

Building Commercial Business In Your Local Marketplace



**BERKSHIRE
HATHAWAY**
HomeServices

INTRODUCTION

It is no secret that the greatest share of a commercial real estate broker's business is developed through local sources. Becoming a market leader requires choosing a specialty, researching and knowing your market, canvassing, networking and creating professional presentations and marketing brochures. Each step is necessary and requires time and effort.

The following pages will outline steps you can take and reference commercial training resources available to you on REsource Center (www.BHHSREsource.com) to assist in building commercial business in your local marketplace.

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IDENTIFY YOUR SPECIALTY AND KNOW YOUR TERRITORY

It is important for a commercial real estate professional to decide their specialty. Only by specializing can you devote the time and energy needed to become a local expert. If you choose to be a generalist, it is still important to learn as much as possible about every specialty.

Once you choose a specialty, determine the physical boundary of **where** you will offer real estate services. Know everything possible about all the properties within your specialty that are located within the physical boundary you've established for yourself.

- Determine specialty
 - Leasing
 - Office, industrial, retail
 - Landlord or tenant representation
 - Investment sales
 - Land sales
 - Agricultural
- Establish boundary
 - Downtown
 - Suburb
 - City
 - State
- Learn the market
 - Become the expert in your specialty
 - Track all transactions
 - Know key developers
- Understand zoning classifications
 - Obtain zoning regulations
 - Attend zoning meetings
- Identify utility companies
 - Who are they?
 - Where are they located?
 - What kinds of assistance do they provide?
- Research local and state taxes
 - What kinds of tax deferments are offered to companies moving to the area?
- Understand area demographics
 - Income
 - Age groups
 - Education levels

REsource Center Tool: *Commercial Action Track*

Commercial Action Track

A self-directed training system for new or experienced commercial real estate sales professionals with a desire to learn or review the basics of commercial real estate.

MANAGER'S INTRODUCTION

Following are our objectives in creating the *Commercial Action Track*:

- To provide the new commercial sales professional with a sequence of meaningful activities leading to a fast, systematic understanding of his/her responsibilities and a clear introduction to sources of relevant commercial information which results in early personal productivity.
- To provide the commercial manager with a systematic, orderly and complete program of activities for the sales professional which assures that basic necessary skills and information are acquired without daily supervision by the manager.

The *Commercial Action Track* is intended for use in the office and assigned to new commercial sales professionals. Prior to implementing the *Commercial Action Track*, three steps are necessary:

1. Read it in its entirety. Note the activities that are not relevant to your market, product, specializations, or company policy. Rather than omitting tasks that do not apply to you, substitute relevant activities so that the overall program remains comprehensive.
2. Develop the sequence and time allocation for the assignments (modules). The assignments do not have to be assigned sequentially as arranged in the text.

Note: It is very important for new sales professionals to begin face-to-face prospecting as soon as a reasonable basic understanding of the commercial real estate business is attained – usually within 30-45 days. The “Business Development Call”, explained in Module 6.2 is a non-threatening prospecting method that new sales professionals can employ before in-depth commercial real estate knowledge is achieved.

3. Brief your staff about the *Commercial Action Track*. Many activities in the *Commercial Action Track* require the new sales professional to contact the support staff for information and the sales staff for permission to be an observer on sales calls. A proper explanation of the *Commercial Action Track* to your staff, accompanied by a description of the benefits to the sales professional and the organization will save everyone's time and will aid in understanding and support. Clearly, if staff appears reluctant to support this team effort you may want to direct the new sales professional to more supportive sales professionals.

The *Commercial Action Track* should be modified as needed to the requirements of your organization and the capabilities and assignments of sales professionals. Properly modified and supported within your organization, the *Commercial Action Track* will speed new sales professional to productivity, provide a consistent training base for new sales professionals and reduce your personal time creating new sales professional training.

The *Commercial Action Track* is designed to be a “track to run on” for any sales professional who wants to get started in commercial real estate. The emphasis is on action! This is not a classroom course of study; it is a prescription for action in the sales professional's own marketplace.

The *Commercial Action Track* directs the sales professional to get started by getting involved. It is a recipe for getting organized and for picking a specialty and territory. It outlines hands-on methods for learning essential skills and tools. Most importantly, it directs the sales professional out of the office to see properties and people in the community.

The *Commercial Action Track* is modular. It is comprised of many pieces that can be selected and rearranged to suit the needs and circumstances of the sales professional and his/her company. Because the design is so open-ended and flexible, it requires the active involvement of the manager to decide what modules should be used and in what order. Indeed, the *Commercial Action Track* is an opportunity for management to build a customized, in-office training program using the modules of the *Commercial Action Track* as the framework.

The involvement of the manager is critical for other reasons as well. While the sales professional does most of the work, the manager provides accountability, furnishes information on resources and company policy and contributes his or her experience and judgment. The success of this program depends on the effort of both the sales professional and the manager.

Who should use the *Commercial Action Track* and when? Certainly, a new sales professional fresh from another job or company or even from the residential department in the same company will get a faster start by using the *Commercial Action Track* to direct his/her plan. It is designed to start the sales professional's first day at work. The program can continue for six months or more if the topics "Seeing Property" and "See The People" are followed completely. Indeed, with these topics, the *Commercial Action Track* merges into what should be an ongoing program of business development for any serious sales professional.

An experienced sales professional will also find some of the sections valuable to help fill in the gaps of his/her training. In particular, sales professionals that do not focus on a specific product or territory should be encouraged to do the modules on choosing and developing these specialties.

The *Commercial Action Track* is not a substitute for classroom training. It is designed to be the day-to-day complement to formal training.

Finally, you will discover that the *Commercial Action Track* contains many strong statements regarding what is vital to the success of the sales professional. You may not agree at first with some of the basic ideas contained in these modules, but consider the source of these ideas. The principles upon which these activities are based were obtained from surveys, interviews and direct involvement with hundreds of successful commercial sales professionals, brokers and companies in markets of all sizes in every area of the country. Although some of these ideas may sound radical, these are precisely the methods that are making other people successful today, in markets just like yours. They can work for you.

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INSTRUCTIONS

This training system is designed so that any of the modules can be taken separately in any order. Most modules contain several activities, some of which could be eliminated, modified or deferred to another time.

For best results, the sales professional and the sales manager should work together to formulate a plan, selecting and prioritizing the modules that are most appropriate. The plan should reflect the circumstances of your market and your office and should be customized according to the experience and background of the individual sales professionals. Some modules may not be appropriate for some sales professionals or you may decide to add activities using these modules as a model.

As the first step in designing a program, the sales professional should read through all the modules. For a sales professional just starting with the company, this could be assigned reading before the first day on the job. It is assumed that the manager has studied the program and has a tentative plan already in place.

The next step is a meeting between the manager and the sales professional to discuss and decide which set of modules to complete first and the amount of time to be spent on this first set. Both should initial and date the module pages and the tracking chart to ensure that everyone knows and remembers what is to be done.

For example, the first modules to complete in the first week may be chosen from Topic I, "Office and Paperwork;" Topic II, "Time Management" and the first module from Topic V, "See Properties." In week two, another meeting should be held to discuss what the sales professional learned the first week as well as provide an opportunity for the to answer questions the sales professional has accumulated during the week. The next group of modules can be chosen and a timeframe for completion agreed upon.

This routine should continue until all of the applicable modules are completed which for a new sales professional could be as long as six months.

More experienced sales professionals may decide to focus on parts of the program that supplement his/her prior training and experience, such as "Pick a Territory and Product" or "See the People." The manager should be just as involved with experienced sales professionals.

We cannot stress enough the importance of a new sales professional getting out of the office and in front of customers as soon as possible. Many of these modules call for research and preparation that don't involve customer contact. A sales professional who is reluctant to make calls could "hide" behind these activities for weeks if the modules are taken strictly in the order that they appear. Plan a sequence that strikes a balance between in-office activities and work in the field – even in the first week. Both the sales professional and the manager are responsible for seeing that this advice is heeded.

The *Commercial Action Track* was designed to be flexible and open-ended. We encourage you to experiment and be creative when you design your in-office training program. And have fun!

TRACKING CHART

Use this chart to keep track of which modules are assigned and which ones are completed. The manager should keep a copy and the sales professional should post his/her copy where he/she will see it often.

Date Assigned	Date Completed	Sales Professional Name _____
_____	_____	Module 1.1 Initial Orientation
_____	_____	Module 1.2 Company Policies
_____	_____	Module 1.3 Incoming Calls
_____	_____	Module 1.4 Competitive Position
_____	_____	Module 1.5 Resume Creation and Presentation Packages
_____	_____	Module 2.1 Time Control
_____	_____	Module 3.1 Pick a Product Specialty
_____	_____	Module 3.2 Pick a Geographic Territory
_____	_____	Module 3.3 Potential Income Analysis
_____	_____	Module 3.4 Presentation Decisions
_____	_____	Module 3.5 Small Markets
_____	_____	Module 4.1 Information Sources In Your Office
_____	_____	Module 4.2 Office Computer System
_____	_____	Module 4.3 Information Sources in Your Community
_____	_____	Module 4.4 Financing Information
_____	_____	Module 4.5 Learn Your Territory
_____	_____	Module 4.6 Not-for-Profit Development Organizations
_____	_____	Module 5.1 Preview Listings
_____	_____	Module 5.2 Property Database
_____	_____	Module 5.3 Inventory Your Territory
_____	_____	Module 6.1 See 250 People
_____	_____	Module 6.2 Prospecting Methods
_____	_____	Module 7.1 Observe First Listing Call
_____	_____	Module 7.2 Observe Second Listing Call
_____	_____	Module 7.3 Observe Offer Presentation
_____	_____	Module 7.4 Writing Ads

_____	_____	Module 8.1	Exclusive Listing Agreements
_____	_____	Module 8.2	Sales Agreements
_____	_____	Module 8.3	Leases
_____	_____	Module 8.4	Letters of Intent
_____	_____	Module 8.5	Miscellaneous Documents
_____	_____	Module 9.1	File Systems
_____	_____	Module 9.2	Maps, Form Letters, Checklists
_____	_____	Module 9.3	Personal Tool Kit
_____	_____	Module 10.1	Set Goals
_____	_____	Module 10.2	Education PPlan

TOPIC I

OFFICE AND PAPERWORK

Joining a company or a department always requires attention to administrative details and basic training that can't be avoided. Get these items out of the way as soon as possible to avoid delays when you start working with customers.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 1.1: Initial Orientation

This module is for sales professionals who have just joined the company or department. If this doesn't apply to you, skip this module and proceed with the next one that does apply.

- ☐ Introduce yourself to everyone in the office starting with the managers and staff.
- ☐ Complete paperwork to process yourself and your license. Get desk assignment, office supplies, etc.
- ☐ Order business cards, name badges and any other personalized materials.
- ☐ Locate supplies, reference materials and equipment available for your use in the office. Learn how to use the equipment including the telephone and computer systems. Practice using each piece of equipment until you are adept.
- ☐ Setup an email address for yourself and a personal website which should link to your company website.
- ☐ Notify outside organizations such as the local Board of REALTORS® and trade groups of your new email address and change of business address and company.
- ☐ Find out from your manager if there are other organizations you should consider joining such as a commercial MLS or any trade groups related to a product specialty, such as NAIOP (office and industrial), International Council of Shopping Centers (ICSC) or a local apartment owner's association.
- ☐ Preview your company website.
- ☐ Obtain a password from your broker for access to RSource Center (www.BHHSRSource.com).
- ☐ Download the *Commercial Real Estate Overview* on RSource Center, read it and learn about the products and services offered.
- ☐ Log onto RSource Center and browse the Commercial Real Estate section.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 1.2: Company Policies

To become a part of the team as quickly as possible and to avoid confusion and misunderstandings, you need to know what the ground rules are in your company. Start with the written policies but try to discover what the unwritten policies, protocol and customs are in your company as well.

- ☐ Read the company policy manual. Make a list of questions for future discussion with your manager.
- ☐ Do you clearly understand how gross commissions are divided? If not, write down any questions regarding the calculations or interpretation of commissions and discuss them with your manager.
- ☐ What are the policies regarding the relationship between the residential department and the commercial department? Are commercial sales professionals required to refer residential leads to the residential sales professionals and vice versa? What is the procedure? Is the referral fee set?
- ☐ What is the policy, formal or informal, on cooperation with sales professionals from other companies? Is the split always 50/50? How are requests for information routed? Do commercial sales professionals in your company give information to residential sales professionals from other companies?

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 1.3: Incoming Calls

Calls on ads, signs and company referrals need to be handled with care for customer retention and sales professionals who are directly responsible for the business receive the leads that are rightfully theirs.

Some commercial offices deal with incoming calls by delegating "floor time." If your office does not delegate "floor time," then do the first item below and skip the rest of this module.

- ☐ Learn how customer calls are handled and routed in your office. Differentiate the procedure for calls on specific listings compared to general inquiries. What happens if the listing sales professional is not in? What is the company's policy regarding calls from other brokers, giving out property addresses to prospects, emailing or sending informational flyers or property packages to callers, etc.
- ☐ Make arrangements to observe experienced sales professional on floor duty. Listen to how various types of incoming calls are handled. Ask the sales professional how he/she makes the most of his duty.
- ☐ Study, in particular, how the sales professional handles customer inquiries in order to get an appointment. Notice who asks the most questions – the sales professional or the customer – and how much information is given out before the sales professional asks for the appointment.
- ☐ Notice what the sales professional does when the phone is not ringing.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 1.4: Competitive Position

You need to be prepared to explain to a potential client how your company differs from competing commercial companies in your market and how this will benefit the client. Take notes, especially on the strengths of your company. Later you will make this a part of your formal listing presentation.

- ☐ Learn the highlights of your company's history and how it is set up today. Who are the key officers, how many people work in the different departments? What branch offices are there? Learn what other services or specialties your company offers (development, property management, appraisal) and the key people in these areas so that you can refer business to them when the occasion arises.
- ☐ Your goal is to know the strengths of your own company so you can sell its benefits when you are talking to buyers and sellers and to understand your position in the market place.
- ☐ Learn about the major competitors in your market from other sales professionals in your company. What are the strengths and weaknesses of each? What positive aspects of your company do your fellow sales professionals emphasize when competing for listings or for a buyer's loyalty?
- ☐ As you talk to professionals in the market (attorneys, accountants, bankers, etc.), try to discover what they know about the strengths and weaknesses of your company compared to the competition. Your goal is to pick up new selling points.
- ☐ Attend commercial real estate organization meetings to network with sales professionals from competing companies who specialize in your product type or in your territory. This way, you can begin a cooperative relationship with these people. As you become active in your market you will be co-brokering transactions with these sales professionals and helping each other in many ways. Now is a good time to start building those relationships.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 1.5: Resume Creation and Presentation Packages

The value in excellent broker services presentations lies in the fact that better packages will be read thoroughly and kept by the customer throughout the process. Good packages reflect a well-written resume along with a professional and knowledgeable approach.

- ☐ Use the resume template available on REsource Center to create a resume. If you are new to the business, work with your broker to create a resume best suited for your market approach.

There are three common forms of property presentation packages:

1. Presentation on a prospective listing: The most common presentation is a listing presentation. Your company should have "boiler plate" components for this package including a summary of the company from a historical and capability perspective.
 - ☐ Review examples in your office and think about methods to improve your presentation by adding sections on individual resumes, opinions of value, the marketing plan, etc.
 - ☐ Using presentations available on REsource Center, complete the sections on your company and personal information and depending on the assignment you are pursuing, the remainder of the presentation will be completed at a later date.
2. Presentation for buyers or tenants: Like the listing presentation, these are often competitive and due to the demographic diversity of the decision makers, may be the only resource for some of the parties who will affect the outcome. The emphasis here is on gathering appropriate information (lease rates, expense estimates for all buildings in the market), the ability to interpret the market and on the proven ability to deliver the results. If you and/or your firm lack depth in your resumes, then you have to be prepared to demonstrate a process that will achieve the desired results. That process would include a written, if not graphic, portrayal of the steps or phases leading to the property selection and final negotiations.
3. Presentation of a property for sale or lease: This presentation is used to market the property once you have received the exclusive right to market the property. In many cases this package incorporates parts of the presentation for the listing.
 - ☐ Ask your manager for copies of sample packages prepared by commercial sales professionals for you to review. Visit REsource Center and preview the catalog for printed materials designed to help in preparing presentation packages.
 - ☐ Visit REsource Center and preview *How To Design a Commercial Marketing Plan*.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC II

TIME MANAGEMENT

Planning means knowing where you are going and how you intend to get there. Planning is essential for any business to be successful. As a commercial sales professional, you need a plan.

Goals are a tool of planning. To be useful they must be based on a realistic appraisal of both the market and your abilities. With your goals as a gauge, you can decide day-by-day what activities to do first, what to do second and what is not important for achieving your goal.

This is the essence of time control or time management: spend your time doing the most important thing first.

Remember...plan your work and then work your plan!

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 2.1: Time Control

There are a number of things at any one moment that you can do to bring you closer to your goals and an unlimited number of less-productive activities and distractions. Your objective is to do the most productive activity at any given time. This requires planning your month, scheduling your weeks and prioritizing what you will be spending your time on each day.

- ☐ Purchase the most up-to-date technology.
- ☐ Purchase an online time organizer system such as a Day-Timer®, Franklin Day Planner or a client relationship management (CRM) system and consolidate information from other sources to this system and link it to your smart phone. As a commercial sales professional you will be spending much of your time out of the office and you must be able to access your information at any time.
- ☐ Get in the habit of keeping all miscellaneous notes and to-do lists in this system and avoid writing things down on loose slips of paper.
- ☐ Make a list daily of the things you intend to do that day. Break up large projects into smaller tasks and organize them in groups. Prioritize the list by asking "Will this help me gain market information or meet potential customers?" Also ask, "How much damage will be done if I don't do this today?" Some items may be profitably avoided.
- ☐ Start with your top priority items first and stick to the order you have set!
- ☐ There are many excellent books on managing your time, such as *Time Power* by Charles Hobbs or *The 7 Habits of Highly Effective People* by Stephen R. Covey in bookstores, libraries and possibly on the bookshelves of people in your office. If you feel you could be more organized and efficient than you are now, get one of these books and read it for good ideas you can implement immediately.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC III

PICK A TERRITORY AND PRODUCT

Top producers in commercial real estate agree that an essential ingredient to their success is specialization. Specialization by product type (apartments, offices, industrial, retail, investment properties, land, etc.) and specialization by geographic territory are both important. Some specialize even further within these categories.

These successful sales professionals know that even within a narrow specialty, keeping up with the technical knowledge, market knowledge and the number of properties and owners that have to be tracked to stay competitive is a full time job. They know that sales professionals who list and sell indiscriminately in all categories of commercial real estate and takes any lead that comes their way can never attain the degree of mastery that is necessary to achieve a high level of income or to survive the business over many years through all cycles of the market. Such dilettante sales professionals either quit the business due to too much stress and too little income or at best lose money and time until they wander into a specialty.

We strongly recommend that commercial sales professionals choose and work both product specialty and a geographic territory. The specialty that is right for one sales professional or one city may not be right for another. Some established commercial departments would assign a territory and product to the new sales professional. If this is the case with you, then skip this module.

Our advice is to focus on one product and become the local “expert.” While you may not generate 100% of your income from one area, you should make plans to focus on one primary specialty.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 3.1: Pick A Product Specialty

Even if you are not assigned a product and territory, your manager and other sales professionals may have some good recommendations.

Discuss with your manager the preferred types of property the company want to represent before doing any research. Some companies are particular about the types of properties they want to represent or are aware of the types of properties that are unprofitable in your area. They may want you to specialize in the same product as others in the company or cover a specialty that complements what others are doing. Your manager may know of a niche that you wouldn't otherwise discover.

- ☐ Make a list of other commercial sales professionals in your company and their specialties and territories. Discuss the pros and cons of their particular specialty. Find out what their geographic territories are and plot them on a map. This will not only help you decide your own territory which is your next step but the map may be useful later for in-office referrals.
- ☐ Take inventory of what you like to do and what you have done in the past jobs. Do you have anything in your background that would give you a head start with any particular specialty? For example, if you once owned a retail store you will understand better what other retailers need when they look for locations. If you worked in manufacturing you may have an advantage with industrial real estate.
- ☐ Talk to people, starting with people in your office and ask which product types predominate in your area and which are lacking. In which is the inventory growing from new construction? Are vacancies high and properties difficult to sell and lease? Where is competition the keenest (don't judge just by signs on properties)?

Your choice may be obvious after talking to a few people in the office and in the field. If not, do more in-depth research in the field to answer these questions. Try to get actual inventory numbers on the different product types, look up building permit statistics for the last few years, find vacancy and absorption surveys and inventory the exclusive listings of your competition.

The object of all of this work should be obvious: you want to pick a product that has the potential to generate the most income for you. This will be an area where the turnover is healthy and you have a chance of brokering a large enough share of that turnover to achieve your income goals over the next few years.

- ☐ Subscribe to magazines/journals that feature articles on your product specialty.
- ☐ Join the trade associations that service the product specialty, i.e. NAIOP, ICSC.

The Home Run Syndrome

A common trap that too many commercial sales professionals fall into is sometimes called the "home run syndrome." These sales professionals direct their time and energy to closing big, multi-million dollar transactions that are much larger than anything they have ever closed before. They argue that, despite the odds against them, "it only takes one to make a year's earnings."

The trap is that working on these transactions takes time and attention that could be invested in building a reliable source of business. There is also considerable stress involved in having a “year’s earnings” riding on a single transaction. Most sales professionals inexperienced in transactions at this level don’t have the contacts or knowledge to really benefit the principals and thus they have no real control. They can’t influence the transaction and they are easy victims to last minute “negotiations” of commission that cut it down to a fraction of the original prize.

Part of the trap, too, is that they believe their transactions are closer to paying off than they really are because they don’t have the experience to see where the real problems lie. Like a gambler, they believe that the next roll of the dice could be the one to set them free.

They persist until they either get lucky or give up in frustration and in debt. If they get lucky, they try to reproduce their success but have to start all over again because they did not build the foundation for future transactions. The stress of high stakes continues.

The alternative is to develop a plan to build a steady and reliable flow of business and to close an increasing number of small transactions, gaining experience and reputation with each one. Eventually you can work up to a steady flow of large transactions and genuinely earn the big fees.

Planning, specialization and training all play an important role in this strategy. It’s hard work. But the “home run syndrome” is gambling. Why gamble with your career?

Date Completed: _____

Manager’s Initials: _____

Sales Professional’s Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 3.2: Pick A Geographic Territory

Picking a geographic territory goes hand-in-hand with picking a product specialty. Depending on your circumstances you might want to decide your geographic territory before you make a decision about your product specialty.

Your goal is to devote the next few years to a particular product within a carefully defined geographic territory. This way you can truly be an expert on the market, know all of the properties intimately, master the technical knowledge of the product type and be on a first-name basis with most of the property owners in your territory.

How big should a territory be? As small as possible! The secret is the concentration of your efforts to attain mastery.

As a rough rule of thumb, you are looking for an area with between 200 and 500 properties of your specialty type. The analysis in the next module will help you refine this number. If you work a common product such as apartment buildings or office leasing in a dense urban area, your territory may be no more than a few dozen blocks. If your specialty is narrowly defined such as trucking terminals or medical office buildings, your territory may be an entire metropolitan area.

