

Greater Salt Lake Multi-family Report

July 2000



EquiMark
PROPERTIES INC.



Utah Economic Update

Jobless rate drops to 2.7%

The lowest rate in nearly 50 years



Utah's unemployment rate for April 2000 was 2.7 percent. This is down two-tenths of a point from the March level and is Utah's lowest monthly unemployment rate in nearly 50 years.

Even though labor shortages are difficult to identify and quantify, it appears that Utah is experiencing a moderate labor shortage.

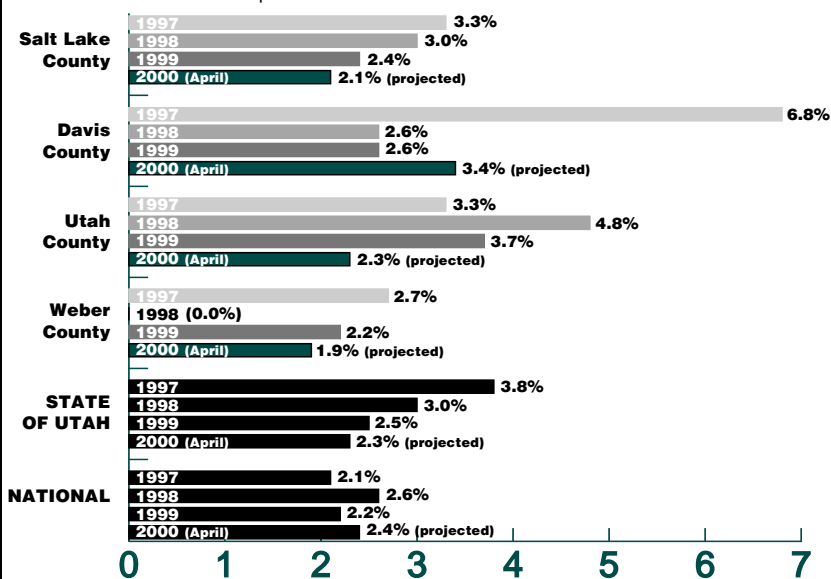
Utah's 1999 job growth rate was 2.5% and is projected to drop to 2.3% by year end 2000.

The national jobless rate was 3.9 for April. This is the first time the rate has been below 4.0 percent since January 1970.

[Source: Utah Labor Market Report, April-May 2000]

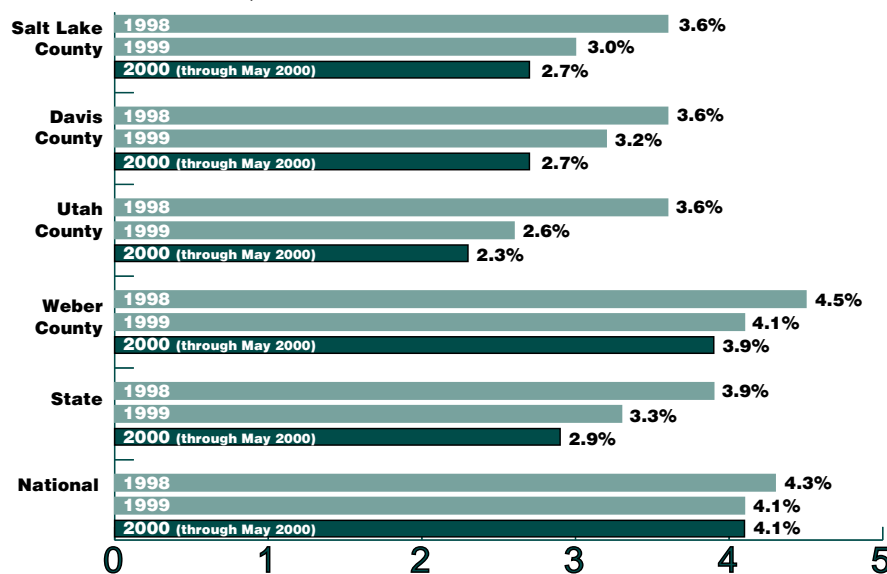
Job Growth

Source: Utah Department of Workforce Services



Unemployment Rate

Source: Utah Department of Workforce Services



New Construction Continues

The fastest growing industry in the Utah economy

The construction industry continues to boom. It is a major catalyst for growth. In fact, construction continues to be the fastest growing industry in the Utah economy. In 1999, job growth in this sector was 7.0%.

