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CRE investors are back to basics with 4 pillars of success: Marketing, cash flow, location and leverage

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Somewhere along the path of spirited optimism and cautious enthusiasm, commercial real estate investors are seeking opportunities that will strike upon the very basis of their investments: Marketing, cash flow, location, and leverage. These 4 Pillars are the metaphoric marvels of an investment model that can weather the highs and lows of any real estate market. Yes, even the one that we currently reside.

If your marketing department has a head of gray hair, wears pleated pants, and still rocks penny loafers, then you really need to take a second look. Marketing has changed dramatically in the last few years. It seems to be changing at light speed. There are more and more social media sights popping up, that can exponentially increase your website traffic. And if you don't have a website yet, then you are still walking to work, uphill both ways in the snow, just like your grandparents. Without a good marketing base, you are fishing without a hook.

If Cash is King, then Cash Flow is the Kingdom. The first thing any commercial real estate investor will do is look at the NOI. Most properties with a strong NOI are being held and not showing up in the marketplace. They are either sold off-market or not being sold at all. There is no better place to put your investment dollars, than into a cash flow positive revenue stream. If you are looking for these types of investments, as you should, you need to pick up the phone and call a Certified Commercial Investment Member (CCIM).

How many times have you heard, "Location, Location, Location?" And it still stands true today. When searching for investment properties, location rules the coop. A good location can typically withstand downturns in the marketplace. A good location can typically take an obsolete structure and give it purpose again. A good location is one with easy access, good corporate neighbors, and resides in a development friendly community. southeastern Massachusetts has all these things.

What is leverage? Leverage is the use of borrowed funds to finance a portion of the cost of an investment. Typically, a leveraged property will generate greater gains for the investor versus an un-leveraged all cash deal. Believe it or not, there are commercial lenders in the marketplace, looking to place capital for investors. With the proper investment and a CCIM guiding you through the investment process, you would be surprised at the willingness of lenders to place capital into your commercial real estate investment and help facilitate this leverage.

What are you waiting for? Commercial rates are near 4% and property values are lower than the past 10 years. This is a prime market to be involved in and finally reach your investment goals. This is the time to set yourself up with an investment model that achieves the IRR you demand and a disposition strategy to set yourself apart from others that don't have a plan. Baldwin Realty Group is here to make your barroom chats and napkin math a reality.

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