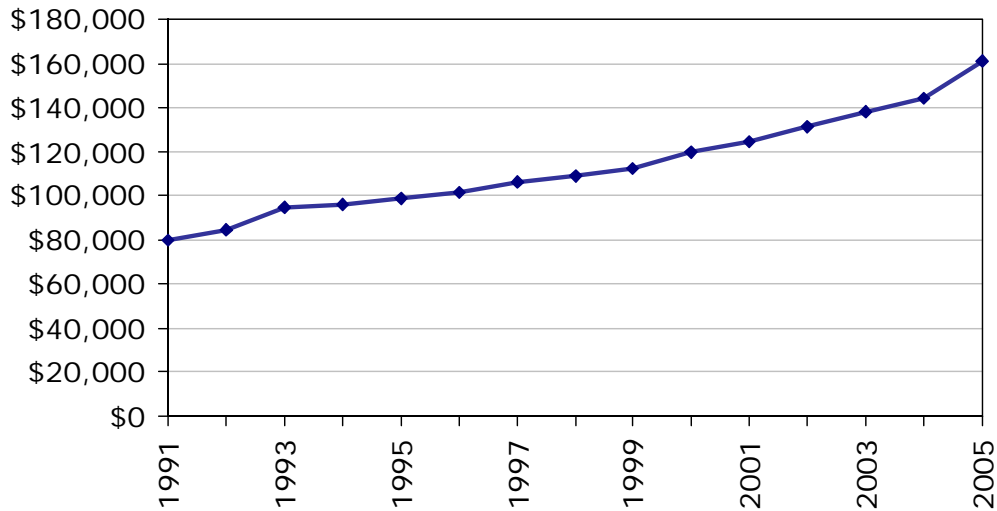
Home Price Appreciation San Antonio MSA

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.



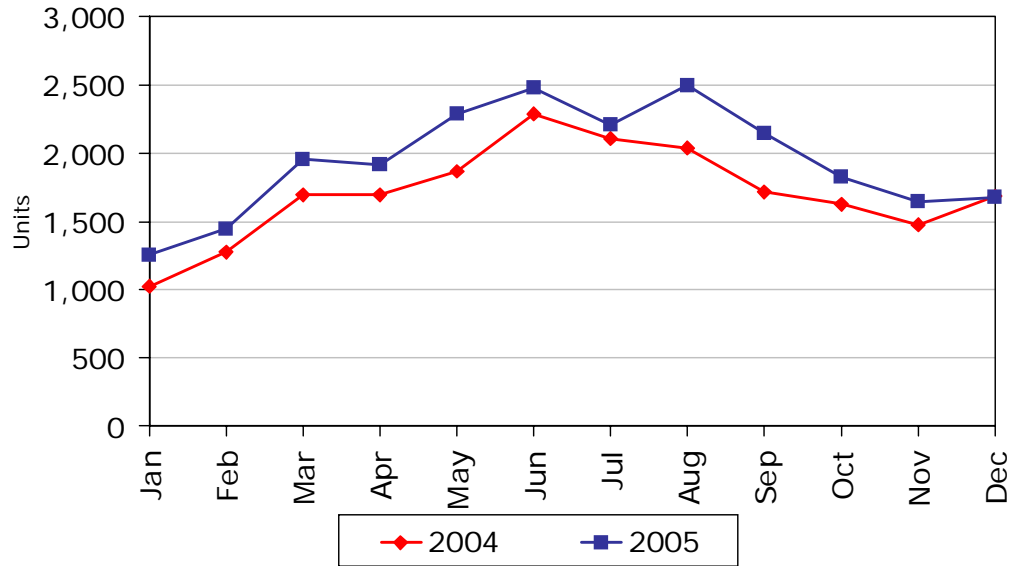
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home San Antonio Area



