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Zeroing in on Recruiting, Training Young Professionals

At the firm's recent leadership summit, NAI Global talked about focusing not only on attracting young brokers, but the importance of mentorship and their role in new business.

By **Gary Marsh** | March 22, 2019 at 04:00 AM



The NAI PDM Mastermind Group session was led by sales consultant Jeff Beals. At NAI Global's recent Leadership Summit in St. Louis, MO, firm principals, directors and managers zeroed in on one of most pressing elements in running brokerage operations these days – attracting, hiring and training Next Generation Professionals.

The NAI PDM Mastermind Group session was led by sales consultant Jeff Beals (also affiliated with NAI NP Dodge in Omaha, NE). Here are some of the highlights from the Best Practices session.

Michael Kalil, the Chief Operating Officer with NAI Farbman in Southfield, MI said that his office is offering new commercial agents a one-year, \$25,000 salary plus 10% to 20% of the senior broker/mentor's share of closed transactions if the newbie played a significant role in bringing in the new business. Kalil added that his office's mentoring program can be extended beyond the first year providing NAI Farbman and the senior broker are in agreement to extend.

By contrast Rick Gold with NAI Capital in Los Angeles said his office typically prefers to attract successful brokers that are already established in the business and may not have the benefit of working on a team. “We have been successful in attracting experienced brokers that need less training and can be productive right away,” he said. “We are still always looking for new brokers that we can team up with more senior brokers in the hopes of getting them on a faster track to profitability,” he added.

Scott Coombs, SIOR and President of NAI Puget Sound Properties in Seattle, WA, however, added another dimension to new agent mentoring programs.

“The key to success is to not only get the right runner but you also have to have the right mentor,” he said.

NAI Puget Sound offers young professionals \$30,000 for a one-year program and also some upside from the mentor’s share of the commission splits based on merit. Coombs said it takes “five years to get over the hump” from starting in the business and “if we are successful matching a great candidate with the right mentor it can result in a long-term business partnership, which is ideal.”

The Beals-led conversation on recruiting and mentoring shifted gears to include the merits and advantages of brokers as W-2 employees versus brokers as 1099 contractors. Kevin Goeller, a Principal with NAI KLNK in Tysons, VA said that his office has 120 people including 80 brokers and everyone is a W-2 employee. For recruitment, Goeller added, “we develop young people organically because in addition to adopting the right skills to succeed in brokerage, these young people are in the middle of emerging technologies that most of our older brokers are not aware of, and these technologies increasingly reflect our client base. They are the companies we

lease and sell space to now or in the future, such as Bonobos, Tesla, Soxy, Carvana, Stich Fix, Blue Apron, Sun Basket and others.”

Others in the room offered that many of their brokers prefer contractor status so they can maximize their annual IRA or SEP IRA contributions, which one typically cannot, in an employee-structured work and compensation arrangement. For example, Jordan Elliott, with NAI Elliott in Portland, OR, said his office formerly made brokers W-2 employees but he switched to 1099 contractor status per the brokers’ request so they could max out annual contributions to retirement accounts.

Gary Marsh is a consultant and content developer for NAI Global. The views expressed here are the author’s own and not that of ALM’s Real Estate Media Group.