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Automotive News

RLJ-McLarty-Landers affiliate closes real estate sale-leaseback, aims for more

Theresa Clift

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A new asset-management company with ties to the RLJ-McLarty-Landers Automotive Holdings dealership group has closed a series of real estate sale-leaseback transactions with that group.

It now hopes to do similar deals for other dealership groups.

The company, CapRocq Automotive, of Little Rock, Ark., partnered with New York investment firm W.P. Carey on the transactions, which were designed "to unlock the equity value" in their real estate, Beau Blair, CapRocq co-founder, said.

One of W.P. Carey's publicly held but nontraded real-estate investment trust (REIT) affiliates purchased nine dealerships from RLJ-McLarty-Landers Automotive Holdings for \$66 million.

Three of the dealerships purchased are in Alabama, two in Missouri, and one each in Tennessee, Arkansas, Texas and Louisiana. The properties, which total 378,964 square feet, sell and service the Mercedes-Benz, Nissan, Chevrolet, Toyota, Scion, Dodge, Chrysler and Jeep brands.

"RLJ-McLarty-Landers, like a lot of dealers, is looking for ways to unlock value in real estate and redeploy [those funds] for growth and expansion while maintaining control of operations," said Blair, who is also executive vice president of McLarty Automotive Partners.

CapRocq, which was also founded by Franklin McLarty, senior vice president of RLJ-McLarty-Landers Automotive, is now "open for business" to make similar deals with more dealership groups, Blair said.

"We need to get out there and market our product and service to the dealership community," Blair said. "We're very pleased to see a pipeline starting to form and hope dealers will continue to give us the opportunity to demonstrate what we can offer."

The dealership properties will be leased back to RLJ-McLarty-Landers Automotive for a term of 16 years.

CapRocq officially launched as a corporate entity on Sept. 19, the date of its first transaction, Blair said.

"CapRocq complements the McLarty Automotive Partners universe and is collaborative but independent," Blair said.

RLJ-McLarty-Landers Automotive ranks No. 19 on the *Automotive News* list of the top 125 U.S. dealership groups with new-vehicle sales of 18,885 units in 2011, a 29 percent increase from the previous year.

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