

Interview

Global Brokerage - Mosler and Mirante

An Interview with Bruce Mosler, Chairman of Global Brokerage,
and Arthur J. Mirante II, President of Global Business Development, Cushman & Wakefield

EDITORS' NOTE Bruce Mosler is the former President and Chief Executive Officer of Cushman & Wakefield, a position he assumed in January 2005, and currently Chairman of Global Brokerage, a role he recently assumed. Prior to being named CEO, he served as the firm's President of U.S.



Bruce Mosler

Operations and, prior to that, as Executive Vice President. Mosler is the recipient of numerous business and civic awards and honors, and is Chairman of the Achilles Track Club, Vice Chairman of the Intrepid Sea, Air & Space Museum, a Trustee of Quinnipiac University, and a member of the boards of the Police Athletic League, and Duke University's Trinity College of Arts & Sciences.

Following a 20-year career as CEO of Cushman & Wakefield, in January 2005, Arthur Mirante assumed his current role. He earned a B.S. in Sociology from College of the Holy Cross in 1965 and a J.D. from St. John's University Law School in 1968. He also holds an honorary degree, Doctor of Humane Letters, from St. John's University. Mirante serves on the boards of numerous not-for-profit organizations and cultural institutions, including the Alvin Ailey Dance Foundation, the National Jewish Center for Immunology and Respiratory Medicine, and The Futures in Education Endowment Fund. The Arts & Business Council named him Business Volunteer of the Year. He is a Founder, Shareholder, and Member of the Board of a community bank in Livingston, New Jersey known as Regal Bank.

COMPANY BRIEF The world's largest privately held commercial real estate services firm, Cushman & Wakefield (www.cushmanwakefield.com) operates 231 offices in 58 countries with more than 15,000 employees. Founded in 1917, the firm is based in New York and 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; Corporate Occupier and Investor Services; Global Consulting Services; and Valuation Advisory Services.



Arthur J. Mirante II

You have decided to partner and start your own global brokerage group. What was the reasoning behind the development of the group and what value do you offer that is different from others in the industry?

Mirante: Like most relationships, it starts with a close personal friendship and mutual respect for each other's capabilities.

I had the pleasure of recruiting Bruce to Cushman & Wakefield when I was CEO. At that time, aside from his talent and knowledge, I saw his collaborative approach to the business, his intense client-first attitude and mentality, and his passion for doing the right thing, creating value, and helping his clients succeed.

Those were always my drivers, so when I stepped aside as CEO, he was my choice to lead the firm. Then I worked for him.

So throughout our professional history, I always enjoyed working with him.

Bruce is one of the best salesmen I've ever met and he's the type of salesman that doesn't just sell and disappear; he sells and then delivers on what he sells.

I come at opportunities and situations more from the inside out.

So together, we represent a formidable team because we bring our different personalities to serving a client in a way that is unique. We collectively have 25 years of CEO leadership and experience in addressing the challenges of dealing with change, and in dealing with issues like the impact real estate can have on a business, which many other real estate people can't bring to their clients.

Mosler: We're at a unique moment in the industry when we've just come through a global recession and we remain in a volatile marketplace that is impacted more than ever before by the macroeconomic and geopolitical landscapes.

We bring an insight that is based on having built a global business and having run it through a period of great change. We have seen change and adapted to it, and our ability to bring that experience to the table differentiates us from the way most real estate brokers approach relationships.

The other thing that Arthur and I bring to the table is there is no type of deal we haven't been engaged for; we have worked with all kinds of landlords and client types, and we can bring that expertise to the table.

As two former CEOs partnering in this area, you have the expertise, but you'll also have to be collaborative on reaching into the talent pool at Cushman & Wakefield and building your team. How will you approach that?

Mosler: If we're going to have a broad practice, we have to have some capability to service it from within the firm and that requires us to build a team. But our approach encourages the best and brightest to want to work with us in the sense that they understand they're going to be mentored and that the team will be dealing with the high level of client relationships that we have out there.

Mirante: Although collaboration has always been our style, we're both convinced it is one of the single most important ingredients to success today.

I can remember a time when information in our business was hoarded. Today, with technology and the speed of business in general, the key is collaborating immediately with people who know things you don't know. That sharing creates a business model that enables you to help your clients more thoroughly rather than sitting on knowledge and trying to figure out the right answer yourself.

Mosler: One can look back over the past couple of decades and see business evolve from local to national and from national to global, and now that global aspect is becoming almost inexorably tied to the balance sheet.

What we see going forward is continued uncertainty and change in accounting rules and regulations, which will impact the balance sheet. We view that as a tremendous opportunity and having the resources at Cushman & Wakefield to provide insight into those issues positions us well for the future.

So we're not just working together but we're going to continue to collaborate and bring in the best and the brightest from the firm.

You both know the global landscape inside and out. Where are we today in terms of recovery and stability within the market, and how challenging is the volatility?

Mirante: When we grew to become a national firm and then a global firm, it was driven because our clients were ahead of us and we thought it was necessary to keep pace with them, and that it might also provide the opportunity to take a leadership position in our industry.

But we also did it as a business strategy because in those days, we figured the diversity would give us financial stability and balance so that when the U.S. was in recession, the emerging markets like India and South America would be growing.

Today, all the markets seem to be going up and down at the same time.

