

ACCESS

News of Interest for Investors and Industry Professionals

Richy's Rules:

- Everyone looks at everything differently ...
- Buy the ticket!
Take the ride!
- Always pick up the penny.
- You didn't choose this fight, but it's one you must win.

We're Looking at:

- Government Building
Pueblo, Colorado
- Residential Development
Chicago, Illinois
- Prominent National
Credit Tenant,
Land Lease
Chicago, Illinois

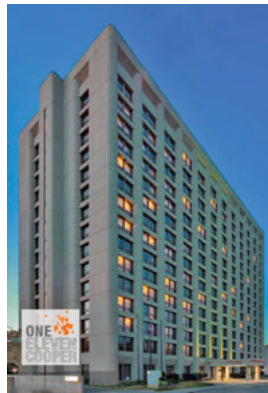
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UPSCALE STUDENT HOUSING PROPERTY OTTAWA, CANADA

Syndicated Equities recently provided mezzanine financing for a student housing redevelopment in Ottawa, Canada. The existing property, which was formerly a hotel, is a 17-story, 133,013 square foot building that will consist of 222-



units featuring superior amenities and finishes aimed at students. The property will serve students from the University of Ottawa and Carleton University, and is located in

an area known as “The Golden Triangle,” which houses many of the city’s main retail and dining venues. Collective enrollment at the two universities exceeds 65,000 undergraduate and graduate students. Syndicated’s approximately \$8,000,000 mezzanine loan provides investors with a priority distribution of both cash flow and sale/refinance proceeds. The redevelopment is projected to return an annual cash-on-cash yield of approximately 10% over an anticipated holding period of 18-36 months. Moreover, the mezzanine financing will earn accrued interest paid upon maturity, which is expected to produce an Internal Rate of Return of 11.45%.

SOUTH LOOP APARTMENT DEVELOPMENT CHICAGO, ILLINOIS

Syndicated Equities recently made a commitment to invest in an apartment building development in the South Loop neighborhood of Chicago, Illinois. Located at 817-907 South Wells Street, the mid-rise apartment building will feature 86 upscale units along with covered parking. The property, which is being developed by Michigan Avenue Real Estate Investors, is located in a highly desirable location two blocks east of the Chicago River, across the street from the British School’s new campus, and within walking distance of the Roosevelt Collection. We are enthusiastic about once again investing alongside Michigan Avenue Real Estate Investors, with whom we recently invested approximately \$6 million in the development of 331 apartments and 2 commercial units in Chicago’s West Loop neighborhood. This investment is projected to produce an Internal Rate of Return of approximately 15% over 5-7 years. Should you have any questions about this opportunity, please contact Michael Crandall or Tracy Treger in our Chicago office.





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

My 3 year old grandson's favorite color is red; it predisposes his decisions on many issues, especially the socks he chooses to wear each morning. Investors, ourselves included, often have equally predisposed expectations when it comes to the returns they seek from real estate investments. Our platform at Syndicated is aimed at providing a variety of opportunities for our investors, whether it be a long-term GSA leased facility, preferred equity for student housing development, new apartment construction or net leased retail. Each of these investment types offers a different type of investment risk and commensurate rate of return. These rates of return are market driven, and given today's high demand for core, income producing investments, rates are being compressed.

As we move forward and identify new investment opportunities for our investors, we are often challenged to find high-quality opportunities that match previous return expectations. We learned long ago not to compromise our standards and chase returns. Like my grandson, we are unyielding.

* * *

Throughout the past several months, we attended several national real estate seminars. Highlighted reports include:

interest rates will remain low with a potential increase not seen until mid/late 2015; lenders are being as aggressive as they were in 2007; big box retail development is on the decline; housing starts are falling short of predictions; banks are full of cash; core properties are in high demand; foreign money is still flowing strongly to the US (especially from China and South America); European growth is at a standstill; unemployment continues to decline; and wage acceleration is unexpected until the unemployment rate falls below 5.5%. Also, experts are predicting US economic growth at 4%-5% over the next 12-24 months and are optimistic about the economy.

Key phrases heard at the same seminars and conferences: "Sovereign Wealth Fund Fatigue," which is the trend toward fewer foreign investments; "Wide Open Architecture," which indicates growing interest by funds in non-core investments (i.e. truck terminals, self-storage, resort parks); "Ships With Good Stewards"; "Funds Managed By Experienced Managers"; and "Core With A Scratch," which means institutional quality properties with minor issues.

As always, we appreciate our loyal clients, welcome our new investors and thank you all for your confidence and trust.

UPSCALE STUDENT HOUSING PORTFOLIO AUSTIN, TEXAS

Syndicated Equities is pleased to announce our recent investment opportunity in two student housing properties located at the University of Texas in Austin. The properties, known as 21 Rio and Texan 26, currently maintain occupancy levels between 97% - 100%. 21 Rio is a 158 unit, 21-story luxury apartment building that was developed in 2009. Texan 26 is a newly built, 53 unit, six-story apartment building. Both are situated in Austin's desirable West Campus neighborhood, just a short walk from the University of Texas campus and the "Drag", a dense retail and entertainment corridor featuring school-related retailers, coffee shops, bars and restaurants. The properties will be managed by CA Student Living, an established developer, owner, and manager of student housing properties that Syndicated partnered with on two other projects this year. Syndicated made over \$6,000,000 of equity available to investors and projects the annual cash-on-cash yield to be approximately 7.50% over 5 years.



