



2010

Marcus & Millichap San Antonio Market Trends

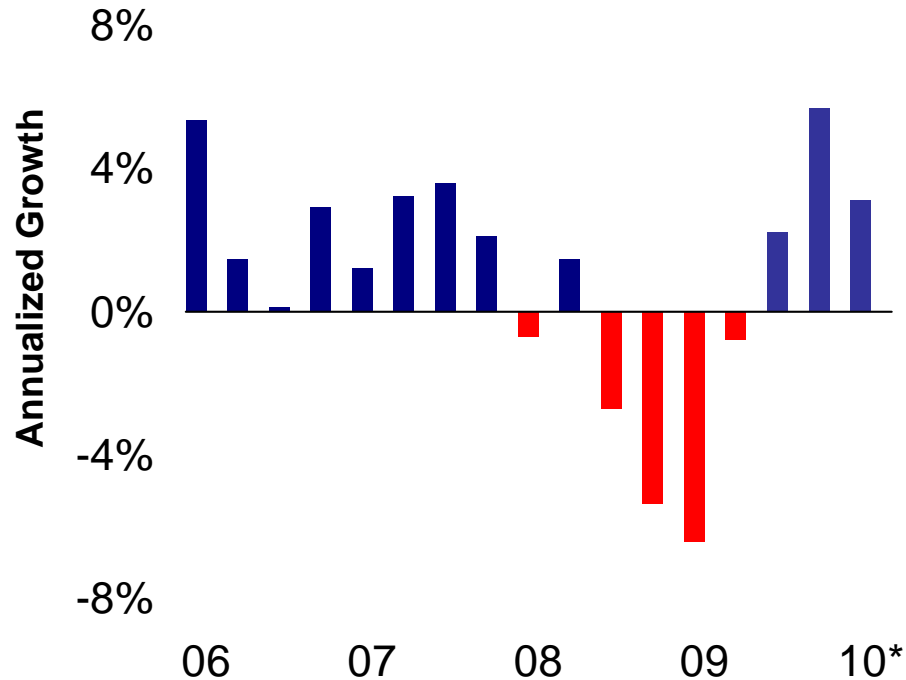
The Most Informative Overview of the Real Estate Market

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Real Estate Investment Services

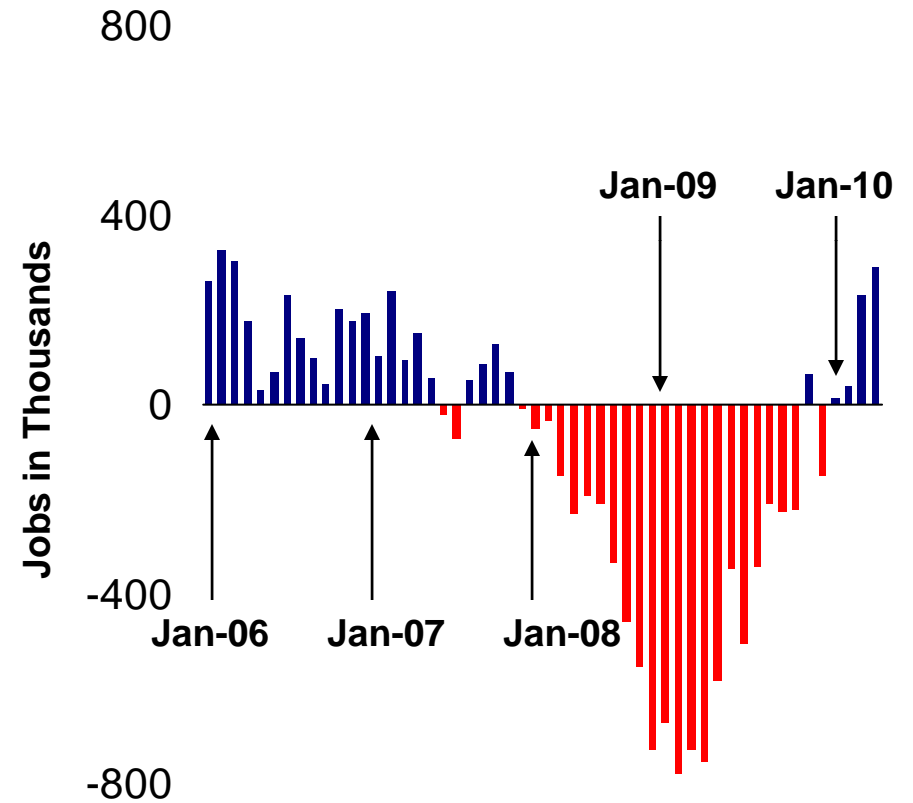
Economy Gaining Traction; Risk Levels Remain Elevated

