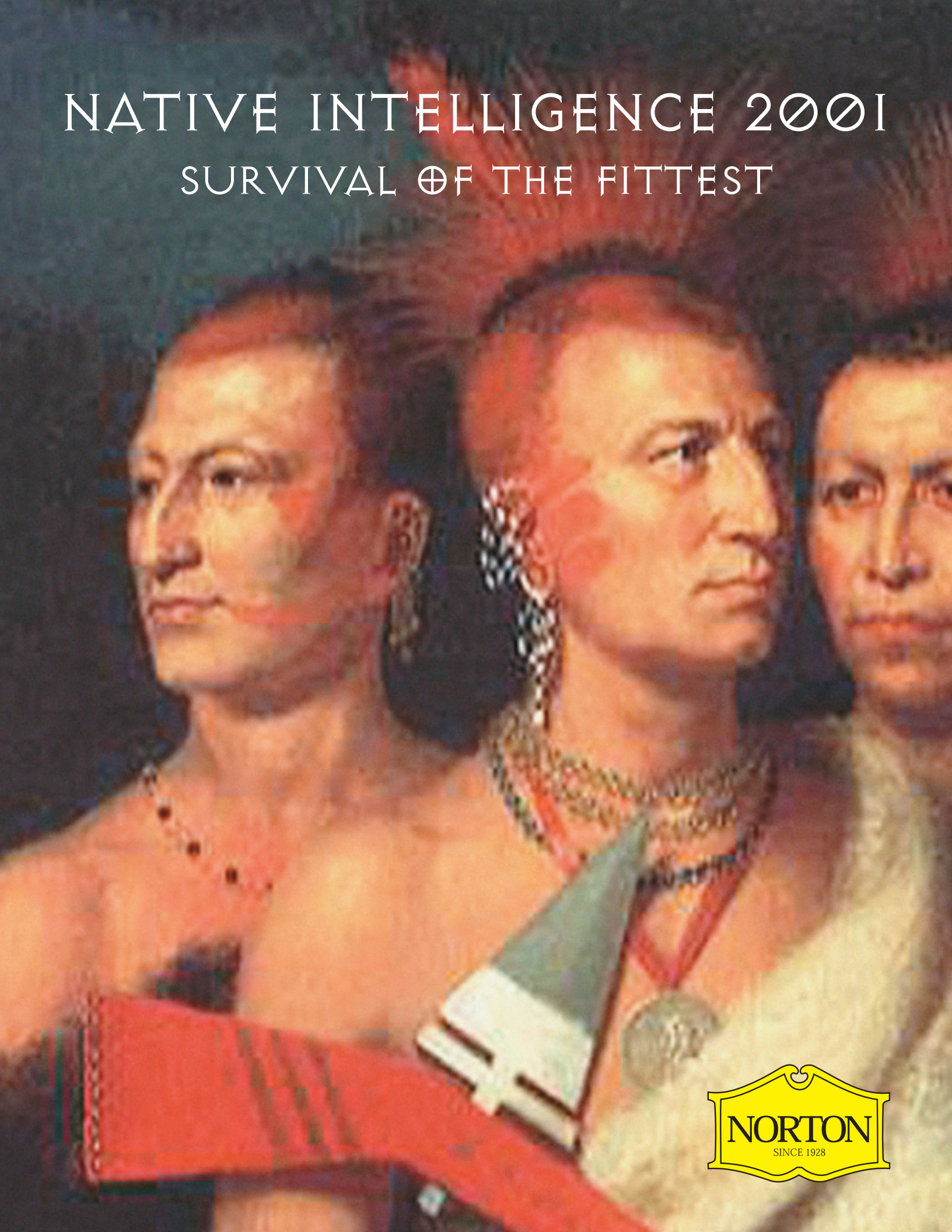


NATIVE INTELLIGENCE 2001

SURVIVAL ⊕ OF THE FITTEST



OUR PLEDGE TO OUR COMMUNITY

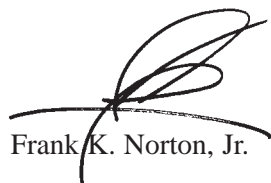
Who we are . . .

As much a part of the North Georgia Mountains as the towering oaks and rippling waters, The Norton Agency has become synonymous with quality development, progressive leadership and strong ethical business practices.

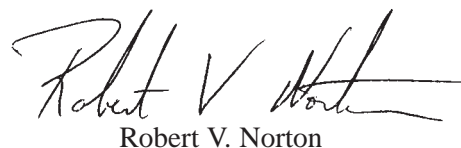
We are acutely aware of the foundation of service, advancement and commitment to this region laid down before us by our mother, father and grandfather before them. While 73 years in age, we recognize that this is simply a foundation and we pledge to uphold those principles, ideas and stewardship. We are just two of over 277 Norton, North Georgia citizens. We may share the corporate name but it's the 277 that share our drive, vision and commitment.

The legacy of our firm is reinforced every day with the writing of each new insurance policy, the swift and compassionate handling of each claim, the leasing of a new business relocation and the care and handling of every homebuyer. It is our extended family that is building a better North Georgia, preserving our region's heritage, contributing its charitable time and dollars and reinforcing the Norton legacy.

OUR PEOPLE MAKE THE DIFFERENCE.



Frank K. Norton, Jr.



Robert V. Norton

P.S. The best is yet to come!

“
A VERY GREAT VISION IS

NEEDED AND THOSE WHO HAVE IT

MUST FOLLOW IT AS THE EAGLE

SEEKS THE DEEPEST BLUE

OF THE SKY.”

CRAZY HORSE



Frank K. Norton, Jr.
President, The Norton Agency

Change

SURVIVAL OR SURVIVOR?

We often write about change in our annual *Native Intelligence Forecast*. It pretty much goes with the territory, but seldom do we have as many issues confronting our region... fundamental transformations underway... and what we can and cannot do about it.

SURVIVAL OR SURVIVOR?

In a time of Change, your job is Change, your life is Change and the landscape around you is Change. Change, learning and leadership are the **BIG THREE** of the new economy. We see things change, then change again. Change itself changes. It is no longer enough to see yourself as change agents. The new velocity of change and the style of change transforms us into change insurgents. Learning follows change for the simple reason that when it comes to change, learning is the only strategy that works for companies, governments and people. The capacity to learn equals the capacity to change. **That's leadership.**

SURVIVAL OR SURVIVOR?

But North Georgia, our lifestyle, our business style, our environment, our politics, our economy... yes, our quality of life is under attack. There are barbarians at our gates, overflowing the ramparts, invading our townships, permeating the social hierarchy and radically altering our business processes. ANARCHY to some, SAVIOUR to others. Only a fortune teller can predict the future, our future, your future.

GRTA... The Georgia Regional Transportation Authority. GRTA is flexing its muscles and directing growth patterns for the entire state taking control away from local governments.

The EPA having control of our air, now wants total control of our water playground. Its

quality... shoreline development... control the recreational value and daily use of our Lanier.

The Tristate Water Authority wants to move three more barges down stream, divert the water to lower Alabama and pull the plug on that playground at a cost of billions to our region.

The "save the lake" folks want to stop all lake growth... lake development... eliminate shoreline paths and lights... set back all houses behind a 100 foot environmental undisturbed buffer. All, of course, except theirs.

Overly aggressive track developers want to clear-cut our forests and build homogenized cracker boxes, the construction of which may not last long enough to pay the mortgage.

The anti-growth faction wants to put an electrical fence around your county and let people in every other Sunday... Those they do let in, they want to put shock collars on and control their every movement.

SURVIVAL OR SURVIVOR?

So much of the current writings on change leaves a reader gasping for air and scared of the future. Peter Drucker is recently quoted, "*Yes, profound and unpredictable changes lay before you. It is possible to develop systems that will allow you not only to survive but to prosper.*" The emergence of a North Georgia economy in which the limits on growth are increasingly determined by the availability, not of customers, but of employees. We perhaps are seeing the first collision of the new economy and our politics and in the new economy you never know what to expect or when to expect it.

You can be sure of one thing ... it will keep us all on the edge of our seats.

NATIVE INTELLIGENCE

Annually, The Norton Agency analyzes business movement, the pulse of residential growth and the expanding reach of the demographic influx. Our forecasts are chocked full of predictions, trends amid various solutions. But, like our growing North Georgia, Norton's Native Intelligence report must grow and evolve. This year we are launching our concept of a Top Ten List. No, not David Letterman's view of North Georgia, but our own Native Intelligence, insightful understanding of the distant tom-tom drums, crackling Indian branches and smoke signals rising above our mountains.

ONE

Acres land sales will soon slow across the face of the mountain region. Appreciation has been outstanding for the last five years, but prices now have reached beyond what is reasonable, economically developable and prudent. The great buys are long gone, the good buys way past. There continues to be tremendous demand for reasonably priced land but most landowners want to win the Lottery. If you are a landowner considering a sale, anticipate longer hold periods and fewer buyer prospects until the sellers GET REAL.

ACREAGE COMPARISON 2000

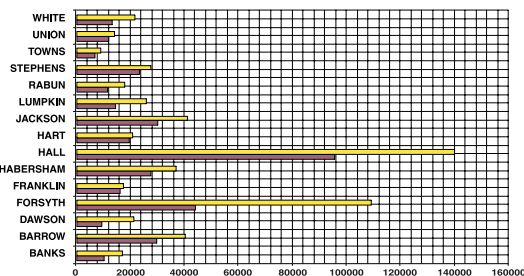
	<u>Selling Price</u> <u>50 Acres Undeveloped</u>
East Hall	\$ 4,000 - 6,000
North Hall	\$ 8,000 - 12,000
South Hall	\$ 6,000 - 15,000
North Jackson	\$ 6,000 - 7,500
South Jackson	\$ 4,500 - 6,500
Banks	\$ 3,700 - 4,000
White	\$ 4,000 - 6,000
White (view/water)	\$ 5,000 - 10,000
Habersham	\$ 5,000 - 6,000
Habersham (view/water)	\$ 20,000 - 50,000
South Forsyth	\$ 25,000 - 30,000
North Forsyth	\$ 15,000 - 20,000
East Dawson	\$ 10,000 - 14,000
West Dawson	\$ 5,000 - 6,000
Lumpkin	\$ 5,000 - 9,000
North Gwinnett	\$ 25,000 - 35,000
Lake Lanier (Raw w/boat dock)	\$ 35,000 - 125,000

Source: Native Intelligence copyright 2001

TWO

The suburbanization of North Georgia will migrate further outward from Megalopolis Atlanta. Land prices, land use attitudes and quality terrain will temper the explosive growth in Dawson and Hall Counties, pushing the growth to new "frontier" markets of Jackson, Barrow and South Lumpkin. While residential development will continue unabated at any price in Forsyth and Gwinnett, the higher price "fringe" markets of Dawson and Hall will force this leap frog development. Jackson County continues to have the best prospects for demographic growth and long-term residential acceleration. Superior accessibility to Gwinnett employment zones, beautiful rolling topography, aggressive county and city leadership and adequate utility infrastructure; and, oh yes, prices, mix a formula into SUCCESS. Jackson County's land prices correlated with zoneable density is perhaps the best value on North Georgia's radar.

NORTH GEORGIA POPULATION GROWTH 1990-2000



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THREE

Outsiders will control North Georgia's future. From land speculators, to office developers, to residential community growth, to retail and multi-family construction, the leadership is defaulting to the more aggressive, more investment attuned, **OUTSIDER**.

