

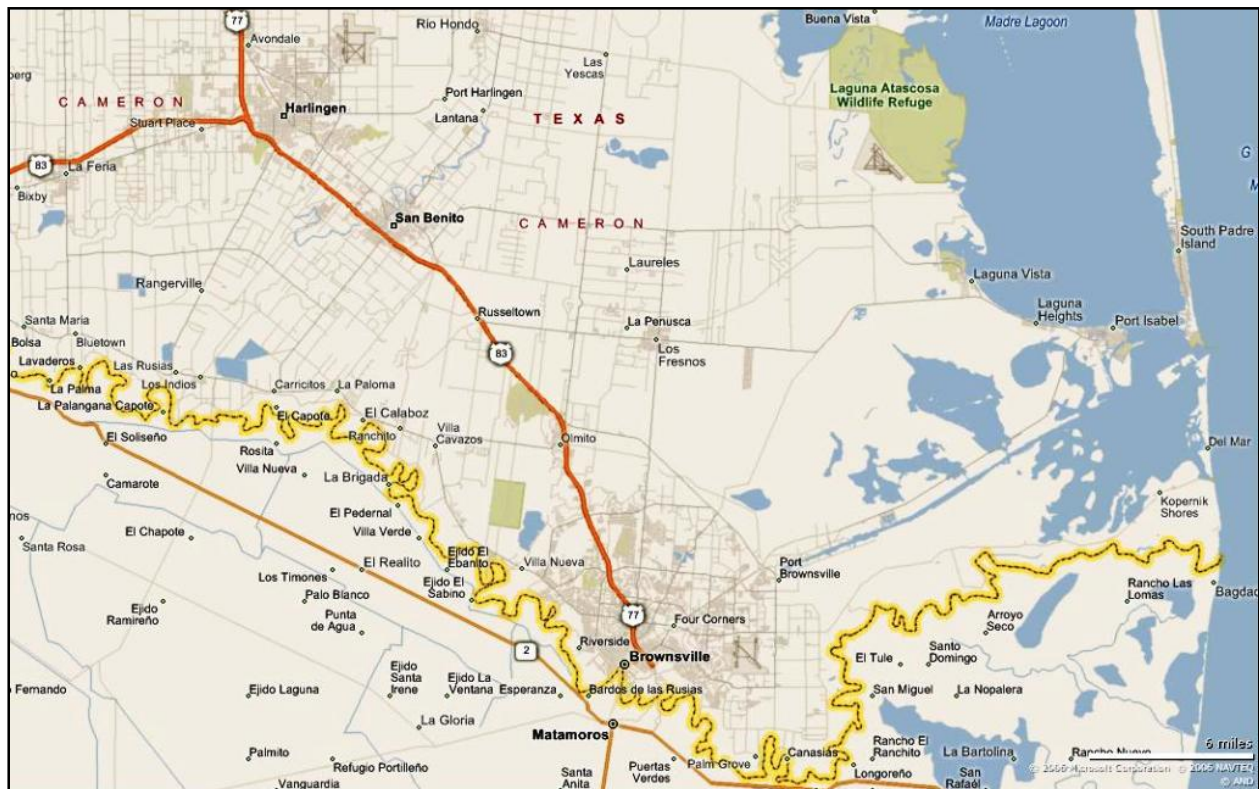
Real Estate Market Overview 2008

Brownsville - Harlingen

Brownsville was named after Fort Brown in honor of Major Jacob Brown, who was killed directing his defenses against Mexican forces during the Mexican-American War. The Brownsville-Harlingen Metropolitan Statistical Area (MSA) is at the southernmost tip of Texas. The MSA is bordered by Mexico to the south, the McAllen MSA to the west and the Gulf of Mexico to the east. Corpus Christi lies about 150 miles to the north. According to the U.S. Census Bureau, the MSA was the 28th fastest growing area in the country and fifth fastest growing area in the state between 1990 and 2000.

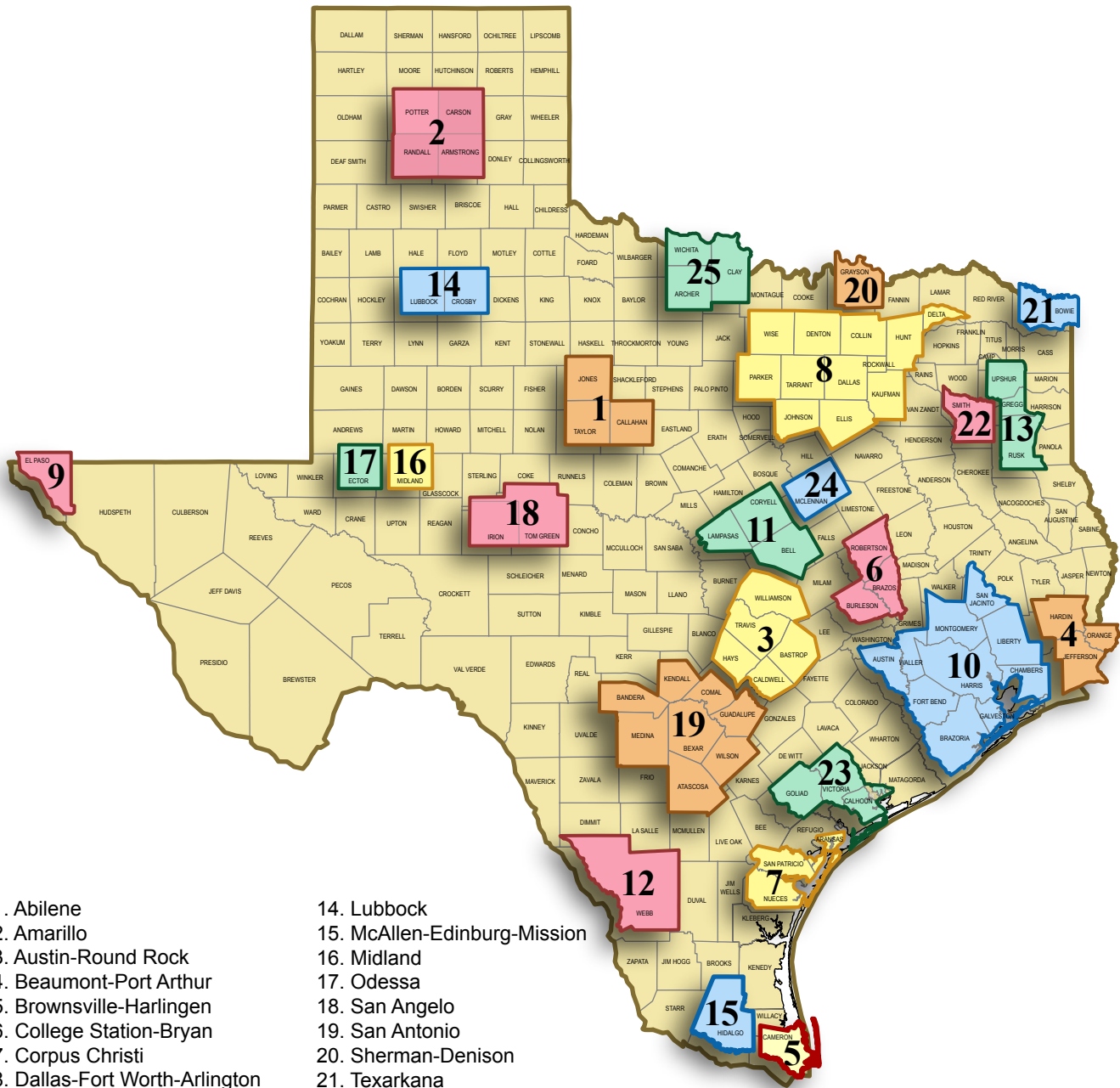
| Quick Facts | |
|--|------------------------------|
| Land Area | 954 square miles |
| 2007 Population Density | 405.9 people per square mile |
| Counties | Cameron |
| Area Cities and Towns | |
| Brownsville, Combes, Harlingen, La Feria, La Paloma, Rancho Viejo, Rio Hondo, San Benito, Santa Maria, Santa Rosa, South Padre Island, Port Isabel | |

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



Microsoft product screen shot reprinted with permission from Microsoft Corporation.

Metropolitan Statistical Areas (MSAs)



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

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Brownsville-Harlingen Market Overview 2008

Demographics

Brownsville MSA Population

| Year | Population | Percent Change |
|------|------------|----------------|
| 1996 | 312,086 | - |
| 1997 | 318,281 | 2.0 |
| 1998 | 324,556 | 2.0 |
| 1999 | 330,277 | 1.8 |
| 2000 | 335,227 | 1.5 |
| 2001 | 344,173 | 2.7 |
| 2002 | 352,961 | 2.6 |
| 2003 | 362,161 | 2.6 |
| 2004 | 370,829 | 2.4 |
| 2005 | 378,311 | 2.0 |
| 2006 | 387,717 | 2.5 |
| 2007 | 387,210 | -0.1 |

* July 1 population estimates

Source: U.S. Census Bureau

Area Cities With 10,000 or More Residents

| City | 1990 Population | 2000 Population | Growth 1990 - 2000 (in percent) |
|-------------|--------------------|--------------------|------------------------------------|
| Brownsville | 98,962 | 139,722 | 41.2 |
| Harlingen | 48,735 | 57,564 | 18.1 |
| San Benito | 20,125 | 23,444 | 16.5 |

Source: U.S. Census Bureau

Texas Metropolitan Area Population* Change

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

* July 1 population estimates

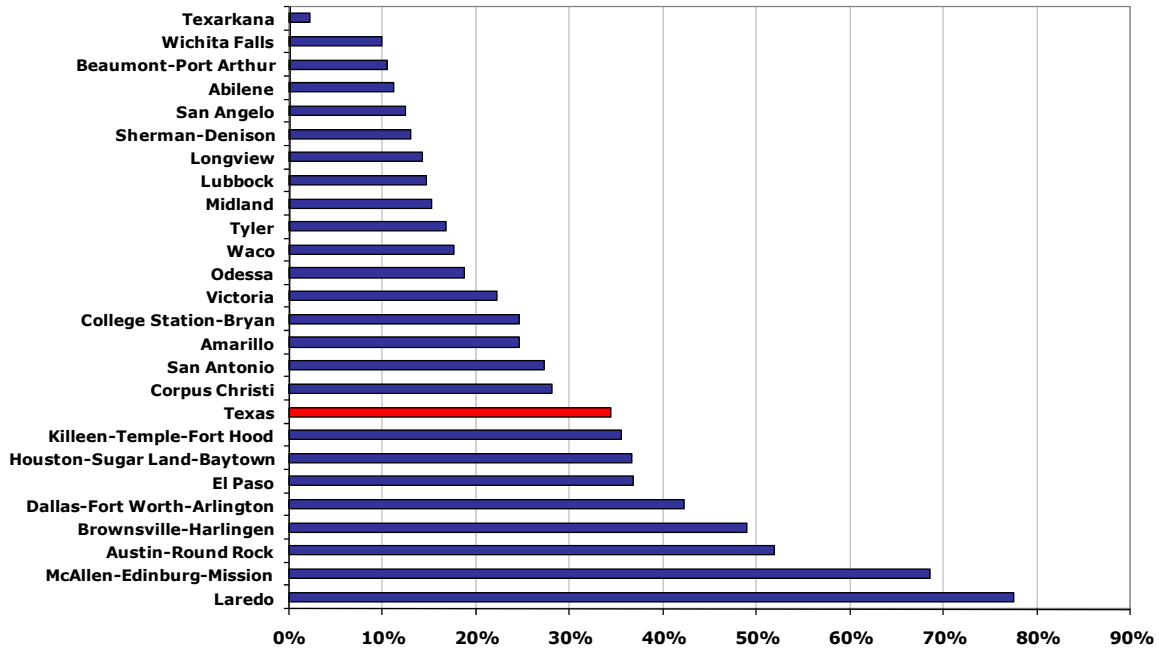
Source: U.S. Census Bureau

Brownsville-Harlingen MSA Projected Population

| Year | Texas State Data Center (Scenario 0.5) | Texas Water Development Board |
|------|---|----------------------------------|
| 2000 | 335,227 | 335,227 |
| 2005 | 374,299 | - |
| 2010 | 415,307 | 415,136 |
| 2015 | 457,255 | - |
| 2020 | 499,380 | 499,618 |
| 2025 | 542,338 | - |
| 2030 | 587,040 | 586,944 |
| 2035 | 631,931 | - |
| 2040 | 675,748 | 673,996 |

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

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



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

Household Composition

| | Brownsville MSA | Texas |
|---|-----------------|-------|
| Average household size (2000) | 3.4 | 2.74 |
| Population younger than 18 (2000, in percent) | 33.8 | 28.20 |
| Population 65 and older (2000, in percent) | 11.1 | 9.90 |

