

## Commercial Opportunities for Residential Agents



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Elevate Aspirations  
Release Expectations™

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## A Word of Caution

### Code of Ethics and Standards of Practice

of the NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 2016

### Article 11

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. *(Amended 1/10)*



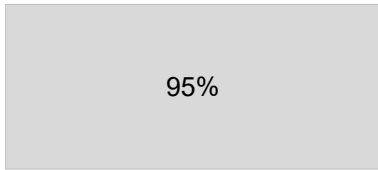
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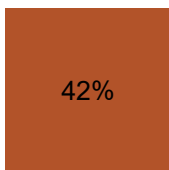
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## Education/Income Differences



**Bachelors Degrees**

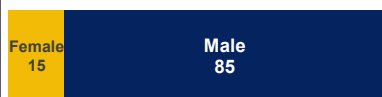


**Income**

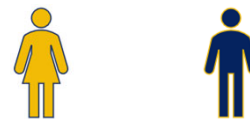
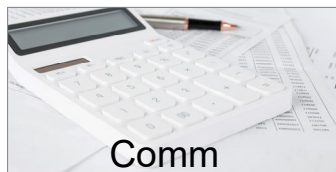


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## Gender Differences



**Agent/Broker Gender**



**Decision-maker Gender**



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## Identity & Habits



Hi, I'm..

...an Agent

...a Broker



I'm...

...part time

...full time



I work...

...always

...business hours

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## Goals & Activities



My clients need

...a place to live

...a place to work/invest



I mostly work with

...sellers/ buyers

...landlords/ tenants



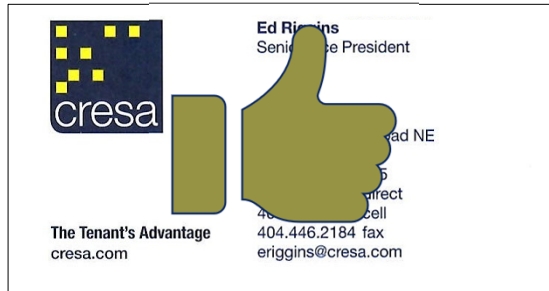
My contracts are about

...don't get me started!

...6-10 pages

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## Subtle Differences



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Senior Vice President

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## "Typical" Fees



**Chi HQ**  
10,000 SF

62,500



**Hou RDC**  
50,000 SF

45,000



**Atl Store**  
4,000 SF

20,000



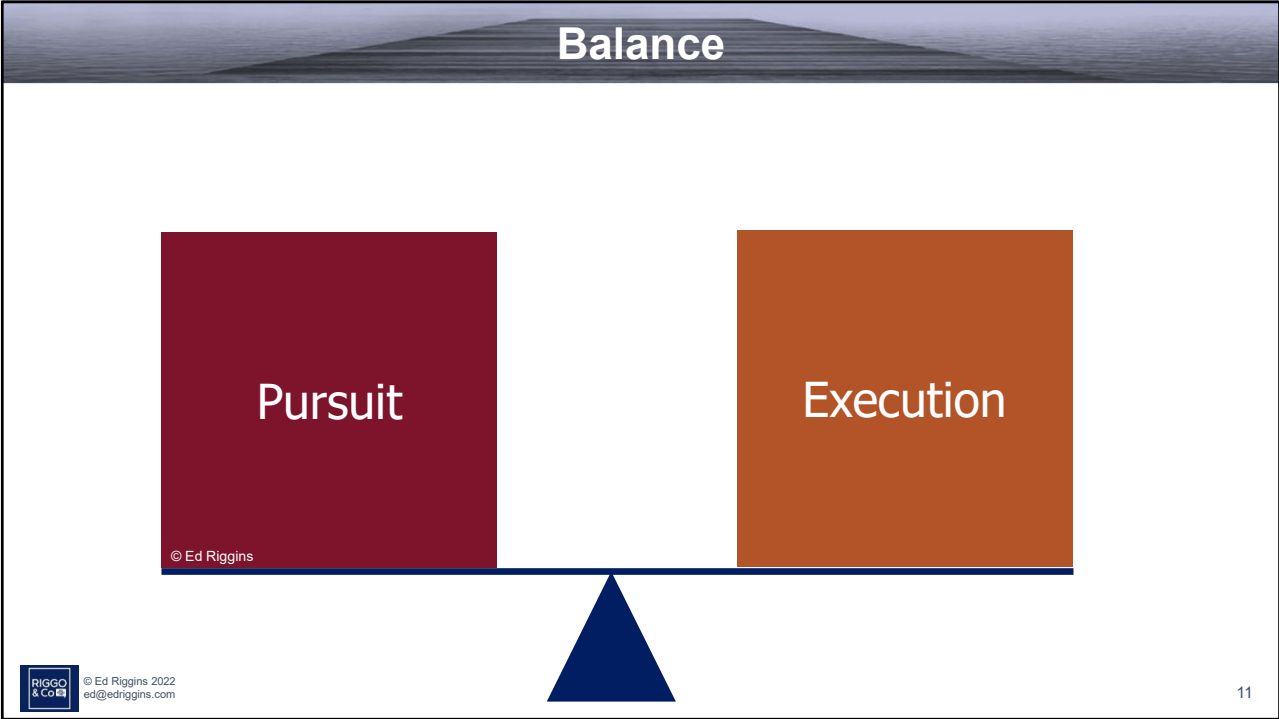
**Orl Dentist**  
3,000 SF (sale)

