



'Real' helpful broker does everything

By John Cotter, Toronto Business Journal

Real Facilities may not be the first commercial real estate broker to set up online, but it may be the most ambitious.

The Toronto-based start-up plans to combine a traditional real estate brokerage with a full-service project management company capable of handling every aspect of corporate relocations from planning through design, construction, furnishing and executing the move itself.

It is a market that hasn't been exploited yet, Real Facilities founder and president Stan Krawitz says. There are brokerages, there are project management companies, and there are brokers with project management partners.

But "there is no project management company in Canada that has a brokerage license, and none that unifies all the other disciplines.

To do that, Real Facilities built a Web site that lets clients enter their location requirements and vital statistics (staff, managers, work station requirements), then get back both space planning suggestions and suitable locations currently available. Once the move is started, the client can control it and track its progress from any computer.

Making that possible meant writing elaborate proprietary software and building new databases to track all the commercial real estate space in the city. The firm raised \$1.3 million from investors in December and beta-tested the software with clients in the first half of 2001. Prospective clients who try the site will find three points main differences from the services they get elsewhere, said Krawitz.

"We unify the brokerage with the project management, so they have only one point of contact through the entire process. Real Facilities will recommend suppliers or work with the client's choice. "We're providing the client with all the information, not creating a barrier between the client and database. Most brokers don't allow their clients total access to the database, but we don't believe that market information is the real reason people hire a broker.

In today's information environment, knowing there are 10,000 square feet available on a given floor of the Scotia Plaza is no longer valuable market information, he maintains.

"But knowing whether that space works for your client is valuable. So is knowing how your client interacts with suppliers, employees, co-workers and their own clients when you are

searching for the right space.

Third, Real Facilities "never represents the landlord, so we have no conflict of interest. We represent the client. The company makes money from brokerage commissions and project management fees.

The client pays both, although the landlord cuts the cheque. "When fees are amortized into the rent, we always tell the client they are paying that fee. Our service is not free.