

Real Estate Market Overview 2006

Houston-Sugar Land-Baytown

Mid-Year Update

Houston is Texas' largest city and the fourth largest city in the United States. Houston was the fastest growing city in the United States in the 20th century, according to American City Business Journals. More than four million people live in the metropolitan area. While still a major refinery center, Houston has managed to diversify its business base so the local economy does not follow the drastic rise and fall of oil prices. The Port of Houston, one of the largest in the world, is the second busiest port in the United States in terms of annual tonnage. Houston is also the site of the battle of San Jacinto, a battle that won Texas independence from Mexico.

Brazoria is located southwest of Galveston and Houston and is composed of clusters of small cities and communities. The area was first populated when Stephen F. Austin selected it for his proposed settlement, and 89 of Austin's Old Three Hundred had grants in what is now Brazoria County by 1824. Brazoria County is composed of two regions, Brazosport and northeast Brazoria County. Alvin and Pearland are the two largest cities in northeast Brazoria County. Brazosport and the Alvin-Pearland areas are distinct and geographically separate. The Brazosport area is heavily dependent on the chemical industry while Alvin and Pearland are more a part of Houston's economy. Pearland is about 15 miles from downtown Houston.

Galveston, once known as the "Wall Street of the South," was Texas' wealthiest city during the late 1800s. The city's prosperity was brought to a sudden halt when a hurricane struck the island on September 8, 1900. It still is considered the deadliest natural disaster in U.S. history, killing over 6,000 people. The Galveston-Texas City is on the Gulf of Mexico about 45 miles south-southeast of Houston. Galveston Island's beach stretches 32 miles and provides the backdrop for the area's multimillion-dollar tourism industry. Less than 50 square miles of the county (about 12 percent) are located off the mainland.

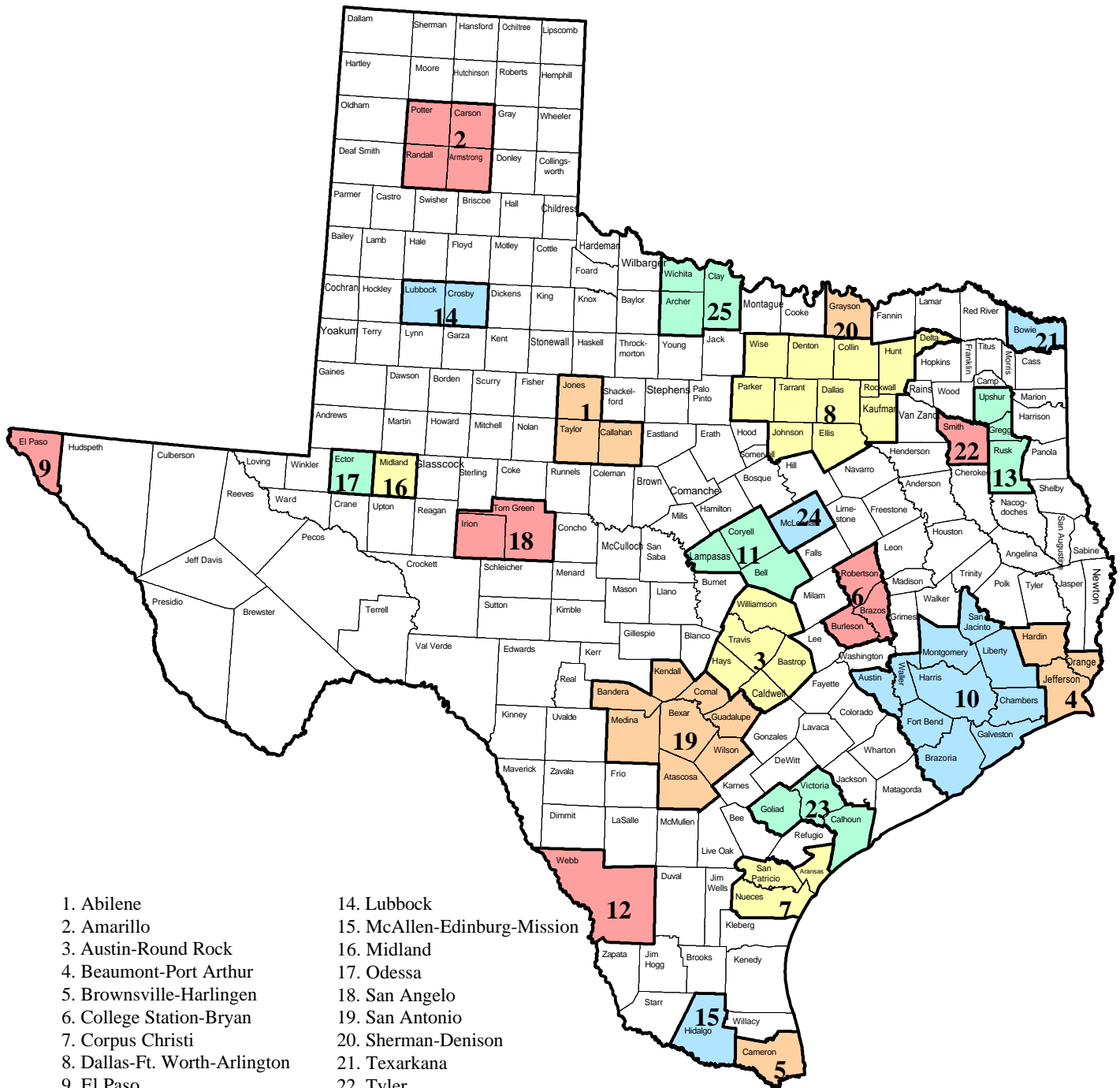
| Quick Facts | |
|--|--|
| Land Area | 8,926.23 square miles |
| Population Density (2000) | 528.3 people per square mile |
| Counties | Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, Waller |
| Area Cities and Towns | |
| Alvin, Algoa, Angelton, Bailey's Prairie, Bacliff, Baytown, Bellaire, Bonney-Rosharon, Brazoria, Clute, Conroe, Damon and Damon's Mound, Danbury, Danciger, Deer Park, Dickinson, East Columbia, Freeport, Friendswood, Galena Park, Galveston, Hitchcock, Houston, Humble, Jones Creek, Katy, Kemah, La Marque, La Porte, Lake Jackson, League City, Liverpool, Manvel-Iowa Colony, Missouri City, Oyster Creek, Pasadena, Pearland, Quintata, Richmond, Rosenberg, San Felipe, San Luis Pass, Santa Fe, Surfside Beach, Stafford, Sugar Land, Sweeny-Old Ocean, Texas City, West Columbia, West University Place | |

*This report's MSA data reflects either 1999 or 2003 MSA definitions based on data availability. Use of 1999 definition is noted where applicable.

Real Estate Center Market Overview 2006
Houston-Sugar Land-Baytown, TX



Metropolitan Statistical Areas (MSAs)



- | | |
|--------------------------------|------------------------------|
| 1. Abilene | 14. Lubbock |
| 2. Amarillo | 15. McAllen-Edinburg-Mission |
| 3. Austin-Round Rock | 16. Midland |
| 4. Beaumont-Port Arthur | 17. Odessa |
| 5. Brownsville-Harlingen | 18. San Angelo |
| 6. College Station-Bryan | 19. San Antonio |
| 7. Corpus Christi | 20. Sherman-Denison |
| 8. Dallas-Ft. Worth-Arlington | 21. Texarkana |
| 9. El Paso | 22. Tyler |
| 10. Houston-Sugar Land-Baytown | 23. Victoria |
| 11. Killeen-Temple-Ft Hood | 24. Waco |
| 12. Laredo | 25. Wichita Falls |
| 13. Longview | |

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Houston-Sugar Land-Baytown Market Overview 2006 Demographics

Houston PMSA Population

| Year | Population | Percent Change |
|-------|------------|----------------|
| 1995 | 4,246,398 | - |
| 1996 | 4,334,020 | 2.0% |
| 1997 | 4,427,401 | 2.1% |
| 1998 | 4,534,979 | 2.4% |
| 1999 | 4,644,526 | 2.4% |
| 2000 | 4,715,407 | 1.5% |
| 2001 | 4,845,167 | 2.7% |
| 2002 | 4,967,475 | 2.5% |
| 2003 | 5,073,419 | 2.1% |
| 2004 | 5,180,443 | 2.1% |
| 2005* | 5,280,077 | 1.9% |

* July 1, 2005 population estimates

Source: U.S. Census Bureau

County Population Growth

| County | 1995 Population | 2005* Population | Growth 1995 - 2005* (in percent) |
|-------------|--------------------|---------------------|-------------------------------------|
| Austin | 21,822 | 26,123 | 19.7 |
| Brazoria | 215,771 | 278,484 | 29.1 |
| Chambers | 22,773 | 28,411 | 24.8 |
| Fort Bend | 286,309 | 463,650 | 61.9 |
| Galveston | 237,332 | 277,563 | 17.0 |
| Harris | 3,121,621 | 3,693,050 | 18.3 |
| Liberty | 62,539 | 75,141 | 20.2 |
| Montgomery | 231,816 | 378,033 | 63.1 |
| San Jacinto | 18,824 | 24,801 | 31.8 |
| Waller | 27,591 | 34,821 | 26.2 |

* July 1, 2005 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

| City | 2000 Population | Growth 1990-2000 (percent) |
|-----------------------|--------------------|-------------------------------|
| Houston | 1,953,631 | 15.1 |
| Pasadena | 141,674 | 18.7 |
| Baytown | 66,430 | 3.4 |
| Sugar Land | 63,328 | 43.1 |
| Galveston | 57,247 | -4.0 |
| Missouri City | 52,913 | 45.9 |
| League City | 45,444 | 52.0 |
| Texas City | 41,521 | 1.7 |
| Pearland | 37,640 | 101.3 |
| Conroe | 36,811 | 27.0 |
| La Porte | 31,880 | 14.3 |
| Friendswood | 29,037 | 27.3 |
| Deer Park | 28,520 | 3.4 |
| Lake Jackson | 26,386 | 15.9 |
| Rosenberg | 24,043 | 16.1 |
| Alvin | 21,413 | 11.4 |
| Angleton | 18,130 | 5.8 |
| Dickinson | 17,093 | 13.6 |
| South Houston | 15,833 | 10.2 |
| Stafford | 15,681 | 94.1 |
| Bellaire | 15,642 | 13.7 |
| Humble | 14,579 | 19.6 |
| West University Place | 14,211 | 10.0 |
| La Marque | 13,682 | -2.4 |
| Freeport | 12,708 | 11.6 |
| Katy | 11,775 | 48.0 |
| Richmond | 11,081 | 9.4 |
| Galena Park | 10,592 | 5.5 |
| Jacinto City | 10,302 | 5.5 |

Source: U.S. Census Bureau

Texas Metropolitan Area Population Change, 1995 - 2005*

| Metropolitan Area | 1995 Population | 2005* Population | Percent Change |
|-----------------------------------|----------------------------|-----------------------------|---------------------------|
| Austin-Round Rock | 1,031,557 | 1,452,529 | 40.8 |
| McAllen-Edinburg-Mission | 487,593 | 678,275 | 39.1 |
| Laredo | 167,466 | 224,695 | 34.2 |
| Dallas-Fort Worth-Arlington | 4,501,154 | 5,819,475 | 29.3 |
| Houston-Sugar Land-Baytown | 4,246,398 | 5,280,077 | 24.3 |
| Brownsville-Harlingen | 304,928 | 378,311 | 24.1 |
| San Antonio | 1,570,083 | 1,889,797 | 20.4 |
| Texas | 16,986,335 | 19,874,977 | 17.0 |
| Tyler | 163,440 | 190,594 | 16.6 |
| Sherman-Denison | 100,342 | 116,834 | 16.4 |
| Killeen-Temple-Fort Hood | 313,222 | 351,528 | 12.2 |
| College Station-Bryan | 170,608 | 189,735 | 11.2 |
| Amarillo | 215,176 | 238,664 | 10.9 |
| Waco | 202,692 | 224,668 | 10.8 |
| El Paso | 654,250 | 721,598 | 10.3 |
| Midland | 113,627 | 121,371 | 6.8 |
| Longview | 188,646 | 201,501 | 6.8 |
| Texarkana | 126,220 | 133,805 | 6.0 |
| Victoria | 107,413 | 113,356 | 5.5 |
| Lubbock | 245,759 | 258,970 | 5.4 |
| Corpus Christi | 394,701 | 413,553 | 4.8 |
| Odessa | 121,017 | 125,339 | 3.6 |
| San Angelo | 103,639 | 105,367 | 1.7 |
| Abilene | 156,097 | 158,291 | 1.4 |
| Beaumont-Port Arthur | 380,888 | 383,530 | 0.7 |
| Wichita Falls | 147,740 | 146,276 | -1.0 |

* July 1, 2005 population estimates

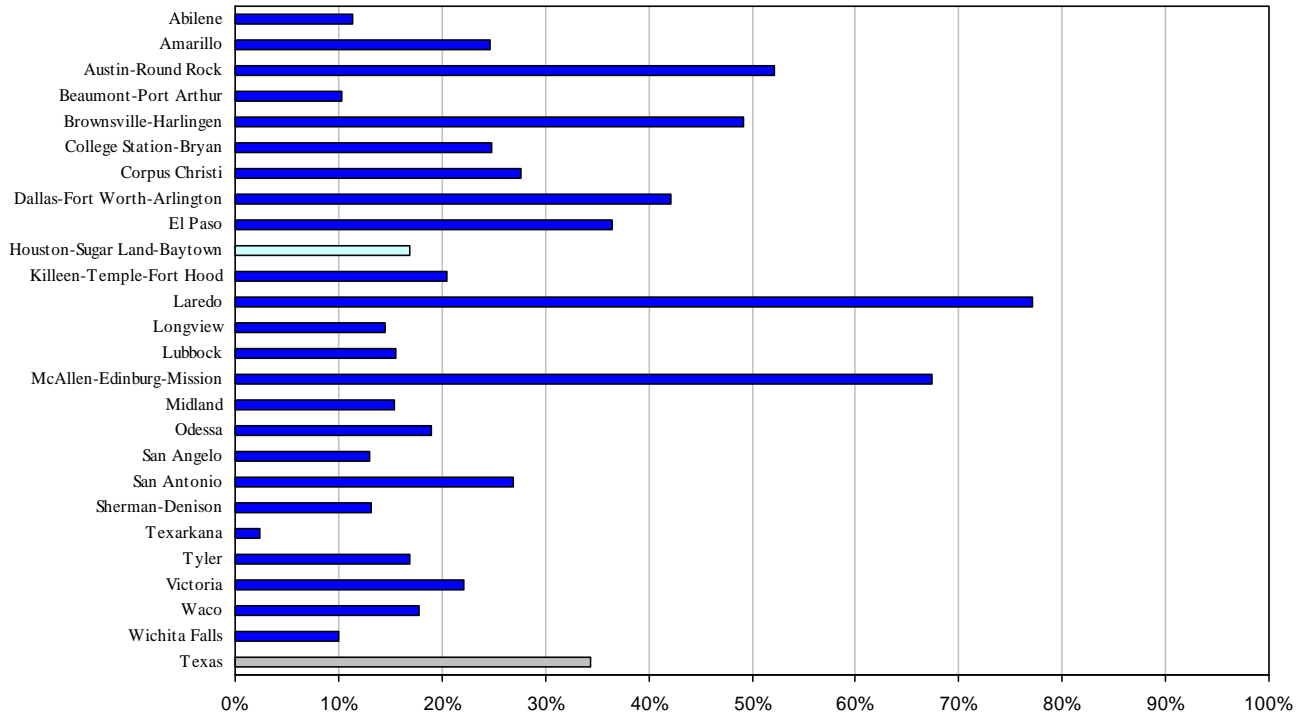
Source: U.S. Census Bureau

Houston-Sugar Land-Baytown MSA Projected Population

| Year | Texas State Data Center (Scenario 0.5) | Texas Water Development Board |
|------|---|----------------------------------|
| 2000 | 4,715,407 | 4,715,407 |
| 2005 | 4,955,668 | - |
| 2010 | 5,169,094 | 5,623,068 |
| 2015 | 5,354,336 | - |
| 2020 | 5,513,583 | 6,538,439 |
| 2025 | 5,644,592 | - |
| 2030 | 5,739,876 | 7,500,923 |
| 2035 | 5,795,396 | - |
| 2040 | 5,816,355 | 8,472,303 |

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

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



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

Household Composition

| | Houston PMSA | Brazoria MSA | Galveston MSA | Texas |
|--|-----------------|-----------------|------------------|-------|
| Average household size (2000) | 2.82 | 2.82 | 2.60 | 2.74 |
| Population younger than 18 (2000, in percent) | 29.2 | 28.6 | 26.7 | 28.2 |
| Population 65 and older (2000, in percent) | 7.4 | 8.8 | 11.1 | 9.9 |

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

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

| | Houston PMSA | Brazoria MSA | Galveston- City MSA | Texas |
|------------------------|-----------------|-----------------|------------------------|-------|
| White | 58.7 | 77.1 | 72.7 | 71.0 |
| Black | 18.5 | 8.5 | 15.4 | 11.5 |
| Asian | 5.1 | 2.0 | 2.1 | 2.7 |
| American Indian | 0.4 | 0.5 | 0.5 | 0.6 |
| Other | 14.2 | 9.6 | 7.2 | 11.7 |
| Two or more races | 3.0 | 2.2 | 2.1 | 2.5 |
| Hispanic (of any race) | 32.9 | 22.8 | 18.0 | 32.0 |

