



A Buildout Playbook

# The ultimate CRE transaction management playbook



A comprehensive, step-by-step guide to running silky-smooth commercial real estate deals.

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# The need for process

Your team has worked hard to get to this point — closing the deal.

After months of hard work: researching properties, analyzing opportunities, pitching owners, winning a listing, marketing it, evaluating offers, negotiating a deal, and signing an agreement, it's tempting to think that your work is done.

In some ways, the hardest part is behind you. Yet, there's still much more to do to push the deal across the finish line. Several pitfalls lie ahead that threaten to delay, disrupt or even derail the deal ... costing your team its hard-earned commission, or even worse, its reputation.

This playbook gives CRE transaction coordinators and managing brokers a comprehensive guide — consisting of step-by-step best practices — to managing and closing CRE sales and lease transactions — with your commission and your reputation intact.



Buildout Playbooks

# The three phases

For CRE transactions



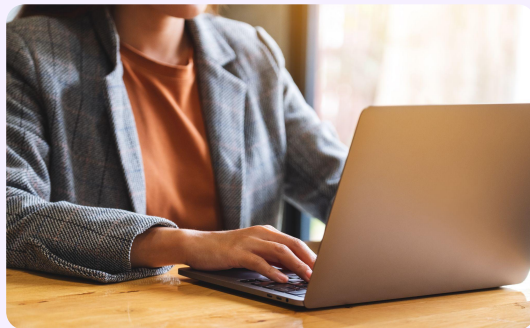
## Phase 01

# Pre-transaction prep

There are three main phases that every CRE deal goes through. As the name suggests, the first phase is all about getting organized and ready.

- **Prepare and review all vital documents:** contracts, financial statements, due diligence reports, and lease agreements, while also creating a checklist.
- **Communicate and start to coordinate:** Establish clear communication channels with all stakeholders: brokers, lawyers, inspectors, and your client, and coordinate due diligence.
- **Turn to technology:** Familiarize yourself with the tools and technologies for managing transactions.

Check, check, and check. Once you've completed these steps, you're ready for the execution phase.



### How can I use this playbook?

This playbook offers best practices and recommendations to improve a CRE sale or lease transaction. Feel free to borrow any of these ideas to build your own custom checklist to make sure your next transaction goes smoothly (and nothing is missed).



### How can I be an agent for change?

Many CRE brokers default to a standard approach to managing sales or lease transactions, but may overlook a few important steps. Carefully thinking through the entire process (and borrowing some of our suggestions) can help make your next transaction so much better.

## Phase 02

# Transaction execution

It's go time. You're ready for the main event. Follow these best practices to make your next transaction faster, easier, and more effective.

- **Be a connector:** Act as the hub between buyers, sellers, attorneys, lenders, and other stakeholders.
- **Develop realistic schedules:** Create a detailed timeline with critical dates and tasks.
- **Support negotiation:** Assist brokers by providing accurate information when needed.
- **Organize documents:** Set up a secure and organized digital repository for documents and stakeholders.

Following these best practices will ensure you'll avoid unpleasant surprises along the way.





## Phase 03

# Post-transaction review

Even after the ink is dry and the deal is practically done, there's still a long list of to do's before you can close the books.

- **Don't forget about documentation and compliance:** Review and archive documents to meet legal/regulatory requirements and save transaction details for future insights and comps.
- **Reconcile financial details:** Reconcile accounts, so all funds, including commissions, have been correctly disbursed.
- **Finalize the deal with all stakeholders:** Distribute a closing statement to all parties and get feedback.
- **Identify lessons learned:** Do an internal review to identify areas for improvement or lessons learned.

Tempting as it maybe be to skip the post-transaction review, following this best practices not only protects you but also arms you with valuable info for the future.



### How can technology help?

Deal management software – especially when tailored for CRE – helps teams stay on schedule and collect, manage and share the information, documents, and approvals needed to get across the finish line.

**A Buildout Playbook**

# Managing sales transactions

Now that we've covered the broad stages of CRE transactions, let's dig deeper into the specific details and best practices for managing a CRE sale transaction.