- ☐ The first step in picking a territory is to talk to your manager about company policy regarding territory assignments. If you have the latitude to pick your own territory, then the next step is to determine what territories other sales professionals in your office cover who are specializing in your same product type cover. You may have already done this in the previous module.
- ☐ To choose the actual territory, get a map of your area and use the map to plot the locations and concentrations of your product type. Use company files, online county property records or title company reports. Talk to other sales professionals, property owners, chamber of commerce officials, developers, real estate lawyers and city planners to get leads. Start to develop long-term relationships with the people who can help keep you informed.
- ☐ Drive the territories you are considering and look at the properties to verify information you obtain online and from files and records. Take note of the conditions of the properties and neighborhoods. Look for any factors that may influence the economic future of the area, good or bad.
- ☐ Obtain a large map of the city or area and a zoning map or master plan for the area.
- ☐ Attend city council, planning and zoning or industrial development council meetings.
- ☐ Consider in what neighborhoods you may already be known by property owners as a result of past business or civic affairs. Give these areas a closer look.

Where do competing real estate companies have a strong presence? What markets have they neglected? Imagine spending most of your time for the next three to five years in one geographic area and see if you can think of any other factors you should consider now before committing to an area.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 3.3: Potential Income Analysis

When you have tentatively picked a product specialty and a geographic territory, the final step is to analyze the average turnover of properties and the potential commissions you can earn in this territory. This is an important step. You would rather know now if you can't make a living from your proposed target market than to find out later the hard way.

- ☐ Determine the average number of all transactions of your specialty type that closed in each of the last few years. See "Comment: How to Find Data" on next page.
- ☐ Determine the average sales price (or lease value) of these transactions.
- ☐ Estimate the average gross commission actually paid at closing for the transactions that were brokered (remember to factor in the average rate of co-op transactions).
- ☐ Estimate the percentage or market share of these transactions that you can reasonably expect to do yourself in each of the next three years. Of course you will do fewer in the first year than in the second and third years. Consider how active and effective your competition is and how many transactions are being done now, without a broker, that you might be able to capture. Try to estimate the market share of the most active companies in the market and use that number as a reference point for your estimate.

As a rule of thumb, you may want to estimate covering 5% to 15% of the market once you get established. If the percentage you estimate is much lower or higher than this, you may need to reduce or increase the size of your territory or consider a different territory or product where the competition is not as strong.

- ☐ Multiply this market share percentage by the total number of transactions in the territory to calculate the number of transactions you can expect to complete. Then multiply this result by the average commission you calculated above. Apply your in-office split to get a net commission to you.

The result is an estimate of the total dollars you can expect to earn from your territory.

Look at the resulting number and compare it to your financial needs and your goals. Keep in mind that you will probably earn only a fraction of this potential income in the first year. If this estimate is acceptable, you can proceed with the action steps of your plan.

If the number is too low, change something. You might need to expand your territory; or maybe a different product specialty will yield more income. Maybe your goals are unrealistic.

If the number is too high you may want to reduce the size of your territory. This will allow you to master a smaller area sooner. You can always expand your territory later.

It is extremely important that you review all of this with your manager. This is a critical decision for you, and making estimates and judgments about the market leaves a lot of room for error. You need help from an experienced commercial practitioner to make the correct interpretation and to guide your final decision.

How to Find Data

Finding total numbers of properties, average sales prices and average commissions will not be easy unless a vendor has a complete database of all transactions that you can access typically for a monthly fee. For small markets, you will have to dig up the information from county property records or a data service, in combination with talking to a number of people. You may also locate the information from market data reports issued by competitors or capture this information on the Internet.

Talk to knowledgeable sales professionals in your office to determine average fees paid, average transaction size and to learn who is active in the market and who isn't. Try talking to knowledgeable sales professionals in other commercial companies as well; they may not tell you all they know, but if you talk to enough of them, you can piece together much of the information you need. Talk to different sources to get a consensus rather than relying on only a few sources that could be unrealistic.

Remember, the difficulty of the research does not diminish the importance of this analysis. Many would-be sales professionals have burned themselves out working a territory that didn't have enough turnover to support them financially. On the other hand, if you determine that the turnover is adequate and you are convinced you can be successful, you will be better able to survive the long periods of frustration and doubt that are inevitable until you develop your base of business.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 3.4: Representation Decisions

You will need to understand the issue of representation with regard to your state's guidelines for disclosure in a purchase agreement or lease. In this outline we will deal with the practical aspects of buyer/seller and landlord/tenant representation.

In some markets and within some product disciplines, individuals, and even companies, are taking a position of only representing one party in a transaction. Depending upon the dynamics in your market, you may choose to do the same. Whether you choose a singular representation position or not, you will be dealing with the issues and the evolving demands on the part of the customers.

The users of brokerage services have moved towards buyer and tenant representation requirements when soliciting services from brokers. Their intent is to have their case represented without any conflict of interest with the seller or landlord. The discussion of potential conflict when the seller/landlord pays the commission while the buyer's/tenant's representative makes a written disclosure of his/her singular responsibility to the buyer/tenant is a local legal matter.

In a growing number of cases, the customer is requesting that the person representing them is, in fact, a buyer broker or a tenant representative exclusively.

On the other side, landlords, particularly institutional landlords, are cautious about awarding building representation leasing assignments if the brokerage company also represents other similar buildings in the immediate area. For what used to be an advantage, knowing and covering the immediate market, can become a disadvantage when the landlord wants to know how the potential tenant is being handled between two or more competing buildings with the same leasing agent.

- ☐ Discuss this situation with your manager and other sales professionals in your office. Investigate if there are companies or individuals in your market who maintain a singular position with regard to representation.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 3.5: Small Markets

Many markets with small populations may not generate enough commercial brokerage activity for you to specialize exclusively in one product area (office, industrial, retail, multi-family, investment properties, land, etc.).

While this situation exists in some markets, the conclusion is not to be interpreted into operating without specialization. One can specialize in a particular area and still work other portions of the market, given the market size. For example, you could look at it as having a major in retail with two minors: land and office.

Each individual should endeavor to be the best "specialty broker" in the service area and be recognized by the customer and the competition. Taking this position means that you either are the most effective broker in a specialty in your area or at least you are perceived to be the leader.

The test will be if any prospect enters the market and asks a banker, someone at the chamber of commerce, or even a residential broker, "Who is the best _____ specialist in this area?" The answer should be you.

All of the activities recommended to brokers in larger markets apply to you: defining a geographic area (it may be your whole city, more than one city or the entire county); identifying a product specialty (based on your research of the market and your competition) and inventorying the information on every building and its ownership.

Here you have an advantage. Due to the size of your market there may be only one center of government and related services (planning, survey, city council, etc.). You can manage the information and build relationships with all of the relevant players that will affect your business.

It is more obvious in a small market when one person or company is the source for information and it is easier for a prospect to determine who that person is by referral or as a result of a phone call or interview. It will soon be clear to the customer if you do or do not know the information being sought.

The question is always, "Do you do business as a result of information or relationships?" The answer is always relationships, but many relationships start with someone looking for information.

In many ways the research in a smaller market is easier to define and more effective as a result. It is possible to identify EVERY building in the market and to determine the sales prices, taxes, etc. on EVERY sale.

If by analyzing your market, it is determined that there is not sufficient volume to support full-time commercial focus, the balance of desired earnings may be completed through appraisals, residential sales, property management or consulting. You will need to complete a personal business plan for each segment of the business you intend to enter.

In relatively small markets (50,000 or less population), the commercial sales professional is often a generalist and finds that his/her income is spread over the entire spectrum of commercial transactions. Here the support of a network and a broad base of resources become very important.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC IV

INFORMATION SOURCES

This section leads you to sources for many kinds of information you must have to be a successful commercial sales professional. Generally, more information is available to you than you realize; the trick is knowing where to find it or who to ask.

Invest time now, before you get too busy with active transactions to discover where to find information that will be critical to your business so when the pressure is on to get quick answers for customers or to prepare for a listing presentation, you can go right to it without hesitation.

The exercises in the following modules are suggestions based on the experience of a number of successful commercial sales professionals from different parts of the country. The kinds of information that will be important to your specialty and in your area will probably require additional sources. Ask your manager and other sales professionals in the office for help in customizing the lists and for help completing these explorations.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.1: Information Sources In Your Office

Examine every source of information in your office: directories, microfiche, files, card catalogs, computer databases, access to the Internet, etc. For each source do the following:

- ☐ Identify each source of information and illustrate the type of information it contains through copies of a page, your notes or a printout.
- ☐ Try to determine at least one way each source could be valuable in helping you get a listing or make a sale.
- ☐ Keep your results in a file, notebook or on computer to refer to later.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.2: Office Computer System

Most commercial companies and practitioners use a computer for every aspect of their business.

- ☐ Familiarize yourself with the office computer system and find out what the equipment will do and what you will be able to use.
- ☐ Locate manuals and software and ask someone to recommend which are most relevant to the kind of work you will be doing.
- ☐ Learn the information flow: how is information generated, what forms are used, who inputs the information to the computer and who can retrieve it?
- ☐ Obtain sample copies of any computer reports that you will be using. Learn to understand them.
- ☐ How much time does it take the typical sales professional in your office to keep up with the computer tasks? Ask if there are any problems with using the computer that you might be able to avoid.
- ☐ Understand the specific advantages of the computer system to your business. How can it help you maximize your listings and sales? How can you use it to benefit your customer – either owner or prospect?
- ☐ Learn how to access the Internet.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.3: Information Sources In Your Community

Commercial property owners, lessors, tenants and prospects all expect a sales professional to know where to find information that affects their property. Also, you will need to research ownership of properties in your territory and you will need to stay on top of changes and trends that affect property values.

The purpose of this next exercise is to help you locate, in a systematic way, sources for information or documents that will be essential to your business.

In the process, you will also meet people who can be a source of leads and “unofficial” information, a valuable resource indeed.

- ☐ Build a permanent record of information sources in your community. To do this, first decide what system you want to use to keep this data, a desktop or laptop computer, regular files or the use of a contact management system.
- ☐ Include in the database record, each of the items in the long list on the next page that is relevant to your area. Then populate the database with the sources, as you discover them, for the information on each item. If there is more than one source for an item, include that on the record.
- ☐ As you go out and talk to people to research the sources of information, keep a separate record of the people, agencies and organizations, etc., their phone numbers, email addresses and the kind of information they can provide. Whenever possible, get the name of an individual and note it.
- ☐ As much as possible, conduct this search in person. Get in your car and go to the planning office, the department of transportation, the courthouse, the chamber of commerce, etc. Make personal contact with the individuals behind the desks, get their business cards and let them know what your business and specialty. Send thank you notes to anybody who is particularly helpful.
- ☐ As you visit the different offices and agencies, practice finding data on their respective websites. For example, locate a copy of the zoning regulations, utility rate schedule, sample aerial photos and plats, and look up a few ownership records.
- ☐ Learn how to access information from the Web for the following purposes:

Property data	Environmental information
Tenant financial data	Aerial photography or mapping
Market area data	Demographics
News and information sources	
- ☐ Below is the list of the information you may need in the course of your business. Determine where

you can obtain the information and the address, telephone number and email addresses of the contact (the name of an individual is always preferable). In some cases listed below, identifying the source is sufficient; in others you will want to obtain a sample record or a copy of the document (zoning regulations or zoning map for your territory) to have in your office. If you or your manager knows of others that are important in your area or to your specialty, add those to the list.

1. Ownership names, addresses, phone numbers and email addresses
2. Addresses of all properties owned by a single individual or company
3. Comparable sale information of any property in your specialty
4. Current listings of other brokers
5. Deeds
6. Recorded plats
7. Recorded mortgage documents or deeds of trust
8. Corporate charters; partnership registrations
9. Sewer line maps and information
10. Water line maps and information
11. Road construction plans, current and proposed, for local, state and federal highways
12. Highway traffic counts
13. Local land-use plans and maps
14. Zoning regulations
15. Zoning changes and variances
16. Building permits
17. Building and fire codes
18. Parking regulations
19. Sign regulations
20. Environmental regulations and approvals
21. Rent control regulations
22. Historical district regulations
23. Local tax rates and account information
24. Electricity rates and account information
25. Natural gas rates and account information
26. Water and sewer rates and account information
27. Property maps and plats
28. Aerial photographs – public
29. Aerial photographs – in color of individual properties
30. Topography and soil maps

- 31. Maps and regulations of controlled areas: flood plains, wetlands, coastal maps, etc.
- 32. Vacancy rates, absorption rates
- 33. Rent surveys
- 34. New construction forecasts
- 35. Employment statistics
- 36. Demographic information

Some of the sources for the information above will be obvious and direct. Others will not be easy to find, will require multiple sources or will not be completely reliable. For example, getting comparable sale information is an ongoing task and will require the cultivation of many sources. This does not diminish the importance of having this information. It is the lifeblood of your business!

Remember, when you are having difficulty finding any information, there is always someone you can ask for help. Ask, even if the question is, "Who do I ask for this?"

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.4: Financing Information

Financing is one of the most common reasons transactions do not close. On the surface, the reason is that the buyer or the property couldn't qualify and the sales professional curses his or her fate. However, sometimes the problem could have been avoided if the right lending institution had been contacted or if the loan package had been presented and "sold" with more skill.

Occasionally the buyer's inability to meet the requirements of the bank could have been foretold if the sales professional had done a better job of qualifying the buyer and if the sales professional had a better understanding of the bank's requirements. Other times the buyer cancels a transaction when he/she finally understands the total costs of the financing, a situation that could have been avoided if the sales professional had been alert.

You can improve your closing ratio by having good sources for financing information, working closely with the lending institutions and understanding the different and varying needs of each major lender in your area.

- ☐ Schedule a meeting with at least three lending officers from three different active lending institutions.
- ☐ Choose the lenders by asking your manager and others in your office which institutions and individuals are the most helpful. Sometimes, a mortgage broker can give you a good overview of the area lenders and their parameters. Or you can access active commercial lenders via the Internet.
- ☐ At the meeting, ask the lending officer what kind of loans his organization makes, what typical terms are, what size loans they prefer, what types of properties they like and don't like, and what is the main source of their money. Ask how they differ from other lenders. Take careful notes.
- ☐ Ask what they want included in a typical loan package, what the timing is for approval, who influences the approval decision and who makes the final decision.
- ☐ Find out the best way to get up-to-date bulletins on their lending rates and terms and who to talk to when you have a prospective property or buyer. Ask to meet that person if it is someone other than the loan officer.
- ☐ Don't forget to explain what your specialty is and describe the thorough training, research and preparation you are undertaking in order to be successful.
- ☐ Discreetly encourage the officer to talk about properties, owners and buyers in your specialty and territory. Decide for yourself if this person will be a good source of "street" information. Ask him or her who else is "in the know" about people and properties and ask for a referral to that person.
- ☐ Ask the officer to remember you for referrals in the future, too.
- ☐ **Very important:** when you return to your office, immediately write a thank you note to this future ally.
- ☐ If possible, obtain a hard copy or an emailed copy of a loan package, preferably for a property within your specialty. If you can't get an actual package, obtain a checklist for a typical package and find out by asking people what each item is and why it is in the package.
- ☐ The lending officers you meet will be a primary source for this information but talk to other sales professionals to find out which items are routine and which can be fatal.

- ☐ Ask your manager and other sales professionals if they are familiar with any lenders from outside your city and market, and if so, what kind and size loans they make. Find out if sales professionals in your office use lender directories or mortgage brokers.
- ☐ If you do identify some outside lenders that are important to your market, conduct the same interview over the phone as you did with the local lenders.
- ☐ Ask about any government programs that are available in your area. For example, if your specialty is apartments, owners and developers in your area may be making regular use of federal low-income subsidy programs.
- ☐ Organize a system so you can keep track of individual lender requirements and up-to-date rate information. Carefully file the brochures and other pieces you collect as you make your lender visits.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.5: Learn Your Territory

One of the best sources of information about what is happening in your territory is to drive (or walk, if you're in a dense urban area) through your territory on a regular basis. On the first few trips your goal will be to simply learn what is physically there – buildings, roads, businesses, neighborhoods. Later, your goal will be to notice changes such as other sales professionals' signs, FSBO's, new construction, business closings, etc.

The point is, in order to be an expert in your territory, you need to be up-to-date on what is influencing business and property values and on any new opportunities for commercial sales or leases. With these goals in mind, choose the items below that are more appropriate to the size and character of your territory and modify or expand the activities to get the most out of your initial tours.

- ☐ If the territory you have picked is a relatively small urban area, drive and/or walk every commercial street of your territory. Use the list below as suggestions for the kinds of things you should notice.
- ☐ If the territory you have picked is larger, because you live in a relatively rural area or because your product specialty is less concentrated, begin to look at the broader influences in the territory as you drive and learn the immediate influences in the neighborhood of each of the target properties as you identify those properties.
- ☐ Make multiple copies of your territory map (or use acetate overlays). Devise a system of codes and symbols and note the most important areas, buildings, land use, etc. from the list below on your maps. Later, as you get to know your territory better, you will redo some of the maps to use in presentations. The use of mapping software will be advantageous over time.

Show these maps to your manager at your next meeting. Be prepared to explain what, of all the information you will gather, is most important to your specialty and why.

- ☐ Begin the survey of your specialty property type by noting on maps the approximate locations of each property you observe. Later you will be researching ownership details.

If you can differentiate categories within your property type, for example, relative sizes of shopping centers, grades of office properties or industrial uses, code that on your map too.

- ☐ Take note if you find any of the following in your territory as you do the activities above:
 - a) Shopping centers and streets with lots of retail. Notice which stores or centers draw from the neighborhood, which serve the whole community and which are specialized or large enough to draw from the larger region.
 - b) Concentrations of office buildings, office parks, corporate headquarters. What kinds of companies have their offices here: local or regional? Are they professionals or corporations? Do certain types of companies cluster in certain areas?
 - c) Industrial complexes, call centers, industrial/warehouse neighborhoods, major factories, processing facilities and distribution centers. Is there any theme to the types of operations? Is there a predominance of multi-tenant or single-tenant buildings? How do they influence uses and values in the neighboring areas? What are the sources of environmental contamination?

- d) Residential areas. Differentiate the types of housing and price ranges in the different neighborhoods. Note condos, apartment buildings and rental neighborhoods.
- e) Vacant land. Note smaller infill parcels, larger developable tracts and major tracts of raw land. Observe fire hydrants and manholes to determine how far water and sewer lines extend. Note land that is likely to never be developed: public parks, churches, colleges and conservation areas.
- f) Government offices/facilities and other public amenities that affect your territory.
- g) Major traffic routes, new road construction or road widening, new expressway exits and new traffic signals.
- h) Other transportation terminals and routes: rail, airports, rivers or seaports.
- i) Take note of natural and manmade boundaries – river, highway and railroad tracks – and how they differentiate the neighborhoods and commercial districts.
- j) Notice which areas seem to be improving and which areas are in decline.
- k) What properties are under construction or have developers' signs on them? What properties have other brokers' signs or are For Sale By Owner?

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 4.6: Not-For-Profit Development Organizations

Every area has at least a few not-for-profit organizations that affect real estate directly or indirectly. Some examples are the chamber of commerce, economic development agencies and historic preservation organizations.

These groups are important to you in two ways. First, their purpose is to affect business and development in the area (some groups intend to encourage growth, others explicitly discourage growth). To the extent they affect properties in your territory, you need to know their mission and their methods.

Second, they can be a good resource for information, leads and business. Some economic development groups will even show your listings – without expecting a share in your fees – to prospects they attract to the area. They may have databases of real estate, business and demographic information more complete and accessible than government departments. And the directors and employees are sometimes excellent sources of “street” knowledge.

- ☐ Starting with your chamber of commerce, research the economic development organizations in your area. You are looking first for the group or groups that promote the area and encourage business growth. You may find several groups, each with different specialties or focus. Don't forget the utility companies; they are sometimes as aggressive in promoting business development as the not-for-profit groups.

Look also for organizations that do more than promote, but actually develop, finance and build industrial and business properties.

- ☐ A second class of organizations is the preservation group. Although at first glance these groups seem to be enemies of commercial real estate, a relationship with them can be quite valuable.

Consider, that whatever it is they are trying to preserve – historical structures for example – adds to the attractiveness and value of your area, which indirectly encourages business. If they do obstruct development and change, you can be of service to your customers if you understand the organization's requirements and goals so you can deal with them effectively. Lastly, the individuals are often very knowledgeable about the people, property and trends in your territory – good people to know.

- ☐ Make a list of organizations like those suggested above and select the ones that most directly affect your business. Make appointments to meet at least one key person in each group you have selected. Before your meeting, either research the organization on the Internet or obtain copies of their printed materials and read them to learn the purpose and methods of the organization.

- ☐ In your meeting with the director or an officer of each group, ask for a further explanation of what they do. Ask for examples. Understand the limits of their activities too. Take careful notes.

Explain what you do. Emphasize how thorough you are in your training and preparation. Ask how you can work together to achieve mutual goals and to be put on their mailing list.

- ☐ **Very important:** when you return to your office, immediately write a thank you note to this future ally.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC V

SEE PROPERTIES

Two important elements of commercial real estate are people and properties. This topic guides you to learn the properties in your territory. Topic VI directs you to meet people.

Just looking at the buildings and land is not enough. To prepare yourself to do commercial real estate transactions, you must relate properties to market values and to the circumstances of the people who own the properties. Pay special attention to the preparation and follow-up directions in the modules of this topic.

The competent sales professional will know the average of per-square-foot rents and sale prices within his/her specialty and territory. The top-producer, however, will also have an in-depth knowledge of the comparable properties that make the market. From this knowledge he/she develops sensitivity to how variations of rent or price are caused by different strengths and weaknesses of the properties. The only way to get this in-depth knowledge is to spend a lot of time in the field looking at the properties AND asking questions such as "Why did this building sell for 20% less than the average square foot price?" and "How much was the price of this land depressed because it did not have highway frontage?"

Properties should also be related to the circumstances of ownership. The differing benefits – real and perceived – that individuals get from a property explain why they have varying options as to the values and why they buy, sell or lease. Know what the users and owners see in a property and how it helps or hurts their business.

If you are training to be an investment real estate specialist, don't make the mistake of thinking the bricks and mortar are always secondary to cash flow. You must become an expert on the property type you have selected and on the needs and problems of the people who use them. The reason is simple: the users pay the rent that becomes the cash flow. If you don't know why a property is, or is not, good for a tenant, you won't be able to evaluate it as an investment.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 5.1: Preview Listings

Start your property viewing with current listings. You need to be aware of other sales professionals' inventory. But just as important, seeing other listings is a great way to practice sizing up properties. The sales professional has presumably collected information on the property, understands the circumstances of the owner and has researched the market value. You should be able to make the connections between motivation and market value just by asking the right questions.

