



2009 RECOVERY EXURBS VS. ATLANTA'S CORE

GEORGIA STATE NOVEMBER 18, 2009





SIMPLE
PHILOSOPHY
FOR 81 YEARS



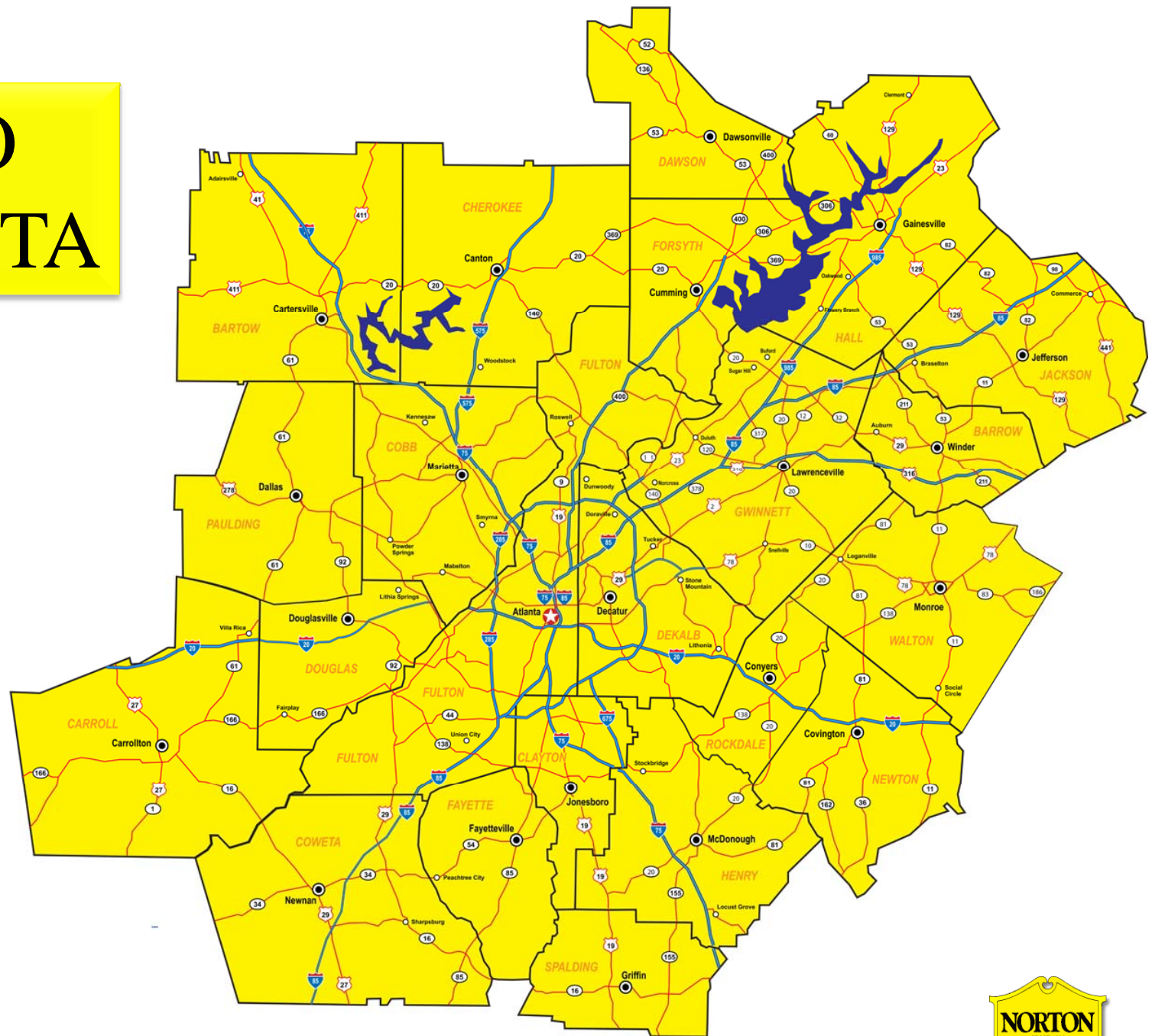
NORTON 2009 REPORT CARD

- REPRESENT AS REO MARKETING MANAGER 33 BANKS , FDIC, FANNIE MAE, FREDDY MAC WITH LISTING INVENTORY IN EXCESS OF \$250 MILLION
- HAVE BROKERED THE SALE OF OVER 2200 VACANT DEVELOPED LOTS SINCE MID 2008, CURRENTLY HAVE 4500 LOTS LISTED FOR SALE
- 2009 RESIDENTIAL CONTRACT VOLUME IS 15% AHEAD OF 2008
- 65% OF WHICH IS STRESSED, REO, OR SHORT SALES
- CURENTLY MANAGES OVER \$125,000,000 IN PRIVATE INVESTOR ASSETS
- JUST LAUNCHED THE NATION'S FIRST VACANT DEVELOPED LOT MARKETING PORTAL WWW.LOTBANK.COM

INFORMATION SOURCES

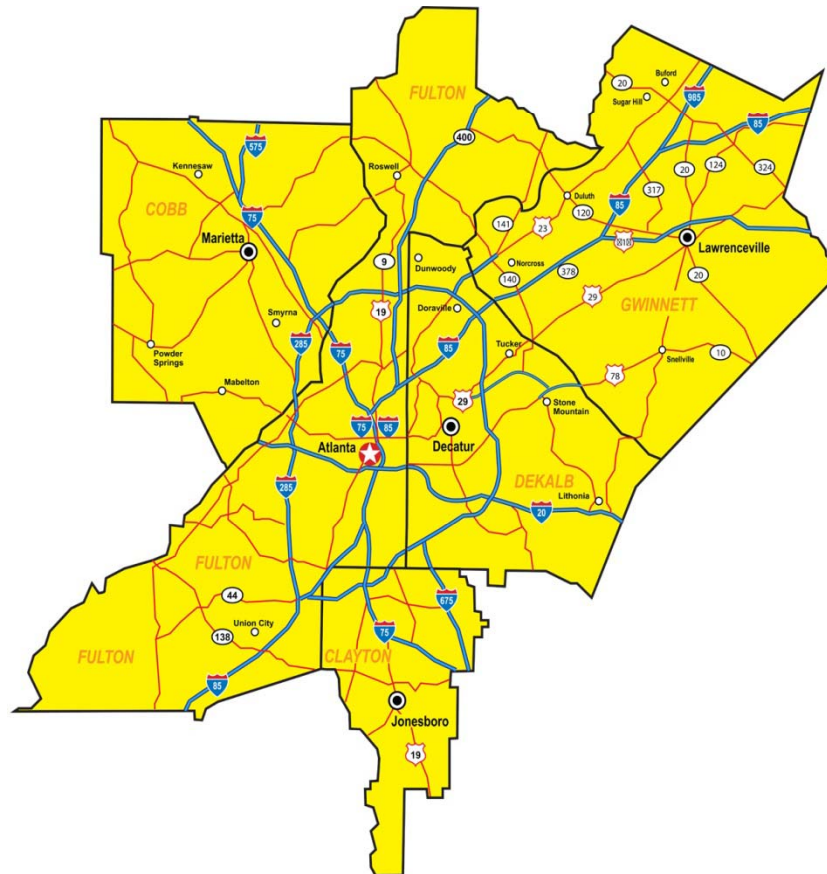
- NORTON NATIVE INTELLIGENCE TM
- US CENSUS
- FIRST MLS
- METROSTUDY'S
- GA MLS
- REALTY TRAC
- SMART NUMBERS

