

BT Commercial Multi-Family Group's

# Apartment Market Report

Fourth Quarter 2009

A Comprehensive Research  
Report for Northern California  
Apartment Investors



BT Commercial has joined forces with other leading commercial real estate firms to form Cassidy Turley, creating the 4th largest Commercial Real Estate Firm in the country.\*

For BT Commercial this move was not primarily about getting bigger, but rather creating a "best of class" company focused on quality. Cassidy Turley will combine Turley's heritage of more than 100 years of commercial real estate service in the Midwest, with the East Coast brand equity and recognition of Cassidy. By including BT Commercial and two BRE Commercial companies on the West Coast, Cassidy Turley will immediately have a national presence to rival any commercial real estate services firm in the U.S. It is important to note that BT and BRE deliver 22 Western locations and 479 experienced brokers to the venture.

BT's Multi-Family Group will take a leading role in coordinating Cassidy Turley's national

apartment network. While our apartment group will have a national footprint, our standard of quality will not allow "dots on the map" growth by opening small unimportant offices, as is the practice of some competitors. BT Commercial's Multi-Family Group has established itself as the dominant apartment brokerage company in Northern California. Cassidy Turley's network will deliver the same dominance throughout the country.

The recent challenges in the commercial real estate world have made it clear that boutique or specialty brokerage companies can no longer compete. By building a full service company, we are able to fulfill our clients' every commercial real estate need. Additionally, the broad range of service lines will allow us to maintain strength when one segment of the market contracts. This balance and strength ensures consistent service delivery at the highest level.

Those real estate brokerage companies limited strictly to investment sales have suffered severe losses in 2009. Specialty

apartment brokerage companies, large and small, have cut services and lost agents. In 2009, BT's Multi-Family Group maintained every component of its client service platform and has continued to hire experienced agents from competing firms. Our market share grew significantly in 2009 and it will continue to do so in the future.

In creating Cassidy Turley, a strong and diverse national and international commercial real estate brokerage company, BT Commercial will continue to be the fastest growing and finest full service firm in Northern California. National presence ... local expertise ... the perfect combination to serve your apartment brokerage needs.

\*Based on total revenue in 2008.

Northern California's Source for Apartment Brokerage Services.

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# Apartment Market Report

## Northern California Overview | Fourth Quarter 2009



### Rental Market

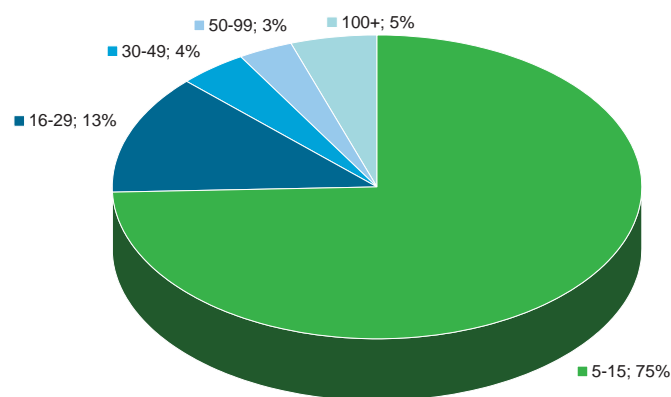
- The average Bay Area vacancy rate for apartment properties with 99 Units & Less was 5.9%, up 10 basis points from last quarter. The vacancy rate for communities with 100 Units & More was 5.4%, down 10 basis points from the same reporting period.
- In the fourth quarter 2009, the average vacancy rate for Greater Sacramento area apartments with 99 Units & Less was 7.6% and a slightly higher 7.8% for properties with 100 Units & More.
- Apartment communities in the East Bay enjoyed a 70 basis-point decrease in vacancy during fourth quarter 2009, the greatest occupancy gain during this period. Conversely, properties in the SF/Peninsula area saw vacancy spike 100 basis points, the region's biggest occupancy drop over the last three months.
- Average rental rates for Bay Area apartment communities dropped more than 2% over the fourth quarter; properties with 99 Units & Less dropped another \$31 during the quarter, while those with 100 Units & More decreased \$41.
- After remaining stable in the previous quarter, rents across Northern California's submarkets weakened in the fourth quarter. In particular, rents in the South Bay suffered the biggest hits; South Bay properties with 99 Units and Less led all categories with a 4% loss.

