

# MARCUS & MILLICHAP CLOSES MORE TRANSACTIONS THAN ANY OTHER FIRM

Our team is dedicated to being true experts in the field and achieving exceptional results, one property at a time, for one client at a time. We invite you to see how we can help you achieve your goals today, tomorrow and for years to come.

## Investment Sales Brokerage Company Ranking\*



*\*Trailing 12-months through 1Q 2022*

*Apartment transactions include multifamily buildings 5 units and greater*

*Includes sales \$1 million and greater in which the brokerage firms represented either the buyer or seller*

*Deals that were double-ended by the same brokerage are counted as one deal. Deals brokered by different firms on the buy side and sell side count as one deal for each brokerage.*

*Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics, NICMap*

# 1031 EXCHANGE

Marcus & Millichap, the largest real estate firm focused exclusively on investment brokerage, is one of the industry's leaders in 1031 exchanges. Our long-term relationships with owners and investors of every major property type allow us to match properties and exchange buyers with speed and efficiency.

## LEVERAGING THE MARKET

Owners of investment property struggle with the dilemma of how to take advantage of built-up equity in their income-producing properties and increase their return on equity while deferring payment of capital gains taxes. The current market environment encourages private investors to upgrade or reposition their real estate holdings.

## BENEFITS OF A 1031 EXCHANGE

With proper guidance from a tax professional or attorney, well-informed investors are utilizing the 1031 provision in the Internal Revenue Code, also known as a Starker exchange, to meet the dual objectives of “trading up” to larger or higher-quality properties, while at the same time deferring capital gains taxes. Some investors, especially aging baby boomers, are trading into properties that are less management intensive.

## KNOWING THE BASICS

While there are three basic types of exchanges—simultaneous, reverse and deferred—95 percent are deferred. When selling an investment property, the code allows a seller 45 days from the close of escrow of the relinquished property (the “down leg”) to identify up to three replacement properties (the “up leg”), and an additional 135 days to close escrow on at least one of the identified properties. Alternatively, more properties can be designated if certain valuation tests are met. The seller must contract with a neutral third party, known as a qualified intermediary or accommodator, to hold the funds from the sale of the relinquished property and to purchase the replacement property for the seller's benefit. Completing this process allows sellers of real property held for investment purposes to delay or defer the payment of capital gains and recapture the depreciation tax benefit. Deviating from the process described above may result in tax consequences or costly penalties

