



# UPREIT for Lifestyle and Estate Planning

---

## Challenge:

MiddleBrook Crossroads, one of the country's first industrial parks, is a two generation, family-owned 16 building complex. The 800,000 square foot office/flex/warehouse park is located in Bridgewater, New Jersey at the crossroads of I-287 and Routes 22 and 28 -- the heart of Somerset County

The owners were looking to achieve a higher level of liquidity in their investments than the direct ownership of real estate assets could provide, and to reduce the capital contributions that are necessary over time to maintain asset quality and value. Another significant objective of the owners was to become less involved in the day to day process of running the portfolio, whereby allowing them to focus on other personal objectives and move away from managing the properties.

## Solution:

Advance Realty Group acquired MiddleBrook Crossroads in 2000. Advance was selected mainly for their excellent reputation in property and asset management services.

## Result:

The owners were given Operating Units in Advance as part of the structured UPREIT program. The owners were able to take tax-free cash from the closing in conjunction with a refinance of the property. The UPREIT allowed the owners to avoid a large taxable gain and to create the liquidity and diversification they required to enjoy their planned lifestyle change.

Additionally, through a two year repositioning process which entailed capital improvements and leasing upgrades, Advance was able to increase the cash flow to the owners by approximately 20%, or \$500,000 a year, which can be roughly translated into a portfolio value increase of \$5,000,000.

1430 State Highway 206, Suite 100  
Bedminster, New Jersey 07921  
Phone: 908.719.3000  
Fax 908.719.9444  
[www.advancerealtygroup.com](http://www.advancerealtygroup.com)

Property: MiddleBrook Crossroads  
Bridgewater, NJ

Project Size: 800,000 SF



---

*"In planning for the disposition of our property, we were looking for a creative solution and a reputable investment partner. Advance clearly met all our requirements. They designed and executed a transaction that enhanced our financial position and provided us with downside protection."*

*Marguerite Chandler  
Seller, now Unit Holder*