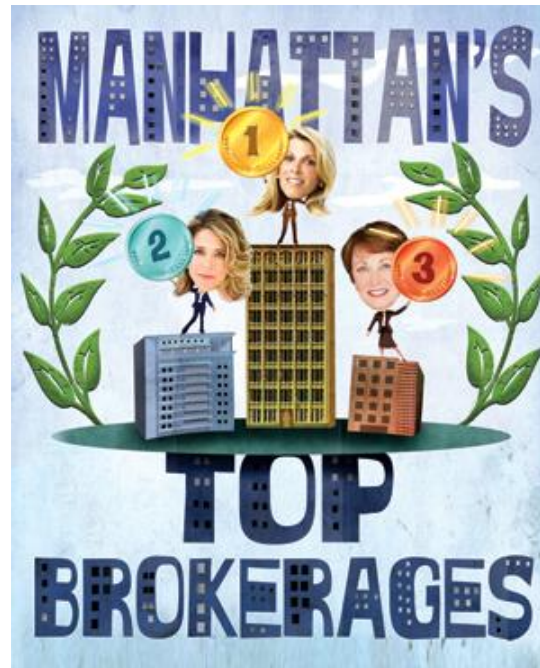


## Big Firms Tackle Big Obstacles

*As inventory shortage continues, Manhattan's largest brokerages work to nab new condos, high-end properties*

May 01, 2013

By [Katherine Clarke](#)



Against the backdrop of Manhattan's severe inventory shortage, the borough's largest firms are working to leverage a new crop of condos and high prices in the luxury sector.

Nearly all of Manhattan's 12 largest firms have far fewer exclusive listings than they did at this time last year, according to *The Real Deal's* annual ranking of the borough's top residential firms, which reviewed a snapshot of data pulled from Online Residential in mid-March. At nearly all of the companies included in the ranking, the average number of listings per agent dropped year-over-year, according to *TRD's* research, while the number of agents with zero listings rose at most all firms too.

Overall, the top 12 firms had a total of \$8.42 billion in exclusive Manhattan sales listings, down 38.4 percent from \$13.36 billion last year. That trend stands in contrast to 2012's rankings, when listings volume remained relatively steady from the previous year, while the dollar value grew by more than 10 percent.

Halstead Property President Diane Ramirez said that a decline in listings value was inevitable for nearly all firms in the current climate (see related story, ["Midtown West, Tribeca, Chelsea rank as Manhattan 'hoods with steepest inventory plunge'"](#)).

“The listings just haven’t come on,” she said. “If there aren’t listings to get, your numbers are going to drop.”

Indeed, Manhattan’s two largest firms, Douglas Elliman and the Corcoran Group, saw the number of their exclusive listings shrink substantially. Though Corcoran CEO Pamela Liebman disputed *TRD*’s numbers regarding her firm’s listings, she agreed that the citywide inventory shortage is “an across-the-board problem.”

In the first quarter of 2013, Manhattan inventory fell 34.4 percent from the same period of last year, according to an Elliman market report prepared by appraisal firm Miller Samuel. On the luxury end of the market, inventory fell by just 15.4 percent, giving a slight advantage to those firms with super high-end listings. The firm with the highest number of listings per agent was luxury brokerage Brown Harris Stevens, which had 0.79 listings per agent in 2013, down from 1.5 listings per agent last year.

Rank		Firm	2013		2012		% Change
2013	2012		2013	2012			
1	1	Douglas Elliman	1,599	1,516		5%	
2	2	The Corcoran Group	1,091	1,131		-4%	
3	4	Halstead Property	617	600		3%	
4	3	Citi Habitats	607	627		-3%	
5	10	Bellmare/AC Lawrence*	511	242		111%	
6	6	Rutenberg Realty	478	468		2%	
7	5	Bond New York	451	515		-12%	
8	7	Brown Harris Stevens	447	434		3%	
9	9	Town Residential	388	268		45%	
10	8	Nest Seekers International	260	277		-6%	
11	12	Sotheby's International Realty	248	198		25%	
12	11	Stribling & Associates	244	213		15%	

## Farming in the desert

Despite the listings crunch, some top CEOs told *TRD* that closed sales volume has not suffered substantially, thanks to high levels of demand from buyers starved for product (see related story, [“Corcoran brokers sold most Manhattan homes of any firm in 2012”](#)).

