

## Commercial real estate - 10 Tips to Buying Real Estate

From the novice to the most accustomed purchaser, these 10 tips can help ease the process of buying commercial property and possibly save you time and money:

1. **Use:** Check the current authorised use of the property. If you cannot use the property for your intended purpose, this could halt your plans and better to find out early on. Normally the starting point would be the local planning authority and a simple online check can be carried out free of charge. Click [here](#) to find your local planning authority.
2. **Location/Infrastructure:** does the location of the property support your business needs now - and in the future? Are there (or will there be) good travel links, will any future development of the area inhibit the growth of your business (or contribute to it)?
3. **Survey:** Whether you are an investor or trader, depending on the area/location of the property, a structural survey is important to learn of any issues that may present in time, such as repairs or even pollution/contamination - leading to additional unbudgeted cost. Depending on the results, you may be able to negotiate the purchase price down with the Vendor to cater for any adverse issues.
4. **Valuation:** A valuation is important to confirm the price you are paying. You will want to ensure that you are not overpaying, especially in an uncertain climate which could see you move straight into a negative equity position.
5. **Structure.** If you are a corporate business owner, consider whether it is appropriate to purchase the property through a personal pension fund (SIPP/SSAS) and lease back to the company, maximising pension contributions and tax savings (CGT on future sale and corporation tax with rental output) or buying the share in the target company that owns the property.
6. **Heads of Terms:** it is always helpful to agree clear terms of the sale and purchase in principle. Although these terms are not binding, they are a useful point of reference which can be referred back to during the course of the transaction and help steer the deal through to completion.
7. **Professional advice:** early advice sought from a professional: a solicitor, surveyor/agent, planning expert or maybe an accountant/tax expert, can save you costs in the end and provide a good steer in terms of helping you negotiate the terms of the deal. This can avoid frustration later on between the parties and potential delay.
8. **Finance:** if you intend to use borrowed funds to finance the purchase, speak to your lender early on to avoid any delay in receiving approval. Existing clients of most commercial lenders should not normally expect too much of a delay in processing such a request depending on your relationship with your lender. New customers may experience a longer lead in time.
9. **Costs.** Don't be afraid to ask for a fixed price with your solicitor, or a cap. Most experienced real estate solicitors will be able to work with you to agree a budget depending on the type of transaction - although be aware that some matters may be excluded and limitations/conditions on any budget may be tightly imposed, for both the client's and solicitors' own sake. Be wary of very cheap costs estimates. You really do pay for what you get!
10. **Timing.** Give your solicitor a clear indication of your requirements for timing. Again, any experienced solicitor will be able to manage your expectations and will work hard to keep within the timing constraints.

### Contacts

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