

# Real Estate Market Overview 2005

## 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	
<b>Land Area</b>	7,340.45 square miles
<b>Population Density (2000)</b>	233.2 people per square mile
<b>Counties</b>	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 2003 definition is noted where applicable.



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## San Antonio Market Overview 2005 Demographics

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**San Antonio MSA Population**

Year	Population	Percent change
1990	1,324,749	0.4
1991	1,348,596	1.8
1992	1,377,938	2.2
1993	1,406,878	2.1
1994	1,438,981	2.3
1995	1,468,690	2.1
1996	1,494,296	1.7
1997	1,519,874	1.7
1998	1,546,947	1.8
1999	1,572,570	1.7
2000	1,592,383	1.3
2001	1,622,921	1.9
2002	1,655,223	2.0
2003	1,687,223	1.9
2004	1,722,117	2.1

Source: U.S. Census Bureau

**County Population Growth**

County	1990 Population	2004 Population	Growth 1990 - 2004 (in percent)
Atascosa	30,533	42,696	39.8
Bandera	10,562	19,754	87.0
Bexar	1,185,394	1,493,965	26.0
Comal	51,832	91,806	77.1
Guadalupe	64,873	99,620	53.6
Kendall	14,589	27,214	86.5
Medina	27,312	42,269	54.8
Wilson	22,650	36,726	62.1

Source: U.S. Census Bureau (2003 definition)

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

City	2000 Population	Growth 1990 - 2000 (in percent)
San Antonio	1,114,646	14.8
New Braunfels	36,494	31.5
Seguin	22,011	5.3
Schertz	18,694	75.8
Universal City	14,849	11.2
Converse	11,508	28.6

Source: U.S. Census Bureau

**Texas Metropolitan Area Population Change, 1990 - 2004**

<b>Metropolitan Area</b>	<b>1990 Population</b>	<b>2004 Population</b>	<b>Percent Change</b>
McAllen-Edinburg-Mission	383,545	658,248	71.6
Austin-San Marcos	846,227	1,412,271	66.9
Laredo	133,239	219,464	64.7
Dallas	2,676,248	3,886,553	45.2
Brownsville-Harlingen-San Benito	260,120	371,825	42.9
Brazoria County	191,707	271,130	41.4
Houston	3,321,911	4,587,092	38.1
Fort Worth-Arlington	1,361,034	1,878,334	38.0
<b>Texas</b>	<b>16,986,335</b>	<b>22,490,022</b>	<b>32.4</b>
<b>San Antonio</b>	<b>1,324,749</b>	<b>1,722,117</b>	<b>30.0</b>
Bryan-College Station	121,862	156,275	28.2
Killeen-Temple	255,299	325,398	27.5
Galveston-Texas City	217,396	271,743	25.0
Tyler	151,309	186,414	23.2
Sherman-Denison	95,019	115,933	22.0
Amarillo	187,514	227,472	21.3
El Paso	591,610	713,126	20.5
Waco	189,123	222,439	17.6
Victoria	74,361	85,777	15.4
Lubbock	222,636	251,018	12.7
Longview-Marshall	193,801	215,159	11.0
Texarkana	120,132	132,716	10.5
Corpus Christi	349,894	385,700	10.2
Odessa-Midland	225,545	244,832	8.6
Beaumont-Port Arthur	361,218	383,443	6.2
San Angelo	98,458	103,772	5.4
Wichita Falls	130,351	136,595	4.8
Abilene	119,655	125,108	4.6

Source: U.S. Census Bureau

**San Antonio MSA Projected Population**

<b>Year</b>	<b>Texas State Data Center (Scenario 0.5)</b>	<b>Texas Water Development Board</b>
2005	1,695,030	-
2010	1,795,559	2,037,198
2015	1,895,424	-
2020	1,990,258	2,465,501

Sources: Texas State Data Center and Texas Water Development Board

**Household Composition**

	<b>San Antonio MSA</b>	<b>Texas</b>
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

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

	<b>San Antonio MSA</b>	<b>Texas</b>
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

**Projected Population Growth, 2000 – 2020**  
(in percent)



Source: Texas State Data Center  
(Scenario 0.5)

## San Antonio Market Overview 2005 Education

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

Level of Education	Atascosa County	Bandera County	Bexar County	Comal County	Texas
High school graduate	32	31.9	24.3	28.4	24.8
Some college, no degree	18.6	27.3	23.9	24.1	22.4
Associate's degree	4.1	6.1	6.0	5.1	5.2
Bachelor's degree	6.9	13.6	14.3	17.5	15.6
Graduate or professional degree	3.6	5.8	8.3	8.7	7.6

Source: U.S. Census Bureau, 2000

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

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

Source: U.S. Census Bureau, 2000

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

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

Source: U.S. Census Bureau 2000

**Local College and University Enrollment**

<b>School</b>	<b>Fall 1999</b>	<b>Fall 2000</b>	<b>Fall 2001</b>	<b>Fall 2002</b>	<b>Fall 2003</b>	<b>Fall 2004</b>
Alamo CCD NW Vista College	2,361	4,056	5,425	7,099	7,929	8,809
Alamo CCD Palo Alto College	6,466	6,370	6,688	7,055	7,727	7,960
Alamo CCD San Antonio College	20,614	20,490	21,303	21,481	22,109	22,141
Alamo CCD St. Philips College	8,072	8,286	8,628	9,329	9,880	10,575
Our Lady of the Lake University	3,564	3,474	3,324	3,395	3,245	3,025
St. Mary's University	4,065	4,137	4,136	3,820	3,964	3,931
Trinity University	2,579	2,620	2,640	2,621	2,648	2,639
U.T. San Antonio	18,608	18,830	19,883	22,016	24,665	26,175
University of the Incarnate Word	3,639	3,702	4,283	4,077	4,333	4,698

Source: Texas Higher Education Coordinating Board

**Local College and University Enrollment**

<b>School</b>	<b>Spring 2000</b>	<b>Spring 2001</b>	<b>Spring 2002</b>	<b>Spring 2003</b>	<b>Spring 2004</b>	<b>Spring 2004</b>
Alamo CCD NW Vista College	2,756	4,193	5,639	7,114	7,912	-
Alamo CCD Palo Alto College	5,896	5,816	6,220	7,101	7,368	-
Alamo CCD San Antonio College	19,393	18,785	19,674	20,244	20,812	-
Alamo CCD St. Philips College	8,001	7,787	8,691	9,638	10,177	-
Our Lady of the Lake University	-	-	-	3,156	2,970	-
St. Mary's University	-	-	-	3,754	3,783	-
Trinity University	-	-	-	2,479	2,486	-
U.T. San Antonio	17,436	17,993	19,229	21,302	23,858	-
University of the Incarnate Word	-	-	-	3,956	4,054	-

Source: Texas Higher Education Coordinating Board

## San Antonio Market Overview 2005 Employment

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### Top Ten Employers

<b>Employer</b>	<b>Sector</b>	<b>Employees</b>
Lackland Air Force Base	Military	35,700
Fort Sam Houston	Military	26,100
USAA	Insurance	14,955
H-E-B Food Stores	Grocery	14,600
Randolph Air Force Base	Military	10,733
Northside I.S.D.	Education	10,000
City of San Antonio	Government	9,813
San Antonio I.S.D.	Education	8,000
North East I.S.D.	Education	7,847
Methodist Healthcare System	Health Care	7,200

