



*Exclusively prepared and presented by
Cliff David and Steve Gebing of*

Marcus & Millichap
Real Estate Investment Services

MARKET VELOCITY & PRICING TRENDS

APARTMENT COMMUNITIES WITH 100 UNITS OR MORE | PHOENIX MSA





MARKET VELOCITY & PRICING TRENDS

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Photographs by:





MARKET VELOCITY & PRICING TRENDS

SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	60	80	120	219	184	124	19	37	76	23
# of Units Sold	13,343	17,673	28,442	57,791	47,100	34,768	4,712	9,232	19,452	6,041
Sales Volume	\$671,065,612	\$860,706,960	\$1,726,671,446	\$4,248,529,618	\$4,116,773,410	\$3,310,449,193	\$476,751,723	\$518,892,000	\$929,024,201	\$330,293,960
Average \$/Unit	\$46,971	\$46,547	\$57,409	\$71,658	\$84,151	\$94,171	\$93,320	\$53,422	\$42,730	\$53,817
Average \$/SF	\$57.65	\$57.84	\$69.45	\$84.91	\$102.70	\$113.68	\$107.69	\$60.23	\$53.71	\$59.99
Wtd. Average \$/Unit	\$50,293	\$48,702	\$60,709	\$73,515	\$87,405	\$95,215	\$101,178	\$56,206	\$47,680	\$54,675
Wtd. Average \$/SF	\$62.61	\$61.53	\$73.65	\$89.31	\$108.69	\$118.87	\$117.50	\$66.03	\$62.92	\$65.82

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	(16.67%)	33.33%	50.00%	82.50%	(15.98%)	(32.61%)	(84.68%)	94.74%	105.41%	N/Ap*
# of Units Sold	(19.32%)	32.45%	60.93%	103.19%	(18.50%)	(26.18%)	(86.45%)	95.93%	110.70%	N/Ap*
Sales Volume	(26.02%)	28.26%	100.61%	146.05%	(3.10%)	(19.59%)	(85.60%)	8.84%	79.04%	N/Ap*
Average \$/Unit	(9.97%)	(0.90%)	23.34%	24.82%	17.43%	11.91%	(0.90%)	(42.75%)	(20.01%)	25.95%
Average \$/SF	(5.97%)	0.33%	20.07%	22.26%	20.95%	10.69%	(5.27%)	(44.07%)	(10.83%)	11.69%
Wtd. Average \$/Unit	(8.30%)	(3.16%)	24.65%	21.09%	18.89%	8.94%	6.26%	(44.45%)	(15.17%)	14.67%
Wtd. Average \$/SF	(4.03%)	(1.72%)	19.70%	21.26%	21.70%	9.37%	(1.15%)	(43.80%)	(4.71%)	4.61%

Source: CoStar Comps and other sources considered reliable. Rather than relying on automated reporting functions offered by CoStar Comps and other industry resources, our group has manually compiled this data to ensure accuracy.

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SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	5	8	23	28	27	22	6	8	12	3
# of Units Sold	1,458	1,709	6,657	9,104	7,026	6,604	1,567	1,982	3,908	768
Sales Volume	\$123,560,000	\$140,888,400	\$614,643,461	\$944,881,900	\$863,963,463	\$901,857,481	\$198,355,223	\$163,750,000	\$352,985,000	\$95,000,000
Average \$/Unit	\$86,743	\$83,304	\$91,111	\$103,243	\$121,260	\$136,441	\$125,804	\$82,556	\$96,240	\$129,497
Average \$/SF	\$95.08	\$85.77	\$98.23	\$110.53	\$131.40	\$145.98	\$129.22	\$86.53	\$105.93	\$117.22
Wtd. Average \$/Unit	\$84,746	\$82,439	\$92,330	\$103,788	\$122,967	\$136,562	\$126,583	\$82,619	\$90,324	\$123,698
Wtd. Average \$/SF	\$92.36	\$86.49	\$96.96	\$111.02	\$135.28	\$146.40	\$130.15	\$87.40	\$102.89	\$115.56

