

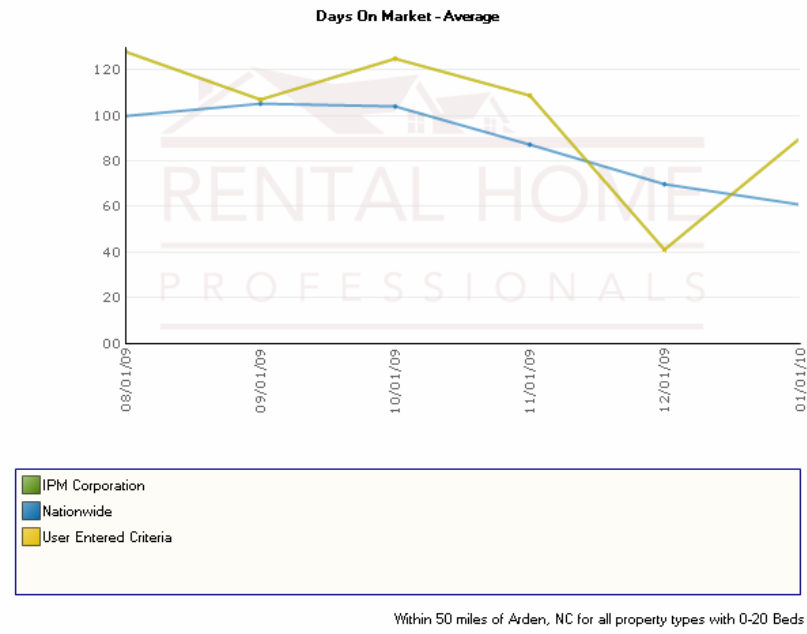


Rental Market Update February 2010

Market indicators are pointing to a slightly more stabilized rental market but with some continued variation for at least the remainder of this year. Nationwide occupancy trend increased by .2% this past week. A good sign as it continues to trend upward.

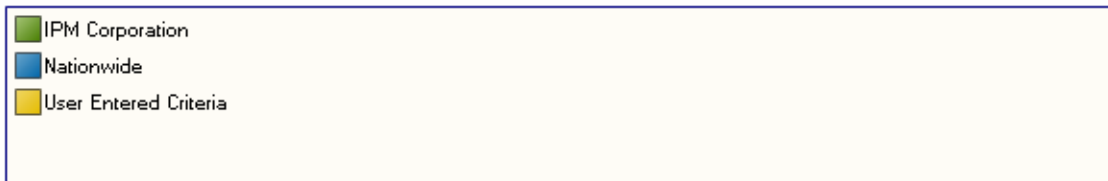
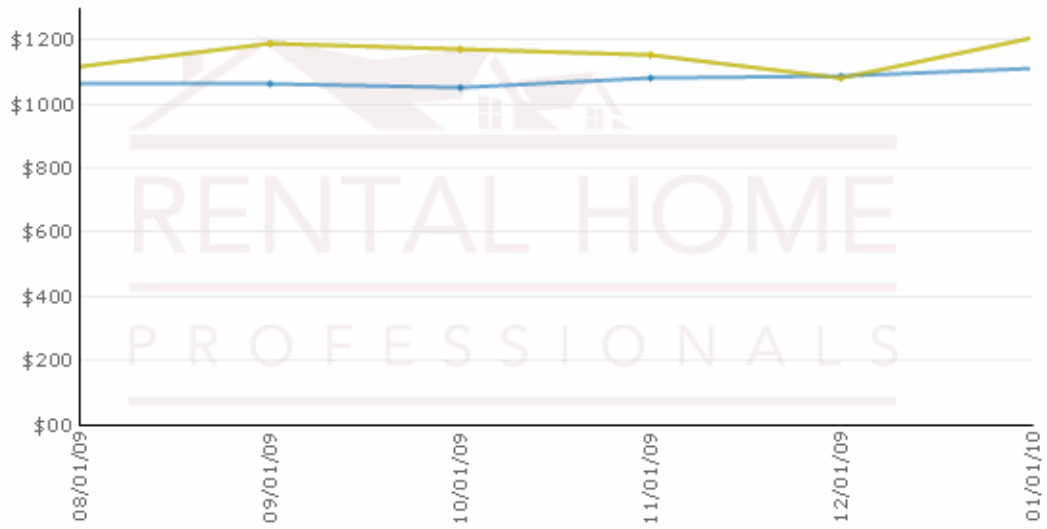
A recent report from Deutsche Bank tracked the correlation between rent rates and housing costs. In normal markets, renting will cost a little less than owning. In bubble markets, however, the cost of owning escalates dramatically compared to renting – a trend that we have seen over the past 10 years as apartment rents increased nationally by 32% while home prices jumped to around 105%. Currently in many major metro markets, the cost of renting is slightly less than the cost of owning due to the retraction of real estate value so we are back to a more stable real estate environment.

The Federal Government's home purchase tax credit has also affected the rental market as many prospective residents took advantage of the first time buyer credit. In our Asheville area market, *Days on the Market* was directly affected by this trend as can be seen in the graph below. Current *Days on the Market* is now back to a more typical time of 60 to 90 days.



An additional bit of good news that demonstrates a slight market stabilization in the Asheville regional market is the average rent. Our average rent in this region remains strong with slight increase over the national average. It actually met the national average in December and then regained a slight increase in January. Traffic remains steady as we prepare for the traditional surge of activity beginning in late March as people begin to make plans to move in the Spring and Summer.

Asking Rent - Average



Within 50 miles of Arden, NC for all property types with 0-20 Beds

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