



CHAPTER 23

THE HUNDRED-DEGREE DEAL

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There are transaction people who make the deal, get their commission, get out, and never bother contacting that client again until their lease expiration approaches. The most successful brokers I know are nothing like that. Instead they are like Craig, building several important relationships such as the one he shared in the previous chapter. These brokers work with the same people and companies again and again because they've built and maintained trust from those that they have interfaced with. The people who can do this, who can sustain these relationships over years, decades even, are the ones who get business from all kinds of people in all kinds of places. Word travels fast. Business finds them, through renewals with the same clients, referrals to new clients, and in other serendipitous ways.

My second deal in the industry was with a company called Tempo Computers. When I contacted them, they were in the process of being purchased by GTE and needed eight acres of land to build a new industrial

VIDEO



The Hundred-Degree Deal

manufacturing factory. I approached its business leaders with a cold call and was told that they were working with other brokers in the area. I asked if I could bring them a few options as well.

New in the business, with no money coming in, a mortgage, and other bills to pay, I really needed to get this deal. I started doing my research; looking for properties that met their requirements, and found a few sites in the preferred area, including one large property that would be perfect for them should it be able to be divided.

About a week or so later, a representative from GTE came into town to check out their available options. His name was Jack Feeney and while I did not know it at the time, I later discovered that he was a legend in the industry, well-known among his peers. He was head of the GTE real estate department headquartered in Massachusetts, which included five other deal makers all reporting to Jack.

Jack came into town and we drove around to look at my properties. He recognized immediately that I was a rookie. But he was friendly, we talked sports, and he let me show him what I had—which was not exactly what he wanted.

Then I showed him a site that was not eight acres, but rather twenty-four acres, composed of three eight-acre parcels. It was in a good location and it was all owned by one man. Jack liked the property, and he told me he wanted to negotiate with the owner that same day, so later that afternoon we went out to the owner's house to meet with him.

The owner was a friendly guy and smart, a Stanford grad, who lived in a remote growth area of Southern California in one of those houses with a huge porch out front. As we were walking into the house, Jack turned to me and said, "Bill, I'd like to meet with him alone. Can you stay out here on the porch?"

Now, it was the middle of September, and about 100 degrees outside. But it was painfully obvious that I had little value to offer in this meeting, embarrassing, but true. So, with no choice other than to swallow my pride and wait, I sat out on the porch for the duration of the meeting, sweating in my suit and tie, while they negotiated the deal.

After about forty-five sweltering minutes, Jack finally came out with a big smile on his face. He had made the deal! GTE bought eight acres and optioned the remaining sixteen acres at a fixed price for the next six years.

But that meeting, and subsequent transaction, was only the beginning of the story. A few years later, while setting up cold-call meetings on the East Coast, and after frequent telephone calls advising Jack of the increasing value of the optioned land, I contacted Jack again and asked to visit him at the GTE headquarters. He brought me into their office, north of Boston, and introduced me to the other real estate managers on his team. All five of them!

These were active ‘players’ in the world of industrial real estate, people who transacted business all over the country, and most went on to become extremely influential in the industry. In that one meeting, I initiated five new relationships with people who, years later when they became directors for other companies, would call me to help them with their real estate requirements. At least one deal a year within that group of people happened for the next thirty years.

One of the biggest deals that came out of that meeting was with Frank Harvey. He later left GTE to become the director of real estate at Stanley Works. Stanley Works had a national contract with another brokerage firm, but because we had an existing relationship, Frank and I continued to do deals together over many years.

One day Frank called me up offering me the chance to do a big transaction. Stanley Works had to sell a property fast—by the quarter’s end, which was less than ninety days away. Frank had another broker putting together an offer, but wanted to know what I could sell the property for within that time period.

So I did my research, put together my offer, and presented it to him. In the meeting, he said to me, “You know Bill, this other broker says that she can sell it for more.”

Knowing that Frank’s top concern was that this deal close at the end of the quarter, I didn’t blink and replied, “I’m sure she does say that. But Frank, the market isn’t that good right now, and I don’t see a tenant for this vacant building on the short horizon. I’m the client in this deal. I’m putting this offer together for myself in a partnership with other investors.

We are in a market where it is not uncommon for a buyer to renegotiate a purchase price during the contingency period. I can close within two days of receipt of the preliminary title report. You won't have to worry about a buyer you don't know renegotiating the deal. I can promise you I won't be changing my offer. You'll have a sure deal with me.

"But what I need from you is a short-term lease and a purchase money note for a year allowing me enough time to finance the deal."

And he agreed to do it!

So since I had been willing to swallow my pride and sit on a porch in the heat for forty-five minutes to help land a different deal many years back, I was able to build relationships with a group of real estate directors that led to a bevy of transactions for thirty years as well as the opportunity to purchase a property for myself.

There is no mistaking that deals like this happen because of the relationships you build over a long period of time. If you have a little humility, if you pursue these relationships with people, and recognize the value you have to offer and the value that they have to offer, you never know where your investment in others might lead you.