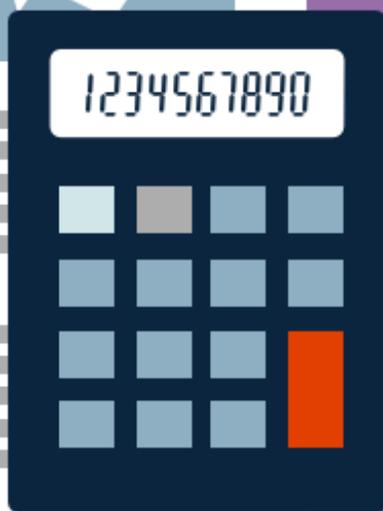


Essential Investors - Your Checklist



Your Commercial Investors Checklist

Commercial Real Estate Online - <http://commercial-realestate-training.com>

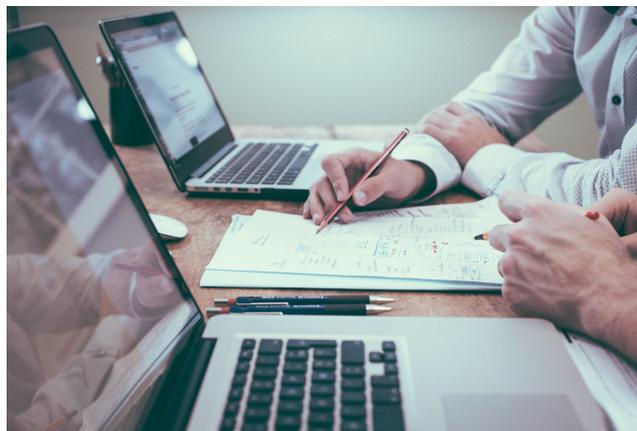
Some properties are better than others in commercial real estate investment. The elements of property performance are unique in every city and will shape investments over time. When you get to know your clients in a comprehensive way you can really help them match their property choices and needs to their investment targets. That's where the 'fun' in the industry begins. That's where the listings and commissions start to evolve.

What are the Investment Choices?

So there are very different and specific processes to work with in assessing a client's situation and property choices. The closer you are to your better clients and their property needs, the better it can be for you and your real estate career. Give your good clients reasons to talk with you and listen to you.

Top agents and brokers work with their better clients most of the time in an effort to find the right properties in the best locations. In that way they can create more new business and that business is generally of a substantial nature in value, variation, and frequency.

A well serviced client will generally open up new opportunities of referral and repeat business.



Your Commercial Investors Checklist

Asking Important Questions?

So there are some valuable questions here to address with each of your good quality clients. You almost need a checklist approach to help you work with these clients. Try some of these questions with the better quality clients in your database:

- **What is the best property type?** – In any city or town, some property types will offer a greater future from an investment perspective. The growth and stability of the local business community will have something to do with that.
- **When will they need to change or upgrade investments?** – Timing is everything when it comes to selling or changing a property investment. The leases, vacancy factors, property use factors, and tenant occupancies can influence the timing of changing property investment.
- **Are the clients looking for short or long term holdings?** – Some investors like to hold their properties for over ten years; others like to upgrade and change investments every 5 or so years when the investment market is primed for change. The supply and demand factors for property locally will have something to do with that.
- **Will those clients be looking for income growth or capital gain as an investment outcome?** – There are differences to understand.
- **Why will they choose one property over another?** – Some clients understand one property type more than another. That preference will be quite clear in their property ownership and investment activity.
- **Are they risk averse or risk selective?** – Every property will bring with it a degree of risk. Can your client absorb risks and changes to property performance in rent, occupancy, and return? The size of their existing property portfolio will have something to do with that.
- **What do they own now?** – Always understand what your clients own now. That will be important as they seek to grow their property portfolio and change investments into the future. You can expand on this point to ask key questions like, ‘What will they need in the future?’

