AUSTIN

ARA Real Estate Investment Services

February 2015

AUSTIN ECONOMIC STRENGTH

- Austin ranked 38th fastest growing economy in the world in 2013 and 2014 (Brookings' Global MetroMonitor, Jan '15)
- Austin ranks #2 among "Best-Performing Cities" (Milken Institute, Jan '15)
- Austin ranked #3 among "Fastest Growing Cities" (U.S. Census Bureau, Nov '14)
- Austin ranked #2 among "Best Cities for Future Job Growth" (*Forbes*, Jul '14)
- Austin leads the nation in percentage growth of gross metro product of 4.6% and is expected to stay on top through 2020 (U.S. Conference of Mayors, Jun '14)
- Austin tops list of fastest growing cities based on population growth (U.S. Census Bureau, Mar '14)
- Austin #1 among "Metro Areas with the Most Economic Momentum Going Into 2014" (*Forbes*, Dec '13)
- Austin ranks #1 among "Best-Performing Cities" (Milken Institute, Dec '13)
- Austin #1 on list of "Cities with Best Employment Growth" (*Forbes*, Aug '13)
- Austin #1 on list of "America's Fastest Growing Cities" (*Forbes*, Jan '13)
- Austin is the "Most Business-Friendly U.S. City" (*Kauffman Foundation*, Apr '13)
- Austin #2 of 102 metropolitan areas in the *On Numbers Economic Index* (*Austin Business Journal*, Nov '12)
- Angelou Economics forecasts 28,000 new jobs for 2013 and 30,000+ in 2014
- Austin ranked #1 "Best City for Jobs" (*Forbes*, May '12)
- Austin ranked #2 of "Top 10 Cities People Are Moving To in 2012" (*The Fiscal Times*, Jul '12)

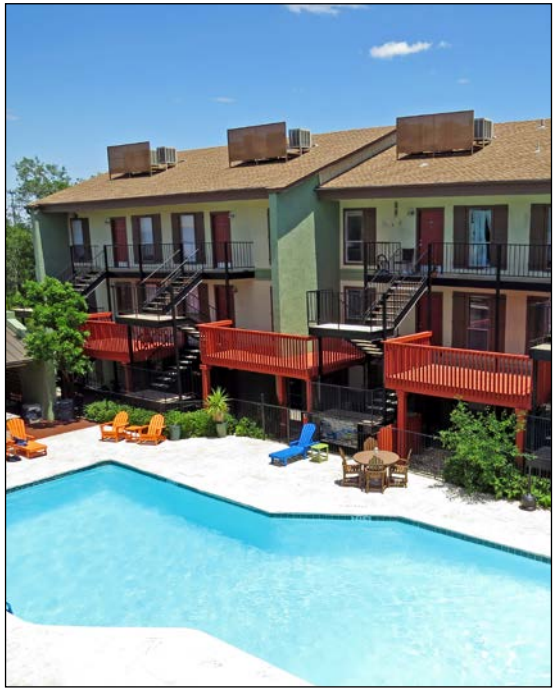
AUSTIN HISTORICAL DATA

Austin Historic Fundamentals							
Year	Total Units	New Supply	Absorption	Occupancy	Occ. Growth	Rental Rate	Rent Growth
2002	112,471	7,022	6,526	88.43%	0.30%	$699	-6.55%
2003	115,339	2,868	3,213	89.02%	0.59%	$667	-4.58%
2004	118,227	1,093	2,945	90.54%	1.52%	$665	-0.30%
2005	118,741	1,280	3,868	93.40%	2.86%	$701	5.41%
2006	120,393	2,970	1,948	93.74%	0.34%	$759	8.27%
2007	122,297	3,596	1,464	93.48%	-0.26%	$803	5.80%
2008	129,142	7,123	885	89.21%	-4.27%	$810	0.87%
2009	136,252	7,478	5,831	88.74%	-0.47%	$774	-4.44%
2010	138,137	2,318	7,783	93.57%	4.83%	$835	7.88%
2011	139,785	3,500	3,530	95.00%	1.43%	$896	7.31%
2012	142,469	2,604	2,407	94.90%	-0.10%	$933	4.13%
2013	147,864	5,880	5,113	94.80%	-0.10%	$1,012	8.47%
2014	156,558	8,788	7,026	94.00%	-0.80%	$1,068	5.53%