- ☐ Preview up to 20 properties that are currently on the market and listed by other sales professionals. Decide in advance which properties you will see and make a prioritized list.
If you know what your specialty and territory will be, give first priority to any property of your product type, no matter where it is located and to any properties within your territory, no matter what product type. Give priority to listings of your company over other brokers' listings because, presumably, you can get more information on the seller's motivations from associates in your own company.
- ☐ Procure copies of the marketing materials for any properties that are listed with a broker. These materials could include a full presentation package, a single-page flyer, a broker's information sheet, a copy of newspaper advertisements, postings from the Internet, etc. Carefully file these materials to use them for reference or for inspiration when you start producing your own materials.
- ☐ Before seeing each property make a note of any questions you will ask the listing sales professional or things you will be looking for in the property. Include in your list information you will need for your data sheet on this property. You may want to work from a form you devise for property inspections.
Concentrate on questions that will reveal clues to the motivation of the seller, the market value of the property and reasons why buyers should be interested in buying (or leasing) the property. Strive to make this kind of probing second nature to you.
- ☐ Ask how long the property currently has been on the market? Has it been listed with more than one broker or offered "by owner?" What is the history of asking prices? Have any offers been made? Why were they not successful?
- ☐ Who or what entity, holds the property? If a corporation or partnership, who are the principals? Is the entity an operating company or a shell? Who has the authority to sell or sign a lease? What is their regular business? What other properties do they own?
Why do they wish to sell (or lease) now? Do they have reasons to do a quick transaction or to sell or lease at a below-market price? If the price is much above market, do they really want a transaction or are they only hoping to make a "killing?"
- ☐ Ask the listing sales professional and other people if they think the property is being offered at a market price or rent. If it is not being offered at market price or rent, why not? What have similar properties sold or leased for recently? If possible, add the comparable properties to your previewing list and see them too. Make your own judgment as to the market price of the original property. Relate to the owner's reasons for selling.

- ☐ Take a photo of each property you preview. Photographs, especially digital photos and virtual tours all should be saved for future use. A photo will help you remember the property after you have seen dozens. It will also come in handy later when you use these properties as comparables for your own listing prospects.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 5.2: Property Database

An essential ingredient of your success in commercial brokerage will be your database of property information (you will have a separate database for people). If your office hasn't developed a comprehensive database for you to use, you will have to compile your own for your territory.

There are databases available from national vendors at a cost. However, a database is not necessarily a computer database. A well-organized system can work well if the volume of properties is not too large. A computer database is, however, highly recommended.

Start developing the systems for your database by keeping careful records on the properties you preview. Start simply, perhaps with just a notebook and expand or refine your system as you learn what is important to remember.

Don't spend too much time at this stage on the record keeping. Your primary goal now is to see as many properties as possible and to learn what questions to ask. However, do begin the habit of keeping property records in some form.

- ☐ Keep a record of each property you preview. Each record should provide space for the different categories of information discussed below.
- ☐ Record information on the location and description of the property. Take note of any aspects of the location or physical characteristics that affect the value – for better or worse – of the property.
- ☐ Location data should include the codes used in your area by the taxing authorities (e.g. parcel number or ward, sheet and lot). Add a brief description of the neighborhood and how it affects the usefulness and value of the property.
- ☐ Include in the property description items that are significant for the property type. For example, if you are focusing on industrial properties, make note of loading docks, ceiling height, bay spacing, telecommunication capabilities, etc. A good time to learn what is significant is when you are previewing other sales professionals' listings; you can ask the sales professional what features of the property will appeal to buyers, and then observe the features in the property itself. Preprinted property information forms usually give an indication of the kinds of things that are important for that property type and can serve as a checklist.
- ☐ List financial information such as price, terms and operating income. If the property is leased, what are the key terms of the lease or leases? If possible, find out what the expenses are for the property.
Record any information you can obtain on the history of recent sales and leases, recent financing, the cost of recent renovations, repairs or additions, etc.
- ☐ How do you get all of this information? Start with the property file if this is an office listing. Obtain copies of all marketing materials and study them. After seeing the property, look at them again and determine if they are accurate and whether they highlight the most attractive benefits of the property.

Next, ask questions of the listing sales professional. Don't be surprised if he or she doesn't know all the answers, especially about the ownership. Your job is not to dig for answers on other associate's listings, but do notice any correlation between the knowledge of the associate and his success ratio.

If you have an opportunity to talk to the owner you might ask him or her questions, but only with the permission of the listing sales professional.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 5.3: Inventory Your Territory

After you have been assigned or have selected your territory and product specialty, after you have practiced inspecting and evaluating properties and their ownership and after you have developed a workable system for keeping a property database, you are ready to begin cataloging the properties in your territory.

One of the reasons you delineated a territory was to be able to concentrate on a finite number of properties. Now is the time to identify each of those properties and start systematically collecting information.

- ☐ First, get a detailed, large-scale street map of your territory; if possible the map should also show the areas immediately surrounding your territory. Mount the map on the wall or a board. Choose materials that will allow you to stick pins into the map or connect acetate overlays. Mark the boundaries of your territory with a dark line.

This will be your master map that you will keep in your office. You will also need multiple copies of a smaller scale map that you can use in listing presentations and in the field as you collect information. Mapping software is an excellent way to show property locations.

- ☐ Pick a section of your territory that has the highest concentration of your property type where transactions are most likely. This might be the busiest commercial highway if your product is retail or a large industrial park if your product is industrial, etc. The idea is to inventory your territory a chunk at a time so you can alternate research with activities that put you face-to-face with prospects.

If you don't have a general familiarity with your territory yet (see the Module "Learn Your Territory"), do that now before you pick the most promising portion.

- ☐ Fill out a property sheet or database record on your contact management system for each property of your specialty in this section. As a minimum, record the name, email address and address of the owner, the essential specifications of the property and a photo. As you can, get background information on the ownership and financial information.

Concentrate first on any properties that are already for sale or for lease. Start with information from other associates, or if offered for sale or for lease by owner, go see the owner.

- ☐ Design and execute a plan to complete your information by calling, in person if possible, on the owners.

At this point, inventorying merges with prospecting. Yes, you do want to collect as much information as possible, but when you talk to owners your primary goals will change to sales goals: you will strive to make a good impression to begin probing for motivations and to solicit either immediate or future business.

Therefore, plan your approach carefully, use only well-prepared materials and know what questions you will ask. Don't try to cover all of your questions in the first meeting; better to design a survey asking only a few questions so you can promise a short meeting and increase your chances of getting in the door.

- ☐ After you have completed as much of the first portion of your inventory as you can in the first pass, select the second section adjacent to the first and do the same. Continue until your territory is completely covered.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Learn To Say No

As you start talking to owners and even as a result of researching basic property information, you will uncover leads to buyers and sellers. This, of course, is good.

But remember, you are doing this research to build a long-term source of constant business. Don't make the common mistake of abandoning your information-gathering program to chase the first lead that pops up. This will put you into a pattern of working without a plan, indiscriminately taking business as it comes.

Don't ignore the leads either. The secret is to be selective. First, refer away all leads that don't fall into your territory and product specialty. Second, as you pursue a lead, look for a motivated prospect and a transaction that is feasible in the present market.

This is a very important concept. It's called the "throwaway concept." Because you are working a specialty and a territory, you will generate enough good business that you can afford to "throw away" time-wasters. This will increase your ratio of closed transactions and keep you focused on your territory and product so you get more relevant experience and recognition each time you close a transaction. In short, you will make more money by sticking to your plan.

But be careful. Learning to discern the time wasters from the promising prospects is a sophisticated skill that takes experience, training and courage. Ask for help from a more experienced associate or your manager if you have doubts about any prospect.

TOPIC VI

SEE THE PEOPLE

This is perhaps the most important topic in the *Commercial Action Track*. All other topics are in preparation for this essential activity: getting out into the field and meeting property owners and buyers face-to-face. Indeed, seeing the people is more than an introductory activity; it is the core of the commercial brokerage business for veterans and novices alike. The activities in this section can be used anytime your personal production slumps or you reach the end of a production cycle.

Commercial brokerage cannot be accomplished from behind a desk or on the telephone. Offices and telephones are only tools to get you face-to-face with customers. Computers, maps and investment analysis, and written agreements are secondary to the relationships you must build before you can do any business.

Many commercial sales professionals will testify that mastering the technicalities of the business is no substitute for direct contact. Even specializing in products and territories is only a means to focus your efforts on a finite number of people.

Keep this goal in mind at all times: maximize the number and quality of contacts with the people in your territory who make decisions about real estate.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 6.1: See 250 People

- ☐ Meet 250 people who own commercial real estate or who control or influence funds to be invested in real estate. Meet them face-to-face.
- ☐ Begin a computer database record on each person you meet. Design the database so that you will be able to systematically return to these people to do business with them in the future.
- ☐ Concentrate on making contacts in your territory and with buyers and sellers of your product type (if your specialty is leasing you will concentrate on lessees and lessors). These are the people you will be doing business with from now on.
- ☐ Your goals in each meeting:
 - a) To find out about the person: what he/she owns, his/her business, his/her partners, the environment he/she works in, what is important to him or her when he/she makes real estate decisions and his/her goals.
 - b) To find out about properties and to begin to build your files of detailed information. You want to know size, condition, lease rates, problems, details on tenants, etc. (See the Module, "Inventory Your Territory").
 - c) To uncover immediate business needs that you can act on now.
 - d) Above all, approach each meeting with a long-term relationship perspective and leave a good personal impression so you can return to do business later.

In most cases you won't be able to get all of this information during the first meeting and instances where you uncover immediate business will be rare (though it does happen). But if you can achieve the last goal in each case – to leave a good impression – you will be able to return later to get more information and eventually, to do a transaction with that person.

- ☐ How do you begin meeting 250 people? You devise a plan, a scheme and a system for finding these people and for getting in the door. In the next module you will find a number of different approaches that have been used by successful sales professionals. With the help of your manager, pick one or a combination of methods that are most appropriate for you and your market. Design your plan, do the necessary preparations and then get out of the office and go to work.

An assignment to meet 250 people may strike you as an overwhelming task. It is not.

First, remind yourself that meeting people is the essence of the commercial sales business. There is no substitute. If there is a common theme in commercial success stories, it is regular and persistent prospecting.

Second, break the number down into smaller blocks. Pace yourself. This is not an assignment to rush through in two weeks; it is the beginning of your livelihood. For example, if you have three meetings a day, fifteen per week, sixty per month you will achieve your goal in four to five months. You will also be well on your way to making money by that time.

- ☐ A word on "face-to-face" meetings. This does not mean on the telephone. Use the telephone sparingly

to get appointments or not at all, depending on your territory. Getting information over the phone can be beneficial: add the information to your files and use it as leverage to help you get a meeting later. But only face-to-face meetings should count towards your goal of 250.

Here's why. In a face-to-face meeting, it is harder for the prospect to say no to your requests for information; you get better information, more accurate, more complete. You can observe the prospect in his or her environment and test the validity of his or her information and character immediately. When the prospect meets you face-to-face, who you are, what you say and the services you are offering are better remembered.

Above all, people prefer to do business with people they know. The personal meeting is the essential beginning of a trusting relationship, a prerequisite for doing business involving large sums of money and responsibility.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 6.2: Prospecting Methods

Commercial sales professionals in the past have used a wide variety of methods to solicit business. The method or methods, you choose is not important; what is important is that you devise some approach and start prospecting and then continue prospecting. Experiment with different techniques. Try to find what works for your circumstances and gets the best results for your area.

The methods described below are some of the most common techniques in use today. There are others. You may want to pick one and use it exclusively or you may combine more than one.

For example, you may start with a program of business development calls that yields your first listing. You put aside the business development approach long enough to use the "just listed" technique in the neighborhood of your listing. Then you return to your business development calls.

Whatever you do, and no matter how busy you get with sellers and buyers, establish a program that will get you out of the office and in front of new prospects on a regular schedule. Do it religiously. Even experienced sales professionals need to replenish their prospect pool.

- ☐ **Business Development Call.** This term has different meanings in different contexts. Here it refers to a technique that involves collecting information as a pretext for seeing busy owners.

The first step is to decide what statistical or survey information would be the most useful to the owners or lessees in your territory. For example, the survey may compile lease rates for office space within a certain population of properties or it may be a survey of operating expenses for retail tenants. The best way to get ideas is to talk to some owners or lessees in your territory and ask what information they could use. Talk to other associates and your manager for ideas, too.

Next, prepare your survey materials and plan your approach including a script to guide your first words. Decide in what order you will call on your prospects.

Make the initial contact, and ask for a short meeting in exchange for sharing the results of the survey. Keep the meeting short and stick to your survey questions unless the prospect wants to talk about other business matters. Your overriding goal is to make a good impression to keep the door open for future business.

Follow through. Compile the data and ask for a second meeting to share the results with the prospects. Don't get so busy and scattered that you fail to finish and share the survey; this will hurt your credibility which is critical to maintain.

- ☐ **Sphere of Influence.** This is the default method for most sales professionals who do nothing more than talk to people they already know. Pursued aggressively, however, sphere of influence prospecting can be effective.

The technique is simple. Make a list of everybody you know in the community. Call or visit each person on your list and ask him or her if they know anybody who could use your services. Then call or visit the leads you get.

Two things happen. You eventually find prospects that do need your services. Plus, you build a network of people who have met you and know what you do. These people, if constantly reminded that you exist will refer business to you as it comes up.

A problem with sphere of influence is that it will naturally lead you outside your territory and your specialty. It is most effective if your community and your territory are one and the same. It also helps if you are working in a company with other specialists to whom you can send referrals of the leads you get outside your specialty.

- ❑ **For Sale by Owner (FSBO).** Working with commercial FSBOs is no different than working residential FSBOs. Track their ads in the local paper and be alert for signs on properties. If you are in touch with people in your territory and drive the streets regularly, you will soon hear of even the unadvertised properties for sale or lease.

Some people believe working FSBOs is the easiest prospecting method. FSBOs have already announced their intention to sell or lease; they simply have to perceive that you will get better results. Well-organized sales presentations make a big difference with these people because they want to know what you can do to move the property that they are not able to.

To win you need to be persistent. You need to be competitive, because other sales professionals will be attracted to the signs and ads too. It's often not a question of whether the owner will list, but when and with which company.

For the best results with FSBOs, follow a regular program of scanning the newspaper for ads and your territory for signs and use a reliable system of follow-up. This way you will be alert to approach the owner immediately after he/she advertises his/her need and by calling regularly after your first contact, the owner will be ready for you when he/she does change his or her mind. You will get credit for persistence too.

- ❑ **Expired Listings.** Prospecting expired listings is similar to working FSBOs. The owner has already decided to sell or lease; furthermore, he/she has agreed at least once before to list with a broker.

Your challenge is to convince the owner that you can do the job where others have failed. The best approach is to discern what the problem is and then to speak to that. The real problem and the owner's perception of the problem may not be the same. For example, the problem may be an unreasonable price, while the owner is complaining about insufficient advertising. In this case, talk about the price.

Finding expired listings is not easy, especially if sales professionals in your area are prohibited from soliciting other sales professionals' clients. But if you are in constant touch with owners in your territory, you will be made aware of sellers who are dissatisfied with their sales professionals's marketing efforts.

- ❑ **Just Closed, Just Listed.** This is the easiest, most powerful prospecting method, yet it is most often overlooked. It is an excellent way to meet owners who are otherwise difficult to see and it could lead directly to a listing or closed transaction.

As soon as a property in your territory is sold or leased by you or anybody in your company, call on the properties in the immediate neighborhood of that property or send an email. Trumpet your success; suggest that you could do the same for them. (**Note:** If you are not allowed to reveal information on a completed contract, wait until the deal closes.)

If you or your company lists a property, call on owners in the neighborhood with the information and ask them if they know anybody they would like to have as neighbors. Indeed, they may be buyers or tenants themselves.

This technique is relatively easy because owners are always interested in knowing about activity that might affect the value of their property. You can improve your chances of getting the meeting by making your calls immediately after the property is sold, leased or listed – before the sign goes up – maximizing the fact that you have fresh news to share.

- ☐ **Systematic Cold Calls.** Having a well-planned method to approach people is not always necessary. Sometimes a direct, uncomplicated approach is best.

A cold call is walking into a place of business or property and asking to meet the owner or tenant. Be direct, state your purpose, which may be as simple as “I want to meet you, to let you know what services I have to offer and to learn a little bit about your business (or property).” Any purpose will do as long as it is honest. The secret to success with cold calling is persistence and volume. Because you are using no devices, you will have to approach many people before you find a few who have the time to talk to you without warning. Don’t judge your effectiveness by the first few calls. Plan to do thirty or forty calls and keep at it. It’s a numbers game and it works. Make it your personal objective to continue cold calling until you have a target number of appointments as a result.

Cold calling is more effective and more fun if done in teams of two. Owners have more difficulty turning away two people than they do one.

Date Completed: _____

Manager’s Initials: _____

Sales Professional’s Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC VII

SKILLS

The modules in this section require active observation in the field. Witnessing a real professional at work is one of the most effective ways to learn the best techniques. But to be effective you must prepare for the sessions and afterwards actively question what happened and why. In other words, you must engage your brain.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 7.1: Observe First Listing Calls

We recommend a two-call approach to obtaining listings. This method gives the sales professional time in between the two calls to research market conditions in order to prepare a strong case for a properly priced listing which is so important. Trying to get a listing in one meeting encourages "shoot from the hip" methods, is unprofessional and reduces the chances of getting an exclusive listing at a saleable price.

The first listing call is also referred to as the listing qualifying meeting. The objectives of this meeting are for the sales professional to sell the qualifications of himself/herself and his/her company, begin qualifying the owner and evaluating his or her motivation. In other words, the sales professional and the seller are qualifying each other to decide if they can work together.

The second listing call or presentation meeting is the proper time to recommend price and terms and to close for a signed exclusive listing.

Observe experienced sales professionals on as many calls as time allows. Try to observe many different sales professionals handling different situations – at least three qualifying meetings and three presentation meetings. If you can, continue to observe others even after you have taken a few listings yourself.

Listings are the heart of the commercial brokerage business. There is no other single activity that requires more skill or pays such big rewards when done properly. Strive to master the art of taking a listing.

Before the Meeting:

- ☐ Make arrangements to observe experienced sales professionals on an initial meeting with a seller. Your role will be only to observe, not participate in any way. Don't take notes during the meeting itself, but do jot down your observations and questions as soon as you leave the seller.
- ☐ In preparation for the meeting, read the file on the seller and any other information from the sales professional. Preview the building if this can be done without interfering with the sales professional's strategy.
- ☐ Ask the sales professional how this seller came to be his/her prospect. How many other prospects has he/she secured in the same way?
- ☐ Ask the sales professional what his/her objectives are for the meeting, what problems he/she anticipates and how he/she expects to handle them. Does he/she have an agenda?
- ☐ Ask the sales professional what he/she does during a meeting to discern the owner's motivation. Pay particular attention to this part of the meeting and be prepared to discuss it immediately after the meeting.

After the Meeting:

- ☐ Discuss with the sales professional what he/she thinks the motivations of the seller are and why. Discuss your own impressions of the seller's motivations.
- ☐ What did the sales professional do to sell the exclusive listing concept? If this wasn't an issue at this meeting, ask the associate to describe what he/she does when it is an issue.
- ☐ What did the sales professional do to sell his/her abilities and the qualifications of the company?
- ☐ Review your notes and make a list of what you thought went particularly well during the meeting, what might have been handled differently and what happened that you did not understand totally. Discuss all of these points with the associate.
- ☐ Ask the sales professional to describe what his/her next step with this customer will be and why.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 7.2: Observe Second Listing Calls

The second listing call is the listing presentation meeting. This is when the sales professional closes to get a signed exclusive listing. This is also the moment of truth when the sales professional presents the results of his or her market research to convince the seller to list at market price.

No other encounter is as important to the financial success of the commercial sales professional as the listing presentation meeting.

Before the Meeting:

- ☐ Ask to observe experienced sales professionals on the second listing meeting with a seller. Your role will be only to observe.
- ☐ Read the file on the seller for any other written information from the sales professional. Preview the building if this can be done without interfering with the sales professional's strategy. Also preview any comparable properties that the sales professional will be using in his or her pricing presentation, noting the reasons for any adjustments the sales professional made in his or her value estimates. Note what tools are being used in the presentation.
- ☐ Ask the sales professional what his/her objectives are for the meeting, what problems he/she anticipates and how he/she expects to handle them. Does he/she have an agenda?
- ☐ Discuss with the sales professional what he/she thinks the motivation of the seller is, and what he/she will do to get more information on motivation.

After the Meeting:

- ☐ Describe what the sales professional did to demonstrate that the owner should list the property at a saleable price. If he/she wasn't successful, analyze with the sales professional what happened in the meeting.
- ☐ What more did the associate learn about the owner's motivations? When the sales professional recommended a price or when he/she closed for the exclusive listing, did the owner's reaction reveal anything new about his/her real reason for wanting to sell?
- ☐ Make a list of what you thought went particularly well during the meeting, what did not go well and what happened that you did not understand totally. Discuss all of these points with the sales professional as soon as possible.
- ☐ Ask the sales professional to describe what his/her next step with this customer will be and why.
- ☐ After you have observed a number of qualifying and presentation meetings, summarize what the most important lessons were for you, and what you will remember to do – or not do – when you meet with sellers yourself. List the key points to be covered in each call and list the key questions to be asked. Share these conclusions with your manager.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 7.3: Observe Offer Presentations

Presenting an offer is a skill just like listing presentations that can be practiced and improved. As with listings, careful preparation increases the chances of success.

When you observe an offer presentation, try to get the full story. Inquire about what happened before and follow what happens after until the negotiation is either successful or dies.

Observe at least three offer presentations.

Before the Meeting:

- ☐ Make arrangements to observe an experienced sales professional present an offer to an owner (or a counter-offer to a buyer). Your role is only to observe.
- ☐ Read the file on the owner and the property and any written information the associate may have on the buyer. If this is a counter-offer, study the original offer. Preview the property if this can be done discreetly.
- ☐ Review the summary of the owner's proceeds.
- ☐ Try to determine, by asking the sales professional involved, what the motivations are of both the buyer and seller or tenant and landlord in this transaction. Pay particular attention to the difference between what the principals say and what they do.
- ☐ Ask the sales professional what points he/she intends to discuss first, second, etc. and why. Ask him/her what information he/she does not intend to volunteer. Ask and observe what else the sales professional does to prepare for the presentation of the offer. What different reactions to the offer does he/she anticipate and how does he/she intend to handle each?
- ☐ Key to the art of presenting an offer is knowing when to be silent. Remember to notice any moments during the presentation when nobody is talking. Who made the last remark and what kind of answer are they expecting? Who talks first to break the silence?

After the Meeting:

- ☐ Analyze with the sales professional what happened at the meeting; what went well and what didn't go well. Ask the sales professional what he/she would have done differently.
- ☐ Ask the sales professional to describe what the next step will be with this transaction.
- ☐ After you have observed three offer presentations, summarize what the most important lessons were for you, and what you will remember to do – or not do – when you present offers by yourself. Share these conclusions with your manager.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 7.4: Writing Ads

A well-written ad does make a difference. Don't take this skill for granted.

If you are too busy in the field seeing people and properties, save this exercise for when you have your first listing and a real ad to write.

- ☐ Get a copy of Sunday's real estate section of your local newspaper, or any other newspaper or magazine that your company uses to advertise commercial listings. Circle your company's ads and compare them to other brokers' ads. Highlight the ads that catch your eye. Note what caught your eye and how the ad was worded.
- ☐ Look up the listing information for four of your company's ads that you think are well-written and compare each with its respective ad. Notice what benefits and features were included in the ad and what was left out of the ad.
- ☐ Select a company listing that you feel is at market price and saleable. Preview the property if you haven't already. Ask the listing sales professional what is most attractive to buyers about this particular property. Then write an ad based on what the listing associate says.
- ☐ Ask people in your office if any ad-writing manuals or idea books are available for your use.
- ☐ Review the company policy with respect to advertisements (classified and display) in the various mediums.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC VIII

AGREEMENTS

To be effective you must be a master of the tools of your trade. People, properties and market knowledge are the raw materials of the commercial business; agreements are the tools that craft these raw materials into transactions.

