

Downtown St. Louis

Fast Facts

With over 2.7 million residents, St. Louis is the 18th largest metropolitan area in the United States. Downtown St. Louis is the business, hospitality and entertainment center for the region, generating significant business from three distinct markets – metro residents, downtown workers, and overnight visitors. Together, these markets generate over 40 million visits to downtown St. Louis on an annual basis.

Downtown St. Louis Investment

- \$3.7 billion invested between 1999 and 2005
- \$700 million additional investment planned in 2006
- Current/upcoming major developments include a new Busch Stadium, Ballpark Village, Pinnacle Casino and Hotel, the Bottle District, the Kiel Center for the Arts, the Federal Reserve Bank Expansion and over 40 residential developments

Downtown St. Louis Residential Growth

- Over \$1 billion in residential development committed between 1999-2006
- 1600+ new residential units completed between 1999-2005
- 3,500 units currently under construction or in development plus and additional 2,700 units planned
- 80% growth in population from 8,300 in 2000 to 15,000 projected in 2008
- 90% average occupancy in residential properties developed since 1999
- Average condo prices per square foot have more than doubled from \$75/psf in 2001 to \$175/psf in 2005
- Comparable growth in population and affluence is occurring in all neighborhoods adjacent to downtown.

Downtown St. Louis Visitor Market

- \$436 million invested in new hotel development 1999-2005
- Renaissance, Sheraton, Westin and Hilton names have been added to downtown
- 50% growth in room inventory from 5,000 in 1999 to 7,500 in 2005
- Over \$60 million invested in renovations and upgrades of existing hotels
- Despite 50% increase in room inventory and 9/11 impact, the downtown occupancy rate has increased from 55.7% in 2002 to 60.5% in 2005

Downtown Office Market

- Downtown is the largest employment center in the region with an estimated 90,000 workers
- Businesses with 500 or more employees include SBC/AT&T; AG Edwards, US Bank, Nestle-Purina, Bank of America, Blue Cross/Blue Shield, the US Department of Treasury, Federal Reserve Bank, Anheuser Busch, Bryan Cave and Thompson Coburn, among others.
- Over 1300 small businesses with 25 employees or less

Downtown St. Louis Retail/Restaurant Market

- From 2003 to 2005, Downtown has added over 150,000 square feet of high quality independent retail restaurants and galleries.
- Street level retail space will double by 2007.
- 57 new storefront businesses have opened between 2003-2006
- Recent new retailers include Red Moon, Lucas Park Grille, Copia, Mosaic, Kitchen K, Niche, City Grocers, Salt of the Earth, Blend, Casa Semplice, Rooster, Circles, etc., Blue Boat Designs, UMA, Macro Sun International, Phillip Slein Gallery, Kenary Park Florist, FedEx/Kinos, among others.

Downtown St. Louis Attractions/Events

- Downtown events and attractions generate over 25 million visits each year.
- Downtown is home to America's Center, the Edward Jones Dome, Busch Stadium and the Savis Center. These multi-purpose facilities host hundreds of events annually including: professional baseball, football, hockey, soccer, arena football; major amateur sporting events including Final Four basketball (men's and women's) and national championships for hockey, figure skating, and wrestling; plus national concerts, family events and trade shows.
- Savis Center is recognized as one of the top concert venues in the U.S.
- Downtown is home to the new Kiel Center for the Arts (in development), the restored Roberts' Orpheum Theater, the Art Loft Theater, and a growing number of art galleries.
- The City Museum has been recognized as one of the "World's Ten Best Public Places" and attracts over 600,000 visitors per year.

From the Downtown St. Louis Partnership 2005 fast facts report.

Demographic Profile *Downtown Residents in Market Rate Housing*

Gender

Male 56%, female 44% among renters. Male 63%, female 37% among homeowners.

Age

Age (by decade) is evenly distributed and comparable for renters and buyers. The highest percentage of residents are in their 20's (26%), but residents in their 30's (19.8%), 40's (17.3%) and 50's (19.5%) are nearly equal in representation. Population in the properties opened since 2000 is considerably younger, with 36% in their 20's and 26% in their 30's.

Income

35% of residents earn \$25,000-\$50,000/yr; 32% earn \$50,000-\$100,000/yr; 14% earn over \$100,000/yr. Residents who live in properties developed since 2000 have considerably higher incomes with 66% earning over \$50,000/yr including 25% who earn over \$100,000/yr.

Education

82% of all residents are college graduates, including 30% holding postgraduate degrees.

Marital Status

26% of downtown residents are married; 57% are single, 16% are separated or divorced. Among homeowners, the percentage of married couples increases to 40%.

Size of Household

63% of residents live alone. 37% have two or more people living in their household. Only 4% of residents have children in their household.

Prior Residence

Prior to moving downtown, 39% of residents lived elsewhere in the City of St. Louis, 26% lived in St. Louis County, and 3% lived in the Metro East. 17% of the residents moved from other states (outside of Missouri and Illinois).

Primary Residence / Length of Residency

90% of all residents list their downtown address as their "primary residence." 38% of all residents have lived in downtown less than one year; 80% less than five years.

Work – Location/Commute

Only 40% of residents work downtown, but 59% commute less than 15 minutes to work and 90% commute less than one half hour. 33% of residents walk to work.

The "Most Positive" Factors for Living Downtown

The "urban experience," close proximity to art/cultural/sporting events; close proximity to work.

Downtown Daytime Population

- The downtown weekday working population is estimated at
- 90,000 people, making this area the largest concentration of employment in the region.

- An additional 43,000 people work in the adjacent neighborhoods.

- 41,877 workers have annual household incomes *exceeding* \$40,000.
16,367 workers have annual household incomes *exceeding* \$60,000.
8,183 workers have annual household incomes exceeding \$100,000.

- The household income of the daytime population is \$5.4 billion. Added to the projected \$1.64 billion of downtown residents, the market potential is considerable.

- There are approximately 2,900 businesses located within downtown and surrounding neighborhoods. These businesses employ a total of approximately 140,000 people.

- Located downtown:
 - Seven of the ten largest law firms in the metropolitan area.
 - Four of the top ten publicly owned companies in the metro area.
 - Five of the top ten architectural firms.
 - Six of the nine largest hotels in the area.
 - Four of the eight largest accounting firms in the area.

