

Working with a Commercial Real Estate Broker: What is your Part?

You need a space for your new or existing business. When you partner with a commercial real estate broker, not only do you protect yourself, you also relinquish much extra work – whereby you could be spending that time instead on generating revenue activities for your company. What kind of work does that leave for you to do? What are you responsible for when you have the support of a broker?

An experienced broker will make the entire process easy for you, even your responsibilities in the process. The first step an expert broker will walk you through is corporate planning. Not everyone needs this, but the broker has to understand your business goals for the next 3-5 years. This helps establish your real estate requirements now and in the future, which defines negotiations.

The next step for any business owner is to complete a needs analysis. This is an in-depth evaluation of what your business will require. It includes questions about hours of operation, plans to expand or contract, and even the HVAC system. Your broker will use this to analyze layout, determine optimal size, define technical requirements, and more. It lays out everything the broker needs not only to find a space, but also to negotiate a lease. It is necessary to be thorough, but worth the time.

Armed with this information, your broker will present you with options for sites and alternative forms of tenancy. You will need to review and compare each against your goals. The broker should already have this laid out for you; the biggest job you have is making a decision.

The search is further narrowed down from here. Your broker will find the ideal site/ back up site for your business. Following that, your broker will complete a technical review of these sites, which includes things like a safety, air quality, electrical systems, or asbestos audit and much more.

When your broker finds the optimal site, before negotiations, he or she will review the work letter with you. This will clearly define all significant expenses for tenant improvements and other costs so you're not left with any surprises. Expect to examine this and go over building comparisons to understand the financial impact of the final proposals.

Once all of this information is reviewed and understood, an experienced broker will produce an iron-clad document that maximizes cost savings and terms. With final negotiations complete, all that is left for you to do is move in!

Using a commercial real estate broker will save you a lot of work, but the right broker will still need a lot of input from you. Brokers like those at Results Real Estate will even support you after the lease is signed. RREI provides a free annual escalation audit for the term of your lease and remains an ally through the life of your lease.

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