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

In-Migration for Houston-Sugar Land-Baytown MSA, 2003

| To | From | | | Non-Migrants |
|--------------------|-----------------|----------------------|-----------------|--------------|
| | US - Same State | US - Different State | Foreign Country | |
| Austin County | 1,423 | 211 | - | 20,069 |
| Brazoria County | 12,857 | 3,133 | 128 | 201,174 |
| Chambers County | 3,318 | 437 | - | 35,750 |
| Fort Bend County | 31,748 | 7,252 | 467 | 344,698 |
| Galveston County | 12,008 | 3,860 | 193 | 200,844 |
| Harris County | 62,191 | 44,105 | 3,661 | 2,598,251 |
| Liberty County | 3,941 | 563 | 15 | 48,740 |
| Montgomery County | 20,227 | 6,992 | 265 | 238,001 |
| San Jacinto County | 1,435 | 212 | - | 13,384 |
| Waller County | 1,525 | 173 | - | 17,679 |

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

Out-Migration for Houston-Sugar Land-Baytown MSA, 2003

| From | To | | | Non-Migrants |
|--------------------|-----------------|----------------------|-----------------|--------------|
| | US - Same State | US - Different State | Foreign Country | |
| Austin County | 1,135 | 195 | 16 | 20,069 |
| Brazoria County | 9,624 | 2,936 | 143 | 201,174 |
| Chambers County | 2,662 | 462 | 25 | 35,750 |
| Fort Bend County | 18,741 | 5,252 | 469 | 344,698 |
| Galveston County | 10,289 | 3,490 | 126 | 200,844 |
| Harris County | 89,725 | 40,992 | 2,537 | 2,598,251 |
| Liberty County | 3,831 | 568 | 16 | 48,740 |
| Montgomery County | 12,425 | 4,674 | 258 | 238,001 |
| San Jacinto County | 1,031 | 172 | - | 13,384 |
| Waller County | 1,644 | 193 | - | 17,679 |

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

Real Estate Center Market Overview 2006
Houston-Sugar Land-Baytown, TX

Top Five In-Migration Destinations, Houston-Sugar Land-Baytown MSA, 2003

| From US - Same State | | From US - Different State | |
|------------------------------|--------|-----------------------------|-------|
| To Austin County | | | |
| Harris County | 494 | - | - |
| Fort Bend County | 209 | - | - |
| Waller County | 112 | - | - |
| Colorado County | 91 | - | - |
| Washington County | 85 | - | - |
| To Brazoria County | | | |
| Harris County | 7,431 | Maricopa County, AZ | 82 |
| Galveston County | 1,430 | Los Angeles County, CA | 79 |
| Fort Bend County | 923 | San Diego County, CA | 71 |
| Matagorda County | 294 | Cook County, IL | 51 |
| Travis County | 181 | East Baton Rouge Parish, LA | 37 |
| To Chambers County | | | |
| Harris County | 2,280 | - | - |
| Liberty County | 237 | - | - |
| Jefferson County | 197 | - | - |
| Galveston County | 106 | - | - |
| Brazoria County | 37 | - | - |
| To Fort Bend County | | | |
| Harris County | 26,194 | Los Angeles County, CA | 215 |
| Brazoria County | 673 | Cook County, IL | 144 |
| Wharton County | 375 | Maricopa County, AZ | 140 |
| Travis County | 357 | Orange County, CA | 123 |
| Dallas County | 290 | Lafayette Parish, LA | 120 |
| To Galveston County | | | |
| Harris County | 7,253 | Los Angeles County, CA | 95 |
| Brazoria County | 1,368 | San Diego County, CA | 78 |
| Travis County | 227 | East Baton Rouge Parish, LA | 49 |
| Dallas County | 212 | Calcasieu Parish, LA | 46 |
| Fort Bend County | 203 | Cook County, IL | 41 |
| To Harris County | | | |
| Fort Bend County | 13,121 | Los Angeles County, CA | 1,623 |
| Montgomery County | 6,729 | Cook County, IL | 1,054 |
| Galveston County | 5,185 | San Diego County, CA | 844 |
| Brazoria County | 3,941 | Maricopa County, AZ | 686 |
| Dallas County | 2,737 | Orange County, CA | 624 |
| To Liberty County | | | |
| Harris County | 1,769 | - | - |
| Montgomery County | 717 | - | - |
| Chambers County | 258 | - | - |
| San Jacinto County | 202 | - | - |
| Polk County | 86 | - | - |
| To Montgomery County | | | |
| Harris County | 13,018 | St Tammany Parish, LA | 152 |
| Liberty County | 770 | Los Angeles County, CA | 126 |
| Walker County | 565 | Maricopa County, AZ | 126 |
| Dallas County | 413 | San Diego County, CA | 109 |
| Fort Bend County | 348 | Tulsa County, OK | 99 |
| To San Jacinto County | | | |
| Harris County | 460 | - | - |
| Montgomery County | 247 | - | - |
| Liberty County | 200 | - | - |
| Walker County | 105 | - | - |
| Polk County | 100 | - | - |
| To Waller County | | | |
| Harris County | 867 | - | - |
| Fort Bend County | 102 | - | - |
| Montgomery County | 84 | - | - |
| Austin County | 83 | - | - |
| Grimes County | 55 | - | - |

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

Real Estate Center Market Overview 2006
Houston-Sugar Land-Baytown, TX

Top Five Out-Migration Destinations, Houston-Sugar Land-Baytown MSA, 2003

| To US - Same State | | To US - Different State | |
|--------------------------------|--------|--------------------------------|-------|
| From Austin County | | | |
| Harris County | 320 | - | - |
| Fort Bend County | 145 | - | - |
| Washington County | 112 | - | - |
| Waller County | 83 | - | - |
| Brazos County | 45 | - | - |
| From Brazoria County | | | |
| Harris County | 3,941 | San Diego County, CA | 68 |
| Galveston County | 1,368 | Maricopa County, AZ | 44 |
| Fort Bend County | 673 | Midland County, MI | 43 |
| Montgomery County | 291 | Los Angeles County, CA | 42 |
| Matagorda County | 261 | Calcasieu Parish, LA | 33 |
| From Chambers County | | | |
| Harris County | 1,594 | - | - |
| Liberty County | 258 | - | - |
| Jefferson County | 205 | - | - |
| Galveston County | 70 | - | - |
| Orange County | 40 | - | - |
| From Fort Bend County | | | |
| Harris County | 13,121 | Los Angeles County, CA | 146 |
| Brazoria County | 923 | Orange County, CA | 117 |
| Travis County | 356 | Maricopa County, AZ | 106 |
| Montgomery County | 348 | San Diego County, CA | 97 |
| Bexar County | 328 | Lafayette Parish, LA | 77 |
| From Galveston County | | | |
| Harris County | 5,185 | San Diego County, CA | 65 |
| Brazoria County | 1,430 | Los Angeles County, CA | 61 |
| Montgomery County | 289 | Maricopa County, AZ | 60 |
| Fort Bend County | 268 | Clark County, NV | 41 |
| Travis County | 209 | Calcasieu Parish, LA | 40 |
| From Harris County | | | |
| Fort Bend County | 26,194 | Los Angeles County, CA | 1,161 |
| Montgomery County | 13,018 | Maricopa County, AZ | 732 |
| Brazoria County | 7,431 | San Diego County, CA | 710 |
| Galveston County | 7,253 | Cook County, IL | 701 |
| Travis County | 2,820 | Orange County, CA | 515 |
| From Liberty County | | | |
| Harris County | 1,466 | - | - |
| Montgomery County | 770 | - | - |
| Chambers County | 237 | - | - |
| San Jacinto County | 200 | - | - |
| Polk County | 118 | - | - |
| From Montgomery County | | | |
| Harris County | 6,729 | Maricopa County, AZ | 118 |
| Liberty County | 717 | Oklahoma County, OK | 94 |
| Walker County | 360 | San Diego County, CA | 76 |
| Travis County | 258 | Los Angeles County, CA | 71 |
| San Jacinto County | 247 | Orange County, CA | 48 |
| From San Jacinto County | | | |
| Montgomery County | 245 | - | - |
| Liberty County | 202 | - | - |
| Harris County | 173 | - | - |
| Polk County | 101 | - | - |
| Walker County | 80 | - | - |
| From Waller County | | | |
| Harris County | 869 | - | - |
| Fort Bend County | 127 | - | - |
| Austin County | 112 | - | - |
| Montgomery County | 106 | - | - |
| Washington County | 51 | - | - |

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

Houston-Sugar Land-Baytown Market Overview 2006 Education

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

| Level of Education | Austin County | Brazoria County | Chambers County | Fort Bend County | Galveston County | Texas |
|---------------------------------|------------------|--------------------|--------------------|---------------------|---------------------|-------|
| High school graduate | 32.3 | 27.2 | 32.5 | 19.4 | 26.4 | 24.8 |
| Some college, no degree | 18.9 | 25.8 | 26.9 | 21.8 | 25.5 | 22.4 |
| Associate's degree | 6.0 | 6.9 | 5.5 | 6.2 | 6.3 | 5.2 |
| Bachelor's degree | 12.6 | 13.8 | 8.4 | 25.2 | 14.7 | 15.6 |
| Graduate or professional degree | 4.8 | 5.9 | 3.7 | 11.8 | 8.0 | 7.6 |

Source: U.S. Census Bureau 2000

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

| Level of Education | Harris County | Liberty County | Montgomery County | San Jacinto County | Waller County | Texas |
|---------------------------------|------------------|-------------------|----------------------|-----------------------|------------------|-------|
| High school graduate | 21.6 | 36.2 | 27.4 | 38.6 | 31.4 | 24.8 |
| Some college, no degree | 21.3 | 22.1 | 24.0 | 21.9 | 22.3 | 22.4 |
| Associate's degree | 4.7 | 3.2 | 4.9 | 2.5 | 3.3 | 5.2 |
| Bachelor's degree | 17.9 | 5.3 | 17.7 | 6.3 | 11.0 | 15.6 |
| Graduate or professional degree | 9.0 | 2.7 | 7.6 | 3.2 | 5.8 | 7.6 |

Source: U.S. Census Bureau 2000

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

| Level of Education | Houston-Galveston- Brazoria CMSA | Texas |
|--------------------------------|-------------------------------------|-------|
| High School Graduate or Higher | 76.4 | 79.2 |
| Bachelor's Degree or Higher | 26.5 | 23.9 |

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

Local College and University Enrollment, Fall Semester

| School | 2000 | 2001 | 2002 | 2003 | 2004 | 2005* |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Alvin Community College | 3,531 | 3,667 | 4,161 | 4,049 | 3,933 | 3,951 |
| Brazosport College | 3,855 | 4,022 | 4,097 | 3,679 | 3,503 | 3,606 |
| College of the Mainland | 3,159 | 3,346 | 3,588 | 3,919 | 3,948 | 3,992 |
| Lee College | 6,170 | 6,226 | 6,329 | 6,233 | 5,860 | 4,674 |
| NHMCCCD** Kingwood College | 4,568 | 5,302 | 5,970 | 6,060 | 6,405 | 6,910 |
| NHMCCCD** Montgomery College | 5,316 | 5,776 | 6,258 | 6,712 | 7,180 | 7,943 |
| NHMCCCD** North Harris College | 9,118 | 9,972 | 10,698 | 10,466 | 10,106 | 10,885 |
| NHMCCCD** Tomball College | 902 | 8,336 | 7,891 | 7,420 | 7,342 | 7,607 |
| NHMCCCD** Cy-Fair College | - | - | 3,154 | 6,683 | 8,451 | 9,877 |
| Prairie View A&M University | 6,609 | 6,747 | 7,255 | 7,808 | 8,350 | 8,438 |
| Rice University | 4,196 | 4,149 | 4,784 | 4,959 | 5,112 | 5,062 |
| Texas A&M University at Galveston | 1,363 | 1,366 | 1,556 | 1,620 | 1,615 | 1,667 |
| Texas Southern University | 6,886 | 8,119 | 9,739 | 10,888 | 11,635 | 11,478 |
| University of Houston | 32,123 | 33,007 | 34,443 | 35,066 | 35,180 | 34,591 |
| University of Houston - Clear Lake | 7,580 | 7,738 | 7,753 | 7,776 | 7,785 | 7,829 |
| University of Houston - Downtown | 8,951 | 9,704 | 10,528 | 10,974 | 11,408 | 11,433 |
| University of St. Thomas | 4,054 | 4,288 | 5,116 | 4,826 | 3,562 | 3,698 |

* Preliminary

** North Harris Montgomery County Community College District

Source: Texas Higher Education Coordinating Board

Houston-Sugar Land-Baytown Market Overview 2006 Employment

Houston Top Ten Employers

| Employer | Sector | Employees |
|---|--------------------------------|-----------|
| Houston Independent School District | Education | 29,505 |
| Wal-Mart Stores | Retail | 25,450 |
| City of Houston | Government | 21,837 |
| Continental Airlines | Airline | 19,627 |
| Administaff | Professional employer services | 16,668 |
| Memorial Hermann Healthcare System | Health care | 16,445 |
| Exxon Mobil Corp | Energy services | 16,321 |
| University of Texas M.D. Anderson Cancer Center | Health care | 14,437 |
| Halliburton | Oil and Gas | 12,395 |
| Kroger | Grocery | 12,287 |

Source: Houston Chronicle May 2005 and individual employers

Houston Top Ten Private Employers

| Employer | Sector | Employees |
|---|--------------------------------|-----------|
| Wal-Mart Stores | Retail | 25,450 |
| Continental Airlines | Airline | 19,627 |
| Administaff | Professional employer services | 16,668 |
| Memorial Hermann Healthcare System | Health care | 16,445 |
| Exxon Mobil Corp | Energy services | 16,321 |
| University of Texas M.D. Anderson Cancer Center | Health care | 14,437 |
| Halliburton | Oil and Gas | 12,395 |
| Kroger | Grocery | 12,287 |
| Shell Oil Co. | Energy services | 12,200 |
| Aramark | Food Services | 10,275 |

Source: Houston Chronicle May 2005

Brazoria Top Ten Employers

| Employer | Sector | Employees |
|--|----------------------|------------------|
| Dow Chemical Company | Chemicals | 4,570 |
| Texas Department of Criminal Justice | Prison System | 2,440 |
| The Infinity Group | Specialty contractor | 2,413 |
| Brazosport Independent School District | Education | 2,015 |
| Wal-Mart Associates | Retail | 1,880 |
| Pearland Independent School District | Education | 1,810 |
| Alvin Independent School District | Education | 1,758 |
| Brazoria County | Public Service | 1,313 |
| Industrial Specialists, Inc. | Specialty contractor | 1,069 |
| ConocoPhillips | Refining | 900 |

Source: Brazoria County Partnership, Inc. Dec-2005

Brazoria Top Ten Private Employers

| Employer | Sector | Employees |
|------------------------------|-----------------------------|------------------|
| Dow Chemical Company | Chemical | 4,570 |
| The Infinity Group | Specialty contractor | 2,413 |
| Wal-Mart Associates | Retail | 1,880 |
| Industrial Specialists, Inc. | Specialty contractor | 1,069 |
| ConocoPhillips | Refining | 900 |
| Gulf States, Inc. | Specialty contractor | 746 |
| BP | Chemical | 711 |
| Solutia, Inc. | Petrochemical manufacturing | 650 |
| BASF Corporation | Chemical | 596 |
| Zachry Construction Co. | Specialty contractor | 550 |

Source: Brazoria County Partnership, Inc. Dec-2005

Galveston Top Ten Employers

| Employer | Sector | Employees |
|---------------------------------------|---------------|------------------|
| University of Texas Medical Branch | Education | 10,081 |
| American National Insurance Company | Insurance | 1,406 |
| Galveston Independent School District | Education | 1,320 |
| Landry's Restaurants | Restaurant | 1,245 |
| County of Galveston | Government | 901 |
| Moody Gardens | Hospitality | 840 |
| City of Galveston | Government | 750 |
| Fertitta Hospitality | Hospitality | 614 |
| Texas A&M University at Galveston | Education | 429 |
| U.S. Army Corp. of Engineers | Military | 312 |

Source: Galveston Economic Development Partnership 2005

Texas City - La Marque Top Ten Employers

| Employer | Sector | Employees |
|--------------------------|----------------|-----------|
| BP | Chemicals | 2,000 |
| Texas City ISD | Education | 879 |
| Mainland Medical Center | Health care | 750 |
| Dow Chemical | Chemicals | 700 |
| La Marque ISD | Education | 525 |
| Wal-Mart | Retail | 500 |
| Valero Petroleum, Inc. | Chemicals | 479 |
| Sterling Chemicals, Inc. | Chemicals | 450 |
| Gulf Greyhound Park | Transportation | 350 |
| College of the Mainland | Education | 280 |

Source: Texas City - La Marque Chamber of Commerce Jan-2005

Texas City - La Marque Top Ten Private Employers

| Employer | Sector | Employees |
|----------------------------|-----------------|-----------|
| BP | Chemicals | 2,000 |
| Mainland Medical Center | Health care | 750 |
| Dow Chemical | Chemicals | 700 |
| Wal-Mart | Retail | 500 |
| Valero Petroleum, Inc. | Chemicals | 479 |
| Sterling Chemicals, Inc. | Chemicals | 450 |
| Gulf Greyhound Park | Transportation | 350 |
| Marathon-Ashland Petroleum | Chemicals | 250 |
| Foley's | Retail | 203 |
| Cinergy Corporation | Energy services | 200 |