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

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

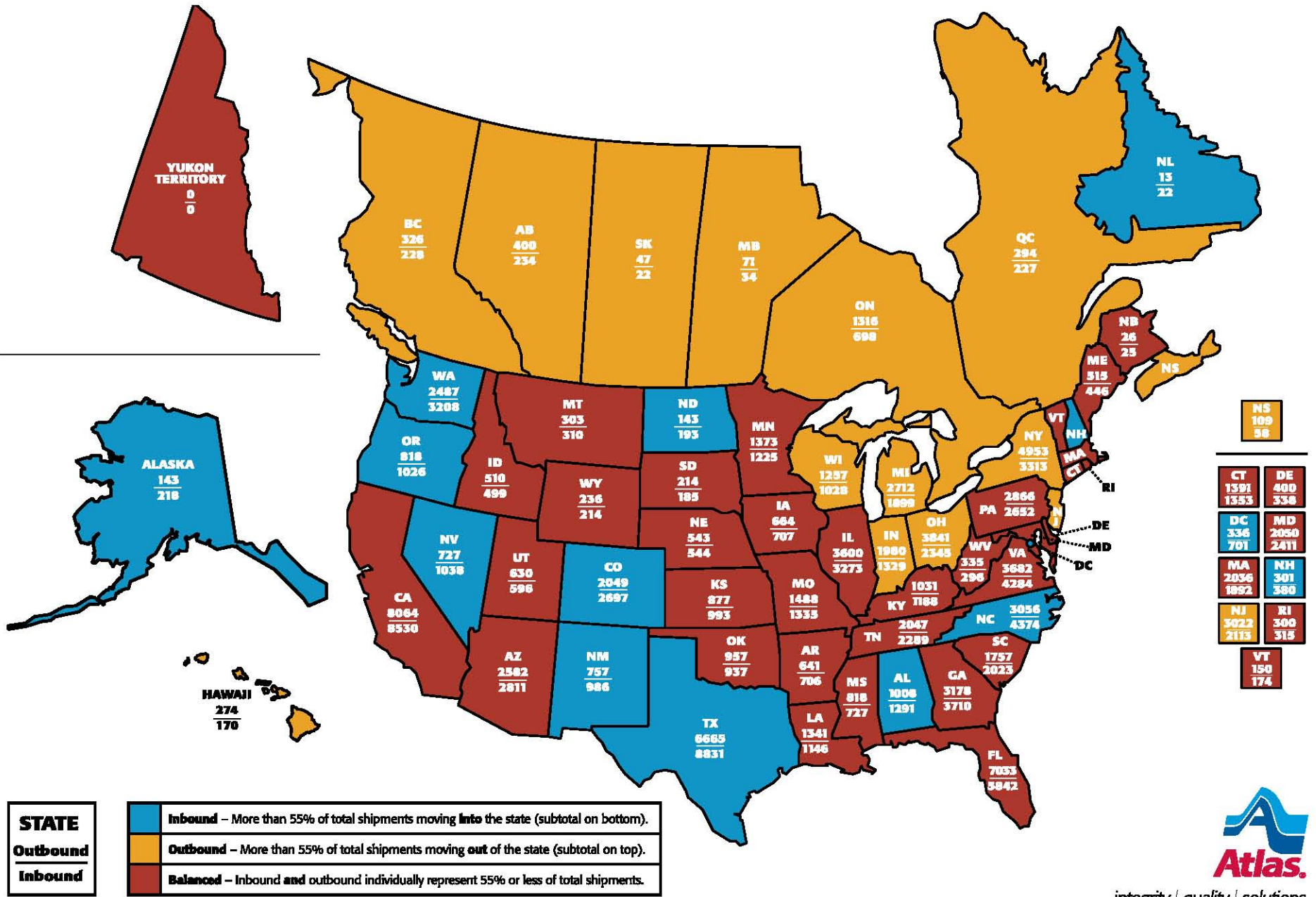
| | Brownsville MSA | Texas |
|------------------------|-----------------|-------|
| White | 80.3 | 71.0 |
| Black | 0.5 | 11.5 |
| Asian | 0.5 | 2.7 |
| American Indian | 0.4 | 0.6 |
| Other | 16.0 | 11.7 |
| Two or more races | 2.3 | 2.5 |
| Hispanic (of any race) | 84.3 | 32.0 |

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

Interstate and Cross-Border

2007 Migration Patterns – traffic flow by state/province

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



integrity | quality | solutions

Texas Migration Patterns 2007

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

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

Source: Atlas Van Lines Jan-2008

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

Brownsville-Harlingen Market Overview 2008

Education

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

| Level of Education | Cameron County | Texas |
|-------------------------|----------------|-------|
| High school graduate | 20.1 | 24.8 |
| Some college, no degree | 17.5 | 22.4 |
| Associate's degree | 4.3 | 5.2 |
| Bachelor's degree | 8.4 | 15.6 |
| Master's degree | 2.9 | 5.2 |
| Doctorate degree | 0.4 | 0.8 |

Source: U.S. Census Bureau 2000

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

| Level of Education | Brownsville - Harlingen - San Benito MSA | | Texas |
|--------------------------------|--|-------|-------|
| | San Benito MSA | Texas | |
| High School Graduate or Higher | 55.2 | 75.7 | |
| Bachelor's Degree or Higher | 13.4 | 23.2 | |

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

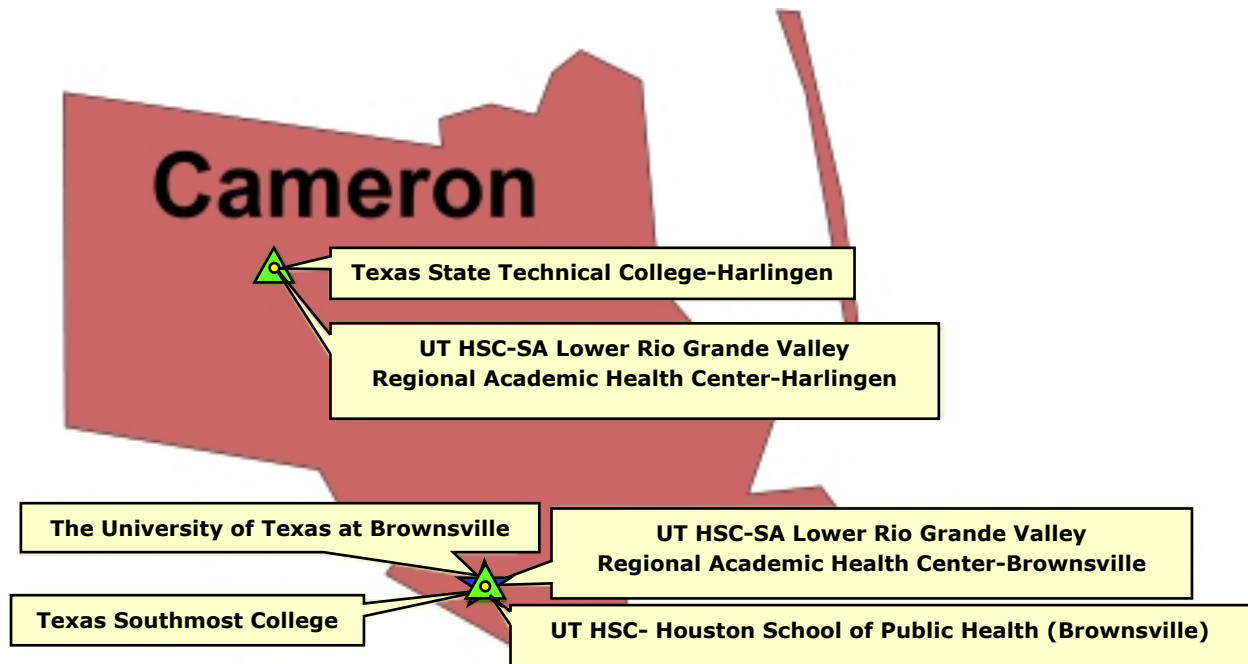
Local College and University Enrollment, Fall Semester

| School | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|--------|--------|--------|--------|--------|
| Texas State Technical College - Harlingen | 4,082 | 4,456 | 4,257 | 4,350 | 4,957 |
| University of Texas at Brownsville and Texas Southmost College | 12,057 | 13,247 | 15,276 | 18,117 | 20,008 |

Source: Texas Higher Education Coordinating Board

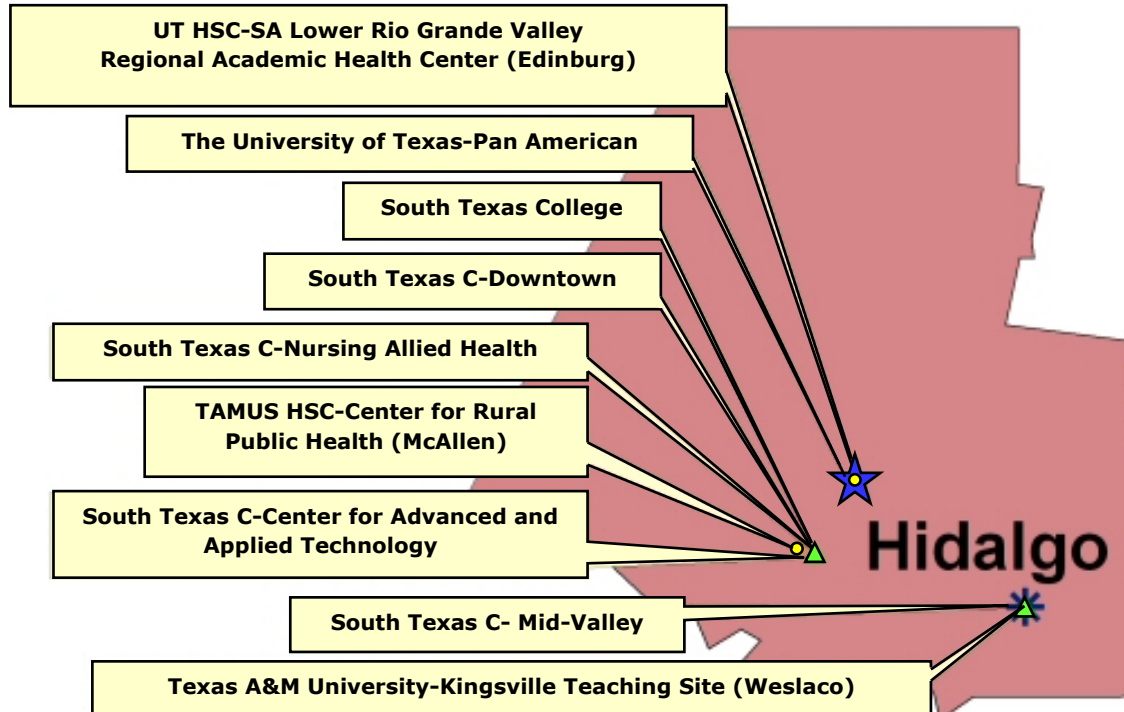
Texas Higher Education Coordinating Board Higher Education Locator Map (HELM)

Cameron County



Source: Texas Higher Education Coordinating Board

Hidalgo County



Source: Texas Higher Education Coordinating Board

Higher Education Locator Map (HELM)

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

Brownsville-Harlingen Market Overview 2008 Employment

Brownsville Top Ten Employers

| Rank | Employer | Sector |
|------|---|---------------|
| 1 | Brownsville Independent School District | Education |
| 2 | AMFELS | Manufacturing |
| 3 | University of Texas at Brownsville | Education |
| 4 | Cameron County | Government |
| 5 | Wal-Mart | Retail |
| 6 | City of Brownsville | Government |
| 7 | Convergys Corp. | Call center |
| 8 | HEB Food Stores | Retail |
| 9 | Valley Regional Medical Center | Medical |
| 10 | Valley Baptist Medical Center | Medical |

* The companies listed above are not inclusive of every company in the city but those that respond to a local survey.

Source: Brownsville Economic Development Council June 2007

Brownsville Top Ten Private Employers

| Rank | Employer | Sector |
|------|--------------------------------|---------------|
| 1 | AMFELS | Manufacturing |
| 2 | Wal-Mart | Retail |
| 3 | Convergys Corp. | Call center |
| 4 | HEB Food Stores | Retail |
| 5 | Valley Regional Medical Center | Medical |
| 6 | Valley Baptist Medical Center | Medical |
| 7 | Trico Technologies | Manufacturing |
| 8 | National Electric Coil | Manufacturing |
| 9 | ORC Industries | Manufacturing |
| 10 | Rich SeaPak | Manufacturing |

* The companies listed above are not inclusive of every company in the city but those that respond to a local survey.

Source: Brownsville Economic Development Council June 2007

Harlingen Top Ten Employers*

| Employer | Sector | Employees |
|-----------------------------------|-----------------|------------------|
| Harlingen CISD** | Education | 2,582 |
| Valley Baptist Medical Center** | Medical | 1,962 |
| Vicki Roy Home Health** | Health services | 978 |
| Advanced Call Center Technologies | Call center | 865 |
| Dish Network** | Call center | 842 |
| City of Harlingen** | City government | 555 |
| Texas State Technical College** | Education | 534 |
| Harlingen Medical Center | Medical | 463 |
| West Corporation | Call center | 425 |
| HEB (3) Harlingen Locations** | Groceries | 363 |

* The companies listed above are not inclusive of every company in the city but those that respond to a local survey.

