

Merced is 1 of 1 cities in Merced County (with at least 5 communities)

Rent ranking
for cities in Merced County

City	Avg Rent
1. Merced	\$735

Occupancy ranking
for cities in Merced County

City	Avg Occ.
1. Merced	95.7%

Rent growth % Rankings Yr. over Yr.
for cities in Merced County

City	Avg Rent
1. Merced	4.0%

Occupancy growth Rankings Yr. over Yr.
for cities in Merced County

City	Avg Occ.
1. Merced	2.2%

Merced County is 1 of 1 counties in Merced CA MSA

Rent ranking
for counties in Merced CA MSA

County	Avg Rent
1. Merced	\$735

Occupancy ranking
for counties in Merced CA MSA

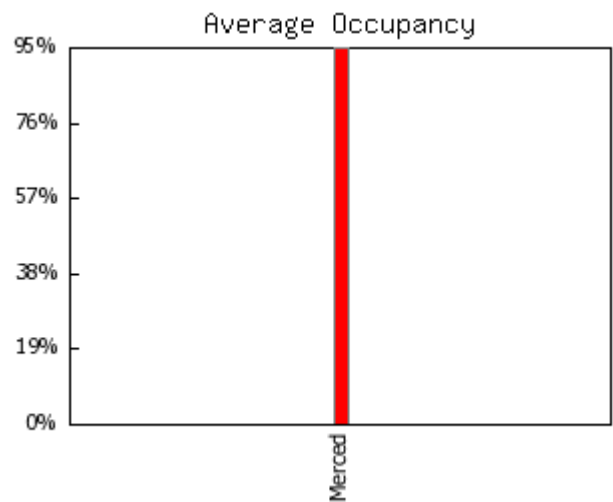
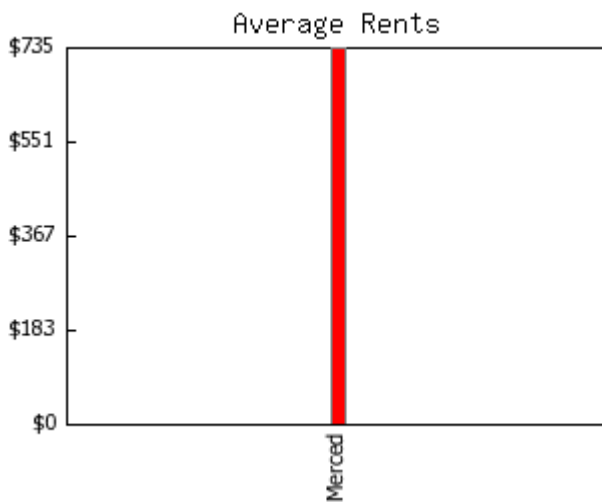
County	Avg Occ.
1. Merced	95.7%

Rent growth % Rankings Yr. over Yr.
for counties in Merced CA MSA

County	Avg Rent
1. Merced	4.0%

Occupancy growth Rankings Yr. over Yr.
for counties in Merced CA MSA

County	Avg Occ.
1. Merced	2.2%



Inventory Analysis

Merced
4Q2008

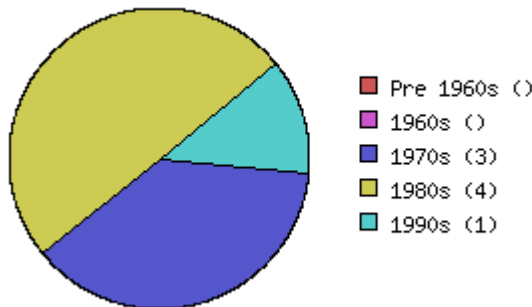
Properties/Units	8 / 1,367	Average units per property	170
Class A	0 /	Average year built	1981
Class B	1 / 176	Size range (units)	100 - 288
Class C	7 / 1,191	Age range	1970 - 1992

Unit Mix (all unit types appear in this report)

