

Patrick Gaughan: To succeed at real estate? You have to do good for your community

By Dan Rafter, Editor

As president of Forest Lake, Minnesota-based Gaughan Companies, Patrick Gaughan knows what it takes to succeed in the competitive world of commercial real estate. Gaughan recently shared some of the reasons for his success. He spoke, too, about the challenges and rewards of a career in this business.

Two generations strong: Gaughan Companies is a second-generation business. My father started the organization. Just being around it as a child, working with my father, that's what led me to commercial real estate. Before you know it, you are working away at the business. You suddenly realize how much you have learned, and how much you've been taking it for granted. You realize that you enjoy what you are doing, and you notice that you are

good at what you do. Since I've been a boy, I've been involved in construction and development. I started building relationships with people in this field from a young age.

The mission: When you look at any field, whether you're talking about medicine, the military or academia. They all have a mission. When it comes to business and commerce, it's important to do what is good for the



The Gaughan family

community. That includes doing good for the tenant or the investor. You need to give good advice to the people you are representing. You can't look at a transaction in the short-term. You have to look at the bigger picture of how a transaction fits into the community or how it helps your client in the long run.

This is true even when it's a small transaction for you. Say you are working with a client who is starting a hair salon. That real estate transaction can be a very big deal for them. At the

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same time, we are working with a big company like Bayer CropScience. That is a different animal altogether. It's fun to be a part of that kind of deal. It means a lot to the city. It brings jobs to the community. So all transactions, big or small, are important. And you have to do what's best for your clients and your community when you work on them.

Why microbreweries are better: I like microbreweries rather than a corporation that only cares about its own interests. So I'll go out of my way to purchase a microbrewery beer. The beer tastes better. I live in a community and I care about it. Small businesses in the hands of many is a better vision in my mind for the world, and for people's lives. And that's why caring about the community when we close real estate transactions matters so much. We can make a positive impact that supports the community and the small businesses in it.

To see what my dad did, and the impact he had, that inspired me to try to do something good, too. We are working on a building right now in this town on city-owned property. Gaughan Construction is building Forest Lake's City Center Commons project. The two buildings in the project will be home to Keller Williams, Thrifty White and Maplewood Oral and Maxillofacial Surgery. We are going the extra mile with this project.

We're using good quarry stone. We are not cutting corners with cheap materials. It is my job to deliver something of quality to the community. Community members are the ones who have to look at it for years to come. So we want to make sure that it is a well-designed project made with good materials. There is a lot of reward to doing that. Some people like to make a lot of money and give to charities when they are older. But sometimes, you can make your work and your contribution to the community seamless. You can give back through the work that you do.

Meeting the challenges: There are always challenges in this business. I feel like people have changed a bit since I started in this business. That is the biggest challenge. Morals and ethics don't seem to be as important to people as they were 20 years ago. I attribute it partly to the media affecting people. People don't interact enough with actual people. They are too busy looking at screens. The workforce out there seems to be very different from when I started. There has been a big cultural change. The cultural changes haven't been an improvement.

Keeping the best people: So much of my success has been because I'm able to keep my clients with me year after year. I do try to spend a lot of time with them, a lot of time trying to understand their needs and goals. Every year, we host a fishing trip for our clients. We all go out and catch some salmon. That's fun. But the key is to help your clients do more business. That is what they are all looking for. Say we have a tenant who needs SBA financing for a business. We will refer that client to

a banker that we know will do a good job. That banker then refers us business. It's about being useful to your clients.

The off-duty hours: I have six children ranging from 23 to 9. My wife and I like to spend time with them. We also travel a lot. We love to travel and we like world history. So we enjoy making memories while we travel to places like France, England and Ireland. I like to do volunteer work while traveling. Each spring I travel to Lourdes, France, where I volunteer to help the sick and the poor. I also sing in a men's choir and I do Gregorian chant. I like downhill skiing, too. Fishing and hunting, reading, they are all important to me.

The Gregorian chant is interesting. Our Catholic parish has introduced Latin Gregorian chant to some of the services. To do it, you have to learn Latin and the eight modes of chant. It's like a hobby that you have to take very seriously. You want to sound good, but there is a big learning curve.



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