

## *How do we resolve those disputes that often develop between agents?*

### COMMERCIAL REAL ESTATE

Akin to the wild, Wild West, commercial real estate agents are sometimes referred to as cowboys (I'm not certain why). Maybe it's our entrepreneurial spirit, our freewheeling demeanor, our work-hard-play-hard attitude or the way in which "we eat what we catch" — a phase associated with commissioned- sales pros.

Regardless, we cowboys sometimes disagree about a lot of things but most commonly about how we are paid. Fortunately, as commercial brokers, our differences are not settled by squaring apart 10 paces at high noon.

When a dispute arises between agents, we have ways to resolve our complaints.

The single biggest topic among disputes would be a fee disagreement. My general rule: Fee squabbles are easiest avoided by having a clearly written understanding at the front end of a deal. Also, transacting with honorable practitioners lessens the risk of a misunderstanding. If there are listings, offers, responses, leases, escrow documents and the like, written agreements are easy. If not, you may have a problem occur.

Commercial agents generally are not members of the

California Association of Realtors. There are some exceptions. Because we are not Realtors, we are not subject to the mandatory arbitration and mediation required between agents with CAR affiliation.

However, most commercial brokers are members of the Association of Industrial Commercial Real Estate. AIR CRE gives agents a platform to settle disputes through mediation or arbitration.

Commonly, the office in which an agent resides also has — through an independent contractor's agreement — some means of mediating or arbitrating fee fights.

So, moving up the Def-Con ladder, from least to worst: DefCon 5: Professionals first would try to work out their differences among themselves.

DefCon 4: If no resolution can be reached, the issue would be discussed interoffice or intraoffice with managers. DefCon 3: With no meeting of the minds, a mediation with a single arbitrator would be conducted to smooth the ruffled feathers.

DefCon 2: A room full of crossed arms and clenched jaws results in binding arbitration.

DefCon 1: Finally, the parties lawyer up and

seek to litigate the issue in a court of law. This is today's version of the OK Corral!

In my experience, disputes rarely lead to mediation or arbitration — or worse, a lawsuit. Hands are generally shaken in the privacy of an agent's office. *Allen C.*

*Buchanan is a principal and commercial real estate broker with Lee & Associates, Orange. He can be reached at 714-5647104 or abuchanan@leeassociates.com.*



Commercial agents generally are not members of the California Association of Realtors and not subject to the mandatory arbitration and mediation between CAR agents.

COURTESY OF WIKIPEDIA



**Buchanan**

*Contributing Columnist*

**Allen C.**