

2Q2009

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

Rent ranking
for cities in Stanislaus County

City	Avg Rent
1. Modesto	\$817
2. Turlock	\$813

Occupancy ranking
for cities in Stanislaus County

City	Avg Occ.
1. Turlock	90.8%
2. Modesto	89.7%

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

City	Avg Rent
1. Modesto	0.9%
2. Turlock	-1.8%

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

City	Avg Occ.
1. Turlock	-2.9%
2. Modesto	-4.4%

Stanislaus County is 1 of 1 counties in Modesto CA MSA

Rent ranking
for counties in Modesto CA MSA

County	Avg Rent
1. Stanislaus	\$814

Occupancy ranking
for counties in Modesto CA MSA

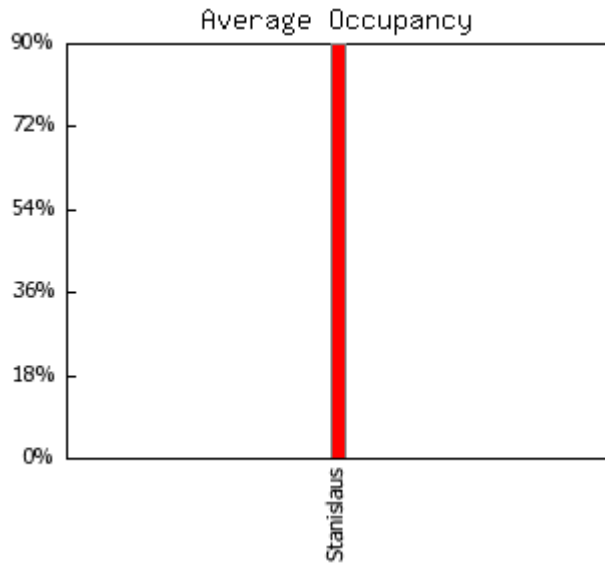
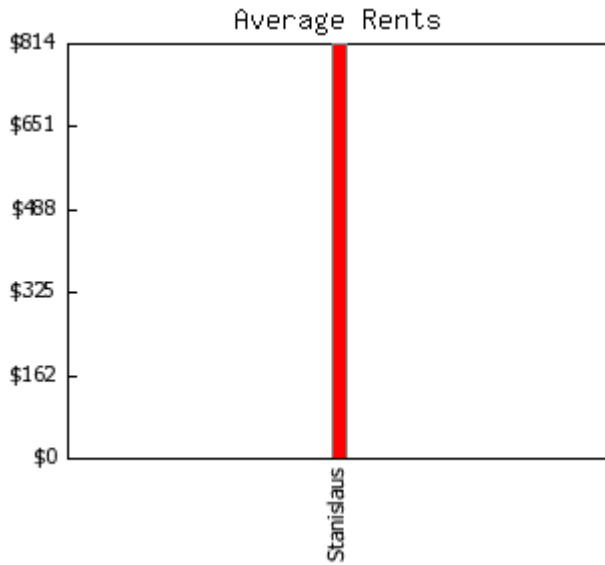
County	Avg Occ.
1. Stanislaus	90.1%

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

County	Avg Rent
1. Stanislaus	0.0%

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

County	Avg Occ.
1. Stanislaus	-3.8%



Inventory Analysis

Modesto
2Q2009

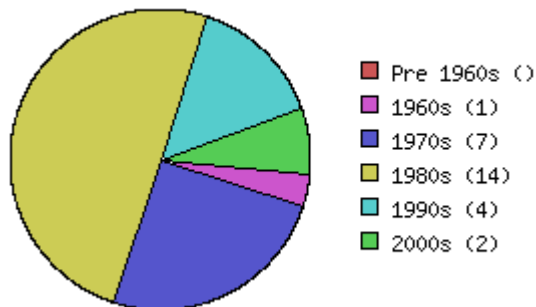
Properties/Units	28 / 4,952	Average units per property	176
Class A	2 / 472	Average year built	1984
Class B	6 / 963	Size range (units)	75 - 376
Class C	20 / 3,517	Age range	1967 - 2009

Unit Mix (all unit types appear in this report)

