

Modesto is 1 of 2 cities in Stanislaus County (with at least 5 communities)

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Rent ranking  
for cities in Stanislaus County

<b>City</b>	<b>Avg Rent</b>
1. Turlock	\$833
2. Modesto	\$815

Occupancy ranking  
for cities in Stanislaus County

<b>City</b>	<b>Avg Occ.</b>
1. Turlock	93.7%
2. Modesto	92.3%

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

<b>City</b>	<b>Avg Rent</b>
1. Modesto	0.5%
2. Turlock	-0.8%

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

<b>City</b>	<b>Avg Occ.</b>
1. Modesto	-1.5%
2. Turlock	-2.4%

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Stanislaus County is 1 of 1 counties in Modesto CA MSA

Rent ranking  
for counties in Modesto CA MSA

County	Avg Rent
1. Stanislaus	\$819

Occupancy ranking  
for counties in Modesto CA MSA

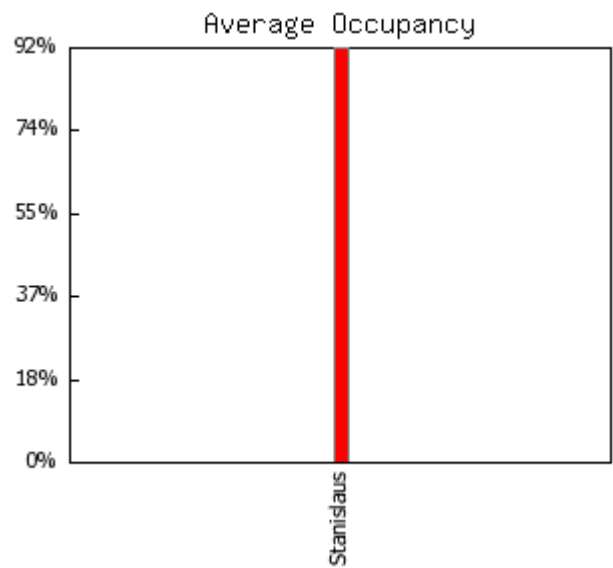
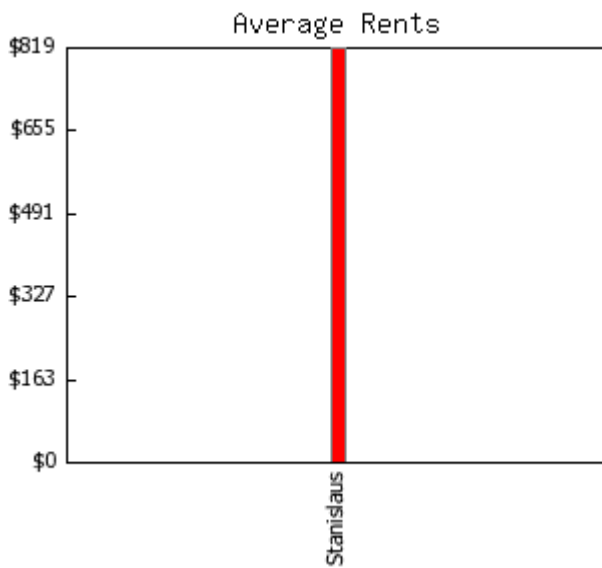
County	Avg Occ.
1. Stanislaus	92.8%

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

County	Avg Rent
1. Stanislaus	0.1%

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

County	Avg Occ.
1. Stanislaus	-1.6%



**Inventory Analysis**

Modesto  
4Q2008

Properties/Units	27 / 4,712	Average units per property	174
Class A	1 / 232	Average year built	1983
Class B	6 / 963	Size range (units)	75 - 376
Class C	20 / 3,517	Age range	1967 - 2005

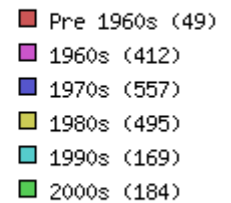
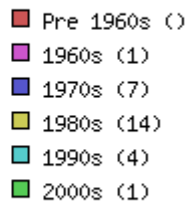
**Unit Mix** (all unit types appear in this report)