You need to learn to negotiate an *Exclusive Right to Sell or Lease Agreement and Buyer (Tenant) Representation Agreement* before you are ready to proceed. Principals will expect your help in negotiating sales contracts, leases or letters of intent. Notes and mortgages, deeds and liens directly affect the value and salability of the property and sometimes the motivation of the owners as well.

Before you can call yourself a competent commercial sales professional, you must know how these agreements are used by the players in your market, how to fill out the forms and how to work with attorneys. You also need to be wary of the more common tricks and traps.

Before you can call yourself an expert, you should have an in-depth knowledge of these agreements and their components, be skilled at selecting the best agreement or clause for any situation, know how to blend agreements (such as sale and leaseback) and be on the constant lookout for new applications and dangers. Indeed, the essence of “creative” real estate is flexible and innovative use of agreements.

Embrace the attitude that, as a commercial professional, you will be ever more skillful at using agreements.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 8.1: Exclusive Listing Agreements

The exclusive listing agreement is a contract between your company and the owner of property. It is one of the only agreements you can negotiate directly; all other agreements are negotiated between principals with you acting merely as a facilitator.

Experienced sales professionals know that sales and negotiating skills yield the biggest payoff when getting a listing because well-priced exclusive listings are hard to get but easy to sell.

As a new sales professional, start by becoming familiar with the forms your company uses and practice filling out these forms. Then, when the critical moment comes for you to use the form in front of an owner, your performance will be smooth. The exercises below also encourage you to learn how flexible an exclusive listing agreement can or cannot be, depending on the policies of your company.

- ☐ Get copies of six commercial exclusive listing agreements from the files of your company – preferably for current listings – from different associates and for a variety of properties. Also, review the section of your official policy manual on listings. Read each exclusive listing and make notes regarding anything in the agreements that you don't understand or that looks unusual. Ask the listing sales professional in each case for the story behind the unusual items, take notes on what you are told. Review the marketing plans followed for the listings. Ask your manager to explain anything you don't understand.
- ☐ Get the marketing materials or the file for three company exclusive listings other than the ones you used above. From these materials, fill out three exclusive listing agreements. Use imagination and create varied situations so you can practice the different techniques you learned when you reviewed the six listings.
- ☐ Ask one of the more experienced sales professionals or your manager to role-play filling out a few exclusive listings with you. Enact the point in the presentation meeting where the owner has just agreed to list and the associate is filling out the form. Practice both roles, sales professional and owner, and observe how the experienced associate handles each role. Ask for suggestions on how to improve your performance.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 8.2: Sales Agreements

A sales agreement (or sales contract) is a mutual promise to exchange money, and sometimes promissory notes, for a deed. It also contains a host of conditions that must be met before the closing and covenants that must be met after the closing. Rarely in commercial brokerage do you see a "clean deal" where no contingencies are necessary.

A properly written sales agreement will ensure that the period before closing, when loans are sought, leases are examined, title searches are performed, etc., will unfold without the threat of disagreement, consternation and lawsuits. A poorly written agreement that contains ambiguities or that fails to fairly protect both parties could explode in the face of the associate costing, at best, a great deal of time.

The experienced sales professional knows how to satisfy objections and concerns of either party with carefully written clauses or conditions that are added to the contract during the negotiation phase.

The new sales professional should learn to recognize the more common terms, clauses and conditions in a sales contract and how they affect the relationship of the parties. After learning the basics, the sales professional should continue to look for new contract wording or formulations to use in sales agreements.

A word about attorneys. Some states prohibit real estate sales professionals from doing any more than filling out a contract and require that an attorney draft any new language. Even if your state enforces this law, it is still important for you to understand the fine points of sales contracts. If you are to retain control of your own transactions during the critical negotiation stage, you must have enough familiarity with contracts so you and the attorney can work together as a team. Your role is to help guide the content of the document while the attorney sticks to legal necessities.

- ☐ Get copies of six commercial sales agreements or contracts from the files of your company and from different sales professionals for a variety of properties. Review the section in your policy manual on sales agreements.
Read each sales agreement and make notes regarding anything in the agreement you don't understand or looks unusual. Pay close attention to the wording of the contingencies and conditions. Compare the contract to the information in the marketing materials. Ask the sales professional involved in each transaction for a background on the negotiation and the reasons behind the unusual items.
- ☐ Begin a collection of clauses, conditions and contingencies from the sales contracts you reviewed and from others you get from the files. Make copies of individual paragraphs that were added to the contracts and assign them descriptive names such as "lease contingency," "zoning contingency," etc. Try to find at least one specimen of the more common types of clauses. Keep these paragraphs in an individual file (or collect them in a file on your computer). Locate "dual agency" and "hazardous waste" riders and review them thoroughly.

Every time you come across a new clause or a better way of wording an old idea, add it to your file. Refer to this file when you are writing or helping to negotiate a contract. After you have accumulated a large number of paragraphs, create a checklist of the paragraph titles.

- ☐ Get the marketing materials or the file for three company listings. From these materials, fill out three sales agreements. Use your imagination and create varied situations so you can practice different techniques you learned when you reviewed the six contracts. Use some of the clauses you collected in your contingency collection.
- ☐ Ask your manager what the state law and company policy is regarding sales professionals drawing contacts. Ask what happens in actual practice. Discuss what you should do.
- ☐ Find out which real estate attorneys do business with the people in your company and arrange meetings with at least two.

Ask them to give you examples of how sales professionals, attorneys and clients have worked together to consummate transactions.

Very important: when you return to your office, immediately write a thank you note to this future ally.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 8.3: Leases

Leases range from the simplest apartment rental agreements to the most complex long-term joint ventures. It is an extraordinarily flexible tool that should not be taken for granted. Any commercial sales professional should be constantly improving his/her understanding of leases and ways they can be used. Visit a bookstore or library and obtain a book explaining lease clauses. Numerous professional associations offer lease courses.

Your specialty and your territory determine how important leases will be to you in the beginning. You need to spend a great deal of time on the exercises below if you are starting as a leasing professional. Sales specialties depend less on leases; nevertheless, leasing is an alternative for space users and must be understood by the sales professional. Most investment products derive all their value from leases; therefore an understanding of leases is critical to investment brokers.

With the guidance of your manager, modify these exercises to suit your situation.

- ☐ Obtain a sampling of at least six leases that are appropriate to your specialty. You will have to look in several different places to find them. Start with company files. Ask experienced sales professionals as they should be in the habit of collecting leases. Attorneys, developers and commercial property managers will have leases in their files.
- ☐ Get at least three of a similar type; three small-tenant retail leases (from different landlords), for example. This is so you can compare and see what is similar and what is not. Seek out other types of leases to compare. For example, if you have three retail leases, compare them to an office lease and a ground lease.
- ☐ Read each lease in its entirety. Take notes or mark up the leases where you have questions or find interesting provisions.

If the first few leases you read seem ponderous and dry, take heart; after you read a few leases you will discover that many of the same clauses recur in each lease. You will soon learn which clauses you can skim and which require careful attention.

- ☐ After you have read at least six leases, go back and notice significant differences:

How is rent determined? If any type of rent escalators is used, pay particular attention to how they are calculated. When does rent begin? When is it due? What happens if rent payments are late? Does the rent change in the option periods?

When is possession given? How are option periods structured? Who pays for tenant improvements? What happens to them at the end of the lease?

Who pays what expenses? Are there provisions for sharing of expenses? Do either landlord or tenant have limits on what they spend?

How are the leased premises described? What else is included? Is sub-leasing allowed? Is the lease assignable? What rights are given to third-party lenders? Do you see anything unusual, like options to lease other space, options to buy, limitations on use, provisions for new construction, rights of third parties such as franchisors? Study any addendum to see how it modifies or clarifies terms in the body of the lease.

These are only suggestions. Your manager may know of more items that are important in your area or to your specialty.

Notice how the lessee is described in the document. If the lessee is a corporation or partnership, make careful note of who signs for the lessee on the last page, the exact words that are used near the signature and whether there are any additional signatures. The issue here is who or what entity, is ultimately liable for performing on the lease. Discuss this with your manager in general terms, and where possible, discuss the circumstances of each of your six leases with people who are familiar with the transaction.

As much as practical, see the buildings or spaces that are the objects of your leases. Notice how features and uses of the space are reflected in the lease. Seeing the space may explain some terms that were strange when you first read them.

If you will be working directly on lease transactions, ask how leasing commissions are calculated. Calculate the fee for three of your six leases.

Discuss with your manager and with leasing sales professionals what the process is for negotiating the leases handled in your office. Is a letter of intent used? Who writes the actual lease? Are pre-printed forms used? If so, how much can they be modified? When are attorneys brought into the process?

Obtain a rent roll for a multi-tenant building such as a shopping center or office building. Learn what the abbreviations mean. Compare the rent roll to a few of the actual leases to see the derivation of the data.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 8.4: Letters of Intent

A letter of intent is sometimes used as a negotiating tool. At times, it is indispensable to furthering negotiations. At other times the letters of intent are unnecessary and a binding agreement with contingencies, is more appropriate.

- ☐ Obtain copies of five letters of intent. Look in your company files or ask experienced sales professionals. Try to find an example of a particularly short letter and of a long, detailed letter.
- ☐ Read each letter, paying close attention to the language in the letter.
What terms are – or are not – included in the letter, compared to the terms of a full contract? At what point is earnest money required?
- ☐ Ask the people involved in each case to explain the circumstances surrounding each letter. Why was a letter appropriate and what happened after it was signed?
Get a copy of the contract the each letter that resulted in a full contract to compare. What changed? What didn't?
- ☐ Pick one letter of intent that has a good amount of detail and prepare a contract that is functionally similar. Try to reflect the actual circumstances as closely as possible.
Pick one contract that has contingencies and write a letter of intent that is functionally similar. Identify the contingencies and the major terms of the contract.
- ☐ Make a file for the samples you collected and keep them for future reference. Mark the letters with wording you like particularly well.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 8.5: Miscellaneous Documents

Use discretion regarding how much time you spend studying the documents and agreements in this module. While having a thorough understanding of each is important, it is more important at this stage in your training to be out in the field talking to people.

- ☐ **Option to Buy** is an everyday tool for land brokers and is used occasionally for improved properties. By far the most common use of an option is to give a buyer the unilateral right to buy a property for a period of time without committing the buyer to the purchase, while the seller is committed to sell. This gives the buyer time to gather information he/she needs to determine if he/she can use the property. Options can be extremely flexible tools by themselves and in combination with other agreements.

For now, your goal is to learn only the fundamentals so you won't be caught off guard if an option is suggested during a negotiation.

Follow the same procedure described in the preceding modules for exclusive listing agreements and sales contracts: obtain copies of actual options, study the copies, practice filling out a few yourself and ask people for instances of their use.

In particular, compare the use of an option to a letter of intent and a sales contract with contingencies. Each is a different approach to coping with the uncertainties during the period before closing.

- ☐ **Promissory Notes** are simply a promise to pay a specified amount of money at a specified period and usually include a specified interest charge. A note by itself is not secured by property; it is merely a promise. A security agreement, such as a mortgage, coupled with the note, provides the security (see below). Know the difference.

Current notes may be difficult to obtain because they are valuable, negotiable instruments. You might find canceled notes you can study. At the very least, find blank promissory note forms to study.

- ☐ **Security Agreements** are most often referred to as mortgage agreements but different terms are used in different areas. Learn what is commonly used in your market.

Your goal is not to become an expert on security agreements – that expertise belongs to attorneys. You should be aware, however, of the clauses that can be added to mortgages that directly influence the value and salability of property.

Obtain copies, usually in the county courthouse, of a few standard security agreements. Review them to see what the standard forms include. Don't try to understand everything. Notice additional clauses that are added to the forms.

Ask people – your manager, sales professionals, attorneys, lending officers – for examples of variations they have seen. Ask associates for information on clauses in mortgages or deeds that may have threatened transactions.

- ☐ Deeds are the actual conveyance of ownership from seller to buyer. As with security agreements, familiarize yourself with the standard forms so you can be alert to the variations. Be alert to the names used when title is conveyed; if entities other than individuals are on the deed, this could have implications for everything from your listing agreement to the closing. Your standard procedure when you prepare for any listing presentation meeting should be to pull a copy of the deed, security agreements and anything else you can find in the courthouse connected with the property. Occasionally, you will be surprised at what you find and will have to change your whole approach to that property.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC IX

ORGANIZING AND TOOLS

The commercial real estate business can be reduced to two essential ingredients: information and relationships. Relationships begin when you go out into your territory and start meeting with property owners. But the relationships are useless if you don't have quick access to the right buyers, sellers, properties and market values – in other words if you don't have the information – to carry through on the transactions.

You will be gathering information on a daily basis. Most of the data will be about people, properties and market activity. If you are not organized at filing and retrieving information, it will be unused or lost.

Modify the suggestions according to your circumstances. A small office with only a few commercial sales professionals may find paper files and a few file cabinets sufficient to keep track of the information they need. A large commercial company with a dozen commercial sales professionals will most certainly benefit from using an online system. The trick is to apply the right amount of organization to your situation without spending more time than you have to. Pacing is important too: start small and let your system grow larger and more refined as the amount of information grows. Getting organized is important but only as a support activity to your programs to see the people and do business. Remember this relationship as you plan your time.

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 9.1: File Systems

- ☐ Decide where you will put files and how you will organize them. Learn the system in your office uses. Are you provided with file space? Do you have file drawers in your personal office or cubicle? Keep in mind that if the office uses a contact management system, the use of file drawers may be eliminated. Many experienced commercial sales professional have discovered they need at least four categories of files. The categories are buyer, seller and property and one for everything else. Some break the "everything else" further into forms, correspondence and miscellaneous. Why separate people and properties? Because often one person owns several properties, or several people own one property. Also, ownership changes while the properties do not change. You want to be able to zero in on any individual or any property at any time, despite the confusion of constant change. "Forms" is for the standard, pre-printed forms. Keep not only the ones you are issued and use regularly, but also copies of forms that other companies use that might contain new ideas or a better way of handling a situation. "Correspondence" is for letters you have received and copies of letters you have sent out. "Miscellaneous" is for all of the other items of information that come your way that you don't want to lose. This information may also be kept in a contact management or transaction management system on your computer. Don't be afraid to assign a file folder to a single piece of paper if the information on the paper could be important in the future.
- ☐ Have a section in your filing system for leases, sales contracts, appraisals, etc. They can get bulky, so plan ahead. You will get in the habit of reading and keeping copies of these documents, especially leases (see "Agreements"). When possible, store in your computer for quick download and use. Also, keep copies of any good examples of marketing pieces you can get your hands on, such as presentation packages, flyers and brochures. File them by property type or by "piece" type; allow plenty of room because these can also get bulky. This is another area, like leases, where knowledgeable people are always finding new ways to accomplish old purposes and standard practice in the industry is to borrow freely from the best work.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 9.2: Maps, Form Letters, Checklists

- ☐ Learn your company's system for storing maps, aerials, photos, topographies, etc. Maps should be stored rolled up or flat, not folded. If you don't have the room to store maps this way and you must fold them, organize the maps so you can find what you need quickly.

Some key maps such as zoning maps, traffic counts, municipal street maps, might be best mounted on the wall where they can be studied and referred to easily. There's nothing more fascinating or informative than a full-color satellite photo of your entire market area framed and hung in the reception area or conference room.

If you will be keeping maps and plats separate from the company maps, locate either a large, flat drawer or a section of a filing cabinet. Some of this information may be stored in the company's computers.

- ☐ Some sales professionals develop a large collection of form letters for any conceivable occasion. Don't spend time writing letters before you need them, but as you work on projects that require many similar letters to be sent, develop a template letter and save it with other form letters so you can find it easily next time you need it.

Ask your manager or other sales professionals in the office if they have form letters they use that you could copy. Modify them to your liking.

- ☐ Some sales professionals work from checklists for everything they do. Checklists are the best way to remember all of the little details that separate a professional from an amateur. Develop checklists that remind you what to bring or to do for prospecting trips, qualifying meetings, presentation meetings, showings, presentation packages, sales contacts, leases, pre-closing details, etc.

Ask your manager or other sales professionals in the office if you can copy their checklists. As you use them, add and delete items to suit your style.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 9.3: Personal Tool Kit

- ☐ Assemble a "tool kit" that contains all of the forms, brochures, supplies, emergency items, presentation materials, resource materials, etc. you may need in the field. Ask other sales professionals what they use. Write a checklist of all of the items so you can keep the kit fully supplied.
- ☐ Keep the file readily available on your computer. There are plenty of stories of sales professionals who lost a transaction because they didn't have the right contract form with them.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

TOPIC X

PERSONAL GOALS AND PLANS

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 10.1: Set Goals

To be an effective commercial sales professional, you must have a personal business plan. Results in the business are not immediate and you need a sense of purpose or you may not make it through the first few years.

People disagree on the usefulness of written long-term goals. But most agree that you must be explicit about your short-term goals for the first year or two. This is the only way you can approximate the amount of time you will need to commit to the business and gauge the feasibility of working a particular market or territory. It will provide a benchmark to measure your progress.

If you are new to commercial real estate, it may be better to wait six months and do the calculations in this module when you have a better grasp of the realities of the business.

- ☐ Write down an earnings goal for the next twelve months. Talk to your manager to determine if this goal is realistic in your market and for your experience level.

Also write down how many hours each week you intend to commit to the job. Ask your manager and more experienced sales professionals how much time per week they spent during their first year when they were getting started.

You may want to consult with your family about the amount of time you will be away from home.

- ☐ Based on this twelve-month goal, calculate the number of closings and consequently the number of contacts with customers you will need to make each week. Consult with your manager as you do this and be sure to use estimates typical of your product specialty and territory.
- ☐ Ask more experienced sales professionals how much time it typically takes a sales professional with your experience level to do the activities you calculated you would need to do each week.

Compute an estimate of the time you will need to work each week. Compare this number to the number of hours in your goal statement that you committed to work each week. If they aren't approximately the same, adjust either the time or the money goal.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

Date Assigned: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Module 10.2: Education Plan

Many new commercial sales professionals make the mistake of not taking any training or try to take all their training at once before they have any "street" experience to relate to it.

The best approach is a plan that will pace your training and allows time in between courses to apply and assimilate what is learned in class. A good pace for someone getting started in the business is to take two or three one-week courses per year, plus a brief seminar or two.

- ☐ Get on the emailing lists of organizations that offer training in commercial real estate in general or in your specialty.
- ☐ When you have collected the course information, sketch out a tentative schedule for the next two years. Concentrate on courses that have the most relevance to your immediate territory, specialty and goals. Don't take any courses unless you can see how they will improve your effectiveness within six months.
Try for not less than one, but not more than three one-week courses per year. Keep the plan in your files.
- ☐ Sign up for one weeklong course. Put a reminder in your calendar to sign-up for the second major course according to your plan.
- ☐ Attend as many short one- and two-day seminars as you can afford but not more than one a month. Seminars put on by local groups are good because you can meet local people and learn about local issues.

Date Completed: _____

Manager's Initials: _____

Sales Professional's Initials: _____

Sales Professional Comments: _____

Manager Comments: _____

SPHERE OF INFLUENCE NETWORKING

One of the keys to capturing local business is your ability to network within your community. Real estate continues to be a relationship business. If people know and trust you on a personal level, your chances are greater in winning their real estate business.

- Chamber of Commerce
 - Be active on a committee
 - Advertise in Chamber publication
- Churches and synagogues
 - Assist with worthy causes
- Economic development
 - Be active on a committee
 - Know the participants
- Local charities
 - Volunteer, volunteer, volunteer
- Other real estate professionals (appraisers, architects, engineers, technology, etc.)
 - Form alliances
 - Refer business
- Politics
 - Be aware of community challenges
 - Understand politician's opinions on real estate issues
- Professional associations (non real estate)
 - Attend conferences
 - Legal, accounting, medical, etc.
- Professional real estate associations
 - CCIM, SIOR, ICSC, ULI
- Residential Brokers
 - Present qualifications to this group
 - Set expectations
 - Determine referral fees
- Rotary
 - Become a member
 - Offer to speak at a luncheon

- Schools
 - Parent teachers association
 - Participate in fundraising
- Speeches (market data, market changes, etc)
 - Become the go to expert
- Sports
 - School
 - Health club
- Volunteer
 - City events
 - Disaster preparation
 - Festivals

REsource Center Tools:

Self Promotion

Self-Promotion in Commercial/Investment

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IT'S ALL ABOUT YOU

You do well in front of a prospect.

You do well with contracts, investment analysis, etc. – the technical part of our business.

You're good at working with buyers and sellers, and writing contracts.

So why are you not more profitable?

Could be, you're not telling people about yourself and your professional abilities!

In the commercial real estate business you are unemployed until you present yourself to someone who can write you a check (an employer)? When you find those "check writers" it's great. But most will acknowledge, it sure is hard to get them!

So how do you find "employers"?

Well, you're probably pretty good at prospecting but if you're like most people, prospecting is not one of your favorite pastimes. Once you leave the realm of prospecting it typically leaves two other main activities to find employers: working your sphere of influence and (you guessed it) self-promotion.

SELF-PROMOTION HOW-TO'S

Self-promotion is no more, no less than telling people (potential prospects, customers, and yes, employers) that you're in the commercial real estate business and you know what you are doing. You're a professional.

You don't do it very well (self-promotion), not because you can't but because you're so involved in other activities (like keeping deals together). When you do get around to thinking about self-promotion you're exhausted and don't really have the process in place to put your self-promotion on "automatic pilot."

The purpose of this program is to help you identify areas of self-promotion so you can sort or put that part of your business life on "automatic pilot."

PRESS RELEASE TO TRADE PUBLICATIONS

REsource Center ([Marketing > Public Relations > Online PR Kit](#)) contains numerous "boilerplate" press releases. There are press releases about deals closed, educational activities, awards won, etc. Sending copies of these professionally prepared releases to the trade publications as well as your local paper provides you with a great start to self-promotion. Take the time, or hire temporary help and put the street addresses, email addresses and URL's of all the different media sources you want to reach into your database. Build into your organizer a plan to send out two press releases a month. You will be surprised at how often you will be quoted. A few thoughts to consider include:

- Press release saying that you are in commercial real estate specializing in (your market area).
- Press release saying that you just returned from the Annual Business conference in (whatever city), where you studied techniques of marketing commercial real estate.
- Press release announcing that you are now marketing commercial real estate through www.berkshirehathawayhs.com.

PROMOTE WITHIN YOUR FIRM

Most residential companies provide to commercial sales professionals a vast network of "bird dogs" that do not want to handle a commercial property or prospect. They do residential, know it, and have as a main interest, client satisfaction and, of course, receiving a referral fee.

You need to "farm" these sales professionals just as they would farm a residential subdivision. Keep them informed, send them notes, and attend, possibly even speaking at their sales meetings. Finally, include them on your mailing and email lists.

PROMOTE AT BOARD FUNCTIONS

Every other company in your market area has the same residential bird dogs that are available to you.

Many of them have no interest in doing a commercial deal and have no problems referring to a competitor for a referral fee. As with your own company, speak at their meetings and include them on your mailing and email lists.

TEACH AT THE BOARD

What better way to become known as the expert than to teach? Most boards are in need of commercial real estate speakers. Again, everyone that attends these board meetings gets added to your mailing and email lists.

FIVE CALLS A DAY TO YOUR PRODUCT TYPE (SURVEY CALLS)

There is probably no finer, cheaper form of promoting yourself and your commercial capability than to call the “people who can write you a check.” Prior to making a call, take a few minutes to do some online research about the company and the investor’s industry. Then call and talk with them about their needs; talk about what they consider to be the hottest parts of the market, discuss what rates they think their type of business can pay, and finally, what services they will expect from you. Be client centric, not property centric.

