

CASE STUDY

TOPIC: The “Off-Market” Acquisition
PERSPECTIVES: Buy Side Broker & Buyer
PROPERTY: Dollar General - Gardendale, AL



BACKGROUND

A purchaser, whom we contacted through prospecting in the Mississippi Real Estate tax records, had an interest in expanding his net-lease investment portfolio. He was a passive, retired, high net-worth investor who was an experienced buyer. He already owned two triple-net Dollar General properties, and was looking to invest up to \$5M in the Southeast.

THE CHALLENGE

The buyer was ready to invest but lacked the professional representation necessary to find the right net-lease properties. He had strict search criteria, but did not have the time, network, or systems in place to fulfill his investment need. He was seeking 2-3 additional properties that had a minimum return in the 6.7% to 7.0% range “South of the Mason-Dixon line”. However, we were in a “seller’s market” and cap rates were remaining aggressive. His search criteria for strong locations and upgraded construction that had 13+ years of lease term remaining continued to be a challenge. During his property search, the acquisition environment continued to be increasingly competitive with a “flight to quality” for properties that had strong locations, great demographics, and upgraded construction.

THE PROCESS

Once the buyer had informed us that he was seeking to place additional capital in order to make a higher return on his equity, we zeroed in on identifying his search criteria. We created the “Purchaser Profiler” and conducted a thorough property search on his behalf while keeping his identity anonymous and secure. He was able to strategize and be methodical in his acquisition because he was not in a 1031 exchange and did not have an investment deadline to work within.

We leveraged our exclusive database of Brokers, Developers, Retail Representatives, and properties to quickly identify properties that fit our buyers criteria and also uncovered “off-market” opportunities. Leveraging our systems helped us monitor any pricing or opportunity shifts in the market, so that we could quickly relay information back to the buyer. We continued “locating” qualified properties that fit within his criteria for 3 months, while adjusting his investment strategy based on current market conditions and search results.

THE RESULT

After strategizing and confirming the buyer’s search criteria, we agreed to implement a solution with a specialized team approach utilizing an exclusive buyer’s representation agreement. We took an aggressive and persistent approach to broadcast his search criteria and find him the right property. We negotiated and qualified the property and investment during the LOI phase. We provided third party consultants for the due diligence process, and managed and overcame contract negotiations and last minute deal points and objections. After 3 months of “locating” qualified properties that fit within his criteria, we went to contract on an “off-market” property that was located just 20 miles from his main residence. We were able to overcome the “seller’s market” with being patient and persistent in our search and having a “pull the trigger” aggressive approach toward being an “all cash, quick close” buyer. We achieved his minimum return requirement for a brand new, 15-year, NNN, 4 sided brick Dollar General investment property. He was able to place \$1.6M in capital to further secure his portfolio, retirement, and financial future for his family and heirs in only 66 contract days. He is planning to acquire two additional investment properties while utilizing our expertise and The Closing Navigator™.

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.