

August 1, 2008 | Volume 1, No. 1

## Is my broker looking out for my best interest?

A good broker can make your deal making process easy, efficient and profitable but a bad broker can make it regretful and disastrous. Tenants that have had good experiences with their brokers consider them invaluable tools. However, to approach that level of confidence with your broker he must be an open book. You have to be able to trust not only that your broker is competent and capable, but that he is looking to serve your firm's best interest and not his own. How can you determine this?

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First of all you can assure that your firm will not fall victim to unethical brokerage by selecting an exclusive tenant representation firm to serve as your advocate. A brokerage that represents both tenants and landlords has an inherent and irrevocable conflict of interest during any negotiation. Every landlord in the market place is either a client or potential client of that type of brokerage. Landlords are never considered potential clients for tenant rep firms. By taking the conflict of interest out of the equation, the broker allows himself to fully negotiate on behalf of his tenant.

One of our clients passed on an email to us this past week that was sent to him from a brokerage house that represents both tenants and landlords. In this piece of marketing, the brokerage claimed to specialize in tenant representation, however they did not disclose that they also represent over 50 different properties in San Francisco. They may defend their firm by saying they have landlord and tenant specialists, but everyone has a stake in their company to some extent. Some of the tenant rep specialists may also be equity partners or principals of the firm and will see cash returns on any deal completed for their firm; whether it's a tenant rep or landlord rep transaction. Even if the broker isn't seeing direct financial advantages from transactions completed, they are seeing indirect benefits. Obviously associating himself with a reputable firm that is successful (whether it be landlord or tenant or both) allows the broker the opportunity to market more effectively and lever the success of the company to win future business.

Lawyers and judges have a legal obligation of recusal when there is a conflict of interest. The same parallel can and should be made when considering the service provider for your firm's commercial real estate needs. For most firms real estate costs are the second highest overhead expense they carry; second only to payroll. Make sure your broker is suiting up for your team and your team only. Your broker needs to be your advocate, not your adversary, and the only way to be sure is to align your firm with an exclusive tenant representation broker.