

# Real Estate Market Overview 2008

## El Paso

Nestled at the foot of the Franklin Mountains, the City of El Paso is bordered by Mexico on the south and New Mexico to the north. With a 2000 population of 563,622, El Paso is the fifth largest city in Texas. Across the Texas-Mexico border from El Paso is Juarez, with a 2000 population of 1.3 million. The El Paso-Juarez community comprises the largest metropolitan area on the border between the United States and Mexico.

| Quick Facts   |                              |
|---|------------------------------|
| Land Area   | 1,013 square miles           |
| 2007 Population Density   | 725.2 people per square mile |
| Counties  | El Paso                      |
| Area Cities and Towns   |                              |
| Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, Tornillo |                              |

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



Microsoft product screen shot reprinted with permission from Microsoft Corporation.

# 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-Fort Worth-Arlington | 21. Texarkana                |
| 9. El Paso                     | 22. Tyler                    |
| 10. Houston-Sugar Land-Baytown | 23. Victoria                 |
| 11. Killeen-Temple-Fort Hood   | 24. Waco                     |
| 12. Laredo                     | 25. Wichita Falls            |
| 13. Longview                   |                              |

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## El Paso Market Overview 2008 Demographics

**El Paso MSA Population**

| Year | Population | Percent Change |
|------|------------|----------------|
| 1996 | 656,482    | -              |
| 1997 | 665,066    | 1.3            |
| 1998 | 671,250    | 0.9            |
| 1999 | 675,397    | 0.6            |
| 2000 | 679,622    | 0.6            |
| 2001 | 687,635    | 1.2            |
| 2002 | 693,682    | 0.9            |
| 2003 | 702,507    | 1.3            |
| 2004 | 712,617    | 1.4            |
| 2005 | 721,598    | 1.3            |
| 2006 | 736,310    | 2.0            |
| 2007 | 734,669    | -0.2           |

\* July 1 population estimates

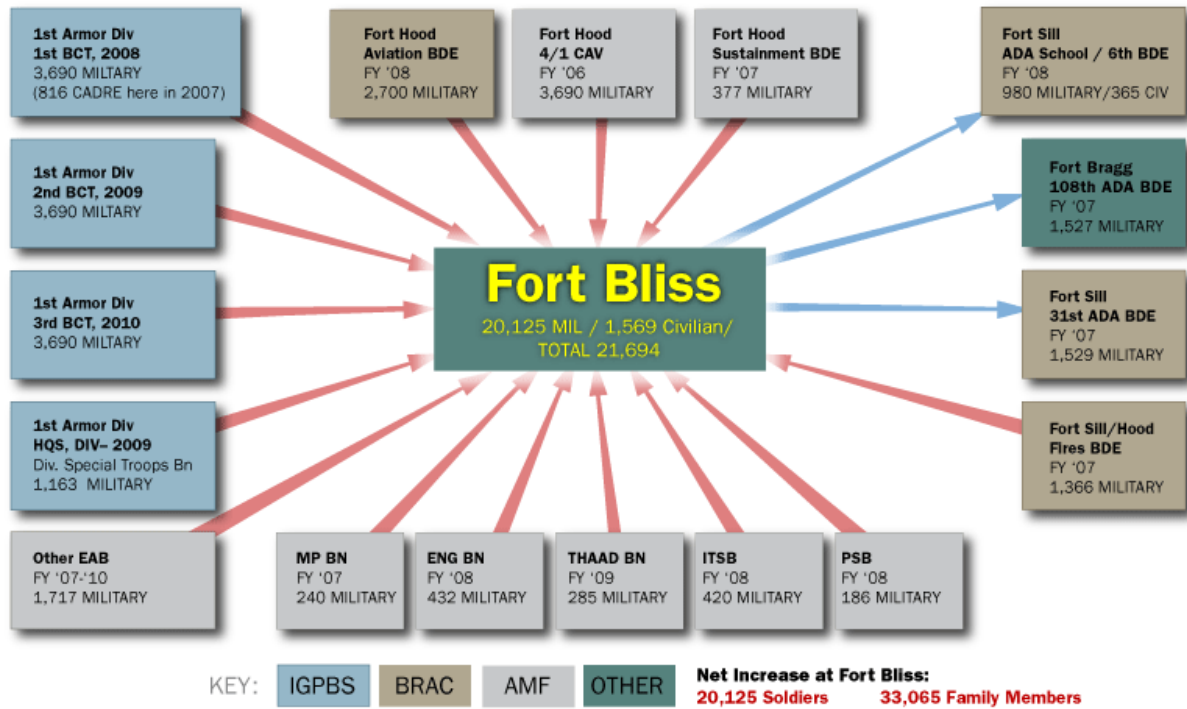
Source: U.S. Census Bureau

**Area Cities With 10,000 or More Residents**

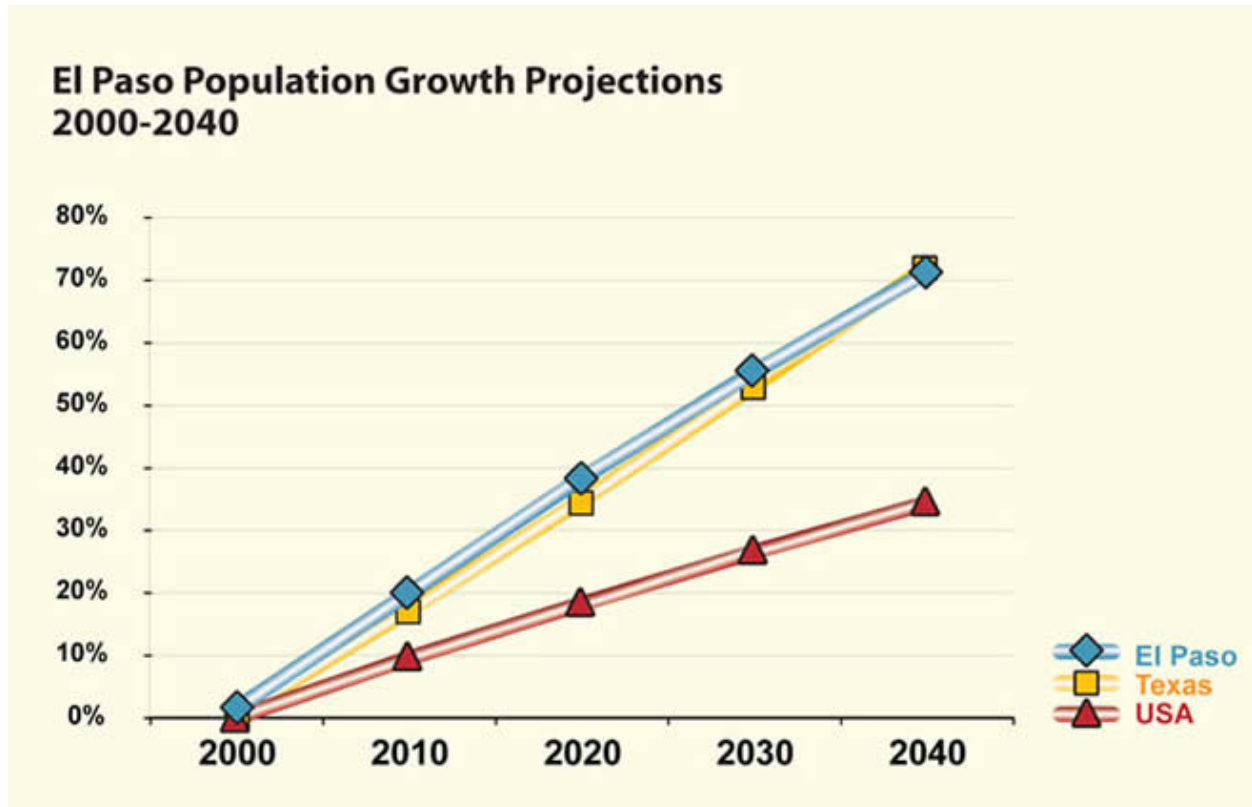
| City    | 1990<br>Population | 2000<br>Population | Growth 1990 - 2000 (in<br>percent) |
|---------|--------------------|--------------------|------------------------------------|
| El Paso | 515,342            | 563,662            | 9.4                                |
| Socorro | 22,995             | 27,152             | 18.1                               |

Source: U.S. Census Bureau

### MIGRATION DATA: FORT BLISS 2010



Source: El Paso Regional Economic Development Corporation



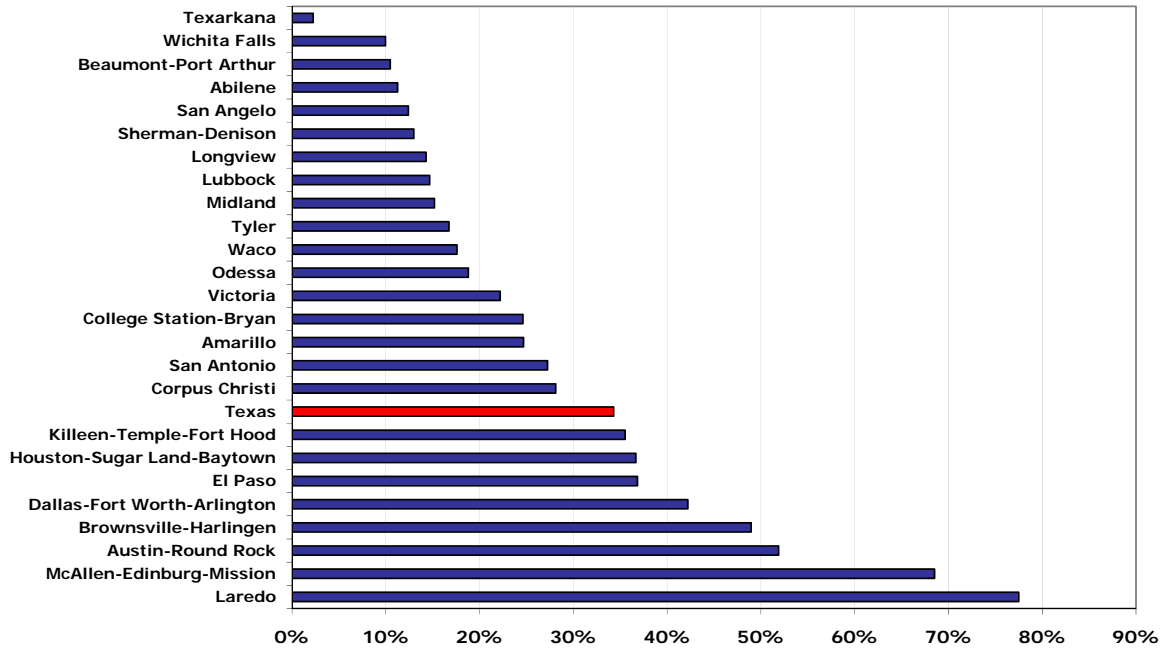
Source: El Paso Regional Economic Development Corporation, [www.elpasoredco.org](http://www.elpasoredco.org)

#### El Paso MSA Projected Population

| Year | Texas State Data Center<br>(Scenario 0.5) | Texas Water Development<br>Board |
|------|---|----------------------------------|
| 2000 | 679,622                                   | 679,622                          |
| 2005 | 740,648                                   | -                                |
| 2010 | 804,655                                   | 826,062                          |
| 2015 | 869,427                                   | -                                |
| 2020 | 930,007                                   | 986,443                          |
| 2025 | 987,926                                   | -                                |
| 2030 | 1,045,267                                 | 1,127,206                        |
| 2035 | 1,100,977                                 | -                                |
| 2040 | 1,153,058                                 | 1,248,609                        |

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

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



Source: Texas State Data Center – Scenario 0.5 (2006 projection)

**Household Composition**

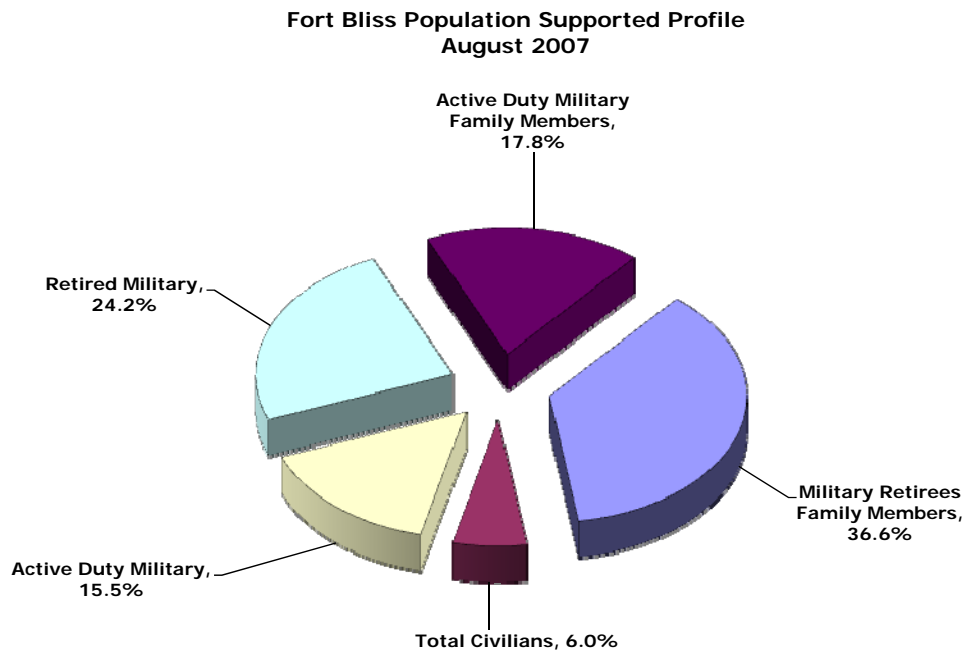
|   | El Paso<br>MSA | Texas |
|---|----------------|-------|
| Average household size (2000)                 | 3.18           | 2.74  |
| Population younger than 18 (2000, in percent) | 32.0           | 28.2  |
| Population 65 and older (2000, in percent)    | 9.7            | 9.9   |

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

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

|                        | El Paso MSA | Texas |
|------------------------|-------------|-------|
| White                  | 73.9        | 71.0  |
| Black                  | 3.1         | 11.5  |
| Asian                  | 1.0         | 2.7   |
| American Indian        | 0.8         | 0.6   |
| Other                  | 17.9        | 11.7  |
| Two or more races      | 3.2         | 2.5   |
| Hispanic (of any race) | 78.2        | 32.0  |