For the past 10 years (1989 to 1999), construction employment averaged an extraordinary 10.9% per year. In 1999 alone, construction employment was nearly 3 times as large as it was in 1989 (73,000 versus 25,900 jobs).

Major Salt Lake County projects just completed or currently under construction:

- I-15 Construction (\$1.59 billion)
- Salt Lake City Gateway Project (\$375 million)
- North-South TRAX Light Rail Project (\$312 million)
- LDS Conference Center (\$240 million)
- Salt Lake Community College 90th South Campus (\$143 million)
- Salt Lake County Adult Detention Center Complex (\$135 million)
- South Jordan South Gate Project (\$130 million)
- University of Utah Olympic Village (\$120 million)
- Jordan Commons project (\$108 million)
- Jordan Landing (\$100 million)
- Intel Research Campus (\$60 million)
- Salt Lake City Library (\$53 million)

[Source: Economic Development Corporation of Utah]

New Firm Openings

Salt Lake continues to attract major companies

Established firms continue to expand while new firms continue to flock to the Salt Lake area. The following is a list of some of the recent new arrivals with 100 or more workers:

- DLJ Direct (on-line brokerage)
- Riverstone, Inc.
- Intel Research and Development (payroll and administration)
- Goldman Sachs (on-line brokerage)
- Ebay Inc. (on-line auction call center)
- TheraTch (drug patches)
- Alliant Techsystems (aerospace)
- Gateway (computers)
- Tartan Textiles (laundry plant)
- Yankee Candle Co. (candle maker)

About Intel...

Intel has locations in American Fork and Taylorsville that are currently open, however, their Research and Development location in Riverton is scheduled to open in October.

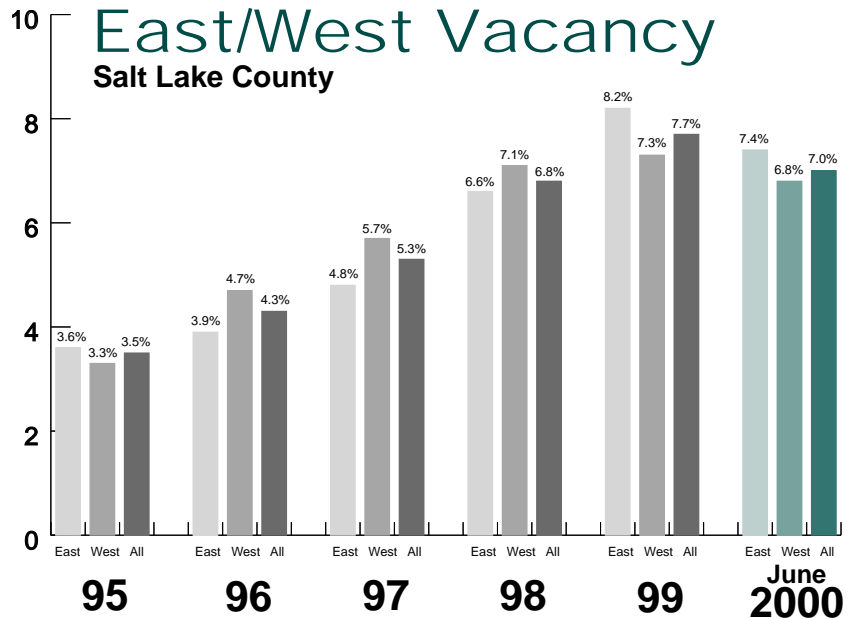
[Source: Economic Development Corporation of Utah]

June 2000 Salt Lake County At A Glance

	1999 (12 mos.)	June 2000 (6 mos.)
Rent Growth.....	1.49%	.90%
Vacancy.....	7.7%	7.0%
Average Overall Rental Rate	\$614/unit	\$621/unit
Average Rent Per Square Foot	\$0.73	\$0.74
Units Delivered	1,145 units	434 units
Job Growth (National: 2.1%).....	3.0%	2.3%
Unemployment (National: 4.1%).....	3.0%	2.7%

