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How to Choose the Right Broker (12-minute read)

Author: James Cornell

Twenty-four (24) Reasons to Trust Cornell to Sell Your Hotel

1. The Broker Makes the Selling Process Easier

Cornell Hotel Brokers eliminates lots of work for the Seller and buyer. The Broker takes responsibility for coordinating legal, financial, market analysis, communication, and secure document storage.

Listed below are the Broker's Duties.

- Vetting the buyers to eliminate the unqualified.
- The Broker is responsible for ensuring an efficient sales process.
- Market analysis is conducted to identify the strengths and weaknesses of the local hotel market. The information gathered will help determine a final price estimate (market value).
- Supervising, showing, and reporting back to the Client on a timely basis
- Submit any offers for Client consideration.
- Assisting the Client in negotiating offers
- Document delivery
- Coordinating inspections
- Scheduling the appraisal, survey, and environmental study.

- Communication with all transaction players to meet "Purchase and Sale Contract" deadlines.
- Ensuring the Client's input and directives are maintained throughout the sales process. The Broker is responsible for coordinating the sale and ensuring that the Client's directives are followed.
- Price valuations and market analysis are the Broker's responsibilities.

2. At times, the Work of a Broker Becomes Hectic

The work accelerates when the Broker gets the Listing. The sales process requires constant readiness to address the many issues that arise when the Buyer, Seller, and third parties enter the discussion. In essence, the Broker orchestrates the sales process. James Cornell views his job as eliminating many Client headaches.

The Broker must remain attentive and engaged to prevent the sale process from stalling. Small brokerage companies excel because small firms can better focus on the needs of individual Clients.

3. Broker Responsibilities to Ensure a Smooth and Efficient Process

- A smooth transaction requires constant attentiveness and the recognition of problem areas ahead of time to eliminate delays. The Broker must possess the skills to keep everyone on track.
- Vetting the buyers to eliminate the unqualified.
- Market analysis.
- Price analysis.
- Reporting back to the Client on a timely basis.
- Submit any offers for Client consideration.
- Assisting the Client in negotiating offers.
- Document delivery.
- Coordinating appraisals and inspections as per the Purchase Contract.

- Scheduling property visitations.

4. Broker Expertise and Market Awareness

- Anticipating and addressing buyer and Seller concerns to keep the transaction on track.
- The Broker will act as an intermediary, linking two parties to reach an agreement. Mediating between parties with separate interests requires experience, personality, patience, and a willingness to listen.
- The Broker's fiduciary must possess up-to-date deal-stage information to give his Client the edge.
- Provide Clients with market insights, industry developments, and regulatory changes based on market knowledge, experience, and analytical proficiency.

5. Broker's Fiduciary Duties to Client

Clients need to trust their Broker. Cornell Hotel Brokers has a good track record, as many of our Clients can attest. Cornell has brokered dozens of hotels in a decades-long career. Clients who have trusted Cornell to sell their properties have written some very nice things about Cornell Hotel Brokers.

Read Library Article: "About James Cornell"

* ***No complaints against Cornell Hotel Brokers have ever been filed with any state commission or government agency. Cornell Hotel Brokers has been in business in many states going on 30 years. Obedience to the Client's wishes and obedience to real estate laws and regulations have been the key to a perfect record.***

Read Library Article: "How to Choose the Right Broker"

Fiduciary Duties are virtues that all brokers must uphold, even at their own financial detriment.

Loyalty: The fiduciary duty of loyalty means that the Broker will always put the interests of the Broker's Client above that of the Broker and other parties. The Broker exclusively represents the Client and will act only in the Client's best interests.

Confidentiality: The fiduciary duty of confidentiality means that the Broker shall not reveal information received from the Client that might harm the Client's interests. Of course, the Broker must disclose information about the hotel's financial and operational performance to enable the property to be sold.

Disclosure: The Broker will disclose to the Client vital transactional information to enable the Client to make informed decisions.

Reasonable skill and care: Broker will use professionalism, education, and skill to perform all duties for the Broker's Client.

Obedience: Broker will comply with all Client's lawful requests.

6. Multiple offer situations - It is Best to Use Only One Broker

Cornell steers clear of troublesome situations. Multiple offer situations can create ethical and legal issues for Brokers. Legal questions often include the following:

- Who introduced the buyer to the hotel sale?
- Which Broker is going to get paid?
- Which buyer has the right to make their offer first?

It is always better to avoid situations where multiple brokers compete for the same deal. A good principle is to avoid having multiple brokers work on the same sale at the same time. Avoiding legal squabbles is a wise choice to make.

7. Small Brokerage Firms Have the Advantage Over Large Firms

Cornell views his job as a process of removing obstacles that hinder a successful property sale. As the Principal Broker in charge, Cornell will focus full attention on negotiating a price and terms favorable to his Client and will always remain faithful and loyal to give his Client the negotiating edge. As a loyal fiduciary, Cornell will place his Client in an advantageous position to achieve the best possible outcome. This diligent fiduciary responsibility takes time, commitment, ethics, and experience.