AUSTIN OCCUPANCY AND RENTAL RATES - FOURTH QUARTER

Class	Occupancy	Average Rent	Average Rent PSF
Class "A"	95.0%	$1,342	$1.46
Class "B"	95.2%	$1,129	$1.21
Class "C"	95.9%	$887	$1.22

Data Source: Austin Investor Interests

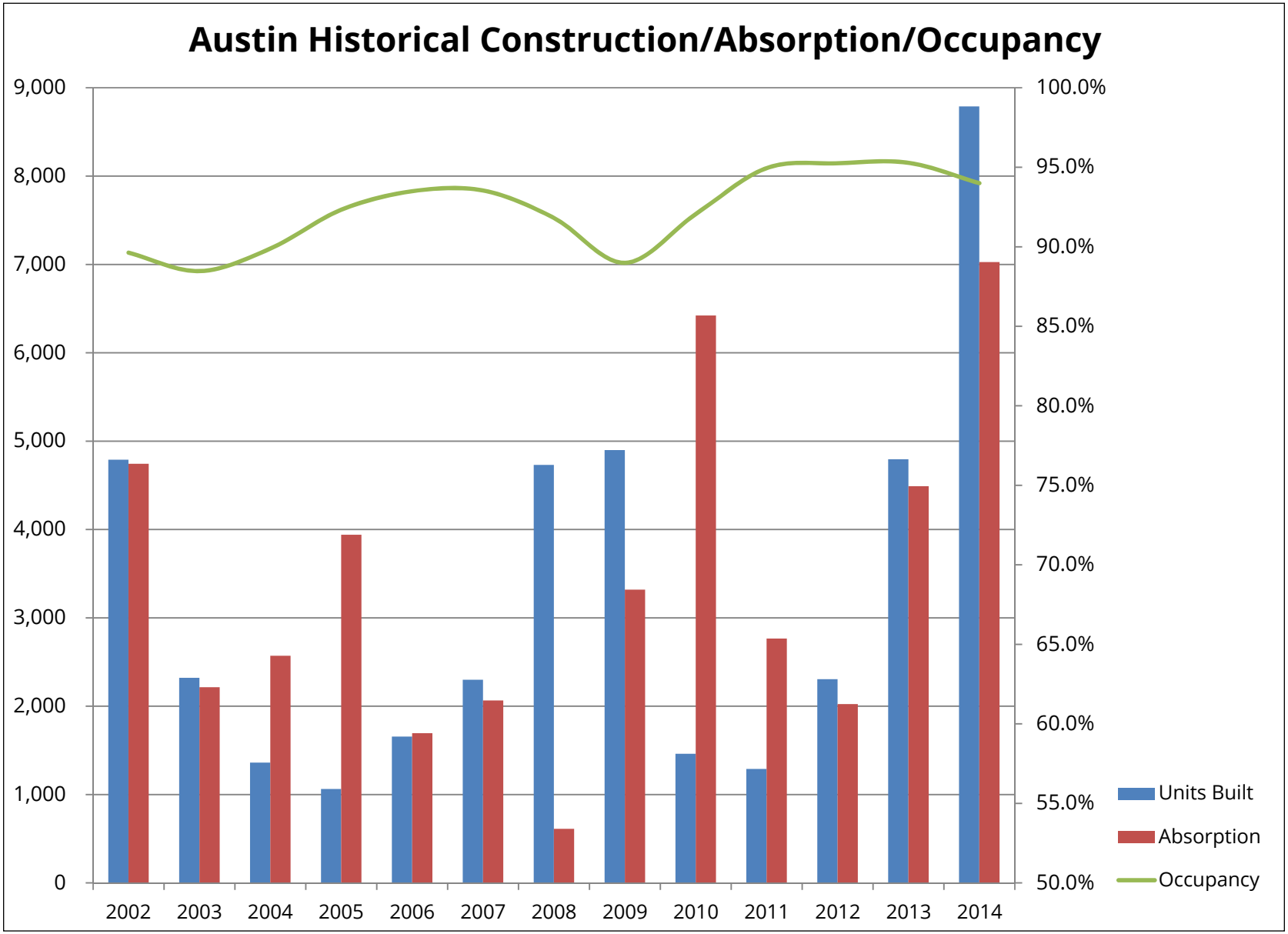


TRANSACTIONS AND SALES VOLUME

Year	Class A Transactions	Class B/C Transactions	Total Sales	Total Sales Volume
2009	7	12	19	$330M
2010	13	35	48	$596M
2011	21	33	54	$707M
2012	30	63	93	$1.75B
2013	23	49	72	$1.52B
2014	35	44	79	$2.24B