A clear case that we can't "see the forest for the trees." Land we saw available two years ago at \$5,000 per acre and turned down as high priced, sold for \$12,000 per acre just last week.

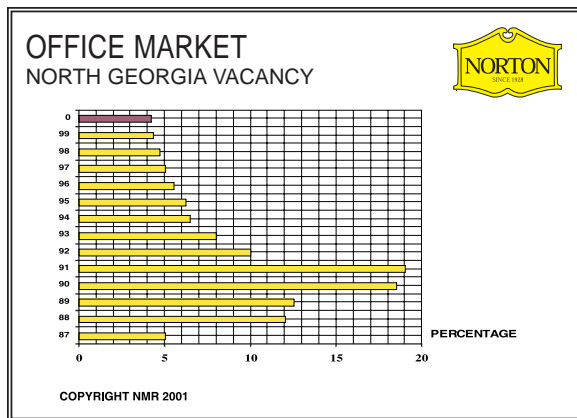
The other controlling issue is that increasingly our politics, community associations and political activism are controlled by the newcomers. These folks truly want the best . . . in their eyes . . . with consistent clashes with the farmers and old-timers on the community's future.

TOP TEN TRENDS

Divergent visions, two directions and a continual struggle . . . **put on your crash helmet, it's going to be a bumpy ride.**

FOUR

High Think . . . will permeate every part of North Georgia's lifestyle. ISDN lines, cable access, smart-cards, "wired" houses, electronic class rooms are just the tip of the information iceberg. We see even the starter home communities taking a Jetson life characteristic. (Georgian Manor has integrated high speed access in South Hall.) And the demand for electronic access for retail, education and business is on the stellar rise. Imagine . . . live-work-play communities linked with state-of-the-art fiber optics, advanced learning systems and community economies. E-tools and technology are shrinking geography, cultural borders, time zones and language barriers.



The upwardly mobile high tech, high energy zones of South GA 400 will push further up this wired transportation corridor and bleed over into other regions. Those who aren't in-tuned, wired or High Think, be it government, educators, businesses, are the dinosaurs of our generation. **HIGH THINK OR HIGH EXTINCT.**

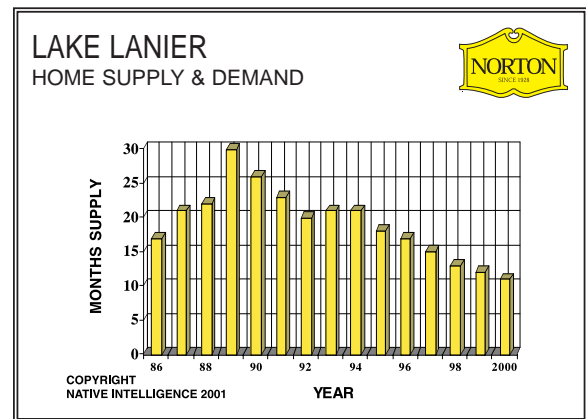
FIVE

Hispanic Mecca a.k.a. Little Guadalajara a.k.a. Gainesville. As discussed later in this report, all Latin roads lead to Gainesville with the demographic influence gaining strength. Despite the soon to be verified Hispanic census counts . . . that are dead on the money — **WRONG**, the area today is perhaps the most vibrant, exciting Latin market in the state. Watch Hispanic

business leadership, political influence and economic power rapidly increase over the next five years.

SIX

The millionaires' row on Lake Lanier can be considered simply a cul-de-sac at this point, soon to become a web of interconnected and disconnected mansions developments. The \$345,000 lake tear-down is reality. From starter mansions, off lake view homes \$200-\$500,000, to the BIG BOY homes, 10,000 to 30,000 square feet, of scrumptious splendor, we see an emerging Buckhead, Newport, Bel Air or Palm Beach and accelerating. The Beverly Hills of the southeast. Governments would do well to promote and encourage this high tax base, low service demand development component. Additional tax base could be achieved with selective sewer areas and the promotion of high density second home condominium development. This second home market adds even more tax revenue with almost no demand on services. One can point to Greene County – Lake Oconee, Pickens County – Big Canoe and Rabun County – Burton Rabun Seed, to see the profound benefits that a luxury, "part-time" residential tax base has on the local economy.

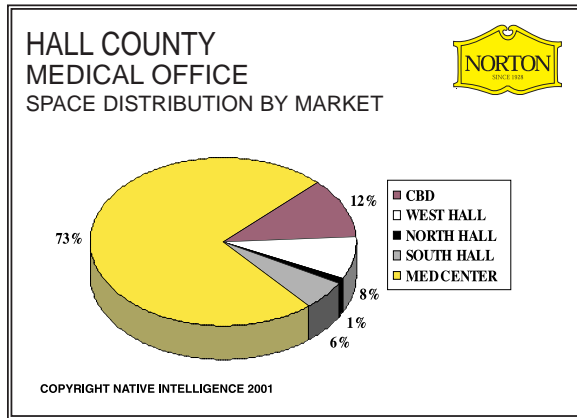


SEVEN

The medical market and extended healthcare delivery systems will undoubtedly expand as the market ages and baby boomers require more and more healthcare attention. Today, the two major medical hubs are Gainesville Northeast Georgia Medical Center/Lanier Park, soon to be one entity, and Lawrenceville Gwinnett Medical Center with mini hubs growing in Habersham, Cumming, Winder, Commerce and Dahlonega. Specialized care will continue to be concentrated in the

TOP TEN TRENDS

two granddaddies of medical synergy, fueling major support office growth and ancillary services. Just below that level is the growing personal care and continuum care facilities. The model for others to follow will be the new Lanier Village Estates complex currently under construction on Highway 60 on Lanier, ultimately 500 units of elderly care, private cottages and sheltered nursing home care, a city within a city.



NINE

New generation cities will continue to pop up throughout North Georgia and serve as catalysts for future growth. These 21st Century townships will affect the values, politics and business-retail expansion. This report highlighted this phenomena some years ago and watched it continue unabated. Identified major new townships now include:

MAJOR NEW GENERATION TOWNSHIPS	
■ Johns Creek	Fulton/Forsyth/Gwinnett Counties
■ Sugarloaf	Gwinnett County
■ Brickton	Gwinnett County
■ Mills Creek	Gwinnett County
■ The Orchard	Habersham County
■ Chateau Elan	Gwinnett/Hall/Barrow Counties
■ Dawson Forest	Dawson County
■ Royal Lakes	Hall County
■ Hamilton Mill	Gwinnett County

The political leaders of our future are the business leaders, homeowner associations and neighborhood coalitions within these regions. Like the old one industry tax base experienced by most Georgia counties in the early 1900's, we project 25-35% of North Georgia's counties' residential tax revenues will emanate from the collective Next Generation communities by the year 2025.

EMERGING NEXT GENERATION AREAS	
■ Birch River	Lumpkin County
■ Cullowhee	Stephens County
■ The Waterfalls	Rabun County
■ Lake Lanier Country Club	Hall County
■ Club Shakespeare	Hall County
■ Reunion	Hall County
■ Mulberry Plantation	Jackson County

EIGHT

Right Growth . . . Growth that fits the vision of the community. Growth that contributes to the sustainability of the lifestyle. Our ability to both simulate the right kinds of economic activity . . . business vibrancy while tempering the pace of our growth means we have to be discriminatory with our selections.

We want you . . . and you . . . but not you!

Our community wants high tech businesses but not chip manufacturers which would soil our water. We want high tax paying businesses but no people, because we have labor problems. We must make tough choices. Once we decide, we must communicate our lifestyle, our vision and stick to it.

NORTH GEORGIA POPULATION EXTRAPOLATIONS		
County	1990 Population	2000 Projected
Banks	10,731	17,010
Barrow	29,721	41,500
Dawson	9,429	19,650
Forsyth	44,083	109,800
Hall	95,428	141,000
Habersham	27,621	37,900
Gwinnett	389,000	539,000
Jackson	30,005	41,750
Lumpkin	14,573	26,300
White	13,006	21,790

Source: Native Intelligence © 2001

TOP TEN TRENDS

REAL ESTATE ACTIVITY INCREASE

1990-2000 % Increase	
Banks	767%
Barrow	421%
Dawson	477%
Forsyth	771%
Habersham	332%
Hall	395%
Jackson	379%
Lumpkin	443%
Rabun	368%
Stephens	236%
Towns	371%
Union	388%
White	335%

Source: Native Intelligence/The Beasley Report

goods, mostly in the arms of the buying public. Added to this retail stew is the ultra successful North Georgia Premium Mall where goods are stacked and sales have broken through the roof. The continued retail shakeout will be in the small hometown stores in downtown Jefferson, Athens, Winder, Gainesville and Buford. **The Mall of Georgia is mauling North Georgia.**

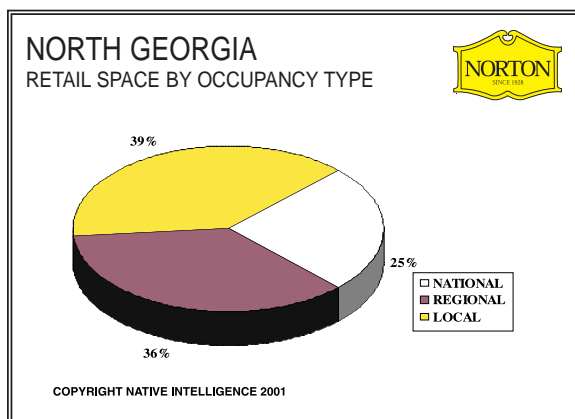
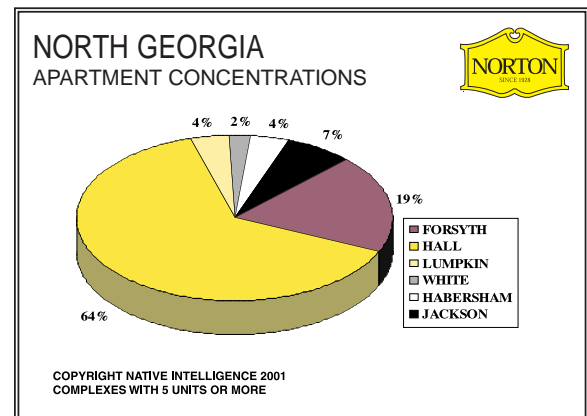
AND A BONUS

Multi-family, condominium and apartment growth flows to areas with sewer services and positive zoning attitudes. Unfortunately, that only points to Gainesville as other North Georgia communities have turned their backs to affordable rental housing. This is extremely short-sighted because without multi-family, any community's smart growth initiative will fail, industrial expansion will be limited and labor shortages will abound. Actually, the term affordable housing when applied at \$875-\$1500 per two bedroom is hardly affordable, but nonetheless full. It is the lower level apartments \$550-\$700 where there is the greatest development demand and greatest potential.

10 TEN

Retail expansion, specifically mall growth and food store expansion, should take a 3-4 year hiatus in growth. The first wave of the Publixing of North Georgia is almost concluded: South Forsyth, Oakwood, South Hall, Cumming, Buford, Gainesville followed by Flowery Branch, North Forsyth and Dawson. Kroger, Food Lion and Ingles will join in this breathing period as all stores look at demographic growth, weekly store sales figures (or space) and continued housing expansion to determine their next move.

At the same time, the Mall of Georgia has emerged a giant 1,500,000 pound or 1.5 million square foot gorilla in the retail marketing zoo. Stores are overflowing with



Today, over 30% of the occupants in Caswyck on Lanier work out of Hall County. All other North Georgia counties' affordable housing initiatives seems to be mobile homes and lots of them. Our research shows that one out of three new mobile homes placed in North Georgia over the last ten years are rental units. A poor development pattern and an impending tax burden on the afflicted county.



