

## Welcome!

In this issue, we have included what we believe is the most important wireless news. The cell tower world evolves faster than fast food chains creating new food for States with legal marijuana.

Should you wish to receive our weekly newsletters via email, head over to our website and subscribe!

## SPRINT/T-MOBILE MERGER

The path to merger is secure since TMOB is selling their Boost Mobile to Dish. Post-merger expects 90% of existing Sprint sites, (especially rooftop sites) to be decommissioned. The decommissioning process will be orderly and most likely tied to existing lease term cycle. If a lease has a year left on any option term, it's more likely that site goes first. The remainder will decom proportionate to the remaining term of the lease, but all sites should be gone within 5 years or less. Another big loser is retail as many Sprint retail stores, (4,500 in the U. S.) as well as some T-Mobile stores will also shut down.

When the dust settles, Dish may end up being the fourth carrier. Dish will own Boost Mobile post-merger of Sprint and T-Mobile. Some speculation is they will backfill Sprint sites as they are decommissioned. Although, it may happen, we don't support that theory. We believe the Tower companies could be the biggest benefactor as it makes more sense to complete a master lease agreement with Tower Companies such as American Tower, Crown Castle and SBA to name a few, which would be a rapid path to Dish deployment of macro sites.

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## 5G ROLLOUT

Upgrade activity is in full swing primarily in highly urbanized areas. The 5G phenomenon was never anticipated or known when cell lease deployment started in the early 90's and 2000's. The benefit to Landlords is the Use clause determines whether or not the tenant has the right to upgrade without the Landlord's approval. This is a rare opportunity to retrade the rent and escalator in the Landlord's favor. The financial windfall to Landlords is in the tens of millions of dollars.



*For the 6<sup>th</sup> consecutive year NAI Capital Wireless has completed more out of market transactions than any NAI Global affiliate worldwide. We want to thank our affiliates NAI Global as well as a cadre of brokers, law firms, REIT's and Municipalities for supporting our efforts.*

## AT&T CHIEF FINANCIAL OFFICER,

John Stevens, confirmed that the carrier is looking to sell its remaining cell towers in the US as well as those in Mexico. It's reported that Stevens said, "I think it's public knowledge that we're out there selling our collections of about 1,300 US cell towers in Mexico. In 2013, AT&T sold 9,100 of its towers to Crown Castle for \$4.85 billion. It is likely that AT&T will be considering the leaseback rates being offered by suitors."



In 2017, AT&T signed an agreement with Tillman Infrastructure to build hundreds of towers for lease. The Tillman deal could result in AT&T migrating from existing cell sites to take advantage of the economics of the Tillman master agreement.

**CALLING ALL POLO FANS** If you're a fan of Polo and happen to be in the Indio, CA area this winter, look for NAI Capital Wireless Polo Team. The team will be playing at the Eldorado Polo Club, Indio, CA, which is the location the world-famous Coachella music festival, is held.

Should you wish to meet David Moore at the grounds, please send him an email at [dmoore@naicapital.com](mailto:dmoore@naicapital.com). He'd love to meet you!



**WEDDING BELLS** Our Wireless Division Manager, Amber Leigh, celebrated her wedding ceremony on October 12, 2019 in Gardnerville, Nevada. The couple was surrounded by family and friends with David Moore being the couple's officiant. The couple honeymooned in Ketchikan, Alaska.

*We have closed wireless transactions in 32 States as well as the District of Colombia. Our team ranked 2<sup>nd</sup> in the NAI Global system for closing transactions in multiple States.*

## 2019 ACQUISITIONS

### WOODLAND HILLS, CA

Sale Price- \$475,100.00

Verizon Lease

### LAKESWOOD, WA

Sale Price- \$230,000.00

American Tower lease

### SERAFINA, NM

Sale Price- \$812,068.00

Portfolio Sale

### WOODLAND HILLS, CA

Sale price- \$620,000.00

Multi-Tenant Tower



While we feel optimistic about Dish being the fourth carrier, they have an uphill battle to deploy sites. In order to protect the spectrum they have purchased, Dish will need to spend millions of dollars building macro sites in 2020 and 2021. As far as the other carriers, we have ranked their probable Cap Ex spending on sites from 1 being the lowest and 10 being the highest:

*Verizon-7 ATT-8 Tmobile-8*

The Cap Ex is expected to support the 5G upgrades to existing sites and then onto macro site deployment in areas to boost coverage.

## INSTITUTIONAL CAPITAL

continues to flow into cell lease monetization. Gross monthly multipliers in lieu of cap rates are used to value cell lease cash flows. Those multipliers used to be 400 basis points above a typical brick and mortar asset value cap rate, but now it's closer to 200 basis points. In a nutshell, it's still a bull market and a great opportunity to convert a personal property income stream into a brick and mortar fixed asset.

*CALL US TODAY TO DISCUSS*

## SMALL CELL

There are no doubt the carriers and tower companies will build 100' of 1,000' of small cell sites primarily in urbanized areas. The bulk of the deployment will be replacing street lights in public right of ways with Smart Poles. In some cases, they will require installations on private property, which generally means nodes attached to the sides of buildings. The municipalities will be the big winners by having master license agreements where the sheer number of sites will add significant revenue to their coffers. The losers are private building owners because if they choose to lease their building for a micro site the rents ranges from \$100.00 to \$250.00 per month. Not much by way of rent for the work involved to negotiate a lease and allow 24/7 access.



We predict Crown Castle, one of the world's largest tower companies, to be the winner in the 5G deployment. The sheer number of towers and rooftop sites they own nationally will all benefit from the 5G explosion. This will be true even after the merger of T-Mobile and Sprint and the subsequent decommissioning of Sprint macro sites.

## ABOUT NAI CAPITAL WIRELESS

NAI Capital Wireless is the nation's leading advocate for cell site landlords. Since 2008, we have protected the rights of site owners, provided solutions to their problems, and negotiated on their behalf. As part of the NAI Global family, we are backed by one of the world's largest real estate service networks.

### We specialize in the following:

**New Lease Agreements**

**Litigation Avoidance**

**Cell Site Buyouts**

**Lease Renegotiation**

**Site Valuation**

**Distributed Antenna Systems (DAS)**

**Small Cell Technology**

## Contact Us

### NAI Capital Wireles

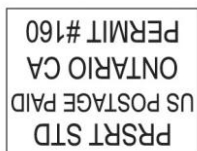
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*Mr. Moore was referred to us by a good friend whom had used his services prior for negotiations of a cell tower; we contacted Mr. Moore and began a process of negotiations for us which involved a tremendous amount of correspondence between all the parties. Mr. Moore's assistance proved to be invaluable in clarifications and such both the owner I represented and myself were very pleased with Mr. Moore and would most definitely use his services again should the occasion arise.*

**Bob Ramos, Ramos Construction Company**



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