What You Need To Know When It's Time to Buy or Sell a Post Office

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While post offices continue to represent an excellent investment, the risk and concerns of owning a post office have expanded greatly. Not only is the constant threat of postal closings a concern, but also the participation of CBRE negotiating on behalf of the USPS has put more of the onus on the lessor to carefully examine the lease. In the past, a post office was easy to sell, profitable to buy, but the times are changing. The uncertainty of the USPS means uncertainty in the market for postal-owned properties. If you are in the market to sell your property, you need to understand what the changes implemented by the Postal Service mean to the marketability and profitability of selling your building. And, if you are in the market to buy a post office, you need to understand the challenges and changes that the new lease presents. When looking at a post office, there are three (3) components to consider: the lease, the building and the investment.

The Lease:

- Including renewal and purchase options, which affect value.
- Maintenance and tax reimbursement riders.
- The paying of a commission to CBRE.
- Any other expenses that the lessor is responsible for under the lease.

The Building:

- The condition and the age of the building itself and what expenses the owner would need to account for from a maintenance standpoint (i.e. roof and structural, major mechanical, etc.)
- The effect of the POStPlan on the building.
- The number of routes operated out of the building and the number of post office boxes rented/leased.
- The proximity of other USPS buildings.

The Investment:

- Tax consequences of buying or selling a building, including 1031 tax exchanges.
- The residual value of the building in the event the USPS vacates.