**Q1 2007 figures.

Source: Harlingen Economic Development Corporation April-2008

Harlingen Top Ten Private Employers*

| Employer | Sector | Employees |
|-----------------------------------|--------------------|------------------|
| Valley Baptist Medical Center** | Medical | 1,962 |
| Advanced Call Center Technologies | Call center | 865 |
| Dish Network** | Call center | 842 |
| Harlingen Medical Center | Medical | 463 |
| West Corporation | Call center | 425 |
| HEB (3) Harlingen Locations** | Groceries | 363 |
| Wal-Mart SuperCenter** | Retail | 341 |
| SuClinica Familiar** | Medical | 306 |
| Acetylene Oxygen Co. | Retail operations | 275 |
| Time Warner Cable** | Telecommunications | 239 |

* The companies listed above are not inclusive of every company in the city but those that respond to a local survey.

**Q1 2007 figures.

Source: Harlingen Economic Development Corporation April-2008

**Brownsville-Harlingen MSA
Nonfarm Employment**

| Year | Employment | Percent Change |
|------|------------|----------------|
| 1997 | 97,400 | - |
| 1998 | 99,700 | 2.4 |
| 1999 | 103,900 | 4.2 |
| 2000 | 109,700 | 5.6 |
| 2001 | 111,700 | 1.8 |
| 2002 | 114,900 | 2.9 |
| 2003 | 115,300 | 0.3 |
| 2004 | 115,800 | 0.4 |
| 2005 | 116,700 | 0.8 |
| 2006 | 121,300 | 3.9 |
| 2007 | 123,600 | 1.9 |

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

Employment Growth by Industry

| | Brownsville-Harlingen MSA | Texas |
|--|---------------------------|---------|
| Employment Growth 2007 (Percent Change) | 1.9 | 3.0 |
| Unemployment Rate 2007 (Percent Change) | 6.0 | 4.3 |
| Net Job Change in 2007 | 2,300 | 305,900 |
| 2007 Employment Growth by Sector (Percent Change) | | |
| Natural Resources and Mining and Construction | -2.3 | 7.5 |
| Manufacturing | -3.8 | 0.9 |
| Trade, Transportation, and Utilities | 2.1 | 2.9 |
| Information | 7.7 | -0.7 |
| Financial Activities | 2.1 | 3.0 |
| Professional and Business Services | 7.3 | 5.3 |
| Educational and Health Services | 2.5 | 3.1 |
| Leisure and Hospitality | 3.3 | 3.9 |
| Government | 0.7 | 0.9 |

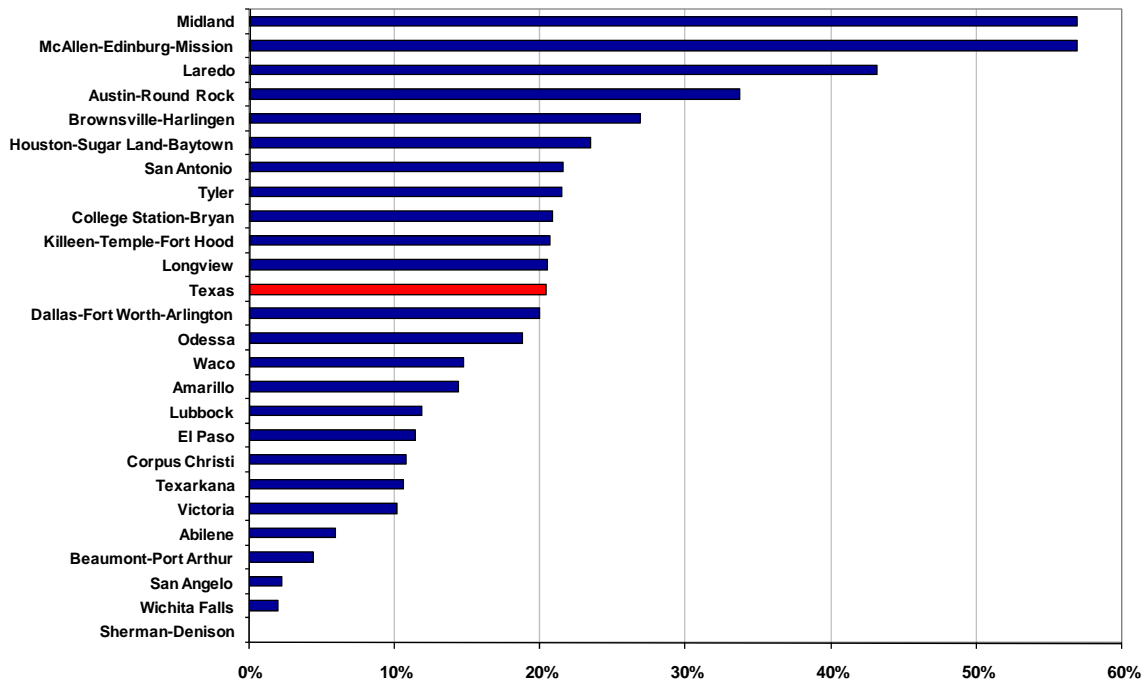
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Texas Metropolitan Area Nonfarm Employment Change

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

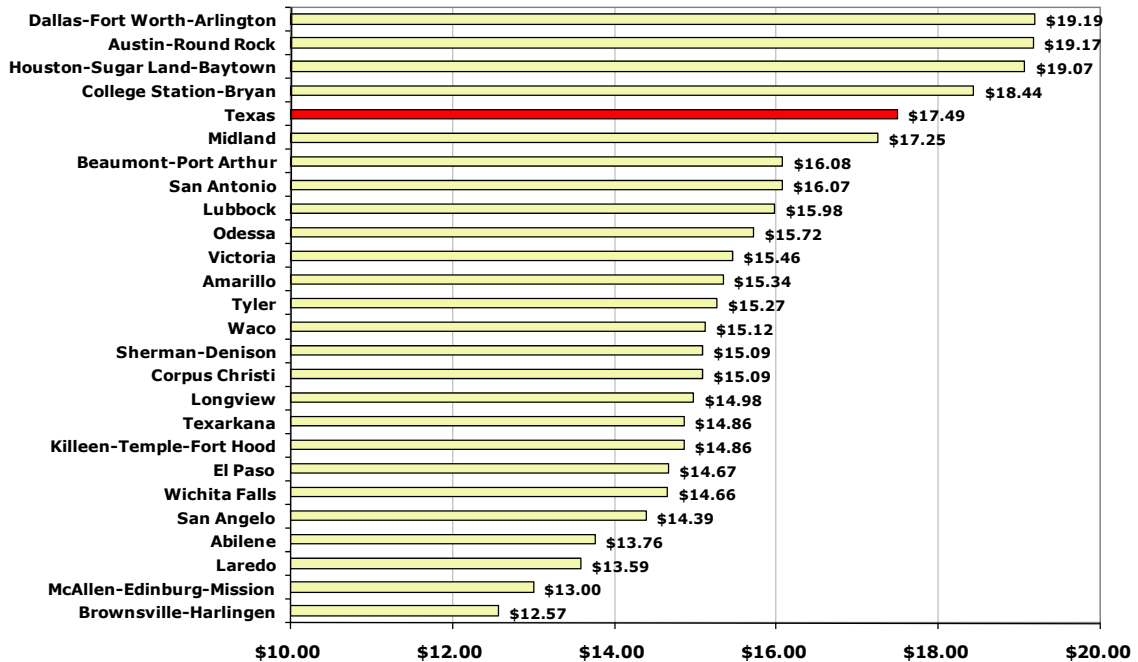
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Metropolitan Area Nonfarm Employment Change
1997-2007



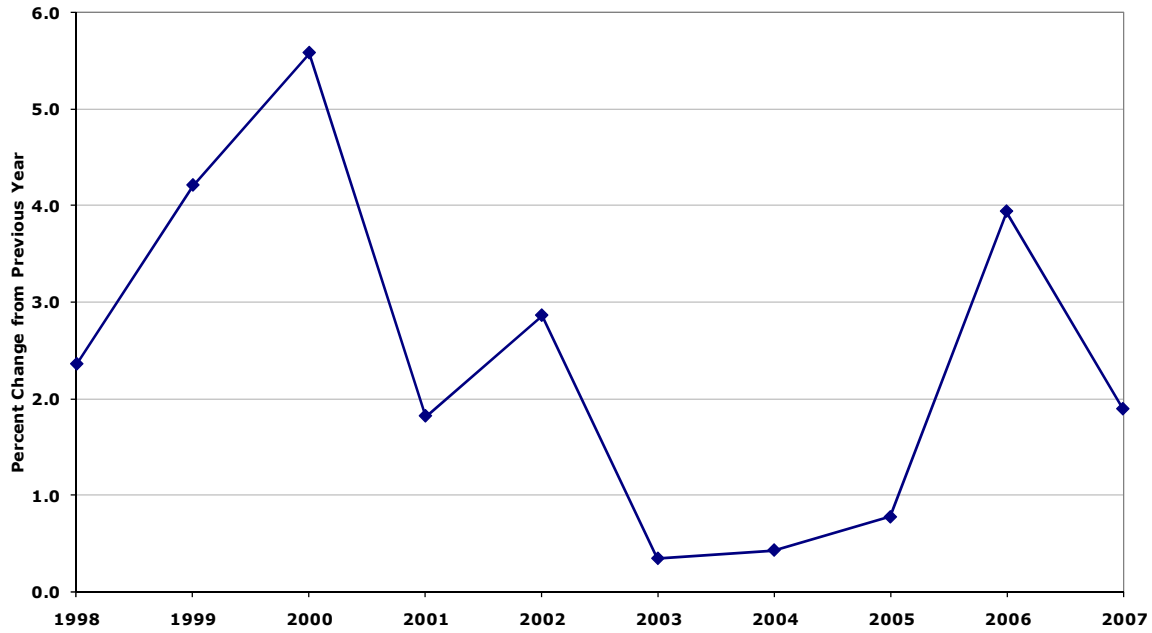
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

