

Native Intelligence

2005 Lake Lanier Market Report



Market Statistics

Lake Lanier Market Statistics Single Family

	Average Sale 2005	Average Sale 2004	Total # 2005	Total #2004	Total \$ Value 2005	Total \$ Value 2004
Dawson	\$448,414	\$373,532	42	45	\$18,833,388	\$16,808,940
Forsyth	\$514,011	\$429,399	186	148	\$95,606,046	\$63,551,052
Gwinnett	\$592,073	\$638,727	11	11	\$6,512,803	\$7,025,997
Hall	\$553,312	\$432,596	173	150	\$96,241,976	\$64,889,400
Lumpkin	NA	\$404,500	0	2	-	\$809,000
Market Average	\$527,170	\$430,012	412	356	\$217,194,213	\$153,084,389

NOTE: Lake Front Only Dock or Dock Permit
Source: Native Intelligence, MLS, & FMLS Data

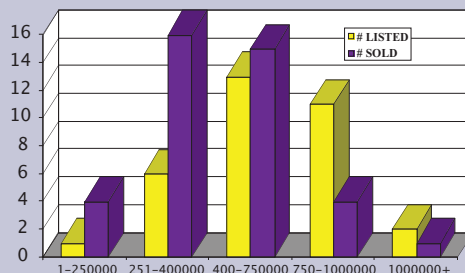
Lake Lanier Lake Lots 2005 Sales Comparison

	Average Sale 2005	Average Sale 2004	Total Lots Sold 2005	Total Lots Sold 2004	Total Value Lots Sold 2005	Total Value Lots Sold 2004
Dawson	\$195,656	\$90,425	8	4	\$1,565,250	\$361,700
Forsyth	\$243,760	\$189,198	19	23	\$4,631,450	\$4,351,554
Gwinnett	\$542,500	\$110,000	1	1	\$542,500	\$110,000
Hall	\$183,096	\$247,620	36	41	\$6,591,475	\$10,152,420
Lumpkin		\$0	-	0	-	\$0
Market Average	\$208,291	\$217,053	64	69	\$13,330,675	\$14,976,674

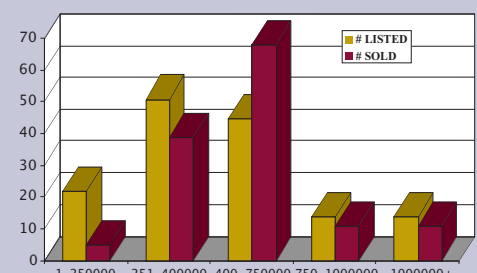
NOTE: Lake Front Only Some Shared Docks
Source: Native Intelligence, MLS, & FMLS Data

Lake
Market

DAWSON LAKE PROPERTY
#2005 LISTED VS SOLD



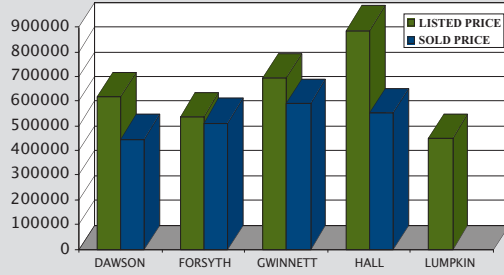
FORSYTH LAKE PROPERTY
#2005 LISTED VS SOLD



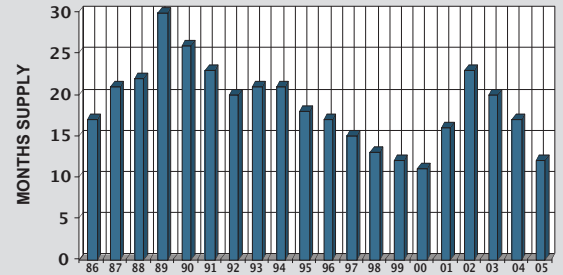
Note: Current 12.31.05 total lake listings (snap shot),
with total cumulative sales occurring in 2005.

