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How to Choose a Commercial Real Estate Professional

Hiring a professional commercial real estate specialist who fits your needs is crucial when you're in the process of site selection, purchasing or leasing property. Finding the right service provider, however, requires time and attention. There is a saying in real estate: You make money at the time you first buy an asset. Preliminary work is just as important in hiring and getting the most out of a real estate specialist.

The point is, don't just hire a broker, a middleman between buyer and seller. Get a professional service provider with an excellent background, a specialist who's equipped to handle your specific challenge and offer you a variety of services. Here are some suggestions from members and leaders of the Society of Industrial and Office REALTORS® to help you find the right professional:

First things first: Do a preliminary needs assessment.

Know thyself. It's critical to assess your needs before you hire a corporate real estate service provider. This way, you'll know your objectives and understand the scope of the work. You must define your needs before you can choose a service provider with the right mix of experience, knowledge and resources. These days, one person can't do it all in the corporate real estate world. Good professionals differentiate themselves with certain knowledge, experience and specialization. You want the right fit.

Do the homework -- What services do you need? -- in conjunction with your personnel department, your engineering people, etc. Going through this process not only will ensure you find the right professional, but also it will help you to trust that your eventual hire is a good one.

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Next, request proposals from service providers who may fit the job, then schedule face-to-face meetings with those who respond.

Get to know each candidate's history.

Ask for specific information about a candidate's experience that is relevant to your specific project, but don't stop there.

Professional real estate agents are not commodities, whereby one is interchangeable with another. Request a sample marketing plan. Ask for a resume. What is the service provider's training? Specialty? In what ways has he or she continued an education? What professional conferences has he or she attended? Designations and affiliations are important. Attendance at seminars, classes and conferences signifies a professional who is receptive to learning and growing in a dynamic field such as commercial real estate.

What has he or she accomplished recently? How relevant is that to your project?

Find out about each candidate's professional affiliations.

A commercial real estate agent's professional affiliations are important considerations. Membership in the Society of Industrial and Office REALTORS[®], for example, shows a commitment to excellence, education and high ethical standards. It also means the agent has access to an international network of other trained specialists in industrial and office real estate. To find members, see the Society's *Executive Guide to Specialists in Industrial and Office Real Estate*, or visit www.sior.com to view the searchable membership database. The Society's guide and web site includes a geographical listing of industrial and office real estate professionals who have earned the distinguished "Specialist" designation.

Ask for recommendations and more.

The only way to truly evaluate a real estate professional is with references. Request letters of recommendation from all candidates – and be sure to follow up with discussions with the agents' previous clients. The recommendations are most

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valuable if they add credence to the candidates' character and shed light on his or her areas of expertise and experience.

But talk with more than the people who have hired the person: Additional discussions with bankers, lawyers, economic development officials, architects, contractors and other commercial real estate agents who've worked with the candidate should help to further define candidates' skills, talents, energy, effectiveness and integrity.

Learn the candidates' firms' histories and find out what the firms' capabilities are.

What is the history of each candidate's firm? What is its experience in the marketplace? What is its reputation?

Does the firm have the capabilities you need? Successful fulfillment of real estate transactions involves a combination of research, planning and skills. Of special importance is the capability of the firm's research division: Often, it serves as the backdrop for investment and site selection decisions. Determine if a broker's firm has in place the personnel, skills, tools and experience to meet your needs. Investigate the firm's completion of transactions involving various types of properties.

Interview, interview, interview.

Interview to evaluate a firm's personnel. Request an interview with all people handling your account. The individual or project team will represent the firm's capacity to successfully execute the transaction in the time frame you establish.

Discuss the real estate professional's current workload. Can he or she give your project the time it requires and deserves?

Take note of the energy level of everyone involved. A high energy level reflects an

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enthusiastic -- and valuable -- commitment to your project. If a potential candidate or firm seems uninterested in your project, go elsewhere.

Interview to evaluate compatibility. This relationship should be built on trust. You must feel confident in your agent's ability to communicate and to perform all aspects of your transaction - and future transactions. Keep in mind the compatibility factor throughout the interview and other interactions. What are your impressions? Does the individual seem honest, ethical and confident in his or her own ability? Could you stand to spend five hours in an airport with this person?

Get to know the candidate professionally with such questions as: What separates you from the others? What is your competitive advantage? What is your area of expertise? Of specialization? (Don't put these questions in writing before the interview. You want fresh answers.)

Get to know the candidate personally. You might ask: What was it like growing up? What was the last book you read? What was the most frightening experience of your life? When have you really felt as if your back was against the wall? What do you like to do for fun?

Check out each candidate's ethics.

Ask other brokers. Contact your local board of Realtors and your state real estate licensing authority. Ask local economic development representatives, and municipal/county planners and managers. If the candidate is a member of the Society of Industrial and Office REALTORS[®], he or she is held to the Society's strict code of ethics. A real estate service provider should never, ever put his or her interests before a client's.

By now, you're ready to make the final selection.

Get marketing plans from all remaining candidates. Request and compare the marketing plans. The plans will allow you to assess whether your transaction will be conducted in a thoughtful and disciplined manner.

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Now that you've done the work, you can choose your real estate professional with confidence.

Create a follow-up plan.

Your work's not quite done, though. Set a timeline for reports and reviews. They're essential not only for good business but also for ultimately helping you evaluate your -- ideally -- ongoing relationship with your new professional real estate service provider.

Once you find the right person, you will want to revisit the needs-assessment with him or her. A good agent is an excellent resource to help you gain efficiencies. The person you choose will help you refine the assessment, bring ideas based on experience and also may bring in other needed professionals, such as an architect to suggest more effective ways of configuring workspaces, or a process engineer to determine if automation, for example, could reduce your space needs.

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