CRE Tech Guide: Power Up Your Commercial Leasing Engine with CRE Technology

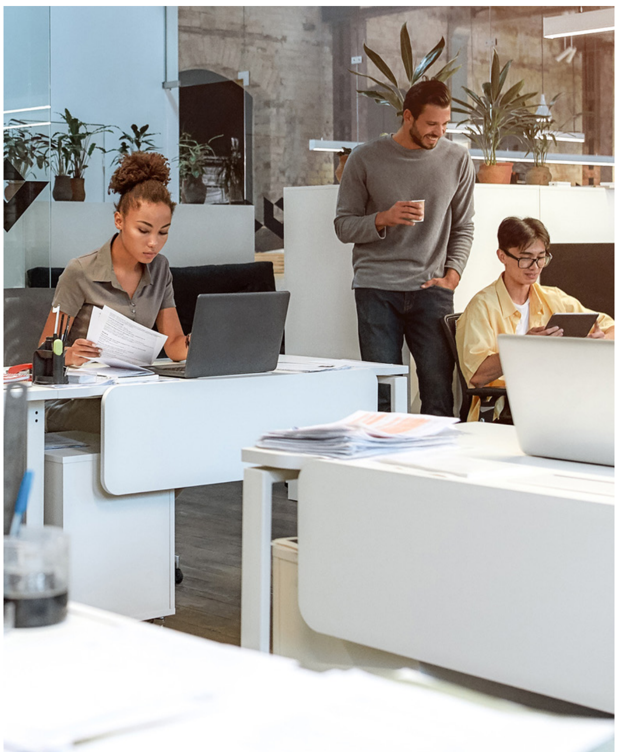
If you're on a commercial property team, you know you can't follow old playbooks to fill vacancies in 2021. The COVID-19 pandemic has changed tenant preferences for office layouts, lease lengths, and tour options, leaving many leasing teams scrambling to adapt.

But successful leasing isn't solely a broker's weight to shoulder. Property managers and asset owners have to collaborate with leasing teams to achieve maximum building occupancy. This means providing brokers with up-to-date building data, floorplans, and other key materials quickly.

Despite seismic industry shifts, the Golden Rule of Leasing remains true:

The faster you respond to a prospect, the better your chances of closing the deal.

Using new technology, property teams can help brokers respond quickly to prospects and keep deals moving.



Market Snapshot

In 2021, office occupancy rates are at historic lows as tenants ponder hybrid work models and flex space options. Brick-and-mortar retail faces similar challenges, with the pandemic amplifying most consumers' e-commerce usage.

In current tenant-friendly conditions, property teams should prepare to compete with buildings offering incentives like rent-free periods and contributions to fit-outs.

In contrast, the industrial segment is red-hot. Shipping and fulfillment centers are being built and leased at lightning speed to support e-commerce growth. Industrial rents are reaching record highs, and new completions are forecasted to jump by 29 percent next year, according to CBRE Econometric Advisors.

Track Expiring Leases

Expiring leases can sneak up quickly and leave teams scrambling to market spaces. Acting reactively to leasing usually leads to long, expensive vacancies.

To stay organized, you can use spreadsheets and Word documents to track lease information. But logging and analyzing data this way is difficult and time consuming, particularly for teams managing large portfolios.

To market leases more proactively, tools like RDM RealAccess from Building Engines make it easy to see expiring leases in dynamic, easy-to-use formats, like stacking diagrams. Critical action alerts or popup notifications are usually built in to notify teams of upcoming lease expirations. Depending on your team structure, brokers can access this information themselves, or ask the property team to provide data.

Teams can typically analyze how much square footage is rolling over, when it's happening, and segment the information by building, floor, or tenant. Armed with this information, the property team can notify leasing teams early when it's time to ramp up marketing efforts.

25

Commercial architects typically charge up to $250 per hour, depending on experience. At this rate, annual costs to retrieve plans and make simple modifications can quickly reach six figures.

