



## Hunt's Commercial Real Estate / "Selling or Leasing Your Property"

May 22, 2009 - Long Island

**Q:** We have decided to sell or lease our building but it seems that there is a lot of available commercial real estate these days. Where do we start?

**A:** Yes, it certainly seems confusing. In the end, however, the process is simple. The goal is to achieve the highest sale or lease price in the shortest amount of time. There are absolutely some first steps that you can take to achieve this. Here are five of the most crucial actions that I recommend:

**WHO:** Hire an expert. Marketing real estate today is a sophisticated business, and a very high percentage of available real estate is available only through professionals, either institutional owners or commercial real estate brokers. As an individual, you are placing yourself at a competitive disadvantage by trying to sell the property yourself. A secondary advantage of hiring an exclusive broker is that an agent serves as a buffer between you and the eventual buyer, usually leveraging the price upwards in the negotiation process.

**HOW MUCH:** Research the marketplace. Know your competition. Have a sense of comparable sales - buildings similar to yours that have recently been sold. You and your agent should really have a sense of what other buildings will be considered by your prospective purchasers. What are the key features of your property that may not be available in others? For example, if you have high ceilings of 20' or higher, the prospect that will pay the maximum price probably has a need for serious warehousing and can use the cubic footage.

**WHAT:** Consider minor renovation or repair that will increase the curb appeal of your building. While you probably want to avoid major renovation, tasks such as cleaning up the landscaping, replacing ceiling tiles, and painting interiors can do wonders for a tired building. They will usually deliver some multiple of their expense in an increased sale price.

**WHERE:** Where is your buyer or tenant? You want to maximize your exposure to the marketplace, emphasizing these key features. You want every conceivable prospective buyer or tenant to be exposed to your property in some way, whether it is through direct mail, telephone canvassing, Internet, or media advertising. The firms most likely to be able to use your building should be targeted first, e.g. a post card on the building emphasizing a high ceiling is sent to every warehouse within a 5 mile radius of the property. Another checklist item is to make sure that every company in the immediate area is aware of your building. Nearby firms often have an incentive to pay more for a building that minimizes both their relocation cost and the loss of employees in a move to a more distant location.

**WHEN:** Finally, when negotiating with the prospective buyers or tenants, keep the timing element firmly in mind, especially if your building is vacant. Your costs of carrying a vacant building can easily exceed the increased sale or lease price over any serious amount of time. This is one of the

reasons that you want to get the building on the market early. I recommend that you start your marketing campaign nine months prior to your tenant's lease expiration or the time you intend to vacate if you occupy the building.

Your agent will have additional suggestions, but by following these basic steps you are well on your way to maximizing the sale or lease price on your real estate, and minimizing down time.

David Hunt, MCR, CCIM, SIOR is the president of Hunt Corporate Services, Inc., Syosset, N.Y.

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