

Real Estate Market Overview 2007

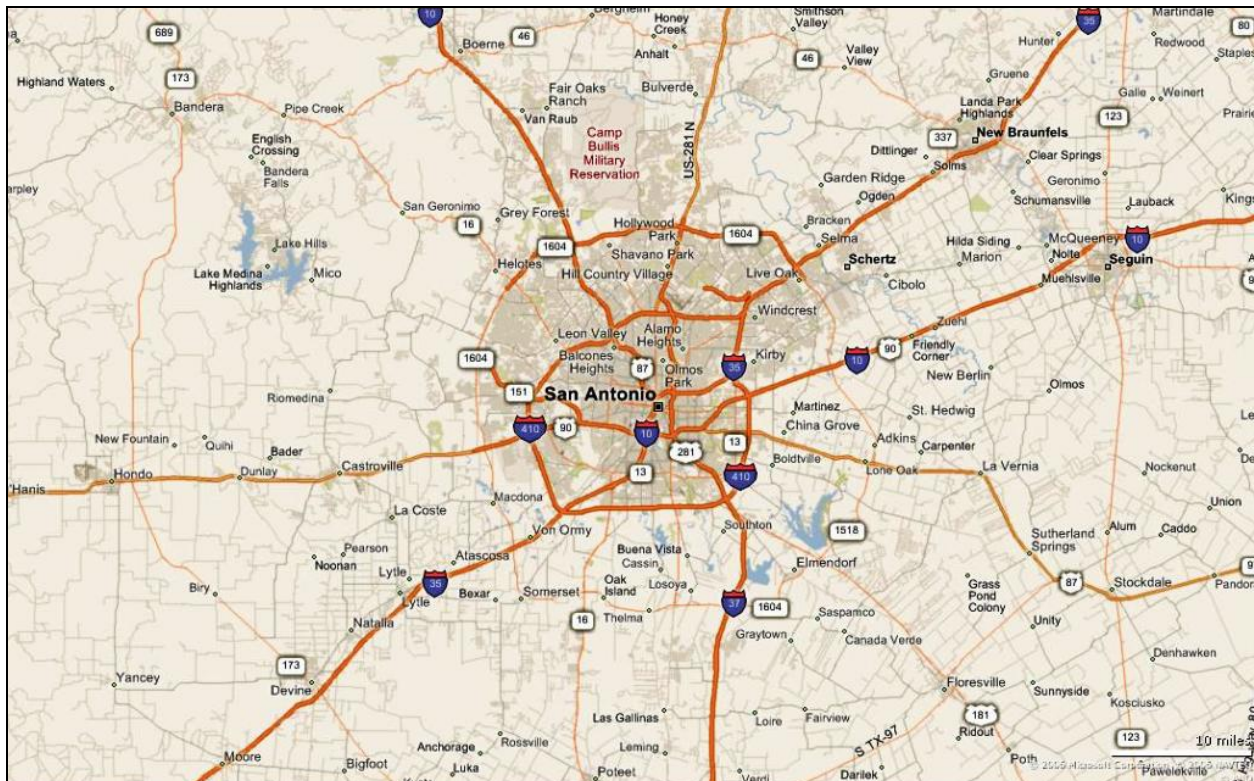
San Antonio

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
2006 Population Density	264.6 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.

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



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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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San Antonio Market Overview 2007 Demographics

San Antonio MSA Population*

Year	Population	Percent Change
1996	1,599,427	-
1997	1,628,676	1.8
1998	1,659,847	1.9
1999	1,689,009	1.8
2000	1,711,703	1.3
2001	1,745,833	2.0
2002	1,781,107	2.0
2003	1,815,379	1.9
2004	1,852,508	2.0
2005	1,889,797	2.0
2006	1,942,217	2.8

* July 1 population estimates

Source: U.S. Census Bureau

County Population* Growth

County	1996	2006	Growth 1996-2006 (in percent)
Atascosa	34,934	43,876	25.6
Bandera	14,521	20,203	39.1
Bexar	1,321,863	1,555,592	17.7
Comal	67,170	101,181	50.6
Guadalupe	76,944	108,410	40.9
Kendall	20,473	30,213	47.6
Medina	35,203	43,913	24.7
Wilson	28,319	38,829	37.1

* 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)
Converse	8,887	11,508	29.5
New Braunfels	27,334	36,494	33.5
San Antonio	935,933	1,114,646	19.1
Schertz	10,555	18,694	77.1
Seguin	18,853	22,011	16.8
Universal City	13,057	14,849	13.7

Source: U.S. Census Bureau

Texas Metropolitan Area Population* Change

Metropolitan Area	1996	2006	Percent Change
Austin-Round Rock	1,073,037	1,513,565	41.1
McAllen-Edinburg-Mission	503,411	700,634	39.2
Laredo	171,583	231,470	34.9
Dallas-Fort Worth-Arlington	4,627,649	6,003,967	29.7
Houston-Sugar Land-Baytown	4,334,020	5,539,949	27.8
Brownsville-Harlingen	312,086	387,717	24.2
San Antonio	1,599,427	1,942,217	21.4
Texas	19,340,342	22,859,968	18.2
Tyler	166,087	194,635	17.2
Sherman-Denison	102,993	118,478	15.0
El Paso	656,482	736,310	12.2
College Station-Bryan	172,341	192,152	11.5
Amarillo	217,579	241,515	11.0
Killeen-Temple-Fort Hood	318,613	351,322	10.3
Waco	205,894	226,189	9.9
Midland	114,412	124,380	8.7
Longview	190,556	203,367	6.7
Lubbock	247,099	261,411	5.8
Texarkana	127,694	134,510	5.3
Victoria	108,636	114,088	5.0
Odessa	121,519	127,462	4.9
Corpus Christi	398,529	415,810	4.3
San Angelo	104,574	105,752	1.1
Abilene	156,351	158,063	1.1
Beaumont-Port Arthur	380,417	379,640	-0.2
Wichita Falls	151,170	145,528	-3.7

* July 1 population estimates

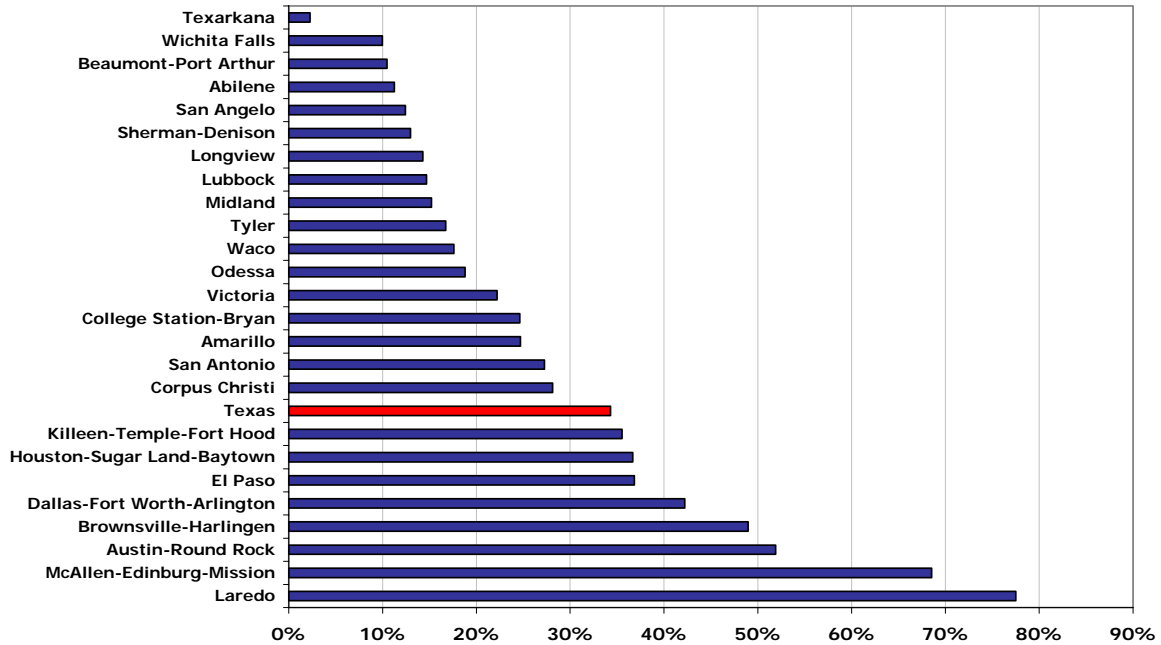
Source: U.S. Census Bureau

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	1,833,252	-
2010	1,952,482	2,053,382
2015	2,068,511	-
2020	2,178,130	2,405,053
2025	2,278,399	-
2030	2,368,499	2,741,694
2035	2,446,493	-
2040	2,512,021	3,029,300

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

	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)

San Antonio Market Overview 2007 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
Atascosa	32.0	18.6	4.1	6.9	2.7	0.1
Bandera	31.9	27.3	6.1	13.6	4.0	0.8
Bexar	24.3	23.9	6.0	14.3	5.6	0.8
Comal	28.4	24.1	5.1	17.5	6.4	0.5
Guadalupe	30.1	22.9	6.0	13.1	4.6	0.6
Kendall	23.1	26.3	4.7	20.6	7.3	1.0
Medina	33.4	21.1	4.4	9.3	3.1	0.4
Wilson	34.0	21.2	5.7	9.9	2.3	0.2
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 (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	2002	2003	2004	2005	2006
Alamo CCD NW Vista College	7,099	7,929	8,809	9,151	9,807
Alamo CCD Palo Alto College	7,055	7,727	7,960	8,065	8,036
Alamo CCD San Antonio College	21,481	22,109	22,141	21,555	21,750
Alamo CCD St. Philips College	9,329	9,880	10,575	10,187	9,895
Our Lady of the Lake University	3,395	3,245	3,025	2,872	2,783
St. Mary's University	3,820	3,964	3,931	3,774	3,798
Trinity University	2,621	2,648	2,639	2,674	2,594
U.T. San Antonio	22,016	24,665	26,175	27,291	28,379
University of the Incarnate Word	4,077	4,333	4,698	5,031	5,388

Source: Texas Higher Education Coordinating Board

San Antonio Market Overview 2007 Employment

Top Ten Employers

Employer	Sector	Employees
Lackland Air Force Base	Military	40,540
Fort Sam Houston	Military	25,018
Randolph Air Force Base	Military	15,492
H-E-B Food Stores	Grocery	14,588
USAA	Insurance	14,258
Northside I.S.D.	Education	11,315
City of San Antonio	Government	9,813
North East I.S.D.	Education	8,358
San Antonio I.S.D.	Education	8,000
Methodist Healthcare System	Health Care	7,200

Source: San Antonio Economic Development Foundation Jan-2007

Top Ten Private Employers

Employer	Sector	Employees
H-E-B Food Stores	Grocery	14,588
USAA	Insurance	14,258
Methodist Healthcare System	Health care	7,200
AT&T	Telecommunications	6,500
Wachovia	Financial services	3,200
B.J. Tidwell Industries Inc.	Wood kitchen cabinets	3,050
Citibank	Bank services	3,000
Valero Energy Corporation	Energy Services	3,000
Southwest Research Institute	Applied research	3,000
JP Morgan Chase	Financial services	2,500

Source: San Antonio Economic Development Foundation Jan-2007

San Antonio MSA Nonfarm Employment

Year	Employment	Percent Change
1996	658,300	-
1997	684,400	4.0
1998	705,500	3.1
1999	727,500	3.1
2000	745,200	2.4
2001	753,300	1.1
2002	754,100	0.1
2003	751,400	-0.4
2004	760,000	1.1
2005	779,900	2.6
2006	811,300	4.0

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

Employment Growth by Industry

	San Antonio MSA	Texas
Employment Growth 2006 (Percent Change)	4.0	3.3
Unemployment Rate 2006 (Percent Change)	4.6	4.9
Net Job Change in 2006	31,400	318,300
<u>2006 Employment Growth by Sector (Percent Change)</u>		
Natural Resources and Mining and Construction	6.0	7.5
Manufacturing	5.7	3.2
Trade, Transportation, and Utilities	2.6	2.5
Information	-0.5	-0.4
Financial Activities	3.2	2.6
Professional and Business Services	7.8	6.0
Educational and Health Services	5.0	2.8
Leisure and Hospitality	4.6	3.9
Government	1.7	1.7

