



# ACCESS

News of Interest for Investors and Industry Professionals

*“Everything will be alright  
in the end,  
so if it is not alright,  
it is not yet the end.*

— Sonny, *The Best Exotic  
Marigold Hotel*

### We're looking At:

- Bannockburn Office  
10 Year Net Leased to  
NorthShore University  
HealthSystem  
Chicago, Illinois
- 700,000 sq. Trophy  
Retail Sponsor Equity  
Arlington, Texas
- 288 Units Midwest  
Residential Property  
Kansas City, Missouri

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## WATERFRONT SHOPPING CENTER PITTSBURGH, PA

Syndicated Equities joined M&J Wilkow in its \$125,000,000 acquisition of The Waterfront. This “Class A”, 765,000 square foot shopping center is anchored by national credit tenants and is located in one of the nation’s strongest and most diverse local economies.

The Waterfront is approximately 89% leased, and 83% of its total area is leased to tenants that have been in occupancy since 2001. The property is expected to remain stabilized and maintain its dominant position in the marketplace throughout our projected hold period.



M&J Wilkow has been acquiring and managing real estate for over 75 years and, at present, its portfolio contains 15 retail properties consisting of approximately 1.7 million square feet.

The projected average, cash-on-cash annual yield for this investment is 7.70% with an IRR expectation of approximately 10.50%.

## LINCOLNWOOD PROPERTIES - LINCOLNWOOD, IL

Syndicated Equities is pleased to announce our recent \$6.4 million acquisition of two retail developments at Touhy Avenue & McCormick Boulevard. The newly constructed properties include Five Guys, The Vitamin Shoppe, Verizon Wireless and Chipotle, all of which are leased with 10 year terms. MB Financial provided a 10/25 loan at 4.77%. Projected average 10 year returns for Syndicated investors are approximately 7.85%.





PRESIDENT'S LETTER:  
Richard Kaplan,  
President & Founder  
Syndicated Equities

Strategic partners allow us to present institutional quality investment opportunities to our investors. Over the years, we have been fortunate that these partnerships have given us access to best in class hotels, retail and office properties. During the past year, we have once again been fortunate to expand our partnerships to include first tier companies that have exemplary reputations in their fields. M&J Wilcow, Hamilton Partners, The Talisman Group, White Oak...each have a national presence and we are very pleased to be associated with them as they acquire properties throughout the country.

People often ask, "How do we find the properties we choose to invest in?" My pat answer is that we "trust our system." One example is a property here in a nearby Chicago suburb which we expect to close on in December. One of our team members talked to a broker who had a friend who worked in New York who was the son of the friend of the owner and was given the "OK" to talk to a few people about the off market property. We were told of the deal and quickly learned that the seller was a person I had known for over 40 years and had, in fact, just seen him with his wife at a movie the prior weekend. The "system" actually works very well in that we have a wide network of relationships,

many developed over decades of being in the business and we are presented with numerous opportunities each week. Sorting through the binders full of prospective deals is an arduous and time consuming process, but our team is efficient and we know it when we see it.

An interesting statistic...We have over 800 investors of which 405 have invested in our last four acquisitions and over 80% have invested in multiple properties. Additionally our investor list has grown over 15% during the past 12 months. We are very appreciative of the participation and depth of our investor network and the ability they give us to commit to quality investment opportunities.

A final thought is centered around the real estate market. There appears to be a renewed energy among many professionals which I believe is spurred on by the availability of financing. With interest rates at unprecedented lows and the increasing willingness and often eagerness of lenders to make loans, projects are back to being fully financed. The hope is that, in a prudent manner, this activity continues and jobs are created. The cycle of investment, development, leasing, rental and sale is the key to the recovery of the real estate market and there are some positive signs that the wheel is beginning to turn.

## Fashion Outlets of Las Vegas - Las Vegas, NV

We are pleased to report our participation in the \$105,000,000 recapitalization of the Primm Shopping Center just outside of Las Vegas, Nevada. The 375,000 square foot outlet mall is a premier destination for those traveling between Las Vegas and California. The property is 97% leased with over 70 nationally recognized retailers including Neiman Marcus, Williams Sonoma, Ann Taylor, Polo Ralph Lauren, Tommy Bahama, Banana Republic, Nike, Old Navy and Gap.

Syndicated made a \$3,500,000 investment in the Property, which provides investors with a priority distribution of cash flow and sale proceeds, along with a residual interest in sale profits.

Syndicated projects that this investment will produce an average annual cash-on-cash yield of 8.90%

*Fashion Outlets of Las Vegas*

The image displays a collection of logos for various retail partners. At the top, the text "Fashion Outlets of Las Vegas" is written in a serif font. Below this, the logos are arranged in a grid-like fashion. On the left side, from top to bottom, are the logos for BANANA REPUBLIC, HOLLISTER CALIFORNIA, GAP, and COACH. On the right side, from top to bottom, are the logos for TOMMY HILFINGER, ANN TAYLOR, Neiman Marcus (in a script font), POLO RALPH LAUREN, and the Nike swoosh logo.

## Net Lease Trends Hold, Demand Remains High

Over the past few months since our last newsletter, trends in the net lease market have sustained. A confluence of factors, such as low interest rates, low returns on CD's and desire for long-term stability, continue to draw investors to the net lease property market. Though development activity for retailers has slowly increased, there is still more demand than supply, and as a result cap rates have inched lower.

Perhaps the most interesting development in the net lease property market is the downgraded credit rating of Walgreens by both Moody's and Standard and Poor's following the drugstore's \$6.7 billion investment in Alliance Boots, a European health and beauty retailer and wholesaler. Though analysts expect the acquisition to boost Walgreens' corporate earnings, the leverage used for the investment forced the ratings agencies to downgrade the company's credit from "A" to "BBB" (Standard & Poor's).

