

Fall Forecast – Multifamily / Land



Chris Cowen

Principal - Land

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Apartment Marke t

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Who is ARA?

- Nation's largest privately held multifamily investment brokerage company.

- Over \$6.0 billion in sales volume in 2011

- 25 offices covering over 300 markets

- Specialty Groups include:

- ARA Finance
- Affordable Housing
- Distressed Assets Solutions Group
- National Land Brokerage
- Student Housing
- Seniors Housing
- Manufactured Housing

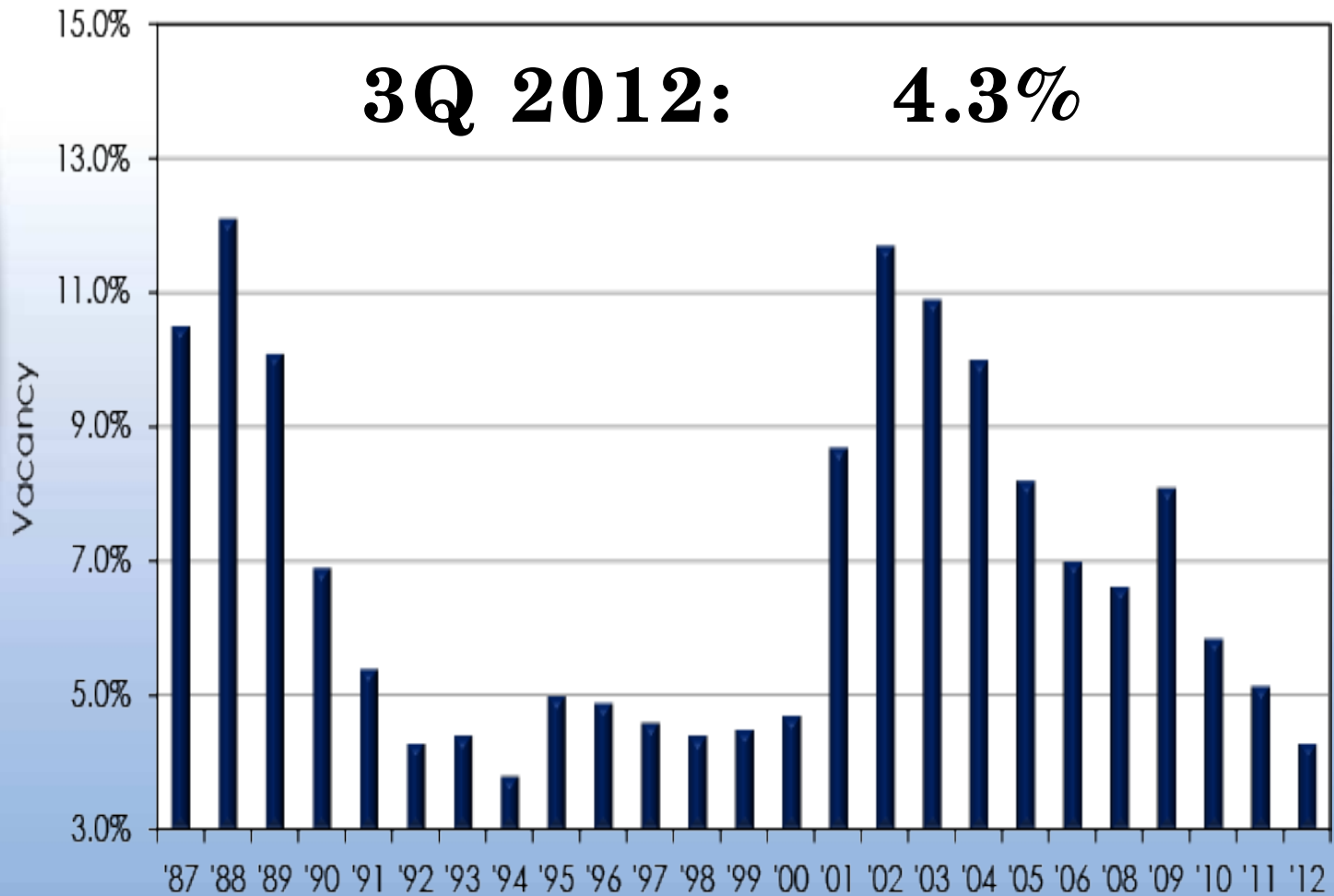
Metro Denver's Apartment Fundamentals

- **#1 Market in country for rent growth in 3rd quarter 2012**
- **Top 10 Market - Overall**
- **Top 10 Market - New Development**

