FLORIDA ROUNDUPT:

We would like to take this opportunity to glance at apartment conditions among the eight Florida markets covered by ALN Apartment Data.

To those who have been following Florida apartment news, it comes as no surprise that occupancy has declined significantly over the last year in most of these metros. In fact, in seven out of ALN’s eight Florida markets, occupancy has fallen during the last year. Those declines ranged from a low of 1.2% up to a high of 11.2%. And, in one market, there was a slight gain in occupancy.

As of the First Quarter of 2008, occupancy remained at or above 90% in four of ALN’s Florida markets; but, had dipped below 80% in one area.

While the story regarding average quoted apartment rents was somewhat of a mixed bag, it remained more positive than negative. Over the last year, average asking rents improved in four of these metros, remained unchanged in two, and declined in two others.

Three of ALN’s Florida metros had an average quoted rental rate of 90 cents per square foot per month or greater as of the First Quarter of this year. In one of those markets, the average exceeded $1.00. In the five remaining areas, the average asking rents were in the 80 cent range.

TAMPA

As of the First Quarter of 2008, 91% of Tampa’s apartment units were occupied compared to 93.2% one year earlier. Over the last year, the area’s occupancy rate declined 2.4 percent; however, this slide would have been even greater had the metro not been one of the two ALN Florida markets that experienced a net gain in absorption over the last year.

MARKET FOCUS: Atlanta

OCCUPANCY CONDITIONS - For the first time in more than three years, Atlanta’s apartment occupancy fell below 90% in the First Quarter of 2008. With just 89.6% of the metro’s more than 330,000 apartment units occupied at the close of March, overall apartment occupancy for the metro has reached its lowest level in more than three years. (ALN began covering this apartment market in the early part of 2005).

Over the last year, occupancy has slipped down almost one percent from 90.4% in the First Quarter of 2007. In both the Second and Third Quarters of 2007, the overall occupancy rate reached 91.1%; then, in the subsequent two quarters, occupancy declined to 90% and then to 89.6%.

OVERALL OCCUPANCY
Quarterly Trendline
Atlanta Metro

During the last running year, from the Second Quarter of 2007 through the First Quarter of 2008, around 6,300 net units were absorbed in the Atlanta area. This means that after all of the tenant move ins, move outs, and renewals, about 6,300 more units were occupied at the close of the First Quarter of 2008 than was occupied on year earlier. Compared to the previous annualized year, this was a 327% improvement over the almost 1,500 net units of absorption; however, this performance was shy of the approximately 7,400 net units absorbed two years ago.

Quarterly overall net absorption was quite strong in both the Second Quarter of 2007 and the First Quarter of 2008 with around 5,900 and 3,000 net units absorbed, respectively. However, the weakest quarterly showing in more than 3 years occurred in the Fourth Quarter of 2007 with the out-migration of around 3,500 units.

Over the last year, occupancy declined in each of the four ALN age categories of apartments. These losses ranged from a low of seven-tenths of a percent to a high of 1.3%.

The smallest loss was found among Atlanta’s newest age group of apartments, which include those completed from 1997 through today. Inching down just seven-tenths of a percent, occupancy for these newer units dropped from 92.5% in the First Quarter of 2007 down to 91.9% in the First Quarter of this year. Despite the fact that ninety-four percent of all of the net units absorbed in the overall market during the last year were from this age group and as the marketplace continued to react to new completions, the occupancy rate for these newer units reached its lowest level in three years, since the First Quarter of 2005 when occupancy was at 90.8%.
### ALN METRO SUMMARY

