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Business Success Today

Business Insights Brought to You by Your Real Estate Professional

Everest Commercial Real Estate Services

Successful Real Estate Solutions

The Everest Group was recently involved in several notable transactions.

- Frank Torbeck, SIOR, represented the Seller and Jeff Wolf, SIOR, CCIM, represented the Buyer in purchasing the 16,000 SF industrial building located at 12115 Ellington Court in Cincinnati, Ohio.
- Mark Freiberg, CCIM, represented The Cincinnati Hamilton County Continuum of Care for the Homeless in leasing 4,068 SF of office space for 5 years at 2368 Victory Parkway in Cincinnati, Ohio.
- Karen Duesing represented the Tenant, JS Gold & Coin, and John Thompson represented the Landlord in leasing 1,760 SF of retail space at Liberty Pointe, 7132 Cincinnati-Dayton Road, West Chester, Ohio.
- Mike Luning represented RoadTex Transportation in leasing 10,800 SF of industrial space at Hills Commerce Park of Blue Ash, 10888 Kenwood Road, Cincinnati, Ohio.
- Mark Richter represented both the Landlord and Tenant in leasing 850 SF of retail space for 5 years at 278 Ludlow Avenue in Cincinnati, Ohio.
- Chris Nachtrab represented the Landlord in leasing 2,500 SF to Qdoba at the Union Centre Retail Center located at 9216-9220 Allen Road in West Chester, Ohio.
- Jeff Wolf, SIOR, CCIM, represented E.T.I. Corp. in purchasing the 24,000 SF industrial building located at 2105 Schappelle Lane in Forest Park, Ohio.
- Mark Freiberg, CCIM, represented StoneRiver Inc. in leasing 6,125 SF of office space for 5 years at 4665 Cornell Road in Blue Ash, Ohio.
- John Thompson and Chris Nachtrab represented the Seller in the sale of the Glenway Plaza, a 121,242 SF retail building, located at Glenway Avenue and Parkcrest Road in Western Hills, Ohio.
- Adam Simon represented the Landlord in leasing 4,670 SF at 11260 Cornell Park Drive, Suite 709, in Blue Ash, Ohio.
- Mark Freiberg, CCIM, represented the Seller in the sale of the 2,350 SF office/retail building located at 4310 Hunt Road in Blue Ash, Ohio.
- John Thompson represented Once Upon a Child and Plato's Closet in leasing space at Beckett Commons in Cincinnati, Ohio. Once Upon a Child leased 5,900 SF and Plato's Closet leased 4,500 SF.
- Frank Torbeck, SIOR, represented the Seller in the sale of the 8,000 SF industrial building located at 4525 Este Avenue in Cincinnati, Ohio.
- Chris Nachtrab and John Thompson represented the Landlord in leasing 7,063 SF of retail space to Simply Shoes at the Ridgewater Plaza, 3260 Highland Avenue in Cincinnati, Ohio.
- Jeff Wolf, SIOR, CCIM, represented the Buyer in purchasing the 7,200 SF industrial building located at 107 Commerce Blvd., in Loveland, Ohio.

REAL ESTATE

How to Attract Foreign Investors to Your Properties

Current U.S. market conditions have attracted the attention of foreign investors, creating an opportunity for commercial property owners to recapture some of the equity in their real estate holdings. The key is to find the proper global venue that will attract foreign investors to your specific commercial property.

Realtors have realized for some time that a web presence is necessary in order to compete in the global real estate market. Sites such as CommercialSource.com, LoopNet.com and ICIWorld.com give investors all over the world access to vast amounts of information about a wide variety of properties. The more detailed the information, the more likely it will attract qualified foreign investors.

Virtual tours have been widely used in residential markets for years, but these tours can be just as useful for attracting foreign investors to commercial and industrial properties. They give a greater sense of depth and usability in a space that appears one-dimensional in a traditional picture.

Print is still a valuable way to attract investors. Although the high cost of print advertising is seen as a deterrent, the creative placement of ads in trade journals can reach specialized commercial property investors that may be missed with other approaches.

Foreign investors are attracted to the U.S. real estate market by falling prices and the growing inventory of commercial properties. For property owners, this presents an opportunity to create a greater demand for their real estate holdings. Finding ways to attract foreign investors can be a key element in a successful property marketing campaign.

REAL ESTATE

Net and Gross Leases: What's the Difference?

Commercial tenants can quickly get bogged down in the differences between net and gross leases.

There are distinct economic differences between the two lease types and their variations. Understanding those differences can mean a substantial savings when negotiating lease terms.

Gross Lease

A gross lease is an agreement whereby the tenant pays a fixed rental rate and the building owner pays all the operating expenses. This means that the property owner pays expenses such as insurance, taxes and utilities associated with the property, while the tenant is responsible for the rent and specific business-oriented expenses. The gross lease has disappeared in large part due to the additional costs assumed by the property owner.

Net Lease

In a net lease the tenant pays a portion of expenses associated with the building being rented. There are three categories of net lease. They are single, double and triple net. These types of leases put the burden of increasing expenses for utilities, taxes and insurance on the tenant and remove liabilities from the landlord.

Single Net Lease

A single net lease is an agreement in which the tenant pays the rent and certain expenses. In this instance, the tenant is usually expected to pay all or part of the property taxes in addition to the rent. This type of lease is more common in older buildings with shared utilities.

Double Net Lease

With a double net arrangement, the landlord is responsible for structural repairs to a building, while the tenant is responsible for taxes, building insurance, utilities and maintenance costs. Double net leases are rare in industrial situations, due to willingness of tenants to accept fractional tenancies to cut costs.

Triple Net Lease

Finally, a triple net lease is an arrangement in which the tenant pays for maintenance, operating expenses, taxes and insurance. In this instance, the tenant is responsible for repair and maintenance of any common areas. This form of net lease is often used with freestanding buildings but is also found in multiunit structures with tenants sharing the maintenance costs of the common areas.

Tenants may perceive that the best deal would be a gross lease, but this is not always the case. The terms and price of the lease agreement can affect the overall value of the lease arrangement.

For example, if the average gross lease in your area is $45 per square foot, while a net lease is calculated at $27 per square foot, with expenses calculated at an extra $16 per square foot, the net lease in this instance saves you $2 per square foot over the gross lease. This savings needs to be weighed carefully against variable expenses and any increases that may go along with them.

Whether you are presented with a net or gross lease agreement, a detailed analysis needs to be completed to determine better value. It is a good idea to look at historical data to determine the variable expenses such as heating, cooling and electricity. When comparing potential sites, look at the cost of maintenance and weigh the potential risks detailed in competing leases.