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National commercial services: A specialty where title and diligence converge

**By Ellen Kresback-Alvarez,
Sutton Land Title Agency**

I received an order for a \$60 million transaction in the Midwest. The transaction would consist of a sale of property described as an office park. While thinking that the description, "office park", was nothing short of an oxymoron - I, like all seasoned title people quickly realized that the premium would be significant. I ran through the list of stock questions, made small talk, and asked for a back title and the contract of sale, all the while trying to recall whether the property was located in a filed rate jurisdiction. Seems simple enough, right? Then I made the final inquiry, "so, is this a rush or do you need it yesterday?" Of course, "yesterday" was the answer I received. Why did I retain this transaction?

A cynic might say that political, personal, and financial relationships drive many of the placements of this type of business, and considerations of what is best for the clients are secondary. I do not deny the existence of this method of deal placement, because it is widespread and well known to those of us in this market; however, I

believe that true professionals look for more than good Yankee tickets behind the third base line, or a season pass to their favorite golf course. This market segment is unique. Few companies are fortunate enough to participate in any large measure. It is, therefore, not surprising that there is a lack of understanding on the part of many otherwise competent title professionals as to what goes into such titles and what qualities are required to successfully reconcile competing interests to facilitate a satisfactory closing.

A successful transaction is one in which our participation and involvement is that of a facilitator, not a party. We are the voice of reconciliation when needed, scapegoat when necessary, and risk assumer when warranted and paid for. We want to be remembered for the next deal yet to come, not for the transaction just completed. We offer the best possible pricing which can be negotiated in non-filed states, and provide the most comprehensive information for multi jurisdictional practitioners, as well as centralized escrow, settlement and 1031 services. Most underwriters provide for most or all of the above with the additional benefit of brick and mortar plants for lo-

cal support. Why then do insurers often fail to make a good showing? Insufficient or inadequate diligence is the most common cause.

The average single site contract provides for a diligence review period once evidence of title is provided to the contract vendee or upon full execution of the contract. To serve the client properly, the title company must order the examinations, all lien, litigation, municipal, tax and sundry searches. They then have the exam reviewed, abstracted, proofed against the contract or MOU in context to the transaction for completeness, and forwarded to the client. Obviously, this work requires exceptional knowledge in a broad sense as well as a specialization in deconstructing complex agreements against deal parameters to provide a transactional portrait on a tight schedule.

An in-depth understanding of related disciplines such as construction, zoning, subdivisions, to name a few, in addition to general real estate title and law is essential. A sound knowledge of financing parameters and banking needs are priceless, and is oftentimes unavailable. It is the integration of the results of the examination of

title with the applicable related disciplines and contractual parameters which, after interpretation, become a preliminary commitment to insure. We offer a transactional portrait, not just a property portrait. For this work to be meaningful, we must exercise coherence, resist raising broad based exceptions and requirements in an effort to "capture" anything that may come along on a deal, and remain true to delivering a level of performance the dollars demand; otherwise, we may find that the product delivered bears no resemblance to the deal at hand.

Why do I think I secured that office park in the Midwest? I believe that I successfully carry forward what I have learned through the years from so many exceptional title, banking, legal, and related industry professionals, while remaining innovative and flexible so that I can compete in an industry that has few, but monolithic players. I sincerely hope that as I continue to evolve these qualities will be reflected in the products I sell, and the transactions I close.

Ellen Kresback-Alvarez is a national commercial services divisional manager for Sutton Land Title Agency, Valley Stream, N.Y.