



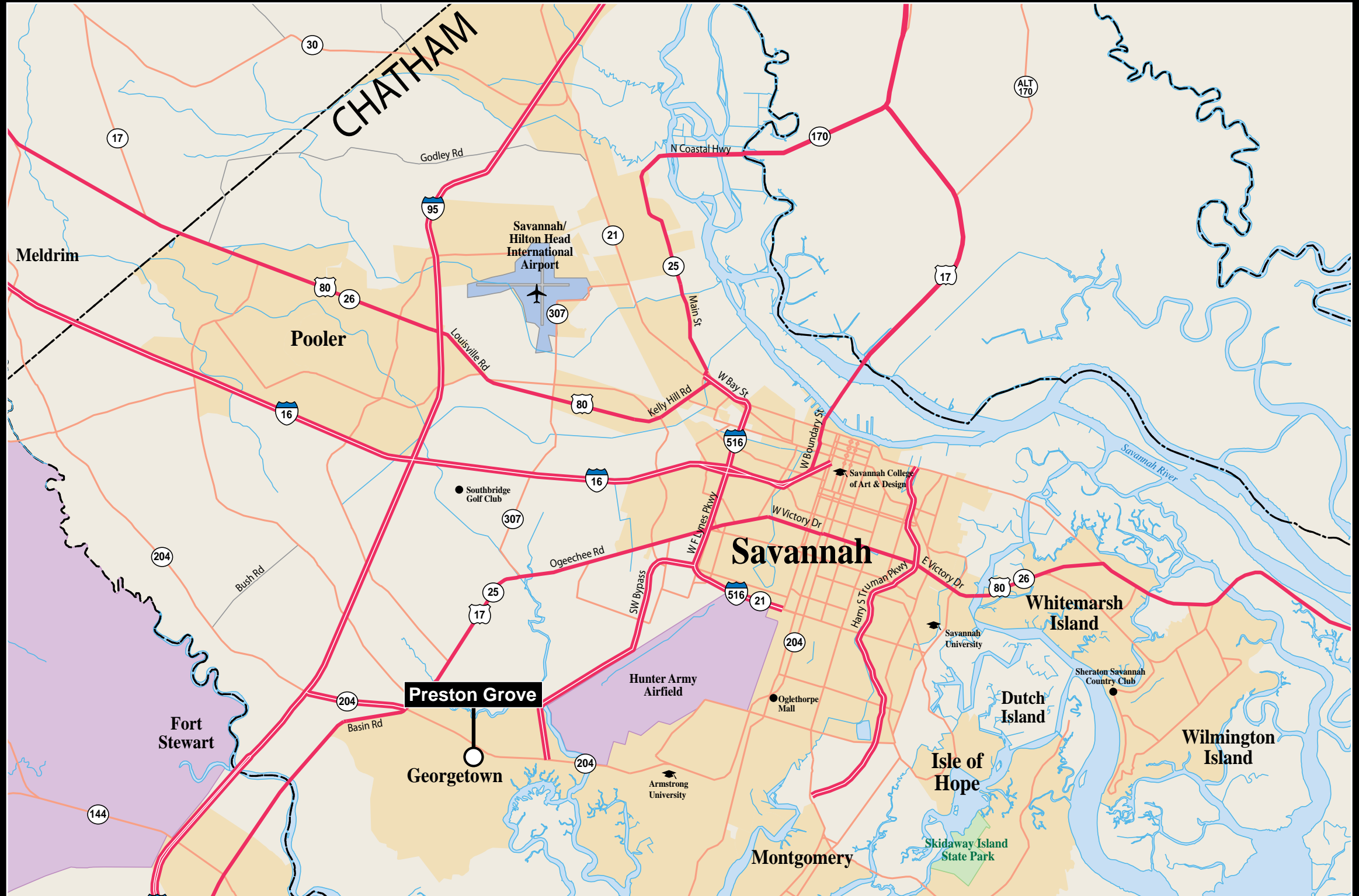
## MULTIFAMILY INVESTMENT OPPORTUNITY

1825 Grove Point Road, Savannah, Georgia  
Presented by Jones Lang LaSalle Americas, Inc.



JONES LANG  
LaSALLE®







■ **DIRECTIONS FROM SAVANNAH HILTON HEAD AIRPORT**

**Address:** 1825 Grove Point Road, Savannah, GA 31419

Head North on Airways Ave toward Patrick S Graham Dr. Turn left to merge onto I-95 South. Take exit 94 for GA-204 toward Savannah/Pembroke. Turn left onto GA-204 E/Abercorn St. Continue to follow GA-204 E. Turn right onto King George Blvd. Turn right onto Grove Point Rd, and the entrance for Preston Grove will be on your left.

■ **TOUR DATES**

3/13, 3/14, 3/20, 3/21, 3/27, 3/28, 4/3, 4/4, 4/10, 4/11

■ **OFFERS DATE**

April 12

■ **COMMUNICATION**

All inquiries and requests relating to the property should be directed to a member of the Jones Lang LaSalle marketing team below. For questions specifically relating to our data room or copies of this offering memorandum and other marketing materials, please contact Dee O'Shea at 404.995.2315.

■ **CONTACTS**

**Derrick Bloom**  
 Managing Director  
 404.995.2287  
 derrick.bloom@am.jll.com

**Porter Jones**  
 Vice President  
 404.995.2333  
 porter.jones@am.jll.com

**David Gutting**  
 Managing Director  
 404.995.2283  
 david.gutting@am.jll.com

**Christie Hawver**  
 Associate  
 404.995.6367  
 christie.hawver@am.jll.com

**Vince Lefler**  
 Senior Vice President  
 404.798.9589  
 vince.lefler@am.jll.com

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## ■ DISCLAIMER

This Offering Memorandum is provided for the sole purpose of allowing a potential investor to evaluate whether there is interest in proceeding with further discussions regarding a possible purchase of or investment in the subject property (the “Property”).

The potential investor is urged to perform its own examination and inspection of the Property and information relating to same, and shall rely solely on such examination and investigation and not on this Offering Memorandum or any materials, statements or information contained herein or otherwise provided.

Neither Jones Lang LaSalle, nor any of its partners, directors, officers, employees and agents (“Agents”), make any representations or warranties, whether express or implied, by operation of law or otherwise, with respect to this Offering Memorandum or the Property or any materials, statements (including financial statements and projections) or information contained herein or relating thereto, or as to the accuracy or completeness of such materials, statements or information, or as to the condition, quality or fitness of the Property, or assumes any responsibility with respect thereto. Such materials, statements and information have in many circumstances been obtained from outside sources, and have not been tested or verified. Projections, in particular, are based on various assumptions and subjective determinations as to which no guaranty or assurance can be given.

Without limiting the foregoing, in the event this Offering Memorandum contains information relating to asbestos or any other hazardous, toxic or dangerous chemical, item, waste or substance (“Hazardous Materials”) in relation to the Property, such information shall in no way be construed as creating any warranties or representations, expressed or implied, by operation of law or otherwise, by Agents or the owner, as to the existence or nonexistence or nature of Hazardous Materials in, under, on or around the Property.

This Offering Memorandum is provided subject to errors, omissions, prior sale or lease, change of price or terms and other changes to the materials, statements and information contained herein or relating to the Property, and is subject to withdrawal, all without notice. The contents hereof are confidential and are not to be reproduced or distributed to any person or entity without the prior written consent of Agents or used for any purpose other than initial evaluation as indicated above.







## EXECUTIVE SUMMARY

Jones Lang LaSalle is pleased to present **Preston Grove**, a 192-unit garden style apartment community located in the Georgetown submarket of Savannah, GA. Built in 1999, Preston Grove’s complete package of amenities include: a luxurious resort-style swimming pool, a 24-hour fitness center, tennis court, volleyball court, car wash, business center and a gorgeous lake. With apartments that are nicely appointed with gourmet kitchens, spacious closets, outside storage units, and huge porches, it is not surprising that occupancy at the property has averaged nearly 95% over the last seven years.

