

1Q2010

Portland-Vancouver-Beaverton OR-WA MSA is 1 of 4 MSAs in Oregon (with at least 5 communities)

Rent ranking
for MSAs in Oregon

| MSA | Avg Rent |
|---|-----------------|
| 1. Eugene-Springfield OR MSA | \$856 |
| 2. Portland-Vancouver-Beaverton OR-WA MSA | \$839 |
| 3. Medford OR MSA | \$725 |
| 4. Salem OR MSA | \$668 |

Occupancy ranking
for MSAs in Oregon

| MSA | Avg Occ. |
|---|-----------------|
| 1. Eugene-Springfield OR MSA | 96.7% |
| 2. Medford OR MSA | 95.3% |
| 3. Portland-Vancouver-Beaverton OR-WA MSA | 93.7% |
| 4. Salem OR MSA | 93.1% |

Rent growth % Rankings Yr. over Yr.
for MSAs in Oregon

| MSA | Avg Rent |
|---|-----------------|
| 1. Eugene-Springfield OR MSA | 3.1% |
| 2. Salem OR MSA | -0.9% |
| 3. Portland-Vancouver-Beaverton OR-WA MSA | -2.0% |
| 4. Medford OR MSA | -2.3% |

Occupancy growth Rankings Yr. over Yr.
for MSAs in Oregon

| MSA | Avg Occ. |
|---|-----------------|
| 1. Salem OR MSA | 3.9% |
| 2. Medford OR MSA | 1.3% |
| 3. Eugene-Springfield OR MSA | 1.3% |
| 4. Portland-Vancouver-Beaverton OR-WA MSA | 0.8% |

4/15/2010

Data source: RealFacts (415)884.2480. Data is deemed reliable but accuracy cannot be guaranteed.

Oregon is 1 of 3 States in Pacific Northwest Region

Rent ranking
for States in Pacific Northwest Region

| State | Avg Rent |
|---------------|----------|
| 1. Washington | \$962 |
| 2. Oregon | \$846 |
| 3. Idaho | \$713 |

Occupancy ranking
for States in Pacific Northwest Region

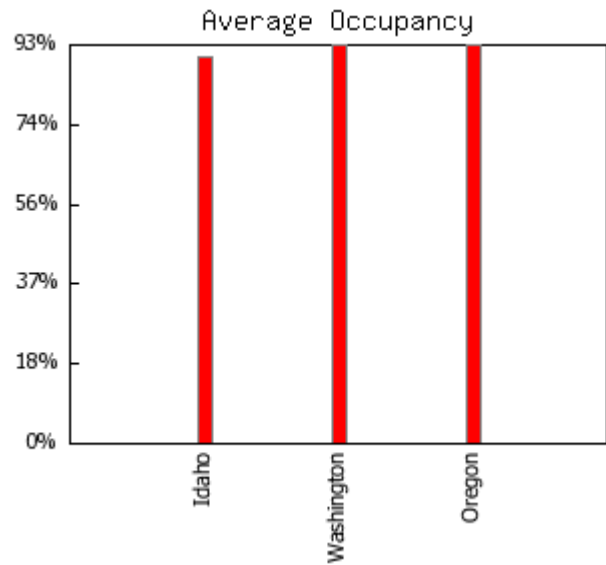
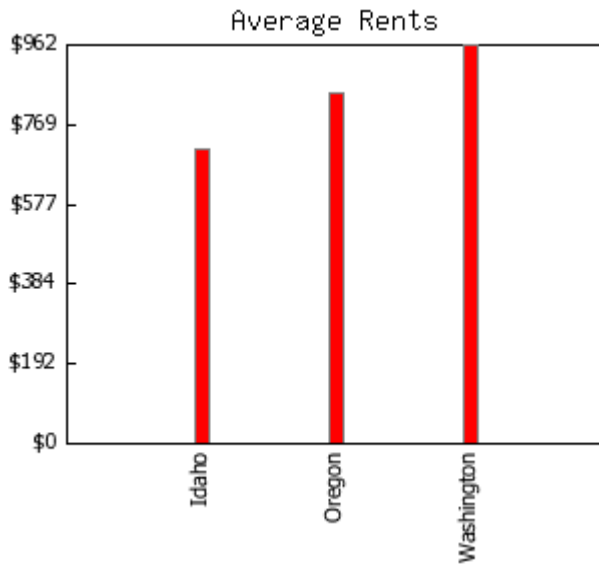
| State | Avg Occ. |
|---------------|----------|
| 1. Oregon | 93.6% |
| 2. Washington | 93.5% |
| 3. Idaho | 90.6% |

