



A CASE STUDY

PORTFOLIO REVIEW FOR 3RD GENERATION FAMILY

BACKGROUND

A third-generation family office serves as the real estate investment arm of a high-net-worth family based in Seattle. Over the years, the family has successfully built a portfolio of office and retail assets. However, they sought an independent, third-party portfolio review to assess their holdings and develop a strategic plan for future growth.

APPROACH

Trinity completed the review of 7 commercial assets, including reviewing operating data from all the properties, completing a ten-year cash flow forecast, an estimate of fair market value as well as a review of the debt position of the assets. Trinity found that the portfolio was well run but saw that the family had a high concentration of office assets. Trinity also noted that the LTV (loan-to-value) ratio of the portfolio was quite low and that an opportunity existed to replace their low-leverage high-interest rate debt with modest leverage – and a much lower interest rate. Proceeds from that loan could then be used to acquire assets to help to better diversify their portfolio.

OUTCOME

The family subsequently borrowed money during the low-interest rate environment at a rate below 3% - and used it to acquire a high-quality grocer anchored center and make an investment into a multifamily asset, thus significantly aiding with their portfolio diversification.

SERVICES PERFORMED

Strategic Advisory | Portfolio & Asset Management | Transaction Services
Portfolio Performance Review | Investment Strategy | Family Education & Mentorship
Asset Management | Acquisition Services