WATER, WATER EVERYWHERE ...AND NOT A DROP TO DRINK!

Never before in our history have we been confronted with the paradox of water. While Atlanta and the North Georgia region grew during the preceding century, our guiding leadership scarcely focused on our water supplies much less the sustainability of water as a resource. Actually as the history of the region indicates, Atlanta was founded at the junction of railroads, but the seemingly abundant water resources of the Chattahoochee gave the region life, a river of life. An inland port based, not on river flows, but transportation. First rail then interstates. In fact, we are told there is no other spot in the nation where three major high traffic interstate highways converge. Now the crossroads of Atlanta have the added factors of air transportation and fiber optics data, cross networks.

But it is water which now must be our focus. We are 20 years behind in our effort to support ourselves with water and now have emerging outside voices of control over our water. Faced with their own demands for water, we find ourselves competing for this river of life with Alabama and Florida.

Much of our region's geography has placed us in this predicament. Close to the ocean shorelines, bound by a small compact mountain area with almost no high altitude snow fall or accumulation, this piedmont and flat plains area has very few waterways traversing it. Additionally, the subsurface supplies of water are limited.

So here we have a regional water reservoir with 38,000 surface acres and 540+ miles of shoreline, 3.3 millionn acre feet of storage capacity, but we find ourselves in this water quandary. Fault planning of our forefathers. Of the 13 lakes in the Chattahoochee water basin, 65% of the total storage capacity is in Lake Lanier.

65%

So we must share, allocate, negotiate, protect and invest for our own growth needs. The harsh reality is that we do not own, much less have any control over, the water that makes our shoreline a millionaire's row.

Efforts for water solutions are well underway:

- Lumpkin County is underway with a 120 acre reservoir.
- The quad-county Big Bear reservoir is underway in Jackson County 500 acres.
- Land acquisition for a reservoir in Eastern Hall County could add 143 acres of water supply.
- The hotly debated deep water discharge permit by Gwinnett County would recycle back 40 million gallons. (Much cleaner than it was withdrawn, we might add.)

But placed in proper perspective, that is 775± total acres vs. 38,000 acres in Lanier today. A proverbial drop in the bucket.

Perhaps it is time for the region to think boldly and act in concert for regional solutions and long-term sustainability of our water resources.

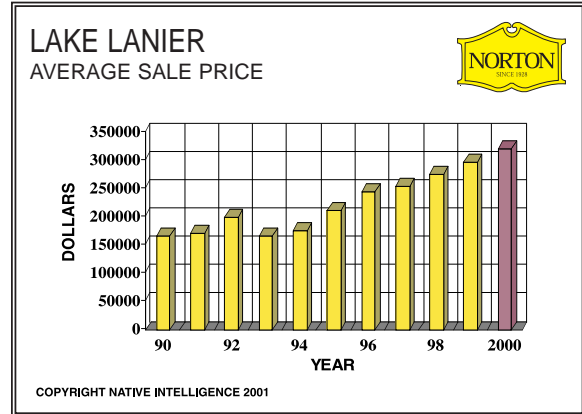
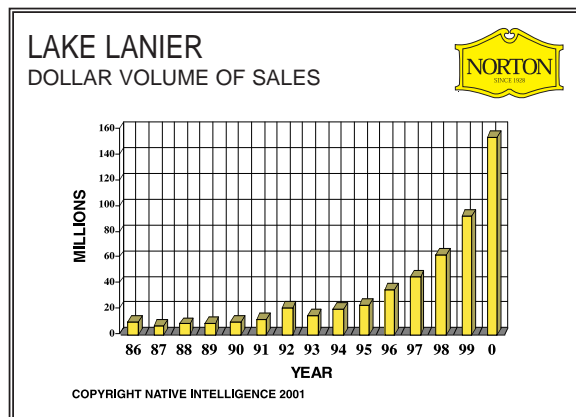
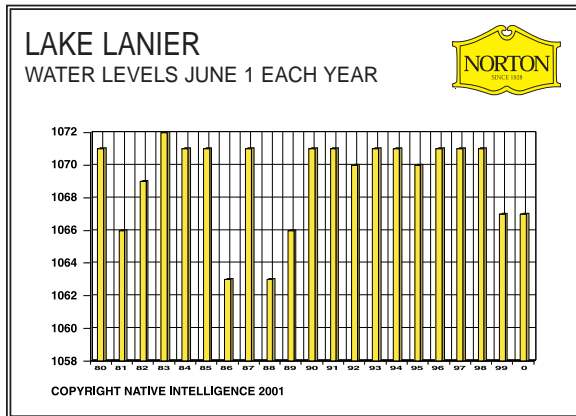
- Creation of a system of regional reservoirs, purchasing quality damable valleys throughout the Northeast Georgia region well in advance of development, while the land is cheap and plentiful.
- Exploring areas within the vast Chattahoochee National Forest where reservoirs could be built on existing governmental holdings.
- Like the Los Angeles water pipelines built at the turn of the century, look to the TVA and the mountains of less populous Tennessee for alternative sources of water.
- Explore the purchase of water from the Corps-owned Lake Hartwell to provide water for Atlanta's eastern side.

- Expand our existing sewage treatment plants, removing phosphates and recycling our water resources.
- Explore urban reuse systems, grey water discharges and storm water capture systems.

LAKE LANIER

It is time this report looked in great detail at the health, vibrancy and future of our 38,000 acre playground. Our market statistics and trend analysis is perhaps strongest in this area, yet much has been ignored or overlooked.

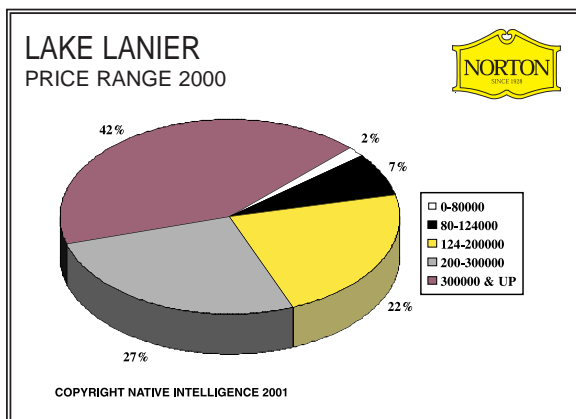
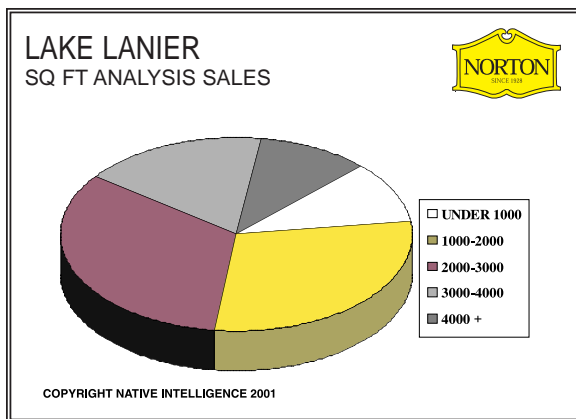
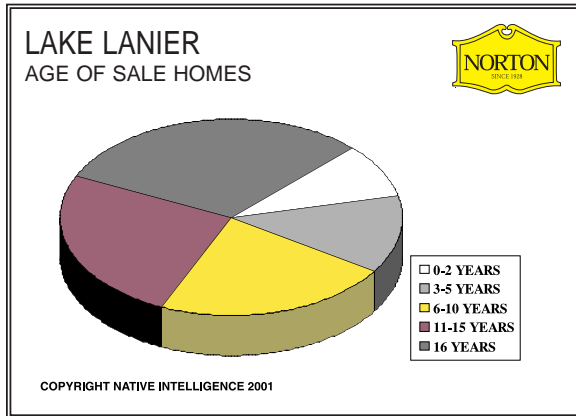
- As an industry, Lake Lanier is the region's largest employer, tourism attractor and executive recruiting tool.
- When compared to other nations' bodies of water, in close proximity to major metropolitan areas, Lanier waterfront prices are the **lowest**.
- No other major metropolitan market has as large a freshwater body as close to its executive housing base.



- When compared to other national metropolitan bodies of water, the water quality is superior, siltation average or better and shoreline development less intense.

Even with the lake down 15 feet, Lanier is still 30,000 acres in size, that's massive by any count. Of course, historically Lanier has been an up-and-down lake with water levels taking huge swings, reaching incredible lows and returning to full pool quickly. Yet many people do not fully recognize that Lake Lanier is truly North Georgia's economic life blood. In a survey of relocating industry executives, the number two reason for this area's selection was its recreational life style . . . that's Lanier. Homes on Lanier that touch water receive a 45-75% premium over the same size and quality home sales, view or water. The annual tourism on Lake Lanier promotes our retail, fills our sales tax coffers and funds our local school expansion. So it is incumbent that we protect this economic resource, balancing growth needs with its economic vitality. That is not however halting development, restricting growth, imposing dock moratoriums or eliminating sewer discharge permits. Those actions will kill the golden goose! No, we have for sometime espoused a rational view toward Lake Lanier, its shoreline and long-term viability. Our twelve point plan is as follows:

- Promote reasonable rational soil erosion measures in all counties affecting the Lanier watershed, while creating a funding source for the reconditioning of coves and tributaries previously lost to siltation. Impose 25 foot construction setbacks, economically viable runoff standards and enforce the clean up of problem areas.
- Promote further development around Lanier as a major tax revenue balance for all counties through Smart Growth initiatives, higher density clusters, green belt areas, impervious surface limitations (20%) and sewer or private treatment facility connections.



- Mandate five year septic tank re-certifications for all systems within 2,000 feet from the Lake Lanier shoreline.
- Create a regional water protection governing board which will work in concert in seven counties, 15 municipalities to balance the water rights and private property interests.
- Require older docks and flotation materials to be replaced or upgraded and limit the size of boats on Lanier's surface.
- Preselect two new marina sites, encouraging public access points in the upper Chestatee and Chattahoochee corridors.
- Lobby for reclassification of Lanier as a water supply and recreation area and not re-regulation of down stream waterways.
- Forge a public+private partnership, US Army Corps, local governments and private citizenry in order to develop long-term goals for Lake Lanier.
- Insist on absolute water quality for waste water discharges, removing phosphates but encouraging continued scientific upgrades on all water inflows.

A CHANGING AMERICA AND A CHANGING NORTH GEORGIA

Like the ancient conquistadors who once infiltrated the foothills and byways of North Georgia, from Baldwin to Buford, from Gainesville to Gilmer, the Latin migration is permeating the very essence of our growth dynamics. Once only the source of quality poultry labor, the Hispanic populus has now moved beyond a mere working class to become homeowners, merchants and industry leaders.

We can define clear benchmarks for this growth.

- 1970-1985 **Period of Discovery**
- 1995-2005 **Period of Migration**
- 1985-1995 **Period of Emergence**
- 2005-2015 **Period of Establishment**

Historical slow growth and development of an Hispanic labor force took hold from 1970-1985. Once immigration roots were established, local community society and support developed the migration, intensifying 1985-1995. This social transformation has mushroomed since 1995, solidifying the Hispanic population into a community within a community and allowing successful business startups, emerging political leadership and outside investment capitalizing on the growing Hispanic discretionary income, the Epicenter of which is **Gainesville**.

