

# TENANT-IN-COMMON OWNERSHIP: Your Access to Larger, Institutional Grade Real Estate



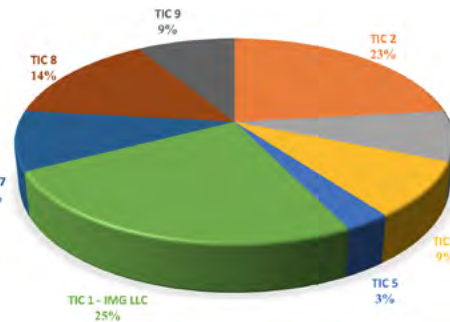
## STRENGTH IN NUMBERS

Tenant-in-Common ownership allows accredited investors to pool their money, purchase undivided percentage interests in real property, and defer taxes via a 1031 Exchange

### What is TIC ownership?

Tenant-in-Common ("TIC") is a form of direct real estate ownership in which multiple investors each hold an undivided, fractional interest in a property. TIC ownership allows multiple purchasers to combine their equity, thus providing access to investment grade real estate. TIC investors are drawn to larger properties with professional property management, sophisticated asset management, plus a higher quantity and quality of tenant.

Many investors seek a TIC structure in order to be freed from the day-to-day management hassles of sole ownership. As Sponsor, Investors Management Group, Inc. (IMG) sources acquisition properties in select markets throughout the country, conducts due diligence, arranges financing, provides asset management and accounting reports, and executes the final disposition – all for the benefit of its investors.



### Can a Tenant-in-Common ownership help me maximize a 1031 Exchange?

Yes. A TIC interest can satisfy a real estate investor's 1031 exchange. The exchanger can not only invest in a high-caliber, income generating, professionally managed TIC property, but can also defer capital gains taxes.

In 2002, the IRS issued formal guidelines for structuring TIC offerings to satisfy the "like-kind" requirements of 1031. Since then, thousands of real estate investors have used TIC properties as an alternative to sole ownership for 1031 exchanges.

Investors Management Group, Inc., as Sponsor, designs its offerings to meet current IRS guidelines and to accommodate the needs of accredited exchange investors. *(cont'd)*



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### 5 REASONS A TIC MAY BE THE RIGHT INVESTMENT STRATEGY

- ❶ You have no desire for hands-on property management
- ❷ You value real estate expertise in a skilled sponsor
- ❸ You desire diversification in your portfolio
- ❹ You want to defer capital gains taxes
- ❺ You do not have liquidity needs

### Leveraging Capital for a Tax-Advantaged Investment

TIC deals offer individual investors the opportunity to pool funds, secure favorable financing, and enjoy ownership interests without direct property management headaches.



168 UNITS  
SEATTLE  
MSA

### 1031 EXCHANGE • CASE STUDY

- 3 investors sold their property in Kent, WA in early 2014
- IMG simultaneously sourced and evaluated nearly 20 potential 1031 Exchange properties, located from Portland to Seattle
- The investors, along with IMG, structured a 4-member TIC group and purchased 168 units in 2014
- The value-add opportunity included \$2.5 million in upgrades, resulting in a total purchase plus capital improvement cost of \$15,500,000 with a projected 5-year internal rate of return of 19.3%
- The property appraised at \$24,490,000 in Oct. 2016, **doubling the investors' equity in 2.5 years**

For more than 25 years, IMG's principles have specialized in value-add investments in need of recapitalization, repositioning, or significant renovation in carefully selected U.S. markets.

#### ACQUISITION CRITERIA

**Property:** Class A- to B-, 75 – 250+ Units  
**Transaction Size:** \$8 – \$30M  
**Targeted Metros:** Sacramento, Portland, Seattle, Denver, Atlanta, Tampa, Greater Miami, Raleigh, Charlotte

#### DEAL STRUCTURE

**Hold Period:** 4 – 5 years  
**Targeted Returns with a 5-year Hold:**  
 • **Average annual cash yield:** 6.5% – 8.0%  
 • **Equity multiple:** 1.85x – 2.0x  
 • **IRR:** 14.5% – 16.0%

Visit [www.IMGRE.com](http://www.IMGRE.com) or call (971) 888-4010 for more information.