

*tic talk*

Rick Brown, CCIM

Gene Trowbridge, JD, CCIM

*set for*  
**SUCCESS**

*scottsdale, arizona*



# TIC's – How to learn about this industry

- ✦ Internet
- ✦ Review packages
- ✦ IRS.gov- Rev Ruling 2002-22
- ✦ Talk with experienced CPA's and Attorney's

# TIC's – More ways to learn about this industry

- ☀ Talk with local Sponsors-
- ☀ Join TICA Association-  
*[www.ticassoc.com](http://www.ticassoc.com)*
- ☀ Attend Net Lease Forum events
- ☀ Other

# What makes a TIC property a *gem*?

- ✦ **Cut- Price & Terms**
- ✦ **Color- Curbside appeal**
- ✦ **Clarity- Transparent property information and due diligence**
- ✦ **Carat- Quality of tenants**

# Special challenges in the TIC arena

- ✦ **Gaining control of the property**
- ✦ **Lender relationships**
- ✦ **Rick's 10% Rule of Thumb**

# So ..., you want to be a TIC sponsor?

- ☀ **Risks and liabilities**
- ☀ **Hire an experienced TIC attorney**
- ☀ **Be clear on distribution channels**
- ☀ **Stick to your knitting**

# More about being a TIC sponsor

- ☀ **Be able to close on the property yourself**
- ☀ **Develop lender relationships**
- ☀ **Establish timely due diligence capabilities**
- ☀ **Employ online data and client management systems**

# Evaluating sponsors

- ☀ **Track record in industry**
- ☀ **Product or geographic specialties**
- ☀ **Financial and property analysis**
- ☀ **Fee description**

# Evaluating properties

- ⌚ **Operating Statements- real or projected?**
- ⌚ **Vacancy Rates, bad debt, etc assumptions**
- ⌚ **Rent increase projections**
- ⌚ **Quality of tenants**

# More about evaluating properties-

- ✦ **Physical due diligence**
- ✦ **Financing assumptions**
- ✦ **Reserves**
- ✦ **Capital expenditures**
- ✦ **TI's and commissions realistic?**

# Lessons Rick has learned

- ☀ TIC investors
- ☀ Legal timing
- ☀ Appraisal level
- ☀ Mezzanine lender

# More from Rick

- ☀ **Dealing with experienced professionals**
- ☀ **Last quarter, 24/7 drills**
- ☀ **Other**

# Is it real estate or a security?

## A question about your marketing network

- If TIC is structured as security, only security licensees can get paid a commission
- If TIC is structured as real estate, only real estate licensees can get paid a commission

# How to make it real estate

- ☉ **Understand what a security is**
  - **Investment of money**
  - **Common enterprise**
  - **Expectation of profit**
  - ***As a result of others***

# Make it real estate

## ☀️ How to find investors

➤ Do what real estate people do

➤ NASD NTM 05-18

## ☀️ Pay referral fees

## ☀️ Sell someone else's product

# *How to contact us*

**rbrown@ScheerPartners.com**

**gene@groupsponsor.com**

*set for*  
**SUCCESS**



*scottsdale, arizona*  
**2005**

**gene@groupsponsor.com**