Source: Real Estate Center at Texas A&M University

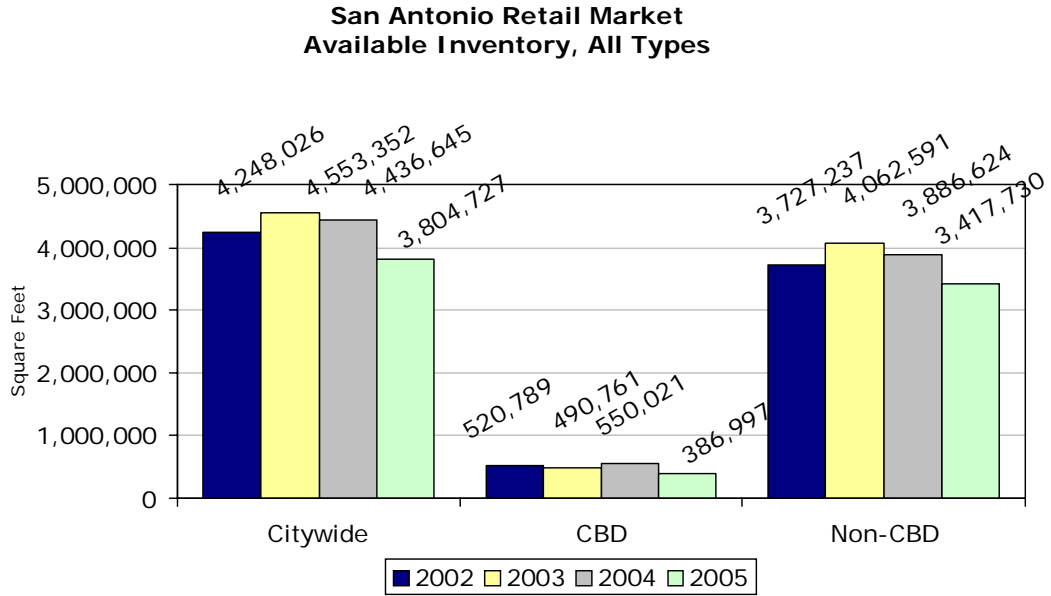
Single-Family Home Sales Volume San Antonio Area



Source: Real Estate Center at Texas A&M University

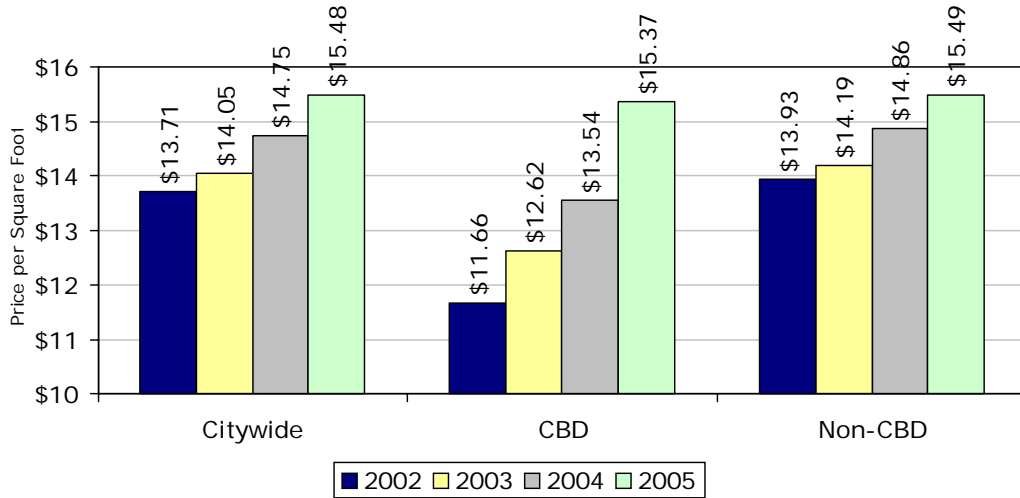
San Antonio Market Overview 2006

Retail



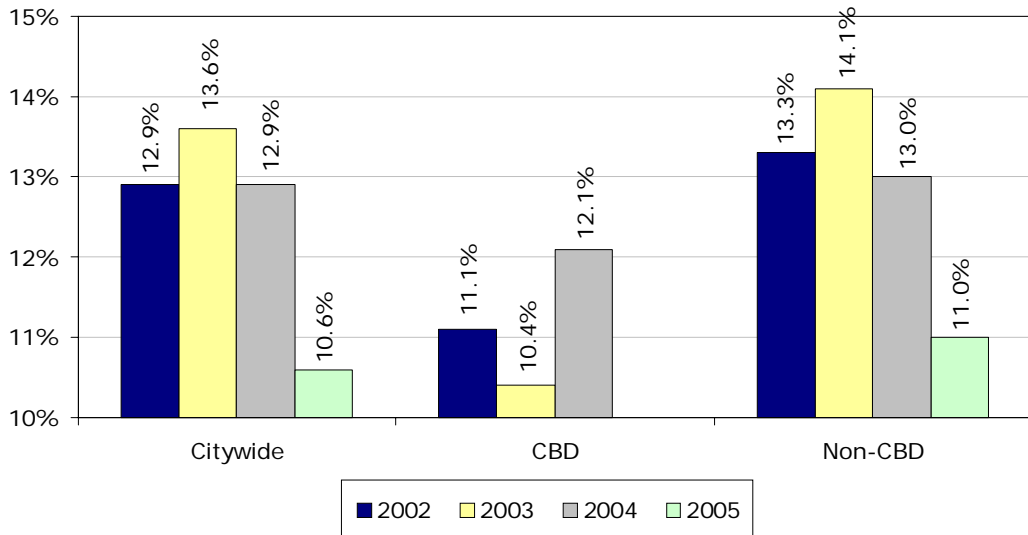
Source: REOC Partners, Ltd.