“Our volume right now is ahead of last year in most of our markets,” Liebman said. “I’m a little surprised by that myself, because of the inventory crisis. If you put a quality property on the market and it’s priced well, it’s going to sell immediately in this market.”

Indeed, the absorption rate for apartments in Manhattan — the number of months it would take to sell all single-family properties currently on the market — dropped by 37.8 percent year-over-year, according to Miller Samuel’s report. On average, apartments spent approximately 132 days on the market in the first quarter, 13.2 percent fewer than during the same period of last year.

Still, buyers are antsy, Liebman said.

“We capture our fair share of listings, but the market is so robust right now that it feels unsatisfying to a lot of buyers,” she said. “When they do find something they like, they’re being forced into a bidding war. They want to see more and we have nothing to show them.”

Total Manhattan listings							Total \$ volume, Manhattan listings						
Rank		Firm	2013		2012		Firm	(in millions)		%			
2013	2012		2013	2012	2013	2012		2013	2012	Change	Change		
1	2	Douglas Elliman	993	1,494	-34%	1	2	Douglas Elliman	\$2,220	\$3,192	-30%		
2	1	The Corcoran Group	836	1,508	-45%	2	1	The Corcoran Group	\$2,085	\$3,502	-40%		
3	3	Halstead Property	410	708	-38%	3	3	Brown Harris Stevens	\$1,283	\$2,659	-52%		
4	4	Brown Harris Stevens	353	651	-46%	4	4	Sotheby's International Realty	\$1,009	\$1,468	-31%		
5	5	Sotheby's International Realty	183	261	-30%	5	5	Halstead Property	\$652	\$845	-23%		
6	7	Town Residential	136	174	-22%	6	6	Stribling & Associates	\$384	\$584	-34%		
7	6	Stribling & Associates	122	197	-38%	7	7	Town Residential	\$327	\$502	-35%		
8	9	Citi Habitats	118	140	-16%	8	8	Nest Seekers International	\$162	\$252	-35%		
9	8	Bellmarc/AC Lawrence*	115	150	-23%	9	11	Rutenberg Realty	\$94	\$84	12%		
10	11	Rutenberg Realty	87	81	7%	10	9	Bellmarc Realty	\$90	\$134	-32%		
11	10	Nest Seekers International	78	86	-9%	11	10	Citi Habitats	\$76	\$108	-30%		
12	12	Bond New York	32	42	-24%	12	12	Bond New York	\$31	\$27	15%		

To find homeowners interested in selling, Ramirez said she’s been encouraging all of her agents to “go into their databases, [and] reach out to customers who’ve been in their homes for a while.”

In the face of the listing shortage, the firms that have held up the best are those that have excelled in the luxury market and taken advantage of the new development projects hitting the market.

Elliman and Corcoran were the only firms this year with more than \$2 billion in exclusive listings. According to *TRD*’s research, the firms saw their number of listings drop by 34 percent and 45 percent, respectively — around the same percentage that inventory fell marketwide.

Meanwhile, their total dollar volume of listings sank by 30 percent and 40 percent, respectively. (Both firms disputed the findings, claiming they each had several hundred listings that were not listed in OLR. The two brokerages said they’ve had problems with their data being transferred into OLR.)

Of the top 12 firms, it appears that Brown Harris Stevens, Corcoran and Halstead have most efficiently reaped the rewards of high prices in the luxury market, with Elliman and Sotheby’s close behind.

While all those firms saw decreases in their overall dollar volume of listings, Brown Harris Stevens had 40 agents with listings priced at \$10 million or above, up 54 percent from 26 last year, according to *TRD*’s research. Corcoran and Halstead also saw large jumps of 46 percent and 83 percent, respectively.

