

ITEM 5.

In connection with a proposed secondary offering of its common stock, iStar Financial Inc. will make a presentation to potential investors, a copy of which is attached as Exhibit 99.1.

ITEM 7. EXHIBITS

Exhibit 99.1 iStar Financial Inc. Equity Offering Investor
Presentation dated October 2001.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

iSTAR FINANCIAL INC.

Date: October 18, 2001

By: /s/ Jay Sugarman

Jay Sugarman
Chairman and Chief Executive Officer

Date: October 18, 2001

By: /s/ Spencer B. Haber

Spencer B. Haber
President and Chief Financial Officer

(i)STAR|FINANCIAL
Creative Capital Solutions(SM)

EQUITY OFFERING

October 2001

DISCLAIMER

(i)STAR|FINANCIAL [LOGO]

Statements in this presentation which are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although iSTAR Financial Inc. (the "Company") believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include completion of pending investments, continued ability to originate new investments, the availability and cost of capital for future investments, competition within the finance and real estate industries, economic conditions, and other risks detailed from time to time in the Company's SEC reports.

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OFFERING SUMMARY

(i)STAR|FINANCIAL [LOGO]

| | |
|-------------------------|---------------------------------------------------------------------------------------------------|
| SHARES OFFERED: | 15 million secondary common shares |
| RECENT PRICE: | \$25.80 |
| CURRENT DIVIDEND YIELD: | 9.5% |
| BOOK-RUNNER: | Merrill Lynch & Co. |
| JOINT LEAD MANAGER: | Lehman Brothers |
| CO-MANAGERS: | Banc of America Securities LLC Bear, Stearns & Co. Inc. Salomon Smith Barney UBS Warburg |

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OUR MARKET FOCUS

(i)STAR|FINANCIAL [LOGO]

Dominant provider of structured financing for transactions where corporate credit, real estate and capital markets intersect.

CORPORATE TENANT
LEASING

CORPORATE CREDIT
MARKETS

REAL ESTATE
MARKETS

WHAT WE DO

(i)STAR|FINANCIAL [LOGO]

Unique business platform servicing high-end private and corporate owners of real estate who require highly structured financing.

PRICE

^ HIGHER EXPERTISE REQUIRED, HIGHER MARGINS ACHIEVABLE

(\$100 bn market)
iSTAR FINANCIAL
(few competitors)

(\$600 bn market)
LIFE COMPANIES,
COMMERCIAL BANKS
(multiple competitors)

(\$250 bn market)
CONDUITS
(pure commodity)

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Efficient Market - Commodity Products Inefficient Market - Structured Products SERVICE

WHAT WE DO

(i)STAR|FINANCIAL [LOGO]

\$4.1 BILLION
OWNED RECEIVABLES

LOANS
\$2.4 BILLION

LEASES
\$1.7 BILLION

o 46% 1ST MORTGAGES

o 52% INVESTMENT GRADE

> 0% - 66% LTV

o 8.4 YEAR AVERAGE TERM

o 54% CORPORATE LOANS /
PARTNERSHIP LOANS /
2ND MORTGAGES

LOANS / LEASES

o 120 INVESTMENTS /
162 FACILITIES

> 57% - 75% LTV

o 68 LOANS / 426 PROPERTIES

WHAT WE DO

(i)STAR|FINANCIAL [LOGO]

Diversified product lines and investment strategy reflect eight years of intensive experience in a very focused, niche lending business.

> No one is compensated for production.

MANAGING GROWTH

(i)STAR|FINANCIAL [LOGO]

Structured and originated over \$5 billion of financing transactions in eight-year history, with \$1.9 billion of volume from repeat customers.

[The following table was represented by a bar chart in the printed material.]

12/31/95
12/31/96
12/31/97
12/31/98
12/31/99
12/31/00
9/30/01

\$768.0(1)
\$933.0(1)
\$1,210.3
\$2,250.1
\$3,266.8
\$4,283.4
\$5,114.9

iSTAR
Financial
Predecessors
iSTAR
Financial
(Starwood
Mezzanine
Investors
and
Starwood
Opportunity
Fund IV)

(1) Includes third-party senior positions originated, placed and/or structured by SFI.

ASSET QUALITY AND DIVERSIFICATION

(i)STAR|FINANCIAL [LOGO]

Asset base broadly diversified by year of origination, asset type, obligor, geography and property type.

Owned Receivables at September 30, 2001 (\$4.1 billion)

| Asset Type | Geographic Region | Property Type |
|---------------------|---------------------|---------------------|
| [PIE CHART OMITTED] | [PIE CHART OMITTED] | [PIE CHART OMITTED] |

INVESTMENT / UNDERWRITING PROCESS

(i)STAR|FINANCIAL [LOGO]

- o Initial transaction screening and evaluation using proprietary Six Point Methodology(SM).
 - > Transaction Source/Review
 - > Collateral Quality
 - > Equity Sponsor/Corporate Lessee
 - > Structure/Control
 - > Alternative Investment Test
 - > Liquidity/Match Funding

o Intensive underwriting process provides for comprehensive review of potential investments from all key disciplines.

