

Demographics & Economics				
Population		Unemployment Rate (June 2007)		
Tucson MSA	977,000	Tucson	3.5%	
Tucson Growth ¹	2.09%	Arizona	3.6%	
National Growth ¹	1.30%	National	4.7%	
Household Income & Value				
Per Capita Income	\$28,470	2007 Households	386,000	
3-year Job Growth ²	5.80%	Household Growth	2.15%	
Net Migration	12,800	Median Home Price	\$229,000	
Major Employers				
University of Arizona				
Raytheon Missile Systems				
University Medical Center				
Tucson Medical Center				
Southwest Emergency Association				
Sources: Bureau of Labor Statistics August 9, 2007 report, Career InfoNet, NAR, STDB Online. "Home Price Analysis Report for Tucson Region – July 2006" ©2006 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 (2006-2011). ² Total cumulative job creation of last 3 years.				
Noteworthy Transactions				
	Sale Date	Sale Price	Sq. Ft./Units	PPSF/PPU
Office				
101 N. Wilmot Rd.	4-07	\$18,500,000	98,000	\$189
33 N. Stone Ave.	5-07	\$24,100,000	192,730	\$125
Industrial				
620 E. 19th St.	5-07	\$2,350,000	10,000	\$235
6020 Country Club Rd.	5-07	\$5,500,000	45,000	\$122
Retail				
7285 E. Tanque Verde Rd.	5-07	\$1,480,000	6,820	\$217
7585 S. Houghton Rd.	5-07	\$2,430,000	6,530	\$372
Apartment				
La Reserve Villas	4-07	\$29,000,000	240	\$120,833
Bear Canyon Apartments	6-07	\$30,000,000	238	\$126,050
Hotel				
Hilton Tucson El Conquistador	4-07	\$65,223,186	428	\$152,391
720 W. Silverlake	5-07	\$2,600,000	93	\$27,957
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.				

Metro Trend Analysis	Last Quarter	Previous Year
Office		
Size-Weighted Average PPSF	↑	↑
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	↑	↑
Weighted Average Cap Rate	=	-
Metro Cap Rate Comparison*		Current Quarter
Retail		
vs. West Region		↑
vs. Nation		↓
Apartment		
vs. West Region		↑
vs. Nation		↑
Hotel		
vs. West Region		↑
vs. Nation		=
*Comparison of current quarter rates to regional and national rates. Source: RERC.		

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Tucson Transaction Breakdown (7/1/06 - 6/30/07)

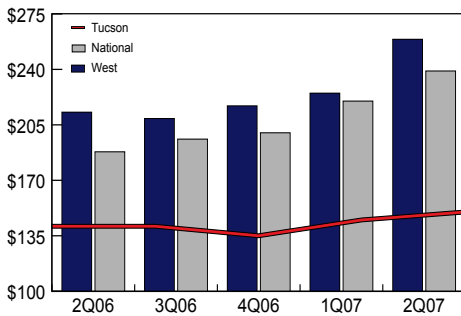
	Office	Industrial	Retail	Apartment	Hotel
< \$5 Million					
Volume (Mil)	\$68	\$61	\$38	\$62	\$12
Size-Weighted Avg.	\$135	\$69	\$110	\$40,723	\$37,195
Price-Weighted Avg.	\$159	\$103	\$192	\$49,631	\$48,616
Median	\$135	\$71	\$125	\$40,833	\$27,957
> \$5 Million					
Volume (Mil)	\$139	\$65	\$499	\$1,519	\$279
Size-Weighted Avg.	\$158	\$77	\$165	\$71,341	\$110,379
Price-Weighted Avg.	\$170	\$86	\$195	\$89,161	\$125,016
Median	\$185	\$66	\$169	\$62,903	\$104,310
All Transactions					
Volume (Mil)	\$207	\$126	\$537	\$1,581	\$292
Size-Weighted Avg.	\$150	\$73	\$160	\$69,292	\$101,983
Price-Weighted Avg.	\$167	\$94	\$194	\$87,606	\$121,820
Median	\$140	\$71	\$146	\$52,172	\$73,573
Capitalization Rates % (All Transactions)					
Weighted Average	-	-	6.4	6.2	7.7
Median	-	-	6.7	6.2	7.9
Source: RERC.					

Legend for All Graphs Below

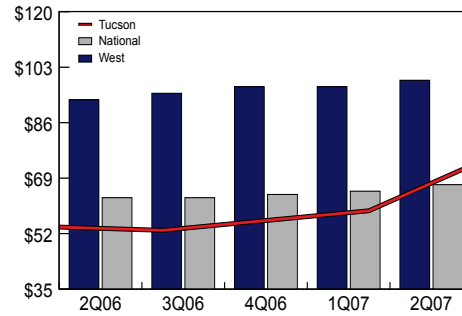
- Metro
- Region
- Nation

Source: RERC.

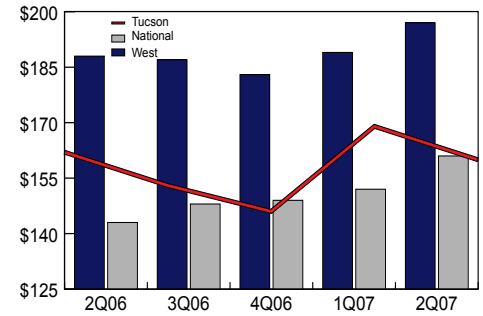
Historical Size-Weighted Average PPSF - OFFICE



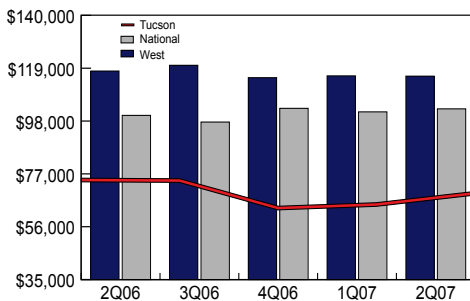
Historical Size-Weighted Average PPSF - INDUSTRIAL



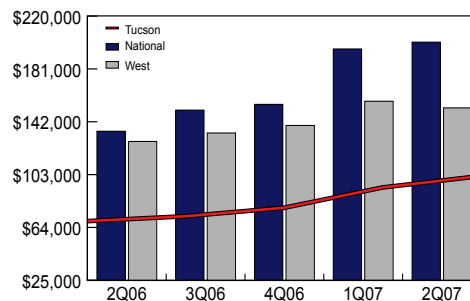
Historical Size-Weighted Average PPSF - RETAIL



Historical Size-Weighted Average PPU - APARTMENT



Historical Size-Weighted Average PPU - HOTEL



Weighted Average Cap Rates - 2Q 2007

