

Purchasing Commercial Property

The purpose of this activity is to familiarize students with the steps involved in purchasing commercial real estate, offering practical insights into investment, due diligence, negotiation, and property management within the real estate sector.

Part 1: Introduction to Commercial Real Estate

Learn about the function of commercial real estate in business and its potential for profitability as well as the potential risks that come with it. Learn about various property kinds and the role they play in the larger economy.

Part 2: Property Identification and Research

Choose a particular commercial property type that appeals to you, then conduct internet research to find possible properties. To help you make an informed investment decision, gather important information about their location, potential applications, and current market trends.

Property Name	Location	Property Type	Potential Applications	Current Market Trends
Ex. Industrial Hub	New York, NY	Office	Corporate headquarters, co-working	High demand, rising rental rates

Part 3: Due Diligence and Analysis

Analyze your chosen site thoroughly, taking into account zoning laws, environmental considerations, and historical significance. Through careful due diligence, develop your ability to weigh prospective risks and advantages.

Aspect	Description	Potential Risks	Potential Advantages
Zoning Laws			
Environmental Considerations			
Historical significance			

Part 4: Negotiation and Decision-Making

Become fully involved in the negotiation by assuming the buyer or seller position. As you practice negotiating crucial elements like pricing, conditions, and financing, you'll improve your ability to make decisions in a real estate setting.

Element	Buyer position	Seller Position
Pricing		
Conditions		
Financing		

Part 5: Closing and Property Management Overview

Learn about the final phases of buying a property, such as the legal paperwork and ownership transfer. Learn about the continuing obligations associated with property management to better appreciate the long-term benefits of real estate investing. After you have completed all five parts ask yourself:

- How do different types of commercial properties contribute to the business landscape, and which types are most appealing to me?
- What key details did I uncover during my property research, and how did they impact my perception of each potential property?
- What were the key steps involved in the property closing process, and how did they ensure a smooth ownership transfer?
- What ongoing property management responsibilities did I learn about, and how do they contribute to maintaining and enhancing property value over time?