



Top 5 Questions

You Must Ask Before Hiring a Broker
to Sell Your Commercial Property

Move confidently with East CRE
as your commercial real estate advisor

Top 5 Questions



You Must Ask Before
Hiring a Broker to Sell
Your Commercial Property

A Note From Us

If you are in the market to sell your commercial property, there's something important you should know...



All commercial real estate brokers are not the same.

Placing an investment property on the market involves more than a sign and advertisement. Getting to the closing table takes more than waiting for a buyer to do their part.

Hiring the wrong broker can mean the difference between making or losing money, selling promptly, or spending months without results, progress reports, or communication.

Without experience interviewing commercial real estate specialists, you may not know what questions to ask or which answers best apply to your unique need. Here, we present five critical and insightful questions you should ask when interviewing a broker.

Brokers that dodge these questions, change the topic, or cannot give a good answer will not get you the results you deserve. Instead, you want a broker with a complete system ready to be tailored and turned on to sell your property.

Refrain from making the same mistake other sellers have made. Only hire a broker with a clear strategy and system to sell your property.

Question 1



What data sources do you use to price a commercial real estate property, and how do you develop the best pricing strategy?

We determine a value based on a property's unique situation using the Income, Sales Comparison, or Cost approach.

With the income approach, we analyze investment trends in the broader market to determine how to make your property an attractive alternative to other properties or investment opportunities outside real estate. Using the Sales Comparison approach, we compare your property to similar properties that sold previously, which is especially useful for non-income producing or owner-occupied properties. For the Cost approach, we determine what it would take to build your property today based on current construction prices.

While many brokers will say yes to whatever price an owner has in mind, we explain to you which pricing method we believe is most appropriate for your property and how we used the latest market data to reach a final recommendation. Pricing too low might leave money on the table, and pricing too high necessitates future disproportionate price decreases to regenerate interest. We want you to net the most money in the least amount of time.



Income Approach

- Analyze investment trends in the broader market to determine how to make your property an attractive alternative to other properties or investment opportunities outside real estate



Sales Comparison

- Compare property to similar properties sold previously
- Useful for non-income producing or owner-occupied properties



Cost Approach

- Determine what it would take to build your property today based on current construction prices

Question 2



Do you have a database of your active buyers you can show me? If so how do you work to match them with your listings?

We pride ourselves on matching buyers and sellers with unparalleled efficiency. As part of our business model, we meticulously gather buyer information and interest criteria to maintain an up-to-date database we leverage on your behalf. While other listing brokers sit and wait, we proactively put your property in front of ready, willing, and able buyers in the market today.

Below are buyers in the market for retail properties in tertiary markets between \$1.5 million to \$4 million.

