

DNA



of

#CRE

DNA OF #CRE REPORT

2016

BROUGHT TO YOU BY **theBrokerList** &  **buildout**

DNA²⁰¹⁶ of #CRE

Buildout and theBrokerList partnered to conduct the 2016 DNA of #CRE survey. The goal: to learn more about the industry, its demographics, the way brokers do their jobs today and the tools they use to be successful.

WHAT DID WE FIND OUT?

- Relationships are the top driver of business.
- It's challenging for brokers to maximize exposure and find the data they need.
- Brokers rely on technology and social media to do their jobs.

The data is broken out to reflect responses of brokers from small, medium and large firms.

BROUGHT TO YOU BY

theBrokerList & buildout

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ABOUT THE RESPONDENTS

283 BROKERS FROM ACROSS THE COUNTRY RESPONDED.
RESPONSES WERE BROKEN INTO THREE CATEGORIES.

SMALL BROKERAGES

1-5 BROKERS

36% of respondents

MEDIUM BROKERAGES

6-50 BROKERS

40% of respondents

LARGE BROKERAGES

> 51 BROKERS

24% of respondents

ABOUT YOUR BUSINESS

01

BROKERS AT LARGER FIRMS TEND TO EARN A HIGHER GROSS COMMISSION INCOME

The majority of brokers from small or medium-sized brokerages made less than \$200,000 in gross commission in 2016. Across all brokerage sizes, a very small percentage made \$1 million or more.

Many brokers from large firms do not see their brokerage's brand as a key driver for business. But company size and brand strength may give them the opportunity to close bigger deals and build more influential industry relationships.

SMALL BROKERAGES

63%
made ≤ \$200,000

3%
made ≥ \$1M

MEDIUM BROKERAGES

51%
made ≤ \$200,000

7%
made ≥ \$1M

LARGE BROKERAGES

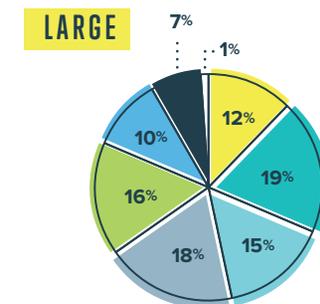
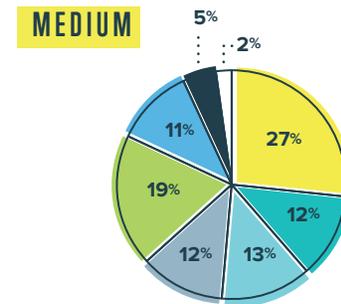
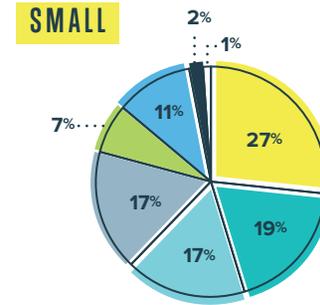
46%
made ≤ \$200,000

8%
made ≥ \$1M

KEY

- < \$100,000
- \$100,001–\$150,000
- \$150,001–\$200,000
- \$200,001–\$300,000
- \$300,001–\$500,000
- \$500,001–\$1M
- \$1M–\$2M
- > \$2M

