



GRANT STREET STATION

320 S. Grant St, West Lafayette, IN 47906

Built 2013 | 136 Units | 289 Beds | 1,2,3 & 4 Bdrm Units

SOUTH STREET STATION

46 N Salisbury St, West Lafayette, IN 47906

Built 2015 | 40 Units | 75 Beds | 1,3 & 4 Bdrm Units

TARGETED BENEFITS

- ▶ 6.50% 1st Year Targeted Cash-on-Cash Return
- ▶ Current Occupancy: 100% for 2016-2017 School Year (12 Mos. Leases)
- ▶ Tax Efficiency Through Depreciation
- ▶ Add Value in Rent Growth and Vacant Retail Space
- ▶ Purdue: Fall 2016 Largest Enrollment Record with 40,451 students

ANCHORED BY THE HISTORICAL STABILITY OF PURDUE

▶ GRANT STREET STATION, DST

1031 ELIGIBLE



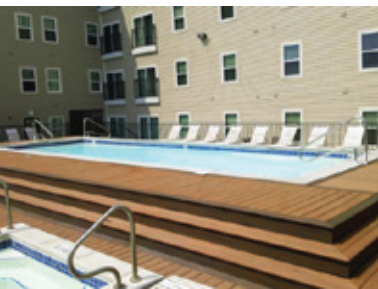


PROPERTY SUMMARY

South Street Station and Grant Street Station is a two property student housing portfolio located within two blocks of the Purdue University Campus in West Lafayette, IN. Out of the comparable off-campus housing properties in the market; they are one of the closest to campus at 0.25 miles vs the average distance of the other properties at 2.73 miles.

The properties boast a track record of high occupancy and both are currently 100% leased for the 2016-2017 school year with 12-month leases with parental guarantees. Grant Street was built in 2013 and South Street is just over a year old having been completed in 2015.

The properties have newer construction and are fully amenitized.



Unit amenities include:

- In-unit laundry
- Internet and cable included
- Fully furnished - efficient appliances
- 42" HD TV
- Hardwood floors

Property amenities include:

- Swimming pool
- Hot tubs
- 24 hour fitness center
- Tanning bed
- Conference room
- Gated garage parking
- Unique to South Street is a 23 KW Solar Array on the roof



Grant Street Station has an apartment unit mix of 1,2,3,4 bedroom units ranging from 600-1,140 sq ft. A majority of the units (53%) are two bedrooms.

Apartment Unit Mix

Unit Type	Units	Beds	SF	TOTAL SF	2016-17 RENT/BED	2016-17 RENT/SF
1 Bdrm / 1 Bath	30	30	600	18,000	\$1,288	\$2.15
2 Bdrm / 2 Bath	73	146	950	69,350	\$788	\$1.66
2 Bdrm / 2 Bath - Penthouse	1	2	1,350	1,350	\$1,500	\$2.22
3 Bdrm / 3 Bath	17	51	1,080	18,360	\$763	\$2.12
4 Bdrm / 4 Bath	15	60	1,140	17,100	\$700	\$2.46



South Street Station has an apartment unit mix of 1,3 and 4 bedroom units ranging from 620-1,342 sq ft. A majority of the units (70%) are 1 bedroom.

Apartment Unit Mix

Unit Type	Units	Beds	SF	TOTAL SF	2016-17 RENT/BED	2016-17 RENT/SF
1 Bdrm / 1 Bath	28	28	620	17,360	\$1,246	\$2.01
3 Bdrm / 3 Bath	1	3	1,078	1,078	\$795	\$2.21
4 Bdrm / 4 Bath	11	44	1,342	14,762	\$700	\$2.09

MARKET

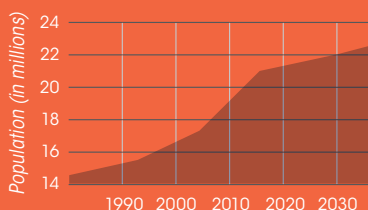
Purdue University has some 40,451 students on campus, fall semester of 2016 setting the record for its largest enrollment. Officials say Purdue's growing reputation for excellence with affordability, in addition to the high return on investment from a Purdue degree can be credited for some of the increase.

Nelson Brothers believes the off-campus student housing market surrounding Purdue is currently strong. The current market which includes 11 comparable properties (excluding the portfolio properties), had a collective occupancy of 94.07% for 2015-2016 vs. Grant Street Station and South Street Station having a collective occupancy of 98.90%. Of the 11 comparable properties, only two properties are considered Class A like Grant and South Street Station - the remainder are Class B.

STUDENT HOUSING

Nelson Brothers believes a flagship Division I school, such as Purdue University, near a large metropolitan city (Indianapolis), offering a strong globally recognizable degree, will stay in high demand over the next decade.