Apartment Fundamentals

Vacancy

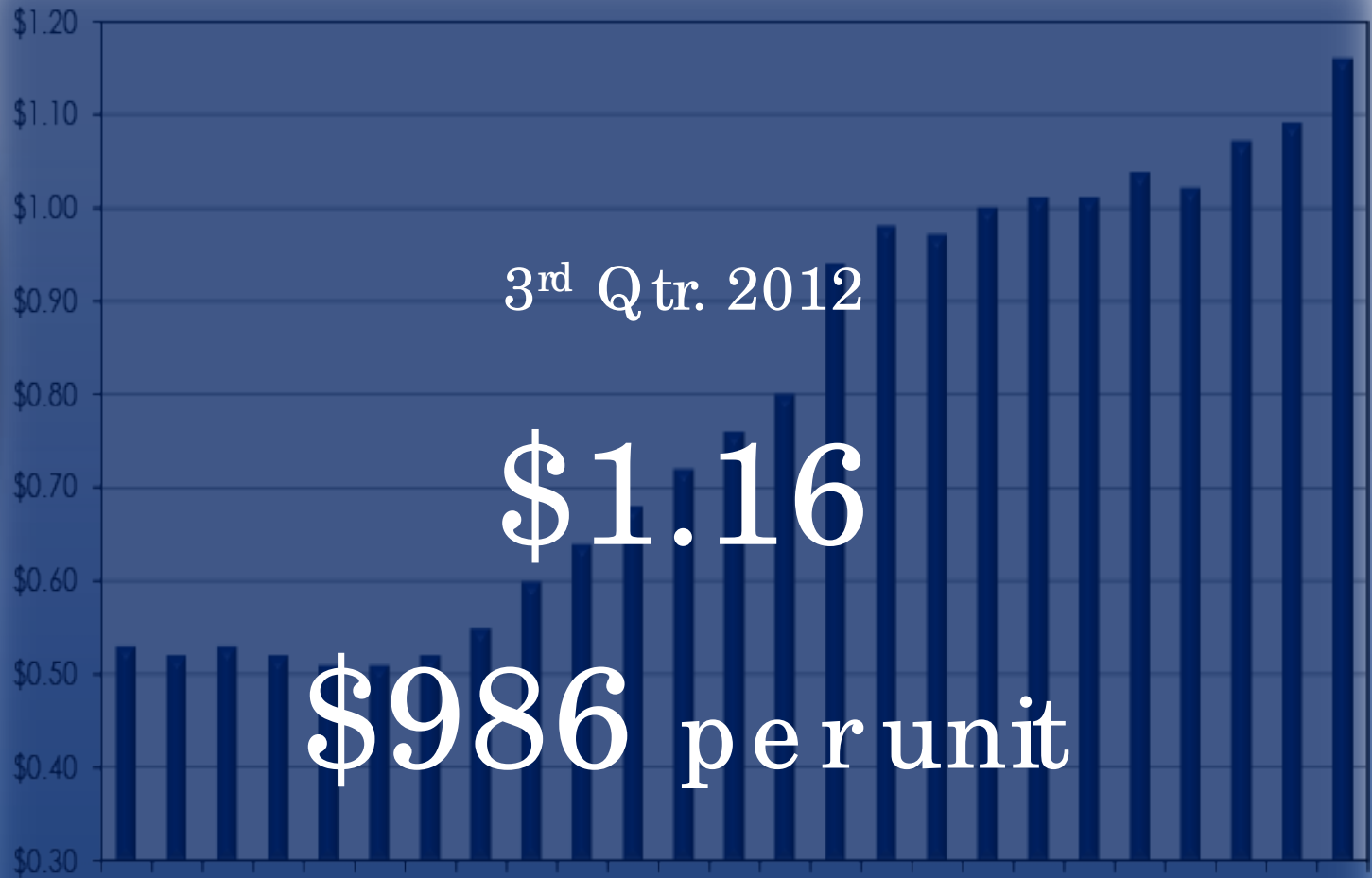
Metro Denver



Source: Apartment Association of Metro Denver
Vacancy & Rent Survey 3rd Qtr 2012

Market Rents per Sq Ft

Metro Denver



Source: Apartment Association of Metro Denver, Vacancy & Rent Survey
Updated: 3rd Qtr. 2012

Effective Rent

Metro Denver

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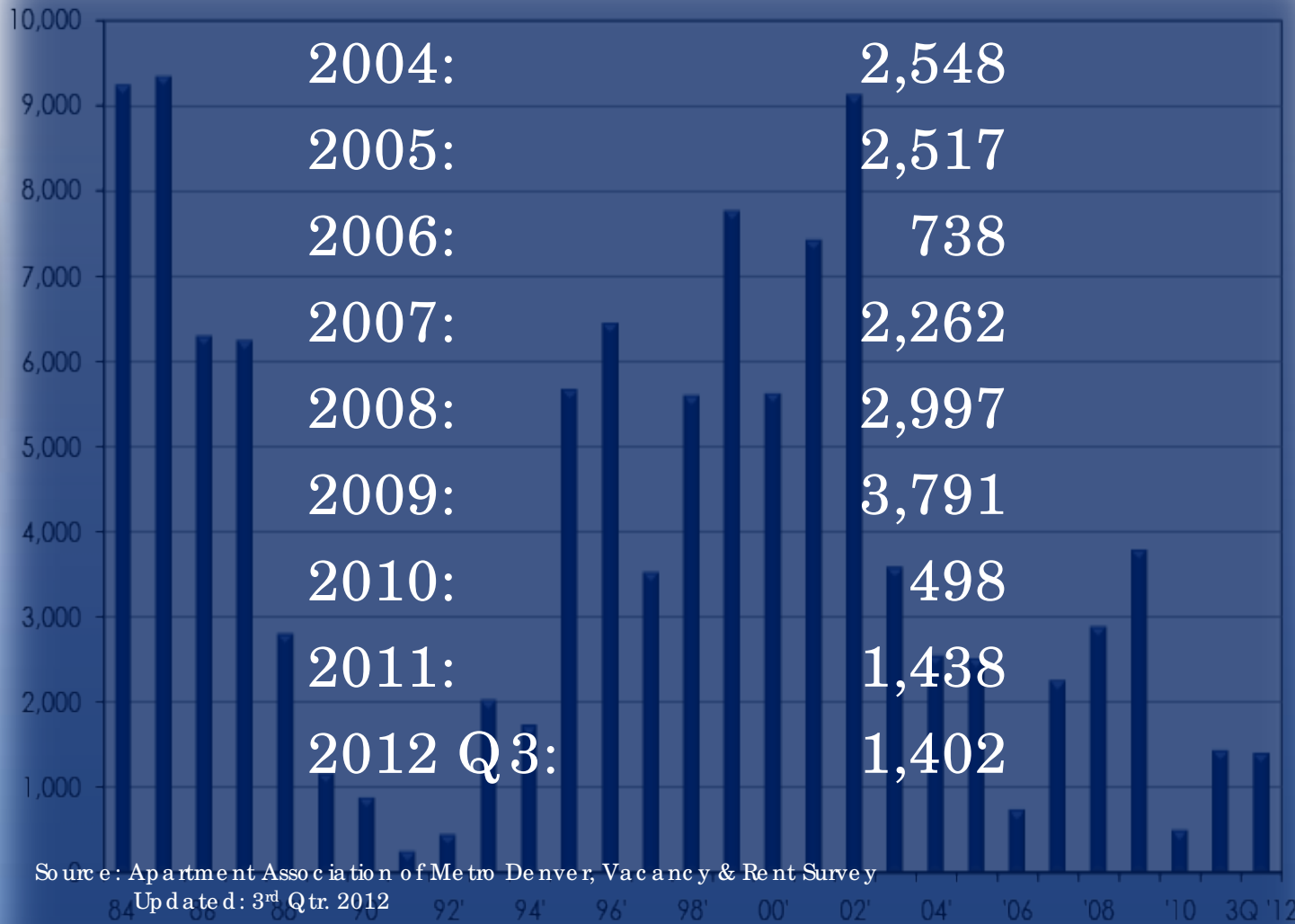
Source: Apartment Association of Metro Denver, Vacancy & Rent Survey

