

Colliers International Multi-Family MARKET REPORT

If you are considering selling your apartment building, please call me for a confidential evaluation.



San Diego County

Average sales price per unit continues lower, but the rate at which it has been dropping over the past 2 years seems to be slowing significantly (see graph below).

Rental rates, on the other hand, continue upwards. Rental rates are up approximately 4%, year over year, countywide. Vacancy rates are very low at approximately 3.6% countywide.

Proposed new development in the pipeline continues at a subdued pace of 9,937 units countywide.

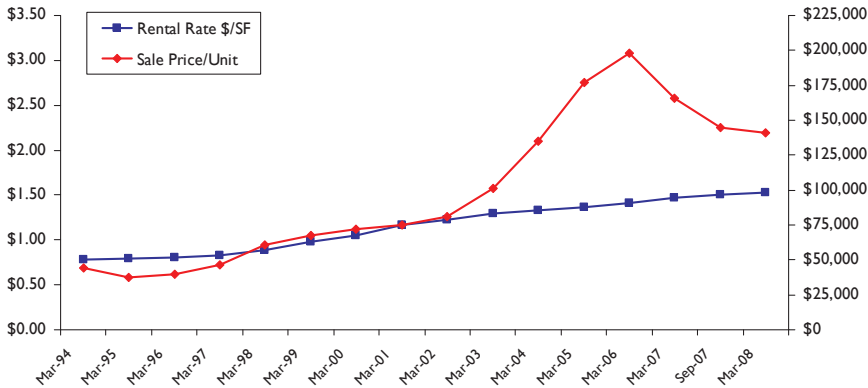
Good dynamics for new investors - prices down, rents up, low vacancy, little new apartment development.

Conclusions

SELLERS: Pricing has become more important. At current prices, buyers appear to be re-entering the market, but are more selective. Deals have to "make sense".

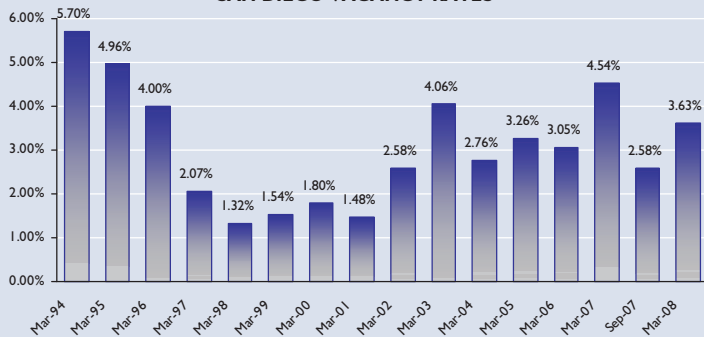
BUYERS: Prices may be stabilizing. Strong rents, low vacancies and substantially better pricing present attractive buying opportunities to investors.

San Diego County

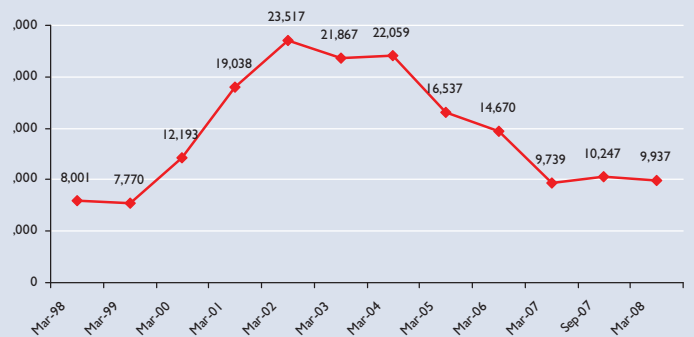


Period Ending	Rental Rate/SF	Sales Price Per Unit
March-95	\$0.79	\$37,175
March-96	\$0.80	\$39,964
March-97	\$0.83	\$46,147
March-98	\$0.89	\$61,033
March-99	\$0.98	\$67,525
March-00	\$1.05	\$72,094
March-01	\$1.17	\$75,216
March-02	\$1.23	\$80,864
March-03	\$1.29	\$101,043
March-04	\$1.33	\$134,671
March-05	\$1.37	\$176,683
March-06	\$1.41	\$198,226
March-07	\$1.47	\$165,820
Sept-07	\$1.50	\$144,924
March-08	\$1.53	\$140,952

