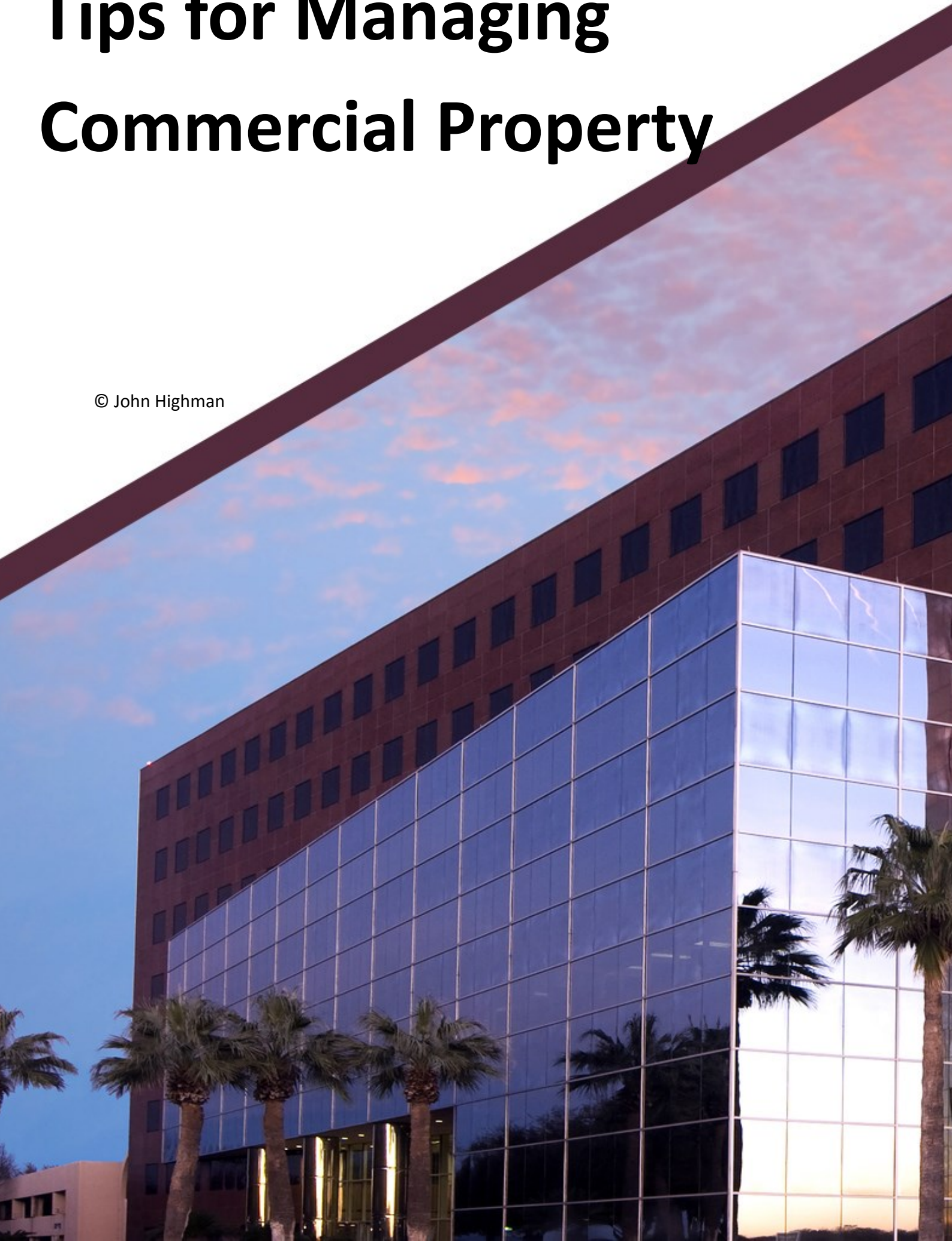


# Tips for Managing Commercial Property

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Managing a commercial property is a specialist task.

Real estate agents are far better placed to provide this management service for landlords, than landlords are in undertaking self-management of the investment property. Rarely can landlord owners of a property keep up to date on market issues and trends when it comes to investment property in a local area.