GROSS COMMISSION INCOME



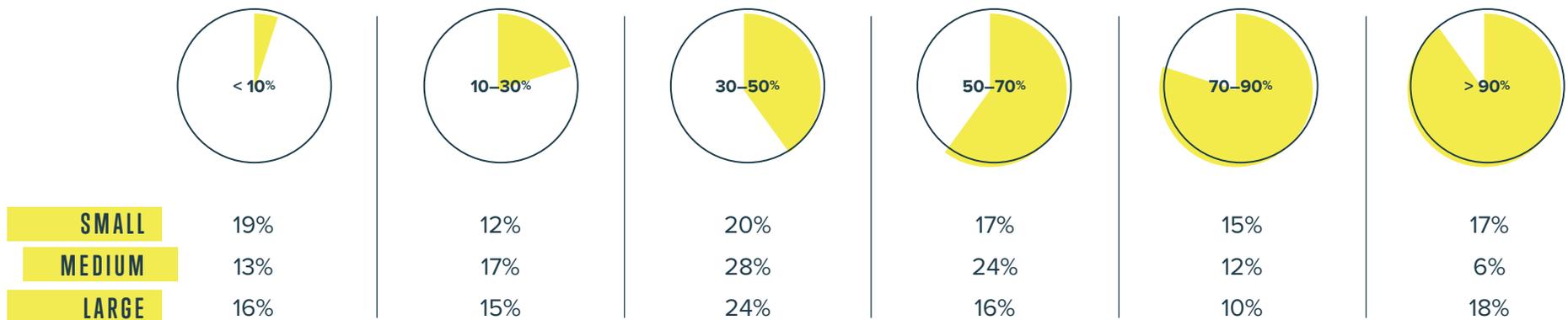
TOP RESPONSES ON CO-BROKING INDICATE 30 TO 50 PERCENT OF DEALS WERE CO-BROKERED

Brokers use this approach to expand reach and move the property to sold or leased more quickly.

Across brokerages of all sizes, the top response for percentage of deals co-brokered was “between 30 and 50 percent.”

Only 6 percent of respondents from medium-sized brokerages indicated over 90 percent of deals were co-brokered (versus 17 percent from small brokerages and 18 percent from large ones).

PERCENTAGE OF CO-BROKERED DEALS



RELATIONSHIPS ARE A TOP STIMULUS FOR BUSINESS FOR BROKERAGES OF ALL SIZES

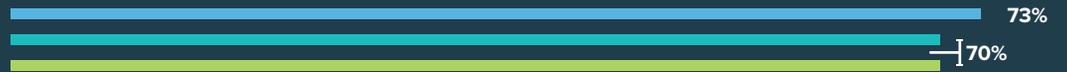
Across brokerages of all sizes, relationships are the top stimulus for business, followed at a distance by personal reputation. Strong relationships within the industry keep brokers informed of opportunities in the market. And a sense of trust between broker and client drives both initial and repeat business.

Many assume that company brand is a big business driver for large brokerages, but only 1 percent of respondents from large firms indicated that it was. However, this statistic may undersell the importance of branding. Building brand recognition and affinity is crucial not just for sales, but also for broker recruitment.

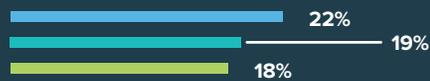
Relationships are just as important for bigger brokerages as they are for small and medium-sized ones.

STIMULUS FOR WINNING BUSINESS

RELATIONSHIPS



PERSONAL REPUTATION



DATA



KEY



BROKERAGES FIND BIGGEST CHALLENGES IN MAXIMIZING EXPOSURE AND GATHERING ACCURATE PROPERTY DATA

Maximizing exposure is the top challenge in marketing listings for small and medium-sized firms. Brokers from large firms cite gathering accurate property data and research as their top challenge. It's possible that large firms gain exposure more easily than smaller firms because they have a larger pool of resources and a more established, well-known brand.

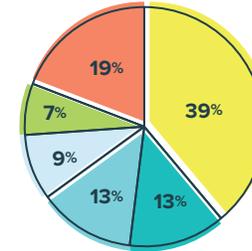
Struggles around maximizing exposure may be an indication that brokerages could benefit from new technology capable of efficiently expanding reach beyond word-of-mouth.

Interestingly, writing creative content is a top-three challenge for large firms, but it's not as much of a concern for small and medium-sized brokerages. **Over the last year**, 18 percent more brokers began incorporating a blog into their marketing strategy. Large firms are likely the driver of this trend.

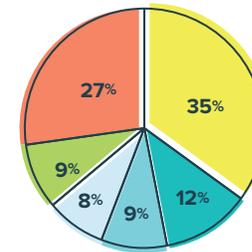
**Other responses include: Redundant data entry for updating listings; Preparing accurate analytics / pro formas; Speed to market; and Lack of quality photography and/or video*

BIGGEST CHALLENGES

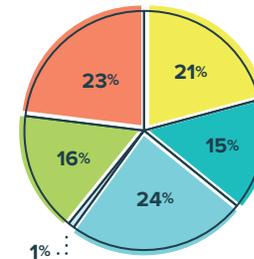
SMALL



MEDIUM



LARGE



KEY

- Maximizing exposure ■
- Quality of proposals/listing presentations ■
- Gathering accurate property data ■
- Redundant data entry for new listings ■
- Writing creative content ■
- Other* ■

YOUR TOOLS AND TECHNOLOGY

02

BROKERAGES RELY ON SELF-SOURCED INFORMATION, COSTAR FOR PROPERTY DETAILS

Brokers from small brokerages rely more heavily on self-sourced information, while those from medium-sized and large brokerages look to CoStar as a top information source for property data. This disparity is likely influenced by the cost of tools such as CoStar, which medium-sized and large brokerages can more easily absorb.

