

| JOB GROWTH ¹ | Area New Jobs | | Mo of | 6 Mo | 12 Mo |
|------------------------------|--|---------|---|----------|----------|
| | Estimate | | 7/04 | End 7/04 | End 7/04 |
| | Dallas MSA | | (10,200) | 16,400 | 11,500 |
| | FW/Arlington MSA | | (6,100) | 8,100 | 4,100 |
| | Total | | (16,300) | 24,500 | 15,600 |
| INTEREST RATES ² | Rates | | 9/14/2004 | Yr. Ago | |
| | 10 Year Treasury | | | 4.16% | 4.27% |
| | 11th District COFI | | | 1.82% | 2.02% |
| | 1 Mo. LIBOR | | | 1.78% | 1.12% |
| | FNMA, Freddie Mac & CMBS lenders' rates are fixed at approx 1.8-2.0% over the 10 year treasury. Other lenders' rates are adjustable at approx 3% over COFI or LIBOR. | | | | |
| SUPPLY/ DEMAND ³ | Units Added/ Absorbed | | 3 Mo | 6 Mo | 12 Mo |
| | | | End 9/04 | End 9/04 | End 9/04 |
| | Dallas County | | | | |
| | Added | | 1,036 | 2,497 | 6,878 |
| | Absorbed | | 747 | 3,580 | 3,585 |
| | Tarrant County | | | | |
| | Added | | 1,190 | 1,763 | 3,345 |
| | Absorbed | | 1,293 | 1,788 | 1,931 |
| OCCUPANCY RATES ³ | Dallas County | | 9/04 | 6 Mo Ago | 1 Yr Ago |
| | 1990's or Newer | | 91% | 89% | 90% |
| | 1980's | | 89% | 89% | 90% |
| | 1970's or Older | | 86% | 86% | 88% |
| | Tarrant County | | | | |
| | 1990's or Newer | | 88% | 86% | 88% |
| | 1980's | | 90% | 89% | 90% |
| | 1970's or Older | | 86% | 88% | 88% |
| RENTAL RATES ³ | Dallas County | | 9/04 | 6 Mo Ago | 1 Yr Ago |
| | 1990's or Newer | | \$1,020 | \$1,033 | \$1,042 |
| | 1980's | | \$629 | \$637 | \$648 |
| | 1970's or Older | | \$625 | \$630 | \$634 |
| | Tarrant County | | | | |
| | 1990's or Newer | | \$876 | \$887 | \$894 |
| | 1980's | | \$599 | \$603 | \$609 |
| | 1970's or Older | | \$561 | \$566 | \$564 |
| HOME OWNERSHIP ⁴ | Homebuilder | Mo P/I | ¹ Tx Workforce Commission - average calendar yr. change (combined MSA's): '98 115,700; '99 95,300; '00 100,500; '01 8,200; '02 (69,100); '03 (37,100) ² Banxquote.com ³ ALNsys.com - Rental rates are <u>before</u> any concessions. Approx. 25% of 70's or older are all bills paid. ⁴ As advertised in 9-12-04 DMN | | |
| | Price/Size | Tax/Ins | | | |
| | Choice Homes | | | | |
| | \$79,950 2-1-1 | \$715 | | | |
| | Fox & Jacobs | | | | |
| | \$89,990 3-2-2 | \$848 | | | |

Information obtained from sources deemed reliable, but not guaranteed.

Ratings Revolution

By: James Murdock, Multi-Family Housing News

The first encounter property managers have with the web site, ApartmentRatings.com, is often highly unpleasant and deeply disconcerting. What manager wouldn't be upset when confronted by such literary gems as, "This place is a SLUM!" and "RUN for the exits!" If you haven't found your properties written up on ApartmentRatings.com yet, chances are you will soon. The site, one of a handful that allow residents to rate their landlords and living conditions, is by far the most successful. It claimed more than 8 million unique visitors in 2003, and its database now contains 183,000 reviews. Not surprisingly, some property managers are fuming because of the unfavorable reviews their communities have received - and they are concerned about the effects these thumbs down comments could have on their leasing efforts.

So what's the best way for owners and managers to deal with the potentially enormous impact these sites could have on renting behavior? It's a question with profound implications because deploying the wrong strategy could have ruinous consequences. First and foremost, managers can't close their eyes and ignore the peril. Not only are these sites not going away, but their number is growing. And an internet heavy-hitter has just joined the club: search-engine giant Yahoo! began beta-testing a new feature in August that allows people to rate everything from pizza parlors to hair salons - to, you guessed it, apartment communities.

As these "consumer empowerment" sites become ever more prevalent and popular, it is imperative that everyone from the smallest owner to the largest REIT have a system in place to monitor the sites, respond to "I'd rather live in a cave" comments - and learn how to take advantage of the positive opportunity presented. That's right - positive opportunities. Rather than viewing the emergence of these sites as an unmitigated disaster, savvy real estate players are quickly learning how to make them work to their advantage.

This article reprinted from September '04 issue of Multi Housing News. Contact James Murdock, at (866) 851-6513 for further information.

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