

Going for broke

How a real estate broker can help you identify the right space for your needs **Interviewed by Sue Ostrowski**

Your business is growing, and you need to find a new location. You may think it's just a matter of driving around and finding a place for lease or sale. But trying to do it on your own without a real estate broker could prove costly to your business, says Eliot Kijewski, a sales associate with CRESCO Real Estate.

"The average business owner doesn't have that market knowledge," says Kijewski. "He or she is focused on their business, not on the availability of space and on what deals can be had in the market. A broker not only has knowledge of the market but can help you with things such as tax abatement and economic assistance programs."

Smart Business spoke with Kijewski about how having the right representation in the real estate market can save you both time and money.

Why can't business owners simply identify a new space on their own?

Business owners are focused on their business, not on the real estate market. It's a broker's job to know the market.

If you are a small manufacturer, you're going to be focused on that. And when your business gets so large that it has to expand, you don't have the time or the knowledge to go out and find an alternative location, or to look on the Internet, because you are so busy working with a lean staff, trying to hire more bodies to produce more product and focused on increased profitability.

If you contact a broker and have a 20-minute conversation about what geography works for you and what kind of space you need, the broker can put that search in motion while you continue to work on your business.

How can a broker help you identify the right space?

If you're trying to do this on your own, you may not know if a city has tax abatements or an economic assistance program to help with things as small as providing funds toward landscaping, or as large as providing funds to upgrade equipment or improve the physical structure. Tapping into these programs can add money to your bottom line.

A broker will also know about items



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such as day care and public transportation options. If you have to hire a work force, where are those people coming from? If you're hiring new people at modest wages, you probably need to be close to public transportation.

A broker can also make you aware of things you may overlook, such as a perk in another building that you were unaware of as well as market trends that effect pricing.

How can business owners identify the right broker for their needs?

The first question to ask is whether that person has a specialty: office, retail or industrial. Second, ask to see a resume of the type of transactions that person has completed, and ask whether you can talk to the people involved in those deals. Also ask what extra ingredient that person can bring to the table to assist you.

Look for a broker who is loyal, who will stick with you until you've found the right location for your needs. It's not just market knowledge; it's the ability to find not just what you need but really finding the right fit. That ties in to the honesty of the broker, the ability to say, "This is not the right location for you, let's not stop looking until we find the right location," instead of just trying to shoe horn you into

a space.

Another issue is perseverance. Once a broker closes a deal, that shouldn't mean closure of the relationship. Too many brokers, once they close the deal, move on. Or, if it's a lease, they reappear four years into a five-year lease to discuss renewal. Your broker should be in touch at least quarterly to check on how the space is working out and to see if you have any other needs that he or she can meet.

What questions should your broker ask to help identify the right space for your needs?

The broker should ask about employees. How are you going to grow and what are your projections? One of the most important things a broker should determine is if you want just enough space for now, or enough space to grow. That means a conversation about the direction you feel the business is going.

Brokers should ask about the requirements for your business. If it's an office space, is it a more open format, or a closed office format? If it's an industrial space, the broker should ask about power requirements, loading, ceiling heights, etc.

Once a broker identifies potential spaces, how does the process proceed?

A good broker will come back with a list of recommendations, but a great broker will go one step further, providing commentary on each and every space. That can help a business owner see something he or she hadn't acknowledged before.

If a company says it needs two docks and a drive-in door, the broker should look beyond that. If a space only has one dock, you could probably add a second one. Or if you're looking for an industrial space and there's too much office space, you can take out office space. If you're looking for office space and there's only 1,000 feet available and you'll need more in the future, you may pass it by. But a broker will know that the lease on the adjacent space is coming up in a year, something that the general market may not know.

Your broker should give you every option and then explain each item on the list. <<

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