\<Property Name\>

\<Address\>

Logo

\<Property Picture\>

Investment Memo
Confidential

\<Date\>

Logo

Executive Summary

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Snapshot

Property Name	<Property Name>
Property Address	<Address>
Market / Submarket	xxxx
Year of Completion	yyyy
Number of Units	xx
Buildings	Two, four-story buildings
Property Class	xx
Ownership Interest	xx
Occupancy	xxx% (as of mm/dd/yy)

- Two four-story midrise style buildings comprising a total xx residences, consisting of:
    - xx one-bedroom, one-bathroom units
    - xx two-bedroom, two-bathroom units
- Average residential unit size is xxxx square feet
- Parking Ratio of 1:1 with two heated attached garages
- The property has two retail spaces totaling xxxx square feet
- Additional amenities including 24-hour maintenance, new construction, secured entry, boutique & elevator building, and a rooftop

<Property Picture>

<Property Picture>

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Logo

Key Investment Information

Going-in Cap Rate	x.xx%
Purchase Price	$xx
Per Unit:	$xx
Per Square Foot:	$xx
Total Investment at Purchase	$xx
Per Unit:	$xx
Per Square Foot:	$xx
Total Loan Proceeds	$xx
Total Loan-to-Cost	xx.x%
Total Equity Investment	$xx

Residual Cap Rate	x.xx%
Residual Sale Price	$xx
Per Unit:	$xx
Per Square Foot:	$xx
Project Leveraged IRR	xx.xx%
Project Equity Multiple	xx.xX
Project Unleveraged IRR	x.xx%
Project Unleveraged Equity Multiple	x.xxX
Investor Leveraged IRR	xx.xx%
Investor Leveraged Equity Multiple	x.xxX
Average Cash-on-Cash Return	x.xx%

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Market Dynamics

Positives	Potential Challenges

▲ Proprietary Deal –

- Deal was organically brought to client and will not involve a broker and the associated fees. client received this deal without any competition

Excellent Location –

- Walk Score: xx; Transit Score: xx; Bike Score: xx

- <Location> has become a vibrant and popular neighbourhood for young professionals, middle-income families, and some of <city>'s most innovative researchers and entrepreneurs

Strong Rent Growth –

- The <Location> submarket has experienced strong rent growth over the past few years

- The effective rent grew x.x% from $xx in 1Q17 to $xx in 2Q17

- Annual effective rent growth is forecasted to be x.xx% in 2018 and average x.xx% from 2019 to 2021

Strong Occupancy Rate –

- The market's occupancy rate increased from xx.x% in 1Q17 to xx% in 2Q17 and is expected to remain strong at xx% through the end of 2021

Nearby World-Class Innovation Hub –

- A xx-acre, $xx research facility called <Famous Institute> has been announced to be coming up just a block away from <Property Name>

▼ Supply –

- Due to the rise in popularity of the <Location> neighbourhood, several alternative luxury apartment buildings are either in construction or recently opened, which may flood the market with excess supply of units

- client plans to evaluate additional nearby acquisitions to create operating synergies for <Property Name>

- However, the newer properties in the submarket are charging $xx+ per foot whereas client plans to charge about $xx per square foot for <Property Name>

Economy –

- In the event of an economic down-turn, potential residents may become more price sensitive to luxury rental options like at <Property Name>

- However, the <Location> and specifically <Property Name> has competitive rent prices which would make it more favourable for rent sensitive tenants than alternative neighbourhoods like <Competitive Locations>

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Location

Logo

Property Highlights

- <Property Name> is located in the <Location> neighborhood of <City> with <Important Landmark> only a couple blocks to the east, <Important Landmark> to the south, and <Important Landmark> to the north

- The Property is just minutes from entrances to several interstates, including I-90/94, I-290 and I-55 just a few blocks from famous <Important Landmark>, which provide access to areas throughout the greater <City>land area and beyond

- Additionally, <Property Name> has several public transportation hubs nearby including the triple-connected CTA station located at <Important Landmark> and <Important Landmark>. <Retail chain one> and <Retail chain two> are within a mile of <Property Name>

- Lastly, the University of xx is building an innovation and research center called <Famous Institute, a xx-acre entrepreneurial hub that will be located just a few blocks south of <Property Name>

<Property Picture (Google Map)>

Logo

Aerial view

The snapshot gives an aerial view of the <Property Name> property and nearby amenities and attractions

<Property Picture (Google Map)>

Logo

Public Transit Map

The public transit map provides a bird's eye view of the public transport connectivity

<Property Picture (Google Map)>

Investment Rationale

Transaction Highlights

1. True Off-Market Transaction & Further Acquisition Potential

Only Buyer

- client was the only potential buyer offered the opportunity to acquire the property owned by <Seller>

- Relationship with client helping to avoid broker involvement, thereby expediting the entire process and likely to garner aggressive pricing

Courtesy First Look

- The executed Letter of Intent includes a provision that client receive a "courtesy first look" at the Seller's other development projects located within the city of <City>

