



## RECEIVERSHIPS PROTECT & PRESERVE PROPERTY THROUGH FORECLOSURE

As predicted, commercial real estate foreclosures have become a massive and growing problem for the industry in recent years. And with so many businesses and properties defaulting on their loans, it's more crucial than ever to protect and preserve properties that are going through the foreclosure process.

An increasingly preferred method of accomplishing that has been through the utilization of real estate receivers. These individuals are nominated by the courts to manage a property, as well as secure rental income, during the foreclosure process. Receivers are typically attorneys, but some are CPAs, property managers and developers.

In most cases, a receiver is appointed

at the same time a Notice of Default is served. Part of his or her job involves making a demand to the borrower for all documents related to the property and submitting a request to the borrower's bank to place a hold on their property bank account.

According to Stan Mullin, a receiver's agent who owns the Newport Beach-based company California Real Estate Receiverships, borrowers are obligated to provide receivers with all leases, plans, permits, environmental reports and any other documents that are needed to manage the property.

"Although the borrower retains title to the real estate property until either the foreclosure completes or a workout is affected, the receiver takes possession of the asset," Mullin said. "All rents are paid to

the receivership estate and bills to operate the property are paid by the receiver.

Mullins says brokers who list properties for sale with a receiver should let all prospective buyers know they will be required to complete extensive due diligence before the purchase can be finalized.

"Sales from receiverships are without representations, warranties or future rights to claims based upon property conditions," Mullins says.

Mullin also believes that by listing properties with receivers, brokers can utilize their services for helping them find contacts for post-foreclosure listings.

For more info regarding receiverships, contact Stan Mullin at [smullin@calrer.com](mailto:smullin@calrer.com).

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## THE BENEFITS OF A COMMERCIAL SHORT SALE

Just like residential short sales, those in the commercial market are also on the rise. Both can involve lengthy proceedings but commercial short sales generally move along much quicker than residential.

Another important difference between commercial and residential short sales is that a commercial note can be sold at a discount back to the owner. If the bank is agreeable to the discounted rate, it may allow the borrower to arrange more manageable repayment terms. In other words, a business owner can keep their company and receive all the benefits that a short sale buyer would normally receive.

Experts nationwide are speculating that commercial property loan defaults will ultimately be much larger than residential loan defaults. In the coming months and

years, a large number of commercial loans will reach their due dates and not qualify for conventional financing due to declining real estate prices. If the loans cannot be modified, the properties will either be sold as short sales or foreclose.

If a commercial property owner is considering a short sale, the recommended way to begin the process is to draw up a proposal and present it to the lender. The proposal should include a breakdown of expected foreclosure expenses, as well as any costs for repairs. A letter of hardship that explains the current and prospective financial future of the company that's defaulting also is an essential document.

This information will aid the lender in making a quicker decision and contribute to a stress-free transaction.

# SENIOR SALES ASSOCIATE MARCY MONACO'S SIMPLE SECRET TO BIG SUCCESS

Communicating via e-mails and texts are great, but GM Properties senior sales associate/property manager Marcy Monaco prefers to deal with her clients through a friendly phone call or a face-to-face visit. Marcy believes that despite all of today's technological advances for connecting, people still value service with a personal touch.

This philosophy is the foundation on which she builds her business and also is her secret to keeping her growing list of more than 400 customers satisfied and happy.

"I make a point to listen to what my clients' needs are and find solutions for them in a timely manner," said Marcy. "I think we still have a world where people prefer to talk to someone rather than send a text or e-mail."

Marcy says her phone line is open day and night for handling

problems or any other issue that might arise regarding a property. And if she is unable to accommodate a need or intervene in a crisis, her conscientious team members are always standing by.

"I have eyes and ears everywhere," Marcy said. "Being there for people is crucial."

In the coming year and beyond, Marcy says she and her team members are committed to continuing their unparalleled customer service and making sure everyone they work with knows how much they are valued and appreciated.

"Year after year, it's our number one goal to build strong relationships with our clients," said Marcy. "This not only benefits GM Properties, but also helps owners and their clients in their dealings as well. For me and my staff, helping people comes as naturally as breathing."



## Currently Leasing: Prologis Business Park

SE corner Slauson & Sorensen  
Santa Fe Springs, CA

Unit Sizes: 1,100 to 8,400 SF  
Competitively priced Class A property.

For additional information about this site or others, please refer to  
[www.gmpropertiesinc.com/available.html](http://www.gmpropertiesinc.com/available.html)

## Results from Fall 2010 Poll

How do you see commercial lease rates performing?

Bottoming out - 9%  
Decreasing gradually - 54%  
Decreasing greatly - 26%  
Increasing slightly - 9%  
Increasing greatly - 2%

**Team  
GM  
PROPERTIES**



*Jason*



*Marcy*



*Harry*



*Ben*



*Dustin*



*Matt*



*Brian*