MULTI-HOUSING MONITOR

A CB Richard Ellis/L.J. Melody & Company Publication
February 2004

Multi-Housing Good News = Jobs + Higher Interest Rates - Supply

by Gleb Nechayev, Economist, Torto Wheaton Research

The good news for rental multi-housing is that a recovery in absorption is now starting to come into focus. Improving fundamentals this year will lead to a tangible recovery next year. The two key variables that will be at the source of this recovery are job creation (leading to stronger household formation) and higher mortgage rates (leading to lower relative affordability of homeownership). Both factors are now beginning to swing in favor of multi-housing today.

On the employment front, at least 1.37 million new jobs are expected before the year ends. This may seem like a lot, but it's not. Over 2.4 million jobs have been lost since 2001. Furthermore, the aggregate figure hides great variation across markets: only 8 out of 38 major markets with net job losses since 2001 will reach new employment highs in 2004. Markets such as Boston, Chicago, Dallas, Detroit, Minneapolis, New York, Pittsburgh, Portland, San Francisco, and San Jose are unlikely to see those job losses recovered until 2005 or even 2006. That is not to say there will be no new households formed in those cities—there will be, but not at a rate that can promote a meaningful recovery in rental demand.

Change in Mortgage Payments vs. Effective Rents for Selected Markets in 2003

Market	Mortgage (%)	Rent (%)
Riverside	11.9	4.5
Los Angeles	9.5	3.5
Orange County	7.5	2.5
Baltimore	6.2	2.8
Norfolk	2.6	4.4
Austin	-6.7	-5.8
Houston	-5.3	-1.7
Dallas	-4.2	-3.3
Atlanta	-3.6	-4.5
Denver	-2.3	-4.3
National Avg.	**-0.7**	**-0.2**

Source: Torto Wheaton Research

Aside from jobs, another key factor that will help revive apartment demand is declining housing affordability, both in real dollars and in perceptions or expectations. Last year set new records for house prices across all markets, and yet in most of those markets, the affordability of a single-family home or a condo increased, pushing homeownership rates to new highs. Overall, the mortgage payment on a median-priced home decreased slightly in 2003, and so did the average apartment rent. Not surprisingly, the handful of markets that did see higher mortgage payments also outperformed the rest in terms of rent growth: all of Southern California, Baltimore-Washington, Newark, Philadelphia, Miami, Jacksonville, and Fort Lauderdale (see table above).

SAVE THE DATE

CB Richard Ellis
Multi-Housing Group
Spring Client Conference Call

April 22, 2004

Invitations with time, topics, and call-in details will be sent in early March

CON'T TO PAGE 4

What's Inside

Market Spotlight: Dallas/Fort Worth

by Mark Stymiest, Dirk Goris, and William Baxter, Senior Vice Presidents, CB Richard Ellis

The Dallas/Fort Worth Metroplex is a dynamic 12-county region comprised of Dallas, Fort Worth and 126 other municipalities. Dallas remains a favorite for corporate relocations due to its central time zone, fair weather, educated work force, relatively low cost of living and doing business, and absence of state income tax. Featuring the world's third busiest airport, Dallas/Fort Worth International, the Metroplex is a major hub for transportation. It is equally close to North America's five largest business centers: New York, Chicago, Los Angeles, Mexico City and Toronto. The superlative air transportation system places any major destination in the United States within a 3.5 hour flight while serving every major destination in the world.

Dallas' entrepreneurial spirit and pro-business atmosphere paved the way for Dallas to be named the best city in North America for business twice by *Fortune Magazine*. The Metroplex ranks fifth in the nation in the number of Fortune 500 headquarters (19). Already one of the country's largest metropolitan areas with over 5 million people, Dallas/Fort Worth is expected to improve upon the recent economic conditions over the next two years.

The Sprint Business Survey called Dallas the most productive area in the U.S., based on its vibrant economic climate and its fast-growing industries in technology, communications, professional services, banking and financial services. Dallas was also named the second-biggest growth area in the country by *Area Development Magazine*.

Population

The Dallas/Fort Worth Metroplex features a young, diverse and growing population and labor market. By 2010, the Dallas Fort Worth CMSA is projected to be the fourth largest in the nation. The population growth is also significant in that the majority of the new residents are still in their prime earning years. According to the 2000 census, the median population age is 32.6, which makes Dallas a young growing labor market compared to the national average of 35.4.

