

A WORD WITH...

Bill Beck of Tenant Realty Advisors



'Tenants are getting more sophisticated.'

Bill Beck started the Boise real estate firm Tenant Realty Advisors 15 years ago after working for several other firms, including Colliers International.

Tenant Realty Advisors represents tenants and not landlords. Beck was the only member of the firm until about a year and a half ago, when he was joined by Greg Gaddis from Thornton Oliver Keller and Karen Warner from Colliers.

Beck grew up the second-oldest of 11 children on a family farm in Michigan, went to college at Michigan State, and then spent time in the Marine Corps as a commissioned officer, platoon commander and company commander.

After working for 15 years in real estate in Orange County, Calif., Beck moved to Boise in 1991 with his family in search of a better community for raising children. He joined White Leisure Clark, the company that developed the Grove Hotel soon after Beck arrived and, later, much of the retail around the Boise Towne Square Mall.

Idaho Business Review spent some time with Beck learning about Treasure Valley real estate. The interview has been edited for length and clarity.

Your company name says that you focus on the tenant side of the business. What does that mean?

In any transaction there are two parties, a buyer and a seller, a lesser and lessee, and their interests do not coincide. The landlord wants to get the highest rent; the tenant wants the most attractive economics.

If the landlord does this professionally, he or she knows

what the market is for competing spaces. They know what the terms should be for tenant improvement allowances. Whereas the tenant does this infrequently, maybe every five to 10 years. They can come into the situation without a lot of information.

The concept of representing tenants has been around for 60 or 70 years.

Why did you choose to be on the tenant side?

I was trained by a guy in Orange County who had that focus and I always liked it. I did end up doing some work on the landlord side,

in the downtown, we've got some really cool companies creating a lot of demand for parking, to the point where they're outstripping supply.

New submarkets have really taken off, like in that Eagle and Overland area, which started in 2003. I did a recap of new construction with Alliance Title about two years ago, and they did a study and quantified the number of square feet, and it's 1.5 to 2 million square feet of office space. That's a lot. Prior to that, it was a cornfield.

Other submarkets are the Eagle and the Emerald corridor, the

are parking studies out that say we have a shortage of parking.

Tenants are starting to be a little more conscious of sustainability and energy-efficiency and clean air, but it's sort of industry-specific; it's not everybody. The coastal cities and areas tend to be much more conscious of that than we are. It trickles over by industry and not everybody has picked it up yet. But companies that have a lot of millennials in them, they want to know about clean interior air.

What's coming up for local real estate?

The consensus seems to be that there's a lot of quiet growth going on within companies here. Look at how Scentsy has grown, and Bodybuilding, Cradlepoint, Clearwater, Albertsons.

We don't know what the affect of the Simplot world headquarters is going to be; they're probably going to put into the downtown 600 or 900 new jobs. There are unknown spinoffs, like vendors and other people who want to be close to Simplot.

The Eighth and Main building was doing leases that were probably 25 percent, 30 percent higher than other buildings in the neighborhood. People were saying, "We'll pay for quality." I was surprised to hear that, because they built it and delivered it in 2013, when we were still limping out of the downturn. They launched a very high-profile, expensive building and people wanted to move in.

The conventional wisdom in the downtown is that office buildings are built every five to 10 years. The Banner Bank was built 2005, 2006; Eighth and Main was 2013-ish, and I think the first tenants moved in in 2014. The next one will come along in three years.

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when I was with CB Richard Ellis in Orange County, but I always tended to gravitate back toward the tenant side. It was cleaner; I knew whose side of the discussion I was on.

I knew where my fiduciary duty lay. As a broker trying to represent both parties, I always felt somebody was getting maybe not as well advised if you will.

How do you speak on behalf of one party one day, and the other party the next day?

How have things changed in the last 15 years?

Tenants are getting more sophisticated. They understand what we do better than they used to.

One of the big bywords is efficiency, getting more people in less space. That's creating crunches on parking. Particularly

Parkcenter area by Albertsons, and Eagle/Overland both north and south of the Interstate. Also downtown, the Boise Research Center, and up on Chinden on same side of Chinden as Hewlett-Packard.

What are prospective tenants looking for these days?

They want the flexibility of a shorter-term lease. This varies by each company, and depends on their stability. Some people want a five-year lease; it's unusual for anybody to go past a five.

Building amenities are becoming increasingly important. They want bicycle storage downtown. A lot of people will ask if the building has a shower. They want proximity to restaurants and, increasingly in the downtown, parking. Parking is the head-shaker. There