

2017

3 Tips for Leasing Commercial Property



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When working as a commercial real estate agent, you will likely come across the opportunity to do some property leasing in addition to the normal sales activity in the local property market. Commercial office, industrial property, and retail property, all offer leasing opportunities for you and your agency, both in listing diversity and future commissions.

A top leasing agent is usually very skilful in investment sales, given that they know how to package a lease and a tenant mix to make things attractive in a property sale.

Knowledge of market rentals, incentives, lease documentation, and tenant needs will also help with the process of putting a lease together on a vacant property.

The Main Factors in Leasing

When considering the listing of a commercial property for leasing, there are three main considerations or tips that can be incorporated into the listing and leasing process. They are as follows:

- 1. Make sure you understand your target market of tenants and what they are looking for.** In each and every location there will be tenancies looking towards change and relocation. From time to time tenants are also looking to upgrade their premises or adjust their occupancy costs and commitments. This is a fresh and new opportunity for the leasing of new premises. Property agents should spend time in connecting with all the local businesses to identify their property needs, the expiration of their leases, and any tenant requirements for expansion or change of occupied area. You should expect that other specialised leasing agents in the local area will also be speaking to tenants in your managed properties on a similar basis. It is, therefore, critical to implement a tenant retention plan to retain your tenants and minimise vacancy situations.
- 2. Comprehensively market the vacant property into the local business community.** When it comes to the leasing of commercial office space, history has proven that most tenants come from the existing local business community. Those businesses

are simply seeking to improve their standards of tenancy occupation or adjust their business commitment to rental and other occupancy costs. They know the local area, but they need to change property. On this basis, the marketing of vacant space should occur through both the traditional and non-traditional marketing processes into the local businesses. Firstly, the property should be listed on the Internet plus suitable signage placed at the front of the property or the tenancy. Secondly, the complete details of the property should be itemised in an information brochure to be circulated through the neighbouring properties and local businesses. The process here can be greatly aided by a follow-up telephone call. Even though an existing business may not be seeking to relocate currently, they will usually advise you of their existing lease termination date. Capturing this information into your database will greatly assist future marketing processes.

- 3. Identify the competition properties that have an impact on your marketing promotions.** These properties may have been on the market for some time; they may even be considering a rental adjustment to lower levels to attract more enquiry. These properties will have a direct impact on the levels of rental and the marketing strategies that you adopt for your subject property. In this case, the landlord should be suitably briefed so they understand the impact that these properties could have on your vacant area. Logic says that a competitive rental should be offered in your property to offset the pressures of other competition properties.

These three simple tips have significant impact on the success or failure of the leasing campaign about the vacancy. Set your leasing targets so you can proceed through the campaign with clarity and focus. Adjust your rental should enquiry not be generated within the first few weeks of the campaign.

This is another quality resource from the Commercial
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