



Q3 2011 APARTMENT OVERVIEW

Market Recap

Quarter three has been the quarter of occupancy stabilization. The increased rent from quarter 1 and quarter two caused market vacancy increases. This aggressive strategy to counter increased demand made way for this quarters increase in vacancy. These changes seem to have stabilized the current market trends and large fluctuations are not anticipated over the coming quarter. Most managers have said that demand is still steadily increasing so many of the managers surveyed are trying to avoid poor tenant applications by increasing the application fees.

Dauphin County

Dauphin County has taken strides to stabilize since the decrease in rental rates seen last quarter. Even with the turmoil surrounding the Capital City, the rental rates and occupancy levels remain strong in the immediate downtown district of Harrisburg. Overall, the entire county has seen a strong 2.4 percent increase in the average rental rate compared to Quarter 2.

Cumberland County: This market had the largest signs of stability and saw little change in occupancy however realized an average rental rate increase of 3.5 %. This was largely seen in the class A and B complexes. Many managers have been forced to regularly evaluate the market and maintain rental rates at market levels to preserve the status quality.

Lancaster County: Lancaster County saw signs of returning back to normalcy. The rent increases of quarter 1 and 2 led to larger vacancies realized in quarter 3. Many complexes began reducing rents a bit to a stabilized market rent. Occupancy levels are anticipated to go back to normal for quarter 4.

York County

This region has continued to maintain a solid and steady growth pattern as it relates to the multi-family sector. With occupancy levels staying flat York County is experiencing a small increase of about 1 percent across rental rates of the various units.

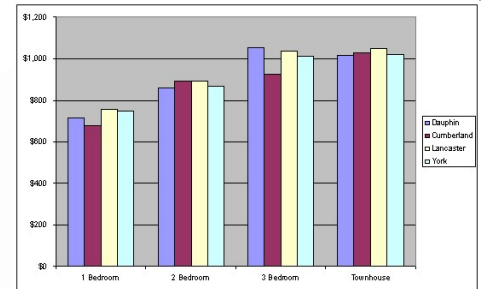
Outlook

The sheltered Central PA market is showing signs of stabilization. Owners and managers began to push the limit with rental increases in the first half of this year. As that progressed, vacancy has begun to increase. The rental boom is still upon us. The fourth quarter is looking promising for all who were surveyed for this publication. Occupancy is still on the rise as rental demand has never been stronger.

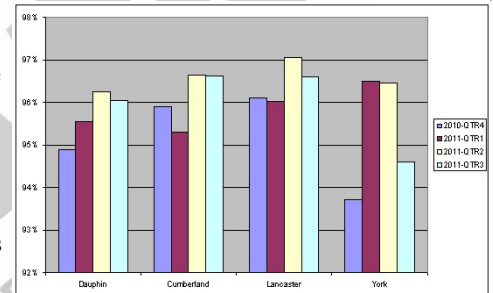
But, are we on the path to new development, and thus, an upswing for our economy? The apartment economy prognosticators are beginning to ask "Is the boom stable or is it a bubble"? All our surveyed counties have a new apartment community development in progress. However, without substantial job growth or population growth, most new development pro forma assumptions could be off.

Confidence in the overall economy is still low. Quarter four will hopefully show increases in occupancy rates and the beginning of new construction in the central PA region.

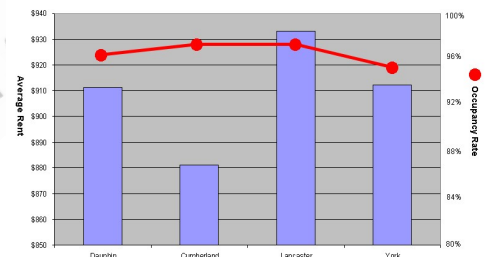
Market Rent 2011 Q3



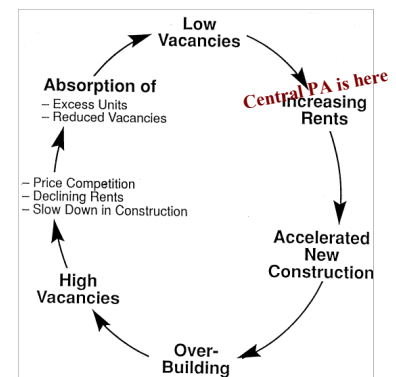
Market Occupancy



Market Occupancy Compared to Rent



THE APARTMENT CYCLE



Chuck Heller or Drew Bobincheck, CCIM



ONCOR INTERNATIONAL

20 Erford Road,
Suite 215
Lemoyne, PA 17043

Office: 717-731-1990
Fax: 717-731-8765
P.O. Box 3004
Harrisburg, PA 17105-3004
www.landmarkcr.com
dbobincheck@landmarkcr.com
cheller@landmarkcr.com

RECENT APARTMENT SALES TRANSACTIONS

PROPERTY ADDRESS	CITY/MARKET	SELLER	BUYER	UNITS	CAP	PURCHASE PRICE
665 Gregs Drive	Harrisburg, PA	Lydia Ricci Estate	Riverview Manor LLC.	90	unknown	\$3,894,900.00



Available

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



Available

The Fulton Market Apartments
AVAILABLE
37 Spacious 2 & 3 Bedroom loft style units
Professionally managed
6 units are two bedroom townhouses with two car garages

With a combined 15 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.

