

Staying True to the Brand

**An Interview with Andrew Heiberger,
Founder and Chief Executive Officer, TOWN Residential**

EDITORS' NOTE *An accomplished entrepreneur in the New York real estate industry, Andrew Heiberger has founded and served as CEO of several successful companies including Citi Habitats, one of Manhattan's largest residential brokerages, and Buttonwood Development, a Manhattan-based real estate development firm. As the Founder of TOWN Residential, Heiberger is the driving force behind the company's business strategy and long-term vision. He holds*



Andrew Heiberger

a B.A. from the University of Michigan and a J.D. from the University of Miami School of Law. He is both a licensed attorney and a licensed Real Estate Broker in the State of New York. An active member of the Real Estate Board of New York (REBNY), Heiberger has been elected to and serves on REBNY's board of governors. He is also a member of the Young Presidents' Organization, the University of Michigan Tri-State Leadership Committee, and the New York State Bar Association. Heiberger is dedicated to giving back to the community and supports a multitude of charities at the local and national levels.

COMPANY BRIEF *Founded in 2010, TOWN Residential (www.townrealestate.com) is Manhattan's first fully integrated, Manhattan-based real estate services firm specializing in luxury residential sales, high-end rentals, and new development marketing of condominiums and premier rentals. A top-ranked residential brokerage, TOWN has opened nine offices in under two years and built a handpicked team now exceeding 520 licensed professionals and staff.*

Tell us about the creation of TOWN. What is your vision for the company?

After the 2008 economic crisis, there was no appeal to develop. I had founded Buttonwood Development, LLC in 2005 following the successful sale of my first company, Citi Habitats, founded in 1994. The feasibility of being a developer and real estate investor dissipated. So after carefully evaluating my skill sets and experience, I knew that staying in luxury residential real estate in Manhattan was the right choice.

I began my due diligence and it became clear that the market was going to bipolarize and was heading in two directions: one would

be super-prime, high-end, drawing the local, national, and international multimillionaires and billionaires; and the other was going to be more budget-driven. Since I had already had great success at creating, executing, and leading the budget-driven brand with Citi Habitats, which still is thriving today, I thought it would be more of a challenge, more exciting, and more lucrative to focus on the luxury market this time.

I conceived, created, and wrote a business plan over many months to launch a luxury real estate brand that is focused on Manhattan. This direction was further confirmed when we put the ball in motion, meeting with and interviewing the best luxury brokers in the industry, so it became even more appealing.

How has TOWN evolved?

The business plan that was devised for TOWN and put into action in 2010 is working. We have been widely accepted within the industry and the marketplace, and around the world as a top real estate brand in a short period of time. The business and its brand and plan were well-conceived and well-received.

We are currently in execution mode for our business plan, with nine office locations throughout Manhattan. The most recent developments are the doubling of our TOWN Fifth Avenue office to nearly 10,000 square feet in the distinguished Crown Building at the corner of 57th Street, which set in motion the constructing of TOWN Gramercy, the new home of our corporate offices in a beautiful, well-appointed, prewar loft storefront. This was achieved in August. In mid-September, we expanded and relocated our West Village office to an iconic, 7,100-square-foot Meatpacking location on West 14th Street, with an additional 40 downtown specialists, nearly tripling its size. By expanding our footprint on the East Side and Downtown, we are completing phase two of our multipart business plan.

The word 'evolved' is not appropriate for TOWN; it's more accurate to say that we have progressed – we have made great progress in executing our business plan and we have set in motion many high-level standards that have affected an evolution in our industry. Other top firms are taking note and have adjusted to things we have done, like

using large photos on our Web site, having less clutter in our marketing materials and much nicer offices, enforcing a strict dress code, and hosting a number of morale-building events and concierges in every office or walking tours with a historical and architectural expert. With all of these advancements and more, we have evolved the industry.

What differentiates TOWN from its competitors?

I don't refer to other top luxury firms as competitors because they are truly our collaborators. In our business, 85 percent of the deals are shared through a co-brokerage commission, which is split evenly; therefore, both parties win.