The 2005 Downtown St. Louis Housing Report

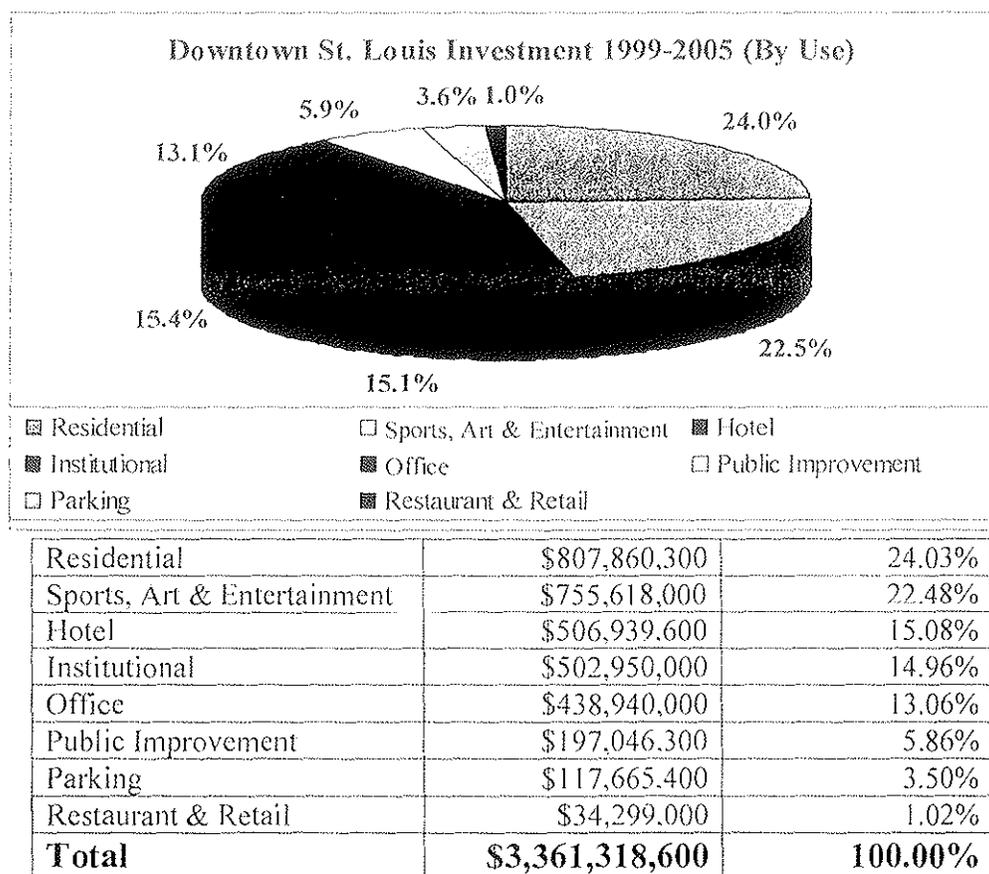
INTRODUCTION

Across America, from Main St. to Broadway, downtowns are coming back to life.

This amazing revival began in a handful of major cities in the early 1990's but has gained momentum and spread rapidly to downtowns of all sizes throughout the country. For many urban communities, the 2000 Census marked a major turning point. For the first time in decades, the data showed more people moving into, rather than out of the city.

Who's moving in? The two largest groups are young, professional singles and couples and Baby Boomer "empty nesters." Still, the trend of urban living isn't driven purely by demographics. It cuts across all economic spectrums, race and age. The decision to live downtown is ultimately a lifestyle choice; an attractive alternative to cookie-cutter subdivisions, high-maintenance homes and long commutes. New downtown dwellers are people who seek social interaction, value the urban experience and want to live close to work, shopping, restaurants and the arts. They are energized by the density, diversity, convenience and community that downtown living provides.

In St. Louis, revitalization is well underway. Since, the Downtown Development Action Plan was adopted in 1999, over \$3.3 billion dollars have been invested in new construction, renovation and public improvements. That number is expected to grow to over \$4 billion dollars by year-end 2006. A cornerstone of this economic activity is the \$800 million invested in residential development. That investment will surpass \$1 billion by the first quarter of 2006.

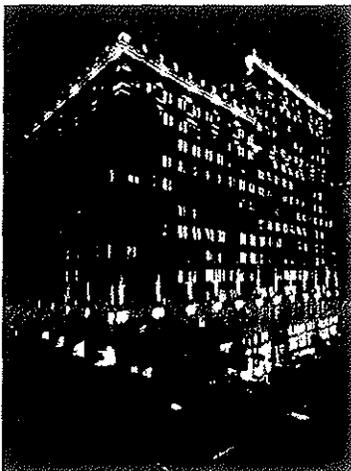


The 2005 Downtown St. Louis Housing Report

A primary catalyst for the residential boom was the adoption of the Missouri Historic Tax Credit. Enacted in 1998, the program has become a national model that provides a 25% fully-transferable tax credit for redevelopment of historic properties. When combined with Federal Historic, Brownfield and New Market tax credits, and creative use of local tax abatement or tax incremental financing, developers have been provided with powerful incentives to invest in the substantial inventory of historic and architecturally significant buildings in downtown St. Louis.

In fact, since 1999, over 50 historic buildings have either been re-opened or are under construction. At least 15 additional historic properties are in development and expected to begin construction in the next twelve months. All told, these projects represent over 4,500 new housing units. Beyond that, more than 2,500 additional units are planned or proposed including both *new construction* and historic renovations.

The growing success of residential development, combined with other downtown investments, is now attracting quality retail and restaurant development. It is also having a positive impact on efforts to retain and attract office tenants within the downtown area. As a result, the revitalization of Downtown St. Louis is now becoming a national story. All of this bodes well for the sustainability of downtown's rebirth and validates the continued commitment to residential growth as a cornerstone of economic development in downtown St. Louis.



OVERVIEW

In 2005, Downtown St. Louis residential development continued its steady growth as nearly 500 new units (sale and rental) were added to the inventory. Total occupancy for projects developed since 2000 and opened a full year, remained strong at 91%.

Rapid absorption and high occupancy rates over the past five years have been driven by pent-up demand, competitive pricing, low interest rates, an appropriate mix of rental and sale properties, and staggered product availability. This past year, the downtown residential market was further enhanced by the expanding variety of product in terms of location, style and price points and supported by the public's increased awareness of downtown's revival and growing confidence in the long term viability and value of downtown living

Looking ahead to 2006 and beyond, there are a number of significant changes taking place that will bring new challenges and opportunities for residential development in downtown St. Louis.

The most significant change is the dramatic increase in the amount of product coming on line (see chart below). Clearly, this will require growth in both the size of the potential market and capture rate within that market. Competition will intensify within downtown as well as with the expanding housing options in the resurgent, nearby city neighborhoods and elsewhere in the metropolitan area.

Residential Properties & Units Added by Year: 2000 - 2008

Year	Rental Properties	Rental Units	Sale Properties	Sale Units	Total New Properties	Total New Units
2000*	2	313	2	66	4	379
2001	0	0	1	31	1	31
2002	0	0	2	101	2	101
2003	2	261	6	175	8	436
2004	5	201	3	156	8	357
2005	1	222	5	210	6	432
Subtotal	10	997	19	739	29	1,736
2006	10	864	9	528	18	1392
2007	9	639	13	771	21	1,410
2008	9	786	14	1853	21	2,639
Subtotal	28	2289	36	3152	60	5441
TOTAL	38	3286	55	3891	89	7,177

NOTES:

*Projections for 2006/2007 are based on projects currently under construction or planned to begin by mid-year 2006.