Dallas/Fort Worth offers the largest number of college and high school educated residents of any metro in the state of Texas and among the highest in the nation. The University of Texas Southwestern Medical Center at Dallas ranks among the top American Research Universities, while its faculty ranks number 37 in the nation for faculty awards.

Economy/Employment

The Metroplex lost a total of 12,000 jobs in 2003. This remains an improvement over the loss of jobs in 2002 and 2001 signifying the downturn in the local economy has come to an end. The number of Metroplex residents employed in 2003 actually increased by 40,000. That figure includes those that are self-employed as well as those who are working on a consulting or contract basis. Towards the end of 2003, the D/FW unemployment rate (6.0%) bettered that of Texas as a whole (6.3%) and only slightly trailed the nation (5.9%).

Dallas' industry base is highly diverse and owes its strong foundation to the professional/business services, telecommunications and technology and manufacturing/distribution industries. This diversity allows the region to weather even the toughest downturns in key sectors. Currently, the losses in three important industries in D/FW – technology, transportation and tourism – are offset largely by gains in health and education.

Multi-Housing Market Overview

Economic recovery to the Dallas/Ft. Worth Metroplex remained sluggish in 2003, leading to an overall negative demand in apartments. The apartment market continued to compete with the single-family market, which grew in 2003 due to homes priced within reach of potential buyers. Despite the overall negative demand for multi-housing properties, 25 of Dallas/Ft. Worth's submarkets reported a positive demand in 2003. Net move-outs in these submarkets generally resulted in small to moderate losses.

Back to Table of Contents

Con't to page 5

CBRE CB RICHARD ELLIS | L.J. MELODY Capital Markets

Debt Perspective: Tenants-In-Common Financing

by Paul House, Director, L.J. Melody & Co.

Financing tenants-in-common property continues to be a growing trend in the capital markets. The tenancy-in-common ("TIC") form of property ownership has escalated since some of the tax uncertainties associated with its use have been resolved. The TIC form of property ownership is often used to defer the recognition of capital gains under the like-kind exchange rules of Section 1031 of the Internal Revenue Code. As a result, there is a large supply of TIC equity available for apartment investments and the capital markets are actively providing financing for TIC structures.

Key Market Rates			
	2/24/2004	2/12/2004	Year Ago
Prime	4.00%	4.00%	4.25%
5-Yr US Treasury	3.07%	3.00%	2.84%
10-Yr. US Treasury	4.05%	4.02%	3.88%
30-Yr. US Treasury	4.95%	4.90%	4.81%
LIBOR 3-mo.	1.12%	1.13%	1.34%
Dow Jones Avg. (2/20)	10619.03	10737.70	7749.87
10-Yr. Swap Spread	38.50	39.8	42.00

Source: Bank of America

It should be noted there are several potential issues associated with financing TICs.

The first and most basic concern is that TIC arrangements are often tax driven and that the price paid by a TIC for its property may therefore tend to be higher than the prevailing market price. Participants in such programs may be less concerned with the price of the property than the deferral of taxes.

Another major issue is that under certain circumstances, the TIC can be forced to sell its property by a bankruptcy trustee by the IRS as holder of a lien against a tenant for unpaid taxes or by a tenant seeking to partition the property. A forced sale in a market downturn, or a sale directed by a party interested in quickly liquidating a claim, is unlikely to maximize sale proceeds for the mortgage lender. According to Moody's Investors Service, in order to mitigate the problem of a forced sale by creditors or to satisfy a tax lien, most TICs now have bankruptcy remote, special purpose entities as tenants.

As noted above, forced sale can also result from the right of an individual tenant to seek the partition of the property. It is therefore important that the agreement among the tenants clearly waive the right of partition, at least as long as the property secures a loan.

Finally, it is important for the TIC to effectively operate and manage the property and raise capital. Management responsibility should be centralized in a manager with appropriate experience for the property involved.

In summary, the capital markets are actively financing TICs and have learned how to structure around the issues. Acquisition financing was a major component of the $11 billion in financings L.J. Melody & Company closed during 2003. In addition, TIC structures were a significant portion of the acquisition financings (whether structured at closing or the TICs being put in place after closing). From a debt perspective, acquisition financing and specifically financing TIC structures should continue to be strong in 2004.

