

Selling Commercial Real Estate - The Match Game

Selling Commercial Real Estate

The match game, and a whole lot more.

Many people think all it takes to sell commercial real estate, is just the matching of the right buyer and seller. Many find out, after months pass without any takers or when deals fall through, it takes a whole lot more.

Given a choice between the ideal 'match maker' or 'a jack of all trades ... master of none' I'd go for the second choice every time. It is true that most brokers are not accountants, lawyers, appraisers, bankers, code enforcement officers, building or equipment inspectors, marketing directors, environmental experts, licensing authorities or psychotherapists, but often we feel like it. Let's look at some of the things that go into successful transactions.



Marketing:

Today it's about databases, contacts, listing services, the internet and direct advertising. This is all about the match making, but it's only a start to a successful closing.

Financing:

If you think the one size fits all, 20% down, 25 year term is what it's all about, you're not getting to the majority of buyers. Today not all lenders are banks. Some lenders specialize in certain niche markets. Some banks have an appetite for certain deals while others don't. To get deals done today you have to have knowledge about these various options.

Negotiating:

I have seen two situations that often happen when Buyer and Seller negotiate directly. In one case I've seen deals

where the seller was over playing his cards and said no to a term or condition that blew the deal, which in hindsight he would have accepted. The reverse is also true. I've seen sellers accept deals because they were too anxious and left more on the table than was wise.

Showing and Servicing the Listing:

There are many phone calls to make and receive, the scheduling of showings, mountains of paper work, questions to be researched and answered, and so on. As a seller do you *really* have the time to take from your busy and productive schedule for all of this?

Qualifying:

As a seller are you wasting your time with 'prospects' that act like they may be interested in your property but don't have the down payment, credit score, collateral, or credentials to pull it off? These 'suspects' are screened by a broker.

Inspections, Zoning, Licensing and Other Use Issues:

Just because a property is under contract does not mean the deal is done. There are appraisals, and many inspections that may need to be conducted. This is a time consuming process and a broker shepherds these and other details during the 'pending period' prior to closing.

Pricing or Valuation:

This takes a lot of market knowledge and research. Over-priced properties don't sell and under pricing leaves money on the table. Avoid both.

Problem Solving:

No transaction is without problems. Coming up with solutions, knowing key resources and professionals is imperative in today's transactions.

So a broker is a gofer, shepherd, does leg work and refers to, and works with, the above professionals, all while keeping an eye on the cumulative end result. And yes we also have to match up the right buyer and seller!

Business Workshop

Everything you've wanted to know about buying or selling a business, but were afraid to ask!

- **How to Place a Value on The Business**
- **How to Finance a Business**
- **Key Contract Clauses**
- **How to Reconstruct the Financials**
- **How to Find The "Good Ones"**
- **And Much More!**



Free Workshop!

3rd Thursday of Every Month
@ Noon or 6:30 pm

Registration Required
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or call Lori Norris @ 774-7715