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*Gail Sturm  
Baird & Warner  
Chicago*

right-of-way easements for an electric utility to make sure no one builds on them? Or what if your oil company clients asks you to monitor zoning changes and land use around their refineries and other industrial facilities?" he asks.

"Tenant rep firms may need to be prepared to handle such unique needs if they are to compete for Corporate America's business in the future," Mr. Edge says. "Real estate service providers will be asked to do much more than handle real estate transactions as in the past."

The computer revolution is having a significant impact on how corporate America utilizes its office space, notes Gail Sturm, senior vice president of corporate services for Chicago-based brokerage firm Baird & Warner Commercial. Office space expansions are fewer, she says, because technology allows the same job sites to be shared—using the same space at different times by a variety of employees—or performed in other locations (such as home offices) or, in the case of corporate downsizings or rightsizings, not at all. In this environment, tenant reps must serve as consultants to their clients, she contends.

"We real estate providers must understand that, like it or not, technology is allowing companies to push the envelope on space reduction, and we must push the envelope in how we do business in this new environment," Ms. Sturm maintains. "We must challenge clients to look beyond what's obvious today. It might not be relevant tomorrow, and then they'll be following the pack. Real estate is a tool companies must use to increase profitability. And if the tool is not working

correctly, it will be hard to build a profitable organization in this competitive business arena."

What corporate tenants increasingly are looking for in their tenant representation, Ms. Sturm finds, includes: ongoing quality reviews throughout the process; the broker's knowledge of the client's industry, competition, compliance issues, economics and even social issues; the broker's overall knowledge of real estate; and how the broker projects himself or herself in the marketplace, since the broker effectively acts as one of the client's voices in the business community.

Working with clients as a consultant, and not a broker, requires extensive questioning and careful listening, Ms. Sturm underlines. That, in turn, leads to a plan and, finally, implementation.

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Resources are vital, especially when analyzing the occupancy costs of operating a business in a particular location, says Trammell Crow's Mr. Thiemann. "The tenant rep is not just someone you hire to go beat up on the landlord for reduced or free rent," he notes. "The tenant rep who is doing well today—and the one of tomorrow—is looking at a tenant's overall true occupancy cost."

For a 50,000-square-foot user under a 10-year lease with an aggregate value of \$10 million, a competent tenant rep should be able to pare 10% to 15% of that lease cost, Mr. Thiemann contends.

Jeffrey M. Sussman, senior managing director with Peter R. Friedman Ltd. in New York, agrees that a tenant rep's role now goes beyond just hammering out a lease with a landlord. "Not only are architects, space planners, engineers, contractors and attorneys involved, but proper tenant representation today includes consideration of the landlord's mortgagee, investment bank and an analysis of the capital markets. Tenant representation is now a process best described as 'strategic occupancy analysis,'" he explains.

"The state of the art in tenant representation is a consultative problem-solver, broker and project manager in one seamless package who can—in addition to simply finding space—help the tenant achieve the real estate results that best match their strategic

business objectives," concurs Jeffrey V. Langdon, executive vice president and managing director of Los Angeles-based CB Commercial/Madison Advisory Group.

"With good tenant representation, the client gets a much higher level of service for a lot less cost," says Stanley Simon, a principal of Jacobson Goldfarb & Tanzman Associates in Woodbridge, N.J. "In the first part of the '90s, while the market was soft, competition forced the brokerage community to add more advanced services. Subsequently, tenant representation has become a highly technical profession, offering services at a level of sophistication that most tenants do not possess."

According to Mr. Simon, effective tenant representation is the combination of three basic skills: a clear understanding of the client's objectives, in-depth knowledge of the marketplace, and the ability to develop and implement a planned course of action.

It is crucial that tenant reps understand the business goals of their clients, say experts in the field. And because of



**"In retail leasing, the tenant rep takes on the larger role of retail consultant, providing the tenant with intelligence and identifying competitors by name, location and types of customers."**

*Faith Hope Consolo  
Garrick-Aug Associates  
New York*

that, the business of doing tenant representation has shifted away from merely doing deals for a client on a one-time basis to a venture that depends on establishing reputable ties with landlords and tenants so that many deals can be made over a period of time.

Faith Hope Consolo, managing director of New York-based Garrick-Aug Associates Store Leasing Inc., says that tenant reps must have good relationships with landlords, plus the manpower and resources, to be able to place