THE ULTIMATE GUIDE TO COMMERCIAL REAL ESTATE INVESTING

By Brad Ahrens

President

For investors ready to increase the return potential on your next investment

INTRODUCTION

Investors with various levels of risk tolerance and investment goals can find opportunities in commercial real estate. Commercial real estate investments fall into a number of categories, including core, core-plus, value-add, and opportunistic, depending on the risk tolerance of the investor. Core investments are the least risky and opportunistic investments are the riskiest, with each category offering a varied amount of risk and return potential.

A risk profile is chosen by investors depending on their investing objectives, risk tolerance, and market conditions. Higher-risk investments could result in bigger profits, but they also carry more volatility and unpredictability. It's crucial to remember that real returns might vary greatly based on a number of variables, including the state of the economy, the performance of the properties, and the investor's strategy.

As a result, before selecting a category, investors should carefully consider their risk tolerance and investing goals. Each of these categories will be thoroughly examined in this guide, along with their risk profiles, potential rewards, and investment approaches. Regardless of your level of experience, this guide will arm you with the knowledge you need to choose wisely when investing in commercial real estate.

THE ACTIVE VS PASSIVE DILEMMA: CHOOSING THE RIGHT INVESTMENT STRATEGY FOR YOUR COMMERCIAL REAL ESTATE PORTFOLIO

DEFINING PASSIVE COMMERCIAL REAL ESTATE INVESTING

Concord Development Partners is aware that there are several ways to invest in commercial real estate, with the two main categories being active and passive. Active commercial real estate investing entails a greater level of involvement on the side of the investor, including the acquisition, management, and decision-making of real estate that directly affects its performance. The administration and decision-making are left to specialists in passive commercial real estate investing, which entails purchasing real estate assets through a third-party vehicle like a real estate investment trust (REIT), private equity fund or private real estate investment.

Compared to active investing, passive commercial real estate investing has a number of benefits. One advantage is that it requires less time and effort from the investor, allowing them to commit funds to the investment and delegate management to experts. Furthermore, passive investments allow investors to spread their capital across a number of real estate assets, markets, and investment strategies, providing better diversity. Long-term results may be improved and risk reduced thanks to this diversification.

BENEFITS OF PASSIVE INVESTING

We at Concord Development Partners think there are a lot of benefits to passive commercial real estate investing over other types of investment. For starters, passive investments have the potential to generate steady, long-term returns as well as capital growth. Investors can take advantage of the skills of seasoned professionals who specialize in the business by purchasing real estate assets through a private real estate investments, private equity funds or a REIT. Over time, this may assist to lower risk and increase profits.

"For starters, passive investments have the potential to generate steady, long-term returns as well as capital growth."

Comparatively speaking to other real estate investment strategies, passive investing can also provide more flexibility and potential liquidity, depending on the strategy. For instance, investors are often asked to commit their capital for a number of years when investing in private equity real estate investments, which frequently have a long-term investment horizon. In contrast, a lot of passive investments allow for the sale of shares on an exchange and offer more flexible investment terms.

To respond to market changes and achieve better investment outcomes over time, investors should carefully evaluate their own strategies and choose an investment approach that aligns with their risk tolerance and investment objectives.

TYPES OF PASSIVE COMMERCIAL REAL ESTATE INVESTMENTS

At Concord Development Partners, we are aware that there are numerous passive commercial real estate investment options, each with unique advantages and factors to take into account. Buying into a real estate investment trust is a common choice (REIT). A firm that owns and manages real estate assets that generate revenue, including apartments, office buildings, or shopping malls, is known as a REIT. Similar to purchasing shares of a stock, investors can purchase REIT shares on an exchange. Without having to personally own or manage the properties, REITs allow investors to invest in a diverse portfolio of real estate assets. Because shares may be purchased or sold on an exchange, they also provide liquidity.

