

# INVESTMENT REAL ESTATE

## The Asset Management of Real Estate Ownership

### Acquisition Phase

#### To Buy or Not to Buy?

Product Type, Location & Yield Requirements

Due Diligence:

Lease Analysis

Physical Analysis

Expense Analysis:

Operating Capital

Market Analysis

#### Financial/Legal

Debt/Equity Considerations

Sole Asset/Ownership Vehicle

#### Property Services

Proprietary vs Fee Base:

Management Team

Leasing Agent(s)

Full or Partial Service:

Commission Structure

Management, Accounting, Engineering/Maintenance and Construction Costs

**You make your money when you buy!**

### Ownership Phase

#### Does the Asset Yield Expected Returns?

Business Plans/Budgets

Marketing Plan:

Rollover Risks

Absorption of Vacant Space

Demand Generators

Economic Trends

Quoted Rents/Effective Rents

(Concessions/Allowances/Tenant Improvements)

Management Plan:

Operating Expense Controls

Risk Management

Real Estate Tax Consulting

Capital Improvement Programs/Project Management

Code/Compliance Issues

#### Functional Obsolescence & External Factors

Capital Markets

Technology- Systems Advancement

Neighborhood and Surrounding Environment Changes

Government Regulations

#### Quality/Efficiency Property Services

Bookkeeping/Accounting

Actual to Budget Comparisons

Insurance/Liability Controls

Ownership Financial Reports/Communications

Tenant/Vendor Relations

### Disposition Phase

#### Anticipate Your Exit Strategy at the Time of Acquisition

Timing/Price

Occupancy Level

Value/Income Stream

Perform/Defer Maintenance

Market Conditions:

Supply/Demand Trends

Capital Markets

Economic Trends

#### Buyer Target Market

Local/Regional/National Prospects

User Prospects

#### Sales Representation

Qualified Broker

Qualify Prospects

#### Alternatives

Refinance, Tax-free Equity

Sale with Owner Financing

Hold, Maintain Cash Flows

**Anticipate the worst case!**