

RE Lease

News for the Commercial Tenant and Buyer

Summer 2008 Issue 11

Don't Lease Space Without Us.



Timothy R. Conley,
CCIM

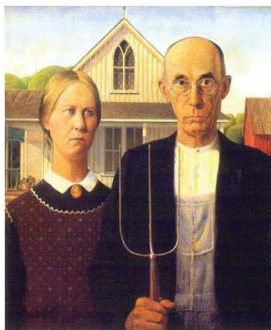
Why Buy The Cow When The Milk Is Free?

An old saying that is not normally associated with real estate, but seems to be appropriate. Consider these common occurrences...your landlord offers what seems to be a reasonable lease renewal; your banker proposes financing terms for a new loan; your contractor explains to you that your office building needs certain repairs or capital improvements; the listing broker for a property your considering purchasing or leasing tells you that they know that the asking price makes sense....All Free Milk or is it?



We have been hired by a lot of law firms in the last 15 years to provide services to help them and their clients with their real estate requirements. For a while I wondered why our client base seemed to be mainly law firms. So, I started inquiring and what I discovered was that lawyers are educated to use experts in their fields to accomplish the task at hand. For this reason, the legal community was the first industry to employ our firm as an outside real estate consultant to act as their own "in-house" real estate department. Our firm is unique to the Albany area in that we offer exclusive Tenant/Buyer Representation and Advisory Services programs. With in-house Real Estate Analysts, Construction Consultants and Interior Designers we are your advocate. Our firm levels the playing field matching client's distinct needs with the appropriate services.

Serious decisions require an informed consultation. Pharmaceutical companies always add a disclaimer to their advertised products..."before taking this product, consult a physician to be sure it is right for you". We often hear an investment solicitation end with..."Ask your accountant if this tax benefit will work for you"...because, everyone has distinct tax situations, investment preferences and strategies. It is considered routine and prudent in business to "Consult your lawyer" before signing a contract of any significance. And yet, one would be amazed at how many companies still do not rely on the expert advice of an "independent" real estate advisor. Aside from a company's labor costs, Real Estate (owned or leased, in-debt service or lease obligations) is typically the next most expensive cost to a business. Real Estate decisions tend to be long term and expensive. So, next time you think you're getting a good deal, why not take the time to ask an expert what they think. We suggest you rent the farmer to milk the cow!




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Sourcing Your Commercial Financing

Written by: Douglas Marr, CCIM, Associate Broker

One of Conley Associate's many advisory services is the sourcing of commercial lending. Whether under contract for a new purchase, or just re-leveraging your commercial property, you will soon discover the complexities of commercial financing.

Unlike residential financing with fixed interest rates over generally long terms, commercial lending is it's own product. The lending term is generally 10 years or less with interest rates that may be fixed or adjusted to index rates at defined intervals.

Low initial interest rates may be appealing. However, many other less obvious variables need to be factored in before making your lender selection. Trusting current banking relationships certainly has value but may not necessarily be your best option.

Identifying and comparing competing lender's terms is the only true way to make the best-educated decision. Interest rates and adjustments, amortization schedules, pre-payment penalties, yield maintenance terms, costs of obtaining the loan, and identifying the borrower's limitation of liability and required collateral are only a few of the many terms that need to be evaluated.

Conley Associates identifies the borrower's objectives and incorporates them in a customized Request For Proposal (RFP), which unveils all the intricacies of commercial lending terms. Through this process, lenders recognize the importance of responding with their most aggressive terms in order to be competitive. Prior to issuing the RFP, inquiries with various lenders are conducted to identify interest for the project. With the wide variety of commercial lending products, all banks may not be a good fit for your project.

All loans are not created equal. Make your lending decision with confidence.

Staff Spotlight

Douglas Marr, CCIM
Dir. of Tenant/ Buyer Representation

Doug Marr joined Conley in 2001.

He provides a wide range of commercial real estate services; including: tenant/buyer representation and various advisory/consulting services.

Doug was promoted to Director of Tenant/Buyer Representation in Fall 2006. In this role, he participates in the development and oversight of the Tenant/Buyer Representation agents within the firm.



In 2004 Doug earned his Certified Commercial

Investment Member (CCIM) designation. CCIM's are recognized experts in commercial real estate brokerage, leasing, asset management, valuation & investment analysis. The CCIM designation is awarded only upon the completion of a combination of graduate level curriculum and the achievement of a level of qualifying experience.

Project Summary

Client: CapitalCare Medical Group
Property: 5,586 square feet
Location: 100 Great Oaks Boulevard
Albany, NY



Summary and Accomplishments

CapitalCare Medical Group's lease at its Family Practice on New Karner Road was expiring. The physician was not happy with his current space, because the layout did not allow him to run his practice as efficiently as possible. He thought that with some renovations to the space it might be possible to continue operating from this site. He was also willing to relocate if the incurred expenses would be within his budget. Conley Associates was called in to assist with the task.

Conley Associates commenced their defined analytical process by identifying the Client's real estate requirements. A Request for Proposal (RFP) was created and distributed to another qualified location and the current location. The purpose of the RFP was to solicit each of the landlord's responses to the Client's specific desired economic and transactional terms. The RFP allows the Client to compare the responses on an apples-to-apples basis from competing landlords.

After the physician was able to review the responses from both Landlords, he was able to make an informed decision about what the best route for his practice would be. The physician chose to relocate his practice to a Class A office park, because it was less expensive to relocate than it was to stay at his current location.

The following work was completed on behalf of CapitalCare Medical Group:

- Identified leasing requirements and located alternative options that met those requirements.
- Custom created a Request for Proposal that pre-negotiated economic and business terms that they would be willing to lease under.
- Decreased the total occupancy costs over its previous year's occupancy costs.
- Landlord provided improvements to the space at the landlord's expense.

"Working with Conley Associates has proven to be very beneficial to CapitalCare, both in terms of the expertise they bring to the table and in freeing up our internal resources. This resulted in real financial savings for this location; as well as, the ability to spend more time on other activities of the company; that are more in line with our core competencies."

Joan Hayner, CPA, CMPE
CEO



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Conley Associates' Services

- Tenant / Buyer Representation
- Occupancy Services
- Valuation & Appraisal
- Financial Services
- Market Research Services
- Physical Planning
- Project Management
- Construction Supervision
- Interior Design Services
- Advisory Services



Landlords Need Not Apply.

Unlike our competition, Conley Associates works with "tenants only". We keep the focus on your business – not theirs!

And because commercial leasing has so many moving parts, we simplify the process with our exclusive "Commercial Real Estate Matrix". This proven system will save you, the prospective tenant, both time and money.

Call today for a free consultation
(518) 463-5500.

Hundreds of references proudly available.



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Did you know?

Schenectady's General Electric plant has the Zip Code 12345.