

Greater Salt Lake Multi-family Report

July 2001



EquiMark
PROPERTIES INC.



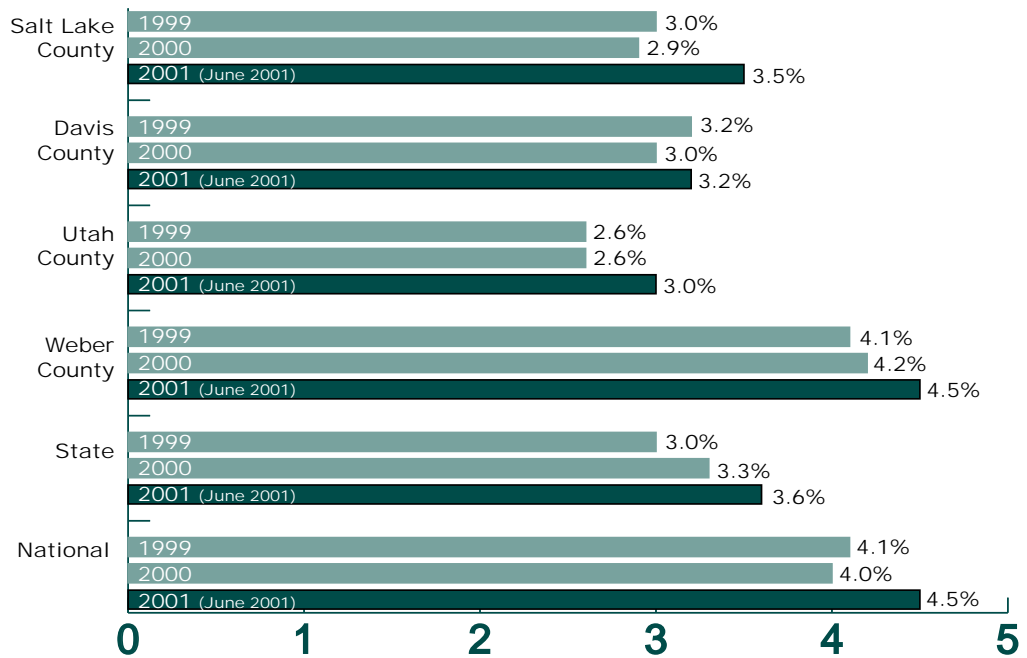
Utah Employment and Job Growth Remain Healthy

UTAH The unemployment rate in Utah has been one of the nation's lowest in recent years, averaging 3.5 percent during the 1994-2000 period. The Utah unemployment rate was 3.6 percent in June 2001, down from May's rate of 3.9 percent. According to the 2001 Economic Report to the Governor, Utah is the 11th fastest growing state in terms of job creation (November 1999 to November 2000). During 2000, Utah added 27,100 net new jobs, and the unemployment rate fell to 3.3%. The majority of these new jobs were in the service sector, which now comprises slightly more than one in every four jobs in the state.

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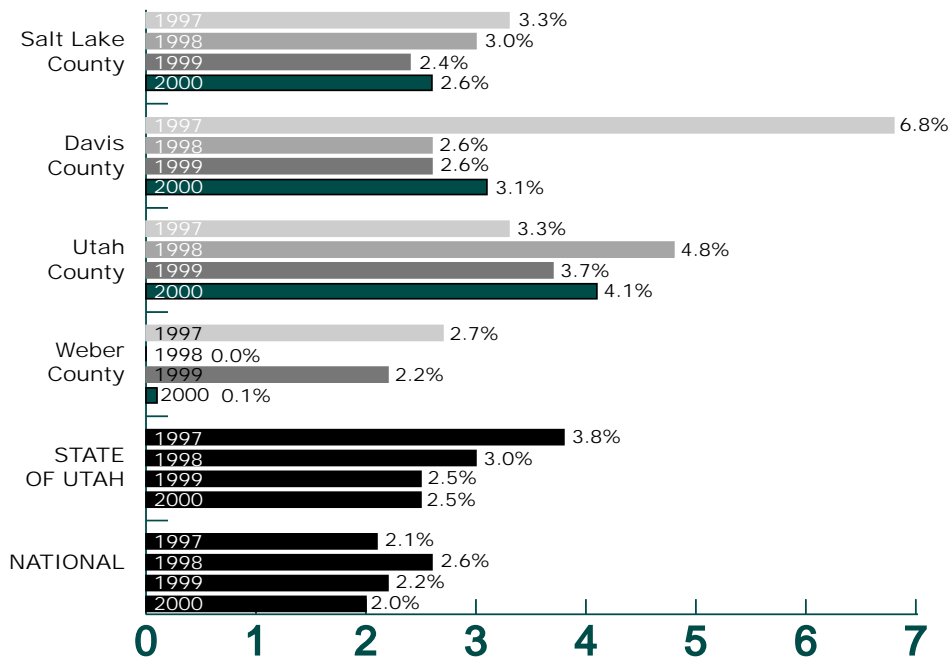
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Unemployment Rate



