

2Q2009

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	\$732

Occupancy ranking
for cities in Merced County

City	Avg Occ.
1. Merced	89.6%

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

City	Avg Rent
1. Merced	3.0%

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

City	Avg Occ.
1. Merced	-3.1%

Merced County is 1 of 1 counties in Merced CA MSA

Rent ranking
for counties in Merced CA MSA

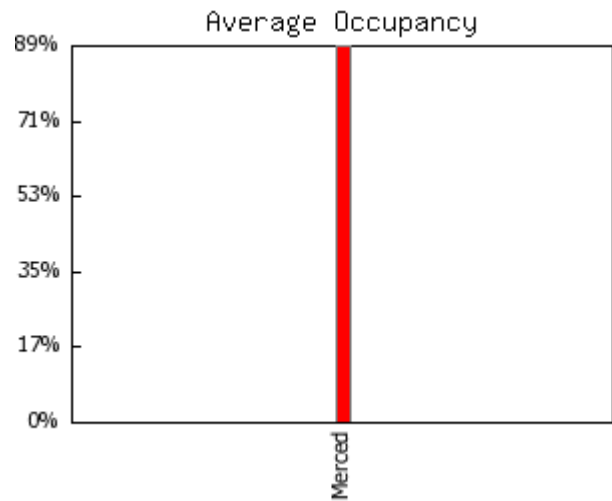
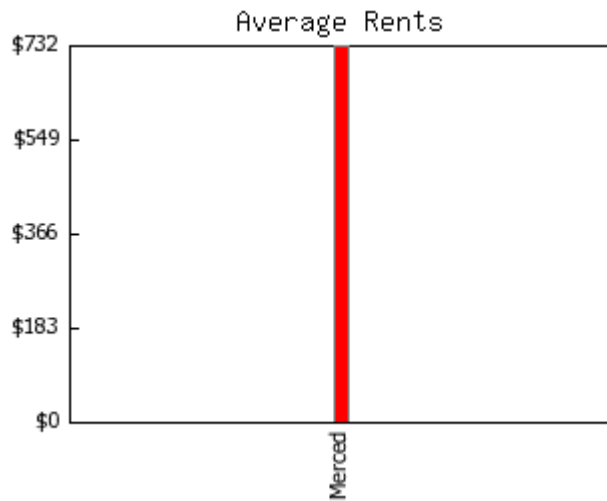
Occupancy ranking
for counties in Merced CA MSA

County	Avg Rent	County	Avg Occ.
1. Merced	\$732	1. Merced	89.6%

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

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

County	Avg Rent	County	Avg Occ.
1. Merced	3.0%	1. Merced	-3.1%



Inventory Analysis

Merced
2Q2009

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

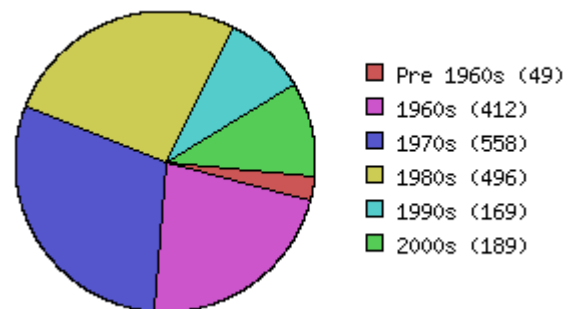
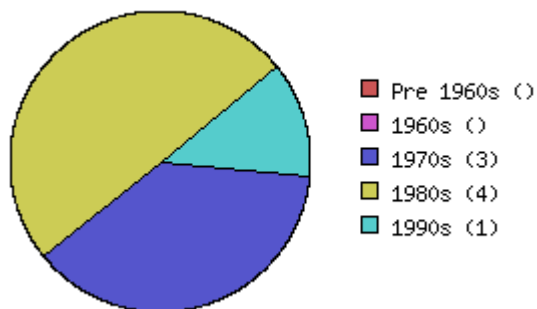
Unit Mix (all unit types appear in this report)

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%	926	842	\$732	\$1,310	\$0.79	\$1.56
Urban Loft									
studio									
jr 1bd									
1bd 1bth	294	21.5%	38.6%	729	700	\$664	\$1,169	\$0.91	\$1.67
1bd 1.5bth									
1bd TH									
2bd 1bth	366	26.8%	17.8%	854	863	\$698	\$1,163	\$0.82	\$1.35
2bd 1.5bth	56	4.1%	1.6%	845	931	\$680	\$1,252	\$0.80	\$1.34
2bd 2bth	518	37.9%	25.7%	1,020	1,009	\$754	\$1,510	\$0.74	\$1.50
2bd 2.5th									
2bd TH									
3bd 1bth									
3bd 1.5bth									
3bd 2bth	133	9.7%	3.6%	1,224	1,233	\$911	\$1,722	\$0.74	\$1.40
3bd 3bth									
3bd TH									
4bd									
5bd 2bth									
5bd TH									