Gross Domestic Product

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



Monthly Employment

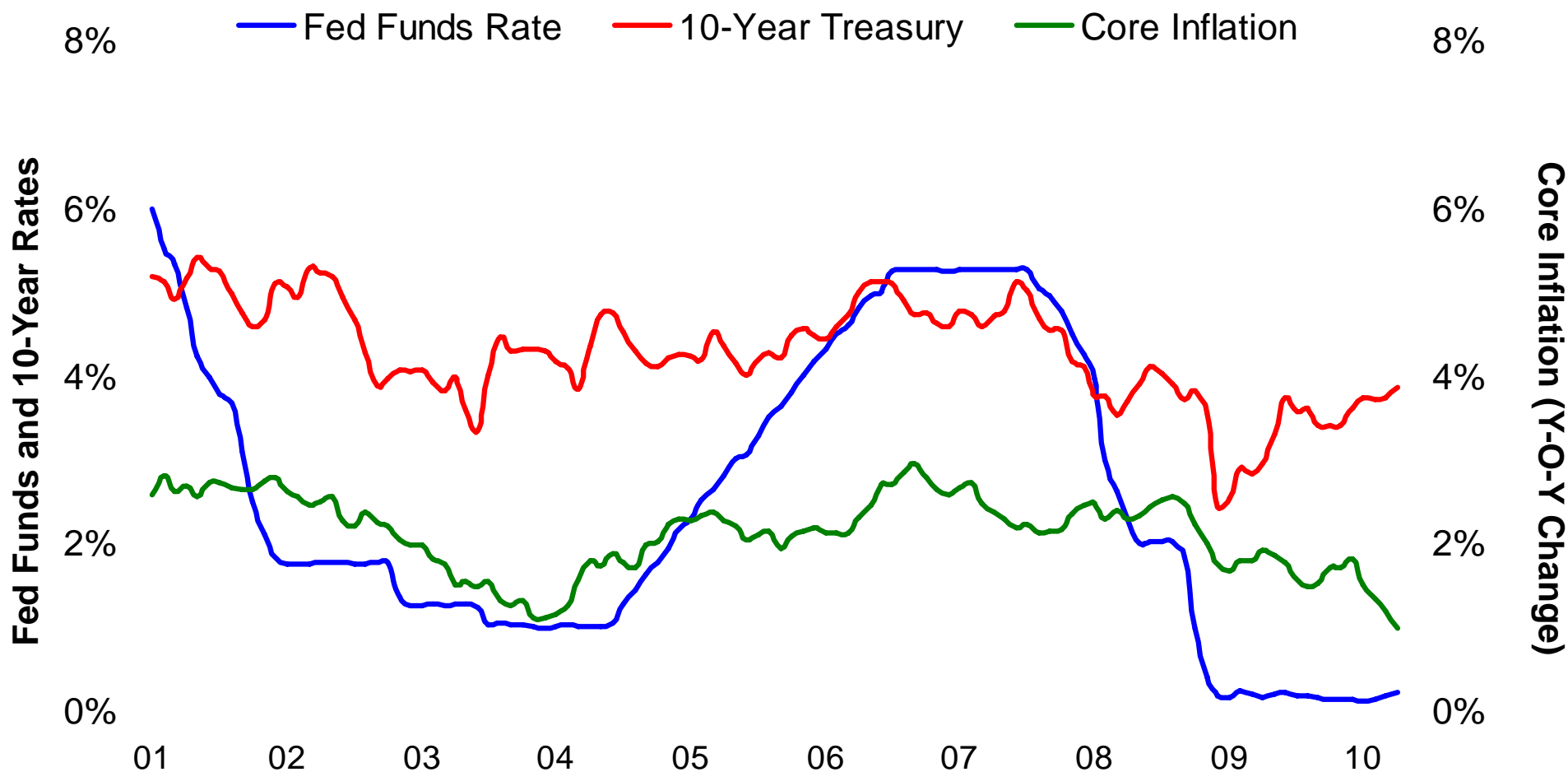


* Forecast

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

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

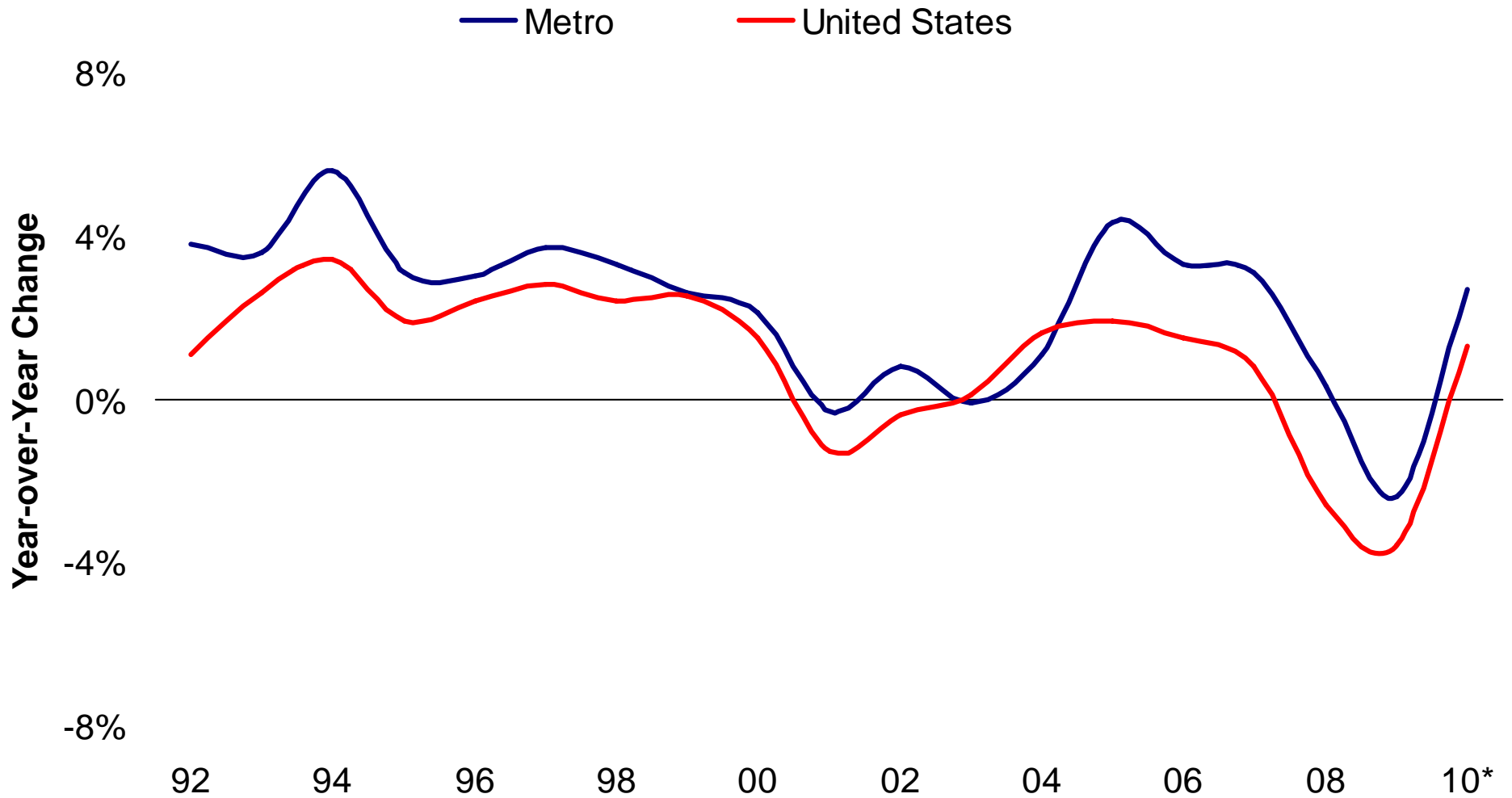
The Fed Has Pulled All Stops – Inflation Focus Unlikely to Emerge Until Sustainable Growth is Achieved



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

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Total Nonfarm Employment Change San Antonio vs. United States

