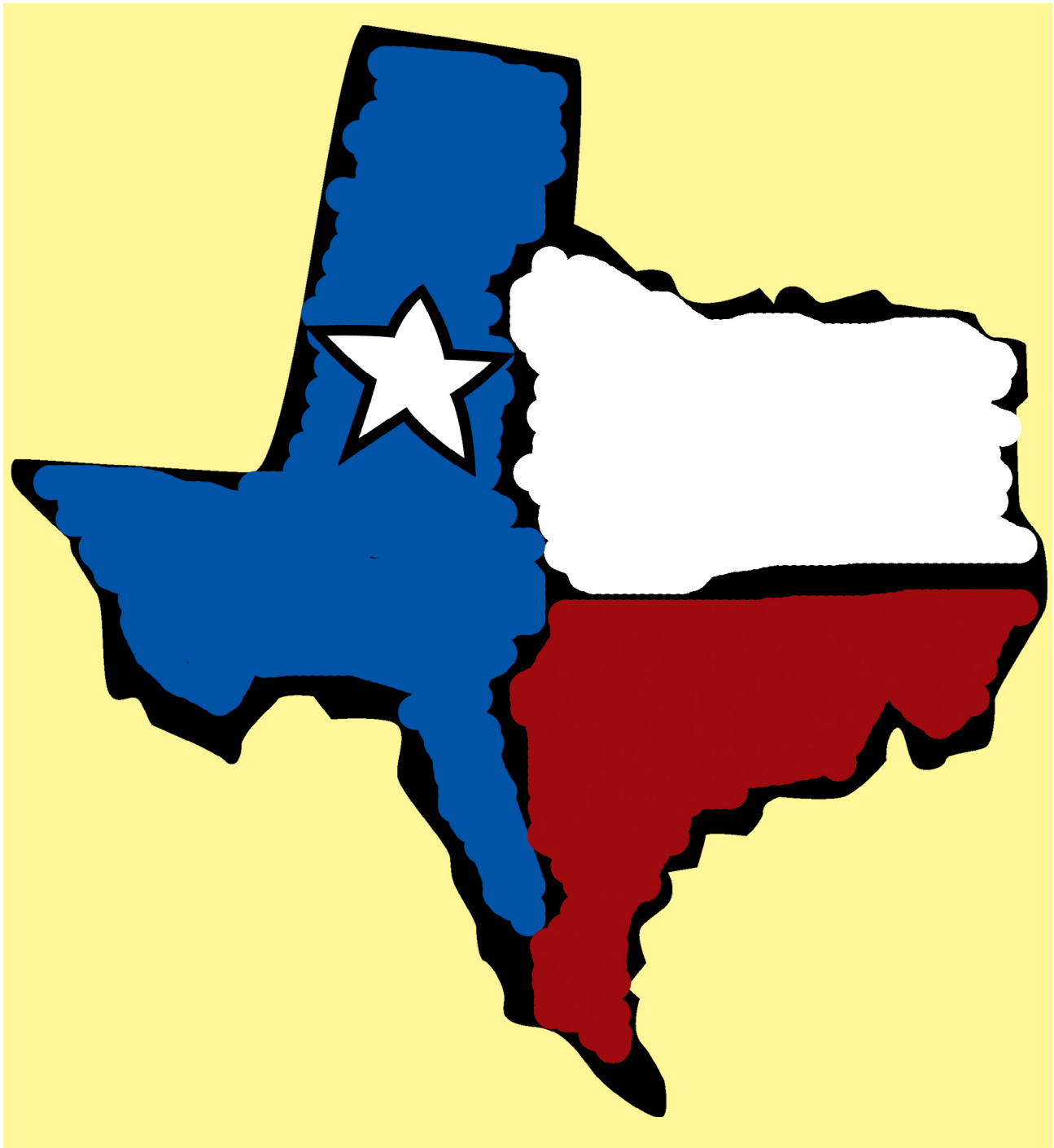


MARKET REPORT 2011



el paso



<http://recenter.tamu.edu>

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Market reports are updated annually. The Real Estate Center also publishes NewsTalk Texas, a compilation of market news, which is updated continuously throughout the year. It allows market analysts to access the most current information available. For more current information about this Metropolitan Statistical Area (MSA) or any of the other Texas MSAs, please go to <http://recenter.tamu.edu/newstalk/>.

Note: In 2009, two MSA names were changed—Austin-Round Rock is now Austin-Round Rock-San Marcos, and San Antonio is now San Antonio-New Braunfels. In 2003, the U.S. Census Bureau revised its definition of counties included in some Texas MSAs. As a result, most information presented in this report reflects Texas' 2003 MSA definition. However, some of the data reported to the Center are based on the Bureau's 1999 definition. Data using the 1999 MSA definition are stated where applicable.



El Paso

As 16th century Spaniards approached the Rio Grande from the south, they viewed two mountain ranges rising out of the desert with a deep chasm between. They named the site El Paso del Norte (the Pass of the North). It is now the location of two border cities — Ciudad Juárez, Mexico, on the south bank of the Rio Grande, and El Paso, Texas, on the opposite side of the river.

Strategically located where Texas, New Mexico and Mexico meet, the greater El Paso region is a major distribution and manufacturing center and the center of trade between the United States and Mexico.

At the end of the Mexican War in 1848, El Paso became part of the United States. A military post was established in 1849 that later became Fort Bliss. El Paso incorporated as a city in 1873. With the arrival of the Southern Pacific Railroad in 1881, the local economy flourished. Fort Bliss continues to be a major area employer.

Nestled at the base of the Franklin Mountains, the University of Texas at El Paso (UTEP) started as the State School of Mines and Metallurgy in 1913. UTEP has grown into a nationally recognized institution with degrees ranging from engineering to health sciences.

Quick Facts

| | |
|--|------------------------------|
| MSA Land Area (2009 definition) | 1,014.68 square miles |
| 2010 Population Density | 789.1 people per square mile |
| Counties | El Paso |

Area Cities and Towns

Anthony, Canutillo, Clint, El Paso, Fabens, Horizon City, San Elizario, Socorro, Tornillo

This report's MSA data reflects either 1999 or 2009 MSA definitions based on data availability. Use of 1999 definition is noted where applicable.

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

Texas Tech University Health Sciences Center at El Paso plans to be a catalyst for enhancing first-rate medical care in the region.

Sources: El Paso Convention & Visitors Bureau and *The Handbook of Texas Online*



Metropolitan Statistical Areas (MSAs)



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

Prepared by the Labor Market and Career Information Department, TWC
 Edited by Real Estate Center at Texas A&M University

Demographics

El Paso MSA Population

| Year | Population* | Percent Change |
|------|-------------|----------------|
| 1999 | 675,397 | - |
| 2000 | 679,622 | 0.6 |
| 2001 | 687,635 | 1.2 |
| 2002 | 693,682 | 0.9 |
| 2003 | 702,507 | 1.3 |
| 2004 | 712,617 | 1.4 |
| 2005 | 721,598 | 1.3 |
| 2006 | 736,310 | 2.0 |
| 2007 | 734,669 | -0.2 |
| 2008 | 742,062 | 1.0 |
| 2009 | 751,296 | 1.2 |
| 2010 | 800,647 | 6.6 |

*July 1 population estimates, except 2000 and 2010

Source: U.S. Census Bureau

**Population
Select Area Cities**

| City | 2000 | 2010 | Growth 2000–2010 (in percent) |
|--------------|---------|---------|----------------------------------|
| Anthony | 3,850 | 5,011 | 30.2 |
| El Paso | 563,662 | 649,121 | 15.2 |
| Horizon City | 5,233 | 16,735 | 219.8 |
| Socorro | 27,152 | 32,013 | 17.9 |

Source: U.S. Census Bureau

Household Composition

| | El Paso MSA | Texas |
|---|----------------|-------|
| Average household size | 3.18 | 2.74 |
| Population younger than 18 (in percent) | 32.0 | 28.2 |
| Population 65 and older (in percent) | 9.7 | 9.9 |

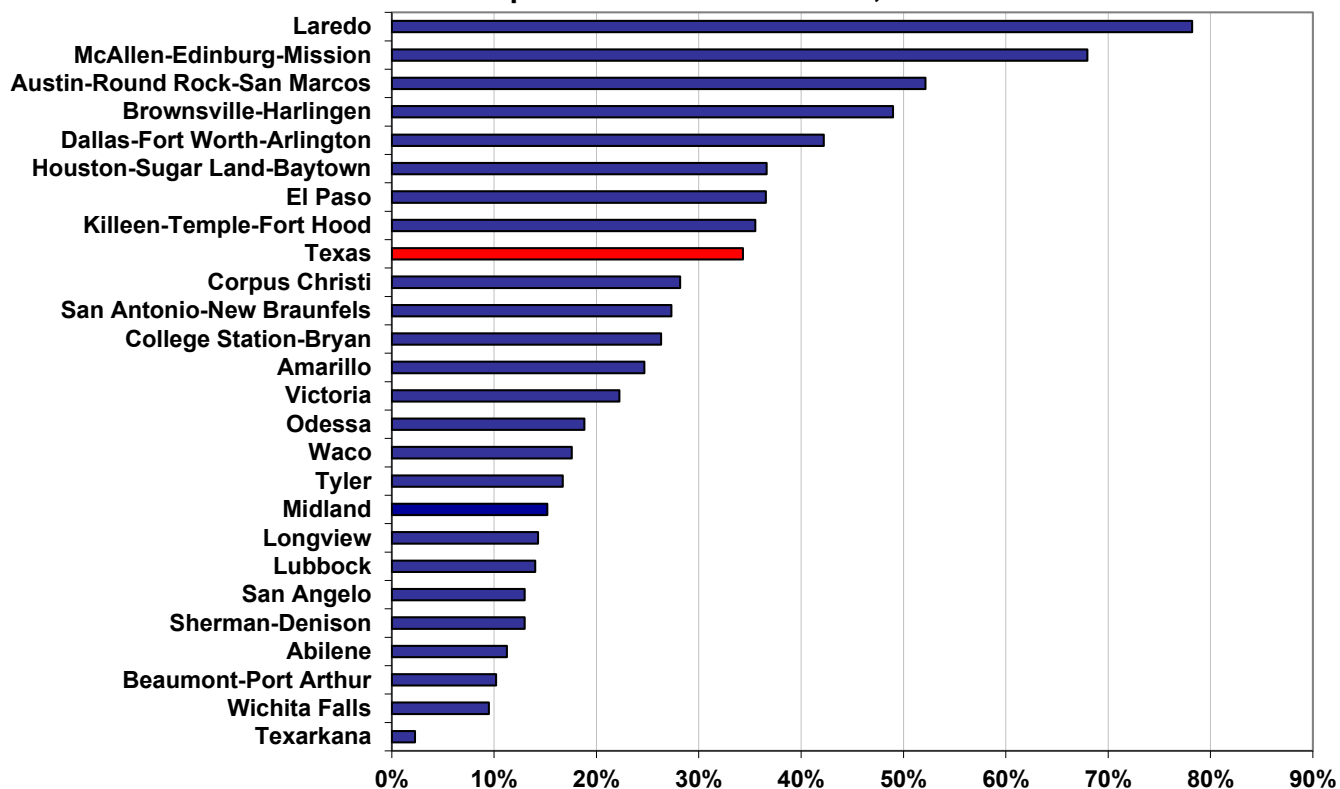
Source: U.S. Census Bureau 2000 (1999 definition)

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

| | El Paso MSA | Texas |
|------------------------|-------------|-------|
| White | 73.9 | 71.0 |
| Black | 3.1 | 11.5 |
| Asian | 1.0 | 2.7 |
| American Indian | 0.8 | 0.6 |
| Other | 17.9 | 11.7 |
| Two or more races | 3.2 | 2.5 |
| Hispanic (of any race) | 78.2 | 32.0 |

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

Texas Metropolitan Area Population Growth Forecast, 2000–2020



Source: Texas State Data Center – Scenario 0.5 (February 2009 projection)

El Paso MSA Projected Population

| Year | Texas State Data Center (Scenario 0.5) | Texas Water Development Board |
|------|---|----------------------------------|
| 2000 | 679,622 | 664,554 |
| 2005 | 740,723 | - |
| 2010 | 804,087 | 833,640 |
| 2015 | 867,475 | - |
| 2020 | 928,129 | 1,000,651 |
| 2025 | 985,890 | - |
| 2030 | 1,043,074 | 1,141,414 |
| 2035 | 1,098,856 | - |
| 2040 | 1,150,619 | 1,262,817 |

Sources: Texas State Data Center (February 2009 projection)
and Texas Water Development Board (July 2010 projection)

Texas Metropolitan Area Population Change

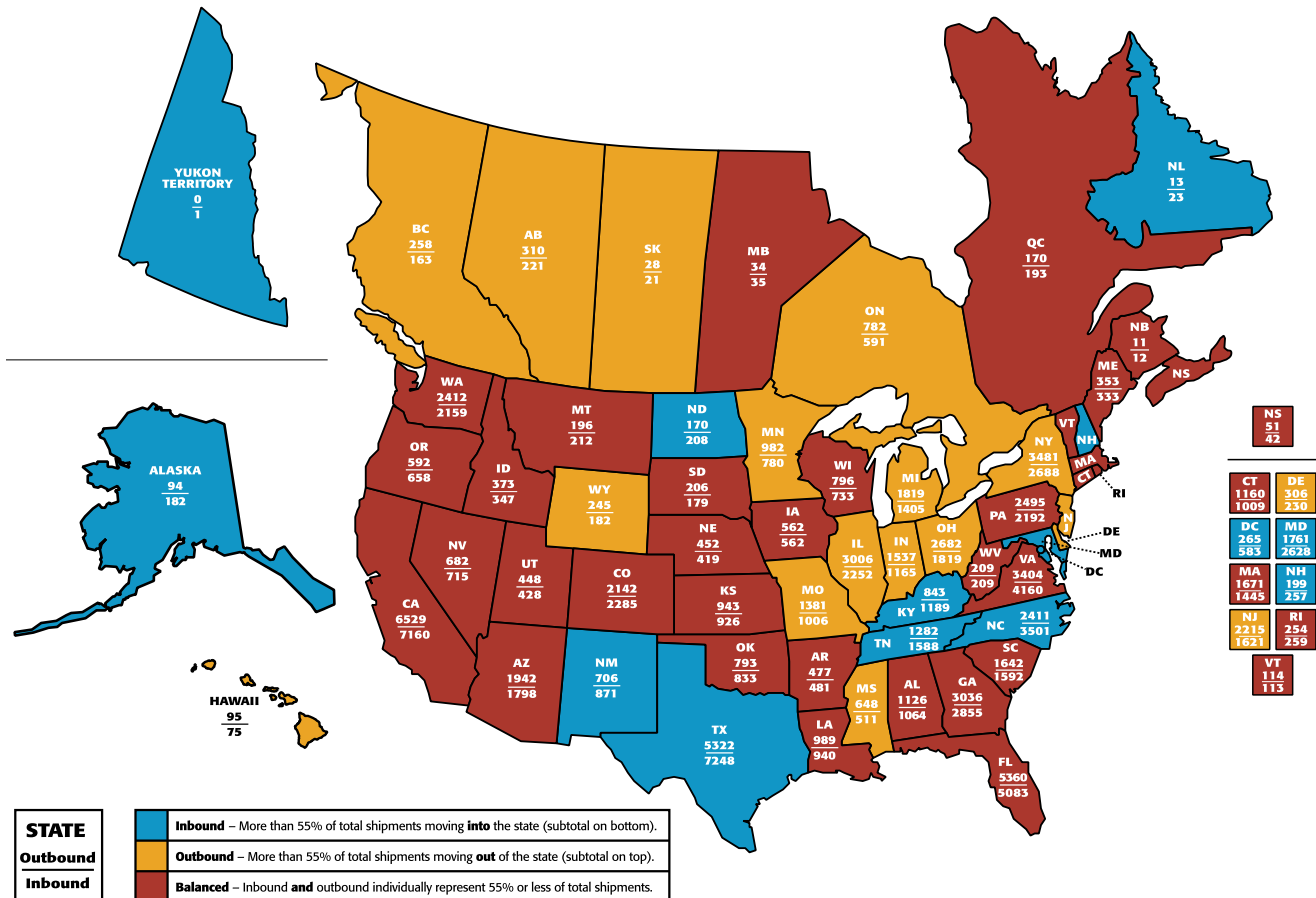
| Metropolitan Area | 2000 | 2010 | Percent Change |
|------------------------------|-------------------|-------------------|----------------|
| Austin-Round Rock-San Marcos | 1,249,763 | 1,716,289 | 37.3 |
| McAllen-Edinburg-Mission | 569,463 | 774,769 | 36.1 |
| Laredo | 193,117 | 250,304 | 29.6 |
| Houston-Sugar Land-Baytown | 4,715,407 | 5,946,800 | 26.1 |
| San Antonio-New Braunfels | 1,711,703 | 2,142,508 | 25.2 |
| College Station-Bryan | 184,885 | 228,660 | 23.7 |
| Dallas-Fort Worth-Arlington | 5,161,544 | 6,371,773 | 23.4 |
| Killeen-Temple-Fort Hood | 330,714 | 405,300 | 22.6 |
| Brownsville-Harlingen | 335,227 | 406,220 | 21.2 |
| Tyler | 174,706 | 209,714 | 20.0 |
| Midland | 116,009 | 136,872 | 18.0 |
| El Paso | 679,622 | 800,647 | 17.8 |
| Texas | 20,851,820 | 24,304,290 | 16.6 |
| Lubbock | 249,700 | 284,890 | 14.1 |
| Odessa | 121,123 | 137,130 | 13.2 |
| Longview | 194,042 | 214,369 | 10.5 |
| Amarillo | 226,522 | 249,881 | 10.3 |
| Waco | 213,517 | 234,906 | 10.0 |
| Sherman-Denison | 110,595 | 120,877 | 9.3 |
| Corpus Christi | 403,280 | 428,185 | 6.2 |
| San Angelo | 105,781 | 111,823 | 5.7 |
| Texarkana | 129,749 | 136,087 | 4.9 |
| Victoria | 111,663 | 115,384 | 3.3 |
| Abilene | 160,245 | 165,252 | 3.1 |
| Beaumont-Port Arthur | 385,090 | 388,745 | 0.9 |
| Wichita Falls | 151,524 | 151,306 | -0.1 |

Source: U.S. Census Bureau

Interstate and Cross-Border

2010 Migration Patterns — traffic flow by state/province

Based on 74,541 Interstate Household Goods Moves from January 1, 2010 through December 31, 2010



Data are 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.



integrity | quality | solutions

TEXAS

| Year | Inbound | Outbound |
|------|---------|----------|
| 2010 | 7,248 | 5,322 |
| 2009 | 6,833 | 4,773 |
| 2008 | 8,629 | 6,442 |
| 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 |

Education

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

El Paso MSA

| County | High school graduate | Some college, no degree | Associate's degree | Bachelor's degree | Master's degree | Doctorate degree |
|--------------|----------------------|-------------------------|--------------------|-------------------|-----------------|------------------|
| El Paso | 22.5 | 21.6 | 5.0 | 11.0 | 3.5 | 0.5 |
| Texas | 24.8 | 22.4 | 5.2 | 15.6 | 5.2 | 0.8 |

Source: U.S. Census Bureau 2000

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

| Level of Education | El Paso MSA | Texas |
|--------------------------------|-------------|-------|
| High School Graduate or Higher | 65.8 | 75.7 |
| Bachelor's Degree or Higher | 16.6 | 23.2 |

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

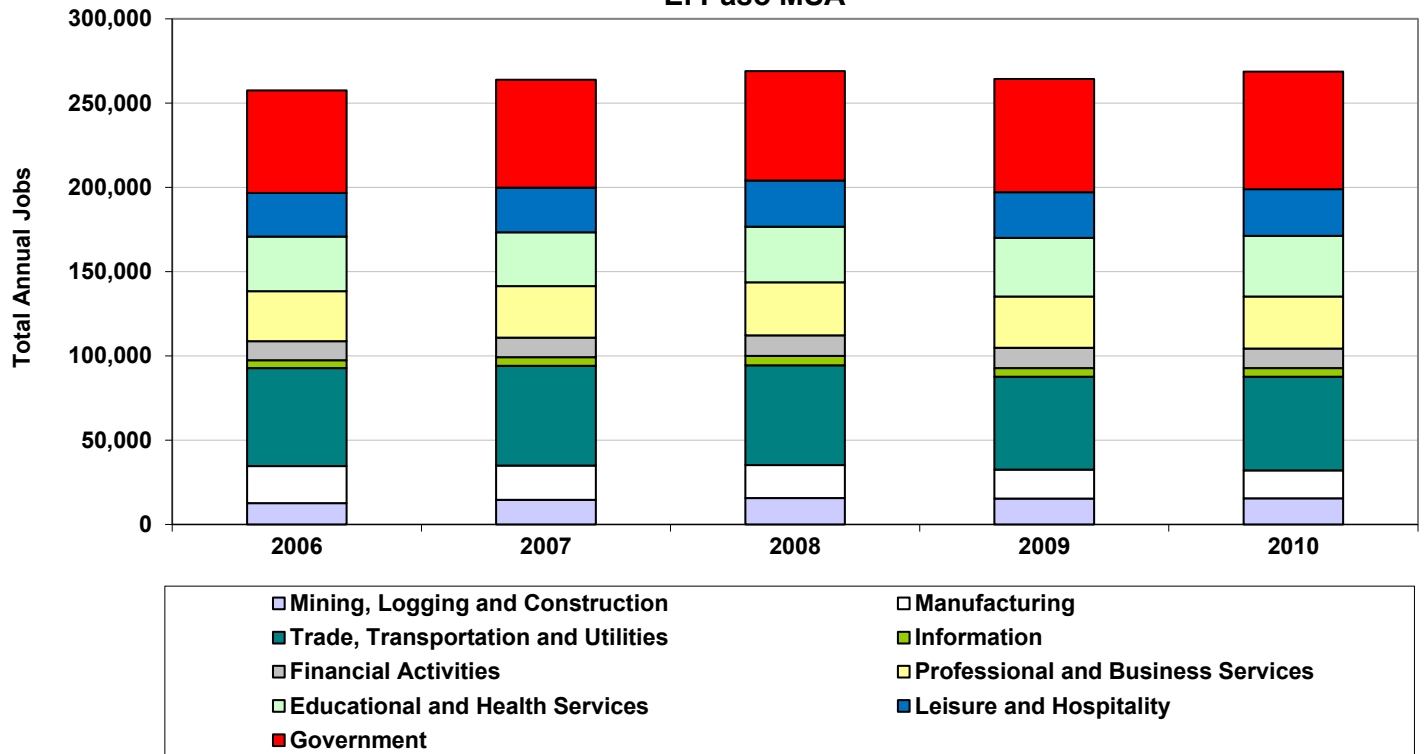
Local College and University Enrollment, Fall Semester

| School | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------|--------|--------|--------|--------|--------|
| El Paso Community College | 23,801 | 22,567 | 23,477 | 26,068 | 27,337 |
| University of Texas at El Paso | 19,842 | 20,155 | 20,458 | 20,977 | 22,051 |