SPEAK TO CIVIC GROUPS

If you’ve ever been the program chairman for a civic group or club, you know there are few worse jobs in the world. A scheduled speaker calls at the last minute and informs the program chairman he can’t make it. There is a real need here. Tell program chairmen you recently surveyed the commercial office market, or retail market, and you wondered if their membership might be interested in the results of that survey.

SPHERE OF INFLUENCE

Call the people you know, your sphere of influence. Call them at the rate of five to ten people a day, and promote your business. Don’t forget to ask for their business. If you were to start calling everyone that you know, is there a chance that you could find at least one prospect?

On a monthly basis, feed to the chamber and economic development councils, a list of available properties in your area.

Also, you receive eflyers and flyers all the time from other brokers. What would happen if you were to put everything in your computer and generate a list each month for those in charge of economic development in your county? It would be an important piece for them because it brings together the commercial real estate market in one convenient place. Of course, it comes to them on your letterhead.

EXAMPLES OF “LOW COST” SELF-PROMOTION

SURVEY RESULTS BACK TO THOSE SURVEYED

Those that talked with you during your survey should receive a copy of the results of that survey further confirming that you are the expert in that given product type.

Costs equal stamps and stationery if mailed and no cost if emailed.

LENDER CARAVAN

On a quarterly basis, invite all of the commercial lenders, trust fund and asset managers to a “caravan” of the area for the purpose of seeing firsthand what the commercial/investment market is doing.

When someone wants to do anything involved in commercial real estate that requires financing they have to talk with these very lenders.

If you just took the lender on a caravan, whom will they think of?

SIX MAILINGS A YEAR WITH TWO PHONE CALLS TO SPHERE OF INFLUENCE

Consider putting a piece of printed material in the hands of your sphere of influence six times a year. Don't preempt your customers' right to buy from you because you did not let them know what you have to sell.

Develop a mailer with two paragraphs that would be the same each mailing, but in the middle put three properties that you have for sale, and two that you have for lease. Then, send them to your sphere of influence

A heading could be: *Enclosed are this month's property picks.*

End the mailing with: *If you, or someone you know is in the market for property such as the ones shown, or any commercial investments, please feel free to give me a call. Thank You.*

NAME RIDERS

When you list a good property, spend a little more money to get your name listed on the sign. It is a constant reminder for anyone that drives by.

EXAMPLES OF SELF-PROMOTION THAT “COSTS A LITTLE”

PERSONAL RESUMES

Many times we ask customers to trust us with a \$1,000,000 plus property acquisition or disposition and in most cases all we hand them is a standard business card.

Create a personal resume with a color photo of yourself. Detail your track record, major accounts handled and any special training you have. Brag about yourself a little. Do you know how hard it is to throw away a full color glossy of anything? Your prospects will have the same problem.

Make sure your business card contains your email and website addresses.

PERSONAL POSTCARDS

Have 250 personal postcards made up with information about the area, yourself, or a property that you are trying to market. Instead of sending prospects an impersonal letter, send a handwritten notecard.

ECARDS

eCards are available to you at no cost. Access hundreds of eCard templates, including ones designed specifically for commercial real estate through REsource Center. Use this no cost and easy-to-use tool to reach your clients base on a regular basis.

CREATE A BLOG AND/OR TWITTER ACCOUNT

Social networking is the newest form of acceptable communication in today's market. If you decide to create a blog, maintain with new, up-to-date information on a regular basis.

INVEST IN A PAID NEWSPAPER COLUMN

Newspaper columns can provide industry tips and advice. There are news columns available on REsource Center ([Marketing > News Columns](#)) for your use.

COMMERCIAL/INVESTMENT ENEWSLETTER

Publish a commercial enewsletter and insert your qualifications and available inventory and services. Be realistic with your time frames – newsletters are a great tool but preparing and sending one more often than quarterly can be a real chore.

INVESTMENT NIGHTS

If you have good investment properties, host an investment night. Invite known investors and third party professionals to give a presentation on taxes or effective property management techniques. Be careful not to

make a specific offering during the evening. This could be construed as a violation of the securities law. Instead, meet with them individually. Add these prospects to your mailing and email lists. Also, you might consider a "Lease Night". Your ad could read, "If your lease is expiring in the next six months, come to a meeting to discuss the economics of commercial leases."

OTHER THOUGHTS AND IDEAS

DISTINGUISH YOURSELF

- Use a laptop computer, a smart phone and a tablet
- Put all your inventory on the Commercial Information Exchange (CIE) listing portal on REsource Center
- Be careful of how you dress and what you drive
- Keep your automobile clean

ALWAYS HAVE WITH YOU

- 1st class materials
- Property packages
- Flyers
- Signs

LET EVERYTHING YOU DO SPEAK QUALITY!

Commercial real estate is an extremely rewarding yet extremely unforgiving business. Don't leave something like that up to chance. At the beginning of the month, tell yourself that this month I am going to self-promote. Then lay out the plan for the entire month.

If you don't promote "your" independent contractor business, no one will.

Good Luck!

Commercial Prospecting

PROSPECTING – TABLE OF CONTENTS

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A PROSPECTING CHECKUP FOR (SALES PROFESSIONAL'S FULL NAME) (DBA)

1. How many prospecting contacts did you make last week? _____
2. How many business-generating questions did you ask your sphere of influence last week? _____
3. How many business-generating questions did you ask those in your civic, social or religious circles last week? _____
4. How many business-generating questions did you ask those in your family? _____
5. Approximately how much time was spent last week planning your prospecting activities? _____

Now, yes or no?

6. I spend more time thinking about promoting myself than I actually spend promoting myself. ☐ Yes ☐ No
7. I feel very uncomfortable calling someone that I do not know. ☐ Yes ☐ No
8. I spend more time talking about my goals than I do working toward them. ☐ Yes ☐ No
9. I provide my own external motivation. ☐ Yes ☐ No
10. I spend a lot of time planning and organizing my prospect list before calling my prospect list. ☐ Yes ☐ No
11. I feel I would be intruding on people with my prospecting. ☐ Yes ☐ No
12. I don't ask sales questions of my friends because I feel it would exploit our friendship. ☐ Yes ☐ No

Now, you evaluate how you are doing.

BRAINSTORMING, PROSPECTING GROUPS AND PROSPECTING METHODS

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Prospecting Group: _____

Prospecting: _____

Method: _____

Notes: _____

FEATURES

List eight features that you or the commercial department of (DBA) have to offer.

- | | |
|----------|----------|
| 1. _____ | 5. _____ |
| 2. _____ | 6. _____ |
| 3. _____ | 7. _____ |
| 4. _____ | 8. _____ |

The three you consider most important.

Feature 1

The benefit: _____

How to support it: _____

How to create empathy: _____

A close for the benefit: _____

Feature 2

The benefit: _____

How to support it: _____

How to create empathy: _____

A close for the benefit: _____

Feature 3

The benefit: _____

How to support it: _____

How to create empathy: _____

A close for the benefit: _____

TYPICAL SELLER OBJECTIONS IN YOUR MARKET

Objection

Response: _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

TYPICAL BUYER OBJECTIONS IN YOUR MARKET

Objection

Response: _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

Objection

Response : _____

Response : _____

Response : _____

WHAT YOU NEED TO CLOSE FOR WITH SELLERS IN YOUR MARKET

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

WHAT YOU NEED TO CLOSE FOR WITH BUYERS IN YOUR MARKET

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

Close for: _____

Trial close would be: _____

Hard close would be: _____

PLAN THE CLOSING

When attempting to get a listing, buyer representation agreement or a fee services contract, there are many “closes” along the way. Use this guide to “Plan The Close.”

1. What is the desired end result of the meeting (what is the close)?

2. What is a prime motivation for the prospect?

3. What is a secondary motivation for the prospect?

4. What products or services can you offer that will address the prime motivation?

5. What products or services can you offer that will address the secondary motivation:

6. Develop a trial close for each motivation using your product or service:

7. Develop a hard close for each motivation using your product or service:

8. What objections should you anticipate?

9. How would you address each objection?

10. What are the benefits to the prospect of doing that which you want done?

THE CHALLENGE

It's a fact, one out of every 14 people that you contact will either be in the market for your real estate services or will know someone that is in the market for those same services (suspects if you will).

If you get one suspect out of 14 contacts, you will get two out of 28 and so on. This is the worse that you will do in any market.

Your challenge for the next 21 days is to see how you can perfect your approach to get your numbers better than the national average.

What will your numbers be If you get:

- 1 in 5 = you will need an assistant to help you
- 1 in 10 = you're making more than you ever have in real estate
- 1 in 15 = you're making a good living in real estate
- 0 for 0 = you should consider a career change

The national average is one in 14 contacts results in a suspect. Can you beat the national average?

Do your prospecting in blocks of time for 21 days. As you prospect fill out one block for each completed contact. Make all 15 contacts for 21 days and the system will not fail you. As you are doing the prospecting, be sure to record all accomplishments in the accomplishments section.

Refer back to the preceding pages to develop your presentation. Remember, always open with your name, your company and the reason for your call.

**PROSPECTING RECORD OF
(SALES PROFESSIONAL'S FULL NAME)
(DBA)**

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Contacts will say no – expect it!

**PROSPECTING RECORD
OF (SALES PROFESSIONAL'S FULL NAME)
(DBA)**

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Contacts will say no – expect it!

**PROSPECTING RECORD
OF (SALES PROFESSIONAL'S FULL NAME)
(DBA)**

Day _____	Contacts _____ _____	Suspects _____ _____
Accomplishments: _____		
Methods used: _____		

Day _____	Contacts _____ _____	Suspects _____ _____
Accomplishments: _____		
Methods used: _____		

Day _____	Contacts _____ _____	Suspects _____ _____
Accomplishments: _____		
Methods used: _____		

Day _____	Contacts _____ _____	Suspects _____ _____
Accomplishments: _____		
Methods used: _____		

Contacts will say no – expect it!

**PROSPECTING RECORD OF
(SALES PROFESSIONAL'S FULL NAME)
(DBA)**

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Day _____ Contacts _____ Suspects _____

Accomplishments: _____

Methods used: _____

Contacts will say no – expect it!

PROSPECTING FOR SELLERS AND BUYERS

PROSPECTING RESOURCES

Prospects can be found in many different areas. Hours of valuable time and effort can be saved if you know where to look. The following prospecting resources, if used properly, will provide an endless supply of prospects. Study these sources and their uses and get those prospects.

TAX ROLLS

A tax roll is the list of all owners of real estate in any given area and most are accessible online. Although the content of the tax rolls will vary from area to area, usually included will be basics such as:

- Owners of record
- Address of owners of record
- Legal description of the property
- Mill rate
- Taxable value of the property
- Property use
- Some physical information concerning the property

While the tax rolls are widely used for information gathering, their value as a prospecting tool is usually overlooked. Many real estate offices subscribe to a service that supplies this tax roll information for you. The records are also available in the tax assessor's office in the area in which the property is located.

Tax rolls contain an alphabetical listing of property owners. This list not only gives you the name and address of every property owner in the area, it also shows the usage of each property. For example, in most tax rolls, "00" under the property use code means the property is a vacant lot zoned for single-family residential use. The code "01" means the property is improved with a single-family residential dwelling. There are many other classifications of property and the explanation of the codes used is usually in the front of the tax rolls.

To begin your hunt for prospects, start with the two property use codes previously mentioned. Begin at the top of the alphabetical owners index and follow down the page.

This list may appear like this:

Owners Name:	Use:	Parcel:	Rehb:	Vol:	Pag:	No
GARBUT CHARLES & ELAINE	01	17 32 30 0901		E-6131	3	
GARCIA THOMAS	00	14 32 42 0100		E-4399	29	
GARDINIO CLYDE & ELOISE	01	18 31 42 0070		W-2963	29	
GARDINIO CLYDE & ELOISE	00	18 31 30 0080		W-2963	30	
GARDINIO CLYDE & ELOISE	00	18 31 30 0090		W-2964	1	
GARDINIO CLYDE & ELOISE	00	18 31 30 0100		W-2964	2	
GARDINIO CLYDE & ELOISE	01	18 31 30 0110		W-2964	3	
GAREAU WILLIAM & SUSAN	00	15 33 38 0130		W-6256	6	
GAREISS JOHN & REBECCA	01	13 28 32 0170		W0-244	2	

The Gardinios own three vacant single-family residential lots (00). Anyone who owns more than one piece of property should be considered an investor in real estate. In this case, the Gardinios appear to be investors in single-family lots. Therefore, they would be potential prospects for single-family lots. Mr. and Mrs. Gardinio should be contacted to see if they are in a position to add to their portfolio of vacant building lots.

The Gardinios also own two single-family residences (01). Assume that one house is their personal residence, but the chances are good they invest in single-family residences for rental purposes.

Call the Gardinios as soon as you or your company has listed a good property that would lend itself to a rental situation, and say, "I see by the tax rolls that you own more than one piece of residential property and I have a particularly good buy on Elm Street. Would you be interested?" While you are talking with the Gardinios, you should explore any other business possibilities. If they are not in the market to buy right now, there are two questions to ask at this point: "Are you considering selling any of your properties?" and "Do you know anyone who is thinking of buying or selling real estate?"

The tax rolls can also provide prospective buyers and sellers for other types of property. For example, in most areas "08" denotes multifamily units. If you have an apartment complex to sell, scan the tax roll page to find the multifamily code.

Once you have found an owner of a multifamily residence, consider that prospect as being in the market for another. When approaching the owner, ask: "How long have you owned your apartment complex?" You may find he or she has owned it for five years or more. If that happens to be the case, you might point out that if standard depreciation allowances have been taken, the tax shelter on this property is diminishing.

Ask at this point, "Have you ever considered selling the property and buying another so you can receive the greater advantages that the tax laws allow concerning depreciation?" Weeks could be spent knocking on apartment manager's doors trying to find the names and addresses of the owner. However, the easy way would be to spend a few minutes pursuing the tax rolls looking up the owners of "08" properties.

Although you should support a multiple listing service in your area (if available), this should not necessarily

be the first place you go if you have a prospective buyer. Search the tax rolls to find owners of the type of property required for your buyer and ask the owners if they are willing to sell. You may be able to obtain your own listing to show to that prospective buyer. It is more profitable to sell you own listing.

Another example might be: If you just listed a piece of industrial land, go through the property use code and find people who own industrial property. Then call them. You may find prospects who own industrial property and who would be interested in increasing their holdings or interested in selling. The same process would hold true for office buildings, raw land and any of the other classifications of property.

Another easy way to obtain listings is to go to the tax roll and look for absentee owners. In most area, the address given under the owner's name is the owner's mailing address. It is not necessarily the address of the property. Scan the tax rolls and find an out-of-town address. You have an absentee owner! Being an absentee owner is both expensive and inconvenient. Perhaps the owner is in the market to sell that property. If not, the owner may be an investor in real estate with whom you may do business. Consider also the following: The renters who are living in an absentee owner's property may be potential buyers of real estate. Show them the advantage of owning their own home.

Many listings are sold by contacting owners of adjacent property. Go to the tax rolls and find at least 20 owners of property who are either adjacent to, across from, or near your listing. Contact each owner to see if anyone wants to increase holdings in that particular area or if the owner knows someone who does.

If all areas of the tax rolls are used to their fullest potential, the possibilities of listings and sales are limitless. You must find those prospects.

DEED RECORDINGS

Recorded deeds are the official records of every sale that takes place in your area. The deed recordings will contain such information as the name of the buyer, the name of the seller and the legal description of the property sold. For the deed to be officially recorded, most states require the seller to purchase documentary stamps affixed to the deed. Since each area is different, contact your local tax assessor to determine what calculations are necessary. One precaution is needed, however. In most areas it is legal to over-stamp the deed, causing the appearance of an inflated purchase price. In most areas properties cannot be under-stamped.

By following the deed recordings, you will be able to find active investors and the particular types of property that are attractive to them. You will be able to see which subdivisions are producing sales and which are not, so you may invest your time more profitably. You will increase your professionalism by being able to convey to buyers and sellers the current market values of properties.

In addition to your area courthouse, you may find these deed recordings in many places. Some local newspapers will list all the deeds that have been recorded recently. They are usually published once a week. You may have access to a credit bulletin in your area. While credit bulletins may be different, most provide a record of transactions of financial interest in the community including deed recordings. If you use the credit bulletin for deed recordings information, you will find that the information is not in an organized format; therefore, you must arrange the information systematically for your convenience.

Any local appraiser or title company must keep track of the deed recordings for their day-to-day business use. If you are looking for comparable sales to price your new listing, they could be a good source. There are many information services that compile and keep a running list of the deed recordings. In most cases, they are private enterprises and will charge a fee for the service. For the time saved and the organization of the information provided, these monthly sales services are usually worth their prices.

PLAT BOOKS

Plat is a map that divides property into lots and blocks. The map will show the precise location of all lots, roads and common areas. The plat will also include a narrative stating important dates about the property. Careful study of the plat will enable the professional to exhibit specialized knowledge of the important aspects of that subdivision.

Some of these aspects are:

- A legal description of property location
- Lot sizes
- Easements (drainage, utilities and sewers)
- Physical layout of the subdivision
- Street widths
- Building restrictions

A plat of the area where you are working will prove to be a useful tool. On the plat, you will be able to keep track of:

- What property is for sale and who is selling it (FSBO's and brokers)?
- What property is for rent?
- Any vacant lot suitable for building

This plat should be stored on your computer where it will be immediately available so you can update yourself on a particular area and review property dates with any buying or selling prospect. Due to the continuous changes that will be made on the plat, laminating your copy and using an erasable marking instrument may prove useful.

Use a plat when working with a FSBO. Suggest to the owner that the following points would be beneficial in the presentation of the property to a potential buyer: the property's north/south orientation, the layout of the subdivision and the size of the lot. Give the owner a copy of the plat with your business card attached. By assisting the owner, you are showing that there is more to the selling process than simply putting up a for-sale sign.

The plat is an excellent tool and a copy should be available to show at each presentation. It shows the owner

you have special knowledge of the neighborhood.

If you have recorded all sales, the owner can no longer hold such objections as “we are asking ‘X’ dollars for our property because the property down the street sold for that amount, and since our property has more amenities, we should get more.” You can show them exactly what the property down the street sold for and then professionally compare that sales price to the price they are asking for their property.

TRACT MAPS

Plat maps are drawn for property that has been subdivided. Property that has not been subdivided (and consequently not platted) will be illustrated on a tract map. Tract maps also show any platted land that lies within the boundaries of the tract. The plat and a piece of section land (land that is surrounding the plat and is not subdivided) will be shown together on the page of the tract map in correct proximity to each other. Although tract maps do not contain as much information as plats, they can be used in much the same manner as plats in establishing your professional abilities to a buyer or seller. Typically, but not always the north, south, east and west boundaries of one page in the tract maps will be the same boundaries as the corresponding section in a given township and range. Your broker or the area tax assessor should be able to show you how to use the tract maps.

AERIAL PHOTOGRAPHS

Aerial photographs are simply pictures of land taken from the air and are usually taken so the boundaries correspond with those of the same page in the tract map. The values that can be derived from aerial photographs are many. Two of the most important are the following:

1. You can give a prospect an overall view of the area of the town in which they are most interested. Some of the information that should be pointed out to the prospect includes shops, schools, recreational areas and churches.
2. If the prospect is a developer, you can present the amenities that the property offers such as heavily wooded land, bodies of water on the property and as with the other prospects, its proximity to the amenities that the area has to offer.

There are many other uses for aerial photographs. Think creatively when showing an aerial photograph to a prospect.

CROSS-REFERENCE AND CITY DIRECTORIES

The cross-reference and city directories may take slightly different forms in different areas, but the basic information they contain will be the same. The directories will index names, addresses and phone numbers in the following manner:

- Occupants alphabetically by last name
- Streets alphabetically by name
- Numerical sequence of phone numbers

Other information that may be found in the directories is spouses' names, occupations of residents, employers, renters, new residents and zip codes. The directories also list businesses and information on the businesses. Check the index code in your area directories for specific instructions.

The directories are good prospecting tools. For example, if you want to see a vacant property (a listing possibility), you can look up the street address of the property numerically in the directory. You might find the owner's name. One thing you should keep in mind, however, is that the name in the directory may be that of the last occupants, not necessarily of the owners. Some directories make the distinction between occupants and owners. If yours do not, the tax roll will give you the owner's names along with their mailing addresses.

Next, if you have listed a property or sold a property, pick the addresses of at least 20 owners in that area. Use your directories to pull out the names and phone numbers. Call the owners to tell them of the new listing or the new sale. Use the directories to hunt for renters. Renters can many times be turned into active buyers if shown the advantages of owning real estate.

If you are developing a mailing list for an area, the directories will help once again. Do not forget you are mailing to the occupant, not necessarily the owner.

EXPIRED LISTINGS

When a broker agrees to market (list) a property, that broker usually requests:

1. The marketing term is for an average of 90 to 180 days.
2. The listing is exclusive. (Exclusive means if the property is sold during that 90 to 180-day period by anyone, the listing broker will receive a brokerage fee.)

If the property does not sell during the listing term, then the property "expires" with that broker. When this expiration occurs, anyone can re-list the property exclusively for another listing term.

An expired listing is important as a prospecting source because of the motivation of the seller. When a property goes on the market for the initial listing term, the owners often want to "test the market" by trying to get more than a realistic market value for the property. Many times they do not realize that valuable time is lost while they are "testing the market."

As the initial listing time runs out, the owners start getting anxious over their dilemma. They must move, but no sale has occurred. While they initially wanted to price the property high, they now realize if they want to sell, they must be realistic with their price. They are getting "motivated to sell."

If the original listing agent was unable to get a reduced price during the initial listing term, the agent who handles the property for the second listing term will reap the benefits of a properly priced listing and a motivated seller. It is not always easy to find expired listings. Consider the following suggestions:

1. Your local real estate board may list every property that has expired on a given day. Your board can give you details on how to run the program.

2. A list of “expireds” may appear in your multiple-listing system.
3. Know the properties that are in the multiple-listing system. As soon as one disappears from the system (and you have not seen a notice of sale published in the book on that property), you have probably found an expired listing.
4. If none of the other options are available to you, just be sure you notice if the sign suddenly comes down from the property. The property may have just been taken off the market or it may be an expired listing.

NEWSPAPERS

The newspaper is an excellent source for finding prospects. Consider the following:

1. *For-sale-by-owner (FSBO) ads.* These owners have already made the decision to sell their real estate. Not as many sales professional are contacting them as you might think. Take advantage of this prospecting source and make contact with FSBO's. If the FSBO is not properly approached, the experience can be a frustrating one. In this section under “For-Sale-by-Owners, you will review five ways of approaching a FSBO that will allow you to avoid the anxiety that can sometimes accompany this prospecting method.
2. *For-Lease-by-owner ads.* Many sales professionals overlook this area. First, assume for-lease-by-owners are investors in real estate. Do not approach them with the idea of finding someone to lease their property. Approach them with the idea of selling their property and reinvesting in another commercial property

You could start the conversation with for-lease-by-owners by asking how long they have owned the property. If you find they have owned it anywhere from five to ten years, then you know they may have used a substantial portion of their depreciation allowance. Point this out to them. You might also suggest that by selling and getting the equity from the property, they might be able to move up to a larger property.

