

MANAGEMENT’S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As of December 31, 2004, we had operating properties in 17 markets. No single market contributed more than 15% of our net operating income for the year then ended. For the year ended December 31, 2004, Houston, Las Vegas, and Dallas contributed 14.4%, 13.2% and 13.2%, respectively, to our net operating income. We continually evaluate our portfolio to ensure appropriate geographic diversification in order to manage our risk of market concentration. We seek to selectively dispose of assets which management believes are highly capital intensive, have a lower projected growth rate than the overall portfolio, or no longer conform to our operating and investment strategies.

A summary of our 2004 disposition and properties held for sale as of December 31, 2004 is as follows:

PROPERTY AND LOCATION	NUMBER OF APARTMENT HOMES	DATE OF DISPOSITION	YEAR BUILT
Camden Fountains Orlando, FL	552	12/29/04	1984
Camden Ybor City Tampa, FL	454	n/a	2002
Camden Greens Las Vegas, NV	432	1/27/05	1990
Total apartment homes sold and held for sale	1,438		