

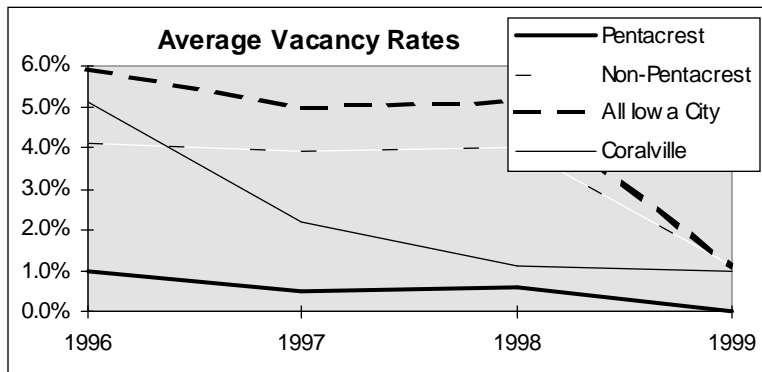
ANNUAL APARTMENT SURVEY

IOWA CITY CORALVILLE NORTH LIBERTY

APRIL 30, 1999

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

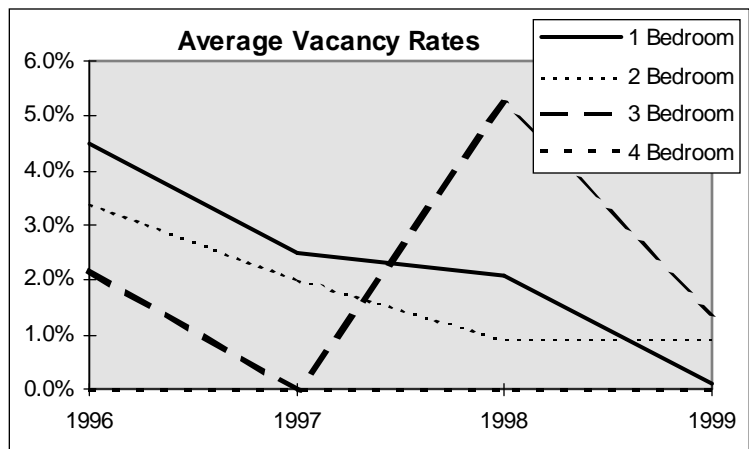
complexes we have uninterrupted data for at least three years, enabling us to provide you with reliable, consistent and detailed information. There was not enough information gathered in the North Liberty area and on rental units above three bedrooms for statistically significant results.



For some apartments, utilities and services are included in the rental price. These include water, heat, electricity, air conditioning and cable television. To adjust for included utilities and services, each complex has had these charges deducted from the rent. This enables a consistent comparison to units

all the owners and managers who have contributed to the survey over the years. It is your assistance that makes this survey possible.

OVERVIEW – Survey information was collected from 65 apartment complexes this year. This amounts to 3,668 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. Starting this year, subsidized properties are being included in the survey.



In order to remove inconsistencies and maintain continuity across years, a core group of respondents was selected. This core group was chosen to reflect a cross section of the area's unsubsidized apartment complexes by location and type. For these

where the tenant pays these utilities.

When compiling the survey results, apartment complexes are segmented by regional area into four zones. These are the Pentacrest Mile, the Non-Pentacrest Iowa City Area, the entirety of Iowa City, and Coralville. Insufficient response was gathered from North Liberty to be included in the results.

