

Colliers International Multi-Family MARKET REPORT

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



Conclusions

SELLERS: Attractive pricing is still very important.

BUYERS: Great long term buying opportunities are becoming more evident.

San Diego County - Attractive Prices!

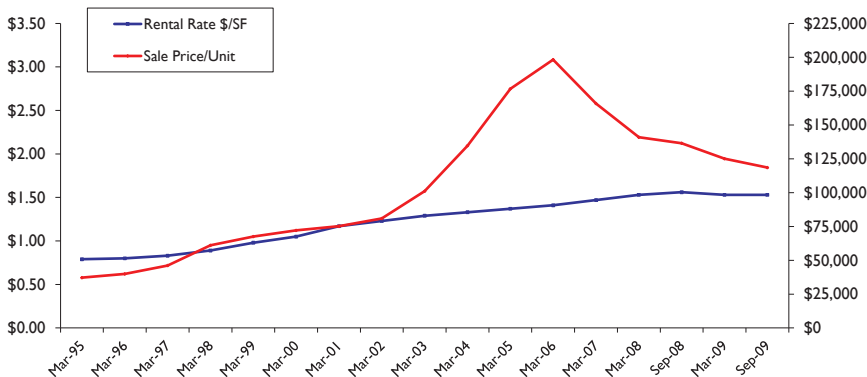
Average sales price per unit now stands at \$118,000 countywide, numbers not seen since 2003-2004. Rental rates though are holding up remarkably well at \$1.53/SF and an overall vacancy rate of 4.4% is very strong and down from March 2009, where the number stood at 5.3%.

San Diego continues to be one of the healthiest and more desirable apartment markets in the country. Cap rates in the 6.5% to 7.5%-plus range are achievable. Even though proposed new development is up somewhat, new construction is generally not viable at today's prices. Most transactions are being done at prices that are substantially below replacement costs.

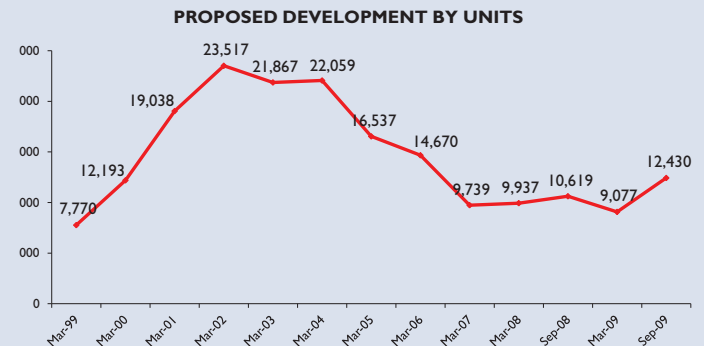
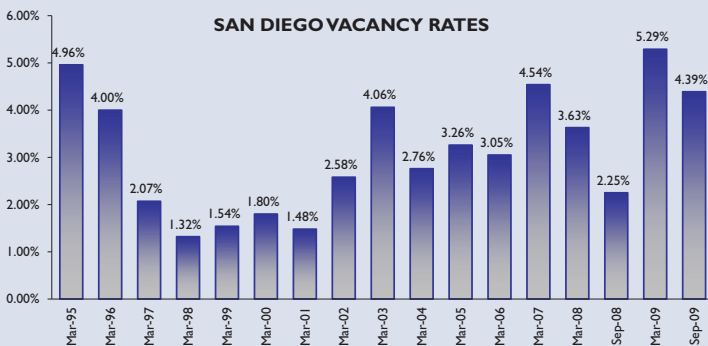
TIME TO BUY?

Prices and cash flow not seen in many years is achievable. Lack of available properties has made it more difficult to buy. With some distressed or bank-owned properties trickling in, and on the horizon, this may be an exceptional time to buy for good long-term returns. Currently, an obstacle to investors looking to buy is a general lack of supply of available properties.

San Diego County



Period Ending	Rental Rate/SF	Sales Price Per Unit
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
Sept-08	\$1.56	\$136,466
March-09	\$1.53	\$125,063
Sept-09	\$1.53	\$118,492



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COLLIERS
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Colliers International 2004 Top Apartment Broker in the Nation

Our Knowledge is your Property

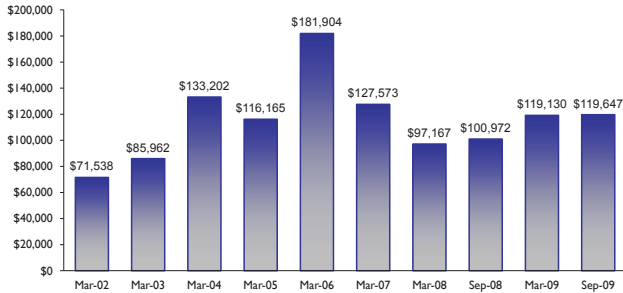
South Bay:

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

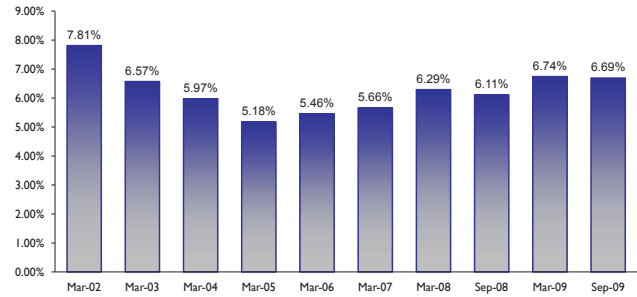
- Average Sales Price Per Unit..... +0%
- Cap rates near 7%. Prices flat
- Average Rental Rate Per Square Foot -0.6%

March 2009 to September 2009

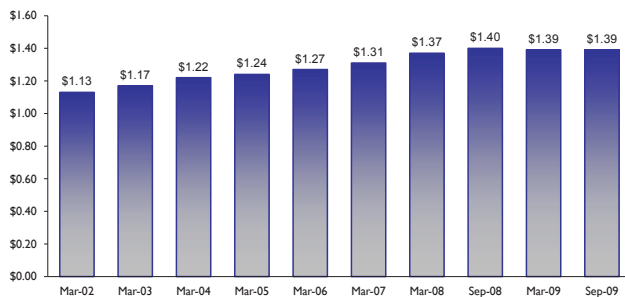
AVERAGE PRICE PER UNIT



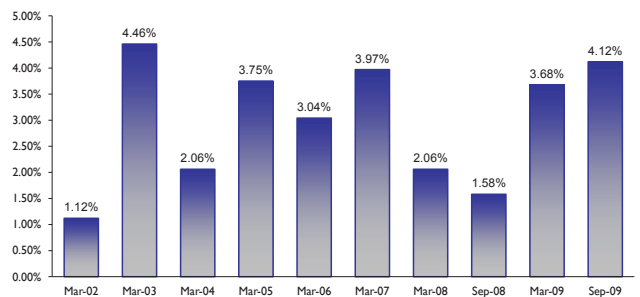
AVERAGE CAP RATE



RENTAL RATES PER SQUARE FOOT



VACANCY RATES



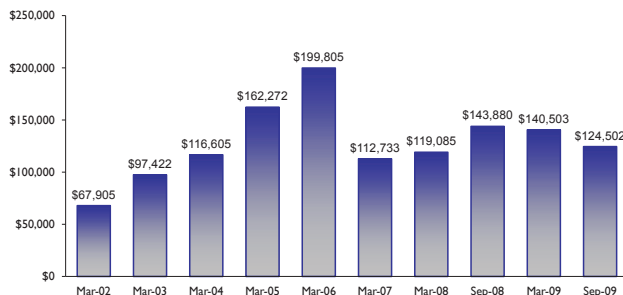
North, East & Central SD:

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.

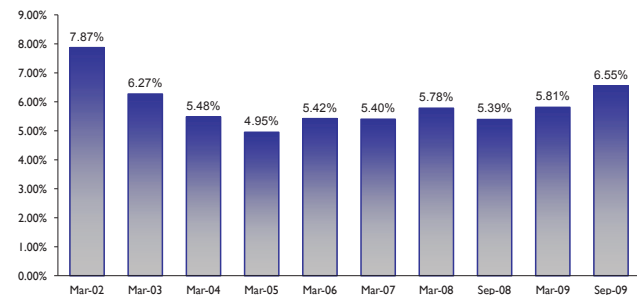
- Average Sales Price Per Unit..... -11.4%
- Vacancy rates dropping. Cap rates climbing
- Average Rental Rate Per Square Foot +0.5%

March 2009 to September 2009

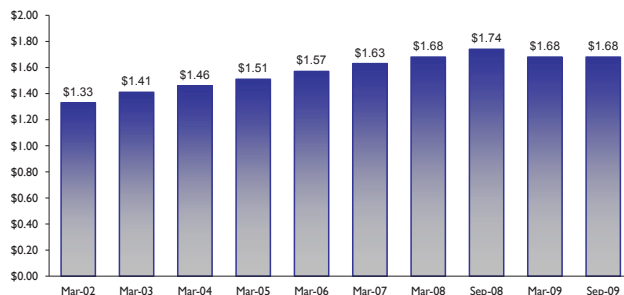
AVERAGE PRICE PER UNIT



AVERAGE CAP RATE



RENTAL RATES PER SQUARE FOOT



VACANCY RATES