Region	99 Units & Less Index		100 Units & More Index	
	Vacancy	Market Rent	Vacancy	Market Rent
<b>East Bay</b>				
Q4-2009	5.1% ▼	\$1,160 ▼	5.8% ▼	\$1,334 ▼
Q3-2009	5.8%	\$1,176	6.5%	\$1,357
<b>South Bay</b>				
Q4-2009	6.5% ▲	\$1,295 ▼	5.4% ◀▶	\$1,513 ▼
Q3-2009	6.3%	\$1,349	5.4%	\$1,567
<b>SF/Peninsula</b>				
Q4-2009	5.1% ▲	\$1,610 ▼	5.5% ▲	\$1,897 ▼
Q3-2009	4.1%	\$1,632	4.5%	\$1,946
<b>North Bay</b>				
Q4-2009	6.2% ▲	\$1,222 ▼	5.6% ▲	\$1,255 ▼
Q3-2009	6.1%	\$1,249	5.2%	\$1,292
<b>Bay Area</b>				
Q4-2009	5.9% ▲	\$1,261 ▼	5.4% ▼	\$1,496 ▼
Q3-2009	5.8%	\$1,292	5.5%	\$1,537
<b>Greater Sac</b>				
Q4-2009	7.6% ▲	\$870 ▼	7.8% ▲	\$928 ▼
Q3-2009	7.2%	\$894	7.5%	\$951

### Sales Market

- Bay Area fourth quarter 2009 investment activity receded slightly from the previous quarter with 94 transactions that equaled a total dollar volume of \$368.7 million.
- In 2009, 352 apartment communities sold in the Bay Area for a combined dollar volume of \$1.3 billion. This value is 59% less than the \$3.2 billion amount recorded in the previous year.
- Price per unit for the Bay Area apartment market slipped to \$133,985 in the fourth quarter, roughly \$5,000 less than the previous quarter. Price per square foot actually improved by \$3 to \$154.81 for the same reporting period.
- The region's average capitalization rate increased 70 basis points over the previous quarter to 6.92%. Gross Rent Multiplier (GRM) declined during the fourth quarter, bringing the overall Bay Area average to 9.3.
- Smaller properties comprised the vast majority of successfully completed transactions in fourth quarter 2009; 88% of sales involved projects under 30 units.

Q4-2009 Sales by Property Size Segment



Bay Area	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$440.2m	\$200.7m	\$278.7m	\$449.0	\$368.7m
Total Units	2,767	1,445	1,906	3,192	2,590
Price/Unit	\$161,823	\$138,462	\$145,245	\$139,406	\$133,985
Price/SF	\$193.41	\$168.55	\$184.51	\$151.84	\$154.81
Cap Rate	6.32%	5.83%	6.15%	6.40%	6.92%
GRM	9.72	10.68	9.57	10.93	9.30

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# Apartment Market Report

## East Bay | Fourth Quarter 2009



### Rental Market

East Bay apartment properties in the 99 Units & Less Index posted a 5.1% vacancy rate during fourth quarter 2009. Specifically, Alameda County multi-family properties reported a 4.4% average vacancy rate, while Contra Costa County properties, of corresponding size, reported a 6.4% rate. During this period, the average monthly rental rate for East Bay properties in this 99 Units & Less Index was \$1,160. Only \$52 separated the average rents of Alameda and Contra Costa Counties, which were \$1,176 and \$1,124, respectively. Alameda County continued to post higher average rental rates for Studio, 1+1, 2+1 and 3+2 unit types, while Contra Costa County outpaced its East Bay counterpart with higher 2+2 rents.

99 Units & Less Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Alameda	4.4%	\$1,176	\$953	\$1,038	\$1,272	\$1,351	\$1,627
Contra Costa	6.4%	\$1,124	\$905	\$1,005	\$1,131	\$1,354	\$1,487
Average	5.1%	\$1,160	\$946	\$1,028	\$1,222	\$1,353	\$1,611

The East Bay vacancy rate for properties in the 100 Units & More Index was 5.8% in the fourth quarter 2009, down 70 basis points from last quarter. The average monthly rental rate was \$1,334, approximately 15% higher than that recorded for smaller properties in the region. When reviewing average rental rates for individual unit types, communities located in Alameda County garnered double-digit percentage premiums over those found in Contra Costa County. The greatest disparity was found in 3+2 units, where Alameda County properties achieved a 20% premium over like-kind apartments in Contra Costa County.

