



The Commercial Classroom: Growing your business: It is who you know! - by Edward Smith

June 06, 2017 - Long Island

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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.

They say now that 80% of real estate buyers go to the internet first. Certainly the residential seller's perception is that in order to sell their home they have to get it online. A local MLS may have commercial listings, but the majority of commercial properties that are listed, are on "national" websites like Loopnet, CoStar and NAR's CommercialSearch. Commercial buyers and tenants look on the internet too, but depending on the market 25% or more of the opportunities are not listed online.

Agents must develop relationships with the other commercial brokerage firms that service their market. Many firms circulate a monthly exclusive list to other brokerages. Meet as many other commercial agents as possible and add them to a mailing list in your computer; contact their firms and request to be added to their distribution list. You will start receiving "inventory" and be able to share your listings. When you have a requirement, call these other agents, they may have an "open" listing that fits your client's needs. Go to commercial "open houses" to meet more agents. Join any commercial organizations in your area; add the roster of members to your distribution list.

In order to be a successful commercial agent you need be able to find unlisted available properties. Agents may be specialists in a certain type of property (office, retail, industrial, or other categories) or in a specific geographic area. You need to systematically meet all the building owners and tenants in your chosen market. A good starting point is to join the local Chamber of Commerce or a Service Club (Rotary, Lions, Kiwanis or others) where business people mingle. To get known volunteer; become active in any organization your join.

As part of your daily prospecting visit two buildings or businesses a day. Meet the tenant or owner, introduce yourself and gather information. Do they own or rent (what is the expiration date of their lease); what is the size of the unit or building; how is their business doing (will they need more or less space in the future) and any personal information they may share with you. Get their email

address.

Enter this data in your computer several ways. Create a list of building owners email addresses (consider them investors) and a list of tenants emails by size (i.e. Retailers in 1,000 to 2,000 s/f, office users in 4,000 to 5,000 s/f). A 5,000 s/f office building for sale could interest an investor or a tenant who wants to buy. Space for lease (larger or smaller) may interest existing tenants. Blast your new listings out to the appropriate groups.

Create a chronological page for every potential client that you meet: Type of building or business, size, lease expiration date, family information, vacation plans, whatever you learn. Add them to your calendar for a revisit in 3 months to continue developing your relationship, and then update their profile.

Also consider developing a newsletter of community news, mortgage and tax information, what businesses are moving in or out, properties that have sold or leased, etc. This can be a short email or longer template, quarterly or monthly. These repetitive actions start to brand you as “the commercial agent.” Remember visit two potential clients every day, that’s ten a week, 40 a month and 440 owners or tenants you will personally meet each year (based on eleven months – take a week off each quarter to rejuvenate).

Who you know is so important when you have a customer requirement. Contact the owners you have met, their property may not be on the market, but maybe they would consider selling.

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