



The commercial classroom: Are you ready for the 2011 market?

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This column is offered to help educate agents new to commercial and investment brokerage and serve as a review of basics for existing practitioners.

Are you ready for the 2011 market?

It's the time of the year to think about goal setting-forecasting what you expect to achieve in 2011; business financial goals and your personal life goals. Goals must be thought about and then written down to really sink into your mind. Once a goal is set, a plan must be developed to achieve it. In real estate, the plan to achieve your monetary goal historically focuses on how many listings do I need, how many sales, leases etc., which is then broken down by year, quarter, month and weekly activity required. This is still a good place to start your planning.

Given today's business environment we need to look beyond just the numbers at the reality of the 2011 market-a market that we hope will show signs of economic recovery and growth. A market where consumers, through the Internet, can know almost as much about a local market as the agent does. Our potential clients and customers have experienced business and financial challenges for the last few years; they will be careful and cautious in their business decisions.

We start 2011 with a slow availability of financing, tightened underwriting, down payments still required at 30% to 40%, with debt service ratios of 25% or more. But, we are seeing money start to flow and for "user" clients the SBA programs are better with 10% down still possible. With CAP Rates still rising investors are buying! In most markets in the Northeast we are seeing solid leasing activity and positive absorption.

Real estate has always been a people business. To succeed in 2011, we must focus our skills on people. Finding new "people" is the first step but then we must convert them to clients and customers. This is done by demonstrating our superior market knowledge and communication skills.

Market knowledge

Assume your client knows every listing that is posted on the various web sites (you both have this information); what can you tell them they cannot find out for themselves? Do they know local zoning rules or proposed changes, mortgage requirements, about capital gains taxes or 1031 exchanges? County or state economic growth programs, available tax credits, energy rebate programs, what can you tell them about green building concepts or green leases?

Communication

Assume everyone is high tech and wants the answer NOW! When you list property, interview the owner, get the answer to every question the buyer or tenant may ask at the time of listing. Be sure you are ready to communicate at every level. How are your texting skills, you check your e-mail how

many times a day?

More than ever we need to get out into the community speaking with business and building owners. We must devote some time each day to expanding our own knowledge base. We must be excellent communicators, having the knowledge and getting back to our consumers as fast as possible. That's what it will take to be successful in 2011. Good luck!

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