Rent growth % Rankings Yr. over Yr.
for States in Pacific Northwest Region

| State | Avg Rent |
|---------------|----------|
| 1. Oregon | -2.0% |
| 2. Idaho | -3.3% |
| 3. Washington | -5.5% |

Occupancy growth Rankings Yr. over Yr.
for States in Pacific Northwest Region

| State | Avg Occ. |
|---------------|----------|
| 1. Washington | 1.5% |
| 2. Oregon | 0.4% |
| 3. Idaho | -1.2% |



Inventory Analysis

Portland-Vancouver-Beaverton OR-WA MSA
1Q2010

| | | | |
|------------------|--------------|----------------------------|-------------|
| Properties/Units | 344 / 74,615 | Average units per property | 216 |
| Class A | 40 / 9,330 | Average year built | 1988 |
| Class B | 147 / 34,245 | Size range (units) | 97 - 711 |
| Class C | 157 / 31,040 | Age range | 1949 - 2010 |

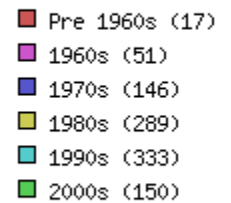
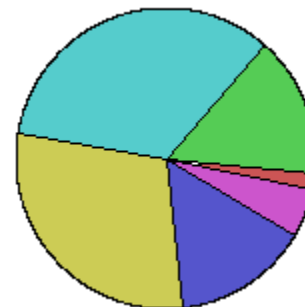
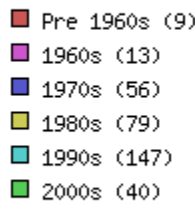
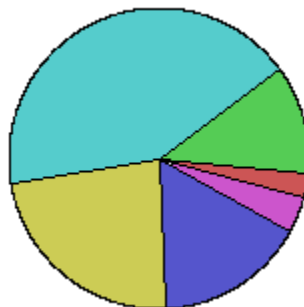
Unit Mix (all unit types appear in this report)

| Totals | Units | % of Mix | Benchmark % of Mix | Average Sq. Ft | Benchmark Avg Sq Ft | Average Rent | Benchmark Avg. Rent | Avg. Rent Sq. Ft. | Benchmark Avg. Rent Sq. Ft. |
|-------------------|--------|----------|--------------------|----------------|---------------------|--------------|---------------------|-------------------|-----------------------------|
| All | 74,615 | 100.0% | 100.0% | 897 | 884 | \$839 | \$922 | \$0.94 | \$1.04 |
| Urban Loft studio | 180 | 0.2% | 0.2% | 867 | 834 | \$953 | \$1,063 | \$1.10 | \$1.27 |
| jr 1bd | 2,514 | 3.4% | 3.9% | 474 | 486 | \$759 | \$808 | \$1.60 | \$1.66 |
| 1bd 1bth | 361 | 0.5% | 0.6% | 646 | 615 | \$727 | \$734 | \$1.13 | \$1.19 |
| 1bd 1.5bth | 24,542 | 32.9% | 34.6% | 696 | 700 | \$736 | \$807 | \$1.06 | \$1.15 |
| 1bd 1.5bth | 38 | 0.1% | 0.1% | 1,000 | 929 | \$1,626 | \$1,238 | \$1.63 | \$1.33 |
| 1bd TH | 504 | 0.7% | 0.4% | 922 | 929 | \$970 | \$1,098 | \$1.05 | \$1.18 |
| 2bd 1bth | 11,567 | 15.5% | 18.0% | 882 | 881 | \$755 | \$838 | \$0.86 | \$0.95 |
| 2bd 1.5bth | 1,763 | 2.4% | 2.1% | 935 | 936 | \$835 | \$896 | \$0.89 | \$0.96 |
| 2bd 2bth | 21,674 | 29.0% | 26.0% | 1,017 | 1,016 | \$903 | \$1,032 | \$0.89 | \$1.02 |
| 2bd 2.5th | 95 | 0.1% | 0.1% | 1,482 | 1,349 | \$1,422 | \$1,709 | \$0.96 | \$1.27 |
| 2bd TH | 2,366 | 3.2% | 2.8% | 1,161 | 1,156 | \$1,000 | \$1,118 | \$0.86 | \$0.97 |
| 3bd 1bth | 399 | 0.5% | 0.4% | 977 | 1,033 | \$810 | \$963 | \$0.83 | \$0.93 |
| 3bd 1.5bth | 386 | 0.5% | 0.4% | 1,105 | 1,087 | \$823 | \$901 | \$0.74 | \$0.83 |
| 3bd 2bth | 7,043 | 9.4% | 8.6% | 1,199 | 1,198 | \$1,031 | \$1,131 | \$0.86 | \$0.94 |
| 3bd 3bth | 85 | 0.1% | 0.1% | 1,685 | 1,509 | \$1,350 | \$1,539 | \$0.80 | \$1.02 |
| 3bd TH | 996 | 1.3% | 1.3% | 1,445 | 1,422 | \$1,173 | \$1,314 | \$0.81 | \$0.92 |
| 4bd | 102 | 0.1% | 0.2% | 1,463 | 1,255 | \$1,441 | \$1,249 | \$0.98 | \$1.00 |
| 5bd 2bth | | | | | | | | | |
| 5bd TH | | | | | | | | | |