What's inside: Four deal closing stages and 40+ tasks for your next transaction.







Stage 01

# Initial review

Buildout CRE sales transaction playbook



## CRE sales transaction | Initial review

The stage for success is set during the initial review. You can avoid surprises by making a plan and scheduling all of the tasks that need to be completed.

1

**Collect documents:** Letter of Intent (LOI), purchase agreement, and preliminary title reports.

2

**Establish timelines:** Create a comprehensive timeline with critical dates and tasks such as due diligence deadlines, escrow timelines, and expected closing date.

3

**Review legal details:** Coordinate the initial legal review of the purchase agreement and other contractual documents to identify any areas of concern or required amendments.

4

**Review property details:** Acquire and review all available property details, such as property surveys, zoning information, and existing lease agreements, to confirm they match what is outlined in the preliminary agreements.

5

**Prepare for due diligence:** Such as inspections, financial audits, and environmental assessments.

6

**Identify stakeholders:** List all parties involved in the transaction, including buyers, sellers, brokers, lawyers, and other consultants, and establish their roles and responsibilities.

7

**Conduct a detailed financial overview:** Obtain and review any available financial records related to the property, such as current leases, income statements, or property tax records, to ensure they align with the terms of the deal.

8

**Assess the total risk:** Identify any potential risks or obstacles that could impede the transaction and develop a plan to mitigate these issues.





