

# U.S. Apartment Rents Poised to Climb More Than 5 Percent in 2011

## San Jose and Austin Expected to be the Top Performing Markets According to Projections From RealPage Division MPF Research

CARROLLTON, Texas, Jan. 6, 2011 (GLOBE NEWSWIRE) -- While apartment occupancy across the U.S. tightened enough to push rents up modestly during 2010, the stage is now set for a big bounce in pricing during 2011, according to projections from MPF Research, an industry leading market intelligence division of RealPage, Inc. (Nasdaq:RP).

Industry analysts at MPF are forecasting a 5.1 percent jump in rents. Combined with an increase of 0.8 percentage points anticipated in occupancy, the rising rents should increase revenues by 5.9 percent for apartment owners.

"The past year was about rebuilding occupancy after job losses during the recession took the rate down to a record low at the end of 2009," said Greg Willett, vice president of research at MPF Research. "While rents have increased slightly, we're just now reaching the point where unit pricing can gain some real momentum in most individual metros."

MPF Research's 4th quarter 2010 analysis showed U.S. apartment occupancy reaching 93.5 percent, up from 91.8 percent in late 2009. Effective rents climbed 2.5 percent during the past year, measuring change on a same-store basis. Monthly rents now average \$1,029.

Properties built over the past 20 years will drive rent growth in 2011, according to MPF.

"While a number of apartments at the lower tier of the product spectrum remain vacant, better-quality units are essentially full once again," Willett said. "The best communities won't face much additional direct competition from new deliveries, since completions in 2011 will be so few. There also seems to be minimal danger that raising rents in top-tier apartment projects will drive residents to opt for home purchase right away. While higher rents could cause some to downgrade to lesser-quality apartment choices, projects with significant vacancies today tend to be notably less upscale than those already full."

### 2011 Projected Top 10 Performing Apartment Markets

San Jose, Calif.

Austin, Texas

Boston

New York

Denver

Washington, D.C.

San Francisco

Fort Lauderdale, Fla.

Raleigh, N.C.

Baltimore

MPF Research anticipates that San Jose will lead the country as the top-performing apartment market on the metro level in 2011 with revenues that are projected to surge 10.2 percent. The majority of that growth will come from forecast rent increases of 9.6 percent. San Jose's already-tight occupancy rate is projected to rise 0.6 percentage points to 97.1 percent.

Austin ranks as the second strongest performer nationally with MPF Research forecasting revenue growth of 9

percent, rents rising 6.8 percent and occupancy improving 2.2 percentage points to 95.7 percent.

Apartment revenues are expected to jump approximately 8 percent during 2011 in Boston, New York, Denver and Washington, D.C., while increases should be up nearly 7 percent in San Francisco, Fort Lauderdale, Fla., Raleigh, N.C., and Baltimore.

#### About MPF Research

A member of the RealPage family, MPF Research provides market intelligence and objective insights to the multifamily industry. The market intelligence offered by MPF Research is used in formulating and fine tuning business strategies in a variety of multifamily industry specialties, including investment, operations and development. For more information on MPF Research, call 877-284-4938 or visit [www.mpfresearch.com](http://www.mpfresearch.com).

#### About RealPage, Inc.

Located in Carrollton, Texas, a suburb of Dallas, RealPage provides on-demand (also referred to as "Software-as-a-Service" or "SaaS") products and services to apartment communities and single family rentals across the United States. Its six on-demand product lines include OneSite® property management systems that automate the leasing, renting, management, and accounting of conventional, affordable, tax credit, student living, and military housing properties; Level One® and CrossFire® that enable owners to originate, syndicate, manage and capture leads more effectively and at less overall cost; YieldStar® asset optimization systems that enable owners and managers to optimize rents to achieve the overall highest yield, or combination of rent and occupancy, at each property; Velocity™ billing and utility management services that increase collections and reduce delinquencies; LeasingDesk® risk mitigation systems that are designed to reduce a community's exposure to risk and liability; and OpsTechnology® spend management systems that help owners manage and control operating expenses. Supporting this family of SaaS products is a suite of shared cloud services including electronic payments, document management, decision support and learning. Through its Propertyware subsidiary, RealPage also provides software and services to single-family rentals and low density, centrally-managed multifamily housing. For more information, call 1-87-REALPAGE or visit [www.realpage.com](http://www.realpage.com).

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#### Cautionary Statement Regarding Forward-Looking Statements

This press release contains "forward-looking" statements relating to projected increases in U.S. apartment rental rates and occupancy rates; projected increases in revenue for U.S. apartment owners; the type of U.S. properties that are projected to be able to increase rental rates; projected U.S. new apartment construction; and projected performance of specific U.S. markets. These forward-looking statements are based on MPF Research's beliefs and assumptions and on information currently available to MPF Research's management. Forward-looking statements include all statements that are not historical facts and may be identified by terms such as "projects," "expects," "believes," "plans" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the following: (a) the possibility that general economic conditions or uncertainty adversely affect the apartment rental industry or particular markets; and (b) such other risk and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission ("SEC"), including RealPage's Prospectus previously filed with SEC pursuant to Rule 424(b)(4) on December 7, 2010. All information provided in this release is as of the date hereof and RealPage, Inc. undertakes no duty to update this information except as required by law.

CONTACT: Media  
Randy Hargrove  
4000 International Parkway  
Carrollton, Texas 75007  
(972) 820-3076  
[randy.hargrove@realpage.com](mailto:randy.hargrove@realpage.com)

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