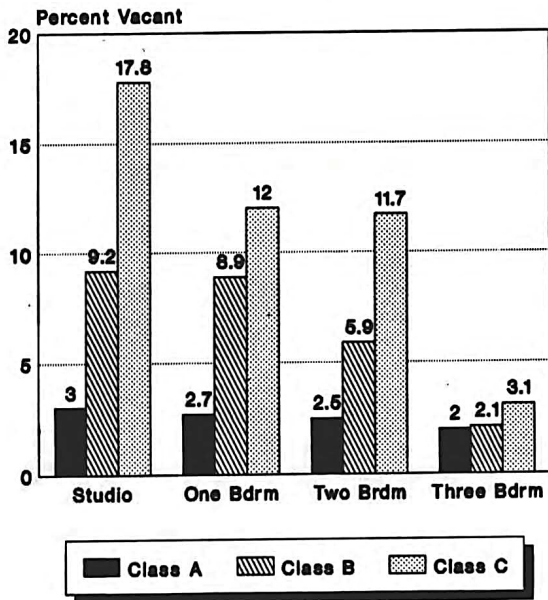
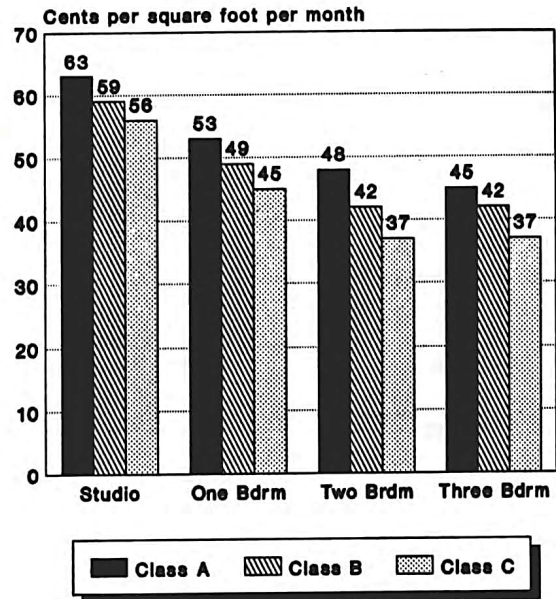


Vacancies Overall Market



Rents Overall Market

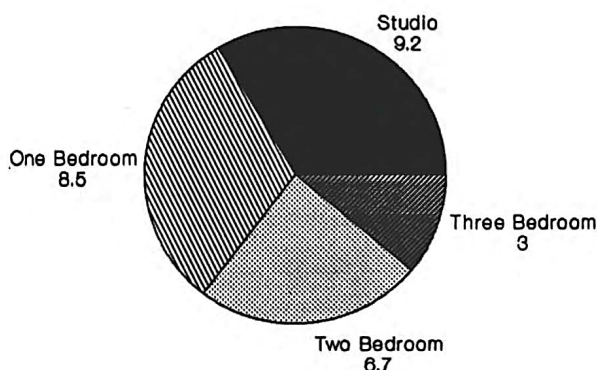


OVERALL MARKET NARRATIVE

For the first time since 1986, we are seeing owners increase rental rates. These increases average \$25.00 per unit per month and with few exceptions have been limited to increased rates to new residents. However, there have been a few buildings that have also increased rents to existing residents. As one might expect from watching the vacancy rates, only the Class A and the highest quality Class B communities have ventured into this arena.

Currently, rental rates are between thirty-nine and sixty-eight cents per square foot. Based upon today's operating expenses, we estimate that an owner will need to achieve between seventy-five and eighty cents per square foot to make economic sense out of new construction. Therefore, in light of the current city-wide vacancy rates and the apparent continued high demand for rental housing, we anticipate seeing substantial rental increases during the next twelve months.

Vacancies by Type Overall Market



Rents Overall

Rent Expressed in Dollars Per Month

	CLASS		
	A	B	C
Studio	355	264	241
One Bedroom	386	299	262
Two Bedroom	472	384	332
Three Bedroom	595	497	391