- Encourage Mixed-Use development, identifying areas for office, hotel and business relocations, multi-family zones and additional parks.
- Capture various Corps of Engineer holdings for use as future Forsyth, Hall, Dawson, Gwinnett or Lumpkin County public parks and recreation areas.
- Encourage shoreline protection through mandatory 10 foot Corps setbacks and property tax breaks for lake owners who employ rip-rap or seawall construction to protect erosion.

Immigration is essential to a dynamic America. However, newcomers are not evenly distributed. Most immigrants initially gravitate to a small number of metropolitan areas: New York, Los Angeles, San Francisco, Chicago, Miami, Washington, Boston and Houston. Once established here, immigrants begin to move from central cities to suburbs and from traditional ports of entry to inland metro areas and smaller cities. As labor shortages persist, immigrants will gravitate to such fast growing cities as Atlanta, Charlotte, Austin, Salt Lake City and Las Vegas.

Immigrants can cause social stress and financial burdens in communities where they concentrate. This is especially true of unskilled illegal aliens estimated at 5 million persons nationwide. Forty percent of all illegals reside in California and 80% are in just six states.

In 1990, the US Census counted 5,500+ Hispanic heritage people in Hall County. Those of us observers and advisors at that time, believed the massive undercount was close to another 10,000 legal and illegal Hispanics within this community. But the statistical factors have surged since that date, not only has migration accelerated but those here have brought their wives, children and parents while producing a thousand more children. Specific factors point to a Hall County Hispanic population exceeding 45,000 and perhaps closer to 60,000 while the Census, at most, will have counted 18,000 Hispanics.

- Since 1990, the number of Hispanic school age children has grown from 617 to 5,523, in the Gainesville and Hall County systems, over 800% growth.
- In 2000, over 1,100 Hispanic babies were born at Northeast Georgia Medical Center or 29% of the babies born. We project at least 5,000 Hispanic children have been born in Hall County since 1990.
- Since 1990, the poultry firms have increased poultry production 35% and its labor force 35%. Today 75% of the poultry industry work force is Hispanic.
- Since 1990 we estimate over 2,000 Hispanic families have purchased housing, a 1,500% increase over the preceding decade and now representing nearly 10% of the total new homes sold in Hall County.

But the changing complexion of North Georgia is simply a reflection of the changing demographics in Metro Atlanta and the Nation. The US Census has estimated that by 2030, 20% of our Nation will be of Hispanic ancestry vs 11% in 2000. The predominate reason for this demographic shift and rapid move from white to brown is as a result of the age and class of immigrant. Like the major European migration at the end

“Treat the earth well: it was not given to you by your parents, it was loaned to you by your children. We do not inherit the Earth from our Ancestors, we borrow it from our Children. We’re more than the sum of our knowledge, we are the products of our imagination.”

Ancient Indian Proverb

of the 1800’s, this new population is young, energetic and working class, ripe for blue collar manual labor and of prime child bearing ages. We by-in-large are not getting the aged, sick or infirmed, only those with strong backs, strong arms and strong minds seeking a better life.

We however must embrace them. Once we understand the significance to the vibrancy, health and sustainability of our economy we must learn to accept this fundamental cultural change and embrace the opportunities. But at the same time, we are allowing the retail and support areas in Gainesville’s south side to be dominated by outside investment. While David Merritt and his investors are to be commended for their foresight, there are countless opportunities for development and re-development to attract this population base.

Housing standards must also keep pace with this population and enforcement against unscrupulous landlords, substandard living conditions, ratcheted up and violations of human and economic rights condemned.

And, lastly, as a product of a Hispanic Anglo heritage, I understand the importance of family, of cultural values, the importance of hard work and of the struggles of self improvement. This Hispanic community has chosen to make this area home and will struggle to maintain some degree of Hispanic cultural society to pass on to their children. They will also roll up their sleeves, toil massive amounts of hours, save, invest and make their lives and the lives of their children better.

PRODUCT TYPES



“We must protect the forests for our children, grandchildren and children yet to be born. We must protect the forests for those who can’t speak for themselves . . . birds, animals, fish and trees.”

Qwatsinas
(Hereditary Chief
Edward Moody),
Naxalk Nation

HOUSING

Business and economists are starting to utter that R word again, but whether it stands for recession or resurgence depends on the day of the week and the position of the stars. We firmly foresee another **moderate to strong** year of residential sales nationally, not quite at the record setting levels of the last three years, but **strong** nonetheless.

Driving the continued health in real estate is the remarkable balance between supply and demand, both on

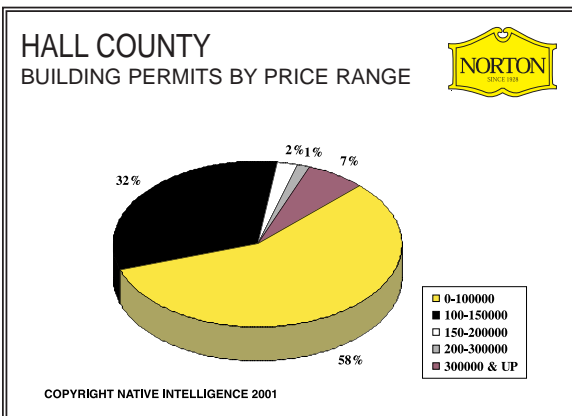
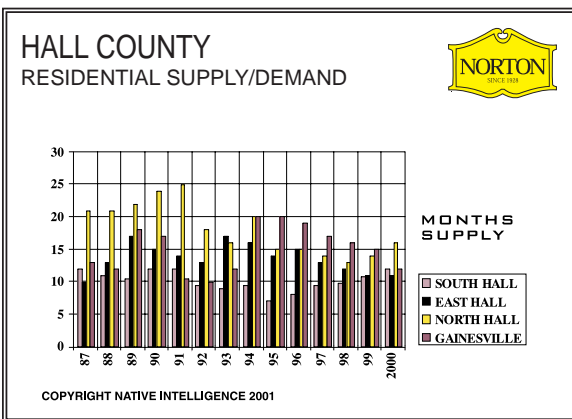
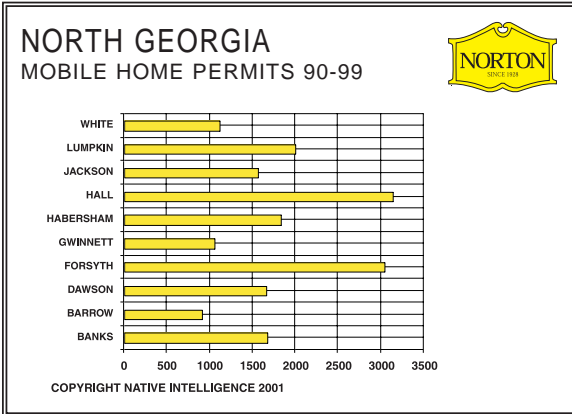
the residential and commercial sides. Capital for most types of real estate, including housing, remains widely available. But concerns among localities over growth have slowed development. Lawmakers and residents make it increasingly difficult for developers to take their projects from start to finish without first jumping through circus hoops with no guarantee they will ever get the brass ring.

Interest rates should help stabilize the residential markets. While rates inched upwards toward 8.2% in 2000, we project the loosening policies of the Federal Reserve should keep long-term rates below 8% throughout 2001. Fannie Mae projects that the economic trends will be “soft landing friendly” so long as consumer confidence remains stable. Uncertainty over the year-end political climate, plummeting stock prices and high oil prices have made some buyers reluctant to move up or purchase higher priced homes, but the first home buyer seems unaffected.

HOME OWNERSHIP RATES 1997

Native Born Americans	70.4%
Foreign Born Americans	
Arrived before 1970	75.8%
Arrived in the 1970’s	63.0%
Arrived in the 1980’s	43.9%

PRODUCT TYPES



MULTI-FAMILY INVESTMENTS

Probably best positioned to weather an economic slump is the multi-family investment sector. This development component is being powered by massive demographic shifts at a time on continued supply constraint. In 1999-2000, even with home buying at a peak, the demand curve for rental housing stretches out well beyond whatever short term bumps are on the national economic horizon.

FAST FACTS MULTI-FAMILY

- The fastest growth in apartment renters in 1998 occurred in households with incomes over \$50,000 per year.
- According to the National Multi-Housing Council, apartments contributed fewer children per household to school systems than single family housing.
- U.S. Census, in 1999, only 20% of all occupied apartments had one or more school age (5-18) children compared to 33% of owner occupied single family housing.
- The average apartment household has 0.5 children while single family homes have 0.7.

FAST FACTS INVESTMENTS

- Over the next 15 years, more that \$10 trillion in assets will transfer from pre-World War II generations to the baby boomers and their heirs.
- Three fourths of the immigrants arriving during the 1990's were still renting in 1997. The high levels of apartment construction in the mid-to-late 1990's would not have been sustainable without demand of immigrants.
- The average apartment household has 0.5 children, while single family homes have 0.7.
- The fastest growth in apartment renters in 1999 occurred in households with incomes over \$50,000 a year.

FAST FACTS HOUSING

- Immigrant families will be buying as many as 100,000 new homes annually in the next decade.
- By 1998, two-thirds of Americans lived in homes they own, the world's highest percentage.

That demand is driven by big growth in household formations as the children of baby boomers enter their adult years, and by continued strong immigration. In the past five years, we have seen over 2114 apartment units permitted in North Georgia with vacancy creeping up from 5.5% to 9.2%. But the real story is that over 1800 new units are occupied. That's phenomenal growth for a mid-market like ours. The other specific and telling statistic is that of the total units permitted in North Georgia, 80% of those were in the City of Gainesville.

On-line listing services are emerging as an effective marketing vehicle for the multi-family industry. The amount of traffic through on-line services is ramping up. However, most people are using the on-line listing services as an information source with very few people leasing units sight unseen. This trend, however, is

PRODUCT TYPES

allowing large management firms and developers to brand their various complexes based on different locations, complex features or price points.

We remain bullish on apartments as both a variable source for quality housing, as a strong long-term investment and as an economic tax base growth engine. Yes, tax based engine; the new multi-family economics result in 10 to 16 units per acre with a per unit value averaging \$48,000, that's \$480,000 to \$788,000 of taxable value per acre. That is a windfall for the communities that understand multi-family for what it is . . . money in the bank.

MULTI-FAMILY PROFILE

Renters in buildings with five or more units accounted for 15% of all households.

