

State taps Troy real estate brokerage for leasing, becomes its biggest client

BY KIRK PINHO
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The state of Michigan is now **Compass Commercial LLC's** largest client.

The small Troy real estate brokerage is one of five that will represent the state in its leasing activities across the southern half of Michigan. Compass plans to add staff as a result of the contract and recently moved to expanded office space.

In October, the real estate division of the **Michigan Department of Technology, Management & Budget** awarded Compass, which only represents tenants, a three-year contract for the southeastern and western regions of Michigan.

Brokerages with contracts are expected to divide an estimated \$750,000 to \$1 million in total commissions a year based on 2012 figures, said Kurt Weiss, a spokesman for the department. Landlords, not the state, pay broker commission. The state pays for other services such as land or building appraisals.

Leasing assignments between Compass and the other companies receiving contracts in those regions will be rotated, Weiss said.

The companies were chosen using a 100-point system established by a three-member state committee, which looked at factors such as experience and staffing levels.

Others receiving contracts are the Grand Rapids, Southfield and Detroit offices of **CBRE Group Inc.**, the Grand Rapids office of New Jersey-based **NAI Global**, **Plante Moran Cresa LLC** of Southfield and Farmington Hills-based **Friedman Integrated Real Estate Solutions LLC**.

The Compass contract, *Drake* which expires Oct. 31, 2016, says the southeastern region comprises Wayne, Oakland, Macomb, Livingston, Washtenaw, Lenawee and Monroe counties. The western region comprises Kalamazoo, Kent, Muskegon, Montcalm, Ottawa, Ionia, Allegan, Barry, Van Buren, Calhoun, Jackson, Berrien, Cass, St. Joseph, Branch and Hillsdale counties.

"I just assumed I was going to win" because of decades of leasing experience, "but I didn't know who I was competing with," said Lynn Drake, president and founder of Compass Commercial. The contract says Compass will get a maximum 5 percent commission for any lease.

Although Compass is a relatively new company, founded in 2010, Drake and Marilyn Nix, senior vice president of corporate services, have more than 50 years of combined experience in real estate. Before working for Compass and as an independent consultant, Nix had high-



level positions in **General Motors Co.'s** worldwide real estate arm as director of strategic planning and director of asset management.

The principals behind Compass have been in the industry for a number of years, "so they have that talent set within," said John Latessa, senior managing director of CBRE's Southfield office.

Compass currently has four employees; Drake said three more will be hired next month. In September, the brokerage moved into 1,300 square feet in the **Liberty Center**, at Big Beaver and Livernois roads.

The state had more than 660 leases in 2004, according to the contract. That's down to less than 500 today. The state has about 200 leasing transactions per year, typically renewals or modifications to reflect change of building ownership, said Bob Burns, director of real estate for the Department of Technology, Management & Budget.

"We feel this will help us win other significant corporate business as we chart our growth as a firm," Drake said.

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