Eliminate Time Spent Waiting on Architects

It's common for tenants to request floorplan modifications–especially now with tenants shifting office layouts to accommodate social distancing and remote work trends. To close deals, brokers need property teams to provide current plans quickly.

In the past, CRE teams relied on architects to send modified floorplans. Since architects tend to prioritize new construction projects over edits to existing spaces, this can take days or even weeks. This creates a time window for prospects to sign leases with other buildings while they're waiting.

Now, software makes it easy to retrieve and modify floorplans for prospective tenants in minutes—even without CAD expertise. As a bonus, many software solutions also come with tech-enabled human support to

Make Marketing Materials Easier to Find

A floorplan is just one key document brokers need to ace prospect meetings. They also need Emergency Action Plans (EAPS), Fire Protection Plans (FPPS), marketing flyers, plan books, and more.

It's typically up to the property manager to provide this information. But dashing around to find documents scattered between digital folders and physical file cabinets is time consuming and can leave brokers with incomplete information.

Modern space management tools consolidate leasing materials into one central location. You can add a designated document generation tool to your tech stack. But it's easier to add all relevant leasing documents to a central file library within your larger space management platform.

The result? Teams can equip brokers with up-to-date information at a moment's notice.

According to the Building Engines report *United States Commercial Real Estate Re-Occupancy Plans and Priorities*, 80% of tenants are inquiring about HVAC maintenance more often than pre-pandemic.

Share Health and Safety Data

The pandemic has shifted tenant priorities. Flashy amenities might have enticed prospects in the past, but now tenants are more likely to inquire about health and safety protocols.

Using a building operations platform, property teams can quickly pull reports that prove property management is doing its job to keep tenants safe. This can include HVAC inspection reports, traffic patterns in shared spaces, sanitization protocols, and more.

Offer Virtual Tours

With disease transmission still endemic around the world, some prospects will be wary of traveling to tour available property. Others may simply find it inconvenient.

But tenants are also increasingly wary of enhanced pictures taken from special angles and cameras.

New software tools use virtual reality (VR) to offer virtual tours that show a real, unfiltered view of the property. Matterport is king in this area, but CRE professionals have a variety of different virtual tour software options. This technology lets potential tenants imagine details ranging from where in the building they want to be located, down to how they'll configure their furniture.

Virtual tours eliminate scheduling and travel delays; particularly important in hot markets where deals move quickly.

According to a Matterport survey of 2,000 property buyers and sellers in the United States, 80 percent of respondents would switch to an agent offering 3D tours of listed properties.

Negotiate Flexible Leasing Terms

The standard three-to-five-year commercial lease was practically set in stone. But now, tenants uncertain of their post-pandemic futures are requesting more flexible options. Property managers and asset owners should prepare for tenant pushback on certain lease terms.

Since many tenants are only partially occupying their spaces—particularly in office and retail—some may want to negotiate subletting clauses. Others may request early termination clauses, shorter lease durations, or landlord assistance creating flex-spaces.

Leasing laws vary by state, so property managers should familiarize themselves with any local restrictions before negotiating.

Measure Buildings Accurately

In today's competitive leasing market, it's no longer enough to simply fill a vacancy. Property managers need to ensure each space earns maximum revenue to meet performance goals. And if you're looking for maximum leasing revenue, you need to ensure your buildings align with current BOMA or REBNY measurement standards. These standards can be leveraged to create more leasable square footage (LSF) for rent negotiations.

Collecting these measurements manually is laborious and risky. For faster, more accurate measurement, use modern laser measurement tools (offered by measurement services teams) to conduct accurate area calculations.

Prevent Long Vacancies

Successful leasing is most likely when a broker quickly responds to prospects with accurate information.

Commercial tenants are weighing their post-pandemic options now. This means property managers and asset owners need to reevaluate their leasing strategies to ensure they're adequately equipping brokers to get the job done.

New space management technology can transform the way you market and lease spaces. To help your leasing team close more deals, consider RDM RealAccess from Building Engines. Real Access provides stacking diagrams, accurate building measurement, a central leasing document repository, and floorplan editing tools to simplify and speed up your commercial leasing.

Schedule a Demo