Updated: 3rd Qtr. 2012

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Units Completed

Metro Denver

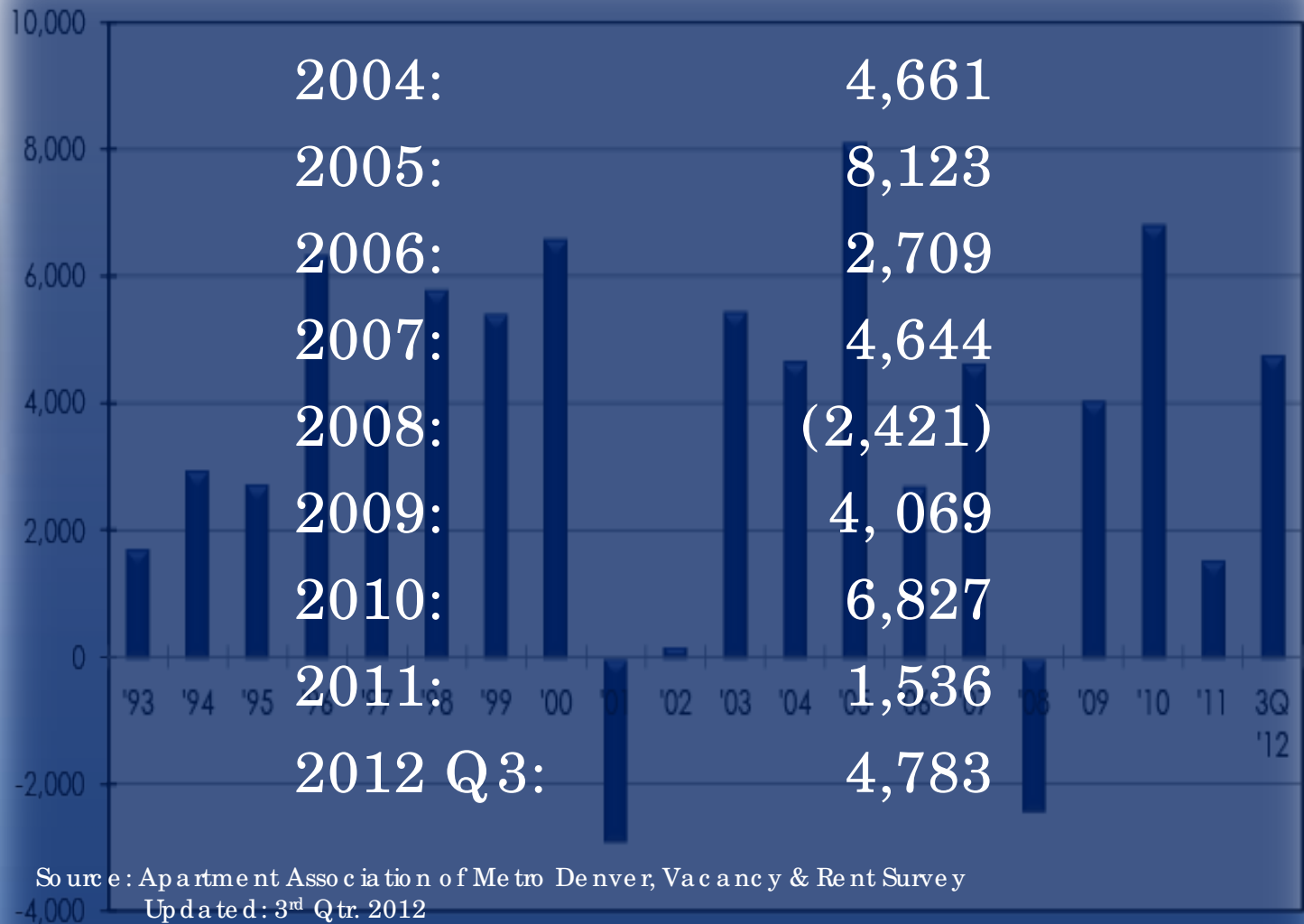


Apartment Absorption

Metro Denver

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