

A Commitment to Excellence

An Interview with
Jeffrey R. Gural, Chairman, Newmark Grubb Knight Frank

EDITORS' NOTE Prior to joining Newmark Knight Frank (now Newmark Grubb Knight Frank) in 1972, Jeffrey Gural was employed by Morse-Diesel Construction Co. His industry and charitable affiliations include the board of directors of the Real Estate Board of New York; President of the New York Chapter of the Starlight Starbright Children's Foundation; Chairman of "I Have a Dream - NY" and Co-Sponsor of two Chelsea-Elliot "I Have a Dream" projects; Chairman of the board of directors of the Times Square Business Improvement District; and Vice President of The Broadway Association. Gural is also the Chairman of American Racing and Entertainment, LLC. He is a graduate of Rensselaer Polytechnic Institute with a degree in Civil Engineering.



Jeffrey R. Gural

COMPANY BRIEF A part of BGC Partners, Inc. and headquartered in New York, Newmark Grubb Knight Frank (www.newmarkkf.com) is one of the largest independent real estate service firms in the world. Together with its London-based partner, Knight Frank, the company employs more than 11,000 professionals, operating from more than 300 offices in established and emerging property markets on five continents.

How has Newmark Grubb Knight Frank retained its status as an industry leader and what makes the brand so strong?

Since 1929, our company has cultivated repeat business by advising our clients first and handling their real estate activities second – that's another way of saying that we put the client's interests ahead of our own. Anyone who has dealt with my partners, Barry Gosin or Jimmy Kuhn, will verify that there are times when we've told clients to hold off on decisions because we think the market is going to get soft, even though it's in our best interest for them to sign a lease.

In recent years, we have sought out like-minded firms with top talent to help us grow while preserving that commitment to being a trusted partner to our clients. That includes Knight Frank in the United Kingdom and international markets; the former Grubb & Ellis, which we've integrated in a number of U.S. markets and practice areas; and the Landauer Valuation & Advisory group. All of our business units in every market benefit from a hard-earned

reputation for trustworthiness and an unwavering commitment to excellence in serving our clients.

Has the acquisition by BGC Partners evolved the way you had hoped and what made you feel it was the right fit for Newmark?

We were already growing year to year, but using company profits to expand was limiting our potential. We needed access to capital if we were going to cement our position as a leading global real estate services provider.

BGC shared our vision for forging a premier, global real estate services platform, so it was a great move. With BGC's reach, capital strength, relationships in the financial community, and market-leading technology, Newmark Grubb Knight Frank is able to fortify its service offerings and add resources to fully service our clients' needs. Acquiring the assets of the former Grubb & Ellis, for instance, probably would not have happened without BGC. Today, we serve real estate owners, investors, tenants, and developers with a broad, integrated suite of brokerage services and capital markets expertise and capabilities, as well as property and facilities management. As part of the BGC family, our company has a strong and continually growing impact serving clients in key industries across major markets.

New York is a resilient market, but on the commercial side, is the business still strong and are there opportunities for growth in the market?

New York has retained its strength, particularly from an investment sales perspective. Property values have essentially bounced back to almost where they were before the recession.

Opportunities for development or redevelopment have become more difficult to find here. Historically, there were underdeveloped neighborhoods where one could create value. For example, 25 years ago, we partnered with David Walentas on properties in an area of Brooklyn called DUMBO, buying buildings for \$10 a square foot. For 15 years we held on by our fingertips, hoping the neighborhood would change. Today, DUMBO is a highly desirable neighborhood and those investments have generated excellent returns. Opportunities to repeat that kind of turnaround are harder to come by, because almost every neighborhood in the city is faring well.

Newmark Grubb Knight Frank is known for quality services. Why has it been so successful?

In a word: longevity. This is one firm in the industry where senior management has been together for more than 20 years; the next generation averages more than 17 years together. Our vision is one, our skills complement each other, and we have a collaborative culture that retains top talent over the long term. At the most basic level, our leadership has a passion for what we do and we always strive to do it exceptionally well. As other experienced and talented professionals have joined us and as the company has grown, they have embraced this vision, amplifying and expanding Newmark Grubb Knight Frank's capabilities and commitment to serve our clients across the complete spectrum of our clients' business strategies and objectives.

What opportunities do you foresee with your racing and casino interests?

With hard work and continued support, I foresee growth. People enjoy gambling and the industry creates a lot of jobs. The climate is changing. New Jersey, Connecticut, Pennsylvania, Delaware, Maryland, and Ohio have casinos, and Massachusetts recently passed a casino law. The Aqueduct casino in New York has been open for a full year and I would expect the nine racinos to generate \$1 billion for education this year. In Pennsylvania, they generated \$1.5 billion. In New Jersey, they don't generate a lot of money because the tax rate is low, but gaming creates a lot of jobs. So there is growth.

At my facilities – the Meadowlands Racetrack, Tioga Downs, and Vernon Downs – we diversify. We offer low-priced buffets and host concerts and events to attract people.

Governor Cuomo's plan to allow table games in New York is a good move because it will draw more people and will enable those racinos that receive licenses to continue to generate even more jobs.

Are you personally ever able to slow down?

Executives in my position with a long-term view rarely retire. Just when there might have been a window to slow down, I branched out and became active in the racing and casino business, a passion I've had from a very young age.

Many large corporations have mandatory retirement ages, where people know they're going to retire at 62 or 65 and it often works well for them. I'm about to be 70. Occasionally, I wonder if I should still be doing this, but I continue to enjoy what I do and I'm surrounded by family and friends and it isn't really work if you love what you do. ●