



2010

Marcus & Millichap Austin Market Trends

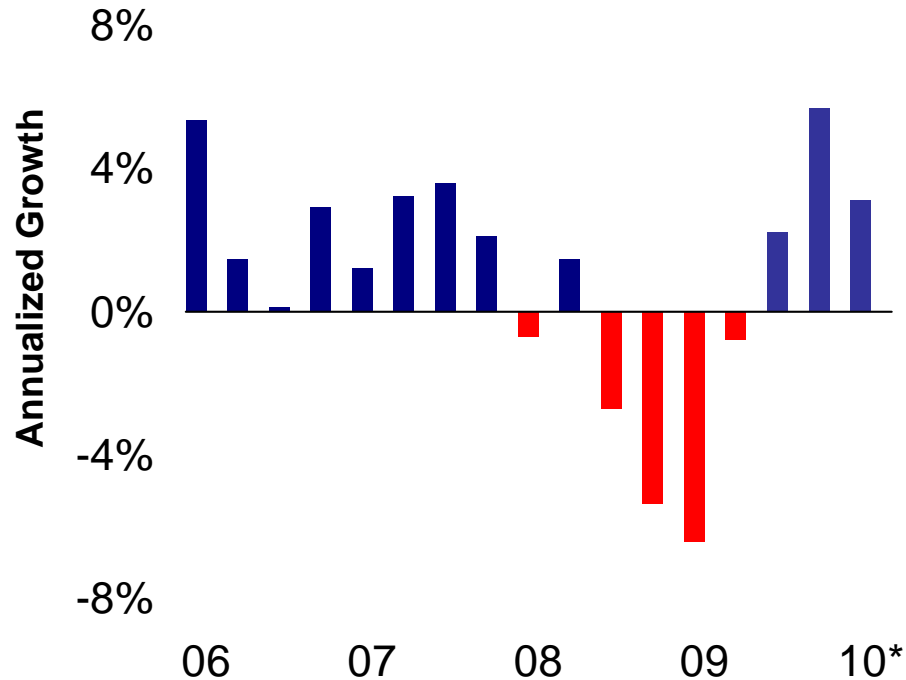
The Most Informative Overview of the Real Estate Market

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Real Estate Investment Services

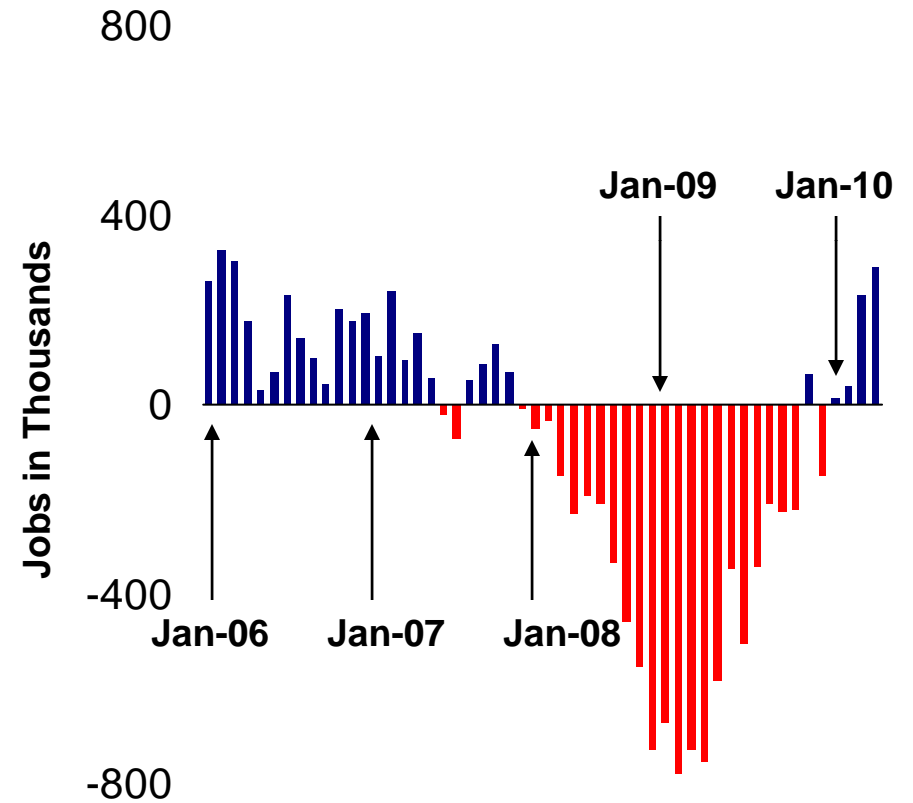
Economy Gaining Traction; Risk Levels Remain Elevated

Gross Domestic Product

2005: 3.1% 2007: 2.1% 2009: -2.4%
 2006: 2.7% 2008: 0.4% 2010*: 3.1%



Monthly Employment

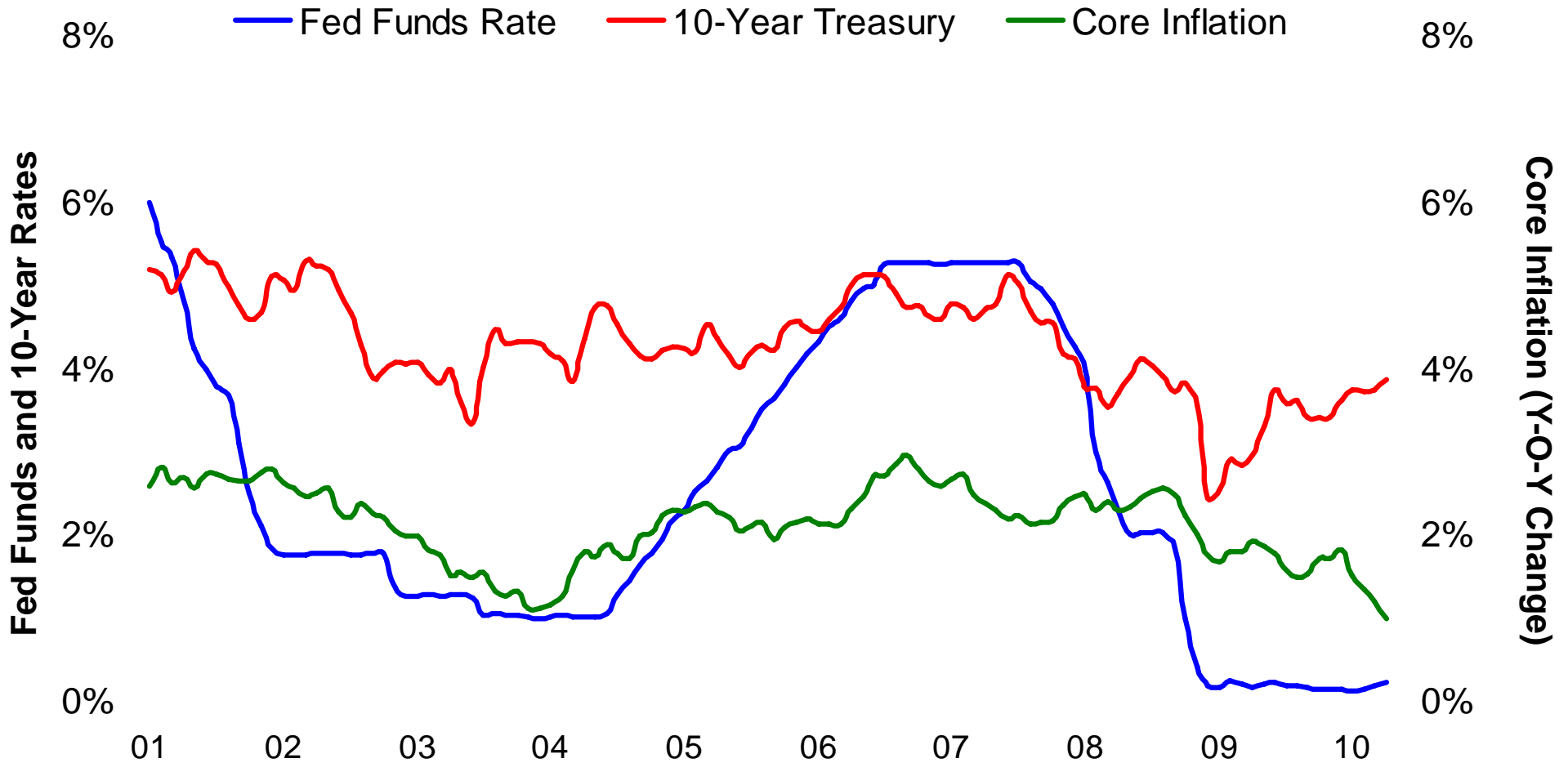


* Forecast

Note: Technical recession defined as two consecutive quarters of GDP contraction.