Stage 02

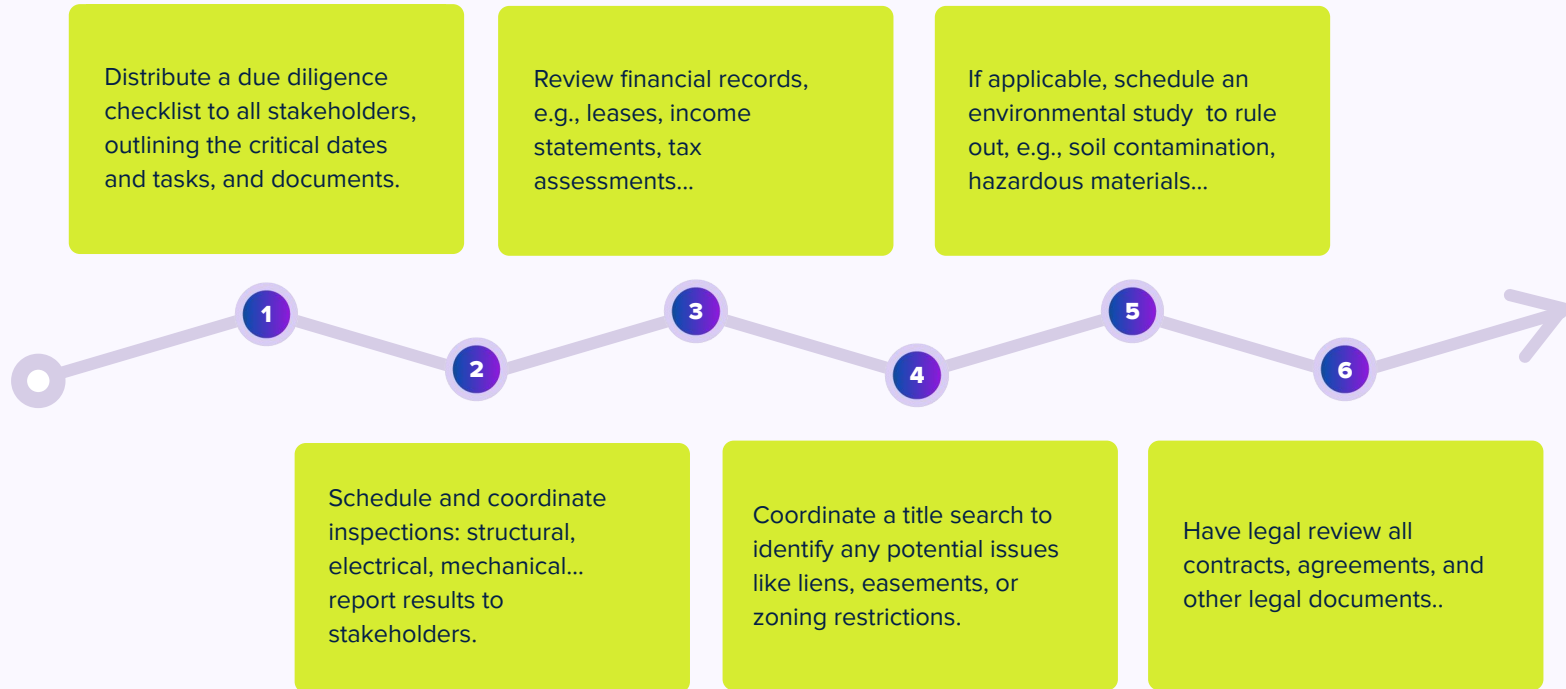
# Due diligence

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## CRE sales transaction | Due diligence

Due diligence is a critical step to ensure that all necessary examinations, inspections, and evaluations are conducted within the agreed timeframe. Below are the twelve steps of a comprehensive due diligence plan.





## CRE sales transaction | Due diligence cont.

Systematically managing all of these steps, minimizes risks and ensures that all parties have all the necessary information, contributing to a smoother transaction.







Stage 03

# Closing

Buildout CRE sales transaction playbook



## CRE sales transaction | Closing

In the closing phase of a commercial real estate sale transaction, it's crucial to ensure that all elements are in place for a successful close. Here's a breakdown of the steps involved:

Following these steps is the best way to dot those "i"s and cross those "t"s so nothing is missed!

**Tech tip:** **Get** **transaction management software** to simplify the organization, scheduling, tracking, coordination, and communication of information, dates and tasks to all stakeholders.

### 01 — Final documentation

Confirm that all necessary documents: purchase agreement, addendums, and disclosures, are complete and signed by all parties.

### 02 — Escrow coordination

Liaise with the escrow agent to confirm that all funds: purchase price and closing costs, have been received and are ready to be disbursed.

### 03 — Title transfer

Ensure the title company is prepared to transfer ownership of the property and that last-minute requirements, like obtaining a final title policy, are met.

### 04 — Financial reconciliation

Confirm all financial transfers have been settled: tax prorations, utilities, and other expenses to be divided between the buyer and the seller.

### 05 — Lease assignments

If applicable, coordinate the transfer or assignment of existing leases to the new owner.

### 06 — Utility transfers

Assist in transferring utility accounts from the seller to the buyer, ensuring a seamless transition.

### 07 — Final inspections

Schedule and coordinate any final inspections or walkthroughs that are required per the terms of the agreement.





Stage 04

# Post-closing procedures

Buildout CRE sales transaction playbook



## CRE sales transaction | Post-Closing Procedures

Even after the deal is done, there are still a lot of tasks to do. There's a surprisingly high number of things you still should be aware of, but your clients will appreciate each and every one.



**Key handoff:** Arrange for the handoff of physical keys, access cards, or security codes to the new owner or representative.



**Property transfer documentation:** Record deeds, bills of sale, and certificates of occupancy..



**Financial settlement:** Reconcile escrow accounts, disburse funds, and make payments to 3rd parties: inspectors, appraisers...



**Utility transfers:** Transfer utility services from the seller to the buyer, ensuring a seamless transition without interruptions.



**Vendor notifications:** Notify vendors and service providers of the change in ownership and coordinate contract transitions.



**Lease transfers:** If there are tenants, transfer lease agreements to the new owner and inform the tenants of the change.



**Warranty and service contract transfers:** Transfer any warranties and equipment service contracts to the new owner.

**Records management:** Hand over all records, including maintenance logs, renovation documents, permits...



**Closing statements:** Prepare a closing statement for both parties, outlining all the financial transactions and obligations met.



**Post-closing support:** Offer support for any post-closing questions or concerns that may arise, acting as a liaison between parties.



