

Top 10 Resolutions for 2010: Real Estate and Construction

January 6, 2010

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2009 was an especially tough year for anyone involved in the construction or real estate industries. While the business climate may be improving, there are several New Year resolutions that you can implement that will help make 2010 a better year.

In a sentence, it's all about going green and saving money. So here are my top 10 recommendations for 2010:

1. Going green includes increased energy efficiency and taking advantage of available tax credits. In addition, buyers and tenants want sustainable projects. Incorporate green into your planning.
2. Any business considering expanding, moving, building, buying, renovating or hiring should ask what tax credits and incentives are available. A vast network of benefits has been created to provide a boost to the economy.
3. Contracts are all about reducing risks and staying on budget. Seek professional help with purchase agreements, leases, land contracts, options, and vendor agreements. Don't think that you can save money by "boilerplate" language.
4. Tax assessment notices will be mailed shortly to most owners. Given the decline in property values during 2009, carefully review property tax assessments and consider contesting an inappropriate property assessment.
5. For most businesses, even those who are sophisticated, insurance is a question of having it or not having it. Few realize that there are many important variations and options in coverage - and important exclusions to know about. Obtain a competent insurance advisor and have your policies carefully reviewed and explained in relation to your specific business and operations.
6. There are many things that can be done to reduce taxes through careful planning. Involve a competent tax advisor for any real estate transaction.
7. In today's world, financing is key. Know and understand the operative economic and other terms of your financing and be sure that you and your lender are on the same page. In all cases, know your options.
8. I frequently see businesses utilizing the same contracts year after year as if the world were standing still without change. However, laws change, experience teaches, and

businesses change. Don't assume that yesterday's contract will effectively protect you today. Refresh your contracts at least every year or two.

9. The "lean" project delivery system based on the Toyota Production System is beginning to enter the mainstream construction world. This method reduces waste, increases productivity, lessens risks and litigation, and improves satisfaction. I will have more to say about this in the future - but in the interim, find a good book on "lean" techniques and start reading.
10. Many municipal and other similar organizations are improperly imposing fees and charges that greatly impact the cost of real estate development. Question any new or unusual charges. A Washtenaw County developer recently had significant success doing so relating to a sanitary authority.