Age of Existing Inventory

Area: Merced

Benchmark: Nor Cal Region



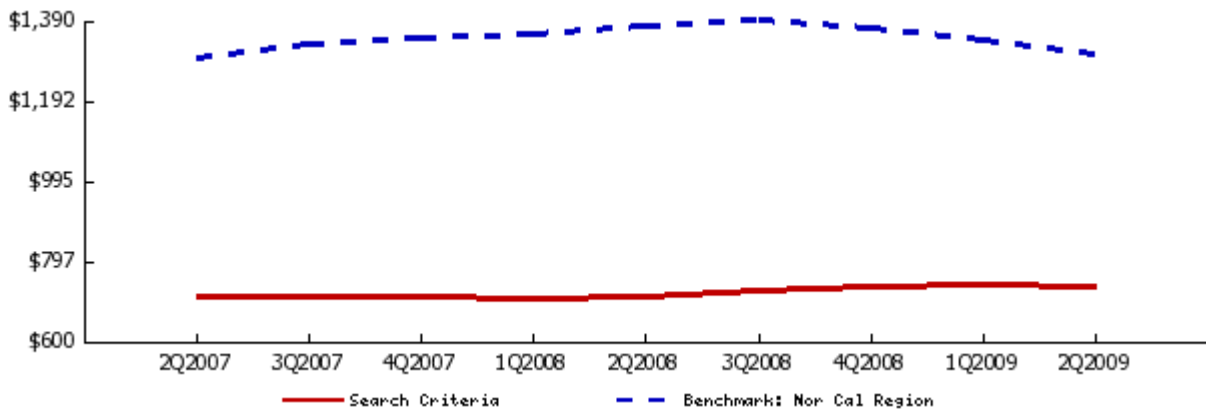
Rental Trends for City Merced

All Classes

Quarterly Trend

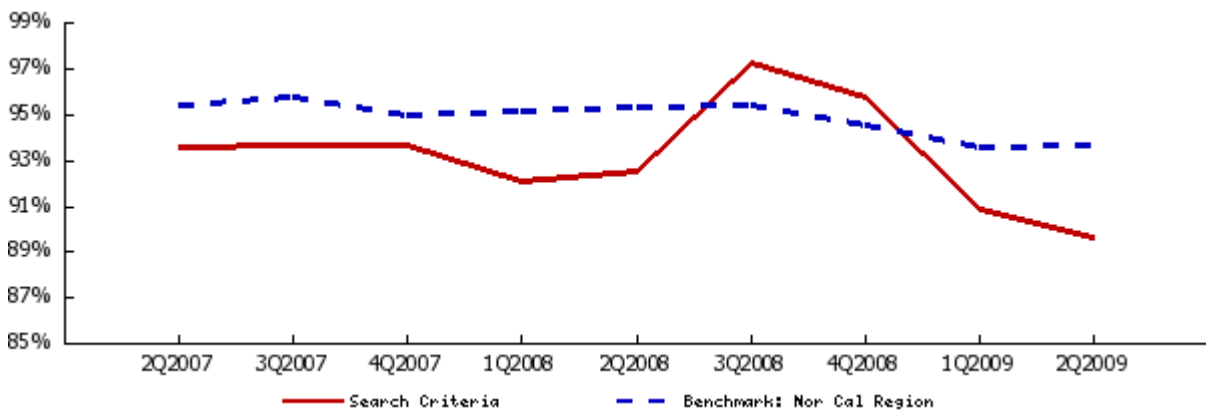
Average Asking Rent

	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	1 Yr. Change
AVERAGE	\$708	\$709	\$707	\$706	\$711	\$724	\$735	\$738	\$732	3.0%
studio										
jr 1bd										
1bd 1bth	\$621	\$625	\$625	\$623	\$630	\$644	\$654	\$662	\$664	5.4%
2bd 1bth	\$708	\$710	\$701	\$697	\$697	\$718	\$721	\$716	\$698	0.1%
2bd 2bth	\$732	\$732	\$731	\$731	\$727	\$740	\$758	\$758	\$754	3.7%
2bd TH										
3bd 2bth	\$851	\$851	\$853	\$853	\$897	\$897	\$911	\$911	\$911	1.5%
3bd TH										