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

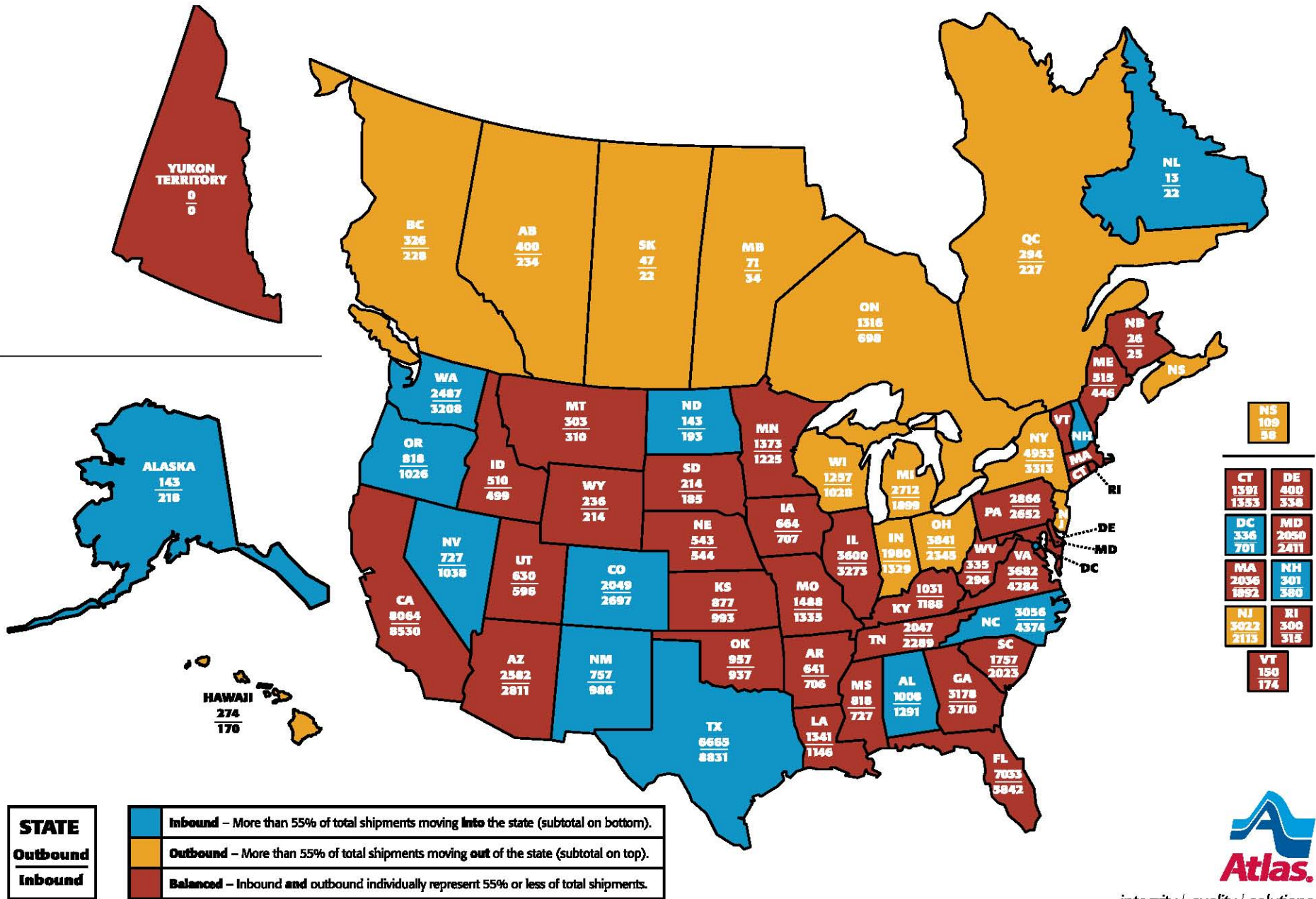


Source: Fort Bliss Analysis & Integration August 2007

# Interstate and Cross-Border

# 2007 Migration Patterns – traffic flow by state/province

Based on 92,743 Interstate Household Goods Moves from January 1, 2007 through December 31, 2007



## Texas Migration Patterns 2007

Data is based on Atlas Van Lines Interstate and Cross-Border Household Goods Moves per calendar year. Atlas analyzes data in January on the origins and destinations of the company's interstate moves during the prior 12 months.

|   | Year | Inbound / Outbound |       |
|---|------|--------------------|-------|
| ■ | 2007 | 8,831              | 6,665 |
| ■ | 2006 | 9,714              | 6,812 |
| ■ | 2005 | 9,525              | 7,210 |
| ■ | 2004 | 8,644              | 7,442 |
| ■ | 2003 | 8,075              | 6,920 |
| ■ | 2002 | 7,723              | 6,778 |
| ■ | 2001 | 9,030              | 7,584 |
| ■ | 2000 | 10,063             | 8,659 |
| ■ | 1999 | 8,718              | 7,945 |
| ■ | 1998 | 10,075             | 7,965 |

Source: Atlas Van Lines Jan-2008

<http://www.atlasworldgroup.com/migration/>

## El Paso Market Overview 2008

### Education

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

| County       | High school graduate | Some college, no degree | Associate's degree | Bachelor's degree | Master's degree | Doctorate degree |
|--------------|----------------------|-------------------------|--------------------|-------------------|-----------------|------------------|
| El Paso      | 22.5                 | 21.6                    | 5.0                | 11.0              | 3.5             | 0.5              |
| <b>Texas</b> | <b>24.8</b>          | <b>22.4</b>             | <b>5.2</b>         | <b>15.6</b>       | <b>5.2</b>      | <b>0.8</b>       |

Source: U.S. Census Bureau 2000 Census

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

| Level of Education             | El Paso |       |
|--------------------------------|---------|-------|
|                                | MSA     | Texas |
| High School Graduate or Higher | 65.8    | 75.7  |
| Bachelor's Degree or Higher    | 16.6    | 23.2  |

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

#### Local College and University Enrollment, Fall Semester

| School                         | 2003   | 2004   | 2005   | 2006   | 2007   |
|--------------------------------|--------|--------|--------|--------|--------|
| El Paso Community College      | 22,704 | 23,828 | 24,239 | 23,801 | 22,567 |
| University of Texas at El Paso | 18,542 | 18,918 | 19,257 | 19,842 | 20,155 |

Source: Texas Higher Education Coordinating Board

## El Paso Market Overview 2008 Employment

### Top Ten Employers

| Employer                                 | Sector                   | Employees |
|--|--------------------------|-----------|
| Fort Bliss (includes military/civilian)* | Government               | 29,000    |
| El Paso Independent School District      | Education                | 9,000     |
| Ysleta Independent School District       | Education                | 7,200     |
| Tenet Hospital Ltd.                      | Hospital                 | 6,587     |
| City of El Paso                          | Government               | 6,000     |
| Socorro Independent School District      | Education                | 5,041     |
| T&T Staff Management                     | Employment services      | 4,200     |
| University of Texas at El Paso           | Education                | 3,400     |
| EchoStar Communications Corp.            | Technical support center | 2,900     |
| Las Palmas Del Sol Regional              | Health care              | 2,300     |

\*August 2007 Fort Bliss Public Affairs. Rounded number.

Source: Texas Workforce Commission Jan-2008

### Top Ten Private Employers

| Employer                       | Sector                          | Employees |
|--------------------------------|---------------------------------|-----------|
| Tenet Hospital Ltd.            | Hospital                        | 6,587     |
| T&T Staff Management           | Employment services             | 4,200     |
| Echo Star Communications Corp  | Technical support center        | 2,900     |
| Las Palmas Del Sol Regional    | Health care/Social assistance   | 2,300     |
| GC Services                    | Inbound customer service center | 1,710     |
| RM Personnel                   | Employment services             | 1,325     |
| Readyone Industries            | Manufacturing                   | 1,200     |
| Automatic Data Processing, Inc | Business solutions              | 1,000     |
| El Paso Electric Co.           | Utilities                       | 987       |
| Redcats USA Inc (Brylane)      | Inbound customer service center | 980       |

Source: List generated by Texas Workforce Commission and verified by El Paso Regional Economic Development Corporation Jan-2008

**EI Paso MSA  
Nonfarm Employment**

| Year | Employment | Percent Change |
|------|------------|----------------|
| 1997 | 243,100    | -              |
| 1998 | 247,900    | 2.0            |
| 1999 | 251,300    | 1.4            |
| 2000 | 256,400    | 2.0            |
| 2001 | 255,100    | -0.5           |
| 2002 | 256,100    | 0.4            |
| 2003 | 255,000    | -0.4           |
| 2004 | 257,200    | 0.9            |
| 2005 | 260,800    | 1.4            |
| 2006 | 264,800    | 1.5            |
| 2007 | 270,900    | 2.3            |

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

**Employment Growth by Industry**

|  | EI Paso MSA | Texas   |
|--|-------------|---------|
| Employment Growth 2007 (Percent Change)                  | 2.3         | 3.0     |
| Unemployment Rate 2007 (Percent Change)                  | 5.9         | 4.3     |
| Net Job Change in 2007                                   | 6,100       | 305,900 |
| <b>2007 Employment Growth by Sector (Percent Change)</b> |             |         |
| Natural Resources and Mining and Construction            | 14.2        | 7.5     |
| Manufacturing  | -7.8        | 0.9     |
| Trade, Transportation, and Utilities                     | 1.4         | 2.9     |
| Information  | 6.3         | -0.7    |
| Financial Activities                                     | 2.7         | 3.0     |
| Professional and Business Services                       | 4.4         | 5.3     |
| Educational and Health Services                          | -1.2        | 3.1     |
| Leisure and Hospitality                                  | 2.7         | 3.9     |
| Government   | 4.6         | 0.9     |

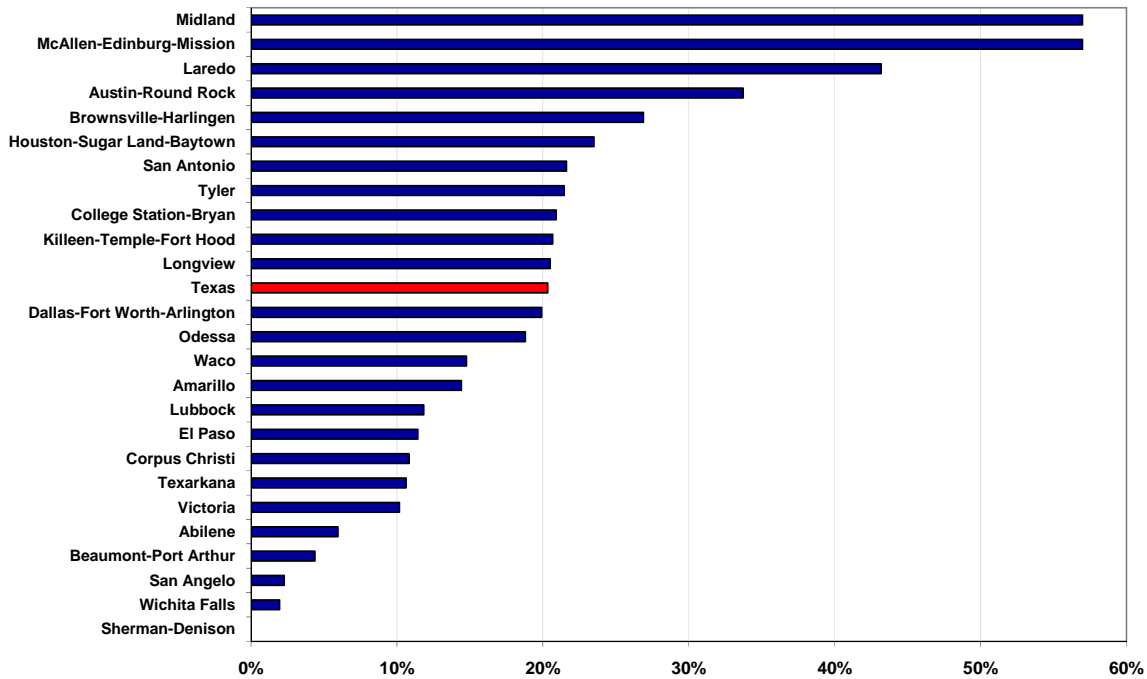
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

## Texas Metropolitan Area Nonfarm Employment Change

| Metropolitan Area           | 1997             | 2007              | Percent Change |
|-----------------------------|------------------|-------------------|----------------|
| Sherman-Denison             | 43,900           | 43,800            | -0.2           |
| Wichita Falls               | 61,300           | 62,500            | 2.0            |
| San Angelo                  | 43,900           | 44,900            | 2.3            |
| Beaumont-Port Arthur        | 157,400          | 164,300           | 4.4            |
| Abilene                     | 62,000           | 65,700            | 6.0            |
| Victoria                    | 46,200           | 50,900            | 10.2           |
| Texarkana                   | 50,800           | 56,200            | 10.6           |
| Corpus Christi              | 158,800          | 176,000           | 10.8           |
| <b>El Paso</b>              | <b>243,100</b>   | <b>270,900</b>    | <b>11.4</b>    |
| Lubbock                     | 114,900          | 128,500           | 11.8           |
| Amarillo                    | 97,800           | 111,900           | 14.4           |
| Waco                        | 94,800           | 108,800           | 14.8           |
| Odessa                      | 50,000           | 59,400            | 18.8           |
| Dallas-Fort Worth-Arlington | 2,452,900        | 2,941,700         | 19.9           |
| <b>Texas</b>                | <b>8,608,500</b> | <b>10,359,200</b> | <b>20.3</b>    |
| Longview                    | 79,500           | 95,800            | 20.5           |
| Killeen-Temple-Fort Hood    | 100,600          | 121,400           | 20.7           |
| College Station-Bryan       | 74,600           | 90,200            | 20.9           |
| Tyler                       | 76,900           | 93,400            | 21.5           |
| San Antonio                 | 684,400          | 832,400           | 21.6           |
| Houston-Sugar Land-Baytown  | 2,064,400        | 2,549,600         | 23.5           |
| Brownsville-Harlingen       | 97,400           | 123,600           | 26.9           |
| Austin-Round Rock           | 566,300          | 757,300           | 33.7           |
| Laredo                      | 60,200           | 86,200            | 43.2           |
| McAllen-Edinburg-Mission    | 133,900          | 210,200           | 57.0           |
| Midland                     | 133,900          | 210,200           | 57.0           |

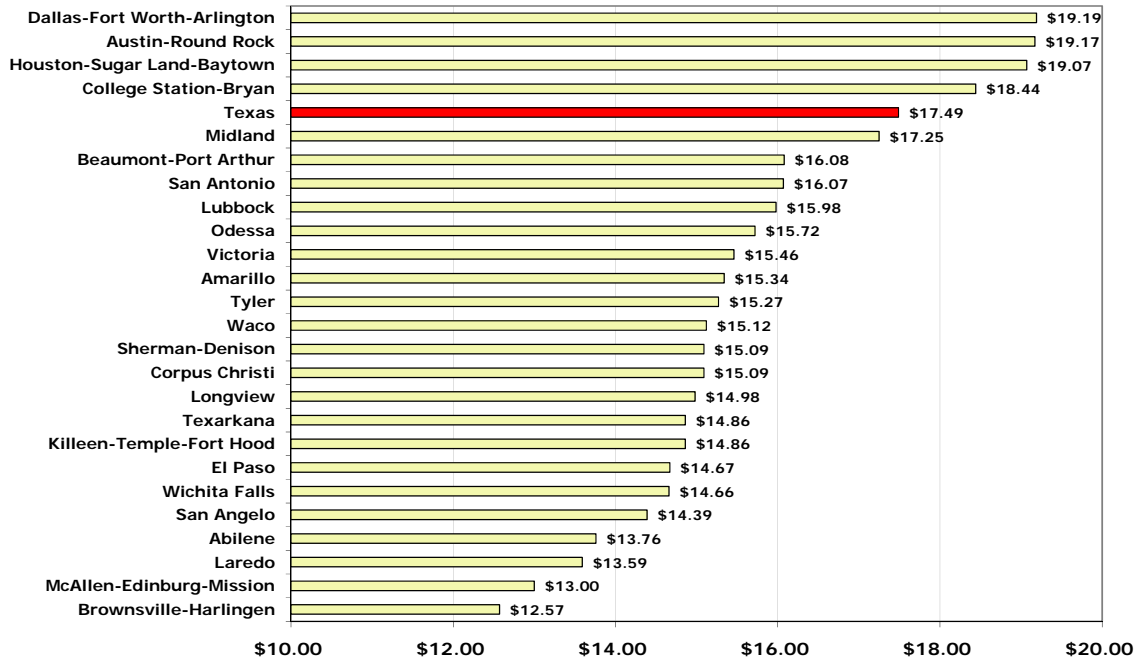
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Metropolitan Area Nonfarm Employment Change  
1997-2007