**San Antonio Retail Market
 Average Rent, All Types**



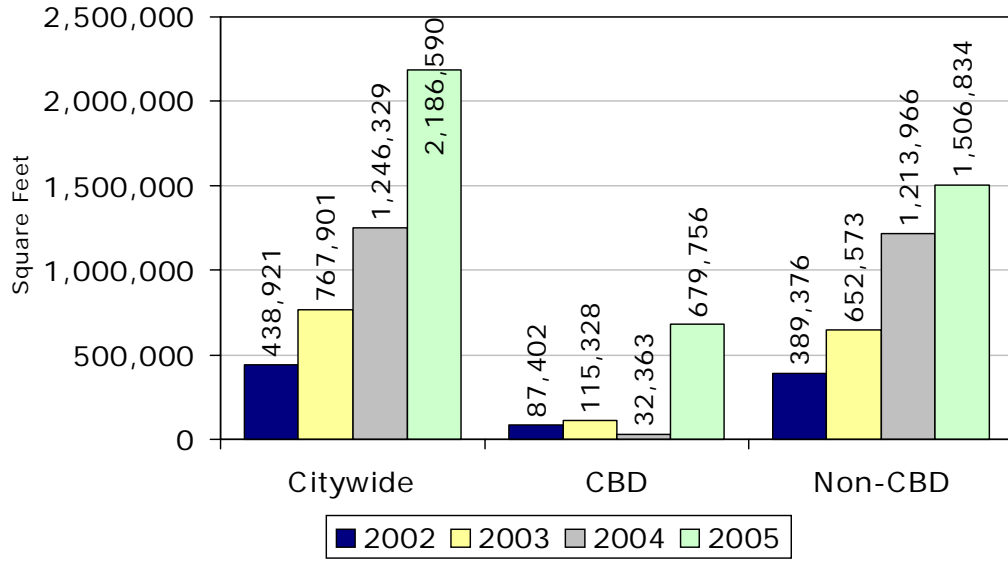
Source: REOC Partners, Ltd.

**San Antonio Retail Market
 Vacancy Rate, All Types**



Source: REOC Partners, Ltd.

**San Antonio Retail Market
Absorption, All Types**



Source: REOC Partners, Ltd.

