

PROFILES OF SURVIVAL

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WE ARE CERTAINLY living through extraordinary times. The past seven months have been challenging for many businesses. There has not been a pandemic of this size or scope in living memory. The efforts to contain it have crippled our economy. Yet, while some businesses have closed for good, others have looked at opportunities to thrive and come out stronger.

For **Michael Watson**, a commercial real estate broker for the last 17 years, these times have been an opportunity to branch out, and along with a partner, opened their own commercial brokerage, Independence Commercial Advisors, with offices in San Antonio, Austin, and McAllen focusing on multifamily and self-storage investments. Mike is no stranger to recession, financial crisis or few commercial sales, so I spent some time learning why they started a new brokerage during COVID and how they plan to thrive during these times.



Roxana: Why open a new brokerage during COVID?

Mike: I really wanted to do my own thing. As we came into COVID and things were slowing down, it become evident this is a perfect time to take advantage of a slow-down in the market and create our new company as we had more time away from transactions and able to set up.

Roxana: Why commercial brokerage?

Mike: Part of the fun of brokerage is being on the front lines, interacting with clients. I love the challenges, the game and helping the clients. Brokerage to me is a way to help people, when they have a problem and they don't see a solution, you can step in and show them how to transact. It is a strategic analysis and approach in helping investors maximize value and doing it at the right time.



Roxana: What sets your new brokerage apart from the competition?

Mike: What we are doing with this firm is creating opportunity for successful brokers to step away from the national brokerage firms and the pressure of quota systems and competitiveness, and being able to treat people the way they want to be treated while they are successful at servicing clients and have an enjoyment factor to business. Looking to take expertise and track record and apply it in a different way by being on a strategic level with clients, educating them. We know what it takes to get a deal done. We look ahead and anticipate what challenges will pop up and be able to have those conversations with the sellers. We know how to get the buyer and seller to agree.

Roxana: How do position your new company during COVID times?

Mike: The basics of our industry have not changed. To position ourselves to get our message across still requires a lot of outreach, a lot of hard work to generate the opportunities with clients. Technology has brought everyone access to information. We have to position ourselves as the service broker. We have to demonstrate a service business above and beyond what other brokers do.

Roxana: What have you seen in the market in 2020 and what do you anticipate ahead?

Mike: When we first got into 2020, we saw that return expectations were starting to compress, and investors were starting to get more competitive. More capital was coming into multifamily and many syndicators were talking about having to reduce the returns as a result. Then we hit COVID and, initially, everyone stopped because

Editor's Note: This is the first in a new series by Contributing Editor Roxana Tofan that will feature individuals and companies that have courageously and successfully battled the coronavirus pandemic's negative impact on businesses everywhere.

no one knew what to do or what would happen. Investors pulled back for a while and then at some point they realized it may not be as bad as it appeared. There were still many people needing to transact active 1031 exchanges, so they started to look at what transactions made sense in the unknown market. There are many properties that do not make sense such as the deep value add that simply bring too much risk. There are some tough times ahead in owning properties but as we regain confidence, it takes a team of brokers and property managers to transact. There are tons of interest in Texas, interest rates are still at all time low and while COVID is still the unknown, the wild card is the election. As we get past election, investors will adjust, and people will be doing more transactions.

Like Mike said, the basics of our industry have not changed and to separate themselves, their value proposition is that they are much more focused on the service they offer the clients versus having the most listings. As the owner of a commercial brokerage and property management company myself, I can easily see how his new company, Independence Commercial Advisors, will thrive during COVID and going forward. ■