

MarketView Minneapolis Multi-Housing Group

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December 2011

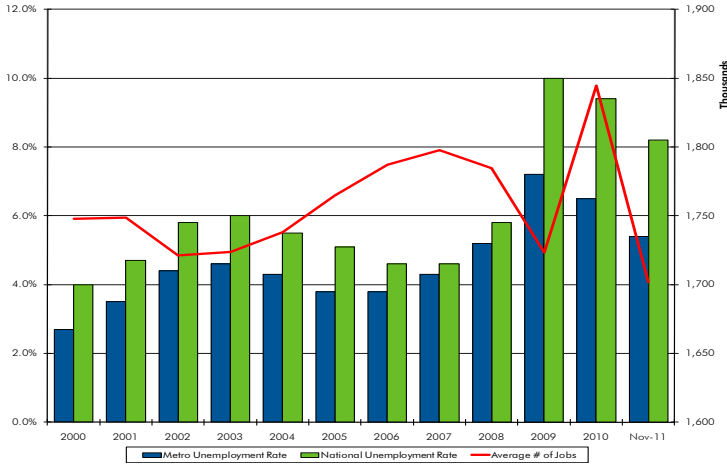
State of the Market

This past fall, CBRE hosted the Multi-Housing Regional Client Forum series. Following is a link to access the recorded conference calls and associated slide presentations: <http://mhg.cbre.com/Knowledge+Center/default.htm>.

Market Statistics

MINNEAPOLIS-ST. PAUL MSA EMPLOYMENT

Average Number of Jobs and Unemployment Rate



Source: Minnesota Department of Labor Statistics and Economic Development and US Bureau of Labor Statistics

ECONOMY

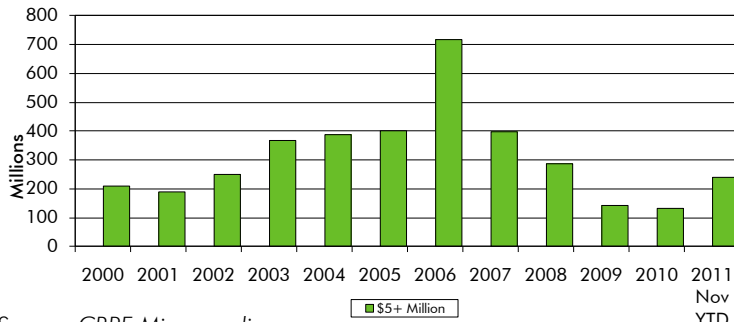
21,700 jobs added October YTD 2011

Unemployment Rate

October 2011	5.4% (Metro)	9.0% (US)
October 2010	6.5% (Metro)	9.0% (US)

Source: MN Department of Employment & Economic Development

MINNEAPOLIS-ST. PAUL YEARLY SALES (\$5,000,000+)



Source: CBRE Minneapolis

CBRE CAPITAL MARKETS MARKET WATCH

INTEREST RATE PROJECTIONS

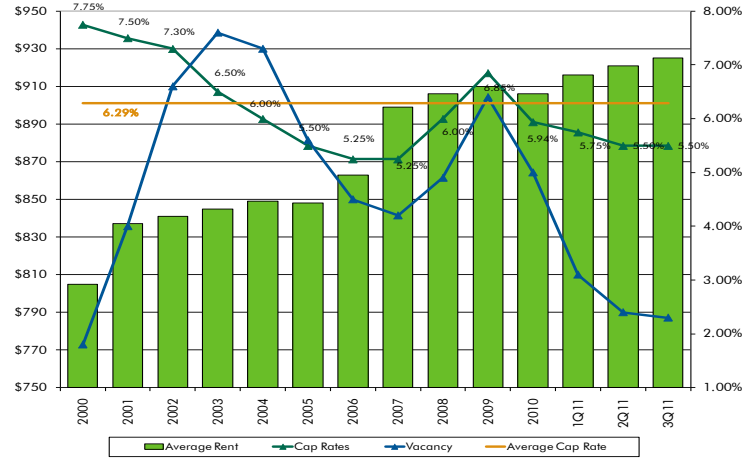
	2011		2012			2013
	4Q	1Q	2Q	3Q	4Q	1Q
10 Year (Avg.)**	2.10%	2.23%	2.34%	2.40%	2.36%	2.49%
Fed Funds (Avg.)*	0.08%	0.08%	0.08%	0.08%	0.13%	0.13%
1 Month LIBOR (Avg.)**	0.27%	0.32%	0.42%	0.51%	0.54%	0.57%