Vacancy Rates Decrease *Balanced Construction Activity and Higher Mortgage Rates Contribute*

The Salt Lake County vacancy rate decreased to 7% through June of 2000. This is a noticeable decrease from the 1999 year end rate of 7.7%. The west side of the Salt Lake Valley continues to enjoy the lowest vacancy rate (6.8%) while the east side fell from 8.2% to 7.4%. Demand for the most affordable rental stock continues to be the greatest. The vacancy rate may continue to inch downward, subject to continued developer restraint and continuing strength in the local economy.



Rental & Vacancy Rates

Salt Lake County (East/West)

	June 1999		Year end 1999		June 2000	
	East	West	East	West	East	West
Rent						
Average Rent	\$630	\$585	\$630	\$589	\$636	\$597
Avg. Square Feet	852	804	850	804	849	811
\$/Sq. Ft.	74¢	73¢	74¢	73¢	75¢	74¢
Vacancy	7.1%	6.8%	8.2%	7.3%	7.4%	6.8%

Rent/Vacancy by County

Wasatch Front

County	Average Rent	Average Sq. Feet	Dollar/Sq. Foot	Vacancy Rate
Salt Lake	\$621	842	\$0.74	7.0%
Davis	\$575	813	\$0.71	7.0%
Utah	\$612	836	\$0.73	6.2%
Weber	\$544	867	\$0.63	8.6%
OVERALL	\$613	841	\$0.73	7.2%

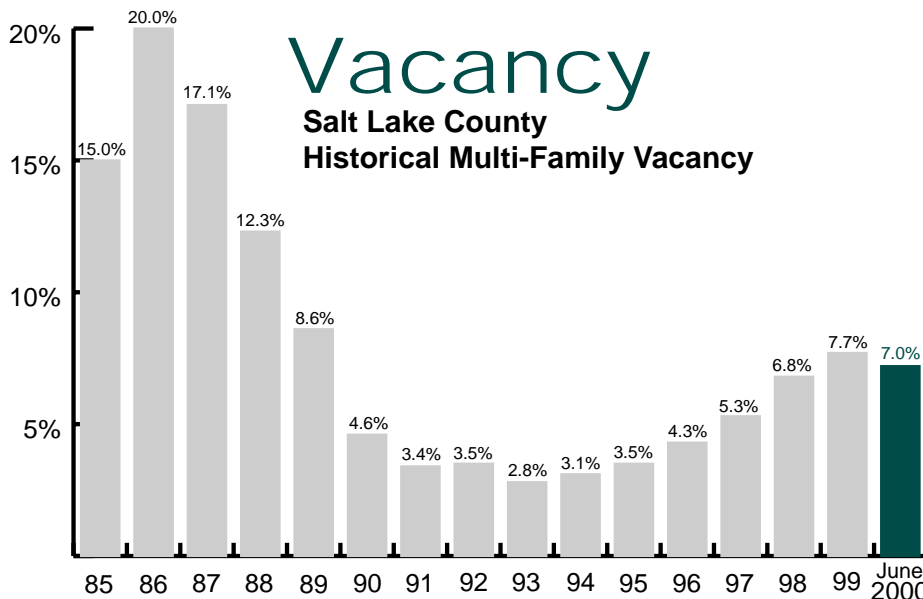


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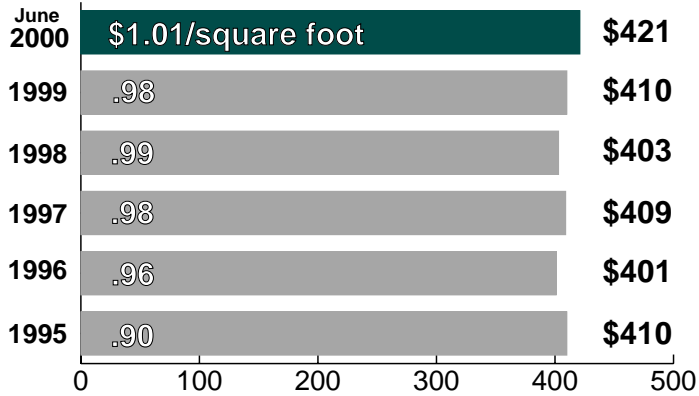
Salt Lake County Rental Rates (June 2000)