A private equity real estate fund is yet another form of passive investment in commercial real estate. In order to buy and manage commercial real estate assets, private equity real estate funds aggregate money from several investors. These professionally managed investment vehicles are known as PEREs. Compared to REITs, private equity funds typically have a longer investment horizon and a higher minimum investment requirement, but they also have the potential to generate larger returns. These investments offer less liquidity than REITs because they are not traded on an exchange, and investors often need to commit their capital for a longer period of time. With our vast knowledge of both REITs and private equity real estate funds, Concord Development Partners is able to direct clients toward the investment strategy that most closely matches their objectives.

ASSESSING YOUR INVESTMENT GOALS AND RISK TOLERANCE

IDENTIFYING YOUR INVESTMENT GOALS

Establishing your investment objectives is crucial before making a commercial real estate transaction. Understanding your goals is essential to creating a winning investing strategy, according to Concord Development Partners. Start by deciding if you want to diversify your investment portfolio, generate income, or achieve long-term capital appreciation with your investment. Your investment objectives should complement your overall financial strategy and take into consideration your investment horizon and risk tolerance.

It's crucial to think about how investing in commercial real estate fits into your overall investment strategy after you've determined your financial goals. Consider how much of your portfolio you want to invest in commercial real estate, as well as the investment vehicle that will help you achieve your objectives. Concord Development Partners collaborates with clients to create individualized investment strategies that take into consideration their particular objectives and risk tolerances. You can significantly increase your chances of being successful in commercial real estate investing by matching your investment approach with your objectives.

ASSESSING YOUR RISK TOLERANCE

Determine your risk tolerance before making a commercial real estate investment. At Concord Development Partners, we think that creating a successful investing strategy requires an awareness of your risk profile. Start by determining how much risk you can tolerate in light of your particular situation, investing objectives, and overall financial plan. Your risk tolerance will vary depending on your age, income, net worth, and financial expertise, among other things.

It's crucial to think about how your risk tolerance relates to your commercial real estate investment strategy after you've evaluated it. Consider the asset classes in which you feel most comfortable investing, such as Class A office buildings, multifamily residences, or shopping malls. You should also think about the degree of portfolio diversification and whether you want to concentrate on a single investment or spread your risk across a number of different assets. Concord Development Partners can assist you in determining your level of risk tolerance and creating a personalized investment strategy that fits your objectives and risk tolerance. You can lessen the possibility of suffering unexpected losses in your commercial real estate investments by making investments in accordance with your level of risk tolerance.

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LEVELS OF RISK

In general, there are four types of risk profiles for investing in commercial real estate: core, core-plus, value-add, and opportunistic.

1. Core: Of all the commercial real estate investment categories, the core category carries the lowest risk. These are well-established, well-maintained properties that are situated in prestigious regions. Long-term leases with creditworthy tenants enable them to produce steady and predictable cash flows. Core investments often offer chances with low risk and modest return, with predicted returns ranging from 5% to 10%. The main source of these profits is consistent and reliable rental income.

2. Core-Plus: Investments in this category have a marginally higher risk profile than core investments, but they also have the potential for modest capital growth and cash flow expansion. To increase their worth, properties in this category might need to undergo some minimal maintenance or improvement. The predicted returns for core-plus investments range from 7% to 12%, which are marginally greater than those for core investments. The main drivers of these returns are moderate capital growth and cash flow expansion, which are attained through modest property management or enhancements.

3. Value-Add: Investments that require more active management and property enhancement are regarded as riskier than core-plus and core investments. To boost their worth, these properties might require considerable remodeling, repositioning, or leasing activities. The predicted returns for value-add investments, which range from 12% to 18%, may be higher than those of core-plus and core investments. Yet, in order to boost the property's worth through significant property upgrades, repositioning, or leasing initiatives, active management and active management are required.

4. Opportunistic: The riskiest type of commercial real estate investment is opportunistic. These investments involve real estate that needs major renovations, repositioning, or development in order to produce returns. They often have questionable cash flow prospects and are situated in developing or under performing markets. Investors frequently expect great returns in exchange for taking on significant risk when they make opportunistic investments, which need active and hands-on management. With predicted returns of 18% to 25% or perhaps higher, these investments are thought to have the highest risk/highest return potential. They call for substantial property upgrades, repositioning, or development with a questionable cash flow outlook.

