

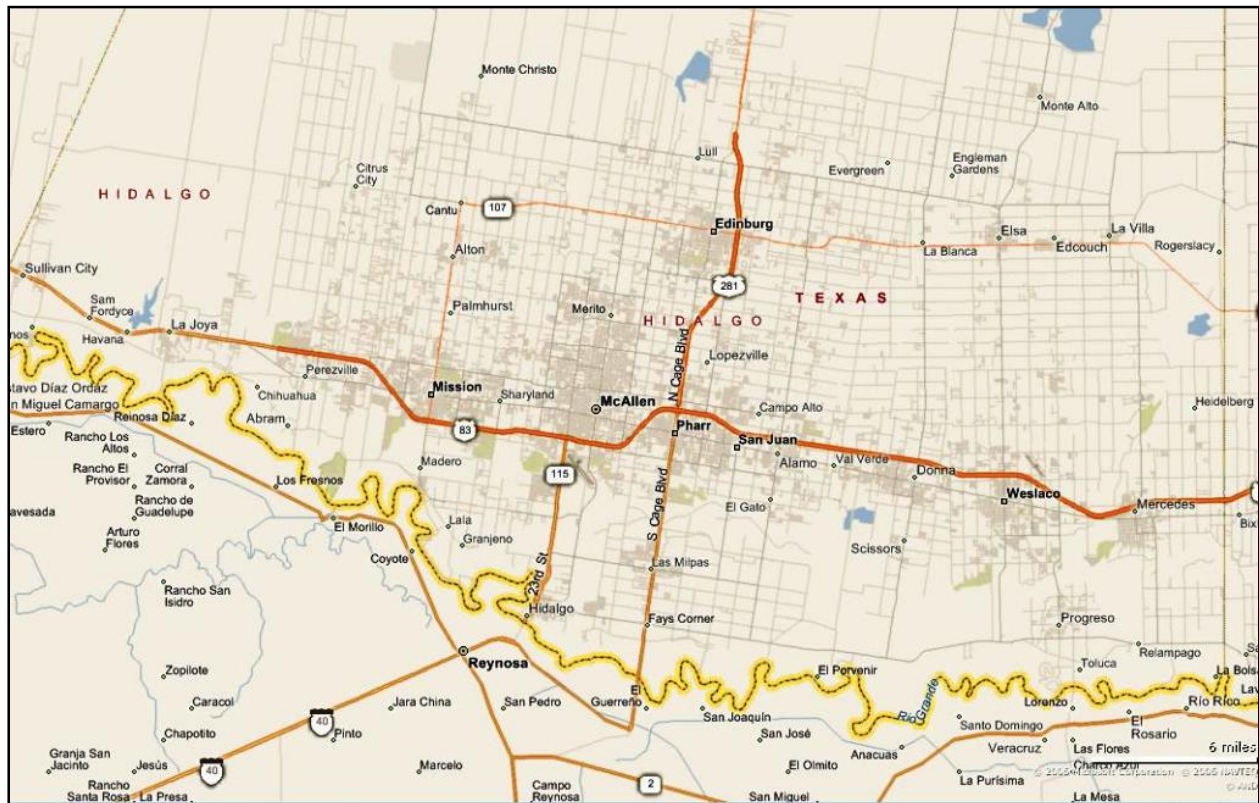
Real Estate Market Overview 2008

McAllen - Edinburg - Mission

The City of McAllen is in Hidalgo County at the intersection of U.S. Highways 83 and 281. Incorporated in 1911, it is the largest city in Hidalgo County. San Antonio is approximately 230 miles north, Laredo is approximately 110 miles northwest and Corpus Christi is approximately 150 miles northeast. According to the U.S. Census Bureau, the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA) was the fourth fastest growing area in the nation during the 1990s. Much of the McAllen-Edinburg-Mission MSA's success derives from its geographical and cultural link with Mexico. Thirty miles south of McAllen is Reynosa, Mexico, with a population of more than 750,000. The North American Free Trade Agreement (NAFTA) and the international bridge between McAllen and Reynosa make the two cities' economies dependent on each other for growth.

Quick Facts	
Land Area	1,569.75 square miles
2007 Population Density	452.6 people per square mile
Counties	Hidalgo
Area Cities and Towns	
Alamo, Alton, Donna, Edcouch, Edinburg, Elsa, Hargill, Hidalgo, La Joya, LaVilla, Linn, Los Ebanos, McAllen, McCook, Mercedes, Mission, Monte Alto, Palmhurst, Palmview, Penitas, Pharr, Progreso, San Juan, San Manuel, Sullivan City, Weslaco	

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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McAllen-Edinburg-Mission Market Overview 2008

Demographics

McAllen-Edinburg-Mission MSA
Population*

Year	Population	Percent Change
1996	503,411	-
1997	519,903	3.3
1998	537,929	3.5
1999	555,875	3.3
2000	569,463	2.4
2001	591,189	3.8
2002	612,758	3.6
2003	635,373	3.7
2004	657,310	3.5
2005	678,275	3.2
2006	700,634	3.3
2007	710,514	1.4

* July 1 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

City	1990 Population	2000 Population	Growth 1990 - 2000 (in percent)
Alamo	8,210	14,760	79.8
Donna	12,652	14,768	16.7
Edinburg	29,885	48,465	62.2
McAllen	84,021	106,414	26.7
Mercedes	12,694	13,649	7.5
Mission	28,653	45,408	58.5
Pharr	32,921	46,660	41.7
San Juan	10,815	26,229	142.5
Weslaco	21,877	26,935	23.1

Source: U.S. Census Bureau

Texas Metropolitan Area Population* Change

Metropolitan Area	1997	2007	Percent Change
Austin-Round Rock	1,111,264	1,598,161	43.8
McAllen-Edinburg-Mission	519,903	710,514	36.7
Laredo	177,140	233,152	31.6
Dallas-Fort Worth-Arlington	4,770,420	6,145,037	28.8
Houston-Sugar Land-Baytown	4,427,401	5,628,101	27.1
Brownsville-Harlingen	318,281	387,210	21.7
San Antonio	1,628,676	1,990,675	22.2
Texas	19,740,317	23,904,380	21.1
Tyler	168,531	198,705	17.9
Sherman-Denison	105,122	118,675	12.9
El Paso	665,066	734,669	10.5
College Station-Bryan	176,098	203,371	15.5
Amarillo	219,752	242,240	10.2
Killeen-Temple-Fort Hood	321,821	370,008	15.0
Waco	207,991	228,123	9.7
Midland	116,826	126,408	8.2
Longview	192,139	203,611	6.0
Lubbock	247,658	267,211	7.9
Texarkana	128,258	134,215	4.6
Victoria	109,417	113,797	4.0
Odessa	121,749	129,570	6.4
Corpus Christi	402,504	414,376	2.9
San Angelo	105,261	108,085	2.7
Abilene	157,405	159,343	1.2
Beaumont-Port Arthur	381,675	376,241	-1.4
Wichita Falls	151,480	148,148	-2.2

* July 1 population estimates

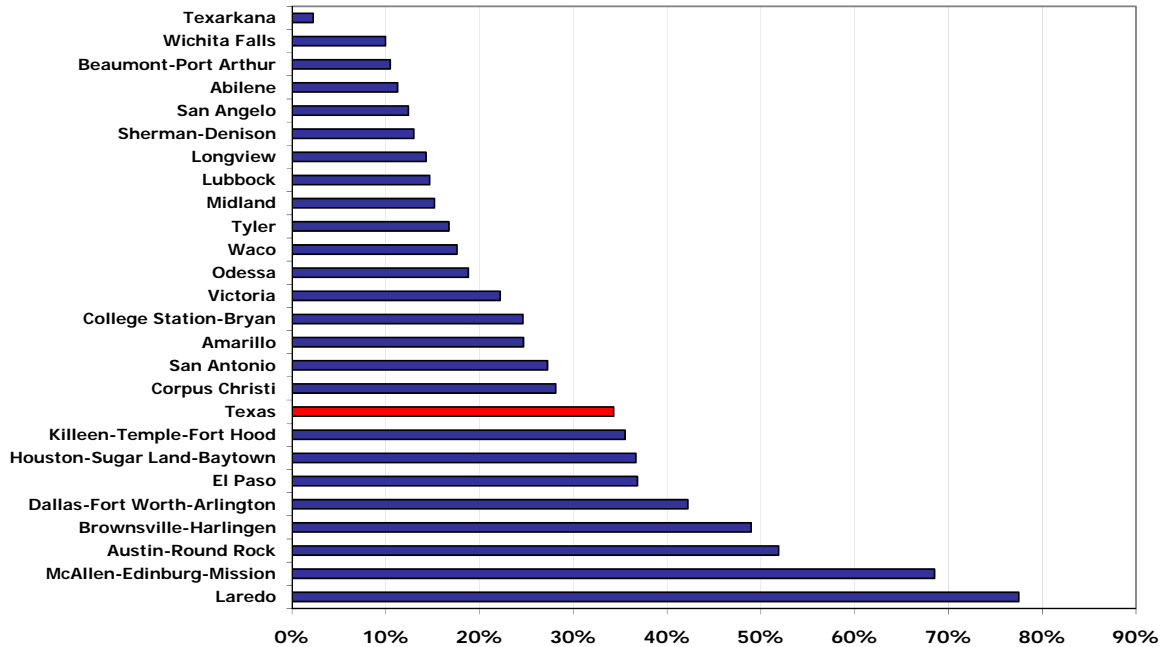
Source: U.S. Census Bureau

McAllen-Edinburg-Mission MSA Projected Population

Year	Texas State Data Center	Texas Water
	(Scenario 0.5)	Development Board
2000	569,463	569,463
2005	658,093	-
2010	752,909	744,258
2015	854,936	-
2020	959,669	948,488
2025	1,071,012	-
2030	1,189,296	1,177,243
2035	1,312,859	-
2040	1,439,472	1,424,767

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

	McAllen-Edinburg-Mission MSA	Texas
Average household size (2000)	3.60	2.74
Population younger than 18 (2000, in percent)	35.3	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)

	McAllen-Edinburg-Mission MSA	Texas
White	77.7	71.0
Black	0.5	11.5
Asian	0.6	2.7
American Indian	0.4	0.6
Other	18.6	11.7
Two or more races	2.1	2.5
Hispanic (of any race)	88.3	32.0

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

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/>

McAllen-Edinburg-Mission Market Overview 2008 Education

Educational Attainment, Persons Age 25 and Older, 2000

(in percent)

