

THE CANTRELL REPORT™
Pertinent Information for Apartment Owners
August 2010

Economic Recovery Strengthens

By: Real Estate Center Online News

Texas economic recovery is strengthening, according to the latest monthly economic review from the Real Estate Center at Texas A&M University. After 16 months of job losses, the state had its third month of positive annual employment growth.

Texas' employment growth rate from July 2009 to July 2010 was 1.3 percent compared with a rate close to zero percent for the nation. The state's private sector posted a positive annual employment growth rate of 1.2 percent compared with a zero percent rate for the United States.

The seasonally adjusted unemployment rate in Texas rose from 7.9 percent in July 2009 to 8.2 percent in July 2010, while the U.S. rate increased from 9.4 to 9.5 percent over the same period.

All Texas industries except the construction and information industries had more jobs in July 2010 than in July 2009. Nineteen Texas metro areas had positive employment growth rates from July 2009 to July 2010, up from 16 for the period from June 2009 to June 2010. San Angelo ranked first in job creation, followed by College Station-Bryan, Austin-Round Rock-San Marcos and McAllen-Edinburg-Mission.

The state's actual unemployment rate in July 2010 was 8.5 percent. Midland had the lowest unemployment rate followed by Amarillo, San Angelo, and Collection Station-Bryan.

The complete economic review is available on the Center's website - <http://recenter.tamu.edu/econ/>.

| JOB GROWTH ¹ | Area New Jobs | | | | |
|--|---|------------------|---|-------------------|-------------------|
| | Estimate | 1 Mo End 7/10 | 6 Mo End 7/10 | 12 Mo End 7/10 | |
| Dallas/Plano/Irving | | (13,000) | 39,700 | 26,100 | |
| Fort Worth/Arlington | | (7,600) | 9,500 | 5,200 | |
| | | (20,600) | 49,200 | 31,300 | |
| INTEREST RATES ² | Rates | | 8/18/2010 | Yr. Ago | |
| | 10 Year Treasury | | 2.64% | 3.51% | |
| | 11th District COFI | | 1.80% | 1.60% | |
| | 1 Mo. LIBOR | | 0.27% | 0.27% | |
| Spreads over the above indexes have been increasing as rates have decreased. Best all in rates for the best properties are around 5.00%. | | | | | |
| SUPPLY/ DEMAND ³ | Units Added/ Absorbed | | 6 Mo End 8/10 | 12 Mo End 8/10 | 24 Mo End 8/10 |
| | Dallas County | | | | |
| | Added | | 2,459 | 5,796 | 11,904 |
| | Absorbed | | 8,389 | 7,604 | 6,169 |
| | Tarrant County | | | | |
| | Added | | 456 | 730 | 5,785 |
| Absorbed | | 4,683 | 4,093 | 5,830 | |
| OCCUPANCY RATES ³ | Dallas County | | 8/10 | 6 Mo Ago | 12 Mo Ago |
| | 2000's | | 90% | 85% | 84% |
| | 1990's | | 94% | 92% | 93% |
| | 1980's | | 89% | 87% | 88% |
| | 1970's or Older | | 87% | 86% | 88% |
| | Tarrant County | | | | |
| | 2000's | | 93% | 87% | 87% |
| | 1990's | | 95% | 92% | 94% |
| | 1980's | | 90% | 89% | 89% |
| | 1970's or Older | | 84% | 82% | 83% |
| RENTAL RATES ³ | Dallas County | | 8/10 | 6 Mo Ago | 12 Mo Ago |
| | 2000's | | \$1,191 | \$1,191 | \$1,193 |
| | 1990's | | \$1,008 | \$1,008 | \$1,028 |
| | 1980's | | \$660 | \$657 | \$672 |
| | 1970's or Older | | \$659 | \$663 | \$674 |
| | Tarrant County | | | | |
| | 2000's | | \$958 | \$947 | \$967 |
| | 1990's | | \$896 | \$878 | \$896 |
| | 1980's | | \$625 | \$627 | \$637 |
| | 1970's or Older | | \$589 | \$597 | \$605 |
| HISTORICAL JOB GROWTH | Average year change of the combined DFW MSA's | | 1 Texas Workforce Commission | | |
| | 2005 | 68,300 | 2 Banxquote.com | | |
| | 2006 | 91,600 | 3 ALNsys.com - Rental rates are before any concessions. | | |
| | 2007 | 82,200 | Approx. 25% of 70's or older are all bills paid. | | |
| | 2008 | 2,500 | | | |
| | 2009 | (94,900) | | | |

Information obtained from sources deemed reliable, but not guaranteed.

The Cantrell Company specializes in the brokerage of multi-family properties. Please contact the apartment specialists below for exclusive representation for the sale of your apartment property or for your next purchase.

Mark Cantrell
214-368-1295

Todd Franks
972-630-6692

Sam Pettigrew
972-630-6691

Thomas Hooke
972-630-6696

mcantrell@cantrellcompany.com

tfranks@cantrellcompany.com

spettigrew@cantrellcompany.com

thooke@cantrellcompany.com