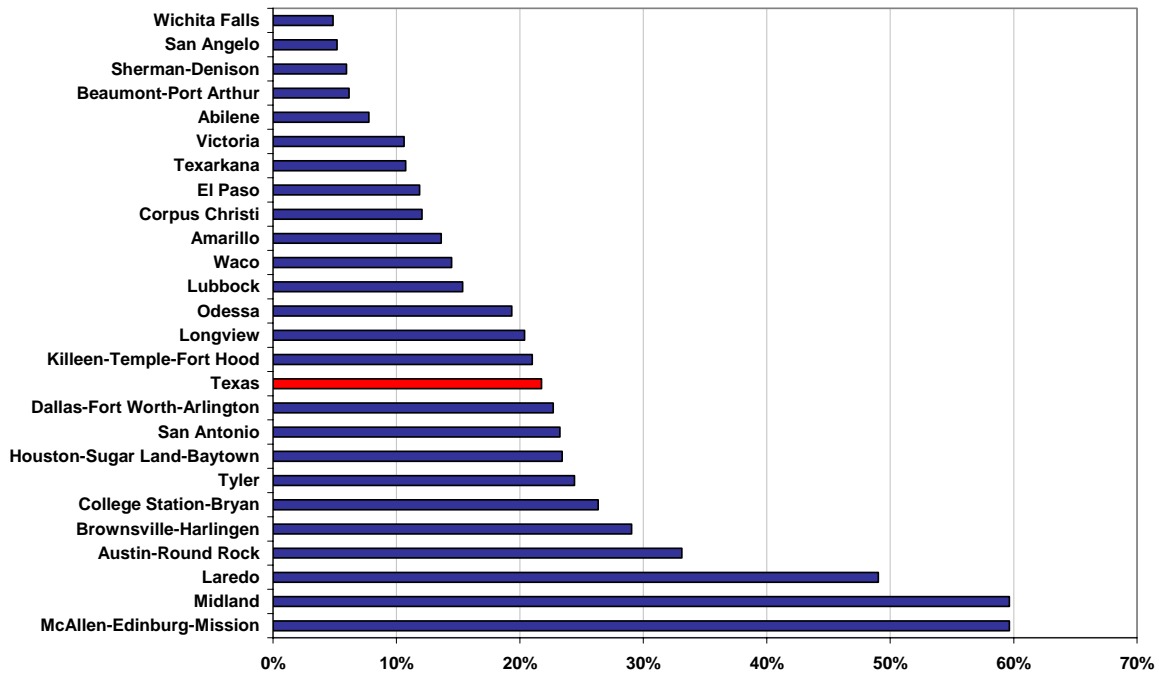
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Texas Metropolitan Area Nonfarm Employment Change

Metropolitan Area	1996	2006	Percent Change
McAllen-Edinburg-Mission	126,900	202,600	59.7
Midland	126,900	202,600	59.7
Laredo	56,500	84,200	49.0
Austin-Round Rock	540,900	720,000	33.1
Brownsville-Harlingen	94,000	121,300	29.0
College Station-Bryan	71,400	90,200	26.3
Tyler	73,700	91,700	24.4
Killeen-Temple-Fort Hood	97,600	118,100	21.0
Dallas-Fort Worth-Arlington	2,331,600	2,860,800	22.7
San Antonio	658,300	811,300	23.2
Longview	76,100	91,600	20.4
Houston-Sugar Land-Baytown	1,981,700	2,446,000	23.4
Texas	8,257,900	10,053,300	21.7
Lubbock	111,300	128,400	15.4
Waco	92,600	106,000	14.5
Corpus Christi	155,100	173,800	12.1
Odessa	48,100	57,400	19.3
Amarillo	96,900	110,100	13.6
Victoria	45,200	50,000	10.6
El Paso	236,700	264,800	11.9
Texarkana	50,300	55,700	10.7
Sherman-Denison	42,000	44,500	6.0
Abilene	60,600	65,300	7.8
San Angelo	42,500	44,700	5.2
Wichita Falls	59,600	62,500	4.9
Beaumont-Port Arthur	151,200	160,500	6.2

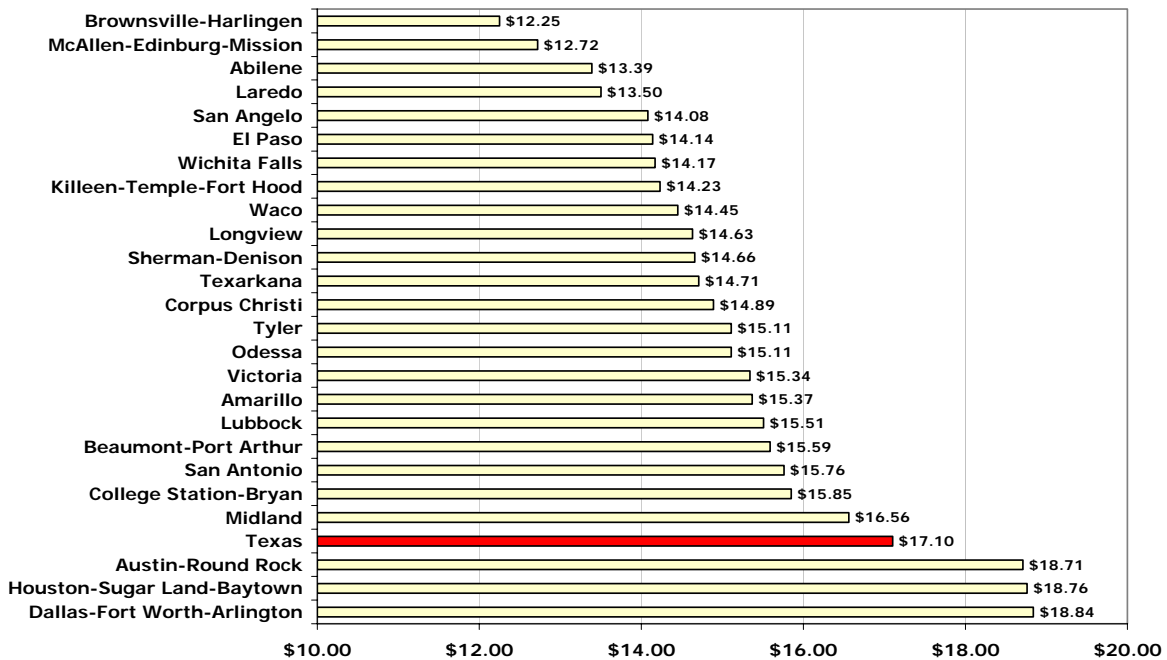
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Metropolitan Area Nonfarm Employment Change
1996-2006**



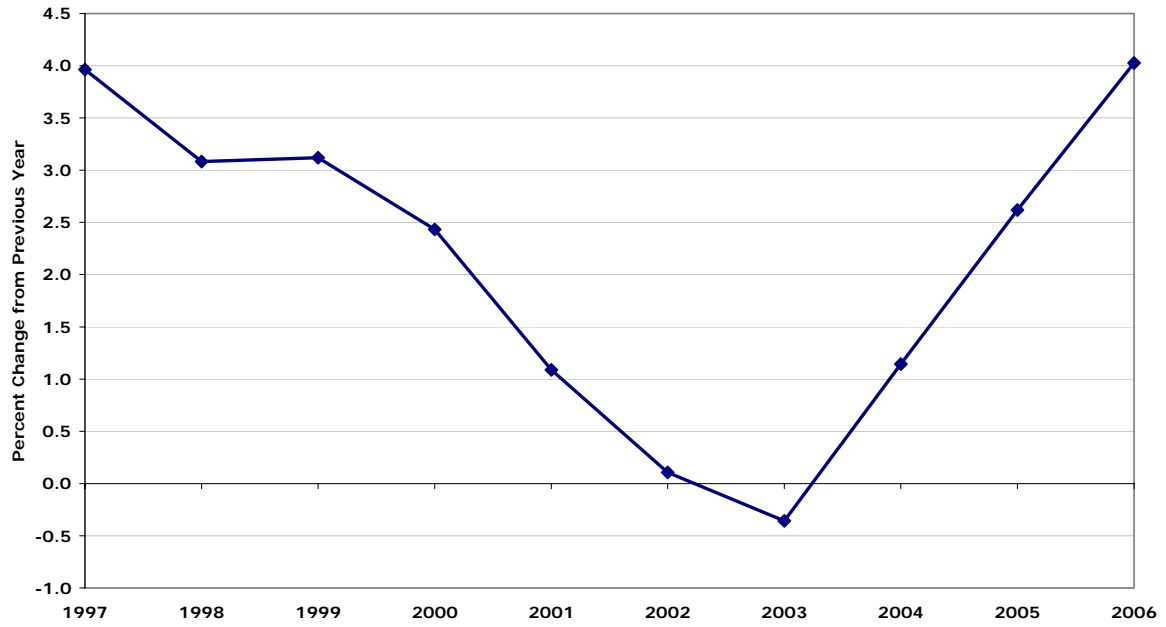
Source: Texas Workforce Commission and Real Estate Center

**Average Hourly Wage
2005**



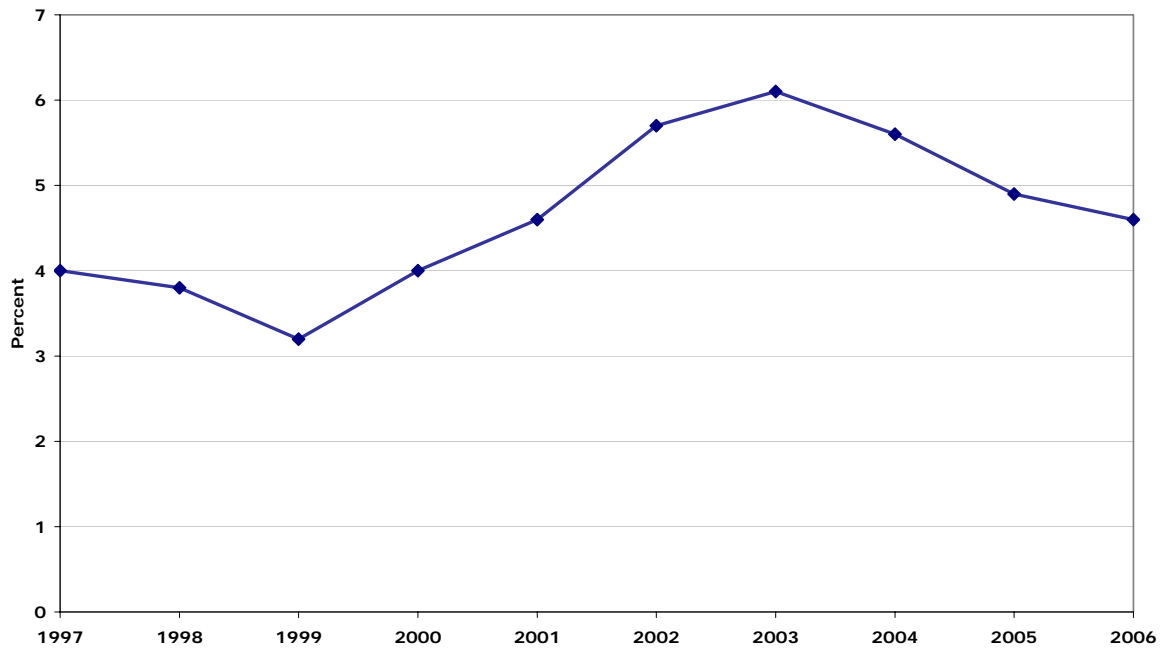
Source: Texas Workforce Commission

Nonfarm Employment Growth San Antonio MSA



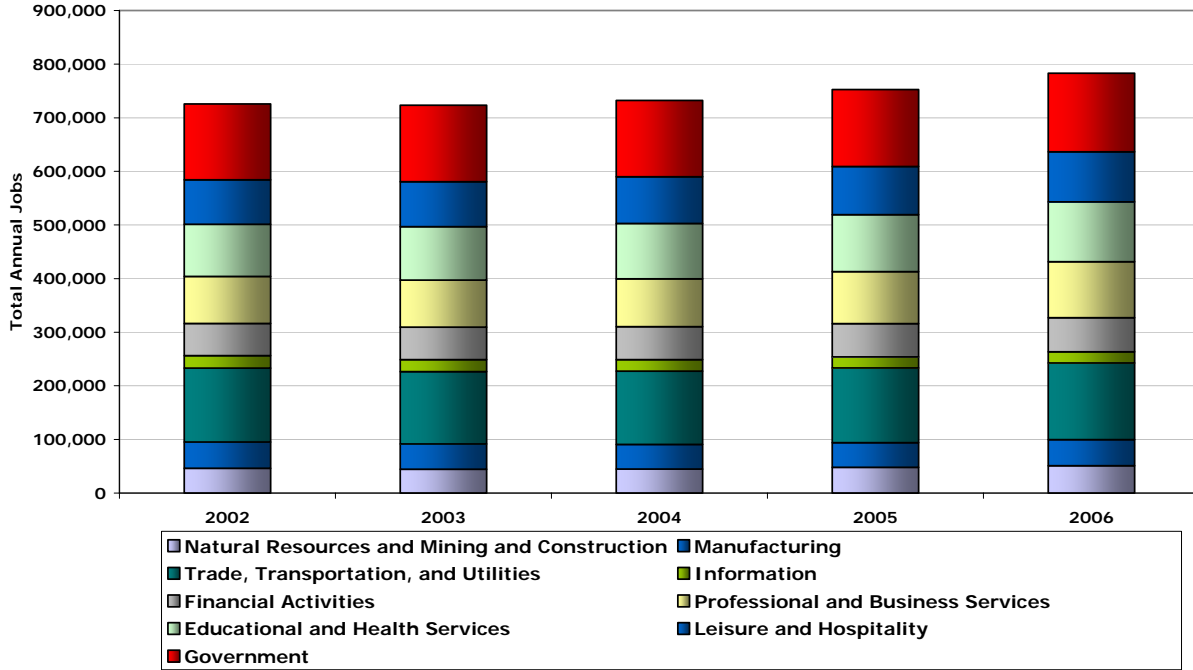
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

