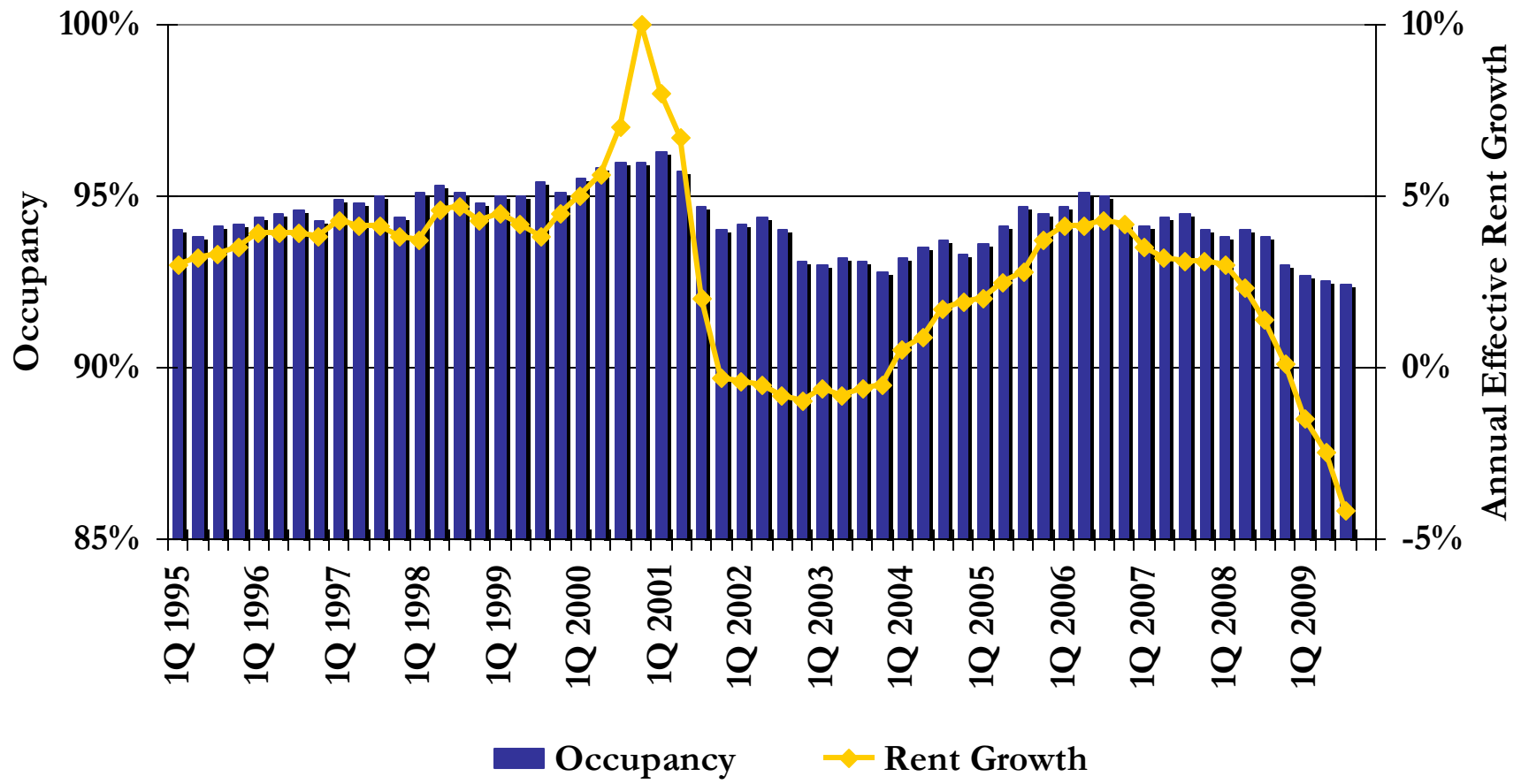


Multifamily Market Prospects

for

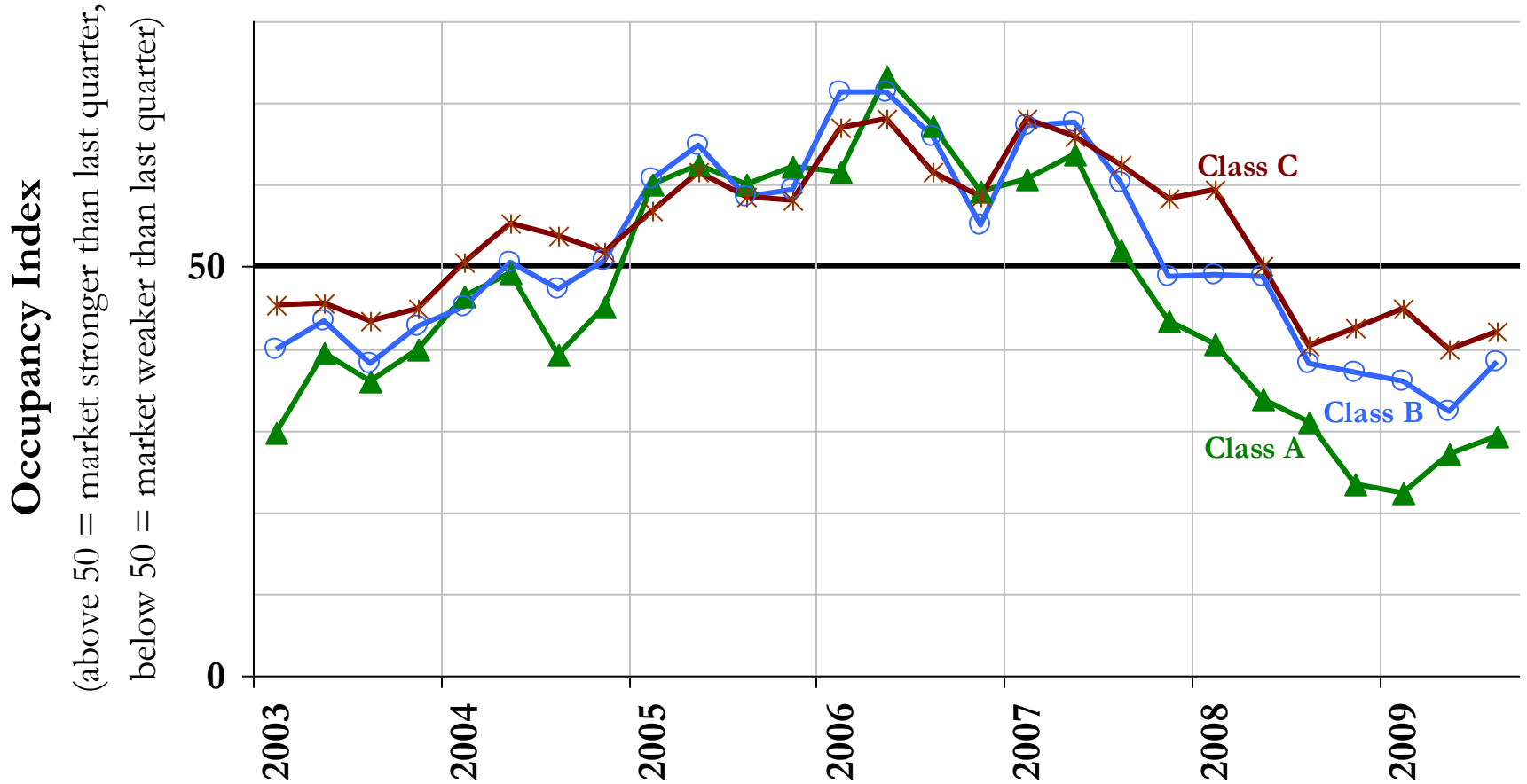
NAHB Multifamily Leadership Board

Late 2009: no surprise in occupancy; rents weaker



