

BusinessWatch

Rob Zache's Best Real Estate Advice

An excerpt from his contribution to The Donald's book



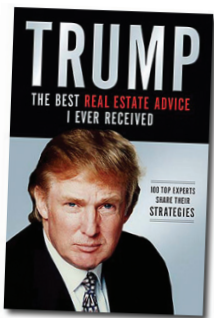
Rob Zache
Central Place Real Estate

Rob Zache, president of Madison's Central Place Real Estate, was one of 100 top American experts who contributed to Donald Trump's latest book, *Trump: The Best Real Estate Advice I Ever Received*. The book was released in November.

"It is really an honor to be included in this book. I look forward to being associated with someone with the stature and achievement of Mr. Trump," Zache said. In fact, Zache first thought the opportunity was too good to be true.

"I originally thought the request was bogus until I received a second call from the publishers asking that I submit a chapter for the book," Zache said. It only took moments for him to determine the topic of his submission: "Five Rules for Success of Your Business."

Following is a synopsis of the chapter Zache wrote for the book.



From *Trump: The Best Real Estate Advice I Ever Received*

Residential

When it comes to buying a home, any home, my advice is "buy the neighborhood, not the house." This is reverse from how most home buyers think.

Many buyers don't understand the impact the neighborhood has on homes. Most want to live in a house like the one they grew up in, but they may find a house they like except that it is in a bad neighborhood. These people may never get their money/equity out of the house when they sell it. I've seen people who buy a place they "love" only to regret it when they try to sell it. These people bought the house emotionally rather than understanding that location impacts value. The neighborhood is an important thing to consider in a home purchase. I suggest buying a home as much for resale value as emotional attachment.

My advice is to find the neighborhood you like best and then select your favorite home in that neighborhood. It may not be that perfect home but it will be the best combination of factors you need

to get the best price when you sell. Neighborhood factors drive prices, including what side of town you are on (white vs. blue collar); what surrounds the neighborhood (industrial zones vs. parks); the routes you must use to drive to and from the neighborhood (highways vs. tree-lined boulevards); and the neighborhood itself (new vs. old, large vs. small, etc.).

Finally, pick the best neighborhood you can afford but select a house in the lower or middle end of the price range in that neighborhood. The value of the lower- and middle-priced properties rises faster than the upper-priced properties. You will rarely get your money out if you pick the most expensive home in the area, as it will always seem overpriced versus the other houses around it.

Commercial

I feel that if you model the following general principles, any business will have a better chance of succeeding. Years ago the franchise industries developed a generic system of running a business, and most follow that program and succeed. That's why you see a lot of successful chain or franchise businesses today. If you get the 5 rules right, you will succeed as well as you can possibly succeed. The first three make up the real estate part of the process.

The 5 rules to developing a successful business are:

- **Market**

Locate in the correct market (city) and submarket (neighborhood) for your product. Don't try to open a hotel or restaurant where

there are no population or traffic generators, or where the demographics or income won't support your concept. Analyze demographics, flyspeck competition and demand, and match the market to your product.

- **Site**

Pick the best site for your business in that market to be around your customers. Within reason, pay whatever you have to in order to get the best piece of real estate for your business. One of the biggest mistakes I've seen is for people to underpay for real estate, thinking they can make up for a secondary location. That decision will likely cause a marginal business or failure. Pay for the best location you can afford.

- **Facility**

Find or build the best facility to maximize your business operations. The space should make the business within it work seamlessly, efficiently, effectively. If the facility is not maximized for operations, then the business will never reach its potential; a poorly designed facility will always be a road-block in the way of success.

- **Product**

Know and provide your customers with the best product for them. Get your product right from the start. Know what your customer wants, what your product is, and make it part of your mission statement to provide the best product in the market that will satisfy your customer **every time**. Is it service, sales, a thing, or a combination? Know your customer and what products they want.

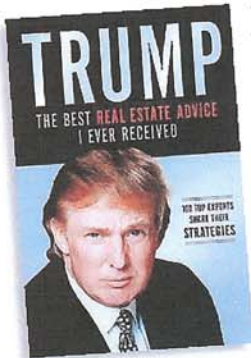
- **Management**

Manage your business better than your competition. Once you open your doors, management takes over. Without good management, all the time, effort and money to get to that point can be wasted. Analyze your competition so you are as good or better on everything from customers to staffing to marketing, revenue generation, expense control, finance and accounting, etc. This is the true art of a long-term business and must be detailed and flyspecked daily, constantly. Continual improvement of management is necessary today to survive. Watch the pennies and the dollars will follow. ■

Market Trends

Trump Seeks CCIM Advice

When the Donald goes looking for real estate advice, it makes sense that he would turn to a CCIM. However Rob A. Zache, CCIM, president of Central Place Real Estate in Madison, Wis., expressed surprise at being tapped to write a chapter in Donald Trump's latest book, *Trump: The Best Real Estate Advice I Ever Received*.



"Originally I thought the request was bogus until I received a second call from the publisher," Zache says. His chapter, "Five Rules for Success of Your Business," covers both residential and commercial real estate. "Make sure you are doing business in the right market," he says, advising readers to match the market, site, and facility with the product. How did Trump find Zache, who specializes in brokerage and development for retail, hospitality, and restaurant clients, as well as developing his

own projects? "I have no idea," Zache says, "but it's an honor to be included and associated with someone of the stature and achievement of Mr. Trump."

Multifamily's Top 5

By number of units owned as of 9/30/06

RANK	COMPANY	UNITS OWNED	PORTFOLIO VALUE
1	Apartment Investment & Management Co.	225,000	\$13 billion
2	Equity Residential	193,692	\$15 billion
3	Boston Capital Corp.	147,000	\$11.3 billion
4	GE Real Estate	103,886	\$1.3 billion
5	Archstone-Smith	71,830	NA

Source: Commercial Property News

Japan Moves On

Michael Pralle, CEO of GE's \$48 billion real estate unit, named Japan as his No.1 global market for this year. Commercial land prices rose for the first time in 16 years in Tokyo, Osaka, and Nagoya, Japan's top three markets. Tokyo's class A office vacancy rates dropped to 1 percent, down from 4 percent to 6 percent a year ago. Overall prices for commercial real estate have recovered 30 percent to 50 percent since 2002-03.

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Entry deadline is April 2, 2007.