

Not Just Another Agent

Knight Frank's future operations in Australia are looking optimistic under the direction of John Preece—Head of Office Agency.

Images by Scott Ehler

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- John Preece

Knight Frank is the world's leading independent commercial and residential real estate consultancy, and has 24 offices and more than 1,000 staff across Australia. Head of Office Agency, John Preece, has been in the role since February after joining Knight Frank in 2011 to start up the Global Corporate Services and Project Management & Building Consultancy divisions. In parallel, he was also the managing director of the company's Sydney North Shore operations from mid 2013.

John has a wealth of knowledge and experience in the real estate sector that spans more than 20 years. He sat down with *The CEO Magazine* to discuss what strategies he is starting to roll out to propel Knight Frank forward, and how he is opening his ears to client feedback and is proactively making changes.

The CEO Magazine: How are you listening to client feedback and using it to drive new strategies?

John: When you step into a new role, the first thing you do is go and speak to the clients and find out what they are saying about the industry as a whole, and specifically about your business—in my case, Knight Frank's office leasing team. It sounds obvious, but my focus is delivering on what our clients are telling me they want, and that is higher levels of sophistication and better qualified professionals, rather than ‘just another agent’. All of the strategies I am implementing are wholly centred on this client feedback.

The office agent can be a very sophisticated professional who drives the value of the entire property industry; however, the office agent can also be the bluntest tool in the industry if all they do is pull a tenant and a

landlord together. What clients are telling me is that they won't tolerate the kind of service offered by the blunter agents anymore; they expect a lot more. They don't want an office agent; they want a property professional. Delivering this is what will drive the Knight Frank agency business forward in the years ahead.

In what ways will Knight Frank work to create a new wave of property professionals rather than ‘just another agent’?