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	4,712	100.0%	100.0%	790	842	\$815	\$1,375	\$1.03	\$1.63
Urban Loft									
studio	236	5.0%	5.1%	515	473	\$617	\$1,185	\$1.20	\$2.51
jr 1bd	40	0.8%	1.8%	538	572	\$708	\$1,236	\$1.32	\$2.16
1bd 1bth	1,754	37.2%	38.7%	650	700	\$733	\$1,237	\$1.13	\$1.77
1bd 1.5bth									
1bd TH									
2bd 1bth	1,006	21.3%	17.9%	847	863	\$817	\$1,203	\$0.96	\$1.39
2bd 1.5bth	48	1.0%	1.6%	1,150	933	\$913	\$1,318	\$0.79	\$1.41
2bd 2bth	1,517	32.2%	25.6%	926	1,009	\$916	\$1,589	\$0.99	\$1.57
2bd 2.5th									
2bd TH	4	0.1%	3.4%	1,200	1,074	\$1,095	\$1,673	\$0.91	\$1.56
3bd 1bth									
3bd 1.5bth									
3bd 2bth	107	2.3%	3.5%	1,160	1,233	\$1,146	\$1,785	\$0.99	\$1.45
3bd 3bth									
3bd TH									
4bd									
5bd 2bth									
5bd TH									

