

ADDED VALUE VS SIMPLY BEING TRANSACTIONAL

The Austin Commercial Real Estate market is quickly becoming more sophisticated and catching up to other major US markets. Austin continues to grow organically with Austin-based companies while also attracting companies moving their entire workforce and companies that are making Austin their 2nd US headquarters. Austin is home to many established and growing industries such as advanced manufacturing, creative technology, digital media, energy tech, datacenters and life sciences.

With such a diverse professional landscape, supportive local and state-level jurisdictions and a strong economy, the demand for added value through service providers is at an all-time high. As businesses seek out top talent, they are also seeking out the best service providers to partner and work with.



One unique aspect of Austin's commercial real estate market is that it remains very broker-driven while other major markets see more tenant-driven real estate transactions. Brokers find themselves in a unique position of not only finding the right space for their clients but also making recommendations for putting a great team together to execute through design, construction and all other components of the transaction. This makes it extremely important for the project teams to add immediate value once they're engaged in the project and deliver a high level of customer service on the back end of the brokers' hard work. This includes:

- Providing well-packaged proposals
- Assembling a strong team
- Kicking the project off effectively
- Helping to identify and solve for problems quickly
- Delivering on promises throughout the entire process

Service providers literally keep Austin (and other markets) running smoothly and effectively. The next big question is **how to find service providers that GENUINELY ADD VALUE FOR THE CLIENTS' BENEFIT** and **how to stay away from service providers that are simply transactional and only chasing deals for their financial benefit.**

As Austin continues to see more mature companies and more complex projects take place, the door is wide open for service providers to bolster their capabilities and provide higher levels of service to their clients.

Below, we've explained how clients can leverage relationships and experience to get the most out of their project teams.

A "TRANSACTIONAL" EXPERIENCE

Buying groceries or pulling cash out of an ATM are both transactional experiences. We expect a certain sequence of events and a specific end-result with minimal problem solving required and little-to-no human touch. We also don't expect any added value, which is completely fine in this example.

AN "ADDED VALUE" EXPERIENCE

Going to the car wash is a perfect opportunity for an added value experience. Picture this: you pull up to the car wash on Friday morning, the greeter opens your door with a friendly "hello", you're offered coffee while you wait and when you get in your car, it's perfectly clean, it smells nice, the wheels are shining and the entire process only took 20-30 minutes. We all know what a BAD car wash is like and we definitely know what a GOOD car wash is like. The difference is the human touch and care that someone took time to give you.



Some examples of ways each member of your project team can add value to your experience:



Brokers have a unique ability to help navigate your entire real estate experience and in a perfect world, you'll work with the same broker for the entire life of your company through multiple spaces. This person is always cordial, always available, provides a wide range of options that meet your needs, treats you with the utmost respect and leaves you feeling great about your real estate deal.



Architects, Designers and Engineers are typically your next touch point and play a pivotal role in the aesthetic of your space as well as the budget and timeline to move-in. It's extremely important that you team with a firm that aligns with your goals, company culture and communication style. The best firms know how to work to your budget, stick to their design timelines and work to YOUR agenda as the client.



A great **Construction Manager** is one of the best investments you can make in your project. They will:

- Set your project budget and schedule up correctly from the beginning
- Do the heavy lifting for you so you can still do your day job
- Give you opportunities to provide input during key milestones
- Put a great team together that is best suited for your project
- Instill a culture of accountability and teamwork throughout the project
- Ensure the last 10% of the project is wrapped up efficiently and effectively
- Manage cash flow, review all invoices and hold everyone to their contractual obligations



General Contractors and Subcontractors make or break your project from a budget, schedule and quality perspective. It's imperative that you have the right team on your project. We advise our clients to do their research and get several proposals (we'll have a future "GC Bid Strategy" White Paper). If you plan to have the landlord "turkey" your deal, don't be afraid to ask questions and make sure you have some control over the details that go into your project.



Furniture is a critical component to your business operations and should never be an after-thought. Furniture systems have long lead times so it's important to start sourcing furniture proposals early. If you aren't quite sure what your furniture needs are, your architect/designer can help you with requirements and the furniture bidding/procurement process. Depending on the maturity of your business, it's best to think about your furniture needs through the next 7-10 years of your business' growth and development.



Data Cabling, A/V and Security should be bid out and brought on board early. Even if you don't know your specific requirements, you can bid this out with unit rates and set fees then work with your selected vendor to identify your correct product or solution. They'll help you with design, specs, lead times, installation methods and an overall budget. Many of these firms work best in a transparent, design-build capacity. Pick one you trust.



Movers and temporary office space are important and useful tools if leveraged properly by the project team. If you're in a sublease with a hard end date, look for a temp office space like Regus or any of the great coworking spaces around town. If you give yourself time to plan, it can be a pain-free experience.