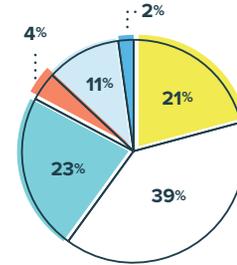
Across the industry, CoStar dominates as a top information source for property data. Outside of CoStar and LoopNet, no other player is among brokers' top three resources for property information, despite significant efforts to grow market share.

KEY

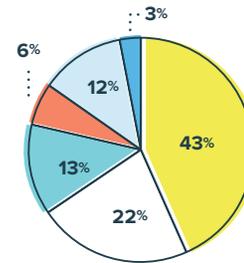
- CoStar
- Self-sourced
- LoopNet
- Internal company database
- Xceligent
- CommercialSearch

INFORMATION SOURCES

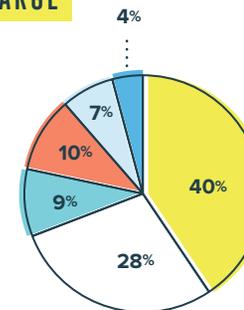
SMALL



MEDIUM



LARGE



ACROSS THE BOARD, BROKERAGES USE THE SAME TECHNOLOGIES

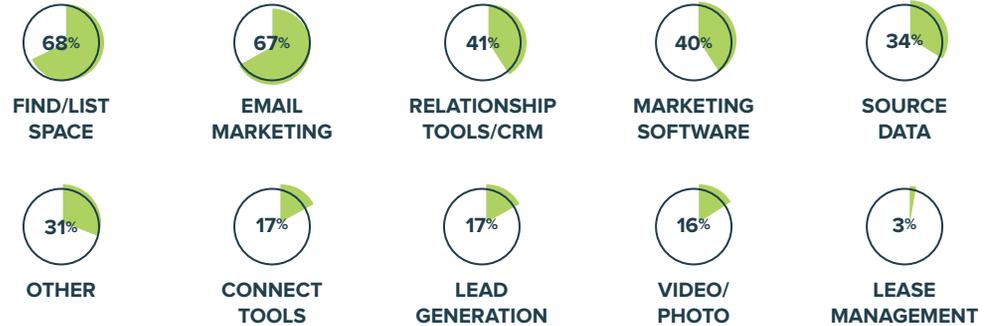
Across all sizes, the top tech tools include those used to find and list spaces, send email marketing campaigns and manage relationships.

Among the lesser-used tech tools, video and photo were used by 24 percent of brokers from medium-sized brokerages. Only 16 percent of small firms and 15 percent from large firms use video and photo.

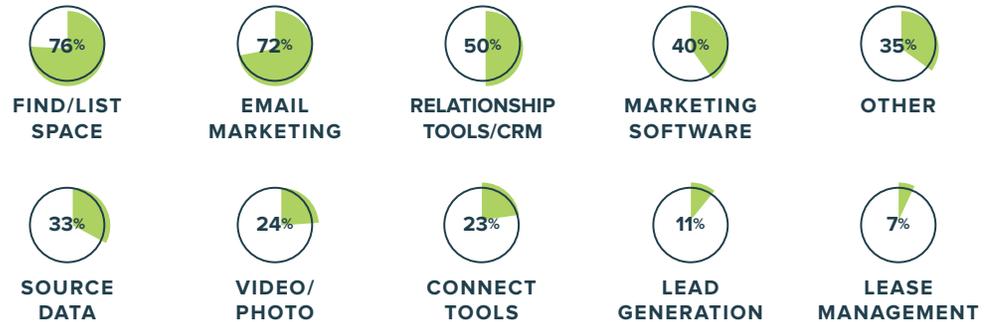
On the other hand, 11 percent of brokers from medium-sized brokerages used lead generation tools, while 17 percent from small firms and 22 percent from large firms did.