Source: Texas City - La Marque Chamber of Commerce Jan-2005

Employment Growth by Industry

| | Houston-Sugar Land- Baytown MSA | Texas |
|--|------------------------------------|---------|
| Employment growth 2005 (in percent) | 2.6 | 2.5 |
| Unemployment rate 2005 (in percent) | 5.5 | 5.3 |
| Net job change in 2005 | 60,400 | 237,900 |
| Employment growth by sector 2005 (in percent) | | |
| Natural Resources, Mining, and Construction | 3.2 | 4.9 |
| Manufacturing | 2.3 | 0.9 |
| Trade, Transportation, and Utilities | 2.2 | 2.4 |
| Information | -2.4 | -0.7 |
| Financial Activities | 1.5 | 2.3 |
| Professional and Business Services | 6.2 | 5.3 |
| Educational and Health Services | 3.0 | 2.9 |
| Leisure and Hospitality | 1.9 | 2.5 |
| Government | 1.5 | 1.7 |

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

Texas Metropolitan Area Employment Change, 1995-2005

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

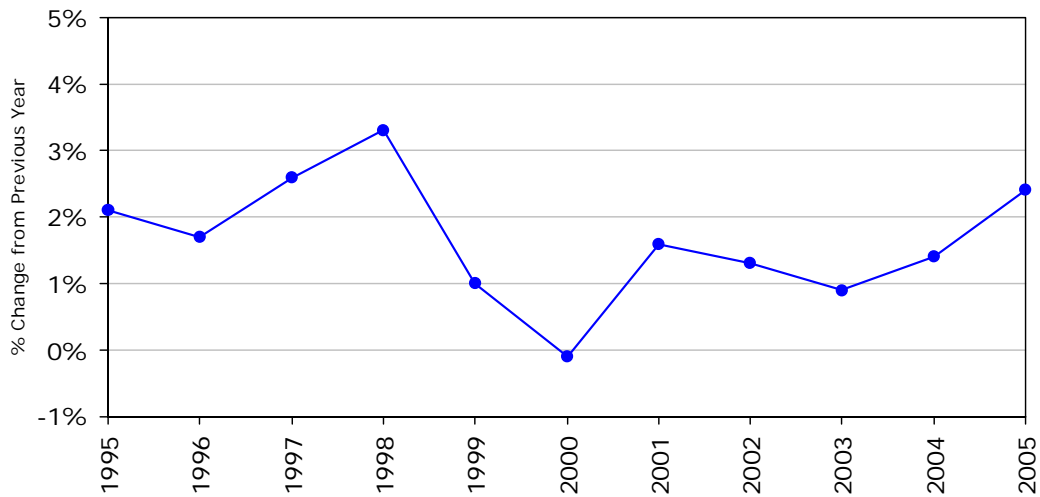
Source: Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Houston-Sugar Land-Baytown MSA Employment

| Year | Employment | Percent Change |
|------|------------|----------------|
| 1995 | 2,106,968 | 2.1 |
| 1996 | 2,141,847 | 1.7 |
| 1997 | 2,196,597 | 2.6 |
| 1998 | 2,268,023 | 3.3 |
| 1999 | 2,290,155 | 1.0 |
| 2000 | 2,287,563 | -0.1 |
| 2001 | 2,324,886 | 1.6 |
| 2002 | 2,356,001 | 1.3 |
| 2003 | 2,377,603 | 0.9 |
| 2004 | 2,411,653 | 1.4 |
| 2005 | 2,470,473 | 2.4 |

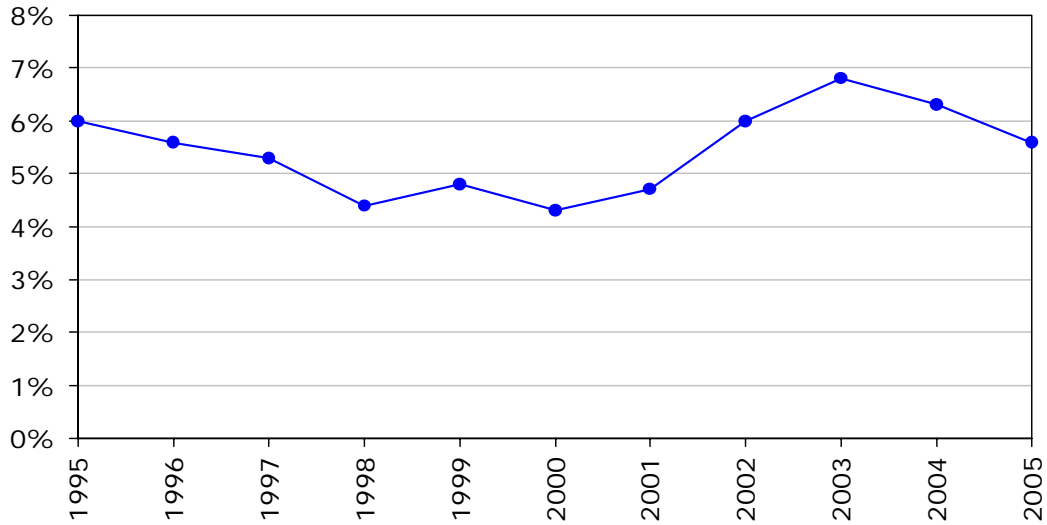
Source: U.S. Bureau of Labor Statistics

**Houston-Sugar Land-Baytown MSA
Employment Growth**



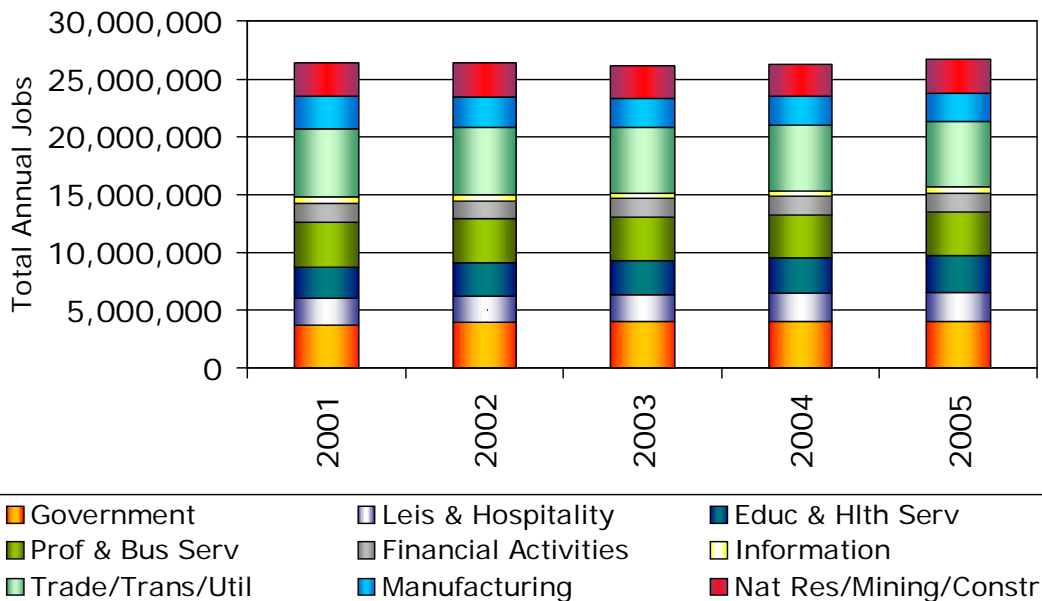
Source: U.S. Bureau of Labor Statistics and Real Estate Center at Texas A&M University

Houston-Sugar Land-Baytown MSA Unemployment Rate



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

Houston-Sugar Land-Baytown MSA Distribution of Employment in Major Categories



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

Houston-Sugar Land-Baytown Market Overview 2006

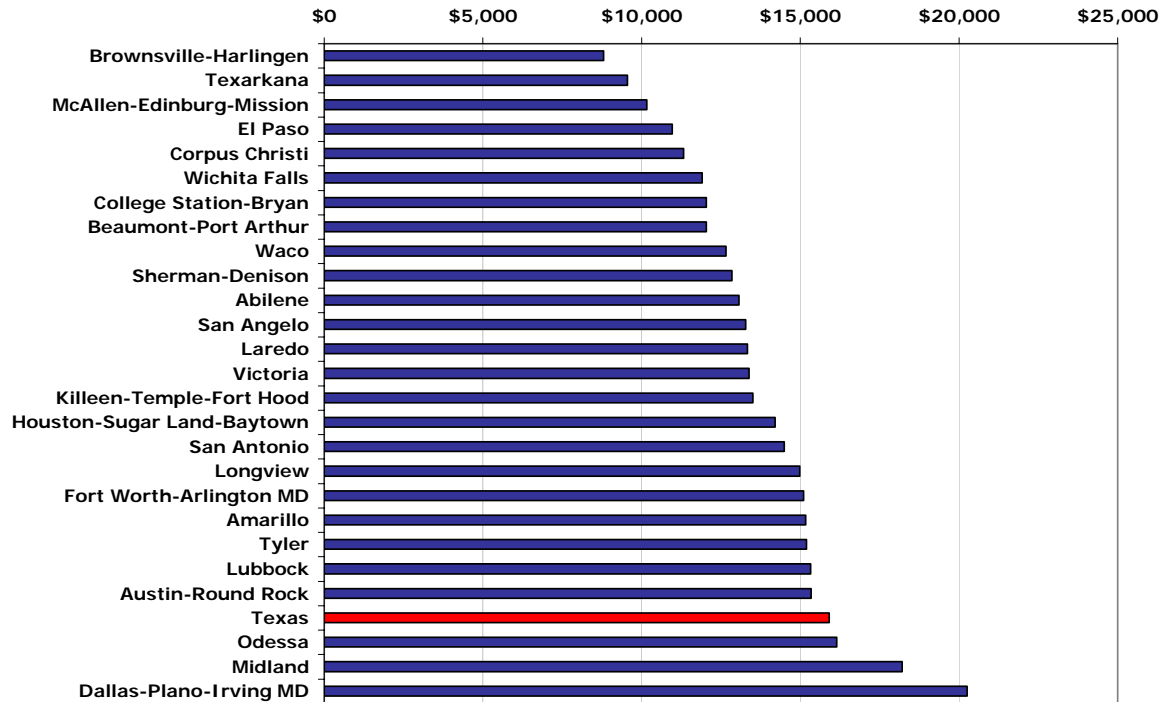
Economy

Houston-Sugar Land-Baytown MSA
Gross Retail Sales

| Year | Total Sales | Sales per Capita |
|----------------------------|------------------|------------------|
| 1995 | \$42,280,998,928 | \$9,957 |
| 1996 | \$46,634,962,817 | \$10,760 |
| 1997 | \$55,622,448,573 | \$12,563 |
| 1998 | \$56,958,592,493 | \$12,560 |
| 1999 | \$56,756,722,209 | \$12,220 |
| 2000 | \$60,627,939,351 | \$12,857 |
| 2001 | \$61,924,673,890 | \$12,781 |
| 2002 | \$62,764,015,891 | \$12,635 |
| 2003 | \$63,995,847,529 | \$12,614 |
| 2004 | \$66,806,776,454 | \$12,896 |
| 2005 | \$74,996,332,517 | \$14,204 |
| State Average 2005: | | \$15,903 |

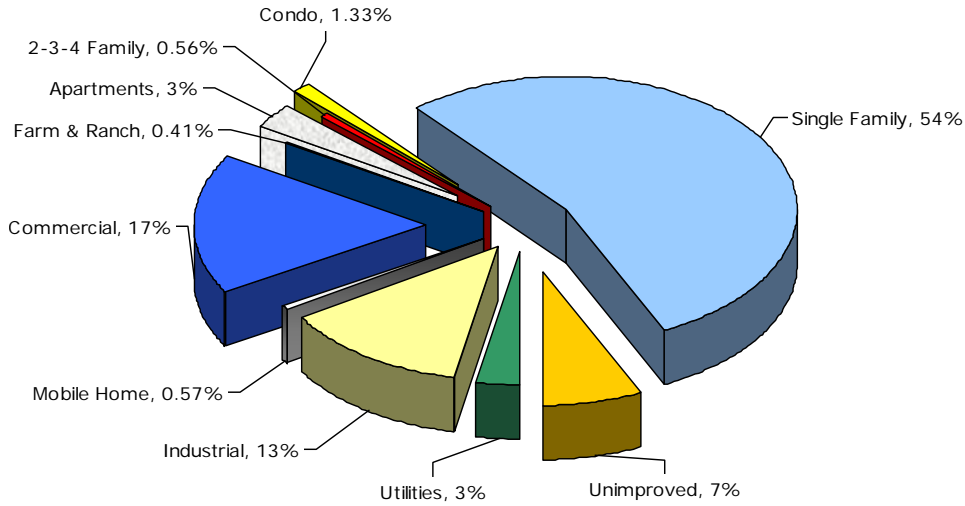
Source: Texas Comptroller's Office

Gross Retail Sales per Capita 2005



Source: Texas Comptroller's Office

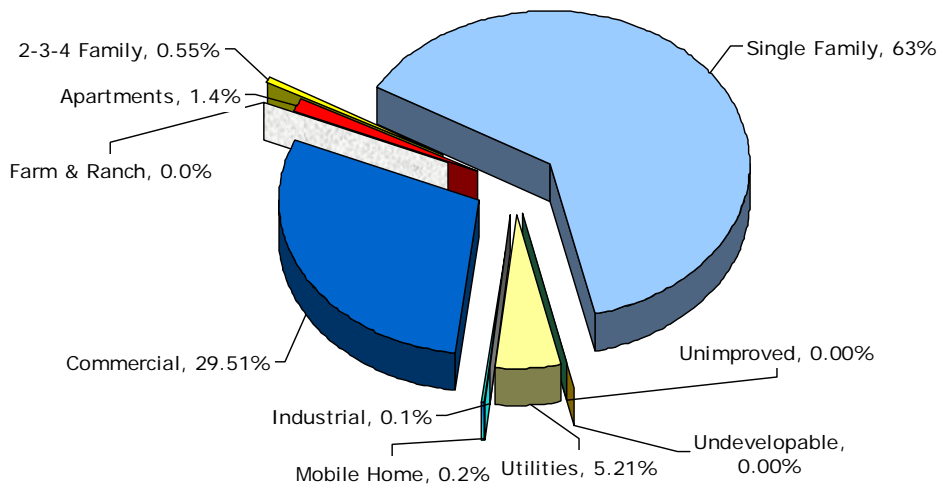
**2004* Land Uses Based on Market Value
Galveston County**



Source: Galveston Central Appraisal District

* 2005 data not available

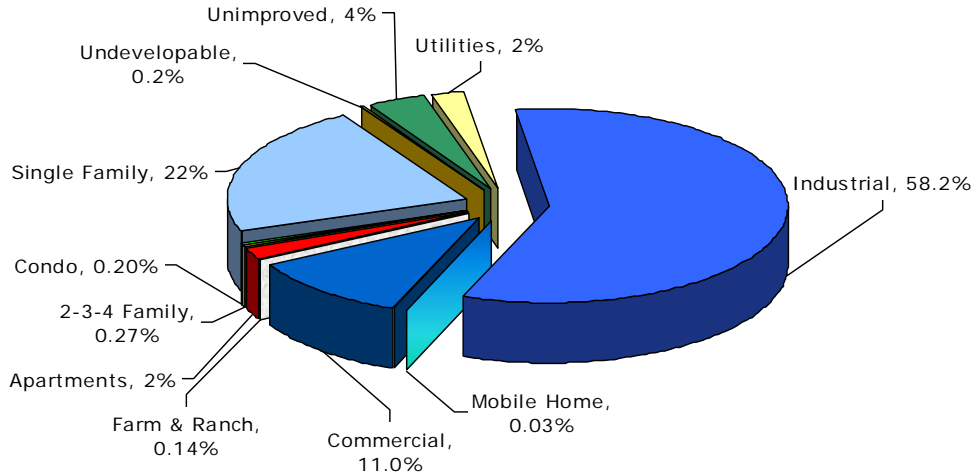
**2004* Land Uses Based on Market Value
in La Marque**