METRO ATLANTA



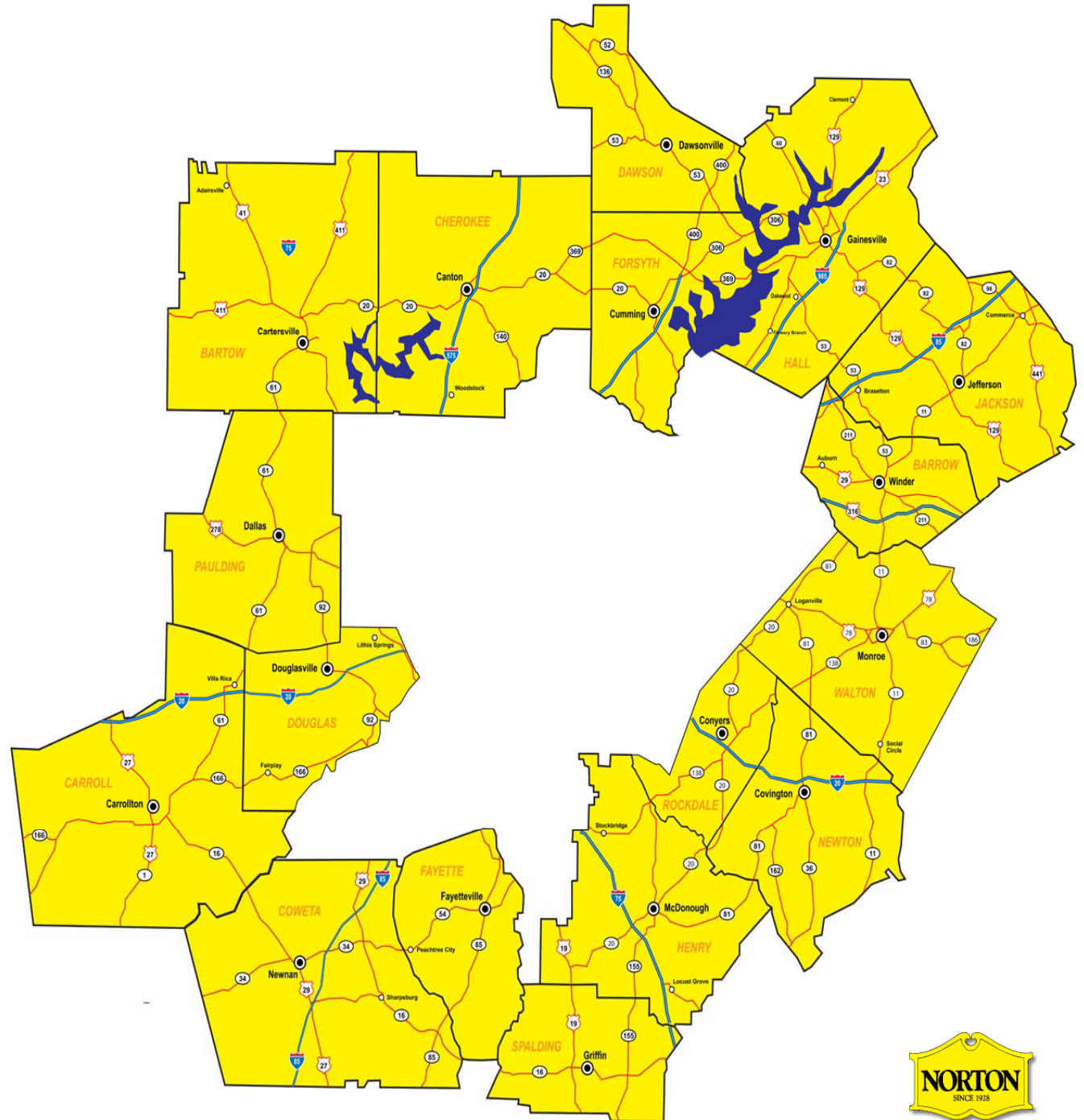
CORE

- GWINNETT
- DEKALB
- FULTON
- COBB
- CLAYTON



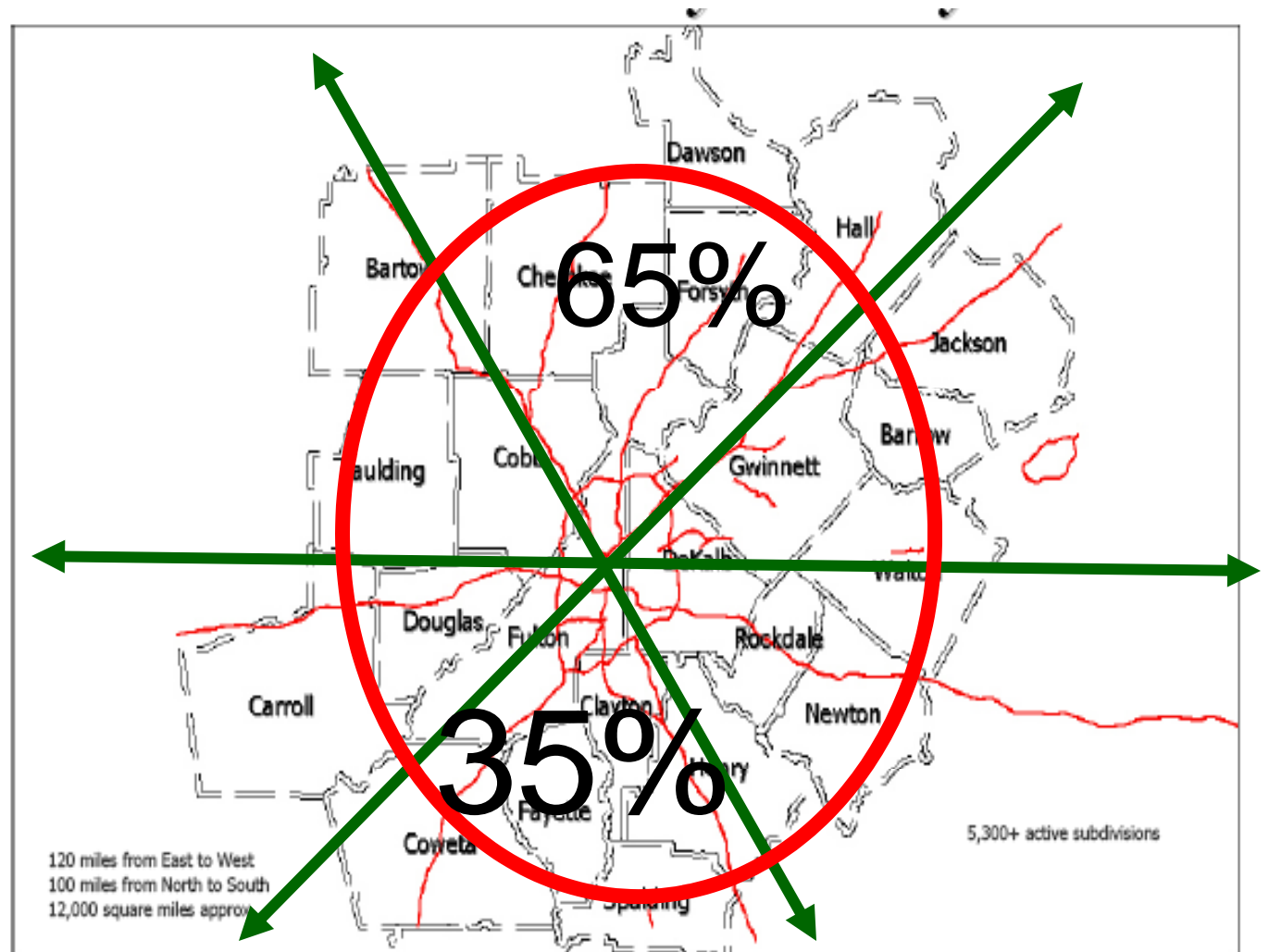
EXURBS

- FORSYTH
- HALL
- FORSYTH
- BARROW
- WALTON
- ROCKDALE
- NEWTON
- FAYETTE
- HENRY
- COWETA
- DOUGLAS
- PAULDING
- DAWSON
- CHEROKEE
- BARTOW



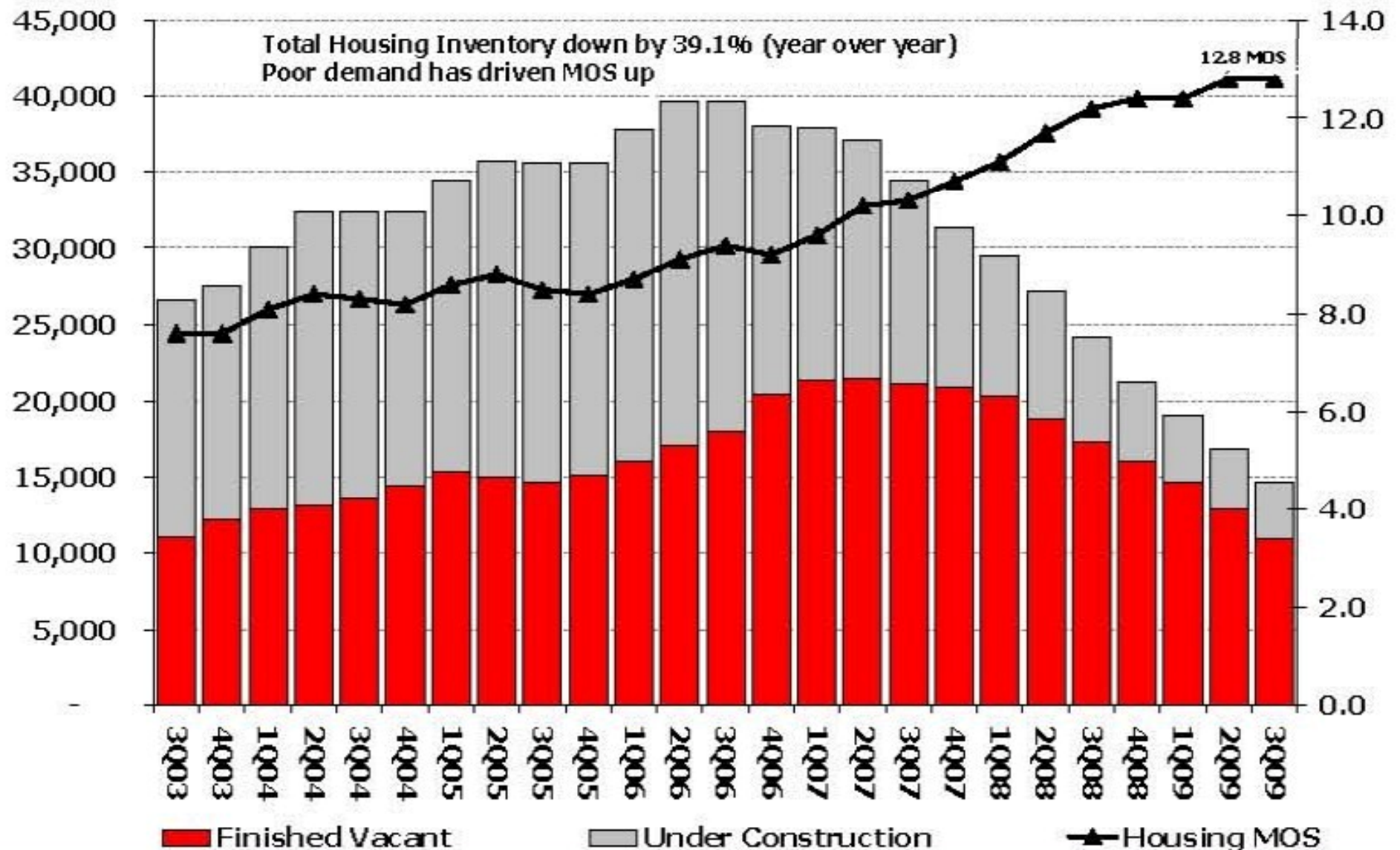
ATLANTA'S CURRENT CONDITION

THE 28 COUNTIES OF METRO ATLANTA HAVE NO OUTWARD LIMITATION ON GROWTH. GA TECH PROJECTS THE OUTWARD BOUNDARY OF METRO ATLANTA BY 2050 WILL BE CHATTANOOGA TO THE NORTHWEST, GREENVILLE SC TO THE NORTHEAST, AND MACON GA. TO THE SOUTH. WITHIN THAT REGION METRO ATLANTA WILL CONTAIN 12 MILLION PEOPLE.



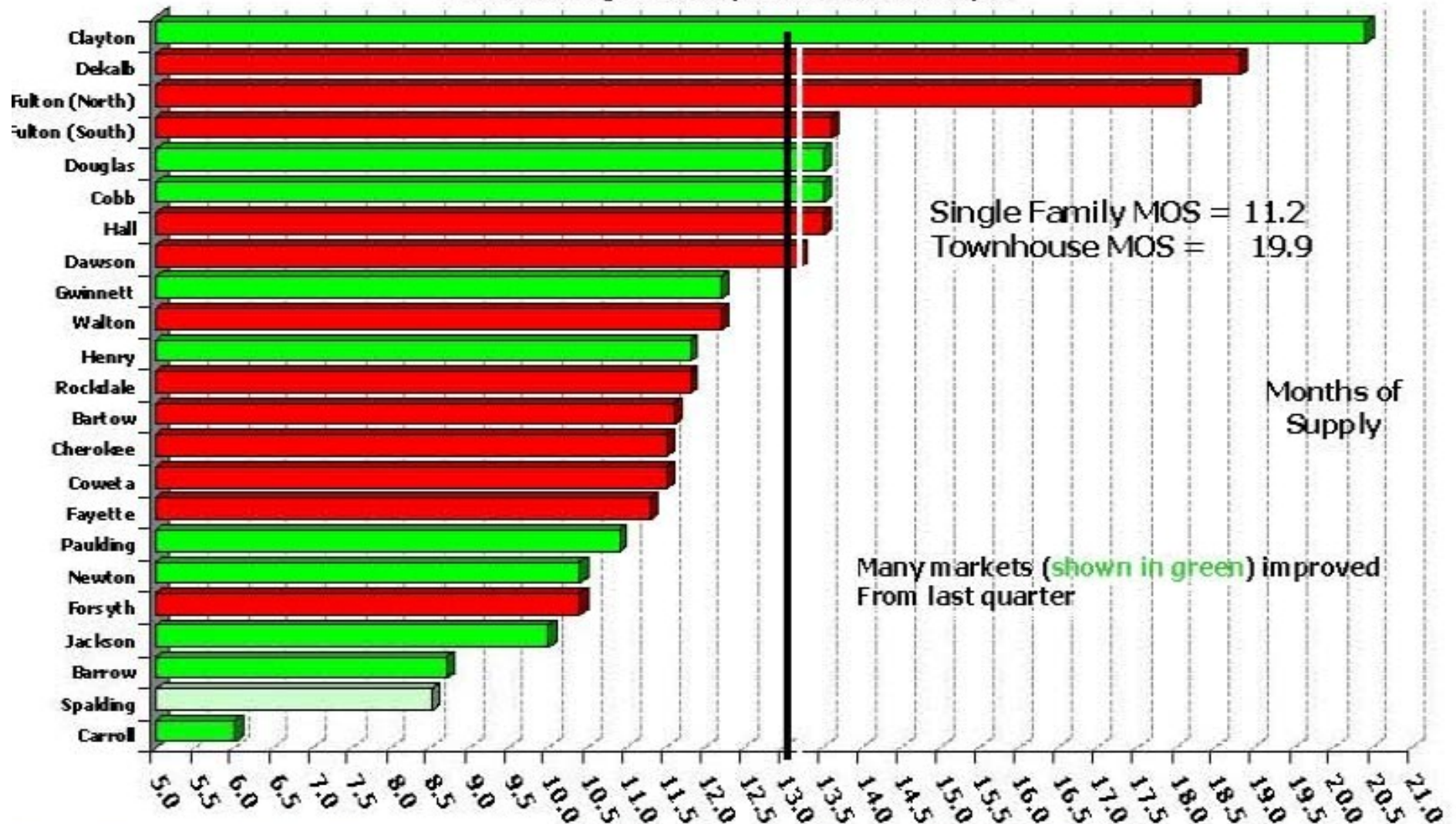
METRO ATLANTA IS THE CROSSROADS FOR 3 MAJOR INTERSTATES, I-85, I-75, AND I-20. FORECASTS INDICATES THAT OVER THE LAST 20 YEARS THE REGION HAS GROWN 65% TO THE NORTH OF INTERSTATE 20 AND 35 % TO THE SOUTH . OVER THE NEXT 5 – 10 YEARS THEY PROJECT THAT GAP COULD WIDEN TO A 70 – 30 SPREAD.

