

Phoenix Apartment Revenue Stream 4Q09 Update
Prepared for the Arizona Multihousing Association Board of Directors

Asking Rent:

- 4Q09: \$746 4Q08: \$765 3Q09:\$752 2Q08: \$777 (highest ever)
- Highest Rent 4Q09: North Scottsdale/Fountain Hills @ \$907 (\$963 in 4Q08)
- Lowest Rent 4Q09: West Central Phoenix @ \$563 (\$590 in 4Q08)

Vacancy:

- 4Q09: 15% 4Q08: 14.7% 3Q09: 15%
- Highest Vacancy 4Q09: West Central Phoenix @ 24.5% (21.2% in 4Q08)
- Lowest Vacancy 4Q09: North Scottsdale/Fountain Hills @ 6.7% (9.2% in 4Q08)

Concessions:

- 4Q09: 87% 4Q08: 85% 3Q09: 87%
- Highest Concessions 4Q09: West Phoenix @ 98%
- Lowest Concessions 4Q09: NW/SW County @ 50% & Central Valley @ 71%

New Construction:

- 4Q09: 558 units in FOUR projects either scheduled for or under construction. In 4Q08 there were 6,787 units in 22 projects scheduled for- or under construction.
- In Phoenix area, 240 units in ONE project were built in 4Q09-lowest ever seen in one quarter.

Key Observations:

- 77% of all submarkets had asking rents lower than one year ago (4Q08-4Q09)
- North Scottsdale/Fountain Hills had the highest rent and lowest vacancy
- West Central Phoenix had the lowest rent and highest vacancy
- In comparing 4Q09 with 4Q06, 4Q07, 4Q08 eviction filings are respectively down 57%, 56%, and 50%.
- In comparing YTD (thru March 3) 2010 with YTD (thru March 3) 2006, 2007, 2008, and 2009, eviction filings are respectively down 57%, 49%, 45%, 23%.
- Eviction drops are decelerating-which is potentially good for apartments
- As of 3 March 2010 there were 50,368 pending foreclosures in Maricopa County
- As of 4 March 2010 there were 33,655 REO properties in Maricopa County
- As of 3 March 2010 there were 54 PENDING apartment foreclosures (>\$1MM Original Loan) in Maricopa County totaling \$541,064,280 in original loan dollars
- Call or email Pete anytime with questions