

Client Relationships

An Interview with Stephen B. Siegel, Chairman, Global Brokerage, CBRE

EDITORS' NOTE Prior to the merger with CBRE, Stephen Siegel was Chairman and CEO of Insignia/ESG. He initially rose to prominence in the industry at Cushman & Wakefield, where he became President and CEO at age 37. Renowned in the industry not only for the amount of deals he has closed, but for his philanthropic activity, Siegel at one point in his career sat on more than 16 non-profit boards. In 2015, he was celebrated, along with fellow honorees Queen Latifah and Danny Meyer, for his contributions to the Young Women's Leadership Network's CollegeBound Initiative, a program that creates opportunities for low-income students to attend college and serves nearly 13,000 students each academic year. He is regularly among the Commercial Observer's Power 100, a yearly ranking of the most powerful people in New York commercial real estate and has been named by Crain's as one of the 100 Most Influential Business Leaders in New York City. In 2005, Siegel was featured in the Urban Land Institute's book, Leadership Legacies: Lessons Learned from Ten Real Estate Legends and, in 2011, he was featured in the best-selling Commercial Real Estate Brokers Who Dominate: Eight Traits of Top Producers. Siegel has also been honored with Commercial Property News' Lifetime Achievement Award.



Stephen B. Siegel

but we still had missing parts to the business. When CBRE bought us in 2003, it completed the puzzle. What they didn't have in certain cities, we had. What they did have was an agenda and the capital to fulfill it, which was to create an enormously successful platform with every type of service and technology available to make our firm the best in the business. Every aspect of this company is delivering services at the highest quality and in the broadest spectrum all over the world.

CBRE is known for its work with large, multinational clients. How critical has it been for CBRE to build relationships with entrepreneurial companies and the growth companies of the future?

It's critical. I always tell the story of my early days in the business. I was given an assignment that nobody else wanted for a law firm that was looking for a 1,000 square foot space. I serviced the firm and a year or so later, they called and needed 2,200 feet. I serviced that and then it

went up to 4,000 feet. One day they called and I assumed they may need 6,000 or 7,000 feet, but instead they asked me to come to their office right away. My contact at the client was just named head of the real estate department for a major law firm and they needed 400,000 square feet and they gave us the assignment. This is an example of how focusing on entrepreneurial companies and growth businesses has the potential for a significant transaction at some point. This is a very big focus for CBRE.

How do you define the CBRE difference?

Bigger is not better. Better is better. People always say that CBRE is gigantic. I say yes, but it still boils down to that person sitting across the table from the potential client, having that client comfortable in your ability, your commitment to staying focused on that transaction, and to use the platform that you have behind you to deliver. That is what makes CBRE different. It boils down to that one-on-one personal contact.

How critical is it that technology does not take away from the personal relationship and the human touch?

FIRM BRIEF CBRE Group, Inc. (cbre.com) is the world's largest commercial real estate services and investment firm based on 2019 revenue and has more than 100,000 employees (excluding affiliates). CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services.

What have been the keys to CBRE's success?

I've probably had three careers. I spent a lot of years at Cushman & Wakefield and then joined ESG. The objective was to build a full service, complete platform company. We worked our way through the acquisition of ESG by Insignia and in less than six years, we acquired 44 companies. We grew globally,

■

At CBRE, we build relationships with people and this is how we develop business. Real estate is a relationship business.

■

People always say that CBRE is gigantic. I say yes, but it still boils down to that person sitting across the table from the potential client, having that client comfortable in your ability, your commitment to staying focused on that transaction, and to use the platform that you have behind you to deliver. That is what makes CBRE different.

It already has. I'm not a proponent of email canvassing. Personal canvassing in this market has been made very difficult after 9/11 since you can't really access buildings. It used to be that you could walk in, get on an elevator, and go floor by floor knocking on doors. At CBRE, we build relationships with people and this is how we develop business. Real estate is a relationship business.

Is office space and brick-and-mortar going to be as relevant as you look to the future?

I think that there is actually an evolution back to the office being relevant. It is now more about an open-space plan and building a space for collaboration. People need to come to work to interact with other professionals in the office since this creates business opportunities that you would not have otherwise. I just did a mentoring session for a women's network. I was surprised to find how many of them work from home, and I told each one of them that they've got to get into an office. They've got to meet people.

Are you surprised to see the development that has taken place in certain parts of New York City?

I've been saying for years and years that there's one city: New York City. There's no Downtown. There's no Uptown. There's no West Side. There's no East Side. New York City was divided into the Financial District, Midtown, and especially Downtown, which had some barriers to entry and was often used as a pricing option in terms of tenants' search for space. I admit that with all my experience and expertise, I would never have projected the success of Hudson Yards. I was fortunate to be involved with one of the first deals with L'Oreal, but what's happened there is mind-boggling.

I am so pleased to see how the World Trade Center has taken off and is such a success. When you look at the buildings there, Seven and Four are full, Three is filling up rapidly, and Two will probably get built now.

The diversity of tenants is amazing with finance, law, media, fashion, technology and many others. There is no longer Downtown. It's Manhattan.

How critical is it for CBRE to build a diverse and inclusive workforce?

It is critical to have that diversity when we go to pitch a client and it is very important to CBRE as a company. It's very important for any company that wants to make an impact in this world to have diversity in a substantial way and complete equality in terms of compensation. I think CBRE does that effectively. CBRE is gender-neutral in terms of who does what work.

You have a long history of being engaged in philanthropy and support many causes. What makes this so important to you?

I think it goes back to my mom and dad. My mom was a school crossing guard, and my father was a commercial painter and, before that, did a variety of labor-related jobs. They didn't make much money on a combined basis and we lived in a five-story walk-up in the Bronx. They were constantly sharing what little they had with others. My mother watched a mentally challenged young man three or four days a week and treated him like he was another son. If they had two bucks, they were glad to give one of them away to try to help somebody in need. My wife says that I have no ability to say no. I remember a dinner I was being honored at for a charity I was very involved in. Every year I would say that this is the last one, but that would have been a lie because, quite frankly, any time that I can put someone in a seat and the money that is paid goes to a good cause, I'm going to do it. The day I can't fill that room is when I'll stop.

I just took over the chairmanship of an organization called Gift of Life, the organization that found my wife's bone marrow donor. She's a recovering leukemia patient and received a transplant in 2013. We became immediately involved in the organization which was motivated by my wife. Gift of Life's goal is to cure blood cancer through an international public bone marrow and stem cell registry, facilitating transplants for children and adults suffering from many life-threatening diseases like leukemia and lymphoma.

What makes the real estate industry so special for you?

I've been in the business since I was 17 years old. I haven't been in any other business. I graduated school young, and I happened to get a job in the mail room of a residential real estate company. That led to an opportunity at Cushman & Wakefield. It has been an amazing career. I have been fortunate to be in the right place at the right time with the right people. ●

■

It is critical to have that diversity when we go to pitch a client and it is very important to CBRE as a company. It's very important for any company that wants to make an impact in this world to have diversity in a substantial way and complete equality in terms of compensation.

I think CBRE does that effectively.

■