This article was contributed by Paul House, Director of L.J. Melody & Company. Mr. House has extensive experience in the structuring and closing of debt and equity transactions of over $1.5 billion for life insurance companies, pension funds, government agencies and securitization sources.

BACK TO TABLE OF CONTENTS

CBRE CB RICHARD ELLIS | L.J. MELODY Capital Markets

(Multi-Housing Good News = Jobs + Higher Interest Rates - Supply, continued from page 1)

After falling from an average of 6.54% in 2002 to an average of 5.86% in 2003, it is highly unlikely that the 30-year fixed mortgage rate will fall any further. Expectations of higher mortgage rates have their genesis from a number of emerging trends such as the falling dollar, the budding economic recovery, and the increasing federal budget deficit. As the economic recovery gains traction, interest rates will increase, and so will the cost of purchasing and owning a home, making renting all the more attractive as a next best substitute.

Today, over twenty percent of rental turnover in professionally-managed apartments is attributed to move-outs resulting from home purchases. Decreasing move-outs, as a result of higher mortgage rates, should help multi-housing properties maintain occupancy and reduce operating expenses as well as build momentum for rent increases when stronger new demand does return.

Moreover, amid the still trying conditions in the apartment market, there are now a handful of markets where good job growth and decreasing housing affordability are accompanied by lower deliveries of new apartment product. As these markets are laying down a foundation for better performance beyond just one or two year horizon, proper timing and pricing of multi-housing transactions are the keys to successful acquisitions and exit strategies over a 5-10 year hold.

This article was contributed by Gleb Nechayev, an economist with Torto Wheaton Research. Mr. Nechayev provides analysis in residential real estate and also consults for TWR's Strategic Consulting Group. Torto Wheaton Research, in a joint venture with M/PF Research, will produce the Multi-Housing Outlook. Details on this report can be found below.

BACK TO TABLE OF CONTENTS

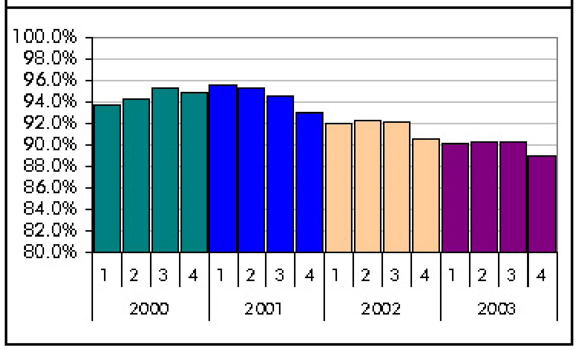
(Market Spotlight: Dallas/Ft. Worth, continued from page 2)

The Dallas/Ft. Worth economy should see continued improvement in the coming year due to projected employment expansions coupled with the slow down of single family home purchases. According to the *Winter 2004 D/FW Monitor*, a business confidence survey conducted by the Greater Dallas Chamber, approximately two-thirds of businesses report that conditions in both their industries and the larger regional economy are better now than they were six months ago. This is well above the Fall 2003 survey results when 57.0% reported improved conditions within their industries over the prior six months and 50.0% indicated an improved regional situation. A number of businesses have announced expansions in the Dallas/Ft. Worth area, including Harley-Davidson Financial Services, VocalData, AAA Automobile Club of Southern California, The Container Store and Rooms To Go. Dallas/Ft. Worth is one of the nation's key providers of defense and security equipment. The increased defense spending has also been a key in benefiting the economy and employment prospects in the area.

The Dallas/Ft. Worth apartment market is expected to improve in 2004, with a forecasted absorption of 8,900 units, nearly twice the amount of absorption in 2003. Deliveries in the fourth quarter were ahead of demand. In 2004, the completions are estimated at 8,334 units, down 27.0% from 2003, leading the market to believe the local market fundamentals will continue to improve. Occupancy in the Dallas/Ft. Worth area, dipped only slightly from 2002 occupancies, with Dallas reporting an average gross occupancy of 89.0% and Ft. Worth reporting an average gross occupancy of 89.7%.

