



R. Craig Coppola



Dan Adamski



Jill Rasmussen



Neil Merin



Andrew Cheney



Bill Adams



Gregg Kafka



Cathy Jones

## CCIMS' BIGGEST DEALS OF

# 2018

Top deal-makers of the year share their trade secrets.

by Larry Guthrie

**H**istory repeated itself with another banner year for CCIM designees. While the office sector dominated deal flow yet again, multifamily, retail, industrial, and land sectors also saw strong investment. But what about the people behind these deals? *CIRE* spoke with the CCIM designees recognized with the biggest deals from our 2018 issues to discover their secrets to big deal success and what they see in their crystal balls for 2019.

***CIRE:* What recommendations do you have for CCIMs looking to identify, develop, and close big deals in their markets?**



**Dan Adamski, CCIM:** In addition to the obvious answer of earning a CCIM designation to highlight your commercial real estate proficiency, develop an expertise and become known for it. Looking to the medical industry, general practitioners make \$150,000 a year because they are familiar with many acuties, whereas brain surgeons make \$1 million a year because they have intimate, deep knowledge of one subject, and people in need will seek that out.



**Jill Rasmussen, CCIM:** Cultivating long-term relationships is critical to developing and closing large trans-

actions versus a one-off deal. Building that trust and providing enduring value for your clients is your gateway to future opportunities and referrals.



**Cathy Jones, CCIM:** CCIMs already have a good foundation of education and experience to effectively handle big deals in their markets. They need to implement the prospecting tools, develop the right teams around them, and present themselves and their work products in a very professional manner. The main goal is to develop long-term relationships and build on those.



**Andrew Cheney, CCIM:** To identify the big deals, CCIMs need to have a vision that the average broker doesn't. It's about being able to see deals before they happen, and finding a connection or some other way into the deal before it gets traction.



**Bill Adams, CCIM:** Most of my big deals have been relationship driven, and those relationships started with small transactions. Representing your client well in a successful small transaction will lead to more deals and larger deals.



**Neil Merin, CCIM:** Curate a deep knowledge of your market and product type with the goal of being the most

knowledgeable person on trends and value. Then actively offer advice and insights on your market. The CCIM designation brings great credibility to this effort — make use of it.

### **CIRE: What is the greatest challenge in closing big transactions?**

 **Adamski:** The adage “time kills deals” still rings true! The greatest challenges to closing after a transaction is underway are unforeseen issues that arise and must be solved. Creativity in solving problems is a must when it comes to closing big transactions. Another must is effective communication skills. Given that large transactions typically have a lengthy timeline, if you are an ineffective communicator, your durability may be outlasted by the deal.

 **Rasmussen:** I believe the biggest challenge is maintaining control over all aspects and parties in the transaction — keeping all balls in the air and paying close attention to the details.

 **Jones:** It’s important to be thorough in your review of all aspects of the property and assist your client with creative problem-solving if the need arises — which it usually does. You also must be diligent in qualifying the buyer, regardless of which side you represent.

 **Cheney:** The greatest challenge in closing big transactions is patience. They never happen as smoothly as you think, so keeping a level head and navigating pitfalls separate a good broker from a top broker.

 **Adams:** A big transaction has so many moving parts. My job is to control the flow of the deal, anticipate problems, and work with others in the transaction to find the right solution to any issue that invariably surfaces.

 **Merin:** Perseverance and creativity are needed to overcome the many hiccups that occur between the initial offer and closing. Too many brokers on big deals leave it to others to finalize and close a deal. You must be involved at

every step, every conversation, and every negotiation to see a large transaction to a successful conclusion.

### **CIRE: What current market forces are creating big deal opportunities?**

 **Adamski:** The oft-discussed urbanization trend, driven by millennials as the largest percentage of our workforce, is resulting in many companies deciding to relocate from suburban “deserts” with limited amenities to the more urban areas with greater access to deeper labor pools, public transportation, walkability, 24/7 lifestyle experience, etc.

 **Rasmussen:** Interest rates are still at historic lows, but trending up, so investors are taking advantage.

 **Jones:** Since I’m located in a secondary market, many investors are looking for returns they are unable to achieve in major markets. Another driver is that more and more investors consider commercial real estate an important component of their overall investment portfolios.

 **Cheney:** With new developments continuing to provide large blocks of available space, the Phoenix market remains an attractive opportunity for big deals. The business-friendly environment here also drives tenant activity, providing additional opportunities.

 **Adams:** The strength of the economy, with continued job and population growth coupled with low interest rates, is driving the big deals in commercial real estate.

 **Merin:** We are in an extended recovery, one of the longest in U.S. history. At this point, many owners who bought properties during the early part of recovery — five or six years ago — are ready to realize a profit by selling their real estate. Look for owners who have recently renewed large blocks of tenants and may have completed renovations. They’ve created value, and you can show them how to realize that gain.

