



INDUSTRY INSIGHTS

# Dynamics of the **modern broker**





## INTRODUCTION FROM HELEN CALVIN

### BUILDOUT MADE A BIG CHANGE THIS YEAR — WITH ONLY A FEW WORDS.

Our mantra used to be that the **future of commercial real estate** will be broker-led, but tech-enabled. Yet, in the last twelve months, our market saw a fundamental shift in what makes a broker win. The next bull market is around the corner, and winning brokers have made the steadfast decision to spend their time wisely on building relationships, being the expert on their market, and being the connective tissue between buyers and sellers. Winning brokers are finding ways to multiply themselves and stand out. And, they are doing it right now.



**HELEN CALVIN**  
Chief Growth Officer

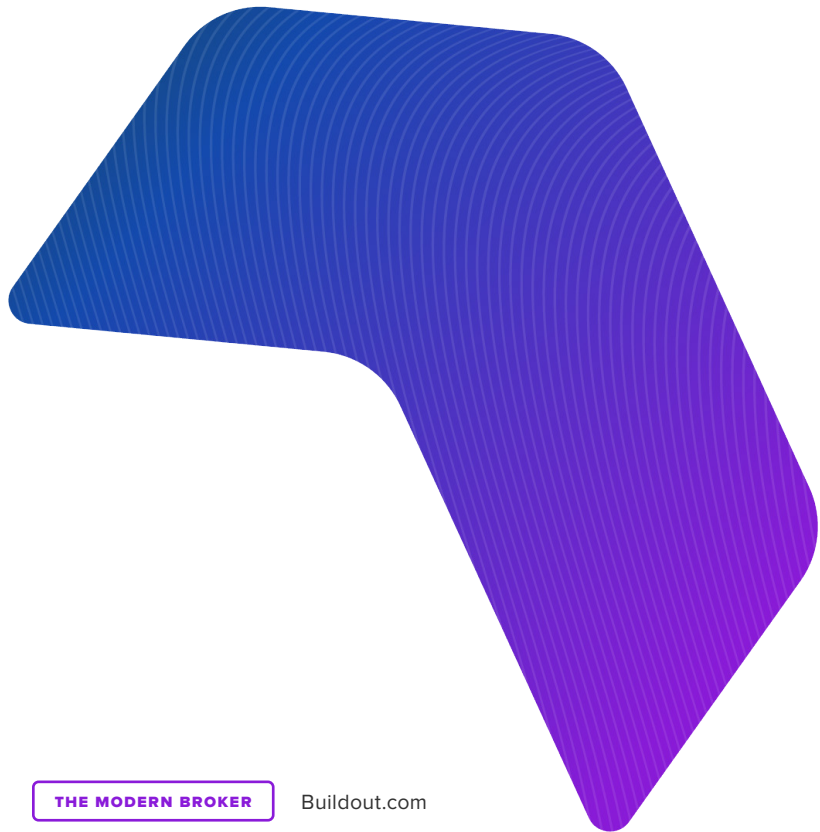
Thus, we've made a change. At Buildout, we believe that **successful commercial real estate** is broker-led, but tech-enabled. Winning brokers aren't planning to deploy and leverage tech in the future; they are doing so right now. It's not differentiation. It's table stakes.

The best brokers use the best technology. The best brokers use Buildout. These are modern brokers.

This paper is the first of many showing our commitment to sharing best practices, data, and trends, gleaned over our decade+ of serving winning brokers. We hope it's helpful. We love to see you win.



TABLE OF CONTENTS



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01

04 APPLICABLE SKILLS

---

02

11 MARKET KNOWLEDGE

---

03

15 POWER OF BRAND

---

04

18 HABITS CHECKLIST



## 01 APPLICABLE SKILLS

### WHERE SKILLS AND TECH UNITE

Often we get caught up in narratives about the “future” of commercial real estate. But that almost feels like a reason to worry about it at a later date. How we see it, the future is now and the modern broker will win the market.