- > Investments
- > Credit
- > Risk Management
- > Legal
- > Capital Markets

o Multi-tiered approval process.

- > \$0 - \$30 Million: Management Investment Committee
- > \$30- \$50 Million: Board Investment Committee
- > Over \$50 Million: Full Board of Directors

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CASE STUDY: PORTFOLIO FINANCE

(i)STAR|FINANCIAL [LOGO]

San Diego Office Portfolio

[PHOTO]

- o Collateral: Cross collateralized portfolio of downtown office buildings totaling 1.1 million sf.
- o Equity Sponsor: Southwest Value Partners, a leading private real estate investment firm.
- o Investment Structure: 1st and 2nd mortgages.
- o Credit Statistics:
 - > LTV: 76%.
 - > DSCR: 1.94x.
- o Match Funding Vehicle: STARs(SM).
- o Match Funded ROE: 14.01%.

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CASE STUDY: CORPORATE FINANCE

(i)STAR|FINANCIAL [LOGO]

140 Apartment Communities

[PHOTO]

- o Collateral: Diversified portfolio of 140 apartment communities located primarily in 10 major U.S. markets.
- o Equity Sponsor: Olympus Real Estate, a large institutional private equity firm.
 - > \$400 million equity investment junior to iSTAR.
- o Investment Structure: Mezzanine
- o Credit Statistics:
 - > LTV: 59% -77%.

> DSCR: 1.33x.

- o Match Funding Vehicle: Syndicated term loan.
- o Match Funded ROE: 22.22%.

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COMPREHENSIVE RISK MANAGEMENT (i)STAR|FINANCIAL [LOGO]
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iSTAR FINANCIAL HAS ONE OF THE LOWEST LOSS RATIOS Io THE FINANCE INDUSTRY.

- o 50+ person risk management team with in-house expertise in asset management, corporate credit, loan servicing, project management and engineering.
- o Proactive strategy centered around information sharing, frequent customer contact and "early warning" system.
- o Compilation and analysis of asset information is distributed on-line to all iSTAR Financial professionals on a continuous, real-time basis.
- o Comprehensive risk rating process that enables us to evaluate, monitor and pro-actively manage asset-specific credit issues and identify credit trends on a portfolio-wide basis.

[The following table was represented by a bar chart in the printed material.]

WEIGHTED AVERAGE STRUCTURED FINANCE RISK RATINGS

(1=LOWEST RISK; 5=HIGHEST RISK)

| Dec-98 | Mar-99 | Jun-99 | Sep-99 | Dec-99 | Mar-00 | Jun-00 | Sep-00 | Dec-00 | Mar-01 | Jun-01 | Sep-01 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2.71 | 2.64 | 2.62 | 2.63 | 2.54 | 2.55 | 2.55 | 2.59 | 2.50 | 2.53 | 2.68 | 2.82 |

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LEASE EXPIRATION PROFILE (i)STAR|FINANCIAL [LOGO]
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At September 30, 2001, the weighted average remaining lease term of iSTAR Financial's corporate tenant leasing portfolio was 8.4 years. The portfolio is over 99% leased.

Lease Expiration Profile
(at September 30, 2001)

[The following table was represented by a bar chart in the printed material.]

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | and thereafter |
|------|------|------|------|------|------|------|------|-------|----------------|
| 0.7% | 2.1% | 3.4% | 5.0% | 2.9% | 5.9% | 3.8% | 1.5% | 21.0% | |

(% of Q3'01 annualized total revenue)

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POTENTIAL INVESTOR CONSIDERATIONS (i)STAR|FINANCIAL [LOGO]
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HOTEL LENDING EXPOSURE:

- o Hotel lending is not an overly large concentration for the Company. Twelve

hotel loans totaling \$538 million represent approximately 13% of total assets.

> All hotel loans have lock boxes and ten of the 12 loans have cash traps that are triggered before debt service coverage gets to 1.0x.

o Leading downtown properties in supply-constrained markets and large, diversified pools of cross collateralized assets.

> Hotel collateral is broadly diversified with over 110 underlying properties in over 75 geographic markets.

> No resort assets.

o Hotel loans averaged over 1.7x TTM actual debt service coverage prior to September 11, creating substantial capacity for large drops in collateral cash flows prior to our loans being impacted.

o \$27 million of reserves (excluding insurance and tax reserves). Including these reserves, underlying collateral cash flows would have to decrease by approximately 50% to create 1.0x coverage on our loans.

o Significant borrower cash equity junior to us.

> \$752 million of borrower equity underlying our loans.

o Hotel collateral operating performance has steadily improved since September 17 and borrowers have aggressively cut costs.

> Average occupancy has been steadily increasing, with latest available weekday figure of 70%.

POTENTIAL INVESTOR CONSIDERATIONS

(i)STAR|FINANCIAL [LOGO]

TECH/TELECOM EXPOSURE:

o Lending exposure not meaningful (2.9% of 3Q'01 total revenues).

o CTL exposure dominated by leading publicly-traded software, equipment and service companies; no "dot coms."

o 5 of Top 10 CTL exposures are investment grade: IBM, Nokia, Verizon, Mitsubishi and HP.

o CUMULATIVE California CTL rollover through 12/02 just 0.7% of SFI 3Q'01 total revenues.

o SFI's exposure is backed by corporate credit AND hard real estate assets at attractive book basis.

