

Commercial Investment Real Estate

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[Table of Contents](#)

Features

[Containing Sprawl](#)

[What Office Tenants Want](#)

[Eight Ways to Boost Your Business](#)

[Retail Repositioning](#)

[Cost-Conscious Construction](#)

[The Self-Storage Transformation](#)

Columns

[Lifestyle Centers Capitalize on Shoppers' Need for Speed](#)

[Cost Segregation Helps Property Owners Maximize Depreciation Deductions](#)

[Industry Conference Highlights Technology's Role in Brokerage Evolution](#)

[Lenders Tighten Loan Standards in Reaction to Uncertain Economy](#)

[Landlords Must Be Specific if Including Dual-Option Terms in Leases](#)

Departments

[New Mexico's Real Estate Markets Rise to the Occasion](#)

[Site Selection Methodology Assists College's Campus Relocation](#)

[Deal Makers](#)

Eight Ways to Boost Your Business

Commercial Real Estate Pros Share Marketing Tips for a Slow Economy.
by Sarah Hoban

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Today's economy is about as predictable as the weather: It's hard to tell if smooth sailing lies ahead or a storm is brewing on the horizon. This uncertainty stymies some commercial real estate professionals' attempts to develop new business, but it doesn't have to. Uncertainty is the perfect opportunity for resourceful brokers to launch back-to-basics marketing and client relationship efforts.

"This is a good time to be aggressive and take that market share," says Darin R. Garman, CCIM, president of NAI/Iowa Realty and Real Estate Marketing Systems in Cedar Rapids, Iowa.

"People are still in business. Leases are still getting signed," says Robert A. Miller, CCIM, president of the Miller Group in Atlanta. "So if you sit around and think there's not a lot of business because of the economy, that's what's going to happen."

Developing new business requires creativity and skill. Commercial real estate professionals successfully making waves in uncertain waters reveal eight essentials for reeling in new business — and keeping it.

1. Know Your Message

Putting forth a clear image of your business is the first step to a successful marketing program. "If you have a confusing message and send it out to the market, then the market is going to be confused," Miller says.

His company focuses on one advertising message: its office leasing expertise in the Atlanta market. "That specialized message opens the door for a specific opportunity, and from that door opening, we can develop a relationship where we may do a plethora of different real estate things for that customer," he says. As a small company, "we end up doing whatever it is our clients want us to do. If they want us to help them with a building or some land or leasing office space, we're going to help them."

Miller consistently hits potential clients with the message that his company is the market's office leasing expert. "Then when a leasing opportunity comes up, the client is going to want the expert," he says.

Paul G. Fetscher, CCIM, CLS, also has honed his message. President of Great American Brokerage in Long Beach, N.Y., Fetscher specializes in restaurant and food-service operations and cross-promotes himself in the restaurant and real estate industries by staying visible in both professions. "I'm perceived within the restaurant industry as being the real estate expert, and within the real estate/shopping center industry as the restaurant expert. So when restaurants

and real estate meet, hopefully my phone rings,” he says.

2. Speak Your Clients’ Language

Fetscher’s double visibility is based on his expertise in his clients’ specific business activities. “If you’re going to do the right job for someone in a particular industry, the better you understand their industry, the better you can be of service to them,” he says.

Fetscher not only works on restaurants’ real estate aspects, but he also works with clients on restaurant concepts and positioning. In addition, he conducts restaurant industry seminars for potential landlords. “The better I can educate landlords, the easier it is for me to do the deal later on, and they respect what I’m saying as being valid,” he says.

William Hugron, CCIM, CIPS, CPM, managing director of the Charles Dunn Co. in Irvine, Calif., also is a believer in learning clients’ language, particularly when it leads to new contacts. “When I do a deal with one trade, I try to pursue that trade,” he says. He cites a current project: a 40,000-square-foot building he’s selling as office condominiums for labor unions. For a broker open house, Hugron sent invitations to about 200 local unions in Orange County, Calif. “They all talk to each other, and it creates synergy,” he says.

Hugron even parlays his hobby expertise into business. “I’m a car collector and do a fair number of deals with people in the car industry,” he says. “I understand the industry and the terminology. I understand what the Department of Motor Vehicles wants when you open a [dealership] location. I understand the licensing requirements. I can talk fluently to a car dealer, an auto body shop owner, or a mechanic about a specific site or requirements.”

But take the time to learn the language before setting out to crack a new market, Garman cautions. After researching, “I know what [a potential client] needs, and I can craft a service based on those needs,” he says. “Far too many brokers jump right in, pick up the phone, and start making cold calls when they really don’t know what the prospect wants in the first place. If you do it that way, you’re going to be seen like any other broker.”

3. Stay Visible in the Marketplace

Marketing “becomes problematic for brokers, especially when the economy gets a little tougher, because we’re all basically saying the same thing: We’re the biggest, we’re the best. [But] everyone has heard that over and over again,” Garman says. Both he and Miller stress that “image-type” marketing isn’t necessarily the way to go. “The fundamental mind shift is that you need to get into your customer’s mind,” Miller says. “What does your customer want, what do *they* need?”

