RESTAURANT FINANCE MONITOR®

Volume 33, Number 10 • Restaurant Finance Monitor, 2808 Anthony Lane South, Minneapolis, MN 55418 • ISSN #1061-382X

October 17, 2022

OUTLOOK

InCommercial Capital: Pulling the Levers of Real Estate Solutions

Both **Wes Staples** and **Marc Barber** like solving the capital puzzle for restaurant operators.

"It sounds nerdy, but one of the fun things about this job is solving capital issues," said Staples. "How do we pull the levers of what is going to work for restaurant developers? How can everyone win and make money from deals?"

Indeed, that's what makes Barber's day, too: "How do we use our money to help you grow?"

Barber is managing broker and Staples is vice president with **InCommercial Property Group**, a firm "focused on providing real estate capital for growing restaurant companies," Barber reported. The company was started by real estate executive Erik Conrad in 2003, who launched the commercial brokerage with an SBA loan (West Town Realty). Today, they own or manage over 300 properties, mostly net leased.

As they've grown, they have increased the number of services they provide to single-tenant retail operators, including restaurants. Those solutions include:

- Joint Venture Equity
- Preferred Equity
- Mezzanine Debt
- Recapitalization/Sale of Partnership Interest

For the following services, InCommercial doesn't directly provide them, but can arrange for their clients:

- Credit Facilities
- Permanent and term loans
- Construction loans

"We have found that many of our competitors need clients to fit into their box," said Barber. "We're not focused on that. We're working with our clients to tailor-make solutions to address their pain points" in the real estate process.

He finds most failures for restaurant developers happen early in the process, a place where InCommercial jumps in.

"As an operator you often have that first outlay of capital and you don't get it back," he explained. "We can provide capital to close on the land, or for construction, quickly."

In fact, "we can contribute up to 100 percent of the capital stack," Staples said.

They are also keen to provide sale/leaseback financing to multi-unit restaurant operators. "We feel like that's a great way to monetize the real estate for the most value," said Barber.

They target restaurant operators with more than 20 locations, with financing needs ranging from $1 million to $60 million. And, their term sheets are "friendly," Barber explained. "Our term sheets aren't overly onerous. We are putting together terms that don't include points, for example. Our lending costs are market, or better-than market."

Plus, while they work in large DMAs, they aren't afraid to own locations in tertiary markets, either.

"Because we've owned in tertiary markets before, we can be comfortable with some of those other brands" other real estate companies aren't, said Barber. "We think there is an opportunity gap in some of the smaller markets because they get ignored sometimes. Everyone needs to eat, and when the market has only a couple of options, you can get a bigger share of that market." For more information, contact Marc Barber at mbarber@incommercialre.com, or at (916) 717-2079.

© 2022 RESTAURANT FINANCE MONITOR