**Retail Market Analysis
San Antonio, Fourth Quarter 2005**

Class Type	Citywide		CBD		Non-CBD	
	Q4 2005	Q4 2004	Q4 2005	Q4 2004	Q4 2005	Q4 2004
All Types						
Inventory	35,908,047	34,440,034	4,906,881	4,532,115	31,001,166	29,907,919
Available	3,804,727	4,436,645	386,997	550,021	3,417,730	3,886,624
% Vacant	10.6	12.9	7.9	12.1	11.0	13.0
Average Rent	\$15.48	\$14.75	\$15.37	\$13.54	\$15.49	\$14.86
4Q Absorption	849,774	338,708	480,798	33,529	368,976	305,179
YTD Absorption	2,186,590	1,246,329	679,756	32,363	1,506,834	1,213,966
Regional Malls						
Inventory	7,225,356	7,793,270	1,861,120	2,326,629	5,364,236	5,466,641
Available	531,882	1,399,292	87,634	303,026	444,248	1,096,266
% Vacant	7.4	18.0	4.7	13.0	8.3	20.1
4Q Absorption	0	16,254	0	0	0	16,254
YTD Absorption	578,022	23,254	(49,474)	3,000	627,496	20,254
Power Centers, (250K+)						
Inventory	7,088,182	7,793,270	503,467	0	6,584,715	5,943,834
Available	286,952	1,399,292	69,991	0	216,961	169,769
% Vacant	4.0	18.0	13.9	0.0	3.3	2.9
Average Rent	\$22.59	\$16,254.00	\$19.77	\$0.00	\$22.81	22
4Q Absorption	820,860	16,254	433,476	0	387,384	89,585
YTD Absorption	933,626	23,254	433,476	0	500,150	383,877
Community Centers, (100K-249K)						
Inventory	3,918,263	3,750,413	168,385	0	3,749,878	3,750,413
Available	393,529	477,881	0	0	393,529	477,881
% Vacant	10.0	12.7	-	0.0	10.5	12.7
Average Rent	\$15.27	\$14.64	\$21.50	\$0.00	\$14.99	\$14.64
4Q Absorption	8,857	30,113	0	0	8,857	30,113
YTD Absorption	252,737	78,791	168,385	0	84,352	78,791
Neighborhood Centers, (30K-99K)						
Inventory	16,251,788	15,718,493	2,336,627	2,168,204	13,915,161	13,550,289
Available	2,308,503	2,192,808	217,235	234,372	2,091,268	1,958,436
% Vacant	14.2	14.0	9.3	108.0	15.0	14.5
Average Rent	\$12.53	\$12.07	\$14.03	\$13.56	\$12.27	\$11.83
4Q Absorption	38,731	168,847	47,322	33,529	(8,591)	135,318
YTD Absorption	357,142	643,254	126,883	29,363	230,259	613,891
Strip Centers, (Less than 30K)						
Inventory	1,424,458	1,234,024	37,282	37,282	1,387,176	1,196,742
Available	283,861	196,895	12,137	12,623	271,724	184,272
% Vacant	19.9	16.0	32.6	33.9	19.6	15.4
Average Rent	\$14.38	\$13.08	\$12.46	\$12.08	\$14.43	\$13.11
4Q Absorption	(18,674)	33,909	0	0	(18,674)	33,909
YTD Absorption	65,063	117,153	486	0	64,577	117,153

Statistical information is calculated on multi-tenant centers totaling 20,000 sq. ft. and larger (including both leasable and separately owned inline space). Totals and vacancy numbers include regional malls. Average rental rates reflect asking rates quoted on an annual triple net basis weighted by the total square footage of the center.

Source: REOC Partners, Ltd.

San Antonio Market Overview 2006 Hotel

Hotel* Occupancy and Rental Rates

	2004		2005	
	San Antonio	Texas	San Antonio	Texas
# Rooms 000's	33.5	328.1	34.2	334.7
Average daily rate	\$86.90	\$70.39	\$93.01	\$74.26
Occupancy rate (in percent)	59.7	55.9	62.7	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

San Antonio Market Overview 2006 Office

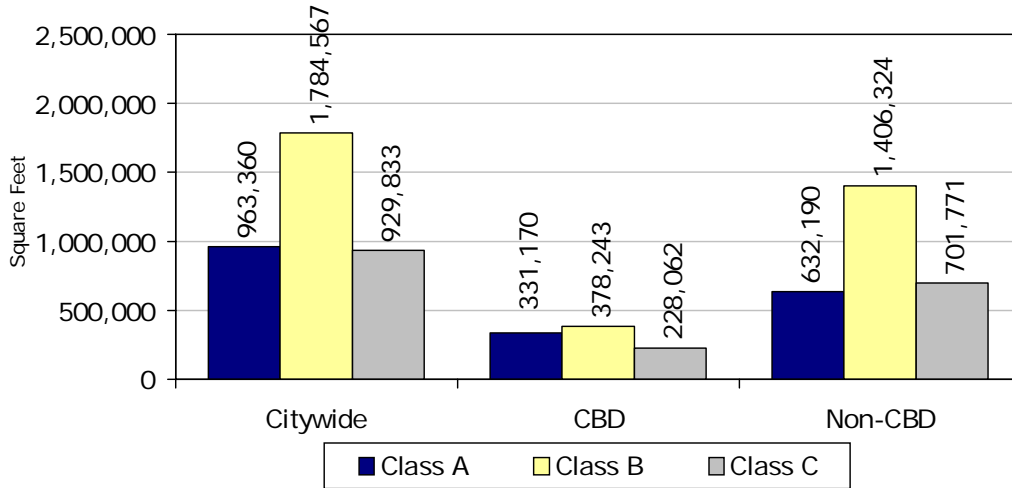
Office Market Analysis San Antonio, Fourth Quarter 2005

