

COMMERCIAL REAL ESTATE DUE DILIGENCE CHECKLIST



When you want to ensure you don't forget anything, a checklist can be very helpful. ***The purchase of a commercial property has many details and steps.*** This checklist covers the major topics and can inspire more exhaustive checklists for your team of experts.

- What is the intended use for this property?
- Will the property support future development plans? (parking, construction, access, zoning)
- What is included in the purchase of the property? (fixtures, vehicles, deposits, and so on)
- Who owns the subterranean or mineral rights?
- Does the property have any environmental issues?

- What is the current lease situation?
 - Are there any lease options against the property?
 - Are any of the tenants delinquent?
 - Do tenants have the option to extend the current lease?
 - Vacancies?
 - Expected vacancies in the future?
- Is the presumed seller the actual owner?
- Does the seller have the power to sell the property? Does anyone else have to approve?
- Current debt against the property?
 - Terms of current mortgage (balance, interest rate, repayment terms)
 - Other liens against property
 - Other requirements (minimum account balance, prepayment penalties, and so on)
 - Does lender receive a portion of the profits?
- Current appraisal
- Current inspection
- Land survey
- Copy of all leases