Your Commercial Investors Checklist

Get to Know Your Investor Clients

Determine how many other agents are they working with now in your town or city, as that will have an impact on your client approach, relevancy, and conversion. How can you offer better services and skills than those offered by your competition? Don't be ordinary in commercial real estate today. Stand out as the agent of choice.

Most property owners and investors will know and talk to a few local property agents and brokers. That being said, they will still prefer to sell, buy, or lease most of their property through one of those agents more than the others. Put yourself in a place of preference with your key clients. How can you do that? What are your points of difference?

In commercial real estate brokerage, the clients that you work for or connect with will always have diverse property needs and requirements when it comes to their challenges and outcomes. Getting to the facts is quite important.

Qualification is a good strategy to deploy in conversation as you get to the motivations behind the clients thinking and their actions. A good understanding of the property market and the property types will help you do that. You can get to the core of their 'decisions and property criteria'.



Your Commercial Investors Checklist

Key Questions to Ask Investor Clients

So, what questions or topics would you explore in working with a new 'investor' client? Try some of these for starters:

1. **What building types do they prefer?** – You can ask questions here about group title buildings, multi-level properties, multiple tenant occupancies, standalone assets, size of property, and floor layouts. Larger buildings with multiple tenants in occupancy will bring complexity to a client and their cash flow of rental.
2. **What property age or configuration would be satisfactory?** – There is a lifecycle to a commercial or retail property. That lifecycle will be impacted by the location and type of building, but also the improvements, services and amenities in the property. Many businesses today are looking for flexible configurations, smaller floor sizes, or layouts that can offer real flexibility in business operations and optimization over time. A good investment property must be versatile and have the services and amenities that tenants require for occupancy.
3. **Are they prepared to do some renovation?** – Do they want some scope for redevelopment? Most properties can be improved over time, but there are some choices with that process. The question to ask the client is if they are prepared to spend money on **renovation or redevelopment work** when and if the time arises. Timing is everything when it comes to those activities. Will the client be moving through a property 'improvement' program? Can they afford to do that?
4. **What tenants or tenant types do they prefer?** – Some tenants are better than others in the occupancy of any property investment, so choose the tenant types that suit that asset and the location. Match the leases to the tenants and the configuration of the asset and its improvements. Ultimately you are looking for stability in an office or retail property and the tenant mix will allow that with some 'tuning'.
5. **How tolerant can they be to vacancy factors?** – In most properties over time, there will be lease vacancies to deal with. Some investors will have a tolerance limit on vacancies. You may need a tenant retention plan and tenant mix strategy to help a client with any asset that they purchase. **Vacancy risk is something to be aware of** in any property selection and choice.

Your Commercial Investors Checklist

6. **What precinct would they be prepared to purchase in?** – They may have a desired location they are looking to purchase in. Ask questions to [understand what the customer knows about the location](#), the property zones, the precincts, and the locale when it comes to business activity and investment opportunities. Do they want some 'potential' in the precinct that the property may be in? The zoning of the asset will have something to do with that fact.
7. **What would be the ideal timing of finding and or purchasing the property?** – Understanding the [local property cycles](#), there will be timing factors that will influence the customer's property choices of purchase and timing. When is the best time for a customer to purchase the asset and how much due diligence should they do in the purchase process?
8. **What price budget would they be working to?** – Every investor will have limitations on the purchase when it comes to price. The lending policies of local financial groups will have something to do with the purchase decisions of many investors. Understand if your client has spoken to their financier and what the guidelines for purchase may be.

Taking these things in balance, there are some real issues and factors to understand if you are going to match a client or prospective client into a commercial property investment in your location.

A checklist like this will help you 'steer' the discussions in the right way and achieve the best outcomes. Develop your checklist using these topics and others that are relative to your location.

Need more help in brokerage? We regularly share commercial real estate information to Brokers and Agents around the World. You can get that information sent direct to your 'Inbox', simply by [clicking here](#) and telling us your preference between Sales, Leasing, and Property Management. See you on the other side!