13,500

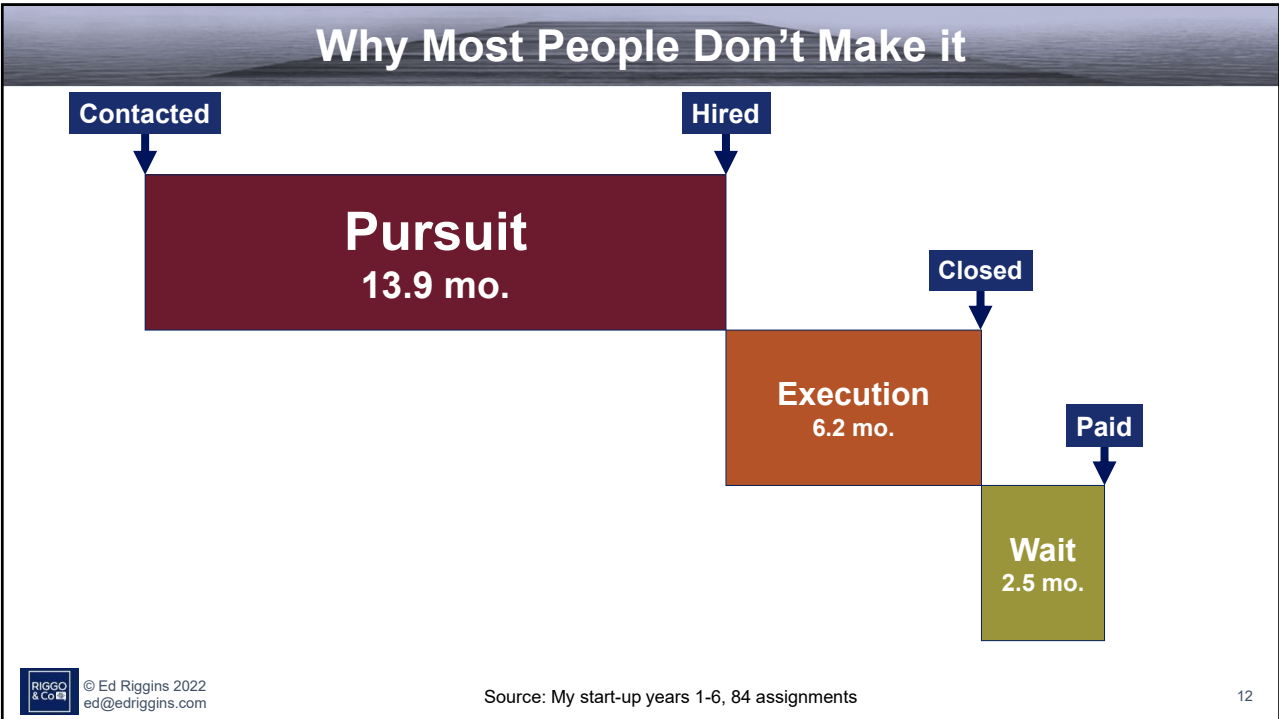
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## How You Know it's the Decision Maker

