

HIRC

The High-Risers Club

11.28.2023 – Buyer Sequence Wrap Up

Coach Jeff Wright

Welcome

HRC
The High-Risers Club

Does anyone have anything great to share personally or professionally?



HRC
The High-Risers Club

HRC Bonus

Coach Jeff: National Residential Market Update

Thursday: November 30th
11-11:30 EST

* Link will be included in the email along with today's PowerPoint and recording

Podcast

Tune in wherever you get your podcasts!

- **Last Week: Respected Industry Coach Wayne Fredrick – Residential REALTORS® Can Transact Commercial Real Estate**
- **This Week: Understanding Your Clients Personality Profiles (DISC) with Ed Schultek**

Listen on Apple Podcast:



Listen on Spotify:



HRC
The High-Risers Club

Greatness is Within



You Can Do This

HRC
The High-Risers Club

Buyer Sequence

1. Buyer client(s) identifies a wish to purchase a commercial property.
2. Buyer client(s) signs an Exclusive Buyer Rep. Agreement.
3. Property Search: LoopNet, CREXI, CoStar, MLS
4. Email your database of commercial agents with property specs.
5. Drive the specific area buyer client(s) have identified for the location of the property, if applicable.
6. Review potential properties.
7. Confirm if the seller is offering a commission for bringing the buyer(s) and what the fee is.
8. Information Request: Rent Roll, Income/Expense
9. NDA signed by buyer client(s) and you.
10. Review municipal field card.
11. Compare recent sales data.
12. Determine property value.
13. Prepare Letter of Intent (LOI): Price, Conditions, Terms
14. Perform Due Diligence: Physical, Financial, Legal
15. Start the financing process.
16. Obtain and compare term sheets.
17. Order appraisal.
18. Order environmental inspection.
19. Close and get paid.

Representing a Buyer

Appraisal



Representing a Buyer

Appraisal

VALUATION INDICES		Market Value
VALUE DATE		XX-XX-XXXX
SALES COMPARISON APPROACH		
Indicated Value:		\$2,925,000
Per Square Foot (NRA):		\$94.98
INCOME CAPITALIZATION APPROACH		
Direct Capitalization		
Net Operating Income (stabilized):		\$216,215
Capitalization Rate:		8.00%
Indicated Value:		\$2,702,691
Indicated Value Rounded:		\$2,700,000
Per Square Foot (NRA):		\$87.68
FINAL VALUE CONCLUSION		
Real Property Interest:		Leased Fee
Concluded Value:		\$2,700,000
Per Square Foot (NRA):		\$87.68
Implied Capitalization Rate:		8.01%
EXPOSURE AND MARKETING TIME		
Exposure Time:		12 Months
Marketing Time:		12 Months
INSURABLE VALUE		
Conclusion:		\$5,350,000

Representing a Buyer

Environmental



Representing a Buyer

Closing



Commission



HRC
The High-Risers Club

Commission

Sale

	Sales Price	\$2,700,000.00
x	Commission Rate	2.50%
<hr/>		
=		\$ 67,500.00

Questions for a Buyer

1. How can I be of help to you?
2. Tell me a little background about yourself.
3. Do you purchase real estate often?
4. Have you worked with a commercial real estate broker before?
 - Do you currently have a representation agreement with anyone?
5. What type of commercial property are you looking to buy? (e.g., multi, office, retail, industrial)
6. What is the purpose of the property? Are you planning to use it for your business or invest and lease it?
 - If it is an investment property, do you have a target cap rate?
7. Do you have any specific requirements or preferences regarding size, amenities, or features of the property?
8. Will you be managing the property, or will you be hiring someone to run it for you?
9. What is your preferred location or target market for the property?

10. Are there any specific timeline or deadline considerations for the property acquisition?
11. Is this a candidate for a 1031 exchange?
12. What is your budget for the property purchase?
13. Do you plan to pay cash, or will you be financing this purchase?
 - If financing, do you have a lender you currently work with, or do you need assistance to identify one?
 - How much cash do you want to put down on the property?
14. Are there any other specific considerations or concerns you have regarding the commercial property purchase process?
15. Will anyone else be involved in the decision-making process?
16. Do you have a commercial real estate attorney?
17. Is there anything that I have not asked that is important to you?
 - What, if any, deal breakers do you have that I need to be aware of?
18. What is the best way to communicate with you moving forward?

Buyer Fee

The client agrees to compensate the broker for locating real property acceptable to the client and negotiating the purchase. The professional fee will be equal to the greater of XXXX or XXXX percent (xx.x%) of the agreed-upon gross selling price per property transaction. This fee will be payable at closing, but only if the property transaction successfully closes.

