

Explosive Growth

An Interview with Arthur J. Mirante II, Principal and Tri-State President,
and A. Mitti Liebersohn, President and Managing Director - NYC Operations, Avison Young

EDITORS' NOTE Arthur Mirante also serves as a member of Avison Young's Executive Operating Committee. Prior to joining Avison Young, he worked at Cushman & Wakefield, where he served as the firm's CEO for 20 years.

Prior to joining Avison Young, Mitti Liebersohn served as Vice Chairman at Jones Lang LaSalle. Before joining JLL in 2011, Liebersohn served as a Vice Chairman at Cushman & Wakefield, where he was named one of the company's top 20 brokers internationally for 15 consecutive years.

COMPANY BRIEF Avison Young (avisonyoung.com) is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its principals. Founded in 1978, the company comprises 2,600 real estate professionals in 84 offices, providing value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial, multi-family and hospitality properties.

Will you discuss the growth that Avison Young has achieved within the Tri-State market?

Mirante: We just recapitalized Avison Young – we raised C\$250 million as a preferred equity investment from a Canadian pension fund that is the eighth largest in the world measured by assets. This recapitalization will fuel our continued growth and infrastructure development in New York, first and foremost, and in our other major markets.

We're a few months into this and we are all really excited about it. Cushman and Wakefield just went public so, now, just seven years after starting up, Avison Young is the only privately-owned real estate services organization in New York City. We are a partnership, and all the common stock in our company is owned by our partners and professionals. The other large firms who are our daily competitors are all public companies.

Personally, I feel that this gives us a real competitive advantage, like the best law, consulting and accounting firms, all of which operate as partnerships in serving many clients.

Mitti and his leadership team are primed to take us forward and get us to that next level of success, and we couldn't be more excited about where we are now from a competitive landscape point of view.

Liebersohn: I don't use this phrase frivolously, but the term "explosive growth" applies when it



Arthur J. Mirante II



A. Mitti Liebersohn

comes to the building agencies we are hired to lease, expanding the tenants we represent and attracting top-level professionals in all of our service lines.

For example, we recently attracted James Nelson to our team. He is a top investment sales person who came here five months ago and now has 35 people on his investment sales team. He came to me recently and congratulated me because he said we had just joined the Triple Comma Club since he had achieved \$1.4 billion in exclusive listings in just five months. This represents incredible growth and opportunity.

We were also able to attract Rick Marek, who is an icon in our business. He is a leasing veteran who has done many of the most prolific law firm deals throughout the 38 years that I've been in the business. Prior to that, we were able to attract Todd Korren, who has more than three decades of commercial real estate experience. They, along with our other extremely talented principals, such as Michael Gottlieb, Marty Cottingham and Michael Robinson, to name just a few, are an example of how we are expanding our incredible roster of diverse professionals.

We're about to sign on a young, two-person leasing team who are coming from one of the major firms. There is a pure energy and excitement coming from those we are bringing in.

On the tenant rep leasing side, we are firmly entrenched in the 50,000-square-foot and above range and have a strong ability to pitch and win business. Arthur is representing a 100,000-square-foot-plus law firm right now. A few of our other professionals also have 100,000-square-foot-plus transactions that they are in the advanced stages of executing.

When it comes to building agencies, we're now representing Scott Rechler at 530 Fifth Avenue, which is over 90 percent leased. We are also

representing Steve Levy at 120 West 45th Street, and are over 90 percent leased in that building. Arthur is representing 1501 Broadway, and we will be over 90 percent leased there by year end as well.

Mirante: Of course, none of these stats mean anything unless they are taken in context – all of the tenants that Mitti has described are Fortune 500 or top tier industry leaders who are new clients of ours. This is really exciting because we started out with challenging assignments where we had to beg for the business.

Is it challenging to maintain the service culture and consistent quality when you are growing at this speed?

Mirante: It takes a lot of work and it is difficult. More often than not, we win the battle at the time of hiring. We have to be really careful about who we hire and, before we make that commitment, we have to do our due diligence to make sure that the person is going to fit in with our culture. It does no good to bring people in and then let them go in six months.

With top performers, it is always more than the money that matters. They want to feel happy coming to work and feel a collegial atmosphere. They don't want to be competing with people down the hall. This is the type of environment we're striving to create here.

Does the partnership structure of the firm lend itself to making quicker decisions and being more nimble?

Mirante: Absolutely, when it comes to client service, but not necessarily when it comes to our growth. We don't always want to be nimble as we expand because we can make mistakes. However, on the client service side, it's all hands on deck. Mitti and I will work on any assignment, no matter how small, if there is a relationship for the company at stake.

What are your views on the current state of the New York real estate market?

Mirante: The market is very healthy in New York and we're a beneficiary of that. However, the market is very competitive. As a smaller company, we have the luxury of taking select agency assignments in different neighborhoods, but we are always careful not to take assignments that might compete with each other. Being selective has helped us avoid cannibalizing client business and avoid conflict.

Our success in agency building has outpaced the market because there is a healthy amount of space in the marketplace today and the tenants have choices. ●