Source: * CBRE Econometrics Advisors Q3 2011, ** Chatham Financial 12/5/11



APARTMENT MARKET

Average Rent, Vacancy, and Capitalization Rates



Source: CBRE and Apartment Trends by Marquette Advisors

APARTMENT MARKET

	3Q11	3Q10
Physical Vacancy	2.3%	4.2%
Average Rents	\$925	\$905

Source: Apartment Trends by Marquette Advisors

According to MPF Research, Minneapolis is rated #4 in the nation for occupancy leaders and #7 in annual rent growth leaders.



Park Place, sold in August 2011 by CBRE is the largest sale in the market since 2006 at \$54,675,000.

KEY RATES

	Prime	5-Yr T	10-Yr T	1-M LIBOR	DJ Avg.	10-Yr Swap Spread
12/5/11	3.25%	0.96%	2.08%	0.27%	12,019	14 bps
9/13/11	3.25%	0.87%	1.97%	0.25%	12,170	19 bps
Year Ago	3.25%	1.53%	2.95%	0.33%	11,362	13 bps

Source: Bloomberg, Federal Reserve

NEW CONSTRUCTION PIPELINE - UNDER CONSTRUCTION/DELIVERED 2011

Development Name	City	Units	Developer
The Luxembourg	Bloomington	282	The Richdale Group
Uptown at City Walk (Delivered)	Woodbury	242	Lecesse Development
Genesee	Bloomington	234	Stuart Companies
Flux	Minneapolis	216	Greco
36 Park	St. Louis Park	192	EJ Plesko
North Bay at the Lakes (Delivered)	Blaine	175	Hans Hagen
The View at Long Lake	New Brighton	124	Stuart Companies
Holden Building (Rehab)	Minneapolis	120	Greco
Loring Vue	Minneapolis	119	Greco
C&E Building (Rehab)	St. Paul	104	Stoplestad/Exeter
Oaks Station Place	Minneapolis	104	Oaks Properties
Lyndale Plaza	Richfield	94	Michael Development
Station 38	Minneapolis	64	Klodt
Lofts at Farmers Market	St. Paul	58	Flannery Construction
1800 Lake (Delivered)	Minneapolis	57	CPM Development
Marketplace & Main	Hopkins	53	Beard Group
Total		2,238	
Delivered 2011		474	



Uptown at City Walk



1800 Lake



North Bay at the Lakes



Genesee



The View at Long Lake



Loring Vue



Lyndale Plaza



Oaks Station Place



Flux

SELECT CBRE MINNEAPOLIS-ST. PAUL AREA OFFERINGS

	Property Name Address	Units Year Built	List Price Price Per Unit Price Per SF
	Classic at the Preserve Woodbury, MN <i>Available</i>	408 1998- 2010	Market
	Woodlands of Minnetonka Minnetonka, MN <i>Under Contract</i>	248 1988	Market
	Village Park of Minnetonka St. Louis Park, MN <i>Under Contract</i>	186 1971	Market
	Pondview Maplewood, MN <i>Under Contract</i>	183 1988	\$12,500,000 \$68,306 \$72.17

SELECT 2011 SALES

Property Name Address	Units Year Built	Sale Price Price/Unit	Sale Date Cap Rate
Park Place - CBRE Sale Plymouth, MN	500 1985	\$54,675,000	August 5.85%
Hampshire Hill Bloomington, MN	534 1986	\$46,500,000	February 5.95%
Calhoun Greenway (prev Canterbury Court) Minneapolis, MN	353 1973	\$26,600,000	January N/A 33% vacant
Glen Pond Eagan, MN	414 1973	\$26,000,000	December N/A
Stratford Wood - CBRE Sale Minnetonka, MN	297 1974	\$21,300,000	January 7.25%
The Addison (prev Shenandoah) - CBRE Sale Shakopee, MN	202 2004	\$19,025,000	May 6.1%
Montcalm Estates St. Paul, MN	108 1966	\$13,800,000	June 6.4%
France 98 Bloomington, MN	118 1989	\$11,550,000	April 7.0%
Waterford Place - CBRE Sale Eagan, MN	122 1991	\$11,200,000	November 6.79%
Soo Line - CBRE Sale - Office Conversion to Apt Downtown Minneapolis, MN	N/A- Office 1915	\$11,200,000	October N/A



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