Average Hourly Wage
2006



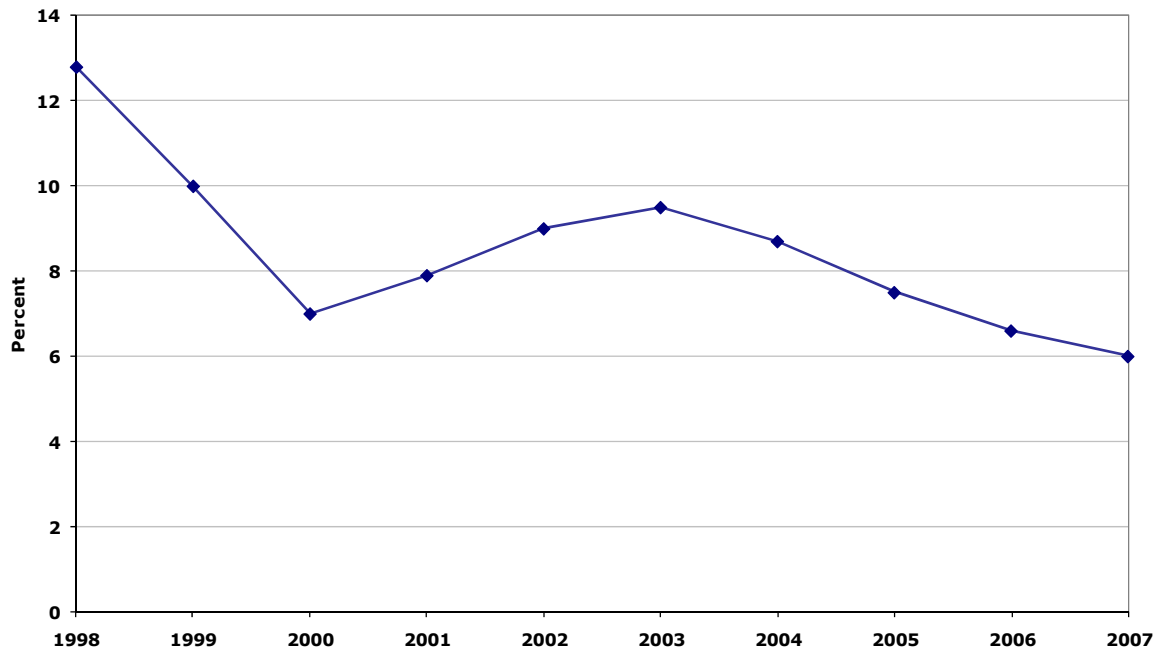
Source: Texas Workforce Commission

**Nonfarm Employment Growth
Brownsville-Harlingen MSA**



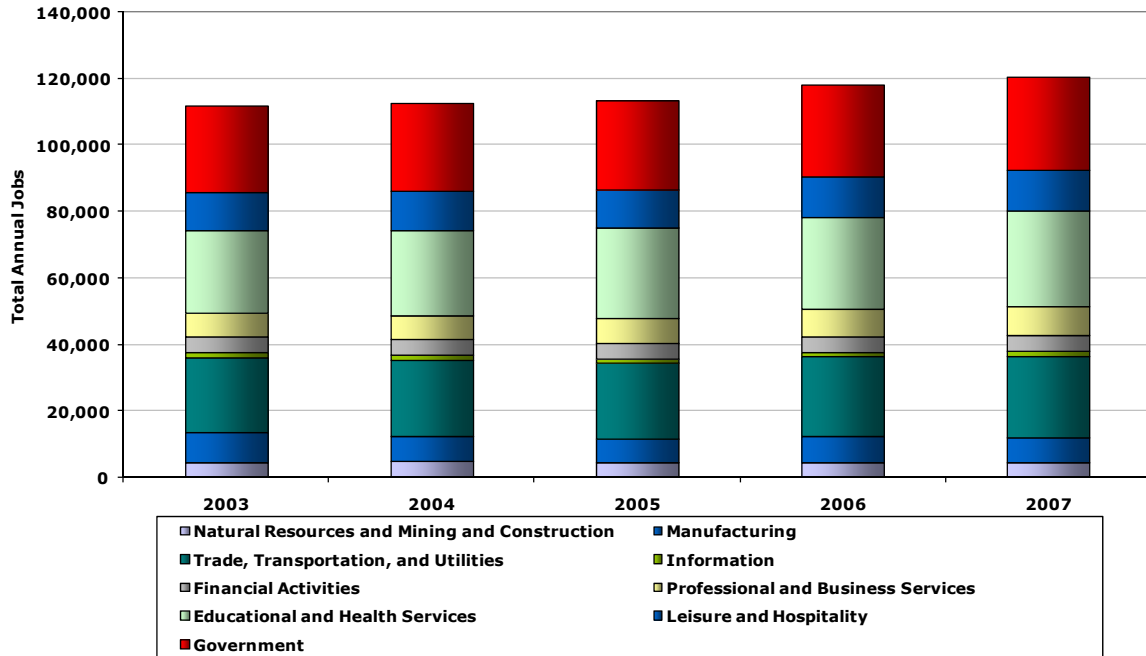
Source: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Brownsville-Harlingen MSA
Unemployment Rate**



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

**Distribution of Employment in Major Categories
Brownsville-Harlingen MSA**



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

Brownsville-Harlingen Market Overview 2008 Economy

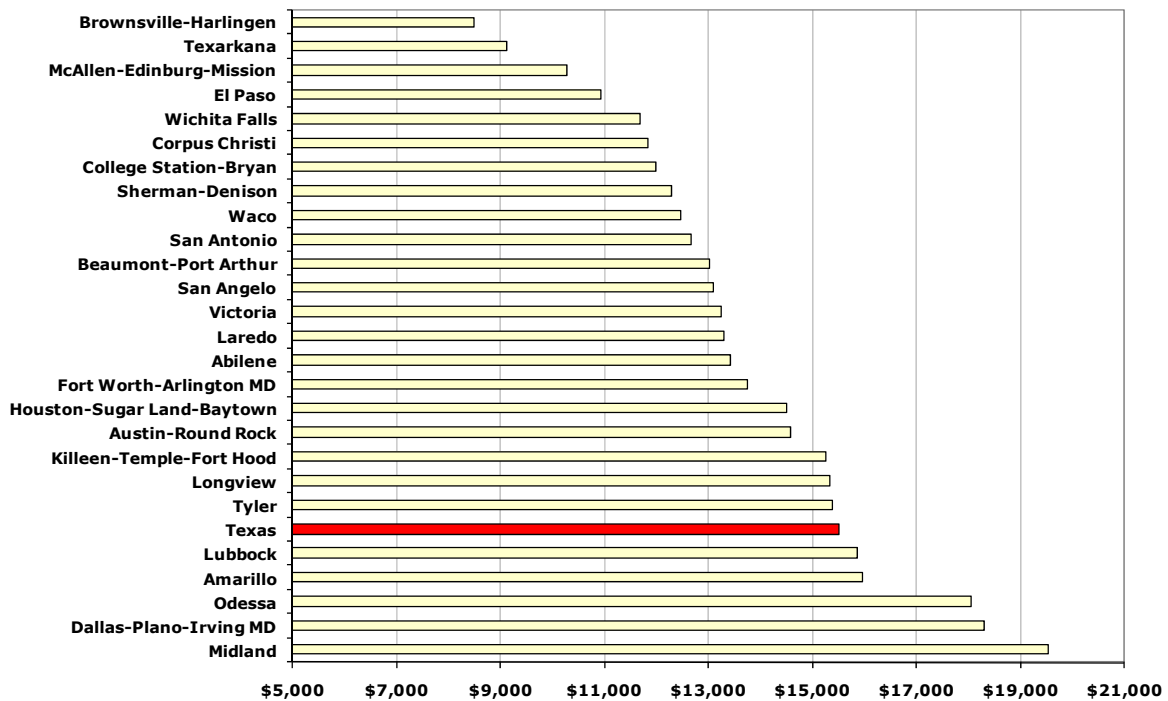
Brownsville-Harlingen Gross Retail Sales

| Year | Total Sales | Sales per Capita |
|---------------------|-----------------|------------------|
| 1996 | \$2,019,237,643 | \$6,470 |
| 1997 | \$2,134,575,151 | \$6,707 |
| 1998 | \$2,265,221,671 | \$6,979 |
| 1999 | \$2,439,207,037 | \$7,385 |
| 2000 | \$2,674,843,960 | \$7,979 |
| 2001 | \$2,890,644,663 | \$8,399 |
| 2002 | \$2,644,125,748 | \$7,491 |
| 2003 | \$2,708,531,630 | \$7,479 |
| 2004 | \$2,822,088,889 | \$7,610 |
| 2005 | \$3,039,462,433 | \$8,034 |
| 2006 | \$3,291,281,867 | \$8,489 |
| State Average 2006: | | \$15,527 |

* 2007 data not available as of January 2008.

Source: Texas Comptroller's Office

**Gross Retail Sales per Capita
2006**



Source: Texas Comptroller's Office

Historical Overview Building Permits South Padre Island, Texas

South Padre Island Building Permit Valuations

| | 2002 | 2003 | 2004 | 2005 | 2006 | Commercial | Residential | 2007 |
|------------------|---------------|---------------|---------------|---------------|----------------|--------------|---------------|---------------|
| January | \$ 1,913,160 | \$ 1,331,079 | \$ 963,134 | \$ 3,353,470 | \$ 3,879,264 | \$ 540,200 | \$ 888,220 | \$ 1,428,420 |
| February | 18,417,816 | 1,605,434 | 1,899,301 | 13,399,844 | 2,112,890 | 201,162 | 3,603,525 | 3,804,687 |
| March | 1,705,761 | 376,300 | 9,398,186 | 3,838,571 | 6,536,398 | 24,240 | 1,001,623 | 1,025,863 |
| April | 624,846 | 1,038,520 | 1,183,494 | 2,225,999 | 4,737,580 | 6,200 | 3,746,454 | 3,752,654 |
| May | 1,930,286 | 5,237,942 | 1,356,050 | 1,382,907 | 3,680,132 | 403,000 | 6,819,807 | 7,222,807 |
| June | 1,325,122 | 1,896,869 | 2,303,200 | 3,530,690 | 7,886,720 | 7,000 | 2,165,535 | 2,865,535 |
| July | 1,773,365 | 1,926,499 | 1,387,843 | 3,401,429 | 1,878,499 | - | 2,789,537 | 2,789,537 |
| August | 1,363,395 | 2,572,682 | 4,081,555 | 5,171,401 | 15,169,130 | 6,010,388 | 796,570 | 6,806,958 |
| September | 1,706,277 | 2,212,308 | 2,672,070 | 5,579,497 | 73,510,753 | 255,000 | 6,419,884 | 6,674,884 |
| October | 10,403,239 | 783,541 | 2,868,287 | 5,399,974 | 7,054,214 | 6,000 | 1,734,433 | 1,740,433 |
| November | 1,856,539 | 651,685 | 1,623,248 | 5,501,282 | 6,898,128 | 1,543,940 | 1,680,259 | 3,224,199 |
| December | \$ 761,400 | 2,798,817 | 15,879,523 | 1,278,456 | 7,006,551 | 53,500 | 1,915,300 | 1,968,800 |
| Total | \$ 43,781,206 | \$ 22,431,676 | \$ 45,615,891 | \$ 54,063,520 | \$ 140,350,259 | \$ 9,050,630 | \$ 33,561,147 | \$ 43,304,777 |

Source: (Town of) South Padre Island, Texas

<http://www.townspi.com/EDC/EDC%20Economic%20Page.htm>

Brownsville-Harlingen Market Overview 2008 Infrastructure

Rio Grande Valley Airline Activity (Domestic enplaned only)

| Airport | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------|---------|---------|---------|---------|
| Brownsville-South Padre Island International (BRO) | 61,973 | 67,821 | 77,244 | 91,450 | 94,043 |
| McAllen International (MFE) | 284,567 | 317,806 | 368,492 | 407,143 | 426,418 |
| Valley International Airport (Harlingen - HRL) | 401,567 | 444,025 | 433,489 | 440,172 | 444,691 |
| Total Rio Grande Valley domestic boardings | 748,107 | 829,652 | 879,225 | 938,765 | 965,152 |

Source: BRO, HRL and MFE Airport Management (Assembled and Distributed by HRL Management)

Air Cargo Statistics (in pounds)

| Airport | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|------------|------------|------------|------------|------------|
| Brownsville-South Padre Island International (BRO) | 38,420,130 | 13,287,936 | 5,166,259 | 4,313,435 | 4,234,082 |
| Valley International Airport (Harlingen - HRL) | 39,441,293 | 71,627,971 | 78,872,145 | 75,141,379 | 75,885,173 |

Source: Brownsville-South Padre Island International and Valley International Airport

Port Activity^{*,**}

| Port of Brownsville | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------------|------|-------|-------|------|-------|
| Total calls* | 921 | 1,190 | 1,104 | 794 | 1,059 |
| Total metric tonnage (in millions) | 3.65 | 3.76 | 4.48 | 4.76 | 4.92 |

| Port of Harlingen** | FY 02-03 | FY 03-04 | FY 04-05 | FY 05-06*** | FY 06-07*** |
|--------------------------------------|-----------|----------|----------|-------------|-------------|
| Total tonnage | 1,031,465 | 995,251 | 986,089 | - | - |
| Barge, Truck, and Rail total tonnage | - | - | - | 457,753 | 564,939 |
| Cotton Bales | - | - | - | 12,952 | 7,249 |
| Barrels | - | - | - | 3,236,657 | 2,666,613 |

*Includes barges and cargo vessels

**Based on fiscal year

***Method of reporting has changed.

Source: Brownsville and Harlingen Port Authority

Brownsville Border Crossings*

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Rail Crossings | | | | | |
| Northbound | 10,055 | 6,266 | 6,927 | 5,815 | 6,536 |
| Southbound | 41,059 | 34,917 | 38,839 | 50,809 | 38,323 |
| Total | 51,114 | 41,183 | 45,766 | 56,624 | 44,859 |
| Vehicle Crossings | | | | | |
| Northbound | 6,872,032 | 6,753,606 | 6,780,371 | 6,756,082 | 7,500,014 |
| Southbound | 6,873,466 | 6,727,312 | 6,736,510 | 6,742,282 | 4,081,138 |
| Total | 13,745,498 | 13,480,918 | 13,516,881 | 13,498,364 | 11,581,152 |
| Truck Crossings ** | | | | | |
| Northbound | 189,319 | 186,947 | 192,060 | 201,435 | 180,425 |
| Southbound | 199,498 | 201,447 | 208,563 | 217,183 | 120,645 |
| Total | 388,817 | 388,394 | 400,623 | 418,618 | 301,070 |
| Pedestrian Crossings | | | | | |
| Northbound | 2,765,884 | 2,715,080 | 2,665,373 | 2,731,300 | 2,537,734 |
| Southbound | 2,438,581 | 2,392,260 | 2,212,799 | 2,278,801 | 1,266,339 |
| Total | 5,204,465 | 5,107,340 | 4,878,172 | 5,010,101 | 3,804,073 |

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

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

Source: Texas Center for Border Economic and Enterprise Development Feb-2008

Harlingen Border Crossings* **

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------------|------------------|------------------|------------------|------------------|----------------|
| Vehicle Crossings | | | | | |
| Northbound | 790,184 | 787,040 | 781,394 | 795,384 | 538,147 |
| Southbound | 652,097 | 665,667 | 658,911 | 640,385 | 355,475 |
| Total | 1,442,281 | 1,452,707 | 1,440,305 | 1,435,769 | 893,622 |
| Truck Crossings *** | | | | | |
| Northbound | 40,070 | 39,342 | 42,580 | 41,681 | 36,203 |
| Southbound | 37,235 | 37,026 | 43,261 | 37,451 | 18,554 |
| Total | 77,305 | 76,368 | 85,841 | 79,132 | 54,757 |
| Pedestrian Crossings | | | | | |
| Northbound | - | - | - | - | - |
| Southbound | 830 | 1,006 | 1,109 | 810 | 483 |
| Total | 830 | 1,006 | 1,109 | 810 | 483 |