Sources: Marcus & Millichap Research Services, BLS, Economy.com

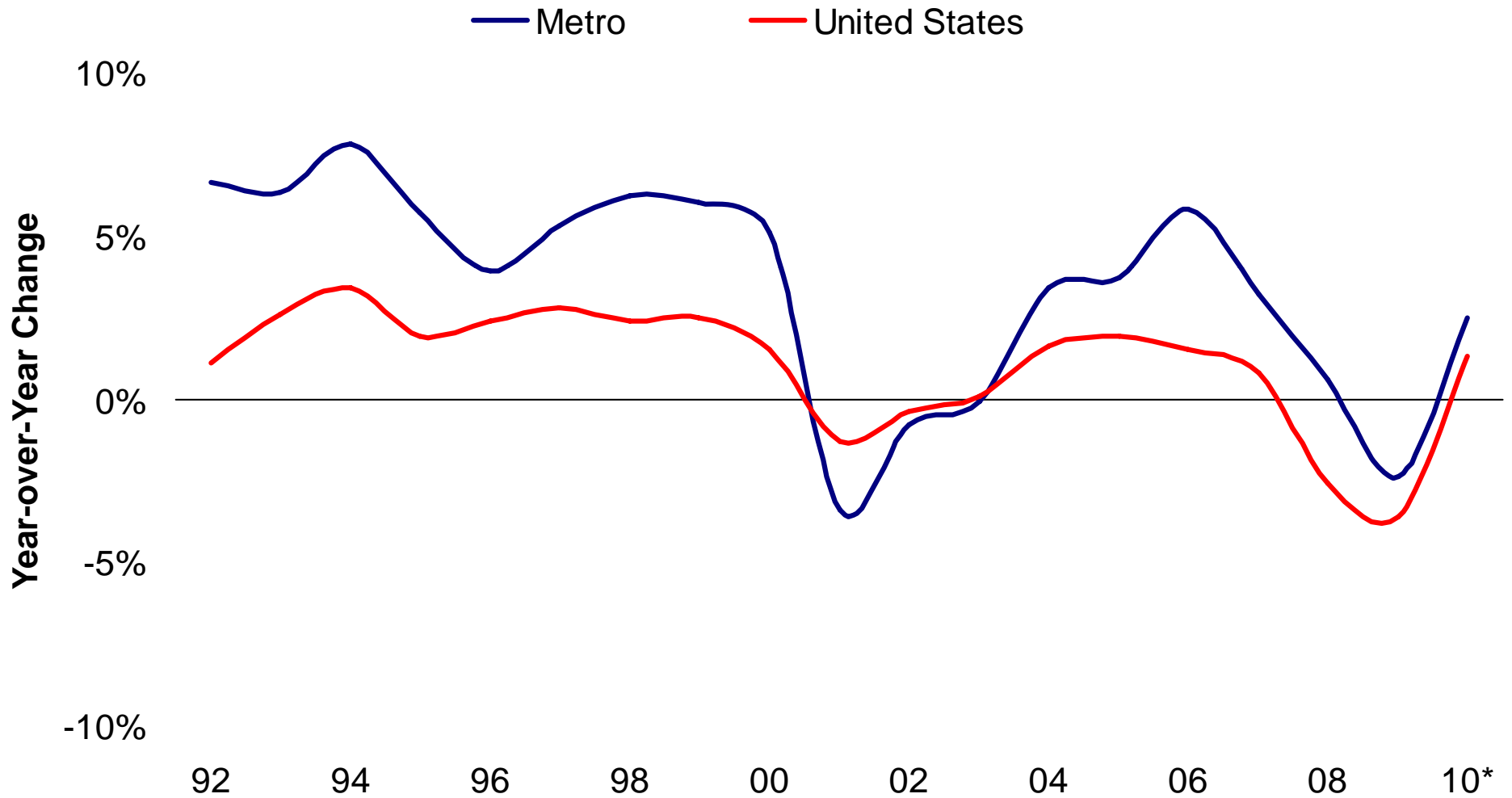
The Fed Has Pulled All Stops – Inflation Focus Unlikely to Emerge Until Sustainable Growth is Achieved



Sources: Marcus & Millichap Research Services, Economy.com, Federal Reserve

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Total Nonfarm Employment Change Austin vs. United States

