

CASE STUDY

TOPIC: 1031 Acquisition Solution
PERSPECTIVES: 1031 Buyer / “Off-Market” Seller
PROPERTY: Advanced Auto Parts



BACKGROUND

A long time buyer client was in the position to “right-size” their portfolio and complete a 1031 Exchange. They were looking to acquire additional investment properties in order to maintain their return on capital, while increasing the average lease term remaining of their portfolio.

OBSTACLES

Locating the ideal 1031 property or properties, while having the uncertainty of when and if their “downleg” would close, presented an extreme challenge. During their property search we were able to locate several potential properties; however, they were forced to pass on many while waiting for their identification period to start. The acquisition environment became increasingly competitive as the 4th Quarter of 2012 came to a close and the volume of 1031 activity increased with a continued “flight to quality, long term net-lease properties”.

THE PROCESS

Once the buyer had informed us of their potential 1031 exchange and the need to locate newer assets with longer lease term and his additional search criteria, we were able to create the “Purchaser Profiler” and conduct a thorough property search on his behalf. We continued “locating” qualified properties that fit within his criteria for 3 to 6 months.

THE RESULT

Upon closing the “downleg” we were able to quickly filter and confirm the properties of genuine interest that were still available. After finding that only a few were still available or met the strict demographic and return requirements, we were able to connect with a developer client that had a “off market” property that fit nearly all of the buyer’s acquisition criteria.

By taking the time to listen, confirm goals, strategize, and utilize our process throughout the entire transaction, an extremely efficient and satisfying experience was had by both parties. Objectives were met, time was saved, and returns on investment were achieved.