**The Safety Series, S3E9   
   
Staying Safe in the Commercial Real Estate Space**

[00:00:00] **TRACEY HAWKINS:** We often talk about safety in the real estate profession from the perspective of residential agents, but what about the commercial side?

[00:00:07] **DAWN ASPASS:** We're dealing with a lot of unoccupied buildings. Sometimes we're dealing with not knowing who might be in the building and who's around it.

[00:00:16] **TRACEY HAWKINS:** Commercial practitioners deal with different types of clients, properties, and transactions than residential pros. So, there are precautions commercial agents may want to take when they're in the field.

[00:00:27] **BRIAN WOODS:** We're dealing with LLCs. We're dealing with corporations. We're dealing with larger entities rather than an individual person. We actually have to be able to tell: who is the end buyer?

[00:00:42] **TRACEY HAWKINS:** You're listening to Drive With NAR: The Safety Series—powered by REALTOR® Magazine in partnership with the [REALTOR® Safety Program](https://www.nar.realtor/safety). Hear harrowing stories from real estate pros who have faced danger in the field and expert advice on how to work safely.

Get more real estate safety tips at nar.realtor/safety. I'm Tracey Hawkins and with REALTOR® Safety Month happening right now in September, I want to make sure all NAR members are keeping their safety top of mind; that includes you too, my commercial real estate agents.

I'm joined today by two commercial real estate pros who are going to help illuminate the issue of safety in the commercial space, and they're going to share what agents need to know. Dawn Aspass is a broker with Complete Real Estate in Sioux Falls, South Dakota. She served as the 2022 Chair of NAR's Commercial Leadership Forum. It's great to have you here, Dawn.

[00:01:38] **DAWN ASPASSS:** Thank you so much. It's great to be here. It's an honor.

[00:01:42] **TRACEY HAWKINS:** Brian Woods is a broker-owner of Team Realty and Investment Solutions in West Palm Beach, Florida, which is just one of several brokerages he runs.He is also an NAR-certified instructor of several designation courses, and he owns a commercial and investment finance company and a real estate school. Thank you for joining us, Brian.

[00:02:01] **BRIAN WOODS:** Thank you, Tracey. Excited to be here

[00:02:02] **TRACEY HAWKINS:** I want to ask each of you today, what are some of the immediate comparisons, the differences between residential real estate safety and commercial real estate safety that you've noticed?

Let's start with you, Dawn.

[00:02:14] **DAWN ASPASS:** Well, I would say we need to think about things on a broader scale. We're dealing with the public and we're dealing with buildings and land and open spaces. We're dealing with a lot of unoccupied buildings sometimes, or we're dealing with Not knowing who might be in the building and who might not be or who's around it and surrounding areas.

So there's lots of things for a broker, an agent, to consider when dealing with commercial real estate.

[00:02:43] **TRACEY HAWKINS:** Okay, Brian.

[00:02:43] **BRIAN WOODS:** Yeah. So Dawn talked a little bit about the property itself. But also, you know, when we're dealing with commercial in particular, we're dealing with LLCs, we're dealing with corporations, we're dealing with larger entities and a lot of cases or entities rather than an individual person.

So a lot of times there's nuances of who's behind that corporate shield. We've even seen this come in from a anti-money-laundering side of things, where now through the FinCEN regulations, we actually have to be able to tell: who is the end buyer? So you've got that from a personal law side of things as well.

[00:03:23] **TRACEY HAWKINS:** How is that different than the residential side of things.

[00:03:26] **BRIAN WOODS:** So on the residential, you still have, you know, if it's an LLC or anything like that, you still have, uh, above certain thresholds in the residential world, you have to, uh, still disclose what that is. For commercial, the values tend to be above that threshold to, uh, start off with.

So, you know, since we're dealing with larger values, it almost always comes into play in commercial.

[00:03:50] **TRACEY HAWKINS:** Right. And in the residential world, we talk about pre-meetings. Now, I understand that that's also important when you're working with commercial clients.

Dawn, can you speak to that? So, yeah.

[00:04:01] **DAWN ASPASS:** So, yeah, in commercial we're usually meeting because you got needs that, that are, you know, we talk about everything from street-based parking spots, you know, so we need to sit down with the client, find out what they really need or have at least a good Zoom conversation with them, something to really go out and search because otherwise we're just shooting in the dark.

Location is always important, right? But also there's a lot of other needs that a client has, whether it's docking information and, or retail. I mean, everything has its place, right in, right out, all those kinds of things, on the way home, on the way to. So knowing your client really saves a lot of time. And it also protects us in knowing that they're real.

[00:04:44] **TRACEY HAWKINS:** Brian, I know that you talk a lot about risk management and insurance. Can you tell us what role that plays in the commercial real estate world?

