

ALLEN BUCHANAN

# Are you a seller or a dreamer?

One of the nasty by-products of a seller's market is an unrealistic owner — someone who is motivated by the price he will accept vs. the best price his property will fetch.



**Allen C. Buchanan**  
Contributing  
Columnist

Also known as dreamers, such sellers approach the market in this fashion: "Well, I understand my building has is-

sues, but I still want more than it is worth."

Commercial real estate professionals are then confronted with a problem: Do I accept the assignment to sell the building — albeit at an inflated number with all its fuzz — and hope the market will persuade him to be realistic? Or do I turn down the listing and hope I'm contacted if the first guy fails?

Because available buildings are so scarce these days, too many of us take the assignment, let the market activity be the bad guy and pray for divine

providence.

So to all you sellers of commercial real estate out there, before you send your broker into the market without a story — the reason for the price, the upside potential, a solution for the challenges — please consider the following:

Your broker is not a magician. Unless your representative is named Houdini, chances are he cannot remove a mystical rabbit from his hat — or find you the needle in the proverbial haystack. Buyers these days are savvy.

They are successful business owners or investors who understand risk. Generally, buyers are willing to be flexible and work around problems, but not if the other side is unrealistic in its expectations.

The valuation your broker gave you is accurate. Brokers are paid to close deals at the highest possible price in the shortest amount of time. Period. Why would we tell you your building is worth half what you believe?

Your broker has considered the challenges. Countless are the number

of buyer tours we conduct and the amount of feedback we filter. When you contend that "I know my roof needs replacement but I'm not willing to bend on my price," we've heard the buyer's comments. "Well, if the seller is unwilling to fix the roof or reduce the price, who is supposed to pay for that?" Listen to your professional. He is telling you the truth.

Credibility is at stake — yours and the brokers. When a building hits the market fraught with issues, the marketplace reacts in one of two ways

— wow! The seller must be smokin' the good stuff, or the broker must have puffed the price to persuade the seller to list with him. Either way is a loser. Typically, the universe of potential buyers simply ignores the new offering as unrealistic and unworthy of a second look.

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*Allen C. Buchanan is a principal and commercial real estate broker with Lee & Associates, Orange. He can be reached at 714-564-7104 or abuchanan@lee-associates.com.*