



Hunt Corp. Commercial Real Estate Q&A: What is my agent doing? - by David Hunt

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Q: If I hire an exclusive broker to represent me in the purchase of a building, what is he doing to make sure that I find the right building?

A: I cannot speak for all companies that represent buyers, but I can tell you what our firm does in representing buyers or tenants. And when I say, “represent,” that is exactly what I mean, in the same way that an attorney represents your fiduciary interests. We use all our resources and market knowledge to bring you the best solution to your real estate problem. This includes working with the entire brokerage community to find you the right building.

The first step is ascertaining what you need. This involves discovery on our part, and takes some time of yours. We would like to know a lot about your present situation—your products or services, your employees, physical needs, financial health (crucial for real estate financing or leasing), past growth curve, anticipated growth and timetable. What is happening with your present real estate? Is there a lease expiration that must be accommodated?

Next, we will work together to create “a picture” of the perfect building for your operation and needs. This usually involves a space program, which is simply a break-down of the type and size of space that we need in the new facility. Depending on our client’s needs, this can be relatively simple, or can be complex enough to require space planners and material handling engineers. We will talk about location—for commuting, shipping, employees, available services and image, as well as how the location might affect price. Some criteria are more important than others, for example, we can almost always increase the number of loading doors or the size of an electrical service in an industrial building, but we cannot change the location of a building.

Now, we develop a spreadsheet of suitable candidates in the marketplace. We emphasize to our clients that the real estate market is dynamic, not static. Every day, new buildings come onto the market, and every day buildings are leased or sold. (On Long Island, at any given time we have approximately 2,500 listings in our databases.) It is our job to stay current with available properties and funnel them down to no more than a dozen or so that make the most sense for our client. We will be talking with the owner or the owner’s broker for each one of the candidates, and prefer to preview the properties on behalf of the client.

Only then are we ready to look at property with you! And even so, we tell our clients that the first trip is really for us, not them. As we walk through buildings, you are asking questions and showing concern. In the process, we are learning to think like you. And at the same time, you are receiving an education in the marketplace.

So, what are we doing? Our job is 80% education. We are simply bringing you up to speed with your real estate alternatives and the marketplace so that you can make the best decision.

Do you have a question regarding commercial real estate or construction? Email your question to Commercial Real Estate Q & A, at email@huntcorp.com for possible inclusion in a future column.

David Hunt, MCR, CCIM, SIOR is the president of Hunt Corporate Services, Inc., Plainview, N.Y.

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