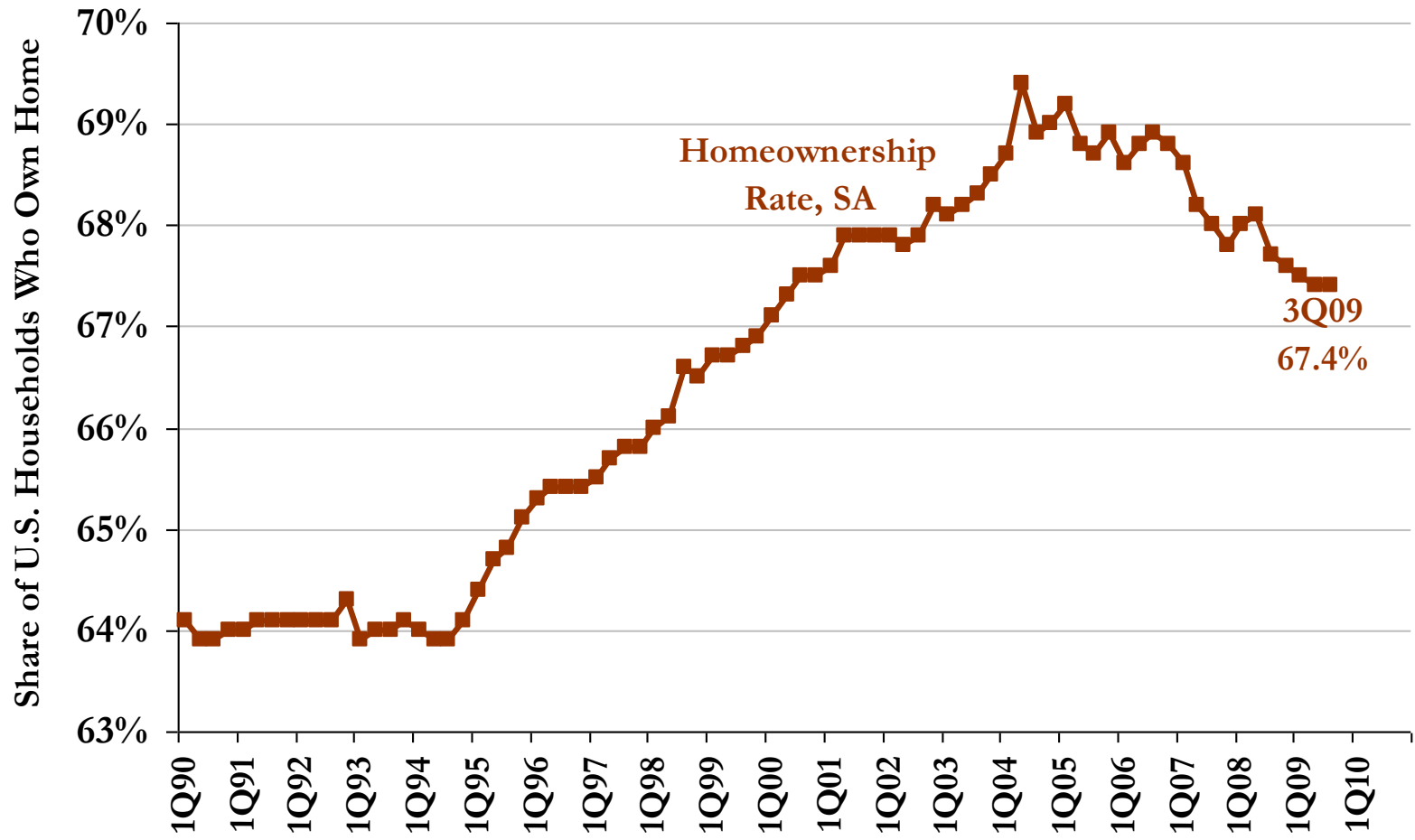
Source: Witten Advisors

Occupancy decline began at top – near a bottom?



Source: NAHB Multifamily

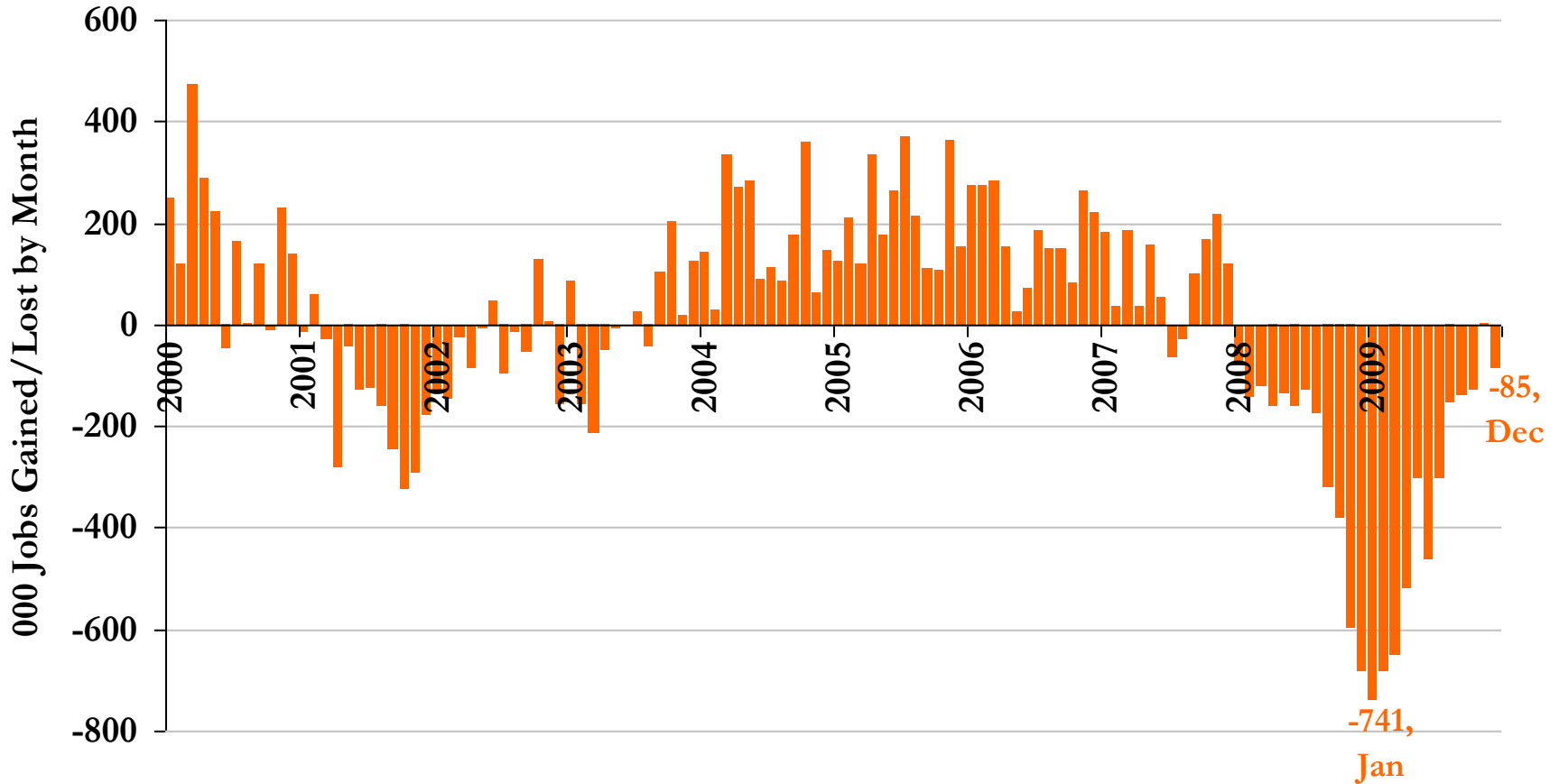
Flight from ownership key to success – but slowing?