[Source: Utah Department of Workforce Services]

Job Growth



[Source: Utah Department of Workforce Services]

June 2001 Salt Lake County At A Glance

	2000 (12 mos.)	June 2001 (6 mos.)
Rent Growth.....	3.26%	1.35%
Vacancy.....	6.3%	5.8%
Average Overall Rental Rate.....	\$637/unit	\$646/unit
Average Rent Per Square Foot	\$0.75	\$0.76
Units Delivered	494 units	422 units
Job Growth (National: 2.0%)	2.6%	N/A
Unemployment (National: 4.5%)	2.9%	3.5%

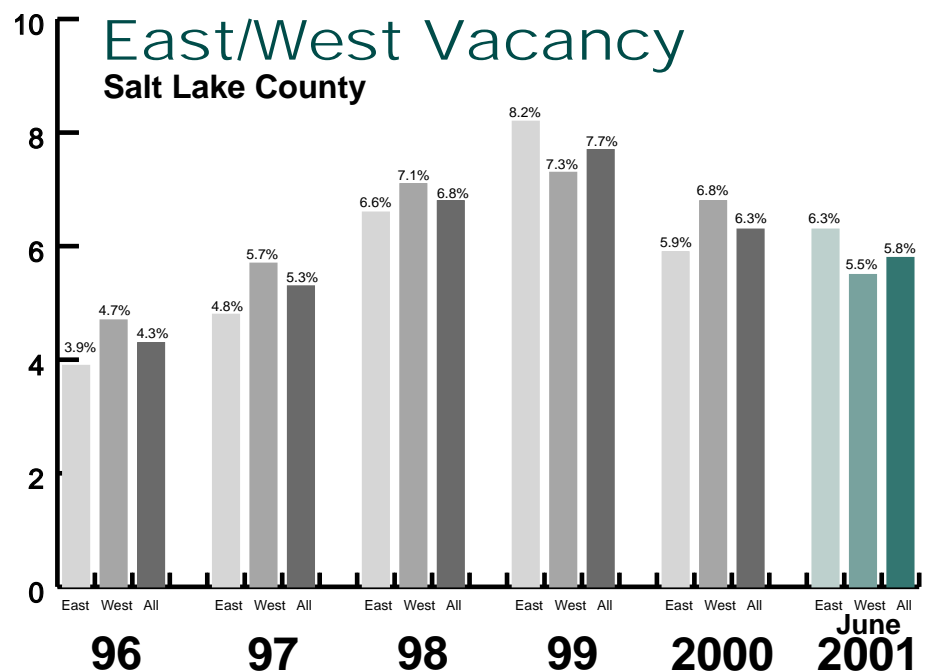
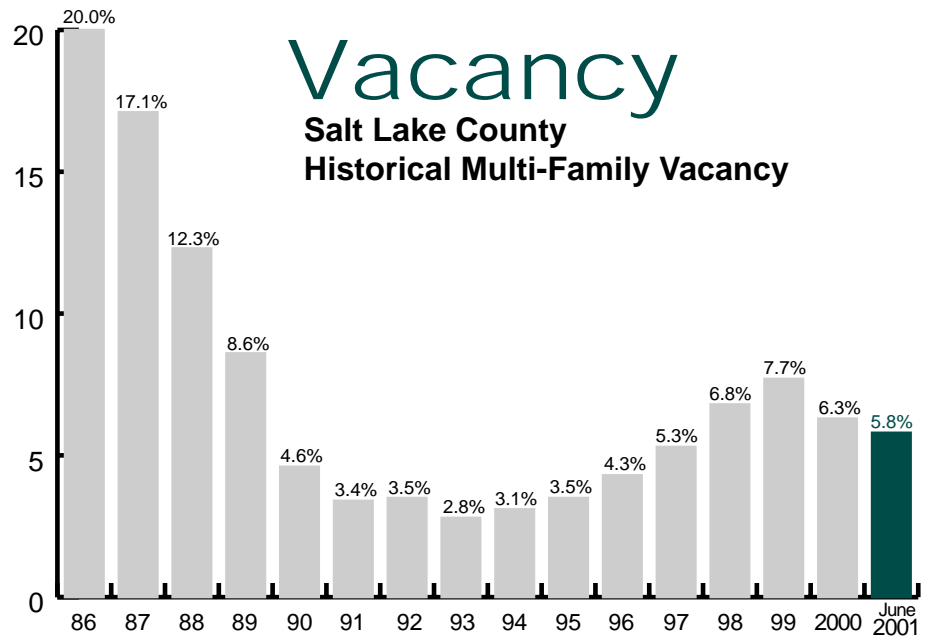
Occupancy Rates Continue to Strengthen

