

SIXTH ANNUAL APARTMENT SURVEY

IOWA CITY - CORALVILLE - NORTH LIBERTY

JUNE 2, 1997

PURPOSE – This survey was created to provide usable and valuable information on rental markets in the Iowa City area. It began in 1992 and is conducted once a year.

Average Rent	1994	1995	1996	1997
Pentacrest	\$519.72	\$541.72	\$550.28	\$553.06
Iowa City	\$556.25	\$575.63	\$586.18	\$614.75
Coralville	\$430.67	\$447.33	\$449.00	\$462.67
One Bedroom/Efficiency	\$383.24	\$399.06	\$404.12	\$406.94
Two Bedroom	\$511.88	\$532.38	\$537.20	\$555.96
Three Bedroom	\$739.38	\$763.75	\$788.13	\$823.33

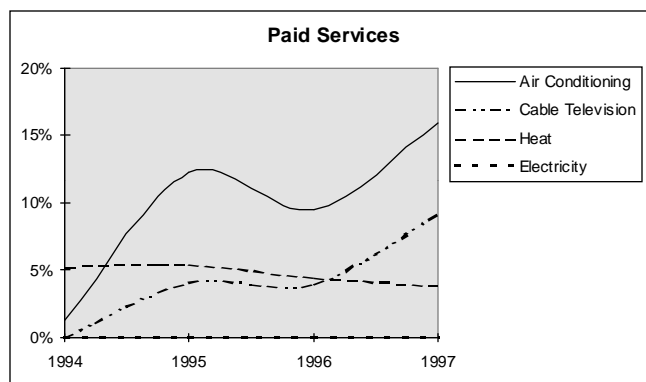
OVERVIEW – Survey information was collected from 59 apartment complexes this year. This amounts to over 2,940 separate units. On a strictly voluntary basis, information was gathered through survey forms sent to owners or managers of apartment complexes. All data was compiled in summary form to remove specific references to individual apartment complexes. Publicly owned or subsidized properties were excluded from the survey.

In order to remove inconsistencies and maintain continuity across years, a core group of respon-

dents was selected. This core group was chosen to reflect a cross section of the area's apartment complexes by location and type. For these complexes we have uninterrupted data for four years, enabling us to provide you with reliable, consistent and detailed information. There was not enough information gathered in the North Liberty zone and on rental units above three bedrooms for accurate statistics.

To adjust for included utilities and services, each complex that indicates such has had typical charges deducted from the unit rent figure. This adjusts rent amounts to reflect units where the tenant pays all utilities and services.

Vacancies	1994	1995	1996	1997
Total	1.5%	0.8%	2.5%	2.2%
Pentacrest	0.0%	0.2%	1.5%	0.7%
Iowa City	3.9%	1.4%	3.3%	4.0%
Coralville	1.1%	0.8%	2.9%	2.2%
One Bedroom/Efficiency	6.0%	0.4%	1.7%	1.3%
Two Bedroom	2.0%	0.9%	3.0%	2.8%
Three Bedroom	0.8%	0.8%	1.6%	0.0%



When compiling the survey results, apartment complexes are segmented by regional area into four zones. **Zone One:** Pentacrest Mile; **Zone Two:** remainder of Iowa City; **Zone Three:** Coralville; **Zone Four:** North Liberty.

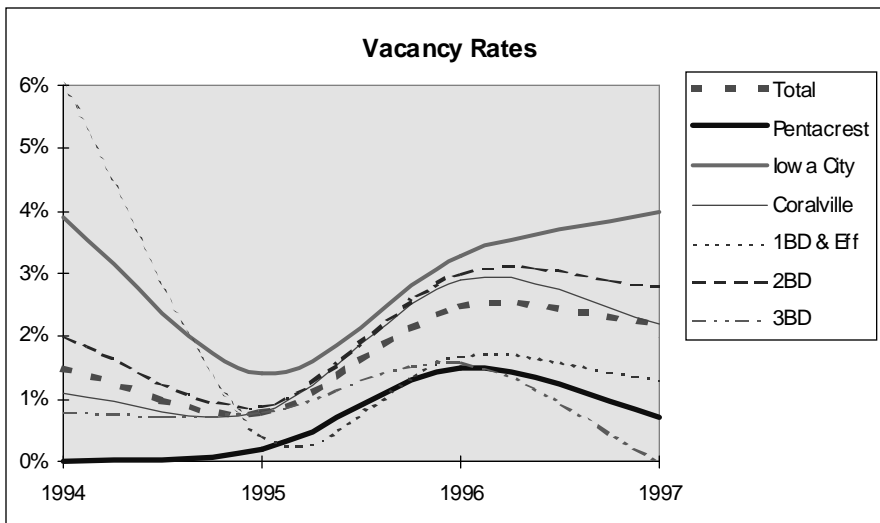
RESULTS – Utilities and services included in apartment rents are showing some interesting trends. The percentage of tenants paying water and heat costs continue to rise and the number of owners paying air conditioning and cable television are also increasing.

