

Market Research

MULTI-FAMILY

YEAR-END REVIEW

2008



MARKET INDICATORS

INVENTORY/UNITS 160,007

OCCUPANCY
Occupancy: 92.1%
% Change: -1.45%

RENTAL RATE
Rent: \$880
% Change: 2.44%

CONCESSIONS
Amt: \$956
% Change: 130%
Reporting: 956
% Change: 148%


NOW WHAT?

“**Show Me the Money**” seems to be the mantra for 2009. We have been in contact with dozens of owners and prospective investors in recent weeks and have studied numerous surveys and reports to determine what to expect in 2009. Here are our results for those who anticipate being a buyer or seller.

Sellers: Studies show private capital owners were the most active seller in 2008 (46%), with REIT/Institutions making up 44%. We believe this ratio will change as more institutions, and especially banks, sell to rebalance their portfolio or raise capital. Cap rates were in the mid-7% range for traditional rentals, and mid-8% range for condo-related investments. High end property owners made up the largest group wanting to sell (18%); compared to moderate income owners looking to do the same (10%).

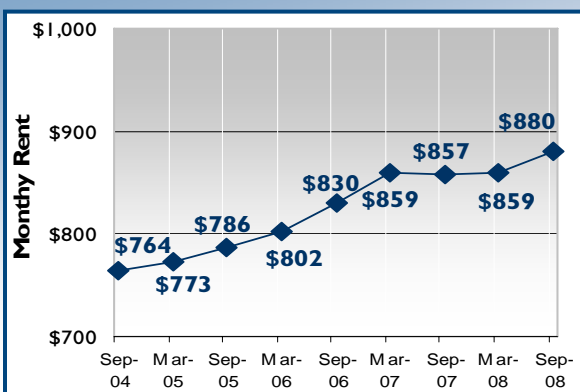
Buyers: Private capital also dominated the buying market in 2008 (55% of all apartment transactions), with REIT/Institutions accounting for only 36%. About 48% of buyers are looking for moderate income properties, while 18% want high income properties. The percentage of private capital buyers will rise in 2009, as institutions sit out for at least the first half of 2009.

Old Time Brokerage is back with a vengeance! The real value of an investment broker used to be his or her knowledge of who was capable of buying, and it appears this knowledge is once again in high demand. Knowing who has the money and motivation has never been more important to the transaction process. Our study found that less than 5% of the investors we spoke with had cash available to make a purchase today (though many would like to).

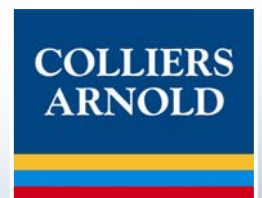
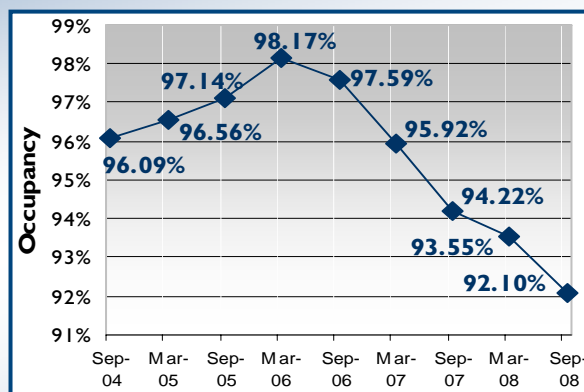
If you're a cash investor looking for rare opportunities and we haven't spoken in the past 90 days, let us know what you are up to! If you're a seller and need access to the **short list** of buyers, we should talk. You can contact us (John Stone or Jason Stanton) at 727-442-7184.

(Sources: Emerging Trends in Real Estate 2009, Real Capital Analytics, University of Florida Bergstrom Center for Real Estate Studies and personal phone calls to investors by Colliers Arnold).

AVERAGE MONTHLY RENT

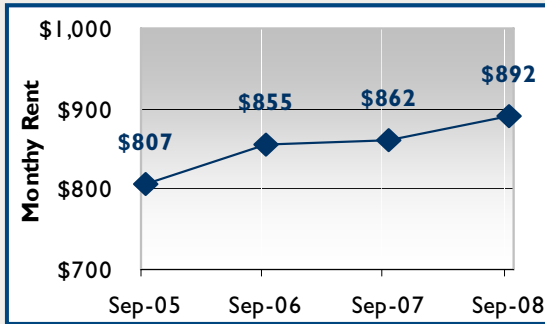


AVERAGE OCCUPANCY RATES

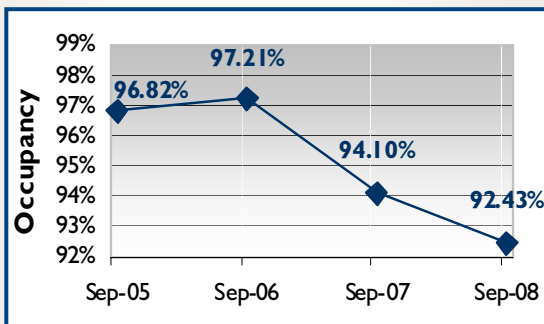

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HILLSBOROUGH COUNTY

AVERAGE MONTHLY RENT



OCCUPANCY RATE



NEW DISCLOSURE LAW

Effective July 1, 2008, a new state law went into effect which requires companies to notify county property appraisers of a commercial real estate transfer.