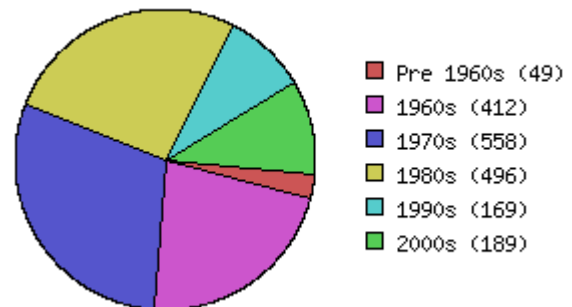
Totals	Units	% of Mix	Benchmark % of Mix	Average Sq. Ft	Benchmark Avg Sq Ft	Average Rent	Benchmark Avg. Rent	Avg. Rent Sq. Ft.	Benchmark Avg. Rent Sq. Ft.
All	4,952	100.0%	100.0%	797	842	\$817	\$1,310	\$1.03	\$1.56
Urban Loft									
studio	236	4.8%	5.1%	515	473	\$615	\$1,102	\$1.19	\$2.33
jr 1bd	40	0.8%	1.8%	538	572	\$708	\$1,165	\$1.32	\$2.04
1bd 1bth	1,826	36.9%	38.6%	652	700	\$736	\$1,169	\$1.13	\$1.67
1bd 1.5bth									
1bd TH									
2bd 1bth	1,006	20.3%	17.8%	847	863	\$801	\$1,163	\$0.95	\$1.35
2bd 1.5bth	48	1.0%	1.6%	1,150	931	\$913	\$1,252	\$0.79	\$1.34
2bd 2bth	1,653	33.4%	25.7%	931	1,009	\$911	\$1,510	\$0.98	\$1.50
2bd 2.5th									
2bd TH	4	0.1%	3.4%	1,200	1,074	\$1,095	\$1,618	\$0.91	\$1.51
3bd 1bth									
3bd 1.5bth									
3bd 2bth	139	2.8%	3.6%	1,177	1,233	\$1,206	\$1,722	\$1.02	\$1.40
3bd 3bth									
3bd TH									
4bd									
5bd 2bth									
5bd TH									