[00:04:53] **BRIAN WOODS:** So, you know, insurance goes hand in hand with property. Not only can something happen in the in the property that causes damage, but, you know, the, the classic slip and fall, all right, that is such a damaging or potentially damaging thing to happen because in commercial people seem to see bigger price tags, right?

We're dealing with larger volume or larger values. And so larger values equates to bigger price tags to say it all. Whoops. That slip and fall. That's not a $5,000 thing. That's a $5,000,000 thing. And so, you know, making sure that the appropriate insurance is in place there, both from a property side and from a, uh, general liability umbrella side is very, very important for safeguarding, making sure that you're going to keep that property.

From an agent perspective, it's important that that's in place because when people go to launch a lawsuit, they'll launch a lawsuit against everybody that they possibly can. The agent, the broker, the property manager, the owner, and anything else that they can think of as well. So, very, very important to have that.

[00:06:04] **TRACEY HAWKINS:** Right, and both of you talked about the fact that commercial properties are bigger. And not only are they physically bigger, but they're also bigger and higher liability issues.

Dawn, talk to us a little bit about that. Knowing where your exits are, security cameras, and even extra hallways.

[00:06:21] **DAWN ASPASS:** Right. So when you enter a building, you might be in a common-use building. And so there may be extra hallways that, you know, could be dangerous for you to be alone in. You, you need to make sure that you know how to easily exit. I always say, it's just like in residential, I'm never letting the client between me and the door. I'm always closest to the door.

The other thing is you also need to make sure that there's no one hiding. You know, we talk about Spotters are residential. There are a lot of, um, individuals who may not have a place to live or are moving out and sometimes, commercial is a real easy place to find a corner under a stairwell.

[00:07:204] **TRACEY HAWKINS:** What about exit?

[00:07:06] **DAWN ASPASS:** Usually you can get a floor plan of a building prior to entering it from another brokerage and whoever's got it listed. If you have it listed, you should always have something dialed out and what the floor plans look like so you can see where everything's at.

Another good way to do it is tour the building before you take anybody there. So while it's going on, take another agent with you and go and tour that building. That also helps you scope out where the good things are to point out to the client.

[00:07:29] **TRACEY HAWKINS:** And Brian, what are your thoughts about security cameras?

[00:07:33] **BRIAN WOODS:** Security cameras are a reactionary thing. To some extent, it's a deterrent as well, just knowing that they're there.

But you know, the real onus is on us as agents and brokers to pay attention. Dawn talked about the physical building being inside. Outside, you need to pay attention to, you know, where you're parking. Is it well-lit? Uh, the landscaping, are there areas for people to be able to lurk around and, you know, potentially hide in the landscaping?

Those types of things are, uh, are very important. And the cameras aren't necessarily in the right position to begin with anyway. They may be there, but they may not be where they're capturing the right information.

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[00:08:17] **TRACEY HAWKINS:** As agents may know, NAR has dedicated September to Realtor Safety Month, and a big proponent of safety in real estate is FOREWARN. They developed an app that provides instant identity verification and risk assessment of prospects with as little as an incoming phone number, enabling safer engagements and smarter interactions. There are now hundreds of thousands of agents using FOREWARN, including over 490 associations and MLSes that provide FOREWARN to their members.

Welcome Josh. Josh is the vice president of sales at FOREWARN. Let's start with a quick overview of FOREWARN.

[00:08:54] **JOSH TILLESON:** Thanks, Tracey. I'm happy to be here to share some information about FOREWARN.

FOREWARN was created with industries like real estate in mind, where the profession is dependent on personal interactions with consumers in private settings, like a personal residence. Often, in-person engagements occur with zero or minimal verified knowledge of the other party. This is where FOREWARN comes in.

We created an app where professionals, such as real estate agents, can verify a prospect's identity prior to face-to-face meetings to better understand the potential risk, and then take steps to help protect their safety.

[00:09:29] **TRACEY HAWKINS:** Are there any specific instances that have been shared where FOREWARN was considered a lifesaver?

[00:09:34] **JOSH TILLESON:** Yes, we hear stories from agents all the time. A notable one was an agent in Illinois who had a call at the end of the workday from a man that wanted to view a vacant property as soon as possible. Before rushing out, her co-worker suggested that she FOREWARN the prospect. She proceeded to enter the caller's number in the FOREWARN app and found several criminal charges associated with him, including sexual assault, robbery, and other violent offenses. With this knowledge, the agent was able to take steps to better protect her safety. FOREWARN gives agents the ability to make informed decisions. It helps them verify that the person they're speaking with is indeed who they say they are. And it allows them to view criminal records with their safety in mind.

[00:10:16] **TRACEY HAWKINS:** Tell us how agents can sign up for FOREWARN.