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A risk profile is chosen by investors depending on their investing objectives, risk tolerance, and market conditions. More risk in investments could result in larger profits, but it also increases volatility and a degree of uncertainty. It's crucial to keep in mind that these are merely broad projections, and actual returns might vary widely depending on a range of variables including the state of the economy, the performance of the properties, and the investor's strategy. However, bigger returns often come with higher risk, so before selecting a category, investors should carefully consider their risk tolerance and investing goals.

DEVELOPING A DIVERSIFIED INVESTMENT PORTFOLIO

The development of a diversified investment portfolio is a crucial component of successful commercial real estate investments. By distributing your investment over a variety of asset classes and geographical locations, you can lower risk and improve your chances of achieving your financial goals. At Concord Development Partners, we work with clients to create specific investment plans that are tailored to their unique needs and goals. A well-diversified investment portfolio, in our opinion, should serve as the cornerstone of every investing strategy. While building a diversified investment portfolio, a number of factors, including asset class, geography, and investment horizon, should be taken into consideration.

Think about which asset classes — office buildings, apartment buildings, or shopping malls — are best suited to your investing goals and risk appetite. You should evaluate the location of your investments together with factors such as local market conditions, economic advancements, and demographic changes. Concord Development Partners has extensive experience identifying top-tier investment opportunities across a range of asset classes and geographies. By building a varied portfolio that is tailored to your specific needs, you can raise your chances of success in commercial real estate investing.

EVALUATING PASSIVE COMMERCIAL REAL ESTATE INVESTMENTS

ANALYZING POTENTIAL CASH FLOW

"Rental income, operating costs, debt service, and other sources of income and expenses should all be taken into account when examining cash flow."

One of the most important steps in assessing passive commercial real estate investments is to analyze anticipated cash flow. At Concord Development Partners, we think one of the most crucial factors to take into account when making a commercial real estate investment is cash flow. Understanding an investment's future cash flow will help you more accurately predict its possible returns and determine whether it fits your risk tolerance and investing objectives. Rental income, operating costs, debt service, and other sources of income and expenses should all be taken into account when examining cash flow.

You should begin by evaluating the rental revenue that the property is expected to provide in order to examine potential cash flow. This will depend on elements including the property's location, size, and quality as well as on market rents and occupancy rates at the time. The costs connected with maintaining the property, such as the taxes, insurance, utilities, and upkeep, should also be taken into account. The debt service on the property, including interest and principal repayments, should also be evaluated. You can estimate the investment's potential cash flow and assess its fit for your portfolio by taking into account all of these variables. Concord Development Partners has a wealth of knowledge in estimating future cash flow, and we can assist you in determining the cash flow potential of any commercial real estate venture.

UNDERSTANDING KEY METRICS SUCH AS INTERNAL RATE OF RETURN (IRR), NET PRESENT VALUE (NPV), AND EQUITY MULTIPLE.

While analyzing passive commercial real estate investments, it's crucial to comprehend important indicators including Internal Rate of Return (IRR), Net Present Value (NPV), and equity multiple. With the use of these indicators, investors can get a thorough understanding of the possible returns and dangers of an investment, enabling them to manage their money wisely. IRR is a metric for calculating an investment's rate of return that considers both the timing and size of cash flows. The net present value, or NPV, is a calculation of the total future cash flows related to the investment, discounted to account for time value of money. Finally, equity multiple is a way to quantify how much money investors have received overall relative to their initial equity investment.

> **"We examine possible investments and determine their viability for our clients' portfolios "**

By comprehending these crucial criteria, you can more accurately assess the possible risks and benefits of a commercial real estate investment. At Concord Development Partners, we examine possible investments and determine their viability for our clients' portfolios using these measures and others. We cooperate extensively with our clients to make sure they are knowledgeable and equipped to make wise investment decisions since we feel that a thorough understanding of these criteria is necessary for successful commercial real estate investments.

