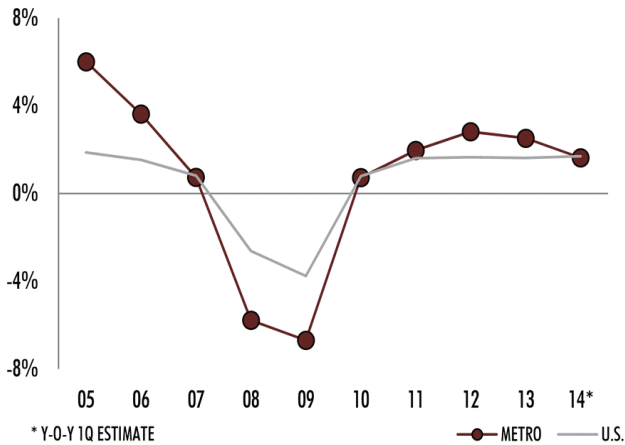




EMPLOYMENT GROWTH

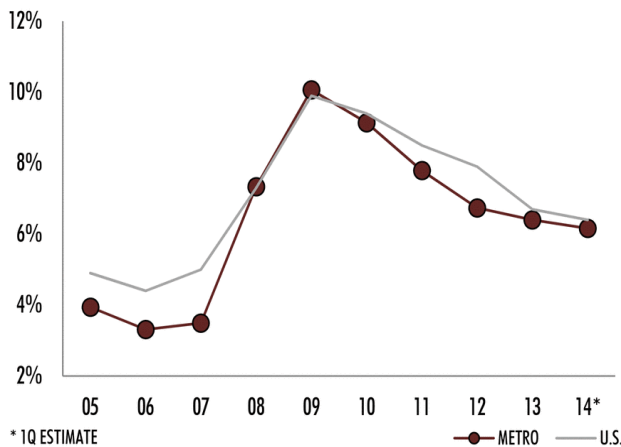


JOBS GAINED LOST	
2004	90,500
2005	104,300
2006	66,600
2007	14,100
2008	(110,900)
2009	(121,000)
2010	12,300
2011	33,500
2012	48,900
2013	45,000
2014*	29,100

*Y-O-Y March 2014

METRO	
2013 TOTAL POPULATION	
4,424,400	
2013 EMPLOYMENT BASE	
1,826,900	

UNEMPLOYMENT RATE

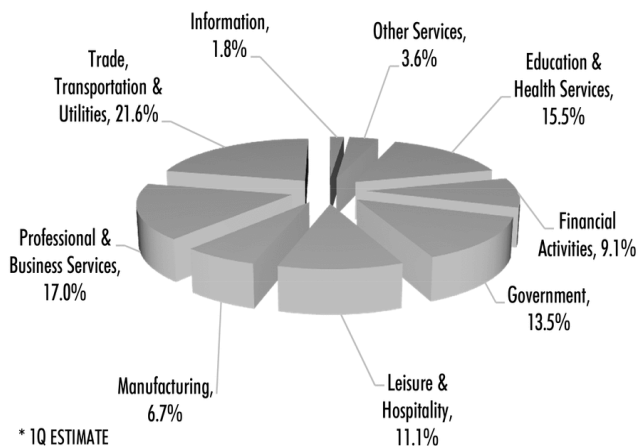


ECONOMIC NEWS

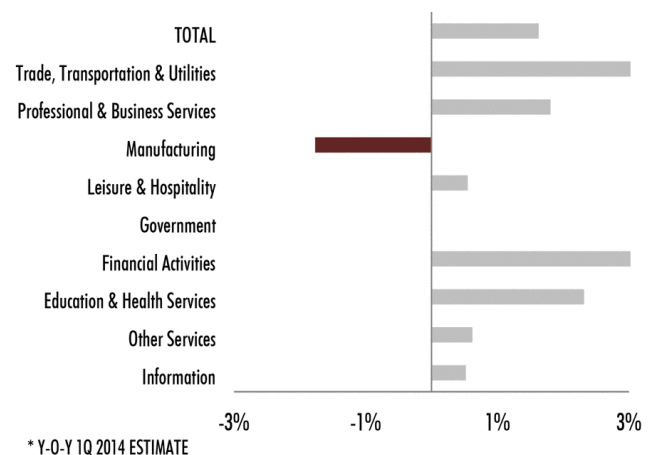
In the 12-month period ending in the first quarter, Phoenix employment rose 1.6% with 29,100 additions to the workforce. Hiring within the trade, transportation and utilities sector led the metropolitan area with 11,300 new employees to expand 3.1%. Amazon.com is responsible for more than 2,500 of the positions added to the sector in the last year. Schneider National, a trucking company, hired 200 in Phoenix as part of their expansion into the metropolitan area.