**Age of Existing Inventory**

Area: Modesto

Benchmark: Nor Cal Region

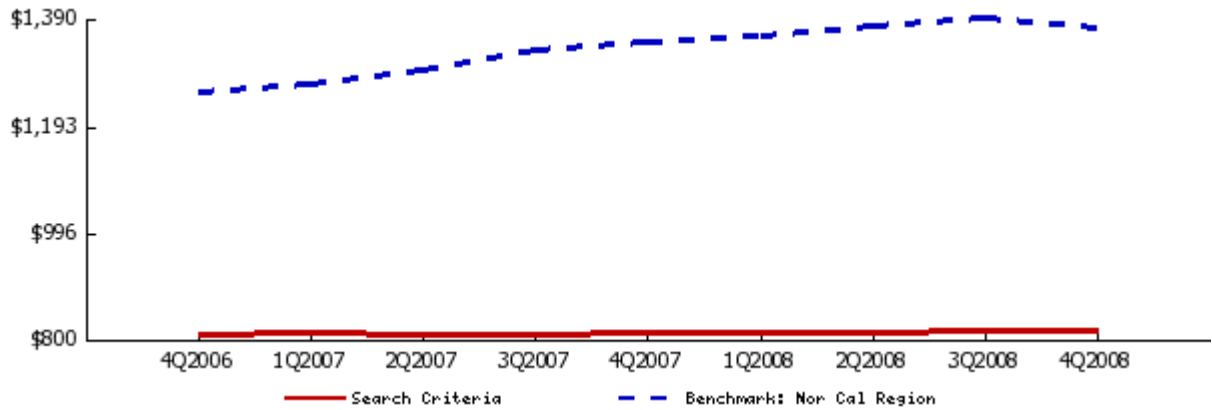


**Rental Trends for City Modesto**

All Classes  
Quarterly Trend

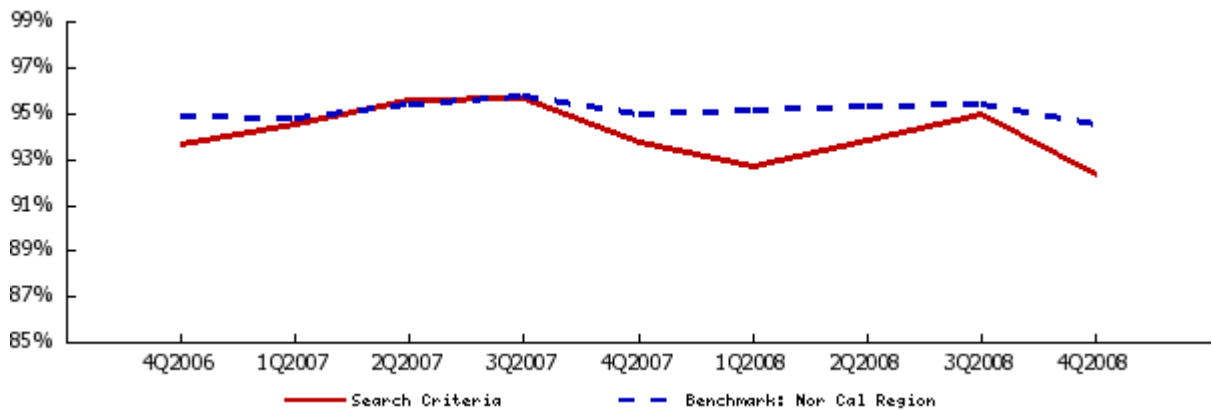
**Average Asking Rent**

	4Q2006	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1 Yr. Change
AVERAGE	\$808	\$811	\$808	\$809	\$811	\$812	\$810	\$813	\$815	0.5%
studio	\$592	\$607	\$608	\$611	\$611	\$612	\$601	\$612	\$617	1.0%
jr 1bd	\$693	\$693	\$693	\$693	\$703	\$708	\$708	\$708	\$708	0.7%
1bd 1bth	\$726	\$730	\$728	\$730	\$733	\$732	\$734	\$735	\$733	0.0%
2bd 1bth	\$806	\$812	\$810	\$814	\$816	\$814	\$816	\$815	\$817	0.0%
2bd 2bth	\$897	\$899	\$907	\$906	\$904	\$909	\$899	\$910	\$916	1.3%
2bd TH	\$834	\$834	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	0.0%
3bd 2bth	\$1,118	\$1,101	\$1,124	\$1,124	\$1,143	\$1,143	\$1,146	\$1,138	\$1,146	0.3%
3bd TH	\$905	\$905								



**Average Occupancy Rate**

	4Q2006	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1 Yr. Change
AVERAGE	93.6%	94.5%	95.5%	95.6%	93.7%	92.6%	93.8%	94.9%	92.3%	-1.5%

