




the Power Team

Your Profit...Our Success Commercial · Industrial · Real Estate Brokerage

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The Premier Power Team Newsletter

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The Case For Seller Financing

In an economy where traditional lenders cease to make loans to qualified customers, the industry turns to alternative financing methods that have been around for years. One such method comes under the heading of Seller Financing or Owner Financing. In general, this means that the seller of the property in question assumes the role of the bank. The Buyer and the Seller negotiate and come to terms (frequently using the service of a broker) on issues such as down payment, interest rate,

Featured Property:
 Huntley Industrial Steel
 30,000 SF steel building with 875 SF office, 1,200 amps, 5 DID's, 2 Docks, 15.5-16' ceilings on 1.37 acres. Near I-90. Owner has dropped price to phenomenal value of \$38.33 psf (\$1,150,000)! **Click photo for specs.**



amortization period, balloon payment, etc. The parties enter into a binding contract called "Articles of Agreement For Deed" or "Contract Sale" for short. The seller keeps the deed until such time as the loan is paid off, sort of like the bank keeps your car title until you pay off your car loan. The buyer gets all the benefits of ownership (interest deduction, depreciation, equity buildup, etc.). The seller collects interest at the agreed upon rate and pays income tax on that income. If you are selling a property and have no mortgage, seller financing is simple. If you have a mortgage, it is more complicated. The underlying "hard money" lender most likely has a clause in your mortgage documents called "Due on Sale" which means they have the right to call your loan due if you try to sell to a third party. So if they find out about your private little deal, they can make life miserable for you. Some sellers with mortgages take the business risk of doing a deal without getting the blessing from the mortgage company. Some sellers clear it with the lender in writing before doing such a deal. The lender does not have to go along, but if you think about it, all they care about is getting their payment on time, especially in this unstable economic climate.

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Top 10 Commercial Real Estate Markets for 2010

If you are a commercial investor odds are you are a bit shell shocked coming into the end of 2009. The marketplace is tough, the property values are a glimmer of what they once were, and let's not even talk about rents. But there is good news for some of the markets out there. The need for office space has never been higher in Washington DC as government expansion has sucked up every square foot in the city and surrounding areas. Austin is benefiting for the exodus out of high tax and nearly bankrupt California, while Boston, New York, and San Francisco maintain their places near the top due mainly to past glory.

Top 10 Commercial Real Estate Markets For 2010

Washington D.C. scores the highest marks during a recession. While hard-pressed lenders pull back in most cities, major insurers and big banks have taken a long term view and are actually providing financing for new deals. Bethesda, home to the National Institute of Health, should benefit from increased bio-medical spending and Virginia markets, inside the Beltway, are expected to suffer only modest erosion relative to past downturns. Survey respondents expect suburban vacancies to advance well into the high teens further out.

San Francisco. Despite its formidable barrier to entry attributes, this 24-hour gateway will take investors on a ride of volatile pricing, occupancies, and rents. An expanding regional tech industry, fed by nearby Silicon Valley, should help. The report ranks this city one of the top buys for apartments, warehouse, office and hotels.

Austin. A Texas growth bastion, Austin's low state taxes and a pro business environment are expected to contribute to future growth and continuing corporate relocations. Austin fits the "brainpower" model with its state capital, large state university, and offshoot tech and software businesses.

Boston is a solid market as compelling economic drivers-premier educational institutions, life science companies, and high tech business-reinforce investors' long-term conviction. Downtown apartment vacancies remain well under 10 percent and condo/house pricing "remains stiff."

New York offers savvy investors opportunity and more affordable costs over the long term. Midtown availability rates are predicted to skyrocket from mid single digits into the mid-teens as office rents plummet 40 percent or more. Co-op pricing is expected to sink 25 percent and a shakeout continues among condo developers who built million dollar plus apartments in fringe districts- sales of those units likely won't close without substantial markdowns. The pace of market recovery depends on the hammered banking industry, the report cites.

The rest of the Top 10

Houston
Seattle
Raleigh/Durham
Denver
San Jose

* Re-printed from *therealestatebloggers.com* posted by Tom Royce, November 8, 2009.

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This is one of those poems that strikes your heartstrings if you're a parent. Beware, you might shed a tear or two ...

To My Grown Up Son

My hands were busy through the day;
I didn't have much time to play
The little games you asked me to;
I didn't have much time for you.

I'd wash your clothes, I'd sew and cook,
But when you'd bring the picture book
And ask me to share your fun
I'd say "A little later, son."

I'd tuck you in all safe at night;
And hear your prayers, turn out the light,
Then tiptoe softly to the door--
I wish I'd stayed a minute more.

For life is short, the years rush fast--
A little boy grows up so fast.
No longer is he at your side,
His precious secrets to confide.

The picture books are put away,
There aren't any games to play--
No goodnight kiss, no prayers to hear;
That all belongs to yesteryear.

My hands once busy now lie still;
The days are long and hard to fill.
I wish I might go back and do
The little things you asked me to.

Courtesy
National Merchandising Co.
Arthur M. Sells, Chairman

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