In smaller brokerage firms, the Broker can devote full attention to moving the process forward. By contrast, in large brokerage companies, there are many peripheral issues inherent to large companies that divert and distract focus from each individual Client. Small companies can truly offer personalized service.

Read Library Article: "Small Brokerage Firms versus Large - The Advantage Goes to Small Firms"

8. Appraisal - Price Valuation

The Appraiser/Broker will carefully study and evaluate the subject hotel, taking into consideration current macroeconomic conditions, interest rates, local market competition, recent comparable sales of other hotels, current hotel listings, profit & loss statements, and other pertinent determinants of price.

James Cornell is a Certified Hotel Appraiser (CHA). Experience, education, certifications, collaboration with industry professionals, and networking help ensure that each sale is done right.

9. Setting a Realistic Market-Based Price

Hotel companies are aware of current market hotel prices. They know when a property is priced way off base. If you set your expectations of finding a miracle buyer who will pay an outlandish price for your hotel, then you are wasting your time. You may get many tire kickers, but you will not find a serious buyer.

Overpriced properties languish in the marketplace. Cornell will value your hotel using the latest computer software, recent market comparable sales, recent cap rates, and other important market data. Cornell will submit to you a realistic estimate of value that reflects current market conditions. Of course, the Seller is always in charge of the listing price and the eventual negotiated price at which the hotel is sold. The Broker will remain supportive of all the Seller’s decisions.

As a fiduciary, the Broker will act in accordance with the Seller's wishes. Cornell believes in a no-pressure approach. Long-term relations are much more important than short-term profit.

10. When to List Your Hotel? When to Sell?

Most brokers want to get the Listing and start marketing your hotel immediately. Cornell takes a different approach.

Cornell will ask:

- What is in the best interests of the Seller?
- Is it time to sell while the hotel is still ramping up revenue as the economy rises?
- Has the market already reached a short-term run-up?
- Is it best to sell now and bank the profits?
- Is there another market downturn around the corner?

Projected inflation rates, local competitive hotels, new entries into the market, changing traffic patterns, and many other factors go into the decision to sell or to hold. Cornell's priority is to sell at the right price and when doing so is in the Client's best interests.

11. Advertising - Promotion to Reputable Companies

Contacts in the USA, Canada, and Europe number in the hundreds. We at Cornell keep a pulse on the market and know which companies are seeking hotels to purchase. Networking has become so important. Cornell has developed an array of potential buyers and sellers over decades of working in the industry.

- **By The Way**, it is important to know potential buyers who are capable, qualified, and who present fewer issues during the sale process.

- **Said differently**, some buyers are a pain to work with and raise too many inconsequential issues during the sale process. We at Cornell try to avoid such buyers.

12. Marketing and Promotion

Cornell does not email blast to everyone in the universe unless, of course, that is the Client's preference. Do you prefer discretion and a quiet sale, or do you prefer wide-open advertising that reaches the broadest market? Whichever way you like will be respected.

Advertising by Method A: Confidential Sales Marketing
Cornell contacts qualified buyers only when necessary and on a confidential basis. We exercise extreme caution to avoid alerting the broader market or the hotel's staff when discreetly marketing a property.

Advertising by Method B: Broad & Quick Outreach Advertising
Alternatively, if a Seller Client prefers to advertise and share the subject hotel information with the open market, Cornell will gladly accommodate the Client's preferences.

13. A Smooth Sale Transaction is the Goal—80/20 Rule

In real estate, hotel brokers should actively avoid certain troublesome Buyers. Cornell draws upon over 28+ years of brokerage experience to effectively identify these problematic individuals.

The 80/20 rule applies, emphasizing that 20% of deal participants account for the least problematic issues. By contrast, 80% of deal participants represent the most formidable challenges. Brokers should screen out and deliberately avoid Buyers who repeatedly try to renegotiate the Purchase Contract. After the Buyer and Seller sign and deliver the Purchase Contract, all parties must treat the transaction terms as sacred and inviolable, unless the contract stipulates otherwise. There are exceptions, but generally speaking, the 80/20 rule applies.

14. Match Making

Matching the right buyer preferences with the subject hotel will save time and negotiation difficulties. Cornell prequalifies prospective buyers according to their financial strength and experience. Hotel size, amenities, franchise or independent, location, revenue stream, and other factors go into choosing the best buyer. Of course, the Seller is always kept informed and makes the final decisions. Our team will present all purchase offers to the Seller. Good communication and updates are crucial.

15. Stay Organized and Submit Paperwork on Time

Cornell Hotel Brokers stays focused on every sale. Organization and communication among all the players are crucial to keep the deal moving forward.

