

The Apartment Association of Greater Memphis Board of Directors is pleased to present the 4th edition of **The Source** for 2009.

The Source utilizes the resources and feedback of our Membership to provide the most comprehensive summary of key data and performance metrics for the area. Now in its fourth year, **The Source** includes data from 255 apartment communities totaling over 55,000 units.

Points to note are that while overall Q4 2009 average rents were down from Q4 2008 by an average of approximately \$14/unit, there were a number of 2009 bright spots in our Greater Memphis area with regard to Q4 occupancy. Seven of our 12 submarkets evaluated have increased in their year over year 4th Quarter occupancy. These statistics show that best Q4 occupancy was in Jackson, TN, where the submarket maintained well at 95.23%, and that our Southwest submarket increased the highest from 79.52% in Q4 2008 to 85% in Q4 2009. Our Raleigh submarket impressed jumping from 87.74% Q4 2008 to 91.4% occupancy in Q4 2009, while the East and Cordova / Lakeland submarkets also reflected better year over year 4th Quarter occupancy by achieving Q4 2009 occupancy of 92.45% and 94.36% respectfully.

We appreciate the information provided by our Membership and thank them for their continued participation in this annual project.

We appreciate your interest in AAGM, and hope you find this year's edition of **The Source** beneficial as you work toward making best decisions for your business. It is our hope that this data will prove to be a valuable reference tool for your success in 2010.

Board of Directors
Apartment Association of Greater Memphis

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Submarkets

Bartlett, Collierville / Germantown, Cordova / Lakeland, Downtown, East, Frayser, Jackson, TN, Mid-town, North Mississippi, Raleigh, Southeast and Southwest

Executive Summary

AAGM is a non-profit trade association dedicated to unifying rental housing professionals through education, legislative advocacy and member services. AAGM is affiliated with the Tennessee Apartment Association (TAA) and the National Apartment Association (NAA). **AAGM** was chartered in 2004 as an NAA affiliate for the purpose of advancing the general welfare of the multifamily industry in the Memphis metropolitan area.

This research was compiled by **AAGM** on behalf of the multifamily industry. Management companies and communities reported the following year end 2009 statistics for each apartment community: total apartments, unit mix, vacant units, square footage and market rent for each floor plan, year built, year renovated, and concessions. The **AAGM** board of directors and the committee overseeing this project signed confidentiality statements to ensure that specific information about communities will not be disclosed. The goal of this report is to provide comprehensive, objective statistics about the Jackson, TN, North Mississippi and Memphis area apartment market for use by rental housing owners, builders, property management firms, apartment communities, suppliers and investors.

Survey participants

Two hundred and forty-four (244) apartment communities, representing 50,808 units, provided data for this report. These communities include both conventional and Tax Credit (Section 42) apartment communities. Over 95% of properties reporting are **AAGM** members. A limited number of non-member properties responded.

Reporting methods

The statistics in this report are based on 2009 year end data collected from participating apartment communities, management companies, and owners. Participating communities reported their total number of units and their number of vacant units at year end. From this information, **AAGM** calculated their physical occupancy.

Average square footage, average rent, and average rent per square foot were calculated using a weighted average of each floor plan.

Some properties are included in the property detail section of the report only, as indicated in this report. They were not included in the statistical reports due to the unavailability of requested data.

Eleven (11) properties reported unusually low occupancy (less than 65%) which have been categorized as a distressed asset. These properties are included in all report categories but then separated within their respective submarkets under the column heading (excluding distressed) to provide subscribers with full disclosure that allows each view to make their own conclusions on the health and viability of each market.

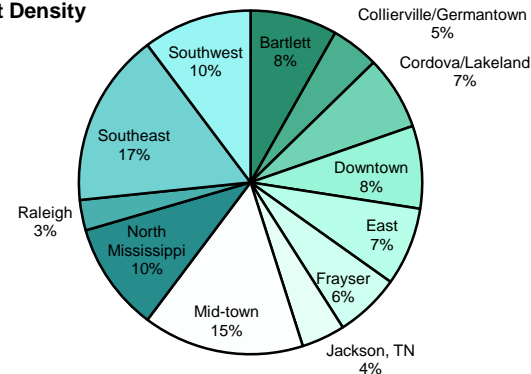
Submarkets are defined by zip code. Users of this report may use the enclosed submarket maps to better understand their boundaries. The Memphis area market is geographically divided into 12 submarkets: Bartlett, Collierville / Germantown, Cordova / Lakeland, Downtown, East, Frayser, Jackson, TN, Mid-town, North Mississippi, Raleigh, Southeast, and Southwest.