Source: Texas Higher Education Coordinating Board

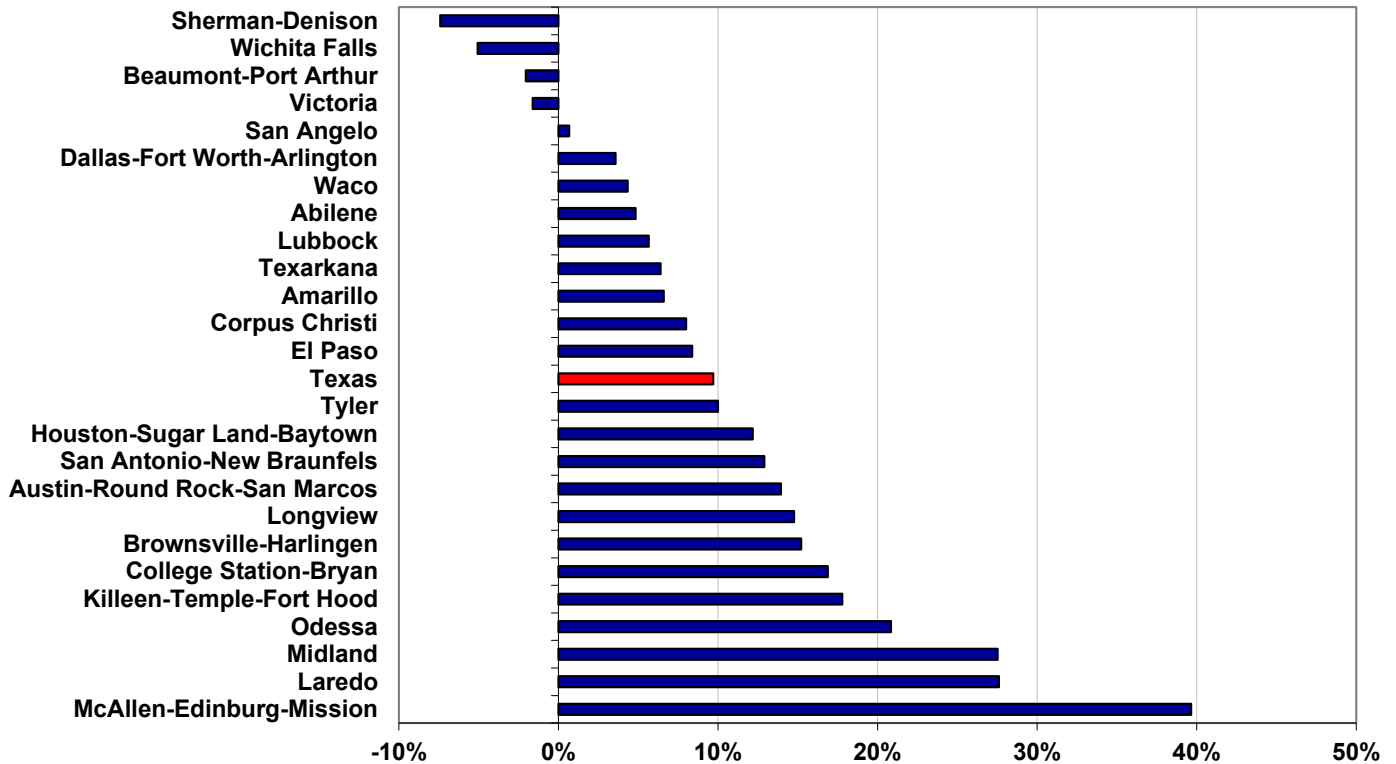
Employment

**Average Annual Distribution of Employment in Major Categories
El Paso MSA**



Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Metropolitan Area Nonfarm Employment Change 2000–2010



Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.

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

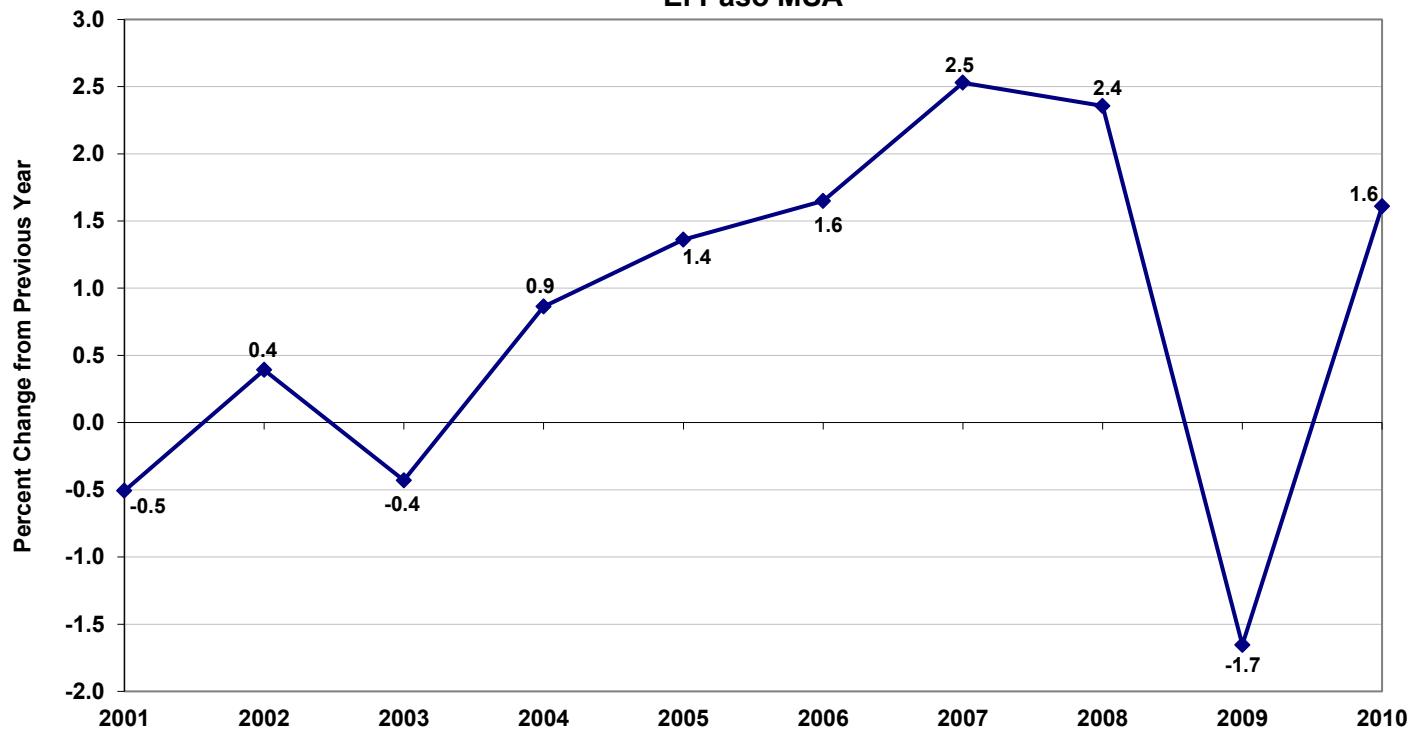
Texas Metropolitan Area Nonfarm Employment Change

| Metropolitan Area | 2000 | 2010 | Percent Change |
|------------------------------|------------------|-------------------|----------------|
| McAllen-Edinburg-Mission | 157,100 | 219,400 | 39.7 |
| Laredo | 68,800 | 87,800 | 27.6 |
| Midland | 53,400 | 68,100 | 27.5 |
| Odessa | 49,900 | 60,300 | 20.8 |
| Longview | 83,200 | 95,500 | 14.8 |
| Killeen-Temple-Fort Hood | 108,500 | 127,800 | 17.8 |
| College Station-Bryan | 82,900 | 96,900 | 16.9 |
| Austin-Round Rock-San Marcos | 672,700 | 766,500 | 13.9 |
| Brownsville-Harlingen | 109,700 | 126,400 | 15.2 |
| Houston-Sugar Land-Baytown | 2,254,600 | 2,529,200 | 12.2 |
| San Antonio-New Braunfels | 745,200 | 841,400 | 12.9 |
| Tyler | 83,900 | 92,300 | 10.0 |
| Texas | 9,426,700 | 10,342,000 | 9.7 |
| Texarkana | 53,000 | 56,400 | 6.4 |
| El Paso | 256,400 | 277,900 | 8.4 |
| Corpus Christi | 164,900 | 178,100 | 8.0 |
| Lubbock | 121,700 | 128,600 | 5.7 |
| Amarillo | 102,900 | 109,700 | 6.6 |
| Dallas-Fort Worth-Arlington | 2,763,200 | 2,862,400 | 3.6 |
| Waco | 101,100 | 105,500 | 4.4 |
| Abilene | 61,900 | 64,900 | 4.8 |
| Victoria | 49,800 | 49,000 | -1.6 |
| San Angelo | 44,300 | 44,600 | 0.7 |
| Beaumont-Port Arthur | 161,800 | 158,500 | -2.0 |
| Wichita Falls | 61,200 | 58,100 | -5.1 |
| Sherman-Denison | 45,900 | 42,500 | -7.4 |

Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.

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

**Average Annual Nonfarm Employment Growth
El Paso MSA**



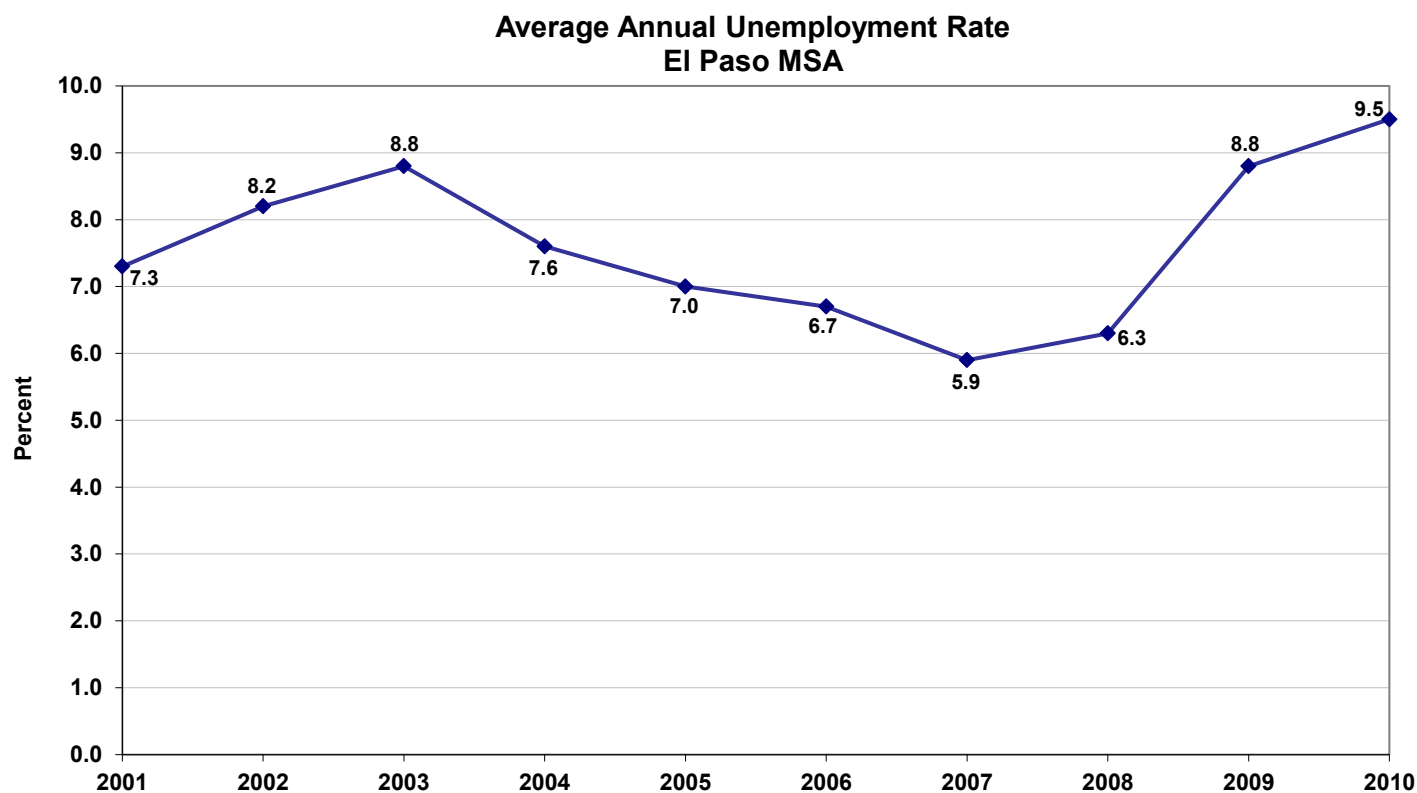
Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

**Average Annual Nonfarm Employment
El Paso MSA**

| Year | Employment | Percent Change |
|------|------------|----------------|
| 2000 | 256,400 | - |
| 2001 | 255,100 | -0.5 |
| 2002 | 256,100 | 0.4 |
| 2003 | 255,000 | -0.4 |
| 2004 | 257,200 | 0.9 |
| 2005 | 260,700 | 1.4 |
| 2006 | 265,000 | 1.6 |
| 2007 | 271,700 | 2.5 |
| 2008 | 278,100 | 2.4 |
| 2009 | 273,500 | -1.7 |
| 2010 | 277,900 | 1.6 |

Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.

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

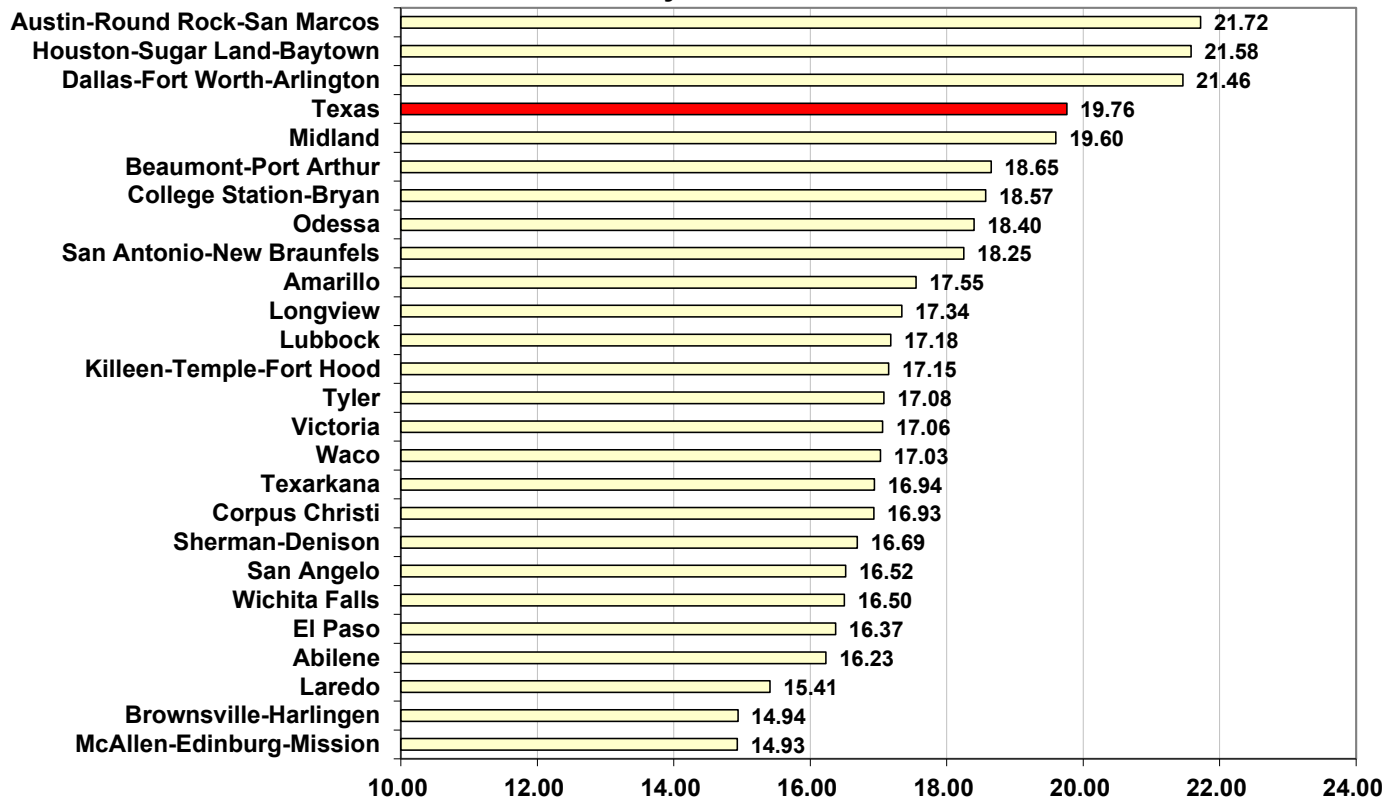


Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

| Average Annual Employment Growth by Industry | | |
|--|--------------------|--------------|
| | El Paso MSA | Texas |
| Employment Growth 2010 (Percent Change) | 1.6 | 0.3 |
| Unemployment Rate 2010 (Percent Change) | 9.5 | 8.2 |
| Net Job Change in 2010 | 4,400 | 34,800 |
| 2010 Employment Growth by Sector (Percent Change) | | |
| Mining, Logging and Construction | 0.6 | -3.0 |
| Manufacturing | -3.5 | -3.2 |
| Trade, Transportation and Utilities | 0.9 | 3.1 |
| Information | 0.0 | -4.4 |
| Financial Activities | -4.2 | -0.9 |
| Professional and Business Services | 1.6 | 1.7 |
| Educational and Health Services | 3.4 | 3.8 |
| Leisure and Hospitality | 2.6 | 0.1 |
| Government | 3.7 | 2.1 |

Data as of March 2011. For the latest data, please see the Real Estate Center's *Monthly Review of the Texas Economy*.
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

2009 Average Hourly Wage (\$) by MSA



Note: Data reflect most recent year surveyed
Source: Bureau of Labor Statistics

Top Ten Employers***El Paso**

| Employer | Sector | Employees |
|---|---------------------------------|------------------|
| Fort Bliss (includes military/civilian)** | Government | 32,371 |
| T&T Staff Management LP | Employment Services | 5,587 |
| Tenet Healthcare Ltd. | Health Care | 3,053 |
| University Medical Center | Health Care | 2,310 |
| EchoStar | Technical Support Center | 1,830 |
| GC Services | Inbound Customer Service Center | 1,814 |
| Texas Tech University Health Science Center | Education/Health Care | 1,235 |
| Automatic Data Processing Inc. | Business Solutions | 1,100 |
| Del Sol Medical Center | Health Care | 1,100 |
| El Paso Electric Corporation | Electric Utilities | 961 |

*Excludes retail

**Fort Bliss Public Affairs, January 2010

Sources: List generated by www.ReferenceUSA.com and verified by El Paso Regional Economic Development Corporation, August 2010

Top Ten Private Employers***El Paso**

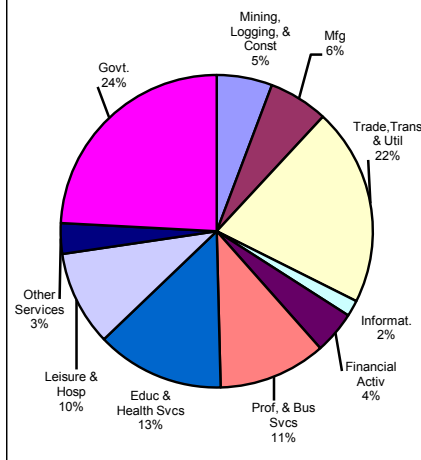
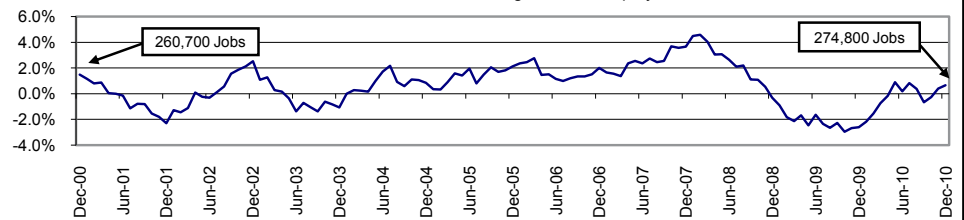
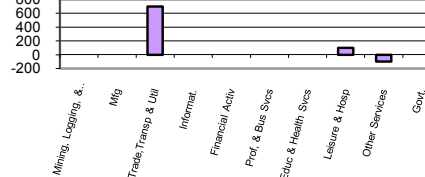
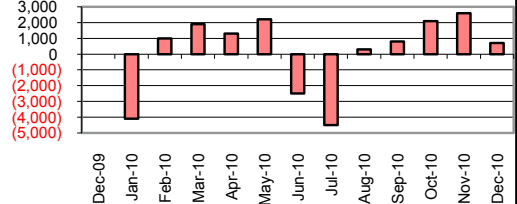
| Employer | Sector | Employees |
|---------------------------------------|---------------------------------|------------------|
| T&T Staff Management LP | Employment Services | 5,587 |
| Tenet Healthcare Ltd. | Health Care | 3,053 |
| EchoStar | Technical Support Center | 1,830 |
| GC Services | Inbound Customer Service Center | 1,814 |
| Automatic Data Processing Inc. | Business Solutions | 1,100 |
| Del Sol Medical Center | Health Care | 1,100 |
| Helen of Troy Corporation | Inbound Customer Service Center | 950 |
| Visiting Nurse Association of El Paso | Health Care | 900 |
| AO Smith Corp. | Electric Equipment | 860 |
| Las Palmas Medical Center | Health Care | 850 |