Source: San Antonio Economic Development Foundation Jan-2005

### Top Ten Private Employers

<b>Employer</b>	<b>Sector</b>	<b>Employees</b>
USAA	Insurance	14,955
H-E-B Food Stores	Grocery	14,600
Methodist Healthcare System	Health care	7,200
SBC	Telecommunications	6,000
Baptist Health System	Medical services	4,700
Citicorp	Customer service center	3,500
Valero Energy Corporation	Energy Services	2,939
Cullen Frost Bankers	Financial services	2,900
Southwest Research Institute	Applied research	2,746
Bill Miller Bar-B-Que	Food Services	2,200

Source: San Antonio Economic Development Foundation Jan-2005

**Employment Growth by Industry**

	<b>San Antonio MSA</b>	<b>Texas</b>
Employment growth 2004 (in percent)	1.5	1.3
Unemployment rate 2004 (in percent)	5.6	6.1
New jobs in 2004	11500	120,600
<b><u>Employment growth by sector 2004 (in percent)</u></b>		
Total Nonfarm	1.5	1.3
Natural Resources, Mining, and Construction	-0.9	-
Natural Resources and Mining	-	3.2
Construction		-1.0
Manufacturing	0.2	-0.2
Trade, Transportation and Utilities	1.4	1.2
Information	-3.1	-1.1
Financial Activities	2.1	1.7
Professional and Business Services	3.1	1.7
Educational and Health Services	2.5	2.1
Leisure and Hospitality	3.2	2.1
Government	0.8	1.5

All estimates are subject to revision March-2005

Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

**San Antonio MSA Employment**

<b>Year</b>	<b>Employment</b>	<b>Percent Change</b>
1990	587,550	-
1991	594,836	1.2
1992	619,007	4.1
1993	640,537	3.5
1994	668,235	4.3
1995	688,968	3.1
1996	699,152	1.5
1997	715,896	2.4
1998	731,443	2.2
1999	746,525	2.1
2000	754,502	1.1
2001	761,661	0.9
2002	767,226	0.7
2003	781,555	1.9
2004	798,186	2.1

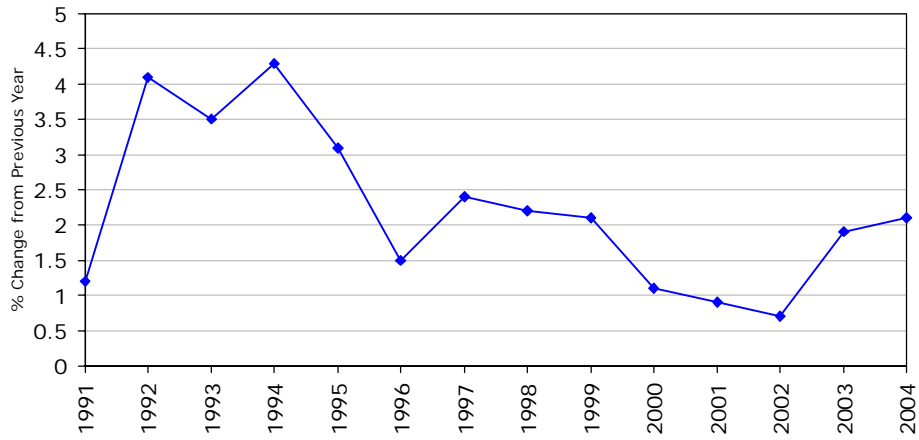
Source: U.S. Bureau of Labor Statistics

**Texas Metropolitan Area Employment Change, 1990-2004**

<b>Metropolitan Area</b>	<b>1990 Employment</b>	<b>2004 Employment</b>	<b>Percent Change</b>
McAllen-Edinburg-Mission	128,092	231,224	80.5
Austin-Round Rock	452,961	738,706	63.1
Laredo	48,588	77,898	60.3
Killeen-Temple-Fort Hood	93,215	137,634	47.7
Brownsville-Harlingen	90,534	130,457	44.1
College Station-Bryan	69,738	97,038	39.1
<b>San Antonio</b>	<b>620,868</b>	<b>833,331</b>	<b>34.2</b>
Dallas-Fort Worth-Arlington	2,163,142	2,790,815	29.0
<b>Texas</b>	<b>8,071,312</b>	<b>10,362,982</b>	<b>28.4</b>
Amarillo	96,512	122,770	27.2
Tyler	70,712	89,186	26.1
Houston-Baytown-Sugar Land	1,926,731	2,411,653	25.2
Sherman-Denison	43,644	53,651	22.9
Lubbock	110,510	134,203	21.4
Waco	86,033	104,444	21.4
Midland	51,435	61,405	19.4
Abilene	64,278	76,330	18.7
Corpus Christi	156,681	184,573	17.8
Victoria	44,880	52,847	17.8
El Paso	228,522	267,419	17.0
Longview	80,290	93,867	16.9
Wichita Falls	61,226	70,608	15.3
San Angelo	44,183	50,604	14.5
Texarkana	51,476	57,743	12.2
Odessa	52,585	57,944	10.2
Beaumont-Port Arthur	156,860	164,663	5.0

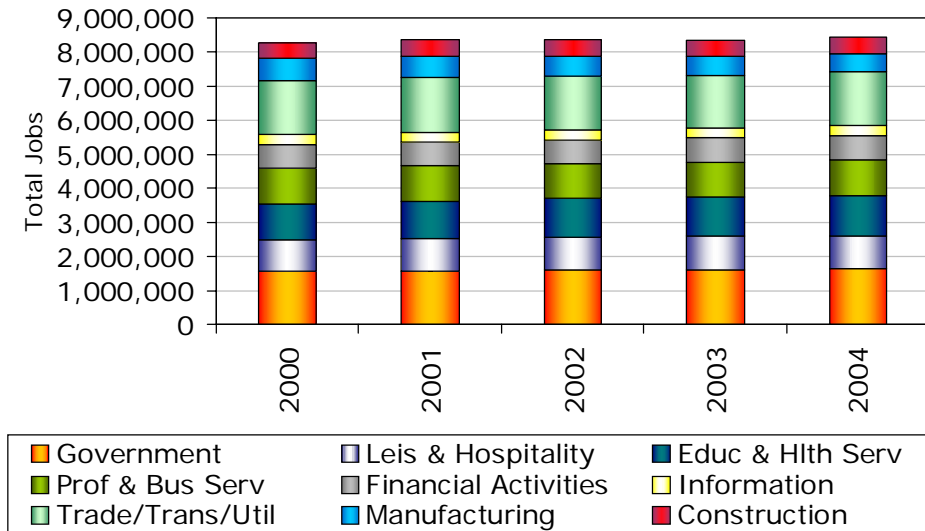
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University (2003 definition)