Age of Existing Inventory

Area: Modesto



Benchmark: Nor Cal Region



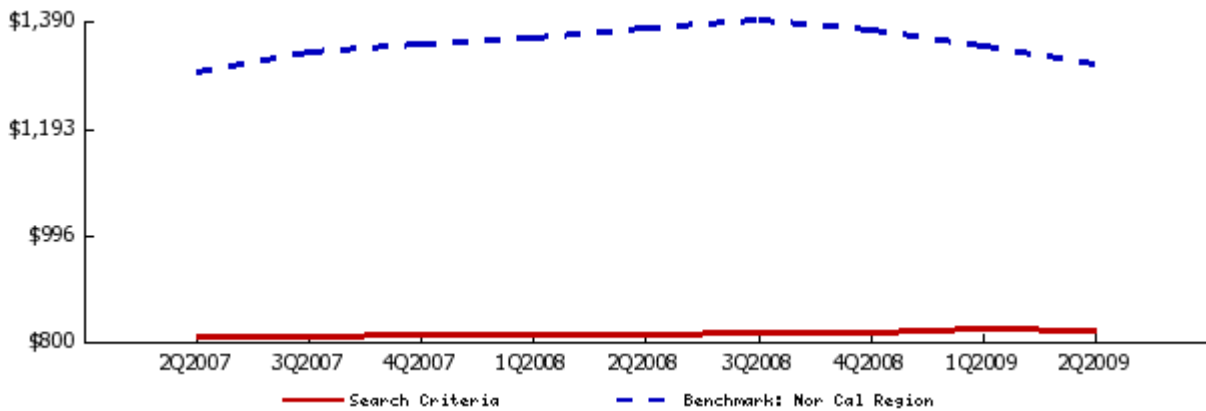
Rental Trends for City Modesto

All Classes

Quarterly Trend

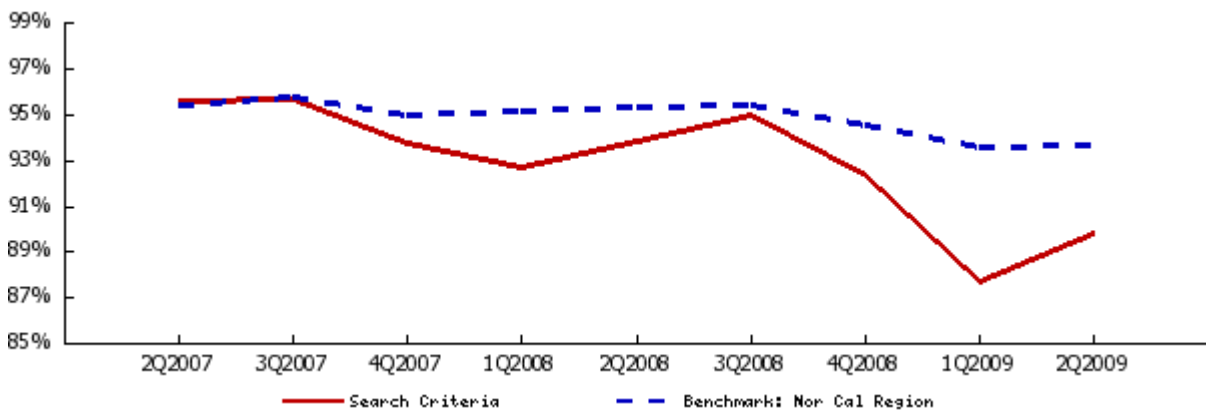
Average Asking Rent

	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	1 Yr. Change
AVERAGE	\$808	\$809	\$811	\$812	\$810	\$813	\$815	\$824	\$817	0.9%
studio	\$608	\$611	\$611	\$612	\$601	\$612	\$617	\$617	\$615	2.2%
jr 1bd	\$693	\$693	\$703	\$708	\$708	\$708	\$708	\$708	\$708	0.0%
1bd 1bth	\$728	\$730	\$733	\$732	\$734	\$735	\$733	\$741	\$736	0.2%
2bd 1bth	\$810	\$814	\$816	\$814	\$816	\$815	\$817	\$811	\$801	-1.8%
2bd 2bth	\$907	\$906	\$904	\$909	\$899	\$910	\$916	\$922	\$911	1.4%
2bd TH	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	\$1,095	0.0%
3bd 2bth	\$1,124	\$1,124	\$1,143	\$1,143	\$1,146	\$1,138	\$1,146	\$1,191	\$1,206	5.3%
3bd TH										



Average Occupancy Rate

	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	3Q2008	4Q2008	1Q2009	2Q2009	1 Yr. Change
AVERAGE	95.5%	95.6%	93.7%	92.6%	93.8%	94.9%	92.3%	87.6%	89.7%	-4.4%