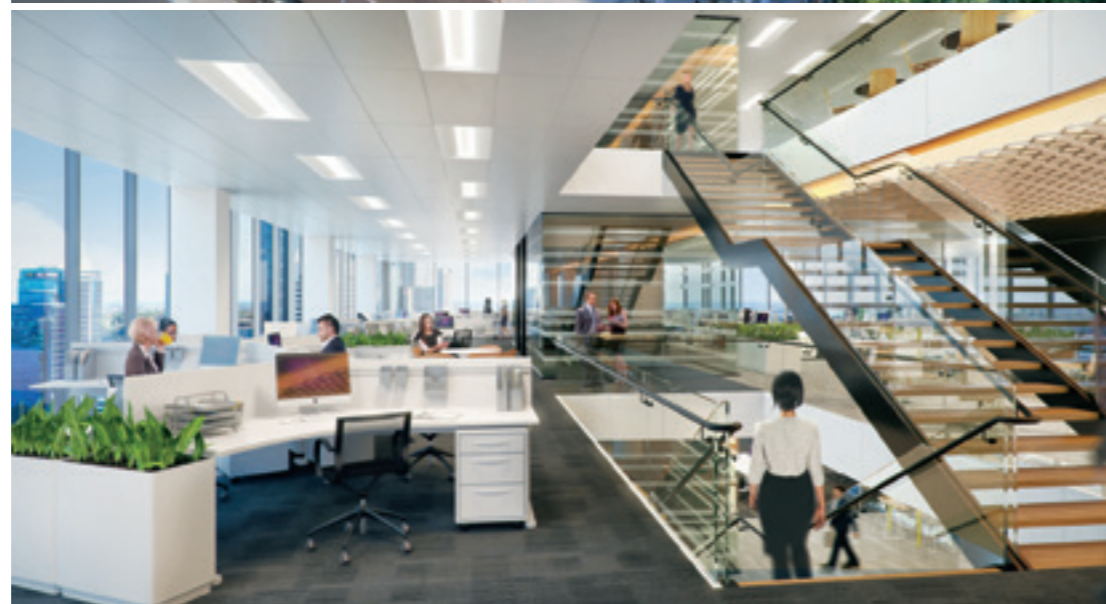
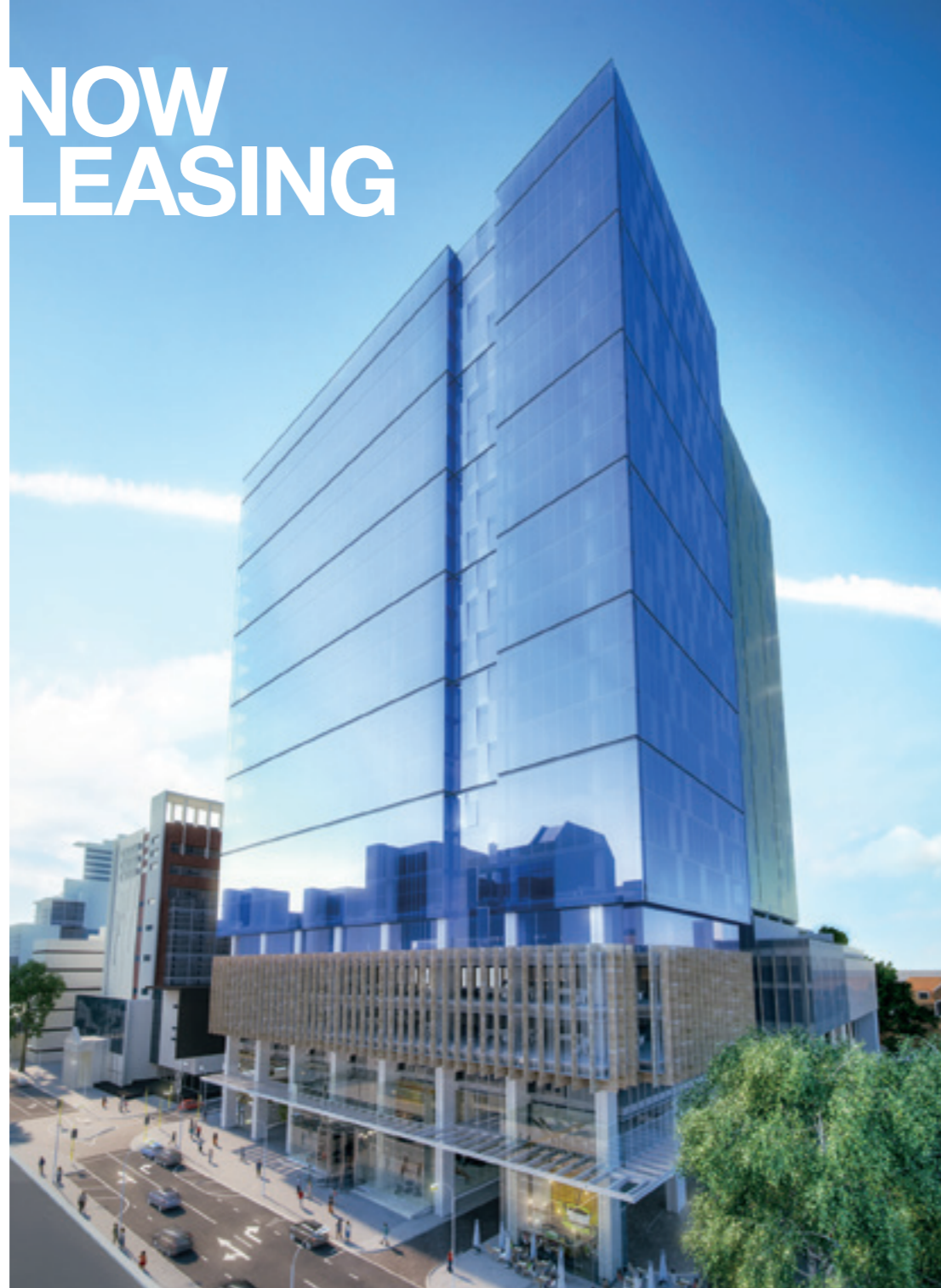
We are implementing a rigorous training regime to upskill all of our agents in order to create a team of property professionals. That is paramount for me. We already have a good, structured training regime for all of our people across the business; however, a lot of that is generic and sits across multiple service lines. What I need to do is add another layer to that which is specific to office leasing, and arms >



