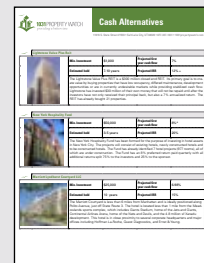







TIC MARKET WATCH

3rd Quarter Newsletter '07



The image shows a thumbnail of a table titled "Cash Alternatives" from the TIC Market Watch newsletter. The table has columns for "Property", "Status", "Investment", and "Contact". It lists three properties with their respective details and contact information.

Property	Status	Investment	Contact
	Active	\$1,200,000	John Doe
	Active	\$800,000	Jane Smith
	Active	\$1,500,000	Bob Johnson

We Now Offer:
Cash Investments



1031 PROPERTY WATCH
providing a better view



John Temple
President & Founder
1031PropertyWatch

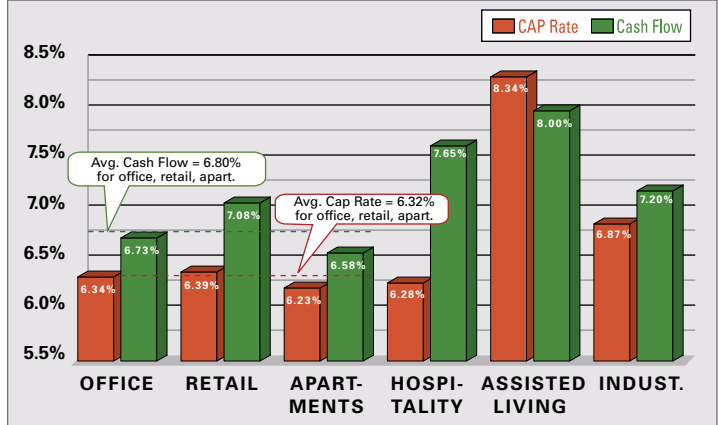
The New Game: Focus on Quality

Last quarter my comments centered around the concept that “you can only squeeze so much juice out of an orange,” which is analogous to saying you can only get so much cash flow out of a given piece of real estate. My intention was to highlight the use of financing and leverage as a means to increase cash flow. Due to the recent credit market meltdown in July, the use of this strategy is likely over. Lending terms and credit pricing have tightened and will probably not ease up significantly through the balance of this market cycle. Absent of a correction in real estate prices, the net effect is that yields will be lower. As we burn off existing inventories that were locked in prior to the credit market fiasco, we will see the market ratchet down cash flows to match up with existing cap rates. For example, at the moment the average cap rate for office buildings is 6.34% and the distributable cash-on-cash return will likely drop to around 6%.

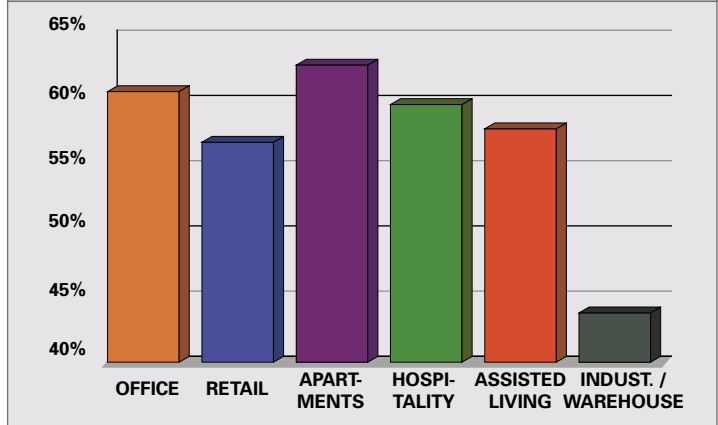
This is a new game. Some buyers may lose interest due to lower returns as others may chase poorer quality properties with hyped up yields. My advice to the risk adverse 1031 investor is to resist the attraction of higher yields and focus on quality. Patience will be required. If it is a good property in a good location, it will keep quality tenants and over time you will see rents increase and property values improve. Give me a call and I will show you some solid options.

Real estate’s greatest advantage is the ability to add value over time. We now offer cash alternative investments that may do just that. These cash investments are not suitable for a 1031 exchange, but may provide value-added real estate to IRA’s and Pension Plans. We offer everything from REITS and Funds to Oil and Gas. These all have lower minimums than your typical TIC investment and generally offer higher risk and reward opportunities. If you are interested in learning more about cash investments, just give us a call.

