



The commercial classroom: Interviewing a tenant or buyer

July 14, 2014 - Front Section

This column is offered to help educate agents new to commercial and investment brokerage and serve as a review of basics for existing practitioners. This needs to be done at their existing location so you may observe their current operations. There are five key areas of concern: Why moving; physical requirements - now and future; pain and pleasure issues; loyalty and authority; and financial strength. Some examples of questions follow.

Why Moving * Why is the company relocating? * When will they need to take possession? * When does their existing lease expire? * Are they buying? Desired moving date? Do you need to sell another building first? Are they doing a 1031 exchange? * Would they consider leasing/buying more space than they need? To rent out surplus.

Physical Requirements * Where is the company looking to locate? * Why? * Would other areas be considered? * How much space is needed? * How configured? * Storage requirements? * Number of employees? * Parking - employees, customer spaces? * What would be the intended use? * What are your future plans? Where do you see your company in two/five years? What else is important to you? * Space Plan (layout) - View * Easy Access * Public Transportation * Amenities - Cafeteria, Health Club, Child Care * Visibility - Signage * Employment Pool (for future employees) * Proximity to Customers * Green - energy efficient building

Pain and Pleasure * Any issues with your current space (roof leaks)? * Where do your employees come from? Will any employees leave your company due to the move? * What do you like least about this space? * What do you like best about this space? * If you could describe the perfect office/store/factory layout what would it look like?

Loyalty and Authority * What other properties have you looked at? * Why did you not consider them? * Who should I be in contact with to show you space? * Who will make the final decision? * Who is authorized to sign my Tenant Representation or Buyer Broker Agreement?

Financial Strength * What are you paying for your space now? * Any additional rent costs (taxes, CAM charges, utilities, other)? * What have you budgeted for the new space? * How is your business doing financially? * Sellers will want to see proof of funds. * Landlords will want to see three years financials. Gather as much information as possible. Conclude the interview by asking about their expectations. What are the three most important objectives that you have as pertains to this move? Then evaluate, do I want to work with this client? Does the client have a realistic budget and expectations? How much time will you need to devote to completing this assignment? What is the commission potential from this assignment? Be prepared to demonstrate why they should hire you as their exclusive representative (tenant or buyer).

Edward Smith, Jr., CREI, ITI, CIC, RECS, GREEN, MICP is the northeast regional director of Coldwell Banker Commercial NRT, Syosset, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540