



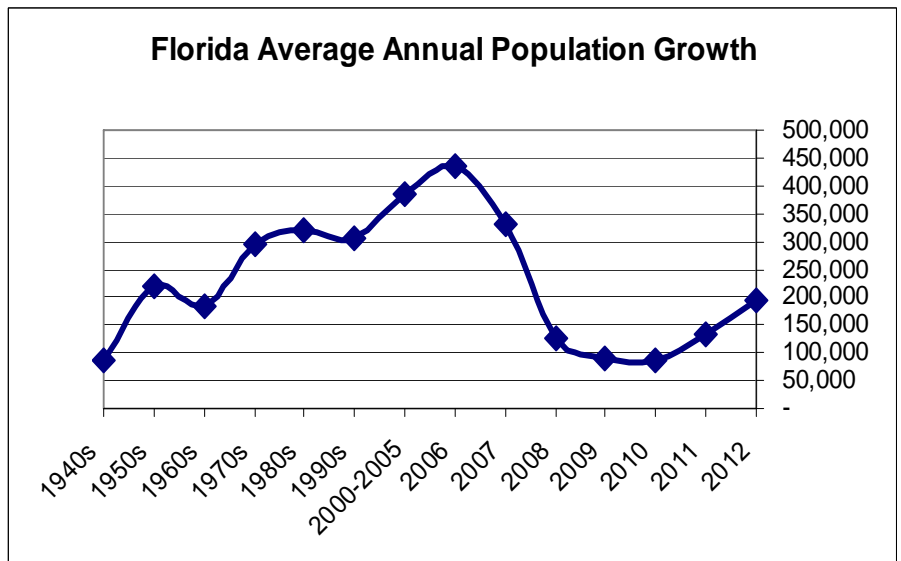
**BESHEARS & ASSOCIATES**  
COMMERCIAL PROPERTY ANALYSTS

June 2009—Our newsletter this month focuses on Florida's apartment market in the West Coast and Central region. Times are certainly challenging for the Florida apartment market.

A recent Time Magazine article titled, "Is Florida the Sunset State?" discussed the downturn in the Florida market stating it is the worst real estate meltdown since the depression. There is also a water crisis, insurance crisis, environmental crisis, budget crisis, together with the housing crisis. According to Time, Florida is first in the nation in mortgage fraud and second in foreclosure. Basically, the article implies that there is no reason for anybody to move to Florida except sunshine.

In November of 1981 in the middle of the last recession of this magnitude, Time Magazine published a report entitled, "Trouble in Paradise", which detailed all Florida's problems and how the state cannot continue to grow the way that it has. Between 1981 and 2007, Florida went on a rapid population growth that transformed the entire state nearly doubling the population by adding 8.9 million people and more than doubling the employment base by adding 4.1 million jobs.

**Florida Average Annual Population Growth**



During the 1950's, Florida added an average of 218,000 new residents per year. In the 1960's, it slowed slightly to 183,000 but then shot up in the 1970's through the 1990's averaging over 300,000 persons annually. Between 2000 and 2005, 385,000 new persons were added annually and in 2006 Florida added 435,000 persons before dipping in 2007 to 331,000 persons. It was not until 2008 that it became apparent the current boom had ended with population growth dropping to 126,117 persons.

One of Florida's leading economists, Dr. Hank Fishkind, has estimated that Florida's population will grow by 90,000 persons in 2009 a growth rate not seen since the 1940's. Dr. Fishkind goes on to project that population growth will stay very limited in 2010 at just over a 106,000 persons before returning to a population growth of 220,000 persons by 2011 and 303,000 persons by 2012. Fishkind's rebound in 2012, to a growth rate of over 300,000 persons per year, appears aggressive given the severity of this recession period. The University of Central Florida's Institute for Economic Competitiveness forecast population in 2010 will drop to 87,000 persons and then increase to a 134,000 persons in 2011 and 194,000 persons in 2012. Eventually, Florida will return to a historical growth rate of 300,000 persons annually.

**F**lorida residential markets, according to Zillow, have lost 35% to 51% of their 2006 peak values. The largest loss has taken place in the areas that experienced the greatest growth. With the exception of Naples, all of the Florida markets are currently under \$200,000 in median home price, reflecting early 2004 levels and eliminating the appreciation of the last five years. Sunbelt cities like Las Vegas and Phoenix experienced similar growth and price appreciation, and have experienced similar high percentage drops in value returning to the 2004 price levels. In fact, all markets are returning to 2004 levels, whether they had significant increases in value or very modest appreciation, all markets in our survey are within 6% of their 1<sup>st</sup> quarter, 2004 values.

Prior to 2004, Florida had always been a very attractive environment in which to relocate businesses and to attract families, tourist and retirees, because of its climate, its beaches, its tourist/family theme parks and the general low cost of doing business. Florida's median home prices were competitive with other Sunbelt cities and the state's cost of living had historically been low comparable to the U.S. average. Over the past five years, Florida had become uncompetitive with cities such as Atlanta, Dallas, Charlotte, Nashville, Austin and Columbia, SC and its cost of living had risen to 125% of the U.S. average. But over the last three years it has quickly becoming competitive again with most Florida markets below the US median home price of \$169,000 and below most other Southeast cities.

