



2010

Marcus & Millichap

Dallas/Fort Worth Market Trends

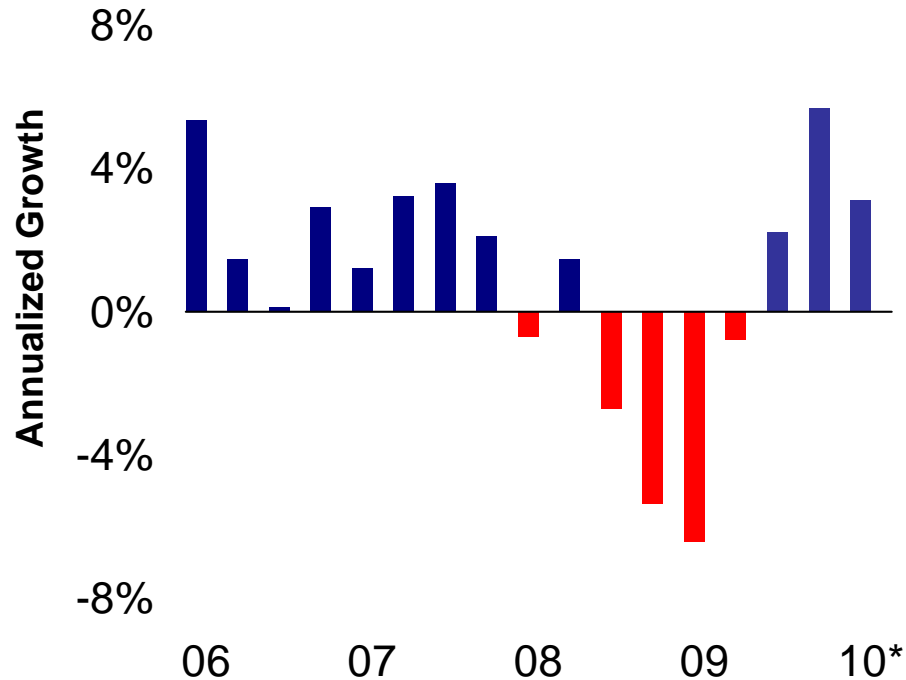
The Most Informative Overview of the Real Estate Market

Marcus & Millichap
Real Estate Investment Services

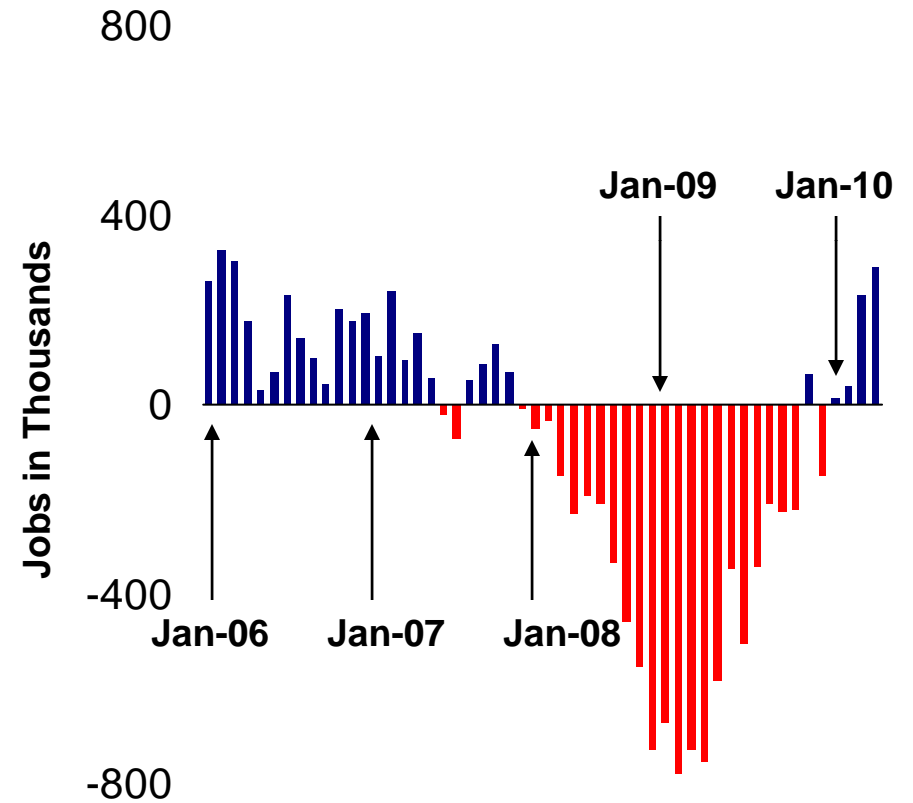
Economy Gaining Traction; Risk Levels Remain Elevated

Gross Domestic Product

2005: 3.1% 2007: 2.1% 2009: -2.4%
 2006: 2.7% 2008: 0.4% 2010*: 3.1%



Monthly Employment

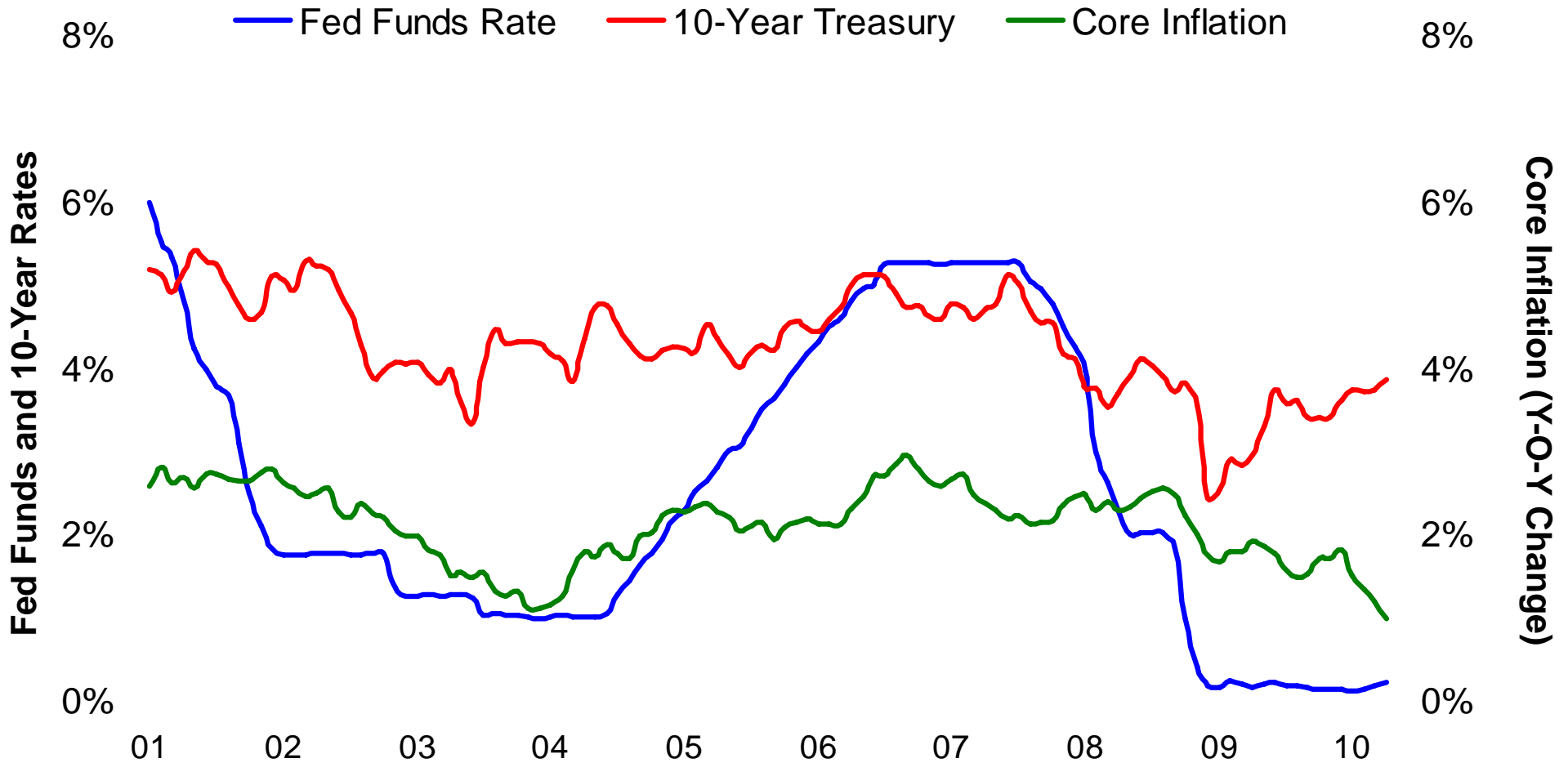


* Forecast

Note: Technical recession defined as two consecutive quarters of GDP contraction.

