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Advertising Commercial Rental Space

Basic to Buzz, Paper to Paperless—Ways that Work



Steve Bergsman is a financial journalist whose articles appear in such magazines as Barron's, Wall Street Journal Sunday, National Real Estate Investor, Urban Land, and Mortgage Banker. He is based in Mesa, Arizona.

By Steve Bergsman

The key task of a property manager is to keep the real estate fully occupied—if only that was as easy as it sounds. Unfortunately, there are really very few times in either owning or managing a commercial building when the product is so desirable and competition so weak, that tenants “must” be there.

Vacancies turn up more regularly than anyone in the real estate management business would like to admit, which means that new tenants continually have to be enticed to the property and made to fall in love with the space.

Fortunately, there is a long history of marketing vacant space, so tried and true methodologies are

easy to implement, from an advertisement in the local paper to the distribution of splashy brochures. In addition, new technologies like the Internet now offer additional venues to get your message out to the prospective lessor or buyer.

Unfortunately, most real estate advertising is not effective. This is a problem because the competition to rent space is intense, and unless your advertising rises above the clutter, it will be passed over by clients who will end up leasing space in the building in the next block or even 10 blocks away.

The biggest flaw in real estate advertising is that people try to sell bricks, mortar, and square footage,



says **Steven Palec**, SIOR, Senior Vice President, CB Richard Ellis, Milwaukee, Wisconsin. “More effort goes into

selling a bar of soap than a \$50 million office building.” The creative types, who market a bar of soap, Steve adds, focus on “why” someone would use the soap and how using the soap would make them feel. Not so with real estate. In a soap campaign, there is often a scene of people using the soap, enjoying themselves. In real estate, there is usually just a photograph of a building.

Steve’s answer to the mediocrity of real estate advertising is to be inventive and create a “buzz.” This isn’t as hard as one might think because there are many venues to advertise empty space and often a successful campaign in just one venue is enough to get a client’s signature on the bottom line.

Advertising 101: The Sign



The most elementary form of advertising in the real estate world is the basic sign—“this property for sale or lease (or both)” —that is usually placed somewhere on the building or structure’s frontage space.

Elementary, however, doesn’t have to mean boring. The purpose of the sign is to catch a buyer or tenant’s attention, so a little thought needs to go into it.

“It all starts with the sign,” says **Mark L. Triska**, SIOR, Senior Vice President, Colliers International, Pleasanton, California. “You must have good signage on the property so that when people go by they can see it’s available.”

Mark’s firm actually thinks about the whole signage concept. Wherever possible, Triska opts to use the V-shaped sign, especially at intersections, because the information shows on two legs of the V-shape. He also shoots for size. “Given the zoning that is allowed, we use as large a sign as possible.

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—*Steven Palec, SIOR*

If there is a freeway nearby where we have visibility we may hang a banner on the building itself,” he says.

As to the information imparted, Mark makes sure his company’s signs indicate the type of property, its availability, his name, and his specific contact number. He adds, “We spare no expense on signs.”

Hard-Copy Materials, Good-Looking Graphics

Brochures

After the signage, the most important sales tool is a printed (and electronic) brochure. Once interest is shown in the property, complete and in-depth information should be readily available to potential tenants or buyers in brochure form. The brochure is also a good initial marketing tool, as it can be easily delivered by mail or even better and faster—by e-mail.

Here, too, Mark Triska says, Colliers International doesn’t stint in production. “We have the brochures professionally done by an in-house graphic designer,” he says. To show floor plans in the brochure, the company often enlists a local computer-aided laser measurement company, if ownership lacks a floor plan.

Postcards Still Get Attention

A simpler product delivered by mail is a postcard. It carries a quick-read field of information on a property for lease or sale. Postcard advertising has been a time-tested approach used for decades. Although it has lost favor with some brokers, others swear by it.

One broker who continues to use the postcard



as his most effective form of advertising is **James M. (Jamie) Brown**, CCIM, SIOR, President of Hawaii Commercial Real Estate LLC, Honolulu, Hawaii.

“Just-listed” postcards are a fairly expensive form of advertising because of postage, Jamie says, “But it is our

foremost means of getting the message out to users, and cards generate phone calls. One of our support people is a graphic artist and she puts together the postcards,” he explains. “We get compliments on the look and quality of our cards.”

Sometimes Hawaii Commercial and a local title/escrow company to do cooperative advertising. When the title/escrow company shares the card, the cost is lower.

While all of this presentation is important, the most important part of a postcard advertising campaign is not necessarily the design of the card—it’s the mailing list.

“Since this is an expensive part of marketing,” says Jamie, “you cannot send to 10,000 people in a geographic area. You have to send to the right contacts.” Hawaii Commercial maintains a single database of tenants, landlords, buyers, sellers, and brokers. If, for example, a restaurant space comes up for lease, a postcard is sent to a targeted market involving the eatery trade or its representation.

Power of the Press: Magazines and Newspapers



Down in Lafayette, Louisiana, Glen M. Richard, SIOR, President of Champion Real Estate Services, has working the local media down to a science. He feeds the news side of the local press with a barrage of reports, deals and data, while getting the best advertising space available.

Lafayette, a medium-sized market with a population of about 600,000, turns to Champion for real estate market data because the company runs the most comprehensive survey of properties in the area. In addition, Champion always makes its personnel available to the press. When deals are turned, the information is quickly fed to the newspapers.

“There are two local newspapers—a daily and a weekly—and we use those more than we do the other media,” explains Glen. “We give them stories and leads.” Obviously, Glen has a close relationship with the print media, and that is important when it comes to advertising. Champion likes to publish a full-page ad adjacent to commercial real estate stories, so it’s important to know when those stories are running.

