



MILLCREEK
COMMERCIAL PROPERTIES

Breaking down the barriers

to invest in commercial
real estate

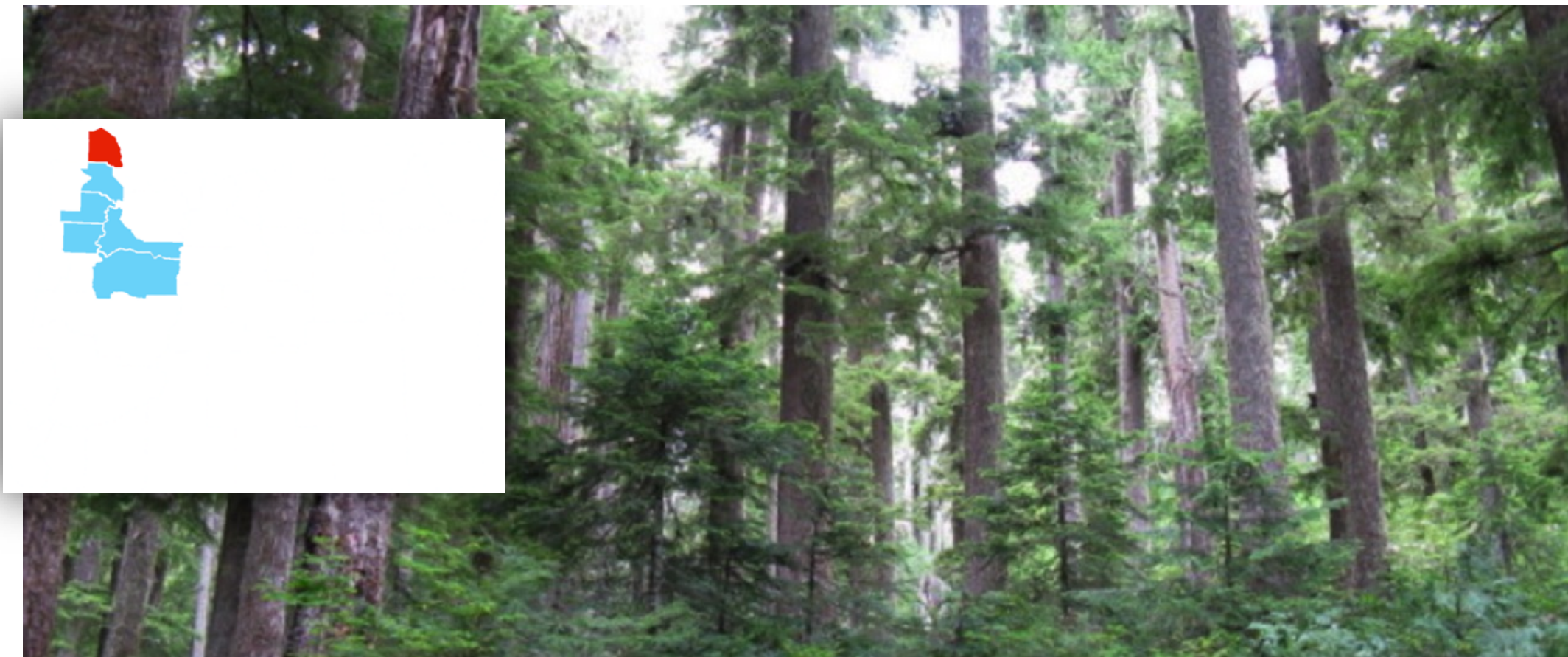
“Like-kind” 101:

The basics of a 1031 exchange

The History of the Starker Exchange



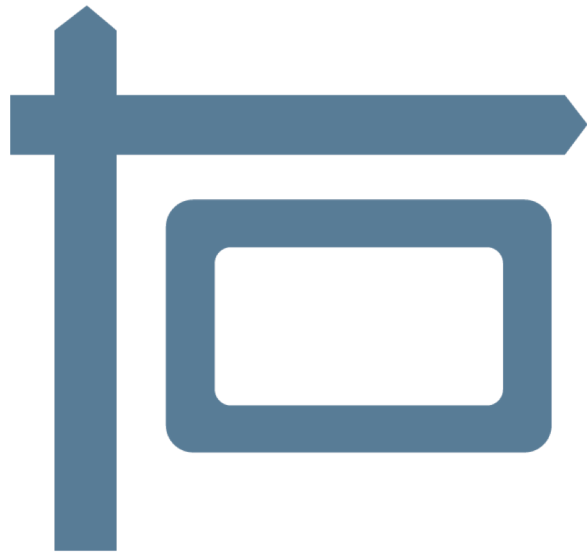
The History of the Starker Exchange



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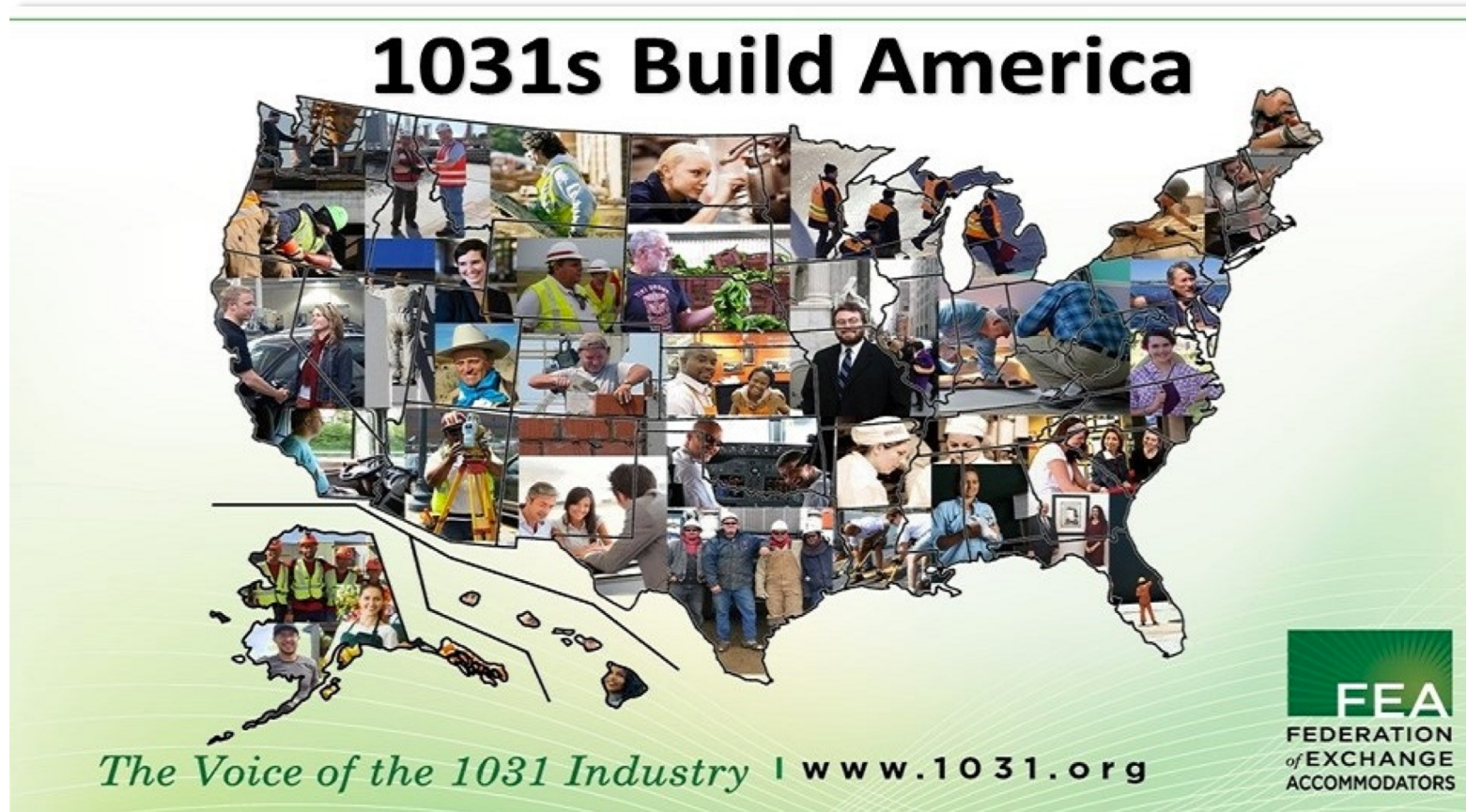
The 1031 Exchange Process



Owner decides to sell their investment property & notifies a Qualified Intermediary (QI) of exchange.

* (QI is a 1031 exchange professional).

