

THE 3RD ANNUAL SINGLE FAMILY RENTAL INVESTMENT FORUM

A FORUM FOR PRIVATE EQUITY, REITS AND INSTITUTIONAL INVESTORS

DECEMBER 3-5, 2014 | JW MARRIOTT CAMELBACK INN | SCOTTSDALE, AZ

Q&A

Questions & Answers With Our Top Key Speakers



Single Family Rental Market Industry Insight E-book

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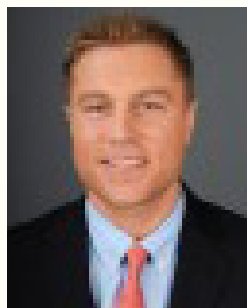


In anticipation of our 3rd Annual Single Family Rental Investment Forum, we asked some of our key speakers the below questions which are at the forefront of many industry leaders' minds today.



- Do you think the demographic and societal changes that have fostered growth in the single family rental market will continue?
- After 3 years of non-stop growth what mode will the industry be in the short-term?
- As the market moves away from REO-to-Rental which acquisition sources are you using?
- What new market are you putting the most resources into?
- Do you think the economics of build-to-rent can work?
- What are some tips that can help partners work with your company?

This is what they had to say...



Corey Hanker Managing Partner **FORTUS PARTNERS, LLC**

After spending 15 years on Wall Street at Goldman Sachs, UBS AG and the Capital Group; Corey co-founded Fortus Partners and FM Development in 2011. Fortus was fashioned to capitalize on the dislocation in the housing market and provide a turnkey solution to high net worth investors, as well as assist the institutional community in purchasing REO product via exclusive GSE purchase programs. Fortus built an impressive track record for acquiring, renovating and tenanting properties coast to coast. Fortus Partners currently specializes in the Michigan single family turnkey rental model and has been providing investors with premium rental portfolios with above market yields and returns.

FM Development is a premier and trophy-focused real estate investment and development group based in West Hollywood, CA. Corey's projects focus on the upper echelon of Los Angeles residential real estate (Trousdale Estates, Beverly Hills, West Hollywood, Doheny Estates, and Hollywood Hills). Our team of leading architects and contractors have built an impeccable track record in the luxury residential space and command an international audience of buyers.

Corey and his former team at UBS built one of the nation's leading private wealth management groups, recognized by Barron's Magazine annually as one of the Top 100 Wealth Advisory Teams in the country. Prior to this, his career began at The Capital Group Companies in August 1997, holding multiple roles servicing the broker dealer community, including that of an internal wholesaler for the American Funds. In early 2000, he joined Goldman Sachs as an associate in its Private Wealth Management Group. There he built one of the leading private banking teams and transitioned the business to UBS AG in early 2005. For that past 17 years, Corey has forged close partnerships with the institutional community, high-net-worth families, foundations, endowments; and, the management of real estate investment funds on behalf of these groups.

Corey graduated from the University of Michigan with a BA in Economics, which included a one year concentration at the London School of Economics. He actively serves on the Board for the Men's Guild Children's Hospital Los Angeles.



Day Two: Thursday, December 4, 2014, 8:45: Flip vs. Hold: The Key Decision Points



Do you think the demographic and societal changes that have fostered growth in the single family rental market will continue?

Yes

After 3 years of non-stop growth what mode will the industry be in the short-term?

Nationally – Slow to Moderate growth

Local Markets – All stages

As the market moves away from REO-to-Rental which acquisition sources are you using?

MLS. Public auctions. Private portfolio sales. Land Banks.

What new market are you putting the most resources into?

Detroit, Michigan and the surrounding suburbs [20 square mile radius]

Do you think the economics of build-to-rent can work?

We are building high quality 15-25+% cash on cash returns (gross) on all of our rental portfolios.

Additionally, our investors benefit from the simple price appreciation of the underlying portfolio value and the region. Buying "right" is implied, however, renovating and managing "right" is what separates our model from the competition.

What are some tips that can help partners work with your company?

Most importantly, we are seeking partnerships with opportunistic investors who are excited about the resurgence of Detroit and the opportunities that it presents. Detroit is in the early innings of its recovery and along with that comes tremendous opportunity. Lastly, we strongly urge any partner to come visit Detroit to see firsthand the unique investment vehicle.