Using full-page advertisements might seem expensive, but Champion doesn’t shell out its own dollars. Its clients pay for the ad. They do that because a Champion full-pager spotlights four or five different clients, who split the cost.

“The clients get the benefits of a shared expense,” Glen explains. “They get the back page, front page, or whatever page that is adjacent to a specific story.”

A full-page ad costs a couple of grand, but if the cost is divided five ways, “that’s not bad,” Glen says. “The clients are extremely happy because the ads have beautiful photographs and good information. Each client is part of the bigger ad, but everyone just recalls the full page.”

The full-pagers have been so successful that Champion’s clients actually complain when they are not invited to participate. “We try to identify which properties best fit the situation,” says Glen. “Eventually, we get to everyone on our listing.”

Brokers in larger markets that are fed by national companies might need to use a more focused strategy.

When **Stan Kurzweil, SIOR**, a Senior Vice



President at Colliers Houston & Co. in Somerset, New Jersey, markets space, it is often to a multinational firm that could be based in New York or in Osaka. He uses the print media but prefers industry-specific trade publications. For example, if he has space that must be marketed to a medical company, he might call a national medical association president to ask what journals and magazines the association’s constituents read.

The key is to advertise in the proper publication, Stan says. “I could advertise in the *Newark Star-Ledger*, which has a million and a half readers, and people will see it. But if the space is medical, then a medical publication is better.”

“To effectively advertise commercial rental space, it cannot be overemphasized that the broker must know his or her target market and have an in-depth understanding of their listing versus the competition in the same market. This is real estate 101, but many brokers do not spend the necessary time for details which can become very important to prospects and critical in

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consummating the transaction no matter what techniques they may use.”

“In addition, it doesn’t hurt to schmooze with certain association executives, says Stan. “You need to take these guys out to lunch, and you need to network with the people who can give you [the] right information.”

Y’all Come—Creating an Event

Whether it is called an open house, a groundbreaking event, or a party, inviting brokers and sometimes the media to preview a space is a very common mode of getting your message out. The key to success in this type of marketing lies in drawing potential brokers and interested parties to the event. This is not always so easy, but if you create excitement about the event, you can improve your chances of success.

At CB Richard Ellis (Milwaukee), Steve Palec’s dictum is to create a discernable buzz. As an example, he was recently faced with marketing 150,000 square feet in an older, 200,000-square-foot office building. In Steve’s mind, the message was really about a “classic” being reintroduced. He creatively made the leap from a classic building to a classic song, created the “buzz” he desired, then went to a used bookstore and bought 150 record albums. He threw away the covers, printed up new interior labels for the records and used these as the invitations to his event. Further, the recipients were invited to indicate what classic album they would like turned into a CD.

“When they showed up at the event, they got their CD and we showed them that an updated building was still classic,” says Steve. Not only did the space get rented, but Steve says when he goes to visit brokers, he still sees the “invitation” records showcased on office shelves.

Virtual Marketing, Tangible Profit

For every hard-copy brochure Colliers International creates, it also produces an electronic brochure. The same holds true for Hawaii Commercial’s postcards. It also sends prospective brokers an e-mail that looks like a postcard.

Obviously, e-mail helps hold the line on costs. It’s much cheaper to send multi-party e-mails than it is to send an individual piece of mail through the postal service.

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Again, the trick is to get someone’s attention. The big problem with e-mail is that most people in the workplace, no matter what their job, get too many e-mails already so they disregard anything that doesn’t come from a select group of personal contacts.

“If you are constantly e-mailing brokers, then you become a nuisance,” says Jamie Brown of Hawaii Commercial.

There are a few things you can do to get your e-mail looked at. First, have short and pertinent wording in the subject line. Second, put pertinent information in the first line of the e-mail itself. Some e-mail services automatically show the first lines of the copy, so if pertinent information is there, your message is delivered, even if the e-mail isn’t actually opened. Just as with hard copy delivery, it’s important to maintain a good list of people who should be receiving the on-line advertising.

It’s also necessary to have a distinctive, accessible, and easy-to-read Web site that highlights properties that your company is marketing. In addition, by researching through the Internet, it’s possible to find Web sites of companies that might be interested in your property.

William M. Gladstone,



**CCIM,
SIOR, NAI
Commercial
Industrial
Realty Co.
(NAI/CIR)
Camp Hill,**

Pennsylvania, not only has his own Web site, but it links to three other Web sites: www.ccim.net; www.sior.com; and www.naidirect.com. For a company in a market of relatively low-density

population, Bill has gone very high tech, using the computer even in the most mundane of advertising programs.

“What we have done with our Web site is maximize capabilities,” Bill explains. “We turned it from just a listing tool to a complete resource center. Last week, 3,700 people logged onto our site, which is impressive considering our market has a population base of less than 500,000 people. Our site has everything that deals with real estate; we even have marketing videos.”

The Bill Gladstone Group of NAI/CIR even takes the time and energy to market its Web site. Each week the group broadcasts e-mails with four properties, one from each category, to about 300 people, almost all of whom have signed up to receive the e-mails. To check that the program is effective, the group has a tracking device so it can pinpoint who is opening the e-mails.

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The Bill Gladstone Group hasn't given up on old-style marketing methods; it just gets them done via the computer. For example, it still faxes listings, but it's an electronic fax. Recently, the company sold a \$1.4 million property—quite a big deal for the market—after the buyer had learned that the property was for sale from the fax.

In addition, the Gladstone Group sends out postcards and flyers, yet for their postcards the company doesn't actually do any mailings; it uses an on-line mail service. “We design the postcard and upload the information. An on-line service does the mailing for us,” says Gladstone.

The use of the Internet to advertise real estate is still in its infancy, says Gladstone. New ways to market properties are being devised almost on a daily basis. This medium, he says, will only increase in importance going forward.