Choosing Your Intermediary



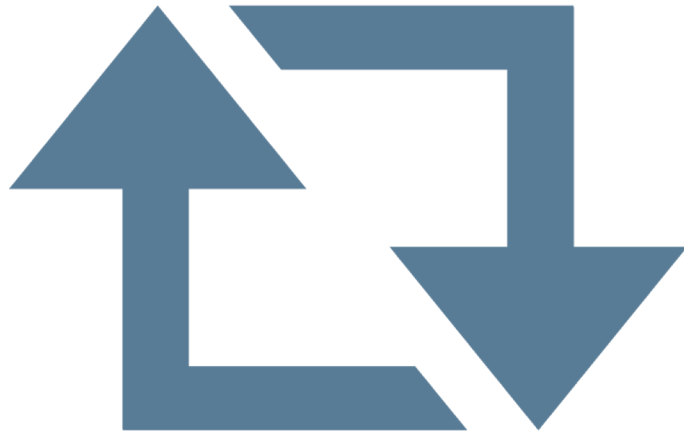
- **State regulated?**
 - Bank affiliated
 - Title/escrow affiliated
 - Attorney
- **Member FEA**

The 1031 Exchange Process



Proceeds from sale are transferred to Qualified Intermediary.

The 1031 Exchange Process



Owner identifies replacement property(ies) within 45 days of sale and notifies Qualified Intermediary.

The 1031 Exchange Process



Funds are transferred to seller of replacement property(ies).
Owner has 180 days to close.

The 1031 Exchange Process



1031 PROCESS



Owner decides to sell their investment property & notifies a Qualified Intermediary (QI) of exchange.

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Proceeds from sale are transferred to Qualified Intermediary.



Owner identifies replacement property(ies) within 45 days of sale and notifies Qualified Intermediary.



Funds are transferred to seller of replacement property(ies). Owner has 180 days to close.

Sale Date

Must Identify By

Must close by

Day 0

Day 45

Day 180

45 day period to identify replacement property(ies)

Owner must close on replacement investment property(ies) within 180 days of the closing date of the property that was sold.

Why do a 1031 Exchange?



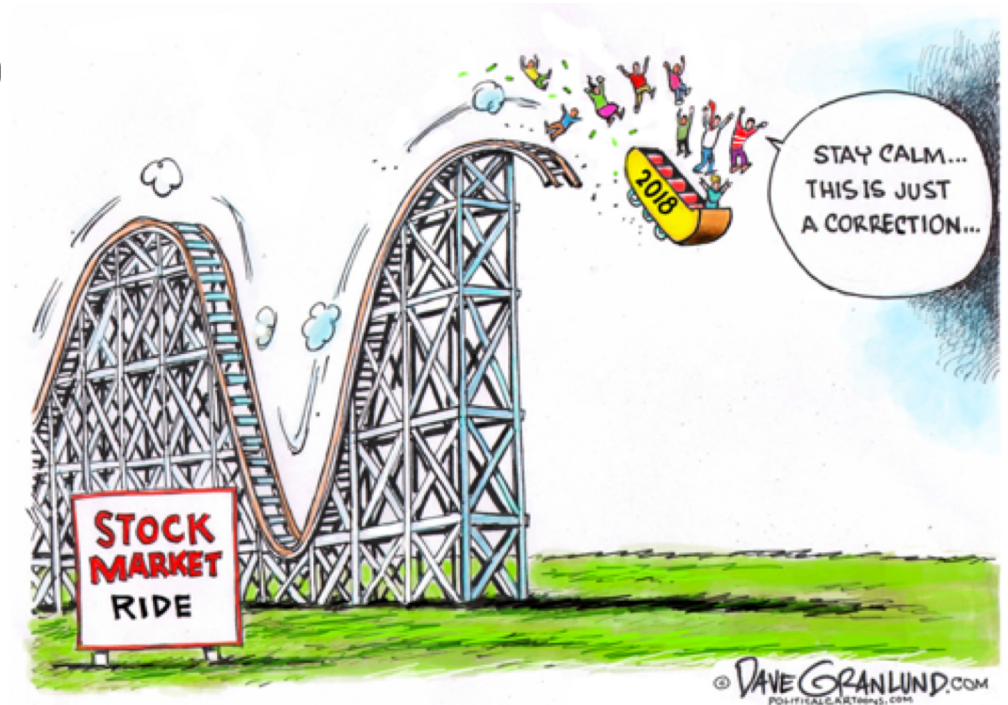
- Purchased in 1992
- Purchase price: \$100,000
- Land value: \$20,000
- Anticipated Net proceeds from sale: \$500,000



