

For more information contact:

Timothy R. Comerford, PSEG Area Development LLC

e-mail: [tcomerford@psegareadevelopment.com](mailto:tcomerford@psegareadevelopment.com) • Tel: (877) 241-0692 (toll free)

## **How Best to Use Real Estate Professionals in Selecting a New Site**

By Timothy R. Comerford

Selecting a new site is a daunting task for some businesses and a major undertaking for most others. Many important issues such as; labor, location, building characteristics, financing, incentives and regulations must be considered. A great deal has been written about how to deal with many of these issues. However, a facet often overlooked is the importance of the real estate professional to the process.

### **New Jersey is Unique**

New Jersey is somewhat unique compared to other areas of the country. With its small size and high population density, virtually all-industrial and commercial real estate is controlled by the brokerage or development industry. Therefore, if a firm is seeking new facilities, it is very important to consider the important role of a qualified real estate broker or sales agent. Industrial and commercial brokers are professionals that provide a valuable service to their clients. They are very familiar with space availabilities in an area and the building owners or developers that control the space. The broker knows the communities in the region, has an understanding of the vision that local leaders; planners and officials seek for their towns. They can assist with the approval process and be a tremendous ally and resource for their client.

However, to get the most out of a broker, a company must treat the broker as a professional consultant. Unlike most consultants, brokers typically do not get paid for their services unless a successful transaction has been completed. They invest considerable time in gaining an understanding of a company's requirements, researching potential sites, getting the latest information and working with local community leaders to ease the process of gaining local approvals. However, the broker still does not get compensated unless the transaction is completed.

### **Important Issues**

Therefore, there are a few important issues to evaluate when selecting a broker to represent your firm.

1. First a company should interview a number of brokers to determine who best meets the needs of their company. Is a local broker who specializes in local markets more appropriate for your requirement? Is your requirement unique and does it call for a real estate firm that has expertise in a particular industry or type of building to best meet your firm's needs?
2. Second, the more difficult or unique your firm's requirement, (such as outside storage, major laboratory or computer space, heavy industrial use, etc.), the more difficult it will be to locate a suitable site. More difficult projects require the broker to spend a significant amount of time investigating potential solutions and opportunities, with no guarantee of the transaction being successfully completed. To ensure the best possible service, consider making a commitment to the broker your firm selects, either by signing an exclusive representation agreement, or at least, agreeing to work with a single broker. If a broker is not meeting your expectation, discuss it with them and hold them accountable for meeting your needs. If expectations are still not being met, a new broker should be selected after a defined period of time. If a broker has little confidence they have an opportunity to complete a transaction on your firm's behalf, they will not commit the time your firm's project deserves and often requires. In short, brokers are professional consultants and should be handled just as you would other consultants that are retained by your company.

### **PSEG SiteFinders Can Help**

Because of our belief in and regard for the New Jersey brokerage community, three years ago we formally incorporated brokers into our economic development operations. PSE&G's Area Development Department created a network of affiliated brokers under our subsidiary PSEG SiteFinders LLC, a New Jersey licensed real estate firm. Prospects that are seeking space in New Jersey and are not represented by a broker are



*(continued—page 2)*

### **How Best to Use Real Estate Professionals in Selecting a New Site**

offered an opportunity to work with an affiliated PSEG SiteFinders broker to provide professional real estate services. There is no obligation, and PSE&G Area Development stays involved in the process supplying economic development services required by the client. Area Development provides demographic, utility, tax and labor information, business ombudsman services and assists in providing incentive information and incentive packaging services.

Selecting a new site for your business is a major milestone, which will determine your firm's future economic success. The site selection process has become complex and difficult. As you would with any other aspect of your business, you should give very serious consideration in getting a top professional to assist in securing a new location for your business.

If you are interested in information on PSE&G affiliated brokers or PSE&G economic development services, please call (877) 241-0692 or visit us at [www.locationNJ.com](http://www.locationNJ.com).