



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.

- ▲ John Thompson represented Goody's Family Clothing Stores in leasing 22,000 SF at the former 67,000 SF Kroger located at 1235 Columbus Road in Lebanon, OH 45036. Goody's signed a 10 year lease with a lease value of \$2 million.
- ▲ Frank Torbeck, SIOR, represented West Chester Holdings, Inc. in leasing 257,659 SF of office/warehouse space at 2101 E. Kemper Road and 11500 Canal Road in Sharonville, Ohio. They signed a 10 year lease for a lease value of \$6 million.
- ▲ Mark Richter represented the Seller in the sale of the 10,000 SF office/warehouse building located at 11297 Grooms Road in Blue Ash, Ohio.
- ▲ Chris Nachtrab and John Thompson represented the Landlord in leasing 2,500 SF to Noodles & Company for ten years at the Governor's Pointe located at 9370 Mason-Montgomery Road in Mason, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Landlord in leasing 25,000 SF of office/warehouse space at 3972 Bach Buxton Road in Amelia, Ohio.
- ▲ Karen Duesing and John Thompson represented the Landlord in leasing the 4,000 SF former Taz Restaurant located at 12160 Mason-Montgomery Road in Mason, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Seller in the sale of the 7,100 SF office/warehouse building located at 4272 Armstrong Boulevard in Batavia, Ohio.
- ▲ Chris Nachtrab represented the Buyer, Cincinnati Eye Care Team, in purchasing the 5,242 SF building located at 8627 Pavilion Drive in West Chester, Ohio.
- ▲ Adam Simon represented Masters Pharmaceuticals in leasing 58,000 SF of warehouse space at 4331 Dues Drive in Cincinnati, Ohio.
- ▲ TC Bartoszek and John Thompson represented the Landlord in leasing 4,950 SF of retail space to The Gist Piano Center at the McCabe Crossing located at 9521 Fields Ertel Road in Cincinnati, Ohio.
- ▲ Adam Simon represented the Landlord in renewing 7,000 SF to Belcan at Corporate Woods located at 4460 Lake Forest Drive in Blue Ash, Ohio.
- ▲ John Thompson and Chris Nachtrab represented the Landlord in leasing 14,800 SF of retail space to Tuesday's Morning at Governor's Point shopping center located 9374 Mason-Montgomery Road in Mason, Ohio.

REAL ESTATE

Save \$\$\$ and Time NOT Managing Your Properties

Once you have even a small portfolio of properties, you're going to discover that managing your properties' day-to-day needs has become a full-time job.

If you think you can save money by managing your properties yourself, you're not alone.

Many investors have spent hours searching for a handyman to fix a leaky sink or collecting rent, but the truth is, every hour spent managing is time much better spent finding new deals.

The solution: Hire a professional property management team. It will save you money in the long run.

When hiring a property management company, reputation is everything. You'll want to check all their references and establish their particular management style.

Note that you don't want to sign a long-term contract with a management company until after the honeymoon; it takes time to find out how well the working relationship between you will go, so even if it costs you a little more money at first, you're better off hiring a company on a month-to-month basis and assessing how well it's working over time. This way you can easily get out of the company if it turns out to be a bad match.

If you own multifamily properties, another inexpensive way to manage them is to make one of the tenants the property manager in exchange for free or discounted rent.

The nice part of this scenario is that the manager is on-site 24/7 to handle those emergencies that always seem to happen in the middle of the night.

Leverage Your Buying Power With Blanket Mortgages

Most real estate investors have two simultaneous goals they want to achieve from their investments. These are equity and cash.

Sometimes they are intertwined; for example, when you sell your property you convert your equity into cash. But sometimes they are completely separate, as happens when you have a property that generates cash as a rental but it has no current equity in it.

Of these two, cash is still king.

You want to hold on to (or generate) cash for your own personal living expenses. But what happens if you see a great deal on an investment property and can't buy it without putting up your own cash or taking on a new loan or a partner?

A blanket mortgage could be the answer.

What is a blanket mortgage?

With a blanket mortgage, you give the lender a lien on a piece of property (or properties) that you already own as additional collateral for the loan on the property you are purchasing.

Many times, a private investor might be leery to lend on a single property, but if the loan is being secured by multiple properties, then the lender may feel it is a safer investment and provide you with financing.

Here's how it works

You want to purchase a property for \$500,000. You find a lender, or possibly even the seller, who is willing to loan you \$350,000 toward the purchase price. You are in position to use only \$50,000 of your own money to acquire this property. This means that in order to get the property, you will either have to find someone who is willing to hold a second mortgage on the property for \$100,000 or you will have to put up more of your own cash.

You are aware that even if you can find a lender for the second mortgage, the terms will be horrible due to the lender's position in title and the additional risk.

However, you do have three other properties you own that are worth much more than the loans currently on them. In other words, you have equity in these properties.

What you can do is offer the lender willing to loan you \$350,000 a blanket mortgage that includes the property being bought and the three additional properties you own.

Use your equity; save your cash

Now you are offering the lender four pieces of property as collateral for this purchase.

Even if the lender is in second position on the blanket parcels, when the equity in your properties is sufficiently attractive, the lender likely will feel more secure; after all, if you default, there will be multiple avenues for them to use to collect against you.

So, with a blanket mortgage, the lender is willing to loan you the complete \$450,000 you need as a single first mortgage, and with better rates and terms than a first and second.

You have used your equity to leverage your buying power and saved your cash for other investments or personal use.

Just be careful, because if you do default on this loan, you have now put your other properties at risk of foreclosure.

This newsletter and any information contained herein are intended for general informational purposes only and should not be construed as legal, financial or medical advice. The publisher takes great efforts to ensure the accuracy of information contained in this newsletter. However, we will not be responsible at any time for any errors or omissions or any damages, howsoever caused, that result from its use. Seek competent professional advice and/or legal counsel with respect to any matter discussed or published in this newsletter. This newsletter is not intended to solicit properties currently for sale.

Successful REAL ESTATE Solutions

Celebrating 27 Years of Successful Commercial Real Estate Solutions

**Are you interested in one of our listed properties?
Or would you like to talk with one of our agents about
Successful Real Estate Solutions?**

Call our office at 513-769-2500



EVEREST
COMMERCIAL REAL ESTATE