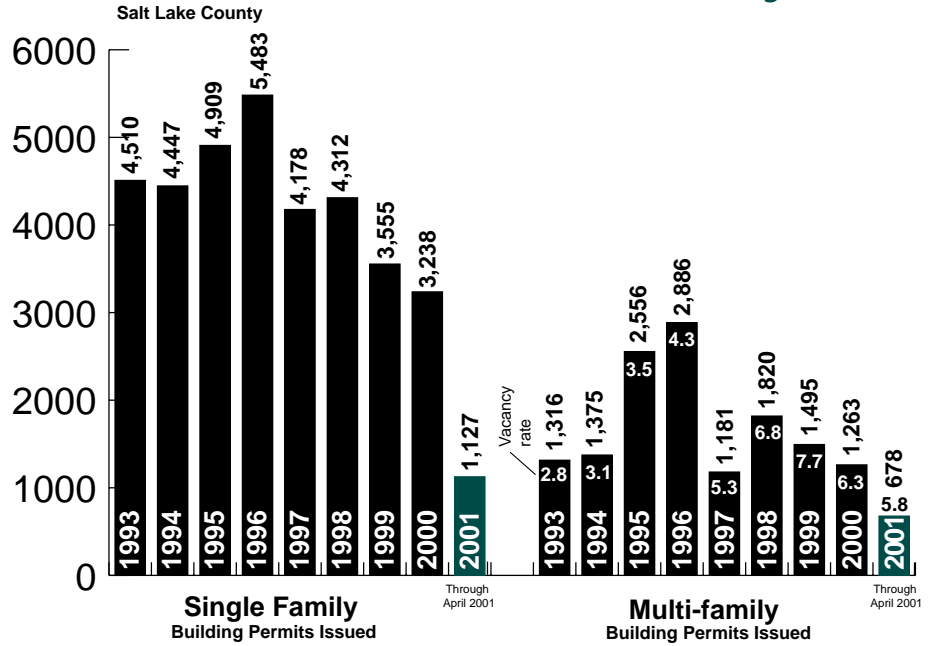


Construction Activity Remains in Balance

Olympic units nearing completion

Completed multi-family construction year-to-date 2001 has been moderate at 422 units. An additional 871 units, all "Class B," are slated to be completed by year-end. The total of approximately 1,300 new units for 2001 falls within the estimated range of demand required by existing population and job growth combined with the overall economic climate in Salt Lake County. Approximately 400 of these new units will house members of the media and corporate sponsors of the 2002 Olympic Winter Games. An additional 1481 units are scheduled to begin construction by year-end, although historically, only about 75% of proposed new units ultimately get constructed.

Permits Issued vs. Vacancy



Completed 2001 – Year to Date Construction (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer
1	102	Wilford Apts	14	B	932 South 200 West, SLC	West	Crownstone Dev.
2	108	Silver Pines	144	B (SH)	10975 South 700 East, Sandy	East	Int. Dev. Group
3	109	Ridge at Jordan Landing	264	B	3800 West 7000 South, W Jordan	West	Prowswood
TOTAL			422				

* Tax Credit Units (SH) = Senior Housing (OH) = Olympic Housing

Under Construction (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer	Estimated Completion
4	102	Bridge Apts	71	B	200 South 500 West, SLC	West	Artspace Inc.	August 2001
5	102	Jefferson School Apts	84	B (OH)	1075 South West Temple, SLC	West	SLC Housing Authority	December 2001
6	102	Northgate Apts	330	* B (OH)	500 West South Temple, SLC	West	Prowswood	December 2001
7	109	Legacy Springs	204	B	12600 South 4800 West, Riverton	West	Triton Investments	April 2002
8	109	Westgate/Jordan Landing	288	B	3850 West 7000 South, W Jordan	West	Miller Dev.	December 2001
9	109	Willow Cove Apts Ph VII	72	B	9300 South Redwood Rd, W Jordan	West	D&H Dev.	August 2001
10	110	Not Determined	26	B	1596 West 3395 South, W Valley	West	Utah Nonprofit Housing	October 2001
TOTAL			1,075					