Class Type	Citywide		CBD		Non-CBD	
	Q4 2005	Q4 2004	Q4 2005	Q4 2004	Q4 2005	Q4 2004
All Classes						
Inventory	23,006,576	22,814,581	5,075,789	5,174,194	17,930,787	17,640,387
Available	3,677,760	4,110,759	937,475	1,157,833	2,740,285	2,952,926
% Vacant	16.0%	18.0%	18.5%	22.4%	15.3%	16.7%
Average Rent	\$17.98	\$17.76	\$18.15	\$17.81	\$17.94	\$17.75
4Q Absorption	105,761	258,483	30,470	(26,294)	75,291	284,777
YTD Absorption	359,617	487,050	79,125	(50,772)	280,492	537,822
Class A Space						
Inventory	7,611,519	7,417,976	1,990,010	1,990,010	5,621,509	5,427,966
Available	963,360	1,004,884	331,170	331,822	632,190	673,062
% Vacant	12.7%	13.5%	16.6%	16.7%	11.2%	12.4%
Average Rent	\$20.72	\$20.57	\$21.43	\$21.12	\$20.47	\$20.38
4Q Absorption	17,906	179,198	2,295	(10,150)	15,611	189,348
YTD Absorption	132,924	255,770	652	(80,142)	132,272	335,912
Class B Space						
Inventory	11,241,345	11,574,206	2,332,668	2,483,073	8,908,677	9,091,133
Available	1,784,567	2,068,882	378,243	565,230	1,406,324	1,503,652
% Vacant	15.9%	17.9%	16.2%	22.8%	15.8%	16.5%
Average Rent	\$17.11	\$16.72	\$16.04	\$15.43	\$17.39	\$17.07
4Q Absorption	100,745	58,180	37,743	(15,231)	63,002	73,411
YTD Absorption	92,124	396,283	88,187	31,151	3,937	365,132
Class C Space						
Inventory	4,153,712	3,822,399	753,111	701,111	3,400,601	3,121,288
Available	929,833	1,036,993	228,062	260,781	701,771	776,212
% Vacant	22.4%	27.1%	30.3%	37.2%	20.6%	24.9%
Average Rent	\$15.32	\$15.34	\$16.01	\$16.85	\$15.17	\$15.00
4Q Absorption	(12,890)	21,105	(9,568)	(913)	(3,322)	22,018
YTD Absorption	134,569	(165,003)	(9,714)	(1,781)	144,283	(163,222)

Statistical information is calculated for all multitenant office buildings 20,000 sq. ft. and larger (excluding Single-Tenant, Owner-Occupied, Government and Medical Buildings). Average Rental Rates reflect rental rates quoted on an annual basis for full service. Individual building rates are weighted by the total rentable square footage of the building.

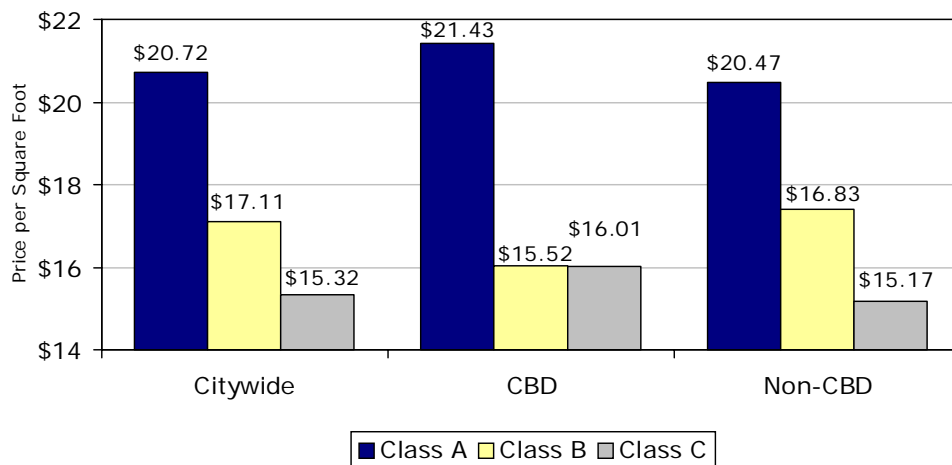
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Available Inventory, Q4 2005**



