

SPECTRUM PROPERTIES

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Spectrum Properties Launches Multifamily Housing Investment Subsidiary February 19, 2009

Charlotte, N.C. (February 19, 2009)--John Gray, president of Spectrum Properties Multifamily Acquisitions, Inc., a newly-formed subsidiary of Charlotte-based Spectrum Properties, announced plans to begin acquisition of multifamily assets in markets located in the Southeast, Mid-Atlantic and Midwest regions of the U.S.

According to Gray, “We believe that there will be an opportunity to acquire apartments and student housing properties at a substantial discount to replacement value during the next few years.”

The subsidiary plans to own and manage \$200-\$500 million in real estate assets.

Gray’s investment rationale is based on acquiring apartment and student housing assets at a substantial discount to replacement cost due, in part, to expected refinancing problems on maturing loans as well as assets that were underwritten with over-aggressive assumptions. “Our objective is to purchase properties at very attractive pricing, manage them intensively during a three to seven year holding period and then sell them for a substantial profit that produces a handsome return for our investors,” said Gray.

Preferred markets for acquiring assets include cities in Alabama, the District of Columbia, Florida, Georgia, Indiana, Kentucky, Maryland, North Carolina, Ohio, South Carolina, Tennessee and Virginia.

Based on company and industry research, multifamily housing properties offer the best risk-adjusted return of all property types. Apartment demand is still relatively strong

due to the fact that the largest generation of children under the age of 20 in U.S. history will be entering the rental housing market in the next few years. In addition, new apartment completions are down dramatically holding future supply to historically low levels while tougher mortgage underwriting standards make it difficult for prospective buyers to qualify for home loans.

The subsidiary's acquisition criteria include:

- Class A, B and C apartments
- Student housing properties that are well located near thriving universities
- Garden, mid-rise and high-rise property types
- A preference for portfolios as opposed to single properties

Based in Charlotte, N.C., Spectrum Properties Multifamily Acquisitions, Inc. is a subsidiary of Spectrum Properties, a 27-year old, privately-held, real estate development company managing approximately 4.2 million square feet of space and employing about 100 people. For more information, visit www.spectrum-properties.com.