Source: U.S. Department of Commerce

Apartment Demand Drivers

Job losses moderating since mid-2009

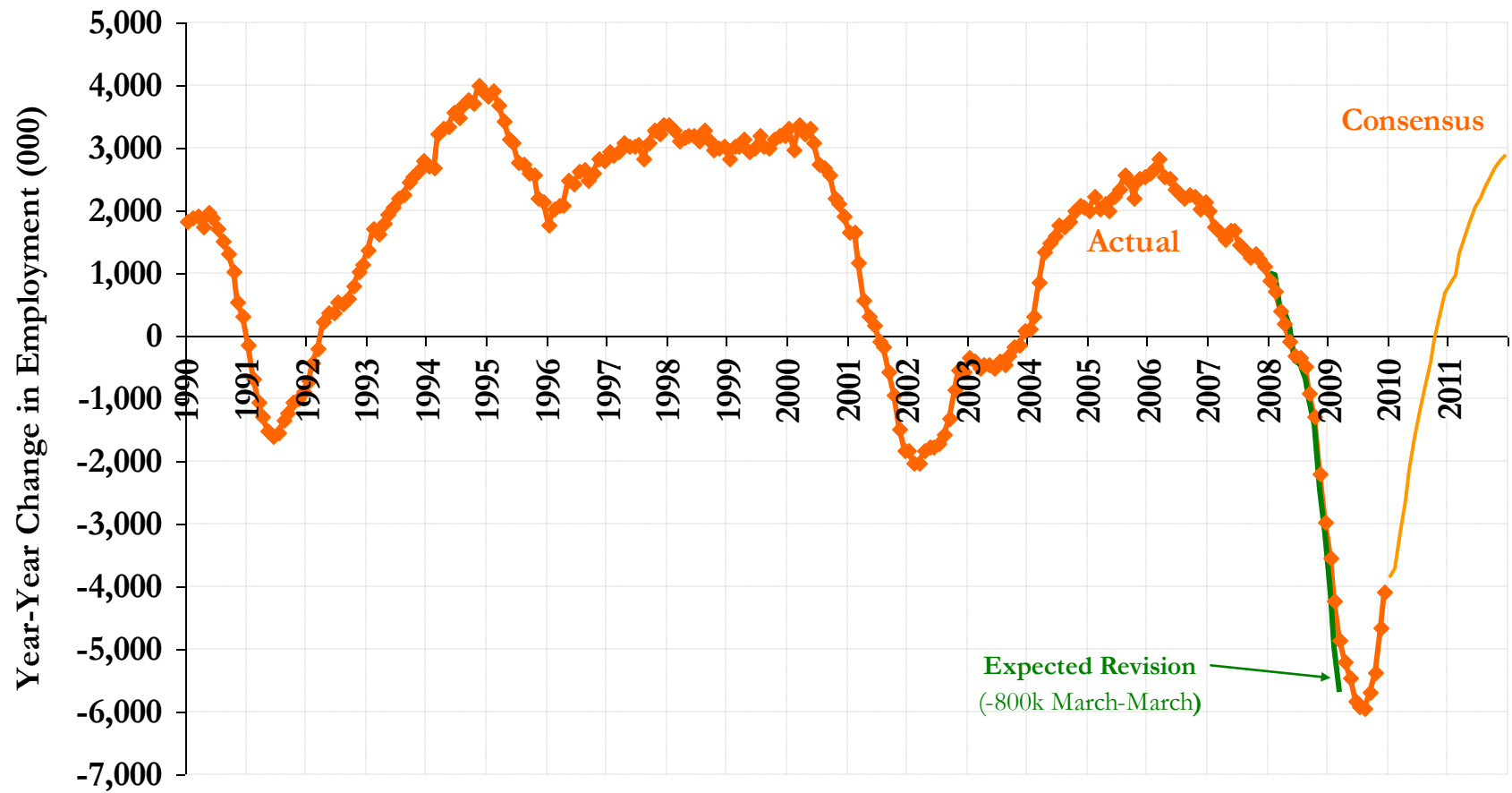


Source: U.S. Bureau of Labor Statistics

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Jobs Forecast: 2010 positive; 2011+ recovery



Sources: U.S. Bureau of Labor Statistics; Consensus includes Economy.com, National Association for Business Economics, Federal Reserve Bank of Philadelphia, Standard & Poor's, Wells Fargo (formerly Wachovia)

Apartment Demand Patterns

Apartment Absorption: Leaders

12 Months ending 3Q 2009

1.	Raleigh	2.1k
2.	Riverside	1.5k
3.	Austin	1.3k
4.	Houston	1.1k
5.	Orlando	1.1k
6.	Charlotte	0.6k
7.	Salt Lake City	0.6k
8.	San Antonio	0.2k
9.	Indianapolis	0.2k
10.	Dallas	0.1k

Absorption Rate: Laggards

12 Months ending 3Q 2009

33.	Seattle	-1.4%
34.	Las Vegas	-1.6%
35.	Detroit	-1.6%
36.	Chicago	-1.6%
37.	Oakland	-1.6%
38.	Philadelphia	-1.7%
39.	Phoenix	-1.9%
40.	Sacramento	-2.2%
41.	Cincinnati	-2.3%
42.	Minneapolis	-2.6%

Source: Witten Advisors

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Dallas, Texas

Job Growth Highlights

Employment Growth

12 Months ending Nov. 2009

1.	Norfolk	-3.0k
2.	Austin	-4.3k
3.	San Antonio	-6.2k
4.	Fort Worth	-6.8k
5.	Columbus	-10.0k
<hr/>		
38.	<i>Phoenix</i>	<i>-110.2k</i>
39.	<i>Atlanta</i>	<i>-117.1k</i>
40.	<i>Detroit</i>	<i>-128.6k</i>
41.	<i>Los Angeles</i>	<i>-141.9k</i>
42.	<i>Chicago</i>	<i>-167.4k</i>

