



Hunt Corp. Commercial Real Estate Q&A: Choosing a real estate agent - by David Hunt

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Q: How should you choose a real estate agent?

A: Probably the very best way to answer this question is to tell you how I choose a real estate agent when an assignment takes us off Long Island. In that case, we may need the expertise of a local

agent to assist us with properties, zoning, economic development opportunities and the like.

First, we will only work with one agent exclusively. The primary reason is that we want that agent to legally represent our client's interests. In New York State, a real estate agent has a fiduciary responsibility to protect the seller or landlord's interests, unless there is a written document to the contrary. So we make sure that we have a contract. And because we are working with only one agent, we take care to select that agent carefully.

We usually start with one of the professional organizations that I belong to, depending on the nature of the project. The Society of Industrial and Office Realtors (SIOR) is a division of the National Association of Realtors. A broker who has an SIOR designation is in the top 4% of commercial agents nationwide, and must not only pass a rigorous educational and testing program but must also demonstrate transaction volume that is significant for his market. You can locate an SIOR broker in the marketplace of your choice at www.sior.com. A similar designation, with the same rigorous requirements, is the Certified Commercial Investment Member (CCIM). A CCIM is more focused on investment real estate and can be found in your area at www.ccim.com.

We find that personal recommendations are very helpful, but not so easy to obtain out of the area. But if you are considering real estate locally, I would reach out to your network of business owners, perhaps a trade group, and ask for recommendations. Personal experience with a broker tends to cut through the fluff and promises of a great presentation but poor follow through.

Next, we want to make sure that the agent and the office that we have selected, has the inventory and tools to help us. We would like to see sample reports, spreadsheets, and the work that they have done for other clients. Have they worked on similar projects? Is this their area of expertise? We do not want my project to be a learning curve for the broker! I also want to make sure that my day-to-day contact is a senior level broker. All too often a senior level broker makes the initial presentation, but 90% of the project is handled by junior salesmen with limited experience. Obviously, I want to avoid this.

And finally, we make sure that we are working with someone we like! Life is too short to be working with someone who is difficult or annoying. There are usually a number of really qualified agents in any marketplace, and there is no reason you cannot locate someone that fits your personality.

So there you have it. This is a process that has worked well for us, and I am sure will lead you to a more than satisfactory real estate experience with the commercial real estate agent that you choose.

Do you have a question regarding commercial real estate? Email your question to Commercial Real Estate Q & A, at email@huntcorp.com for possible inclusion in a future column.

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