

San Antonio – Market Research

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1 Historical Population of San Antonio

Over the course of the last few decades, the population of the city of San Antonio has steadily increased, except between the years 2009 and 2010. In 1990, the population was slightly less than 1 million people and by 2011 the population has grown to almost 1.4 million. The population data from 1990 to 2011 have been provided in the following table:

Year	Population
1990	999,290
1991	1,013,000
1992	1,032,000
1993	1,051,000
1994	1,070,000
1995	1,087,000
1996	1,100,000
1997	1,119,000
1998	1,133,000
1999	1,147,000
2000	1,164,000

2001	1,177,000
2002	1,199,000
2003	1,218,000
2004	1,239,000
2005	1,259,000
2006	1,292,000
2007	1,324,000
2008	1,349,000
2009	1,374,000
2010	1,334,000
2011	1,360,000

Source: World Population Statistics

2 Demographics

San Antonio, the largest city in Bexar County, encompasses a total geographic area of 467 square miles with a population density of 3,393 persons per square mile. The total land area for Bexar County is 1,247 square miles with a population density of 1,383 persons per square mile. San Antonio is the seventh largest municipality in the U.S. It grew by 4.5% between 2010 and 2013, and is projected to grow an additional 7.12% through the year 2018. The city's metropolitan area grew by 5% between 2010 and 2013, and is projected to grow an additional 8.65% through the year 2018.

Area	2010 Census	Est. Pop 2013	Projected Growth 2010 – 2018
San Antonio	1,327,605	1,387,267	11.97%
Bexar Country	1,714,777	1,804,964	15.18%
Metro Area	2,142,508	2,256,780	15.62%

Source: Claritas

Race Composition	San Antonio Metro Area
White	36.45%
Hispanic / Latino	53.8%

Black / Latin American	6.08%
Asian	1.92%
Native Hawaiian and other Pacific Islander	0.09%
American Indian / Alaska Native	0.22%
Two or More Races	1.29%
Other Race	0.15%

Source: Claritas

Source: U.S. Census Bureau

3 San Antonio - Economic Indicators

3.1 Household Income

As per US Census Data, the average household income in San Antonio is estimated to be \$61,635 for 2011, while the average household income for the U.S. is estimated to be \$67,529 for the same time frame. The average household income in the area is projected to change over the next five years, from \$61,635 to \$63,419.

3.2 Employment Rates

Over-the-year changes in employment on nonfarm payrolls and employment by major industry sector:

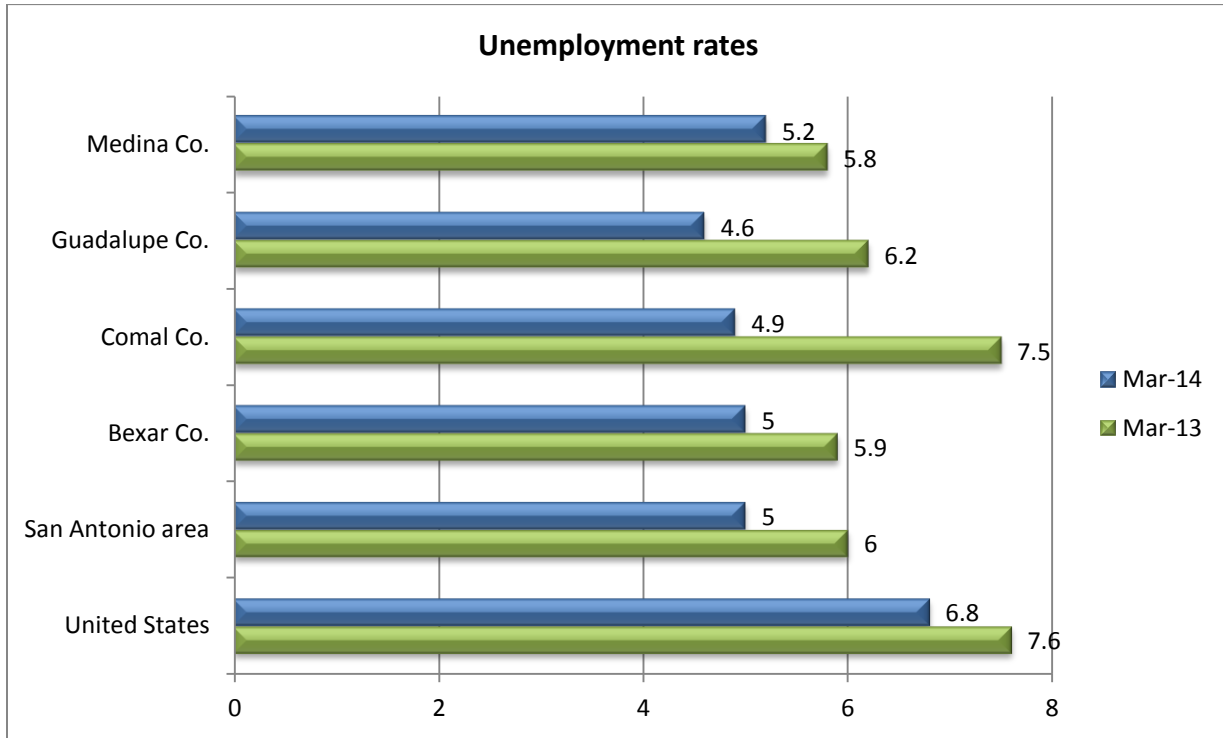
San Antonio are employment (numbers in thousands)	March 2014	Change from March 2013 to March 2014	
		Number	Percent
Total nonfarm	917.0	17.0	1.9
Mining and logging	6.2	1.1	21.6
Construction	42.8	0.5	1.2
Manufacturing	46.1	0.0	0.0
Trade, transportation, and utilities	156.7	5.3	3.5

Information	21.2	0.7	3.4
Financial activities	75.7	0.2	0.3
Professional and business services	111.3	1.0	0.9
Education and health services	141.1	3.2	2.3
Leisure and hospitality	118.3	3.7	3.2
Other services	34.5	0.7	2.1
Government	163.1	0.6	0.4

Source: U.S, BLS, Current Employment Statistics

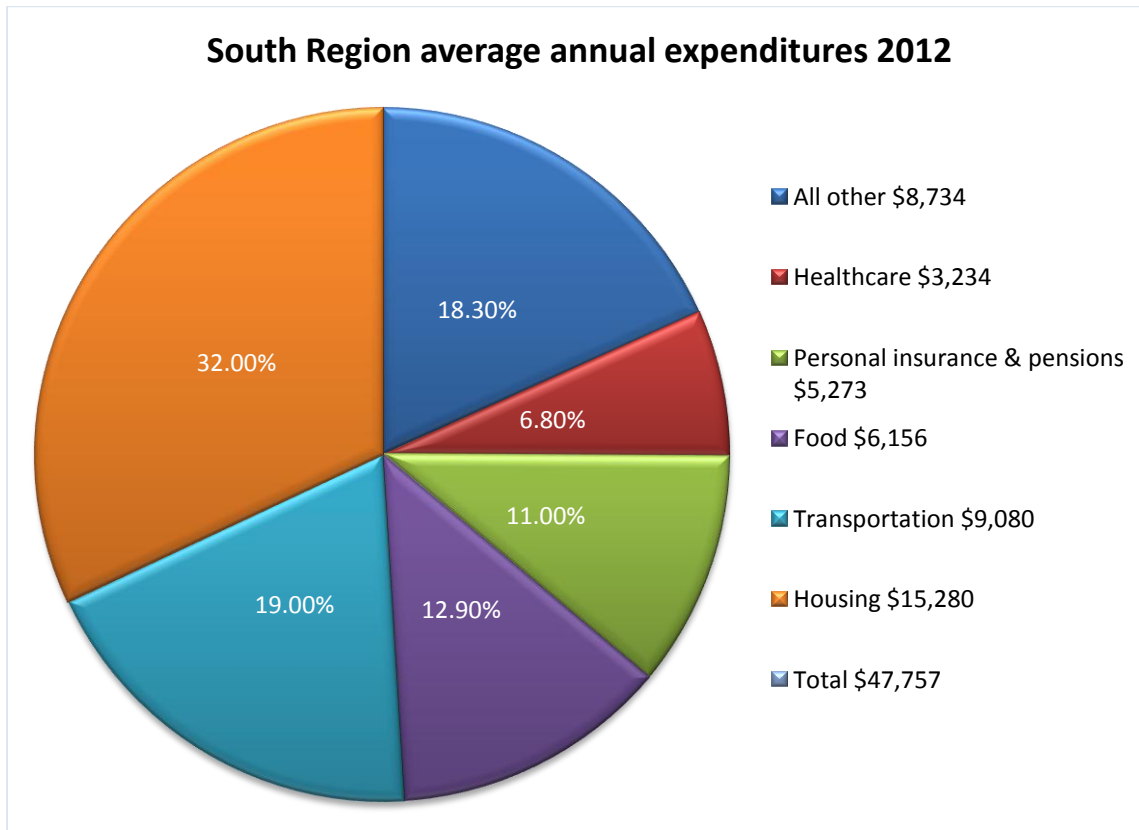
3.3 Unemployment Rates

Unemployment rates for the San Antonio area, selected area countries, and the nation has been given in the following table:



Source: U.S. BLS, Local Area Unemployment Statistics

3.4 San Antonio - Average annual spending and percent distribution



Source: U.S. BLS, Consumer Expenditure Survey.

San Antonio's job growth will rebound in 2014 from its lackluster performance last year, a Federal Reserve economist predicted.

Keith Phillips, senior economic policy adviser for the Federal Reserve Bank of Dallas, told a group of about 100 business leaders here that he expects the area to add about 22,400 jobs this year, expanding the job base by 2.5 percent.