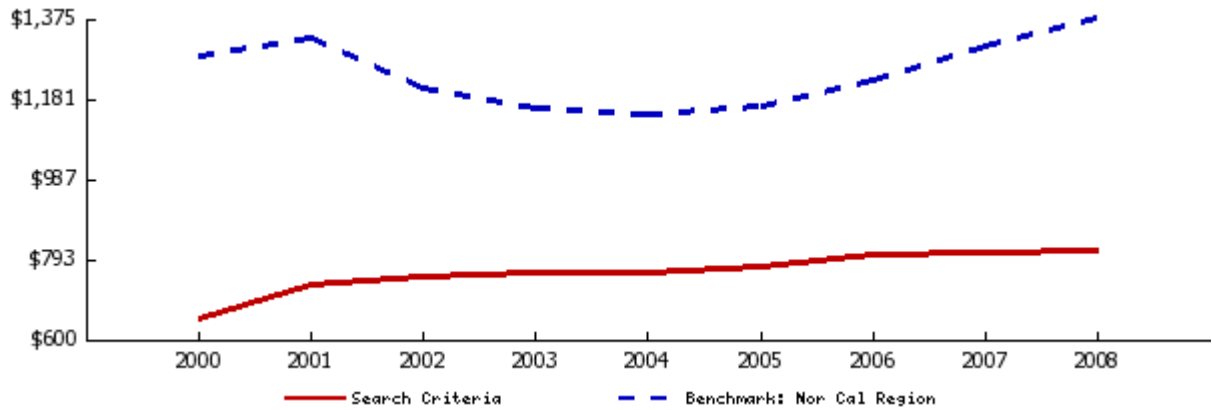


**Rental Trends for City Modesto**

All Classes  
Annual Trend

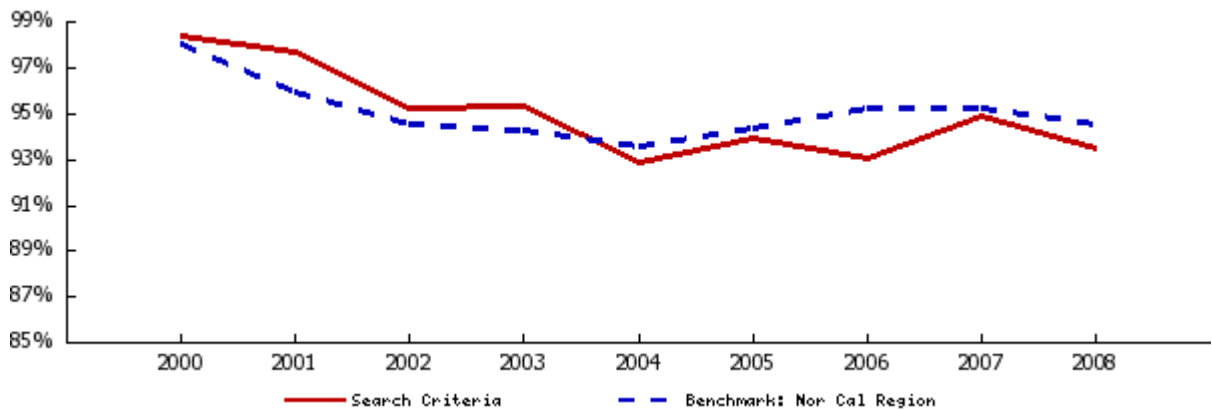
**Average Asking Rent**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	4 Yr. Change
AVERAGE	\$649	\$729	\$753	\$760	\$762	\$773	\$806	\$810	\$813	6.7%
studio	\$466	\$520	\$542	\$552	\$553	\$574	\$590	\$609	\$610	10.4%
jr 1bd	\$577	\$643	\$660	\$670	\$670	\$670	\$693	\$695	\$708	5.7%
1bd 1bth	\$579	\$655	\$678	\$683	\$689	\$698	\$722	\$730	\$734	6.5%
2bd 1bth	\$649	\$721	\$749	\$765	\$756	\$773	\$805	\$813	\$816	7.8%
2bd 2bth	\$732	\$822	\$838	\$838	\$844	\$853	\$896	\$904	\$909	7.6%
2bd TH	\$658	\$764	\$813	\$813	\$818	\$821	\$834	\$881	\$1,095	33.8%
3bd 2bth	\$935	\$1,028	\$1,043	\$1,067	\$1,054	\$1,081	\$1,115	\$1,122	\$1,143	8.5%
3bd TH	\$765	\$897	\$950	\$941	\$914	\$912	\$905	\$905		



**Average Occupancy Rate**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	4 Yr. Change
AVERAGE	98.3%	97.6%	95.2%	95.3%	92.8%	93.9%	93.0%	94.8%	93.4%	0.6%



**Sales Trends for City Modesto**

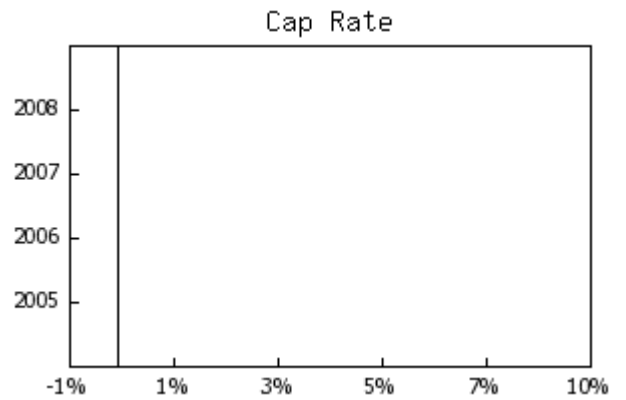
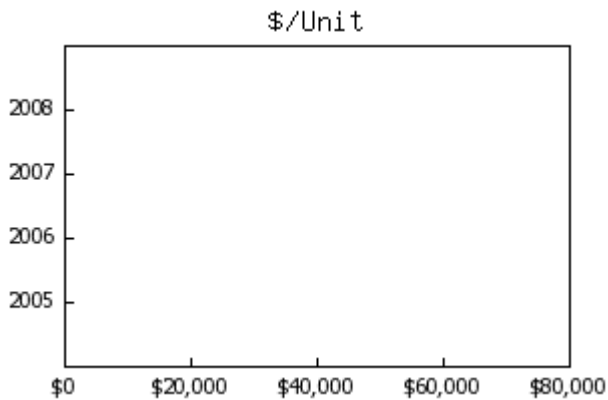
2005-2008 , All Classes