Source: Galveston Central Appraisal District

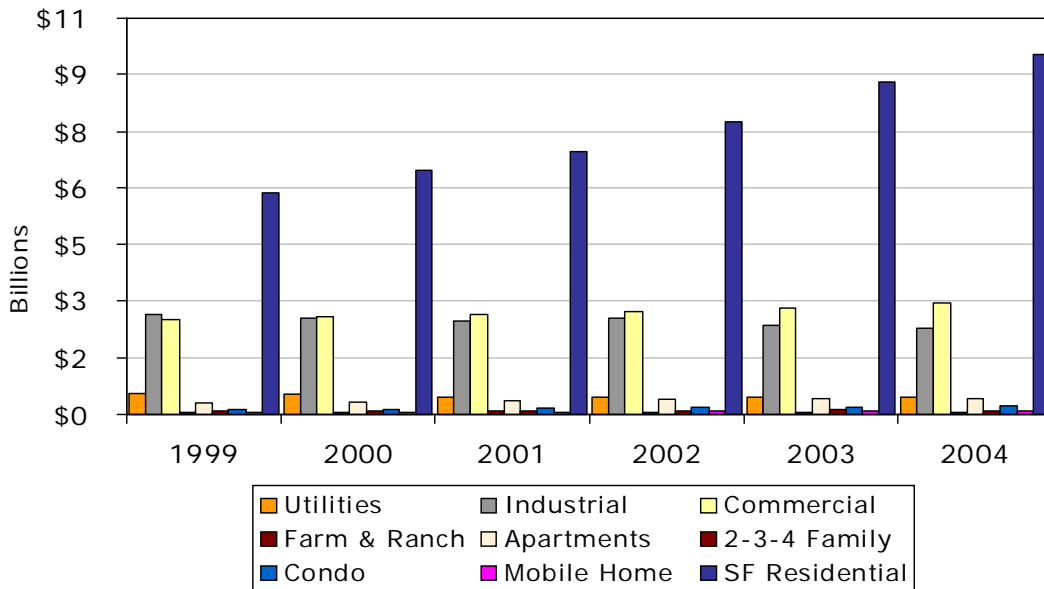
* 2005 data not available

**2004* Land Uses Based on Market Value
Texas City**



Source: Department of Information Services, Galveston Central Appraisal District * 2005 data not available

Property Value Trends* by Category Galveston County



Source: Department of Information Services, Galveston Central Appraisal District * 2005 data not available

Houston-Sugar Land-Baytown Market Overview 2006 Infrastructure

Houston Airline Activity

| Airport | 2001 | 2002 | 2003 | 2004 | 2005 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Ellington Field (EFD) | | | | | |
| Enplaned (domestic) | 32,064 | 40,471 | 42,114 | 28,015 | 0 |
| Deplaned (domestic) | 28,191 | 35,564 | 38,192 | 25,932 | 0 |
| Total (domestic) | 60,255 | 76,035 | 80,306 | 53,947 | 0 |
| George Bush Intercontinental (IAH) | | | | | |
| Enplaned (int'l & domestic) | 17,437,784 | 16,897,821 | 17,003,336 | 18,253,449 | 19,864,524 |
| Deplaned (int'l & domestic) | 17,365,796 | 17,007,026 | 17,148,006 | 18,259,649 | 19,838,662 |
| Total (int'l & domestic) | 34,803,580 | 33,904,847 | 34,151,342 | 36,513,098 | 39,703,186 |
| Houston Hobby (HOU) | | | | | |
| Enplaned (domestic) | 4,318,209 | 4,019,340 | 3,901,871 | 4,159,769 | 4,151,983 |
| Deplaned (domestic) | 4,318,941 | 4,016,387 | 3,901,459 | 4,131,030 | 4,100,549 |
| Total (domestic) | 8,637,150 | 8,035,727 | 7,803,330 | 8,290,799 | 8,252,532 |

Source: Houston Airport System

Houston Air Cargo (in 000 lbs.)

| Airport | 2001 | 2002 | 2003 | 2004 | 2005 |
|------------------------------------|-------|-------|------|------|-------|
| George Bush Intercontinental (IAH) | 571.9 | 604.3 | 728 | 770 | 751.4 |
| Houston Hobby (HOU) | 11.8 | 11.8 | 12.6 | 14.2 | 15.3 |

Source: Houston Airport System

Port Statistics Houston

| Port of Houston Activity | 2001 | 2002 | 2003 | 2004 | 2005 |
|--------------------------------|-------|-------|-------|--------|------|
| Total calls | 6,613 | 6,414 | 6,301 | 6,539 | NA |
| Total short tons (in millions) | 185.1 | 177.6 | 190.0 | 200.0* | NA |

*estimate

Source: Port of Houston Authority

Port Statistics Galveston

| Port of Galveston Activity | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total tonnage (in short tons) | 4,270,734 | 3,356,568 | 3,429,084 | 3,384,776 | 4,550,035 |
| Total ships/rigs | 890 | 892 | 666 | 557 | 612 |
| Total calls - cruise ships | 94 | 152 | 208 | 219 | 233 |
| Passengers embarking | 148,701 | 266,830 | 373,345 | 434,855 | 532,238 |
| Passengers disembarking | - | - | 372,988 | 433,045 | 532,362 |

Source: Port of Galveston

Port Statistics Texas City

| Port of Texas City Activity | 2001 | 2002 | 2003 | 2004 | 2005 |
|-----------------------------|------------|------------|------------|------------|------------|
| Total Net Tonnage | 67,940,957 | 61,277,783 | 63,699,570 | 70,216,516 | 60,948,773 |
| Total Vessels | 8,346 | 7,612 | 7,339 | 7,735 | 6,967 |
| Total Railroad Cars | 39,883 | 41,888 | 41,760 | 39,575 | 38,619 |

Source: Port of Texas City and Texas City Terminal Railway

Houston-Sugar Land-Baytown Market Overview 2006

Public Facilities

Baytown Public Facilities Building Permits 2005



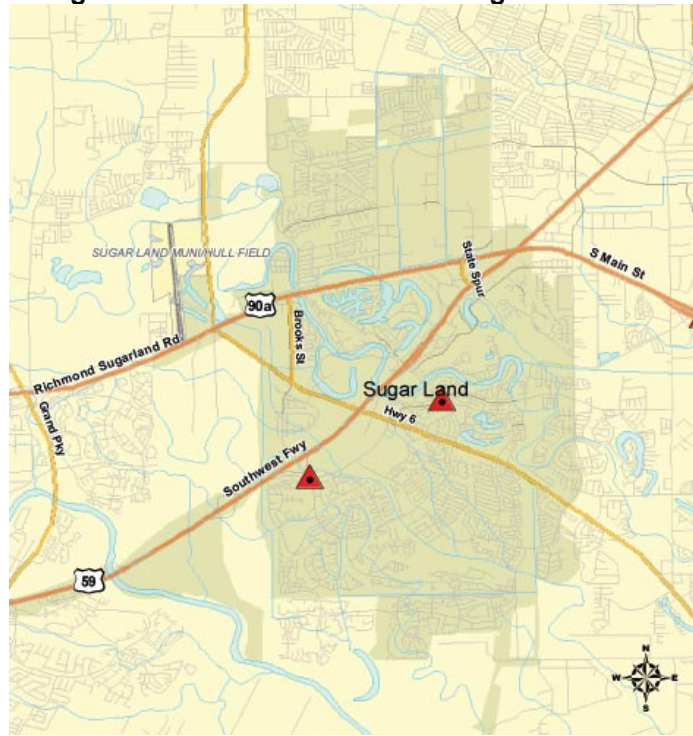
Baytown City Building Permit Office

Houston City Public Facilities Building Permits 2005



Houston City Building Permit Office

Sugar Land Public Facilities Building Permits 2005



Sugar Land City Building Permit Office

Houston-Sugar Land-Baytown Market Overview 2006

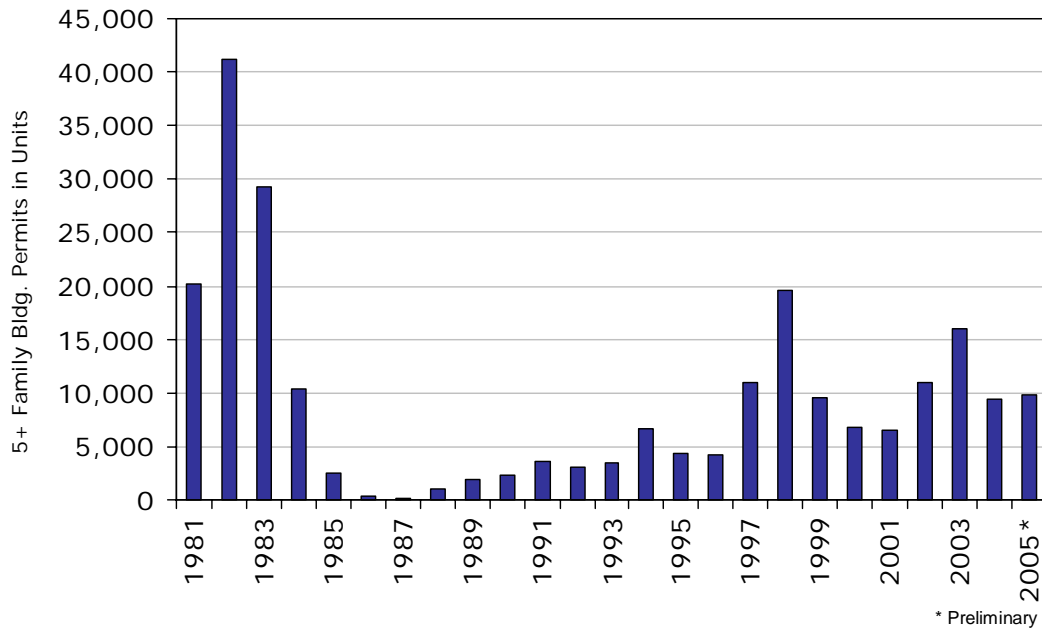
Multifamily

Apartment Statistics 2005

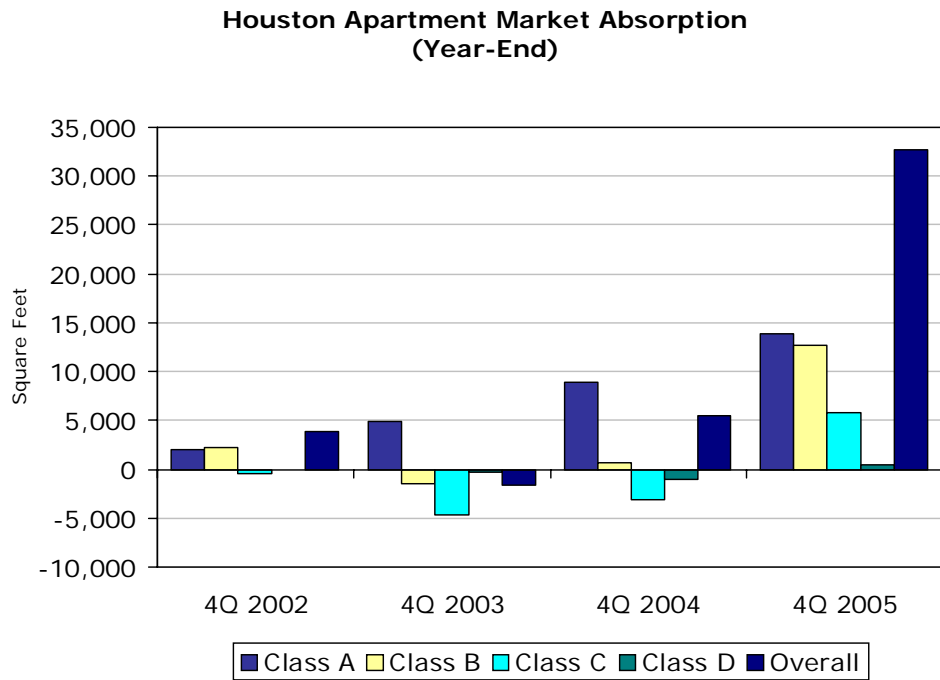
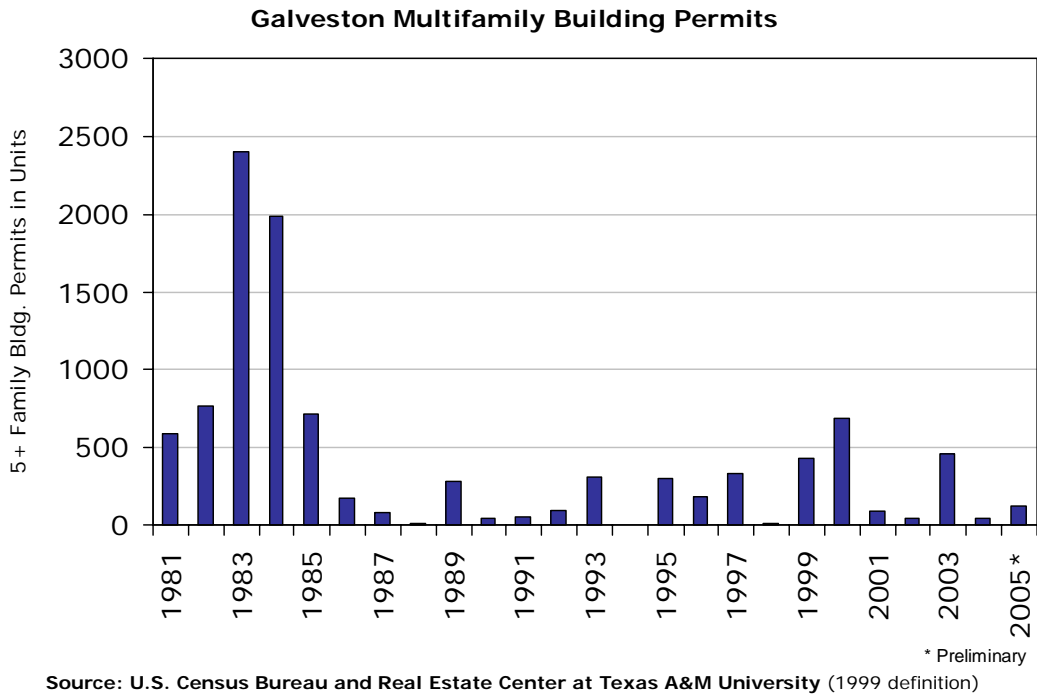
| | Houston | Galveston | Texas Metro Average |
|--|---------|-----------|---------------------|
| Average rent per square foot | \$0.79 | \$0.81 | \$0.78 |
| Average rent for units built since 2000 | \$0.92 | \$0.79 | \$0.89 |
| Average occupancy (percent) | 89.8 | 91.9 | 91.4 |
| Average occupancy for units built since 2000 (percent) | 92.5 | 91.5 | 93.1 |

Source: Apartment MarketData Research, Jan 2006

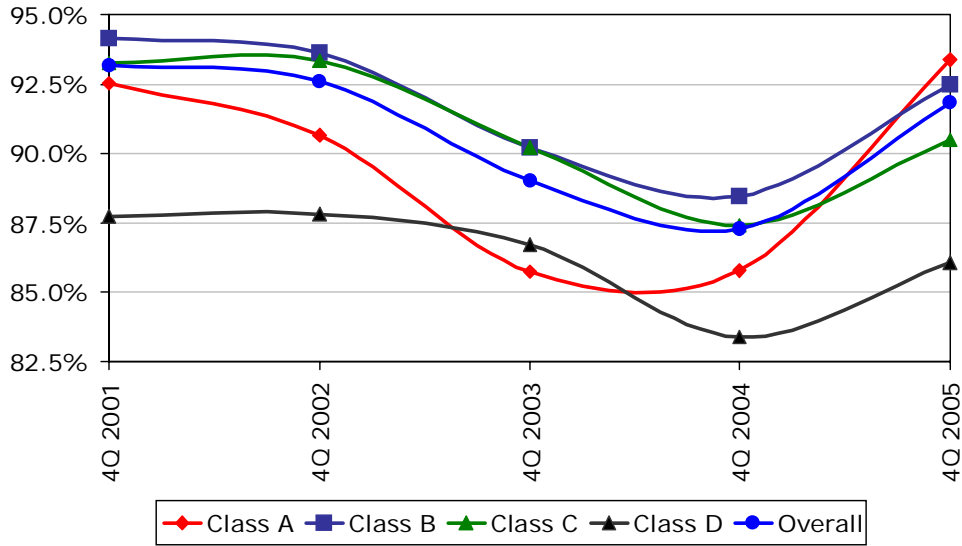
Houston Multifamily Building Permits



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

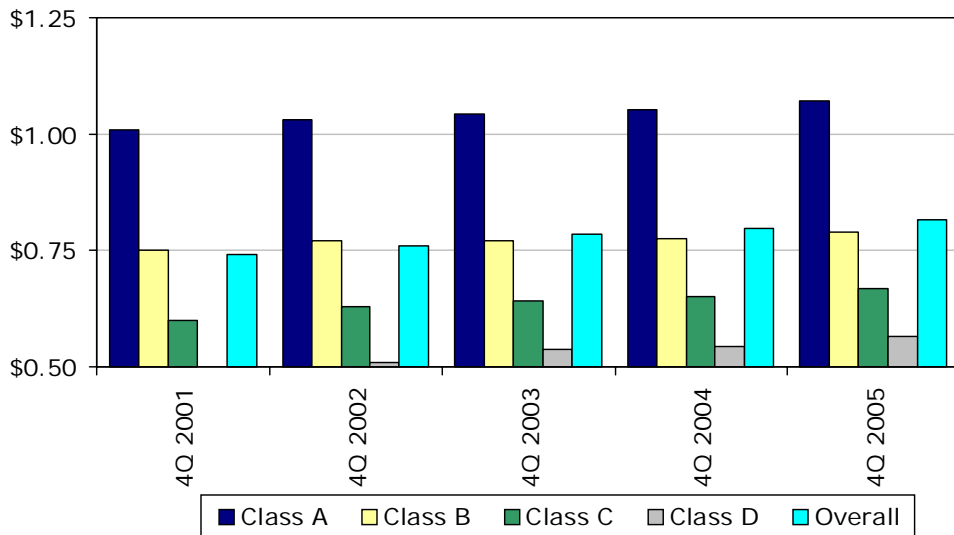


**Houston Apartment Market
Occupancy Rate, in Percent
(Quarterly)**



Source: O'Connor & Associates

**Houston Apartment Market
Rental Rate, Per Square Foot
(Quarterly)**



Source: O'Connor & Associates

Houston-Sugar Land-Baytown Market Overview 2006 Housing

2005 Housing Affordability Index

| MLS | 2005 Median- Priced Home | Required Income to Qualify | Median Family Income | HAI* | HAI for First- Time Homebuyers** |
|----------------|-----------------------------|----------------------------------|----------------------------|------|--|
| Fort Bend Co. | \$161,900 | \$37,354 | \$79,982 | 2.14 | 0.97 |
| Galveston | \$162,300 | \$37,446 | \$59,800 | 1.60 | 1.22 |
| Houston | \$141,200 | \$32,578 | \$61,000 | 1.87 | 1.16 |
| Montgomery Co. | \$157,500 | \$36,339 | \$68,728 | 1.89 | 1.08 |
| Texas Total | \$136,500 | \$31,561 | \$53,000 | 1.68 | 1.14 |
| U.S. Total | \$206,600 | \$47,132 | \$58,000 | 1.23 | 0.68 |

* The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. Standard financing is a fixed-rate, 30-year loan covering 80 percent of the cost of the home. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house.

