Net Lease Property Group Newport

Capital Markets | Investment Properties

Capabilities Overview

CBRE

NLPG Newport 1031 Exchange

www.NLPGNewport.com

Meet the Team

Ian Schroeder

Senior Vice President & Partner

Ian specializes in the disposition of single-tenant NNN assets throughout the United States. Throughout his career, Ian has closed over $2 Billion in transactions. Ian's extensive business background includes nearly 30 years of success in serving his clients with the utmost integrity, salesmanship and professionalism, which has earned him a stellar reputation in the commercial real estate industry.

David McNevin

Senior Associate & Partner

David specializes in advising clients on the acquisition and disposition of single-tenant net lease retail and industrial properties across the United States. David's primary focus is building and nurturing client relationships within the merchant developer sector, private client space, and institutional arena. He is deeply committed to understanding the needs and goals of his clients' and their real estate portfolios.

Kyra Farag

Client Services & Marketing Specialist

Kyra provides direct support for NLPG Newport while managing all aspects of the creation, design and promotion of all marketing assets for the team, including offering memorandums, flyers, proposals, direct mailings, and social media utilization. Kyra also manages the team's nationwide listing process, ensuring each transaction abides by state law. Kyra is a licensed real estate salesperson in the state of California.

Melissa Ley Marshall

Senior Vice President & Partner

Melissa manages NLPG's entire sales process, from underwriting and valuation to offer negotiations, working relentlessly to deliver superior results for her private and institutional clients. For the past 9+ years, Melissa has developed and led the team's 1031 exchange program, to ensure the successful placement of 1031 exchange capital. Through working on both the sellside and buyside, Melissa has developed exceptional market knowledge and experience on both sides of the table.

Allison McDuffie Johnson

Director of Operations

Allison is responsible for the successful execution of all of NLPG Newport's investment transactions, managing every step of the process. Since joining CBRE in 2013, Allison has represented institutional, developer, and private clients as both buyers and sellers, and has managed the sale of over $1.59 Billion in investment volume, totaling over 6.8 million SF of net lease retail space.

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Net Lease Property Group Newport

Dear Investor,

Thinking about entering into a 1031 exchange and need assistance with finding a replacement property? You have come to the right place! NLPG Newport specializes in the disposition and acquisition of net-lease properties throughout the United States, in addition to offering an exclusive buyside 1031 exchange program.

At NLPG Newport, we understand that 1031 exchanges have strict IRS rules that must be followed, often resulting in a complicated, time-sensitive process that is stressful for all parties involved. Our team will be with you every step of the way, facilitating an exchange that meets your needs and ensures you a seamless transaction to identify and close on a replacement property.