Salt Lake County Vacancy at 5.8%

The Salt Lake County vacancy rate continued its downward trend and dropped below 6% for the first time since 1997. Demand for rental units continues to be steady while the delivery of new product has slightly lagged, causing vacancy rates to decrease from the 2000 year-end level of 6.3%, to 5.8% in Salt Lake County as of June 2001. With incoming Olympic media and sponsors slated to occupy many of the new units scheduled for delivery between now and year end, the vacancy rate will likely continue to decrease between now and the completion of the 2002 Olympic Winter Games.

During the past six months across the Wasatch Front, the overall vacancy rate has dropped from 6.5% to 6.1% reflecting the same general trend occurring in Salt Lake County.

Semiannual reports of the Salt Lake area apartment market are generated by the research department of EquiMark Properties, Inc. utilizing its comprehensive multifamily database on Salt Lake County and the entire Wasatch Front.



Rental and Vacancy Rates

Salt Lake County (East/West)

Rent	June 2001	
	East	West
Average Rent	\$665	\$618
Avg. Square Feet	855	809
\$/Sq. Ft.	78¢	76¢
Vacancy	6.3%	5.5%

Rent	Year end 2000	
	East	West
Average Rent	\$657	\$610
Avg. Square Feet	856	809
\$/Sq. Ft.	77¢	75¢
Vacancy	5.9%	6.8%

Rent	June 2000	
	East	West
Average Rent	\$636	\$597
Avg. Square Feet	849	811
\$/Sq. Ft.	75¢	74¢
Vacancy	7.4%	6.8%

Tenants Want Internet Access

High-speed service enhances occupancy

According to a recent survey, two-thirds of all apartment tenants have computers. And nearly 50% of apartment residents say high-speed Internet access would affect their decision to rent a particular apartment in the future.

Interestingly enough, even though tenants would spend money on this service, most landlords that already offer it do not charge for it. Among

those apartments that provide the service, 41% charge while 59% do not. Why offer high-speed Internet access?

- Most apartment residents have a desktop (79%) or laptop (61%) computer.
- They spend one to four hours per day on the computer.
- About 82% spend some of their time on work-related projects.
- About 25% spend at least half their time on work-related projects.