** First-time home buyer is assumed to purchase a home equal to the first quartile home price using a 90% home loan at an interest rate 0.5 percent greater than the standard current rate.

Source: Real Estate Center at Texas A&M University

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

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 2.3 | 2.0 | 1.8 | 1.7 | 1.6 | 1.4 | 1.2 |
| 30,000 - 39,999 | 2.4 | 2.0 | 1.8 | 1.5 | 1.5 | 1.4 | 1.3 |
| 40,000 - 49,999 | 3.7 | 2.9 | 2.3 | 1.9 | 1.6 | 1.6 | 1.4 |
| 50,000 - 59,999 | 5.9 | 4.2 | 3.0 | 2.5 | 2.2 | 2.0 | 1.8 |
| 60,000 - 69,999 | 9.5 | 6.6 | 4.5 | 3.7 | 3.1 | 2.8 | 2.4 |
| 70,000 - 79,999 | 9.9 | 9.0 | 7.1 | 5.0 | 4.4 | 4.1 | 3.4 |
| 80,000 - 89,999 | 8.9 | 9.0 | 9.4 | 7.9 | 6.6 | 6.0 | 5.3 |
| 90,000 - 99,999 | 6.9 | 6.9 | 7.9 | 8.3 | 7.8 | 7.5 | 6.1 |
| 100,000 - 119,999 | 10.6 | 10.6 | 11.4 | 11.9 | 13.1 | 13.8 | 13.2 |
| 120,000 - 139,999 | 9.6 | 10.3 | 11.1 | 11.5 | 12.4 | 13.1 | 13.2 |
| 140,000 - 159,999 | 6.2 | 7.3 | 8.4 | 9.4 | 9.8 | 9.8 | 10.4 |
| 160,000 - 179,999 | 5.0 | 5.9 | 6.4 | 7.0 | 7.3 | 7.3 | 8.1 |
| 180,000 - 199,999 | 3.6 | 4.1 | 4.4 | 4.8 | 5.0 | 5.2 | 5.7 |
| 200,000 - 249,999 | 5.5 | 6.3 | 7.2 | 7.7 | 8.1 | 8.0 | 8.8 |
| 250,000 - 299,999 | 3.3 | 4.1 | 4.7 | 5.2 | 5.5 | 5.3 | 5.7 |
| 300,000 - 399,999 | 3.3 | 4.2 | 4.3 | 4.9 | 4.9 | 5.3 | 5.8 |
| 400,000 - 499,999 | 1.4 | 1.6 | 1.8 | 2.0 | 2.0 | 2.0 | 2.3 |
| 500,000 and more | 2.1 | 2.8 | 2.7 | 3.0 | 3.0 | 3.4 | 3.8 |

Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold, Fort Bend County Area
(in percent)**

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$29,999 or less | 0.4 | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 | 0.1 |
| 30,000 - 39,999 | 0.5 | 0.5 | 0.3 | 0.5 | 0.3 | 0.2 | 0.2 |
| 40,000 - 49,999 | 1.1 | 0.8 | 0.4 | 0.5 | 0.4 | 0.4 | 0.4 |
| 50,000 - 59,999 | 3.2 | 1.7 | 1.1 | 0.6 | 0.5 | 0.6 | 0.4 |
| 60,000 - 69,999 | 8.3 | 3.7 | 2.0 | 1.4 | 1.0 | 1.0 | 0.8 |
| 70,000 - 79,999 | 9.5 | 8.6 | 5.2 | 2.8 | 2.1 | 2.2 | 1.5 |
| 80,000 - 89,999 | 7.5 | 8.4 | 8.0 | 6.2 | 4.5 | 3.7 | 3.3 |
| 90,000 - 99,999 | 6.6 | 6.3 | 7.0 | 7.4 | 5.9 | 5.8 | 4.3 |
| 100,000 - 119,999 | 10.6 | 11.4 | 10.8 | 10.8 | 12.0 | 12.6 | 11.8 |
| 120,000 - 139,999 | 12.0 | 12.4 | 12.7 | 12.5 | 13.1 | 14.1 | 12.8 |
| 140,000 - 159,999 | 8.4 | 9.4 | 11.4 | 12.2 | 13.5 | 12.6 | 13.3 |
| 160,000 - 179,999 | 8.1 | 9.0 | 8.7 | 9.9 | 10.6 | 10.0 | 10.8 |
| 180,000 - 199,999 | 5.4 | 6.0 | 6.7 | 6.8 | 7.1 | 7.4 | 7.9 |
| 200,000 - 249,999 | 7.5 | 9.0 | 10.6 | 11.1 | 11.4 | 11.5 | 12.7 |
| 250,000 - 299,999 | 4.4 | 4.9 | 6.4 | 7.0 | 7.0 | 7.0 | 7.5 |
| 300,000 - 399,999 | 3.3 | 4.4 | 5.1 | 6.1 | 6.4 | 6.8 | 7.2 |
| 400,000 - 499,999 | 1.5 | 1.3 | 1.7 | 1.7 | 2.0 | 1.9 | 2.6 |
| 500,000 and more | 1.6 | 2.0 | 1.7 | 2.2 | 1.8 | 2.1 | 2.4 |

Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold, Montgomery County Area
(in percent)**

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| \$29,999 or less | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 2.2 | 2.0 |
| 30,000 - 39,999 | 2.2 | 1.5 | 1.5 | 1.4 | 2.6 | 3.0 | 3.0 |
| 40,000 - 49,999 | 3.2 | 2.6 | 2.1 | 2.4 | 2.7 | 2.4 | 2.1 |
| 50,000 - 59,999 | 3.7 | 3.3 | 2.9 | 2.8 | 2.4 | 1.9 | 1.7 |
| 60,000 - 69,999 | 5.5 | 4.6 | 3.3 | 2.7 | 2.4 | 2.0 | 1.8 |
| 70,000 - 79,999 | 6.1 | 5.3 | 4.8 | 4.4 | 3.3 | 3.1 | 2.2 |
| 80,000 - 89,999 | 8.2 | 6.1 | 5.4 | 5.4 | 4.2 | 4.2 | 3.2 |
| 90,000 - 99,999 | 7.5 | 6.4 | 6.6 | 5.7 | 5.2 | 4.9 | 3.9 |
| 100,000 - 119,999 | 11.3 | 11.9 | 11.5 | 11.9 | 11.7 | 12.0 | 9.7 |
| 120,000 - 139,999 | 11.5 | 12.2 | 12.9 | 12.1 | 12.3 | 12.7 | 11.7 |
| 140,000 - 159,999 | 7.0 | 8.0 | 9.6 | 9.8 | 10.2 | 10.2 | 9.9 |
| 160,000 - 179,999 | 5.6 | 6.1 | 7.2 | 6.9 | 7.5 | 7.4 | 8.5 |
| 180,000 - 199,999 | 4.5 | 5.6 | 5.4 | 4.6 | 5.8 | 5.3 | 6.3 |
| 200,000 - 249,999 | 8.5 | 8.1 | 8.1 | 9.1 | 9.1 | 8.4 | 9.7 |
| 250,000 - 299,999 | 4.9 | 5.8 | 6.1 | 6.2 | 6.7 | 6.5 | 6.9 |
| 300,000 - 399,999 | 5.0 | 6.8 | 6.5 | 7.3 | 6.7 | 7.2 | 7.9 |
| 400,000 - 499,999 | 1.7 | 2.1 | 2.2 | 2.9 | 2.9 | 3.0 | 3.8 |
| 500,000 and more | 1.8 | 2.2 | 2.4 | 2.8 | 2.7 | 3.7 | 5.6 |

Source: Real Estate Center at Texas A&M University

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

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 5.6 | 4.7 | 4.1 | 3.1 | - | 2.6 | - |
| 30,000 - 39,999 | 4.5 | 4.4 | 3.7 | 4.0 | - | 2.8 | - |
| 40,000 - 49,999 | 7.1 | 5.0 | 6.0 | 4.4 | - | 4.0 | - |
| 50,000 - 59,999 | 10.3 | 11.6 | 8.4 | 6.9 | - | 5.7 | - |
| 60,000 - 69,999 | 12.2 | 9.5 | 9.6 | 9.0 | - | 7.6 | - |
| 70,000 - 79,999 | 11.6 | 11.4 | 10.4 | 9.6 | - | 9.8 | - |
| 80,000 - 89,999 | 7.7 | 9.7 | 11.1 | 10.5 | - | 9.9 | - |
| 90,000 - 99,999 | 5.3 | 5.8 | 6.9 | 7.9 | - | 8.4 | - |
| 100,000 - 119,999 | 11.8 | 9.6 | 8.3 | 10.7 | - | 11.3 | - |
| 120,000 - 139,999 | 6.5 | 8.4 | 10.2 | 10.4 | - | 13.5 | - |
| 140,000 - 159,999 | 4.9 | 3.8 | 6.7 | 7.0 | - | 6.4 | - |
| 160,000 - 179,999 | 3.6 | 4.7 | 4.5 | 4.1 | - | 4.2 | - |
| 180,000 - 199,999 | 1.9 | 2.5 | 1.9 | 3.5 | - | 3.5 | - |
| 200,000 - 249,999 | 3.8 | 3.9 | 3.9 | 4.2 | - | 3.4 | - |
| 250,000 - 299,999 | 1.4 | 2.5 | 2.7 | 2.0 | - | 3.9 | - |
| 300,000 - 399,999 | 1.5 | 1.7 | 0.9 | 2.3 | - | 2.6 | - |
| 400,000 - 499,999 | 0.0 | 0.7 | 0.4 | 0.4 | - | 0.2 | - |
| 500,000 and more | 0.2 | 0.0 | 0.2 | 0.1 | - | 0.2 | - |

"-" represents unreported data or nonparticipation in Real Estate Center's survey.

Source: Real Estate Center at Texas A&M University

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

| Price Range | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 5.7 | 5.7 | - | - | 4.6 | 1.8 | 0.4 |
| 30,000 - 39,999 | 5.8 | 4.5 | - | - | 3.3 | 4.2 | 1.0 |
| 40,000 - 49,999 | 8.1 | 6.1 | - | - | 3.0 | 3.0 | 2.5 |
| 50,000 - 59,999 | 8.0 | 8.1 | - | - | 6.5 | 4.4 | 2.8 |
| 60,000 - 69,999 | 8.4 | 6.4 | - | - | 6.2 | 5.4 | 4.7 |
| 70,000 - 79,999 | 10.1 | 5.9 | - | - | 5.9 | 5.6 | 5.7 |
| 80,000 - 89,999 | 7.1 | 6.8 | - | - | 6.4 | 6.2 | 5.2 |
| 90,000 - 99,999 | 5.2 | 6.6 | - | - | 5.9 | 5.4 | 5.1 |
| 100,000 - 119,999 | 7.4 | 7.9 | - | - | 6.8 | 6.5 | 7.0 |
| 120,000 - 139,999 | 8.0 | 8.8 | - | - | 8.5 | 8.5 | 8.1 |
| 140,000 - 159,999 | 4.2 | 5.2 | - | - | 7.9 | 7.1 | 6.2 |
| 160,000 - 179,999 | 3.4 | 4.5 | - | - | 6.5 | 6.0 | 9.5 |
| 180,000 - 199,999 | 3.1 | 4.4 | - | - | 5.7 | 5.2 | 5.1 |
| 200,000 - 249,999 | 6.2 | 8.3 | - | - | 6.2 | 9.9 | 9.4 |
| 250,000 - 299,999 | 4.4 | 4.9 | - | - | 5.8 | 6.8 | 8.0 |
| 300,000 - 399,999 | 2.9 | 4.3 | - | - | 5.7 | 7.7 | 8.8 |
| 400,000 - 499,999 | 0.8 | 0.6 | - | - | 3.1 | 2.7 | 4.3 |
| 500,000 and more | 1.0 | 1.0 | - | - | 2.1 | 3.5 | 6.2 |

"-" represents unreported data or nonparticipation in Real Estate Center's survey.

Source: Real Estate Center at Texas A&M University

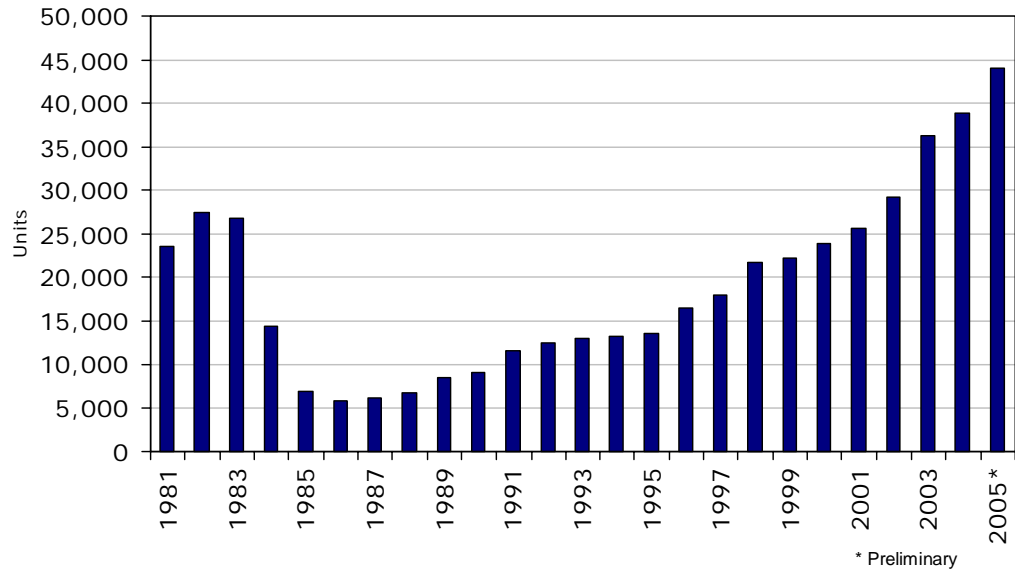
Property Tax Rates, 2005

| Taxing Entity* | Tax Rate per \$100 Valuation |
|-----------------------|---|
| Houston | |
| Harris County | 0.39986 |
| City of Houston | 0.6475 |
| Houston ISD | 1.62 |
| Total | \$2.67 |
| Galveston | |
| Galveston County | 0.61735 |
| City of Galveston | 0.5417 |
| Galveston ISD | 1.685 |
| Total | \$2.84 |
| Pearland | |
| Brazoria County | 0.347987 |
| Pearland City | 0.6744 |
| Pearland ISD | 1.7922 |
| Total | \$2.81 |
| Sugar Land | |
| Fort Bend County | 0.51674 |
| City of Sugar Land | 0.31711 |
| Fort Bend ISD | 1.69 |
| Total | \$2.52 |
| Texas City | |
| Galveston County | 0.61735 |
| City of Texas City | 0.45624 |
| Texas City ISD | 1.5871 |
| Total | \$2.66 |

* 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 links for more complete lists: <http://www.hcad.org/resources/jurlist.asp>, http://www.brazoriacad.org/05_Tax_Rates.htm

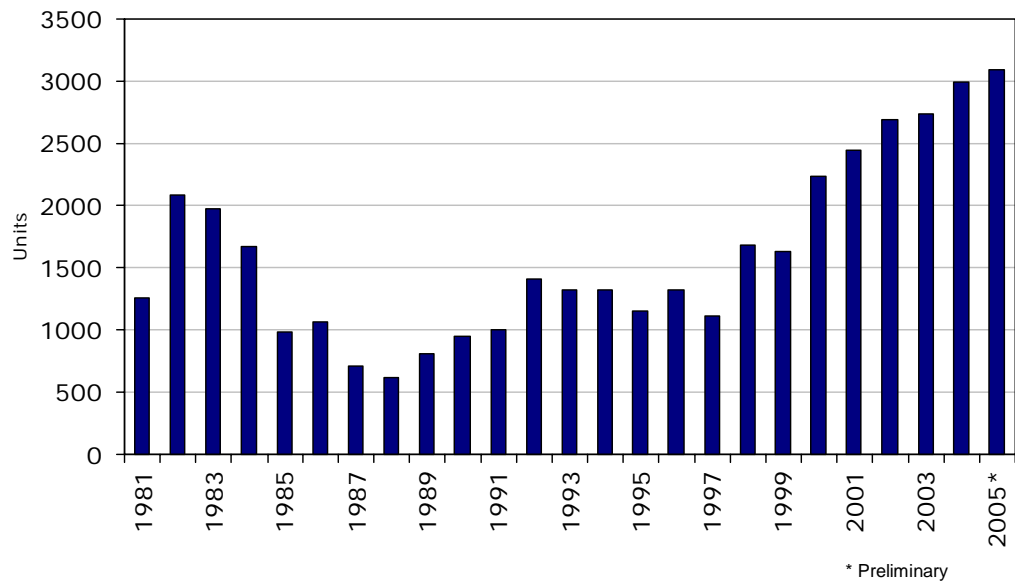
Source: Brazoria, Harris, Fort Bend, and Galveston Appraisal Districts