Mosler: This recovery is going to be profoundly different than in the past. The last significant recession in this country was the S&L crisis, and after that, the country rebounded pretty profoundly when it came to jobs.

But as you look at how we've emerged from this recession, it wasn't a job-filled recovery – it was a jobless recovery.

So in this particular moment in recovery, we're seeing a bifurcated marketplace.

In the last recovery, primary and secondary markets lifted at the same time; this time, recovery is based primarily on the gateway cities or industry oriented cities – like Houston with energy. So in the United States, it's New York, Washington, Boston, Los Angeles, and San Francisco; in Europe, it's Germany, the U.K., and France, but it's not the smaller secondary markets in Europe.

So we have to bear that in mind. Capital is seeking safe haven and wants to go to the robust markets, but there is such significant capital out there that it may be pushed into the secondary markets.

But we're also seeing a recovery that is still anemic when it comes to jobs. To have a sustainable recovery, we have to see jobs produced. And while we're seeing them produced in the private sector, we're witnessing them fall off in the public sector.

As it relates to the real estate world, when you couple the global macroeconomic view with all the question marks that are still out there when it comes to the rules and regulations, there is a lot of uncertainty. We don't know how FAS 13 will affect the balance sheets of corporations yet, but the effects could be significant.

We also don't know what will finally happen in terms of the banking rules and regulations. Basel III is pretty clear, but things continue to undergo a stress test and, in some cases, they're even telling banks what they can issue in dividends. These are profoundly different times.

So the advice you give a business today has to look beyond just the real estate; it has to work in conjunction with their balance sheet needs. So as much as Arthur and I will be out in front looking at the parameters of the assignment, the expertise will come from those folks that have the requisite skills to advise those clients on the full scope of their needs.

How broad are the transactions you will get involved in and how many areas do you foresee branching into?

Mirante: We both have a broad level of experience that covers most of the commercial real estate arena.

For instance, I'm working with an 8,000-square-foot technology company concluding a lease in midtown South. This company will be five times its current size in three or four years.

Mosler: The root of our practice will come from the depth and breadth of our relationships in New York. We've spent over 60 years between the two of us building relationships in our own backyard.

We have branched out significantly. For instance, we're working with the Cohen Brothers on their portfolio around the country, including co-brokering and advising them on the Red Building in Los Angeles.

We also just did an assignment for NYU Langone Medical Center to renew and expand them, and concluded a 540,000-square-foot lease for PepsiCo in Somers, New York.

■

**I have never seen
a period of time in
our history where
there is so much
opportunity. You can
see it and feel it.**

■

Mirante: We are also disposing of a major office building in the San Francisco downtown marketplace with our local co-broker; representing a buyer of a major asset in New York; and doing some pro bono work for several non-profits, which is something we've always done throughout our careers.

Mosler: The method to our madness is to remain focused, even though we're all over the place.

We have a track record and expertise now in the health care and technology sectors. So we're going to build off that in a thoughtful way.

Every CEO that we have come into contact with is interested in how you approach something they're going through and that is where the connection is, where the value is.

Mirante: Bruce and I do not have the competence and market knowledge to sell a major office building in San Francisco today. But we know who to go to to get it done.

We also happen to have a first-class capital markets capability in San Francisco. So when this opportunity arose from a relationship, we

jumped all over it because we knew we could perform and add a little value to the process.

During your time as CEOs, you were both relationship and client driven. Is that what makes it natural to get back into the transaction part of the business?

Mosler: The CEO is the chief salesman of the company – you're the face of the firm. So both of us went out of our way to work with and help business develop on behalf of the firm.

Mirante: I used to walk around with a poster when I would visit different offices that said "Collaborate or Die."

So it was a natural transition. Bruce and I compared notes after we each left the job and what we both missed the most was the interaction with people around the world.

We're both very different people with different styles, but there is that one common strain. So the thought of now being able to leverage those relationships we have all over the world with Cushman & Wakefield people and even some of our competitors has made it fun for both of us.

When you're working this closely, how do you maintain a good relationship?

Mirante: We never hesitate to disagree with each other, but we're always lifting each other up.

Mosler: Our relationship has always been rooted in honesty and being direct. What breaks down relationships at the end of the day is when the core isn't rooted in honesty and communication.

We do not let things simmer.

Mirante: And it's never about winning – it's about trying to do the right thing.

Generally, what is your outlook on the business going forward?

Mosler: I have never seen a period of time in our history where there is so much opportunity. You can see it and feel it – it's palpable that business is going through change.

You can see the business models that are taking off and those that will have to get re-done. From almost every aspect in every industry that we're engaged in, it's neat to watch how the evolution is taking place. We're in a period of time that is going to be unprecedented in terms of the change – not growth, but change.

You're going to see a lot of people in global business rethink their individual business models, their core client base, and what they're going to try to achieve for the next decade. I want to participate in that change and in helping those business leaders define the future.

Experience matters now more than ever before. Every deal you do has the ability to profoundly affect so many aspects of the company you're working with.

If FAS 13 goes through as proposed or is changed or moderated, the effects can be profound and I love that complexity.

I love the fact that the things that Arthur and I have seen and done will be able to help folks in a different way and, most importantly, that we have a platform underneath us that allows us to service our clients in the broadest possible way, be it in the appraisal, investment, advice, or execution phase of the business – in all of those areas, we can bring requisite expertise to the table. ●