



April 2010

Lessons Learned in Tough Times

It's hard to believe that nearly three years ago the commercial real estate market began its descent into current conditions. While it appears the economy has stabilized and there are more real estate deals on the horizon, we often hear, "Things may never go back to what they were before" and "This will be the new normal." As an engineer with 27 years' experience in private and public sector land projects, I can't predict the future, but I do know it will always look different than the past. Successful people find ways to learn from the past, adapt to the present, and prepare for a better future.



The past few years have seen their share of horror stories about the stagnant commercial market: store closings, low consumer confidence, lack of demand for space, high vacancy rates, and difficulties with financing. Many colleagues in related fields have been furloughed, lost their jobs, or simply haven't seen much business. Those of us who work in land planning for commercial real estate have suffered as well. Without the engine of new site development or redevelopment, the need for site planning, surveying, and civil engineering also subsides.

Professionals in land planning, especially those of us who focus on private sector work, have learned some valuable lessons during this economic slowdown. While most of the lessons are not new, we sometimes forget how to enhance value when times get busy. As the economy picks up, we will use these ideas to improve our technical skills and client relations:

- Improved communications benefit the project and the development team.
- Focusing on budgets and timelines builds credibility.
- A thorough understanding of the property maximizes yields and results.
- Creative site planning improves land use and financial returns.
- A well thought-out entitlement strategy reduces approval timelines.
- Value engineering cuts costs and reduces construction timelines.
- Coordination between site and building professionals can eliminate conflicts and reveal opportunities for project improvements.

Times of slower activity also require us to become wiser in our business decisions. Some firms will feel forced to give away their services or cut their fees below cost. This may haunt their future success, diminish their perceived value to the client, and impact their ability to remain in a responsible posture, especially if the project period lasts more than a few months or years. Some companies are unable to retain their professional liability coverage and risk not only their future but the success of the project and their client. Thoughtful design, good communication, and a financially sound project and team will always be a timeless recipe for success.



For more information, please contact
Dan Parks, PE
 Director, Commercial Development
dan.parks@westwoodps.com
 952-906-7435

Solutions
 for *your* **Success**