Houston Single-Family Building Permits



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

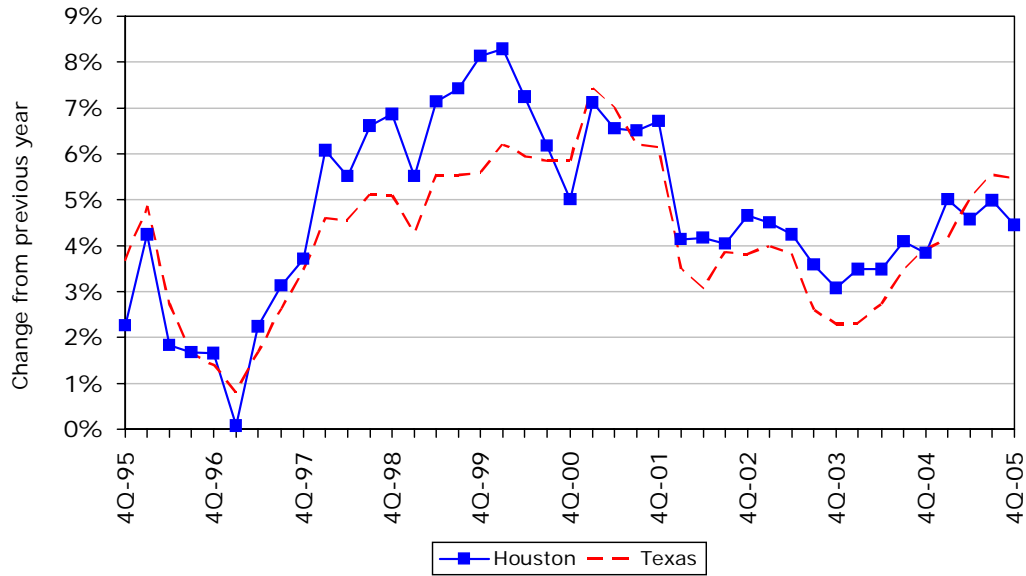
Galveston Single-Family Building Permits



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

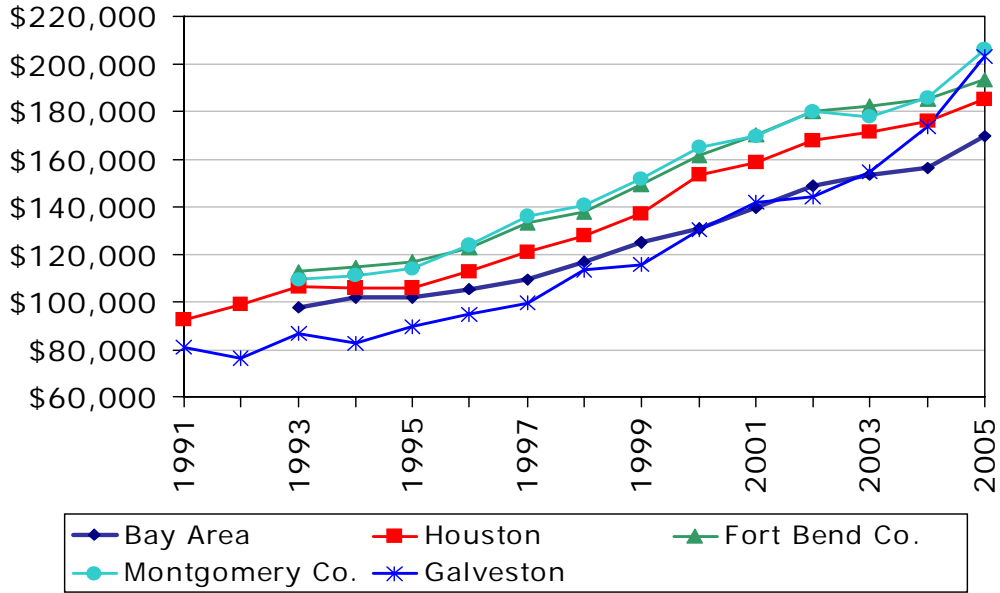
Home Price Appreciation Houston-Sugar Land-Baytown MSA

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



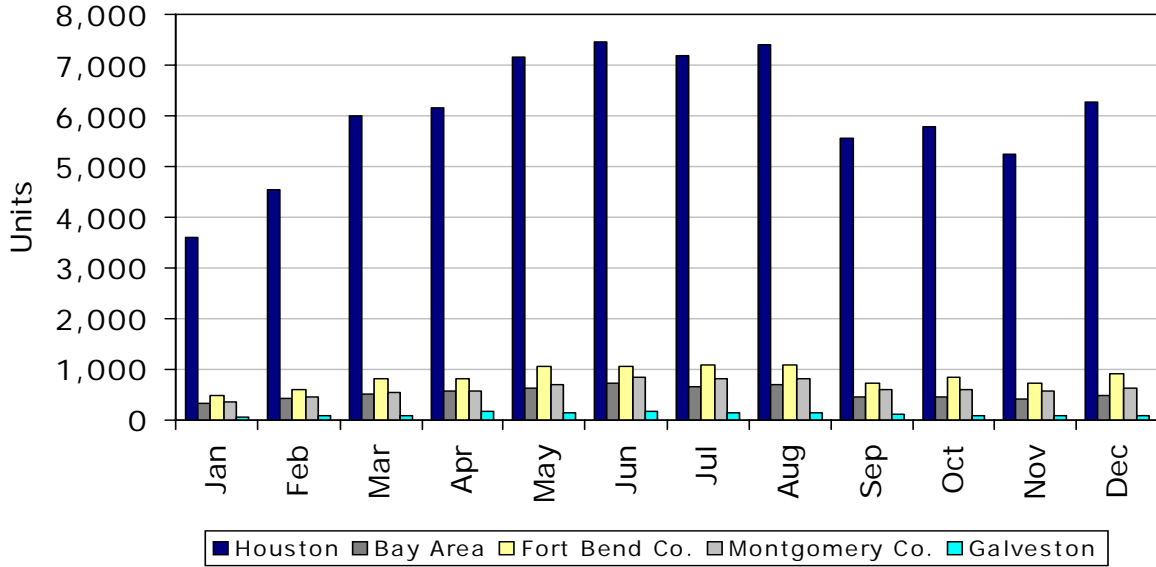
Source: Office of Federal Housing Enterprise Oversight

Average Sales Price of Single-Family Home Houston-Sugar Land-Baytown, Galveston Area



Source: Real Estate Center at Texas A&M University

**Single-Family Home Sales Volume
 Houston-Sugar Land-Baytown, Galveston Area**

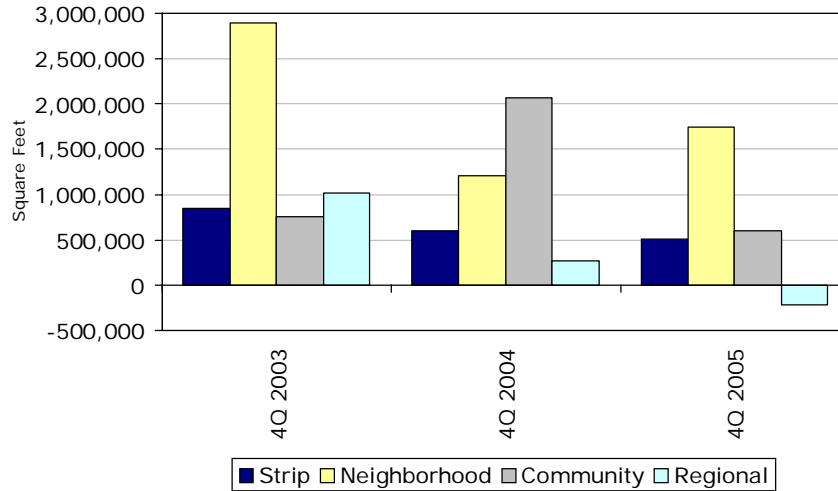


Source: Real Estate Center at Texas A&M University

Houston-Sugar Land-Baytown Market Overview 2006

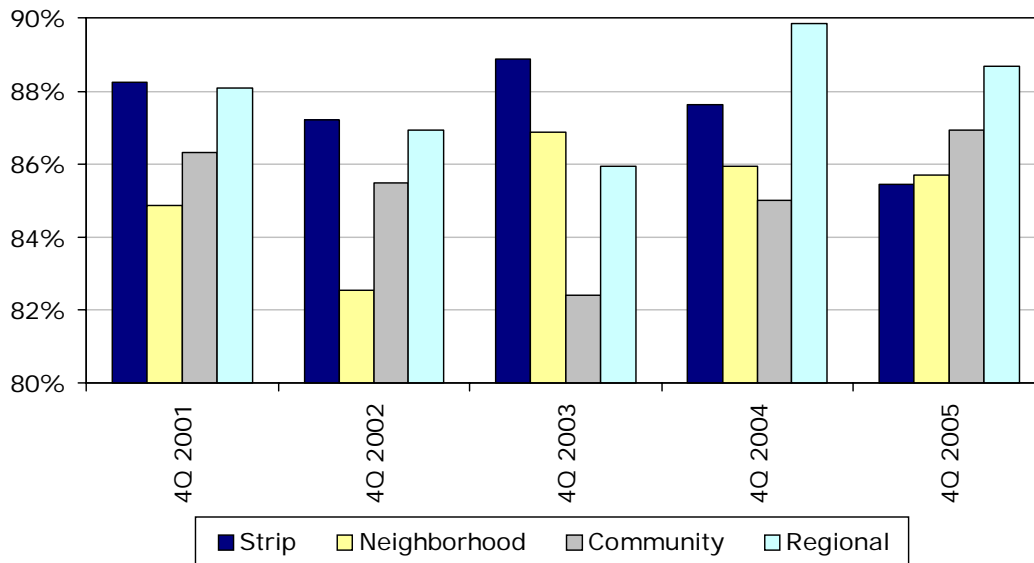
Retail

Houston Retail Market
Absorption



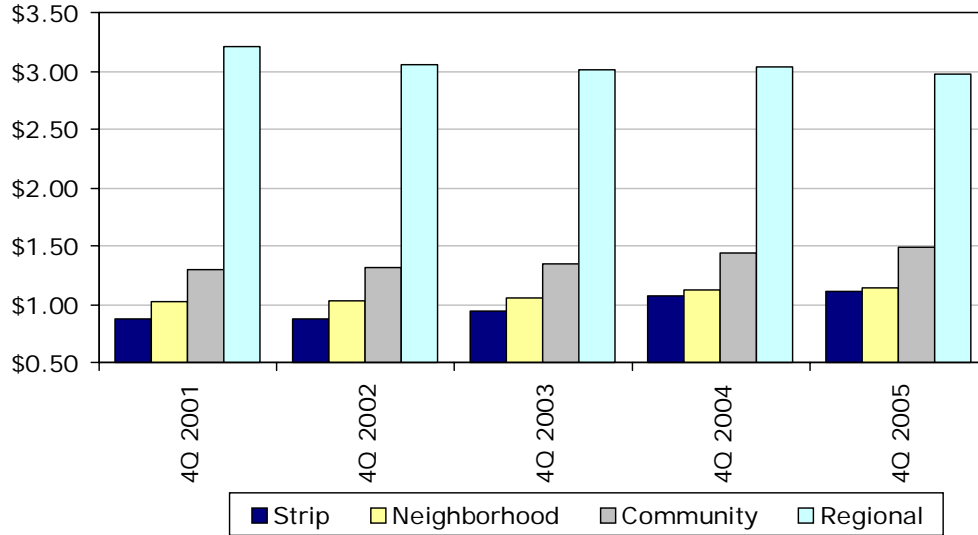
Source: O'Connor & Associates

Houston Retail Market
Occupancy Rate



Source: O'Connor & Associates

Houston Retail Market Rental Rate, Per Square Foot



Source: O'Connor & Associates

Baytown Retail Building Permits 2005



Houston-Sugar Land-Baytown Market Overview 2006 Hotel

Hotel* Occupancy and Rates

| | 2004 | | 2005 | |
|-----------------------------|--------------------------------|---------|--------------------------------|---------|
| | Houston - Sugar Land - Baytown | Texas | Houston - Sugar Land - Baytown | Texas |
| # Rooms 000's | 68.1 | 328.1 | 69.6 | 334.7 |
| Average daily rate | \$74.10 | \$70.39 | \$76.62 | \$74.26 |
| Occupancy rate (in percent) | 57 | 55.9 | 64.3 | 59.7 |

*Only properties exceeding \$18,000 in the current quarter are included; those units below \$18,000 only result in 1.5% of the total state revenues, and have been excluded from this database.

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

Hotel* Occupancy and Rates

| | Brazoria County | Galveston County | Texas |
|--------------------------|-----------------|------------------|---------|
| 2000 | | | |
| # Rooms 000's | 1.4 | 5.6 | 296.8 |
| Average daily rate | \$49.84 | \$87.49 | \$71.56 |
| Occupancy rate (percent) | 55.1 | 50.7 | 59.3 |
| 2001 | | | |
| # Rooms 000's | 1.5 | 5.7 | 307.1 |
| Average daily rate | \$50.61 | \$87.61 | \$70.27 |
| Occupancy rate (percent) | 52.8 | 50.1 | 57.3 |
| 2002 | | | |
| # Rooms 000's | 1.6 | 5.6 | 314.3 |
| Average daily rate | \$51.36 | \$88.92 | \$70.11 |
| Occupancy rate (percent) | 54.3 | 49.9 | 55.4 |
| 2003 | | | |
| # Rooms 000's | 1.6 | 5.7 | 320.8 |
| Average daily rate | \$50.63 | \$89.17 | \$68.78 |
| Occupancy rate (percent) | 48.7 | 49.3 | 54.3 |
| 2004** | | | |
| # Rooms 000's | 2 | 5.8 | 329.2 |
| Average daily rate | \$52.31 | \$92.78 | \$70.62 |
| Occupancy rate (percent) | 51.3 | 48.8 | 55.2 |

*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.

** 2005 data not available

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

Houston Hotel Data*

| Submarket | Occupancy | | Average Daily Rate | | RevPAR | |
|---------------------------|-----------|-------|--------------------|----------|---------|---------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| CBD Houston | 52.9% | 48.7% | \$140.33 | \$144.58 | \$74.25 | \$70.40 |
| Galleria / Post Oak | 64.1 | 64.0 | \$124.66 | \$119.05 | \$79.96 | \$76.23 |
| Texas Medical Center | 64.3 | 64.7 | \$98.88 | \$94.11 | \$63.57 | \$60.87 |
| Intercontinental | 71.7 | 65.9 | \$75.21 | \$72.55 | \$53.92 | \$47.83 |
| Hobby Airport | 57.8 | 58.3 | \$64.70 | \$62.41 | \$37.41 | \$36.41 |
| Clear Lake | 52.5 | 56.5 | \$81.25 | \$80.32 | \$42.67 | \$45.38 |
| Southwest Houston | 58.1 | 58.8 | \$77.67 | \$81.07 | \$45.13 | \$47.65 |
| Stafford / Sugar Land | 57.2 | 62.4 | \$56.97 | \$55.24 | \$32.60 | \$34.45 |
| Westchase | 61.1 | 61.1 | \$80.73 | \$73.61 | \$49.29 | \$44.96 |
| Katy Freeway | 62.3 | 63.9 | \$71.23 | \$69.12 | \$44.39 | \$44.14 |
| Northwest | 59.3 | 56.7 | \$67.42 | \$65.04 | \$39.98 | \$36.88 |
| Reliant Park / South Main | 55.4 | 48.5 | \$72.22 | \$72.13 | \$40.04 | \$34.95 |
| East / Baytown | 58.8 | 62.8 | \$51.11 | \$49.73 | \$30.05 | \$31.22 |