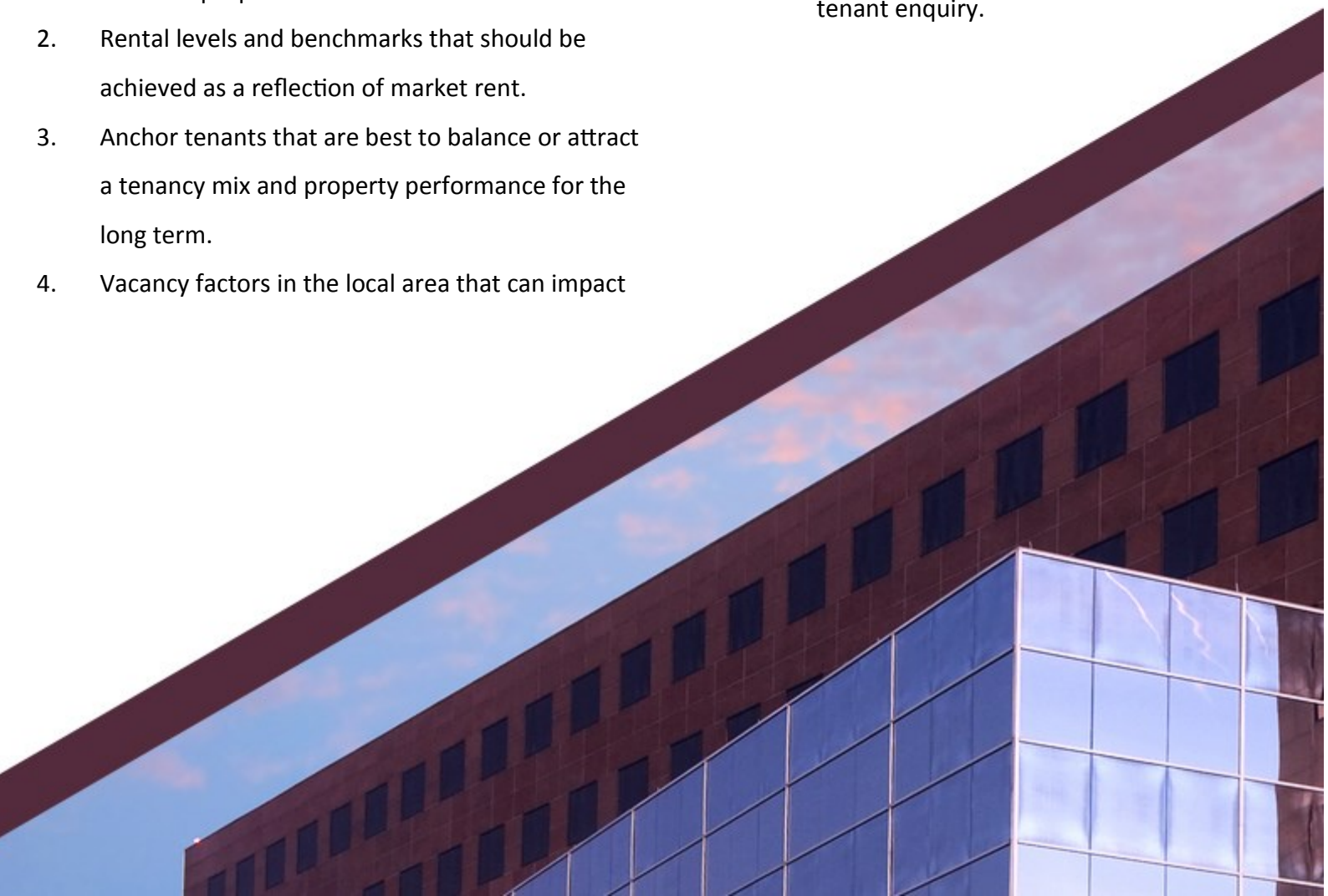
Whilst landlords may want to save on management fees and hence attempt to do the property management task themselves, landlord property management is largely a counterproductive process that degrades the property opportunity and separates the property from the market.

Landlords are normally not close to the market trends and changes, it's that simple. Agents know about and specialise in key leasing criteria such as:

1. Rental types and lease documentation used on different properties in a local area.
2. Rental levels and benchmarks that should be achieved as a reflection of market rent.
3. Anchor tenants that are best to balance or attract a tenancy mix and property performance for the long term.
4. Vacancy factors in the local area that can impact

the marketing of property.

5. Incentive factors and methods of attracting tenants to a new lease.
6. Rental review processes that can enhance the value and saleability of the property for the long term.
7. Methods of marketing a vacancy to a target segment of tenants so that the time on market can be shortened.
8. Bank guarantees and bonds that protect the landlord in times of tenant default or stress.
9. Lifecycle planning the property so it matches the lease and the landlord's investment targets.
10. Tenant selection and qualification from the local business community.
11. Services and amenities that attract tenant enquiry.