County	High school graduate	Some college, no degree	Associate's degree	Bachelor's degree	Master's degree	Doctorate degree
Hidalgo	20.2	14.5	2.9	8.4	2.9	0.4
Texas	24.8	22.4	5.2	15.6	5.2	0.8

Source: U.S. Census Bureau

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

Level of Education	McAllen-Edinburg-Mission MSA	Texas
High School Graduate or Higher	50.5	79.2
Bachelor's Degree or Higher	12.9	23.9

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

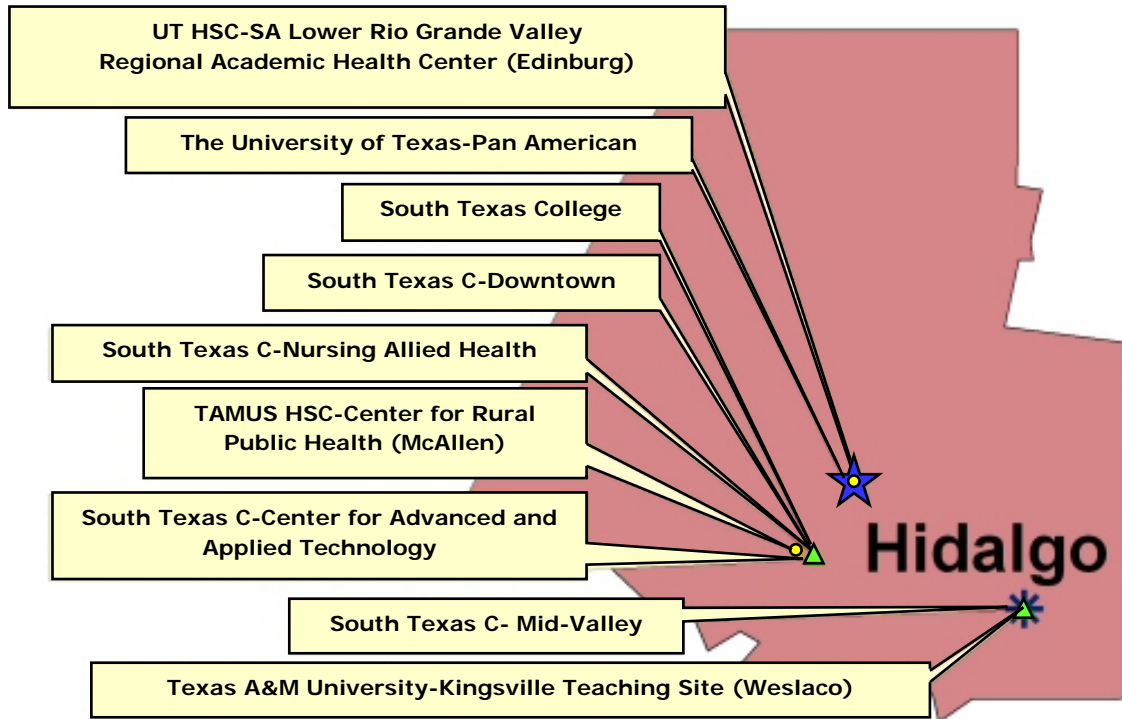
Local College and University Enrollment, Fall Semester

School	2003	2004	2005	2006	2007
South Texas College	15,228	17,035	16,233	18,460	19,808
University of Texas - Pan American	15,915	17,030	17,048	17,337	17,435

Source: Texas Higher Education Coordinating Board

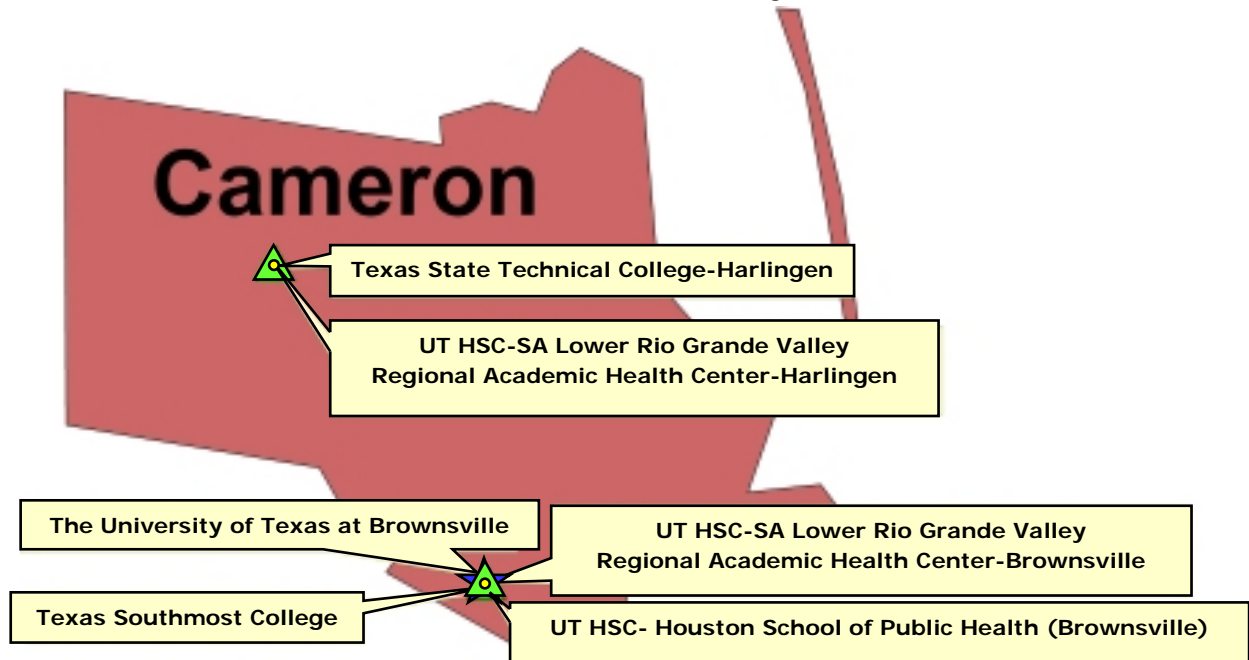
Texas Higher Education Coordinating Board Higher Education Locator Map (HELM)

Hidalgo County



Source: Texas Higher Education Coordinating Board

Cameron County



Source: Texas Higher Education Coordinating Board

Higher Education Locator Map (HELM)

<http://www.thecb.state.tx.us/InteractiveTools/HELM/>

McAllen-Edinburg-Mission Market Overview 2008 Employment

McAllen Top Ten Employers

Employer	Sector	Employees
McAllen Independent School District	Education	3,451
City of McAllen	Government	1,801
McAllen Medical Center	Health care	1,700
South Texas College	Education	1,664
Doctors Hospital @ Renaissance	Health care	1,300
Rio Grande Regional Hospital	Health care	1,020
Wal-Mart	Retail	500
International Bank of Commerce	Banking services	425
Texas State Bank	Banking services	400
Dillard's	Retail	354

Source: McAllen Chamber of Commerce March-2007

Edinburg Top Ten Employers

Employer	Sector	Employees
Edinburg Consolidated I.S.D.	Education	3,600
Edinburg Regional Medical Center	Medical care	3,000
University of Texas Pan American	Education	2,850
Hidalgo County	County government	2,211
U.S. Customs & Border Patrol	Government	1,609
City of Edinburg	Government	505
Wal-Mart Discount Store	Retail	480
Wal-Mart Discount Store (Trenton & McColl)	Retail	370
TelePerformance	Call center	355
Lopez Unit	State prison	350

Source: Edinburg Economic Development April-2007

Mission Top Ten Employers

Employer	Sector	Employees
Mission CISD	Education	2,140
Sharyland ISD	Education	1,148
Mission Regional Medical Center	Health care	950
T-Mobile	Communications	898
H-E-B Grocery	Grocery	734
City of Mission	Government	547
Wal-Mart SuperCenter	Grocery/Retail	426
VF Brands	Apparel	224
Target	Retail	165
Frito-Lay, Inc.	Food	134

Source: Mission Economic Development Authority March-2008

Employment Growth by Industry

	McAllen - Edinburg - Mission MSA		Texas
Employment Growth 2007 (Percent Change)	3.8		3.0
Unemployment Rate 2007 (Percent Change)	6.6		4.3
Net Job Change in 2007	7,600		305,900
2007 Employment Growth by Sector (Percent Change)			
Natural Resources and Mining and Construction	3.7		7.5
Manufacturing	-1.2		0.9
Trade, Transportation, and Utilities	5.8		2.9
Information	6.9		-0.7
Financial Activities	4.8		3.0
Professional and Business Services	4.4		5.3
Educational and Health Services	6.1		3.1
Leisure and Hospitality	3.4		3.9
Government	1.0		0.9

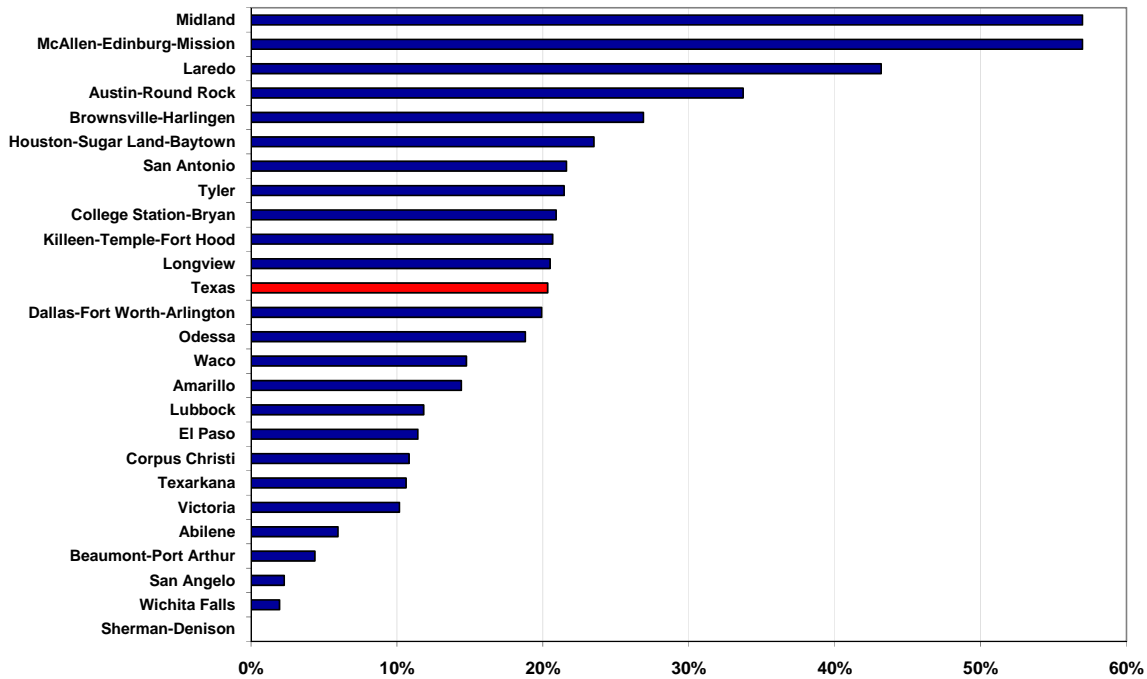
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