Preston Grove is strategically positioned near area economic drivers including: St. Joseph’s Hospital, Fort Stewart, Armstrong Atlantic University, Hunter Army Airfield and the Savannah Mall. The Property’s prime location has major thoroughfares at its fingertips, such as Abercorn Expressway, Hwy 17, Veterans Pkwy, I-516 and I-95, connecting residents easily and conveniently to Historic Downtown Savannah, Savannah/Hilton Head International Airport and the Port of Savannah.

### ■ INVESTMENT HIGHLIGHTS

- Class A Property in High Growth Coastal Market
- Port of Savannah – Fastest Growing Port in U.S.
- New Jobs – Gulfstream (1,000 jobs), Mitsubishi (500 jobs), EFACEC Group (1,500 jobs)
- World-Renowned Savannah College of Art and Design
- \$2 Billion Tourism Industry
- Organic Rent Growth – 8.8% Rent Growth from Bottom
- Consistent Demand – 95% Occupancy Average over 7-Years
- 16% to 18% - Year 1 Cash on Cash Returns
- No New Development in Pipeline
- Est. Market Rent Growth over 5% Y-o-Y



### Unit Mix & Market Rent Summary

Unit Type	No. of Units	Unit Mix	Unit SF	Market Rent	Market Rent PSF	Annual Rent
1BR/1BA	48	25%	817	\$855	\$1.05	\$492,480
1BR/1BA	8	4%	824	\$875	\$1.06	\$84,000
2BR/2BA	30	16%	1,150	\$1,007	\$0.88	\$362,520
2BR/2BA	82	43%	1,138	\$1,002	\$0.88	\$985,968
3BR/2BA	24	13%	1,362	\$1,224	\$0.90	\$352,512
Subtotals/Avg	192	100%	1,075	\$988	\$0.92	\$2,277,480

### Property Summary

1825 Grove Point Road, Savannah, GA 31419

Year Completed	1999	Avg. Market Rent	\$988
# of Units	192	Avg. Market Rent PSF	\$0.92
Net Rentable Area (SF)	206,400	Land Area (Acres)	15.95
Avg. SF per Unit	1,075	Density	12.04
Occupancy	96.4%	Parking	307
# of Residential Buildings	8	Parking Ratio	1.60

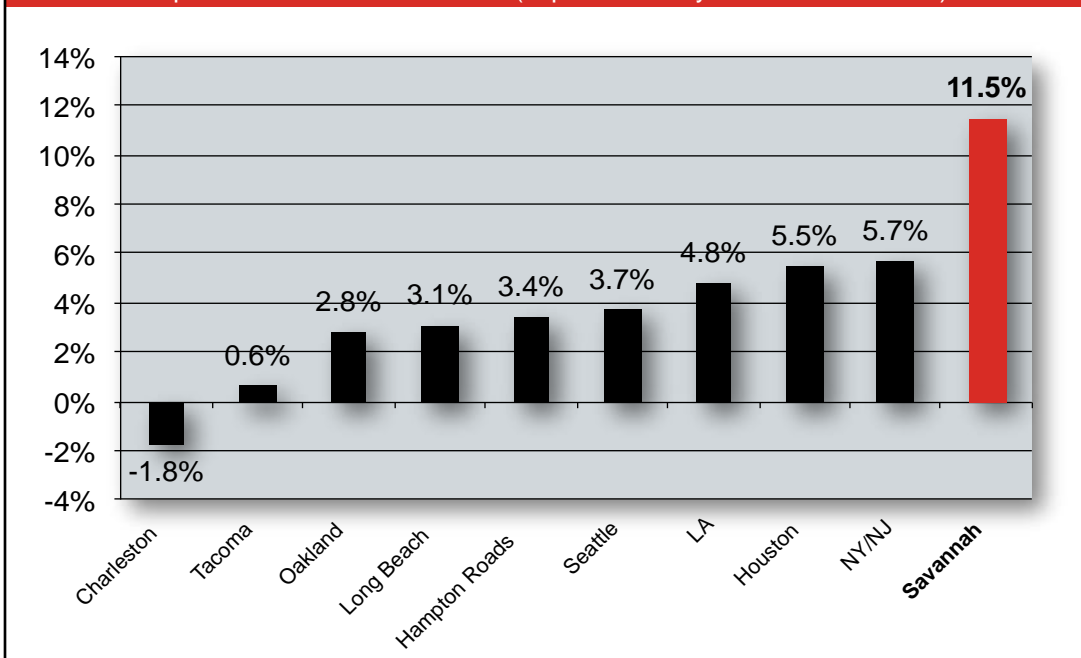


■ **EXPLODING PORT OF SAVANNAH**

The Port of Savannah has long been essential to the city's economy, and it is a vital base for exporting goods manufactured in the southeastern United States. Located along the Savannah River 18 miles from the Atlantic Ocean, it is operated by the Georgia Ports Authority (GPA), and consists of two large terminals, the Garden City Terminal and the Ocean Terminal. Between the two terminals, there are 18 berths with 1,400 acres of terminal area, making the Port of Savannah the largest port in the U.S. by size. Currently ranked 4th in loaded containers annually, Savannah saw its annual tonnage increase an average of 11.5% from 2000-2010, the fastest growth of any U.S. port.

The port has many advantages driving its rapid growth, including a superior location and a seamless transportation network. Savannah's western most point along the Eastern U.S. seaboard allows shipments to reach 44% of the population within a one day's drive and 70% within two days, creating the cheapest form of transportation. Savannah is poised for growth due to these advantages. The GPA's anticipated \$1.2 billion global trade investment over the next decade will accommodate international demand fueled by the Panama Canal expansion and new Panamax ships expected in 2014.

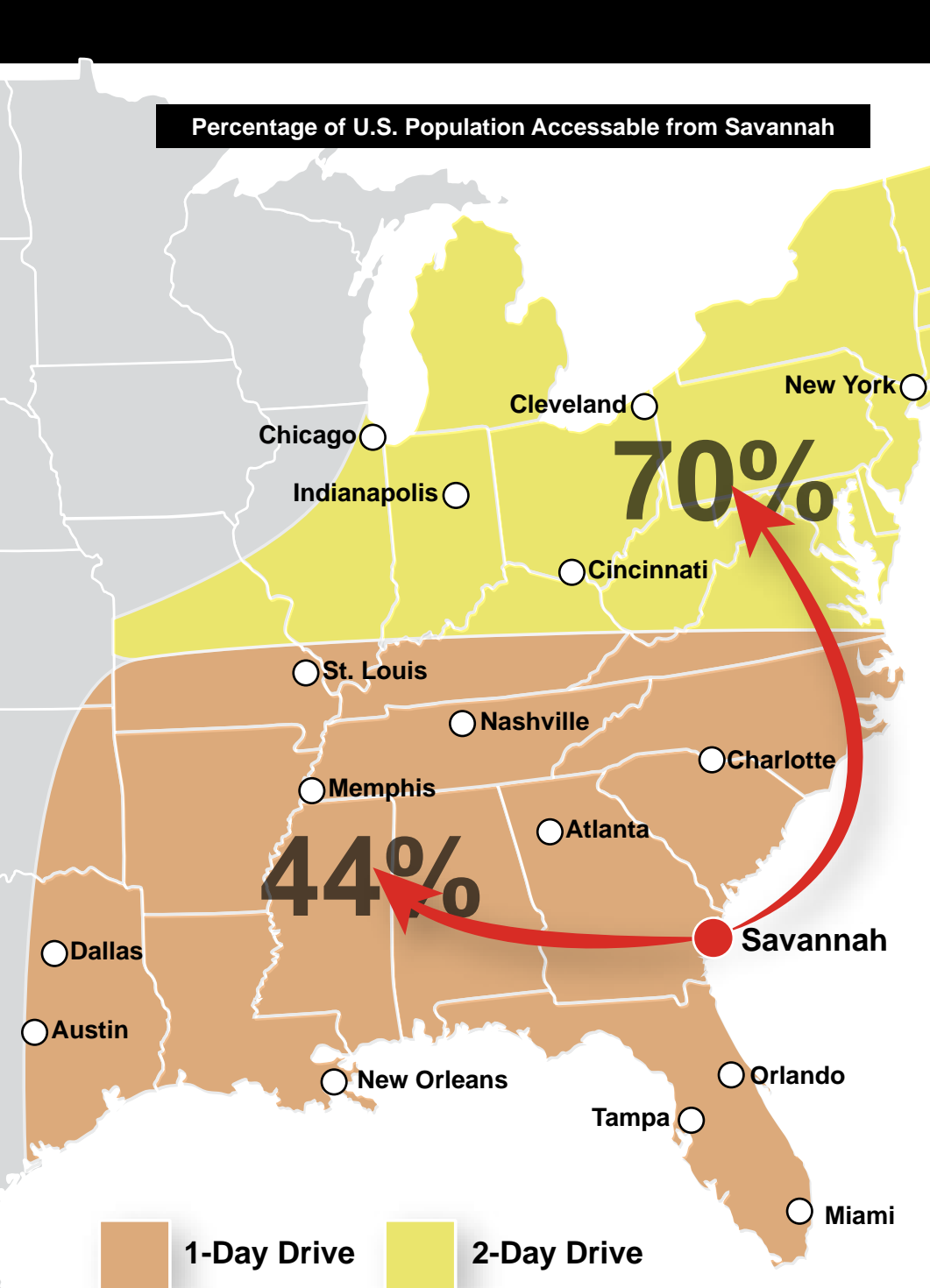
10-Year Compound Annual Growth Rates (Top 10 Ports by Volume 2000-2010)



