

GRASSI

REAL ESTATE DUE DILIGENCE



Grassi Real Estate Team

If you are planning to invest in commercial real estate via direct outright ownership, by means of acquiring discounted bank debt, or by completing a development project, it makes good business and financial sense to enlist the advice of the Grassi Real Estate team throughout the complete process: from contemplation to acquisition and beyond. Our deep experience and leadership advising real estate and construction organizations of all types and sizes gives us a unique understanding of all aspects of building, owning and operating real property.

From structuring and financing substantial transactions to planning for future acquisitions and dispositions, we have the financial experience you need to support and strengthen your real estate deals. The Grassi team of professionals can assist you in conducting due diligence for acquisition, evaluating and making recommendations on proposed structures, cost estimates to complete a project, preparing financial projections and feasibility analysis.

Our team has established relationships with many of the area's most prominent bankers and credit grantors—many of whom engage our services themselves. These partners are confident that the due diligence we provide is accurate and objective. Our network allows us to connect clients with the people who can best help them meet their business objectives. The Grassi team also helps clients obtain mortgages on new real estate—or use existing holdings to secure additional financing.

Real Estate Due Diligence

The due diligence process is essential to real estate acquisitions. We verify the accuracy of historical operating statements by comparing them to third-party documents such as bank statements, financial statements, tax returns, and invoices.

In conducting our due diligence, some of our considerations include:

- Operating expenses
- Base rent and any abatements
- Real estate taxes
- Common Area Maintenance (CAM)
- Porters' wage escalations
- CPI escalations
- Electricity charges
- Cost Segregation Studies
- Green Building Tax Credits
- Tenant improvements
- Lease covenants
- Operating Agreements
- Tenant Expense Reimbursement

We offer our real estate clients a proven approach to serving the real estate and construction industries that is based on decades of combined hands-on experience. We work with our clients to optimize current transactions and proactively structure future deals. Our clients benefit from our continued partner involvement, as well as working with a consistent team that understands both the real estate industry and your business, offering cost efficient, timely solutions. We recognize that every transaction is significant when it affects your bottom line.

The Grassi team is successful in getting clients to ask appropriate questions, in addition to gathering recent and past financial information. We find all pertinent data available for the buyer; sometimes digging further than other advisors.

We ask the questions that you may not think of during a potential acquisition.

We summarize our findings in a concise agreed upon procedures report tailored to assist our clients' individual

In conducting our due diligence for purchasing discounted notes, some of our considerations include:

- Partially-built construction/finish construction-in-progress
- Building Department violations and Certificate of Occupancy
- Litigation, including construction liens, third-party litigation with homeowners or between operating partners
- Tax arrears

*Since all projects are different; finding an advisor that you feel comfortable working with is key to your success

transaction needs. We are able to develop benchmarks from which one can determine the property's appropriate value. From this point, our analysis truly begins.

We assist clients with commercial property investment decisions by asking the right questions, assisting with the type of ownership structure and tax consequences. Whatever the situation, the Grassi Real Estate team can assist you in making smart, informed investment decisions.



For more information on Real Estate Due Diligence, contact Jed P. Dallek, CPA, MST, Partner-in-Charge of the Grassi Real Estate Practice at (516) 336-2430 or via e-mail at jdallek@grassicpas.com



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