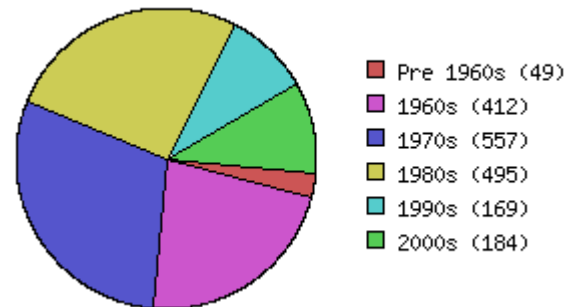
Totals	Units	% of Mix	Benchmark % of Mix	Average Sq. Ft	Benchmark Avg Sq Ft	Average Rent	Benchmark Avg. Rent	Avg. Rent Sq. Ft.	Benchmark Avg. Rent Sq. Ft.
All	1,367	100.0%	100.0%	923	842	\$735	\$1,375	\$0.80	\$1.63
Urban Loft studio									
jr 1bd									
1bd 1bth	336	24.6%	38.7%	729	700	\$654	\$1,237	\$0.90	\$1.77
1bd 1.5bth									
1bd TH									
2bd 1bth	324	23.7%	17.9%	857	863	\$721	\$1,203	\$0.84	\$1.39
2bd 1.5bth	56	4.1%	1.6%	845	933	\$680	\$1,318	\$0.80	\$1.41
2bd 2bth	518	37.9%	25.6%	1,020	1,009	\$758	\$1,589	\$0.74	\$1.57
2bd 2.5th									
2bd TH									
3bd 1bth									
3bd 1.5bth									
3bd 2bth	133	9.7%	3.5%	1,224	1,233	\$911	\$1,785	\$0.74	\$1.45
3bd 3bth									
3bd TH									
4bd									
5bd 2bth									
5bd TH									

