

COMMERCIAL REAL ESTATE

The many things that real estate brokers can do for you

Recently, I opined about commercial real estate technology and whether technology will replace

the role of a commercial real estate broker.

If you missed the post, shame on you! But, here's the punchline: not likely, thanks to a myriad of reasons.

Today, I'll share some of the functions of a commercial real estate broker — in a deal — and what level of participation is necessary.

Before we address the question, a bit of background. Most commercial real estate transactions — be they a new lease, a pur-

chase or a lease renewal in an existing space — employ two sides: a procuring agent (those representing the buyer or tenant and an owner's agent) and those representing the owner of the building. In California, agents can represent both ends of the transaction, which is also known as dual agency.

Each side has a purpose.

Tasked with finding a tenant or buyer is the owner's agent. This effort is filled with all manner of marketing initiatives for brokers and prospects. Sometimes an owner believes he can short-circuit the search for a buyer or tenant by planting a sign on the front yard and advertising online. Problems arise when the inquiries pour in, tours are re-



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Just like flight attendants who work to keep you safe in the advent of an emergency, a broker keeps a deal sound.

quired and a negotiation ensues. OK, an agreement has been reached — now what? Certainly, a broker's role on the seller's side is crucial.

Conversely, a procuring agent's goal is to locate a space for his client, the occupant. If a list of available buildings was eas-

ily accessed by a business looking for space, the contribution made by a broker would be lightened — not eliminated but diminished. Residential agents face this challenge as all listed houses are public through sites such as Zillow, Realtor.com and Redfin. A homebuyer can

find out what is available with a swipe of an app. The only consumer-facing commercial real estate site is Loopnet. Accuracy is limited as there is no governing realty board to create accountability for the submissions. So a key to the walled garden of commercial real estate availabilities is secured through an agent.

I once heard the reason flight attendants are on an aircraft during your cross-country flight is to help travelers in case of an emergency — not to serve them honey-glazed peanuts.

A similar set of crash precautions is contributed by the agents in a deal. Problems arise and a skilled practitioner can counsel you through vari-

ous solutions. We recently guided a seller through a buyer's request for repairs. What started as a high six-figure ask was whittled down to a mid-five-figure take — all because of our web of contractors.

Don't ever underestimate the power of a great network or broker when it comes to solving a problem.

So, unfortunately, dear reader, a commercial real estate professional is a necessary evil in a transaction.

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