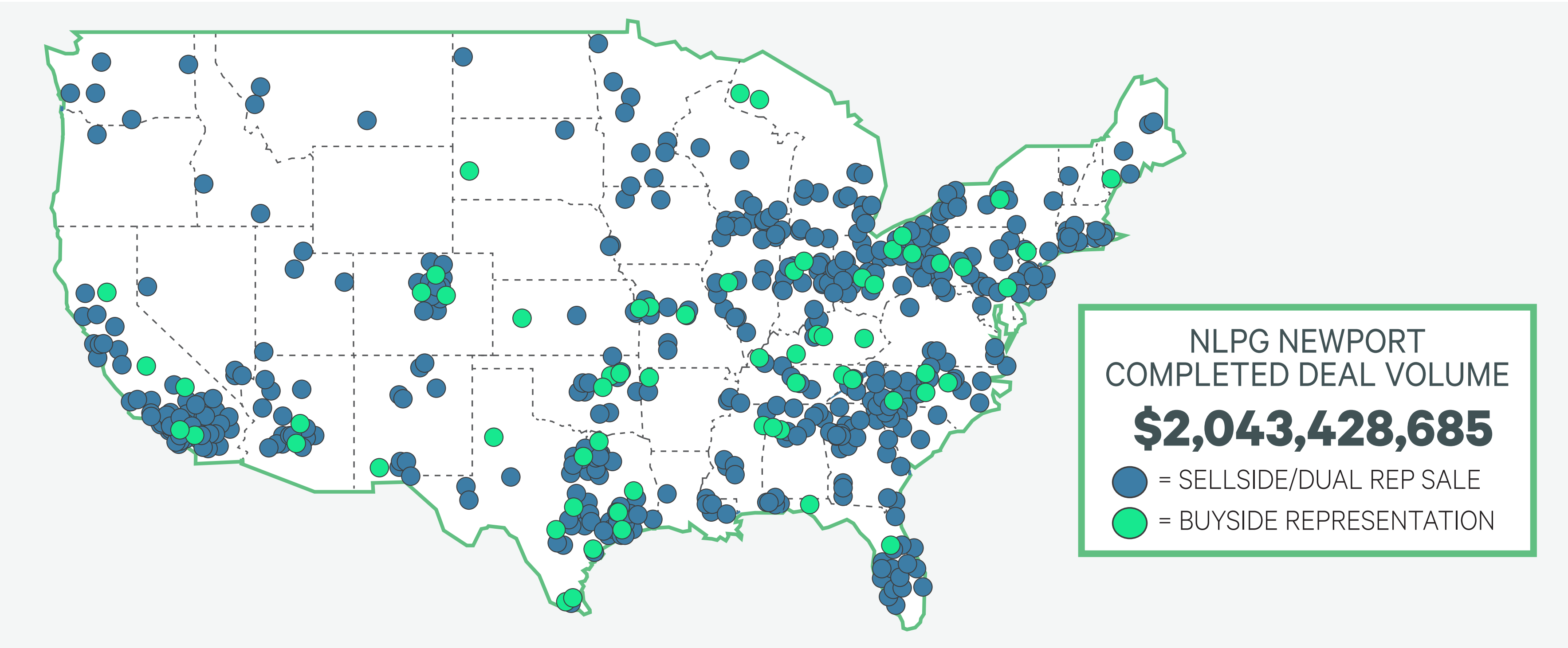
We guide our clients through the entire exchange process, from locating the properties, to negotiations, offer management, and coordinating debt, all the way to closing. Our extensive market reach connects you with hundreds of sellers and brokers across the nation, providing you with the largest inventory of potential opportunities to consider including off-market inventories from both private and institutional owners. Additionally, we conduct thorough searches through all market listings and apply a rigorous investment review process to identify the ideal investment for our clients that protects your equity.

In a 1031 exchange, the context is very simple, but the intricacies can be very complicated. The most important thing in a 1031 exchange is to make sure you have hired experienced representation to take you through the process step-by-step to protect your investments. The sooner a buyside representative gets involved in the 1031 exchange, the better, to avoid timing problems that may result in a large tax bill or acquiring an undesirable asset.

The following booklet will highlight the services our team provides and our track record helping individuals like yourself successfully complete their exchanges. Please do not hesitate to reach out with any questions.

SINCERELY,
IAN SCHROEDER, MELISSA LEY MARSHALL, & DAVID MCNEVIN

Completed Deal Volume



Why NLPG Newport?

We are committed to providing exceptional service to clients through collective team experience and relationships while sharing proprietary real-time market information and technology.

What is a 1031 Exchange?

A 1031 exchange allows an investor to “defer” paying capital gains taxes on an investment property when it is sold, as long as another “like-kind property” is purchased with the profit gained by the sale of the relinquished property. It is defined under Section 1031 of the IRS Code.

1031 Exchange Timeline

Sell your current Investment Property. Notify a Qualified Intermediary (often referred to as a 1031 Exchange Accommodator) prior to the close of the sale.

Upon close of your sale, proceeds from the sale are transferred to the Qualified Intermediary.

Identify replacement property(ies) within **45 DAYS** of the sale.

You have **180 DAYS** from the closing date of your sale to close on your replacement property(ies).

NLPG Newport Buyside Services

UNDERSTAND CLIENT NEEDS

Acquisition criteria and needs vary from one client to the next. We look at your unique situation.

PRE-QUALIFY POTENTIAL PROPERTIES

Our team vets through the properties, while weighing the strengths and challenges of each.

COORDINATE ADDITIONAL FINANCING

CBRE's Debt and Structured Finance team can source loans that are right for you and your exchange.

MANAGE INVOLVED PARTIES

It is imperative that there is coordination and communication between parties, which our team will manage for you.

MANAGE & NEGOTIATE OFFERS

We know the nuances of writing and managing offers, and negotiating the terms that will best suit your exchange.

GUIDE ESCROW & DUE DILIGENCE

We ensure the transaction timeline is on track and that any issues that may arise are handled quickly, to ensure that the deal progresses efficiently.

