



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.

- ▲ Chris Nachtrab represented the Purchaser, Rhinegeist Brewery, in purchasing the 150,000 SF warehouse building located at 1910 & 1913 Elm Street in Cincinnati, Ohio, for a selling price of \$4.5 million.
- ▲ Frank Torbeck, SIOR, and Sonny Saeks represented the Seller in the sale of the 21,000 SF industrial building on 8 acres located at 3400 Yankee Road in Middletown, Ohio.
- ▲ Mark Freiberg, CCIM, represented Eisenzimmer Financial Services in leasing 6,686 SF of office space at the 4520 Cooper Road in Cincinnati, Ohio.
- ▲ John Thompson and Chris Nachtrab represented Watson's Pools & Spas in purchasing 1.19 acres at 7100 Houston Road in Florence, Kentucky, for a selling price of \$1.55 million.
- ▲ Frank Torbeck, SIOR, represented the Seller in the sale of the 12,047 SF office/warehouse building on 3.003 acres located at 1440 Kemper Meadows Drive in Forest Park, Ohio.
- ▲ Mark Richter represented the Landlord in leasing 6,500 SF of office space in the Park 50 office complex located at 1001 Ford Circle in Milford, Ohio.
- ▲ TC Bartoszek and John Thompson represented the Seller in the sale of the Landen Station, a 12,231 SF retail strip center, located at 3290 US 22/3 in Landen, OH.
- ▲ Adam Simon represented the Landlord in renewing Techbrite, LLC lease for 38,400 SF of office/warehouse space at 1000 Kieley Place in Cincinnati, Ohio.
- ▲ Mark Freiberg represented the Tenant, The Retirement Source, Inc., in leasing 1,960 SF of office space in the Northcreek Office Park in Cincinnati, Ohio.
- ▲ Karen Duesing represented the Tenant, Jardin Hill, in leasing 10,740 SF of office/warehouse space at 11285 Grooms Road in Blue Ash, Ohio.
- ▲ Frank Torbeck, SIOR, represented the Buyer in purchasing the 19,900 SF industrial building located at 6262 Wiehe Road in Cincinnati, Ohio.
- ▲ Chris Nachtrab represented the Buyer in purchasing the 11,628 SF Net Leased Dollar General at 2016 Central Avenue in Middletown, Ohio, for a selling price of \$1.235 million.

REAL ESTATE

Obtain Traditional Financing for Your Commercial Project

Obtaining financing for a commercial property through financial institutions can be challenging, but they may be able to offer better rates than nontraditional options.

Here are three tips to help you secure the best traditional financing options.

Find a point person. A one-on-one relationship with a lender can pay off, so when you're considering obtaining financing, select a bank that knows you. When you've had previous successful commercial dealings with a specific individual and organization, you're more likely to be considered for a loan. And having a point person will help speed up the process, as he or she can expedite the paperwork and make decisions regarding your application.

Decide which of the two basic types of commercial financing you require. A construction loan usually covers 75% or less of the total construction cost. A term loan, otherwise known as a mortgage, is long-term financing, which usually applies to the purchase price of an existing structure.

Make sure you are prepared to provide detailed information. Banks and other financial institutions will expect a detailed business plan, a cost recovery analysis and other relevant financials. As well, many commercial properties will also require environmental assessments during the qualifying stages. The more information you can provide the more likely your loan application will be successful.

Don't Forget Contents in Conducting Due Diligence

You know how important it is to conduct due diligence when you invest in an existing property.

Due diligence refers to the analysis the purchaser conducts prior to submitting an offer to purchase. Based on the results of this analysis you may decide to purchase ... or not.

Of course, the analysis will include financial information, but it also should incorporate any and all other factors that are considered material to the purchase of the property, such as the condition of the property, information on existing tenants and an inventory of the building's contents.

In this inventory, you will need to establish what are chattels and what are fixtures – what will stay and what will go.

This is vital; defining and analyzing everything that is included in the sale actually determines the market value for the property and will have a significant impact on price.

Chattels and fixtures defined

Chattels are items that can be removed without damaging the property. Usually this refers to movable possessions, such as office equipment and items of personal property including furniture and paintings.

Fixtures are attached to the building and therefore considered part of it; to remove a fixture might damage the property.

Furnaces and HVAC equipment fall into this category. (Note: Window air conditioners don't; they are considered chattels.) Built-in shelving also is considered a fixture but freestanding shelves aren't.

In most cases, the way the item is attached to the premises and the impact it would have on the property if it were removed defines it as a chattel or a fixture.

Contents inventory is key

An unbiased third party should conduct an inventory of the contents that will be sold with the building.

Even though the seller is selling chattels with the business (as in the case of the sale of a retail outlet in which the seller is transferring the inventory) and has prepared a detailed inventory, the buyer should obtain an accounting of the inventory by a third party to establish the value of chattels.

Especially in cases like the one mentioned above, chattels will affect the purchase price.

Their net value will be rolled in with the value of fixtures and other fixed assets in determining the overall value of the purchase and therefore the price you will be willing to pay.

Regarding contentious items

After you've conducted your due diligence, you should know exactly

what you're planning to purchase, and your offer should be based on this understanding.

However, there may be contentious items that should be resolved during the negotiating process.

If you want to purchase certain chattels, ensure that this is spelled out in the agreement of purchase and sale.

Similarly, if you don't want something left on the premises, there should be a plan in the agreement for its removal.

Through due diligence, careful inventory by a third party and a strong agreement, your investment is ensured.

If you need assistance, contact your commercial real estate agent, who is experienced at all stages of the purchase.

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