

# Independents' Power

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By Sara S. Patterson | January.February.18

Individual ambition, competency, and distinct marketplaces contribute to the success of a startup business. For CCIM designees heading up their own businesses, the Institute's technology; investment and market knowledge; and business referrals spur their success. While the access to CCIM resources allows their practices to compete with bigger players, CCIM entrepreneurs also focus on unusual expertise, specific geography, and narrowly focused niches to stand out.

Lee Wheeler, CCIM, promotes his firm as being a resource for solving his client's problems, ranging from finding an electrician to buying multiple properties for an investment portfolio.

"Through the years, my business has built our client relationships by being the resource to solve their problems - big and small," says Wheeler, owner of Wheeler Commercial in Beaumont, Texas. "We focus on the clients and the clients' problems. Our business is all about building relationships."

For many CCIM designees launching their own businesses, the No. 1 goal is using their investment knowledge to grow their clients' business.

"In 1992, I sold a small hotel to a client for \$450,000," says Earle Wason, CCIM, president of Hospitality Real Estate Brokerage Group in Portsmouth, N.H. "He placed \$18,000 of the purchase on his credit card. During the past 25 years, I have helped him buy properties, using 1031 like-kind exchanges and other resources to grow his company. Today he owns 55 hotels."

## Turning Risk into ROI

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Launching a business comes with many challenges. "I want to keep expenses low and work on a fixed budget, and I am always short on time," says Robert Hand, CCIM, owner of Louisiana Commercial Realty in New Orleans and Mississippi Commercial Realty in Hattiesburg, Miss. "The good news is that I am forced to be creative to solve problems.

"The way I build business is to tell prospective clients how I'll help them. If I show clients how I can provide a higher level of service, they will do business with me instead of their fraternity brother broker because I show them how to make money."

Starting his career as a mechanical and software engineer, Tim Vi Tran, CCIM, CIPS, dabbled in commercial real estate investments for eight years. Ten years ago, he took the plunge and launched his own company, which today also includes five independent consultants.

Collectively, the team members speak five different languages - English, Cantonese, Mandarin, Vietnamese, and Hindi.

“We are able to speak to our clients in the language in which they are most comfortable and understand,” says Tran, president of The Ivy Group in Fremont, Calif., who was born in Vietnam to Chinese parents. “I became involved in my local community to help build my business. People in the community learn about you and know you are a trusted leader.

“Local and international clients come to us because of our knowledge. Our business is a combination of cultivating trust; our diverse languages and cultures; and the coveted CCIM designation.”

Belonging to CCIM helps designees along their journey to becoming entrepreneurs. Usually it's a combination of the Institute's resources and training that gives them the foundation, confidence, and tools to advance their businesses.

## Cultivating Team Members

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Like many small business owners, George Larsen, CCIM, first worked for other companies to gain experience. He opened his own firm in 1985 after progressing from a successful agent to team trainer to broker managing agents.

“Being good at managing people was my route to independence,” says Larsen, owner of Larsen Baker in Tucson, Ariz. “The progression of responsibility gave me a wider breadth of experience and empathy for my team members.”

With his focus firmly on doing what is best for his clients, Ron Koenigsberg, CCIM, hires experts in commercial real estate and marketing to advance his business.

“It's through this team approach and team of professionals that we're best able to service all of our clients' needs,” says Koenigsberg, owner of American Investment Properties in Garden City, N.Y. “We only do investment sales within our local marketplace. Through the years, our business has progressed into larger transactions and more complicated assignments. We have become the dominant local market leader and market experts.”

Koenigsberg has structured his business only to work for sellers who own commercial real estate property. His team only sells exclusive listings and focuses on Long Island in Nassau and Suffolk counties.

“By aligning our interests with our customers, we can best optimize commercial real estate profits,” Koenigsberg says.

## Creating Value

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Starting his career as a commercial appraiser in early 2000, Brian Frank, CCIM, GAA, MRICS, opened his own business in 2008 after his employer discontinued business operations. By

2009, he earned the CCIM designation to learn more about commercial real estate from the investors' perspective.

“This perspective distinguished my business from other appraisers' firms,” says Frank, owner of AKA Accurate Services LLC in Chandler, Ariz. “We look at values based on a five- to seven-year holding period. Earning the CCIM was one of my best business decisions of my career.”

Sometimes the best deal is the deal that doesn't get done, according to David Ahn, CCIM, owner at CRE/Companies in Los Angeles. He finds that persuading a new client not to do a deal can set the stage for a long-term client relationship.

“One of our larger clients gave us their entire book of business because we told them not to do a deal,” Ahn says. “The firm's president told me, 'No one ever told us that before.' ”

Ahn structured his firm to be client-centric, not task-oriented. As a result, his team can build relationships with clients and offer a wider variety of services, including due diligence, real estate analysis, and expert witness services.

“If I were in a larger brokerage, I would have to focus on a specific area and could not explore all avenues of the commercial real estate industry,” Ahn says.

Value creation works to wow new clients. “I don't expect an opportunity until I create value for a prospective client,” says Drew Augustin, CCIM, owner of Alliance Commercial Group in Indianapolis. “I collect clients' goals up front. We start with the end in mind and show the clients where we are going and why.”

## Leveling the Playing Field

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Throughout its 51-year history, the Institute has always provided superior technology for its members. It helps the smaller companies compete with larger firms.

