

Demographics & Economics				
Population		Unemployment Rate		
Houston MSA	5.8 million	Houston ²	6.5%	
Houston Growth ¹	2.85%	Texas ²	6.7%	
National Growth ¹	1.23%	National ³	8.6%	
Household Income & Value				
Per Capita Income	\$28,037	2008 Households	2.0 million	
1-year Job Growth	2.20%	Household Growth	2.77%	
1-year Job Additions	57,300	Median Home Price	\$142,100	
Major Employers				
University of Texas MD Anderson Center				
MD Anderson Cancer Center				
Schlumberger				
Continental Airlines Inc.				
Houston City Engineering				
Sources: Bureau of Labor Statistics, NAR, STDB Online. "2008 Local Market Report" - Houston Region ©2008 NATIONAL ASSOCIATION OF REALTORS®. Used with permission. Reproduction, reprinting, or retransmission of this document in any form (electronic media included) is prohibited without written permission. ¹ Projected annual growth over 5 years (2008-2013). ² Rates are non-seasonally adjusted as of March 2009. ³ Rates are non-seasonally adjusted as of April 2009.				
Noteworthy Transactions				
	Sale Date	Sale Price	Sq. Ft./Units	PPSF/PPU
Office				
17323 Red Oak Drive	1-09	\$3,583,734	15,514	\$231
Red Oak & Peakwood	1-09	\$2,850,000	5,600	\$509
Industrial				
6925 & 6955 Portwest Drive	1-09	\$5,900,000	70,490	\$84
2339 Commerce	2-09	\$895,703	6,030	\$149
Retail				
2640 E. League City Parkway	3-09	\$8,160,000	27,939	\$292
901 E. Highway 90A	2-09	\$3,200,000	10,000	\$320
Apartment				
Brazos Ranch	1-09	\$39,900,000	372	\$107,258
Arbors on Westheimer	2-09	\$5,000,000	24	\$208,333
Hotel				
Hampton Inn & Suites	2-09	\$10,185,321	104	\$97,936
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.				
Market Construction/Redevelopment Activity				
	Property Type	New(N)/Refurbished(R)	Total Sq. Ft./Units	Estimated Delivery
Corinthian Village Senior Living	Multifamily	N	124	2010
Discovery Tower	Office	N	844,763	2010
Washington Centre	Retail/Office	N	50,000	2009
MainPlace	Office	N	1,000,000	2010
LKW Best Automotive Warehouse	Industrial	N	98,850	N/A
Sources: CBRE, RE Business.				

Metro Trend Analysis	Previous Quarter	Previous Year
Office		
Size-Weighted Average PPSF	↑	↑
Weighted Average Cap Rate	↓	↑
Industrial		
Size-Weighted Average PPSF	↓	↓
Retail		
Size-Weighted Average PPSF	↑	↑
Weighted Average Cap Rate	↑	↑
Apartment		
Size-Weighted Average PPU	↓	↓
Weighted Average Cap Rate	↑	↑
Hotel		
Size-Weighted Average PPU	↑	↓
Metro Cap Rate Comparison*		Current Quarter
Office		
vs. South Region	↓	
vs. Nation	=	
Retail		
vs. South Region	↑	
vs. Nation	↑	
Apartment		
vs. South Region	=	
vs. Nation	↑	
*Comparison of current quarter weighted average capitalization rates. Source: RERC, 1Q 2009.		



Houston Transaction Breakdown
12-Month Trailing Averages (04/01/08 - 03/31/09)

	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$28	\$51	\$81	\$54	–
Size Weighted Avg. (\$ per sf/unit)	\$141	\$47	\$101	\$19,058	–
Price Weighted Avg. (\$ per sf/unit)	\$211	\$61	\$149	\$40,036	–
Median (\$ per sf/unit)	\$111	\$54	\$104	\$25,110	–
> \$5 Million					
Volume (Mil)	\$810	\$27	\$232	\$394	\$87
Size Weighted Avg. (\$ per sf/unit)	\$176	\$35	\$144	\$39,267	\$160,574
Price Weighted Avg. (\$ per sf/unit)	\$184	\$45	\$191	\$62,899	\$192,984
Median (\$ per sf/unit)	\$155	\$44	\$192	\$33,834	\$118,171
All Transactions					
Volume (Mil)	\$838	\$78	\$313	\$448	\$88
Size Weighted Avg. (\$ per sf/unit)	\$174	\$42	\$130	\$34,807	\$133,400
Price Weighted Avg. (\$ per sf/unit)	\$185	\$56	\$180	\$60,137	\$190,341
Median (\$ per sf/unit)	\$136	\$54	\$109	\$28,125	\$97,936
Capitalization Rates (All Transactions)					
Weighted Average (%)	7.1	–	7.7	7.7	–
Median (%)	7.3	–	7.3	7.7	–
Source: RERC.					

Houston Transaction Trends
12-Month Trailing (04/01/08 - 03/31/09)

	Office	Industrial	Retail	Apartment	Hotel
Median Price					
% Change Quarter Ago	6%	6%	1%	-17%	–
% Change Year Ago	21%	7%	-3%	-29%	5%
Volume					
% Change Quarter Ago	-26%	-69%	-19%	-54%	–
% Change Year Ago	-74%	-87%	-73%	-75%	-91%
Source: RERC.					