Source: Georgia Ports Authority



Percentage of U.S. Population Accessible from Savannah



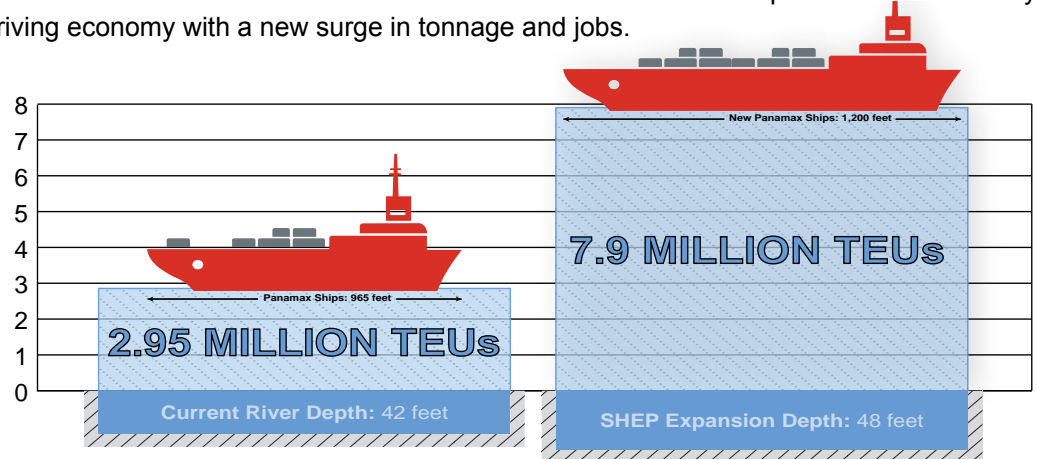
**PANAMA CANAL EXPANSION PAVES BRIGHT FUTURE FOR SAVANNAH'S SURGING ECONOMIC ENGINE**

Due to the growing demand for supertankers and even larger ships, the Panama Canal is expanding to meet the world's demand for ships that are currently too large to pass through the canal. The government of Panama is currently constructing a third and deeper set of locks at the Panama Canal to allow larger ships to pass through the canal and avoid the long trip around South America. This new expansion will double the tonnage of goods that can pass through the Panama Canal aboard a single ship, from 4,500 TEUs\* to 8,000 TEUs. These "New Panamax" ships will flow to American ports from Panama in 2014.

The demand for deep water ports along the Atlantic will drastically increase after this expansion. This change is needed as the United States' largest port, Los Angeles/Long Beach, and many along the Pacific, have no more room to expand, thus shifting new traffic to the East Coast. The Savannah Harbor Expansion Project (SHEP) will meet this need by deepening the Savannah River from its current level of 42 feet to 48 feet. This effort will ensure the Port of Savannah keeps pace with the growing demands of world trade.

Outside the Port of Savannah, the Georgia Ports Authority is working closely with federal and state agencies toward the approval of the proposed deepening of the Savannah River by six feet. In January, Georgia Governor Nathan Deal proposed including \$46 million worth of bonds in his 2013 budget proposal for the Savannah Harbor Deepening.

In the most recent year available (2011), the Port of Savannah recorded 2.95 million TEUs, and the American Association of Port Authorities projects the Port of Savannah will handle 7.9 million TEUs in 2030, tripling its current level. With these changes, the Port of Savannah will establish itself as the destination for "New Panamax" sized ships and bolster the city's thriving economy with a new surge in tonnage and jobs.



\*Twenty-foot Equivalent Units

Source: American Association of Port Authorities





**■ TRANSPORTATION & CONNECTIVITY**

The Port of Savannah's unparalleled access to major interstates, rail lines, and an airport is one of the reasons that the Port of Savannah has been the fastest growing major port in the United States in the last decade.

- Within the Port, the Garden City and Ocean Terminals are within 6 miles of either Interstate 95 or Interstate 16, and within 12 miles of both interstates. Interstate 95 connects Savannah south to the Florida Keys and north to Maine. Interstate 16 (east/west), provides a direct route to Atlanta, the 9th largest metropolitan area in the United States, as well as the largest transportation hub in the U.S. Southeast. As a strategic gateway, virtually all of the fastest growing U.S. population centers are effectively served via Savannah.
- In addition to great interstate access, the Port of Savannah enjoys direct access to two rail lines, Norfolk Southern and CSX, each with a rail line that terminates at the Port. While other South Atlantic ports have rail service “near” their port, Savannah provides the unique advantages of “on-terminal” rail. The ability to move seamlessly from vessel to rail has allowed the Port of Savannah to expand its range westward, serving many markets traditionally served only via the U.S. West Coast.
- The Savannah/Hilton Head International Airport is less than 2 miles away from the Port of Savannah, and less than 7 miles from downtown Savannah. Delta, United, and US Airways all operate daily flights, totaling over 100,000 flights and almost 1,000,000 passengers flown annually.

**■ AUXILIARY DISTRIBUTION GROWTH**

Due to the Port's strategic location and superior transportation options, Savannah is home to numerous distribution centers. Georgia is home to over 220 distribution centers, and the Savannah area is home to 24 major distribution centers taking advantage of the Port and transportation options.

- Gulfstream recently announced plans for a \$500 million investment that will add 1,000 jobs to its current 6,500 employees. In mid-2011, the new Mitsubishi plant opened Phase I of its \$325 million investment slated to add 500 new jobs.
- Major distribution centers near the port include IKEA, Target, Walmart, The Home Depot, Electrolux, Lowe's and Best Buy.

