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FOR IMMEDIATE RELEASE

Arsenal Real Estate Funds Continues Workforce Housing Portfolio Expansion with \$6.4 Million Equity Investment in Atlanta Apartment Complex

Alta Coventry Station will provide 322 garden-style rental apartments on 17.5 acres

Morristown, NJ - June 12, 2007—[Arsenal Real Estate Funds](#) today announced it is investing \$6.4 million in the development of Alta Coventry Station, a 322-unit workforce housing complex in Atlanta, GA.

Alta Coventry Station is Arsenal's third workforce housing investment announced this quarter. In April, Arsenal announced that it provided a total of \$10.25 million of financing for two workforce housing projects in suburban San Antonio, TX, including Comal Gardens, a 228-unit workforce housing complex under construction in New Braunfels, TX and Converse Heights, a 224-unit complex in Converse, TX.

“We see workforce housing as one of the most significant growth opportunities in real estate today,” says John Maurer, Partner. “The economy continues to perform well and job growth is strong. Yet, at the same time, the residential real estate boom of the early 2000's has priced many potential buyers out of the market, and the collapse of the subprime lending industry has cut off many would-be buyers from home ownership. We expect a growing need for workforce housing rental properties in the coming years.”

Arsenal is partnering with Wood Partners, the third-largest multifamily builder in the United States. With deep ties to the Atlanta market, where it maintains its worldwide

headquarters, Wood Partners has more than 4,000 multifamily units in the area, and deep knowledge of the region. John Maurer added, “Wood Partners was the ideal organization for us to join with in extending our workforce housing portfolio into the Southeast.”

Alta Coventry Station will feature 322 one-, two-, and three-bedroom apartments with an average 1,092 square feet, each with their own laundry facilities. The 17.5 acre complex will also include a swimming pool, fitness center, business center, picnic area and clubhouse.

The project is part of an Atlanta Development Authority master planned community which will include single family homes, senior rental units, townhomes, and a commercial village with lofts above retail. Ideally located along Interstate 285, Alta Coventry Gardens is just five miles from Hartsfield International Airport and 7.5 miles from downtown Atlanta.

ABOUT ARSENAL

Arsenal Real Estate Funds, L.P. ("Arsenal") is a private real estate investment manager focused primarily on higher return, value-added investments. Arsenal joint ventures with local operating partners to develop, redevelop or reposition select multi-family, office, retail and land investments in the major markets across the country.

PRESS RESOURCES

Links
Press room http://www.arsenalre.com/news.html

Web site

<http://www.arsenalre.com>

Press Materials

Logo Art (Web Ready)

<http://tinyurl.com/yrk26x>

NOTE TO PRESS

Comprehensive resources are available for this story, including executive interviews, industry sources, analyst contacts, supporting documentation, and more. Please contact Joe Crivelli at Gregory FCA, at 610-642-8253 extension 123 if you have any questions or need more information.

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