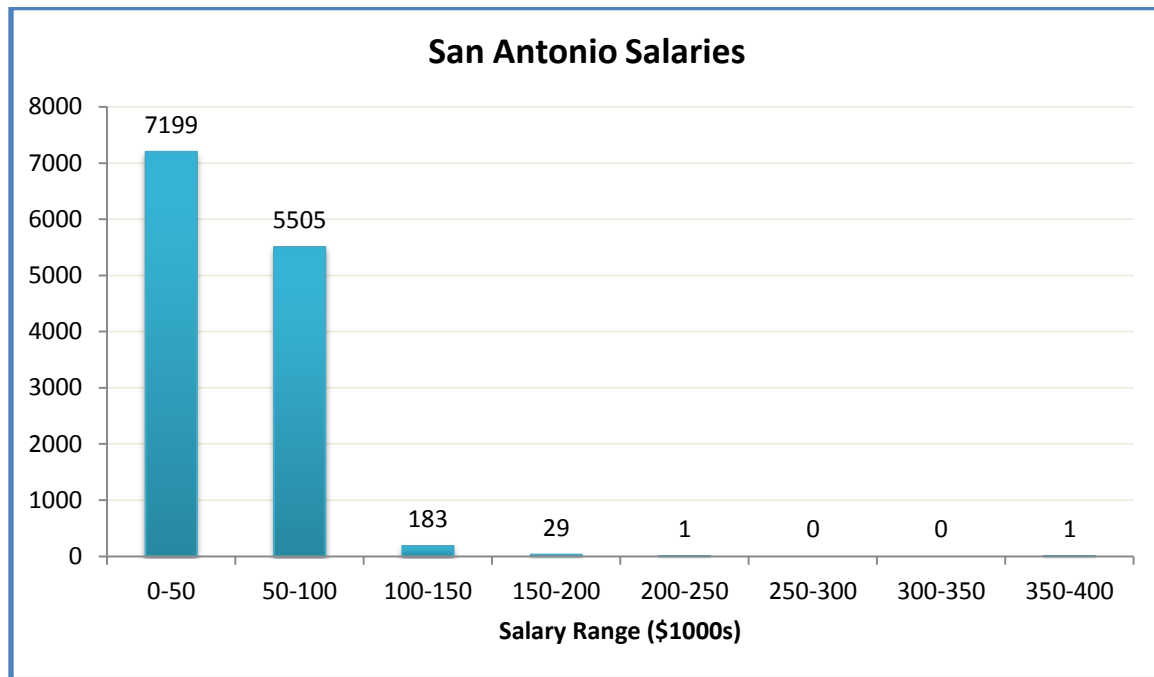
That would be a significant improvement over the 1.1 percent job-growth rate in 2013 that produced about 13,200 new jobs. That was down from 2012's 2.6 percent growth rate.

San Antonio's job-growth rate should track just under Phillips' forecast for the Texas rate in 2014 — 2.9 percent, up from 2.5 percent in 2013.¹

San Antonio Salaries

Highest Salary of San Antonio is \$355,000 and the Median Salary of San Antonio is \$44,638.

This figure shows that the statistics report of the San Antonio Salaries

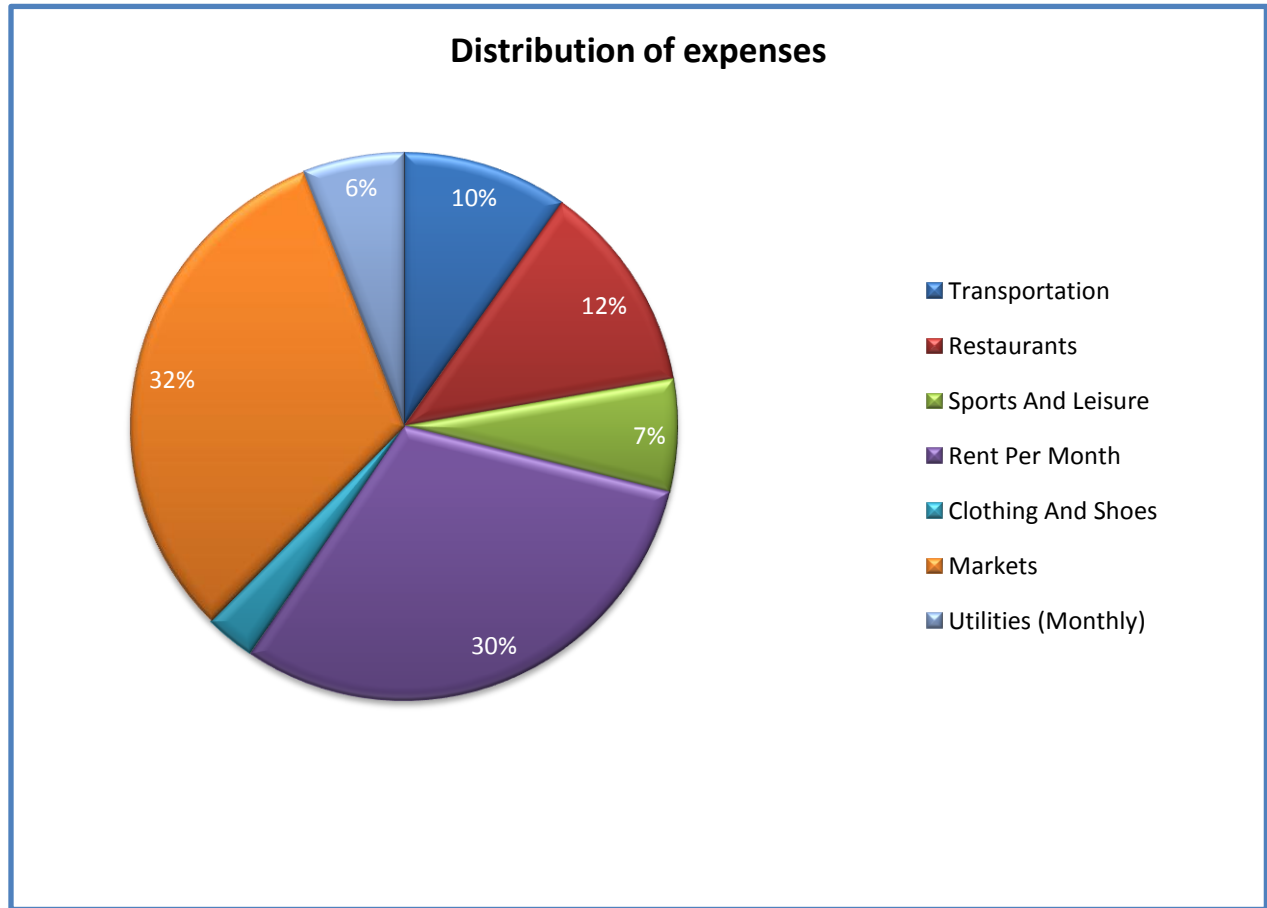


¹ <http://www.expressnews.com/business/local/article/Economist-S-A-job-growth-to-jump-in-14-5143317.php>

² <http://www.texastribune.org/library/data/government-employee-salaries/san-antonio/>

3.5 Cost of Living in San Antonio, TX, United States

Prices in San Antonio, TX



3

Metro Population	2,239,600
Major Industries	Defense, Health care, Tourism
Gross Metro Product	\$96.8 B
Median Household Income	\$50,685

³ http://www.numbeo.com/cost-of-living/city_result.jsp?country=United+States&city=San+Antonio%2C+TX

Median Home Price	\$158,700
Unemployment	6.3%
Job Growth	2.3%
Cost of Living	0.1% below national average
College Attainment	26.1%
Net Migration (2012)	26,880

San Antonio, TX, United States

3.6 San Antonio cost of living index

This table shows the cost of living index in San Antonio, Texas, United States

Index	San Antonio	Texas	National
Cost of living index	81	91	100
Goods & Services index	96	94	100
Groceries index	81	89	100

Health care index	101	96	100
Housing index	54	84	100
Transportation index	100	97	100
Utilities index	86	96	100

Source: areavibes.com

- The cost of living in San Antonio is **11%** less than the Texas average.
- The cost of living in San Antonio is **19.1%** less than the national average.
- Each cost of living index is based on a national average of 100. If the amount is below 100, it is lower than the national average. If the amount is above 100, it is higher than the national average.⁴

3.7 Economy in San Antonio, United States

This table shows that the Economy of San Antonio, Texas, United States including household Income, Population.

Economy	San Antonio, TX	United States
Unemployment Rate	7.10%	8.60%

⁴ <http://www.areavibes.com/san+antonio-tx/cost-of-living/>

Recent Job Growth	0.33%	0.35%
Future Job Growth	33.56%	32.10%
Sales Taxes	8.13%	5.00%
Income Taxes	0.00%	4.70%
Income per Cap.	\$22,474	\$26,154
Household Income	\$45,038	\$50,935

ESTIMATED HOUSEHOLDS BY HOUSEHOLD INCOME

Income Less Than 15K	13.81%	12.37%
Income between 15K and 25K	12.21%	10.53%
Income between 25K and 35K	12.48%	10.88%
Income between 35K and 50K	16.56%	15.37%
Income between 50K and 75K	19.86%	20.14%

Income between 75K and 100K	10.60%	12.41%
Income between 100K and 150K	9.10%	11.27%
Income between 150K and 250K	3.84%	5.01%
Income between 250K and 500K	1.42%	1.86%
Income greater than 500K	0.12%	0.16%
POPULATION BY OCCUPATION		
Management, Business, and Financial Operations	13.89%	14.04%
Professional and Related Occupations	21.27%	20.61%
Service	15.61%	14.45%
Sales and Office	29.98%	26.75%

Farming, Fishing, and Forestry	0.13%	0.70%
Construction, Extraction, and Maintenance	9.37%	9.42%
Production, Transportation, and Material Moving	9.76%	14.05% ⁵

Source: bestplaces.net

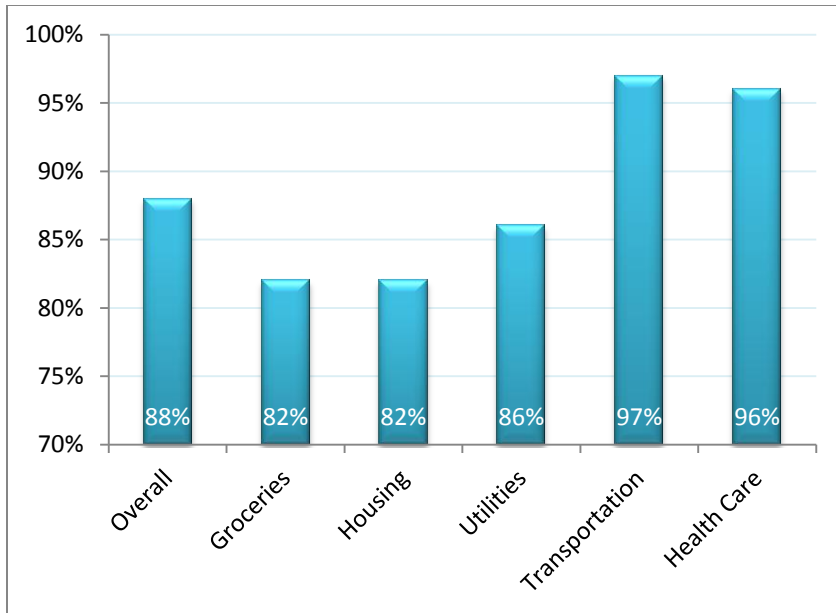
Cost of Living

San Antonio truly provides “the good life” with an excellent business climate and an attractive, affordable lifestyle. Not only do employees enjoy working in San Antonio, they appreciate the lifestyle and cost of living. San Antonio’s cost of living continues to rank among the lowest of U.S. cities, particularly among large metropolitan areas.