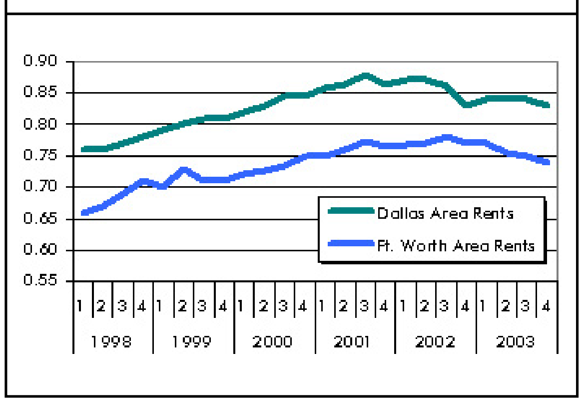
Based on projected job growth and decrease in delivery of new apartments, the Dallas/Ft. Worth Metroplex is poised for continued recovery in 2004. The low interest rate environment and the opportunity to acquire apartments at the bottom of the real estate cycle should offer investors an extraordinary opportunity to add to their multi-family holdings. As positive job growth returns to the market in 2004, investors should be exploring opportunities in this historically dynamic high growth market. Some investors have already capitalized on the market's potential with a record number of class "A" transactions occurring in 2003 (36 transactions, up 2.0% compared to 2002 levels). During the same time period, class "B" and "C" properties sales transactions remained level. With pricing holding steady due to the current low interest rate environment, more product is projected to become available in 2004. Given the positive outlook on market fundamentals in the next 12-24 months, the D/FW properties in investors' portfolios are poised for good upside potential.

Dallas/Ft. Worth Occupancy Levels 2000 - 2003



Source: M/PF Research, Inc.

Dallas/Ft. Worth Rent Growth 1998 - 2003



Source: M/PF Research, Inc.

Occupancy

During the 4th Quarter 2003, the Dallas/Ft. Worth area's average occupancy dipped slightly as supply outpaced demand. Overall gross occupancy currently stands at 89.0%. Average occupancy for apartment communities in the Dallas area stood at 88.9%, with apartment occupancy in the Ft. Worth area registered at 89.4%.

Rents

Rents for Dallas/Ft. Worth metro apartments averaged $676 per month, or 80¢ per square foot, as of 4th quarter 2003, a decrease of an average of 3.5% from last year's level. Dallas area apartments generated rents 12% higher than Ft. Worth area apartments.

CON'T TO PAGE 7

BACK TO TABLE OF CONTENTS

Recent Assignments

San Cierra, Chandler, AZ

- The Phoenix Multi-Housing Team is currently marketing **San Cierra**, a 332-unit luxury community located in **Chandler, Arizona**. This class "A+" institutional quality, Mark-Taylor designed development is situated in one of only two submarkets in the Phoenix Metropolitan area generating high income and employment growth. Completed in 2003, amenities include a resort-style heated swimming pool, fitness center, resident clubhouse, and assigned covered parking. The property is listed at $32.7 million. The team is also marketing **Pinnacle Grove**, a 247-unit community located in **Tempe**. The property is well located in the preferred South Tempe submarket with significant barriers to future multifamily development. The property is currently listed at approximately $13.9 million. For more information on either property, contact Tyler Anderson - 602.735.5557 or Sean Cunningham - 602.735.1740.

- **Riverglen Apartments**, a 168-unit apartment community located in **Sacramento, California**, is a prime in-fill location between the downtown CBD of Sacramento and the new 10,000 acre mixed use master planned North Natomas development which includes 21 million square feet of office space, 10 million square feet of light industrial space, and 3.2 million square feet of retail space. A clear first lien position allows the opportunity for the buyer to obtain new financing. The property is being offered for approximately $15.8 million. For additional information, please contact Charles DeLoney - 916.446.8258 or John Dailey - 916.446.8234.

- **Sierra Vista Apartments** is a 209-unit apartment community located in **Denver, Colorado**. The property is situated just minutes from retail, employment centers, and Interstates 25 and 225. Currently listed at approximately $11.8 million, the property is situated in an expanding new development area and surrounded by new townhomes, condominiums, and apartments. For additional information, please contact Steve Rahe - 720.528.6364 or Craig Stack - 720.528.6335.

