



## FIRST QUARTER REVIEW

### Texas

**Austin:** Since August of last year, this market has shown a decline each month in the Occupancy Rate both overall and same-store. During this time period, the decline has been 350 basis points overall and 270 in same-store. The response has been an increase in concessions so that now over 50% of all properties are offering some sort of rental concession, with the average Concession Package standing at 3.8 weeks free on a 12-month lease. No indicators currently suggest a quick turnaround in this market.

**Dallas:** This side of the Metroplex has been having a rough time of it for about six months. The Overall Occupancy Rate is down to 89.0% with Same-Store at 90.3%. Overall Effective Rents inched up \$1 between February and March, however that gain came entirely from new product. The Effective Rent for Same-Store has now shown seven straight months of declines to finish March at \$760. On the plus side, the Average Concession package has solidified a little and the declines in most indexes seem to be slowing. These are signs that this market may be figuring out how to function in this down economy.

**Fort Worth:** Although too early to actually start celebrating, the west side of the Metroplex is showing some signs of a rebound. January of this year reported the weakest numbers of this downturn with the rest of the winter months reporting relatively decent numbers. The Overall Occupancy is up 40 basis points since January to stand at 87.3% with Same-Store Occupancy Rates up 50 basis points to 88.7%. Asking Rents in both categories are up \$2 in the past month with Effective Rents flat or up a slight bit. Indications are that Fort Worth will see even more signs of recovery in the near future.

**Houston:** Demand for apartments in the Houston area remains strong. With over 10,000 new units added over the last year, they were able to absorb a total of 9800. Occupancy rates stand at 87.6% overall and 88.5% for Same-Store. In fact, many of the indicators that ALN looks for are performing well in the Houston area with

February reporting the highest level ever of Overall Asking Rents (\$781), Same Store Asking Rents (\$766), Overall Effective Rents (\$752) and Same Store Effective Rents (\$739). Unfortunately, March showed a slight decrease in all these indicators and will bear close watching. More than likely, these small declines are simply the economic downturn finally catching up with Houston.

**San Antonio:** March was a good month for the Alamo City. All Rental Rates showed an increase over February numbers and the percentage of properties offering concessions decreased a small amount. Plus, they have the added bonus of having very few new projects in their pipeline. San Antonio, which has been hit the hardest of all Texas markets, seems to be showing some signs of learning how to operate in these lean times.

**Corpus Christi:** Occupancy Rates for this market stand at 91.5% Overall and 91.7% for Same-Store. These numbers are up a little from year-ago numbers and Corpus tends to increase their occupancy during the summer months (one of the few markets to have seen a "summer bounce" last year). Effective Rents are showing virtually no change over the past year, so demand is sluggish even in this smaller market. Expect a modest increase in both Occupancy and Effective Rents over the summer months and then a slight correction in the fall and winter.

**Amarillo:** One of ALN's newest markets, annual changes are not yet available. Their Occupancy Rate currently stands at 86.9% overall with Asking Rents at \$602 and Effective Rents at \$585

**Lubbock:** Also too new in ALN's database for accurate annual numbers, Lubbock is currently at 89.8% occupancy with Asking Rents at \$646 and Effective Rents at \$640

**Abilene:** One of ALN's smallest markets with only 39 properties, Abilene is currently reporting an Occupancy Rate of 93.4% with Asking Rents of \$604. Very few properties are offering concessions, resulting in the Effective Rent being only \$1 lower at \$603.