CONDUCTING DUE DILIGENCE ON INVESTMENT OPPORTUNITIES

When performing due diligence on potential investment possibilities, a passive real estate investor must have a solid understanding of important indicators like internal rate of return (IRR), net present value (NPV), and equity multiple.

In the commercial real estate sector, these measures are frequently used to assess the prospective profitability of an investment.

Internal Rate of Return (IRR), which considers the time value of money, estimates the possible return on investment over the course of the project. This metric computes the rate of return that would cause the net present value of the investment's cash flows to equal zero while accounting for the cash flows produced by the investment. The investment opportunity is more appealing the larger the IRR. Another important metric that considers the time value of money is net present value (NPV). It calculates the discounted present value of all anticipated cash flows at a given rate. A positive NPV implies that the investment is successful, while a negative NPV suggests that it is unlikely to produce a worthwhile return. The ratio of the total cash payouts to the initial equity investment is how Equity Multiple determines the overall return on investment. An investment opportunity that is more profitable will have a greater equity multiple. Passive real estate investors can analyze investment opportunities and decide where to put their resources by having a solid understanding of these measures.

TYPES OF PASSIVE COMMERCIAL REAL ESTATE INVESTMENTS

DIRECT INVESTMENTS

Direct investments, a well-liked kind of passive commercial real estate investment, give investors the chance to personally own and manage a property. With this kind of investment, investors can exert more control over the property's administration as well as its potential to produce revenue through rental income, leasing, or capital growth. Property kinds that can be included in direct investments range from multifamily units to retail, commercial, and industrial buildings.

One advantage of direct investments is the possibility for larger returns because investors can use their capital to invest directly in a building with the potential to produce significant cash flows and increase in value over time. Direct investments also give investors the flexibility to tailor their investment approach, including choosing particular property kinds and locations that match their investment goals. Direct investments can, however, be very time- and resource-intensive to handle, so it's crucial for investors to do their homework before choosing an investment. In general, passive real estate investors looking for more control over their investment portfolio and the possibility of substantial profits may find direct investments to be a compelling choice.

INDIRECT INVESTMENTS

Through a third-party management, indirect real estate investments give investors access to a diverse portfolio of assets, making them another sort of passive commercial real estate investment. Investing in private real estate funds, such as real estate operating companies, private equity funds, or REITs, is customary for this kind of investment (REOCs). A variety of advantages, including diversification across various property kinds and regions, expert management, and access to a wider range of investment opportunities, can be had from indirect investments in private real estate.

Since many private real estate funds permit investors to redeem their shares at predetermined periods, one benefit of indirect investments in private real estate is the potential for liquidity. Additionally, indirect investments can give investors access to bigger projects that they might not otherwise be able to participate in directly. Prior to making an investment in a private real estate fund, investors should perform adequate due diligence, which should include investigating the track record, investment philosophy, and fees of the fund manager. Overall, indirect real estate investments can add value to a passive real estate investor's portfolio by exposing them to a varied portfolio of properties and offering the chance for high returns.

PRIVATE EQUITY REAL ESTATE FUNDS

One sort of indirect investment in commercial real estate is private equity real estate funds, which concentrate on purchasing private real estate assets. The majority of the time, these funds are run by seasoned real estate investment specialists that seek for and buy investments with high return potential. Office, retail, industrial, and multifamily assets can all be included in private equity real estate funds.

The possibility for high returns is one perk of investing in private equity real estate funds, as these funds frequently have access to possibilities that regular investors might not have. Investors may also have access to a diverse portfolio of assets through private equity real estate funds, including those in various geographies and property kinds. Yet, there are risks associated with investing in private equity real estate funds, such as the possibility of higher fees and a lack of liquidity. Before making an investment in a private equity real estate fund, investors should perform thorough due diligence, which includes investigating the track record, investment philosophy, and fees of the fund manager. In general, passive real estate investors may find private equity real estate funds to be a compelling choice for gaining exposure to private real estate assets and potentially generating high returns.