COMPLETE YOUR EXCHANGE

Our expertise and experience ensures that you identify the exchange property within 45 days of your sale, and close within 180 days.

Significant Buyside Transactions

FLORIDA BLUE (BCBS OF FL) | CLERMONT, FL

SALE PRICE: $4,495,000

- INCREASED CASH FLOW 246%
- EXCHANGED FROM MULTIFAMILY IN CA

TESLA | LITTLETON, CO

SALE PRICE: $12,045,000

- EXCHANGED FROM OFFICE IN CA
- COLLEAGUE REFERRAL, FACILITATED DEBT PIECE

DUTCH BROS | KNOXVILLE, TN

SALE PRICE: $2,450,000

- EXCHANGED FROM MULTIFAMILY IN CA
- RARE 20 YEAR CORPORATE LEASE

FIRESTONE | DENVER, CO

SALE PRICE: $3,867,000

- PORTFOLIO ACQUISITION TO COMPLETE 1031
- INCREASED CASH FLOW 55%

COFFEE BEAN & TEA LEAF | SCOTTSDALE, AZ

SALE PRICE: $2,135,000

- 1031 EXCHANGE
- ALL-CASH ACQUISITION

SHOPS AT TOWN CENTER | MENIFEE, CA

SALE PRICE: $9,400,000

- EXCHANGED FROM MULTIFAMILY IN CA
- CA BASED INVESTOR

7-ELEVEN | SAN ANTONIO, TX

SALE PRICE: $4,160,000

- 1031 EXCHANGE, ALL-CASH ACQUISITION
- REPEAT CLIENT

ALDI | SANTA FE SPRINGS, CA

SALE PRICE: $6,300,000

- EXCHANGED FROM INDUSTRIAL IN CA
- ALL-CASH ACQUISITION

HABIT BURGER | SPARTANBURG, SC

SALE PRICE: $2,613,000

- EXCHANGED FROM MULTIFAMILY IN CA
- PORTFOLIO ACQUISITION

Significant Buyside Transactions

DOLLAR GENERAL 6 PORTFOLIO | MN & IL

SALE PRICE: $6,994,000

- PORTFOLIO ACQUISITION
- FACILITATED DEBT PIECE

WHATABURGER | MURFREESBORO, TN

SALE PRICE: $3,947,000

- SOLD AGRICULTURAL PROPERTY IN CA
- ACQUIRED INCOME PRODUCING ASSET

KUM & GO | LITTLETON, CO

SALE PRICE: $7,300,000

- ACQUIRED FOR ESTATE PLANNING & DEPRECIATION BENEFITS

PANERA BREAD | MORRISVILLE, NC

SALE PRICE: $2,968,670

- 1031 EXCHANGE
- ALL-CASH ACQUISITION

DIGNITY HEALTH | TEMPE, AZ

SALE PRICE: $13,420,952

- EXCHANGED FROM MULTIFAMILY IN CA
- 1031 EXCHANGE, ALL-CASH ACQUISITION

DOLLAR GENERAL | VICTORIA, TX

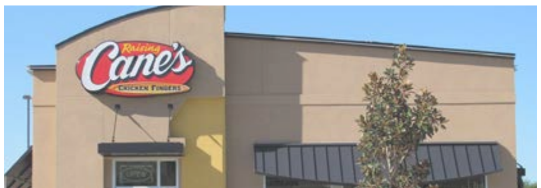
SALE PRICE: $1,921,000

- FIRST NET LEASE ACQUISITION
- ALL-CASH CALIFORNIA BASED BUYER

TACO BELL | PENDLETON, IN

SALE PRICE: $1,775,000

- SOLD FARM LAND
- ACQUIRED INCOME PRODUCING ASSET



RAISING CANE'S | KATY, TX

SALE PRICE: $5,325,000

- SOLD VACANT LAND
- ACQUIRED INCOME PRODUCING ASSET

VERIZON | COLUMBUS, OH

SALE PRICE: $1,925,000

- ACQUISITION AFTER CASH-OUT REFI TO EXPAND NNN PORTFOLIO

DUTCH BROS | FORT WORTH, TX

SALE PRICE: $2,048,193

- 1031 EXCHANGE
- INCREASED CASH FLOW 10X

CHIPOTLE | BOWLING GREEN, KY

SALE PRICE: $3,274,000

- INCREASED CASH FLOW 269%
- EXCHANGED FROM MULTIFAMILY IN CA

CVS PHARMACY | ORLANDO, FL

SALE PRICE: $5,000,000

- ALL-CASH ACQUISITION