<table>
<thead>
<tr>
<th>ALN METRO SUMMARY</th>
<th>OCCUPANCY</th>
<th>AVERAGE QUOTED RENT / UNIT</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>APR 2007</td>
<td>APR 2008</td>
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<tr>
<td>Austin</td>
<td>93.7%</td>
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<tr>
<td>Dallas</td>
<td>90.3%</td>
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<td>Fort Worth</td>
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<td>Houston</td>
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</tr>
<tr>
<td>San Antonio</td>
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<td>90.3%</td>
</tr>
<tr>
<td>TEXAS AVERAGE</td>
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<td>89.7%</td>
</tr>
<tr>
<td>Tampa/St. Petersburg</td>
<td>93.3%</td>
<td>91.7%</td>
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<tr>
<td>Orlando/Daytona Beach</td>
<td>92.6%</td>
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<td>Jacksonville/Gainesville</td>
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<td>90.1%</td>
</tr>
<tr>
<td>Fort Myers/Naples</td>
<td>89.8%</td>
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<td>Pensacola</td>
<td>91.0%</td>
<td>89.5%</td>
</tr>
<tr>
<td>Melbourne</td>
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<td>87.1%</td>
</tr>
<tr>
<td>FLORIDA AVERAGE</td>
<td>92.6%</td>
<td>90.4%</td>
</tr>
<tr>
<td>Phoenix</td>
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<td>89.6%</td>
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<tr>
<td>Tucson</td>
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<td>91.5%</td>
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<tr>
<td>ARIZONA AVERAGE</td>
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</tr>
<tr>
<td>Atlanta</td>
<td>90.6%</td>
<td>90.1%</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>94.0%</td>
<td>92.4%</td>
</tr>
</tbody>
</table>

The statistics noted above were based upon ALN’s entire apartment database. The average rent noted above is on a quoted basis.

### 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 11,000 apartment communities, which include more than 2,500,000 apartment units, located across the southern United States. More detailed apartment statistics, including historical data (where available) & submarket information, are available on a monthly & quarterly basis.
**FLORIDA ROUNDUP**

(continued from page one)

**TAMPA (continued)** - During the last running year, from the 2nd Quarter of 2007 through the 1st Quarter of 2008, around 450 net units were absorbed. Net absorption activity was pushed to the positive side of the coin by a strong absorption performance during the 1st Quarter of 2008 when approximately 1,200 net units were absorbed. This was the first time in eight quarters that there was positive news about net absorption in this area.

For the last four consecutive quarters, Tampa's average asking rental rate has been at $0.90 per square foot per month. In the 1st Quarter of 2007, the average was $0.89, which means that the average rent has improved 1.1% over the last year. Since ALN began tracking apartment conditions in this market in early 2005, the average asking rent has steadily continued to climb with 90 cents being the top level at this time.

As of the 1st Quarter of this year, about 53% of Tampa's apartment communities were offering some sort of rent concession, which drove the market's overall average effective rent down 4 cents to $0.86. Since this time last year, the number of communities offering concessions has doubled.

**ORLANDO**

Over the last year, Orlando's occupancy rate has declined 2.8%. In the 1st Quarter of 2007, 93.1% of the metro's apartment units were occupied; however, faced with an out-migration of approximately 3,000 units during the last year, occupancy had fallen to 90.5% by the 1st Quarter of 2008.

Despite this decline in occupancy, Orlando's average quoted rental rate remained unchanged from one year ago. In the 3rd Quarter of 2006, the metro's average rental rate hit $0.90 cents for the first time in this real estate cycle. Since that time, the average has hovered in the $0.90 to $0.91 cent range.

Over the last year, the number of communities in Orlando offering rent concessions has increased 105%. As of the 1st Quarter of this year, about 46% of the market's apartment communities were offering rent concessions, which pushed the overall average effective rent down 4 cents to $0.86.

**JACKSONVILLE/GAINESVILLE**

For the first time since ALN began monitoring Florida apartment conditions, occupancy in the Jacksonville/Gainesville metro area dropped below 90% in the 1st Quarter of 2008. With 89.3% of its apartment units occupied, the area's occupancy rate has fallen 3.9% compared to this time last year when 92.9% of the units were occupied. During the course of the last year, net absorption activity continued to wane with an out-migration of almost 2,800 units during the last twelve months.