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FINDING AND SELECTING PASSIVE COMMERCIAL REAL ESTATE INVESTMENTS

IDENTIFYING INVESTMENT OPPORTUNITIES

Researching the market and the available investment opportunities is essential to finding and choosing passive commercial real estate investments. Working with seasoned real estate experts who have a thorough awareness of the local market and access to a wide choice of properties is one efficient method for finding investment prospects. These experts can assist investors in locating suitable investment opportunities, investigating the properties, and negotiating advantageous conditions

Using online tools like crowdfunding websites and real estate marketplaces is another successful method for finding investment opportunities. A larger variety of investment options, including those that might not be accessible through conventional methods, are made available to investors through these platforms. Before investing in any online real estate venture, investors need do their homework properly. This includes looking at the platform's reputation, costs, and investment structure. In general, finding investment possibilities involves a combination of market expertise, experience, and a readiness to investigate novel investment options. Passive real estate investors can find and choose investment options that complement their investing goals and have the potential for substantial profits by consulting with seasoned specialists and using online resources.

EVALUATING INVESTMENT SPONSORS AND MANAGERS

A crucial step in the process of choosing passive commercial real estate investments is assessing investment sponsors and managers. The investment's sponsor or manager, who is in charge of selecting, acquiring, and overseeing the property, can greatly affect the outcome of the investment. Researching the background, credentials, and experience of investment sponsors and managers in-depth is one efficient evaluation approach. This may entail looking over their prior investments, speaking with other investors who have done business with the sponsor or management, and checking out their credentials and professional background.

The investment strategy and approach to risk management of potential investment sponsors and managers should also be taken into account. Investors should be aware of the sponsor's or manager's investment philosophy, including their expected returns, time horizon, and risk appetite. Investors should seek out sponsors or managers with a proven track record of controlling risk and handling market volatility.

In conclusion, choosing passive commercial real estate investments that are in line with an investor's goals and have the potential for high returns requires carefully assessing investment sponsors and managers. Passive real estate investors can make knowledgeable investment selections and meet their long-term investment objectives by completing rigorous due diligence and investigating the sponsor or manager's background and investment philosophy.

UNDERSTANDING INVESTMENT DOCUMENTS

Passive real estate investors must comprehend investment documents in order to manage their portfolios and make wise investment decisions. Several legal and financial documents, such as operating agreements, subscription agreements, private placement memoranda (PPMs), and disclosure documents, are frequently included in investment paperwork. These documents offer crucial details about the investment opportunity, such as the investment terms, the investment structure, the investment dangers, and the prospective profits.

"Passive real estate investors must comprehend investment documents in order to manage their portfolios and make wise investment decisions."

Working with knowledgeable real estate specialists who can guide investors through the documents' intricacies and ensure that they completely comprehend the terms and hazards involved with the investment is one efficient technique for comprehending investment documents. The investment documentation should also be properly read and analyzed by investors, who should also take the time to ask any questions they have and get any clarifications they require. Passive real estate investors can manage their portfolios successfully, make informed investment decisions, and perhaps generate significant long-term profits by comprehending the investment papers.

INVESTING IN PASSIVE COMMERCIAL REAL ESTATE

FINANCING OPTIONS

Financing alternatives can be quite important in determining if an investment in passive commercial real estate is successful. Traditional bank financing, which entails securing a mortgage loan from a bank or other financial institution, is one source of funding available to passive real estate investors. For investors with a solid credit history and a sizeable down payment, this can be a good alternative because it enables them to leverage the property and possibly boost their returns.

"Financing alternatives can be quite important in determining if an investment in passive commercial real estate is successful."

