

## Occupancy Review:

Over the last year, apartment occupancy has increased in just one of the seventeen metro areas monitored by ALN. In addition, occupancy conditions remain unchanged in one metro and decreased in the fifteen remaining market areas.

The only metro to experience a gain in apartment occupancy over the last year was Austin, Texas. As of April 2007, 93.7% of Austin's apartment units were occupied. Over the last twelve months, occupancy in the Capital metro has improved eight-tenths of a percent. Compared to two years ago, during a time that was prior to the Hurricanes Katrina & Rita crisis, Austin's occupancy rate has improved almost 3% from 91.1% in April of 2005.

Occupancy in the Dallas, Texas metro has remained unchanged at 90.3% in April of both 2006 and 2007. However, over the last two years, apartment occupancy in this metro has risen 2.5% from 88.1% in April of 2005.

The largest decline in occupancy during the last year was an 8.3% drop reported in the Melbourne, Florida metro. For the first time since ALN began monitoring this metro in mid-2004, occupancy has dropped below 90% reaching 89.4% in April of this year. One year ago, 97.5% of Melbourne's apartment units were occupied.

The second biggest loss in occupancy was an 8.1% decrease in the Fort Myers/Naples metro. For the last two consecutive months, occupancy for this Florida metro has also inched below 90% for the first time since ALN began monitoring this metro in early 2004. For the last two months, Fort Myers/Naples apartment units have been 89.8% occupied compared to 97.7% in April of last year.

For April, the highest apartment occupancy rate among ALN's 17 metro areas was 94% in Las Vegas, Nevada. April's occupancy rate was the lowest reported for this metro since ALN began tracking apartment conditions for this area almost two years ago. Over the last year, Las Vegas' occupancy rate has declined 1.9% from 95.8% in April of 2006.

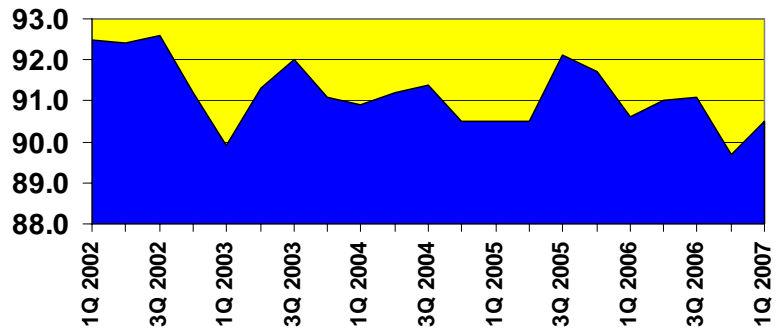
## Market Focus: San Antonio Metro

As of the First Quarter of this year, apartments in the San Antonio Metro were 90.5 percent occupied with approximately 12,500 units remaining vacant.

Over the last year, San Antonio's apartment occupancy has remained about the same due to a polite balance between supply and demand. During that time, over 5,000 new apartment units were introduced in the San Antonio Metro with a net absorption of over 4,500 units.

During the last five years, occupancy in the Alamo Metro peaked at 92.6 percent in the Third Quarter of 2002. Fluctuating with the introduction of new supply, occupancy has peaked at 92 percent two additional times, during the Third Quarter of 2003 and again in the Third Quarter of 2005 during the Hurricanes Katrina and Rita crisis.

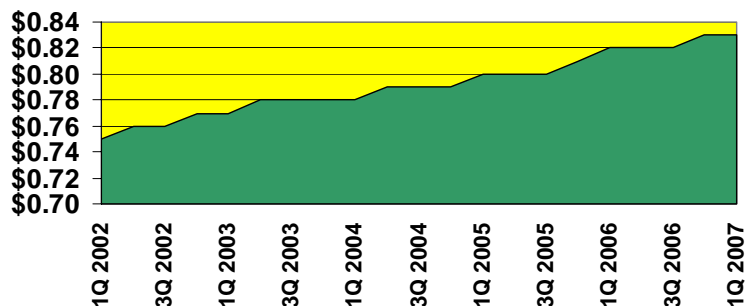
### SAN ANTONIO APARTMENT OCCUPANCY Quarterly Trendline



Reaching the highest average rental rate since ALN began monitoring this apartment market, Third Quarter's average quoted rental rate reached 83 cents per square foot per month. Increasing one percent over the last year, San Antonio's average rent has benefited both from a steady occupancy rate which has held to 90 percent and from the higher rents demanded by the area's newest units.

Even more distinct was the 4 percent gain in San Antonio's average quoted rental rate from two years ago when the average was 80 cents as of the First Quarter of 2005.

