



What's the Broker's Role in the Design-Build Process?

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Every industrial real estate user has its own quirks and needs – so while big-box speculative development can meet many market needs, there are others that are simply too unique. At that point, design-build or build-to-suit (BTS) projects may be the only viable options. But how do firms know what's right for their project? That's when having a strong advisor makes all the difference. An experienced and knowledgeable broker, many of whom are SIORs, can guide end-users through the entire process and evaluate all options to select the best course of action. By partnering with an advisor who has been through the design-build and/or BTS process many times before, the user can benefit from both successes and failures of years and clients-past.

Nailing the requirement

Assumptions are a terrible thing; an experienced advisor gets involved with the user early in the process, and separates the “wants” from the “needs.” Once established, experienced industrial brokers who know what's available in the marketplace can almost immediately tell if something will

not be easily found in an existing building. For example, specialized manufacturing processes or logistics firms may require a very specific number of loading docks and unique transportation access that simply aren't available or achievable in existing buildings. Additionally, sophisticated brokers know the right questions to ask, can do due diligence and help their clients keep on a clear timeline.

As brokers, we are the realists. We help determine if a client's desires don't align with their estimated costs and timeline, and we can make sure a design-build or build-to-suit process is achievable from Day One. We like to outline the process from start to finish to keep clients' expectations in check. If that process will eventually include a new building with customized specifications, we can manage expectations and provide insights on potential developer or design-build contractor partner.

The right site for the right requirement

In the Chicago market, build-to-suit sites are typically developer-controlled, so once the need for a custom facility is identified, an RFP process typically decides where a design-build or build-to-suit project is located. Since experienced brokers work with so many industrial properties on a regular basis, we can provide real-time insights and best practices from what other clients are doing. Honing a specific and strong RFP can result in less surprises down the line for clients, and a more reliable set of timeframes and costs.

One key decision point is the choice between build-to-suit for lease; build-to-suit for sale; or design-build. Any of these three options can result in the same facility, but the financial structure for the user – short and long-term – can vary greatly. An experienced broker can help an end-user to assess the pro's and con's of the options available, including which sites offer the opportunities for different financial structures. Prior to choosing a site, the issue of labor force and economic incentives also comes to center-stage, a part of the process where an experienced negotiator can save clients significant costs and add long-term value to the business.

Better broker, smoother process

The moral of the story: not just any broker can navigate the murky waters of siting and building a custom facility. It takes an experienced broker with current market knowledge to effectively run a design-build or build-to-suit process from start to finish. It pays to work with brokers who have been around the block more than a few times and understand how to digest and utilize all the data efficiently. Brokers with the SIOR (Society of Industrial and Office Realtors) designation have proven experience on these projects and many times present the best option to advise end users during this complex process.

Editor's note: Dan Benassi's colleague at Entre Commercial Realty, Mike Gazzola, also contributed insights to this article.

Robins Returns to Arthur J. Rogers & Co. as Vice President

Arthur J. Rogers & Co. is pleased to announce Jane Robins is returning to the firm as Vice President. Robins was previously with the firm from 2001 through 2012.

“I am excited to return to Arthur J.



Jane Robins

Rogers & Co.,” said Robins. “The organization has had an unmatched vision for the industrial market since its inception, with a strong commitment toward the client's needs and goals.”

Robins was most recently a senior director with Transwestern. She specializes in corporate real estate solutions and manufacturing with emphasis in the metals industry nationwide. Throughout her career, Robins has represented Fortune 500 companies with transactions across the Chicagoland, national and global markets.

“It is a pleasure to welcome Jane back to the firm,” said William G. Schmitz, RPA, CEO & President of Arthur J. Rogers & Co. “She has consistently been one of the area's top industrial brokers and brings the type of experience and professionalism to the team that our clients have grown to expect from our organization.”

Robins is a member and past president of the Association of Industrial Real Estate Brokers (AIRE) and a commissioner for the Palatine Planning Commission.

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