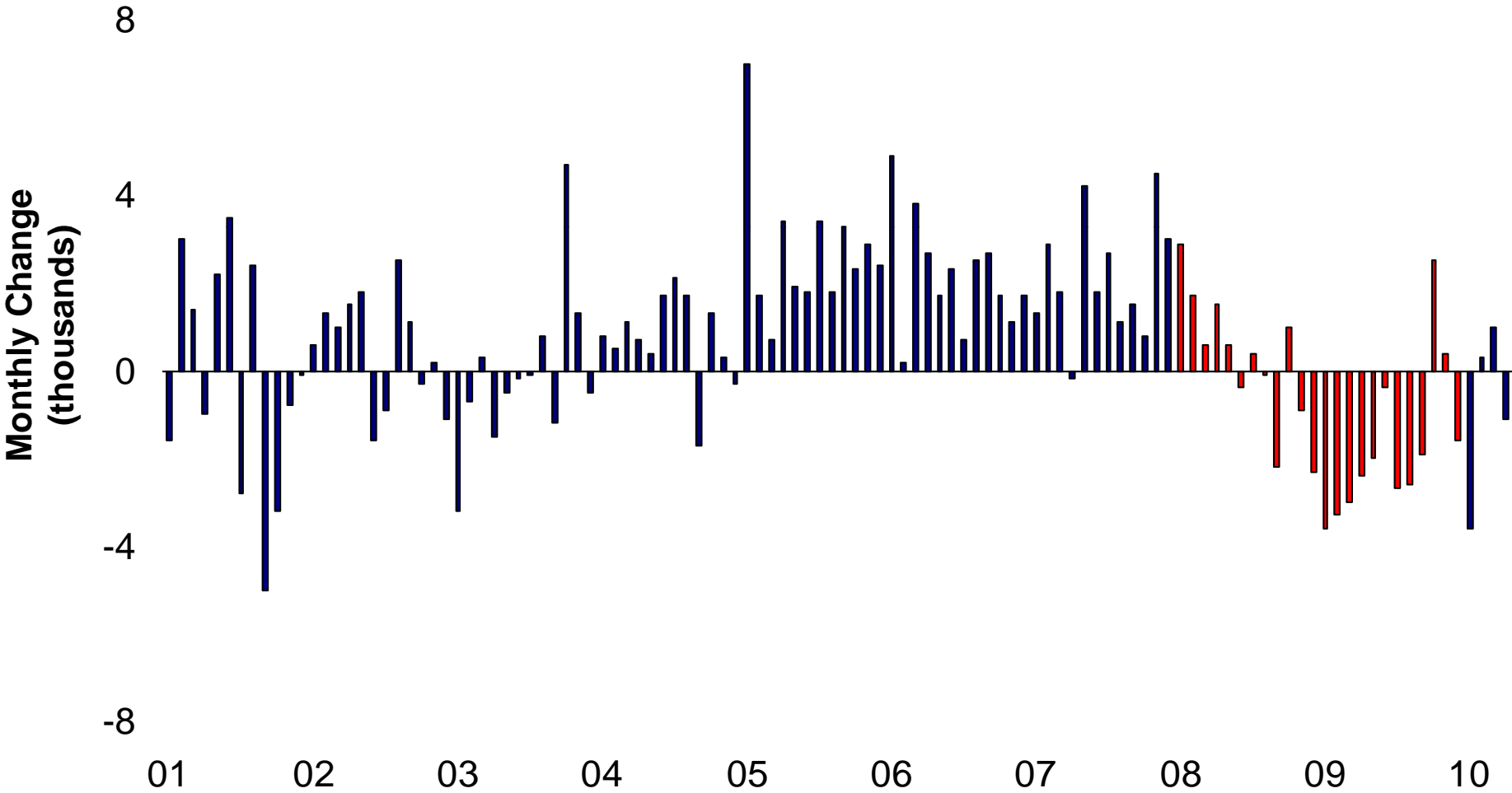


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

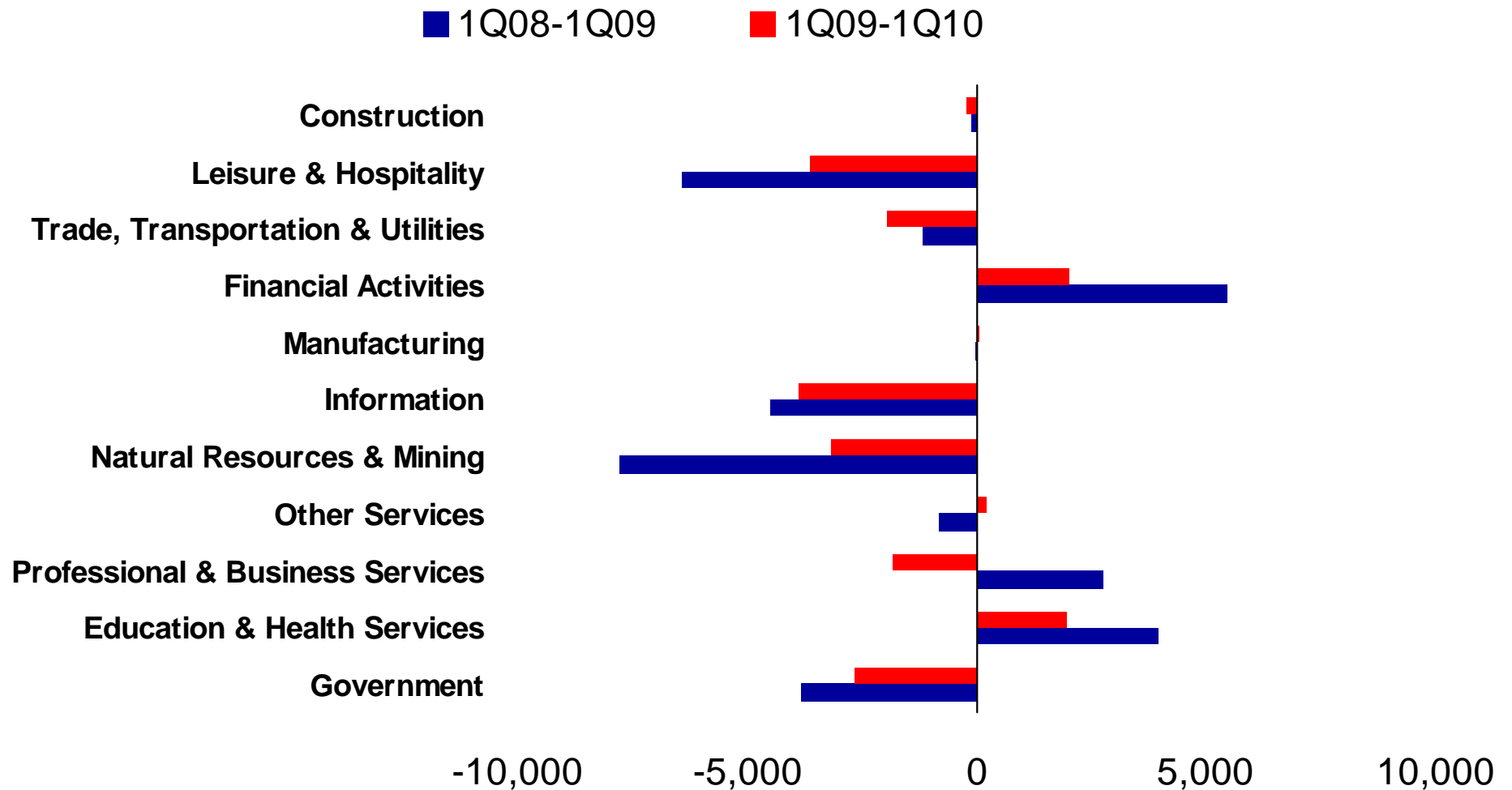
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Total Employment San Antonio