*Projections for 2007/2008 assume that Phase I of both Ballpark Village and Gateway Village/Bottle District move forward.

*Each development includes condo towers and apartments above retail space. Projections also assume that the Dillard's and St. Louis Centre projects move forward. These four developments, along with The Arcade, The Syndicate and Pacific Place (Union Pacific) projects would represent over 2,200 units of housing in 2007/ 2008.

*Properties with both rental and sale units are counted in both property counts but counted as one property in the Total New Properties column.

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This significant increase in residential inventory is coming at a time when several high-profile, non-residential developments (Old Post Office, the new Busch Stadium, Pinnacle Casino) are opening and important projects like the Ballpark Village, the Riverfront, St. Louis Centre and Dillard's appear to be moving forward. All of this positive development, combined with a growing number of restaurants, retail, services and amenities, is creating more interest in downtown and should continue to expand the potential market for downtown living.

However, the unprecedented growth in inventory is also occurring at a time when competition is increasing, interest rates are rising and the national housing market is slowing down. Thus, absorption and occupancy rates as well as financing and construction timelines may be affected over the next several years.

A second major change in the downtown residential market is the development of new construction housing. For the past ten years, all residential development in the downtown core occurred as renovation of existing buildings. Most of these developments used historic tax credits as an important component of financing. This has helped to make development of these projects financially viable and kept both sale and rental prices relatively low while the market for downtown housing was established.

Now, with a track record of solid absorption and occupancy, steadily growing sales prices, success for new construction housing elsewhere in the city, and exceptionally strong market response to new condo towers in Clayton and the Central West End, developers are planning *new construction* housing options in downtown.

Planned/Proposed New Construction Residential				
Project	Address	Sale Units	Rental Units	Projected Opening
Jack Thompson Square Phase 2	1200 Washington Ave	17	x	Winter 2007/08
Ballpark Village Phase 1	601 Clark St.	300	150	Summer 2008
Gateway Village/Bottle District Phase 1	Broadway @Carr	700	250	Winter 2007/08
Port St. Louis	Lenore K. Sullivan Blvd.	48	x	Fall 2007
Roberts' Mayfair Towers	415 N. 8th St	74	x	Fall 2008
Park Pacific (Union Pacific)	201 Tucker Boulevard	48	x	Spring 2008

Six new construction residential projects are currently in development and scheduled to begin construction in 2006. These projects include the first ever high rise condo towers as well as the first housing to be built on the Riverfront in over 100 years. They are designed to attract new customer segments, particularly those who have not been interested in the renovated "loft-style" housing that has dominated the downtown market over the past ten years. However, pricing for new construction housing will be considerably higher than the current downtown market average. Thus, these new construction properties will need to be effective in reaching the higher income customers and competing with premium condo projects elsewhere in the metro area.

NOTE: There are plans for a Phase 2 and 3 at Ballpark Village opening in 2010 and 2012. Each phase will include an additional high-rise condo tower. / Gateway Village Phase 1 will also include conversion of an existing warehouse into 80 loft style condos. Gateway Village Phase 2 will include additional high rise /mid-rise towers based on market demand. / The Park Pacific project will also include renovation of existing building with a mix of 108 condos and 50 apartments. / St. Louis Centre redevelopment is not included on the chart but would be virtually new construction with 120 condos planned.

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Another trend occurring downtown is the increasing geographic diversity of residential development. As a result, new neighborhoods are being created (Cupples Station/Ballpark District), emerging neighborhoods are becoming more established (Downtown West) and established neighborhoods are achieving greater density (Washington Ave.). Based on projects that are Under Construction, In Development or Planned, the Post Office District, Washington Ave. East, the Washington Ave. Loft District, Downtown West, the Cupples Station/Ballpark District and Gateway Village/Bottle District will each have over 1,000 new residents by 2010.

ADDITIONAL RESIDENTIAL DEVELOPMENT BY NEIGHBORHOOD 2005 - 2008

Project	# of Properties	Sale Units	Rental Units	Total Units
Washington Ave. Loft District	16	885	234	1119
Gateway Village / Bottle District	4	780	250	1030
Cupples Station / Ballpark District	7	450	399	849
Washington Ave. East	8	578	282	860
Post Office District	5	389	389	778
Downtown West	13	210	499	709
Downtown North	3	x	376	376
CBD	1	40	82	122
Laclede's Landing	2	77	x	77
TOTAL	59	3409	2511	5920

SUMMARY

From 2000 through 2005, Downtown St. Louis has enjoyed considerable success with establishing new residential development as a principal component of downtown revitalization. During that time, over \$800 million was invested in residential development with 1,700 new units opened and over 90% of those units occupied.

Over the next three years, residential development will accelerate dramatically with an additional \$1 billion dollars and over 5,000 additional units currently under construction or planned. Major trends to watch are:

- Total inventory will nearly double.
This will heighten competition within downtown and could significantly impact absorption and occupancy rates as well as funding and construction timelines for some planned properties.
- New construction residences will enter the market for the first time.
This will provide highly attractive new housing options and amenities but at a substantially higher price than the current downtown market average.
- New neighborhoods will develop throughout downtown.
Emerging/evolving neighborhoods provide: new opportunities for developers and retail businesses and more distinct housing options for residents.

Typically, the St. Louis regional economy is more stable than the nation at large. Nevertheless, downtown residential development will be impacted by slower growth in the economy, higher interest rates and lower housing sales.

Downtown St. Louis Housing Report 2005

ALL PROPERTIES OPEN AND OCCUPIED (12/31/05)