* Through Los Indios / Free Trade International Bridge

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

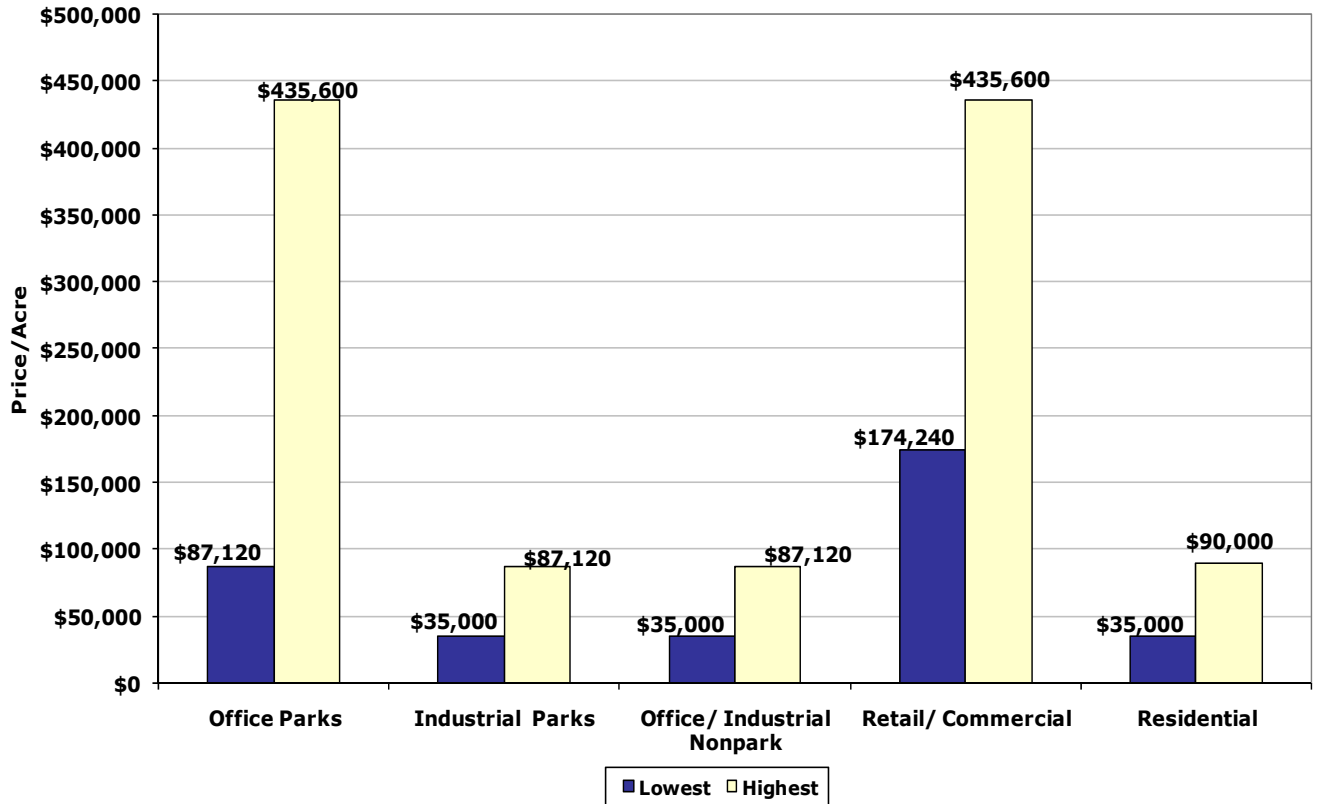
*** Includes only 2 to 6 axle loaded and unloaded commercial vehicles.

Source: Texas Center for Border Economic and Enterprise Development Feb-2008

Brownsville-Harlingen Market Overview 2008

Development Land

Development Land
Harlingen/Brownsville, Year-End 2007



Source: NAI Rio Grande Valley

Brownsville-Harlingen Market Overview 2008

Multifamily

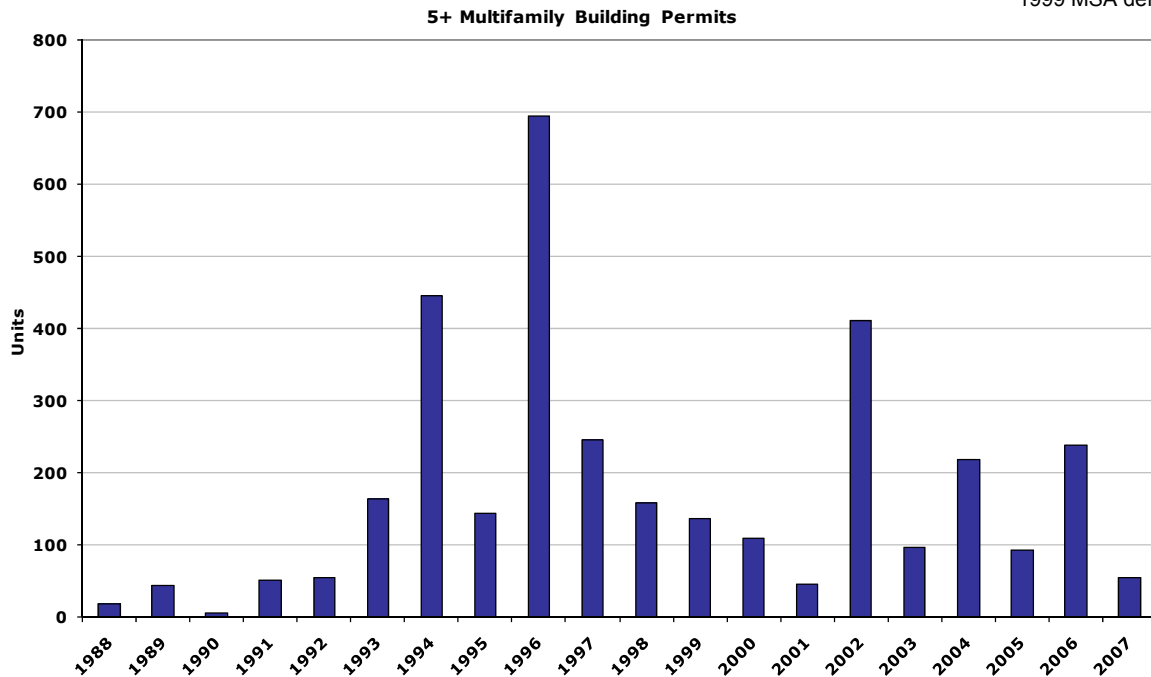
Rio Grande Valley Apartment Statistics 2007

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

Source: Apartment MarketData Research

**Brownsville-Harlingen-San Benito
Multifamily Building Permits**

1999 MSA definition



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

2007 figure is a preliminary number.

Brownsville-Harlingen Market Overview 2008

Housing

2007 Housing Affordability Index

| MLS | 2007 Median- Priced Home | Required Income to Qualify | Median Family Income | HAI* | HAI for First-Time Homebuyers** |
|---------------|-----------------------------|----------------------------------|----------------------------|------|------------------------------------|
| Brownsville | \$114,200 | \$28,794 | \$30,000 | 1.04 | 0.76 |
| TEXAS | \$147,500 | \$36,286 | \$52,600 | 1.45 | 1.03 |
| United States | \$217,800 | \$53,138 | \$59,000 | 1.11 | 0.63 |

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

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

Source: Real Estate Center at Texas A&M University

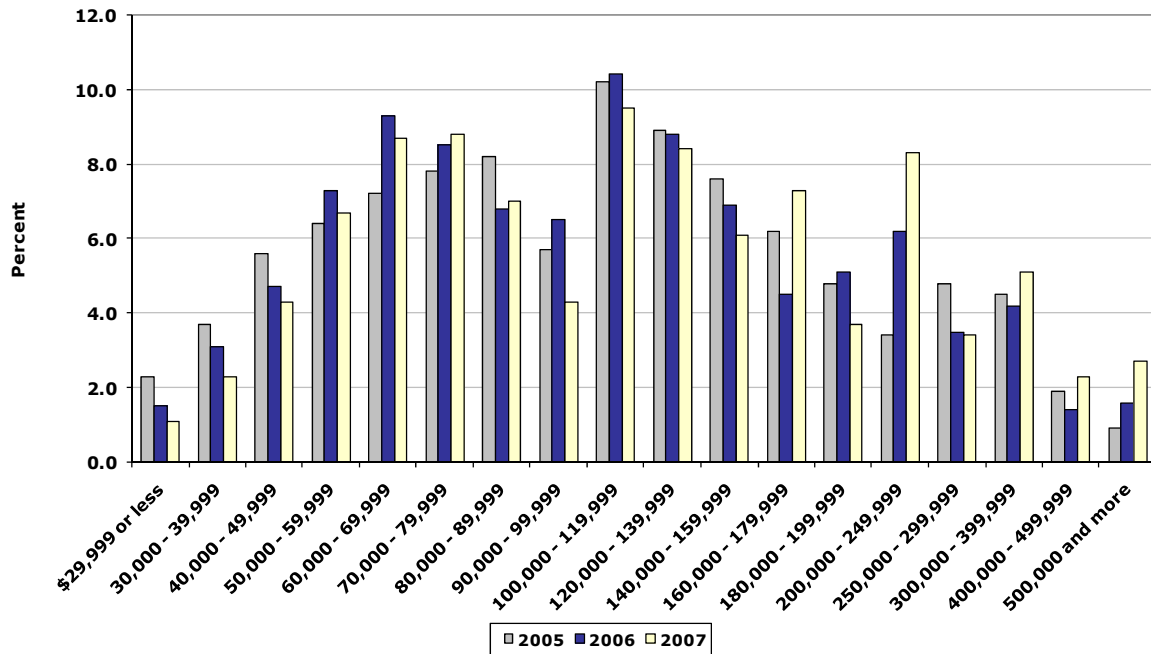
Price Distribution of MLS Homes Sold, Brownsville Area

(in percent)

| Price Range | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 4.9 | 4.2 | 4.8 | 2.7 | 2.3 | 1.5 | 1.1 |
| 30,000 - 39,999 | 6.3 | 6.2 | 5.5 | 4.8 | 3.7 | 3.1 | 2.3 |
| 40,000 - 49,999 | 8.8 | 7.2 | 6.7 | 6.0 | 5.6 | 4.7 | 4.3 |
| 50,000 - 59,999 | 11.4 | 9.8 | 10.0 | 9.1 | 6.4 | 7.3 | 6.7 |
| 60,000 - 69,999 | 11.2 | 11.0 | 10.1 | 10.8 | 7.2 | 9.3 | 8.7 |
| 70,000 - 79,999 | 8.6 | 7.7 | 7.3 | 8.2 | 7.8 | 8.5 | 8.8 |
| 80,000 - 89,999 | 7.6 | 8.6 | 7.9 | 7.7 | 8.2 | 6.8 | 7.0 |
| 90,000 - 99,999 | 6.9 | 6.9 | 4.9 | 8.2 | 5.7 | 6.5 | 4.3 |
| 100,000 - 119,999 | 8.4 | 11.0 | 11.3 | 11.0 | 10.2 | 10.4 | 9.5 |
| 120,000 - 139,999 | 8.0 | 8.3 | 10.1 | 8.4 | 8.9 | 8.8 | 8.4 |
| 140,000 - 159,999 | 3.9 | 5.0 | 5.2 | 5.4 | 7.6 | 6.9 | 6.1 |
| 160,000 - 179,999 | 3.7 | 4.8 | 4.2 | 4.5 | 6.2 | 4.5 | 7.3 |
| 180,000 - 199,999 | 2.5 | 2.1 | 2.1 | 2.4 | 4.8 | 5.1 | 3.7 |
| 200,000 - 249,999 | 4.3 | 3.8 | 3.7 | 3.8 | 3.4 | 6.2 | 8.3 |
| 250,000 - 299,999 | 0.8 | 2.3 | 3.0 | 2.9 | 4.8 | 3.5 | 3.4 |
| 300,000 - 399,999 | 1.8 | 1.2 | 2.4 | 2.6 | 4.5 | 4.2 | 5.1 |
| 400,000 - 499,999 | 0.4 | 0.2 | 0.4 | 0.8 | 1.9 | 1.4 | 2.3 |
| 500,000 and more | 0.4 | 0.0 | 0.3 | 0.9 | 0.9 | 1.6 | 2.7 |

