



Business Success Today

Business Insights Brought to You by Your Real Estate Professional
**The Everest Group/TCN Worldwide
Commercial Real Estate Services**

Successful Real Estate Solutions

The Everest Group was recently involved in several notable transactions.

- ▲ Mark Freiberg, CCIM, represented United Metro Media in the relocation of their offices to 10250 Alliance Road in Blue Ash. The challenge was to keep United Metro Media in Blue Ash, find a building that improved their image while coming in under budget. Job News leased 2,500 SF and signed a five year lease. This is the second time Mark has represented United Metro Media in their office space requirements.
- ▲ Jeff Wolf, SIOR, CCIM, represented the Landlord, Mae Realty LLC, in leasing 140,000 SF of industrial warehouse space at 3001-3005 E. Kemper Road in Sharonville, Ohio, for a lease value of \$1.3 million.
- ▲ John Thompson represented Party City in leasing 18,095 SF of retail space at Village at the Mall near Florence Mall in Northern Kentucky, for a lease value of \$1.816 million. Party City needed more space and an improved location.
- ▲ Chris Vitori represented DNV Healthcare Inc. in leasing 3,854 SF for a 66-month term at the Milford Park Tech Center. Milford Park Tech Center is a 67,334 SF class B office building located at 400 TechneCenter Drive in Milford, Ohio.
- ▲ Frank Torbeck, SIOR, and Mike Luning represented the Landlord in leasing 69,720 SF of industrial space at 10345 S. Medallion Drive in Evendale, Ohio.
- ▲ Mark Freiberg, CCIM, represented Trailside Commerce Center in the renewal of the medical offices of Premier Pediatrics at 5386 Cox-Smith Road in Mason. Mark worked closely with the Landlord to retain the tenant at the office park in a very competitive leasing environment. Premier Pediatrics renewed for five years.
- ▲ John Thompson represented Party City in relocating their Tri-County store located in Casinelli Square to the Tri-County Marketplace this summer. They leased 11,248 SF in the 74,246 SF shopping center anchored by PetSmart and Treehouse Kids located at 11741-11755 Princeton Pike in Cincinnati, Ohio. Party City will double their SF in Tri-County Marketplace.
- ▲ Chris Vitori & Jeff Wolf, SIOR, CCIM, represented the Seller in selling a new 2,400 SF double-unit office condo at Kemper Crossing located at 7363 E. Kemper Road in Sycamore Township.
- ▲ Adam Simon represented the Landlord in leasing 31,015 SF of flex space at Corporate Woods to Construction Software, Inc. Corporate Woods is located at 4500 Lake Forest Road in Blue Ash, Ohio.
- ▲ Mark Freiberg, CCIM, represented Cincinnati Music Academy in their relocation into 7,000 SF at 7420 Montgomery Road. The academy required a lot of tenant improvements including private offices, small classrooms, recital areas and very stringent, above standard soundproofing. Mark surveyed the market and found space that required very little build out, making this a financially viable deal for both tenant and landlord. The academy held their grand opening June 12, 2010.

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Surfing the Net Can Save Investors Time and Money

Using the vast resources available via the Internet can save commercial investors time, money and effort in their quest for the perfect investment property.

Traditional property searches involved a difficult maze of twists and turns that needed to be navigated in order to find a property to lease or buy. The Internet offers an effective alternative to past practices, which were time-consuming, costly and sometimes unfruitful.

Sites like Loopnet.com, Buildingsearch.com and Commercial.Realtor.com permit commercial property investors to search and narrow down potential properties without leaving the comfort of their offices. Each site allows you to set a specific area, property type and personal selection criteria such as price and square footage.

Investors can even view a virtual tour of a prospective property to get an idea of the general condition of the site. This allows you to get a limited view of the property without having to schedule a viewing appointment only to find that the property is not actually suitable for your needs. The tools provided by these sites tie together the needs of investors with the surplus assets of sellers.

Technology has eased the demands of contract negotiations through improved communication. Documentation has been simplified through the rapid transmission of information using electronic formats.

The Internet has evolved into a vibrant commercial marketplace, and there continues to be room for growth in the real estate sector. Savvy investors will continue to realize the potential and apply it to their real estate investment needs.

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What to Do When a Seller Refuses to Close

For a commercial investor, the worst scenario is to put time, money and energy into the purchase of a property and then find out the transaction cannot be closed because of some fault of the seller.

When a buyer enters into an agreement to purchase a property, there is always a risk the seller will refuse to close.

Commercial investors allocate substantial resources to property selection and investment, so being aware of the remedial actions that can be taken is an important part of any investment due diligence package.

Sales Contracts

Sales contracts are typically drafted by a lawyer or real estate professional. Standard conditions are included so the buyer can gracefully walk away from the investment without penalty.

Occasionally, though, one of the parties - whether it is the seller or buyer - defaults on the contract after the predetermined conditional period.

The remedies for default on a sales contract are often spelled out for the buyer, with clear penalties in place that the seller can enforce.

Typical contract language may include a clause whereby the seller can retain the buyer's deposit in order to offset any damages.

Seller Defaults

Seller default is not as common and the language is often not clearly representative in the agreement. In most states, if the seller defaults the buyer can go to court to seek an order of specific performance.

This order commands the seller to transfer the property to the buyer on payment of the purchase price or else be found in contempt of court. There is risk with any transaction that depends on the legal system, and consultation with a legal professional should be sought prior to proceeding with this course of action.

Buyer Rights

The buyer is also allowed to sue for monetary damages, in particular for the difference between the contract price and the fair market value of the property. This, of course, assumes that the purchase price is greater than fair market value for the property. In addition to this compensation, the buyer is entitled to seek damages, such as mortgage application fees, appraisal fees and any assessment cost associated with selecting the specific property.

As an investor seeking to finalize a transaction through use of legal means, you must understand that there is no guarantee when pursuing a court decision in your favor.

The system is there to protect the rights of both the buyer and the seller.

Sound legal advice based on all the facts will be necessary to make a prudent decision about pursuing legal recourse.

It would be prudent to include a series of penalties against the seller in the event of a seller's default on an agreement. This course of action makes it part of the negotiation process rather than leaving it up to a decision of the courts.

It also provides the seller with an additional incentive to close the transaction in a timely manner.

It's best to seek the advice of both sound legal minds and real estate professionals to guide you through this complex process.

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