**Employment Growth  
 San Antonio MSA**



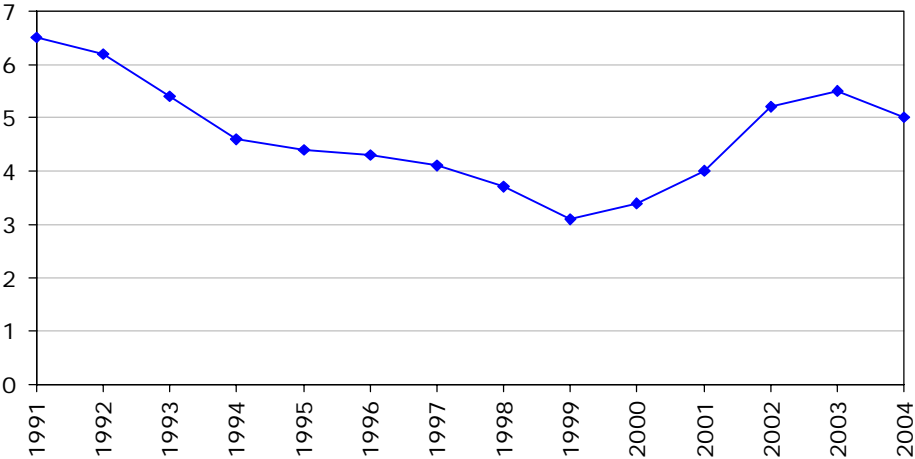
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

**Distribution of Employment in Major Categories**



Source: Texas Workforce Commission Feb-2005

San Antonio MSA Unemployment Rate  
(in percent)



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

## San Antonio Market Overview 2005 Economy

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**San Antonio MSA Gross Retail Sales**

<b>Year</b>	<b>Total Sales</b>	<b>Sales per Capita</b>
1990	\$9,478,870,396	\$7,155
1991	11,026,166,857	8,176
1992	12,083,614,167	8,769
1993	14,686,189,543	10,439
1994	15,351,747,610	10,668
1995	15,906,173,646	10,830
1996	16,496,020,506	11,039
1997	15,617,073,662	10,275
1998	16,267,967,206	10,516
1999	20,257,493,392	12,882
2000	21,383,485,070	13,429
2001	22,284,034,849	13,731
2002	20,352,684,445	12,296
2003	22,519,872,222	13,347
2004	23,724,207,919	13,776
<b>State Average 2004: \$14,546</b>		

Source: Texas Comptroller's Office

## San Antonio Market Overview 2005 Infrastructure

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### San Antonio Airline Boardings

Airport	2000	2001	2002	2003	2004
San Antonio International Airport					
Enplaned	3,647,094	3,444,875	3,349,283	3,250,911	3,498,189
Deplaned	3,658,241	3,459,521	3,365,333	3,285,385	3,499,462
Total	7,305,335	6,904,396	6,714,616	6,536,296	6,997,651

Source: San Antonio International Airport

### San Antonio Cargo Enplaned (pounds)

Airport	2000	2001	2002	2003	2004
San Antonio International Airport	91,505,339	69,737,240	82,447,287	79,357,043	82,427,913

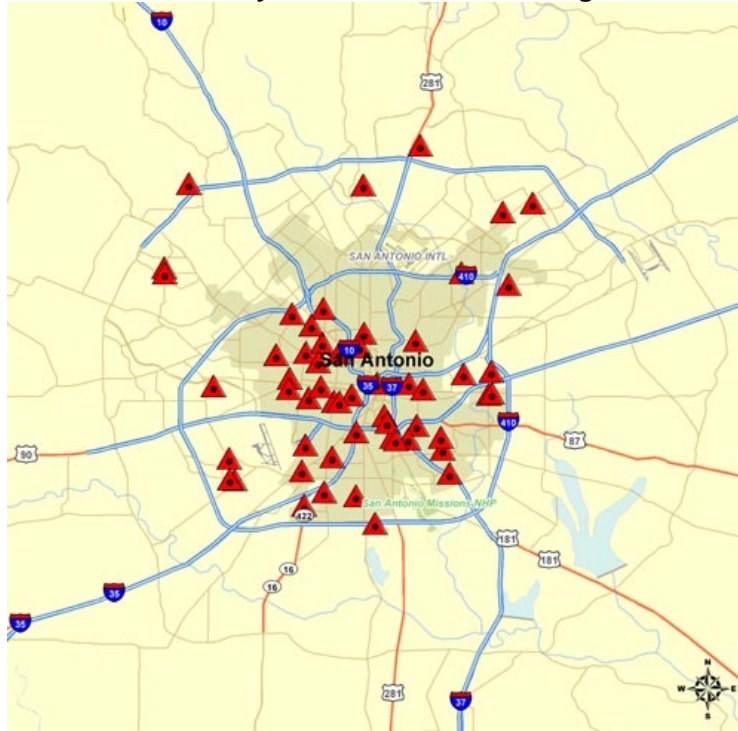
Source: San Antonio International Airport

# San Antonio Market Overview 2005

## Public Facilities

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San Antonio City Public Facilities Building Permits



San Antonio City Building Permit Office

## San Antonio Market Overview 2005 Multifamily

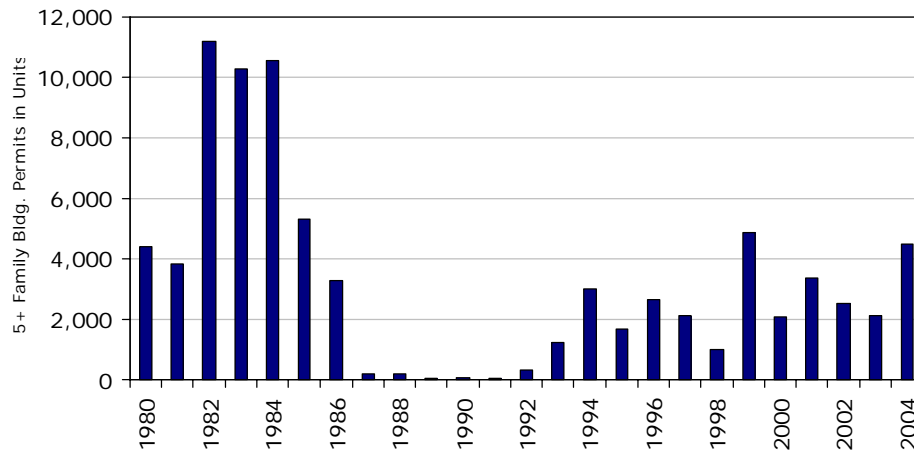
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**San Antonio Apartment Statistics 2004**

	San Antonio	Texas Metro Average
Average rent per square foot	\$0.76	\$0.79
Average rent for units built since 2000	\$0.88	\$0.92
Average occupancy (in percent)	93.1	91.5
Average occupancy for units built since 2000 (in percent)	94.0	92.4

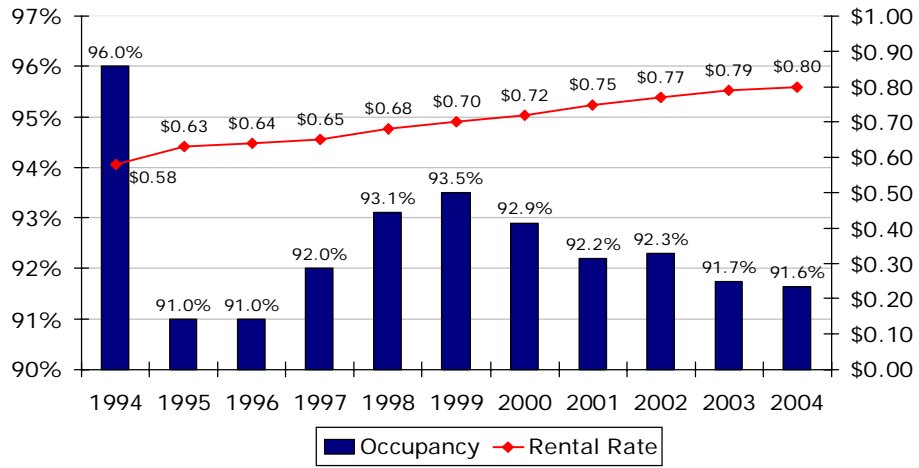
Source: Apartment MarketData Research Jan- 2005

