Internet Research:
If You Can't Find it, You Haven't Looked Hard Enough

By Steve Lewis

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SIORs use the Internet to research a wide variety of information. While each individual may approach things a little differently, on this they all agree: There's nothing you can't find if you look hard enough.

"I start with the premise that there is nothing I cannot find on the Internet; it's just a matter of how deep you drill," says **Gary Joel Schacker, SIOR,** with United Realty in Melville, New York.

"It gives you an almost infinite ability to add research information; every day there is a new resource on the Internet to conquer,"

says **Geoffrey Kasselman, SIOR,** an industrial specialist with Op2mize in Northbrook, Illinois. Kasselman adds that there's "always time" for one more search. "Don't tell me you can't; if I ask you to look something up on the Internet and you hit that dead end—that fork in the road—you may just have to use new keywords."

"Being well informed and prepared is essential in any real estate transaction," adds **Adam J. Tarantur,** Senior Associate

in the Brokerage Division at Podolsky Northstar CORFAC International in suburban Chicago. "When you are presenting properties to a client, you want to know as much as possible, and you want to avoid depending on the listing broker's spec sheet to educate your client. Many times, spec sheets are vague and give a skewed representation of the overall picture, for example, properties that have had their property taxes protested for prolonged vacancy."

Putting the Internet to Work

Most SIORs use the Internet for several different types of research. "I am constantly researching for a myriad of purposes," says Schacker. "We use LoopNet—and CoStar, of course—as well as several other research tools such as Realquest. We manipulate our Web site with a 'wisiwig' editor and also facilitate our newsletter process via the Internet, using links. We get demographics and statistics, company information, personnel information, personnel education, product information, financial information—well, there is really no end."

"We can find out things we want to know about businesses, our clients, communities, and transportation networks," adds Kasselman. "Once we find it, we catalogue it so we do not have to start from scratch."

His company has a "favorites" list that everyone shares, "so we can all benefit from the needles in the haystack we find from time to time," Kasselman says. "For example, we like to do research on business professionals, so we [have] found sites like zoominfo.com, which aggregates very reliable information about a particular person."

This information can be very valuable, Kasselman continues. "If I have to meet with prospective customers I do not know anything about, I want a connection point—where they went to school, where they live, where they [have] worked, where they are in the company hierarchy, what their previous responsibilities were, and where their kids went to school," he says. This gives his company an edge, he notes, because often clients will select a broker based on comfort level—somebody, for example, they would enjoy playing golf with. "We have gotten so good at this that people assume we are a much bigger firm than we are," he says.

"We depend on the Internet daily to uncover information regarding properties, tenants, and owners," adds Tarantur, who says he uses CoStar, LoopNet, individual real estate company Web sites (to view their listings), county assessor Web sites (to get tax information), utility company Web sites (to view paid bills), Hoovers (to assess companies' creditworthiness), and general search engines (to find information about potential tenants and/or financial information about public companies). "Each search is tailored to the information needed for a specific deal. For instance, lease versus buy, tenant rep versus landlord rep," he explains.

Getting this information, he continues, provides added value when representing a landlord. "Understanding a future tenant's use and creditworthiness helps your client decide if they want to move forward with the transaction," Tarantur explains. "Many industrial uses can negatively impact the residual value of real estate, and some office uses may be controversial and hinder the

ability of a landlord to lease additional space in the property. A landlord also aims to minimize the credit risk associated with leasing to a specific tenant, most notably the tenant's ability to meet all obligations—financial and otherwise—specified within the lease agreement."

Tarantur continues: "Many times, brokers will list the past year's taxes on spec sheets. When running financial analysis for clients, a broker will use this number to calculate the gross rent. It is important to research whether this advertised tax number is based on a protested basis (if the building has been vacant) or another municipal incentive (e.g., in Cook County, Illinois, a 6B tax incentive). If this advertised number is not for a fully-assessed property, the client's property tax exposure could increase drastically over the term of their lease."