Sources: Marcus & Millichap Research Services, BLS, Economy.com

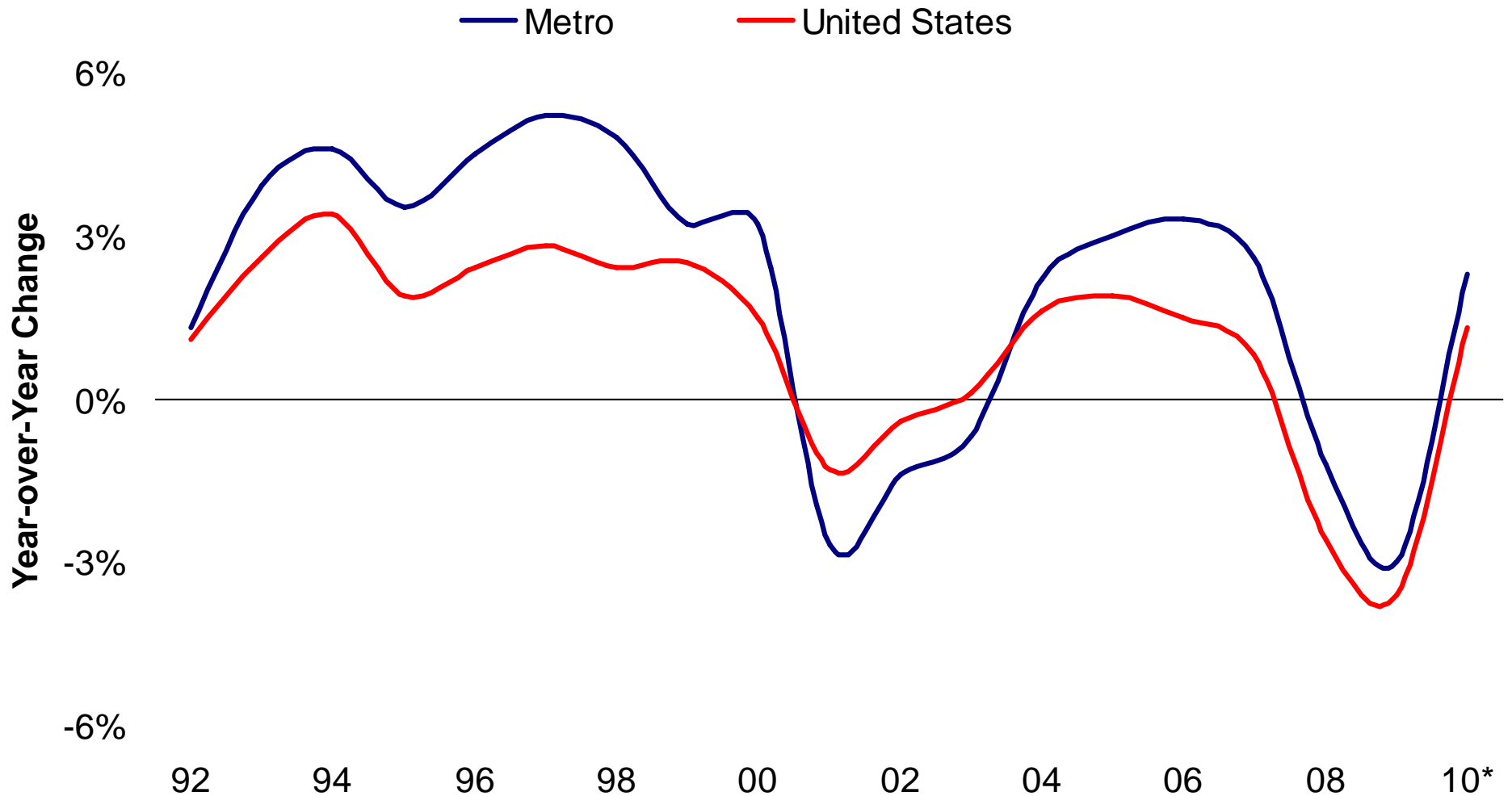
The Fed Has Pulled All Stops – Inflation Focus Unlikely to Emerge Until Sustainable Growth is Achieved



Sources: Marcus & Millichap Research Services, Economy.com, Federal Reserve

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Total Nonfarm Employment Change Dallas/Fort Worth vs. United States