Market Profile

LAKE LANIER 2005 LISTED VS SOLD

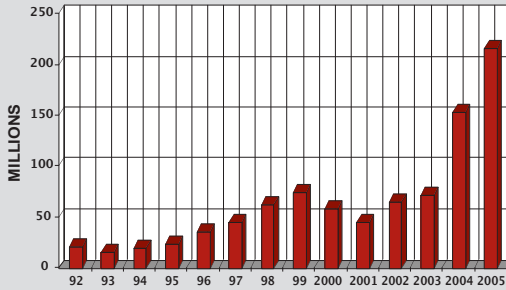


LAKE LANIER HOME SUPPLY & DEMAND



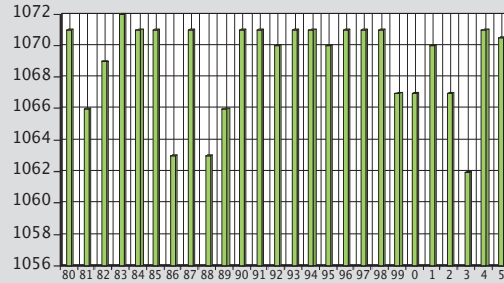
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LAKE LANIER DOLLAR VOLUME OF ALL SALES



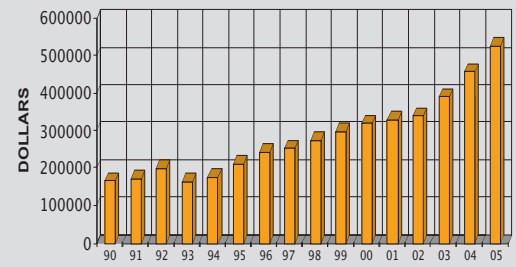
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LAKE LANIER WATER LEVELS JUNE 1 EACH YEAR

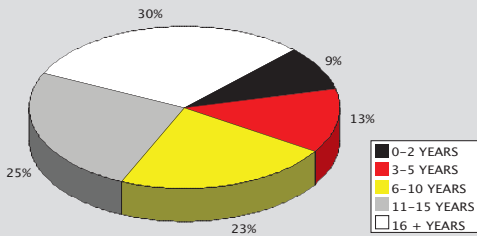


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LAKE LANIER AVERAGE SALE PRICE

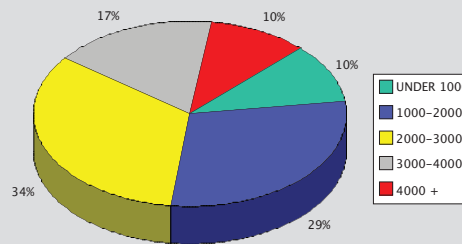


LAKE LANIER AGE OF SALE HOMES



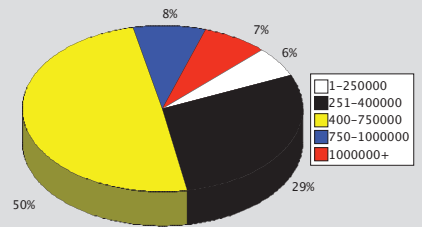
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LAKE LANIER SQ. FT. ANALYSIS SALES



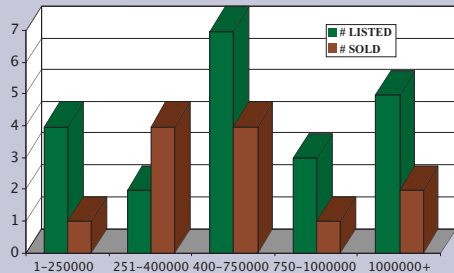
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LAKE LANIER PRICE RANGE SOLD 2006

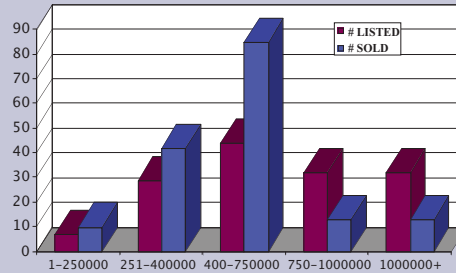


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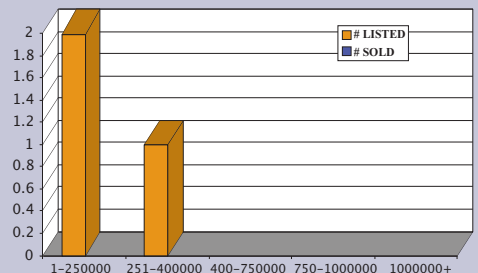
GWINNETT LAKE PROPERTY #2005 LISTED VS SOLD



HALL LAKE PROPERTY #2005 LISTED VS SOLD



LUMPKIN LAKE PROPERTY #2005 LISTED VS SOLD



Data as of January 1, 2006

Source: Norton Native Intelligence, FMLS, MLS.
Information believed to be accurate but not warranted. Equal housing opportunity.