100 Units & More Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Alameda	6.2%	\$1,391	\$1,008	\$1,220	\$1,391	\$1,611	\$1,958
Contra Costa	5.4%	\$1,248	\$910	\$1,107	\$1,218	\$1,436	\$1,627
Average	5.8%	\$1,334	\$963	\$1,175	\$1,330	\$1,530	\$1,838

### Sales Market

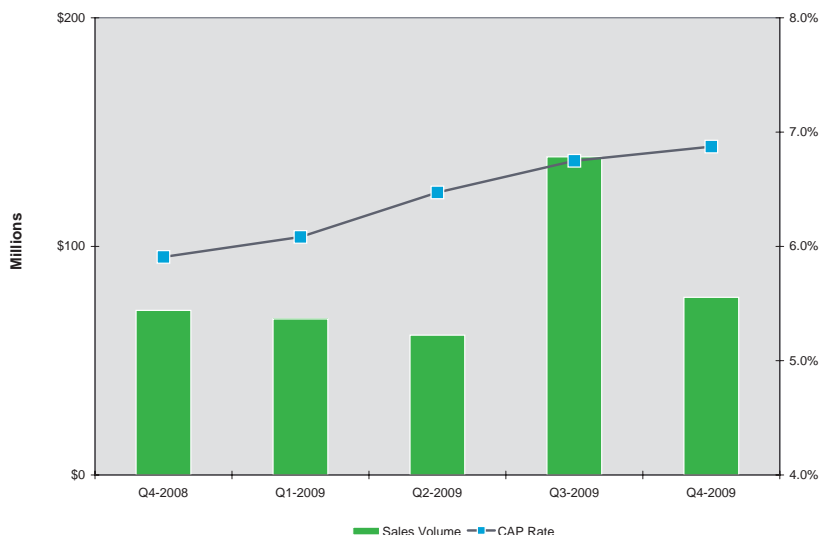
The East Bay apartment market recorded 24 transactions during the fourth quarter 2009 compared to 26 in the previous quarter. The total dollar volume was nearly half the amount from the previous quarter, ending fourth quarter 2009 at \$77.7 million. Properties located in Alameda County accounted for 20 of the 24 East Bay transactions. Additionally, Alameda County's transactions totaled 518, units compared to Contra Costa County's 40.

East Bay	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$72.0m	\$68.3m	\$61.1m	\$139.2m	\$77.7m
Total Units	605	545	522	1,108	558
Price/Unit	\$121,917	\$125,260	\$116,680	\$125,806	\$139,302
Price/SF	\$155.42	\$142.17	\$137.01	\$115.76	\$187.37
Cap Rate	5.91%	6.08%	6.47%	6.75%	6.87%
GRM	9.72	10.39	9.35	10.67	10.30

During the fourth quarter, East Bay properties showed an increase in price per unit, ending at \$139,302 compared to \$125,806 in the previous quarter. Price per square foot also improved during the quarter as fewer REO's hit the market compared to the third quarter.

The East Bay's capitalization rate remained in the six percent range at 6.87% during the fourth quarter. Alameda County reported a lower cap rate than Contra Costa County, at 6.74% compared to 8.37%. The East Bay's GRM receded slightly to 10.30 during the fourth quarter. Alameda County and Contra Costa County GRMs differed from each other, ending the quarter with respective values of 10.18 and 11.25. The largest sale transaction in the fourth quarter 2009 was Springhouse Apartments in Pleasanton totaling 354 units at \$51.17 million.

