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COVERING THE ENTIRE STATE OF NEW YORK

By Donald Catalano, SIOR, CCIM, Corporate Realty Consultants Four key elements to making the right choice when purchasing a property

Owning your own facility can be advantageous for many reasons. There are the significant tax benefits and high degree of control that ownership offers, as well as the equity build up and appreciation of the property.

However, the acquisition of the right property is a very complex process. Typically, there are nearly 60 steps in a standard acquisition.

To start, choosing the right location for you is a less daunting task if these four key elements are followed properly.

1) Find A Guide

You wouldn't climb Mt. Everest without a guide! In what may be one of your largest business decisions, finding a true real estate expert that will provide you with a solid plan of attack is vital.

Within the industry there is one professional training and testing organization for investment real estate, the Commercial Investment Real Estate Institute. Those that have met its stringent standards become true experts in investment real estate and are designated Certified Commercial Investment Members (CCIM).

Such a real estate consultant will help you manage the entire process and also assemble the rest of the team necessary for a successful purchase.

2) Insure Loyalty to You!

Consultants, who are representing properties of the type and size you are looking for, are promoting those properties to you in



the attempt to achieve the highest price! After all, if you hired someone exclusively to sell your property wouldn't you expect that as well?

To avoid this inherent conflict of interest (your interest!), find an expert with no axe to grind except yours. This is a *Purchaser's Rep.*

3) Assemble Your Team

The following disciplines will be needed:

- R/E Consultant
- Legal Counsel
- Tax Adviser (accountant)
- Architect
- Engineer
- General Contractor
- Environmental Engineer
- Financing (Bank or Mortgage

Broker)

4) Analyze the Location

Multitudes of factors pour into site selection and all must be expertly evaluated for your business. Here are just a few of the issues you will need to consider:

- Type of Building
- New - Built-to-suit - Designed from the ground up to your exact specifications.
- Existing - If you want to have your HQ in a well-established area you may have only two choices, buy existing property and customize and modernize to meet your needs; or,
- Rehab - Convert one type to another (i.e. industrial to office). These often can be purchased below the price of land and new construction and yet offer good flexibility for design.

• Labor Pool

With unemployment so low, one must consider the potential quality of workforce in a given area. Examine carefully the labor pool (blue-collar, white-collar), unemployment rate, and median household income and education level.

• Surrounding Area

One can really tell how well a community was master planned by looking at the high-speed access (highways) and the proximity of life's basics (housing, food, work, education and relaxation).

• Residential Housing (both homes and apartments)

- Daycare
- Eateries
- Health Clubs
- Stores
- Entertainment
- Infrastructure
- Road Network & Ease of Commute - time wasted commuting will cost you (longer lunches, tardiness, low moral, higher

wages to compensate for commute), and this is not to mention, the reduction in quality of life.

• Mass Transit - Rail & Bus - Show me a growing city without good mass transit and I'll show you a city that will have real traffic problems in the future.

• Air - Do you want clients from beyond the local neighborhood? As a company that uses its own aircraft for constant commuting between cities, we know the tremendous value of airports. Your air travel needs may grow, as business becomes more global.

• Economic Development Incentives

To get you on their tax roles and to increase employment, states and municipalities offer generous incentives; however, bear in mind that without proper guidance, one simple mistake can destroy these multi-million dollar benefits.

- Tax Abatements
- Energy Rebates & Discounts
- Employee Placement & Training

• Low Cost Loan for the Real Estate & Equipment Cost

Summary

Purchasing real estate can be very rewarding if done correctly. The first and most important step is to surround yourself with an excellent team that will help you research your options carefully.

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