



Is it a buyer's market? or just an unusual market?

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Values of commercial properties have declined between 25 and 30% from the high of 2007 and 2008. This, along with the deep recession, has affected financing. In the past financing could be arranged with as little as 10% or less while in today's environment you cannot get financing with less than 25 or 30%. Adding to that, the finance institutions have become more stringent in their underwriting of loans.

These facts, combined with the continuing competition from rents, have and have always had, more resources and leverage than an independent investor has available to him.

Sellers, on the other hand, are reluctant to get into the market because in some cases the drop in values exceed their original investment. This makes their pricing inflated and unrealistic and difficult, if not impossible, to secure financing.

The consumer spending has caused many establishments to downsize, renegotiate leases or close completely which causes many leasing vacancies which further affects the value of properties.

In conclusion, from my perspective, adjustments need to be made to reflect a more realistic environment to selling buying and leasing, as well as financing.

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