

“Questions You  
Need To Ask Before  
You Hire A  
Commercial Broker”

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*The One Source For Commercial Real Estate*

# *“You Need To Know The Answers To These Questions Before You Agree To Work With Any Commercial Real Estate Agent”*

Not all commercial real estate agents are the same! If you decide to seek the help of an agent when leasing or buying commercial property, you need some good information before you make any move. Selecting the right agent is a most critical issue, one that can cost or save you thousands of dollars.

There are very specific questions you should be asking to insure that you get the best representation for you needs. Many agents would prefer that you don't even ask these questions because the knowledge you will gain from their honest answers will give you a very good idea of what outcome you can expect from using this agent and, let's face it, in real estate, as in life, not all things are created equal.

Hiring a commercial real estate agent is just like any hiring process, with you on the boss's side of the desk. It is critical that you make the right decision about who will handle what is probably one of the single-largest financial investments you will ever make. Whether you decide to lease or buy commercial property on your own or hire a professional to handle it for you, there are certain key facts that can literally cost or save you thousands of dollars.

## **1) “What is your company's transaction record?”**

It may seem like everywhere you look many commercial real estate agents are boasting about being number one for this or that or quote you the number of properties that they have transacted. If you are like many people, you probably have become immune to much of this information. After all, why should you care about how many properties one transacted over another. The only thing you really care is whether they can lease or buy property for you at the best possible market terms, conditions and price.

Because you want to find your property fast and for the best price, terms and conditions, you should be asking the agents you interview how many properties they have transacted. If one agent is helping clients transact many properties where another is transacting only a handful, ask yourself why this might be. What things are these two agents doing differently?

The number of properties an agent assists with will give you an indication of how serious they are about their real estate career.

Is this a hobby for them or a serious business into which they put all their time and expertise into. You may be surprised to know that most agents transact fewer than 15 properties a year.

This low volume makes it difficult for them to do a full impact representation on your property needs because they can't afford the special programs to give you the best profile and representation. Also, at this low level they probably cant afford to hire an assistant, meaning they are running around trying to do all the parts of their job themselves, undoubtedly shortchanging many of their clients.

## 2.) **Where do you rank within your company?"**

Within a company, every agent will have the same resources and opportunities. How well they thrive on this level playing field will give your further indication of how successful they will be at locating a property at the best possible price, terms and conditions.

## 3) **"Who's on your team?"**

"Do you have a team assistant?, a customer service manager?, a marketing coordinator?" Most agents work all by themselves or pair up with another single agent, making it very difficult for them to provide you with a consistent, superior level of service. The job of real estate has many, many varied parts to it. Just as you wouldn't expect a doctor or a lawyer to answer phones or type letters, your real estate agent shouldn't be spending his or her time on simple but time-consuming tasks that could be delegated.

If this agent does not have assistance to cover the areas mentioned, you should ask yourself how much times does he or she really have to spend to get your needs met in a timely manner.

## 4) **"How well do you know the market?"**

How much time and money does this agent spend working on and presenting you with hot new properties on the market with ALL real estate companies versus the other agents you are interviewing? How does the agent get the information to present you? How old or dated is the information presented to you?

## 5) **"What properties have you leased and sold in my area recently?"**

Agents should bring you a complete listing of both their own and other comparable properties in your area. You need to be fully informed before going out into the market.

## 6) **"Does your broker control the information or do you?"**

If your agent is not in control of information you receive that is fine, but make sure you are getting a look at all possibilities, not just the possibilities that the agent "thinks" you would have an interest in. Don't narrow your choices too much, especially on the newer listings.

## 7) **"On average, when you work with a client, how close to the asking rate is the lease or purchase price?"**

The performance on this measurement will help you predict how high an asking rate vs. the final price you can expect to pay for the property.

## 8) **"How many Landlords do the broker and seller work with?"**

Obviously, the more landlords your agent is working with, the better the chances of leasing your property quickly. It will also impact the price, because an agent with many landlords can set up a "cafeteria style" atmosphere, where many of the landlords want to work with you in getting their property leased or sold. Ask to see a list and ask them to describe the system they have for working with these landlords.

**9) “Why should I work with you?”**

It is a much tougher real estate market than it used to be. What unique plans and programs does this agent have in place to make sure your requirement stands out favorably versus other competing projects? What things does this agent offer you that others don't, helping you lease or buy property with the least amount of hassle and for the best possible terms, conditions and price.

**10) “Do you have a reference list of clients I could contact?”**

Ask to see this list and proceed to spot-check some of the names.

**11) “Do you specialize in Tenant/Buyer Representation?”**

Make sure you ask to see if the agent does specialize in the representation of your kind of property. It does you no good to have an agent that is having Open Houses on Sunday and trying to buy a condo on Tuesday, showing houses on Wednesday, etc., all the while trying to help you lease or buy commercial property. This lack of knowledge and commitment to your requirement will cost you time and money in the search of your property.

**Finally . .**

**A good experienced realtor will help you to negotiate the best possible “win-win” deal through his or her knowledge of the market. (Wouldn't you like to know what the last few deals in a certain area were negotiated at?)**

**A good realtor knows that information.  
Take advantage of it, put them on your team!**

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