Success is closely aligned to keeping an eye on your competition. And in commercial real estate, it can feel at times that just about everyone is your competition. To break down success, let’s take a look at how brokers of today are managing both their personal skills along with technology assumptions. Buildout leverages key insights from the annual [2024 DNA of CRE report](#) where brokers across the country provided feedback leading into this year.

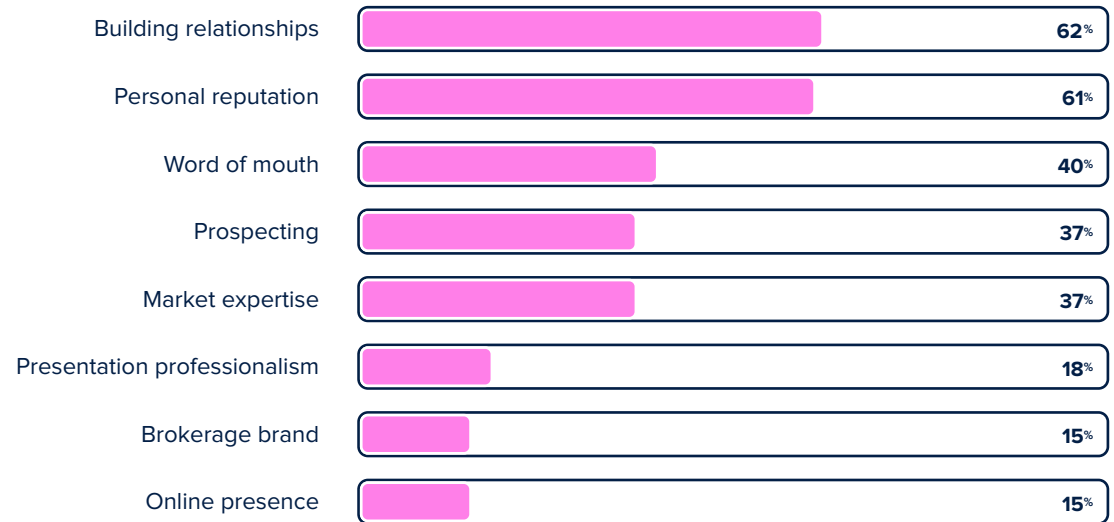


## BROKER-LED | IT'S A HUMAN BUSINESS

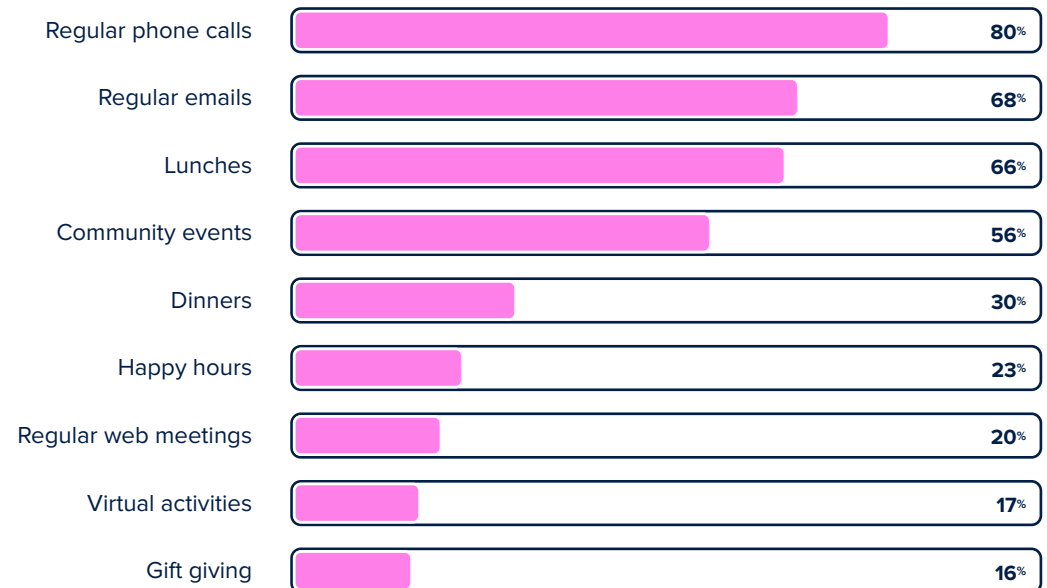
Respondents to our survey over the years have consistently said that the most important driver of new business is the building and cultivating of relationships (62% this year). Also ranking highly were personal reputation (61%) and word of mouth (40%). The close correlation between relationship building and personal reputation suggests that brokers see these elements as interconnected. A positive personal reputation likely contributes to successful relationship-building efforts.

