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An approach called buyer/tenant representation



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Finding the right commercial site at the right value just might be one of the most critical decisions your business makes. The process of getting there can be complex, time consuming, and even distracting for key employees. Recognizing that, the commercial real estate industry developed a structure to address that challenge. In an approach called buyer/tenant representation, the real estate broker essentially joins the business team at no cost to the business, serving as a partner who helps align real estate decisions with the business' strategic objectives.

A number of firms, including The Realty Advisory, are embracing this approach to create a different model of commercial real estate – flipping it from the traditional selling-you-space to a proactive real estate advisor role.

In the buyer/tenant representation model, the fiduciary responsibility is to the client, not the landlord or seller. We adopted this business model from early on and grew with it because it delivers such powerful value for our clients and creates strong and trusted long-term relationships.

In this relationship, the broker works for the business and its responsibility is to the business client, not to a property owner. The brokerage team brings experts in commercial real estate field and deep market knowledge – but it doesn't stop there. Because the approach is client-centric, a strong representation

practice takes the time to learn their client's business, processes, and priorities – all with the end goal of shaping space to be efficient, comfortable, and economical.

In fact that's one of the things I discovered my company really enjoys. By working so closely with our clients, we can apply our real estate knowledge to make a match that works to empower the business – and not just fill square footage. That's incredibly exciting and brings an extra professional edge to our work.

In this relationship structure, the real estate firm creates one point of contact for the client. It manages both outbound and inbound communications, handling anything from conducting the survey and tours to sifting through and evaluating solicited and unsolicited ideas and proposals. The broker works hand-in-glove with company leadership, helping plan and program space needs, review market-wide databases, and apply intimate market knowledge, including off-market and owner managed/leased properties. All solutions get considered.

For the business client, this approach translates into direct benefits. Not only does it deliver the right space, it also saves the time of key employees, provides insulation from current and potential landlords, and brings onto the team (at no cost!) a seasoned professional who knows the ins and outs commercial real estate, lease terms, and potential pitfalls.

A tenant broker also brings negotiation prowess. The tenant rep knows specific market conditions including recent sales and leases, current CAM and OPEX numbers, and buyer/leasing

concessions – all to ensure the best position for their client. Additionally, the seller/landlord is one additional layer away from the client as they prepare their proposal and they are not aware of the client's intentions or of competing offers, and are therefore, forced to put forth their most aggressive offers.

Buyer/tenant representation services typically include the full range of commercial real estate needs – everything from strategy development to project management and lease administration to financial analyses, to build-to-suit planning, to buy/lease negotiation.

It becomes a bit like having an in-house real estate expert – without the cost of hiring one. We either have the services in house or draw on our deep relationships with trusted service providers; in either case we can ensure seamless high quality services for the client.

And the cost of all this? Generally, nothing. The tenant rep is paid only upon a successful transaction and in almost all cases that payment comes from the seller/landlord, not the client. This ensures professional representation through the entire process, leading to the "right" property at the "right" price.

This representation model lets us focus on the client and the client's needs. By doing that, we can zero in on putting into place space solutions that work for that business – from operational, financial, and strategic perspectives. It turns real estate into an asset that can help a business realize its larger goals, and that is exciting for us all.

John Shields is the owner of The Realty Advisory, Centerville, Mass.

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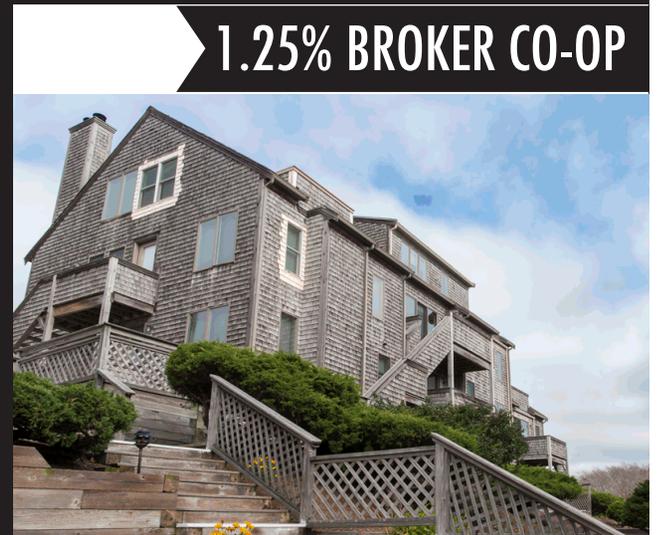
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