**San Antonio MSA Multifamily Building Permits**



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

**San Antonio MSA Multifamily Market  
 Historical Rent & Occupancy**



Source: Austin Investor Interests [www.apartmenttrends.com](http://www.apartmenttrends.com)

**San Antonio City Multifamily Building Permits**



## San Antonio Market Overview 2005 Housing

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**Price Distribution of MLS Homes Sold, San Antonio Area, 2004 (in percent)**

Price Range	1998	1999	2000	2001	2002	2003	2004
\$29,999 or less	3.4	3.0	2.6	2.5	2.6	2.2	2.2
30,000 - 39,999	3.9	3.8	3.3	2.7	2.5	2.5	2.1
40,000 - 49,999	7.3	6.2	5.5	4.0	3.6	3.3	2.5
50,000 - 59,999	8.6	8.5	8.1	6.9	5.8	4.8	4.0
60,000 - 69,999	10.3	10.2	9.5	8.6	7.5	6.5	6.2
70,000 - 79,999	9.5	9.9	9.3	9.1	8.2	7.4	6.9
80,000 - 89,999	9.3	9.4	9.2	9.7	8.8	8.2	7.7
90,000 - 99,999	6.9	7.0	7.1	7.1	7.0	7.0	7.1
100,000 - 119,999	10.5	10.8	10.4	11.0	11.7	11.6	11.9
120,000 - 139,999	8.8	8.6	9.1	10.3	10.8	11.9	11.8
140,000 - 159,999	5.6	5.8	6.2	6.9	7.6	7.8	8.7
160,000 - 179,999	3.9	4.0	4.4	5.3	5.9	6.2	6.3
180,000 - 199,999	2.9	2.8	3.4	3.6	3.8	4.1	4.5
200,000 - 249,999	3.8	4.5	4.9	4.9	5.8	6.7	7.3
250,000 - 299,999	1.9	2.1	2.6	2.8	3.2	4.0	4.2
300,000 - 399,999	2.0	2.0	2.4	2.5	2.9	3.5	3.7
400,000 - 499,999	0.6	0.7	1.1	1.0	1.0	1.1	1.3
500,000 and more	0.6	0.7	0.9	1.0	1.2	1.3	1.4

Source: Real Estate Center at Texas A&M University

### Housing Affordability - Third Quarter 2004

	Percent of Households That Can Afford Median- priced Home	THAI*	THAI for First-time Homebuyers
San Antonio MSA	56	1.13	0.93
Texas MLS Total	50	0.99	0.91
U.S. Total	49	0.99	0.72

\* The THAI is the ratio of median household income to the income required to buy the median-priced home using currently available mortgage financing. Standard financing is a 30-year loan covering 80 percent of the cost of the home. A THAI of 1.00 indicates that the median household income is just enough to qualify for a loan sufficient to purchase the median-priced home.

Source: Real Estate Center at Texas A&M University

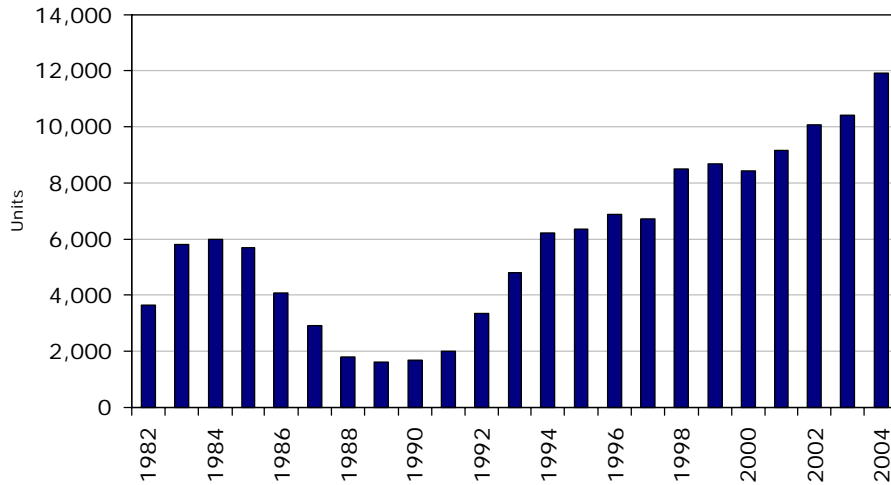
**Property Tax Rates, 2004**  
**County, Major City, Major School District**

Taxing Entity*	Tax Rate per \$100 Valuation
City of San Antonio	0.57854
San Antonio ISD	1.722
Bexar County	0.318471
<b>Total</b>	<b>\$2.62</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.

Source: Bexar County Appraisal District

**San Antonio MSA Single-Family Building Permits**

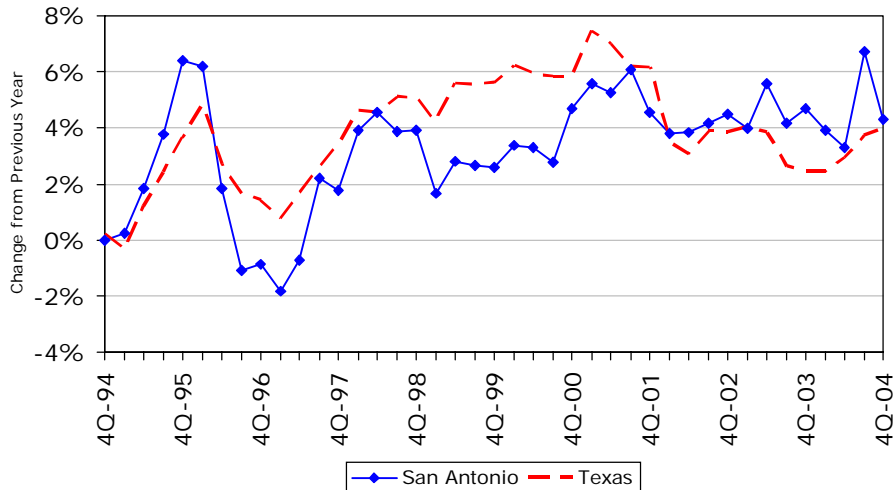


Source: U.S. Census Bureau and Real Estate Center at Texas A&M University

### Home Price Appreciation San Antonio MSA\*

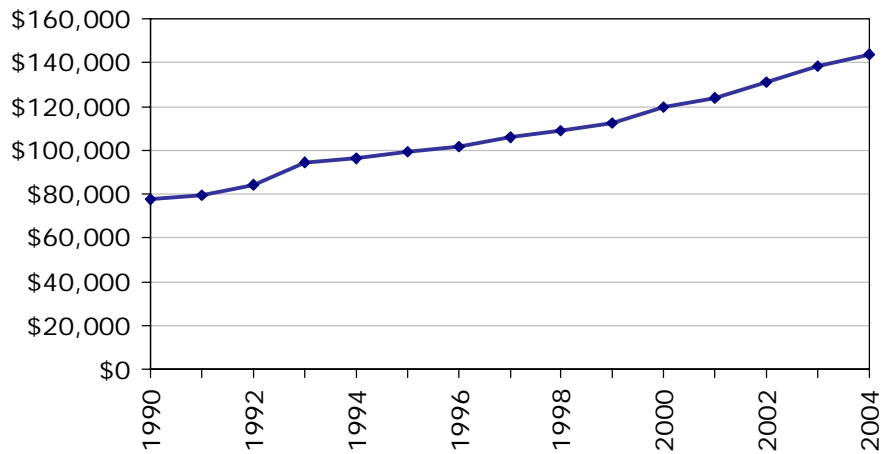
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae since January 1975.