A capitalist earns the highest profit by using capital goods most efficiently while producing the highest-value good or service.  
*Investopedia*



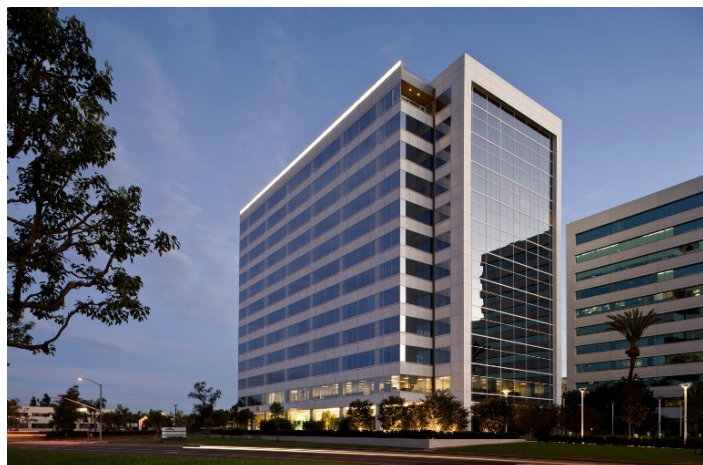
- Some tests:
- Hard to contact
  - Unreturned calls
  - Cancellation(s)
  - Hurried
  - Interrupted frequently

Wifm Albert Holé  
wifm.a.hole@roi.com

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## Office

- Functions
  - HQ
  - Regional Office
  - Sales/Engineering/AP-AR/etc.
- Size
  - In Square Feet
  - 4-6 employees/SF typical
- Location Drivers
  - Employee/Client/Airport proximity
- Image
  - Elevator lobby exposure
  - Views



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## Industrial

- Functions
  - Distribution
  - Manufacturing
  - R & D
- Size
  - In Square Feet
  - No good rules of thumb
- Location Drivers
  - Employee/Interstate/Airport proximity
- Other
  - Dock doors
  - Clear height
  - Electrical Power



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## Retail

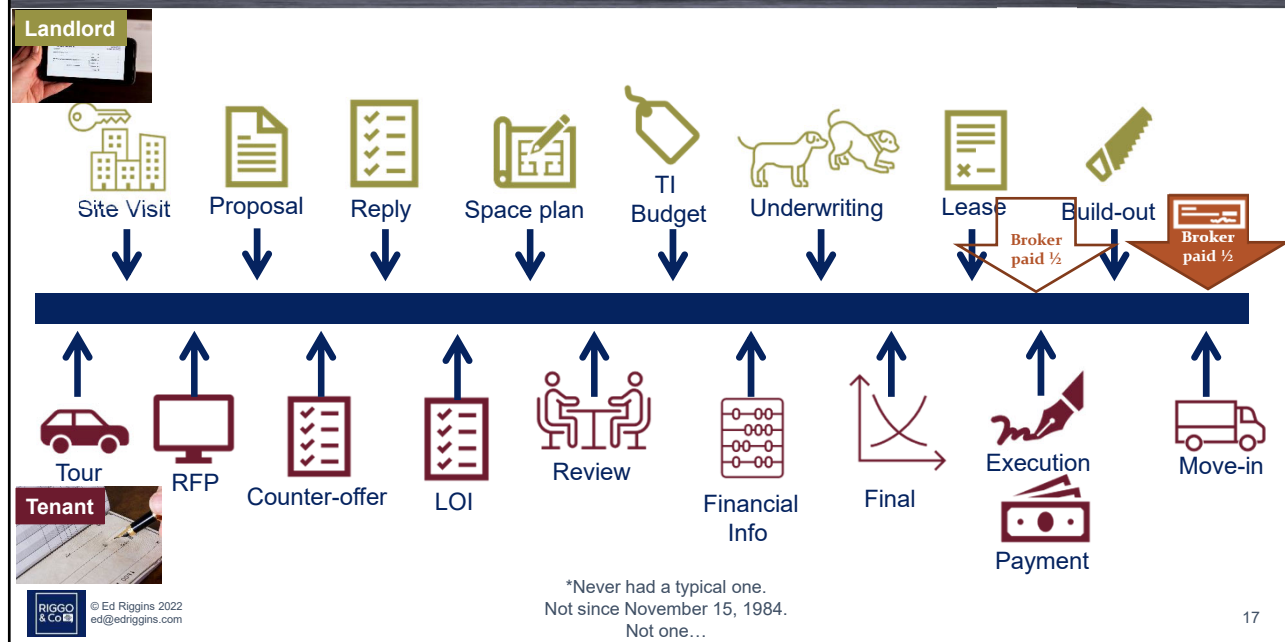
- Size
  - Sales/SF
- Location Drivers
  - Traffic count
  - Visibility
- Other
  - Tenant mix
  - Chain or local



