

**Rocky Mountain
Property Management** INC CRMCM®



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Dear Investor:

Welcome to 2009! May it be one of the best for you!

After my letter in December about how the national economy could effect rentals in Northern Colorado, I wanted to take a minute to update you now that the January, 2009 rent collections are substantially in. The good news is that we had only 7 people give notice to vacate and 9 who are paying rent late as a result of work slowdown or job loss. While we have not tracked the number of late payments due to cuts in hours worked before, we have tracked number of people moving as a result of job loss, and there is no discernable change this month.

I kept worrying that if our national leaders are saying, "Things are going to get worse before they get better," I must be missing something! I have researched and read articles, statistics, projections, and trends, and I could not figure out how if the economy were as bad as depicted, we are renting properties at the same pace as a year ago, rent prices are up slightly (an average of \$29.14/month) over a year ago, and average days on market are down to 52 (which leaves about 22 days average vacancy.)

February rent collections and turnovers will certainly be an indicator of changes economically, and there is no question that many other areas of the country are hurting much more than Colorado. Beyond that I suspect that the incoming administration is touting the worst case scenario so that everything else is a nice surprise, the media has not yet found a replacement top story, and the bottom of the market may just have been at the end of 2008 as I have projected all along. Peaks and valleys take a bit of time to discern themselves, so we probably will not know if we have put the worst behind us, but I think at least here in Colorado we have.

I will send an update next month! If February has no significant change, then I will be dancing a jig!

Sincerely,

ROCKY MOUNTAIN PROPERTY MANAGEMENT, INC.

Susan Albern
President