

I have a unique methodology that determines not only the highest value, but also determines the correct buyer with the greatest likelihood of closing. We utilize market driven data to analyze four specific markets to determine current values for any commercial property. A summary is outlined below:

1 Lease Market (Benchmark Value): Value is determined by analyzing comparable leases of similar properties in the area. This establishes the market rent, or benchmark value, per square foot. This is the foundation for all other valuation methods.



2 Investment Market: Value as an investment is determined from the net income the property generates (**Leases**). From neighborhood commercial to institutional grade, the net operating income (NOI) existing and/or potential income determines value for an investor. **Example: Cap Rate**



3 Development Market: Value for a developer is calculated by examining the potential income (**Leases**) of a future project. Developers will rehab existing buildings, but many times it comes to tear down / demo costs for a new project. Either way, it's the Leases that determine value.



4 Owner User Market: Value to a user is examined by considering a mortgage as a lease, so a building in which you are borrowing at 4.00% interest from a lender with only 10% down would be derived by:

- Divide the annual mortgage payment by the square footage of the building and you get the annual per square foot cost. 5,000 SF Office Building B + Shape if sold for \$300 per SF or \$1,500,000. 10% down, 4.00% Interest, 300 (month) loan term, the annual mortgage would be \$85,000 (P&I) = (NNN Lease). Divided by the 5,000 SF = **\$17.00 Triple Net (P&I)**.
- Compare this cost per square foot to the **Leasing** market for an accurate comparison of property value.



ILLUSTRATING THIS IN OUR MARKETING MAKES THE DIFFERENCE – MOST AGENTS DON'T UNDERSTAND OR APPLY THIS METHODOLOGY