*Excludes retail

Sources: List generated by www.ReferenceUSA.com and verified by El Paso Regional Economic Development Corporation, August 2010

El Paso MSA

(El Paso)

December-2010**Industry Composition****Annual Growth Rate for Total NonAgricultural Employment****Monthly Change by Industry****Monthly Change in Total Nonag Employment****Employment by Industry**

| | Monthly Change | | | Annual Change | | |
|-----------------------------|----------------|----------|----------|---------------|-------|--------|
| | Dec-2010 | Nov-2010 | Dec-2009 | Actual | % | Actual |
| Total Nonagricultural | 274,800 | 274,100 | 273,000 | 700 | 0.3% | 1,800 |
| Mining, Logging, & Const | 15,800 | 15,800 | 15,100 | 0 | 0.0% | 700 |
| Manufacturing | 16,900 | 16,900 | 16,900 | 0 | 0.0% | 0 |
| Trade, Transp., & Utilities | 56,300 | 55,600 | 55,900 | 700 | 1.3% | 400 |
| Information | 4,600 | 4,600 | 4,900 | 0 | 0.0% | -300 |
| Financial Activities | 12,100 | 12,100 | 12,000 | 0 | 0.0% | 100 |
| Profes., & Business Svcs | 30,600 | 30,600 | 29,400 | 0 | 0.0% | 1,200 |
| Education & Health Svcs | 36,400 | 36,400 | 35,400 | 0 | 0.0% | 1,000 |
| Leisure & Hospitality | 27,000 | 26,900 | 26,500 | 100 | 0.4% | 500 |
| Other Services | 8,700 | 8,800 | 8,700 | -100 | -1.1% | 0 |
| Government | 66,400 | 66,400 | 68,200 | 0 | 0.0% | -1,800 |

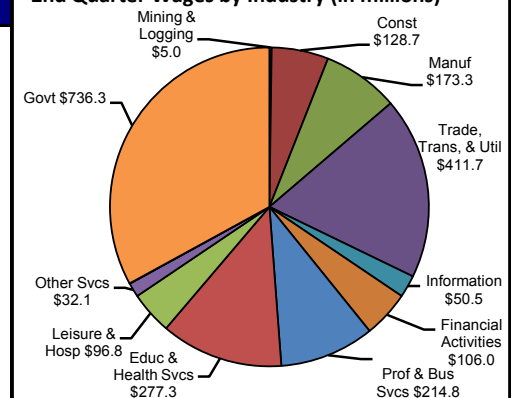
Size Class of Industries

as of June 2010

| Size Class | Employees Per Firm | Number of Firms | Employment in Size Class | % of Total Employment |
|--------------|--------------------|-----------------|--------------------------|-----------------------|
| 9 | 1000+ | 26 | 80262 | 29.5% |
| 8 | 500-999 | 38 | 26186 | 9.6% |
| 7 | 250-499 | 89 | 31434 | 11.6% |
| 6 | 100-249 | 241 | 37110 | 13.7% |
| 5 | 50-99 | 344 | 24802 | 9.1% |
| 4 | 20-49 | 968 | 29663 | 10.9% |
| 3 | 10-19 | 1319 | 17878 | 6.6% |
| 2 | 5-9 | 2046 | 13544 | 5.0% |
| 1 | 1-4 | 5119 | 10846 | 4.0% |
| 0 | 0 | 955 | 0 | 0.0% |
| TOTAL | | 11145 | 271725 | 100.0% |

Comments for December 2010

Total Nonagricultural Employment in the El Paso MSA increased by 700 jobs in December. Retail Trade gained 500 jobs or 1.5 percent over the month. This was the third consecutive over-the-month gain due to the holiday shopping season. Leisure and Hospitality increased by 100 jobs. Total Government experienced no over-the-month change for December and decreased by 1,800 jobs or -2.6 percent over the year. Federal Government decreased by 100 jobs or -0.8 percent and Local Government increased by 100 jobs or 0.2 percent over the month. Mining, Logging and Construction experienced the strongest annual growth with the addition of 700 jobs, for a 4.6 percent annual growth rate. The El Paso MSA gained 1,800 jobs over the past year, representing an annual growth rate of 0.7 percent.

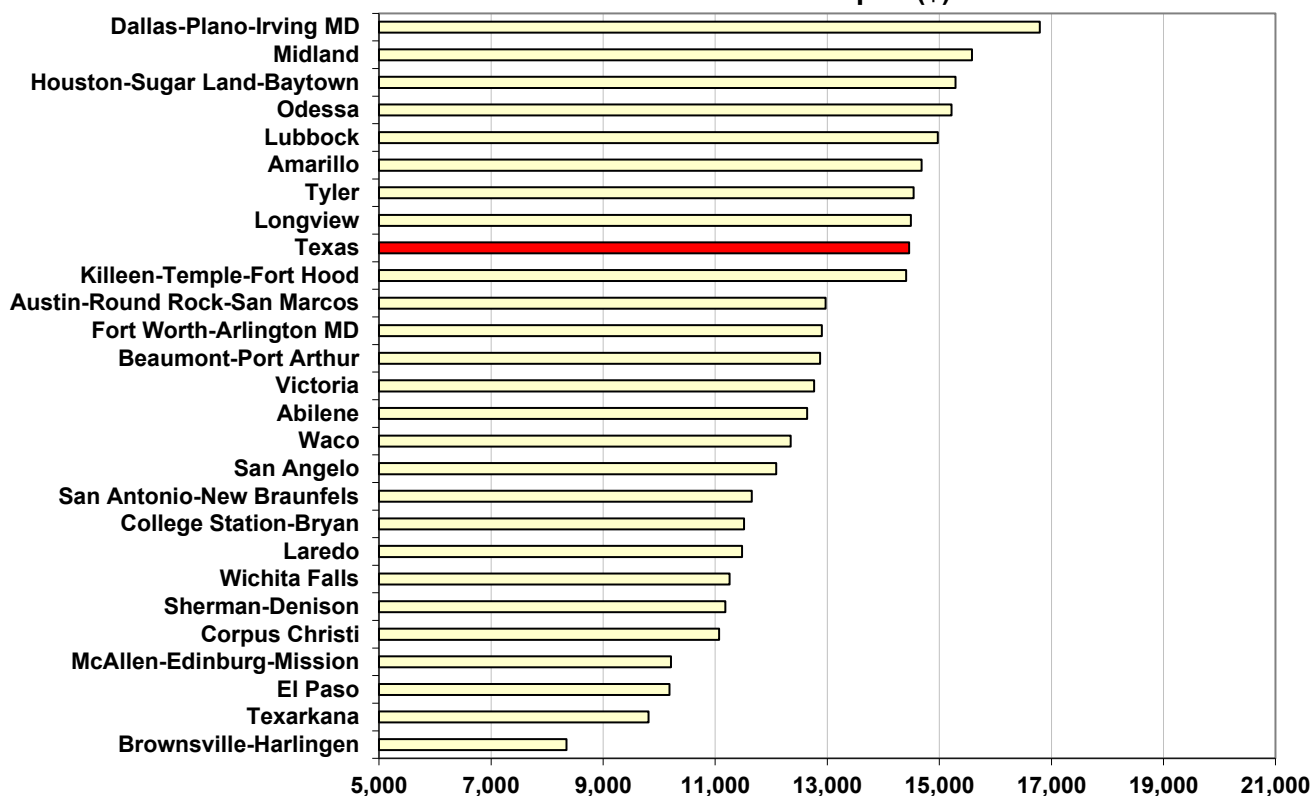
2nd Quarter Wages by Industry (in millions)**Unemployment Information** (all estimates are in thousands)

| | El Paso MSA | | | | Texas (Actual) | | | | United States (Actual) | | | |
|--------|-------------|-------|--------|--------|----------------|----------|---------|--------|------------------------|-----------|----------|--------|
| | C.L.F. | Emp. | Unemp. | % Rate | C.L.F. | Emp. | Unemp. | % Rate | C.L.F. | Emp. | Unemp. | % Rate |
| Dec-10 | 315.9 | 284.4 | 31.5 | 10.0 | 12,201.4 | 11,223.8 | 977.6 | 8.0 | 153,156.0 | 139,159.0 | 13,997.0 | 9.1 |
| Nov-10 | 316.6 | 284.0 | 32.6 | 10.3 | 12,226.5 | 11,214.4 | 1,012.1 | 8.3 | 153,698.0 | 139,415.0 | 14,282.0 | 9.3 |
| Dec-09 | 309.8 | 281.3 | 28.5 | 9.2 | 12,027.7 | 11,069.9 | 957.8 | 8.0 | 152,693.0 | 137,953.0 | 14,740.0 | 9.7 |

Source: Texas Workforce Commission

Economy

2009 Gross Retail Sales Per Capita (\$)



Note: Data reflect most recent year surveyed; MD=subset of an MSA

Source: Texas Comptroller's Office

Gross Retail Sales El Paso MSA

| Year | Total Sales* | Sales per Capita |
|---------------------|-----------------|------------------|
| 1999 | \$5,884,997,029 | \$8,713 |
| 2000 | \$6,343,535,589 | \$9,334 |
| 2001 | \$6,354,119,088 | \$9,241 |
| 2002 | \$5,975,497,627 | \$8,614 |
| 2003 | \$6,216,853,118 | \$8,850 |
| 2004 | \$6,760,959,699 | \$9,488 |
| 2005 | \$7,681,244,503 | \$10,645 |
| 2006 | \$8,080,168,714 | \$10,974 |
| 2007 | \$8,500,460,866 | \$11,570 |
| 2008 | \$8,511,233,433 | \$11,470 |
| 2009 | \$7,649,897,053 | \$10,182 |
| State Average 2009: | | \$14,462 |

*Update current year only. See Texas Comptroller site for updated data in previous years:
<https://ourcpa.cpa.state.tx.us/allocation/HistSales.jsp>

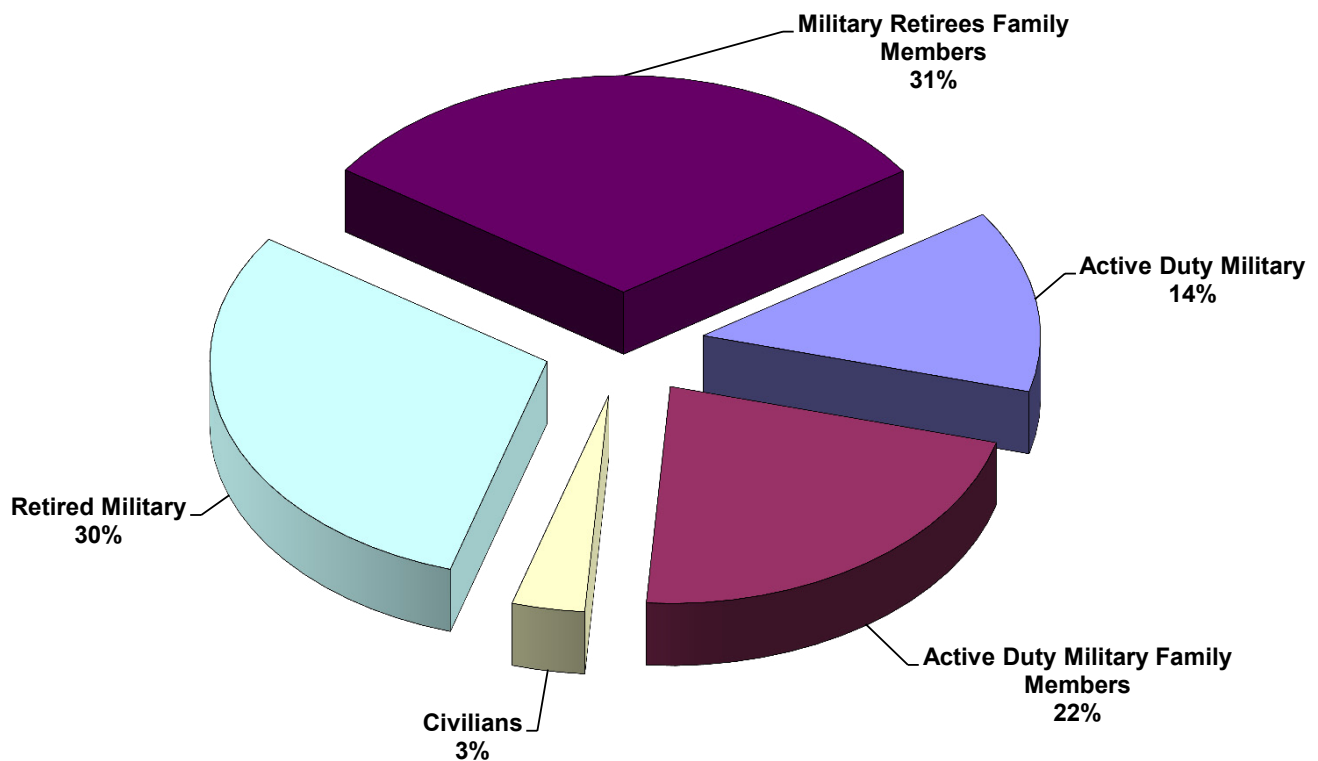
Source: Texas Comptroller's Office

Military

| Fort Bliss Population Profile | | |
|-------------------------------------|--------|---------|
| | Totals | Percent |
| Active Duty Military | 20,341 | 13.61 |
| Active Duty Military Family Members | 32,821 | 21.96 |
| Civilians | 5,222 | 3.49 |
| Retired Military | 44,704 | 29.92 |
| Military Retirees Family Members | 46,340 | 31.01 |

Source: Fort Bliss Analysis & Integration, January 2010

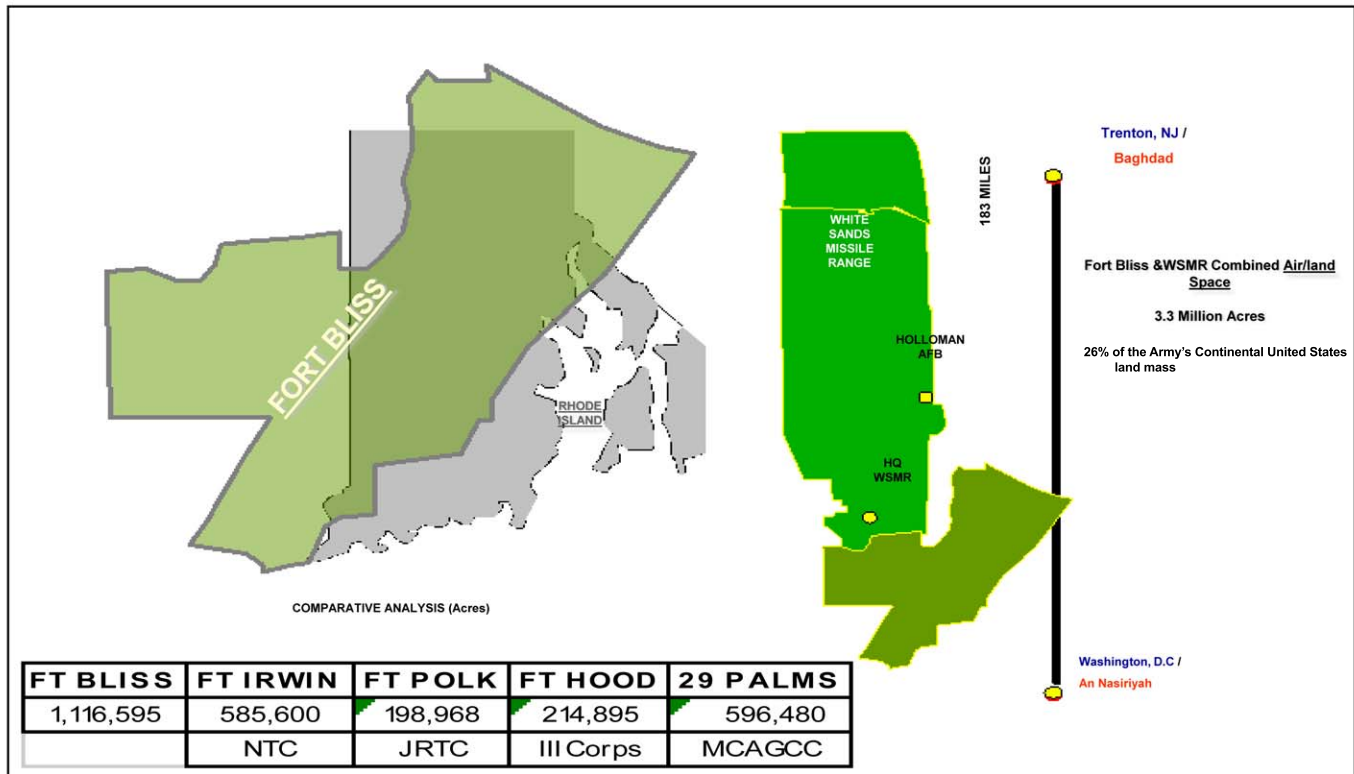
Fort Bliss Population Supported Profile



Source: Fort Bliss Analysis & Integration, January 2010



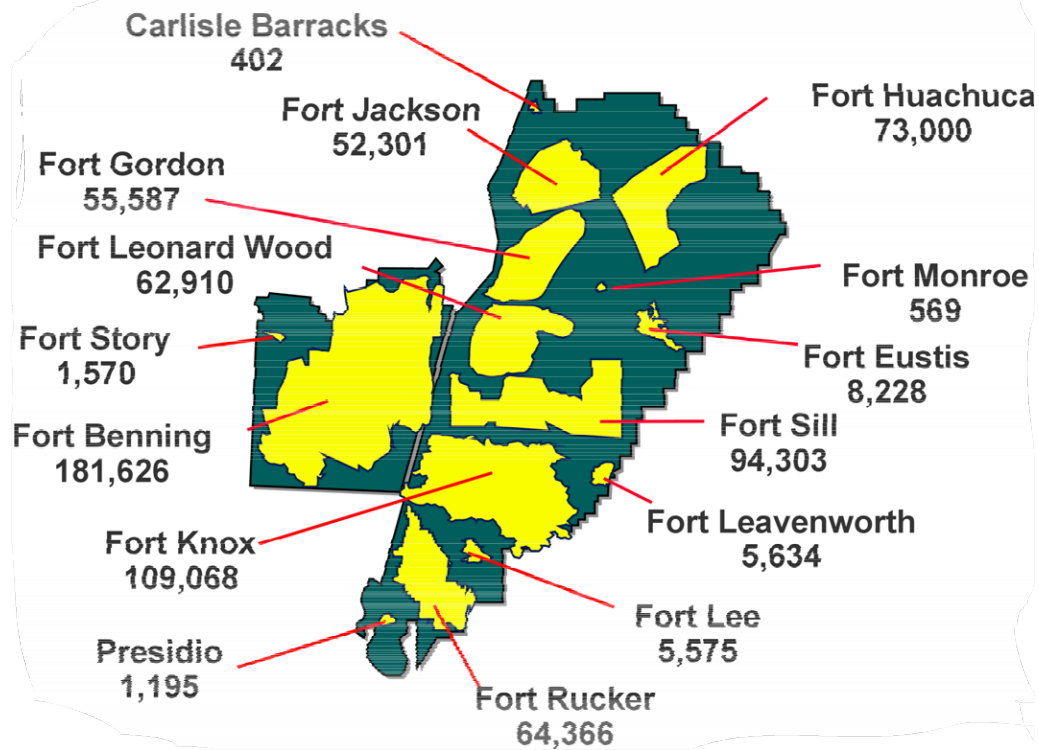
Immense Potential



2007, Fort Hood updated 2009



Fort Bliss vs Other TRADOC Installations





Family Members School Year (SY) Synchronization



| | Baseline 2006 | | SY 07/08 | SY 08/09 | SY 09/10 | SY 10/11 | SY 11/12 | SY 12/13 | Endstate 2013 |
|---------------------|------------------|------------|----------|----------|----------|----------|----------|----------|------------------|
| Soldiers | 13178 | +/- | 1468 | 3448 | 1933 | 6602 | 3006 | 3787 | 33422 |
| | | Cumulative | 14646 | 18094 | 20027 | 26629 | 29635 | 33422 | |
| Spouses | 7177 | +/- | 851 | 2000 | 1121 | 3829 | 1743 | 2196 | 18919 |
| | | Cumulative | 8028 | 10028 | 11149 | 14979 | 16722 | 18919 | |
| Children | 13340 | +/- | 1127 | 2648 | 1485 | 5070 | 2309 | 2908 | 28887 |
| | | Cumulative | 14467 | 17115 | 18600 | 23670 | 25979 | 28887 | |
| K-5th (55%) | 4623 | +/- | 391 | 918 | 514 | 1757 | 800 | 1008 | 10010 |
| | | Cumulative | 5014 | 5931 | 6446 | 8202 | 9002 | 10010 | |
| 6-8th (21.5%) | 1807 | +/- | 153 | 359 | 201 | 687 | 313 | 394 | 3913 |
| | | Cumulative | 1960 | 2318 | 2519 | 3206 | 3519 | 3913 | |
| 9th-12th (23.5%) | 1975 | +/- | 167 | 392 | 220 | 751 | 342 | 431 | 4277 |
| | | Cumulative | 2142 | 2534 | 2754 | 3504 | 3846 | 4277 | |
| Total School Age | 8405 | +/- | 710 | 1668 | 935 | 3194 | 1454 | 1832 | 18200 |
| | | Cumulative | 9115 | 10784 | 11719 | 14913 | 16368 | 18200 | |

FMWRC/MCEC Model:

Spouses = # of Soldiers * .58

Children = (# of Soldiers * .48) * (1.6 Kids)

School-age = # of children * .63

School Year = 1 July – 30 June

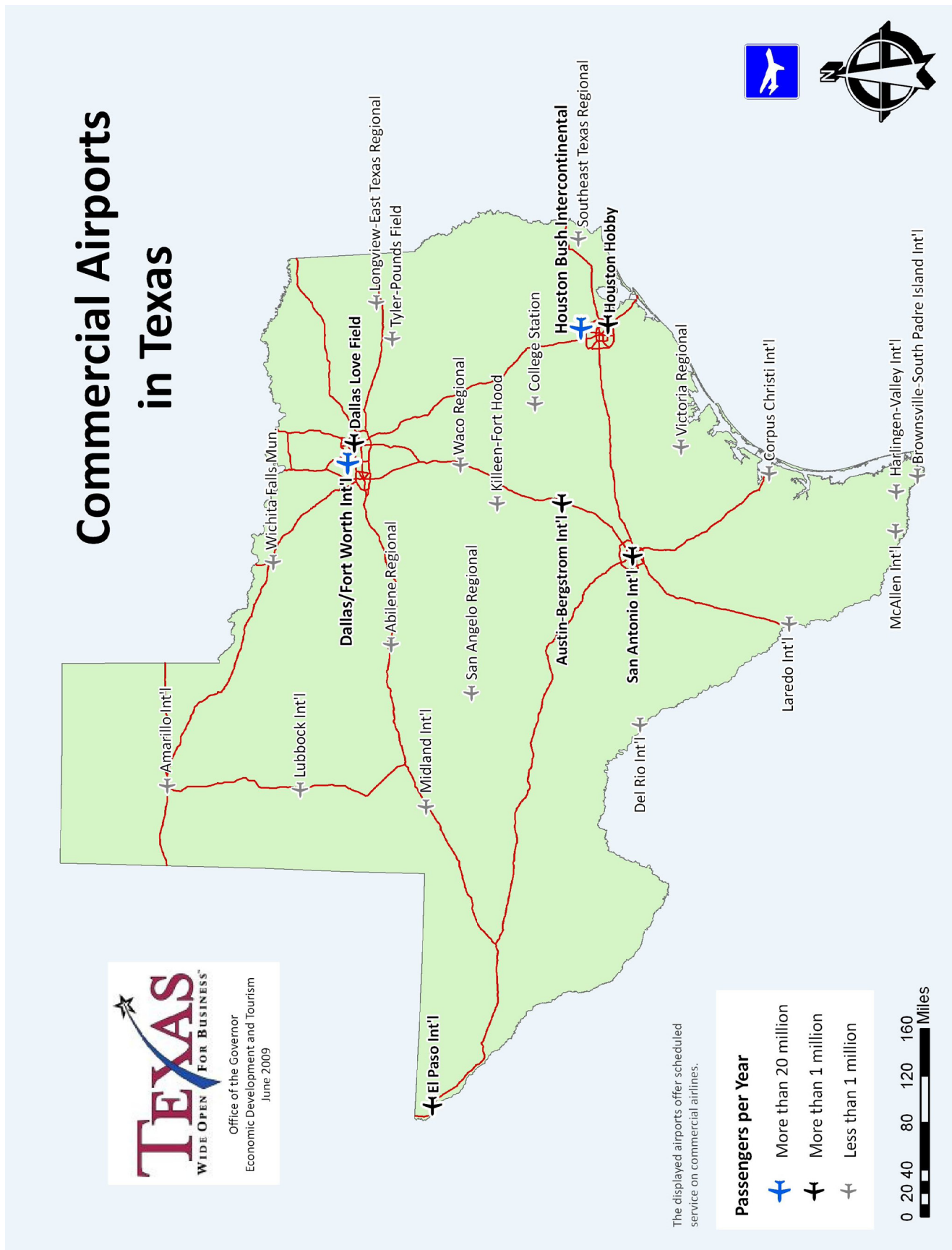
Infrastructure

| El Paso Airport Passengers | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Airport | 2006 | 2007 | 2008 | 2009 | 2010 |
| El Paso International Airport | | | | | |
| Enplaned | 1,714,552 | 1,713,868 | 1,662,855 | 1,540,195 | 1,544,488 |
| Deplaned | 1,687,778 | 1,688,832 | 1,639,909 | 1,522,993 | 1,520,905 |
| Total | 3,402,330 | 3,402,700 | 3,302,764 | 3,063,188 | 3,065,393 |

Source: El Paso International Airport

| El Paso Cargo Statistics (units in tons) | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Airport | 2006 | 2007 | 2008 | 2009 | 2010 |
| El Paso International Airport | | | | | |
| Enplaned | 36,064 | 38,216 | 30,560 | 30,173 | 43,451 |
| Deplaned | 47,402 | 43,679 | 37,266 | 34,120 | 47,124 |
| Total | 83,467 | 81,895 | 67,825 | 64,293 | 90,575 |

Source: El Paso International Airport



| Border Crossings* | | | | | |
|---|-------------------|------------------|-------------------|------------------|------------------|
| El Paso | | | | | |
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Pedestrian Crossings | | | | | |
| Northbound | 6,095,561 | 6,881,015 | 6,970,476 | 2,352,319 | 4,265,904 |
| Southbound | 5,295,157 | - | 5,115,476 | 5,197,318 | 4,912,671 |
| Total | 11,390,718 | 6,881,015 | 12,085,952 | 7,549,637 | 9,178,575 |
| Vehicle Crossings | | | | | |
| Northbound | 6,413,089 | 5,837,570 | 5,344,828 | 1,546,977 | 3,017,162 |
| Southbound | 4,771,989 | - | 3,989,802 | 3,440,346 | 3,483,120 |
| Total | 11,185,078 | 5,837,570 | 9,334,630 | 4,987,323 | 6,500,282 |
| Rail Crossings | | | | | |
| Northbound | 101,171 | 89,265 | 168,361 | 102,240 | 88,742 |
| Southbound | - | - | - | - | - |
| Total | 101,171 | 89,265 | 168,361 | 102,240 | 88,742 |
| Truck Crossings** | | | | | |
| Northbound | 774,641 | 782,369 | 758,856 | 632,678 | 707,860 |
| Southbound | 322,252 | - | 335,006 | 284,993 | 331,970 |
| Total | 1,096,893 | 782,369 | 1,093,862 | 917,671 | 1,039,830 |
| *Due to the different data gathering procedures that each bridge system follows, current year-end data may not reflect all 12 months and may be subject to change until the following year. | | | | | |
| **Includes only two- to six-axle loaded and unloaded commercial vehicles. | | | | | |
| Sources: Texas A&M International University, Texas Center for Border Economic and Enterprise Development, February 2011 | | | | | |

Multifamily

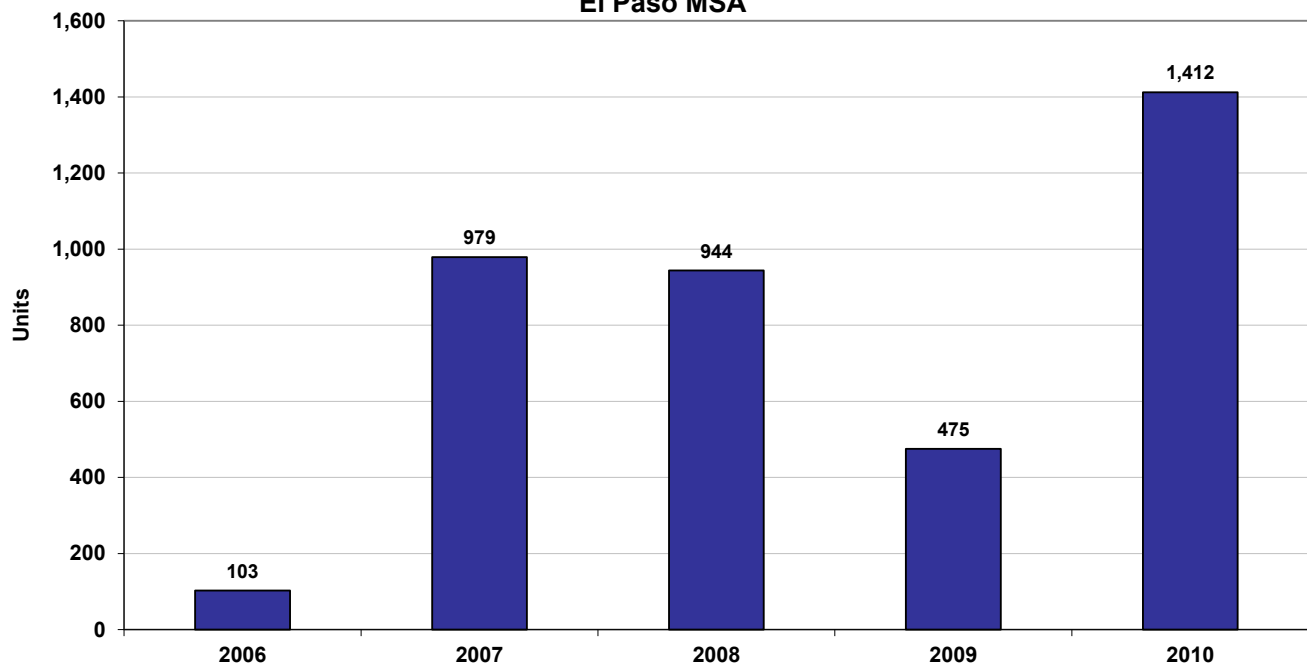
El Paso Apartment Statistics 2010

| | El Paso | Texas Metro Average |
|--|----------------|----------------------------|
| Average rent per square foot | \$0.77 | \$0.85 |
| Average rent for units built since 2000 | \$0.73 | \$0.94 |
| Average occupancy | 96.8% | 92.3% |
| Average occupancy for units built since 2000 | 98.6% | 94.5% |
| Total units* | 29,284 | 1,538,182 |
| Total units built since 2000* | 2,874 | 306,374 |

*As of December 2010

Source: Apartment MarketData Research

**5+ Multifamily Building Permits
El Paso MSA**



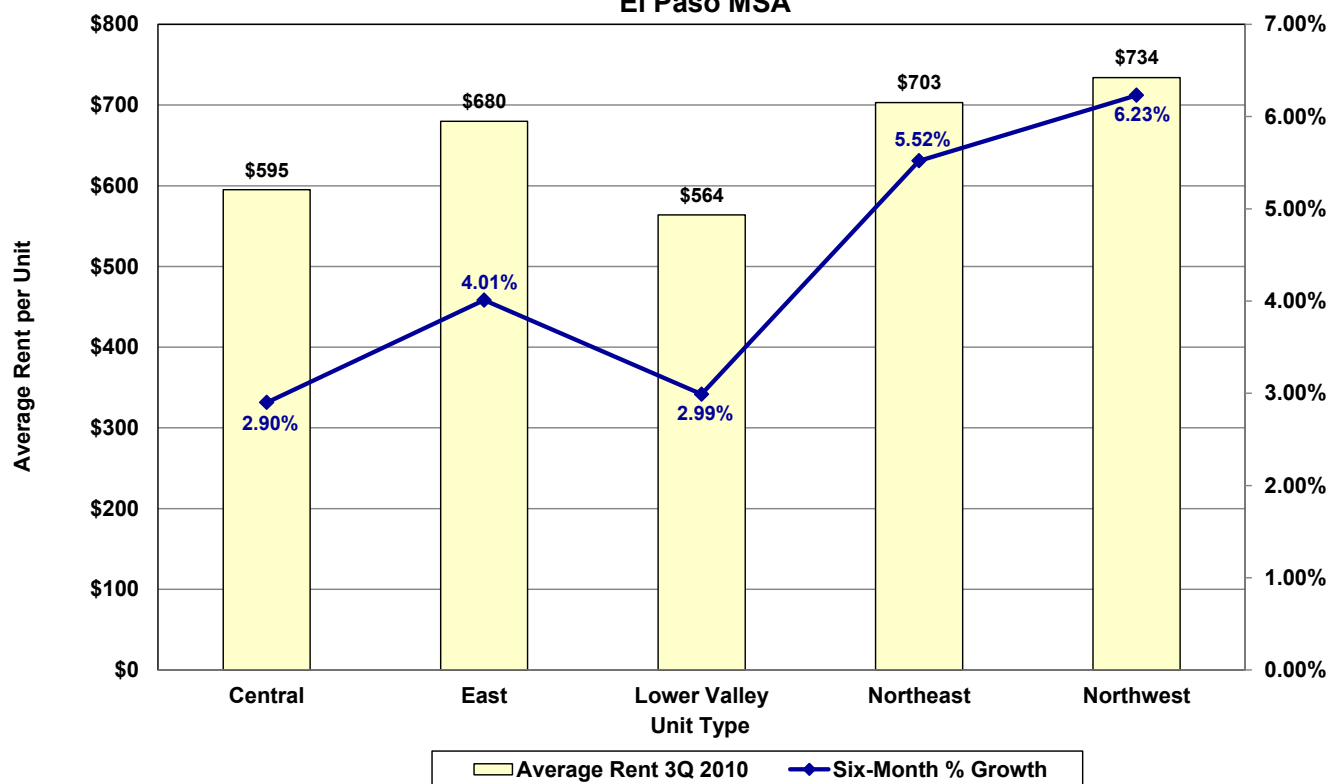
Source: U.S. Census Bureau

Multifamily Market Summary, Conventional Units

El Paso MSA

| Submarket | Average Rent per Unit | | Rent per SF | | Growth | |
|------------------------|-----------------------|--------------|---------------|---------------|--------------|--------------|
| | 1Q 2010 | 3Q 2010 | 1Q 2010 | 3Q 2010 | Six-Month | Annual |
| Central | \$579 | \$595 | \$0.77 | \$0.79 | 2.90% | 3.85% |
| East | \$651 | \$680 | \$0.81 | \$0.84 | 4.01% | 6.75% |
| Lower Valley | \$546 | \$564 | \$0.76 | \$0.78 | 2.99% | 5.31% |
| Northeast | \$664 | \$703 | \$0.79 | \$0.83 | 5.52% | 9.40% |
| Northwest | \$688 | \$734 | \$0.82 | \$0.87 | 6.23% | 8.79% |
| Totals/Averages | \$654 | \$687 | \$0.80 | \$0.84 | 4.93% | 7.72% |

Source: ARA Apartment Realty Advisors

Multifamily Rent by Submarket
El Paso MSA

Source: ARA Apartment Realty Advisors

Multifamily Market Summary by Bed Type

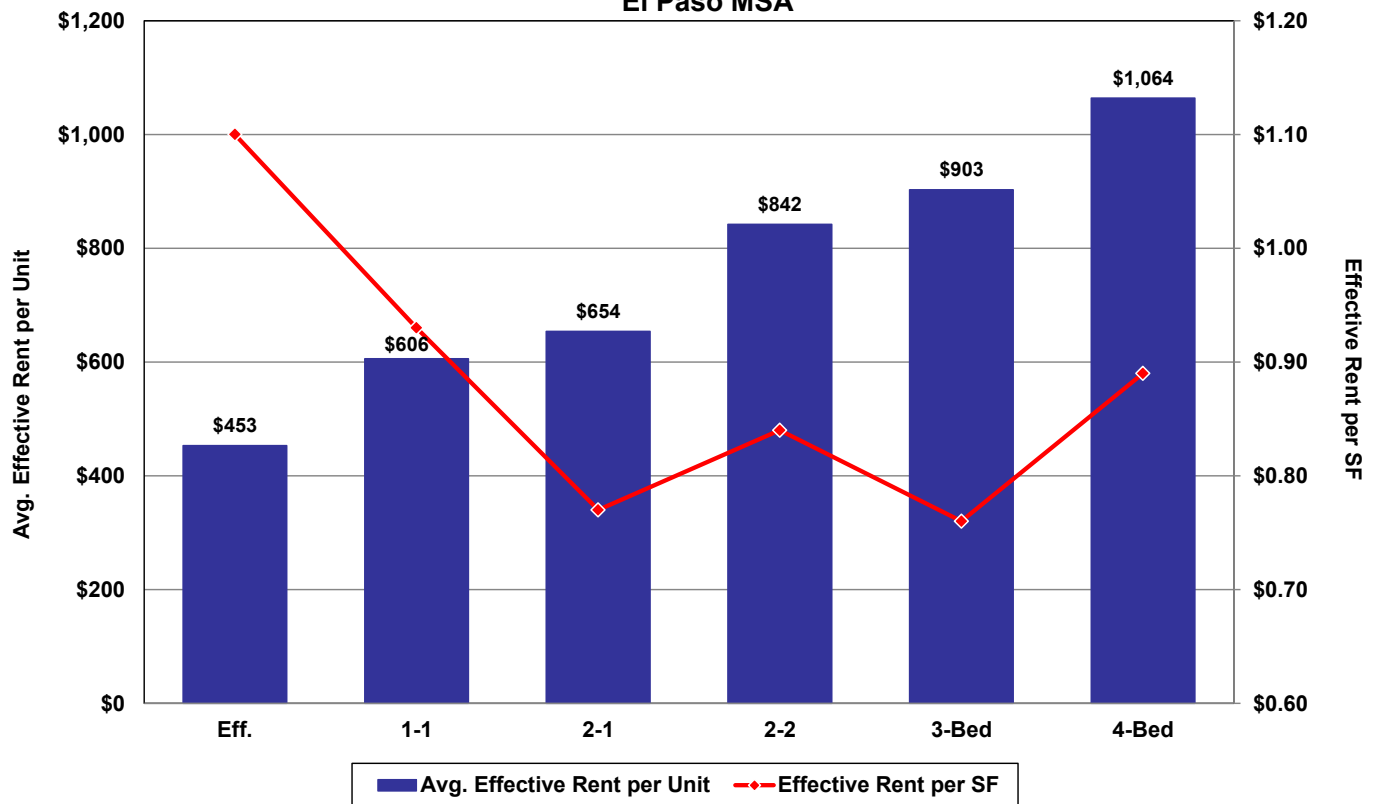
El Paso MSA

| Bed Type | No. Units | | Avg. SF per Unit | | Avg. Effective Rent per Unit | | Effective Rent per SF | |
|------------------------|---------------|---------------|------------------|------------|------------------------------|--------------|-----------------------|---------------|
| | 1Q 2010 | 3Q 2010 | 1Q 2010 | 3Q 2010 | 1Q 2010 | 3Q 2010 | 1Q 2010 | 3Q 2010 |
| Eff. | 1,275 | 1,275 | 411 | 411 | \$440 | \$453 | \$1.07 | \$1.10 |
| 1-1 | 10,500 | 10,663 | 646 | 648 | \$572 | \$606 | \$0.88 | \$0.93 |
| 2-1 | 8,043 | 8,079 | 846 | 847 | \$624 | \$654 | \$0.74 | \$0.77 |
| 2-2 | 5,491 | 5,655 | 998 | 1,000 | \$796 | \$842 | \$0.80 | \$0.84 |
| 3-Bed | 2,560 | 2,588 | 1,182 | 1,185 | \$846 | \$903 | \$0.72 | \$0.76 |
| 4-Bed | 197 | 197 | 1,194 | 1,194 | \$799 | \$1,064 | \$0.67 | \$0.89 |
| Totals/Averages | 28,066 | 28,457 | 814 | 816 | \$651 | \$690 | \$0.80 | \$0.84 |

Source: ARA Apartment Realty Advisors

Multifamily Rent by Bed Type, 3Q 2010

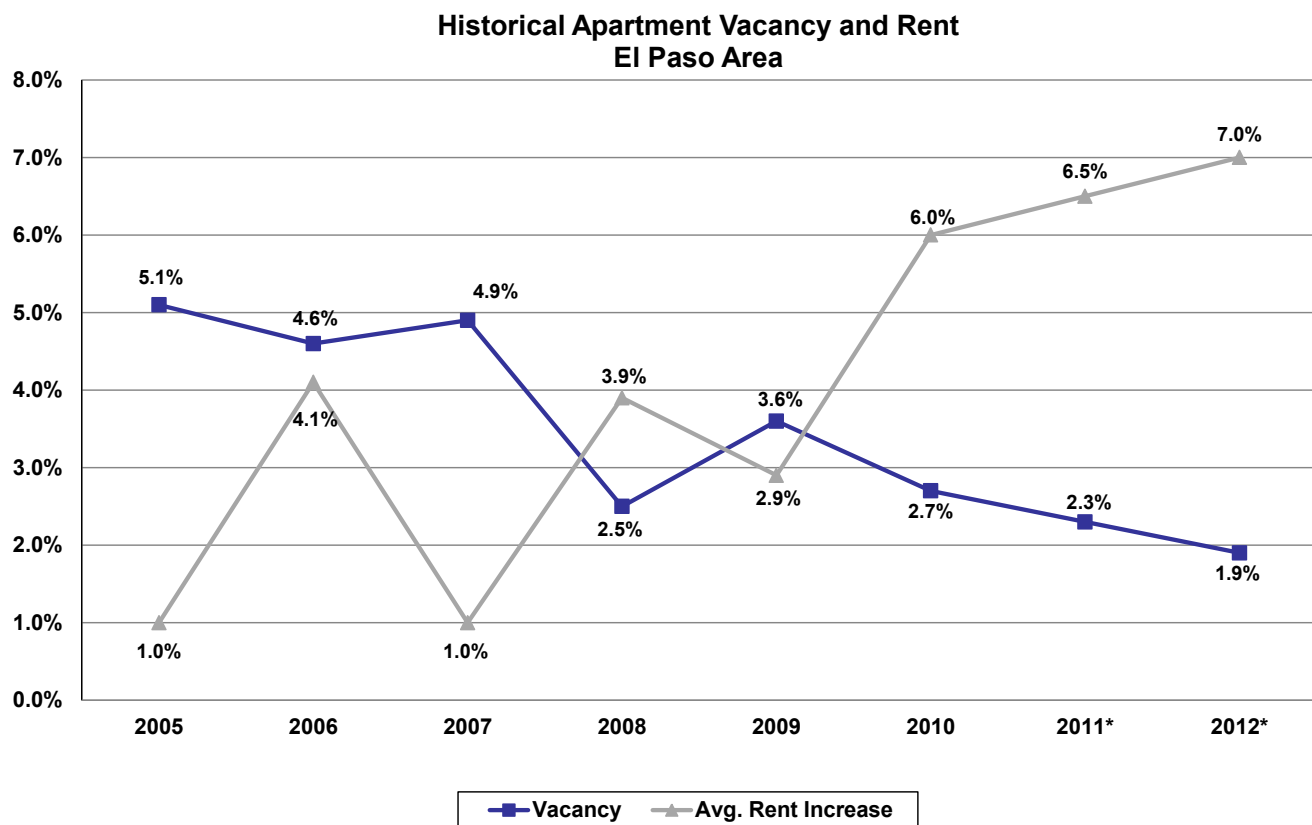
El Paso MSA



Source: ARA Apartment Realty Advisors

| Apartment Vacancy/Rent El Paso Area | | | | | | |
|--|-------------|--------------|------------------|-------------|--------------|------------------|
| Submarket (40+ Units) | 2009 | | | 2010 | | |
| | Vacancy | Avg. Rent | Avg. Rent Change | Vacancy | Avg. Rent | Avg. Rent Change |
| Central | 2.3% | \$614 | 0.5% | 1.9% | \$641 | 4.4% |
| East/Southeast | 3.6% | \$578 | 2.5% | 2.1% | \$612 | 5.9% |
| Northeast | 3.1% | \$572 | 5.1% | 5.5% | \$599 | 4.8% |
| Northwest | 3.8% | \$637 | 2.6% | 2.6% | \$683 | 7.1% |
| Total | 3.5% | \$599 | 2.7% | 2.7% | \$635 | 6.0% |