### Sales Volume vs. Capitalization Rate



# Apartment Market Report

## South Bay I Fourth Quarter 2009



### Rental Market

South Bay apartment properties with 99 Units & Less posted a 6.5% vacancy rate for fourth quarter 2009, up from 6.3% in the third quarter. Meanwhile, the average monthly rental rate for South Bay properties with 99 Units & Less eroded another 4% to \$1,295; the largest drop recorded in this Apartment Market Report. During the fourth quarter, studio units experienced the largest rental rate decline, falling 5.3% to \$948. 1+1 and 2+1 units also experienced significant rent weakness during this time, declining to 5.1% and 4.2%, respectively. In short, all unit types experienced at least a 1.6% rental rate decline in the fourth quarter. Despite these drops, the average South Bay rental rate remains \$34 higher than the Bay Area's average and is second to only the SF/Peninsula (\$1,610) for the highest average regional rent in this smaller property Index.

99 Units & Less Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Santa Clara	6.5%	\$1,295	\$948	\$1,173	\$1,350	\$1,666	\$1,889

100 Units & More Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Santa Clara	5.4%	\$1,513	\$1,036	\$1,336	\$1,459	\$1,740	\$2,125

South Bay vacancy for properties in the 100 Units & More Index was 5.4% during the fourth quarter 2009, unchanged from the previous reporting period. Meanwhile, the average monthly rental rate for South Bay properties with 100 Units & More slid \$54, or 3.4%, to \$1,513. 3+2 units reported the largest decline, as rental rates eroded by 1.9% in the last three months of 2009. Conversely, studio units remained the most resilient by losing only 0.8% of their average rate since the third quarter. Despite this decline, the average reported South Bay rental rate remained the second highest in the region for properties with 100 Units and More, behind only the SF/Peninsula region (\$1,897).

### Sales Market

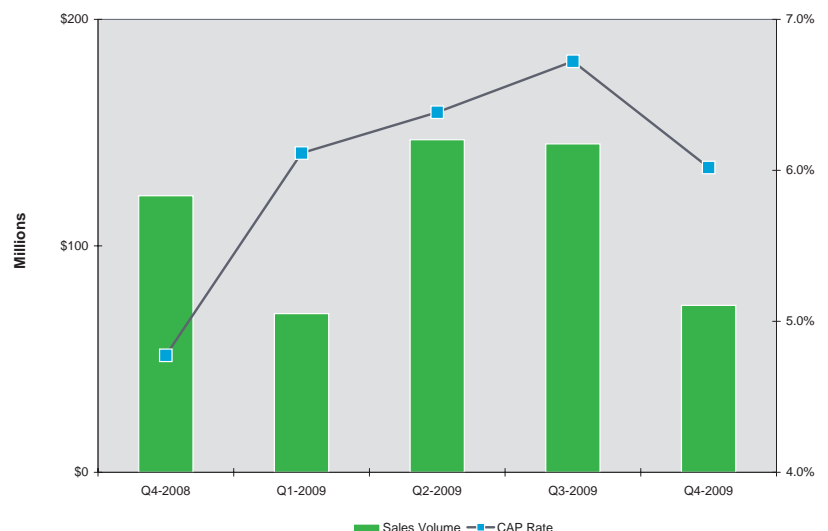
During fourth quarter 2009, the South Bay apartment market witnessed a sharp decline in terms of total sales volume at \$73.7 million, compared to \$145.0 million in the previous quarter. The total number of transactions was 4 fewer than the previous quarter; 23 transactions closed in fourth quarter 2009. The total number of apartment units sold during this time was 613 compared to 1,106 units in the previous quarter. Annual totals for 2009, however, showed improvement from the previous year as the total dollar volume amassed was \$436.8 million compared to \$390.3 million attained in 2008.

South Bay	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$122.1m	\$70.1m	\$146.9m	\$145.0m	\$73.7m
Total Units	569	508	948	1,106	613
Price/Unit	\$214,586	\$137,943	\$154,912	\$131,114	\$120,239
Price/SF	\$245.57	\$200.09	\$214.10	\$165.36	\$135.33
Cap Rate	4.77%	6.11%	6.38%	6.72%	6.02%
GRM	12.05	10.60	9.08	10.97	11.07

Both "price per pound" metrics slipped in the South Bay during this reporting period. Price per square foot experienced a sizeable reduction of 18% from its previous quarter's mark to \$135.33. Price per unit dipped a less dramatic 8%, to \$120,239.