Rental Rate Comparison

Salt Lake County	June 2000		Year end 2000		June 2001		% Change	
							(6 mos)	(12 mos)
Studio	\$421	\$1.01	\$421	\$1.02	\$423	\$1.04	1.82%	3.06%
1 Bed 1 Bath	\$542	83¢	\$556	85¢	\$562	86¢	1.83%	4.30%
2 Bed 1 Bath	\$605	68¢	\$619	69¢	\$628	70¢	1.59%	3.36%
2 Bed 2 Bath	\$741	74¢	\$757	76¢	\$769	77¢	.92%	3.51%
3 Bed 2 Bath	\$824	67¢	\$837	68¢	\$849	69¢	1.97%	3.75%
OVERALL	\$621	74¢	\$637	75¢	\$646	76¢	1.35%	3.71%

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).

- About 77% of apartment residents have Internet connection and pay an average of \$28 per month for the service. **Only 23% of apartment residents have high-speed Internet access.** Of those that don't, 45% intend to seek such access this year.

[Source: Apartment Finance Today, May / June 2001]

Moderate Rent Growth Continues

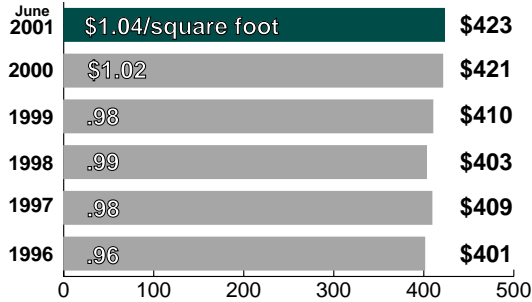
Fewer concessions for prospective residents

Average rent growth in Salt Lake County from June 2000 to June 2001 (12 months) was 3.71%, while year-to-date 2001 (6 months) rent growth has averaged 1.35%. The current average countywide rental rate is \$646 per month or \$.76 per square foot. When compared to the national average of \$897 per month and to neighboring cities such as Denver (\$838 per month) and Phoenix (\$693 per month), Salt Lake compares very favorably in apartment affordability.

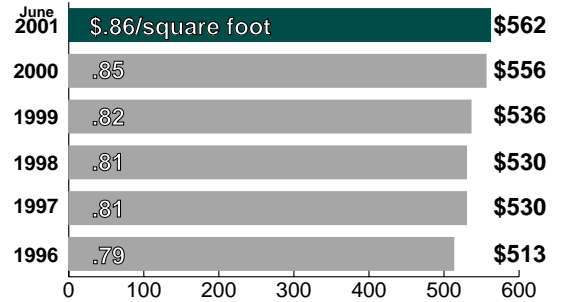
Rent growth in Salt Lake County is expected to increase between now and the 2002 Olympic Winter Games. Owners are currently offering fewer and smaller concessions to prospective residents. More and more owners are also beginning to pass through water and sewer costs to residents through the installation of sub-metering systems.