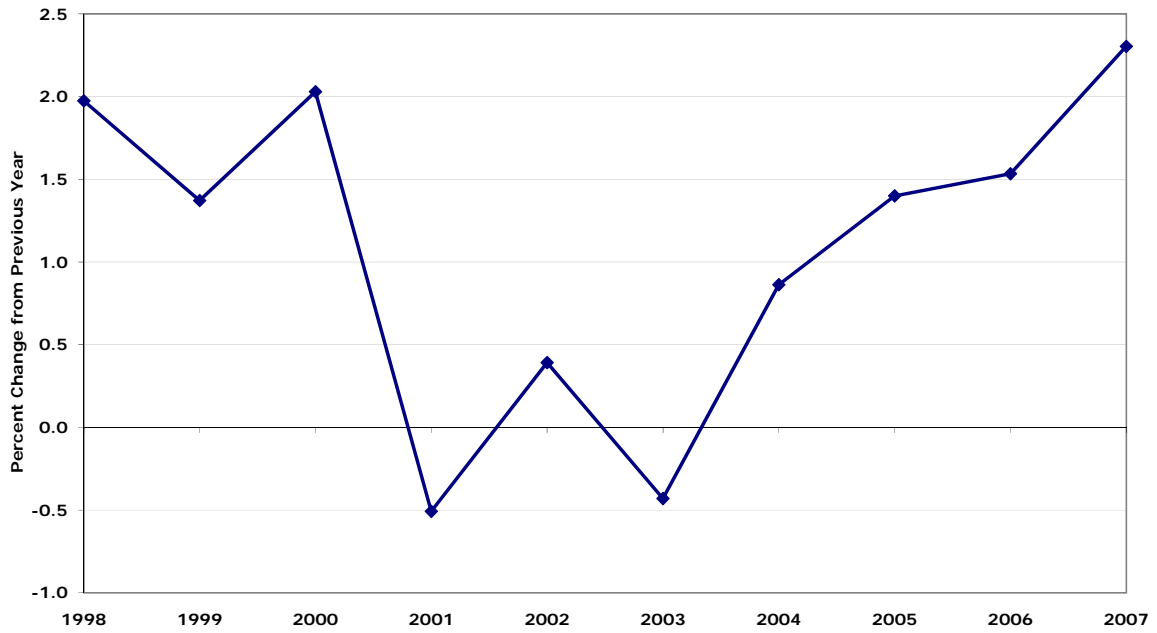
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Average Hourly Wage  
2006



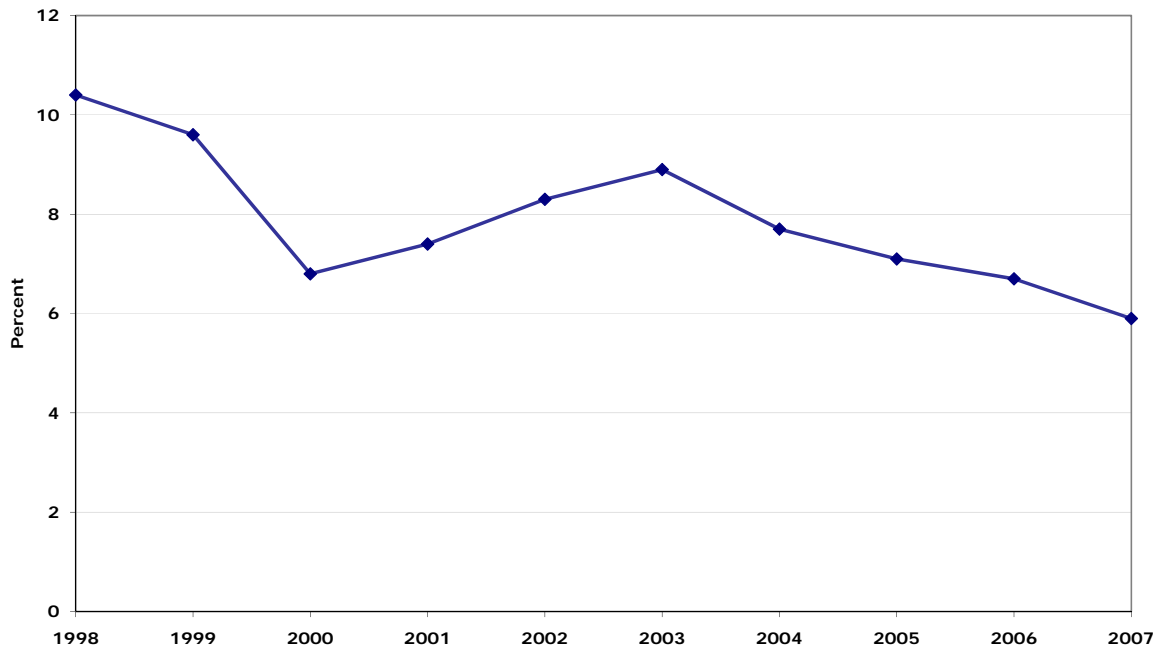
Source: Texas Workforce Commission

### Nonfarm Employment Growth El Paso MSA



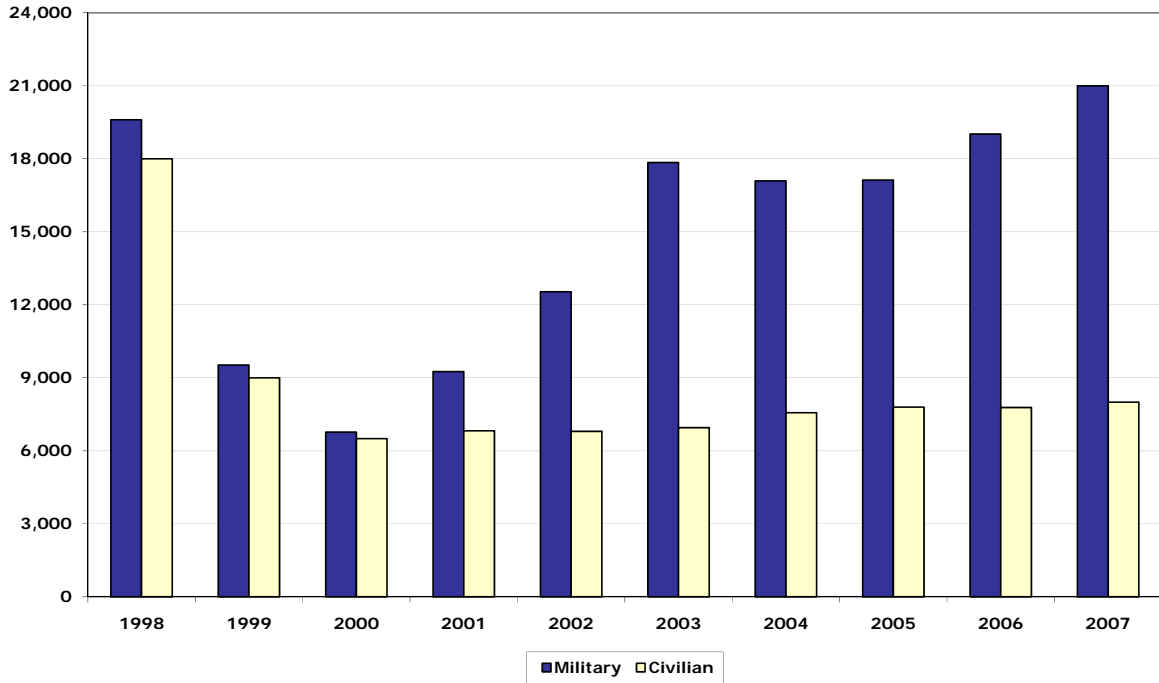
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

### El Paso MSA Unemployment Rate



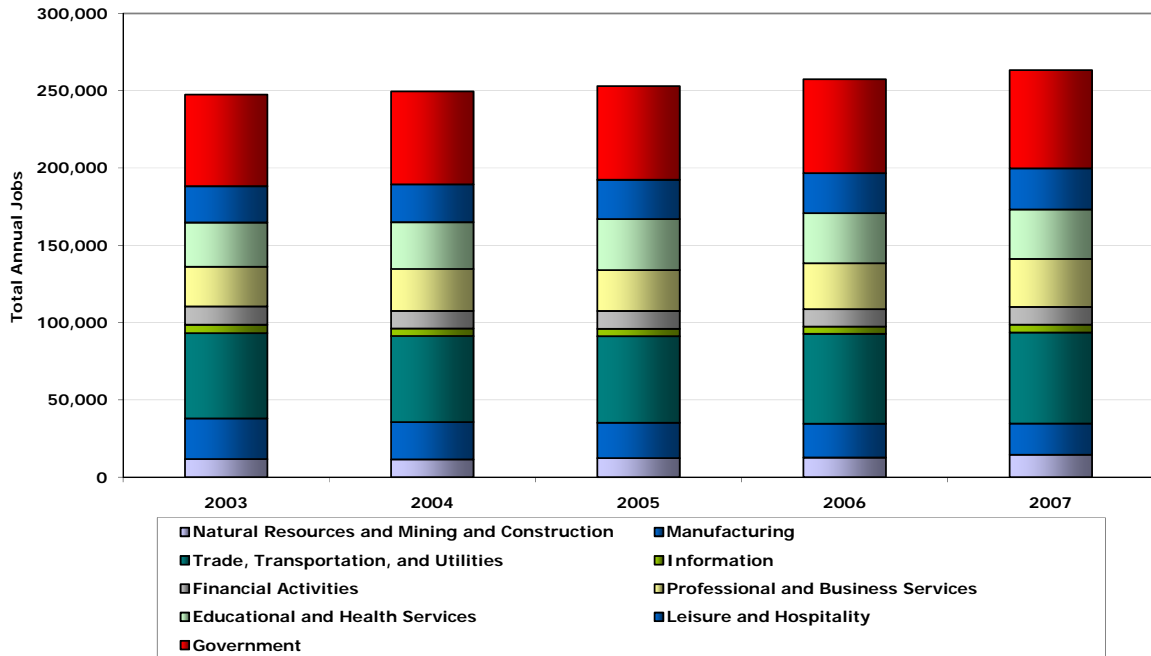
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Fort Bliss Employment



Source: City of El Paso. 2007 Fort Bliss Analysis & Integration

Distribution of Employment in Major Categories  
El Paso MSA



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

# El Paso Market Overview 2008

## Economy

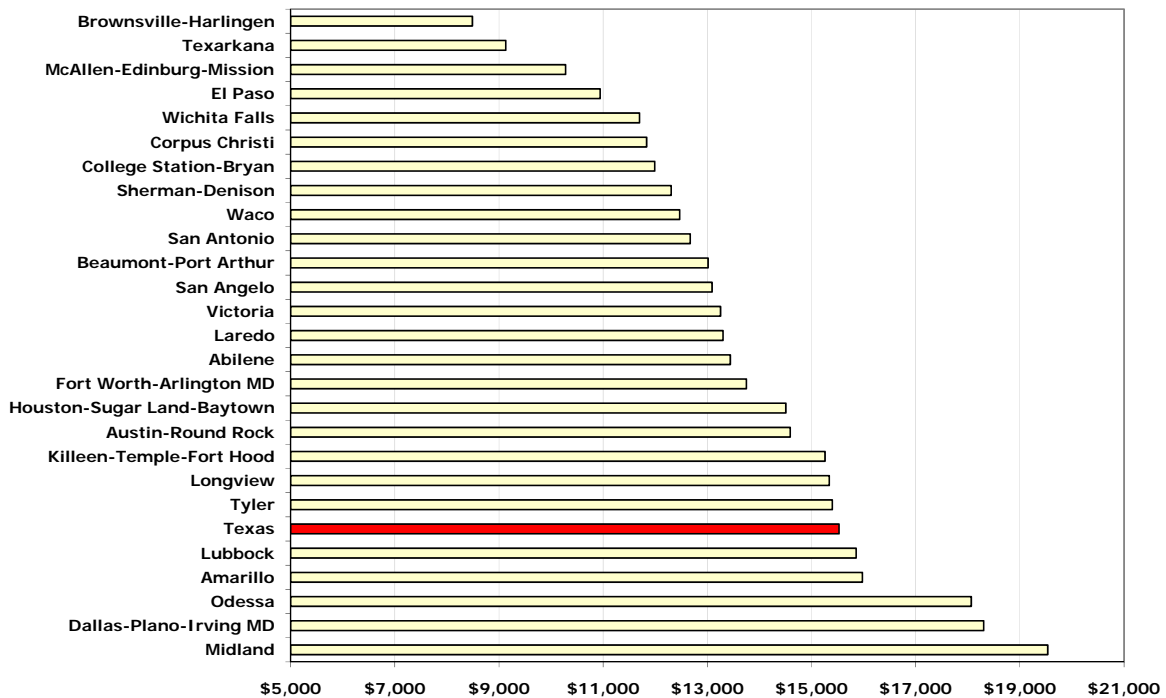
**El Paso MSA Gross Retail Sales**

| Year                | Total Sales     | Sales per Capita |
|---------------------|-----------------|------------------|
| 1996                | \$5,258,414,674 | \$8,010          |
| 1997                | \$5,050,367,254 | \$7,594          |
| 1998                | \$5,309,167,256 | \$7,909          |
| 1999                | \$5,884,997,029 | \$8,713          |
| 2000                | \$6,343,535,589 | \$9,334          |
| 2001                | \$6,354,119,088 | \$9,241          |
| 2002                | \$5,959,888,924 | \$8,592          |
| 2003                | \$6,226,856,865 | \$8,864          |
| 2004                | \$6,753,584,252 | \$9,477          |
| 2005                | \$7,660,976,214 | \$10,617         |
| 2006                | \$8,058,040,817 | \$10,944         |
| State Average 2006: |                 | \$15,527         |

\* 2007 data not available as of January 2008.