Private lending, which entails securing a loan from a person or private lending business, is an additional funding choice for passive real estate investors. For investors who might not be eligible for regular bank financing, this can be a flexible and effective choice because private lenders could be willing to take on greater risk in exchange for larger profits. As an added bonus, some private lenders might provide terms that are better than those provided by conventional lenders, such as shorter loan terms, lower interest rates, and more lenient repayment plans. In order to make wise investment choices and reach their long-term investment objectives, passive real estate investors must have a solid awareness of financing possibilities. Investors can find the best financing option for their unique needs and financial goals by looking at a variety of financing choices and consulting with skilled real estate specialists.

INVESTMENT MINIMUMS AND FEES

While assessing investment prospects, passive real estate investors should take fees and investment minimums into account. The minimum amount of money needed to invest in a specific opportunity is known as an investment minimum, and it can vary greatly based on the sponsor, investment structure, and asset type. Investors should carefully analyze investment minimums and make sure they have enough funds to meet the investment's requirements. Investors should also be aware of any limitations or restrictions related to the minimum investment amounts, such as lock-up times or early withdrawal charges.

Since they can significantly affect the overall returns of the investment, fees are still another crucial factor for passive real estate investors. Acquisition fees, asset management fees, and performance-based fees are typical costs related to passive real estate investments. The fee structure of an investment should be thoroughly reviewed by investors, who should also comprehend how fees are calculated and assessed. Investors should also be aware of any costs that can be incurred when they sell their investments or redeem them early. Passive real estate investors can make well-informed decisions that are in line with their investment objectives and potentially generate significant profits over the long run by carefully assessing investment minimums and fees.

TAX CONSIDERATIONS

Since they can affect the overall return on investment, tax concerns are a crucial part of passive real estate investing. The tax treatment of revenue derived from the investment is a crucial tax factor for passive real estate investors. Income from real estate investments may be subject to various tax rates and deductions depending on the investment structure. For instance, compared to income from direct real estate investments, income from real estate investment trusts (REITs) may be subject to lower tax rates and deductions. Investors should also be aware of any tax repercussions that could result from selling or otherwise disposing of their investment, including any possible capital gains taxes.

"The tax treatment of revenue derived from the investment is a crucial tax factor for passive real estate investors."

The use of tax-deferred investment vehicles, such as self-directed individual retirement accounts (IRAs) and 1031 exchanges, is another tax consideration for passive real estate investors. Significant tax advantages, such as the ability to postpone paying capital gains taxes and possibly experiencing tax-free investment growth, can be obtained by investors using these vehicles. Investors should be aware of the potential risks and disadvantages as well as the regulations and restrictions related to these vehicles. Passive real estate investors can create efficient tax solutions that complement their investment goals and may even maximize returns by carefully assessing tax implications and consulting with skilled tax advisors.

MANAGING YOUR PASSIVE COMMERCIAL REAL ESTATE INVESTMENTS

UNDERSTANDING YOUR ROLE AS A PASSIVE INVESTOR

Knowing your place and duties inside the venture is crucial for passive real estate investors. Passive investors often have a more limited role and are primarily responsible for contributing funds and collecting profits, in contrast to active investors who are involved in the ongoing management of the property. Passive investors, however, still have significant obligations, such as monitoring the investment's performance, getting in touch with the sponsor or manager, and complying to the terms and conditions of the investment agreement. Investors can contribute to the success of the investment and possibly realize significant long-term profits by recognizing their role as passive investors and carrying out their responsibilities.

Being realistic about your expectations and risk tolerance is another essential component of realizing your role as a passive investor. Although passive real estate investments can generate appealing profits, they also carry some risk and unpredictability. Before making an investment, investors should carefully consider the risks involved and make sure they are at ease with the amount of risk. Investors should also have a long-term view on their investment goals and be ready for the likelihood of volatility in the performance of the investment. Passive investors can make wise investing choices and possibly meet their long-term investment objectives by keeping a realistic perspective and being ready for potential hazards.

