

# COMMERCIAL REAL ESTATE

## Leasing agents have stake in success of tenants

By Mira D. Bergen

### Work with new retailers from the beginning

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The number of new store openings in Atlanta this year is more than an indication of a good economy — it's proof that people still have that American dream of owning their own business and making a success of their unique ideas.

Whether it's a restaurant, a department store or a specialty boutique, behind each one is someone who hopes to find his or her personal niche in retailing.

While some of these entrepreneurs are experienced, a great number of them are entering this industry for the first time. In many cases, the retail leasing agent is their first contact, and that agent has a responsibility that goes far beyond getting their name on a lease.

From a professional standpoint, I have a certain stake in the success of all my tenants. If they do well, I do well. My track record is, in a sense, tied in with that of my tenants.

So from the moment a prospect calls for information on a location, I begin asking questions that will help me understand what their specific needs are. Sometimes, having someone verbalize their objectives helps them better formulate what they are trying to achieve, and ultimately what their strategies should be. Working with these first-time retailers from the very beginning is the best way to ensure that they are located in the best space for their needs — wherever that space may be. Through detailed conversations with the prospect, it may become clear that more groundwork is necessary before they even start looking for locations.

The first priority should be the retailer's development of a formal business plan. There should be a clear understanding of the economics of the business and a definite profile of the prospective customers he or she wants to reach — who they are, what their lifestyles are, where they live, and how they spend their money.

Not only is all of this necessary to make a business deal, but it gives that prospective retailer a chance to firm up a marketing strategy that may have been vague before.

Depending upon the type of business involved, there are many other questions to be asked and answered in order to make the most intelligent decision. Much of this responsibility lies with the leasing agent. For instance, with a restaurant, one needs to know what percentage of sales will be alcoholic beverages, what hours should be set, whether provisions will be needed for live entertainment and dozens of other

details to be determined before a location is selected that makes good retail sense. In addition, important details must be worked out well in advance regarding parking requirements and county health department regulations.

My background in sales and marketing, as an advertising executive with *Atlanta Magazine*, has provided me with yet another set of questions that I always ask a new prospect. One of my first questions is, simply, "How do you plan to promote your business?" My experience has shown that having a great product and waiting for the customer to show up is not enough.

Even in high-traffic malls like the Cadillac Fairview properties I represent, each merchant must do all he or she can to make sure the customer is motivated, first to walk in the door, and then to buy. This process starts with the basics, such as store layout, lighting, color selections, merchandising the store for maximum appeal and creating optimal traffic flow.

Seasonal planning is critical — it's not just the amount that is marked down, but *when*, that makes the difference. In addition, continued visibility through well-planned marketing strategies is vital to keep customers coming back.

As a retail leasing agent, I often find myself in a position of counselor on many of these issues. It is an aspect of my business that I especially enjoy. Sometimes it is a matter of suggesting a professionally lettered counter sign or a suggestion for an eye-catching window display. And throughout more than a decade of sales experience, I've also accumulated key contacts in a variety of disciplines — such as architects, store designers and planners, contractors and advertising and public relations agencies — who can offer more specialized assistance. On occasion I've even been able to refer prospective employees and management personnel. I like to give the tenants several options to follow up as they choose.

Something else I've learned over the years is that it is important that the leasing agent deal directly with an authorized decision maker of the company. In a large company, this person may be the vice president of real estate development; in a small one, he or she could be the owner or managing partner. This link not only saves time, but it also ensures that the agent is getting the right information from the very beginning regarding the company's concept, its image and its goals.

During this process and beyond, the leasing agent and the prospect usually form a



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bond, or partnership, built on mutual respect, common objectives and a great sense of achievement when it's all put together.

In many business situations, once the deal is made, the relationship is essentially over — but for me it never really is. No matter how many deals I've made over the years, every time a new store opens I have the same sense of personal pride as if it were my own. I'm there as the store is readied for opening; I'm there on its opening day; and most likely, I become a regular customer, bringing in my friends and associates.

What the prospective tenant needs to know is that we, as leasing agents, want them to succeed in a big way. So we do our homework, we read their trade publications to get a better understanding of their business, their competition, even the margins under which they operate.

I encourage national tenants to do multiple deals so that they have maximum retail exposure in this dynamic marketplace. I am literally a "cheerleader" for Atlanta's retail strength.

On the other hand, it occasionally comes as a surprise to a local tenant when I recommend limiting to one location instead of two or starting with a smaller space than he or she originally was considering. I encourage each tenant to maximize every square foot of space for which he is paying.

An agent must do everything possible to get a new tenant off on the right path. The bottom line is that a successful business usually leads to expansion and the need for more locations. ■