Michael Cook

Vice President

GTIS PARTNERS

Michael Cook is a Vice President of Asset Management and is responsible for maximizing the operating and financial performance of the GTIS Partners' investments through active day-to-day and strategic management. Michael previously worked in Wells Fargo's Real Estate Special Situations Group, where he handled numerous distressed-debt restructures and foreclosures across all property types, all geographies and all levels of the capital stack, ranging in size from \$2MM to \$900MM+. Prior to Wells Fargo, Mr. Cook was an Associate in Wachovia's Real Estate Investment Banking Group. Mr. Cook received an M.B.A. with a concentration in Real

Estate Finance from Cornell University's Johnson School of Management and a B.S. in Applied Economics and Management from Cornell University's College of Agriculture and Life Sciences.



Day One: Wednesday, December 3, 2014, 9:30: The Large/Mid-Sized Fund Panel



Do you think the demographic and societal changes that have fostered growth in the single family rental market will continue?

Yes. Enduring the foreclosure process contrasted by the ease of owning a single family rental home will make many current renters think twice before going back to being a homeowner. The reduced cache of owning a home plus the general changes with younger people being less tied to one location or job will foster stronger rental demand moving forward.

After 3 years of non-stop growth what mode will the industry be in the short-term?

Consolidation. Operations in the industry are paramount to success. With prices peaking, expect many firms to take a look at what they have and how its performing. The firms that spent the time and money to perfect their operations will likely be prime candidates to buy their more flawed counterparts. It is an easier way to scale and likely, the only place to find real value going forward.

As the market moves away from REO-to-Rental which acquisition sources are you using?

Brokers and bulk purchases seem to be the best way to scale at this time. The MLS prices are becoming very full and the auction is probably an even worse risk-adjusted return. Bulk sellers looking for quick exits seem the most attractive going forward.

What new market are you putting the most resources into?

Second tier markets with higher cap rates and good economic fundamentals.

Do you think the economics of build-to-rent can work?

I do not. Rents have proven to be inelastic. Given that most markets have a very well defined rent ceiling and that rent ceiling is below a reasonable cap rate on new build, it doesn't appear that this can work. Perhaps in second tier markets at the lowest levels of finish, but I would be surprised.

What are some tips that can help partners work with your company?

We need institutional quality thinkers. Whether your business is big or small, you need to be able to do exactly what you say you will do exactly when you say you will do you. You also need strong reporting capabilities. Familiarity with Yardi is always a plus.





Mitch Siegler

Senior Managing Director and Co-Founder

PATHFINDER PARTNERS, LLC

Mitch Siegler co-founded Pathfinder Partners, LLC, a leading opportunistic real estate private equity firm and fund manager, in 2006. Pathfinder, headquartered in San Diego, CA, is one of the country's most active acquirers of value-add residential and commercial real estate notes and properties having acquired in excess of half a billion dollars of assets in 75 separate transactions since inception. Pathfinder's latest fund, Pathfinder Partners

Opportunity Fund V, L.P. was launched in October 2014.

Prior to co-founding Pathfinder, Mitch founded and served as CEO of several businesses. He previously spent five years as a partner with Sorrento Associates, Inc., a boutique investment banking firm and Sorrento Ventures, a venture capital firm. He concluded more than 40 mergers, acquisitions and financings with privately-held and publicly-traded companies and was involved in numerous financial workouts and restructurings. He also participated in scores of private financings totaling more than \$1 billion.

During his career, Mitch spent several years as a partner with a national management consulting firm and five years as a finance and operations executive with Anheuser-Busch Companies, Inc. He holds a B.S. in Business Administration, with honors, majoring in Finance and Economics from the University of Missouri, Columbia and an M.B.A., with the highest honors, from the Graziadio School of Business and Management at Pepperdine University. Mitch speaks frequently at real estate conferences and writes regularly on real estate and finance for various national publications.



Day Two: Thursday, December 4, 2014, 2:00B: Demographic Changes... Fact or Fiction? Long or Short Term?



Do you think the demographic and societal changes that have fostered growth in the single family rental market will continue?