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
El Paso	243,100	270,900	11.4
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
Texas	8,608,500	10,359,200	20.3
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

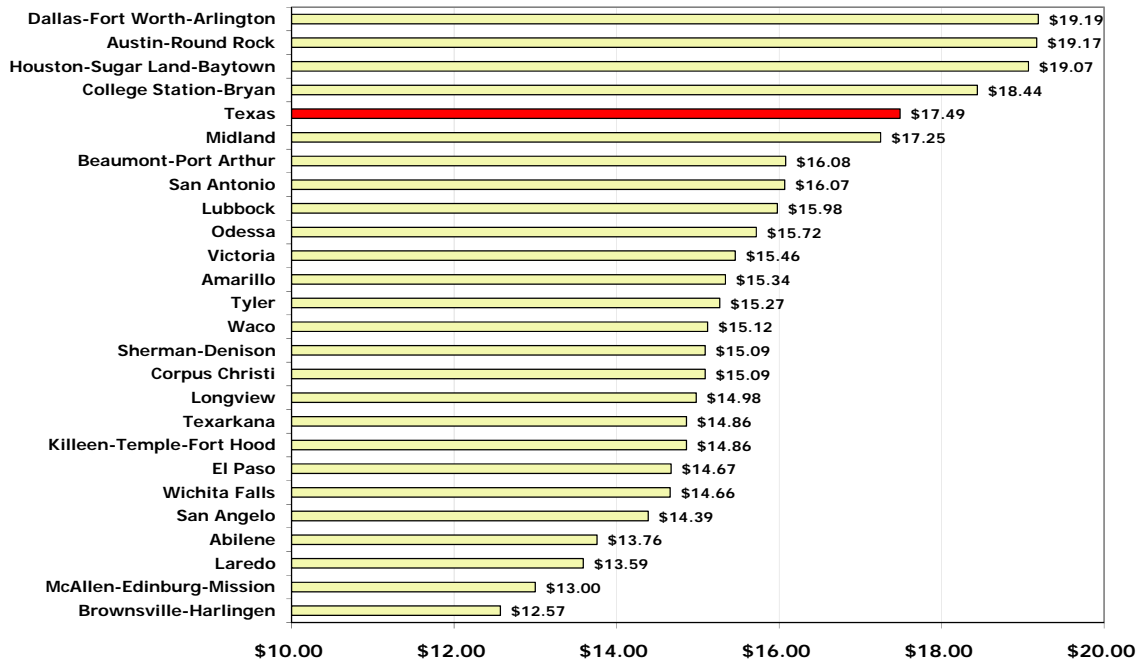
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Metropolitan Area Nonfarm Employment Change
1997-2007



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

Average Hourly Wage
2006



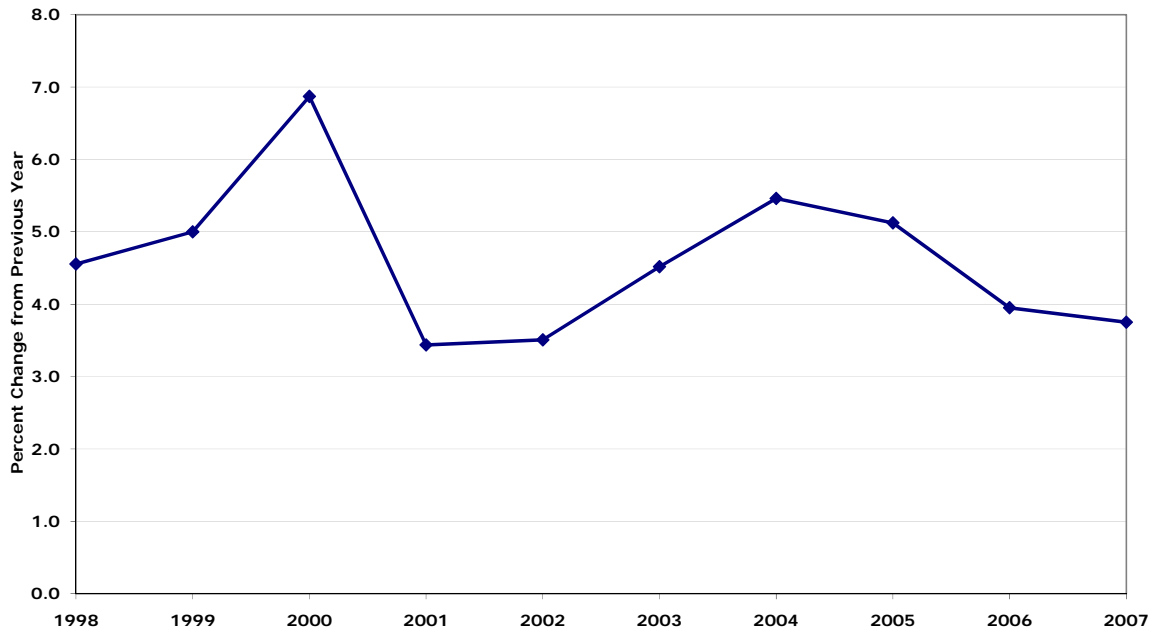
Source: Texas Workforce Commission

**McAllen-Edinburg-Mission MSA
Nonfarm Employment**

Year	Employment	Percent Change
1997	133,900	-
1998	140,000	4.6
1999	147,000	5.0
2000	157,100	6.9
2001	162,500	3.4
2002	168,200	3.5
2003	175,800	4.5
2004	185,400	5.5
2005	194,900	5.1
2006	202,600	4.0
2007	210,200	3.8

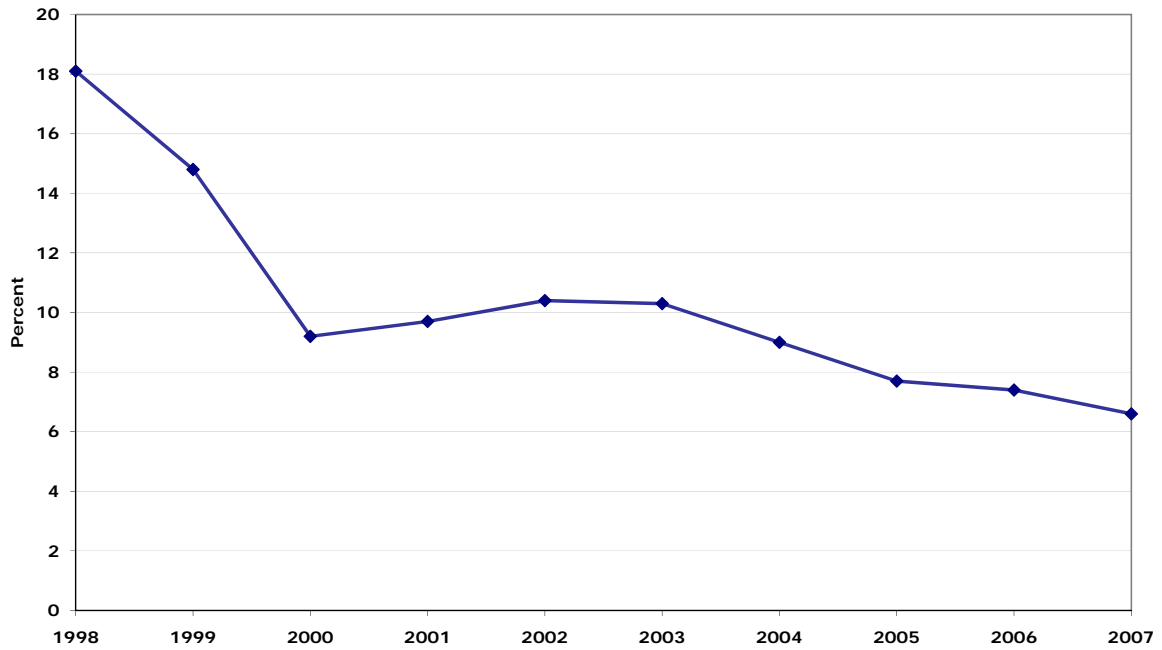
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Nonfarm Employment Growth
McAllen-Edinburg-Mission MSA**



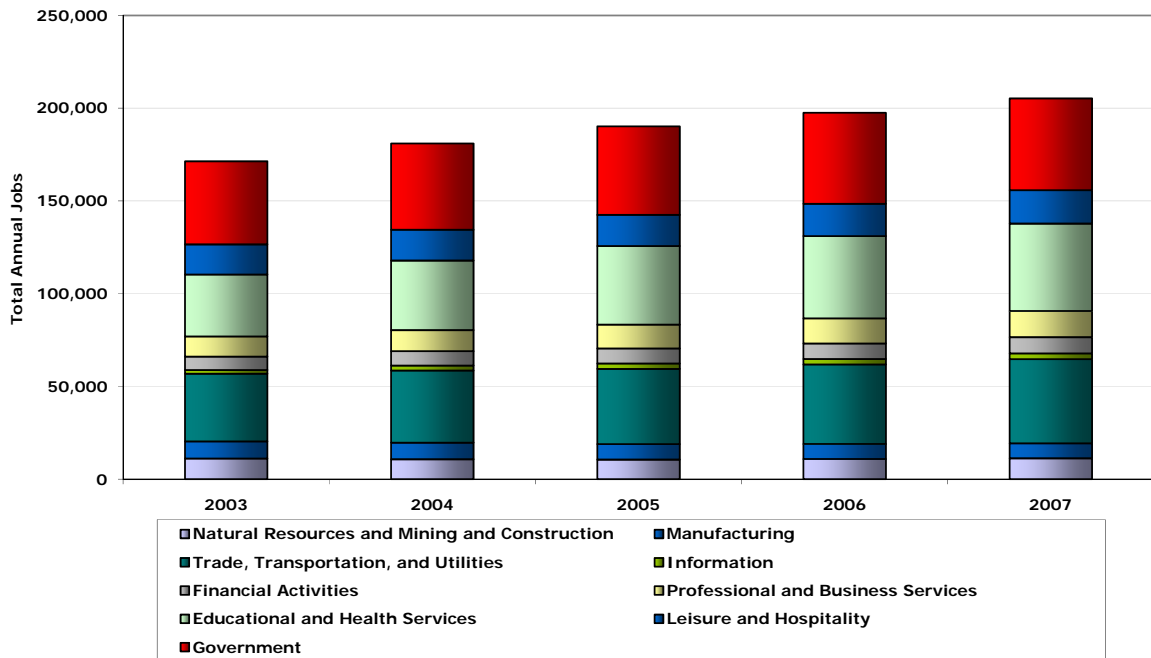
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