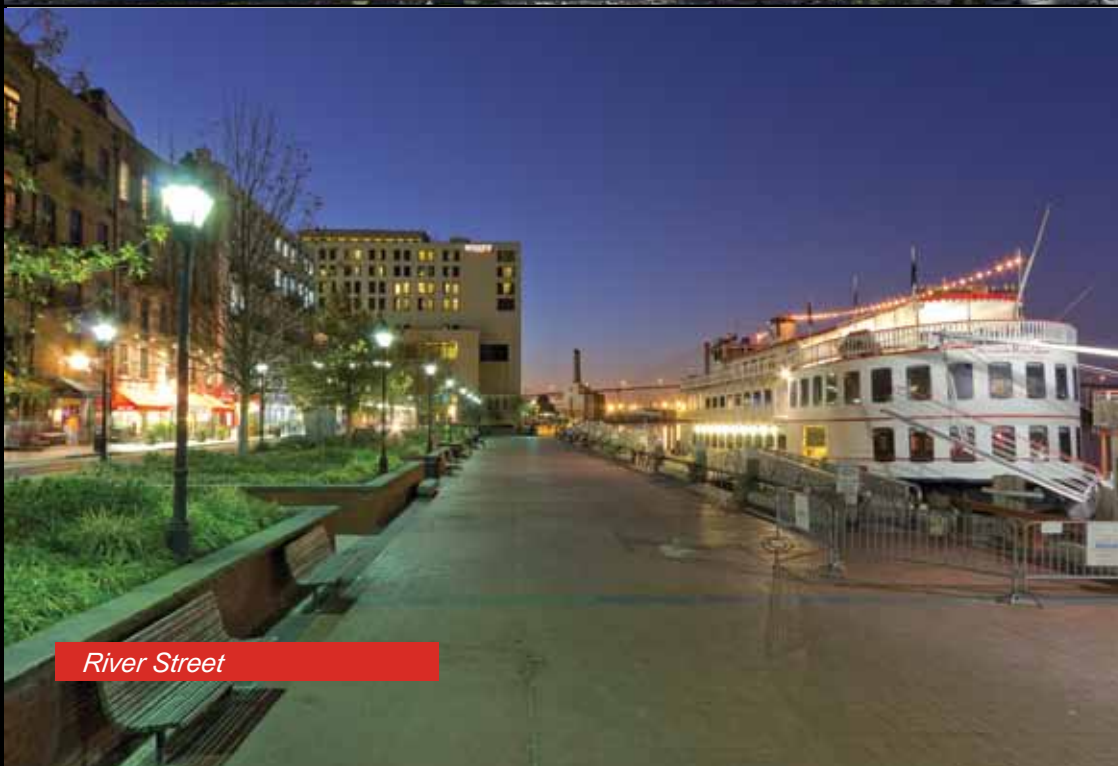
**Savannah Area Distribution Centers**

Company	Square Feet	Company	Square Feet
Target	2,100,000	Icon H & F	600,000
Wal-Mart	2,000,000	Kohl's	600,000
IKEA	1,700,000	Oneida	500,000
The Home Depot	1,400,000	Advance Auto Parts	380,000
Wal-Mart	1,300,000	HH Gregg	273,200
Academy Sports	1,000,000	Farmer's Furniture	250,000
Toys R Us	989,000	Tire Rack	250,000
Dollar Tree	800,000	Kmart-Sears	200,000
Pier 1 Imports	783,000	Hugo Boss	165,000
Lowe's	750,000	Citi Trends Fashion	155,000
Best Buy	748,000	Midwest Air Technologies	150,000
Bass Pro Shops	600,000	Paper Tigers	115,000
Fred's	600,000	Noritake	105,000





*Downtown Savannah*



*River Street*

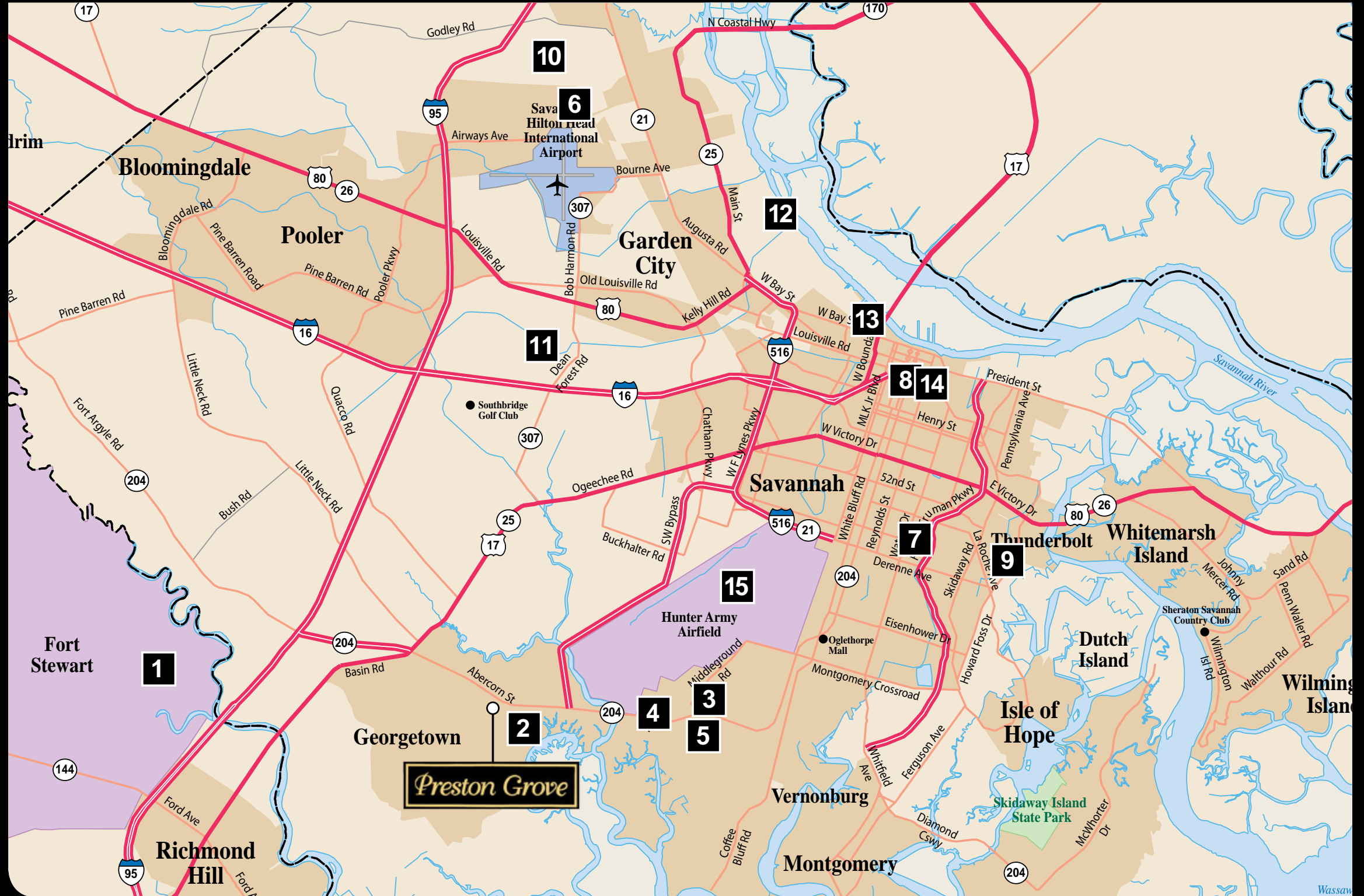


### ■ \$2 BILLION TOURISM INDUSTRY

The Historic District of Savannah is the center of one of the most storied cities in the world, with cobblestone streets, manicured gardens, and oak-shaded parks draped in Spanish moss. Downtown Savannah houses major economic drivers including its business district and tourism, which contributes nearly \$2 billion to the city's economy. A popular tourism destination for good reason, Savannah offers art, culture, festivals, concerts, live theater, outdoor cafes, gourmet restaurants, and Southern hospitality. As the largest National Historic Landmark District in the United States, the Savannah Historic District contains more than twenty city squares filled with museums, churches, mansions, monuments and famous forts of the Revolutionary & Civil War eras.

- Historic River Street is located along the Savannah River. The century old buildings, once cotton warehouses, have been converted to antique shops, boutiques, galleries, brew pubs, restaurants, unique nightspots, inns and hotels.
- Savannah is home to a host of technology-related business, everything from giant Gulfstream Aerospace to smaller graphic design and software development pioneers. Additionally, Savannah's continued growth is also reflected in the recent opening of Mitsubishi's \$325 million manufacturing plant which added 500 new jobs.
- Tybee Island - Only 20 minutes east of Savannah, Tybee Island boasts five miles of public beach backed by sand dunes and endless views of the Atlantic Ocean. Tourists and locals come for the sunbathing, walking, biking, sailing, fishing, and swimming. It is known locally as "Savannah's Beach."







**■ PROXIMITY TO ECONOMIC DRIVERS/POINTS OF INTEREST**

**1 Fort Stewart** (24,000 personnel) — Headquarters of the U.S. Army's 3rd Infantry Division, Fort Stewart encompasses over 288,000 acres, making it the largest military installation in the Eastern United States. Combined with Hunter Army Airfield, the longest runway on the East Coast and home to the Coast Guard Air Station Savannah, the two bases are home to more than 24,000 military personal and generate an annual direct federal expenditure of nearly \$1.7 billion. Recent census data shows an increase of working military personnel on base of 20% since 2000 with an increase of military personnel living off base of 16% during the same time period.