#### MEDIAN HOME VALUES

| Florida Cities          | 1st Qtr 2009 | Peak Value | 1st Qtr 2004 | % Peak Value |
|-------------------------|--------------|------------|--------------|--------------|
| Cape Coral - Fort Myers | 153,258      | 312,966    | 156,476      | -51.03%      |
| Punta Gorda             | 119,683      | 244,178    | 126,864      | -50.99%      |
| Sarasota - Bradenton    | 161,937      | 314,547    | 166,827      | -48.52%      |
| Naples                  | 237,844      | 461,316    | 241,412      | -48.44%      |
| Space Coast             | 127,160      | 237,658    | 131,356      | -46.49%      |
| Miami                   | 182,847      | 308,781    | 184,310      | -40.78%      |
| Orlando                 | 159,218      | 263,847    | 158,581      | -39.66%      |
| Tampa                   | 136,797      | 219,978    | 138,028      | -37.81%      |
| Lakeland                | 122,978      | 193,264    | 121,638      | -36.37%      |
| Ocala                   | 118,711      | 182,905    | 115,862      | -35.10%      |
| Sunbelt Cities          | 1st Qtr 2009 | Peak Value | 1st Qtr 2004 | % Peak Value |
| Las Vegas               | 158,839      | 313,275    | 167,734      | -49.30%      |
| Phoenix                 | 167,456      | 288,719    | 166,116      | -42.00%      |
| Atlanta                 | 155,506      | 186,500    | 156,595      | -16.62%      |
| Dallas                  | 127,801      | 139,000    | 127,418      | -8.06%       |
| Charlotte               | 152,834      | 165,000    | 149,777      | -7.37%       |
| Columbia, SC            | 124,622      | 132,885    | 122,628      | -6.22%       |
| Nashville               | 161,048      | 170,986    | 155,894      | -5.81%       |
| Austin                  | 198,689      | 198,689    | 187,562      | 0.00%        |
| Rustbelt Cities         | 1st Qtr 2009 | Peak Value | 1st Qtr 2004 | % Peak Value |
| Detroit                 | 108,381      | 155,791    | 115,101      | -30.43%      |
| Chicago                 | 211,280      | 267,799    | 214,027      | -21.11%      |
| Cleveland               | 122,175      | 145,695    | 124,252      | -16.14%      |
| Milwaukee               | 178,866      | 210,014    | 177,614      | -14.83%      |
| Pittsburg               | 112,750      | 118,743    | 110,044      | -5.05%       |
| Major Metros            | 1st Qtr 2009 | Peak Value | 1st Qtr 2004 | % Peak Value |
| Los Angeles             | 400,952      | 603,835    | 410,174      | -33.60%      |
| San Francisco           | 499,467      | 713,734    | 512,453      | -30.02%      |
| Washington, DC          | 321,533      | 444,869    | 321,211      | -27.72%      |
| Boston                  | 300,605      | 405,849    | 312,629      | -25.93%      |
| New York                | 377,488      | 466,223    | 375,601      | -19.03%      |

Source: Zillow; Beshears & Associates market research



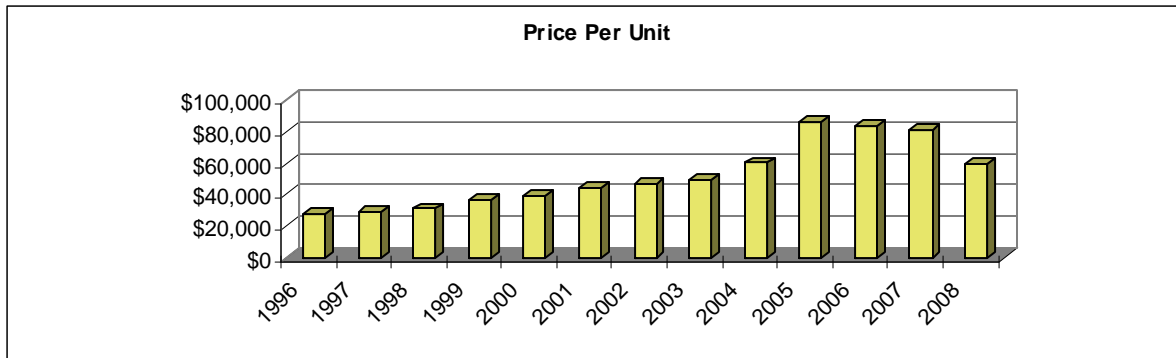
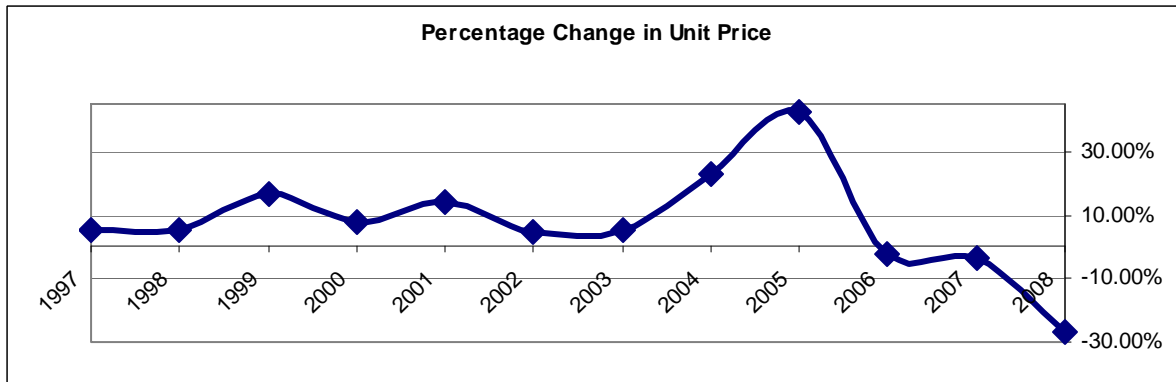
**T**HE APARTMENT MARKET—The three chief contributors to the declining values for apartments have been obviously been the increase in capitalization rates, the increase in market vacancy rates and the decline in rental rates.

**C**apitalization Rates— In order to analyze the trends in the market we have reviewed previous Beshears & Associates newsletters and documents from other sources including CoStar. The average capitalization rate from 1996 to 2000 ranged from 9.59% to 10.24%. Capitalization rates began dropping in 2000 from 10.21% hitting a low point in 2006 to 6.34%. In 2007 the capitalization rates began rising reflecting the collapse of the condo conversion market. The 2008 capitalization rates continued to rise but do not reflect the collapse of the capital markets that occurred at the end of 2008. With the severe economic downturn, the worsening apartment market, and the extremely tight credit markets, we expect capitalization rates to continue to rise and settle in the 8% to 10% range.

| APARTMENT SALE TRENDS |          |                     |
|-----------------------|----------|---------------------|
| Year                  | \$/Unit  | Capitalization Rate |
| 1996                  | \$28,052 | 9.88%               |
| 1997                  | \$29,468 | 10.17%              |
| 1998                  | \$30,951 | 9.59%               |
| 1999                  | \$36,197 | 10.24%              |
| 2000                  | \$39,112 | 10.21%              |
| 2001                  | \$44,527 | 9.29%               |
| 2002                  | \$46,595 | 8.99%               |
| 2003                  | \$49,006 | 8.63%               |
| 2004                  | \$60,133 | 7.79%               |
| 2005                  | \$85,856 | 6.57%               |
| 2006                  | \$83,794 | 6.34%               |
| 2007                  | \$80,926 | 6.68%               |
| 2008                  | \$59,332 | 7.32%               |