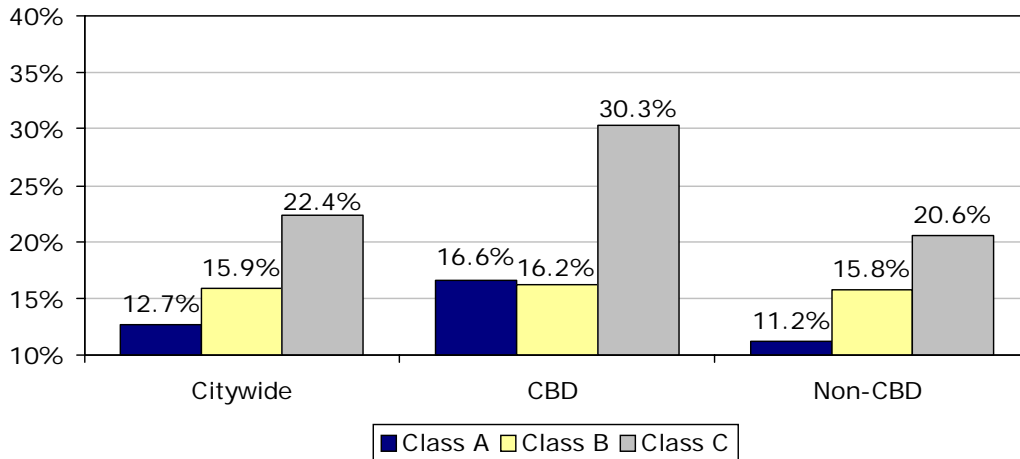
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Average Rent, Q4 2005**



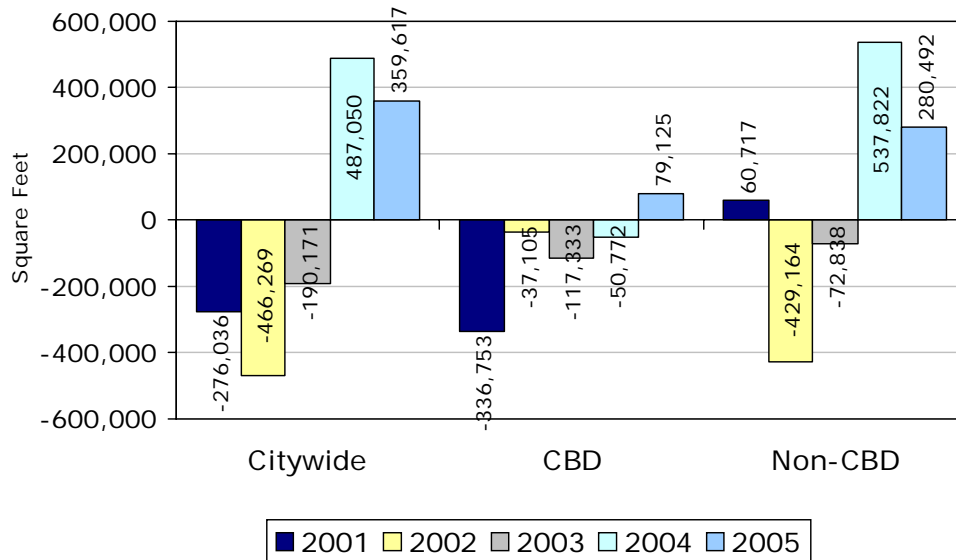
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Vacancy Rate, Q4 2005**



Source: REOC Partners, Ltd.

**San Antonio Office Market
 YTD Absorption**



Source: REOC Partners, Ltd.