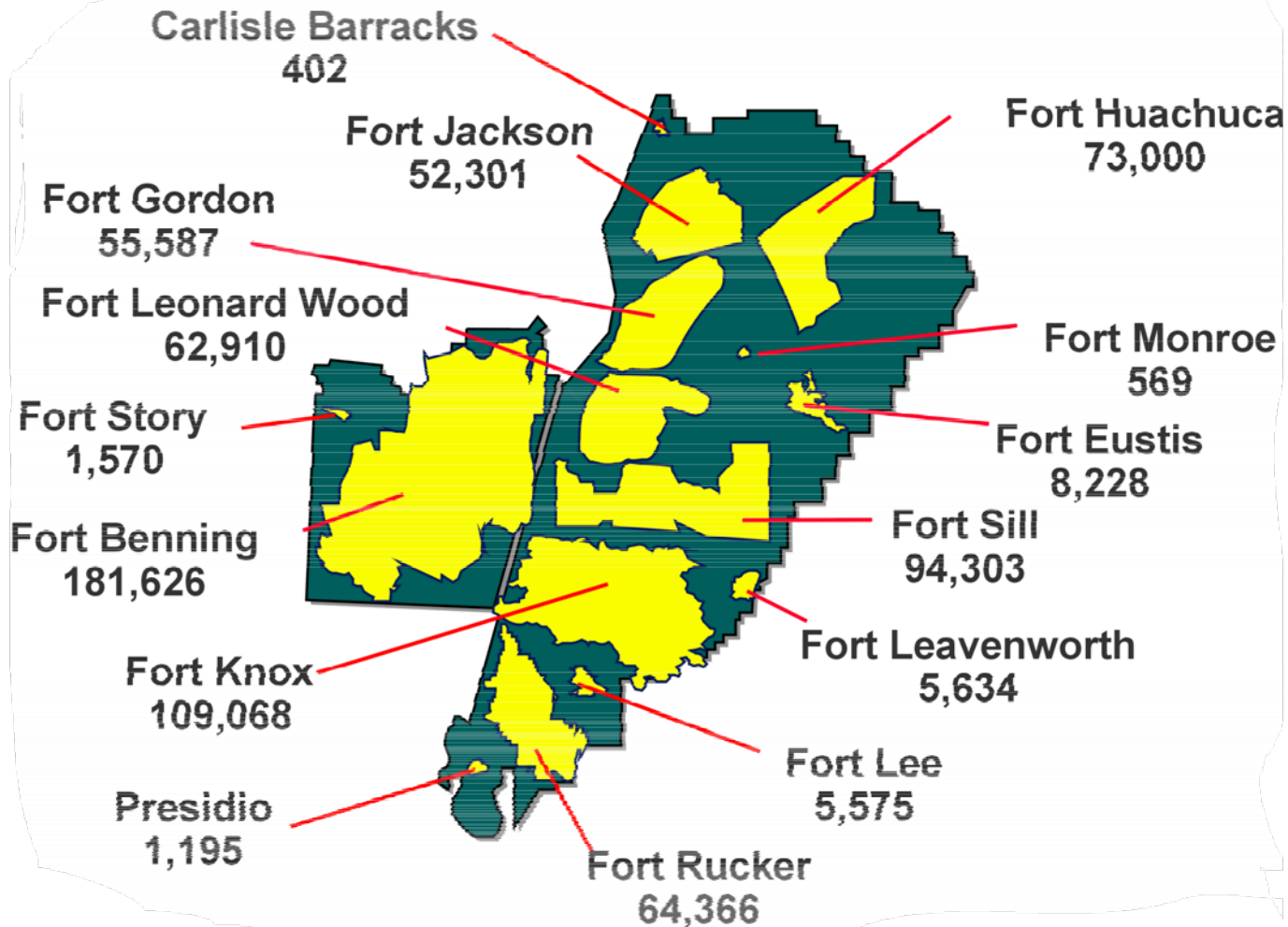
Source: Texas Comptroller's Office

**Gross Retail Sales per Capita  
2006**

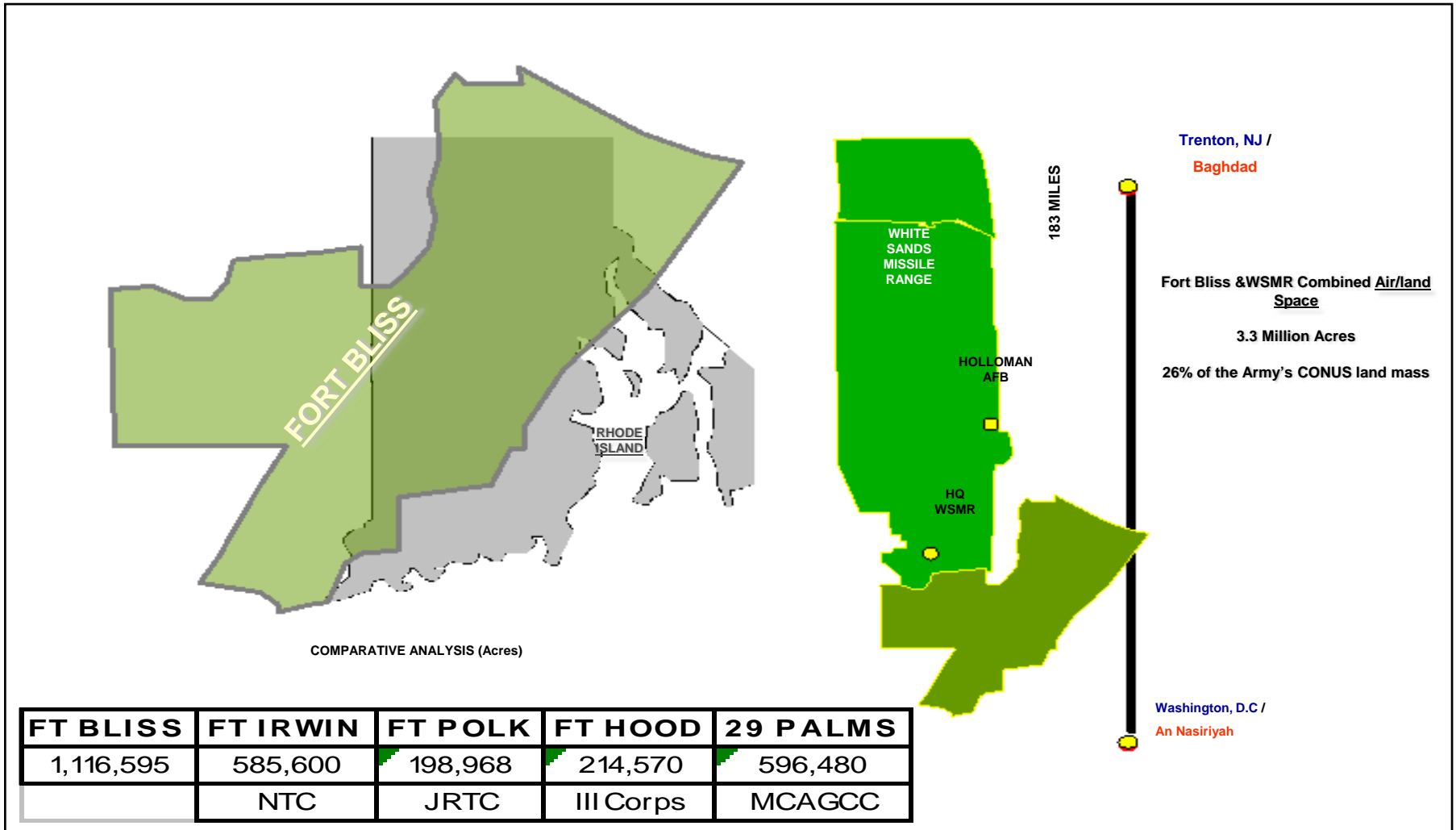


Source: Texas Comptroller's Office

# Fort Bliss vs Other TRADOC Installations



# Immense Potential





*Where The World Gets To Work*

EL PASO REGIONAL ECONOMIC DEVELOPMENT CORPORATION



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## About [El Paso Prospector](#)...

[El Paso Prospector](#) is an interactive Internet mapping program that provides enhanced economic development and site selection services to the business community.

[El Paso Prospector](#) allows users to search for available commercial buildings and sites as well as generate site-specific demographic and business analysis reports.

[El Paso Prospector](#) speeds up and simplifies the process of finding the optimal location for a business in by providing public access to a range of valuable information.

### **Search for Available Buildings or Land**

To search for vacant building space or developable land you can enter your minimum and maximum size requirements by square feet or acres. You can search for properties that are for lease or for sale. You can also search for the type of commercial property you want. By clicking on the "search" button [El Paso Prospector](#) will search a database of properties that match your specific property criteria and display the matching properties for you to review.

### **Create Demographic Reports**

Once you have selected a property you can create site-specific demographic reports by clicking on a link or the file tab near the top of the web page labeled "Demographics". Select the type of report you wish to create and a distance from the property you want the analysis to include. There are four different reports available: 1) Demographic, 2) Consumer Expenditure, 3) Business & Workforce and 4) Employment Wages. This information can be used to better understand the demographic characteristics of the area you are analyzing.

### **Create Business Competition & Synergy Reports**

After selecting a property you can create site-specific business competition & synergy reports by clicking on a link or the file tab near the top of the web page titled "Businesses". Select the distance from the property you want the analysis to include and click the "Calculate" button. [El Paso Prospector](#) will show the business clusters on the map as well as calculate the number of businesses in each business category. You can click on the business category links to see a list of all the businesses in that category. This business information can be used to identify businesses that can be potential synergy or competition for your business.

### **Interactive Mapping**

Properties are linked to interactive maps that display geographic information such as the locations of streets, highways, freeways, cities, counties, bodies of water, rivers, rail roads, points of interest, major educational facilities and parks. All of the maps are

## El Paso Market Overview 2008 Infrastructure

### El Paso International Airport Activity

| Airport                              | 2003             | 2004             | 2005             | 2006             | 2007             |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>El Paso International Airport</b> |                  |                  |                  |                  |                  |
| Enplaned                             | 1,463,976        | 1,612,606        | 1,697,683        | 1,714,552        | 1,713,868        |
| Deplaned                             | 1,446,687        | 1,591,800        | 1,673,763        | 1,687,778        | 1,688,832        |
| <b>Total</b>                         | <b>2,910,663</b> | <b>3,204,406</b> | <b>3,371,446</b> | <b>3,402,330</b> | <b>3,402,700</b> |

Source: El Paso International Airport

### El Paso International Cargo (units in tons)

| Airport                              | 2003          | 2004          | 2005          | 2006          | 2007          |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>El Paso International Airport</b> |               |               |               |               |               |
| Enplaned                             | 36,556        | 35,912        | 38,140        | 36,064        | 38,216        |
| Deplaned                             | 45,366        | 46,747        | 48,095        | 47,402        | 43,679        |
| <b>Total</b>                         | <b>81,922</b> | <b>82,659</b> | <b>86,235</b> | <b>83,467</b> | <b>81,895</b> |

Source: El Paso International Airport

### Border Crossings\*

|                             | 2003              | 2004              | 2005              | 2006              | 2007             |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Pedestrian Crossings</b> |                   |                   |                   |                   |                  |
| Northbound                  | 7,715,504         | 7,500,916         | 6,765,909         | 6,095,561         | 6,881,015        |
| Southbound                  | 5,411,956         | 5,930,117         | 5,563,777         | 5,295,157         | -                |
| <b>Total</b>                | <b>13,127,460</b> | <b>13,431,033</b> | <b>12,329,686</b> | <b>11,390,718</b> | <b>6,881,015</b> |
| <b>Vehicle Crossings</b>    |                   |                   |                   |                   |                  |
| Northbound                  | 7,565,603         | 7,621,214         | 7,096,912         | 6,413,089         | 5,837,570        |
| Southbound                  | 4,512,110         | 4,439,944         | 4,745,048         | 4,771,989         | -                |
| <b>Total</b>                | <b>12,077,713</b> | <b>12,061,158</b> | <b>11,841,960</b> | <b>11,185,078</b> | <b>5,837,570</b> |
| <b>Rail Crossings</b>       |                   |                   |                   |                   |                  |
| Northbound                  | 21,045            | 58,565            | 65,522            | 101,171           | 89,265           |
| Southbound                  | -                 | -                 | -                 | -                 | -                |
| <b>Total</b>                | <b>21,045</b>     | <b>58,565</b>     | <b>65,522</b>     | <b>101,171</b>    | <b>89,265</b>    |
| <b>Truck Crossings**</b>    |                   |                   |                   |                   |                  |
| Northbound                  | 659,614           | 607,578           | 740,654           | 774,641           | 782,369          |
| Southbound                  | 281,589           | 292,288           | 306,406           | 322,252           | -                |
| <b>Total</b>                | <b>941,203</b>    | <b>899,866</b>    | <b>1,047,060</b>  | <b>1,096,893</b>  | <b>782,369</b>   |

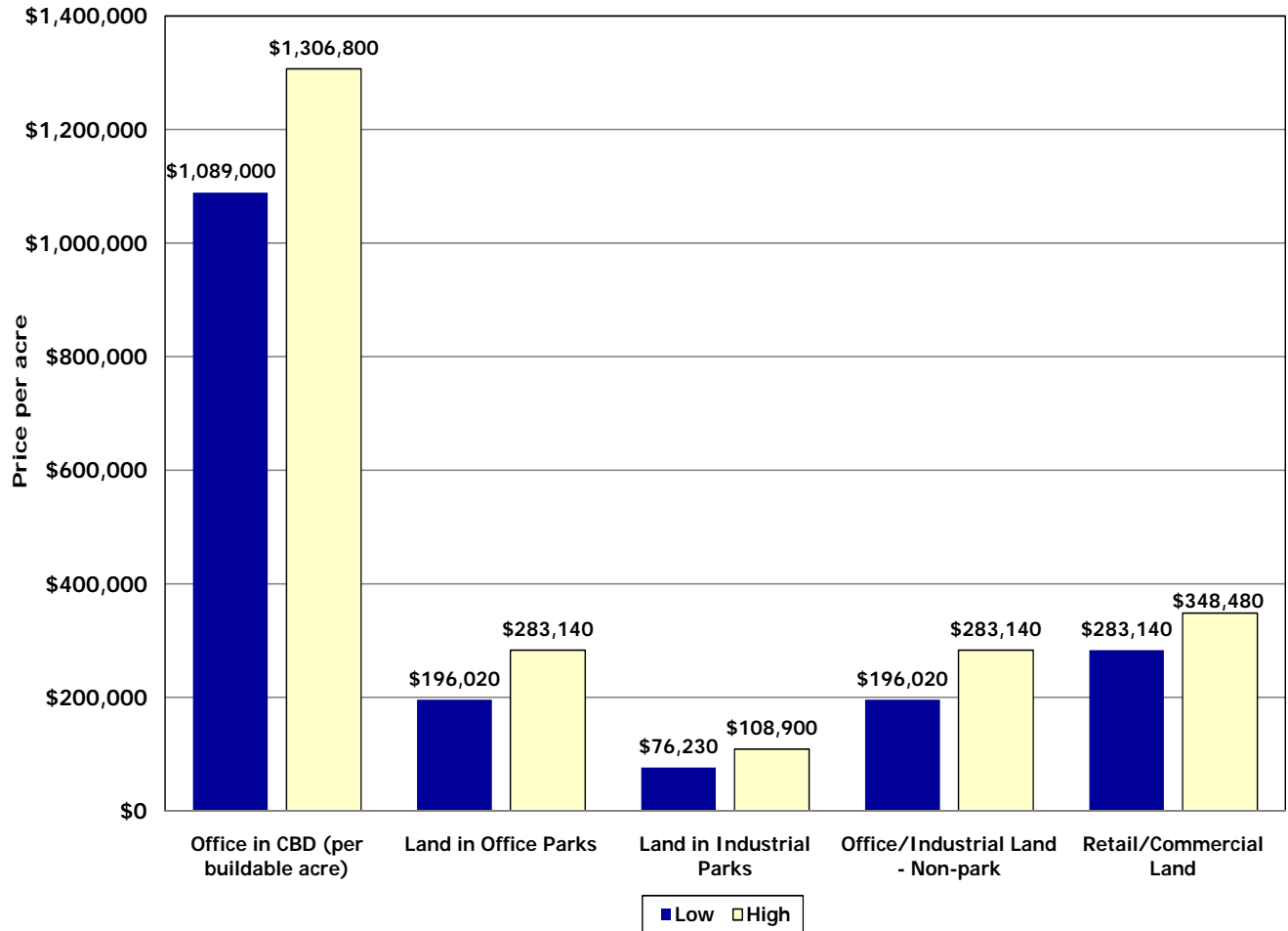
\* Due to the different data gathering procedures that each bridge system follows, 2006 year-to-end data may not reflect all twelve months and may be subject to change till the following year.