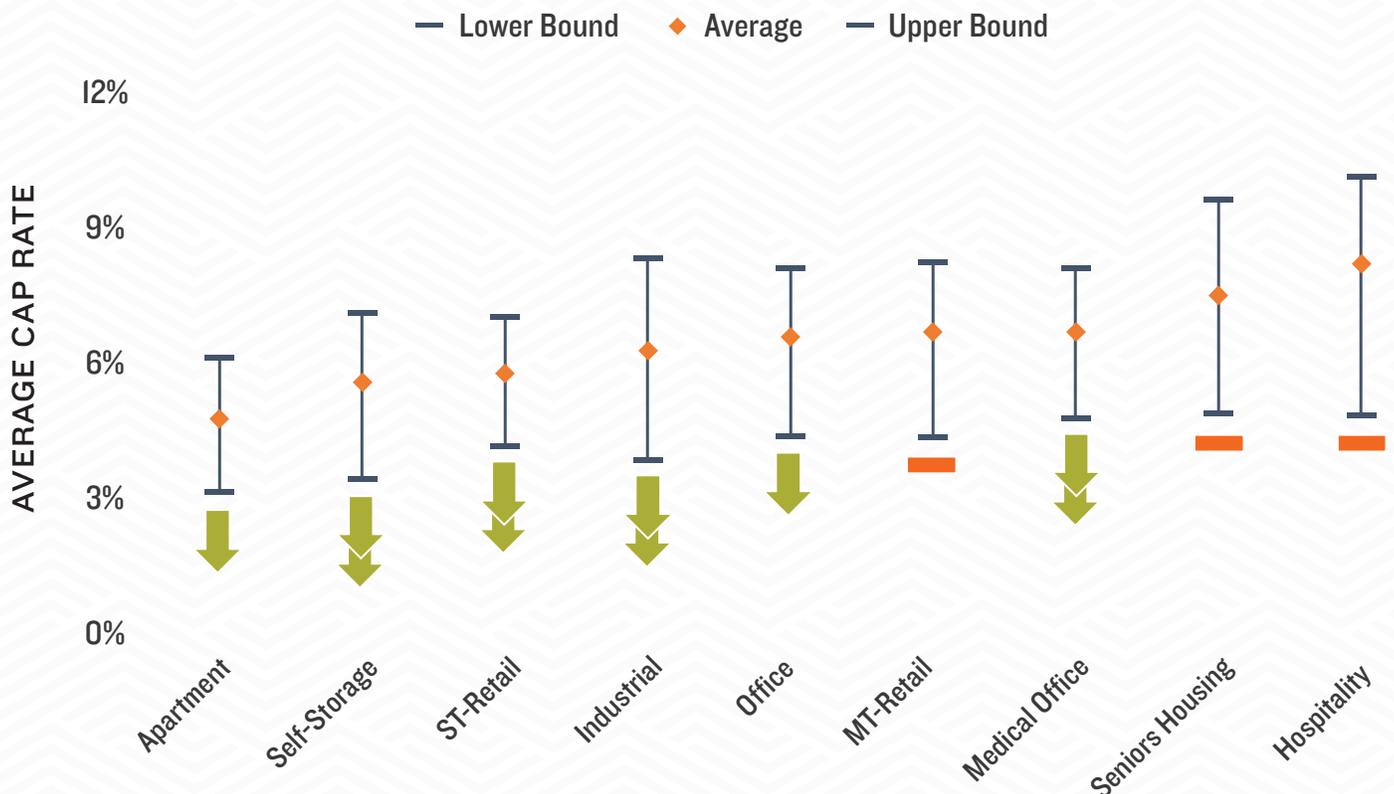
## MAKE INFORMED DECISIONS

While 1031 exchanges have gained increasing popularity, each investor should evaluate their own situation and objectives. The first step is to have a qualified real estate agent evaluate your property to determine market value and then discuss the tax alternatives with your tax advisor. In some instances, it may be worth taking the cash and paying capital gains taxes, considering that interest rates remain historically low. On the other hand, an exchange may be the key to unlocking built-up equity and providing the opportunity to expand a portfolio and create greater wealth. The biggest mistake would be not to know your alternatives.

