



NATIONAL EDITION



Newmark Grubb Knight Frank CEO Barry Gosin

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Rebuttal: Full Service Brokers Give Tenants Best Deal

WASHINGTON, DC—The debate over whether tenant-only brokerage firms are better for tenants continues.

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WASHINGTON, DC—The debate over whether tenant-only brokerage firms are better for tenants flared recently with the release of a report that found full service firms will favor landlords over tenants when representing both in a deal. We looked at that report's findings yesterday in this article – a report, it must be noted again, that was commissioned by Cresa. The actual study was conducted by George Washington University and Peter Smirniotopoulos, founder and principal of petersgroup consulting and an adjunct professor of Real Estate at George Washington University.

In today's article, the full-service firms challenge that finding.

For starters, any full service company that hopes to maintain a reputation of integrity and trust in the market will not allow a conflict of interest to arise under its roof, Newmark Grubb Knight Frank CEO Barry Gosin tells GlobeSt.com—for both ethical reasons and practical ones as well.

The commercial real estate sector is a clubby, insular community, where most of the players in the individual markets know each other or know of each other, he said.

"The minute word gets around that we do not give our best to our clients, that we favor landlords over tenants, we lose all credibility in the market."

There are other reasons why tenants are better off with a full service firm, he continues. The breadth and depth of services and overall market information available at full-service shops cannot be matched by a smaller tenant-only company, Gosin says. "You can't imagine the volume of information that floats through a full service information. It ranges from taxes to property management to local economic shifts and these nuances cannot be found at a tenant-only shop."

In addition, **Heidi Burkhart**, founder and president of New York City affordable housing brokerage and consulting firm, **Dane Professional Consulting Group**, points out that some large landlords may be more favorable on pricing to quickly bring their cost of carry down. "So in fact it may be the opposite in the tenants favor," she tells GlobeSt.com.

Also, a broker representing a landlord will not want to sign on a tenant that may be ill-suited for a space, Kurt Westfield, managing director of WC Equity Group, adds. "It is in all parties' best interest to place the best tenant, so that delinquencies don't become an issue," he tells GlobeSt.com.

All of this debate ignores one important – perhaps the most important – factor for both tenants and landlords: there must be good chemistry between the broker and client and certainly a sense of trust, says Yildiray Yildirim, professor of Finance and director of James D. Kuhn Real Estate Center at Syracuse University.

"Most of these full service brokerage firms are specialized both in tenant and landlord representations. At the end, I think the most important thing is selecting the broker whether she or he works for tenant rep only or full service broker."