#	Property Name	Street Address	Rental Units	Sale Units	Total Units	Year Built	Year Developed / Renovated	Developer / Current Owner
1	8th St. Lofts	316 N. 8th St	X	3	3	1888	2003	312 N. 8th Lofts, LLC
2	10th St. Lofts	1010 St. Charles St.	X	31	31	1914	2001	LoftWorks
3	2020 Lofts	2020 Washington	X	103	103	1920	2004	The Pyramid Companies
4	Alexander Lofts	1121 Locust St.	X	8	8	1906	2005	New City Neighborhood Redevelopment
5	Annex Lofts	1511 Locust St.	X	77	77	1919	2005	Orchard Development Co.
6	Art Lofts	1531 Washington	63	X	63	1927	1996	Cohen-Esrey Real Estate
7	Bell Lofts	920 Olive St.	24	X	24	1890	2004	LoftWorks
8	Blanke Building Condos	1300 Papin St.	X	3	3	1895	1991	Kent Kehr & Associates
9	Bodega Lofts	1216 Washington	X	3	3	1912	1996	McGowan Bros Dev.
10	Carr Square Village Apts. (<i>< Mkt. Rate</i>)	1521 Carr	124	X	124	1942	1997	St. Louis Housing Authority
x	Carr Square Village Apts. (<i>< Mkt. Rate</i>)	1521 Carr	58	X	58	1942	1997	Carr Sq.Tenant Mgmt. Corp.
11	Castle Townhomes	1103-17 Biddle / 1201-23 N. 11th St 1200-36 Hadley St.	X	26	26	1988-90	Individually Owned	Castle Townhome Asso.
12	Centenary Tower (<i>< Mkt. Rate</i>)	1530 Locust St.	100	X	100	1926	1997	Centenary Tower. Inc.
13	City Museum Lofts Phase I	701 N.15th; 5th Flr	X	10	10	1930	2005	International Bldg Corp.
14	Cochran Gardens (<i>< Mkt. Rate</i>)	1112 N. 9th St.	242	X	242	1951	2005	St. Louis Housing Authority
15	Cochran Tower (<i>< Mkt. Rate</i>)	1228 N. 9th St.	132	X	132	1951	1988	St. Louis Housing Authority
16	Cochran Plaza (<i>< Mkt. Rate</i>)	Blocks bound by N. 9th / N. 10th / Cass Ave. / O'Fallon	90	X	90	1981	2005	St. Louis Housing Authority
17	Columbus Square Townhomes	Block bound by N.10th / N.11th / Carr Ave. / Biddle St	X	41	41	1981-1983	Individually Owned	Personalized Property Mgmt
18	Columbus Square Single Family Homes	1111-1131 11th St / 1201-33 Hadley	X	13	13			Biddle Asso./ Hadley Asso.
19	Courtyards @Cityside	1115 Carr	277	X	277	1987	Individually Owned	Bank of America CDC
x	Courtyards @Cityside (<i><Mkt. Rate</i>)	1115 Carr	55	X	55	1988		Bank of America CDC
20	Edison Condominiums	400 S.14th Floors 9 - 12	X	71	71	1928	2001-05	Breckenridge Development / Gundaker Commercial. / Hardesty Homes

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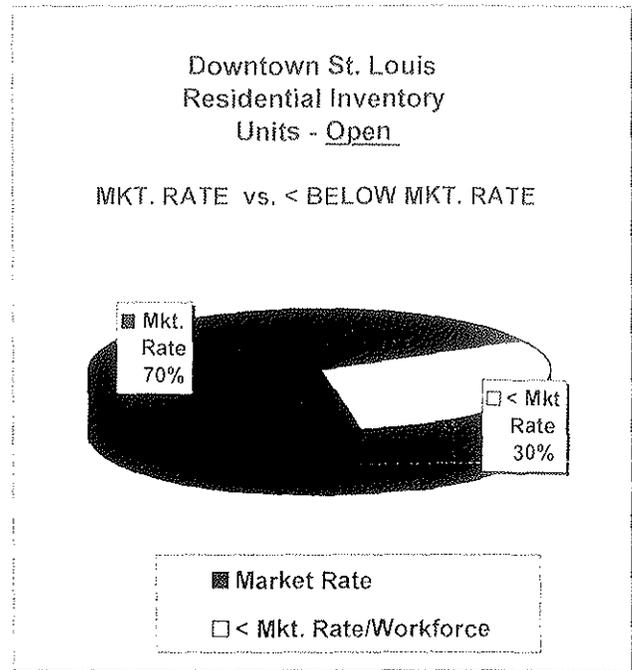
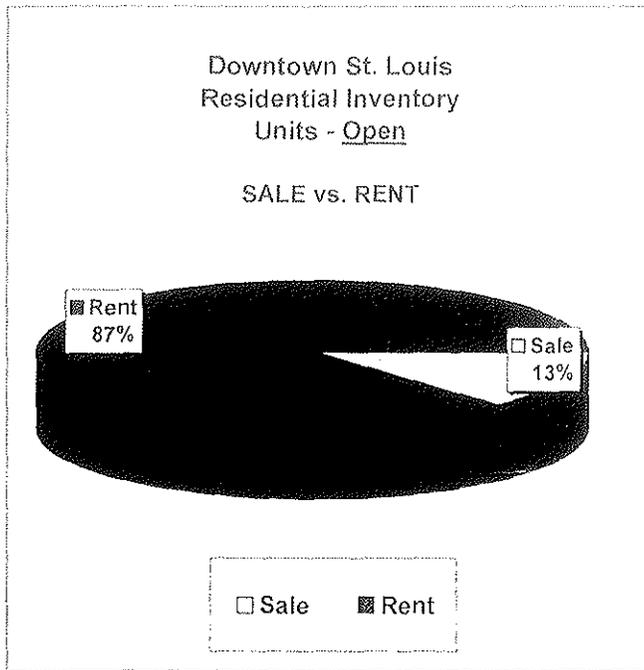
ALL PROPERTIES OPEN AND OCCUPIED (12/31/05)

#	Property Name	Street Address	Rental Units	Sale Units	Total Units	Year Built	Year Developed / Renovated	Developer / Current Owner
21	Elder Shirt Lofts	703 N. 13th St.	X	30	30	1900	2002	The Pyramid Companies
22	Ford Apartments	1405 Pine St.	97	X	97	1950	2002	Rothschild Realty Co.
23	Garment Row Lofts	1312 Washington	X	12	12	1892	1991	1312 Washington, LLC
24	Gentry's Landing	400 N. 4th St.	411	X	411	1965	2001	Integrity Real Estate Co.
25	Grace Lofts	1324 Washington	24	X	24	1907	2004	McGowan Bros. Dev. Co.
26	King Bee Lofts	1709 Washington	X	35	35	1911	2003	Sam Glasser / Dave Jump
27	Knickerbocker Lofts	507 N. 13th St.	X	53	53	1907	2000	Sam Glasser / Dave Jump
28	The Lofts @ J. Thompson Sq.	1203 St. Charles	X	8	8	1901	2003	Kwame Building Group
29	The Lofts @ 315	315 N. 10th St.	20	X	20	1890	2004	Loft Works
30	Louderman Lofts	315 N. 11th St.	X	20	20	1925	2003	Loft Works
31	Mansion House	300 N. 4th St.	416	X	416	1965	1995	Value Stl. Asso. LP
32	McGowan Lofts	1222 Lucas Ave.	X	13	13	1899	2000	McGowan Bros Dev. Co.
33	Merchandise Mart	1000 Washington	120	X	120	1889	2003	The HRI Group, Inc.
x	Merchandise Mart (<i>< Mkt. Rate</i>)		93	X	93			
34	Murphy Park Phase I-II	1920 Cass Ave.	89	X	89	1996-2000	1996-2000	McCormack Baron Salazar
x	Murphy Park Phase I-II (<i>< Mkt. Rate</i>)		198	X	198			
35	New Jefferson Arms	415 N Tucker Blvd	538	X	538	1904	2003	Affordable Communities of Missouri.
36	O'Fallon Place Apartments	1405 N. 16th St.	112	X	112	1980-85	2003	McCormack Baron Salazar
x	O'Fallon Place Apartments (<i>< Mkt. Rate</i>)	1405 N. 16th St.	560	X	560			
37	Paristyle Lofts	1517 Washington	X	9	9	1910	2003	Porfidio Group, LLC
38	Paul Brown Loft Apartments	206 N. 9th St	125	X	125	1926	2005	The Pyramid Companies
x	Paul Brown Loft Apartments (<i>< Mkt-Rate</i>)	206 N. 9th St	97	X	97			
39	Peach Building	1115 Pine St.	4	X	4	1923	1995	Cherry Properties
40	Plaza Square Apartments	10-50 Plaza Square	911	X	911	1959	1997	Urban Developers, LLC