Age of Existing Inventory

Area: Portland-Vancouver-Beaverton OR-WA MSA

Benchmark: Pacific Northwest Region

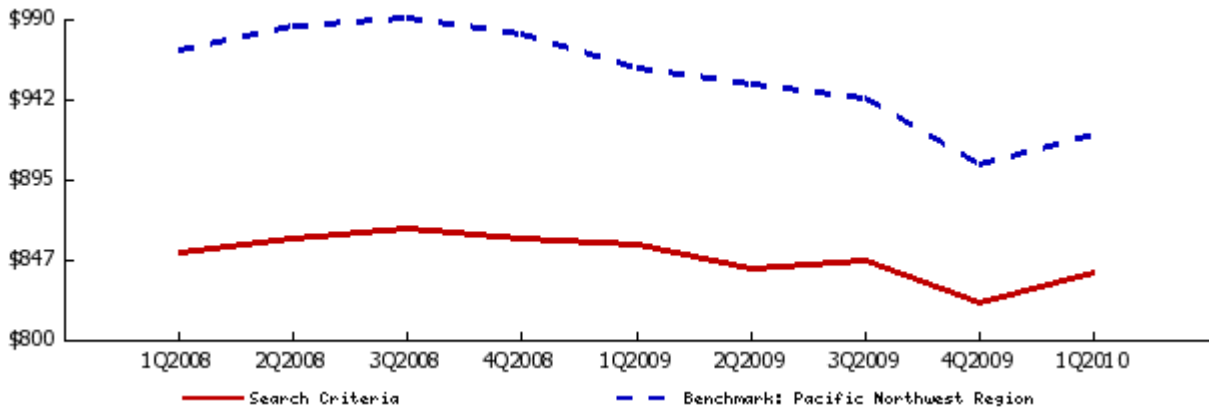


Rental Trends for Portland-Vancouver-Beaverton OR-WA MSA

All Classes
Quarterly Trend

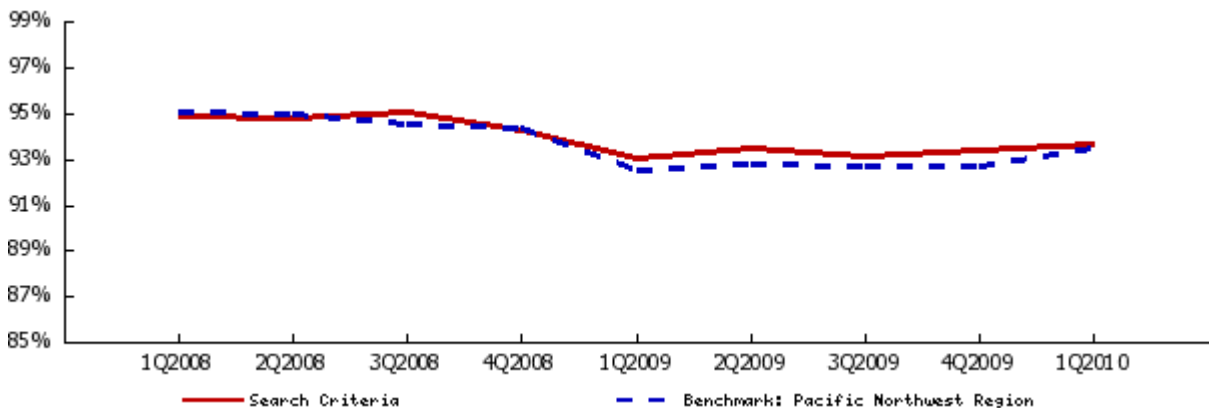
Average Asking Rent

| | 1Q2008 | 2Q2008 | 3Q2008 | 4Q2008 | 1Q2009 | 2Q2009 | 3Q2009 | 4Q2009 | 1Q2010 | 1 Yr. Change |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| AVERAGE | \$851 | \$860 | \$865 | \$859 | \$856 | \$842 | \$847 | \$821 | \$839 | -2.0% |
| studio | \$689 | \$694 | \$694 | \$691 | \$693 | \$684 | \$704 | \$686 | \$759 | 9.6% |
| jr 1bd | \$769 | \$769 | \$777 | \$789 | \$774 | \$756 | \$764 | \$730 | \$727 | -6.1% |
| 1bd 1bth | \$742 | \$751 | \$756 | \$751 | \$748 | \$737 | \$745 | \$722 | \$736 | -1.5% |