* 2005 data not available

Source: PKF Consulting

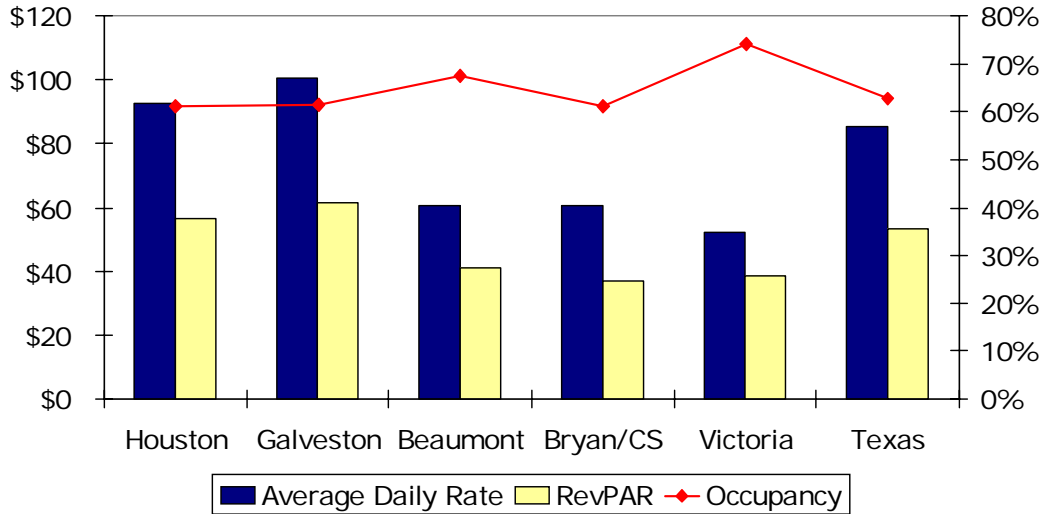
Trends in the Hotel Industry*

| Market | Occupancy | | Average Daily Rate | | RevPAR | |
|-------------------------|-----------|-------|--------------------|---------|---------|---------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Houston | 61.1% | 60.2% | \$92.66 | \$87.96 | \$56.60 | \$52.97 |
| Galveston | 61.3% | 65.3% | \$100.44 | \$94.72 | \$61.57 | \$61.85 |
| Beaumont | 67.5% | 61.5% | \$60.68 | \$58.26 | \$40.98 | \$35.83 |
| Bryan / College Station | 61.0% | 55.8% | \$60.70 | \$60.58 | \$37.02 | \$33.82 |
| Victoria | 74.2% | 88.6% | \$52.38 | \$59.31 | \$38.87 | \$52.55 |
| Texas | 62.7% | 60.4% | \$85.19 | \$84.11 | \$53.44 | \$50.84 |

* 2005 data not available

Source: PKF Consulting

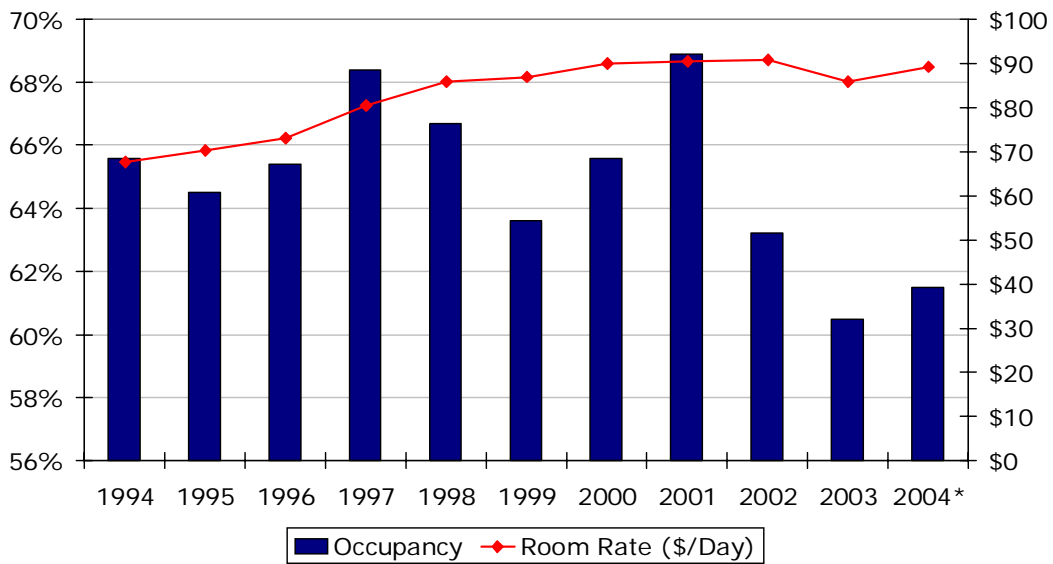
**Trends in the Hotel Industry*,
Year-End 2004**



Source: PKF Consulting

* 2005 data not available

Houston Hotel Occupancy/Rental Rates



Source: PKF Consulting

* 2004 data 12-month average through November, 2005 data not available

Houston-Sugar Land-Baytown Market Overview 2006 Office

Summary of Office Market Indicators - All Space - Year-End 2005

| Submarket | Total | Total | SF Avail. | Direct | SF Under | Net |
|--|--------------|------------------------------------|------------------------------------|---------------------------|-----------------------|------------------|
| | Total Bldgs | Rentable SF All Bldgs ¹ | Immediately All Bldgs ² | Vacancy Rate (in percent) | Constr. or Renovation | Absorption (SF) |
| Downtown | 211 | 51,012,967 | 8,237,104 | 16.1 | - | 511,000 |
| FM 1960 | 149 | 9,453,603 | 1,297,869 | 13.7 | 174,276 | 77,000 |
| Greenspoint / North Belt | 102 | 11,971,475 | 1,527,678 | 12.8 | - | 493,000 |
| Greenway Plaza | 98 | 12,034,231 | 1,732,929 | 14.4 | - | (277,000) |
| Gulf Freeway / Pasadena | 71 | 3,009,767 | 508,651 | 16.9 | 80,000 | (186,000) |
| Katy Fwy / Energy Corridor | 208 | 20,972,358 | 1,381,334 | 6.6 | 378,359 | 952,000 |
| Kingwood / Humble | 32 | 1,189,405 | 52,334 | 4.4 | 56,000 | 47,000 |
| NASA / Clear Lake | 103 | 6,577,767 | 848,532 | 12.9 | 21,225 | 20,000 |
| Northeast | 27 | 1,564,256 | 236,203 | 15.1 | - | 44,000 |
| Northwest | 154 | 11,434,165 | 1,762,839 | 15.4 | 182,005 | (77,000) |
| South Main / Medical Center ³ | 77 | 8,397,742 | 428,285 | 5.1 | 1,316,381 | 134,000 |
| Southwest Fwy / Sugar Land | 221 | 18,291,923 | 2,603,234 | 14.2 | 397,368 | (44,000) |
| West Loop | 240 | 35,185,155 | 5,274,004 | 15.0 | - | 402,000 |
| Westchase | 121 | 15,491,333 | 1,684,733 | 10.9 | - | 322,000 |
| Woodlands / Conroe | 111 | 7,442,174 | 742,491 | 10.0 | 176,000 | 357,000 |
| Total - Houston | 1,925 | 214,028,321 | 28,318,220 | 13.2 | 2,781,614 | 2,775,000 |

¹ Includes buildings 15,000 SF Rentable (RBA) and greater. Does not include buildings under construction or buildings owned by the government.

² Does not include sublet space.

³ Inventory amended per CoStar.

Source: Delta Associates

Summary of Office Market Indicators - Class Space A¹ - Year-End 2005

| Submarket | Total Bldgs | Total Rentable SF All Bldgs¹ | SF Avail. Immediately All Bldgs² | Vacancy Rate² (in percent) | SF Under Constr. or Renovation³ | Net Absorption (SF) |
|-----------------------------|--------------------|--|--|--|---|----------------------------|
| Downtown | 33 | 30,683,151 | 5,260,712 | 17.1 | - | 437,000 |
| FM 1960 | 12 | 2,697,328 | 172,119 | 6.4 | 75,000 | 107,000 |
| Greenspoint / North Belt | 17 | 4,388,082 | 189,234 | 4.3 | - | 230,000 |
| Greenway Plaza | 16 | 6,065,963 | 1,110,071 | 18.3 | - | (412,000) |
| Gulf Freeway / Pasadena | 0 | - | - | - | - | - |
| Katy Fwy / Energy Corridor | 53 | 9,740,467 | 357,224 | 3.7 | 306,468 | 444,000 |
| Kingwood / Humble | 0 | - | - | - | - | - |
| NASA / Clear Lake | 9 | 1,282,130 | 152,573 | 11.9 | - | 88,000 |
| Northeast | 2 | 186,510 | 16,040 | 8.6 | - | 4,000 |
| Northwest | 12 | 2,117,026 | 453,629 | 21.4 | 129,505 | (32,000) |
| South Main / Medical Center | 9 | 2,221,445 | 139,951 | 6.3 | 730,000 | 80,000 |
| Southwest Fwy / Sugar Land | 13 | 3,225,702 | 171,682 | 5.3 | 335,000 | 130,000 |
| West Loop | 47 | 18,425,757 | 2,968,585 | 16.1 | - | 543,000 |
| Westchase | 21 | 6,922,869 | 448,056 | 6.5 | - | 198,000 |
| Woodlands / Conroe | 13 | 2,479,502 | 91,742 | 3.7 | - | 109,000 |
| Total - Houston | 257 | 90,435,932 | 11,531,618 | 12.8 | 1,575,973 | 1,926,000 |

¹ Class A per CoStar and greater than 50,000 SF. Does not include buildings under construction or buildings owned by the government.

² Does not include sublet space.

³ Includes only buildings of 50,000 SF or greater.

Source: Delta Associates

Summary of Office Market Indicators - Class Space B¹ - Year-End 2005

| Submarket | Total Bldgs | Total SF Avail. | | Vacancy Rate ² | SF Under Constr. or Renovation ³ | Net Absorption (SF) |
|-----------------------------|-------------|-------------------|------------------------------------|---------------------------|---|---------------------|
| | | Rentable SF All | Immediately All Bldgs ² | | | |
| Downtown | 74 | 14,317,233 | 1,613,886 | 11.3 | - | 125,000 |
| FM 1960 | 81 | 4,562,226 | 929,790 | 20.4 | 99,276 | (40,000) |
| Greenspoint / North Belt | 54 | 5,827,176 | 1,001,697 | 17.2 | - | 165,000 |
| Greenway Plaza | 35 | 4,143,389 | 484,777 | 11.7 | - | 37,000 |
| Gulf Freeway / Pasadena | 23 | 1,327,691 | 208,447 | 15.7 | 80,000 | (72,000) |
| Katy Fwy / Energy Corridor | 87 | 8,593,362 | 843,469 | 9.2 | 71,891 | 430,000 |
| Kingwood / Humble | 18 | 867,796 | 44,258 | 5.1 | 56,000 | 50,000 |
| NASA / Clear Lake | 45 | 3,421,966 | 331,931 | 9.7 | 21,225 | 13,000 |
| Northeast | 12 | 907,023 | 188,661 | 20.8 | - | 21,000 |
| Northwest | 66 | 6,274,060 | 913,090 | 14.6 | 52,500 | (8,000) |
| South Main / Medical Center | 25 | 2,918,641 | 105,071 | 3.6 | 586,381 | 20,000 |
| Southwest Fwy / Sugar Land | 102 | 9,862,750 | 1,683,968 | 17.1 | 62,368 | (166,000) |
| West Loop | 121 | 13,521,217 | 1,971,204 | 14.6 | - | (96,000) |
| Westchase | 58 | 6,026,064 | 882,344 | 14.6 | - | 59,000 |
| Woodlands / Conroe | 65 | 3,567,491 | 568,391 | 15.9 | 176,000 | 213,000 |
| Total - Houston | 866 | 86,138,085 | 11,770,984 | 13.7 | 1,205,641 | 751,000 |

¹ Class B per CoStar and greater than 50,000 SF. Does not include buildings under construction or buildings owned by the government.

² Does not include sublet space.

³ Includes only buildings of 50,000 SF or greater.

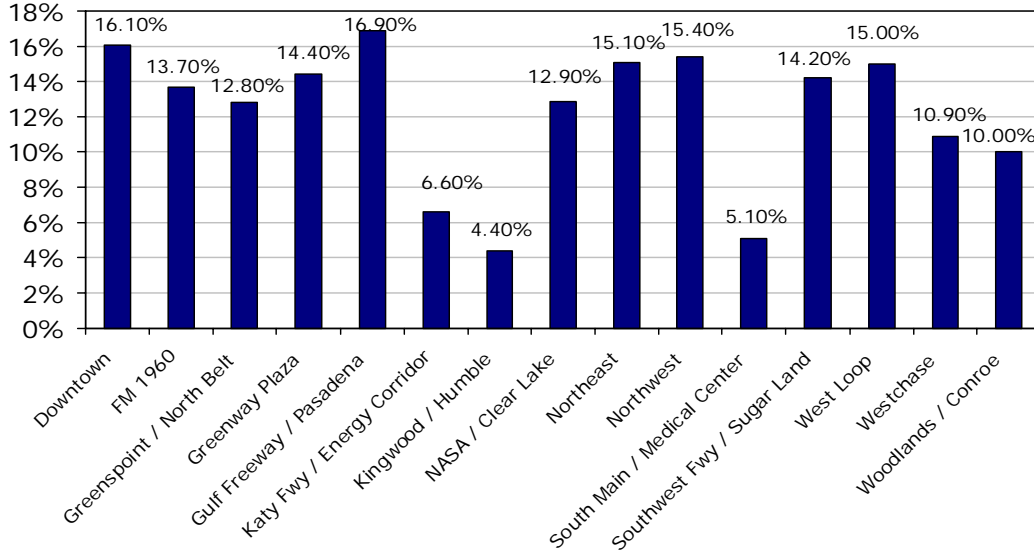
Source: Delta Associates

Rent Rate Analysis of Class A & B Office Buildings - Year-End 2005

| Submarket | Average Asking Rent (\$'s/SF, GSF) | | | | Annualized % Change (in percent) | |
|-----------------------------|------------------------------------|--------------|--------------|--------------|----------------------------------|------------|
| | at end of: | | | | 2004-2005 | |
| | 2004 | | 2005 | | Class A | Class B |
| | Class A | Class B | Class A | Class B | Class A | Class B |
| Downtown | \$21.25 | \$17.35 | \$21.15 | \$18.21 | -0.5% | 5.0% |
| FM 1960 | 20.00 | 15.24 | 20.70 | 15.15 | 3.5 | -0.6 |
| Greenspoint / North Belt | 18.85 | 16.00 | 19.31 | 15.55 | 2.4 | -2.8 |
| Greenway Plaza | 19.65 | 17.08 | 20.35 | 17.43 | 3.6 | 2.0 |
| Gulf Freeway / Pasadena | 18.50 | 14.58 | - | 14.53 | - | -0.3 |
| Katy Fwy / Energy Corridor | 20.80 | 15.85 | 21.31 | 16.31 | 2.5 | 2.9 |
| Kingwood / Humble | - | 16.46 | - | 16.98 | - | 3.2 |
| NASA / Clear Lake | 20.75 | 15.92 | 19.90 | 16.37 | -4.1 | 2.8 |
| Northeast | - | 13.81 | - | 13.60 | - | -1.5 |
| Northwest | 18.72 | 14.61 | 18.77 | 15.16 | 0.3 | 3.8 |
| South Main / Medical Center | 24.31 | 21.07 | 24.50 | 21.50 | 0.8 | 2.0 |
| Southwest Fwy / Sugar Land | 18.90 | 14.60 | 19.21 | 14.47 | 1.6 | -0.9 |
| West Loop | 19.20 | 16.40 | 19.60 | 16.37 | 2.1 | -0.2 |
| Westchase | 20.30 | 16.35 | 21.50 | 16.80 | 5.9 | 2.8 |
| Woodlands / Conroe | 22.90 | 18.13 | 23.20 | 18.50 | 1.3 | 2.0 |
| Total - Houston | 20.25 | 16.10 | 20.30 | 16.40 | 0.2 | 1.9 |