Human relationships fuel CRE business. But how do successful brokers master this skill? If we had to put our cards on the table, it would be on proper time management along with adaptability to create the balance to grow relationships. Let us explain.

### MOST EFFECTIVE WAYS TO WIN BUSINESS



### HOW BROKERS BUILD AND CULTIVATE RELATIONSHIPS





## TIME MANAGEMENT

Art of negotiating, relationship building, and problem solving all take time. According to the American Psychological Association, approximately **1 in 5**, of adults are chronic procrastinators. And in our busy, on-the-go lives, rarely do people have a time management system in place to support — **82% of us as a matter of fact**. This lack of structure could result in the average broker spending approximately 51% of every workday on tasks with low to no value. It's noteworthy that dedicating just 10 minutes a day to planning can potentially save two hours, aiding in the efficient management of daily stress and providing greater control over one's workload. Regrettably, only **20% of individuals** feel that they have their workload under control on a daily basis. Modern brokers understand that and to capitalize on your time, you need to start by asking yourself:

- What can I delegate to others?
- What can I delegate to automation and technology?

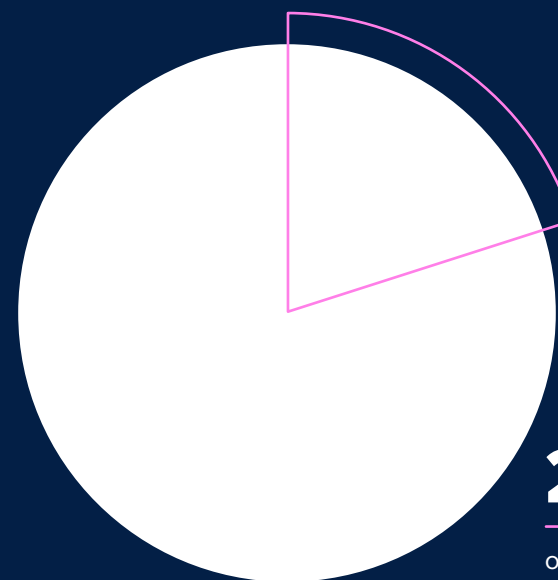
And after you assess what truly needs to remain on your plate, you will be able to better choose a solution to manage your time. Here are two systems to consider for better time management:

Eisenhower matrix

Pomodoro technique

# 1 in 5

adults are chronic procrastinators



## 20%

of individuals feel they have their workload under control



## ADAPTABILITY

Between market shifts and technology advancements, there is one constant: change. Adaptability is crucial for commercial real estate brokers due to the dynamic nature of the industry and the diverse needs of clients. Simply put, there is a lot outside of our control.

