

Prospecting For Commercial Listings

‘Commercial Real Estate’ series — <http://commercial-realestate-training.com>

Commercial Listings

Any Agent who wishes to have a successful career in commercial and industrial real estate must regularly obtain marketable listings. Listings are the agent’s “Stock on the shelf”, and your income now and in the future depends on the quality as well as the quantity of the listings that you obtain. So there are strategies and systems here to develop.

Putting it in plain and simple language, if you want more income you must have more listings. When you look at your market you can see that the listings may include:

- Land that is suitable for commercial, industrial or retail development
- Commercial, industrial and retail buildings that are for lease
- Commercial, industrial and retail buildings that are for sale

Developing a Client Base

The secret of success in the area of commercial and industrial real estate is to have your own client base that is a growing and living opportunity as part of your business. Those clients who work comfortably with you and who respond positively to your advice in relation to their real estate requirements are the clients you need to develop.

It is the clients who pay your fees, and they are very important people in your business life. It is essential that you represent yourself strongly and professionally to them at all times. As these investors and business organisations readjust their property portfolios to meet their emerging real estate requirements, they will continue to provide you with listings. In addition, if they are satisfied clients they will refer you to others, and so provide you with more business.

Knowing the Local Property Market

To provide effective advice to prospective clients it is important that you know the market - commercial, industrial or retail - that you are involved in and that you have detailed knowledge of the geographical area in which you operate.

To do this effectively you will need to:

- Canvass your territory each week according to a plan and become known by people in the area
- Know every commercial property that is for sale or lease in your territory
- Maintain a list of all commercial property transactions that occur
- Keep an eye out for private transactions and off market deals
- Involve the management of your office and other team members with what you are doing

In addition to the above, you should understand the factors that motivate companies in your area to move to other space, and you should be aware of the forces that encourage investors to buy and sell. All of these are triggers for listings.

LOCATING LISTINGS

As you get to know your commercial clients and prospects in the area(s) of the market in which you operate, opportunities for obtaining listings will present themselves. For example:

- **Real Estate Transactions.** The successful conclusion of any real estate transaction implies that both buyer and seller may be looking for other options. Avail yourself of these opportunities.
- **Liquidation.** A failed business is a prime target for agency activity.
- **Vacant Buildings.** Be conscious of any buildings that become vacant or derelict as these represent business opportunities. Also look for buildings that are becoming redundant in the area and need to be redeveloped.
- **Intermediaries.** Maintain close association with the intermediaries of the commercial real estate business. Intermediaries include such people as financiers, bankers, insurers, builders, architects, engineers, lawyers and accountants. Their clients will at times require the services of real estate agents and a recommendation from these people is invaluable. You, in turn, can introduce your clients to such intermediaries and sound business relationships which benefit both parties are established and maintained in this way.
- **Newspaper Articles and the Internet.** Articles that are prepared by you or in which you are quoted, bring your name or your firm's name to the attention of the public. Also check out the news and events on the Internet.
- **Direct Mailing.** The regular mailing of letters, canvassing for properties, when sent to a suitable group of possible

investors, frequently result in listings.

- **Private Advertisements.** These can indicate properties that are on the market and the owners may be encouraged to employ your services if initial advertisements have not been successful.
- **Developers/Builders.** To earn the interest and right of operating with developers you will need to feed them some property that can be redeveloped. Many agents know developers, but it is the agents that are trusted and respected by developers that win the business.
- **Neighbours in immediate area.** All properties have surrounding owners that may have an interest in change or acquisition. Make a note of properties that are near to any other listings including that of competition agents. You will be surprised how owners like to talk to agents other than the agent that has listed the property down the street.
- **Property Managements (Rent Roll).** Property management listings are always a good source of listings. This says that you should respect and help the property manager in your office as much as possible. The relationship can have benefits in both directions.
- **Entrepreneurial Activity.** Just who are the entrepreneurs' in your area. Seek them out and find out what their focus and needs are. They usually have a need for or interest in commercial property.
- **Previous Vendors & Purchasers.** Old sales and leasing activity will always give you new opportunity. This says that you should get out all the old files and make contact with the people that were involved in the transaction. Sellers and buyers will always move on or need other properties to occupy or invest in; it is simply a matter of timing.

Identifying Ownership

When you discover a property that you feel could provide a business opportunity, it is necessary to identify the owner. The following avenues can often provide this information.

- Your own office
- Previous transactions can be consulted
- Local Government Records
- Land Title Information
- Lease information
- Annual Reports for Companies
- Electoral Rolls
- Telephone Directory (including the Yellow Pages and business pages)

There are also many other sources of information to be used when identifying owners. These are:

General Information & Data

- Computer database lists
- The Internet
- Social Media sources
- Membership of groups
- Sales Records
- Company Directors
- Stock Exchange Information
- Company Searches
- Newspaper Stories & Articles
- Local council building and development approvals



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