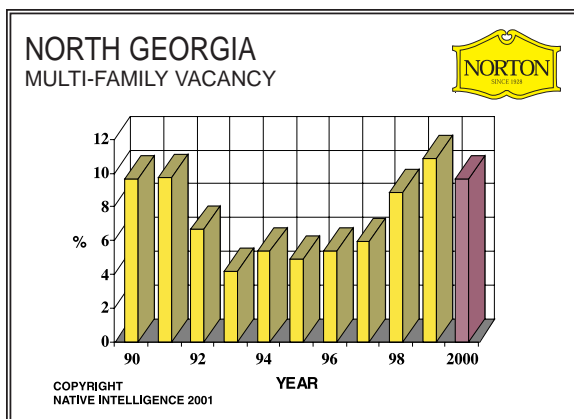
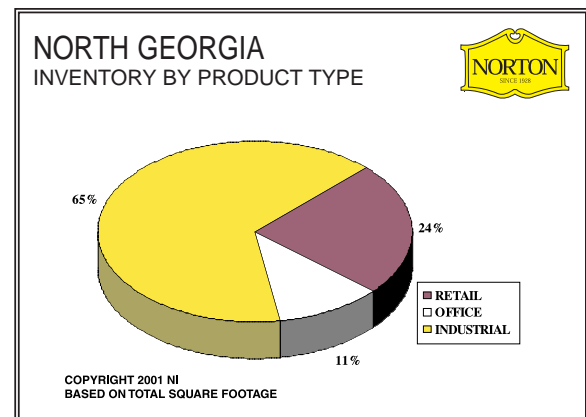
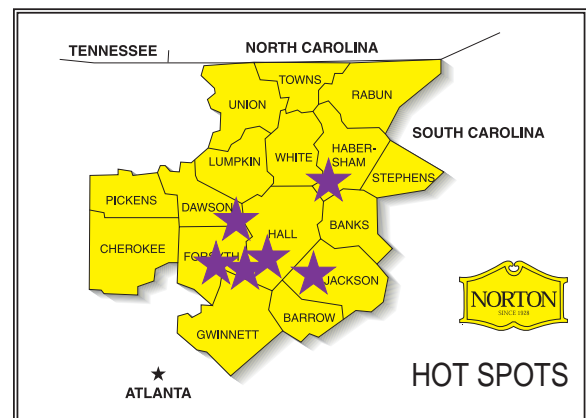
- About half the tenants were single. 26% were women.
- About one-fourth were families with more than two people.
- Unrelated roommates occupied 14% of units.
- Married couples are most of balance.
- 30% of tenants were under the age 30; 16% were senior citizens.
- Apartment renters are highly mobile, more than one third moved in the previous year.
- Half the renter households have low and moderate incomes, but only 19% received any Federal assistance.

Fannie Mae Foundation 1999

COMMERCIAL PRODUCTS

Real estate is recognized as a product that is specifically attuned to categories of consumers for their use, pleasure and financial incentive. The major uniqueness is that a property stands for many years, influencing its community for a long time and it frequently changes the environment in which it is located. For instance, older buildings are transformed into rehabilitated ones or sparsely used land becomes denser.

Because of these factors, development is frequently fought by people who resist change. But it isn't just a case of smarter growth. The entire spectrum of land use has to do with where people live and how they wish to live, why they shop at particular places, why they stay in certain lodgings and the restaurants they frequent. Land use involves the changing nature of consumer satisfactions as more choice and affluence dominates their preference. That is the fundamental principle of commercial markets.



PRODUCT TYPES

BUSINESS

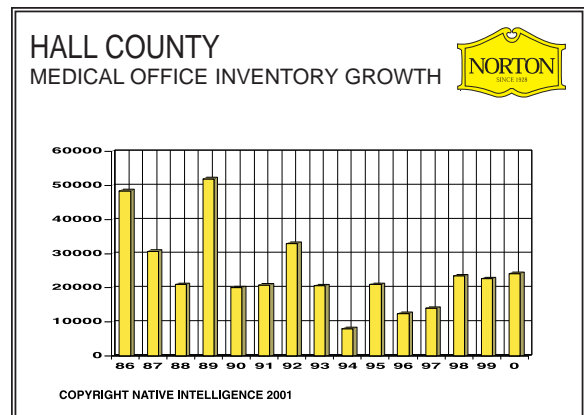
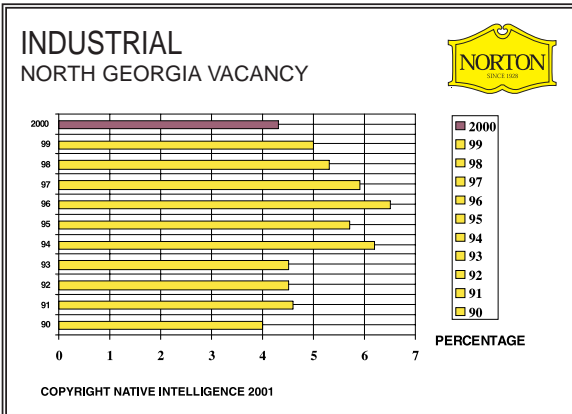
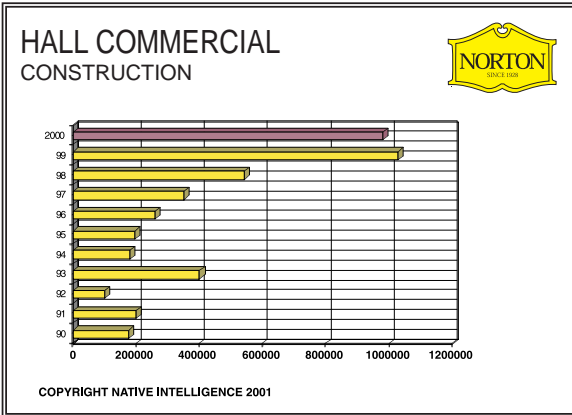
The commercial office market strengthened its reach into North Georgia with the further expansion of the north Atlanta office market into Forsyth and north Gwinnett. Strategic office parcels sold for development in and around the newly opened Mall of Georgia and the strengthening medical office market in Gainesville. While small space vacancy, 500 to 4,000 square feet around, the overall occupancy rate stands at 95%. This compares to 89% in metro Atlanta and a national average of 91%. North Georgia is performing above and beyond the region as a whole.

It is this strength that precipitated the development of Tanners Creek Business Center in Flowery Branch, the new development in Mundy Mill (leased to Continental Grain and the U.S. Post Office) and the recently begun Rubicon on Lake Lanier. This project will be the first and perhaps the last quality first class office environment on Lake Lanier. With the shoreline developed into high income housing, Rubicon on Lake Lanier is a crown jewel opportunity for corporate and small entrepreneurial relocation.

FAST FACTS INDUSTRIAL

- The US Bureau of Labor Statistics projects that by 2005 the percentage of workers employed by industry will fall below 20%, the lowest level since 1950.
- The General Accounting Office reported that from 1989 to 1995 a majority of US and foreign controlled corporations paid no US income taxes.

New medical projects in Cumming and Gainesville also contribute to the strengthening business market. The Georgia Baptist Hospital in Forsyth is creating a need for ancillary medical support space. Land speculation and limited but exciting development will create a long-term North Georgia 400 Medical Office district. The new landmark Longstreet building in Gainesville will add 58,000 square feet to the existing 92,000 square foot Medical Arts Campus and lay claim to the region's largest medical office concentration. It is strategic location, directly at NEGA Medical Center's front door that gives it superior access and corporate patient visibility. Other medical expansions further away from the medical center are yet to be tried but with limited vacancy today, stand a high probability for success. The wild card for further speculative development is NEGA's plan to purchase Lanier Park, its ultimate use and potentially available office space at the Atrium at Lanier Park. This and other isolated medical developments will cause the market to inch up but only slightly. Gainesville, despite medical markets in Cumming, Clarkesville, Dahlonega, Winder and Commerce, will remain one of two major medical hubs (the other is Lawrenceville) for the immediate and the long-term future.

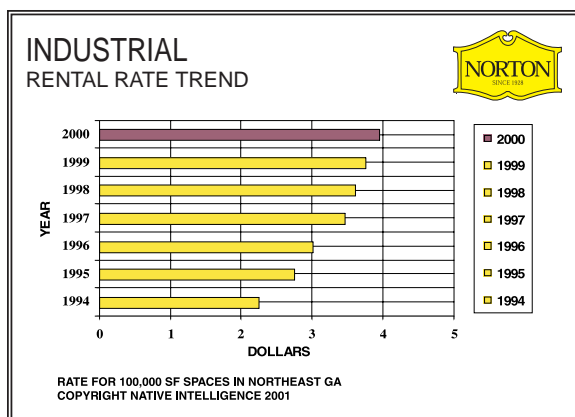


PRODUCT TYPES

Watch for rental rates to inch up with Class AA rates in the \$20 to \$21 per square foot range and A Class rates in the \$16 to \$17 range full service. There are, however, still abundant locations in the \$14 to \$15 range, but call a Norton Leasing Agent to find the specific space in an ever-fluctuating market.

Recommendations for a successful community economic business strategy include:

- Create a probusiness climate and permeate it throughout the business, governmental and residential cultures.
- Couple the probusiness component with a High Tech High Think . . . attitude . . . a digital community in which fiber optics is everywhere but local electronic commerce is dominant. You pay your taxes or water bill on line . . . report cards are e-mailed, home web van make regular deliveries and traffic jams are monitored on county G.P.S. systems or private frequency radio.
- Develop a multi-tiered housing stock . . . multiple locations . . . multiple product types . . . and in all price tiers in order to diversify options of the relocating business . . . Today Forsyth's affordable housing stock is in Hall County, Dawson County or Cherokee. Major Multi-family markets are in Alpharetta or Gainesville. Create apartment zones, cluster housing districts to diversify a community's tax base and business and industrial recruiting opportunities.



FAST FACTS RETAIL

- ➔ Teen spending is almost exclusively discretionary. They influence how 20 cents of every dollar is spent.
- ➔ Unreported business activities - the underground economy may equal as much as 20% of GDP

RETAIL

Retail commercial businesses are at a major crossroads throughout North Georgia. The 1990's saw a major positioning among food and drug stores, restaurant chains and major malls. We saw the emergence of major retail concentrations including:

North Georgia

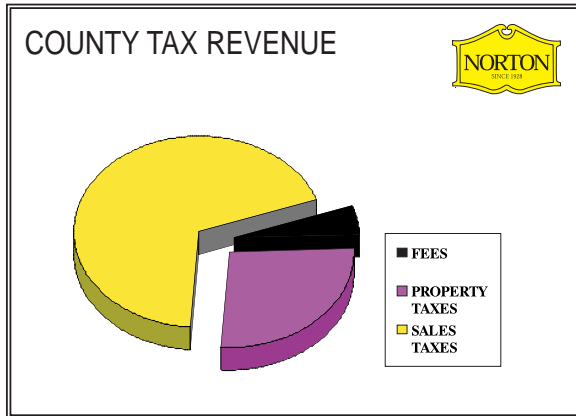
Premium Outlets	Dawson
Banks Crossing	Banks/Jackson
Mills Creek	Gwinnett
Johns Creek	Forsyth/Gwinnett/Fulton
Midway	Habersham
Hamilton Mill	Gwinnett
North Point Mall	Fulton

and the rapid expansion of others:

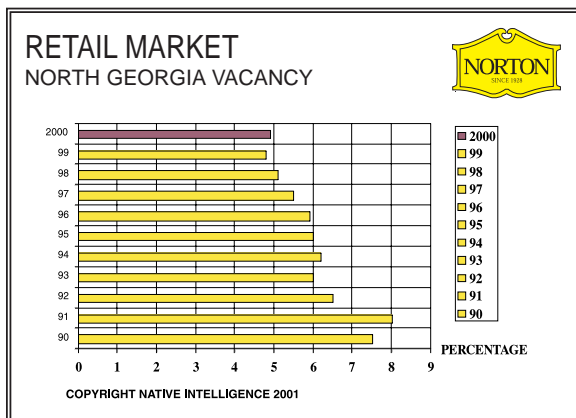
Lakeshore Mall Area	Hall County
Highway 20/GA 400	Forsyth County
Oakwood	Hall County

But like most long distant runners, it is time for retail to catch its breath. Most major chains have completed the first wave of their expansion plans in North Georgia; restaurants and movie chains have positioned themselves for growth, Mall expansion seems to be virtually complete and the big box retailers (Wal-Mart, K-mart and Target) have set up distribution channels throughout the lower Georgia mountain region. Retail sales, while strong, are well less than store capacity. The raw demographics must catch up to the overstored conditions in place today. While not economically critical, most stores are owned by well-capitalized businesses which are positioning themselves for the long haul and future demographic growth.