San Antonio Market Overview 2006 Industrial

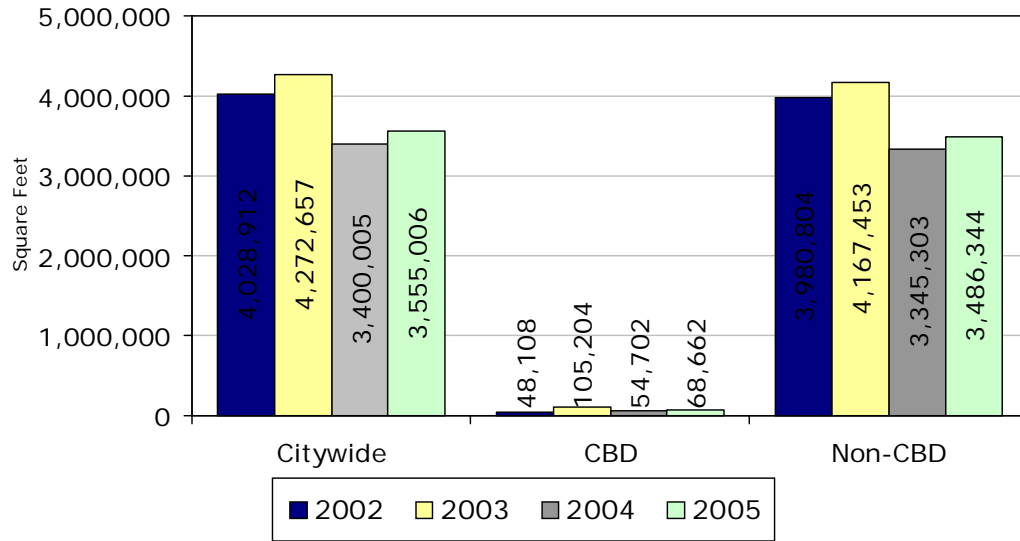
Industrial Market Analysis San Antonio, Fourth Quarter 2005

Type	Citywide		CBD		Non-CBD	
	Q4 2005	Q4 2004	Q4 2005	Q4 2004	Q4 2005	Q4 2004
Combined						
Inventory	22,419,196	22,337,336	262,509	262,509	22,156,687	22,074,827
Available	3,555,006	3,400,005	68,662	54,702	3,486,344	3,345,303
% Vacant	15.9%	15.2%	26.2%	20.8%	15.7%	15.2%
Average Rent	\$5.41	\$5.29	\$3.26	\$3.26	\$5.44	\$5.32
4Q Absorption	490,774	680,735	0	0	490,774	680,735
YTD Absorption	772,622	563,606	(13,960)	50,502	786,582	513,104
Distribution/Warehouse						
Inventory	15,878,768	16,009,581	262,509	262,509	15,616,259	15,747,072
Available	2,482,663	2,392,134	68,662	54,702	2,414,001	2,337,432
% Vacant	15.6%	14.9%	26.2%	20.8%	15.5%	14.8%
Average Rent	\$3.99	\$3.99	\$3.26	\$3.26	\$4.00	\$4.00
4Q Absorption	518,314	639,759	0	0	518,314	639,759
YTD Absorption	618,850	454,841	(13,960)	50,502	632,810	404,339
Service Center/Flex						
Inventory	6,540,428	6,327,755	0	0	6,540,428	6,327,755
Available	1,072,343	1,007,871	0	0	1,072,343	1,007,871
% Vacant	16.4%	15.9%	0.0%	0.0%	16.4%	15.9%
Average Rent	\$8.87	\$8.59	\$0.00	\$0.00	\$8.87	\$8.59
4Q Absorption	(27,540)	40,976	0	0	(27,540)	40,976
YTD Absorption	153,772	108,747	0	0	153,772	108,747

KellyUSA facilities are included; however, single-tenant, owner-occupied and government buildings are excluded. Average rental rates reflect asking rental rates quoted on a triple net annual basis. Individual building rates are weighted by the total

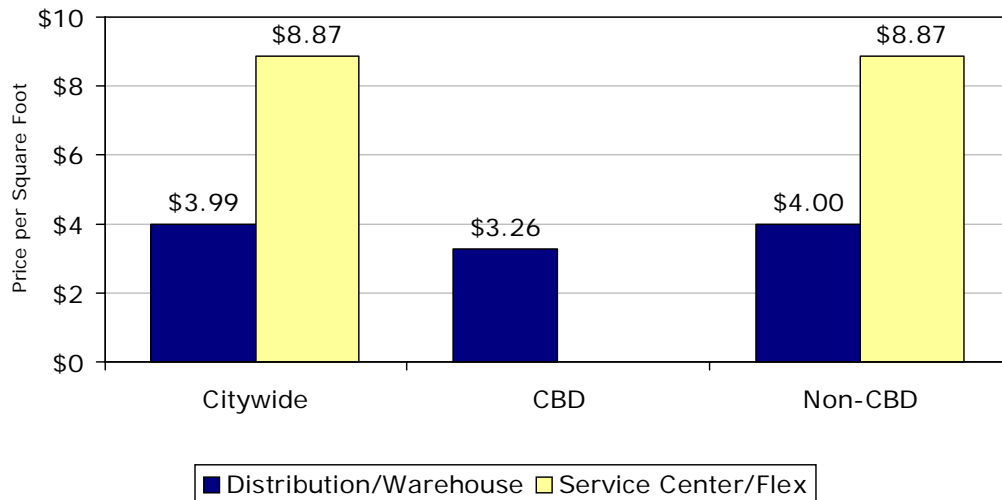
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Available Inventory**