Cost of Living in San Antonio, Texas by Expense Category

This chart compares the cost of living in San Antonio, Texas by budget area to National Average.

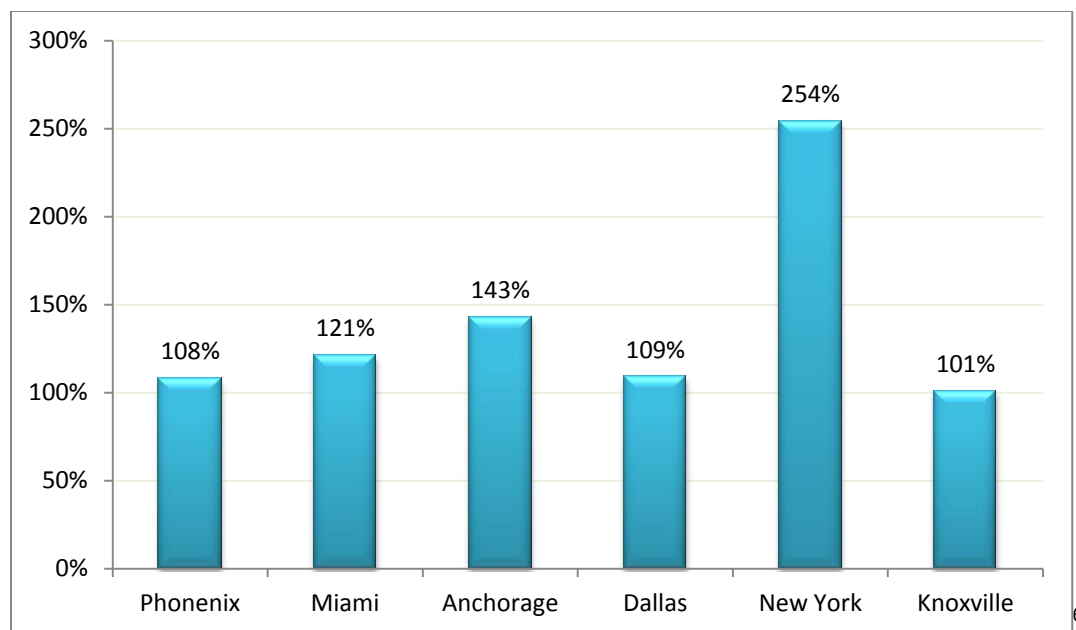
⁵ http://www.bestplaces.net/economy/city/texas/san_antonio



Source: Payscale.com

Cost of Living in San Antonio, Texas compared to Other Major Cities

This chart compares the overall cost of living in San Antonio, Texas to the cost of living in six other major cities in the United States.



Source: Payscale.com

3.8 Cost Of Living - Expatriates

The cost of living for expatriates in San Antonio TX is very low in comparison to other place in the world⁷. In San Antonio TX, the cost of each basket, based on each baskets cost of living index (only available to subscribers), is categorized follows:

Alcohol (where available) & Tobacco	Very Low
Clothing	Very Low
Communication	Low
Education	High
Furniture & Alliances	Very Low

⁶ <http://www.payscale.com/cost-of-living-calculator/Texas-San-Antonio>

⁷ http://www.xpatulator.com/cost-of-living-review/USA-San-Antonio-Tex_281.cfm

Groceries	Very Low
Household Accommodation	Very Low
Healthcare	High
Miscellaneous	Very Low
Personal Care	Low
Recreation & Culture	Very Low
Restaurants Meals Out and Hotels	Low
Transport	Average

3.9 Inflation Rate

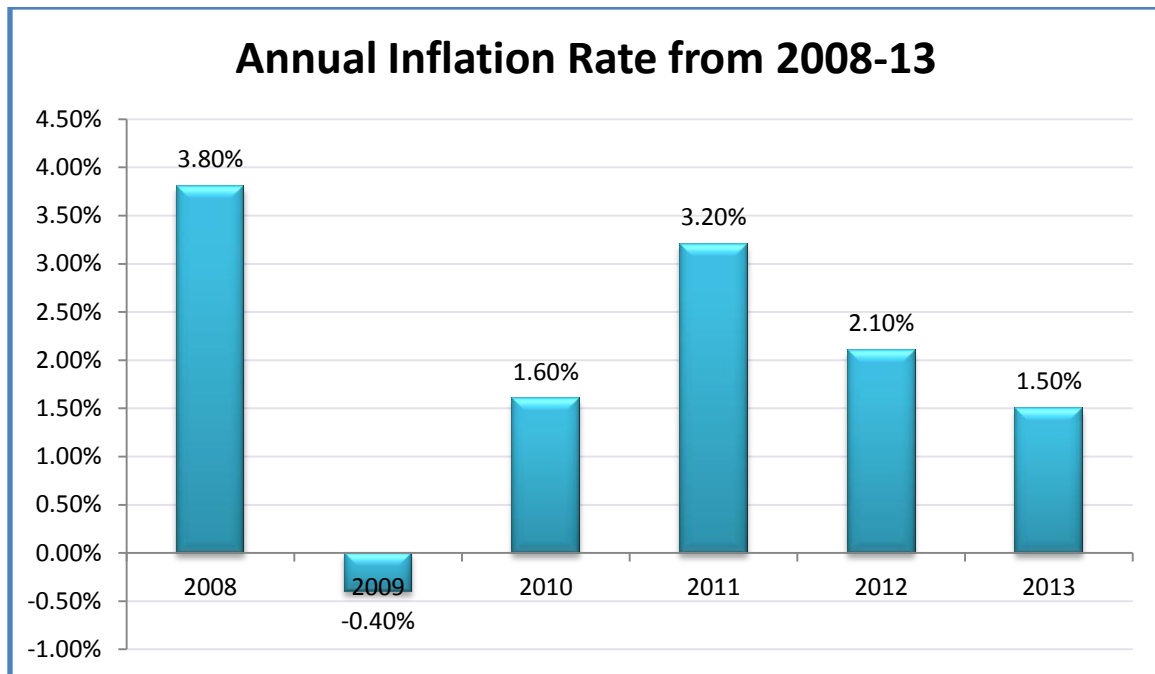
The national Consumer Price Index (CPI) inflation rate for 2008-2012 is 26.63%.⁸

In the year of 2013, San Antonio's Inflation Rate is 1.5%

Annual inflation rate in the United States from 2008 to 2013

This bar chart explains the Annual Inflation Rate from the year of 2008 to 2013 in United States.

⁸ <http://www.usa.com/san-antonio-tx.htm>



Source: Statistica.com

3.10 Wages

Minimum Wage Workers in Texas – 2013

According to the the U.S. Bureau of Labor Statistics report, Of the 6.3 million workers paid hourly rates in Texas in 2013, 223,000 earned exactly the prevailing federal minimum wage of \$7.25 per hour, while 177,000 earned less. Regional Commissioner Stanley W. Suchman noted that the 400,000 workers earning the federal minimum wage or less made up 6.4 percent of all hourly-paid workers in the state. Nationwide, those earning the federal minimum or less accounted for 4.3 percent of the hourly-paid workforce. (The Texas minimum wage is equal to the prevailing federal minimum wage.)

In 2006, 173,000 hourly-paid workers earned the prevailing federal minimum wage or less in the state—the lowest level since data were first available in 1998; they accounted for 3.0 percent of all workers paid an hourly wage. In 2007, the federal minimum wage began increasing after holding steady for nearly a decade. The initial result in Texas was that more

⁹ <http://www.statista.com/statistics/191077/inflation-rate-in-the-usa-since-1990/>

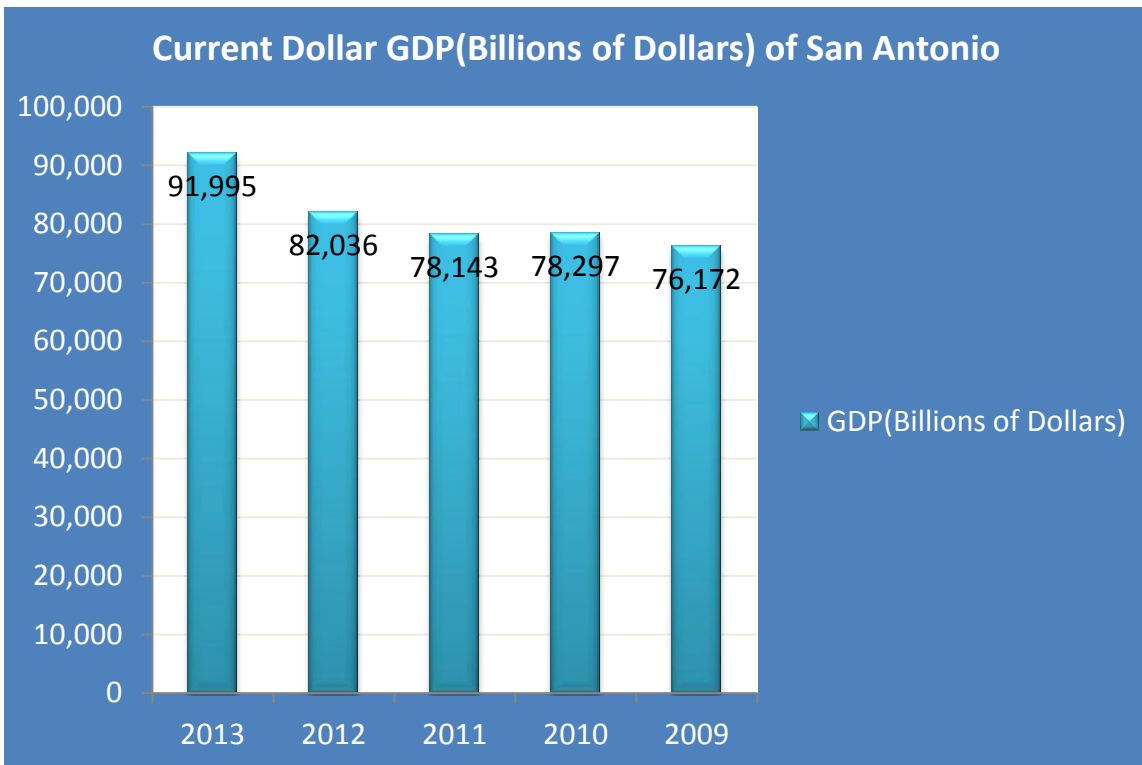
workers fell into this category, peaking at 550,000 in 2010 before declining in each of the last three years.