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	25.00%	60.00%	187.50%	21.74%	(3.57%)	(18.52%)	(72.73%)	33.33%	50.00%	N/Ap*
# of Units Sold	19.12%	17.22%	289.53%	36.76%	(22.83%)	(6.01%)	(76.27%)	26.48%	97.17%	N/Ap*
Sales Volume	41.15%	14.02%	336.26%	53.73%	(8.56%)	4.39%	(78.01%)	(17.45%)	115.56%	N/Ap*
Average \$/Unit	17.82%	(3.96%)	9.37%	13.32%	17.45%	12.52%	(7.80%)	(34.38%)	16.58%	34.56%
Average \$/SF	18.94%	(9.79%)	14.53%	12.52%	18.88%	11.10%	(11.48%)	(33.04%)	22.42%	10.66%
Wtd. Average \$/Unit	18.49%	(2.72%)	12.00%	12.41%	18.48%	11.06%	(7.31%)	(34.73%)	9.33%	36.95%
Wtd. Average \$/SF	18.49%	(6.36%)	12.11%	14.50%	21.85%	8.22%	(11.10%)	(32.85%)	17.72%	12.31%

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SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	11	9	15	38	26	18	4	7	6	1
# of Units Sold	3,253	2,666	4,381	10,911	7,849	4,837	1,628	1,714	1,456	216
Sales Volume	\$246,997,194	\$200,116,560	\$361,483,250	\$1,197,804,000	\$1,066,881,662	\$667,694,622	\$187,409,500	\$139,324,000	\$72,328,000	\$17,000,000
Average \$/Unit	\$75,534	\$73,174	\$83,268	\$114,526	\$136,803	\$137,712	\$118,972	\$76,899	\$62,262	\$78,704
Average \$/SF	\$76.57	\$75.55	\$87.55	\$118.10	\$141.10	\$139.30	\$130.00	\$79.27	\$71.90	\$78.00
Wtd. Average \$/Unit	\$75,929	\$75,062	\$82,512	\$109,779	\$135,926	\$138,039	\$115,116	\$81,286	\$63,669	\$78,704
Wtd. Average \$/SF	\$76.92	\$76.58	\$88.10	\$116.69	\$141.02	\$139.45	\$128.07	\$83.16	\$73.67	\$78.00

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	(35.29%)	(18.18%)	66.67%	153.33%	(31.58%)	(30.77%)	(77.78%)	75.00%	(14.29%)	N/Ap*
# of Units Sold	(29.57%)	(18.04%)	64.33%	149.05%	(28.06%)	(38.37%)	(66.34%)	5.28%	(15.05%)	N/Ap*
Sales Volume	(34.32%)	(18.98%)	80.64%	231.36%	(10.93%)	(37.42%)	(71.93%)	(25.66%)	(48.09%)	N/Ap*
Average \$/Unit	(7.41%)	(3.12%)	13.79%	37.54%	19.45%	0.66%	(13.61%)	(35.36%)	(19.03%)	26.41%
Average \$/SF	(7.94%)	(1.33%)	15.88%	34.89%	19.48%	(1.28%)	(6.68%)	(39.02%)	(9.30%)	8.48%
Wtd. Average \$/Unit	(6.74%)	(1.14%)	9.93%	33.05%	23.82%	1.55%	(16.61%)	(29.39%)	(21.67%)	23.61%
Wtd. Average \$/SF	(10.14%)	(0.44%)	15.04%	32.45%	20.85%	(1.11%)	(8.16%)	(35.07%)	(11.41%)	5.88%

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SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	23	44	51	106	88	54	4	16	32	14
# of Units Sold	5,137	9,598	11,160	26,637	23,146	15,400	722	4,120	7,991	4,198
Sales Volume	\$181,730,688	\$367,984,500	\$502,091,235	\$1,552,339,028	\$1,672,526,285	\$1,186,984,612	\$42,912,000	\$179,340,200	\$234,336,100	\$196,143,960
Average \$/Unit	\$36,480	\$38,181	\$46,119	\$58,370	\$71,403	\$76,659	\$60,545	\$38,029	\$33,607	\$45,279
Average \$/SF	\$47.75	\$52.42	\$60.35	\$73.84	\$92.80	\$103.73	\$86.92	\$45.90	\$45.66	\$55.05
Wtd. Average \$/Unit	\$35,377	\$38,340	\$44,990	\$58,278	\$72,260	\$77,077	\$59,435	\$43,529	\$36,736	\$46,723
Wtd. Average \$/SF	\$48.68	\$53.02	\$58.82	\$74.86	\$94.97	\$105.71	\$84.51	\$53.76	\$49.61	\$58.61

