

# Ahead of the crowd

How to make your building stand out when selling or leasing **Interviewed by Sue Ostrowski**

**W**hen selling or leasing a building, the small things can make a big difference in whether someone chooses your building or moves on to the next one.

A commercial real estate agent can help you identify problem areas that will have a significant impact on how quickly a transaction takes place and how much any enhancement will add to the bottom line, says George J. Pofok, CCIM, SIOR, senior vice president of CRESCO Real Estate.

"In order to maximize the value of your property, it is extremely important to make sure that it shines on the initial tour," says Pofok. "The first impression is most critical."

*Smart Business* spoke with Pofok about how to improve your property to increase your odds of selling or leasing and maximize its value.

## How can a building owner improve a property for maximum return on a sale or lease?

For an example, in an industrial building recommendations would include painting the office area a neutral color as well as painting the walls and ceiling in the warehouse area white. This will create an impression of a vibrant and clean environment. Ensure all lights are in good working order or consider upgrading to more energy-efficient T-5 fluorescent lighting. If you have older carpeting, steam clean it to remove the dirt and stains so it shows better.

If you had a roof leak in the past, replace the ceiling tiles that show any evidence of a previous problem. The leak may have been five years ago, and you may have since replaced the roof, but someone will look at the tiles and assume you have a roof problem and automatically start discounting the price. Make sure the overhead doors open and shut on truck docks and drive-in doors along with ensuring the dock levelers and seals are in good shape.

It's the little things that really matter. If someone comes in and sees even these small deficiencies one after another, they'll either want to reduce the price immediately or they may just move on to the next property. Making the improvements up front helps eliminate any questions the buyer may have.

## What can you do outside the building?

The outside of the building is just as important as the inside. Most owners feel their building is a direct reflection on the company. A few improvements to consider completing before listing your property would be to paint



**George J. Pofok, CCIM, SIOR**  
Senior vice president  
CRESCO Real Estate

the exterior, seal coat and restripe the parking lot and add landscaping. You will often be able to achieve a higher purchase price as a result of these types of small improvements. It will also help show potential buyers that the property has been maintained over the years.

If you have an industrial facility with miscellaneous junk laying outside, get rid of it. Chances are you haven't used it in years and you're not going to use it, and all it does is show poorly. If you must store product outside, make sure it is stored in neat, presentable order, potentially in a fenced storage area.

In a slower market, you need to differentiate your building from the next building. As a result of economic conditions, values have decreased, and you're not going to achieve the same price per square foot on some buildings that you could have five or six years ago. So anything you can do to make sure your building shows well is very important.

## How can a commercial real estate agent improve your odds of selling or leasing?

A real estate professional can implement a specific marketing plan targeted toward users that best utilize the building's amenities and strengths, which will help improve the building's position within the target market. And because he or she knows what proper-

ties are in the market already, that gives you an advantage, versus someone trying to sell on their own who doesn't have any real estate experience, including real time market knowledge and trends. An agent is in the market every day and has listings throughout the region. This provides them the ability to cross reference prospects amongst a variety of different buildings.

## How can a building owner find the right agent?

The first thing to ask is what kind of experience that person has. Ask how many transactions the agent has completed in your specific market and ask for detailed case studies.

The next questions would be, 'How do you anticipate marketing my building? What do you do differently from your competitors in terms of marketing?' Everyone can put a sign up on a building, and everybody can post it on the Internet, but you want someone who is going to go beyond that, someone who does a lot of street pounding, a lot of follow-up phone calls to mailers and who is extremely active in various organizations, which will help provide leads.

You also want someone who will communicate with you, even when they don't have anything to report. Finally, you need to be patient and understand that securing a sale or lease may take some time. Overall, the market in Cleveland is improving and activity is increasing, but it can still take some time.

## Can a building owner speed up the process?

For a sale, having documents such as surveys, environmental documents, appraisals and maintenance records readily available for potential buyers helps eliminate lot of the questions and can shorten the due diligence phase. Having these things can speed up the process and eliminate the unknowns.

Run the title work on your property to make sure there are no liens, easements or any other encumbrances that could affect the property. You want to make sure that when you receive title commitment during the due diligence process that the title is clean and you don't have to worry about getting any other releases. If your agent has all of that information up front and can speak intelligently about the building, it instills confidence to the buyer and will help move the process along. <<

**GEORGE J. POFOK**, CCIM, SIOR, is senior vice president of CRESCO Real Estate. Reach him at [gpofok@crescorealstate.com](mailto:gpofok@crescorealstate.com) or (216) 525-1469.

**Insights Real Estate** is brought to you by CRESCO Real Estate