

NJPA REAL ESTATE JOURNAL

Friday, October 27th, 2006 COVERING THE STATES OF NEW JERSEY, PENNSYLVANIA AND DELAWARE

Eastern Pennsylvania

By Chris Brasler, Brasler Properties

Added value for tenants transitioning into existing facilities

Increasingly, Landlords of 2nd and 3rd generation industrial space leasing to new users are finding it helpful to offer their tenant prospects expertise to assist in the transition. Services include the coordination of HR/temp labor, data/telecom, security, office layout/furniture, racking, production flow, utility set up, etc. Build to suit developers and companies contemplating new space usually come better prepared, having hired transition consultants.

In the past, existing facility landlords hired a general contractor to manage the construction delivery or provided an allowance to the tenant, forcing the tenant to manage their own fit-out. Brasler Properties works closely with GC's, however, allowing any GC without equity at risk to manage the tenant's needs on the ownership's behalf is not always prudent. Our experience over the past year with over 750,000 s/f of leases to six new tenants in our 3.5 million s/f Central Pennsylvania portfolio is that no matter how sophisticated or creditworthy the tenant is, they are not in the business of transitioning their operations. These tenants waste significant time and money using internal day to day op-



Chris Brasler

erations supervisors as transition project supervisors. These local managers and

two factors; 1. Being able to acquire existing former manufacturing facilities with GOOD BONES, column spacing, and clear heights that allow for modern storage configurations, loading and product flow at below market rates. 2. In 2006, we brought Gary McMillan onto the team; formerly a national facilities set up specialist for RRD Logistics, CTC and APX to work with new tenants as an added service free of charge. If we had not addressed this increasingly competitive, added value service together with our tenants, we would not have been

"In the past, existing facility landlords hired a general contractor to manage the construction delivery or provided an allowance to the tenant, forcing the tenant to manage their own fit-out. Brasler Properties works closely with GC's, however, allowing any GC without equity at risk to manage the tenant's needs on the ownership's behalf is not always prudent."

in some cases even national set up specialists, often the first point of contact, are not intimately familiar with the existing facility or location, the telecom contractors, specialty subs, utility details, and in some cases even the knowledge of the new lease.

Brasler Properties recent success is attributable to

able to successfully hit key fit out delivery dates, obtain difficult CO's, or satisfy new tenant's expectations of the move in transition process. We expect to see more owners of existing facilities hiring transition experts which will help 2nd and 3rd generation space compete with new building solutions. ■