



Everyday business practices in commercial real estate: Examining the generational differences

April 24, 2009 - Spotlights

Building long term business relationships have been DAK's Commercial Realty's mantra. Many of DAK's customers/clients have used DAK's services several times. We are sure it is because personal service and attention of placing a telephone call, insisting on meeting face to face and following up with letters. How are real estate businesses performing within the commercial real estate market place, and are those services being communicated in the best way?

Texting, e-mail, fax, mail, telephone and meetings occur, but has our ability to communicate, correspond, and keep in touch advanced or improved? For the first time in our history as a nation there are four generations in the work force. There are generational differences in the real estate workforce and how they each communicate differently. Should real estate professionals take an objective look at how the four generations are conducting business on the same playing field?

According to FDU Magazine, the generations are:

- * Generation Y (1981 to 2000)
- * Generation X (1965 to 1980)
- * Baby Boomers (1946 to 1964)
- * Veterans born 1922 to 1945

Y generation is the generation of texting. A few characteristics of generation Y include: Young and trend-conscious; idealistic, optimistic, and flexible; hard workers; highly entrepreneurial; socially responsible; particularly concerned about the environment, very comfortable with technology; like to multi-task, and have a hunger for feedback and rewards.

Generation X are most comfortable with e-mailing prospective customers/clients. Visually educated, as in first computer literate generation, they are more moved by images than words, and learn best by multimedia. This generation also tend to be multitaskers.

Baby Boomers feel secure with fax machine, mail (letters) and the telephone, this is the generation of directly communicating with customers/clients when they are conducting a real estate transaction. Veterans are of course the leaders of the "face-to-face" meetings generation.

DAK's experience working with many owners/landlords who conduct business in the "veteran" way. No matter how large or small the transaction, before the transaction is completed these owners/landlords consistently desire to meet face to face with the prospective tenant. Occasionally this means moving the commencement date of a pending lease in order accommodate schedules to have the face-to-face meeting.

Our current economy has created several new, generational differences within the work force. As a member of the Baby Boomer Generation, I can say first hand I have experienced these changes within the commercial real estate community. We work with all four generations on a daily basis and experience the vast selection of mediums of communication both the new and old ways of

conducting business. Is one way better than the other? Let's examine them:

Veterans: A hand shake + face to face meetings + the telephone, shoe leather & martini lunches (all are not missed) are all components of the real estate transaction. Contacting owner/agents and knowing many agents within a specific distinct geographic area (Rock Center, Plaza District, Penn Plaza, Garment center, Grand Central, etc.) and establishing long networking relationships within the business community are highlights, all done without a lot of electronics-much different from today's X & Y generation.

Baby Boomers: Tend to be hard working, putting in long hours with the purpose of getting ahead. For boomers, mailings were the way to keep informed. Messenger services and flyers assisted in expanding a real estate brokers/agent's office space availability and forging relationships with the owner's representative by calling the agent for detailed information on the office spaces that were available or would be coming available. I have observed veteran and many baby boomers who still prefer the hand shake, but years of experience have made them paranoid especially in the litigious tri-state area.

Generations X & Y: These generations prefer to use electronic communication. Probably because this generation saw the inception of the home computer, the rise of videogames, and the Internet as a tool for social and commercial purposes and tend to rely on the Internet for most of their information and communicate this way most effectively.

So how does this all effect real estate? Often tenants require other real estate services such as subletting as a result of economic conditions, or business colleges require assistance in their search for commercial space.

Based on the generational differences in communication preferences several questions are raised: Should real estate professionals take an objective look at how the four generations are conducting business on the same playing field? How are real estate businesses performing within the commercial real estate market place, and are those services being communicated in the "best" way? How will Generation X & Y's use of electronic communication establish these long relationships?

Let us know your thoughts...

David Kahane is principal broker at DAK Commercial Realty, LLC, New York, N.Y.

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