Making it in Real Estate: Acquisitions

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ULI Emerging Trends
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Background Information

• YouTube ULI/John McNellis Video:
  “Starting Your Own Development Company”

• “Making it in Real Estate” series found at the SF Registry Magazine and McNellis.com
The Elevator Pitch:

Who, When, What, Where, Why and How?
Who’s your seller?
Someone who really needs to sell.
When should you buy?

“If you can keep your head when all about you are losing theirs...”
What should you buy?

Value-Adds

• Paint & Petunias
• Ground Up
What size should you buy?

Start small
What type of property should you buy?

It doesn’t matter.
Where should you buy?

This matters a lot.
Why are you buying?

If you’re in it for the money, you cannot compete with those who are not.
How should you buy?

The heart of today’s presentation
Commissions

100% to the listing broker.
If you must fall in love...

Fall for the #s, not the property.
Don’t sweat the purchase contract

The worse the contract, the better the deal
Rely on nothing but your own due diligence

“May you have a lawsuit in which you truly believe”
Read everything yourself

Especially the leases
The importance of tenant estoppels

Title insurance?
Not so much
Learn the property

• Talk to the tenants *and* the vendors
  “How’s business?”
• Roof and other inspections
Visit the city

Ask about your property, the neighborhood and any planned competing projects
Meet the seller

Especially if the closing is subject to entitlements or leasing.
Learn to walk away

Deals seldom look better after closing.
Q & A