**See next page for an example of technology providers that fall into each category*

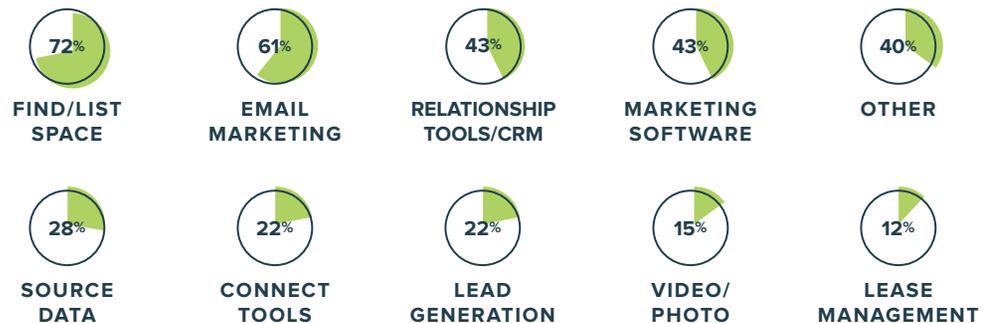
SMALL



MEDIUM



LARGE



HERE ARE EXAMPLES OF THE TECHNOLOGY TOOLS THAT FALL UNDER EACH SURVEY OPTION.

FIND AND LIST SPACES

RealMassive, Xceligent, CoStar, Catylist, LoopNet

MARKETING SOFTWARE

Buildout, RealNex

SOURCE DATA

CompStak, RealNex, REscour, STDB.com

LEAD GENERATION

ProspectNow

EMAIL MARKETING

MailChimp, Constant Contact

MANAGE LEASE WORKFLOW

Hightower, VTS

CONNECT TOOLS

theBrokerList, RealConnex

VIDEO/PHOTOGRAPHY SOFTWARE

Matterport, drone technology

RELATIONSHIP TOOLS/CRM

Apto, ClientLook, REA

LINKEDIN, FACEBOOK, TWITTER ARE TOP SOCIAL MEDIA TOOLS FOR BROKERAGES OF ALL SIZES

The top three social media platforms used by brokerages of all sizes are LinkedIn, Facebook and Twitter. These platforms are used by brokers for relationship building, networking and personalized messaging. Blogs and YouTube fall into the fourth- and fifth-place spots.

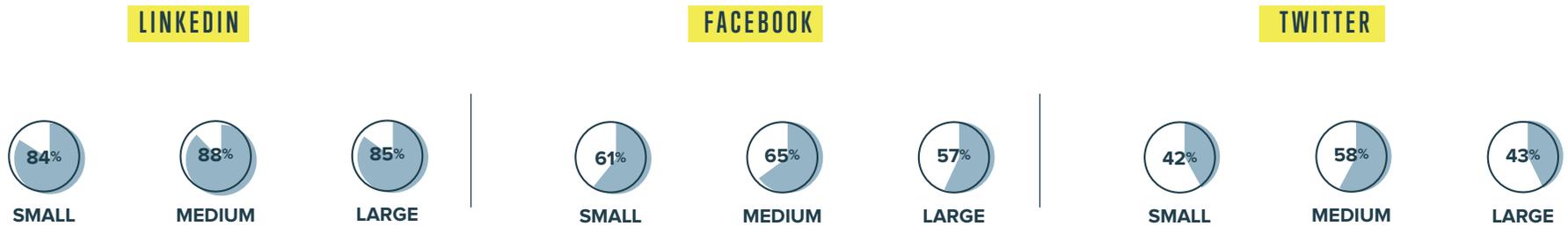
Social media tools allow brokers to create and share content, [positioning themselves as an expert](#) in the industry and establishing their personal reputation. Some platforms also give them a chance to communicate in a more visual or more “human” way.

58 percent of brokers from medium-sized firms used Twitter (versus only 42 percent from small firms and 43 percent from large firms).

31 percent of brokers from large firms are using Google+ (versus only 12 percent of those from small firms and 18 percent from medium-sized firms).

Only 7 percent of brokers from large firms used Instagram (versus 17 percent of brokers from small firms and 19 percent from medium-sized firms).

Only 2 percent of brokers from small firms used Pinterest (versus 7 percent of brokers from medium-sized firms and 6 percent from large firms).