We have been very open and transparent about the way our customers, clients and, equally as important, our representatives, are treated and served. We call our brokers 'representatives' because it more accurately describes what they do. The term 'broker' only applies when we're referring to the transaction that is executed in the buying and selling of property for a commission. We have a service mentality at TOWN where we address the before, during, and after of every real estate experience, from the very first touch point a client has with TOWN, whether it's walking by our street-level offices or being greeted by our concierges. I have applied my own life experience as a customer who has received great luxury service and treatment. I've lived it and I bring a developer's mentality to it, and people have taken to it – our clients, our representatives, and our colleagues.

It's why we were recognized by *Crain's* in 2012 as one of the top 50 businesses to work for in New York. The testimonials and the overall results of the human resources survey they conducted capture the inspiration that our reps and staff members feel. Everyone who works here, from the top down exudes customer service, and it comes from me. It's a requirement here. You have to genuinely care. People who work here are passionate about TOWN and, in a macro-sense, about the neighborhoods they work in. Coming to work and providing top-notch service here is genuine. Everyone who works here is handpicked. But there is no one ingredient that makes this recipe work; it's a bunch of ingredients that have come together to create an authentic recipe.

Can you comment on the state of the New York residential real estate market?

The market is on fire. Fortunately, for Manhattan residents and New York City, the future is extremely bright and we are facing at least a decade of prosperity going forward. When analyzing Manhattan, I have identified two words that have crept into the landscape, which will remain prevalent for many years: sub-market and hyper-local, a.k.a. neighborhoods and streets.

The real estate market will ebb and flow – slightly decrease and drastically increase – depending on overall market conditions, such as the economy, the jobs market, and interest rates. Real estate market prices may go up or down 10 percent during every 6-to-12-month period, but there will be a flight to quality and, overall, properties that are well-located on the city's most desirable blocks within the best neighborhoods will enjoy drastic price increases.

We have seen many emerging neighborhoods that have developed as a result of having unprecedented public works that have recently been completed, are nearing completion or are in progress. We have gained Citi Field, Yankee Stadium, the West Side Promenade, and the High Line, and we have enjoyed the restoration and rejuvenation of our city parks and public squares: Madison Square Park, Union Square, Bryant Park, Columbus Circle – these are all examples of hyper-local works. My prediction is that the Second Avenue subway is sure to revitalize the Upper East Side and make it even grander, raising it to a stature that has never before been seen.

Our entire marketplace is being buoyed by two major factors that will ensure prosperity over the next decade: the national and international allure of Manhattan as a place to reside by people from all demographics and the fact that Manhattan is an island with land availability at less than 2 percent. Land prices are extremely high, which will prevent further development and drive up rental prices and sale prices. It's a simple case of supply and demand – there is a lack of available land.

What can you say about the recovery of the market from the global financial crisis?

Overall, Manhattan was the least affected. On a national level, definitive factors have led to the outstanding recovery from the global economic crisis of 2008.

First, there has been an unprecedented amount of money pumped into the system by the Federal Government; second, we have seen unprecedented and historically low interest rates, which have merged to create a perfect storm for real estate; third, there is a lack of sound investment options available that can offer a substantial return on investment and having no safe alternative investments, has resulted in an enormous amount of money being funneled into real estate, yielding larger safe returns. In a way, real estate and tangible property has emerged as the new gold standard for the country. Many feel it is more quantifiable, tangible, and predictable than gold.

Fourth, the Big Apple has long been a melting pot; for centuries it has been a place where people feel comfortable investing their money. They view New York City as a safe harbor in which to park their capital.

Fifth, professionals and industries have identified the city as a top place for them to prosper, including the tech industry, applied sciences, and engineering. Universities like Stanford and Cornell have proposed expansions here, with Cornell now heading to Roosevelt Island. We also have NYU, which is planning a two-million-square-foot expansion on LaGuardia Place, which is right near another of TOWN's neighborhood offices. In addition, we have Columbia, Hunter College, Fordham, Manhattan College, Juilliard, St. John's, and the great design schools Parsons, FIT, and SVA.

What is TOWN's investment in technology and social media?

The majority of our technical support team has been in New York City real estate for more than 10 years. At TOWN, we haven't scaled back on tech staffing. Today, when so much is automated, we are service-oriented. We are mobile-user friendly; we really get to know our representatives and offer them the technical capabilities they need to succeed.

