

Brokers Turn to Buyers to Boost Business

With lack of inventory to sell, agents shift their attention to apartment hunters

May 01, 2013

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With a scarce number of sellers in the market, New York City residential brokers have — unintentionally — found themselves taking on substantially more buyers as clients.

“Right now I’m working with very, very hungry buyers at the same time I would normally spend handling my listings,” said Frances Katzen, a Douglas Elliman broker, who noted that she’s working with 45 to 50 percent more buyers than she was before the market tightened. “I’ve never had a conscious choice or decision in that. It just depends on the climate.”

Kane Manera, also of Elliman, similarly said the number of buyers he’s working with has shot up by about 50 percent in about the last three months. And he noted that his colleagues are generally agreeing to work with more buyers.

“Buyers are saying, ‘Oh my goodness, we have to get it now.’ Sellers are saying, ‘Oh my goodness, [the market is getting] stronger, why would I want to sell now?’ Those two parallels of strength are causing extremely low inventory and extremely hungry buyers,” Manera said. “There’s a real hint that prices are going to keep going and going and going up.”

The extreme lack of inventory in the market (see related story, [“Midtown West, Tribeca, Chelsea rank as Manhattan ‘hoods with steepest inventory plunge”](#)), has prompted many brokers to shift not just their clientele, but also their strategies for doing business.

For starters, it means that competition to score the limited number of for-sale apartments as listings has heightened, largely because those assignments are almost guaranteed sales — as long as they’re viewed as well-priced. But it’s also requiring brokers who are representing buyers to hustle harder than usual.

“I had to become very proactive and creative in finding apartments for my customers to see,” said Kevin Ryan-Young, a broker at Bond New York, “whether it’s expanding their criteria or writing letters to owners in a particular building.

“Also, keeping the buyers engaged during the extended search process has become a major part of my working time.”

According to Elliman’s latest market report for the first quarter of 2013, listing inventory in Manhattan fell by 34.4 percent year-over-year to 4,960 units from 7,560, as *TRD* has previously reported. Meanwhile, the number of sales dropped quarter-over-quarter to 2,457 in the first quarter from 2,598 in 2012’s fourth quarter.

Those lucky brokers who do get listings in this market have a big advantage, sources say.

“Getting high offers and more buyers in the door is always my goal,” said Christopher Stokes Moseley of Rutenberg Realty. “With these market conditions of little supply and larger demand, it makes for more successful sales for sellers.”

However, agents who are used to working only on exclusives have been forced to come up with new strategies for dealing with the unique market conditions.

Like other brokers, Stan Ponte of Sotheby’s International Realty told *TRD* that he is going back to the old-school approach of aggressively working the phones to try to get new exclusives — rather than waiting to be contacted by new or former clients.

“Brokers like myself, who have traditionally represented exclusives, have revved up their seller representation because it’s a seller’s market,” Ponte stated. “My business model has been to push harder on new exclusives and get that business, because it’s not a buyer’s market anymore.”

Ponte said he has been reaching out to former clients who purchased properties with him during the boom and explaining to them why selling now would be profitable.

Ponte said he has “thankfully” been winning bidding wars on the buyers’ side, but he noted that’s becoming increasingly harder to pull off.

Kathy Braddock, the co-founder of Rutenberg Realty, noted that in a market like this one, brokers should figure out “what they’re really good at” and zero in on it.

“If someone is really strong [at pitching exclusives, for example] they can play off of that,” she said. “It’s about marketing [yourself]. It’s not about changing your strength.”

But, for many, the shift of working with more buyers has been a challenge.

“It’s frustrating,” Katzen said. “[Buyers] feel like we’re holding back [and] we’re not doing our job finding apartments for them, but we can’t make it up. It’s brick and mortar. It’s hard to hide.”