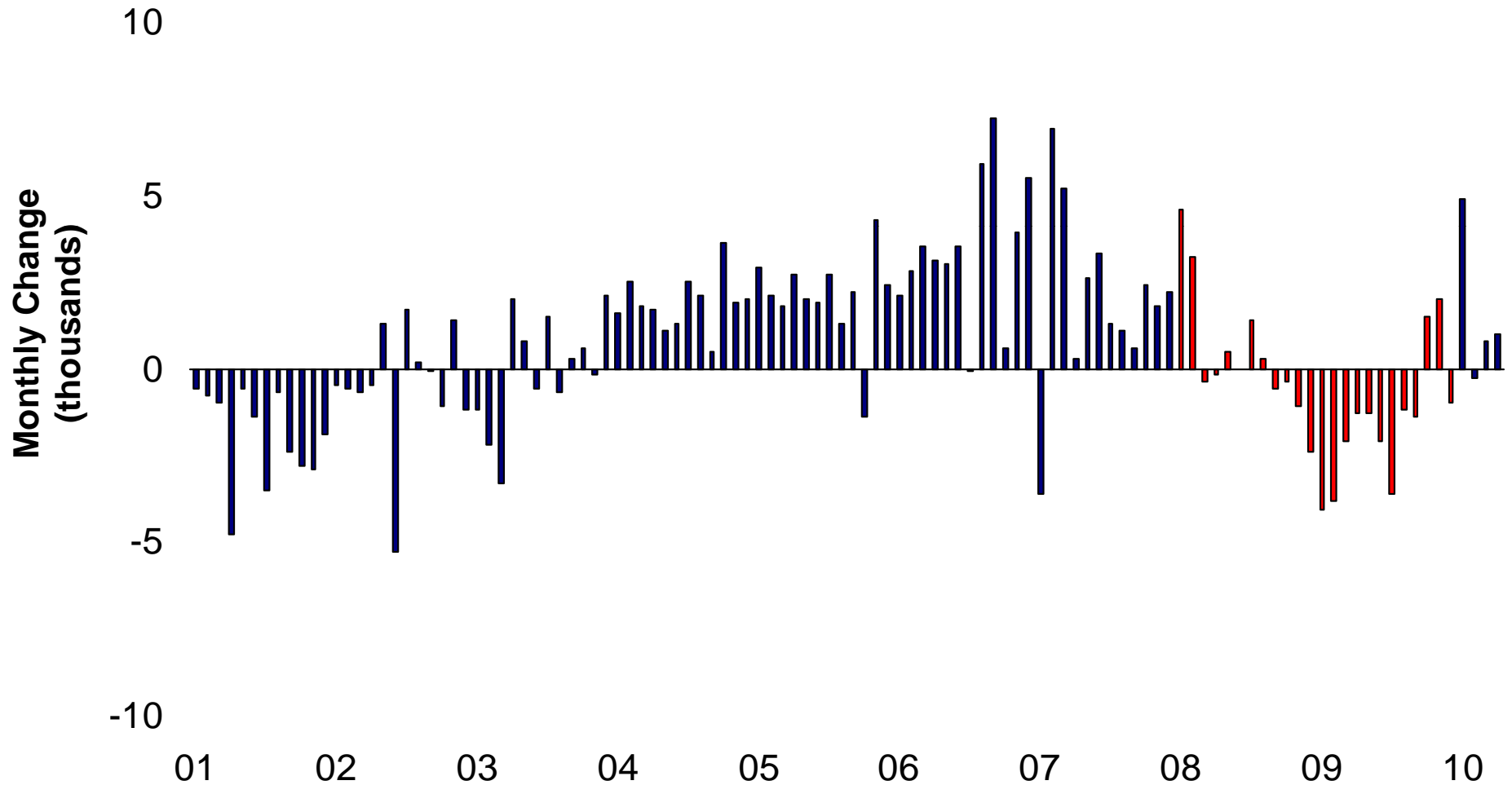


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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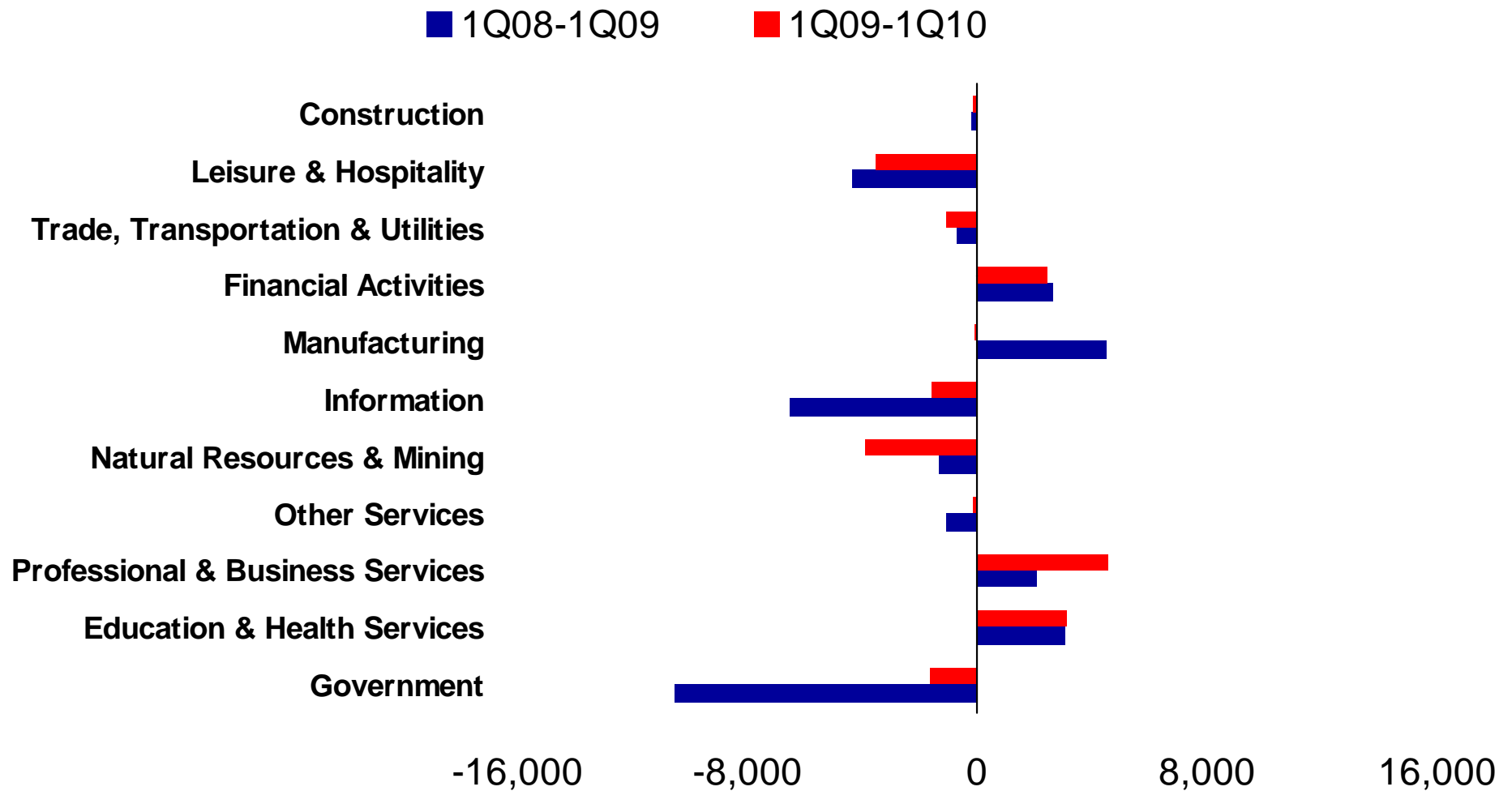
Total Employment Austin



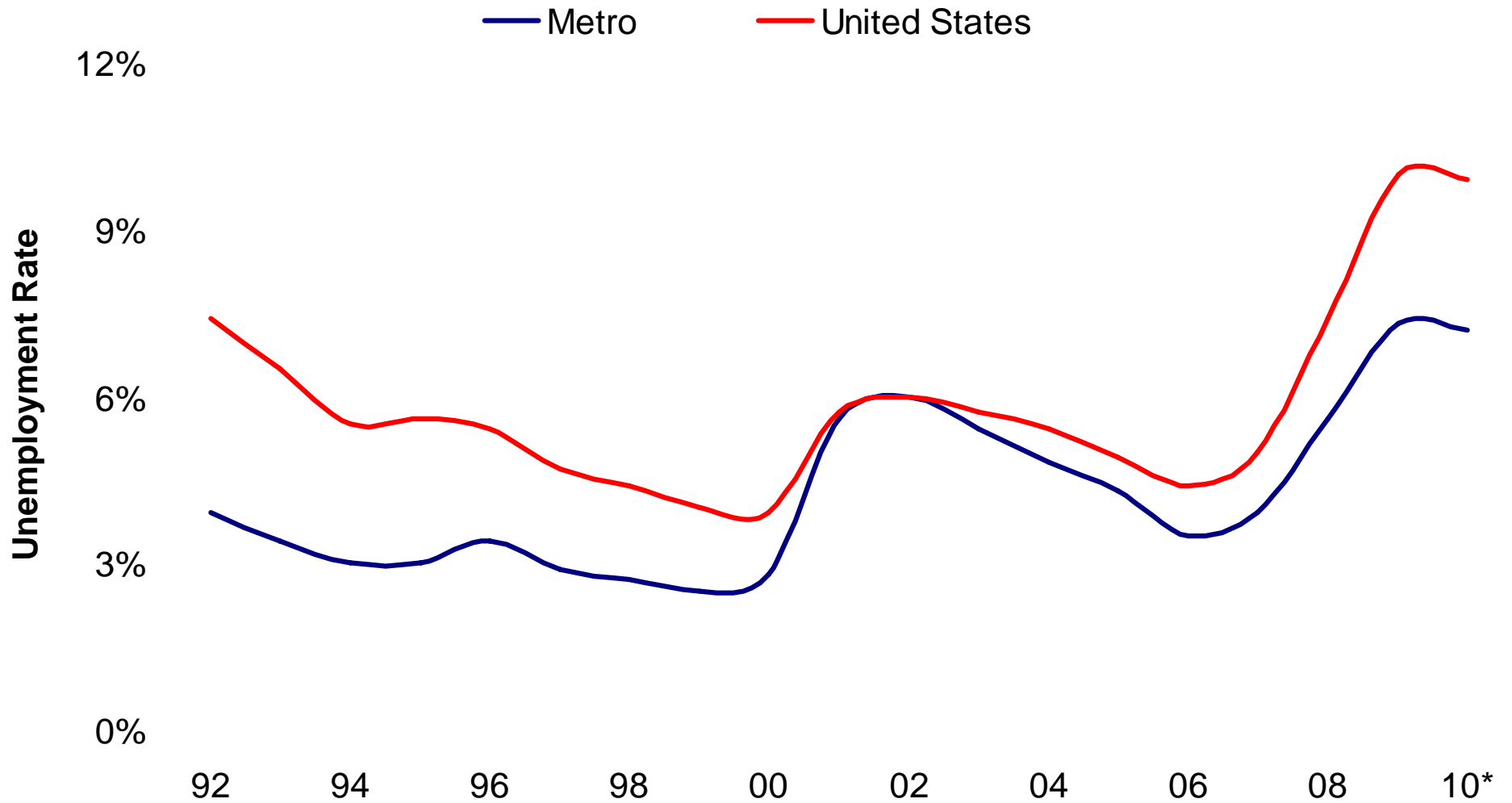
Sources: Marcus & Millichap Research Services, BLS, Economy.com

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Austin Sector Employment Year-over-Year Absolute Growth