	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)	\$1.06	\$1.05	\$1.03	\$0.99
Class A	\$1.08	\$1.17	\$1.21	\$1.11
Class B	\$1.11	\$1.10	\$1.07	\$1.01
Class C	\$1.04	\$1.02	\$0.99	\$0.98
Average Occupancy (All)	93%	94%	93%	93%
Class A	91%	90%	65%	5%
Class B	92%	95%	94%	95%
Class C	93%	94%	94%	93%

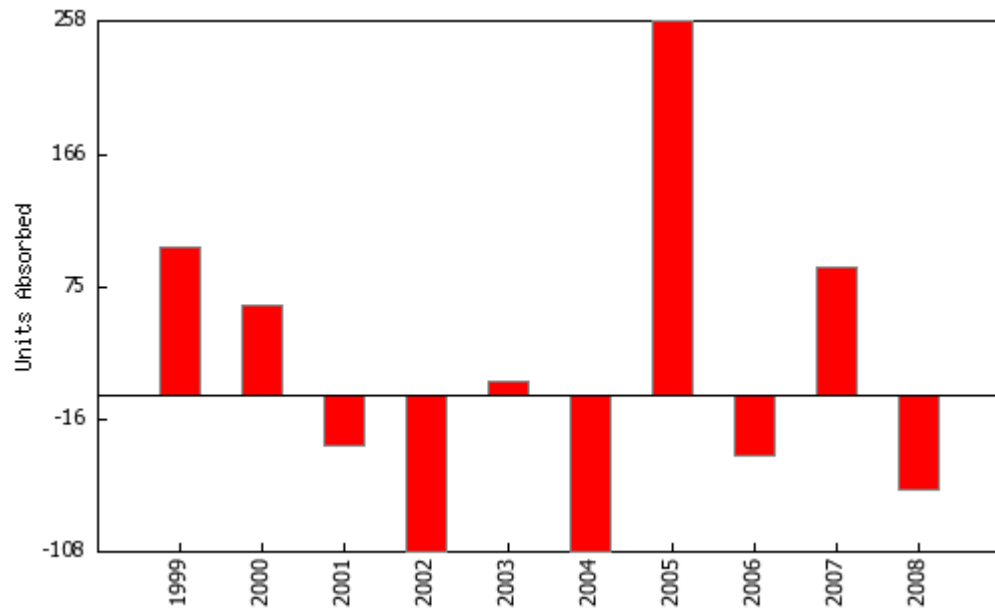


**Absorption**

Modesto  
4Q2008

**Units Absorbed**

	<b>Units Built</b>	<b>Total Units</b>	<b>Occupancy Rate</b>	<b>Occupied Units</b>	<b>Units Absorbed</b>
1998	0	4,480	94.6%	4,238	N/A
1999	0	4,480	96.9%	4,341	103
2000	0	4,480	98.3%	4,403	62
2001	0	4,480	97.5%	4,368	-35
2002	0	4,480	95.1%	4,260	-108
2003	0	4,480	95.3%	4,269	9
2004	0	4,480	92.9%	4,161	-108
2005	232	4,712	93.8%	4,419	258
2006	0	4,712	92.9%	4,377	-42
2007	0	4,712	94.8%	4,466	89
2008	0	4,712	93.4%	4,401	-65



**Area Analysis**Modesto  
4Q2008

Zipcode	Communities	% of Total	Avg. Occupancy	Yr /Yr Change	Avg. Rent	Yr /Yr Change
95355	12	44.4%	93.1%	-0.4%	\$822	0.1%
95356	6	22.2%	90.2%	-1.0%	\$856	0.9%
95350	6	22.2%	92.3%	-4.1%	\$818	1.4%
95354	2	7.4%	89.2%	-7.6%	\$748	-2.1%
95351	1	3.7%	96.0%	4.3%	\$729	0.7%

1/19/2009

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