

## **Where Are The Deals?**

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In today's economy buyers expect a deal. Agents at NAI are continually being asked where the deals are. With the exception of a few out of touch sellers, the response is that the deals are everywhere! Real estate is not just "for sale" it is "on sale". It is the after Christmas blowout sale that only comes once every economic cycle.

### **Vacant Buildings**

As a tenant or as a buyer, business owners have a tremendous opportunity to take advantage of low prices. Lease rates are at record lows, and buildings can be purchased for less than the cost to build them - even in today's suppressed construction market. As a bonus, business owners can find 100% interest only financing through lease options on many properties.

### **Land**

Of everything that is out there, the biggest blowout sale is on land. Cash buyers that don't require cash flow, have an opportunity to purchase that doesn't come around often.

### **Leased Property**

The institutional 6% cap rates are now 8.5% and lower credit tenanted properties are yielding higher returns. Higher Cap rates, higher vacancy rates, and lower lease rates, mean that from both a return standpoint and a value standpoint, buyers are getting a lot of bang for their buck.

### **Businesses with Real Estate**

These include property types such as hotels, convenience stores, car washes, etc. The purchase of these assets rests primarily on their cash flows. For many business owners, 2009 has been the worst financial year in recent history. As businesses show low revenue, or in some cases losses, many sellers are more motivated and they have discounted their prices significantly.

### **Bank owned properties**

If you aren't seeing local commercial real estate foreclosures on the market, ask your NAI agent to show you the deals. They are out there and, like any property, the good ones go fast. The chart gives a breakdown, by quarter, of Washington County commercial land, other land, and commercial buildings that have been foreclosed on or are in default in 2009 and 2010. We have developed a map showing each property, the acreage, building size, zoning, and other pertinent information to evaluate the property.

Sellers who thought their property values would always increase turned down unbelievable offers on their real estate as the market peaked. Buyers who fear the markets may never recover will pass up unbelievable buying opportunities, perhaps until the best opportunities have passed.