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## “Typical” Lease Negotiation



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## For what you are about to see, thanks to an old friend!



Hamilton Reynolds

President, Industrial Division

Taylor & Mathis

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# Opportunity to Close the Gap

## Tenants Think In Pictures



## Landlords Think in Numbers



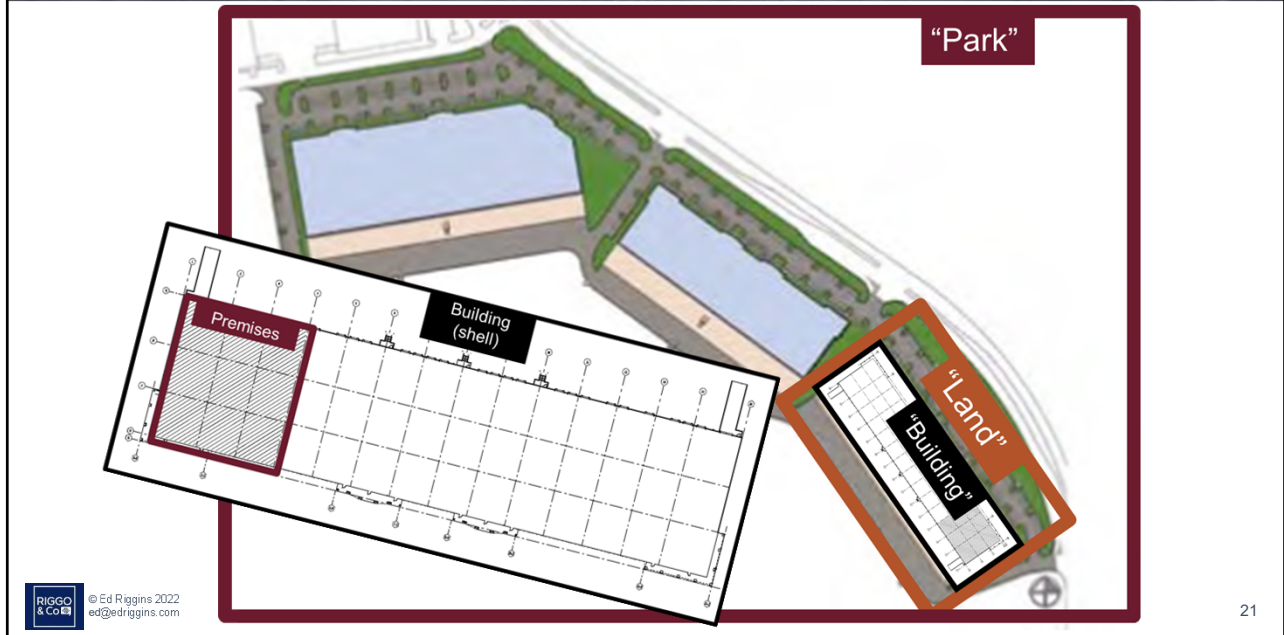
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# Turning Pictures Into Numbers (Land)