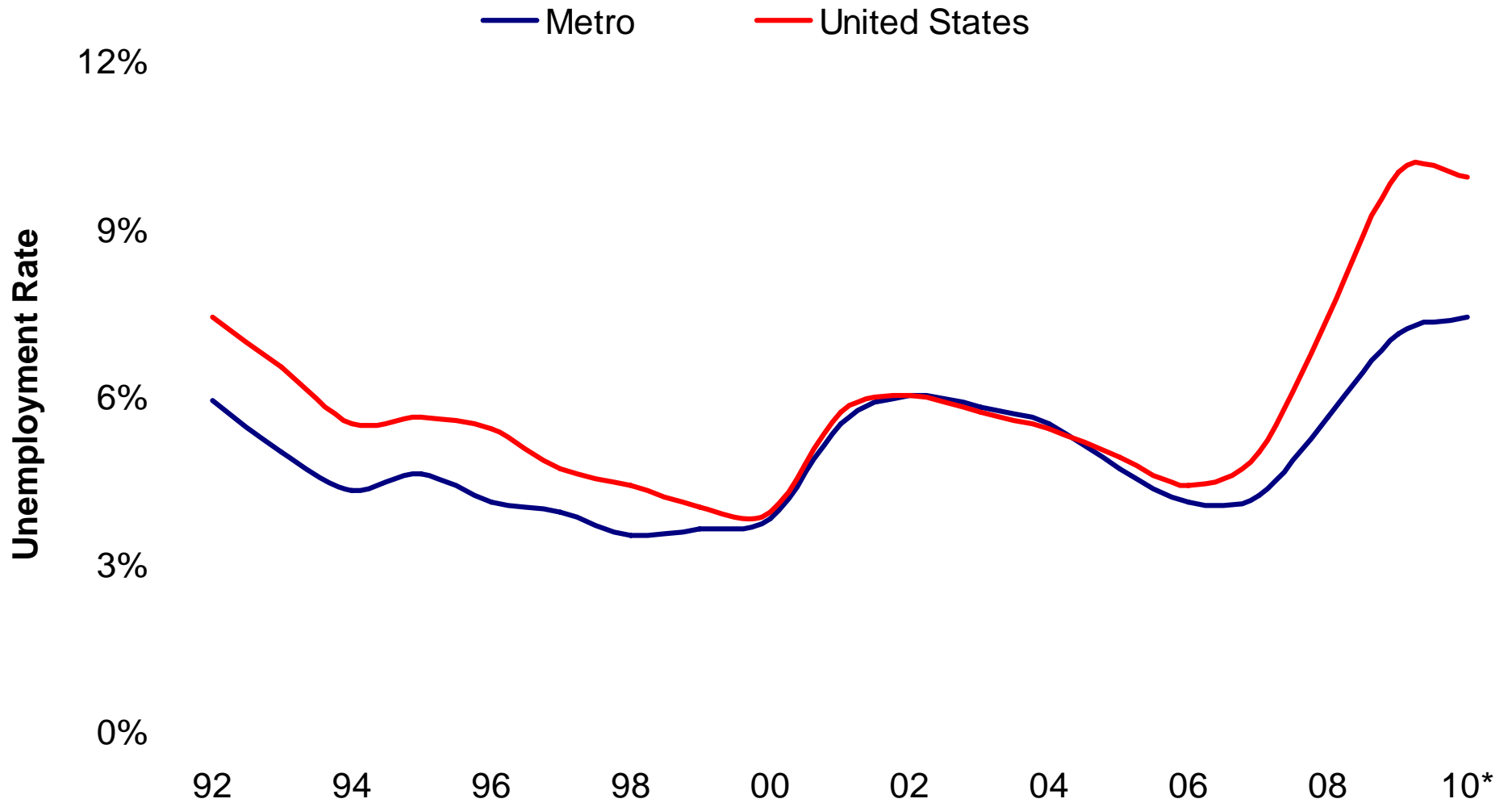


Sources: Marcus & Millichap Research Services, BLS, Economy.com

San Antonio Sector Employment Year-over-Year Absolute Growth



Unemployment Rate San Antonio vs. United States

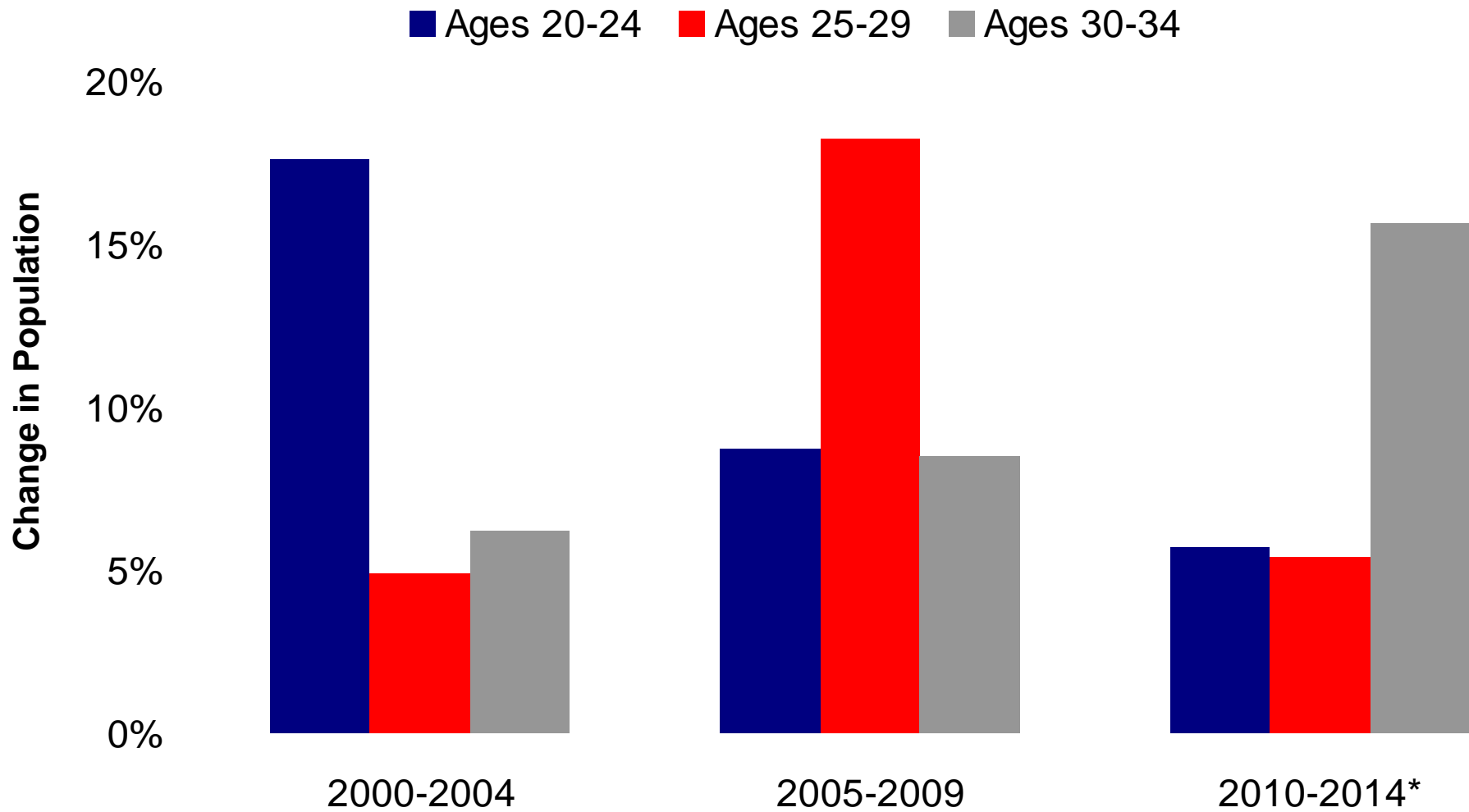


* Through 1Q

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

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Renter Demographics San Antonio

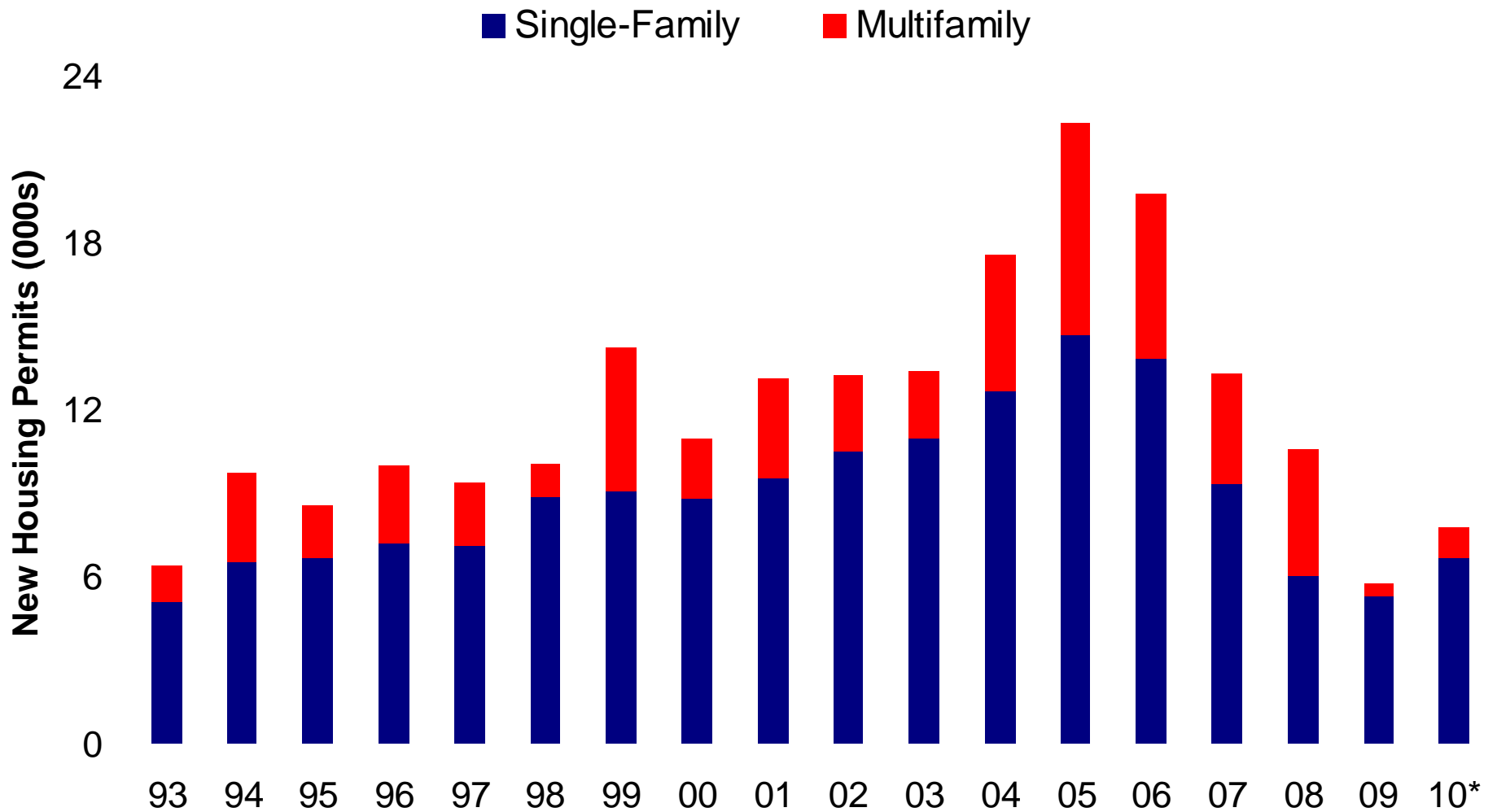


* Forecast

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

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New Housing Permits San Antonio