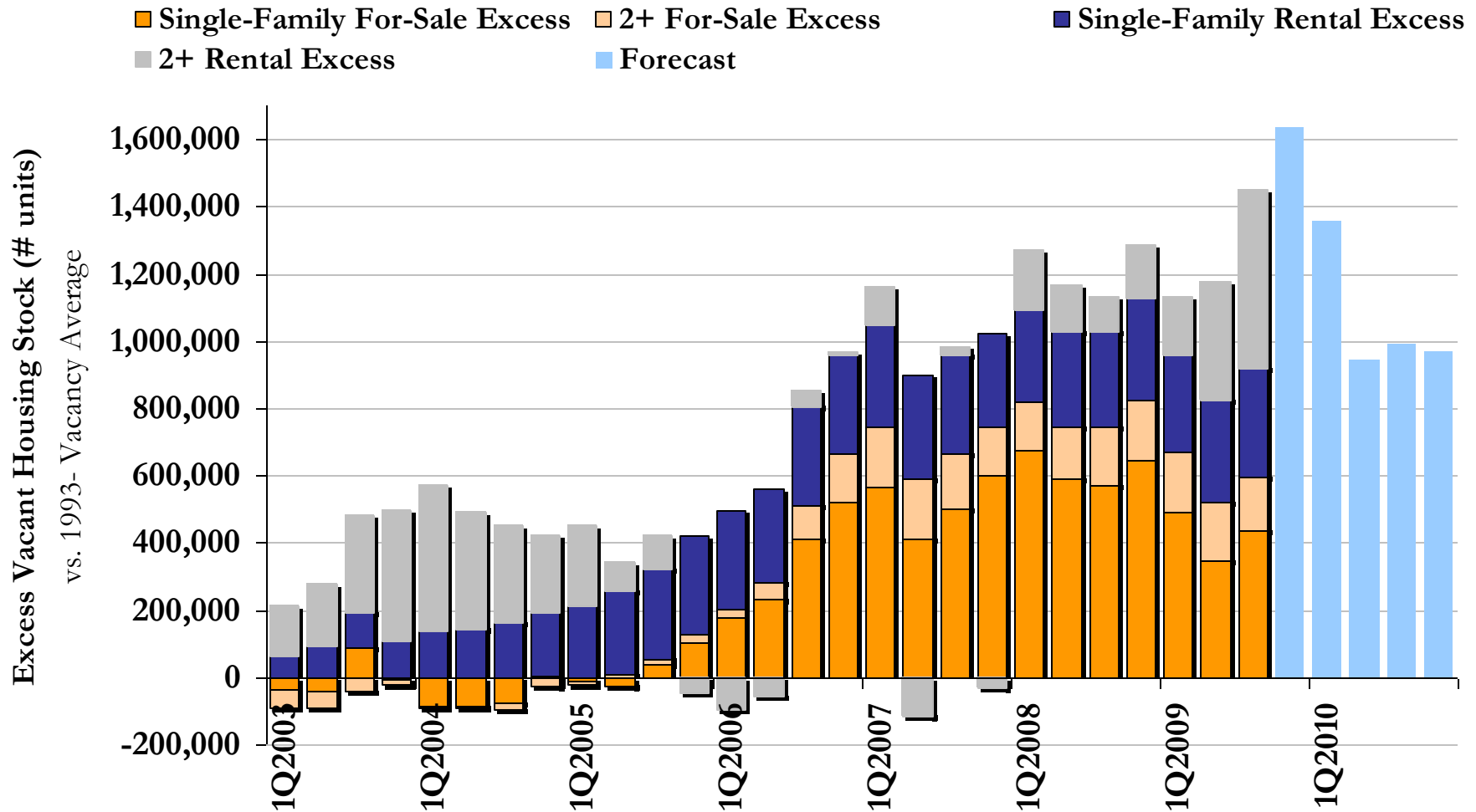
Employment Growth Rate

12 Months ending Nov. 2009

1.	Norfolk	-0.4%
2.	Washington DC	-0.5%
3.	Austin	-0.6%
4.	San Antonio	-0.7%
5.	Fort Worth	-0.8%
6.	Columbus	-1.1%
7.	Baltimore	-2.0%
8.	Dallas	-2.1%
9.	Boston	-2.1%
10.	Kansas City	-2.2%

