

THE NET SHEET · YOUR FIRST TRIPLE NET DEAL

The lease matters more than the building.

A plain English guide to your first triple net (NNN) deal: what it means, what to look for in the lease, and a checklist to bring with you.

3

bills the tenant pays on top of rent

Property taxes, insurance, maintenance

+1.00%

more yearly return buyers want from a local franchisee than from corporate

Fast food leases, 6.85% vs 5.85%. Boulder Group Q2 2026

+2.55%

more yearly return buyers want when the lease has under 5 years left

Auto parts stores, 8.20% vs 5.65%. Boulder Group Q2 2026

NNN IN PLAIN ENGLISH

In a normal lease the landlord pays the property taxes, the building insurance and the maintenance. In a triple net lease the tenant pays all three, on top of rent. You collect the check. It works for a single store and for a strip center with ten tenants. The catch: your income is only as good as the lease. When buyers see more risk they want a higher return, which means they pay less. Look at three things first:

01

Who is the tenant, really?

The sign on the building is not always who signed the lease. A lease backed by the national company is safer than one signed by a local owner with two stores. Ask who is on the hook for the rent.

02

How many years are left?

15 years left is steady income. 3 years left is a question mark. Same building, same street, two different investments. Check for built in rent increases and renewal options too.

03

Does the tenant really pay for everything?

Some leases called NNN still leave the roof, the structure or the parking lot to you. In a strip center, empty units can push shared costs back onto you. Read who pays for what.

WORDS YOU WILL HEAR

CAP RATE

Yearly income divided by price. A higher cap rate usually means more risk.

NOI

Net operating income. The rent you collect minus the bills you pay as owner.

CAM

Common area maintenance. Parking lot, snow, landscaping, lighting.

GUARANTOR

Whoever has to pay the rent if the store fails.

RENT ROLL

The list of tenants, what each one pays and when each lease ends.

OM

Offering memorandum. The seller's sales packet for the property.



Found a deal? Call or text:

YOUSSEF SAKAR

(586) 383-5070

sakarsells@gmail.com



NEW ERA
REAL ESTATE

100 E Big Beaver Rd, Ste 940 · Troy, MI 48083

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The NNN Lease Checklist

Ask the seller's broker for the lease and the rent roll. Then work down the page. Anything you can't check off is a question to ask before you make an offer.



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PROPERTY ADDRESS _____

ASKING PRICE _____

TENANT(S) _____

YEARLY INCOME _____

THE TENANT

- | | |
|--|---|
| ☐ Who signed the lease: corporate or a local owner? | ☐ Who has to pay the rent if the store closes? |
| ☐ Have you seen that company's financials? | ☐ How many locations does this operator run? |
| ☐ Does the tenant report store sales? Ask for them. | ☐ How long has the tenant been at this location? |

THE TERM

- | | |
|--|--|
| ☐ Start date and end date of the lease | ☐ Years left before the lease ends |
| ☐ Renewal options and the deadline to use them | ☐ Rent increases: how much and how often |
| ☐ Can the tenant leave early? Under what terms? | ☐ Can the tenant close the store and just pay rent? |

WHO PAYS? CHECK IF TENANT

- ☐ Property taxes
- ☐ Building insurance
- ☐ Day to day maintenance
- ☐ Roof and structure
- ☐ Parking lot repairs and repaving
- ☐ Heating and cooling replacement

IF THERE IS MORE THAN ONE TENANT

- ☐ Is any tenant's share of shared costs capped?
- ☐ Can you charge tenants a management fee?
- ☐ Who covers shared costs for empty units?
- ☐ Can a tenant pay less if the anchor store leaves?
- ☐ Does any tenant block you from leasing to rivals?
- ☐ Shared cost bills vs what tenants paid, last 3 years

YOUR EXIT

- | | |
|--|---|
| ☐ Can the tenant hand the lease to someone else? | ☐ Does the tenant get first shot at buying the property? |
| ☐ Will the tenant confirm the lease terms in writing? | ☐ Is the rent close to market if you had to re-lease? |

QUESTIONS FOR THE SELLER

Stuck on a line? That is what I am here for.

Send me the listing and I will go through the lease with you line by line, no cost. Text (586) 383-5070 or DM @SakarSells.



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