San Antonio MSA Unemployment Rate



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

**Distribution of Employment in Major Categories
 San Antonio MSA**



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

San Antonio Market Overview 2007 Economy

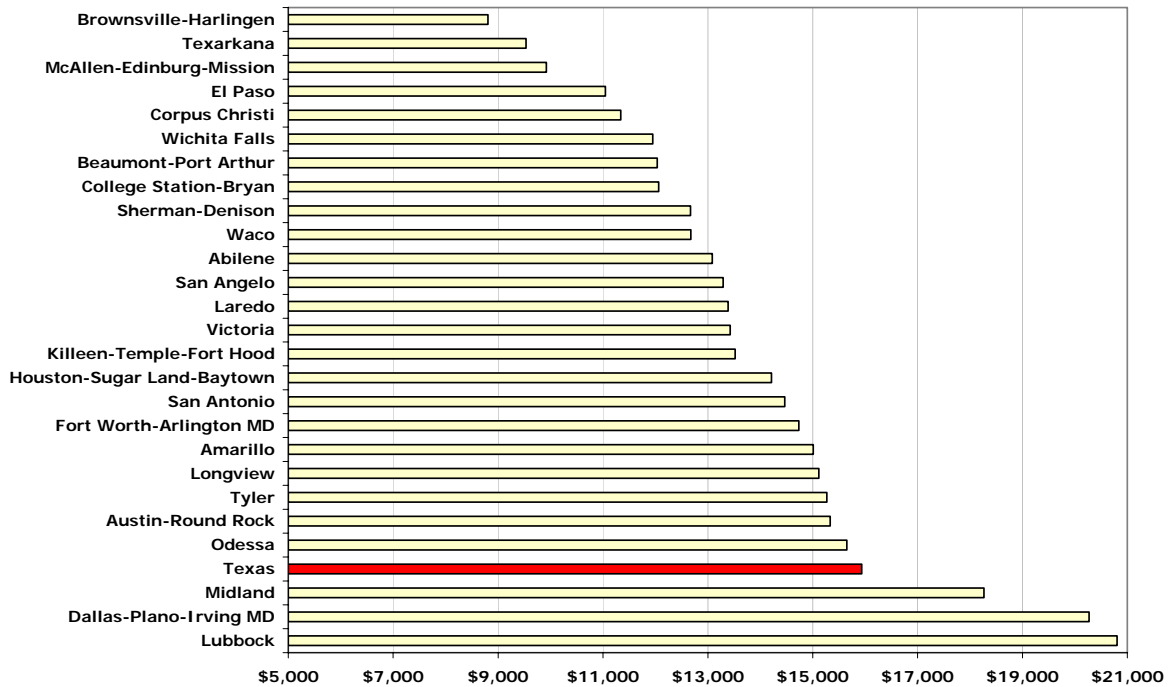
San Antonio MSA Gross Retail Sales

Year	Total Sales	Sales per Capita
1995	\$16,561,997,569	#N/A
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	\$13,561
2002	\$21,607,720,481	\$12,132
2003	\$23,769,242,821	\$13,093
2004	\$25,115,478,111	\$13,558
2005	\$27,339,599,177	\$14,467
State Average 2005:		\$15,935

* 2006 data not available as of April 15, 2007.

Source: Texas Comptroller's Office

**Gross Retail Sales per Capita
 2005**



Source: Texas Comptroller's Office

San Antonio Market Overview 2007 Infrastructure

San Antonio Airline Boardings

Airport	2002	2003	2004	2005	2006
San Antonio International Airport					
Enplaned	3,349,283	3,250,911	3,498,972	3,708,351	4,002,641
Deplaned	3,365,333	3,285,385	3,500,200	3,717,632	4,028,764
Total	6,714,616	6,536,296	6,999,172	7,425,983	8,031,405

Source: San Antonio International Airport

Airport Domestic Cargo Statistics (in pounds)

Airport	2002	2003	2004	2005	2006
San Antonio International Airport	82,447,287	79,357,043	78,212,386	79,508,937	89,739,219

Source: San Antonio International Airport

San Antonio Market Overview 2007

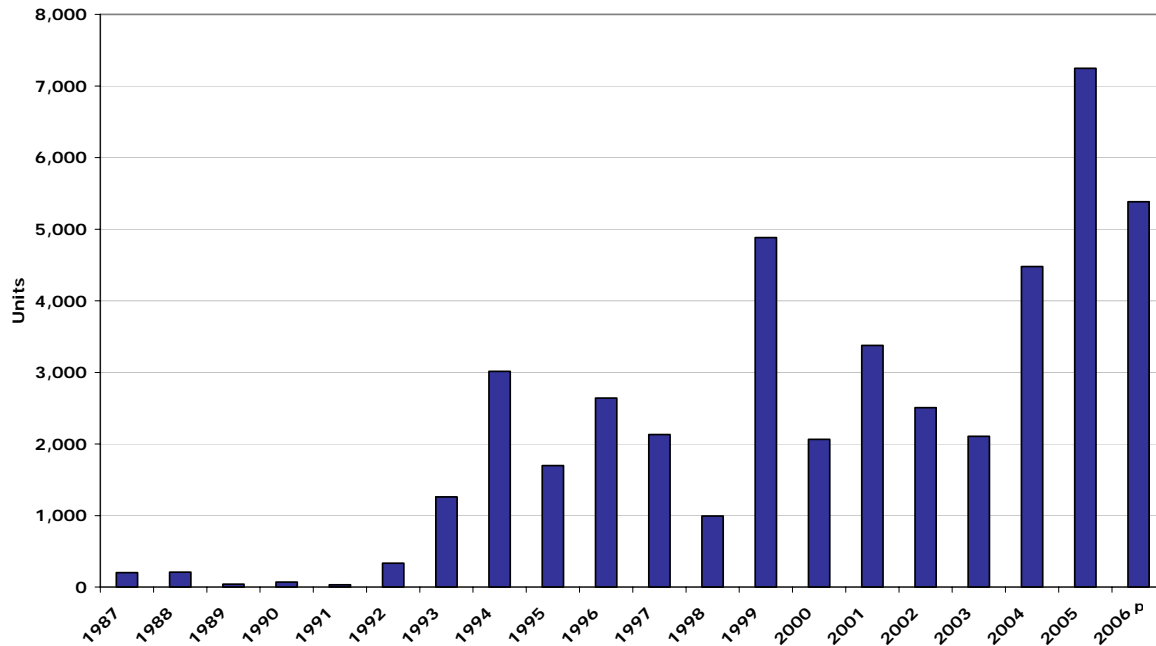
Multifamily

San Antonio Apartment Statistics 2006

	San Antonio	Texas Metro Average
Average rent per square foot	\$0.77	\$0.77
Average rent for units built since 2000	\$0.85	\$0.86
Average occupancy	93.8%	92.8%
Average occupancy for units built since 2000	94.2%	94.1%

Source: Apartment MarketData Research

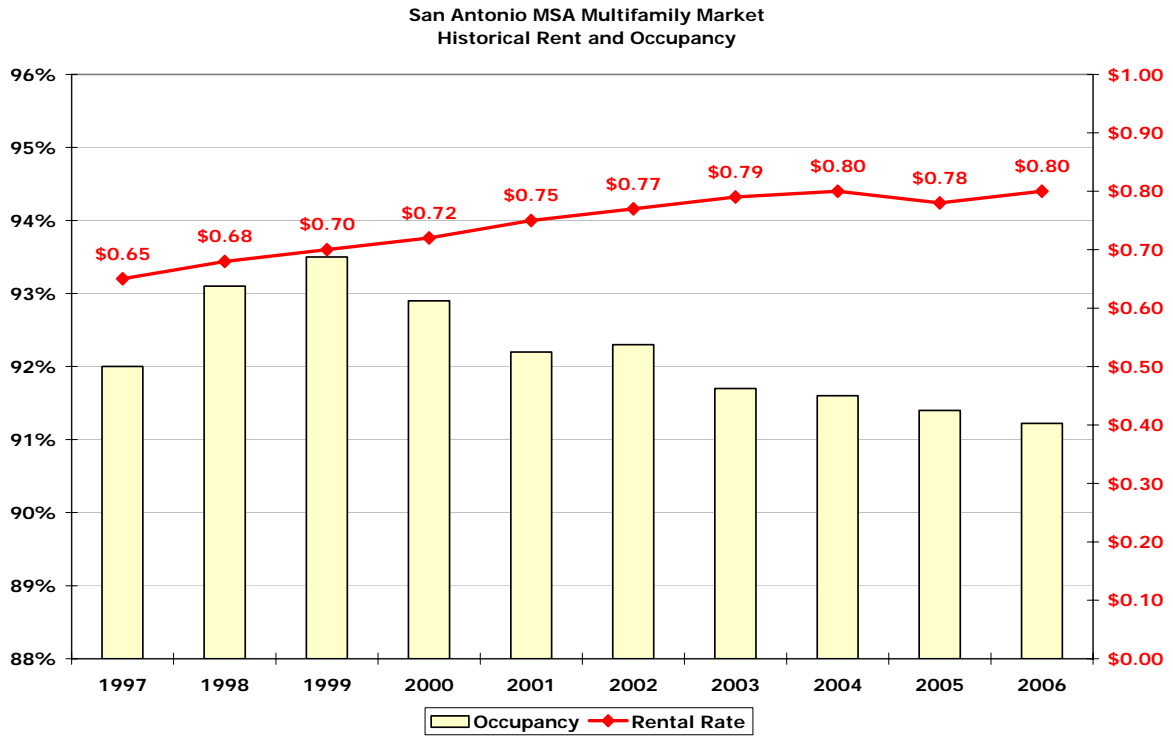
**San Antonio MSA
 Multifamily Building Permits
 5+ Multifamily Building Permits**



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

2006 figure is a preliminary number.

Real Estate Center Market Overview 2007
 San Antonio, TX



Source: Austin Investor Interests www.apartmenttrends.com

San Antonio Market Overview 2007 Housing

2006 Housing Affordability Index

MLS	2006 Median- Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First-Time Homebuyers**
San Antonio	\$140,100	\$35,324	\$53,100	1.50	1.01
State	\$143,000	\$35,179	\$54,300	1.54	1.05
US	\$221,900	\$54,139	\$59,600	1.10	0.62

* 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.

