What Could Go *Wrong* if you

Hire The Wrong Commercial Real Estate Broker

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What Could Go Wrong If You Hire the Wrong Commercial Real Estate Broker?

The Cost of a Poor Broker Selection Can Last Long After the Transaction Is Complete

Most companies recognize the importance of hiring the right attorney, accountant, investment banker, lender, or insurance advisor. Experienced professionals provide specialized expertise that can significantly influence a company's financial performance and overall success.

Yet, when it comes to selecting the right commercial real estate broker—the professional who may negotiate one of the company's largest financial obligations—many organizations spend surprisingly little time evaluating candidates and go about engaging them in an inefficient and risky way.

Some hire the first broker they meet. Others rely on referrals from colleagues. Some choose the largest brokerage firm because they're aware if their name, assuming that bigger automatically means better.

Unfortunately, selecting the wrong commercial real estate broker can have costly consequences that may affect your company for years or even decades.

Before making your next real estate decision, consider what could go wrong.

You Could Pay More Than Necessary

The right commercial real estate broker will understand how to create competition, maximize negotiating leverage, and secure favorable business terms, and how best to protect your company's business interests.

An inexperienced or ineffective broker may move too fast and accept initial proposals put forth by landlords, buyers, or sellers, overlook valuable concessions, or fail to recognize opportunities to reduce occupancy costs and / or secure more favorable terms.

Even a small change in rent, operating expenses, purchase or sale price, can cost your company hundreds of thousands—or millions—of dollars.

You Could Accept Unfavorable Transaction Terms…and, not know it!

In commercial real estate leases, the rental rate is only one part of transaction costs. Other critical business terms often include:

- Operating expense pass-throughs
- Tenant improvement allowances
- Free rent
- Renewal or purchase options
- Expansion or contraction rights
- Assignment and sublease provisions
- Early termination options
- Restoration obligations
- Parking rights
- Maintenance responsibilities
- Non-disturbance agreements
- Legal and accounting issues
- Operating issues
- more

Poorly negotiated lease terms and agreement text can create unnecessary costs, reduce operational flexibility, and increase long-term risk. Similar errors by the wrong commercial real estate broker in purchase or sale transactions can be equally dangerous.

Your Company Could Lose Valuable Negotiating Leverage

Timing is one of the most important elements of any commercial real estate negotiation. A knowledgeable broker knows when to begin negotiations, how to generate competitive alternatives, when to move slowly or quickly, and how to strengthen your negotiating position.

Without a well-planned strategy led by a strong commercial real estate broker, transaction participants often recognize that their transactional opponent may have limited options and adjust their negotiating posture to capitalize on the limitations of their opponent's poorly qualified broker.

You Could Miss Better Opportunities

Many companies focus only on the properties they already know. An experienced commercial real estate broker identifies additional opportunities that may offer:

- Lower occupancy costs and overall financial terms
- More efficient layouts
- Enhanced operating efficiency
- Greater expansion potential
- Better image and ability to attract and retain employees
- More attractive labor markets
- Improved logistics
- Tax incentives
- Improved employee accessibility

If your commercial real estate broker isn't looking beyond the obvious choices, your company may never discover the best solution.

Your Real Estate Approach May Not Support Your Business Strategy

Real estate decisions should advance business objectives—not simply satisfy immediate space requirements. Hire the right commercial real estate broker who will consider:

- Growth plans

- Workforce strategy
- Operational efficiency
- Capital allocation
- Business continuity
- Market expansion
- Risk management
- Long-term flexibility

A transaction-focused broker may overlook these broader strategic considerations.

You Could Experience Project Delays

Commercial real estate transactions involve numerous moving parts, including property selection and evaluations, financial analysis, legal documentation, due diligence, construction coordination, move planning, and more.

Poor transaction management can lead to missed deadlines, increased costs, operational disruptions, unnecessary stress, and far reach ing business challenges.

Conflicts of Interest May Affect Representation

Many brokerage firms represent both landlords and tenants. While this is common within the industry, companies should understand how existing relationships and business interests may influence priorities and negotiating dynamics. The right commercial real estate broker should always place the client's interests first above its own interests and above those of its other clients.

