

# TOP 10 WAYS TO CLOSE A COMMERCIAL DEAL:

1

**Make sure to have a great TEAM surrounding you** consisting of a great commercial lender, CPA, 1031 specialist, real estate attorney etc. to help you and your client in whatever may come up in the transaction.

2

**Do your DUE DILIGENCE** - Know before opening escrow what your client is hoping to learn about the property through inspections, title, entitlements, etc. and plan accordingly. Allow enough due diligence time as well as escrow period to account for discovering these key points.

3

**Every type of commercial asset has a different PROCESS for purchase and sale** - whether it be raw land, entitled land for a various purpose, Industrial, Multifamily, Office etc etc. Make sure you have a plan/checklist going in to attend to all the small items that need to be checked in a transaction.

4

**A good commercial LENDER is very important, if financing is involved.** If the numbers (income, expenses, etc) change which they often will in a commercial deal the financing will have to be changed around, sometimes quickly, in order to make the loan work, without an experienced and versatile lender the deal can quickly fall apart.



5

**Always get the proper INSPECTOR for each type of asset.** A hospitality (hotel) inspector will look for different things than a industrial (warehouse) inspector. Pick the right inspector to find the right type of issues in the property.

6

**The right ESCROW officer is important as well.** One that is knowledgeable in the type of property is important. For example, with restaurant sales it is important to separate the value of the FF&E (furniture, fixtures and equipment) in evaluating the business. Additionally, certain items like alcohol licenses need to be transferred in separate escrows as they require additional time to transfer.

7

**Be aware of all TIMELINES ongoing with the transaction.** Unlike residential deals sometimes contingencies can be removed without notice on the due date and your buyer's deposit can go hard without notice.

8

**Like a residential deal, you are COORDINATING with all parties** to make sure every party has what they need to do their jobs in a commercial transaction this includes but is not limited to attorneys, escrow, 1031 specialist, commercial lender, other brokers involved, your client, and depending on the deal perhaps staff (management) of the asset being acquired.

9

In commercial transactions, unlike residential, **there is no standard way of doing things.** Everything is a point of negotiation. Including your COMMISSION. Make sure to establish that ahead of time, on contract and from who it will be paid (buyer/seller) otherwise you will be sorely disappointed.

10

**Always be PROFESSIONAL,** although commercial real estate is based more on numbers rather than emotions like residential real estate purchases, when negotiations are made and buyers and sellers are talking to each other some times things can get heated or out of your control. Be very cognizant of which parties you put in touch with which party as the deal can be made or fall apart based off those decisions.



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