Vacancies show a slight drop over last years high. All regions show vacancy declines except Zone 2 (Iowa City). This seems to show a trend of renters moving away from Zone 2 toward the newer com-

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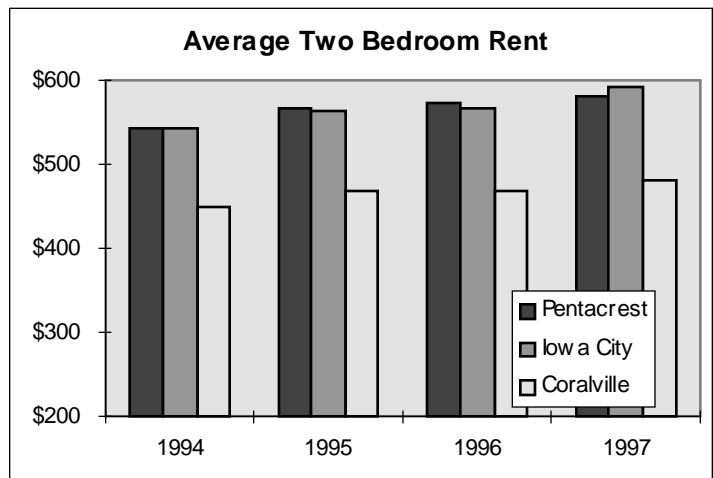


with a 4.8% increase in 1997 compared to 0.47% in 1996. Zone 3 (Coralville) continues to remain solid in all areas with three bedroom units increasing strongly

plexes within Zone 1 (Pentacrest). The apartment types hit the hardest are two bedroom units. Two bedroom units account for over 60% of the units surveyed. In Zone 2, two bedroom units show a 4.7% vacancy rate. One bedroom/Efficiency units in Zone 2 show a 3.3% vacancy rate. Both of these are much greater than vacancy rates in any other zone for similar units.

at 6.98% from a decrease in 1996.

Rent Increases were varied across the Iowa City area. Zone 1 rents, while continuing to increase in value, exhibited a drop in the rate of increase. This trend has been in effect for the past two years. In 1997 two bedroom units in Zone 1 had a 1.37% increase in rents. In 1995 those same units had rent increases of 4.26%. Two bedroom units in Zone 2 however, experienced a rebound



SUMMARY – The 1997 results show a recovery from the downturn in 1996. Yet there was not sufficient recovery to restore the 1995 levels. Vacancies over all areas have declined since last year and seem to be leveling out around 2%. Apartment unit rental prices are very competitive in the Pentacrest area and will remain so. This market draws much of the student population out of the surrounding Iowa City area placing strain on those complexes aimed at the student population.

One Bedroom/Efficiency	Pentacrest	Iowa City	Coralville
1994	\$ 385.00	\$ 396.25	\$ 372.50
1995	\$ 404.14	\$ 410.00	\$ 385.83
1996	\$ 404.29	\$ 425.00	\$ 390.00
1997	\$ 398.57	\$ 428.00	\$ 399.17
Two Bedroom			
1994	\$ 542.86	\$ 542.78	\$ 450.00
1995	\$ 566.00	\$ 563.33	\$ 468.13
1996	\$ 574.29	\$ 566.00	\$ 468.75
1997	\$ 582.14	\$ 593.18	\$ 481.88
Three Bedroom			
1994	\$ 715.00	\$ 810.00	\$ 625.00
1995	\$ 740.00	\$ 833.33	\$ 650.00
1996	\$ 763.75	\$ 868.33	\$ 645.00
1997	\$ 772.50	\$ 907.50	\$ 690.00

all rents are averages and are adjusted to remove paid utilities

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