| 2bd 1bth | \$760 | \$769 | \$780 | \$778 | \$774 | \$765 | \$773 | \$742 | \$755 | -2.5% |
| 2bd 2bth | \$918 | \$926 | \$932 | \$923 | \$920 | \$905 | \$908 | \$881 | \$903 | -1.9% |
| 2bd TH | \$1,045 | \$1,054 | \$1,056 | \$1,043 | \$1,037 | \$1,014 | \$1,012 | \$983 | \$1,000 | -3.6% |
| 3bd 2bth | \$1,042 | \$1,049 | \$1,055 | \$1,053 | \$1,049 | \$1,034 | \$1,032 | \$1,015 | \$1,031 | -1.7% |
| 3bd TH | \$1,256 | \$1,272 | \$1,289 | \$1,280 | \$1,276 | \$1,210 | \$1,224 | \$1,122 | \$1,173 | -8.1% |



Average Occupancy Rate

| | 1Q2008 | 2Q2008 | 3Q2008 | 4Q2008 | 1Q2009 | 2Q2009 | 3Q2009 | 4Q2009 | 1Q2010 | 1 Yr. Change |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| AVERAGE | 94.8% | 94.7% | 95.0% | 94.2% | 93.0% | 93.4% | 93.1% | 93.3% | 93.6% | 0.6% |

