

Client First

An Interview with
Mitchell L. Konsker, Vice Chairman, Jones Lang LaSalle

EDITORS' NOTE Mitchell Konsker has been a real estate professional for more than 34 years. Notably, he recently represented HSBC in its renewal of more than 450,000 square feet at 452 Fifth Avenue, Global Brands Group in consolidating its headquarters relocation into 600,000 square feet at The Empire State Building as well as over one million square feet of national transactions, and Oppenheimer & Co. Inc. in more than 700,000 square feet of national transactions.



Mitchell L. Konsker

Konsker represents over 18 million square feet of Building Agencies in New York City. Konsker is a graduate of Syracuse University where he received a B.S. from the School of Management. He is a member of the Real Estate Board of New York.

COMPANY BRIEF JLL (us.jll.com) is a leading professional services firm that specializes in real estate and investment management. A Fortune 500 company, JLL helps real estate owners, occupiers, and investors achieve their business ambitions. At the end of the second quarter of 2017, JLL had nearly 300 corporate offices, operations in over 80 countries, and a global workforce of nearly 80,000. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. As of June 30, 2017, LaSalle Investment Management had \$57.6 billion of real estate under asset management.

What has been the key to JLL's success?

What makes JLL special is the people. We don't break up teams into silos so this is a very communal organization where information is shared. When we make pitches, we try to field the best players, which puts us ahead of our competition.

On any given assignment, we'll have four or five different individuals from JLL involved, each one having a different skill set, and we try to bring the best skills to the table for that particular assignment.

Another reason JLL has done so well in this market is that we're very proactive and creative in structuring transactions that meet our clients' fiscal goals and employee objectives.

JLL leadership is very hands-on, so they understand what everybody is working on and

they try to assist in any way they can to provide us with the best tools and talent to succeed. JLL is also on the cutting edge with regard to its technology and is leading the way in the industry.

Are large, complex transactions the focus for JLL or does the business cross all market segments?

Over the past few years, we have dominated the larger transactions, and I believe our sweet spot is representing global and national

corporate clients. We're able to service their real estate needs from lease administration to transaction management consulting, as well as every aspect of their real estate portfolio with strong fundamentals to fiscal maximization. The size of the transaction is not important, but the level of service we provide is our mantra.

Another area that sticks out is our dominance in Landlord Agency representation. JLL in New York has made a concerted effort to lead, along with its Tenant representative practice, and has created an Agency Practice Group in New York that has truly dominated the market over the past five years.

How strong is the commercial market in New York today?

The market is bifurcated into a few markets. The West Side, with Hudson Yards and Manhattan West, have done a phenomenal job in creating buzz and lease activity over the past three years. The tenant drivers today are for more efficient space with greater amenities and more collaborative working areas within a building.

But the overall market for the smaller 25,000-to-50,000-square-foot tenant is currently not as strong. There is activity, but not much depth to this market range. Deals are being completed with a steady price, but there isn't the velocity that there was a year ago.

JLL has also dominated the Brooklyn and Long Island City markets over the past three years as we had the foresight to anticipate the needs of the tenant community in these emerging markets.

The market is healthy and vibrant, and is still led by Midtown South, which is hitting north of \$80 per foot. Some deals are starting to push it into the \$90s.

There has been a flock to quality. As we saw in Downtown, there has been tremendous activity with the success of the World Trade Center, Brookfield Place and the transformation of 28 Liberty, but we're seeing that landlords who have proactively repositioned and invested in their properties are having the most leasing success.

This market is amenity-driven and will be for a long time. There are no longer boundaries in New York City. Every location in Manhattan is a viable option. There is no differentiation of areas and everyone is out there trying to attract as much talent as possible. New York is still the talent capital of the world.

We are seeing major nationals relocating back to New York in order to attract the talent in the market as evidenced by Aetna's recent commitment.

With so much new product coming into the market, how hard is it for older buildings to compete?

Vintage buildings can be converted and location is still key. Many of these vintage buildings are emulating Midtown South qualities. They all want that feel and vibe that Midtown South Offers. Tenants want to offer amenities to keep employees interested and excited so they can increase productivity and corporate harmony.

We're seeing many new developments attracting tenants prior to construction. The major change in the market has been a vertical one. Tenants are taking multiple floors to provide as much light and air as possible from the exterior windows to the interior space.

What has made you so effective at building long-standing relationships?

I believe in "do what you say and say what you do." The client always comes first and foremost. The relationships we have built over the years are predicated on trust and on always doing what is best for the client.

We have conducted our business differently. It's never about a fee that is earned. It's always about giving our clients the most creative solutions coupled with best of class service. I've always put the client first and I treat clients like my own family and friends.

One thing that has differentiated me is that I live, breathe, and eat real estate 24 hours a day. If we go beyond the call of duty, I always find my clients are forever appreciative of our accomplishments on their behalf. ●