\*According to new 2003 MSA definition, including Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson Counties



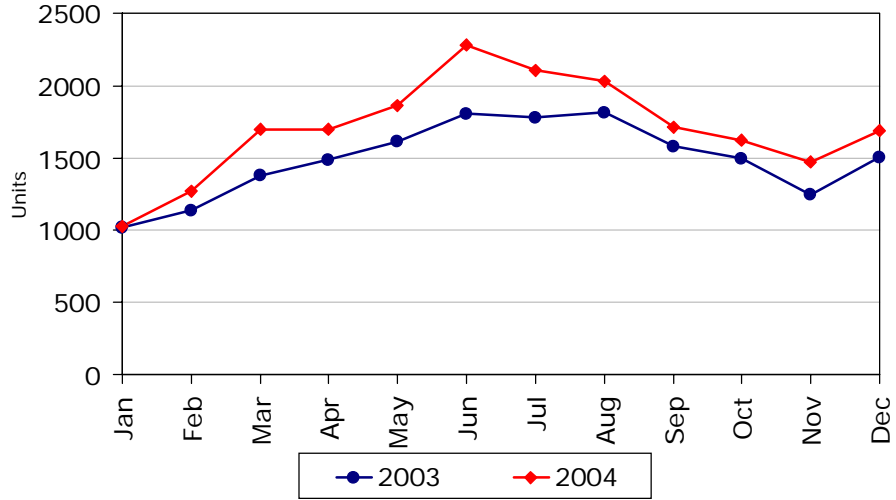
Source: Office of Federal Housing Enterprise Oversight

### Average Sales Price of Single-Family Home San Antonio Area



Source: Real Estate Center at Texas A&M University

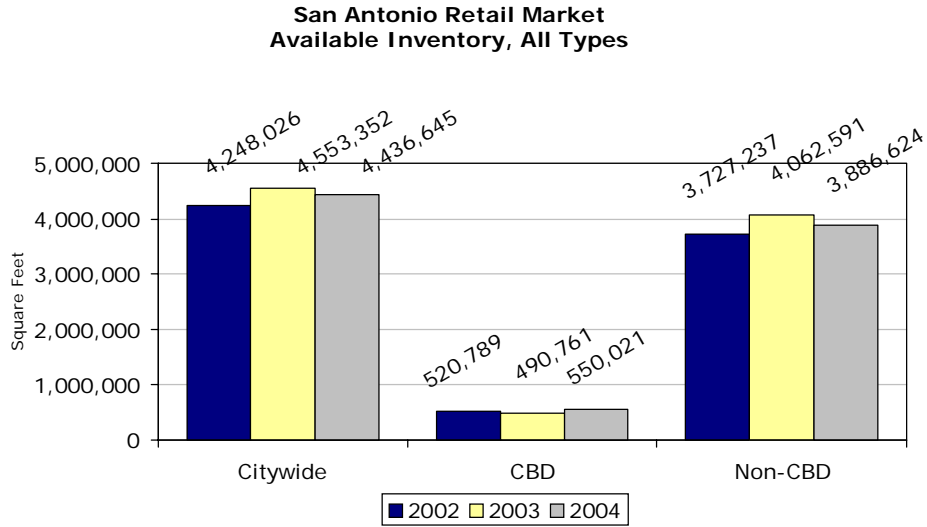
Single-Family Home Sales Volume  
San Antonio Area



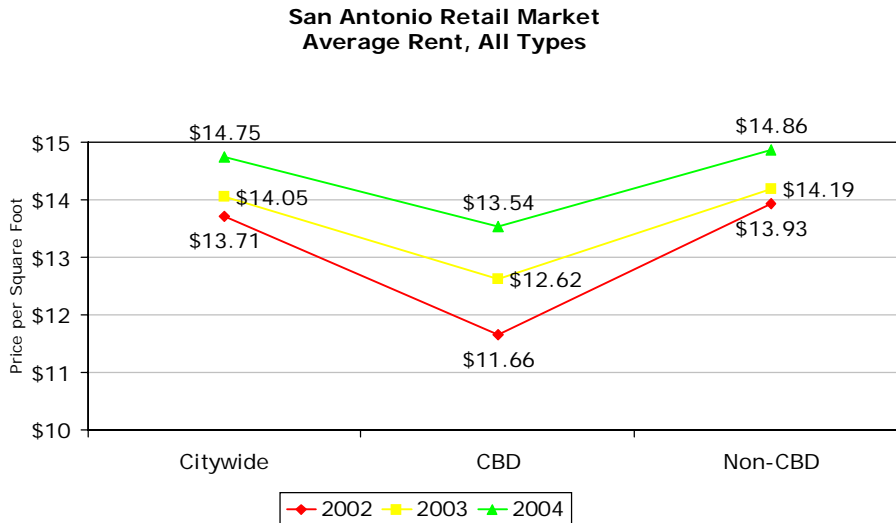
Source: Real Estate Center at Texas A&M University

# San Antonio Market Overview 2005

## Retail

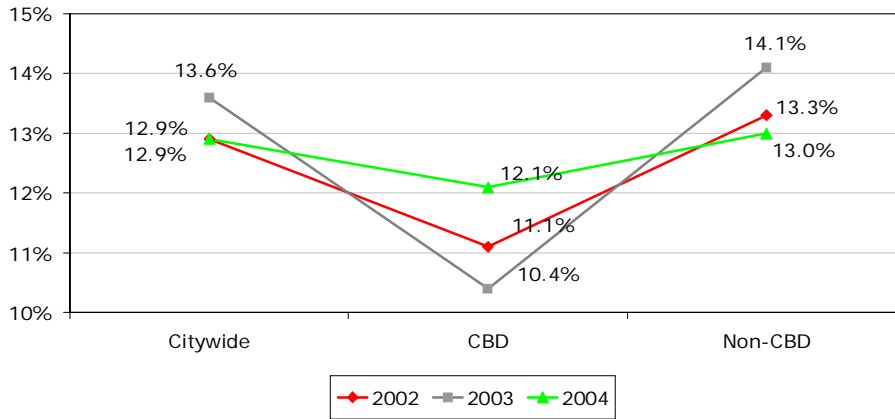


Source: REOC Partners, Ltd.



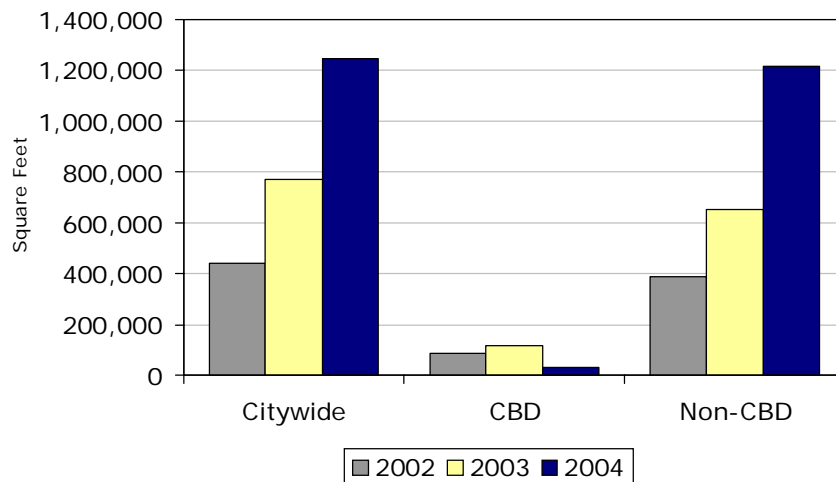
Source: REOC Partners, Ltd.

