

Brokers get grayer

By: Lucy Cohen Blatter

In 2008, 21-year-old Jared Seligman had sold some \$40 million worth of real estate and gained fame for listing the Olsen twins' Morton Square penthouse.

And he wasn't the only youngster flocking to residential brokerage during the mid-2000s. During the real estate boom, hordes of recent college grads entered real estate, hoping to cash in on the myriad six-figure deals taking place in Manhattan.

There are, of course, still some young hotshots in the field. But for the most part, the dream of getting rich quick — before age 30 — died with the Lehman Brothers collapse, as *The Real Deal* reported last spring. But now, new data from the National Association of Realtors confirms what real estate executives have been reporting anecdotally: NAR's 2011 Member Profile, a national survey of the group's members, showed that the median age of residential real estate brokers and agents across the country increased to 56 in 2011, up from 52 in 2008. Meanwhile, the average NAR member had 12 years of experience last year, compared to 10 in 2010. While New York City-specific numbers are hard to come by, brokers here said they've noticed the same thing.

"The average age of [real estate agents] is absolutely increasing," said David Schlamm, CEO and founder of Manhattan brokerage City Connections Realty.

And while some predicted that a graying of the profession would have negative consequences, industry veterans say the more experienced workforce has proven to be unexpectedly beneficial.

"I've definitely been seeing a more mature group entering the business," said Michael Signet, executive director of sales for Bond New York. "It's been a boon for us. Older brokers come with a work ethic that you don't get from 20-year-olds."

Not getting any younger

New York City real estate brokers tend to be younger than their colleagues in the rest of the country. The Real Estate Board of New York said it doesn't keep track of members' ages, but brokers estimated that the average age of their colleagues is somewhere between 35 and 45, significantly younger than NAR's countrywide average of 56.

"I would say that the average of those taking the 75-hour licensing course in my classes is 38 to 45," said John Viteritti, who teaches at the NYU Schack Institute of Real Estate. The preponderance of young agents in New York is due in part to the city's large number of rental apartments, brokers said. Rentals — a fast-paced, high-energy business — tend to attract 20-somethings, who often move on to sales as they gain

experience. Plus, MNS CEO Andrew Barrocas noted, 20- and 30-somethings looking for rentals tend to prefer brokers in the same age range.

Greg Young, founder of the Manhattan real estate training and consulting company Broker Heaven, said the average sales agent he works with is around 45, while rental agents are closer to 30.

Still, the struggling economy and real estate downturn of the past few years have made brokerage less appealing for new graduates, brokers said.

"Fewer newcomers are coming into the industry than once were," said Walter Molony, a spokesperson for NAR.

According to the New York Department of State, the number of residential and commercial brokers' licenses issued across the five boroughs dropped from 3,245 to 1,897 between 2008 and 2009, during the worst of the recession. Between 2010 and 2011, the number fell from 1,952 to 1,519.

"Less and less people are calling me after college and asking to get into the business," said Schlamm. "I think the economy has flushed out a lot of confidence."

When Kathy Braddock, cofounder of Rutenberg Realty, appeared on a recent career panel at Harvard University, she asked the audience of undergraduates how many of them thought their parents would be proud if they became residential real estate brokers. Only one student raised their hand.

These days at Rutenberg, Braddock said, "we have a couple of people who come to work for us right out of college, but they're very much in the minority."

Many of the firm's new recruits do come from other fields, however. "This is a logical job for people who have been laid off," she said.

Others echoed that point.

"Recently, there's been a larger influx of mid-level career-changers than in previous years," said Marina Tokar, marketing representative for the New York Real Estate Institute. "The young, just-starting-out people ... who entered the industry during the boom are being supplanted by career-changers."

Experienced brokers also tend to have more staying power in today's tough times, so they're less likely to leave the field when the economy flounders.

"Realtors tend to become more successful over time — with referrals and return clients — so they're likely to stay in the business longer," said NAR's Molony.

Older and wiser

But this more seasoned broker population has had unintended benefits for the industry. For one, agents with previous business experience under their belts often have advantages that help them succeed in brokerage.

“As an older person, you have more contacts, and this business is based on contacts,” Braddock noted.

And the wealthy buyers who can afford New York City homes — often baby boomers — often “don’t want to buy a \$2 million apartment from a 22-year-old kid,” said Esther Muller, who runs the Academy for Continuing Education.

Overall, today’s pool of agents tends to have stronger skills and ethics than in the past, brokers said.

“Becoming an agent in New York City doesn’t necessarily lead to becoming profitable right away,” Schlamm said. “This is good, because it tends to eliminate the agents who are only in this business temporarily. The ‘get rich fast’ mentality seems to [encourage] newly licensed agents to take shortcuts in the way they do business.”

Of course, there are also downsides to the loss of younger brokers.

“Many agents who have been in the real estate business for a long time tend to be stuck in their ways and sometimes find it difficult to change the way they operate,” Schlamm said. He added that older agents are sometimes reluctant to embrace social media and other new technology.

“Seasoned agents must be constantly learning more and more,” he said, “in order to fully service their clients.”