



Tenants demand value, patience and relentless negotiation in 2010

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The commercial real estate market in 2009 influenced our approach to client services and how we make deals happen. Potential tenants have greater access to information and are extremely market savvy. Tenants know that there are opportunities in the office market and if a broker can't show them everything available, they will go to someone who can. Patience, sensitivity to client's business needs and the persistence to never stop looking for the best deal for a client will bring positive change in 2010.

One of the most valuable lessons we learned last year, and at times the most difficult, is that brokers today have to stick with their clients through seemingly endless negotiations, exhaustive property searches, and unconventional demands. Yesterday's deal may have happened in a matter of weeks while today's deal may take many months or years before it closes. While the commercial market can be discouraging, the slower pace of the market presents a real opportunity for brokers to think outside of the box and find the absolute best office or retail option for clients.

A successful broker today understands that simply showing a client space that matches their specific requirements is not enough. Brokers must explore options beyond the initial request including different locations, various property types, potential build outs and lower or higher price points. Brokers have to be the expert in the situation and present the best value for clients - and this does not always equate to the lowest rent.

From media coverage to market reports, there is an endless amount of information for business owners to sift through when choosing their office or retail space. It is our job as brokers to help our clients put market information in the context of their business needs and keep them focused on long-term value rather than short-term deals.

The challenge is that business owners are first and foremost price driven in the current economy. This often leads to clients working with multiple brokers and higher competition to find a business the best deal. Adams & Co. has seen our greatest success when we continued to search for the best space and most competitive price even when a client is working with another brokerage. Brokers that constantly mine the market and never stop working for a client will beat the competition and make deals happen.

Recently we closed on a condo sale that took two years to finalize. Initially the first offer was accepted and money was exchanged, but the deal fell through. Our client began working with another broker for six months, and in that time we continued to search on their behalf. After presenting various purchasing opportunities and numerous negotiations, we were able to regain the business and close the deal.

Ironically, while the competition for tenants is high, we are beginning to see landlord and tenant brokerages work together to close deals. From build-outs to reduced rent, the reality of today's market is that tenants want to feel that they are getting a little something extra for their business. We are seeing both sides of the transaction give a little bit to complete deals. By working together we are able to offer effective, client-focused service that benefits all parties.

If we could sum up in one word what it takes to be successful in commercial real estate in 2010, it would be perseverance. Today's tenant needs a broker who understands business demands and has an innovative, client service-oriented approach. As today's economy and real estate landscape are largely unpredictable, it is important for commercial real estate professionals to stay sharp and never stop looking, learning and working for clients.

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