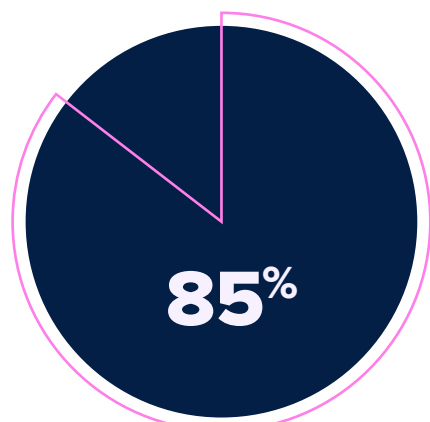
In a recent interview with Buildout's Co-CEO Kris Krisco and ConnectCRE, Kris highlights that "the brokers who are really standing out in this climate aren't just waiting around. They're actively navigating their clients through these tough times. They're not afraid to explore less conventional paths – think auctions, or tapping cash-rich, international buyers. Essentially, their strength lies in their agility or adaptability, almost in real-time, to the market's twists and turns." ([source](#))

The whole essence of being adaptable is to not be complacent. We operate in a time where technology is coming at us fast and modern brokers should be comfortable with not always having the right answer but always open to exploring. In a recent [Forbes contributor article](#), Buildout Co-CEO Jason Tillery wrote, "I believe the emergence of AI should not be treated with the same complacency [as past tech], and those who embrace it could gain such advantages that slower-moving competitors will struggle to compete."

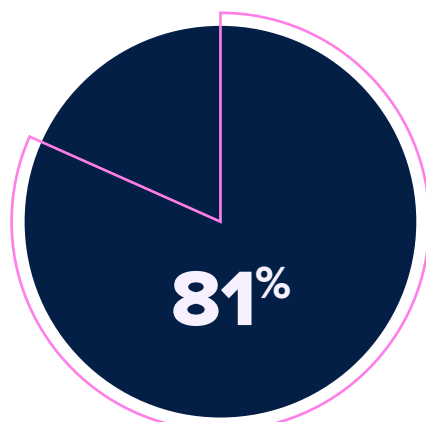


### BEST BROKER ALERT

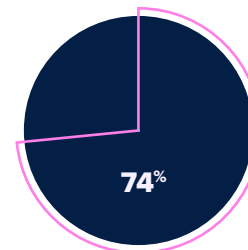
Modern brokers and brokerage firms prioritize relationship-building activities and maintain a focus on personal reputation. Investing in networking events, client engagement, and positive interactions can contribute to successful new business acquisition while considering where time can be delegated. Given the importance of word of mouth, modern brokers actively seek client feedback, encourage referrals, and ensure that their services consistently meet or exceed client expectations.



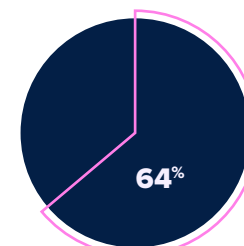
MARKETING TECH



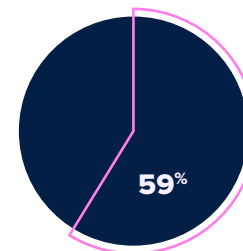
LISTING SERVICES



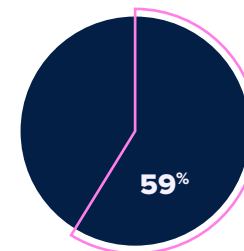
SOCIAL MEDIA



CRM



ANALYTICS



PROSPECT DATABASE

data provided from the 2024 DNA of CRE survey

## TECH-ENABLED | USING TOOLS TO MAXIMIZE EFFORTS

We are past the disruption phase of how technology has altered the commercial real estate industry. We are now fully into the mix of how we embrace the impact. This is why the skill of adaptability is probably the most critical for the modern broker to succeed with advances in data, contracting, showings, fintech, online investments, and artificial intelligence (AI) rapidly evolving. The reality of disruptive technology is that it can leave a wake of casualties in any industry solely based on the change caused. And the result? Those that rise with the new tech, will be the heroes. Just ask Blockbuster.

One thing we know to be true, is that many brokers anticipate an increase in technology spending in 2024.