The new provisions, part of S.B. 1588, (page 22) is essentially aimed at the "entity sale" which until now did not require notification.

The entity sale which avoided the need to record a deed essentially avoided the need to pay documentary stamps (\$7/\$1000) which on large commercial sales could be substantial.

This new law does not change the potential savings associated with doc stamps but it does effectively result in notification of the sale and sale price of the property which could result in the property being reassessed for real estate tax purposes.

You may wish to consult with your attorney as to how this may affect you.

If you would like a copy of the new law, call us at 727-442-7184 or send us an email at john.stone@colliers.com.

HILLSBOROUGH COUNTY SALES (100+ UNITS)

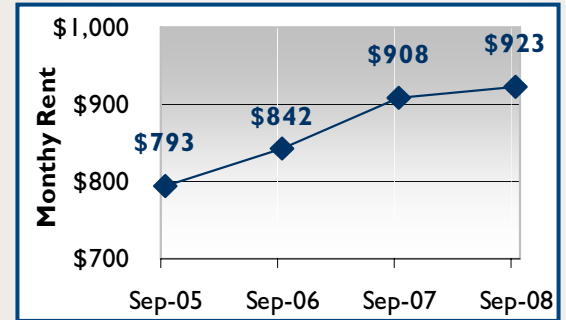
PROPERTY NAME	CITY	BLT	UNITS	PRICE	\$/UNIT
CONDOMINIUM / REVERSIONS					
Quarter at Ybor	Tampa	2002	454	32,763,492	72,166
Place at Channelside Condos	Tampa	2006	171	21,900,000	128,070
STUDENT HOUSING					
Campus Lodge	Lutz	2001	312	42,587,832	136,499
RENTAL					
St Croix	Tampa	1988	540	38,350,000	71,019
Legend Oaks	Tampa	1983	416	23,000,000	55,288
Captiva Club	Tampa	1975	357	19,497,500	54,615
Hidden Lake	Tampa	1982	267	14,925,000	55,899
Vintage Lofts at West End	Tampa	2008	249	43,672,000	175,390
Altamonte	Tampa	1985	232	13,700,000	59,052
Village Oaks	Tampa	2005	215	21,261,667	98,891
Laurel Oaks	Tampa	1986	192	15,334,488	79,867
Bay Oaks	Tampa	1974	176	11,350,000	64,489
Cedar Trace	Tampa	1984	176	7,170,000	40,739
Lakeside North	Tampa	1983	168	10,350,000	61,607
Lenox Place	Tampa	1970	168	5,000,000	29,762
Palm Lake	Tampa	1972	150	6,700,000	44,667
Marquis	Tampa	1969	140	7,850,000	56,071
St James Place	Tampa	1981	126	8,000,000	63,492
Pelican at Hyde Park	Tampa		122	5,300,000	43,443
Regency Square	Tampa	1975	120	5,050,000	42,083
The Village	Brandon	1986	112	4,794,341	42,807
AVERAGE:			232	17,074,110	70,282
TOTALS:			21	4,863	385,556,320
				1,475,916	

PINELLAS COUNTY SALES (100+ UNITS)

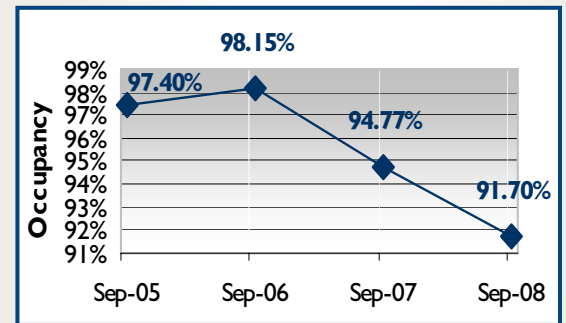
PROPERTY NAME	CITY	BLT	UNITS	PRICE	\$/UNIT
CONDOMINIUM / REVERSIONS					
Bel Shores Condos	Largo	1985	143	11,800,000	82,517
RENTAL					
Bay Cove	Clearwater	1972	336	34,065,571	101,386
Emerald Bay	St Petersburg	1971	320	14,700,000	45,938
Prov. at Palm Harbor	Palm Harbor	1991	236	20,000,000	84,746
Royal Breeze	Clearwater	1973	200	11,775,000	58,875
Longbranch	Clearwater	1984	184	6,992,000	38,000
Gateway	St Petersburg	1986	144	8,570,000	59,514
Castilian Lake Club	Largo	1985	140	6,400,000	45,714
Boca Ciega	St Petersburg	1974	109	5,049,000	46,321
Oceanside Estates	Pinellas Park	1981	104	4,500,000	43,269
AVERAGE:			192	12,385,157	60,628
TOTALS:	10		1,916	123,851,571	606,280