- The Indianapolis Multi-Housing Team is currently marketing several properties in the state of **Indiana**. In **Carmel**, **Mohawk Hills Apartments** presents the opportunity to acquire a 564-unit golf course community in a traditionally high barrier to entry market. The property, golf course and pro shop are located on nearly 120 acres. **Estates at Eagle's Pointe**, a 859-unit community in **Peru**, is currently listed at $19.5 million. Estates is a private redevelopment of the former military housing associated with Grissom Air Force Base. The property consists of single-family houses, duplexes and townhouse units. The Indianapolis office is also marketing **Southgreen Apartments** (112 units) located on the Southside of **Indianapolis**. The property is listed at approximately $3.9 million. In **Seymour, LaBelle and Northgate Apartments** is listed at $4.1 million. Built in 1991 & 1997, the properties have a total of 70 units. For more information on any of these properties, contact George Tikijian - 317.269.1050 or Steve LaMotte - 317.269.1018 or visit their website at www.cbre.com/mhg-indianapolis.

Libby Lake, San Diego, CA

- The San Diego Multi-Housing Team is currently offering **Libby Lake**, a 150-unit condominium rental community located in the North San Diego City of **Oceanside**. Libby Lake represents an excellent conversion opportunity due to its unit mix of all two-bedroom units, overall quality of construction and desirable location adjacent to Libby Lake Recreational Park. The property is listed at $25.0 million. For more information, please contact J. Kevin Mulhern - 858.646.4723, Dixie Hall - 858.546.4663, or Dick Schneider - 858.646.4731.

BACK TO TABLE OF CONTENTS

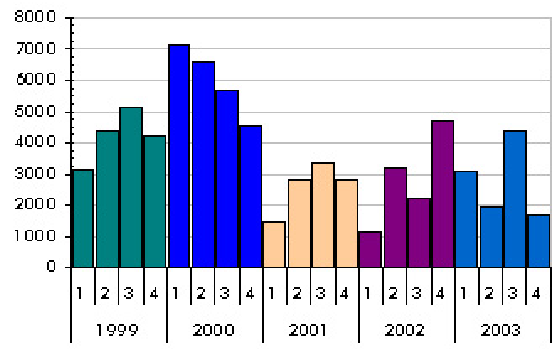
CON'T TO PAGE 7

(Market Spotlight: Dallas/Ft. Worth, continued from page 5)

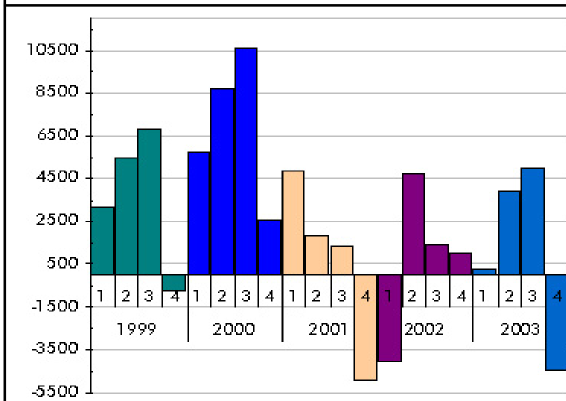
Completions

Existing apartment inventory in the Dallas/Ft. Worth area reached an estimated 532,973 units as of 4th Quarter 2003 with an additional 1,677 units delivered during the 4th quarter. There were a total 11,391 units delivered in 2003.

Dallas/Ft. Worth New Supply: 1999-2003



Dallas/Ft. Worth Absorption: 2000-2003



Source: *M/PF Research, Inc.*

Apartment Demand

The Dallas/Ft. Worth region saw seasonally negative demand of 4,420 units in the 4th Quarter of 2003. Overall in 2003, absorption was positive with 4,800 units absorbed in the last 12 months.

This article was submitted by Mark Stymiest, Dirk Goris, and William Baxter on behalf of CBRE's Major Accounts Group. Mr. Stymiest, Mr. Goris, and Mr. Baxter specialize in the sale of multi-housing properties in the Dallas/Ft. Worth area. From 2000 to 2003, the three sales professionals have completed 116 transactions with a total consideration of over $1.35 billion.

