

Clients First

An Interview with Peter G. Riguardi,
Chairman and President-New York Region, JLL

EDITORS' NOTE Prior to joining JLL in September of 2002, Peter Riguardi was Vice Chairman and Principal of Colliers ABR Inc., a company that he helped form in 1994. He started his real estate career at GVA Williams in 1983, where he was the youngest Senior Vice President in the firm's history. During his 32-year career in commercial real estate, he has been actively involved in several of the largest and most noteworthy transactions within metropolitan New York City. Riguardi is consistently ranked by the *New York Observer* as one of New York's most influential real estate executives.



Peter G. Riguardi

COMPANY BRIEF JLL (*jll.com*) is a leading professional services firm that specializes in real estate and investment management. The company's vision is to reimagine the world of real estate, creating rewarding opportunities and amazing spaces where people can achieve their ambitions. In doing so, the company hopes to build a better tomorrow for its clients, people and communities. JLL is a Fortune 500 company with nearly 300 corporate offices, operations in more than 80 countries and a global workforce of 83,500, as of March 31, 2018.

How do you define the JLL advantage and how challenging is differentiation in a market like New York City?

We define it by the different segments we're competing against. For certain types of business, because of the services required and the platform depth required to perform the functions, many times we only see CBRE as a competitor. For tenants under 10,000 square feet or so around the city, we see a dozen firms as competition.

We're trying to build a business that is responsive to the needs of all of the different occupiers and owners, so doing that means we're competing everywhere. We are, however, trying to use our financial strength, experience and investments in technology to have an advantage across the board.

The culture at JLL continues to differentiate our brand and position us as an employer of choice. With 218 brokers across the New York Tri-State, more than 140 of which are solely focused on Manhattan, we don't strive to be the biggest, but instead hand pick those individuals seeking a more collaborative and connected culture than can be found with competitors. Individuals that adopt an organized approach to market discovery ensure a level

of market knowledge that exceeds firms with larger head counts and greater competitive landscapes that tend to erode culture. Our professionals put clients first and have a unique approach to going above and beyond for them. It's truly differentiating.

What is the value in building relationships with the smaller and medium-sized companies that are the leaders of the future and how important has that segment been for JLL?

For many different reasons, we have captured a greater market share with medium and large firms than with smaller market deals. We are interested in a wide range of projects and transactions, but market trends have focused our resources on projects that feature an investment banking approach and enable our brokers to provide sophisticated service, an area where we excel. Our system allows our senior personnel to guide information and processes that contribute to success for our clients.

We have avoided growing for the sake of growth. That often leads to expansion in less profitable areas that do not advance the overall platform and detract from our clients. That said, all deals are important to us because we have a large agency business and transaction volume helps to fuel agency leasing. We have younger brokers who we want to learn the business and this gives them that opportunity. Also, technology is delivering efficiencies that give us more of a chance to go after that business as well.

As we look at We Work and other co-working businesses, they are taking a big bite of the smaller deals, so we have to be conscious of what we're doing in that space to ensure it is smart, competitive and accretive to our business.

When you have brokers who are recognized as stars in the industry, how important is it to maintain a collaborative culture?

It's a constant struggle to maintain the balance. We're not going to be successful in New York without very accomplished senior brokers who have their own brand names within their personal identities.

However, we also feel like the secret sauce is that the client comes first, JLL comes second, and individuals come third.

When we bring that to the organization, we think it completely changes how things occur and how a client is serviced. It ultimately enables our individual brokers to grow more and do more when they embody this simple process.

How critical is it, even at JLL's size, to maintain an entrepreneurial spirit?

Our office space embodies a culture of collaboration more than any other real estate firm, which invites new ideas and openness. We only have one size office, bench seating, and glass walls. We encourage junior people to bring ideas to the forefront, and we are constantly reinventing ourselves and being creative. We reward entrepreneurialism and creativity within all of our businesses.

We're definitely conscious of always being a step ahead of where our clients are going and what they're asking for.

Having witnessed the real estate cycles over the years, where do you see the market in New York today?

The market will inevitably have another down cycle, but we're not sitting around and worrying about it. We're servicing the needs of our clients and, whether we're strategizing for them as occupiers or owners, we determine how to protect them when the market turns.

Right now, the real estate fundamentals are really strong in New York. Although we have added a lot of new supply and tenants are using less square feet per person, thereby creating more office space in the market. However, we're still seeing strong growth of activity from tech and financial service firms.

A correction, when it comes, will likely be caused by changes in the tech world rather than from a specific real estate-related cause. However, the market is still active now, and tenants must understand that in this marketplace, competition remains fierce and they are unlikely to get their first choice of space. It is important to identify many options to position tenants for success.

Is Midtown still as relevant and attractive as it used to be with all of the new development taking place in New York City?

Yes. JPMorgan Chase, with the reimagination of their headquarters, has certainly validated Midtown Manhattan – a lot of activity is occurring around that. Deutsche Bank's relocation from Downtown to One Columbus Circle was another large transaction that highlighted Midtown's continued strength. The landlords in New York City are smart – they have a lot of financial resources and they are doing the right things to make the Midtown buildings more attractive with amenities and building systems. ●