-continued on Page Six

**MARKET FOCUS: Atlanta**

(continued from page one)

The metro’s next-to-newest age group of apartments, which includes units completed between 1987 and 1996, dropped its lowest occupancy level in more than 3 years during the First Quarter of 2008 with just 90.9% of these units occupied. Over the last year, occupancy among these next-to-newest units declined one percent from 91.8% one year earlier. During the last year, net absorption activity among this age group leaned to the left with an outflow of approximately 20 units. Although on the negative side of the graph, this was an improvement from the previous running year when out-migration reached almost 1,000 among units in this age group.

**OCCUPANCY BY AGE**

First Quarter Comparison

Atlanta Metro

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<thead>
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<td>1Q 2007</td>
<td>90.4</td>
<td>91.9</td>
<td>92.5</td>
<td>90.9</td>
<td>86.7</td>
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<tr>
<td>1Q 2008</td>
<td>89.6</td>
<td>91.9</td>
<td>90.9</td>
<td>89.9</td>
<td>87.3</td>
</tr>
</tbody>
</table>

The largest loss in occupancy over the last year was a 1.3% drop among Atlanta’s next-to-oldest apartment units, which were built between 1975 and 1986. Occupancy of these units reached its lowest point in more than three years in the First Quarter of 2008 with just 88.7% of this age group occupied. Since ALN began researching apartment conditions in Atlanta, this is just the fourth quarter that the occupancy rate of these next-to-oldest units has dipped below 90%.

During the course of this last year, Atlanta’s oldest age group of units, which were constructed prior to 1975, fell to its lowest level of occupancy in more than three years. In the Fourth Quarter of 2007, just 86.3% of these older units were occupied. By the First Quarter of 2008, that amount had inched up to 86.5%, which was an almost one percent drop in occupancy compared to the 87.3% level reported in the First Quarter of 2007.

**RENT CONDITIONS**

In the Atlanta Metro, the overall average quoted rental rate has climbed to its highest peak in this real estate cycle reaching $0.82 per square foot per month in the First Quarter of 2008, which was a 4.2% gain compared to one year earlier when the overall average was $0.78.

-continued on Page Four
MARKET FOCUS: Atlanta
(continued from page three)

Since ALN began tracking apartments in this metro, average rents have been climbing. In the First Quarter of 2007, the angle of ascent became steeper hitting $0.80 for the first time in the Second Quarter of 2007 and continuing on to $0.82 in the most recent Quarter.

As of the First Quarter of 2008, approximately 48% of the apartment communities in this market were offering some sort of rent concession with the number of communities offering concessions increasing 30% over the last year.

These concessions resulted in a 4 cent gap separating the average quoted rental rate of $0.82 from the average effective rate of $0.78 per square foot per month. Therefore, the average apartment unit in Atlanta had an asking rental rate of $830 per month compared to an effective rate of $793. This means the rent concessions drove the rental rate down by $37 on the Metro’s average unit.

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MARKET FOCUS: Atlanta
(continued from page four)

Amid ALN’s four apartment age categories, the overall average quoted rental rate not only improved over the last year in all four age groups in the Atlanta Metro, but during the course of the last year reached its highest level in this real estate cycle for each of these groups.

The largest gain in average asking rent over the last year was 5.5% among the metro’s next-to-oldest units, those built between 1975 and 1986. The average asking rent for these units has improved from $0.74 one year ago up to $0.78 in each of the last two Quarters. This was the highest average rent for this age group since ALN began covering this area.

The metro’s oldest units, those built prior to 1975, had a 3.6% gain in average quoted rent over the last year. Climbing from an average of $0.68 in the First Quarter of 2007, the average asking rent reached $0.71 per square foot in the Fourth Quarter of 2007, which was the highest level recorded for these older units. By the First Quarter of 2008, that had settled back down to $0.70 and marked the third consecutive quarter that the average asking rent for these older units hit $0.70 or more.