Source: Hendricks & Partners



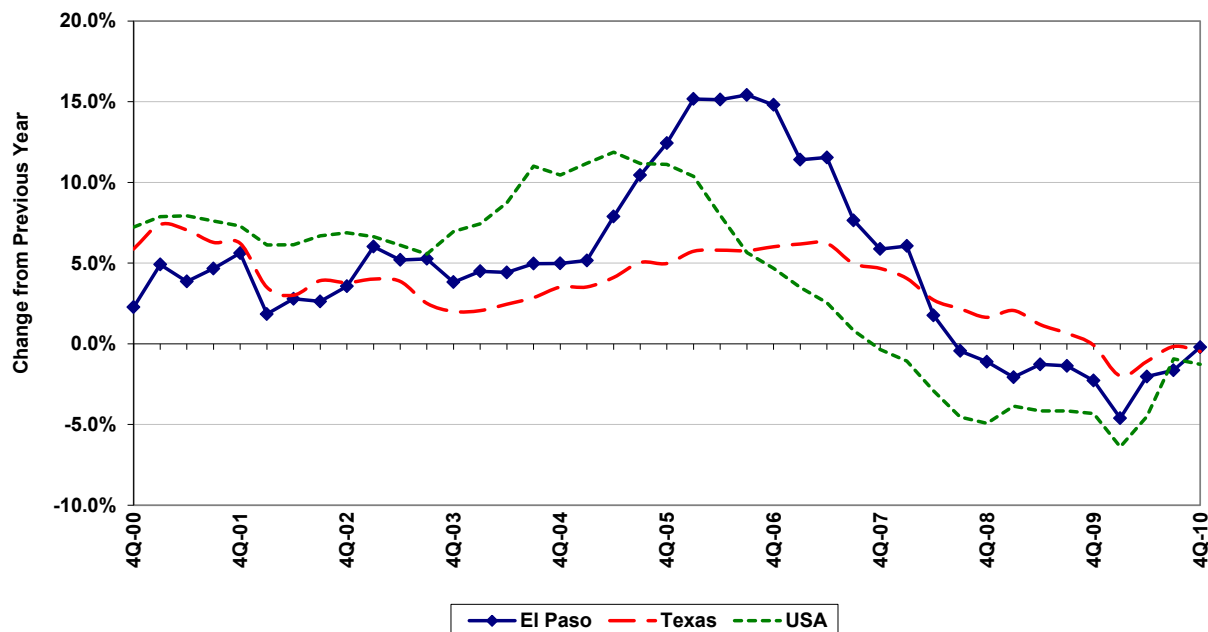
Source: Hendricks & Partners

*Forecasts

Housing

Home Price Appreciation El Paso MSA

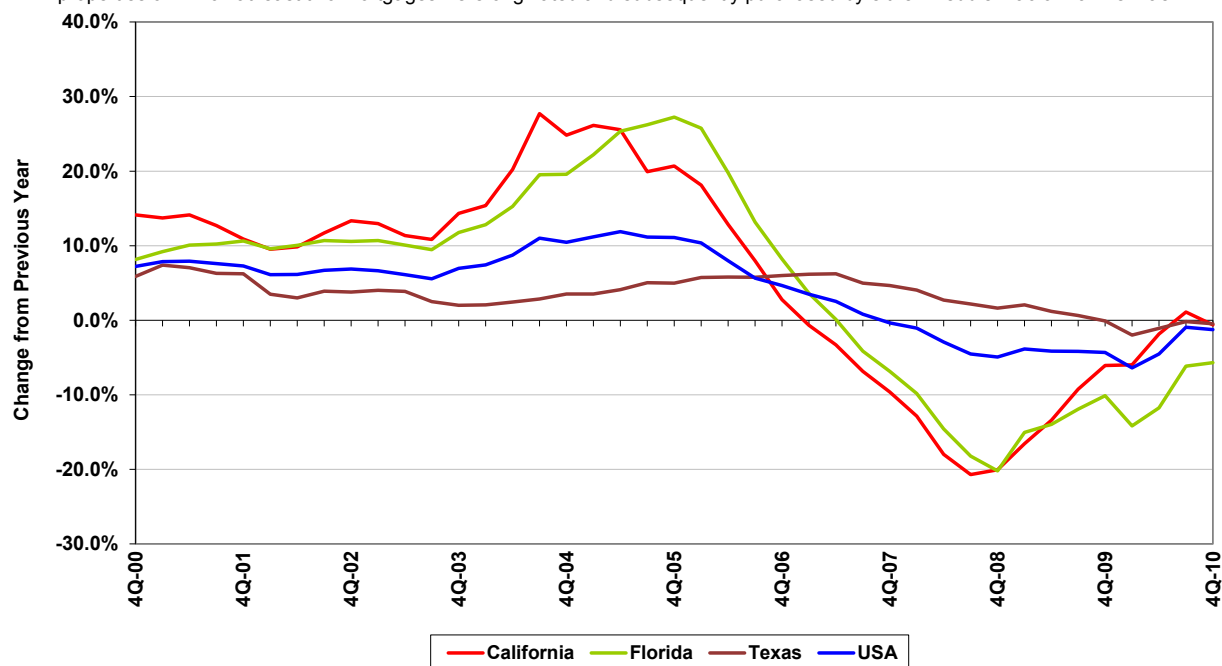
The HPI for each geographic area is estimated using repeated observations of housing values for individual single-family residential properties on which at least two mortgages were originated and subsequently purchased by either Freddie Mac or Fannie Mae.



Source: Federal Housing Finance Agency

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: Federal Housing Finance Agency

Housing Affordability Index (HAI)

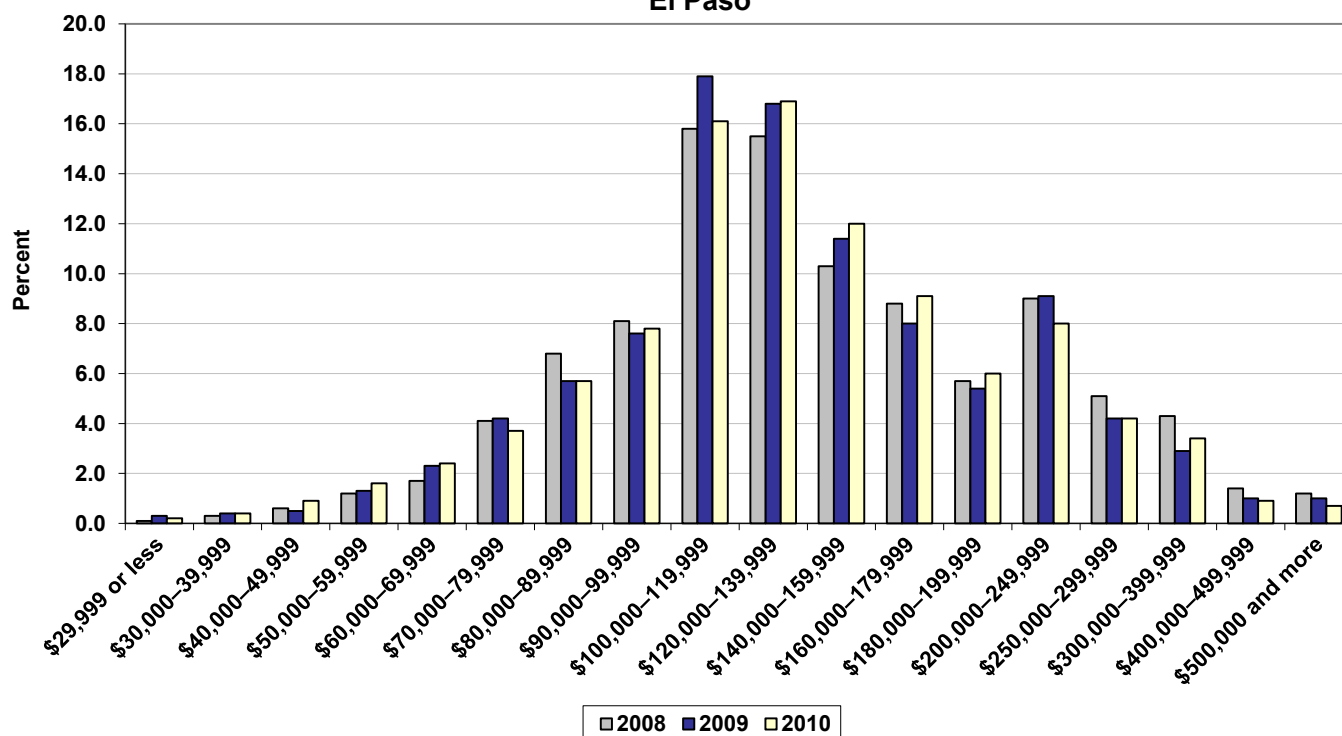
3Q 2010

| MLS | Median-Priced Home | Required Income to Qualify | FY 2010 Median Family Income | HAI* | HAI for First-Time Homebuyers** |
|---------------|--------------------|----------------------------|------------------------------|------|---------------------------------|
| El Paso | \$137,900 | \$27,591 | \$40,900 | 1.48 | 0.88 |
| Texas | \$151,600 | \$30,332 | \$58,600 | 1.93 | 1.42 |
| United States | \$177,900 | \$35,952 | \$64,000 | 1.78 | 0.99 |

*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 homebuyer is assumed to purchase a home equal to the first quartile home price using a 90 percent 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
El Paso

Source: Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, El Paso
(in percent)

| Price Range | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|------|------|------|------|------|------|------|
| \$29,999 or less | 0.7 | 0.8 | 0.8 | 0.8 | 0.1 | 0.3 | 0.2 |
| \$30,000–39,999 | 1.1 | 1.1 | 0.5 | 0.4 | 0.3 | 0.4 | 0.4 |
| \$40,000–49,999 | 3.0 | 2.0 | 1.1 | 0.8 | 0.6 | 0.5 | 0.9 |
| \$50,000–59,999 | 5.1 | 3.4 | 1.5 | 1.2 | 1.2 | 1.3 | 1.6 |
| \$60,000–69,999 | 10.1 | 6.2 | 3.0 | 2.2 | 1.7 | 2.3 | 2.4 |
| \$70,000–79,999 | 14.4 | 9.2 | 5.7 | 4.0 | 4.1 | 4.2 | 3.7 |
| \$80,000–89,999 | 11.6 | 10.1 | 9.6 | 8.2 | 6.8 | 5.7 | 5.7 |
| \$90,000–99,999 | 8.8 | 10.1 | 8.3 | 7.7 | 8.1 | 7.6 | 7.8 |
| \$100,000–119,999 | 11.7 | 14.0 | 14.5 | 16.0 | 15.8 | 17.9 | 16.1 |
| \$120,000–139,999 | 10.3 | 13.4 | 13.2 | 14.8 | 15.5 | 16.8 | 16.9 |
| \$140,000–159,999 | 6.6 | 8.9 | 9.9 | 9.4 | 10.3 | 11.4 | 12.0 |
| \$160,000–179,999 | 4.0 | 5.6 | 8.4 | 9.1 | 8.8 | 8.0 | 9.1 |
| \$180,000–199,999 | 3.4 | 4.8 | 5.4 | 6.0 | 5.7 | 5.4 | 6.0 |
| \$200,000–249,999 | 4.1 | 5.0 | 7.3 | 7.4 | 9.0 | 9.1 | 8.0 |
| \$250,000–299,999 | 2.0 | 2.4 | 4.8 | 5.1 | 5.1 | 4.2 | 4.2 |
| \$300,000–399,999 | 2.1 | 2.1 | 3.6 | 4.7 | 4.3 | 2.9 | 3.4 |
| \$400,000–499,999 | 0.5 | 0.6 | 1.3 | 1.4 | 1.4 | 1.0 | 0.9 |
| \$500,000 and more | 0.4 | 0.4 | 1.2 | 0.9 | 1.2 | 1.0 | 0.7 |

Source: Real Estate Center at Texas A&M University

Property Tax Rates 2010

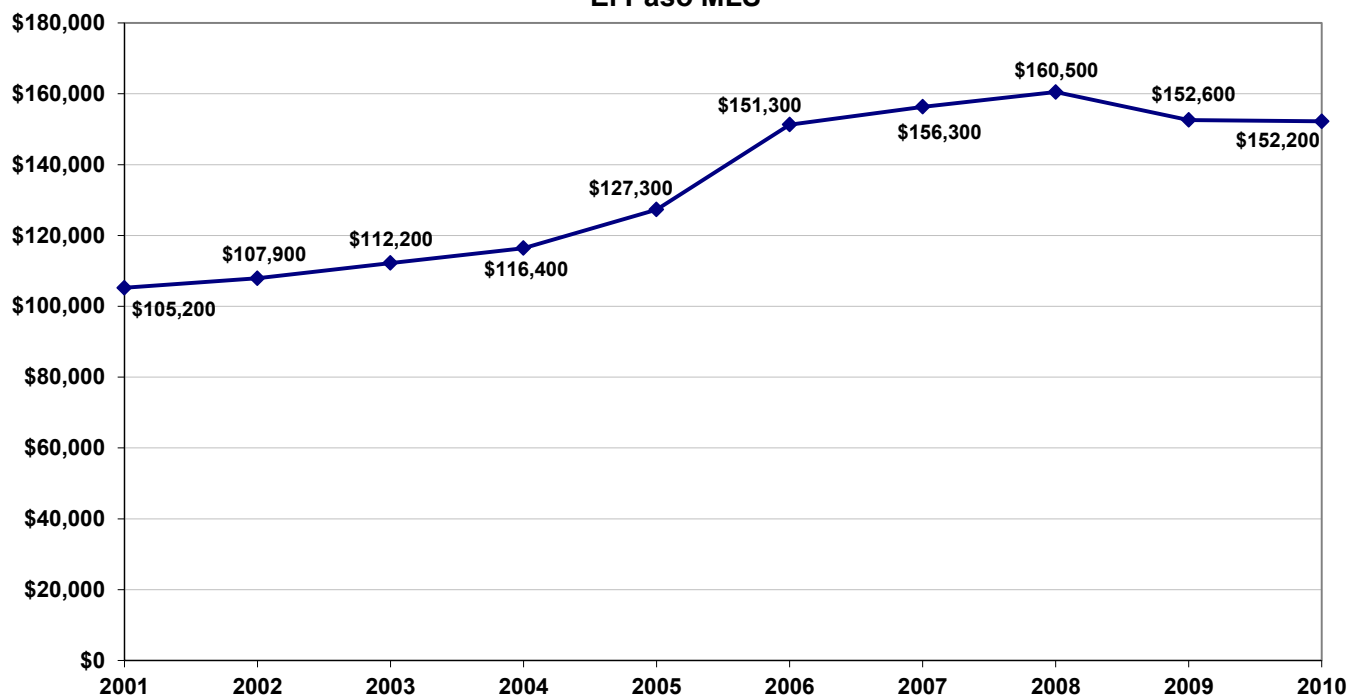
| Taxing Entity | Tax Rate per \$100 Valuation |
|-----------------|---------------------------------|
| City of El Paso | \$0.654 |
| El Paso ISD | 1.235 |
| El Paso County | 0.363 |
| Total* | \$2.252 |

*Only the typical taxing entities are included in the total. However, there are numerous 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.elpasotexas.gov/tax_office/