| ALN METRO SUMMARY        | OVERALL MARKET |              |             |              |                |              |              | SAME STORE   |              |             |              |                |              |              |
|--------------------------|----------------|--------------|-------------|--------------|----------------|--------------|--------------|--------------|--------------|-------------|--------------|----------------|--------------|--------------|
|                          | OCCUPANCY      |              | CHANGE      |              | EFFECTIVE RENT |              |              | OCCUPANCY    |              | CHANGE      |              | EFFECTIVE RENT |              |              |
|                          | Mar-08         | Mar-09       | BPS         | %            | Mar-08         | Mar-09       | %CHG         | Mar-08       | Mar-09       | BPS         | %            | Mar-08         | Mar-09       | %CHG         |
| Austin                   | 92.7%          | 87.5%        | -520        | 11.2%        | \$824          | \$824        | 0.0%         | 93.5%        | 90.3%        | -320        | -3.4%        | \$815          | \$802        | -1.5%        |
| Dallas                   | 91.0%          | 89.0%        | -190        | -2.1%        | \$770          | \$776        | 0.8%         | 91.8%        | 90.3%        | -150        | -1.6%        | \$759          | \$760        | 0.2%         |
| Fort Worth               | 88.6%          | 87.3%        | -130        | -1.4%        | \$670          | \$673        | 0.5%         | 89.6%        | 88.7%        | -90         | -1.0%        | \$660          | \$664        | 0.5%         |
| Houston                  | 87.0%          | 87.6%        | 60          | 0.7%         | \$715          | \$750        | 5.0%         | 87.3%        | 88.5%        | 110         | 1.3%         | \$707          | \$738        | 4.3%         |
| San Antonio              | 90.0%          | 88.1%        | -190        | -2.1%        | \$682          | \$693        | 1.5%         | 91.1%        | 88.7%        | -240        | -2.6%        | \$669          | \$678        | 1.3%         |
| Lubbock                  | N/A            | 89.8%        | N/A         | N/A          | N/A            | \$640        | N/A          | N/A          | 90.1%        | N/A         | N/A          | N/A            | \$637        | N/A          |
| Amarillo                 | N/A            | 86.9%        | N/A         | N/A          | N/A            | \$585        | N/A          | N/A          | 88.0%        | N/A         | N/A          | N/A            | \$561        | N/A          |
| Abilene                  | N/A            | 93.4%        | N/A         | N/A          | N/A            | \$603        | N/A          | N/A          | 95.3%        | N/A         | N/A          | N/A            | \$648        | N/A          |
| Corpus Christi           | 91.2%          | 91.5%        | 30          | 0.4%         | \$699          | \$697        | -0.4%        | 92.2%        | 91.7%        | -50         | -0.5%        | \$692          | \$690        | -0.2%        |
| <b>TEXAS AVERAGE</b>     | <b>89.4%</b>   | <b>88.1%</b> | <b>-130</b> | <b>-1.4%</b> | <b>\$734</b>   | <b>\$747</b> | <b>1.9%</b>  | <b>90.1%</b> | <b>89.4%</b> | <b>-80</b>  | <b>-0.9%</b> | <b>\$724</b>   | <b>\$735</b> | <b>1.5%</b>  |
| Tampa/St. Petersburg     | 90.9%          | 88.7%        | -220        | -2.4%        | \$787          | \$766        | -2.8%        | 91.0%        | 88.8%        | -220        | -2.4%        | \$786          | \$764        | -2.8%        |
| Orlando/Daytona Beach    | 89.7%          | 87.3%        | -240        | -2.7%        | \$832          | \$824        | -1.0%        | 89.7%        | 88.4%        | -140        | -1.5%        | \$832          | \$814        | -2.2%        |
| Jacksonville/Gainesville | 89.7%          | 86.8%        | -290        | -3.2%        | \$777          | \$751        | -3.4%        | 89.7%        | 87.2%        | -240        | -2.7%        | \$775          | \$745        | -3.9%        |
| Ft. Myers/Naples         | 80.3%          | 86.6%        | 630         | 7.8%         | \$819          | \$793        | -3.2%        | 80.3%        | 86.6%        | 630         | 7.8%         | \$819          | \$793        | -3.2%        |
| West Palm Beach          | 91.2%          | 90.5%        | -80         | -0.8%        | \$1,069        | \$1,044      | -2.4%        | 91.2%        | 90.8%        | -40         | -0.4%        | \$1,069        | \$1,037      | -2.9%        |
| Tallahassee              | 94.3%          | 87.1%        | -720        | -7.6%        | \$809          | \$805        | -0.5%        | 94.3%        | 87.1%        | -720        | -7.6%        | \$809          | \$804        | -0.6%        |
| Pensacola                | 89.3%          | 84.2%        | -520        | -5.8%        | \$745          | \$715        | -4.0%        | 89.4%        | 86.7%        | -270        | -3.0%        | \$740          | \$708        | -4.4%        |
| Melbourne                | 86.2%          | 84.9%        | -140        | -1.6%        | \$700          | \$671        | -4.1%        | 86.2%        | 84.9%        | -140        | -1.6%        | \$700          | \$671        | -4.1%        |
| <b>FLORIDA AVERAGE</b>   | <b>89.9%</b>   | <b>87.7%</b> | <b>-220</b> | <b>-2.5%</b> | <b>\$818</b>   | <b>\$802</b> | <b>-2.0%</b> | <b>89.9%</b> | <b>88.2%</b> | <b>-170</b> | <b>-1.9%</b> | <b>\$818</b>   | <b>\$796</b> | <b>-2.7%</b> |
| Phoenix                  | 89.4%          | 86.8%        | -260        | -2.9%        | \$738          | \$706        | -4.3%        | 89.5%        | 87.2%        | -230        | -2.6%        | \$737          | \$703        | -4.6%        |
| Tucson                   | 91.7%          | 88.5%        | -330        | -3.6%        | \$614          | \$598        | -2.7%        | 91.7%        | 88.5%        | -330        | -3.6%        | \$614          | \$598        | -2.7%        |
| <b>ARIZONA AVERAGE</b>   | <b>89.8%</b>   | <b>87.1%</b> | <b>-280</b> | <b>-3.1%</b> | <b>\$714</b>   | <b>\$686</b> | <b>-4.0%</b> | <b>89.9%</b> | <b>87.4%</b> | <b>-250</b> | <b>-2.8%</b> | <b>\$713</b>   | <b>\$683</b> | <b>-4.3%</b> |
| Atlanta                  | 89.7%          | 87.3%        | -240        | -2.7%        | \$803          | \$792        | -1.3%        | 90.0%        | 87.9%        | -210        | -2.4%        | \$801          | \$782        | -2.4%        |
| Las Vegas                | 92.1%          | 89.4%        | -270        | -2.9%        | \$834          | \$810        | -2.9%        | 92.1%        | 89.5%        | -270        | -2.9%        | \$834          | \$809        | -3.0%        |