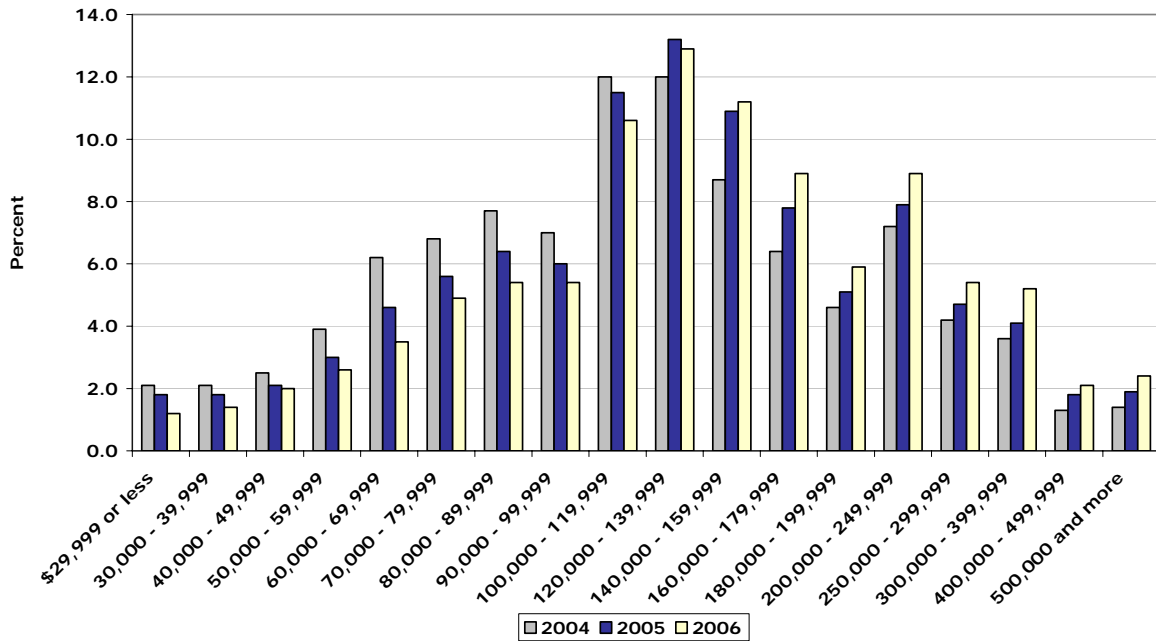
Source: Real Estate Center at Texas A&M University

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

Price Range	2000	2001	2002	2003	2004	2005	2006
\$29,999 or less	2.6	2.5	2.6	2.2	2.1	1.8	1.2
30,000 - 39,999	3.3	2.7	2.5	2.5	2.1	1.8	1.4
40,000 - 49,999	5.5	4.0	3.6	3.2	2.5	2.1	2.0
50,000 - 59,999	8.1	6.9	5.8	4.8	3.9	3.0	2.6
60,000 - 69,999	9.5	8.6	7.5	6.5	6.2	4.6	3.5
70,000 - 79,999	9.3	9.1	8.2	7.4	6.8	5.6	4.9
80,000 - 89,999	9.2	9.7	8.8	8.2	7.7	6.4	5.4
90,000 - 99,999	7.1	7.1	7.0	7.1	7.0	6.0	5.4
100,000 - 119,999	10.4	11.0	11.7	11.6	12.0	11.5	10.6
120,000 - 139,999	9.1	10.3	10.8	11.9	12.0	13.2	12.9
140,000 - 159,999	6.2	6.9	7.6	7.8	8.7	10.9	11.2
160,000 - 179,999	4.4	5.3	5.9	6.2	6.4	7.8	8.9
180,000 - 199,999	3.4	3.6	3.8	4.1	4.6	5.1	5.9
200,000 - 249,999	4.9	4.9	5.8	6.7	7.2	7.9	8.9
250,000 - 299,999	2.6	2.8	3.2	4.0	4.2	4.7	5.4
300,000 - 399,999	2.4	2.5	2.9	3.5	3.6	4.1	5.2
400,000 - 499,999	1.1	1.0	1.0	1.1	1.3	1.8	2.1
500,000 and more	0.9	1.0	1.2	1.2	1.4	1.9	2.4

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold
San Antonio Area



Source: Real Estate Center at Texas A&M University

Property Tax Rates, 2006
County, Major City, Major School District

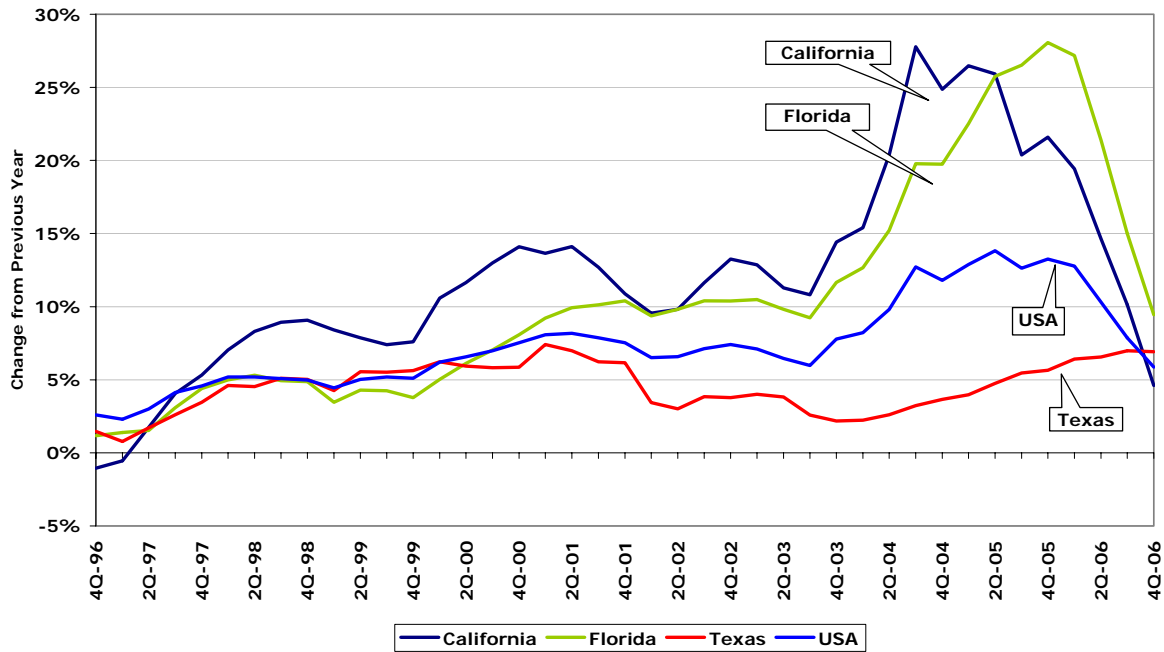
Taxing Entity*	Tax Rate per \$100 Valuation
San Antonio	
City of San Antonio	0.5785
San Antonio ISD	1.5797
Bexar County	0.3141
Total	\$2.47
New Braunfels	
City of New Braunfels	0.4099
New Braunfels ISD	1.6525
Comal County	0.2651
Total	\$2.33
Seguin	
City of Seguin	0.4814
Seguin ISD	1.5351
Guadalupe County	0.3481
Total	\$2.36

* 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, Comal, and Guadalupe County Appraisal Districts

National Home Price Appreciation

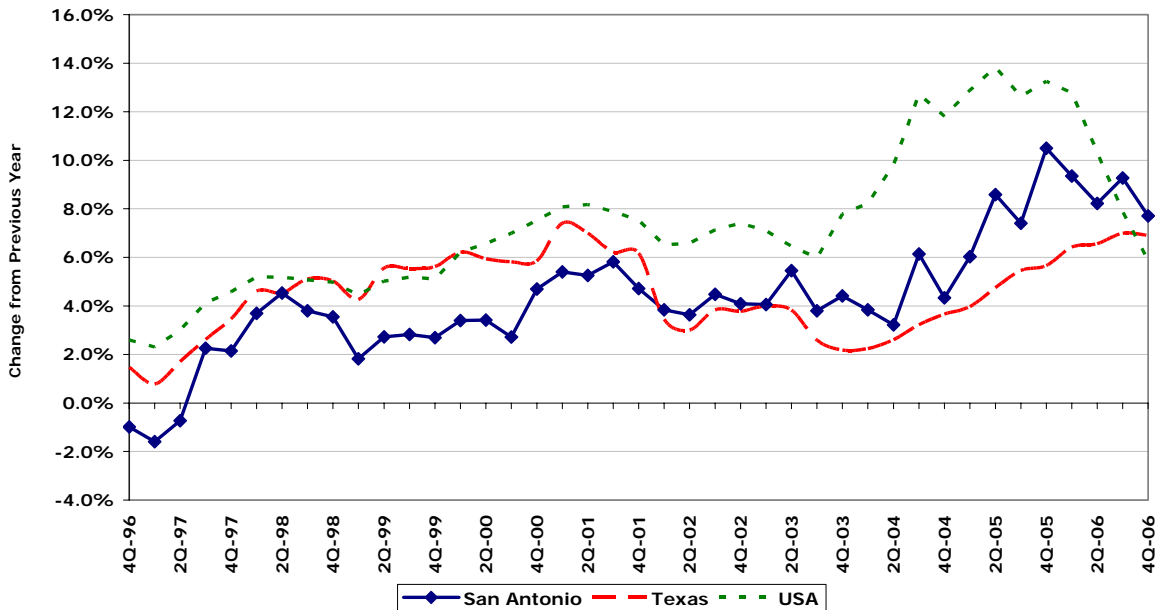
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

Home Price Appreciation 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.



Source: Office of Federal Housing Enterprise Oversight

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San Antonio, TX

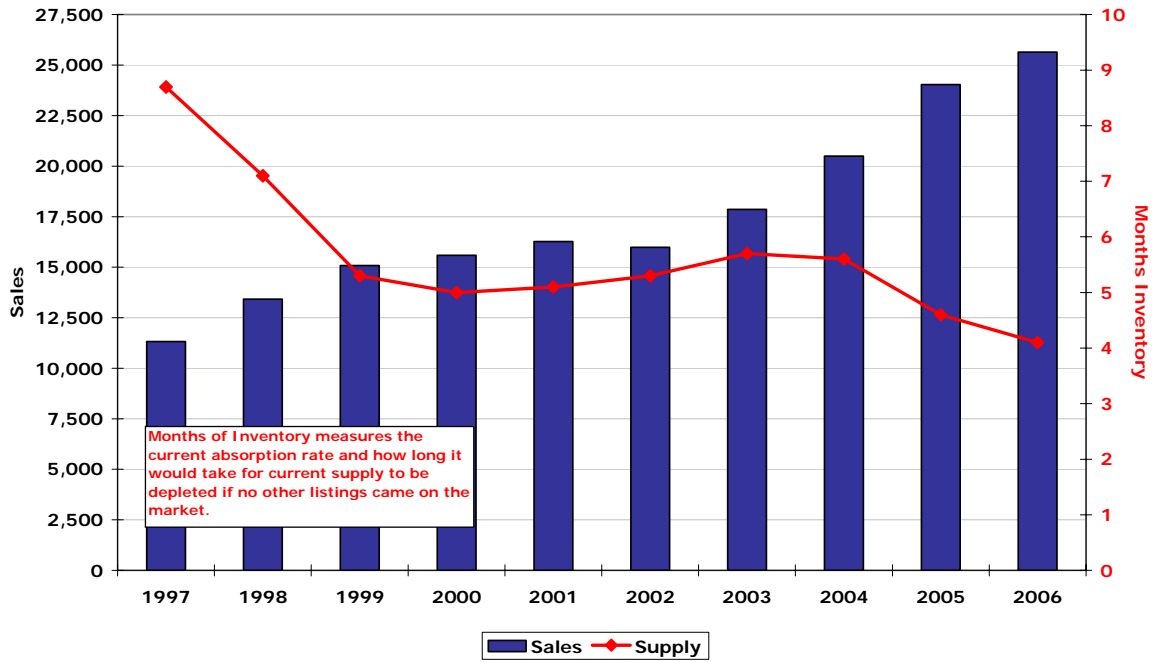
2005 Occupied Housing Unit Characteristics

Housing Unit Characteristics	San Antonio 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	429,292	215,945	645,237	5,162,604	2,815,491	7,978,095
Household Size						
1-person household	18.7%	36.2%	24.5%	19.1%	35.0%	24.7%
2-person household	34.3%	26.3%	31.6%	34.2%	25.8%	31.2%
3-person household	17.8%	14.4%	16.6%	17.2%	16.0%	16.8%
4-or-more-person household	29.3%	23.1%	27.2%	29.5%	23.2%	27.3%
Race and Hispanic or Latino Origin of Householder						
One Race						
White	76.5%	62.6%	71.9%	79.0%	66.2%	74.5%
Black or African American	4.7%	9.5%	6.3%	8.2%	17.9%	11.6%
American Indian and Alaska Native	0.7%	1.2%	0.9%	0.5%	0.6%	0.6%
Asian	1.6%	1.6%	1.6%	2.9%	3.1%	3.0%
Native Hawaiian and Other Pacific Islander	-	-	0.1%	0.0%	0.1%	0.0%
Some other race	15.0%	21.4%	17.1%	8.3%	10.8%	9.2%
Two or more races	1.5%	3.5%	2.2%	1.0%	1.4%	1.2%
Age of Householder						
Under 35 years	13.8%	45.9%	24.6%	14.4%	46.3%	25.6%
35 to 44 years	21.6%	20.9%	21.4%	21.9%	21.4%	21.7%
45 to 54 years	23.5%	14.8%	20.6%	24.1%	15.4%	21.0%
55 to 64 years	18.1%	8.5%	14.8%	18.1%	8.3%	14.7%
65 to 74 years	12.4%	4.8%	9.9%	11.9%	4.2%	9.2%
75 to 84 years	8.3%	3.3%	6.6%	7.6%	3.1%	6.1%
85 years and over	2.3%	1.9%	2.1%	2.0%	1.3%	1.8%
Units in Structure						
1, detached	89.4%	31.0%	69.8%	87.5%	28.3%	66.6%
1, attached	1.6%	3.4%	2.2%	2.3%	3.6%	2.8%
2 apartments	0.3%	5.1%	1.9%	0.3%	4.9%	1.9%
3 or 4 apartments	0.5%	10.4%	3.8%	0.4%	8.8%	3.3%
5 to 9 apartments	0.3%	16.8%	5.8%	0.3%	13.8%	5.1%
10 or more apartments	0.5%	28.5%	9.9%	0.7%	35.1%	12.9%
Mobile home or other type of housing	7.5%	4.7%	6.5%	8.5%	5.6%	7.5%
Year Structure Built						
2000 or later	15.4%	10.5%	13.8%	13.7%	10.9%	12.7%
1990 to 1999	18.6%	15.3%	17.5%	18.6%	14.8%	17.2%
1980 to 1989	18.2%	23.3%	19.9%	18.7%	22.5%	20.1%
1960 to 1979	26.7%	33.4%	28.9%	28.7%	35.0%	30.9%
1940 to 1959	15.2%	12.1%	14.2%	15.4%	12.4%	14.3%
1939 or earlier	5.9%	5.5%	5.7%	4.9%	4.5%	4.8%
Bedrooms						
No bedroom	0.2%	1.8%	0.7%	0.2%	1.5%	0.6%
1 bedroom	2.1%	35.4%	13.2%	2.1%	32.6%	12.9%
2 or 3 bedrooms	72.5%	57.7%	67.5%	70.8%	61.7%	67.6%
4 or more bedrooms	25.2%	5.1%	18.5%	26.8%	4.2%	18.9%
Annual Household Income and Housing Costs*						
Median household income (dollars)	\$53,992	\$26,543	\$43,263	\$54,610	\$26,782	\$42,139
Annual Median Housing Costs (dollars)	\$10,140	\$7,896	\$8,988	\$10,536	\$8,052	\$9,108
Housing Costs as a percentage of household income	18.8%	29.7%	20.8%	19.3%	30.1%	21.6%

