

Protecting the Brand

**An Interview with Hall F. Willkie,
President, Brown Harris Stevens**

EDITORS' NOTE *A Kentucky native and graduate of Indiana University's School of Business Administration, Hall Willkie oversees the Brown Harris Stevens Residential Sales Company, managing more than 350 sales agents in New York City with sales in excess of \$3.4 billion. He is a governor of the Real Estate Board of New York (REBNY) and serves on its board of directors. In 1993, Willkie was honored with REBNY's prestigious Henry Forster Memorial Award.*



Hall F. Willkie

COMPANY BRIEF *New York-based Brown Harris Stevens (www.brownharrisstevens.com), established in 1873, is a premier provider of residential real estate services in New York. One of the oldest and largest real estate firms in the region, the company operates offices in New York City, the Hamptons, North Fork, and Palm Beach. Its operating divisions include residential sales, residential management, on-site marketing and sales, relocation, project marketing, appraisal and consulting, commercial sales, leasing and management, health care real estate, insurance services, and construction management.*

Were you surprised at the severity of the economic downturn and its effect on real estate?

It came as a shock. At one point, business volume was down over 74 percent.

As a firm with the great advantages of being privately owned and having no debt, we adjusted where we thought we could create some savings without having a negative effect on our business. It was a healthy experience because we came in with new, more productive ideas. For instance, we used to do a magazine twice a year of all of our listings and insert it into *The New York Times*. We've changed to a more effective and timely 11-times-per year publication inserted in the Sunday *New York Times* and it's much less expensive. We also now insert this publication in *The Wall Street Journal* and the *New York Observer*. We have a much more efficient idea with better results.

Do you feel pre-recession prices will return to the market?

At the moment, the market is good. Buyers are very price sensitive and want to know there is justification for the price they're being asked

to pay, and when the sellers respond to that, we do deals. Last year was our best in history.

Generally speaking, prices are flat. The general connotation in our culture that residential real estate will be worth more tomorrow than it is today is, for the moment, not a widely held belief, which is why people are cautious.

I believe New York City real estate will continue to appreciate over time. Good, solid, healthy growth will be part of our future, especially in

New York.

How challenging is it to get your message out about what makes your brand unique?

We are unique and have had a well-established brand for more than 130 years. We concentrate on protecting our brand. We are the smallest of the big companies; we do about 40 percent of every high-end sale in New York and yet we're less than 2 percent of the broker population.

We are a full service firm and we focus heavily on professionalism.

Our average sale is the highest in the industry and we concentrate on quality.

We have 350 full-time brokers and we have another 125 assistants and referring agents. We're very efficient. Our focus has always been quality not quantity.

Your performance has been outstanding. To what do you attribute your success?

Concentrating on providing the highest level of professional service to customers and clients.

Also, the way we run the business is very hands-on. My door is open; there is no guard at the gate and I answer my own phone. Our brokers have direct access to me and all sales executives at all times. This is an important reason why our team is more successful, better educated, and more professional.

How much of an impact has technology had on your business and how do you employ it without losing the personal touch?

In addition to being a service business, we are an information business, and technology has changed our world and for the positive.

But in the end, it's still a relationship business. There is no electronic communication source that will replace a conversation, because

the nuances of e-communication can't match those of personal communication. Even with the most tech-advanced customers, you have to remember it's a relationship.

Technology is a tool – and a great tool – but it doesn't replace the basics of our business.

How critical is your research to the success of the firm?

Very critical. We are the only firm that has a full-time chief economist that studies the market and regularly publishes reports.

Buyers and sellers today demand more information than ever before – they want to know what things sell for and where the value is, and you have to have that. So we stay up on new technology because it provides wonderful tools to give the brokers and our clients access to that information.

Our relationship with our sister company, Brown Harris Stevens Management, which manages many of the better buildings in New York, provides our agents and our clients even more information.

Have the talents of the brokers and the standards of the industry changed today?

They have, tremendously.

I've never known anybody who does well in this business who doesn't do it full time. Agents are independent contractors — working 24/7; it's the only way to make it.

As a community in New York City, we have done so much through the Real Estate Board of New York to raise the standards of the industry – set ethics, monitor them, make rules and regulations, and provide training.

Buyers and sellers today demand a higher level of professionalism. They are looking for experience and knowledge and only professional brokers have that.

Are young people today coming into the industry and do they understand the opportunities?

Years ago, it was a business of second careers.

It's hard to be a strictly commission driven person when you just get out of college because someone has to pay the bills. However, it's an industry that is now attracting a lot of people right out of college.

If you were talking to those who wanted to come into the industry, what should they be doing to get on that path?

Get into it full time and form a relationship with an experienced broker as a mentee or assistant. ●