The average quoted rent for the metro’s next-to-newest units, those completed between 1987 and 1996, reached $0.87 per square foot per month for the first time since ALN began surveying apartments in Atlanta. Over the last year, the average rent for this age group of apartments climbed 4.3% from $0.83 one year earlier.

The area’s newest units also experienced a gain in average asking rent. Improving 3.1% over the last year, the average quoted rent for the metro’s newest units rose from $0.87 one year ago reaching up to $0.90 in both the Fourth Quarter of 2007 and the First Quarter of 2008. This was the first time since ALN began tracking Atlanta’s apartment market for these newest units to have an average quoted rent hit $0.90.

Note: ALN statistics included in this article do not include data for senior independent housing or student housing; therefore, these numbers may differ from the numbers found in the table on page two of ALN’s newsletters.
JACKSONVILLE/GAINESVILLE (continued) - The area’s average rental rate, however, has continued to climb reaching $0.85 in the 3rd Quarter of 2007 and remaining there through the 1st Quarter of 2008. The asking average has improved 1.2% over the last year.

As of the 1st Quarter of this year, about 41% of the apartment communities in the Jacksonville/Gainesville metro were offering some form of rent concessions. The number of units offering concessions has increased 86% over the last year and has shoved the market’s overall average effective rent down 4 cents to $0.81.

Although a number of markets throughout the nation have experienced a decline in occupancy over the last year coupled with a gain in average rents, the decline in occupancy in Fort Myers/Naples was simply too steep to support a continuation of gain in apartment rents. Over the last year, this metro was one of only two of ALN’s Florida markets to have a loss in average quoted rent. Since ALN began covering this market, the highest average quoted rent was $0.92, which was achieved in the 4th Quarter of 2006. In the 1st Quarter of 2007, one year ago, the average declined for the first time slipping down to $0.91. In the 1st Quarter of this year, the average asking rent dropped below $0.90 for the first time in two years to an average of $0.88.

-continued on Page Seven
FLORIDA ROUNDUP
(continued from page six)

FORT MYERS/NAPLES (continued) - Indicative of the softness in this market, around 71% of the apartment communities in this metro were offering rent concessions in the 1st Quarter of this year. This was the highest percentage of communities offering rent concessions among ALN’s Florida markets; and, this drove the overall average effective rent down 9 cents to $0.79. Over the last year, the number of communities offering concessions in this area has escalated 150%.

WEST PALM BEACH

Although West Palm Beach was the home of the highest average quoted rental rate among ALN’s Florida markets, it was also one of only two markets with a decline in the average quoted rent over the last year.

For six consecutive quarters, West Palm Beach’s average asking rental rate held at its peak with an average of $1.05 per square foot per month. However, in the 4th Quarter of 2007, the average stepped down to $1.04, which was where it remained in the 1st Quarter of 2008. Therefore, over the last year, the average asking rent declined 1%.

As of the 1st Quarter of this year, about 49% of the apartment communities in this metro were offering some form of rent concessions. The number of communities offering concessions has increased 115% over the last year and drove the market’s overall average effective rent down 5 cents, which pushed it below $1.00 to rest at $0.99 in the 1st Quarter of 2008.

Over the last year, occupancy dropped 1.2% from 92.5% in the 1st Quarter of 2007 down to 91.4% by the 1st Quarter of 2008. Driving this loss was the out-migration of around 200 net units during the last running year, from the 2nd Quarter of 2007 through the 1st Quarter of 2008. This outflow followed a net loss of almost 1,600 units in the previous annualized year.

However, on a quarterly basis, net absorption turned positive in the 4th Quarter of 2007, although this was with bare threads as net absorption for the Quarter totaled only around 10 units; but, in the 1st Quarter of 2008, quarterly net absorption in West Palm Beach was again positive with approximately 400 net units absorbed.