WORKING WITH INVESTMENT SPONSORS AND MANAGERS

A crucial component of passive real estate investing is collaboration with investment sponsors and managers. Sponsors and managers are in charge of managing the investment's daily operations, coming to important conclusions, and interacting with investors. Because of this, it's crucial for passive investors to carefully consider and pick sponsors and managers who have a solid track record of success in real estate investing. These managers should be knowledgeable, dependable, and experienced. This may entail performing in-depth due diligence on possible sponsors and managers, looking into their past performance and investing strategies, and evaluating how well they communicate with investors. Passive investors can take advantage of their experience and possibly realize significant returns on their investment by partnering with the appropriate sponsors and managers.

Maintaining effective communication and transparency while working with investment sponsors and managers is another crucial factor. Regular updates and information regarding the performance of the investment, including financial statements, reports, and other pertinent data, should be actively sought out by passive investors. Investors can also feel free to contact the sponsor or manager with any queries, complaints, or suggestions. Passive investors can stay informed about the performance of their investments and make well-informed decisions about their investment plan by maintaining open communication and transparency. Last but not least, investors must be aware of any potential conflicts of interest and take action to make sure that their interests are in line with those of the sponsor or manager. Passive investors can contribute to the success of the investment and possibly generate significant long-term returns by cooperating with the sponsor or manager.

EVALUATING INVESTMENT PERFORMANCE

An important component of passive commercial real estate investing is assessing investment performance. Investors should evaluate their investments' performance on a frequent basis to see if their goals and expectations are being met. The internal rate of return (IRR), which evaluates the overall rate of return generated on the investment over a certain period of time, is one important indicator for assessing investment performance. The equity multiple and net present value (NPV), which calculate the present value of all projected future cash flows connected with an investment, respectively, are two other crucial metrics that may be considered. Passive investors can make wise selections about their investment approach and possibly generate significant long-term returns by carefully examining these measures and gauging the success of their holdings.

Passive investors should take into account additional aspects in addition to an investment's financial performance that could affect how successful it is overall. Investors should evaluate factors including the caliber of the property management team, the state of the property, and the state of the local real estate market, for instance. Also, investors may want to think about any risks or difficulties that could arise from the investment and determine whether they are comfortable taking on these risks. Passive investors can make wise decisions about their assets and possibly meet their long-term investment objectives by adopting a thorough approach to reviewing investment performance and taking into account a variety of criteria.

"Passive investors should take into account additional aspects in addition to an investment's financial performance that could affect how successful it is overall."

CONCLUSION

Passive commercial real estate investing can be a useful method to diversify a portfolio of investments and possibly generate high profits over the long run. Investors can take advantage of the skills of knowledgeable sponsors and managers by making passive investments in commercial real estate through vehicles like direct investments, private real estate funds, or REITs, while avoiding the obligations and hazards related to active real estate investing. But, in order to make sure their investments are meeting their goals and expectations, passive investors must still complete exhaustive due research on new investments, carefully assess investment sponsors and managers, and routinely review the performance of their holdings.

Eventually, a deliberate and strategic strategy as well as a readiness to invest for the long term are necessary for successful passive commercial real estate investing. To attain their investment goals, investors should carefully assess their investment goals and risk tolerance, perform in-depth research and due diligence on potential investments, and collaborate with investment sponsors and managers. Passive investors may be able to take advantage of the many benefits of investing in commercial real estate and generate significant profits over the long run with the appropriate strategy and frame of mind.

OUR STORY

Concord Development Partners officially formed in 2018. However, the background and experience of the founding team goes back to 2000. With experience in real estate investing, property development, and an overall approach of project excellence, Brad Ahrens launched Concord Development Partners with a vision for purpose-built developments that serve seniors and consumers across the country.

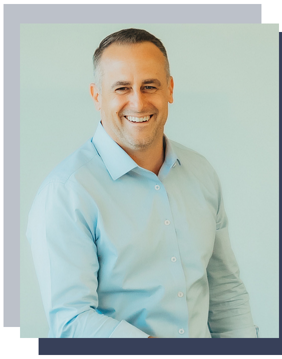
Driven by personal experience and with a goal of making an impact on the senior housing industry, Brad set out to use his real estate background to deliver state-of-the-art senior living communities. Brad built a team focused on investing in and developing Independent Living, Assisted Living, and Memory Care communities.