## CURRENT TECHNOLOGY USAGE

It is no shock that the longest standing tech that has been available, has the greatest adoption rate to date. For example, marketing technology and listing services are widely adopted, with 85% and 81% of brokers, respectively, indicating their current use. As a result, these tools are now simply table stakes to compete and no longer “nice to haves.”

Social media (74%), CRM (64%), analytics (59%), and prospecting databases (59%) also have significant usage among brokers. This indicates a recognition of the importance of digitizing business, customer management, and data analytics in the commercial real estate sector. Each one of these solutions has had a different ramp up period but seeing the overwhelming response to their usage speaks to the vast acceptance of each in day-to-day business.





## PLANNED ADOPTION OF AI/CHATBOTS

AI/chatbots have the highest percentage (30%) of brokers mentioning them as not currently in use but planned for purchase in the next couple of years. This suggests a growing interest in leveraging artificial intelligence and chatbot technologies to enhance broker operations and customer interactions.

The notable difference in planned AI/chatbot adoption between smaller (42%) and larger (34%) firms is an interesting trend. The higher percentage among smaller firms may indicate a strategic move to embrace AI technologies for a competitive advantage. Smaller firms may see AI as a way to enhance efficiency, streamline processes, and provide a more personalized experience for clients. Larger firms may want to assess the reasons behind the lower percentage of planned AI/chatbot adoption compared to smaller firms. Understanding potential barriers or concerns could inform strategies to promote AI integration in those larger firms.





## POTENTIAL CORRELATIONS AND RECOMMENDATIONS

It would be interesting to explore correlations between the use of specific technologies (e.g., CRM, analytics) and broker performance metrics, such as deal volume or client satisfaction. This analysis could uncover whether certain technologies contribute more to overall success in the commercial real estate industry. In other words, Buildout is keeping a close eye on this.

We uncovered with our [2023 Building CRE report](#) what the winning combo of marketing collateral needed to maximize lead potential (ps - the answer is properties with 5+ marketing docs see, on average, 9+ more leads). Now, we're investigating the correlation between technology adoption and firm size to reveal insights into the strategic considerations of smaller versus larger firms.



### BEST BROKER ALERT

What we can determine is that modern brokers and firms could benefit from sharing successful practices in the use of marketing technology, listing services, and other widely adopted tools. Collaboration and knowledge exchange within the industry could lead to more effective technology utilization.

“



Let's take an example from one of Buildout's own account managers, **Jay Sedgwick**. He shares a story of a smaller brokerage of 5 team members out of Boston:

I was working with a client that has a relatively small team. When prospecting they would pull data, export it and log it into a spreadsheet, organize the data, and then hand out call lists to their brokers. This process was long and arduous. They had cross reference spreadsheets to check to see who owned which contact, who worked with them last, which listings they were interested in, etc. One unlucky member of their small brokerage essentially was **juggling five spreadsheets with thousands** of entries a piece. It became her entire job to sort through and manage these prospecting efforts. When the team found one of our solutions, she realized that it could **solve her biggest issues** with managing their own data. It would put a framework up that could organize their data all in one place. Searching for information would become easier and prospecting projects could be easily implemented. **They knew they needed to change**. By leveraging the tech, they become **more efficient and organized** because they had less downtime and did not have to rely on a long process to start making calls. Their **speed to lead increased** dramatically and they won more business as a result.



## 02 MARKET KNOWLEDGE

### DATA AND DEMAND AT YOUR FINGERTIPS

It goes without saying that to be the master conductor of your business, you need to know your direct and larger markets. That is an individual broker's domain and where you excel. So instead for this report, Buildout wanted to share more insight on the sentiments around data, its usage, its demand, and how it's changing how we do business.



## LET'S TALK DATA

In today's highly competitive and data-driven world, access to accurate and current information is crucial for brokers. Utilizing data analytics in this sector presents unmatched opportunities to expedite informed decision-making by unveiling insights that may have previously gone unnoticed, providing a distinct advantage over competitors lacking such capabilities (source).