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# Turning Pictures Into Numbers (Building)



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# Calculating Landlord ROI\*

Return \$/SF		Investment \$/SF	
Rent	8.75	Land	32
TICAM	2.00	Building	70
Collected	10.75	Soft cost	15
TICAM	(2.00)	Interest	2
3% vac.	(0.26)	Shell	119
LL repair	(0.05)	TI	30
Expenses	(2.31)	Fees	5
<b>NOI</b>	<b>8.44</b>	<b>Total</b>	<b>35</b>
		<b>Cost</b>	<b>154</b>

<b>NOI</b>	<b>8.44</b>	=	<b>Build</b>	<b>Sell</b>	<b>8.44</b>	<b>NOI</b>
<b>Cost</b>	<b>154</b>		<b>5.5%</b>	<b>4.3%</b>	<b>196</b>	<b>Price</b>

<b>Price</b>	<b>196</b>
<b>Cost</b>	<b>154</b>
<b>Profit</b>	<b>42</b>

\*This is a wildly oversimplified explanation of a very complex calculation

An aerial photograph of the building site with a floor plan overlaid. Arrows point from the floor plan to the 'Investment' table, specifically to the 'Land' and 'Building' rows.

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## Break Time



## 2 Case Studies

1. Building purchase by an engineering company
2. Land sale by a manufacturing company



# The Land Sale

**Pursuit**  
13.9 mo.

Typical\*

Execution  
6.2 mo.



**Pursuit**  
23 mo.

Execution  
26 mo.

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# Before & After



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# Pitch Package Goals



- Ace out those who'd come with offers in hand

- Gain client's confidence
- Create cognitive dissonance\*

\*the state of having inconsistent thoughts, beliefs, or attitudes, especially as relating to behavioral decisions and attitude change.



- Show I'm the:
  - corporate real estate expert - not a "land guy"
  - one with a team of other specialists

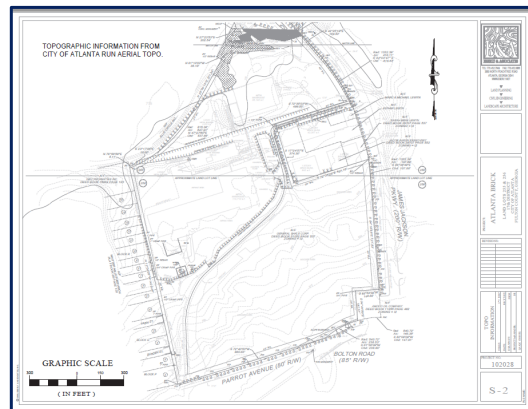
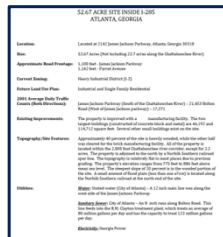


- Pitch deck
  - 1) Orient the client
  - 2) Demonstrate knowledgeability
  - 3) Show the plan
  - 4) Ask for the order

# Going to Market

## Package Components

- Fact sheet
- Aerial
- Survey & Topo
- Demo cost bid
- Concept plan 1
- Concept plan 2
- Concept plan 3



