

A **COMMERCIAL REAL ESTATE** GUIDE  
FOR RESIDENTIAL SALES PROFESSIONALS

# MAKE MONEY ON



MAIN STREET



**PHILIP A. OKUN**



Main Street commercial real estate is alive and well!  
*Make Money on Main Street* makes it simple to cash in on  
customers and contacts you already have. This book will  
become the residential agent's new assistant.”

—Kevin McClarnon, Former President  
National Home Finders, Signature Properties Inc.





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*Make Money on Main Street*

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*“The Lord gave the word and great was the company of those who published it.”*

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I would also like to acknowledge my parents, Harold and Theda, and my brother, Alan, for their love and support.

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## FOREWORD

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*Make Money on Main Street* was born out of frustration. After acquiring a few small “Main Street” commercial properties on my own, I found it necessary to enlist the aid of brokers to help me acquire more. What I discovered is that most brokers, commercial brokers included, had no clue on how to list and sell commercial properties. I would constantly get listings that were incomplete, missing pertinent details, including (believe it or not) accurate income and expense information. I did not expect local residential brokers to have these skills, as they were never taught them. I did, however, expect my commercial counterparts to put out a work product far better than what I was getting.

I also discovered that the residential brokers knew more about “Main Street” than they realized—and certainly more than their commercial counterparts. They live and breathe their communities and have a great understanding of what works in their town and why.

Hence, I had the idea that if I could share some of my knowledge with residential agents (and hopefully some commercial agents as well) the basics of listing, selling, and leasing commercial properties, they could enhance their income and pick up a segment of the market—not insignificant, I might add—that falls below the radar

scopes of larger, commercial brokerage houses. As I wrote the book, I found that I was enjoying sharing this knowledge and having fun doing it. Now that it is complete, I hope to follow up with my readers to see how effective this material has been. You may e-mail me at Philip@philipokun.com with any questions about the book or a transaction you are working on. I hope you enjoy reading and executing what you learn as much as I enjoyed writing it! Good selling!



## INTRODUCTION

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You are obviously entrepreneurial in spirit. Nine to five does not fit your lifestyle, and a fixed, hourly salary doesn't fit your budget. If you have been in the residential real estate business for more than three years, you have figured out how to make it work for you. It certainly is not for everybody. It's like the old boot camp scene: "Look left. Look right. By the time training is over, at least one of you won't be there." Working on commission takes guts, thick skin, and a real desire to succeed. It also takes plenty of knowledge in your chosen field.

This book is designed to take the skills and desire that you own already and help you generate additional income without affecting your core business. You are literally *walking* past opportunities every day as you park the car and walk to your office. You are *talking* with opportunities every day when you speak with customers who are listing or buying homes. If you absorb the information this book has to offer and apply it daily, you *will* increase your business base, thereby increasing your income.

About the only things residential real estate and commercial real estate have in common are the fact that there is a buyer, there is a seller, and a commission is earned for completing a transaction. After that, the two are as different as night and day. Buying a house is a very

emotional, subjective decision. Choosing which roof to put over your head speaks to the very core of our social structure—namely, the family. The size and shape of each room creates a reaction; the color of carpets, drapes, vinyl coverings, and paint speak to the potential buyer. They may be soothing to the purchaser, or they may be screaming at them. Every buyer will see each thing differently.

Buying commercial property is very *objective* and analytical. With commercial property, deciding to buy or sell a group of stores or offices is no different than deciding which stock or bond to add to your portfolio. You weigh all the factors—especially return—analyze upsides and downsides, you make a decision, and you execute it. If it suits you economically to change that decision, you change it. A year later, you may decide to sell the property because you can make a nice profit. Not so simple with the house little Jimmy grew up in, with the pencil marks by the doorframe still faintly showing his growth progress over the years. These indeed are very different transactions!

You do not need to become a commercial expert in order to be successful with the transactions this book will teach you. You just need a base of knowledge and a good understanding of some terminology and principles. Should commercial real estate truly be for you, you can take it further in the future.

*Make Money on Main Street* will teach you how to find, list, and sell or lease local commercial properties. Most of the time, the large, commercial brokerage houses are not even aware of these properties. They may also be too small to catch their interest. This creates an enor-

mous opportunity for you. You live your lives in these communities. You probably know many local business leaders already. You might be a neighbor of someone who is on the zoning board. Your child's coach could be a full-time accountant who owns some properties in town. You will be amazed what you see once you start to look. Combine that with knowing what questions to ask and how to get the information you need, and you are on your way. You will make more money and learn a whole new set of skills. Beginning is the hardest part. So let's take a stroll.









# A WALK DOWN MAIN STREET



Let's go for a walk on this beautiful afternoon. As we head out of the office and onto Main Street, what do we see? There are rows of stores grouped together. Some have three or four, and some as many as six or seven. Upstairs there are second-floor apartments or offices. Usually, parking will be on the street, or possibly there is a municipal parking lot nearby. Take notice as you walk. Look for the empty store or office. Jot down the information on the sign in the window. If there isn't one, use the tax maps to find the owner. If you spot an empty shop, you probably will have some ideas immediately on what would work in that spot. How many times have you or a friend said, "Gee. What this town needs is a great bakery or hair salon or hardware store?"

If you are outside the downtown district, you might find some larger strip shopping centers with their own parking in front or alongside of the group(s) of stores. There will likely be some vacancies with signs hanging in

the window. Maybe the owner is trying to rent it himself, or possibly a broker has been hired. Amongst the strip centers, we see some freestanding buildings. A pharmacy or an optical store would be a likely candidate—perhaps Mario’s Pizza or a local Chinese Restaurant. You may sight a small office building with two or three stories. Every single one of these represents opportunity. Your local knowledge, combined with some tenacity and this book, will help you earn money on Main Street!

The format of this book is to use a fictional example of each transaction type to illustrate to you how these deals get completed. All examples are mirror images of actual transactions that get made every day. In many cases, I have taken actual deals that I have done over the years and added fictional names.