**2 Most Desirable School District:** Located 1.2 miles away from Preston Grove, Georgetown School, a Pre-Kindergarten through 8th grade school, is known as the most desirable school in all of the Savannah area. Featuring 63 full time teachers, Georgetown school supports a 13:1 student to teacher ratio, a full student over the Georgia state average. Georgetown is well known for their high test averages among its students with overall grades 11% above district average and 3% above state average. Most notably, the Georgetown School is exclusive to residents located south of Abercorn St. which excludes newer apartment communities such as Trellis, Fenwick Village and Grand Oaks at Ogeechee.

**3 St. Joseph's Candler Hospital** (3,304 employees) — St. Joseph's hospital is located 4.7 miles from Preston Grove and has been listed as one of the nation's Top 100 Integrated Health Systems by Modern Healthcare Magazine. Recently awarded Top 100 excellence distinctions in Joint Replacement, Orthopedic Surgery and Vascular Surgery, St Joseph is also one of only 18 Primary Stroke Centers in the state of Georgia as designated by the Joint Commission. Perhaps most impressively, in 2002 St Joseph's became the only local healthcare facility to be designated a Magnet Award for Excellence in Nursing care. This was overshadowed in 2010 by the reception of a second designation as a Magnet Facility, an accomplishment shared by only 31 hospitals worldwide.

**4 Retail:** Anchored by Bass Pro Shop and Target, the Savannah Mall offers over 110 stores only 5 miles from Preston Grove and is the shopping destination for residents of Savannah and its 11-county MSA. This 2 story mall features everything from staple restaurants such as Ruby Tuesdays and Texas Roadhouse to retail stores ranging from Gap and Footlocker to Burlington Coat Factory and New York & Company. This retail corridor also boasts 2 separate movie theaters with 10+ screens each, a newly constructed Walmart Supercenter, Staples and Publix.

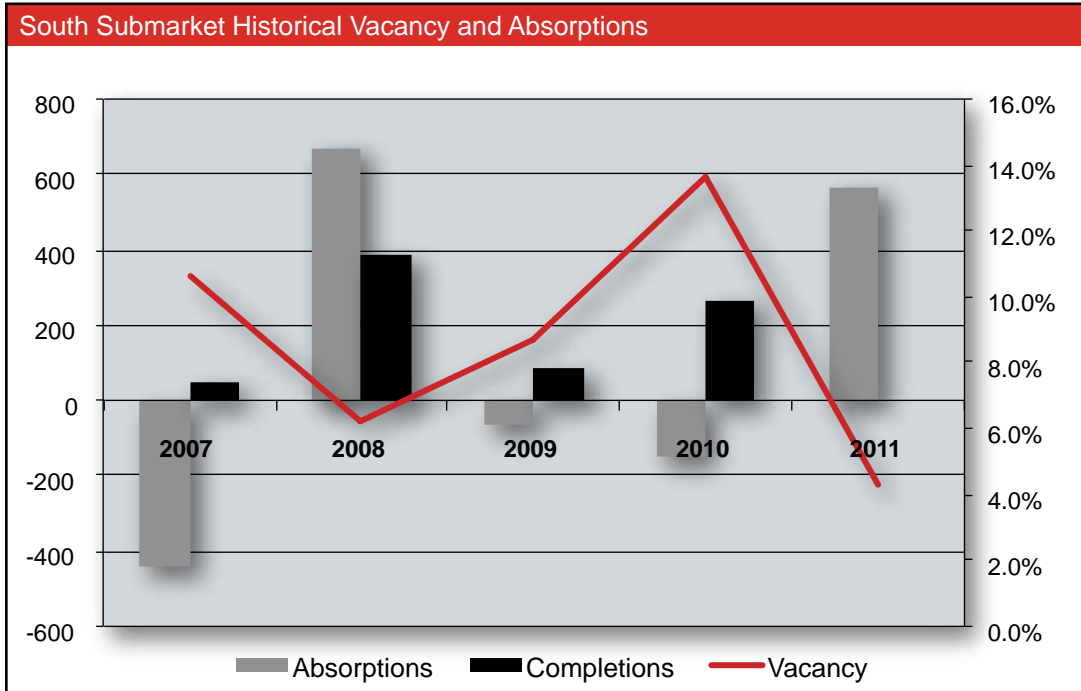
**5 Armstrong Atlantic State University** (570 employees, 7,500 students) — Founded in 1935, Armstrong Atlantic State University has established itself as one of the top colleges in the Savannah area. Located a mere 4 miles away from Preston Grove, Armstrong Atlantic State University is the home to over 7,500 students and nearly 570 employees on its 268

acre campus. Offering undergraduate and post graduate degrees in excess of 100 different programs, this primarily commuter 4-year University carries a multi-award winning student literature publication taking a First Place/Special Merit Award from the American Scholastic Press Association in 2010.

- 6. Gulfstream Aerospace Corp. (6,000 employees)
- 7. Memorial Health University Medical Center (4,643 employees)
- 8. Savannah College of Art and Design "SCAD" (1,500 employees, 10,000 students)
- 9. Savannah State University (516 employees, 4,500 students)
- 10. Distribution Centers for Home Depot, IKEA, Target, Walmart
- 11. Mitsubishi Power Systems Americas (building a high-speed balance bunker)
- 12. Garden City Terminal (port)
- 13. Ocean Terminal (port)
- 14. Momentum Resources II, Inc. (1,703 employees)
- 15. Hunter Army Airfield (5,000 personnel)



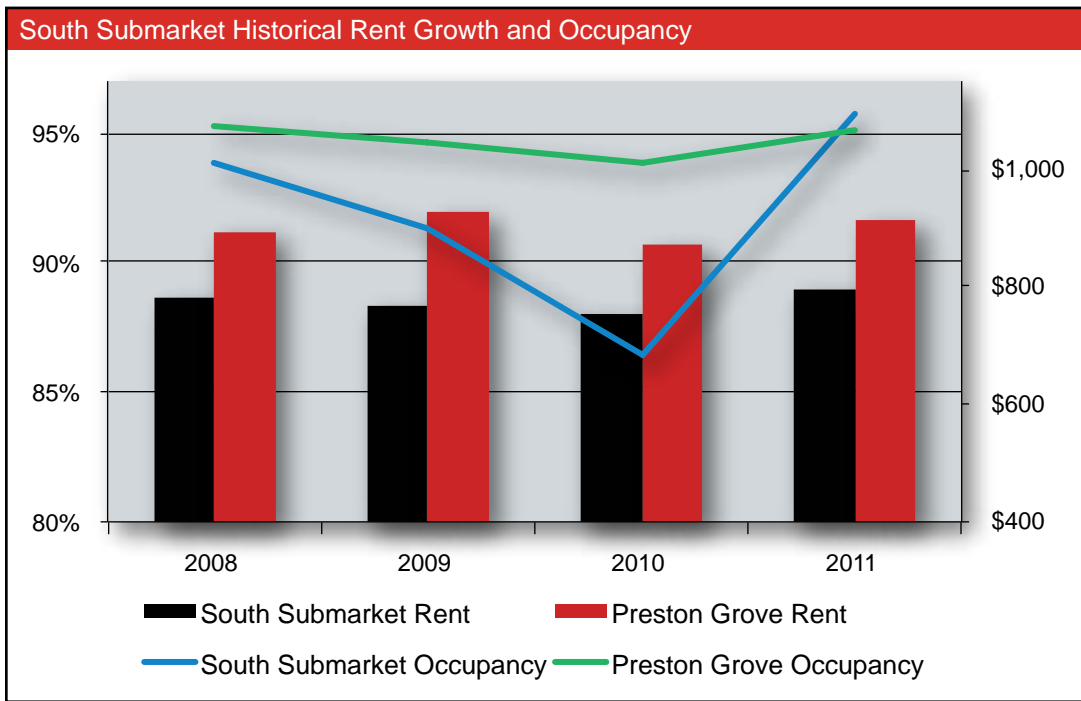




**MARKET FUNDAMENTALS**

Preston Grove competes with the South submarket as many residents are employed or commute to Fort Stewart, Armstrong Atlantic State University, St. Joseph’s Candler Hospital, Hunter Army Airfield or The Savannah Mall. The South submarket has only seen four Class A developments since 2000, representing 1,300 units or 15% of the total inventory. The submarket’s vacancy rate has dropped from 13.6% in 2010 to currently at 4.3% as new jobs have been announced to the area and apartment fundamentals strengthen. Over the same time period, the South submarket rents have jumped 4.9% from \$757 in 2010 to \$794 in 2011. Preston Grove’s rent growth from 2010 to 2011 was 5.2%, in-line with the overall market growth.

