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Paul V. Profeta and Associates purchases Home Depot for \$24 million

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Paul V. Profeta and Associates has purchased a 132,984 s/f Home Depot located at 1453 Pleasant St. on 27 acres for \$24 million from Gvest Partners, LLC.

The purchase was completed as part of a 1031 Exchange transaction following the sale of 12 Walgreens properties by Profeta to Inland Real Estate Acquisitions, Inc. for \$60 million in August. Profeta is planning additional real estate acquisitions to cover the remainder of the Walgreens disposition.

"Home Depot leases are especially appealing to single tenant net lease buyers because they are 30 years in duration with Home Depot retaining the right to renew for eight additional terms of five years each," said Profeta. "Due to the ease in managing a Home Depot, this kind of credit worthy single tenant net lease asset is also appealing to 1031 Exchange buyers, as it provides for the opportunity to execute a 1031 trade in order to avoid capital gains tax."

The purchase price for the Home Depot property comprises a first mortgage of more than \$14 million, a mezzanine loan of \$7.6 million and an equity investment of more than \$3 million. There are 24 years remaining on Home Depot's 30-year lease at the site.

CBRE executive vice president Sterling Champ, one of the leaders of CBRE's net leased property group, brokered the Home Depot transaction on behalf of Profeta. Champ also represented Profeta in the Walgreens portfolio disposition.

"This Home Depot site represented an excellent 1031 trade for Profeta as a very secure investment with a credit-worthy tenant that still has significant time on the term of its lease," said Champ. "We're extremely pleased to have been able to facilitate this transaction on the heels of the successful Walgreens portfolio sale."

Based in West Orange, N.J., Paul V. Profeta and Associates is involved in real estate investment, management and leasing throughout the country. The company's portfolio comprises office, industrial, retail and multi-family properties in key markets.

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