

### RECENT CLIENT SUCCESS

## TIMING THE MARKET THROUGH DATA ANALYSIS

### CHALLENGE

Real Capital Solutions is an established investment group with a 30+ year track record of over \$3.5 billion in investment properties across the U.S. RCS entered the Memphis market with the acquisition of Horizon Business Center, two flex buildings totaling 135,000 SF. Horizon Business Center was an outlier for RCS' investment portfolio as the group more typically invested in traditional office and traditional industrial. Regardless, RCS needed to achieve its target investment metrics prior to exiting the investment. As an additional challenge, the deal was launched to the market one week prior to the Covid-19 global pandemic which temporarily shut down the U.S. economy. As a result, potential buyers and lenders were unable to travel to Memphis for a property tour. Even prior to the pandemic, the anticipated exit price was going to be questionable to the value needed for RCS to achieve its target investment metrics.

### ACTION

The Cushman & Wakefield leasing and management team had already been hired by Real Capital Solutions to stabilize Horizon Business Center. When RCS considered selling, the group hired Landon Williams and his team of investment advisors to consult on timing for the exit and also position the deal in the best light to achieve RCS' target investment metrics. After the initial launch of the deal was hijacked by Covid-19, Landon temporarily pulled the deal off the market as a strategic decision to wait for more certainty in the capital markets. As the data that Landon's team produced proved that the market had begun to stabilize, the C&W leasing team negotiated a lease with a new tenant to the property which was the impetus for Landon to launch the deal back to the market. Landon's disposition process resulted in four offers including the winning bidder who closed the deal 5 days after execution of the Purchase & Sale Agreement.

### RESULT

- Exposed the deal to over 6,000 investors which generated 4 qualified offers
- Executed Purchase & Sale Agreement 7 weeks after re-launch of the deal
- Closed the deal 5 days after execution of the Purchase & Sale Agreement
- Achieved a cap rate of 8.69%, approximately 30-35 bps below original underwriting
- After multiple rounds of competitive bidding, a contract was executed at \$10.75 million with an all-cash Buyer
- RCS owned Horizon Business Center for 4.65 Years and sold it for 70.6% higher than the original purchase price

### TESTIMONIAL

*"Horizon Business Center presented a unique challenge for our team due to it being an outlier for our typical investment model. The Cushman & Wakefield team in Memphis guided us through that challenge working together as a unit throughout the entirety of our hold of that investment. Phil Dagastino's leasing strategy, Teresa Simmons' property*

*management efforts, and Landon Williams' investment expertise all combined with their relentless hustle provided strong results for our investors."*

**- Brian Mistysyn, Real Capital Solutions**

