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Don't Limit Your Marketing to One Venue



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By Steve Bergsman

Over the past three decades—a turbulent time that has included galloping booms and disastrous busts—property brokers who handle commercial real estate have tried just about anything and everything to attract new tenants or potential acquirers. Suffice to say, there isn't much new out there that hasn't been attempted at least once somewhere.

That doesn't diminish the concept of unusual or out-of-the-box marketing schemes, because what might be commonplace elsewhere could be absolutely brand new in your city. A marketing program unveiled for the first time in Miami, Florida, could be useful in the future to those of you working in Mesa, Arizona, or Manchester, New Hampshire.

Also, for many SIOR professionals, the concept of “new and unusual” has meant incorporating more and more Internet and software programs into overall marketing plans. It's not that these technologies are unprecedented; it's just that selected commercial real estate professionals are using them for the

first time, with surprisingly positive results.

At the same time, improvements to older technologies are reinvigorating conventional commercial real estate marketing techniques—creating programs that have the feel of originality and the untraditional.

Borrowing

Established marketing programs in one part of the globe become the most out-of-the-box methodologies when introduced for the first time somewhere else in the world.



This act of transference was well understood by **Matthew Leguen de Lacroix, SIOR FRICS**, who is now the managing director of DTZ in

Geneva, Switzerland.

Leguen de Lacroix's cosmopolitan city remained very Old World when it came to commercial real estate. Buildings were generally constructed only when full leases were signed, and

that meant very little vacancy. Since completed office complexes barely needed to be marketed, few international brokerage companies played in Geneva, leaving the office and industrial markets to small, local firms.

So, when a European property fund decided to build a rare speculative structure on the outskirts of the city, it asked the global real estate firm of DTZ to fill the building with tenants. The mid-size office and industrial complex, named BlueBox, will total 12,800 square meters (138,000 square feet) of space when construction is completed this year (2010).

"In Switzerland, we have been quite slow in the ways of marketing because traditionally the commercial real estate community has been made up of family-run companies that have seen little influence from the international world," explains Leguen de Lacroix. "As an SIOR, I decided to bring a kind of Anglo-Saxon way of thinking to the market."

The multifaceted approach Leguen de Lacroix chose would not be unusual to anyone working in markets such as New York, Toronto, or London, but it was all new to Geneva.

First came a high-quality, glossy brochure, which was shortly followed by a Web site. Then came the attractive give-away, a Rubik's Cube that was branded with BlueBox on one side, DTZ on another, and pictures of Geneva on the remaining sides.

"Then we organized an 'open day' although the building wasn't finished," says Leguen de Lacroix. "We produced an invitation and sent it out electronically as well as by post. We invited politicians, clients, and potential tenants. The idea was to show them something new as far as marketing was concerned. In the States, you do this all the time, but it was really one of the first times anything like this happened in our local market."

The open house was in the form of a Champagne lunch.

"We had more than 350 people attend, which, for our market at an autumn lunch hour, was very good," says Leguen de Lacroix. "And we had lots of press coverage. It gave real credibility to our client's project."

Leguen de Lacroix felt it was necessary to make a big splash because the developer wants to lease the building to one or two multinationals that might be looking to relocate from somewhere else in Europe—and that's a tough requirement with the European economy in recovery.

Retooling



Over on this side of the Pond, Enrico Pietro, SIOR, an Office Specialist with Cresco Real Estate in Independence, Ohio, faced an

equally daunting task, but of a completely different nature. His job was to find tenants for a 10-story, 200,000-square-foot building in the suburban Cleveland area that even in the best of times was never more than 50 to 65 percent full.

The major problem for the building was that it was subdivided into tiny units, from 400 to 2,000 square feet, and it's tough to fill a building when you are not gobbling up a lot of vacancy per deal.

While none of what Pietro did is revolutionary, it was still a multifaceted effort with uniquely individual features.

Pietro realized that the likely tenant for the building would be either a private educational institution, such as the University of Phoenix, or the back-office for a health care provider (Cleveland Clinics Foundation is the second largest employer in Ohio), so he had to create a proper space. Over the course of 12 months, he pushed and prodded the small tenants to lease space on the upper floors (normally the most valued space because of the views of Lake Erie), thus clearing out the lower floors.