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



Source: REOC Partners, Ltd.

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



Source: REOC Partners, Ltd.

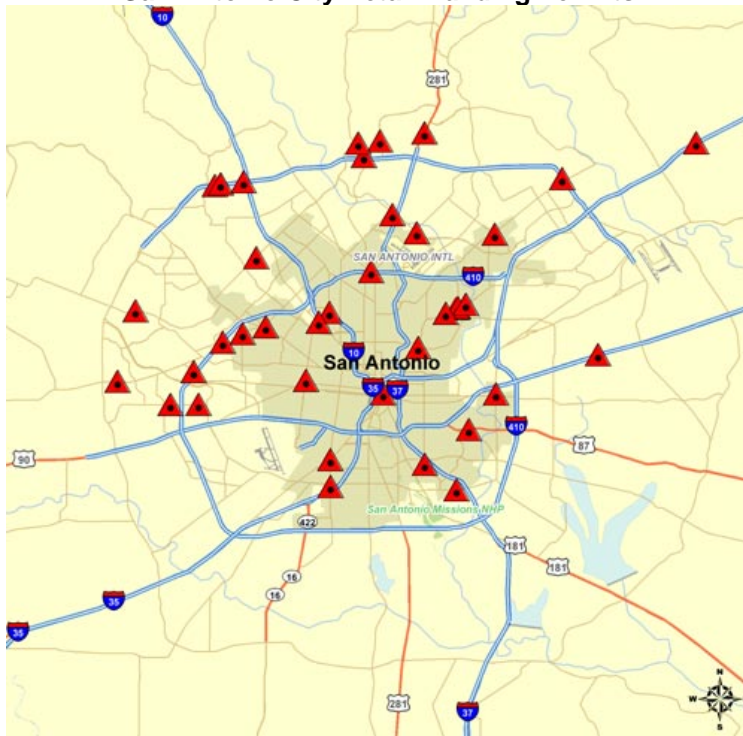
**Retail Market Analysis**  
**San Antonio, Fourth Quarter 2004**

Class Type	Citywide		CBD		Non-CBD	
	Q4 2004	Q4 2003	Q4 2004	Q4 2003	Q4 2004	Q4 2003
<b>All Types</b>						
Inventory	34,440,034	33,572,518	4,532,115	4,725,467	29,907,919	28,847,051
Available	4,436,645	4,553,352	550,021	490,761	3,886,624	4,062,591
% Vacant	12.9	13.6	12.1	10.4	13.0	14.1
Average Rent	\$14.75	\$14.05	\$13.54	\$12.62	\$14.86	\$14.19
4Q Absorption	338,708	83,598	33,529	16,932	305,179	66,666
YTD Absorption	1,246,329	767,901	32,363	115,328	1,213,966	652,573
<b>Regional Malls</b>						
Inventory	7,793,270	7,657,016	2,326,629	2,326,629	5,466,641	5,330,387
Available	1,399,292	1,286,292	303,026	306,026	1,096,266	980,266
% Vacant	18.0	16.8	13.0	13.2	20.1	18.4
4Q Absorption	16,254	(164,143)	0	0	16,254	(164,143)
YTD Absorption	23,254	(147,540)	3,000	21,800	20,254	(169,340)
<b>Power Centers, (250K+)</b>						
Inventory	5,943,834	5,637,428	0	-	5,943,834	5,637,428
Available	169,769	251,446	0	-	169,769	251,446
% Vacant	2.9	4.5	-	-	2.9	4.5
Average Rent	\$22.24	\$20.83	-	-	\$22.24	21
4Q Absorption	89,585	150,932	0	-	89,585	150,932
YTD Absorption	383,877	577,813	0	-	383,877	577,813
<b>Community Centers, (100K-249K)</b>						
Inventory	3,750,413	3,910,304	0	178,486	3,750,413	3,731,818
Available	477,881	538,272	0	0	477,881	538,272
% Vacant	12.7	13.8	-	0.0	12.7	14.4
Average Rent	\$14.64	\$14.08	-	\$9.85	\$14.64	\$14.29
4Q Absorption	30,113	49,669	0	0	30,113	49,669
YTD Absorption	78,791	12,483	0	0	78,791	12,483
<b>Neighborhood Centers, (30K-99K)</b>						
Inventory	15,718,493	15,371,990	2,168,204	2,196,352	13,550,289	13,175,638
Available	2,192,808	2,349,099	234,372	184,735	1,958,436	2,164,364
% Vacant	14.0	15.3	10.8	8.4	14.5	16.4
Average Rent	\$12.07	\$11.66	\$13.56	\$12.91	\$11.83	\$11.45
4Q Absorption	168,847	2,212	33,529	16,932	135,318	(14,720)
YTD Absorption	643,254	292,791	29,363	93,528	613,891	199,263
<b>Strip Centers, (Less than 30K)</b>						
Inventory	1,234,024	995,780	37,282	24,000	1,196,742	971,780
Available	196,895	128,243	12,623	0	184,272	128,243
% Vacant	16.0	12.9	33.9	0.0	15.4	13.2
Average Rent	\$13.08	\$12.39	\$12.08	\$7.50	\$13.11	\$12.51
4Q Absorption	33,909	44,928	0	0	33,909	44,928
YTD Absorption	117,153	32,354	0	0	117,153	32,354

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

Source: REOC Partners, Ltd.

### San Antonio City Retail Building Permits



San Antonio City Building Permit Office

## San Antonio Market Overview 2005 Hotel

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**Hotel Occupancy and Rental Rates**

	2003*		2004	
	San Antonio	Texas	San Antonio	Texas
# Rooms 000's	33.1	320.2	33.5	329.2
Average daily rate	\$84.51	\$68.80	\$87.09	\$70.62
Occupancy rate (in percent)	59.6	54.2	58.9	55.2

\* 2003 data according to new MSA definition including Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, Wilson Counties

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

## San Antonio Market Overview 2005 Office

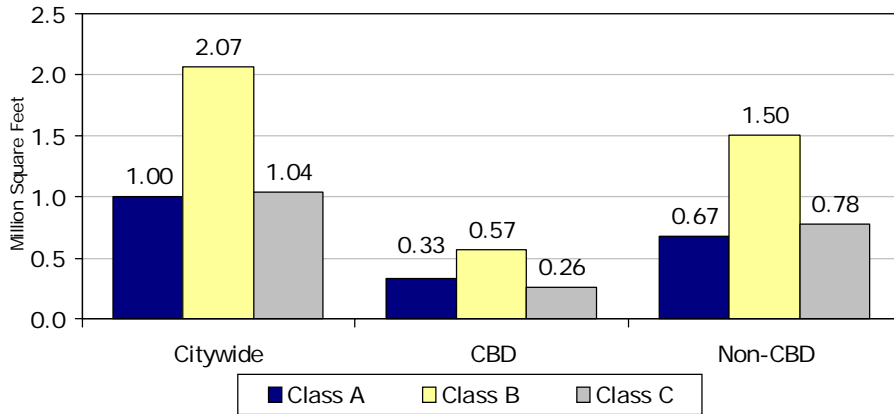
### Office Market Analysis San Antonio, Fourth Quarter 2004

