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## **Founder's Message: Always check with an expert - by Roland Hopkins**

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Roland Hopkins, NEREJ

Many years ago a young broker asked me a question about taking a piece of a deal in lieu of taking his entire commission. I was honored that he asked my advice as though I was smart enough to

know the answer. Didn't commercial real estate publishers know all about commercial real estate? I admitted to myself that I had no idea how to answer, but decided to quickly analyze the pros and cons. Heck, it was the guy's first major deal, so why not at least try and help?

So my initial thought was the stock market. Isn't it driven by people who buy small pieces of the whole? The broker's client, a first time buyer, was buying a 20-unit apartment property that would need some repairs - probably the reason he wanted to pay a smaller commission. "Do you trust the client?" I asked. The broker scratched his head like the answer was hidden somewhere in his hair. "I guess so," he finally said. "I have no reason not to, and I don't think he's going to find too many places to hide from me. This is his first purchase. He said it is sort of a break even deal. He got a twenty year mortgage from a bank, will use the income to pay back the loan, and in twenty years he'll own it outright. What can be wrong with that?"

It actually sounded more like a sound investment than the stock market. The landlord would have control of everything that happened, and in 20 years he'd own 100%. So I pretended I knew what I was talking about and said, "Find your client more of these deals - maybe one a year, and in twenty years he'll be a multi-millionaire and you'll be a millionaire." He smiled wide, scratched his head again and said, "Hey, it's the guy's first real estate investment, and if I can't help him out a little bit - well who the hell am I? Isn't it better to give than to receive?" I didn't know where that cliché came from, or how old it was, but had heard it many times before and knew that most clichés (if not all clichés) stay true forever. I nodded and he thanked me for what he thought was a commercial newspaper owner's sage experienced advice. And guess what. I recently read Forbes' list of Massachusetts' Millionaires. His client was on the billionaire list, and my friend on the millionaire list. I immediately phoned him and congratulated him for his success. He thanked me for the recognition and thanked me for my initial knowledgeable help. Little did he know that I almost told him to take his full commission and run.

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