Email	Name	First name	Last name	Company	Address	City	State	Postal code	Mobile	Direct Line	Home
ghp@nexusreal.com	Soula Kotrotsios	Soula	Kotrotsios		2520 Whitney Rd	Charlotte	NC	28226	+1 (704) 911-4932	+1 (704) 911-1138	
helen@nexusreal.com	Helen Clements	Helen	Clements	Wash Group LLC	1340 Weymouth Ln	Charlotte	NC	28270	+1 (704) 511-4932	+1 (704) 511-1138	
richard@nexusreal.com	Richard Hill	Richard	Hill		Po Box 17181	Charlotte	NC	28237	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 211-1138
jean@nexusreal.com	Jean Hillard	Jean	Hillard	Charm LLC	1611 Maple Ridge Ln	Charlotte	NC	28210	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 481-1138
jean@nexusreal.com	Jim Young	Jim	Young	Talavera LLC	2800 Central Avenue	Charlotte	NC	28205	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Suzanna P. Hendrix	Suzanna	Hendrix		1101 Willow Hall Place	Charlotte	NC	28270	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Jonathan Olson	Jonathan	Olson	4801 South Blvd LLC	1620 Telford Place	Charlotte	NC	28207	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	John Hillard	John	Hillard	USDA Partnership	Po Box 16500	Charlotte	NC	28271	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Mark Holloman	Mark	Holloman	JTG LLC	4907 South Tryon Street	Charlotte	NC	28273	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	George Morris	George	Morris		1715 Heather Lane	Charlotte	NC	28209			+1 (704) 511-1138
jean@nexusreal.com	Theresa Hillard	Theresa	Hillard		Po Box 16500	Charlotte	NC	28226	+1 (704) 511-4932		+1 (704) 511-1138
jean@nexusreal.com	Shawn Taylor	Shawn	Taylor	AT&T Inc	1801 Tenthredin Parkway	Charlotte	NC	28262	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Richard A. Boushnick	Richard	Boushnick	Boushnick Richard LLC	Po Box 16507	Charlotte	NC	28299	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Rudolph Wang	Rudolph	Wang	Construction Associates LLC	1600 Cross Street Dr	Charlotte	NC	28217	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Ronald James Wilkins	Ronald	Wilkins	Wilkins James Associates LLC	1247 East Woodford Street	Charlotte	NC	28204	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Stacie Merrill	Stacie	Merrill	Merrill Lane LLC	2819 West Sugar Creek Road	Charlotte	NC	28262	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Davidson Collins	Davidson	Collins	Collins Davidson LLC	17811 Campbell Hall Court	Charlotte	NC	28277	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Steph Wilson	Steph	Wilson		4801 South Tryon Street	Charlotte	NC	28277			+1 (704) 511-1138
jean@nexusreal.com	George Wagoner	George	Wagoner	Wagoner LLC	2400 Meridian Lane	Charlotte	NC	28270	+1 (704) 511-4932	+1 (704) 511-1138	+1 (704) 511-1138
jean@nexusreal.com	Spring Co Hill	Spring	Hill		Po Box 16750	Charlotte	NC	28226			+1 (704) 511-1138
jean@nexusreal.com	Kamdar Matha	Kamdar	Matha	Hill Realty LLC	18012 Wilton Drive	Charlotte	NC	28277			+1 (704) 511-1138

Question 3



What will you do to generate interest in my property?

We adjust our marketing based on the level of discretion your listing needs. About half of our listings require some level of privacy. For listings requiring significant discretion, we build a list of candidates most likely to need or desire a property like the one we are listing. We contact them individually to notify them that we have an opportunity. They can sign a confidentiality agreement if interested, and we will disclose further details. If less discretion is necessary, we can post the property in private forums exclusive to the commercial real estate community.

For public listings, in addition to individually contacting prospective buyers, we market across top commercial real estate platforms. We know where capable buyers go to find properties and ensure that yours receives the maximum exposure. These sites include CoStar, Crexi, Catalyst, and RealNex, to name a few.

Furthermore, we leverage mail marketing, person-to-person networking with other commercial real estate professionals, and old-fashioned cold-calling. Most of our listings are sold due to a conversation we initiated.



1-15 Days	15-30 Days	30-60 Days	60-120 Days	120-180 Days
<ul style="list-style-type: none"> • Prepare a competitive property profile to leverage our knowledge on competing properties • Establish Web-based Advertising (CoStar, LoopNet, Website, etc.) • Generate property flyer and e-brochure for prospect market and real estate community • Develop first tier target prospect market • Distribute Marketing Material to Initial target investor list and real estate community 	<ul style="list-style-type: none"> • Complete first tier prospect market direct mail • Resend e-brochure to prospect market and real estate community • Contact Prospects from Initial Contact List <ul style="list-style-type: none"> – Telephone campaign 	<ul style="list-style-type: none"> • Develop second tier target prospect market • Complete second tier prospect market direct mail • Follow-up on second tier prospect mailing <ul style="list-style-type: none"> – Telephone campaign • Resend e-brochure to prospect market and real estate community 	<ul style="list-style-type: none"> • Develop third tier target prospect market • Complete third tier prospect market direct mail • Follow-up on first and second tier prospects • Resend e-brochure to prospect market and real estate community • Review marketing feedback 	<ul style="list-style-type: none"> • Discuss progress with ownership • Reassess marketing plan (if necessary)

Question 4



How will you handle contract negotiations?