PRODUCT TYPES



Counties and city governments would do well to promote commerce, commercial activities balancing out their businesses and industrial initiatives with a major retail promotion. In one Georgia study of metropolitan communities, 67% of the government revenues came from sales tax revenues vs 29% from traditional ad valorem taxes. The balance of government funds came from fees, licensing, grants and collections. The government of Gwinnett certainly has figured this out. Their aggressive promotion of major retail development zones: Gwinnett Place, Mills Creek, Discovery Mills in conjunction with the development of quality office and business components have helped turn the tide of their explosive residential growth. Retail follows roof tops and roof tops don't pay their way in taxes.



Major retail expansion will slow allowing for infill and mom & pop retail to strengthen their services and merchandise mix. The E Commerce revolution may prove to be simply a minor skirmish similar to the catalog boom of the 1980's. There will be a percentage of customers who purchase the convenience, but a greater population will want to try it on, feel the fabric and smell the fragrance before purchase. The true benefit of

E Commerce is presentation and pre-purchase research for items on-line then driving themselves to the stores to test drive then to purchase. The real casualty may be the advertising media which the Internet is supplanting. A downtown resurgence is seen in Gainesville, Cumming and Clarkesville where retailers have at last figured out what attracts people to the exurban central cores. Prices for downtown properties are on the rise, buyers paying for location, character and synergy.

The Hispanic factor is having a significant effect on Gainesville retail merchant patterns. Its south side is dominantly Latin and the movement is advancing northward. High end Hispanic buyers are gravitating to Lakeshore Mall, affecting its merchandise mix and need for bilingual services. Labor continues to plague all retailers, in all areas, many restaurants run long waiting lines with whole interior sections closed because of their shortages in wait staff. This is one trend that won't be easily solved.

“If you live on this land, and you have ancestors sleeping in this land, I believe that makes you a native to this land. It has nothing to do with the color of your skin. I was not raised to look at people racially. What I was taught is that we’re flowers in the Great Spirit’s garden. We share a common root, and the root is Mother Earth.”

Oh Shinnah

COMMUNITIES

COUNTY INTRODUCTION

Ah, the ever flowing ebb of tides

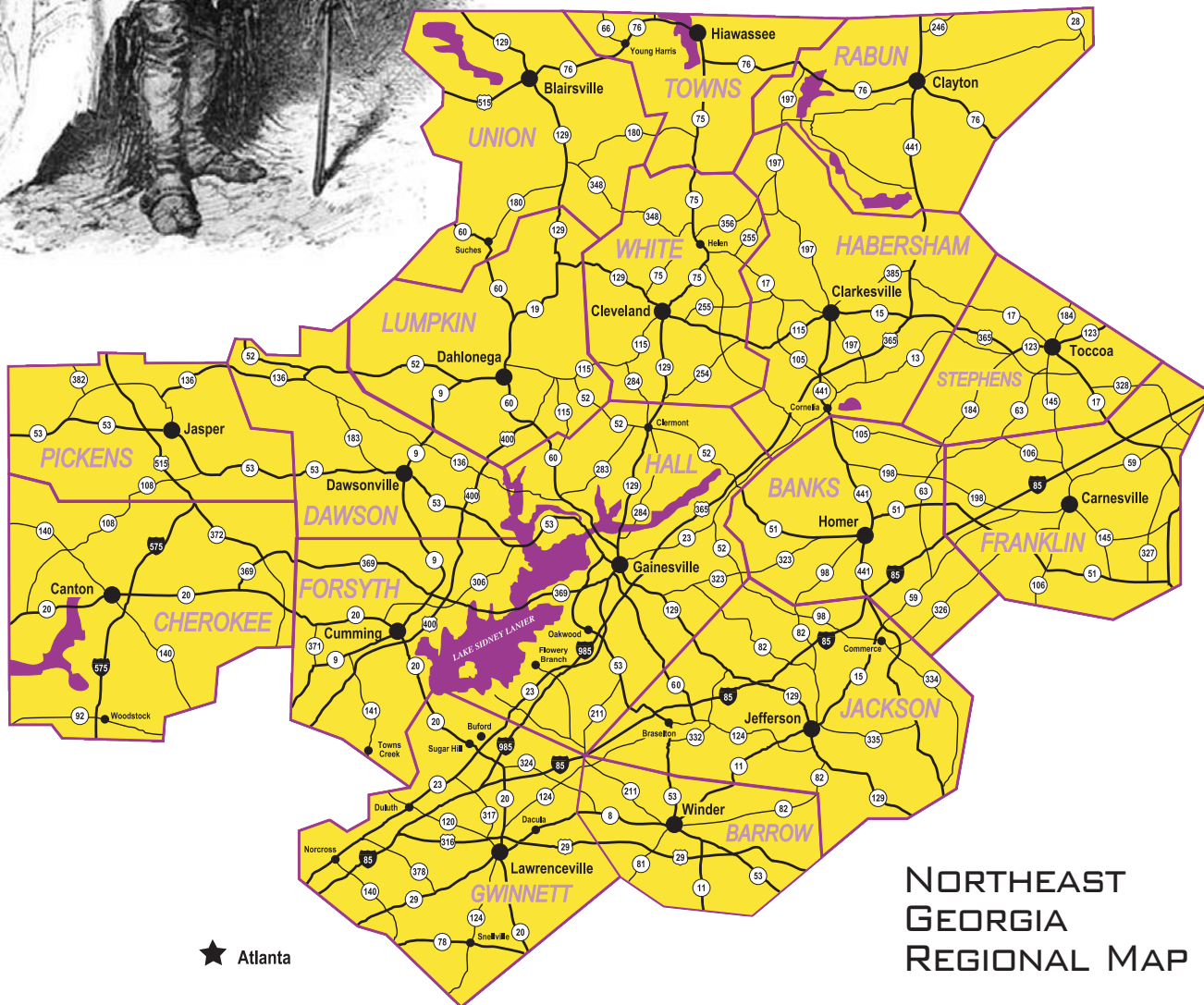
PRO DEVELOPMENT

ANTI GROWTH

PRO QUALITY

NO GROWTH

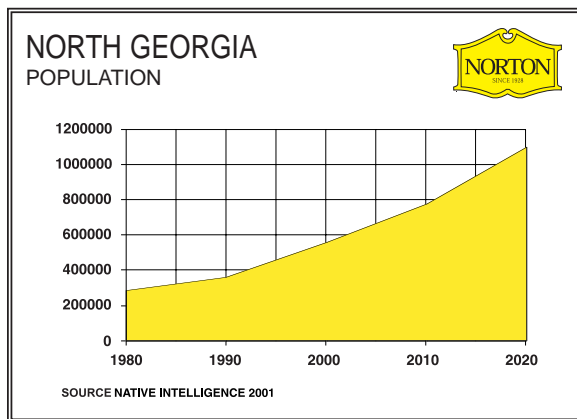
PRO TAX BASE



NORTHEAST
GEORGIA
REGIONAL MAP

Wherever we go county to county we see and read about the same cycle. To compile our report we read some 16 different daily and weekly newspapers, conducted extensive research and client sampling in order to get a sense of the public pulse, the temperature of the various counties. Yes, at times the temperature is boiling, then icy cold, but one interesting observation is that each county in North Georgia is struggling with the same basic issues.

- Old politics vs. new ideas
- Quality growth vs. anti-growth
- Expanding vs. decreasing tax base
- Over crowded schools vs. empty classrooms
- Water moratoriums vs. water storage reservoirs



Build it and they will come or don't build it and those that do come will be jammed in. But it is apparent that each county is perhaps on a different timetable of the pro-growth, anti-growth cycle.

The Forsyth zoning moratorium is a great example of "the theory of unintended consequences." Slow down growth . . . temper . . . the development frenzy . . . cool down the loud neighborhood voices . . . let Forsyth catch its breath. On the surface that sounds reasonable. Great idea, wonderful goals. Now the consequence. Residential housing permits for 1999, the period of the Forsyth moratorium, exceeded the prior year without. Forsyth's leadership apparently forgot the five to seven year inventory of pre-approved, rezoned property and undeveloped lots that continue to fuel construction. Business expansion stopped. We know of two major white collar sales and service companies which were going to relocate in Forsyth, but ended up in Sugarloaf. A loss of over 1000 employees, tax revenue and prestige. Forsyth probably got the housing, but let the real economic windfall, the commercial development, go elsewhere.

Landowners wishing to sell their property saw their buyers dry up and prices inched backward as a result of the protective moratorium. If the moratorium had protracted itself, in the short term the tax basis for Forsyth would have declined. The moratorium not only sent business folks elsewhere, it also sent a clear signal to the Atlanta community that Forsyth was behind on its planning and was having a hard time keeping up. "Forsyth can't handle the velocity of growth and maybe we should invest elsewhere." Whether it is reality or perception, perception is everything in corporate relocations and can make or break a county's economic engine.

IMAGINE . . .

Imagine a future with a streamlined government where decisions are based on the business merits of a proposition and not on politics. Imagine a system where the government leadership is more interested in the running of its operations than running against any future opposition. Imagine leaders with guts to make the hard decisions, those that move us forward, breaking the 20th Century paradigms along the way.

We've heard it said that some governments need neutron bombs fired on them to leave the buildings standing, but cleans house of all people. Government today . . . all governments are encumbered by tradition, legacy and patronage, not vision.

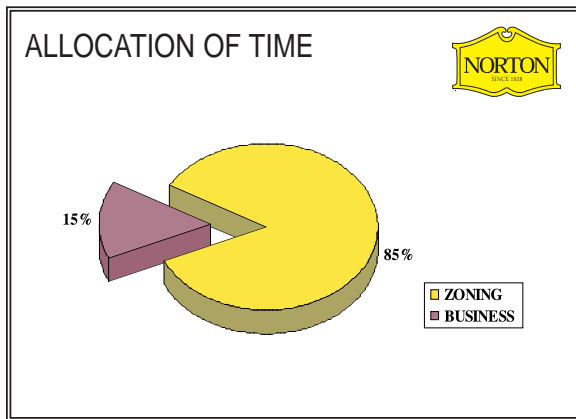
It's time for government to think outside the box . . . business has been doing that for decades, now it's government's turn.

We need to think regionally. Today's governments and counties act like middle ages fiefdoms. What happens in one county affects all the surrounding counties and so it is with each of them affecting us. When the Forsyth moratorium was in place, builders and developers accelerated the growth of Dawson. When sewer capacity reaches critical levels in north Fulton, it affects south Forsyth, so think regionally.

- that's the potential for regional landfills and waste removal services.
- regional jails
- regional human resources departments
- regional airports and regional utilities support structures.
- consolidated school systems, parks services and fire protection

- Stretch the government tax revenue, squeezing a dime out of a nickel, while building 21st century efficiency.

One fundamental problem with all governments is the attention given and priorities of issues. Most governments spend 85% of their time on zoning and land use issues and 15% of their time on running the rest of the county . . . taxes, garbage services, police and fire protection and park and rec.



It makes you wonder what could be achieved if we reversed that trend.

Have your hand out.

Create a culture of asking for infrastructure donations as part of the zoning process. Fire station sites, school sites in inventory, parkland, library sites should/could be donated up-front and inventoried for future use.

Part of that cycle:

- Hall County may be moving toward a period of slow or no growth with its two new commissioners, while;
- Forsyth has replaced its two anti-growth commissioners with pro tax base, pro-quality representatives while;
- Dawson has moved toward a reorganization of its county government structure, while;
- Jackson moves to pro-development, pro-infrastructure, while;
- Habersham forms a quality growth, slow growth coalition, meanwhile;
- White is struggling with land use issues, Banks is pro-mobile homes, pro-growth and anti change.