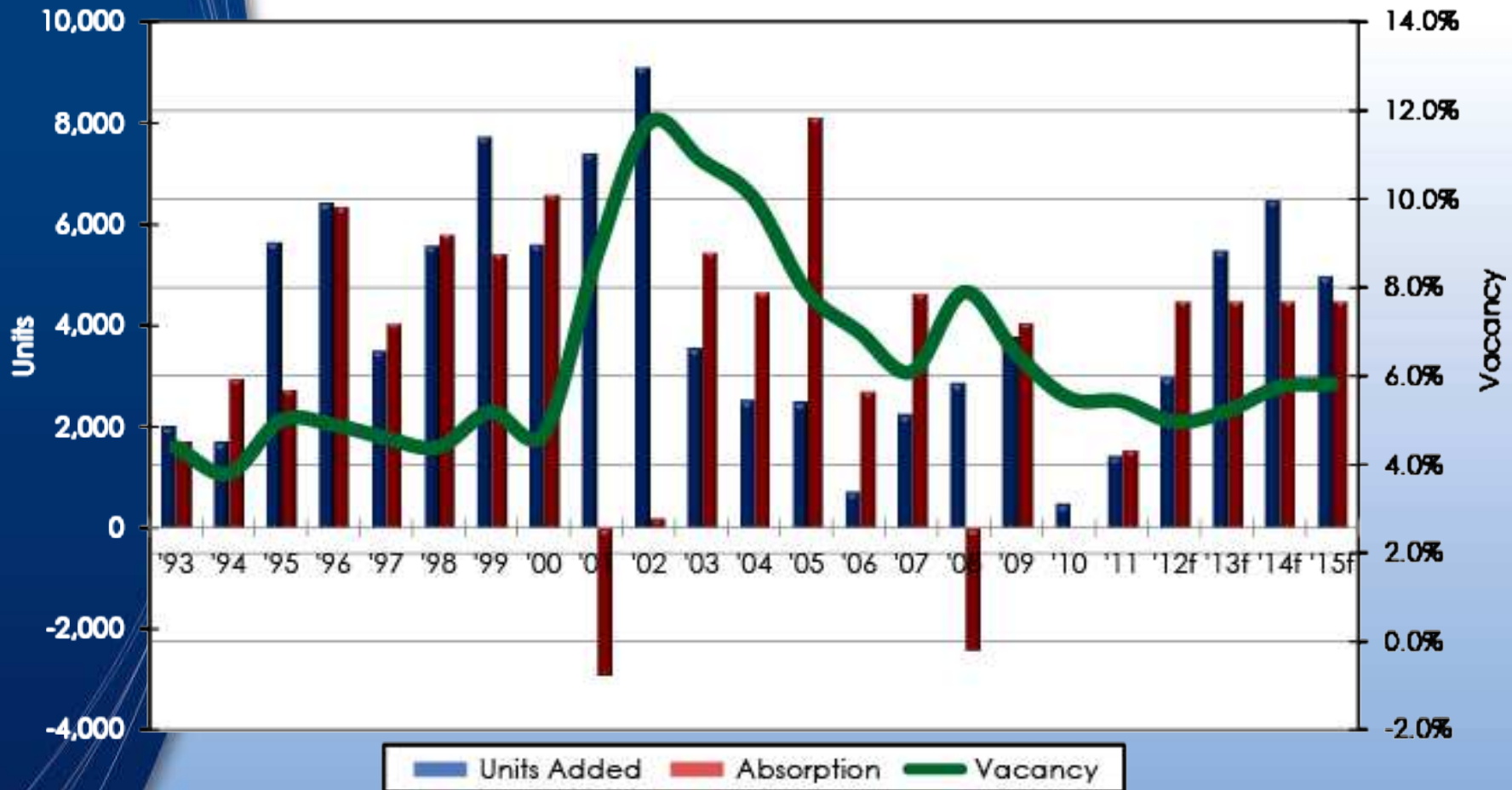


Construction Pipeline

Metro Denver Apartment Market

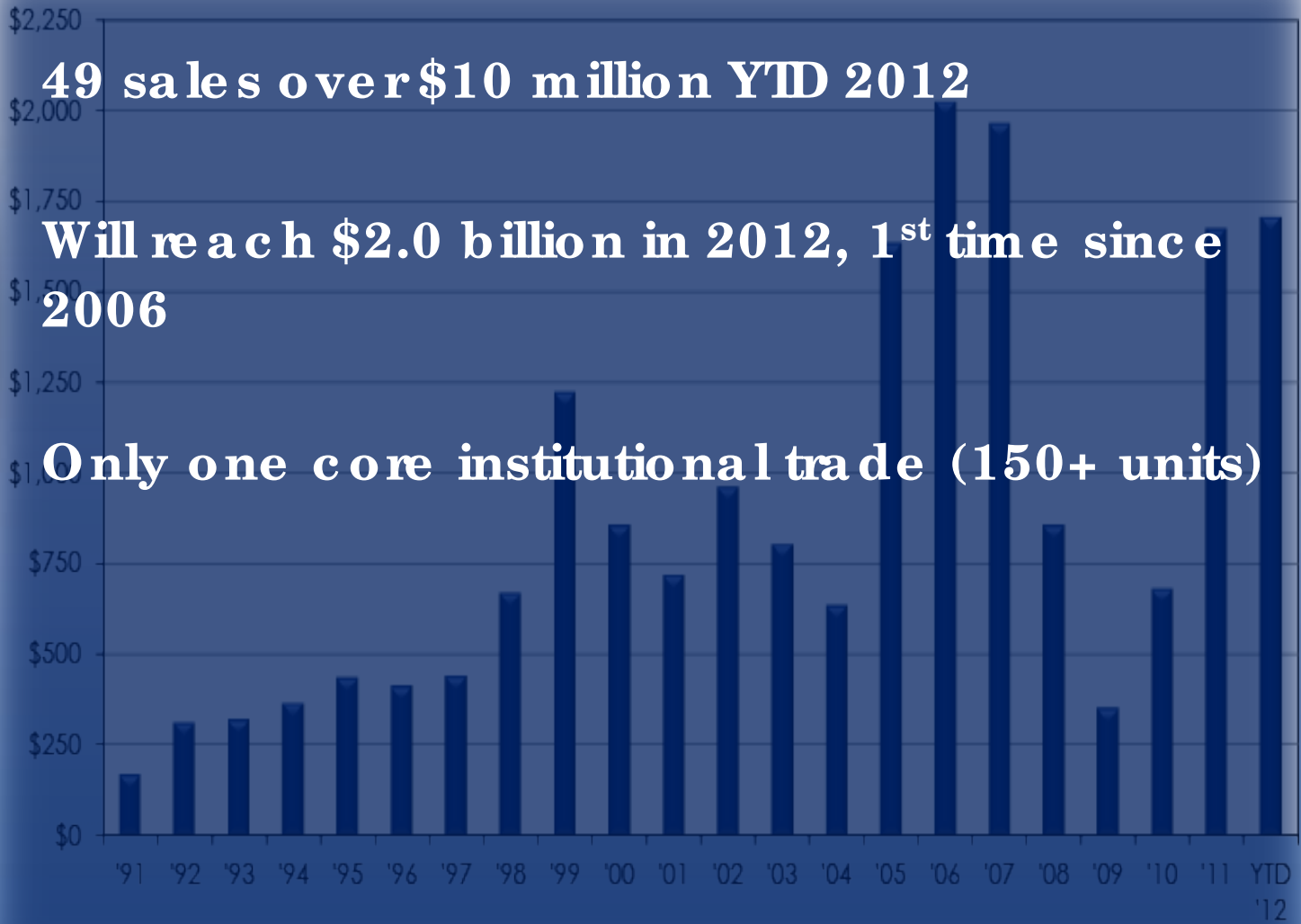
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Great Fundamentals
=
Active Buyers
Very Active Developers