Salt Lake County Rental Rates

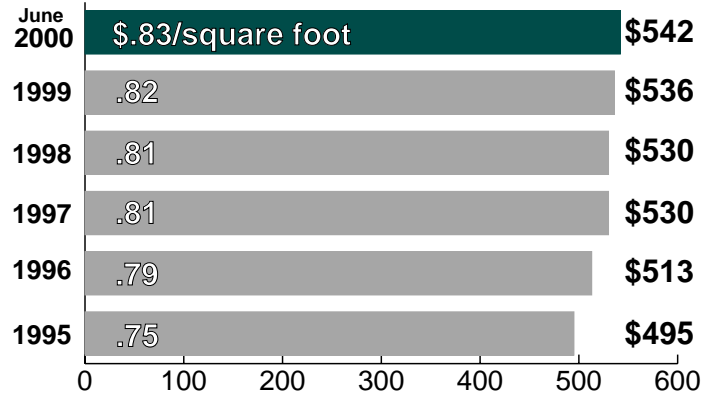
2000 Rent Growth ahead of 1999

The overall increase in rental rates for the first 6 months of 2000 in Salt Lake County was .90%. The average county wide rental rate increased from \$614 to \$621 per month during the same period. Rents for both 1 Bedroom/1 Bath and 2 Bedroom/2 Bath units increased just over 1% year to date. Three bedroom units, which compete with first time home buyers, experienced a very marginal (.64%) increase during the first half of the year. **With moderating construction activity through year end, rents should continue to increase at an annual level of between 2 to 2.5 %.**