It is a mixed up world in North Georgia and it takes a computer program to keep up with the moving targets.

Forsyth County has increased in population from 45,000 in 1990 to 115,000 today . . . a 133% increase . . . that's on top of a 28% increase between 1980 - 90 . . . a 12% increase between 1970 - 80 or 300+% increase since 1950.

In the same time, Atlanta has grown . . . 400% . . . from 1 to 4 million. . . and over the next 50 years, Atlanta is projected to be in excess of 6 million people. Metro Atlanta grew 30.33% in the last decade alone. And Forsyth? What will it be like in 2050? Our firm projects 200,000 by 2010 and 350,000 by 2030. Hall County will surpass 200,000 by 2008 and 300,000 by 2040. Today 68% of Atlanta's business and housing growth is north of I-285 and the Georgia 400 pipeline places Forsyth, Dawson and Lumpkin right in the way of the population flood gates and clean corporate office development.

And this population is powerful . . .

- 75% are college educated**
- 45% are two income families**
- the average median household income is close to \$54,000.**

The dominant age bracket is wealthy, white, educated and pro-active. 35% of metro Atlanta office absorption was in the Georgia 400 perimeter center corridor in 1999, 40% is projected in 2000 . . . by 2005 nearly 50% of metro Atlanta office space could be at the power crossroads of 285/400 and points north. By 2010 South Forsyth will be a formidable office market. Since 1990, the price of the average Forsyth home has increased 175%. Those on Lake Lanier have surged 190%. Land prices have moved from a raw acreage price of \$8,000 in 1990 to as much as \$28,000 today in Forsyth. That's a 350% increase in value.

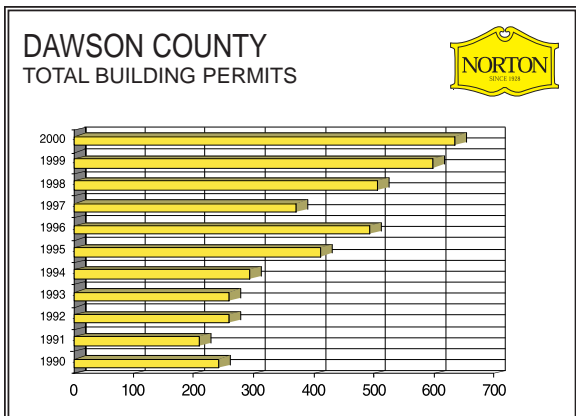
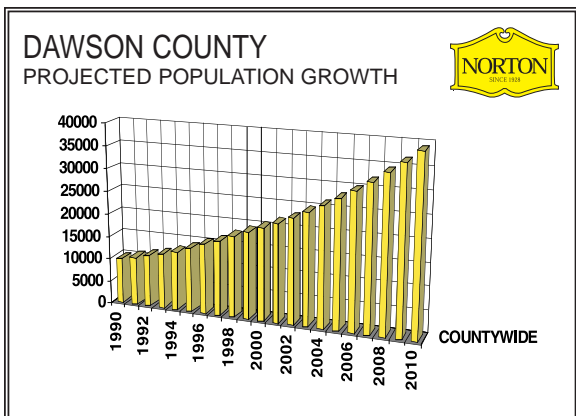
Now that we understand where we are and the velocity of our growth . . . just what are the county by county prognoses?

“How smooth must be the language of the whites, when they can make right look wrong, and wrong look right.”

From Black Hawk, Sauk

DAWSON COUNTY

In the direct path of GA 400 and the northern border of Forsyth County, Dawson has found itself in an advantageous spot. Dawson County has the opportunity to learn from the growth that has occurred in Forsyth and take advantage of Forsyth's missed opportunities. However, this will take vision and forethought by Government leaders in order to build on its small but strong foundation. But Dawson should be careful not to get ahead of itself. Land prices are already comparable to those in Forsyth, but Dawson is not yet ready to validate those land prices. The county should also be aware of the subdivision saturation and abundance of single family housing. Affordable housing will also be an issue as it has been in Forsyth as Dawson's average house price has increased by 20% over the past two years.

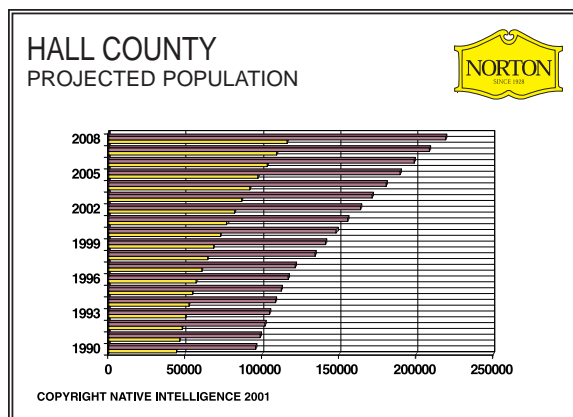


FAST FACTS HALL COUNTY

- The US Bureau of Labor Statistics projects that by 2005 the percentage of workers employed by industry will fall below 20%, the lowest level since 1950.
- Approximately 15% of Hall County is under water (Lake Lanier).
- Hall County has the state record for the most number of farms for any county in the state and the county with the largest number of mobile homes.
- Based on housing permit counts, Hall County is projected to have a population of 155,000 up from 95,428 in 1990.

HALL COUNTY

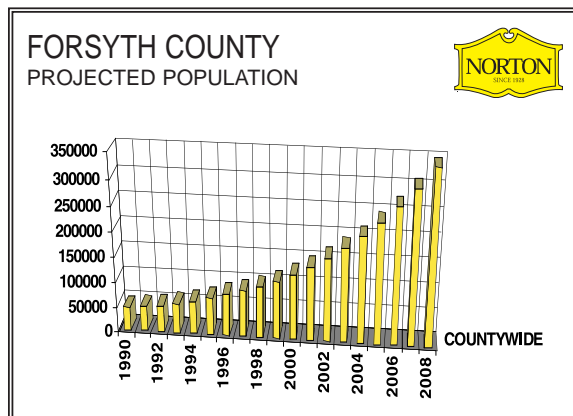
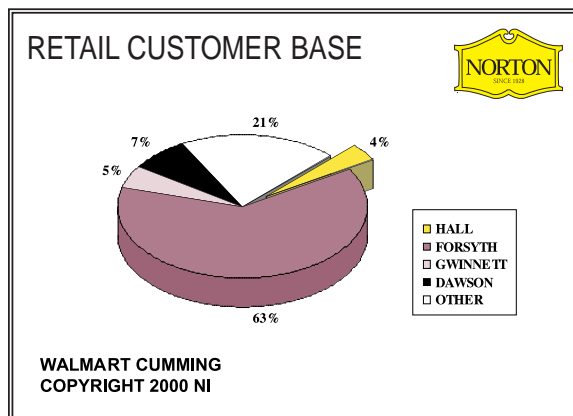
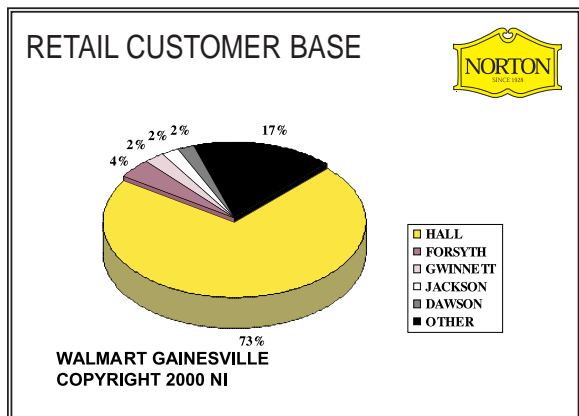
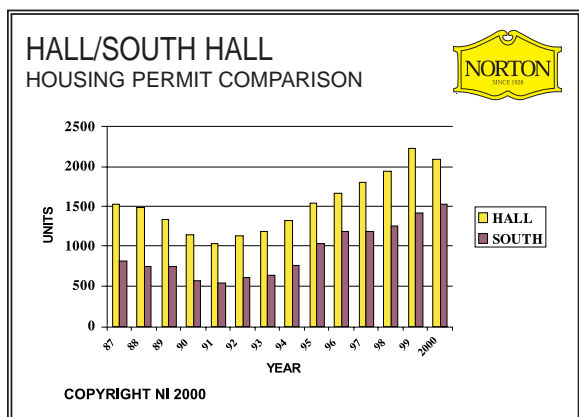
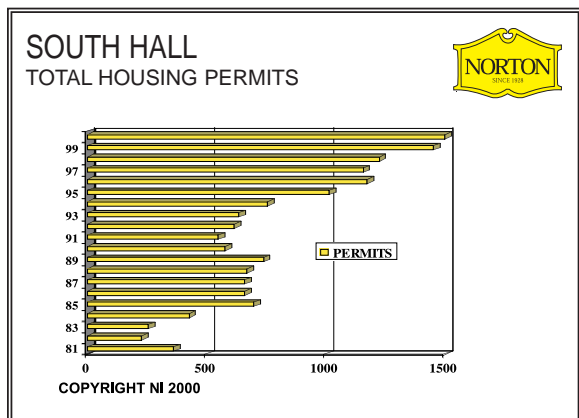
Hall County is now clearly two counties, South Hall and the rest of the county. The pressure for growth in South Hall has dictated how the rest of the county should react. All municipalities have to look at what's going on in South Hall to plan their growth. According to Norton Native Intelligence, South Hall now has over 75,000 people and those live in one quarter of the county. This is nearly half of the total population (155,000). South Hall is desirable for its affordable housing and its proximity to employment zones in Atlanta (I-85 and I-985). The residential prices are on the increase due to the soaring land prices influenced by growth in North Gwinnett. It's clearly the next domain to fall. Because of this land increase, East Hall has now become the next frontier and desired building ground for developers. Infrastructure (i.e., sewer and roads) continues to be a big topic in South Hall. Hall County will need the sewer capacity and substantial qualities in order to influence office and industry expansion and to help the balance the growth demand, relieving the bedroom community



syndrome. Norton sees an increase demand in the office and industrial market in the Flowery Branch, Oakwood, Buford and Friendship Road areas. There will be a continued push for high tech jobs put limited without server and possible corporate relocations to Lake Lanier.

FORSYTH COUNTY

Today's battleground for Forsyth is their lack of affordable housing. With the office market exploding upon GA 400 into Forsyth, the pressure and demand for housing in all price points is intense. Yet a lack of affordable housing will hurt the county's potential as a major economic force. What we do see emerging urban villages developing in pockets of Forsyth. These urban villages have become the growth catalysts for Forsyth, Johns Creek and Windemere are prime examples. Urban



villages are self-contained communities creating a live-work-play environment and supporting themselves in the way of government services. This self-supporting township is allowing the homeowners associations to gain power within the county government. School systems are improving and a new, younger government will invigorate their future. Three out of five county commissioners were replaced in this last election. The school system has made good use of their splst funds to keep pace in part with Forsyth's growth.

