

**BASELINE FINANCE**

# Commercial property purchases can be challenging, particularly when it's your first transaction.

First purchase | 18-month development timeline | No tenant secured at settlement



<p><b>CLIENT SNAPSHOT</b></p> <p><b>INDUSTRY</b> Electrical services</p> <p><b>TENURE</b> 9 years</p> <p><b>LOCATION</b> Neerabup, WA</p> <p><b>OBJECTIVE</b> First commercial property investment</p>		<p><b>BACKGROUND</b></p> <p>A growing WA electrical services business sought assistance with its first commercial property investment purchase.</p>	<p><b>MANDATE</b></p> <p>Secure funding for a development project with an 18-month timeline and no tenant in place at settlement.</p>
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**THE CHALLENGE**

The challenge was not simply obtaining approval. It was ensuring the clients understood the transaction, risks and long-term implications before proceeding.

- First commercial property acquisition
- Development project with an extended delivery timeframe
- No tenant secured at settlement
- Limited lender appetite for speculative exposure
- Financials needed to be clearly presented to lenders
- Need to preserve cash flow for a growing business
- Unfamiliar commercial property risks and structures

**WHAT WE UNCOVERED**

Without a tenant secured, lender appetite was narrower than a standard commercial property purchase. Baseline identified that the business case, cash-flow position and proposed structure needed to be presented clearly.

<p><b>1</b></p> <p><b>Educate</b></p> <p>Commercial property risks, lender expectations and development timelines were explained clearly.</p>	<p><b>2</b></p> <p><b>Test</b></p> <p>Around 10 lenders were engaged to assess appetite and structure options.</p>	<p><b>3</b></p> <p><b>Support</b></p> <p>The clients were guided from pre-purchase through to settlement.</p>
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**THE SOLUTION**

- 18-month support from assessment to settlement
- Commercial property education and risk guidance
- Introduced a better-suited accountant for ongoing support
- Competitive tendering to improve commercial terms
- Funding structured to protect business cash flow
- Decision support maintained through settlement

<p><b>On Time</b></p> <p>SETTLEMENT COMPLETED SUCCESSFULLY</p>	<p><b>Funded</b></p> <p>DESPITE NO TENANT IN PLACE</p>	<p><b>Preserved</b></p> <p>BUSINESS CASH FLOW PROTECTED</p>	<p><b>Strategy</b></p> <p>LONG-TERM PROPERTY PLAN ESTABLISHED</p>
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**FINAL THOUGHT**

Commercial property transactions often involve far more than finance. Baseline Finance helps clients understand the options, risks and structures involved.