Our most significant assets are our unparalleled experience and the sheer volume of commercial properties sold. We use proven techniques and strategies during the negotiation process instead of leading with emotions.

Considerations when it comes to negotiating the sale of your property:

<p>1</p> <p>Proactive vs. Reactive Negotiation Strategy by setting expectations with a broker</p> <p>✓</p>	<p>2</p> <p>Negotiating with authority by taking control of broker-to-broker discussions</p> <p>✓</p>	<p>3</p> <p>Eliminate Unqualified Buyers and Bad Surprises by probing for information</p> <p>✓</p>	<p>4</p> <p>Avoiding Examination Period Deal Killers by preparing Due Diligence items upfront to avoid surprises during the contract period.</p> <p>✓</p>
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Many brokers simply submit or receive offers as nothing more than a conduit between parties. We take a detailed approach, commit to your interests, and pride ourselves on successfully carrying transactions through the volatile Examination Period accompanying each transaction.

Question 5



Will you have a team of specialists working on my sale, or do you do everything yourself?

Results-driven consumers demand the best... specialists, not generalists.

100+ tasks need to happen for a successful commercial real estate sale (see our Due Diligence Checklist). We are a team of experts working toward a common goal of ensuring you receive top service.

Unlike solo brokers that try to do it all or, worse, skip steps, we have a team to ensure all aspects of the transaction are tended to.

Traditional commercial real estate brokers are doing multiple jobs at once and few at the highest level. They try to be an internet marketer, graphic designer, direct response expert, photographer, market researcher, negotiator, transaction coordinator, and so on.

With our team, you get specialists working for your benefit. Beyond brokers in specific property types, we have experts in direct marketing, property evaluation, graphic design, market research, transaction coordination, photography, and a host of other professional partners ready to tackle the long checklist of tasks required to get to the closing table.



Due Diligence

Getting to the Closing Table is What We Do Best

As mentioned in Question 5, there are 100+ tasks that need to happen for a successful commercial real estate sale and that begins with navigating the Due Diligence items that accompany every transaction.



Due Diligence Checklist for Commercial Real Estate

On day one, we begin the tedious process of gathering specific data points required by buyers and lenders alike, ensuring that the potential for 11th hour deal-killers are minimized from the offset. Our Due Diligence Checklist is often the difference between a successful closing, forced last minute price concessions or even failed transactions.

Below are a few examples of what we cover:

Title and Survey

Title & Survey	Title & Survey
<p>Title Commitment & Title Clearance Issues</p>	<ul style="list-style-type: none"> Updated title commitment/title abstract/pro forma title policy (latest ALTA form) Lender's policy Review all documents of record: <ul style="list-style-type: none"> Easements Covenants running with the land (CC&Rs) Reciprocal easement agreements (REAs) Liens or other financial servitudes; Leases Development or subdivision agreements Condominium declarations Trust or land trust documents Title policy endorsements: <ul style="list-style-type: none"> Extended coverage <ul style="list-style-type: none"> ALTA 3.0 or 3.1 zoning endorsement (with parking, exclude marketability) ALTA comprehensive endorsement Location endorsement (street address) Access endorsement (vehicular access to public streets and ways) Contiguity endorsement (the insured land comprises a single parcel with no gaps or gores) PIN endorsement (insuring that the identified real estate tax permanent index numbers are the only applicable PIN numbers affecting the collateral and that they relate solely to the real property comprising the collateral) Any other applicable endorsements as determined by review of the survey, the commitment or other special circumstances Title policy endorsements required by lender <ul style="list-style-type: none"> All of the above plus Creditors Rights (if available) EPA Lien; Usury; etc. Title Insurance needed for easement rights or other appurtenant rights UCC, tax judgment and lien searches against seller Estoppel certificates for any ground lessor and CC&Rs