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ALL PROPERTIES OPEN AND OCCUPIED (12/31/05)

	Property Name	Street Address	Rental Units	Sale Units	Total Units	Year Built	Year Developed / Renovated	Developer / Current Owner
41	Printers Lofts (Bldg. B - Blackwell)	1611 Locust St.	X	38	38	1919	2005	Loft Works
x	Printers Lofts (Bldg. C - Mary Muffet)	1627 Locust St.	X	44	44	1900	2005	Loft Works
42	Railway Lofts	1619 Washington	X	41	41	1910	2004	The Pyramid Companies
43	Roberts Lofts on the Plaza	901 Locust St.	47	X	47	1896	2004	The Roberts Companies
44	Rudman on the Park	500 N. 13th St.	48	X	48	1901	2003	McGowan Bros Development
45	Terra Cotta Lofts	1501 Locust St.	X	99	99	1915	2003	Orchard Development Co.
46	T.M. Sayman Bldg.	2101 Locust St.	6	X	6	1892	1991	Sterling Lacquer Mfg Co.
47	University Lofts	1627 Washington	26	X	26	1907	2000	Lipton Group, LLC
48	Vanguard Lofts	1110 Washington	86	X	82	1901	2004	Bruce Development
49	Vaughn Tower (< Mkt. Rate)	1908 O'Fallon St.	112	X	112	1952	1988	St. Louis Housing Authority
50	Windows Lofts	1612 Lucas St.	X	33	33	1909	2005	McGowan Walsh Historic Renovators
	TOTAL			824	5305	6129		



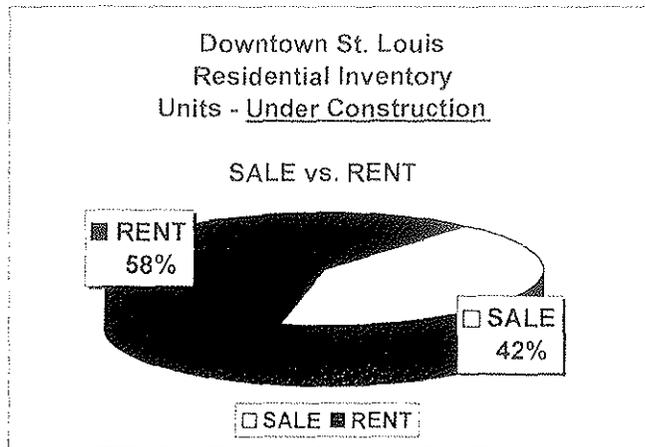
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Mkt.Rate Only -39 / < Mkt.Rate Only -11 / Properties w/Both- 5

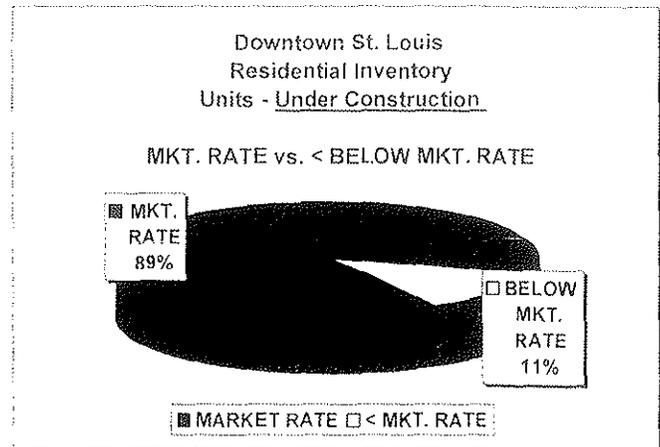
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ALL PROPERTIES - UNDER CONSTRUCTION (as of 12/31/05)

#	Property Name	Street Address	Rental Units	Sale Units	Total Units	Projected Opening	Developer
1	Adler Lofts	2035 Washington	X	33	33	Fall 2006	Robert Wood Realty
2	Bankers Lofts	901 Washington	X	64	64	Spring 2006	The Pyramid Companies
3	Bee Hat Lofts	1023 Washington	36	X	36	Summer 2006	Bhat -Burghoff Development
4	Cahill House @ Murphy Park	1919 O'Fallon St.	111	X	111	Spring 2006	McCormack Baron Salazar St. Louis Housing Authority
6	Cupples Station Apts. (< Mkt-Rate)	1015-33 Spruce St.	131	X	131	Spring 2006	The HRI Group
7	Denim Lofts	1308 Washington	X	24	24	Winter 2006	1308 Washington LLC
8	Dorsa Lofts	1007-17 Washington	X	52	52	Spring 2007	The Pyramid Companies
9	Edge Lofts	2101-07 Lucas Ave.	65	X	65	Spring 2007	Parkside Development Corp.
10	Fashion Square	1307 Washington	96	X	96	Spring 2006	McGowan Brothers Dev. Co.
11	Fulton Lofts	612-18 S. 7th St.	20	X	20	Winter 2006/07	Rothschild Development
12	House)	1123 Washington	X	104	104	Summer 2006	Chastan Properties
13	Majestic Stove Lofts	2020 Delmar Blvd.	70	X	70	Spring 2006	Robert Wood Realty
x	Majestic Stove Lofts (< Mkt. Rate)	2011 Lucas Ave. 2019 Lucas Ave.	50	X	50	Spring 2006	
14	The Marquette	314 N. Broadway	40	82	122	Winter 2006/07	The Lawrence Group
15	The Meridian	1136 Washington	X	98	98	Summer 2006	Civitas Development
16	Moon Bros. Carriage Lofts	720 N. 17th St.	X	43	43	Summer 2006	LoftWorks
17	Neighborhood Gardens	1205 N. 7th St.	144	X	144	Summer 2006	1205 North 7th, LLC
18	Packard Lofts	2201 Locust St.	X	31	31	Fall 2006	McGowan Walsh Historic Renovators
19	Pointe 400 (PET Bldg.)	400 S. 4th St.	118	X	118	Summer 2006	Balke Brown & Associates
20	Terrace Lofts	1300 Convention Pl.	48	X	48	Summer 2006	McGowan Brothers Dev. Co.
21	The Ventana	1635 Washington	X	96	96	Winter 2006/07	Jacob Development Group
22	Westgate Lofts	2327 Locust St.	X	49	49	Spring 2006	McGowan Brothers Dev. Co.
	TOTAL		929	676	1,605		