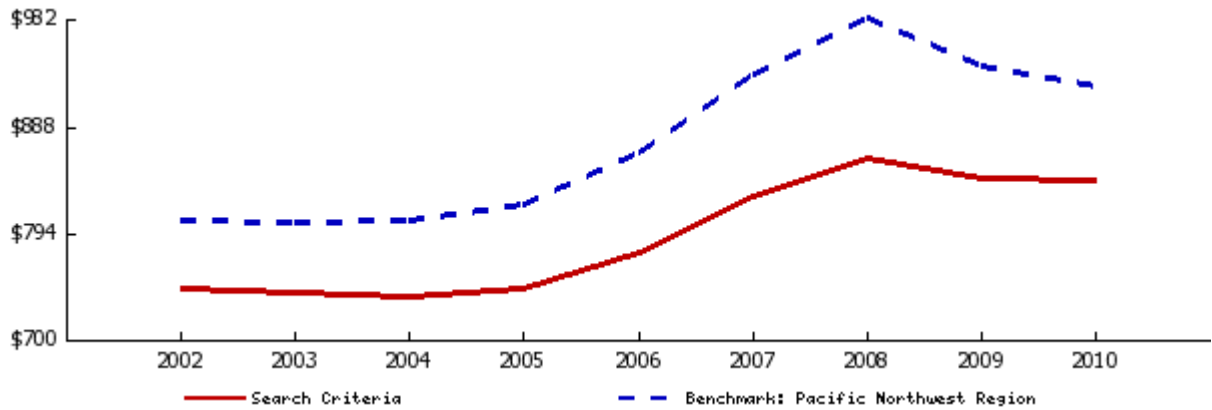


Rental Trends for Portland-Vancouver-Beaverton OR-WA MSA

All Classes
Annual Trend

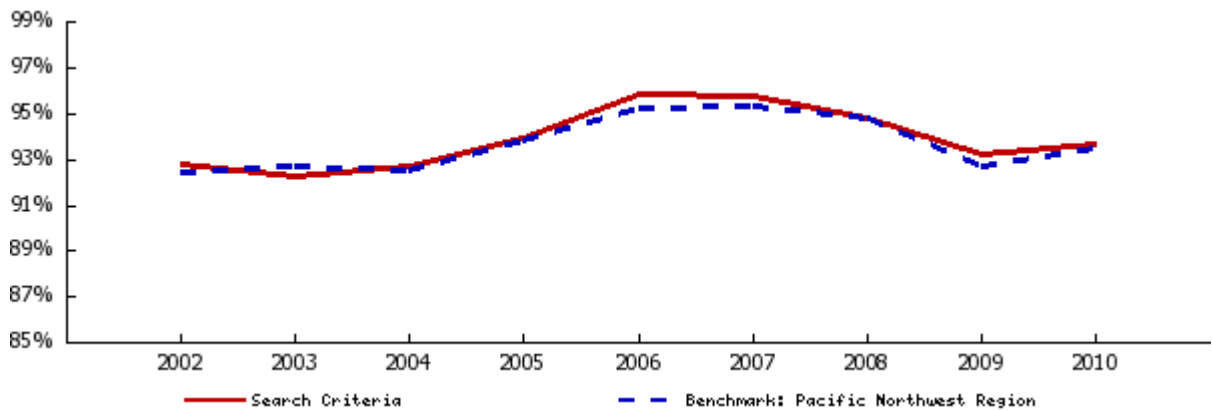
Average Asking Rent

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 4 Yr. Change |
|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| AVERAGE | \$745 | \$740 | \$737 | \$745 | \$776 | \$826 | \$859 | \$842 | \$839 | 8.0% |
| studio | \$558 | \$584 | \$577 | \$587 | \$612 | \$667 | \$692 | \$692 | \$759 | 24.1% |
| jr 1bd | \$621 | \$628 | \$631 | \$624 | \$661 | \$723 | \$776 | \$756 | \$727 | 9.9% |
| 1bd 1bth | \$644 | \$638 | \$634 | \$644 | \$675 | \$719 | \$750 | \$738 | \$736 | 9.1% |
| 2bd 1bth | \$682 | \$668 | \$665 | \$667 | \$692 | \$741 | \$772 | \$763 | \$755 | 9.1% |
| 2bd 2bth | \$811 | \$807 | \$807 | \$814 | \$842 | \$891 | \$925 | \$903 | \$903 | 7.2% |
| 2bd TH | \$919 | \$906 | \$896 | \$896 | \$943 | \$1,019 | \$1,050 | \$1,012 | \$1,000 | 6.0% |
| 3bd 2bth | \$918 | \$913 | \$913 | \$921 | \$952 | \$1,010 | \$1,050 | \$1,032 | \$1,031 | 8.3% |
| 3bd TH | \$1,190 | \$1,170 | \$1,156 | \$1,121 | \$1,170 | \$1,238 | \$1,274 | \$1,208 | \$1,173 | 0.3% |



Average Occupancy Rate

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 4 Yr. Change |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| AVERAGE | 92.7% | 92.2% | 92.6% | 93.9% | 95.8% | 95.7% | 94.7% | 93.2% | 93.6% | -2.3% |