CAP RATES

Class	Q4 2014
Urban Class "A"	4.25% - 5.00%
Suburban Class "A"	5.00% - 5.75%
Class "B"	5.25% - 6.50%
Class "C"	6.50%+



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GENERATING NATIONAL AND TEXAS EXPOSURE

- ARA Houston, Dallas, Austin & San Antonio are owned jointly = work as a team
  - Drives enormous investor traffic to the ARA web page (TX is one of the most popular states for MF today)
  - Houston/Dallas/Austin/San Antonio brokers direct investors to deals in each others markets
  - More eyes and ears on your deal

- Texas team shares buyer database - we can utilize the bid list from all recent like/kind acquisitions

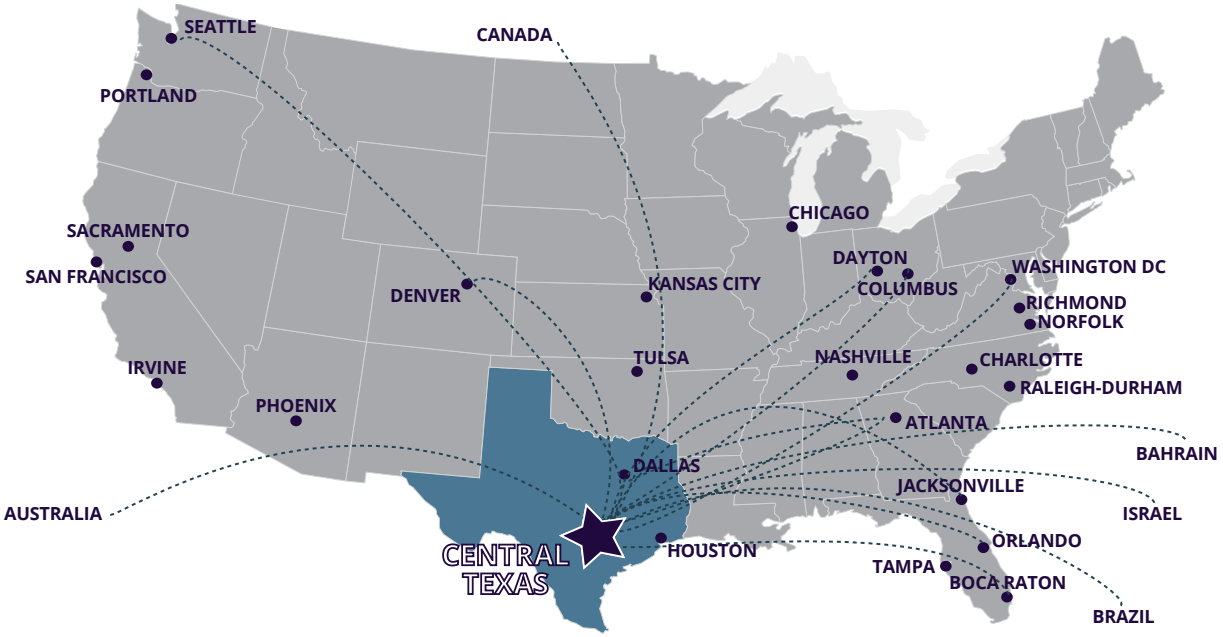
ARA Central Texas:	Pat Jones, Andrew Shih, Matt Michelson, Andrew Childers, and Jim Young
ARA Houston:	David Oelfke, Matt Rotan, David Wylie, and David Mitchell
ARA Dallas:	Brian O'Boyle, Brian Murphy, and Brian O'Boyle Jr.

ARA EXPERTISE *(2006 - 2014 MF SALES)*

- 2,200+ properties
- $48,000,000,000+
- $12,300,000,000 in 2014

NATIONAL EXPOSURE

- 2nd in nation for multifamily sales
- 25+ total offices nationwide
- 100+ total brokers
- #1 in market share in USA per broker
- #2 in market share in USA total volume

ARA SPECIALTY PRACTICE GROUPS

- Capital Markets
- Student
- Affordable
- Manufactured Housing