

CASE STUDY

TOPIC: Creating Win-Win For Institutional Buyer and Seller

PERSPECTIVES: Acquisition & Disposition Sides

PROPERTY: Portfolio of 19 IHOP Properties;
14 of which are Leasehold Interests



THE CHALLENGE

We began working with an experienced institutional buyer seeking an aggressive yield for his investors, while also needing to deploy approximately \$50M per month towards the acquisition of single-tenant net-leased properties. The investor wanted to locate a large portfolio of properties and close quickly in order to minimize their transaction costs. Their acquisition requirements were challenging. Would we be able to *find* the right deal with a specific yield, specific investment parameters, and within a specific timeframe?

On the other hand, the seller had several single-tenant investment properties and even more in the pipeline. The seller was not broadcasting any of the properties, but was faced with maturing debt and thus, was motivated by the potential infusion of fresh capital. Could the seller secure an efficient and timely closing with a *qualified* buyer?

THE STRATEGY

To solve these problems from both perspectives, we identified short and long term objectives and created profiles of the right properties and right purchaser for both. We devised a strategy that would allow us to effectively locate the right properties while at the same time marrying with the sellers property inventory. The key ingredient was listening to the clients' overall objectives, outside of the real estate, in order to uncover the true motivations for both buying and selling the properties.

CASE STUDY

(continued)



THE PROCESS

Using *The Closing Navigator*™, we followed a step-by-step process to collaborate with the buyer for his acquisition strategy. During each phase, deliverables and tools were provided to ensure the investor knew where he was in the process and what the next steps would be. During the *Locate* phase we were able to Broadcast the needs of the investor with the specifics of his strategy (the investment parameters and need for a quick close). In doing all of this; it allowed him ownership in finding the solution and better collaboration to have the broker involved in the actual property search.

We also used *The Closing Navigator*™ for the seller in the *Transact* phase. In the process of preparing to negotiate and close we provided the data and checklists to ensure accurate and timely communication throughout the process. This allowed the seller an efficient and informed approach to sell the properties given the short amount of time to close.

THE RESULT

Having a clear picture of both the investor's and seller's requirements allowed us to marry the two into an all-cash closing within 34 days. An extremely satisfying transaction experience was had by both parties as result of us taking the time to listen, confirm goals, strategize, and utilize a step-by-step process. Objectives were met, time was saved, and returns on investment were achieved.