ATLANTA HOUSING MARKET

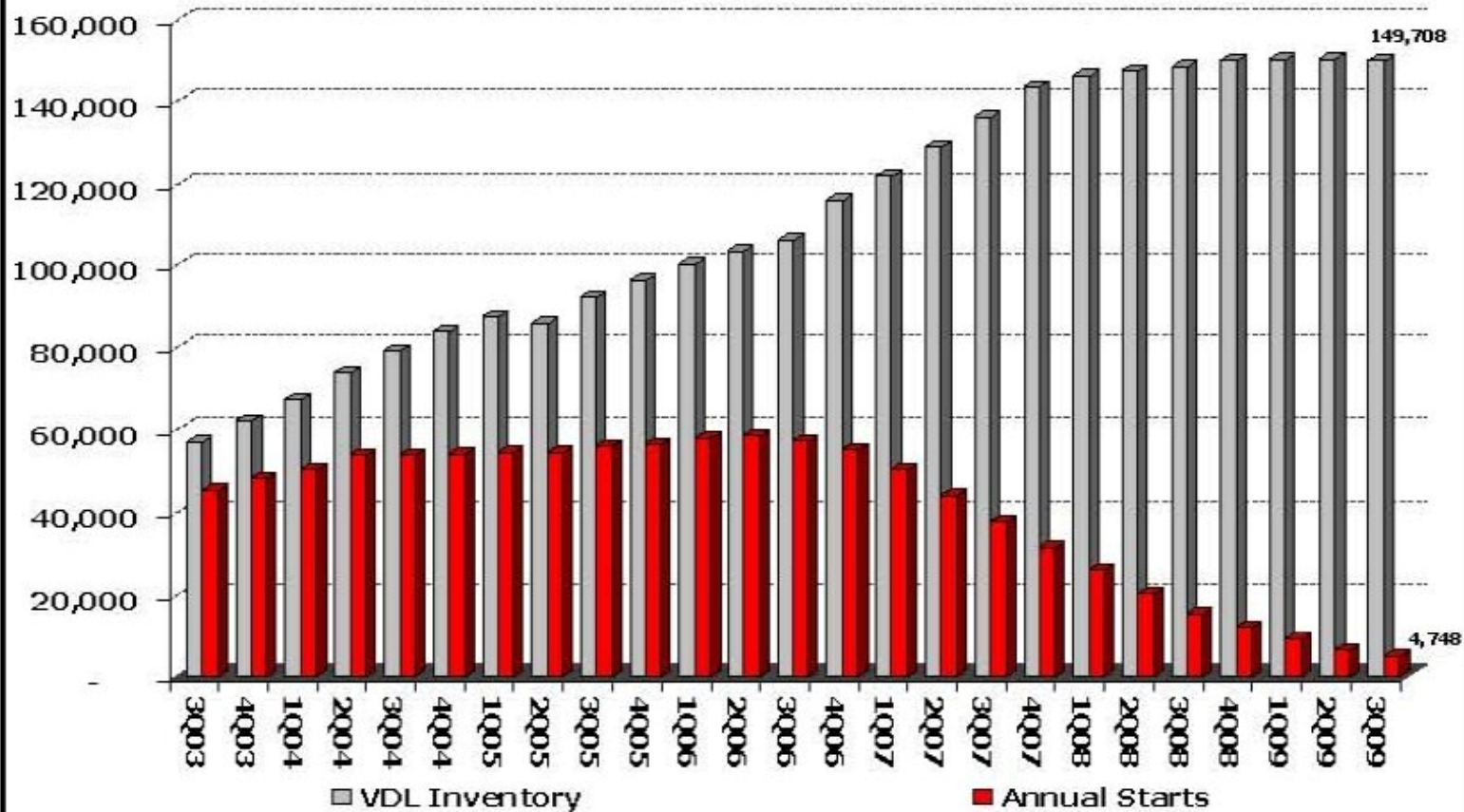


ATLANTA HOUSING MARKET

Total housing inventory 12.8 MOS as of 3Q09



ATLANTA HOUSING MARKET



© Copyright Metrostudy 2009

HISTORIC LOW BUILDING PERMITTING ACTIVITY COUPLED WITH THE COMPLETION OF LOT DEVELOPMENT PUSHED VACANT DEVELOPED LOTS TO OVER 150,000. WE PROJECT LIMITED TO NO NEW LOT DEVELOPMENT IN METRO ATLANTA FOR THE NEXT 4-5 YEARS

JAN 2009

DEVELOPED LOT STOCK

- ATLANTA DEVELOPED LOTS 149,706
- OTHER GEORGIA LOTS 85,000
- SECOND HOME LOTS 50,000
- 284,706

FORECLOSURE



GEORGIA FORECLOSURE



QUANTIFYING THE STRESS ATLANTA, GEORGIA



STRESSED

• RESALE CONDO/TOWN HOUSE	1.99 BILLION
• NEW CONDO/TOWN HOUSE	4.37
• RESALE SINGLE FAMILY HOMES	14.18
• NEW SINGLE FAMILY	4.44
• VACANT DEVELOPED SF LOTS	8.16
• VACANT CONDO/TOWN LOTS	1.12
• ENTITLED/ZONED LAND	3.60
• <u>RAW LAND</u>	<u>NA</u>

• **TOTAL** **\$37.86 BILLION**

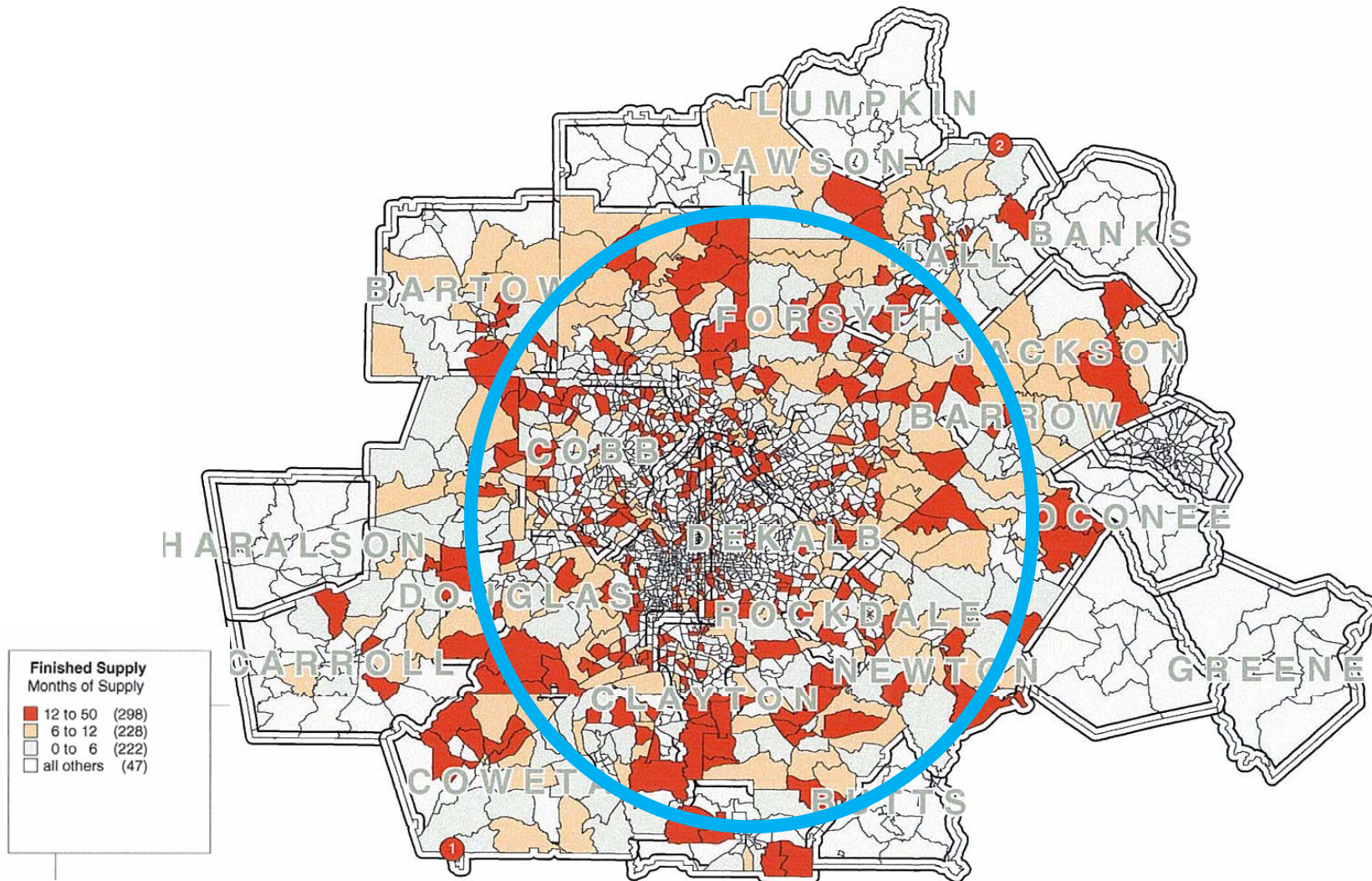
- 30%
- 75
- 20
- 60
- 70
- 70
- 55



COMPARISON

CHARATERISTIC	CORE	OUTER RING
• MONTHS SUPPLY NEW HOMES	• 16.83 MO	• 10.8 MO
• MONTHS SUPPLY RESALE HOMES	• 11.5	• 13.9
• AVERAGE NEW HOME PRICE	• \$261,387	• \$231,000
• AVERAGE RESALE PRICE	• \$ 214,818	• \$171,528
• TOP 30 SELLING PROJECTS - 3QT 09	• 385 HOMES	• 1010 HOMES