McAllen-Edinburg-Mission MSA
Unemployment Rate



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

Distribution of Employment in Major Categories
McAllen-Edinburg-Mission MSA



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

McAllen-Edinburg-Mission Market Overview 2008 Economy

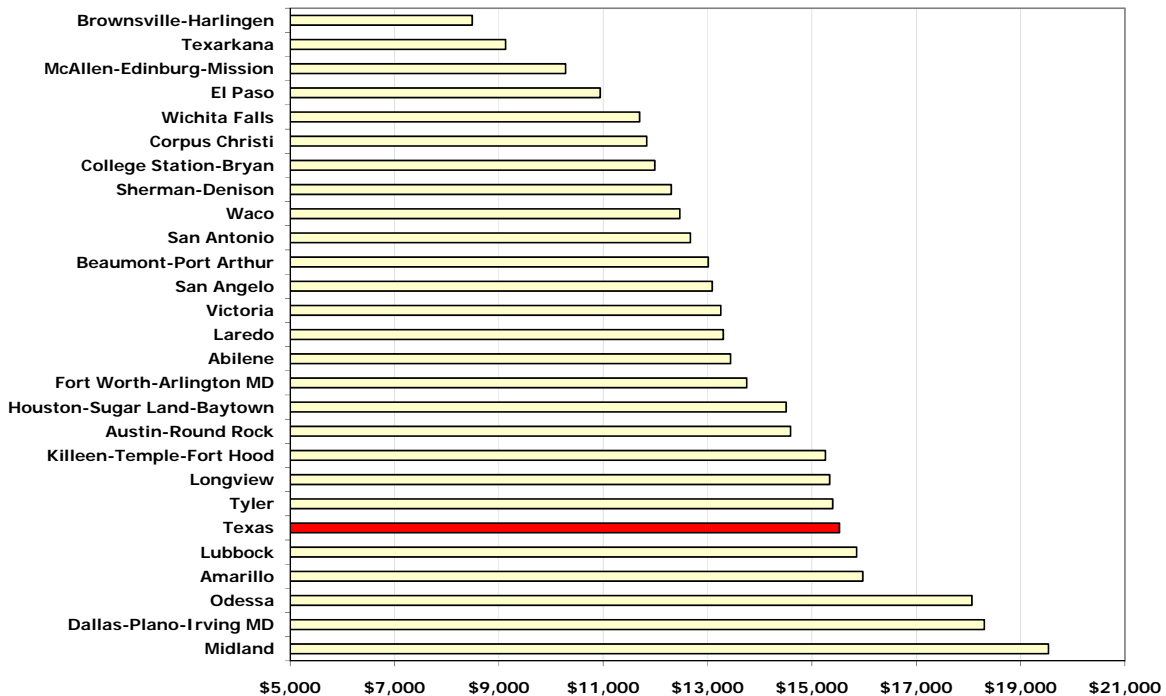
**McAllen-Edinburg-Mission MSA
Gross Retail Sales**

Year	Total Sales	Sales per Capita
1996	\$3,446,623,401	\$6,847
1997	\$3,595,914,796	\$6,917
1998	\$3,848,590,916	\$7,154
1999	\$4,445,761,386	\$7,998
2000	\$4,961,009,854	\$8,712
2001	\$5,310,783,628	\$8,983
2002	\$5,209,486,401	\$8,502
2003	\$5,794,656,086	\$9,120
2004	\$6,228,852,788	\$9,476
2005	\$6,597,597,923	\$9,727
2006	\$7,202,344,290	\$10,280
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

McAllen-Edinburg-Mission Market Overview 2008 Infrastructure

McAllen Airline Activity

McAllen International Airport (MFE)	2003	2004	2005	2006	2007
Enplaned passengers	284,567	317,806	368,492	407,143	426,418

Source: McAllen-Miller International Airport

Border Crossings^{*, **}

	2003	2004	2005	2006	2007
Vehicle Crossings^{***}					
Northbound	8,716,430	8,782,304	8,495,437	8,289,702	7,167,800
Southbound	8,400,718	8,347,306	8,161,998	7,976,342	7,663,103
Total	17,117,148	17,129,610	16,657,435	16,266,044	14,830,903
Pedestrian Crossings					
Northbound	2,944,263	2,868,457	2,915,271	3,231,386	2,625,363
Southbound	2,575,248	2,658,716	2,625,526	2,839,492	2,813,037
Total	5,519,511	5,527,173	5,540,797	6,070,878	5,438,400
Truck Crossings^{****}					
Northbound	425,635	477,415	507,696	489,358	483,022
Southbound	354,031	416,190	435,954	444,593	484,298
Total	779,666	893,605	943,650	933,951	967,320

* Includes McAllen, Pharr and Progreso bridges where applicable

** 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.

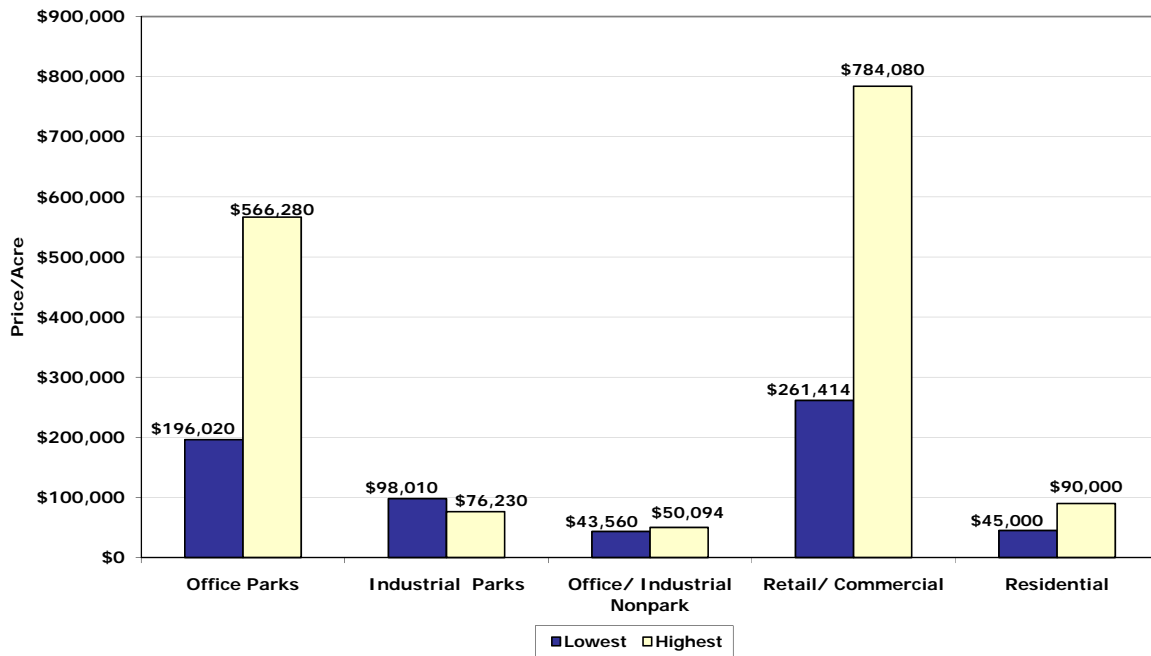
*** Does not include 2 to 6 axle commercial trucks

**** 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

McAllen-Edinburg-Mission Market Overview 2008 Development Land

**Development Land
McAllen/Mission, Year-End 2007**



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2008

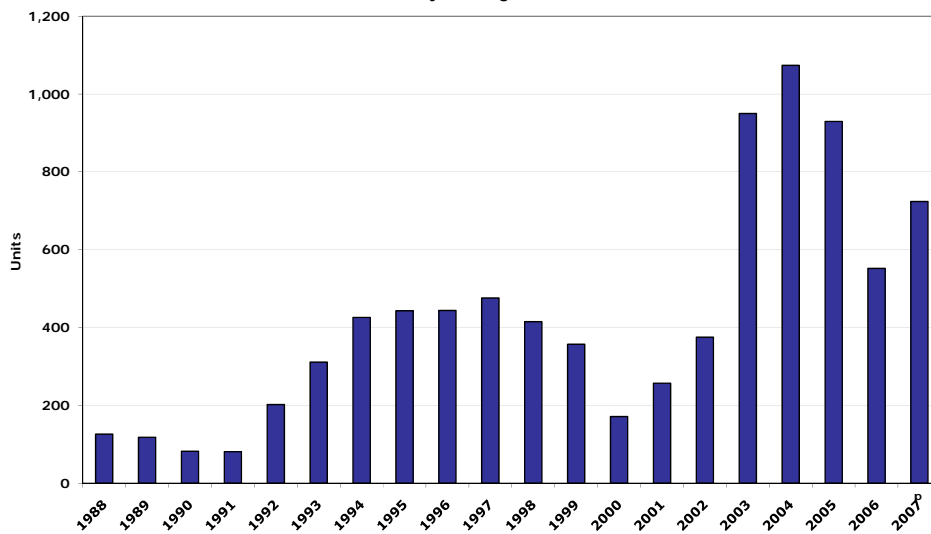
Multifamily

Rio Grande Valley Apartment Statistics 2007

	Rio Grande Valley	Texas Metro Average
Average rent per square foot	\$0.62	\$0.80
Average rent for units built since 2000	\$0.62	\$0.89
Average occupancy	95.2%	92.8%
Average occupancy for units built since 2000	95.8%	93.8%

Source: Apartment MarketData Research

McAllen-Edinburg-Mission MSA
Multifamily Building Permits
5+ Multifamily Building Permits



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

2007 figure is a preliminary number.

McAllen-Edinburg-Mission Market Overview 2008 Housing

2007 Housing Affordability Index

MLS	2007 Median- Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First-Time Homebuyers**
McAllen	\$111,700	\$28,163	\$27,700	0.98	0.71
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.

