

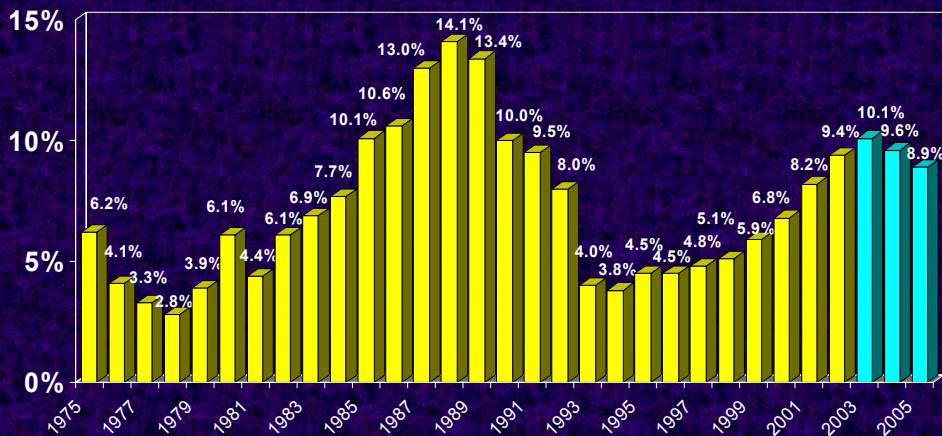
Greater Phoenix Apartment Market Update

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Multi-Family Year-End Vacancy Rates Maricopa County 1975 – 2005*

Source: Phoenix Metropolitan Housing Study

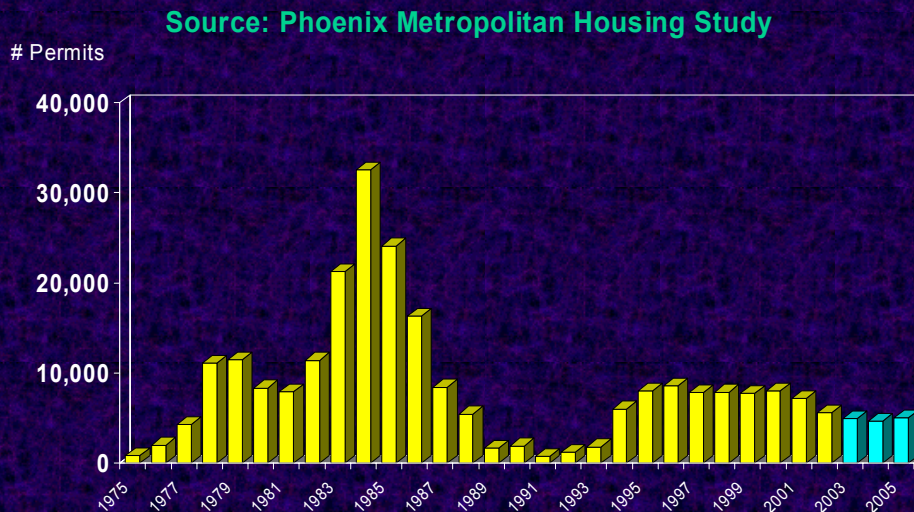


Note: Data does not include townhouses and condominiums

*2003 - 2005 are forecasts from *Greater Phoenix Blue Chip Economic Indicators*

Multi-Family Permits Maricopa County 1975–2005*

Source: Phoenix Metropolitan Housing Study



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Economy

Phoenix has a diversified economic base. Manufacturing is a leading employer, with electronics a strong component. The area currently ranks third nationally among electronic production centers. Tourism is an important income producer. Many world-class hotels and resorts cater to visitors. Over 45 percent of total employment is in the retail trade and service sectors. Major corporations with national headquarters here include Phelps Dodge, Viad, Aztar, U-Haul, Avnet, Swift, PetSmart and Cavco.

<u>County Employment</u>	<u>2003</u>
Construction	128,600
Education & Health Services	159,300
Financial Services	133,500
Government	200,800
Information	37,100
Leisure & Hospitality	152,800
Manufacturing	126,900
Professional & Business Services	255,100
Trade, Transportation, Utilities	321,200

<u>Population</u>	<u>1990</u>	<u>2000</u>	<u>2003</u>
Phoenix	983,403	1,321,045	1,387,670
Maricopa County	2,122,101	3,072,149	3,396,875
Arizona	3,665,228	5,130,632	5,629,870
Source: AZ Dept of Econ Sec & US Census			

<u>Labor Force Data</u>	<u>1990</u>	<u>2000</u>	<u>2003</u>
Civilian Labor Force	539,160	758,321	831,659
Unemployed	25,924	22,578	45,216
Unemployment Rate	4.8%	3.0%	5.4%
Source: AZ Dept of Econ Sec			

Knowledge

Knowledge is an important commodity in this world. Many want it, some seek it, but few possess a great deal of it. It's important to know, "that you just don't know everything".

When investing in real estate, it's important to do your homework. Spend time researching the market, its trends, and find a niche you want to know and learn. Spend time learning and truly understanding the endeavor you are undertaking. Nobody cares as much as you do or a least should, about the future of your investments. Good luck and happy investing.

Sincerely, David Gudmundsen

Contact

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