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Lake Lanier Average Size Homes Sold 2005

	Bedroom	Bath
Dawson	4	3
Forsyth	4	3-5
Gwinnett	4	3-5
Hall	4	3-5
Lumpkin	3	2-5

NOTE: Lake Front Only
Source: FMLS and Native Intelligence

Lake Lanier Single Family List Price to Sold Price 2005

	Average List Price	Average Sale Price	Percentage List Price
Dawson (1)	\$620,382	\$448,414	95.59%
Forsyth (1)	\$540,417	\$514,011	97.21%
Gwinnett (2)	\$698,032	\$592,073	91.72%
Hall (1&2)	\$889,701	\$553,312	95.87%
Lumpkin (1)	NA	NA	-

NOTE: Lake Front Only
(1) December 15, 2005
(2) January - December 15, 2005
Source: Native Intelligence MLS(2) FMLS(1)

Real Estate Offices

■ Main Office

434 Green Street
Gainesville, GA 30501
770.532.0022 • 800.955.0022

■ Gainesville Office *

434 Green Street
Gainesville, GA 30501
770.536.1250
Kim Crumley, Vice President

■ South Hall Office *

4004 Mundy Mill Road
Oakwood, GA 30566
770.532.6366
Kathy Williamson/Partner
John Everett, Branch Manager

■ Mall of Georgia Office *

4510 Nelson Brogdon Blvd.
Buford, GA 30518
770.945.1076
Tommy Howard
Vice President

■ Lumpkin County Office

59A East Main Street
Dahlonega, Georgia 30533
706.864.1035

* Lake Division

■ Banks Crossing Office

5457 Mount Olive
Commerce, GA 30529
706.335.8009
Diane Brown, Vice President/Partner

■ Georgia 400 Office

4320 Heard Circle, Suite 500,
Cumming, GA 30130
770.887.0053
Elaine Thomas, Vice President

■ White County Office

10 East Kytle Street
Cleveland, GA 30528
706.865-5400
Diane Brown, Vice President/Partner

■ Norton Mountain Properties

On-The-Square
P.O. Box 979,
Clarkesville, GA 30523
706.754.5700
Diane Brown, Vice President/Partner

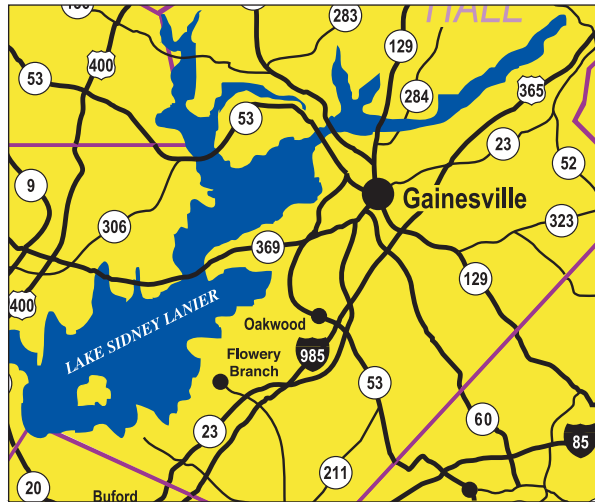
■ Commercial Acreage Group

434 Green Street
Gainesville, GA 30501
770.297.4800 • 800.955.0022
Beth Carmichael, Vice President

Lake Lanier is Back

Full pool...soaring home prices...clean water...**Lake Lanier is back!**

After several flat or off years, Lake Lanier is a market coming into its own; strong sales volume is back. New construction on isolated lots is full steam ahead and tear-downs of older homes on superior lots are no longer just a phenomena. That's happening every day.



In our 2002 Forecast, we predicted that Lake Lanier was someday going to be the heart of Metro Atlanta as the arms of progress moved up GA 400 and I-985. In 2005 we saw that pace **quicken** and we attribute the movement to several issues. First and foremost, Lake Lanier is some of the least expensive waterfront property on the east coast and certainly the cheapest less than one hour from a major metropolitan market. For the last 15 years

we've seen the market gain credibility and business relocation from Metro Atlanta. We think the *tipping point* was the inclusion of the area in Atlanta's telephone LATA or exchange in the 1990s that put direct dial access to Atlanta and forever linked the geography to the **metro** not rural area of Georgia.