* Tax Credit Units (SH) = Senior Housing (OH) = Olympic Housing

Proposed 2001 Construction (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer	Scheduled to begin
11	108	Allegro/Corner Canyon	258	A	13300 S. Pony Express, Draper	West	SNK Development	4th Quarter 2001
12	109	Not Determined	409	* B (SH)	4800 West 13400 South, Riverton	West	Development Assoc.	Fall 2001
13	109	Not Determined	300	B	5600 West 9000 South, W Jordan	West	PSC Development	December 2001
14	109	The Bluffs	168	B	Bangerter & Redwood, Bluffdale	West	PSC Development	October 2001
15	109	Jordan River Apts	48	B (SH)	7937 South 2700 West, W Jordan	West	Garrison Company	Fall 2001
16	109	Park/Jordan Landing Ph I	143	A	7800 South 3800 West, W Jordan	West	Russell Grosse Dev.	Summer 2001
17	111	City Front Apts	155	B	641 West North Temple, SLC	West	CDS Investments	September 2001
TOTAL			1,481					

* Tax Credit Units (SH) = Senior Housing

Proposed 2002 Construction (Please refer to the map)

Map	MLS	Project Name	Units	Class	Address/Location	Location	Developer	Scheduled to begin
18	102	Winthrop Court Ph I	200	A	600 East 300 South, SLC	East	Overland Dev.	1st Quarter 2002
19	109	Not Determined	280	B	7800 South 5600 West, W Jordan	West	Peterson Dev.	2002
20	109	Jordan Hills Apts	344	B	7800 South 6500 West, W Jordan	West	Triton Investments	Fall 2002
21	109	Sterling Village Ph II	300	A	11065 S. Sterling View, S Jordan	West	Pegasus Dev.	2002
TOTAL			1,124					

Construction Summary

Units under construction	East/West under construction	Proposed units for 2001	Proposed units for 2002
Class A Units 0	East Side Units 0	Class A Units 401	Class A Units 500
Class B Units 1,075	West Side Units 1,075	Class B Units 1,080	Class B Units 624
Total 1,075	Total 1,075	Total 1,481	Total 1,124

Salt Lake-Provo Garners High Ranking

Inc. magazine ranked Salt Lake City-Provo as the second best metropolitan area in the country to launch and grow a new business.

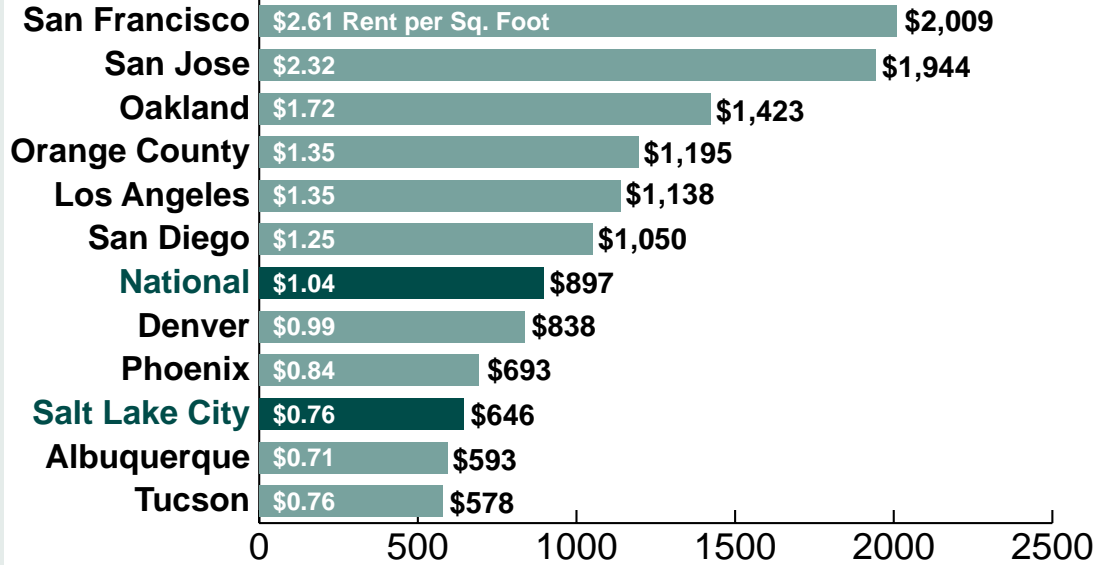
UTAH

Utah was named the fourth most livable state by Morgan Quitno Press in 2000. The award is based on statistical indicators for affordable housing, safe streets, employment opportunities, the strength of education systems, and the general health of state economies.