Unemployment Rate Austin vs. United States

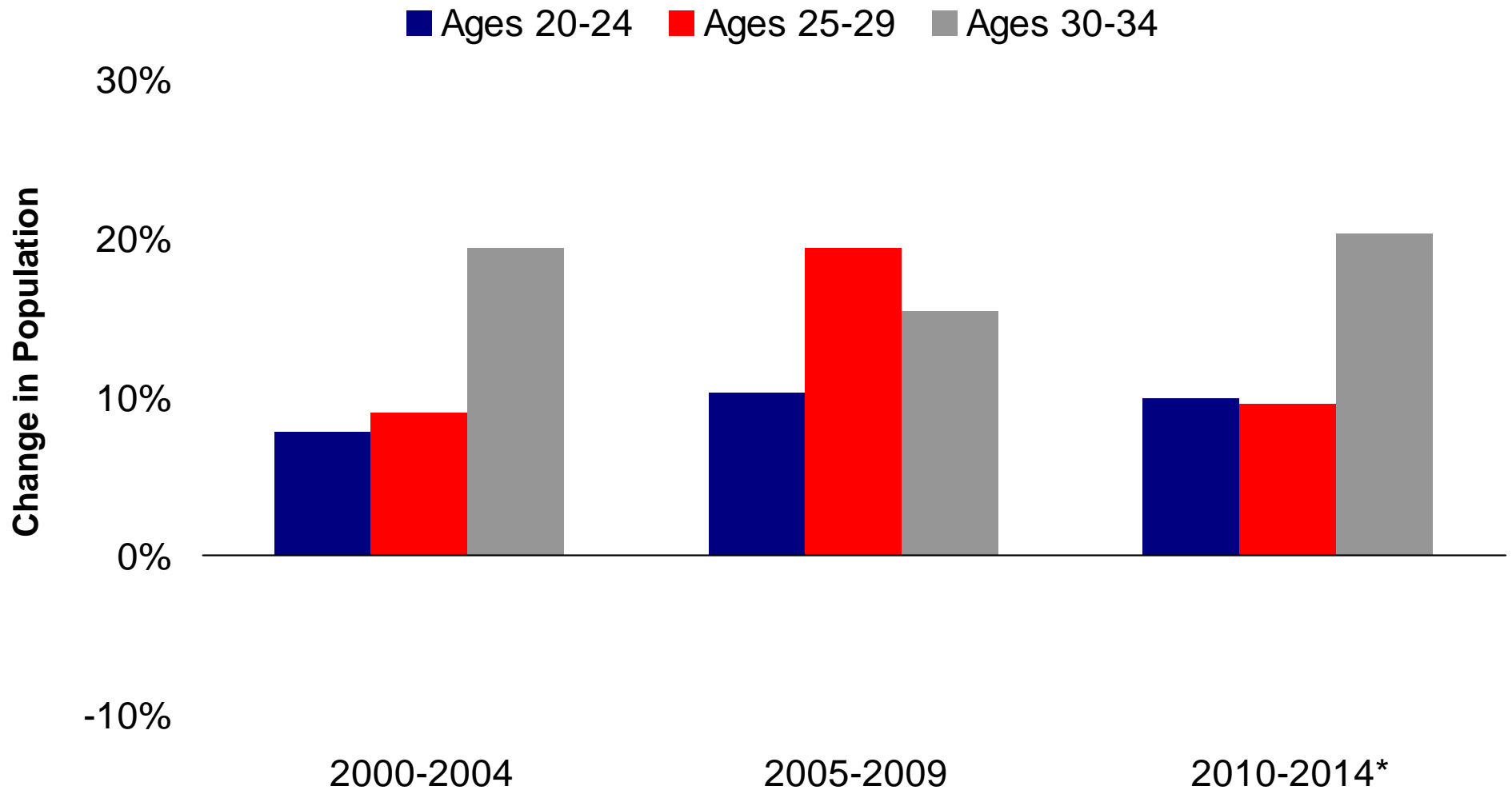


* Through 1Q

Sources: Marcus & Millichap Research Services, BLS, Economy.com

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Renter Demographics Austin

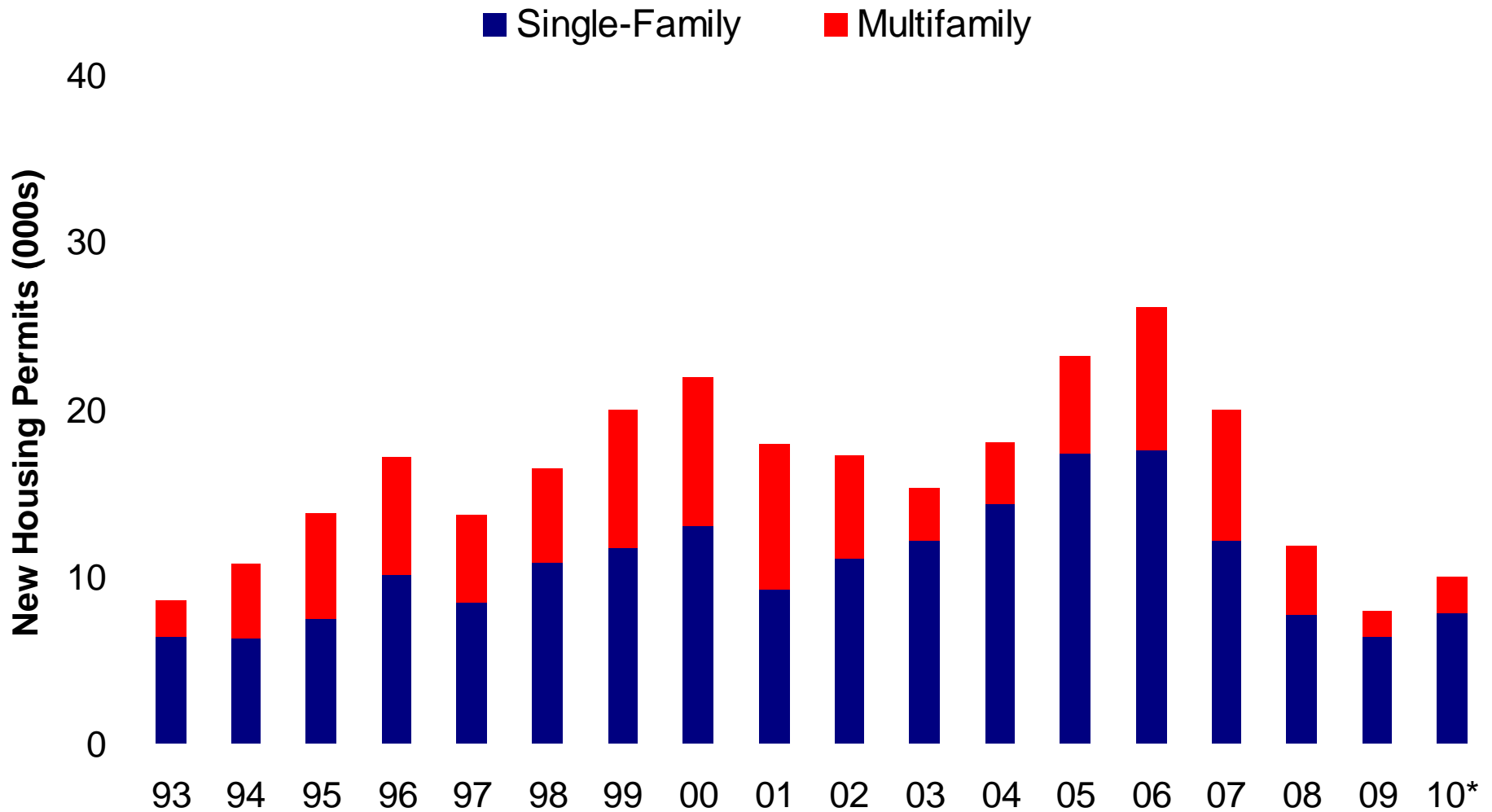


* Forecast

Sources: Marcus & Millichap Research Services, U.S. Census Bureau

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New Housing Permits Austin

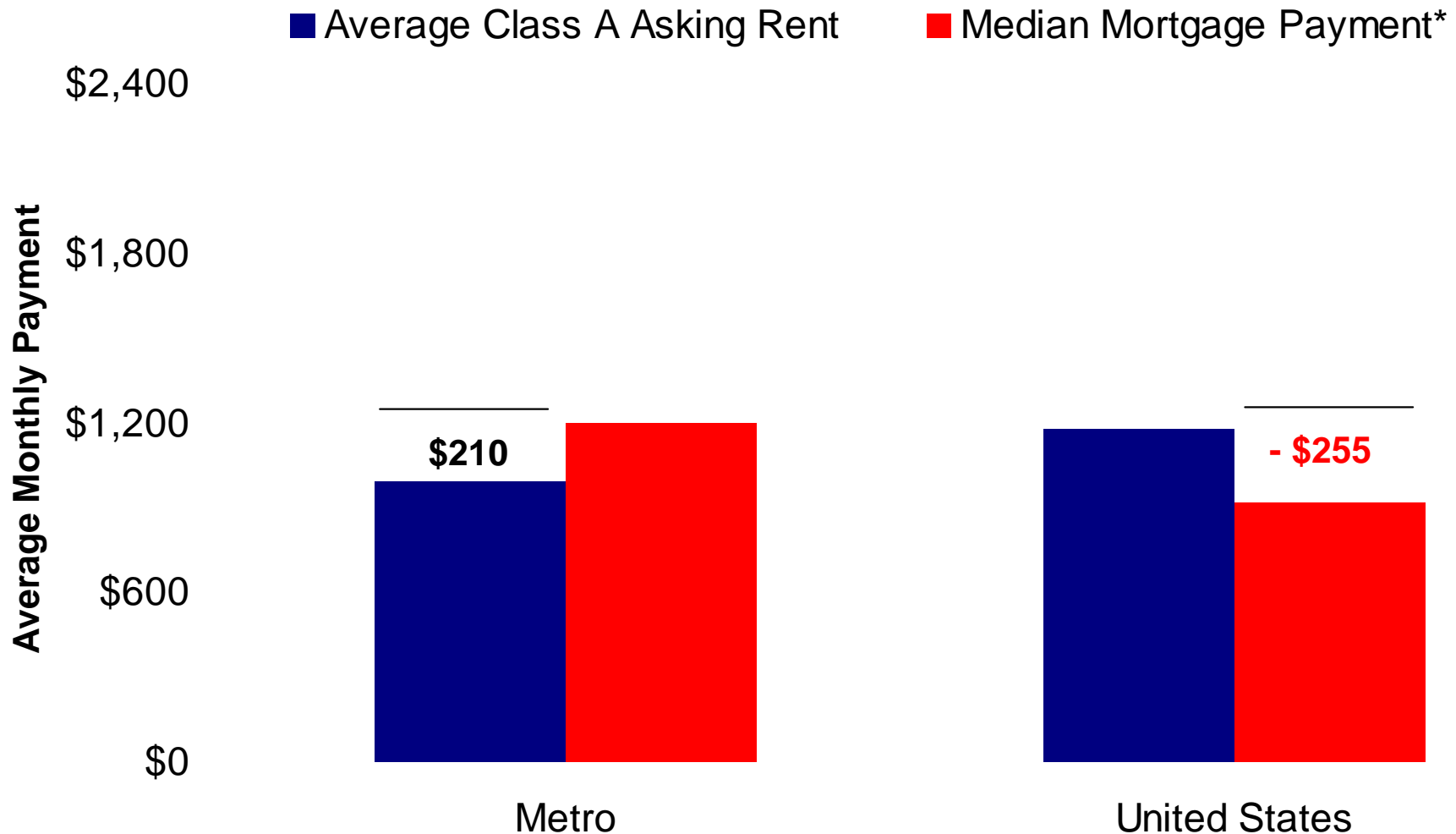


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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1Q Housing Affordability Gap Austin