**Compliance check:** Ensure that all legal and regulatory requirements have been fulfilled and that all documentation is in compliance with state and local laws.



**Final reporting:** Report the closing of the transaction to the brokerage and to the proper authorities or associations..



**Document archival:** Securely archive all transaction-related documents as per company policy and legal requirements.



**Thank-yous and gifts:** Send thank-you notes or closing gifts as per company policy.



**Commission disbursement:** Ensure that brokerage commissions are calculated correctly and disbursed to the appropriate parties.



**A Buildout Playbook**

# Managing lease transactions

CRE lease transactions seem like they'd be similar enough to sales transactions that you'd be able to use the same process. But more often than not, they are different enough to warrant a distinct approach.

What's inside: Four stages and 30+ tasks to improve your next lease transaction.







Stage 01

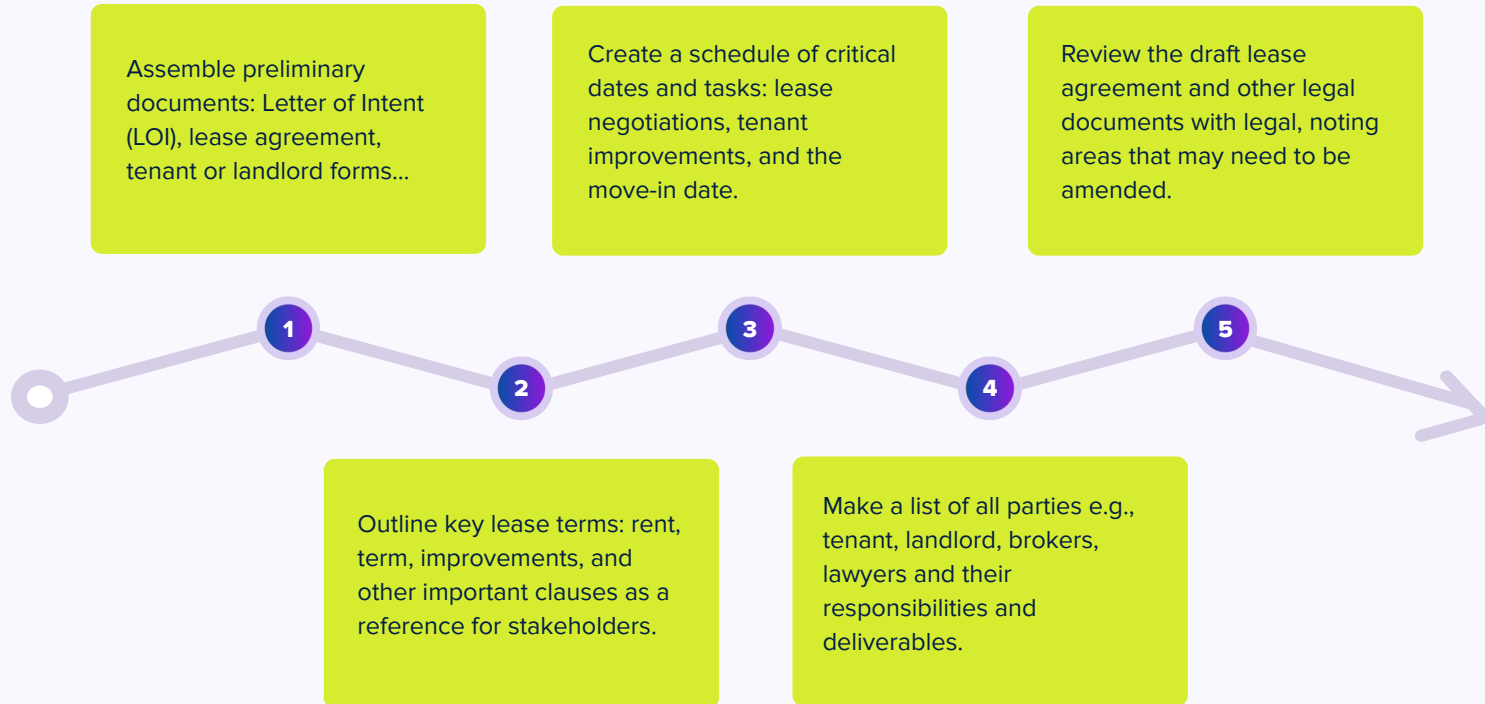
# Lease review

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## CRE lease transaction | Lease review