Source: U.S. Bureau of Labor Statistics

Housing oversupply grows despite policy moves

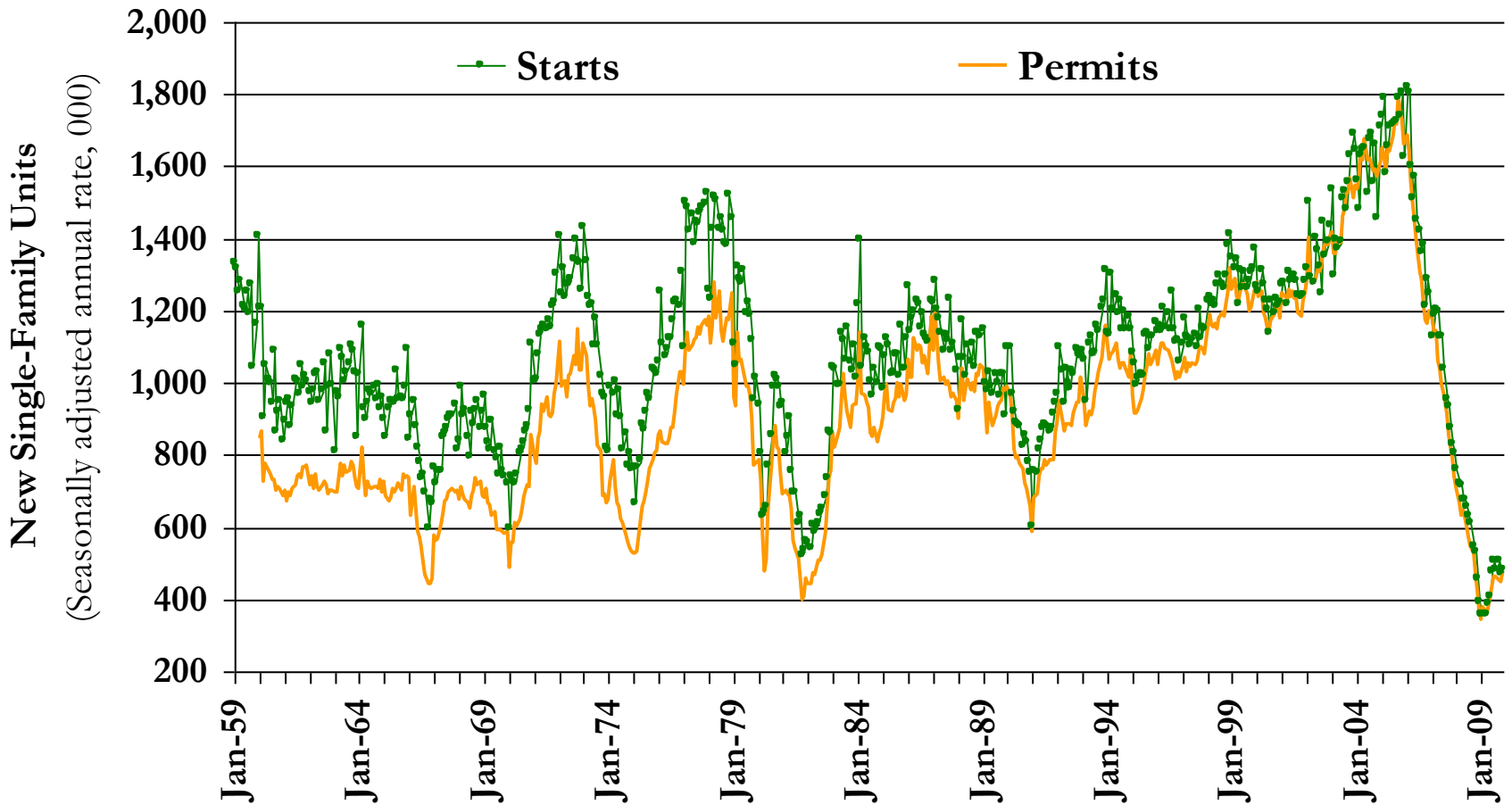


Source: Witten Advisors

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“...home construction rebounded in November from a big drop, rising more than expected...” WSJ, December 16



Source: U.S. Department of Commerce

Effective Rent Growth Trends

Largest Rent Increases

12 Months ending 3Q 2009

1.	Cincinnati	-0.1%
2.	Columbus	-0.2%
3.	St. Louis	-0.3%
4.	Indianapolis	-0.4%
5.	San Antonio	-0.4%
6.	Baltimore	-0.8%

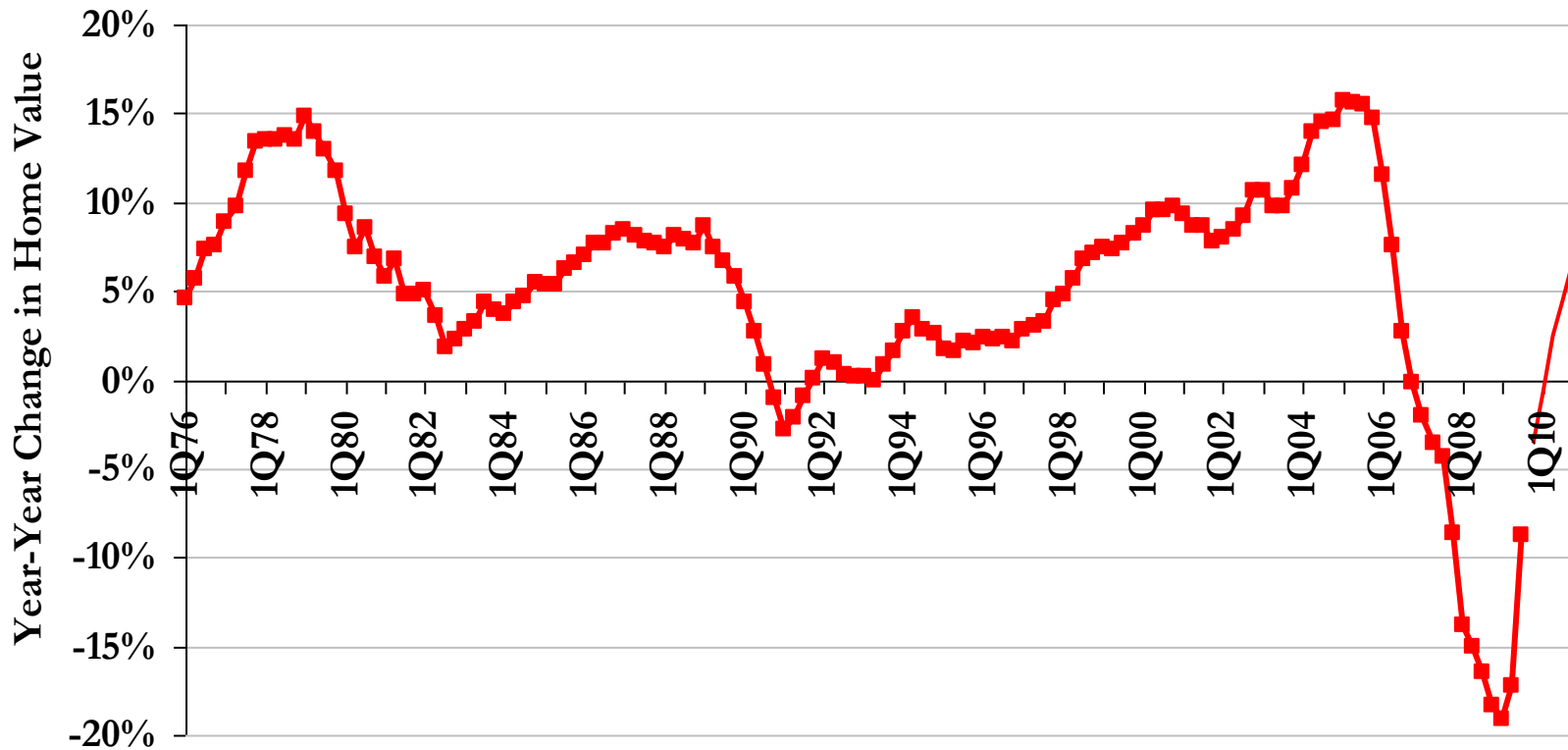
Largest Rent Decreases

12 Months ending 3Q 2009

33.	Charlotte	-5.6%
34.	Oakland	-5.6%
35.	Riverside	-5.8%
36.	Orange County	-6.5%
37.	San Francisco	-6.5%
38.	Las Vegas	-6.9%
39.	Phoenix	-7.3%
40.	Los Angeles	-8.0%
41.	Seattle	-8.4%
42.	San Jose	-8.7%

