

THE NUMBERS

Vacant Units. We define a vacant unit on our survey questionnaire as one where no rent is received on it by the 10th of the month. For example, even though a unit may be rented for occupancy beginning September 21, but is vacant on September 10, it is considered vacant. Units which are being renovated are included in the average rent calculations, but are excluded from the "market" vacancy rate. These units are included in the "gross" vacancy rate. Properties converting to condominiums are excluded.

"Market" Vacancy. All of the vacancy or occupancy statistics in this report are "market" vacancies or occupancies, unless stated otherwise. Market vacancy counts only those units described above as vacant units. It excludes all new construction still going through initial lease-up and those properties going through extensive renovation. Vacancies in these properties still in lease-up are not presented because they will cause a neighborhood to show an abnormally high vacancy.

"Gross" Vacancy. The "gross" vacancy rate includes all of the "market" vacancies calculated above, and adds all of the vacant units in new construction still in initial lease-up as well as renovated properties described above. Note that a higher "gross" vacancy caused by lease-up units does not necessarily mean there is a vacancy problem in the market area. This statistic does not necessarily provide information about the strength or weakness of a market area. It does, however, provide information on the total available inventory.

Actual Rent. The questionnaire asks two questions concerning rents: (i) what is the average rent in units currently occupied, and (ii) what is the average asking rent for this type of unit. The average rent figures reported throughout this study, unless otherwise noted, are those rents in occupied units. Average rents are calculated in the following manner: the total units are multiplied by the average rent giving a total rent for each property. These totals are then divided by the total number of units for the average.

Rent Per Square Foot. Actual rent per net rentable square foot (Act. rent per NRSF) is based on net rentable area. It is calculated by first determining the rent per square foot for each unit type, then taking the average of this total.

Unit Size. Although the tables in the report do not state the average unit size, you can estimate it for each unit type by dividing the dollars of rent shown by the Act. rent per NRSF. Note: you must first convert the rent per NRSF figure from cents to dollars.

Example: If the age group, location and unit type you are interested in shows Actual Rent of \$606 and Actual rent per NRSF (¢) of 92.1, then: $92.1¢ = \$0.921$, and $\$606/\$0.921 = 658$ square feet

Estimating average unit size is useful in helping you compare the survey results in this report with your property. Generally, larger units rent for more dollars, but the NRSF rent is lower. If the average unit size in the survey category you are using is greater than your units, then you might adjust the survey's dollar rent downward and the NRSF

% Offering Incentives. This is coded as a yes/no question. The percentage is based on the number of complexes answering "yes" to this question, divided by the total complexes which

answered this question.

Average \$ Incentive. This is the amount of incentive for those properties offering incentives.

Projected Average Rent Increase. In the "Historical" tables at the bottom of each page for the various areas, the "Projected Average Rent Increase" for the next six months is reported. This is a weighted average, taking into consideration the impact of properties that do not plan any rent increase in the next six months.

New units. New units shown on each page are the total number of new apartments that came on-line in the past six months. For example, the total shown under the "3/07" column represents units that started leasing between October 2006 and March 2007. These totals include any units that subsequently converted to condominiums or tax credit.

Parking charges. The averages shown are only the averages for those who report charging for parking.

Buildings & Units Surveyed. We report the number of buildings and units surveyed for each neighborhood, age group and unit type. Although our survey captures information for at least 70% of all units in the market, there will be some data in each report that should be viewed with caution.

By the time you narrow down the survey responses by neighborhood, then further by age group and unit type, there will be cases where only a couple of properties were included in the survey. We recommend caution whenever the number of buildings reporting data is fewer than five properties.

Unit mix/ You can estimate the unit mix of properties in any neighborhood, either overall or by specific age group. This is particularly useful when considering mix for new construction. Although the mix in our report reflects only those properties surveyed, not all of the properties in a neighborhood or specific age group, it is a useful measure. Since our overall survey response rate is 70% or higher, it is likely most breakdowns in the report represent at least 50% of the units in that category. To calculate unit mix, compare the number of units surveyed for each bedroom type to the total number of units surveyed. This will not give you a unit mix for any particular property, but it does give you a mix for the neighborhood.

New Construction. The figures shown in the detailed tables represent those buildings which have achieved stabilized occupancy, and have not begun leasing up within the past six months. The newest construction age group presented in each table does not include in its vacancy calculation the vacancies in these lease-up units.

History Tables. The history tables, at the bottom of each neighborhood page, show the results of the most recent ten surveys. This five-year report, along with a five-year average column, helps put the current survey results in perspective.

Graphs. The graphs show ten years of survey results for rents and vacancies. They plot the data for March of each year in the April edition of the report, and plot the data for September in the October edition of the report. Each neighborhood, rent and vacancy trend is compared to the trend for the county. ■