Age of Existing Inventory

Area: Merced



Benchmark: Nor Cal Region

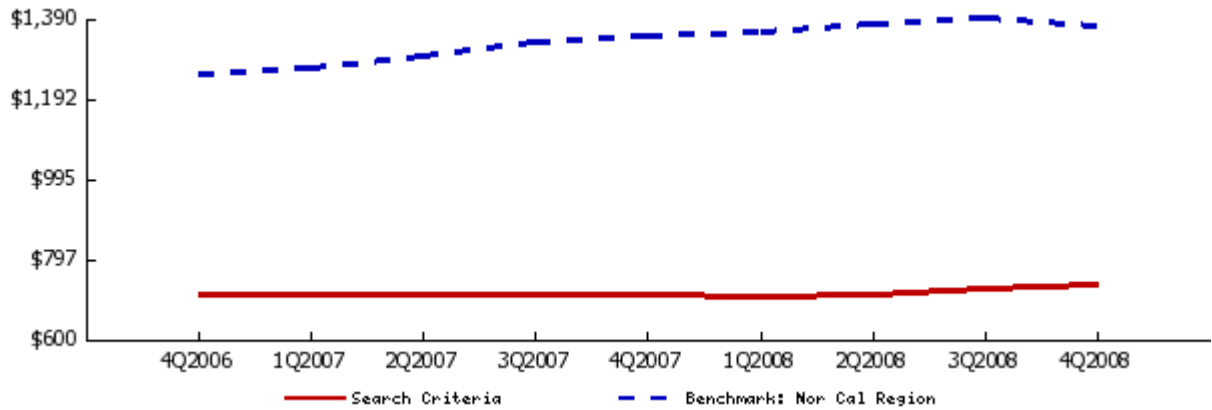


Rental Trends for City Merced

All Classes
Quarterly Trend

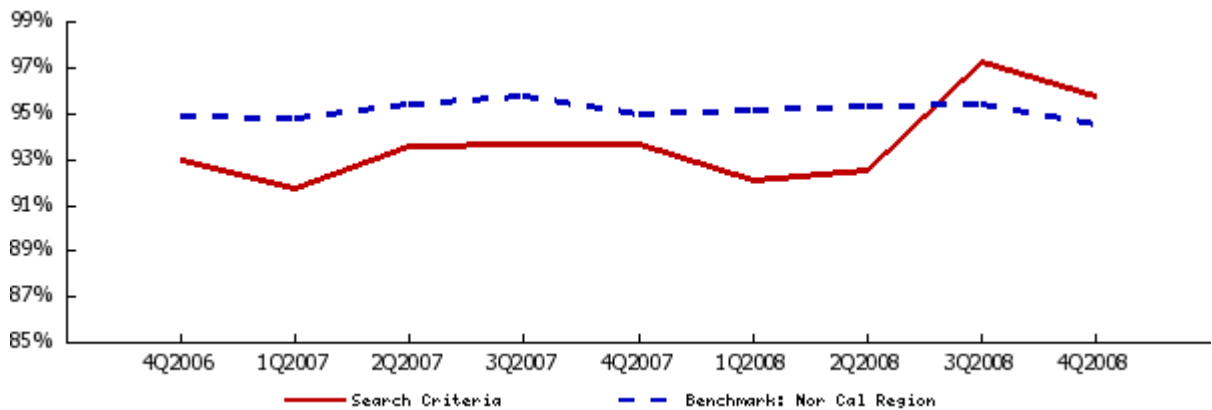
Average Asking Rent

	4Q2006	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1 Yr. Change
AVERAGE	\$711	\$709	\$708	\$709	\$707	\$706	\$711	\$724	\$735	4.0%
studio										
jr 1bd										
1bd 1bth	\$632	\$627	\$621	\$625	\$625	\$623	\$630	\$644	\$654	4.6%
2bd 1bth	\$707	\$708	\$708	\$710	\$701	\$697	\$697	\$718	\$721	2.8%
2bd 2bth	\$734	\$732	\$732	\$732	\$731	\$731	\$727	\$740	\$758	3.8%
2bd TH										
3bd 2bth	\$851	\$851	\$851	\$851	\$853	\$853	\$897	\$897	\$911	6.7%
3bd TH										



Average Occupancy Rate

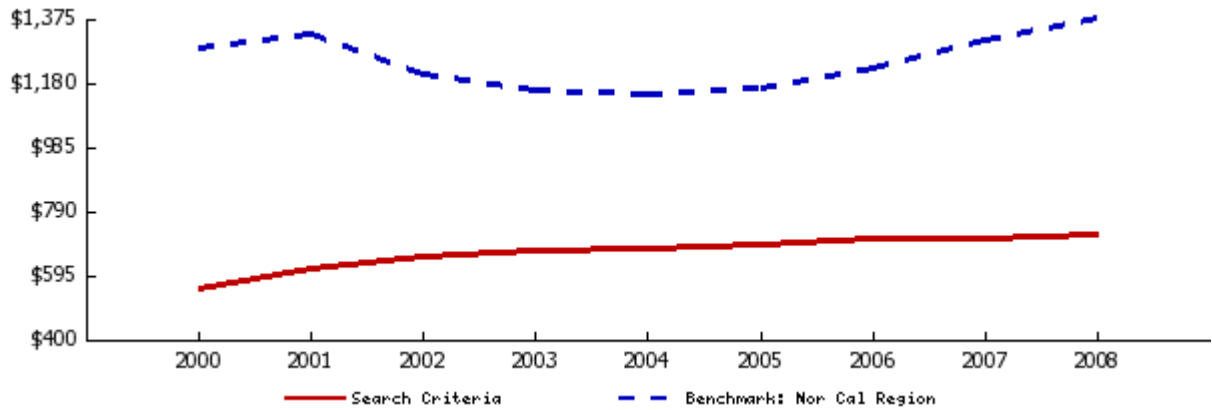
	4Q2006	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1 Yr. Change
AVERAGE	92.9%	91.7%	93.5%	93.6%	93.6%	92.0%	92.5%	97.2%	95.7%	2.3%



