

4th Quarter 2010

**Population Growth**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>4Q2010</u>	<u>2011</u>	<u>2012</u>
Blue Chip Consensus	3.20%	3.40%	3.70%	3.30%	2.0%	1.4%	1.5%	1.8%	
	113,000	122,900	133,682	123,403	96,292	55,272	60,049	73,140	N/A
<b>Approx Total</b>	3,495,000	3,606,800	3,739,488	3,851,673	3,947,964	4,003,236	4,063,284	4,136,424	
Eller					2.8%	1.8%	1.2%	1.7%	2.1%
	N/A	N/A	N/A	N/A	116,000	76,800	51,900	73,500	92,800
<b>Approx Total</b>					4,281,900	4,364,100	4,416,000	4,489,600	4,582,300

Source: The University of Arizona-Arizona's Economy, 4Q10, Greater Phoenix Blue Chip Consensus 4Q2010 (does not forecast 2012)

**Employment Growth**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>4Q2010</u>	<u>2011</u>	<u>2012</u>
Blue Chip Consensus	3.4%	4.4%	6.0%	1.0%	-0.6%	-5.4%	-0.6%	1.8%	
	53,600	71,700	71,729	18,360	-11,112	-99,535	-10,462	31,229	N/A
<b>Approx Total</b>	1,630,200	1,701,900	1,836,000	1,854,360	1,843,234	1,743,699	1,733,237	1,766,210	
Eller					-2.5%	-7.8%	-1.4%	1.6%	3.3%
	N/A	N/A	N/A	N/A	-47,100	-145,600	-24,700	26,800	57,000
<b>Approx Total</b>					1,867,800	1,720,400	1,695,600	1,722,400	1,779,500

Source: The University of Arizona-Arizona's Economy, 4Q10, Greater Phoenix Blue Chip Consensus 4Q2010 (does not forecast 2012)

**Single Family Home Permits**

<b>Total</b>	61,754	58,760	40,048	29,388	13,242	8,388	7,106	-	-
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Source: Home Builders Association of Central Arizona Dec 10

**Income Growth**

	9.4%	10.9%	9.7%	4.3%	2.3%	-3.5%	1.8%	3.6% projected	4.8% projected
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Source: The University of Arizona-Arizona's Economy, 4Q10

**Net Migration**

	86,273	122,119	121,465	84,239	68,092	36,475	12,820	33,907 projected	51,756 projected
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Source: The University of Arizona-Arizona's Economy, 4Q10

**Unemployment Rate (Seasonally Adj.) : United States vs Phoenix Metro**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
US	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.7%
Phx	3.3%	4.2%	5.6%	5.2%	4.5%	4.1%	3.6%	3.4%	5.2%	8.5%	8.8%

Source: Arizona Department of Commerce, Research Administration, Avg Through November 2010

**Office Market Trends**

	<u>Yr End 2004</u>	<u>Yr End 2005</u>	<u>Yr End 2006</u>	<u>Yr End 2007</u>	<u>Yr End 2008</u>	<u>Yr End 2009</u>	<u>Yr End 2010</u>
Under Construction	858,704	3,400,097	4,089,448	4,573,453	2,877,447	1,471,000	439,070
Absorption YTD	790,716	754,185	3,042,586	1,698,040	(1,071,802)	(610,209)	(51,858)
Vacancy (Total)	18.50%	14.80%	12.70%	15.6%	23.6%	26.6%	28.0%

**Industrial Market Trends**

	<u>Yr End 2004</u>	<u>Yr End 2005</u>	<u>Yr End 2006</u>	<u>Yr End 2007</u>	<u>Yr End 2008</u>	<u>Yr End 2009</u>	<u>Yr End 2010</u>
Under Construction	2,344,709	4,190,766	4,971,854	8,693,913	2,434,017	1,148,791	17,600
Absorption YTD	788,146	1,638,133	6,350,356	4,046,679	-2,189,322	-2,777,775	3,051,811
Vacancy (Total)	10.90%	7.70%	6.50%	8.4%	13.0%	15.2%	14.5%

**Retail Market Trends**

	<u>Yr End 2004</u>	<u>Yr End 2005</u>	<u>Yr End 2006</u>	<u>Yr End 2007</u>	<u>Yr End 2008</u>	<u>Yr End 2009</u>	<u>Yr End 2010</u>
Under Construction	6,046,585	6,717,139	10,142,612	7,792,642	6,225,066	324,436	351,375
Absorption	4,137,385	5,970,663	1,906,620	4,713,813	2,569,254	-2,065,536	(701,273)
Vacancy	5.10%	5.20%	5.6%	6.8%	8.7%	10.8%	11.8%