Source: CoStar; Beshears & Associates market research

Reflective of the aforementioned conditions, price per unit, averaged \$28,052.00 in 1996 and reached a high of \$85,856.00 in 2005 but has dropped significantly since that time. From 2004 to 2005, the average price per unit went from \$60,133.00 to \$85,856.00, a 42.78% increase. But in 2008, prices dropped 26.68%, and a similar trend is expected for 2009. It is interesting to note that the current average unit price of \$59,332 is very similar to what it was in 2004, reflecting the same trend as home prices. In talking with apartment brokers and looking at the historical trends, we believe that the average pricing for apartment units will get back to 2001 to 2003 levels.



**A**partment Vacancy Rates—Market vacancy rates for the State of Florida have increased from a low range in 2006 of 2.5% to 5.5% (depending on city), to a range of 9.5% to 16% in 2009. All of the markets surveyed by ALN Apartment Data Systems shows increases in apartment vacancy rates over the past four years.

The Cape Coral/Fort Myers/Naples area is considered to be the epicenter of the housing crash in the State of Florida, and had the highest apartment vacancy in the State in 2008 at 19.6% (the economic vacancy was 35% to 40% against the peak when you combined physical vacancy with concessions and rental rate reductions). This market has recently shown a decline in apartment vacancy rates. We believe that the Ft. Myers-Naples market is a good predictor because it went into the downturn the fastest and the deepest. Some analysts believe the rate has changed due to the shadow market of vacant single-family homes and condominiums being absorbed into the market. Also, lenders when taking back housing with renters will terminate rental contracts because they do not want to be landlords, pushing those renters back into the mainstream apartment market. We believe this may be one of the early signs that the state overall will be experiencing a decline in apartment vacancy rates by this time next year.

#### APARTMENT MARKET VACANCY

| MSA              | April, 2006 | May, 2007 | April, 2008 | April, 2009 |
|------------------|-------------|-----------|-------------|-------------|
| Tampa Bay        | 3.30%       | 7.10%     | 8.60%       | 11.30%      |
| Orlando/Daytona  | 3.80%       | 7.80%     | 10.10%      | 12.60%      |
| Jax/Gainesville  | 5.50%       | 7.40%     | 9.80%       | 13.70%      |
| Ft. Myers/Naples | 2.30%       | 10.90%    | 19.60%      | 13.10%      |
| West Palm Beach  | 3.90%       | 7.50%     | 8.50%       | 9.60%       |
| Tallahassee      | 5.80%       | 8.30%     | 8.40%       | 13.60%      |
| Pensacola        | 3.20%       | 8.60%     | 10.50%      | 15.80%      |
| Melbourne        | 2.50%       | 9.70%     | 12.20%      | 15.20%      |

Source: ALN Apartment Data; Beshears & Associates market data.

**A**partment Rental Rates—Apartment rental rates have shown negative growth rates over the past three years. Every market survey shows a decline in rental rates over a one year period and all but one market shows a decline over the three year period. It should be noted that the apartment rental rate shown does not reflect the impact of free rent concessions. In our valuation of a number of apartment projects, we have found free rent generally is ranging from half a month to three months, depending upon the market and the unit type. Adding in the free rent concessions to either the rental rates or the market vacancy significantly increases the economic vacancy rate and decreases the apartment rental rate.

#### APARTMENT RENTAL RATES

| MSA              | April, 2006 | May, 2007 | April, 2008 | April, 2009 | Rent Change |         |
|------------------|-------------|-----------|-------------|-------------|-------------|---------|
|                  |             |           |             |             | 1 Year      | 3 Years |
| Tampa Bay        | \$784       | \$816     | \$788       | \$770       | -2.3%       | -1.8%   |
| Orlando/Daytona  | \$825       | \$855     | \$827       | \$817       | -1.2%       | -1.0%   |
| Jax/Gainesville  | \$771       | \$808     | \$761       | \$750       | -1.4%       | -2.7%   |
| Ft. Myers/Naples | \$865       | \$883     | \$812       | \$793       | -2.3%       | -8.3%   |
| West Palm Beach  | \$1,043     | \$1,065   | \$1,059     | \$1,042     | -1.6%       | -0.1%   |
| Tallahassee      | \$805       | \$840     | \$794       | \$792       | -0.3%       | -1.6%   |
| Pensacola        | \$709       | \$745     | \$754       | \$716       | -5.0%       | 1.0%    |
| Melbourne        | \$739       | \$737     | \$697       | \$675       | -3.2%       | -8.7%   |

Source: ALN Apartment Data; Beshears & Associates market data.

**F**lorida Advantages—Despite the Time Magazine article, we do not believe that the sun has set on the State of Florida. With the significant amount of inventory that is available, we believe there will be good buying opportunities for people who do wish to relocate to the State of Florida. The states tax structure, is friendly both to business and individuals. Its wonderful climate, its ports and gateways to international markets and its large diverse population will continue to attract people to the state. Just not in the same numbers that happened during the great boom. Florida has a number of advantages which will continue to attract future population growth:

**Florida's ports** position the state to be a major contributor in the continued globalization of the world's economies. Tampa on the West and the Port of Miami, Port Everglades and Jacksonville Port on the East account for \$115 billion annually in trade and 40% of all US exports to Latin and South America trade pass through Florida ports .

**Florida's 24 military bases** employ 50,000 active duty personnel and 54,000 Reserve and National Guard. Of the Pentagon's nine Unified Combatant Commands, three are located in Florida. US Central Command (Middle East) and US Special Operations Command are located at Mac Dill AFB in Tampa. US Southern Command (South America) is located in Miami, making Florida an integral component of the Pentagon's long range plan. The military's impact on Florida economy is estimated at \$59 billion a year.

**Florida's tourism** is a large economic generator with world renowned beaches, golf courses and theme parks, and is very affordable compared with more exotic and expensive destinations around the world. Florida's hosts 82 million visitors annually which have an economic impact of \$57 billion.