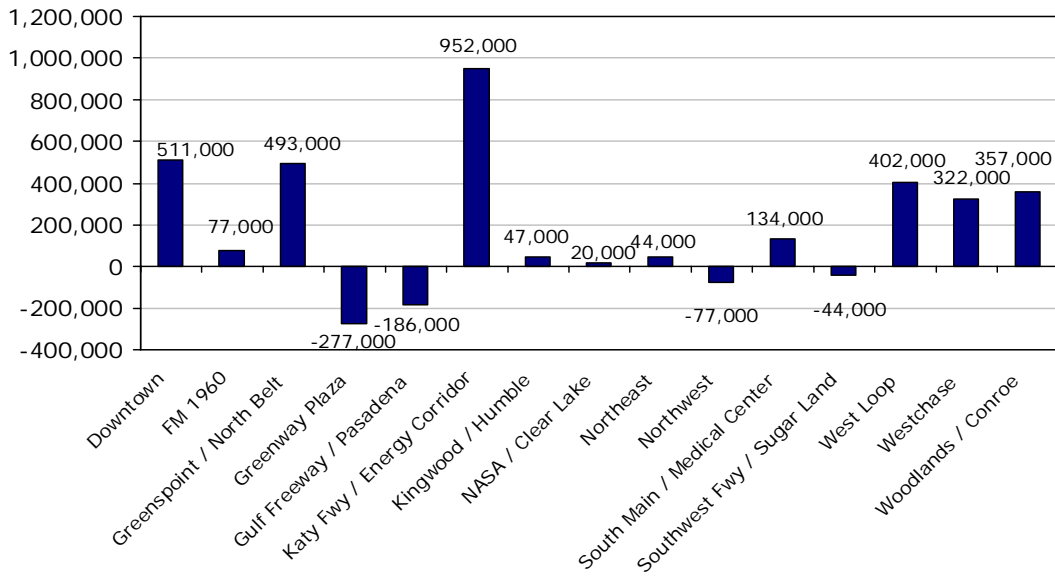
Source: Delta Associates

Houston Office Market Office Vacancy Rate, Year-End 2005



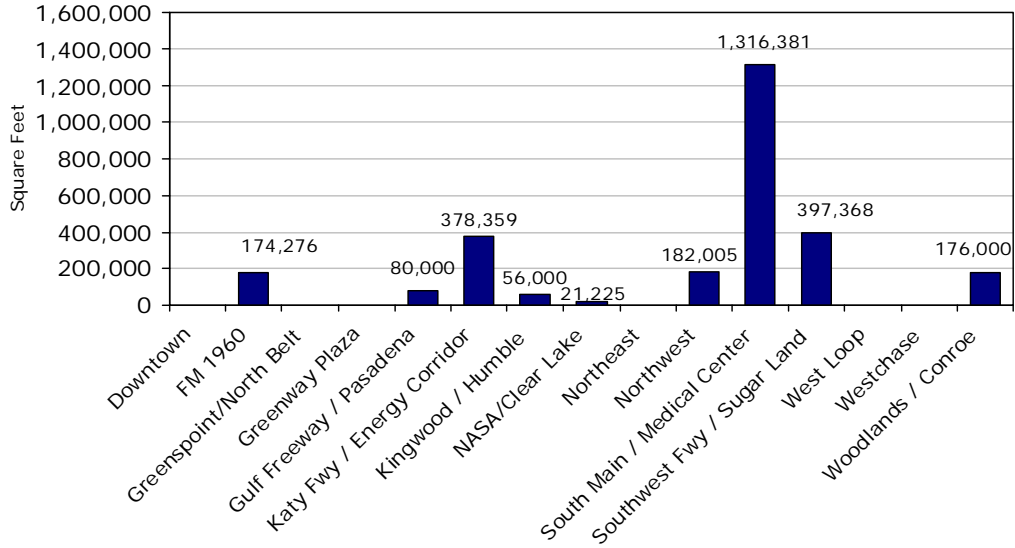
Source: Delta Associates

Houston Office Market Net Absorption, Year-End 2005



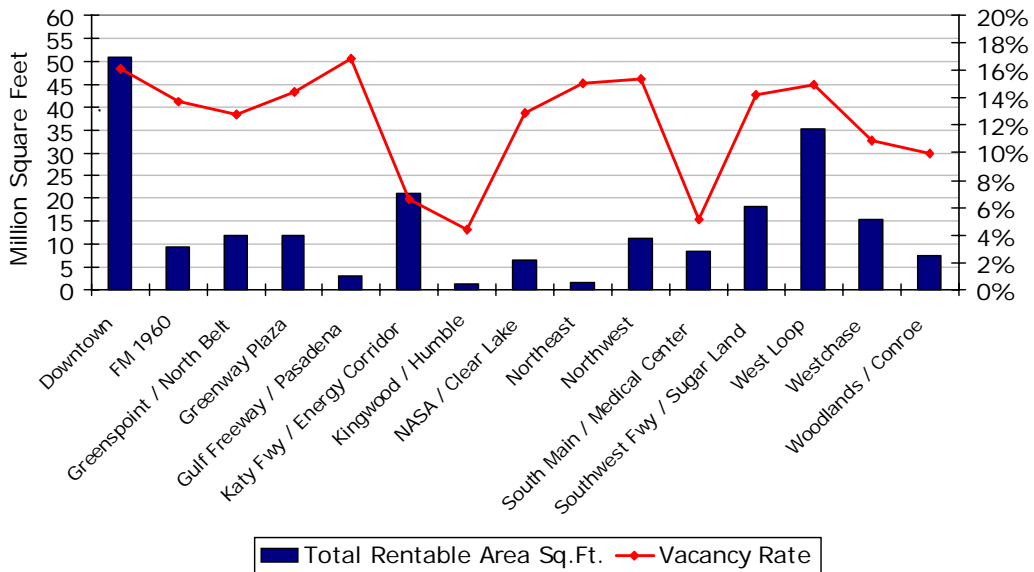
Source: Delta Associates

Houston Office Market Under Construction, Year-End 2005



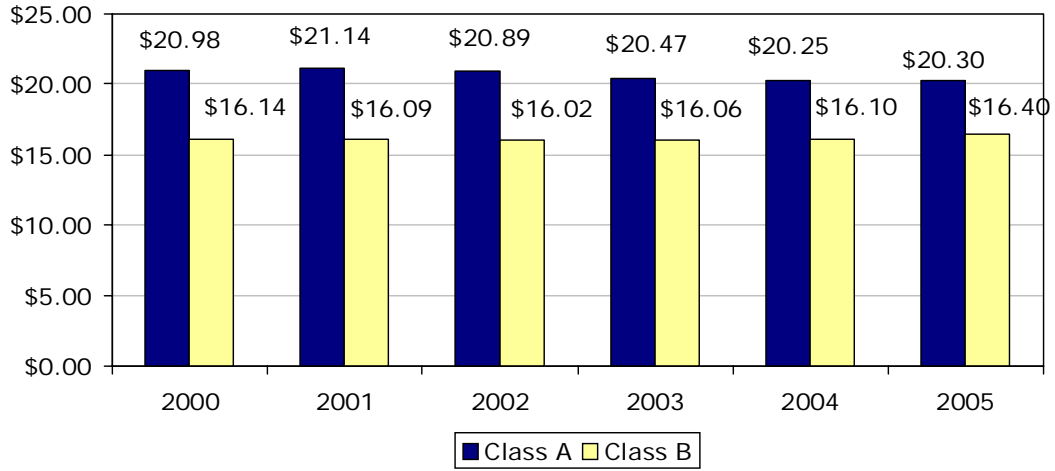
Source: Delta Associates

Houston Office Market, Year-End 2005



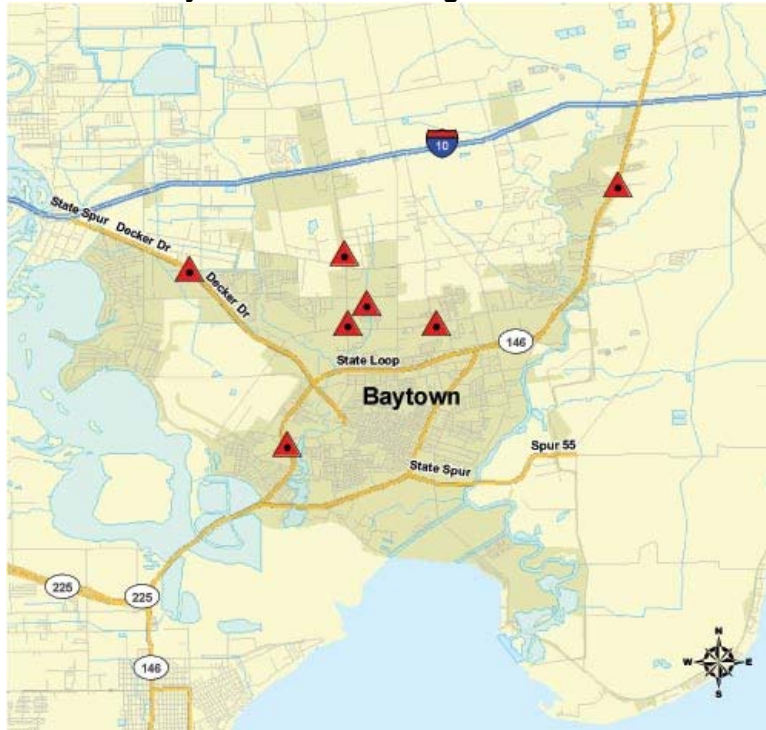
Source: Delta Associates

**Rent Rate Analysis of Class A & B Office Buildings
Houston Area**



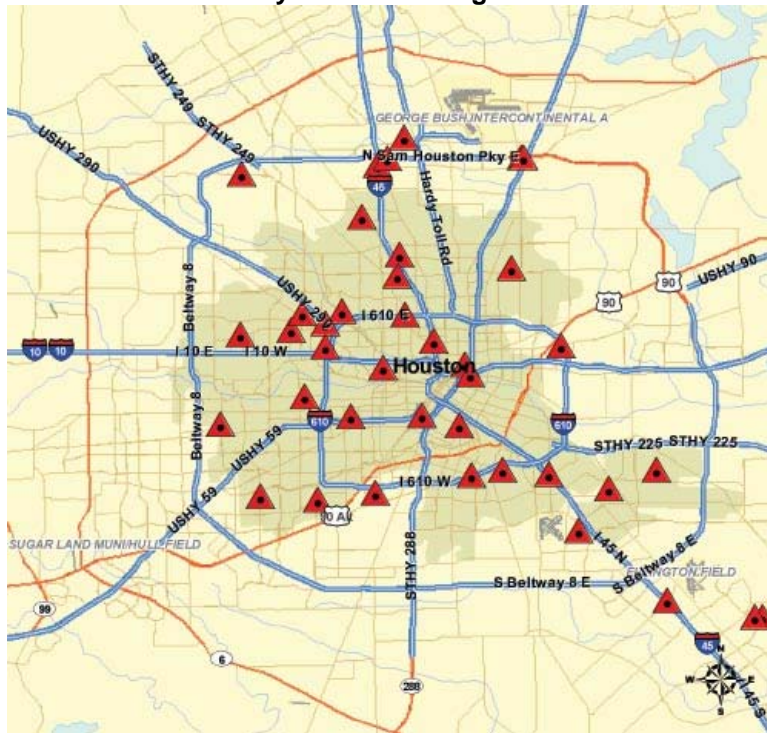
Source: Delta Associates

Baytown Office Building Permits 2005



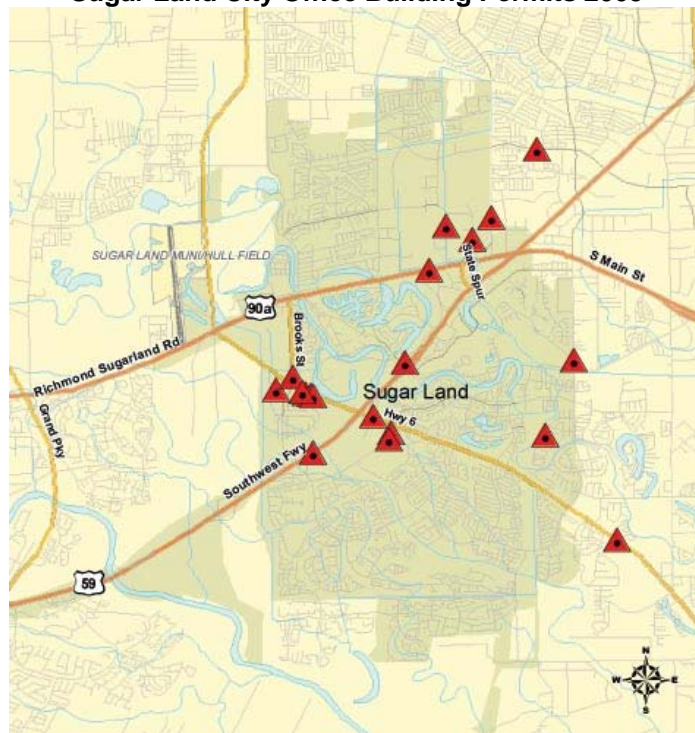
Baytown City Building Permit Office

Houston City Office Building Permits 2005



Houston City Building Permit Office

Sugar Land City Office Building Permits 2005



Sugar Land City Building Permit Office

Houston-Sugar Land-Baytown Market Overview 2006 Industrial

Summary of Industrial Market Indicators - All Space - Year-End 2005

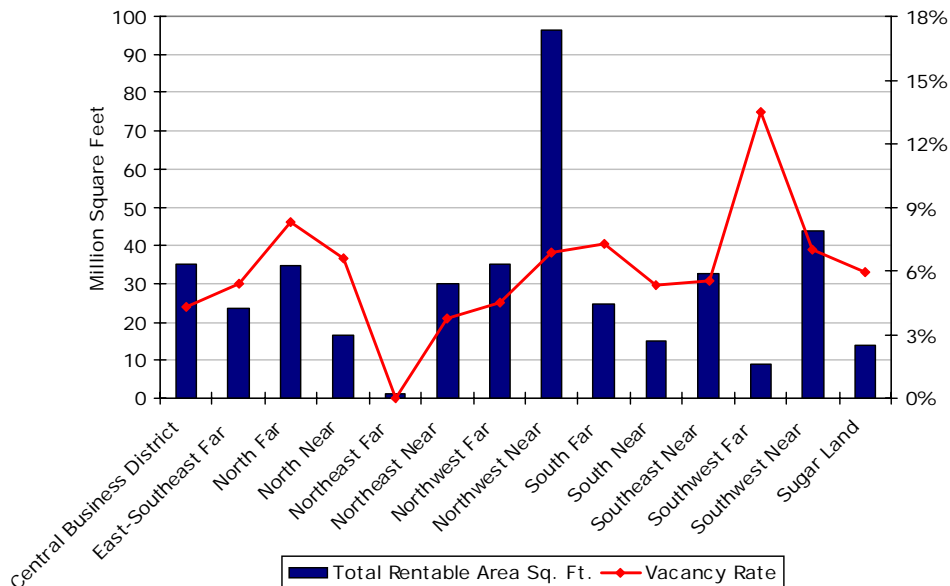
| Submarket | Total Rentable SF All Bldgs. ¹ | SF Avail. | Direct Vacancy | Vacancy Rate | SF Under | Net |
|---------------------------|--|--|----------------------|--------------------------|--------------------------|--------------------|
| | | Immediately All Bldgs. ² | Rate (in percent) | w/Sublet (in percent) | Constr. or Renovation | Absorption (SF) |
| Central Business District | 35,090,999 | 1,522,060 | 4.3 | 4.3 | - | 736,000 |
| East-Southeast Far | 23,632,954 | 1,284,678 | 5.4 | 5.5 | 714,000 | 4,468,000 |
| North Far | 34,910,812 | 2,899,464 | 8.3 | 8.7 | 191,400 | 551,000 |
| North Near | 16,590,796 | 1,090,506 | 6.6 | 7.0 | - | (246,000) |
| Northeast Far | 969,994 | - | 0.0 | 0.0 | - | 31,000 |
| Northeast Near | 29,784,447 | 1,134,352 | 3.8 | 3.9 | - | 1,296,000 |
| Northwest Far | 35,051,415 | 1,570,701 | 4.5 | 6.7 | 39,600 | 929,000 |
| Northwest Near | 96,187,014 | 6,661,200 | 6.9 | 7.2 | 348,164 | 3,058,000 |
| South Far | 24,829,919 | 1,812,001 | 7.3 | 7.4 | 52,000 | (407,000) |
| South Near | 15,124,194 | 801,799 | 5.3 | 5.5 | - | 703,000 |
| Southeast Near | 32,437,670 | 1,792,927 | 5.5 | 5.5 | - | 445,000 |
| Southwest Far | 8,883,165 | 1,195,533 | 13.5 | 13.6 | 30,375 | (223,000) |
| Southwest Near | 43,690,539 | 3,078,424 | 7.0 | 7.3 | - | 514,000 |
| Sugar Land | 14,038,341 | 834,342 | 5.9 | 6.4 | 331,450 | 450,000 |
| Total Houston | 411,222,259 | 25,677,987 | 6.2 | 6.6 | 1,706,989 | 12,305,000 |

¹ Does not include buildings under construction or buildings owned by the government.

² Does not include sublet space.

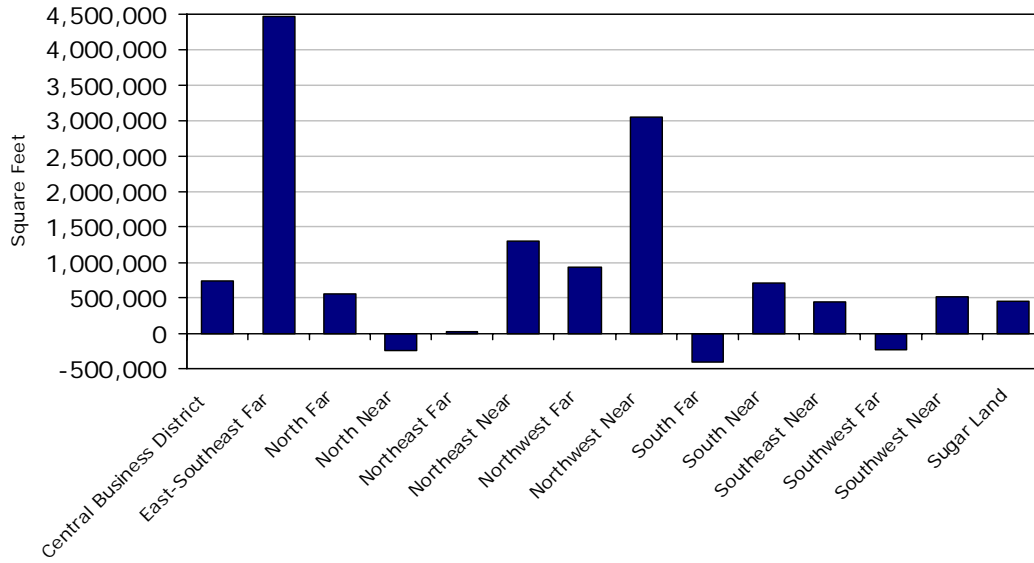
Source: Delta Associates

Houston Industrial Market
Year-End 2005



Source: Delta Associates

Houston Industrial Market Net Absorption, Year-End 2005



Source: Delta Associates

Houston City Industrial Building Permits 2005



Houston City Building Permit Office



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