

COMMERCIAL REAL ESTATE

4 ways to land a deal in this competitive business market

The commercial real estate market in Southern California is as competitive as I've ever seen it. And, by the way, e-mail didn't exist when I started in the business, so that's a long time.

In the classic economic sense, an imbalance exists. We have too many buyers chasing too few availabilities. It's akin to a giant game of musical chairs — someone will be left standing when the music stops.

So, how should you position yourself and your company to win when the right opportunity comes along? Allow me to discuss a few ways.

FINANCIAL QUALIFICATION » Your bank will gladly loan you money to buy a building, and they've told you so. But have you allowed your lender to peruse financial statements and tax returns? You are best served by securing a pre-qualification letter. But not just any pre-qualifying letter — one that in-



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cluded a complete review of your current financial snapshot.

REMOVE ANY CONTINGENCIES » Do you have a property to sell before you buy? If so, your deal may be overlooked for another that is ready to go. Does the occupancy for which you plan to use the building conform to the zoning? If not, plan on six to nine months of city

approvals. Once again, you lose because a compatible use will avoid the lengthy approval process. Is the source of your down payment liquid? Are the members of your team in place — legal, architect, contractor, CPA? Any unchecked box here could result in your loss.

REACT SWIFTLY » To quickly mobilize, you must have a ready source of new and off-market availabilities. Our residential counterparts have made online searches easy for you while we commercial agents have not. Therefore, you will need to team with a commercial real es-

tate professional to search. Sure, you can check Loopnet, but the reliability of the data is suspect. Regardless, your professional should create alerts for new buildings that match your requirements. When you get the call — regardless how late on a Friday — REACT!

DON'T TELL YOUR STORY, SELL YOUR STORY » Recently, we competed against four other offers for a building. We believed our buyer could pay the highest price and perform. We encouraged our buyer to offer at the asking price with a very quick close and a limited amount of due diligence time, and our buyer complied. Now the task was to prove our buyer's credibility. We did so in person instead of an email that could get overlooked. In effect, we sold our story. Our strategy worked and our buyer won the deal.

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