Capitalization rates dropped significantly in the fourth quarter 2009. The average cap rate for the South Bay dropped by 70 basis-points to 6.02%. The South Bay GRM increased from 10.97 to 11.07 during the quarter. The largest sale transaction in the fourth quarter 2009 was Parkside Apartments totaling 192 units, acquired by Acacia Capital Corporation for \$43.8 million.

### Sales Volume vs. Capitalization Rate



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# Apartment Market Report

## San Francisco/Peninsula | Fourth Quarter 2009



### Rental Market

San Francisco/Peninsula apartment properties with 99 Units & Less posted a 5.1% vacancy rate for fourth quarter 2009. Specifically, San Francisco County multi-family properties reported a 5.3% vacancy rate, while San Mateo County properties of similar size averaged 4.1%. During this period, the average monthly rental rate for San Francisco/Peninsula properties with 99 Units & Less was \$1,610, \$22 less than last quarter. San Francisco County's average rental rate was \$2,215, 3% greater than third quarter 2009. During the same period, San Mateo County rents declined 1.9% to \$1,418.

99 Units & Less Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
San Francisco	5.3%	\$2,215	\$1,504	\$2,123	\$2,706	\$2,734	\$2,815
San Mateo	4.1%	\$1,418	\$1,027	\$1,332	\$1,602	\$1,764	\$2,499
Average	5.1%	\$1,610	\$1,098	\$1,481	\$1,802	\$2,322	\$2,583

San Francisco/Peninsula's vacancy rate for properties in the 100 Units & More Index was 5.5%, up 100 basis points from the previous quarter. The average monthly rental rate in the region was \$1,897, approximately 3% less than the previous period and 18% higher than the average rent for smaller properties in the local area. Upon review of rental rates for individual unit types, communities located in San Francisco County were at least 13% higher than those found in San Mateo County. Studio units had the greatest disparity between the two counties, as San Francisco units commanded a 38% premium over like-kind units in San Mateo County.

100 Units & More Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
San Francisco	5.4%	\$2,159	\$1,518	\$1,923	\$2,102	\$2,794	\$2,817
San Mateo	5.5%	\$1,662	\$1,100	\$1,463	\$1,648	\$2,070	\$2,504
Average	5.5%	\$1,897	\$1,401	\$1,662	\$1,758	\$2,317	\$2,622

### Sales Market

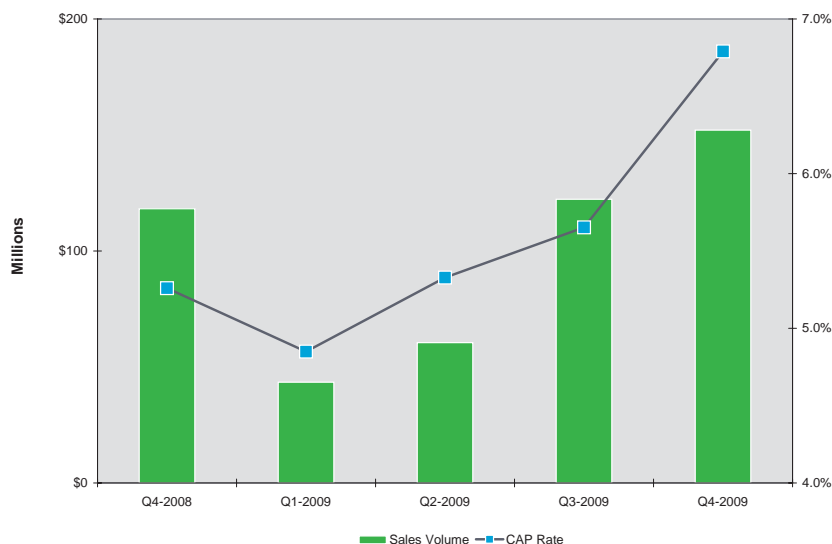
After a fairly dormant first half of 2009, the San Francisco/Peninsula apartment sales market saw modest improvement in total dollar volume and transactions in the second half of 2009. Total sale volume was roughly \$152.1 million in the fourth quarter, roughly \$30 million more than the previous quarter. This activity corresponded to 42 transactions, compared to 37 transactions in the previous quarter. The total number of units sold during the fourth quarter 2009 was 776, compared to 612 in the previous quarter. San Francisco County recorded more activity than its counterpart San Mateo County, with 31 of the 42 total transactions and 74% of the total dollar volume.