From 2012 to 2013, the proportion of hourly-paid workers in Texas who earned at or below the federal minimum wage declined from 7.5 to 6.4 percent. The percentage of workers earning less than the federal minimum was unchanged in 2013 at 2.8 percent, while the share earning exactly the minimum wage fell 1.1 percentage points to 3.6 percent.¹⁰

3.11 GDP of San Antonio, TX, United States

Current-Dollar GDP (Billions of Dollars)

This chart depicts that San Antonio's Growth Domestic Product from 2009-2013.



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¹⁰ http://www.bls.gov/ro6/fax/minwage_tx.htm

¹¹ http://en.wikipedia.org/wiki/List_of_U.S._metropolitan_areas_by_GDP

Forbes magazine named San Antonio and three major metropolitan markets four of its "U.S. Regions to Watch in 2014." Austin ranked first on the list, followed by San Antonio at No. 2, Houston at No. 4 and Dallas at No. 6. The magazine noted San Antonio's gross domestic product growth of 11.2 percent between 2007 and 2012.¹²

Overall, the Fed remains optimistic about San Antonio economy, which it currently describes as in a state of "moderate growth." The Fed's conservative estimates (excluding the three highest and three lowest projections) put GDP growth between 2.3% and 2.8% for 2013, heading as high as 3.7% by 2015, with a low estimate of 2.9% for 2015. The top of this so-called "central tendency" range for 2013 is slightly more pessimistic than the December estimate.¹³

¹² <http://www.bizjournals.com/sanantonio/news/2013/12/30/san-antonio-named-a-leading-us-metro.html>

¹³ <http://www.mysanantonio.com/business/fool/article/Fed-Estimates-GDP-Growth-2-3-2-8-for-2013-4315606.php>

4 Housing Sales Price Trends

This table shows the historical data of Housing including Owner-Occupied housing units by value, housing units by year structure built.

Housing	San Antonio, TX	United States
Median Home Age	31.3%	35.1%
Median Home Cost	\$127,400	\$153,800
Home Appreciation	1.85%	1.62%
Homes Owned	51.71%	57.69%
Housing Vacant	8.51%	11.38%
Homes Rented	39.79%	30.93%
Property Tax Rate	\$19.31	\$11.20
OWNER-OCCUPIED HOUSING UNITS BY VALUE		
Less than \$20,000	1.87%	2.72%
\$20,000 to \$39,999	6.22%	4.03%

\$40,000 to \$59,999	14.04%	5.58%
\$60,000 to \$79,999	14.38%	7.09%
\$80,000 to \$99,999	13.04%	8.80%
\$100,000 to \$149,000	22.81%	21.26%
\$150,000 to \$199,999	11.72%	14.87%
\$200,000 to \$299,999	9.47%	16.82%
\$300,000 to \$399,999	3.48%	7.83%
\$400,000 to \$499,999	1.36%	4.04%
\$500,000 to \$749,999	0.99%	4.05%
\$750,000 to \$999,999	0.32%	1.26%
\$1,000,000 or more	0.27%	1.64%

HOUSING UNITS BY YEAR STRUCTURE BUILT

1999 to 2005	16.57%	13.71%
1995 to 1998	12.93%	14.31%
1990 to 1994	12.93%	14.31%
1980 to 1989	18.48%	13.87%
1970 to 1979	17.03%	16.17%
1960 to 1969	12.42%	11.70%
1950 to 1959	11.23%	11.08%
1940 to 1949	5.65%	6.02%
1939 or Earlier	5.69%	13.15%

Source: bestplaces.net

The median home value in San Antonio, TX, is \$127,400. Home appreciation is 1.85% over the last year.

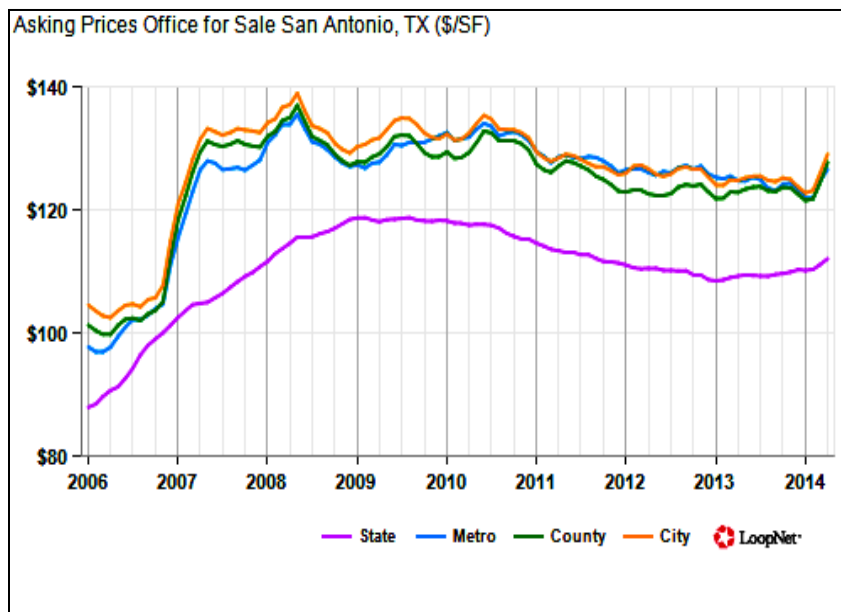
4.1 San Antonio, TX Apartments and Rentals

Renters make up 39.79% of the San Antonio, TX, population. 8.51% of houses and apartments in San Antonio, TX, are unoccupied (vacancy rate).¹⁴

San Antonio, TX Market Trends

Multifamily Property Asking Price Index - Sale Trends

This graph shows the asking prices office for Sale San Antonio, Texas.



Source: loopnet.com

This table shows that the current Market trends of multifamily properties in San Antonio

	April 14	3 months prior	Y-O-Y
State	\$49,189.58	+2.1%	+15.2%

¹⁴ http://www.bestplaces.net/housing/city/texas/san_antonio

Metro	\$51,757.83	+7.1%	+15.9%
Country	\$47,516.79	+0.8%	+10.8%
City	\$45,927.01	-2.0%	+11.2%

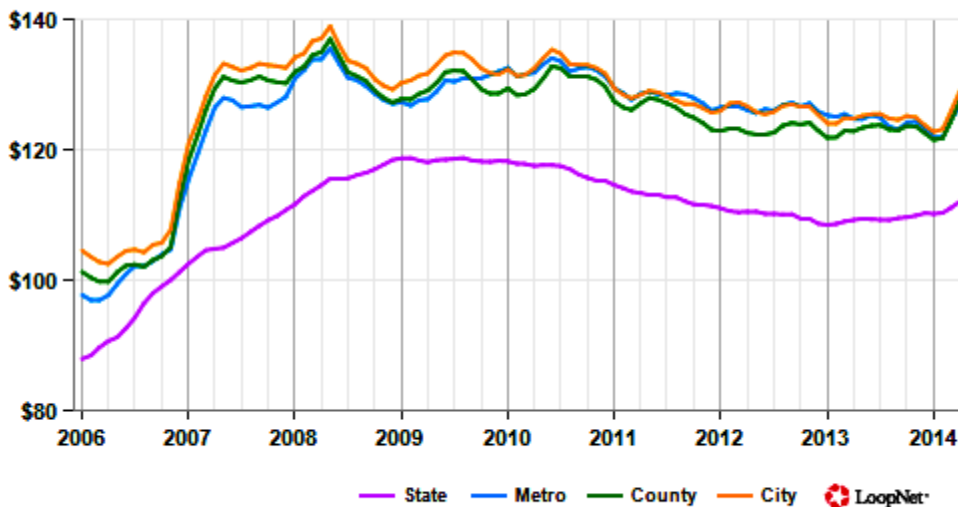
www.loopnet.com

Current San Antonio market trends data indicates a decrease of -2.0% in the median asking price per unit for Multifamily properties compared to the prior 3 months, with an increase of +11.2% compared to last year's prices. County-wide, asking prices for multifamily properties are 0.8% higher at \$47,517 per unit compared to the current median price of \$45,927 per unit for multifamily properties in San Antonio, TX.

4.2 Office Property Asking Price Index - Sale Trends

This graph depicts that San Antonio's asking prices office for sale San Antonio.

Asking Prices Office for Sale San Antonio, TX (\$/SF)



Source: loopnet.com

This table shows that the current Market trends of office properties in San Antonio

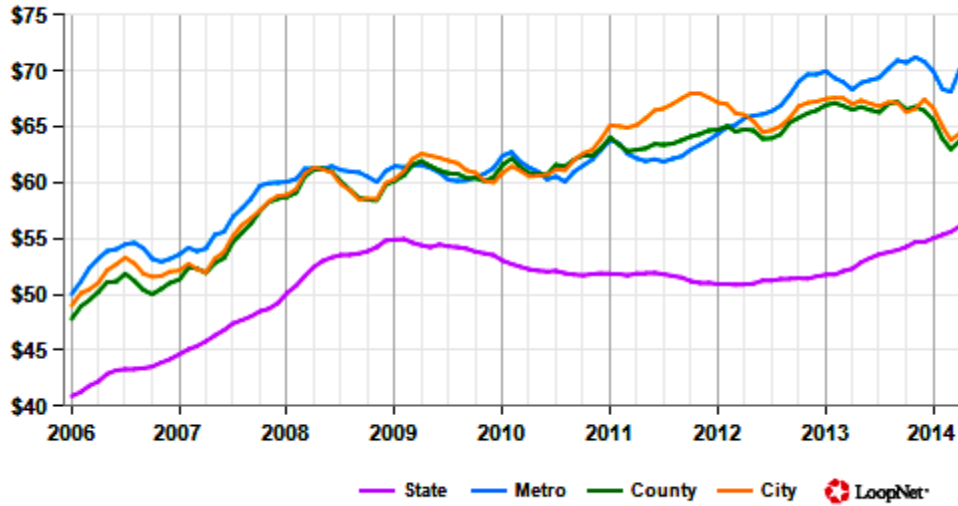
	April 14	3 months prior	Y-O-Y
State	\$112.18	+1.7%	+2.6%
Metro	\$126.70	+3.8%	+1.5%
Country	\$127.83	+5.1%	+4.0%
City	\$129.17	+5.1%	+3.4%

Current San Antonio market trends data indicates an increase of +5.1% in the median asking price per sq ft for Office properties compared to the prior 3 months, with an increase of +3.4% compared to last year's prices. County-wide, asking prices for Office properties are 5.1% higher at \$128 per sq ft compared to the current median price of \$129 per sq ft for Office properties in San Antonio, TX.