Modern brokers leverage data analytics to tap into up-to-date information on demographics, segmentation, location, owner details, and geography. This empowers them to craft a commercial real estate strategy that takes into account market research and consumer trends, thus steering clear of costly mistakes.

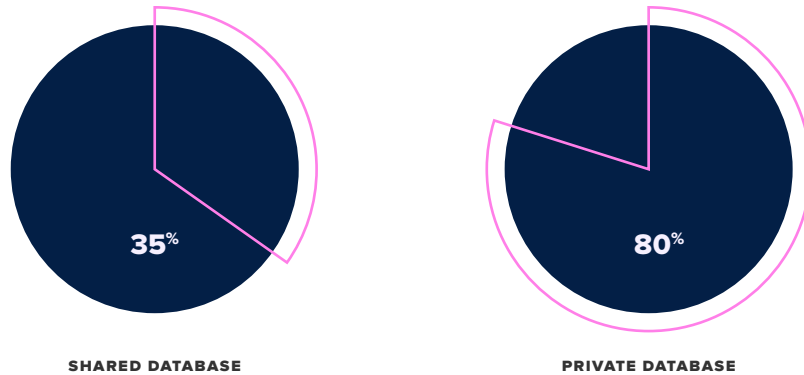


### CONTINUE READING

In reviewing the annual DNA of CRE survey, a few trends came through that speak to the current dynamics around data practices [→](#)



## USAGE OF SHARED DATABASES



35% of brokers reported that their company uses a shared database. This indicates that a portion of brokerages recognize the value of centralized repositories that can be utilized by multiple team members.

## PREFERENCE FOR PRIVATE DATABASES

A notable 80% of brokers prefer to keep a private database outside of their company's shared database. This preference suggests that while shared databases are implemented at the organizational level, individual brokers still find value in maintaining their own solutions.

This percentage (80%) underscores the importance brokers place on having a solution that aligns more closely with their specific needs and workflows. This could be due to the diverse nature of the industry, where brokers may have unique client preferences, property types, or market segments.

## IMPLICATIONS AND CONSIDERATIONS



**Tailored Solutions:** The strong inclination towards private databases implies that brokers have diverse needs and preferences. This trend suggests that finding flexibility and customization in data solutions could be crucial for the technology providers these brokers partner with.



**Efficiency and Productivity:** Two of our favorite words here at Buildout. Understanding that the majority of brokers create their own private databases, finding the right solutions to increase productivity and effectiveness in order to identify trends will quickly rise to the priority list of needs.



**Data Security and Confidentiality:** The preference for private databases may also be influenced by concerns about data security and confidentiality. Brokers might prioritize having control over their data, especially if it involves sensitive client information or proprietary market insights. What we found interesting was that 1 in 5 brokers responded with “no, I keep it private” when asked ‘do you share your comp data with others at your brokerage?’ However, more brokers are fully open. Which dynamic do you think leads to the most success?



## CONCLUSIONS

In conclusion, the data highlights the nuanced approach that commercial real estate brokers take in managing data. The industry's reliance on both shared and private databases suggests a need for versatile solutions that balance organizational coherence with individual flexibility.



### BEST BROKER ALERT

Find a company that provides data management solutions to commercial real estate brokerages that are flexible and customizable to cater to the diverse needs of the individual brokers.



### 03 POWER OF BRAND

#### PUTTING YOUR BEST FACE FOWARD

Brand is more than a logo or a beautifully crafted OM from [Buildout Showcase](#). Brand is ultimately what is said when you are not in the room. It's no surprise that brokers from around the country state that referrals from past clients is the most popular method of prospecting for new opportunities (86%), and also deemed the most effective (40%). In addition to that, referrals from other brokers is in second place overall (75%). The modern broker is able to break apart the tactical side of branding as well as the reputation side. One can create business but the other propels it.