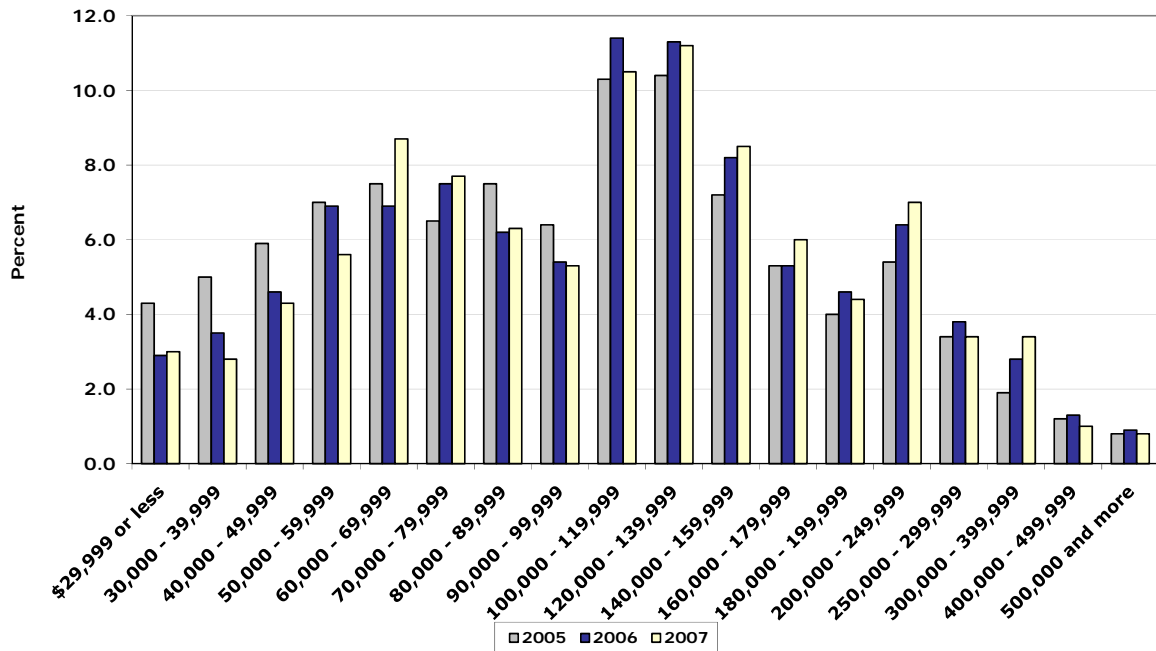
Source: Real Estate Center at Texas A&M University

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

Price Range	2001	2002	2003	2004	2005	2006	2007
\$29,999 or less	5.8	5.4	5.1	4.2	4.3	2.9	3.0
30,000 - 39,999	6.0	4.9	6.0	4.9	5.0	3.5	2.8
40,000 - 49,999	7.1	5.9	5.9	7.1	5.9	4.6	4.3
50,000 - 59,999	7.2	7.7	8.2	7.2	7.0	6.9	5.6
60,000 - 69,999	9.1	8.2	8.0	6.7	7.5	6.9	8.7
70,000 - 79,999	10.0	8.4	6.9	7.4	6.5	7.5	7.7
80,000 - 89,999	11.8	12.4	9.4	8.3	7.5	6.2	6.3
90,000 - 99,999	7.2	6.8	7.7	8.5	6.4	5.4	5.3
100,000 - 119,999	8.7	9.7	9.7	10.9	10.3	11.4	10.5
120,000 - 139,999	8.2	9.9	9.5	8.7	10.4	11.3	11.2
140,000 - 159,999	4.0	5.0	5.6	6.6	7.2	8.2	8.5
160,000 - 179,999	3.0	3.3	4.5	5.3	5.3	5.3	6.0
180,000 - 199,999	3.0	3.1	3.7	3.6	4.0	4.6	4.4
200,000 - 249,999	5.0	4.0	3.9	4.0	5.4	6.4	7.0
250,000 - 299,999	2.2	2.8	2.7	3.5	3.4	3.8	3.4
300,000 - 399,999	0.5	1.2	1.8	1.9	1.9	2.8	3.4
400,000 - 499,999	0.7	1.0	0.9	0.9	1.2	1.3	1.0
500,000 and more	0.3	0.4	0.5	0.5	0.8	0.9	0.8

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold
McAllen Area



Source: Real Estate Center at Texas A&M University

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

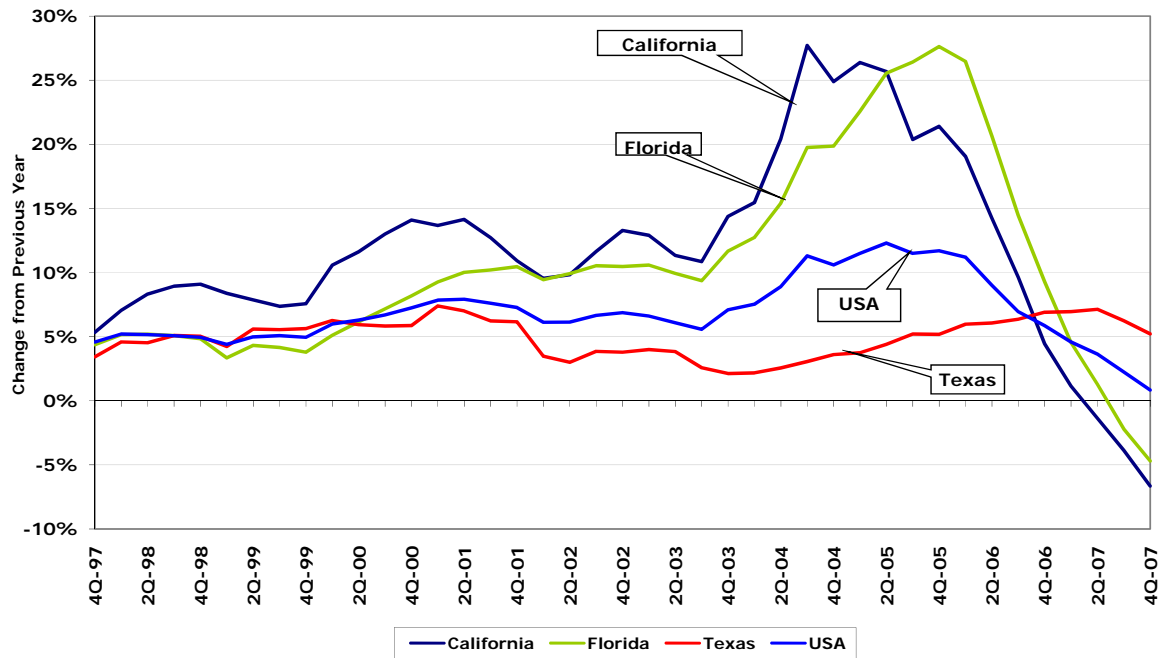
McAllen	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of McAllen	0.4213
McAllen ISD	1.1450
Total	\$2.16
Edinburg	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Edinburg	0.6350
Edinburg ISD	1.1152
Total	\$2.34
Mission	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Mission	0.5566
Mission ISD	1.1800
Total	\$2.33
Pharr	
Taxing Entity*	Tax Rate per \$100 Valuation
Hidalgo County	0.5900
City of Pharr	0.6831
Pharr ISD	1.2113
Total	\$2.48

* 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.hidalgoad.org/Hidalgo/rates.html>

Source: Hidalgo County Appraisal District

National Home Price Appreciation

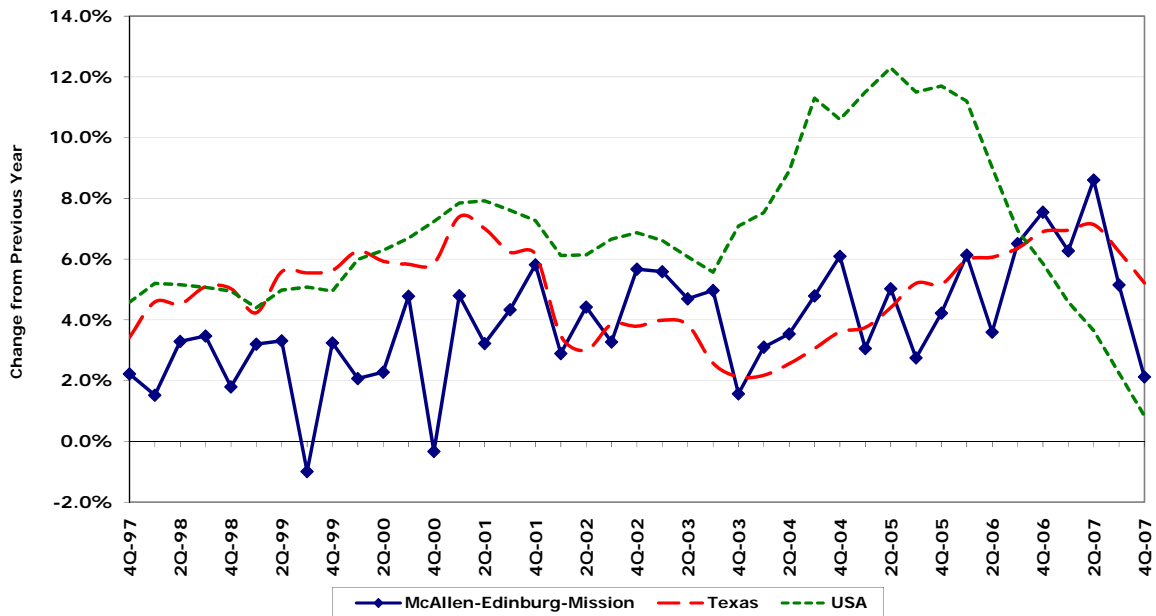
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