4.3 Industrial Property Asking Price Index - Sale Trends

This graph shows the industrial property asking prices office for Sale San Antonio, Texas.

Asking Prices Industrial for Sale San Antonio, TX (\$/SF)



Source: loopnet.com

This table shows that the current Market trends of Retail properties in San Antonio

	April 14	3 months prior	Y-O-Y
State	\$56.11	+1.9%	+7.3%
Metro	\$70.17	+0.3%	+2.7
Country	\$63.76	-2.8%	-4.2%
City	\$64.43	-3.4%	-3.9%

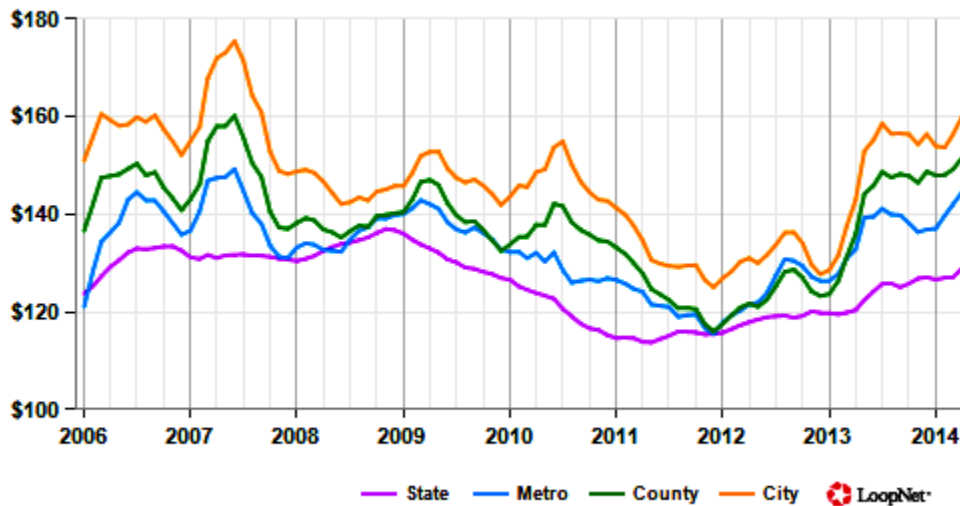
Source: loopnet.com

Current San Antonio market trends data indicates a decrease of -3.4% in the median asking price per sq ft for Industrial properties compared to the prior 3 months, with a decrease of -3.9% compared to last year's prices. County-wide, asking prices for Industrial properties are -2.8% lower at \$64 per sq ft compared to the current median price of \$64 per sq ft for Industrial properties in San Antonio, TX.

4.4 Retail Property Asking Price Index - Sale Trends

This graph shows the Retail property asking prices office for Sale San Antonio, Texas.

Asking Prices Retail for Sale San Antonio, TX (\$/SF)



Source: loopnet.com

This table shows that the current Market trends of Retail properties in San Antonio

	April 14	3 months prior	Y-O-Y
State	\$128.92	+1.8%	+7.1%
Metro	\$144.54	+5.5%	+8.8%
Country	\$151.52	+2.4%	+11.4%
City	\$159.97	+3.9%	+11.9%

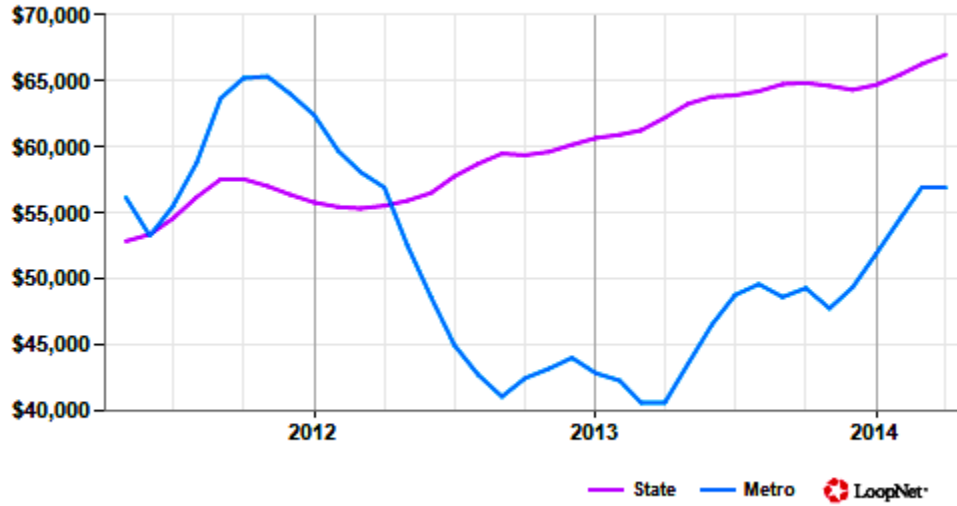
Source: loopnet.com

Current San Antonio market trends data indicates an increase of +3.9% in the median asking price per sq ft for Retail Commercial properties compared to the prior 3 months, with an increase of +11.9% compared to last year's prices. County-wide, asking prices for Retail Commercial properties are 2.4% higher at \$152 per sq ft compared to the current median price of \$160 per sq ft for Retail Commercial properties in San Antonio, TX.

4.5 Multifamily Property Sale Prices - Sale Trends

This graph shows the sales trends of multifamily property median sales prices in San Antonio, Texas.

Median Sale Price Multifamily San Antonio, TX (\$/Unit)



Source: loopnet.com

This table shows that the current Market trends of sales trends of multifamily property median sales prices in San Antonio, Texas.

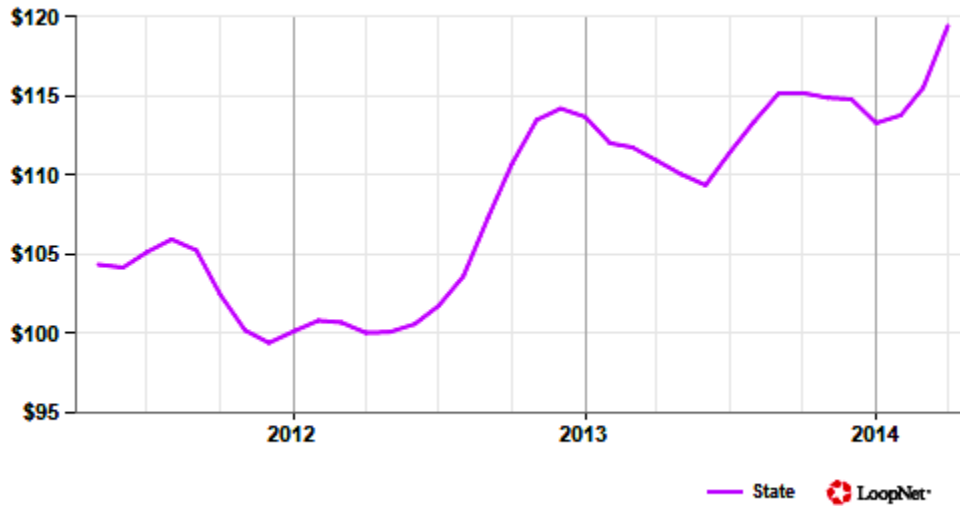
	April 14	3 months prior	Y-O-Y
State	\$66,987.47	+3.5%	+7.7%
Metro	\$56,915.43	+9.6%	+40.0%

Source: loopnet.com

4.6 Office Property Sale Prices - Sale Trends

This graph shows the sales trends of office property median sales prices in San Antonio, Texas.

Median Sale Price Office San Antonio, TX (\$/SF)



Source: loopnet.com

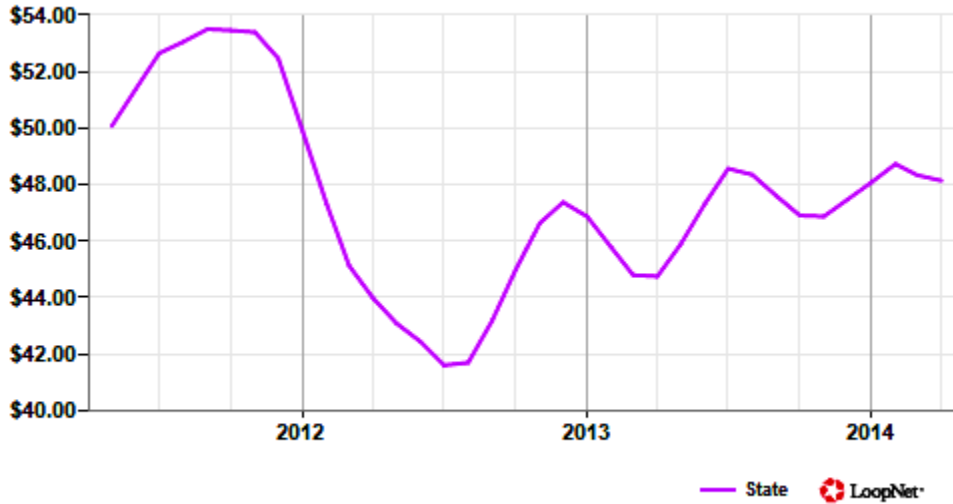
This table shows that the current Market trends of sales trends of Office property median sales prices in San Antonio, Texas.

	April 14	3 months prior	Y-O-Y
State	\$119.43	+5.4%	+7.7%

4.7 Industrial Property Sale Prices - Sale Trends

This graph shows the sales trends of Industrial property median sales prices in San Antonio, Texas.

Median Sale Price Industrial San Antonio, TX (\$/SF)



Source: loopnet.com

This table shows that the current Market trends of sales trends of industrial property median sales prices in San Antonio, Texas.