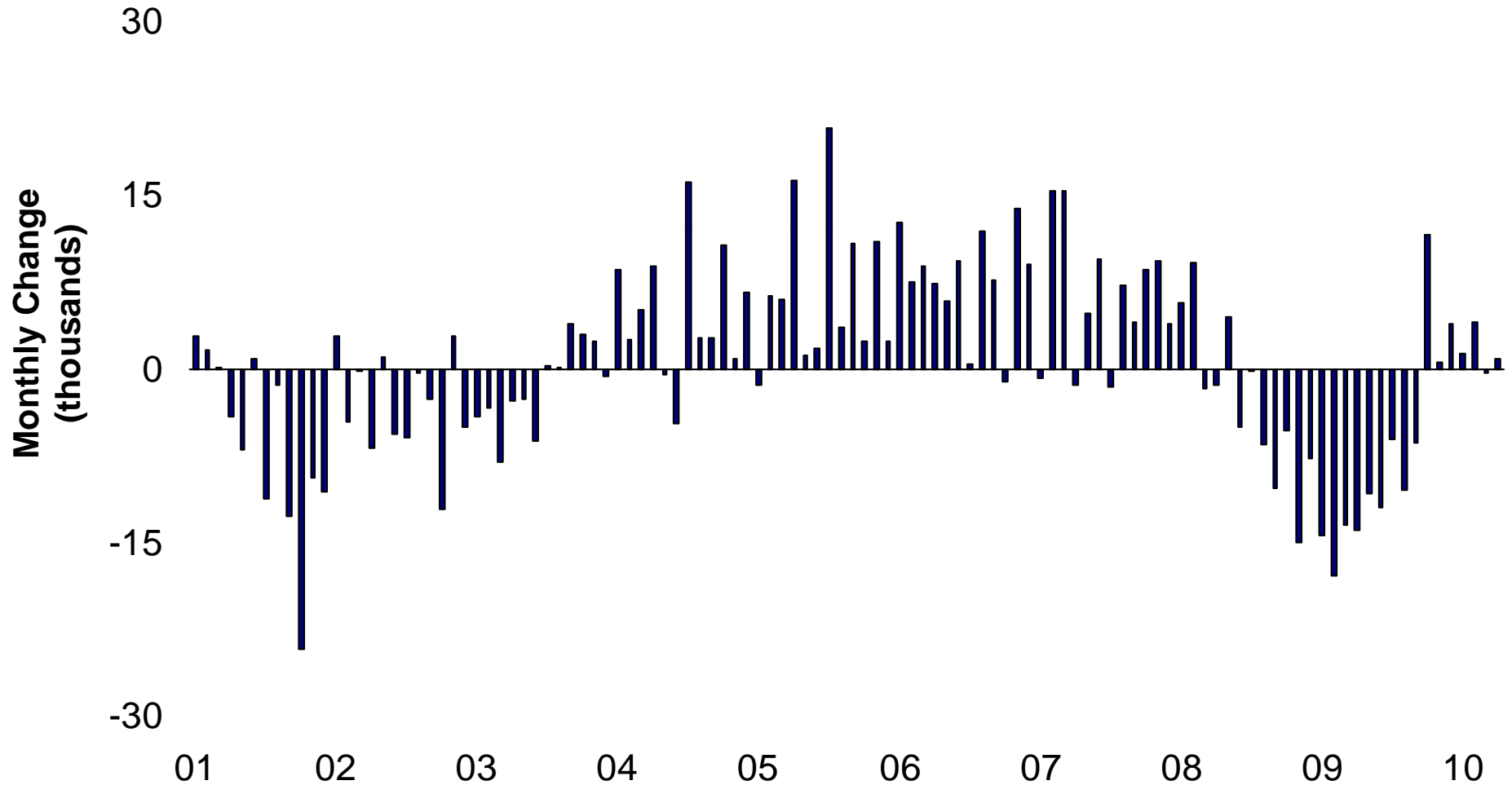


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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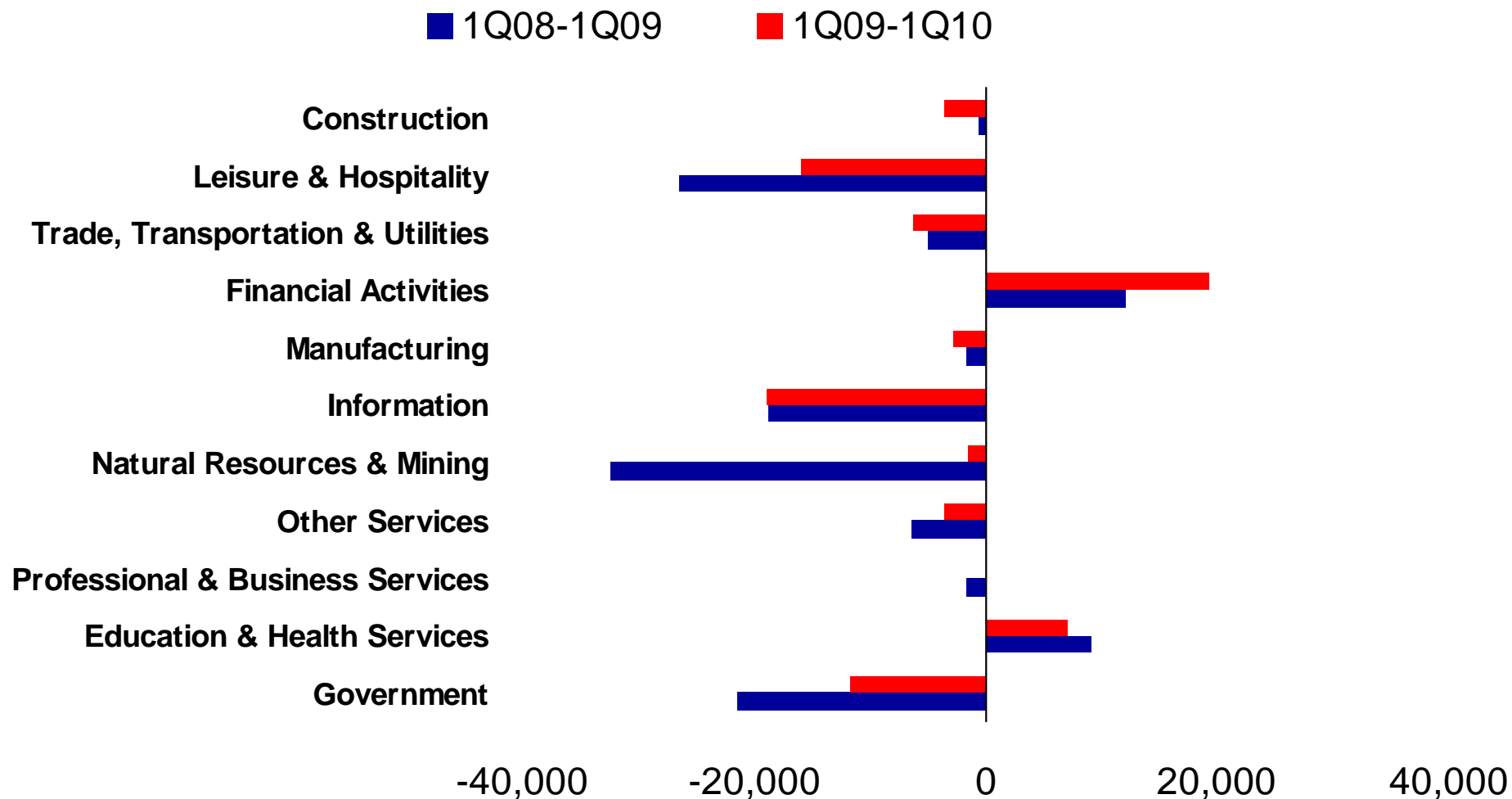
Total Employment Dallas/Fort Worth



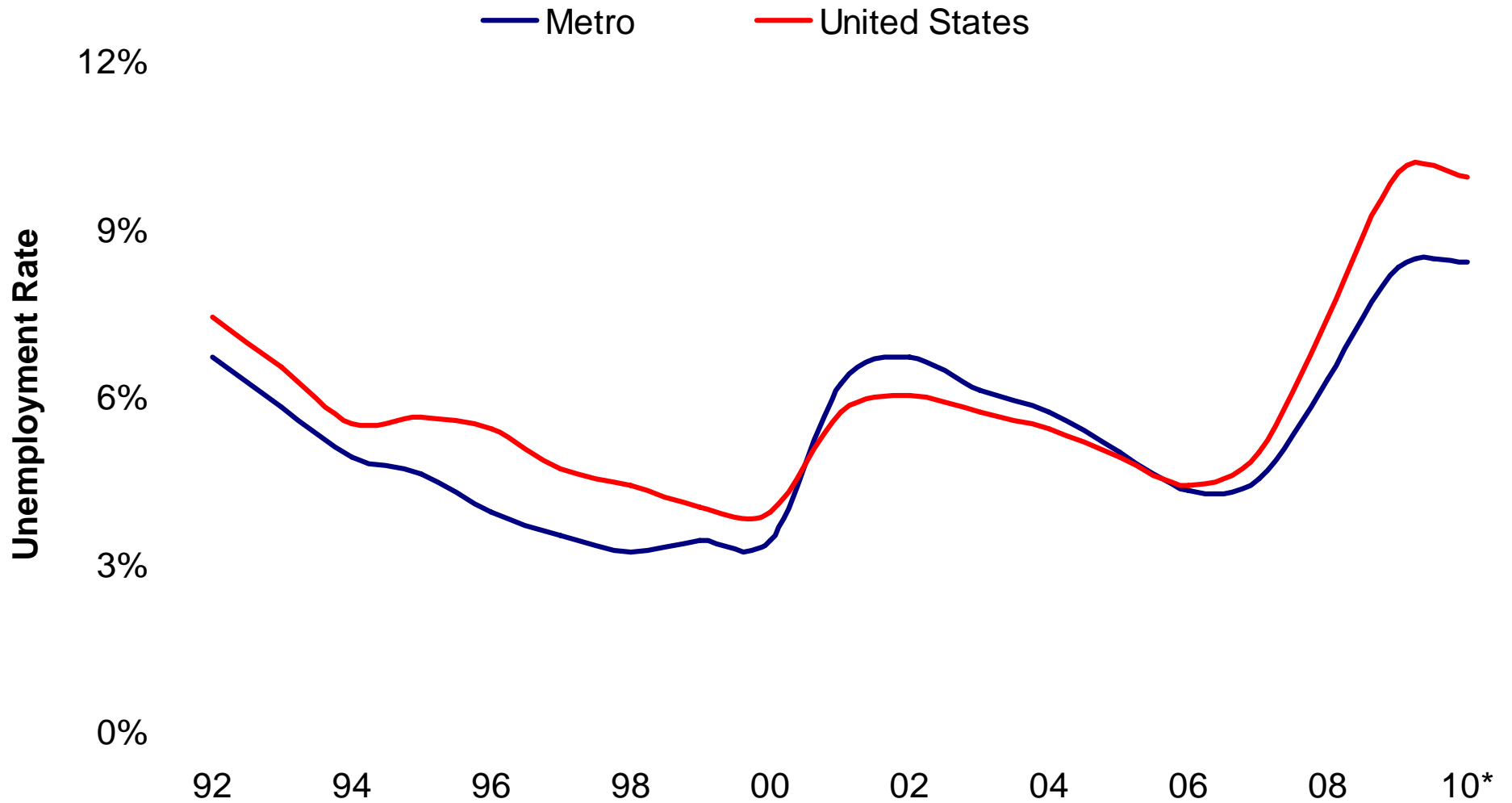
Sources: Marcus & Millichap Research Services, BLS, Economy.com

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Dallas/Fort Worth Sector Employment Year-over-Year Absolute Growth