# CAP RATE RANGES AND EMERGING TRENDS PIPELINE POINTS TO BROAD-BASED DOWNWARD PRESSURE

## MOMENTUM INDICATORS

-  Cap Rate Increase
-  Cap Rate Stable
-  Cap Rate Decline



As of 1Q 2022

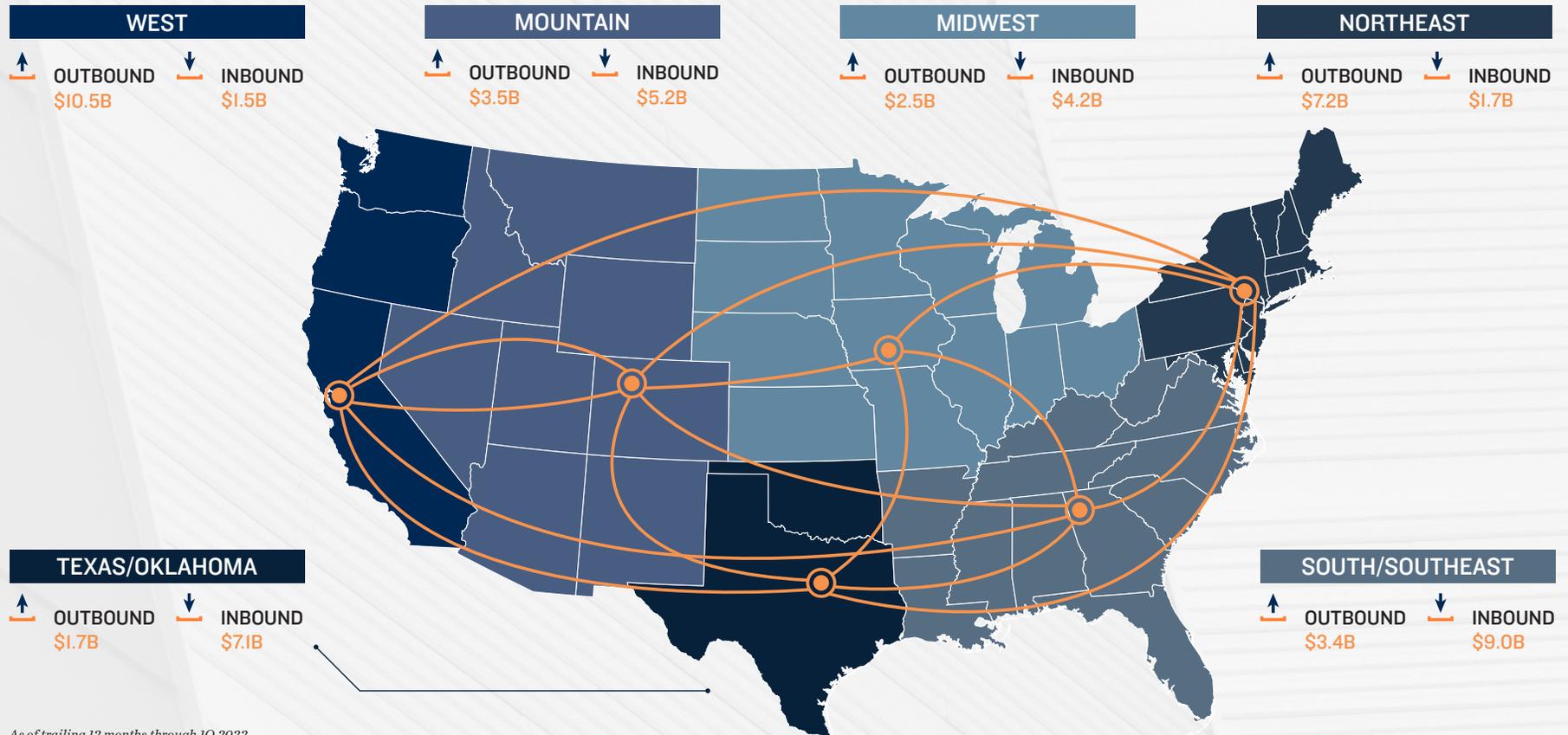
Momentum indicator based on year-over-year change in cap rates for M&M deals under contract and newly listed Cap rates for sales \$1 million and greater; Seniors housing includes skilled nursing

Sources: Marcus & Millichap Research Services, CoStar Group, Inc., Real Capital Analytics, NICMap, MNet

# CLIENTS AREN'T BOUND BY GEOGRAPHIC BOUNDARIES

Our interconnected team, large proprietary platform and national network allows us to effortlessly move capital around the country.

## NEARLY \$29 BILLION MOVES ACROSS DOMESTIC BORDERS



As of trailing 12 months through 1Q 2022  
Source: Marcus & Millichap Research Services, MNet

# MNET. THE MOST POWERFUL TOOL IN COMMERCIAL REAL ESTATE.

As the industry leader, Marcus & Millichap closes more than twice as many investment sales transactions as our next closest competitor. Our proprietary intelligent search technology platform, MNet, powers that success.