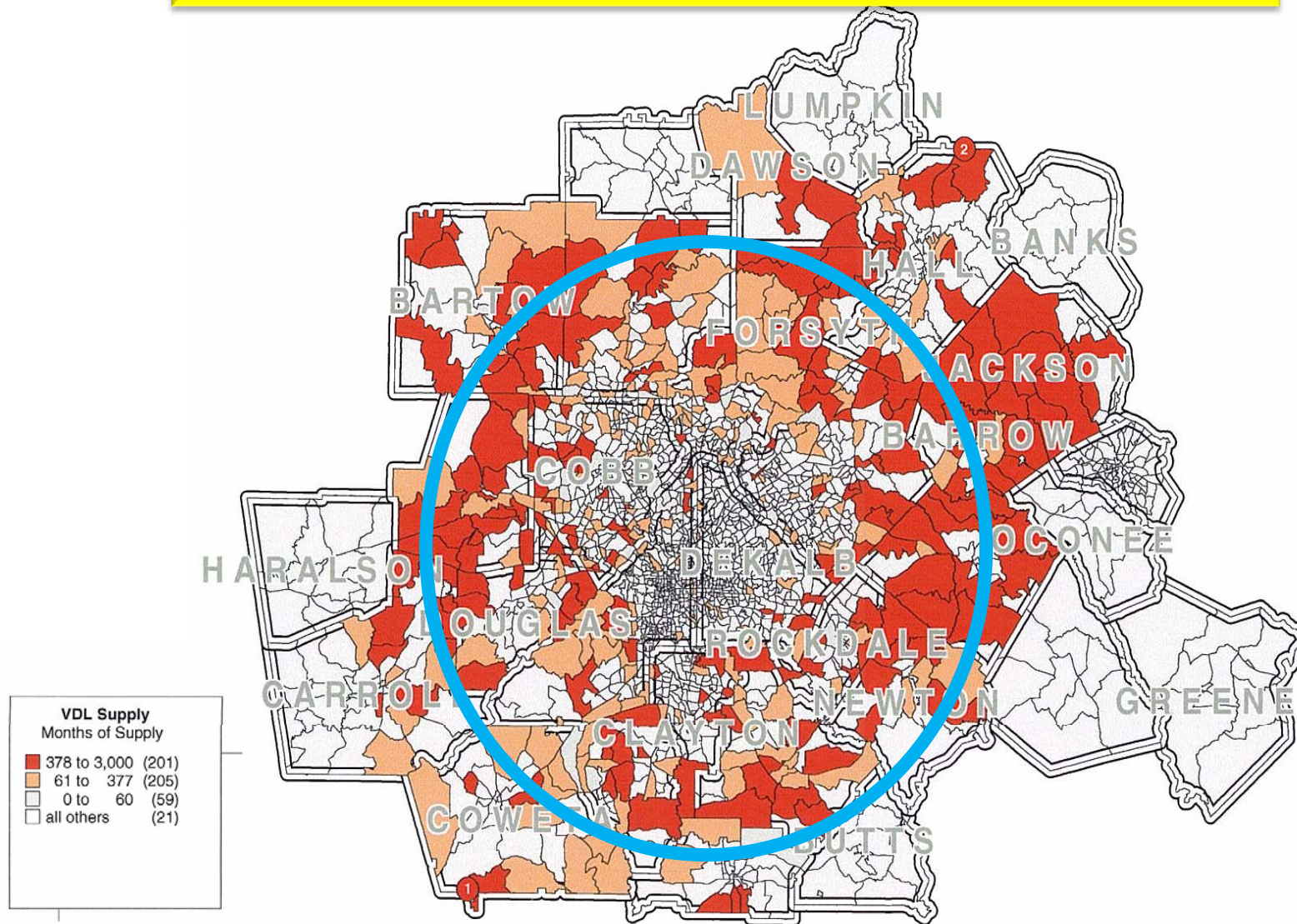
Atlanta New Home Excess



CONCENTRATION OF FINISHED AVAILABLE NEW HOUSING STOCK.

SOLID AREAS EXCEED THE METRO ATLANTA AVERAGE

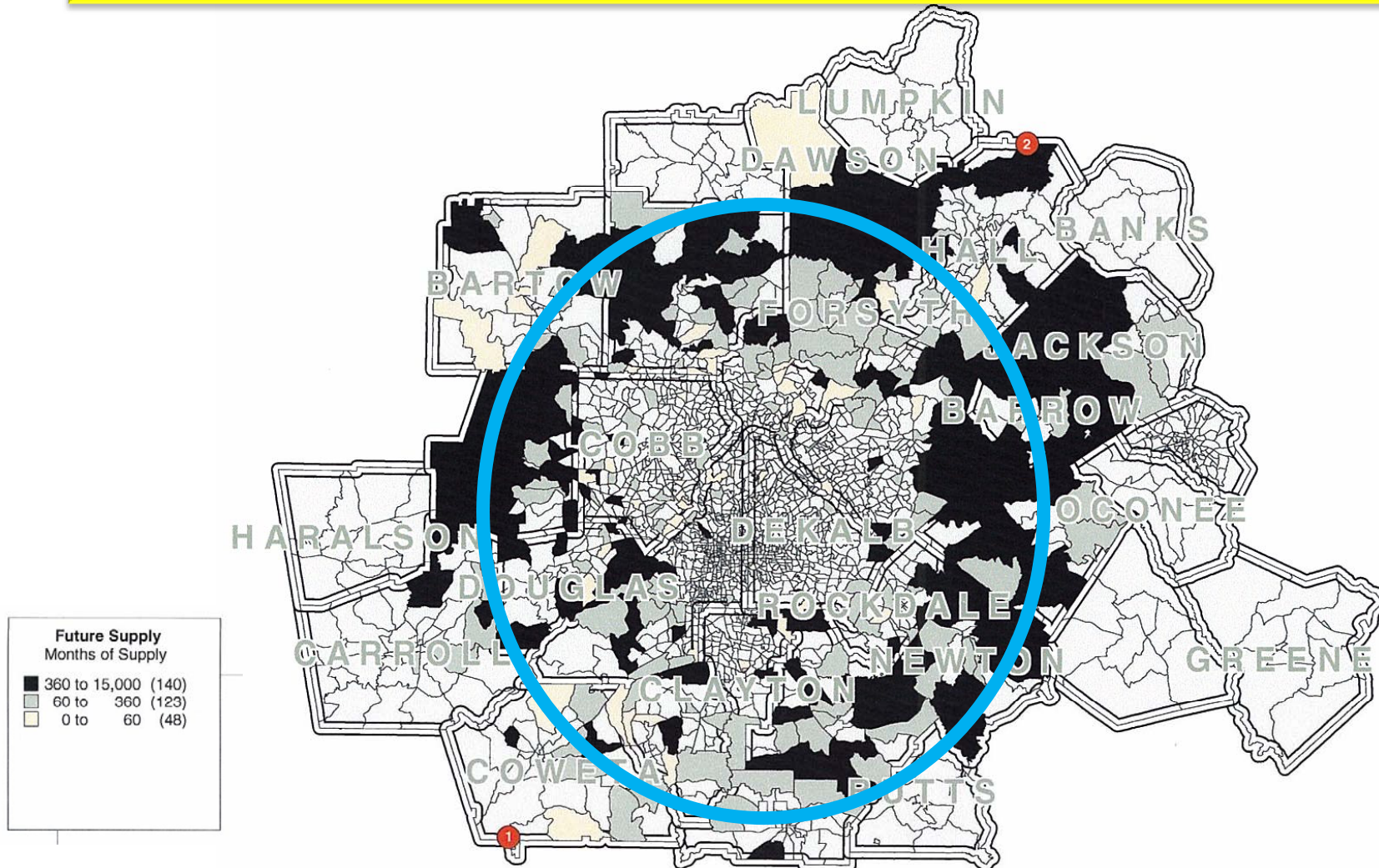
Atlanta Vacant Developed Lots



CONCENTRATION OF VACANT LOT INVENTORY

THE SOLID AREAS EXCEED THE METRO ATLANTA AVERAGE.

Atlanta Zoned Undeveloped Land

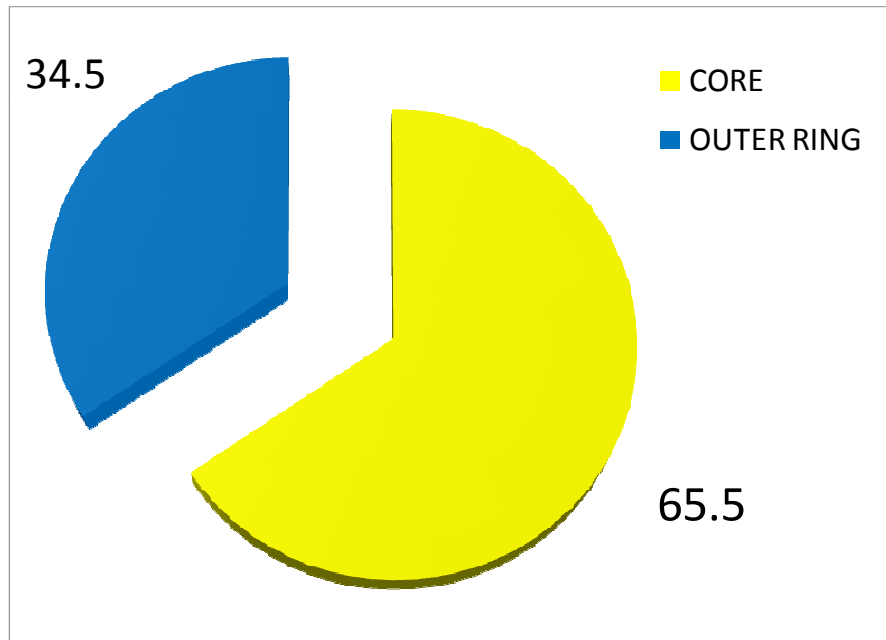


CONCENTRATION OF FUTURE ZONED LAND UNDEVELOPED.

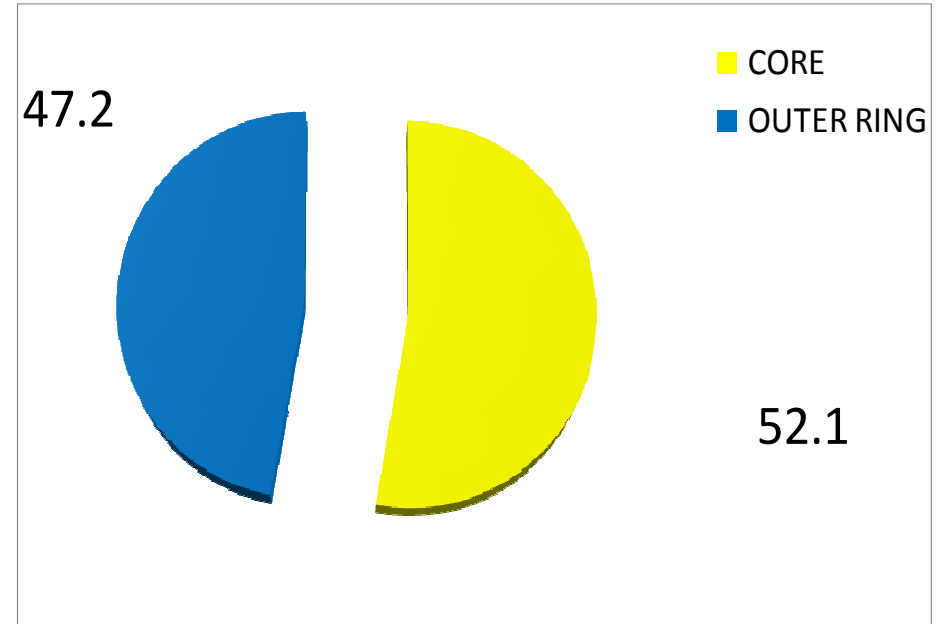
THE SOLID AREAS EXCEED THE METRO ATLANTA AVERAGE, MANY OF THESE LAND HOLDINGS ARE IN THE STRATEGIC PATH OF LONG TERM GROWTH