±38,500 SF Refrigerated Facility on 1.6 Acres

- Irvington, NJ
- Blast freezer and cold storage
- Refrigeration and food processing area
- 22' clear ceiling height, 2,000 amps
- 4 loading docks, 2 drive-in doors
- Steamlines, existing stainless steel hood
- Floor drains throughout facility
- Urban Enterprise Zone

±20,000 SF Food Processing Facility on 1.06 Acres

- Jersey City, NJ
- 4 refrigeration cooler units
- Processing area with floor drains
- 16' ceiling height, 800 amps
- 2 loading docks with drive-in capability
- Granite counter tops and pedestal sinks
- Stainless steel appliances
- Urban Enterprise Zone

±59,000 SF Warehouse / Distribution Facility on 2.9 Acres

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- ±51,000 sf warehouse
- ±8,000 sf office area (on 2 levels)
- 20' ceiling height, 1,200 amps
- 6 tailboard loading doors, 4 with levelators, 3 grade-level doors
- Gas suspended heaters
- Zoned industrial

±120,000 SF Industrial Opportunity on 38.16 Acres

- South Kearny, NJ
- 2 buildings: ±50,000 sf and ±70,000 sf
- 12' - 14' clear ceiling height
- 25 interior loading docks per building
- Gas suspended heaters
- 1 mile to NJ Turnpike, Exit 15E

±100,000 SF Industrial Facility on 5 Acres

- Hillside, NJ
- Former steel and wire processing facility with 2 ten (10) ton cranes
- Up to 32' clear ceiling heights
- 4 docks, 9 drive-ins
- Zoned industrial
- 5 miles to Newark Liberty International Airport

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This process created blocks of space at the right place: Tenants such as educational institutions require the lower floors for easy ingress and egress.

With that readjustment completed, Pietro has taken an aggressive marketing approach. “We had our art department create exterior signage, LED lighting, and floorplate renderings, which we are sending out in unsolicited proposals,” says Pietro. “We are targeting major sector employers and putting together deal proposals that would grab the attention of potential tenants, whether it’s a year’s free rent, turnkey build-out, exterior signage, or naming rights. We are blasting boards of directors, real estate departments, anybody who will listen.”

Pietro doesn’t have a completed transaction yet, but feels he is getting close. “We have had a lot of traffic at a property that, over the last five years, had maybe a handful of showings a year,” he says.

The Unexpected

In the business of commercial real estate, it’s just as important to get the exclusive listings as it is to eventually fill or sell buildings. It’s a very competitive world, especially in big cities such as Chicago. To get the important listing, you have to find a way to stand out.

When the NATIONAL ASSOCIATION OF REALTORS® (NAR) went looking for a real estate brokerage firm to lease up vacant office and retail space in its prestigious Michigan Avenue headquarters building, about 100 firms answered the RFQ (request for qualifications), but there was only one that sent back an article of clothing.



“NAR sent an RFQ, which preceded the RFP process as a means of weeding out firms,” says **Geoffrey Kasselmann, SIOR, LEED AP**, principal of Op2mize LLC, a smaller real estate brokerage and consulting firm in Des Plaines, Illinois “At that early stage, we sent our RFQ back along with a shoe. Our note said something to the

effect of, ‘Thanks for letting us get a foot in the door. We look forward to putting our best foot forward during the RFP process.’”

Ultimately, Op2mize made it to the interview stage and literally brought the other shoe with them.

Op2mize won the listing. “The shoe wasn’t the reason we got hired,” says Kasselmann, “but it did make the point of saying, ‘Look how creative we have been, and we can be that creative as your agent’.”

Kasselmann strives for the unusual. At another pitch meeting, which was basically a PowerPoint-over-lunch gathering, Kasselmann realized he might lose his audience as they concentrated on sandwiches instead of the PowerPoint illumination. So he distilled his nine key points down to snippets and had them printed into 11" x 17" placemats. Even if his audience’s collective minds meandered while munching, they could look down and quickly get the gist of Kasselmann’s presentation.



Out in California, **Christopher J. Masino, SIOR**, an Industrial Specialist with Grubb&Ellis/WestMar in Temecula, had a different problem, and the solutions were less crazy-wild and more a matter of fine-tuning. Masino represented an 85,000-square-foot, multi-tenant, industrial/flex center in a Temecula industrial market that had a 40 percent vacancy rate.

“When our firm started marketing the project, we needed to completely refine the marketing program to make it stand out from our competition. Originally, our draft brochure was several pages long and included detailed floor plans and many photographs,” Masino recalls. “We

realized that our target market was overwhelmed with all of the information and needed a simple, clear, and concise summary of the project. We slimmed the brochure from three pages to one—including just the most vital information. It made our presentation of the project a lot easier for everyone involved.”

There were three different buildings in the center, so Masino made it easier for brokers and their clients by color-coding and creating a separate brochure for each building, rather than one brochure covering all three.