Source: Real Estate Center at Texas A&M University

**Price Distribution of MLS Homes Sold
Brownsville Area**



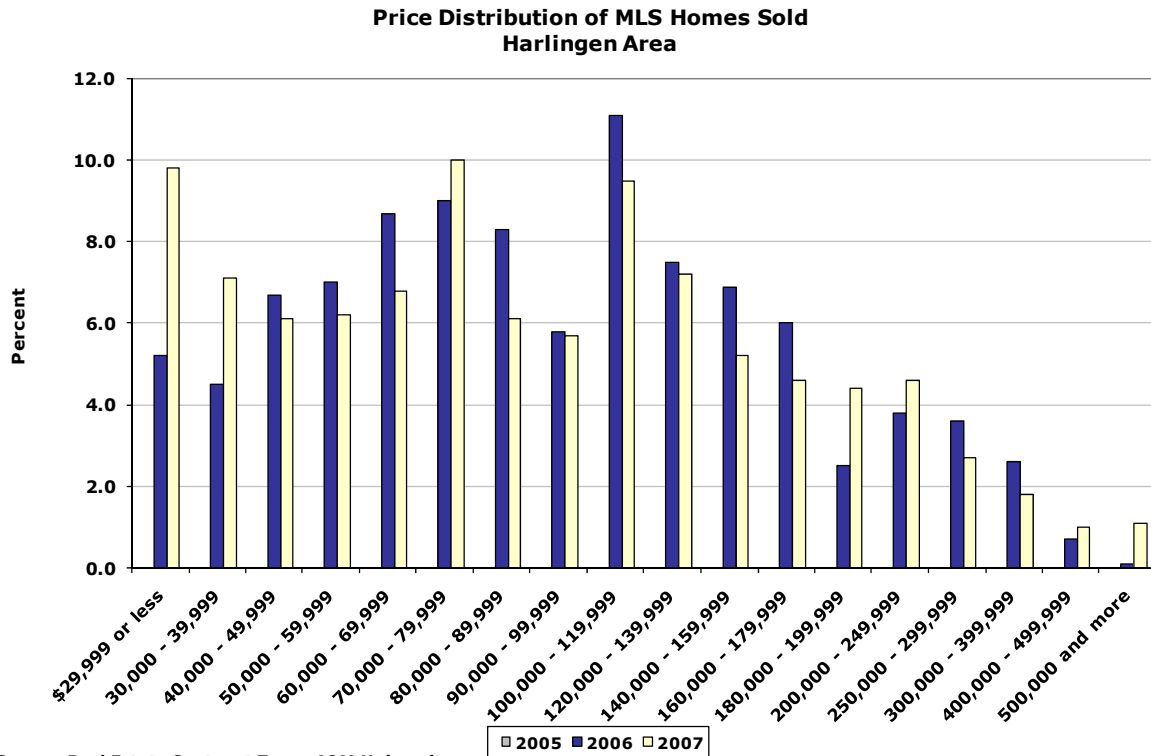
Source: Real Estate Center at Texas A&M University

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

| Price Range | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 10.8 | - | - | 7.0 | - | 5.2 | 9.8 |
| 30,000 - 39,999 | 5.7 | - | - | 4.3 | - | 4.5 | 7.1 |
| 40,000 - 49,999 | 9.8 | - | - | 6.9 | - | 6.7 | 6.1 |
| 50,000 - 59,999 | 8.1 | - | - | 8.8 | - | 7.0 | 6.2 |
| 60,000 - 69,999 | 10.5 | - | - | 11.1 | - | 8.7 | 6.8 |
| 70,000 - 79,999 | 9.8 | - | - | 8.2 | - | 9.0 | 10.0 |
| 80,000 - 89,999 | 9.5 | - | - | 7.9 | - | 8.3 | 6.1 |
| 90,000 - 99,999 | 5.7 | - | - | 5.7 | - | 5.8 | 5.7 |
| 100,000 - 119,999 | 8.4 | - | - | 10.8 | - | 11.1 | 9.5 |
| 120,000 - 139,999 | 5.4 | - | - | 8.8 | - | 7.5 | 7.2 |
| 140,000 - 159,999 | 7.1 | - | - | 6.5 | - | 6.9 | 5.2 |
| 160,000 - 179,999 | 4.1 | - | - | 3.1 | - | 6.0 | 4.6 |
| 180,000 - 199,999 | 0.3 | - | - | 2.3 | - | 2.5 | 4.4 |
| 200,000 - 249,999 | 2.7 | - | - | 3.6 | - | 3.8 | 4.6 |
| 250,000 - 299,999 | 0.3 | - | - | 2.2 | - | 3.6 | 2.7 |
| 300,000 - 399,999 | 0.0 | - | - | 2.0 | - | 2.6 | 1.8 |
| 400,000 - 499,999 | 0.0 | - | - | 0.5 | - | 0.7 | 1.0 |
| 500,000 and more | 1.0 | - | - | 0.4 | - | 0.1 | 1.1 |

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

Source: Real Estate Center at Texas A&M University



Property Tax Rates, 2007

County, Major City, Major School District

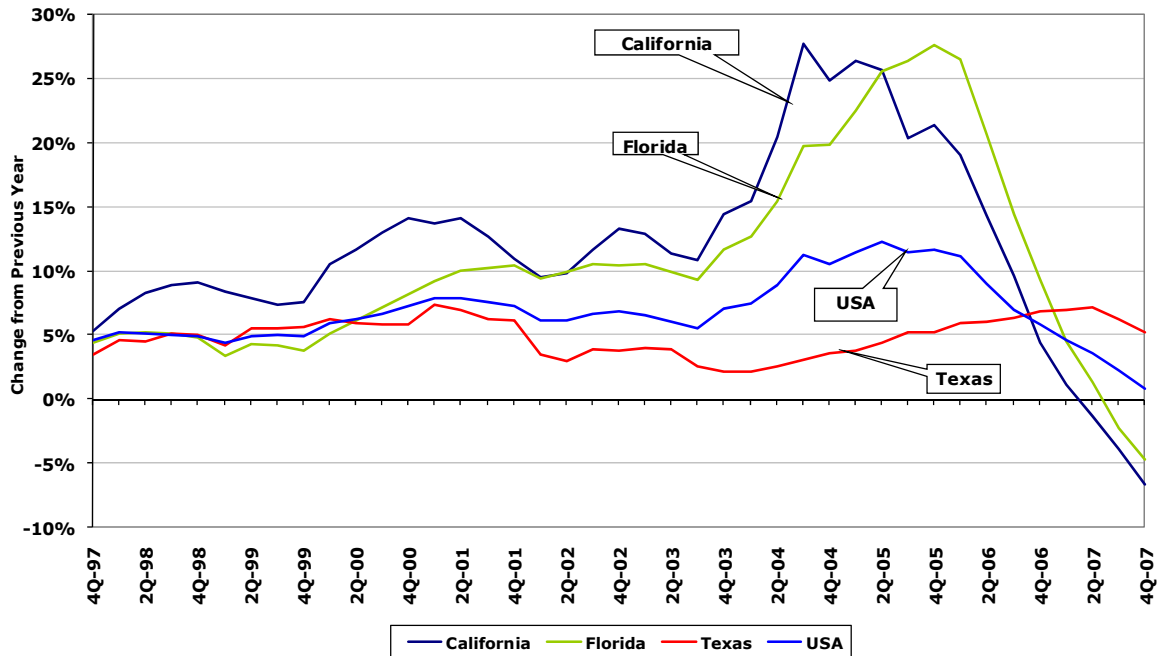
| Taxing Entity* | Tax Rate per \$100 Valuation |
|---------------------|------------------------------|
| City of Brownsville | 0.6505 |
| School District | 1.0923 |
| Cameron County | 0.3432 |
| Total | \$2.09 |
| Taxing Entity* | Tax Rate per \$100 Valuation |
| City of Harlingen | 0.5900 |
| School District | 1.1250 |
| Cameron County | 0.3432 |
| Total | \$2.06 |
| Taxing Entity* | Tax rate per \$100 Valuation |
| City of San Benito | 0.6802 |
| School District | 1.2400 |
| Cameron County | 0.3432 |
| Total | \$2.26 |

* Only the typical taxing entities are listed. However, there are numerous numbers of taxing entities that need to be taken into account for an actual tax rate calculation. See following link for a more complete list: http://www.cameroncad.org/taxrates_2006.htm

Source: Cameron County Appraisal District

National Home Price Appreciation

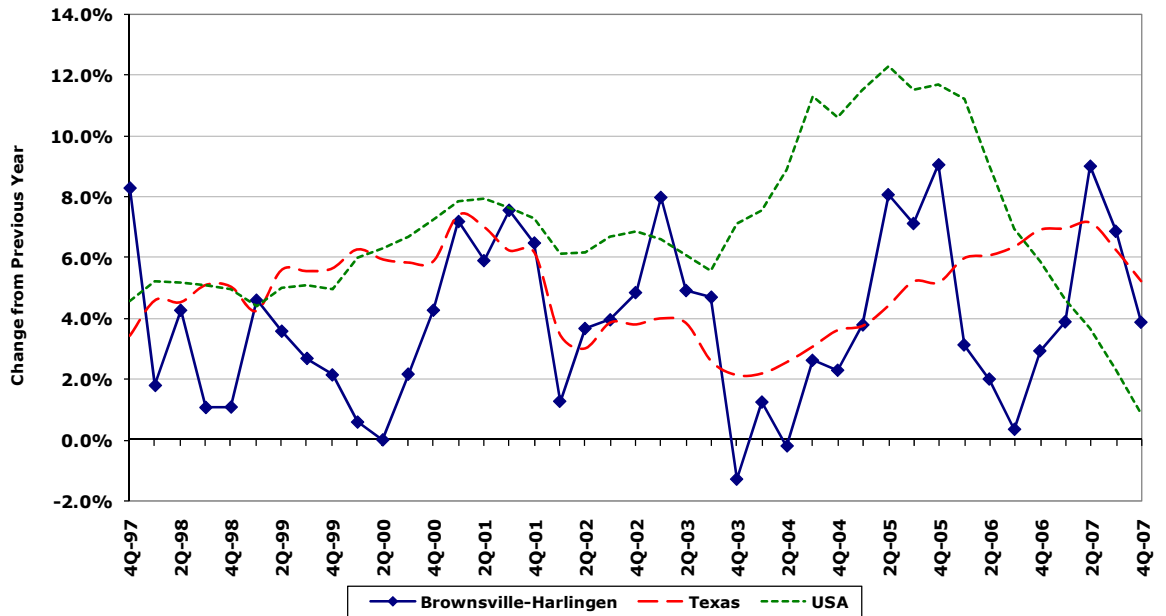
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Office of Federal Housing Enterprise Oversight

Home Price Appreciation Brownsville-Harlingen MSA

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



Source: Office of Federal Housing Enterprise Oversight

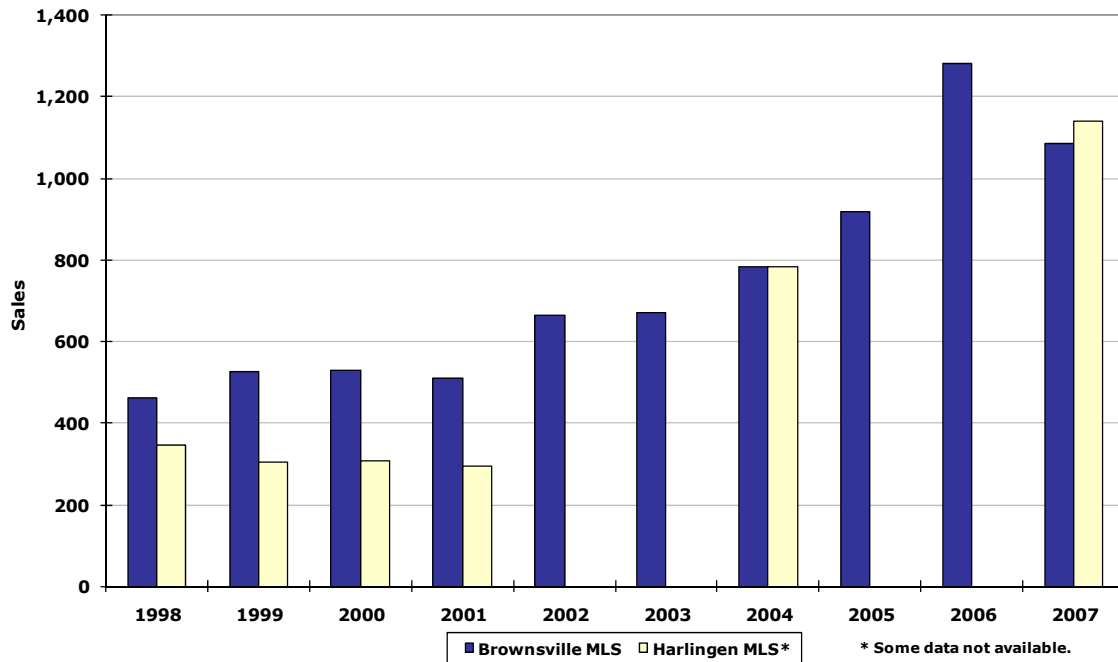
2005 Occupied Housing Unit Characteristics