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	(30.30%)	91.30%	15.91%	107.84%	(16.98%)	(38.64%)	(92.59%)	300.00%	100.00%	N/Ap*
# of Units Sold	(26.78%)	86.84%	16.27%	138.68%	(13.11%)	(33.47%)	(95.31%)	470.64%	93.96%	N/Ap*
Sales Volume	(41.56%)	102.49%	36.44%	209.17%	7.74%	(29.03%)	(96.38%)	317.93%	30.67%	N/Ap*
Average \$/Unit	(14.62%)	4.66%	20.79%	26.56%	22.33%	7.36%	(21.02%)	(37.19%)	(11.63%)	34.73%
Average \$/SF	(11.69%)	9.78%	15.13%	22.35%	25.68%	11.78%	(16.21%)	(47.19%)	(0.52%)	20.57%
Wtd. Average \$/Unit	(20.18%)	8.38%	17.34%	29.54%	23.99%	6.67%	(22.89%)	(26.76%)	(15.61%)	27.19%
Wtd. Average \$/SF	(12.49%)	8.92%	10.94%	27.27%	26.86%	11.31%	(20.05%)	(36.39%)	(7.72%)	18.14%

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SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	20	17	25	42	37	26	4	5	23	3
# of Units Sold	3,345	3,439	5,155	10,124	8,046	7,239	577	893	5,577	461
Sales Volume	\$112,627,730	\$141,259,500	\$205,656,000	\$501,489,690	\$455,857,000	\$504,490,478	\$43,075,000	\$31,727,800	\$122,875,101	\$13,100,000
Average \$/Unit	\$33,681	\$37,398	\$38,625	\$47,470	\$54,954	\$67,561	\$69,312	\$32,066	\$21,887	\$29,703
Average \$/SF	\$49.52	\$49.97	\$54.14	\$67.93	\$81.08	\$91.65	\$89.83	\$47.02	\$32.53	\$36.27
Wtd. Average \$/Unit	\$33,670	\$41,076	\$39,894	\$49,535	\$56,656	\$69,690	\$74,653	\$35,529	\$25,868	\$28,416
Wtd. Average \$/SF	\$48.58	\$54.15	\$55.56	\$69.21	\$80.84	\$97.58	\$96.07	\$54.82	\$38.98	\$34.20

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	42.86%	(15.00%)	47.06%	68.00%	(11.90%)	(29.73%)	(84.62%)	25.00%	360.00%	N/Ap*
# of Units Sold	7.14%	2.81%	49.90%	96.39%	(20.53%)	(10.03%)	(92.03%)	54.77%	524.52%	N/Ap*
Sales Volume	(0.66%)	25.42%	45.59%	143.85%	(9.10%)	10.67%	(91.46%)	(26.34%)	287.28%	N/Ap*
Average \$/Unit	(9.81%)	11.04%	3.28%	22.90%	15.77%	22.94%	2.59%	(53.74%)	(31.74%)	35.71%
Average \$/SF	(2.33%)	0.91%	8.35%	25.47%	19.36%	13.04%	(1.99%)	(47.66%)	(30.82%)	11.50%
Wtd. Average \$/Unit	(7.28%)	22.00%	(2.88%)	24.17%	14.38%	23.01%	7.12%	(52.41%)	(27.19%)	9.85%
Wtd. Average \$/SF	1.57%	11.47%	2.60%	24.57%	16.80%	20.71%	(1.55%)	(42.94%)	(28.89%)	(12.26%)

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SALES TRENDS

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	1	2	6	5	6	4	1	1	3	2
# of Units Sold	150	261	1,089	1,015	1,033	688	218	523	520	398
Sales Volume	\$6,150,000	\$10,458,000	\$42,797,500	\$52,015,000	\$57,545,000	\$49,422,000	\$5,000,000	\$4,750,000	\$13,400,000	\$9,050,000
Average \$/Unit	\$41,000	\$41,492	\$37,790	\$53,884	\$56,025	\$75,132	\$22,936	\$9,082	\$27,183	\$23,786
Average \$/SF	\$52.65	\$52.48	\$55.05	\$66.45	\$85.82	\$98.48	\$43.84	\$12.04	\$37.91	\$35.33
Wtd. Average \$/Unit	\$41,000	\$40,069	\$39,300	\$51,246	\$55,707	\$71,834	\$22,936	\$9,082	\$25,769	\$22,739
Wtd. Average \$/SF	\$52.65	\$52.57	\$55.88	\$64.07	\$85.22	\$98.41	\$43.84	\$12.04	\$37.05	\$36.39