Sale Only - 10 / Rent Only - 9 / Properties w/Both - 1

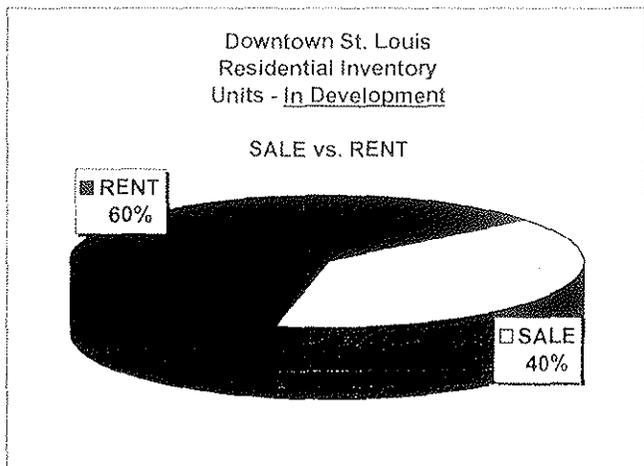


Mkt Rate Only - 20 / <Mkt Rate Only - 1 / Properties w/Both - 1

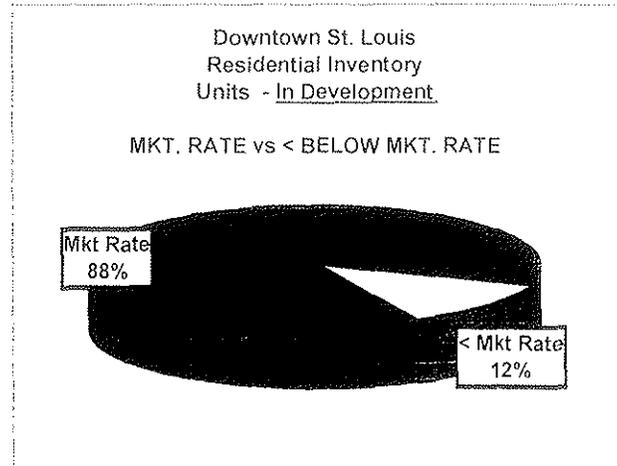
Downtown St. Louis Housing Report 2005

ALL PROPERTIES - IN DEVELOPMENT (12/31/05)

	Property Name	Street Address	Rental Units	Sale Units	Total Units	Construction Start	Developer
1	The Arcade	810 Olive St. / 803 Pine St.	60	140	200	Summer 2006	The Pyramid Companies
2	The Bogen	1207 Washington	X	108	108	Spring 2006	Jacob Development
3	Chemical Building	721 Olive St.	68	36	104	Summer 2006	Civitas DeveIopment
4	City Museum Lofts Phase II	701 N. 15th St 5th Floor	X	17	17	Spring 2006	International BuiIding Corp.
5	Cochran Gardens (< Mkt. Rate) Redevelopment - Phase I	Blocks bound by 7th, O'Fallon, Cass, & 9th	121	X	121	Spring 2006	St. Louis Housing Authority
6	East Bank Lofts	1511 Washington	X	10	10	Spring 2006	CHD Development
7	Ely Walker Lofts	1520 Washington	X	168	168	Spring 2006	Orchard Development
8	Franklin School (< Mkt. Rate)	1800 Delmar Blvd	75	X	75	Spring 2006	Wood Realty/Rothschild Dev.
9	Locust St. Lofts	2223 Locust St.	94	x	94	Spring 2006	Bruce Development
10	Motor Lofts	2201 Washington	X	80	80	Spring 2006	McGowan Walsh Hist. Ren.
11	Park Pacific (Union Pacific Building)	200 N. 13th St.	50	108	158	Fall 2006	The Lawrence Group
12	Park Pacific (New Construction)	201 Tucker Blvd.	X	48	48	Fall 2006	The Lawrence Group
13	Port St. Louis (New Construction)	Lenore K. Sullivan	X	49	49	Spring 2006	Rodgers Group, L.L.C.
14	Roberts Mayfair Tower (New Construction)	415 N. 8th St	X	74	74	Spring 2006	The Roberts Brothers Cos.
15	Switzer Lofts	612 N. 1st St.	X	28	28	Summer 2006	Rothschild Development
16	The Syndicate	915-923 Olive St.	70	102	172	Spring 2006	LoftWorks/Sherman Asso.
17	Washington Ave. Apts. (Days Inn)	1133 Washington	96	X	96	Spring 2006	Bruce Development
TOTAL			634	968	1,602		



Sale Only- 9 / Rental Only - 4 / Properties w/Both- 4



Mkt.Rate Only -19 / < Mkt.Rate Only -2 / Properties w/Both - 0

Downtown St. Louis Housing Report 2005

PROPERTIES - PLANNED/PROPOSED (12/31/05)

Over 2,500 additional residential units have been announced and are currently in planning / "pre-development". Listed below are the major mixed-use projects and several smaller developments, all of which are expected to begin demolition/construction in 2006 or early 2007.

Property Name	Street Address	Rental Units	Sale Units	Total Units	Developer
Ballpark Village Phase 1	500-600 blk. Clark St.	150	300	450	The Cordish Co.
Ballpark Lofts (Cupples # 7, 8, 9)	900-1100 blk. Spruce St.	84	115	199	McGowan Walsh Historic Renovators
Dillard's Building	601 Washington Ave.	150	140	290	The Pyramid Cos.
Gateway Village/Bottle District	Blocks bound by Carr, 7th, Broadway and Biddle	250	780	1,030	The Ghazi Co.*
600 Washington Ave. (St. Louis Centre)	Block bound by 6th, 7th, Washington and Locust	X	120	120	The Pyramid Cos.
Gasperi Tool Co. Building	1911 Locust	X	12	12	Robert Wood Realty
Cutlery Building	612 N. 2nd St.	X	TBD	TBD	Monsok So
Dragon Trading	1701 Locust St	33	X	33	Locust Development
Gordon Buell Building	1900 Washington Ave.	TBD	X	TBD	Wood/Rothschild Dev.
Greeley Lofts	618 N. 2nd St.	X	TBD	TBD	Dollar Group, LLC
Jack Rabbit	MLK & 20th St	TBD	X	TBD	Robert Wood Realty
Ludwig Lofts Building	1004-06 Olive	TBD	X	TBD	LoftWorks, LLC
Mosinger Building	1235 Washington	X	TBD	TBD	Rothschild / Saaman

NOTES:

The number of units and use (rental or sale) indicated is subject to change.

