PHASE 1 — Define the Need

Why are we buying?

☐ Define the purpose of the acquisition
☐ Determine how ownership supports the organization's mission
☐ Compare buying vs. leasing
☐ Determine intended use: owner-occupied, investment, mixed-use, programmatic, future development, etc.
☐ Determine anticipated ownership/hold period
☐ Establish overall project budget—not just purchase price
☐ Determine acceptable level of financial and operational risk
☐ Identify any grant, donor, endowment, or other restrictions affecting acquisition funds

Create your "buy box":

☐ Geographic area/submarket
☐ Property type
☐ Minimum/maximum building size
☐ Minimum/maximum parcel size
☐ Purchase price range
☐ Parking requirements
☐ Accessibility requirements
☐ Public transportation/access considerations
☐ Visibility/signage requirements
☐ Zoning/use requirements
☐ Expansion potential
☐ Outdoor/open-space requirements
☐ Proximity to clients, employees, donors, partners, etc.
☐ Other "must-haves"
☐ Identify deal breakers

PHASE 2 — Build Your Team

Identify responsibilities before identifying a property.

☐ Executive Director/CEO
☐ Board/real estate or finance committee
☐ Commercial real estate broker
☐ Commercial real estate attorney
☐ Financial institution
☐ Tax advisor, if appropriate
☐ Title & escrow company
☐ Property/building inspector or engineer
☐ Environmental consultant
☐ Surveyor
☐ Appraiser
☐ Insurance broker

Establish decision-making authority:

☐ Who can negotiate?
☐ Who can sign an LOI?
☐ Who can sign the Purchase & Sale Agreement?
☐ What requires Board approval?
☐ Who can approve changes to price/terms?
☐ Who is authorized to close and wire funds?

PHASE 3 — Financial Preparation

Before shopping seriously:

☐ Determine available cash/equity
☐ Determine desired financing amount
☐ Obtain preliminary lender terms/prequalification
☐ Determine maximum purchase price
☐ Estimate closing costs
☐ Estimate renovation/build-out costs
☐ Estimate furniture, fixtures & equipment
☐ Estimate moving costs
☐ Establish contingency reserve
☐ Establish ongoing capital reserve
☐ Estimate property taxes
☐ Obtain preliminary insurance estimates
☐ Estimate utilities
☐ Estimate maintenance and repairs
☐ Estimate debt service

PHASE 4 — Property Search & Initial Evaluation

For each property:

☐ Location
☐ Purchase price
☐ Price per square foot
☐ Building SF
☐ Land area
☐ Building age
☐ Current condition
☐ Current zoning
☐ Current permitted use
☐ Potential future uses
☐ Parking ratio
☐ Ingress/egress
☐ Visibility
☐ Signage
☐ ADA/accessibility
☐ Public transportation
☐ Surrounding properties
☐ Planned nearby development
☐ Expansion/redevelopment potential
☐ Environmental history
☐ Flood zone or other natural-hazard exposure

For an income-producing property:

☐ Occupancy
☐ Tenant mix
☐ Rent roll
☐ Lease expiration schedule
☐ Tenant concentration
☐ Current rents vs. market rents
☐ Operating expenses
☐ NOI
☐ Capital requirements

PHASE 5 — Offer & Negotiation

☐ Determine offer price
☐ Prepare/submit LOI
☐ Negotiate purchase price
☐ Determine earnest-money deposit
☐ Establish due-diligence period
☐ Establish financing contingency, if applicable
☐ Establish appraisal contingency, if applicable
☐ Establish closing timeline
☐ Determine seller deliverables
☐ Determine what personal property/FF&E is included
☐ Determine possession date
☐ Address existing tenants/contracts, if applicable

PHASE 6 — Purchase & Sale Agreement

Have commercial real estate counsel review/negotiate the PSA.

☐ Purchase price
☐ Earnest money
☐ Due-diligence rights
☐ Due-diligence deadline
☐ Financing provisions
☐ Title/survey provisions
☐ Seller representations and warranties
☐ Property condition
☐ Environmental provisions
☐ Seller document-delivery requirements
☐ Closing conditions
☐ Prorations
☐ Default/remedies
☐ Casualty/condemnation
☐ Assignment rights
☐ Existing leases/contracts
☐ Closing date

Immediately after execution:

☐ Open escrow
☐ Deposit earnest money
☐ Calendar EVERY contractual deadline

PHASE 7 — Due Diligence

Legal / Title

☐ Order/ review title commitment
☐ Order/review ALTA survey

☐ Identify encroachments
☐ Confirm legal access
☐ Resolve title/survey objections

Physical

☐ Property Condition Assessment/building inspection
☐ Roof
☐ HVAC
☐ Electrical
☐ Plumbing
☐ Structural
☐ Fire/life safety
☐ Elevators
☐ Parking lot
☐ Drainage
☐ Landscaping
☐ ADA/accessibility
☐ Obtain repair estimates

Environmental

☐ Phase I Environmental Site Assessment
☐ Review prior environmental reports
☐ Phase II, if recommended
☐ Asbestos/lead/mold or other specialized review when appropriate

Zoning / Government

☐ Confirm zoning
☐ Confirm intended use is permitted
☐ Certificate of occupancy
☐ Building permits
☐ Code violations
☐ Future development potential

Financial

☐ Verify property taxes
☐ Insurance quote
☐ Utilities
☐ Maintenance expenses
☐ Service contracts
☐ Capital expenditures
☐ Operating budget
☐ Financing costs

For investment property:

☐ Verify rent roll against leases
☐ Review every lease/amendment
☐ Review tenant payment history
☐ Verify security deposits
☐ Review CAM reconciliations
☐ Review TI/LC obligations
☐ Review tenant options/termination rights
☐ Obtain estoppels where appropriate

PHASE 8 — Final Acquisition Decision

Before the due diligence deadline, present the findings to decision-makers.

Then decide to go, renegotiate, or terminate. If moving forward:

☐ Approve due diligence
☐ Renegotiate price/credit/repairs if warranted
☐ Obtain final Board/committee approval as required
☐ Document approval in minutes/resolutions
☐ Confirm authorized signatories

PHASE 9 — Financing & pre-closing

☐ Final loan approval
☐ Appraisal completed
☐ Execute loan documents
☐ Finalize entity/ownership structure
☐ Obtain required organizational resolutions
☐ Confirm insurance coverage
☐ Review final title commitment
☐ Review closing documents
☐ Review settlement statement
☐ Confirm closing/proration calculations
☐ Confirm seller repairs completed
☐ Final walkthrough

☐ Verify wire instructions independently to prevent wire fraud
☐ Wire closing funds

PHASE 10 — Closing

☐ Execute closing documents
☐ Execute loan documents
☐ Deed delivered
☐ Deed recorded
☐ Funds distributed
☐ Owner's title insurance issued
☐ Obtain final closing statement
☐ Obtain copies of all executed documents

Obtain from seller:

☐ Keys
☐ Access cards/fobs
☐ Alarm codes
☐ Building plans
☐ Permits
☐ Warranties
☐ Equipment manuals
☐ Tenant files
☐ Security deposits
☐ Vendor information
☐ Maintenance records
☐ Environmental reports
☐ Surveys
☐ Leases/contracts
☐ Other property records