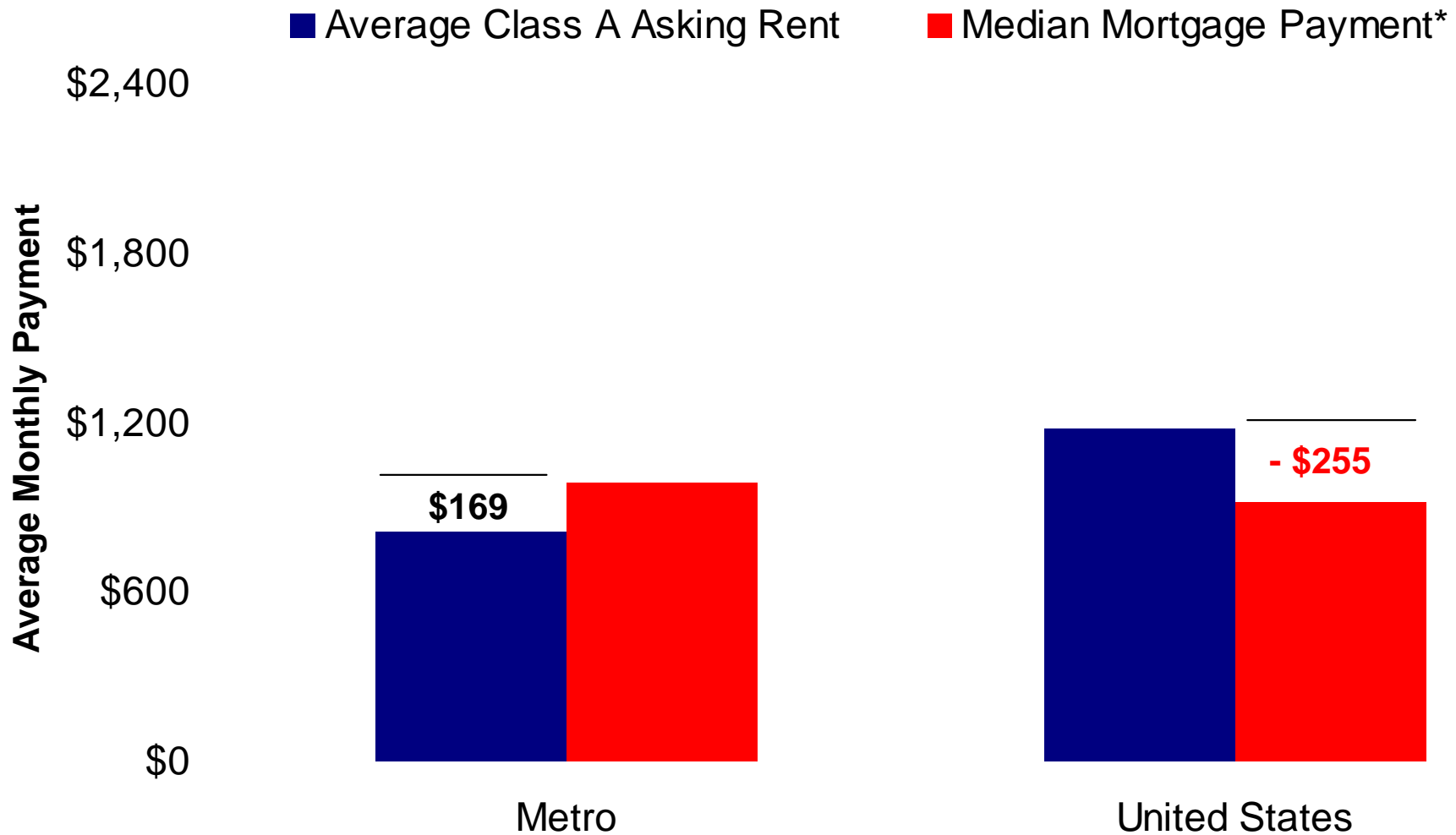


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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1Q Housing Affordability Gap San Antonio



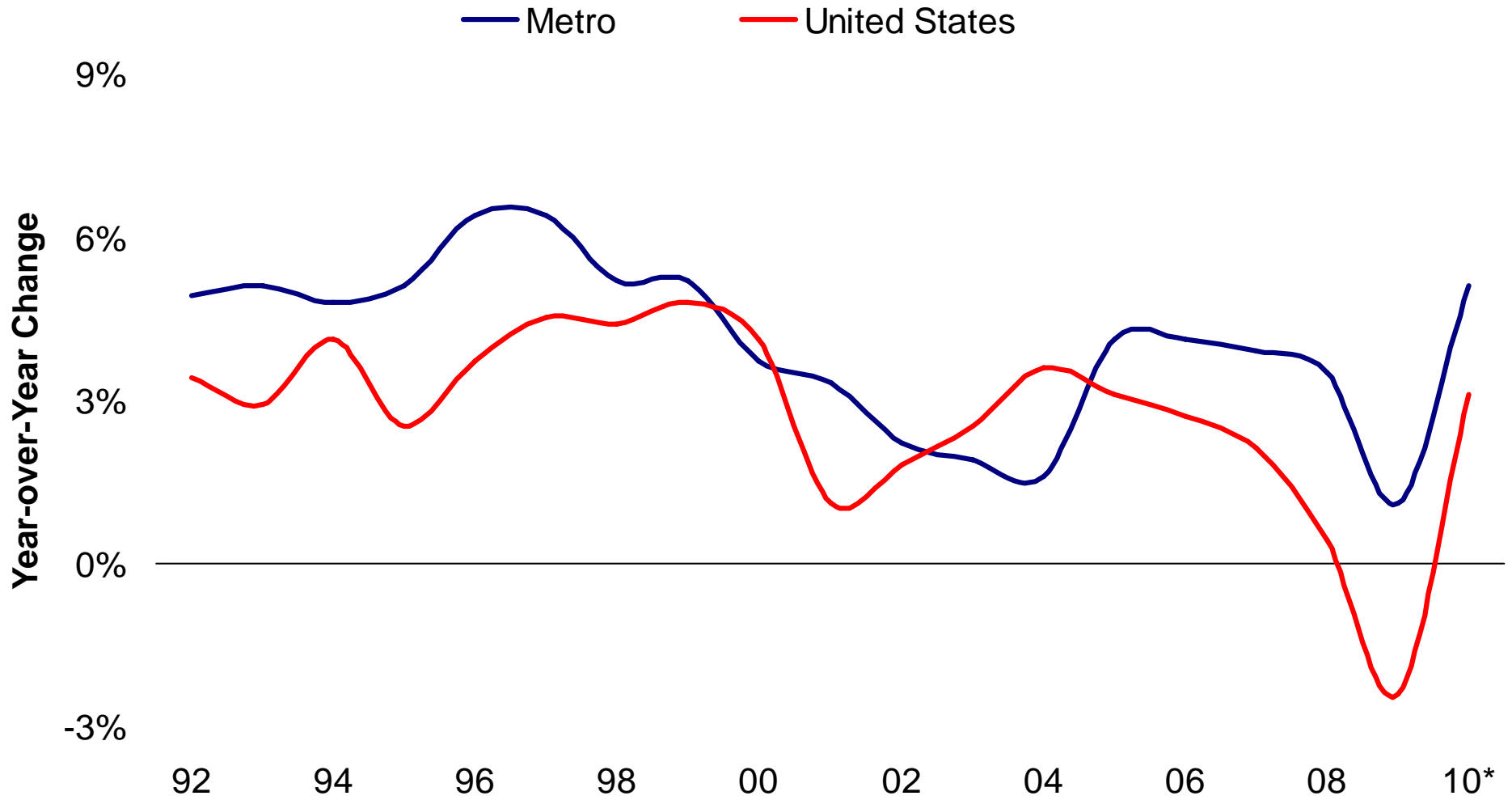
* Mortgage payment amortized over 30 years at a 5.1 percent interest rate and estimated tax/ins., assuming 20 percent downpayment