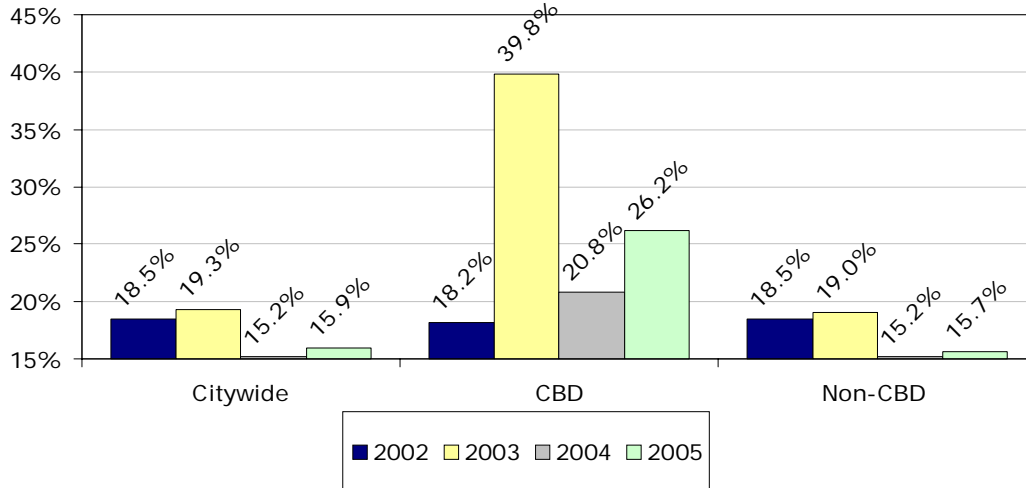
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Average Rent, Year-End 2005**



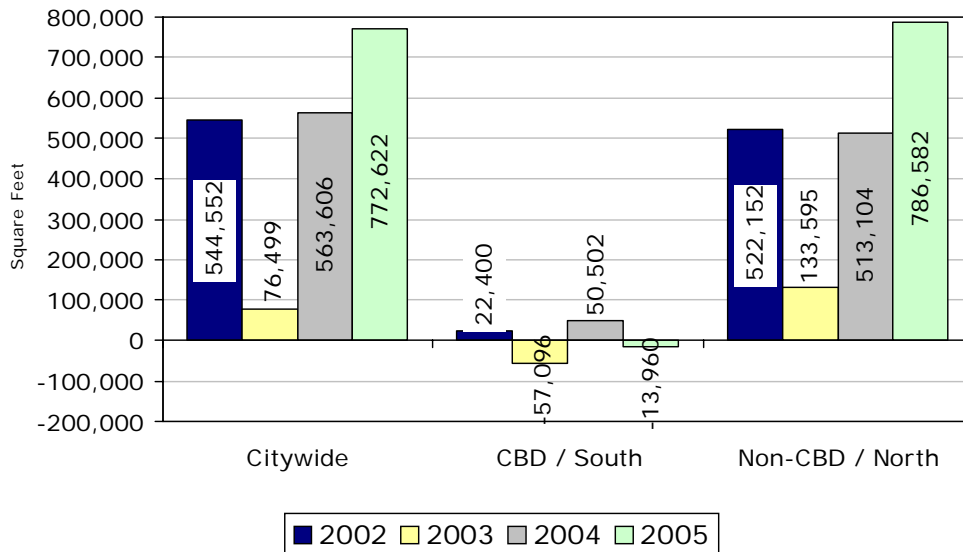
Source: REOC Partners, Ltd.

San Antonio Industrial Market Vacancy Rate



Source: REOC Partners, Ltd.

San Antonio Industrial Market YTD Absorption



Source: REOC Partners, Ltd.



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>.

Report compiled by:

Administrative Coordinator

Edith Craig

Research Analyst

Isilay Civan

Blake Lacy

Real Estate Center, 2115 TAMU, College Station, TX 77843-2115

Phone: 979.845.2031 | Fax: 979.845.0460