

COMMERCIAL REAL ESTATE

5 unintended consequences of real estate move

As you wheel into your business, you notice all of the parking spaces are consumed, forcing you to park in the adjacent lot.

At the front door you're greeted by several employees who cohabitate because the office space is insufficient for the staff.

A quick foray into the warehouse convinces you that the new shipment of raw materials must wait. You simply have no place to store them.

All of these examples are consequences of occupying a space that is too small for your operation. Next step: You've decided to relocate. So let's discuss some



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of the unintended consequences of a commercial real estate move.

THE MOVE COSTS WAY MORE THAN YOU BUDGETED » Suddenly, the old office furniture looks tired and dated and you decide to replace it. Your new city of residence requires a UL rating be updated for ALL your machinery.

If you'd stayed put, this cost would have been avoided. Simply moving your warehouse racking from the old place to the new place now requires a seismic test, a high-pile storage permit, and a racking permit. That electrical service you

believed was sufficient will now require a costly upgrade to efficiently power your presses.

YOU LOSE KEY EMPLOYEES » Unemployment in Orange County is very low. Consequently, good employees are in high demand. A simple relocation — which might add minutes to commute time — could cause a key employee (or two) to test the market with another employer.

SUPPLIERS ARE LESS ACCESSIBLE » Ready access to your material suppliers is huge. If your move creates more lead time for suppliers or costlier shipping, an unintended consequence occurs: Your products become more expensive to produce.

CUSTOMERS CAN'T FIND YOU » This is especially true in the retail arena where you build customer loyalty over time — with a location that's easy to find. A move — even a few blocks away — will cause some customers to take their shopping spree online in order to avoid the traffic.

DISRUPTION IS ENORMOUS » If employees hear there is a move in the works, the buzz around the shop becomes akin to an episode of "The Office." No one gets anything done while anticipating the new location. Some companies are fortunate. The move is planned and executed with the precision of a Seal Team 6 mission. The business closes in the old location at 5

wp.m. Friday and reopens without a hitch in the new location at 8 a.m. Monday.

Reality would suggest the opposite is true. Computer cabling is lost; the wrong carpet is installed; your internet service provider thought the move was next week; SCE is tardy delivering the new power panel; your customer service line isn't forwarded, etc.

Suddenly, parking in the adjacent lot doesn't seem so bad.

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