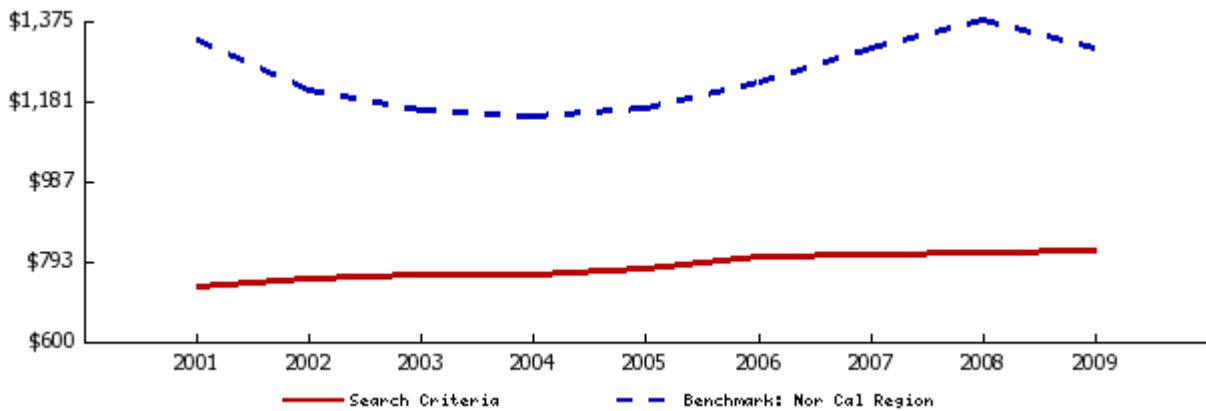
Rental Trends for City Modesto

All Classes

Annual Trend

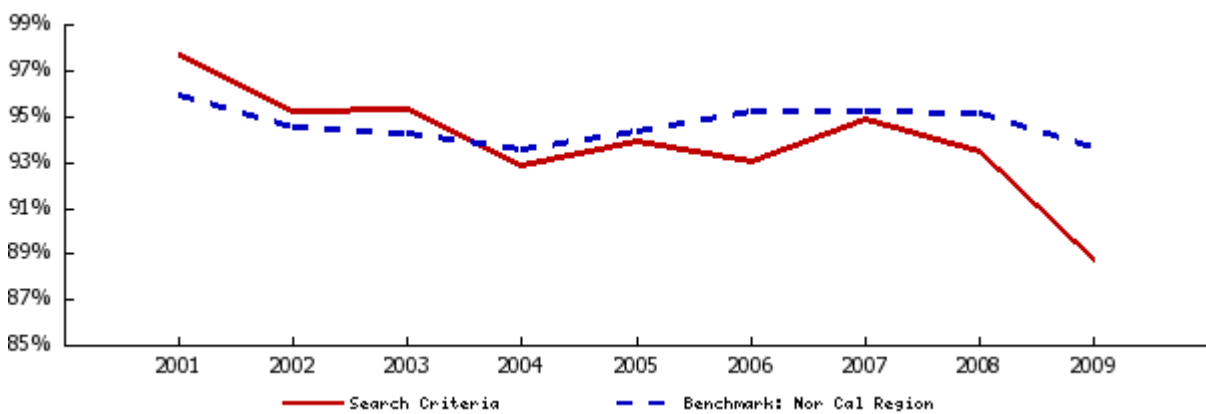
Average Asking Rent

	2001	2002	2003	2004	2005	2006	2007	2008	2009	4 Yr. Change
AVERAGE	\$729	\$753	\$760	\$762	\$773	\$806	\$810	\$813	\$820	6.1%
studio	\$520	\$542	\$552	\$553	\$574	\$590	\$609	\$610	\$616	7.4%
jr 1bd	\$643	\$660	\$670	\$670	\$670	\$693	\$695	\$708	\$708	5.7%
1bd 1bth	\$655	\$678	\$683	\$689	\$698	\$722	\$730	\$734	\$738	5.8%
2bd 1bth	\$721	\$749	\$765	\$756	\$773	\$805	\$813	\$816	\$806	4.3%
2bd 2bth	\$822	\$838	\$838	\$844	\$853	\$896	\$904	\$909	\$917	7.5%
2bd TH	\$764	\$813	\$813	\$818	\$821	\$834	\$881	\$1,095	\$1,095	33.3%
3bd 2bth	\$1,028	\$1,043	\$1,067	\$1,054	\$1,081	\$1,115	\$1,122	\$1,143	\$1,198	10.9%
3bd TH	\$897	\$950	\$941	\$914	\$912	\$905	\$905			



Average Occupancy Rate

	2001	2002	2003	2004	2005	2006	2007	2008	2009	4 Yr. Change
AVERAGE	97.6%	95.2%	95.3%	92.8%	93.9%	93.0%	94.8%	93.4%	88.7%	-5.6%