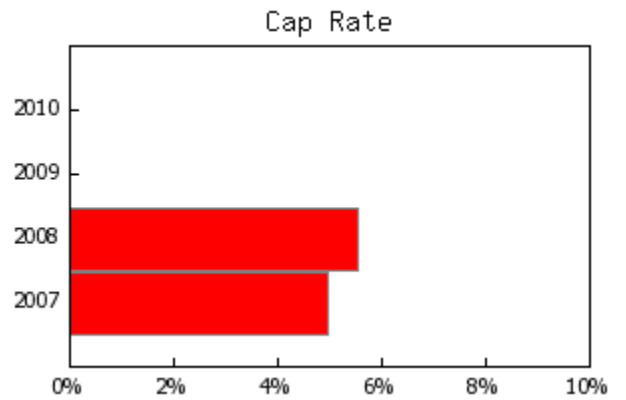
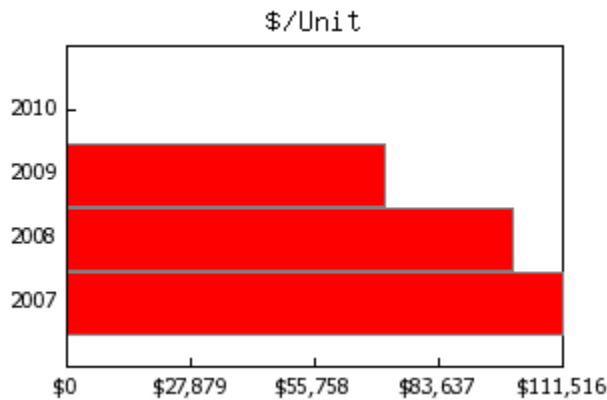
Sales Trends for Portland-Vancouver-Beaverton OR-WA MSA

2007-2010 , All Classes

| | 2010 | 2009 | 2008 | 2007 |
|--------------------|------|--------------|---------------|---------------|
| Total Transactions | 0 | 4 | 17 | 24 |
| Total Dollar Value | | \$76,501,481 | \$395,233,195 | \$617,354,591 |
| Total Square Feet | | 305,190,044 | 3,494,145 | 5,048,041 |
| Total Units | | 1,070 | 3,941 | 5,536 |

| Median Year Built | 1996 | 1989 | 1990 |
|-------------------------------|--------------|--------------|--------------|
| Average Square Footage | 76,297,511 | 205,537 | 210,335 |
| Average Sale Price | \$19,125,370 | \$23,249,011 | \$25,723,107 |
| Average Price Per Square Foot | \$0.25 | \$113.11 | \$122.30 |
| Average CAP Rate | | 5.5% | 5.0% |
| Average GRM | | | |
| Average Units | 267.5 | 231.8 | 230.7 |
| Average Price Per Unit | \$71,496 | \$100,287 | \$111,516 |

| | 2010 | 2009 | 2008 | 2007 |
|-------------------------|--------|--------|--------|--------|
| Average Rent/sf (All) | \$1.00 | \$0.99 | \$1.00 | \$0.96 |
| Class A | \$1.33 | \$1.17 | \$1.12 | \$1.05 |
| Class B | \$0.91 | \$0.92 | \$0.96 | \$0.92 |
| Class C | \$0.98 | \$1.00 | \$1.00 | \$0.96 |
| Average Occupancy (All) | 93% | 93% | 94% | 95% |
| Class A | 86% | 92% | 94% | 95% |
| Class B | 93% | 93% | 94% | 95% |
| Class C | 94% | 93% | 94% | 96% |

