

COMMERCIAL REAL ESTATE

Is market expertise overrated? Trust, candor more important

The question I will consider today originated with a call I recently received.

Turns out, the caller was an avid reader of this newspaper and me, specifically. Leasing assistance was needed. However, they own a building which is outside my geographical and specialty expertise. But, I took the meeting with the thought if I wasn't the right guy, I could help connect them to someone who was.

Commercial real estate is very diverse. Office space — high rise, mid-rise, garden style, medical, government, religious, vocational. Industrial — manufacturing, flex, warehouse distribution, service, truck terminals. Retail — oh my word, the types are endless — regional malls, power centers, restaurants, neighborhood shopping centers, strip centers. Multifamily —



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four-plus residential units. Investments, hospitality and land. And, within each product segment of commercial real estate, there are specialty categories such as industrial manufacturing: aerospace, plastic injection molding, assembly, electronics, food, etc.

In short, it is impossible to know every commercial real estate genre. Akin to a physician, we specialize — typically by a type — industrial, office, or retail; a size range and a geographical area. Intimate knowledge of a thin slice — hyper local — creates a market expertise.

So, when considering engaging a commercial real estate professional — is market expertise critical? By that I mean, is it necessary for your agent to know every deal, every owner, every building, and all the active agents in the area surrounding your location? Certainly, it

helps, but I don't believe it is critical. In some cases, it can jade that professional.

In my mind, the critical components of any advisory relationship are the trust your agent engenders, the candor and transparency with which he deals, the understanding of your requirement and the sincerity of his approach.

With these qualities — and the use of technology — your agent can quickly get up to speed on the competition and market conditions. By the way, you'll understand his sincerity when he explains — this isn't my area of

By the way, you'll understand his sincerity when he explains, "This isn't my area of expertise."

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