Salt Lake County Rental Rates

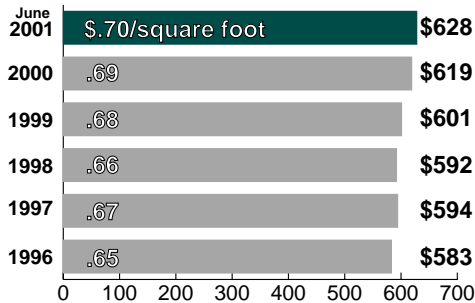
Studio Rental Rates



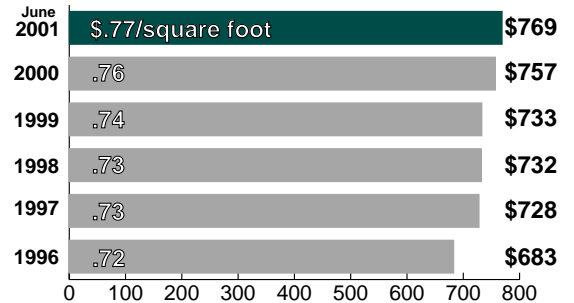
1 Bedroom 1 Bath



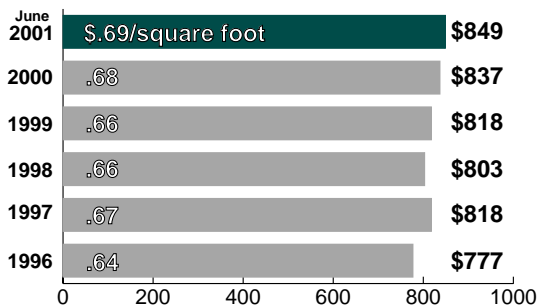
2 Bedroom 1 Bath



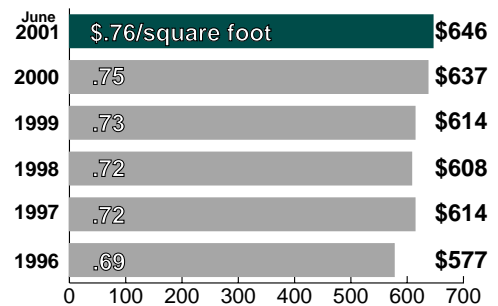
2 Bedroom 2 Bath



3 Bedroom 2 Bath

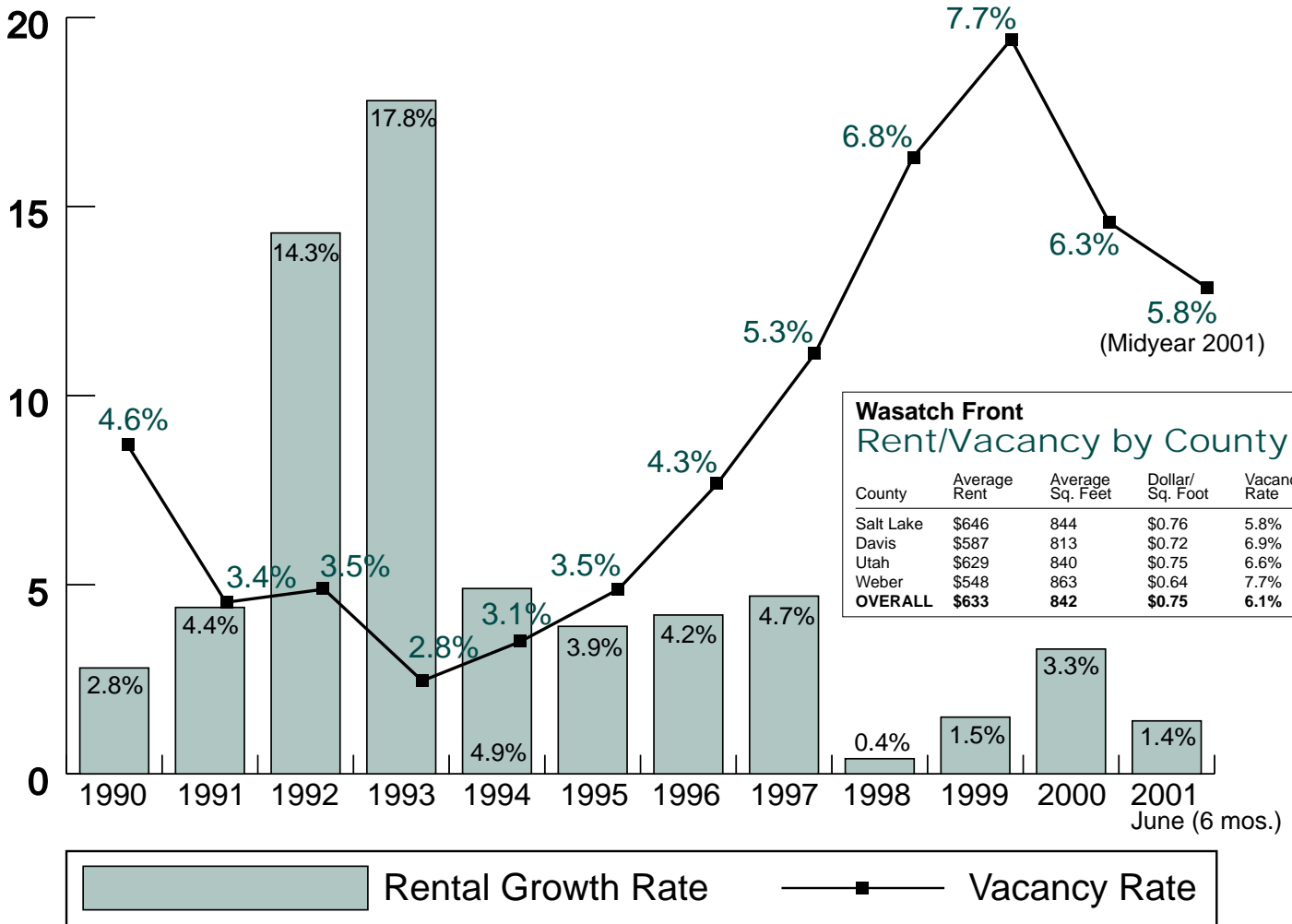


OVERALL



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	\$832	90¢	927
2 Bed 1 Bath	\$910	87¢	1,043
2 Bed 1-1/2 Bath	N/A	N/A	N/A
2 Bed 2 Bath	\$1,200	93¢	1,296
3 Bed 2 Bath	\$1,400	97¢	1,443
OVERALL	\$1,066	92¢	1,159

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

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	N/A	N/A	N/A
1 Bed 1 Bath	\$652	91¢	716
2 Bed 1 Bath	\$736	79¢	937
2 Bed 1-1/2 Bath	\$702	70¢	1,000
2 Bed 2 Bath	\$793	83¢	958
3 Bed 2 Bath	\$910	70¢	1,295
OVERALL	\$736	80¢	918

Class A (Other)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	\$556	\$1.00	554
1 Bed 1 Bath	\$668	91¢	735
2 Bed 1 Bath	\$731	79¢	924
2 Bed 1-1/2 Bath	\$730	70¢	1,046
2 Bed 2 Bath	\$862	85¢	1,012
3 Bed 2 Bath	\$1,048	80¢	1,306
OVERALL	\$775	85¢	913

Class B (Other) (Market Rate)

Unit Type	Rent	\$/Sq. Foot	Avg. Size
Studio	\$431	\$1.11	389
1 Bed 1 Bath	\$546	87¢	630
2 Bed 1 Bath	\$640	71¢	902
2 Bed 1-1/2 Bath	\$706	69¢	1,024
2 Bed 2 Bath	\$709	71¢	998
3 Bed 2 Bath	\$826	67¢	1,232
OVERALL	\$630	75¢	839

The Case for Professional Management

Higher occupancy—better tenant retention

Professionally managed apartments have higher occupancies and larger rent increases compared to all apartment communities nationally, according to a research report published by the National Multi Housing Council.

“Professionally managed” apartments refer to those owned and managed by real estate investment trusts or by large regional or national companies.

The research findings suggest that professionally managed apartment communities are likely to benefit from superior management rather

than just property location or other characteristics.

Nationwide, average annual rent increases averaged between one and two percentage points higher in professionally managed properties than for all rental housing in properties monitored by M/PF Research.

Similarly, average vacancy rates nationwide have been three to four percentage points lower in professionally managed apartments than for all multifamily housing.

[Source: Apartment Finance Today; May/June 2001]



Utah Ranks High

Utah was recognized by several independent, nationwide reviews and studies in 2000 as an excellent place in which to live and conduct business. Some of these studies included, but were not limited to:

Money Magazine ranked the Salt Lake City/Ogden metropolitan area as the best place to live in the West. Utah received this favorable ranking because of affordable housing prices, agreeable commute time, recreational opportunities and the quality of schools.