(Recent Assignments, continued from page 6)

- The Houston and Jacksonville Multi-Housing Teams are currently marketing The Enclave in Jacksonville, Florida. **The Enclave** is a stunning 488-unit luxury multi-housing community with an excellent location in the prestigious Intracoastal area of **Jacksonville**. Jacksonville is one of the nation's hottest multi-housing markets with strong fundamentals, minimal new construction and expected population and job growth this year. The Enclave is available for $56.5 million. For more information on The Enclave, please contact G.Craig LaFollette - 713.840.6535, J. Todd Stewart - 713.840.6632, Dan Allen - 904.630.6362, or M. Todd Marix - 713.840.6659. The Houston Multi-Housing Team is also marketing a portfolio of two picturesque Class "B" garden apartment communities in **Houston, Texas**. **Crystal Cove** (167 units) and **Westbrae** (268 units) are well maintained and well located in their respective sub-markets. Both offer revenue enhancement possibilities through renovations or repositioning. Crystal Cove is listed at $6.6 million and Westbrae is listed at $11.5 million. For more information on these properties and to see a complete list of available properties, please contact one of the team members or visit the Houston Multi-Housing website at www.cbre.com/houstonmultihousing.

The Enclave, Jacksonville, FL

Back to Table of Contents

CBRE CB RICHARD ELLIS | L.J. MELODY Capital Markets

Multi-Housing News Notes

AMLI at Wells Branch, Austin, TX

Sterling Dilworth, Charlotte, NC

The Floridian, Miami Beach, FL

♦ G. Craig LaFollette, J. Todd Stewart, J. Sean Sorrell and M. Todd Marix of CB Richard Ellis' Austin and Houston offices successfully negotiated the sale of **AMLI at Wells Branch**, a 576-unit class "A" community in **Austin, Texas** to **Waterton Associates, LLC**. Mr. LaFollette, Mr. Stewart, and Mr. Marix also represented **Amstar Group** in the disposition of **The Estates at Memorial Heights**, a 437-unit luxury community in **Houston, Texas**. The Estates at Memorial Heights was purchased by **Pauls Real Estate Partners**.

♦ Steve Heffner and Bill Hawthorne of L.J. Melody & Company's Charlotte office arranged permanent fixed-rate financing in the amount of $21.0 million for **Sterling Dilworth**, a 162-unit and 33,000 square foot mixed use building in **Charlotte, North Carolina**. **Freddie Mac** provided the financing of the property on behalf of **FGR Dilworth, LLC**.

♦ **The Floridian**, a 334-unit high-rise waterfront tower located in **Miami Beach, Florida**, was sold to **Carlyle/DKE Floridian L.P., a Delaware Partnership** at an undisclosed price. The Floridian offers residents commanding views of Biscayne Bay, Downtown Miami, and South Beach. The units boast spacious, well-designed floor plans averaging 1,188 square feet and plans for an adjoining marina. Jay Massirman and Denny St. Romain of CB Richard Ellis' Miami office represented the seller, **Gumenick Properties**, in the transaction.

♦ **Indigo Creek**, a 408-unit apartment community located in **Glendale, Arizona**, was sold by **SSR Realty Advisors** for $34.6 million. Bert Kempfert of CB Richard Ellis' Phoenix office represented the buyer, **Evergreen Development**, in the transaction.

♦ Joe Anthony and Jeff Schuberg of CB Richard Ellis' Detroit office represented **SunAmerican Affordable Housing Partners Inc.** in the disposition of **Brownstones at the Vistas**, a 260-unit luxury community located in **Novi, Michigan**. The property offers residents easy access to the M-5 corridor, a new freeway extension that links affluent northern suburbs to technology and automotive employment in Novi. **Singh Development Co. Ltd.** purchased the property for approximately $34.3 million.

♦ Bernard Branca of L.J. Melody & Company's Houston office and Robert LaChapelle and Richard Jordan of the Atalnta office secured the permanent fixed-rate financing in the amount of approximately $23.3 million for **Governor's Pointe Apartments**, a 468-unit garden style apartment community located in **Alpharetta, Georgia**. **L.J. Melody & Company** provided the financing on behalf of **Drever Governor's, LLC**, with the loan subsequently being purchased by **Freddie Mac**.

♦ N. Kirk Taylor and Ann Blume of CB Richard Ellis' Portland office represented both seller and buyer in the sale of two apartment communities located in **Eugene, Oregon**. **Bowen Financial** sold **Forest Hills Apartments**, a 248-unit apartment community for approximately $16.5 million. **Simpson Housing** sold **Chase Village Apartments**, a 536-unit apartment complex, for $36.5 million. **Horizon Realty Advisors** purchased both properties.

♦ Phillip Jaffe of CB Richard Ellis' Minneapolis office and Brian McAuliffe of CB Richard Ellis' Bannockburn office represented **LBK, L.P.** in the sale of **SouthView Gables**, located in **Inver Grove Heights, Minnesota**. **LaSalle Advisors** purchased the 416-unit luxury apartment community offered at $41.0 million. SouthView Gables was part of the eight-property nationwide apartment portfolio valued at $223 million.