"We use the Internet to produce information on the market and also specific information on companies looking to lease or purchase space," says **Jeffrey H. Gage, CCIM, SIOR,** Senior Vice President with Albert B. Ashforth, Inc., in Stamford, Connecticut. "It is an invaluable research tool that serves as a real-time library and research desk."

When he researches information related to a prospective client company, Gage says he will look for general contact information, top management biographies, 10K financial reports, board of directors' résumés, the number of employees, branch office locations, and occasionally copies of actual current leases. Property information he obtains from the Internet includes zoning information, available space for lease, recent sales transactions, operating expenses, site plans and topography, and photographs.

"Let's say you are representing a landlord and someone proposes to lease 10,000 square feet, [but] it would cost the landlord $500,000 in improvements to build out the space," says **Gregory M. Gunn, SIOR,** Senior Vice President with Coldwell Banker Commercial NRT in Salt Lake City, Utah. "You want to make sure this tenant is not a deadbeat. You can go on the Internet and get a current financial report going one, two, or three years back, and you don't have to ask the [prospective] tenant what their credit is like when doing your underwriting." That way, you don't have to put them on the spot and you provide your landlord with a real service."

Gunn also has a creative method for helping clients do their research. "If I am representing an office tenant who has never been to Salt Lake City and (who) wants to gain a greater insight on the area immediately surrounding buildings they want to pursue, I can get them on the phone, have them simultaneously access Google Earth with me and I can show them where the restaurants are, the light rail, the airport—you name it. It's just so graphic—and it's free. It's a phenomenal tool!" he says.

The Benefits Are Significant

SIORs agree the benefits of using the Internet for research are many—and significant. "The benefit of

using the Web is that it offers instantaneous answers to any questions you might have on most any subject. This enables sales people to research customers' needs in real time," says Gage. "In our business we act as matchmakers; we want to discover a company's needs and then match that requirement with product offered in our market. That matching process is enhanced by the Internet."

"The ability to use the Internet to research other markets is probably the most lucrative [benefit], since it provides the means to serve our clients effectively wherever they need to be," says **Jeffrey A. Dreher, SIOR,** Commercial Kentucky/Cushman & Wakefield Alliance, Louisville, Kentucky. "The other core benefit of using the Internet as a research tool is that it is free. This means no matter how large or small your organization may be, the Internet can be used on a daily basis."

Tarantur offers this real-life example of the Internet's value: "We had a scenario where a very high-credit tenant with a couple of years remaining on their lease was attempting to sublease their space, with the ultimate goal of finding a long-term tenant and getting fully released from all future obligation," he explains. "A long-term deal did present itself, and a very extensive analysis was completed to assess the risk associated with foregoing the excellent credit of the current tenant for the lesser credit of a new tenant. Using Hoovers and researching the new tenant's international business profile allowed the landlord to become comfortable with fully releasing the previous tenant from their lease in exchange for a long-term deal.

Do You Have Be an Expert to Use the Internet?

You do not necessarily have to be an IT genius to benefit from Internet research, say SIORs. "Anybody is capable of gleaning the benefits of the Internet—it's just a matter of training or adventuring, whatever works for that person," says Schacker. "You can't get hurt fishing around the Internet unless you're angling for the wrong thing. The only limit is your creativity."

"Every interface is different," Tarantur adds. "The more you use it, the better you are at it. There are some veteran brokers, for example, who are used to doing without the Internet and who are not as good as some others, but they are getting better the more they use it, and most services have help lines."

"Any firm can use the Internet and learn about all the valuable information that is available if the individual is willing to invest the time to learn the 'surfing' techniques," notes Gage.

"Even if you have limited skills using a computer, these sites are generally easy to find using keyword searches via a search engine like Google," says Dreher.

Just "learn the basics," Gage urges, "and start surfing the Web!"