Utah was one of only three states that earned straight A's in the 14th annual 2000 Development Report Card for the States. Utah's ranking reflected strong employment growth, a low poverty rate, an even income distribution, strong charitable giving, and high rates of home ownership.

[Source: 2001 Economic Report to the Governor]

Comparative Rents Between Major Western Cities



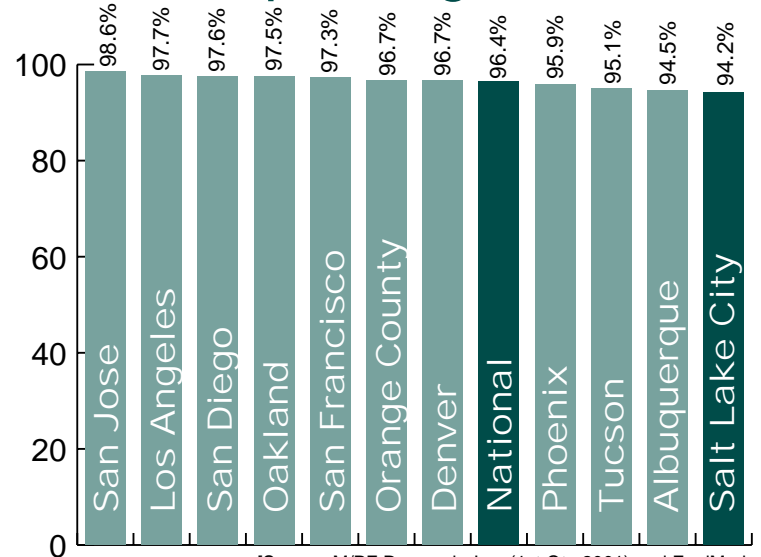
[Source: M/PF Research, Inc. (1st Qtr. 2001) and EquiMark Properties, Inc. (Salt Lake statistics only June 2001)]

Salt Lake County Summary of Rental Add-ons

	% of Properties Charging For Add-ons	Average Charge
Garage	9.8%	\$50
Covered Parking	11.5%	\$17
Additional Parking	3.0%	\$16
RV Parking	1.5%	\$26
Storage	11.7%	\$17
Washer/Dryer	4.7%	\$33
Pet Rent	5.1%	\$24

[Source: EquiMark Properties, Inc.]

Occupancy Rates



[Source: M/PF Research, Inc. (1st Qtr. 2001) and EquiMark Properties, Inc. (Salt Lake statistics only June 2001)]

Salt Lake County vs. National Rates (Spring/Summer 2001)

	Occupancy		Monthly Rent		Square Feet		Rent/Sq. Ft.	
	National	SLC	National	SLC	National	SLC	National	SLC
Total	96.4%	94.2%	\$897	\$646	863	844	\$1.04	\$0.76
Efficiency	95.9%	94.5%	\$694	\$423	466	407	\$1.49	\$1.04
One Bedroom	96.6%	94.5%	\$789	\$562	698	651	\$1.13	\$0.86
Two Bedroom	96.3%	93.4%	\$973	\$671	983	939	\$0.99	\$0.71
Three Bedroom	96.2%	94.4%	\$1,200	\$849	1,263	1,225	\$0.95	\$0.69

[Source: M/PF Research, Inc. (1st Qtr. 2001) and EquiMark Properties, Inc. (Salt Lake statistics only June 2001)]



Utah has a Young Population & Fewer Apartments for Residents *Residents value homeownership*

The following table shows how Utah and Salt Lake County compares to surrounding locales pursuant to the ratio of homeowners versus renters as a percentage of the overall housing stock. The table illustrates the lower than average percentage of rental stock that exists within the market, as well as the lowest overall median age.