### AVERAGE QUOTED RENTAL RATE Quarterly Trendline



ALN METRO OVERVIEW	OCCUPANCY			AVERAGE QUOTED RENT / UNIT		
	APR 2006	APR 2007	% CHANGE	APR 2006	APR 2007	% CHANGE
Austin	93.0%	93.7%	↑ 0.8%	\$743	\$793	↑ 6.7%
Dallas	90.3%	90.3%	↔ 0.0%	\$739	\$771	↑ 4.3%
Fort Worth	89.5%	89.0%	↓ -0.6%	\$653	\$681	↑ 4.3%
Houston	91.3%	89.1%	↓ -2.4%	\$704	\$719	↑ 2.1%
San Antonio	91.1%	90.7%	↓ -0.4%	\$666	\$688	↑ 3.3%
<b>TEXAS AVERAGE</b>	90.9%	90.1%	↓ -0.9%	\$709	\$735	↑ 3.7%
Tampa/St. Petersburg	96.7%	93.3%	↓ -3.5%	\$784	\$815	↑ 4.0%
Orlando/Daytona Beach	96.2%	92.6%	↓ -3.7%	\$825	\$853	↑ 3.4%
Jacksonville/Gainesville	94.5%	92.8%	↓ -1.8%	\$771	\$807	↑ 4.7%
Fort Myers/Naples	97.7%	89.8%	↓ -8.1%	\$865	\$883	↑ 2.1%
West Palm Beach	96.1%	92.4%	↓ -3.9%	\$1,043	\$1,066	↑ 2.2%
Tallahassee	94.2%	92.6%	↓ -1.7%	\$805	\$838	↑ 4.1%
Pensacola	96.8%	91.0%	↓ -6.0%	\$709	\$742	↑ 4.7%
Melbourne	97.5%	89.4%	↓ -8.3%	\$739	\$739	↔ 0.0%
<b>FLORIDA AVERAGE</b>	96.1%	92.6%	↓ -3.6%	\$815	\$844	↑ 3.6%
Phoenix	95.0%	92.6%	↓ -2.5%	\$735	\$774	↑ 5.3%
Tucson	95.0%	93.8%	↓ -1.3%	\$598	\$632	↑ 5.7%
<b>ARIZONA AVERAGE</b>	95.0%	92.8%	↓ -2.3%	\$708	\$745	↑ 5.2%
Atlanta	91.7%	90.6%	↓ -1.2%	\$769	\$802	↑ 4.3%
Las Vegas	95.8%	94.0%	↓ -1.9%	\$814	\$837	↑ 2.8%

**ALN Coverage Area:**

At this time, ALN is tracking apartment market conditions on a monthly basis in seventeen metro areas located across the southern half of the United States. ALN's coverage includes five Texas metro areas, eight metros in Florida and two in Arizona. In addition, ALN provides apartment data and intelligence for both the Atlanta and Las Vegas areas.

*Each month, ALN tracks multi-family occupancy, rent & other trends on more than 2,000,000 apartment units across the southern United States. More detailed apartment statistics, including historical data (where available) & submarket information, are available on a monthly basis.*

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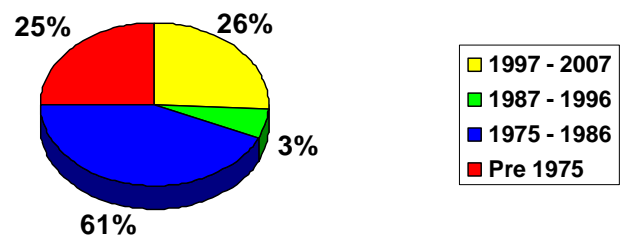
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**Market Focus: San Antonio Metro**  
(continued from page one)

The vast majority of San Antonio's apartment inventory is more than twenty years old. Almost 90,000 units were built prior to 1987, which comprises 68 percent of the area's approximately 130,000 units.

Among the four ALN age categories, the largest share of units was built between 1975 and 1986. With almost 57,000 units built during this twelve-year period, 43 percent of the Metro's apartment unit inventory is currently twenty to thirty years old.

**MARKET SHARE BY AGE  
SAN ANTONIO APARTMENTS**



The area's newest units and its oldest units rank a close second and third in inventory market share.

Ranking second in market share, the Metro's newest units, those built since 1997, encompasses almost 26 percent of the inventory with around 34,000 units. During the last two years, approximately 12,500 new units have been introduced in the marketplace, which ironically is the number of total units standing vacant as of the close of the First Quarter of this year.

Placing third in market share, the area's oldest units, those completed prior to 1975, comprise 25 percent of the inventory with approximately 33,000 units.

Only 6 percent of San Antonio's apartment inventory was built between 1987 and 1996 and are referred to as the "next-to-newest" age group of apartments. During those ten years, fewer than 8,000 units were completed.

By unit mix, the San Antonio apartment market is dominated by one-bedroom and two-bedroom floor plans. Almost fifty percent of the units are one-bedroom floor plans and about forty percent are two-bedroom units. Approximately 7 percent of the Metro's units are three-bedroom floor plans; and, just under 4 percent of the units are efficiencies.