

WHAT'S HAPPENING IN THE MARKET?

Inside: Commercial Sales Recent Activity...

CROSS CURRENTS >>>

2007
summer

■ A COMMERCIAL REAL ESTATE NEWSLETTER BY CAREY COMMERCIAL, INC. BUSINESS & INVESTMENT PROPERTY ■ www.CAREYCOMMERCIAL.com



Why You Don't Need a Broker

Most of the process of selling a business and or property is just plain common sense. Like going to Home Depot. You can save a lot of money if you can do it yourself. But then there's those wickedly counter-intuitive moments ...

Jones wants to sell and Smith hears about it. Jones takes Smith on a tour of the building and the business. Smith likes it so he asks Jones for his books. Jones asks his lawyer if he should give up the books and the lawyer advises him to "get an offer first". Smith says "how do I know how much to offer if I don't know how much it makes?".

Smith thinks to himself "Good Point". But he says: "But it's worth the price with or without the figures." Jones gives Smith a polite smile but that the last he ever sees of him.

Enter Kilroy, friend of Smith. He calls Jones and asks him the price. Jones tells him he is waiting for his accountant to advise him on the price. Kilroy says he wants to see the operation in the meantime and Jones shows him thru. The manager who has been with Jones for 18 years sees them. He has been told Kilroy is a college buddy but he can see that's not true. He secretly starts looking for another job with the competition.

Jones pays \$500 to a Texas company he found on the internet to value his business. After the check clears they tell him that the business is worth \$6 M. The gross income is \$600,000 and the net on paper is \$50,000. His accountant is excellent at tax matters. Jones assumes that since the Texas company sent him a three inch thick bound report with color charts and graphs the value must be accurate. Besides, he likes the sound of \$ 6 M.

Kilroy gets the books and hears the price. Jones calls to say he will hold the business for him while he decides. Kilroy is too polite to say the price is ridiculous. He just says OK. Jones waits a month to call Kilroy cause he doesn't want to seem anxious. Kilroy doesn't take his call because he's embarrassed. Two months later the manager quits.

So now Jones has to open the doors and man the phone from 9 to 5 every day while he interviews for a new manager for a business he doesn't really want to run anymore.

He calls his friend the residential broker with the big company. The broker reviews the books. He has never done this before but he doesn't tell Jones that. He had new cards made last week that say "commercial division" because residential sales slowed down. He heard once that a business is worth three times gross minus the inventory divided by two. So he comes out to \$1.9 M. Jones

now realizes that he can't retire to the Cayman Islands after all but gives him the listing anyway. They advertise it in the Sunday paper with a picture. Someone reads it and asks one of the employees how much the business costs. The employees meet in the lunchroom to discuss the business being for sale.

Meanwhile, the broker brings Levy through during business hours. A delivery truck pulls up while the broker is showing the loading dock. The driver is a friend of Levy. They exchange hellos. The driver mentions the well known business being for sale at each of the 59 other accounts on his weekly itinerary.

Levy wants to make an offer thinking he can use his 5 % down VA loan to get the money. That sounds great to the broker so he writes it up. The price is pretty good so Jones accepts after a mild counter. Levy calls the bank that runs the big ads. They don't do VA loans on Businesses or Commercial Property. Crash.

This could go on and on because the truth is that only 2 out of 5 business ever sell. No business sells by accident, and no business sells without certain elements being present in the preparation, marketing and finalization. We mean nothing personal against any of the amateurs that are getting paid for on the job training by unknowing sellers. We just think your biggest asset deserves a professional.

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CAREY COMMERCIAL
BUSINESS & INVESTMENT PROPERTY

A Commercial Real Estate Newsletter

146 MAIN STREET HYANNIS, MA 02601
of Cape Cod
Cross Currents

DETAILS OF COMMERCIAL PROPERTY SALES INSIDE

CROSS CURRENTS >>>

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Motel / Hotel



Sold

42 Units of the Waterfront 63 Unit Ocean Mist on South Shore Drive South Yarmouth sold March 26 for \$2.9 M. Patrick Butler of Hyannis represented the buyer. The transaction was arranged by Chuck Carey.

Admiralty Inn:

54 ROUTE 28 FALMOUTH, MA 02540
98 ROOM HOTEL ON 4.5 ACRES
SOLD FOR \$6.75M ON MAY 26, 2006
BY CHUCK CAREY

Sold

Pilgrim Springs

ROUTE 6A NORTH TRURO
40 UNITS, 2 OWNER'S APARTMENTS
& ONE EFFICIENCY ON 3.5 ACRES
SOLD FOR \$1.2M ON JULY 7, 2006
BY CHUCK CAREY

Sold

Recent Sales

Reported from the Barnstable County Registry of Deeds.

