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Forces of Change: Helping hand for investors

Jason Strand '04

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Helping hand for investors

When John Boyd enrolled at Furman in 1982, he was interested in the university's pre-engineering program. He also knew that he wanted to start his own business.

The engineering idea soon fell by the wayside, but Boyd's desire to run a business remained firm — and today, after early stints as an accountant and a stock broker, he has successfully fulfilled his dream.

Boyd is the founder and CEO of TIC Properties LLC, a real estate investment firm in Greenville that buys and manages commercial properties for investors looking to defer capital gains taxes by reinvesting their profits.

Since completing its first deal in 2001, TIC Properties has progressed to the point where in 2006 it was 36th on *Inc.* magazine's list of the nation's fastest-growing private companies. It has become a leader in 1031 exchange replacement solutions; section 1031 refers to the portion of the federal tax code that allows taxes to be deferred for investors looking to reinvest proceeds from a previous property sale.

TIC stands for "tenant in common," a form of ownership which allows multiple persons a deeded interest in a property. Investing as TICs helps individuals purchase more valuable, higher quality property than they could acquire on their own, while affording them the ability to diversify their investments.

Boyd, who earned his accounting degree from Furman in 1986, became interested in real estate investment while working as a stock broker. In 1992 a friend and fellow alumnus, Peter J. Manning '81, introduced him to the 1031 exchange provision. IRS regulations issued in 1991 authorized the use of a Qualified Intermediary (QI) to facilitate the exchange

process — and few QIs were operating in the Southeast at the time.

Manning opened and operated a 1031 exchange company until August of 1992, when Boyd acquired it. By July of 1993, Boyd found that he was making more money through his part-time work as a QI than he was as a stock broker. He left the brokerage to become the first full-time qualified 1031 intermediary in South Carolina.

In the early days, the Boyd Corporation operated out of his laundry room. But for Boyd, the opportunity to do exactly what he had always wanted to do — work for himself — was worth it. As he built the business, he began to brainstorm on how to use the 1031 exchange to create new kinds of real estate investment opportunities.

Despite several false starts, he was determined to expand his company's profile. Eventually, in 2001, he began working with Greenville attorney Maurice Holloway, and after a thorough investigation of the legal technicalities involved in tenancy-in-common projects, they came up with what they believed to be a workable plan.

Next, Boyd found a piece of property (in Greenville) and a group of investors willing to work with him. The plan succeeded, and since closing that first deal Boyd has refined his business plan and built his sphere of influence.

TIC Properties generated \$11 million in 2002, its first full year. At the time this story was written, he estimated that the company would generate \$220 million in revenue in 2006.

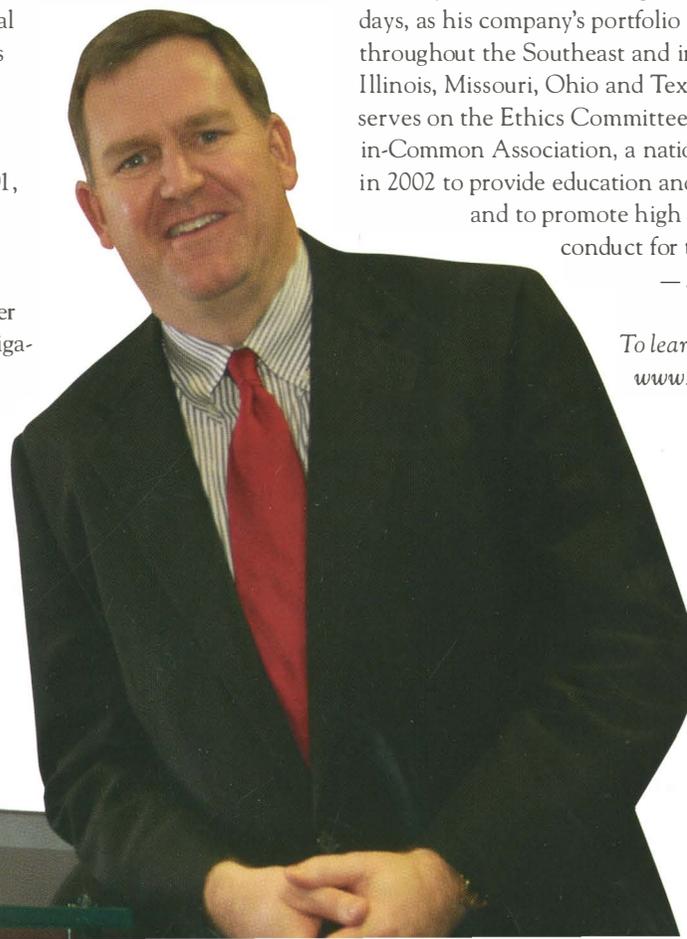
While pleased with the growth of his business, Boyd also takes his success in stride.

As he says, "I've been within 24 hours of bankruptcy more than once," alluding to the role risk frequently plays in an entrepreneur's life. "Things happen, but you bear down and do what you have to do. An entrepreneur is a person who stays optimistic despite conditions."

Boyd has much to be optimistic about these days, as his company's portfolio includes holdings throughout the Southeast and in California, Illinois, Missouri, Ohio and Texas. He also serves on the Ethics Committee for the Tenant-in-Common Association, a national group formed in 2002 to provide education and information and to promote high standards of conduct for the industry.

— JASON STRAND '04

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