ABOUT YOU

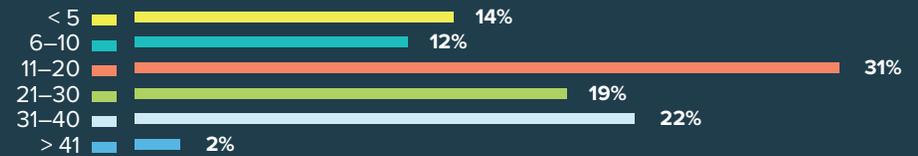
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YEARS IN COMMERCIAL REAL ESTATE

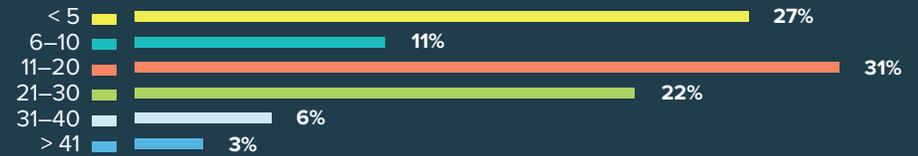
Over a quarter of medium-sized firms are made up of more brokers who are newer to the industry, which makes sense as this size also skewed younger.

YEARS IN CRE

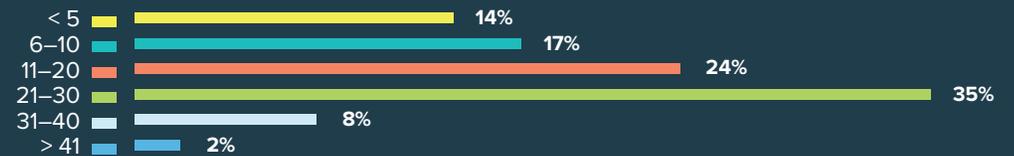
SMALL



MEDIUM



LARGE



AGE

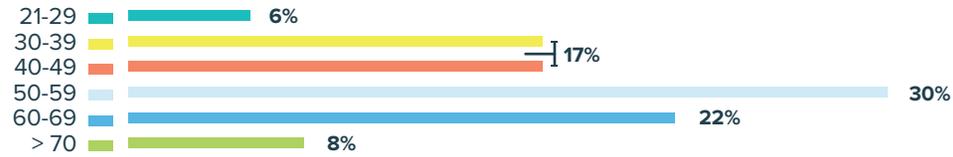
Medium-sized brokerages skew slightly younger.

GENDER

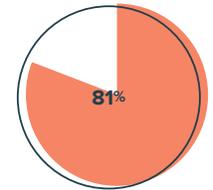
The industry remains predominantly male.

AGE

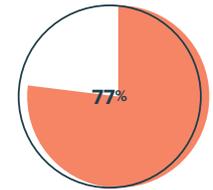
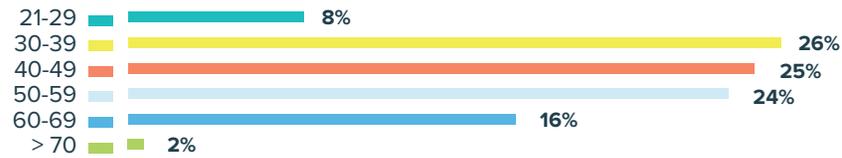
SMALL



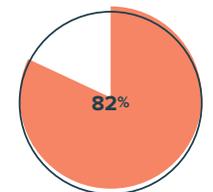
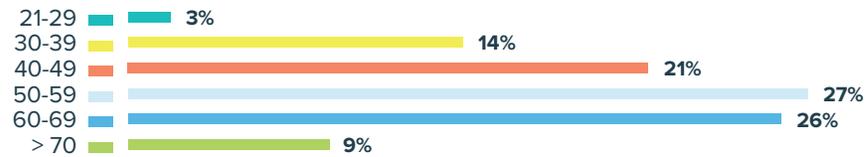
GENDER



MEDIUM



LARGE



Male Female

ABOUT THE SURVEY

WHO EXECUTED THE SURVEY

Buildout and theBrokerList teamed up for the second annual DNA of #CRE survey.

THE PURPOSE OF THE SURVEY

To gather and share information about the commercial real estate industry—who brokers are, what they do, the tools they use. This information provides a benchmark for brokers to see how they measure up and learn about other brokers across the industry.

WHEN THE SURVEY WAS CONDUCTED

December 2016

THE RESPONDENTS

283 brokers from across the country. These respondents represent a range of demographics, roles, brokerage sizes, geographic regions and property types.

THE RESULTS

This report takes a deeper look at the survey results. This slice of the data covers the aspects of CRE that brokers care about most. We analyzed the responses from brokers within small, medium and large brokerages to gain a better understanding of how each type of firm functions. Here's how we classified the three sizes:

- Small brokerages: one to five brokers
- Medium brokerages: six to 50 brokers
- Large brokerages: > 51 brokers

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