

IS THE “TERRITORY EXPERT” MODEL OF CRE BROKERAGE DEAD?

By Rob Martensen, SIOR, CCIM

I began my real estate career in the research department at Colliers Iliff Thorn, now known as Colliers International, 17 years ago. I worked in research until one of the existing industrial brokers pulled me out like a fish out of a lake. He took me to the manager with a sort of “I’ll take this one” approach. Then the training began. My manager assigned me an area of town or a “territory.” I was instructed to catalog every building in the territory and report back to the manager with all the specifics about each building, tenant, owner, lease terms, etc.

I had to prove to the manager that I knew every building and could answer any question. Part of the research was to look up sales comps. Every day a company would fax over the comps from a few days prior. We would then put them into a three ring binder in the research department for future reference. That meant a lot of trips to the research department.

If we wanted to find buildings that were available for sale or lease, we would have to drive our territory and look for signs. Maybe, if we were lucky, we could get the other brokerage houses to mail us their current listings and flyers. In essence, the only way to be successful was to be the master of your territory and know everything there was to know about it and everybody who had a stake in it. Information took so much longer to obtain, that there wasn’t enough time to look outside of your territory. If you had a requirement or a listing opportunity in a different territory, you went to the expert in that territory.

Then along came the internet. Panic rose as everyone thought that all of our information that we worked so hard to get was now available to everyone. Our careers were over. No one would need brokers ever again.

Obviously that’s not what happened, but it did change the way we do business. Being a territory expert nowadays does not hold as much value as it did in the past because a large part of the information is now readily available on the internet. Property listings and sales comps are updated daily. Public records, property taxes, ownership, etc. are all available if you know where to look.

So how do we adapt as real estate brokers? What differentiates us from our competitors if we all have the same information? Of course there will always be value in knowing a territory and specializing in a product type. However, instead of spending our time researching listings, comps, and ownerships, we need to make connections. I’m not talking about inviting everyone in the industry to be your LinkedIn connection. I’m talking about investing in long term relationships. Meet new people, branch out, travel to other markets, and go to conferences. Every person you meet knows hundreds more people. If you meet five new people, you have met hundreds of new people. This is where SIOR is so important and why attending the conferences is critical to your success. It doesn’t happen overnight. It takes time to cultivate and grow.

The world is a much smaller place than it used to be. As such, the connections we make are that much more impactful. We no longer are doing business with just the people in our territories or even our markets. The days of knowing the local manager, and taking him out to play golf to win the business, are disappearing. Someone else knows the owner of the business, or the director of real estate and they are already two steps ahead of you. The relationships at the top of the food chain are so much more impactful. Use the internet as your friend. Find out who the decision makers are. If they are already being represented by a competitor, don’t let that stop you. Use that to your advantage. Call their broker and present your property to them. Work with others to accomplish your goals. You are not the only one that has the information they need.

Connections are made everywhere. I race trophy trucks in desert endurance races such as the Baja 1000. Desert racing is a passion of mine. However, I used to think it took away from my business when I had to go to Baja Mexico for days on end to prepare for the races. I soon realized that all of the people that are there racing with me are all future clients. I began to open my circle, talk to them and learn what they do. Do they have a real estate requirement? How can we help? As a result, I have closed multiple deals with people that share the same passion as me. How fun is that? ■