



1031 EXCHANGE – AUTO PARTS

CLIENT SUCCESS STORY

Client Meets Investment Goals through the 1031 Private Client Advantage™ Program

Questioning the stability of their retail property, the client reached out to Matthews Retail Advisors™ to execute their sale and exchange. The Matthews advisor identified the client's motivations and enacted a strategy through the 1031 Private Client Advantage™ program to improve their position, meet their goal for greater security and exceed expectations.

“ After years of rejecting offers to list by other brokers, I hired Matthews Retail Advisors. They understood the value of my 1031 Exchange, provided the right advice to put strategy behind my investment and gave me the up-leg options I needed to put me in a better position.

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NEEDS:

- Increase investment security
- Long-term NNN corporate lease
- Peace of mind from improved position

SOLUTION:

- 1031 Private Client Advantage™ program
- Industry relationships
- One of the largest databases of market comparables

RESULTS:

- 15 year corporate NNN lease
- Outparcel to Walmart
- Brand new development in Virginia
- Rent PSF in line with market rents
- Acquisition of an appreciable asset

Client

As the landlord of a 10-year old Advance Auto Parts, the client sought a new construction investment to provide long-term stability and security against potential store closures resulting from Advance Auto Parts' recent acquisition of CARQUEST. Her primary objection to selling was the uncertainty of finding an up-leg investment that would improve her position.

Situation

The client's down-leg property was an outparcel to a furniture outlet. The rent PSF was significantly higher than that which was being paid by other tenants in the market and the property had limited upside potential. Many local brokers had asked the client to list her property, however, none of them placed importance on the exchange process. Realizing the need for action, the client listed exclusively with Matthews Retail Advisors™, for their knowledge, expertise and track record of high performance for clients. The 1031 Private Client Advantage program, a 10-step process through which her up-leg investment would be identified in parallel with the sales process was particularly appealing.

Improved Position

While earning the client top price and best terms on the sale, Matthews™ performed an Investment Security Profile for her down-leg property to compare with the assessment of her up-leg investment options. Understanding that the client's primary motivation was security, Matthews™ presented multiple properties with security scores which would improve her position and meet her investment plan. Immediately following the confirmation of 1031 Exchange legal adherence by the company's Exchange Accommodator partner, Matthews™ drove the steps of identification and submission of an LOI on the up-leg investment prior to close of escrow to reduce down-time in the client's cash flow. Through the step-by-step 1031 Private Client Advantage program, the client had the peace of mind of finding the right up-leg.

Redefining Expectations

Identifying the client's up-leg investment criteria as security, NNN corporate lease, a Virginia location, and brand new construction, Matthews™ ran the data through their proprietary system. After reviewing several listings that met her needs, the ideal up-leg opportunity was identified.

Working with Matthews Retail Advisors™, the client's investment position was propelled toward her goals for investing in retail commercial real estate. Her up-leg investment is a brand new development in Virginia with a 15-year corporate guaranteed lease. It is an outparcel to a Walmart with a rent PSF that is in-line with the market rents in the area, and provides the client a true appreciable asset with the utmost investment security.

Learn more about the 1031 Private Client Advantage program at www.matthews.com/1031-exchange-program

Factor	Down-Leg Security Profile	Up-Leg Security Profile
Lease Term	4	10
Location	6	8
Cash Flow	4	7
Rent Increases	4	6
Rent Compared to Market	4	9
Store Sales	6	5
Retail Vertical Outlook	9	9
Tenant Credit & Strength	8	8
Tenant Business Plan	8	8
Re-Tenant Potential	5	9
Investment Security	58%	79%
Grade	F	C+

Contact

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About Matthews Retail Advisors

Matthews Retail Advisors specializes in retail brokerage services and 1031 Exchange for investment properties including shopping centers, NNN and portfolio disposition. Defined by a culture of passion and innovation, clients experience unrivaled execution and an unprecedented level of teamwork. The company provides real-time execution of 1031 Exchange through the 1031 Private Client Advantage™ – the Only 1031 Exchange Program in commercial brokerage. Matthews Retail Advisors is a division of Matthews Real Estate Investment Services, headed by Kyle Matthews, Chairman and CEO. The firm is headquartered in El Segundo, CA and serves clients throughout the United States and Canada.