“Belonging to the Institute gives you a superior playing field,” Hand says. “I've worked for all the big firms. I have never had a big firm give me better technology that makes me a better broker as CCIM does.”

Since 2000, the Institute has provided its members with free access to Site To Do Business, which offers technology from such companies as Esri and BAO. “STDB allows me to generate reports that demonstrate not only my product knowledge about inventory and location, but also shows my clients important demographics and why certain cities are critical for future growth,” says René Nelson, CCIM, owner of Pacwest Commercial Real Estate in Eugene, Ore.

Hand credits the Institute with giving him the tools to be successful as a small business. “CCIM delivers products right to your doorstep that make you special,” he says. “You just have to invest the time to understand how to use them. The technology and training allow you to have a more meaningful conversation about meeting the needs of prospective clients as opposed to just charging the lowest commission.”

In the Bay area, Tran uses STDB for creating listing presentations and infographics for marketing materials for his prospective and current clients. By presenting data, facts, and figures, the STDB tools show his business understands the economy and local marketplace.

“STDB gives us an edge when we are going after listings that larger firms also are chasing,” Tran says.

## Opening Doors

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When Nelson decided to become a commercial real estate broker, she evaluated her options, such as joining a big firm, becoming a franchisee, or opening a boutique real estate firm. “It was important for me to make my own decisions regarding the market share I wanted to target, and the processes I would use to reach those prospective clients,” Nelson says.

She decided to specialize in multifamily properties and earn the CCIM designation quickly, so her firm could compete with the large companies. In 2017, new tenant relocation laws in Oregon pushed many multifamily investors to sell their properties through the Internal Revenue Code Section 1031 exchange into single-tenant retail properties, which “required no involvement with tenants, toilets, or trash,” according to Nelson.

Since then, she has helped her clients buy properties nationwide and worked with brokers in multiple states. Her CCIM designation allowed Nelson to reach out to national brokers and find inventory that was not on the market but was available for purchase.

Looking back over 25 years of heading up his own business, Larsen says, “The hallmark of success is being able to do intensely meaningful work, with coworkers you love to work with, in an environment of mutual respect. You can do that best if you work for yourself. You can create the environment you want, and the work ethic you demand through your own example.”

At its essence, the CCIM designation is recognized within the industry. “Since I earned the CCIM designation, it has helped me strengthen my business by separating me as a top industry professional and a recognized industry leader,” Koenigsberg says.

The Institute's community provides entrepreneurs with the same network as large companies to find deals and capital for their clients. Belonging to CCIM gives them the technology and operational infrastructure to launch and develop independent businesses rivaling major commercial real estate companies.

## Finding the Right Niche

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**by Sara S. Patterson**

Developing a specific niche helps independent business owners become successful. The choice depends on the commercial real estate professionals' individual strengths and varies widely.

## **Downtown Niche.**

Growing up in downtown Boise, Idaho, Jay Story, CCIM, left the city for undergraduate and graduate school. But he returned to his birthplace to start his first professional job.

“Boise has become a destination city for Idaho,” says Story, owner of Story Commercial in Boise. “My passion is working with buyers and sellers from different property sectors in downtown Boise within a 1.4-square-mile area.”

Four years ago, his focus came in handy when the City of Boise asked him to help revitalize the West End section of its downtown. To date, Story has helped to bring in a new community college, new hospital, and new apartments.

“First, I had to think about how to create a neighborhood identity; second, how to celebrate what was there; and third, how to remove the barriers to development,” he says. “It started by getting 80 acres rezoned and gaining the support of the major land owners.”

Restaurant Niche. Working in restaurants in high school and college, Steve Graul, CCIM, knew the environment and language of the industry. During the 1991 recession, he started working with restaurants and developed relationships with chefs. When Graul launched his own business in 1997, he stuck to what he knew best — empowering emerging restaurant companies to grow nationally and working with the developers of mixed-use real estate to seek out restaurants as project amenities.

“Now restaurants are the draw into the mall; they are the new department stores,” says Graul, owner of Innovation Concept Associates in Reston, Va. “Restaurants are a fun business with fun people, but I’m happy to be on the commercial real estate side of it. I feel like I’m really good at what I do, and I enjoy applying my skills.”

After 20 years, 90 percent of Graul’s business is referrals. He serves as an adviser for developing restaurant concepts to expand nationwide and for the mixed-use developers that want to attract them.

## **Corporate Client Niche.**

A 30-year veteran, Kathy Mulgrew, CCIM, made the leap to starting her own business in 2005 as the outsourced corporate real estate department for companies nationwide. “My business is a fusion of commercial real estate, corporate real estate, and business strategy development, with a focus on operational excellence,” says Mulgrew, CEO at Spencer Consulting in Dallas.

Her company doesn’t perform transactions, so it hires brokers in the markets where her clients want to lease office, retail, or warehouse space. Companies hire her firm to develop and execute corporate real estate strategies, including site selection, space planning, and project management.

Mulgrew has a team of five experts, including herself, to support every aspect of the corporate real estate process. “I get up every day and do something different,” she says. “I enjoy working with diverse people and varied companies every day.”

Niche businesses often flourish in major cities. But those in smaller markets can find a specialty, which can grow nationally and even globally.