Unemployment Rate Dallas/Fort Worth vs. United States

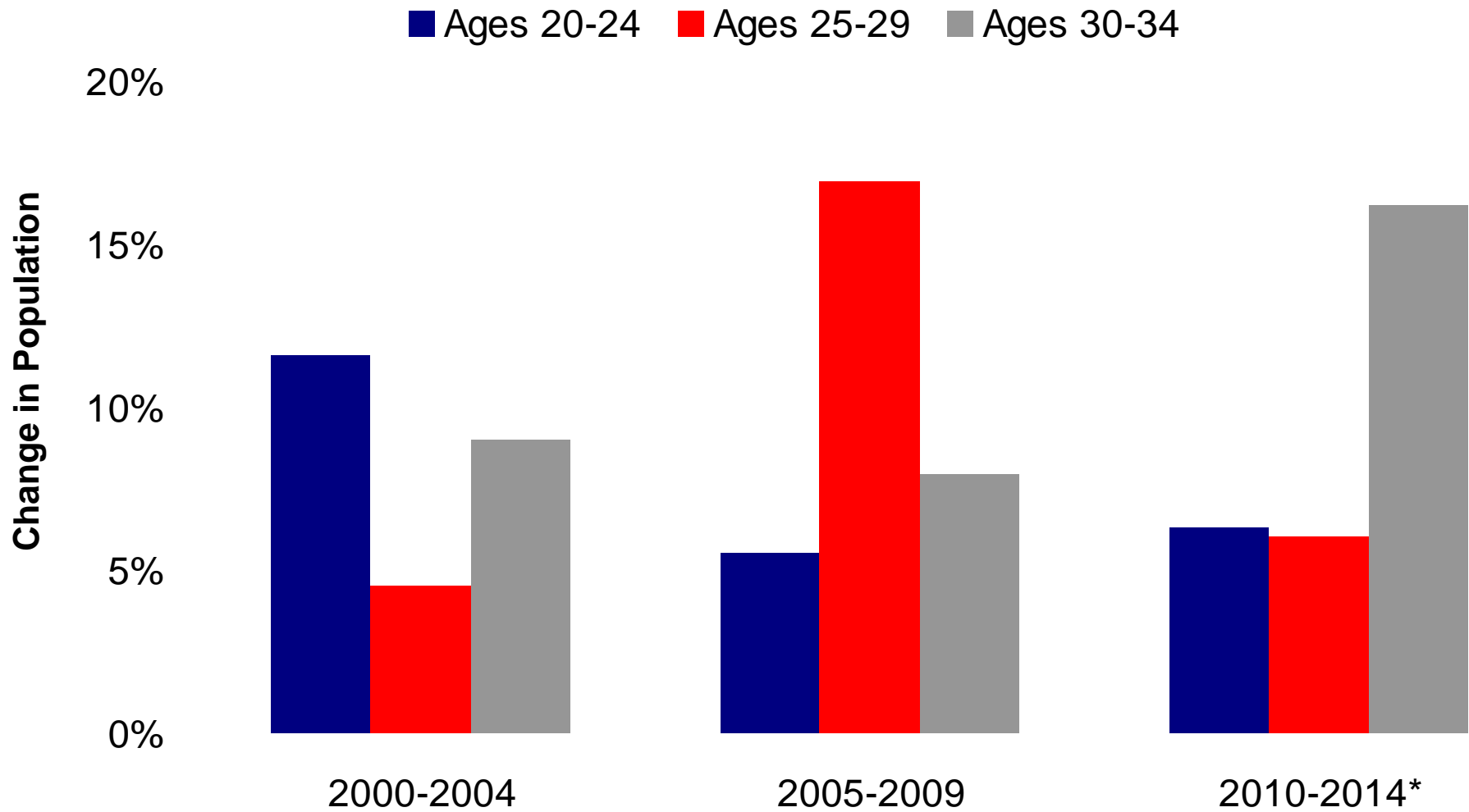


* Through 1Q

Sources: Marcus & Millichap Research Services, BLS, Economy.com

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Renter Demographics Dallas/Fort Worth

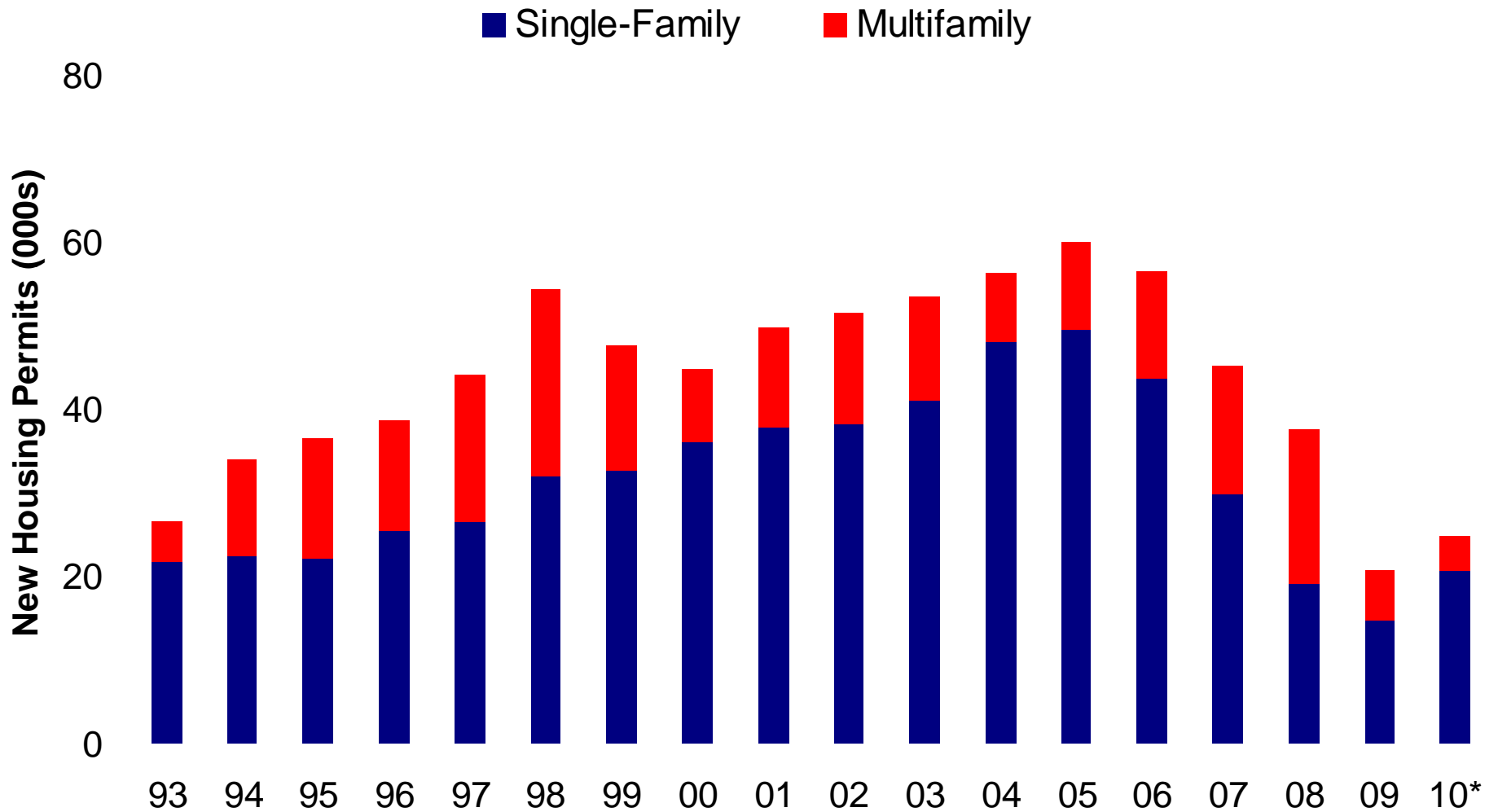


* Forecast

Sources: Marcus & Millichap Research Services, U.S. Census Bureau

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New Housing Permits Dallas/Fort Worth

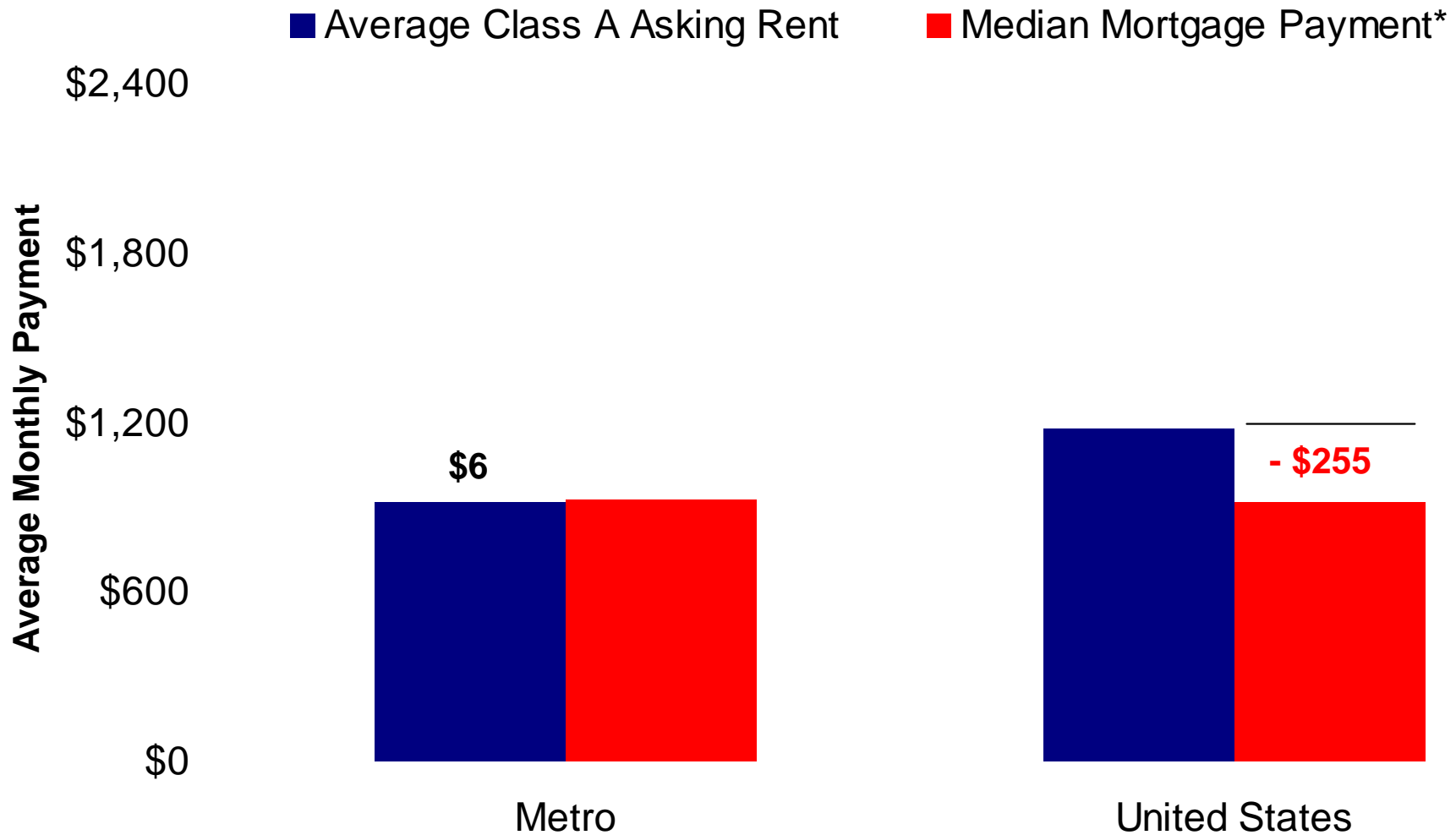


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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1Q Housing Affordability Gap Dallas/Fort Worth