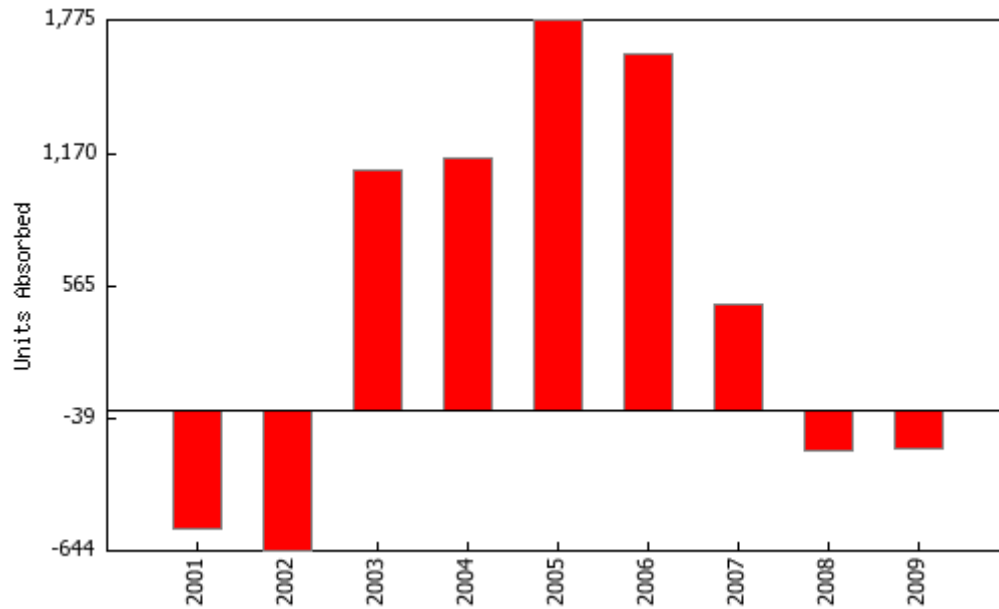


Absorption

Portland-Vancouver-Beaverton OR-WA MSA
1Q2010

Units Absorbed

| | Units Built | Total Units | Occupancy Rate | Occupied Units | Units Absorbed |
|------|--------------------|--------------------|-----------------------|-----------------------|-----------------------|
| 2000 | 1740 | 67,025 | 96.4% | 64,612 | N/A |
| 2001 | 131 | 67,156 | 95.4% | 64,066 | -546 |
| 2002 | 1261 | 68,417 | 92.7% | 63,422 | -644 |
| 2003 | 1561 | 69,978 | 92.2% | 64,519 | 1,097 |
| 2004 | 943 | 70,921 | 92.6% | 65,672 | 1,153 |
| 2005 | 908 | 71,829 | 93.9% | 67,447 | 1,775 |
| 2006 | 268 | 72,097 | 95.8% | 69,068 | 1,621 |
| 2007 | 576 | 72,673 | 95.7% | 69,548 | 480 |
| 2008 | 568 | 73,241 | 94.7% | 69,359 | -189 |
| 2009 | 984 | 74,225 | 93.2% | 69,177 | -182 |



Area Analysis

Portland-Vancouver-Beaverton OR-WA MSA
1Q2010

Cities with at least 5 communities

| City | Communities | % of Total | Avg. Occupancy | Yr /Yr Change | Avg. Rent | Yr /Yr Change |
|-------------|--------------------|-------------------|-----------------------|----------------------|------------------|----------------------|
| Portland | 86 | 26.2% | 91.9% | -1.4% | \$966 | 1.7% |
| Vancouver | 74 | 22.6% | 95.1% | 3.6% | \$774 | -1.7% |
| Beaverton | 50 | 15.2% | 94.6% | 1.5% | \$761 | -6.5% |
| Gresham | 26 | 7.9% | 93.9% | -1.4% | \$740 | 0.3% |
| Hillsboro | 22 | 6.7% | 93.4% | 0.8% | \$874 | -6.1% |
| Tigard | 18 | 5.5% | 93.8% | 2.5% | \$737 | -6.4% |
| Milwaukie | 13 | 4.0% | 94.0% | 0.0% | \$759 | -5.1% |
| Wilsonville | 11 | 3.4% | 93.8% | 0.4% | \$842 | 0.0% |
| Tualatin | 10 | 3.0% | 92.3% | -0.4% | \$796 | -4.8% |
| Lake Oswego | 9 | 2.7% | 95.6% | 2.8% | \$1,014 | -1.0% |
| Clackamas | 9 | 2.7% | 94.9% | 1.3% | \$783 | -1.1% |

4/15/2010

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