



Relationships between brokers and lawyers - by Thomas Kearns

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Brokers and lawyers need to work together for the benefit of their mutual client in any lease or property sale, but differences in their respective job descriptions, not to mention their method of their compensation, can sometimes result in difficulties. Brokers accuse lawyers of being too slow, worrying about unlikely events and showboating.

Lawyers accuse brokers of caring only about getting the deal closed no matter what the future negative consequences are for the client, not addressing key deal issues early in the deal so as to cause wasted legal time and of taking advantage of ethical gray areas because the ethics rules applicable to brokers aren't as tough as those which apply to lawyers.

But the truth is that a good broker can be the lawyer's best friend and vice versa.

Lawyers: Good brokers have a lot of knowledge of the market, neighborhoods and often the building itself—ask the broker for help with issues as the draft deal documents are circulated. Have you seen this or that issue? How has it been compromised?

Don't overpromise delivery dates on complex documents, but once you promise, expect a ping or three from the broker if you don't make the date.

To the extent permitted by your ethical standards, keep the broker in the loop for calls and meetings; give the broker copies of the revised drafts so he or she can keep track of the deal.

Brokers: It's OK to pester the lawyer, but be judicious—the lawyer has multiple priorities on his or her desk, often for the same client.

Learn about the details—if the building has a quirky HVAC system, investigate the details and suggest compromises, or better yet, work with the parties and their experts to resolve the issue—the lawyer will be forever grateful.

Before preparing a term sheet for the deal, discuss potential issues with the lawyer. Encourage the client to engage the lawyer early in the process to address issues and the specific language of any unusual terms of the deal sheet. Addressing issues up front will save everyone time and expense.

Over the years, the laws applicable to brokers have been toughened, but the laws and ethics rules

applicable to lawyers remain tougher. Brokers should understand that lawyers need to highlight and explain often technical issues with a low likelihood of occurrence to their clients. Lawyers should know that rules applicable to brokers are more extensive than they were, and brokers now need to disclose material matters that they are aware of, even when the lawyer's client may be harmed by the disclosure.

By understanding and respecting each other's roles and obligations, there is no reason why brokers and lawyers can't effectively work together for the benefit of the client.

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