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BRISKY

NET LEASE

MONTHLY NEWSLETTER

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COMMERCIAL REAL ESTATE:

HOW NET-LEASED COMMERCIAL REAL ESTATE IS MAKING WAVES

Net-lease commercial real estate has been rising in recent years, and 2021 was no exception. The total transaction volume for net-lease assets reached \$79.3 billion, up 39% from the previous years. This unprecedented demand is being driven by investors looking for stable and predictable income streams.

Of course, with any investment, there are risks to consider. But for savvy investors, the potential rewards of investing in net-lease commercial real estate outweigh the risks.

Here's a closer look at this growing trend and why you should consider adding net-lease commercial real estate to your portfolio.

What This Means for Investors

The high demand for net-leased assets and a scarcity of supply are driving up prices and lowering capitalization rates. With that being said, it's still a good time to invest in real estate, here are some reasons why:

Higher Primary Yields

Net lease investments offer primary yields that are significantly higher than other types of assets, such as bonds. For example, the average yield on a 10-year Treasury bond is 2.61%.



In contrast, the average yield on a net-lease property is between 5% and 8%. This higher yield is because net-lease properties are leased to tenants long-term, typically 10 to 20 years.

Steady Income with Relatively Low-Risk

Net-lease commercial real estate typically features long-term leases with creditworthy tenants. This means that you can count on a steady stream of rental income for the life of the lease. And because the tenant is responsible for property taxes, insurance, and maintenance in a triple-net lease, you don't have to worry about unexpected expenses. [\(Continue Reading\)](#)

NNN LEASE:

DUE DILIGENCE CHECKLIST FOR NNN LEASE INVESTMENTS

When making NNN lease investments, just like in other real estate factions, investors should perform in-depth due diligence for the triple net lease assets. In other words, potential investors should inspect all aspects that underline owning an NNN-leased property to ensure the property is exactly as advertised before putting your money in it.

Due Diligence Considerations for NNN Lease Investments

Although there is always more due diligence an investor can do to ensure their future investment is as it should be, here are some of the most important areas to consider when making NNN lease investments.

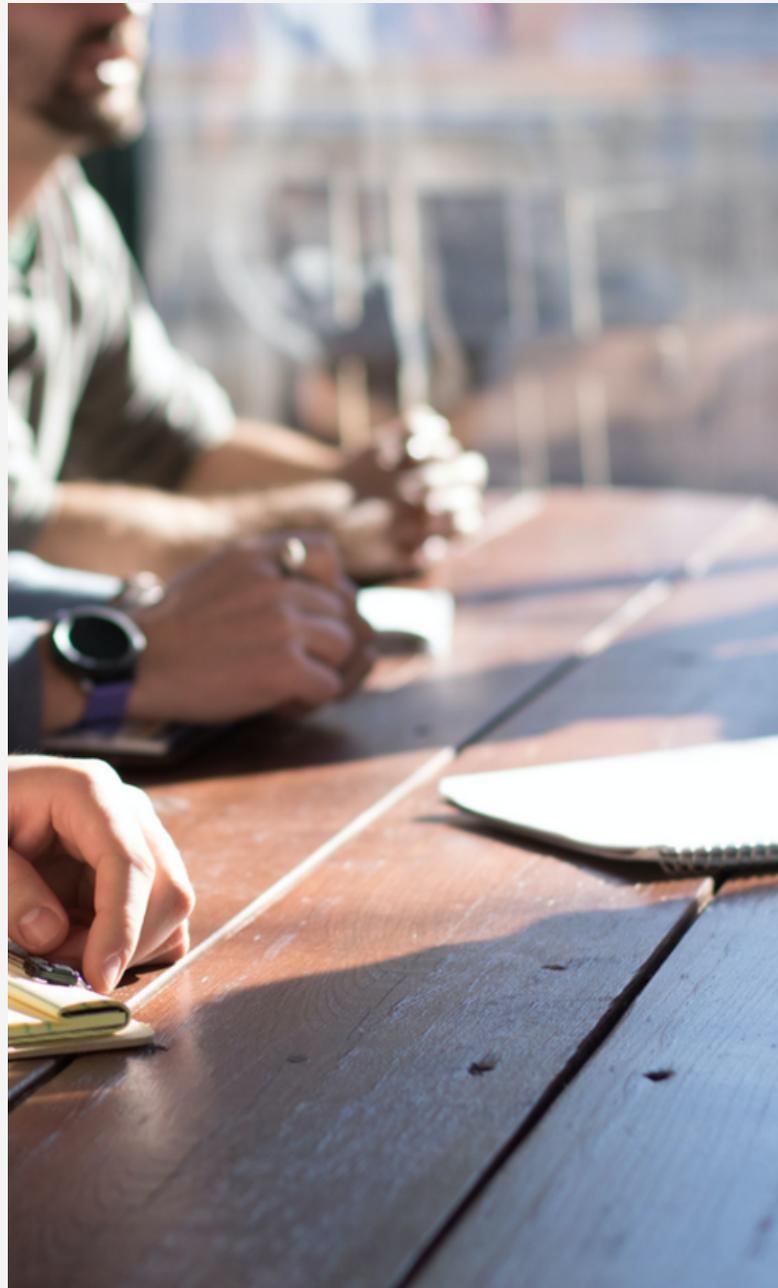
Tenant Compatibility

Renting a property to an unfit tenant can lead to many problems, and it's a scenario no one wants on their hands. Luckily, there are ways to ensure the tenant checks all the boxes when it comes to NNN lease investments.

One of the simplest ways to inspect the quality of the prospective tenant is to use the credit appraisal of the business in question. However, nothing is set in stone when it comes to checking the quality of the tenant because even the most successful and lucrative company history can't guarantee future success. Yet, the credit rank of a prospective tenant can provide much-needed insight into the financial habits of the business.

Institutions that perform credit checks on companies are essentially credit rating companies like Standard & Poor's, Moody's, and Fitch, and according to the findings, a company might be rated "BBB," or "investment-grade," and "AAA," signifying the highest tier of credit quality.

[\(Continue Reading\)](#)



New to Market



Panera Bread
Spartanburg, SC

\$2,736,842 | 4.75% CAP



Dunkin'
Garner, NC

\$1,894,737 | 4.75% CAP



Value City Furniture
Westland, MI

\$5,193,242 | 6.6% CAP



Ashley Homestore
Flint, MI

\$2,485,000 | 6.0% CAP



City Electric Supply
Portfolio | FL

\$2,528,308 | 5.75% CAP



EZPawn
Crystal, MN

\$1,735,618 | 6.75% CAP