Among Brown Harris Stevens' priciest listings is the Ellen Biddle Shipman residence, a century-old townhouse at 21 Beekman Place, which broker Paula Del Nunzio is listing for \$43 million. And Brown Harris brokers John Burger and Nancy Elias have a \$26 million, eighth-floor spread on the market at 640 Park Avenue. (Brown Harris Stevens President Hall Willkie did not respond to requests for comment on the rankings.)

And in a prime example of the current high-flying luxury market, Sotheby's agents Serena Boardman, Elizabeth Sample and Brenda Powers are listing a penthouse at the Pierre at 795 Fifth Avenue for \$125 million.

Liebman told *TRD* that Corcoran has been actively looking to increase its share of the luxury market in the past several years. And it seems to be succeeding in that regard. According to *TRD*'s data, Corcoran saw the median price of its listings jump 18 percent from last year.

In the past two years, Liebman claimed, Corcoran has been involved in nearly half of all deals above \$20 million citywide. And between 2011 and 2012, she added, Corcoran saw a 28 percent increase in sales over \$20 million.

"As the luxury market has increased, our share has grown as well," she said. "Our percentage of that market is really high."

Another boon for Corcoran recently has been its focus on new development, thanks to a slew of pricey new Manhattan projects. Tribeca's 56 Leonard Street, for example, is being marketed by the firm's new development marketing arm, Corcoran Sunshine.

Indeed, prices for Manhattan new-construction condos have reached new peaks in recent months. The average price per square foot for a new Manhattan condo in the first quarter was \$1,332, according to Miller Samuel, up from \$1,263 in the same period of last year. By comparison, the average price during the first quarter of 2007 was \$1,132 per square foot.

Elliman, too, benefited from its new development division, according to Elliman CEO Dottie Herman. Douglas Elliman Development Marketing is now handling 91-unit new condo 150 Charles Street, and the 33-unit Sterling Mason condo at 71 Laight Street in Tribeca.

Elliman saw a 10 percent increase in its median listing price, which Herman attributed in part to "new developments offering more inventory in [a higher] price range."

Elliman's new development division, led by Related Companies alum Susan de França, added to its ranks this year. Broker Horacio LeDon — also a former Related executive — joined the team in February. And just last month, Town Residential's new development head, Reid Price, decamped for Elliman.

Town, which is set to launch sales at the 29-unit Charles condo at 1355 First Avenue in the coming weeks, had not yet replaced Price by press time.

Average listings per Manhattan agent						Median listing price for Manhattan properties					
Rank		Firm	% Change			Rank		Median (in thousands)			
2013	2012		2013	2012	Change	2013	2012	Firm	2013	2012	Change
1	1	Brown Harris Stevens	0.79	1.50	-47%	1	1	Sotheby's International Realty	\$2,697	\$2,498	8%
2	2	The Corcoran Group	0.77	1.33	-42%	2	3	Brown Harris Stevens	\$1,700	\$1,735	-2%
2	3	Sotheby's International Realty	0.77	1.32	-42%	3	2	Stribling & Associates	\$1,547	\$1,800	-14%
4	4	Halstead Property	0.71	1.18	-40%	4	5	The Corcoran Group	\$1,295	\$1,095	18%
5	5	Douglas Elliman	0.62	0.99	-37%	5	6	Douglas Elliman	\$1,100	\$999	10%
6	6	Stribling & Associates	0.50	0.92	-46%	6	4	Town Residential	\$1,047	\$1,185	-12%
7	7	Town Residential	0.35	0.65	-46%	7	7	Nest Seekers International	\$799	\$981	-19%
8	9	Nest Seekers International	0.27	0.28	-4%	8	9	Halstead Property	\$725	\$699	4%
9	8	Bellmarc/ AC Lawrence*	0.23	0.62	-63%	9	8	Rutenberg Realty	\$699	\$725	-4%
10	10	Citi Habitats	0.19	0.22	-14%	10	12	Bond New York	\$502	\$487	3%
11	11	Rutenberg Realty	0.18	0.17	5%	11	10	Citi Habitats	\$499	\$582	-14%
12	12	Bond New York	0.07	0.08	-13%	12	11	Bellmarc/ AC Lawrence*	\$474	\$575	-18%