3. *Job promotions.* When promoted, many individuals are placed in a position where they make key company decisions. Imagine the impact if you were to cut a job promotion article from the newspaper and mail it with your congratulations to the person concerned. Mention that if the new promotion brings a need for commercial real estate advice, you would be more than happy to help.
4. *Divorces and deaths.* These are two sensitive areas. You must decide whether you want to pursue them. In both cases, a personal tragedy has occurred. But do consider the need for your services in these areas. With divorce, many times both parties simply want to walk out and leave all the equity they have in the property. By providing your services to the couple, you may help them liquidate the investment without financial loss. In the case of death, widowed people might find they have more property than they can handle and may need professional help in managing or disposing of that property.
5. *Building permits.* Investigate all building permits. When someone is building a new property that person may have an old one to sell. Frequently the old property is not put on the market until the new one is under construction. Following these leads can often result in a good listing. In order to avoid double mortgage payments, this seller will usually be very motivated to sell.
6. *Government action.* In the newspapers, many times you will see where a governmental authority has condemned an area. The property may be the future site of a courthouse or other governmental building. The adjacent property owners may have to move due to the governmental action. You should canvass that area to find out where these prospects are going to relocate.

REFERRALS

Studies have shown that as much as 50 percent of a company's business can come from referrals. Assume the same would hold true for individual real estate sales professional. If a sales professional had to work as hard in their third and fourth years as they did in the first two years in real estate, no one would stay in the business. The reason most real estate sales professional do not have to work as hard in the third and fourth years is because of the referral network they have developed. Consider the following sources of referral business.

Past customers and clients. This group would have to head the list in any discussion of referral business. There is nothing like a satisfied customer to spread word of your excellent service and expertise.

A gift after the closing will help the customers remember the hard work that you have done for them. Two suggestions for gifts (there are many excellent choices) are a paperweight with the property owner's name on it or a subscription to a commercial real estate publication. The paperweight will cause them to think of you every time they sit at their desk. The subscription will be a pleasant monthly reminder providing insight on commercial properties.

You should devise a follow-up system. The follow-up system should provide for no less than three and ideally four contacts every year. The system can be as simple as putting past customers' names into the twelve-month calendar section of your total organizational system at three-month intervals. When you finish the year in your twelve-month calendar, do not forget to carry the prospects into the next year. Contacting the previous customer can be done by sending a notecard or eCard on the appropriate dates.

There are as many different messages that can be written as there are customers and real estate sales professional. Be creative and devise your own messages but make sure you use a follow-up system. Include a direct request for business, "if you know of anyone whom I could provide the same good service for, please give me a call. Thank you for doing business with me." In addition to the notes, you might also consider an occasional phone call or stop by their office to say "hello."

There are several professional follow-up services in existence that for a nominal fee will do all the follow-up work for you. These services may offer gifts as well as a card mailing service and usually provide follow-up four times a year for four years. Cards sent by these firms are typically handwritten and postmarked from your post office. For the small cost involved, the services would be well-worth investigating.

Friends and relatives. The contacts here would of course be less formal. When talking with friends and relatives, occasionally ask if they know of anyone who wants to buy or sell real estate. Leave a few of your business cards with them.

Other brokers. The more contact you can establish with brokers in other cities, the more business you will have. Start by determining what five states provide the most new prospects to your area. This will not be easy information to get. Your company's old sales files could give you an indication as could the local newspaper. Your chamber of commerce will also be a good source.

Once the five states have been determined, establish a rapport with the leading brokers in the largest cities in those states. Write them about your qualifications and determination to sell those that are referred to you. The names of brokers and services they provide are available from a roster published yearly by the National Association of REALTORS® or through professional associations.

Attend state and national conventions. Many business contacts that lead to referral business have been made at conventions.

Once you have established your contacts, be sure to properly service the leads given to you by other brokers, follow up with the prospects sent to you by:

- Talking with them frequently
- Having reservations made for them upon their arrival
- Providing them with area information

Keep in constant contact with these other brokers. Let them know what is happening with the business they sent to you. They will show their appreciation by sending more business.

Relocation companies. The main function of relocation companies is to handle the disposition of homes that have been bought by corporations from their transferred employees. They may also assist companies in acquiring new commercial space in their new city locations.

It is difficult to get business from relocation companies. However, once they find a broker who provides good service, they usually stay with that broker.

Contact relocation companies with a brief resume on your company, yourself and include area information. If at all possible, this contact should be made in person.

There are many other sources of referral business. Everyone you meet could have a potential referral for you. All you need to do is ask for the business!

BUSINESS CARDS

Do not underestimate the power of your business cards. They are an important source of your professional exposure, make sure it includes your email and website addresses on it. The following list gives excellent suggestions for using your business cards to their fullest extent.

1. Leave one under the plate with the tip when dining out.
2. Send one with every bill, letter or greeting card.
3. Place one on every courtesy boards in supermarkets, self-service laundries, etc.
4. Give some to all relatives.
5. When asked for a phone number, always hand out a card.

6. Exchange cards with people in related fields (e.g., banking or insurance).
7. Give one to all repair people with whom you do business.
8. Send one in any promotional literature you send (photocopy your card onto the mail-out material in case the card is misplaced).
9. Give a card to all contractors and remodelers.
10. Leave a card in each property you visit.
11. Buyers of properties you sell should have an ample supply of your cards to give to potential referral customers.
12. Send congratulations to executives of companies relocating to your area and just-promoted people, with a card of course.
13. Leave a card in all telephone booths (in the yellow pages under real estate).
14. Leave cards with directors of student activities at local colleges and trade schools.
15. Leave cards with personnel directors of all local businesses.
16. Think of five ways to put your business card to work.

EMAIL SIGNATURES

Your email signature should always include your contact information.

Real Estate Columns

REAL ESTATE COLUMNS RECOGNIZING YOUR EXPERTISE IN THE INDUSTRY

As you know, one of the most effective ways to promote your business and your professional expertise is to keep your name in front of the public. Commercial real estate columns can be run with your by-line in your local newspaper, in your company newsletter or posted on your website. Columns can be offered to publications as editorial features or you can buy ad space and have the columns typeset advertorial-style with your photo and by-line as a paid editorial column.

Start as a Series Using Two to Three Columns

You may edit each column to add your point-of-view, adjust copy length or run it over two consecutive weeks as a “continuing” column.

How to Submit a Draft Commercial Real Estate Column

Your drafted column should be 300-1,000 words (Microsoft Word is preferred). Submit the drafted column by email to the publication of your choice. You should also submit a 50-word description of yourself, noting your particular expertise in commercial real estate.

WINNING THE BUSINESS

Once you have identified a prospect with a real estate need, how do you win the business? It is important for all professionals to be prepared with a professional resume of experience. If you are new to the business, take the team approach and combine your qualifications with those of a senior broker.

A good commercial real estate broker should also have the ability to give a professional presentation and produce quality proposals.

- Resume
 - Prepared in advance
 - Target your audience
 - Use team resume where necessary
- Agent and Company Presentation
 - Most of it should be completed in advance
- Proposals
 - Professional looking
 - State the needs of the client
 - State your solution in the proposal.
 - Initiation of assignment
 - Marketing (advertising, email, direct mail, telephone, etc.)
 - Negotiation
 - Closing
 - Post closing
- Presentation Materials
 - Bound
 - Consistent
 - Quality paper stock

REsource Center Tools:

Sales Professional Resume

Agent Presentation

How to Design a Commercial Marketing Plan

Marketing Plan

Tenant Representation Proposal

Improved Property Proposal

Unimproved Property Proposal

Marketing materials

Sales Professional Resume (Sample)

Your Name

Title

Address

City, State Zip

Telephone 123.456.7890

Toll Free 800.456.7890

Mobile 123.456.7890

Fax 123.456.7890

emailaddress@domain.com

Your Bio Photo Here

MSA Coverage

- Large City, CA

Specialty

- General Brokerage

Clients Represented

- ABC Insurance
- Big Office User
- DEF Manufacturing
- GHI Hotel Corporation
- J. Farming Cooperative
- MNO Apartments, Inc.
- PQR Mall Management
- STU Bureau of Government
- Phillips Hotel, LLC

Professional Experience

John Smith is a commercial real estate referral specialist with Berkshire Hathaway HomeServices (DBA) specializing in the leasing and sale of commercial real estate properties in the Southern California region.

John is a seasoned professional with more than seven years experience and has built up considerable expertise in the Irvine Newport Beach area, handling a wide variety of commercial real estate and investment transactions.

Transactional Experience

Company, Location, Date Closed	Office/Size	Transaction Type
ABC Insurance, Irvine, CA (mm/yy)	40,664 sq. ft.	Lease
ABC Insurance, Irvine, CA (mm/yy)	15,793 sq. ft.	Lease
Big Office User, Irvine, CA (mm/yy)	12,341 sq. ft.	Lease
Company, Location, Date Closed	Office/Size	Transaction Type
PQR Mall Management, Irvine, CA (mm/yy)	25,429 sq. ft.	Sale
PQR Mall Management, Irvine, CA (mm/yy)	25,000 sq. ft.	Lease
Big Box Development, Irvine, CA (mm/yy)	77,692 sq. ft.	Anchor Lease
Company, Location, Date Closed	Office/Size	Transaction Type
DEF Manufacturing, Irvine, CA (mm/yy)	76,891 sq. ft.	Sale
DEF Manufacturing, Irvine, CA (mm/yy)	58,242 sq. ft.	Lease
Company, Location, Date Closed	Office/Size	Transaction Type
J. Farming Cooperative, Irvine, CA (mm/yy)	10,000 a.	Sale
J. Farming Cooperative, Irvine, CA (mm/yy)	2,000 a.	Land Lease
Company, Location, Date Closed	Office/Size	Transaction Type
MNO Apartments, Irvine, CA (mm/yy)	50 units	Sale
Company, Location, Date Closed	Office/Size	Transaction Type
Phillips Hotels, Mission Viejo, CA	500 rooms	Purchase

Education

BA

University of the Pacific, Stockton, CA

CCIM CI401, 101, 102

Commercial Investment Real Estate Institute, Chicago, IL

Professional Organizations

NAIOP

ICSC

Professional Organizations

2nd Harvest Food Bank

Boys and Girls Club

Agent Presentation

The *Commercial Agent Presentation* provides you with a presentation to use when pursuing a tenant representation assignment or an exclusive listing to sell a property. We recommend you use the *Commercial Agent Presentation* on a first call, when sharing professional qualifications. Its format allows for it to be presented in conjunction with other commercial marketing presentations available on REsource Center ([Commercial Real Estate > The eLibrary > Commercial Marketing](#)).

Please also be sure to download the instruction file attached.

NOTE: The following pages are the content of the presentation. A sample PowerPoint presentation is available on REsource Center ([Commercial Real Estate > The eLibrary > Commercial Marketing > Advisory Services Presentation](#)).

BERKSHIRE HATHAWAY HOMESERVICES

- Commercial Agents located throughout North America
- Presence throughout the United States
- Our professionals offer a full array of real estate services throughout the country, from the largest business centers to local communities.
- Regardless of market size, each client has access to the full power of our national reach to meet their individual commercial real estate needs
- Support of industry organizations and participation at symposiums and conventions:
 - Certified Commercial Investment Member (CCIM)
 - International Association of Corporate Real Estate Executives (CoreNet Global)
 - International Council of Shopping Centers (ICSC)
 - National Association of REALTORS® (NAR)
 - Society of Industrial and Office REALTORS® (SIOR)

TECHNOLOGY AND BUSINESS SOLUTIONS

- Berkshire Hathaway HomeServices [DBA]'s website [DBA's web site address] is linked to the Berkshire Hathaway HomeServices website.

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

Company Qualifications:

- Berkshire Hathaway HomeServices (DBA) is recognized as being among the most capable in servicing client's needs while being responsive to the needs of the community.

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

Company Qualifications:

- Major clients of our firm:
(List clients)

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

Company Qualifications:

- Specialties handled by our firm:
(List specialties)

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

Company Qualifications:

- Geographic area covered by our firm:
By concentrating our real estate efforts in (name of city, region), our knowledge and expertise is more focused.

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

Company Qualifications:

- Community involvement:
(List charity involvement, civic activity, boards, etc.)

(AGENT NAME)

Agent Qualifications:

- List of clients
(List clients)
- Major transactions
(List transactions)

(CLIENT NAME)

Client Needs:

- (List client needs)

BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S SERVICES FOR A SUCCESSFUL LEASE TRANSACTION

Client Needs Analysis:

Space [size and layout]	Location
Expansion	Financial
Identity/Image	Amenities
Building Systems	Technology
Security	Property Management
Parking	Public Transportation

Market Overview

Supply / Demand	Absorption
Lease Rates	Vacancy Rates
Comparables	Projections
Availabilities	

BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S SERVICES FOR A SUCCESSFUL LEASE TRANSACTION

Property Reviews

Ownership	Management
Project Size	Availability Dates
Floor Size	Rent Quotes
Tax and Operating Base	Parking
Tenant Work Letter	Tenant Inducement

Building Tours and Inspections

Request for Proposals (RFP's)

- Drafting
- Delivery

BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S SERVICES FOR A SUCCESSFUL LEASE TRANSACTION

Proposal Evaluation

Lease Terms

Base Rental Rate

Subleasing Assignment Rights

Inducements/Concessions

Building Efficiency

Parking

Availability

Utility Costs

Extension/Termination

Escalations/Tax/Operating

Expansion/Contraction Options

Parking Rates

Financial Terms

Lease Negotiations

Space Planning

Team — Design — Cost — Buildout

Post Lease Signing Services

Review of Annual Tax and Operating Escalations

Annual Market Review

BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S SERVICES FOR A SUCCESSFUL PROPERTY SALE

Survey of Current Ownershop

History of Ownership

Ownership Entity

Motivation for Sale

Owner Expectations (Price/Timing)

Who will authorize marketing?

Who will sign for ownership?

Will owner need new investment?

Tax free exchange?

Price Determination

Appraisal

Competitive Survey

Property Package Creation

Executive Summary of Salient Facts:

List Price

Location

Size

Net Operating Income

Ownership Entity

**BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S
SERVICES FOR A SUCCESSFUL PROPERTY SALE**

Property Package Creation (continued)

Maps: Aerial, Area, Location

Area Description

Airport — Educational Facilities — Taxing Authority — Climate

Demographics — Type of Government — Highways — Hospitals

Utility Companies — Major Employers — Property Strengths

**BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S
SERVICES FOR A SUCCESSFUL PROPERTY SALE**

Property Description

Age	Building Systems	Occupancy
Construction	Major Tenants	Parking
Number of Stories	Square Footage	Type
Parcel Size	Zoning	Other

Tenant Roster

Tenants	Escalation Dates	Base Rents
Space Occupied	Deposits	Rent per SF
Lease Dates	Escalations	Options

**BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S
SERVICES FOR A SUCCESSFUL PROPERTY SALE**

Financial Analysis

- Annual Property Operating Data (APOD) Form
- Proforma at Stabilization

Competitive Market Analysis

- Present Market Conditions
- Properties Sold
 - Location Price — Size — Prize per SF
- Properties Presently for Sale
 - Location Price — Size — Prize per SF
- Comparable Maps
- Subject Property
- Comparable Locations

**BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S
SERVICES FOR A SUCCESSFUL PROPERTY SALE**

Marketing

- Associations (CCIM, SIOR, ICSC)
- Business Journal
- Chamber of Commerce
- Commercial Brokers
- Internet (List websites where your listings will post.)
- Local Property Owners
- Marketing Flyers
- Newspapers
- Target Marketing
- Virtual Tour

BERKSHIRE HATHAWAY HOMESERVICES (DBA)'S SERVICES FOR A SUCCESSFUL PROPERTY SALE

Proposal Evaluation and Negotiation

Closing

Work with Attorneys, Accountants and Title Officers

Post Closing Activities

Locate New Investment

Arrange for Tax Free Exchange

Represent Seller in Purchase of New Investment

WHY AN EXCLUSIVE LISTING?

Time: We pledge our "full time" effort.

Money: The broker risks hard dollars toward marketing and soft dollars in their time.

Credibility: It sends a clear message to the community that the property is available.

Qualifying: Prospects are qualified in advance to avoid lost time.

Protection: We ask for the exclusive right to represent you in return for the risk of time and money we will spend on your behalf.

Where Do We Go From Here?

How to Design a Commercial Marketing Plan

HOW TO DESIGN A COMMERCIAL MARKETING PLAN – TABLE OF CONTENTS

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INTRODUCTION

If you are new in the commercial real estate business, you are probably filled with questions as to how to go about marketing a commercial property. If you are experienced, you know the frustration of trying to find the time to prepare a formal program that works.

Hopefully, whether new or experienced, you will find that the *Commercial Marketing Plan* will give you the confidence of knowing that when entrusted with the marketing of someone's hard-earned asset, you will be able to provide a program that will get the job done. The system allows you to concentrate on the all-important marketing process and not the initial organization of a program.

The *Commercial Marketing Plan* is designed to serve three purposes:

1. First, we've all experienced having a prospect call and say "come over and talk to me about the marketing of my property." If you have the *Commercial Marketing Plan* prepared as an electronic template, all you need to do is customize it with the prospect's name, property address and a visual is created that allows you to show step by step all of the critical parts of the process. Upon preparing the plan template, you will, of course, personalize it with your and your company's information. Upon completion, you will have all of the documentation needed to conduct the initial "qualifying meeting."
2. Next, the plan is designed to give you all of the documentation needed to conduct the next "presentation meeting" with the prospect. You will have the documentation for data gathering and for getting the seller's signature on the listing agreement.
3. Last, the program provides the actual track to follow in the marketing of the property. It will allow you to uncover, in a systematic manner, all of the pertinent information needed for marketing, structuring, and aggressive prospect determination.

The plan was also designed to promote the concept of the two-call listing appointment: the Qualifying meeting and the presentation meeting. Both of these meetings will be referred to on numerous occasions throughout the session.

In closing the introduction, it is important to say the *Commercial Marketing Plan* should be personalized for both you and your company. With personalization, you will be prepared to compete favorably with anyone in the commercial arena today regardless of experience level.

SURVEY OF CURRENT OWNERSHIP

The plan begins with the *Survey of Current Ownership* form that is located in the *Commercial Marketing Plan*. The two proceeding pages of the system may, or may not, be used when giving a presentation. It depends on whether or not you decide to leave a copy of the plan behind with the prospect. To leave a copy behind is not recommended but that is your decision.

The *Survey of Current Ownership* form is intended to accomplish three purposes:

1. To be your first visual for the qualifying meeting
2. To establish rapport with the prospect
3. Qualification of the prospect

The survey starts out by asking, “get acquainted,” type questions, such as:

Property Ownership History

- How long the property is owned
- Reason property was purchased
- How has the property met owner’s expectations
- How has the property not met owner’s expectations?

Primary Motivation for Sale

- Profit
- Avoid loss or expense of holding
- Move to more prestigious location
- Retirement
- More space/larger property
- Less space/smaller property
- Ownership restructuring
- Better use for dollars invested
- Other

Also, in the “get acquainted” qualifying session, you should, of course, professionally bring in all of the small talk that would be expected on a business call that would build rapport with the prospect.

Next, you will start to qualify the prospect. Is the prospect truly interested in marketing the property or just trying to get a feel for the price and/or market?

Ask questions like:

- Timing issues of a sale, tax considerations, etc.
- Motivating factors in selling
- The financial structure of the transaction that would most meet owner's goals yet still facilitate a sale
- Owner's biggest need to be filled by transaction
- How is the property titled?
- Will the owner require a new space or investment?
- What is the owner's timeframe for marketing the property?

Remarks: Add any other questions that are important to you. Use any question that is required to determine whether or not the prospect is ready to do business. Should you determine the prospect is not ready to do business, don't forget that this is the qualifying meeting and you are practicing relationship sales. This means you should not be discouraged or feel harshly towards the prospect. You will put them into your prospect bank for future contact. If the meeting does conclude here, don't forget to ask for any other business that the prospect may give you.

Personal/Company Qualifications

You have a lot of credentials to offer to anyone entrusting their property to your marketing skills. If you are new, you have recent courses you have attended and the power of the *Commercial Marketing Plan*.

If you are experienced, you have the same as above but you can add all of the customers that you have served. Regardless of your experience level, now is the time to brag and the *Personal Qualifications* form in the *Commercial Marketing Plan* is designed to allow you to do that. This is a form you will be sharing with the owner at all of your presentations.

It is not enough to merely complete the form. You should customize it for each presentation to translate your successes into what they will do for your current prospect.

Remember, the prospect does not want to hear how good you are, they want to hear what your qualifications can do for them. Interpret your qualifications in terms of what they will do for the owner in the area of:

- A higher sales price (your list price to sales price success)
- Broad market exposure (company/personal sphere of influence)
- A quick sale (mention ones that you have had)
- Professional representation (any special negotiation skills)

Next, complete the same exercise for your company on the form located in the *Commercial Marketing Plan*.

Exclusive Philosophy

The next section, the Exclusive Listing Philosophy, is, in the opinion of Berkshire Hathaway HomeServices, crucial to your success as a commercial real estate practitioner.

To be truly effective and profitable, you must work controlled inventory and you must make your prospect aware that an exclusive listing is what you are seeking. Yes, there will be times that you will not only work but close an open listing. Don't, however, be "taken in" by the commercial sales professionals in the field that insist that an open listing is all you can get. With the tools at your disposal through your company you must believe that you have what most sellers want. That is, the ability to market their property quickly at the highest price with the least inconvenience to them.

Most owners do not understand the concept of an exclusive listing. They mistakenly believe that if they give information on their property to many different commercial sales professional, they increase the property's exposure. They don't realize what a sophisticated commercial sales professional does with information on an open listing.

Sure, the information is kept, but the property is usually not worked. If you acknowledge to an owner that you will even consider working the property on an open basis, you have eliminated any chance of them ever giving you an exclusive. The outline in the *Commercial Marketing Plan* touches base on five areas both you and an owner need to consider about an exclusive.

- Time
- Money
- Credibility
- Qualifying
- Protection

Study the areas before you input this information into the form. Does it reflect your philosophy of exclusives? If it does not, change it to reflect what you think. The important thing to remember, however, is that a statement of your philosophy to the owner in the qualifying meeting is an important step towards working controlled listings.

The Property Profile

The property profile is a workhorse performing three functions. The first function is that of a visual in the qualifying meeting. In this capacity, it shows the prospect that you are diligent and complete in your data collection. Don't underestimate how important that is to an owner. Nothing will turn an owner off faster than not taking the time to record every single detail concerning their property. Show intense interest when taking the property tour with the owner. Stop several times to question them on a detail and be sure to meticulously record those details on the property profile.

The second function is to be sure that you have all of the pertinent property data needed. Without this information how will you be able to intelligently talk with potential buyers? How will others in your office be

able to give information to interested parties?

The third function is to serve as the basis for your all-important property database. Whether computerized or not this form will serve the database purpose. Note in the top right hand corner of the form:

- Quadrant of town
- Property type
- Land
- Industrial
- Office
- Retail
- Investment
- Multi-family
- Other

The design is to allow you to first set up the data bank by referencing a quadrant of town. From that point, you go to the specific property type desired. This is just an example of how your database can be accessed. You can use any of the fields on the form to access the information: size of the land, building, availability of city services, etc.

If the form is not to your liking, use your own or change this one. Much of your future success, however, will be based on how well you can retrieve the information you have collected.

The Property Profile concludes the visuals for the qualifying meeting. From this point on, we will be referring to the use of the visuals in a presentation meeting.

