

Space, opportunity collide for successful Cushman & Wakefield/NorthMarq industrial team

Cushman & Wakefield/NorthMarq's fab five is a long-running success story as an industrial space broker group.

By KRISTEN LEIGH PAINTER
Star Tribune

To most, a warehouse with an empty parking lot is a depressing image.

To Brent Masica, it screams opportunity.

When he noticed last year that a once-full lot of a warehouse in Golden Valley only had two cars, Masica recognized it as a telltale sign of a landlord in need of a tenant or sale. The broker pulled in and found the building's owner, who told Masica he was planning to give the property back to the bank after his tenant shuttered its business. Instead, Masica persuaded the owner to let him list it for sale.

Masica is part of a five-person broker team at Cushman & Wakefield/NorthMarq that specializes in industrial space, the workhorse of real estate.

Last year, when a record was set for industrial transactions in the Twin Cities, Masica and his teammates — Jon Yanta, Jason Meyer, Kris Smeltzer and Hudson Brothen — raked in more new leases than any other broker or broker team in the region.

They signed 118 tenants to fill 2.8 million square feet of space in 2015, catapulting them into the Top 10 industrial teams in the nation.

"They are the best team in the market," said Scott Moe, vice president of leasing and development at CSM Corp., a Minneapolis-based real estate developer and manager. "They're really good at connecting the dots, putting the pieces together."

Large broker teams are uncommon because they can get unwieldy, said Yanta, the proverbial Godfather of the crew,



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At Cushman & Wakefield/NorthMarq, Kris Smeltzer, left, Jason Meyer, Jon Yanta, Hudson Brothen and Brent Masica make up the industrial real estate team that is a long-running success.

which is why this team has been so selective when adding new members.

"Herb Brooks didn't always have the best guys on the Olympic team, but as a unit they were very productive," said Yanta, referring to the former Golden Gophers and Olympic hockey coach.

Yanta started the team by partnering with Meyer 24 years ago. They added Smeltzer 15 years ago, Masica 10 years ago and Brothen five years ago.

"When someone has a very good slider, a spin, you make sure you get them on your team," Yanta said. But, he adds, it's about more than their raw talent.

"If you hire someone who is a self-centered, narcissistic person, who may be highly productive but is going to be destructive as a teammate, the result is not good," Yanta said.

They are close to one another. They pick up the slack when one has a personal conflict, constantly text each other about big and trivial events on the weekends and share the credit for every transaction.

And, now, they are the longest-running and most-successful industrial broker team in the Twin Cities.

When a variety of market drivers converged in 2015 to make it a banner year for industrial real estate, the group was poised to capitalize. The Twin Cities absorbed 3.7 million square feet of industrial space last year, compared to just 1.88 million square feet in 2014, and a record 1.77 million square feet of new construction was either underway or completed in 2015.

A backlog in demand developed during the Great Recession as companies were



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Cushman & Wakefield/NorthMarq executive directors Jason Meyer, from left, Kris Smeltzer, Brent Masica and Jon Yanta, and senior associate Hudson Brothen pose for a portrait at one of their properties in Bloomington.

fearful of taking on additional real estate, despite their needs. The team recalls visiting conference or meeting rooms at warehouses in 2010 and 2011 where they couldn't even walk in the door because the tenant had filled it with boxes of product. It wasn't until 2014 that many business owners felt stable enough to lease or build additional warehouse space.

"I like to work with them because they always have good market intel," Moe said. "I can trust those guys to tell me what's going on at all times. They're always telling me what's good for my company and what's true in the market."

While 2015 was good for their business, all five of the team members agree: last year was the peak of the market.

"We hope there is a little runway left," Smeltzer said.

The economic cycle matters in this job as their company, Cushman & Wakefield/NorthMarq, is a real estate firm made up of independent teams working entirely on commission. "You can't make a business need space," Yanta said.

The team, which represents both owners and tenants, is constantly trying to close deals while "prospecting" new business.

That's how Masica landed the distressed building in Golden Valley at 9200 10th Av. N.

The team has certain habits and protocol that it lives by. One of them is to always try to drive a different route back to the office after a site visit, even if it means going out of their way. Often, a team member will scout a potential new development site or spot symptoms of a property in distress.

After Masica pitched the building owner, he chose to give them a shot rather than a bank auction.

In 30 days, the Cushman & Wakefield/NorthMarq team had two offers, and the building soon sold for \$6.5 million.

"We made him and his partnership a lot of money," Masica said, "but we had to earn that business."