* in 2005 inflation-adjusted dollars

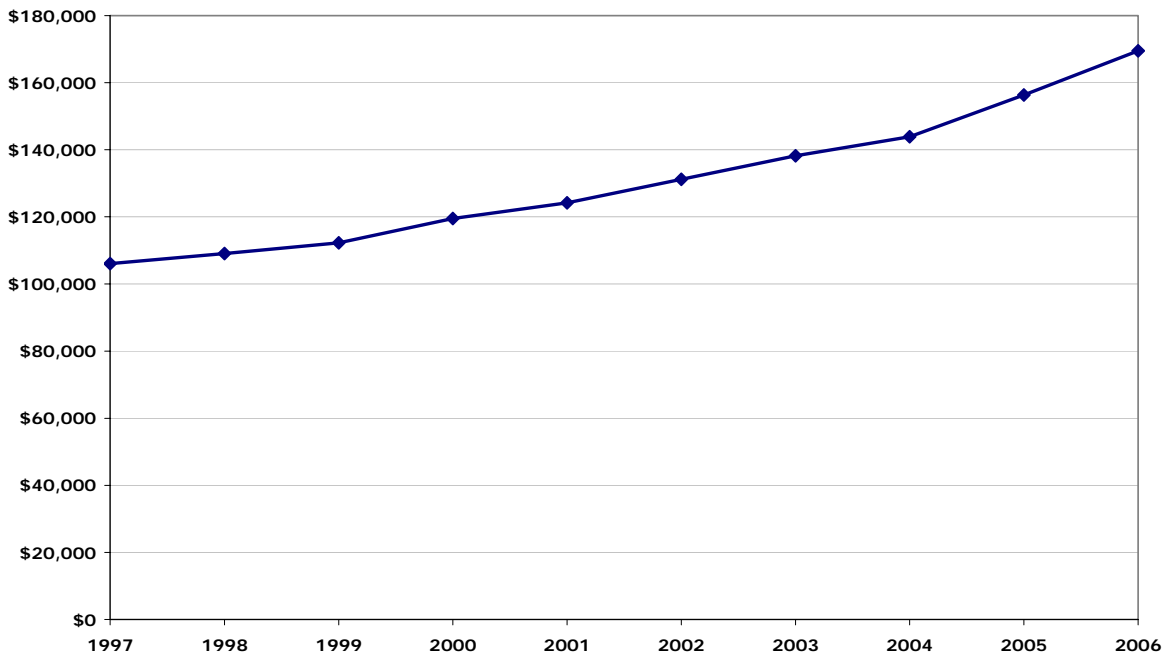
Source: U.S. Census Bureau 2005 and Real Estate Center at Texas A&M University

Yearly Homes Sales and Months Inventory
 San Antonio MLS



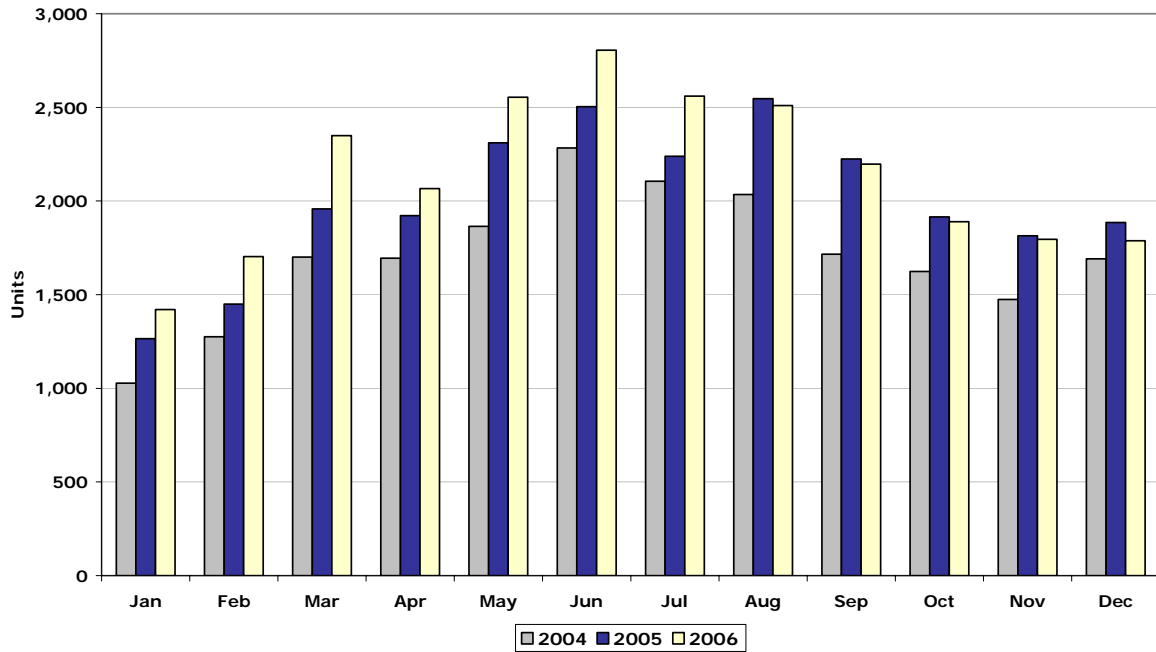
Source: Real Estate Center at Texas A&M University

Average Sales Price
 San Antonio MLS



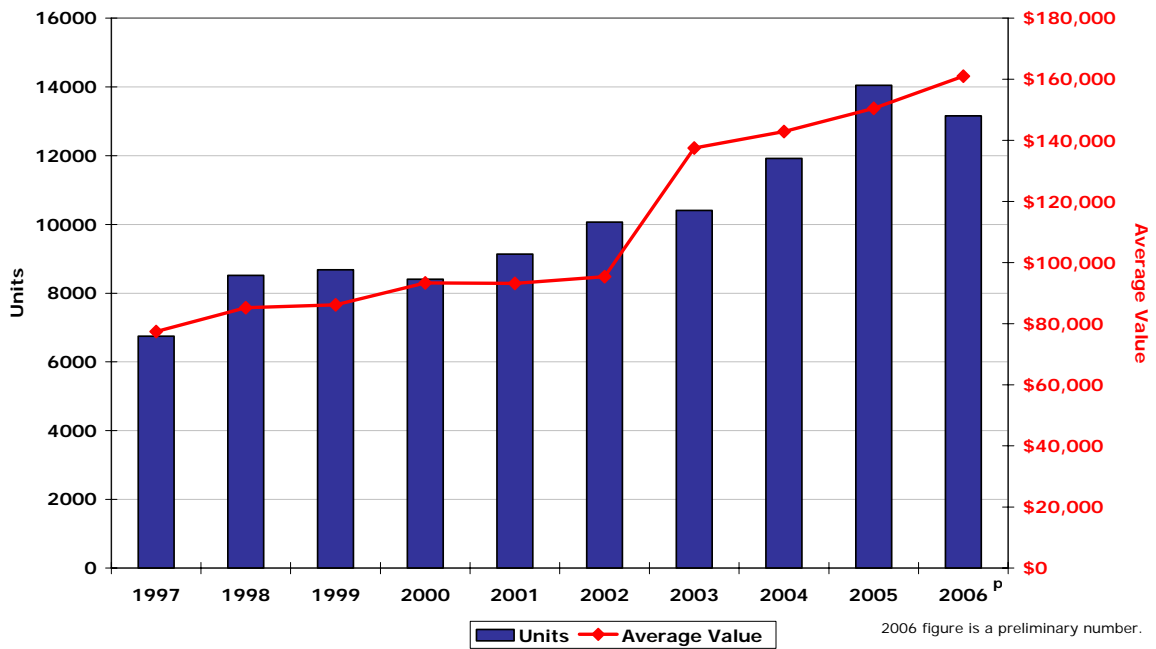
Source: Real Estate Center at Texas A&M University

**Single-Family Homes Sales Volume
 San Antonio MSA**



Source: Real Estate Center at Texas A&M University

**Single-Family Building Permits and Average Value
 San Antonio MSA**

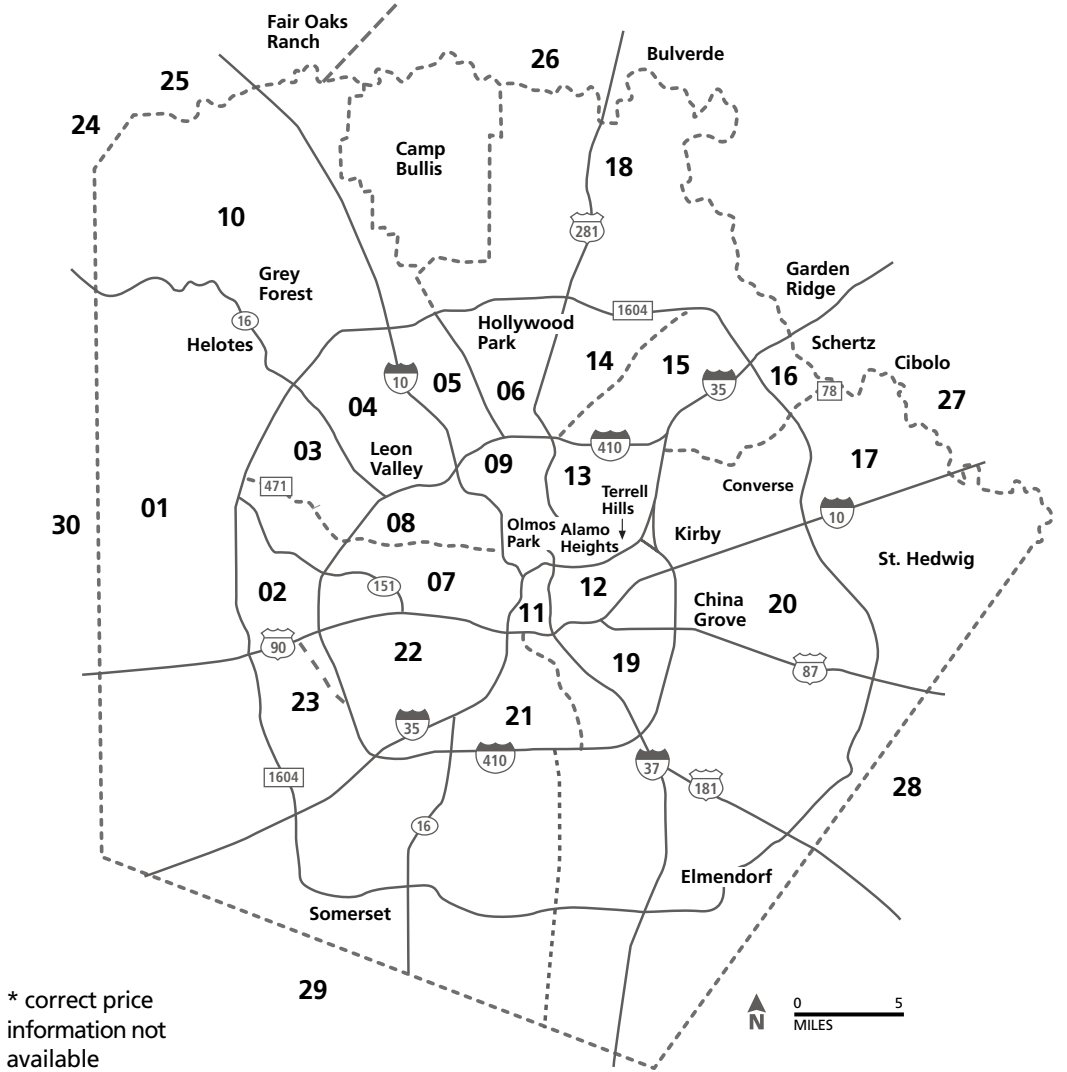


Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

January San Antonio-area home sales statistics

This is the most recent sales information available from the San Antonio Board of Realtors MLS. Each area's statistics cover a broad region, and specific numbers will vary from neighborhood to neighborhood. Also, some factors can skew figures for median sales price or price per square foot. For example, if a builder begins selling new homes in a previously undeveloped area, prices can rise quickly. The sale of a large property can have the opposite effect, substantially reducing the price per square foot.

