



6 STEPS

to a Successful Investment Property Acquisition

Bespoke creates value through customized commercial real estate solutions that meet the strategic and financial business needs of Chicago-based organizations. Leveraging deep market knowledge and proven business acumen, Bespoke advocates solely for the business success of clients. The firm takes pride in delivering seasoned expertise, quality service, and superior results, while fostering long-term relationships with clients.

As experts in investment property acquisitions, Bespoke has outlined the steps we take to effectively guide clients through the complexities of the deal-making process:

STEP 1: Develop Strategy

STEP 2: Conduct Market Research

STEP 3: Identify and Pursue Ideal Selection

STEP 4: Review PSA

STEP 5: Perform Due Diligence

STEP 6: Prepare to Close





STEP 1: Develop Strategy

- Clearly define investment goals: required rate of return, cash-on-cash return, and geographic location.
- Evaluate asset classes:
 - Triple net investment
 - Multi-tenant office, retail, or industrial
 - Single-tenant office, retail, or industrial
- Analyze available capital to invest and ensure proper reserve funds are available per the asset class.

STEP 2: Conduct Market Research

- Prepare and review customized market study.
- Actively monitor the market for viable options, while using the Bespoke network to search for unlisted opportunities.
- Tour selected sites.

STEP 3: Identify and Pursue Ideal Selection

- Select the ideal property by analyzing the projected capital, the current condition/deferred maintenance, the feasibility to sell the asset in the future, market comparables, and the geographic location.
- Underwrite the transaction, estimate capital costs, and ensure projected cash flow meets the return parameters.
- Review operating expenses and real estate taxes.
- Generate a letter of intent to offer the seller.
- Negotiate mutually agreeable business terms and conditions.

STEP 4: Review PSA

- Review purchase sale agreement (PSA) to ensure accuracy of terms and due diligence periods.
- Engage a transaction real estate attorney to review the contract.
- Execute contract.



STEP 5: Perform Due Diligence

- Prepare a transaction calendar to ensure contract dates are met.
- Post earnest money to a title company.
- Review title policy and survey.
- Create vendor “dream team,” including building inspector, GC for any capital improvements, legal, and lender.
- Engage the building inspector to review the property’s physical condition. If deferred maintenance is found, renegotiate the contract sales price to reflect new findings.
- Employ a lender to ensure financing is in place and the terms of the loan are acceptable. Considerations include:
 - Life insurance lenders
 - Commercial mortgage-backed securities
 - Conventional commercial loan
- Analyze lease agreements and recreate the building rent roll, addressing the following:
 - Review operating expenses and real estate provisions
 - Verify if termination options are present
 - Analyze first rights of refusal/offer
 - Ensure accuracy of term
 - Determine if any termination or extension options are present
- Review contract service agreements and operating expenses to anticipate any challenges prior to closing. Ensure real estate taxes are as anticipated.
- Execute on all timelines, ensuring due diligence items are recovered, acceptable, and complete within the negotiated timeframe.

STEP 6: Prepare to Close

- Perform final title and survey reviews.
- Review loan documents and ensure terms are as agreed upon.
- Successfully close and fund the transaction.
- CELEBRATION DINNER.

bespoke

commercial real estate

Partnering with Bespoke, we will minimize acquisition complexities while keeping in mind your best interests, allowing you to focus on your next strategic business initiative. To learn more about The Bespoke Way, contact **Bill Lussow** at **312-635-0124** or visit **www.bespokecre.com**.

