

The Business Case for CIEs

The number of Commercial Information Exchanges (CIEs) in the commercial real estate market space has grown exponentially over the past few years. A number of factors created a “perfect storm” for the success of a fundamental shift in the way commercial real estate information is collected, managed and published. The resulting number of organizations that have been created to oversee the process and provide data to their organization’s members is quite astounding.

Consider that it was just ten years ago that the primary model for a commercial real estate broker to obtain information about commercial properties and market activity was to either: (1) rely on the firm’s in-house research; (2) make direct contact with other real estate brokers in their marketplace; or (3) make direct contact with owners, managers and developers to collect information and market data. Large commercial real estate firms committed a significant amount of their budgets to research departments with staff that regularly surveyed the market to inquire about property availabilities, sales, leases, and other activities. Brokers in smaller firms often spent more time on data gathering than they did on sales, marketing and interaction with their customers and clients. The perception to a certain extent was that a real estate broker created value for themselves and their clients by their knowledge of inventory rather than analysis of value, negotiating complex deal points and arranging financing.

The availability of market data through publication on the internet changed the dynamic of the commercial real estate business. Brokers now provide value by determining their client’s needs, analyzing opportunities, negotiating deals, and following the process through to completion. In addition to the large national real estate firms with research departments, the early providers of market data tended to be companies who gathered information from the brokers and other sources, aggregated the data, and sold it back to the brokers for a fee. It’s just during the past few years that organizations of commercial real estate brokers are working collectively to provide market data to their members.

In addition to the value created for individual brokers and brokerage houses when an Association creates, maintains and manages a commercial real estate property exchange, there have been significant positive consequences realized by markets in general where CIEs have been introduced. The data becomes the glue that holds the industry together. Brokers are attracted to the information source they deem reliable. Once the data is considered beneficial to a broker’s business, the CIE becomes an essential tool in that market. A residual side effect has been to provide a communication link between brokers that is used to share all sorts of industry-related information in addition to data about properties.

Associations that develop and introduce CIEs in their market have reported an increase in new members, an increase in member retention and an increase in member satisfaction with the services they receive from the Association. The CIE also provides additional income through subscription fees, advertising opportunities and other related services. The significance of a communication tool an industry uses and relies on for their business cannot be underestimated.

What is a CIE?

In 2002, the National Association of REALTORS® defined a CIE as “a property service in which members voluntarily post information about commercial properties for sale or lease, and do so without any offer of cooperation or compensation.” Since that time, the state of the CIE has evolved considerably to include not just the voluntary posting of property information, but the collection and updating of property data, tools to manage and analyze data, features such as mapping, demographics, high resolution photos, and e-mail marketing. In addition, property archives can be created that enable brokers to perform historical analyses for marketplaces, asset classes, and sub-markets. Brokers use CIE data to analyze pricing trends, vacancy rates, and other important analytics that add value to information they provide to their clients. In other words, the CIE has evolved from a “bulletin board” for posting data on available commercial properties to a feature rich toolbox that enables brokers to provide enhanced marketing and deal making services for their customers and clients.

The current generation of CIEs has evolved from that basic property bulletin board to include a whole host of products and services that varies by CIE. However, by definition you can find the following types of functionality and information on most CIEs:

Property Listings

- Add and Edit Listings (For Sale, For Lease, Business Opportunities)
- Add photos and flyers
- Save Listings for future reference

Search Listings

- Search listings for sale or for lease
- Search business opportunities
- Search listings by ID number
- Search listings through a Building Directory
- Search Saved Searches
- Customize Downloads
- Search New Listings (by date entered)

Search People

- Search for Members
- Search for Affiliates
- On-line Address Book

Tools:

- Hot Sheets: broadcasts of new listings that meet criteria created by recipients, sent within the first 24 hours of the listing being posted
- Broadcast e-mails: listing agent generated broadcasts of their listings to a group of people who have signed up to receive information (based on property type, geographic area, or other criteria)

Advanced Tools:

- Maps with listings identified
- Searches based on geographic areas
- Searches based on market areas
- Search Reported Sales
- Search Public Records
- Attach demographics, high resolution photos, and recorded deeds
- Search Property History

Advanced Reports

- Prepare Market Analysis and Market Reports
- Generate market statistics, create reports with graphs, tables, charts
- Short Broker Report
- Space Availability
- Space detail
- Full detail—space available
- Building information and space detail
- Detail—building with space
- Listing summary
- One-line listing information

Market Reports

- Full detail report—all buildings
- Building information and space detail all buildings
- Building profile—all buildings
- One line building information
- One line building by market
- One line building property manager list

Statistical Reports

- Availability and vacancy analysis
- Face rent analysis
- Space size analysis
- Changes in rent rates by period
- Available space added to inventory/removed from inventory
- Historical and vacancy analysis
- Added to market
- Removed from market
- Availability and vacancy report

In summary: here's what you can expect to get by participating in a CIE:

- 1) Access to information about properties that are available for sale, or that have available spaces for lease in the CIEs market area, and alternative ways to search for the information;
- 2) A single point of entry for property information that can be distributed to other platforms (such as Commercial Source), and company and agent websites
- 3) Tools to enable listing agents to submit and manage their listing inventory; checks and balances by having staff check listing content against the CIE's rules and regulations; staff support for data entry
- 4) Tools to create marketing and other material for customers and clients
- 5) Access to mapping programs and public records
- 6) E-mail capability for communication between members