TOWN's SVP of Marketing recently masterminded an amazing social media campaign called Look Up New York, a photography-based advertising campaign celebrating New York City architecture. Stemming from the idea that the majority of New Yorkers rarely "look up" at the city's fabled skyline as they go about their daily routines, Look Up New York invites them to do just that.

appears now that this kind of communication is here to stay. Our view towards social media is that it's another means of communicating, and our representatives are trained on how to properly and effectively communicate through these mediums as it relates to the real estate business.

Investments in technology are worthwhile because they are quantifiable in terms of ROI. You can track lead-generation and then figure out the return on the leads generated. As the owner and operator of a real estate business, the fact that this can be tracked is incredibly useful. I like technology because it helps customers, clients, and representatives share information and review properties to make their home search more efficient. But at the end of the day, there is no digital, online or technological substitute for viewing properties in person with the guidance and assistance of a trained real estate professional.

Tell us about your focus on market research.

I am a huge fan of market research and always have been. Knowledge is power; a lot of times the numbers tell the story. Identifying the trends and transparency, and utilizing accurate market research are more of the ingredients entwined in TOWN's recipe. We prepare and publish our quarterly market sales report, *The Aggregate*, plus monthly economic updates. You can expect great stuff out of TOWN in the next three to five years in this arena.

We have been very open and transparent about the way our customers, clients and, equally as important, our representatives, are treated and served.

Look Up New York served as the launch off point for TOWN's Instagram. The campaign integrated traditional, digital, and outdoor advertising with social media via the Instagram platform. New Yorkers were invited to take their own iconic and creative photos of New York's architectural details and post them to Instagram. Photos on Instagram tagged with #lookupny automatically populated a custom gallery on our Web site, and at the conclusion of our campaign, we had nearly four times the anticipated Instagram user-generated images, with over 4,000 unique photos. By all accounts, this was the most unique and beautiful real estate marketing campaign ever.

Look Up New York is the most comprehensive real estate social media campaign launched to date. After interacting with and talking with people of all different generations, it's very clear that Facebook, Instagram, Twitter, and Linked-in are sticking in today's marketplace in a way that these kinds of tools did not stick in the last dot com boom of the late 90s and early 2000s. It was ahead of its time back then but it

We expect to be a leading force in aggregating market data and disseminating it to the industry and the public at large. It's not just presenting numbers; it's providing some interpretation to help people identify trends and make informed decisions. In writing my business plan, even in the preliminary due diligence stages, I identified this area as something that is severely underserved in the residential marketplace.

To sum it up, it is all about transparency. We were leaders in that we were among the first in the industry to open our books. In the early stages of my career, and as a developer, and in reporting to syndications of lenders and top banks and partners, we further affirmed the importance of numbers, reports, and data. One of the benefits of information technology and the Internet, and all of these data aggregation firms, is the free availability of this information. Carefully researching the various listing services in Manhattan and the trade and government organizations that package this information,

making sense of it, and aggregating it in a transparent and accurate manner, is all very much needed, welcomed, and appreciated by our customers, clients, news outlets, developers, and landlords.

How do you attract top talent and what makes for a successful real estate agent today?

At TOWN, every representative has talent and many are very successful. The core attributes of successful representatives include a tremendous work ethic, high self-esteem, confidence, motivation, knowledge, experience, passion, and integrity.

and to respond in Manhattan's fast-moving and diverse marketplace. But it is important to note that structure and consistency are critical if you want to create and maintain a top luxury brand in any business, including real estate.

I don't think that 'entrepreneurial' is an accurate way to label our culture. An entrepreneur by nature is a risk taker who is constantly trying new things, whereas this is very much planned, well-conceived, and well-executed.

Every company in its cycle experiences a turning point where you want to harness the entrepreneurial spirit to push the brand for-

ward. He will stop his day for you. He is always making sure that everyone in the organization is doing the job for which they are best suited. Working with him is really an honor and a privilege," said Jacqueline Pestana, Executive Assistant to Andrew Heiberger.

"Andrew Heiberger, first and foremost, is a true visionary and a trailblazer who demonstrates to us what is possible. He mentors, challenges, and empowers the people who work for him to accomplish their goals and continue to develop their careers and themselves. Having that quality of leadership style is a gift. It's motivating; you want to come to work every day. Having that, there is no limit to the potential of an organization," said Rose Scalia, Director of Human Resources.