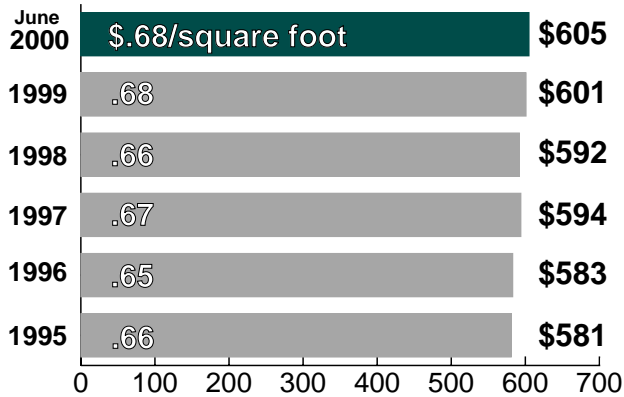
Studio Rental Rates



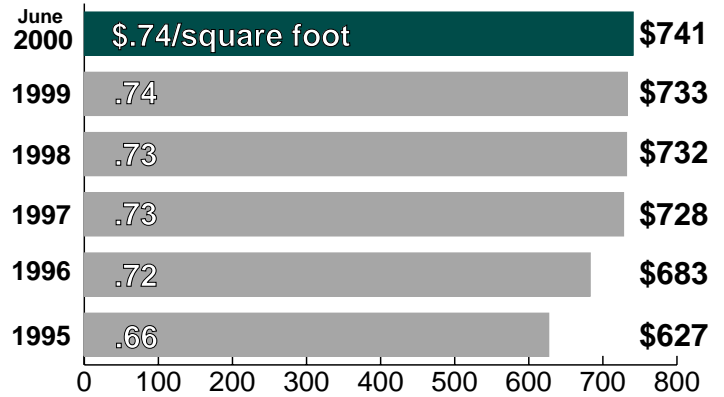
1 Bedroom 1 Bath



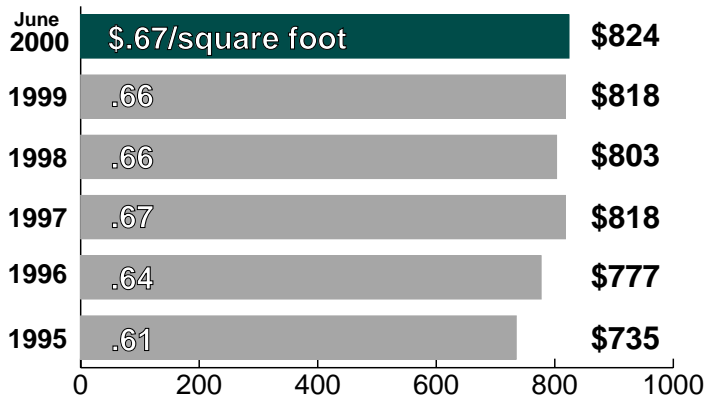
2 Bedroom 1 Bath



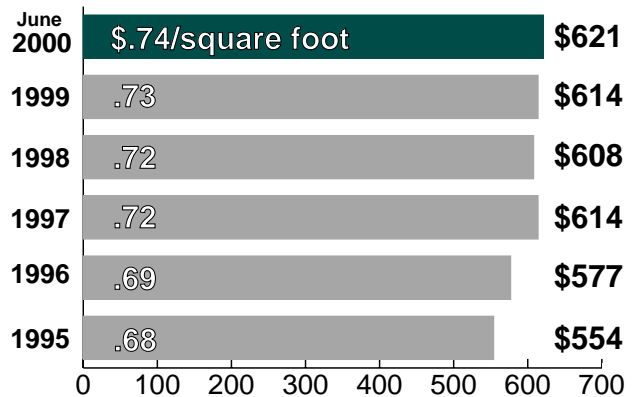
2 Bedroom 2 Bath



3 Bedroom 2 Bath



OVERALL



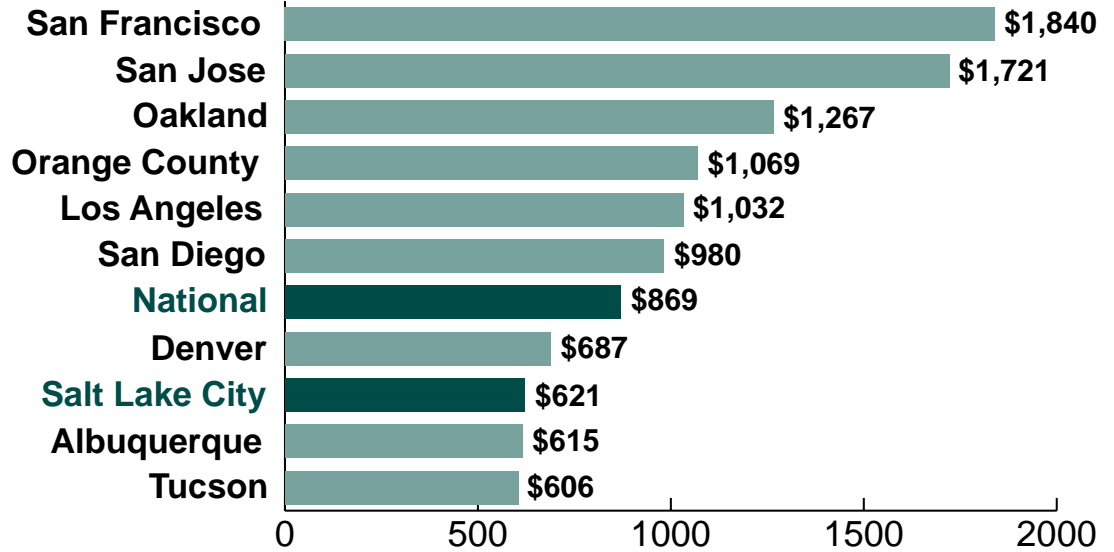
Comparative Rents Between Major Cities

Comparative Rents Between Major Cities

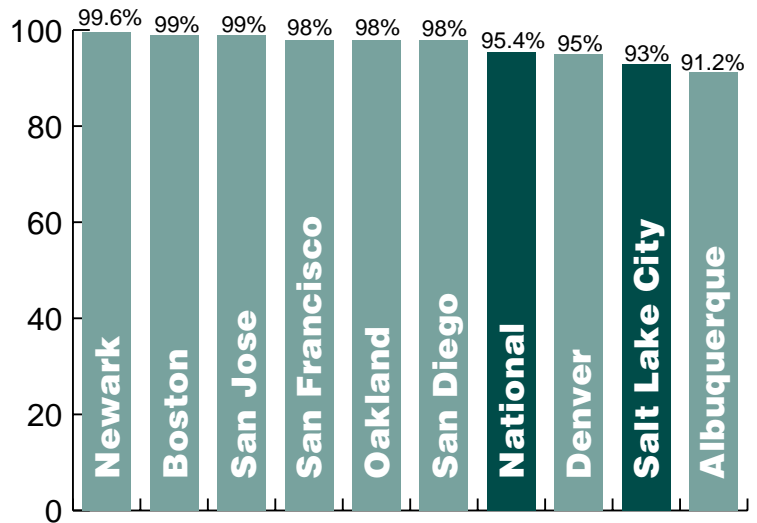
Aren't You Glad You Live In Salt Lake City?

According to M/PF Research, Inc., the average rental rate nationally is \$869 per month, which is 40% higher (\$248) than the average Salt Lake County rate of \$621/month (as determined by the June 2000 EquiMark survey). By comparison, Denver's rents are 10.6% higher than Salt Lake while San Francisco's rents are 300% higher than Salt Lake County rents.