Greater Memphis Summary Statistics* Year End 2009

Submarket	# of Props	Total Units	Occupancy	Overall			1 bedroom			2 bedroom			3 bedroom			4 bedroom		
				Rent Sq.ft	Avg Sq.ft	Avg Rent	Rent Sq.ft	Avg Sq.ft	Avg Rent	Rent Sq.ft	Avg Sq.ft	Avg Rent	Rent Sq.ft	Avg Sq.ft	Avg Rent	Rent Sq.ft	Avg Sq.ft	Avg Rent
Bartlett	20	5,207	90.92%	\$ 0.67	961	\$ 645	\$0.72	751	\$541	\$ 0.65	1,040	680	\$0.65	1,289	\$832	\$ 0.70	1,238	\$ 870
Collierville/Germantown	11	2,461	92.81%	\$ 0.90	1,068	\$ 961	\$1.00	814	\$811	\$ 0.89	1,095	970	\$0.84	1,391	\$1166	\$ -	-	\$ -
Cordova/Lakeland	17	6,599	94.09%	\$ 0.78	1,023	\$ 802	\$0.86	801	\$690	\$ 0.76	1,104	834	\$0.76	1,335	\$1009	\$ -	-	\$ -
Downtown	19	3,704	91.44%	\$ 0.96	880	\$ 843	\$1.00	730	\$727	\$ 0.94	1,034	975	\$0.83	1,318	\$1088	\$ -	-	\$ -
East	18	2,944	89.88%	\$ 0.74	1,019	\$ 755	\$0.89	750	\$665	\$ 0.71	1,054	752	\$0.66	1,473	\$975	\$ 0.65	1,600	\$ 1,045
Frayser	15	1,673	85.83%	\$ 0.57	862	\$ 493	\$0.70	579	\$404	\$ 0.56	856	479	\$0.58	1,064	\$621	\$ 0.50	1,600	\$ 800
Jackson, TN	10	1,552	95.23%	\$ 0.62	1,004	\$ 626	\$0.74	750	\$556	\$ 0.59	1,027	611	\$0.59	1,262	\$741	\$ 0.69	1,333	\$ 925
Mid-town	37	3,752	86.86%	\$ 0.71	801	\$ 565	\$0.91	602	\$545	\$ 0.63	891	565	\$0.60	1,149	\$691	\$ 0.61	1,270	\$ 772
North Mississippi	25	5,860	91.93%	\$ 0.72	1,033	\$ 746	\$0.82	815	\$666	\$ 0.70	1,055	743	\$0.69	1,280	\$879	\$ -	-	\$ -
Raleigh	7	1,307	88.68%	\$ 0.66	905	\$ 599	\$0.80	686	\$546	\$ 0.64	898	579	\$0.63	1,111	\$699	\$ 0.62	1,300	\$ 800
Southeast	40	11,157	85.32%	\$ 0.70	957	\$ 667	\$0.80	731	\$584	\$ 0.66	1,037	689	\$0.64	1,351	\$868	\$ 0.50	1,271	\$ 640
Southwest	25	4,592	82.40%	\$ 0.55	936	\$ 518	\$0.64	643	\$414	\$ 0.56	902	506	\$0.51	1235	\$629	\$ 0.46	1,557	\$ 715

Properties Reporting	244
Total Units Reporting	50,808
Occupancy	89.12%
Average Rent for All Units	\$694
Average Unit Size	962
Average Rent per sq. ft.	\$0.72

Unit Density



*Beginning 2009, the summary statistics calculations include distressed properties.





The Source 2009

Multifamily Market Statistics

\$75 for AAGM members
\$150 for non-members*

*Payment must be received in advance for non-members only.

The Source is distributed electronically via password access to the host website.
You will receive an email within 24 hours which provides access information.

Please complete this form and fax to (901) 685-9124.

Company or property _____

Mailing address _____

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Authorized by _____

Bill account? _____ Pay by credit card? _____ Please call the AAGM office to supply credit card information. (MasterCard, Visa, and American Express only)

Check enclosed _____ Check # _____

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