[00:10:18] **JOSH TILLESON:** You can go to our website, forewarn.com to sign up or request more information. You can also ask your association or MLS if they already offer FOREWARN as a member benefit.

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[00:10:30] **TRACEY HAWKINS:** Let's talk a little bit about land transactions. Now I know you both work with land transactions and we are seeing a lot of scams.

[00:10:38] **BRIAN WOODS:** Well, yeah, I think one big one, uh, and, and we also see this in the residential side of things too, is like Craigslist using the service providers like that, that are just, you know, widely open for fraud and scam to be happening there. In my area, uh, most of the stuff is all electronic done. So, you know, things can just flow through, but there's also services in place to notify you so that, hey, something has happened here, and you might want to pay attention to this. Because of all the fraud and things like that, that can happen, we've implemented other, uh, security measures around that. And the last thing, probably tying this right back into the insurance side, it's a very, very important that everybody involved have cyber insurance. I mean, all it takes is one little thing.

[00:11:30] **TRACEY HAWKINS:** I'm glad you brought that up. So when we're talking about land scams in the commercial world, the Craigslist type scams, is it similar to residential or the criminals hijacking a listing or are they just saying, “Hey, there's land, no one's paying attention to it. Let me pretend that it's mine.”

Describe how it typically looks in the commercial world, Dawn.

[00:11:50] **DAWN ASPASS:** Yes, it's a lot like that. In fact, I just had a client that they lost $5,000 because someone made them believe that this was going to be gone from them, and it was all a scam online. They believed they were going to get a great deal on some land and they put this 5,000 and wired it over and to this person and now they aren't getting their money back.

I would say that if you're going to say safety-wise, it's make sure your buyers know not to go out there and look for it in those places, because that's not where they're going to find what they're looking for.

[00:12:24] **TRACEY HAWKINS:** This is how agents can lead with safety. If you're working with the buyers, you can explain that there are a lot of scams and frauds that are out there, and that you would prefer that they talk to you first, and that is something that you will cover in your buyer consultation. So that gets them to the table.

And what about sellers? Brian, how do you advise sellers, if they own land, that this is a possibility that if they're not paying attention, that their land could be involved in a land scam?

[00:12:50] **BRIAN WOODS:** Well, one, obviously they have to pay attention, but two, let me give you a tool that you can actually use that is totally free.

All right. If you have a Google account, which I think most people have at least one Google account, you can use Google alerts. And if you just go out to Google alerts, you let Google do all the hard work. And this is a good idea for commercial. This is good idea for residential, anything. When you take a listing, you put that address in there so that anytime that address pops up anywhere out on the internet, you're going to get alerted to it.

[00:13:27] **TRACEY HAWKINS:** You've read my mind. And that is something that I talked to residential agents about putting all of your listings into a tool like Google alerts. And whenever anything is published online, anywhere, you're going to get an email, and it's going to have a link to where it's published. So, when you go on that listing appointment, you're saying, “Here is one of the services that I offer to help keep you safe.” And then here's an opportunity for business development, all of that land around that no one's talking about. Reach out to them. I had the CEO of an association in Montana say, “Just send, you know, postcards to the owners of these properties.”

Okay, so now I want to ask each of you, what are some of the challenges of those working in commercial sectors? What are they struggling with right now? Um, are there more vacant properties? Is there a risk to practitioners who work with vacant properties? And if so, what should they be aware of?

What's the heads up, Dawn?

[00:14:23] **DAWN ASPASS:** Well, I would say that you just need to be paying attention to what's going on in your area.

Get out and meet and greet others so you know what's happening in that the area of commercial real estate. But always, always make sure that you have someone who knows where you are at all times. Not just a, a, “Hey,” but a, “Here's where I'm going, when I’m expected back, who I'm meeting with,” you know, real detailed information so that if you're not returning or responding or they get a weird text reading, they know that there's something going on.

And then the other thing is to make sure your clients understand your boundaries. It's what days of the week you work, how you work, and that you're not available to just jump and go when it's super dark or unprepared.

[00:15:11] **TRACEY HAWKINS:** You said, “Make sure your location is known at all times.” And I know you discussed that, um, sometimes there's not cell signals in some of these commercial buildings, so that's even more reason. And Brian mentioned Google. Google is your friend. With Google you can share your calendar location so that someone knows where you are. With Google maps, you can share your actual location in real time so you can give someone access to see where you are. And if you're familiar with Google, you know, you can also get a satellite view. So for those who are looking at properties that they're not familiar with, you can take a big-picture look, and then if you don't respond, whoever your emergency contact is, can take a look at the street view and see exactly where you are. So many great tools that are available again for free.

Now let's talk a little bit about environmental issues.

I know that you talk about that, Brian.You talk about mold and other issues that commercial agents have to deal with. Can you talk a little bit about what they need to look out for?