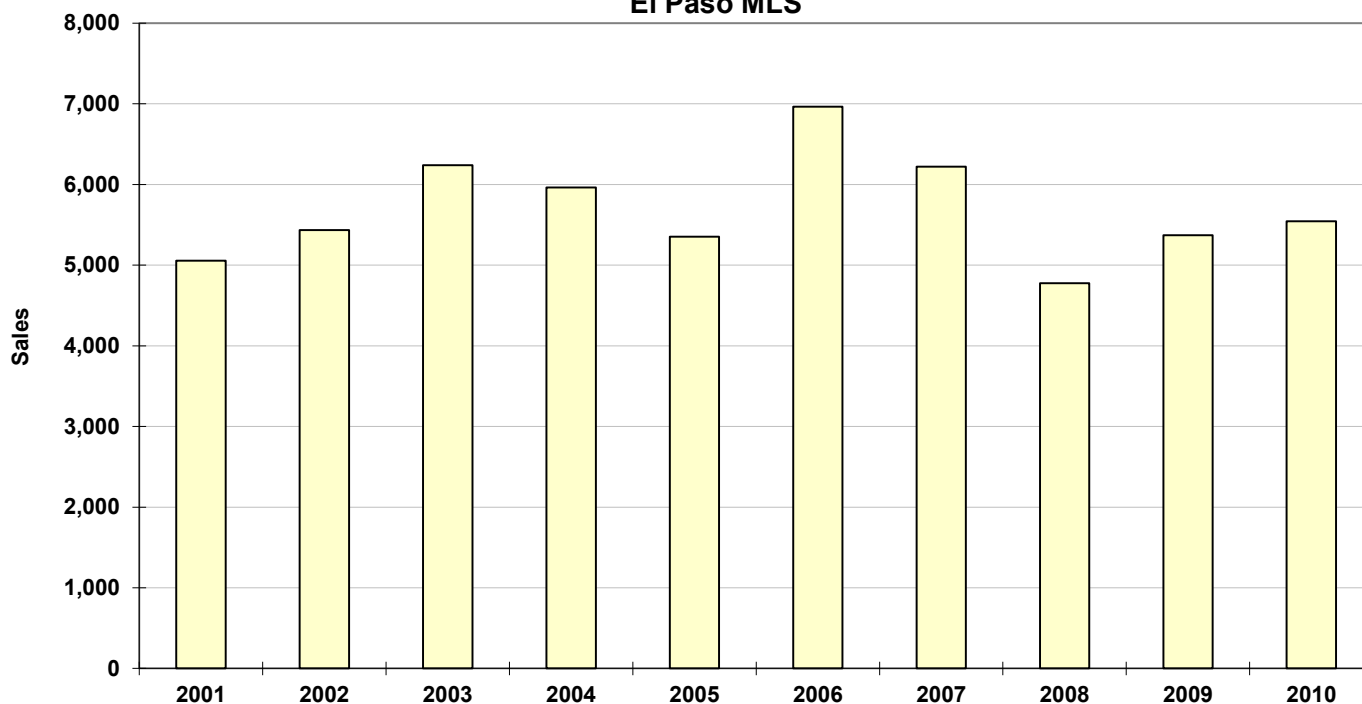
Source: City of El Paso Tax Office

**Average Sales Price
El Paso MLS**



Source: Real Estate Center at Texas A&M University

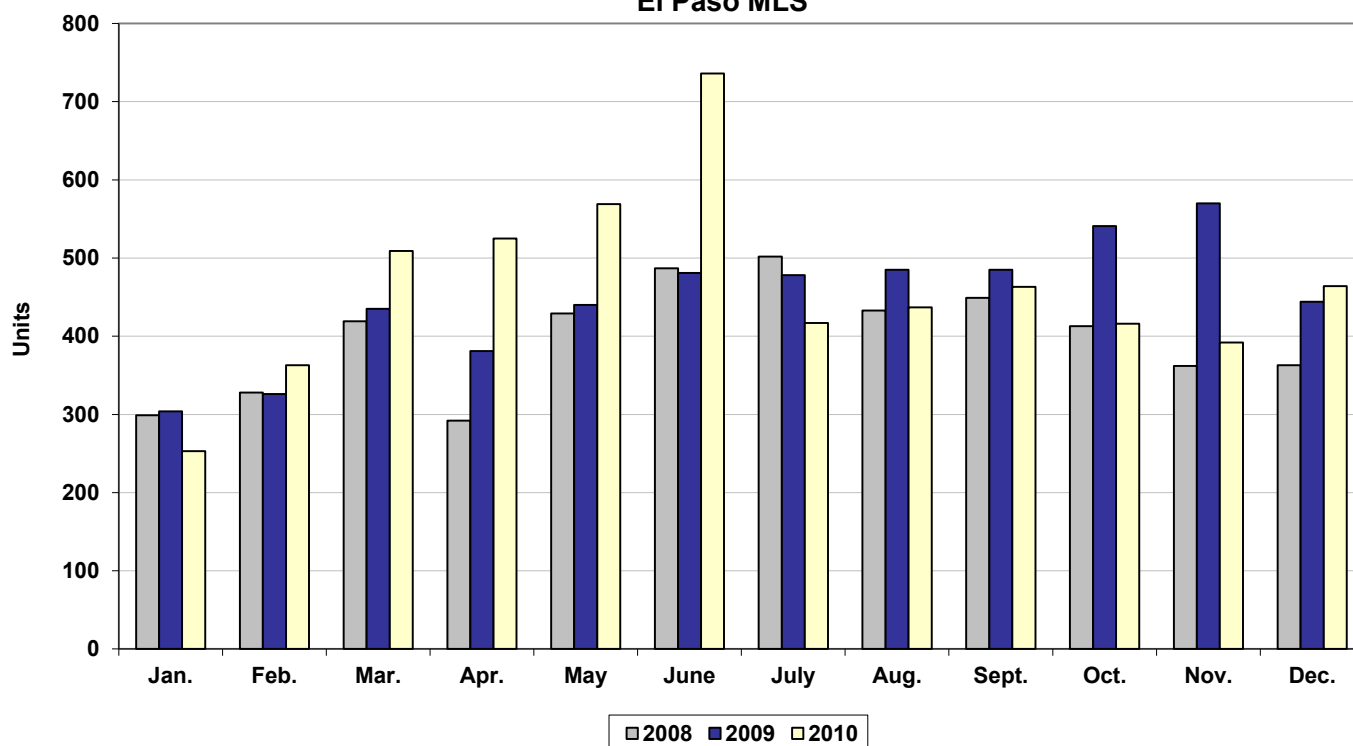
**Yearly Home Sales
El Paso MLS**



Source: Real Estate Center at Texas A&M University

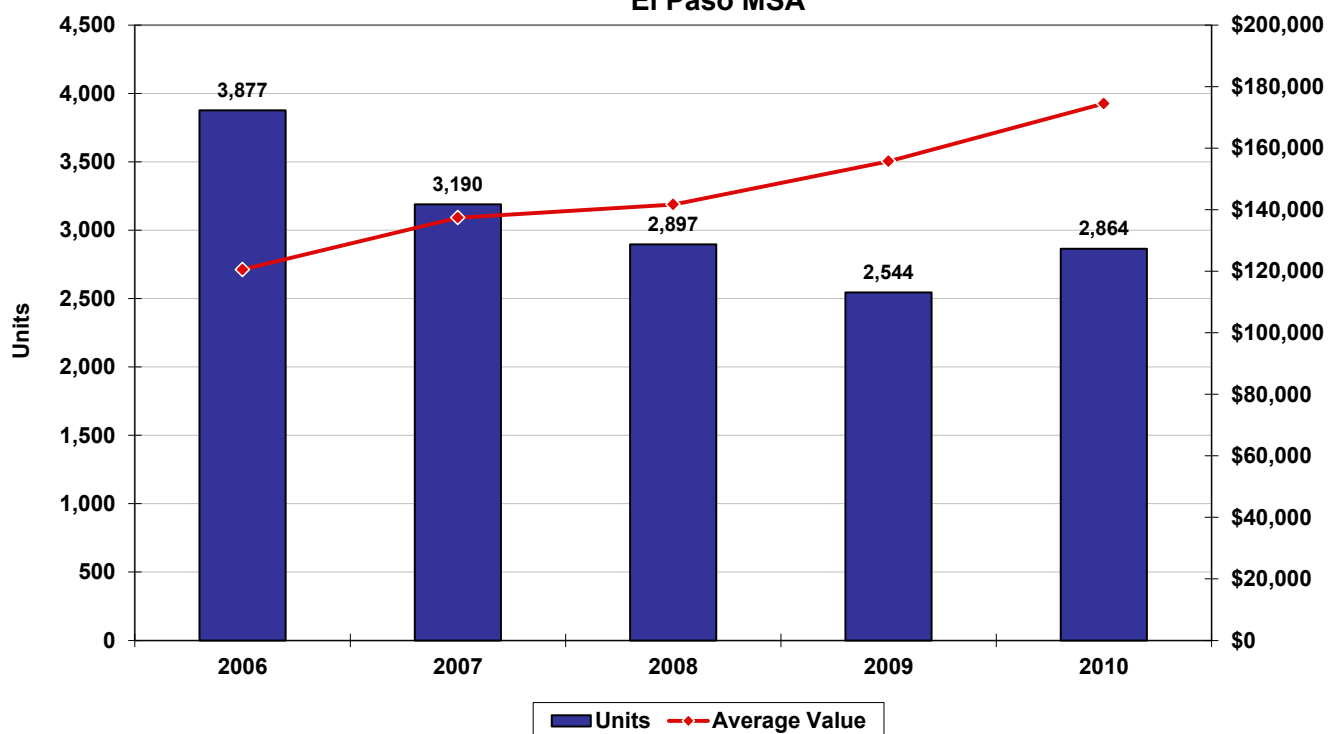


Single-Family Home Sales Volume El Paso MLS

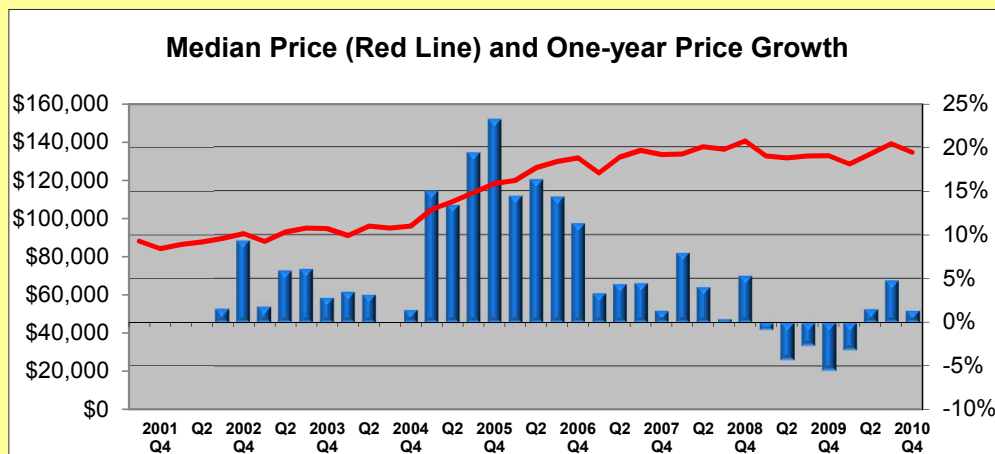


Source: Real Estate Center at Texas A&M University

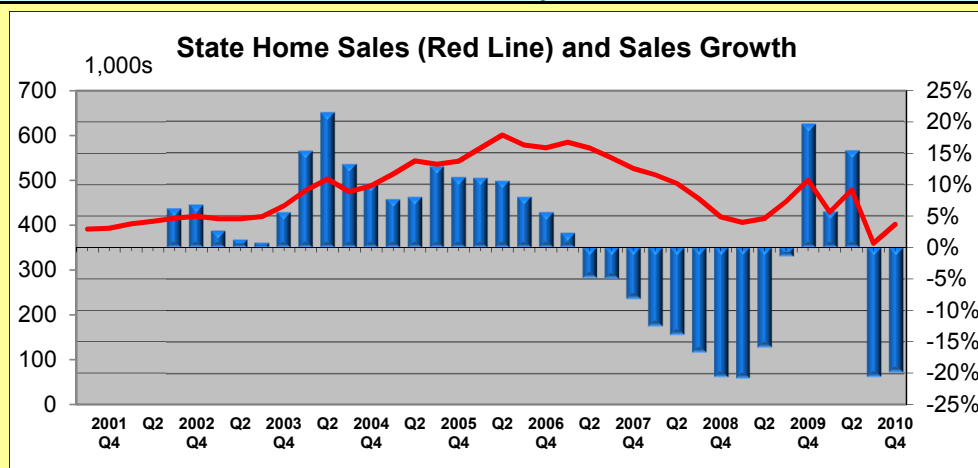
Single-Family Building Permits and Average Value El Paso MSA



Source: U.S. Census Bureau

El Paso Area**Local Market Report, Fourth Quarter 2010****Today's Market...**

| | El Paso | U.S. | Local Trend |
|---|-----------|----------------|--|
| Price Activity | | | |
| Current Median Home Price (2010 Q4) | \$134,800 | \$169,800 | Prices are up from a year ago, but price growth is slowing |
| 1-year (4-quarter) Appreciation (2010 Q4) | 1.4% | -0.6% | |
| 3-year (12-quarter) Appreciation (2010 Q4) | 0.9% | -18.2% | |
| 3-year (12-quarter) Housing Equity Gain* | \$1,200 | -\$37,767 | This area has held onto positive equity growth despite the national market decline |
| 7-year (28 quarters) Housing Equity Gain* | \$40,100 | -\$11,433 | |
| 9-year (36 quarters) Housing Equity Gain* | \$50,600 | \$15,933 | |
| *Note: Equity gain reflects price appreciation only | | | |
| Conforming Loan Limit** | \$417,000 | \$729,250 | Most buyers in this market have access to government-backed financing |
| FHA Loan Limit | \$271,050 | \$417,000 | |
| Local Median to Conforming Limit Ratio | 32% | not comparable | |
| **Note: the 2009 loan limits for FHA and the GSEs were extended through 2010. | | | |



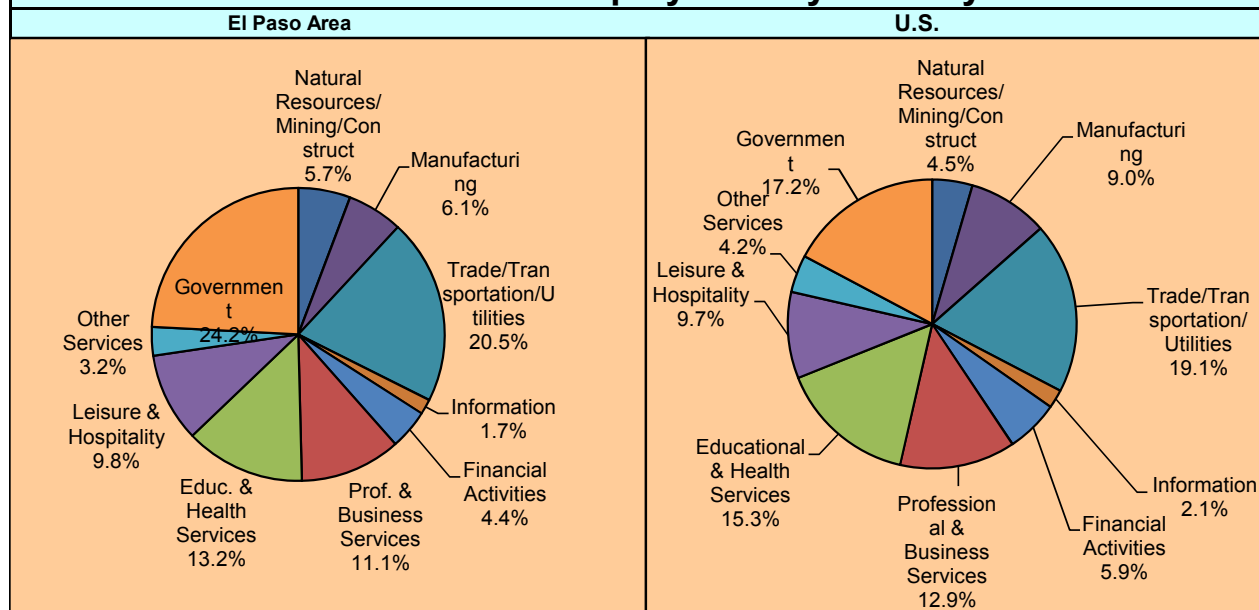
| Home Sales | Texas | U.S. | |
|--|--------|--------|---|
| State Existing Home Sales (2010 Q4 vs 2009 Q4) | -19.7% | -19.5% | Local sales growth continues to be weak |



Drivers of Local Supply and Demand...

| Local Economic Outlook | El Paso | U.S. | |
|-----------------------------------|---------|----------------|--|
| 12-month Job Change (Dec) | 1,800 | Not Comparable | Employment has held up and is on an upward trend |
| 12-month Job Change (Nov) | 1,100 | Not Comparable | |
| 36-month Job Change (Dec) | -6,400 | Not Comparable | El Paso's unemployment situation is worse than the national average and weighs on confidence |
| Current Unemployment Rate (Dec) | 10.0% | 9.4% | |
| Year-ago Unemployment Rate | 9.2% | 9.9% | Local employment growth is respectable compared to other markets |
| 1-year (12 month) Job Growth Rate | 0.7% | -0.8% | |

Share of Total Employment by Industry



12-month Employment Change by Industry in the El Paso Area

| | | | |
|--|-----|---------------------------|--------|
| Goods Producing | NA | Information | -300 |
| Natural Resources/Mining/Construction | 700 | Financial Activities | 100 |
| Natural Resources and Mining | NA | Prof. & Business Services | 1,200 |
| Construction | NA | Educ. & Health Services | 1,000 |
| Manufacturing | 0 | Leisure & Hospitality | 500 |
| Service Providing Excluding Government | NA | Other Services | 0 |
| Trade/Transportation/Utilities | 400 | Government | -1,800 |

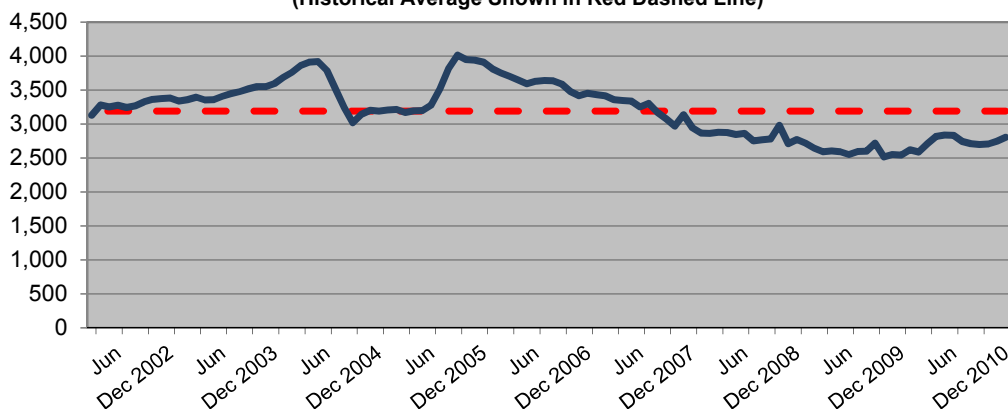
| State Economic Activity Index | Texas | U.S. | |
|-------------------------------|-------|-------|--|
| 12-month change (2010 - Dec) | 0.4% | 2.2% | Texas's economy is growing, but decelerated from last month's 0.48% change and lags the rest of the nation |
| 36-month change (2010 - Dec) | -7.6% | -5.1% | |



New Housing Construction

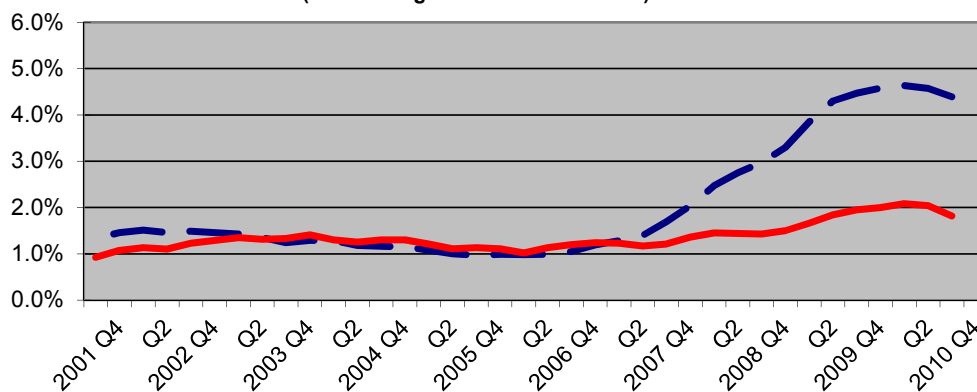
| Local Fundamentals | El Paso | U.S. | |
|---|---------|----------------|---|
| 12-month Sum of 1-unit Building Permits through Dec 2010 | 2,805 | not comparable | The current level of construction is 12.0% below the long-term average |
| 8-year average for 12-month Sum of 1-Unit Building Permits | 3,188 | not comparable | Reduced construction will limit new supply to the market, allowing demand to catch up with the inventory more quickly |
| Single-Family Housing Permits (Dec 2010) 12-month sum vs. a year ago | 10.3% | 2.6% | Construction is on the rise relative to last year, suggesting that the local inventory has stabilized |

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)



While new construction is the traditional driver of supply in real estate, foreclosures now have a strong impact on inventories, particularly at the local level. Rising inventories, through construction or foreclosure, place downward pressure on the median home prices.

State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

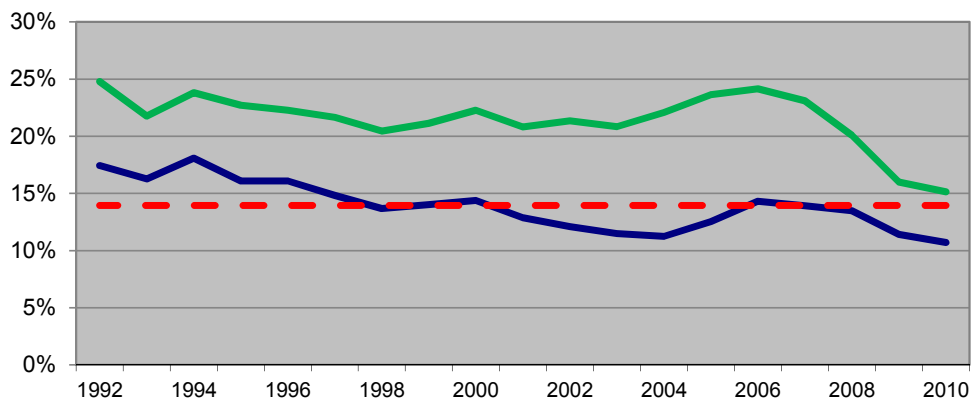
| Foreclosures by Type | | | |
|---|---------|------|--|
| Monthly Market Data - November 2010 | El Paso | U.S. | |
| Market Share: Prime (blue), Alt-A (green), and Subprime (red) | | | The El Paso market has a lower share of subprime loans than the average market, but rising prime foreclosures are becoming a problem |
| PRIME: Foreclosure + REO Rate | | | There was small local increase relative to May of last year |
| | | | Compared to the national average, today's local prime rate is low |
| SUBPRIME: Foreclosure + REO Rate | | | The subprime foreclosure rate jumped compared to May of last year |
| | | | Locally, today's foreclosure rate is low relative to the national average |
| ALT-A: Foreclosure + REO Rate | | | The local alt-A rate eased slightly relative to May of last year |
| | | | The November rate for El Paso is low compared to the national average |
| The "foreclosure + REO rate" is the number of mortgages, by metro area, that are either in the foreclosure process or have completed the foreclosure process and are owned by banks divided by the total number of mortgages for that area. | | | |
| Source: First American CoreLogic, LoanPerformance data | | | |

| Prime Foreclosures and Delinquencies in Process | | | |
|--|---------|------|---|
| Monthly Market Data - November 2010 | El Paso | U.S. | |
| Prime: 60-day Delinquent | | | The 60-day delinquency rose over the 6 months ending in November suggesting that the 90-day delinquency rate is likely to rise in the near future |
| Prime: 90-day Delinquent | | | The 90-day delinquency rate in El Paso fell over the 6-month period ending in November |
| Prime: Foreclosure + REO Rate | | | The concurrent increase in the 60-day delinquency rate and decline in the 90-day rate over the most recent 6-month period suggests that the foreclosure rate will drop in the near term, but may rise thereafter. |
| Source: First American CoreLogic, LoanPerformance data | | | |

Affordability

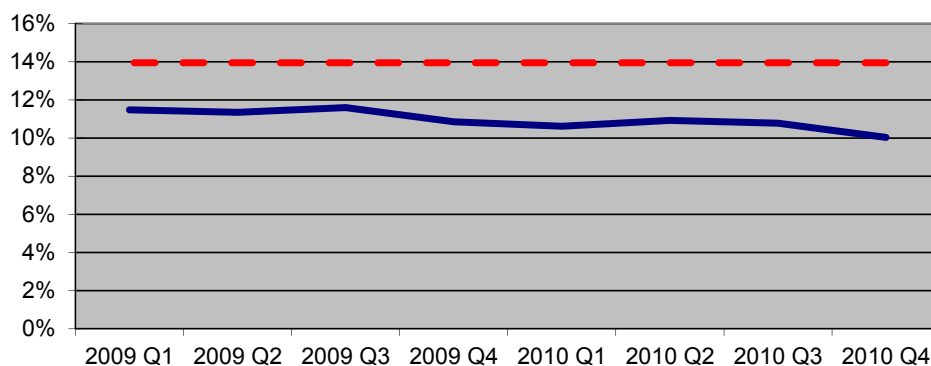


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)



| Monthly Mortgage Payment to Income | El Paso | U.S. | |
|------------------------------------|---------|-------|---|
| Ratio for 2009 | 10.7% | 15.1% | Historically strong and an improvement over the third quarter of 2010 |
| Ratio for 2010 Q4 | 10.0% | 14.1% | |
| Historical Average | 13.9% | 22.0% | More affordable than most markets |

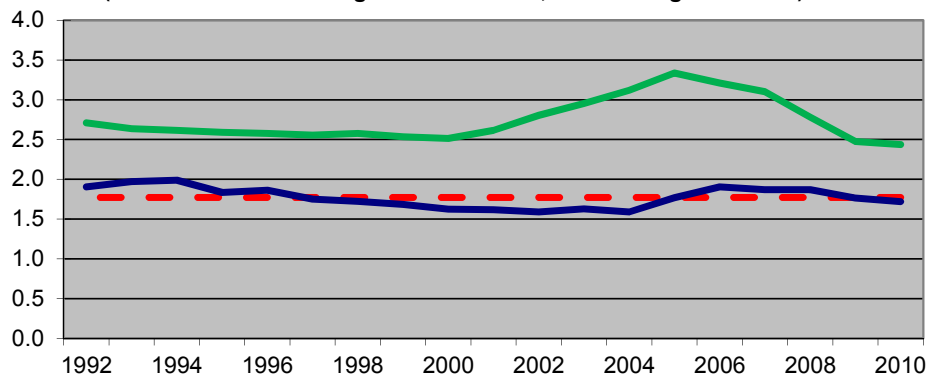
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



| Median Home Price to Income | El Paso | U.S. | |
|-----------------------------|---------|------|--|
| Ratio for 2010 | 1.7 | 2.4 | The price-to-income ratio has fallen and is below the historical average |
| Ratio for 2010 Q4 | 1.7 | 2.3 | |
| Historical Average | 1.8 | 2.7 | Affordable compared to most markets |