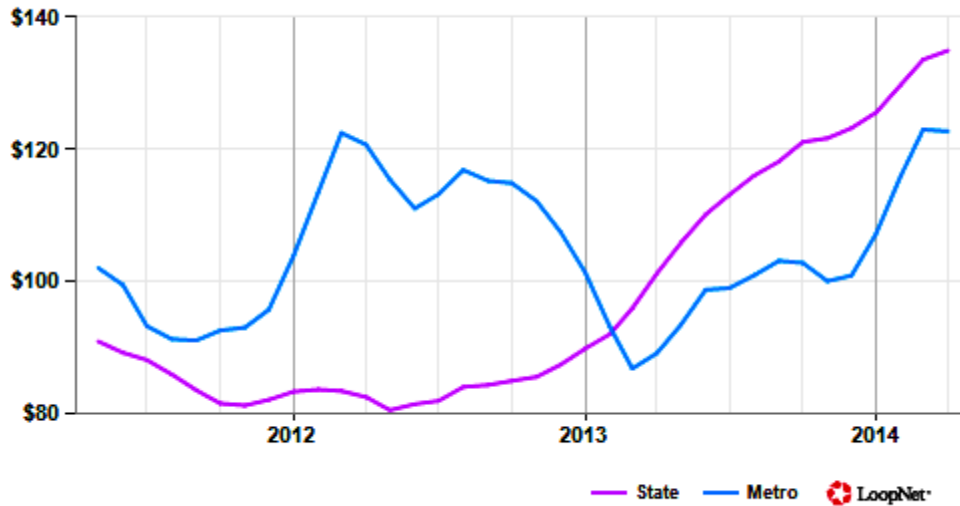
	April 14	3 months prior	Y-O-Y
State	\$48.14	+0.1%	+7.6%

Source: loopnet.com

4.8 Retail Property Sale Prices - Sale Trends

This graph shows the sales trends of Retail property median sales prices in San Antonio, Texas.

Median Sale Price Retail San Antonio, TX (\$/SF)



Source: loopnet.com

This table shows that the current Market trends of sales trends of retail property median sales prices in San Antonio, Texas.

	April 14	3 months prior	Y-O-Y
State	\$134.93	+7.5%	+33.3%
Metro	\$122.72	+14.4%	+37.6% ¹⁵

Source: loopnet.com

¹⁵ http://www.loopnet.com/san-antonia_texas_market-trends

There are currently 2,148 properties in San Antonio, TX that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 2,506.

In April, the number of properties that received a foreclosure filing in San Antonio, TX was 16% lower than the previous month and 43% lower than the same time last year.

Home sales for March 2014 were up 20% compared with the previous month, and down 1% compared with a year ago. The median sales price of a non-distressed home was \$51,111. The median sales price of a foreclosure home was \$71,000, or 39% higher than non-distressed home sales.¹⁶

4.9 Vacancy Rate

Commercial Real Estate Report

The commercial real estate market posted gains during the third quarter.

This table compares the 2013 vacancy rate and Average rent with the same period last year.

OFFICE		
	2012	2013
% Vacant	19.9%	19%
Average rent	\$19.24	\$19.59

¹⁶ <http://www.realtytrac.com/statsandtrends/tx/bexar-county/san-antonio/>

INDUSTRIAL		
%Vacant	11%	7.3%
Average rent	\$7.20	\$7.54
RETAIL		
% Vacant	11.4%	10.6%
Average rent	\$15.87	\$16.33

Source: Xceligent Inc.

San Antonio's commercial real estate market continues to tighten as demand for premium space grows. Each market — industrial, office and retail — saw vacancy rates fall and rental rates increase. But through the first three quarters of the year, the industrial sector saw the highest growth with a net gain of more than 1.1 million square feet.

During the third quarter, the citywide vacancy rate was 7.3 percent, a nearly 34 percent drop compared with the same period last year when the vacancy rate was at 11 percent, according to data from Xceligent Inc., an industry research firm. Tight inventory coupled with strong demand pushed up rental rates to \$7.54 per square foot, representing a nearly 5 percent increase over last year.¹⁷

Across the nation, cities are struggling to fill downtown offices as companies flee for the suburbs. Downtown Dallas, for example, has nearly 27 million square feet of available office space, which is almost equal to San Antonio's entire office inventory. There, the vacancy rate is

¹⁷¹⁷ <http://www.mysanantonio.com/business/local/article/Industrial-office-retail-vacancies-fall-4965513.php>

more than 27 percent, according to a market analysis by Stream Realty, a commercial real estate firm.

Currently, the vacancy rate for downtown office space is 33.3 percent. That's an 8 percentage point jump compared to the previous year, according to data from commercial real estate firm NAI REOC San Antonio, and 13 percentage points higher than the citywide average.

Class B and Class C space downtown has posted vacancy rates of 44 percent and 42.3 percent, respectively. On average their rental rates are about \$8 per square foot less than the city average, NAI REOC data shows.¹⁸

4.10 Absorption Rates

San Antonio Market Reports

This Table shows that the values of Average Asking Rent, Vacancy rate, Net Absorption of San Antonio Office Market.

Categories	Value
Average Asking Rent (Price/SF)	\$20.66
Vacancy Rate (%)	14.3%
Net Absorption (SF)	54,052

Source: bestplaces.net

¹⁸ <http://www.mysanantonio.com/business/article/Downtown-office-market-struggling-4413709.php#photo-4430288>

San Antonio Office Market

In the last quarter of 2013, San Antonio's office market absorbed less than 100,000 square feet of positive net absorption for the first time all year. Recording just 54,052 square feet in the fourth quarter brings the year-to-date total to 378,680 square feet of positive net absorption. With several tenants expanding and shuffling around the market, the North West submarket saw the greatest amount of positive net absorption with 90,180 square feet, partly due to Well Med's 24,000-square-foot lease at 12451 Network Boulevard. San Antonio's overall vacancy rate is 14.3%, which is 30 basis points lower than last quarter - the lowest it has been in the last five years. With the largest inventory of any submarket at 8.6 million square feet, North Central had the second lowest vacancy rate at 13.3% following the Far North Central with 7.6%. Answering the call for demand, a total of 110,648 square feet was delivered this quarter including Ridgewood Business Center (67,148 SF) in the Far North Central submarket and Shavano Center IV (43,500 SF) in the North Central submarket along Route 1604.

San Antonio Industrial Market

This Table shows the values of Average Asking Rent, Vacancy rate, Net Absorption of San Antonio Industrial Market

Categories	Value
Average Asking Rent (Price/SF)	\$5.72
Vacancy Rate (%)	6.2%
Net Absorption (SF)	1,172,208

Source: bestplaces.net

In the fourth quarter of 2013, San Antonio's industrial market recorded negative 27,792 square feet of net absorption. However with the delivery of Amazon.com's 1.2-million-square-foot fulfillment center it brought total absorption to a positive net 1,172,208 square feet and total inventory increased to over 72.0 million square feet. This new center will create 350 jobs and have an annual payroll of \$11 million. Excluding the completion of the fulfillment center in the Far Northeast submarket, this would be the first quarter in over two years to record negative net absorption. With large tenants like Cardell Cabinets closing its 95,000-square-foot space at Pan Am Distribution Center Building 1, and Pratt Logistics vacating nearly 40,000 square feet at Tri County Distribution Center, some sizeable spaces have come back onto the market.¹⁹

Single Family Homes

Median Single family Home Price

This table shows that the home prices for median single family from the year 2006 to 2013 in San Antonio, Texas.

	SA MASA	Texas	U.S
Year-End 2006	\$147,500	\$145,600	\$268,200
Year- End 2007	\$148,500	\$147,400	\$266,000
Year- End 2008	\$141,500	\$140,600	\$242,700
Year- End 2009	\$147,400	\$144,400	\$216,700

¹⁹ <http://www.ngkf.com/home/research-center/us-market-reports.aspx?d=2921>

Year- End 2010	\$157,200	\$150,800	\$221,800
Year- End 2011	\$151,900	\$151,200	\$227,200
Year- End 2012	\$159,500	\$162,900	\$245,200
Year- To-Date 2013	\$168,100	\$173,000	\$254,600

Source: Texas A&M Real Estate Center, U.S. Bureau of Census²⁰

Foreclosures

San Antonio's foreclosure rates continue to outshine national stats

As of February 2014, 0.8 percent of all outstanding mortgages in the San Antonio/New Braunfels metro were in some stage of the foreclosure process — down from the 1.14 percent of outstanding mortgages there were in foreclosure as of February 2013, according to the latest analysis by Irvine, Calif.-based CoreLogic.

Meanwhile, 3.63 percent of all mortgages in the San Antonio/New Braunfels metro were 90 days or more delinquent as of February 2014, CoreLogic reports.

Both the foreclosure and delinquency rates for the local market are substantially better than the national numbers. In fact, even last year's local numbers outshine the current stats on the national front.

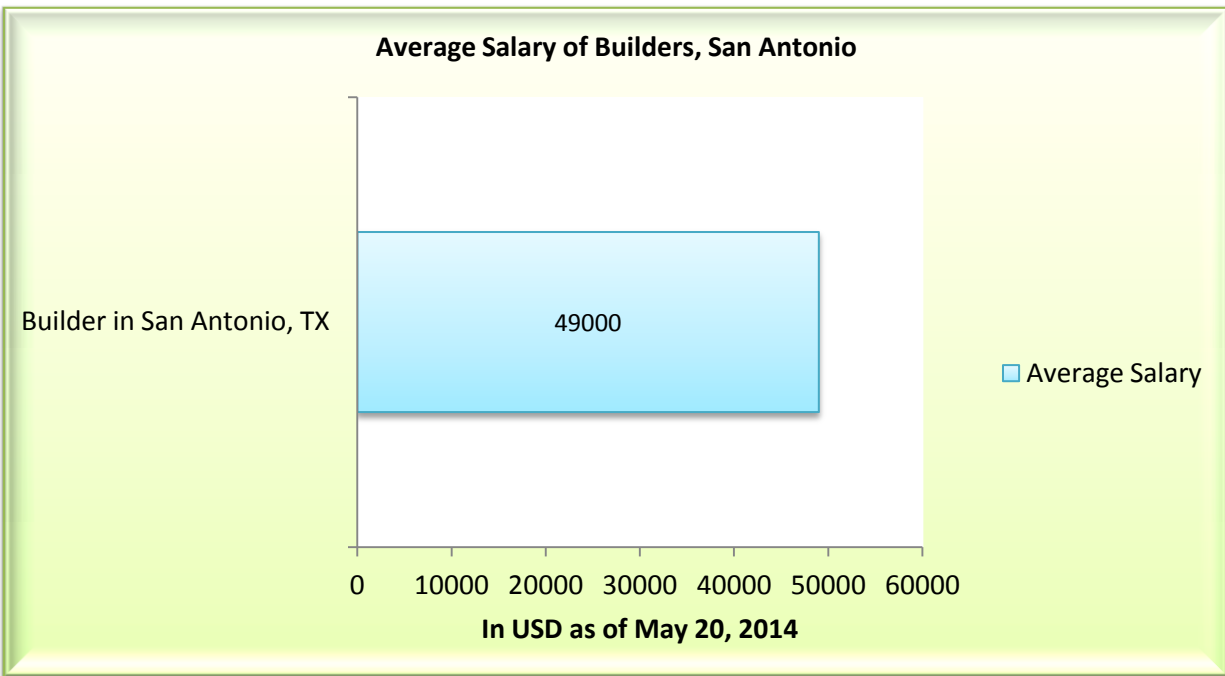
²⁰ <http://www.transwestern.net/Market-Research/Documents/Southwest%20-%20San%20Antonio%20Fundamentals%20-%20Q3%202013.pdf>

Nationally, 1.93 percent of all outstanding mortgages in the U.S. were in some stage of foreclosure, while 4.83 percent of all mortgages in the country were 90 days or more delinquent.