Source: Witten Advisors

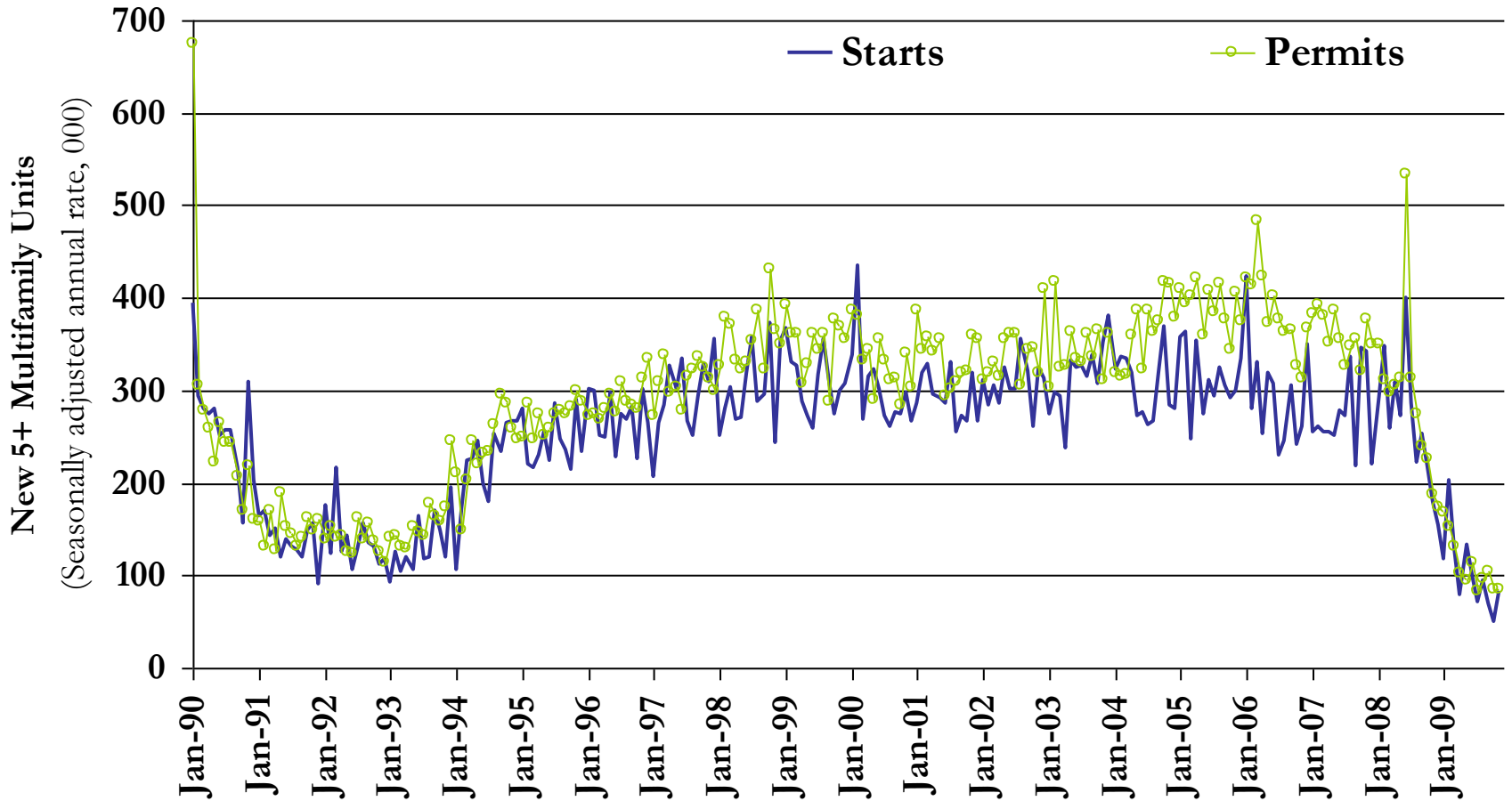
Home price declines are almost over...spike ahead?



Source: Calculated from OFHEO home price series 1976-1987; Case-Schiller national home price series 1988+; forecast by Witten Advisors