Then came the rewards. Cash prizes were awarded at the open house. Also, a brokerage/tenant program was initiated: If a broker brought in a transaction by a certain date, they were offered a gift card to the store of their choosing, with the amount commensurate to the size of the deal.

Technology

In addition, Masino used a program called QuickSpace to create an animated presentation about the property. “We included an interactive Quickspace presentation as a hyperlink, embedded in our e-mail blasts to all tenants in the area,” says Masino. The recipients could access the link “and there was a small, professional-looking, 30-second commercial about the project. We were able to track which recipients of the e-mail reviewed the Quickspace information and then scheduled follow up appointments accordingly.”

Beginning in 2009 with an occupancy rate of less than 40 percent, the industrial/flex center in Temecula has seen its occupancy rise to more than 60 percent.

Farming Information

When SIOR professionals were asked to name an unusual marketing

To get the important listing, you have to find a way to stand out.

— **GEOFF KASSELMAN, SIOR, LEED AP**

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— ANDY CATES, SIOR

program that worked for them, a high percentage of the responses mentioned an Internet program or some other high technology solution. Some of the explanations referred to something new in the marketplace, but mostly the answers were about an individual firm’s adoption of existing technology.



For example, **Angela L. West, SIOR**, a Vice President of global corporate services with CB Richard Ellis/Oklahoma in Tulsa, gives a lot of

credit to better, more targeted marketing campaigns as a result of her company’s adopting a benchmark, or response-driven, e-mail system two years ago. The program that CBRE had put into place is called Campaign Logic, but West acknowledges that there are other similar Internet-based solutions in the marketplace.

What makes benchmark e-mail software so effective is that they can be mined for data.

“The most interesting aspect about this, as opposed a direct mail campaign or a normal e-mail blast, is the amount of information you can retrieve,” explains West. “Instead of just sending things out, you actually get feedback, such as whether or not your e-mail was opened, how many times it was opened, and if the e-mail was forwarded. Let’s say an e-mail blast about a building you represent is sent to 1,000 people, but only 150 opened the e-mail to read the message. As a broker, you now know to target further marketing efforts

just to those 150 people who were interested enough to read the e-mail.

For example, a one-page report generated from a CBRE/Oklahoma e-mail blast showed 1,526 e-mails sent, 438 unique views of the e-mail, a response rate of 32 percent, plus 206 repeat views. Other important data gleaned from the report showed where the viewers of the e-mail had their office, the number of downloads, the number of forwards, and even the number of unique clicks to the e-mail. She adds, “This is so much more effective than the typical postcard or flyer mailing because you get better information, so your list becomes more focused.”

Available Software Programs



Michael L. Spears, SIOR, an Industrial Specialist with Colliers Spectrum Cauble in Atlanta, Georgia, recommends a number of software programs

that have been very useful for him:

- **ProCalc Lease Analysis Software:** Users can analyze and compare leases from the tenant’s, sublessor’s, landlord’s, and purchaser’s perspectives. “Helps clients decide whether to lease or buy,” says Spears.
- **1-800 Call Capture:** Basically, you get a bunch of 800 numbers, explains Spears. “You put up a normal sign with your telephone numbers, but with a rider that says for automated information call the following 800 number and it has a little voice recording with basics about the property plus it leaves them the option to leave a voice

mail.” Where it is really useful, however, is that when someone calls an 800 number, that person’s number is not blocked. Spears says he gets a lot of listings from the service.

- **ClientLook:** This is a newer program that organizes project-related updates, files, and e-mails in one centralized place online, so everyone stays informed. “Your client can log on and check the status of their property at any given point in time without having to call you,” Spears notes.
- **RealData’s Commercial/Industrial Development (new Version 6):** “I just started using the program,” says Spears. “It’s really good for taking the time line of a development and showing the return.”

The Power of Blogs



Andrew P. Cates, SIOR, an Industrial Specialist with Colliers Wilkinson Snowden in Memphis, became aware of something in 2009 that many

other brokers have already discovered to be useful: blogs.

“For the last three years, we’ve done direct mail and a newsletter,” says Cates. “There’s a cost involved in all that so we decided it would be a lot easier and cheaper to take advantage of the changes in social media. We bought a group of Web sites such as www.memphisindustrialwarehouse.com that directs users to my URL team site. I created a blog on the team site that includes testimonials and showcases market reports.”

If you want to get out in front of what is happening in Google-search-land, “a blog is great way to do it,” says Cates. “By creating this blog, manipulating the blog, and adding new content, people search our team and search our names. This blog shoots us to the top of the Google list.”

Some of the best new marketing programs and schemes are less about the hoopla and gewgaws and more about hotmails and Googles.™