



News RELEASE

CORE REALTY HOLDINGS, LLC, ACQUIRES 2,399 UNIT MULTI-FAMILY PORTFOLIO IN LARGEST TIC 1031 ACQUISITION

Newport Beach, California – December 15, 2006. Newport Beach-based CORE Realty Holdings, LLC, has acquired a 2,399 unit multi-family portfolio on behalf of investors for an offering price of \$188 million. Three of the communities are located in Richmond, Virginia, with the remaining five communities located in Greensboro, North Carolina. The project was offered to a total of 208 investors in eight separate offerings, which are now fully subscribed and closed.

According to Sterling McGregor, Chief Investment Officer for CORE, “In the aggregate, this is the largest tenant in common ‘value added’ multi-family acquisition in the country to date, making this acquisition a milestone in our industry in terms of its size.”

McGregor further explains the transaction was unique in that this was a “principal to principal” transaction with no broker representation with a member of the selling group retaining day-to-day property management and capital improvement supervision after closing.

According to Russ Colvin, the President and CEO of CORE, motivation for the acquisition was based on the fact that “In addition to being well located, the properties have positive historical operating performance and are located in cities with stable expanding economies within infill urban areas with restrictive growth boundaries. The properties are positioned to directly benefit from new job formation resulting from the construction of the new Greensboro Urban Loop freeway and the Greensboro Piedmont International Airport expansion.” Colvin went on to say that the acquisition was consistent with CORE’s stated objective of “making acquisitions in the best long-term interest of our investors.”

McGregor says, “The expanded freeway and road widening along with the airport expansion creates a natural ‘pipeline’ for new business growth and will bring the properties directly into the urban boundary created by the freeway loop system.”

Furthermore, he says that, “The properties are stabilized at 97% occupancy but are considered ‘value added’ even though they are located within a supply constrained market. We were also able to acquire the properties at a price below replacement cost with the necessary capital reserves to make substantial cosmetic improvements designed to increase rents.” According to Colvin, “These strategic capital improvements, along

with the major infrastructure investments in the Greensboro market such as the urban loop and airport expansion, should allow us to boost rents on behalf of investors.”

McGregor explains further that, “The ‘Urban Loop’, a high speed six-lane major highway construction project, will completely surround the city upon completion and feed into several connecting interstate freeway systems in order to enhance access and business travel to and from the Piedmont Triad International Airport (PTIA). He goes on to explain, “The expansion plans include the addition of the future mid-Atlantic hub for Federal Express, which seems to be the major impetus to growth around the airport.” Federal Express is currently developing a one million square foot facility, which is expected to be operational by 2008. The construction which will include a new runway designed to handle cargo flights. The hub is expected to generate 16,000 jobs over the next 20-year period with an economic impact estimated at \$1.7 billion. In addition to FedEx, Dell has also completed construction of a 750,000 square foot manufacturing plant located within two miles of interstate 40 to the north. Dell's decision to establish its new facility in North Carolina's Piedmont Triad region has resulted in at least seven new logistics, packaging and automation firms also locating in the area, according to the Piedmont Triad Partnership. These related businesses are creating several hundred new jobs, in addition to the jobs at Dell, according to the regional economic development partnership.

Colvin says, “We also rate-locked the financing a number of months ago when treasury yields were low, which allowed us to bring below market rate financing to our investors at a rate of 5.33% fixed for ten years.”

CORE Realty Holdings, LLC, and its affiliates own and professionally manage over 10.6 million square feet of commercial and multi-family real estate located throughout the United States for its owners and private investors. The company and its affiliates have over 60 employees with real estate expertise in all phases of finance, development, acquisitions, asset and property management, and dispositions.

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