SAN DIEGO VACANCY RATES



PROPOSED DEVELOPMENT BY UNITS



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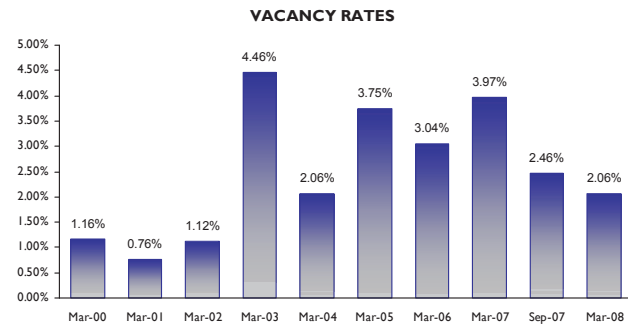
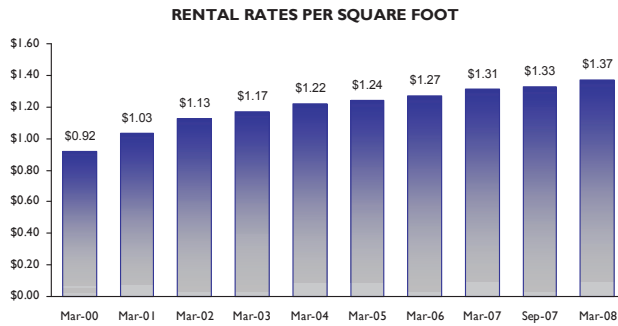
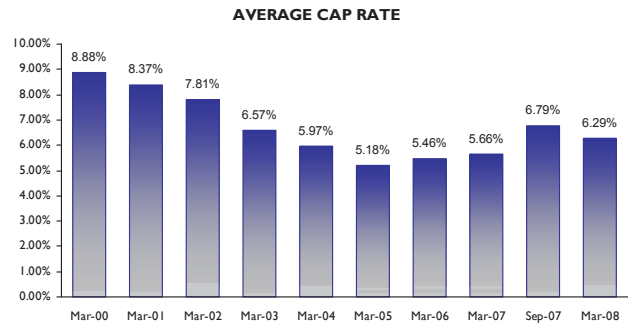
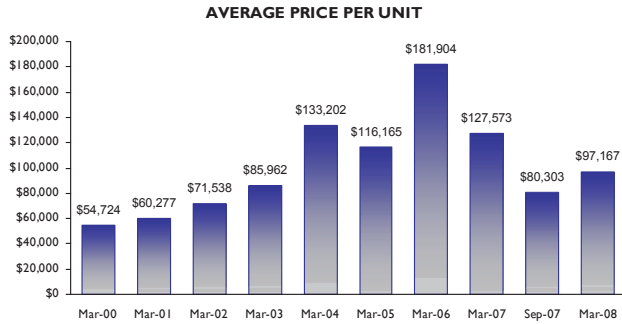
South Bay:

South East San Diego, Chula Vista, National City, Bonita, Imperial Beach, San Ysidro, Otay Mesa, Palm City, Nestor, Paradise Hills, Encanto.

- Average Sales Price Per Unit..... +21.0%
- Average Rental Rate Per Square Foot +2.9%

■ Prices up. Rents are up strongly.