Garman’s lead-generation marketing method uses ads, postcards, and newsletters to target potential clients with a response mechanism. For example, he placed a classified ad in his local paper headlined, “The Seven Mistakes to Avoid When Purchasing Investment Property,” warning that making any one of them could be costly for buyers. The ad invites interested parties to call a toll-free number for a no-obligation report on the topic.

Garman also invites new prospects to participate in conference calls featuring him and a guest speaker discussing aspects of investment real estate ownership. From one 45-person call, he landed three new clients. “When I do marketing, I find I have more people predisposed to do business with me versus the cold-calling route,” he says.

Public appearances also help brokers stay visible in the community and garner

new business. Martha C. Douglas, CCIM, a broker associate at TRI Commercial/Oncor International in Walnut Creek, Calif., joined the local Estate Planning Council. The group consisted mainly of attorneys, accountants, and financial planners, and it lacked real estate community representation. Recently, another group member asked Douglas to work on a joint marketing program, advising the staff at a stock brokerage on how to consult clients with real estate in their portfolios. She also speaks at potential client seminars, which opens new markets for her own business, she says.

Fetscher often speaks at seminars for professional groups such as the International Council of Shopping Centers and state and local restaurant associations. "I don't think I've ever done a seminar for restaurateurs that did not directly [result in] people who wanted to work with me," he says.

4. Don't Ignore Past Clients

Maintaining contact with previous clients is as important as attracting new ones. "Customers and clients need to be reminded how great you are, and if you don't do it, they'll forget," Garman says. "That means losing business that you worked so hard to get in the first place."

To stay in touch, Miller sends past clients a newsletter targeting customer needs accompanied by a personalized cover letter. Garman favors client-only seminars featuring commercial real estate topics and related matters and a monthly phone message of interest using broadcast voice-mail technology.

On the other hand, Douglas is trying a back-to-basics approach: She's renewing relationships with property owners close to home that she lost touch with as her business expanded into different parts of the region. And she's using a simple method to renew these ties: letters followed up by phone calls.

"Really successful brokers don't do a lot of front-end marketing any more," Miller says. "They add people to their database, and they stick with their database."

5. Obtain Referrals

Don't be afraid to ask for a referral if you've done a good job for a client — and the best time to ask is during the transaction, Hugron says. "Six months to a year later, it's too late."

"You have earned the referrals by doing a good job, so you shouldn't be embarrassed or ashamed to ask for one," Miller says. In fact, his company sends out letters two or three times a year unabashedly asking for referrals.

Equally important, "when clients do give you referrals, heap overwhelming praise and thanks on them," he adds. And sometimes more: Miller recently sent a client a box of steaks for giving him an idea for a deal. "He just gave me a deal that earned me \$20,000. I should have sent him 30 boxes of steaks."

6. Remember Time Is Money

Hugron follows two expressions: "If you're not fast, you're last," and "Time kills deals." "If you're not responding to your clients' needs quickly, another broker will," he says.

Time has a premium price when you're running your own business. For example, although it is more expensive, Miller favors direct-response mail marketing over cold calls. "You have to consider the value not only of your time, but of your sanity."

Savvy brokers also recognize the value of saving clients time. By providing an abundance of information to them, often clients say, "I have a business to run —

I don't have time to learn a new business. You just get it done, because you're the expert," Miller says.

Of course, technology has altered the perception of time in the commercial real estate industry. "The ability to turn around deals has been accelerated incredibly," Fetscher says. "I've had negotiations where we got plans, a proposal, and a response all in a day. Before it could have taken three or four weeks by mail; maybe 10 days by FedEx."

7. Be Cyber-Savvy

Being a computer scientist isn't necessary, but understand how technology can make business more efficient, whether it's through client contact, marketing efforts, or simply getting "the access to information in order to make informed decisions," says Fetscher, who emphasizes the importance of client management software. Hugron — an avid e-marketer — sends mass e-mails to a variety of listservs, while Douglas sends portable document format brochures to clients.

Hugron also makes technology work for him through his Web site. He sends property queries via broadcast e-mails and when interested buyers reply, an auto-responder files the request and instantly sends the respondent a package of PDF marketing materials on the property. "That's done 24/7, no cost to you, no time and expense," he says.

"Clients are more technologically savvy, but they run the complete spectrum," he adds. "It's the same with brokers. Some brokers barely touch a computer, and I don't know how they can operate in this world."

8. Hone Your People Skills

Don't forget that you're in a people and service business. "We need to be responsive to clients' needs and questions and treat them with respect and give them good service," Hugron says. Douglas agrees that fundamental basics still apply: "Serve [your clients] very well. Take the extra step."

Reaching out to former, current, and prospective clients requires brokers to roll up their sleeves and do a little work, but talking — and listening — is critical, Hugron adds.

"The more you give, the more you get," Fetscher agrees. "The more open you are in sharing ideas, the more people are open with you."

"Our business is doing well because we've developed and maintained good relationships with our contact list and our client database," Miller says. "So those people are going to call us and make things happen in good times and bad times."

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