## 2018’s Biggest Deals

**\$147 million office lease**  
Dan Adamski, CCIM, with two partners  
JLL, Pittsburgh

**\$89.4 million medical office portfolio sale**  
Jill Rasmussen, CCIM, with two partners  
Davis Real Estate, Minneapolis

**\$66.5 million office sale**  
Andrew Cheney, CCIM; R. Craig Coppola, CCIM; and Gregg Kafka, CCIM  
Lee & Associates, Scottsdale, Ariz.

**\$62.3 million office sale**  
Neil Merin, CCIM  
NAI | Merin Hunter Codman, West Palm Beach, Fla.

**\$40 million specialty property sale**  
Bill Adams, CCIM  
Adams Commercial Real Estate, Atlanta

**\$33.2 million office sale**  
Cathy Jones, CCIM, with four partners  
Sun Commercial Real Estate, Las Vegas

### CIRE: What's the key to being involved in big deals?

 **Adamski:** The key is your reputation, experience, and skills accumulated over many years in the business. A large real estate transaction is something most companies don't undertake often, but when they do, they must know they're in good hands.

 **Rasmussen:** Relationships, experience, trust, and hard work.

 **Jones:** Developing long-term client relationships, performing consistently at the highest levels of integrity and market knowledge, and promoting your presence in the market along the way.

 **Cheney:** Prospecting and maintaining a full pipeline. Transaction volume opens doors and gets you in front of deals you wouldn't hear about otherwise. Our team lives in the market — not just owning property, but also understanding the nuances of it. You can send as many emails as you want, but you won't get in any deals if you're not in the market every day.

 **Adams:** Be prepared, know your market and product type, and don't be intimidated by the number of zeros in the size of a transaction.

 **Merin:** Always circle back to the basics — be the most knowledgeable broker in your market, give advice, get published, stay active in your market, and work your CCIM connections.

bigger deals. I expect these economics to continue a similar path for another 18 to 24 months.

 **Cheney:** Hopefully, a lot for us. Brokers with good resources and strong relationships will continue to be the ones closing big deals.

 **Adams:** Commercial real estate in the U.S. and Canada continues to be an attractive asset class for both domestic and foreign investors. I expect this to continue far into the future, tempered by occasional market corrections.

 **Merin:** There will always be big deals. The more you complete, the more you will have the opportunity to handle.

### CIRE: How has your CCIM training prepared you for closing big deals?

 **Adamski:** CCIM training is a must, as it provides both the fundamental and advanced skills required to operate at the highest levels of our industry.

 **Rasmussen:** Networking within CCIM and the resulting relationships have provided a great foundation for working on larger investment transactions. It's also provided a solid understanding of investment analysis and decision-making, which is invaluable in creating value for clients.

 **Jones:** The CCIM education program provided a solid foundation for the economics of commercial real estate. Networking within my local chapter, as well as nationally, has been a tremendous benefit to building long-term relationships.

 **Cheney:** Training provided confidence, exposure to other CCIMs working on relevant deals, and credibility with clients when they see the CCIM designation by my name.

 **Adams:** The CCIM designation gives me the ability and confidence to successfully tackle transactions of all sizes.

 **Merin:** CCIM classes taught me how to speak the language of returns, yields, and risks with capital providers, and communicate with buyers and sellers the optimal time for a sale or purchase. However, all that learning needs to be put into practice daily. Never stop learning — that is the key to doing bigger deals!

**Larry Guthrie** is director of communications for CCIM Institute.

### CIRE: What does the future hold for closing big deals?

 **Adamski:** Greater and more rapid complexity is certain, so top practitioners must be nimble and comfortable navigating a fast-paced environment, while aggregating multiple specialties and services on behalf of the client.

 **Rasmussen:** There is always opportunity to close large transactions with creative dealmaking and superior client service.

 **Jones:** The growth of the market, coupled with the increased size of the investors buying in the market, will continue to drive

Total Deals Reported in 2018 Deal Makers

# of Deals	Type	Total
67	Office	\$1.1 billion
33	Multifamily	\$383.2 million
28	Retail	\$304.1 million
18	Industrial	\$205.2 million
23	Land	\$193.2 million
9	Specialty	\$138.3 million
14	Hospitality	\$89.4 million
7	Financing	\$76.1 million
6	Mixed-Use	\$38.6 million
205	Total Deals	\$2.6 billion

# COMMERCIAL INVESTMENT

Real Estate

November | December 2018

## MULTIFAMILY MOMENTUM CONTINUES

The robust development pipeline has not dampened investor appetite.



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Tech Heads South

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