Sources: Marcus & Millichap Research Services, Reis

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Economic Growth

San Antonio GMP vs. United States GDP

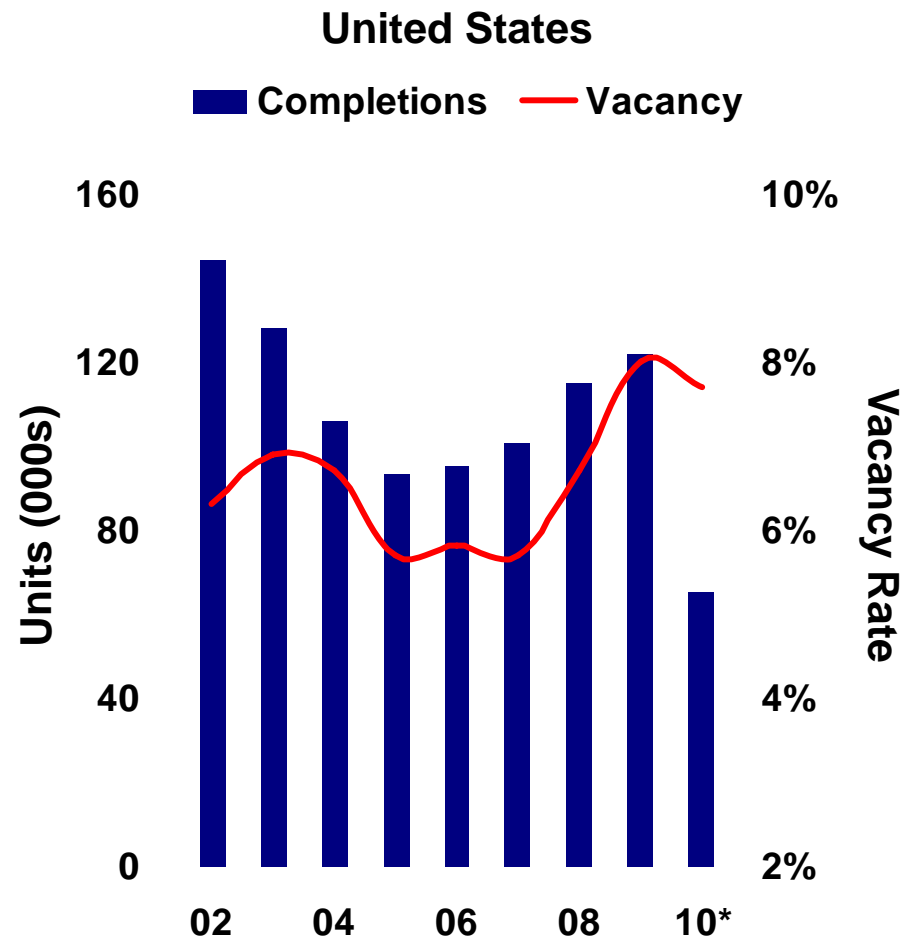
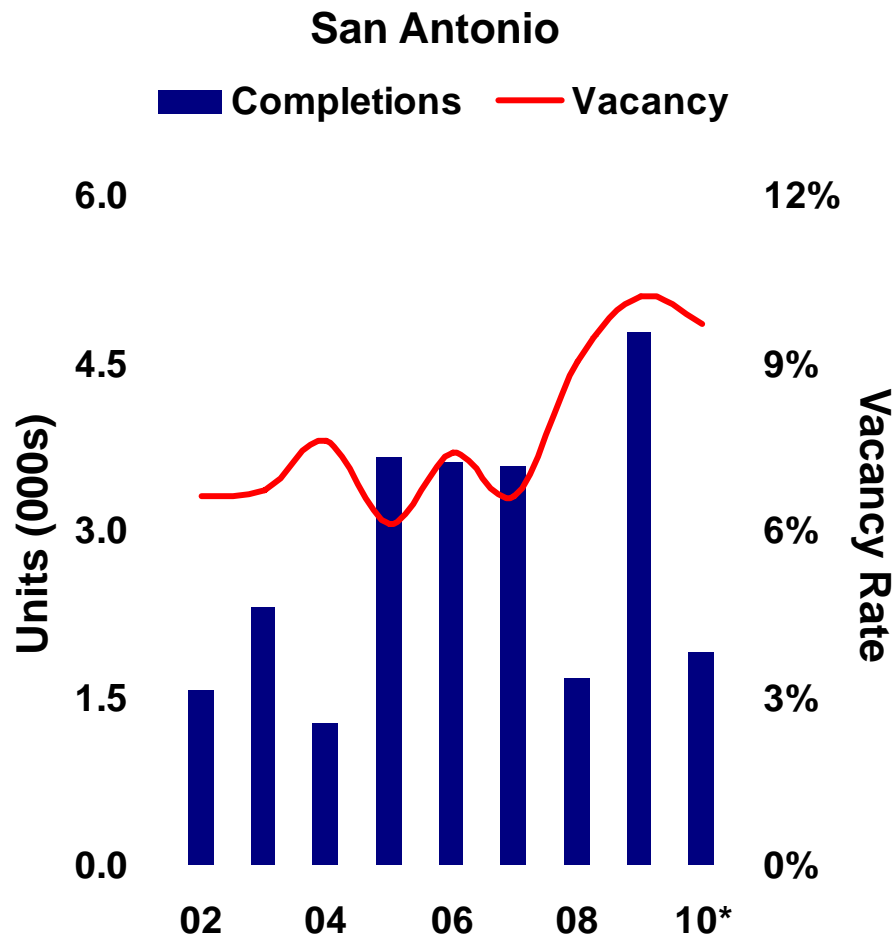


* Forecast

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

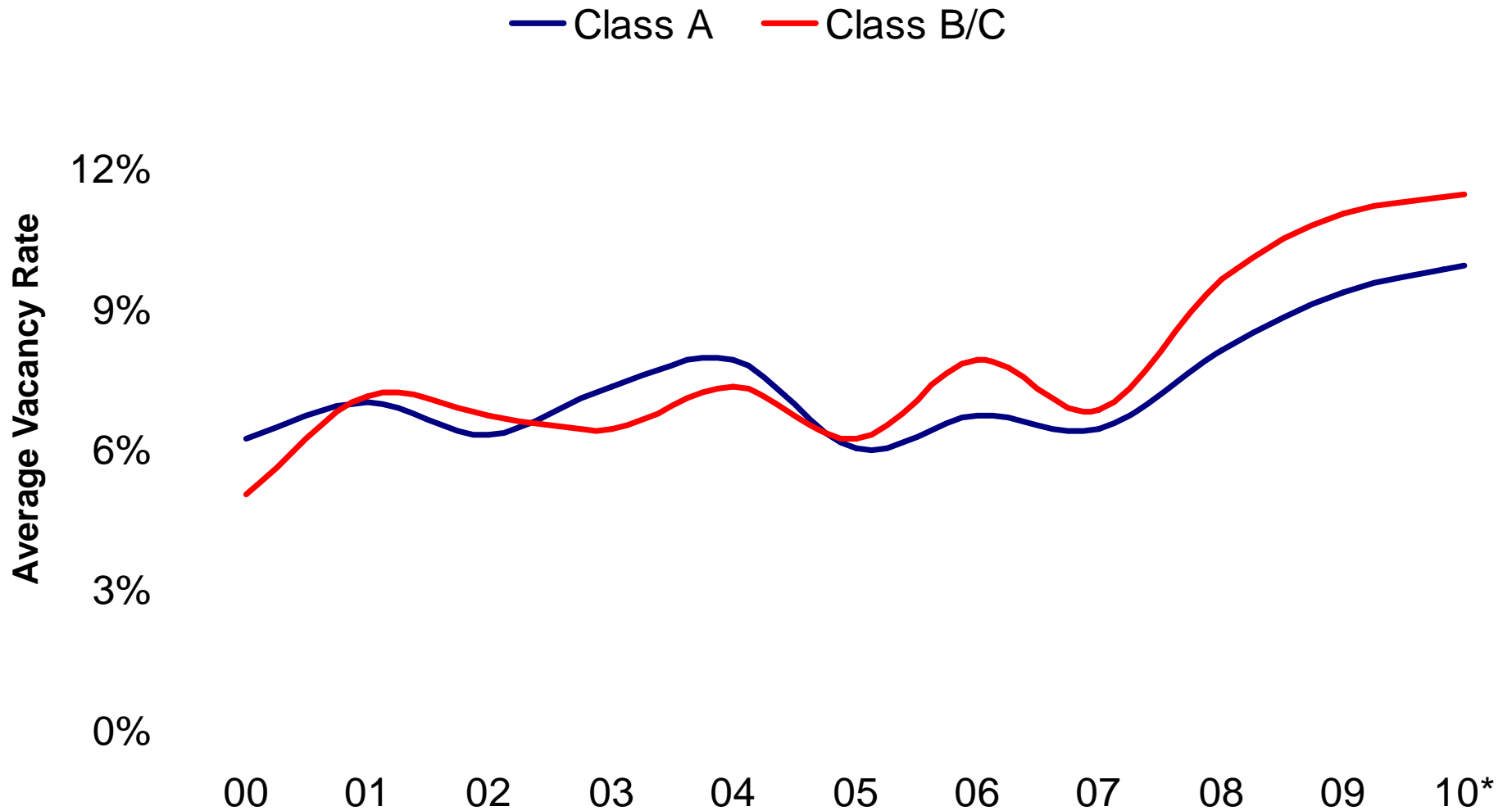
Top 15 Markets	1Q 2010 Vacancy	Y-O-Y Bps Change
New Haven-Fairfield County	4.7%	-60
New York City	2.8%	-60
San Jose	4.7%	-60
Denver	8.3%	-30
Tucson	11.4%	-30
Oakland	5.5%	-20
Washington, D.C.	6.0%	-10
Philadelphia	6.3%	-
Boston	6.5%	10
San Diego	4.8%	10
Los Angeles	5.5%	20
Cleveland	7.0%	40
Jacksonville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