Class Type	Citywide		CBD		Non-CBD	
	Q4 2004	Q4 2003	Q4 2004	Q4 2003	Q4 2004	Q4 2003
<b>All Classes</b>						
Inventory	22,941,224	22,267,483	5,174,194	5,112,090	17,767,030	17,155,393
Available	4,110,759	3,947,502	1,157,833	1,031,062	2,952,926	2,916,440
% Vacant	17.9%	17.7%	22.4%	20.2%	16.6%	17.0%
Average Rent	\$17.76	\$17.61	\$17.81	\$17.85	\$17.75	\$17.53
4Q Absorption	258,483	20,652	(26,294)	(3,987)	284,777	24,639
YTD Absorption	487,050	(190,171)	(50,772)	(117,333)	537,822	(72,838)
<b>Class A Space</b>						
Inventory	7,554,144	7,474,074	1,990,010	1,989,158	5,564,134	5,484,916
Available	1,004,884	1,168,116	331,822	251,680	673,062	916,436
% Vacant	13.3%	15.6%	16.7%	12.7%	12.1%	16.7%
Average Rent	\$20.57	\$20.57	\$21.12	\$21.36	\$20.38	\$20.29
4Q Absorption	179,198	(6,299)	(10,150)	(10,576)	189,348	4,277
YTD Absorption	255,770	(152,452)	(80,142)	(105,271)	335,912	(47,181)
<b>Class B Space</b>						
Inventory	11,614,530	11,024,828	2,483,073	2,459,750	9,131,457	8,565,078
Available	2,068,882	1,914,715	565,230	525,400	1,503,652	1,389,315
% Vacant	17.8%	17.4%	22.8%	21.4%	16.5%	16.2%
Average Rent	\$16.72	\$16.53	\$15.43	\$15.52	\$17.07	\$16.83
4Q Absorption	58,180	60,816	(15,231)	11,383	73,411	49,433
YTD Absorption	396,283	35,072	31,151	13,305	365,132	21,767
<b>Class C Space</b>						
Inventory	3,772,550	3,768,581	701,111	663,182	3,071,439	3,105,399
Available	1,036,993	864,671	260,781	253,982	776,212	610,689
% Vacant	27.5%	22.9%	37.2%	38.3%	25.3%	19.7%
Average Rent	\$15.34	\$14.86	\$16.85	\$15.96	\$15.00	\$14.63
4Q Absorption	21,105	(33,865)	(913)	(4,794)	22,018	(29,071)
YTD Absorption	(165,003)	(72,791)	(1,781)	(25,367)	(163,222)	(47,424)

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

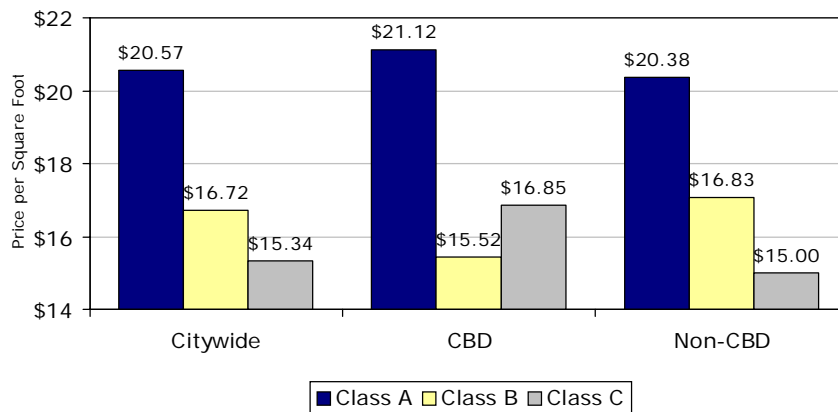
Source: REOC Partners, Ltd.

**San Antonio Office Market  
 Available Inventory, Q4 2004**



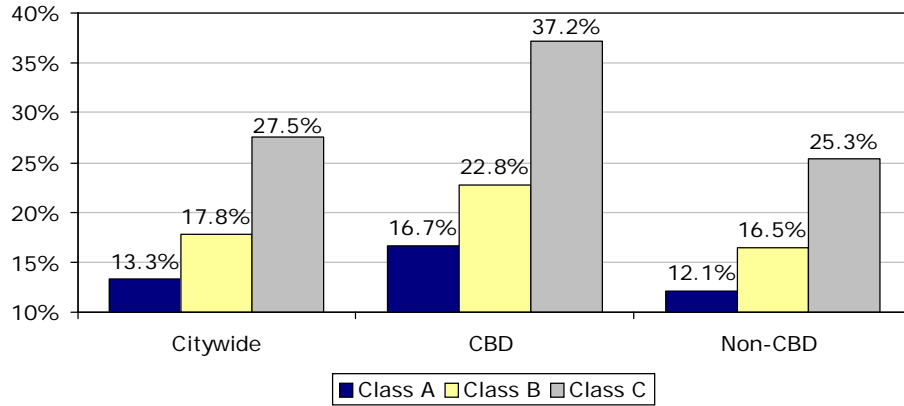
Source: REOC Partners, Ltd.

**San Antonio Office Market  
 Average Rent, Q4 2004**



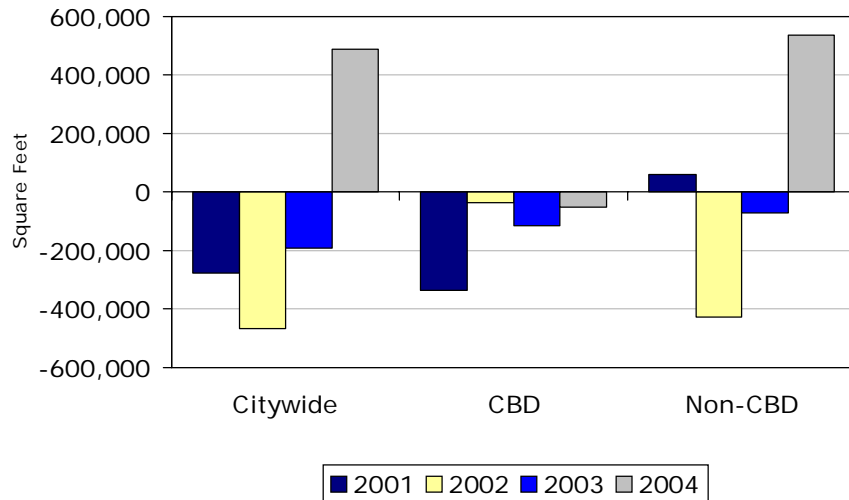
Source: REOC Partners, Ltd.

**San Antonio Office Market  
 Vacancy Rate, Q4 2004**



Source: REOC Partners, Ltd.

**San Antonio Office Market  
 YTD Absorption**



Source: REOC Partners, Ltd.