- NON-1031 EXCHANGE

CHILI'S | ASHEBORO, NC

SALE PRICE: $1,875,000

- ALL-CASH ACQUISITION, REPEAT CLIENT
- ABOVE AVERAGE SALES

TRACTOR SUPPLY CO. | CLINTON, TN

SALE PRICE: $3,760,000

- PORTFOLIO ACQUISITION TO COMPLETE 1031
- INCREASED CASH FLOW 55%

WRIGHT-PATT CREDIT | CANAL WINCHESTER, OH

SALE PRICE: $1,250,000

- EXCHANGED FROM MULTIFAMILY IN CA
- LOW PRICE POINT DEAL, CORPORATE LEASE

AARON'S | PEORIA, AZ

SALE PRICE: $1,825,000

- 1031 EXCHANGE
- FACILITATED DEBT PIECE, REPEAT CLIENT

OLIVE GARDEN | RAPID CITY, SD

SALE PRICE: $2,370,000

- EXCHANGED OUT OF OFFICE IN CA
- ALL-CASH ACQUISITION

WHATABURGER | RAYMORE, MO

SALE PRICE: $3,765,000

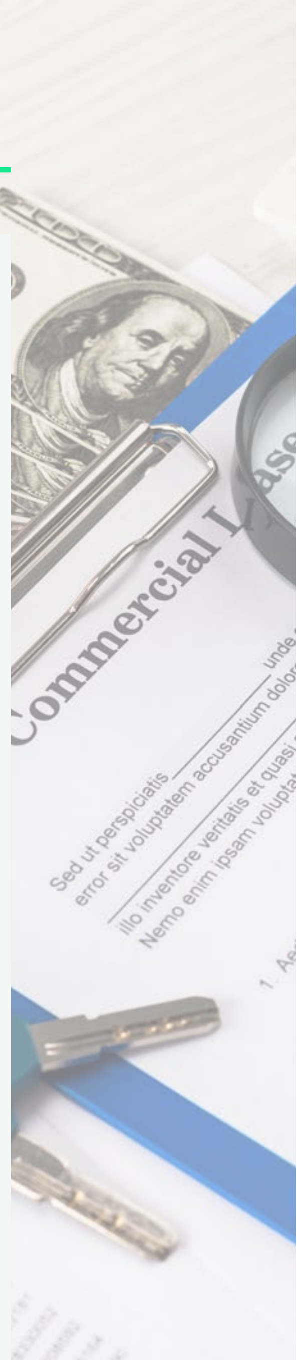
- EXCHANGED FROM INDUSTRIAL IN CA
- COLLEAGUE REFERRAL, ALL-CASH ACQUISITION

What is a Single Tenant Net Lease (STNL) Investment?

A single tenant net lease investment is typically a freestanding retail, medical or office building that is leased by one tenant. There has been a flight to STNL investments because of the reliable source of steady income and zero to minimal management obligations as a Landlord.

We like to call it a bond backed by real estate!

Lease Types



NET LEASE:

Net lease refers to a contractual agreement where a tenant pays a portion or all of the taxes, insurance premiums and maintenance costs for a property in addition to rent.

A **NNN LEASE ("triple net")**, means there are no responsibilities as a Landlord. The tenant is responsible for maintaining, repairing and replacing the roof, structure, parking lot, and common areas, as well as all required taxes, insurance and utilities.

+ **PROS:**
  - » Hands off investment (a "coupon clipper" investment)
  - » Tenant is responsible for all expenses related to the property
+ **CONS:**
  - » These assets tend to trade at lower cap rates
  - » Few tenants have a true NNN lease, limiting the tenant mix and supply

A **NN LEASE ("double net")**, means there are some responsibilities as a Landlord that are specified in the lease. These responsibilities can include items like property insurance, roof and structure replacement, parking lot replacement, and other Capital Expenditures.

+ **PROS:**
  - » You can achieve a higher cap rate
  - » Larger pool of tenants to choose from
+ **CONS:**
  - » You are responsible for paying the Capital Expenditures
  - » The tenant may be required to make minor repairs during the term of the lease, but if the roof needs to be replaced, then the cost of replacement would fall on you as the Landlord. Typically, there are 15-20 year roof warranties on new construction assets.