[00:16:12] **BRIAN WOODS:** Yeah. So with most commercial properties, you're going to need to do an environmental site assessment and that's to protect the buyer, you know, their rights going forward.

Now that's talking more on the outside than on the inside. It's still important to get an inspection done so that you can determine if there's a mold issues or radon issues or things like that as well. Sometimes they limit the amount of coverage. You can buy expanded coverage, that type of thing. But it's so, so, so important to make sure that you are bringing in the right professionals, because all of these environmental issues, anything that could possibly be an environmental issue, is not under the scope of our real estate licensure.

So we've got to have the right professionals come in to provide the right information to people. But making sure that our customers and our clients are aware of these potential challenges, that's our role, right? And then, you know, it's up to them as to whether they move forward with that.

[00:17:17] **TRACEY HAWKINS:** And that sounds to me like another one of those conversations where real estate agents can show their value with safety.

[00:17:25] **BRIAN WOODS:** Absolutely.

[00:17:25] **TRACEY HAWKINS:** You know, “Here's, here's what I'm looking out for you. Here's what you need to know.” So I, I love the thought of leading with safety. That, that's my theme.

Now, if there is a commercial property that may be abandoned, I imagine that has to be an issue too. Can either of you talk about that concern, what commercial agents need to watch out for when they're entering a property that may have been abandoned for a while?

[00:17:48] **DAWN ASPASS:** Well, I would say don't go in, unless you know what's in there. You know, always wear the proper gear. You know, your, your shoes need to be closed. We like for sandals look cute, but that doesn't belong in an abandoned building. I just think, uh, also getting the owner, if they can, are available to go with you or to make sure they've had someone go through it.

But yeah, you have to be careful. Birds are one thing, but raccoons out here can be, you know, mighty proud of themselves and go after you, especially if they have babies that are nesting there. So there's not a lot of wild, crazy animals in my area. Yeah. But, uh, a startled animal will come after you.

[00:18:24] **TRACEY HAWKINS:** Brian, do you recommend like a perimeter check? Or do you look for notes in the commercial MLS? Do they have a field where it can say, “Be careful, there's no lighting, no electricity, low Wi-Fi access,” or how do you handle approaching a commercial property.

[00:18:40] **BRIAN WOODS:** So a lot of it comes down to talking with, you know, whoever that listing agent is before you even get there. Yeah. Doing a perimeter search is a, is fantastic.

Uh, you mentioned some other tools like Google Earth and, uh, things like that to be able to see, uh, things like a holistic view of that as well. But yeah, having that conversation with the listing agent, if you're on the buyer side, uh, is so, so important to making sure that you understand kind of the nuances because in theory that listing agent has been there, understands exactly what's going on.

Uh, you know, I just happened to have, uh, one of these, uh, myself, not that long ago we were doing in South Carolina and it's a 55,000 square foot warehouse that is vacant, right? And so, you know, some of these things are paying attention as Dawn was saying, as you're going in. I had another agent that was with me and I'm that classic, uh, what you're talking about, right?

I'm a guy, but here we're both going in going, “Gee, there could be any number of things that are going on here.” At least there was two of us to be able to kind of watch out for each other's back on that as well. And then, you know, if you look at some of the apps and things like that, that are available, uh, both on the front side, like a FOREWARN that allows you to look up who you're dealing with and all of that.

And then, you know, there's a number of different alert apps that are out there in case something's happening there, uh, as well. So it's not just call 911 or call whoever it is that you're sharing your location with, you know, there's those types of apps that can help out as well.

[00:20:22] **TRACEY HAWKINS:** Okay, so we're going to wrap up and what I want each of you to do is to give your commercial real estate agents a call to action. What is the safety, security or cybersecurity tip that your commercial agents can start doing immediately?

Brian?

[00:20:39] **BRIAN WOODS:** Okay, pay attention and make sure that you have the proper insurances in place. Uh, because it's not only just about your safety, it's about everybody's safety.

And part of your safety is also your financial safety, uh, as well.

So, you gotta make sure not only pay attention, but have those, uh, insurances in place. Talk to a qualified insurance person that can help navigate exactly what those risks are, and then you can make intelligent decisions about them.

[00:21:07] **TRACEY HAWKINS:** Perfect. And you said qualified or professional. Love that.

Um, Dawn, what's your, your call to action?

[00:21:13] **DAWN ASPASS:** I had years ago when I started, a mentor broker who said that nothing in real estate is an emergency unless you haven't thought about the details first. And make sure that you've gone down your list and that you're careful. And then the closing takes place just as it should. So don't get in a hurry.

[00:21:32] **TRACEY HAWKINS:** Excellent points. So commercial real estate agents, there you have it. You've heard from two of the country's professional commercial real estate agents giving you actionable advice and tips to go forward. Now, everyone stay safe.

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