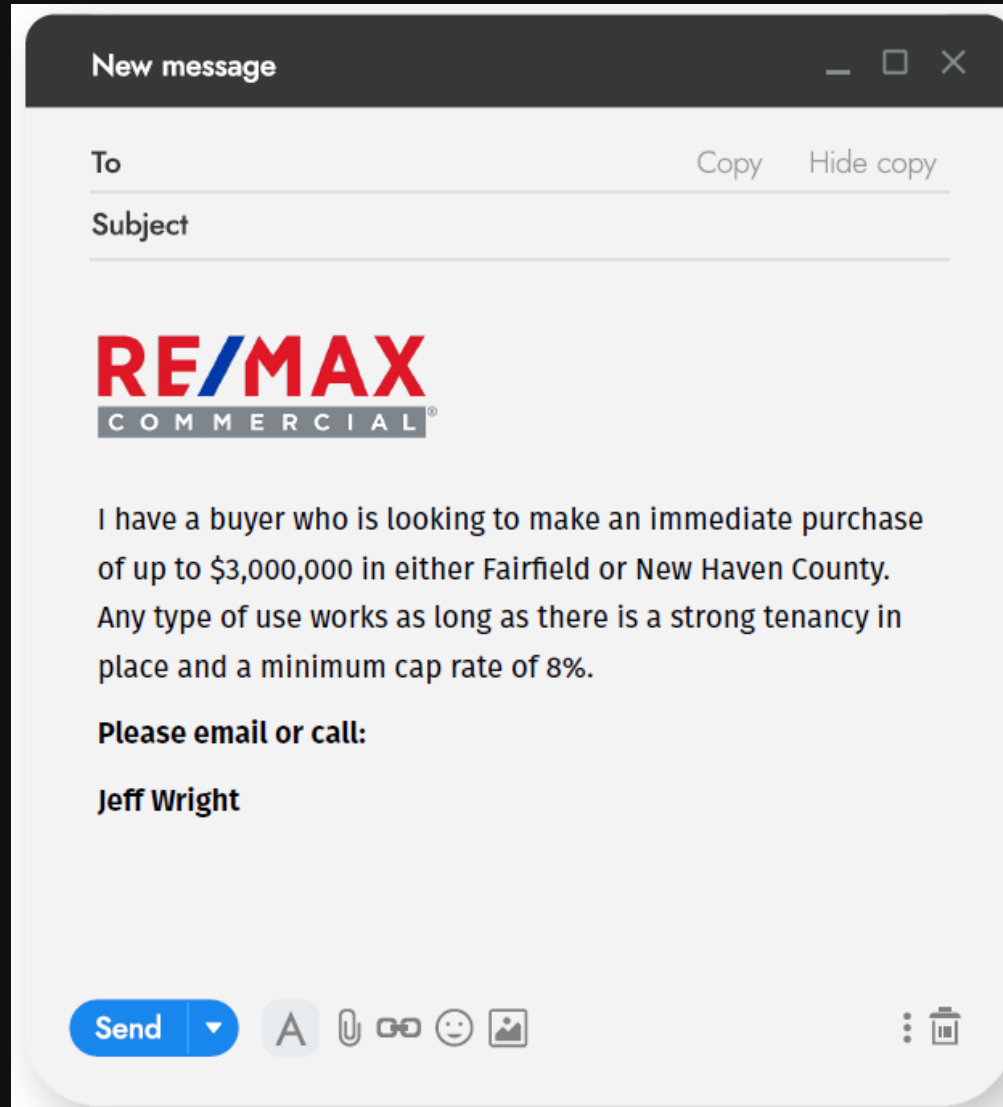
In the event that there is a fee owed to the seller under a listing agreement, the broker, with the client's consent, is entitled to receive any portion of that fee. This portion will be used to satisfy the obligation of the buyer to the broker, as long as the total compensation received by the broker is not less than the greater of \$XX or XX.X% of the agreed-upon gross selling price. If the total compensation received is less than this amount, the buyer will be responsible for making up the difference.

Buyer Fee

In the event that XXX firm finds a property that aligns with the buyer's investment strategy and no commission is being offered for any reason, the buyer agrees to compensate XXX firm with a XX percentage of the agreed-upon selling price.

Representing a Buyer

Email



Representing a Buyer

Confirm

Listing Broker agrees to pay Cooperating Broker and Cooperating Broker agrees to accept as its full and only compensation from Owner in connection with the sale of proposed sale to Prospective Buyer, a fee of XXX (as an example 2.5%) as a result of a sale transaction of the Property to the above-mentioned Prospective Buyer.



Representing a Buyer

Information Request

- Rent roll (if applicable)
- Current P&L (if applicable)
- Site plan
- Marketing materials
- Commission being offered



Representing a Buyer

Value: I (NOI), R (Cap Rate), V (Value)

IRV

Join Our Facebook Group

<https://www.facebook.com/groups/commercialrealestateforresidentialrealtors>



HRC
The High-Risers Club

Next Session

Representing the Seller

**Tuesday, December 5, 2023
@ Noon Eastern**

Greatness is Within



HRC
The High-Risers Club