TALLAHASSEE

Tallahassee has the highest apartment occupancy among ALN’s Florida markets and was the only one of those markets to have any gain in occupancy over the last year. Inching up three-tenths of a percent, 93.1% of the metro’s apartments were occupied in the 1st Quarter of this year compared to 92.8% one year earlier. The market’s overall occupancy rate has ebbed and flowed over the last three years, since ALN began covering apartments here. Most recently, occupancy reached up to 94.6% in the 3rd Quarter of 2007, but then turned to a downward path in the following two quarters. This stemmed from negative net absorption activity during the last year of about 350 net units.

Despite this decline in occupancy and two running years of negative net absorption, Tallahassee’s average quoted rental rate has continued to climb reaching $0.86 in the 1st Quarter of 2008. This was a 4.9% jump in the average quoted rent and the largest gain over the last year among ALN’s Florida markets.

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PENSACOLA

Pensacola’s apartment occupancy dropped below 90% in the 4th Quarter of 2007 for the first time since ALN began monitoring apartment conditions in this region. As of the 1st Quarter of 2008, the metro’s occupancy had dropped 3.9% over the last year to 89.4% compared to 93% one year earlier.

This decline in occupancy would have been greater without the help of around 400 positive net units of absorption during the last year. Pensacola was one of only two ALN markets in Florida to have experienced positive absorption during the course of the last year. This positive absorption activity was due to a reversal in quarterly absorption activity. After six consecutive quarters of negative net absorption, the 1st Quarter of 2008 rallied with almost 900 net units absorbed during that three month period.

Pensacola’s average quoted rental rate hit $0.80 per square foot per month in the 2nd Quarter of 2007. Since that time, it has vacillated between $0.80 and $0.81, which was where it landed at the close of the 1st Quarter of 2008. This was the lowest average asking rental rate among ALN’s eight Florida markets in the 1st Quarter of this year; and, this was a 2.5% increase from the $0.79 average asking rate one year earlier.

With just 31% of its apartment communities offering rent concessions in the 1st Quarter of this year, Pensacola had the second strongest rental market among ALN’s eight Florida markets; therefore, there was just a 3 cent gap between the quoted and effective average rent, which was $0.78.

However, over the last year, there has been an almost 190% gain in the number of apartment communities offering rent concessions in the Pensacola area.

MELBOURNE

The largest loss in occupancy over the last year among ALN’s eight Florida metros was the 5.1% decline in Melbourne. Over the course of the last twelve months, occupancy in this metro has fallen from 89.8% down to 85.2% in the 1st Quarter of 2008 and was fueled by a second year of negative net absorption with tenants leaving 700 more apartment units standing vacant at the close of the 1st Quarter of 2008 than one year earlier.

Despite this decline in occupancy, Melbourne’s average quoted rental rate remained unchanged from one year ago at $0.82. This market’s average rent reached its record level high in the 3rd Quarter of 2006 when the average quoted rent was at $0.84; however, over the course of the next five quarters, the average declined back down to $0.81. Then, in the 1st Quarter of 2008, the average again turned and climbed to $0.82.

As of the 1st Quarter of this year, about 62% of Melbourne’s apartment communities were offering rent concessions, which placed a 6 cent gap between the quoted and the effective average rent, which was $0.76. Over the last year, the number of communities in this metro offering rent concessions increased 104%.

FLORIDA ROUNDUP (continued)

TALLAHASSEE (continued) - Tallahassee’s rental market was the strongest among the eight ALN communities offering some sort of rent concessions as of the 1st Quarter of this year. These concessions pushed the overall average effective rent down only 2 cents to $0.84.

In addition, the metro also had the least gain over the last year in the number of communities offering rent concessions. There were just 53% more communities offering concessions at the close of the 1st Quarter of 2008 than one year earlier.