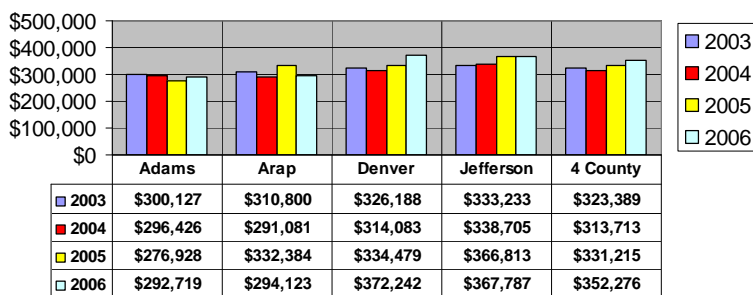


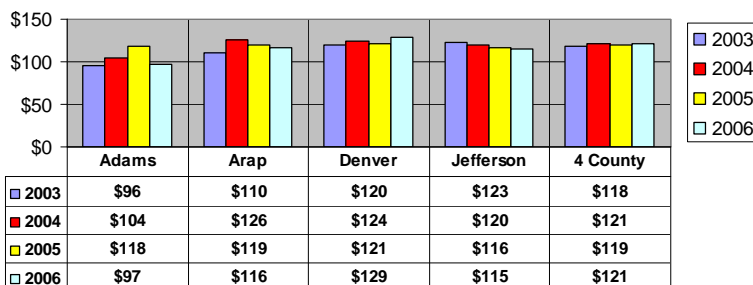
2006 Small Multi-family Income Sales Review

**Total Sales Down! Average Sales Price Up Slightly!
Sales Concessions & Days on Market Down!**

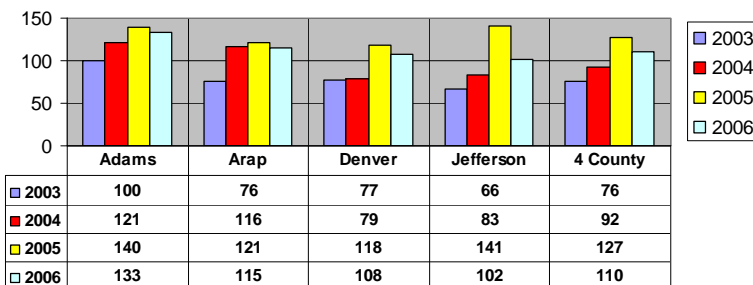
Average Sales Prices



Average Price per Square Foot



Average Days on the Market



MLS INCOME PROPERTY STATS

4 Counties-Adams, Arapahoe, Denver, Jefferson

Total Sales 2-19 Units

2003 461 \$149,082,145

2004 618 \$193,874,674

2005 610 \$202,041,092

2006 564 \$198,683,420

Research Adjustment

In the past years, I would look at all residential income properties 2 units and above that sold in the MLS. This year, the number of properties above 20 units jumped from 8 to 15. These sales skewed the numbers. Keeping with the title "Small Multi-Family Income Property", I have based this review on apartment sales of **2-19 units**.

Overall, 4 county Denver-Metro Income Property sales fell 7.5% from 610 in 2005 to 564 in 2006. Mostly in Adams with a 44% drop! The average sales price (sales concessions not included) increased slightly to \$352,276 over 2005. The past 2 years have seen annual increases of 5-6%. Average Days on Market are down from 127 to 110 or 13%. Unfavorable Real Estate media may cause Sellers to become realistic quicker and 1031 time constraints help buyers close deals faster. Average price per square foot has once again shown little movement. **MLS changes in square foot reporting this last year may be causing this number to be somewhat off.** Specific sales must be scrutinized!

Adams County- 2006 was not healthy! Ave. Sales Price has finally risen after falling the past 2 years but total sales sharply dropped to only 59 from 102 in 2005! Average Price per Sq. Ft. has fallen to the 2003 level. Days on Market were only slightly better, still high at 133.

Arapahoe County- 2006 Pullback! After fairing the best in 2005, Arapahoe has fallen to the back of the pack with the only significant drop in Ave. Sales Price! The Average Price per Square Foot fell slightly and Days on the Market dropped the least of all counties.

Jefferson County- Status Quo! Little change from last year in Number of Sales, Sales Price & Price per Sq. Ft. Time between listing and sale was 13% shorter as the Days on Market fell 127 to 110!

Denver County- Metro Leader! The largest county with the most income property & sales activity did well in 2006. It had the largest increase in Number of Sales and an Ave. Sales Price up 10%. Also the only increase in Ave. Price per Sq. Ft. & 10 days less for Days on Market.

Sales Concessions

The MLS is now going to recognize the Net Sales Price - Sales Price minus Concessions. This is something I have harped on for over a year. Half of all 2-4 unit sales had a reported sales concession, up from 44% in 2005. It should decrease this year with the IRS stepping in to thwart many of down payment assistant programs, the Real Estate Commission tightening up appraisers and regulating mortgage brokers. 2005 Sales Concessions were at \$1.97/sf with 2006 down to \$1.72. Specific comps with "funny money" need to be researched to evaluate the true value of a sale!

Vacancy, Rental Rates. Higher interest rates have less tenants buying homes. Foreclosures have previous tenants back in apartments. Metro vacancy rates dropped to 6.7% from 10% in 2004, all counties improved. Rental concessions were mixed and economic vacancy is still at 20-24.5%. 2bed-1bath units Average Rent per SF. rose in all counties. Small properties are sensitive to vacancy and rental rates, you need to be aware of average rents in your neighborhood and stay rented! Call me for information regarding your neighborhood rents!

Let's All Have a Profitable 2007!

Keith Hurtubise- Income Property Listings-Call 4 More INFO!

- 2 Units 8604 W 54th Arvada Best JEFFCO Duplex deal! \$179,999**
- 2 Units 915 Kilmer St Golden Big Lot Brick Motivated \$290,000**
- 2 Units 6106 W 6th Av Lakewood, Huge Units, 2Car Gar. \$254,950**
- 2 Units 2130 High St Denver Excel. Location! Big Units! \$309,500**
- 2 Units 8647 W 62nd Arvada Solid Brick Rental! Sec 8. \$279,900**
- 3 Units 1810 Iris Lakewood, Large Lot. Fix up w/Potential! \$325,000**
- 4 Units 7160 Stuart Westminster Brick, 3 & 1 Bed Units! \$326,000**
- 4 Units 841 S Uravan Aurora 1985 Very Good Condition \$399,900**
- 4 Units 892 S Uravan Aurora Separate G & E, Garages \$399,900**
- 4 Units 9300 E 19th Av Aurora Remod. TwnHmes! Stapleton! \$417,900**
- 4 Units 2126 High Denver Location! Remod. Excel. Cond! \$428,500**
- 6 Units 62 W Ida Ave Littleton Fixer! Great 1031 Move up! \$399,900**

Buy, Sell, 1031 Trade or Detailed Current Market Analysis of your property,

Contact **Keith Hurtubise**, your **Income Property Specialist**,

303-202-2221 invest@keithabees.com

For more information, Check out

www.keithabees.com

Keith A. Hurtubise

RE/MAX 100 Inc.

Income Property Specialist

710 Kipling St., Suite 110

Lakewood, CO 80215

<http://www.keithabees.com>

invest@keithabees.com

303-202-2221

PR SRT STD
U.S. POSTAGE
PAID
DENVER, CO
PERMIT NO. 3122