Since 2018, multiple projects across the Southwest have been designed, built, and opened serving seniors and investors with positive results.

In 2020, inspired by a vision and family legacy, the CDP vision expanded to include the development of key strategic industrial real estate projects. These industrial development expansion opportunities are designed to serve domestic essential retail tenants that meet their end user demand for quick delivery of everyday products and necessities.

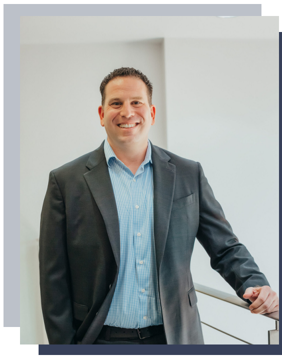
The Concord Development Partner story continues to unfold as we are always seeking opportunities in purpose-built real estate investments to serve communities and investors in harmony.

MEET THE TEAM



Brad Ahrens
President

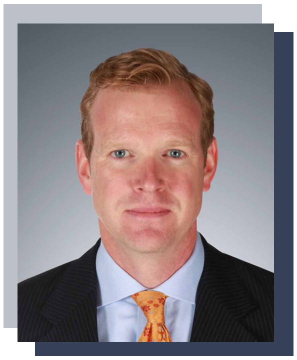
Brad began his real estate career in 2002, where he founded Coral Cove Investments, a funding model for syndicating real estate transactions. He created systems and procedures to allow for national acquisitions and short term dispositions. Since 2002, Brad has been involved in excess of $500M in transactions.



Joe Fineberg
SVP of
Business Development

Joe joined Concord Development Partners in 2021. As SVP of Business Development, he is responsible for the day-to-day operations of the real estate team, specifically providing services to all associates, pursuing new investment and development opportunities, and assisting with managing clients and strategic relationships.

MEET THE TEAM



James Nelson
Advisory Board

James Nelson is a Principal and Head of Tri-State Investment Sales in Avison Young's New York City office where he leads a group of 30 professionals in the sale of multifamily, office, development and retail properties. James most recently served as Vice Chairman of Cushman & Wakefield, where his team marketed over $1 billion in listings, ranking him as the number one Investment Sales broker nationwide in 2016.

Jarvie Worcester
Advisory Board

Jarvie joined Trammell Crow Residential (TCR) in May of 2016 and serves as the Managing Director for the Mountain States division, overseeing the 2,300 units ($600M of capitalization) the company has underway. Prior to joining TCR, Jarvie was the VP of Development for Real Capital Solutions in Louisville, CO, where he oversaw a $350M portfolio of multi-family, senior and student housing development investments.

OUR PARTNERS

CHASE

Colorado Business Bank
CoBiz Financial

confluent development

BOW RIVER CAPITAL

AVISON YOUNG

confluent senior living

REGENCY PACIFIC

Texas Capital Bank®

MorningStar SENIOR LIVING

JLL

Bentall Kennedy

Colliers INTERNATIONAL

CCIM

PGIM

Kayne Anderson Fund Advisors

ACKMAN|ZIFF REAL ESTATE CAPITAL ADVISORS

Real Capital Solutions

savills Studley

LEE & ASSOCIATES COMMERCIAL REAL ESTATE SERVICES

Lincoln Property Company

km Kidder Mathews COMMERCIAL REAL ESTATE SOLUTIONS

Marcus & Millichap

CUSHMAN & WAKEFIELD

WANT TO KNOW MORE ABOUT POTENTIAL OPPORTUNITIES WITH CONCORD DEVELOPMENT PARTNERS?

For qualified investment partners, we have a sample Proforma Report that outlines:

- A sample opportunity
- Investment summary
- Organization chart
- Expected investment cycle
- Potential funding schedule.

This will give you a more detailed look into how we approach a profitable investment opportunity.

Request a complimentary sample proforma and our partnering process by contacting the Concord Development Partners team today!

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