## San Antonio Market Overview 2005 Industrial

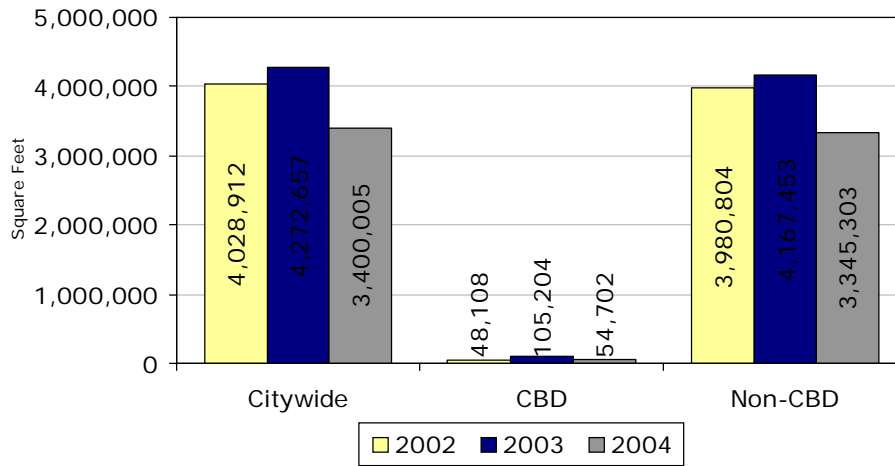
### Industrial Market Analysis San Antonio, Fourth Quarter 2004

Type	Citywide		CBD		Non-CBD	
	Q4 2004	Q4 2003	Q4 2004	Q4 2003	Q4 2004	Q4 2003
<b>Combined</b>						
Inventory	22,337,336	22,194,184	262,509	264,395	22,074,827	21,929,789
Available	3,400,005	4,272,657	54,702	105,204	3,345,303	4,167,453
% Vacant (in percent)	15.2	19.3	20.8	39.8	15.2	19.0
4Q Absorption	680,735	270,110	0	(42,822)	680,735	312,932
YTD Absorption	563,606	76,499	50,502	(57,096)	513,104	133,595
<b>Distribution/Warehouse</b>						
Inventory	16,009,581	15,272,793	262,509	264,395	15,747,072	15,008,398
Available	2,392,134	2,672,356	54,702	105,204	2,337,432	2,567,152
% Vacant (in percent)	14.9	17.5	20.8	39.8	14.8	17.1
Average Rent	\$3.99	\$4.00	\$3.26	\$3.14	\$4.00	\$4.01
4Q Absorption	639,759	151,775	0	(42,822)	639,759	194,597
YTD Absorption	454,841	(182,633)	50,502	(57,096)	404,339	(125,537)
<b>Service Center/Flex</b>						
Inventory	6,327,755	6,921,391	0	0	6,327,755	6,921,391
Available	1,007,871	1,600,301	0	0	1,007,871	1,600,301
% Vacant (in percent)	15.9	23.1	0.0	0.0	15.9	23.1
Average Rent	\$8.59	\$8.92	\$0.00	\$0.00	\$8.59	\$8.92
4Q Absorption	40,976	118,335	0	0	40,976	118,335
YTD Absorption	108,765	159,132	0	0	108,765	259,132

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

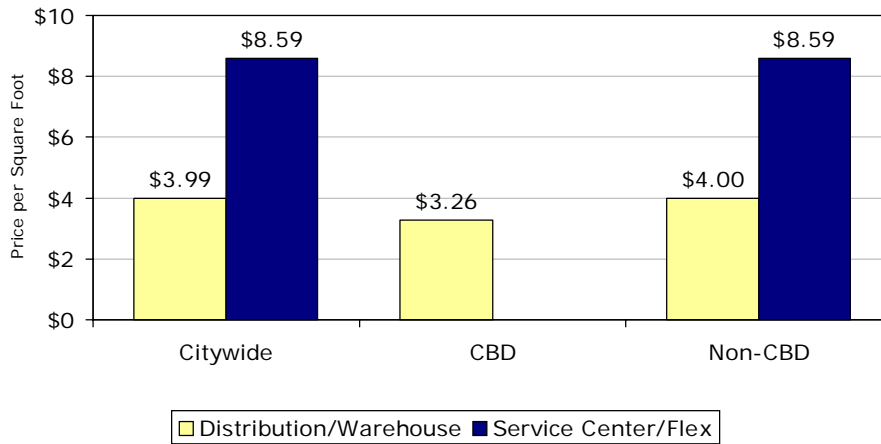
Source: REOC Partners, Ltd.

**San Antonio Industrial Market  
 Available Inventory**



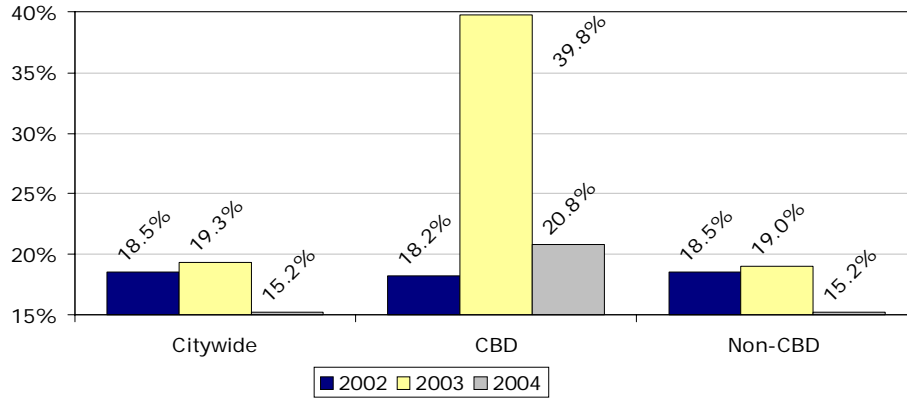
Source: REOC Partners, Ltd.

**San Antonio Industrial Market  
 Average Rent, Year-End 2004**



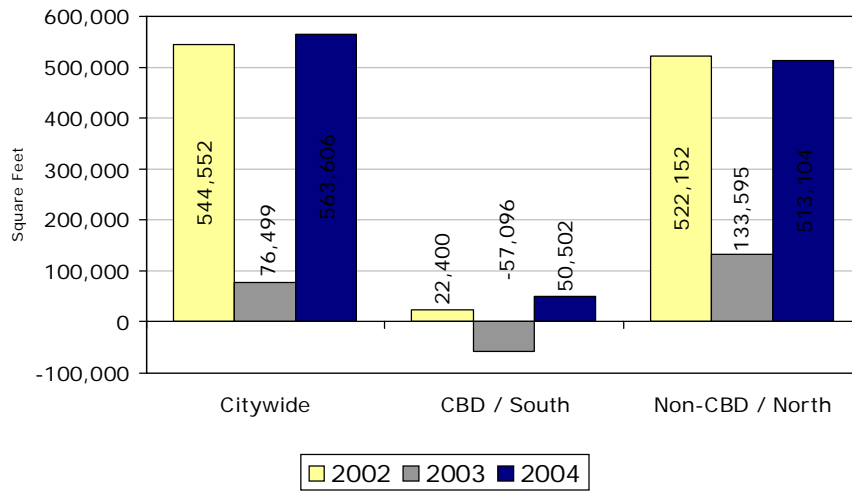
Source: REOC Partners, Ltd.

### San Antonio Industrial Market Vacancy Rate



Source: REOC Partners, Ltd.

### San Antonio Industrial Market YTD Absorption



Source: REOC Partners, Ltd.



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