Area	Year	Sales	Median sales price	Sales price per sq. foot	New listings	Active listings	Pending sales	Days on market
1	2006	58	\$150,000	\$71	115	265	78	48
	2007	75	\$160,000	\$88	180	494	98	59
2	2006	64	\$116,200	\$63	123	305	74	64
	2007	97	\$126,500	\$71	204	488	88	56
3	2006	113	\$117,000	\$69	196	317	115	62
	2007	71	\$118,600	\$74	210	401	104	52
4	2006	71	\$130,800	\$71	139	245	95	52
	2007	66	\$148,800	\$81	145	288	89	49
5	2006	22	\$212,500	\$99	62	148	27	69
	2007	25	\$187,500	\$97	53	147	29	49
6	2006	39	\$198,800	\$92	94	208	58	93
	2007	39	\$241,700	\$106	89	176	64	53
7	2006	39	\$61,000	\$64	72	194	38	86
	2007	25	\$72,500	\$56	75	227	53	50
8	2006	16	\$90,000	\$67	40	123	36	48
	2007	30	\$100,000	\$71	60	162	29	58
9	2006	38	\$92,900	\$95	81	182	38	60
	2007	31	\$101,000	\$89	81	215	42	63
10	2006	62	\$242,900	\$101	115	363	52	80
	2007	41	\$275,000	\$113	136	427	52	70
11	2006	6	\$80,000	\$75	12	37	5	110
	2007	3	\$157,500	\$125	9	32	8	104
12	2006	13	\$51,000	\$41	40	108	25	98
	2007	11	\$56,700	\$35	42	115	19	117
13	2006	43	\$195,000	\$134	99	226	35	70
	2007	41	\$250,000	\$141	91	238	38	73
14	2006	81	\$140,500	\$71	113	229	77	59
	2007	47	\$151,700	\$74	86	207	65	44
15	2006	59	\$107,000	\$68	117	227	60	64
	2007	63	\$119,300	\$73	117	259	63	51
16	2006	80	\$121,200	\$63	162	362	73	62
	2007	78	\$121,000	\$68	146	382	92	66
17	2006	84	\$106,700	\$60	164	339	83	60
	2007	59	\$105,000	\$61	189	463	97	52
18	2006	131	\$226,900	\$93	297	801	173	85
	2007	121	\$228,100	\$98	340	1,134	154	76
19	2006	39	\$69,500	\$62	95	234	36	77
	2007	26	\$75,000	\$60	81	267	46	66
20	2006	19	\$88,300	\$65	39	131	25	107
	2007	11	\$75,000	*	50	211	17	84
21	2006	22	\$70,000	\$56	55	143	29	44
	2007	15	\$82,000	\$75	42	126	23	61



* correct price information not available

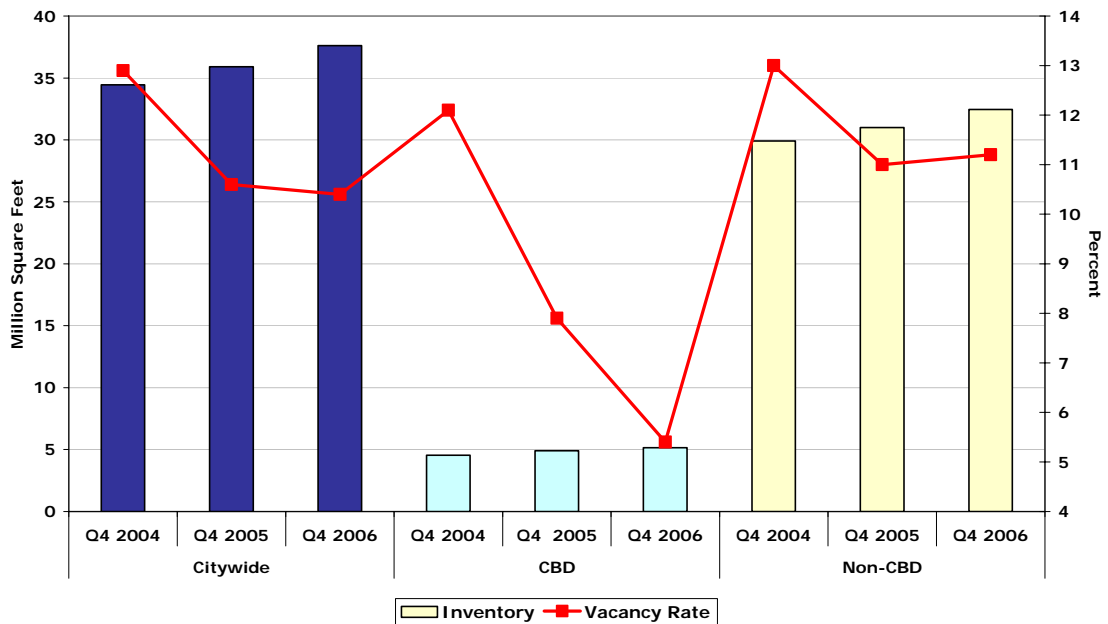
Area	Year	Sales	Median sales price	Sales price per sq. foot	New listings	Active listings	Pending sales	Days on market
22	2006	30	\$70,000	\$59	62	135	31	92
	2007	27	\$59,300	\$60	69	232	39	50
23	2006	7	\$122,500	\$75	24	86	9	113
	2007	6	\$50,000	\$72	28	135	10	176
24	2006	13	\$128,300	\$38	42	168	19	109
	2007	7	\$137,500	\$121	29	176	12	218
25	2006	26	\$350,000	\$107	62	201	32	80
	2007	16	\$275,000	\$136	67	274	35	99
26	2006	60	\$170,000	\$33	214	707	81	94
	2007	56	\$188,000	\$94	199	782	58	92
27	2006	60	\$158,300	\$76	121	370	68	83
	2007	82	\$157,500	\$77	212	540	106	99
28	2006	24	\$176,700	\$18	58	257	21	130
	2007	15	\$200,000	\$89	52	243	26	85
29	2006	17	\$97,500	\$67	33	159	11	115
	2007	12	\$105,000	\$58	29	172	21	120
30	2006	14	\$80,000	*	31	123	13	187
	2007	12	\$165,000	\$36	34	152	15	97
Outlying areas	2006	7	\$85,000	\$68	31	93	10	56
	2007	18	\$135,000	\$29	24	128	14	105

Source: San Antonio Board of Realtors MLS and the Real Estate Center at Texas A&M University.

San Antonio Market Overview 2007

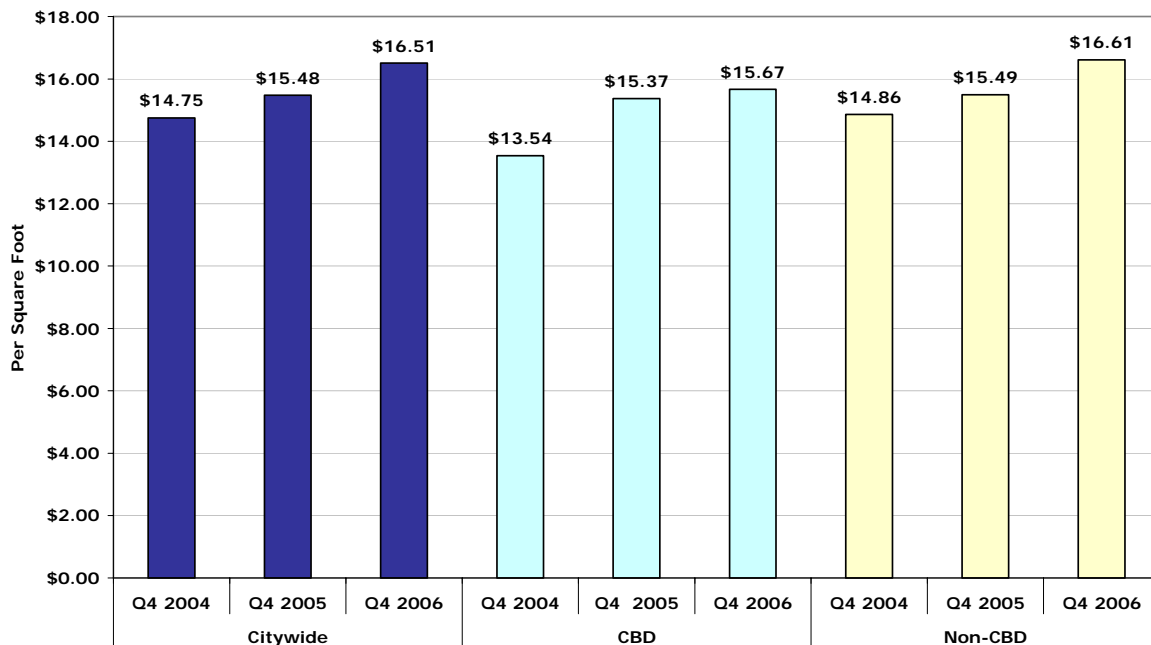
Retail

San Antonio Retail Market
 Total Inventory and Vacancy Rates, All Types



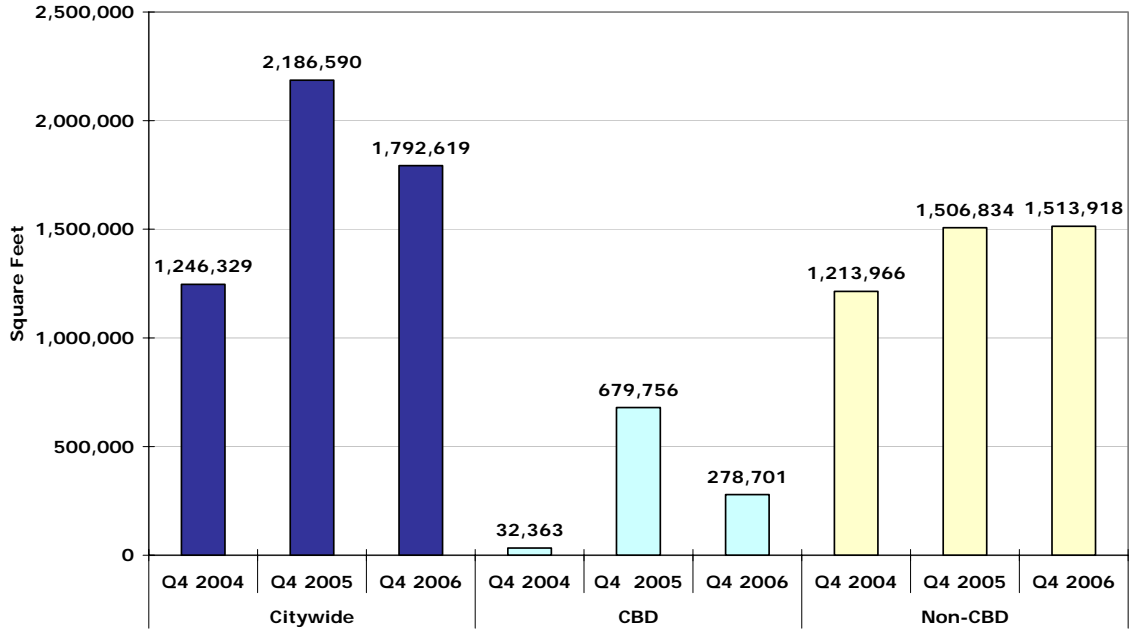
Source: NAI REOC Partners, Ltd.

San Antonio Retail Market
 Average Rent, All Types



Source: NAI REOC Partners, Ltd.

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



Source: NAI REOC Partners, Ltd.

