

Extra! Extra! Read All About It! Rich Uncles Now Available in All 50 States!

The moment we have all been waiting for has finally arrived! [The Rich Uncles real estate crowdfunding platform](#) originally launched as a California based fund that invested in Commercial Real Estate, but was only available to California residents only. Then it launched its national fund, which opened up the investment opportunity to many states, but not all 50. That is...until now!

[I found Rich Uncles back in 2015](#) when I invested in their first fund, the **Rich Uncles Real Estate Investment Trust I**. The fact that I was a new investor in the crowdfunding space and Rich Uncles was a relatively new company, led me to tiptoe in by investing \$5,000, and then to sit back and just watch. I wanted to see how it performed before I committed any larger amount of capital. Like I have promised from the outset, I will always be the guinea pig, and [never promote anything I myself have not personally experienced first](#). I shared this on the blog, along with my guarded optimism and excitement, but it was a bummer to my readers who live outside of California as they could not invest with Rich Uncles.

Satisfied with the performance of the original investment, in late 2017 and early 2018 [I decided I would 10X my initial investment and now have over \\$50,000 invested on the platform](#). The original fund was closed, but they had started a second national fund, the **Rich Uncles NNN REIT, Inc. Class C shares**. This new fund opened up the opportunity to many more of my readers, yet some were still left in a state of disappointment – pun intended – as not all US states were included yet.

Approved states for the second fund: California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kentucky, Louisiana, Missouri, Montana, Nevada, New Hampshire, New York, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Wisconsin, Wyoming.

But now – cue the drumroll please – the moment has arrived!

A light gray world map graphic with the text overlaid on it.

AVAILABLE IN
ALL 50 STATES
AND AROUND
THE WORLD

Invest with Rich Uncles,
wherever you are.

INVEST NOW

Rich Uncles has just launched their third fund, the **Student Housing REIT**, which is officially available in all 50 states. **No one is left out** from investing in this latest fund. Even better, for the younger readers, it comes with a very low minimum investment of \$5. You read that correctly: you can now get exposure to real estate with an investment of \$5.



I personally think this is huge for the younger portion of my audience - especially those between the ages of 18 to 25. I know how hard it is starting out, with very little money to invest. Don't let the size of your bank account discourage you from getting started. The earlier you start the better. This new fund allows you to get started for the cost of a double-double and fries from In-N-Out. Am I speaking your language yet?

You could even make a gift of a few shares which sure beats a candle or a picture frame!

Some of you reading this may still be in college. You know how competitive it can be to get a spot in a student housing complex near campus. Extrapolate and understand why that makes student housing such a solid market for investment. Why not profit from your insider knowledge?

Of course, this investment opportunity is not only available to the younger readers

of this blog, early on in their financial journey. It's for all of you living in the United States who were bummed to find out the [last time I shared my experience with Rich Uncles](#) that it was only available in 24 out of 50 states. Now you're in! I'm not sure how long this latest fund will remain open, so get a double-double bite of it ASAP!

International readers? Yep, this is available to many of you as well (depending on the laws in your local country). I love that I can finally write about an opportunity that I'm investing in myself that is available to the majority of my audience, regardless of their location in the world or financial means.

As with any investment opportunity I share with you, I'm putting my **own money** into this newest fund (starting out with a \$5,000 investment). I believe that the only investment worth sharing with my audience is one I'm willing to invest in myself. It would be easy for me to sell out on this blog, but **I don't sell, I only share.**

Before you decide for yourself, I would like to share the particulars around the strategy for the new student housing fund and what the expected return profile is.

The Student Housing REIT 411

Unlike the first two funds offered by Rich Uncles, which focus on commercial real estate, this - as the name suggests - is focused on investing in student housing. But in Rich Uncles fashion, they will be taking a sniper approach and **not** a spray-and-pray approach. They are working their same successful method of past fund offerings. They have defined the investment parameters to filter opportunities that make sense and that have the highest probability of making investors their targeted returns.

As you can imagine, investing in student housing comes with different challenges when compared to their commercial real estate investing strategy. On the commercial side, the NNN fund, for example, only invests in properties occupied by Fortune 500 companies, tied up with long-term triple net leases (lease terms average ten years). Unless you are studying to be a doctor, most students won't need student housing for anywhere near ten years.