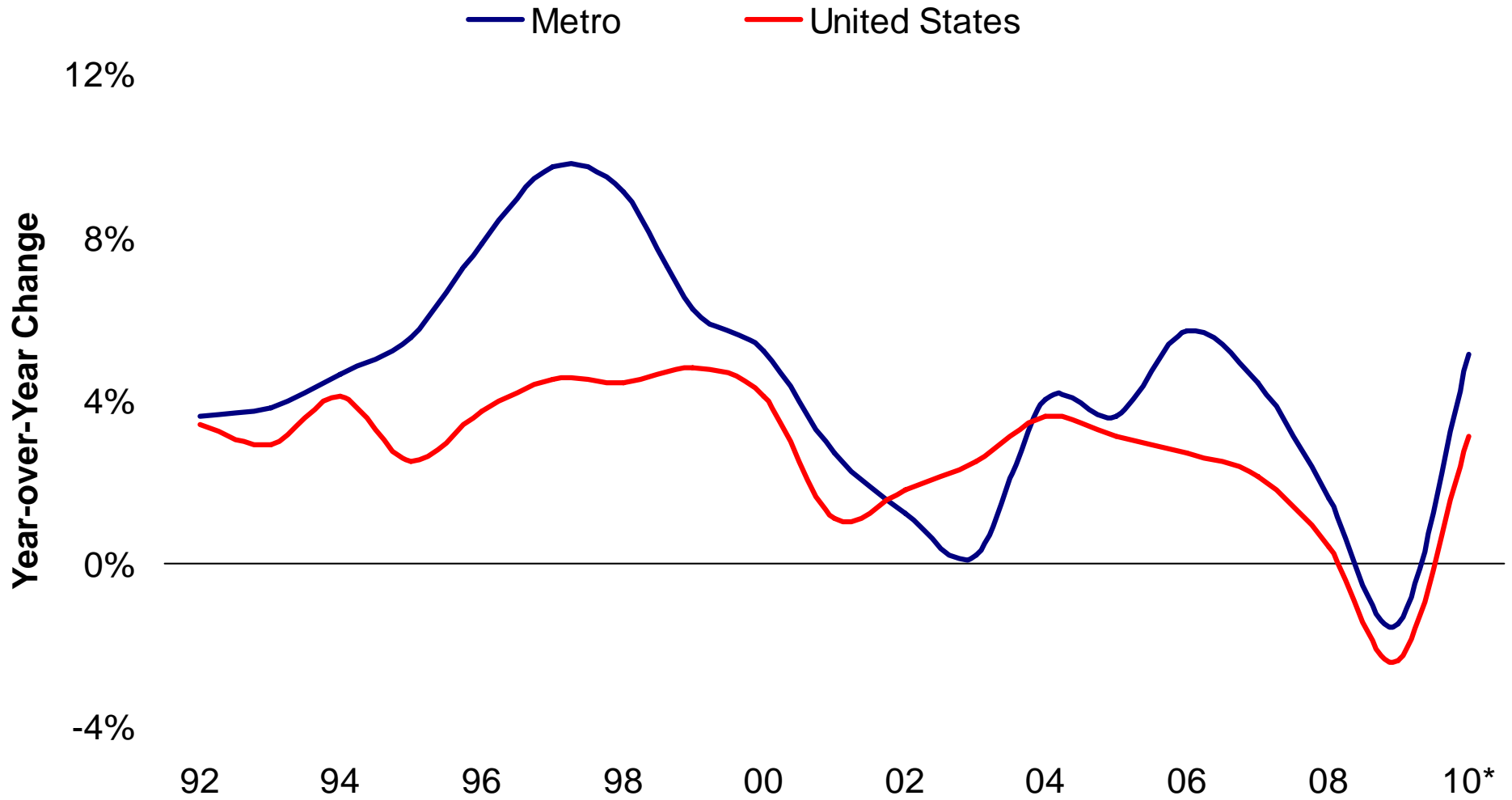
* Mortgage payment amortized over 30 years at a 5.1 percent interest rate and estimated tax/ins., assuming 20 percent downpayment

Sources: Marcus & Millichap Research Services, Reis

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Economic Growth

Dallas/Fort Worth GMP vs. United States GDP

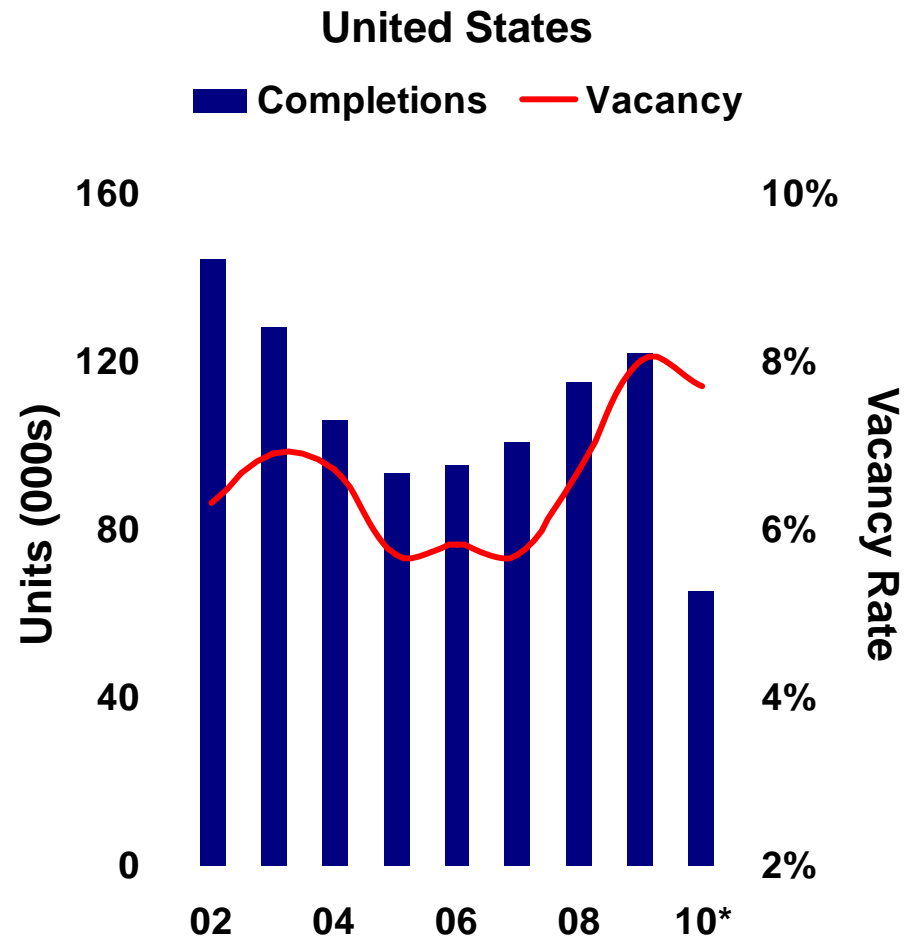
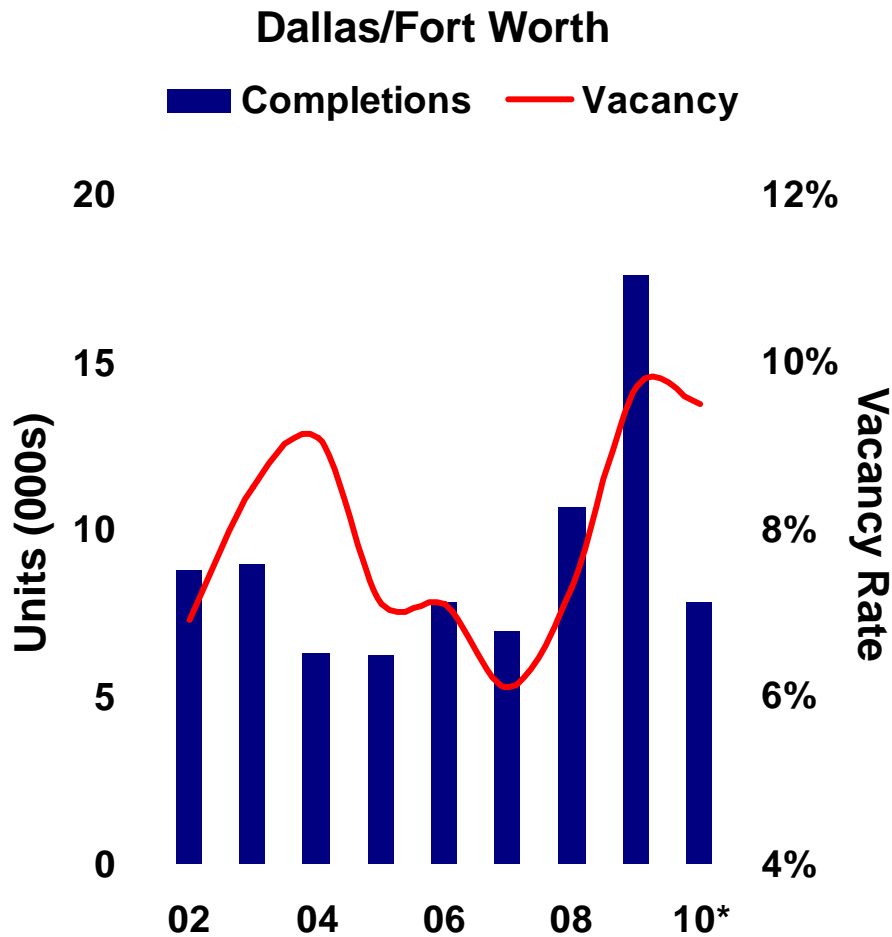