\*\* Includes only 2 to 6 axle loaded and unloaded commercial vehicles.

Source: Texas A&M International University, Texas Center for Border Economic and Enterprise Development Feb-2008

# El Paso Market Overview 2008 Development Land

El Paso Development Land  
(Price/Acre) 2007



Source: NAI El Paso

# El Paso Market Overview 2008

## Multifamily

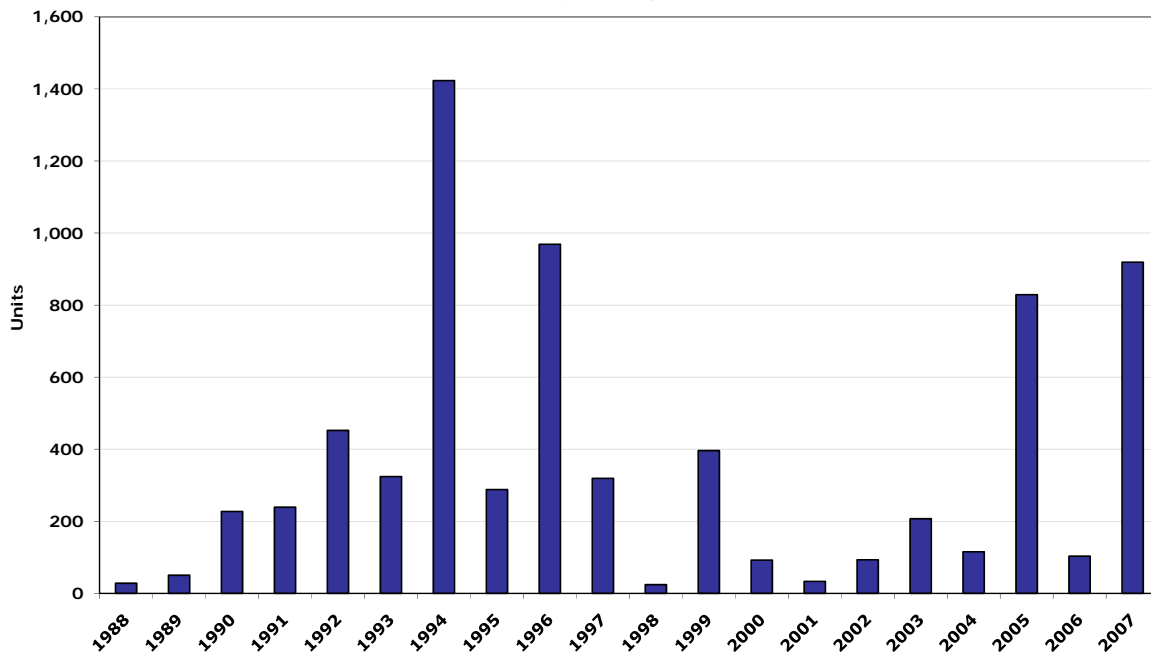
**El Paso Apartment Statistics 2007**

|  | El Paso | Texas Metro Average |
|--|---------|---------------------|
| Average rent per square foot                 | \$0.70  | \$0.80              |
| Average rent for units built since 2000      | \$0.57  | \$0.89              |
| Average occupancy                            | 94.8%   | 92.8%               |
| Average occupancy for units built since 2000 | 96.4%   | 93.8%               |

Source: Apartment MarketData Research

**El Paso MSA  
Multifamily Building Permits**  
5+ Multifamily Building Permits

1999 MSA definition



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

2007 figure is a preliminary number.

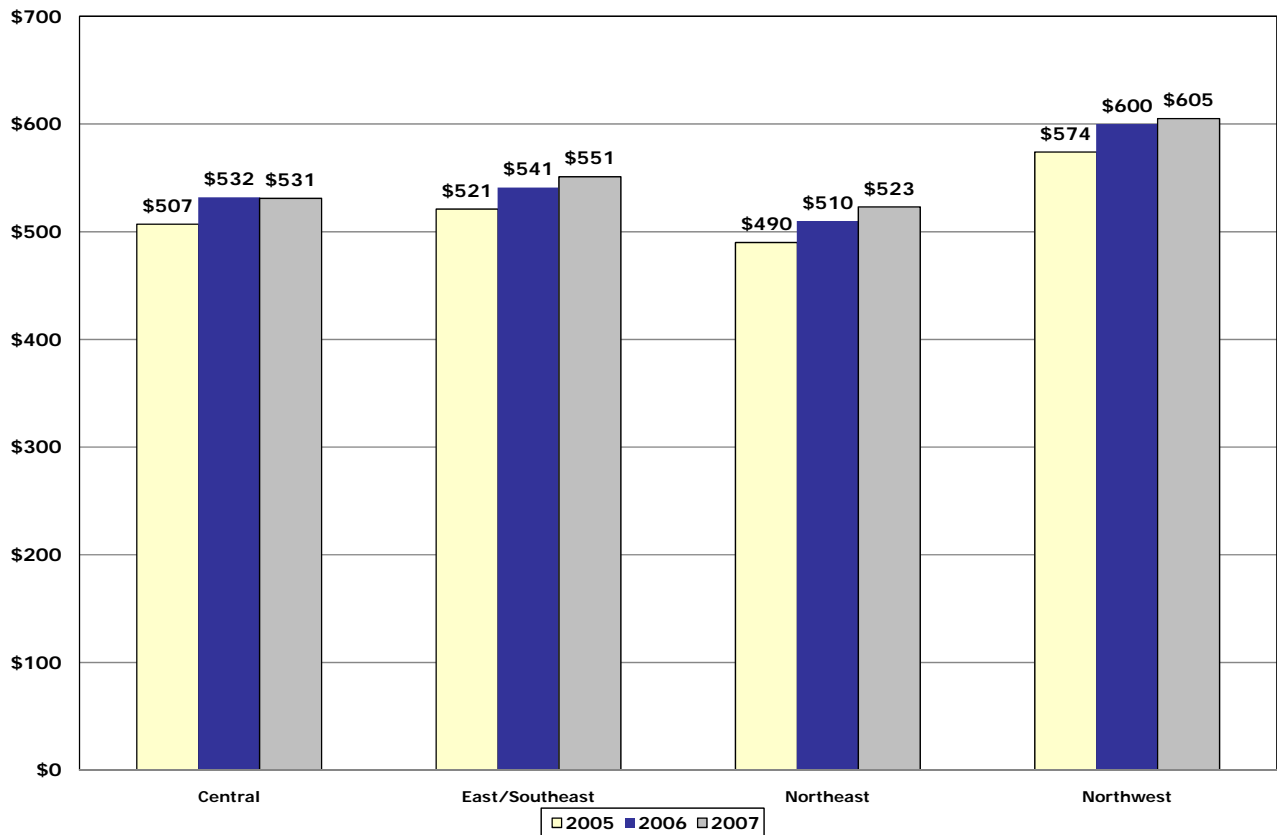
Fourth Quarter Occupancy & Rent\*

| Submarket (40+ Units) | 2005         |                  | 2006         |                  | 2007         |                  |
|-----------------------|--------------|------------------|--------------|------------------|--------------|------------------|
|                       | Occupancy    | Avg. Rental Rate | Occupancy    | Avg. Rental Rate | Occupancy    | Avg. Rental Rate |
| Central               | 97.2%        | \$507            | 94.6%        | \$532            | 96.6%        | \$531            |
| East/Southeast        | 94.3%        | \$521            | 95.8%        | \$541            | 95.8%        | \$551            |
| Northeast             | 93.7%        | \$490            | 93.6%        | \$510            | 92.1%        | \$523            |
| Northwest             | 95.5%        | \$574            | 95.4%        | \$600            | 94.2%        | \$605            |
| <b>Total</b>          | <b>94.9%</b> | <b>\$535</b>     | <b>95.4%</b> | <b>\$557</b>     | <b>94.9%</b> | <b>\$564</b>     |

\*2007 figures represent third quarter data.

Source: Hendricks & Partners

Fourth Quarter\* Average Multifamily Rent  
40+ Units



Source: Hendricks & Partners

\*2007 figures represent third quarter data.

## El Paso Market Overview 2008 Housing

**2007 Housing Affordability Index**

| MLS           | 2007 Median-<br>Priced Home | Required<br>Income to<br>Qualify | Median<br>Family<br>Income | HAI* | HAI for First-Time<br>Homebuyers** |
|---------------|-----------------------------|----------------------------------|----------------------------|------|------------------------------------|
| El Paso       | \$131,700                   | \$32,399                         | \$36,500                   | 1.13 | 0.70                               |
| TEXAS         | \$147,500                   | \$36,286                         | \$52,600                   | 1.45 | 1.03                               |
| United States | \$217,800                   | \$53,138                         | \$59,000                   | 1.11 | 0.63                               |

\* 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

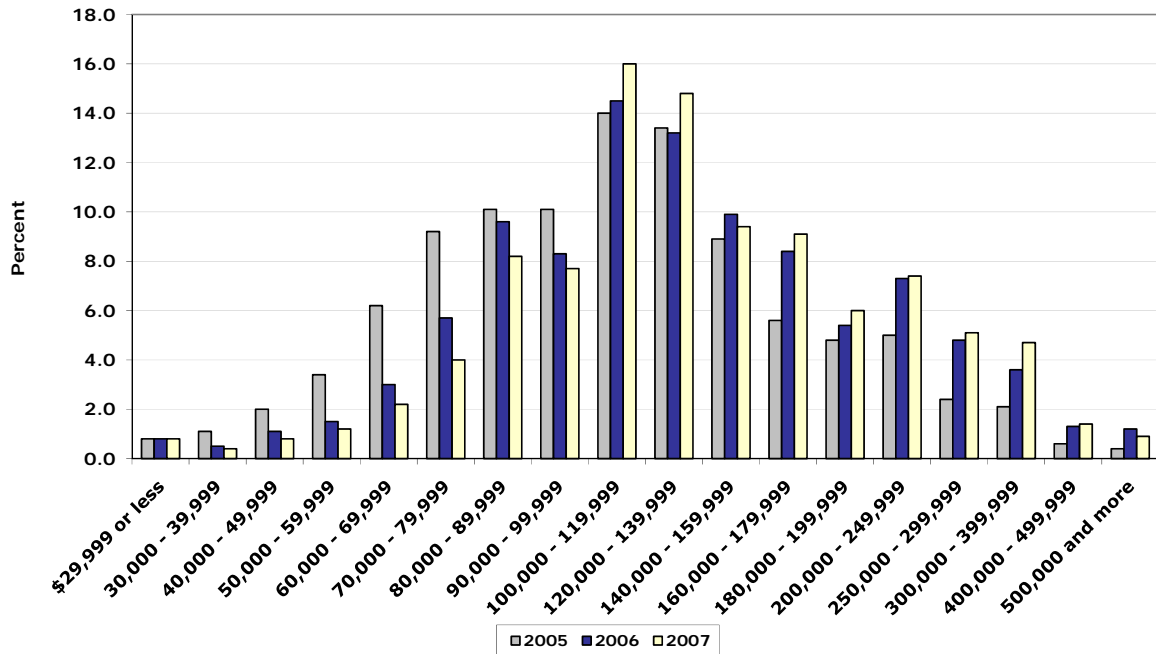
**Price Distribution of MLS Homes Sold, El Paso Area**

(in percent)

| Price Range       | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less  | 0.9  | 1.0  | 0.8  | 0.7  | 0.8  | 0.8  | 0.8  |
| 30,000 - 39,999   | 1.6  | 1.8  | 1.4  | 1.1  | 1.1  | 0.5  | 0.4  |
| 40,000 - 49,999   | 4.4  | 3.2  | 3.1  | 3.0  | 2.0  | 1.1  | 0.8  |
| 50,000 - 59,999   | 8.5  | 7.5  | 6.1  | 5.1  | 3.4  | 1.5  | 1.2  |
| 60,000 - 69,999   | 15.3 | 13.6 | 12.1 | 10.1 | 6.2  | 3.0  | 2.2  |
| 70,000 - 79,999   | 11.5 | 13.4 | 12.5 | 14.4 | 9.2  | 5.7  | 4.0  |
| 80,000 - 89,999   | 11.1 | 11.2 | 12.1 | 11.6 | 10.1 | 9.6  | 8.2  |
| 90,000 - 99,999   | 7.8  | 8.2  | 8.4  | 8.8  | 10.1 | 8.3  | 7.7  |
| 100,000 - 119,999 | 11.6 | 11.3 | 12.2 | 11.7 | 14.0 | 14.5 | 16.0 |
| 120,000 - 139,999 | 9.4  | 9.0  | 10.3 | 10.3 | 13.4 | 13.2 | 14.8 |
| 140,000 - 159,999 | 5.2  | 6.0  | 6.3  | 6.6  | 8.9  | 9.9  | 9.4  |
| 160,000 - 179,999 | 3.7  | 4.1  | 3.8  | 4.0  | 5.6  | 8.4  | 9.1  |
| 180,000 - 199,999 | 2.6  | 2.6  | 2.9  | 3.4  | 4.8  | 5.4  | 6.0  |
| 200,000 - 249,999 | 3.0  | 3.4  | 4.0  | 4.1  | 5.0  | 7.3  | 7.4  |
| 250,000 - 299,999 | 1.5  | 1.7  | 1.7  | 2.0  | 2.4  | 4.8  | 5.1  |
| 300,000 - 399,999 | 1.4  | 1.3  | 1.6  | 2.1  | 2.1  | 3.6  | 4.7  |
| 400,000 - 499,999 | 0.3  | 0.4  | 0.6  | 0.5  | 0.6  | 1.3  | 1.4  |
| 500,000 and more  | 0.2  | 0.3  | 0.2  | 0.4  | 0.4  | 1.2  | 0.9  |

Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold  
El Paso Area**



Source: Real Estate Center at Texas A&M University

**Property Tax Rates, 2007:  
County, Major City, Major School District**

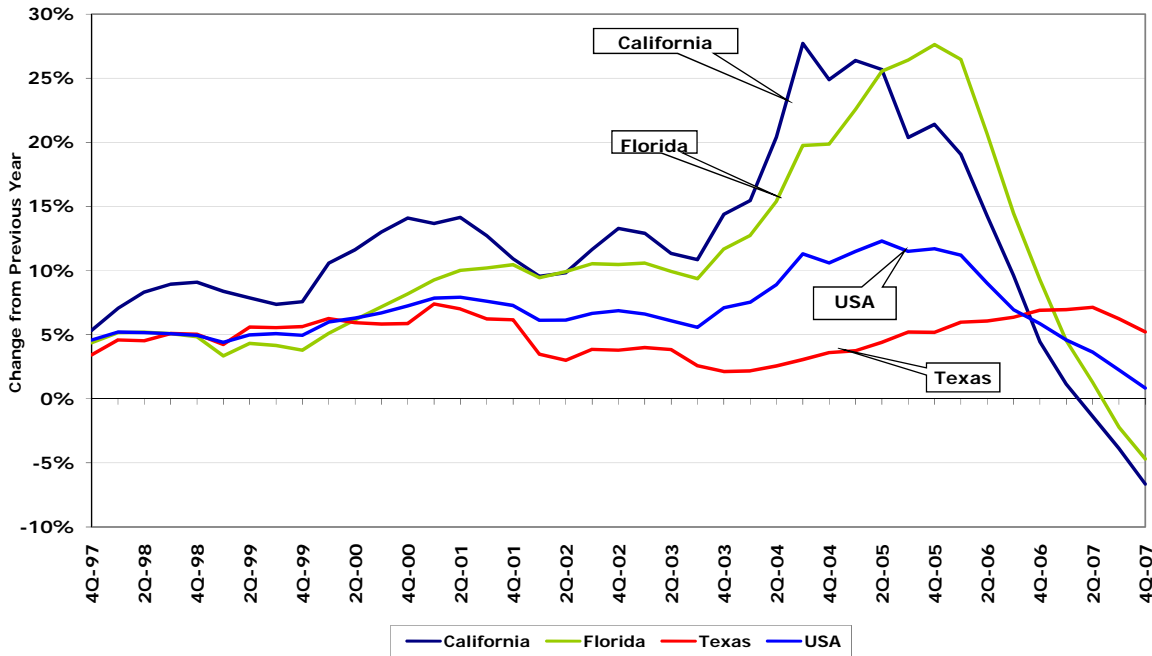
| Taxing Entity*  | Tax Rate per \$100 Valuation |
|-----------------|------------------------------|
| City of El Paso | 0.6711                       |
| El Paso ISD     | 1.2035                       |
| El Paso County  | 0.3603                       |
| <b>Total</b>    | <b>\$2.23</b>                |

\* 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 link for a more complete list: [http://www.elpasotexas.gov/tax\\_office/](http://www.elpasotexas.gov/tax_office/)

Source: City of El Paso Tax Office

### National Home Price Appreciation

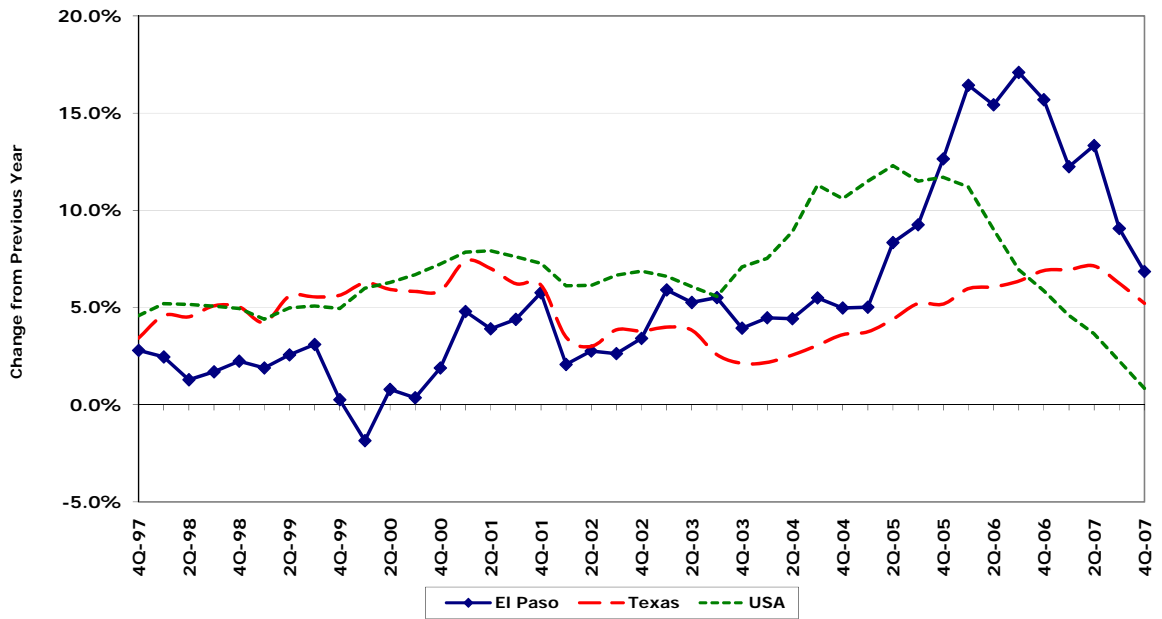
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

### Home Price Appreciation El Paso 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

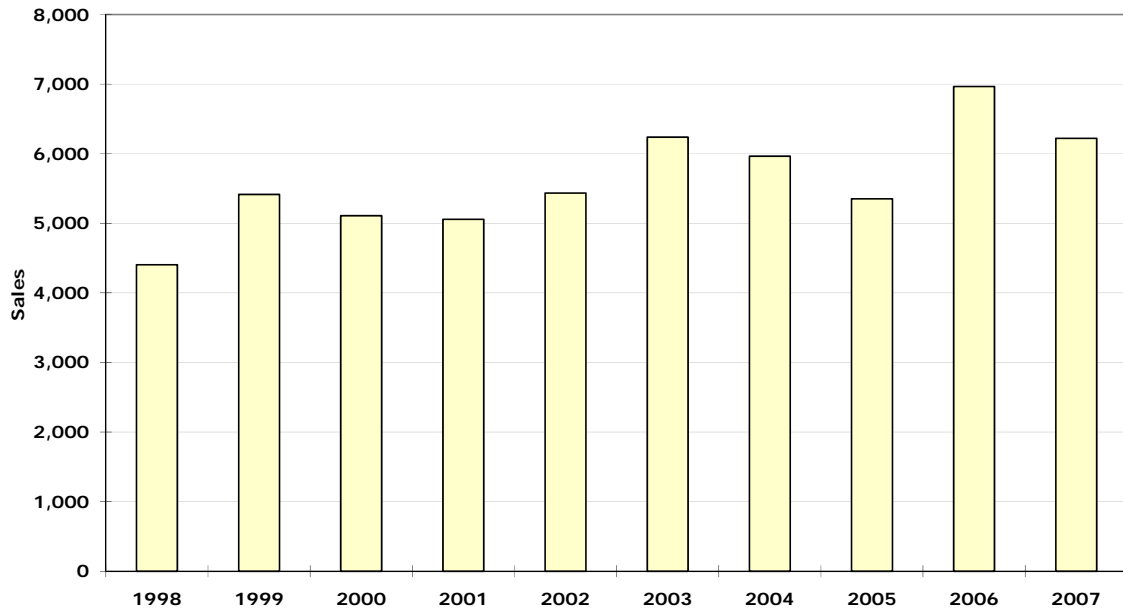
## 2005 Occupied Housing Unit Characteristics

| Housing Unit Characteristics                             | El Paso MSA                  |                               |                              | Texas                        |                               |                              |
|--|------------------------------|-------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|
|  | Owner-occupied housing units | Renter-occupied housing units | Total occupied housing units | Owner-occupied housing units | Renter-occupied housing units | Total occupied housing units |
| Occupied housing units                                   | 148,297                      | 79,194                        | 227,491                      | 5,162,604                    | 2,815,491                     | 7,978,095                    |
| <b>Household Size</b>                                    |                              |                               |                              |                              |                               |                              |
| 1-person household                                       | 15.8%                        | 28.6%                         | 20.2%                        | 19.1%                        | 35.0%                         | 24.7%                        |
| 2-person household                                       | 28.2%                        | 24.3%                         | 26.8%                        | 34.2%                        | 25.8%                         | 31.2%                        |
| 3-person household                                       | 18.3%                        | 18.1%                         | 18.3%                        | 17.2%                        | 16.0%                         | 16.8%                        |
| 4-or-more-person household                               | 37.7%                        | 29.0%                         | 34.7%                        | 29.5%                        | 23.2%                         | 27.3%                        |
| <b>Race and Hispanic or Latino Origin of Householder</b> |                              |                               |                              |                              |                               |                              |
| One Race   |                              |                               |                              |                              |                               |                              |
| White  | 78.3%                        | 79.0%                         | 78.6%                        | 79.0%                        | 66.2%                         | 74.5%                        |
| Black or African American                                | 3.3%                         | 4.0%                          | 3.5%                         | 8.2%                         | 17.9%                         | 11.6%                        |
| American Indian and Alaska Native                        | 0.7%                         | 0.4%                          | 0.6%                         | 0.5%                         | 0.6%                          | 0.6%                         |
| Asian  | 0.7%                         | 1.6%                          | 1.0%                         | 2.9%                         | 3.1%                          | 3.0%                         |
| Native Hawaiian and Other Pacific Islander               | -                            | -                             | 0.1%                         | 0.0%                         | 0.1%                          | 0.0%                         |
| Some other race  | 15.5%                        | 13.2%                         | 14.7%                        | 8.3%                         | 10.8%                         | 9.2%                         |
| Two or more races  | 1.4%                         | 1.9%                          | 1.6%                         | 1.0%                         | 1.4%                          | 1.2%                         |
| <b>Age of Householder</b>                                |                              |                               |                              |                              |                               |                              |
| Under 35 years   | 14.2%                        | 41.5%                         | 23.7%                        | 14.4%                        | 46.3%                         | 25.6%                        |
| 35 to 44 years   | 21.2%                        | 19.6%                         | 20.7%                        | 21.9%                        | 21.4%                         | 21.7%                        |
| 45 to 54 years   | 24.2%                        | 17.2%                         | 21.7%                        | 24.1%                        | 15.4%                         | 21.0%                        |
| 55 to 64 years   | 17.3%                        | 10.6%                         | 14.9%                        | 18.1%                        | 8.3%                          | 14.7%                        |
| 65 to 74 years   | 12.8%                        | 5.2%                          | 10.2%                        | 11.9%                        | 4.2%                          | 9.2%                         |
| 75 to 84 years   | 8.2%                         | 4.8%                          | 7.0%                         | 7.6%                         | 3.1%                          | 6.1%                         |
| 85 years and over  | 2.0%                         | 1.2%                          | 1.7%                         | 2.0%                         | 1.3%                          | 1.8%                         |
| <b>Units in Structure</b>                                |                              |                               |                              |                              |                               |                              |
| 1, detached  | 88.6%                        | 25.9%                         | 66.8%                        | 87.5%                        | 28.3%                         | 66.6%                        |
| 1, attached  | 2.9%                         | 5.8%                          | 3.9%                         | 2.3%                         | 3.6%                          | 2.8%                         |
| 2 apartments   | 0.4%                         | 5.0%                          | 2.0%                         | 0.3%                         | 4.9%                          | 1.9%                         |
| 3 or 4 apartments  | 0.5%                         | 9.3%                          | 3.6%                         | 0.4%                         | 8.8%                          | 3.3%                         |
| 5 to 9 apartments  | 0.2%                         | 14.7%                         | 5.2%                         | 0.3%                         | 13.8%                         | 5.1%                         |
| 10 or more apartments                                    | 0.2%                         | 31.6%                         | 11.1%                        | 0.7%                         | 35.1%                         | 12.9%                        |
| Mobile home or other type of housing                     | 7.2%                         | 7.6%                          | 7.3%                         | 8.5%                         | 5.6%                          | 7.5%                         |
| <b>Year Structure Built</b>                              |                              |                               |                              |                              |                               |                              |
| 2000 or later  | 12.3%                        | 5.6%                          | 9.9%                         | 13.7%                        | 10.9%                         | 12.7%                        |
| 1990 to 1999   | 18.4%                        | 12.1%                         | 16.2%                        | 18.6%                        | 14.8%                         | 17.2%                        |
| 1980 to 1989   | 17.3%                        | 23.0%                         | 19.2%                        | 18.7%                        | 22.5%                         | 20.1%                        |
| 1960 to 1979   | 31.9%                        | 37.5%                         | 33.8%                        | 28.7%                        | 35.0%                         | 30.9%                        |
| 1940 to 1959   | 15.8%                        | 16.6%                         | 16.0%                        | 15.4%                        | 12.4%                         | 14.3%                        |
| 1939 or earlier  | 4.5%                         | 5.3%                          | 4.8%                         | 4.9%                         | 4.5%                          | 4.8%                         |
| <b>Bedrooms</b>  |                              |                               |                              |                              |                               |                              |
| No bedroom   | 0.4%                         | 1.5%                          | 0.8%                         | 0.2%                         | 1.5%                          | 0.6%                         |
| 1 bedroom  | 0.8%                         | 31.1%                         | 11.4%                        | 2.1%                         | 32.6%                         | 12.9%                        |
| 2 or 3 bedrooms  | 71.6%                        | 62.1%                         | 68.3%                        | 70.8%                        | 61.7%                         | 67.6%                        |
| 4 or more bedrooms                                       | 27.1%                        | 5.2%                          | 19.5%                        | 26.8%                        | 4.2%                          | 18.9%                        |
| <b>Annual Household Income and Housing Costs*</b>        |                              |                               |                              |                              |                               |                              |
| Median household income (dollars)                        | \$39,834                     | \$18,364                      | \$30,968                     | \$54,610                     | \$26,782                      | \$42,139                     |
| Annual Median Housing Costs (dollars)                    | \$7,884                      | \$6,072                       | \$6,936                      | \$10,536                     | \$8,052                       | \$9,108                      |
| Housing Costs as a percentage of household income        | 19.8%                        | 33.1%                         | 22.4%                        | 19.3%                        | 30.1%                         | 21.6%                        |