On a monthly basis, ALN surveys all apartment communities in each of the 21 markets that we cover and an average of 92% of these surveys are successfully completed. The above statistics reflect only Conventional, Midrise, and High-Rise apartment communities. In addition, these statistics do not include Income Restricted, Student Housing, or Senior Independent Housing.

In-depth, property level research and data is available for all property types (including Senior and Income Restricted) through ALN OnLine, which includes Market and Effective Rents, Occupancy, Floor Plan & Unit Mix information, Market & Submarket statistics, Market Surveys, Historical Trends & Customizable Reports. By using ALN OnLine, you are able to see monthly fluctuations in any submarket you need which will greatly enhance your ability to respond to changes quickly and efficiently.

### Why does ALN Update Monthly?

Most data providers update their data quarterly. For some, that is often enough. However, this industry moves way too quickly and many opportunities are missed when waiting on slow reacting data providers to catch up with your market. Only ALN can provide you with monthly updated data on 21 markets throughout the southern U.S. Coming Soon: Miami Denver, Little Rock, Nashville and Memphis!

For Information Regarding Our Products & Services Visit Us on the Web at

[www.ALNsystems.com](http://www.ALNsystems.com)

972.931.2553 or 800.643.6416

# Success at your fingertips

The VendorGuide.com and ALN Apartment Data have the products and services you need to Sync 4 Results.