- While not a formal right of first offer, this grants client the potential to further acquire high-end apartment product in a highly institutional submarket on an off-market basis

- The ability to acquire additional properties would create economies of scale as client would be able to efficiently manage the individual assets as one portfolio. This potential efficiency is in addition to those already existing within client's owned and managed portfolio

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Location Advantage

2. Well-Located Asset Proximate to Major Employment Centers, Transportation, Retail, Schools & Affluent Multi-Family

The <Location> neighborhood boasts exceptional demographics, with <Property Name> attracting some of the most affluent and educated residents in the city. Within a ¼ mile radius of the property:

- Average household income is over $xx

- Median occupied home values are just above $xx, xx% higher than the median home value of the <City> Metropolitan Statistical Area (MSA), $xx

- xx% of the population has attained a bachelor's degree or higher, and xx% has attained a master's degree or higher

- Population growth since 2010 has been nearly xx% and is projected to grow an additional x% through 2022

Connectivity	Recreational Attractions	Other Attractions

• Walking distance from the <Location>, which is a center of employment for <City>
 	
• Located on the prestigious <Location>, one of the major north/south thoroughfares in the city
 	
• <Important System>, <City>'s bicycle sharing system with over 6,000 bikes and 580+ stations, has three stations within x.xx miles of <Property Name>
	• <Property Name> is at a walking distance from the following:
	  • The Field Museum
	  • Adler Planetarium
	  • Shedd Aquarium
	  • The Art Institute of <City>
	  • Grant Park
	  • Millennium Park
	  • Maggie Daley Park
	  • Soldier Field
	• <Important Landmark> and <Important Landmark> hotel are part of the creation of a brand-new entertainment district near the <Location>
		• <Property Name> is located near <City>'s popular <Important Landmark>
		
		• The residents of <Property Name> have access to multiple attractions:
		  • Beaches
		  • xx+ mile lakefront jogging and biking path
		  • Burnham Harbor
		  • Northerly Island – home to the Huntington Bank Pavilion and 40-acre park

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Property Features

3.I Luxury Product

- In-unit washer and dryers
- Bamboo hardwood flooring
- Bosch stainless steel appliances with gas range
- Oak and grey cabinetry with 42" upper cabinets
- Solid-surface stone countertops
- Ten-foot ceilings
- Custom organizers in all closets
- Balconies with wood-look porcelain tile
- Wine racks above the bar area
- Crown melding
- Showers with body sprays

<Property Picture>

<Property Picture>

Market Perception and Comparables

3.2 Under-Rented Tenancy

Property Rents

- <Property Name> has an average rental rate of $xx, or $xx per square foot
- Top finish quality of the units
- Current rents at the Property are well below market

Transaction Specifics

- Constructed in yyyy, and the Seller (original developer), leased the property through a third-party leasing broker leading to quicker transaction process but not at premium rates

Market Premium

- Market premium of $xx per month is proposed to be added to the rent at the beginning of the second year to bring prices in line with market supply and demand of similar properties

Parking Revenue

- Every unit, as part of its base rent, receives an assigned parking spot in the first-floor heated garage of its respective building
- client plans to offer parking as a separate charge to new residents, and has assigned a value of $xx per parking space, consistent with inferior parking options offered by competing properties
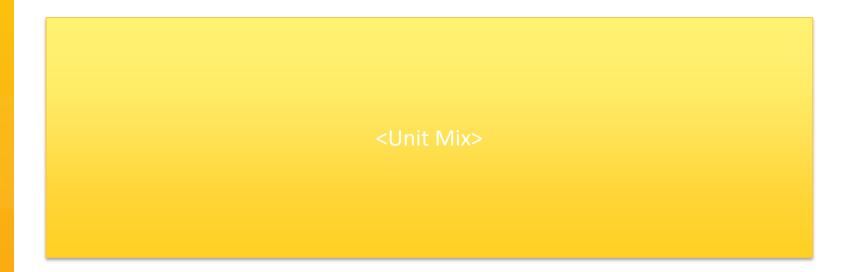
Rents of Comparable Properties

- The rental rates would still be below that of similar competing properties and below new construction product. While new construction apartment product may offer additional common area amenities, the finish quality and unit size is likely inferior to the Property
- New construction rents in this submarket are also typically projected above $xx per square foot, net of concessions, with stabilized rents over $xx per square foot

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Key Statistics

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Unit Mix

<Unit Mix>

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Rental Rate Comparison

<Rental Rate Comparison of one and two bedroom apartments with other competitors>

Recent Sales Comparisons

<Rental Sales Comparisons>

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Financial Highlights

Logo

Returns Summary

<Returns Summary from the Financial Model>

FINANCIAL HIGHLIGHTS

Historical Financials & Projected Cashflows

<Historical and Projected Cashflows from the Financial Model>

Historical Financials & Projected Cashflows

<Historical and Projected Cashflows from the Financial Model>