SF/ Peninsula	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$118.2m	\$43.4m	\$60.5m	\$122.3m	\$152.1m
Total Units	490	212	336	612	776
Price/Unit	\$250,363	\$204,551	\$179,607	\$205,284	\$186,421
Price/SF	\$255.74	\$229.79	\$207.30	\$259.84	\$213.42
Cap Rate	5.26%	4.85%	5.33%	5.65%	6.79%
GRM	13.88	13.14	12.52	11.19	10.57

Pricing of multi-family properties in the San Francisco/Peninsula market declined from the previous quarter for both pricing metrics. Price per square foot receded by 18% to \$213.42 and price per unit saw a less dramatic 9% decrease to \$186,421 in the fourth quarter 2009.

The capitalization rate for the San Francisco/Peninsula market increased sizably to 6.79% in the final quarter of 2009. The San Francisco/Peninsula GRM decreased from 11.19 to 10.57 in the fourth quarter 2009. The largest sale transaction in the fourth quarter 2009 was 4130-4140 Cesar Chavez in San Francisco totaling 40 units for \$7.3 million sold to Klingbeil Capital Management.

### Sales Volume vs. Capitalization Rate



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# Apartment Market Report

## North Bay | Fourth Quarter 2009



### Rental Market

North Bay apartment properties with 99 Units & Less posted a 6.2% average vacancy rate during fourth quarter 2009. Marin County multi-family properties fared the best in the region with a 4.8% vacancy rate. Conversely, Solano County properties of corresponding size averaged the highest in the area at 7.8%. During this period, the average monthly rental rate for North Bay properties with 99 Units & Less was \$1,222. This is a \$27 decrease from the previous quarter. Comparing Marin with Solano, \$591 separates the average rents between these two opposing ends of the market's spectrum, which had average asking rents of \$1,526 and \$942, respectively.

99 Units & Less Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Marin	4.8%	\$1,526	\$1,004	\$1,361	\$1,517	\$1,685	\$1,714
Napa	5.4%	\$1,130	--	\$1,018	\$1,226	\$1,197	\$1,301
Solano	7.8%	\$942	\$732	\$831	\$981	\$1,072	\$1,255
Sonoma	6.5%	\$1,150	\$985	\$1,019	\$1,093	\$1,429	\$1,959
Average	6.2%	\$1,222	\$915	\$1,061	\$1,182	\$1,483	\$1,632

The North Bay vacancy rate for properties in the 100 Units & More Index was 5.6% in fourth quarter 2009, up 40 basis points from the previous quarter. Meanwhile, the average monthly rental rate was \$1,255; \$37 lower than the average recorded for the region last quarter. Solano County reported the largest average decline at 5.9%, down \$70 from the third quarter to \$1,121. Conversely, Marin County properties with 100 Units & More grew by \$32, or nearly 2%, over the last three months to \$1,728.

100 Units & More Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Marin	4.1%	\$1,728	\$1,137	\$1,489	\$1,550	\$2,001	\$2,494
Napa	4.5%	\$1,320	\$862	\$1,183	\$1,275	\$1,547	\$1,745
Solano	6.6%	\$1,121	\$855	\$1,001	\$1,072	\$1,252	\$1,869
Sonoma	4.8%	\$1,163	\$703	\$1,009	\$1,162	\$1,336	\$1,598
Average	5.6%	\$1,255	\$866	\$1,111	\$1,183	\$1,409	\$1,829

