



Frederick Peters

EDITORS' NOTE Frederick Peters is a graduate of Yale College with a Masters and extensive predoctoral work in music. He entered the real estate business as a residential agent in 1980. After working as a manager at Albert B. Ashforth for a number of years, he acquired and renamed the 95-year old firm in 1991. During the past 22 years, Peters has expanded the company from 60 to 130 agents and from one to three locations. His dedication to the industry is further expressed through his involvement on the Real Estate Board of New York's (REBNY) board of directors – Residential Division; as a member of REBNY's Board of Governors; and as the Vice President for Residential Brokerage on REBNY's Executive Committee. In January of 2010, Peters received the prestigious Kenneth R. Gerrety Humanitarian Award, which recognizes meritorious service to the community by a REBNY member. He was also a recipient of REBNY's 1996 Henry Forster Award.

COMPANY BRIEF Warburg Realty (www.warburgrealty.com) is one of the oldest and most respected luxury residential brokerage firms in Manhattan, having provided luxury real estate services since 1896. Warburg has distinguished itself in the vanguard of tech-savvy real estate companies with over 8,000,000 hits per month to their Web site and more than 90,000 hits to the Warburg Blog alone. As one of the city's few remaining privately owned firms, with minimal bureaucracy, clients have access to all of the expertise represented by Warburg Realty's management team. Each of Warburg Realty's three offices is overseen by a Sales Director who provides support to the agents and helps them manage every step of each transaction. All Sales Directors have been in the business 20 years or more and offer a breadth of experience in new development as well as re-sales throughout Manhattan, northwestern Brooklyn, and Long Island City.

Selling Advice and Expertise

An Interview with Frederick Peters, President, Warburg Realty

Warburg is known as a luxury player. Is your niche only the top tier or is it broader?

I hope it's broader. I would like to think that we would be known for how we provide service rather than the particular level of property at which we're providing that service. I want the studio buyer and the \$50-million property buyer both to feel as if they're getting attentive, knowledgeable service with an emphasis on transparency and integrity. I'm more focused on believing that the luxury element of our product is in the expertise and service we provide rather than the price of the property.

Is it possible to differentiate in this space and how do you get your message out?

It's not easy to reach the consumer with profiles about what distinguishes one firm from another. In the end, we're mostly dealing with consumer experience. So even though we do a lot of marketing, I'm dependent on my agents and myself to act as ambassadors for the values we embody.

However, by making the decision to keep the firm relatively small, I have made sure that I feel comfortable with every ambassador who is out there. You can do that with 150 people in a way that you can't with 1,500 people.

What does it take to become a successful agent today?

The successful agents never treat the job as part time. This job was always one for which, in theory, you make your own hours – in practice, that means you are on call all the time.

Agents were once gatekeepers of information – we had the listings. Buyers came to us for that reason. Now information is the most available commodity on earth – anybody with a computer has database access.

Today, what we're selling is the equivalent of what an investment advisor is selling – advice and expertise. What that has meant is that a successful agent has to acquire a much broader base of knowledge than he did when people called us up because we had the listings and they didn't.

Today, you need someone who is sophisticated with both technology and economics, and who knows the role that a property purchase is going to play in the overall portfolio of the purchaser or seller; you also need to be sophisticated with co-op sales about the strategy you use to make sure your client gets into the building. There are a series of specialized economic and strategic orientations that are required today to be successful as a real estate agent in New York City.

I look for people who are highly educated, who have very good people skills, who can close – since this is a sales job – and who have a solid knowledge base and can contextualize the purchase for the client.

How do you offer the technology clients demand while making sure your people don't lose the human contact?

Part of that challenge is generational. As you deal with younger agents, they're likely to be texting; in some ways I'm training them and in some ways they're training me, because the world is evolving. I still believe you have to negotiate voice-to-voice because there is so much nuance conveyed through a voice that you can't pick up from a screen.

Our goal is to use the technology for what it is good at: marketing and giving prospective clients a good sense of a property online. I write a weekly blog about real estate in both its smaller and larger contexts, and technology and social media have been enormously helpful in building the blog's circulation to the million-plus numbers it has reached today. So it is great for some things. However, we also make sure that Warburg agents understand that this is still a person-to-person business.

Is there a broad understanding in New York of the real estate industry's impact on the city?

The Occupy Wall Street protestors outside the annual REBNY banquet would lead you to suspect that there is an understanding of what a large role real estate plays in the economy of the city.

Our industry is the heartbeat of New York. The real estate industry is probably just as significant as the financial industry in its support for candidates, and the big developers and real estate owners are funding the tax base of the city. The industry is just less visible. It's the most significant industry in the city philanthropically as well.

Are there opportunities elsewhere or is New York City it for you?

There are opportunities, but I like to sell what I know. People fail because they get into businesses they don't really understand. I don't have a corporate parent that is driving me to maintain the stock price so I can decide whether or not something makes sense for me. My plan is to continue to expand in the markets where I feel strongly that we know what we're doing. ●