



SARA INVESTMENT REAL ESTATE LLC

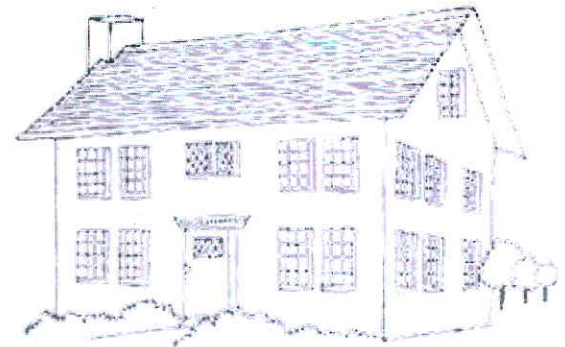
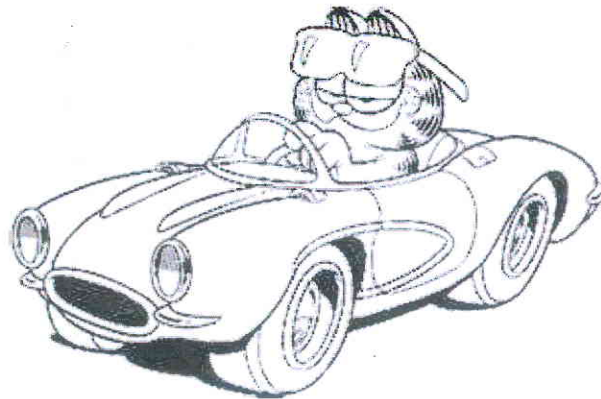
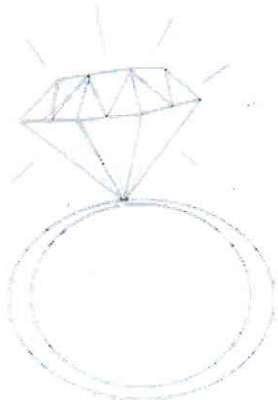
Presented by: Eric M. Schwartz

Definition of an Appraiser

1. To evaluate, especially in an official capacity.
2. To estimate the quality, amount, size, and other features of; judge.



What Gets Appraised?



Appraise This...



SARA INVESTMENT REAL ESTATE LLC

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Company Profile

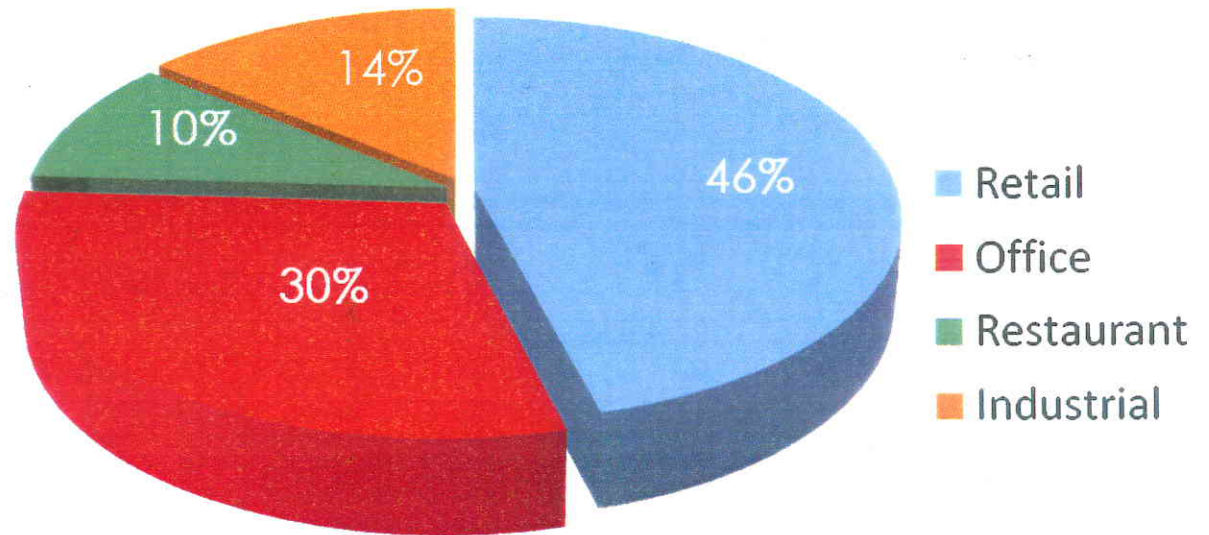
- Founded by Eric Schwartz in 1997
- Sara is a full service real estate company offering expertise in the areas of:



- Current holdings of \$125 million plus in office, retail, industrial and flex space
- Committed to building long-term partnerships with our tenants and investors



2011 Portfolio



2011 Portfolio

Total Number of Tenants	167
Total Number of Properties	56
Total Square Footage	1,108,070 S.F.
Average lease Term	4.3 years
Average Lease	3,429 S.F.
Number of Employees	20

Recent Acquisitions

**1273 & 1279 Capitol Drive
Pewaukee, Wisconsin**

Acquisition Date:	May 2011
Use:	Retail
Square Footage:	20,000
Purchase Price:	\$2,900,000
Acquisition Timeline:	90 days
Cap Rate:	9.6%



Recent Acquisitions

**9809 & 9779 Franklin Drive
Franklin, Wisconsin**

Acquisition Date: June 2011
Use: Multi-Tenant Office
Square Footage: 64,000
Purchase Price: \$5,550,000
Acquisition Timeline: 90 days
Cap Rate: N/A



Recent Acquisitions

**909 Perkins Drive
Mukwonago, Wisconsin**

Acquisition Date: September 2011
Use: Industrial
Square Footage: 43,000
Purchase Price: \$1,750,000
Acquisition Timeline: 90 days
Cap Rate: 10.2%



Recent Acquisitions

**6309-6313 McKee Road
Madison, Wisconsin**

Acquisition Date: October 2011
Use: Retail
Square Footage: 20,000
Purchase Price: \$4,720,000
Acquisition Timeline: 90 days
Cap Rate: 9.5%



Pending Acquisition

**2080-2100 Miller Park Way
Milwaukee, Wisconsin**

Acquisition Date: December 2011
Use: Retail
Square Footage: 38,000 SF + Sonic
land lease
Purchase Price: \$5,650,000
Acquisition Timeline: 90 days
Cap Rate: 9.5%



Recent Build to Suit

**Home Health United
3700 E. Racine Street
Racine, Wisconsin**

Square Footage:	7,000
Total Project Cost:	\$1,200,000
Completion Date:	Spring 2011
Cap Rate :	8.7%



Recent Build to Suit

Settlers Bank
128 Commerce Drive
Deforest, Wisconsin

Square Footage: 10,000
Total Project Cost: \$2,500,000
Completion Date: Spring 2011
Cap Rate : 8.5%



Recent Build to Suit

Charlie's County Market
521 Main Street
Shawano, Wisconsin

Square Footage: 44,000
Total Project Cost: \$4,500,000
Completion Date: Summer 2011
Cap Rate : 10.4%



Recent Build to Suit

Anytime Fitness
420 Highway 12
Baraboo, Wisconsin

Square Footage:	5,000
Total Project Cost:	\$750,000
Completion Date:	Fall 2011
Cap Rate :	9.7%



Investor Trends in the Marketplace

- Sara raised \$8.5 million in 2011
- Investors are fatigued
- Commercial real estate is one of the few places where investors can get an 8% + return
- The average investment for an individual has been dropping over the past three years.
- Our average investor in 2011 put \$100,000 into a project as opposed to \$250,00 three years ago
- Prior to 2008 we could get a deal done with 10% down. Now we need 30%



Financing Trends in the Marketplace

- Local community banks pro-actively seeking loans in 2012.
- Five year fixed financing at attractive rates between 5% and 5.5%.
- Typically able to secure LTV of 75% to 80% of purchase price. This still requires a 30% to 35% equity contribution to cover soft costs.
- Re-financing of existing product is difficult due to decreasing values
- Lenders as sellers have become much more flexible in 2012.
 - Motivated to move distressed assets off their books at steep write downs
 - Some lenders will finance the projects to turn into performing loan



Transaction Trends in the Marketplace

- Shortage of quality acquisitions available.
- Sellers looking for quick close. Ability to move quickly can take precedence over a higher price.
- Selling of B and C grade real estate is difficult due to lack of buyers and difficulty in the financing market.
- Leasing activity has remained fairly constant although lease values are down.



THANK YOU



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