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

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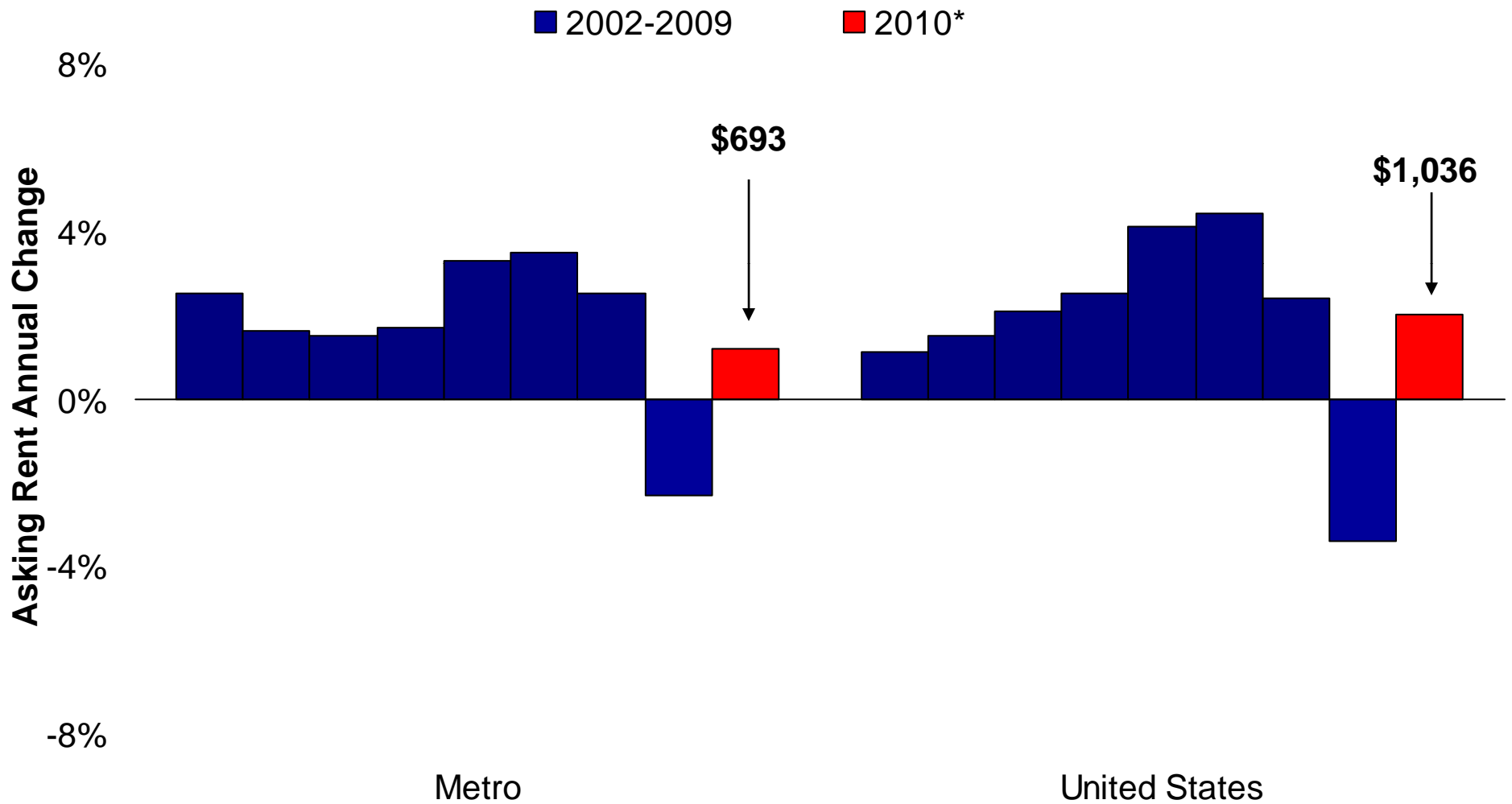
Apartment Vacancy Ranking by Submarket San Antonio

Top Submarkets	1Q 2009	1Q 2010	Bps Change
Airport/Northeast	11.6%	10.2%	-140
Far West	12.4%	11.8%	-60
Far Northwest	10.0%	10.1%	10
East	8.2%	8.6%	40
Southeast	16.9%	17.4%	50
South	6.8%	7.8%	100
Far Northeast	9.5%	10.8%	130
Far North Central	9.0%	10.4%	140
Central San Antonio	7.6%	10.0%	240
Northwest	8.3%	11.5%	320
Southwest	11.5%	17.7%	620
Metro Average	10.0%	10.7%	70