Net Lease Market





Now that we've entered the fourth quarter, Syndicated Equities is preparing for the significant increase in net lease sales volume that occurs between now and December 31st. This year we anticipate even more fervor from both buyers and sellers as the supply of net leased product is scarce compared to the high demand from investors seeking such assets. Loan interest rates are also back to historical lows, and buyers are seeking to lock-in long-term financing to generate attractive cash yields on these stable assets.

Currently, interest rates for loans on properties leased to investment grade net lease tenants are between 4.25% and 4.75%. In some situations, when dealing with life companies or CMBS loans, rates can get as low as 4%. These historic rates have been one of the key driving factors behind the cap rate compression that's occurred over the past four years. As such, investment grade tenants are now trading in the following ranges:

Tenant	2013 - 2014 Cap Rates
Walgreens & CVS.....	5.00% - 5.50%
Dollar General.....	6.25% - 6.75%
Tractor Supply Company	6.00% - 6.50%
Rite Aid.....	7.00% - 7.50%
Bank Branches	4.00% - 4.75%
McDonald's	4.00% - 4.50%

If you are interested in learning more about the net lease market, selling a property or finding a replacement property, please reach out to Jason Schwartz at 312-640-9016 or Jessica Healy at 312-640-9028.

Net Leased Properties Currently For Sale

 <p>Washington</p> <p>Price: \$11,000,000</p> <p>S&P Rating: BBB</p>	 <p>Michigan</p> <p>Price: \$4,000,000</p> <p>Terms Remaining: 15 years</p>	 <p>Portfolio (Multiple Sites)</p> <p>Price: \$20,000,000+</p> <p>S&P Rating: BBB</p>	 <p>Family Dollar Rite Aid CVS Dollar General Tractor Supply Company Walgreens Bank Branches</p>
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Net Leased Properties Sold/Pending

 <p>Chicago, IL</p> <p>SOLD</p> <p>Price: \$7,578,000</p>	 <p>Chicago, IL</p> <p>SOLD</p> <p>Price: \$6,150,000</p>	 <p>Multiple Locations</p> <p>UNDER CONTRACT</p> <p>Price: \$9,378,198</p>	 <p>Pinellas Park, FL</p> <p>SOLD</p> <p>Price: \$1,916,667</p>
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Fan Mail

Dear Richard,

We were referred by our loyal Advisory Board Member Cynthia Simpson.

Mrs. Jordan and the Board of Directors would like to thank you for your generosity and kindness in referring Michael J. Tuchman of Levenfeld Pearlstein, LLC to assist with our lease negotiations for our new space at 737 N. Michigan, Chicago, IL.

Mike assigned attorney Joseph Cohen, who did a superior job. We appreciate the pro bono services and wanted to be sure you realized how much the support meant to the foundation.

We would love to speak with you this week if you have a moment in order to share our gratitude. It is because of individuals like yourself we are able to achieve our mission of strengthening families through education and partnerships.

Mike and Joe thank you also.

Warm Regards,
James R. Jordan Foundation

FEA National Convention Nashville, Tennessee

In September, Tracy Treger and Jessica Healy of the Syndicated team attended the Federation of Exchange Accommodators (FEA) Annual Conference in Nashville, TN. The FEA is the only national trade organization representing qualified intermediaries (QI's), their legal and tax advisors, and other businesses who work directly with tax-deferred exchanges under Section 1031 of the Internal Revenue Code. Syndicated joined the FEA this year to increase our interactions with the QI community and to support the legislative efforts to keep the tax benefits of 1031 exchanges intact. Providing 1031 clients with viable exchange property, featuring attractive, long term cash flow is a critical part of our business and is always top of mind.

The three day conference was part of our continuing efforts to support Section 1031 and the qualified QI community. At the conference, Tracy presented on a panel about replacement property options and 1031 exchanges for multiple investors. Jessica and Tracy both learned new best practices for successfully completing exchanges, and cultivated relationships with QI's across the nation. If you are preparing for a tax-deferred exchange, please feel free to call us.



The Voice of the 1031 Industry

Overheard



"As you go through life, take time to monetize the roses."

Minneapolis Investor Meeting

In our continuing effort to expand our interactions with investors, the Syndicated team took a road trip last month to Minneapolis.

We had a productive and rewarding trip, meeting with potential strategic partners and investment sources, qualified intermediaries, and, of course, current and prospective local investors. As always, we particularly value the opportunity to get to know our investors individually in person and to answer questions about Syndicated, our investments, and current trends in the real estate market.

Plans for a Syndicated visit to California in early 2015 are currently underway.