Therefore Once again, San Antonio's housing market is proving its mettle over the national landscape.²¹

Builder Earnings

This chart shows that Average Salary of Builders in San Antonio, Texas, United States.



Source: indeed.com

Average Builder salaries for job postings in San Antonio, TX are 10% lower than average Builder salaries for job postings nationwide.

²¹ <http://www.bizjournals.com/sanantonio/blog/2014/04/san-antonio-s-foreclosure-rates-continue-to.html>

Builder Salary Trend

Average Salary

This table shows the average salary report of builders in San Antonio, TX, United States.

Designation	Average Salary
Order Builder in San Antonio, TX	\$21,000
Scaffold Builders in San Antonio, TX	\$21,000
Cabinet Builder in San Antonio, TX	\$31,000
Truss Builder in San Antonio, TX	\$20,000
Construction crew in San Antonio, TX	\$23,000

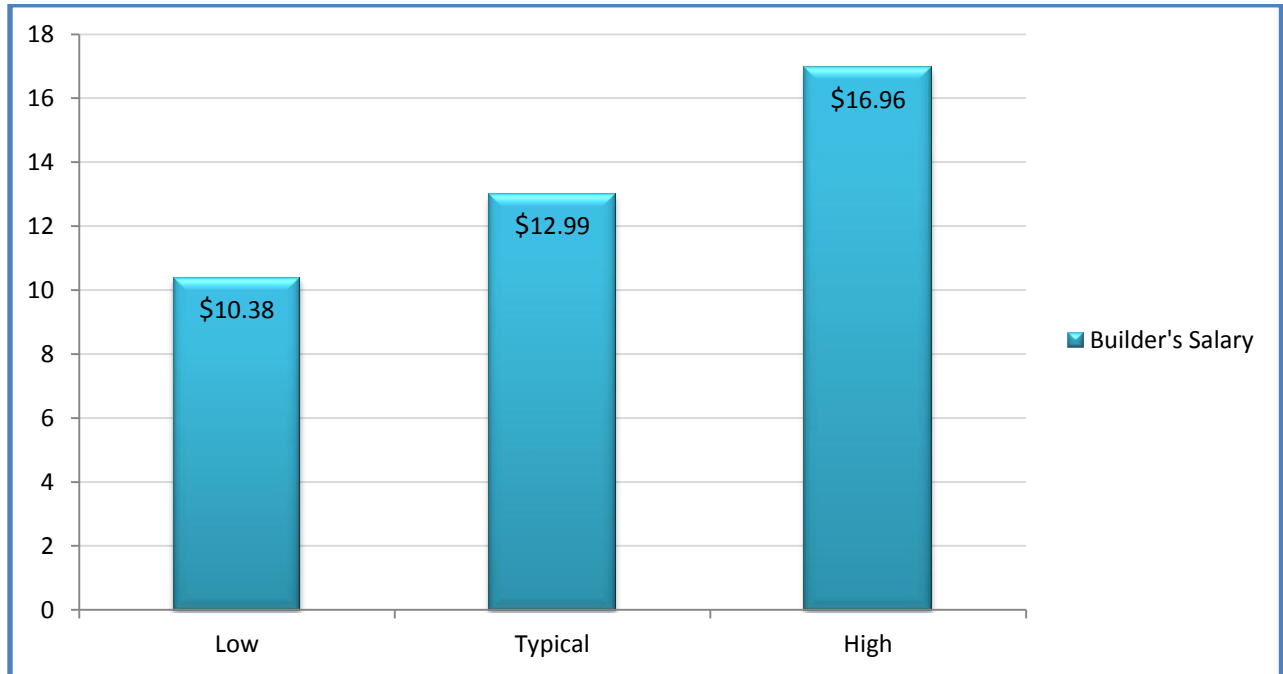
Source: indeed.com²²

²² <http://www.indeed.com/salary/q-Builder-I-San-Antonio,-TX.html>

Basic Salary of Builders Chart

The typical Hourly Rate for a Builder in West South Central U.S. Region is \$10.38 - \$16.96

The chart below shows the Basic salary of the Builders in San Antonio, Texas, United States.



23

Source: Payscale.com

23

<http://www.payscale.com/af/calc.aspx?af=2385&src=SH1&job=scaffold%20builders&city=San%20Antonio&state=TX>

5 Discretionary Spending Of San Antonio

In the San Antonio Designated Market Area (DMA), Hispanic households accounted for 60% of the area's \$11.2 billion dollars in annual discretionary spending.²⁴

Discretionary Spending by market

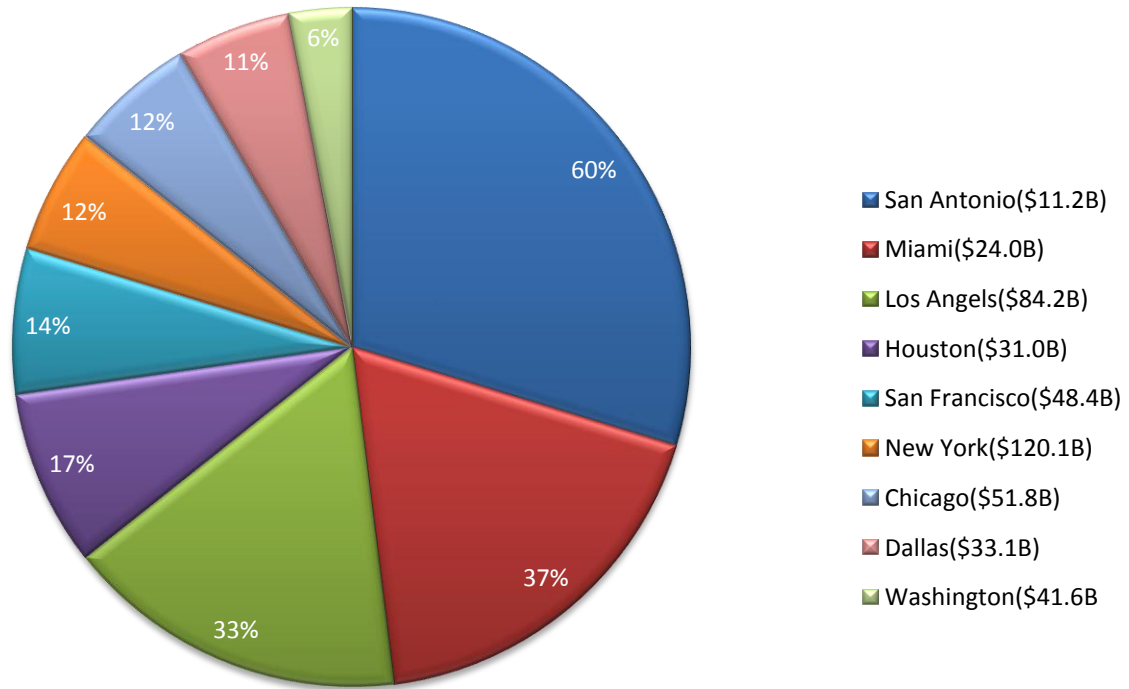
Hispanic control of discretionary spending varies greatly by market

Marketers need to understand the degree to which Hispanic households control total discretionary spend. In the San Antonio Designated Market Area(DMA), for instance, Hispanic households account for fully 60% of the area's \$11.2 billion dollars in annual discretionary spending compared with just 6% of the Washington, D.C. DMA's \$41.6 billion in annual discretionary spending that comes from Hispanic households.

This Pie chart shows that the Percentage of total discretionary spend controlled by Hispanic households in select CMA's, 2012.

²⁴ <http://www.hispanicmarketinfo.com/2013/01/16/in-the-san-antonio-designated-market-area-dma-hispanic-households-accounted-for-60-of-the-areas-11-2-billion-dollars-in-annual-discretionary-spending/>

% of total discretionary spend controlled by Hispanic households in select DMAs, 2012



25

Source: Experian Simmons

²⁵ <http://www.experian.com/assets/simmons-research/white-papers/marketig-services-hispanic-demographic-report-11-2012.pdf>

