



Q4 2011 APARTMENT OVERVIEW

Market Recap

Quarter four has come and gone. Most of the central PA apartment complexes are glad to see it move on. We saw fewer move-in's in the winter months as well as several complexes adjust rents downward to fill a higher than expected vacancy. Most managers have noticed the average or slightly above average move outs due to job relocation. Sub-Markets that feature complexes that are well situated near large and stable employers have held firm. Also, several managers in several sub-markets informed us that low job demand has increased their vacancy higher than normal in this quarter. On a positive note, owners have enjoyed the current mild fall & winter warmth relating to the expense budget.

Dauphin County

Dauphin County lagged behind the other counties surveyed and realized a one and a half point drop in its occupancy rate. Some of this vacancy can be attributed to flooding issues from the storms of late 2011, however many of the managers have seen a drop in applications over the previous month. Despite the negative occupancy level Dauphin County remains stabilized when evaluating the rental rates.

Cumberland County

Certain submarkets of Cumberland County brought down the average occupancy. Job demand in other markets caused move-outs. Slow growth in this market caused fewer move ins.

Lancaster County

The ever strong Lancaster market showed negative signs from the winter months. Normal tenant turnover and lower than average new renters. As a whole the market remained stable. Well managed assets in the strong submarkets still performed and continue stable growth rate.

York County

As seen in most reports York County remains the most stable county surveyed in this study. Occupancy increased a half of a percentage point and was the only region showing positive movements relating to occupancy.

Outlook

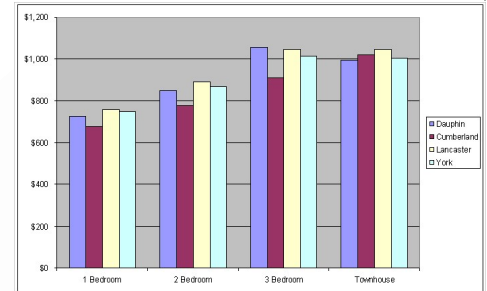
Stabilization is still here. There was a lack of real growth in this quarter, but all sub-markets of Central PA have shown an overall average increased demand in 2011.

Sellers...its your market. There are numerous buyers for buildings nationwide who will pay excellent figures for a well situated and well performing asset. The problem of what do I do with my sales proceeds is becoming easier to answer as the market for real estate and different asset classes having tremendous opportunities trends upward.

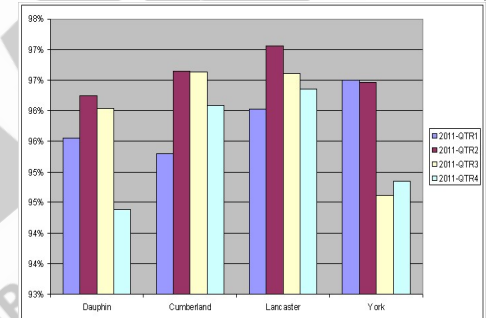
Development is on the horizon. There are several large developers who currently have new apartment complex projects moving forward. All of the new development projects are in sub-markets that have high demand and excellent employment opportunities.

Good news for housing, national home builders have started to breath again...Landmark Commercial Realty ONCOR International is representing national homebuilders to locate sites to develop in 2012. Our first requirement of the kind in four years.

Market Rent 2011 Q4



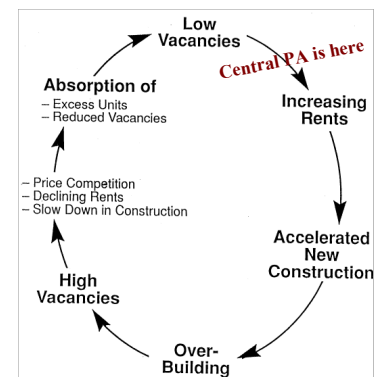
Market Occupancy



Market Occupancy Compared to Rent



THE APARTMENT CYCLE



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RECENT APARTMENT SALES TRANSACTIONS

PROPERTY ADDRESS	CITY/MARKET	SELLER	BUYER	UNITS	CAP	PURCHASE PRICE
Governor Hotel Apartments	Harrisburg, PA	Governor Hotel LP	Riverview Manor, LP	46 Units	Unknown	\$1,615,000
Linden Terrace (HUD)	Harrisburg, PA	Unknown	D1 LP	124 Units	Unknown	\$5,650,000
Hillcrest Apartments	New Cumberland, PA	Estate of Ramseys	confidential	41 Units	9.00 CAP	\$1,400,000
The Yoder Portfolio	Various, North-Central, PA	The Yoder Group	Confidential	75 Units	7.2% CAP	\$ Confidential
Presidential Hall	Harrisburg, PA	Trymount RE Advisors	Presidential Hall Apt	120 Units	Bank Sale	\$3,475,000.00



Available

Round Hill CourtYards
58 Spacious 1 & 2 Bedroom Units
Professionally managed communities
Located at the epicenter of the Marcellus Shale Industry



SOLD

The Yoder Luxury Apartment Portfolio
AVAILABLE
159 Spacious 1 & 2 Bedroom Units
Professionally managed communities
Located at the epicenter of the Marcellus Shale Industry

With a combined 16 years in Commercial Investment Real Estate, Mr. Heller and Mr. Bobincheck have developed an in-depth understanding of the multi-family market. This in-depth understanding is a result of continual monitoring of the many factors that effect changes in the market including **tracking job growth** in the various central PA communities which will effect market demand, regularly **monitoring occupancy rates** to evaluate the supply and demand, and continuing to stay active in **associations that promote this expertise** including CCIM, Urban Land Institute, Apartment Association of Central Pennsylvania and more. Their intensive focus on this market enables them to have an edge that sets them apart from all other brokers.