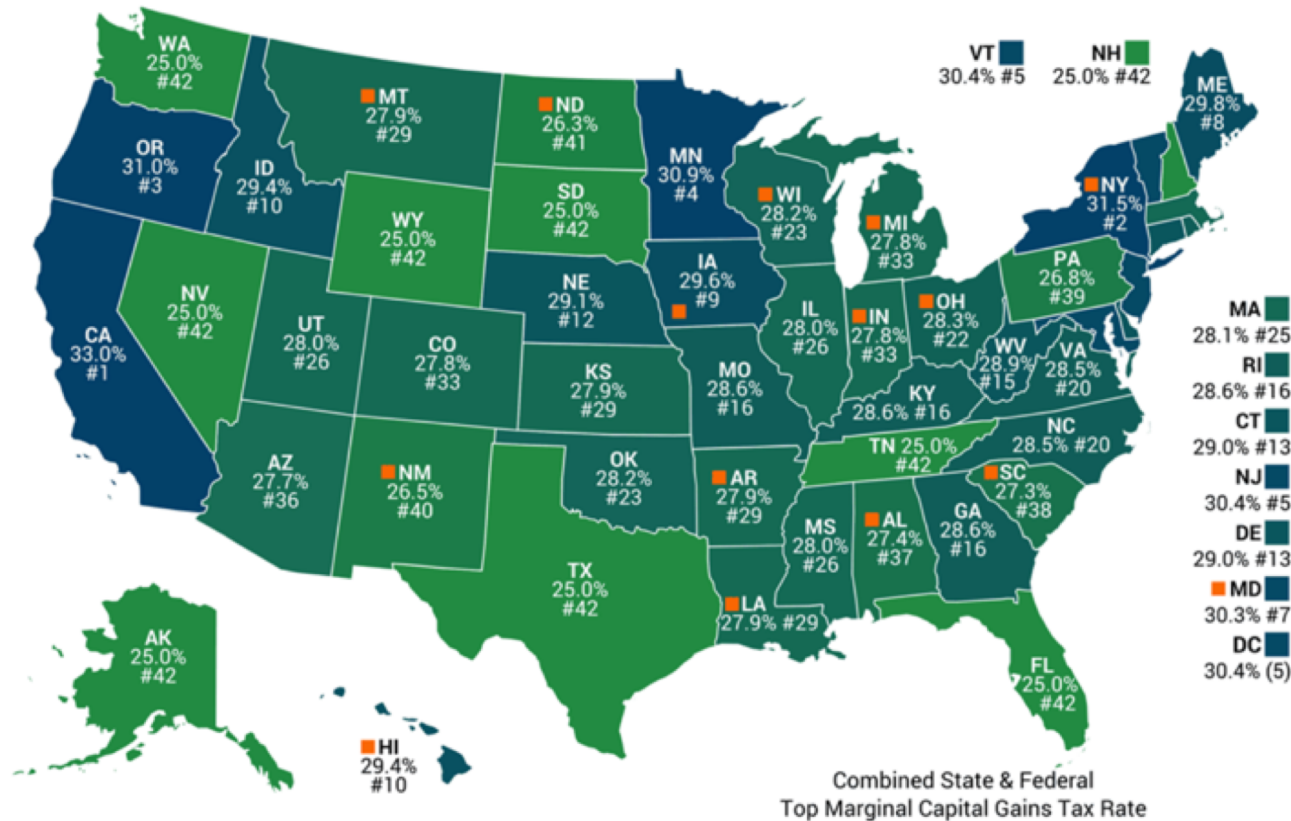
Cash Out & Invest in the Stock Market



- Net proceeds: \$500,000
- Depreciation recovery: $\$80,000 * .25 = \$20,000$
- Federal capital gains: $\$400,000 * .20 = \$80,000$
- NIIT:
 $\$400,000 * .038 = \$15,200$
- State taxes:
 $\$400,000 * .075 = \$30,000$
- **Total tax: \$145,200**
- **Total amount to invest: \$354,800**



State Capital Gains Impact



Note: AK, FL, NV, NH, SD, TN, TX, WA, and WY have no state capital gains tax.

Data as of January 1, 2014. Published February 19, 2014.

