

# THINKING OUTSIDE THE BOX

## STRATEGIES FOR OBTAINING NEW OPPORTUNITIES

BY STEVE BERGSMAN

MOST COMMERCIAL REAL ESTATE BROKERS OPERATE BY THE SAME PLAYBOOK WHEN TRYING TO EXPAND CLIENT LISTS. HOWEVER, THERE ARE STILL SOME LOCALITY DIFFERENCES AND UNIQUENESS TO INDIVIDUAL CORPORATE METHODOLOGIES. AND NO ONE DISCOUNTS THE FACT THAT CLIENTS OFTEN COME TO YOU WHEN LEAST EXPECTED AND THROUGH UNUSUAL CIRCUMSTANCES.

There are seminars galore about how to troll for clients, expand listings and market your business, although even with all that knowledge wafting across the collective brain cells of commercial real estate brokers, it's surprising to learn that obtaining, or creating, new opportunities for your company can come down to something unique, opportunistic, or even locality specific.

It's as if everyone in the business has the same strategy to get new business but at the same time has something different to offer, or is swift enough to take advantage of situations that come out of nowhere. It's great to be strategic, but sometimes it's just as good to be opportunistic.

Take for example **Michael Spears, SIOR, CCIM**, president of TNRG Brokerage Services LLC in Houston, one of the Texas cities that did well during the recession and continues to benefit from business expansion.

"The traffic stinks, the weather is terrible, but you can roll up your sleeves, go to work and make a heck-of-a living," Spears says about his home city.

If you happen to be in one of those cities like Houston where corporate expansion is rampant, he offers two tips. First, take a drive through business areas and look for the busiest buildings.

"When you see a situation where the cars are parked everywhere including on the street, you can guess there's a business that has outgrown its building," he says. "The business knows it has a problem but personnel are so busy they can't focus on a new facility. It sneaks up on them. And then all of a sudden you show up. It's a timing thing."

Secondly, in down times, most brokers work hard to keep in contact with old clients just in case they need further services. The same strategy works for hot markets but for different reasons.



“In a good market companies are expanding and outgrowing their spaces, so they’ll delegate the task to address building needs to someone else,” he says. “You want to make sure when they delegate they are giving instructions to get in touch with you.”

However, even with strategic thinking, sometimes opportunities come at you from the least expected situation. Spears tells the story about one of his vendors erecting a “for sale” sign on the wrong property, across the street from what was being marketed. That owner was understandably angry and called Spears.

“After I calmed the guy down, apologized and told him my people would be out there that day to remove the sign, we had a good conversation about what the land across the street was going to sell for,” says Spears. “So, I asked if he was interested in selling. And he was. The next things you know, I didn’t have to remove the sign from his property. In the end, I sold his building and the land across the street.”

In the Northeast, **Kevin Geenty, SIOR**, vice president of the Geenty Group, Realtors in Branford, Conn., tells Professional Report, “one of the things that has been more productive for us, which I have been nurturing, is asking for referrals from professionals, people who have profiles in the industry, i.e., attorneys, CPAs, ministers, etc.” Indeed, in a two week stretch before he was interviewed by Professional Report, he had received four viable leads from two attorneys.

In a more informal process, Geenty usually stops at his local deli for coffee before proceeding to his office – as do a lot of other local professionals and service people. A lot of good information gets passed around there,” says Geenty. “It’s a good networking location.” To which, he adds, “it’s amazing the things you learn at the deli.”

As with Spears, even with the strategies and networking, Geenty has been smart enough to create something out of sideway opportunities.

“About nine weeks ago we got a call from the manufacturer of high-end sporting rifles who wanted to purchase a building in a specific town,” Geenty recalls. “There was nothing listed that worked for him. However, I knew this businessman had three buildings and was considering purchasing a larger structure to put all his companies under one roof. I called him on the off chance he might want to sell one of his buildings right then. He agreed. The rifle manufacturer bought it. Now we are expecting an offer on a larger building from the businessman who sold the real estate to the manufacturer.”

**Michael Houge, SIOR, CCIM**, vice president of the Investment Services Group at Transwestern in Minneapolis, takes Geenty’s informal, morning meet-and-greet to a whole different level. Borrowing an idea from another SIOR, he created a monthly

## CONTRIBUTING SIORS



David Cook,  
SIOR



Kevin Geenty,  
SIOR



Tom Hill,  
SIOR, CCIM



Michael Houge,  
SIOR, CCIM



Renata Osiecka, SIOR



Mike Spears,  
SIOR, CCIM

breakfast club to bring together industry people in a “non-competitive situation.”

“I put together a group of about 12 to 15 people,” he explains. “I picked people who I thought were players, who were well-known and with great reputations. I brought in accounting people, attorneys, mortgage brokers, appraisers, developers, title companies and investment bankers.” Every meeting is hosted by someone different and the talk is about what is going on in the industry. Everyone gets five to 10 minutes to say their piece.

“It has been an amazing way to get business,” says Hough. “The first couple of times people were a little shy about saying things. But now they know this is the one room to tell everything the way it is. As a result of the relationships that develop in that room, people started to do business together. When something comes up where they need a certain kind of property, my name gets attached to that.”

Hough has three other tips for getting new listings:

1. Take advantage of organizations, especially the designation organizations such as SIOR and CCIM. Don’t just be a member; be part of the groups on the local, regional and national levels. Join committees and task forces. Eventually get into leadership. You actually have to show up for these things.