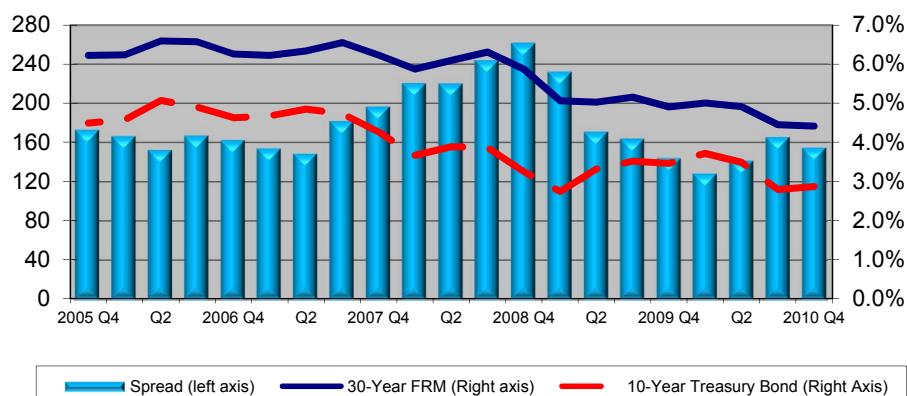


Ratio of Local Median Home Price to Local Average Income
(Local Historical Average Shown in Red, U.S. Average in Green)



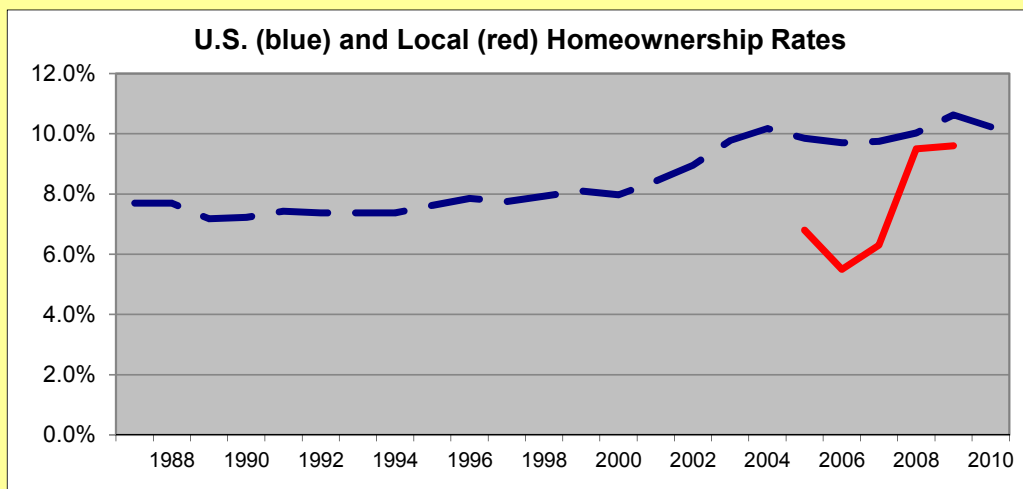
The Mortgage Market

30-year Fixed Mortgage Rate and Treasury Bond Yield



The 10-year Treasury climbed 10 basis points to 2.9% in the 4th quarter of 2010, while the average 30-year fixed rate mortgage held steady at 4.4%. Consequently, the spread eased slightly to 155 basis points. The 4th quarter got off to a bad start with weak economic news and the “robo-signing” scandal, which threatened to slow the pace of foreclosures sales and weigh on home prices. Treasury and mortgage rates slid in October and November as a result. The 30-year fixed rate mortgage reached a record low of 4.17% in the 2nd week of November as measured by Freddie Mac. However, news of resilient consumer spending and improved production figures coupled with modest gains in employment in December and relatively strong news on the pace of home sales caused the 10-year Treasury to climb and mortgage rates followed suit. Mortgage rates remain historically low and are forecast by NAR Research to rise to 5.3% by the end of 2011.

A Closer Look...Rental Vacancy Rates



| Homeownership Rate | El Paso | U.S. | |
|--------------------|---------|-------|---|
| Ratio for 2009 | 9.6% | 10.6% | The rental vacancy rate in El Paso rose in 2009 |
| Ratio for 2010 Q4 | 9.2% | 9.4% | |
| Historical Average | 7.5% | 8.6% | |

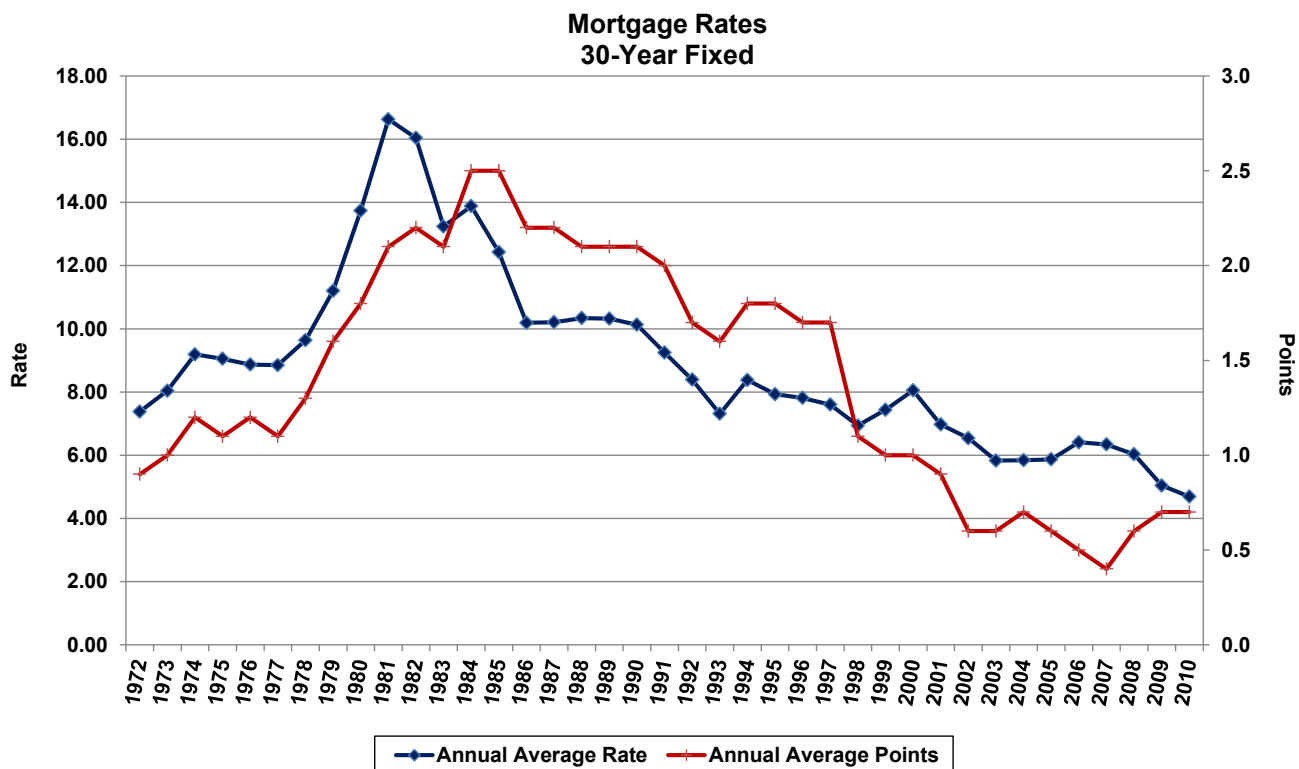
After hovering around 8.0% for much of the late 1990s, the national rental vacancy rose to 10.2% in 2004 at the height of the real estate boom. However, as the housing market slowed, the rental vacancy rate eased slightly before jumping to 10.6% in 2009. Instead of shifting demand from home buying to renting, the sharp economic recession has forced many would-be renters to move in with parents or extended family causing the rental vacancy rate to remain elevated. Locally, there was an increase in the rental vacancy rate for El Paso from its recent peak of 9.5% in 2008 to 9.6% in 2009.

Geographic Coverage for this Report

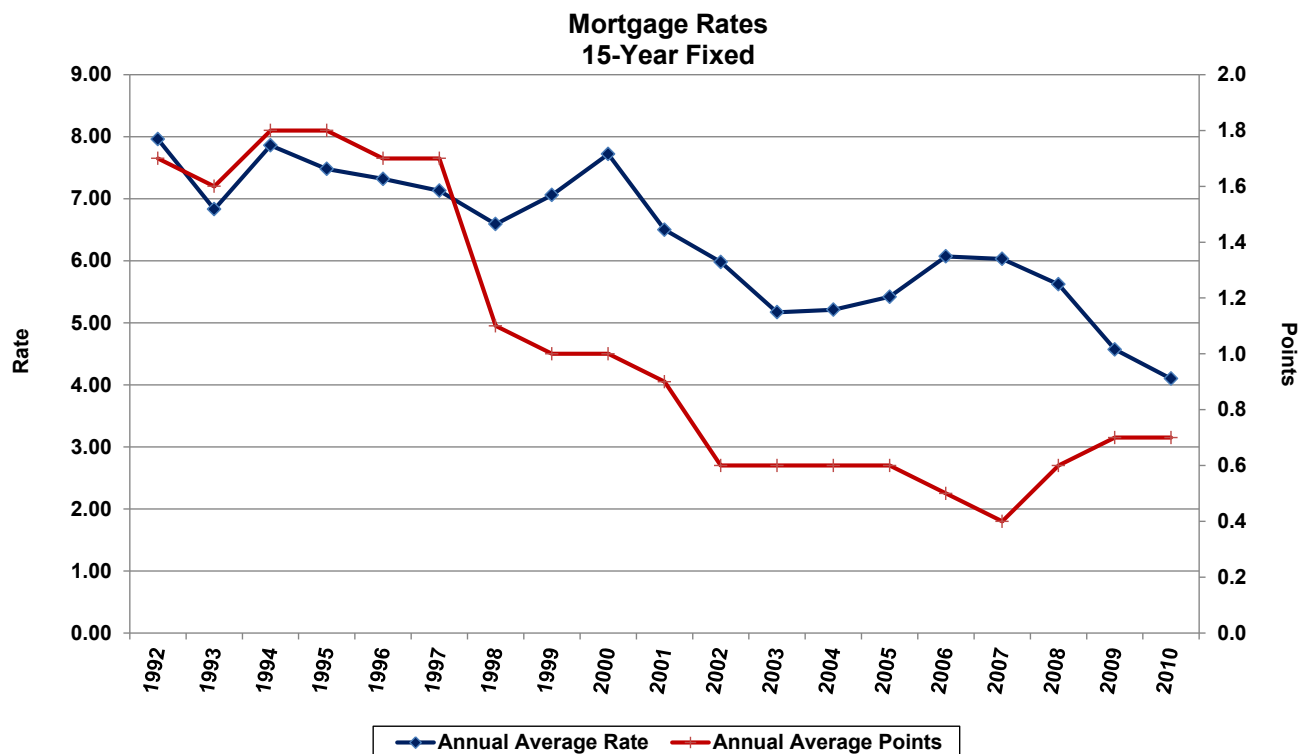
The El Paso area referred to in this report covers the geographic area of the El Paso metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

El Paso County

More information on the OMB's geographic definitions can be found at http://www.whitehouse.gov/omb/inforeg_statpolicy/



Source: Federal Home Loan Mortgage Corporation



Source: Federal Home Loan Mortgage Corporation

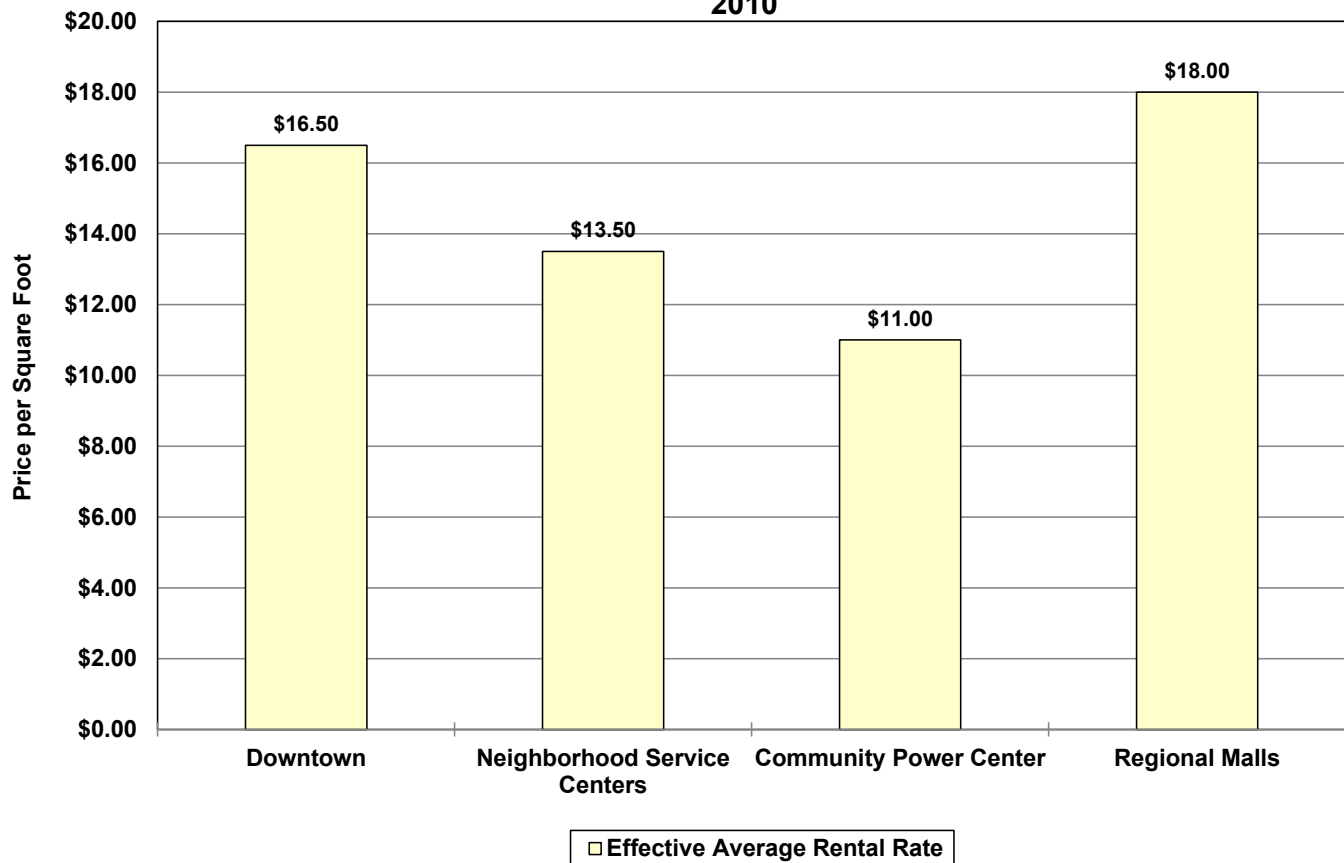
Retail

Summary of Retail Market Indicators, El Paso
(Rent/Square Foot/Year)

| Retail | 2009 | | | | 2010 | | | |
|------------------------------|---------|---------|----------------------------|---------|---------|---------|----------------------------|---------|
| | Low | High | Effective Avg. Rental Rate | Vacancy | Low | High | Effective Avg. Rental Rate | Vacancy |
| Downtown | \$10.00 | \$20.00 | \$16.50 | 10.0% | \$10.00 | \$20.00 | \$16.50 | N/A |
| Neighborhood Service Centers | \$10.00 | \$18.00 | \$13.50 | 12.0% | \$10.00 | \$18.00 | \$13.50 | N/A |
| Community Power Center | \$4.50 | \$17.00 | \$11.00 | 6.0% | \$4.50 | \$20.00 | \$11.00 | N/A |
| Regional Malls | N/A | N/A | N/A | N/A | \$10.00 | \$25.00 | \$18.00 | N/A |

Source: NAI El Paso, October 2010

El Paso Retail Market
2010



Source: NAI El Paso, October 2010

Hotel

Hotel* Occupancy and Rental Rates

| | 2009 | | 2010 | |
|--------------------------------|-------------|---------|-------------|---------|
| | El Paso MSA | Texas | El Paso MSA | Texas |
| Number of Rooms (in thousands) | 8.5 | 377.4 | 8.7 | 396.3 |
| Average Daily Rate** | \$65.80 | \$79.95 | \$63.74 | \$82.27 |
| Occupancy Rate (in percent)*** | 66.1 | 49.2 | 65.8 | 51.3 |

*Only properties exceeding \$20,000 in the current quarter are included; those units below \$20,000 only result in 1.5 percent of the total state revenues and have been excluded from the Source Strategies database.

**Estimated with the aid of financial reports, appraisers, private SSI surveys, chain and AAA directories and another reliable industry database.

***Occupancy: nights sold divided by nights available (x 100). Room-nights sold are calculated from estimated rate and actual rooms revenues.

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

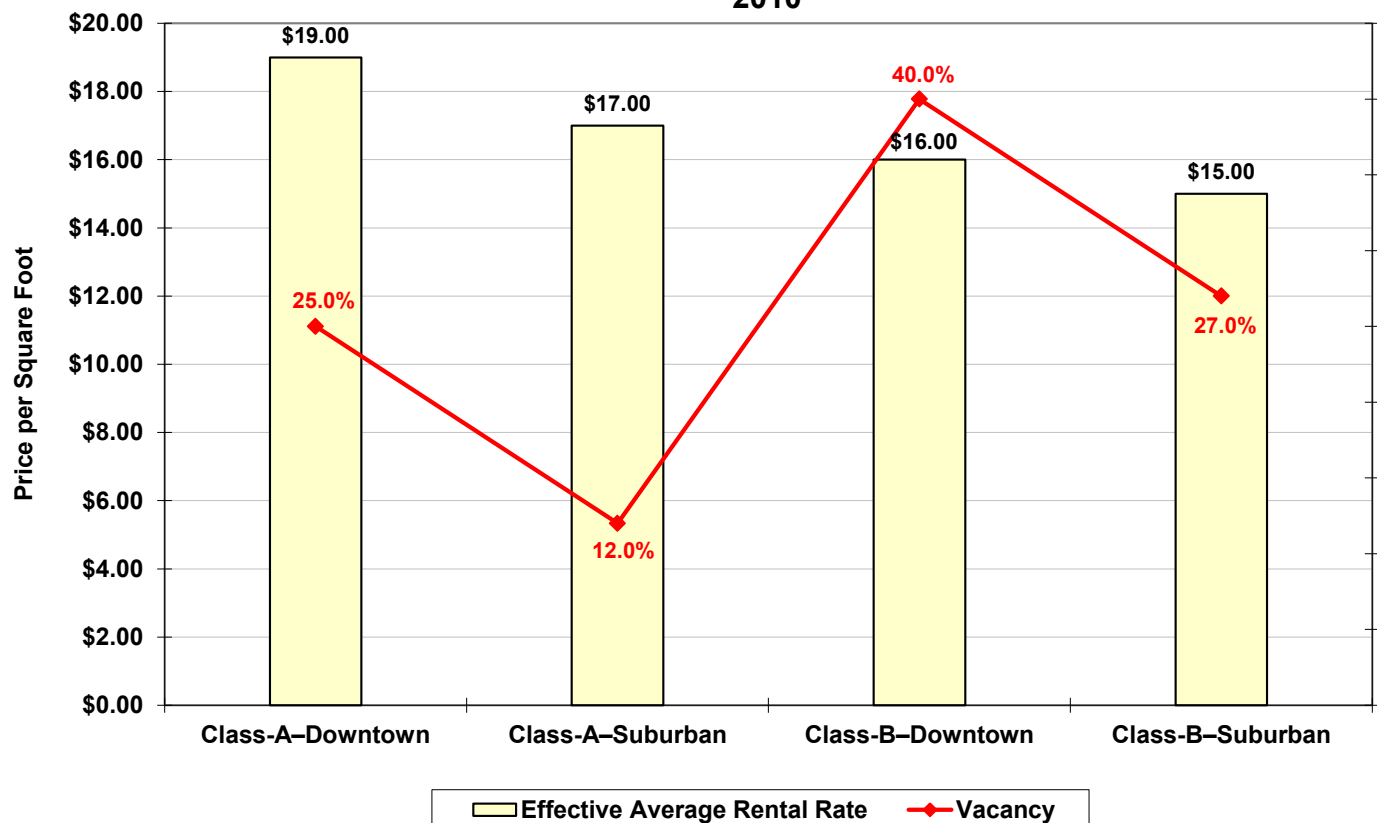
Office

Summary of Office Market Indicators, El Paso, 2010
(Rent/Square Foot/Year)

| Office Market | Low | High | Effective Avg. | Vacancy |
|------------------------|---------|---------|----------------|---------|
| Downtown Office | | | | |
| New Construction (AAA) | N/A | N/A | N/A | N/A |
| Class-A | \$18.00 | \$25.00 | \$19.00 | 25.0% |
| Class-B | \$14.00 | \$18.00 | \$16.00 | 40.0% |
| Suburban Office | | | | |
| New Construction (AAA) | \$21.00 | \$25.00 | \$23.00 | 10.0% |
| Class-A | \$16.00 | \$20.00 | \$17.00 | 12.0% |
| Class-B | \$14.00 | \$16.00 | \$15.00 | 27.0% |