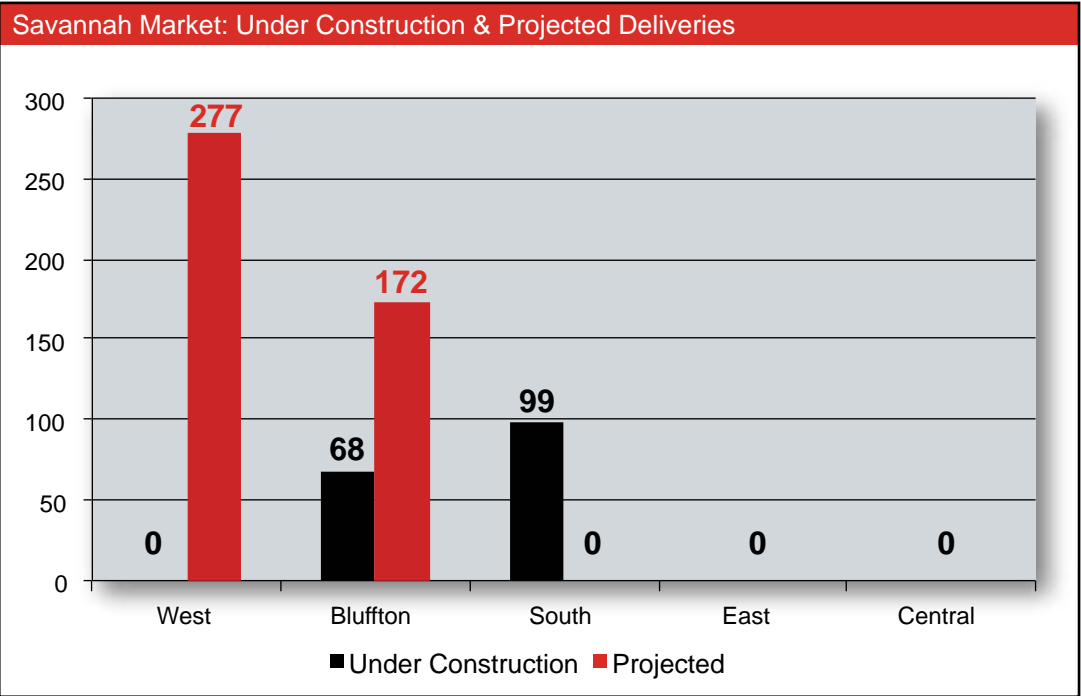
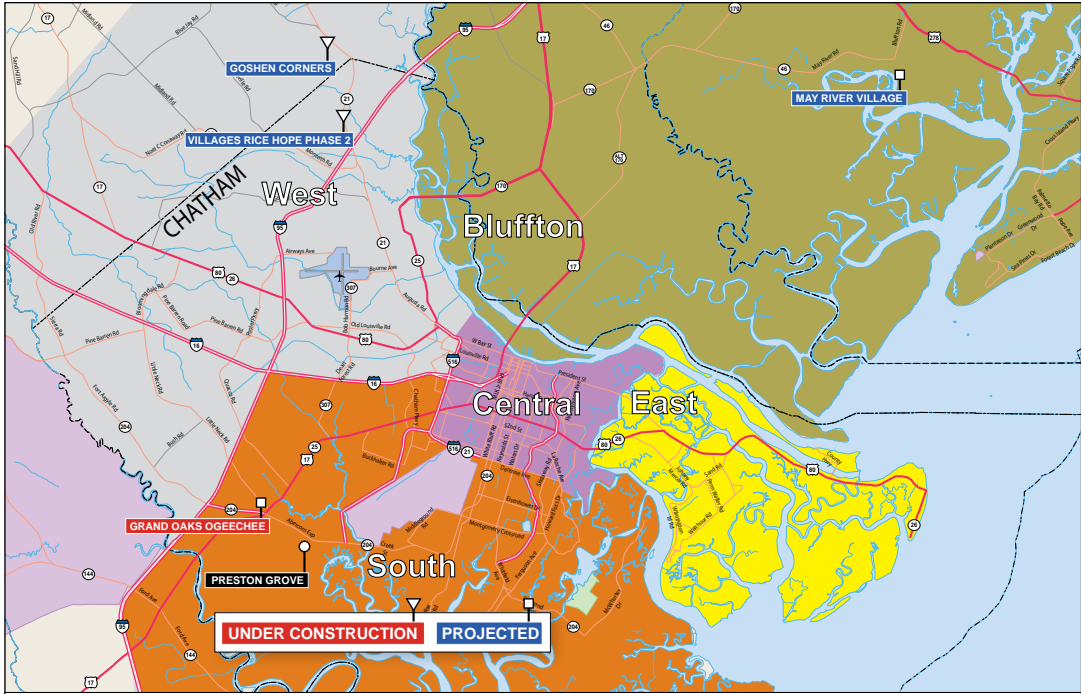
Due largely to the availability of land and lower costs of development outside the City of Savannah, the West submarket has seen the most new development activity with eleven new Class A properties being built since 2000, representing 3,149 units or 78% of the total inventory. Though the West submarket apartment communities compete in age and similar amenities, Preston Grove’s proximity to the best school district, major drivers and points of interest is far superior. As developers continue to flock to the West submarket and no new development is projected for the South submarket, Preston Grove is poised to benefit from this supply and demand imbalance.



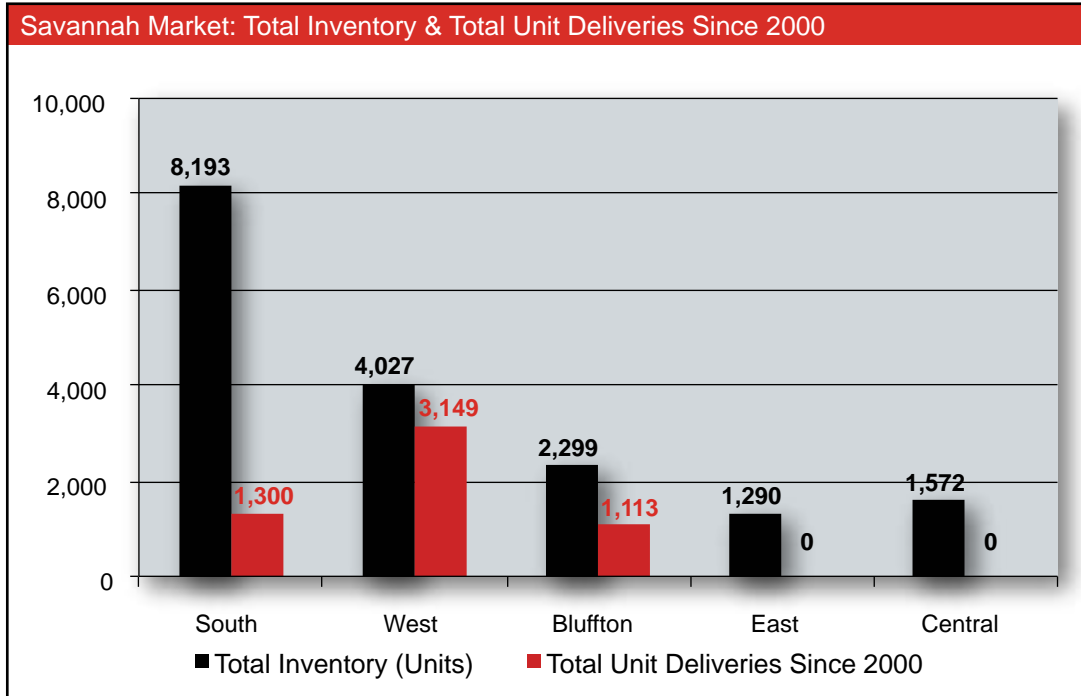


**■ BARRIERS TO ENTRY – NO PROJECTED DELIVERIES**

Savannah has natural barriers to entry with the Atlantic Ocean and sprawling wetlands as well as the dense Downtown District, close to Preston Grove, preserving strict building codes. Wetlands flow throughout the city limits of Savannah, where Preston Grove is located, making it difficult and costly to develop new construction closer to Downtown and the port, the main economic drivers. Zoning is also a constraint as most of Savannah’s economy is driven by the industrial sector and therefore more infill parcels are zoned as such. For this reason, most new development is located away from the port and downtown areas in the West and Bluffton submarkets. As shown below, the South submarket has only 99 units under construction and no units projected, compared to the West and Bluffton submarket which have lower barriers to entry and more available zoned multifamily land. One project in the South submarket, Grand Oaks at Ogeechee, is underway building Phase II, 99 units, located along the Highway 17 and Abercorn Expressway intersection near I-95. With no competing deliveries in the future, Preston Grove is perfectly positioned in Savannah’s market to reap continued profits from its prime location and barriers to entry.