**Florida's low-cost of doing business** with no state income tax, will continue to attract both businesses and retirees who leave the growing tax structure that is occurring in many northeastern and mid-western states.

**Florida's return to affordable housing** after the massive downturn in the real estate market over the last three years. Florida's housing is at or below most other areas of the United States.

**Baby Boomers** Each and every day until 2023, over 10,000 persons turn 60, or roughly four million persons annually. Of the 78 million baby boomers a survey by Del Webb Housing indicates that 59% intend to buy a new home for retirement and 45% of those intend to move out of state. Of those moving out of state, 14% chose Florida. This is supported by research by Bill Haas a sociologist at the University of North Carolina at Asheville. He reports that Florida has fallen from a high of 26.3% of all movers in 1980 to 13.2% in 2006. Other southern states have taken a portion of the retirees and some of the problems discussed above have made retirees look at other options. But even with these more restrained growth rates Florida should expect to get 140,000 new

Given the tight lending environment, the impending CMBS loans that are coming due, the lack of capital to borrow any additional funds and increased capitalization rates we believe the economic downturn will continue for commercial real estate for the next two years. These two years will continue to be painful for property owners and will provide excellent buying opportunities for those who are well capitalized.

| Name                   | City            | Year Built | Units | Sale Date | Price/Unit | Price /RSF | Cap Rate |
|------------------------|-----------------|------------|-------|-----------|------------|------------|----------|
| Golden Oaks            | Winter Park     | 1993       | 96    | May-2009  | \$41,666   | \$41.77    |          |
| Stonebrook             | Sanford         | 1991       | 356   | May-2009  | \$53,089   | \$53.66    |          |
| Rainbow Apartments     | Tampa           | 1970       | 72    | Mar-2009  | \$52,777   | \$78.99    |          |
| 2nd Street Apartments  | St. Petersburg  | 1920       | 19    | Mar-2009  | \$53,421   | \$93.11    |          |
| Cross Bayou Villas     | Pinellas Park   | 1986       | 17    | Mar-2009  | \$62,676   | \$49.80    |          |
| Seaside Villas         | Gulfport        | 1964       | 121   | Mar-2009  | \$70,247   | \$102.93   |          |
| East 17th Avenue       | Tampa           | 1950       | 32    | Feb-2009  | \$17,187   | \$28.64    |          |
| Pleasant Boulevard     | Riverview       | 1976       | 242   | Feb-2009  | \$42,975   | \$109.47   |          |
| Ashley Point           | Orlando         | 1975       | 200   | Jan-2009  | \$20,750   | \$18.18    |          |
| Gomez Avenue           | Tampa           | 1974       | 12    | Jan-2009  | \$70,833   | \$109.64   |          |
| 6th Avenue NE          | St. Petersburg  | 1920       | 18    | Jan-2009  | \$44,444   | \$93.67    |          |
| Steiner's Gulf         | Treasure Island | 1974       | 24    | Jan-2009  | \$50,413   | \$70.02    |          |
| Sabal Park             | Longwood        | 1986       | 162   | Jan-2009  | \$17,872   | \$92.91    |          |
| Golf Brook             | Longwood        | 1988       | 195   | Jan-2009  | \$23,289   | \$151.39   |          |
| 37th Street            | St. Petersburg  | 1974       | 109   | Jan-2009  | \$71,560   | \$64.46    | 9.50%    |
| Hidden Palms           | Tampa           | 1987       | 256   | Jan-2009  | \$56,641   | \$73.92    | 7.58%    |
| Via Verde              | Clearwater      | 1985       | 25    | Dec-2008  | \$73,600   | \$60.52    |          |
| Le Coconut             | Sarasota        | 1975       | 29    | Dec-2008  | \$37,931   | \$67.98    |          |
| Bridlewood at Highwood | Tampa           | 2003       | 384   | Dec-2008  | \$20,313   | \$18.01    |          |
| Bay Oaks               | Tampa           | 1974       | 176   | Dec-2008  | \$64,489   | \$90.86    | 7.00%    |
| Preserve at Longleaf   | Melbourne       | 2006       | 298   | Dec-2008  | \$89,262   | \$86.30    | 6.50%    |
| Longbranch             | Clearwater      | 1984       | 184   | Dec-2008  | \$38,000   | \$42.03    | 3.67%    |
| Turnberry Park         | Sarasota        | 1998       | 286   | Dec-2008  | \$83,000   | \$79.47    | 6.80%    |
| Englewood              | Orlando         | 2000       | 560   | Dec-2008  | \$49,107   | \$63.92    | 8.00%    |
| Sawgrass Apartments    | Orlando         | 1989       | 208   | Dec-2008  | \$60,577   | \$57.81    |          |
| Palm Lake              | Tampa           | 1972       | 150   | Dec-2008  | \$46,667   | \$45.54    | 7.25%    |
| Regency Square         | Tampa           | 1975       | 120   | Dec-2008  | \$42,083   | \$44.18    | 7.90%    |
| Coachwood Apartments   | Tampa           | 1976       | 64    | Dec-2008  | \$18,750   | \$27.51    |          |
| Shadowood Apartments   | Tampa           | 1983       | 24    | Dec-2008  | \$62,500   | \$68.72    | 8.50%    |
| Hidden Cove            | St. Petersburg  | 1985       | 14    | Dec-2008  | \$36,814   | \$44.90    |          |
| Wedgewood              | Jacksonville    | 1975       | 80    | Dec-2008  | \$50,000   |            |          |
| Freedom Place          | Jacksonville    | 1988       | 352   | Dec-2008  | \$57,386   |            |          |
| Fieldcrest             | Jacksonville    | 1982       | 240   | Dec-2008  | \$59,646   |            |          |
| Ravenwood              | Jacksonville    | 1971       | 112   | Nov-2008  | \$54,464   |            |          |
| Lakeside North         | Tampa           | 1983       | 168   | Nov-2008  | \$61,607   |            |          |
| Missouri Apartments    | New Port Richey | 1967       | 9     | Nov-2008  | \$36,667   | \$76.39    |          |
| Serenity at Leesburg   | Leesburg        | 1974       | 48    | Nov-2008  | \$73,708   | \$89.61    |          |
| Palm Grove Apartments  | Tampa           | 1969       | 248   | Nov-2008  | \$43,274   | \$38.77    |          |
| Pioneer Apartments     | Port Richey     | 1982       | 40    | Nov-2008  | \$21,875   | \$26.04    |          |
| Sherwood Garden        | Titusville      | 1970       | 20    | Oct-2008  | \$35,000   | \$67.31    |          |
| Handy Apartments       | Tampa           | 1984       | 168   | Oct-2008  | \$61,607   | \$77.54    |          |
| Albert Apartments      | Dunedin         | 1973       | 8     | Oct-2008  | \$41,125   | \$54.87    | 8.10%    |
| Cornell Apartments     | Winter Park     | 1945       | 11    | Oct-2008  | \$51,364   | \$182.38   |          |

