



Key Performance Indicators in Commercial Real Estate Agency

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Key Performance Indicators

In commercial real estate agency, most of us dislike being 'tracked and counselled' on our commission and listing performance. This is even more so the case when the person that is 'counselling' you is of little skill or has little knowledge as an expert commercial real estate person.

Key Performance Indicators

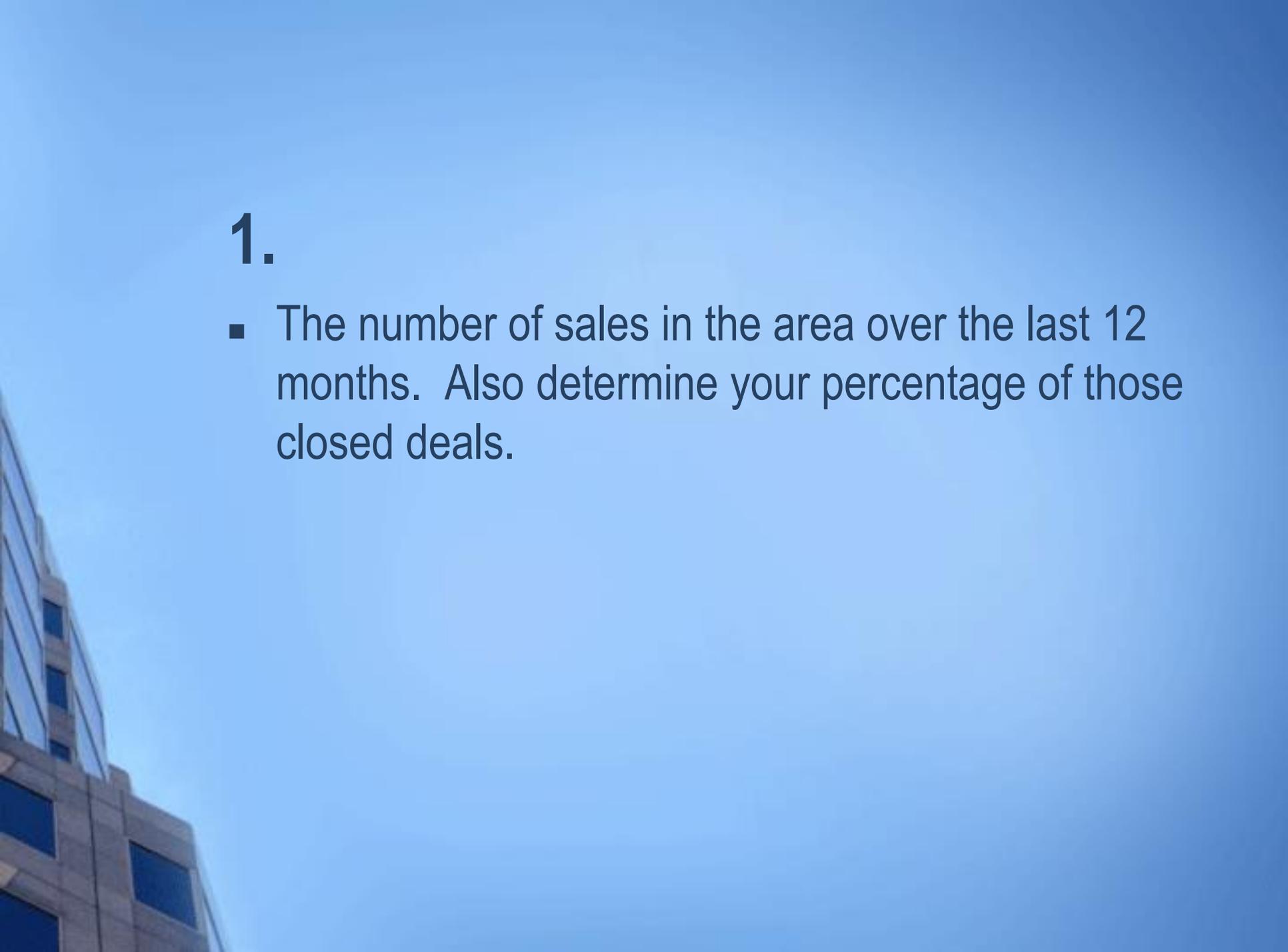
All of this being said, the process of tracking your sales, listings, and commission results is a good thing and will help you a lot. You should not wait for someone to give you a set of performance indicators; you should be doing it yourself. Understand what your property market is doing now, where it is headed, and put your focus into it. Set those goals and indicators that can take you forward as a commercial real estate specialist.

Key Performance Indicators

The fact of the matter is that if you do not know what is going on now in and with the property indicators, you will not know where you fit in the local area or territory. Whilst it is convenient to 'go with the flow' when it comes to client contact, listings, and negotiations, you really do need something to aim for.

KPI tracking processes

There are some figures that are really important when it comes to establishing your KPI tracking processes. Here are some ideas to get you started:



1.

- The number of sales in the area over the last 12 months. Also determine your percentage of those closed deals.

2.

- The number of leases in the local area over the last 12 months. Determine your percentage of the action.

3.

- Track your gross commissions and net commissions. Over a quarterly period you should be seeing growth.

4.

- Understand the types of properties being sold or leased by type, price, rent, and location. There is no point specialising in something that has little momentum or demand in the property market.

5.

- Track your listings in both property type and location. Also split your listings up into open listings and exclusive listings. You can then work out your conversion factors and time on market.

6.

- Watch the growth and quality of your database. There is no point in having a database if the information in it is old or redundant. Look after your database on a personal level.

7.

- Know the numbers of clients that you have now and review those numbers monthly. Clients are the people that have listed with you or have paid you commission as a result of a sale or lease.

8.

- Track the numbers of sales or leasing deals that have been converted to property management appointments.

Track Your Performance

So all of this is not hard; it is just demanding and different. If you work in commercial real estate, you really do need to be a driven person that can take action and be responsible for the results that you get. That is why you should track your performance.

IMPORTANT INFORMATION

This information is prepared as general training information for commercial real estate practitioners globally. No part of this material may be regarded or relied upon as legal or specific advice for individual situations. Although all care has been taken in the preparation of this material, recipients:

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This is another quality resource from the Commercial Real Estate Training Online Series.

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