Lease Types

FEE SIMPLE LEASE

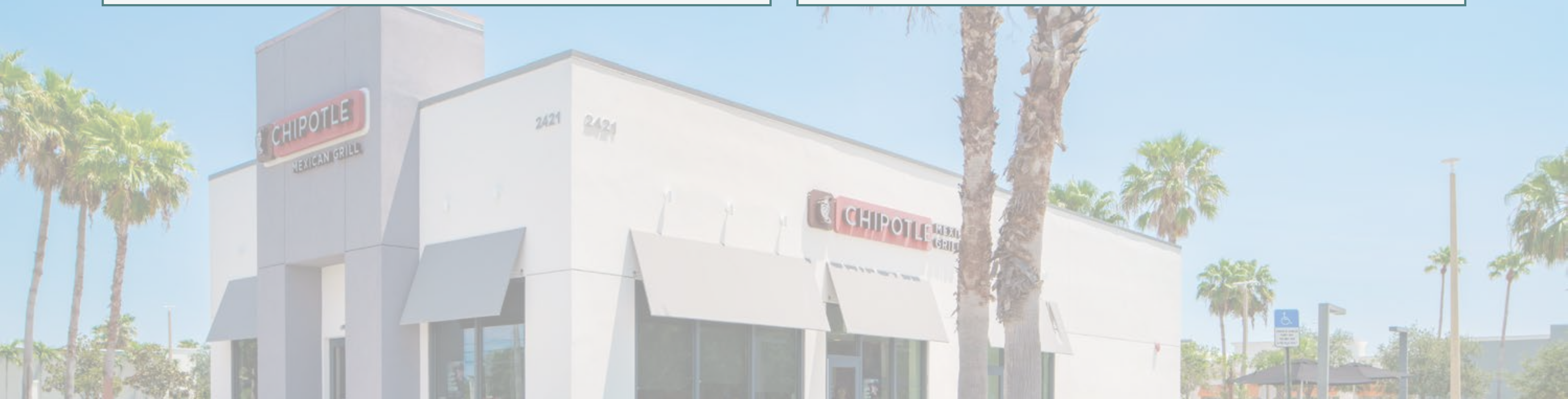
Investment where you own both the land and the building.

+ **PROS:**
  - » Depreciation
  - » Generally higher Cap Rates = higher ROI
+ **CONS:**
  - » Construction costs are baked into the rent, resulting in higher rents per square foot and overall more expensive assets
  - » You may or may not have responsibilities as a Landlord

GROUND LEASE

Investment where you own the land, but the tenant owns and is responsible for the building.

+ **PROS:**
  - » Absolute NNN with no landlord responsibilities
  - » Lower price point assets because of the under-market rent
  - » At the end of the lease or if the tenant decides to vacate, the building reverts to you as the landowner (free building!)
+ **CONS:**
  - » No depreciation, as you don't own the building
  - » Lower cap rates = lower ROI



How Do You Value a NNN Deal?

LOCATION, LOCATION, LOCATION!

- » Outparcel to Shopping Center
- » Highly Trafficked Location
- » Hard-Corner
- » Ingress & Egress
- » Urban vs Suburban
- » Demographics
  - + Household Income, Population, Growth
- » Overall Market Area
  - + Commercial & Residential Development
  - + Income-Tax Free States
  - + Job Growth
  - + Tech or Industrial Hubs

CREDIT OF TENANT/GUARANTOR

- » Corporate Credit vs. Franchise Credit
- » Imperative to Understand the Credit of the Tenant Backing the Lease

TERM OF LEASE

- » Target: 10+ Years of Term
- » Optimal: 15-20 Years of Term

RENTAL INCREASES

- » Flat Leases with No Rental Increases vs. Scheduled Increases
- » Optimal: 10% Every 5 Years or 2% Annually

TENANT AND BUILDING TYPE

- » Fast Food, Dollar Store, Drug Store, Gas Station, Home Improvement, Auto, Fitness etc.
- » E-Commerce proof
- » Medical
- » Industrial

All of these factors are taken into account when pricing a deal – it is the basic concept of RISK VS. REWARD. The better the location, the lower the cap rate, and higher the price. The better the creditworthiness of the tenant is, the lower the cap, higher the price.