Real Estate Center Market Overview 2007
San Antonio, TX

Retail Market Analysis
San Antonio, Fourth Quarter 2006

Class Type	Citywide			CBD			Non-CBD		
	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006
All Types									
Inventory	34,440,034	35,908,047	37,611,249	4,532,115	4,906,881	5,158,732	29,907,919	31,001,166	32,452,517
Available	4,436,645	3,804,727	3,922,108	550,021	386,997	277,696	3,886,624	3,417,730	3,644,412
% Vacant	12.9	10.6	10.4	12.1	7.9	5.4	13	11	11.2
Average Rent	\$14.75	\$15.48	\$16.51	\$13.54	\$15.37	\$15.67	\$14.86	\$15.49	\$16.61
4Q Absorption	338,708	849,774	1,408,200	33,529	480,798	169,936	305,179	368,976	1,238,264
YTD Absorption	1,246,329	2,186,590	1,792,619	32,363	679,756	278,701	1,213,966	1,506,834	1,513,918
Regional Malls									
Inventory	7,793,270	7,225,356	6,792,658	2,326,629	1,861,120	1,861,120	5,466,641	5,364,236	4,931,538
Available	1,399,292	531,882	414,248	303,026	87,634	55,834	1,096,266	444,248	358,414
% Vacant	18	7.4	6.1	13	4.7	3	20.1	8.3	7.3
4Q Absorption	16,254	0	190,780	0	0	13,780	16,254	0	177,000
YTD Absorption	23,254	578,022	3,834	3,000	-49,474	31,800	20,254	627,496	-27,966
Power Centers, (250K+)									
Inventory	7,793,270	7,088,182	8,128,234	0	503,467	500,348	5,943,834	6,584,715	7,627,886
Available	1,399,292	286,952	374,046	0	69,991	28,231	169,769	216,961	345,815
% Vacant	18	4	4.6	0	13.9	5.6	2.9	3.3	4.5
Average Rent	\$16,254.00	\$22.59	\$23.82	\$0.00	\$19.77	\$20.59	\$22.24	\$22.81	\$24.03
4Q Absorption	16,254	820,860	859,939	0	433,476	38,433	89,585	387,384	821,506
YTD Absorption	23,254	933,626	987,906	0	433,476	41,760	383,877	500,150	946,146
Community Centers, (100K-249K)									
Inventory	3,750,413	3,918,263	4,217,579	0	168,385	168,385	3,750,413	3,749,878	4,049,194
Available	477,881	393,529	332,030	0	0	0	477,881	393,529	332,030
% Vacant	12.7	10	7.9	0	0	0	12.7	10.5	8.2
Average Rent	\$14.64	\$15.27	\$16.31	\$0.00	\$21.50	\$21.50	\$14.64	\$14.99	\$16.09
4Q Absorption	30,113	8,857	204,359	0	0	0	30,113	8,857	204,359
YTD Absorption	78,791	252,737	358,499	0	168,385	0	78,791	84,352	358,499
Neighborhood Centers, (30K-99K)									
Inventory	15,718,493	16,251,788	16,957,468	2,168,204	2,336,627	2,591,597	13,550,289	13,915,161	14,365,871
Available	2,192,808	2,308,503	2,599,791	234,372	217,235	192,673	1,958,436	2,091,268	2,407,118
% Vacant	14	14.2	15.3	108	9.3	7.4	14.5	15	16.8
Average Rent	\$12.07	\$12.53	\$13.16	\$13.56	\$14.03	\$14.38	\$11.83	\$12.27	\$12.94
4Q Absorption	168,847	38,731	129,077	33,529	47,322	116,781	135,318	-8,591	12,296
YTD Absorption	643,254	357,142	296,336	29,363	126,883	193,962	613,891	230,259	102,374
Strip Centers, (Less than 30K)									
Inventory	1,234,024	1,424,458	1,515,310	37,282	37,282	37,282	1,196,742	1,387,176	1,478,028
Available	196,895	283,861	201,993	12,623	12,137	958	184,272	271,724	201,035
% Vacant	16	19.9	13.3	33.9	32.6	2.6	15.4	19.6	13.6
Average Rent	\$13.08	\$14.38	\$15.33	\$12.08	\$12.46	\$12.46	\$13.11	\$14.43	\$15.40
4Q Absorption	33,909	-18,674	24,045	0	0	942	33,909	-18,674	23,103
YTD Absorption	117,153	65,063	146,044	0	486	11,179	117,153	64,577	134,865

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: NAI REOC Partners, Ltd.

San Antonio Market Overview 2007 Hotel

Hotel* Occupancy and Rental Rates

	2005		2006	
	San Antonio	Texas	San Antonio	Texas
# Rooms 000's	34.2	333.6	35	341
Average daily rate	\$92.95	\$74.38	\$101.68	\$80.82
Occupancy rate (in percent)	62.7	59.9	63	61.1

*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 2007 Office

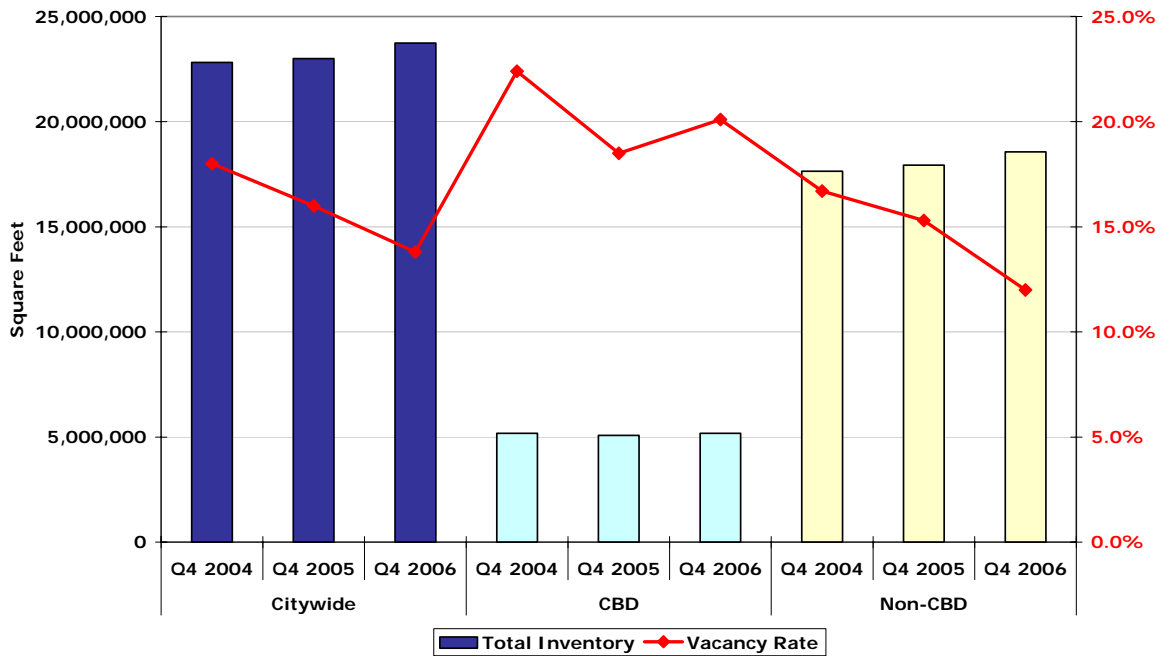
Office Market Analysis San Antonio, Fourth Quarter 2006

Type	Citywide			CBD			Non-CBD		
	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006
All Classes									
Inventory	22,814,581	23,006,576	23,741,870	5,174,194	5,075,789	5,173,301	17,640,387	17,930,787	18,568,569
Available	4,110,759	3,677,760	3,277,416	1,157,833	937,475	1,041,313	2,952,926	2,740,285	2,236,103
% Vacant	18.0%	16.0%	13.8%	22.4%	18.5%	20.1%	16.7%	15.3%	12.0%
Average Rent	\$17.76	\$17.98	\$18.65	\$17.81	\$18.15	\$18.53	\$17.75	\$17.94	\$18.69
4Q Absorption	258,483	105,761	119,485	-26,294	30,470	-37,228	284,777	75,291	156,713
YTD Absorption	487,050	359,617	812,367	-50,772	79,125	-61,527	537,822	280,492	873,894
Class A Space									
Inventory	7,417,976	7,611,519	7,610,507	1,990,010	1,990,010	1,990,010	5,427,966	5,621,509	5,620,497
Available	1,004,884	963,360	743,320	331,822	331,170	357,482	673,062	632,190	385,838
% Vacant	13.5%	12.7%	9.8%	16.7%	16.6%	18.0%	12.4%	11.2%	6.9%
Average Rent	\$20.57	\$20.72	\$21.64	\$21.12	\$21.43	\$21.41	\$20.38	\$20.47	\$21.71
4Q Absorption	179,198	17,906	22,473	-10,150	2,295	-16,946	189,348	15,611	39,419
YTD Absorption	255,770	132,924	220,040	-80,142	652	-26,312	335,912	132,272	246,352
Class B Space									
Inventory	11,574,206	11,241,345	11,855,168	2,483,073	2,332,668	2,424,981	9,091,133	8,908,677	9,430,187
Available	2,068,882	1,784,567	1,585,755	565,230	378,243	447,300	1,503,652	1,406,324	1,138,455
% Vacant	17.9%	15.9%	13.4%	22.8%	16.2%	18.4%	16.5%	15.8%	12.1%
Average Rent	\$16.72	\$17.11	\$17.92	\$15.43	\$16.04	\$16.78	\$17.07	\$17.39	\$18.22
4Q Absorption	58,180	100,745	100,386	-15,231	37,743	-17,200	73,411	63,002	117,586
YTD Absorption	396,283	92,124	605,752	31,151	88,187	-26,746	365,132	3,937	632,498
Class C Space									
Inventory	3,822,399	4,153,712	4,276,195	701,111	753,111	758,310	3,121,288	3,400,601	3,517,885
Available	1,036,993	929,833	948,341	260,781	228,062	236,531	776,212	701,771	711,810
% Vacant	27.1%	22.4%	22.2%	37.2%	\$0.30	31.2%	24.9%	20.6%	20.2%
Average Rent	\$15.34	\$15.32	\$15.36	\$16.85	\$16.01	\$16.57	\$15.00	\$15.17	\$15.11
4Q Absorption	21,105	-12,890	-3,374	-913	-9,568	-3,082	22,018	-3,322	-292
YTD Absorption	-165,003	134,569	-13,425	-1,781	-9,714	-8,469	-163,222	144,283	-4,956

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.

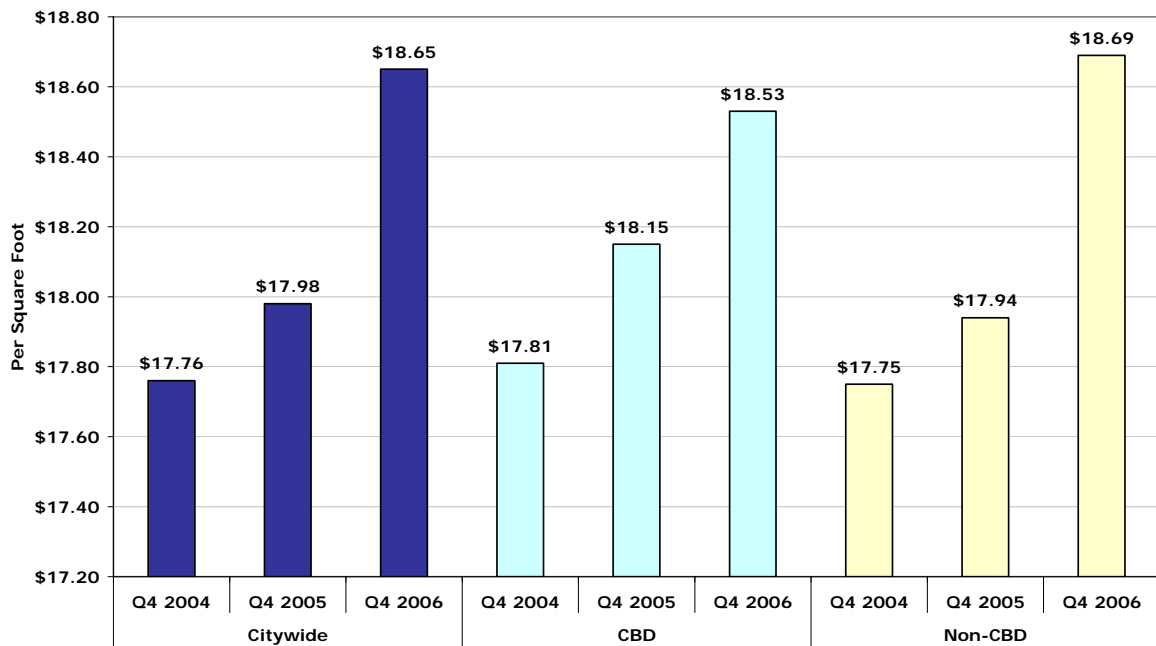
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Total Inventory and Vacancy Rate**