* Forecast

Sources: Marcus & Millichap Research Services, Economy.com

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Supply and Demand Apartment



* Forecast

Sources: Marcus & Millichap Research Services, Reis

Apartment Metro Vacancy Ranking 1Q 2010

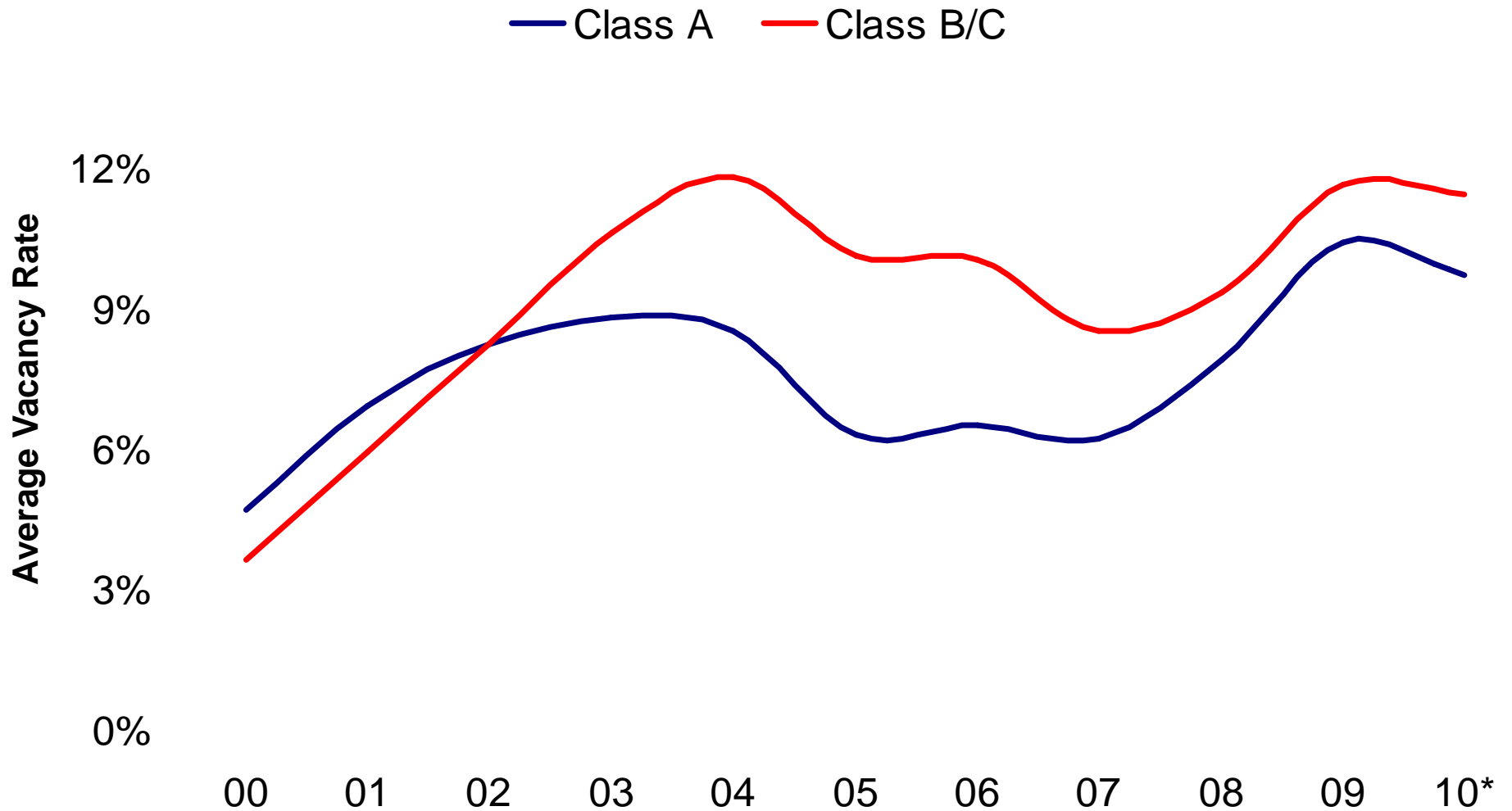
Top 15 Markets	1Q 2010 Vacancy	Y-O-Y Bps Change
New Haven-Fairfield County	4.7%	-60
New York City	2.8%	-60
San Jose	4.7%	-60
Denver	8.3%	-30
Tucson	11.4%	-30
Oakland	5.5%	-20
Washington, D.C.	6.0%	-10
Philadelphia	6.3%	-
Boston	6.5%	10
San Diego	4.8%	10
Los Angeles	5.5%	20
Cleveland	7.0%	40
Jacksonville	13.8%	40
Orange County	6.4%	40
Riverside-San Bernardino	8.0%	40
U.S. Average	8.0%	60

Bottom 15 Markets	1Q 2010 Vacancy	Y-O-Y Bps Change
Las Vegas	11.5%	270
Houston	12.9%	240
Charlotte	10.6%	170
Kansas City	10.3%	170
Indianapolis	10.0%	160
Salt Lake City	7.0%	160
Dallas/Fort Worth	9.3%	140
Columbus	9.5%	120
Oklahoma City	10.1%	120
Orlando	11.5%	120
Fort Lauderdale	8.5%	110
West Palm Beach	8.8%	100
Atlanta	11.5%	90
Milwaukee	5.2%	90
St. Louis	9.0%	80
U.S. Average	8.0%	60

Sources: Marcus & Millichap Research Services, Reis

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Apartment Vacancy by Class Dallas/Fort Worth



* Through 1Q
Sources: Marcus & Millichap Research Services, Reis

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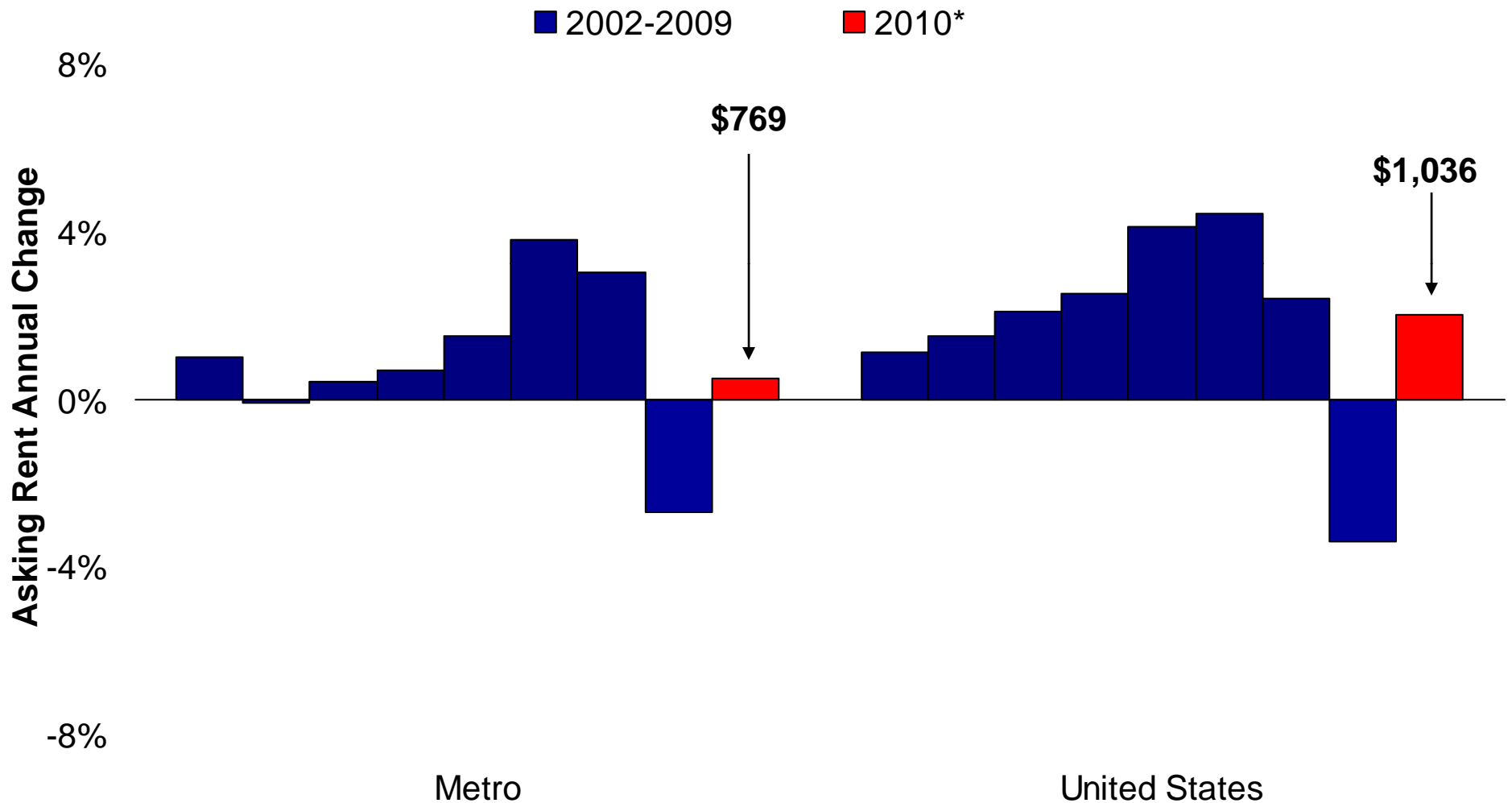
Apartment Vacancy Ranking by Submarket Dallas/Fort Worth