| Housing Unit Characteristics | Brownsville - Harlingen MSA | | | Texas | | |
|--|------------------------------|-------------------------------|------------------------------|------------------------------|-------------------------------|------------------------------|
| | Owner-occupied housing units | Renter-occupied housing units | Total occupied housing units | Owner-occupied housing units | Renter-occupied housing units | Total occupied housing units |
| Occupied housing units | 72,067 | 38,099 | 110,166 | 5,162,604 | 2,815,491 | 7,978,095 |
| Household Size | | | | | | |
| 1-person household | 13.0% | 22.6% | 16.3% | 19.1% | 35.0% | 24.7% |
| 2-person household | 31.0% | 16.7% | 26.1% | 34.2% | 25.8% | 31.2% |
| 3-person household | 16.8% | 19.8% | 17.9% | 17.2% | 16.0% | 16.8% |
| 4-or-more-person household | 39.2% | 40.9% | 39.8% | 29.5% | 23.2% | 27.3% |
| Race and Hispanic or Latino Origin of Householder | | | | | | |
| One Race | | | | | | |
| White | 83.5% | 80.6% | 82.5% | 79.0% | 66.2% | 74.5% |
| Black or African American | 0.1% | 0.7% | 0.3% | 8.2% | 17.9% | 11.6% |
| American Indian and Alaska Native | 0.1% | 0.5% | 0.2% | 0.5% | 0.6% | 0.6% |
| Asian | 0.5% | 0.6% | 0.5% | 2.9% | 3.1% | 3.0% |
| Native Hawaiian and Other Pacific Islander | - | - | 0.0% | 0.0% | 0.1% | 0.0% |
| Some other race | 15.0% | 17.1% | 15.7% | 8.3% | 10.8% | 9.2% |
| Two or more races | 0.8% | 0.5% | 0.7% | 1.0% | 1.4% | 1.2% |
| Age of Householder | | | | | | |
| Under 35 years | 12.9% | 36.1% | 20.9% | 14.4% | 46.3% | 25.6% |
| 35 to 44 years | 19.2% | 24.6% | 21.0% | 21.9% | 21.4% | 21.7% |
| 45 to 54 years | 24.4% | 16.9% | 21.8% | 24.1% | 15.4% | 21.0% |
| 55 to 64 years | 17.6% | 8.7% | 14.5% | 18.1% | 8.3% | 14.7% |
| 65 to 74 years | 13.4% | 6.3% | 10.9% | 11.9% | 4.2% | 9.2% |
| 75 to 84 years | 10.3% | 5.4% | 8.6% | 7.6% | 3.1% | 6.1% |
| 85 years and over | 2.3% | 2.0% | 2.2% | 2.0% | 1.3% | 1.8% |
| Units in Structure | | | | | | |
| 1, detached | 84.5% | 37.4% | 68.2% | 87.5% | 28.3% | 66.6% |
| 1, attached | 1.0% | 5.5% | 2.5% | 2.3% | 3.6% | 2.8% |
| 2 apartments | 0.5% | 8.4% | 3.2% | 0.3% | 4.9% | 1.9% |
| 3 or 4 apartments | 1.1% | 17.4% | 6.7% | 0.4% | 8.8% | 3.3% |
| 5 to 9 apartments | 0.8% | 10.9% | 4.3% | 0.3% | 13.8% | 5.1% |
| 10 or more apartments | 0.8% | 14.0% | 5.3% | 0.7% | 35.1% | 12.9% |
| Mobile home or other type of housing | 11.4% | 6.5% | 9.7% | 8.5% | 5.6% | 7.5% |
| Year Structure Built | | | | | | |
| 2000 or later | 15.0% | 11.5% | 13.8% | 13.7% | 10.9% | 12.7% |
| 1990 to 1999 | 19.9% | 17.5% | 19.1% | 18.6% | 14.8% | 17.2% |
| 1980 to 1989 | 21.7% | 20.4% | 21.2% | 18.7% | 22.5% | 20.1% |
| 1960 to 1979 | 30.5% | 30.5% | 30.5% | 28.7% | 35.0% | 30.9% |
| 1940 to 1959 | 9.8% | 16.0% | 11.9% | 15.4% | 12.4% | 14.3% |
| 1939 or earlier | 3.1% | 4.1% | 3.5% | 4.9% | 4.5% | 4.8% |
| Bedrooms | | | | | | |
| No bedroom | 0.4% | 0.5% | 0.4% | 0.2% | 1.5% | 0.6% |
| 1 bedroom | 5.0% | 21.7% | 10.8% | 2.1% | 32.6% | 12.9% |
| 2 or 3 bedrooms | 78.8% | 74.9% | 77.5% | 70.8% | 61.7% | 67.6% |
| 4 or more bedrooms | 15.7% | 3.0% | 11.3% | 26.8% | 4.2% | 18.9% |
| Annual Household Income and Housing Costs* | | | | | | |
| Median household income (dollars) | \$30,705 | \$16,227 | \$24,684 | \$54,610 | \$26,782 | \$42,139 |
| Annual Median Housing Costs (dollars) | \$6,444 | \$6,204 | \$6,336 | \$10,536 | \$8,052 | \$9,108 |
| Housing Costs as a percentage of household income | 21.0% | 38.2% | 25.7% | 19.3% | 30.1% | 21.6% |

* in 2005 inflation-adjusted dollars

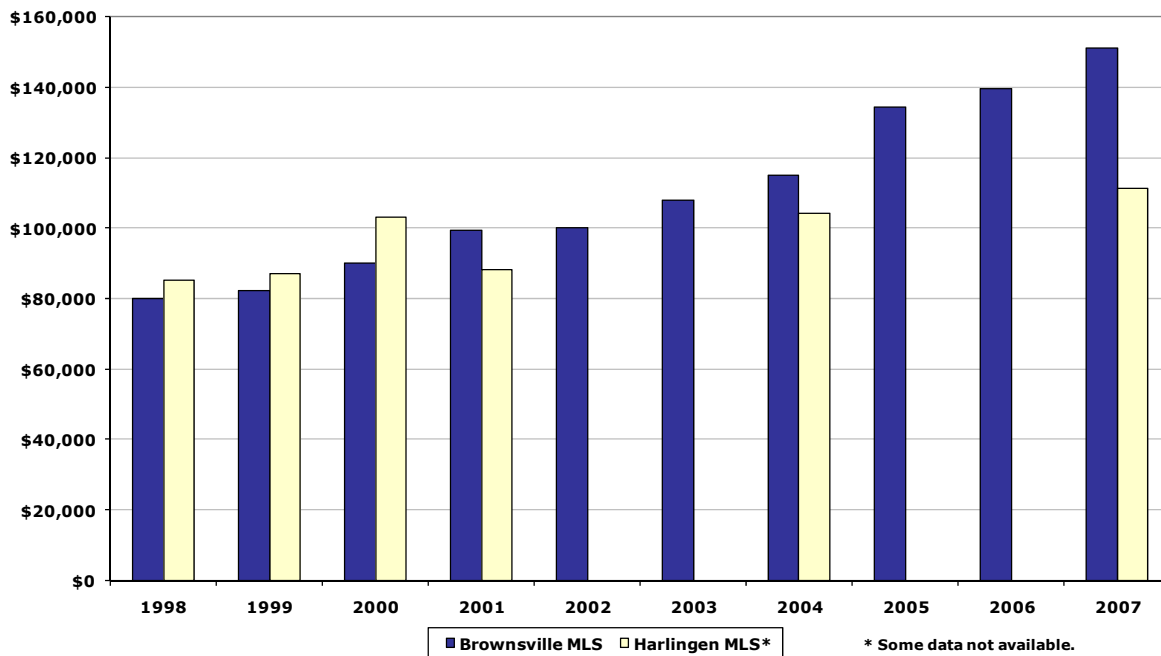
Source: U.S. Census Bureau 2005 and Real Estate Center at Texas A&M University

**Single-Family Home Sales
Brownsville-Harlingen**



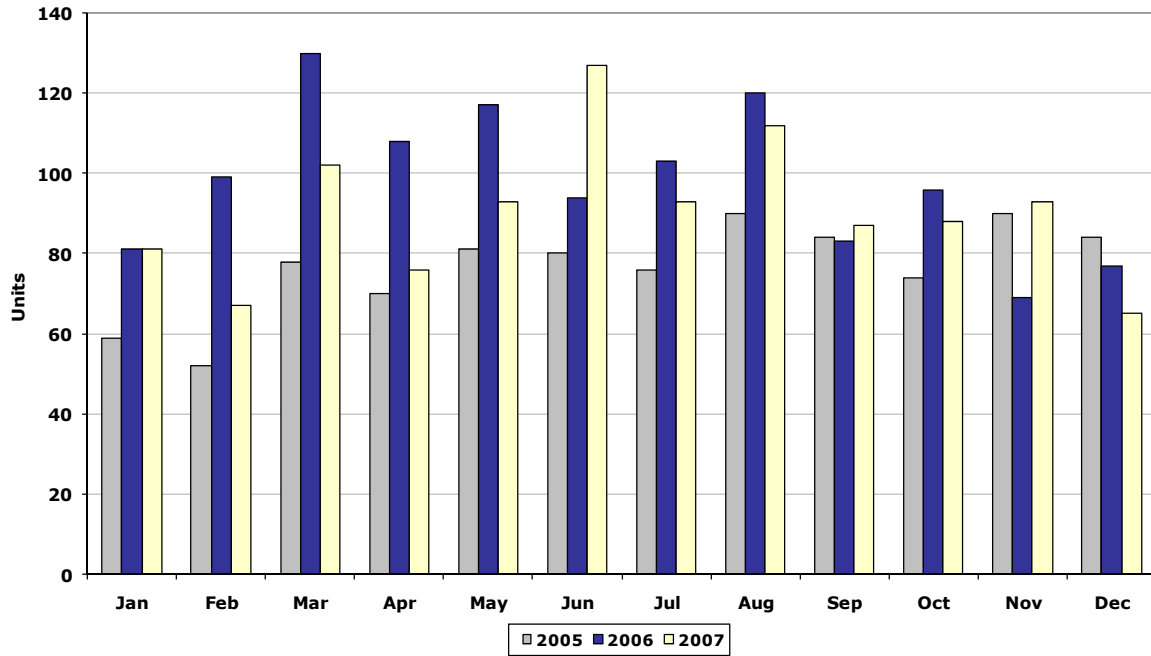
Source: Real Estate Center at Texas A&M University

**Average Sales Price
Brownsville-Harlingen**



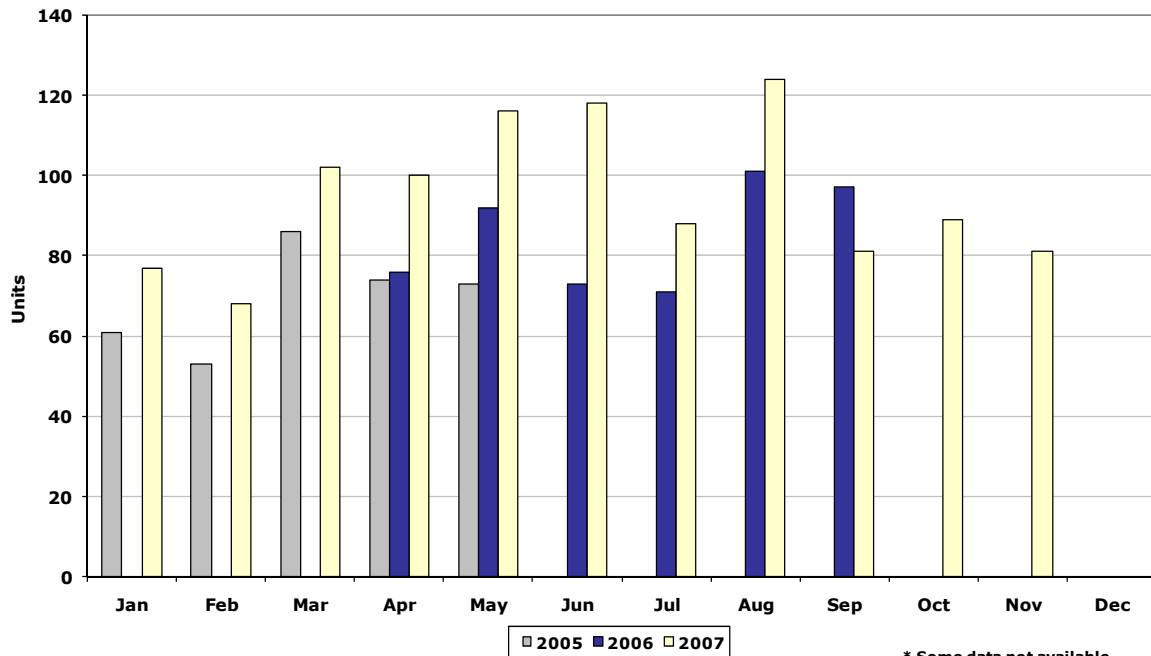
Source: Real Estate Center at Texas A&M University