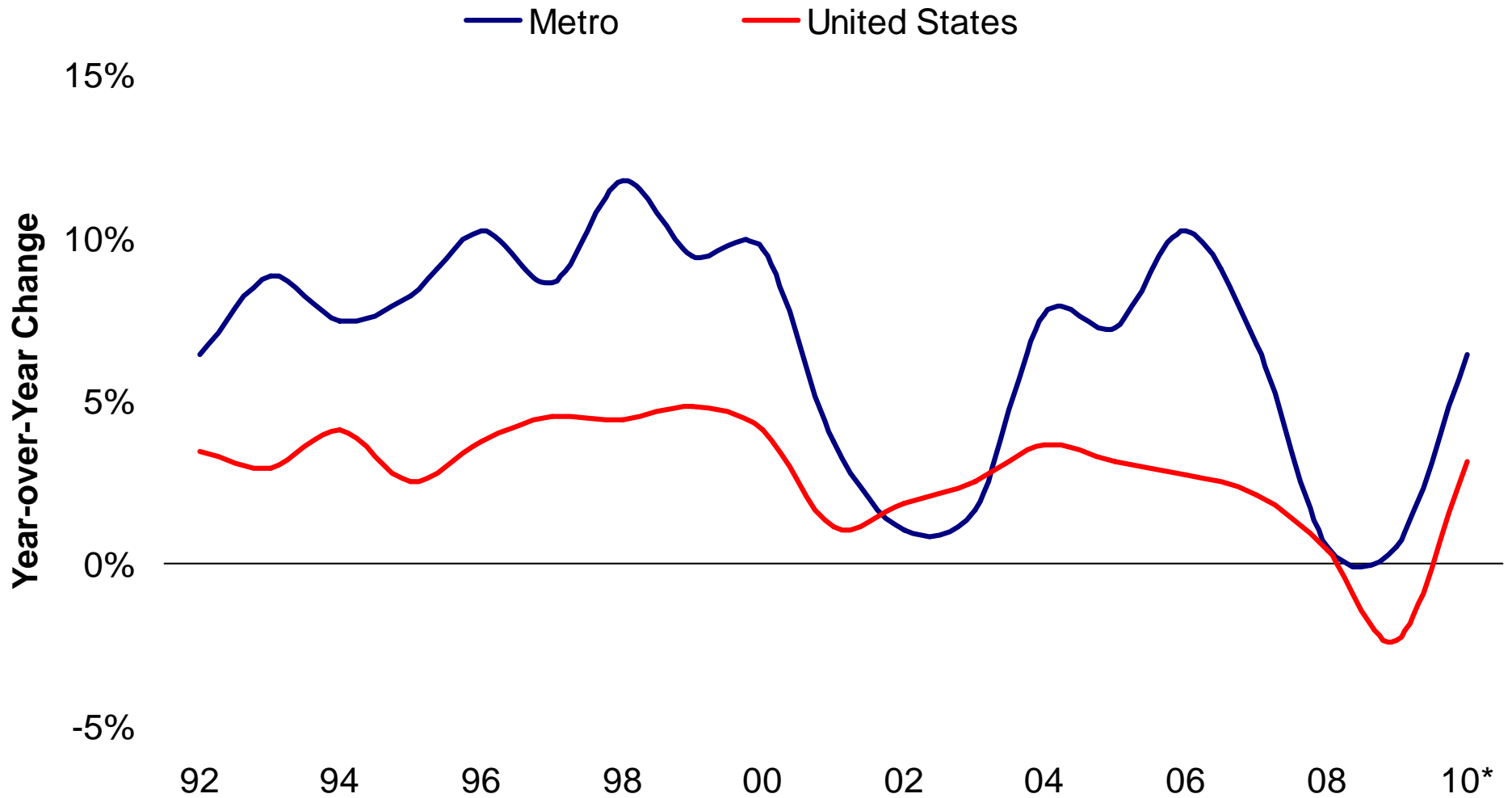
* Mortgage payment amortized over 30 years at a 5.1 percent interest rate and estimated tax/ins., assuming 20 percent downpayment

Sources: Marcus & Millichap Research Services, Reis

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Economic Growth

Austin GMP vs. United States GDP

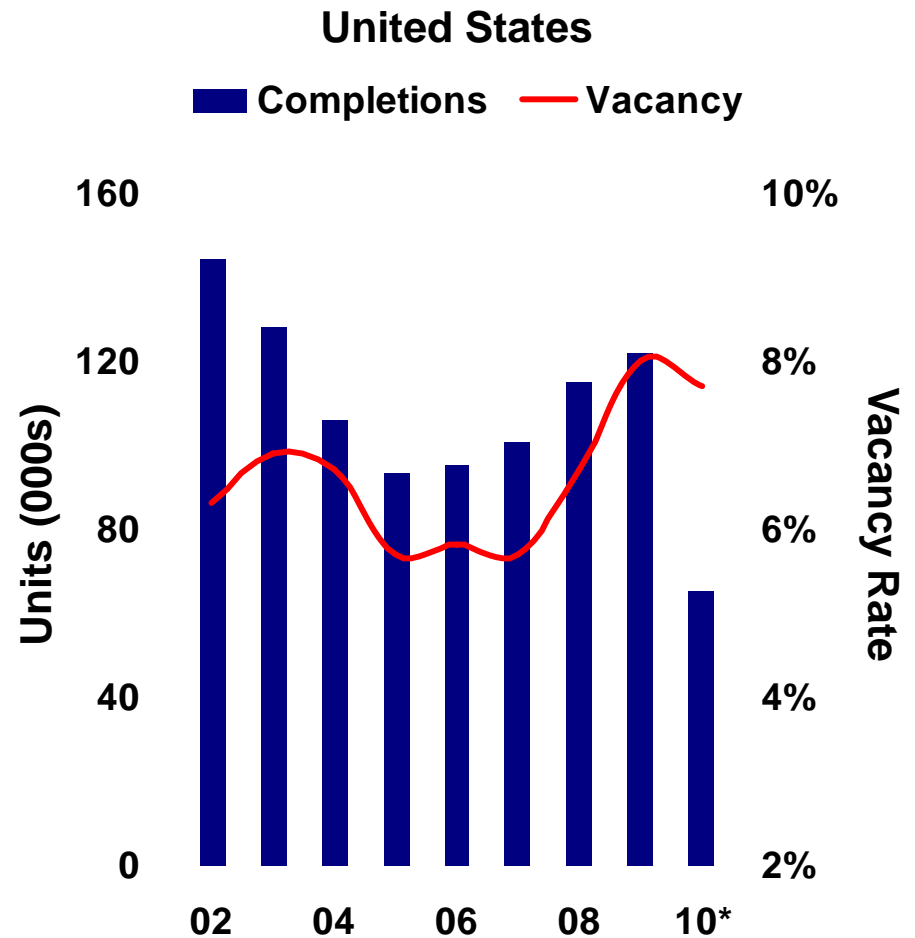
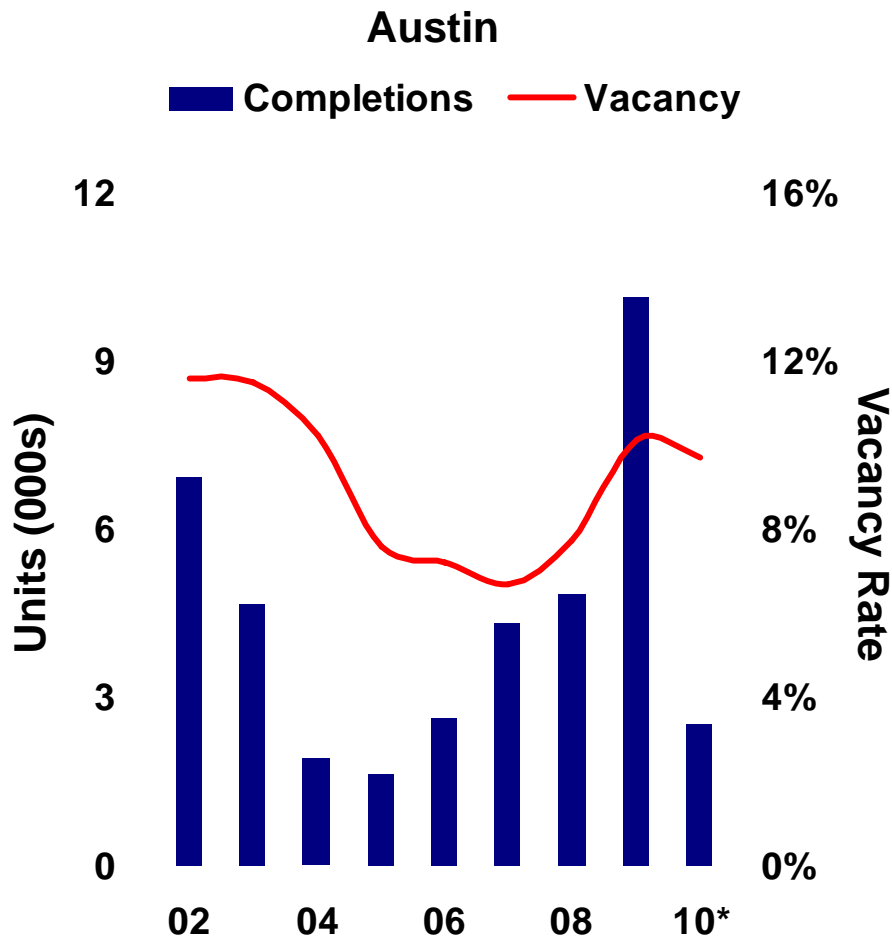


