



I don't need to hire an expert for my leasing needs!

... you might think so. But those readers who want to learn about the advantages of hiring a pro will find the information they are seeking in the following discussion.

It is beyond a doubt that there are certain regions and price classes in which residential properties virtually lease themselves. For example, the city of Zurich suffers from a very minimal supply of affordable residential properties. For leases in the affordable range, dozens of potential tenants will be vying for the same unit. Yet even in this case, getting a professional involved could really pay off. Homes in the high price segment, or at less central locations, require better marketing expertise, a good network and a lot of experience.

It is not uncommon in this case for important issues to be ignored, or pushed aside - and thus the full potential of the property is not fully utilized. Lease rates are not set at an appropriate level for the market (too high or too low), causing the lessor to approach the wrong set of potential tenants. Even with the development of a brand new residential development, it is prudent to engage a specialist. Thanks to your specialist, for instance, you should be able to avoid building properties that are too expensive or too large at locations that make it difficult to lease them. Moreover, beside the development condition, the property size also has to be harmonized with the location.

Operational aspects of a real estate marketing specialist for (initial) leasing.

Leasing investment properties

1. Property inspection and talking to the owner

As one of the first steps, a professional should ascertain what the owner's needs and expectations are, and should inspect the property. Based on his or her experiences with prior leases, the real estate broker should assess the leaseability of the property and point out any complications. He or she will likewise inspect the property's condition. If necessary, the broker may recommend a renovation to the owner and, if requested, will coordinate and monitor this effort.

2. Preparing a bid proposal / reviewing lease rates

After compiling all the relevant facts, the broker

determines the property's current market value. A broker has an array of tools available to determine lease pricing. Following these initial discussions, the owner should expect the broker to provide: a general summary of current conditions, an estimate of lease rates, and a bid proposal to assume the leasing services on the owner's behalf.

3. Marketing concept

Marketing is not something that is conducted by using a variety of internet platforms. Typically, your broker should work up a marketing concept, review the necessary, possible and useful marketing tools and propose these to the owner. Beside individual efforts (internet project sites; advertising inserts in industry publications; internet

advertisements; lease placards, banners and other signage), professional brokers have their own customer data base that can be used to promote new properties.

4. Producing the leasing brochure

A property-specific leasing brochure is prepared as early as the construction phase of a project. These will typically include visualizations, plans and other available data. Today, the existence of an internet site often means that one can dispense with printing the professional brochure, i.e., the costs can be diverted to the project homepage.

5. Property tours / meetings with potential tenants

The broker or real estate agent will conduct personal and individualized tours of the property with interested potential tenants. The personal contact with the broker – who has intensively studied the property, the location and the environs – provides an interested party with the

opportunity to ask any open questions directly. At the same time, both parties can clarify and discuss any legal issues. The goal of a professional property tour is for the interested party to depart the property with a good feeling, and with all questions answered.

6. Negotiating a lease agreement; transferring the property

The broker prepares a lease agreement for the property that contains and covers all the current relevant standards. Upon transfer of the premises, the leasing process is concluded and the mandate is assigned to property administration. At this point, a specially developed handover report is used. A good lease agreement and a professional handover of the premises are the foundations for an amicable lease relationship, and help prevent unnecessary debates and disputes.

Particularities in the marketing of new buildings

1. Consulting in the development phase / analysis

Expert consulting and advice in the development phase is often underestimated by most investors. Attention is often paid just to technical, esthetic and construction requirements. Typically, too little attention is dedicated to potential tenants, as well as the property location, quality of construction, floor plan design and the number of rooms.

A professional broker with regional expertise knows the customer base, the local market and how to avoid the pitfalls with leasing. Based on experience, he or she can provide crucial insights, already in the development phase, regarding future usage, selected materials and the allocation of residential and secondary spaces. This helps reduce vacancies, prevent price reductions and unnecessary marketing expenditures. In this phase, the following issues are examined:

Location and market quality

- Quality of the lease property's location
- Demographic aspects (income, migration balance, population structure, etc.)
- Current market situation / competitive analysis (e.g., number of vacant units in the surrounding neighborhood; new real estate developments; cooperative flats, etc.)
- Lease price segment for the region
- Demand for specific unit sizes

Property-specific aspects

- Review of the planned property (e.g., unit mix/unit sizes)
- Indicators about current residential needs
- Recommendations for selecting materials
- Determination of necessary additional spaces
- Review of floor plans
- Proposals for adjustments/improvements



2. Special marketing steps prior to move-in/completion

In this phase, the broker has to review various marketing efforts and propose a marketing mix in order to properly position the property in the market. There are a variety of options available in this regard. The following tools are reviewed as part of a marketing campaign:

1. Press advertising
2. POS (point-of-sale) promotion
3. Internet
4. Direct advertising (social media, homepage, blogs, etc.)
5. PR measures

The costs per customer contact are more affordable the better and bigger the network of contacts. Press advertising is among the most expensive options; direct advertising and PR measures are among the most cost-effective measures. For this purpose, the broker must carefully weigh which steps are necessary, review all possible tools with a mix and present these to the client as a marketing mix, together with the budget, for approval.

Should I do the leasing myself, or try professional marketing through Ginesta Immobilien AG?

It's like when you're at the dentist: You can pull the tooth yourself, or you can ask an experienced professional to do the job for you. The following contains an overview of the added value that you can obtain through our leasing services:

We know the market: location analysis / market price estimate

Thanks to our region-wide endeavors, Ginesta Immobilien AG has vast experience with leasing options, lease pricing and knowledge of the locations. In addition, we work with a transaction database from Wüest und Partner. These data are compared and verified with our transactions.

We are the pros in various disciplines: marketing and lease law

The employees at Ginesta Immobilien AG possess extensive experience in leasing and in property administration. Brochures, advertising inserts and lease agreements are optimized continuously; we work with modern tools and use the cutting-edge computer systems. We are part of various international networks; we promote our property listings in various marketplaces and collaborate with partners who can benefit you (e.g., relocation companies). All of our lease properties are advertised in German and English, and have been search engine-optimized (SEO).

Leave nothing to chance: technical systems and structured approach

Ginesta Immobilien AG has a special marketing tool at its disposal that is uniquely geared toward marketing, and is also used for leasing. For new lease properties, we compare the data in our immense database of existing lease customers and match it with the new property. You too can benefit from customer allocations from other lease properties. We can accomplish generating roughly 50 % of our contacts through existing customer contacts. For you, this means fewer marketing costs and a higher contact quota.

We ensure that you do not waste your valuable time: time gain / outsourcing

Ginesta Immobilien AG takes over all project activities, from the market lease rate estimate through to transfer of the property. That way, you spare your valuable time. You don't have to be bothered with the telephone calls and property tours.

Passion & Knowhow since 1944

Ginesta Immobilien AG has acquired a wealth of experience since 1944 in consulting, sales, leasing, administration and management of real estate. The company profits from a large network, a superior reputation and a distinguished service-oriented mentality.

Author: Claude Ginesta



Claude A. Ginesta is a federally licensed real estate fiduciary (registered with the SVIT, the Swiss Federation of Real Estate Fiduciaries) and owner and CEO of Ginesta Real Estate AG. The company was founded in 1944 and specializes in the sale of properties in the Zurich and Grisons markets. With offices in Küsnacht, Horgen and Chur, the company operates as real estate broker throughout Switzerland for properties located across the country.

Publisher of the “Illusions” series

Ginesta Real Estate AG, www.ginesta.ch