

DECEMBER 2022



BRISKY

NET LEASE

MONTHLY NEWSLETTER

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LEASES:

The Differences Between a Corporate NNN Lease and a Franchise Lease

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LEASES

CORPORATE NNN LEASE VS FRANCHISE LEASE

Corporate NNN and franchise leases are two of the most debated types of leases in the commercial real estate world. An NNN (or triple net) lease benefits landlords since it absolves them from most risks. On the other hand, a franchisee lease is a beneficial agreement for the franchisor, but it comes with more potential risks for the landlord.

Corporate NNN Lease Properties

Landlords of Corporate NNN properties often experience more security and less risk. These properties are low-maintenance for the owner since the tenant pays for any property-related expenses, like structural maintenance, repairs, insurance premiums, and real estate taxes. Corporate NNN property owners can easily predict their cash flow from the property, proven to be more stable over a more extended period. In many cases, the tenant expects the landlord to charge a lower base rent and have low-risk cap rates since they cover all additional expenses. Tenants also expect favorable termination clauses.

Franchisee-Owned NNN Lease Properties

For franchisee-owned properties, investors should always up their risk expectations when considering their return. There is a lot of online competition in the franchise market, so it's wise to practice more caution.



Franchisees are becoming more particular about their operators and locations — their main priority is now a specific property’s performance and sales due to high competition levels in the market. Agreeable cap rates have also encouraged them to invest in real estate expansion after selling their other locations during the market’s peak.

Measures of Protection

1. Do Your Research

It’s important to note that lenders are usually cautious regarding franchisee-leased properties. Investors who plan to use debt to acquire franchise net-lease properties should prepare to contribute between 50% and 60% equity. Study the brand or franchise’s market position and value before signing anything — if you see any red flags, it’s probably best to avoid the situation altogether. ([Continue Reading](#))

GAS STATIONS

A STABLE INVESTMENT

Savvy investors are always on the hunt for their next venture, and alternative property types have grown in popularity over the years. But one of the most stable alternative investment properties may surprise you: gas station-convenience stores.

Gas stations with attached convenience stores are low-risk, long-term investments that provide income flow for years to come, but there are always many factors to consider before investing in commercial real estate.



Reasons to Consider Purchasing a Gas Station

The gas station-convenience store combination is a seemingly basic idea that significantly impacts our economy and everyday lives. They provide essential services and products that don’t depend on the advancement of technology, keeping them relevant since the invention of the automobile.

Gas stations evolved to fit modern-day customer and market demand by offering reward programs, comprehensive shopping capabilities, partnerships with grocery stores, and more. Even throughout multiple economic crises and significant world events, gas stations’ revenue has continued to grow.

Location

Regarding NNN lease investments, you should always consider a gas station/convenience store’s location before investing in the property. Choosing a site in a high-traffic area with access to drug stores or fast food businesses will bring more people to your location.

NNN Lease Terms

Depending on the tenants, gas station-convenience store NNN leases can run for up to 25 years. You’ll also worry less about the effects of inflation, as there should be set contract terms allowing you to increase the property’s rent. ([Continue Reading](#))

HIGHLIGHTED LISTINGS



3 SONIC LOCATIONS | NC

*Sold individually or as a package



2 STARBUCKS LOCATIONS | TN & KY

*Sold individually or as a package



ARBYS | AMARILLO, TX

Price: \$1,742,076 • Cap: 5.25%



INDUSTRIAL PROPERTY | GREEN BAY, WI

Price: \$13,621,663 • Cap: 6.25%



APPLEBEE'S | CHICAGO, IL

Price: \$4,572,016 • Cap: 6.25%



(5) DOLLAR STORE LOCATIONS

NC, GA, VA, TX, & MO

[VIEW FULL INVENTORY](#)

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