Review of General Market Conditions

Using the two-part listing process, your job now is to actually prepare the *Commercial Marketing Plan*, which is the subject matter for this section.

The first part of the presentation meeting, begins with a review of general market conditions. But, before you review market conditions, you need to also review with the customer several items from your qualifying meeting. To start the presentation meeting, use the related form in the *Commercial Marketing Plan*. The session with the seller would include:

1. Review both your and the company's qualifications.

The owner has probably talked to several sales professionals since the meeting with you. Reinforce your qualifications and your professionalism with a little review at this point.

2. Review your accomplishments since the initial meeting.

Let the owner know that you have been working for them. This is an excellent place to reinforce that you are a full-time professional and that you have many resources that you can bring to bear

on the marketing of their property.

3. Restate prospect's goals from the last meeting.

Tell the owner what your understanding is of their goal from the first meeting. Restate the goal as you see it.

4. Ask the prospect if their goal has changed.

Ask the question, "Have you had any changes since our last meeting of which I need to be aware?"

Next, in the same form, give a description of market conditions. Here, you are going to tell the prospect what your research has shown about what the market is doing in relation to their property. You need to discuss things such as:

- Time on the market for comparable product
- Current financing trends
- Vacancy rates
- New construction activity
- New major employers

Don't forget, your owner is looking for someone competent and enthusiastic to market the property. If market conditions are down, you still have to maintain a positive attitude and tone. Don't overdo it, but still, be positive.

Competitive Market Analysis

We will not spend a lot of time in this presentation on the market analysis. Needless to say, it is an integral part of the *Commercial Marketing Plan*. An addition you may want to make to this portion of your presentation could be an A.P.O.D. (Annual Property Operating Data Form) and a Five-Year Cash Flow Projections. The A.P.O.D. and the Cash Flow Projection are particularly effective in illustrating what the owner is asking a buyer to buy. It causes them to ask the question, "Would I buy this if I were in the market?" Many times the answer is no, leading to either a better price or terms. Competitive Market Analysis forms are available in the *Commercial Marketing Plan*. The A.P.O.D. and Five-Year Cash Flow Projection are taught in CCIM courses. The Cash Flow Analysis form is available through the CCIM program. Both forms are available on commercial produced software or can be programmed on spreadsheet software such as Microsoft Excel.

The Marketing Strategy

The effectiveness of the entire program lies in the related sheets of the *Commercial Marketing Plan*. It is from activities on these sheets that the prospects are generated. Some give the places to find both prospect groups and specific prospects. The use of these sections is fairly self-explanatory with the possible exception of the last segment on page 16. In this segment, the reference is made to "central place theory." Central place theory is a concept taught in the CCIM program. The theory simply says that the growth of one intersection, area or city will be somewhat similar to the growth of another. If a use is needed in a different but similar area to that of your subject, then the same use may be needed in the subject area.

On the sheets, there is limited room for names of prospects. Obviously, if you are generating more prospects than you have room for on the sheet, turn it over and keep right on going.

On page 17 of the *Commercial Marketing Plan*, there is an exercise on determining the property's strengths. You will use this information to build both your selling presentation to a prospect and to build your advertising campaign. These will be the points that you will be stressing in your ad copy, brochure and property package.

Also, now is the time to address the weak points of the property. Know what they are in advance of talking to a prospect. Be prepared to have a response to each of the weakness questions. Even if the weakness is not pointed out by a prospect, if it is glaring to you, you may want to bring it up just to have the opportunity to overcome it. The prospect will be aware of it whether mentioned or not. Take the opportunity to turn it into a positive.

At your presentation meeting with the owner, you will have your opinion of the property's strengths and weaknesses. It is a good idea, however, to really involve the owner in this exercise. It will point out a real asset the property may have that you have overlooked and it will also make the owner face the reality that the property does have a problem. Many times, this will result in better price or terms.

Next, on the same page is your marketing timeframe. This is where you are committing to the owner that you will not be a "disappearing salesperson." It also allows you to put the marketing of the property on "automatic pilot" so to speak. You will have done a lot of work and put a lot of concentration into the development of the program. Now, if you get the business, just sit back and allow the plan to tell you when to do what. This type of preparation will take a lot of stress out of your business life.

Marketing Feedback Report

The next commitment that you are going to make to the owner and yourself is to stay in constant contact informing them every step of the way in the marketing process. Review page 18 of the *Commercial Marketing Plan* with the owner showing them what your feedback will consist of then use same page to guide you in writing the feedback.

On the form, you will not only be pointing out the marketing effort you have expended, but will also use it as a vehicle to make the owner aware of:

- Any marketing problems encountered
- What would help market the property
- What adjustments need to be made to the *Commercial Marketing Plan*

Schedule your contacts with the owner on a cycle that is comfortable to you. But, you should remember that the more frequent the contact, the better chance you have of eliminating problems in your marketing. If the owner is made aware on a weekly basis of problems you have encountered and the adjustments you have made, the process will run a lot smoother. The contact does not have to be in person each week. One week

may be through a phone call, followed up by the Marketing Feedback Report. The next week may be a mailed or emailed report. Once a month, plan to see the owner in person. You will build a business relationship with the owner and a reputation for professionalism.

Price/Terms and Market Recommendation Recap

The last form provided for you in the *Commercial Marketing Plan* is the Price/Terms and Market Recommendation Recap on page 19. This form is where you will be recapping the presentation meeting and making your price/terms recommendation. In the first section of the form, you will review your thoughts and recommendations:

1. The Product
 - Highest and best use
 - Potential for physical improvement
 - Would aggressive leasing help
 - Most likely buyer that would be interested
2. Location
 - What are the strengths of the location to:
 - A. Employees
 - B. Vendors
 - C. Customers
 - What are the weaknesses of the location to the same group?
3. Competition
 - Who is the competition for buyers and lessees?
 - Is the competition priced aggressively?
4. Financial
 - Price
 - Terms
5. Recommendations/Marketing Thoughts

Spend a lot of time with the owner on items #3 and #4. The owner does not really know how the property should be priced and what terms should be offered. While not always, most of the time they are looking for your recommendation. Yes, they think they know, but usually don't. Relate their price and terms with that of the competing product. Tell them in which order you feel as though each product will sell. Will theirs sell first at the price they have put on it, or will the competitors? You may just uncover some additional time motivation here that you were not privy to before.

The last item in the *Commercial Marketing Plan* will have to be provided by you and your company. It is the

listing agreement that you will be using. Remember, the reason for the presentation meeting is to get the business. You must ask for it to get it. If you don't have a listing agreement, you must come back and you will have lost all sales momentum.

In conclusion, the concept of a qualifying meeting and presentation meeting may be foreign to you. It is a good concept. It works. Don't wait until you are in front of a prospect to practice. When you are in front of that prospect, your presentation must be smooth and polished. Other sales professionals in your company have the need to practice just as you do. Pull them aside and say, "Let me give you a presentation." You will be glad you did.

Instructions on Customization

Consider this program a template. With customization (as outlined below) it can be used as it comes off the printer. It will, however, be most effective when a small amount of time is invested to customize the program making it completely your *Commercial Marketing Plan*. Obviously, you and your company must be qualified to provide any services represented in the plan.

To customize, you will need the following:

- Your Company's DBA
- Name of the prospect
- Address of the subject property
- Name of the property owner (if different)

Once you have the information above, go to "Edit" in Windows and choose "Replace". Systematically replace:

- "DBA" with your company name, following Prudential
- "AAA" with your Prospect/Contact name
- "BBB" with the Property Address
- "CCC" with the Owner's name

Prior to beginning the replacement process be sure the cursor is positioned on this page.

Note: The replacement is NOT case sensitive; choose "Replace All." It is recommended one "master" be kept that contains the original replacement words. Remember, if you need a new master just download it from REsource Center. Each sales professional should have their own master. Prior to printing, a print preview is recommended to assure pagination has remained correct after the insertion of data.

We wish you great success!

Tenant Representation Proposal

The *Tenant Representation Proposal* is designed to provide commercial sales professionals with a complete presentation for winning tenant representation assignments. The proposal, with minimal customization is ready to go as is. But it would be more effective when a small amount of time is invested in customizing the proposal with the services that you and your company are qualified to provide.

The *Tenant Representation Proposal* is based on a one-call process. Begin the presentation by sharing your qualifications, the qualifications of your company and the power of being affiliated with a national brand. You are encouraged to practice this part of the presentation and allow enough time to properly present it. After you present your qualifications and those of your company, start gathering information regarding the client. In closing, walk the prospect through the process of tenant representation and the forms used. List the reasons why representing the client on an exclusive basis is to their advantage. Plan to be awarded the listing at the end of the presentation.

The Addendum provides marketing presentation sheets to discuss some of the major marketing programs at your disposal. Add your company's tenant representation agreement ([REsource Center > Commercial Real Estate > The eLibrary > Admin and Operations](#)) and you are ready to take the assignment.

Customize the *Tenant Representation Proposal* with information regarding the prospect, your company and you. You will need the following information:

- First and last name of the prospect
- Prospects company
- Current address of the prospect
- Current phone number and email address of the prospect
- Your name, email address and any designations
- Your Company's DBA and website address
- The city and state in which your company is located
- Your company's DBA logo (downloadable from REsource Center)

Once you have the information above, go through the document and customize the following fields:

- (Prospect Name) with the first and last name of the representative of the prospect
- (First Name) with the first name of the representative of the prospect
- (Company) with the name of the prospect's company
- (Address) with the current address of the prospect
- (Phone) with current phone number of the prospect
- (Associate Name) with your name and any designations you hold
- (DBA) with the DBA of your company
- (City, State) with the city and state in which you live
- Separately copy and paste your company's DBA logo by doing a "Find" (Insert Company Logo)"

Note: Complete the personal and company resume information and insert separately. It is recommended that you maintain a “master” that contains the original replacement words. If you need a new master, download it from REsouce Center ([Commercial Real Estate > The eLibrary > Commercial Marketing > How to Design a Marketing Plan](#)). Each sales professional should have his/her own master with the sales professional and company resume already inserted for future use.

Instructions throughout this proposal is indicated by italicized text and must be deleted prior to printing. It is good practice to do a print preview to ensure formatting is correct after customization. Print and bind the program in the manner you prefer.

PREPARED FOR: (PROSPECT NAME)

REPRESENTING: (COMPANY)

PREPARED BY: (SALES PROFESSIONAL NAME)

(DBA)

(Date)

(Prospect name)

(Company)

(Address)

Attn: (Prospect Name)

Dear (First Name):

You are in the process of choosing the most qualified commercial real estate firm to represent (Company) in the acquisition of leased space. Thank you for allowing (DBA) the opportunity to demonstrate its qualifications.

If done correctly, finding the proper space is a complicated and detailed process. Many factors must be considered such as availability of workforce, transportation, supporting services and amenities and the space's ability to accommodate today's information and computer systems. A detailed process of evaluation of alternatives (with timeframes and accountability) is needed. Promises will not do it.

(DBA) is a low profile but high-impact firm. We approach tenant representation concisely and methodically, informing you of the progress on a weekly basis. We seek to identify all competitive advantages offered by a potential property, as well as competitive weakness to help you make the right location decision. We also assist with all aspects of preparing Requests For Proposal's (RFP's), interpreting RFP's received, tenant improvements and move. We also share with you, in detail, our qualifications to handle the assignment.

Thank you for allowing us the opportunity to meet with you. We are sure you will find it enlightening and will allow us to proceed with the assignment.

Thank you for your time and consideration.

Sincerely,

(Sales Professional Name)

INTRODUCTION

Prepared for: (Prospect Name)

Representative of: (Company)

We begin our tenant representation process by sharing with you the qualifications of both (DBA) and your sales professional, (Sales Professional Name). We will then gather all of the important facts we can about your requirements. We know that in order to find the right space we must understand everything we can about your needs.

We will then move to identification of the right property. We know the property not only has to have the appropriate amenities and construction features, but also access to the all-important resources you need. And, of course, the space must make sense financially. When the right property is found, we will prepare the request for proposal, help you interpret the opportunities, negotiate the lease, supervise any required tenant improvements and finalize the details of the move. In short, we manage the entire process for you.

For your consideration, this package contains the forms needed in the process mentioned above should you allow (DBA) the opportunity to become the exclusive representative for (Company).

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PROFESSIONAL QUALIFICATIONS AND DATA COLLECTION

(DBA)

REPRESENTATIVE: (SALES PROFESSIONAL NAME)

SALES PROFESSIONAL RESUME

(SALES PROFESSIONAL NAME)

Years in the business:

Professional designations:

Major career accomplishments:

Major transactions/tenant representations handled:

Etc:

Etc:

Etc:

Major accounts handled:

Affiliations:

Personal business philosophy:

Instruction: Structure your qualification profile in terms of what your qualifications will do for the customer.

Remember that most customers requiring tenant representation want:

- 1. To be sure their representative takes time to understand the requirements*
- 2. Ability to view an array of properties that meet the requirements*
- 3. Expertise in preparing and interpreting RFP's*
- 4. Professional representation (any special negotiating skills)*
- 5. Little disturbance of their employees*
- 6. Confidentiality*
- 7. A "trouble-free" move*
- 8. A knowledgeable commercial real estate professional*
- 9. Additional rows are available for you to include more information (refer to "Etc.")*
- 10. Delete these instructions, and any unused rows for a perfect resume.*

Further customization of this resume may be appropriate to provide additional information to your customer.

COMPANY RESUME

(DBA)

(DBA) was established in:

Size and scope of commercial division:

Major clients of the firm:

Specialties handled by the firm:

Geographic area covered by the firm:

Qualifications of the Owner/CI Sales Manager:

References:

Etc:

Etc:

Etc:

Structure the company profile keeping in mind that it must relate to the customer. Customize further if required.

SURVEY OF CURRENT REAL ESTATE SITUATION

Client: (Prospect Name)

Company: (Company)

Address: (Address)

Phone: (Phone)

Sales Professional: (Sales Professional Name)

1. Current Property Situation:

How many years has the current location been owned or leased? _____

Reason property was purchased/leased: _____

How existing property/space HAS met expectations: _____

How existing property/space has NOT met expectations: _____

2. Most important need to be filled by the transaction: _____

3. Type of Space Needed:

☐ Office ☐ R&D ☐ Warehouse ☐ Light Manufacturing

☐ Heavy Manufacturing ☐ Retail ☐ Mixed

☐ Other _____

Square Footage needed-Total Land: _____ S.F.

Square Footage needed-Total Improvement: _____ S.F.

Breakdown of Square Footage Needed-Improvement:

☐ Office ☐ R&D ☐ Warehouse ☐ Light Manufacturing

☐ Heavy Manufacturing ☐ Retail ☐ Mixed

☐ Other _____

4. Physical characteristics desired.

Land	Improvements
Dimensions: _____	Construction: _____
Landscaping: _____	Electrical: _____
Access: _____	Additions or improvements: _____
Zoning: _____	Clear Span: _____
Leased or owned: _____	Technology upgrades: _____
Parking spaces: (#) _____	Interior Description: _____
Survey: _____	HVAC: _____
Other: _____	Special Communications: _____
Other: _____	Loading Dock: _____
Other: _____	Special features: _____
Other: _____	Other: _____

Utilities: Land Improvements

Water: _____

Sewer: _____

Electricity: _____

Gas: _____

Telephone: _____

Other: _____

Special Requirements:

Communications: _____

Computer: _____

of Employees: _____ # Parking Spaces Needed: _____ Hours of Operation: _____

Is 24-hr access required? _____

Length of Lease Desired: _____

Special Leasing Conditions: _____

Expected Date of Occupancy: _____ Projected Rent Range: _____

Is date flexible? _____

5. Whose authorization is needed to make the final location decision?

6. Will an existing space need to be disposed of? ☐ Yes ☐ No

If yes, location: _____

Brokerage services required? _____

EXCLUSIVE REPRESENTATION PHILOSOPHY

It is in your best interest and that of our firm to work together in a controlled manner. Important benefits are provided to both you and our company. Our rationale for the policy is as follows:

1. **TIME:** Our time, as well as yours, is very valuable. A sales professional, if doing the representation properly, expends considerable time and energy. As in your business, the sales professional must be sure of being compensated for their effort (that is their business). Your time investment may or may not include someone working the assignment. We pledge to you our “full time” and best effort in locating the perfect space in the shortest period of time with the least inconvenience to you and your employees.
2. **MONEY:** There is financial risk to both of us in joining together in the assignment. Your risk is continued expense of operating a business in an inadequate location. Our risk is both the losses of hard dollars in the form of market research and soft dollars in the form of our time. If your requirement is not properly executed, we both lose.
3. **CREDIBILITY:** The most serious tenant representatives will not consider generating a Request for Proposal (RFP) unless it is from a controlled customer. Nothing is worse than presenting an RFP to a property owner only to find the customer has found a space with another broker or owner. Credibility of a sales professional’s presentation is paramount.
4. **QUALIFYING STEP:** You do not want your requirement to be taken lightly. When your requirement is presented to an owner on an exclusive basis, the owner will know you are a serious contender for the space and that you have been determined qualified in advance.
5. **PROTECTION:** We are business people. When we perform a service we need to know we will be compensated. We do not ask to be paid prior to completion of an assignment. In order to perform, considerable time, effort and money will be spent on your behalf. We accept the risk of expending those resources. We only ask in return that you give us the exclusive right to represent you. Our compensation can come from either you or the owner of the property. This will be determined in advance.

INFORMATION TO BE COMPLETED UPON AWARDING OF THE ASSIGNMENT

(DBA)

REPRESENTATIVE: (SALES PROFESSIONAL NAME)

WORKSHEET: EVALUATION OF TOP THREE LOCATIONS

The subject space (the requirement) begins with a rating of "0." If the "Available Space" meets the need it would receive a rating of 1 through 5. If the available space were inferior, it would receive a rating of (-1) through (-5). When complete, a scoring of the available properties should provide an indication of the property most likely to fill the requirement.

A. General Data	Requirement	Available Space	Available Space	Available Space
Address	N/A			
Name	N/A			
No. Tenants	0			
Sq. Ft. (gross/usable)	0			
Age	0			
Construction Type	0			
Area	0			

B. Exterior	Requirement	Available Space	Available Space	Available Space
Building	N/A			
Number of Stories	N/A			
Parking Density	0			
Parking Surface	0			
Cleanliness	0			
Landscaping	0			
Access	0			
Visibility	0			

C. Interior	Requirement	Available Space	Available Space	Available Space
Tenant Improvements	N/A			
Sprinklers	N/A			
Heat	0			
Air Conditioning	0			
Alarms	0			
Ceiling Height	0			
Telecommunications	0			
Other	0			

D. Amenities (Common)	Requirement	Available Space	Available Space	Available Space
Dining Areas	0			
Conference Areas	0			
Recreation Areas	0			
Other	0			

E. Utilities	Requirement	Available Space	Available Space	Available Space
Gas	0			
Electricity	0			
Telephone – # of Lines	0			
Water	0			

F. Management	Requirement	Available Space	Available Space	Available Space
Onsite	0			

G. Tenants	Requirement	Available Space	Available Space	Available Space
Type	0			
Tenant Compatibility	0			

H. Rents	Requirement	Available Space	Available Space	Available Space
PSF Low	0			
PSF High	0			
NNN Estimate	0			

I. Overall Rating	Requirement	Available Space	Available Space	Available Space
	0			

REQUEST FOR PROPOSAL TO LEASE

Date:

Dear (INSERT OWNER NAME HERE):

(Prospect Name), representing (Company), has authorized (Sales Professional Name), a sales professional of (DBA) to procure proposals and assist in negotiations concerning the acquisition of space. Your facility appears to meet the necessary requirements of (Company).

We are requesting a written proposal from you so that (Company) can determine if your property is the best space available to satisfy the requirement. Please submit your proposal to (Sales Professional Name) by (FILL IN THE DATE REQUIRED).

Your proposal should address the following terms and conditions:

1. **Initial Space Requirement:** _____ square feet of contiguous space is required. Please indicate whether or not additional space would be available: ☐ Yes ☐ No
2. **Location Within the Building:** (Company) would prefer (INSERT WHERE TENANT WOULD LIKE TO BE LOCATED WITHIN THE BUILDING)
3. **Term:** It is requested the lease start on _____, and expire on _____.
4. **Option to Renew:** (Company) would prefer (INSERT NUMBER OF RENEWAL PERIODS HERE) renewal periods and the option to renew based on pre-established criteria. Please state the renewal periods allowed and the criteria by which they will be granted:

Periods available: _____

Criteria for granting: _____

5. **Expansion and Downsize Options:** Please indicate how expansion and downsizing options will be considered:

Expansion options:

Downsize options:

6. **Rent:** Your rental rate for the requested space is \$_____ Per ☐ Month ☐ Year ☐ Sq.Ft.

Payable as follows: _____

Additionally:

- a. All rents to be paid to Owner or his authorized agent at the following address:

- b. Rent adjustment required: \$_____

7. **Operating Expenses and Real Estate Taxes:** Please itemize all operating expenses including real estate taxes, special assessments, insurance, landscape maintenance, property management, exterior lighting, snow removal, normal maintenance, etc. for which (Company) will be responsible.
8. **Utilities:** It is assumed the premises are independently metered and (Company) would pay their utility bill directly to the supplying utility. If this is not correct, please indicate the cost of any prorated utility and the method for its proration.
9. **Tenant Improvement Allowance:** It is anticipated (Company) will require an initial tenant improvement allowance in the amount of (INSERT AMOUNT HERE). The allowance will be for the construction of improvements in accordance with mutually acceptable tenant plans and specifications. Space planning, architectural services and mechanical drawings should be considered in the tenant improvement allowance.
- You will grant a tenant improvement allowance of: \$_____ ☐ Gross ☐ SF
10. **Demised Shell Provision:** The tenant improvement allowance assumes a "Demised Premises" condition. (Company) expects, as landlord, you will assume the expense of adequate electrical capability, installation and wiring of all light fixtures, fire protection sprinkling system, HVAC and heating systems, and handicap access. As landlord you will assure (Company) no environmental hazard exists within the demised premises.
11. **Preliminary Space Plan:** Please indicate the date on which you will be able to provide to (Company) architectural drawings for the proposed demised premises including detailed building specifications.
- Date: _____
12. **Contractor for Tenant Improvement:** (Company) requests they are allowed to hire their own contractor and subcontractors to complete their tenant improvements. Your tenant improvement allowance should be available in cash. You agree: ☐ Yes ☐ No
- If No, how do you propose tenant improvement is managed? _____
13. **Right of First Refusal:** (Company) is requesting a right of first refusal on all space contiguous to its premises. The right would be exercised within _____ days after you provide (Company) notification of the availability. (Company) is requesting identical terms and conditions to those of their then existing lease. Please indicate your willingness to accept these terms: ☐ Yes ☐ No
- If not, please state your counter proposal: _____
14. **Parking:** (Company) requires a minimum of (INSERT NUMBER OF SPACES HERE) parking spaces be made available for use exclusively for (Company).
- Please specify whether or not you are able to meet this requirement and if not your proposal in lieu of: _____
15. **Company Identification:** (Company) is requesting the property (which includes land area or building) be available to them for signage and tenant will be responsible for cost to install, maintain, and remove signage.
- Please indicate any sign restrictions: _____

16. **Assignment and Sublet:** (Company) requires the right to assign or sublet all or any portion of the demised premises without your consent. Please indicate if you will agree to the sublet of the demised premise as described: ☐ Yes ☐ No

If no, please indicate the terms you require: _____

17. **Zoning and Covenants:** (Company) requires the space be zoned (INSERT ZONING HERE). Please indicate the current and proposed zoning of the property:

Current zoning: _____

Proposed zoning: _____

18. **Non-Disturbance:** (Company) will require a non-disturbance clause from the lender in the lease agreement. Is non-disturbance clause available ☐ Yes ☐ No

19. **Environmental Considerations:** (Company) is demanding full disclosure of any environmental challenges currently faced by the property or the demised space. Please provide your assurance of no environmental problems and a brief narrative of previous tenants of the space and/or property and their activities as those activities would relate to hazardous materials.

