

MC SHANE & BOWIE P.L.C.

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For some, the tax appeal process can move quickly

Often, the results of a tax appeal are uncertain for months or years. However, for those property owners faced with bankruptcy, the process can be more expedient. Rule 505 of the Bankruptcy Code opens the door for the possibility of immediate property tax relief for

MORE THAN DIRT

INSIDE INFORMATION FOR WEST MICHIGAN COMMERCIAL REAL ESTATE PARTICIPANTS

Dear Bob,

Participation in today's commercial real estate market requires unprecedented awareness of unique market opportunities.

Attorneys at McShane & Bowie, West Michigan's leading real estate law firm, are experts in uncovering means for you to stretch your investment.

This alert reflects on several avenues to stabilize and potentially improve your commercial real estate holdings in the current challenging environment.

If you have thoughts or questions on any of these strategies, please call us at 732-5000. We look forward to serving your real estate legal needs.

those facing bankruptcy. Experienced counsel will provide you with an assessment as to the potential for a bankruptcy judge determining a reduction in property tax.

Are you seeking opportunities to buy distressed properties?

McShane & Bowie enjoys longstanding relationships with several area banks. Consequently, if you are interested in exploring the purchase of distressed real estate assets, we may be able to connect you with the banks who own such properties.

"In today's environment, our lending clients have attractive real estate that is in the form of financially distressed properties, said Dan Challa, the Managing Partner at McShane & Bowie. "We can inform our clients of those attractive properties and bring our clients together."

M&B clients are welcome to discuss those

Tax appeal activity stronger than ever

This year, McShane & Bowie saw commercial property tax appeal activity nearly triple the level of 2008.

"More and more property owners have experienced a huge correction in value from last year until now and that correction is not truly reflected in most assessments," said Bill Bowie, McShane & Bowie's partner who leads the tax appeal service. "Simply, rental rates for most commercial, retail and industrial properties are going down, so the value of the property is going down."

Bowie conducted three workshops this spring to help clients identify their potential for a successful appeal. Similar programs are planned for next year.

"Though the 2009 window for appeals has closed, it is not too early to begin thinking about an appeal for 2010," Bowie said. "Ideally, clients should begin the process in October."



Whether you like it or not, renegotiating leases is common these days

Currently, the commercial real estate market is loaded with available inventory. That means, for both the landlord and the tenant, renegotiating leases have become commonplace in our current economic environment.

These unique times offer key opportunities for both the tenant and the landlord. Consequently, it is critical to retain experienced counsel when navigating the renegotiation.

Although present market conditions generally favor the tenant, the potential for long-term extension and subsequent stability is compelling.

A lease renegotiation can be a "win-win" for both the tenant and the landlord if advised properly.



opportunities with their attorney.

Tenant payment defaults require systematic response

Perhaps, for the first time, you're faced with a tenant who is not meeting their lease obligations. What should you do? For starters, work through these steps -- based, of course, on the level of severity.

1. Communicate with them. Find out why they are not paying and what is their expected payment plan.
2. Explore alternatives for a new payment plan.
3. Seek experienced real estate counsel to discuss how to remedy the existing situation and increase the long-term viability of the lease.

It's best to begin these steps quickly after the first sign of delinquency.

For complete information on all of McShane & Bowie's attorneys and practice areas, visit www.msblaw.com or call 616-732-5000.