Although there tends to be a constant flow of students year after year, this property type will tend to have a lot more churn, and vacancy becomes a real issue to contend with. This kind of property type could come with lease terms ranging from six months to twelve months - at least from what I remember about student

housing. But never fear, they have a strategy to mitigate the vacancy and churn risks.

The Investment Strategy

Our investment strategy



Purpose-Built Student Housing

We intend to purchase modern properties that were purpose-built for university student living environments, creating a portfolio expected to generate a 6% annualized dividend for our shareholders.



Serving NCAA Division I Universities

Our desired student housing properties will be located within a one-mile walking distance of major NCAA Division I universities that have over 15,000 students enrolled.



Premier Property Selection

The acquisition strategy for student housing will focus on attractive operating histories and building construction designed to achieve management efficiency:

- 150-bed minimum capacities
- 90% rental occupancy rates
- Broad geographic diversification

Now let's list out the filters to the strategy:

\$5 MINIMUM INVESTMENT

Our lowest entry point into commercial real estate, ever!

INVEST NOW

(1) The main focus is to invest in “Purpose-Built” Student Housing. Meaning they plan to invest in properties that were built and intended to provide students while attending the nearby university. However, the one thing I did find odd in their offering memorandum was the note below:

“We expect to use the net proceeds from this offering primarily to invest, directly or indirectly through investments in nonaffiliated entities, in purpose-built student housing properties in proximity to major U.S. universities and colleges; however, if we are unable to find suitable student housing properties we may also invest multi-family housing properties that meet our investment criteria.”

I’m currently investigating what this means exactly and will revert back and add an update when I hear back from the Rich Uncles team.

(2) The properties need to be within walking distance – defined as one-mile.

(3) The university itself needs to be an NCAA Division I school with at least 15,000 students enrolled.

(4) The property must have been built in the year 2000 or later. They don’t want to buy properties that are older than this, due to the increased probability of

major repairs coming up due to the age of the real estate.


(5) The property must have maintained an occupancy rate of 90% or greater over the previous 12 months.

(6) The property must have at least a 150-bed minimum capacity.

(7) The property must come with the financial prospects of earning enough in rents to pay investors the 6% targeted dividend – paid monthly.

Below is the first investment for The Student Housing REIT. The property has “197 2-, 3-, and 4-bedroom units with **518 individual tenant beds** that were approximately 99% leased as of December 31, 2017.”

Introducing our newest investment



Our newest student housing investment is located within one mile of Iowa State University, home to over 36,000 students and a member of the Big 12 Athletic Conference.

- Stadium View Suites | Iowa State University
- 197 Units | 99% occupancy
- Asset Interest: \$13,889,000

[Invest Now](#)

Wrapping Up

One thing to note that I failed to mention above, is that this particular fund does plan to use a bit more leverage than the previous two funds offered by [Rich Uncles](#). In the commercial funds I’m invested in, they only use 40-50% leverage, meaning they typically are putting a cash down payment of 50-60%.

In the Student Housing REIT, they are willing to use up to 75% in debt financing to purchase the property. I’m personally okay with the increased risk of using more leverage in this particular case. That’s because I believe student housing will be

resilient during times of financial crisis. Actually, we would likely see the demand for student housing increase during downturns in the economy as more [people choose to go back to school – to wait out the storm](#).

As I mentioned above, this fund will pay an annual dividend of 6%, which will be paid out in monthly distributions. This is a good way to get an additional income stream set up – more irons in the fire and more diversification, which makes for a stronger portfolio. Like the other two funds offered by Rich Uncles, investors will have monthly liquidity through their share repurchase program, as well as have the same ability to set up automatic investments.

I'm in! I'm super happy to see Rich Uncles available nationwide and even worldwide, plus available at an even lower dollar threshold to the Burger crew. As you know, I fully checked out the company, and am confident in them as an appropriate manager of my hard-working \$oldier\$. I'm looking forward to diversifying my real estate investments by adding student housing to the overall portfolio. Can't wait to add this fund to [my list of "capital deployment" for 2018](#).

Your turn! Are you as excited as I am about this investment? What are your thoughts about investing in student housing? Will you invest? This latest offering removes all the barriers to entry, so you have nothing holding you back!

– Gen Y Finance Guy

p.s. if you have questions that I didn't answer in this post, please ask them in the comments below. Any questions I can't answer myself, I will get answers from the Rich Uncles team themselves.



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little

corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)