September 2007 to March 08



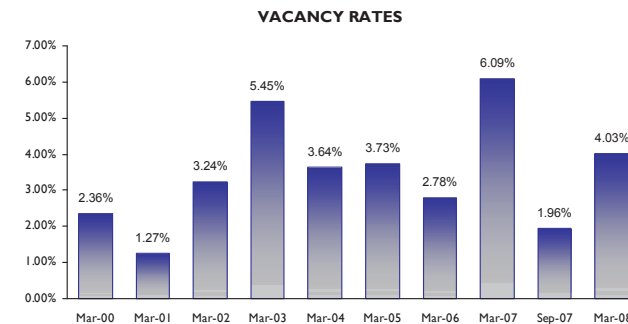
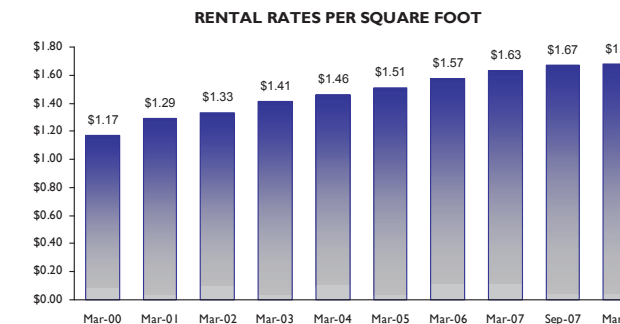
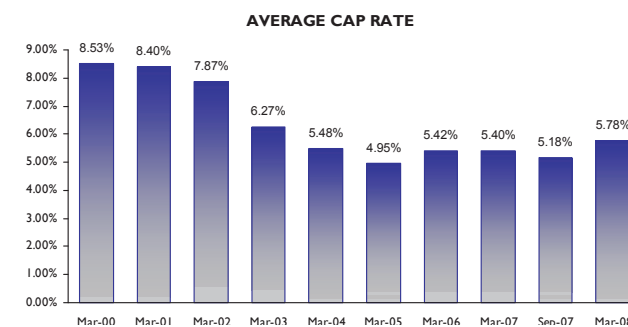
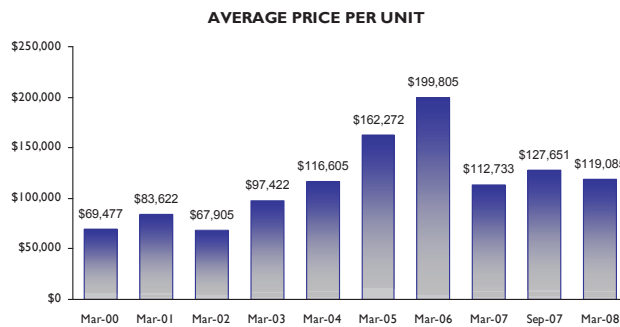
North, East & Central SD:

Clairemont, Hillcrest, Grantville, Goldenhill, Kensington, Linda Vista, Normal Heights, North Park, Old Town, E. San Diego, Tierrasanta, Downtown, Morena, Serra Mesa, Mission Hills, Mission Valley, Mission Village, College Grove, Del Cerro.

- Average Sales Price Per Unit..... -6.7%
- Average Rental Rate Per Square Foot +1.0%

■ Prices stabilizing. Demise of condo conversions has affected this submarket the most.

September 2007 to March 08



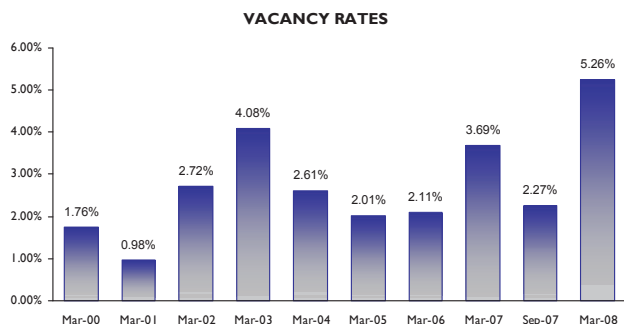
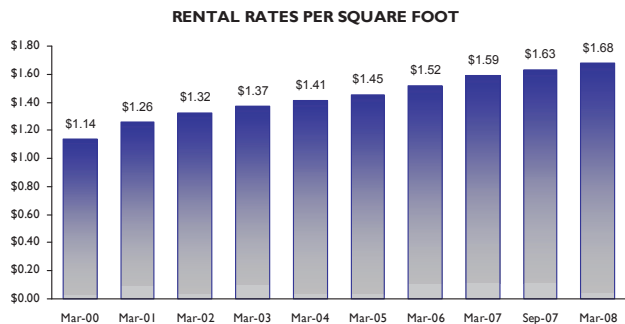
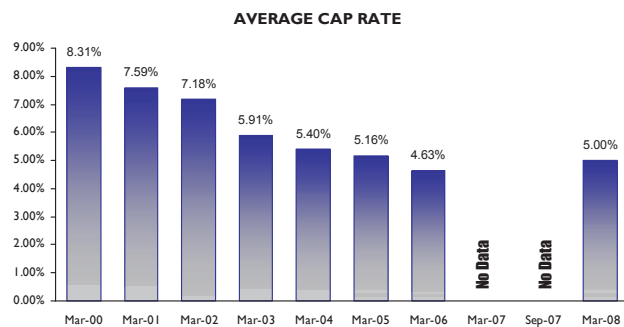
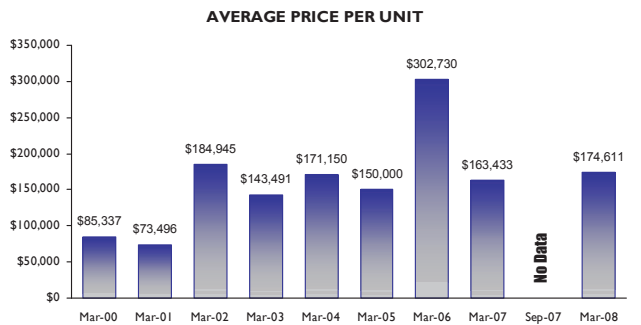
I-15 Corridor/Mira Mesa:

Rancho Bernardo, Rancho Penasquitos, Poway, Mira Mesa, Scripps Ranch, Miramar, Sorrento Mesa, Sorrento Valley, Carmel Mountain Ranch.

- Average Sales Price Per.....+6.8% (over one year)
- Average Rental Rate Per Square Foot +3.3%

■ Limited data. One sale in this submarket.

September 2007 to March 08



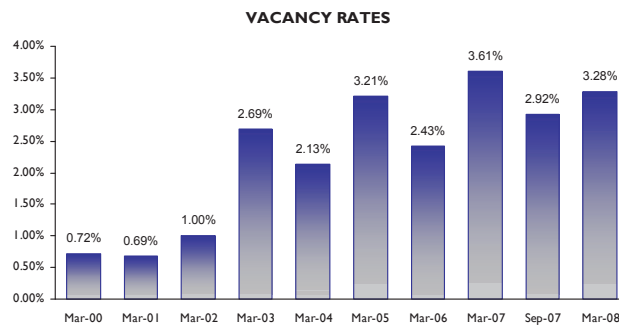
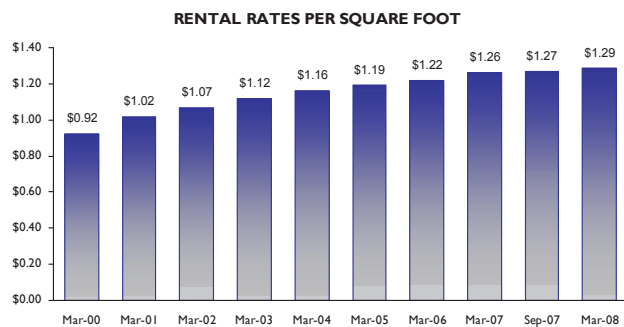
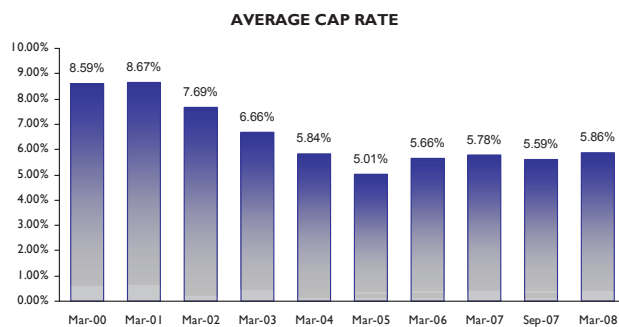
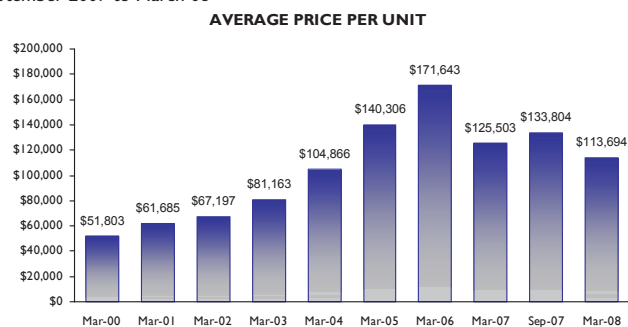
East County:

Alpine, Casa Del Oro, Lemon Grove, Spring Valley, La Mesa, San Carlos, Santee, El Cajon, Lakeside, Borrego Springs, Campo, Julian, Jamul, Palomar Mountain, Pauma Valley, Ramona, Rancho San Diego.

- Average Sales Price Per Unit..... -15.0%
- Average Rental Rate Per Square Foot +2.0%

■ Prices down. Lack of condo conversion market has impacted this submarket. Rents up nicely.

September 2007 to March 08



Source: Sales and cap rate data derived from Costar Comps, 10+ units in areas as listed above. Rental/vacancy data provided by MarketPointe. Current data is for the last 6 month period for similar geographic areas.