Apartment Supply Drivers

“Apartment construction...surged.” – WSJ, December 16

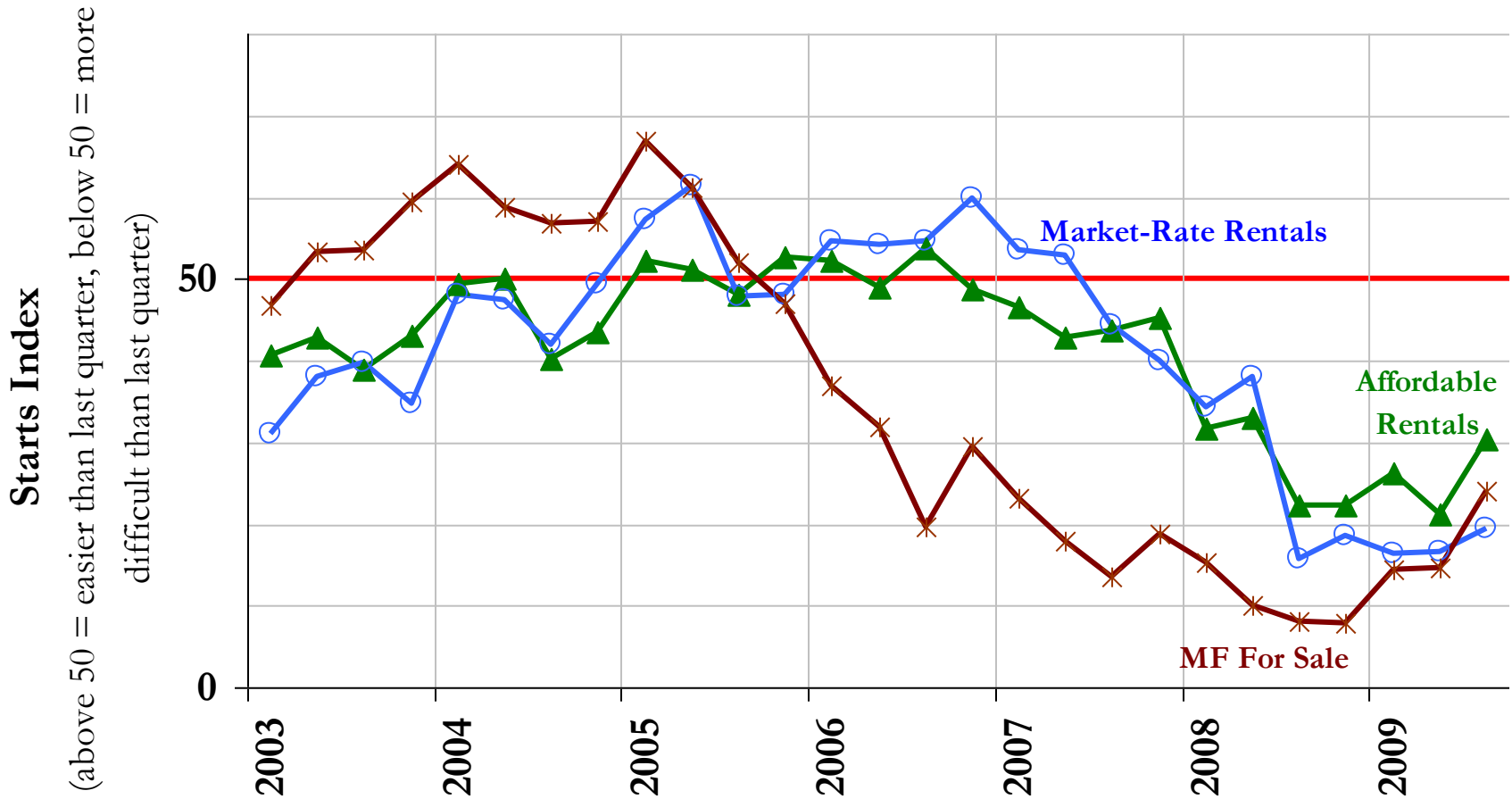


Source: U.S. Department of Commerce

MLB Conference Call
January 11, 2010

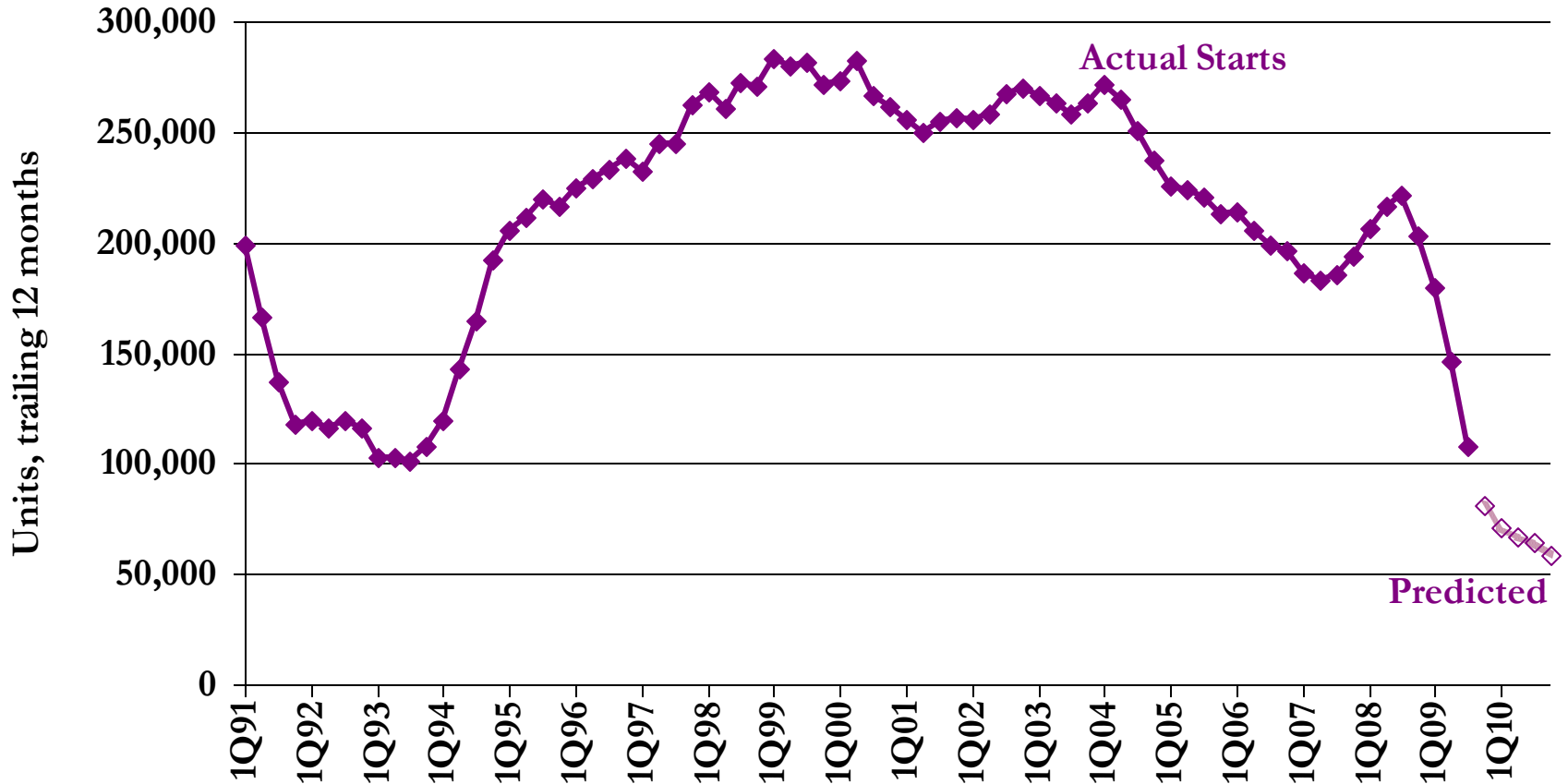
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MF development grows ever more difficult



Source: NAHB Multifamily

2010 MF rental starts to set another post-WWII low



Predicted starts based on return on new development relative to U.S. Treasuries and inflation, availability of debt and equity financing

Source: Witten Advisors

Multifamily Rental Construction Leaders

Multifamily Rental Starts

12 Months ending 3Q 2009

1.	Dallas	9.2k
2.	Houston	7.1k
3.	Los Angeles	4.0k
4.	Raleigh	3.7k
5.	Austin	3.3k
6.	Las Vegas	3.1k
7.	Washington DC	3.0k
8.	Charlotte	3.0k
9.	Orlando	2.6k
10.	Denver	2.5k

MF Rental Completions Rate

12 Months ending 4Q 2010

1.	Salt Lake City	4.5%
2.	Charlotte	2.4%
3.	Tampa	1.8%
4.	Jacksonville	1.7%
5.	Las Vegas	1.7%
6.	Norfolk	1.5%
7.	Seattle	1.5%
8.	Indianapolis	1.5%
9.	Austin	1.5%
10.	Orlando	1.4%

