

What Is a Real Estate Consultant? Definition, Types, Vs. Agent

What they don't do is buy or sell property

A real estate consultant provides expert advice and recommendations to clients looking to purchase or develop property. Real estate consultants generally work with commercial real estate investors rather than residential buyers and sellers. They are also referred to as "real estate counselors" or "real estate advisors." Real estate consultants typically have a real estate license and may hold a Counselors of Real Estate (CRE) designation.¹

Think of real estate consultants as "behind the scenes" experts. They perform extensive research in order to help guide clients' decision-making during every step of a project. Rather than focusing on a transaction, their job is to ensure overall investment success for the client.²

A real estate consultant typically works for a large consulting firm or as an independent consultant. Their compensation depends on the type of work they do, but most real estate consultants are paid a flat or hourly fee.³

Key Takeaways

- A real estate consultant provides a variety of services to help maximize the potential return on an investment in real estate.

- Property developers, builders, real estate investors, and investment banks rely on real estate consultants for professional advice.
- There are key differences between a real estate consultant and a real estate agent.

What Does a Real Estate Consultant Do?

Real estate consultants guide client decisions based on extensive research and industry expertise. The first step is to have an initial meeting with the client to discuss primary and secondary objectives. When the objectives are defined, a real estate consultant formulates a plan to achieve them in the most cost-effective way.

A real estate consultant's exact role depends on the type of client with whom they work. For example, consultants working on a property development project are often hired before the land is even secured. The client relies on the real estate consultant to confirm the viability of the investment. The consultant does this by visiting the proposed job site, meeting with local real estate professionals, and analyzing market trends.

Types of Real Estate Consulting

Real estate consultants often specialize in working with one type of business, but some may work with a variety of clients. Here are some examples of common types of real estate consulting.

Property Development

Real estate consultants are hired to advise on [commercial](#) and real

estate development projects from start to finish. This may involve researching potential sites for the development, conducting feasibility reports, and running competitive analyses.⁴

Consultants who work for developers usually have a background in sales or marketing. Developers look to consultants to provide insight into buyer trends to produce a property that is both competitive and unusual in the market.⁵ Some real estate consultants may also work with interior designers.

Real Estate Investors

[Investors looking to add real estate](#) to their [portfolio](#) may hire a real estate consultant to help manage the process. In this role, the real estate consultant conducts economic analysis to ensure the investment is a sound financial decision for the buyer.⁵

This may start with an analysis of the pricing, supply, and demand of the property type or location. The consultant then evaluates the marketability of the property to determine profits under current market conditions. The outcomes of this research are used to estimate the risk to the buyer and the potential return on investment. The consultant may also review property [appraisals](#) and insurance policies.³

Consulting Firms

Large consulting firms offer a wide range of services to help determine the value of a development project or real estate investment. They provide real estate consulting services to [real estate investment trusts](#) (REITs), other investors, lenders, business

owners, and corporate real estate groups. Real estate consultants who work for consulting firms perform due diligence, conduct market studies, and offer lease advisory and portfolio services. They also assist with real estate portfolio positioning, strategy, and financial analytics and modeling.⁶⁷

Residential Clients

Some [real estate agents](#) offer consulting services in addition to their normal real estate business. In this case, the consultant would help the buyer determine whether a purchase was a good investment. They will consider the buyer's goals and look at all aspects of a potential transaction. Because they are not working for commission, the consultant is able to provide advice that is completely objective and unbiased.

How Real Estate Consultants Are Paid

A real estate consultant's pay depends on the client and the type of firm with which they work. Unlike a real estate agent, who is paid on commission, a real estate consultant is paid a flat or hourly rate or paid by deliverable. They may also charge an hourly consulting fee.

According to Zippia, the average real estate consultant earns about \$94,000 per year, with an entry-level average of \$62,000. However, this figure would likely be greater for a consultant working for a large, established firm.⁸

Real Estate Consultant vs. Real Estate Agent

A real estate agent is a licensed professional hired to facilitate the purchase or sale of real estate. Most states [require real estate agents to work through a real estate broker](#), who has additional training and licenses.⁹

A real estate agent may be a buyer's agent, a seller's agent, or in some cases both. A seller's agent, also known as a listing agent, lists the property and manages the offers from prospective buyers. A buyer's agent recommends properties to a buyer and assists with making an offer. The two agents work on behalf of their clients to finalize an offer and complete a contract. They negotiate with each other to try and secure the best deal for their clients.⁹

Real estate agents are not required to research or provide advice on real estate purchases. Their job is to ensure a smooth transaction for buyers and sellers. They are usually paid a commission based on a percentage of the property sale price.¹⁰

The Bottom Line

Real estate consultants provide a variety of services to different types of clients. However, no matter what business they are in, clients ultimately hire a real estate consultant to ensure that they will achieve their desired [return on investment](#).