

# Strength and Stability

**An Interview with John M. Cefaly,  
Executive Vice Chairman-Brokerage Services, Cushman & Wakefield**

**EDITORS' NOTE** John Cefaly has worked with Cushman & Wakefield for 39 years, the first 30 years spent in the downtown office of C&W where he was the leading broker for 15 consecutive years. During his tenure, Cefaly has served on the Board of Directors, the Executive Committee, and the Global Management Team. He was the recipient of Cushman & Wakefield's Worldwide Top Overall Producer Award in 2002, 2003, and 2005. He has managed major real estate transactions for clients that include Fidelity Investments, Moody's Investors Service, JPMorgan Chase, and BNP Paribas. Cefaly is a member of the Real Estate Board of New York and the Downtown Lower Manhattan Association. He graduated from Wilkes University in Pennsylvania with a degree in economics.



John M. Cefaly

**COMPANY BRIEF** Cushman & Wakefield ([www.cushmanwakefield.com](http://www.cushmanwakefield.com)) is the world's largest privately held commercial real estate services firm, operating 231 offices in 58 countries with 13,000 employees. The firm, founded in 1917 and based in New York, offers a complete range of services within five primary disciplines: Transaction Services, including tenant and landlord representation; Capital Markets, including property sales, investment management, investment banking, and debt and equity financing; Client Solutions, including integrated real estate strategies; Global Consulting Services; and Valuation Advisory Services.

**Over the past 24 months, how much of an impact did you see on real estate, and how was Cushman positioned during that time?**

Generally speaking, the downturn had a tremendous impact on the market and the overall confidence was shaken to its core. That resulted in additional sublease space coming into the market, which created a lack of confidence for people to move forward to expand and grow their business or to make long-term commitments.

For myself, as well as other brokers working with financial firms, the deals that collapsed and were expected to be fairly large transactions have morphed into much smaller transactions. The expansion element is out of the deal and it is almost like moving pieces on a chessboard.

**In terms of the 20 percent rate increase we were seeing year after year, was it a**

**surprise that it could not sustain itself, and is there a new model for pricing or will we reach those upside levels again?**

I don't think we'll see those levels again. We were telling our clients that it was unsustainable, and advising those who could to wait because we knew the market would crack, and it did. It was a speculatively fueled marketplace, so I thought the rent levels and the model were unsustainable. But I don't think anybody anticipated it would fall to the extent it did, both in the capital markets as well as the real estate markets.

**Have you seen recovery in the New York City market or do you refer to it as stabilization, and are you happy with how it has bounced back?**

Yes, it definitely has bounced back, but I am having a hard time understanding why it has bounced back.

There are a lot of big deals out there today and there is some confidence in the market. I don't think we've seen any tremendous rent growth, but we have seen stabilization. We have seen a lot of demand and rent growth in some of the better buildings and spaces. It's almost a tale of two cities in a way – some buildings are begging for tenants and others are demanding premium pricing.

**How do you define what makes Cushman & Wakefield unique in the market, and is it challenging to differentiate?**

It's always a challenge, and there has been a tremendous leveling within the industry. Cushman & Wakefield is still a superior brand. I don't think we like to talk about ourselves as being the biggest, but rather about being the best. We look at ourselves as a specialty house.

We're privately held, we don't have public ownership, and there is a lot more flexibility and ability to adapt and make adjustments. So we probably consider ourselves more entrepreneurial in that respect.

We have a great history and tradition, and we have grown our business organically, and that is a fairly strong selling point – the stability of our organization.

**Have you been surprised at the impact new technology has had, and how important has it been to adapt to the technology?**

Real estate is such a huge part of corporate decision-making and, as such, an enormous cost

in that you have to have not only the technology, but the various service lines to deliver what clients are looking for today. For example, we have to provide business consulting to advise clients on how they should operate and how they can reduce costs, and run the numbers with a level of detail that will provide enough confidence that someone can take those numbers to the board of directors to make a recommendation. We provide the support they need by giving them the information required to support their decisions.

**In the future, will building "green" be a given, and will it mean higher costs?**

Today, there is no question a green building means higher costs. It will take time to determine if that cost gets zeroed out by the savings and, if so, you'll see a greater push towards green buildings.

Some clients are saying they want sustainability and points towards LEED-certification, but I don't have a lot of clients saying, 'I have to be in an absolute gold-plated green building.'

Certain corporations, like some of the leading banks and technology companies, are making enormous commitments to building green.

But that will be something for which the benefit over time will prove itself out. And as you see a greater push, the cost of complying with green will decrease.

**What characteristics are needed today to make a successful broker, and is it still the same as it was in the early days?**

People today are much more technologically advanced than I was when I started, so the whole method of communication is very different.

That is why it is important to bring in young bright people. We have some incredibly articulate people from the best schools.

It's about growing over time with new, young people, new ideas, and new technology.

**Could you have imagined that some 39 years later, you would still be with Cushman? What has made it the company where you've wanted to spend your career?**

I've always felt Cushman & Wakefield was the number one firm to be with, not necessarily in size but in stature. And when you feel you're with the best, why go somewhere else?

This is such a great organization with a strong history and culture, and there is a strong sense of loyalty that is reciprocal between management and brokers. ●