YEAR-OVER-YEAR VARIANCE

VALUE INDICATOR	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of Properties Sold	(75.00%)	100.00%	200.00%	(16.67%)	20.00%	(33.33%)	(75.00%)	0.00%	200.00%	N/Ap*
# of Units Sold	(73.12%)	74.00%	317.24%	(6.80%)	1.77%	(33.40%)	(68.31%)	139.91%	(0.57%)	N/Ap*
Sales Volume	(67.95%)	70.05%	309.23%	21.54%	10.63%	(14.12%)	(89.88%)	(5.00%)	182.11%	N/Ap*
Average \$/Unit	15.37%	1.20%	(8.92%)	42.59%	3.97%	34.10%	(69.47%)	(60.40%)	199.31%	(12.50%)
Average \$/SF	12.98%	(0.32%)	4.90%	20.71%	29.15%	14.75%	(55.48%)	(72.54%)	214.87%	(6.81%)
Wtd. Average \$/Unit	19.21%	(2.27%)	(1.92%)	30.40%	8.71%	28.95%	(68.07%)	(60.40%)	183.74%	(11.76%)
Wtd. Average \$/SF	17.76%	(0.15%)	6.30%	14.66%	33.01%	15.48%	(55.45%)	(72.54%)	207.72%	(1.78%)

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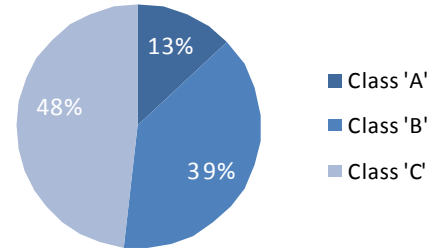
No.	Property	City	Class	Year Built	Units	Sale Price	\$/Unit	\$/SF	Sale Date	Sale Conditions
1	Papago Place	Phoenix	C	1985	128	\$2,400,000	\$18,750	\$26.15	01/06/11	Real Estate-Owned
2	Montebello	Glendale	C	1963	217	\$2,650,000	\$12,212	\$23.37	01/10/11	Short Sale
3	Villas at Montebello	Peoria	C	1975	100	\$1,750,000	\$17,500	\$24.27	01/18/11	Conventional (Flip)
4	Monterey Village	Phoenix	C	1983	252	\$7,400,000	\$29,365	\$43.96	01/27/11	Short Sale
5	Peaks at Papago Park	Phoenix	B	1987	768	\$46,000,000	\$59,896	\$77.30	02/01/11	Conventional
6	Pointe at South Mountain	Phoenix	B	1988	364	\$22,700,000	\$62,363	\$73.21	02/03/11	Conventional
7	Centerpoint	Tempe	A	2008	375	\$30,000,000	\$80,000	\$76.52	02/18/11	Real Estate-Owned
8	Tamarak Gardens	Phoenix	C	1984	144	\$2,071,960	\$14,389	\$27.50	02/23/11	Conventional
9	Wyngate at Sycamore Farms	Surprise	A	2008	168	\$13,000,000	\$77,381	\$78.58	02/28/11	Short Sale
10	Elliot Point	Tempe	B	1995	216	\$17,000,000	\$78,704	\$78.00	02/28/11	Conventional
11	San Marina	Phoenix	C	1986	400	\$9,009,000	\$22,523	\$30.08	03/01/11	Real Estate-Owned
12	The Pines of Camelback	Phoenix	C	1973	236	\$5,100,000	\$21,610	\$24.70	03/10/11	Real Estate-Owned
13	Block 1949	Tempe	A	2010	225	\$52,000,000	\$231,111	\$196.56	03/15/11	Conventional
14	Sunset Ranch	Phoenix	B	1986	352	\$13,652,000	\$38,784	\$52.45	03/15/11	Short Sale
15	Ventana Palms	Phoenix	B	1989	160	\$5,800,000	\$36,250	\$42.29	03/15/11	Real Estate-Owned
16	Genoa Lakes	Mesa	B	1986	361	\$21,300,000	\$59,003	\$61.96	03/15/11	Short Sale
17	Amber Ridge	Phoenix	C	1985	138	\$4,555,000	\$33,007	\$47.05	03/24/11	REO - Sold at Trustee's Sale
18	Maryland Lakes	Glendale	C	1984	196	\$5,150,000	\$26,276	\$33.35	03/28/11	Bankruptcy Estate
19	Villas on Apache	Tempe	B	1987	111	\$14,756,000	\$132,937	\$138.48	04/05/11	Conventional
20	Desert Homes	Phoenix	B	1982	412	\$20,675,000	\$50,182	\$58.48	04/14/11	Conventional
21	Remington Place	Phoenix	B	1982	412	\$20,675,000	\$50,182	\$58.48	04/14/11	Conventional
22	Villages on McClintock	Tempe	C	1962	181	\$6,400,000	\$35,359	\$47.29	04/18/11	Short Sale
23	Mission Palms	Phoenix	C	1975	125	\$6,250,000	\$50,000	\$59.84	04/19/11	Conventional
Total					6,041	\$330,293,960				
Average					263	\$14,360,607	\$53,817	\$59.99		
Weighted Average							\$54,675	\$65.82		

Marcus & Millichap closings YTD represent 26% of the overall market.