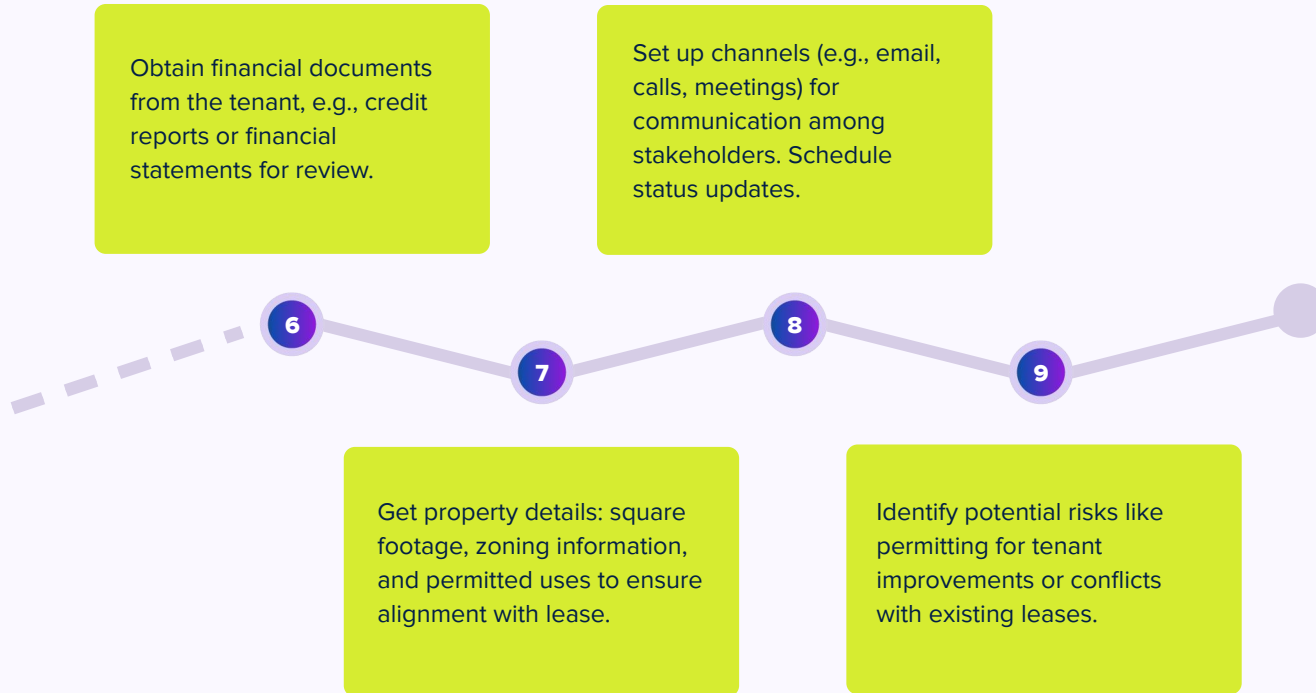
Lease review is a critical first step .... Below are the nine steps of a comprehensive due diligence plan.





## CRE lease transaction | Lease review

Lease review is a critical first step .... Below are the nine steps of a comprehensive due diligence plan.







Stage 02

# Tenant coordination

Buildout CRE lease transaction playbook

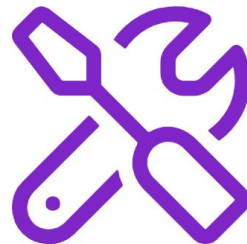




## Tenant coordination

# Managing a lease closing

Follow these best practices to make sure their concerns are factored into your closing process. There may not be many steps in this part of the process, but proactive communication with tenants is an important part of the process.