RESULTS – Vacancies declined sharply from last year in the Non-Pentacrest Iowa City area. They are showing a marked drop from 4% vacancies over the past three years to a 1999 rate of less than 1%. Coralville and Pentacrest units are posting small declines over their vacancy rates last year. Three bed-

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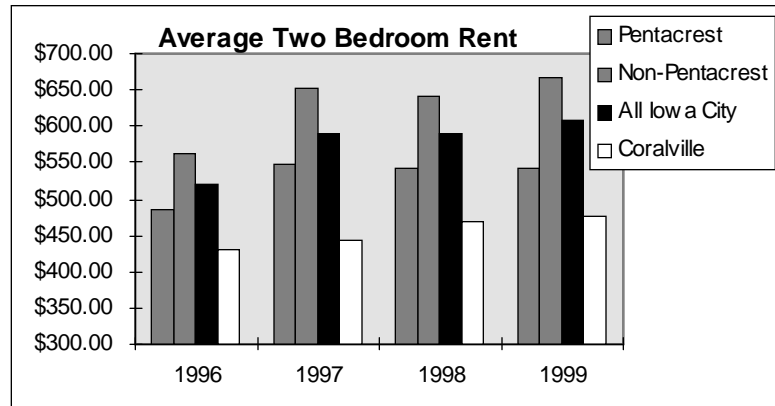
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	Average Two Bedroom Rent			
	1996	1997	1998	1999
Pentacrest	\$ 483.53	\$ 547.66	\$ 542.60	\$ 542.50
Non-Pentacrest	\$ 563.13	\$ 651.82	\$ 640.91	\$ 665.73
All Iowa City	\$ 520.84	\$ 590.09	\$ 588.62	\$ 608.22
Coralville	\$ 430.12	\$ 442.93	\$ 469.29	\$ 475.69

1999, up from the 1998 decline of 1.7%. The four bedroom units continue to show a moderate advance in rents with a 7.3% increase in 1999 up from 6.7% between 1997 and 1998.

room apartments are showing a marked decrease in vacancy. Last year they led the chart at 5.2% far above the vacancy rates of previous years. This year, that rate has fallen to a more reasonable level of 1.4%. This vacancy rate is, however, still the highest for any unit group with 2 bedroom units coming in second highest at 0.9%.

Rent Increases rebounded in 1999. The Non-Pentacrest area had the sharpest increase between 1999 and 1998 of 6.9%, up from a rent decline of 2.4% last year. The Pentacrest area also showed a strong increase to 3.5% this year, up from 2.0% last year. The average rent increase in the entire Iowa City area is at 5.6%. The Coralville area showed the smallest increase in rents with a change of 0.2% between this year and last. Last year Coralville had, by far, the highest increase of rent rate at 6.2%.



SUMMARY – The Pentacrest area continues to have very low vacancy rates (approximately 0%), while all other areas show rates right around 1%. While three bedroom units had a relatively high vacancy rate last year, this has declined sharply. Rent

increases are strongest in the Non-Pentacrest area and for 1 and 4 bedroom units. The smaller supply of these units and the very low vacancy rates may be contributing factors. Average rents continue to increase

across all areas with the Coralville area maintaining rental prices at 30 to 40% lower than those in the Iowa City area. Part of this difference may be attributable to age and condition and not simply location.

The one bedroom/efficiency category continues to show the largest increases between 1998 and 1999 at 8.7%. This is a large jump from previous average increase of 4.0% from last year. The two bedroom category showed a small increase from last year, moving from 2.1% to 2.2%. These rates are still well below the rent increase rate between 1996 and 1997 of 12.1%. In the three bedroom apartment category rents increased by an average of 3.7% in

	Average Rent			
	1996	1997	1998	1999
Pentacrest	\$ 567.74	\$ 587.90	\$ 599.42	\$ 620.26
Non-Pentacrest	\$ 579.97	\$ 662.79	\$ 646.74	\$ 691.15
All Iowa City	\$ 572.83	\$ 616.65	\$ 619.17	\$ 653.77
Coralville	\$ 429.25	\$ 443.15	\$ 470.57	\$ 471.36
1 Bedroom	\$ 437.67	\$ 463.85	\$ 482.33	\$ 524.42
2 Bedroom	\$ 469.89	\$ 526.58	\$ 537.68	\$ 549.32
3 Bedroom	\$ 618.19	\$ 685.56	\$ 673.70	\$ 698.75

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