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FINANCIAL FOCUS



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Your Accounting for a New Economy

# Secrets to Selecting a Commercial Real Estate Broker

There are many variables that affect the success (or failure) of today's commercial real estate investor. Not the least of which is having the right commercial real estate broker to represent you. Whether it's negotiating tenant improvements or securing a favorable sales price on a desirable property, few factors have as great an impact on your bottom line.

Just as the right broker can save you millions of dollars in unnecessary expenses; so too, hiring the wrong broker can cost you.

LGT's Real Estate Group has put together the following 5 steps to help guide you through the process of finding the broker that's right for you.

## 1. Referrals

Like any business, little speaks more to the quality of a candidate's service than the recommendations of friends, colleagues and business associates. Talk to the people you know. Get the word out that you're in the market for a high quality real estate broker. See if they have any suggestions. People they've worked with in the past. Your ideal broker may already be dealing in your circle of influence.

## 2. Research

Before making any investment all successful business people know you need to do your research. The same holds true for your search for a broker. Round out the list of referrals you got from your contacts with additional brokers you find through online search tools such as BuildingSearch.com or CIMLS.com and see who has the big listings in your area. Once you have a list of names you're

satisfied with begin researching each online. See if you can get a feel for the experience others have had with them. Search for pending litigation or other negative press on your potential brokers. The goal is to narrow your list to the top three or four candidates who really represent the cream of the crop.

### 3. Interview

You really can't get to know a person until you've had an opportunity to sit down and meet with them in person. Remember, when your broker goes into negotiations they will be representing you. It's important you find someone you're comfortable placing in such a trusted position. Don't be afraid to ask them the really important questions like: How many transactions have you completed? Do you ever represent both the buyer and the seller on a deal? Are you a part of a team or do you work alone? What is your read on the current market? How long do you think it will take me to find what I'm looking for? After the interview it's important that you have a good understanding of your candidates' experience and expertise.

### 4. Review

Take the time to review each of your candidates' resume and biography. In addition, ask for and verify the professional references supplied by your pool of potential brokers – These references should include clients as well as bosses they've worked with in the past. The worst time for a detrimental surprise to come to light is while you're in the middle of a multi-million dollar transaction.

### 5. Verify

Be sure to cover all your bases and closely scrutinize all potential brokers under consideration. Check with the state licensing board; make sure they are fully licensed. Ask if they have any outstanding complaints or grievances filed against them with the state or any other regulatory agency. Be sure to thoroughly vet all potential candidates before making your final decision.

Selecting the right broker is a vital part of the commercial real estate industry. Following the steps outlined above will set you on the right track to finding a broker with the industry expertise and interpersonal skills to help you achieve your business goals.

If you have any questions or would like to speak with a member of LGT's experienced real estate group, do not hesitate to call either your trusted LGT advisor or Richard Trubitt, the partner-in-charge of LGT's Real Estate group at (214) 461-1433 or by email at [rtrubitt@lgt-cpa.com](mailto:rtrubitt@lgt-cpa.com).