Additional developments are being considered but are too premature to include in this inventory.

Additional phases are proposed for Ballpark Village and The Gateway Village/Bottle District but are not yet listed.

Projects are not added to the "In Development" category until substantial planning/financing is in place to proceed.

*The Ghazi Co. will partner with several residential developers to create each residential component of the project.

Downtown St. Louis Housing Report - 2005

Current Inventory / Occupancy / Population By Category (as of 12/31/05)

Category	Total Units	Units Avail.	Units Occupied	% Occ.	# of Residents	Residents / Unit
All Units	6,129	5,725	4,636	81%	9,719	2.10
All Rental Units	5,301	4,901	3,880	79%	8,651	2.23
All Sale Units	824	824	756	92%	1,068	1.41
All Market Rate Rental Units	3,440	3,040	2,350	77%	3,985	1.70
All Below Mkt. Rate Rental Units	1,861	1,861	1,529	82%	4,666	3.05
All Units Opened Since 2000	1,736	1,736	1,311	76%	2,457	1.87
Rental Units Opened Since 2000	997	997	769	77%	1,738	2.26
Rental Units Opened Since 2000 at Properties Open a Full Year	771	771	683	89%	1,630	2.39
Sale Units Opened Since 2000	739	739	678	92%	719	1.06
Sale Units Opened Since 2000 at Properties Open a Full Year	610	610	579	93%	808	1.40
All Units Opened Since 2000 at Properties Open a Full Year	1,381	1,381	1,262	91%	2,438	1.93

NOTES:

Report only counts units physically occupied. Units leased or sold but still under construction or unoccupied are not counted. Units are counted as soon as properties open except where identified as "open less than a full year"

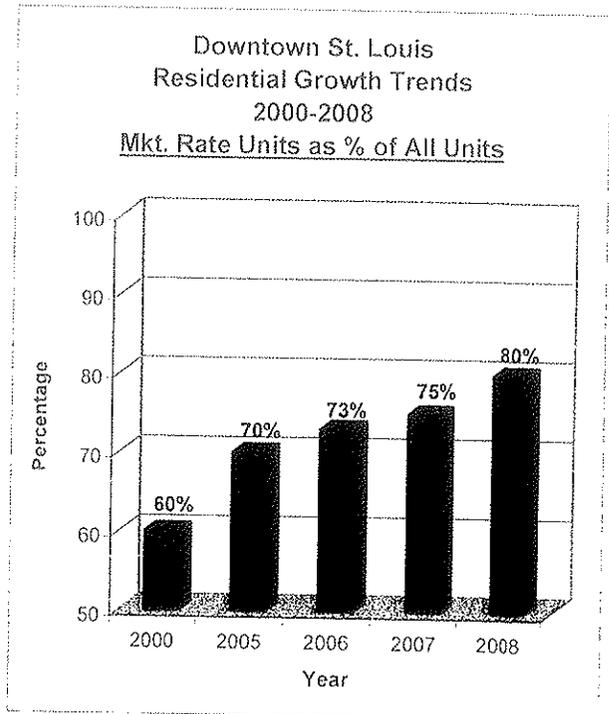
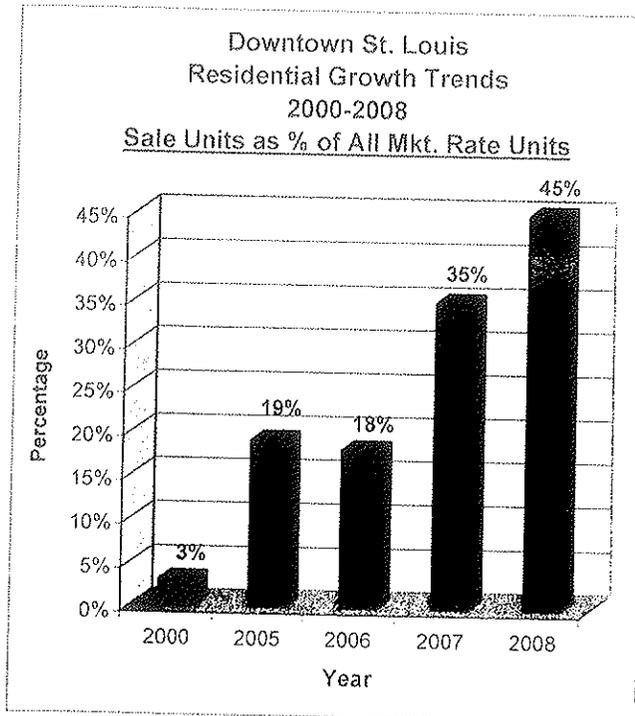
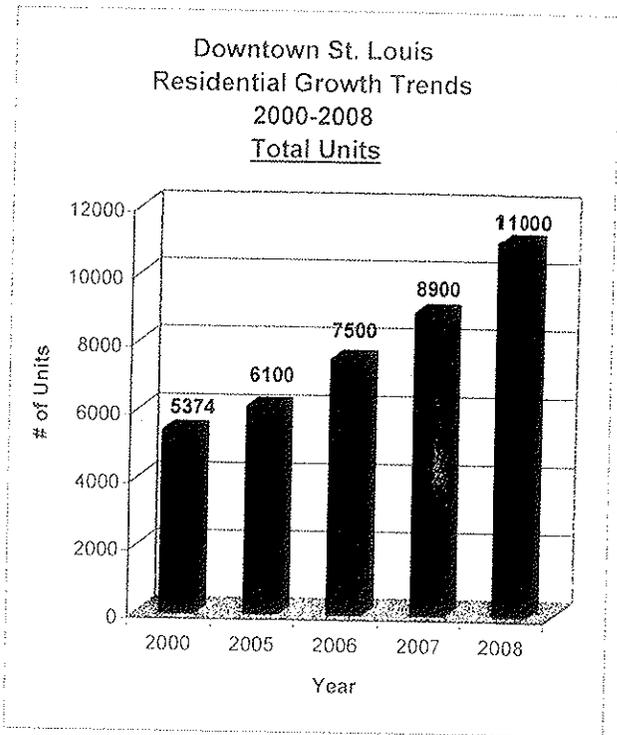
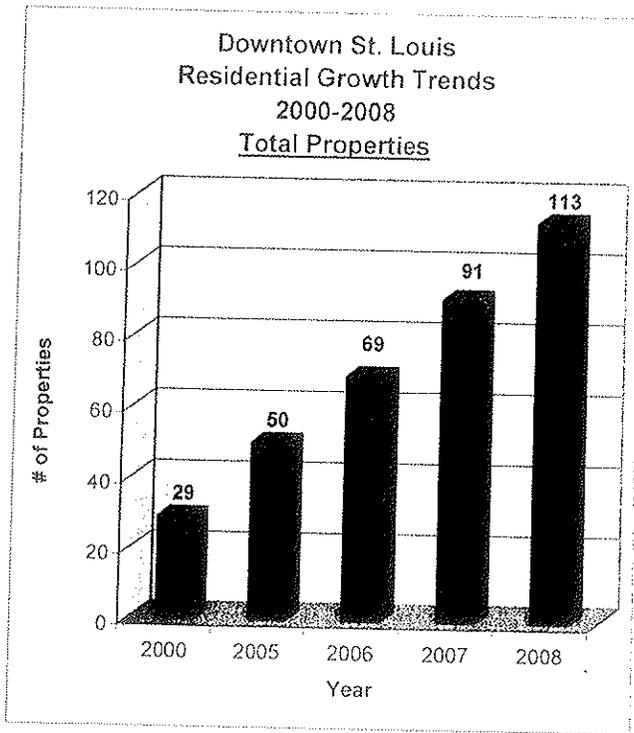
Population - Current and Projected