There are a number of forces at work – demographic, which will continue for quite some time and cultural, which will continue for another few years. The demographic forces include the fact that people are waiting longer to get married and they're having fewer children when they do get married. This drives rental demand for both homes and apartments and reduces demand to own detached, single-family homes. Young people saw home values decline following the Great Recession and understand that rising home values are not a certainty. Many people watched friends and neighbors lose homes to foreclosure and some of these people went through challenges themselves and saw their credit damaged. For some, the bloom is off of the home ownership rose, a phenomenon unlikely to change for some time.

After 3 years of non-stop growth what mode will the industry be in the short-term?

Price appreciation has cooled in much of the country, returning to more historically normal levels. This is now a business driven primarily by operating cash flow rather than by home price appreciation.

As the market moves away from REO-to-Rental which acquisition sources are you using?

Not applicable – we are no longer acquiring homes for our rental pool.

Do you think the economics of build-to-rent can work?

In selected markets without high land prices and without substantial barriers to entitlement.





Daniel B. Amdur

CEO

PROMISOR RESIDENTIAL

Mr. Amdur founded Moving Station LLC in 1996 with a goal of revolutionizing relocation services. Previously he launched Executive Accommodations, Inc., a premier corporate housing company, which grew to become one of the largest in the Chicago area and later sold in 1995. Mr. Amdur led Moving station's original strategy of designing industry-leading software to integrate all pertinent move information and expanded the business into a full service relocation provider. He has since diversified Moving Station's business into a multi segment-focused full services firm, most recently launching the Promisor Residential division to be the operational arm managing and acquiring real estate assets. Mr. Amdur is also Chairman of Orion Mobility, LLC an entity he formed in 2003 and Synvata, LLC which was formed in 2010.



Day Two: Thursday, December 4, 2014, 8:45: Flip vs. Hold: The Key Decision Points



Do you think the demographic and societal changes that have fostered growth in the single family rental market will continue?

Demographic growth is largely based on job creation which in my mind has the same effect across the board on housing, not just rental. The societal change that has taken place is a slight shift from owning a home as the "American Dream", as this is less important and I do think that attitude has changed for a long while. The biggest impact on SFR is the regulatory mess around mortgage lending that limits qualified demand in addition to private capital wanting to put assets into mortgages.

After 3 years of non-stop growth what mode will the industry be in the short-term?

Until there is stability in the mortgage markets and the regulators establish a set of rules/processes that give the private investing community confidence, the mortgage market will remain one that is subsidized by government and will not become a "market environment". This in turn supports both short term and long term growth and consolidation of the SFR markets.

As the market moves away from REO-to-Rental which acquisition sources are you using?

We have a unique acquisition source of properties based on one of our sister companies (Moving Station). Outside of that I no longer see value in buying REO, MLS or NPL, other than from small one off unique deals.

What new market are you putting the most resources into?

National

Do you think the economics of build-to-rent can work?

In select opportunities yes. Infill with low supply, underserved growing markets with huge job growth (assuming the land can be acquired at the right price).



Find out more...

The 4 speakers who have contributed to this e-book will be joined by REITs, Funds, Aggregators, Fix and Flippers, Note Buyers, ABS & REIT Investors and other real estate professionals to discuss the the most up-to-date issues and meet the key players at IMN's 3rd Annual Single Family Rental Investment Forum. [Click here to view the conference agenda](#) with the complete list of speakers and sessions which will be discussed.



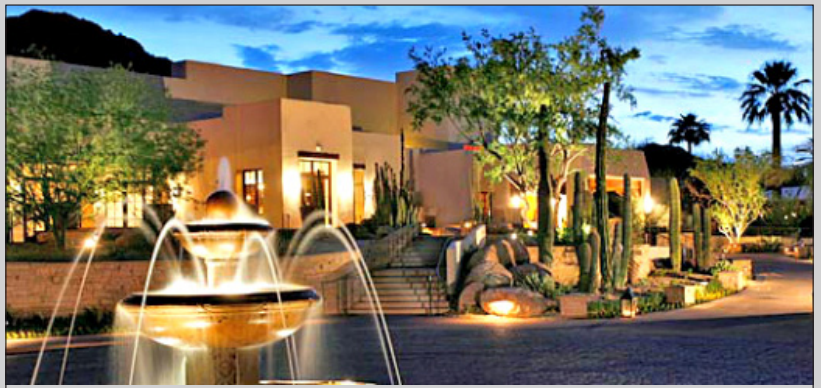
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visit the event website [here](#).**