

Pre-Purchase Checklist

FOR COMMERCIAL REAL ESTATE BUYERS:

Define Your Investment Goals:

- 1 Determine your investment objectives, such as rental income, capital appreciation, or development potential.
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Set a Budget:

- 2 Determine your budget, including down payment, financing, and estimated operating costs.
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Research the Market:

- 3 Conduct a thorough market analysis to identify areas with growth potential and favorable economic conditions.
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Hire a Commercial Real Estate Broker:

- 4 Find an experienced commercial real estate agent or broker to assist in the property search and negotiations.
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Financial Preparations:

- 5 Create a financial strategy for the acquisition, including financing, cash reserves, and contingency plans.
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Property Selection:

- 6 Identify the type of commercial property that aligns with your investment goals (e.g., office, retail, industrial, multifamily).
Create a list of criteria for property selection, including location, size, condition, and zoning requirements.
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Due Diligence:

- 7 Conduct a thorough due diligence process investigation, which may include:
Environmental assessments.
Property inspections by professionals.
Review of tenant leases, if applicable.
Review of property history and maintenance records.
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Legal and Regulatory Compliance:

- 8 Ensure the property complies with all local zoning and building codes.
Review legal documents, such as contracts and title reports.
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Financial Analysis:

- 9 Analyze the property's financials, including income, expenses, and potential for increased revenue.
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Negotiations:

- 10 Negotiate the purchase price, terms, and contingencies with the seller.
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Property Valuation:

- 11 Obtain a professional property appraisal to determine its current market value.
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Financing Arrangements:

- 12 Secure financing, if applicable, based on the terms negotiated with the lender.
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Insurance:

- 13 Arrange for appropriate property and liability insurance coverage.
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Final Walkthrough:

- 14 Conduct a final inspection of the property before closing
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Closing Preparations:

- 15 Coordinate with your legal and financial advisors to prepare for the closing process.
Review all closing documents and contracts with your attorney.
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Closing and Transfer:

- 16 Attend the closing meeting, sign necessary documents, and complete the transfer of ownership.
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Post-Purchase Plan:

- 17 Develop a property management plan or strategy for the property's operation and maintenance.
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Monitoring and Evaluation:

- 18 Continuously monitor the property's financial performance and market conditions to ensure it aligns with your investment goals.
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Exit Strategy:

- 19 Develop an exit strategy for the property, whether it's holding, selling, or further development.
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Remember that working with professionals, including real estate agents, attorneys, and financial advisors, can be crucial for a successful commercial real estate transaction.