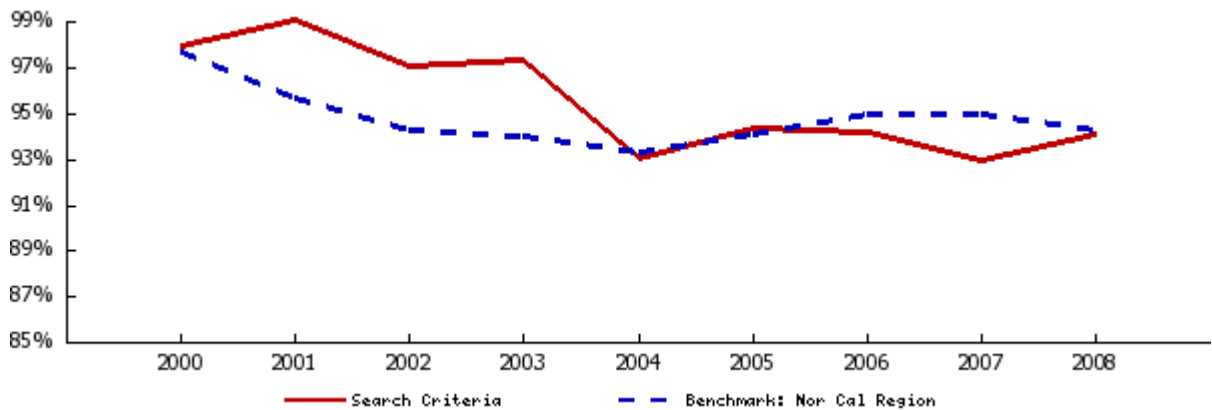
Rental Trends for City Merced

All Classes
Annual Trend

	Average Asking Rent									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	4 Yr. Change
AVERAGE	\$555	\$611	\$649	\$667	\$678	\$690	\$707	\$708	\$719	6.1%
studio										
jr 1bd										
1bd 1bth	\$491	\$532	\$568	\$585	\$604	\$607	\$625	\$625	\$638	5.5%
2bd 1bth	\$525	\$599	\$643	\$655	\$659	\$676	\$700	\$707	\$708	7.4%
2bd 2bth	\$586	\$643	\$677	\$698	\$707	\$720	\$731	\$731	\$739	4.5%
2bd TH										
3bd 2bth	\$675	\$730	\$775	\$800	\$810	\$838	\$851	\$852	\$890	9.8%
3bd TH										



	Average Occupancy Rate									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	4 Yr. Change
AVERAGE	98.3%	99.4%	97.4%	97.6%	93.2%	94.6%	94.4%	93.1%	94.3%	1.2%



Sales Trends for City Merced

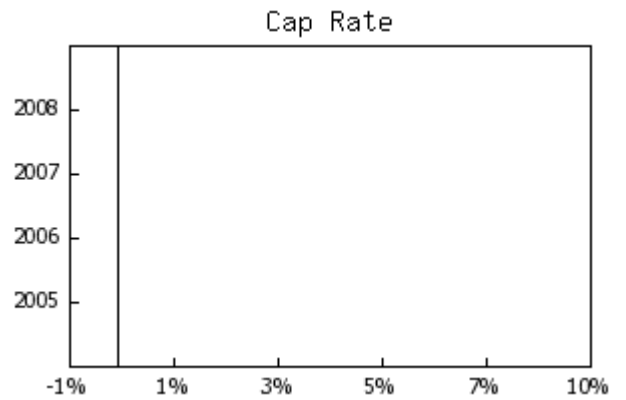
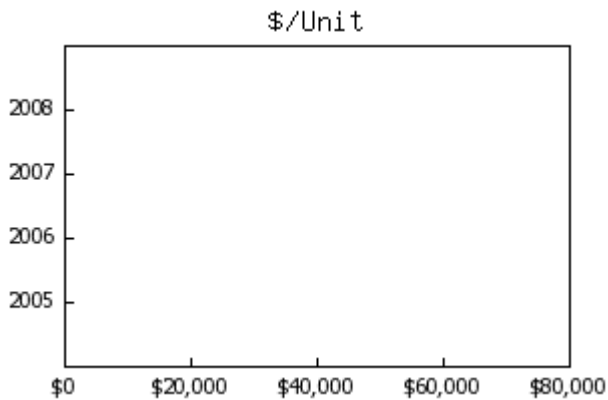
2005-2008 , All Classes