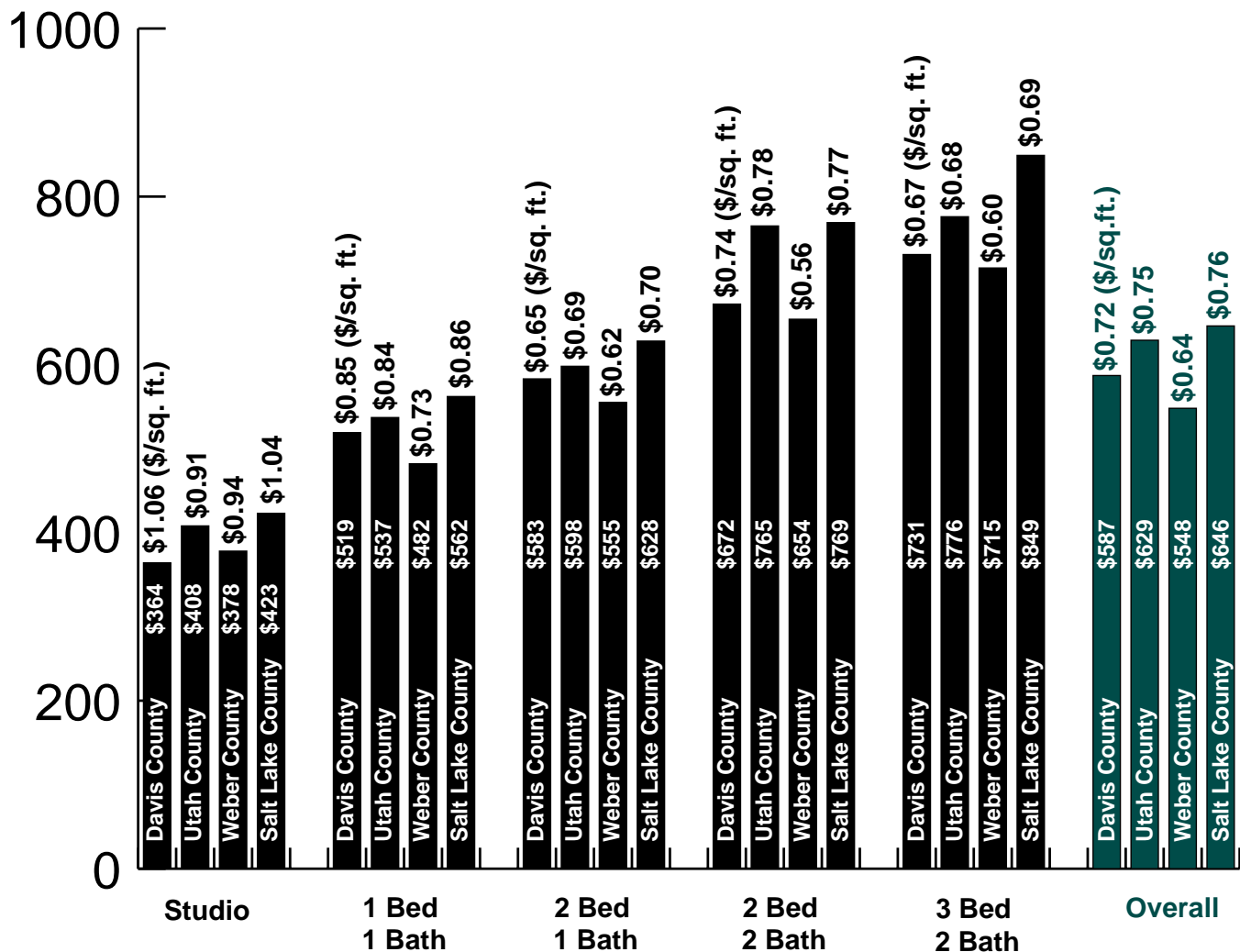
Utah ranked 12th in the nation in 2000 in readiness to take advantage of the opportunities for growth in the New Economy.

The Salt Lake/Ogden area was ranked third by both Dun & Bradstreet and Entrepreneur magazine as a hot spot for high tech business growth.

[Source: 2001 Economic Report to the Governor]

Wasatch Front Rental Summary

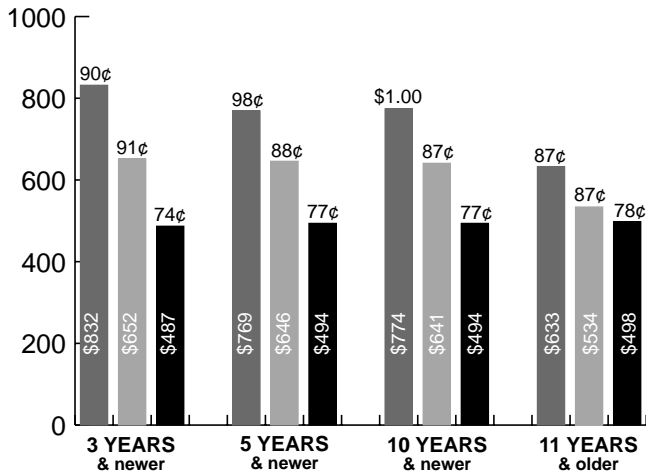
Rents by unit type (by county)



