

Buying a Commercial Property

What to Expect

1 Clarify the Property Strategy

- Why buy and how the property fits growth
- Owner-occupier vs partial lease
- Required features: power, height, access, zoning

2 Prepare Financials and Borrowing Range

- 2-3 years financials + BAS + ATO status
- Confirm profitability and stability
- Estimate loan size using DSCR
- Define a safe price bracket before shopping

IMPORTANT FOR COMMERCIAL LOANS

Unlike residential property, where you get pre-approval first, commercial lenders usually **CANNOT** provide a true pre-approval.

- Valuation depends on property type and condition
- Lease profile changes the risk and LVR
- Business occupancy mix and usage affect income and operating costs

Result: You generally put in the offer first, then complete lender assessment.

4 Valuation, Risk Review and Credit Decision

- Full commercial valuation ordered
- Business cash flow tested against the property
- Review leases, zoning, usage, operating model
- Approval often includes conditions and covenants

3 Offer, Then Seek Finance Approval

- Lenders need the exact property before committing
- Your offer should include a 30-60 day finance clause
- Get an indicative term sheet before signing, where possible

5 Finalise Purchase Meet Ongoing Requirements

- Mortgage, guarantees, legal documentation
- Bank may require annual financials and covenant reporting
- Notify lender before major tenancy or operational changes