Source: Real Data



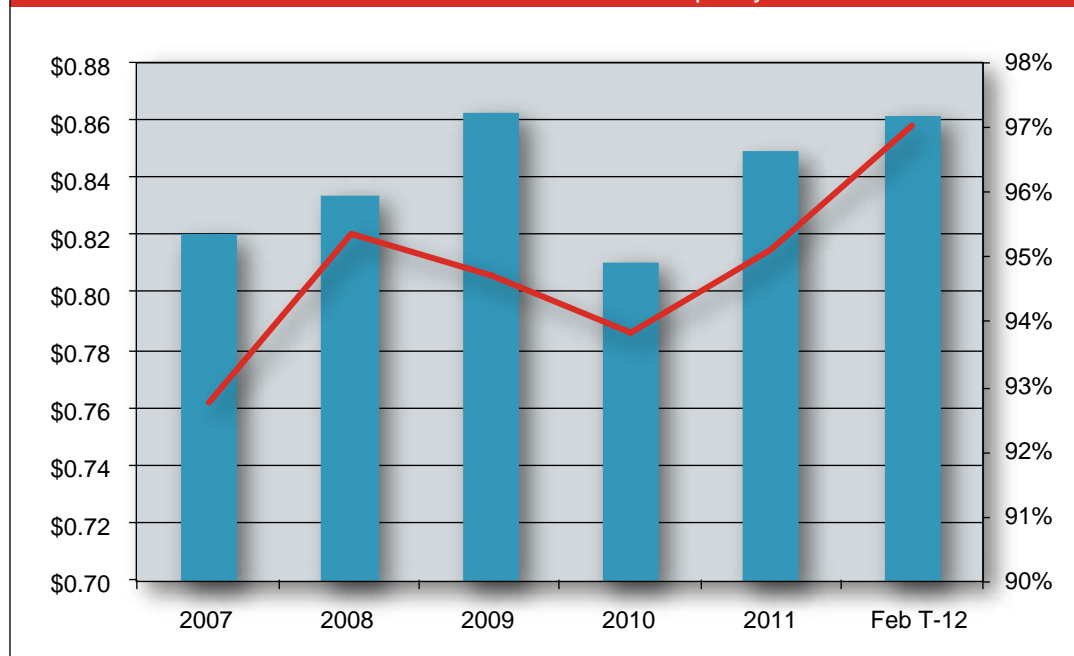


**■ CONSISTENT AND POSITIVE FINANCIAL PERFORMANCE MOMENTUM**

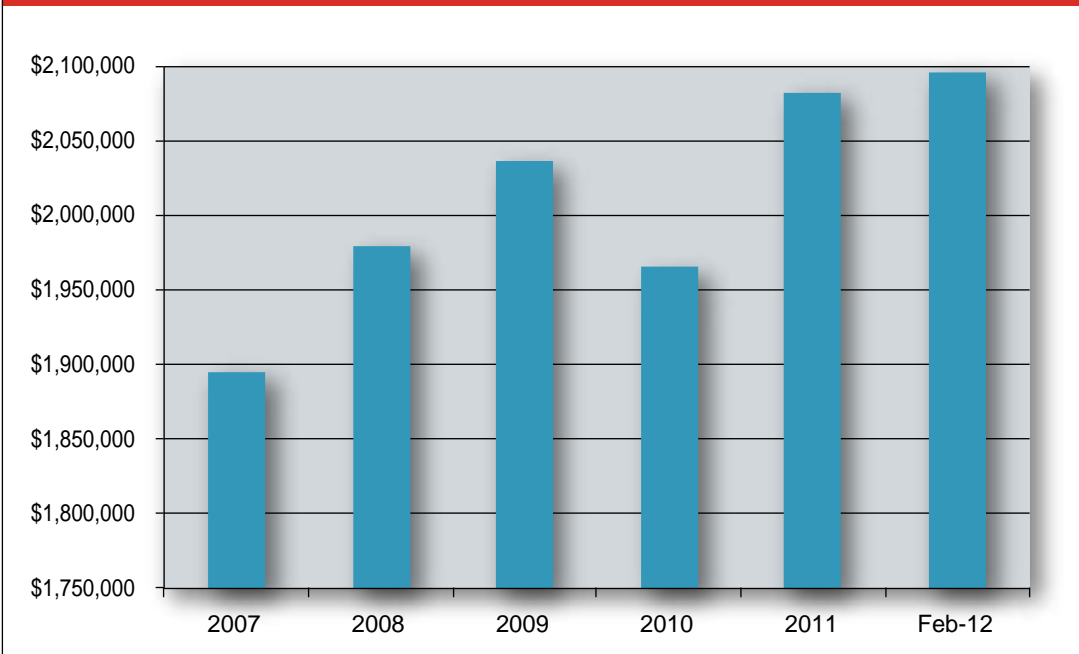
Preston Grove’s proximity to major economic drivers, the retail corridor and its location within the desirable Georgetown school district have long supported its historical growth and strong occupancy levels. With occupancy currently sitting at 96% and averaging a robust 95% over the last four years, it is evident Preston Grove’s superior location truly differentiates itself from its peer properties. Each year, with the exception of the depths of the national recession in 2010, the Property has produced strong year over year growth. This strong growth is evidenced by a rise in net operating income of 13% between 2010 and February T-12 figures and an 18% growth from 2007 to 2011, equating to a 4.6% average annual growth rate.

With the upcoming expansion to the Savannah port, this rapidly growing area is showing positive signs of entering a new booming financial era. Increases in demand from high profile companies such as Gulfstream, Mitsubishi, and Ikea will no doubt bring about impressive job growth and place Preston Grove in a position to outstrip past growth levels on a continual basis, particularly with zero development in the foreseeable future.

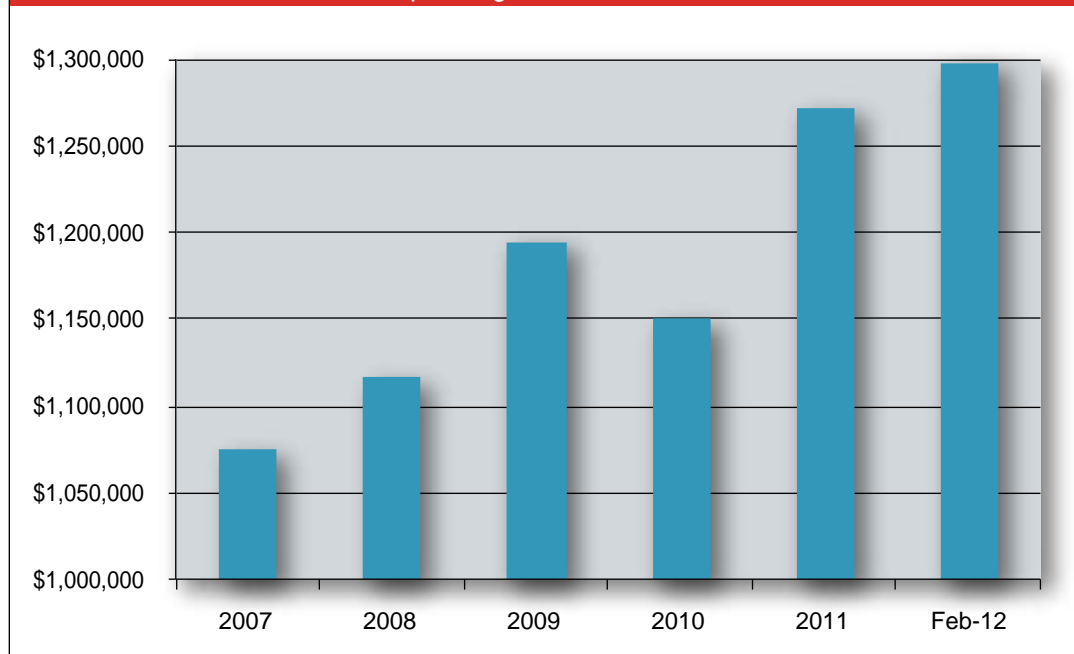
Preston Grove – Historical Effective Rent Growth & Occupancy