6 Construction labor market

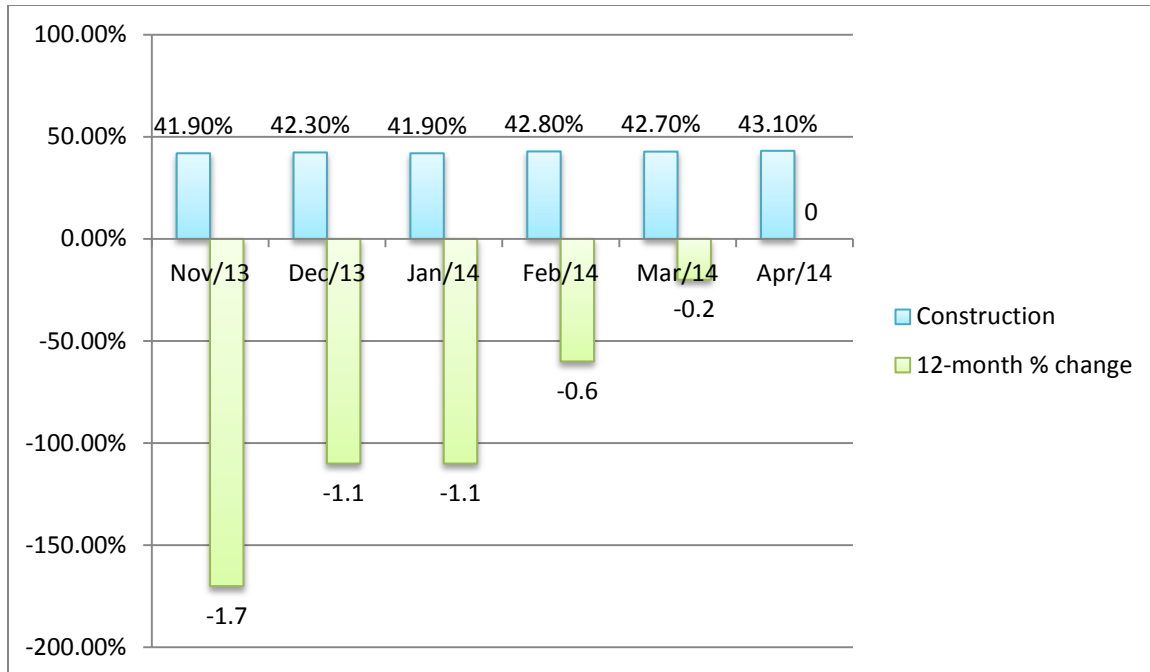
In June Labor Market Report, 2013, Workforce Solutions Alamo released information that indicating that the San Antonio metro area unemployment rate increased to 6.7 percent in June, up from 6.2 percent reported for May. Total non-agricultural employment in the San Antonio-New Braunfels MSA expanded by 6,400 jobs over-the-month while annual growth remained strong with 14,700 more jobs (1.7%) since June 2012.

Construction continues its job growth with an additional 800 jobs (1.8%) over the month, and 3,500 jobs (8.5%) over the year, making it the fastest growing industry in the Alamo region at this time. Leisure and Hospitality contributed the most job gains since May 2013 with a reported 4,300 jobs (3.8%), and an annual gain of 1,900 jobs (1.3%). Manufacturing contributed 500 more jobs (1.1%) in June, and is slowly attempting to overcome a deficit of -300 jobs (-0.6%) since this same time last year.²⁶

San-Antonio-Construction Labor Market Condition

This chart explains the construction Labor Market Condition of San Antonio

²⁶ <http://www.workforcesolutionsalamo.org/lmi/sanantoniomsa/monthlyjobreports.asp>



U.S. Bureau of Labor Statistics²⁷

San Antonio contractors add 1,900 employees to their payrolls in February 2014

In the outlook, employment in construction will be one of the strongest sources of growth in Texas. The sector is expected to grow from 4.6% of the total employment market in 2011 to 4.9% in 2014,” said the HIS economists, who expect housing construction to finally return to pre-recessionary levels in 2015.²⁸

Construction companies in the San Antonio may not be adding as many new jobs to the area, but employment is still growing. San Antonio contractors add 1,900 employees to their payrolls in February Construction firms in San Antonio added a net 1,900 employees to their payrolls over the past 12 months ended February 2014.²⁹

²⁷ http://www.bls.gov/eag/eag.tx_sanantonio_msa.htm

²⁸ <http://www.doleta.gov/performance/results/AnnualReports/PY2013/GrowthAbounds.pdf>

²⁹

http://www.bizjournals.com/profiles/company/us/va/arlington/the_associated_general_contractors_of_america/3290624

The numbers are going in the right direction, but there's still a lot of room for improvement.

Over the 12 months ended Aug. 31, 2013, construction firms in the San Antonio/New Braunfels area added 2,100 employees to their payrolls, according to the latest report by Arlington, Va.-based Associated General Contractors of America (AGC).

As of Aug. 31, 2012, local contractors reported a total of 41,500 employees. A year later, the employment count stood at 43,600 — an increase of 5 percent.

AGC tracks construction-sector employment in 339 metros. The analysis also includes rankings of the cities, based on their 12-month percentage change.

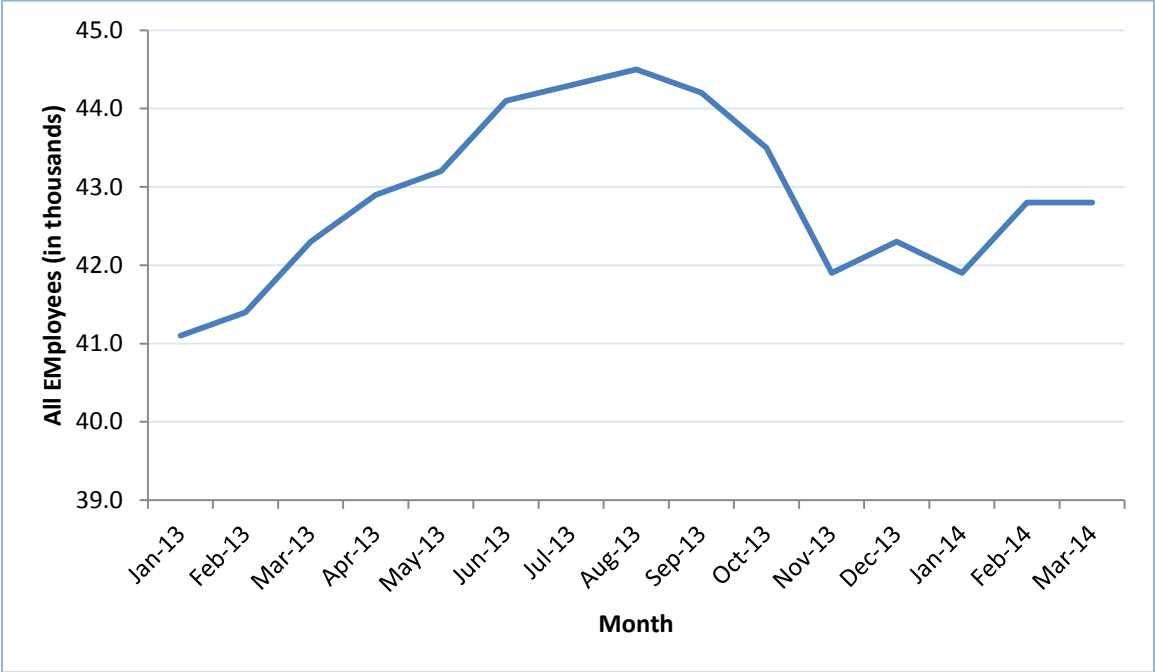
Out of the 339 metros, the greater San Antonio area is currently ranked at No. 105.

San Antonio was one of 194 metros that added jobs between August 2012 and 2013, AGC reports.³⁰

³⁰ <http://www.bizjournals.com/sanantonio/blog/2013/09/san-antonio-contractors-add-2100.html?page=all>

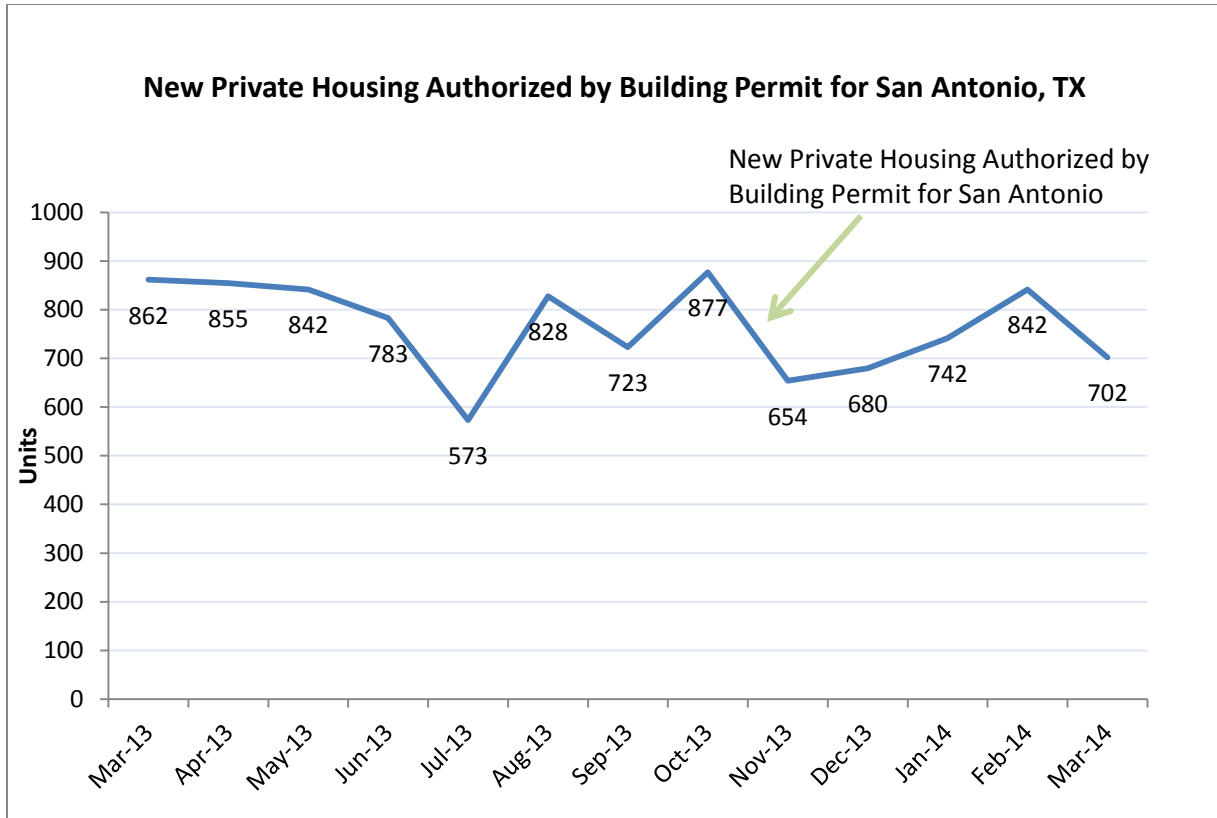
6.1 San Antonio – Statistics on Construction Employment

Statistics on Construction Employment at San Antonio has been given in the following table



7 San Antonio – Building Permit

Housing permits have continued to trend upward while inventories have fallen, pointing toward continued growth in home construction. New Private Housing that is authorized for San Antonio, Texas has been illustrated in the following figure:



Source: US Department of Commerce: Census Bureau

Source: 2010 U.S. Census Data