



Marcus & Millichap

Increases Revenues by 25%, Doubles Broker Commissions and Attracts the Best Talent Using CoStar

Founded in California in 1971 with more than 80 offices and 1,700 brokers spanning North America today, Marcus & Millichap is a premier provider of investment real estate brokerage services to clients across the US and Canada.

The foundation of the firm's success lies in its deep local market knowledge; in 2016, Marcus & Millichap closed nearly 9,000 investment transactions for private and institutional investors. The firm attributes much of its success to CoStar Suite®, which offers the firm the in-depth sale comps, market reports, researched information and imagery that wins profitable business, generates market reputation and attracts great brokers.

A Valued Recruiting Tool

According to Mark Paterson, Broker of Record & Regional Manager, Marcus & Millichap relies on CoStar for several uses. First, they view CoStar as a key tool for sourcing and attracting the best brokers and sales talent.

"We show potential hires the power of CoStar during the recruitment process – demonstrating how the information provided by CoStar can help them be successful as brokers at our firm," Paterson explained. After the firm began integrating CoStar into their recruitment process, "we increased our sales team by 25% in 12 months," he said.

Expert Broker Training and Placement

It follows that the firm also uses CoStar as one of their main research training tools as they bring new brokers in. "Our business model revolves around research and training and CoStar has provided that to us," Paterson said. Indeed, after incorporating CoStar into its new hire process, the firm "reduced our new broker orientation time from 14 weeks to seven. We cut our research training time for new hires by 50 percent."

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Marcus & Millichap also uses CoStar to determine the right territories in which to deploy new reps. "We pull up properties in specific geographic areas, and use CoStar to determine where significant sale transactions are taking place," Paterson explained. "This is key information we use to assign a rep to that specific area."

All told "we've seen a 20 percent increase in broker retention using CoStar," Paterson said.

The Information, Assembled and Verified

Marcus & Millichap brokers use CoStar to get fully verified sale comps on properties of interest in the US and Canada, whether they're on-market, off-market, have been previously sold, or otherwise. They also rely heavily on CoStar's lease rate information – confirmed regularly by CoStar's industry leading research team – to determine whether properties are priced above or below market value, and regularly use CoStar to access high-quality digital images so they can see, and show clients, properties clearly.

"By using CoStar, we've been able to decrease our local research time by 75 percent," said Paterson.

Marcus & Millichap also leverages CoStar's report function to assemble high-quality market and underwriting reports. "The reports are thorough, accurate and professionally presented," explained Paterson. "We can easily pull them in a matter of seconds, and they help build client trust."

In fact, "CoStar has helped us achieve a 400% increase in sourcing comps and data which previously took a substantial amount of time; we are able to assemble four times the marketing packages we previously could in a day" Paterson said.

The Main Source for Business Development

According to Paterson, Marcus & Millichap uses CoStar as a main source for business development. "50% percent of our sales leads are generated through CoStar," he said.

The firm follows a precise yet simple process. "First, we pull a previously determined amount of records in a specific asset class, import that information into a CRM, and have an assigned broker contact the lead and build on that record" he explains.

Depending on the lead, a broker can generate a report and use it as a business development tool. "Our report and presentation positions us as a trusted advisor, knowledgeable of a prospect's local market,"

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explained Paterson. "This helps us build confidence, and always leads to new business."

According to Paterson, "When brokers are making business development calls, they have CoStar on their screen. This gives our agents a quick snapshot with all the pertinent information—like when the property was built, its size, when it traded, a photo and so on—and this helps them better speak about the property to prospects."

"By using CoStar, we've been able to increase our revenues by 25 percent—and double the value of broker commissions—in the past year alone," added Paterson. "Without CoStar, it wouldn't be possible for us to do the job we're doing today. "It's changed the way we do business, and made us significantly more profitable."

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