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As well as the training regime, we are leveraging off other areas of our business both to upskill our people and to deliver a holistic service to our clients in an integrated manner. That is critical. We must act consistently on a national basis, as well as thinking laterally about what other skills we need to bring into our team to really deliver a smart outcome for the client.

Specifically, we must make better use of the excellent tenant knowledge base held in our Global Corporate Services team to provide our leasing agents with the information and the tools they need to offer a more sophisticated service.

What gives Knight Frank its point of difference in a highly competitive market?

What I believe will give us a point of difference is providing a higher level of professionalism, trust, and integrity than our competitors. That's how I want to drive our leasing business here in Australia.

This is aligned with the feedback that I am getting loud and clear from all of our institutional clients. They are saying to me, "John, if you can bring us property professionals instead of 'just another agent', the work will follow." So that's our focus. I'm sure other businesses out there will say that too, but the difference here is that we will put in a strategy and a training regime to upskill all of our people and actually deliver on it. If we upskill, then we will be well positioned to provide the more sophisticated service required to prosper and to outperform the wider industry.

From a marketing perspective, one thing that we're implementing is a campaign branded 'Top Floor'. Top Floor is centred on a magazine publication containing high-quality editorial content focused on occupiers of commercial office premises, and in which property-



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owners can advertise their properties. The campaign will run across multiple media platforms, from traditional print, through press advertising, EDMs, online marketing, and social media. Through Top Floor, we will have wider reach into the occupier corporations, and thereby be better placed to assist those companies when they have premises requirements. With greater occupier reach, we can serve our property-owners better. At the end of the day, occupiers need premises and landlords need tenants. Backed by a professional service offering, we can become the glue that binds them together.

How does Knight Frank partner with key suppliers to help it succeed?

The leasing industry, perhaps more so than any other, relies on information. We can't hold all of the information out there in the market. It would be lovely to think that we could, but the reality is that we can't. So we rely heavily on sharing of information with our key suppliers.

Also, in a transactional sense, we are leveraging the skills of a multitude of third parties. There will always be a lawyer involved with a transaction, and often our landlords and tenants will ask us to help them through that. There's depreciation advice that needs to be given, so property taxation consultants need to be involved. With a leasing transaction, more

often than not there's a need for some fit-out work to be undertaken, so there are designers, services engineers, building certifiers, and building contractors involved to deliver that. We therefore rely on the strength of the relationships we have with those parties to conclude transactions and deliver an end-to-end product.

Where is the property industry heading, and what role will Knight Frank play in that?

The property industry has changed significantly from what it was 20 to 30 years ago. In Australia, we have some of the most advanced REIT [real estate investment trust] products in the world, and our clients are often highly skilled financiers operating in funds management roles, rather than straight-up property people. This creates a demand for a very different service, yet in many ways the service providers haven't caught up.

The historically adversarial relationship between the landlord and the tenant is also changing. There is still suspicion in many landlord-tenant negotiations—there's no doubt about it—but a lot of institutional clients have made a significant shift in their approach and are now calling their tenants their 'clients'. These are the businesses that pay them rent to reside in their buildings, and therefore they're the very businesses that create value for the landlords and their portfolios. So the smarter landlords are treating their tenants in a very different way than they did a few years ago.

Knight Frank's role is to align with the requirements of our clients and to partner with them in every sense of the word. Recognising that the wider industry is lagging behind from a skills perspective, we will invest in training and education to create true property professionals who can genuinely provide the more sophisticated service required by our clients. Through this, Knight Frank will become 'the place for the best property professionals'. •