Of the major western cities studied, rent growth was weakest (1/2 - 2%) in Portland, Sacramento, Salt Lake City, Las Vegas, Phoenix and Albuquerque.



Occupancy Rates



Source: M/PF Research, Inc.; Grubb and Ellis (Denver Statistics only); and EquiMark Properties, Inc. (Salt Lake statistics only).

Rental Rate Comparison

Salt Lake County

	Year end 1999		June 2000		% Change
	Rate	Unit	Rate	Unit	
Studio	\$410	98¢	\$421	\$1.01	2.51%
1 Bed 1 Bath	\$536	82¢	\$542	83¢	1.08%
2 Bed 1 Bath	\$601	68¢	\$605	68¢	.62%
2 Bed 2 Bath	\$733	74¢	\$741	74¢	1.11%
3 Bed 2 Bath	\$818	66¢	\$824	67¢	.64%
OVERALL	\$614	73¢	\$621	74¢	.90%

Note: The percent change is determined by dividing the actual aggregate rents per unit type, by the actual total square feet per unit type (as well as overall).

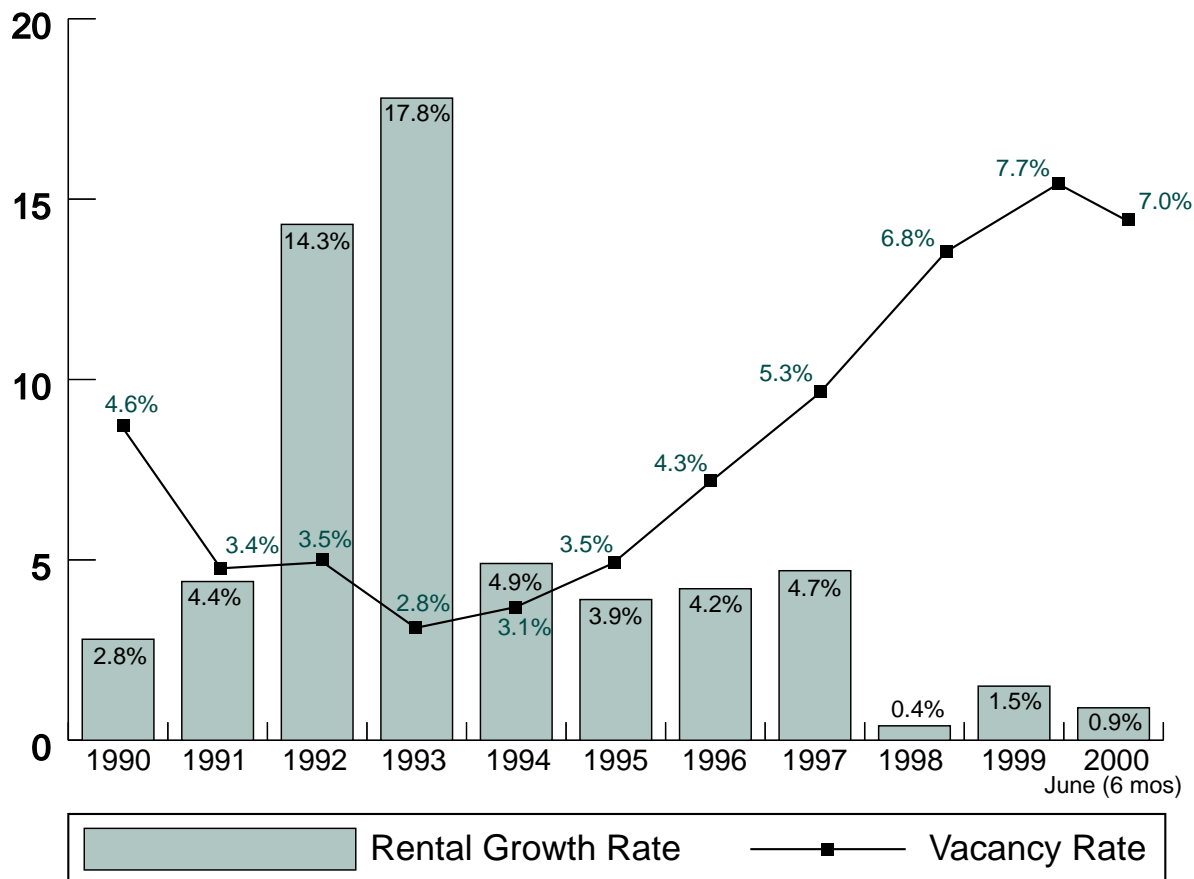
Salt Lake County vs. National Rates (Spring/Summer 2000)

