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Tenant Advocacy Tips in Office and Industrial Leasing



John Highman, Author, Speaker, and Coach

<http://commercial-realestate-training.com>

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Tenant Advocacy Tips in Office and Industrial Leasing

There are good leasing opportunities in most towns or cities for commercial property agents to tap into when it comes to tenant advocacy. In saying that, the tenant becomes your client and will pay your commission when a suitable property has been found and a lease has been agreed and signed between the parties.

You can be appointed by tenants to find a property that satisfies their needs and business requirements.

This process works well with medium to large businesses; small tenants and low quality buildings are not part of this business process. The larger businesses are more inclined to need the help of experts with leasing, and would be prepared to appoint an 'expert' to help them in the property location solution. They will generally pay a fair and reasonable 'market commission' for the right outcome(s).

Know your client

If this is a market segment for you to develop, do not confuse 'tenant advocacy' with the normal process of introducing a tenant to your client's listed property. That is a different situation, and you cannot work for two clients (ie get two commissions) in the same transaction (although some agents have tried!).

So, here are some tips for tapping into this unique and special service in commercial real estate brokerage:

1. **Charge a full commission** based on the going rate in the local property market for a standard lease process, but also charge a fee up front for undertaking the necessary research and review of the tenants needs. That could be several thousand dollars given the work required for larger businesses. From your study, prepare a report for

the tenant (your client) to brief them on the findings in the local area, and your solutions and recommendations for finding them a property.

2. **Location will usually be highly important** to the tenant that you are working for. The ideal location of the property will be driven by several business facts. You need to get to the central issues and decisions when it comes to location selection.
3. **Property type will be just as important** as the location. The property type choices will help you refine exactly what you are looking for by precinct and by building. When you know the ideal type of property you can drill down into the types and configurations of improvements required. Some of those improvements will be more important than others as you create the short list of properties.
4. **Staff needs** will be specific to the building and the business. As part of that study you may need to identify the different business units and how they can act or react together in the one location. Meet with the various department managers to work through the interaction process and the requirements.
5. **Customer needs and pressures** will apply in some situations. Know how many customers visit a property, how they get there, and what they do when they reach the property. Factors of car parking and customer movement in and around the property could be a concern in property selection.
6. **Understand how the business operates** on a weekly and daily basis so you can look at other important factors such as the loading zones, deliveries, and truck movements in and around the property.
7. **Fit out size and configuration** will be a consideration evolving from many of the above issues. It is normal for an architect to assist the tenant with specialized comment and direction. Meet with the architect to fully appreciate their requirements in final property selection and fit out design.
8. **Lease terms and conditions** to be negotiated will vary depending on the parties to the transaction, the landlord's investment targets, the required term of lease, local property supply, and the permitted use of the property. As a local leasing expert, you will (or should) know just what the current rentals and incentives are given local property supply and demand. You will also know the typical ways to get a good quality lease occupancy established for your client (the tenant) in the current property market.

In a tenant advocacy appointment, get your listing appointment signed and commission agreed before you start the hard work and action required. Work only with the larger tenants and better quality businesses in your town or city. Remember just who your client is (the tenant) and negotiate the best market lease that you can.

This is another quality resource from the Commercial
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www.commercial-realestate-training.com

info@commercial-realestate-training.com

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