ATLANTA COMPARISON

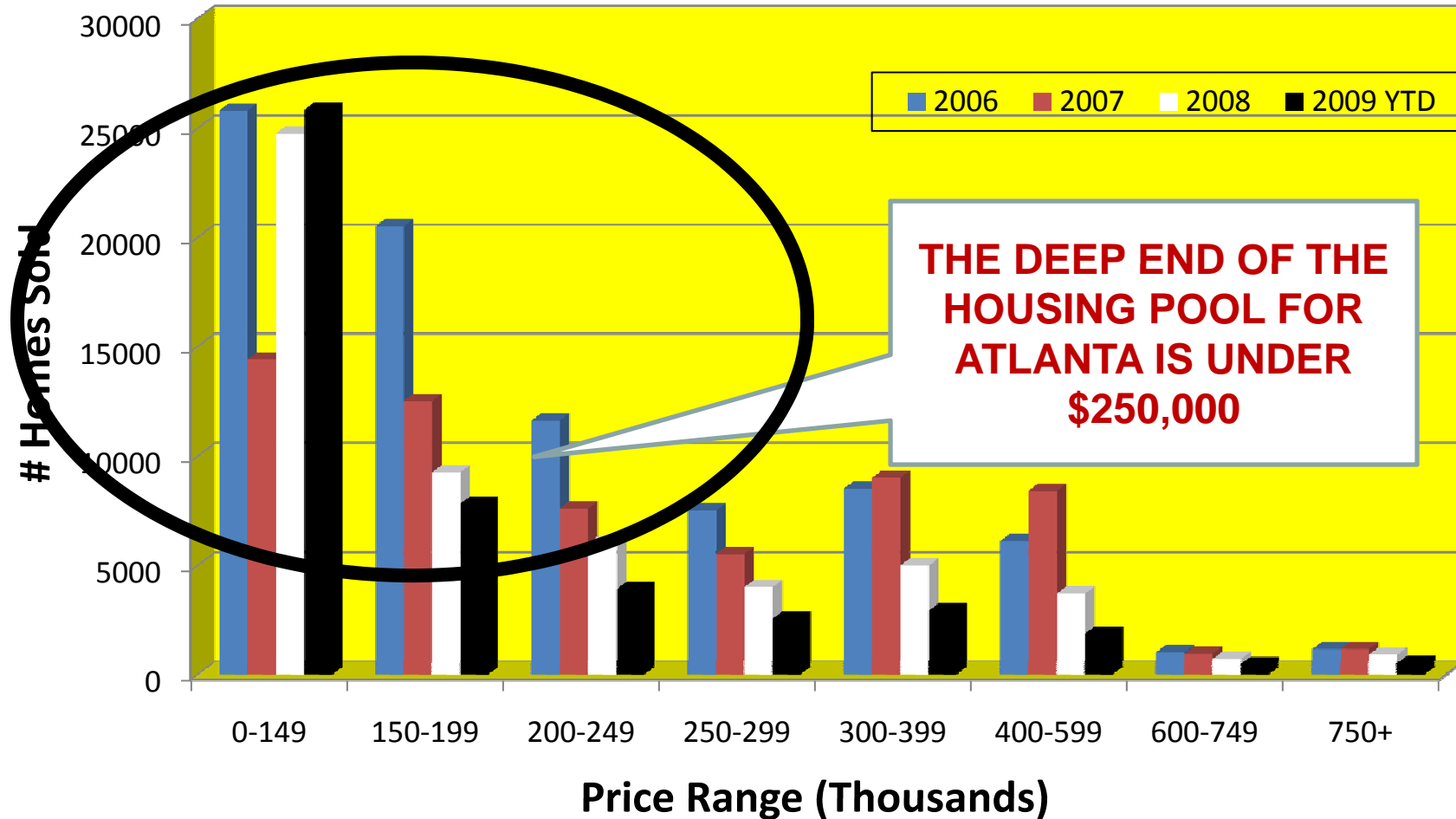
2009 ESTIMATED POPULATION



2009 ACTIVE RESALE INVENTORY FMLS/MLS



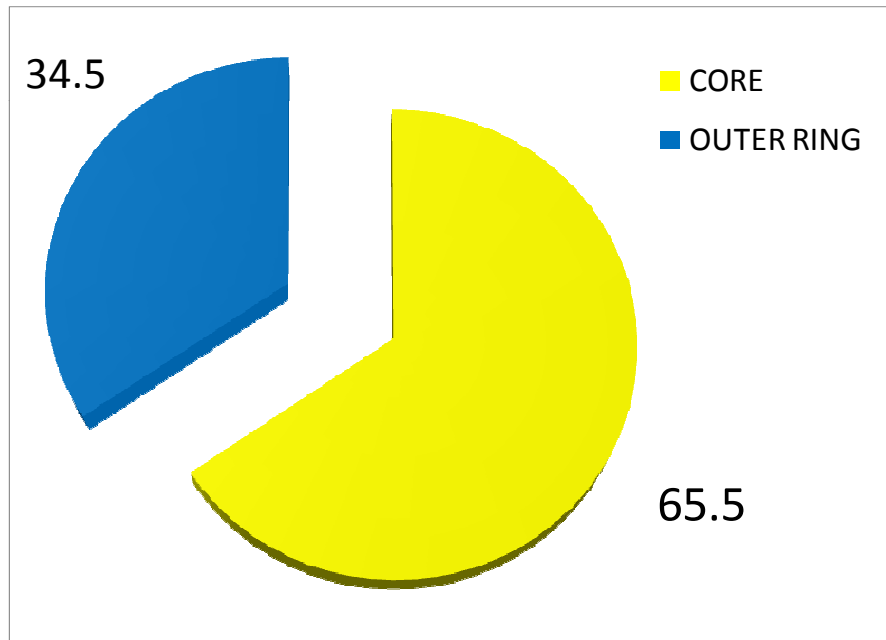
Greater Atlanta Region Home Sales



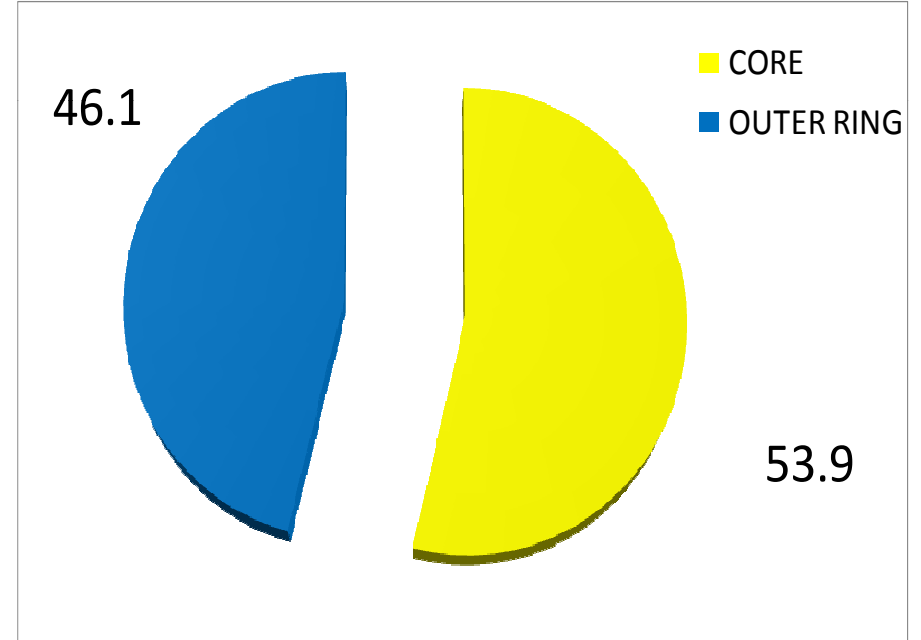
TOTAL FIRSTMLS AND GA MLS DATA FOR 2006 BLACK 2007 IN BLUE BROKEN DOWN BY PRICE RANGE AND IN RED YEAR TO DATE AS OF DECEMBER 31, 2008 IN THE SAME METRO ATLANTA COVERAGE AREA. DATA RELECTS CONTINUOUS SALES IN THE LOWER PRICE RANGES DESPITE THE MARKET DOWN TURN