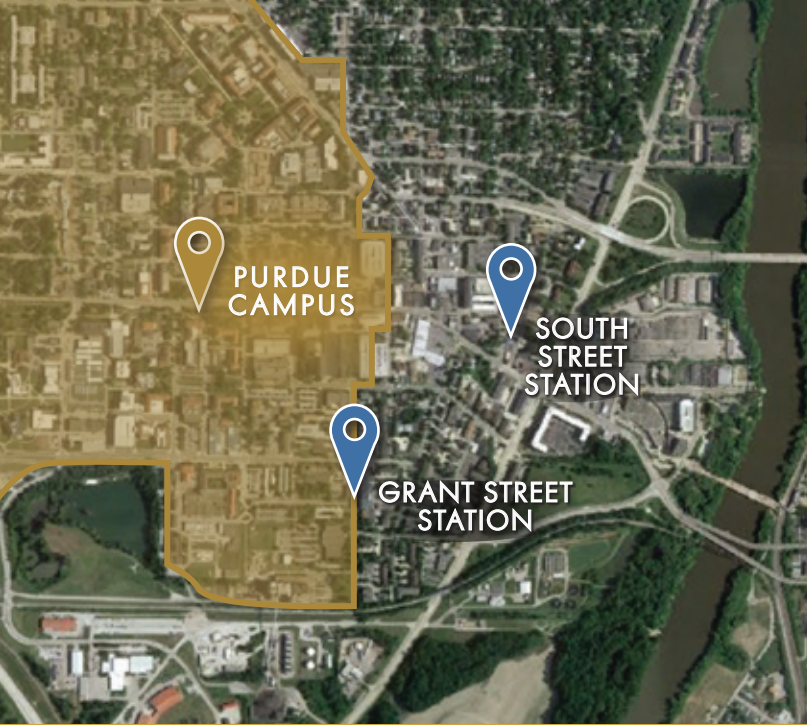
U.S. COLLEGE ENROLLMENT POPULATION GROWTH



- College enrollment over the past few decades shows almost no correlation to the economy.

- Student enrollment expected to grow 13% over the next 10 years

Source: National Center of Education Statistics



TARGET STRATEGY

Nelson Brother's goal is to leverage the historical stability of the University and what we believe to be competitive advantages of the property to produce a balance of potential benefits including: high stable occupancy, monthly cash flow, tax efficiency through depreciation and capital appreciation. As one of the newest properties with one of the closest to campus locations, Nelson Brothers believes the property can maintain consistent 95% to 100% occupancy with minimal correlation to the economy.

OFFERING DETAILS

1st Year Targeted Cash-on-Cash Return	6.50%
Total Offering Price	\$45,475,730
Total Loan Amount	\$26,141,000
Investor Equity	\$19,334,730
Loan-to-Value	57.48%
Minimum Investment	\$50,000

PROPERTY PROFILE

	Grant Street Station	South Street Station	Combined Totals
Total Units	136	40	176
Total Beds	289	75	364
Average SF	913	830	871
Total SF	124,160	33,200	157,360
Average Unit Rental Rate	\$822	\$907	\$864
Garage Parking	282	23 on site + 24 off site	
Year Built	2013	2015	

LOAN DETAILS

10 year fixed interest rate of 4.40% with 5 year interest only. Non-recourse 30 year amortization Fannie Mae assumable.

TARGETED PRO FORMA ANALYSIS

(Master Lease Structure)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Operating Income	3,673,109	3,778,848	3,859,436	3,907,695	4,024,926	4,145,674	4,270,044	4,398,145	4,530,090	4,665,992
Total Expenses	798,243	1,326,713	1,355,248	1,434,352	1,554,039	1,636,120	1,668,842	1,702,219	1,736,263	1,770,989
Expense Ratio	21.73	35.10	35.11	36.70	38.61	39.46	39.08	38.70	38.32	37.96
NOI	2,874,866	2,452,135	2,504,188	2,473,343	2,470,887	2,509,554	2,601,202	2,695,927	2,793,827	2,895,004
Debt Service	(1,150,204)	(1,150,204)	(1,150,204)	(1,150,204)	(1,150,204)	(1,570,847)	(1,570,847)	(1,570,847)	(1,570,847)	(1,570,847)
Cash Flow After Debt Service	1,724,662	1,301,931	1,353,984	1,323,139	1,320,683	938,707	1,030,355	1,125,080	1,222,980	1,324,157
Distributions %	6.50	6.50	6.60	6.60	6.80	5.50	5.50	5.70	5.70	6.00

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PURDUE

UNIVERSITY

- Founded 1862
- Division I Big Ten
- Fall 2016 Enrollment 40,451
- Undergraduate Tuition and Fees:
In-State \$10,002
Out of State \$28,804



PURDUE UNIVERSITY News



Purdue University sets records for largest enrollment and highest graduation rates ever

WEST LAFAYETTE, Ind. — Some 40,451 students descended on the Purdue University West Lafayette campus this

semester, setting the record for the largest enrollment ever.

That is 1,042 more than last year, said Pam Horne, vice provost for enrollment management. It includes 30,043 undergraduates.

Read full article (by Megan Huckaby; Purdue University News, September 12, 2016) online at <https://www.purdue.edu/newsroom/releases/2016/03/purdue-university-sets-records-for-largest-enrollment-and-highest-graduation-rates-ever.html>

U.S. News & World Report EDUCATION



Top 10 Engineering Schools in 2016 (by U.S. News)

Before you can make your mark as an engineer, you need to find the graduate school that can best help you build your skills.

Rank	School name	Tuition	Total graduate engineering enrollment
49	Purdue University—West Lafayette West Lafayette, IN	\$10,330 per year (in-state, full-time); \$29,132 per year (out-of-state, full-time)	3,542

Source: <http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-engineering-schools/eng-rankings?int=a74509>

ABOUT NELSON BROTHERS

Current Management Portfolio At-A-Glance:

Founded in 2007, Nelson Brothers' specializes in what the firm considers to be well-positioned student housing properties.

Headquartered in Orange County, CA, Nelson Brothers manages over \$425 million in real estate with more than 100 employees.

The current portfolio-wide occupancy is over 99% as of October 2016.

Nelson Brothers

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

16B Journey | Aliso Viejo, CA 92656
(800) 580-1031



Nelson Brothers recently purchased and renovated 16-B Journey, a 10,000 sf office building in Aliso Viejo (South Orange County) to serve as company headquarters.