Source: Commerce Clearing House; Tax Foundation Calculations

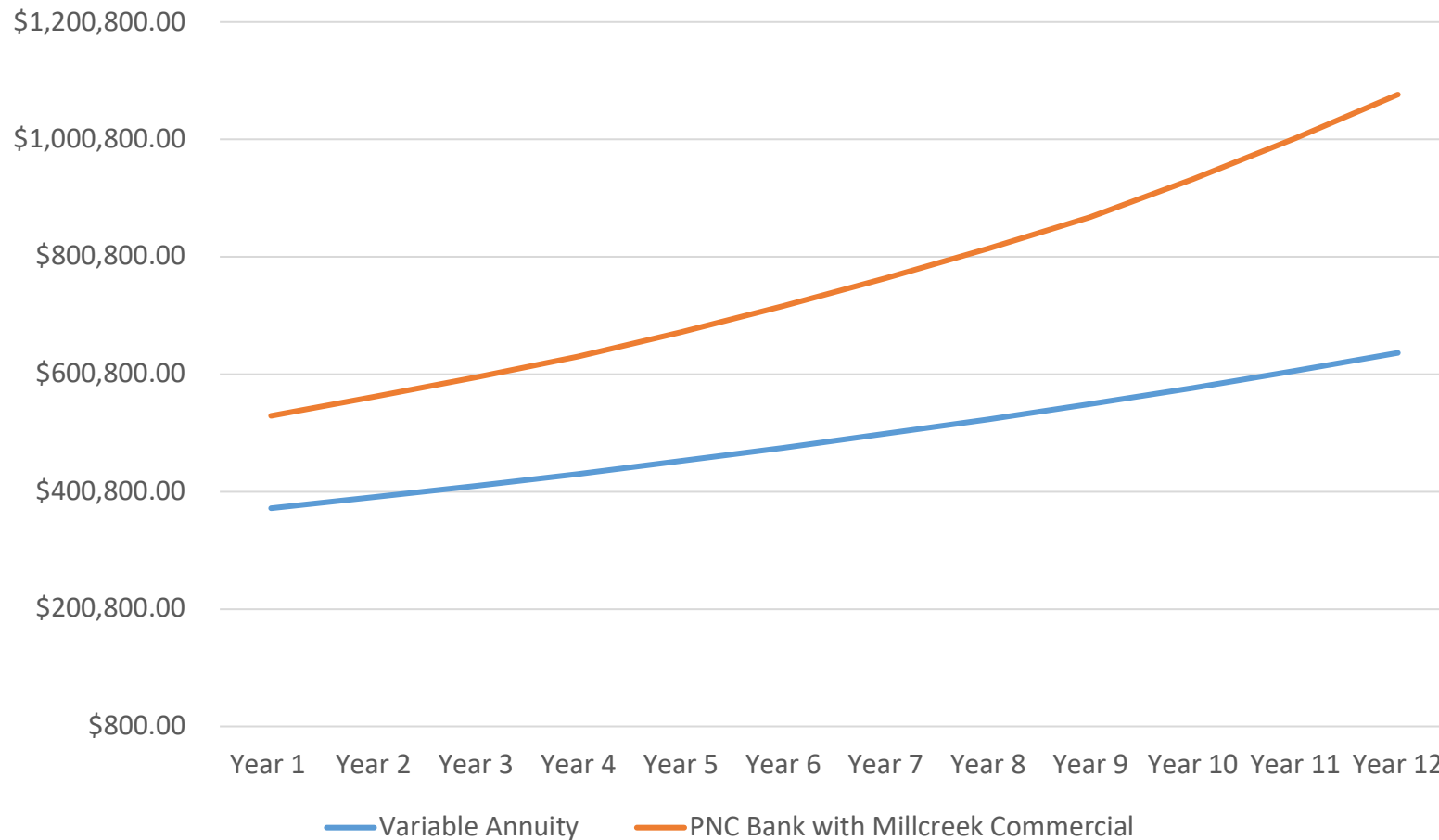
1031 Exchange into Millcreek Property



- Net proceeds: \$500,000
- Depreciation recovery: Deferred
- Federal capital gains: Deferred
- NIIT: Deferred
- State taxes: Deferred
- **Total tax: Zero**
- **Total amount to invest: \$500,000**



Comparative Investment Growth



- Millcreek Commercial Option (1031 Exchange): \$1,077,198.09
- Annuity Option: \$637,169.82

Breaking Down Barriers



We are **breaking down the barriers** that keep 98% of the US population from investing in commercial real estate

Our Solution to the Barriers



Millcreek purchases prime commercial assets debt-free.



The asset is divided into pieces for sale called tenant in common ownership shares.



The pieces are then sold to individuals who are interested in owning safe, secure and stable commercial real estate.

Commercial real estate is a better choice



Millcreek properties **must meet at least three** of the criteria below



Net Lease. Tenant is typically responsible for taxes, insurance & maintenance



Corporate guarantees. Lease terms guaranteed by investment grade corporation



A long-term lease. Greater than 10 year lease term



A single tenant. Avoid tenant management issues

Millcreek Property Offerings



Dollar General, Chicago MSA




Dollar Tree, St. Louis MSA



PNC Bank, St. Louis MO

Our Quest



Our quest is to enable
everyone to enjoy the
Safety, Security, & Stability
of owning commercial
real estate!



MILLCREEK
COMMERCIAL PROPERTIES

THANK YOU