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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Supply and Demand Apartment



* Forecast

Sources: Marcus & Millichap Research Services, Reis

Apartment Metro Vacancy Ranking 1Q 2010

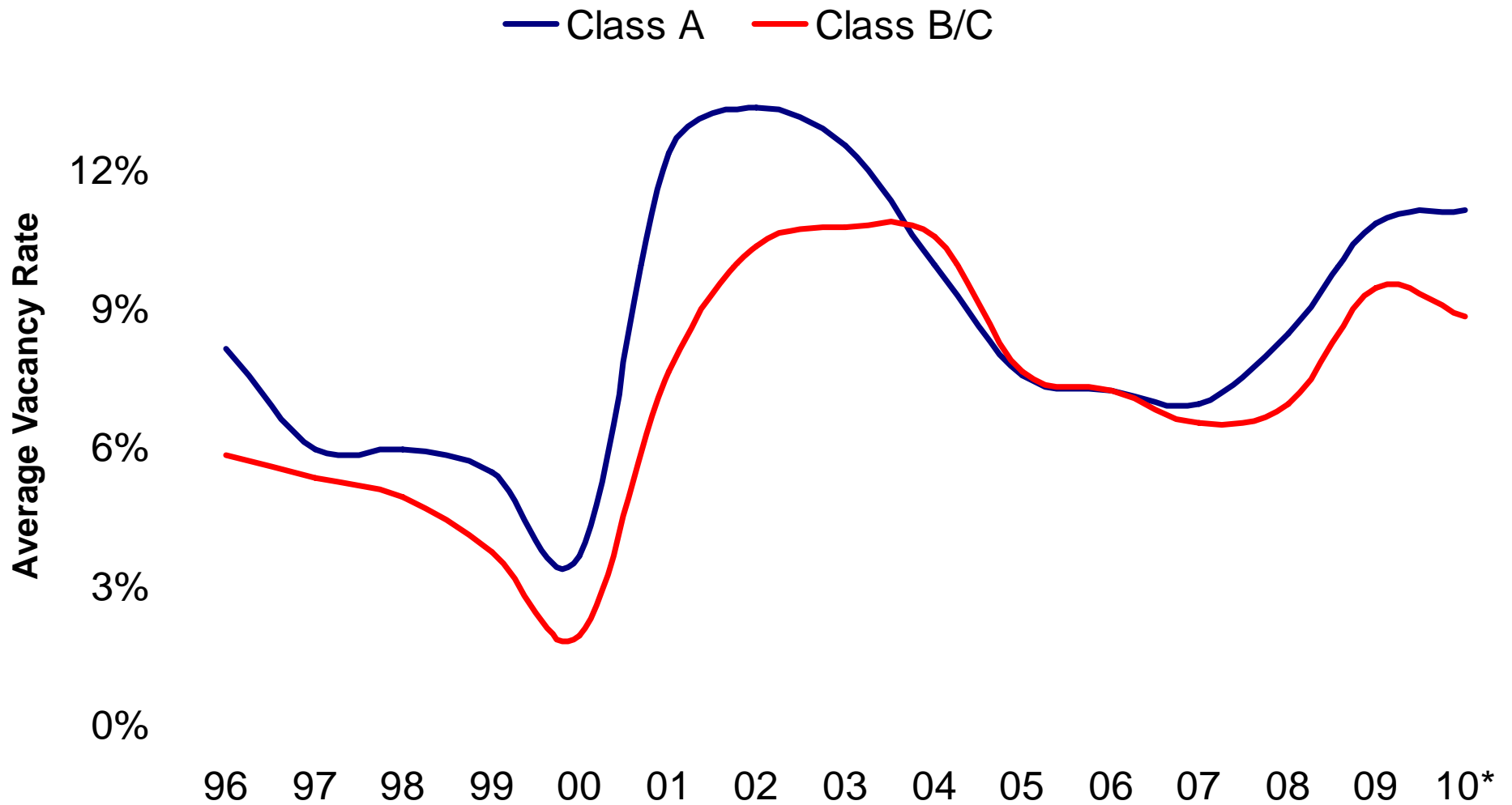
Top 15 Markets	1Q 2010 Vacancy	Y-O-Y Bps Change
New Haven-Fairfield County	4.7%	(60)
New York	2.8%	(60)
San Jose	4.7%	(60)
Denver	8.3%	(30)
Tucson	11.4%	(30)
Oakland	5.5%	(20)
Washington, D.C.	6.0%	(10)
Philadelphia	6.3%	-
Boston	6.5%	10
San Diego	4.8%	10
Los Angeles	5.5%	20
Cleveland	7.0%	40
Jacksonville	13.8%	40
Orange County	6.4%	40
Inland Empire	8.0%	40
U.S. Average	8.0%	60

Bottom 15 Markets	1Q 2010 Vacancy	Y-O-Y Bps Change
Las Vegas	11.5%	270
Houston	12.9%	240
Charlotte	10.6%	170
Kansas City	10.3%	170
Indianapolis	10.0%	160
Salt Lake City	7.0%	160
Dallas/Fort Worth	9.3%	140
Columbus	9.5%	120
Oklahoma City	10.1%	120
Orlando	11.5%	120
Fort Lauderdale	8.5%	110
West Palm Beach	8.8%	100
Atlanta	11.5%	90
Milwaukee	5.2%	90
St. Louis	9.0%	80
U.S. Average	8.0%	60

Sources: Marcus & Millichap Research Services, Reis

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Apartment Vacancy by Class Austin



* Through 1Q
Sources: Marcus & Millichap Research Services, Reis

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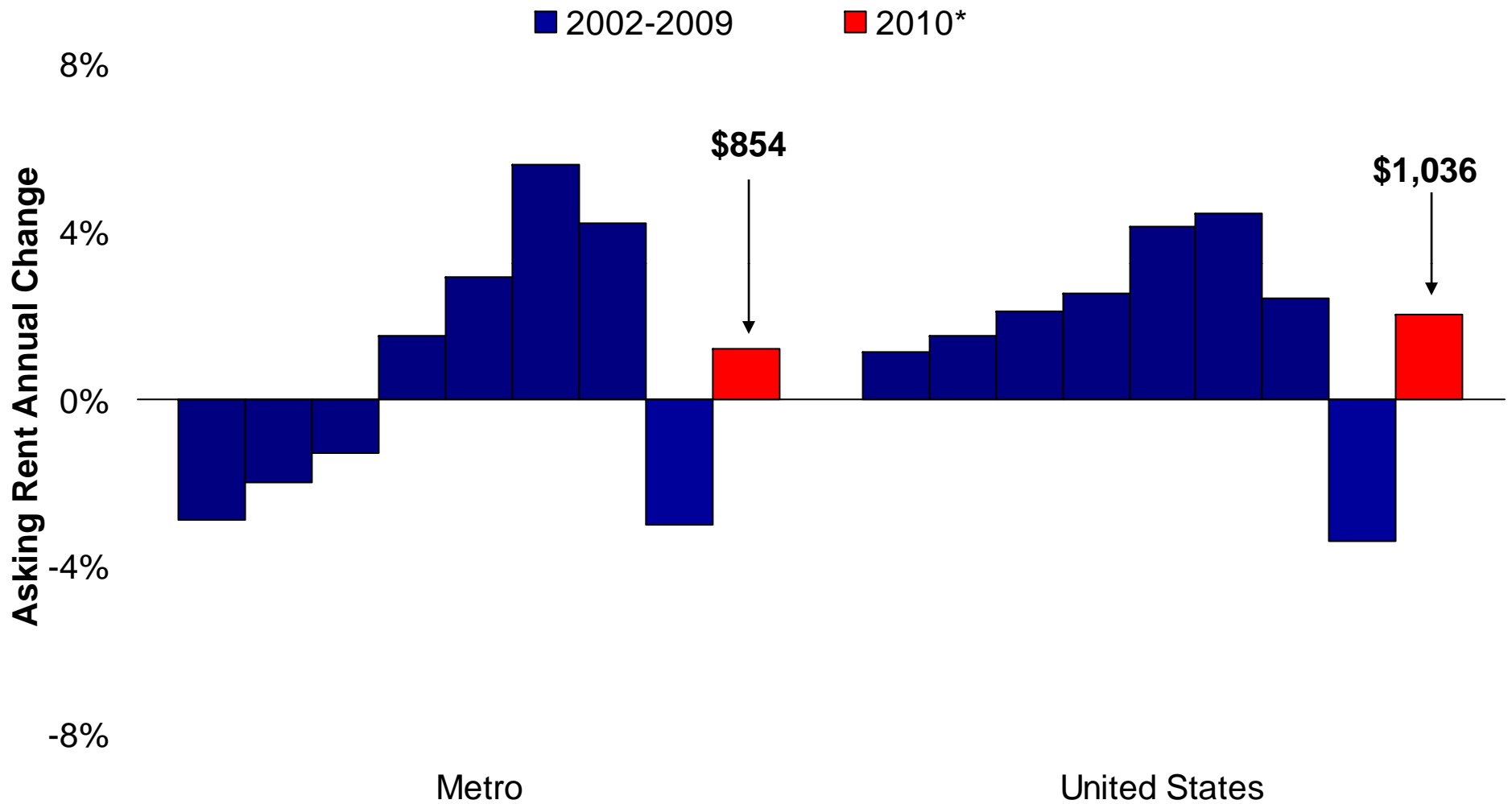
Apartment Vacancy Ranking by Submarket Austin

