



★ DEAL SPOTLIGHT ★

# Dual-Close 1031 Exchange: NNN Retail + Class A Multifamily A Multi-Faceted Advisory Engagement for a Repeat Client

TOTAL TRANSACTION VOLUME

# \$26MM+

Across Two Simultaneous Closings

NNN Retail · Off-Market

Class A Multifamily

1031 Exchange · Zero Boot

CLIENT Repeat — Midwest MF Investor

TRIGGER Long-Term MF Sale · Significant Cap Gain

VOLUME \$26MM+ · 2 Properties

CLOSES 2 Lenders · Within 1 Business Day

*A seamlessly orchestrated dual-close 1031 exchange delivering zero boot, improved blended cash-on-cash returns, and diversification across two asset classes and two geographic markets.*

## THE CLIENT CHALLENGE

### CLIENT SITUATION

A repeat client sold a long-term held Midwestern multifamily asset, realizing a significant long-term capital gain. Working alongside a 1031 intermediary, she needed to identify, structure, and close on qualifying replacement properties — on strict exchange deadlines — while optimizing her portfolio composition and improving overall returns.

## R & D'S MULTI-PHASE ENGAGEMENT

### 1 1031 Structuring Analysis

Determined minimum loan levels to replace and minimum equity to deploy across both acquisitions to fully satisfy the exchange with zero boot

### 2 Off-Market Deal Sourcing

Identified an off-market NNN retail strip at an above-market CAP rate — new construction with 2 national tenants including 1 investment-grade credit

### 3 Relationship-Driven Debt Placement

Leveraged a proprietary lender relationship — knowing the bank was the primary institution for one NNN tenant — to reduce underwriting risk and secure preferred pricing

### 4 Cross-Asset Co-Advisory

Partnered with the client's multifamily brokerage to structure and finance a Class A acquisition in an adjacent, familiar market while negotiating favorable debt terms

### 5 Coordinated Dual-Close Execution

Managed two separate sellers and two different lenders, driving both transactions to close within 1 business day of each other — on schedule and within all 1031 deadlines

## TRANSACTION SNAPSHOT

TOTAL VOLUME

# \$26MM+

Across two simultaneous acquisitions

PROPERTIES ACQUIRED

# 2

NNN Retail + Class A Multifamily

DAYS BETWEEN CLOSES

# <1

Both closed within 1 business day

## THE TWO ACQUISITIONS — OVERVIEW

### Acquisition #1 — NNN Multi-Tenant Retail Strip

OFF-MARKET

New construction multi-tenant retail strip featuring 2 national tenants, including 1 investment-grade credit tenant, acquired off-market at an above-market CAP rate. R&D Advisory Group sourced the asset and placed debt with a lender holding a primary banking relationship with one of the tenants — strategically reducing underwriting risk in today's challenging capital markets environment.

### Acquisition #2 — Class A Multifamily

CO-ADVISORY

Class A multifamily property located in a market adjacent to the client's existing portfolio — leveraging her operational familiarity. R&D co-advised with the client's multifamily brokerage, negotiating debt terms and structuring the acquisition to ensure both transactions together satisfied all 1031 requirements with no boot.

Continued on Page 2 — Deal Detail, Outcomes & Value-Add Analysis

R&D Advisory Group · Unlock the Science of Commercial Finance

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# Dual-Close 1031 Exchange: NNN Retail + Class A Multifamily Deal Detail, Strategic Outcomes & Value-Add Analysis

# \$26MM+

2 Closings · 2 Lenders · 1 Business Day Apart

## ACQUISITION #1 — NNN RETAIL STRIP DETAIL

**New Construction Multi-Tenant NNN Retail** OFF-MARKET SOURCED

TENANTS <b>2</b>	CREDIT <b>Inv. Grade</b>	CONSTRUCTION <b>New</b>
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- > **National tenant mix** — 2 national tenants; 1 carries investment-grade credit rating
- > Sourced entirely **off-market** through R&D Advisory Group's proprietary deal network
- > Acquired at an **above-market CAP rate** — favorable entry point for the client
- > Debt placed with a bank holding a **primary banking relationship with one of the tenants** — materially reducing underwriting friction in a volatile rate environment
- > Preferred loan pricing secured through **R&D's exclusive lender relationships**

## ACQUISITION #2 — CLASS A MULTIFAMILY DETAIL

**Class A Multifamily — Adjacent Market** CO-ADVISORY ENGAGEMENT

ASSET CLASS <b>Class A</b>	MARKET <b>Adjacent</b>	LENDERS <b>Separate</b>
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- > Located in an **adjacent submarket** where client already manages properties — operational familiarity de-risks the acquisition
- > R&D co-advised alongside the client's **multifamily brokerage team**, contributing debt structuring expertise
- > Negotiated **favorable debt terms** in coordination with brokerage through a separate lending relationship
- > Sized and structured to ensure — in combination with Acquisition #1 — **full 1031 satisfaction with zero boot**
- > Closed within **1 business day** of the NNN transaction with a separate seller and separate lender

## STRATEGIC OUTCOMES ACHIEVED

<p>TAXABLE BOOT PAID</p> <p><b>\$0</b></p> <p>Exchange fully satisfied — no taxable event triggered</p>	<p>DAYS BETWEEN CLOSINGS</p> <p><b>&lt;1</b></p> <p>Both transactions closed within 1 business day</p>
<p>RETURN PROFILE</p> <p><b>Improved</b></p> <p>Blended cash-on-cash exceeds return on the sold asset</p>	<p>PORTFOLIO DIVERSIFICATION</p> <p><b>2 × 2</b></p> <p>Two asset classes across two distinct geographic markets</p>

## R&D ADVISORY GROUP — VALUE-ADD SUMMARY

- ✓ **1031 Compliance Engineering:** Precisely mapped minimum debt replacement and equity deployment thresholds to protect the client from any taxable boot
- ✓ **Off-Market Deal Access:** Sourced a NNN retail opportunity unavailable on the open market, acquired at an above-market CAP rate through R&D's proprietary network
- ✓ **Tenant-Matched Lending:** Strategically paired the NNN loan with a lender holding a primary banking relationship with one of the tenants — reducing underwriting risk and improving pricing
- ✓ **Cross-Asset Structuring:** Bridged NNN and multifamily expertise, co-advising with the MF brokerage to negotiate, structure, and size both deals simultaneously
- ✓ **Improved Returns:** Blended cash-on-cash return across both acquisitions exceeded the yield on the asset sold — delivering measurable portfolio improvement
- ✓ **Flawless Dual-Close Execution:** Orchestrated two sellers, two lenders, and two asset types to close within one business day — meeting every 1031 deadline

### ABOUT R&D ADVISORY GROUP

R&D Advisory Group is a leading capital markets consultancy specializing in debt and equity placement for commercial real estate investments. Our experienced team provides comprehensive advisory services — from 1031 exchange structuring and off-market deal sourcing to complex multi-lender closings — helping clients optimize their capital structures and achieve their strategic objectives across all property types and markets.

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