Top Submarkets	1Q 2009	1Q 2010	Bps Change
Grapevine	9.6%	6.6%	-300
East Dallas	13.5%	11.4%	-210
East Fort Worth	13.0%	11.5%	-150
Central Dallas	12.7%	11.3%	-140
Southeast Tarrant County	9.8%	9.1%	-70
Central Arlington	11.9%	11.2%	-70
North Irving	9.3%	9.2%	-10
Lewisville	7.5%	7.8%	30
Southwest Fort Worth	11.0%	11.3%	30
Northern Tarrant County	12.3%	12.7%	40
Far Northwest/Farmers Branch	8.1%	8.5%	40
Northwest Fort Worth	12.3%	13.0%	70
Grand Prairie	9.3%	10.1%	80
Hurst/Bedford/Euless	8.3%	9.2%	90
Southeast Dallas	9.3%	10.2%	90
Metro Average	7.9%	9.3%	140

Sources: Marcus & Millichap Research Services, Reis

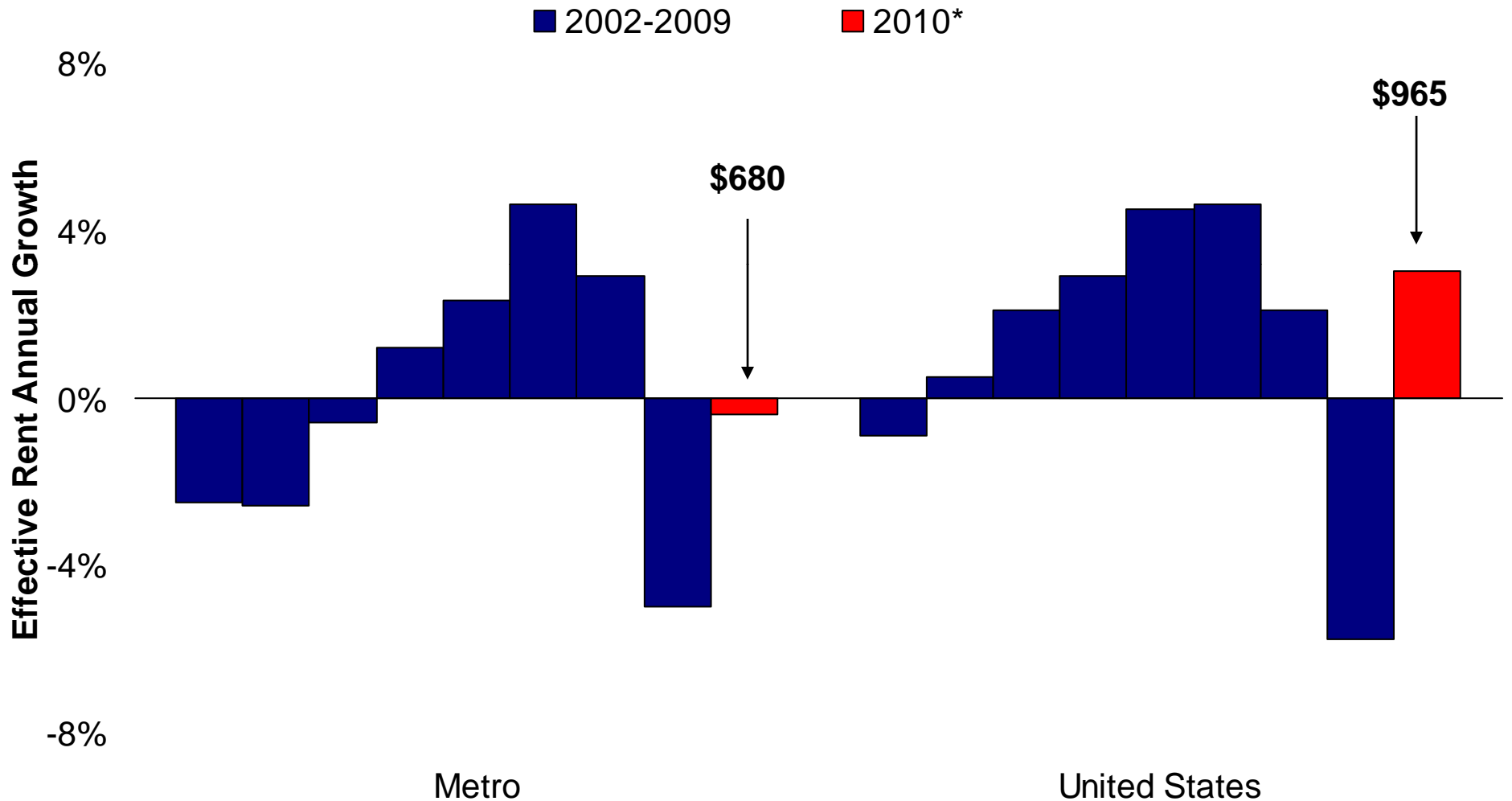
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Apartment Asking Rent Trends Dallas/Fort Worth



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Apartment Effective Rent Trends Dallas/Fort Worth



* Forecast
Sources: Marcus & Millichap Research Services, Reis

Apartment Metro Effective Rent Growth Ranking 1Q 2010

Top 15 Markets	1Q 2010 Eff. Rent	Y-O-Y % Change
Northern New Jersey	\$1,465	-0.2%
Tucson	\$595	-1.0%
Oklahoma City	\$513	-1.2%
San Diego	\$1,243	-1.2%
Chicago	\$956	-1.5%
Austin	\$763	-1.5%
San Antonio	\$641	-1.7%
Kansas City	\$637	-1.8%
Cleveland	\$680	-1.9%
Cincinnati	\$648	-2.1%
Minneapolis	\$873	-2.2%
St. Louis	\$662	-2.4%
Jacksonville	\$731	-2.5%
Columbus	\$613	-2.5%
Denver	\$764	-2.6%
U.S. Average	\$940	-3.6%

Bottom 15 Markets	1Q 2010 Eff. Rent	Y-O-Y % Change
San Jose	\$1,371	-10.5%
Oakland	\$1,195	-7.5%
Las Vegas	\$754	-7.4%
San Francisco	\$1,659	-6.5%
Orange County	\$1,399	-5.9%
Sacramento	\$850	-5.7%
Tampa	\$749	-5.5%
Houston	\$682	-5.5%
Orlando	\$775	-5.4%
Boston	\$1,569	-4.7%
Los Angeles	\$1,309	-4.7%
West Palm Beach	\$992	-4.7%
Seattle-Tacoma	\$895	-4.3%
Phoenix	\$677	-4.2%
Miami	\$985	-4.2%
U.S. Average	\$940	-3.6%

Sources: Marcus & Millichap Research Services, Reis

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Apartment Effective Rent Ranking by Submarket Dallas/Fort Worth

Top Submarkets	1Q 2009	1Q 2010	Percent Change
Northwest Dallas	\$714	\$761	6.6%
Far Northwest/Farmers Branch	\$627	\$619	-1.3%
Northwest Fort Worth	\$703	\$692	-1.6%
Hurst/Bedford/Euless	\$703	\$688	-2.1%
South Irving	\$611	\$594	-2.8%
Far Northeast Dallas	\$552	\$535	-3.1%
East Fort Worth	\$511	\$495	-3.1%
Northern Tarrant County	\$724	\$701	-3.2%
Southern Dallas	\$647	\$626	-3.2%
North White Rock	\$613	\$593	-3.3%
Central Arlington	\$530	\$512	-3.4%
North Irving	\$770	\$743	-3.5%
Mesquite/Seagoville	\$651	\$628	-3.5%
Richardson	\$764	\$735	-3.8%
Southwest Dallas	\$608	\$584	-3.9%
Metro Average	\$713	\$685	-3.9%