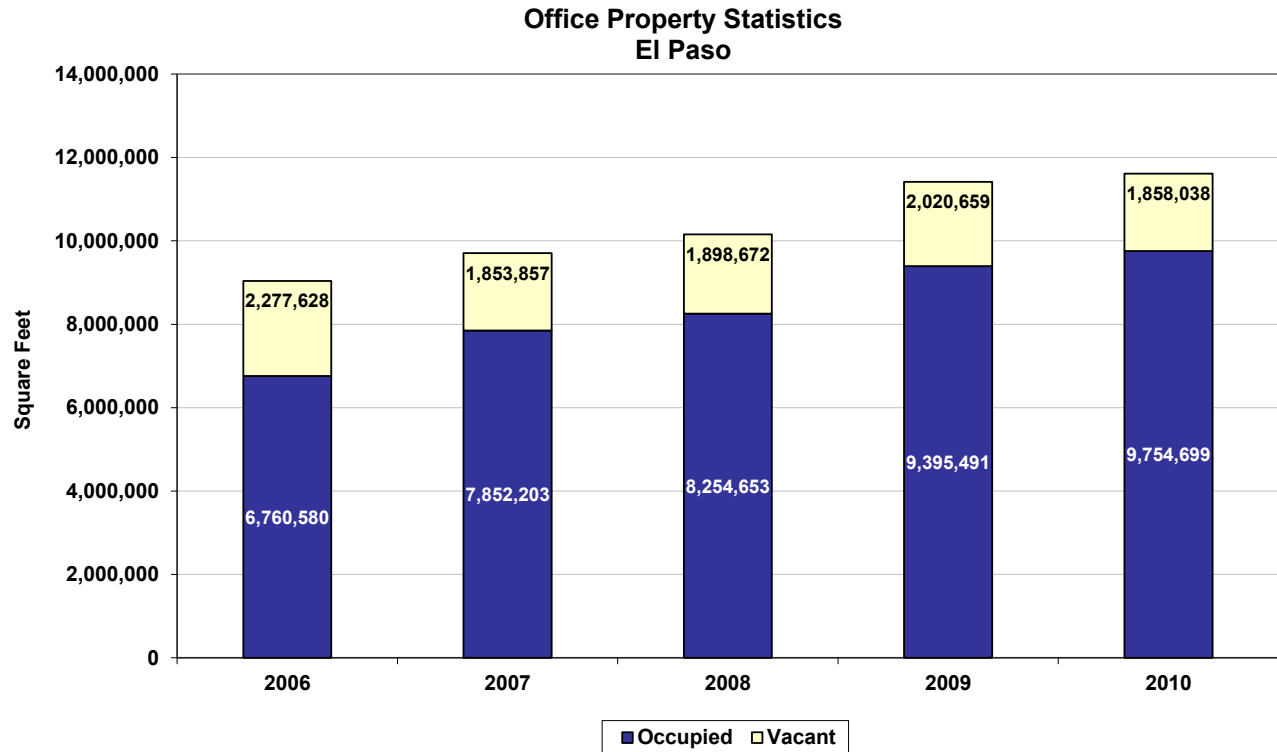
Source: NAI El Paso, October 2010

El Paso Office Market
2010

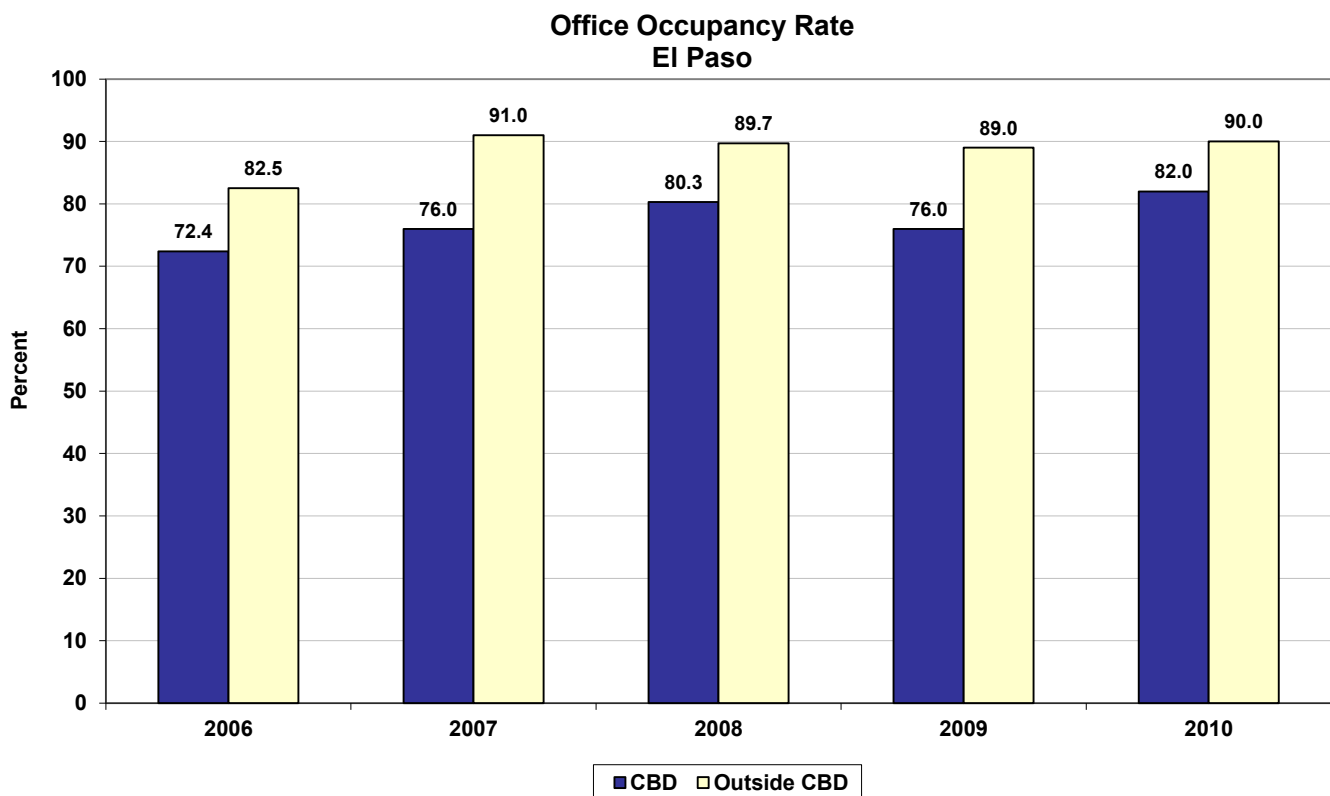


Source: NAI El Paso, October 2010

| Office Property Statistics El Paso | | | | | |
|---|-----------|-----------|------------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Central Business District | | | | | |
| Inventory | 2,862,888 | 3,120,560 | 3,368,325 | 3,930,650 | 3,975,450 |
| Occupancy (in percent) | 72.4 | 76.0 | 80.3 | 76.0 | 82.0 |
| Net Absorption | 62,000 | 85,000 | 135,000 | 65,000 | 78,000 |
| Outside CBD | | | | | |
| Inventory | 6,175,320 | 6,585,500 | 6,785,000 | 7,485,500 | 7,682,087 |
| Occupancy (in percent) | 82.5 | 91.0 | 89.7 | 89.0 | 90.0 |
| Net Absorption | 165,700 | 220,000 | 195,350 | 175,440 | 186,000 |
| Total | | | | | |
| Inventory | 9,038,208 | 9,706,060 | 10,153,325 | 11,416,150 | 11,612,737 |
| Occupancy (in percent) | 74.8 | 80.9 | 81.3 | 82.3 | 84.0 |
| Net Absorption | 42,920 | 223,000 | 330,000 | 187,000 | 224,690 |
| Rental Range (per square foot) | \$10–\$18 | \$12–\$20 | \$12–\$22 | \$12–\$23 | \$12–\$22 |
| Source: Sonny Brown Associates LLC, March 2011; http://www.sonnybrown.com | | | | | |



Source: Sonny Brown Associates LLC, March 2011; <http://www.sonnybrown.com>



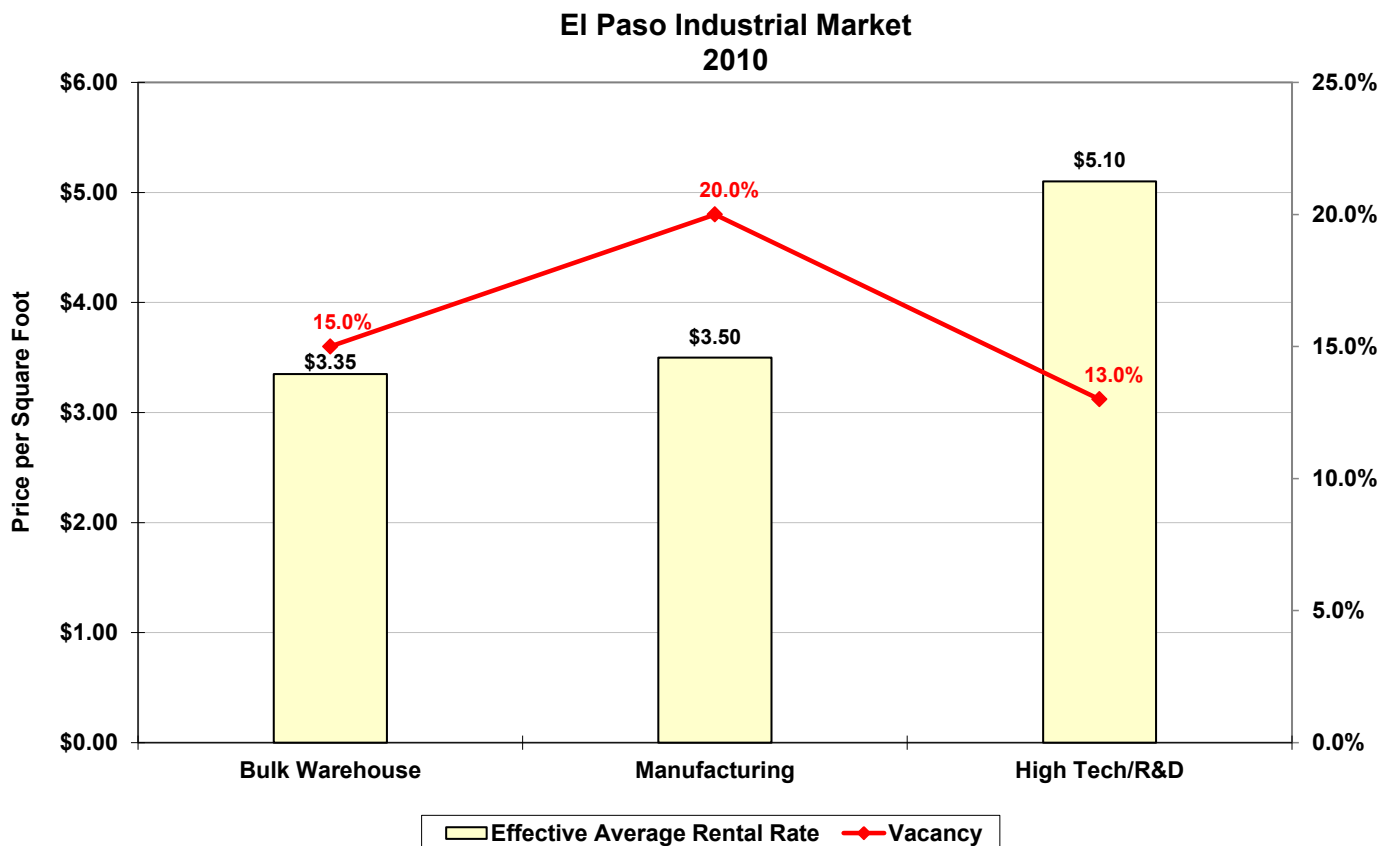
Source: Sonny Brown Associates LLC, March 2011; <http://www.sonnybrown.com>

Industrial

Summary of Industrial Market Indicators, El Paso, 2010
(Rent/Square Foot/Year)

| Industrial | Low | High | Effective Avg. Rental Rate | Vacancy |
|----------------|--------|--------|----------------------------|---------|
| Bulk Warehouse | \$2.50 | \$3.75 | \$3.35 | 15.0% |
| Manufacturing | \$3.00 | \$4.25 | \$3.50 | 20.0% |
| High Tech/R&D | \$4.50 | \$7.00 | \$5.10 | 13.0% |

Source: NAI El Paso, October 2010



Source: NAI El Paso, October 2010

Industrial Property Statistics

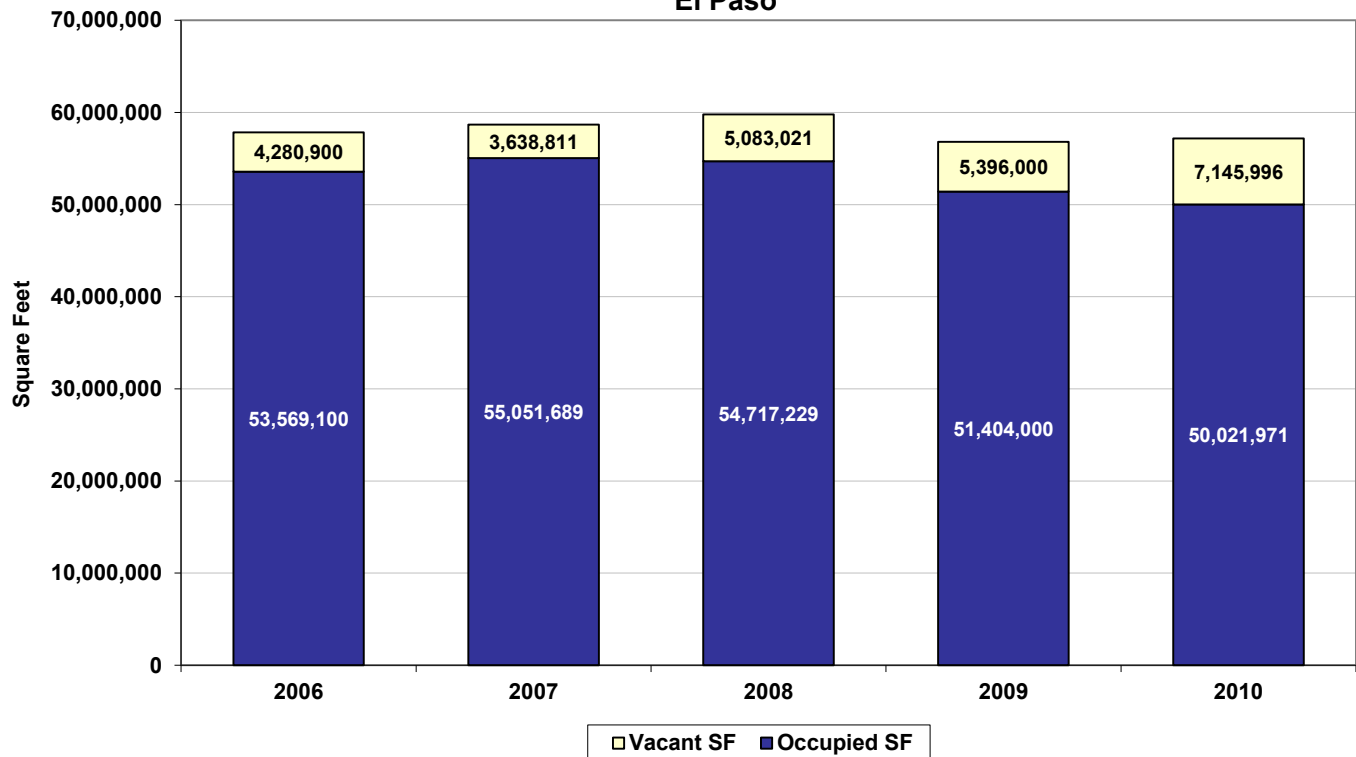
El Paso

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Inventory (square feet) | 57,850,000 | 58,690,500 | 59,800,250 | 56,800,000 | 57,167,967 |
| Occupancy (in percent) | 92.6 | 93.8 | 91.5 | 90.5 | 87.50 |
| Net Absorption | 1,250,000 | 1,560,000 | 1,026,000 | 1,758,000 | 723,661 |
| Rental Range (per square foot) | \$3.30–6.00 | \$3.45–6.00 | \$3.45–5.85 | \$2.75–4.20 | \$2.75–4.15 |

Source: Sonny Brown Associates LLC, March 2011; <http://www.sonnybrown.com>

Industrial Property Statistics

El Paso



Source: Sonny Brown Associates LLC, March 2011; <http://www.sonnybrown.com>

Industrial Trends
El Paso, Fourth Quarter 2010

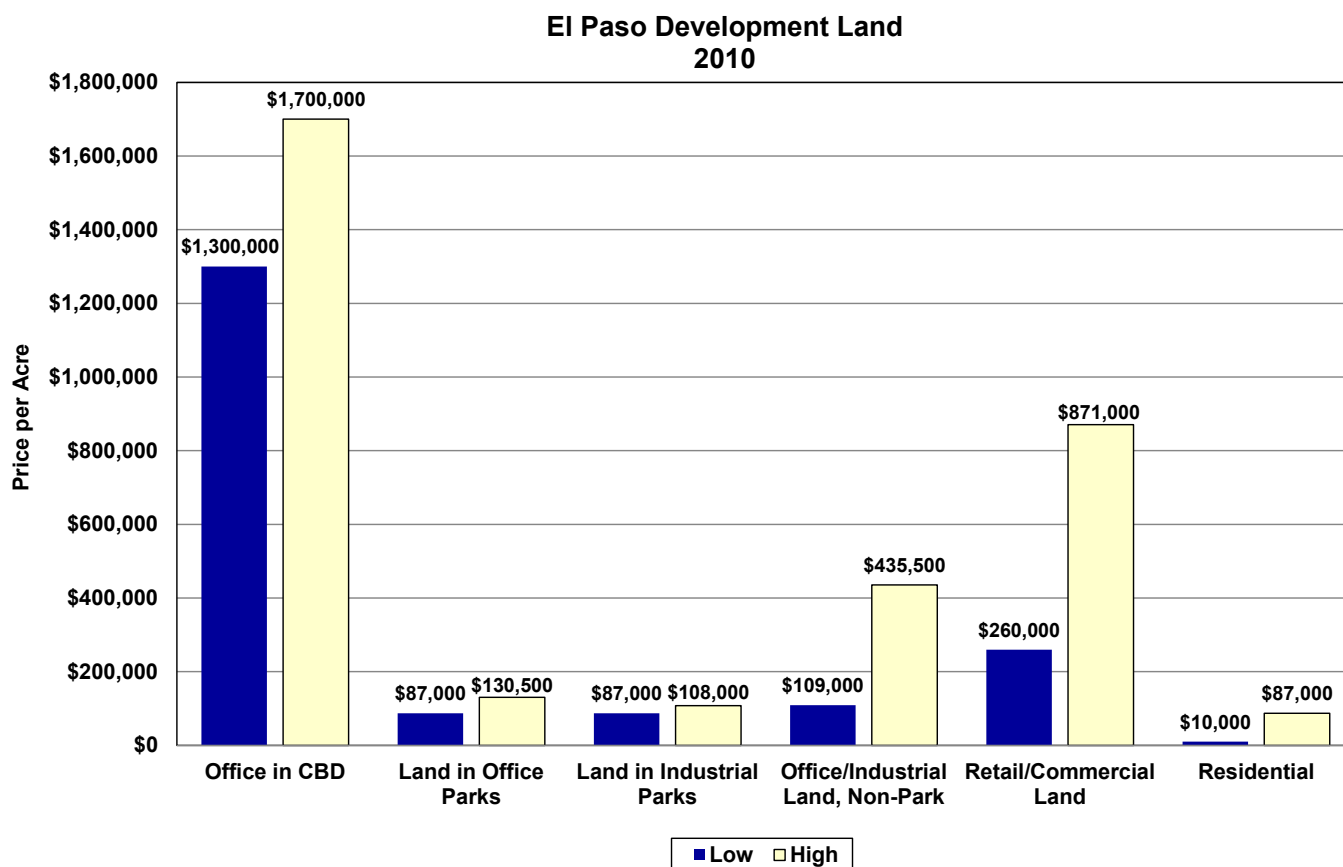
| Submarket | Total SF | Vacant SF | Total Vacancy (percent) | Net Absorption | | Under Construction SF |
|------------------------|-------------------|------------------|----------------------------|----------------|------------------|--------------------------|
| | | | | Current | YTD | |
| East | 26,720,137 | 3,840,715 | 14.4 | 126,670 | 395,471 | - |
| Central | 13,964,067 | 2,210,977 | 15.8 | 222,617 | 536,886 | - |
| Northwest | 7,954,572 | 319,033 | 4.0 | -101,953 | 3,184 | - |
| South | 6,066,113 | 404,693 | 6.7 | 11,997 | 111,096 | - |
| Northeast | 2,477,370 | 436,879 | 17.6 | 35,207 | 35,207 | - |
| Total | 57,182,259 | 7,212,297 | 12.6 | 294,538 | 1,081,844 | - |
| Product Type | | | | | | - |
| General Industrial | 5,010,376 | 185,065 | 3.7 | -30,400 | -10,400 | - |
| Warehouse/Distribution | 52,171,883 | 7,027,232 | 13.5 | 324,938 | 1,092,244 | |
| Total | 57,182,259 | 7,212,297 | 12.6 | 294,538 | 1,081,844 | - |

Source: Grubb & Ellis | Best/White LLC

Development Land

| El Paso Development Land | | | | |
|----------------------------------|-------------|-------------|-------------|-------------|
| Development Land | 2009 | | 2010 | |
| | Low | High | Low | High |
| Office in CBD | \$1,306,800 | \$1,742,400 | \$1,300,000 | \$1,700,000 |
| Land in Office Parks | \$217,800 | \$435,600 | \$87,000 | \$130,500 |
| Land in Industrial Parks | \$87,120 | \$130,680 | \$87,000 | \$108,000 |
| Office/Industrial Land, Non-Park | \$108,900 | \$435,600 | \$109,000 | \$435,500 |
| Retail/Commercial Land | \$261,360 | \$871,200 | \$260,000 | \$871,000 |
| Residential | \$20,000 | \$60,000 | \$10,000 | \$87,000 |

Source: NAI El Paso



Source: NAI El Paso, October 2010

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