\* in 2005 inflation-adjusted dollars

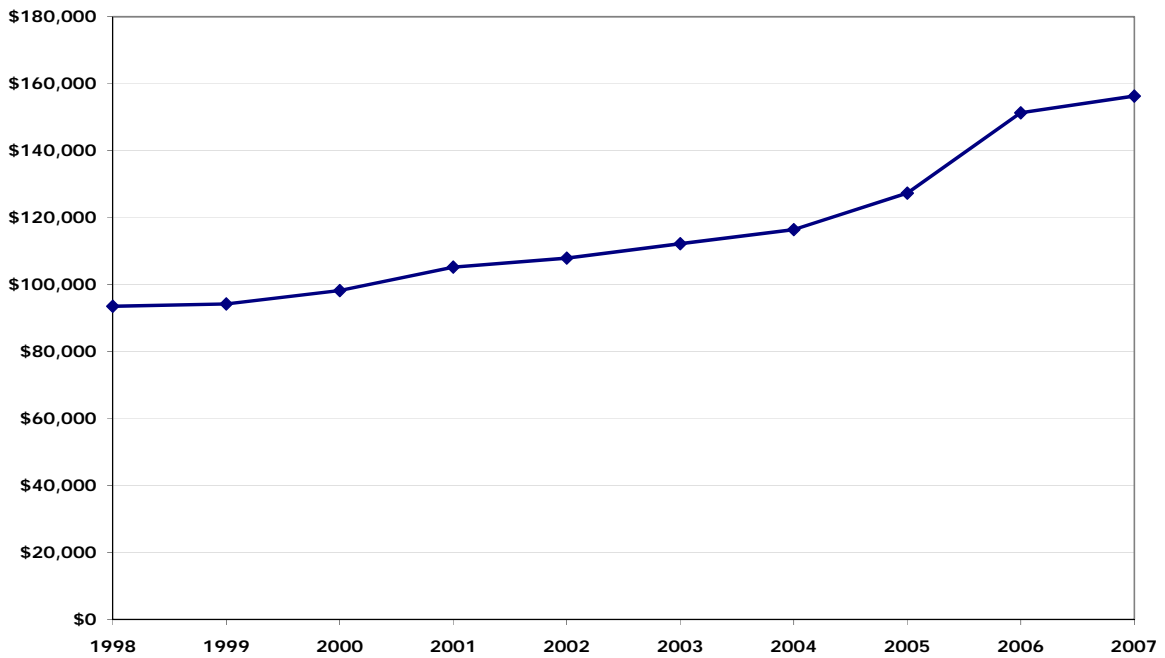
Source: U.S. Census Bureau 2005 and Real Estate Center at Texas A&amp;M University

Yearly Homes Sales  
El Paso MLS



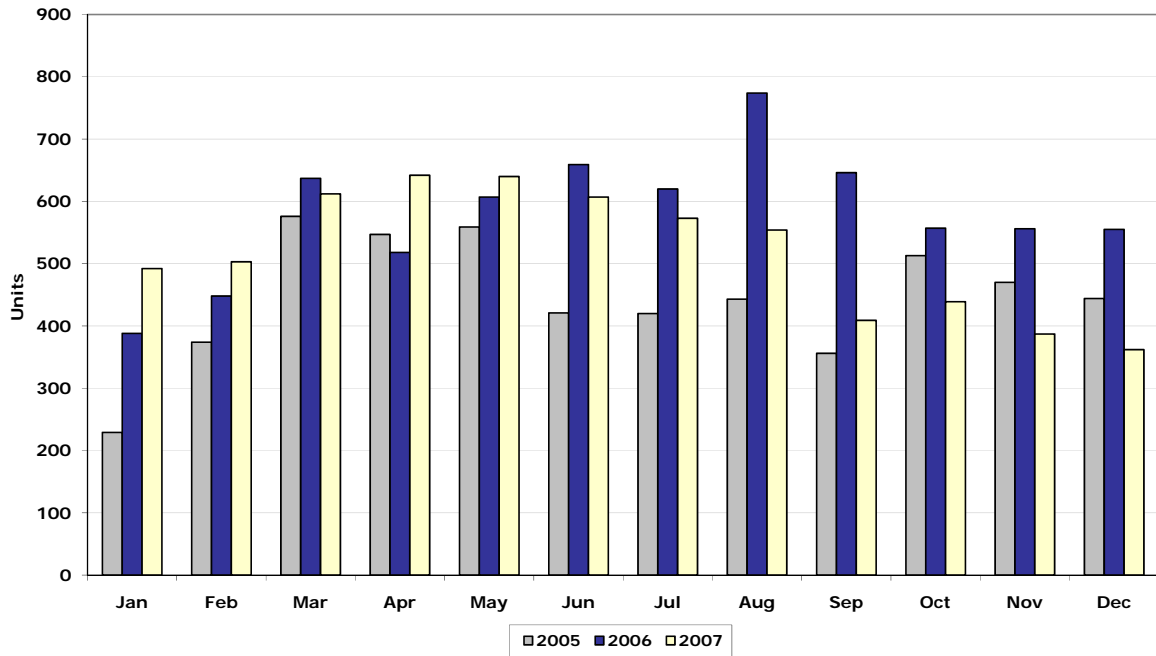
Source: Real Estate Center at Texas A&M University

Average Sales Price  
El Paso MLS



Source: Real Estate Center at Texas A&M University

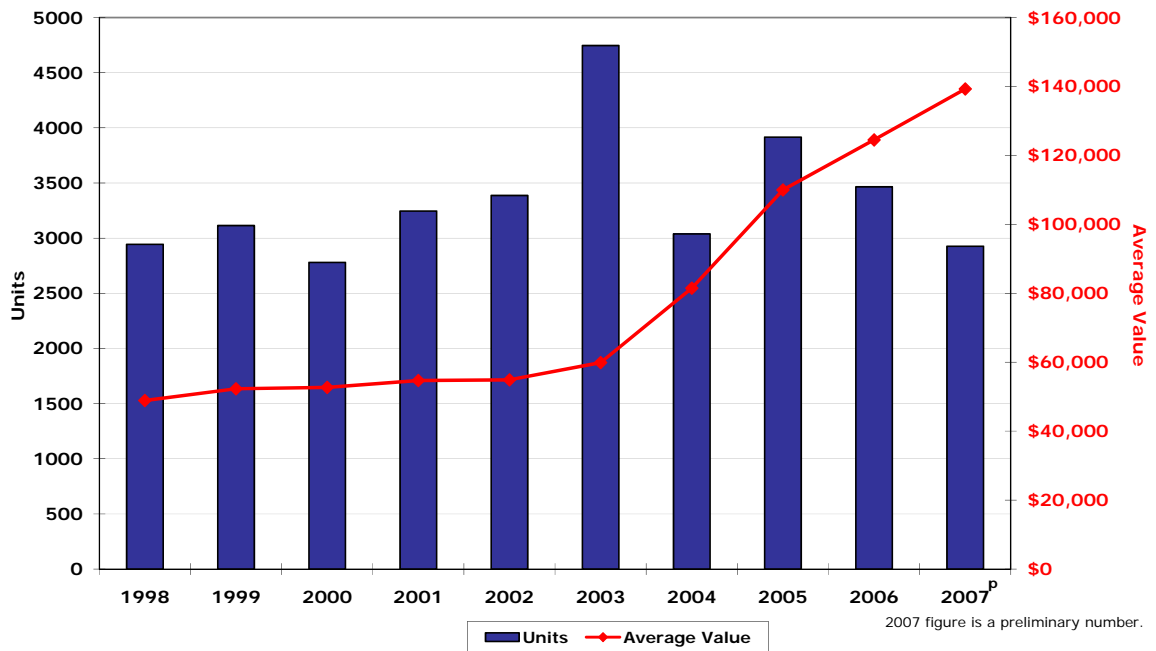
Single-Family Homes Sales Volume  
El Paso MSA



Source: Real Estate Center at Texas A&M University

Single-Family Building Permits and Average Value  
El Paso MSA

1999 MSA definition



2007 figure is a preliminary number.

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

# El Paso Market Overview 2008

## Retail

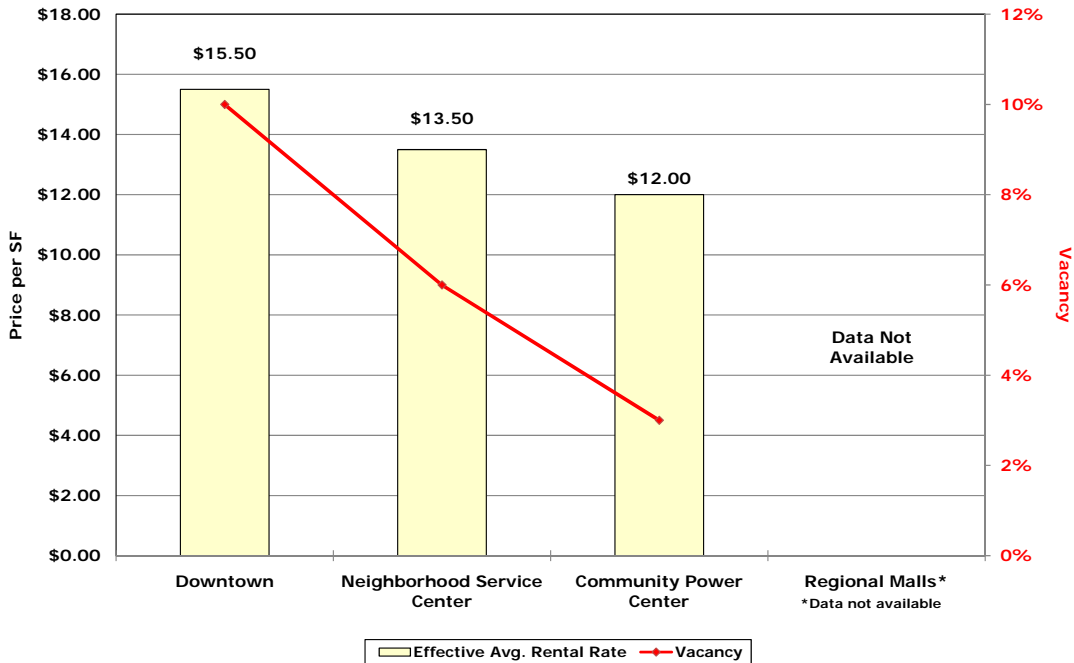
**Summary of Retail Market Indicators (El Paso) - Year-End 2007**  
(Rent/Square foot/Year)

| Retail                      | Low     | High    | Effective Avg. | Vacancy |
|-----------------------------|---------|---------|----------------|---------|
| Downtown                    | \$12.00 | \$22.00 | \$15.50        | 10%     |
| Neighborhood Service Center | \$10.00 | \$17.00 | \$13.50        | 6%      |
| Community Power Center      | \$4.50  | \$20.00 | \$12.00        | 3%      |
| Regional Malls*             | --      | --      | --             | --      |

\*Data not available

Source: NAI El Paso

**El Paso Retail Market**  
Year-End 2007



Source: NAI El Paso

## El Paso Market Overview 2008 Hotel

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**Hotel Occupancy and Rental Rates**

|                             | 2006    |         | 2007    |         |
|-----------------------------|---------|---------|---------|---------|
|                             | El Paso | Texas   | El Paso | Texas   |
| # Rooms 000's               | 7.7     | 339.9   | 8.1     | 349.7   |
| Average daily rate          | \$66.84 | \$80.74 | \$68.82 | \$85.28 |
| Occupancy rate (in percent) | 71      | 61.3    | 67.2    | 61.4    |

\*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**

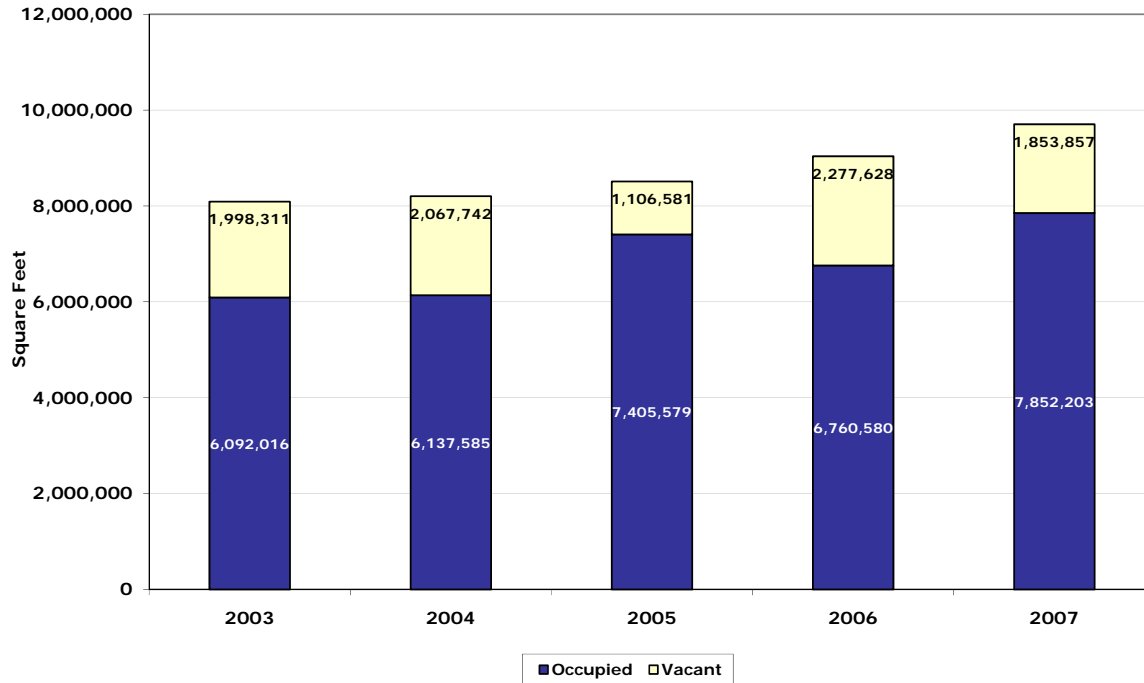
# El Paso Market Overview 2008 Office

**Office Property Statistics**

|                                  | 2003       | 2004       | 2005        | 2006        | 2007        |
|----------------------------------|------------|------------|-------------|-------------|-------------|
| <b>Central Business District</b> |            |            |             |             |             |
| Inventory                        | 2,632,414  | 2,632,414  | 2,726,560   | 2,862,888   | 3,120,560   |
| Occupancy (in percent)           | 57.7       | 58.4       | 68.0        | 72.4        | 76.0        |
| Net Absorption                   | (118,519)  | 18,003     | 45,000      | 62,000      | 85,000      |
| <b>Outside CBD</b>               |            |            |             |             |             |
| Inventory                        | 5,457,913  | 5,572,913  | 5,785,600   | 6,175,320   | 6,585,500   |
| Occupancy (in percent)           | 83.8       | 82.5       | 87.0        | 82.5        | 91.0        |
| Net Absorption                   | (21,637)   | 24,917     | 178,000     | 165,700     | 220,000     |
| <b>Total</b>                     |            |            |             |             |             |
| Inventory                        | 8,090,327  | 8,205,327  | 8,512,160   | 9,038,208   | 9,706,060   |
| Occupancy (in percent)           | 75.3       | 74.8       | 87.0        | 74.8        | 80.9        |
| Net Absorption                   | (140,156)  | 42,920     | 178,000     | 42,920      | 223,000     |
| Rental Range (per square foot)   | \$8 - \$18 | \$8 - \$18 | \$10 - \$18 | \$10 - \$18 | \$12 - \$20 |