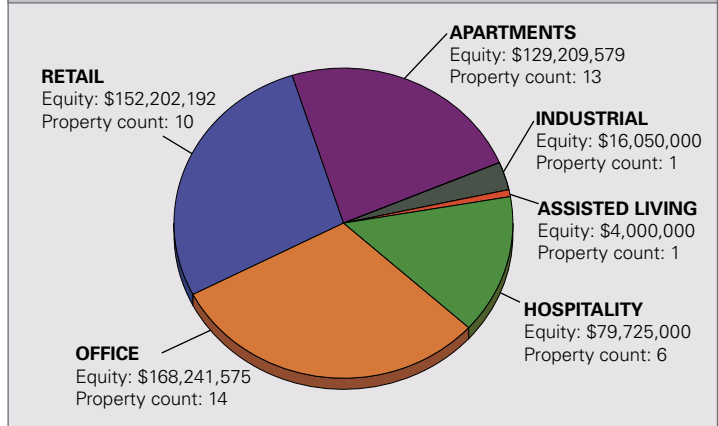
CAP RATE & CASH FLOW COMPARISON – 3RD QTR '07



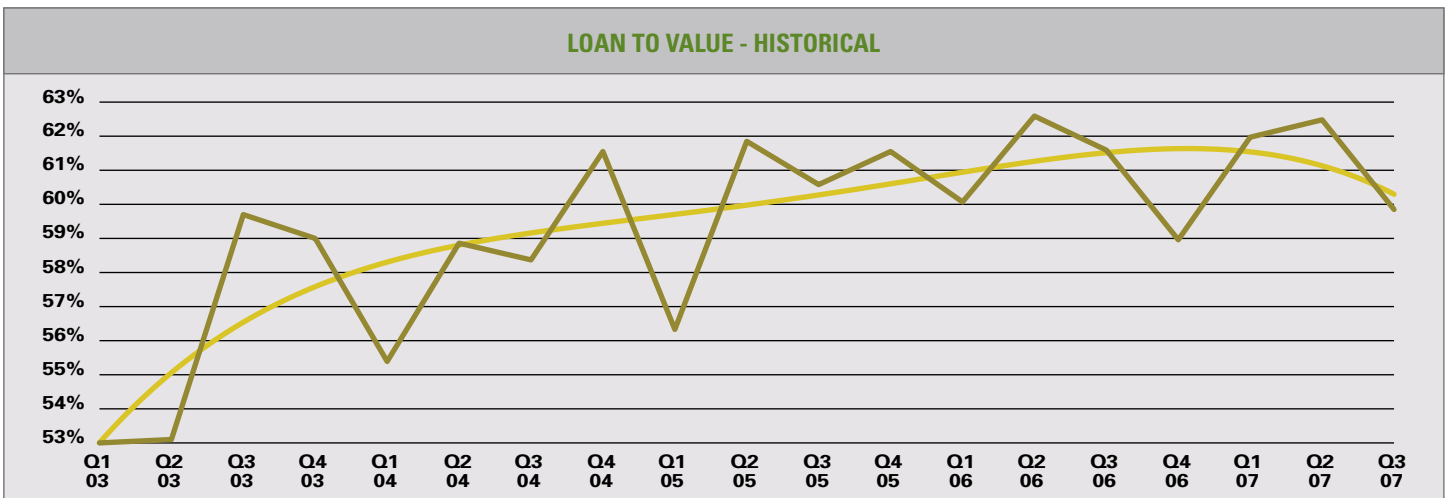
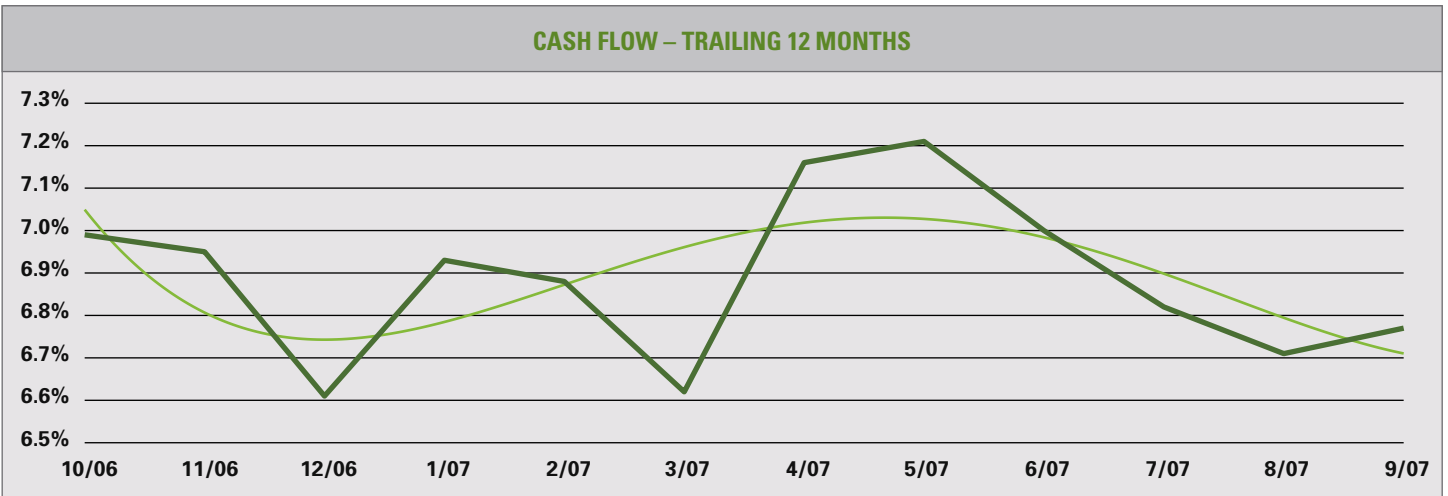
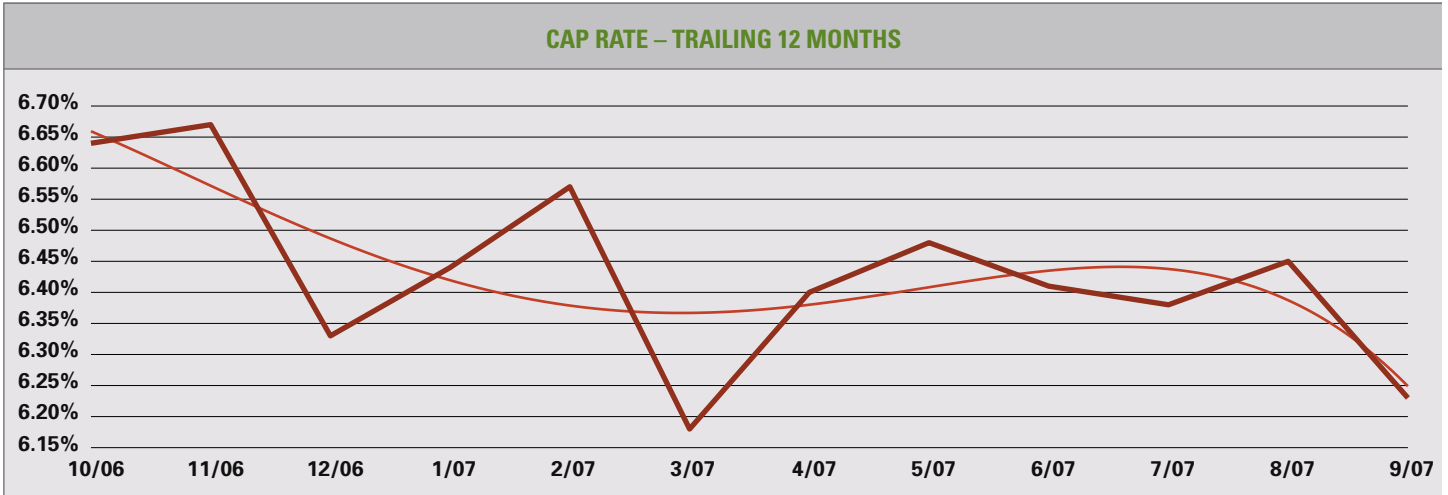
LOAN TO VALUE – 3RD QTR '07



ASSET ALLOCATION – 3RD QTR '07



To receive a list of current TIC properties, just give us a toll free call at 877-337-1031



These polynomial graphs represent the moving average line that best fits the data points.

© 2007 1031PropertyWatch all rights reserved • This newsletter may not be replicated or used without specific written consent. This is neither an offer to sell nor a solicitation of an offer to buy any security. Such an offer may only be made by means of a private placement memorandum (PPM). Information is provided on a best effort basis, is historical in nature, and is for the purpose of general education only. Securities offered through OMNI Brokerage, Inc. Member FINRA SIPC