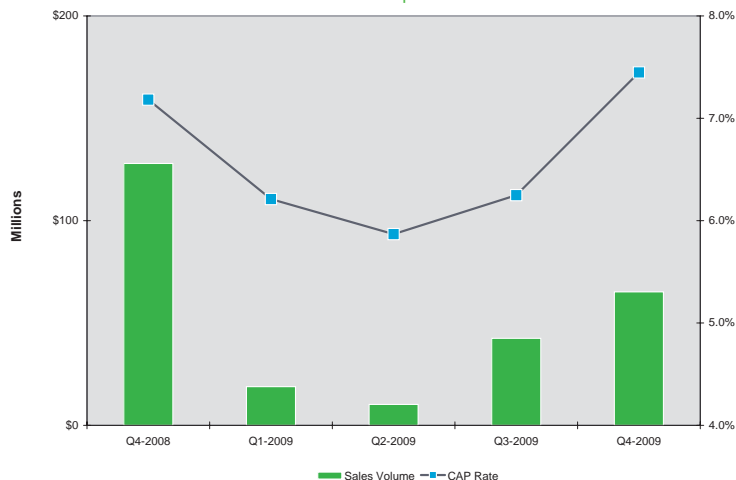
### Sales Market

The North Bay apartment market enjoyed an improvement in transaction activity during the fourth quarter 2009, with a total dollar volume of \$65.2 million compared to \$42.5 million in the previous quarter. The total number of transactions, however, was half the amount completed in the previous quarter at 5. Marin County recorded the lion's share of the sale activity during the quarter with \$32.7 million in 4 transactions. Sonoma County was the only other county in the North Bay market to record measurable activity in the fourth quarter.

North Bay	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$127.9m	\$18.9m	\$10.2m	\$42.5m	\$65.2m
Total Units	1,103	180	100	366	643
Price/Unit	\$112,598	\$105,053	\$102,030	\$116,080	\$102,339
Price/SF	\$144.87	\$156.58	\$116.33	\$127.84	\$108.28
Cap Rate	7.18%	6.21%	5.87%	6.25%	7.45%
GRM	8.40	9.33	10.61	11.24	7.86

The price per unit ended fourth quarter 2009 at \$102,339 (down 12%) and the price per square foot closed the quarter at \$108.28 (down 15%). The market capitalization rate ended the quarter at 7.46% while the GRM ended the quarter at 7.86. The most notable sale transaction of the fourth quarter occurred at 5105 Old Redwood Hwy in Sausalito totaling 18 units for \$2.3 million.

Sales Volume vs. Capitalization Rate



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# Apartment Market Report Greater Sacramento | Fourth Quarter 2009



## Rental Market

Apartment properties in the Greater Sacramento market with 99 Units & Less Index posted a 7.6% vacancy rate during the fourth quarter 2009. Once again, Yolo County multi-family properties, at 4.1%, reported the region's lowest vacancy rate. Over the fourth quarter, Placer County vacancy decreased 290 basis points to 4.8%. Meanwhile, Sacramento County's vacancy increased another 110 basis points. During this period, the average monthly rental rate for properties in the Greater Sacramento market with 99 Units & Less was \$870, down from \$894 in the third quarter. At \$1,189, Yolo County posted the highest average rental rate in the region. Placer and Sacramento Counties showed significantly lower average rental rates than this at \$951 and \$802, respectively. Each of the three counties comprising Greater Sacramento suffered rental rate slippage since the third quarter. Sacramento County properties experienced the greatest rental rate losses during this time, shrinking 3.3%.

99 Units & Less Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Placer	4.8%	\$951	---	\$802	\$906	\$1,020	\$1,174
Sacramento	8.8%	\$802	\$604	\$712	\$782	\$957	\$1,204
Yolo	4.1%	\$1,189	\$680	\$837	\$953	\$1,265	\$1,703
Average	7.6%	\$870	\$620	\$727	\$824	\$990	\$1,372

100 Units & More Index		Average Rental Rate					
County	Vacancy	AVG	Studio	1+1	2+1	2+2	3+2
Placer	7.1%	\$1,058	\$901	\$923	\$970	\$1,127	\$1,329
Sacramento	8.1%	\$882	\$709	\$787	\$815	\$1,002	\$1,231
Yolo	5.2%	\$1,185	\$912	\$934	\$1,061	\$1,187	\$1,759
Average	7.8%	\$928	\$730	\$812	\$852	\$1,036	\$1,300

Vacancy for properties in the 100 Units & More Index was up 30 basis points to 7.8% in fourth quarter 2009. Large Sacramento County properties reported a 8.1% vacancy rate, the highest local figure. The vacancy factor in Placer County remained unchanged during the fourth quarter, while it increased 20 basis points in Yolo County. Properties in this size range had an average rent of \$928, a \$23 decrease over the last few months. At \$882, Sacramento County rents were 17% lower than Placer County and 26% lower than Yolo County.

