

Nation's Business

VOLUME 66 • NUMBER 3

Educating Business Tenants



Kenneth D. Laub loves the wide, open spaces . . . of empty office buildings in and around New York City. He is in the business of filling those spaces, using a self-designed consultant brokerage approach that has resulted in "educated" tenants and more than \$3 billion worth of real estate transactions.

Mr. Laub, who is considered something of a rebel in the real estate broker-

age field because he ordinarily concentrates more on the interests of the tenant than on those of the landlord, explains his methods:

"Say IBM is looking for 150,000 square feet to rent. First we analyze their current space—how much is usable; what the base rent is; the tax, electrical, and service costs and how they have increased; and the total obligation for the term of the lease—so that IBM will know whence they came before they consider where they are going.

"Then we do a similar analysis of other alternative locations, projecting what cost increases might be. We do a title search, and then we reduce all our findings and figures to aggregate costs, which can be expressed in so much per square foot.

"So we end up with a presentation to the corporate executive who has to make the decision. Instead of just negotiating blindly, that executive has sophisticated knowledge and can make a sound business decision. It's a potent paper approach."

The in-depth analysis of rental history by Mr. Laub's legal, financial, and technical experts can show a tenant whether he has been overcharged in the past. It can also show landlords

what specific costs are draining their profits.

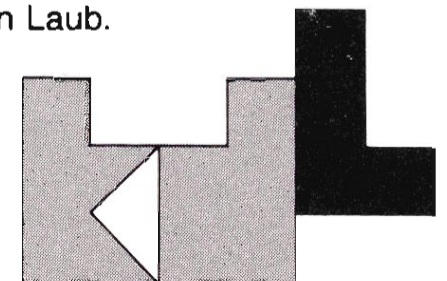
"That is unique," says Mr. Laub. "That is a rebel-type activity. But today a rebel, tomorrow a traditionalist."

What about tomorrow? Aren't many big companies leaving New York City for greener and cheaper pastures?

"Well, they were. Real estate runs in four-year cycles, usually, but we have just had a seven-year downstroke, with a significant corporate exodus from the city.

"Now the international companies are starting to move in, locating offices in New York. New York is still the financial center of this country, and it is becoming one heck of an exciting place again."

It is said that nature abhors a vacuum. So does Ken Laub.



**KENNETH D. LAUB &
COMPANY, INC.**