Allocation of Housing: Homeowners vs. Renters

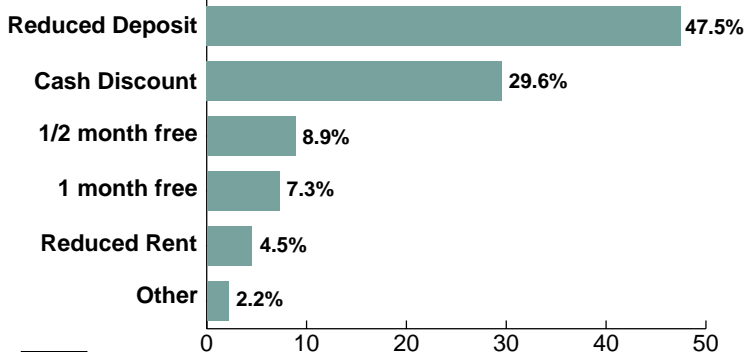
	Homeowner-ship Rate	Rental Rate	Population Growth (% Change from 1990)	Avg. Household Size of Renter-Occupied Units	Median Age	Households with individuals under 16 years	Households with individuals 65 years and over
Counties							
Davis County	77.5%	22.5%	27.2%	2.77	26.8	52.3%	16.5%
Salt Lake County	69.0%	31.0%	23.8%	2.53	28.9	43.4%	17.3%
Utah County	66.8%	33.2%	39.8%	3.21	23.3	51.3%	15.8%
Weber County	74.9%	25.1%	24.1%	2.63	29.3	43.6%	21.2%
Salt Lake City - Ogden	71.3%	28.7%		2.57	26.6	44.9%	17.8%
Utah (State)	71.5%	28.5%	29.6%	2.75	27.1	45.8%	18.6%
Nation	66.2%	33.8%	13.1%	2.40	35.3	36.0%	23.4%
Regional Counties							
Salt Lake County	69.0%	31.0%	23.8%	2.53	28.9	43.4%	17.3%
Maricopa County, AZ (Phoenix)	67.5%	32.5%	44.8%	2.54	33.0	36.2%	22.0%
Los Angeles County, CA	47.9%	52.1%	7.4%	2.85	32.0	41.3%	21.5%
San Diego County, CA	55.4%	44.6%	12.6%	2.68	33.2	37.2%	22.3%
San Francisco County, CA	35.0%	65.0%	7.3%	2.06	36.5	19.4%	23.9%
Denver County, CO	52.5%	47.5%	18.6%	2.10	33.1	26.3%	19.3%
Clark County, NV (Las Vegas)	59.1%	40.9%	85.6%	2.50	34.4	35.4%	21.0%
Bernalillo County, NM (Albuquerque)	63.7%	36.3%	15.8%	2.22	35.0	34.8%	20.6%
States							
Arizona	68.0%	32.0%	40.0%	2.53	34.2	35.4%	24.5%
California	56.9%	43.1%	13.6%	2.79	33.3	39.7%	22.3%
Colorado	67.3%	32.7%	30.6%	2.30	34.3	35.3%	17.7%
Nevada	60.9%	39.1%	66.3%	2.47	35.0	35.3%	21.3%
New Mexico	70.0%	30.0%	20.1%	2.41	34.6	38.6%	22.4%
Utah	71.5%	28.5%	29.6%	2.75	27.1	45.8%	18.6%

[Source: 2000 Census Data]

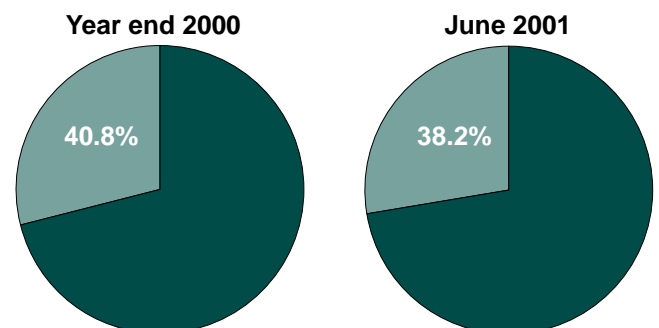
Rental Concessions Shrinking as the Market Continues to Stay Firm

During the past 6 months, the dollar value of rental concessions being offered to prospective residents has decreased. There are also fewer properties offering any type of concession than existed at year-end 2000.

