



Time to review 2011 and rev up for 2012

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It was certainly not business as usual, but we have seen plenty of deals being done in 2011. The regional banks are lending as are the credit unions. Underwriting is still tough with typically a 30% down payment required and a debt service ratio buffer of at least 25%. 2011 did see an increase in the loan amounts for SBA loans, which are readily available for owner operators or investors provided they will occupy at least 51% of the building themselves.

How did you do in 2011? Some of my agents have had their best year ever; others are singing the blues, blaming the economy for their lack of production. At this time of year be critical of yourself, what did you do well, and what can you do better?

Analyze your 2011 business, where did it come from: referral fees, listing sides, and sale or lease sides? Track your success rate. How many listing presentations did you make, how many became exclusives, of those how many of the properties were sold or leased? If you're not happy with your success percentage maybe you need to rework or update your listing presentations.

How many new customers did you service in 2011? How many showings did you go on? How many of your customers actually bought or leased from you? If this is a challenging statistic to you, consider, do I always interview my new customer at their existing location so I can see, touch and feel their operation and real needs? Do you show them everything that is available in your market area and let the customer decide?

Of all of the ways you build your business what worked best this year: target mailings, referrals, networking, trade shows, cold calls, leads groups, advertising, or website marketing? Albert Einstein defined Insanity as "Doing the same thing over and over again and expecting a different result." You must track your business to see what is working and what is not.

To be successful in 2012 you need to have the right attitude, understand the numbers have a plan and follow your plan. Attitude is everything; you must meet every client and customer with enthusiasm, confidence, demonstrate your market knowledge and be the winner they want to hire.

How much money do you want to make in 2012? Figure out what you net on a typical sale and lease in your market and determine how many sales and leases you need to close to accomplish your monetary goal. If you need to sell or lease 12 of your listings, recognize that perhaps half your listing will not be sold or leased; so you need 24 listings for 12 to close. Not every listing presentation you go on will end up an exclusive, again maybe half will; so in order to have 24 exclusive listing you may need to go on 48 listing presentations (say one a week). This becomes the basis for your production planning. Plan what you have to do each month, each week and each day to reach your goal.

In most of our area we have reached the pricing bottom in 2011, growth will be slow but positive. Banks are lending, buyers and investors are ready, prices are the lowest in 5 years. 2012 is going to be a great year for commercial real estate brokerage. Get ready! Create a plan for success today.

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