Average Occupancy Rate

	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	1 Yr. Change
AVERAGE	93.5%	93.6%	93.6%	92.0%	92.5%	97.2%	95.7%	90.8%	89.6%	-3.1%



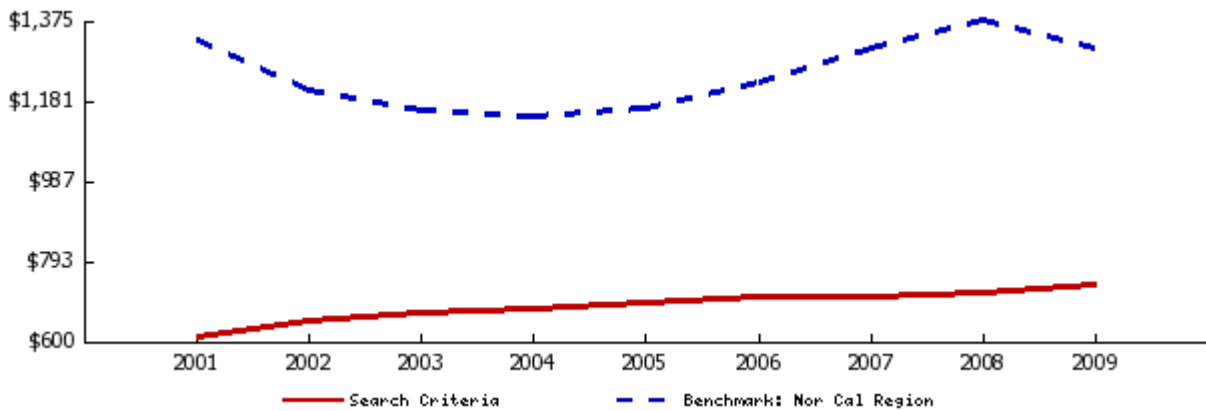
Rental Trends for City Merced

All Classes

Annual Trend

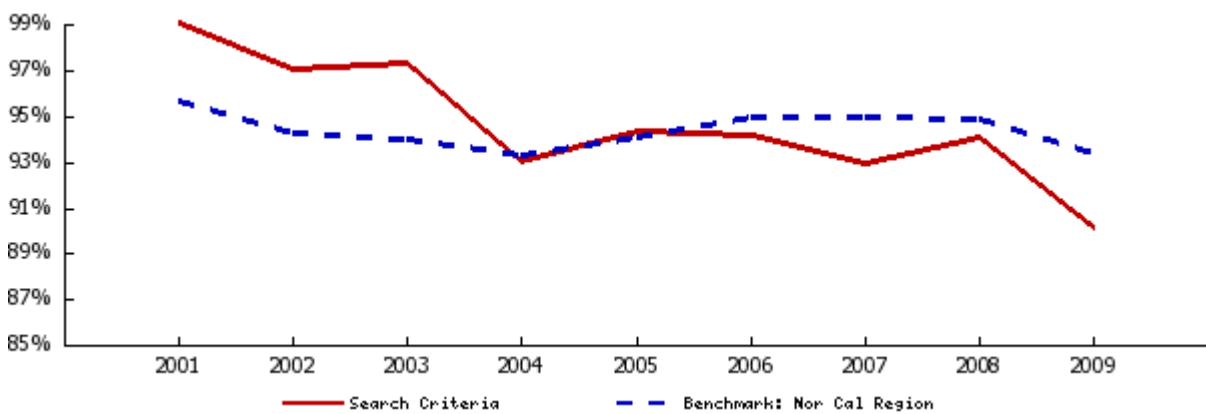
Average Asking Rent

	2001	2002	2003	2004	2005	2006	2007	2008	2009	4 Yr. Change
AVERAGE	\$611	\$649	\$667	\$678	\$690	\$707	\$708	\$719	\$735	6.5%
studio										
jr 1bd										
1bd 1bth	\$532	\$568	\$585	\$604	\$607	\$625	\$625	\$638	\$663	9.2%
2bd 1bth	\$599	\$643	\$655	\$659	\$676	\$700	\$707	\$708	\$707	4.7%
2bd 2bth	\$643	\$677	\$698	\$707	\$720	\$731	\$731	\$739	\$756	5.0%
2bd TH										
3bd 2bth	\$730	\$775	\$800	\$810	\$838	\$851	\$852	\$890	\$911	8.8%
3bd TH										



Average Occupancy Rate

	2001	2002	2003	2004	2005	2006	2007	2008	2009	4 Yr. Change
AVERAGE	99.4%	97.4%	97.6%	93.2%	94.6%	94.4%	93.1%	94.3%	90.2%	-4.7%