PINELLAS COUNTY

AVERAGE MONTHLY RENT

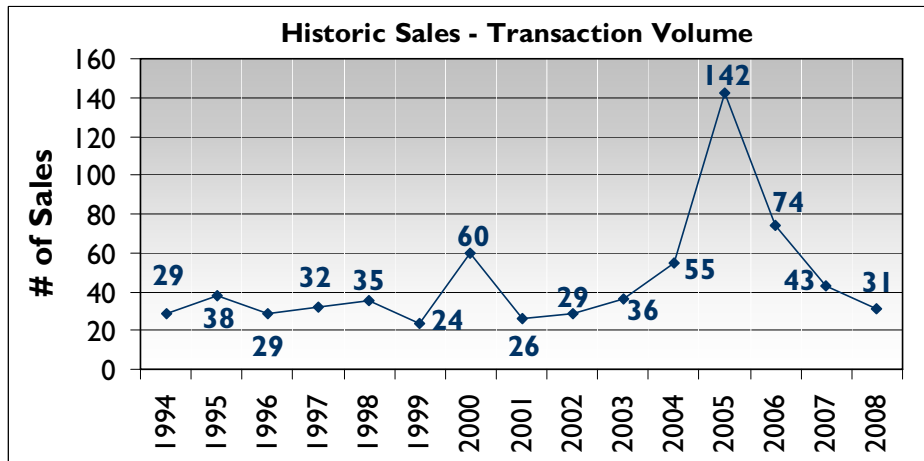


OCCUPANCY RATE



RETURNING TO TRADITIONAL MARKET LEVELS

31 multi-family properties over 100 units sold in Tampa Bay last year (2008) according to public records.



It appears that we have returned to a normal sales volume, historically speaking.

FINANCING "WITH A TWIST"

Over the next 18 months, Cohen Financial expects to see an increase in the need for both "traditional" and "non traditional" financing.

Thanks to Fannie, Freddie and a variety of other sources, traditional financing is readily available for apartment acquisitions or refinance, and is expected to increase for this product type.

"Cash is King" if you anticipate buying a note, mortgage, foreclosure or workout, but there is also non-traditional financing available for those looking to enhance yields. The number of lenders is limited, and the types of transactions have no specific mold, but loans are available.

If you are interested in discussing possibilities, call Chris Carroll at Cohen Financial at 312-803-5722 or John W Stone, CCIM at 727-442-7184.

US Office Locations



The Authors



John W. Stone, CCIM

John is a Principal with Colliers and has been with the company since 1989 and active in the real estate industry since 1977. John works out of the Colliers Arnold Corporate office in Clearwater, FL and travels among other offices throughout the US and Europe.

He specializes in selling and buying cash flow driven investment properties and mortgages; with a focus on multi-family related investments and performing and non-performing debt. He also helps direct foreign capital placement in the USA.



Jason T. Stanton, CCIM

Jason joined Colliers Arnold in May of 2000. Starting out in the research department he joined the Multi-Family Investment team in September 2000.

Since joining the team Jason has been involved in more than \$400,000,000 in Multi-Family Investment Sales.

Jason works directly with John W. Stone, CCIM, and the Multi-Family Investment team in the Clearwater office.

This Colliers Arnold market report contains information obtained from many sources. Due to continual updates and refinements in the historical database, some of the data in this report may not match data published in previous reports.

Sources include: County Records, Real Capital Analytic, Tampa Bay Apartment Association, Triad Research, Pierce-Eislen and survey results of Colliers Arnold. Colliers Arnold is a member firm of Colliers International – an affiliation of independently owned and operated companies with offices worldwide.

Questions should be directed to John Stone or Jason Stanton, at 727-442-7184 or by e-mail: john.stone@colliers.com. Information contained herein has been obtained from sources deemed reliable but not guaranteed. No representation is made as to the accuracy thereof.

Data as of September 30, 2008.

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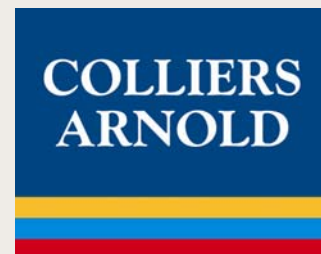
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