

## NEWSLETTER



# EAST<sup>TO</sup> WEST

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**MORTGAGE & EQUIPMENT FINANCING**

## SUPPLY CHAIN ISSUES: EXPLAINING A SUBJECT THAT KEEPS THE WORLD WORRIED

We've been listening and watching the news circulating about supply chain shortages affecting global trade and impacting prices in Canada. It's been said that those supply chain issues and their consequences will be felt well entered 2022, but it's also been said that some issues did not originate but increased by the COVID-19 pandemic.

What are these issues? What was causing a stressed situation before the pandemic? Why did it worsen afterwards? [Click Here](#) to explore some answers and understand the problems businesses face and will likely have to endure in the upcoming months.



# THE MOST COMMON MISTAKES IN COMMERCIAL REAL ESTATE FINANCING

## **#1 Believing that commercial real estate's costs will be like residential ones.**

Purchasing expenses of commercial property are much higher than residential due to requirements like appraisals, environmental reports, and lender and broker fees. Additionally, legal costs from the lender and the borrower are on to the borrower's account.

## **#2 Thinking that the property's projections will convince the lender.**

The decision about financing an income-generating property will solely depend on its current net income and the loan amount that net income shows it can service. The lender will not consider any projections made by the borrower to decide on funding.

## **#3 Time underestimation.**

New real estate investors entering the market may think that a commitment to fund a commercial property can be finished in a couple of weeks. The reality is that additionally to obtaining the appraisal and environmental report, the entire process could take several weeks, depending on how long it takes to get the rest of the information the lenders request -the property's, personal, and corporate to their complete satisfaction.

## **#4 Wanting to develop a commercial property without specific experience.**

Commercial properties are different from one another. Having previous involvement in a certain kind of property development is not enough; developing apartment towers is not the same as warehousing construction or renewing a hotel. Business partners, established developers, and consultants with specific experience in certain projects are highly advised to ensure successful funding and completion.



## **#5 Consulting and trusting and inexperienced broker.**

A broker that just deals occasionally with a commercial mortgage is not the recommended go-to person. Structuring a loan request tailored for a particular lender requires an experienced and seasoned broker. Your broker must know what lenders are financing, what type of assets, and their rates and terms; even more, your broker must have the proper networking and connections to shop around your project and get you the best deal.