Sales Reaching New Standards



Park Avenue Lofts

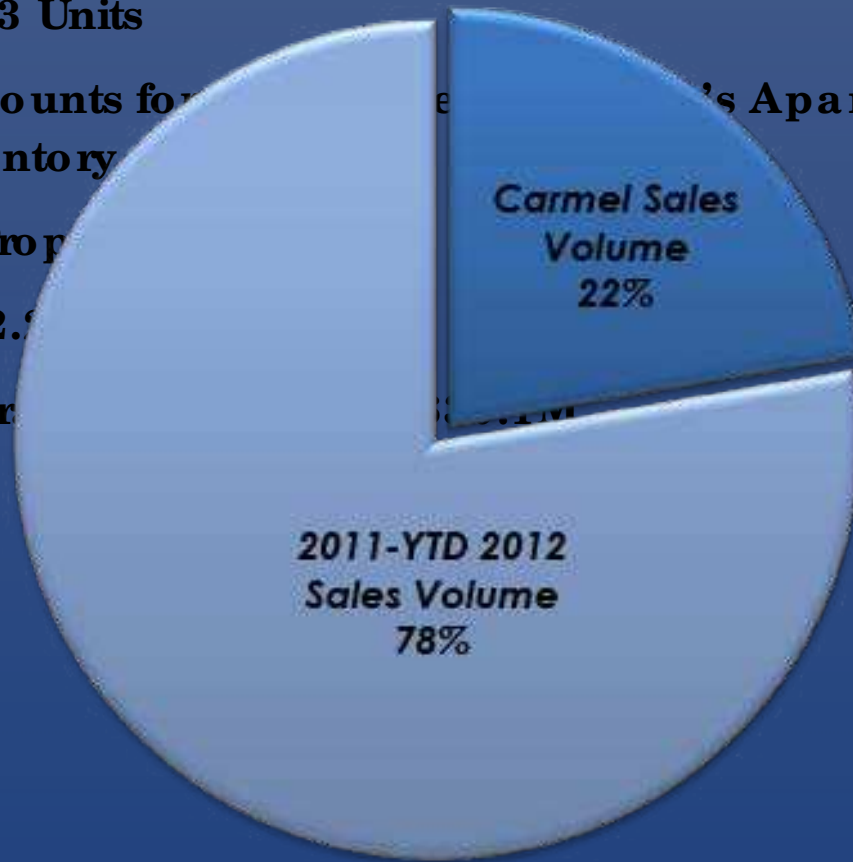


Sale Price:	\$49,500,000
Price Per Unit:	\$255,155
Price Per SF:	\$275.94
Closing Date:	Nov-11
Cap Rate:	4.65%

Carmel Portfolio's Impact

Sales Volume

- 29 Properties
- 8,563 Units
- Accounts for 22% of the Company's Apartment Inventory
- 25 Properties
- \$752.5M
- Average