Financial Aspects and Cash Flow

Financial Aspects & Cash Flow	Financial Aspects & Cash Flow
<p>Taxes, Land Use & Governmental Impositions</p>	<ul style="list-style-type: none"> Real estate taxes and assessments: <ul style="list-style-type: none"> Do taxes comport with value? Has assessed value been increased or appealed? Are there special assessments or special service areas? Public user fees Water and/or sewer charges Zoning if no development: <ul style="list-style-type: none"> Does current use conform or qualify as pre-existing? Zoning if intend to develop/change use/improve: <ul style="list-style-type: none"> Do you need variance, special use, rezoning? Any issues with subdividing? Density Public use Height, setback requirements Design criteria Landscaping requirements Sprinkler/Fire life safety ADA requirements Adequate parking Traffic mitigation Affordable housing restrictions Historic/landmark district restrictions Traditional Special Uses (e.g. drive through windows) Private land use controls: <ul style="list-style-type: none"> CC&Rs, deed restrictions, ground leases, master leases Americans with Disabilities Act requirements and restrictions Licenses (e.g. liquor, entertainment, outdoor dining) Confirm tax credits (e.g. historic preservation, open space)

Due Diligence / Continued

Environmental Factors

	Environmental Factors
Testing & Sampling	<ul style="list-style-type: none"> • Phase I environmental survey • Phase II study with soil borings and groundwater sampling • Additional environmental assessments and/or remediation plans • Underground storage tanks: In Use? Abandoned? Leaking? Remediated? Removed? • Asbestos audit • Lead-Based paint and radon testing • Indoor air quality testing (LEED or other certification?) • Audit of property's current treatment, storage, disposal and recycling of hazardous materials <ul style="list-style-type: none"> – (NPDES (National Pollutant Discharge Elimination System) Permit? Storm Water Pollution Prevention Plan (SWPPP)?) • Environmental operating permits • Confirm environmental status of adjacent properties • Material safety data sheets for materials produced or used at the property
Environmental Risks to Consider	<ul style="list-style-type: none"> • CERCLA or RCRA sites • Leaking underground storage tanks • Wetlands or natural water issues • Vapor intrusion/mold/Indoor air quality • Endangered species • Flood zone issues and need for flood insurance FAA restrictions (if proximate to airport) • Noise restrictions

Financing the Transaction

	Financing the Transaction
Business Terms of the Loan	<p>Review Written Loan Commitment</p> <ul style="list-style-type: none"> • Confirm general loan business terms <ul style="list-style-type: none"> – Loan amount – Interest rate – Repayment terms • Confirm collateral: <ul style="list-style-type: none"> – Only real estate? – Personal property – Income and accounts receivable – Additional collateral • First lien or junior lien • Inter-creditor agreement • Single advance loan, multiple advance loan, construction loan <ul style="list-style-type: none"> – If it is a multiple advance loan, can the principal be re-borrowed once repaid prior to maturity of the loan, making it, in effect, a revolving line of credit? • Reserve requirements <ul style="list-style-type: none"> – Interest reserve, repair reserve, real estate tax reserve, insurance reserve, environmental remediation reserve, other reserves • Require open business accounts with bank? <ul style="list-style-type: none"> – Minimum balances? – Are those accounts collateral? • Repayment fees <ul style="list-style-type: none"> – Repayment blackout periods – Yield maintenance requirements • "Prepayment penalties" • Lender equity or profit participation • Loan commitment fees • Loan brokerage fees • Expense reimbursement obligations to lender? Are they capped? When are they due? <p>Ramifications if Loan does not Close</p>

Placing an investment property on the market involves more than a sign and advertisement. Getting to the closing table takes more than waiting for a buyer to do their part. Our team is ready to assist.

Visit Our Website



www.EastCRE.com

Scan the QR code
to learn more!





Contact Us

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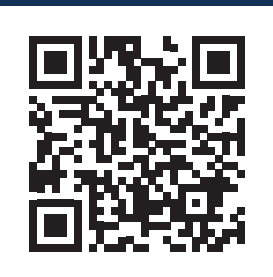
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