Preston Grove – Historical Total Revenue



Preston Grove – Historical Net Operating Income



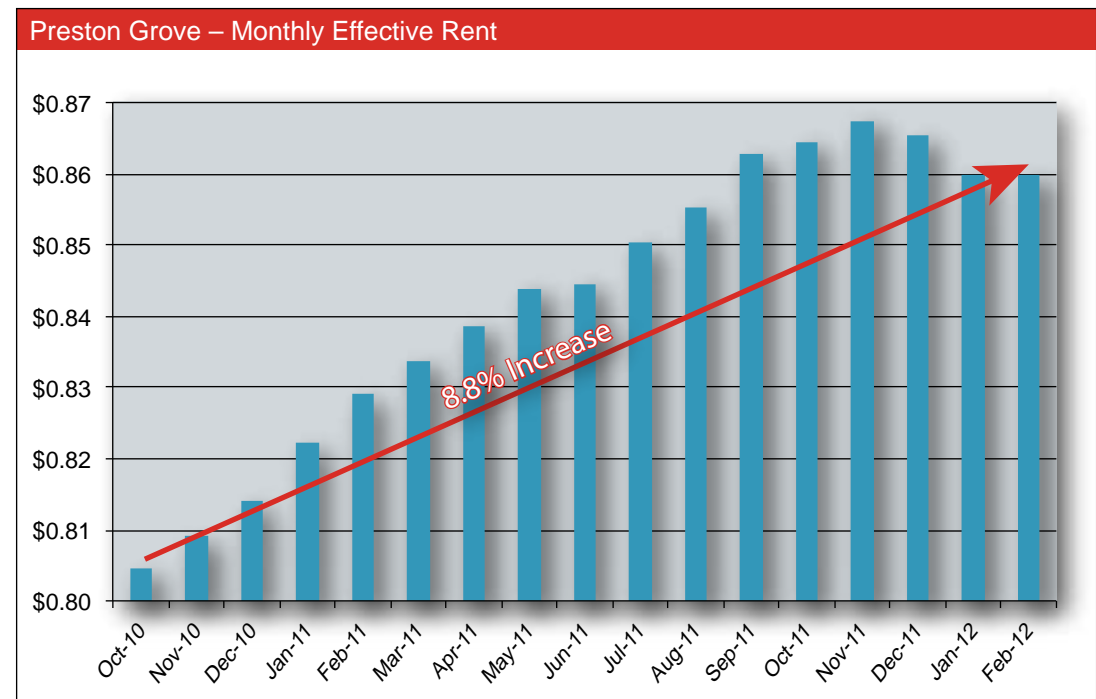
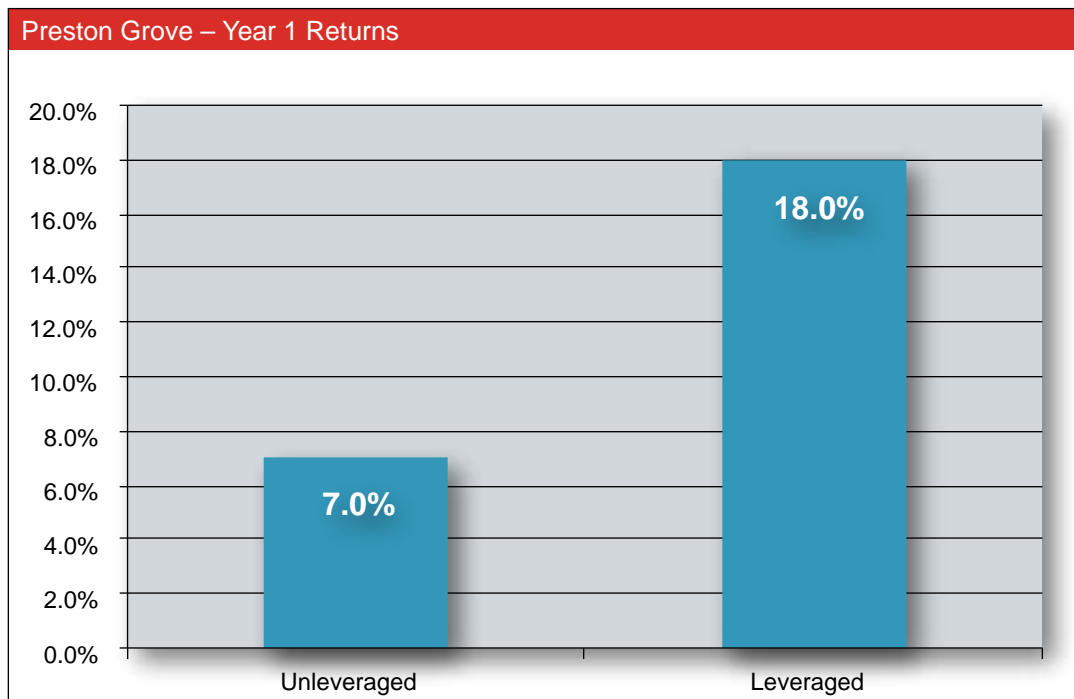


**■ ATTRACTIVE YIELDS ON IN-PLACE RENTS**

Preston Grove's recent leases have rebounded from its historical low in October 2010 at \$0.80/SF. As shown in February T-12 figures and recent leases, current effective rent levels are boasting \$0.87/SF, an 8.8% increase. With the total rent roll equating to \$0.84/SF, there exists an opportunity for the next owner to roll out current effective rent levels across the entire rent roll which would result in a \$40 per unit per month or \$0.03/SF increase, resulting in an incremental gain of nearly \$95,000 in annual income.

With agency and life insurance companies lending at historically low rates, Preston Grove offers investors an opportunity to acquire a well-maintained asset with a long historical track record of producing stable and consistent cash flows. With in-place cash flows alone, year one cash-on-cash returns equate to a 18% return, providing investors with a extremely attractive yield.

Preston Grove — Recent Leases					
New/Renewal	Move-In Date	Unit	Sqft	New Rent	New Rent/SF
N	1/1/12	116	1138	\$880	\$0.77
N	1/2/12	124	1138	\$995	\$0.87
N	1/3/12	512	817	\$780	\$0.95
N	1/3/12	408	1138	\$920	\$0.81
N	1/4/12	621	1150	\$965	\$0.84
N	1/7/12	319	817	\$795	\$0.97
N	1/10/12	215	817	\$795	\$0.97
N	1/13/12	503	1138	\$875	\$0.77
N	1/13/12	305	1138	\$875	\$0.77
N	1/14/12	510	817	\$750	\$0.92
R	10/23/11	808	1138	\$1,025	\$0.90
R	10/28/11	308	817	\$870	\$1.06
R	11/12/11	515	817	\$825	\$1.01
R	11/12/11	421	1138	\$975	\$0.86
R	11/16/11	401	1362	\$1,175	\$0.86
R	11/18/11	816	1138	\$1,010	\$0.89
R	11/21/11	419	1138	\$980	\$0.86
R	12/1/11	718	1362	\$1,200	\$0.88
R	12/6/11	118	1138	\$980	\$0.86
R	12/7/11	103	1138	\$960	\$0.84
				\$940	\$0.87



Note: Assumes 80% LTV, 4.25% IR, 2 years interest only