Rental Concessions (Summer 2001)



Properties Offering Concessions



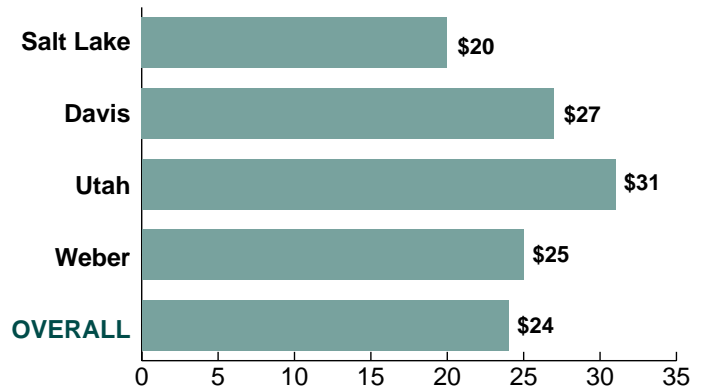
Wasatch Front Application Fees Range From \$10 to \$50



Application fees are a nonrefundable up-front charge paid to a landlord when the potential resident applies to rent an apartment. This fee offsets the cost of running the application through the landlord's qualifying criteria.

Along the Wasatch Front, the application fees range from \$10 to \$50. Application fees are currently illegal in Salt Lake City, Midvale and any unincorporated areas of Salt Lake County. Application fees remain legal to every other incorporated city in Salt Lake County and all other Utah counties.

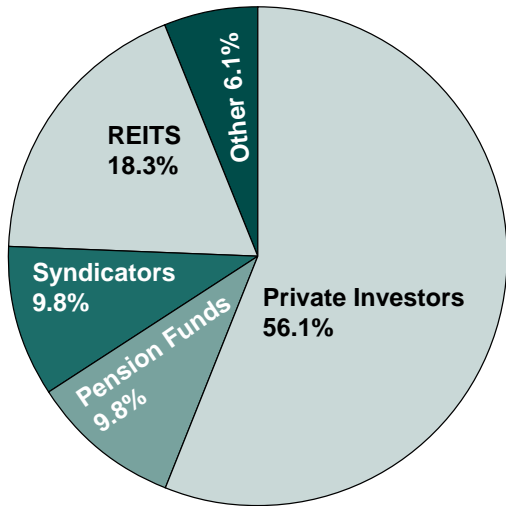
Wasatch Front Average Application Fees



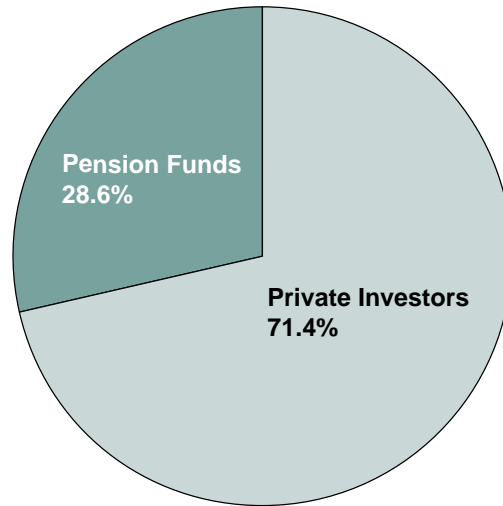
Wasatch Front Buyer Profile

100+ units or larger

As illustrated by the following graphs, in recent years, the vast majority of purchasers of larger apartment properties in Salt Lake County and along the entire Wasatch Front are Private Investors. In most cases, these investors are utilizing dollars generated through Section 1031 tax deferred exchanges to acquire larger and/or newer assets. Private Investors are also utilizing equity generated through the refinancing of existing assets to expand the size of their apartment portfolios.



1991-2000



Year to date 2001

Salt Lake Ranks First in Computer Ownership



Utah was ranked first in the nation in two independent surveys of families owning home computers. Scarborough Research ranked Salt Lake City top of the nation with an estimated 73% of families owning home computers. Scarborough also ranked Salt Lake City fifth in the nation with an estimated 50% of households being Internet connected.

Sprint Business ranked both Provo/Orem and Salt Lake/Ogden in the top ten out of 313 metropolitan areas for economic productivity.

Forbes Magazine ranked Provo/Orem and Salt Lake/Ogden 20th in its annual "best places to do business in America."

The U.S. Census Bureau ranked Utah eighth in median household income, fourth in percentage of population over 25 with a high school diploma, 10th in percent of population over 25 with a bachelor's degree or more, and second lowest poverty rate in the nation. All rankings are based on 1999 estimates.

[Source: 2001 Economic Report to the Governor]

Dispelling Apartment Community Myths

Very often, municipal Planning Commissions and City Councils oppose the development of moderate to high-density apartment communities due to inadequate or erroneous information about the negative impact such development may cause. Following are answers to some of the unfounded myths associated with the well-conceived development of apartment communities.

