



Executive of the Month: Au of Au Consultants Inc.: New business opportunities in today's commercial financing market; Firm provides "personal commitment" to their clients and increasingly specialized demands

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Jason Au, who recently ventured out on his own with his commercial financing firm, Au Consultants Inc., has made his primary goal of providing financing for commercial real estate in the greater New York area as deals nationwide. As NYREJ Executive of the Month, Au talks to NYREJ about his new firm, the state of the industry, and the excitement of new deals in secondary markets.

Au began his career over a decade ago in commercial real estate finance. Since then, Au has completed over \$500 million in commercial financing transactions for his clients both in the New York Area and nationally.

Au worked his way up to partner in both the private lending and commercial mortgage brokerage arena. During this time, he also syndicated, managed and serviced multiple portfolios of private loans. After a decade, he decided to leverage his vast experience with Au Consultants.

A New Market in Commercial Financing:

To be sure, times have changed in the commercial financing market. For Au, the challenge has been to identify new ways to leverage the best loans possible for his clients. While income producing property values have risen steadily in recent years, Au and Au Consultants continue to identify the best way to find the best value from commercial loan providers on behalf of their clients.

Au said, "In the past few years, if not months, commercial real estate finance has changed considerably. With lower capitalization rates, for investors finding the best value in a commercial asset is an ever-greater challenge."

For Au, lower capitalization rates in investment properties in the New York Area make finding good deals harder to find as commercial property values continue to rise. However, there is a bright side to the new market. For investors looking to add value on properties that are in transition, Au and Au Consultants, specializes in sourcing traditional and non-bank lenders that are competing for new business at low interest rates.

Au said, "Lenders that are seeking to make multifamily loans are still pricing loans very aggressively and have lowered their debt service coverage requirements, increased their LTV's and have discounted third party fees to win business."

For Au, this creates new opportunities for multifamily investors, not just locally, but nationwide.

Au said, "Non-CMBS lenders that are financing commercial real estate are also being very aggressive in this market, and are offering higher loan to value loans, with low rates but will typically require some level of recourse to the borrower depending on the tenant mix, location and sponsorship."

This new dynamic with lenders helps investors find the best deals at the best rates possible.

Exploring New Frontiers

But Au Consultants have also set their sites further. With the recent interest in secondary-markets nationally, financing opportunities for investors are becoming increasingly attractive.

"Outside of the greater New York Area," said Au, "We are seeing an uptick in interest from our local investors for properties that produce consistent income with higher cap-rates outside of New York."

This, for Au, creates value for investors and lenders alike.

Au said, "Nationally-owned NNN properties, for example, are highly attractive to both investors and lenders because of their low overhead or no landlord obligations with the ability to make passive-income - this is particularly true for exchange-listed companies such as Walgreens, CVS and National Banks who lease the properties on a Triple-Net basis."

Au said, "We are positioning our firm to capitalize on financing these steady income-producing properties that are backed by some of the largest companies in the country. So far we have been able to offer very attractive loan terms by our network of national banks and lenders for these NNN leased properties."

A New Way of Doing Business

For Au, it's not all about the numbers. In an increasingly competitive financing environment, establishing and maintaining excellent relationships is key. Au Consultants looks to provide a "personal commitment" to their clients and their increasingly specialized demands in an ever-changing commercial financing environment.

Au said, "Au Consultants was formed with the purpose of not only providing the best value for our clients, but to listen to their needs. We pride ourselves on a one-to-one relationship with our clients and can find the most appropriate financing for their individual investment purposes."

Au said, "Whether securing a loan from \$1 million to \$50 million, Au Consultants brings passion for 'solving the unsolvable' along with our unwavering work ethic to the table."

Au's long-term understanding of financial analysis and underwriting perfectly complements his sense of accountability while solidifying his strong relationships with significant lenders and influential investors.

Au currently resides on Long Island with his wife Lauren and his two children Jaidon and Analissa. When he isn't spending time with his family, he plays in a softball league in Manhattan, and takes Brazilian Jiu Jitsu classes.

Au Consultants is a licensed real estate brokerage firm based out of Great Neck. Au is also a member of the Inter-Capital Group, a national alliance of commercial mortgage brokers and bankers.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540