## TACTICAL BUSINESS GAINS AND HUMAN-LED BRAND

The following shows where gains are made in new business during 2023 from the more tactical approach. These are also the areas where efficiencies can be built the fastest in order for you to focus on the more human-side of brand work.



### BEST BROKER ALERT

Professionalism in pitch presentations is vital. Brokers should invest in training and resources to enhance their presentation skills and create compelling pitches that showcase their expertise and value proposition.

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## PROSPECTING AND MARKET EXPERTISE

Prospecting (37%) and market expertise (37%) are both significant factors for winning new business. This suggests that modern brokers recognize the importance of actively seeking out new opportunities to demonstrate in-depth knowledge of the market.

Incorporating market expertise into prospecting efforts can enhance the effectiveness of business development strategies. Brokers should stay informed about market trends and be able to articulate their knowledge to potential clients.

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## BROKERAGE BRAND AND ONLINE PRESENCE

Brokerage brand (15%) and online presence (15%) are mentioned by a smaller percentage of brokers. While not as dominant as relationship building and personal reputation, these factors still play a role, especially in an increasingly digital and competitive market. The relatively equal percentages for the two suggest that modern brokers may view these elements as complementary. A strong online presence can contribute to building and reinforcing the brokerage brand.

While online presence and brokerage brand are mentioned by a smaller percentage of brokers, they should not be neglected. A professional and compelling online presence can reinforce the overall brand image and attract potential clients.

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## PROFESSIONALISM OF PITCH PRESENTATION

The professionalism of pitch presentations (18%) is considered a factor in winning new business. This indicates that, while personal relationships are crucial, the way brokers present themselves and their services also influences potential clients.