ATLANTA COMPARISON

2009 ESTIMATED POPULATION

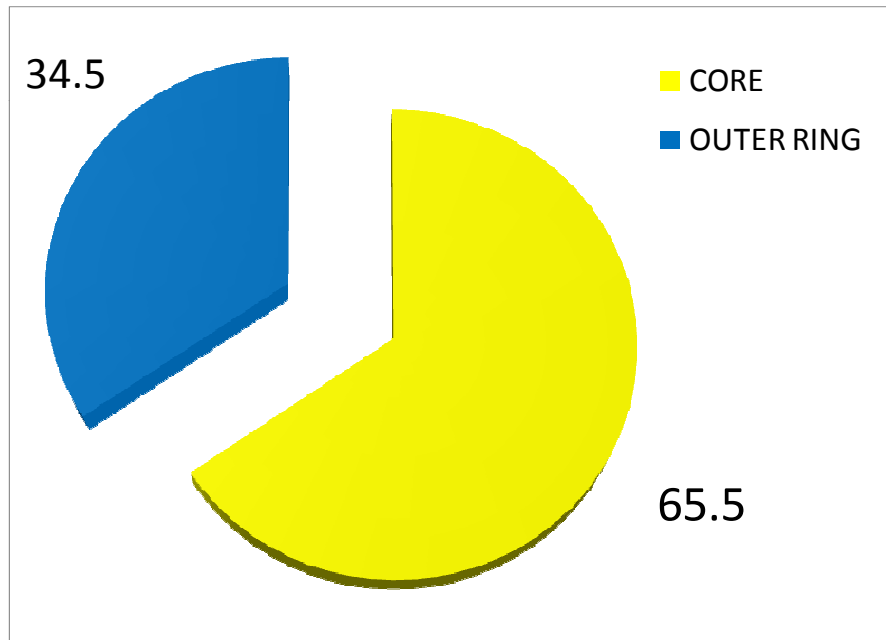


2009 FINISHED VACANT NEW HOMES 3QT

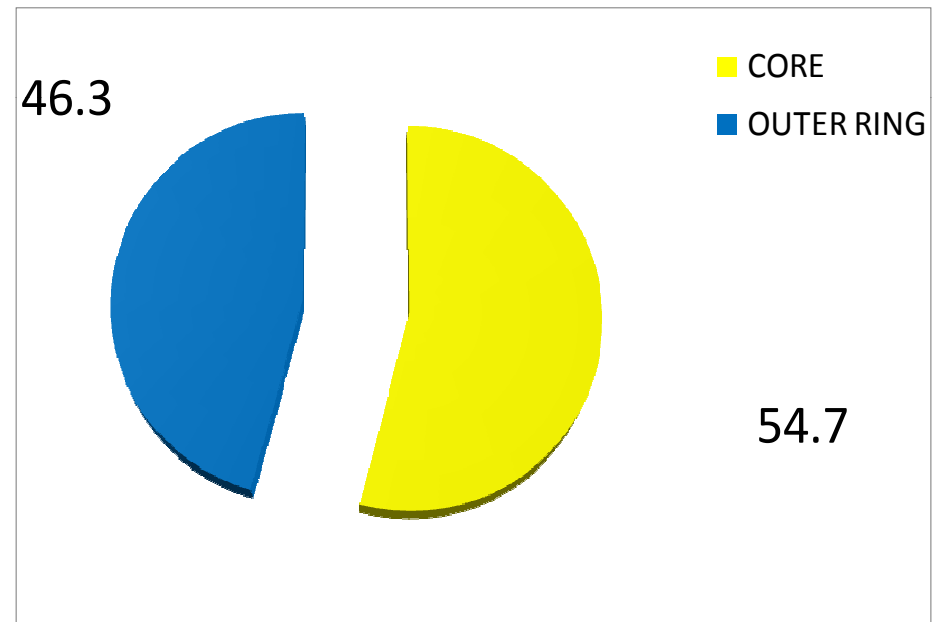


ATLANTA COMPARISON

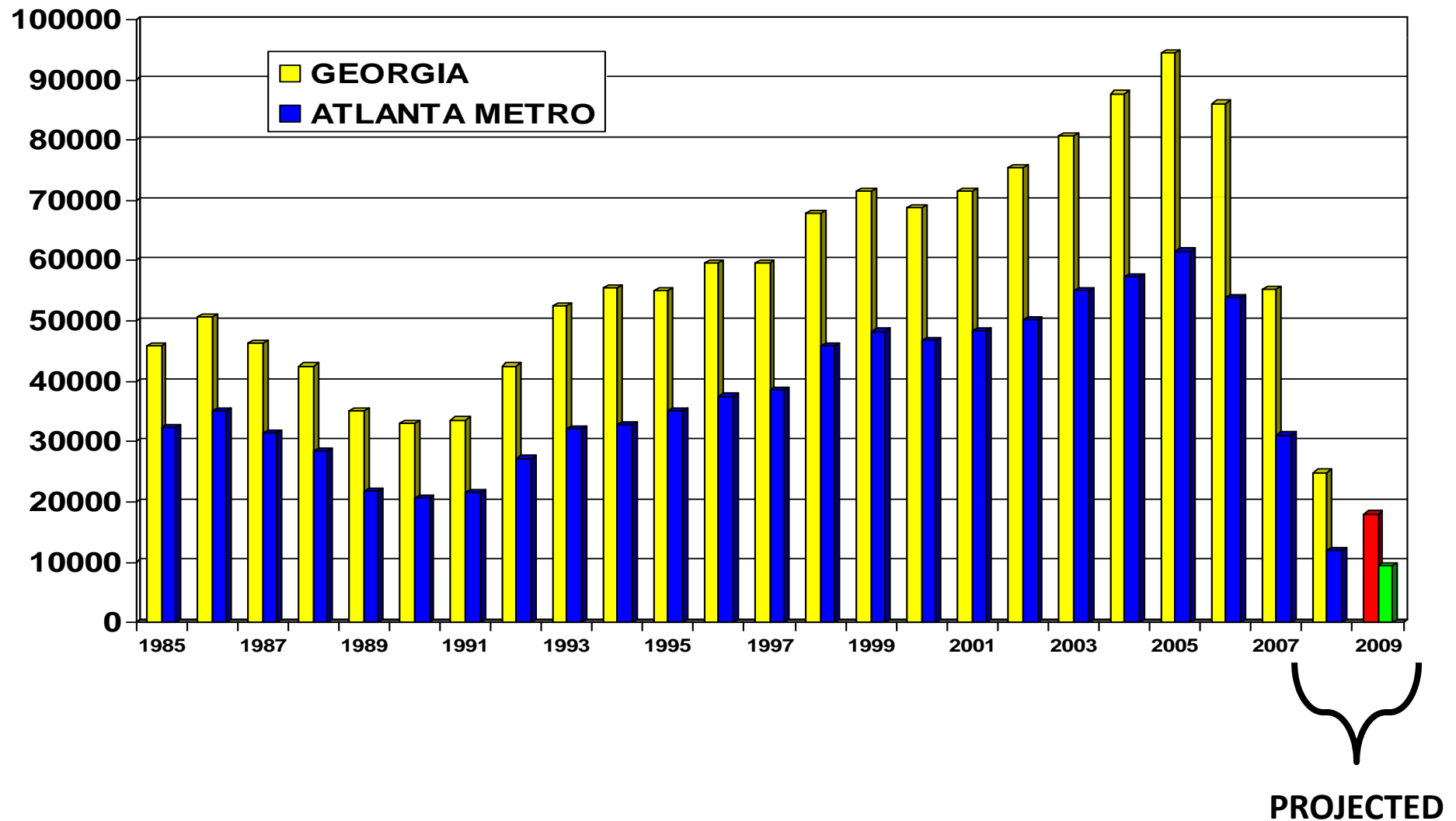
2009 ESTIMATED POPULATION



2009 CURRENT NEW HOMES CONSTRUCTION 3QT

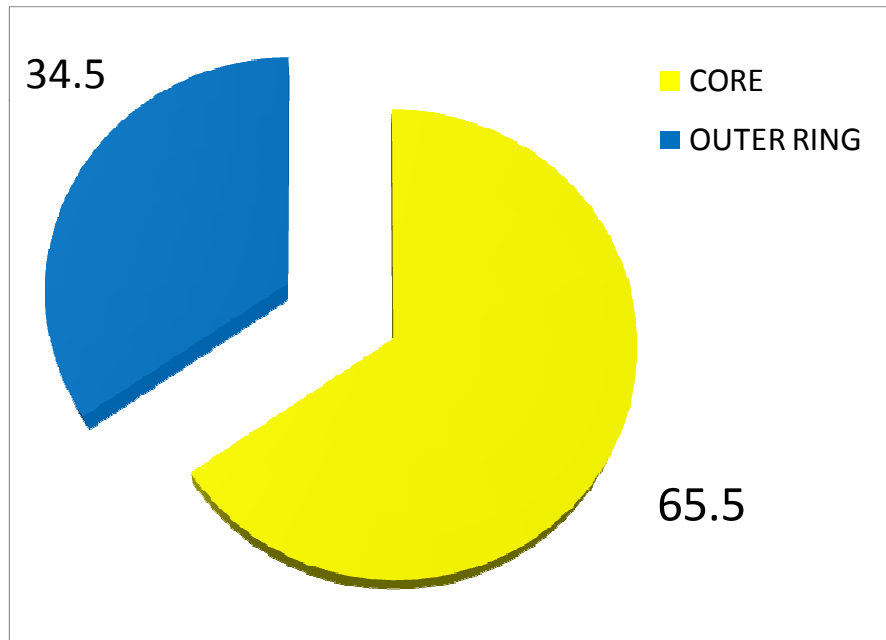


GEORGIA VS METRO ATLANTA HOME PERMITS

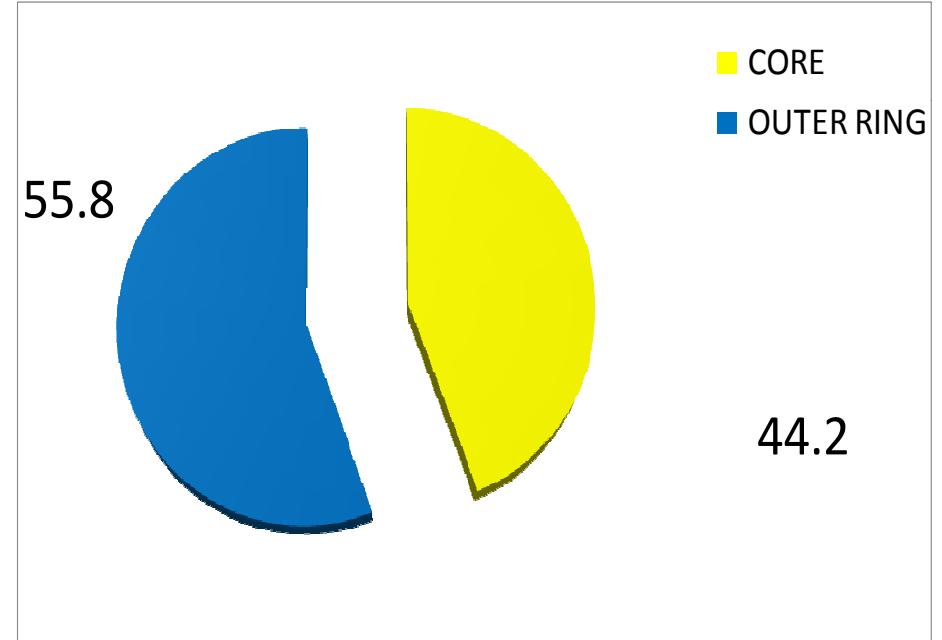


ATLANTA COMPARISON

2009 ESTIMATED POPULATION

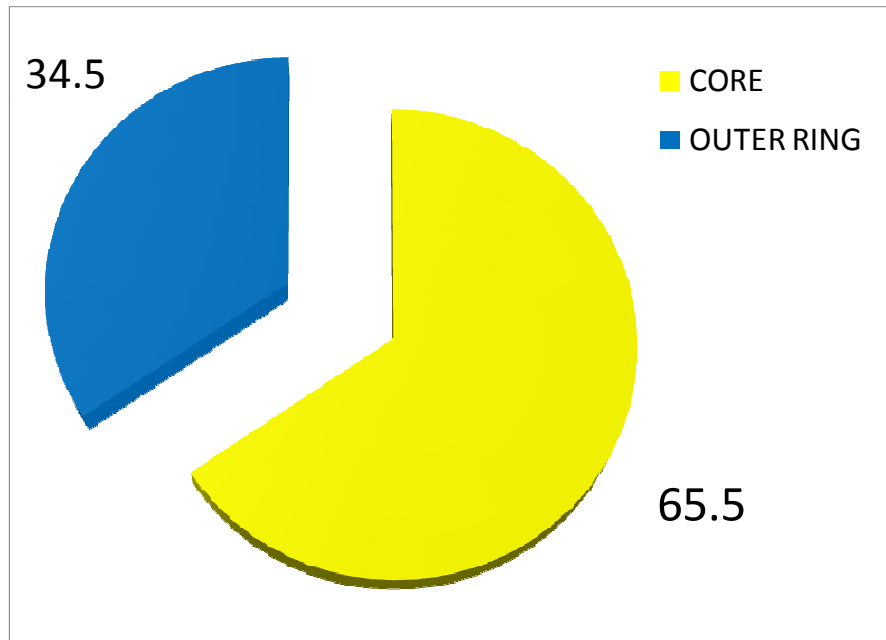


**ANNUALIZED NEW HOMES
STARTS 3QTT 2009**

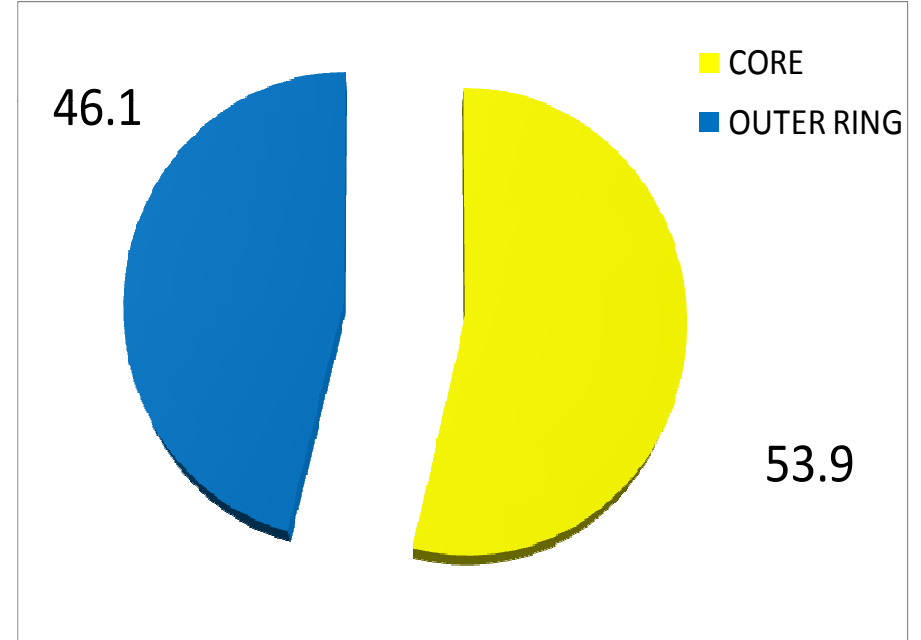


ATLANTA COMPARISON

2009 ESTIMATED POPULATION

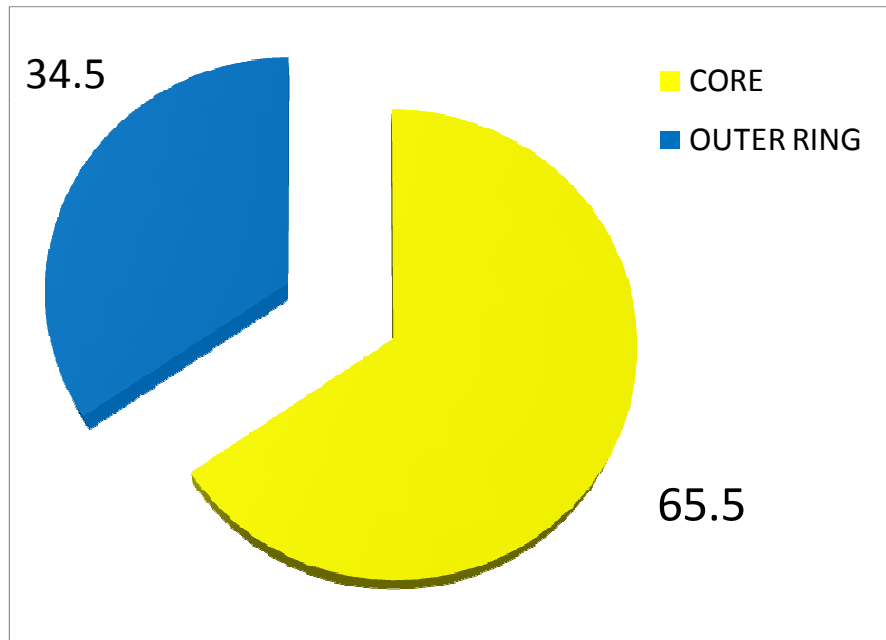


2009 FINISHED VACANT NEW HOMES 3QT

