

## MOVING: Money is what mainly matters.

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No one tracks the number of commercial real estate brokers, who hold the same state license as residential real estate agents. But the top 25 commercial real estate firms in the East Bay Business Times' 2008 Book of Lists employed approximately 430 agents.

Brokers and brokerages typically split the fee for each sale or lease transaction on a sliding percentage scale that ranges from about 50-50 to as high as 90-10, depending on the company and the broker's experience level.

For Schnayer, the newly hired director of CM Realty's Walnut Creek office, the

decision to leave Colliers International was about friendships, opportunity – and money. His former company "adjusted" commission splits around Jan. 1, said Schnayer, adding, "It was one of the factors that impacted my decision."

His friendships with some individuals at CM Realty also were "a strong motivating factor" in his move announced Jan. 14. While Colliers is a "good group," Schnayer said he realized "there were opportunities I felt I could take advantage of more at a local level with a smaller group."

His junior partner at Colliers, Matt Hastings, decided to join him at CM.

A Colliers spokesman declined to comment on any changes in compensation.

Tenant representative Jeff Weil had been with Grubb & Ellis for 20 years when he decided to leave for Colliers' Walnut Creek office 10 to 12 years ago. As a member of the Society of Industrial and Office Realtors while at Grubb, he ran

the Northern California SIOR Premier Broker Award program for several years, and the fact that many of the award winners were from Colliers caught his attention.

"Nothing against my last company, but they (Colliers) were the ones dominating. I started wondering why I am not there," Weil said. "That probably more than anything is why I changed."

Weil was among the industry experts who cited the "grass is always greener mentality" – thinking one company offers a greater opportunity or has a market niche missing at one's current employer – that accounts for some brokers' moves.

"Sometimes this is true. Often the grass is the same and individuals' actions are key," Weil said. "Sometimes it is hard to admit that it's not necessarily the company" causing the problem.

A company's size can also make brokers wish they were elsewhere, the experi-

enced broker who spoke on condition of anonymity said. When offices get too big, brokers are more territorial and "people start bumping into each other and claiming clients," he said.

The solution that might occur to brokers in that scenario is to go to a smaller brokerage where there are more opportunities to prospect and develop clients, the broker said.

Switching companies was about geography for Fabian, who led the group of five former NAI BT brokers from Oakland to form a new Cornish & Carey office in Hayward. The group wanted to be physically closer to where most of their deals were done, in the south Interstate 880 industrial corridor, Fabian said. The five will share profits as well.

"From our standpoint we are building a profit center within the company that we affect based on our actions, which is really kind of nice," Fabian said in a November interview.

"In a typical real estate firm, a big office, maybe one, two or three guys can't dictate how well an office does or what an office does, but with five guys we can be lean and mean and do what we can do. We are starting something and building something from scratch."


Another factor influencing broker affiliation changes is the chance to obtain equity or partnership in another company, Weil said.

In Harrison's case, equity was the goal for leaving CBRE and starting a new company, Equistone Partners, in Oakland last November. Finding too many barriers to investing in real estate on his own, Harrison founded Equistone with the goal of investing a percentage of every dollar its brokers earn – separate from their commissions – in Equistone projects. The investments are disclosed to clients under conflict-of-interest guidelines.

The lure of equity at Equistone was enough to make Benjamin Osgood leave NAI BT in December to join Harrison's company.


All this broker movement might be another sign of a slowing economy, suggested Mike Copeland, senior vice president at Colliers in Pleasanton.


"It's funny. You typically will see more movement in a slow market than in a hot market, because everyone is too busy in a hot market to think about switching," he said. "Things slow down, and people start to wonder if they can do better elsewhere."




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