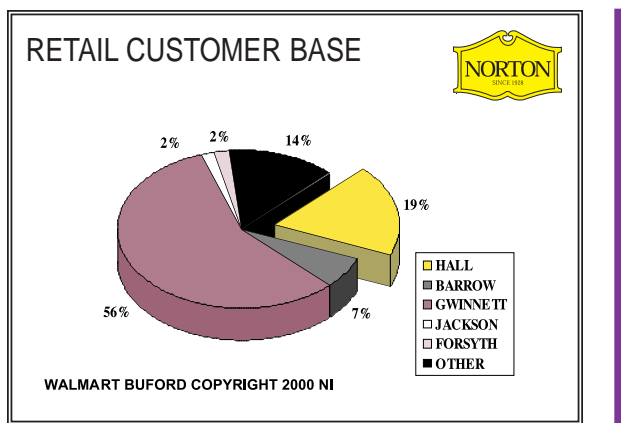
Because of increased land prices, it is next to impossible to build new homes for under \$150,000, exacerbating the affordable housing problem. Average

home price is still soaring above \$250,000. The commercial market is still making a comeback from the 1999 moratorium. The retail market in the City of Cumming is booming with giant chain stores such as Target and Home Depot setting the way. Office and industrial have yet to make a major employment impact as Forsyth is heavily weighted and dependent on the housing dynamics.

GWINNETT COUNTY

With aggressive leadership and visionary governmental, Gwinnett County has at last prepared itself for the growth that has landed in their back yard. Their new state-of-the-art treatment facility and the advance planning of the new parallel roadways are just small steps in the right direction. However, they continue to see tremendous strains on their roads and schools. The Gwinnett School System is adding classroom trailers to even brand new school buildings just to keep up the pace with the overcrowding. Additional road widening and expansion are unable to keep up with the growth, causing major commuting problems to Atlanta.

The strengthening of Gwinnett County's economic health and its future are its retail centers. Gwinnett Place, Sugarloaf and the Mall of Georgia have allowed Gwinnett County to become a destination and no longer a cut through to Atlanta. The county is finding more residents staying in the confines of the county borders and enticing citizens of surrounding counties to spend their dollars there in Gwinnett. It's money in the bank.

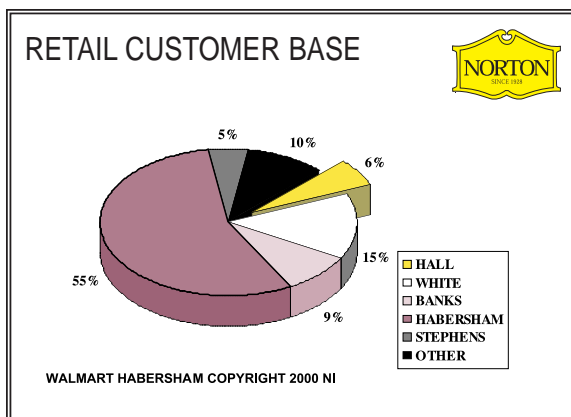


FAST FACTS DEMOGRAPHICS

- One in ten Americans is foreign born — a dramatic shift from 1970 when less than 5% were foreign born.
- Legal and illegal immigration averages 1.1 million people per year.
- Immigrants and their American born descendants will count for 60% of our population growth during the first 30 years of the 21st Century.
- In 1980, Hispanics accounted for just 6.4% of all Americans. Today it is 11% and will reach 20% by 2030.
- Together, lower birth rates and greater longevity are graying American's population profile.
- Today 3.3 workers support every Social Security beneficiary. By 2030, only 2.
- Baby Boomers will be more willing to try age restricted retirement housing than their parents, but won't have a significant effect until 2015.
- One fifth of households account for half the nation's total income in 1997.
- The top 20% of households held 84% of the marketable wealth in 1997.

HABERSHAM COUNTY

Habersham County is trying to maintain the personality of North Georgia. With the new retail and industrial centers popping up, Habersham's town squares are trying to keep their identity. Residential growth is seeing somewhat of a slowdown due to existing subdivisions being built and the lack of new ones. Large tracts of land have disappeared and raw land is overpriced. Builders are currently buying lots for approximately \$25,000 per acre throughout the county. Currently the desired home price range is \$130-\$150,000.



but these are hard to find. Mobile home lots are still continuing to grow due to the lack of affordable housing and buyers are looking for an unavailable product in land.

Commercial property is still prospering with the continued success of the retail center at Midway (Highway 441 and Highway 365). This area has become a destination shopping point for some of the northern counties. The Habersham market will stay steady for the next 12-18 months without a significant change.

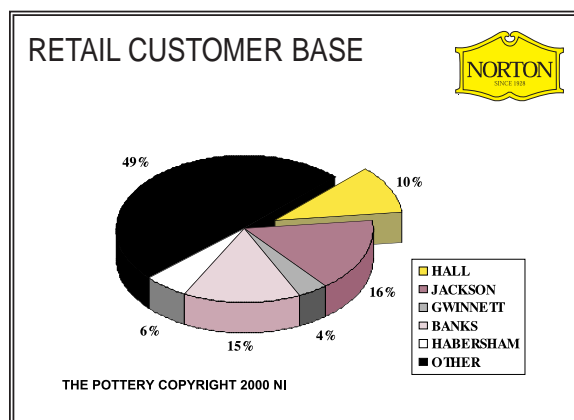
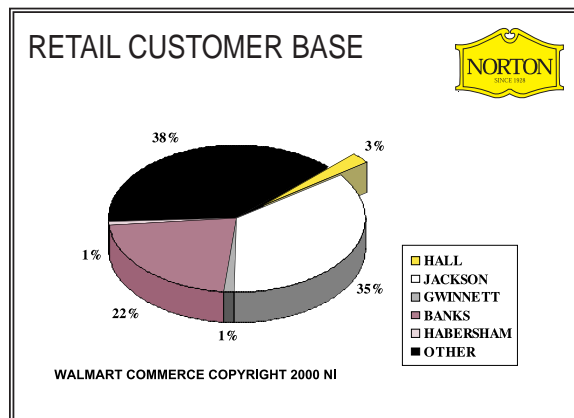
The local political arena seems to be changing with a new, younger generation seeking change. However, the government seems to be putting out fires rather than planning for the future. New schools are being built and infrastructure (i.e.: water and sewer) so far is keeping up with the growth.

LUMPKIN COUNTY

Lumpkin County is seeing the retreat of Georgians fleeing from the enormous growth of metro Atlanta. They are also seeing the relocation of North Georgia's mobile homes to their community because of the escalating land prices in surrounding communities. However, because it is located at the top of GA 400, Lumpkin will still see the growth of metro Atlanta. Lumpkin is now having the beginning effect of what has happened in Forsyth and Dawson. And, its advantage is the abundance of affordable land, which will be appealing to the second tier business market staying away from the growth and land prices to the south. New Lumpkin businesses will also be able to serve the communities to the north, which will have to pass through their backyard in order to commute to Atlanta.

WHITE COUNTY

True classic North Georgia, rolling meadows, pristine mountains and virgin valleys. But lurking amidst this ideal serenity is a problem of monster proportions. The abundant fertile rolling farms present the developer (both a mature and professional), an affordable buy in price. White County's limited development standards, lack of zoning controls and antiquated building review process over the last 10 years have created an avalanche of substandard housing construction and a mobile home Mecca. Only swift, decisive action by White County leaders can temper this lurking monster. With land in North Hall now pricing out low and moderate price housing, and with strict Hall County mobile home regulations, the market will push the onslaught toward White. Better prepare for crowded roads, crowded schools and a shortfall in tax revenue over the next 10 to 15 years.

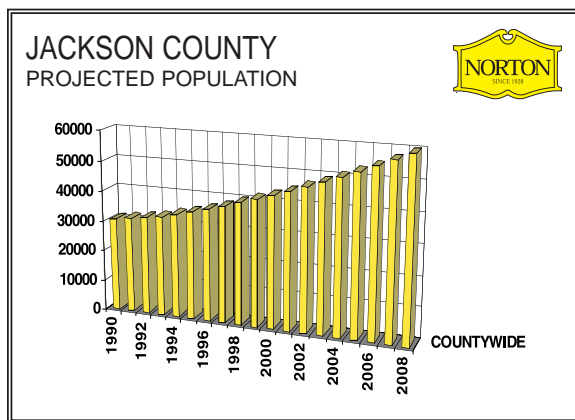


BANKS COUNTY

Slow to change, Banks County's rural two hundred year legacy is about to change. As a matter of fact, is changing, has **changed**. Real estate sales in sleepy Banks County have increased 767% over the last 10 years. The same rate of increase as exploding Forsyth. While only a fraction of Forsyth's size, Banks' growth is phenomenal nonetheless. Anchored by the Banks Crossing Mall area and pierced by I-85, the best growth is yet to come. The next 10 years will see a rise and fall and rise again of the outlet fortunes, a diversification of business toward industry and an explosion of new residents and new homes. The fortunate fact is that visionary leadership in Banks is ahead of the curve and while not fully prepared, they have wisely concentrated on the "good bone structure" of a community, **infrastructure**.

JACKSON COUNTY

By 2020, Jackson County will be the industrial capital for the State of Georgia. Jackson County has 7,000 acres of industrial zoned land, which is more than any other county situated on I-85 in between Atlanta and Greenville/Spartanburg with easy access to Charlotte and Birmingham. Jackson County's desirability for industrial relocation is accelerating. This industrial growth, the byproduct of which, is an increase in residential housing and a barrage of subdivision developments. We see a steady increase in single family home prices in Jackson County while maintaining a slight economic edge over Gwinnett and Hall housing markets. There will be a need for multifamily growth as industry will need affordable housing for its labor. Labor will continue to be an issue with the industrial relocations; however, Jackson County's location allows it to pull from a 15 county labor pool



STEPHENS COUNTY

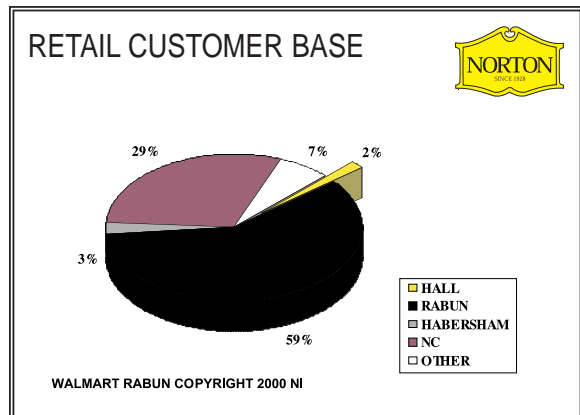
With increased accessibility, the impending Currahee Bridge development and the affordable waterfront on Lake Hartwell, Stephens County may be overcoming its two decade doldrums. The County's affordable economy, value priced land and a readily available labor base could make it a county to watch in the 2000's.

FAST FACT

- ➔ Three of the top 10 fastest growing counties in the US are located in suburban Atlanta.

RABUN COUNTY

Walmart has come to Rabun; and Ingles, and a new luxury resort community on Lake Burton and has seen a renewal of Kingswood, North Georgia's first (1970) resort. And that's just last year. Rabun's construction frenzy will continue for the rest of the decade. The world is discovering the second home benefits of Rabun and Rabun rakes in the second home tax revenue. Rabun has the potential to invest these funds for a great future.



“The old Indian teaching was that is is wrong to tear loose from its place on the earth anything that may be growing there. It may be cut off, but it should not be uprooted. The trees and the grass have spirits. Whatever one of such growth may be destroyed by some good Indian, his act is done in sadness and with a prayer for forgiveness because of his necessities...”

Wooden Leg (late 19th Century) Cheyenne

NOTES

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Frank K. Norton, Jr., President
Betty V. Norton
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The Norton Agency's Native Intelligence Division offers its clients and community organizations customized and pre-prepared seminars and workshops from 30 minutes to two hours in length. These can be arranged by appointment. Call Tommy Howard, Operations Manager at 770.718.5204 for scheduling.

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