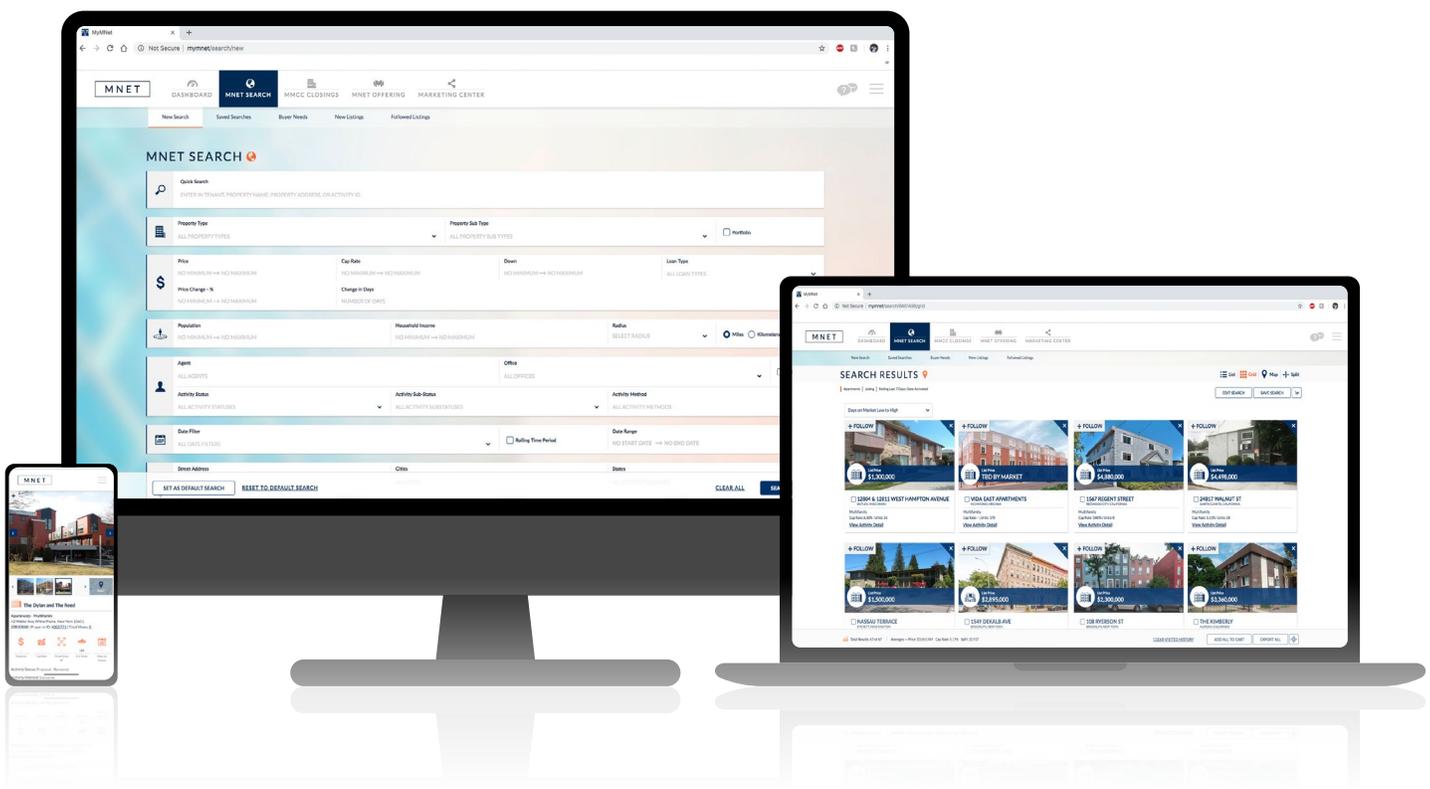
## PUT THE POWER OF MNET TO WORK FOR YOU.

Connecting more than 2,000 investment sales professionals throughout the US and Canada.

Matching exclusive listings with the industry's most diverse and extensive buyer pool.

Accelerating the transaction process and ensuring that every property is matched with the most qualified investors.

No other firm offers anything like it or the powerful property search tools and automated property matching capabilities it features.



# THE INDUSTRY'S MOST POWERFUL RESEARCH ENGINE

Our approach to achieving the best results for every client begins with understanding current market conditions and anticipating future trends. Marcus & Millichap's Research Services Division is dedicated to providing our clients with cutting-edge market research. The group produces more than 1400 research products annually, customized by property type and local market.

## LOCAL MARKET KNOWLEDGE

We tailor our research to help clients understand the local submarket drivers and future trends unique to their personal investment strategies. The result is timely and fact-based decisions at the local level. This specialized research is combined with the expertise of our agents to help clients develop and execute the right investment strategy.

## REGIONAL MARKET KNOWLEDGE

To reflect the unique characteristics of various parts of the country, we continuously monitor and report on a wide range of economic, demographic and real estate indicators at the regional level.

## SECTOR MARKET KNOWLEDGE

Investing in each property sector requires intimate knowledge of its inner workings and the trends that have meaningful impact. We provide clients with insightful analysis of all major property types to make informed decisions.