20. **Use by (Company):** The premises are to be used for the operation of (INSERT USE HERE) and for no other purpose, without prior written consent.

21. **Maintenance and Repairs:** As landlord, you will be required, at your expense, to maintain the roof, foundation and structural soundness of the exterior walls. In addition, you shall maintain at your expense all other parts of the building and other improvements on premises in good repair and condition (including all necessary replacements to interior electrical and plumbing fixtures). Heating and air conditioning repairs shall be at your expense.

22. **Special Telecommunication Requirements:** (INSERT ANY SPECIAL TELECOMMUNICATION REQUIREMENTS HERE)

23. **Special Requirements:** (INSERT ANY SPECIAL REQUIREMENTS HERE)

24. **Special Concessions Offered:** Please list any special inducements to (Company) for choosing your property:

25. **Special Clauses:** Please indicate any special clauses or requirements you have:

As Prospective Lessor:

LESSOR _____
Date

LESSOR _____
Date

As Prospective Lessee:

LESSEE _____
Date

LESSEE _____
Date

LEASE SYNOPSIS FOR SELECTED PROPERTY

Property Name: _____

Prepared by: (Associate Name) _____

Date: _____

Tenant: (Company Name) _____

Leased SF/Rent SF: _____/_____

Lease Term: _____

Commence/Exp Dates: _____/_____

Options: _____

Option Terms: _____

Rent Clause: _____

Breakpoint: _____

Escalations: _____

	Tenant Expense Contribution (Check if applicable)	Landlord Expense Responsibility (Check if applicable)
Taxes:	<input type="checkbox"/>	<input type="checkbox"/>
Insurance:	<input type="checkbox"/>	<input type="checkbox"/>
Common Area:	<input type="checkbox"/>	<input type="checkbox"/>
Management:	<input type="checkbox"/>	<input type="checkbox"/>
Routine Repairs & Maintenance:	<input type="checkbox"/>	<input type="checkbox"/>
Structural Repairs & Maintenance:	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>

Special Notes: _____

COORDINATION OF MOVE

Contact Title	(Company) Contact Name	Telephone
---------------	------------------------	-----------

Executive responsible:

Executive Assistant:

Other Department Heads

Personnel:

Finance:

Production:

Marketing:

Purchasing:

Service:

Warehouse:

Other:

Other:

Moving Company (General):

Moving Company (Plant):

Moving Company (Materials):

Moving Company (Office):

Moving Company (Other):

Employee Relocation Company:

Critical Dates/Timeframes/Notes for New Location

Activity Date	Contact/Notes
---------------	---------------

Legal-Approval of Lease:

Lease Signing:

Preliminary Space Plan Approved:

Final Space Plan Approved:

Construction Drawings Approved:

Selection of Contractor for TI's:

Equipment & Furniture Plan Due:

Computer & Communications Plan Due:

Approval of TI's:

Commencement of TI's:

Completion of TI's:

Employee Notification:

Establish Security Arrangements:

Packaging and Labeling Plan:

New Furniture & Equipment List Due:

Disposition Plan, Old Furniture & Equipment Due:

New Furniture & Equipment Delivery Plan Due:

Activity Date	Contact/Notes
Utility Connection Dates New:	
Utility Cutoff Dates – Old:	
Move to Begin On:	
Move Complete By:	
Other:	
Other:	
Broker Chosen for Disposition of Former Space:	
Disposition to Commence On:	

Marketing – Quality and Speed Beats Competition

Continued success against competitors occurs when a commercial real estate broker provides quality marketing packages and has ability to locate buyers and close transactions expeditiously. If you are spending the appropriate time canvassing your market, you will be aware of buyers looking for real estate.

- Brochure
 - Professional looking
 - Bound
 - Information to include:
 - Ownership profile
 - Property description
 - Area description
 - Maps (location & area)
 - Financials
 - Comparables
- Buyer finding
 - Adjacent owners/tenants
 - Brokerage community
 - Clients who say no may refer others
 - eMail
 - Friends of Relatives
 - Internet
 - Invites of cocktail parties
 - Personal contacts
 - Mail, signs and print media
 - 1031 Exchange Intermediaries

REsource Center Tools:

Commercial Buyer Finding

Property Packages/Exclusive Property Offering

Commercial Buyer Finding

Note: While the Buyer Finding Session can be individually done, it is most effective when done in group sessions. The program can be completed in one half-day session or it could be spread out as needed.

Preface

If you were to pack up today and move to another state and you put your independent contractor business up for sale, what could you get for it?

- Visualize yourself carrying a for sale sign saying, 'Independent Contractor Business for Sale.'
- Make an honest evaluation and put it on the top right hand corner of your hand out.

Mission

The MISSION of this session is to give more value to your independent contractor business by discussing how to turn those ONE SHOT buyers into an annuity for you.

Goals

In order to do that, the program will be directed toward the accomplishment of three goals:

- Goal #1: Identify buyer sources
- Goal #2: Developing strategies to make them your buyer
- Goal #3: Development of a Monday morning business enhancement program for your independent contractor business

Before we tackle the first goal of “Identifying Buyer Sources,” let’s look at the following...

Considerations in Buyer Finding

- Question?
- Do we work any buyer we can get?

Why would we start with a question like that?

YOU HAVE ONLY TIME AND EXPERTISE TO SELL. Most of you are strong in the expertise department but may be having problems in the time department.

Has anyone been on a “snipe” hunt? A “snipe” hunt is when you have wasted time with a buyer or listing that you knew wasn’t going to happen?

Some considerations to avoid the “snipe” hunt:

1. Geographic considerations
 - Should you define your territory?
 - How much territory can you cover?
 - In your market, does a geographic boundary cause a product difference?
2. Market considerations
 - What product is selling? Which is not?
 - What product is leasing? Which is not?
 - Is it an investors market, speculators market?
3. Product considerations
 - Is there an oversupply, or undersupply?
 - Is there a building moratorium?
 - Environmental questions
4. Deal considerations
 - What/Who can you get financed?
 - Do you work on large or small deals?
 - Control
5. Resource considerations
 - Do you have a packaging resource?
 - Do you have demographic resources?
 - How adept are you in social media marketing?

6. Educational considerations

- What products do you know?
- In what products do you have formal training?

7. Building a base

- Does your buyer-finding activity build on itself or is it a one shot deal?

GOAL 1: IDENTIFY BUYER SOURCES

Types of Commercial Investment Buyers

Let us work on the first goal "Identifying Buyer Sources." Rate these 1-10 on their viability as buyers in today's market with 10 being the highest.

1. User (Individual)
 - Retail store owner _____
 - Professional association _____
 - Small manufacturers _____
 - Lease expirations _____
2. User (Corporate)
 - Professional association _____
 - Banks _____
 - Chains _____
3. Investor
 - Small investment group _____
 - Current owners _____
 - Corporations _____
 - Foreign Investors _____
4. Lessee (Individual) _____
5. Lessee (Corporate) _____
6. Lessor _____
7. Builder _____
8. Developer _____
9. Builder developer _____
10. A current owner _____
11. Institutions
 - Lenders _____
 - Insurance companies _____
 - FDIC _____
 - RTC _____
12. Past customers _____

Looking at the list. What type(s) of sales can we make to this group? Or, phrasing the question just a little differently:

What services have you performed or what advice have you given recently that you have provided for free?

Buy a property?	...Feasibility studies
Sell a property?	...Demographic analysis
Lease a property?	...Straight consulting
Manage a property?	...Property rezoning
Give an opinion of value?	...Lease review
Tax appeal?	...CAM & tax analysis
Marketing plans?	...Tenant representation
Contract writing?	...Debt analysis/negotiation
Negotiation?	...Exchanging
Location services only?	...Lease tracking

Sources of Buyers

1. Who would know the buyers?
 - Suppliers
 - Accountants/CPAs
 - Attorneys
 - Anyone with whom you speak
 - Lenders, architects, engineers
 - Identify via the Internet
2. Tax Rolls
 - Indexed by product types
 - Multiple property owners
3. Sales Services
 - Who is buying what, and for how much?
4. Zoning
 - What businesses fall into the category of your specialty/listings?
 - Zoning classification?
5. Zoning Meeting
 - Who is applying for what zoning/change or variance?
 - Who has been turned down?
 - What product types are being discouraged by zoning ordinances?
6. Media
 - Newspapers
 - News that cause RE moves
 - Classifieds
 - Internet/Social Networking Sites
7. Members of the same industry or profession
 - CCIM, SIOR, ICSC, CoreNet Global, FIABCI, ULI
8. National meetings
9. Chamber of Commerce
10. Committee of 100
11. Economic development professionals
12. Download of past prospects/buyers/sellers

13. Sphere of influence

14. Networking

15. Property managers

That completes work on our first goal, "Identifying buyer sources."

GOAL 2: DEVELOPING STRATEGIES TO MAKE THEM YOUR BUYER

Marketing Programs/Listing Programs

- Elements of a good marketing program
- Written format
- Specifics
- Timeframes
- Accountability/responsibility
- Track record/resume
- Major accounts handled

Packaging A Property To Sell

- What it is
- Appeal to your market
- What it is not
- Materials
- Information given/pertinent facts

Managing The Prospects That You Get

- How do you track?
- How often do you communicate with them?
- What do you communicate when you do communicate?
- What would be of interest to them?

EXERCISE WORK SHEETS

The idea in doing this exercise is to eliminate the ONE TRANSACTION sale. The objective is to build a relationship with buyers who will become a source of business equity for you.

Target Buyer Group

What would interest that buyer group?

Why should the buyer group do business with you?

Sources to locate the buyer group:

Initial discussion on first contact.

To build rapport:

To generate business:

How often do you follow up? _____

How do you intend to do it? _____

Remarks:

EXERCISE WORK SHEETS

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What would interest that buyer group?

Why should the buyer group do business with you?

Sources to locate the buyer group:

Initial discussion on first contact.

To build rapport:

To generate business:

How often do you follow up? _____

How do you intend to do it? _____

Remarks:

EXERCISE WORK SHEETS

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How often do you follow up? _____

How do you intend to do it? _____

Remarks:

EXERCISE WORK SHEETS

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What would interest that buyer group?

Why should the buyer group do business with you?

Sources to locate the buyer group:

Initial discussion on first contact.

To build rapport:

To generate business:

How often do you follow up? _____

How do you intend to do it? _____

Remarks:

GOAL 3: DEVELOPMENT OF A MONDAY MORNING BUSINESS ENHANCEMENT PROGRAM FOR YOUR INDEPENDENT CONTRACTOR BUSINESS

Now for the third and final goal of the exercise.

Business Philosophy

- Statement of service
- Personal ethics
- Single transaction relationship sale

Time Would Be Best Focused On

- (You might refer to considerations in buyer finding)

Situation Analysis

- New, experienced
- Doing great, ready to quit
- Broke, staying power

Strengths

- What are your strengths and how can you capitalize on these strengths?

Weaknesses

- What are your weak areas and what can you do to overcome the weaknesses?

Three Objectives In Buyer Finding That You Would Like To Accomplish:

#1.

#2.

#3.

Strategy to Accomplish Objective 1:

Tactic:

Tactic:

Tactic:

Strategy to Accomplish Objective 2:

Tactic:

Tactic:

Tactic:

Strategy to Accomplish Objective 3:

Tactic:

Tactic:

Tactic:

Now, to bring the session full circle. If you apply what has been discussed here and if you accomplish your three objectives identified in the planning session, at the end of the next six months, for how much could you sell your INDEPENDENT CONTRACTOR BUSINESS?

Property Packages

OUTLINE FOR DEVELOPING A COMMERCIAL PROPERTY PACKAGE

A Commercial Investment Property Package is:

- A written summary of the pertinent facts about a property.
- A statement about the professionalism, credibility, and expertise of you and your company.
- A reflection of the quality of real estate being offered.

A Commercial Investment Property Package is not:

- A place for brokers/agents to show how much they know about real estate.
- A mass mailing piece
- Intended to be a novel

Benefits of a “good” Property Package:

- Increases the professionalism of you and your firm.
- Increases your knowledge about the property.
- Boosts your confidence level.
- Enhances your competitive edge, thereby increasing the opportunities of your property being sold.

A suggested format is detailed in the following pages. Keep in mind that you may want to have a digital brochure available. Sending via email will save you time, money and allow you to reach more potential investors quickly.

INGREDIENTS OF A GOOD PROPERTY PACKAGE

Cover Page (refers to Page 2 of “Property Pkg-Exclusive Offering.doc”)

The cover page is the introduction to the property and marketing organization. The cover page should include:

- The type of offering
- The offering company
- The address of the property
- The price of the property
- The name of the package preparer
- The date of the package
- The disclaimer

Executive Summary (refers to Page 3 of “Property Pkg-Exclusive Offering.doc”)

The executive summary is a short summary in the front of the package that discusses pertinent details about the property. The executive summary should allow the reader to determine whether to read on or pass. The executive summary could include:

Property location within the city

Not only should the actual street address be given but also include proximity to the nearest landmark.

Property brief

A short, succinct, two to four sentence long paragraphs describing the property in general terms.

Price

The purchase price is what it is, don't try to conceal it or apologize for it.

Terms

Include the type of financing that would be available to a qualified buyer. Mention loan to value, rate, term and any other pertinent facts. Only mention existing financing if it can be assumed.

Actual N.O.I.

Indicate the actual N.O.I. (Net Operating Income) being produced by the property. When presenting the actual N.O.I., present it with an “as of” date.

Pro-Forma N.O.I.

The pro-forma N.O.I. is an estimate of how the property could operate. With the pro-forma N.O.I., the assumption is made that the property is operating with stabilized rents and expenses. As before with actual N.O.I., give the reader an “as of” date of the projection.

Remarks

Anything pertinent about the property that would help a decision-maker to continue reading the package should go in the remarks section – you could discuss current occupancy, current use, safety of the lease and so on. In short, you should mention anything that would enhance the image of the property.

Contact

Prominently display who you are and how you can be reached.

Property Description (refers to Page 4-5 of “Property Pkg-Exclusive Offering.doc”)

The property description is not intended to discuss every brick and block that makes the building but rather to let the reader know, that which is pertinent for the formulation of an initial decision as to whether or not to proceed with the package.

The Property Description could include:

- Property type
- Construction
- Heating and air
- Age
- Square footage
- Number of stories
- Parking
- Land size
- Zoning
- Utilities
- Number of bays/units/offices
- Occupancy
- Existing financing
- Base rate per square foot
- Charge per square foot
- Build out allowance
- Typical incentives given
- Insurance
- Telecommunication capabilities
- Property taxes
- Current taxes
- Amenities
- Additional remarks

Area Description (refers to Page 6-7 of “Property Pkg-Exclusive Offering.doc”)

As with the property description, the Area Description is not intended to tell everything about the area but to acquaint the reader with the general surroundings of the property.

The Area Description could include:

- The type of government (city, county, consolidated)
- Taxing authority
- Major employers
- Educational facilities
- Airport facilities
- Hospital facilities
- Servicing utility
- Major highways & availability of rail
- Mean/average temperatures
- Any additional remarks you would like to include

Rent Roll

If the property is an investment property, the Rent Roll is critical and could include the following information on each tenant:

- Name
- Square footage of the space
- Annual base rent
- Provision for escalation
- Rate per square foot
- Lease commencement date
- Lease expiration date
- Options
- Deposits held

Tenant contribution to:

- Taxes
- Insurance
- Common area maintenance
- Any other

Projected Operating Results

The Projected Operating Results is an expression of how you feel the property can be operated over a projected holding period. Making a projection in today's environment is fraught with peril, yet it should be made. The projection should deal with the property now and through the projection period. If the property is going to need time to stabilize the rents and/or the expenses, then the period needed to do that should be built into the projection. From that point forward, it is assumed that the property will operate with the rents and expenses stabilized.

The Projected Operating Results could include:

On the revenue side

- The base rent multiplied by the months in the year
- Any expense pass through
- Other income
- Vacancy & collection

On the expense side

- Property tax
- Insurance
- Utilities
- Janitorial
- Grounds maintenance
- Building maintenance
- Security
- Management fee
- Miscellaneous expense

To complete the Projected Operating Results page, notes should be included to explain any assumptions that were made during preparation of the page. Notes such as percentage used for escalation of rents and expenses, time to stabilization, etc.

Exhibits

Exhibits should be included only if they additionally showcase the property or are pertinent to the decision of "buy/don't buy". Typically a photo of the property is considered a must, an aerial photo is almost as important. Depending on the type of property, a traffic count map or a report on area demographics may be in order.

Exhibits could include:

- A ground photo of the property
- An aerial photo of the property
- Interior look at the property
- Photos of the surrounding area
- Demographics
- Traffic counts
- Developer background
- An overview of the market
- Regional and local maps locating the property
- Financial assumptions made
- Sales comparisons used for pricing
- Site plans
- Floor plans
- Engineering studies
- Overview of each tenant

Two small, but rather important, considerations in doing the Exhibits section are the direction in which the pages run and where to place the exhibits.

First, ensure that all of the exhibit pages are formatted in a consistent direction (portrait or landscape) for ease of use. Second, don't take placement of the exhibit pages for granted. The exhibit pages typically get stuck in the back of the package. If the "curb appeal" of the property is particularly good, would a full color, glossy, 8"x10" in the very front be in order? Remember that the intent of the package is not to just inform but to sell.

In Closing: From a format standpoint, there is no RIGHT WAY to do a property package. From an informational standpoint, there is no RIGHT INFORMATION to be included in the package. The questions to ask when reviewing the final form and information in your package are:

- Is it readable? Does it flow when reading? Does the reader continually have to turn the package on its side to read a table or see a photo or map?
- Does it provide enough information for the reader to make a decision whether or not to proceed?
- Does it speak well of you as the preparer and of the property as an investment?

A general thought to keep in mind is the simpler the better. And finally, be sure that the quality of the paper and the cover used speaks of the property's value and your ability to market. Be sure that the package is professionally bound, and last but not least, don't include any photocopied photos or pages.

Exclusive Property Offering

This information is believed to be accurate. We are not responsible for misstatements of facts, errors or omissions, prior sale, changes of price or withdrawal from the market without notice.

CONTENTS TO INCLUDE IN THIS DOCUMENT

Photographs of the Property

- Exterior of the property
- Interior of the property

Summary

- Executive summary of the offering

Property

- Description of area servicing this property

Financial Information

- Lease Summary
- Five year projected operating results

Area Description

- Description of area servicing this property

Maps

- Aerial photograph
- Site plan
- Location Map
- Area map

Comparables

- Building photographs
- Property data
- Location maps

Exhibits

- Exterior of the property
- Interior of the property
- Area demographic study

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

EXECUTIVE SUMMARY OF OFFERING

(PROPERTY ADDRESS)

Property Location:

Property Brief:

Price:

Terms:

Actual N.O.I.:
(For the year _____)

Pro-Forma N.O.I.:
(Projected for year _____)

Remarks:

Contact:

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

PROPERTY DESCRIPTION

(PROPERTY ADDRESS)

Property Type:

Construction:

Roof:

Heating and Air System:

Age:

Square Footage:

Number of Stories:

Parking:

Land Size:

Zoning:

Utilities:

Number of Units/Bays/Offices:

Occupancy:

Telecommunication/Wiring:

Existing Financing:

Base Rate Per Square Foot Per Year:

C.A.M. Charge Per Square Foot Per year:

Build Out Allowance:

Incentives Given:

Insurance:

Property Taxes:

Current Management:

Amenities:

Remarks:

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

AREA DESCRIPTION

(PROPERTY ADDRESS)

Type of Government:

Taxing Authority:

Major Employers:

Educational Facilities:

Airport Facilities:

Hospital Facilities:

Servicing Utilities:

BERKSHIRE HATHAWAY HOMESERVICES (DBA)

AREA DESCRIPTION

(PROPERTY ADDRESS)

Major Highways:

Rail:

Mean/Average Temperatures:

USE TECHNOLOGY TO YOUR ADVANTAGE

Technology does not supplant the traditional methods of commercial real estate. Commercial real estate is still a relationship business and you have to maintain the personal relationships with clients, understand their needs and fulfill their expectations.

However, you need to use technology to your advantage as businesses today are now being driven by the need for speed and efficiency. You should use technology to enhance your efforts in servicing clients.

- Contact Management System
 - Excellent prospecting tool
 - Track deal progress
- Email
 - Keep number of emails to a minimum.
 - Don't be too wordy.
 - Be specific in your message.
- Website
 - Link your website to www.berkshirehathawayhs.com.
 - Make clients aware of its market reach.
- Transaction Management.
 - Be aware of products and services
- Commercial Websites
 - Keep your knowledge up-to-date.

REsource Center Tools:

eCertificationSM

ECERTIFIED® 2.0

THE DESIGNATION DIFFERENTIATOR

- Berkshire Hathaway HomeServices exclusive
- Technology savvy industry leaders
- Integrated real estate and relocation transaction
- Global access to customers
- Credible

YOUR COMMITMENT

- Willing to change
- Willing to learn
- Committed to lead
- Responsive

THE eCERTIFIED® PROGRAM

To compete in today's market, it is critical to have eCommerce visibility and differentiation to attract technology-savvy consumers. The eCertified® 2.0 Designation offers both visibility and differentiation to help you compete as the trusted specialist required by today's consumer. Once the designation is obtained, you can place the eCertified®2.0 logo on your business cards and have access to exclusive press releases and ads from the Online PR Kit. Achieving the designation requires completion of four self-paced Web-Based Training modules.

eCERTIFIED® ASSOCIATES ARE

- Web enabled
- Email capable
- Intranet ready
- Technology fluent

THE eCERTIFIED® PROCESS

Begin the eCertificationSM process by visiting RSource Center and clicking on eCertified® in the Quick Links or by clicking on LearnCenter in the Technology Links on the home page. Be sure to complete Modules 1 through 4.

eCERTIFIED® TRAINING AVAILABLE

The eCertified® training course comprises of four modules that are available through the LearnCenter.

Additional Questions/Need More Information? Call the Affiliate Assistance Hotline at (855) 422-9052.

COMMUNICATE WITH THE CLIENT

Communication with a client is as important as closing a transaction. Clients do business with professionals who provide superior service. Discuss expectations up front and meet the needs of the client.

- Understand client expectations
- Tenant reps should always continue surveying for space.
- Client should never have to call for an update.
- Keep client informed of progress.

ADDITIONAL PRODUCTS AND SERVICES FOR COMMERCIAL REAL ESTATE PROFESSIONALS ON RESOURCE CENTER

Additional tools and information are periodically added to RSource Center. This is the most effective way of providing products and services to you, the commercial real estate professional. It is recommended you preview RSource Center at least once a week.

Additional products and services for use by commercial real estate professionals that are presently on RSource Center include:

- 60-day Work Plan
- Basic Commercial Training
- eCards
- Liability Training
- Media Center
- REO Training
- Calendar of Events
- Product Overview
- Supplier Information