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The commercial classroom: Cataloging opportunities that leads to future business

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Each day some time should be spent prospecting business for the future. One technique is to systemically go door to door introducing yourself to all tenants and building owners in town. Visit just two business a day, that's 10 a week, 40 a month

Our business is one of relationships and referrals. Meeting current tenants and owners helps develop your presence in the community as "the commercial go to person."

Now that you have made initial contact you want to stay in touch. If you meet a business owner who is a tenant determine when their lease is up. To catalog this valuable information you can buy all sorts of software programs or you can simply use the "word" and calendar programs found on most computers.

You determined their lease is up in 2 years; enter in your calendar program to follow up on this 6 months prior to the lease expiration. However, you also want to now regularly stay in touch, so enter a follow up visit date in 3-4 months; these subsequent visits continue to develop your relationship with the potential client. With each visit end by asking for a referral "is there anyone else you know, that I may be able to help?"

If when their lease expires they decide to stay in their location, consider them a source of referrals or a potential buyer (more on that in a moment) until they need to move.

Just because someone signs a 5 or 10-year lease does not mean they will stay there the entire time. Business is booming and they need more space, thing are slow they need less space. We can help them find new space and possibly sub-lease the space they are in. (and get paid for it!). By repeat visits if they need to make a move, you are top of mind and you get the call.

Each time you catalog a building set up a simple "word document" about the potential client you just met. Include whatever information you have gathered, name, address, owner or tenant, type of business, how much space they occupy, when they expect to move and lease expirations. Include any personal information they shared with you about their family, etc. You learn they are going on vacation next month. Keep this chronological record of activity for each call or visit. Before you talk to them again consult your log. You may want to begin your conversation with a question like, "How was your vacation? This type of personalization develops relationships.

In your initial visit you learned they lease 2,500 s/f of office space. Set up files in your computer by size: for example office tenants leasing 2,000 - 3,000 s/f. When you list an office building for sale in the area a bit larger, say 4,000 s/f email them the opportunity, they may be ready to buy!

Don't forget about building owners; in prospecting you meet the building owner, they may have their business in this building or not; either way they are an investor. Your investor files can be cataloged by size, price category or both. Get those new investment listings out to these buyers.

Taking the extra time to really catalog all you learn leads to future business.

Edward Smith, Jr., is a NYS licensed real estate broker, specializing in commercial and investment real estate, with over 39 years of brokerage experience. He previously had his own brokerage firm and then served as a "consultant to the trade."

Smith has been writing and teaching commercial continuing education courses for over twelve years. He has authored seven commercial continuing education courses. He has written three textbooks on commercial and investment real estate with instructor training materials used to teach commercial courses throughout the United States. He has also written "The Commercial Classroom: Lessons in Commercial and Investment Brokerage," and most recently, "Buy the Numbers: Investing in Real Estate."

He is a director and past president of the New York State Commercial Association of Realtors, the Metro-Long Island Chapter of NYSCAR, and the Long Island Commercial Network (LICN). He has previously served as a Director of the Long Island Board of Realtors, a director of the Commercial Industrial Brokers Society (CIBS) and as a director of the Real Estate Practitioners Institute at Long Island University.

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