**Single-Family Homes Sales Volume
Brownsville MLS**



Source: Real Estate Center at Texas A&M University

**Single-Family Homes Sales Volume
Harlingen* MLS**

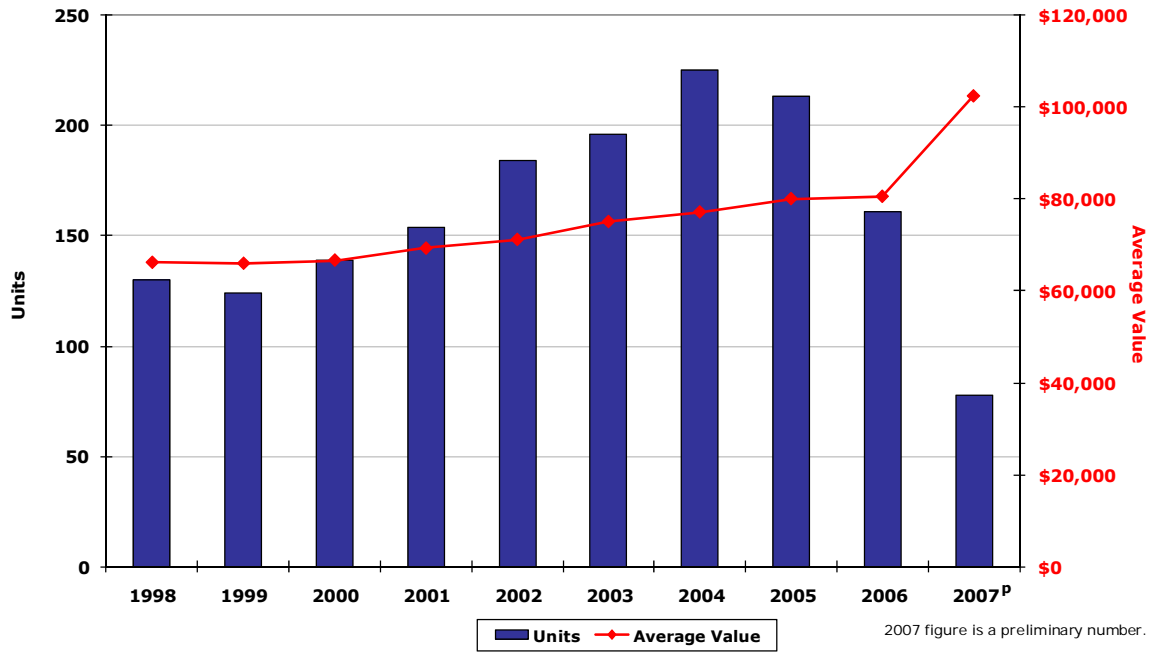


* Some data not available.

Source: Real Estate Center at Texas A&M University

**Single-Family Building Permits and Average Value
Brownsville-Harlingen-San Benito MSA**

1999 MSA definition



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

Brownsville-Harlingen Market Overview 2008

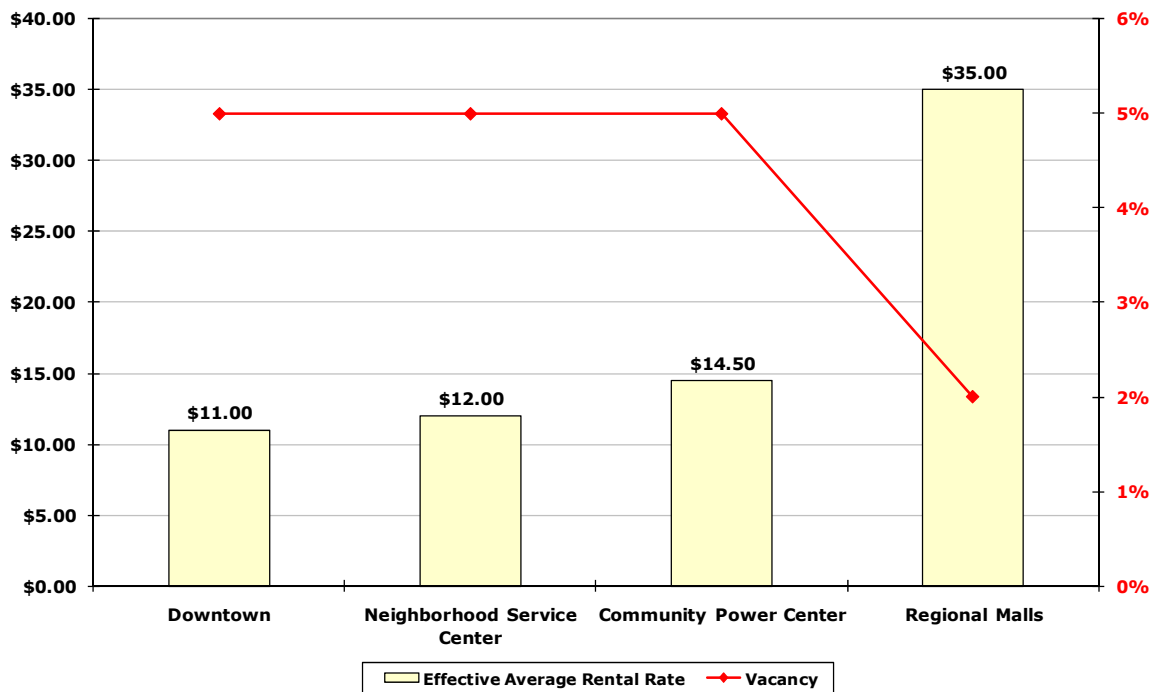
Retail

Summary of Retail Market Indicators (Harlingen/Brownsville) - Year-End 2007
(Rent/Square foot/Year)

| Retail | Low | High | Effective Avg. | Vacancy |
|-----------------------------|---------|---------|----------------|---------|
| Downtown | \$8.00 | \$18.00 | \$11.00 | 5% |
| Neighborhood Service Center | \$10.00 | \$18.00 | \$12.00 | 5% |
| Community Power Center | \$12.00 | \$18.00 | \$14.50 | 5% |
| Regional Malls | \$25.00 | \$50.00 | \$35.00 | 2% |

Source: NAI Rio Grande Valley

Brownsville-Harlingen Retail Market
Year-End 2007



Source: NAI Rio Grande Valley

Brownsville-Harlingen Market Overview 2008 Hotel

Hotel* Occupancy and Rental Rates

| | 2006 | | 2007 | |
|-----------------------------|----------------------------|---------|----------------------------|---------|
| | Brownsville - Harlingen | Texas | Brownsville - Harlingen | Texas |
| # Rooms 000's | 7.9 | 339.9 | 8 | 349.7 |
| Average daily rate | \$85.46 | \$80.74 | \$88.00 | \$85.28 |
| Occupancy rate (in percent) | 50.4 | 61.3 | 50.6 | 61.4 |

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

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

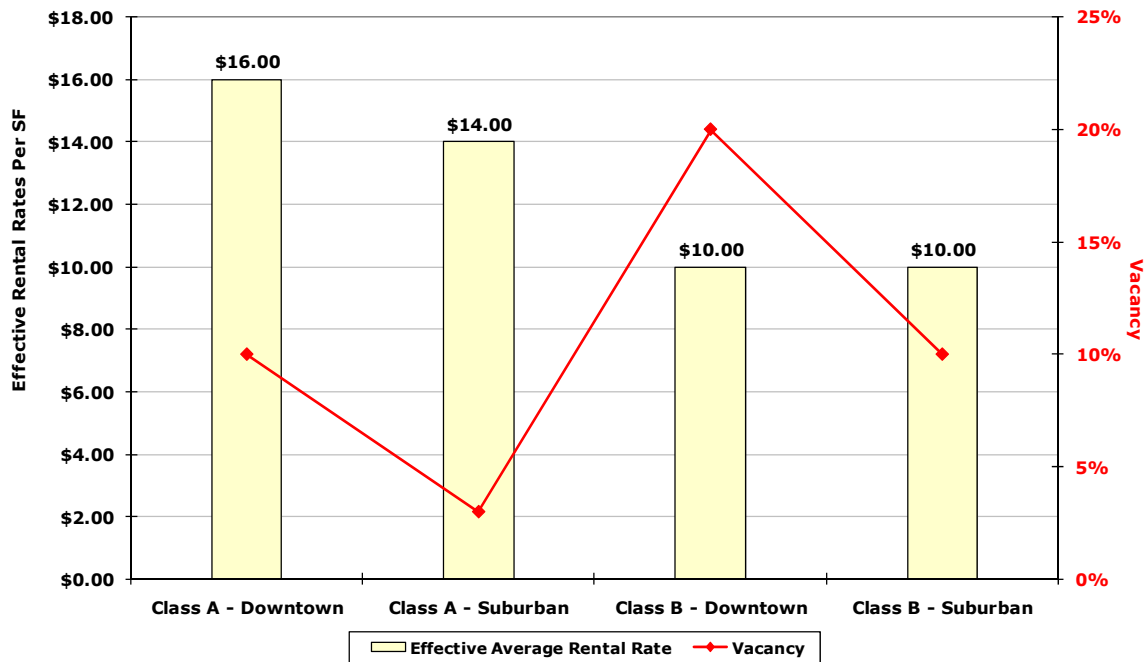
Brownsville-Harlingen Market Overview 2008 Office

**Summary of Office Market Indicators (Harlingen/Brownsville) - Year-End 2007
(Rent/Square foot/Year)**

| Office Market | Low | High | Effective Avg. | Vacancy |
|------------------------|---------|---------|----------------|---------|
| Downtown Office | | | | |
| New Construction | N/A | N/A | N/A | N/A |
| Class A | \$14.00 | \$20.00 | \$16.00 | 10% |
| Class B | \$9.60 | \$12.00 | \$10.00 | 20% |
| Suburban Office | | | | |
| New Construction | \$12.00 | \$19.00 | \$16.00 | 15% |
| Class A | \$12.00 | \$19.00 | \$14.00 | 3% |
| Class B | \$9.60 | \$12.00 | \$10.00 | 10% |

Source: NAI Rio Grande Valley

**Brownsville-Harlingen Office Market
Year-End 2007**



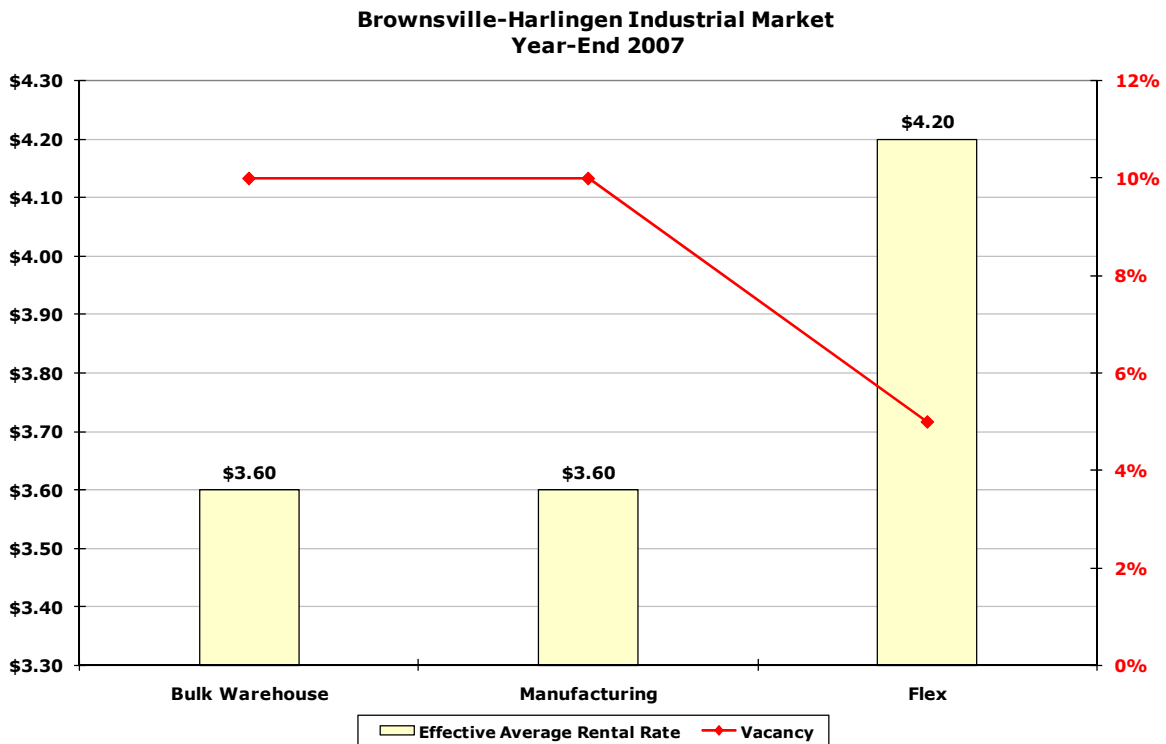
Source: NAI Rio Grande Valley

Brownsville-Harlingen Market Overview 2008 Industrial

Summary of Industrial Market Indicators (Harlingen/Brownsville) - Year-End 2007
(Rent/Square foot/Year)

| Industrial | Low | High | Effective Avg. | Vacancy |
|----------------|--------|---------|----------------|---------|
| Bulk Warehouse | \$2.40 | \$5.25 | \$3.60 | 10% |
| Manufacturing | \$3.00 | \$6.00 | \$3.60 | 10% |
| Flex | \$3.00 | \$12.00 | \$4.20 | 5% |

Source: NAI Rio Grande Valley



Source: NAI Rio Grande Valley

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