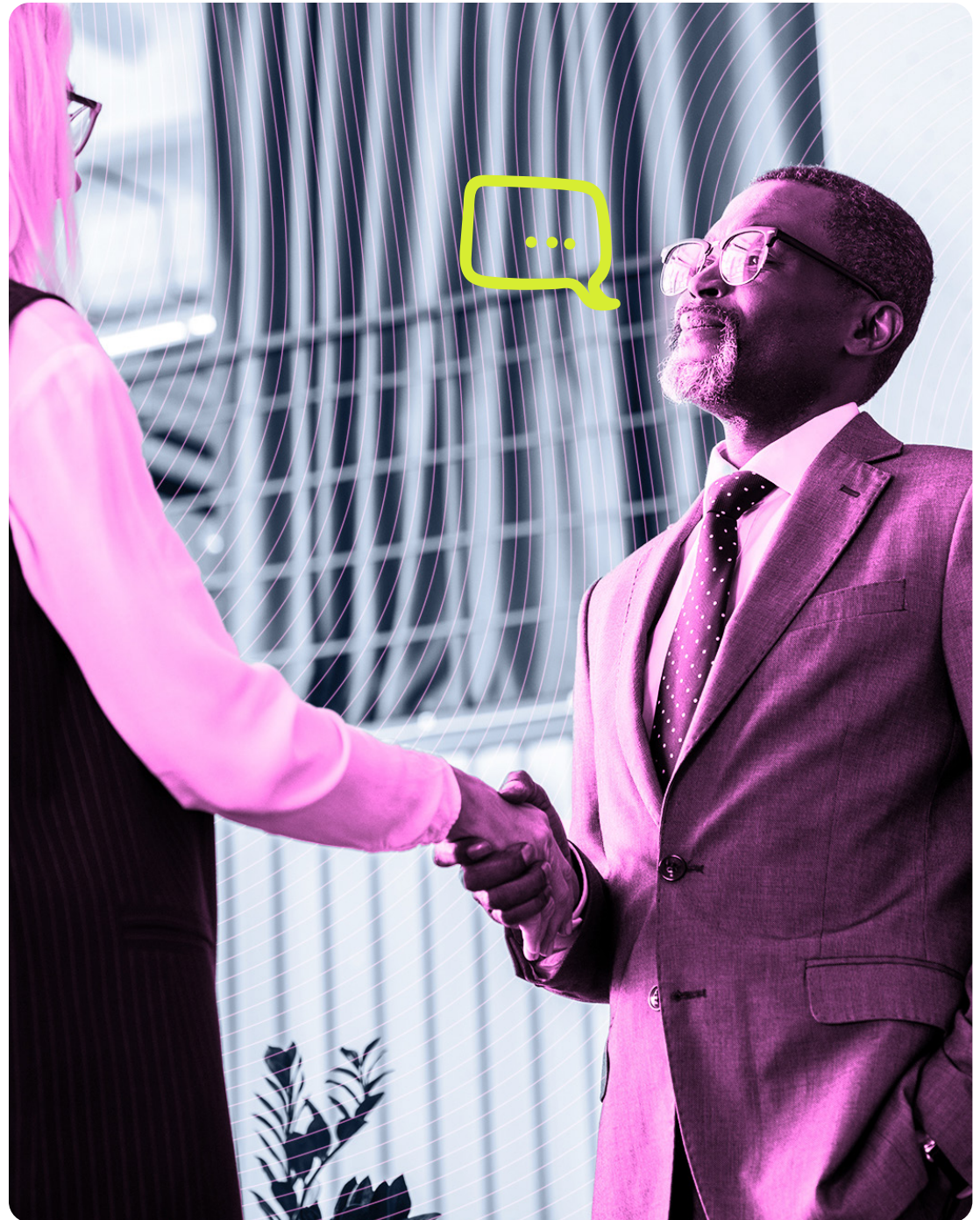


## IMPLICATIONS AND RECOMMENDATIONS

In the bustling world of commercial real estate brokerage, the agents who stand out from the crowd are those who don't just master the numbers but who also nurture connections. In a realm where personal reputation and relationships are as valuable as the properties being dealt with, taking an intentional approach to business development is essential for today's successful brokers. When brokers were asked how do they expect their number of CRE transactions (buy, sell, or lease) to change in 2024, if at all? The majority, 58%, responded with, "increase." Even with unpredictable federal reserve changes, this is high optimism. So the questions you need to ask yourself are:

- How will my competition find the time to increase the relationship-first approach?
- What new or additional branding activity are they planning?
- What have they potentially delegated to free up their time?

Overall, a holistic approach that combines relationship building, personal reputation management, market expertise, effective prospecting, and the right tech partner is likely to yield the best results in winning new business in the commercial real estate industry.





## 04 HABBITS CHECKLIST

### TOP FIVE HABIT FORMING ACTIVITIES FOR SUCCESS IN 2024

We've talked about data. We've analyzed that data. But let's share some tactical focus areas that modern brokers will focus on this year and beyond.



### CONTINUOUS LEARNING AND ADAPTABILITY

Stay updated on industry trends, emerging technologies, and market shifts. Embrace a growth mindset, foster a culture of learning within your organization, and encourage your team to adapt to change.



### EFFECTIVE TIME MANAGEMENT

Prioritize tasks, set clear goals, and manage your time efficiently. Tools and techniques such as the Pomodoro Technique or time-blocking can help increase productivity. Delegate tasks when necessary and focus on high-impact activities.



### NETWORKING AND RELATIONSHIP BUILDING

Cultivate strong professional relationships within your industry. Attend conferences, join industry groups, and leverage online platforms to connect with peers, mentors, and potential clients. Building a robust network can open up opportunities and provide valuable insights.



### INNOVATION AND CREATIVITY

Foster a culture of innovation within your brokerage. Encourage your team to think creatively, experiment with new ideas, and embrace a mindset of continuous improvement. Innovation is crucial for staying ahead of the competition and adapting to market changes.



### PICK A HORSE

This is Buildout's fun way of saying Pick a technology company you see more as a partner than a vendor. A partner you can trust to analyze all the new tech for you and deliver it in a way that ultimately delivers value back to your clients.



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