| Name                   | City           | Year Built | Units | Sale Date | Price/Unit | Price /RSF | Cap Rate |
|------------------------|----------------|------------|-------|-----------|------------|------------|----------|
| Place at Channelside   | Tampa          | 2007       | 171   | Oct-2008  | \$128,070  | \$97.49    |          |
| Walsingham Apartments  | Largo          | 1965       | 6     | Oct-2008  | \$62,500   | \$121.75   |          |
| Clinton Arms           | Gulfport       | 1972       | 10    | Oct-2008  | \$65,000   | \$80.25    | 7.33%    |
| Jackson Heights        | Tampa          | 1971       | 111   | Oct-2008  | \$18,000   | \$22.62    |          |
| Conway Forest          | Orlando        | 1987       | 219   | Sep-2008  | \$54,795   | \$66.74    |          |
| Colonial Grand         | Orlando        | 1997       | 496   | Sep-2008  | \$116,331  | \$92.40    | 6.30%    |
| Lofton Meadows         | Bradenton      | 1986       | 166   | Sep-2008  | \$51,205   | \$30.68    |          |
| Riverview Apartments   | Riverview      | 1986       | 13    | Sep-2008  | \$25,000   | \$72.22    |          |
| Pelican Point I & II   | Jacksonville   | 1986       | 160   | Sep-2008  | \$53,125   |            |          |
| Villa at Mandarin Bay  | Jacksonville   | 1982       | 154   | Sep-2008  | \$50,649   |            |          |
| Stonewood              | Jacksonville   | 1980       | 117   | Sep-2008  | \$52,991   |            |          |
| Desert Winds           | Jacksonville   | 1972       | 152   | Sep-2008  | \$39,850   |            |          |
| Magnolia Grove         | Fern Park      | 1971       | 352   | Sep-2008  | \$47,443   | \$67.90    |          |
| Venice Apartments      | Venice         | 1951       | 8     | Sep-2008  | \$128,288  | \$182.62   |          |
| Buena Vista Point      | Orlando        | 1994       | 324   | Sep-2008  | \$62,191   | \$71.99    | 7.20%    |
| Captiva Club           | Tampa          | 1972       | 357   | Sep-2008  | \$54,609   | \$60.50    |          |
| Woodland Oaks          | St. Petersburg | 1983       | 90    | Sep-2008  | \$58,000   | \$84.74    | 8.26%    |
| Village Oaks           | Temple Terrace | 2005       | 234   | Aug-2008  | \$90,812   | \$75.96    | 4.70%    |
| Whiney Grove           | Orlando        | 1973       | 96    | Aug-2008  | \$39,583   | \$73.49    | 4.40%    |
| Cottages Hunter Creek  | Orlando        | 2000       | 1,042 | Aug-2008  | \$113,244  | \$99.01    | 5.13%    |
| Arlington Gardens      | Sarasota       | 1975       | 37    | Aug-2008  | \$31,005   | \$42.31    |          |
| Gulf Way Apartments    | St. Pete Beach | 1971       | 8     | Aug-2008  | \$162,500  | \$207.27   |          |
| Tropical Garden        | St. Petersburg | 1977       | 16    | Aug-2008  | \$106,250  | \$112.63   |          |
| Altamonte Apartments   | Tampa          | 1985       | 232   | Aug-2008  | \$59,052   | \$65.65    | 6.58%    |
| Taylor Apartments      | Apopka         | 1970       | 101   | Jul-2008  | \$31,683   | \$41.42    | 7.88%    |
| 31st Street North      | St. Petersburg | 1980       | 42    | Jul-2008  | \$37,976   | \$89.59    | 9.00%    |
| Park Apartments        | Venice         | 1972       | 6     | Jul-2008  | \$80,000   | \$125.92   |          |
| Gateway Apartments     | St. Petersburg | 1986       | 144   | Jul-2008  | \$60,764   | \$101.27   | 8.39%    |
| St. Croix Apartments   | Tampa          | 1990       | 540   | Jul-2008  | \$71,019   | \$82.73    | 6.00%    |
| Lakeside Villas        | St. Petersburg | 1974       | 32    | Jul-2008  | \$79,688   | \$108.05   |          |
| Loma Linda             | Sarasota       | 1931       | 4     | Jul-2008  | \$162,500  | \$165.23   | 5.30%    |
| Oceanside Apartments   | Pinellas Park  | 1981       | 104   | Jul-2008  | \$43,269   | \$56.99    |          |
| 16 South               | Rockledge      | 1925       | 20    | Jul-2008  | \$14,200   | \$34.13    | 12.00%   |
| Royal Yacht Club       | Clearwater     | 1986       | 42    | Jul-2008  | \$130,952  |            |          |
| Doral Oaks             | Tampa          | 1969       | 252   | Jun-2008  | \$48,121   |            |          |
| Bottlebrush            | Palm Bay       | 1978       | 47    | Jun-2008  | \$37,660   | \$65.38    | 7.48%    |
| Royal Breeze           | Clearwater     | 1973       | 200   | Jun-2008  | \$58,875   | \$45.96    | 7.90%    |
| The Village            | Brandon        | 1987       | 112   | Jun-2008  | \$81,741   | \$78.29    |          |
| Lions Point            | Clearwater     | 1972       | 33    | Jun-2008  | \$36,364   | \$54.05    |          |
| Shirr Manor            | Tampa          | 1925       | 8     | Jun-2008  | \$75,000   | \$103.59   |          |
| North 22nd Street      | Tampa          | 1970       | 168   | Jun-2008  | \$29,762   | \$33.23    |          |
| Castilian Lakes Club   | Largo          | 1985       | 140   | Jun-2008  | \$46,000   | \$78.25    | 10.25%   |
| Country Squire         | Oviedo         | 1970       | 12    | Jun-2008  | \$47,125   | \$48.19    |          |
| 22nd Street Apartments | St. Petersburg | 1960       | 6     | May-2008  | \$42,750   | \$47.43    | 8.80%    |

