

Brokering New Ground in California Commercial Property

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California commercial-property brokers are coming under the magnifying glass in California.

Last month, the state legislature passed a bill designed to discourage the practice of brokers representing both sides of a transaction in commercial-property leases and sales. The law requires brokers to fill out a form disclosing to the tenant or buyer when they also work for the seller, a practice that critics say sometimes occurs without disclosure, particularly on small deals.

Jason Hughes, chief executive of brokerage Hughes Marino, said he lobbied extensively for the legislation. Mr. Hughes, who represents tenants in

lease deals, said the practice of working both sides without disclosure is common in California, often resulting in tenants paying more than they should. With the new law set to go into effect in January, Mr. Hughes predicts the added transparency will cause more brokers to stick to representing one side or the other.

“It makes it front and center,” Mr. Hughes said. “This is the beginning of two distinct groups—you either ‘rep’ landlords or you ‘rep’ tenants.”

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Jason Hughes is president and CEO of Hughes Marino, a Southern California commercial real estate company specializing in tenant representation and building purchases. Contact Jason toll-free at 1-844-NO-CONFLICT or jason@hughesmarino.com to learn more.