Myth: Apartments Do Not Pay Their Own Way

Misinformed neighborhood activists often insist that apartment residents do not pay for the public services they use because they do not pay property taxes. While renters do not directly pay property taxes, apartment owners do, and often at higher commercial rates than single-family taxpayers. Apartment residents also pay a variety of other state and local taxes that contribute significantly to local jurisdictions. The National Association of Home Builders estimates the first-year benefits of building 100 multifamily homes in a typical city is \$4.8 million in local income and the ongoing, annual impact of 100 new apartment households is \$1.35 million in local taxes, fees and business receipts.

Myth: Apartments Contribute Disproportionately to School Overcrowding

This inaccurate but persistent claim is particularly deleterious to the apartment industry considering public schools are generally the single largest expense for local governments. In reality, occupied multifamily homes typically have just 36 school-aged children per 100 households compared to 63.2 for single-family dwellings.

Myth: Apartments Increase Local Infrastructure Costs

Despite claims to the contrary, the per unit cost of providing public services decreases as the density of development increases. Low-density development requires more miles of roads, sewers, and water lines, and public services such as police and fire protection to be spread over a larger geographic area. Apartments make more efficient use of existing infrastructure because of their high-density nature and because they tend to be concentrated in areas already well served by existing roads and public facilities.

Myth: Apartments Bring Higher Crime Rates

This commonly held assumption is based primarily on faulty perceptions of who lives in today's apartment communities. When analyzed on a per-unit basis, there is no evidence that the rate of police activity is higher in apartment communities than in single-family residences. In fact, apartment owners, sensitive to neighborhood fears, are concentrating more efforts on crime prevention and risk management. Indeed, one of the fastest growing segments of the apartment industry is the luxury property sector, which attracts residents, in part, because of amenities such as built-in alarms and controlled access systems.

Myth: Apartments Disproportionately Increase Traffic and Congestion

Misguided officials often believe they can reduce traffic and congestion problems by limiting apartment construction. They fail to consider, however, the fact that multifamily residents are more likely to use public transportation. Compared to single-family residents, apartment renters own fewer vehicles, and they generate fewer daily vehicle trips. One study estimates that an apartment property of two or more stories generates 60 to 70 percent the number of vehicle trips of a single-family unit. Multifamily residents also contribute less to rush hour traffic. Fully 1.10 people per single-family home drive to work compared to 0.55 per rental apartment.

Myth: Apartments Reduce the Value of Nearby Single Family Residences

This baseless claim is perhaps the most persuasive argument used to mobilize opposition to new apartment construction. Progressive communities have seen first hand that a modern apartment community, through environmental planning and exterior landscaping, is fully compatible with surrounding single-family neighborhoods.

According to the National Association of Home Builders, between 1987 and 1995, single-family detached dwellings located near (within 300 feet of) multifamily communities appreciated at roughly the same rate as those not near an apartment property, 3.12 percent compared to 3.19 percent.

Myth: Apartments House Only the Poor, the Young and Recent Arrivals

There is a new view of who lives in apartments; one that challenges the perceptions many Americans have about apartment living. Today's apartment residents span the full spectrum of American society and represent all age groups, family types, incomes and ethnicities. For example, one in 10 apartment households makes more than \$50,000 a year; 30 percent of all apartment households have incomes that put them in the top half of the national income distribution; 70 percent of all renters are age 30 or older; and 20 percent of renter households are married couples, half of whom have at least one child.

Myth: Only Homeownership Fosters Good Citizenship

The benefits of homeownership to local communities are overstated and the disadvantages tend to get swept under the rug. Academic studies have shown that many of the perceived differences between owners and renters in civic and neighborhood involvement are non-existent. Other differences are small and often not attributable to ownership per se, but to other characteristics that distinguish owners from renters, like age and family size. Apartment renters are, in many ways, as active in local communities as homeowners.

Myth: Apartments Do Not Bring Value to Local Communities

The apartment industry is a key element of the nation's economic prosperity, and communities that adopt zoning and other policies that preclude renters lose a vitality needed to keep the jurisdiction prosperous, dynamic, and livable. These cities and suburbs squeeze out a segment of the population vital to local businesses as both customers and employees. Firms seeking to relocate or expand look for communities that offer a wide range of housing options, including apartments, for their potential employees. An adequate supply of affordable housing, therefore, can be essential to a municipality's labor supply and thus the area's economic growth. Further, apartments provide much-needed housing for moderate-income police, firemen, teachers and nurses who provide many of the services local communities rely on for a high quality of life.