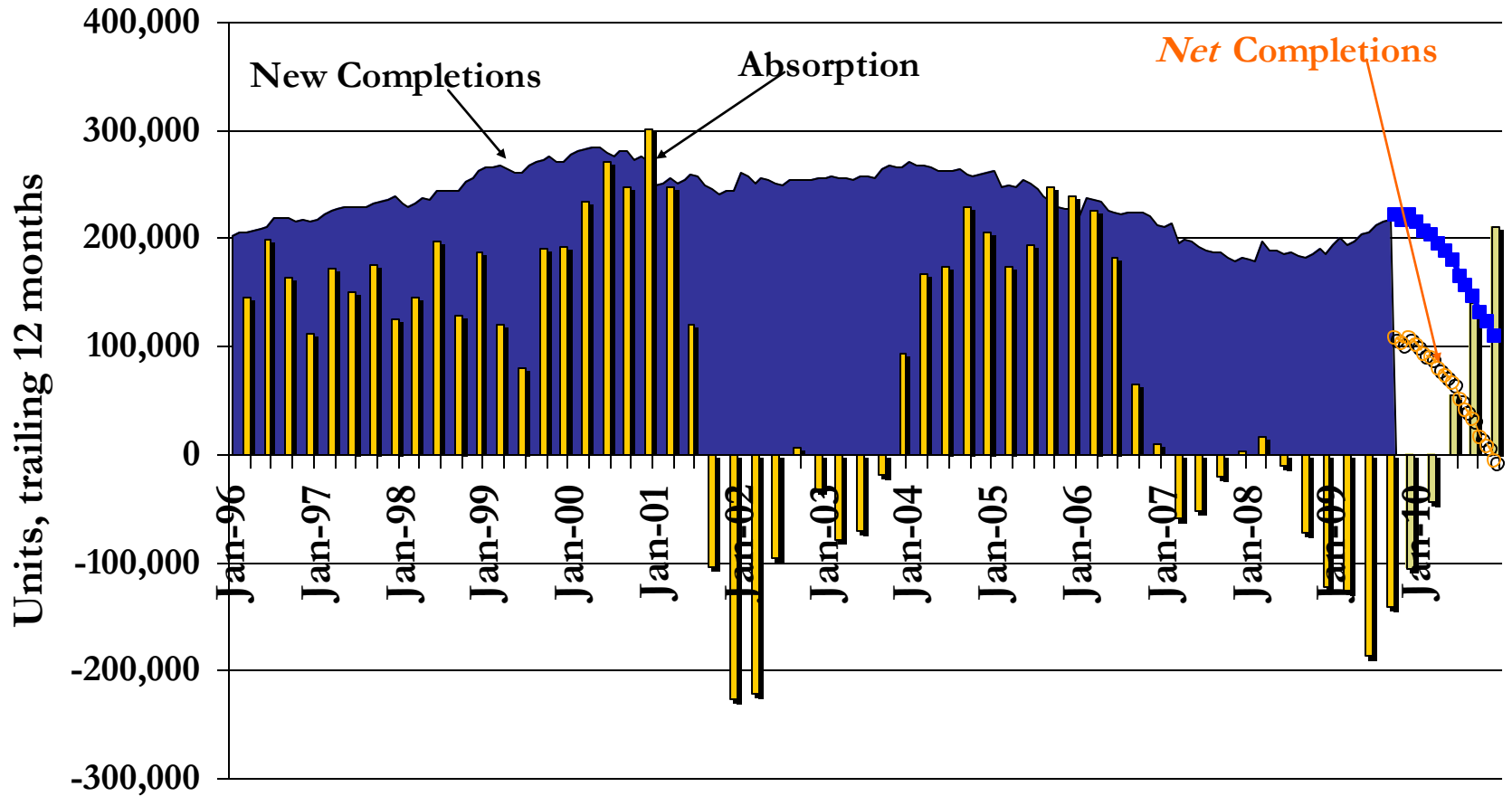
Source: Witten Advisors

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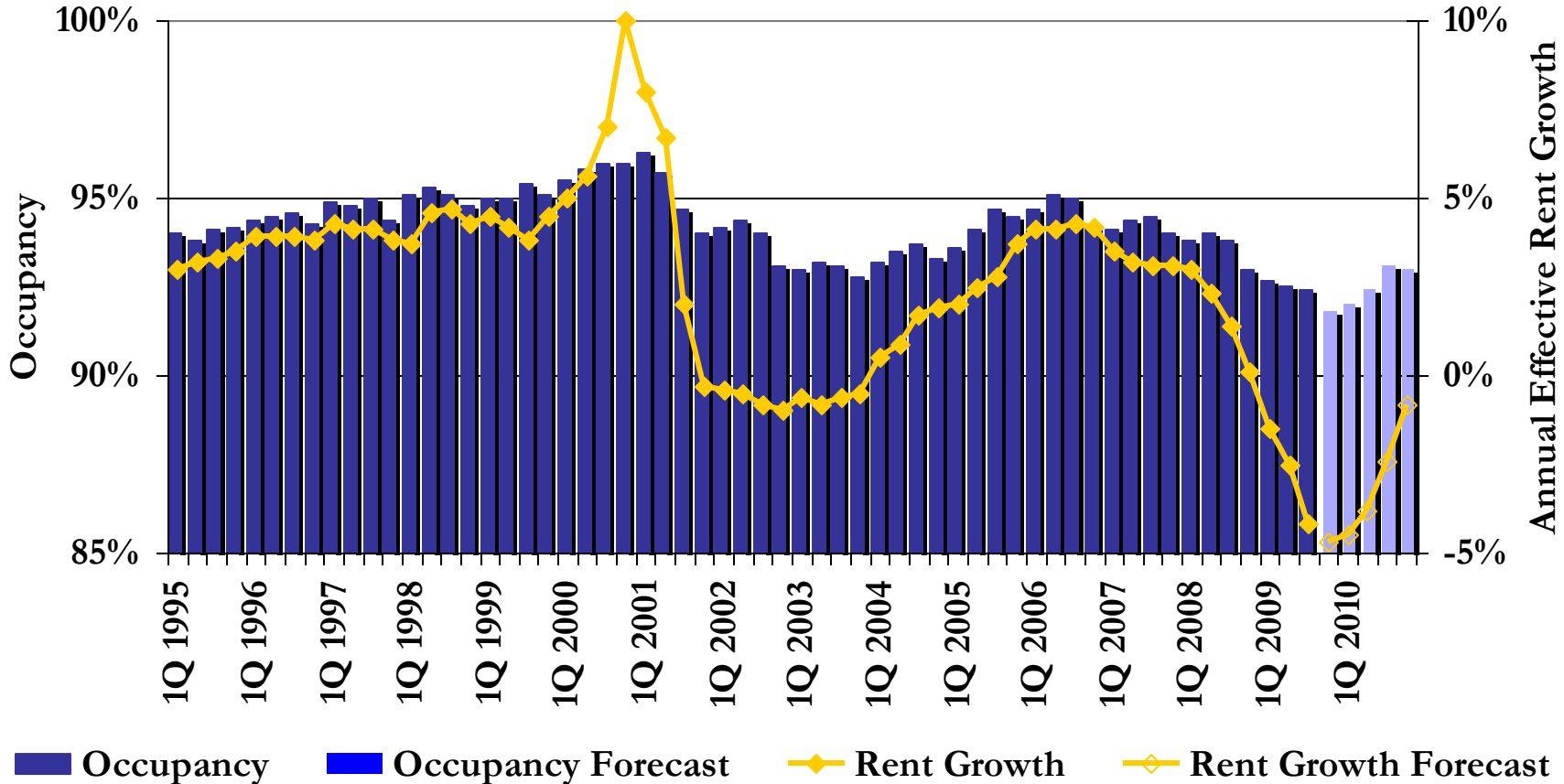
Outlook for the U.S. Apartment Market

Demand rebounds in 2010 as stock shrinks



Source: Witten Advisors

Market bottoms in 2010: occupancy early, rent YE



Source: Witten Advisors

Performance-Based Investment Timing

Acquisitions

Buy 3Q 2010 (1-year forward)

Buy 1Q 2010 (3-year forward)

Apartment Investment Outlook													
<i>for acquisitions timing</i>													
	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Year 1 Opportunity Rating	C-	C	B-	B+	A-	A+	A+	A+	A+	A+	A+	A+	A+
Based on forecast revenue growth first 4 quarters after closing: A+ = 6%+ A = 5<6% A- = 4<5% B+ = 3<4% B = 2<3% B- = 1<2% C+ = 0<1% C = -1<0% C- = <-1%													
Three-Year Opportunity Rating	B	A-	A	A+	A+								
Based on forecast of annual revenue growth for three years after closing: A+ = 6%+ A = 5<6% A- = 4<5% B+ = 3<4% B = 2<3% B- = 1<2% C+ = 0<1% C = -1<0% C- = <-1%													

Development

Deliver new units mid-2011 through 2012

Apartment Development Outlook													
<i>for completion timing</i>													
	4Q 2009	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012
Lease-up Demand Rating	C	C	C	B	B	B	A	A	A	A	A	A	A
Based on occupancy forecast for 4 quarters following completion A = 1%+ above norm B = +/-1% of norm C = 1%+ below norm													

Source: Witten Advisors

Questions