- Carleton Circle Motel 579 Sandwich Rd, Falmouth: 34 units on 2.657 acres sold 05/25/07 for \$1.35 M. The Seller held \$1.15 M of the purchase price.
- Orleans Holiday Motel at the junction of Route 6A and 28 Orleans: 45 units sold May 10, 2007 for \$1,175,000.
- 60 North Street, Hyannis: 5,670+/- SF office building on .36 acres occupied by Paine Webber. Purchased June 2007 by Cape Cod Life Magazine.
- 196 Old Townhouse Road, South Yarmouth: 2,770+/- SF split level office building in excellent condition sold for \$610,000 on March 23, 2007.

Office / Retail / Medical



Sold

West End Rotary Office Building:

776 Main St., & abutting vacant lot at 435 North St., Hyannis. 2,760 SF on .52 acres. Sold by Cecelia Carey on 01/30/07 for \$682,500



Sold

1,800 SF East Main St. Office

17 East Main St., W. Yarmouth: Office building sold for \$380,000 by Cecelia 10/2006



Sold

2,000 SF Medical Condo Unit

700 Attucks Lane, Unit 1-E Hyannis: Sold for \$395,000 January 2, 2007 by Cecelia Carey & Ali Maloney of Realty Executives



Sold

10,000 SF close to Exit 8

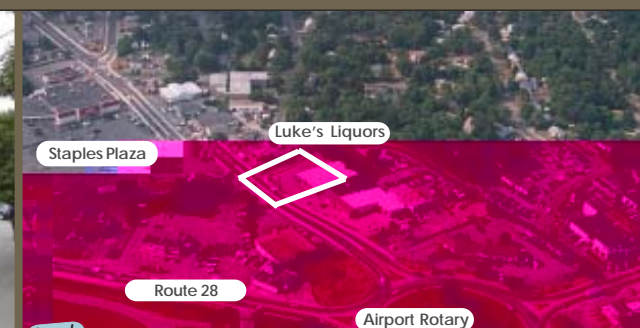
28 White's Path South Yarmouth: 10,000 SF mixed-use building sold for \$915,000 07/2006 by Cecelia



Sold

50 East Main Street, Hyannis

2,600 SF Medical Building on half acre sold for \$490,000 June 2007. The sale was handled by Cecelia Carey.



Leased

395 Barnstable Road, Hyannis: 7,100+/- SF plus full basement leases long term to Luke's Liquors January 1, 2007. Lesed by Paul Covell and Cecelia Carey.

Restaurant



Sold

Eastham Lobster Pool

4360 STATE HIGHWAY EASTHAM, MA RESTAURANT, SEAFOOD MARKET & LOUNGE. 175 SEATS ON 1.73 ACRES. LIQUOR LICENSE, STATE OF THE ART SEPTIC SYSTEM, HUGE PARKING LOT AND SECOND BLDG USED FOR RETAIL. SOLD FOR \$1.0M APRIL 17, 2007 BY CHUCK CAREY.



Sold

Speakeasy

SPEAKEASY RESTAURANT SOLD TO CUFFY'S 581 ROUTE 28, WEST DENNIS: 10,000+ SF BUILDING ON 5 ACRES SOLD FOR \$1.4M ON MAY 9, 2006 BY CHUCK CAREY

Business



Sold

Cape & Islands Glass

LOCATIONS IN SANDWICH, HYANNIS, ORLEANS AND MARTHA'S VINEYARD. BUSINESS & REAL ESTATE SOLD APRIL 6, 2006.

FINANCING WAS SET UP BY CHRIS RICHARDS OF THE COMMUNITY BANK. THE SALE WAS HANDLED EXCLUSIVELY BY CHUCK CAREY.



Sold

Yankee Survey

YANKEE SURVEY CONSULTANTS BUSINESS & FOUR CONDO UNITS AT 40 INDUSTRY DRIVE, MARSTONS MILLS SOLD BY CHUCK CAREY OCTOBER 30, 2006

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For Sale Now



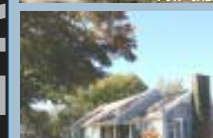
FOR SALE

10,000+ SF OFF EXIT 8
Mixed-Use Industrial/Retail/
Warehouse building on White's
Path, South Yarmouth/ 10,000 SF
w/5000 available for occupancy.



FOR SALE

EAST MAIN STREET, HYANNIS
Newport Mansion style interior,
Statement making exterior.
Located in medical district.
\$899,000



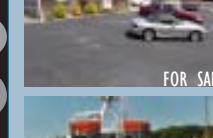
FOR SALE

HYANNIS MEDICAL BUILDING
1,240 SF Medical Building near
Cape Cod Hospital: \$399,000



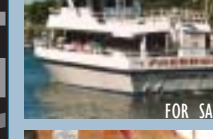
FOR SALE

AUTO SALES LOCATION
20 Bearse Road, Hyannis.
600 SF bldg w/parking on
.12 acres.
\$399,000



FOR SALE

CRUISE TO NANTUCKET
Freedom Cruise Line.
Route 28, Harwichport
Ferry & Real Estate for sale



FOR SALE

FINE WINE SHOP
A specialty fine wine shop with Key
West Character. Located on Main
Street in Harwichport.
\$499,000



FOR SALE

More listings available at our web site