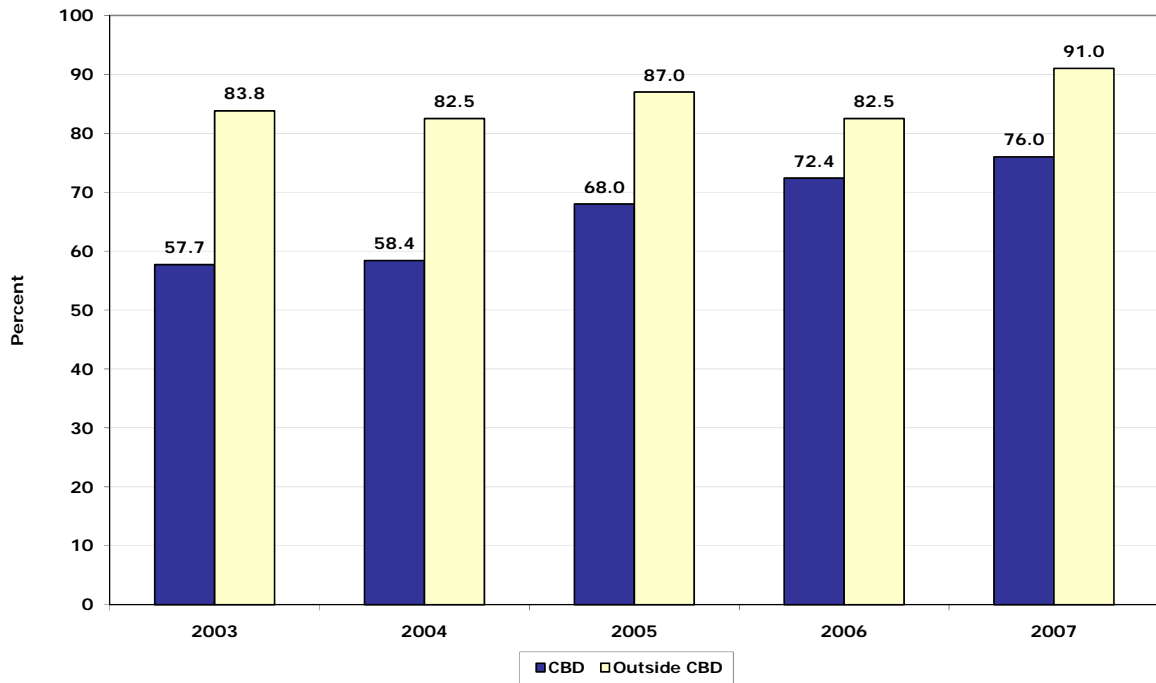
Source: Sonny Brown Associates, LLC January 2008

**Office Property Statistics El Paso**



Source: Sonny Brown Associates, LLC January 2008

Office Occupancy Rate El Paso



Source: Sonny Brown Associates, LLC January 2008

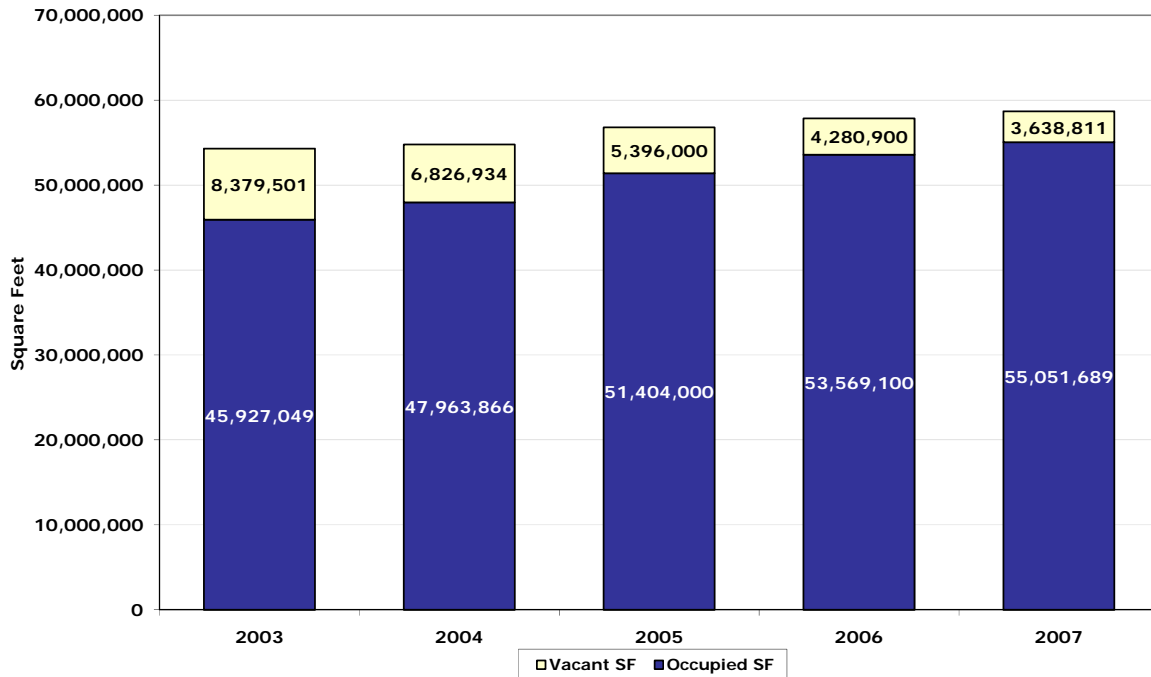
# El Paso Market Overview 2008 Industrial

**Industrial Property Statistics**

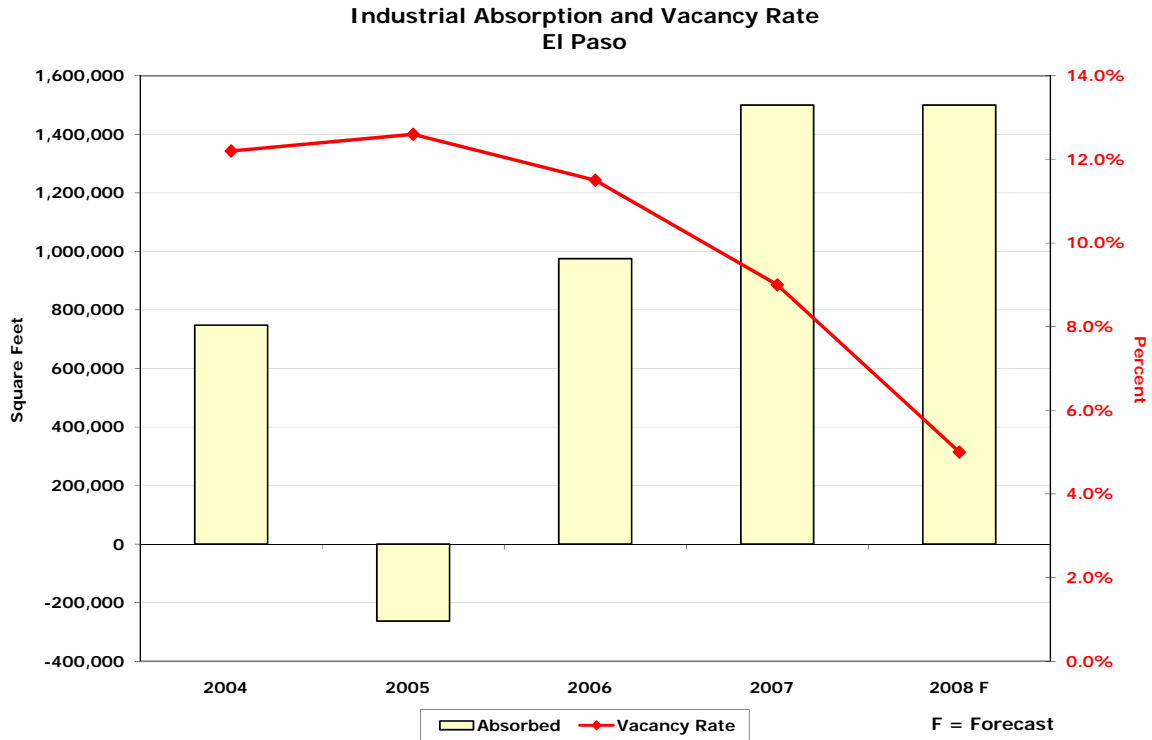
|                                | 2003       | 2004       | 2005          | 2006       | 2007       |
|--------------------------------|------------|------------|---------------|------------|------------|
| Inventory (square feet)        | 54,306,550 | 54,790,800 | 56,800,000    | 57,850,000 | 58,690,500 |
| Occupancy (in percent)         | 84.6       | 87.5       | 90.5          | 92.6       | 93.8       |
| Net Absorption                 | 254,916    | 2,039,584  | 1,785,000     | 1,250,000  | 1,560,000  |
| Rental Range (per square foot) | \$2.75-\$6 | \$2.75-\$6 | \$2.75-\$4.20 | \$3.30-\$6 | \$3.45-\$6 |

Source: Sonny Brown Associates, LLC January 2008

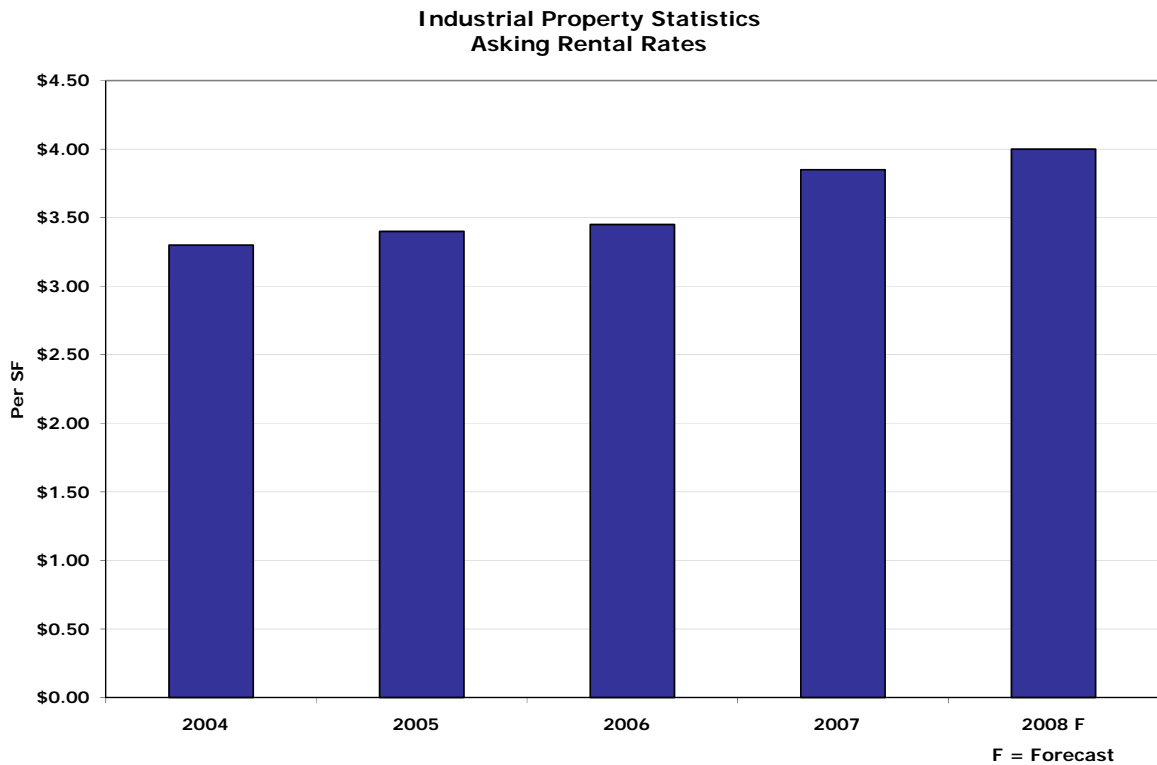
**El Paso Industrial Property Statistics**



Source: Sonny Brown Associates, LLC Jan-2008

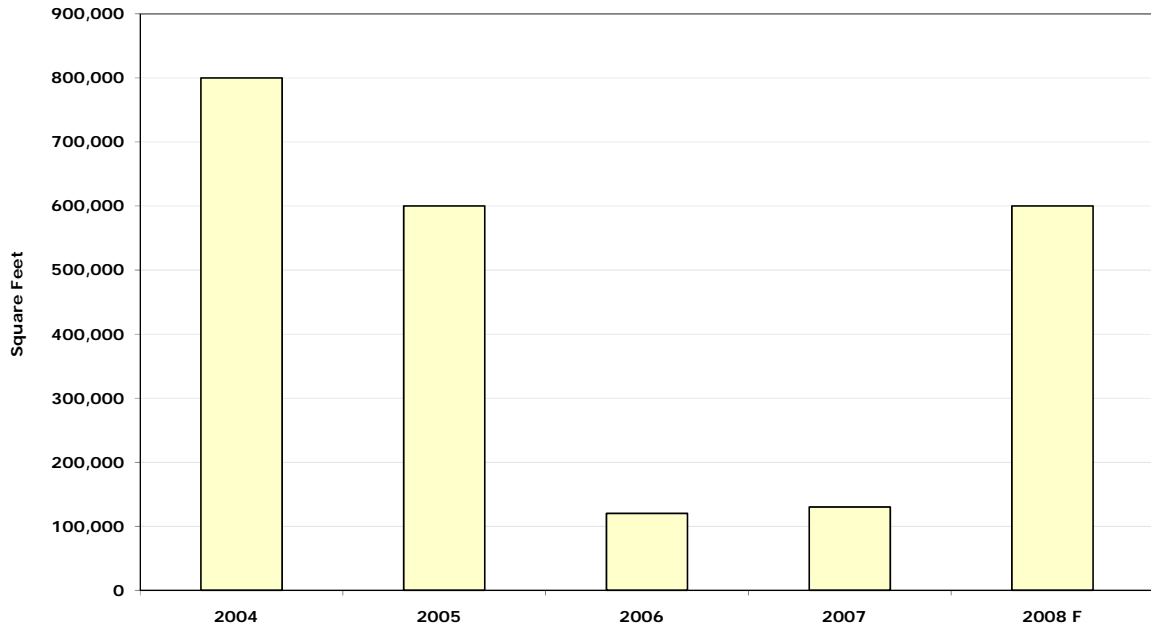


Source: Grubb & Ellis | Best/White, LLC



Source: Grubb & Ellis | Best/White, LLC

**Industrial Property Statistics  
Under Construction, Year-End**



Source: Grubb & Ellis | Best/White, LLC

F = Forecast

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