"Working with Andrew Heiberger is like jumping on a rocket. You are propelled forward and inspired by his energy, creativity, and can-do attitude. He will encourage you to achieve things that you hadn't thought were possible. But most importantly, he deeply cares about every member of his organization and their success. He takes pride in steering the ship that enables other talented individuals to thrive while enjoying the challenges along the way," said Amy Delson, Director of Public Relations.

"Andrew has an extraordinary knowledge and recall of the New York City real estate market. He knows, off the top of his head, every detail about every property – existing, new development, planned – which is extremely advantageous when working in this business," said Managing Director Jeff Doder.

"I think a leader is someone who can challenge but also inspire. Andrew often challenges and always inspires in several unique ways. He is approachable and admits he does not always have the right answer; but as a leader, he insists that the better answer must exist. He engages his management team in an extraordinarily collaborative way, which fosters creative thinking that may or may not be immediately implementable. The product of that open and creative thinking creates a vast pool to draw from. Similar to the way a think tank can lead to innovation beyond the immediate circumstance, Andrew has an uncanny knack for drawing on his team to bring about much more than the sum of their parts," said Jeff Appel, Director of Professional Development.

"Working and collaborating with Andrew Heiberger is a phenomenal experience. His way of cultivating people and choosing leaders is very unique. His ability to recognize untapped leadership skills and help to shape future leaders is unparalleled," said Wendy Maitland, Senior Managing Director of Sales.

What are your key priorities for the business?

Our key priority is to continue to execute and stay focused on what we've built. It's executing the next phases of our business plan and staying true to our brand to retain what we've gained. Basically, it's just more of the same. ●

I focus on leading and inspiring the leaders in our firm so that they can then lead and inspire their teams.

The environment we provide is one that facilitates their success. Every office has a Town Square, for example, which motivates people to collaborate. Our market reports, listings systems, educational enrichment program, and unparalleled management team provide our representatives and clients with knowledge and confidence. Our first-class facilities give everyone a sense of pride and self-worth. Our departments and facilities enhance the experience of working here and being motivated to succeed. Plus, our unprecedented customized marketing department encourages people to want to list their properties with TOWN, which gives us a greater closing ratio. This is what has attracted and continues to attract the top talent in the industry.

Our Director of Professional Development is an integral part of our team. He is the top nationally recognized mortgage facilitator who trains here with real time information on how to get deals closed today. Additionally, no real estate firm has ever had a neighborhood historian on staff before as we do. Lastly, our concierge desk in each office is powered by the top super-luxury concierge service in Manhattan.

So much thought and effort has been put into TOWN. Every single representative has contributed an ingredient to the recipe, which is aiding TOWN in its current success.

Please tell us about TOWN's entrepreneurial culture.

Entrepreneurship is often associated with being a leader and an innovator of new ideas. In that regard, most of our representatives, employees, clients, and customers find that our type of service-driven, personable, and detail-oriented culture resonates with them. This is one of the differentiators for TOWN as compared to other firms with more of a standard corporate culture. At TOWN, there are opportunities to be innovative

ward. You do want to continually push forward but you want to protect the brand by having foundations and principles of structure.

How do you focus your efforts in leading TOWN?

I try to lead the leaders. I focus on leading and inspiring the leaders in our firm so that they can then lead and inspire their teams. You have to have a lot of trust and confidence in your team if they are going to lead with the same tenacity and integrity. I also surround myself with people who I believe to be the elite in the industry, from the front desk to each department head.

Here is what some of TOWN's leaders think of working with Andrew Heiberger:

"Both employees and representatives agree that the most special component of TOWN is its culture, and Andrew is the visionary behind the positive, collaborative, and service-oriented culture that has helped TOWN become the most exciting and successful luxury real estate firm in Manhattan.

Andrew understands brokerage better than anyone I know. He has the incredible ability to identify, motivate, and get the best out of the most talented people in the business. He leads by example and this is critical when building a business as multifaceted as TOWN.

Andrew is simply New York's most visionary real estate entrepreneur. From Citi Habitats to Buttonwood to TOWN, his extraordinary ability to succeed motivates me every day. I feel proud to work with the most exciting and talented real estate business leader I've ever met," said Nicole Oge, SVP of Marketing.

"Andrew is an incredible mentor. He really goes out of his way to make sure that everyone is striving and reaching their goals, and going