

# Corporate DIRECTIONS

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## Is Your Lease Expiring in the next 24 months?

Whether you're leasing office space, retail space or industrial space, NOW is the time to begin looking at alternatives. CHOICE REALTY saves its clients 15-25% off future occupancy costs, eliminates time wasters, and reduces distracting hassles associated with locating the right real estate at the right price.

Make the call to 843-991-4848. Hire a CCIM-qualified broker. Call CHOICE REALTY. We help companies and investors make *smart* real estate choices.

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## Stats & Facts

73%: A survey of real estate executives shows this % plan to be in market as buyers in 1st half of 2009

Dear Clients,

**Corporate Directions** is packed full of advice, corporate real estate opportunities, and market research to provide smart directions for corporate users, real estate investors and corporate tenants. After all, smart choices in commercial and investment real estate can make all the difference.

## Scavengers Feast on Bottom-Dollar Buys

Looking for a steal or some carrion to chew on and then tighten the numbers? Now is a great time to be in the market looking for value buys!

Today's environment is ripe for commercial users and investors, along with residential investors and home buyers. Commercial users who have waited on the sidelines for 12 months are now buying at deep discounts, particularly if they are buying as 100% owner-occupants. Distressed property investors purchase based on supporting income, not on an internal rate of return focusing on the future. Buying low, filling rental income space creatively, and hanging on until the market improves is a strategy for many commercial investors.

Some markets are so hard hit, investors in Atlanta, for example, are buying houses for less than \$20,000, and renting them for \$750/month and providing heavy-duty property management. "We purchased one this week for \$16,500 and it had a loan of \$109,000 on it previously," stated Nick Johnson, a well-entrenched vulture buyer in Atlanta. This is an ideal solution for investors who desire an "armchair investment" providing 10% annual returns. (contact Jonathan/Chris at Choice Realty for more info on this investment opportunity)



Johnson is optimistic about the pessimistic marketplace, saying, "We really hope this downward environment continues as our goal is to purchase 40 rentals this year."

First-time home buyers, who make up half of those in the market today, end up purchasing bank-owned or distressed houses because they are cheap, money is cheap, and contractors are hungry for work. Business confidence is rising due to gains in buyer traffic, and this may be viewed as a warning to those on the fence—timing the market is virtually impossible. The time is ripe for buying-commercial and residential real estate.

27%: said they expect to enter as buyers after June 2009

65%: Reps number of executives who expect commercial lending to improve this year

**Atlanta:** Ranks #1 in Top 3 Southern Metros for Distressed Retail, followed by Birmingham, AL and Memphis, TN

**\$5.7Billion:** Amount United Arab Emirates is investing in U.S. real estate

**\$3.2Billion:** Amount Germany is investing in U.S. real estate

**Green Motel 6:** This economy brand recently installed solar panels for water heating in a TX facility

**\$250Billion:** commercial real estate debt maturing in 2009

**\$264Billion:** commercial real estate debt maturing in 2010

**2011:** Year that \$300Billion of commercial debt will mature

{sources: CCIM Institute, REALTOR}

## Leasing 101

### Leasing Tips

(1) **Rental Rates:** There are many ways to reduce your monthly outlay of cash. Consider asking for free rent, a reduction in rent, a turnkey build-out of space, or any combination of these strategies.

(2) **Notice and Opportunity to Cure:** Make sure that you are entitled to written notice of a default and a period of time to cure the default before the landlord is entitled to take any action against you. For example, it is customary for the tenant to get 5 days to cure a monetary default and 15 days to cure a non-monetary default; provided that if it cannot reasonably be cured within that period of time, the Lease should provide that you are safe if you commence the cure within the 15 day period and then diligently work to bring the cure to completion.

Looking for more tips? Send an email to [info@ChoiceRealtyUSA.com](mailto:info@ChoiceRealtyUSA.com) to request a copy of our Top 30 Leasing Tips--Methods To Save Money.

### Lathbury's Residential Corner

#### PRICE, LOCATION, AND CONDITION versus PERCEIVED VALUE

Most advice on selling a house centers around these three subjects, and plenty has been written about each. If you want to have an advantage over the other sellers in your price range, I suggest you consider two other words, "perceived value."

Your house is not worth what you think it is worth, or what your Realtor® thinks it is worth, or what you need to get for it, or what your neighbor's house sold for. Your Realtor® will help you determine a listing price, but the actual worth of your house is what a buyer perceives it to be worth.

What buyers think is the only thing that matters. Buyer's perception is your reality.

The secret to a fast sale is creating a perception of value throughout the house. Unmatched value, in comparison to the other houses you are competing against, is the way to guarantee that your house sells before the rest.

A few examples of ways to make a house appear more valuable:

- Updated light fixtures
- Paint, wall art, window treatments
- New carpet or refinished hardwood
- Updated hardware on cabinets
- Slipcovers for dated furniture
- Organized closets and cabinets
- Impressive and appealing MLS photos

Consult with your Realtor® for more ways to make your house appear more



valuable to buyers. Also, you should visit the competition and see how your house measures up.

Don't think of preparing your house for sale as an expense, think of it as an investment.

Chris Lathbury is CHOICE REALTY's Residential Investment Specialist. Chris has been investing in real estate and rehabbing properties since 1994. Mr. Lathbury is skilled in helping buyers find quality investment property as well as assisting first-time home buyers. He is a founding member of the Charleston Real Estate Investors Association (CREIA). Contact Chris at [ChrisLathbury@ChoiceRealtyusa.com](mailto:ChrisLathbury@ChoiceRealtyusa.com).

Thank you for reading this copy of **Corporate Directions**. If you wish to share a copy of this e-zine with a colleague, please feel free to forward a copy.



**Does your company have other locations outside Charleston? If so, we can assist in negotiating those location leases too. We provide Lease Transaction Management nationwide. Call me to discuss how we can reduce your occupancy costs across all locations.**

Sincerely,

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