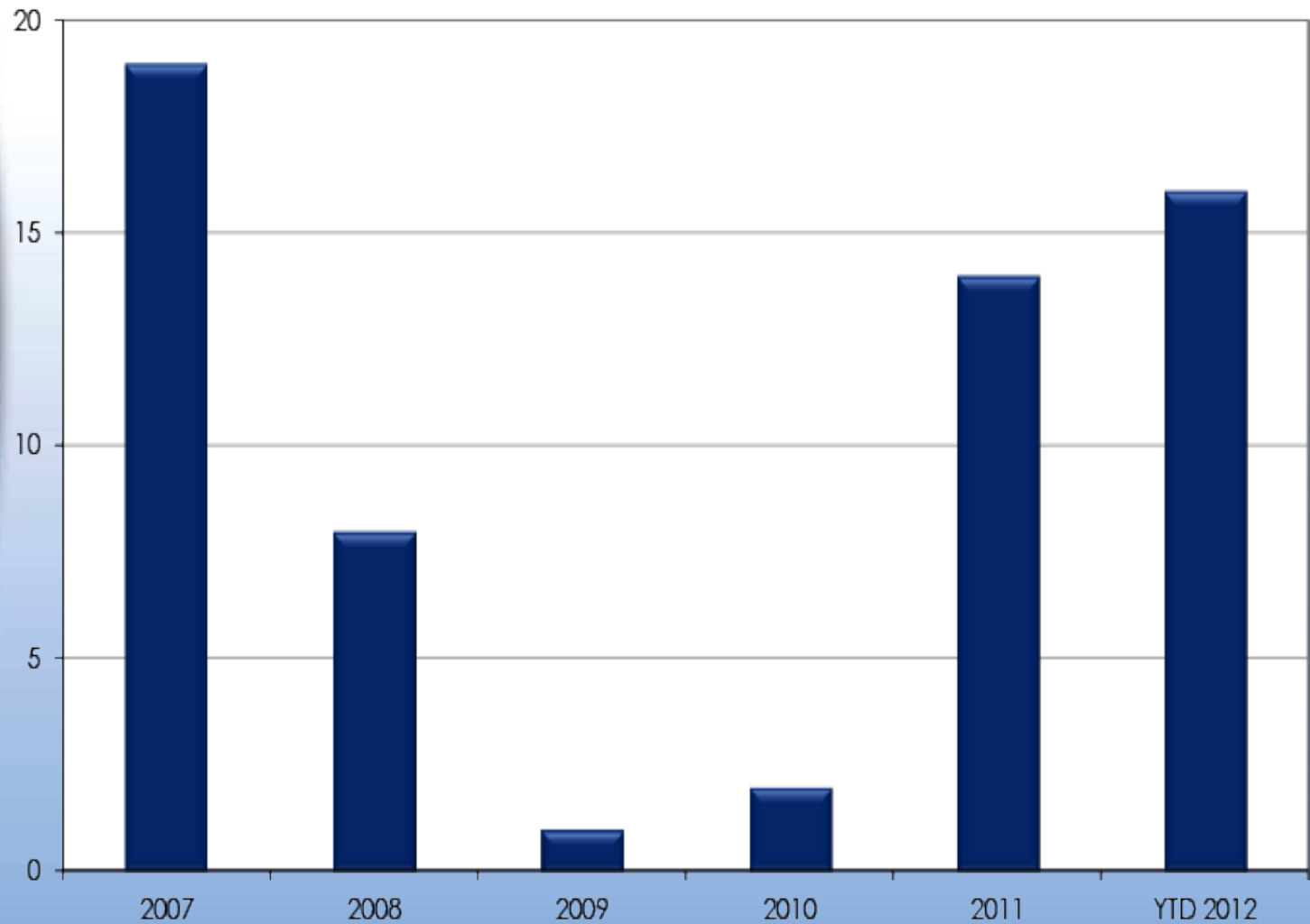
Apartment Land Sales & Development

2007-YTD 2012 Land Sales

100+ Units

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Average Land Price / Unit

2011-2012

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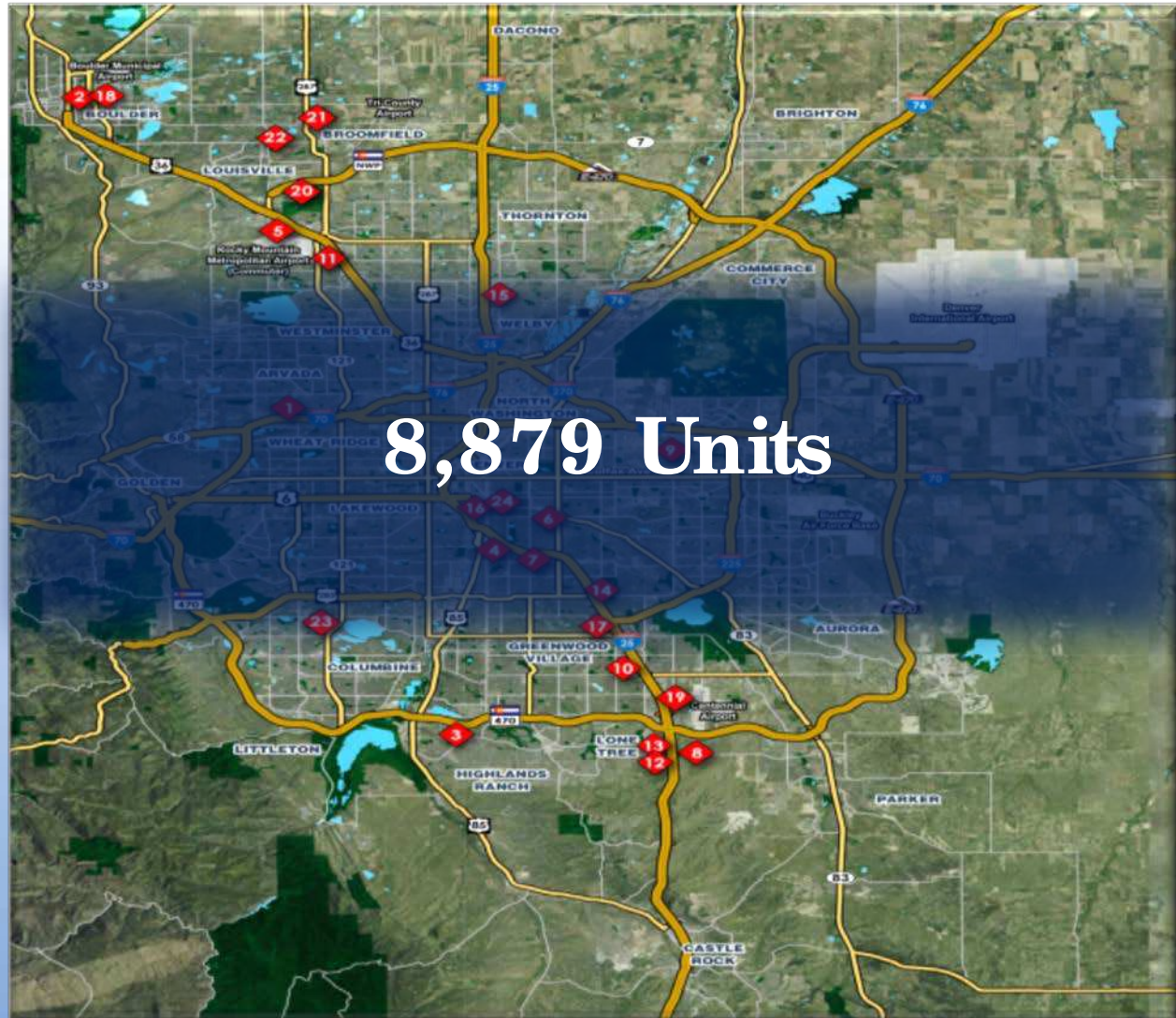
- Suburban \$10,000 - \$15,000 per unit
- Midtown \$20,000 - \$25,000 per unit
- Downtown \$30,000 - \$35,000 per unit

