



COLDWELL
BANKER
COMMERCIAL

MARKETING
CENTER

Questions to ask about individual property conditions

1. Is the gross income increasing, decreasing, stable, and why?
2. What is the financial strength of the tenants? Are their industries growing or contracting?
3. Are the expenses being used in the analysis realistic projections of what a new owner can expect? Will taxes go up or down based on the new acquisition price?
4. What is the property's reputation in the business and real estate brokerage communities?
5. Is the building functionally or technologically obsolete? If so, what would it cost to upgrade the building?
6. Can an owner add value by upgrading the building - physically and esthetically - by improving management; marketing to new tenants at higher rates, as leases roll over; or by giving the building a competitive advantage through technology

Questions to Ask about Office Properties

1. Is the location considered desirable? Is it accessible from highways, key thoroughfares, and mass transit? Is it easily accessible for employees? Customers? Suppliers?
2. Are there special amenities, such as food service or convenience shopping?
3. Are HVAC and elevator systems state-of-the-art or will the building be upgraded? What are the charges for after-hours usage? What costs of upgrading, if any, will be passed on to tenants? Is power sufficient to meet your needs?
4. How efficient is the layout of the building? How does proposed space compare in efficiency to other office buildings in the market?
5. How effective is management in responding to tenant needs? In communicating to tenants?
6. How well is the property maintained? How is janitorial service handled?
7. Is the building ADA-compliant?
8. Is the building wired for high-speed Internet access and data transmission? Does it offer fixed wireless telecommunications service?
9. What is the building's financial condition? Existing mortgage? Is there a refinancing pending? Are major leases turning over soon?
10. What economic conditions are expected to prevail when major leases expire? How does this impact your decisions regarding expansion/contraction/termination/renewal lease terms?
11. What is the property's reputation in the business and real estate brokerage community?
12. Has the building ever experienced problems with asbestos, indoor air quality, or other environmental issues? How were the problems resolved?
13. Who is to be responsible for space planning and interior construction? Who pays for it?

Questions to Ask about Industrial Properties

1. Is the facility technologically current?
2. Have there been any environmental problems associated with the property? If so, how have they been resolved?
3. Does the municipality, county, or state offer incentives for major industrial tenants in the area?
4. Have other industrial users in the area recently received incentives? What type?
5. How accessible is the property to major distribution routes, such as highways, rail lines, or airports?
6. Is the area's labor pool suitable for the intended use? What are prevailing wages and benefits?
7. What is the competition for this labor pool from other industries and users in the area?

8. What industries are growing in the area? Which are contracting?
9. How does this property's physical plant compare with others in the market?
10. What are the financial implications of a decision to lease, versus a decision to purchase the property?
11. Are lease or sale terms comparable with other properties in the area?
12. What is the developer or owner's reputation in the business and real estate brokerage communities? How responsive is management to tenants' requirements?

Questions for Retail Space Users

1. What are the property's strengths and/or weaknesses in terms of potential customers, access, traffic, and image? What is the trade area?
2. Have there been any recent changes in demographics and/or retail demand? Are there new retail centers proposed in the area?
3. What type of lease is being offered and how does this compare to other properties in the area?
(Percentage; Gross (Full-Service); Net; Ground Lease; Sublease or Assignment; Build-to-Suit)
4. How favorable are lease terms, including base and percentage rents, utilities, finishing costs, and any pass-throughs?
5. Are your goods and services compatible with trade-area customers?
6. Are stores in the shopping center compatible with your retail property type?
Is competition balanced? Do stores complement each other and enhance the drawing power of other stores?
7. Is the merchants association active? Is it effective?
8. Does the property have any unique characteristics - such as movie theaters, outstanding restaurants, and interactive entertainment - that provide a competitive advantage?
9. How well are less-visible functions performed: storage; shipping and receiving; HVAC control; security; life safety?
10. What is the property owner's reputation in the retail business and brokerage communities? How responsive is management to tenants' requirements?