

# Commercial Real Estate

## Overview

If a company is looking to move their offices, add office space or space for production facilities, they will use a commercial real estate broker to help them find it. Since many leases are long term and decision making process is long and drawn out, it's important for a real estate broker to have as many good business relationships as possible.

Brokers will also be responsible for finding buyers and sellers of entire buildings, transactions which can range into the hundreds of millions of dollars.

Brokers will keep their eyes open for companies that are expanding or could potentially move in to the area. The broker will then begin building a relationship with a high ranking person in that company, usually the CEO or CFO.

The easiest way to identify potential commercial real estate ticket buying prospects is keeping your eyes open while driving around. Any office building or office park with space to lease will have a commercial real estate sign out front with a name and phone number. You'll see large, national firms such as CB/Richard Ellis, Cushman & Wakefield and Colliers as well as smaller local firms listed.

## Why they buy tickets

Tickets are a valuable tool because long-term relationships are important. The selling process on new office space is a long-term decision. Many different people get involved and it may be six months to a year before a decision to lease or buy is made. Also, since many companies have lease deals of a minimum of five years, the relationship needs to be lasting enough so when the company is looking for office space in five years, the broker will be on top of their minds.

Because the buying/leasing cycle is so infrequent, referrals also become very important. Once a broker does well for one company in a lease, that company will become a solid referral. As other companies look to move or add, through conversations, the satisfied company will refer the latest company to the broker. Again, another reason for maintaining solid business relationships. Since these buying processes also involve many legal issues and banking issues, the commercial broker can also get a number of referrals from lawyers, bankers and accountants.

## Decision Makers – Who to talk to...

Sometimes the main office will purchase an entertainment vehicle as a tool for their brokers. Look for the top local executive whose title could be Regional Manager or Regional Vice President. Many times, like with stockbrokers, the individual broker themselves makes the purchase. Keep in mind that these brokers are extremely successful financially and can buy big ticket items out of their own pocket. Start with the top executive in the office to understand their philosophy toward client entertainment expenditures. They will either make the decision on their own or refer you to brokers who are likely candidates.