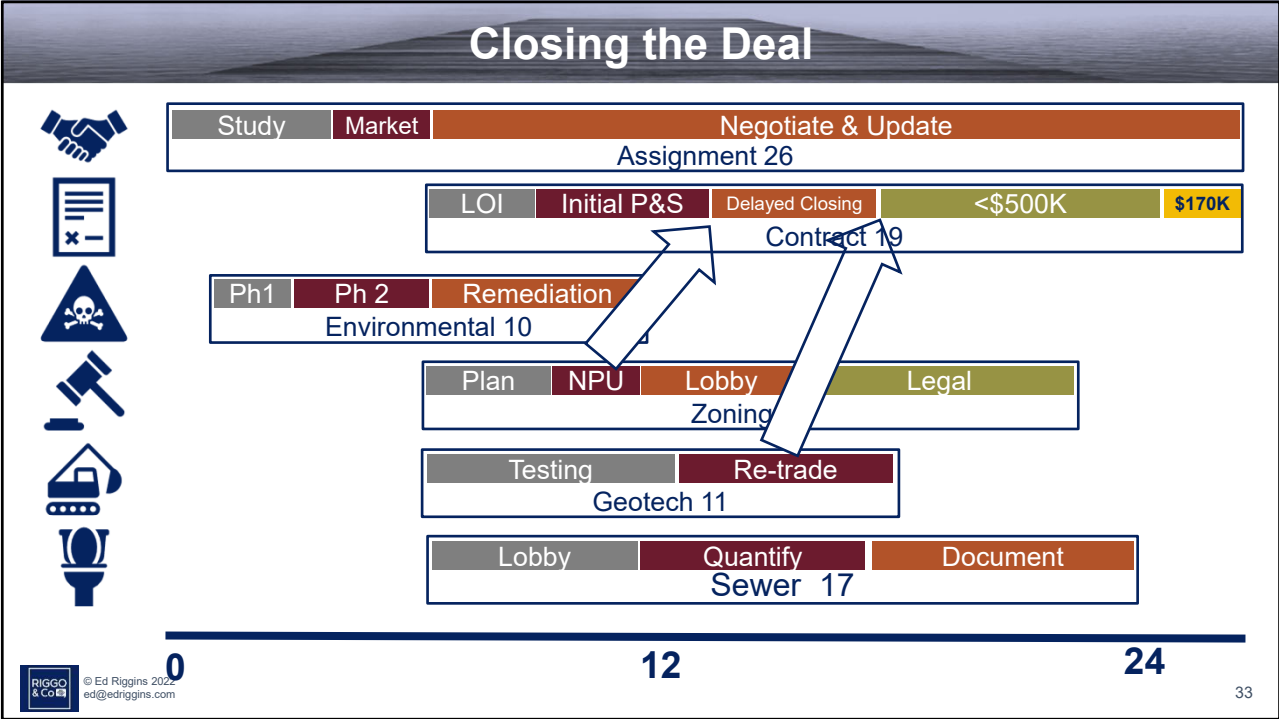
# Going to Market



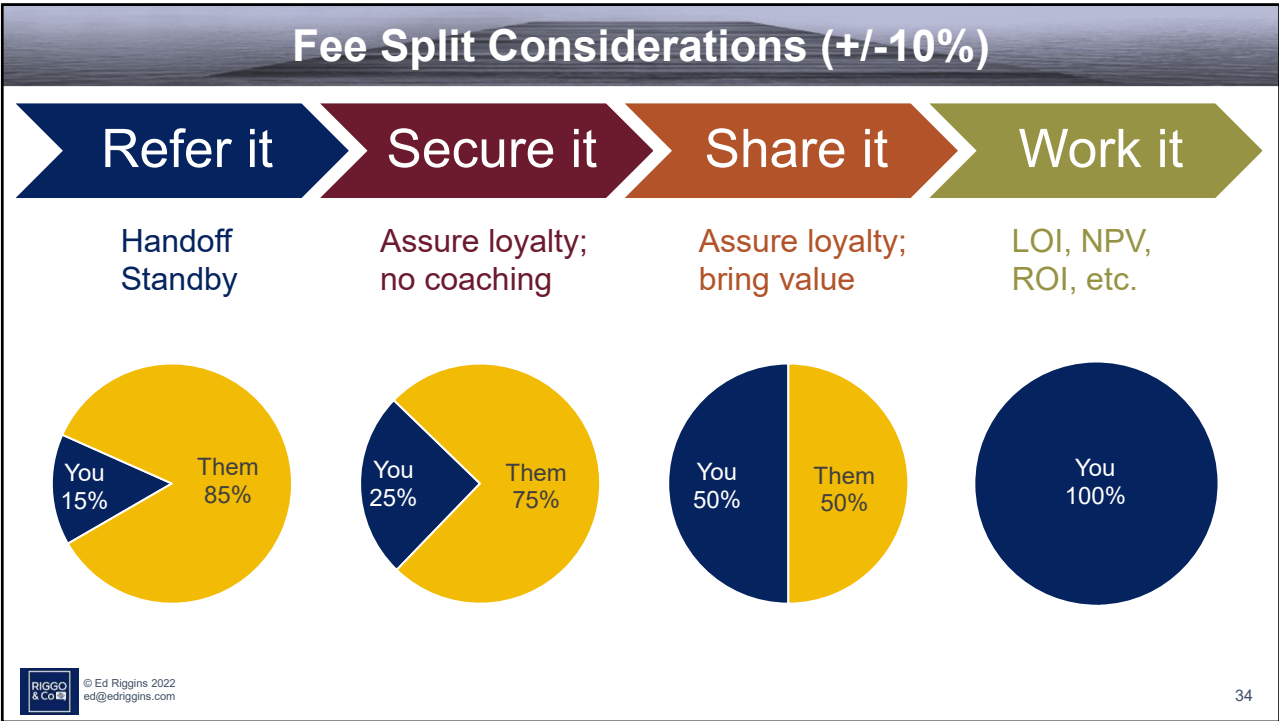
# Going to Market







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## Be a Good PI



- NOT a lead:
  - An idea
  - A media story
- Qualifying questions
  - Authority to decide?
  - Size of opportunity
  - Timing of need

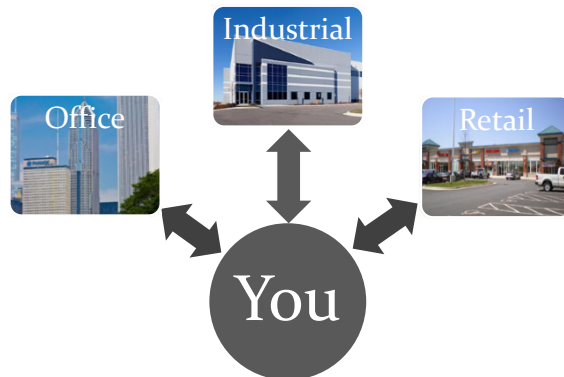


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## Next Steps

1. Build CRE Broker Network
2. Probe Current Prospects/Clients
3. Get Some Training



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## Next Steps

1. Build CRE Broker Network
2. Probe Current Prospects/Clients
3. Get Some Training

- Do you:
  - Run/own a business?
  - Hire/Fire?
  - Run a P & L?



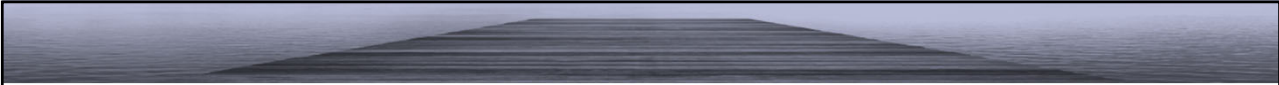
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## Next Steps

1. Build CRE Broker Network
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- **SIOR:** Core Components of Commercial Brokerage
- **CCIM:** CI101: Fin. Anal. for Comm./Inv. RE
- **NAR:** Discovering CRE
- **RLI:** Land 101: Fund. of Land Brokerage
- **IREM:** 101 Intro. to Property Mgt.

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Known simply as “Riggo” to the thousands who have laughed and learned while attending in his programs, Ed Riggins has had a career that proves you can enjoy serious success without taking it all too seriously. He learned from doing stand-up comedy that if you want to find the truth, look for the funny. He learned from improv comedy to find the natural flow and go with it.

Before becoming a national top producer, being named “Who’s Who of Commercial Real Estate” by the Atlanta Business Chronicle and recognized as a “Power Broker” by Costar, Riggo mowed lawns, customized cars, drove a forklift, and was a small engine mechanic, on his way to becoming a first-generation college graduate. Ed is among less than 1% of practitioners nationally to have earned both the SIOR and CCIM designations.

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