Apartment Construction Pipeline

Under Construction – 3rd Qtr. 2012

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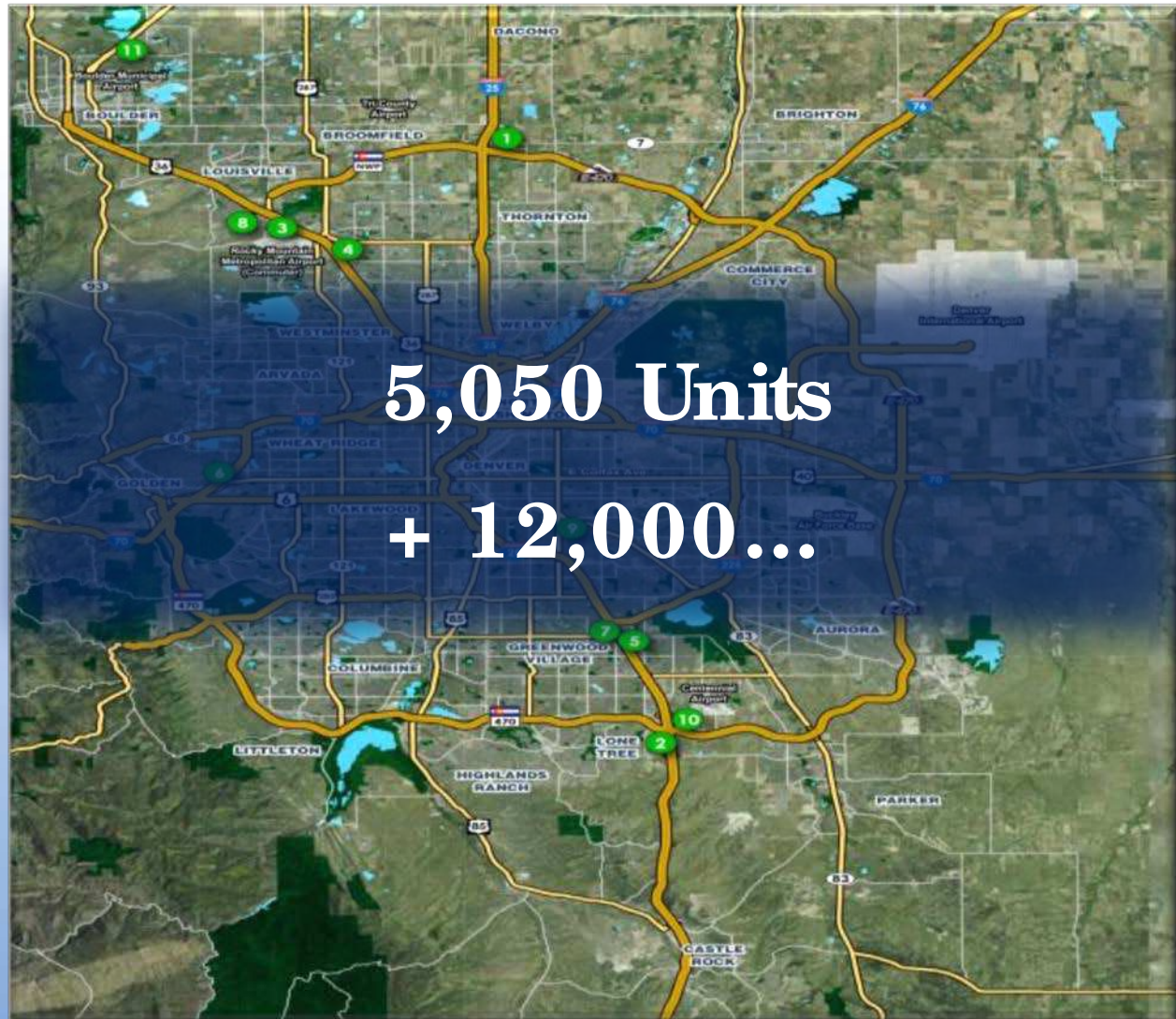


Apartment Construction Pipeline

Proposed – 3rd Qtr. 2012

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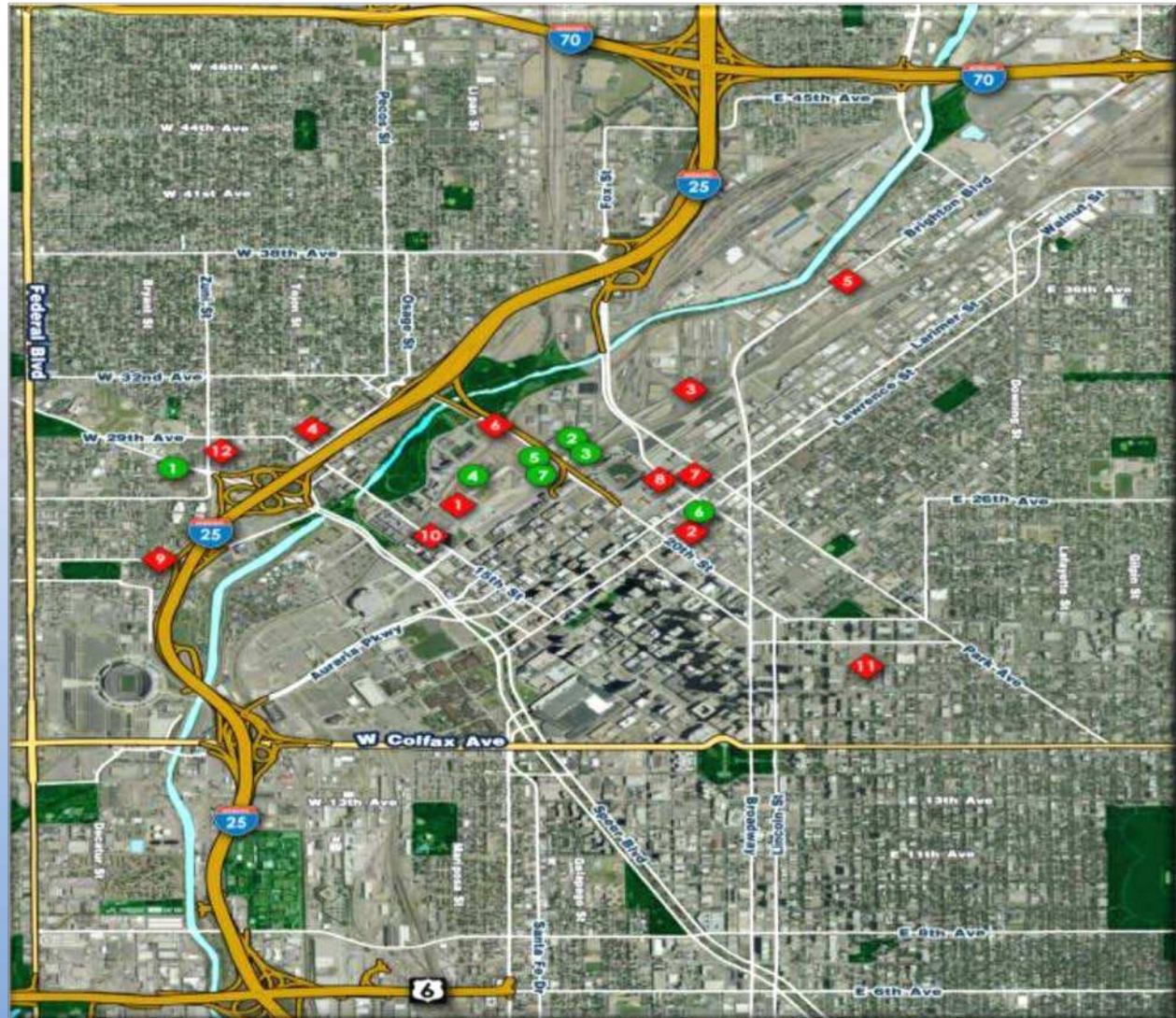


