



Real Estate: Turning the Corner

Stimulating the Commercial Market

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Certainly, everyone is now aware of the \$8,000 tax credit for first time homebuyers. Funded from the Stimulus Package, the measure aimed at the residential sector has brought tens of thousands of potential buyers back into what has been a depressed real estate market.

But few are aware of the Small Business Administration 504 Program, which has the potential to stimulate the commercial market as vigorously as the \$8,000 tax credit did for housing.

From the outset, Downer & Associates has been a leader in the field of the 504 Program financing and is getting results for clients both buyers and sellers.

This is not a new program, but one that was fully re-funded by the recent stimulus, said Benton

Downer. The program is designed for owner occupied businesses, to help them purchase their own space.

The requirements are fairly simple. First, the buyer must have as little as 10% for a down payment and second, the program stipulates that the owners occupy at least 51% of the total space, 60% if a newly constructed facility.

A purchaser can expand their space as long as they satisfy the 51% minimum space requirement, Benton remarked. The program can be used not only for office space, but also for retail or commercial space.

The term SBA has developed a bad connotation for many, conjuring up thoughts of mountains of paperwork and long waiting periods. There were also numerous fees tacked on to previous SBA

transactions. All of these problems, however, have been addressed according to Benton Downer.

The program is now set up so that the banks do most of the paperwork for you, he said. And the program is designed to close in 60 days. We've actually been closing sooner than that. In a recent transaction, we completed the entire deal in two weeks. In addition, most of the fees and charges have now been waived by the SBA.

The SBA 504 Program is a joint financing effort between banks and the SBA, with the banks financing 50% of the loan while the government provides 40% of the loan package.

Banks love it, said Mason Graham, an Associate at Downer. The program reduces their liabilities and gives them new markets to

engage. As a result, business owners can invest in their own real estate, increasing their prospects of making profits.

The rates are great, Benton added. In fact, this program offers rates at historic lows. Through this program, business owners can better afford to own their own space.

To find out how the SBA 504 Program can help you buy or sell office, retail or commercial space, call the 504 Experts, Downer & Associates, at 434-296-0545. The company's web site is www.downerandassociates.com.



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