

AMA Board of Directors Phoenix 1Q09 Market Update

Rent:

- 1Q09: \$760 1Q08: \$777 4Q08:\$765
- Highest Rent 1Q09: North Scottsdale/Fountain Hills @ \$943 (\$1,013 in 1Q08)
- Lowest Rent 1Q09: West Central Phoenix @ \$586 (\$598 in 1Q08)
- Largest YOY % Rent Increase: Central Valley @ 14% (\$673 to \$767)
- Largest YOY % Rent Decrease: South Paradise Valley (-13%; \$712 to \$620)

Vacancy:

- 1Q09: 15.3% 1Q08: 11.5% 4Q08: 14.7%
- Highest Vacancy 1Q09: West County @ 21.8% (14.4% in 1Q08)
- Lowest Vacancy 1Q09: Ahwatukee @ 8.2% (7.7% in 1Q08)

Concessions:

- 1Q09: 85% 1Q08: 67% 4Q08: 85%
- Highest Concessions: West Phoenix @ 100%
- Lowest Concessions: Central Valley @ 50%

New Construction:

- 1Q09: 2,793 units in 9 projects were built. As of 1Q09, there were 4,322 units in 16 projects under construction; in 1Q08, there were 9,129 units in 34 projects scheduled for- or under construction.

Notable Observations:

- For YTD 2009 vs. YTD 2008, total eviction filings were down 27%
- For YTD 2009 vs. YTD 2008 evictions on apartments 50+ U were down 39%
- As of 20 May 2009 there were 44,891 pending foreclosures in Maricopa County
- As of 20 May 2009 there were 24,720 REO properties in Maricopa County
- As of 20 May 2009 there were 25 apartment loans with original balances of at least \$1,000,000 pending foreclosure in Maricopa County totaling \$406,734,000 in original loan balance amounts
- For YTD apartment transactions of properties 100+ units: '05: 79|'06:81|'07: 67|'08: 19|'09:6|
- Current vacancy is at record high
- Central Valley had 14% increase in asking rents and a 13.3 percentage point gain in its vacancy from 1Q08 to 1Q09
- 23 of 30 submarkets had measurable asking rent decreases
- 1Q09, the 2,793 units added to inventory was highest number of units added in one quarter since 2Q02 (2,684 units)
- 12 Month YOY % changes in employment for Phoenix area versus US is at lowest point since 1950