## PROPERTY TYPE KNOWLEDGE

Hospitality  
Industrial  
Manufactured Housing  
Medical Office  
Multifamily

Office  
Retail  
Self-Storage  
Seniors Housing  
Single-Tenant Retail



The 2022 Marcus & Millichap Investment Forecast books include: Hospitality, Industrial, Multifamily, Office, Retail, Self-Storage, and Canada.

## SPECIAL REPORTS AND OUTLOOKS

To help investors strategically adapt to the ever-changing operational climate, our research services team delivers special reports and outlooks addressing how significant events affect commercial real estate investments. These timely, industry-leading publications, videos and presentations provide investors with real-time insights the empower adaptive investment options.

[MarcusMillichap.com/research](https://www.MarcusMillichap.com/research)

# SALE-LEASEBACK TRANSACTIONS

In a sale-leaseback transaction, an owner/user elects to monetize its corporate real estate facility and structure a new, long-term lease on the property to an outside investor. In exchange, the company, through the sale of the facility, receives capital to grow and revitalize its business. The transaction has many benefits to the company, now tenant, as detailed below.

## BENEFITS

**100 Percent Financing**—Sale-leaseback proceeds are equal to 100 percent of property value, in contrast to a loan, which only funds 65 percent to 75 percent of value.

**Access to Capital**—The sale-leaseback transaction attracts a broader range of financing sources, well beyond a company's existing credit line or bank relationships.

**Equity Yield** —The real estate sale results in equity deployment into higher yielding investment alternatives than what is offered via appreciation of the building.

**Capital Utilization**—By selling the real estate, the company is converting a long-term, non-liquid asset into working capital.

**Debt Reduction**—The proceeds also can be used to pay down existing debt and reduce future refinancing risk.

**Maintain Control**—The structure of the lease agreement provides increased operating flexibility while preserving the same control of the facility as provided by an ownership structure.

**Value Creation** – The real estate sale, in combination with a long-term lease, results in monetization at a higher value than a building's value when vacant.

## A CASE STUDY

Our client, a major defense contractor, faced increased pressure on operating margins due to consolidation trends within its industry. Their objective was to reduce outstanding debt and to raise alternative equity capital for future acquisitions. By leveraging our unparalleled access to a broad range of qualified investors, we produced a competitive bidding environment with 11 separate offers from both private and institutional buyers. Due to the extremely competitive environment, we were able to execute an all cash close just 30 days after opening escrow. Our client was able to use the sale proceeds to pay down debt and acquire competitors, creating an environment where they will be able to raise additional capital for future acquisitions. As a result, the client maintained and advanced their competitive edge by providing their current clients with a wider range of services and offerings at a lower cost.

# LEVERAGE THE POWER OF OUR PLATFORM

Marcus & Millichap brings together specialized market knowledge, the industry's leading brokerage platform and exclusive access to inventory to achieve exceptional results for our clients, year after year.

## SPECIALIZATION

Expertise in all major markets and property types.



With unmatched knowledge of the characteristics and requirements of both the local markets and within each property type, our investment specialists are able to maximize value for our clients. Each team of investment professionals utilizes specialized training, marketing and tailored communication tools to produce remarkable results for the unique needs of each transaction.

## ACCESS

Our vast network becomes your own.



With the most closely-knit salesforce in the industry and five decades of experience—during which we've completed more transactions than any other firm—we've put in the time and made the connections to offer more access to qualified buyers than anyone else can.

## CULTURE

Provide exceptional service and the best results.



When building Marcus & Millichap, our founders set out to create a culture of information sharing and collaboration. Throughout the years, this has fostered a non-competitive system where clients' needs come first.

Supporting that system is our industry leading management team of seasoned veterans and our innovative technology platform. These resources free up our agents to do what they do best — provide exceptional service and achieve the best results possible.

## COMPLETE BROKERAGE

Everything you need. Every step of the way.



Our comprehensive suite of tools helps with everything from research and marketing to financing. Our huge network of experienced professionals ranges from expert agents to loan originators. Our deep knowledge of the markets gives us the confidence to help you accurately price your property. And all of these things, combined with our extensive experience in executing transactions, ensure a smooth process and help our clients reach their investment objectives.