	Rental Units	Rental Pop.	Sale Units	Sale Pop.	Total Units	Total Pop.
Current - through 12/05	5,305	8,651	824	1,068	6,125	9,719
Additional 2006 - 2008 Projected	2,172	4,412	2,715	3,231	4,887	7,643
TOTALS (Year End 2008)*	7,477	13,063	3,539	4,299	11,012	17,362

NOTES:

Projections use specific projects Under Construction, In Development or Planned. Population is based on 85% occupancy and assumes current average number of residents per market rate rental and sale units.

Residential Growth Trends 2000 - 2008



NOTE: Trends are based on properties Open, Under Construction, In Development and Planned/Proposed

The 2005 Downtown St. Louis Housing Report

RENTAL MARKET SUMMARY

With the continued growth in rental inventory (864 additional units opening downtown in 2006), higher vacancy rates in large, older properties, a large number of new loft units designated as "affordable" (income restricted) and still moderate mortgage rates, downtown rental rates per square foot have remained relatively low while growing at a much slower pace than sale prices. In 2000, the average rent was \$0.83 per foot. In 2005, the average rental rate remained at approximately \$1 per square foot. Rates are not expected to rise measurably in the coming year.

Properties such as Plaza Square and Jefferson Arms continue to provide a substantial inventory of centrally located, moderately priced units. Meanwhile several of the large, newly renovated, loft properties provide a considerable number of "affordable/workforce" units. For example, 40% of the units at Merchandise Mart (213 units), Paul Brown (222 units) and Majestic Stove (120 unit), and virtually 100% of the Cupples Apartments (131 units) are set aside as "affordable" housing. The entire 144 unit, completely renovated Neighborhood Gardens will also offer affordably priced market rate housing well-suited to the nearby community of service-type employees. Most of the new and recently developed apartment properties are priced in the \$1/sf range. Thus, competition has continued to generate aggressive pricing to maintain high occupancy levels.

As a result, the lack of quality, affordable, workforce housing, a problem that has challenged downtowns around the country, appears to be well in control in downtown St. Louis.

While most of the new rental units coming on line in 2006 will be moderately-priced units, there will also be an increase in the number of higher priced, luxury apartments. With the opening of Pointe 400 in late summer and The Marquette at the end of the year, 150 upscale, non-loft apartments featuring high grade finishes and numerous amenities will be added to the inventory. This market segment has had few options in downtown to date but occupancy of higher priced rental units has been lower than the market at large. In order to be successful, these new developments will need to attract and capture a larger share of the high-end rental niche market.

Pointe 400 will be a premier property with outstanding views and amenities but will also be the first test of rental rates significantly higher than the market average. The Marquette will also be the first test of new residential properties where rental and sale units co-exist in the same property, a concept will be repeated in at least four other developments in the next three years.

As purchase prices and mortgage rates continue to increase, rental occupancy has begun to grow regionally and nationally. This trend may lead to increase demand for rental housing downtown as well, particularly in the entry level of the housing market. Looking ahead over the next three years, inventory will continue to grow by over 2000 units. However, some current rental properties may convert to condo; several older properties are planning to renovate and reduce the number of units; other new and current properties will begin to target more specialized markets (seniors, artists, students etc). This may help individual properties to differentiate themselves from the competition.

Nevertheless, the continued growth in rental inventory, like the growth in condo inventory, will intensify competition within downtown and require effective marketing to increase downtown's capture rate of the rental market within the entire metropolitan area.

SALES MARKET SUMMARY

In 2005, the average sale price per unit jumped 34%, the average sale price per sq. ft rose 21%, and the average unit size increased 29%. These increases can be attributed to the larger number of units sold above \$300,000 including seven very large units (avg. 3,500sf) sold at over \$500,000. Regardless of price per square foot, developers frequently sold larger units before selling the smaller units. Buyers who can afford higher prices appear willing to pay for the additional space. Nevertheless, a growing number of smaller units (1200 sf or less) are coming into the market to keep entry level units available for under \$200,000.

The largest numbers of units sold were in the \$200,000-\$300,000 price range – 44% of the market. Units under \$200,000 represented 34% of the market. Units in the \$300,000 - \$500,000 range represented 17% of the market. Units over \$500,000 were 6% of the market.

HOME SALES SUMMARY BY YEAR

Year	Avg. Unit Size	Avg. Price	Avg. Price / Sq.Ft.	Price Range	Price Range / Sq.Ft.
2000	1980 sf	\$ 193,000	\$ 98.47	\$82,000 - \$281,700	\$74 - \$115
2001	2107 sf	\$ 209,600	\$ 100.74	\$87,000 - \$374,300	\$74 - \$130
2002	1470 sf	\$ 165,200	\$ 117.98	\$75,000 - \$325,400	\$84 - \$180
2003	1543 sf	\$ 205,400	\$ 133.03	\$70,000 - \$556,700	\$94 - \$185
2004	1432 sf	\$ 196,700	\$ 140.72	\$96,000 - \$400,700	\$114 - \$175
2005	1843 sf	\$ 263,491	\$ 170.95	\$99,000 - \$720,000	\$115 - \$231

2005 HOME SALES SUMMARY BY PRICE CATEGORY

Price Category	Avg. Unit Size	Mean Price	Median Price	Avg. Price / Sq.Ft.	Cumulative Days on Market**
\$100,000 - \$199,999	1198 sf	\$164,500	\$168,650	\$146.60	156
\$200,000 - \$299,999	1608 sf	\$239,157	\$238,500	\$150.04	241
\$300,000 - \$499,999	2138 sf	\$373,188	\$359,000	\$178.04	236
\$500,000 +	3479 sf	\$561,476	\$530,000	\$164.48	253

Source: ReMax Properties West

NOTES:

Data is based on all properties listed in annual MLS report. This represents the majority but not all properties sold. The only 2005 unit that sold for under \$100/sf was located in Columbus Square.

*Cumulative Days on the Market (CDOM) begins with first day that the unit is listed for sale beginning with pre-construction sales and ending with closing.