

Evolving real estate businesses aid clients

By Jenni Glenn
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Local commercial real estate companies are evolving into one-stop shops, able to handle any challenge a client brings them.

Customers ask brokers to help develop land, manage shopping centers, sell businesses and provide in-



Bertels

put on a growing company's future space requirements. Real estate firms are adding services or bolstering existing ones to meet these needs.

CB Richard Ellis/Sturges announced it had acquired the property management arm of Steininger Development last month – a deal that added 484,000 square feet to CBRE Sturges' property management portfolio. A few weeks earlier, BND Commercial announced it had acquired accountant Joseph Bertels' business brokerage firm, West Financial Services LLC. Business brokerages specialize in selling functioning businesses to new owners.

The deals came five months after Martin Goldstine Knapke added residential real estate sales and expanded property development services. Financial terms of the deals were not disclosed.

Many local commercial real estate firms already have or are in the process of adding services, said David Nugent, a partner in BND Commercial. He said companies want to position themselves as full-service firms able to meet clients' needs.

Bill Martin, president and chief executive of Martin Goldstine Knapke, said many property owners have multiple needs. After a company buys a shopping center, it needs someone to manage it.

When Martin started his own firm

in 2004, he had no property management department and had to refer those requests to competitors. He acquired an ownership stake in an established firm, Goldstine Knapke Co., two years ago and built a full-service company from that foundation.

Martin Goldstine Knapke handles commercial and residential sales, property management, appraisals, land development and financing. Having many business lines allows the company to fall back on other sectors when one falters, Martin said.

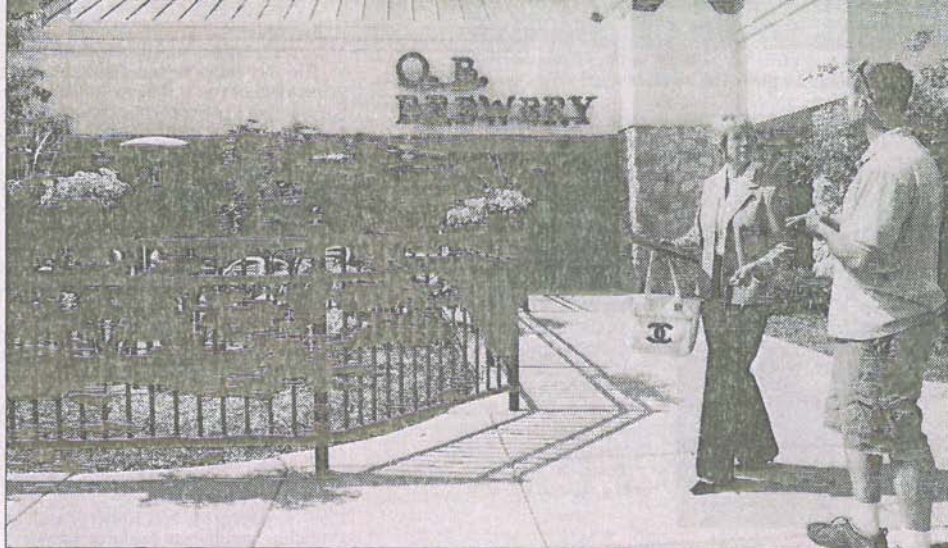
"I've seen what it takes to withstand the test of time," he said.

CB Richard Ellis/Sturges already provided property management, brokerage, consulting and other services before its deal with Steinger Development, firm President Barry Sturges said. CBRE Sturges saw an opportunity to add a quality operation to the 3.5 million to 4 million square feet of space it already manages, he said. Steinger Development will continue to develop properties.

Successful commercial real estate firms adapt to meet their clients' needs, Sturges said. CBRE Sturges puts a lot of effort into staff training to ensure clients are satisfied, he said.

Other firms in the market consolidated to fuel growth. Parke Group President Diana Parent said her company acquired competing commercial real estate firm Liberty Realty Inc. last year to increase the size of its business. Both firms provided a full range of services on a small scale.

Companies can no longer afford to provide limited services, Parent said. National real estate deals are being done online. Firms need to provide many services to compete with



Janelle Sou Roberts/The Journal Gazette

Pat Hart, property manager for CB Richard Ellis/Sturges, talks with Mark Nolot of Visionscapes at Northbrook Village. Local businesses like CB Richard Ellis/Sturges are adding services to meet clients' needs.

out-of-town companies, she said.

"You have to be able to service the client in different ways," Parent said.

Nugent said new players in the local commercial real estate field are fueling the move toward full-service brokerages and even adding non-traditional services. Three-year-old BND Commercial brought in Bertels to specialize in selling operating businesses. Like other commercial real estate firms, BND Commercial had handled some business sales. But the firm wanted Bertels to oversee

more complex transactions it had turned away before, Nugent said.

Martin Goldstine Knapke's decision to venture into home sales also showed ingenuity, Nugent said.

"The people that are out there leading some of these companies aren't necessarily going to think in the box," he said.

But Sturges said established full-service firms have operated successfully in this market for decades. CBRE Sturges has helped clients manage their real estate portfolios,

develop residential and commercial real estate projects and represented tenants and landlords for more than 30 years.

The company affiliated with national firm CBRE in 1998. Quality customer service keeps the firm competitive in a changing market, he said.

"You need to provide clients the best service possible because if you don't, your competition will," Sturges said.

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