12. Negotiation and closing skills to get the leases across the line and into formal and correct occupancy arrangements.

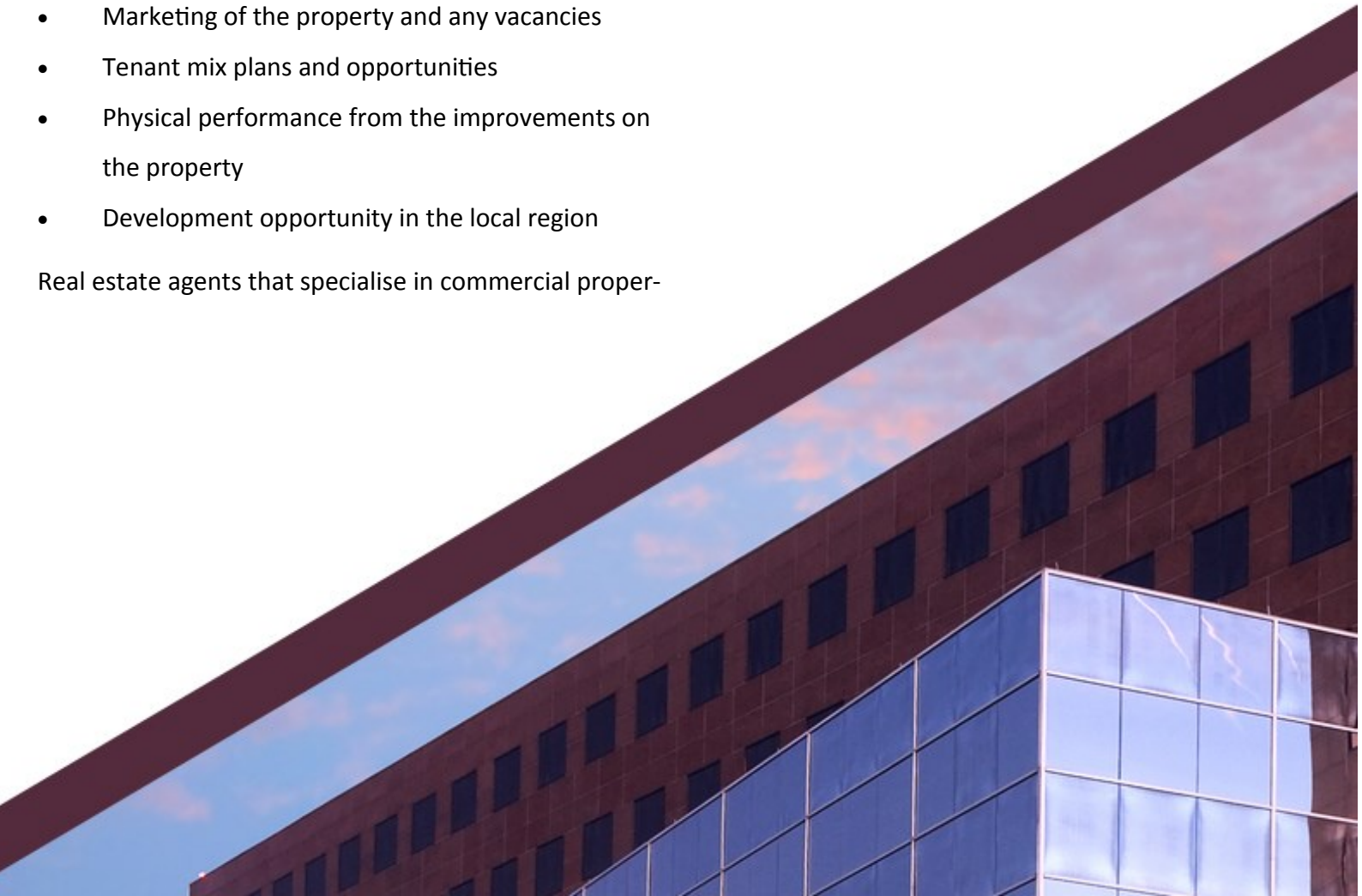
So a real estate agent specialising in commercial property locally should know about all these things and provide the skills to the landlords they work for. When this happens the property can optimise its income opportunity and contain expenditure spending in line with similar local properties.

Properties of a similar type in the same general location should be maintained to a similar set of benchmarks on:

- Leasing and rent strategies
- Renovation and refurbishment plans
- Vacancy factors and letting strategies
- Income growth strategies
- Expenditure levels and controls
- Lease terms and conditions
- Marketing of the property and any vacancies
- Tenant mix plans and opportunities
- Physical performance from the improvements on the property
- Development opportunity in the local region

Real estate agents that specialise in commercial proper-

ty should bring these skills to their clients. In that way the property and its lifecycle can be optimised. In that way the client gets value for money in the property management services that they need.



### **IMPORTANT INFORMATION**

*This information is prepared as general training information for commercial real estate practitioners globally. No part of this material may be regarded or relied upon as legal or specific advice for individual situations. Although all care has been taken in the preparation of this material, recipients:*

- *Must not alter their position or refrain from doing so in reliance upon this material; and*
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