

## A One Firm Managed-Brokerage Approach

An Interview with **Matt Van Buren**,  
President-New York Tri-State Region, CB Richard Ellis

**EDITORS' NOTE** Before being elevated to his current post, Matt Van Buren served as Managing Director of CBRE's Midtown Manhattan operations. Van Buren spent the first eight years of his career in positions with General Electric and GlaxoSmithKline. From 1991 through 2005, he built and managed sales organizations for Wolters Kluwer and Thomson Reuters. He is an active member of the Real Estate Board of New York, serves on the Executive Committee of the New York Section of Urban Land Institute, and is a member of The Association for a Better New York.



Matt Van Buren

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### Were you surprised at the severity of the economic crisis and where is the market today for the tri-state area?

One of New York's most important industries – the financial services industry – was at the epicenter of the macroeconomic disruption that began in mid-2008. New York's real estate market came to a standstill across the board and everyone was surprised to some degree at the level, severity, and speed at which the downturn occurred.

Specifically, the downturn in leasing started at the beginning of the second quarter of 2008 and ended in the second quarter of 2009, although it went on longer in the investment properties market.

Now we're in a choppy period of slow recovery as it relates to pricing, but we're seeing vibrant leasing velocity, as well as sales activity, as we've moved past the worst of this downturn.

What didn't really surprise me was the resiliency of our market. The ability of New York

to attract top talent both in the workforce and in the boardroom continues unabated and the long-term trends are positive for our city. New York's position is especially unique in that we are arguably the only truly global city in the U.S.

The concept of global cities emerged long before the downturn, but was solidified as New York and D.C. rebounded more quickly than many cities across the rest of the U.S. where, in some cases, real estate speculation had been high. What drove

this divergence is that New York's core industries are all intellectual-capital-centric – financial services and all the professional services that support that sector, creative services, old media, new media, health care, and the advertising business.

And you can't talk about the strength and resiliency of New York without mentioning the World Trade Center site. The current state of the World Trade Center development is emblematic of the fundamental resiliency of New York. We're in the middle of a massive amount of construction relative to what has happened post-1995. Seven World Trade Center is up and mostly leased; One and Four World Trade Center are under construction; Eleven Times Square has been built and has landed a major tenant in Proskauer Rose; the high-end boutique 510 Madison Avenue is nearly half leased-up; and work at 250 West 55th Street has resumed. In addition, a number of other major projects in our city are in the conceptual development stages. That is the most construction I can remember seeing since the 1990s. Those who are investing in this city see the long-term prospects as stable and growing.

### Has the redevelopment of Downtown progressed the way you would have hoped?

The world is changing in Lower Manhattan in a way that it isn't so much an improvement on an old model but rather a completely new model of a city within a city.

The most visible signs of change are the new office towers rising at the World Trade Center site, which will offer some of the most technologically advanced and efficient workspace in our city. As significant as this is – and it is hugely significant – it's one piece of the bigger picture.

Since 2001, the number of residents living downtown has more than doubled, many living in high-end residential buildings converted from the neighborhood's older office stock. The top reason cited by these residents for choosing to live in Lower Manhattan is the quality of life offered by the neighborhood. The number of hotels has tripled during the past decade and we're seeing more green spaces, parks, schools and retail offerings come online throughout Lower Manhattan.

All this will be served by an extraordinary transportation infrastructure including the Fulton Street Transit Center and the World Trade Center Transportation Hub. Lower Manhattan will be more accessible than ever before and will serve as a model for a 24/7 city within a city.

### Is it difficult in this space to show what makes a brand unique?

Those at the high-value end of the spectrum, like CBRE, have to be very good at illustrating a return on investment that our clients can gain by consuming our services.

It always helps to have a global brand. Although real estate has traditionally been a local business, that's not enough today. For those consuming our services, there is a level of confidence in having a \$6-billion corporation behind them when they need it, serving all their real estate needs – whatever and wherever they may be – with our deep bench of talent around the world.

Moreover, CBRE invests more than anyone else in information and market intelligence. All service industries in New York, especially real estate, are driven by information. We have about 200 brokers in the city contributing to our collective market intelligence, enabling us to translate the best information on our market into the best strategies and outcomes for our clients.

Another strength is our organizational structure. Most brokerage operations are based on a team model, where a collection of teams form an office that serves a market. At CBRE, we have a one firm, managed-brokerage approach, which dictates that with all our professionals, our consultants and brokers, we build the best team to service the clients.

At CBRE, the ability to control the resources that we put against our clients' needs allows them to have greater confidence, because we get greater results. ●