BACK TO TABLE OF CONTENTS

CON'T TO PAGE 9

(Multi-Housing News Notes, continued from page 8)

Villaggio, San Diego, CA

- J. Kevin Mulhern, Richard Schneider, and Raymond Eldridge of CB Richard Ellis' San Diego and Newport Beach offices represented **The RREEF Funds** and **Fairfield Residential** in the disposition of **Villaggio**, a 368-unit condominium rental community located in the prestigious Rancho Bernardo area of **San Diego, California**. The property was sold to **Statewide Acquisitions Corporation** for $65.7 million.

- Steve Heffner of L.J. Melody & Company's Charlotte office arranged permanent financing in the amount of $13.5 million for **Alta Crest** in **Durham, North Carolina**. Alta Crest is a 292-unit garden style apartment community developed by Trammell Crow Residential in 2000. **L.J. Melody & Company** provided the financing on behalf of **Alta Crest LP**, with the loan subsequently purchased by **Freddie Mac**.

- Steve Massey of CB Richard Ellis' Nashville office is pleased to announce the sale of two class "AAA" **Bristol Development** communities in **Nashville** and **Memphis, Tennessee** to **TA Associates**. **Bristol Commons at Woodland Pointe** in **Nashville**, a brand new 240-unit luxury apartment community near two aquatic recreation areas on Percy Priest Lake, was purchased for approximately $20.7 million. Blake Pera and Steve Rudesill of CB Richard Ellis' Memphis office and Mr. Massey jointly represented Bristol in the sale of 200-unit **Bristol Park at Wolfchase**. Located in **Barlett**, this "big house" style community enjoys a premier location near the upscale Wolfchase Galleria Mall and sold for $24.0 million.

- George Tikijian and Steve LaMotte of CB Richard Ellis' Indianapolis office are proud to announce several sales in the **Indianapolis** market. They represented **CLK** and **Houlihan Parnes** in the sale of **Hawthorn Heights Apartments**. **Neil and Associates** purchased the 240-unit community, offered at $8.9 million. Mr. Tikijian and Mr. LaMotte also represented **Aspen Square** in the sale of **Country Club Estates**, located in **Alexandria**. **Dalcorp, LLC** purchased the 80-unit golf community which was listed at $2.9 million.

- Charles DeLoney and John Dailey of CB Richard Ellis' Sacramento office recently closed two significant transactions. They represented the venture between **Cornerstone Advisors** and **Alliance Residential Development Co.** in a record price-per-unit disposition of **Broadstone at Stanford Ranch Apartments**, a 186-unit apartment community located in **Rocklin, California** for $26.1 million to **Ronald J. Profili**. Mr. DeLoney and Mr. Dailey also represented **Carmel Partners, Inc.** in the acquisition of **Park Townhomes**, a 220-unit apartment community located in Sacramento for $21.8 million.

- Blake Pera and Steve Rudesill of CB Richard Ellis' Memphis office represented a private equity investor in the acquisition of **Silver Creek Apartments**, a 152-unit apartment community located in **Memphis, Tennessee**. The property sold for $5.1 million.

- Sean P. Deasy of CB Richard Ellis' Inland Empire office is pleased to announce several sales throughout California. A partnership between **Eagle Real Estate Group** and an east coast pension fund advisor sold a portfolio of five bond-financed properties located in **Ontario, California** to a partnership between **Beneke-Krieg** and a Dallas-based pension fund adviser for a total of $56.3 million. In a separate transaction, Charles DeLoney, John Dailey of the Sacramento office and Mr. Deasy represented **Fairfield Residential** in the sale of a 384-unit property in **Sacramento, California**. **Prometheus Real Estate Group** purchased the property, known as **Seasons at Winter Park**, for $38.0 million. The joint venture of **The Bascom Group** and **Lehman Brothers** sold the 250-unit **Torrey Pines Townhomes** in **West Covina, California** to **Acacia Capital** for $34.4 million.

