

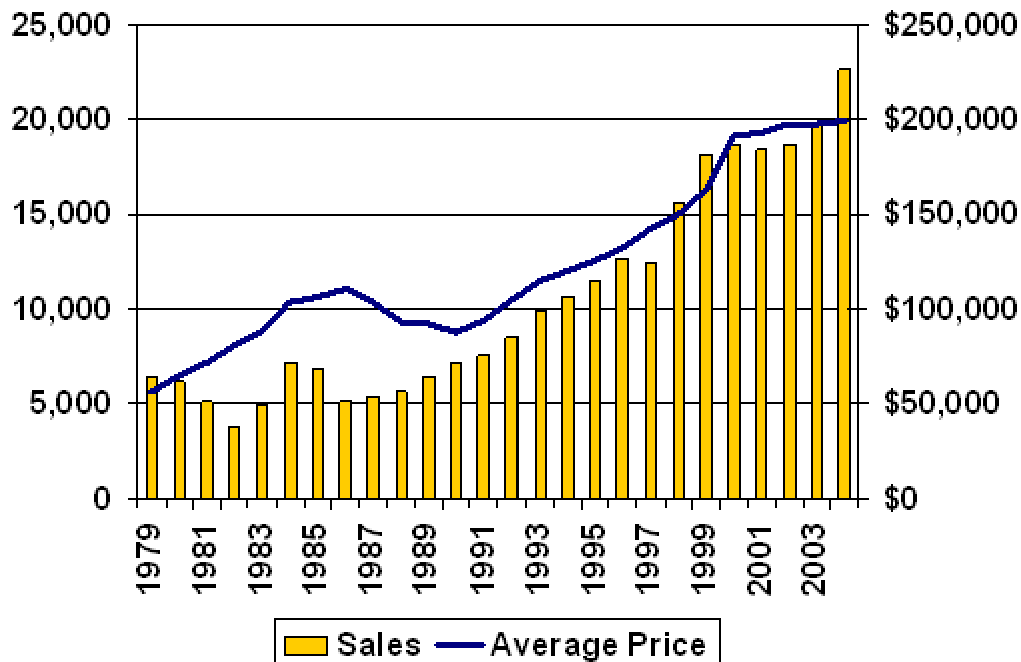
## Why Invest In Austin

Austin uniformly represents what is best in America. Beautiful and diverse scenery, hills and lakes, comfortable weather, multicultural outlook, enthusiastic business climate all help make Austin a fabulous place to live and work. Many other lesser known factors contribute to Austin's value; for example, did you know that that each year, the film industry infuses millions of dollars into Austin's local economy?

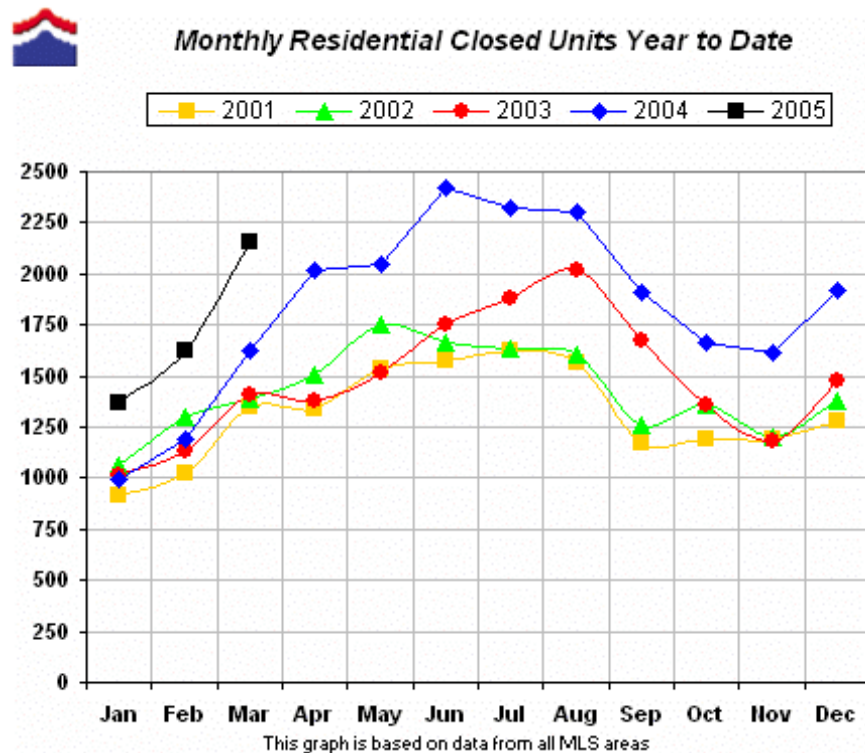
But wait, you say: Is the time right to invest in Austin? Samsung and Whole Foods think so!

See for yourself in the following chart: Austin shines brightly enough that Austin area home values have held up well through the stock market difficulties, tech industry layoffs, and the aftermath of September 11<sup>th</sup>.

None of us can predict the future or can accurately assess the effect of current economic conditions. But you can use historic data as a tool to help determine where you might best invest. Although I have no crystal ball to tell you how your investment will fare here or anywhere else, Austin's long term real estate history shows that Austin has been a fine place to own property. Currently, sales are up significantly (see chart below) and Austin has more inventory than it has had in years; the frenetic pace of sales has moderated enough to where some investors are finding excellent buys. Following are some examples of recent years' appreciation in the the Austin area:



On the following chart, note the **dramatic increase** in numbers of sales for 2005:



In 2001, after ten years of strong appreciation, Austin's housing market so heavily favored sellers that buyers felt they had to jump on the next acceptable property that came on the market. Buyers worried they'd be priced out of the market. Then from 2001 to 2003, as in many fine cities, Austin homesellers found themselves confronted with four economic realities that affected home sales:

- The dotcom bust
- High tech layoffs
- Stock market bust
- Post 9/11 economics

One would have expected numbers of sales to drop off. Yet, in Austin, sales remained **remarkably consistent**. While numbers of listings went up, numbers of sales stayed the same, easing pressure on buyers to buy the first home they saw. The result is that upward pressure on prices disappeared, and prices remained almost flat. Now sales are up, inventory is down, Austin is back on track, and you can see evidence of new appreciation in the following chart.

## Typical Austin Neighborhoods



Central Austin is urban living: University neighborhoods, cultural activities, eclectic shopping, downtown lofts, hike and bike trails along Town Lake (Colorado River). Downtown is healthy, bustling with business, new construction and reclamation of old neighborhoods.



South Austin, affectionately known to include counterculture and artistic types, is home to many famous and not-so-famous musicians. Austin's well deserved reputation as the *Live Music Capital of the World* is evidenced by the highest per capita number of live music venues, most of which are close to downtown.



North Austin, along with close neighbors Cedar Park/Leander, Round Rock and Georgetown is more mainstream. North Austin is home to Dell Computers and tech companies like IBM, and has a mixture of more affordable homes and premium properties, depending on how far west and how close homes are to the hill country.



West Austin is situated at the edge of the Texas Hill Country features a dramatic change in terrain. Many homes are situated on the sides of steep limestone hills, enjoying stunning views. Property values are high for Texas, but still bargains compared to other states.



East and Southeast Austin are the most affordable areas. For years, Austin's airport was located in east Austin and stunted its growth. Now with a brand new airport southeast of Austin, east Austin is being revitalized.