**Home Price Appreciation
McAllen-Edinburg-Mission 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

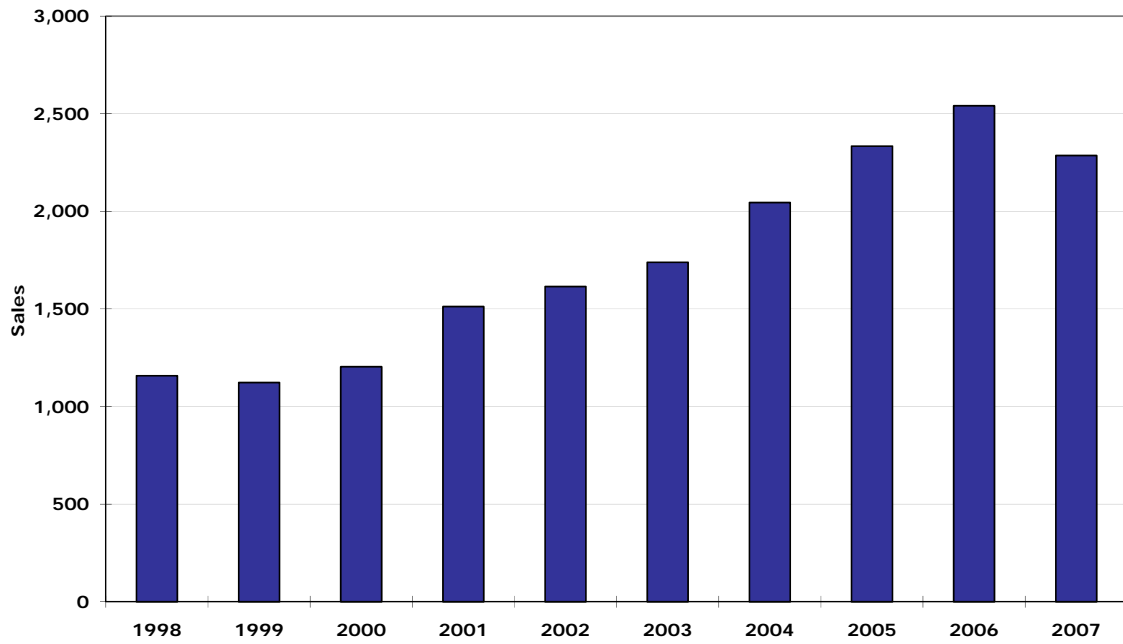
2005 Occupied Housing Unit Characteristics

Housing Unit Characteristics	McAllen - Edinburg - Mission 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	136,672	58,451	195,123	5,162,604	2,815,491	7,978,095
Household Size						
1-person household	12.3%	17.4%	13.8%	19.1%	35.0%	24.7%
2-person household	25.7%	18.0%	23.4%	34.2%	25.8%	31.2%
3-person household	16.9%	17.8%	17.2%	17.2%	16.0%	16.8%
4-or-more-person household	45.1%	46.8%	45.6%	29.5%	23.2%	27.3%
Race and Hispanic or Latino Origin of Householder						
One Race						
White	71.7%	63.9%	69.4%	79.0%	66.2%	74.5%
Black or African American	0.2%	0.9%	0.4%	8.2%	17.9%	11.6%
American Indian and Alaska Native	0.4%	1.1%	0.6%	0.5%	0.6%	0.6%
Asian	0.7%	0.6%	0.7%	2.9%	3.1%	3.0%
Native Hawaiian and Other Pacific Islander	-	-	0.0%	0.0%	0.1%	0.0%
Some other race	26.5%	32.9%	28.4%	8.3%	10.8%	9.2%
Two or more races	0.4%	0.7%	0.5%	1.0%	1.4%	1.2%
Age of Householder						
Under 35 years	17.1%	48.0%	26.4%	14.4%	46.3%	25.6%
35 to 44 years	22.2%	22.0%	22.2%	21.9%	21.4%	21.7%
45 to 54 years	21.9%	10.2%	18.4%	24.1%	15.4%	21.0%
55 to 64 years	16.0%	6.9%	13.3%	18.1%	8.3%	14.7%
65 to 74 years	10.6%	7.4%	9.7%	11.9%	4.2%	9.2%
75 to 84 years	8.7%	4.4%	7.4%	7.6%	3.1%	6.1%
85 years and over	3.4%	1.0%	2.7%	2.0%	1.3%	1.8%
Units in Structure						
1, detached	82.0%	42.9%	70.3%	87.5%	28.3%	66.6%
1, attached	1.9%	2.6%	2.1%	2.3%	3.6%	2.8%
2 apartments	0.2%	10.4%	3.2%	0.3%	4.9%	1.9%
3 or 4 apartments	0.3%	10.8%	3.5%	0.4%	8.8%	3.3%
5 to 9 apartments	0.4%	10.7%	3.5%	0.3%	13.8%	5.1%
10 or more apartments	0.6%	12.8%	4.2%	0.7%	35.1%	12.9%
Mobile home or other type of housing	14.5%	9.9%	13.1%	8.5%	5.6%	7.5%
Year Structure Built						
2000 or later	18.1%	15.9%	17.5%	13.7%	10.9%	12.7%
1990 to 1999	28.7%	27.8%	28.4%	18.6%	14.8%	17.2%
1980 to 1989	24.1%	18.7%	22.5%	18.7%	22.5%	20.1%
1960 to 1979	21.1%	27.9%	23.1%	28.7%	35.0%	30.9%
1940 to 1959	6.5%	7.0%	6.7%	15.4%	12.4%	14.3%
1939 or earlier	1.4%	2.7%	1.8%	4.9%	4.5%	4.8%
Bedrooms						
No bedroom	0.4%	1.4%	0.7%	0.2%	1.5%	0.6%
1 bedroom	5.7%	20.6%	10.2%	2.1%	32.6%	12.9%
2 or 3 bedrooms	74.7%	70.0%	73.3%	70.8%	61.7%	67.6%
4 or more bedrooms	19.1%	8.0%	15.8%	26.8%	4.2%	18.9%
Annual Household Income and Housing Costs*						
Median household income (dollars)	\$29,491	\$16,310	\$24,501	\$54,610	\$26,782	\$42,139
Annual Median Housing Costs (dollars)	\$5,748	\$6,372	\$6,036	\$10,536	\$8,052	\$9,108
Housing Costs as a percentage of household income	19.5%	39.1%	24.6%	19.3%	30.1%	21.6%

* in 2005 inflation-adjusted dollars

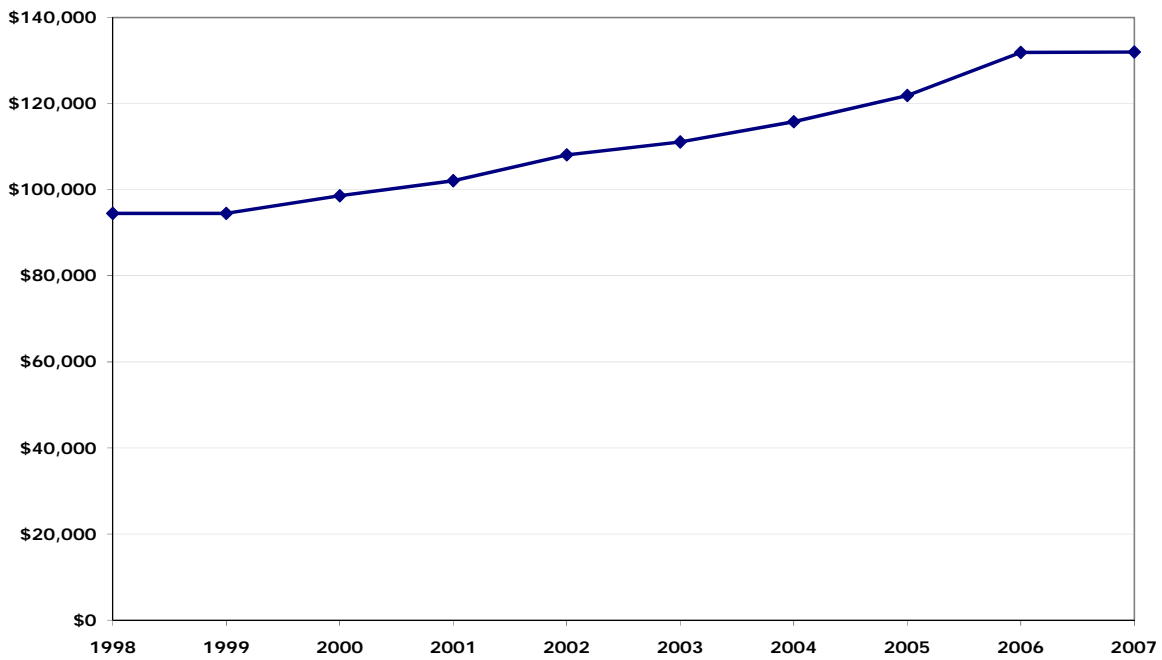
Source: U.S. Census Bureau 2005 and Real Estate Center at Texas A&M University

Yearly Homes Sales
McAllen-Edinburg-Mission MLS



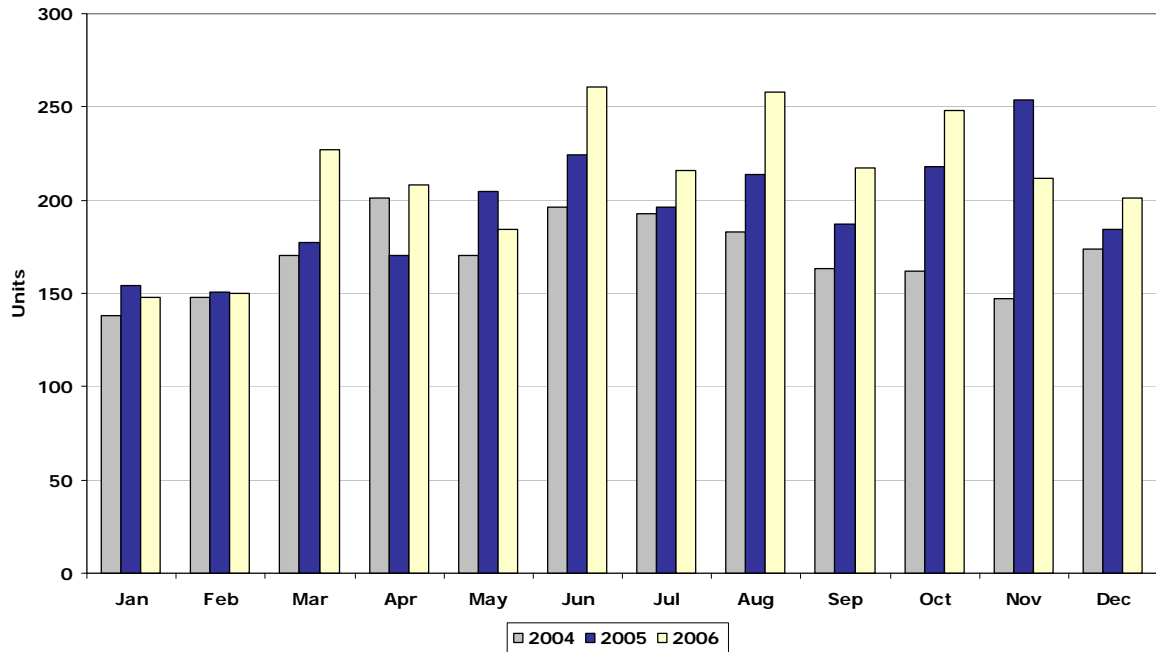
Source: Real Estate Center at Texas A&M University