	Occupancy		Monthly Rent		Square Feet		Rent/Sq. Ft.	
	National	SLC	National	SLC	National	SLC	National	SLC
Total	95.4%	93%	\$869	\$621	872	842	\$1.00	\$0.74
Efficiency	95.4%	93.8%	\$660	\$421	481	417	\$1.37	\$1.01
One Bedroom	95.5%	93.9%	\$769	\$542	709	655	\$1.08	\$0.83
Two Bedroom	95.3%	93.1%	\$940	\$660	995	939	\$0.95	\$0.70
Three Bedroom	95.0%	93.7%	\$1,144	\$824	1,274	1,233	\$0.90	\$0.67

Source: M/PF Research, Inc.; Grubb and Ellis (Denver Statistics only); and EquiMark Properties, Inc. (Salt Lake statistics only).

Rent Growth/Vacancy

Salt Lake County



Rents by type, age, class

Salt Lake County

Class A (3 Years and Newer)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	N/A	N/A	N/A
1 Bed 1 Bath	\$775	97¢	800
2 Bed 1 Bath	\$910	87¢	1,043
2 Bed 1-1/2 Bath	N/A	N/A	N/A
2 Bed 2 Bath	\$1,031	94¢	1,099
3 Bed 2 Bath	\$1,171	93¢	1,255
OVERALL	\$941	95¢	994

Class B (3 Years and Newer) (Market Rates)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	N/A	N/A	N/A
1 Bed 1 Bath	\$625	85¢	735
2 Bed 1 Bath	\$701	74¢	951
2 Bed 1-1/2 Bath	\$697	70¢	1,000
2 Bed 2 Bath	\$766	77¢	999
3 Bed 2 Bath	\$883	70¢	1,263
OVERALL	\$721	76¢	943

Class A (Other)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	\$515	94¢	549
1 Bed 1 Bath	\$627	86¢	732
2 Bed 1 Bath	\$709	77¢	924
2 Bed 1-1/2 Bath	\$719	69¢	1,048
2 Bed 2 Bath	\$806	80¢	1,012
3 Bed 2 Bath	\$1,025	76¢	1,350
OVERALL	\$730	80¢	912

Class B (Other) (Market Rates)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	\$428	\$1.08	397
1 Bed 1 Bath	\$526	83¢	636
2 Bed 1 Bath	\$618	68¢	903
2 Bed 1-1/2 Bath	\$650	66¢	981
2 Bed 2 Bath	\$674	69¢	983
3 Bed 2 Bath	\$788	64¢	1,237
OVERALL	\$601	73¢	829