Coordinate with the tenant for any required build-outs or improvements.



Ensure all agreements regarding property modifications are documented.



Stage 03

# Closing

Buildout CRE lease transaction playbook



## CRE lease transaction | Closing

In the closing phase of a commercial real estate lease transaction, it is crucial to ensure that all final elements are in place for a successful close. Here's a breakdown of the typical steps involved:

Following these steps is the best way to dot those "i"s and cross those "t"s so nothing is missed!

**Tech tip:** **Get** **transaction management software** to simplify the organization, scheduling, tracking, coordination, and communication of information, dates and tasks to all stakeholders.

01

### Coordinate the closing

Work closely with attorneys, and other parties to ensure all necessary documents are prepared for closing.

02

### Finalize documents

Prepare all final documents, including any amendments to the lease and provide copies to all parties.

03

### Manage the funds

Oversee the movement of funds and facilitate the financial aspects of the transaction.

04

### Key handoff

Coordinate the transfer of keys, access cards, or security codes to the tenant or their representative.

04

### Don't forget the final checklist

Conduct a final review to ensure all closing requirements have been met, and documents are in order.





Stage 04

# Post-closing procedures

Buildout CRE lease transaction playbook



## CRE sales transaction | Post-Closing Procedures

Even after the deal is done, there are still a lot of tasks to do. There's a surprisingly high number of things you still should be aware of.

<input checked="" type="checkbox"/> <b>Transition assistance:</b> Aid in the smooth transition of property and necessary information.	<input checked="" type="checkbox"/> <b>Insurance verification:</b> Confirm that the tenant has acquired all necessary insurance as stipulated in the lease agreement.
<input checked="" type="checkbox"/> <b>Client relations:</b> Maintain open communication with clients to address any post-transaction concerns or inquiries.	<input checked="" type="checkbox"/> <b>Tenant onboarding:</b> Provide the tenant with emergency contacts, maintenance request procedures, building rules, etc.
<input checked="" type="checkbox"/> <b>Performance review:</b> Assess the efficiency of the transaction process and identify areas for improvement.	<input checked="" type="checkbox"/> <b>Property management:</b> If property management is involved, give them info needed to manage the tenant relationship.
<input checked="" type="checkbox"/> <b>Lease documentation:</b> Record, archive and provide copies of all signed lease documents to all relevant parties.	<input checked="" type="checkbox"/> <b>Compliance check:</b> Confirm the lease transaction complies with local and state laws, tenant protection statutes and rent control.
<input checked="" type="checkbox"/> <b>Security deposits:</b> Confirm that security deposits are collected, properly held, and documented per regulations.	<input checked="" type="checkbox"/> <b>Ongoing support:</b> Be available to answer questions. Serve as a liaison between the tenant, landlord or property management.
<input checked="" type="checkbox"/> <b>Utility setup:</b> Assist in setting up or transferring utility services in the tenant's name, if applicable.	<input checked="" type="checkbox"/> <b>Reporting and archiving:</b> Provide a final report of the transaction to the brokerage and securely archive all related documents.
<input checked="" type="checkbox"/> <b>Vendor coordination:</b> If services such as cleaning or maintenance are part of the lease, arrange with the tenant's move-in date.	<input checked="" type="checkbox"/> <b>Commissions:</b> Ensure that commissions or fees are properly calculated and disbursed to the appropriate parties.
<input checked="" type="checkbox"/> <b>Tenant improvements:</b> If the lease includes improvements, coordinate contractors to complete work per the agreement.	



# Ready to see how Buildout simplifies CRE transaction management?

**Book a demo**

or visit [www.buildout.com/tour/transacting](https://www.buildout.com/tour/transacting) to learn more



Buildout is the leading commercial real estate software for brokers in North America. The Buildout suite is trusted by over one-third of brokers to find, win, market and transact more listings faster, at top dollar.

**Learn more at [www.buildout.com](http://www.buildout.com).**