



## **Triple Net (NNN) Real Estate Investments A Strategy to Diversify Your Portfolio for Savvy & Sophisticated Investors**

### **Commercial - Retail Investments from \$ 1 to \$10+ Million US**

Purchase Prime Commercial – Retail Locations.  
Leased by AAA+ Credit Rated Fortune 500 Top Retailers.  
Starbucks, Best Buy, Ross, McDonalds, Subway, Taco Bell etc  
CAP rates from 6% to 11% and Internal Rates of Return from 9% to 18%.

#### **What is a Triple Net (NNN) Investment Property?**

A Triple Net (NNN) Investment Property is typically is a freestanding – single tenant commercial building in a prime retail location that is leased by AAA+ Credit Rated & Fortune 500 Top Retailers like Starbucks, Best Buy, Ross, McDonalds, Subway, Taco Bell, Auto Zone, and Top Banks.

#### **What is a NNN (Triple Net) lease?**

It is a lease used in Triple Net (NNN) Investment Properties where the tenant is fully responsible for paying rent plus all of the buildings operating expenses such as real estate property taxes, insurance premiums, repairs, maintenance and utilities. These are long-term leases - usually longer than 10 years and can be as long as 25 years with increasing rent over the lease term.

#### **Why don't the AAA+ Credit Rated Fortune 500 Top Retailers buy the Triple Net (NNN) Investment Properties themselves instead of paying rent?**

Some do, especially the smaller retailers however, for Top Retailers it is all about “Opportunity Cost, Maximum Brand Exposure, and more importantly Market Share.” Their strategy is to establish a “market presence” in the best “prime retail location” through maximizing their cash capital. The bottom-line is that it is best to use their capital and strategy to lease various prime retail locations for the same cash out lay of buying one.

#### **Who Buys Triple Net (NNN) Investment Property?**

Triple Net (NNN) Investment Properties are appealing to a wide variety of buyers, from high net worth individuals, family trusts and partnerships, to large institutional investors like real estate investment trusts, life insurance companies, and pension funds.

**Jacky Londono**  
**VP, Commercial Division**  
**Cell: 305.345.3738**  
**[jlondono@mwus.us](mailto:jlondono@mwus.us)**



## **What are the benefits of investing in Triple Net (NNN) Investment Property?**

Many people consider Triple Net (NNN) Investment Properties as bond-like investments, where the investor can “forecast” stable and predictable returns, “hedging” against inflation “as the tenant pays all property expenses” and more importantly the owner benefits from the “appreciation” of its prime retail locations. Another key benefit of a Triple Net (NNN) Investment Properties is its re-sale or refinance “liquidity”. Due to the history of Triple Net (NNN) Investment Properties, the valuation of being in prime retail location and the credit rating of their Top Retailer tenants, Banks have always provided and are currently (regardless of the current credit environment) refinancing or providing loans to buy Triple Net (NNN) Investment Properties.

## **What are the risks related to investing in Triple Net (NNN) Investment Property?**

While historically there have been very few risks related to investing in Triple Net (NNN) Investment Properties, the main risk is leasing to a tenant (small retailer) with a “non-investment grade credit profile” which offer a higher level of risk but that risk typically provides a higher return as well.

## **How is a Triple Net (NNN) Investment Property asset valued?**

Unlike traditional real estate investments whose value is determined exclusively by the real estate itself, a Triple Net (NNN) Investment Property value is determined by a combination of factors including the tenant's credit, the length of the lease, rental escalations over the term, and last but not least, the real estate. In markets where the real estate experiences wide valuation swings, a single-tenant, net-leased property will maintain its value because of its bond-like, long-term lease, and the credit tenant guaranty for the lease.

## **When is the best time to invest in a Triple Net (NNN) Investment Property?**

Triple Net (NNN) Investment Properties are good investments in both good and bad economic times and in hot and cold real estate markets. Here's why: a Triple Net (NNN) Investment Properties lease is guaranteed by a long-term lease at pre-set rental rates. As an owner, you know exactly who will be the tenant in your building, how long that tenant will be there, and exactly how much rent they will pay you. That means you will derive a steady income from your investment, regardless of how the economy or real estate market is performing.

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**VP, Commercial Division**  
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