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tenant representation

Brokers are today's real estate advisors: Taking a larger role in the real estate process than ever before

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Windsor
Commercial
Real Estate

The job of real estate broker means different things to different people across the country. Twenty years ago the commercial real estate industry operated very much like the residential brokerage industry of today. Commercial brokers were little more than "space showers." They would get their prospect in the car and show them every building in the market that might be remotely suitable for their

need, in the hopes that when the tenant moved, it was to a building the broker offered them. Then, other than submitting an offer and some minor negotiations, the brokers' job was done. Today, corporations are looking for much more from their brokers. With the level of scrutiny placed on accounting and financial management, many large corporations have trimmed the bottom line by eliminating jobs and departments that can be outsourced. One of those departments that have recently come under close examination and have frequently come under the axe, is the real estate department. The people that were previously in charge of counting bodies, and managing the leases, escalations and renewals have been traded in for what is the newest

buzz phrase, the real estate advisor.

As advisors, we have greater responsibility, and take a much larger

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role in the real estate process than ever before. This means your broker will be involved in any transaction long before it comes time to look at space, and is still assisting with the move, move in punch lists, and rent and expense billings long after a lease is signed. As an advisor, it becomes our job to understand where the company currently has leases, what are market trends in those geographic areas, and how

are those departments or offices performing. We are in charge of counting the bodies, and compar-

ing them to the efficiency of the overall space usage, and determining whether the leased space is too big or small based on projections of the future needs of the firm. Our duties are expanded to include abstracting the leases, and reviewing the billings to make sure the company is paying only the charges and escalations that the lease calls for. We work with the architects and space planners to evaluate of-

fice flow and how different groups and departments interact, and we suggest floor plans and layouts that maximize the efficiency of the office, and minimize the space rented. When it comes to the economics of the deal, it is important that we understand trends in tax escalations, and the average costs of operating a building. Sometimes it even falls on us to point out hidden items in the operating expenses that should never be billed to a tenant, or point out nebulous language in the lease that could allow a landlord to insert costs, expenses or non-related salaries into the operating base and pass those costs along to the tenants. We fight for the dollars to build out the tenants' space, and have even been called upon to oversee the timings for permitting, tenant buildout, and installation and hookup of voice and data communication services.

Does all of this mean that we as individual brokers become Jacks of all trades? Yes, to a certain extent we are; however, as it is important in all aspects of life, we also need to know when we are not the experts. Whether it is internally in our own firms, or as networks of experienced affiliates, we keep accountants, lawyers, expeditors, architects and city officials on speed dial, and always know where to go when we do not know the answers to protect our clients. When all normal routes fail, it becomes incumbent upon us to canvas colleagues, team members, bankers and mortgage brokers to come up with secondary financing, bridge loans, and alternate sources of capital to get the sale closed.

It would appear that as long as the trend of fiscal responsibility and outsourcing continues, we can expect to place more reliance upon advisors to help manage the many processes that drive real estate decision making. You can also expect your relationship with a qualified broker to be a long term relationship. Engaging a broker two or even three years in advance of a lease expiration is not unheard of when you consider how important your space is to your business and how many aspects of daily life are affected by these decisions. Your advisors are there to perform a service and are usually prepared to make the long term commitment that is required to do the job properly, so when it comes time to evaluate what may be the biggest expense item any firm faces, you shouldn't feel timid about engaging them early on, and making them work through each step of the relocation process.



When it really matters

How often do we understand the legal ramifications of our decisions? It's not a question of intelligence, it's a question of knowledge. Your business skills and decision making capabilities are dependent on the type and quality of information you receive. *We understand.*

In the real estate world, which changes daily, managing your business and your life is increasingly difficult. That's why we believe when you request advice or counsel, it really matters that you receive good, solid, actionable information. Our attorneys are skilled and will provide you with what you need in a timely fashion. Because... it really matters.

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