2. When you have a listing for sale or lease you need to contact like-in-kind owners of that property. Work in concentric circles out from your property. Always call the neighboring real estate owners.

3. Be visible. Try to get yourself on agendas, panels and speaking events.

Another SIOR who professes strategic thinking but is excellently opportunistic is **David Cook, SIOR**, managing director at Sperry Van Ness/David Cook Co.

The one thing brokers can do to help their clients and, in the end, themselves is “counseling,” says Cook. “Too many brokers today have a client who says, ‘I want to sell at this price’ and they take that listing. The price is too high and the property never sells. Instead, the broker should be counseling the client. They should sit down with clients and find out why they want to sell, what other properties they have that need selling,

or anything else that might have a bearing on why the sale has to take place with a specific price tag.”

He gives this example of how counseling worked out for him in 2013.

“I had a bank client with land in Arlington, Texas, that had been listed for years and years. They just couldn’t sell it. So I sat down with the bank’s people and said ‘what else do you have to get rid of?’ They said they had an office building in Dallas. I told them to give me the listing on the building and I would combine it with the land, making the latter, a ‘must take.’ We put a good price on the office building, minimal on the land. We sold it in four months.”

Cook adds, “by finding out the bank had other properties, I was able to sell two pieces of real estate instead of one.”

Cook also knows how to take advantage of an outside opportunity. He has a client, who is an investor in real estate. The client happened to own a second home in Colorado valued at \$450,000 that he had been trying to sell for four years. Cook had another client who owned triple-net leases on 10 Jiffy Lubes, three of which were in Indiana and had a value of \$1.65 million.

“I’m not in residential real estate, but I said to my client, ‘make me an offer to buy those three Jiffy Lubes for all-cash except the client has to take the house in Colorado’,” says Cook. “That deal is closing tomorrow.”

**Tom Hill, SIOR, CCIM**, is an expert in getting his name out in front of the public. Not only is his Waterbury, Conn.-company called Tom Hill Realty & Investment LLC, not only does he plaster his market with company signs, but if you live near Waterbury you can hear him live on the local radio, where he has been hosting the Tom Hill Show for the 28 years.

“I have a two-hour talk-radio show and I appear on a few other radio shows,” Hill explains. “It gives me an opportunity to connect with people who have things going on as I invite economic development people, mayors and developers to the show.”

From talk radio, Hill has branched into public speaking, being the color commentator at Lime Rock Park racing venue and master of ceremonies at CCIM and SIOR gigs.



“It all definitely stirs the pot for me in regard to people calling me instead of me calling them,” Hill says. “I get 15 to 20 calls a day because of the radio show, which brings me a couple of new clients a year. People locally know me. When I knock on someone’s door, they want to let you in because they know who you are. Secretaries know who you are.”

It all helps. Waterbury, which sits about halfway between Boston and New York at the intersection of some key New England highways, was hit hard by the recession. “I used to make a living just in Waterbury,” Hill says. But ever the networker, he adds, “these days I’m working about a thirty mile radius of the city.”

Checking in on a much newer industrial market, Warsaw, Poland, one finds the strategies to bring in clients are, for the most part, very basic.

Warsaw’s modern industrial market is only about 20 years in the making, observes **Renata Osiecka, SIOR**, managing partner with Axi Immo Group Sp.z.o.o. in Warsaw.

Osiecka’s company is a independent, which in itself is an oddity, as the commercial real estate market in Warsaw is dominated by the internationals, such as Colliers, Jones Lang LaSalle and CBRE.

That’s OK, because sometimes the big international firms can’t get the job done locally.


“An industrial project came to me because the owner had an unhappy experience with the international brokers,” says Osiecka. “They didn’t do a good job and the property stood vacant for a long time. I proved to them that we would be more dedicated to the project, that the local market was our strength. Dedication was the reason we got this property.” Osiecka did a much better job once she got the listing.

“Why did we succeed with the project when the international agency failed?” she asks rhetorically. “Because we didn’t treat it as one of many projects, but as a dedicated one. We were honest with the clients and told them how the market looked at that time and what was possible to archive.”

So what does it take get new clients in Poland? As Osiecka explains, it’s all granular and introductory. “To win a listing, the first thing I have to do is convince the client that I have the market knowledge, understand the location of the property, and what prices can be achieved,” she says. “It’s very important that I extend to the client what actions I’m going to take to sell or lease the property; what marketing I’m going to implement; and how I’m going to report back to the client.”

Otherwise, the outreach effort by Osiecka’s firm is not much different than in the United States, a newsletter, e-mail marketing and actively trying to get mentioned in the local press.

“We are in daily contact with the main real estate magazines, newspapers, logistic press and portals in Poland and CEE,” Osiecka reports. “I write about five to six articles and comments a month, mainly about the real estate market—technical articles to logistic press and overviews and forecast comments to newspapers. From time to time I have direct contact with clients who, after reading an interview or article, call or send an e-mail with specific requests.”

The Polish commercial real estate market is also a lot like the United States – it is in the recovery part of the cycle. Good news for independent-minded brokers. 

## ABOUT THE AUTHOR



*STEVE BERGSMAN is a nationally recognized financial and real estate writer. For more than twenty-five years, he has contributed to a wide range of magazines, newspapers and wire services, including the New York Times, the Wall Street Journal Sunday, Global Finance, Executive Decision, and Chief Executive.*