Completed 2000 – Year to Date Construction (Please refer to the map)

Map	MLS Project Name	Units	Class	Address/Location	Location	Developer
1	102 Holden Apts.	16	B	854 South 200 West, SLC	West	Gary Nordhoff
2	105 Sandpiper	30	B	1492 Spring Lane, Holladay	East	O'Brien Enterprises
3	110 Carrington Square II	96	B	5959 S. Cougar Lane, Kearns	West	Bach Corporation
4	110 Elk Run	172	B	8525 West 3615 South, Magna	West	Pentalon
5	110 Heritage Apts – Magna	80	B	8177 West 3500 South, Magna	West	American Housing
6	111 Glendale Senior Apts	40	B	1239 S. Glendale Drive, SLC	West	Utah Non-Profit Housing
TOTAL		434				

Under Construction (Please refer to the map)

Map	MLS Project Name	Units	Class	Address/Location	Location	Developer	Estimated Completion
7	102 Bridge Apartments	71	B	200 South 500 West, SLC	West	Artspace Inc.	July 2001
8	103 Presidential Club	76	A	3075 East Kennedy Dr., SLC	East	Larry H. Miller	November 2000
9	108 Silver Pines	144	B (SH)	10975 South 700 East, Sandy	East	Int. Development Group	May 2001
10	109 Ridge/Jordan Landing	264	* B	3800 West 7000 South, WJordan	West	Prowswood	Fall 2000
11	109 Westgate/Jordan Landing	288	B	3850 West 7000 South, WJordan	West	Miller Shupe	November 2001
12	109 Willow Cove Apts VI	128	B	9300 South Redwood Rd, WJordan	West	D & H Development	August 2000
13	110 Not Determined	26	B	1596 West 3395 South, WVC	West	Utah Non-Profit Housing	March 2001
TOTAL		997		* Tax Credit Units (SH) = Senior Housing			

Proposed 2000/2001 Construction (Please refer to the map)

Map	MLS Project Name	Units	Class	Address/Location	Location	Developer	Scheduled to begin
14	102 Jefferson School Apts	84	B (OH)	1075 South West Temple, SLC	West	SLC Housing Auth.	October 2000
15	102 Northgate Apartments	349	* B (OH)	500 West South Temple, SLC	West	Prowswood	December 2000
16	102 Winthrop Court	200-250	B	600 East 300 South, SLC	East	Not Determined	Summer 2001
17	108 Allegro/Corner Canyon	258	B	13300 S. Pony Express, Draper	West	SNK Development	Spring 2001
18	109 Not Determined	300	B	4800 West 13400 South, Riverton	West	Development Assoc.	Spring 2001
19	109 Not Determined	200	B	10800 S. Redwood Rd., SJordan	West	Development Assoc.	Fall 2001
20	109 Not Determined	200	B	12600 S. 4800 West, Riverton	West	Triton Investments	Fall 2000
21	109 Sterling Village II	255-290	A	11065 S. Sterling View Dr., SJordan	West	Pegasus Development	2001
22	111 City Front	120	* B (OH)	641 West North Temple, SLC	West	Prowswood	November 2000
TOTAL		1,966-2,051		(OH) = Olympic Housing * Tax Credit Units			

Note: In addition to the foregoing, Russell Grosse Development is in the process of master planning 25 acres of multi-family land at 7800 South and Bangerter Highway that will accommodate up to 500 units of A-B quality multi-family product. The total number of units to be developed has not yet been determined, although ground breaking on Phase I is expected to begin in Fall 2000 or Early Spring 2001. Delivery of Phase I units is expected to occur in 2001.

Construction Summary

Units under construction	East/West under construction	Proposed units for 2000	Proposed units for 2001
Class A Units 76	East Side Units 220	Class A Units 0	Class A Units 255-290
Class B Units 921	West Side Units 777	Class B Units 753	Class B Units 958-1,008
Total 997	Total 997	Total 753	Total 1,213-1,298