## Armies of salespeople

When it comes to the number of agents, Elliman and Corcoran remain the two largest firms in the city. Elliman has 1,599 Manhattan agents, according to *TRD*'s data, which was tallied from firm websites. That was up from last year's total of 1,516. Corcoran's total, however, fell slightly to 1,091 from 1,131 last year.

While most of the top firms remained relatively steady in terms of agent numbers, a few saw dramatic growth. Among them was the two-year-old brokerage Town, launched by Citi Habitats founder Andrew Heiberger, which added more than 100 agents to its roster, growing by 45 percent year-over-year.

Town opened two new offices this year: The firm's seventh location opened at 337 Broadway in Soho in January, while its eighth outpost, a 65-agent office in Greenwich Village, launched last month.

In a statement to *TRD*, Heiberger said the offices are "part of a carefully planned rollout," which goes along with Town's goal of becoming "best-in-class in the industry."

The Bellmarc Group also shot up in agent numbers this year, thanks to its late 2012 merger with residential and commercial brokerage AC Lawrence Real Estate. As a result of the consolidation, the two firms were considered a joint entity in *TRD*'s ranking with a combined 511 agents, making Bellmarc Manhattan's fifth-largest firm.

Co-founded in 1979 by Neil Binder, Bellmarc was Manhattan's 10th-largest firm before absorbing AC Lawrence.

Sotheby's and Stribling & Associates were the only other firms to add a significant number of agents over the last year. Sotheby's saw its ranks grow 25 percent to 248 agents, up from 198 last

year. (Sotheby's declined to comment for this piece.) However, the firm made some high-profile hires, including veteran brokers Lisa Maysonet and Gary Kabol, both of whom had been with Elliman for more than 20 years.

Stribling, meanwhile, grew 15 percent to 244 Manhattan agents, up from 213 last year. Elizabeth Ann Kivlan, president of Stribling, told *TRD* that the firm had been gradually adding to its Manhattan ranks throughout the year, although not in large numbers. "We're happy with our size," she said.

In Brooklyn, however, Stribling is looking to add up to 50 agents to coincide with the opening of its first Brooklyn office this month at 384 Atlantic Avenue, near the Barclays Center.

The city's third-largest firm this year was Halstead, which grew its Manhattan agent total to 617 from 600 in 2012, jumping ahead of Citi Habitats in size.

The growth this year is due in part to Halstead's purchase of the assets of the five-agent firm Stein-Perry Real Estate, a residential brokerage based in Washington Heights. Halstead's Ramirez told *TRD* that she makes decisions about the company based on long-term strategy as opposed to temporary market trends.

"At our level, we have to look long-term," she said. "You cannot run a company based on what's happening in the market at that moment."

Citi Habitats, which slipped in the rankings to No. 4 from No. 3 in 2012, has had a tumultuous year, as *TRD* previously reported.

The firm's head of new development marketing, Clifford Finn, left for Elliman, and Corcoran Sunshine — which has the same corporate parent, NRT — took over Citi's outstanding new development commitments. Meanwhile, Gordon Golub, the firm's second in command, departed in January after 18 years. (He was replaced by Peter Sobeck, previously a senior vice president at NRT.)

And last month, the firm took another hit when sisters Tracie and Elizabeth Hamersley, Citi's perennially top-ranked sales team, joined Elliman.

The company also closed two offices in the last year — at 27 East 22nd Street and 32 East 22nd Street — bringing its total office count to nine.

But Citi Habitats President Gary Malin told *TRD* that the company is currently seeking out new office space, and is focused on relaunching its new development division. He declined to provide further details.