Apartment Construction Pipeline

Downtown U/C + Proposed – 3rd Qtr. 2012

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Primary Employment Centers

Downtown

- **110,000 Employees**
- **\$2.00/ SF Rents**
- **4.3% Vacancy Rate**

DTC (Southeast Corridor)

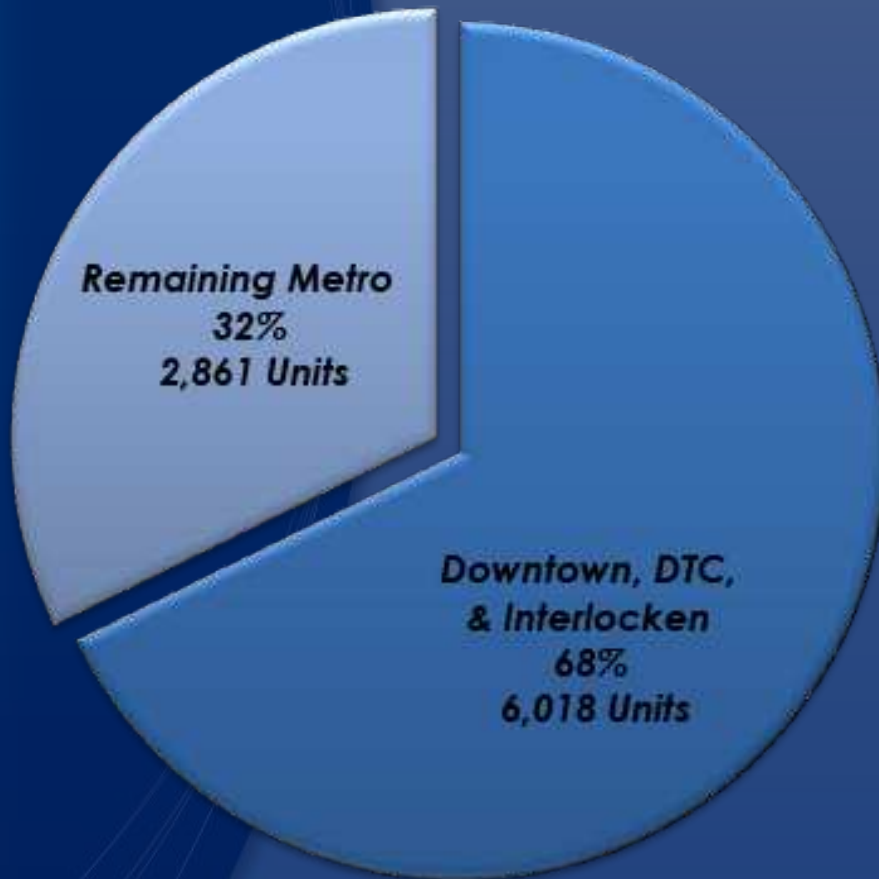
- **423,000 Employees**
- **\$1.50/ SF Rents**
- **3.2% - 4.4% Vacancy Rate**

Interlocken

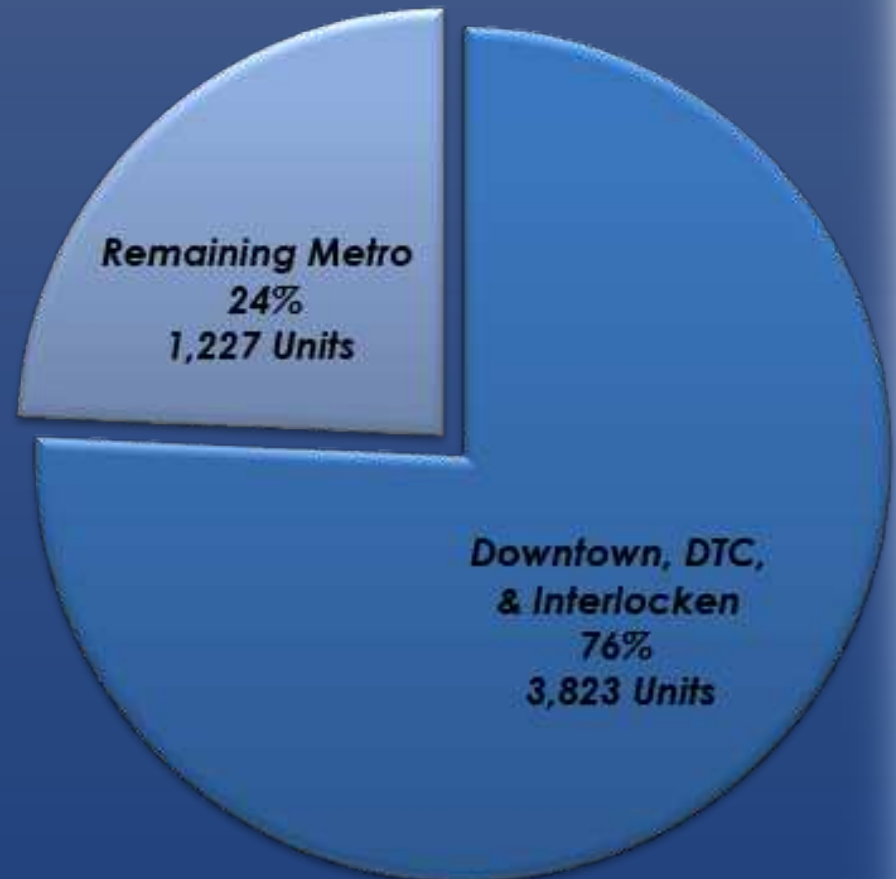
- **30,000 Employees**
- **\$1.35/ SF Rents**
- **3.9% Vacancy Rate**

Primary Employment Centers

Units Under Construction



Units Proposed



2012 “All-In” Construction Cost

- Garden Product \$140,000 per unit
- Mid Density (Wrap) \$180,000 per unit
- Podium \$230,000 per unit
- High-rise \$300,000 per unit

Urban vs. Suburban Rents

Pro forma

Suburban \$1.20 - \$1.45

Urban \$1.75 - \$2.30

Urban Rents

+59%

What's Next?

- **Strong fundamentals through 2014**
- **Development continues through 2015**
- **\$2.0 billion sales volume is new benchmark**

*PROVIDING MULTIHOUSING INVESTMENT
SERVICES THROUGHOUT THE UNITED STATES*



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