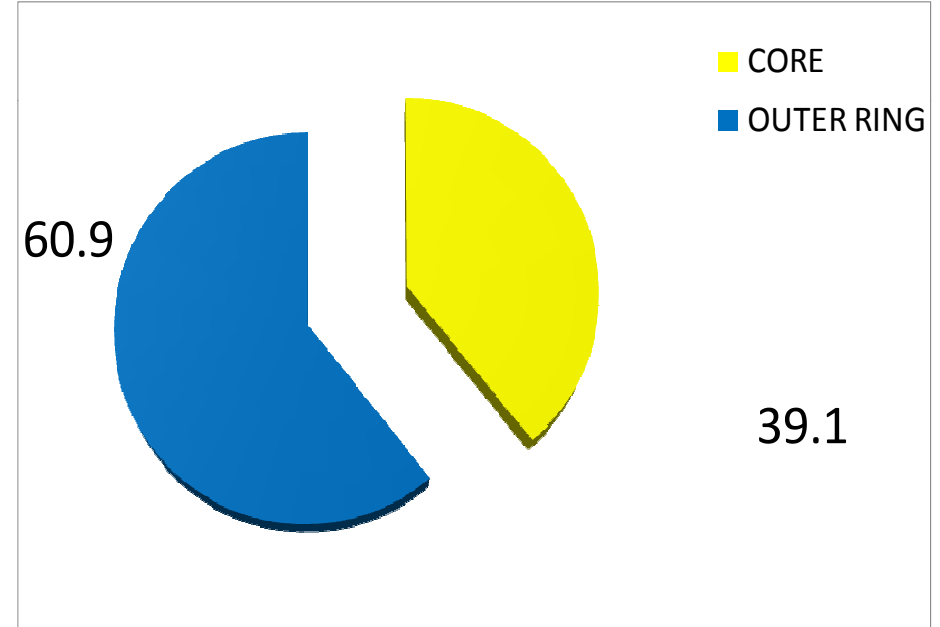


ATLANTA COMPARISON

2009 ESTIMATED POPULATION

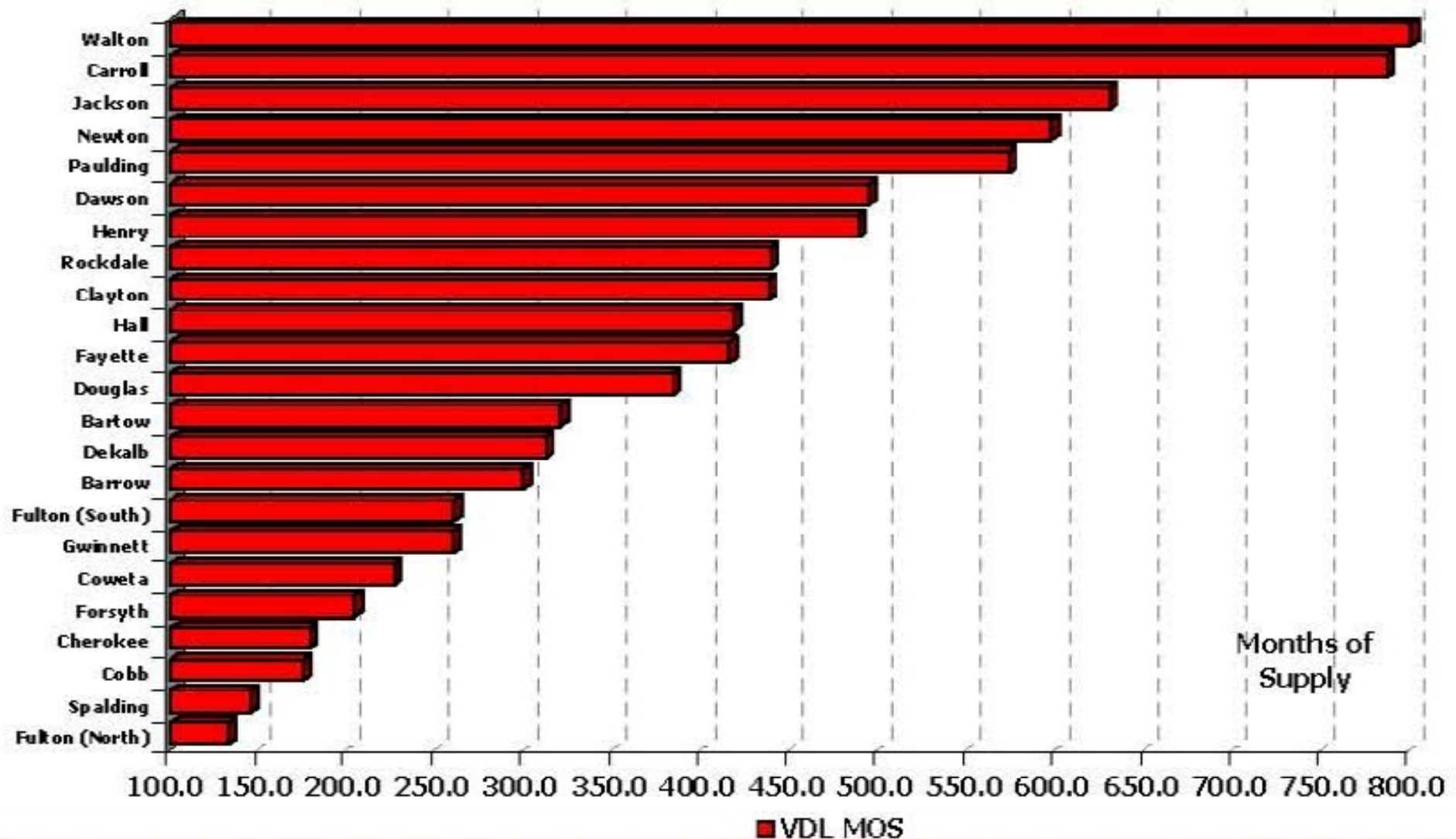


2009 VACANT DEVELOPED LOTS 3QT



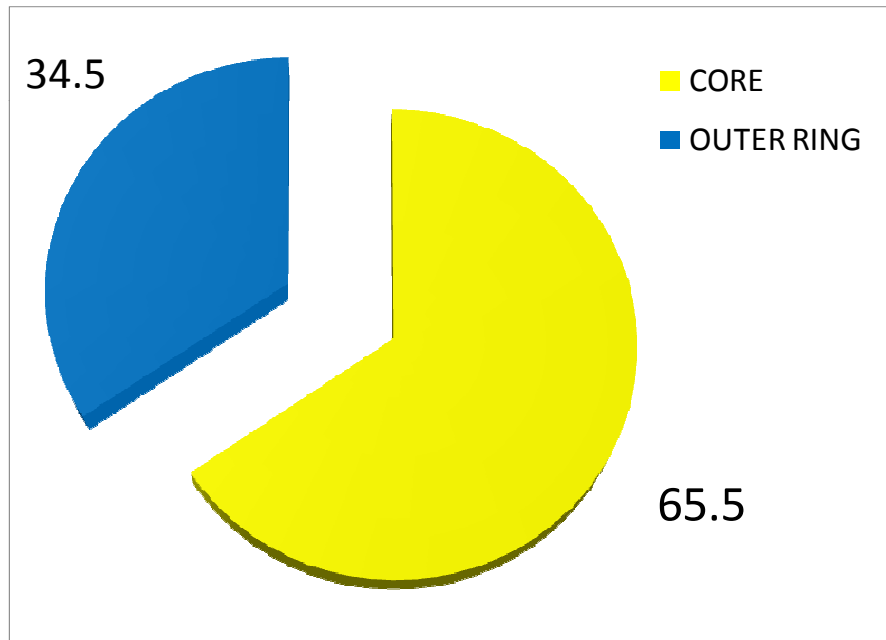
ATLANTA HOUSING MARKET

VDL 293 MOS as of 2Q09... but more like 5 to 6 years once starts normalize

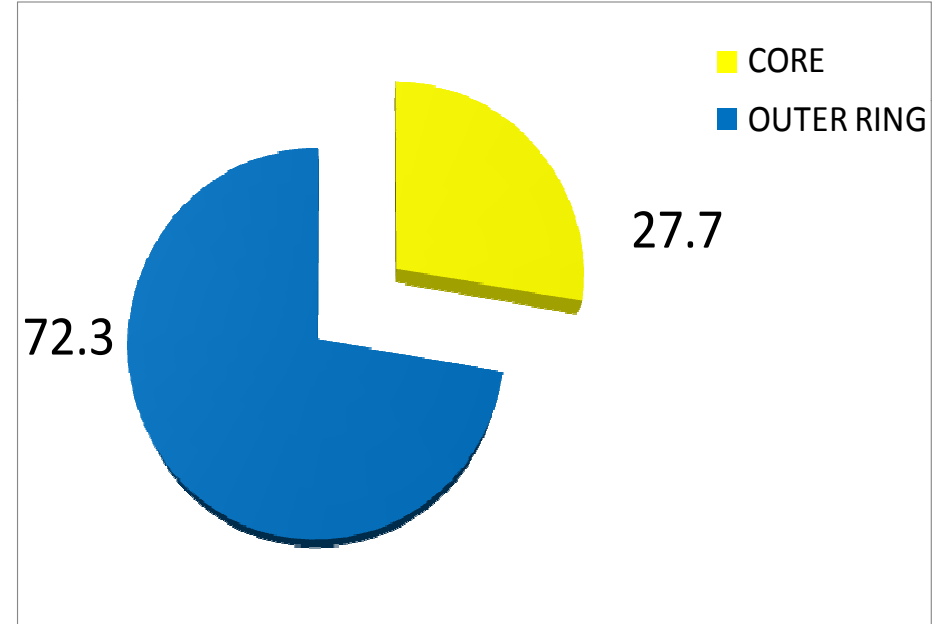


ATLANTA COMPARISON

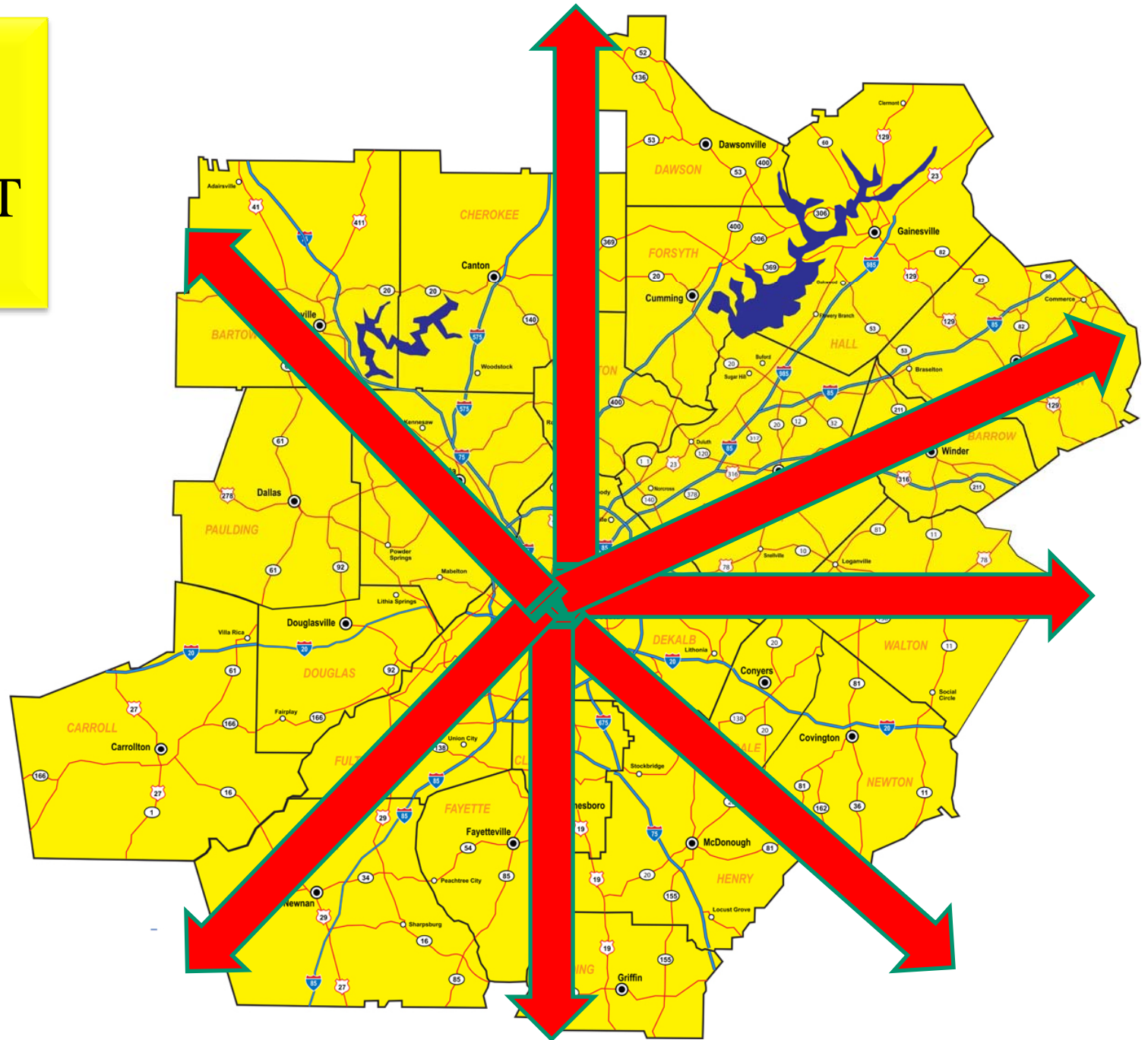
2009 ESTIMATED POPULATION



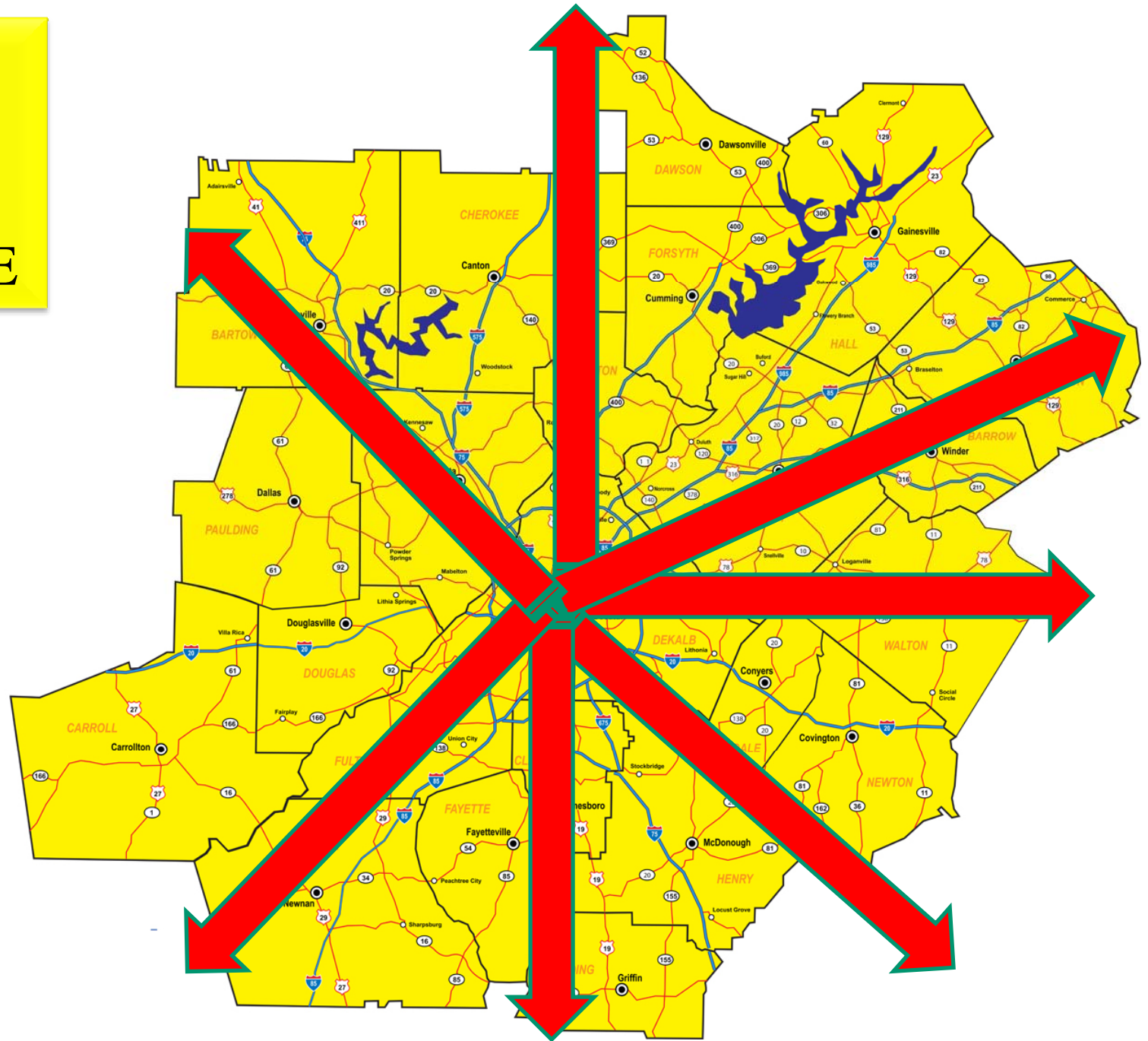
FUTURE ZONED LOTS 3QT 2009



TRAVEL FOR PAYMENT



TRAVEL FOR SQUARE FOOTAGE



NEXT GENERATION OF HOME CONSTRUCTION

- SQUARE FOOTAGE OVER VOLUME
- CUSTOM TRACK DESIGNS
- CONSTRUCTION PERM
 - LOT OWNER IS BORROWER CONTRACTOR IS A VENDER
- VANILLA WITH FRILLS TOPPINGS LATER
