

# NNN



## The **Single-Tenant Net Lease Investment Option**

Can this little-known, recession-busting investment option give you back the control you need over your battered portfolio?

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Dear Frustrated Investor,

### Is your portfolio reeling from these recent shocks?

- ▶ Falling interest rates for your savings have eaten into your cash flow..
- ▶ Wall Street mismanagement has chewed up your stock, IRA or 401k plans and left you worried about when or even IF you'll be able to retire...
- ▶ Plummeting real estate prices have got you upside down or worried about what you'll leave as an inheritance...
- ▶ All of the above (plus government incompetence and the swooning economy) making you feel like you've lost some control over your financial future...

You're not alone, of course. The last few years have been a challenge to say the least. And, staggering investors are looking for ways to grab back control from the whims of these unreliable outside forces.

## The Perfect Storm of Real Estate Negativity

And real estate has, of course, been particularly hard hit.

In addition to the traditional challenges involved with real estate investment... (like rent collection, property maintenance hassles, tenant relations issues)... the recent economic climate has heaped more negatives onto this investment path.

- ▶ The difficulty in obtaining attractive credit terms has made most real estate investments unattractive.
- ▶ The nose diving economy has made real estate investments like office buildings and shopping centers riskier investments as business failures sent vacancy rates sky rocketing.
- ▶ Falling property prices have tainted almost every real estate niche.

**And yet, real estate remains one of the few investments that gives an investor control of an asset. Yes, the market and outside forces will always have an impact.** But, unlike stocks and bonds, an investor owns real estate. It's yours. It's tangible. It's real. Regardless of what happens in the market, in the economy, or what the government does or does not do, at the end of the day, you still own your real estate.

For this reason, despite all the negatives, many investors are still drawn to real estate investment.

# The Challenge: Finding Real Estate Investment Options that Give You Traditional Real Estate Control... While Minimizing Exposure to Outside Market Factors

Fortunately, there is a real estate investment option that does exactly that. It's called a **Single Tenant Credit Net Lease Investment (NNN) or Freestanding NNN Investment**.

When executed properly, it can give an investor the ownership control of a real estate investment while eliminating most of the risk and headache of traditional real estate investment.

## With an NNN Investment Property you get...

- ▶ Control—you own the asset (unlike stocks and bonds)
- ▶ Good credit terms for borrowing
- ▶ Healthy cash flow that far exceeds the paltry interest being paid on CDs or money markets
- ▶ Steady long term cash flow for 5, 10 even 25 years
- ▶ Little or no management responsibilities

## How do you get all these benefits from NNN Credit Net Lease Investments?

**1** **First**, the tenants who occupy these properties (like Walgreens, CVS, 7-Eleven or Chase Bank) often occupy the same property for many years. It is not uncommon for these tenants to stay at the same location for 10, 20 or even 25 years. The leases are usually guaranteed by companies with billions of dollars in annual sales and assets. These properties, if chosen carefully, are important contributors to the operation and cash flow of the company. This greatly increases the likelihood of the tenant renewing at the end of the lease term.

**2** **Second**, lenders are inclined to offer more attractive credit terms to buyers of NNN Properties with National Credit worthy tenants. This is based on the stability offered by these high quality, long-term tenants. Better terms means better profit, which means better more reliable cash flow from your investment.

3

**Third**, tenants of these high quality NNN properties pay...

- ▶ Property tax
- ▶ Property insurance
- ▶ Utilities
- ▶ Repairs
- ▶ Many prefer to attend to all property maintenance themselves

**This means less maintenance or “landlord” hassles for you, the owner.**

*There are even more federal and state income tax benefits to 1031 Exchanges that we’ll address next...*

## Additional Tax Saving Benefits for Buyers of NNN Investments in Florida

Investors with properties in high income tax states, such as California, should consider selling their properties and use a 1031 exchange to purchase a replacement property in a zero income tax state like Florida.

Florida’s demographics include a high concentration of retiring Baby Boomers, which makes it particularly attractive for pharmacy-based NNN tenants like Walgreens and CVS.



## 5 Questions to Determine if You Should Consider Florida for NNN Property Investment?

- 1 Are you a high net worth individual with cash earning low interest rates?
- 2 Do you have a qualifying property to sell (relinquish)?
- 3 Does that property reside in a high income tax state?
- 4 Would you like to continue your investment in real estate without having to deal with “landlord” hassles associated with most investment properties?
- 5 Would you like to increase your after tax investment income?

If you answered **yes to 3 or more** of those questions, an NNN Property in Florida could be right for your portfolio.

## How to Select an NNN Investment Property

### Option One: Do it yourself

To select the best property and potential tenant follow these guidelines...

- ▶ **Always scout the location.** Go to the property site. Drive around the neighborhood. Keep an eye out for any signs of neighborhood decline. As with any real estate investment, location is of paramount importance. Don't invest in any locations that are not attractive.
- ▶ **Conduct demographic research.** Don't trust only your eyeballs. Conduct demographic (age, average family income, housing starts, etc) for the neighborhood, county and state. Map the trends and compare them with other properties you are considering. NNN Leased Properties work best as long-term investments. Make sure you have a picture of the future of the neighborhood before you invest.

more...

- ▶ **Conduct tenant research.** Investigate the financial statements of proposed tenants.
- ▶ **Utilize mapping software** to define the trade area of your tenant's location compared to other available properties. Become aware of your tenant's competitors in the area.
- ▶ **Plan for tax savings** where possible. Will you save a substantial amount of money by investing in a state like Florida with no personal state income tax ? Can you acquire the property using a 1031 Exchange ? Can you use a Self-Directed IRA to purchase the property?

**NNN Leased Investment Properties combined with 1031 Exchanges are a powerful tool for building and preserving wealth.**

## How to Select an NNN Investment Property

### *Option Two:* **Partner with an experienced professional**

At Income Realty Advisors Inc., we are involved with retailers, investors, and real estate developers who build and sell single-tenant net-leased properties with credit tenants like Chase, Walgreens, CVS, and 7-Eleven.

To further help you determine whether you can benefit from a Triple Net Lease Investment, we have developed a Triple Net Strategy Consultation that we conduct over the phone with you and your advisers.

**What we accomplish in this fast-paced, zero-nonsense session is:**

- 1 Review your current portfolio and understand your financial goals for the next 5–10 years**
- 2 Determine if a NNN Investment Property fits your current and future goals**
- 3 If NNN Investment Properties are appropriate, outline a strategy for investment**
- 4 Review the expected returns and impact on your overall financial position**

The presentation will be conducted by our president, Patrick Moorton.

## About Patrick Moorton

Patrick Moorton is a Florida real estate investment professional with more than 20 years experience as an advisor to real estate developers, retailers, real estate investment companies, and high net worth individuals.

Patrick has the unique ability to ...

- ▶ Select the best investment option from the many available in Florida... based on your portfolio needs and goals.
- ▶ Assist real estate developers in finding qualified sites for net leased property development, helping them avoid sites with potential environmental and zoning roadblocks, poor access points and unfavorable demographic trends.

## Contact Us

To secure a time for this consultation, please contact us directly at:

**Call: (239) 272-1640**

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**Visit our Website: [www.IncomeRealtyAdvisors.com](http://www.IncomeRealtyAdvisors.com)**

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