Log on to TheVendorGuide.com for fast, FREE access to:

- Enhanced Vendor Searching
- Online quoting with Bid-Quest
- FREE comps through ALN's Market Link

Log onto ALNSystems.com for:

Property specific data, updated monthly  
New Markets : LUBBOCK, ABILENE, AMARILLO TEXAS!  
The ALNOnline Program - stay ahead of the curve!



Visit us at TAA Trade Show booths 305 & 307!

**Atlanta, Georgia:** Let's hope that January 2009 goes down in the books as the bottom of this economic cycle. Since that time, the Overall Occupancy Rate has climbed 50 basis points to finish March at 87.3%. The Same-Store Occupancy Rate is up 60 basis points since then and now stands at 87.9%. Although these numbers are still weak, they are the first upticks in either Occupancy Rate in nearly a year. We are cautiously optimistic for a good summer bounce to really help out the Atlanta market.

## FLORIDA:

**Tampa/St. Petersburg:** We keep looking for signs that the Tampa area is solidifying, but it's hard to say that at this point. Winter is usually a good time for the Tampa apartment market, but it looks like we have missed any real bounce this year. April historically is one of the highest occupancy rates of the year, but it is shaping up this year to be mediocre at best. Currently, the occupancy rate stands at 88.7% with Effective Rents continuing their downward cycle to an average of \$766.

**Orlando/Daytona Beach:** Occupancy Rates are stable or up a tad for the past three months. Obviously, that is a good sign, but at 87.3% Overall and 88.4% Same-Store, these rates are still very low. Effective Rental Rates are still declining with Same Store currently at \$814, down \$50 since the beginning of 2007. Even percent of properties offering a concession stands at over 54% with the Average Concession Package at 11.1% (5.8 weeks free on a 12-month lease). Nothing in this market makes one believe that significant improvement is coming anytime soon.

**Jacksonville/Gainesville:** After free-falling for most of 2008, the Occupancy Rates in the Jacksonville/Gainesville area have seen significant improvement over the past 60 days. Same-Store Occupancy is up 120 basis points since January to 87.2%. Effective Rental Rates have not yet joined this rebound, but the percentage of properties offering concessions has slipped below the 60% mark even though the average concession package has increased slightly to 10.1% (5.3 weeks free on a 12 month lease). Mixed signals in this market leave room for optimism so we will be closely watching for further signs of direction.

**Las Vegas, Nevada:** One of the hardest hit areas in the country for single-family home prices, the multi-family sector was slow to follow suit. Occupancy Rates have declined each month for the past 9 months, but the drop off has been slow and steady to finish March at 89.5% in same-store Occupancy. The percent of properties offering concessions has increased steadily with the result being a 5.5% reduction from the Asking Rents (\$856) to a current Effective Rent of \$809. Indicators are still weak and no improvement is seen in the near future.

**Phoenix, Arizona:** Winter has seen a slight improvement in occupancy and rental rates for the Phoenix market. From a cycle-low of 86.9% occupancy in December 2008, the Same Store Occupancy Rate has inched up 30 basis points to 87.2%. Effective Rental Rates, once as low as \$686 per month, are back up to \$703. These numbers are still way off from where they were before the economy hit the area so hard, and winter is typically a good time of the year for the apartment industry in Phoenix, so we are unable to see any real improvement upcoming in the near future for this market.

**Tucson, Arizona:** After a cycle-high occupancy rate of 94.7% in February 2007, Tucson's rate has fallen as low as 88.1%, but is up slightly in March to 88.5%. 71.4% of the properties in this market are currently offering some sort of rental concession, resulting in a 3.5% reduction from the Asking Rents. Effective Rents are currently at \$598 per month. Although indications are showing some strengthening, Tucson is not expected to recover quickly.