Top Submarkets	1Q 2009	1Q 2010	Bps Change
North Travis	11.3%	8.0%	(330)
Near South Central	10.6%	8.0%	(260)
Far South	11.8%	9.2%	(260)
Ranch Rd 620 N/F M 2222	12.1%	10.2%	(190)
Round Rock/Georgetown/Hutto	15.0%	13.6%	(140)
Central	11.3%	11.5%	20
Near Northwest	7.1%	8.3%	120
Far Northwest	6.6%	8.4%	180
Hwy 183/Cedar Park/Leander	9.2%	11.2%	200
Southeast	8.1%	10.2%	210
San Marcos/North Hays County	4.1%	7.4%	330
Far North Central	7.7%	11.4%	370
East	7.6%	11.9%	430
Near North Central	4.7%	14.8%	1,010
Metro Average	9.6%	10.1%	50

Sources: Marcus & Millichap Research Services, Reis

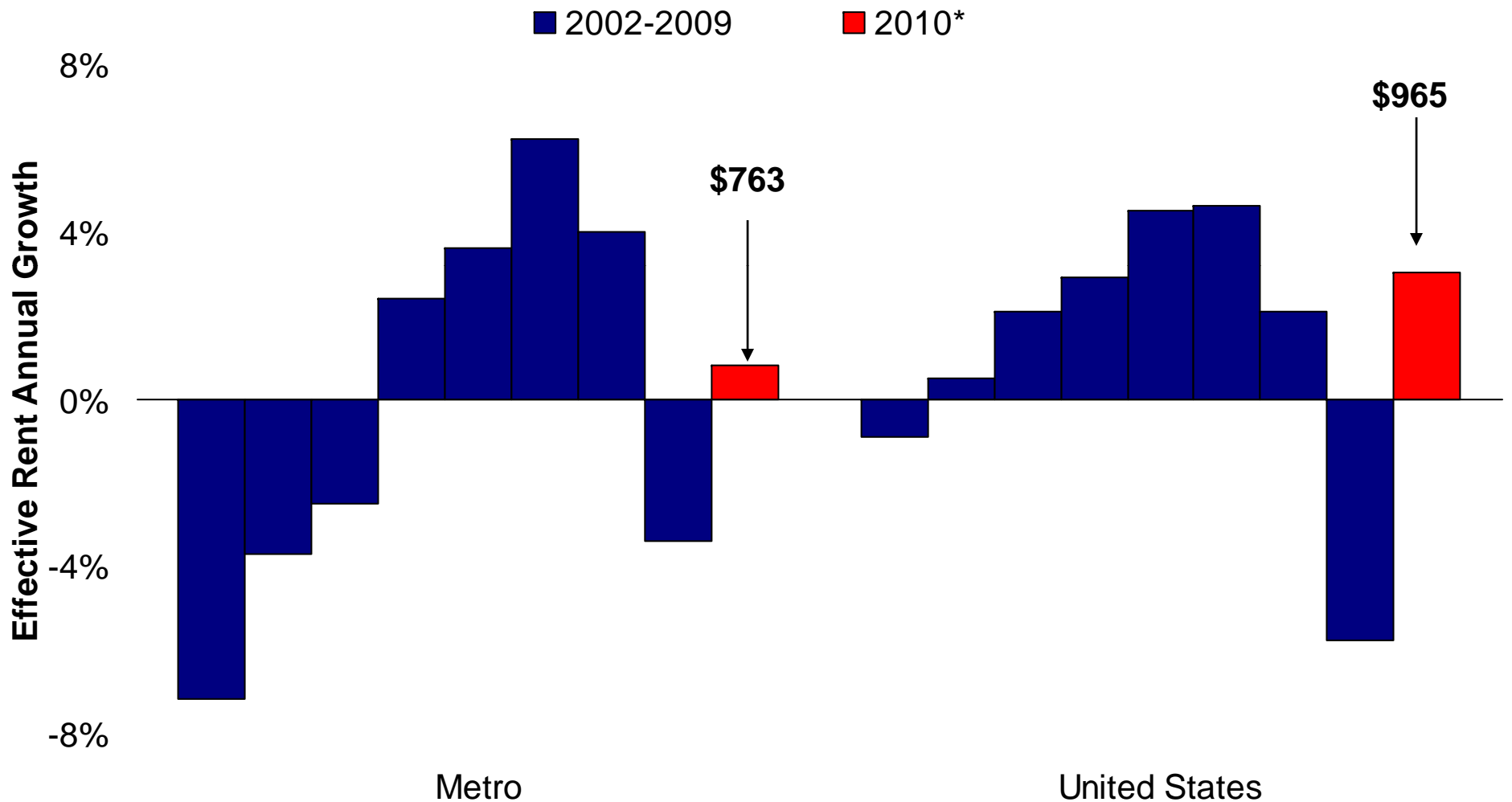
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Apartment Asking Rent Trends Austin



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Apartment Effective Rent Trends Austin



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Apartment Metro Effective Rent Growth Ranking 1Q 2010

Top 15 Markets	1Q 2010 Eff. Rent	Y-O-Y % Change
Northern New Jersey	\$1,465	-0.2%
Tucson	\$595	-1.0%
Oklahoma City	\$513	-1.2%
San Diego	\$1,243	-1.2%
Chicago	\$956	-1.5%
Austin	\$763	-1.5%
San Antonio	\$641	-1.7%
Kansas City	\$637	-1.8%
Cleveland	\$680	-1.9%
Cincinnati	\$648	-2.1%
Minneapolis	\$873	-2.2%
St. Louis	\$662	-2.4%
Jacksonville	\$731	-2.5%
Columbus	\$613	-2.5%
Denver	\$764	-2.6%
U.S. Average	\$940	-3.6%

Bottom 15 Markets	1Q 2010 Eff. Rent	Y-O-Y % Change
San Jose	\$1,371	-10.5%
Oakland	\$1,195	-7.5%
Las Vegas	\$754	-7.4%
San Francisco	\$1,659	-6.5%
Orange County	\$1,399	-5.9%
Sacramento	\$850	-5.7%
Tampa	\$749	-5.5%
Houston	\$682	-5.5%
Orlando	\$775	-5.4%
Boston	\$1,569	-4.7%
Los Angeles	\$1,309	-4.7%
West Palm Beach	\$992	-4.7%
Seattle-Tacoma	\$895	-4.3%
Phoenix	\$677	-4.2%
Miami	\$985	-4.2%
U.S. Average	\$940	-3.6%

