

# Considerations for Interviewing a Commercial Real Estate Broker

## What is the Broker's Role and What Expectations Should You Have?

The broker's role is to advocate for your interests, which means your broker should act as a consultant, rather than a commission-driven, fast-talker that's just seeking a quick, easy payout. The broker should drive economic value in the deal by providing market insight, developing a project strategy capable of completing the transaction, offering viable solutions to potential obstacles as they arise, and delivering honest assessments throughout the transaction.

As the client, you should expect your broker to be an advocate and advisor. The broker should listen, understand, and put into place a plan that accomplishes your goals. View the client-broker relationship as a partnership from the start of the deal to the closing and even beyond. Keep in mind, partnerships are two-sided. While you should expect your broker to listen, you also need to clearly communicate with them - and listen to the counsel that the broker provides.

## A Systematic Approach to Choosing a Broker

For the best results, approach the broker vetting process deliberately and systematically. You will be entrusting this individual to represent your interests - a serious proposition. These evaluation and interviewing tips can help you find the right commercial real estate broker for your unique needs.

**Create a File and Interview Multiple Candidates:** As tempting as it may be to take the easy route and just call the first broker who comes up on a local Google search, do a bit of legwork. Develop a file of potential brokers, collecting as much information as you can about each. When you speak to a broker, take notes of your impressions, and glean as much information as you can from current or former clients.

**Listen Carefully During the Interview:** How does the broker come across? Are they personable, professional, and purposeful? Are they giving focused or vague answers to your questions? Are they asking you questions to better understand your needs? Do your concerns and objectives seem important to them or are they focused on promoting themselves.

**Extent of the Broker's Experience:** How long has the broker been working in commercial real estate? More importantly, which aspects do they have experience in and what's the depth of that experience? What's their track record, both at their company and within the community? How do they market property - to whom and why? What are their most recent transactions and what sector do they get excited about when they talk?

**Which Services will be Provided:** Ask for an outline of the services that the broker can provide. Basic services should include market research, site visits, and negotiation of terms outlined in a letter of intent. Specialty services may include analysis, advanced negotiations or lease v. purchase analysis among others. Will the services be delivered in a proposal and trackable?

**Referrals and Recommendations:** The more reputable the broker, the more willing - and able - they'll be to provide you with references from former clients. If they don't offer a list, ask for it.

**Trust Your Instincts:** A broker may look great on paper - or online - but if you don't really like talking with them in person, you probably won't work well with them over the duration of the transaction. Compatibility is important in any relationship, so choose as if you are picking a potential business partner—because you are.

### **An Ongoing Process**

The vetting process doesn't end at the interview. Once you've selected a broker, work with them to develop a set of milestones to evaluate progress. Use periodic reviews and progress reports to track the project. A bit of due diligence during the commercial real estate broker selection process can save you time and effort, and over the long haul, that translates into more money in your pocket. Investing time into the interview process will allow you to choose a broker that you feel comfortable working with, who will aggressively advocate for your interests, who possesses the specialized knowledge that adds value to the transaction, and who will work with you beyond the closing.

*Tim Reamer provides commercial real estate brokerage and consulting services with Cottonwood Commercial and specializes in investment property (multifamily | commercial | NNN), retail/restaurant site selection, and commercial buyer/tenant representation. Learn more at [www.timreamer.com](http://www.timreamer.com).*

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Tim Reamer  
Cottonwood | Commercial  
1958 Evelyn Byrd Avenue  
Harrisonburg, Virginia 22801  
[www.timreamer.com](http://www.timreamer.com)  
(p) 540-271-7525