| Name                   | City            | Year Built | Units | Sale Date | Price/Unit | Price /RSF | Cap Rate |
|------------------------|-----------------|------------|-------|-----------|------------|------------|----------|
| Whispering Oaks        | Lakeland        | 1948       | 41    | May-2008  | \$32,317   | \$57.61    | 8.51%    |
| Mohawk                 | Tampa           | 1983       | 10    | May-2008  | \$67,500   | \$94.06    | 8.0%     |
| Reynolds               | Lakeland        | 1967       | 8     | May-2008  | \$29,375   | \$35.12    |          |
| Emerald Bay            | St. Petersburg  | 1971       | 320   | May-2008  | \$45,938   | \$40.77    | 5.31%    |
| Georgetown Apartments  | Winter Haven    | 1968       | 90    | May-2008  | \$42,222   | \$67.40    | 7.53%    |
| Multi-Family Condos    | Orlando         | 1987       | 448   | May-2008  | \$60,500   | \$91.34    |          |
| Palm Harbor Village    | Melbourne       | 1979       | 115   | May-2008  | \$47,391   | \$73.63    |          |
| St. James Place        | Tampa           | 1981       | 126   | May-2008  | \$63,492   | \$41.17    | 5.00%    |
| Andover Place          | Orlando         | 1986       | 400   | May-2008  | \$69,250   | \$152.24   |          |
| Willow Lakes           | Jacksonville    | 1969       | 354   | May-2008  | \$24,294   |            |          |
| Capri Villa            | Jacksonville    | 1950       | 132   | May-2008  | \$20,549   |            |          |
| Kentwood & Driftwood   | Jacksonville    | 1972       | 232   | May-2008  | \$55,603   |            | 6.30%    |
| 62nd Street Apartments | Pinellas Park   | 1985       | 12    | Apr-2008  | \$75,000   | \$76.90    | 7.10%    |
| The Country Yard       | St. Petersburg  | 1958       | 20    | Apr-2008  | \$38,750   | \$63.11    |          |
| Sun Lake               | Brandon         | 1985       | 88    | Apr-2008  | \$70,455   |            |          |
| Springwood Villa       | Pinellas Park   | 1988       | 51    | Apr-2008  | \$55,392   |            | 7.60%    |
| 49th East Apartments   | Ft. Lauderdale  | 1968       | 32    | Apr-2008  | \$85,938   |            | 4.80%    |
| Triple T Apartments    | Tallahassee     | 1970       | 55    | Apr-2008  | \$47,727   |            |          |
| Elizabeth              | Clearwater      | 1976       | 20    | Apr-2008  | \$43,770   | \$48.27    |          |
| Sligh Ave. Apartments  | Seffner         | 1967       | 12    | Apr-2008  | \$41,667   | \$50.94    |          |
| Christopher Woods      | Jacksonville    | 1988       | 225   | Apr-2008  | \$52,444   |            | 4.90%    |
| Marquis Apartments     | Tampa           | 1969       | 140   | Apr-2008  | \$56,071   | \$64.60    | 7.60%    |
| Hidden Lake            | Tampa           | 1983       | 267   | Apr-2008  | \$55,899   | \$117.70   |          |
| The Village            | Brandon         | 1986       | 112   | Apr-2008  | \$49,757   |            |          |
| Doral Oaks             | Tampa           | 1969       | 252   | Apr-2008  | \$49,757   |            |          |
| Continental Gardens    | West Palm Beach | 1983       | 60    | Mar-2008  | \$63,842   |            |          |
| Bentwood Apartments    | Gainesville     | 1981       | 93    | Mar-2008  | \$45,239   |            |          |
| Whisperwood            | Gainesville     | 1981       | 80    | Mar-2008  | \$45,804   |            |          |
| Townview Apartments    | Zephyrhills     | 1986       | 46    | Mar-2008  | \$52,174   | \$65.75    | 7.30%    |
| Davis Apartments       | Tampa           | 1955       | 10    | Mar-2008  | \$86,000   | \$134.50   |          |
| Cypress Point          | Orlando         | 1983       | 98    | Mar-2008  | \$55,000   | \$38.50    |          |
| US 19 Apartment        | Tarpon Springs  | 1966       | 6     | Mar-2008  | \$133,333  | \$124.15   |          |
| Campus Walk            | Tampa           | 1972       | 296   | Mar-2008  | \$37,669   | \$25.98    |          |
| Cedar Trace Apartments | Tampa           | 1984       | 176   | Mar-2008  | \$40,739   | \$45.35    |          |
| Legend Oaks            | Tampa           | 1983       | 416   | Mar-2008  | \$55,288   |            |          |
| Bay Cove               | Clearwater      | 1972       | 336   | Mar-2008  | \$101,386  |            |          |
| Laurel Oaks            | Tampa           | 1986       | 192   | Mar-2008  | \$79,867   |            |          |
| Andover Place Phase I  | Orlando         | 1988       | 400   | Mar-2008  | \$69,250   |            |          |
| Fisherman's Village    | Orlando         | 1984       | 280   | Mar-2008  | \$80,000   |            |          |
| Heron Lake             | Kissimmee       | 1989       | 264   | Mar-2008  | \$80,871   |            |          |
| The Vineyards          | Kissimmee       | 1986       | 400   | Mar-2008  | \$81,972   |            |          |
| Oakwood Terrace I & II | Pensacola       | 1965       | 300   | Mar-2008  | \$45,767   |            |          |
| Mallard Cove           | Jacksonville    | 1987       | 160   | Mar-2008  | \$69,875   |            | 7.60%    |
| Otter Run              | Jacksonville    | 1989       | 192   | Mar-2008  | \$69,896   |            | 8.40%    |

