

Poised for Aggressive Growth

An Interview with Arthur J. Mirante II,
Principal and Tri-State President, Avison Young

EDITORS' NOTE Arthur Mirante joined Avison Young in 2012 as a Principal and Tri-State President, based in the firm's New York City office. Mirante serves as a member of Avison Young's Executive Operating Committee. Prior to joining Avison Young, he worked at Cushman & Wakefield for more than 40 years, where he most recently served as President of Global Client Development for seven years. Prior to that, he served as the firm's CEO for 20 years. Throughout his career, Mirante



Arthur J. Mirante II

has participated in some of the New York market's largest and most complex transactions, including the sale of the World Trade Center. He graduated from College of the Holy Cross with a B.S. in Sociology and from St. John's University Law School with a J.D., and received a Doctor of Human Letters honorary degree from St. John's University.

COMPANY BRIEF Headquartered in Toronto, Ontario and founded in 1978, Avison Young (www.avisonyoung.com) is Canada's largest independently owned commercial real estate services company. Avison Young is also the largest Canadian-owned, principal-managed commercial real estate brokerage firm in North America. Composed of more than 950 real estate professionals in 32 offices across Canada and the U.S., the full-service commercial real estate company provides value-added, client-centric investment sales, leasing, advisory, management, financing, and mortgage placement services to owners and occupiers of office, retail, industrial, and multi-residential properties.

Why was the timing and opportunity right for you to join Avison Young?

The catalyst was a special opportunity with a company that is the fastest growing in our industry right now and a chance to build that enterprise in New York City and to lead it.

I have always had respect for the two primary leaders of Avison Young – Mark Rose, our CEO, and Earl Webb, President of U.S. Operations – so it was a combination of building something from scratch again, which created some of the most enjoyable times I had at my former firm, Cushman & Wakefield, and the challenge of doing it with a clean slate and with a company that has culture as its key growth strategy.

How challenging is it to differentiate in the space, particularly within the Tri-State market?

The real differentiation will be if our clients recognize a difference. We've been growing at a 50 percent clip for revenue and profits over the past three years, so our rate of growth from no offices in 2009 in the U.S. to 14 now and 20 by the end of the year means people will pay attention.

From a cultural and structural point of view, 75 percent of Avison Young is owned by the principals and partners of the firm and there are now a little over 100 principals in the firm, which distinguishes us from the rest of the firms that we're competing against.

Avison Young is really the only collaborative, global real estate services company in the industry that is owned and operated by its principals. Being a principal-led firm, the leaders of our firm have the luxury of focusing on our clients because we don't have the classic pyramid management structure – we have a very flat management structure and we've avoided setting up silos, geographic structures, and service-line structures for different professional disciplines. We have a flat structure that is driven and designed to be client-centric.

The leadership in our company is also working with our clients, not with analysts on quarterly shareholder reports, and we're not distracted as are the larger public and private companies these days that have to answer to the true owners of the business; we are the true owners of our business.

Is the industry broadly embracing innovation and how has the delivery of services changed?

The industry has become populated by well-educated and smart people as opposed to how it was 20 or 30 years ago when it was populated by really talented salespeople; real estate itself is now a preferred investment alternative, and with that has come the need for more sophistication, discipline, and professionalism.

Today, we hire different people and train them when they join our company. Our CEO designed the Avison Young culture based upon his 25 years of leadership and listening to clients – what clients liked about doing business with real estate service companies and what they didn't like. That is the foundation of this no-pyramid structure; we want the leaders and most talented people in the company working with our clients instead of on business plans and meeting quarterly performance numbers. A lot of

those cultural characteristics were created by our CEO three and a half years ago when this enterprise committed to becoming a global company.

We see ourselves as a solutions company, not just a brokerage company. The difference is that you start with really understanding the client's needs and business objectives, not just with real estate, in order to deliver more customized, and ultimately more effective, solutions.

How do you avoid losing the culture when you're growing with such speed?

That is our CEO's passion and job – he has instilled in us the common culture and it's a mandate here. The fact that we're not driven by revenue numbers and targets and that we are answerable only to our clients allows us to take that cultural imperative as a major filter as we interview people and look to areas to expand.

Right now, there is a lot of turmoil in the real estate services industry because we have the weakest recovery from a recession in history; we have four or five years of no growth followed by slow growth, which has put a lot of pressure on the real estate services businesses, as well as on people's earnings.

The top four or five global companies today are under a lot of performance pressure, which has caused them to focus on running their businesses as opposed to looking inward and taking care of their people. That has created an environment where there are a lot of talented professionals looking to see if there is a better place to practice their profession.

We weren't driven to the U.S. market because there is talent looking to move, but it has been a great benefit for us in building our talent base.

How will you measure success in building the market?

The revenue of our AY enterprise was \$100 million last year; it will be \$180 million this year; and I want our New York Tri-State area to be at \$100 million in revenue in three to five years. So that's what I'm racing to achieve.

But our governor is our culture. We have to have people who want to work on a collaborative team and who can qualify as principals of the firm driven by the equity opportunity of this growing business enterprise – that is another distinction we have as we work to attract talent.

Our clients will determine the extent of our success so the obvious measure will be our market share in the New York Tri-State area and the client relationships we are able to build day by day. ●