DEEP, BROAD CAPITAL RESOURCES

(i)STAR|FINANCIAL [LOGO]

Secured Credit Facilities

o State-of-the-art, committed revolvers from RBS, Deutsche Bank and Lehman Brothers.

o \$1.9 billion (capacity) in place.

o \$693 million outstanding.

o Primary source of working capital.

Unsecured Credit Facilities

o Leading commercial banks, including Bank of America, Deutsche Bank, Fleet and UBS.

o \$300 million (capacity).

o \$0 outstanding.

Match Funding Facilities

o iSTAR Asset Receivables (STARsSM).

> Recent upgrades strengthen funding capabilities and lower costs.

o Term lending relationships with a dozen commercial banks and insurance companies. Unsecured Corporate Bonds

Unsecured Corporate Bonds

o Ba1 / BB+ / BB+ (positive) senior unsecured credit ratings.

> Positive credit momentum should lead to investment grade rating within 12-24 months.

o \$625 million outstanding.

As of September 30, 2001.

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CONSERVATIVE FINANCIAL POLICIES

(i)STAR|FINANCIAL [LOGO]

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o SFI's leverage policies provide for a maximum targeted 1.5 - 2.0x book debt/equity ratio.

o Maximum leverage range developed by satisfying the following primary objectives:

> 15 - 20% sustainable ROE target.

> Ability to match-fund in long-term, secured debt markets if credit facilities, corporate debt or equity is unavailable.

o Maintain large equity base.

> \$1.8 billion tangible book equity.

o Match-funding discipline: maturities and interest rates.

> 100 basis point change in short term rates has no impact on adjusted earnings.

o Comprehensive reserve policies.

> No losses experienced to date.

> Loan loss reserves (including accumulated CTL depreciation) equals 220 basis points of owned receivables.

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SUPERIOR RISK-ADJUSTED RETURNS

(i)STAR|FINANCIAL [LOGO]

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SFI has generated superior risk-adjusted returns on invested capital...

[The following table was represented by a bar chart in the printed material.]

9/30/1998
12/31/1998
3/31/1999
6/30/1999
9/30/1999
12/31/1999

3/31/2000
 6/30/2000
 9/30/2000
 12/31/2000
 ROAA 6.0%
 5.3% 5.9%
 6.0% 6.4%
 6.5% 6.6%
 6.7% 6.7%
 6.8% ROAE
 12.3%
 13.0%
 13.6%
 14.1%
 14.7%
 14.8%
 15.1%
 15.5%
 16.1%
 16.7%
 3/31/2001
 6/30/2001
 9/30/2001
 ROAA 7.0%
 7.2% 7.2%
 ROAE 17.3%
 17.5%
 17.9%

CONSERVATIVE LEVERAGE

(i)STAR|FINANCIAL [LOGO]

...while maintaining conservative leverage ratios...

[The following table was represented by a bar chart in the printed material.]

9/30/1998
 12/31/1998
 3/31/1999
 6/30/1999
 9/30/1999
 12/31/1999
 3/31/2000
 6/30/2000
 9/30/2000
 12/31/2000
 Debt /
 Equity
 1.3x 1.1x
 1.2x 1.2x
 1.1x 1.1x
 1.1x 1.2x
 1.2x 1.2x
 3/31/2001
 6/30/2001
 9/30/2001
 Debt /
 Equity
 1.2x 1.2x
 1.3x

SOLID EARNINGS GROWTH

(i)STAR|FINANCIAL [LOGO]

...and generating solid growth in adjusted earnings per share.

[The following table was represented by a bar chart in the printed material.]

9/30/1998
 12/31/1998
 3/31/1999

UNSECURED
CREDIT
RATING BA1
/ BB+ A3 /
A- A3 / A-

TANGIBLE
BOOK
EQUITY (\$
IN
MILLIONS)
\$ 1,821 \$
1,833 \$
1,421 ----

TOTAL
LIABILITIES
/ TANGIBLE
EQUITY
1.3X 8.5x
8.1x -----

EBIDA /
INTEREST
2.7X 1.7x
1.6x ROAA
7.2% 1.4%
1.3% -----

ROAE
17.9%
10.6%
10.3% ----

G&A
/ REVENUE
5.5% 19.1%
18.8%

RATING
AGENCY
RISK-BASED
CAPITAL
ADEQUACY
SCORE 2.43
0.89 0.94

(1) Peer Group includes CIT Group Inc., GATX Capital, Heller Financial and
Textron Financial.

INVESTMENT HIGHLIGHTS (i)STAR|FINANCIAL [LOGO]
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- o Largest independent finance company in attractive \$100 - \$150 billion market niche.
- o Consistent, eight-year track record of superior results.
- o Intensive risk management and employee ownership lead to best loss performance in finance industry.
- o Significant upside potential for investors from:
 - > Strong total rate of return (growth and dividends).
 - > Multiple expansion.
 - > Ratings upgrade.