Average Sales Price
McAllen-Edinburg-Mission MLS



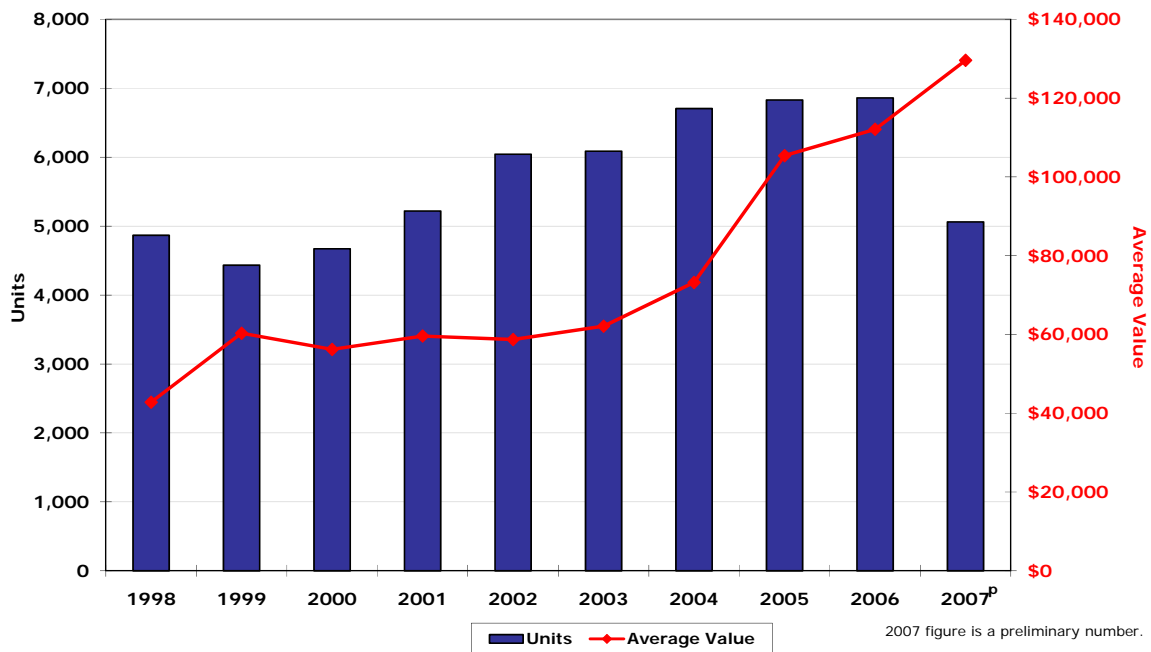
Source: Real Estate Center at Texas A&M University

Single-Family Homes Sales Volume
McAllen MLS



Source: Real Estate Center at Texas A&M University

Single-Family Building Permits and Average Value
McAllen-Edinburg-Mission MSA



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

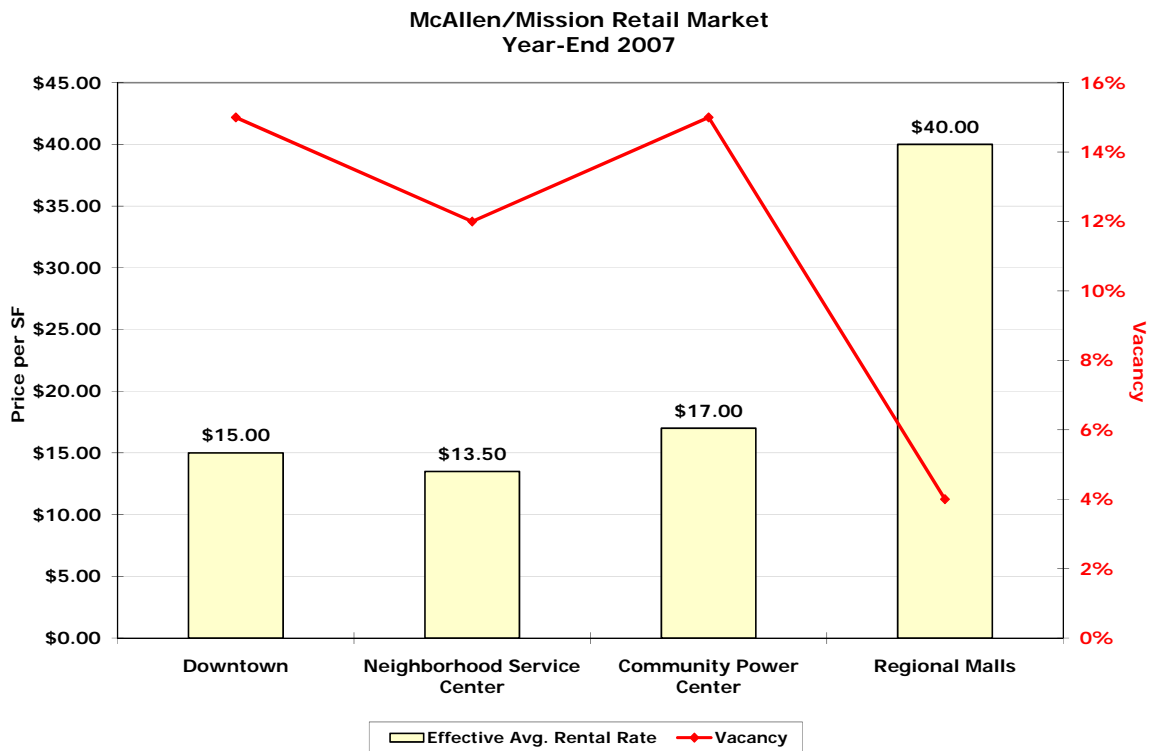
McAllen-Edinburg-Mission Market Overview 2008

Retail

Summary of Retail Market Indicators (McAllen/Edinburg/Mission) - Year-End 2007
(Rent/Square foot/Year)

Retail	Low	High	Effective Avg.	Vacancy
Downtown	\$12.00	\$18.00	\$15.00	15%
Neighborhood Service Center	\$12.00	\$15.00	\$13.50	12%
Community Power Center	\$12.00	\$22.00	\$17.00	15%
Regional Malls	\$25.00	\$55.00	\$40.00	4%

Source: NAI Rio Grande Valley



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2008 Hotel

Hotel* Occupancy and Rental Rates

	2006		2007	
	McAllen - Edinburg - Mission	Texas	McAllen - Edinburg - Mission	Texas
# Rooms 000's	6.3	339.9	6.5	349.7
Average daily rate	\$66.63	\$80.74	\$71.25	\$85.28
Occupancy rate (in percent)	57.7	61.3	58.7	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

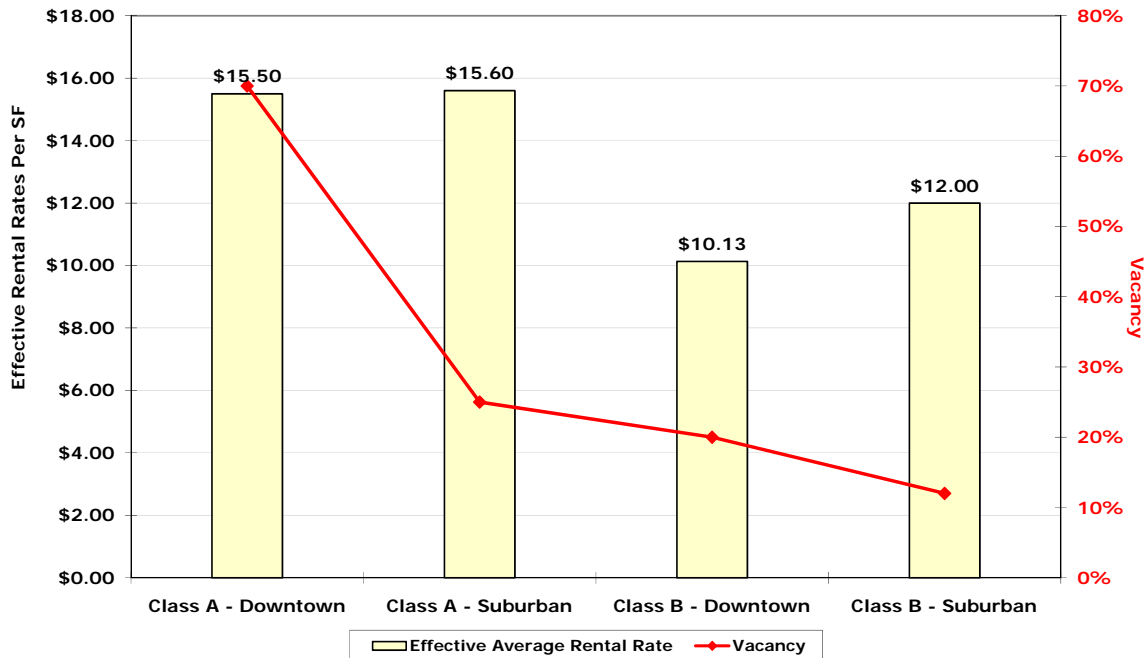
McAllen-Edinburg-Mission Market Overview 2008 Office

**Summary of Office Market Indicators (McAllen/Mission) - Year-End 2007
(Rent/Square Foot/Year)**

Office Market	Low	High	Effective Avg.	Vacancy
<i>Downtown Office</i>				
New Construction	N/A	N/A	N/A	N/A
Class A	\$12.00	\$19.00	\$15.50	70%
Class B	\$9.00	\$11.25	\$10.13	20%
<i>Suburban Office</i>				
New Construction	\$12.00	\$21.00	\$16.50	15%
Class A	\$12.00	\$19.20	\$15.60	25%
Class B	\$9.00	\$15.00	\$12.00	12%

Source: NAI Rio Grande Valley

**McAllen/Mission Office Market
Year-End 2007**



Source: NAI Rio Grande Valley

McAllen-Edinburg-Mission Market Overview 2008 Industrial

Summary of Industrial Market Indicators (McAllen/Mission) - Year-End 2007
(Rent/Square foot/Year)

Industrial	Low	High	Effective Avg.	Vacancy (approximately)
Bulk Warehouse	\$3.30	\$5.25	\$4.28	15%
Manufacturing	\$4.25	\$5.25	\$4.75	6%
Flex	\$5.00	\$13.00	\$9.00	10%