| Name                        | City              | Year Built  | Units        | Sale Date | Price/Unit       | Price /RSF      | Cap Rate      |
|-----------------------------|-------------------|-------------|--------------|-----------|------------------|-----------------|---------------|
| The Arlington               | Jacksonville      | 1968        | 288          | Mar-2008  | \$45,139         |                 | 9.20%         |
| Chelsea Courtyard           | Jacksonville      | 1964        | 162          | Mar-2008  | \$48,302         |                 | 8.10%         |
| Fountains Delray Beach      | Delray Beach      | 2001        | 149          | Feb-2008  | \$134,396        |                 |               |
| Waters Edge                 | Delray Beach      | 1998        | 148          | Feb-2008  | \$113,024        |                 |               |
| Driftwood Terrace           | Ft. Lauderdale    | 1958        | 176          | Feb-2008  | \$53,125         |                 |               |
| The Legends                 | Jacksonville      | 1966        | 120          | Feb-2008  | \$49,167         |                 | 9.40%         |
| Colony Club                 | Tallahassee       | 1972        | 170          | Feb-2008  | \$67,647         |                 | 7.70%         |
| High Point                  | Tallahassee       | 1972        | 150          | Feb-2008  | \$50,000         |                 | 5.70%         |
| Governors Square            | Tallahassee       | 1974        | 169          | Feb-2008  | \$50,006         |                 |               |
| Antioch Manor               | Orlando           | 1981        | 100          | Feb-2008  | \$43,001         |                 |               |
| Hillcrest Hampton House     | Orlando           | 1971        | 156          | Feb-2008  | \$22,436         |                 |               |
| Pegasus Connection          | Orlando           | 1999        | 312          | Feb-2008  | \$105,804        |                 |               |
| Campus Lodge                | Lutz              | 2001        | 312          | Feb-2008  | \$136,499        | \$93.15         | 6.20%         |
| Providence Palm Harbor      | Palm Harbor       | 1991        | 236          | Feb-2008  | \$84,746         | \$95.22         |               |
| Pelican Bay                 | Micco             | 1965        | 217          | Feb-2008  | \$27,419         | \$104.39        |               |
| Colonial Oaks               | Kenneth City      | 1969        | 60           | Feb-2008  | \$62,000         | \$64.92         | 4.50%         |
| 2nd Street Apartments       | St. Petersburg    | 1956        | 22           | Feb-2008  | \$27,841         | \$82.33         |               |
| Colonial Oaks               | St. Petersburg    | 1969        | 60           | Feb-2008  | \$62,000         | \$64.92         | 6.50%         |
| Georgetown Apartments       | Winter Haven      | 1968        | 89           | Feb-2008  | \$36,750         | \$42.62         | 9.10%         |
| The Saratoga                | St. Petersburg    | 1972        | 34           | Feb-2008  | \$89,200         |                 |               |
| High Ridge                  | Boynton Beach     | 1971        | 64           | Feb-2008  | \$65,625         |                 | 6.00%         |
| Lake Arjaro                 | West Palm Beach   | 1984        | 57           | Jan-2008  | \$63,000         |                 | 8.00%         |
| Mayfair Village             | Jacksonville      | 1956        | 83           | Jan-2008  | \$37,349         |                 | 6.80%         |
| El Patio                    | Bradenton         | 1924        | 24           | Jan-2008  | \$33,333         | \$49.29         |               |
| City West                   | Orlando           | 1990        | 300          | Jan-2008  | \$83,333         | \$109.87        | 5.80%         |
| Kendra Way                  | Palm Harbor       | 1991        | 236          | Jan-2008  | \$84,746         | \$95.22         |               |
| Quarter at Ybor             | Tampa             | 2002        | 454          | Jan-2008  | \$72,166         |                 |               |
| Copper Terrace              | Orlando           | 1990        | 300          | Jan-2008  | \$83,333         | \$109.87        | 6.00%         |
| Villa Tuscany               | Orlando           | 2002        | 342          | Jan-2008  | \$116,959        | \$116.28        |               |
| Creekwood Village           | Altamonte Springs | 1972        | 180          | Jan-2008  | \$65,556         | \$70.87         | 6.30%         |
| The Place at Millennia      | Orlando           | 2007        | 371          | Jan-2008  | \$135,127        |                 |               |
| Ballantree Apartments       | Sanford           | 2003        | 294          | Jan-2008  | \$112,730        |                 |               |
| Oakwood Villas              | Jacksonville      | 1999        | 200          | Jan-2008  | \$40,161         |                 |               |
| Middletown Apartments       | Orange Park       | 1972        | 100          | Jan-2008  | \$40,161         |                 |               |
| Spicewood Springs           | Jacksonville      | 1985        | 512          | Jan-2008  | \$83,925         |                 |               |
| Savannah Oaks               | Jacksonville      | 1971        | 228          | Jan-2008  | \$83,400         |                 |               |
| Bay Pointe                  | Jacksonville      | 1971        | 300          | Jan-2008  | \$84,000         |                 |               |
| Via Lugano                  | Boynton Beach     | 1999        | 251          | Jan-2008  | \$127,490        |                 | 5.30%         |
| <b>Apartment Indicators</b> | <b>Minimum</b>    | <b>1920</b> | <b>4</b>     |           | <b>\$14,200</b>  | <b>\$18.01</b>  | <b>3.67%</b>  |
|                             | <b>Maximum</b>    | <b>2007</b> | <b>1,042</b> |           | <b>\$162,500</b> | <b>\$207.27</b> | <b>12.00%</b> |
|                             | <b>Average</b>    | <b>1977</b> | <b>162</b>   |           | <b>\$60,962</b>  | <b>\$75.81</b>  | <b>7.12%</b>  |
|                             | <b>Median</b>     | <b>1976</b> | <b>140</b>   |           | <b>\$54,795</b>  | <b>\$70.45</b>  | <b>7.30%</b>  |

Sources: Costar, CB Richard Ellis, Cushman & Wakefield, Marcus & Millichap, The Tampa Tribune, The University of Florida, Florida Trend, The Maddux Report and Beshears & Associates Market Research Team.



**David W. Beshears, MAI, —Managing Partner** — holds a B.S. degree in Marketing and Real Estate from The Florida State University. Dave is a State-Certified General Appraiser and has over 21 years of experience in commercial real estate.

