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## Choosing the right broker takes high priority

Buyers and sellers feel more comfortable with hotel specialists, especially for high-end deals

By Elaine Yetzer Simon

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Specialization seems to be a hot concept nowadays, with the idea popping up across a broad range of industries. But when it comes to hotel brokers, it's more than just a marketing strategy. Selecting a broker who has experience not only in hotels, but also in the type of hotel you want to buy or sell can make the transaction process much quicker and easier, according to some.



Sellers need to be comfortable with the broker's history, according to Chuck Nester, president of Westlake Village, Calif.-based Brown Nester Hospitality Services. "All franchises are nontransferable on sale, so you have to go through an application process," he said. "If a broker is familiar with a Hilton product or a Choice product or whatever, if they're used to that type of connection going through the franchisor, obviously I as a seller would feel more comfortable."

Nester said the same is true for hotel buyers. "If the buyer wants to buy a Hampton Inn but he's never owned a Hampton Inn or been a franchisee before, and if I've represented buyers buying that type of product before, the buyer would feel more comfortable that I would know what the next step would be, particularly when it comes to the franchisor, the application process and [property improvement plan] and everything that goes along with it."

### Other Considerations

While experience and knowledge are the main focus when selecting a broker, there are various other issues that come into play in addition to specialization.

Nester said knowing how to run hotels, and not just buying and selling them, is something buyers and sellers need to consider. "I've owned properties, my company has developed and built hotels, and I had a management company for 20-some years," he said. "If a guy sends me his profit-and-loss statement, I can understand that profit-and-loss statement. There are brokers out there that will get one and have no idea what the line items are or what the chart of accounts are because they've never seen it before."

In addition to being active in the market where the hotel is and having a track record of success, it's important to find a broker you are comfortable with. Nester agreed that relationships still are the basis when selecting a broker. "It's still a personal contact. It's still face-to-face," Nester said. "The cold calls and e-mails and 'please list your property with me,' it just doesn't happen. When it comes down to the point of a seller deciding who to list with, that's a face-to-face decision-making process."

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**California Office: 2393 Townsgate Rd., Suite 100, Westlake Village, CA 91361  
Florida Office: 3300 N. University Dr., Suite 500, Coral Springs, FL 33065**

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