Source: NAI Rio Grande Valley

McAllen/Mission Industrial Market

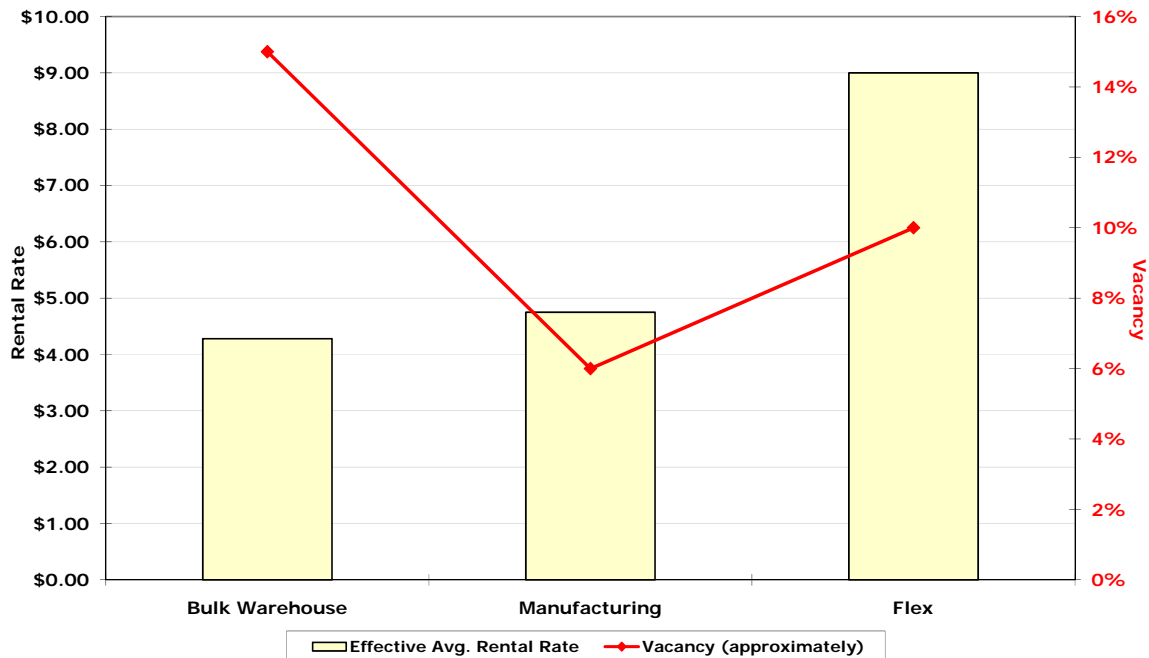
Industrial	2007
Vacancy Rate	6.6%
Absorbed*	950,000
Under Construction*	461,000
Rental Rate**	\$4.32

* Square feet; includes owner-occupied

** Weighted average asking rent/SF/year Triple Net

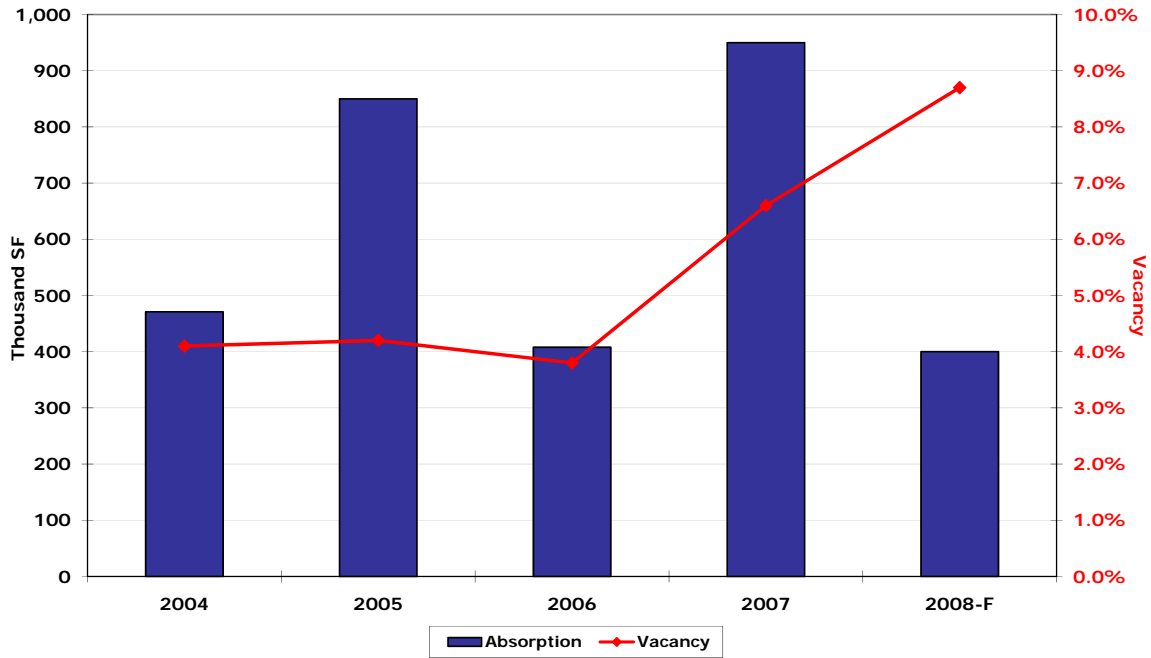
Source: Grubb & Ellis | Best/White, LLC

McAllen/Mission Industrial Market
Year-End 2007



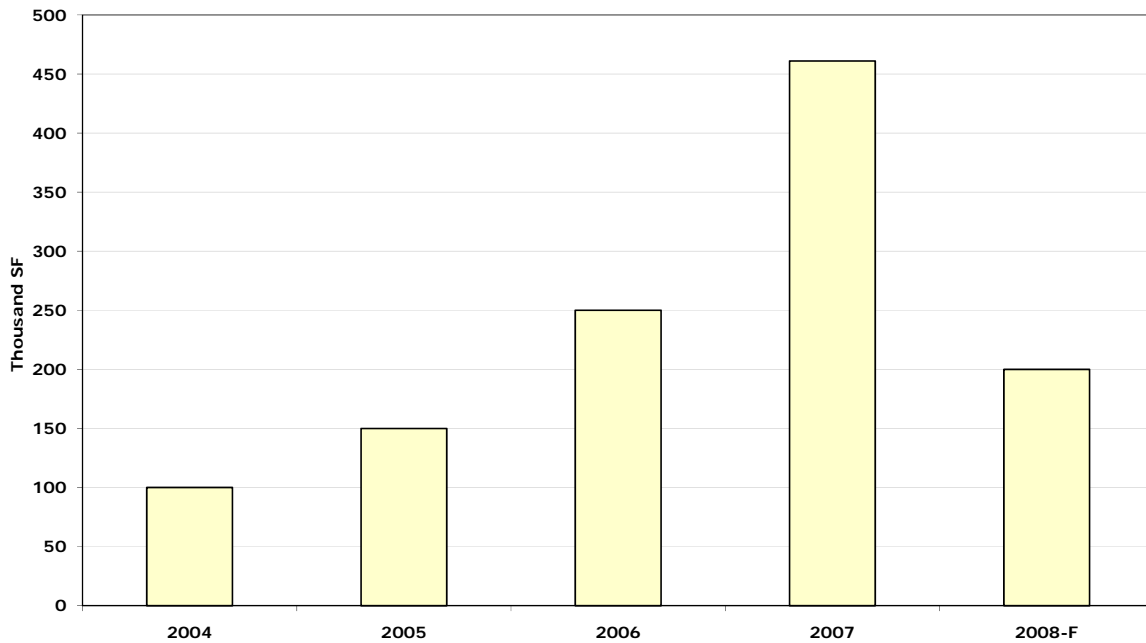
Source: NAI Rio Grande Valley

McAllen/Mission Industrial Market
Vacancy and Absorption Forecast



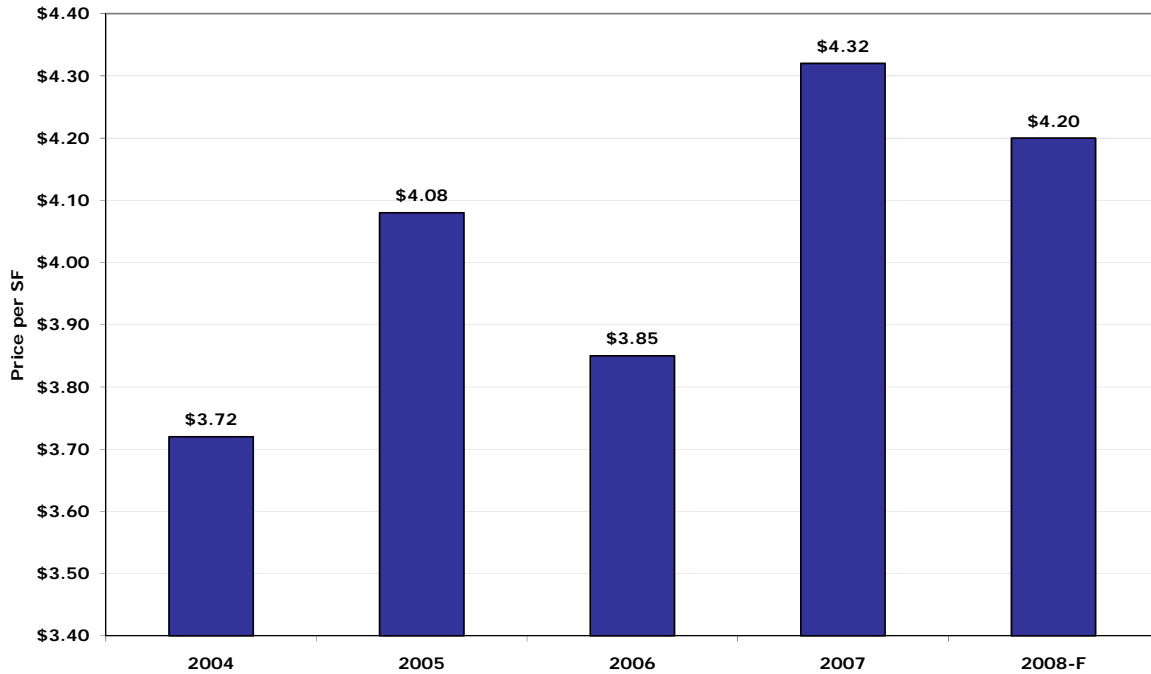
Source: Grubb & Ellis and Best/White, LLC

McAllen/Mission Industrial Market
SF Under Construction Forecast



Source: Grubb & Ellis and Best/White, LLC

McAllen Industrial Market Overview
Asking Rental Rates* Forecast, \$/SF/Yr. NNN, Year End



Source: Grubb & Ellis and Best/White, LLC

* Warehouse Distribution Space

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Report compiled by:

Administrative Coordinator
Edith Craig

Market Research Analyst
Beth Thomas, MRE

Technical Consultant
Blake Lacy, LERE

Coordinator Assistant
Kory Merten

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

