

The Coldwell Banker difference

Commercial real estate is truly a specialty. A commercial real estate transaction is a complex undertaking that involves thousands of details and interrelated tasks. It can be very difficult for someone without a thorough knowledge of the commercial real estate business to manage a transaction efficiently and without missing details that would result in unnecessarily wasted time and money. The commercial real estate industry, along with all of the rules and regulations that govern it, is very dynamic. Things can change so quickly that even seasoned professionals can fall behind if they are not diligent about staying current.

Clients sometimes compare commercial brokers to attorneys. When people (that are not legal professionals) have legal issues, they could try to represent themselves, but it's not a good idea. Without the vast knowledge and understanding of the minute details that a qualified attorney possesses, there's a high probability that details could be overlooked and costly mistakes be made. Good attorneys know the most current laws and the smartest strategies and tactics for addressing legal issues. An attorney is an expert consultant for legal issues, and a commercial real estate broker is an expert consultant for real estate transactions.

A commercial broker can represent buyers, sellers, landlords and tenants. So let's take a look at what a broker can do for sellers.

One of the most important benefits that a reputable broker offers a seller is effective marketing. Obviously, when sellers list properties, they need to get the word out to viable buyer prospects. This is how they reach the best prospects and they get the best price for the property. Unlike most property owners, quality brokers have a wide variety of marketing tools and resources at their disposal and the expertise to use those tools to maximize the exposure of the property to the target audience most likely to be interested in buying. Because a broker has these tools in place and uses them often, he or she will be able to run each marketing campaign efficiently and cost effectively. Marketing for-sale properties is something most brokers do practically every day, so the process usually runs like a well-oiled machine. Once the seller submits the details of the property, the broker will have it in the MLS system, on multiple internet real estate sites, and in all the right print publications almost immediately. In most cases, signs, flyers, email blasts, direct mail and other communications channels will also be used to enhance the campaign. In addition to the standard marketing channels, if a broker has been working in the area for an extended period of time, he or she has probably built up a network of relationships with clients, investors and other brokers that will result in some excellent leads.

An experienced broker may also have the talent and ability to look at the property from different perspectives and recognize variables that the owner didn't notice. A broker can frequently help the seller identify the highest

potential for the property based on factors such as location, square footage, property type and more.

Proactive commercial real estate brokers also will offer sellers ideas about the best way to utilize their properties. Understanding the variety of ways a particular property can be split or subdivided can expand the appeal of the property to a broader audience. A good broker will run scores of analytics to determine the true value of the property for a range of business scenarios, and then find the appropriate target buyers.

The bottom line is, a commercial real estate broker is a specialist that has the tools, knowledge and connections to help sellers locate buyers efficiently and cost effectively.

A lot of commercial real-estate buyers (and even some inexperienced brokers) have the misguided notion that buying commercial real estate is a very simple process, and that there are only a couple of pieces of information needed to find a “good buy.” If a broker only asks, “What type of business is it and how much square footage do you need?”... then go find another broker. That’s like a doctor asking you what medicines you need. If a buyer is telling the broker what he or she needs, then that broker isn’t offering much value. A good broker will serve as a proactive consultant and guide the buyer to the best possible options – and the way to reveal the best possible options is with a thorough investigation fueled by questions. A broker should be asking many questions to learn as much as possible about the buyer’s business and needs.

While the “right” questions will differ depending on a wide range of variables, I’m going to use this article to highlight many of the most common and necessary questions to give you an idea of how many factors and details go into a quality buyer analysis.

A few buyer/tenant analysis questions:

- What type of business will you operate in this location? More specifically, how will you be using the space?
 - Do you need separated spaces to perform different operations?
 - Is this a new business or do you have a good sense of gross annual income so we can determine a range of affordability?
 - How many staff members do you have and expect to have going forward
 - Where does your staff live?
 - Will you or your staff be traveling often? Will you host many out-of-town clients?
 - Will you need easy access to the airport or main highways?
 - Are you planning to expand? Do we need to plan for growth?
 - Will you and your staff be in the office every day?
 - Will customers come to your physical location?
 - Do you need to be in a high visibility location?
 - Are area demographics important to your success?
 - Are aesthetics important for the exterior and interior?
 - How much parking will you need?
 - Will you be running computers and copiers that generate heat?
 - Will you need conference rooms?
 - Are there industrial and warehousing needs?
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- Will there be noise concerns with your production process?
 - Will you need special access roads and loading docks for large delivery vehicles?
 - How will you move your products?
 - Are there special transportation needs – roads, railway or river?
 - What are your communication and Internet requirements?
 - What are your power requirements?
 - Are there waste disposal concerns?
 - Is it a volatile business that might experience rapid fluctuations in business and staffing?
 - Can we find you tax incentives to locate in specific areas?

This short list represents the tip of the iceberg. Depending on the type, size and requirements of a business, there could be hundreds of questions to answer before the actual search begins. Remember, effective brokers are not trying to sell you on a location, they are trying to get a clear understanding of your business and match your needs with the best “win-win” solution.

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