



Clark's LAWS PC

ATTORNEYS AT LAW

www.clarkslaws.com

57 West Main Street, Suite 220, Babylon, New York 11702

T: 631.669.6300 F: 631.669.6333

Making the Jump to Commercial RE

I see it happen to successful residential real estate investors all the time. They get to a point where they're doing a little bit of everything - working on rehabs, picking up some residential rentals to hold, assigning some of their contracts when the numbers make sense and looking at bigger deals. They're in a rat race, they go non-stop all day and night. They're doing well, financially, but then suddenly it hits them.

They left a job years ago, to live the good life and be a real estate investor, but they're not investing, they've just created another job for themselves.

It all started simple enough, buy a house, fix it up and sell for a profit. Rinse and repeat. Deal to deal, being tactical, but not strategic, taking it day-by-day, project-by-project. They know it could be different, they've marveled at all the really big names in real estate and they know it's commercial real estate that made them big. But it's a big unknown leaving that familiar residential world and making the jump to commercial. So how do you do it?

1. **Start Thinking Strategically.** This means planning with the end in mind. It's not about setting goals for 1, 5 or 10 years out. It means visualizing your perfect day - where are you? what are you doing? what do you have? Write down what things you need to do more of and what things you need to do less of to make that perfect day a reality. This isn't some airy fairy exercise, this is strategic planning with things like returns on investments, cash flow and market analysis. Trust me, the big guys do this regularly.

2. **Make a Personal Financial Statement.** Commercial real estate requires assets. Not just money in the bank, but assets that you can monetize. This simple document will give you and potential financiers a snap shot of what assets you have available to make it happen.

3. **Think Local First.** Before you decide to takeover some unknown town in the Midwest, it's best to learn the economics of commercial real estate in your own backyard. These are the places you drive through every day. Keep driving through them, but now you'll be observing commercial real estate projects, looking beneath the surface at what makes them work. The economic drivers are often the same, but it's a lot easier to learn them locally.

Obviously, there's a lot more to it than this, but this is how it starts. In a future post, we'll go into how you look beneath the surface, and how/when to pull the trigger on your first deal. Or, if you can't wait until then, feel free to give us a call and we can discuss how we can help you make the jump to commercial right now.

*Attorneys for landlords
and active real estate
investors.*

LEASING & EVICTIONS

WHOLESALING & ASSIGNMENTS

FIX, FLIP & REDEVELOP

RESIDENTIAL BUY & HOLD

COMMERCIAL BUY & HOLD

COMMERCIAL DEVELOPMENT

PARTNERSHIPS & JOINT VENTURE

SYNDICATION

ASSET PROTECTION

REAL ESTATE LITIGATION

LAND USE & ZONING

*"Do what you can, with
what you have, where
you are."*

Theodore Roosevelt



More Info?

Interested in hearing more about us and if we might be a good fit you. Here's how:

1. Give us a call at the office at 631.669.6300 and schedule a call with Jim Clark.
2. Send me an email at jclark@clarkslaws.com.

CLARK'S LAWS PC focuses exclusively on representing landlords and active real estate investors. We help clients reach their real estate investment goals, and seasoned investors preserve and enhance their real estate assets.

James E. Clark, Esq. is the principal and founder of the firm.

Jim Clark Family & Investment Update

Father's Day Message: What my son taught me about being a good lawyer.

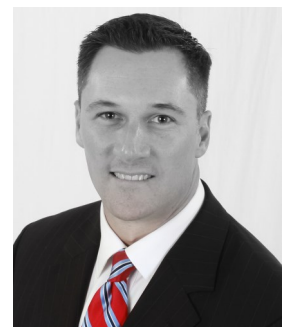
It was the first camping trip with my 6 year old son's cub scout troop. I had planned to use the opportunity to teach my son about "roughing it" and facing some fears.

Reaching our spot in the woods, his friends were busy setting up their tents, and he asked me: "Dad, where's our tent?" I told him that we didn't have one, we'll be sleeping under the stars. He looked nervous and asked: "We're just sleeping on the ground? Won't the animals get us?" I gave him some woodsman nonsense about us being at the top of the food chain out here, and then I also told him: "Don't worry about it, I'll be right there next to you the whole time, nothing's gonna happen to you." That response seemed to set him at ease, and we went on with the day.

That night we set out for our night under the stars. The only problem was, no stars, it was actually quite cloudy and by midnight, it was raining. There we were in the middle of nowhere, a fine mess I had gotten us into now.

I hadn't slept a wink so far because I had a weight of responsibility for this little boy like I never felt before, listening to every sound as critters scurried around the woods just beyond our sight, and now the rain. Luckily I had a small canvas tarp in my bag, and with him sleeping soundly, I draped it over him so that he stayed dry. I spent the night, soaking wet, just holding that tarp over my son. He went to sleep with 100% trust in me that I would keep him safe through the night, and so at that moment there was nothing else in the world for me to do but to keep that promise. By morning the rain stopped and he woke up and said: "That wasn't too bad. Good idea sleeping out like that, Dad." I stood there, water logged and dead tired. I set out to teach him some lessons that night, but inadvertently, the experience taught me more than I expected. It's not like we were in a life or death situation or anything, but he thought we were, and despite that he put his fate in my hands, trusting me to keep him safe.

He didn't realize it, but by placing that level of trust in me, it focused my attention on the singular purpose of keeping him safe and comfortable. The same feeling gets to me in law practice. Sometimes clients second-guess and worry, but others put complete faith in me, seemingly unaware of the perils swirling all around them. It's at that moment that I get that same weight of responsibility, that singular purpose to keep them safe and comfortable. When a client lets go in that way, and surrenders ownership of the outcome to my hands, it triggers that same paternal instinct that focuses my attention on the singular purpose of keeping the client safe and comfortable. For me, those moments are absolutely exhilarating.



-Jim Clark