

A Long-Term Approach

An Interview with Pamela Liebman,
President and Chief Executive Officer, The Corcoran Group

EDITORS' NOTE Pamela Liebman was appointed to her current position in 2000. Shortly after joining The Corcoran Group as a broker in 1985, she was named Director of the company's first downtown office, which grew from 12 to more than 70 agents under her guidance. Liebman studied at the University of Massachusetts Amherst and the European Business School London. She is frequently quoted as a real estate specialist by leading news organizations and is recognized by the New York Post and Crain's as one of the 50 most powerful women in New York.



Pamela Liebman

COMPANY BRIEF The Corcoran Group (www.corcoran.com), founded in 1973, is the largest residential real estate firm in New York. After expanding into other luxury markets, acquiring leading firms in New York, the Hamptons, and Florida, the firm now operates 42 offices and employs more than 2,200 agents.

Where does the real estate market stand, vis-a-vis the economic downturn of the past 18 to 24 months? Has it stabilized?

The general consensus is that prices have stabilized along with a return of confidence in the market at a level we haven't seen since September 2008. With interest rates remaining at their lowest levels, the current market presents a very good buying opportunity. Buyers who are taking advantage of these market conditions are getting terrific value. And we're seeing this across all segments of the market.

What challenges does the new development market face?

Buyers no longer have the appetite for buying off a floor plan or from developers without proven track records. The new development market was quiet for most of last year because buyers were too risk-averse. But buyers are back in the market – the difference now is that they are interested in properties much closer to delivery.

The pipeline for new developments has dried up with few new properties coming on the market as financing for new construction is extremely limited, and certain areas of the city with an excess of new development inventory will continue to face challenges.

Which of Corcoran's properties are most promising?

We're extremely excited about The Rushmore, one of Extell Development's properties on the West Side. In December, we signed more than \$60 million in contracts there in 30 days. It is a beautiful building, and buyers are responding to the quality of the construction, its high-level finishes, gracious layouts, a fantastic amenity package, and the value-oriented pricing.

Another project I'm very happy about is One Jackson Square in Greenwich Village. This is another building where the reality has surpassed expectations. Its stunning architectural design is outstanding, and as buyers walk through the door and see the finished product, they are very impressed. One Jackson Square is selling exceptionally well, and people are incredibly happy once they move into the building.

What value has the Corcoran Sunshine Marketing Group brought to the Corcoran brand, and vice versa?

Corcoran Sunshine benefits from Corcoran's army of agents and the very current and in-depth information we can provide them. Many other marketing firms don't have the benefits of a huge sales force that can mobilize the troops if a building needs extra attention.

As for Corcoran, our brokers do not get treated differently than other brokers in the city because Corcoran Sunshine has to remain broker neutral. But the good brokers here take advantage of the relationship with their buyers by pointing out that Corcoran Sunshine is part of Corcoran so they have an in-depth knowledge of the buildings and good relationships with the Corcoran Sunshine salespeople.

How does the research you offer add value for your clients?

Information has evolved and become much more transparent in our business. We strive to be the company that delivers information in the most effective way. Information on its own is flat, so we look at ourselves as the people who will best interpret it and add value to a transaction by bringing this information to life. Web sites that are purely informational give buyers the opportunity to access information quickly, so it is important for brokers to be smarter and better informed than their buyers. Those who don't understand how to embrace information

both individually and as a company will suffer greatly in this day and age.

Are deals more complex today, and have brokers had to redefine themselves?

Absolutely. Brokers who do not continuously reinvent themselves and adapt to a changing market environment will get left behind. They need to be available to their clients, on top of information and sophisticated not only in interpreting that information but in helping buyers and sellers understand why they need the broker. Brokers truly have to add value to a transaction. They have to be a fierce advocate and great resource for their clients.

Some old school brokers refuse to carry a BlackBerry and prefer not to work on weekends. They don't understand that the broker/client relationship has evolved – that it is a collaborative relationship. So brokers need to constantly readjust their model. It's why a lot of newer brokers are having a lot of success today – they're not weighed down by the past and the way things used to be. They come right in and get it going.

How have you communicated with your brokers over the past two years about the direction the firm has taken?

It was crucial to have everybody understand why we had to take a long-term approach to this business. This company has been around for a long time, and we expect it to be around for a very long time to come. We had to make some painful decisions, but it was better to do it earlier and in one fell swoop. We predicted as best we could the trends of the market and we adjusted our business plan right away and cut expenses where we needed to.

For a time, the high-end business all but disappeared; 80 percent of deals at the beginning of last year were under \$1 million. So we immediately encouraged our brokers to change their business focus, to do rentals to keep their cash flow going, and to work the phones. We directed them to where the action was and it was their job to head that way.

Is it hard sometimes to have to put on a happy face when you're facing challenges?

It's hard, but I love it. To me, it's a call to action. It's a way to take advantage of opportunities that others might miss. You have to be confident in your decisions – it's not the time to hem and haw, and be afraid. The only way I can do that is by having confidence in the team I'm surrounded by, and I'm very fortunate because Corcoran has a great team. I don't second-guess myself because, if I did, I'd never sleep. ●