Sources: Marcus & Millichap Research Services, Reis

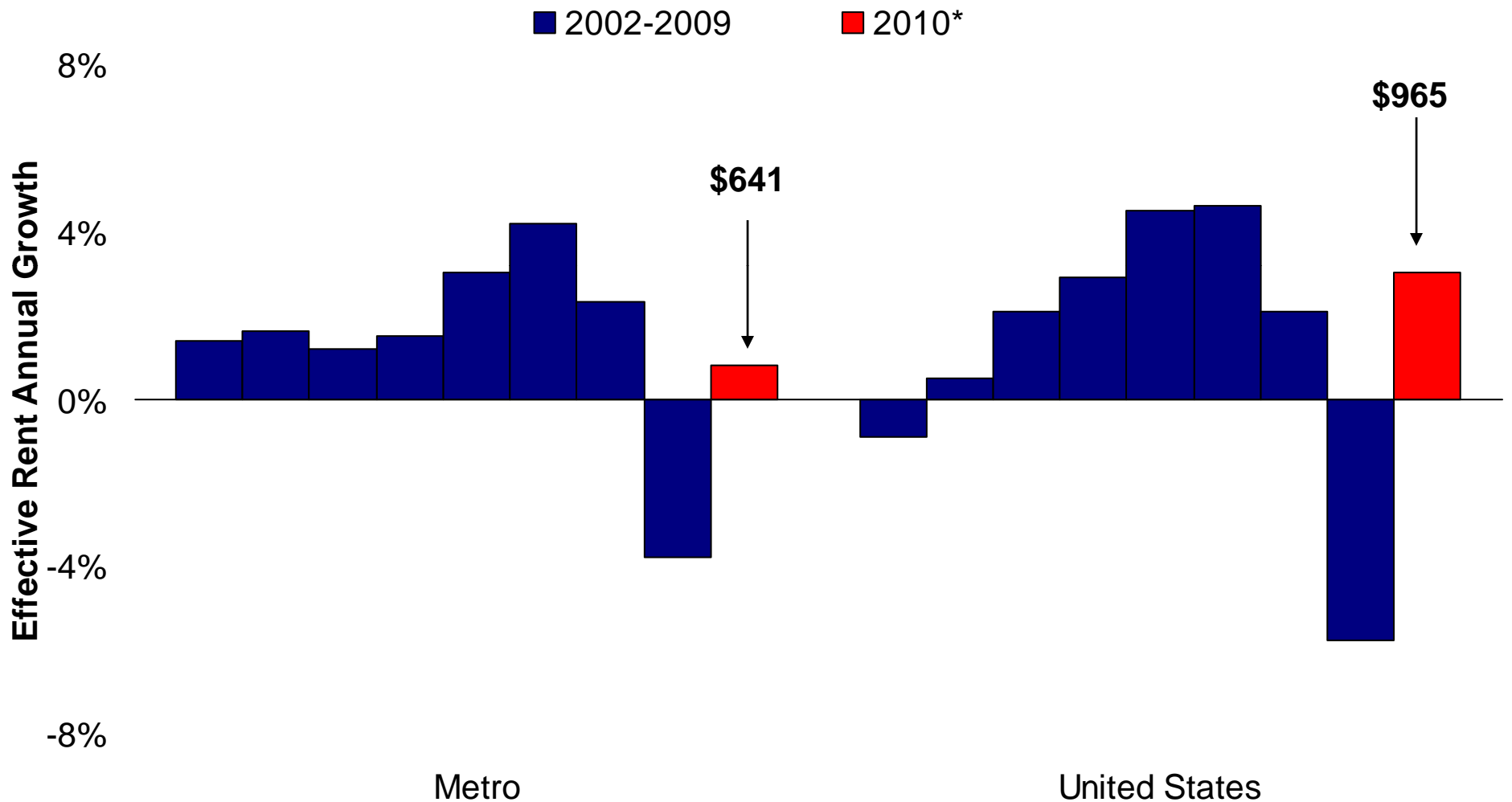
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Apartment Asking Rent Trends San Antonio



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Apartment Effective Rent Trends San Antonio



* Forecast

Sources: Marcus & Millichap Research Services, Reis

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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 San Antonio

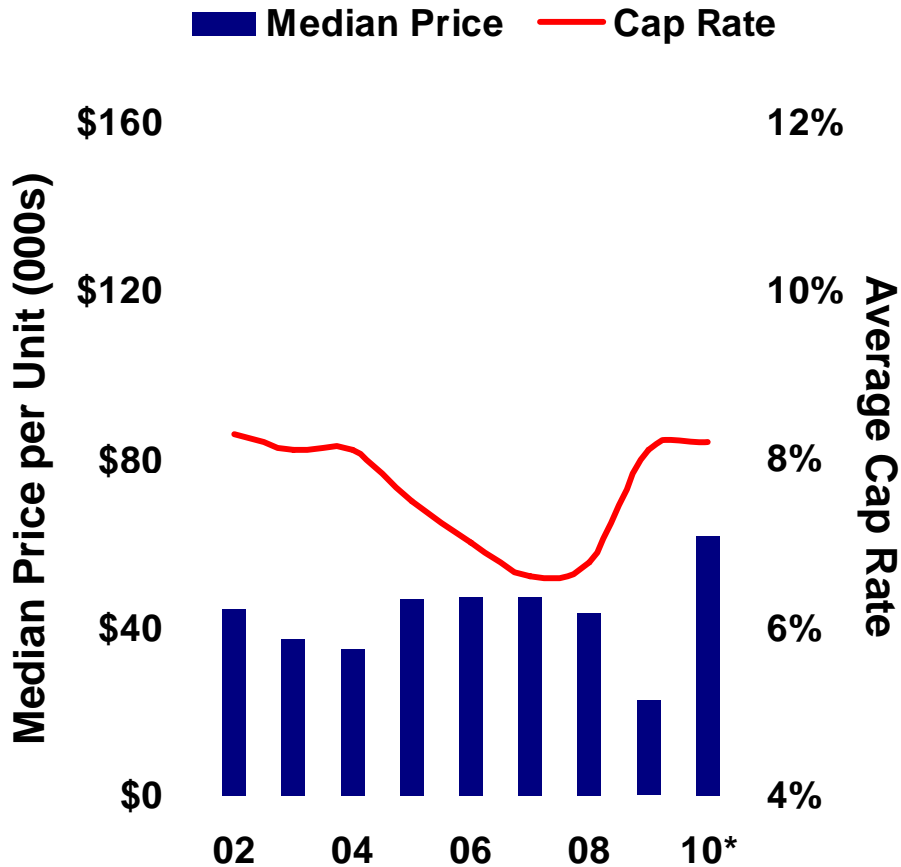
Top Submarkets	1Q 2009	1Q 2010	Percent Change
Central San Antonio	\$622	\$650	4.5%
East	\$716	\$723	1.0%
Southwest	\$515	\$510	-1.0%
Far Northwest	\$668	\$660	-1.2%
Northwest	\$496	\$487	-1.8%
Far West	\$624	\$611	-2.1%
Southeast	\$516	\$502	-2.7%
South	\$551	\$535	-2.9%
Far North Central	\$700	\$678	-3.1%
Far Northeast	\$626	\$606	-3.2%
Airport/Northeast	\$688	\$665	-3.3%
Metro Average	\$652	\$641	-1.7%

Sources: Marcus & Millichap Research Services, Reis

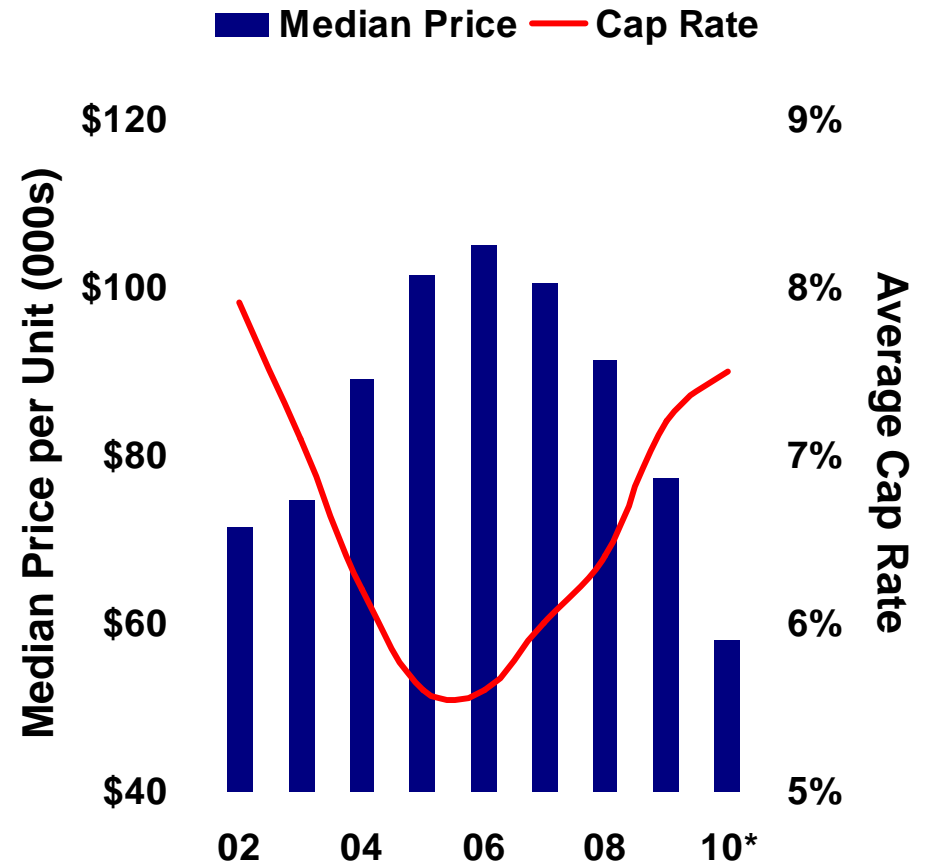
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Investment Trends Apartment

San Antonio



United States



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



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