Large companies will continue to bring jobs to the metropolitan area. Apple partnered with GT Advanced Technologies Inc. for a manufacturing plant in Mesa that will employ 700 workers when it opens this year and up to thousands of manufacturing jobs when fully functional. More long term, State Farm Insurance will bring 5,000 to 7,000 jobs to Tempe when the \$600 million regional headquarters under construction next to Tempe Town Lake completes in 2017; the first building will be occupied by the end of next year.

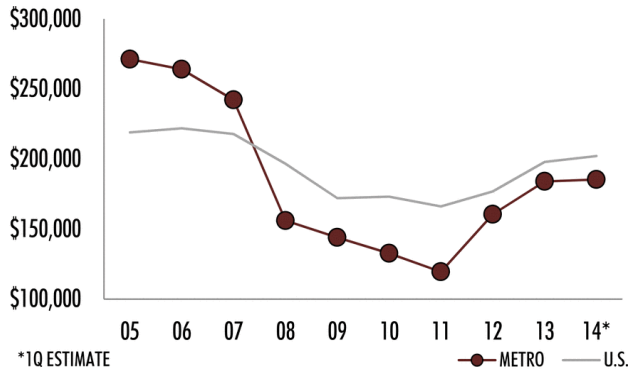
EMPLOYMENT DISTRIBUTION*



EMPLOYMENT SECTOR TRENDS*



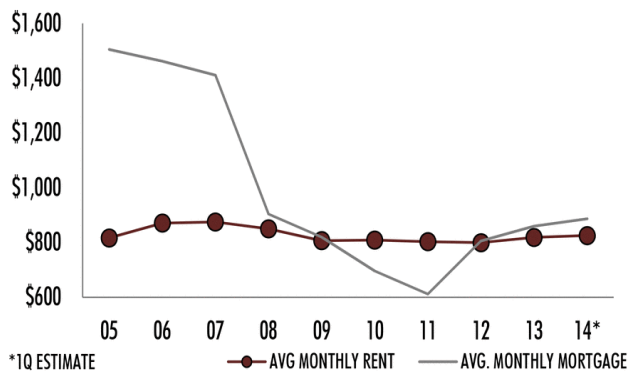
MEDIAN HOME PRICE



The median existing single-family home price was \$185,400 at the end of the first quarter, up 8.6% from one year ago. The last 12 months marked the third-consecutive year-over-year of rising prices in the metropolitan area. Even with the incline, the median home price has yet to return to the peak level of \$273,300 in 2006.

In the last three months, existing single-family home sales accelerated 2.3% with 81,620 annualized transactions. Despite the recent uptick, sales velocity was down 5% from one year prior. Sales declined annually for the last three years.

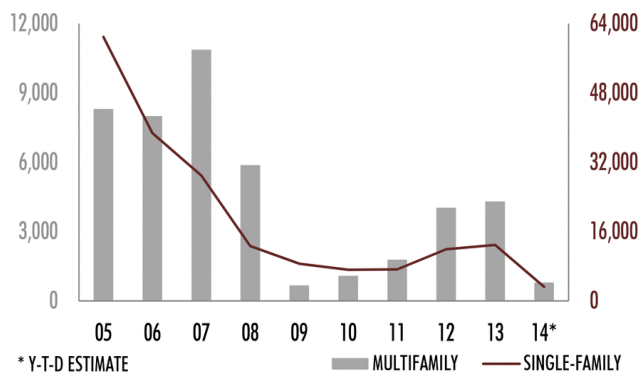
RENT VS. OWN



The average monthly mortgage was \$895 in March, 8.4% more than rents at the time. Asking rents were an estimated \$826 per month in the first quarter, up 2.8% from one year prior. The rise outpaced the 0.8% growth in the preceding year.

Apartment fundamentals improved in 2013. As 2,350 market-rate apartments came online, rental demand tamped down vacancy 30 basis points to 6.7%. Vacancy is projected to stay in the high-6% range by the end of the year. At the same time, rents are expected to advance more than 3% to reach the mid-\$800s by December.

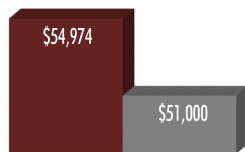
HOUSING PERMITS



With the influx of new inventory, developers are pulling pack permit requests. Approximately 3,200 annualized multifamily units were submitted in March, 20.3% less than December. Requests were down 31.4% from one year ago.

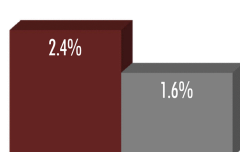
Single-family permitting advanced 1.7% in the last three months with 13,000 annualized units submitted in March. The increase was part of a 3.2% incline in the last year. Permitting activity was scaled back from the 50.6% rise in submissions in the preceding 12 months.

MEDIAN HH INCOME*



* 1Q ESTIMATE

POPULATION GROWTH*



* ANNUAL GROWTH THROUGH 2018

The median household income was \$54,970 annually in the first quarter, up 2.7% from the preceding year. The increase followed a 4% rise in incomes in the preceding year.

The Phoenix population expanded 2% in the last year. Population growth accelerated from the 1.4% increase in the prior one-year span.