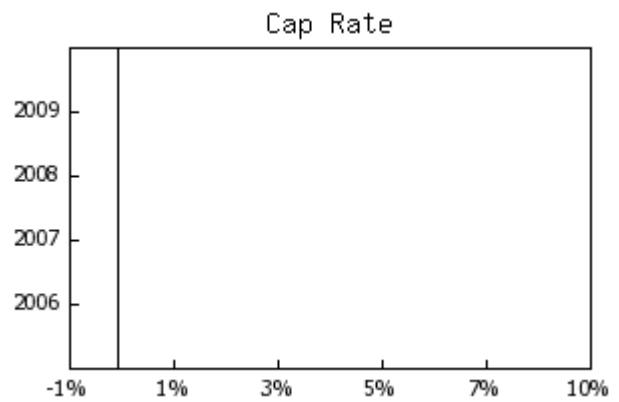
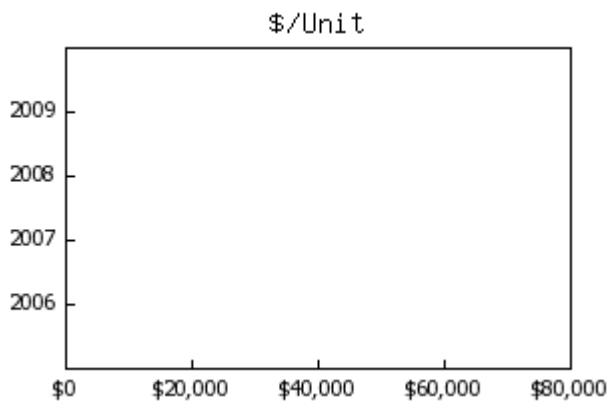
Sales Trends for City Modesto

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)	\$1.06	\$1.06	\$1.05	\$1.03
Class A	\$1.10	\$1.08	\$1.17	\$1.21
Class B	\$1.14	\$1.11	\$1.10	\$1.07
Class C	\$1.03	\$1.04	\$1.02	\$0.99
Average Occupancy (All)	88%	93%	94%	93%
Class A	71%	91%	90%	65%
Class B	90%	92%	95%	94%
Class C	90%	93%	94%	94%

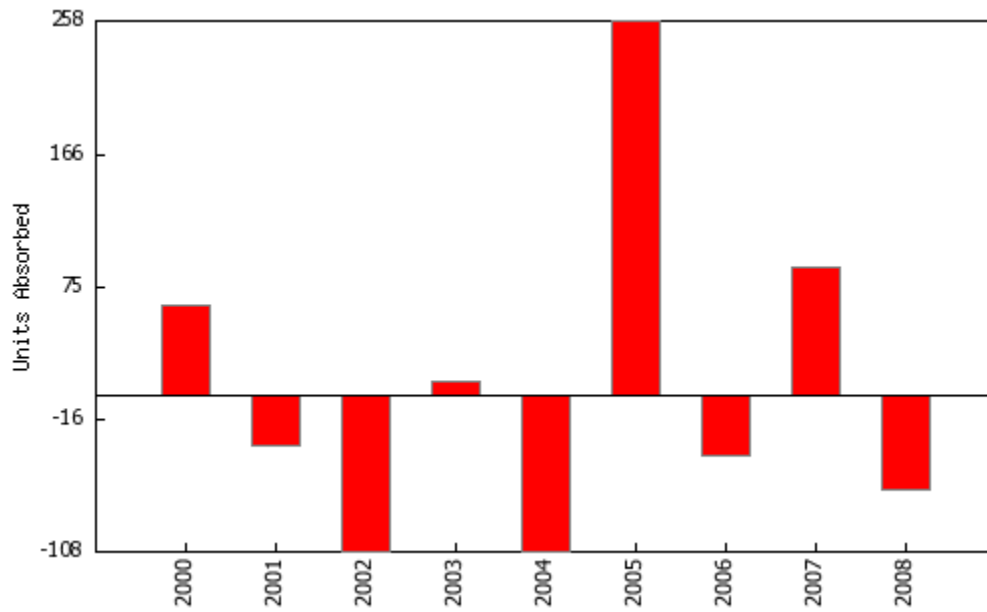


Absorption

Modesto
2Q2009

Units Absorbed

	Units Built	Total Units	Occupancy Rate	Occupied Units	Units Absorbed
1999	0	4,480	96.9%	4,341	N/A
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

2Q2009

Zipcode	Communities	% of Total	Avg. Occupancy	Yr /Yr Change	Avg. Rent	Yr /Yr Change
95355	13	46.4%	88.3%	-7.4%	\$842	3.2%
95356	6	21.4%	88.9%	-1.2%	\$856	0.0%
95350	6	21.4%	92.9%	-2.4%	\$806	0.2%
95354	2	7.1%	92.0%	0.3%	\$710	-5.1%
95351	1	3.6%	89.0%	-3.3%	\$689	-5.2%