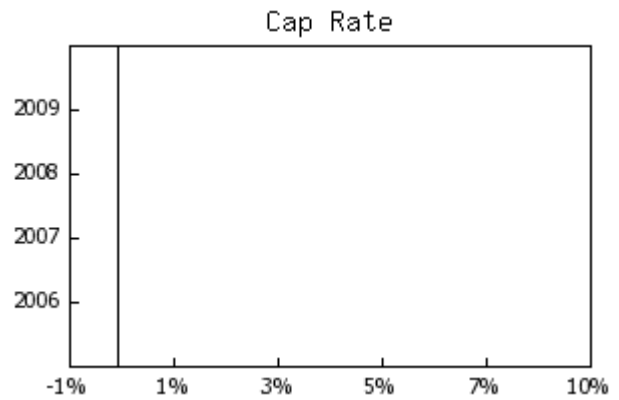
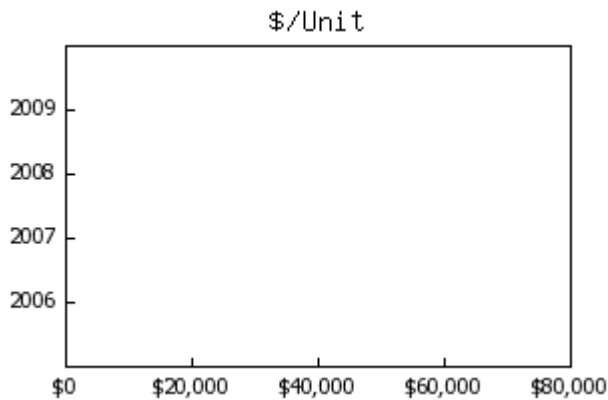
Sales Trends for City Merced

2006-2009 , All Classes

	2009	2008	2007	2006
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

	2009	2008	2007	2006
Average Rent/sf (All)	\$0.81	\$0.80	\$0.79	\$0.79
Class A				
Class B	\$0.72	\$0.70	\$0.76	\$0.76
Class C	\$0.83	\$0.81	\$0.80	\$0.79
Average Occupancy (All)	89%	93%	91%	93%
Class A				
Class B	94%	98%	95%	95%
Class C	88%	92%	90%	93%

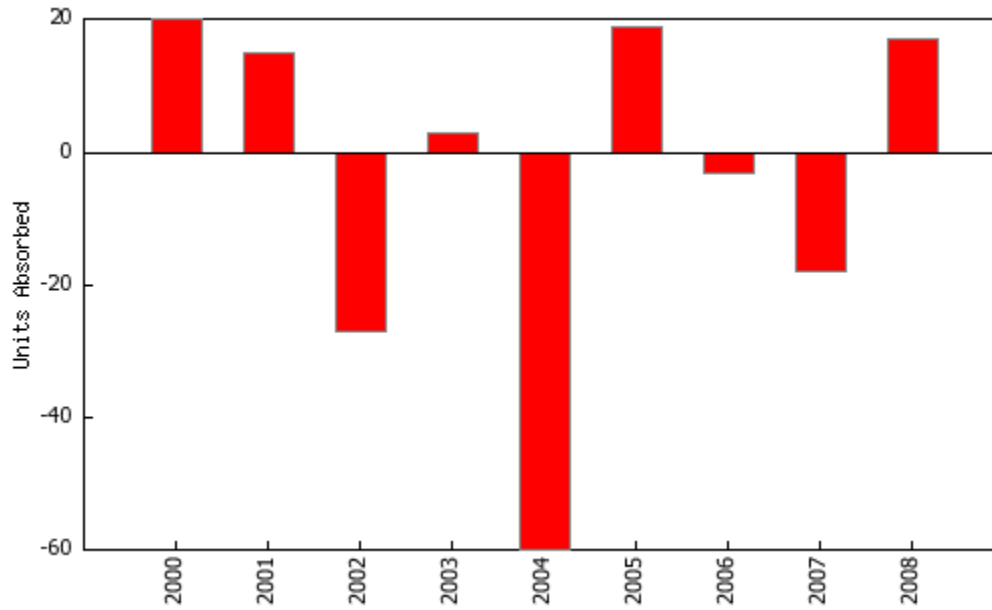


Absorption

Merced
2Q2009

Units Absorbed

	Units Built	Total Units	Occupancy Rate	Occupied Units	Units Absorbed
1999	0	1,367	96.8%	1,323	N/A
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 Analysis

Merced

2Q2009

Zipcode	Communities	% of Total	Avg. Occupancy	Yr /Yr Change	Avg. Rent	Yr /Yr Change
95348	8	100.0%	89.6%	-3.1%	\$732	3.0%