

BOUTIQUE BROKERAGES SHED AGENTS

Manhattan's small firms lose brokers, but some see boost in dollar volume of listings

May 01, 2010 07:00AM

By Candace Taylor

New York's small residential firms got even smaller in the last year, as many agents fled the business in a difficult market. But despite the loss of manpower, several leading boutique firms saw the dollar volume of their listings rise as more high-end properties returned to the market in an increasingly healthy economy.

(Click [here](#) or scroll down for chart of this year's top Manhattan boutique brokerages.)



From left: Jed Garfield of Leslie J. Garfield & Co., Manhattan's top boutique brokerage by dollar volume of residential listings; Shaun Osher of Core, which ranked second on the list; and Adam Modlin of the Modlin Group, which came in at third

Meanwhile, two New York boutique firms -- long-established firm Gumley Haft Kleier and five-year-old Core -- starred in the HGTV cable television program "Selling New York."

Core CEO Shaun Osher said he viewed the program as an important tool for showing off the company's properties and garnering new clients.

Since the show went on the air, he said, the company, which ranked No. 2 on *The Real Deal's* annual list of boutique firms, with \$251.8 million in active Manhattan listings, has "had a lot of calls" from prospective clients. He said that Core -- which was not included on last year's list because it was focusing almost exclusively on the new development market -- has adapted its business model to the downturn by doing a significantly higher portion of resales. And the firm has grown since the recession began, adding about 25 agents -- such as Garr & Company founder Michael Garr -- and opening a high-profile new office in Chelsea.

By contrast, veteran broker Michele Kleier, president and chairman of Gumley Haft Kleier, which ranked No. 6 on this year's list, said she did the show mostly to provide "a home movie for the family," not as a way to gain clients. In fact, she would likely decline to work with a client who heard about her from the show, she said, because she generally doesn't "deal with people unless they come from sources I'm familiar with."

The difference in their approaches signifies a shift among New York's boutique brokerages. Many of the city's venerable old boutique firms, like Edward Lee Cave, have closed or been absorbed by larger corporate companies. Several of those that remain are shrinking, as brokerages with new business models or specialties -- often headed by hungry young brokers -- are now chipping away at their market share.

"There aren't a lot of quote-unquote high-end boutiques left," said Jed Garfield, who took over his father's company, Leslie J. Garfield & Co., eight years ago. His firm -- which ranked No. 1 on *The Real Deal's* list with \$319.4 million worth of listings -- is able to compete with bigger firms because of its well-honed specialty in

townhouses, he said.

"Concentrating on one specific market is a really good way to differentiate ourselves," Garfield said.

Another firm with a lucrative niche is the Modlin Group, which ranked No. 3 on this year's list.

Company founder and broker to the stars Adam Modlin -- whose clients reportedly include Yankee star Alex Rodriguez and his former girlfriend, actress Kate Hudson -- said his emphasis on athletes and entertainers helped him during the downturn, when clients from the financial sector virtually disappeared.

"When you have a professional athlete who gets signed on to a multiyear deal playing for a New York team, there's no financial crisis that will hold that individual off from buying a very expensive home," he said.

Mercedes/Berk, which saw the value of its listings surge this year, also specializes in high-net-worth clients. The company focuses on "a very high level of market research" that enables it to locate potential buyers by neighborhood and profession, explained co-owner Noel Berk. For example, if the firm is handling an exclusive listing in Chelsea, it might target potential buyers who work at Google (with offices at 76 Ninth Avenue) or in the Starrett-Lehigh Building, home to companies like Martha Stewart and Hugo Boss, on 26th Street, she said. The firm employs a full-time researcher to identify these buyers.

But some of the more traditional firms saw their influence decrease. Gumley Haft Kleier dropped below Fox Residential and Mercedes/Berk, both of which the firm bested last year.

Kleier said that's fine with her. After years in the business, she already has more clients than she can handle, she said, and the company's small size lets her tend to them day and night.

"We're a very old-school company, very traditional, and that's the way we like it," she said.

Meanwhile, longtime broker Larry Kaiser's Park Avenue-based Key-Ventures Realty, which ranked No. 5 on last year's list, did not make the ranks this year because the number of brokers listed on the firm's Web site fell below five (*The Real Deal's* cutoff for boutique firms).

Kaiser said the drop-off occurred because several of his brokers are now based in Europe, and anyway, "I don't bother to update [my Web site]," he said, adding that he's more concerned about quality than upping his visibility.

"My name speaks for itself," he said.