	2008	2007	2006	2005
Total Transactions	0	0	0	0
Total Dollar Value				
Total Square Feet				
Total Units				

Median Year Built

Average Square Footage
 Average Sale Price
 Average Price Per Square Foot
 Average CAP Rate
 Average GRM
 Average Units
 Average Price Per Unit

	2008	2007	2006	2005
Average Rent/sf (All)	\$0.80	\$0.79	\$0.79	\$0.77
Class A				
Class B	\$0.70	\$0.76	\$0.76	\$0.75
Class C	\$0.81	\$0.80	\$0.79	\$0.77
Average Occupancy (All)	93%	91%	93%	94%
Class A				
Class B	98%	95%	95%	94%
Class C	92%	90%	93%	94%

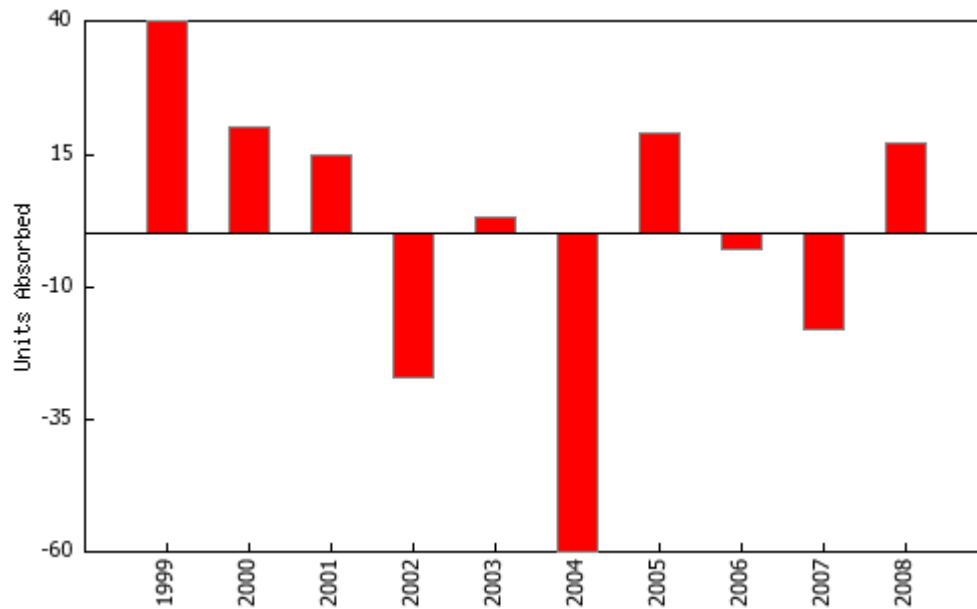


Absorption

Merced
4Q2008

Units Absorbed

	Units Built	Total Units	Occupancy Rate	Occupied Units	Units Absorbed
1998	0	1,367	93.9%	1,283	N/A
1999	0	1,367	96.8%	1,323	40
2000	0	1,367	98.3%	1,343	20
2001	0	1,367	99.4%	1,358	15
2002	0	1,367	97.4%	1,331	-27
2003	0	1,367	97.6%	1,334	3
2004	0	1,367	93.2%	1,274	-60
2005	0	1,367	94.6%	1,293	19
2006	0	1,367	94.4%	1,290	-3
2007	0	1,367	93.1%	1,272	-18
2008	0	1,367	94.3%	1,289	17



Area AnalysisMerced
4Q2008

Zipcode	Communities	% of Total	Avg. Occupancy	Yr /Yr Change	Avg. Rent	Yr /Yr Change
95348	8	100.0%	95.7%	2.2%	\$735	4.0%

1/19/2009

Data source: RealFacts (415)884.2480. Data is deemed reliable but accuracy cannot be guaranteed.