## Sales Market

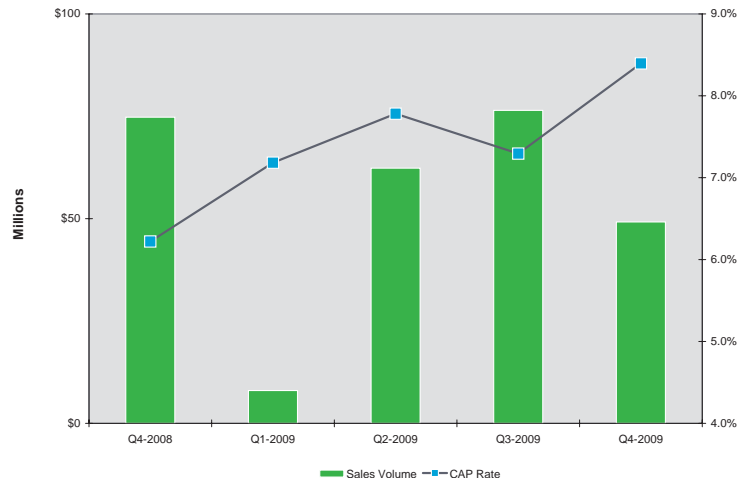
Sale activity in the Greater Sacramento apartment ended the fourth quarter 2009 with a total dollar volume of \$49.2 million in 17 transactions. This market began the year dormant with just \$8.0 million total dollar volume in the first quarter and has since recorded nearly \$188 million in transactional volume. The total number of units traded during the quarter was 812 compared to 1,105 units in the previous quarter. For the year, 2009 saw more units traded than 2008 but the total dollar volume came in \$40 million less from the previous year.

Greater Sac	Q4-2008	Q1-2009	Q2-2009	Q3-2009	Q4-2009
Sales Volume	\$74.8m	\$8.0m	\$62.3m	\$76.4m	\$49.2m
Total Units	631	105	839	1,105	812
Price/Unit	\$117,948	\$76,343	\$74,291	\$69,180	\$60,598
Price/SF	\$130.48	\$103.59	\$83.43	\$74.67	\$70.11
Cap Rate	6.22%	7.18%	7.78%	7.29%	8.40%
GRM	8.76	9.13	8.02	7.52	7.51

Pricing for multi-family properties in the Greater Sacramento Market experienced a reduction in both metrics. The price per unit ended the quarter at \$60,598, down from \$69,180 in the previous quarter, while price per square foot decreased by \$4.56 to \$70.11.

Capitalization rates pushed above the 8% level during the fourth quarter 2009 to 8.40% up from 7.29% in the previous quarter. The Greater Sacramento market GRM was virtually unchanged from the previous quarter at 7.51. The largest sale transaction was The Villas At La Riviera totaling 199 units for \$11.5 million to Ethika Foundation of Austin.

Sales Volume vs. Capitalization Rate



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# Apartment Market Report

## Fourth Quarter 2009

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### About BT Commercial

BT Commercial has become one of the dominant commercial real estate firms in the West by focusing on the nuances and interactions of people, places and processes that puts you front and center of the most powerful real estate network in Northern California.

It's a system that we've used to complete \$45 billion in transactions in our 28-year history. Locally-owned BT Commercial has 16 strategically-located offices and over 400 professionals ready to guide you through your next transaction. But our network's most important element is you.

Whatever your real estate needs, we're ready to show you a powerful network, built around you.

### About the Multi-Family Group

The Multi-Family Group of BT Commercial is a leading provider of real estate brokerage solutions for Northern California apartment investors. With 31 multi-family specialists spread across BT's 16 regional offices, our experienced professionals provide investors comprehensive market coverage with the highest levels of client representation, advisory and advocacy. Our Multi-Family Group continues to attract seasoned professionals who understand that our specialized services provide unique benefits to each of our clients.

Sources: BT Commercial Research Department, CoStar Group Inc., Pierce-Eislen Inc, Real Capital Analytics Inc. and RealFacts Inc.

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