Myth: The Preference for Single-Family Housing is Universal

The carefully nurtured emotional preference for homeownership overlooks the simple but important fact that multifamily housing fills a market need. Many households now prefer to rent. For some, renting is the right economic choice. For others, apartments offer access to amenities and technologies not available or affordable in single-family housing. Still others appreciate the freedom to respond to job and lifestyle changes that apartments afford them. Fully 20 percent of respondents to the 1996 Fannie Mae Housing Survey said their ideal housing is a luxury apartment with many amenities. Meanwhile, the number of adults who selected the traditional single-family detached house with a yard as their ideal dropped almost seven percent. Apartments offer a housing option to long-term residents who wish to "age in place" and young professionals looking to establish their careers and their own households in the towns in which they were raised.

[Source: National Multi Housing Council]

The Local Impact of Multifamily Communities

Citizens and local officials often misinformed

Historically, homeowners have been prejudiced about renters. Homeowners are generally misinformed about apartments and their residents. They do not want developers to build apartments in their backyards. The reasons: fear and ignorance. The results: local governments, eager to retain voter support, erect barriers to higher-density development. They enact zoning ordinances that do not permit compact development.

- *Apartments preserve more open space.* Apartments conserve land. They take up less room leaving more open space. Apartments also help create walkable neighborhoods.
- *Apartments reduce traffic and congestion.* Apartment residents are more likely than single-family residents to use public transportation. Apartment residents average only 1.0 motor vehicles per household while owner-occupied houses average 2.1.
- *Apartments provide a diversified work force.* When communities welcome all types of citizens (renters and homeowners), the community receives a diversified work force and is able to attract top employers to their area.
- *Apartment communities pay fair share of taxes.* Opponents to apartments claim renters do not pay for public services because they do not pay local real estate taxes. This is untrue. Property taxes are one of the largest expense items for apartment communities.

Apartment owners pay property taxes at a much higher rate than do single-family homes. They pay a variety of other state and local taxes that contribute to local jurisdictions. This means that apartment residents—who ultimately pay those taxes through their rent—face higher property tax rates than homeowners.

The Minnesota Taxpayers Association (MTA) found apartments to be taxed more heavily than houses. . . in every state. MTA divided the tax by the property value to calculate the Effective Tax Rate (ETR). In New York, for example, each dollar of market value of apartments is taxed 5.96 times as heavily as each dollar market value of houses. In Utah, it's 1.17.

- *Apartments make better use of city infrastructures.* Apartments are more efficient than single-family homes.

- *Apartments require fewer services.* The per-unit cost of providing public services decreases as the density of development increases. It's simple mathematics. Apartments require fewer miles of roads, sewers and water lines.

As the number of single family developments in an area grows, public services (such as police and fire protection) must be spread over a larger geographic area. Apartments make these services less expensive to service than single-family homes.

- *Apartments do not attract crime.* When analyzed on a per-unit basis (one apartment unit versus one single-family home), there is little evidence that the rate of police activity is higher in apartment communities than in single-family residences.
- *Apartments may decrease crime rates.* More apartments concentrate efforts on crime prevention and risk management. In fact, one of the fastest growing segments of the apartment industry is the luxury property sector. In these apartments, it is common to have built-in alarms, 24-hour-security services and controlled access systems.
- *Apartments place less burden on schools.* Apartments do not contribute to school overcrowding. In reality, apartments contribute fewer children per household to school systems than single family homes. Only 20% of all occupied apartments had one or more school-aged (5-18) children compared to 33% of owner-occupied single-family homes.
- *Apartments attract fewer families with children.* There are fewer children in apartments nationally. The average apartment household has 0.5 children while single-family homes have 0.7.
- *Life-style renters.* Contrary to popular belief, it's not only the economically challenged people who rent. Rich people rent, too. Even though many people are financially able to buy a home, they choose to rent for many reasons:
 - access to technologies not available in single-family housing
 - flexibility to move in response to job and life-style changes
 - more amenities such as private entries, nine-foot ceilings, etc.

[Source: National Multi-Housing Council]



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