**Chris J. Kohler – Senior Appraiser** – holds a B.S. degree in Real Estate and Finance from The Florida State University. Chris is a State-Certified General Appraiser and has over 13 years of appraisal experience.

**Kevin D. Hayes, MAI –Senior Appraiser**—holds a B.S. degree in Business Administration from Florida Southern College. Kevin is a State-Certified General Appraiser and has over 22 years of appraisal experience.

**John N. Miller – Senior Appraiser** – holds B.S. a degree in Real Estate and Finance from The Florida State University. John is a State-Certified General Appraiser and has over 5 years of appraisal experience.

**John D. Cordova – Senior Appraiser** – holds a M.S. degree in Sports Administration and a B.S. degree in Finance from The University of Florida. John is State-Certified General Appraiser and has over 7 years of appraisal experience.

**Michael E. Green, MAI— Senior Appraiser**— holds a B.S. degree in Finance from the University of South Florida. Mike is a State-Certified General Appraiser and has over 21 years of appraisal experience.

**Gregory B. Sobil— Senior Appraiser**— holds a B.S. degree in Advertising from the University of South Florida. Greg is a State-Certified General Appraiser and has over 8 years of appraisal experience.

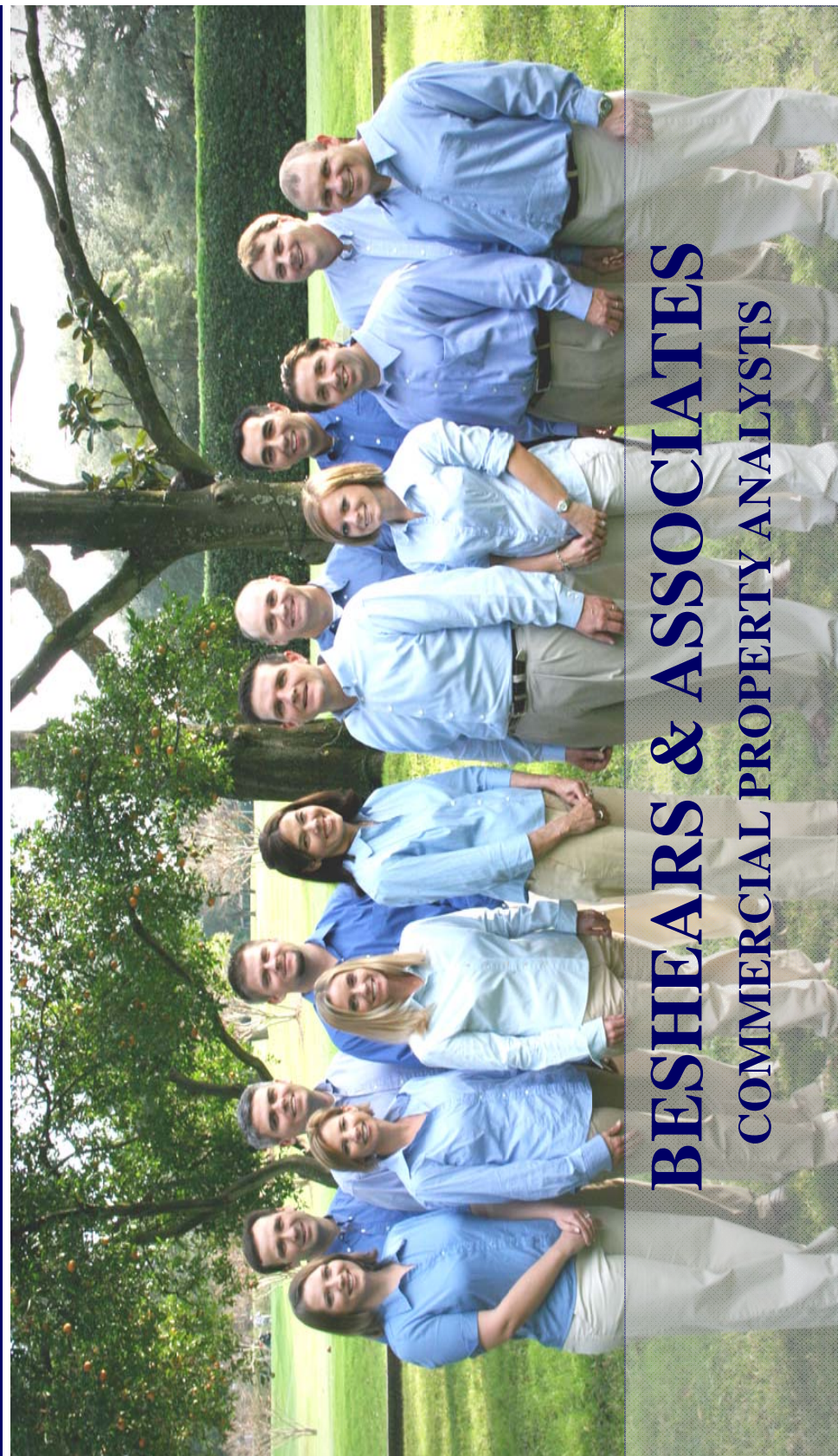
**Valerie Nash Gregory – Senior Appraiser** – holds a B.S. degree in Consumer Economics from The University of Georgia. Valerie is a State-Certified General Appraiser and has over 9 years of appraisal experience.

**Stephen Palinkas — Associate Appraiser** — holds a B.S. degree in Marketing from The University of South Florida. Steve is a State-Registered Trainee Appraiser.

**Lara Leigh Beckwith—Associate Appraiser** – holds a B.S. degree in Real Estate and Marketing from The Florida State University. Lara Leigh is a State-Registered Trainee Appraiser.

**Kevin Noguees—Associate Appraiser**— holds an Associate degree from St. Leo University. Kevin is a State-Registered Trainee Appraiser.

**Rachel Wiedeman—Associate Appraiser**—holds a B.S. degree in Marketing from the University of South Florida. Rachel is a State-Registered Trainee Appraiser.



# BESHEARS & ASSOCIATES

## COMMERCIAL PROPERTY ANALYSTS

610 S. Albany Avenue Tampa, Florida 33606  
813-254-2885 813-254-0193 fax  
DBeshears@Beshears.net  
www.Beshears.net