

# REAL ESTATE FORUM PRESENTS INFLUENCERS IN NET LEASE

**N**et lease transaction volumes total \$44.1 billion in 2018, with the industrial sector becoming the most active asset class. So says a recent report from JLL, which also said that investors are continuing to target both assets in secondary and tertiary markets with private investors remaining the most prominent buyer type in the sector.

Cap rates for net lease assets are also slated to mark some uptick after hovering around historic lows, the JLL report said. A report from the Boulder Group said that cap rates in the single tenant net lease retail sector, for example, remained unchanged (6.25%) in the fourth quarter of 2018 when compared to the prior quarter and that cap rates for the office and industrial sectors increased by 2 and 5 basis points respectively. “As the Federal Reserve continues to implement its monetary policy there is investor expectation that cap rates should trend upward in 2019.”

The Boulder Group report says that the majority of property owners believe we are in the last stages of the current real estate cycle. Accordingly, property owners are supplying the current market with their non-core net lease holdings in order to take advantage of the historically low cap rate environment.

“As alternative investments including the stock market have experienced recent volatility, net lease assets perceived as the safest and most secure are still commanding historically low cap rates,” the Boulder Group report says.

So, while investor demand for the net lease assets seems to remain strong and the market is expected to remain active in 2019, *Real Estate Forum* wanted to highlight some of the many professionals and organizations who have made an indelible impact on the business. Whether through contributions to the industry via extensive deals and projects, or through best practices and introduced innovations to the net lease space, they have all helped to shape their field and where it is headed. Turn the page to read about some of the most notable names in net lease real estate.



### JAMES G. KOMAN

James Koman, founder and managing principal of St. Louis, MO-based private equity real estate firm ElmTree Funds, has been in the business for nearly 40 years. Since launching ElmTree in 2011, he's grown it into one of the premier investment platforms focusing on net lease, sale-leaseback and build-to-suit transactions, attracting capital commitments from domestic and international institutional investors alike.

In 2018, Koman led the acquisition of eight single-tenant industrial, healthcare and office properties across six states, representing a weighted average credit rating of A-. These investments, worth \$400 million, advanced ElmTree's strategy of acquiring undervalued and operationally significant assets leased long term to, or guaranteed by, investment-grade and high-credit quality tenants.

That venture is exemplary of the complex transactions, led primarily by Koman, that are commonplace for ElmTree. Since its inception, the company has acquired, developed or financed roughly 300 properties valued at approximately \$6 billion.



### CHAD KURZ

Chad Kurz's passion for, and dedication to, CRE have inspired many professionals within his firm, Matthews Real Estate Investment Services. Not only has his mentorship helped to produce several of the company's up-and-coming leaders, but the SVP also takes time to host training sessions for younger agents. He is also a frequent speaker at national events aimed at engaging college students and recent graduates.

The national director of single-tenant net lease division has been involved in more transactions than any other agent at Matthews REIS and set multiple cap rate records across the country. He received the Matthews Circle of Excellence award in 2016, 2017 and 2018, and has completed more than 300 transactions, totaling more than \$587 million in sales alone.

Prior to opening Matthews' Dallas office, Kurz visited the Children's Hospital Los Angeles several times throughout the year to hand-deliver toys and visit with children. He also dedicates time to Meals on Wheels.



### GLEN D. KUNOFSKY

A pivotal influencers in the field, Glen Kunofsky was instrumental in establishing the private and direct-to-consumer buyer pool for sale-leasebacks. He's also been responsible for many of the largest SLB portfolio trades in the institutional space in the past two decades.

Based in New York City, Kunofsky is an executive managing director of investments for Marcus & Millichap. He closed in excess of \$1.8 billion in sales on 400 properties in 2018 alone, double the amount of any other broker at his firm. Kunofsky, who has orchestrated transactions on some 5,000 properties valued at about \$13 billion so far in his career, has been named Marcus & Millichap's top investment professional for the past four years, as well as its top net-lease investment agent for more than a decade.

Kunofsky is also the founder of the NNN Pro Group, a net-lease-focused company which has expanded to more than 45 investment professionals. The exclusive buy-side team is currently working with more than \$700 million of exchange capital.



### SHELBY E. L. PRUETT

Shelby E. L. Pruett has been an integral part of the net lease industry, contributing to its growth and recognition as an institutional asset class. He is a go-to resource for private equity firms executing operating company buyouts looking for sale-leaseback capital, developers seeking partners on build-to-suits, and institutions seeking operating partners.

As chairman and CEO of Capri-EGM LLC, Pruett also sits on the firm's management and investment committees. The Chicago-based company and its predecessor organizations have acquired, originated and managed more than \$10 billion in CRE investments directly and through entity-level investments. Recently Capri was brought on as a capital partner in a development partnership with Starwood Capital Group on the \$74.2-million global headquarters for Syneos, a \$3.7-billion publicly traded organization.

Pruett is a founding member of the Harvard Alumni Real Estate Board as well as a past board member of the International Advisory Board of the Harvard Real Estate Academic Initiative.



### CAMILLE RENSHAW

Camille Renshaw, co-founder and CEO of B+E, has revolutionized the net lease services field. Last December, the firm launched 1031 Trade, the first online platform for real estate exchanges, allowing participants to sweep the market for all available net lease properties, both on and off market. The platform uses AI criteria to match properties with buyers. The venture joins the existing B+E triple-net lease trading platform, which offers the first end-to-end solution for buyers and sellers to conduct entire NNN transactions online. In May 2018, the New York City-based firm announced an exclusive partnership with Inland Real Estate and RCX Capital Group.

Previously head of sales for Ten-X, Renshaw also founded Stan Johnson Co.'s New York office, where she led its sales team as top producer for five years, and was director of Colliers' US capital markets division and a top 40 worldwide producer. She is an executive-in-residence at the NYU Stern School of Business, an advisor to DreamIt's UrbanTech Accelerator and is on the Rutgers

Big Data advisory board. Renshaw is a strong proponent of diversity and advancing women's roles in business.