Industry Links

CB Richard Ellis
Multi-Housing Group
www.cbre.com/mhg

L.J. Melody & Co.
www.ljmelody.com

Torto Wheaton Research
www.tortowheaton.com

M/PF Research
www.mpfresearch.com

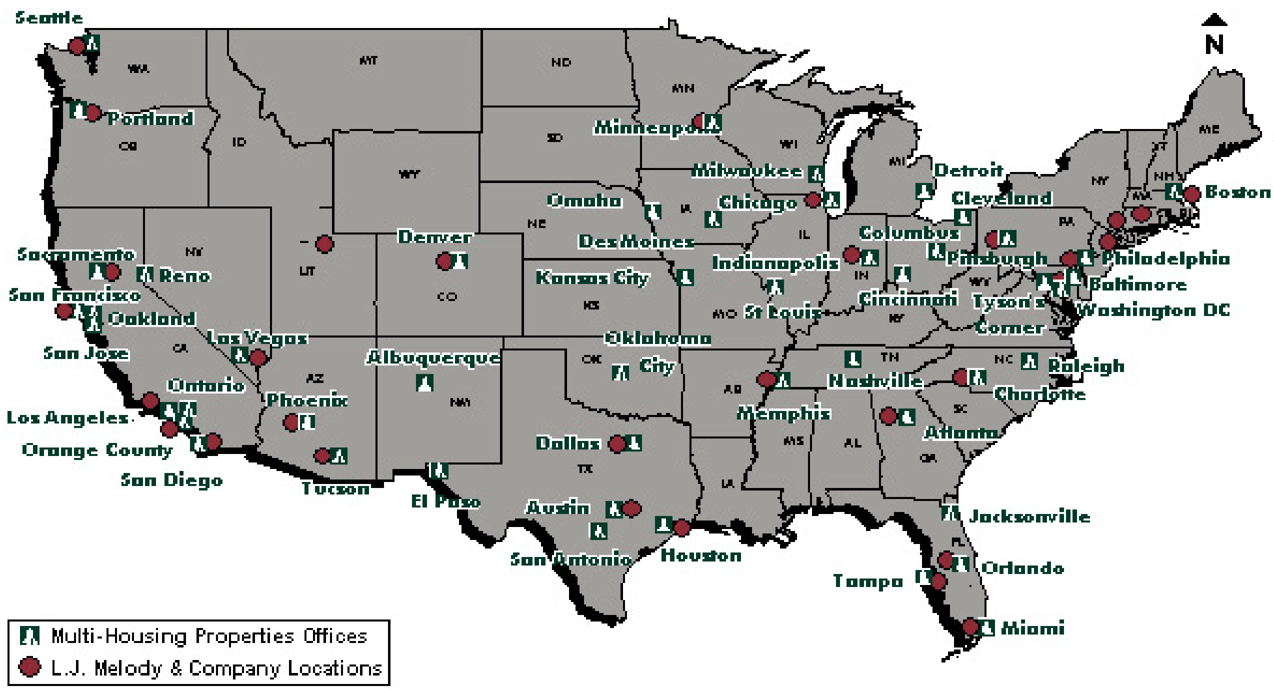
NMHC
www.nmhc.org

ULI
www.uli.org

National Real Estate Index
www.realestateindex.com

BACK TO TABLE OF CONTENTS

CBRE CB RICHARD ELLIS | L.J. MELODY Capital Markets



About CB Richard Ellis Multi-Housing Group

The CB Richard Ellis Multi-Housing Group provides transaction, valuation, and underwriting services tailored to the unique needs of multi-housing investors and owners. In 2003, the Multi-Housing Group represented clients in selling over $7.0 billion in multi-housing properties nationwide. With over 100 dedicated investment professionals in key markets across the United States, our network provides clients with capital solutions on a local, regional, and national scale.

About L.J. Melody & Company

L.J. Melody & Company, the real estate financing arm of CB Richard Ellis, offers a broad range of financing services and funding options through its relationships with leading lending sources. The firm offers a variety of debt and equity financing options, such as permanent, mezzanine, and construction for commercial properties in every geographic region. L.J. Melody & Company originated over $3.0 billion in multifamily transactions in 2003.

Contact Information

If you have any suggestions or comments regarding **Multi-Housing Monitor**, please contact us via letter or email:

Multi-Housing Monitor
CB Richard Ellis, Inc.
311 S. Wacker Drive, Suite 400
Chicago, Illinois 60606
Attention: Ryan Licudine
email us at multi-housing@cbre.com
visit our website at www.cbre.com/mhg