Fast forward that to the early 2000s when Atlantans saw their discretionary income increase and the desire for second home recreational opportunities rise. Coupled with a practice of wealth transfer from an older generation to the younger through gift or inheritance... "Daddy would have wanted me to have a second home"... and a search for strong real estate investment returns, Lake Lanier became one of several second home alternatives in North Georgia. These include the Rabun County lakes, Big Canoe, cabins in the North Georgia Mountains and Highlands, N.C.

In the search, the **buyers rediscovered Lake Lanier**. It was not only closer and more accessible than Lakes Burton, Rabun or Seed but much more affordable. In many cases 40%-70% more economical than lakes north, putting it in reach of a larger and younger pool of North Atlantans. By one survey of 2005 buyers and prospects, close to 85% of those searching for lake homes under \$700,000 are now second home buyers. And this buyer pool is younger... 30s to 40s... with families... living in suburban Gwinnett, Alpharetta and Roswell. They've found they can live on the Lake during the weekends and still make little Johnny's soccer game on Saturday afternoon and then back to the lake that night. We see this trend just expanding, further accelerating the teardowns, tear-ups and re-dos but also fueling a surge in speculation of higher density second home development. Price points or thresholds still seems to top out at \$800,000 with the bulk of buyers looking in the \$500,000 to 600,000 range. Land is also rapidly evaporating, with tracts of land 50 acres or greater remaining undeveloped on Lake Lanier now numbering 40 or less. The rush to build a millionaire row on the shore line is on.

The downside, if there is one, is that Lake Lanier still has a large oversupply of homes over \$1 million. "People with a million dollars to spend on their dream house want to build their dream rather than buying someone else's dream."

None-the-less, there seems to be something in our GENETIC make up that draws us to the water. Lake Lanier is clearly back!

Investment Legacy



Frank K. Norton, Jr.



Robert V. Norton

Invest in North Georgia! For three generations 79 years and counting, the Norton family has been preaching that mantra. Whether it's a personal home, private income investment, land for speculation or second home purchase, North Georgia is the right location and totally the right time. Norton practices what it preaches investing its capital side by side with that of our friends and neighbors. Our simple philosophy is not to make money off North Georgia's growth but along with North Georgia.

Norton believes in building for the community good. Forward thinking and our testimony is a long list of firsts...the first planned residential community (1937), the first apartment complex (1937), the first lakeside patio home community (1983), the first full service mid-rise hotel (1989) and the first renovated residence to office on Green Street (1967), an innovative crop insurance program in the 1950's, the first golf course based community (1989) and the first renovation of the Historic Hunt Hotel (1981). Leadership innovation is Norton's hallmark and we've only just begun.

FOR THREE GENERATIONS THE NAME YOU CAN TRUST IN NORTH GEORGIA.

Norton Investment Legacy

Longstreet Hills	1937	Pine Brook	1978	Cherokee Forrest	1986
Moss Hill	1938	4004 Mundy Mill Rd	1979	Medical Arts Building A	1986
Brookwood	1955	Country Cupboards	1980	Ingle's Thompson Bridge Rd	1987
Lafayette Court Apartments	1960	Heath Co Building	1980	North Point	1987
Riverside Park	1962	4008 Mundy Mill Rd	1981	Greystone Forrest	1988
Chestnut Oak Hills	1965	Deerfield	1981	Lanier Centre Ramada	1989
Cumberland Valley Road	1965	Fox Trace	1982	Royal Lakes	1989
Town & Country Estates	1965	Hunt Tower	1982	434 Green Street	1991
393 Green Street	1967	Buford Medical Park	1983	Regency Park	1997
Forest Park	1968	Chestatee North	1983	Versailles Apartments	1997
Northlake	1973	Dental Office Norcross	1984	725 Jesse Jewell	2001
Northcliff Colony	1974	Dundee Industrial	1984	705 Jesse Jewell	2003
US Forestry Service	1974	K-Mart Gainesville	1984	Lanier Lion Investments	2003
Lakeview Circle	1975	Piedmont Labs Building	1984	North Georgia Growth Fund 1	2003
US Post Office	1975	Venture Associates	1984	Norton Williamson Office	2003
Centennial Industrial Park	1976	Perrin Oaks	1985	River Run Apartments	2003
Deville Apartments	1976	Shoney's Inn of Gainesville	1985	Flowery Branch Technical Center	2004
Norton Drive	1976	Sugar Hills	1985		