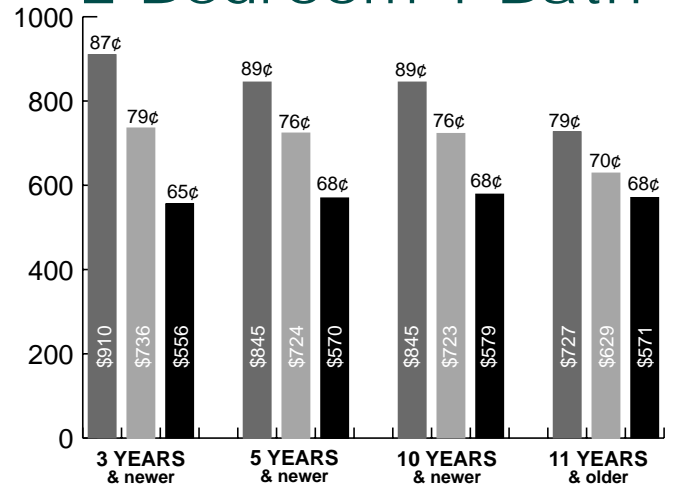
Salt Lake County Rental Summary by Unit Type, Age, Property Class

The dollar amount at the top of the graphs is the price per square foot. The dollar amount inside the graphs is the actual rental rate.

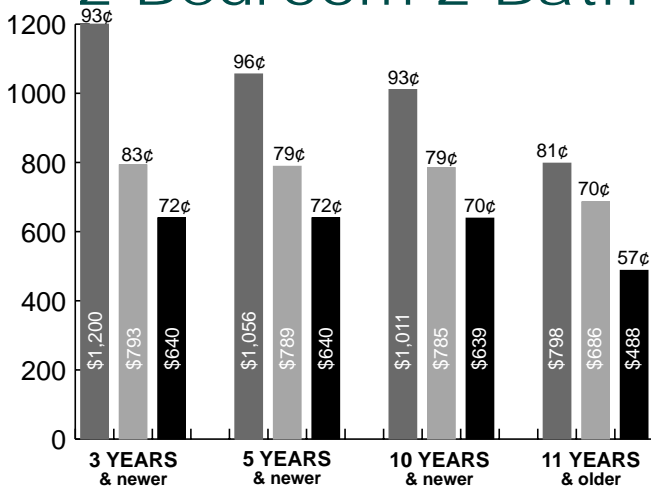
1 Bedroom 1 Bath



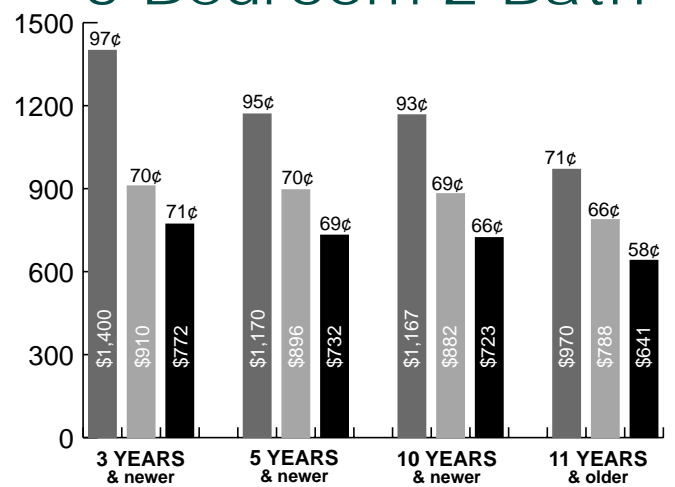
2 Bedroom 1 Bath



2 Bedroom 2 Bath



3 Bedroom 2 Bath



OVERALL