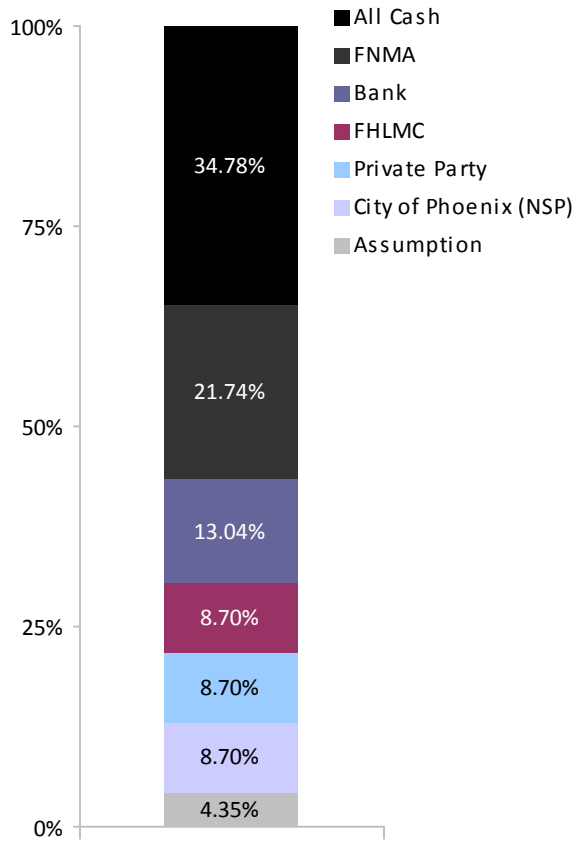
OF PROPERTIES SOLD

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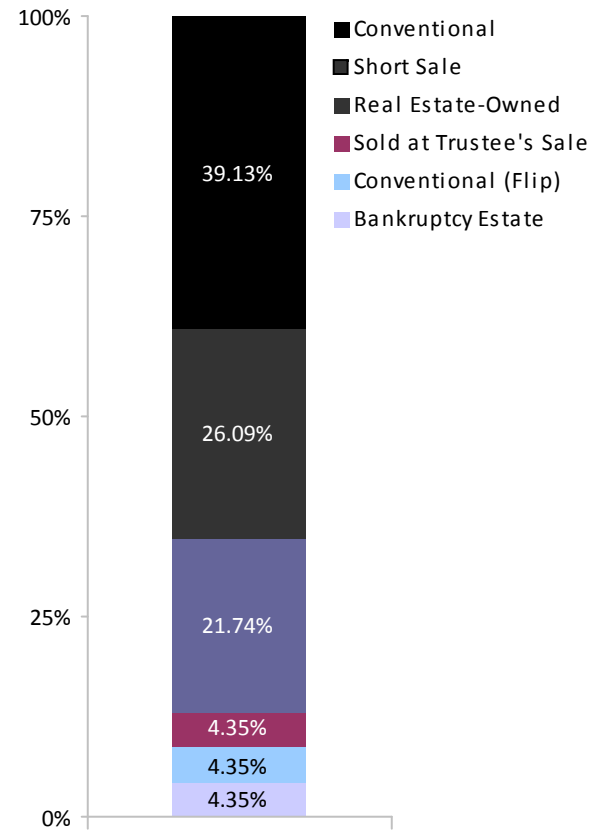
PROPERTY CLASS COMPOSITION



DEBT STRUCTURE COMPOSITION



TRANSACTION COMPOSITION







RELATIONSHIP DRIVEN RESULTS.



Exclusively prepared and presented by

CLIFF DAVID

National Multi Housing Group
(O) 602.687.6763 | (C) 602.690.2334
cliff.david@marcusmillichap.com
License: AZ SA537976000

STEVE GEBING

National Multi Housing Group
(O) 602.687.6771 | (C) 480.720.2739
steve.gebing@marcusmillichap.com
License: AZ SA572944000

MARCUS & MILLICHAP

2398 East Camelback Road, Suite 550
Phoenix, AZ 85016
(O) 602.687.6700 | (F) 602.687.6710

MARKET VELOCITY & PRICING TRENDS