Sources: Marcus & Millichap Research Services, Reis

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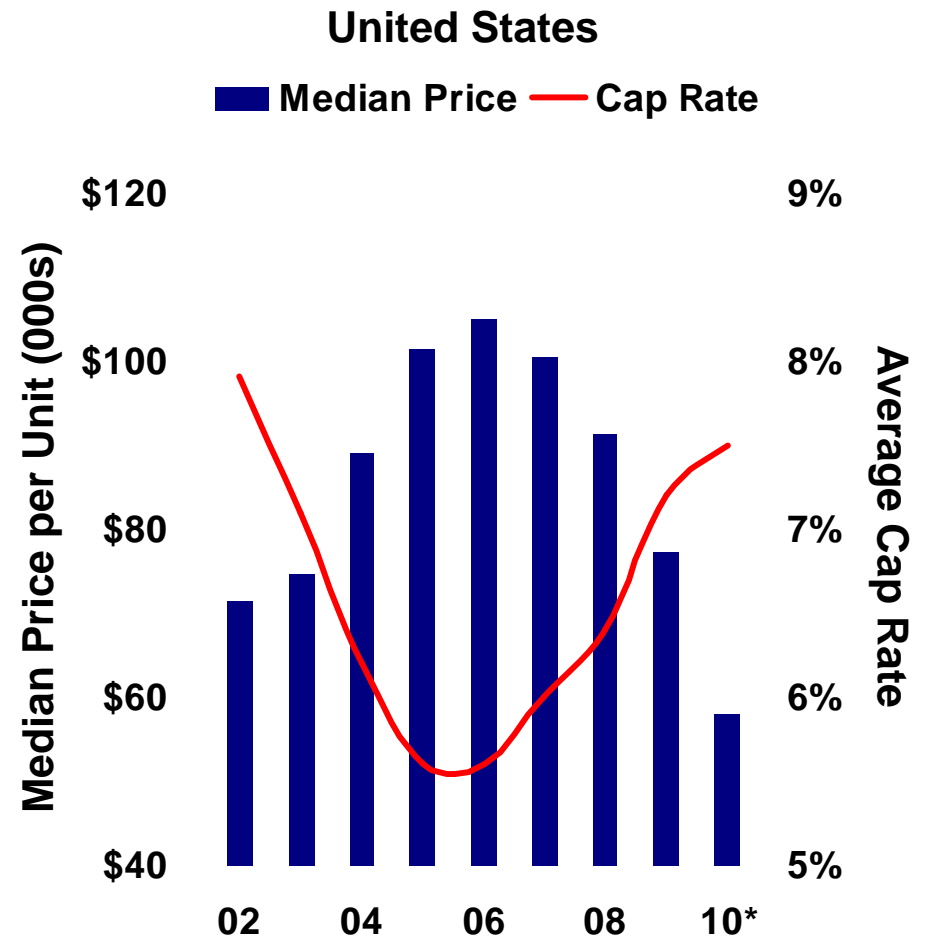
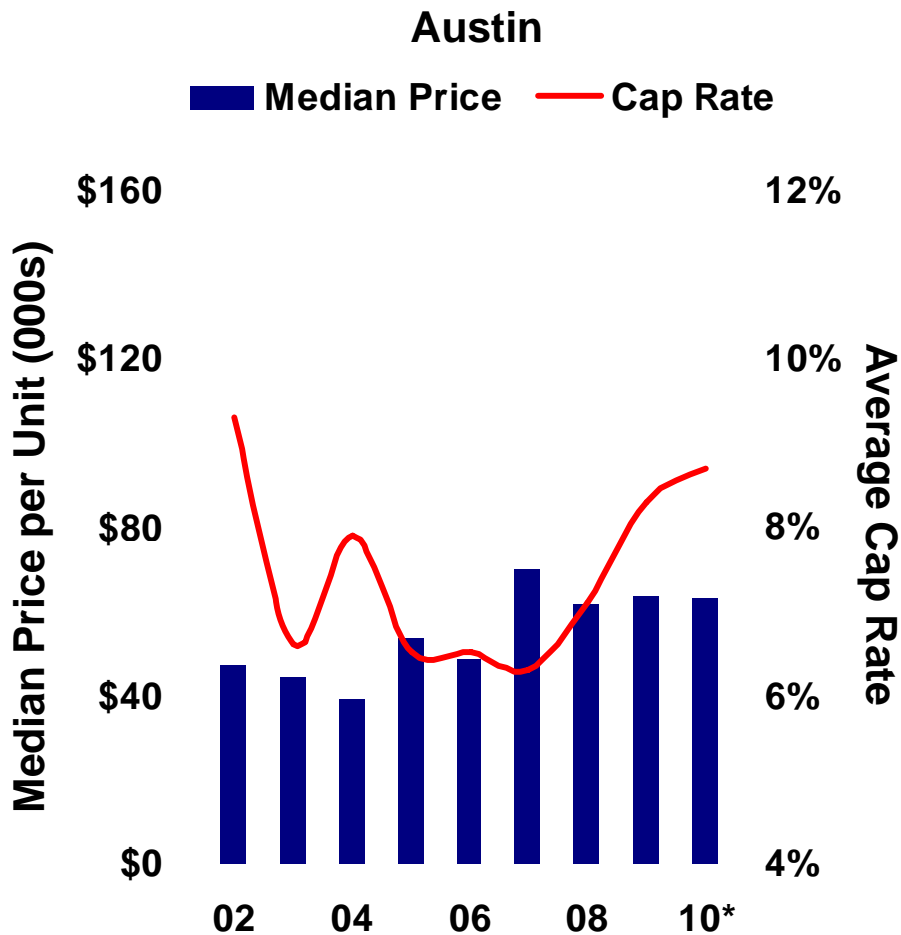
Apartment Effective Rent Ranking by Submarket Austin

Top Submarkets	1Q 2009	1Q 2010	Percent Change
East	\$615	\$645	4.9%
Central	\$978	\$1,019	4.2%
Near North Central	\$667	\$686	2.8%
Far South	\$844	\$835	-1.1%
San Marcos/North Hays County	\$710	\$702	-1.1%
Round Rock/Georgetown/Hutto	\$779	\$766	-1.7%
Far Northwest	\$846	\$830	-1.9%
Near Northwest	\$764	\$746	-2.4%
Southeast	\$678	\$662	-2.4%
Ranch Rd 620 N/F M 2222	\$1,012	\$988	-2.4%
Far North Central	\$571	\$547	-4.2%
North Travis	\$726	\$694	-4.4%
Hwy 183/Cedar Park/Leander	\$731	\$690	-5.6%
Near South Central	\$938	\$885	-5.7%
Metro Average	\$775	\$763	-1.5%

Sources: Marcus & Millichap Research Services, Reis

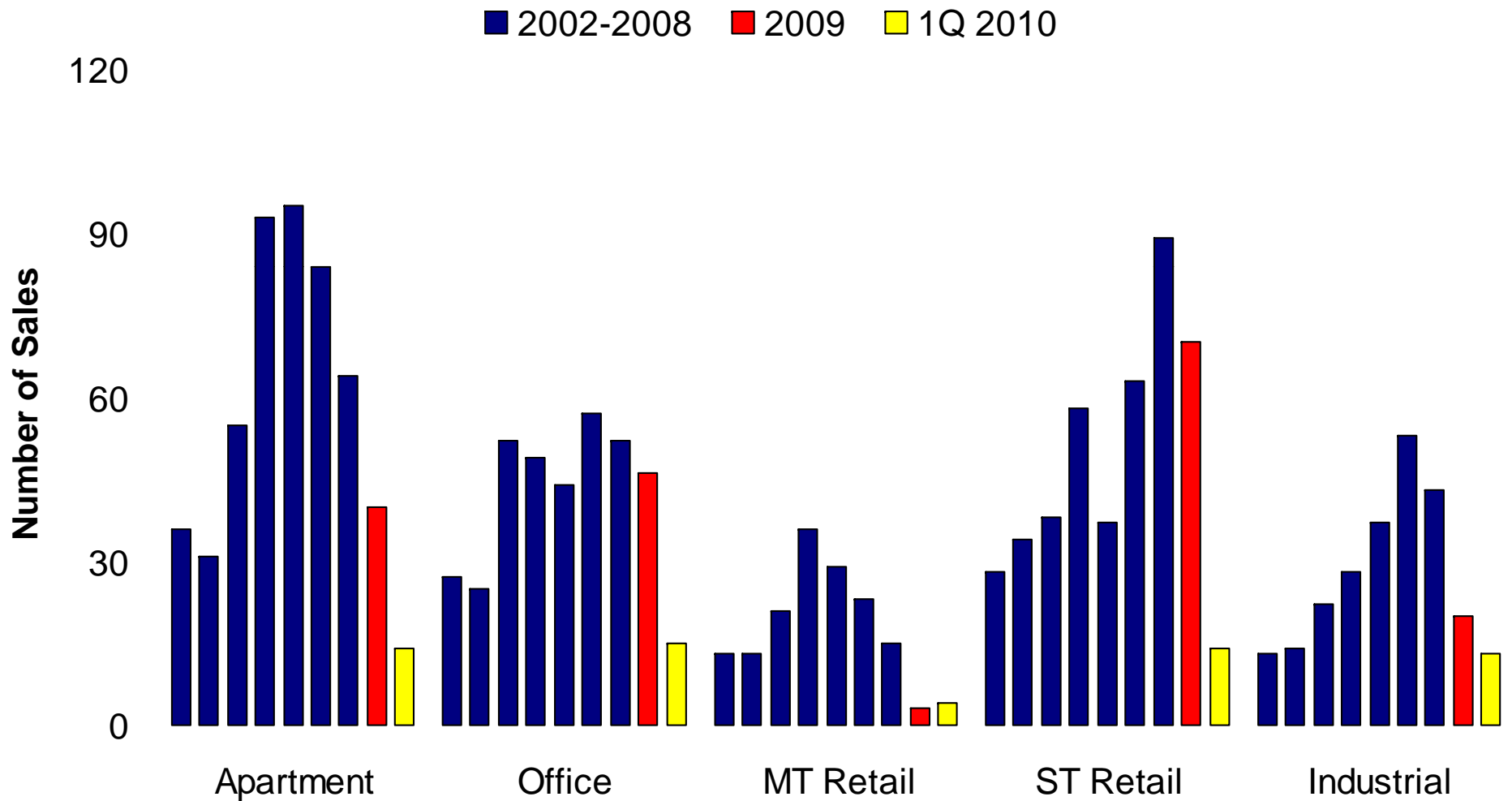
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Investment Trends Apartment



* Through 1Q
 Sales \$500,000 and greater
 Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Sales Velocity by Property Type Austin



Sales \$500,000 and greater
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

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