Important Things for the Broker to Consider:

- What must the Broker do next in order to eliminate miscommunication?
- How can the Broker keep the sale moving to avoid a stalled sale?
- Which documents need execution and transmission?
- Have all documents been presented to the Buyer and Seller on a timely basis?
- Who needs to know what and when?
- Everybody in the deal chain must NOT be left waiting for documents or information.

16. Create a portfolio of photographs and written material that presents the Subject Hotel in the Best Light

Vital property and market data, which includes photographs, property descriptions, statistics, etc., will be written into a narrative about the Client's hotel.

Cornell has in-house capabilities for brochures, presentation graphics, and website design, which enable us to present the Client's hotel in the best light. Our hotel presentations are among the best in the industry.

The prospective buyer must have a thorough knowledge and understanding of the Client's hotel. A clear written description of all facets of the hotel and the local market will facilitate a more straightforward sales process.

A smooth and uninterrupted sales process is the goal. The buyer, with thorough knowledge of the subject hotel, will feel more confident in entering into a purchase contract.

17. Easy to Use and Understand Listing Agreements

The Listing Agreement should be clearly written to ensure easy understanding. Excessive legal language can cause confusion and waste time. Sellers and Buyers are advised to seek legal counsel before signing any document.

18. Thorough Study of the Subject Hotel and Local Market

Cornell provides prompt responses to questions from all parties to keep the sale moving forward. Our decades of brokerage experience help us anticipate potential problems, enabling us to implement solutions immediately. We know what is coming down the pike and how to handle complex issues.

19. Client Information is Kept Confidential

Cornell keeps Client communications confidential. We will never sell your information. Some other brokers share or sell your information to your competitors. Cornell protects confidential Client information even after a hotel property is sold.

20. Market Trends and the Value of Networking

Cornell knows the market and the hospitality industry. We network with a range of professionals in the hotel industry to stay abreast of key issues. Our networking prowess remains constant, keeping us in contact with brokers, owners, management companies, and bankers. Cornell stays attuned to the market and the industry professionals who compose the hotel market.

21. Broker Facilitates Contract Process and Negotiations

We at Cornell quickly address problems to keep the sales process moving efficiently. We prioritize faithfulness to Client objectives and timelines. Again, we advise all parties to the transaction to seek legal advice before signing any document.

22. Seller Benefits - Exclusive Right to Sell Listing Agreement

Motivation: Cornell makes a full effort with the expectation of receiving a full commission upon the sale's conclusion.

Discretion & Confidentiality: Cornell, as the listing Broker, elevates discretion by protecting the deal's sensitive details.

Old Saying: "Too many cooks in the kitchen will spoil the soup." This old saying, applied here, means that confidential information in too many hands is difficult to keep under wraps.

Better Organization: The deal flow is enhanced by controlling and organizing all aspects of Buyer and Seller interactions. Sellers typically have difficulty dealing with too many brokers because it is difficult to sort out who said what to whom.

The Broker Deselects Unqualified Buyers: At the outset, after the Listing is signed, Cornell is mindful that unqualified buyers could disrupt deal flow and cause the sale to fail. We make an effort to screen out unqualified buyers.

Brokers Prioritize Exclusive Listings: Allocating more time and effort to comprehensive marketing strategies, streamlined communication, enhanced negotiation efficiency, and protection of proprietary information.

23. More Seller Benefits — Exclusive Right To Sell Listing Agreement.

- Cornell screens-out non-serious buyers. The sales process is controlled and orderly when Cornell orchestrates the deal.
- The Seller controls who can view the hotel and when visitations are scheduled.
- The Seller can test the market with fewer price changes. Too many brokers working the deal can upset this process.
- The Seller can more easily establish a longer-term relationship with one trusted broker.
- Cornell, as the listing Broker, invests more time, money, and effort to provide focused service to the Client.
- Cornell can maintain confidentiality and discretion more effectively.
- The Seller enjoys clear communication and stays better organized when dealing with a single Broker rather than multiple brokers.
- The Exclusive Right To Sell Listing Agreement authorizes Cornell to coordinate with the Seller's third-party agents (such as lawyers, title companies, surveyors, inspectors, and franchise companies).
- The Exclusive Right To Sell Listing Agreement eliminates conflicts between brokers. Brokers often face uncertainty about who contacted the buyer first. This confusion could lead to legal problems. Cornell makes a diligent effort to avoid the courts.

24. Our Offer to You

Cornell Hotel Brokers & Valuation Services specializes only in hotels. We sell no other type of real estate. We benefit you as hotel specialists because we focus on one industry. We know the capable, serious people and companies through years of acquiring industry knowledge.

If you are considering selling your hotel, contact Cornell Hotel Brokers for a price valuation. We analyze your hotel, the local market, recent hotel sale comps, local competition, and other pertinent factors that contribute to price valuation.

If you dislike what you hear after our presentation, … simply say "no."

We act without demands or high-pressure tactics. James Cornell believes no pressure fosters good long-term relations. We create goodwill even if you choose another broker.

If you say "yes," we are happy to work with you.

Best Regards,

James Cornell