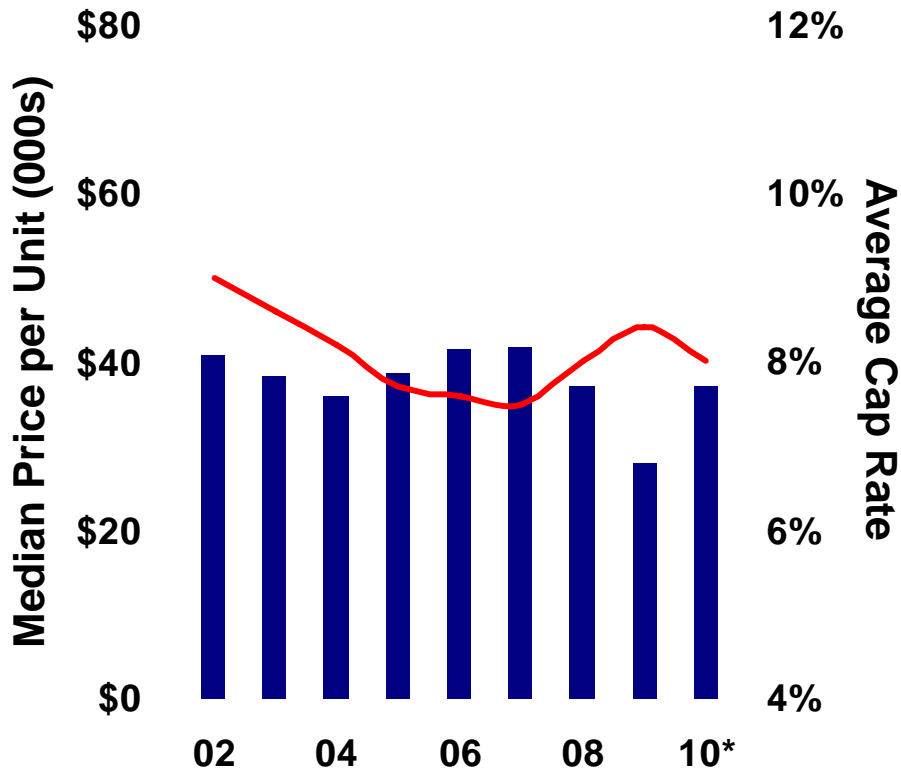
Sources: Marcus & Millichap Research Services, Reis

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Investment Trends Apartment

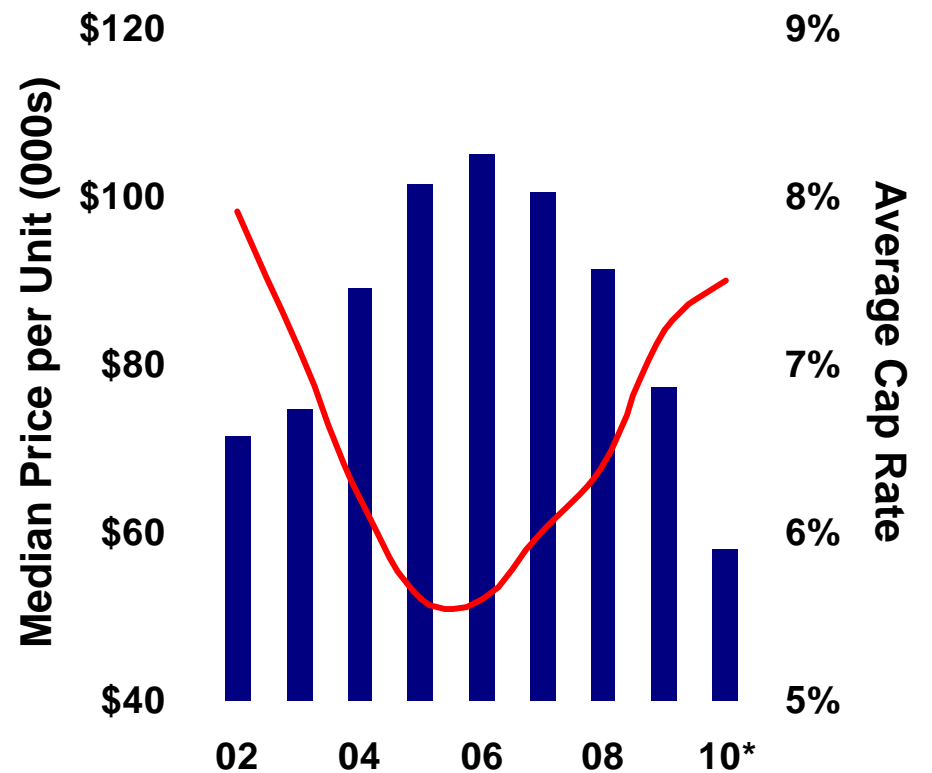
Dallas/Fort Worth

■ Median Price — Cap Rate



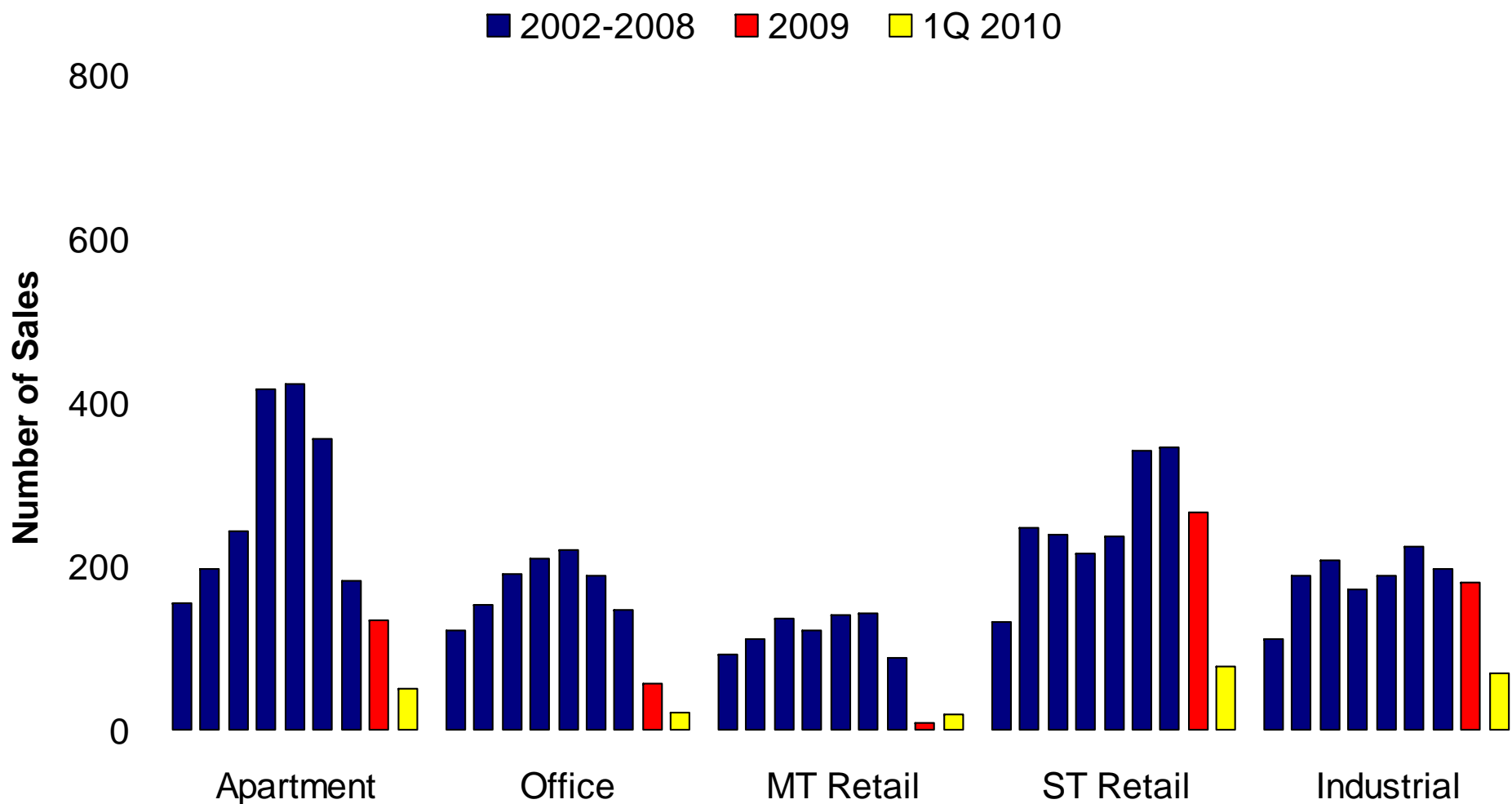
United States

■ Median Price — Cap Rate



* Through 1Q
Sales \$500,000 and greater
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

Sales Velocity by Property Type Dallas/Fort Worth



Sales \$500,000 and greater
Sources: Marcus & Millichap Research Services, CoStar Group, Inc.

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