Walgreens property owners shouldn't fret, however. A "BBB" rating is still considered "investment grade" and only carries a 2% chance of default. Additionally, the rating drop has not been accompanied by a downturn in investor demand for these assets or financing opportunities. Syndicated Equities Investment Sales Group represents many investors and developers of Walgreens properties, and recently put three different properties under contract at lower cap rates than were achieved for similar deals prior to the credit downgrade.

If you have a property you are considering for sale and would like an opinion of value, are an investor with an appetite for net-lease properties, or would simply like to know more about this market of investment properties, please do not hesitate to call Isaac Metzger or Jason Schwartz at 312-640-9020.

## 1031 Activity Intensifies

Net Lease investment properties have long been a haven for investors looking to complete 1031 tax-deferred exchanges, and Syndicated specializes in assisting clients in search of replacement properties. If you are approaching a 1031 exchange and would like to explore the possibility of acquiring a net lease property, please call Isaac Metzger or Jason Schwartz at 312-640-9020.

## Net Leased Properties Currently For Sale/Pending



650 Dixie Highway  
Chicago Heights, IL

**FOR SALE**

**Price: \$4,545,455**

S&P Rating: BBB



8300 Lemont Rd.  
Darien, IL

**FOR SALE**

**Price: \$5,244,755**

S&P Rating: BBB



816 E. Roosevelt Rd.  
Lombard, IL

**FOR SALE**

**Price: \$2,887,950**

Allstate Subsidiary



444 Skokie Blvd.  
Northbrook, IL

**CLOSED**

**Price: \$3,273,000**

S&P Rating: A-/Stable

## Syndicated Equities Expands Investment Sales

Jeff Malach has joined Syndicated Equities to expand our Brokerage practice into the multi-family and mixed-use asset classes. Prior to joining Syndicated, Jeff was an Investment Analyst at a real estate private equity firm focusing on multi-family assets and, before that, he was an Associate at a civil litigation firm in Chicago, IL. Jeff holds a J.D. from Chicago-Kent College of Law and a B.A. from the University of Michigan. Jeff is a member of the Illinois State Bar and a licensed Illinois Real Estate Broker.

Jeff has extensive knowledge working with 'distressed' assets, from short sale to REO. Jeff works closely with receivers and lenders to source opportunities for investors and property owners, and he has worked with investors in the acquisition of REO properties as well as the tracking and acquisition of properties at auctions.

If you are an owner seeking buyers for properties in the Chicago area or an investor interested in purchasing an asset, please contact Jeff Malach at 312-640-2607.

## Regarding Leasing

“If at first you don’t succeed, try, try again.” At several of our retail and office properties, we and our operating partners continue to face challenges leasing space and retaining tenants. The commercial and leasing markets are still slow and are tied closely to the recurring economic conditions. Four years since the economy crashed, new tenants are rare, and existing tenants are expensive to retain. How are we responding? First, we keep trying. We pursue every viable lead, continually evaluate leasing agents, and try to find creative solutions to reach mutually agreeable terms with tenants. Second, we move forward in ways that we can, improving the properties in terms of aesthetics and infrastructure and relentlessly pursuing real estate tax appeals. There are no magic solutions to market challenges, but working diligently and in good conscience ensures that we make the most of any situation.

## 1031 Exchanges

Providing trade opportunities for 1031 exchange candidates has long been a trademark of Syndicated Equities. Many of the properties we acquired from 1997 through 2008 were structured to accommodate 1031 investors. As the real estate market collapsed, trades were curtailed as “no one was selling for a profit”, and that part of our business diminished. Over the past year we have seen the return of the 1031 exchange and have been structuring many of our new acquisitions to facilitate the requests we are receiving. Our recent Lincolnwood retail property included several trade investors, and the new Bannockburn Medical Office building will be similarly structured. If you or any of your clients are seeking replacement properties, either whole or partial interests, please contact us for current offerings.

## Overheard



*“I don’t like to complain, but he should’ve created some jobs, too.”*

## Syndicated Equities Family News

Dear Investors,

I wanted to let you know that I recently decided to retire from Syndicated Equities.

Since 2001, when I joined Richard Kaplan and the Syndicated Team, we have worked tirelessly to provide to you, our cherished clients and investors, the most professional and accessible real estate advisory services and investment products in the industry. We have tried to understand your investment objectives and to identify opportunities for you to achieve your goals, and always respond to you in a timely and sincere fashion along the way. I have been privileged to get to know many of you and to count so many of you as my friends. I assure you that Syndicated is fully staffed by Richard Kaplan, Matt McCulloch, Michael Crandall, Rene Ristau, Bob Handler, and a great team.

I have no immediate plans for the future, other than to focus my energies on my family, as my boys grow very fast and my eldest is off to college in two short years. I look forward to staying in touch with you once I settle into my new routine. My contact information is below.

Thank you for the opportunity to work with you and for allowing me to get to know you. I have been honored by your loyalty and trust over the years. I wish you continued success.

Warmest Regards,

Jill Sickle  
jill.sickle@gmail.com

2145 N. Sedgwick  
Chicago, IL 60614

## Net Lease Brokerage News

Syndicated Equities Net-Lease Brokerage Group assists individual investors in the evaluation and acquisition of well-located single tenant net-leased property. If you are a developer/owner seeking buyers of net-leased properties or an investor interested in purchasing these types of assets, please call:

**Isaac Metzger** 312-640-9018  
[imetzger@syneq.com](mailto:imetzger@syneq.com)

or

**Jason Schwartz** 312-640-9016  
[jschwartz@syneq.com](mailto:jschwartz@syneq.com)