CAP RATE = RENT/PURCHASE PRICE

CAP RATE = RETURN ON INVESTMENT

Lower Risk = Lower Cap Rate = Higher Price

Higher Risk = Higher Cap Rate = Lower Price

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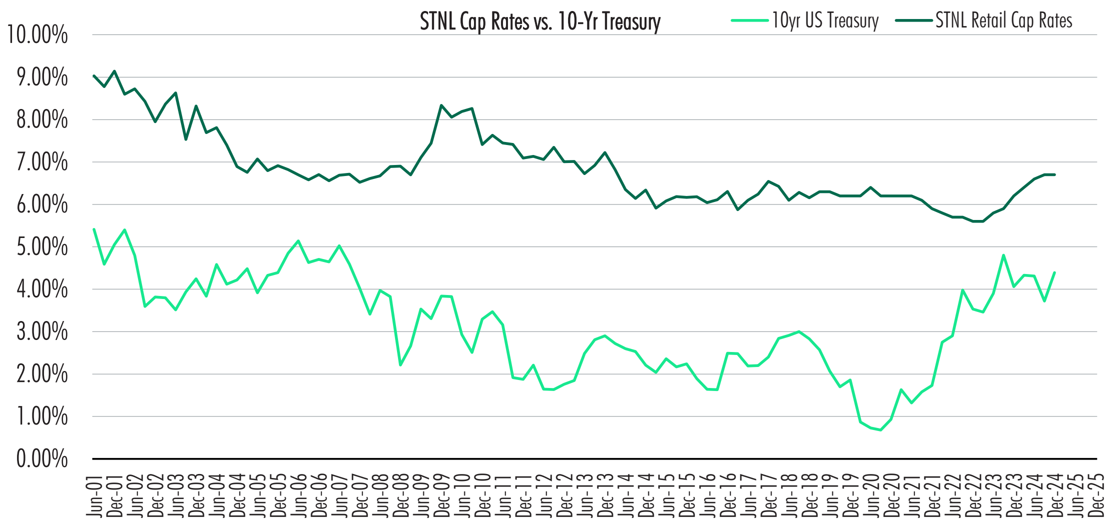
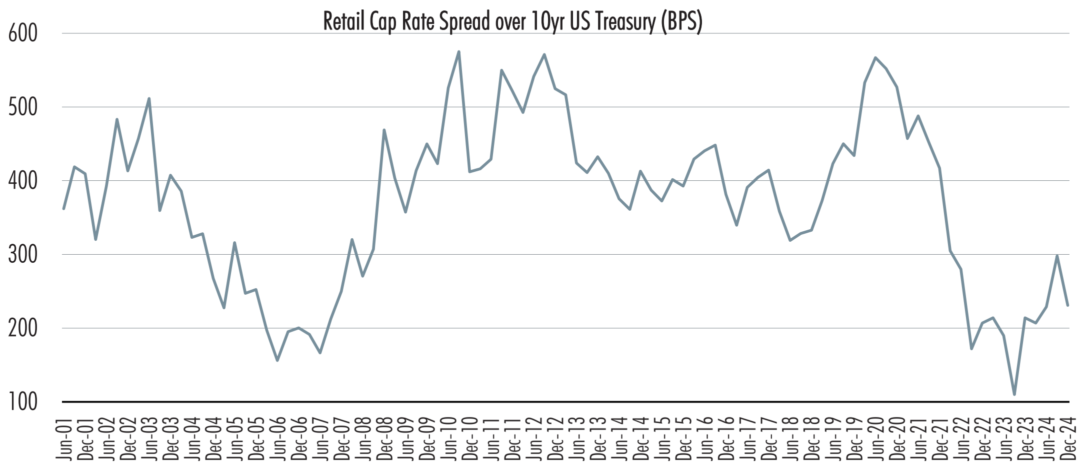
STNL Cap Rates vs. 10-Yr Treasury





In a 1031 Exchange?
Let Us Partner With You!

Connect with Us

CBRE

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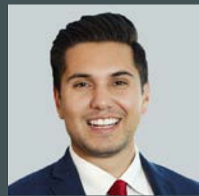

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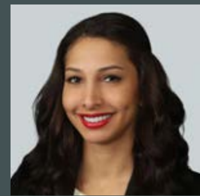

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