"Last year was really a year for us to take stock of where we were, but more importantly, where we wanted to go," he said.

Manhattan agents with a \$10M listing or higher						Manhattan agents with no active residential listings					
Rank			%			Rank			%		
2013	2012	Firm	2013	2012	Change	2013	2012	Firm	2013	2012	Change
1	2 (tie)	Brown Harris Stevens	40	26	54%	1	1	Bond New York	94.7%	94.6%	0.08%
2	2 (tie)	The Corcoran Group	38	26	46%	2	3	Rutenberg Realty	89.5%	87.2%	2.70%
3	1	Douglas Elliman	37	30	23%	3	4	Citi Habitats	88.5%	86.4%	2.40%
4	4	Sotheby's International Realty	27	21	29%	4	2	Nest Seekers International	88.1%	90.3%	-2.50%
5	7	Halstead Property	11	6	83%	5	6	Bellmarc/AC Lawrence*	86.7%	68.6%	26.40%
6	5	Town Residential	8	10	-20%	6	5	Town Residential	80.2%	69%	16.20%
7	6	Stribling & Associates	5	7	-29%	7	7	Douglas Elliman	72.8%	62.9%	15.70%
8 (tie)	8	Nest Seekers International	1	4	-75%	8	9	Halstead Property	68.4%	57.2%	19.60%
8 (tie)	9 (tie)	Rutenberg Realty	1	0	--	9	10	The Corcoran Group	68.3%	54.1%	26.20%
10 (tie)	9 (tie)	Bond New York	0	0	--	10	8	Stribling & Associates	66%	57.7%	14.40%
10 (tie)	9 (tie)	Bellmarc/AC Lawrence*	0	0	--	11	12	Sotheby's International Realty	65.7%	49%	34.10%
10 (tie)	9 (tie)	Citi Habitats	0	0	--	12	11	Brown Harris Stevens	63.5%	49.8%	27.60%

Notes: All data was gathered from the OLR listing portal in mid-March, with the exception of the number of agents, which was gathered from the brokerage websites. Data includes only Manhattan-based brokerages and agents, and only active Manhattan residential sales listings that had been updated within the last 90 days at the time of the survey. Data does not include multi-family properties, listings that are in contract or listings that have pending offers. Percent changes are based on figures before rounding. Corcoran Sunshine agents and listings were included in Corcoran's total agent and listing count. Primary rankings are based on number of Manhattan agents; firms on that list are then ranked by other factors. \*Bellmarc and AC Lawrence are counted jointly in light of their late 2012 merger.

## Bucking the trend

Two firms did manage to buck the trend by growing their listings volume this year: Rutenberg Realty and Bond New York.

Rutenberg — known for its high-commission split model, in which brokers pay the firm fixed fees rather than a percentage of their earnings — had \$94 million worth of listings this year, up 12 percent from last year's *TRD* ranking.

Company co-founder Kathy Braddock attributed Rutenberg's growth to maintaining its focus on real estate, as opposed to extras.

"We're not trying to build a \$3 million website," she said. "We're not trying to open up fancy branches all over the place; we're not trying to create an app that somebody might use if they happen to be out and about in the street. I don't mean to diss my competition, but [other firms] feel this constant pressure to be doing something new and different.... We came out of the box and we have stuck exactly to our model."

Bond, often considered primarily a rental brokerage, grew its listings volume by 15 percent, to \$31 million.

And Bond co-founder Bruno Ricciotti said the firm now has several big-ticket sales listings not reflected in the rankings. A \$14 million penthouse at 50 East 89th Street, for example, was listed by Bond's Kianna Choi the week after *TRD* collected its data.

Ricciotti told *TRD* that Bond has worked to get more high-priced exclusives over the past year by hiring a number of experienced sales brokers. Agents who started out doing rentals, meanwhile, have since begun working on sales transactions, he said.

“This week alone, we closed a \$15.5 million listing [and] listed a \$14 million property,” he said.  
“We’re definitely turning a corner into the high-end market.”