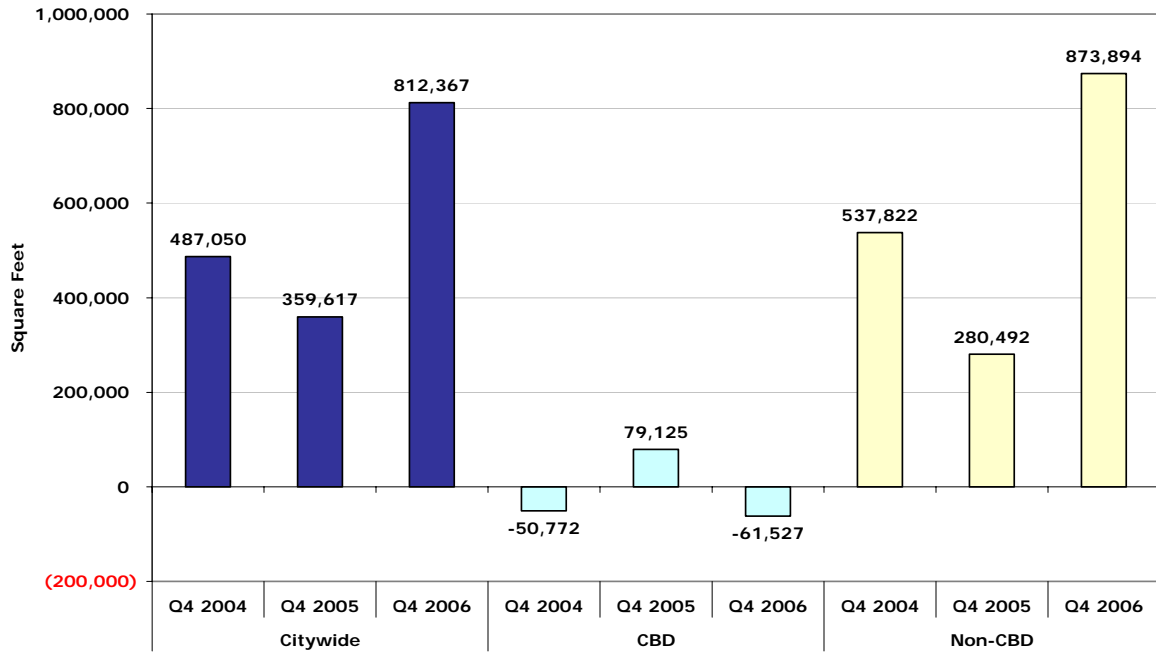
Source: REOC Partners, Ltd.

**San Antonio Office Market
 Average Rent**



Source: REOC Partners, Ltd.

**San Antonio Office Market
 YTD Absorption**



Source: REOC Partners, Ltd.

San Antonio Market Overview 2007 Industrial

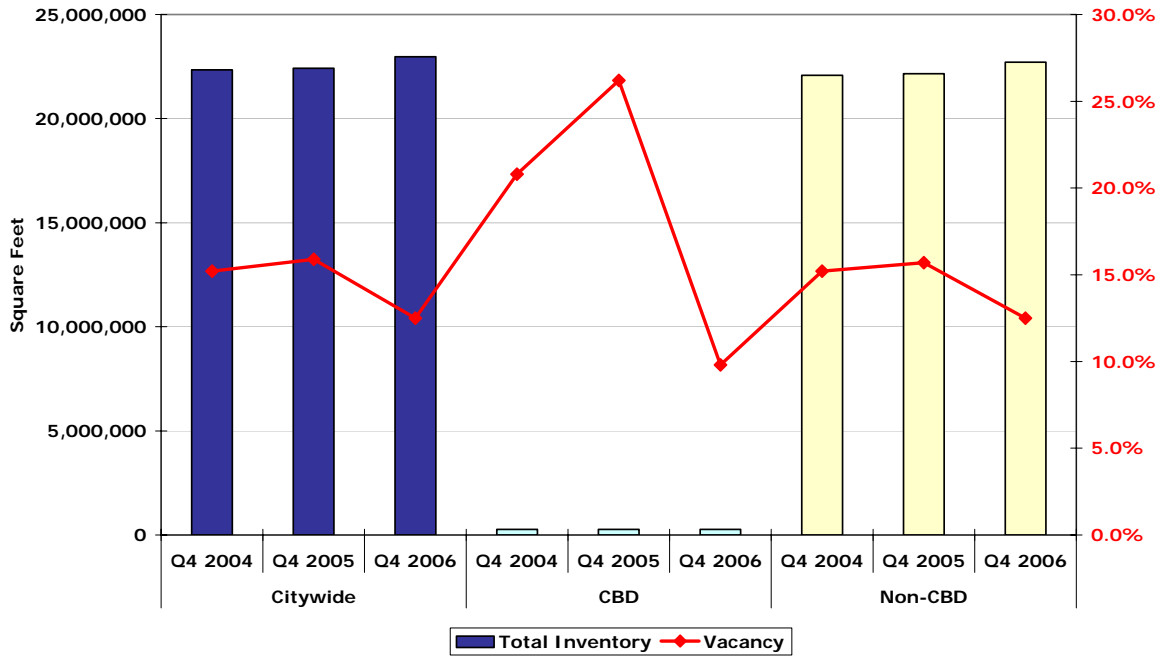
Industrial Market Analysis San Antonio, Fourth Quarter 2006

Type	Citywide			CBD			Non-CBD		
	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006	Q4 2004	Q4 2005	Q4 2006
Combined									
Inventory	22,337,336	22,419,196	22,979,938	262,509	262,509	262,509	22,074,827	22,156,687	22,717,429
Available	3,400,005	3,555,006	2,862,375	54,702	68,662	25,840	3,345,303	3,486,344	2,836,535
% Vacant	15.2%	15.9%	12.5%	20.8%	26.2%	9.8%	15.2%	15.7%	12.5%
Average Rent	\$5.29	\$5.41	\$5.46	\$3.26	\$3.26	\$3.26	\$5.32	\$5.44	\$5.49
4Q Absorption	680,735	490,774	274,296	0	0	42,822	680,735	490,774	231,474
YTD Absorption	563,606	772,622	1,369,413	50,502	-13,960	42,822	513,104	786,582	1,326,591
Distribution/Warehouse									
Inventory	16,009,581	15,878,768	16,492,702	262,509	262,509	262,509	15,747,072	15,616,259	16,230,193
Available	2,392,134	2,482,663	2,078,377	54,702	68,662	25,840	2,337,432	2,414,001	2,052,537
% Vacant	14.9%	15.6%	12.6%	20.8%	26.2%	9.8%	14.8%	15.5%	12.4%
Average Rent	\$3.99	\$3.99	\$4.08	\$3.26	\$3.26	\$3.26	\$4.00	\$4.00	\$7.71
4Q Absorption	639,759	518,314	207,815	0	0	42,822	639,759	518,314	66,765
YTD Absorption	454,841	618,850	956,336	50,502	-13,960	42,822	404,339	632,810	283,657
Service Center/Flex									
Inventory	6,327,755	6,540,428	6,487,236	0	0	0	6,327,755	6,540,428	6,487,236
Available	1,007,871	1,072,343	783,998	0	0	0	1,007,871	1,072,343	783,998
% Vacant	15.9%	16.4%	12.1%	0.0%	0.0%	0.0%	15.9%	16.4%	12.1%
Average Rent	\$8.59	\$8.87	\$8.97	\$0.00	\$0.00	\$0.00	\$8.59	\$8.87	\$8.97
4Q Absorption	40,976	-27,540	66,481	0	0	0	40,976	-27,540	66,481
YTD Absorption	108,747	153,772	413,077	0	0	0	108,747	153,772	413,077

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 rentable square footage of the building.

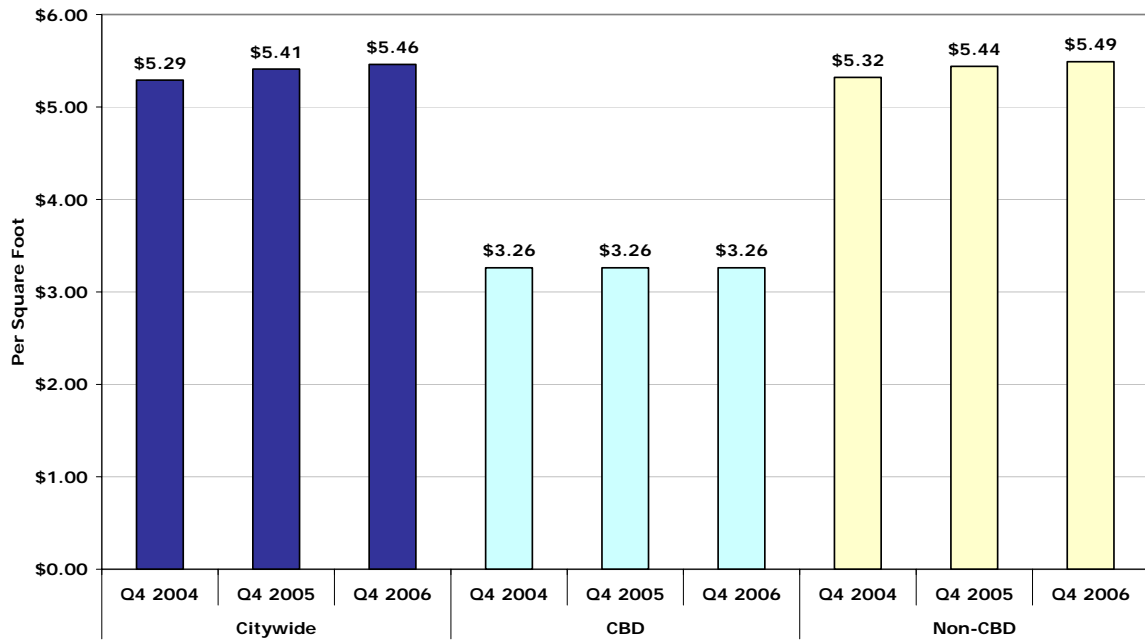
Source: REOC Partners, Ltd.

**San Antonio Industrial Market
 Total Inventory and Vacancy Rate**

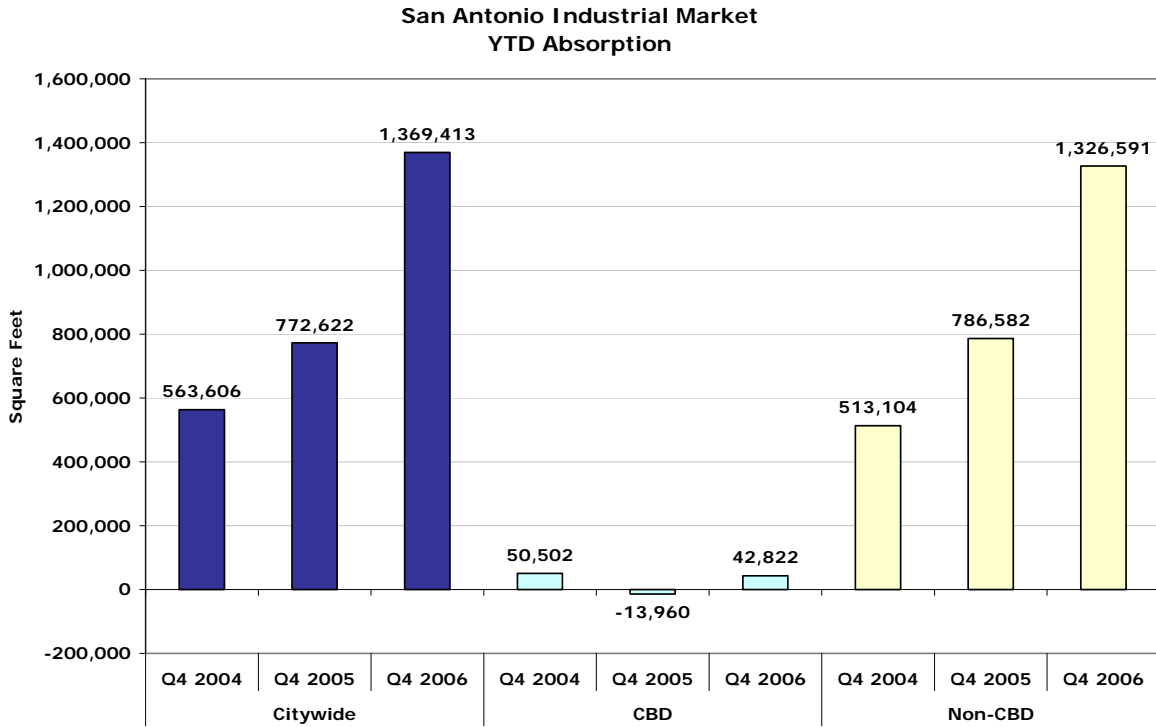


Source: NAI REOC Partners, Ltd.

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



Source: NAI REOC Partners, Ltd.



Source: NAI REOC Partners, Ltd.



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Report compiled by:

Administrative Coordinator
Edith Craig

Real Estate / Market Research Analyst
Dr. Isilay Civan

Database Support
Blake Lacy

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