- IMPORTANCE OF EXTERIOR SPACE
 - LAND DECKS TREES ENVIRONMENT



MARKET ISSUES

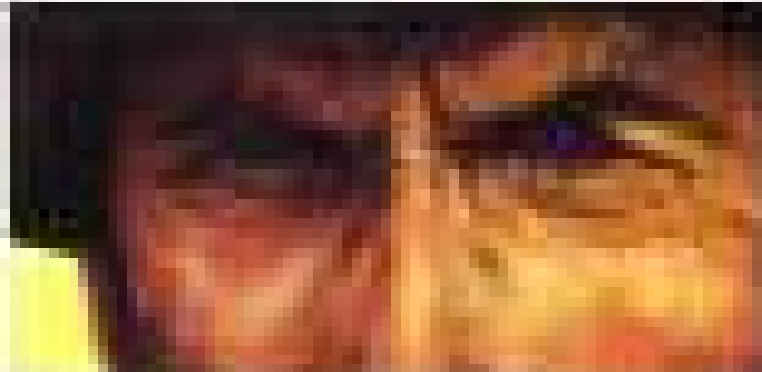
- SHORTAGES APPEARING IN SOME PRICE POINTS AND SPECIFIC HOT ELEMENTARY SCHOOL ZONES
- TOO MANY SMALL LOTS IN TIM-BUC-TOO
- CLEAR CUTTING LAND FOR DEVELOPMENT IS NOT A MARKET ACCEPTABLE FEATURE
- NO NEW CONSTRUCTION IS ANTICIPATED
- 75 % OF THE BUILDER COMMUNITY HAS EVAPORATED REMAINING BUILDERS HAVE FINANCING & CAPITAL ISSUES

LAND AS A PERCENTAGE OF HOME COST

- 1960 - 70'S 15-18%
- 1980 -90'S 18-23%
- 2000 -2007 25-43%
- 2010 & BEYOND 18-22%

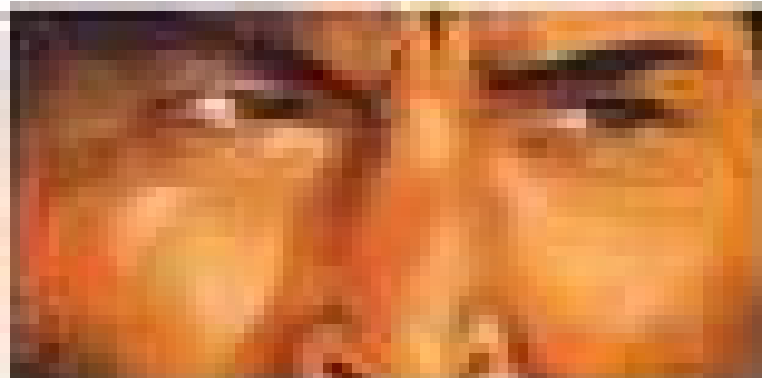


THE
GOOD



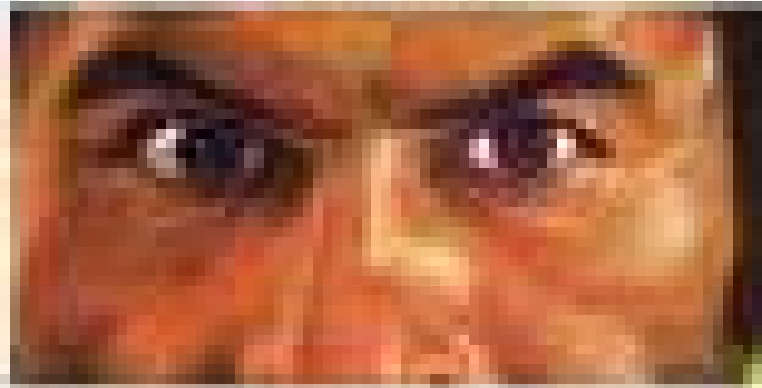
OPORTUNITY

THE
BAD



OPORTUNITY

THE
UGLY



OPORTUNITY