You May Receive Less Attention Than Expected

In many commercial brokerage companies, the senior professionals who participate in the sales presentation are not always the individuals managing the assignment. Some companies discover after engagement that much of the work has been delegated to junior personnel with limited experience.

Before hiring a commercial real estate broker, ask who will actually perform the day-to-day work, report to you, and who will lead negotiations.

The Financial Consequences Can Last for Years

Unlike many business purchases, whether lease or purchase, commercial real estate commitments often extend for five, ten, fifteen, or even twenty years. Mistakes made during negotiation can continue affecting your organization long after the transaction has been completed.

Correcting those mistakes later is often difficult, expensive, or may be impossible.

A Better Selection Process Produces Better Results

Choosing the right commercial real estate broker should be treated with the same discipline used to select other trusted professional advisors. An effective selection process should include:

- Defining business objectives
- Identifying qualified candidates
- Evaluating relevant experience
- Reviewing industry specialization
- Assessing negotiation capabilities
- Understanding potential conflicts of interest
- Interviewing the proposed service team
- Confirming references
- Comparing strategic approaches—not simply company size or brand recognition

The goal is not to hire the most recognizable broker. The goal is to hire the right commercial real estate broker who is best qualified to represent your company's overall real estate and business interests.

The Bottom Line

Hiring the wrong commercial real estate broker can result in higher costs, weaker lease, purchase, or sale terms, increased risk, missed opportunities, and years of unnecessary operating and / or financial consequences.

Hiring the right commercial real estate broker can create measurable value through better property selection, stronger negotiations, more defined strategy, and favorable long-term outcomes.

Before you commit your company to its next lease, acquisition, disposition, or portfolio initiative, ask one important question:

> ***"Are we absolutely certain we've hired the right commercial real estate broker...the best qualified...for this assignment?"***

If the answer is anything less than an unequivocal "yes," Real Estate Strategies Corporation can help you make that decision with confidence.

Hire the Right Commercial Real Estate Broker!

Commercial real estate decisions affect growth, profitability, operational flexibility, employee attraction and retention, and productivity, as well as company image, corporate risk, shareholder value, and more. Selecting the right commercial real estate broker is one of the most important decisions your company will make.

Don't hire a commercial real estate broker simply because they're visible or recommended by a colleague. Hire the right commercial real estate broker who will best understand your business, develop intelligent strategies, identify the best properties and transactions, negotiate exceptional outcomes, and will remain committed to protecting your interests throughout the entire real estate lifecycle.

Real Estate Strategies Corporation

Through its *"Hire the Right Commercial Real Estate Broker"* services, Real Estate Strategies Corporation **does not** serve as its clients' real estate broker but, instead serves as their advisor in selecting the right commercial real estate broker. *"Hire the Right Commercial Real Estate Broker"* is not a broker directory, nor does the Company represent real estate brokers. Real Estate Strategies Corporation only represents the companies who hire it and relies on its experience and highly detailed knowledge of the brokerage and commercial real estate industries to assist companies in hiring the right commercial real estate broker. Real Estate Strategies Corporation also delivers broker and transaction management services to ensure that the brokers its clients hire will deliver on their commitments, provide the best possible services, and achieve their defined objectives.

Real Estate Strategies Corporation provides a Low Cost, No Cost financial model that permits its clients to receive Broker Selection Services at a Low Cost and Broker and Transaction Management Services at no cost.

Real Estate Strategies Corporation is a commercial real estate consulting and transaction services company that advises commercial occupants across most industries on all types of transactions in all commercial property types throughout North America. Its highly focused consulting service, *“Hire the Right Commercial Real Estate Broker”,* helps companies hire and manage commercial real estate brokers of all types, sizes, and in all markets across North America. RealStrat is a New Jersey based company that is led by Andrew Zezas, Strategist & CEO, an award-winning commercial real estate executive with over four decades of experience in advising companies on achieving business driven real estate solutions.

To learn more about our services or RealStrat’s Low Cost, No Cost financial model, visit www.TheRightCREBroker.com, www.RealStrat.com, or contact Andrew Zezas at Andrew.Zezas@RealStrat.com or 201 906 8964.

Hire the Right Commercial Real Estate Broker is a service of Real Estate Strategies Corporation.